Impacts of Demographic and Economic Change in Oregon’s Coastal Communities.

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Impacts of Demographic and Economic Change in Oregon’s Coastal Communities.

Case studies of Newport, Reedsport, and Gold Beach.

by

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To my Parents
In recognition of all your love, support, and guidance throughout my personal life and professional career. I recognize and deeply appreciate all the sacrifices you have made for me.

To my wife
Rocio, you deserve my greatest recognition for your personal sacrifice of being with me during my graduate studies. Without your love and support, I would not have gotten as far as I am now. I love you!

to my daughter Gabriela
Who is the greatest inspiration in my life. Let us now share even more moments together.

to my brothers and sisters
All the memories of our childhood have helped me to go through difficult times away from home. I love you all and wherever we are, I know we will continue to be a family. Adriana and Araceli, you deserve my greatest appreciation because you went through the most difficult times.

To God
For giving me, and all the persons above, the wonderful gift of life.
ABSTRACT

Coastal communities in Oregon have experienced dramatic economic and demographic change during the 1980s. Although the timber and fishing sectors are still important, the economies of coastal communities now rely more on non-earned income and tourism. Non-earned income sources, such as transfer payments and investment earnings, account for over forty percent of total personal income in coastal communities. This increase in non-earned income is mainly due to the increasing elderly population, which is perhaps the most notable demographic change in coastal communities. The immigration of retirees accounts for a high percentage of the increase in the elderly population. On the other hand, tourism is important not only for its direct impact, but also for secondary and induced impacts in the economy. Encouragement of this sector is now an economic development priority in coastal communities. Growth of the tourism industry is expected to offset, in part, economic decline of the timber and the fishing industry.

This study investigates the impacts of economic and demographic change on natural resource based industry. Analysis of economic and demographic characteristics of three coastal communities shows that economic and demographic changes differ in each community. These differences, together with differences in community characteristics, make the potential impacts arising from economic and demographic change unique in each community. Findings suggest that generalization of potential impacts among communities is not always adequate. Investigating these impacts community by community is a better approach and will provide more reliable information needed for local policy making.

This study hypothesized that the natural resource based industry is affected by economic and demographic changes through local government policy. Examples from three coastal communities, Newport, Reedsport and Gold Beach, illustrate how economic and demographic changes are influencing local policy. However, only examples from
Newport provided clear evidence of impacts on natural resource based industry. Therefore, current evidence is not yet conclusive for rejecting or failing to reject this hypothesis. The findings show, however, that there is a need to study these impacts more extensively. This study proposes a methodology which may be instructive for further research.
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I. INTRODUCTION

Over the last decade, Oregon’s coastal communities have experienced dramatic demographic changes. These changes have continued through the 1990s and they are likely to follow the same pattern for the next few years. Total population, between 1980 and 1990, increased 30% in Brookings and 17% in Florence and declined 4% in Reedsport (see table I-1). Population between 1992 and 2030 is expected to grow 43% in Lincoln County and 43% in Curry County (ODOT, 1993). While the young sector of the population has decreased mainly due to out-migration, the elderly sector is growing mainly due to immigration of retirees. The elderly sector, which includes persons age 65 and over, grew three times faster than the total population during the 1980s (Seidel and Conway, 1994). Immigration accounts for 30% of this growth. Nearly 75% of all new residents in Oregon in the 1980s were elderly, of which 29% live along the Oregon coast (Summers, 1993).

Table I-1. Population Change of Selected Oregon Coastal Communities.

<table>
<thead>
<tr>
<th>City</th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon</td>
<td>2633149</td>
<td>2842321</td>
<td>7.94</td>
</tr>
<tr>
<td>Astoria</td>
<td>9998</td>
<td>10069</td>
<td>0.71</td>
</tr>
<tr>
<td>Warrenton</td>
<td>2493</td>
<td>2681</td>
<td>7.54</td>
</tr>
<tr>
<td>Seaside</td>
<td>5193</td>
<td>5359</td>
<td>3.20</td>
</tr>
<tr>
<td>Tillamook</td>
<td>3981</td>
<td>4001</td>
<td>0.50</td>
</tr>
<tr>
<td>Lincoln City</td>
<td>5469</td>
<td>5892</td>
<td>7.73</td>
</tr>
<tr>
<td>Newport</td>
<td>7519</td>
<td>8437</td>
<td>12.21</td>
</tr>
<tr>
<td>Florence</td>
<td>4411</td>
<td>5162</td>
<td>17.03</td>
</tr>
<tr>
<td>Reedsport</td>
<td>4894</td>
<td>4796</td>
<td>-3.77</td>
</tr>
<tr>
<td>Coos Bay</td>
<td>14424</td>
<td>15076</td>
<td>4.52</td>
</tr>
<tr>
<td>Gold Beach</td>
<td>1515</td>
<td>1546</td>
<td>2.05</td>
</tr>
<tr>
<td>Brookings</td>
<td>3384</td>
<td>4400</td>
<td>30.02</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo (1992)
% Change is ((1990 - 1980)/1980) x 100
Communities are in geographic order from north to south.

---

1Elderly population is defined in this study to comprise all persons 65 years of age and over. Retirees are not necessarily included in this category. For example, young retirees may be younger than 65 years of age.
Retirees seem to find in coastal communities a magnificent place to live, with a beautiful natural environment, quiet neighborhoods, low crime rates, and living costs compatible with retirement income.

Demographic change relates to the economic change that coastal communities are undergoing. Employment losses in the timber and fishery industries are being replaced by opportunities in the tourism and services industries. Although forestry, fisheries, and agriculture still provide a large portion of coastal communities' income, tourism, transfer payments, and investment have become an important and increasing source of buying power in Oregon's coastal communities (Davis and Radtke, 1993). Retirement income, which represents 76% of transfer payments' income, is helping to offset the decline in the timber and fishing industry.

The impacts of these demographic and economic changes on coastal communities are just beginning to be investigated. Research during the last few years has focused on these changes at the county level (Radtke and Davis, 1988, 1990; Cartwright et. al., 1990; ODOT, 1993; Davis and Radtke, 1993). Current research is focusing on the impacts of economic and demographic change at the community level. Summers (1993) investigated characteristics and impacts of retirees in the coastal communities of Florence and Bandon. Lindberg and co-authors (1994) are investigating resident attitudes, concerns, and priorities regarding tourism and economic development in eight coastal communities.

These studies show that economic and demographic changes are bringing new challenges for local governments in terms of managing growth, encouraging economic development, and using and conserving natural resources. The elderly have different needs than the younger sector of the population. Specialized health services and handicap accesses are in greater demand than swimming pools and other recreational facilities for youths. The increased demands of housing by the population and limited lands for residential development
are causing a rise in housing prices. Low income families are not able to afford decent housing.

Also, conflicts arise when local officials have different beliefs and attitudes than long time or new residents (Sofranko and Fliegel, 1980). Newcomers assuming positions in local government may bring new and different ideas to the community, which may conflict with traditional development policies (Ayres and Potter, 1989). However, the study of Lindberg and co-authors (1994) suggests that we cannot always generalize and expect these findings to be true in all communities. Hence, there is a need to investigate this and other impacts at the community level.

Economic change also influences local policy. With the decline of the timber industry, tourism has become an economic development priority in many coastal communities. As a result, sites that were targeted for industrial development are now being conserved as natural environments with the objective of enhancing tourism. The importance of tourism seems to be one factor that influenced the approval of a tourist development on coastal foredunes subject to potential risk of inundation. Furthermore, although concerns about the quantity and quality of water supply and sewer system facilities have been raised, they have not been considered a factor for not approving tourist developments. However, these concerns have delayed the approval of tourist developments projects for as long as one year. Economic decline of other sectors, such as the fishery sector, recently caused the rezoning of portions of the Port of Umpqua. In this case, non-water dependent uses are now allowed in a zone previously zoned for water dependent uses.

Economic and demographic changes vary by community. Therefore, communities need to be investigated case by case. This is especially true when we refer to impacts on local policy. This research contributes to the investigation of possible impacts of demographic and economic change in Oregon’s coastal communities by presenting examples of these impacts.
This study represents a first step in investigating the impacts of demographic and economic change integrally and in specific communities.

Our principal objective is to investigate impacts that local policy resulting from demographic and economic changes, may have on natural resource based industry. We focus on timber, fishing, and tourism, which have traditionally been the most important natural resource based industries in Oregon's coastal communities.

This report begins by presenting, in chapter II, two hypotheses which guide our investigation. These hypotheses have their roots in previous research on economic and demographic changes. This chapter presents a review of that research. The justification of the hypotheses is presented in chapters III through V. Three communities were selected as case studies: Newport, Reedsport, and Gold Beach. We chose these communities to reflect geographic (see fig I-1), demographic, and economic diversity.

Hypothesis' justification begins with chapter III, which describes and analyzes economic characteristics. Chapter III includes a description of general economic trends over time and changes in the communities' economic structure. The chapter ends with a general view of possible impacts on local policy and compares them among the three communities. Chapter IV presents a similar analysis but focusing on demographic characteristics. The demographic analysis includes a section that hypothesizes the different ways demographic change may influence local policy. The analysis also includes a comparison of demographic impacts among the communities under study.

The comparative analysis of economic and demographic impacts among the three communities makes our research even more relevant since it allows us to identify a wider range of consequences and responses to demographic and economic changes. It is our hope that this comparative analysis will be valuable for other communities similar to those in this
study. Furthermore, the methods and results of this research can be extrapolated to other communities.

Figure I-1. Geographic Location of Newport, Reedsport and Gold Beach.
Courtesy of Dr. A. Jon Kimerling

Chapter V presents the statutory basis for land use planning in Oregon. The objective of this chapter is to provide a general view of the decision making process at the state and local level. This presentation was necessary to clarify the impacts of demographic and
economic changes on local policy. Readers that do not know the land use planning system used in Oregon will be especially benefited by this presentation. The inclusion of examples makes clear how demographic and economic changes are likely to affect local policy.

After having analyzed economic and demographic changes and their possible impacts on local policy, a major objective of this research consisted in finding real examples of these impacts in the communities under study. The search focused on impacts in the natural resource based industry. Chapter VI, case studies, presents real community examples that justify our hypotheses. Unfortunately, it was not possible to test for impacts on the natural resource based industry. Testing the hypotheses using these examples was not possible because of constraints on time and financial resources, which were not readily available. Nevertheless, these examples clearly establish the need for further research in this important area.

The research is not complete at this stage. Therefore, future studies can be aided by the methodology proposed in chapter VII. This report ends with the traditional, but not less important, discussion and conclusion.
II. HYPOTHESES

A. Introduction

Previous research suggests different ways in which demographic and economic change may affect rural communities. Demographic change affects the demand for housing, public services, and public utilities. Economic decline may force local officials to pursue the retention of old and attraction of new business, which creates a change in the demand for industrial land as well as for services needed for expanded and new industries.

Other impacts are, however, less evident. They relate to more subjective factors such as people's beliefs and attitudes towards growth and economic development. It has been argued that although the majority of community residents do not oppose economic development, there is strong support for more conservation-oriented policies.

In this chapter we make a literature review of studies suggesting different ways in which economic and demographic change affect local communities. Many examples are provided of studies showing impacts in communities in the entire United States as well as in Oregon. These studies serve as the basis for proposing two hypotheses, which are presented at the end of the chapter.

B. Literature Review

An increase in population raises concern about the availability of meeting current and future demands for housing units. Housing needs depend on population growth, household formation, vacancy rates of existing housing, and quality of the existing housing stock (Meeks, 1989). Several concerns about where people will live and the amount of land required to cope with housing demands raise important questions regarding land use planning policies (Davis, 1992; in Davis and Radtke, 1993). Land use policies as well as building codes may
affect the availability and affordability of housing. Local policy determines where units are built, their type, and indirectly, who lives in them (Meeks, 1989). Local policy also affects price of housing by determining density and lot size.

Demand for specific housing types in rural areas may impose additional problems for local governments. Ninety percent of housing units in rural areas are single family units and home ownership rates are high as 80% (Young and Devaney, 1983 in Meeks, 1989). Evidence from Oregon’s communities supports this statement for the senior sector of the population. In a survey of seniors' needs in southern Oregon, Cartwright et al. (1990) found that 68% of the population 55 years of age and over live in a single-family home and that 70% of the same sector expects to live in this type of home by 1995. These figures are similar for the state as a whole where over 75% of the elderly population own their home (Seidel and Conway, 1994). It has been argued that this preference for single family units is likely to affect strategies to cope with housing demands in rural areas (Meeks, 1989).

One important factor affecting Oregon coastal communities is the higher demand for low-price housing. Several communities show an increase in the percentage of their population with incomes below the poverty level. Making the situation even worse is the limited residential land for new developments. The rugged coastal range geomorphology provides few areas suitable for development. The increased demand for housing and limited developable land available are likely to increase the price of current and future housing units. Furthermore, Meeks (1989) suggests that people with low income cannot always afford housing even if housing is available.

The provision of housing is clearly a function of local government. Oregon’s statewide planning goal 10 mandates that “[local] plans shall encourage the availability of adequate number of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon’s households and allow for flexibility of housing location,
type and density." Responding to this mandate, Reedsport's city officials are currently preparing a "Housing Study" to develop strategies to meet housing demands.

Increases in population not only raises the demand for housing, but also increases the demand of services that serve the new housing units. Examples of these services are water supply and sewer system. Population change also brings changes in the demand for other public services including transportation, schools, hospitals, recreation facilities, and libraries. However, demands for these services are not the same for all sectors of the population. Different sectors of the population demand different services and in different quantities and qualities.

The elderly population in Oregon has grown so much that communities are facing new challenges for the provision of services to this group. Elderly citizens, for example, categorize libraries, fishing and boating facilities, adult education facilities, handicap access, and campgrounds as very important (Cartwright et al. 1990). Younger people may have other services preferences. They are likely to prefer, for example: swimming pools and sporting facilities like tennis courts, golf courses, and indoor fitness centers. The impacts resulting from both demand for services for the elderly and for younger people arise when the community lacks these services or provides them in inadequate quantity or quality. Local governments will have to decide, subject to budgetary resources, which services should be created or improved.

Perhaps the most important difference between the elderly and younger sectors of the population is their demand for health care facilities. Although elderly citizens demand less water and sewer services, they usually demand more frequent and more specialized health services than young and middle age persons (Cook, 1990). Cook's suggestion is reflected in the increased number of doctors and employment in personal services in rural areas experiencing high rates of retirees' immigration.
The high rate of retirees' immigration does not necessarily mean that communities will have to expand or improve their health care facilities. It has been argued that there are differences about the health care needs of long-time elderly residents and elderly newcomers. Cartwright et al. (1990) reports that the elderly of Oregon’s Curry County, who are mainly immigrants, perceive their health more positively and use fewer health services than the predominant long time elderly residents in neighboring Coos County. Lassey et al. (1985) suggest that newcomers' retirees do not see unavailability of specialized services as a determinant factor for moving to rural communities. They usually know well in advance about what type of health services they will find in the community. In case where they do not find services in the community, they can easily go to urban areas to obtain services they need (Lassey et al. 1985).

This is in part because the urban elderly seem to be financially better off than the rural elderly (Glasgow and Beale, 1985 in Cook, 1990). Findings by the seniors needs survey of southern Oregon (Cartwright et al., 1990) support this argument. Curry County elderly (mainly immigrants) have higher incomes and have slightly more formal education than their counterparts from Coos county (mainly long-term residents). This tends to suggest that elderly urban newcomers do not create new health demands, at least not as much as one would expect. However, this argument may not always be true, specifically in rural communities in which regular and specialized services are less accessible and of lower quality (Lassey and Lassey, 1984 in Lassey et al., 1985). In addition, we must consider that elderly newcomers are sometimes low income retirees who do not have the resources to go to urban areas to find specialized health services. This becomes important in our study since some of Oregon’s coastal communities are experiencing immigration of low income retirees. It is clear then that the impacts in terms of health care provision will depend on the current infrastructure as well as on the characteristics of the elderly population, both of which have to be evaluated at the community level.
Because the high percentage of elderly in Oregon's coastal communities, provision of adequate health and other services that meet current and future demands is likely to have policy implications. Assessment of elderly needs will play an important role in local policy. However, policy implications may be different among communities as suggested by the differences between Curry and Coos counties elderly population. Again, this raises the need for conducting research at the community level.

The elderly may also play an important role in the decision making process. Even though it is generally argued that the elderly do not participate actively in the decision making process, they have the right to be selected to local government positions. For example, Summers (1993) reports that in Florence one council member is a retiree, and there are two seniors on city committees. A member of the Gold Beach city council is also elderly. It is possible that participation of the elderly in the local decision making process would increase as elderly urban newcomers, who are better educated and accustomed to participate in local policy-making, run for positions on the city council, planning commission, or advisory committees. In Florence for example, a retired FAA administrator is serving on the Airport Commission and a planner from California is serving on the planning commission (Summers, 1993).

Summers (1993) suggests that although the elderly are concerned with community development and are supportive of schools and facilities for youth, they may oppose actions that affect them directly. They opposed for example the creation of a bike path through a gated residential development. For security reasons, elderly residents were not willing to allow public access.

The transition that coastal communities are undergoing may also influence the way local officials approach the evaluation of community needs, including all sectors of the population. Wade (1989) suggests that because felt needs fail to address basic social change,

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2 Need is defined as the difference between "what is" and "what people want" (Wade, 1989). According to Wade, "felt needs" identify perceptions of past problems as manifested in the present.
they are not necessarily realistic or appropriate projections of future needs. Instead, Wade proposes the use of "anticipatory needs," which focuses on the clear assessment of where the community wants to go. The specification of needs under this approach is based on people's definition of where they want to be rather than what is wrong with where they have been (Wade, 1989). This differs from the felt needs approach which results, according to Wade (1989) "in an effort to have a future that is like the past, minus the problems."

Another factor frequently overlooked is the ethnic background of the residents (Borich et al. 1989). According to Salamon (1989, in Borich et al. 1989) when there is a predominant ethnic background in a community, ethnicity may influence how the community develops and how it responds to change. In particular, Salamon (1989) suggests that ethnic heritage affects the way rural communities respond to economic and demographic changes. How ethnicity may influence coastal communities in Oregon has not been studied. Newport for example has a growing Hispanic sector whose possible influence in local policy is worthy of investigation. Hispanics make up 4% of the Oregon's total population and 1% of the state elderly population (Seidel and Conway, 1994).

Economic transition from dependency on forestry and fishing industries to non-extraction resource industries, like tourism and non-earned income, may also have direct impacts on local policy. Encouragement of the tourist sector is receiving support from both local officials and the majority of citizens. Local communities are also trying to retain and attract new industries. For example, attraction of light industry, such as software manufacturing companies, has been identified as one community's priority (Nolan Young personal communication).

The capability and quality of services are frequently a concern when communities want to expand tourism and other industries. These industries need services like water and

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3Nolan Young is the city manager of the city of Reedsport.
sewage systems, transportation routes, communications systems, energy supply, etc. Because of the small size of most coastal communities, these services are not always adequate to serve future development, particularly industrial. In most small communities, these services need improvements. Industrial parks need to be created to accommodate new industries. In conjunction, water supplies and sewer systems need to be expanded to serve the industrial parks.

Local governments are being challenged to provide these services in the quantity and quality accorded to future diversification of the economy. As pointed out by Nelson (1994), the ability to finance needed services and facilities are becoming more difficult. Revenues of coastal communities in Oregon are decreasing because of the provisions of ballot measure 5. Federal and state financial aid is now the most likely financial source for expansion of public services. For example, counties severely affected by the decline in the timber industry will receive economic help, grants, and loans, through the President’s Northwest Economic Initiative. Nelson (1994) argues that while some communities may finance services and facilities by charging development fees, other communities may deny development permits because of the lack of sufficient services and facilities.

Development itself causes not only positive but also negative impacts on the community. The increase in tourism activities and services has caused residents to be concerned about traffic, crime, congestion and parking (Lindberg et al., 1994). The authors found that although residents see tourism as a way to diversify the economy, a high percentage of residents believed that local policy should control those negative impacts of tourism. Because land use regulations are one tool to control these impacts (Lindberg et al., 1994), there is likely to be an impact on local policy.

As pointed out earlier, non-earned income sources have become important generators of income in coastal communities. A high percentage of the contribution by these sectors is attributed to social security payments received by retirees. Therefore, the availability of
adequate health services and other services for elderly may play a role in retention and attraction of new elderly retirees. Local policy should recognize that preventing leakage of expenditures from the community is an important goal in communities where retirees make up a high percentage of the population (Hirschl and McReynolds, 1987). However, the capability of Oregon’s coastal communities to resolve problems and demands of the increased number of elderly may be limited by budgetary cuts resulting from ballot measure 5. For example, several counties reported reductions in senior citizens' programs, recreation services, and park services because of a decrease in revenue (Weber et. al., 1992).

Several studies have also recognized other factors that affect communities in an less evident way. In most cases, they are related to more subjective factors, such as people’s beliefs and attitudes regarding demographic and economic changes. Although these attitudes are subjective, they can be measured according to Ayres and Potter (1989).

For example, the existence of a “conservationist ideology” among the general public (Brown and Harris, 1992; in Smith and Steel, 1994) has been recognized. This could have consequences on local policy if economic strategies calling for increase development are challenged by local citizens with conservationist attitudes.

In a national and regional survey (Steel and Brunson, 1993; in Smith and Steel, 1994), respondents showed great support for conservation and protection of natural environments. Eighty-nine percent of national respondents and eighty-six percent of Oregon’s respondents show support for statements like “humans have an ethical obligation to protect plant and animal species” and “wildlife, plants and humans have equal rights to live and develop on the earth.” These results show that people in U.S. and Oregon are likely to be supportive of policies for the protection of nature (Smith and Steel, 1994).

These findings are supported by results of an attitude survey concerning forestry issues (Steel, List and Shindler, 1991; in Smith and Steel, 1994). In this survey, nearly fifty percent
of the national and Oregon respondents believe that environmental and economic factors should be given equal priority in forest management issues. However, the survey shows more evidence of a "conservationist ideology". The survey shows that 42% of national residents and 37% of Oregon's residents think that protection of the environment is a higher priority even if there are negative economic consequences. These results, according to Smith and Steel (1994), tend to support the argument that there will be stronger support for conservationist policies by urban residents than by rural residents. This may have important implications for local governments since a high number of immigrants establishing in rural communities are from urban areas. If urban newcomers carry their conservationist attitudes into the decision making process, conflicts may arise when rural residents also express their less conservationist attitudes.

Other demographic differences may also affect people's attitudes. Attitudes of long-time residents and newcomers may differ from that of local officials (Ayres and Potter, 1989). As pointed out by these authors, several factors contribute to these differences. Socioeconomic differences seem to be one important factor. For example, several studies reported in Ayres and Potter (1989) have found "leaders" to be predominantly male, better educated, more affluent, and generally older compared with other residents.

Ayres and Potter (1989) investigated the influence of several factors affecting attitudes of leaders and residents. They found a significant socioeconomic division between leaders and residents. For example, they found that 28% of residents had incomes less than $10,000 per year whereas 31% of leaders had incomes over $50,000 per year. While 19% of residents were professionals, 57% of leaders hold a professional degree. Ayres and Potter (1989) argue that differences in attitudes regarding community change are an important factor in determining the direction of local policy as well as the support or resistance for given policies.

Also, attitudes of long-time residents may differ from those of newcomers. While new residents want the community to maintain its rural character, long time residents show more
support for economic development initiatives. Results from different surveys reported by Smith and Steel (1994) support this argument. They report that support for environmental protection is stronger by urban residents than by rural residents. However, other studies show just the opposite; newcomers supporting economic development whereas long-term residents wanting no change (Ayres and Potter, 1989 in Davis and Radtke, 1993). Furthermore, recent research on Oregon coastal communities (Lindberg et al., 1994) found that newcomers have about the same attitudes towards community growth than long-term residents. The Oregon Values and Beliefs Study (Oregon Business Council, 1992) indicates that “to the extend that there are differences in values and beliefs between newcomers and longer term residents, such differences may well result from differences in age or income more than length of residence in Oregon”.

Sofranko and Fliegel (1980) also found differences between urban newcomers and rural newcomers. Rural newcomers show more support for improvement of services than urban newcomers and long-time residents. Furthermore, rural newcomers show greater support for growth and industrial development alternatives than urban newcomers. Sofranko and Fliegel (1989) suggest that a possible impact on local policy is by rural newcomers demanding more and better services whereas urban newcomers and residents taking a more conservative attitude to change. In their study, Sofranko and Fliegel (1980) found little evidence to the assumption that newcomers will introduce a more conservationist ideology into rural areas.

Socioeconomic and demographic differences not only affect attitudes but also the willingness to be involved in the decision making process. Studies show that this is particularly true for the older sector of the population; that is, elderly residents and elderly newcomers. Smith and Steel (1994) suggest that wealth, income, and education correlate with higher environmental values and being active in the environmental movement. They also suggest that “better educated and well off [people] participate more in activities and
organizations that influence governmental policy." These findings raise the question about the role of retirees on local communities. According to Barsby and Cox (1976, in Cook 1990) elderly migrants tend to be better educated than non-migrants. This argument is supported by the findings of Krout (1988) who suggests that elderly in urban areas participate more actively in community organizations than elderly in rural communities. If rural communities receive greater numbers of retiree immigrants from urban areas, as in Oregon's coastal communities, it is likely that they would continue participating in community organizations and thus play a role in local policy decisions.

Smith and Steel (1994) also found differences among age-sectors of the population. When asked about the statement "plants and animals exists primarily for humans use", 80% of people between 18-29 years of age disagree with the statement. Only 37% of the people age 61 years and over disagree with that statement and 41% were in agreement. This indicates that the younger sector of the population is more environmentally concerned than older people (Smith and Steel, 1994).

Economic decline in coastal communities may influence attitudes of given sectors of the population as well. In particular, the attitudes of people who have depended on traditionally strong industries which are now in decline. For example, timber workers who have worked in that sector for years may oppose a decrease in timber cutting just to enhance the scenic view. They may not see employment in the tourist sector as a good alternative. Lindberg et al. (1994) indeed found that very few displaced timber workers are working in tourist related jobs.

Several examples show us how citizens have played an important role in local policy making in Oregon. In a survey from eight Oregon coastal communities by Lindberg and co-authors (1994), most residents perceived tourism as an important sector in the economy and felt tourism benefits outweigh its costs. According to Lindberg et al. (1994) "these
perceptions have led to resident support for future increases in tourism." In Gold Beach, differences in people’s attitudes about the community’s future, has made it difficult for the residents and local officials to reach a consensus about policies for economic stability and diversification.

It is important to keep in mind, however, that public attitudes do not direct policy. According to Smith and Steel (1994), it is people with power who direct policy. In other words, people’s attitudes will play an important role only if people participate actively on the decision making process.

C. **Hypothesis.**

The discussion presented in the previous section leads us to believe that demographic and economic changes affect local policy. Future needs will have to be met in terms of public services and facilities. Retirees will demand more specialized health services and other services that are not currently available in many small communities. Differences in the population’s attitudes resulting from demographic and socioeconomic factors will play an important role in directing policy, with residents, leaders, and newcomers having different attitudes. There is evidence that the better educated and wealthier people tend to participate more in policy making. Urban newcomers, including retirees, usually fall in this category.

Coastal communities in Oregon seem to present demographic and economic characteristics that facilitate the occurrence of impacts on local policy. This is specially true in Oregon where citizens play an important role in local policy. Citizens have been and will continue to be involved in local organizations, including city council and city planning commissions. Citizens, by participating in governmental bodies, can have a direct impact on local policy affecting community’s growth and economic development. Findings by Steel et al. (1992, in Smith and Steel, 1994) support this argument. They found that over 77% of
respondents in a national and Oregon survey support the statement that “citizen participation is of great value even if it adds to the cost of government.” Furthermore, Oregon’s citizens know that they, without serving as councilors or planning commission members, can still influence policy.

Based on what we have presented in this chapter, we propose the following hypothesis:

**Demographic and Economic changes have an impact on natural resource based industries through the local policy making process.**

Included are two null hypotheses:

1) Ho: Economic and demographic changes do not affect local policy

2) Ho: Local policy resulting from economic and demographic change does not have an impact on natural resource based industries.

Built into these hypotheses is our believe that local government decisions in response to economic and demographic changes have a “feedback” effect on the traditional natural resource based industries. The industries on which we focus our investigation are: timber, fishing, tourism, and agriculture. The effects on these industries we believe are “secondary” effects. In other words, effects that result from decisions made by local governments not intended to have an impact on a particular sector but actually do impact that sector.

By local policy we mean a definitive course of action adopted by local government. Examples of local policy not only include changes to local comprehensive plans but also any other actions that affect the community. In this last category are included different types of plans concerning a particular issue. Strategic plans for economic development, for example, identify goals and actions to promote a healthy economy. These actions may fall into land use decisions such as conservation and enhancement of natural sites for the attraction of tourists.
Other land use policies include zoning ordinances which specify uses to be allowed on different lands (e.g., residential and industrial zones). Given uses may be changed by adopting rezoning ordinances as local government considers necessary. One example of rezoning is that of allowing industrial uses in areas that were previously designated for only water dependent uses. Designation of industrial parks is frequently followed by initiatives for retention and attraction of new business. Tax incentives and provision of adequate services fall within these initiatives.

Transportation plans are also part of local policy. These plans intend to determine the adequacy of the transportation system taking into account expected growth and development of a given area. Other types of plans include housing plans which identify needs and develop strategies to meet housing demands of the changing population. In general, all development strategies are considered local policy.

Other local actions included the charging of user fees for public utilities. Cities have authority to distribute public services, such as water, among different sectors (e.g., residential, industrial, and recreational). Cities also implement promotion and advertising strategies to attract more tourists to the communities.

All these types of local actions or policy are of particular interest to us because they provide evidence about the impacts of demographic and economic change, if any, in coastal communities. The purpose of this investigation is to document relationships between demographic change, economic change, and local policy, and subsequently policy impacts on natural resource based industry.

Given financial resources and time available, it was not the intent of this study to fully test the hypotheses proposed on page 19. However, it was possible to find anecdotal evidence and previous research sufficient to justify additional research and a more comprehensive test of the hypotheses in the future.
III. ECONOMIC ANALYSIS

A. Introduction.

This chapter, after presenting a brief description of the Oregon coastal economy, presents an economic analysis of the three communities under study: Newport, Reedsport and Gold Beach. Each community’s economy is described in separate sections. Each section describes the community’s economy by describing general economic trends over time and by describing changes in the community’s industrial structure. The discussion focuses on the basic or “export” sector of counties’ economies, as presented in Davis and Radtke (1993). Section E presents an analysis of the relationships between local policies and local economy in the three these coastal communities. This section includes all three communities to avoid repetition of the relationships that are likely to occur in all communities. At the same time this helps to present a comparison and highlight differences among the three communities.

The principal sources of information are the reports by Radtke and Davis (1988) and Davis and Radtke (1993). County level information provided by these studies is complemented with information specific to those communities under study, which is provided by several other sources that will be appropriately cited. Our objective is to present a more precise picture of the economy in the communities under study, by integrating county and city information.

B. The Coastal Economy: an overview

The economy of coastal counties in Oregon has traditionally depended upon a few basic or “exporting” industries. They have mostly been natural resource based industries, such as timber, fishing, and agriculture. These industries are termed basic or “exporting” industries because they include firms and individuals with markets outside the area (Hirschl
and McReynolds, 1989). Basic industries are important in every economy because they generate economic activity that expands and supports other industries, which are termed "non-basic" in the economy.

The reliance on and importance of these basic industries (timber, fishing, and agriculture) has been declining and continuous to decline in most coastal communities in Oregon. Tourism and non-earned income sources (transfer payments and investment) have emerged as important income sources. The size of transfer payments, for example, has made this sector sufficiently important to be considered as another basic sector. This economic transition has been described by several studies (Radtke and Davis, 1988; 1990; Oregon Employment Division, 1992; ODOT, 1993; Davis and Radtke, 1993).

These studies recognize the decline in the timber, fishery, and agriculture industry, but also point out that these sectors, particularly timber and fishing, still are very important economic activities in some coastal counties. On the other hand, tourism is now considered an important natural resource based industry.

Furthermore, non-resource extraction sources, such as non-earned income, have also been recognized as an important source of personal income. At the county level, the percentage provided by these sources to the 1991 total personal income was greater than that of any of the natural resource based industries (timber, fishing, tourism and agriculture). Non-earned income4 sources consist of two categories, one called transfer payments, which consists mainly (76%) of social security payments, but also includes unemployment insurance and public assistance. And the second is investments consisting of dividends, interest and rents.

4Non earned income sources do not involve exporting good or services from the community. However, in most cases they involve monetary transactions from outside to the community. They are the result of transactions of good and services some time in the past. Such is the case of social security payments.
One convenient approach to measuring the economic impact of the different industries in the economy is by looking at the contribution of each basic industry to total personal income. Davis and Radtke (1993) used this approach to analyze the basic sectors in Oregon’s coastal communities. They used the following sectors in their analysis: (1) commercial fishing, (2) agriculture, (3) commercial timber, (4) tourism, (5) non-earned income sources, and (6) other export based industries.

Davis and Radtke (1993) determined an economic multiplier for each sector. This multiplier effect incorporates not only direct impacts but also indirect and induced impacts of each sector in the economy. In other words, it measures the total impact on local sales generated by every dollar increase in export sales (Davis and Radtke, 1993). The authors use the multiplier for each sector to determine the contribution of each sector to the total personal income; they perform the analysis for each coastal county in Oregon. The presentation in this chapter is in great part based on this study.

In order of importance and in terms of contribution by natural resource based industries to 1991’s total personal income of coastal Oregon, timber is first with 13%, followed by tourism with 8%. Commercial fishing is next contributing 5% and agriculture at 4%. These figures are significantly less than the contribution by transfer payments (24%) and investment (21%). Percentages for all income sources are illustrated graphically in fig 3.1. This figure also shows an income category called “other earnings”, which includes diverse economic activities not included in the above sectors. Altogether, industries in this category accounted for an average of 25% of total personal income.
Traditional timber dependent counties include Curry and Coos. The timber sector generated 14% of the 1991 total personal income in Curry and 12.9% in Coos. Tourism has grown in almost every county, but its contribution is greater in the central and northern coast. For example, Lincoln County has the greater percentage at 10% followed by Clatsop and Tillamook at 8.5% each. Commercial fishing has its greater contribution in Lincoln County (9%) and Clatsop County (6%), whereas in the rest of the coastal counties its contribution is no greater than 3.4%. Agriculture had its maximum contribution (20%) in Tillamook County, which was considerably greater than in the rest of counties and than the coastal average of 4%.

The percentage of total personal income attributable to transfer payments is very similar in all coastal counties, averaging 24%. This percentage is considerably higher than the corresponding figure for Oregon (16%) and U.S. (16%). Something similar occurs regarding investment (dividends, interest, and rent) sources. Altogether they made up, on average, 21%
of 1991’s total personal income in coastal communities. This compares with 17% for Oregon as a whole and 17% for the U.S. Percentage contribution by “other earnings” sources has an average of 25%, but it generated a percentage income as high as 33% in Coos County.

C. City of Newport

Economic information for Newport was not available at the time of this report. However, information for Lincoln County gives a good approximation of Newport’s economy. Therefore, the following presentation is based on information for Lincoln County.

Lincoln County possesses perhaps the most diverse economy in comparison with other coastal counties. This is also true for Newport in comparison with Reedsport and Gold Beach, the other two communities under study. County traditional resource based industries, such as timber, fishing, and tourism shared 38% in 1987 and 31% in 1991 of the total county personal income. Despite this large contribution by these three sectors, Lincoln County’s main contributors to total personal income are non-earned income sources, transfer payments and investment. Together, they generated 46% of total personal income in both 1987 and 1991. Agriculture has not been traditionally important in the county. The rest is attributed to other industries that are included in the ‘other earnings’ category.

Figures III-2 and III-3 illustrate graphically the contribution by all these sources to the 1987 and 1991 total personal income. These figures show that the contribution percentages by these sectors have been maintained without significant changes between 1987 and 1991. Fishing and ‘other earnings’ are the two exceptions. In 1987, fishing contributed to 16% compared with 9% in 1991. Next we describe each sector as well as their multiplier effect on the local economy.
Figure III-2. Distribution of 1987 Total Personal Income for Lincoln County.  
Source: Radtke and Davis (1988).

Figure III-3. Distribution of 1991 Total Personal Income for Lincoln County.  
Source: Davis and Radtke (1993).
It is important to notice that the use of only two reference years (1987 and 1991) may hide long term trends. This is especially true for sectors such as the timber and the fishing sectors, which have annual variations that are greater than the 10-15 year trends.

1. **Commercial Timber.**

The timber sector is among the most important sectors in Lincoln County because its large direct impact on the local economy. Fortunately, the county’s timber sector has not been affected as much as other cities in Oregon by the general statewide timber decline. This also seems to be true for the city of Newport. The income generated by this sector in the entire Lincoln County increased from $51.2 million in 1987 to $80.1 million in 1991 (see table III-1).

<table>
<thead>
<tr>
<th>Table III-1 1987 and 1991 Total Personal Income for Lincoln County.</th>
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</table>

This increase was caused in part because much of the timber harvested in the county is not processed within the area (Radtke and Davis, 1988). In fact, neither Lincoln County nor Newport is considered a timber-dependent community that will be severely affected by timber...
declines (Oregon's department of Economic Development 1992; in Seidel, 1993). Because Lincoln County dependents less on timber than, for example, Curry and Coos Counties, Lincoln County has lower timber multipliers relative to timber multipliers in Curry and Coos Counties.

The total multiplier effect of the timber sector in Lincoln County economy is represented by the total personal income, as described by Davis and Radtke (1993). For Newport, however, the timber multiplier effect is likely to directly result from direct timber activities such as timber sales and timber employment. Secondary and induced effects are not large because very little of Newport's timber is processed in the area. Newport does not have a timber mill, which would create more secondary impacts because of its labor intensive characteristic. The timber multiplier for the county (as used by Davis and Radtke, 1993) is also likely to be slightly higher than the one we would expect for Newport. Other communities in the county, such as Toledo, do have mills. Nevertheless, because Toledo is only a few miles away, Newport may have more secondary and induced effects resulting from Toledo’s timber industry.

2. Commercial Fishing.

Lincoln County commercial fishing and related businesses generated $60.5 million in 1991 (table III-1). This represents 40% of the $148 million of total personal income that was generated by this sector in the entire coast (Davis and Radtke, 1993). This makes Lincoln County the most important coastal fishing community in Oregon. And although the industry has experienced some decline, it still is an important base sector for the economy. In 1987, for example, the county’s fishing industry generated $80.9 million, or 16.4% of the total personal income for that year. Therefore, this industry experienced a decrease of 25% in dollar value (unadjusted for inflation) between 1987 and 1991. Decline of the availability of
salmon for harvesting, due to natural and political causes, has been one of the causes for this decline.

Commercial fishing is also a very important sector in Newport. In 1985 Newport’s commercial fishing generated the largest volume and value of landings in Oregon (Davis and Radtke, 1993). Commercial fishing in Newport consists not only of harvest of fish and shellfish, but also of fish processing and distribution. This diversification allows the sector to sustain its economic activity even when there are declines in salmon and tuna harvests. The multiplier effect by this industry is also translated into other sectors in the economy. Newport’s ship and boat repair businesses, for example, depend directly on the fishing activities and are included in Newport’s fishing multiplier. Secondary effects also benefit industries like boat building and fish waste treatment plants. Direct and secondary effects also translate into expenditures in other general services, such as gas stations, food and eating establishments.

3. **Tourism.**

Tourism is another significant contributor to the economies of Lincoln County and Newport. Again, the county's tourist sector was the highest ranked in generated income, as compare to other coastal counties. The tourist sector in Lincoln County generated $65.9 million, 28% of all tourism-generated personal income of coastal counties in 1991. In the past years the tourist sector has shown a slight increase in the dollar earnings generated. From 1987 to 1991, tourism generated earnings increased by 11% (unadjusted dollars) from $59.1 million to $65.9 million (see table III-1). However, when adjusting for factors like population growth and inflation, the Lincoln County tourist sector has experienced the lowest real growth rate among all coastal counties. This is, in part, because Newport's tourist infrastructure development preceded other communities.
The percentage share by the tourist sector of the total personal county income decreased from 12% in 1987 to 10% in 1991 (see table III-1 and figures III-2 and III-3). This is not the result of a decrease in generated income by tourism but it is the result of other sectors sharing a greater percentage. Information shows that tourism is and will continue to be an increasingly important sector in Newport’s economy.

New developments, such as the Oregon Coast Aquarium and the future Southshore development, will continue to attract many people from in and out of the state, supporting even more the tourism sector of the economy as well as other non-basic sectors.

4. Agriculture.

The last resource based sector of importance in coastal communities is the agricultural sector. The agricultural sector, however, is not very important in Newport, certainly in comparison with Tillamook County. For example, in 1991 agriculture generated only $4.4 million in earnings in Lincoln County (table III-1) whereas in Tillamook County it generated $64.9 million. Even though the income generated by the Lincoln county agriculture sector increased by 76% (in unadjusted dollars) from 1987 to 1991, this sector accounted for only 0.5% in 1987 and 0.66% in 1991 of the total personal income (see table III-2 and figures III-2 and III-3).

5. Non-earned Income.

It is clear from table III-1 and figures III-2 and III-3, that the most important sources contributing to personal income are non-earned sources. Consisting of transfer payments and investment, non-earned sources contributed 46% to total personal county income in both 1987 and 1991. Transfer payments contributed 22% in 1987 and 24% in 1991. Investment sources contributed 24% in 1987 and 22% in 1991.
Transfer payment income, consisting mainly of social security payments, is high in Lincoln County because of the high number of retirees. This is the result of demographic changes occurring in the community. The elderly population in Newport increased by 31% from 1980 to 1990 (see table IV-1). Elderly citizens represent nearly 17% of the total population of 1990. As mentioned before, retirees are the recipients of social security and medical payments, as well as payments from retirement programs. In addition to social security payments paid to retirees, transfer payments also include payments of unemployment insurance and public assistance programs to unemployed or low income families.

Transfer payments also create a multiplier effect on local communities. In fact, transfer payments can be classified as basic income source in communities with high percentage of retirees (Hirschl and McReynolds, 1989). This could easily be the case in Newport, where elderly citizens represent 17% of the population. The importance of transfer payments in the community is reflected in the 24%\(^5\) share of this source in the 1991 total personal income, twice the percentage shared by timber industry.

The large income generated by transfer payments is the result of the multiplier effects of retirees buying goods and services locally. Smith et al. (1981) suggest that about every $4,425 generated by transfer payments creates one job in the community. Hirschl and Summers (1982) found this amount to be slightly lower, $3,984. Although these dollar amounts are overstated\(^6\), these studies point out that there are important linkages between transfer payments and rural service sector.

Another important source of non-earned income is investment sources, which include dividends, interest and rent. Dividends consist of cash payments resulting from investments in the stock market. Interest consists of the monetary and imputed income of persons from all

\(^5\)24% was the contribution of transfer payments at the county level. This is belief to be a good approximation for Newport.

\(^6\)Both studies report that their respective estimates are overstated, and that they should be used with caution. Both studies are cited in the article by Hirschl and McReynolds (1989).
sources. Finally, rent includes cash payments to owners renting real property (excluding the persons in the real state business) (Davis and Radtke, 1993).

From the two non-earned income sources, Lincoln County transfer payment income has experienced a higher real growth at 28.5% from 1987 to 1991. This growth is much greater than the growth of other income sources. Investment income grew nearly 10% and net earnings (that is the sum of fishing, timber, agriculture, tourism, and other sources) grew 9% during the same period (Davis and Radtke, 1993). If these patterns continue, transfer payments will continue to be the most important source of income to Lincoln County communities, including Newport. Investment would follow transfer payments in income generation.

6. **Other Earnings.**

Finally, we should mention some of the sectors classified as 'other earnings' in the contribution to total personal income. According to Davis and Radtke (1993) the most important single sector in Lincoln county is paper related industries. This sector generated $34.9 million of dollars, representing 5.2% of 1991 total personal income. The next sector in order of importance is special education and military, which generated $4.5 million (more than agriculture), which represents 0.7% of 1991 total personal income. Newport's major contributor in this category is the Oregon State University Hatfield Marine Science Center (HMSC). This research and teaching center provides diversification to Newport's economy, not only with a large number of jobs but also by attracting visitors when conferences are held in this institution. Boat building is next contributing 0.4%, and is followed by marine transportation and cargo which contributed 0.1%. The remaining income generated by the 'other earnings' category is attributed to diverse activities which together generated $100.8 million, 15.3% of total personal income.
D. City of Reedsport

Using county economic information to represent Reedsport’s economy is not as appropriate as in Newport. Although Reedsport is the second largest community in the county, it is much smaller than the county seat, Roseburg. Its geographic location, at the west end of the county and far away from Roseburg and surrounding communities, makes the use of county data even more inappropriate. Fortunately, the reports by Radtke and Davis (1988) and Davis and Radtke (1993) treat the coastal portion of Douglas county as a separate region. Since Reedsport is the largest of the few communities on the coastal portion of the county, information presented on these reports is likely to be representative of the Reedsport’s economy.

The following description of Reedsport’s economy is based on information provided by these reports for what has been called Coastal Douglas. The presentation, however, also refers to information that is specific for Reedsport. Identification of this information is made clear by referring specifically to Reedsport.


The city of Reedsport is considered a traditional timber-dependent community. In 1987 this industry generated $7.7 million (table III-2), which represented about 10% of the total Coastal Douglas personal income of that year. Income generated by this sector increased to $10.4 million (unadjusted for inflation), sharing thus 14% of the Coastal Douglas county total personal income of 1991 (see figures III-4 and III-5).

Despite the increase in earnings generated by the timber sector, employment in this sector has declined. The decline in timber employment began in late 1980s when new cutting and processing timber technology reduced the number of workers traditionally needed for production activities. A more recent reason has been the decline in the allowable timber cut.
These reasons caused either the closure of mills or at least the layoff of workers who had worked in this sector for many years. Nevertheless, the timber industry remains as an important source of income mainly because of the high wage jobs provided by this sector.

### Table III-2. 1987 and 1991 Total Personal Income for Coastal Douglas County.

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<tr>
<td></td>
<td>Million Dollars</td>
<td>Percentage Total Income</td>
<td>Million Dollars</td>
</tr>
<tr>
<td>Total Personal Income</td>
<td>130.3</td>
<td>100</td>
<td>73.3</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>70.3</td>
<td>54</td>
<td>42.5</td>
</tr>
<tr>
<td>Fishing</td>
<td>5.2</td>
<td>6.68</td>
<td>2</td>
</tr>
<tr>
<td>Timber</td>
<td>7.7</td>
<td>9.90</td>
<td>10.4</td>
</tr>
<tr>
<td>Tourism</td>
<td>5</td>
<td>6.43</td>
<td>5.5</td>
</tr>
<tr>
<td>Agriculture</td>
<td>0.8</td>
<td>1.03</td>
<td>0.8</td>
</tr>
<tr>
<td>Other Earnings</td>
<td>23.3</td>
<td>29.95</td>
<td>23.8</td>
</tr>
<tr>
<td>Non-earned income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer Payments</td>
<td>17.9</td>
<td>23.01</td>
<td>18</td>
</tr>
<tr>
<td>Dividends, Interest, Rent</td>
<td>17.9</td>
<td>23.01</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Source: 1987 data from Radtke and Davis (1988)  
1991 data from Davis and Radtke (1993)

The future of the timber industry in Reedsport is uncertain. Reedsport has been classified as a city that will be severely affected by timber declines resulting from federal and state regulations (Oregon’s Economic Development Department, 1992; in Seidel, 1993). Because of this categorization, Reedsport is expected to be among the cities that will receive specific economic help.

Most of the timber in the county is either logged and transported (74% in 1991) or sold for standing harvest (26% in 1991) (Davis and Radtke, 1993). Therefore, the total multiplier effect in Reedsport’s economy is likely to be smaller than one would expect in a timber dependent city with more timber processing activity. In other words, secondary and induced effects are reduced when most of the timber is processed out of the community. Furthermore,
the timber multiplier for Reedsport is most likely to be smaller than that for the entire Coastal Douglas County.

Figure III-4. Distribution of 1987 Total Personal Income for Coastal Douglas County. Source: Radtke and Davis (1988).

Figure III-5. Distribution of 1991 Total Personal Income for Coastal Douglas County. Source: Davis and Radtke (1993).
2. Commercial Fishing.

Income generated by the fishing industry suffered a decline of more than 50 percent between 1987 and 1991. In 1987, commercial fishing generated $5.2 million and shared 5.5% of the total personal income. By 1991 the income generated by this industry decreased to $2.0 million, sharing only 2.7% of the total personal income in Coastal Douglas County. As happened in Newport, lower prices received by fisherman as well as environmental restrictions have been the main reasons for the decline in income generated by the fishing industry in the county and Reedsport. Reedsport, contrary to Newport, has the disadvantage of a more highly specialized fishing industry.

3. Agriculture.

Agriculture has not been an important sector to either the Coastal Douglas County or Reedsport’s economy. Its contribution of $0.8 million to Coastal Douglas County personal income in 1987 remained unchanged (in unadjusted dollars) in 1991. In both years this sector contributed at 1% to total personal income for Coastal Douglas county.

4. Tourism.

The community of Reedsport has turned its attention to the tourism industry as a way to offset the decline of its economy. An indication of this pattern is the increase in the income generated by this sector. In 1987, tourism contributed 6.4% ($5.0 million) to the Coastal Douglas total personal income. For 1991, its contribution increased to 7.5% ($5.5 million), an increase of 10% in dollar amount (see table III-2). It is likely that since 1991, these figures have increased because of the recently inaugurated recreation facilities in the community of Reedsport. The Umpqua Discovery Center and the Dean Creek Elk Viewing Area are
expected to attract more tourists passing through the area. The Leeds Island Natural Area is likely to be added to these attractions soon.

The local economy is thus expected to benefit as transitory tourists, attracted by these facilities, decide to stay in the community and buy goods and services provided by the community. The multiplier effect is not only reflected in hotels and lodging places, but also benefits food and drinking establishments, souvenir shops, and automobile service stations.

According to Davis and Radtke (1993), the tourist multiplier effect for Coastal Douglas was calculated in a different form than for Newport. This was because of the lack of desegregated information for tourist related business. The multiplier effect was calculated by using information from motel and hotel taxes collected by cities and counties. According to the authors, Coastal Douglas county generates a total of $50 thousand in motel and hotel taxes, which through the multiplier effect generated $1 million.

5. Non-Earned Income.

Transfer payments and investment have continued to be the most important sources of total personal income since the early 1980s in Coastal Douglas County. In 1987, 23% of total personal income was attributed to transfer payment and 23% to investment (dividends, interest, and rent). The percentage shared by transfer payments in 1991 increased to 25% whereas the share of investment decreased to 19% (See table III-2). This indicates that retirees are an important population sector contributing to the local economy. This is reaffirmed by information on the elderly population in Reedsport; in 1980, elderly citizens accounted for 13% of the total population. Their number increased to 20% of the population in 1990. This represents an increase of nearly fifty percent of the elderly population. Elderly spend their social security income on local services, such as health care, restaurants, gasoline stations, and other services.
The high rate of unemployment (10.9 in 1990), which results in more people receiving unemployment insurance benefits, contributed to increase the income generated by transfer payments. As we described earlier, transfer payments include public assistance and unemployed insurance payments. Nearly 40% of 1990 Reedsport's population have income that is below poverty level. This percentage increased by 60% between 1980 and 1990. Therefore, it is expected that these types of incomes will contribute in significant amounts to the transfer payments category and thus to Reedsport's total personal income. However, there is no information available that quantify this.

As pointed out by Davis and Radtke (1993), coastal communities including Reedsport, are being greatly benefited by the increasing number of retirees in the communities. They can stimulate the economy by spending in locally produced goods and services.

6. Other Earnings.

Among the industries represented in the category "other earnings" in table III-2, paper and paperboard mills as well as boat and ship building are the most important. In 1991, paper and paperboard mills generated 79% of the income in this category whereas boat and ship building generated 4%. Together they generated most (83%) of the total income generated by 'other earnings'. The rest (17%) was attributed to other sources, mainly non-basic industries. The income generated by these other sources (within "other earnings" category) was one of the smallest among all coastal counties. Industries in this category generated only $4 million dollars. This amount compares with $100 million generated in Lincoln county and $55.9 million generated in Curry County. This perhaps indicates the need for diversification of the local economy in Reedsport, and that expansion of current and creation of new small business, basic and non-basic, may be a key for economic policy.
E. City of Gold Beach

Economic information for Gold Beach was not available at the time of this report. Therefore, the following description of the Gold Beach economy is based on economic information for the entire Curry County, although some specific information for Gold Beach is also presented.


Davis and Radtke (1993) describe the long term employment picture of the Oregon timber sector as to be “up and down, but mostly down." This picture is shared by Curry County and specifically by Gold Beach. Curry County has been a traditional timber dependent county. In 1987, this sector generated $47.4 million (table III-3) and contributed about 21.4% to the county's total personal income (fig III-6). However, by 1991, income generated by this sector decreased to $45.8 million (unadjusted dollars) and its share of total personal income was 14.9% (fig III-7). This represents a decrease of 3.3% in income.

Table III-3. 1987 and 1991 Total Personal Income for Curry County.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Dollars</td>
<td>Percentage Total Income</td>
<td>Million Dollars</td>
</tr>
<tr>
<td>Total Personal Income</td>
<td>220.5</td>
<td>100</td>
<td>307.4</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>100.5</td>
<td>46</td>
<td>138.1</td>
</tr>
<tr>
<td>Fishing</td>
<td>10.4</td>
<td>4.72</td>
<td>10.6</td>
</tr>
<tr>
<td>Timber</td>
<td>47.4</td>
<td>21.50</td>
<td>45.8</td>
</tr>
<tr>
<td>Tourism</td>
<td>11</td>
<td>4.99</td>
<td>19.4</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5.5</td>
<td>2.49</td>
<td>6.3</td>
</tr>
<tr>
<td>Other Earnings</td>
<td>26.2</td>
<td>11.88</td>
<td>56</td>
</tr>
<tr>
<td>Non-Earned Income</td>
<td>120</td>
<td>54</td>
<td>169.8</td>
</tr>
<tr>
<td>Transfer Payments</td>
<td>54.2</td>
<td>24.58</td>
<td>80.4</td>
</tr>
<tr>
<td>Dividends, Interest, Rent</td>
<td>65.8</td>
<td>29.84</td>
<td>88.9</td>
</tr>
</tbody>
</table>

Figure III-6. Distribution of 1987 Total Personal Income for Curry County.
Source: Radtke and Davis (1988).

Figure III-7. Distribution of 1991 Total Personal Income for Curry County.
Source: Davis and Radtke (1993).
Although this shows to some extent the decline in the timber industry, the timber situation in Gold Beach seems to be even worse. Until the early 1980s, Gold Beach's economy relied in great part on timber. This situation changed when the Champion Plywood Mill, the largest employee and only mill, closed in 1986, leaving many people without employment (Gold Beach Community Response Team, 1993). Technological improvements not only reduced labor needs but also caused small mills to close because they could not keep competing with larger companies that could afford to invest in improved technology. The reduction of timber jobs is thought to be one factor causing emigration of families in Gold Beach.

Also reducing the economic impacts (direct, secondary and induced) of the timber sector in Gold Beach is that most of the timber is logged and transported outside the community. Future impacts will also be affected by patterns in the timber industry, which does not look optimistic. Future timber cutting is likely to continue at low rates due to the restrictions imposed on federal lands. Most of the remaining timber surrounding the community is owned by the US Forest Service and the Bureau of Land Management. The decline in timber industry employment as well as other signs indicating severe economic decline, put Gold Beach in the severely affected community category (Seidel and Conway, 1993). Federal and state initiatives are helping the community to overcome this economic transition. The President's initiative for the Pacific Northwest is providing economic help as loans, grants and other programs to the community. Understanding the local economy becomes an important factor when the community proposes projects that will be funded through this economic help.

2. Commercial Fishing

In past years, Gold Beach has also depended greatly on its fishing industry. Unfortunately, its fishing sector has also declined to the point that very little commercial
fishing remained. The main cause of this decline has been the diminishing salmon runs and subsequent restrictive regulations. Other factors, such as problems with maintaining an adequate river channel for crossing the Rogue River Bar and the closure of a marina, also affected this sector. These factors are why fishing boats have left Gold Beach for the Port of Brookings and the Port of Coos Bay (Hovee and Hovee, 1992).

In 1987, county commercial fishing generated $10.4 million which represented 4.7% of the county total personal income. Income generated by this sector (in unadjusted dollars) as well as its percentage share of total personal income remained unchanged in 1991. These county figures seem to overestimate the contribution by the Gold Beach fishing industry. Two other cities in Curry County, Port Orford and Brookings, have a much stronger commercial fishing industry than Gold Beach. The commercial fishing industry in Gold beach has declined to very minimum activities (Curtis, 1994 personal communication). According to Hovee and Hovee (1992), there are no remaining local fish buyers or processors, and harvest of sea urchins is the major local commercial fishing. Reduced commercial fishing activities is putting in doubt the need to dredging the entrance of the Rouge River because there is not enough commercial fishing activities to justify the high costs of dredging. Furthermore, continuing deterioration of the bar conditions may preclude the re-emergence of commercial fishing industry in Gold Beach (Hovee and Hovee, 1992).

3. **Agriculture.**

Agriculture has not been an important sector in Gold Beach, although in the entire Curry County it is more important, where the agricultural sector contributed to 2.5% ($5.5 millions) to the 1987 total personal income. Its contribution in dollar amount increased in 1991 to $6.3 million, but is share of the 1991 total personal income decreased to 2%. This was mainly because the increased share by other sectors.
4. Tourism

The community of Gold Beach has recognized the decline in its timber and fishing industries. The community is now aware of the need to create a more diversified economy. Encouraging the tourism industry, including recreational fishing, is now the center of this diversification (Gold Beach Community Response Team, 1993). The location at the mouth of the Rogue River provides Gold Beach with a variety of recreational activities; such as jet boat excursions, hiking routes, camping, boating and fishing, and relaxing. In addition, sandy beaches provide recreational opportunities. All these activities attract tourists from all over Oregon, and from California, Washington, Canada, and other regions.

The importance of the tourism industry to the county economy is reflected in the $11 million generated by this sector, one that represents nearly 5% of the 1987 county total personal income. Table III-3 shows that the income generated by tourism increased by about 75% (in unadjusted dollars) by 1991. In 1991 tourism generated $19.4 million, which represented 6.3% of total county personal income for that year.

Tourism multipliers for Curry County are greater than for other more traditional tourist-oriented county like Lincoln County. This suggests that recent tourist infrastructure is indeed stimulating other tourist related services. Eating and drinking places are the tourist related services with the highest multiplier at 2.40. This means that for every $1000 in wages and salary, an additional $1,400 is generated in the community. Although with a lower multiplier (2.06), hotel and lodging places are the principal contributors to the county total personal income. This is mainly because about 80% of sales correspond to visitors from outside the county. In eating and drinking establishments, only about 35% of the sales are outside sales.
5. **Non-Earned Income.**

Curry County’s most important sources of income are transfer payments and investments, which combined to account for 54% in 1987 and 55% in 1991 of total county personal income. These figures are the greatest percentage compared with state and all other coastal counties. Although we do not have specific values for the city of Gold Beach, it seems reasonable to expect that these sources will contribute in similar percentages to the Gold Beach total personal income. Their percentage contribution could even be greater if we take into account the recent declines on the Gold Beach timber and fishing industries.

Social security payments to retirees account for most of the transfer payments' income in Gold Beach. The number of retirees is so high that transfer payments could also be considered as a basic sector, as it was in Newport and Reedsport. Elderly citizens in Gold Beach accounted for 20% of the total population in 1990. This is the result of the large number of elderly immigrants that have settled in Gold Beach during the last decade. One important characteristic of elderly immigrants is that they tend to have income above the poverty level. At least this is suggested by the 15% decrease in the number of elderly with income below the poverty level.

Investment is also an important source of income, which may support the argument that elderly immigrants have high incomes. Most of the elderly immigrants come from California where housing prices are higher than in Gold Beach. Elderly immigrants can easily buy a house and save or invest the rest, bringing more income to the local economy.

6. **Other Earnings.**

Within the “other earnings” category presented in table 3.3, no particular industry seems to dominate this category. The $26.2 million generated in 1987 and $56 million generated in 1991 are distributed in diverse sectors not specified by the study of Davis and
Radtke (1993). The only sector specified was marine transportation and cargo, which generated $0.6 million in 1987 and $0.1 million in 1991.

A better indication of the importance of industries within the "other earnings" category is provided by information about industry employment reported by the U.S. Bureau of the Census. The principal sectors are (the number of employment units in 1990 are shown in parenthesis\(^7\)): retail trade (113); manufacturing of durable goods (84); health services (69); personal services (58); and public administration (47), finance, insurance and real state (27). These figures for example compared with the 67 units of employment provided by agriculture, forestry, and fisheries all together. The large number of employment in health services and other personal services and retail trade reflects the importance of elderly citizens (both aging in place and elderly newcomers) as well the importance of tourist related activities to the local economy.

\(F. \quad \textbf{Impacts of Economic Change}\)

Examples of economic change influencing local policies were not difficult to find in the communities under study. Due to the decline in their economy, specifically in the timber sector, these coastal communities are now implementing new economic development policies. These policies are focusing on encouraging the tourism sector as well as retaining existing business and attracting new businesses as a way to diversify the economy. These policies usually involve land use decisions. Sometimes they involve the need to expand public services and utilities for the support of industrial businesses.

Next we present next examples to illustrate how economic change may influence local policy. After having described the changing economy of the communities under study, it will

\(^7\)The values are provided by the 1990 Census of Population and Housing, U.S. Bureau of the Census.
be easy to understand why these decisions were made. The first point worth mentioning is that Reedsport and Gold Beach are more actively responding to economic changes than Newport. Local governments in Reedsport and Gold Beach are developing strategic plans to promote economic development. In our investigation we did not find the same type of initiatives in Newport. We think this reflects Newport's more diversified and generally more healthy economy.

Reedsport and Gold Beach have created, for example, special advisory committees to deal with issues concerning economic development. Reedsport created the Lower Umpqua Development Forum where many economic issues are discussed and resolved. Other committees in Reedsport included the Business Response Team, Transportation Study Advisory Committee, the Comprehensive Management and Growth Committee, and the Strengths, Weaknesses, Opportunities and Threats (SWOT) Committee. In Gold Beach a community response team participated in the creation of the Strategic Plan for Economic Development. From this plan, many other subcommittees were formed to help on particular issues related to the implementation of strategies developed by the plan. The community response team used the results of a previous SWOT study, which was also done with the objective of understanding the transition that Gold Beach was experiencing. The SWOT report shows, for example, that Gold Beach does not have ready-to-build industrial sites needed to be competitive for high wage industry (Hovee and Hovee, 1992).

These types of initiatives suggest that there is a high level of citizen involvement in local decisions regarding economic development. Most committees are comprised of private citizens, business representatives, and local (sometimes state) officials. The possible impact of the private citizen's participation was, in part, described in the previous chapter.

8We did not look in specific for these initiatives in any of the three communities. In our review of local documents, we found clear indication of such initiatives only in Reedsport and Gold Beach.
The following examples illustrate the influence of economic change on local policy. Let us start with examples from Reedsport. This community has as a primary goal of encouraging its tourism industry. However, encouraging tourism activities usually involves the designation and preservation of natural environments for this specific use.

Such was the case of what is now the Dean Creek Elk Viewing area, just a few miles east of Reedsport. This site was first considered for an airport or industrial site. However, because the site was the habitat of dozens of elk, conservation of the site received great support. This support was the result of local government and citizens feeling that their economic future lies in part in promoting a vigorous tourism industry. After a period of negotiations, the site was designated as the Dean Creek Elk Viewing Area and is a focal point for visitors to the area, considered to complement other attractions such as the City’s Umpqua Discovery Center (Nolan Young, local files, 1993).

Designation of Leeds Island as a conservation site is another example reflecting the community policy to encourage its tourism sector. This site was originally proposed for an industrial site. However, after a study showed that the site was unfeasible for industrial designation, the community pursued its designation as a conservation site. The Lower Umpqua Economic Development Forum participated in this decision by asking the U.S. Forest Service to buy the site for use as a wildlife educational facility. This designation is still under consideration.

The community of Gold Beach has also identified its tourist sector as the primary sector to promote. The Strategic Plan for Economic Development identifies, as part of the quality of life goal, the need to enhance indoor and outdoor recreation, improve the town’s cultural life, and the need to protect its natural environment. One of the strategies involves enhancing the aesthetics of Gold Beach’s business district.
Gold Beach’s strategic plan has also recognized business development as a priority. Forming part of this goal is the creation of 150 family-wage jobs by 1998. Most of these will be in new or expanded businesses. An important factor in achieving this goal includes the availability of land for new or expanded businesses as well as the availability of public utilities to serve these businesses. Expansion of utility services to serve an industrial site has been a community objective for some time. Funds for this expansion have been just recently approved and an industrial site supported by adequate facilities will soon be available for businesses seeking a location in Gold Beach. Also, Gold Beach may have to improve its telecommunications services to include fiber optic system if sophisticated firms are to be attracted.

Both Reedsport and Gold Beach are economically affected communities that are seeking to promote tourism activities to overcome, in part, economic decline. Because of their classification as severely affected timber dependent communities, Reedsport and Gold Beach will be receiving funds for projects that will provide alternatives for economic development.

Newport has a more diverse economy compared with Reedsport and Gold Beach. This is perhaps one of the reasons we did not find any economic development initiatives by the local government and citizens as we have described for Reedsport and Gold Beach. However, Newport’s government has indirectly shown its support for projects that tend to further promote the tourism sector. One example of this indirect support is the recent approval of the Southshore project. This development will probably be one of the major tourist developments in Newport and will be located south of the city and next to the shoreline. Approval of this development by the local government, in spite of being subject to potential tsunami inundation as well as the doubts about the availability of sewer service to serve the development, shows the local government’s intent to encourage tourism.
It is clear that Reedsport, Gold Beach, and Newport are focusing on encouraging the tourist sector as a way to offset the decline in other parts of their economies. However, it is commonly said that tourism has two weaknesses. First, tourist related jobs are generally lower waged compared with other sectors like timber and fishing. Secondly, tourist activities are seasonal. Sometimes these "weaknesses" make local officials and particularly the general citizenry uncertain about the benefits of developing this sector.

Although jobs directly related to tourism are low wage, other jobs indirectly related to tourism offer generally higher wages (Dean Runyan Associates, 1989). These businesses include wholesale trade, business services, finance, insurance, real estate, construction, manufacturing, transportation services, utilities and management. Even eating and drinking establishments, which offer one of the lowest wages among tourist related jobs, may contribute, with a multiplier of 2.14, more than timber and fishing, which offer higher wages but have a lower multiplier (1.49).

Tourist activities not only directly benefit hotel and lodging places, but also create secondary and induced effects on amusement and recreational services, eating and drinking places, retail establishments, and automobile service stations (Davis and Radtke, 1993). All these economic benefits are incorporated into the total personal income measure\(^9\) presented in this chapter. Furthermore, recreational activities, as part of the tourist attraction, do not only benefit tourist from outside but also provide recreational facilities for local citizens (Cameron et al., 1989).

The seasonality of tourist activities is sometime matter of concern. Tourism related activities peak during the summer, and decrease to a minimum during off-season months, mainly in winter time. This seasonal factor greatly affects the availability of employment during winter and unemployment is highest during this period.

\(^9\)For an explanation of the calculation of the tourist multiplier see the study by Davis and Radtke (1993)
Lower wages and off-season unemployment contribute to the increasing number of people with incomes below the poverty level (as we will see in the next chapter). Despite these two weaknesses, tourism development, including recreational activities, has the potential of providing considerable economic benefits to communities (Napier and McClaskiel, 1989), such as Newport, Reedsport, Gold Beach, and other Oregon coastal communities.

Local governments will play an important role not only in terms of encouraging the tourism industries, but also in implementing policy directed to expanding and attracting high wage industries. This last type of industry needs specialized labor as well as specialized technology and infrastructure. Communities may then benefit by two policy strategies: the implementation of training programs to upgrade the skills of workers; and secondly to assist industries by providing adequate infrastructure as well as incentives for locating in the community. The possible impacts of such initiatives on the natural resource based industry may be the subject of further research.
IV. DEMOGRAPHIC ANALYSIS.

A. Introduction.

This chapter presents a demographic analysis for the three communities under study: Newport, Reedsport, and Gold Beach. The chapter is organized in two sections. The first section presents a description of demographic characteristics for these communities. This is done by describing each community in a separate subsection, so that the presentation is clear. The second section presents an analysis of the possible impacts of demographic change on local policy. In this case the possible impacts are presented for the three communities in the same section. This is done primarily for two reasons. One is to avoid repetition of the explanation of impacts that are likely to occur in the three communities. And second, to compare these impacts among the three communities and highlight significant differences.

The analysis incorporates demographic changes that occurred between 1980 to 1990. The main source of information is the 1980 and 1990 Census of Population published by the U.S. Bureau of the Census. Information was also obtained from a compilation of demographic data by Smith and Restrepo (1992) on selected coastal and Columbia river communities in Oregon. The analysis will also refer to the most current information made available by other studies that will be appropriately cited.

B. Demographic Description.

1. City of Newport.

Newport’s population of 7,519 inhabitants in 1980 rose to 8,437 inhabitants in 1990; an increase of 12%. Table IV-1 shows how the change in total population is distributed among different ages. Evidently, the 65 years and over population sector experienced the
The greatest increase, at 31%. The 25 to 44 years of age sector also experienced considerable growth, nearly 20%. However other sectors experienced a decrease.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Persons</td>
<td>% of Population</td>
<td>Persons</td>
</tr>
<tr>
<td><strong>Total Persons</strong></td>
<td>7,519</td>
<td>100.00</td>
<td>8,437</td>
</tr>
<tr>
<td><strong>SEX</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>3,679</td>
<td>48.93</td>
<td>4,017</td>
</tr>
<tr>
<td>Female</td>
<td>3,840</td>
<td>51.07</td>
<td>4,420</td>
</tr>
<tr>
<td><strong>AGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 5 years</td>
<td>491</td>
<td>6.53</td>
<td>567</td>
</tr>
<tr>
<td>5 to 24</td>
<td>2,114</td>
<td>28.12</td>
<td>2,110</td>
</tr>
<tr>
<td>25 to 44</td>
<td>2,284</td>
<td>30.38</td>
<td>2,729</td>
</tr>
<tr>
<td>45 to 54</td>
<td>709</td>
<td>9.43</td>
<td>827</td>
</tr>
<tr>
<td>55 to 59</td>
<td>440</td>
<td>5.85</td>
<td>394</td>
</tr>
<tr>
<td>60 to 64</td>
<td>413</td>
<td>5.49</td>
<td>411</td>
</tr>
<tr>
<td><strong>65 years and over</strong></td>
<td>1,068</td>
<td>14.20</td>
<td>1,399</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
<td>32.7</td>
<td></td>
<td>36.9</td>
</tr>
</tbody>
</table>


The most significant was the decrease of 10% in the 55 to 50 years of age sector. The decrease in this sector is probably the result of population aging within that sector, and no replacement by younger people aging. Population between 5 and 24 years of age suffered a slight decreased mainly because of a decline in the number of persons between 20 and 24 years. This is not shown clearly by table IV-1 because inconsistency of data between of the 1980 and 1990 census.

Table IV-1 shows that the overall pattern in Newport seems to be immigration of elderly (65 years and over) and median age persons (25 to 44 years of age) and emigration of young people, mainly between 20 and 24 years. These two factors combined have caused the median age in Newport to increase by nearly 14%; from 32.7 in 1980 to 36.9 in 1990.
Immigration is also reflected in the increased number of both total households (by 9.5%) and families (by 9.5%). Contrary to other coastal communities, the number of persons per household increased between 1980 and 1990 by 1.75% as well as the number of persons per family by 1.41% (see table IV-2). These increases, although small, are considerably above the decrease in the same categories in other coastal communities. The increase in the number of persons per household and persons per family indicates that not only retirees are immigrating to Newport but also younger families with children.


<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Households</td>
<td>3238</td>
<td>3545</td>
<td>9.48</td>
</tr>
<tr>
<td>Persons per Household</td>
<td>2.28</td>
<td>2.32</td>
<td>1.75</td>
</tr>
<tr>
<td>Total Families</td>
<td>2031</td>
<td>2224</td>
<td>9.50</td>
</tr>
<tr>
<td>Persons per Family</td>
<td>2.84</td>
<td>2.88</td>
<td>1.41</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo 1992

A clear indicator of immigration is provided by residency information. The census of population and housing asks people about their place of residence five years ago. The 1980 census, for example, asked people where did they live in 1975. The residence status for Newport is presented in table IV-3.


<table>
<thead>
<tr>
<th>Residence</th>
<th>1975</th>
<th>1985</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons 5 years and over</td>
<td>7,077</td>
<td>7,870</td>
<td>11.21</td>
</tr>
<tr>
<td>Lived in same house</td>
<td>2,698</td>
<td>2,955</td>
<td>9.53</td>
</tr>
<tr>
<td>Lived in different house in US</td>
<td>4,324</td>
<td>4,865</td>
<td>12.51</td>
</tr>
<tr>
<td>Same state</td>
<td>2991</td>
<td>3,309</td>
<td>10.63</td>
</tr>
<tr>
<td>Same county</td>
<td>1,847</td>
<td>2,034</td>
<td>10.12</td>
</tr>
<tr>
<td>Different county</td>
<td>1,144</td>
<td>1,275</td>
<td>11.45</td>
</tr>
<tr>
<td>Different state</td>
<td>1,333</td>
<td>1,556</td>
<td>16.73</td>
</tr>
<tr>
<td>Lived abroad</td>
<td>55</td>
<td>50</td>
<td>-9.09</td>
</tr>
</tbody>
</table>


Census data indicates that about 62% of the 1990 Newport population lived in a different house in the U.S. in 1985. In other words, between 1985 and 1990, about 4,865 persons immigrated to the city. And only 2,955 inhabitants (37% of 1990's population) were
previous residents. The information in table IV-3, confirms that Newport is experiencing a
great deal of immigration and it also gives us information about people's previous residence.

Nearly 70% of the new residents (between 1985 and 1990) came from Oregon, while
30% came from a different state. It seems that out-of state immigrants came mainly from
California, although recently, persons originally from California have also moved from the
state of Washington to Oregon's coastal communities (Summers, 1993). Immigration from
within the state is greater from locations within Lincoln county (61%) than from other
counties in the state (39%).

The immigration patterns are essentially the same for the period between 1975 to
1980. Comparison of the two five-years periods (1975-1980 and 1985-1990) shows that
immigration from the same state increased by 10.6%. This increase was the result of both an
increase (10%) of immigrants from the same county, and an increase (11.45%) of immigrants
from different counties. The main difference is that now there are more people coming from
the same county than between 1975 and 1980. During this period, immigration from different
states also increased by 16.7%.

The Census of Population and Housing also provides social characteristics, which
serve as indicators about the well being of the population. Some of these social characteristics
are described in the remainder of this section.

One important characteristic of Newport is the large percentage of women in the
population. Table IV-1 shows that women represent 51% of the 1980 total population. The
number of women in the population grew more than men. By 1990 women represented 52%
of the total population. Table IV-1 indicates that women in the population increased by 15%,
which is considerably higher than for the majority of other coastal cities and counties and even
the state figures. (Most communities show single digits percentage and even negative
percentage changes in women in the population.) Only Brookings at 32% and Florence at 19% experienced higher percentage changes in women's population.

Even more interesting is that participation of women in the labor force has increased considerably between 1980 and 1990. Table IV-4 shows that 3,789 persons in the labor force in 1980, 57% were males and 43% females. This compares with values for the 1990 labor force, which consisted of 51% males and 49% females. This comparison shows that the number of women in the labor force increased by 26% between 1980 and 1990, whereas men in the labor force experienced a slight decrease of 0.5%.


<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Persons 16 years and over</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In labor force</td>
<td>6038</td>
<td>6612</td>
<td>9.51</td>
</tr>
<tr>
<td>Percent in labor force</td>
<td>3789</td>
<td>4,198</td>
<td>10.79</td>
</tr>
<tr>
<td>Civilian labor force</td>
<td>62.8</td>
<td>63.5</td>
<td>1.11</td>
</tr>
<tr>
<td>Employed</td>
<td>3,780</td>
<td>4,111</td>
<td>8.76</td>
</tr>
<tr>
<td>Unemployed</td>
<td>310</td>
<td>273</td>
<td>-11.94</td>
</tr>
<tr>
<td>Percent unemployed</td>
<td>8.2</td>
<td>6.6</td>
<td>-19.51</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not in labor force</td>
<td>2249</td>
<td>2414</td>
<td>7.34</td>
</tr>
</tbody>
</table>

| **Males 16 years and over** |      |      |          |
| in labor force             | 2902 | 3103 | -6.9     |
| Percent in labor force     | 2152 | 2142 | -0.4     |
| Percentage unemployed (civilian) |      |      | -7.1     |

| **Females 16 years and over** |      |      |          |
| In labor force              | 3136 | 3509 | 11.89    |
| Percent in labor force      | 1632 | 2056 | 25.98    |
| Civilian labor force        | 52   | 58.6 | 12.69    |
| Employed                    | 1632 | 2038 | 24.88    |
| Unemployed                  | 1523 | 1905 | 25.08    |
| Percent unemployed          | 109  | 133  | 22.02    |
| Armed Forces                | 6.7  | 6.5  | -2.99    |
| Not in labor force          | 1504 | 1453 | -3.39    |


10Labor force consists of all persons 16 years of age and over, employed or unemployed, plus members of the U.S. Armed Forces (persons on active duty with the U.S. Army, Navy, Marine Corps, or Coast Guard).
It seems that women are able to find jobs in Newport. The 1980 women’s unemployment rate of 6.7 even decreased slightly to 6.5 in 1990. It is likely that the percentage of women in the labor force has increased mainly due to the increased number of single-parent families headed by women. This type of family could account for most of the family immigration to the community. We must not overlook the fact that women working to complement family budgets or women seeking professional goals could also account for the increase in women in the labor force.

Employment by occupation and by industry is also provided by the Census of Population. As one would expect from the economic transition described in the previous chapter, occupational employment shows increases in diverse service occupations, professional and technical occupations, and administrative occupations. This is in part the result of the greater importance of tourism and non-earned income sources to the local economy. Davis and Radtke (1993) suggests that this transition has caused a great increase in low wage occupations, such as fast food workers and cashiers. One example is the recent opening of Walmart and fast food restaurants. Occupations in farming, forestry and fisheries have declined nearly 14% from 1980 to 1990 (See table IV-5).

<table>
<thead>
<tr>
<th>Table IV-5. Newport Occupation Employment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation</td>
</tr>
<tr>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Farming, forestry, fishing</td>
</tr>
<tr>
<td>Services and private household</td>
</tr>
<tr>
<td>Operators</td>
</tr>
<tr>
<td>Handlers and transporters</td>
</tr>
<tr>
<td>Managers and professionals</td>
</tr>
<tr>
<td>Technician, sales, clerical</td>
</tr>
<tr>
<td>Precision, craft, repair</td>
</tr>
</tbody>
</table>


This economic transition and its effects are perhaps more evident if we look at employment by industries. This information is presented in table IV-6. Employment in the
resource extraction industries decreased by 14%, whereas consumer services increased by 45% and producer services increased by 26%. Manufacturing, in both durable and non-durable goods also decreased by nearly 60%.

Table IV-6. Newport Industry Employment.

<table>
<thead>
<tr>
<th>Industry</th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fisheries</td>
<td>267</td>
<td>229</td>
<td>-14.23</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>458</td>
<td>194</td>
<td>-57.64</td>
</tr>
<tr>
<td>Distributive</td>
<td>205</td>
<td>221</td>
<td>7.80</td>
</tr>
<tr>
<td>Retail</td>
<td>838</td>
<td>1026</td>
<td>22.43</td>
</tr>
<tr>
<td>Consumer services</td>
<td>710</td>
<td>1036</td>
<td>45.92</td>
</tr>
<tr>
<td>Producer services</td>
<td>227</td>
<td>286</td>
<td>25.99</td>
</tr>
<tr>
<td>Public Administration</td>
<td>244</td>
<td>271</td>
<td>11.07</td>
</tr>
</tbody>
</table>

Source: Census of Population and Housing. U.S. Bureau of the Census

Income characteristics also provide a direct picture of the well being of citizens. Newport experienced increases in per capita income (54%), in median household income (59%), and median family income (58%) from 1979 to 1989 (see table IV-7). These figures are just below those for the entire state of Oregon.

Per capita income should be interpreted with caution. The 53% increase in per capita income could have resulted because of the increase of people in the workforce, as it is suggested by Cortright and Millov (1992) for the entire state of Oregon. Furthermore, the increase (7.21% between 1979 and 1989) in the percentage of total population below the poverty level indicates that the distribution of income is not even, though its increase was one of the lowest among coastal communities.


<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1989</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Income</td>
<td>$8,379</td>
<td>$12,884</td>
<td>53.77</td>
</tr>
<tr>
<td>Median Household</td>
<td>$15,167</td>
<td>$24,137</td>
<td>59.14</td>
</tr>
<tr>
<td>Median Family Income</td>
<td>$19,307</td>
<td>$30,510</td>
<td>58.03</td>
</tr>
<tr>
<td>Income Below Poverty Level: Total Population</td>
<td>819</td>
<td>989</td>
<td>20.76</td>
</tr>
<tr>
<td>Income Below Poverty Level: % of Total Population</td>
<td>11.1</td>
<td>11.9</td>
<td>7.21</td>
</tr>
<tr>
<td>Income Below Poverty Level Age ≥65</td>
<td>95</td>
<td>110</td>
<td>15.79</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo, 1992
Table IV-7 shows that the percentage of elderly with income below poverty level increased by 16%. It is likely that elderly newcomers with low incomes are one reason for this increment, although no specific data is available. It is important to notice that the elderly with incomes below poverty level may still have higher standards of living than younger people with high incomes. This is because elderly have very low expenses.

2. City of Reedsport.

Reedsport's population had been growing since 1950, at a rate of 30% per decade (Smart, 1994). In 1980, however, this pattern began to change. During the decade of the 1980s, Reedsport's population declined 3.7% from 4,984 inhabitants in 1980 to 4,796 inhabitants in 1990 (see table IV-8). This makes Reedsport one of the few Oregon coastal communities where population decreased during this period. According to estimates from Portland State University Center for Population Research, Reedsport's population has begun to increase again since 1990 at a rate of 1% per year (Smart, 1994).

Reedsport is experiencing changes that are reflected in other demographic characteristics. Population, for example, has changed within different sectors. Table IV-8 shows that, between 1980 and 1990, all sectors of the population below 44 years of age declined in number whereas elderly portion (age 65 years and over) increased by nearly 50%. Hence, two patterns become evident in Reedsport: first a decline in the number of young people, and second, a considerable increase in elderly citizens.

Change in other demographic characteristics can be attributed to these patterns. Despite the decline in population, the number of total households has increased (table IV-9). From 1980 to 1990 the number of households increased by 4.44%. The increase was
predominantly in non-family\textsuperscript{11} households, which increased by 17%. On the other hand, family\textsuperscript{12} households increased by less than 1%.

Table IV-8. Reedsport Population Change by Age between 1980 and 1990.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Persons % of Population</td>
<td>Persons % of Population</td>
<td></td>
</tr>
<tr>
<td>Total Persons</td>
<td>4,984 100.00</td>
<td>4,796 100.00</td>
<td>-3.77</td>
</tr>
<tr>
<td>SEX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>2,461 49.3</td>
<td>2,358 49.1</td>
<td>-4.1</td>
</tr>
<tr>
<td>female</td>
<td>2,523 50.7</td>
<td>2,438 50.9</td>
<td>-3.36</td>
</tr>
<tr>
<td>AGE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 5 years</td>
<td>404 8.1</td>
<td>334 6.9</td>
<td>-17.3</td>
</tr>
<tr>
<td>5 to 24</td>
<td>1,600 32.1</td>
<td>1,251 26.0</td>
<td>-21.8</td>
</tr>
<tr>
<td>25 to 44</td>
<td>1,355 27.1</td>
<td>1,255 26.0</td>
<td>-7.3</td>
</tr>
<tr>
<td>45 to 54</td>
<td>483 9.7</td>
<td>499 10.4</td>
<td>3.3</td>
</tr>
<tr>
<td>55 to 59</td>
<td>258 5.1</td>
<td>234 4.8</td>
<td>-9.3</td>
</tr>
<tr>
<td>60 to 64</td>
<td>241 4.8</td>
<td>266 5.5</td>
<td>10.3</td>
</tr>
<tr>
<td>65 years and over</td>
<td>643 12.9</td>
<td>957 19.9</td>
<td>48.8</td>
</tr>
<tr>
<td>Median Age</td>
<td>31.2</td>
<td>38.4</td>
<td>23.07</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Households</td>
<td>1,870</td>
<td>1,953</td>
<td>4.44</td>
</tr>
<tr>
<td>Persons per Household</td>
<td>2.65</td>
<td>2.44</td>
<td>-7.92</td>
</tr>
<tr>
<td>Total Families</td>
<td>1,410</td>
<td>1,395</td>
<td>-1.06</td>
</tr>
<tr>
<td>Persons per Family</td>
<td>3.11</td>
<td>2.90</td>
<td>-6.75</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo 1992

A housing study for the city of Reedsport (Smart, 1994) reports that of the different types of households, married couple households and non-family households headed by a male decreased in number between 1980 and 1990. Meanwhile, there was an increase in family households headed by a single person (mainly by a single male) and non-family households

\textsuperscript{11}A non-family household is defined as a household where one person is living alone or with non-relatives only

\textsuperscript{12}A family household consists of a householder and one or more persons living in the same household who are related by birth, marriage, or adoption
headed by a female householder. The same report shows that the number of households headed by a person age 65 years or over increased by 51% during the same period. In 1990, a total of 627 households (32% of total households) were headed by householder 65 years of age or over. This is a clear reflection of the increase number of elderly citizens, mainly retirees, in the community.

The implications of the increase in the number of elderly people reflect in other demographic characteristics. For example, the number of persons per household has declined by 8%. Median age also shows a considerable increase from 31.2 years in 1980 to 38.4 in 1990 (an increase of 23%, see table IV-8). However, this increase is also attributable to the emigration of young people. Youth emigration is also reflected in the decrease (1%) in the number of families and the decrease (-6.75) of the number of persons per family. Young families are apparently emigrating looking for new jobs as the jobs in the natural resource based industries have decreased in the last few years.

All the above information confirms that elderly people have become an important sector of the population in Reedsport. It seems that most of the elderly citizens are retirees who have come to Reedsport predominantly during the last few years.

Table IV-10 shows the residence status for 1980 and 1990 (in the same way we described earlier in this chapter). Forty-five percent of the 1980’s population (over 5 years) lived in the same house in 1975. Fifty-four percent lived in a different house in the U.S. Only 0.3% lived abroad. During the period between 1975 and 1980, most (73%) of the new residents (immigrants) came from other parts in the state. Only 27% came from out of state. Immigration within the state originated in the same county at 54%; percentage immigration from other state’s counties accounted for 46% (table IV-10).
Table IV-10. Reedsport Residence Status for 1975 and 1985.

<table>
<thead>
<tr>
<th>Residence</th>
<th>1975</th>
<th>1985</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons 5 years and over</td>
<td>4,572</td>
<td>4,462</td>
<td>-2.4</td>
</tr>
<tr>
<td>Lived in the same house</td>
<td>2,055</td>
<td>2,121</td>
<td>3.21</td>
</tr>
<tr>
<td>Lived in different house</td>
<td>2,503</td>
<td>2,299</td>
<td>-8.1</td>
</tr>
<tr>
<td>Same State</td>
<td>1,814</td>
<td>1,592</td>
<td>-12.2</td>
</tr>
<tr>
<td>same county</td>
<td>988</td>
<td>1,007</td>
<td>1.9</td>
</tr>
<tr>
<td>different county</td>
<td>826</td>
<td>585</td>
<td>-29.1</td>
</tr>
<tr>
<td>Different State</td>
<td>689</td>
<td>707</td>
<td>2.6</td>
</tr>
<tr>
<td>Lived abroad</td>
<td>14</td>
<td>42</td>
<td>200</td>
</tr>
</tbody>
</table>


The 1990 census shows that these patterns remained without significant changes for the period between 1985 to 1990. Immigration decreased slightly (8%), and for 1990 52% of the population had been living in the community less than five years. The percentage of old residents (people living in the city for more than five years) increased to 48%. Immigration remained predominantly from within the state, although there was a decrease of 12%. Immigration from out the state increased just a little (2.6%). Immigration patterns within the state accounted for the biggest change. State immigration became even more predominant from the same county. However, this was not because more people immigrating from the county, but due to a nearly 30% decrease in the people coming from other counties.

Reedsport also experienced changes in social characteristics. Per capita income shows a considerable increase of 66.4% from 1979 to 1989. Median Household income and median family income also increased by 43.2% and 48.5% (see table IV-11). However, the increase in income categories is not equally distributed among the entire population. As a result, the percentage of total population below the poverty level increased by 65.4%, which is one of the highest increases among coastal communities. Households headed by married couples with children have the highest mean income. Female householders with no spouse and with children have the lowest income (Smart, 1994). The number of senior citizens whose income is below the poverty level also experienced an increase of 11.4%. Perhaps this is an indication that retiree newcomers may have low incomes.
Table IV-11. Reedsport Income and Poverty Information.

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1989</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita Income</td>
<td>$6,985</td>
<td>$11,623</td>
<td>66.40</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$17,300</td>
<td>$24,788</td>
<td>43.28</td>
</tr>
<tr>
<td>Median Family Income</td>
<td>$20,562</td>
<td>$30,532</td>
<td>48.49</td>
</tr>
<tr>
<td>Income Below Poverty Level. Total Population</td>
<td>399</td>
<td>639</td>
<td>60.15</td>
</tr>
<tr>
<td>Income Below Poverty Level. % of Total Population</td>
<td>8.1</td>
<td>13.4</td>
<td>65.43</td>
</tr>
<tr>
<td>Income Below the Poverty Level Age ≥ 65</td>
<td>70</td>
<td>78</td>
<td>11.43</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo, 1992

One factor causing the increase of people whose income is below poverty level is the high rate of unemployment (See table IV-12). The unemployment rate increased from 6.8% in 1980 to 10.9% in 1990; a 60% change.


<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons 16 years and over</td>
<td>3643</td>
<td>3667</td>
<td>0.66</td>
</tr>
<tr>
<td>In labor force</td>
<td>2200</td>
<td>1977</td>
<td>-10.14</td>
</tr>
<tr>
<td>Percent in labor force</td>
<td>60.4</td>
<td>53.9</td>
<td>-10.76</td>
</tr>
<tr>
<td>Civilian labor force</td>
<td>2,188</td>
<td>1977</td>
<td>-9.64</td>
</tr>
<tr>
<td>Employed</td>
<td>2039</td>
<td>1761</td>
<td>-13.63</td>
</tr>
<tr>
<td>Unemployed</td>
<td>149</td>
<td>216</td>
<td>44.97</td>
</tr>
<tr>
<td>Percent unemployed</td>
<td>6.8</td>
<td>10.9</td>
<td>60.29</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not in labor force</td>
<td>1443</td>
<td>1690</td>
<td>17.12</td>
</tr>
<tr>
<td>Males 16 years and over</td>
<td>1748</td>
<td>1764</td>
<td>0.91</td>
</tr>
<tr>
<td>In labor force</td>
<td>1309</td>
<td>1119</td>
<td>-14.5</td>
</tr>
<tr>
<td>Percent in labor force</td>
<td>74.9</td>
<td>63.4</td>
<td>-15.3</td>
</tr>
<tr>
<td>Unemployed</td>
<td>144</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent unemployed</td>
<td>12.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Females 16 years and over</td>
<td>1895</td>
<td>1903</td>
<td>0.42</td>
</tr>
<tr>
<td>In labor force</td>
<td>890</td>
<td>858</td>
<td>-3.60</td>
</tr>
<tr>
<td>Percent in labor force</td>
<td>47</td>
<td>45.1</td>
<td>-4.04</td>
</tr>
<tr>
<td>Civilian labor force</td>
<td>890</td>
<td>858</td>
<td>-3.60</td>
</tr>
<tr>
<td>Employed</td>
<td>838</td>
<td>786</td>
<td>-6.21</td>
</tr>
<tr>
<td>Unemployed</td>
<td>52</td>
<td>72</td>
<td>38.46</td>
</tr>
<tr>
<td>Percent unemployed</td>
<td>5.8</td>
<td>8.4</td>
<td>44.83</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not in labor force</td>
<td>1005</td>
<td>1045</td>
<td>3.98</td>
</tr>
</tbody>
</table>


Table IV-12 also shows the decline in the labor force of 10% during the same period.

While the number of men in labor force has declined by 14.5%, women in labor force decline...
by only 3.60%. This is reflected in the difference between the rate of unemployment, which for men is 12.9% and for women is 8.4%. These differences may be the result of the fact that men were more likely to work in the timber sector, one in which employment has decreased. On the other hand, women were employed in the growing tourist sector.

Employment by occupation and by industry is presented in tables IV-13 and IV-14 respectively. Employment decreased in almost all occupation sectors. The exception was in farming, forestry and fisheries which increased by 20%, and in services and private household which increased by 35%.


<table>
<thead>
<tr>
<th>Employment Area</th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming, forestry, fishing</td>
<td>88</td>
<td>106</td>
<td>20.45</td>
</tr>
<tr>
<td>Services and private household</td>
<td>286</td>
<td>388</td>
<td>35.66</td>
</tr>
<tr>
<td>Operators</td>
<td>175</td>
<td>96</td>
<td>-45.14</td>
</tr>
<tr>
<td>Handlers and transporters</td>
<td>270</td>
<td>130</td>
<td>-51.85</td>
</tr>
<tr>
<td>Managers and professionals</td>
<td>428</td>
<td>415</td>
<td>-3.03</td>
</tr>
<tr>
<td>Technician, sales, clerical</td>
<td>452</td>
<td>390</td>
<td>-13.71</td>
</tr>
<tr>
<td>Precision, craft, repair</td>
<td>324</td>
<td>305</td>
<td>-5.86</td>
</tr>
</tbody>
</table>


Employment by industry shows agriculture, forestry and fisheries with the lowest units among other industries, although it increased by 9% from 1980 to 1990 (see table IV-14). This figure shows that the greater percentage of industry employment in both years is shared by manufacturing and service (consumer and producer) industries. What is unexpected is the 14% decreased in consumer service employment. One would expect that, because the increase tourist activities and the number of elderly, this sector will tend to grow. Data not shown in table IV-14 indicates, for example, that there was a decrease in the number of employment units in the health service industry (from 168 in 1980 to 113 in 1990).

<table>
<thead>
<tr>
<th>Industry</th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture., Forestry, Fish.</td>
<td>54</td>
<td>59</td>
<td>9.26</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>626</td>
<td>497</td>
<td>-20.61</td>
</tr>
<tr>
<td>Distributive</td>
<td>107</td>
<td>133</td>
<td>24.30</td>
</tr>
<tr>
<td>Retail</td>
<td>359</td>
<td>338</td>
<td>-5.85</td>
</tr>
<tr>
<td>Consumer services</td>
<td>387</td>
<td>332</td>
<td>-14.21</td>
</tr>
<tr>
<td>Producer services</td>
<td>128</td>
<td>130</td>
<td>1.56</td>
</tr>
<tr>
<td>Public Administration</td>
<td>100</td>
<td>65</td>
<td>-35.00</td>
</tr>
</tbody>
</table>


3. City of Gold Beach

Total population in Gold Beach has not changed much during the last decade. Information in table IV-15 shows that between 1980 to 1990, there was only a 2% increase in its total population. Male population increased by nearly 5% whereas female population decreased by about 4%. Again we see that the biggest increase was in the population sector 65 years of age and over, which increased by nearly 30%. Unavailability of information does not allow analysis of other sectors of the population. These sectors are not listed in the 1980 Census of Population and Housing for towns with less than 2500 inhabitants.


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Persons</td>
<td>% of Population</td>
<td>Persons</td>
</tr>
<tr>
<td>Total Persons</td>
<td>1515</td>
<td>100</td>
<td>1546</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>717</td>
<td>47.32</td>
<td>751</td>
</tr>
<tr>
<td>female</td>
<td>798</td>
<td>52.67</td>
<td>795</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under 5 years</td>
<td>105</td>
<td>6.93</td>
<td>112</td>
</tr>
<tr>
<td>5 to 24</td>
<td>352</td>
<td>22.76</td>
<td></td>
</tr>
<tr>
<td>25 to 44</td>
<td>422</td>
<td>27.30</td>
<td></td>
</tr>
<tr>
<td>45 to 54</td>
<td>177</td>
<td>11.45</td>
<td></td>
</tr>
<tr>
<td>55 to 59</td>
<td>71</td>
<td>4.59</td>
<td></td>
</tr>
<tr>
<td>60 to 64</td>
<td>101</td>
<td>6.53</td>
<td></td>
</tr>
<tr>
<td>65 years and over</td>
<td>243</td>
<td>16.03</td>
<td>311</td>
</tr>
<tr>
<td>Median Age</td>
<td>35</td>
<td>16.03</td>
<td>38.9</td>
</tr>
</tbody>
</table>

Source: 1980 and 1990 Census of Population and Housing. The Bureau of Census Blank spaces are due to the lack of information reported in the census of 1980.
Nevertheless, we can see that the population sector 25 to 44 years of age accounted for the greatest percentage (27%) of the 1990 population. This is followed by people from 5 to 24 years representing 22.7% of the total population. It is not possible to know whether these figures increased or decreased from 1980 to 1990. The small change (11%) in the median age, relative to other coastal communities, is perhaps solely or mainly attributed to the high increase in elderly citizens. Emigration of young people is not as clear as it was in Reedsport.

The number of households increased from 644 in 1980 to 675 in 1990; an increase of 4.8%. This increase is according to the small change in population. However, more interestingly is the decrease of nearly 5% of the number of persons per household and the 1.3% decrease in the number of total families (see table IV-16). Gold Beach is one of the few communities where the number of total families decreased.

Table IV-16. Gold Beach Housing Characteristics.

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Households</td>
<td>644</td>
<td>675</td>
<td>4.81</td>
</tr>
<tr>
<td>Persons per Households</td>
<td>2.35</td>
<td>2.24</td>
<td>-4.68</td>
</tr>
<tr>
<td>Total Families</td>
<td>437</td>
<td>431</td>
<td>-1.37</td>
</tr>
<tr>
<td>Persons per Family</td>
<td>*</td>
<td>2.77</td>
<td>*</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo, 1992
* towns with less than 2500 inhabitants were not listed in the Census.

The main reason for the decline in these categories is the high percentage of elderly citizens in the population. Elderly households usually consist of one or two members. Sometimes, elderly households do not contain a family, because the householder lives alone and/or lives with unrelated persons (see footnote 3 and 4). The decline in these categories reaffirms the argument about elderly citizens being the principal immigrants and may indicate that only few, if any, young families are immigrating to the community.

Clear evidence of immigration is provided by the residence status reported by the census. Although the residence status does not tell us who are immigrating, it indicates the
previous geographic residency of immigrants. Table IV-17 shows the residence status for Gold Beach (constructed in the same way we described earlier), but in this case information is only available for the period between 1985 and 1990. This is because the census of 1980 did not survey residence status for cities with less than 2500 inhabitants.

Fifty-six percent of the 1990’s population over 5 years were established in the community within the last five previous years. Longer term residents accounted for 46% of the 1990 population. Immigrants seem to come mainly from the same state (60%), principally from the same county. Out-state immigration accounts for 40%.

Table IV-17. Gold Beach Residence Status for 1990.

<table>
<thead>
<tr>
<th>Category</th>
<th>1990</th>
<th>% within category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons 5 years and over</td>
<td>1,434</td>
<td>100</td>
</tr>
<tr>
<td>Lived in the same house</td>
<td>662</td>
<td>46.1</td>
</tr>
<tr>
<td>Lived in a different house in US.</td>
<td>755</td>
<td>52.6</td>
</tr>
<tr>
<td>Same state</td>
<td></td>
<td></td>
</tr>
<tr>
<td>same county</td>
<td>288</td>
<td>64</td>
</tr>
<tr>
<td>different county</td>
<td>160</td>
<td>36</td>
</tr>
<tr>
<td>Different state</td>
<td>307</td>
<td>40.6</td>
</tr>
<tr>
<td>Lived Abroad</td>
<td>17</td>
<td>1.1</td>
</tr>
</tbody>
</table>


Per capita income and poverty level patterns in Gold Beach show interesting characteristics. The most striking one is the decline of nearly 15% in the number of elderly citizens (age 65 and over) with incomes below the poverty level (table IV-18). (In fact, Gold Beach is one of the few coastal communities where the percentage of elderly with income below poverty level has declined.) This seems to indicate that most of the elderly immigrants have incomes that are above poverty levels.

Gold Beach is however one community with the lowest percentage increase in per capita income (40%), median household income (36%), and median family income (42%). These percentages are lower compared with Oregon’s figures of 78% increase in per capita income, 62% increase in median family income, and 61% increase in median family income.

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1989</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita Income</td>
<td>$7,753</td>
<td>$10,827</td>
<td>39.65</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$15,686</td>
<td>$21,337</td>
<td>36.03</td>
</tr>
<tr>
<td>Median Family Income</td>
<td>$19,167</td>
<td>$27,153</td>
<td>41.67</td>
</tr>
<tr>
<td>Income Below Poverty Level: Total Population</td>
<td>151</td>
<td>183</td>
<td>21.19</td>
</tr>
<tr>
<td>Income Below Poverty Level: % of Total Population</td>
<td>10.0</td>
<td>12.2</td>
<td>22.00</td>
</tr>
<tr>
<td>Income Below the Poverty Level Age ≥ 65</td>
<td>34</td>
<td>29</td>
<td>-14.71</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo, 1992.

Income and poverty level patterns are in part a reflection of the change in the local economy. They do not seem to be the result of unemployment. Instead these small increases in income categories are due to losses in the timber and fishing sectors being replaced by employment in the tourist and services sector. This is because the tourist and service sectors generally offer lower wages compared with wages in the timber and fishing sectors. Most of the population over 16 years seem to have a job, but apparently the tourism and services industry account for a great percentage of these jobs. Of course changes in the economy affect more the young and median age sector of the population who depend directly on current income. Retirees, on the other hand, do not share this dependency. They are now receiving retirement benefits and investment dividends from transactions of goods and services that were made in the past.

Table IV-19 shows that 56% of the population 16 years and over participate in the labor force. Participation in the labor force is nearly equal between men and women (table IV-19). From the total of 686 persons 16 years and over, 53% are men and 47% are women. The unemployment rate for both categories is also similar; 3.9 for men and 3.4 for women. Information provided by the 1990 census shows that most of the women 16 years and over and with children are working. From 174 persons in this category, 131 persons (75%) are working.
An important concern regarding the Gold Beach workforce has been reported by Hovee and Hovee (1992). They found that retention of workers by businesses is difficult and that some businesses are concerned about the effects this may cause because of the costs of training workers for their new job.

Occupation (table IV-20) is greatest in managerial and professional occupations (28.6%), technical, sales and clerical (28.6%), and in services occupations (20%). Farming, forestry, and fishing, altogether, only account for 8.4% of all occupations.


<table>
<thead>
<tr>
<th>Persons 16 years and over</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>In labor force</td>
<td>686</td>
</tr>
<tr>
<td>Percent in labor force</td>
<td>55.4</td>
</tr>
<tr>
<td>Civilian labor force</td>
<td>686</td>
</tr>
<tr>
<td>Employed</td>
<td>661</td>
</tr>
<tr>
<td>Unemployed</td>
<td>25</td>
</tr>
<tr>
<td>Percent unemployed</td>
<td>3.6</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>0</td>
</tr>
<tr>
<td>Not in labor force</td>
<td>539</td>
</tr>
</tbody>
</table>

| Males 16 years and over   | 602  |
| In labor force            | 363  |
| Percent in labor force    | 60.3 |
| Unemployed                | 349  |
| Percent unemployed        | 3.9  |

| Females 16 years and over | 637  |
| In labor force            | 323  |
| Percent in labor force    | 50.7 |
| Employed                  | 312  |
| Unemployed                | 11   |
| Percent unemployed        | 3.4  |

| Not in labor force        | 314  |


The importance of the service sector is even greater if we look at industry employment. Consumer services shared 33.7% of all industry employment. Health services itself accounted for 10.4% of total industry employment, even greater than agriculture,
forestry and fisheries altogether. The service industry is followed by retail trade (17%) and by manufacturing, mainly durable good, at (15.4%).

Table IV-20. Gold Beach Occupation Employment for 1990.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1990</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming, forestry, fishing</td>
<td>56</td>
<td>8.4</td>
</tr>
<tr>
<td>Services and private household</td>
<td>131</td>
<td>19.8</td>
</tr>
<tr>
<td>Operators</td>
<td>25</td>
<td>3.7</td>
</tr>
<tr>
<td>Handlers and transporters</td>
<td>63</td>
<td>9.5</td>
</tr>
<tr>
<td>Managers and professionals</td>
<td>189</td>
<td>28.6</td>
</tr>
<tr>
<td>Technician, sales, clerical</td>
<td>160</td>
<td>24.2</td>
</tr>
<tr>
<td>Precision, craft, repair</td>
<td>37</td>
<td>5.6</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Industry</th>
<th>1990</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fisheries</td>
<td>67</td>
<td>10.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>102</td>
<td>15.4</td>
</tr>
<tr>
<td>Distributive</td>
<td>29</td>
<td>4.3</td>
</tr>
<tr>
<td>Retail</td>
<td>113</td>
<td>17.0</td>
</tr>
<tr>
<td>Consumer services</td>
<td>223</td>
<td>33.7</td>
</tr>
<tr>
<td>Producer services</td>
<td>51</td>
<td>7.7</td>
</tr>
<tr>
<td>Public Administration</td>
<td>47</td>
<td>7.1</td>
</tr>
<tr>
<td>Other</td>
<td>29</td>
<td>4.3</td>
</tr>
</tbody>
</table>


The employment possibilities are mainly in the public sector, which is the larger employer in Gold Beach (Gold Beach CRT, 1993). Governmental employers include the Curry County Court House, Sheriffs Department, School District, and the U.S. Forest Service. According to the Gold Beach Strategic Plan for Economic Development, employment in other sectors is limited.

C. Impacts of Demographic Change: Comparison Among Communities

Now that demographic characteristics have been described we can investigate the likely impact of these changes on local policy. The identification of possible impacts is based
in part on potential impacts that have been identified by previous studies. These studies, presented in detail in chapter II, describe a series of demographic characteristics that may affect local policy. Many of these demographic characteristics were also found in Newport, Reedsport, and Gold Beach. The objective of this section is to show that demographic change does have an impact on local policy.

The following subsections describe and show potential examples of how demographic change may impact local policy. (Actual examples are presented in chapter VI on case studies.) To make the presentation more clear, each impact is presented in a separate subsection.

1. **Housing Impacts.**

The increase in population raises the housing question, especially the local capability of providing adequate housing for all sectors of the population. Although the increase in population in our sample communities seems to be too small to cause housing problems, there are other factors that intervene in the determination of housing demands. Population grew by 12% in Newport, 2% in Gold Beach, and it even decreased by 4% in Reedsport. However, the number of households in each community increased, with the greatest increase occurring in Newport at 9.5%. Gold Beach and Reedsport experienced similar household increases, 4.8% and 4.4%, respectively. (Table IV-22 presents percentage change of several demographic characteristics for the three communities). It is important to notice that the number of households increased in Reedsport even though total population decreased. This is the result of both the high number of elderly immigrants establishing in Reedsport and the out-migration of young families. All these factors are reflected in the increase in the number of housing units in Newport (6%), in Reedsport (5.5%), and in Gold Beach (13.3%), see table IV-23 through IV-25. A housing unit in this case includes a house, an apartment, a mobile home, a
group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters.

Table IV-22 Percent change between 1980 and 1990 of some demographic characteristics.

<table>
<thead>
<tr>
<th></th>
<th>Oregon</th>
<th>Newport</th>
<th>Lincoln County</th>
<th>Reedsport</th>
<th>Douglas County</th>
<th>Gold Beach</th>
<th>Curry County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>7.94</td>
<td>12.21</td>
<td>10.27</td>
<td>-3.77</td>
<td>0.96</td>
<td>2.05</td>
<td>13.74</td>
</tr>
<tr>
<td>Median Age</td>
<td>14.20</td>
<td>12.80</td>
<td>12.18</td>
<td>23.07</td>
<td>19.20</td>
<td>11.10</td>
<td>19.89</td>
</tr>
<tr>
<td>Total Households</td>
<td>11.27</td>
<td>9.48</td>
<td>12.64</td>
<td>4.44</td>
<td>7.50</td>
<td>4.81</td>
<td>22.88</td>
</tr>
<tr>
<td>Persons per household</td>
<td>-3.08</td>
<td>1.75</td>
<td>-1.60</td>
<td>-7.92</td>
<td>-6.13</td>
<td>-4.68</td>
<td>-8.00</td>
</tr>
<tr>
<td>Total families</td>
<td>7.43</td>
<td>9.50</td>
<td>8.78</td>
<td>-1.06</td>
<td>1.94</td>
<td>-1.37</td>
<td>16.02</td>
</tr>
<tr>
<td>Persons per family</td>
<td>-2.58</td>
<td>1.41</td>
<td>-1.40</td>
<td>-6.75</td>
<td>-5.06</td>
<td>**</td>
<td>-6.92</td>
</tr>
<tr>
<td>Females in total population</td>
<td>8.13</td>
<td>15.10</td>
<td>12.29</td>
<td>-3.37</td>
<td>1.83</td>
<td>-0.38</td>
<td>14.57</td>
</tr>
<tr>
<td>% females in total population</td>
<td>0.20</td>
<td>2.54</td>
<td>1.82</td>
<td>0.40</td>
<td>0.87</td>
<td>-2.47</td>
<td>0.73</td>
</tr>
<tr>
<td>Women age &gt; 16 with children in the labor force</td>
<td>37.12</td>
<td>73.40</td>
<td>66.06</td>
<td>-28.59</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total population age 65 and over</td>
<td>30.89</td>
<td>48.83</td>
<td>27.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per capita Income</td>
<td>77.56</td>
<td>53.77</td>
<td>59.18</td>
<td>66.40</td>
<td>61.81</td>
<td>39.65</td>
<td>73.55</td>
</tr>
<tr>
<td>Median household income</td>
<td>62.40</td>
<td>59.14</td>
<td>56.04</td>
<td>43.28</td>
<td>42.01</td>
<td>36.03</td>
<td>54.19</td>
</tr>
<tr>
<td>Median family income</td>
<td>61.46</td>
<td>58.03</td>
<td>52.34</td>
<td>48.49</td>
<td>43.30</td>
<td>41.67</td>
<td>58.73</td>
</tr>
<tr>
<td>Income below poverty, % of total pop.</td>
<td>15.89</td>
<td>7.21</td>
<td>25.21</td>
<td>65.43</td>
<td>34.23</td>
<td>22.0</td>
<td>1.63</td>
</tr>
<tr>
<td>Income below poverty level age 65 and over</td>
<td>11.68</td>
<td>15.79</td>
<td>25.56</td>
<td>11.43</td>
<td>51.66</td>
<td>-14.71</td>
<td>6.77</td>
</tr>
</tbody>
</table>


The impacts on housing demand are, however, different in each community. This is because demographic differences as well as differences in the land available for residential development in each community. Newport, for example, in spite of its 12% increase in total
population and 9.5% increase in the number of households, is not experiencing considerable problems in terms of providing adequate housing. This is in part because Newport still has sufficient land to accommodate new residential development. This does not mean that the community is not confronting problems related with new residential development. As we will see in one of the examples in chapter VI, urban development is encroaching on a mining site threatening the capability for exploitation of the site. This example will show that coping with housing demands is not only a matter of building new houses in all land available, but also it is a problem of new developments conflicting with other land uses, frequently industrial.

Reedsport and Gold Beach are in a worse condition regarding their capability to cope with housing demands. Both communities are affected by the rugged coastal range geomorphology, which provides few areas suitable for residential development. Limited land and the increased housing demand are likely to adversely affect the price of housing. Median value housing increase by 20% in Gold Beach (table 4.23) and by nearly 4% in Reedsport (table IV-24). The smaller increase in Reedsport is perhaps the result of its decrease in population. As we described earlier, Reedsport’s population started to increase in 1990. Therefore one would expect the price of housing to show increases since that time. The median value of housing in Newport also increased by nearly 20% between 1980 and 1990 (table IV-25). This increase is perhaps attributable to both increase in population and a reduction in land available for development.

Table IV-23. Gold Beach Housing Status, 1980 and 1990.

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Units</td>
<td>682</td>
<td>773</td>
<td>13.34</td>
</tr>
<tr>
<td>Median Value Housing Unit</td>
<td>$55,000</td>
<td>$65,500</td>
<td>19.09</td>
</tr>
<tr>
<td>Mean Contract Rent</td>
<td>$163</td>
<td>$260</td>
<td>59.51</td>
</tr>
<tr>
<td>Rental Vacancy Rate</td>
<td>6.4</td>
<td>13.5</td>
<td>110.94</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo, 1992

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Units</td>
<td>1985</td>
<td>2095</td>
<td>5.54</td>
</tr>
<tr>
<td>Median Value Housing Unit</td>
<td>$53,900</td>
<td>$55,900</td>
<td>3.71</td>
</tr>
<tr>
<td>Mean Contract Rent</td>
<td>$175</td>
<td>$257</td>
<td>46.86</td>
</tr>
<tr>
<td>Rental Vacancy Rate</td>
<td>7.9</td>
<td>4.3</td>
<td>-45.57</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo, 1992

Table IV-25. Newport Housing Status, 1980 and 1990.

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Units</td>
<td>3862</td>
<td>4105</td>
<td>6.294</td>
</tr>
<tr>
<td>Median Value Housing Unit</td>
<td>$58,900</td>
<td>$70,400</td>
<td>19.52</td>
</tr>
<tr>
<td>Mean Contract Rent</td>
<td>$214</td>
<td>$327</td>
<td>52.80</td>
</tr>
<tr>
<td>Rental Vacancy Rate</td>
<td>6.4</td>
<td>5.5</td>
<td>-14.06</td>
</tr>
</tbody>
</table>

Source: Smith and Restrepo 1992

The greater housing demand is reflected in the decrease in the rental vacancy rates in Reedsport (-45%) and Newport (-14%) (see table IV-24 and IV-25). The over one hundred percent increase in the vacancy rate in Gold Beach is likely to show a misleading picture of housing demands in that community. The rental vacancy rate includes housing units for rent and for sale, for sale only, rented or sold but not occupied yet, for seasonal, recreational, or occasional use (including time-shared condominiums and shared ownership units). It has to be noticed that, in small communities, single digits vacancy rates do not accurately reflect availability of housing units. An interview with the Gold Beach city manager suggests that the community counts very few, if any, housing units available for rent or for sale (Bill Curtis, 1994 personal communication).

One important factor that needs to be considered regarding housing impacts, is to determine what specific type of housing is being subjected to greater demand. Newport, for example is likely to experience greater demand for low cost housing as well as for high cost housing. This is because of the uneven distribution of income in the community; there are more poor and more wealthy families in the community. A similar situation occurs in Gold Beach, where in addition to median price housing demand, wealthy elderly are raising the demand for high pricing housing units. In Reedsport the greatest demand is in moderate-price
housing. This is the result of Reedsport having experienced a considerable increase in the population with incomes below the poverty level.

Local governments are even more challenged by concerns raised by industries about the availability of affordable housing for their labor force (Cortright and Millov, 1992). There is the potential problem that without being able to afford adequate housing, some sectors of the local labor force may be forced to leave the community, causing tremendous impacts on both current and future business. This is why there have been a few cases where industries have subsidized housing to assure the availability of work force.

Housing demands for single-family units are also likely to increase. This is the result of communities having a high number of elderly citizens, who prefer and usually live in single family units. While Reedsport and Gold Beach are experiencing demand for single units because of their high elderly population, Newport is experiencing demand for both single and multifamily residential units.

In the previous description of Newport’s demographic change it was pointed out that not only elderly but also new young families are establishing homes in Newport. It was also pointed out that the majority of these families have low incomes. Therefore, it is expected that multifamily units, which are more affordable for low income families, will be in high demand.

All the factors described above are likely to affect the housing provision strategies (policies) in the three communities. Communities must address housing issues because it is mandated by statewide planning Goal 10. Newport, for example, has recognized in its comprehensive plan the goal of providing new high density land to accommodate future residential developments. This goal requires the city not to artificially limit the amount of vacant residential land so that the cost of developing new housing is not adversely affected.
In Reedsport, the city planning staff is carrying out a housing study that will provide strategies for the adequate provision of housing for the community. We do not know of any initiative for provision of housing in the community of Gold Beach.

One important part of our investigation was to find possible linkages between housing policy initiatives and resource based industry. In Newport, the goal of not limiting the land available for new residential developments, has caused conflict with the exploitation of an important mining site. Urban development was increasingly threatening the exploitation of the site. The Oregon Department of Transportation had to appeal the city’s decision to continuing developing land around that site. (This example will be presented in more detail in chapter VI.) The impacts of the strategies resulting from the Reedsport housing study cannot be investigated because the plan is not yet available. We can speculate that conflicts are likely to arise if the city is forced to rezone industrial land to allow residential developments. This is a potential impact because Reedsport has limited industrial as well as residential land.

By examining minutes of city planning and city council meetings in the three communities, it is evident that local government has in fact dealt with many requests for residential development permits, most of which have been approved. In most cases the requests involve no rezoning of the land, although there were a few cases where rezoning was necessary. A good example is given by the so called Southshore development (Newport), which will be described in detail in a later chapter.

New residential developments are not always seen as a good thing by some residents in the community. For example, residents of Reedsport have recently appealed the decision made by the local government approving a 14 unit residential development. It is expected that the same situation will occur for a 48 units development that is ready to be approved by the local government in Reedsport. This situation obviously in some way precludes the quick response by the local government to the housing needs.
2. **Public and Utility Services.**

Another evident problem resulting from population change is the availability of public utility services, such as potable water, and sewage treatment. Population growth brings a greater demand for these services. For example, Newport is apparently suffering some problems with its sewage treatment plant. The Department of Environmental Quality has already warned the city of Newport about its excess discharges. This problem regarding the capacity of its sewage treatment was one of the concerns that residents have about the approval of the Southshore project.

Expansion of utility services to cope with new residential developments is not always possible, at least in the short term, because their expansion usually requires large capital investments. In fact, the capability of local governments to finance such expansions has been reduced by budgetary cuts resulting from Ballot Measure 5.

Another possible impact relates to the provision of potable water. It is known that Newport, for example, has been forced to ration the use of water in the past due to drought conditions (specially during summer). Water for industrial uses, such as paper mills and fish processing plants, may compete with provision of water for residential uses. Factors such as these may force local governments to implement actions such as rationing the distribution and use of potable water. Local governments may also be forced to impose a tax on industrial water use or simply increase the price of water for all uses to pay for bringing more water to the community. During our investigation, however, we could not find evidence on this issue; neither local officials nor industry representatives seem to be concerned about the likelihood of this problem. This issue certainly deserves further investigation given the importance of the fishing and paper mills industry as well as the increased number of tourist developments in coastal communities.
Current conditions of utility services will play an important role in determining the possible impacts resulting from demographic change. Although this study did not look at these specific issues, we know from the 1992 Reedsport Comprehensive Management and Growth Study (COMAGS) (Conway et al. 1992) that, for example, Reedsport’s services are in relatively good condition. However, we must realize that Reedsport’s growth has not been as much as in other coastal communities, and once Reedsport begins to grow more rapidly, the demand for utility services and other kind of services will demand some action by the local government. The result will be more pressure to develop contingent strategies for the protection of the city’s water supply as well as to obtain better telephone services to the area.

Demographic change also brings new demands for other public services such as police protection, fire stations, and improved transportation and communication services. Demand is also likely to increase for community centers, swimming pools, theaters, and other recreational activities. For example, the city of Newport has recently approved the establishment of a bowling alley after having declined it in the past. Its approval may have been influenced by the perception that community’s needs have changed and because of more persistent demand by residents. Therefore, assessment of residents and community needs is important and would provide valuable information that can help to prioritize develop local needs.

3. Services for elderly.

The elderly sector of the population has increased so much that the demand for services demanded by elderly is likely to increase. Elderly citizens, as we described in chapter II, usually require more specialized health services and more frequently. Handicap access is also another need of elderly.

Elderly impacts, in terms of service provision, are likely to be more severe and more immediate in Reedsport and Gold Beach than in Newport. Newport is a bigger community
where some of these services are already provided, although it is known that Newport’s residents (not only elderly) come to Corvallis to obtain medical services. However, Gold Beach and Reedsport are much smaller communities which lack an adequate provision of these services. Gold Beach, for example, lacks handicap access to public buildings such as the post office and City Hall. Furthermore, the percentage of elderly as part of total population is higher in Gold beach (20%) and Reedsport (19.9%) than in Newport (16.5%).

It is important to point out that Reedsport is also likely to be more affected because its elderly population has increased so rapidly. Reedsport shows the largest percentage change in elderly population at (48%) compared with Newport (at 31%) and Gold Beach (at 28%). Furthermore, the elderly population in Reedsport seems to have lower income levels than elderly citizens in Newport and Gold Beach. This could create additional challenges if elderly are not able to afford adequate health services or adequate housing.

Other facilities, such as libraries, adult education centers, fishing and boating, campgrounds, are categorized as very important by elderly citizens (Cartwright et al., 1990). It could be expected that the elderly will request and participate towards the provision of these services by local government.

Elderly impacts on local policy are not only the result of the social compromise of providing them with adequate services, but also from an economic prospective. Transfer payments paid to retirees, who usually are elderly, are an important source of income in the three communities (as it described in the previous chapter). Local policy thus shall consider the adequate provision of services for elderly not only as a social compromise but also as a strategy to retain and attract new elderly to the community.
4. Impact of people's attitudes on local policy.

The description of demographic characteristics shows that the three communities are diverse in their demographic and social character and differences among peoples' attitudes can be expected. These differences in attitudes have the potential of influencing local policy. This is especially true in communities where citizens have the opportunity to actively participate in local policy making. City council and planning commissions are both comprised of local residents. The power of the city, as we will see in next chapter, is given to the city council, although planning commissioners also play an important role in the community. Alternatively, people's attitudes may play an important role when citizens get involved in special advisory committees, or when they participate in public meetings.

However, conflicts arise, as we described in chapter II, when local leaders have different attitudes than the general public. Furthermore, attitudes of long term residents are likely to be different from attitudes of new residents. This factor is of considerable importance given that the three communities under study are experiencing a great deal of immigration. However, newcomers are not only from urban areas but also from other rural areas. Attitudes for these two types of newcomers are also likely to differ among them. Urban newcomers are more likely to run for councilor positions since they are more accustomed to participate in governmental activities than rural newcomers.

In Gold Beach, for example, differences in people’s attitudes about the community’s future, has made it difficult for the residents and city officials to reach a consensus about policies for economic stability and diversification (Hovee and Hovee, 1992). While some Gold Beach residents feel that the Rogue River is being over-used by fishing and jet boating, other residents feel that these activities are important for the community (Hovee and Hovee, 1992).
There have been actual cases where citizens who have just moved to the community have been elected to councilor positions. In Gold Beach, for example, a new member of the city council has been in the community for only two years. In other community in Oregon, it was possible to observe that the attitudes of the new councilor, who just recently moved to that community, were completely different from the other members of the committee (Smith, 1994 personal communication). Contrary to these cases, members of the Newport’s city council have been in their position for as much as ten years. Nevertheless, it might be the case that new residents will take positions in the Newport local government in the future, as in Gold Beach. If that is the case, people’s attitudes (that results of demographic change) may play a role in Newport’s future development.

Greater support for conservation and protection of natural environments than for development, common among the older population is perhaps contrary to the more pro-development attitudes of other sectors in the population. Long term residents and newcomers are also likely to have different attitudes regarding how they would like the community to develop. Families that immigrate to Newport are likely to support new developments that will provide them with jobs whereas long term residents may oppose tourist development because of their negative impacts on traffic, crime, congestion and parking. Socioeconomic division among residents, including local leaders, is an important factor in determining the direction of local policy.

It is expected then that residents with a more “conservationist ideology” will challenge local governments since they want the city to keep its rural character. Business owners are likely to have very different attitudes. Smith (1990) found that local business owners believe that local economies are being held back by a “no growth” attitude among the general citizenry and felt that business expansion is largely controlled by local residents.
Citizens can also participate by expressing their opinion about particular issues. It is by their participation that new and old residents can have an impact in the future of local communities. It is obvious that opinions will vary among citizens. For example, retirees may favor the creation of senior centers and libraries, but act against new high density residential and commercial developments that would destroy the city’s rural character. Low income citizens, on the other hand will act in favor of new job opportunities and the creation of affordable residential housing. Eventually, the impacts will depend, first, on the people’s beliefs and attitudes towards growth and development, and second on how actively they participate in the decision-making process.

From the presentation in this section, it becomes evident that demographic change could indeed have impacts on local policy. And whatever the cause of those impacts (population growth, elderly demand for services, or people’s attitudes), these possible impacts deserve to be studied in more detail by future research. In chapter VI, after describing the decision making process, this report will present some actual examples that support these assertions.
V. DECISION MAKING PROCESS

A. Introduction.

It was hypothesized earlier that economic and demographic changes impact natural resource based industry through local decision making processes. However, to fully understand how these changes translated into impacts on this industry, it is necessary to understand the decision making process, especially at the local or community level. This chapter presents a general description of the statutory basis for decision making at the local level.

Description of community decision making process may be particularly useful for those not familiar with Oregon statutes and privileges. One of the important statutes established the Oregon’s Land Use Planning Program. Land use regulations, as determined by this program, are of considerable importance in our investigation since local policy usually involves land use issues. This program, by requiring the creation of local comprehensive plans, gives authority to local governments to manage their natural resources as well as to implement economic development initiatives. We expect that impacts on natural resource based industries are likely to result from local land use policy.

Several other laws also give authority to local governments to manage non-land use issues. Local governments have the authority, for example, to collect property taxes and charge fees. State laws also make local governments responsible for the adequate provision of public services, such as sewage collection and treatment, potable water, health services, access for disabled, police protection, fire protection, and tourist facilities.

This chapter presents a general description of the Oregon Land Use Program followed by a description of other state laws that influence local policy. After these sections, the chapter
focuses on a more detailed description of the actual policy making process at the local level. Examples are used to describe this process.

B. Land Use Planning in Oregon

One of the best descriptions of the land use planning process in Oregon can be found in Abbot and co-authors in their book "Planning the Oregon Way". In this book they compiled several chapters written by other authors on several topics related with the land use planning process in Oregon. This section is based on information presented in this book. The history of land use planning in Oregon dates back to the early 1920s. From its beginning until 1973, land use planning in Oregon, as in other states, was a responsibility of counties and cities. Cities were granted authority by legislation in 1919 to manage land use. Cities' authority was expanded by the legislature in 1923. Counties received similar authority in 1947. However, in 1973 the passage of Senate Bill 100 marked a special date in the history of land use planning in Oregon. This bill still provided local governments the authority to plan and zone land use, but it required them to develop and implement land use plans following statewide planning goals (Abbot et al., 1994).

A new era of partnership between local and state governments thus began, and continues today. This intergovernmental partnership as well as some other characteristics has made Oregon’s land use program one of the most formidable and “highly admired” in the nation (Knaap, 1994). Oregon’s program gained recognition by the American Planning Association, in 1982, as being the outstanding program in the nation. Other recognition included that of the conservation group Renew America who called it the “leading” growth management program in 1988, 1989, and 1990 (Pease, 1994).

All lands in Oregon are under the management guidelines of this program. The Oregon Land Use program provides the elements for the protection of natural resources and orderly
development in Oregon. Supervision of the plan is the responsibility of the Land Conservation and Development Commission (LCDC). The program is however administered by Department of Land Conservation and Development (DLCD), which is the administrative arm of LCDC.

Coastal communities in Oregon are under the specific regulations of the Oregon’s’ Coastal Management Program, a major part of the state Land Use Program. Statewide planning goals 16 though 19 provide specific guidelines for the creation and implementation of comprehensive plans for coastal communities. All other characteristics described before are also shared by the coastal program.

The Oregon’s Coastal Management Program (OCMP) was created in response to the invitation and support provided by the passage of the national Coastal Zone Management Act (CMA) in 1972. The OCMP was the second coastal program to obtain federal approval in the nation. Since its federal approval in 1977, the plan has been refined through legislative and administrative actions (LCDC, 1992) for the adequate use and conservation of Oregon’s coastal resources, including the coordination between local and state efforts with federal initiatives.

1. **Oregon Land Use Planning Program.**

Some of the characteristics, as indicated by Sullivan (1994), that have made the Oregon land use plan so unique include: 1) intergovernmental process through which land use decisions are made; 2) the mandate requirement that local governments must develop comprehensive plans based on statewide guidelines and citizen participation; 3) a heavy emphasis on procedure in quasi-judicial decision making; 4) establishment of urban growth boundaries separating urban areas from rural areas; 5) a policy emphasis on conservation of agricultural and forest lands and natural resources.
a) \textit{Intergovernmental process.}

In 1973, with the passage of Bill 100, local governments although still having authority over land use planning, had to plan, as Knaap (1994) describes, in a manner consistent with state land use goals and guidelines. The Land Conservation and Development Commission (LCDC) had the responsibility of assuring local government compliance (ORS 197.250) with statewide goals through what was called the “acknowledgment” process of local programs. State government could take authority over local land use if local governments fail to comply with state planning goals (Knaap, 1994). Another responsibility of Land Conservation and Development Commission is to review the comprehensive plans periodically, usually on a four to ten years basis, to assure continued compliance with the statewide planning goals. If LCDC adopts a new goal or amends previous goals, local governments must amend the comprehensive plan making the respective changes so that the plan will comply with the new or amended goals.

Nineteen state goals, created by LCDC, thus became the administrative rules for land use management, development, and conservation of Oregon’s natural resources. These goals are grouped into four broad categories (table V-1): (1) planning process; (2) conservation; (3) development; and (4) Oregon’s coastal resources. Supplementing these goals, there are planning “guidelines,” also created by LCDC. Guidelines differ from the statewide goals in that they provide suggestions and options; they are not a requirement for local governments.

b) \textit{Local Comprehensive Plans.}

As a result of this intergovernmental partnership, local governments were required to create a comprehensive land use plan (ORS 197.010). This plan, once acknowledged by LCDC, becomes the controlling document for land use in the area covered by the plan (DLCD, 1993). The comprehensive plan had to include: (1) compilation of information from which decisions are made, including economic, demographic, resources inventories, etc.; (2)
plan policies and designations that provide both general and specific guidance for land use decisions of local, state and federal agencies; and (3) implementing measures or land use regulation, usually as locally adopted ordinances for implementing the comprehensive plan. Local comprehensive plans thus became the implementing instrument of the Oregon Land Use Program towards the sound use and management of Oregon’s resources.

<table>
<thead>
<tr>
<th>Category and Goal</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Process</td>
<td>Citizen Involvement</td>
</tr>
<tr>
<td>Goal 1</td>
<td>Land Use Planning</td>
</tr>
<tr>
<td>Goal 2</td>
<td></td>
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</table>

Conservation
- Goal 3: Agricultural Lands
- Goal 4: Forest lands
- Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources
- Goal 6: Air, Water and Land Resources Quality
- Goal 7: Areas Subject to Natural Disasters and Hazards
- Goal 8: Recreational Needs

Development
- Goal 9: Economic Development
- Goal 10: Housing
- Goal 11: Public Facilities and Services
- Goal 12: Transportation
- Goal 13: Energy Conservation
- Goal 14: Urbanization
- Goal 15: Willamette River Greenway

Coastal Resources
- Goal 16: Estuarine Resources
- Goal 17: Coastal Shorelands
- Goal 18: Beaches and Dunes
- Goal 19: Ocean Resources

c) **Quasi-judicial decision making.**

Quasi-judicial actions are those in which the authority applies general rules or policies to specific situations. They include, for example, specific zone map amendments, annexations, approval of development projects. In these types of actions the general public is provided previous notice of actions and thus the opportunity to be heard and to present facts relevant to the actions. On the other hand, legislative actions are those that set rules or policy. These actions are not open to the public and therefore the likelihood of citizens questioning the validity of them is much less than in quasi-judicial actions. Legislative actions are mainly taken by state governments and only occasionally by local governments (Sullivan, 1994). Land Use Board of Appeals (LUBA) has the power to review both actions, legislative and quasi-judicial. Another type of action is the ministerial. They are day to day actions such as granting building permits and conformance with simple standards like setbacks or height restrictions. Local governments are not required to provide notice of ministerial action nor the opportunity for hearings for the public.

d) **Urban growth boundaries.**

Statewide goal 14 requires that local comprehensive plans shall establish urban growth boundaries, which identify and separate urbanizable land from rural land (DLCD, 1993). Oregon, as pointed out by Nelson (1994) was one of the first states in developing such delineation boundaries.

Creation of urban growth boundaries had as objective to manage urban growth so that prime farm land can be preserved and an efficient provision of public services (such as water and sewer systems, drainage, fire, public health and recreational facilities), can be assured. The delineation of UGB was a task mainly of county and city governments, although state government, through DLCD, played a definitive role by approving or disapproving its
delineation by local governments. Frequently, conflicts aroused between local governments wanting a large UGB so that housing prices were not affected and state government wanting to control urban sprawl. Such conflicts were commonly decided in favor of the state government (Knaap and Nelson, 1992; in Nelson 1994).

According to Nelson (1994) there are two types of land within UGBs: (1) “Urban” land is where most urban development already exists and where all the immediate development needs of the urban area are accommodated, and (2) “Urbanizable land” that is available for high density development only when the supporting infrastructure is in place. This definition of urbanizable land differs from that given by LCDC, which in part states that “urbanizable lands are those that can be served by urban services and facilities” (LCDC, 1992). Misinterpretation of this definition has sometimes caused appeals to LUBA for approval of new developments in urbanizable land (e.g., Southshore project described in the following chapter).

e) Land Use Board of Appeals.

The Land Use Board of Appeals (LUBA) was created, in 1979, to assure that local comprehensive plans as well as local government decisions affecting government units and the public are in compliance with state planning goals and statutes (ORS 197.805). Its three members are designated by the governor and then approved, for a four year term, by the senate (Sullivan, 1994).

The board has jurisdiction over virtually all land use decisions (OCMP, 1991), except ministerial acts and forest related issues, such as practice rules, programs, decisions, determinations or activities (Sullivan, 1994). Most of LUBA’s jurisdiction is over land use decisions\(^\text{13}\) taken in the implementation of local comprehensive plans. The board has the

\(^{13}\text{ORS 197.015(10) defines land use decision as one involving a local government or special district adoption, amendment, or application of statewide planning goals, a comprehensive plan provision, or a land use regulation, or a state agency decision where the agency is required to apply the goals.}\)
authority to uphold, reverse or remand, and inclusively stay land use decisions (LCDC 1992). As part of its responsibilities, LUBA also reviews, upon appeal, land use decisions that are not the result of contested case hearings and plan amendments, and other local legislative decisions for compliance with state planning goals. However, LUBA does not have authority over issues such as acknowledgment and periodic review of comprehensive plans, which are a responsibility of LCDC (Sullivan, 1994).

f) **Citizen involvement**

Extensive citizen participation is also an important characteristic of the planning program. Statewide goal 1 requires the creation of a citizen involvement program that establishes the procedures by which the general public will be involved in the ongoing land use planning process. Statewide goal 1 states that citizen involvement programs shall incorporate the following components: (1) to provide for widespread citizen involvement; (2) to assure effective two-way communication with citizens; (3) to provide the opportunity for citizens to be involved in all phases of the planning process; (4) to assure that technical information is available in an understandable form; (5) to assure that citizens will receive a response from policy-makers; and (6) to insure funding for the citizen involvement program.

C. **Other Statutory Laws.**

Several other Oregon statutes also provide with statutory basis for policy making process at the local level. These statutes not only provide local governments authority but also responsibilities. Local governments have, for example, the authority to regulate licensing and taxation and the responsibility for the provision of adequate public services such as sewage and water as well as health and recreational services. The objective of this section is to provide examples of statutory laws that are relevant for the objective of this report. It is the
intent that these examples will help us to understand how economic and demographic changes may impact, through local policy, the resource based industry.

Chapters 221 through 227 of the Oregon statute establish the statutory basis for organization and government of cities. Chapter 221 provides guidelines for the formation of city government. It indicates, for example, that any resident of a city shall be eligible to hold an office of the city. It determines that the power of the city shall be vested in the city council, which usually consists of three members who serve for two to four years. Only councilors may then become the city mayor, whose period is two years.

Oregon statutes (221.410) give city council power to take all actions necessary or convenient for controlling its local affairs. The city council has the power of employing a city manager and other government officials, such as the police chief, fire chief, etc. The city also has the authority to determine, by contract or by ordinance, the terms and conditions, including payments and charges fees, upon which telecommunications utility, electric, and other public utilities may be permitted to occupy the streets, highways or other public property within the city (ORS 221.420). The city may inclusively require any public utility or telecommunications utility to make modifications, additions or extensions as it becomes necessary in the interest of the public. The city has the authority to designate the location and nature of all additions and extensions as well as the time and conditions upon which they have to be made.

Cities are also given the authority to levy and collect taxes from every electric cooperative, telecommunications company, privately owned public utility, that use the city streets, alleys or highways. In addition to tax collection, the city has the authority to set requirements for the imposition of a system of development charges. This system means a reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement (ORS 223.297 and 223.302). The
same statutes provide for two requirements: charges may be used only for capital improvements and the citizens have the right to challenge an expenditure of the revenues collected from the system development charges. Procedures for financing for other local improvements are also determined by the Bancroff Bonding Act (ORS 223.205).

The use of streets and other public grounds are also under the authority of the city (ORS 221.916). For example, cities have the authority to regulate the use of the city’s streets by log trucks; situation that occurs frequently in coastal cities. The city may regulate as well, vehicles for hire (taxis and others) and regulate routes and maximum rates charged. The city also may sell any public property as well as appropriate any private real property rights for any public or municipal use.

Regulation for annexation of land into the city is provided by chapter 222 of the state statutes. One important issue is that of liability about public services provision for annexed land. For example, when any part of the land of a district is annexed to a city, the city then becomes liable for the provision of public services.

Cities have authority to acquire water systems and use, sell and dispose of their water for domestic, recreational, industrial, and public use (irrigation and other purposes) within and without its boundaries (ORS 225.020). They can, through the city council, enact and enforce ordinances and other provisions as may be necessary for the proper policing, protection, management and control of the sewer system (ORS 224.140). Cities may impose on the users of water a sewage charge that shall be billed and collected by the cities (ORS 224.510).

The motor Vehicle Parking facility Act (ORS 223.805 to 223.845) grants authority to cities for the acquisition of property for parking facilities by purchase, condemnation, exchange or other lawful manner. Cities are also granted the right of eminent domain and the right to take private property for the public uses, electrical and navigation, within and without the city limits (ORS 223.884).
As we mentioned earlier in this section, Oregon statutes also give responsibilities to local government. Oregon statute (197.295) regulates, for example, the adequate provision of housing needs within urban growth boundaries. Provision by this statute requires cities not to prohibit attached or detached single family housing, multiple family housing for both owner and renter occupancy or manufactured homes from all residential zones.

The Housing Authority Law within urban growth boundary (ORS 456.055 to 456.230) provides for the creation of a public body corporate and politic to be known as the “housing authority” of the city. The creation of this body is optional to the cities. Evaluation of the need to create this body is responsibility of the city council or governing body. If created, the “housing authority” body is formed from 5 to 9 citizens. The “housing authority” has the power to (1) investigate housing conditions and into the means and methods of improving such conditions; (2) determine whether slum cress exist or where there is a shortage of decent, safe and sanitary dwellings accommodations for persons or families of low income\textsuperscript{14} including “elderly households”\textsuperscript{15}; (3) engage in research, studies and experimentation with subject of housing; (4) prepare, carry out, acquire, lease and operate housing projects; and (5) acquire, by exercise of the power of eminent domain, any real property which it believes necessary for its purposes.

An increase demand for health services is expected to occur due to the increased number of elderly citizens in coastal communities. The statutory basis for state planning for health services is the purpose of chapter 442 of the state statutes. For example, the provision of adequate health services in rural areas is the responsibility of the Office of Rural Health. This office coordinates efforts for providing health care in rural areas. Statutes in this chapter require that any new hospital or new skilled nursing shall obtain a certificate of need from the

\textsuperscript{14}“person of low income” and “family of low income” are defined by this law as a person or a family, residing in the state, who cannot obtain in the open market, decent, safe, and sanitary housing, including the costs of utilities and taxes, for 25 percent of the gross income of such person or family.

\textsuperscript{15}“elderly household” means a household whose head is over the age of 58, residing in the state, who cannot obtain in the open market decent, safe and sanitary housing for 25 percent of the gross income of the household.
state agency prior to an offering or development (ORS 442.315). Long term facilities are
under the provisions of statutory law 441.600 to 441.625.

Oregon statutes 441.525 to 441.595 provides for the creation in counties and cities of
public authorities having the power to acquire, own, lease, sell and otherwise dispose of
hospital facilities. This authority may issue obligations on behalf of the municipality to
provide hospital facilities for the people.

Cities are also required to provide access for persons with disabilities to public
building such as city hall and the post office. These regulations (ORS 447.20 to 447.280) also
apply to other affected buildings but not limited to commercial facilities, public
accommodations, private entities, clubs and churches. These regulations are based on the
provisions of the Americans with Disabilities Act and the Fair Housing Act. Regulations
include accessible parking space and accessible entrance to such facilities, including elevator
criteria.

Tourist facilities are also regulated by state statutes. State policy in this matter
encourages construction of recreational parks by public agencies and private industry to
satisfy the demand for outdoor recreation while establishing standards for recreations and
landowners so that these parks are maintained in a safe and sanitary condition (ORS 446.315).
These statutes provide for license requirements and fees charge regulations.

Park commissions in cities (of 3000 inhabitants and more) have the authority of taxing
and use the revenues for park purposes. These commissions are formed by the city major and
city engineer together with five citizens (ORS 226.120 to 226.240).

Other laws affecting coastal communities are the Removal-Fill Law (ORS 196.805),
and the Oregon Beach Bill. The removal-fill law regulates alterations to estuaries, lakes and
other waterways. Through this law, the Division of State lands has the authority to
administered fill and removal statutes, always considering all beneficial uses of water. The Oregon Beach Bill regulates uses and alterations along the ocean shore (LCDC, 1992).

\[D. \text{ Local Government Implementation.}\]

The policy making process at the local level can be described as one involving four participants: (1) city council; (2) planning commission; (3) staff; and (4) private citizens.

1. **City Council**

   The City Council is the commanding authority in the decision making process. The council is the only one local governmental body with authority to approve comprehensive plans and ordinances, adopt city’s budget, or to approve the creation and implementation of any other plan and implementation activities within the city. The council usually consists of five members, who are elected from the general citizenry. City council meetings are conducted by the mayor. The city attorney is also present in these meetings.

2. **Planning Commission**

   The planning commission recommends plans for promotion, development and regulation of industrial and economic needs of the community; studies needs of local industries; recommends plans for regulating the future growth, development and beautification of the city; and recommends strategies for the betterment of housing and sanitation (see ORS 227.090).

   The planning commission’s authority may vary depending on the authorization given by the city council. In most communities, the planning commission also has authority to recommend to the city council actions regarding land use decisions. The planning commission reviews all applications for permits, zone changes, development projects, and other day to day issues and provides the city council with a report and a recommendation.
when needed. Frequently, the planning commission is given authority to interpret and make recommendations about issues that are not clearly specified in the comprehensive plan (Handbook for Oregon City Councilors, 1987).

3. **Staff**

The staff consists of professional individuals elected, in most cases, by the city council. The staff usually includes a city manager or city administrator, who supervises the daily city affairs. Also forming part of the staff are the treasurer, police chief, fire chief, clerk, planner, and other individuals who collaborate and support the city manager or administrator in managing the city. The staff are the only paid officials in the local government body. The planning staff, including the city manager or city administrator, takes care of the all day-to-day administration and who actually develop the actions to be presented before the planning commission and city council for approval.

Contrary to the city council and planning commission, the staff is a governmental body working full time. In addition to the day-to-day administering activities, the staff may take initiatives to assess the needs of the community, including housing, services, industrial, and recreational, etc.

4. **Private Citizens**

Citizens' participation in the decision making process is an important characteristic of the decision making process. Statewide goal 1 requires each city to create a program for citizen involvement, which must describe the procedures for the involvement of citizens in the on-going decision making process. Ensuring compliance of this goal is the Citizen Involvement Advisory (CIAC) at the state level and a special citizen involvement committee at the city and county level (LCDC, 1992).
Citizens' participation can be distinguished into two categories. The first is a direct participation, such as being part of the city council or planning commission. Members of either one of these committees have to be city residents. They are elected by residents and each position has, usually, a duration of 2 to 4 years with reelection but not to exceed eight years.\textsuperscript{16}

Citizens may also participate in the decision making process without being elected to the city council. They can be appointed to special committees or simply participate via direct communication with officials. Frequently, special committees are created to investigate a particular issue. Participants, usually citizens and a staff member, collect and analyze information about the special topic, make forums to collect public opinion, and finally submit a report to the city council. An example of a special committee is the creation, a few years ago, of the Logging Management Committee by the city council of Reedsport to investigate and make recommendations regarding timber management within the urban growth boundary. Another example is Reedsport's transportation advisory committee. In this committee, local residents, city and county officials worked together to investigate the transportation system needed to adequately serve the future needs of the community. Citizens can really play an important role by joining these committees since it is these committees that suggest actions for approval by the planning commission and city council.

In Gold Beach the community response team was formed from about fifty citizens representing business, local, and civic interest in the community. This team had the major responsibility of creating a strategic plan for city economic development. In developing the plan, the team received help from other citizens who participated in meetings and offered their ideas and support during the process. This committee, like most special committees, is just temporary.

\textsuperscript{16}Residency requirements are established by local charter; in most cases local governments require a minimum residence of six to 12 months before a citizen can hold an elective office (HOCC, 1987). For example, Marv Hinz came to Gold Beach only about two years and has been appointed already to the Gold Beach city council.
Citizens also have the opportunity to participate in the regular meetings held by the city council and planning commission, which are quasi-judicial meetings. Local governments, in fact, are required to develop and follow procedures to conduct hearing in quasi-judicial actions. These procedures include public notice of the hearing, so that the general public know about the hearing, and thus encourage public participation. This is a mandate of the Oregon’s Open Law (ORS 192.610-192.710), which provides the general public with the right to attend meetings held by governing bodies of public agencies (except few specific cases, mainly judicial hearings). Citizens then have an opportunity to express their opinion at public hearings and present relevant facts orally or in written form.

This type of public participation also has important policy implications. For example, in the case of the Southshore project (described in the next chapter), citizens were deeply involved in the decision process by attending public hearings and expressing their opinion in oral and written form. Citizens in this case appealed to the Land Use Board of Appeals the decision made by the city council of approving the development, which delayed the development work by more than one year.
VI. CASE STUDIES

A. Introduction

The economic and demographic analysis presented in previous chapters provide the basis for addressing the economic and demographic change impact on resource based industry as a result of local policy. However, actual evidence that would provide for the rejection of our hypotheses had to be found before a determination of the validity of these hypotheses could be made. This chapter presents the findings of an intensive search for this type of evidence in the communities previously selected: Newport, Reedsport, and Gold Beach.

The original objective of selecting these communities as case study was not to test our hypotheses. Testing them was not possible because gathering of the required information would have required additional time and financial support that were not readily available. The main objective was to find evidence that justifies these hypotheses and thus supports the need for future research on the testing of these hypotheses. The examples presented in this chapter are part of this evidence. Although the degree of conclusiveness of this evidence is not quantified by a statistical procedure, it clearly shows the need for further research on the implications of economic and demographic changes on local policy and the impacts on the resource based industry.

B. Methodology

At the time we selected the three communities we were able to review a summary of demographic and socioeconomic characteristics (see Smith and Restrepo, 1993) of each community. The data suggests that changes in these characteristics vary for each of the three communities, making the selection of the communities appropriate for the objectives of the research.
We selected these communities because we wanted to cover a geographic area that itself provides each community with differences in natural resources, environmental amenities, transportation routes, closeness to metropolitan areas within and out of state, etc. For example, Newport on the central coast, is a destination center for tourists going along the Oregon coast. Gold Beach on the southern coast is close to California, the destination of many retirees immigrating to coastal communities. Finally, Reedsport is located midway between them and is located only one hour from the Eugene-Springfield area (see figure I-1).

Economic considerations also played an important role in the selection. These three communities depend, or used to depend, on the timber and fishing sectors. It is in these sectors where we expected to find some major impacts. Furthermore, the tourism industry as well as non-earned income sources have become increasingly important in each community, although their importance varies in each community.

Difference in population size was also a factor in the selection. Newport is the largest city with 8,437 inhabitants in 1990, followed by Reedsport with 4,796 inhabitants, and finally Gold Beach with 1,546 inhabitants. The elderly sector, which accounted for much that growth, grew in all three communities, but at different rates. While retirees accounted for much of the immigration, Newport also experienced immigration of young families.

Finally, considering that we wanted to investigate impacts of economic and demographic change, the simple fact of studying three communities provides a more powerful test our hypotheses. In fact, by the end of this chapter it will become evident that if we restricted our study to one community, and that community were Gold Beach, no actual evidence supporting the rejection of our hypotheses would have been found.

Searching for evidence involved an intensive review of different sources in each community. First, the communities' newspapers, which were readily available, gave us an
idea about day-to-day issues in each community, and especially about the decisions taken by local authorities.

The next step was to visit the communities themselves. In each community we reviewed, approximately, two to three years of minutes of city council and planning commission meetings. After looking at these sources, we then proceeded to interview local decision makers. This interview process turned out to be very productive in Reedsport. Most of the issues of value to this research were pointed out to us by members of the planning staff.

In the three cities we find that economic and demographic changes have indeed influenced the decisions taken by local governments, which supports parts of the hypothesis. Only in Newport, however, we did find specific examples where there is an evident impact on natural resource based industry.

C. City of Newport

1. Iron Mountain Quarry

The Iron Mountain Quarry is an important source of minerals for construction and for road maintenance. The quarry is located just outside the Newport’s Urban Growth Boundary (UGB). This example will show how demographic change influenced the decisions made by Newport’s government and will show that indeed these decisions affected the exploitation of material from the quarry.

The problem originated by the rapid growth of residential developments on one boundary of the quarry. This is the result, of course, of the rapid growth of Newport’s population during the last decade. The increase demand for residential land induced Newport’s government to approve the annexation of land next to the quarry and its posterior rezoning to allow high density residential use. In fact, at the time the issue was considered, a
project for affordable housing was already being proposed for a site about 1,000 feet from the quarry.

The Iron Mountain Quarry is a state property. The Oregon Department of Transportation (ODOT) has owned and operated the mineral site as a non-commercial quarry since 1942 (ODOT, 1992). Currently the amount of material removed is not as much as it was before but it still accounts for 3,000 to 4,000 cubic yards per year. Nevertheless, ODOT considered the site to be extremely important because of its public ownership, location, quality of material, and quantity of reserves. The site has approximately 5 million cubic yards of high-quality material, which ODOT expects to exploit, intermittently, over the next 50 years (ODOT, 1992).

ODOT obtains from the site material for road maintenance activities, making it unnecessary to buy material from other sources for such activities. Private contractors are also able to use the quarry material so that they are able to offer better bids on construction of major highways. By allowing this, ODOT seeks to promote more competitive bids for highway contracts.

In 1982, Lincoln County Comprehensive Plan designated the Iron Mountain Quarry as Category 1 site. These sites are found on land zoned for forestry uses, and according to the county plan they should not be adversely affected by uses allowed in the zone. The plan, by this designation, would not allow conflicting uses to affect the site and consequently the ODOT operation of the site was not adversely threatened.

Despite the quarry designation as site 1, and since early 1980s, there have been a series of urban developments around the site that, according to ODOT, are threatening its ability to remove material from it (ODOT, 1992). One of the first concerns of ODOT dates back to early 1980’s and was the possible annexation of land adjacent to the Iron quarry into the city. Although ODOT expressed this concern to the city, the city annexed land next to the southern
boundary of the site and rezoned it in 1990 to allow high density residential use. A posterior city proposal for the annexation and rezoning of 15 additional acres of land bordering the quarry created even a more discontent by ODOT, which subsequently appealed that decision to the Land Use Board of Appeals (LUBA).

The decision appealed by ODOT included the annexation and rezoning of additional 15 acres of land bordering the quarry for residential use. ODOT based its appeal on the fact that the city has approved requests for high-density residential zoning totaling 36.12 acres adjacent to the Iron Mountain quarry site in the last few years (ODOT, 1992). ODOT claimed that "its ability to obtain material from the site is threatened by urban development."

Increasing number of residential developments\textsuperscript{17} on one boundary of the site, will increase the likelihood of future conflicts between mining activities and neighbors of the site.

ODOT made the specific request to the city of Newport that the city's comprehensive plan should be revised and that specifications of statewide Goal 5 should be incorporated. ODOT claimed that: "the existing program to protect the site from conflicting uses through case by case review of applications for conflicting uses on nearby properties is insufficient to protect the resource, and does not comply with Goal 5" (ODOT, 1992).

Statewide Goal 5 calls for comprehensive programs to assure open space, protect scenic and historical areas and natural resources for future generations, and promote healthy and visually attractive environments in harmony with the natural landscape character. This goal also requires that local governments shall inventory the location, quality and quantity of mineral and aggregate resources, among others. This goal also states that "where no conflicting uses for such resources have been identified, such resources shall be managed to preserve their original character. If conflicting uses are identified, then the economic, social,

\textsuperscript{17}Approximately 800 new dwelling units would result if land is fully developed at the densities authorized by the Newport zoning ordinance (ODOT, 1992).
environmental and energy consequences of the conflicting uses shall be determined and programs developed to achieve the goal” (LCDC, 1993).

LUBA remanded the annexation and rezoning decision to the city of Newport in 1992. The city was then responsible of reviewing its comprehensive plan and incorporate clear objectives and standards for the protection of the quarry, including the identification of conflicting uses\(^{18}\), which ones will be allowed, prohibited, or conditionally allowed.

In response to the ODOT’s request and the decision of LUBA to remand the issue to the city, the city of Newport reviewed the section of its comprehensive plan that deals with Goal 5 of the statewide goals. This process took about two years before the city was able to pass the final ordinance that considers the recommendations made by the Oregon Department of Transportation. The result was the ordinance No. 1691 of the city of Newport. The principal points of this ordinance are highlighted in the following paragraphs.

Through this ordinance the city of Newport recognizes that the Iron Mountain Quarry is “a significant resource site because of its location, quality, and quantity, and should be retained on the inventory of significant Goal 5 resources in the Lincoln County Comprehensive Plan” (Ordinance 1691, City of Newport). Land adjacent to the site was however, also recognized as important for the provision of adequate housing. Consequently the city decided to allow conflicting uses on the adjacent property subject to limitations and design criteria, which are specified as part of the ordinance. These limitations or criteria are established for the newly created Iron Mountain Impact Area (IMIA). (The creation of this impact area is among the requirements of Goal 5.) This area includes areas affected by conflicting uses and areas that are affected by the exploitation activities of the resource. The

\(^{18}\) A conflicting use is one that, if allowed, could adversely affect a Goal 5 resource site (City of Newport, 1994)
ordinance identified conflicting uses inside the IMIA\textsuperscript{19} and therefore a study identifying the economic, social, environmental and energy (ESEE) consequences is included.

The ESEE analysis identifies economic and social as the most important consequences resulting from the conflicting uses between the mining activities and nearby uses. A partial or total loss of the resource from the quarry due to complaints by neighbor residents will result in higher cost of roads since material will have to be brought from more distant sites. On the other hand, the mining activities will require developers to share the cost of mitigation measures against noise, dust, etc., which eventually will increase the price of housing in the area.

In terms of social consequences, the analysis shows that, if the estimated 450 new residential units are constructed, pressure from these potential 450 complaints could preclude the exploitation of the site. This could happen because, according to the ESEE, the inability to meet the environmental regulations designed to protect the liability of surrounding property. On the other hand, the effects of mining activities on conflicting uses were identified to be: (1) residents may be directly affected by noise, dust, and traffic; and (2) a possible reduction of the land available for housing development.

The city of Newport decided to comply with Goal 5 and thus to protect the Iron Mountain Quarry by imposing limitations on conflicting uses. These limitations or requirements affect both the mining activities and the development of adjacent property. Permitted and prohibited uses within the Iron Mountain Impact Area are presented in table VI-1. Although dwellings, condominiums, mobile home parks, child care facilities, and subsidized low income housing projects are allowed, they will be subject development criteria and standards established by the ordinance.

\textsuperscript{19}Although all property within the IMIA is vacant, most of the conflicting uses were those allowed in a R-4 zone, such as residential uses, parks, hospitals and clinics, schools, libraries and museums, churches, clubs and lodges, tourist accommodation facilities, child care facilities.
The impacts on both the mining activities and housing provision resulting from the regulations established by Ordinance 1691, were not able to be quantified. It is clear, however, that demographic change influenced local policy. The demographic change was the increase in population, increased in the number of families, and increase in the number of elderly, which resulted in a greater demand for housing units. The demand is especially for low cost housing result of the immigration of low income families. The impact on local policy is reflected in the decision of the city of Newport to annex and zone land for residential developments to provide for the adequate provision of housing units; it was sought, by not limiting land for residential development, not to adversely affect the price of housing. The impact on the resource based industry was the threat over the mining capabilities of the Iron Mountain Quarry.

Table VI-1. Permitted and Prohibited Uses within the IMIA.

<table>
<thead>
<tr>
<th>Permitted Uses</th>
<th>Prohibited Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwellings, including accessory buildings.</td>
<td>Hospitals, sanitariums, or nursing homes.</td>
</tr>
<tr>
<td>Condominiums.</td>
<td>Schools, libraries, colleges, churches, clubs, lodge halls, and museums.</td>
</tr>
<tr>
<td>Mobile Home Park.</td>
<td>Motels, hotels, condominium hotels, and time-share projects.</td>
</tr>
<tr>
<td>Subsidized low income housing projects.</td>
<td>Boarding, lodging, or rooming houses.</td>
</tr>
<tr>
<td></td>
<td>Golf courses.</td>
</tr>
<tr>
<td></td>
<td>Recreational vehicle parks.</td>
</tr>
<tr>
<td></td>
<td>Hostels.</td>
</tr>
</tbody>
</table>

Source: Newport's City Ordinance No. 1691.

2. **Southshore Development.**

This example shows us several relevant issues. Perhaps the most important is the extend to which private citizens' opinions can influence the decision making process. In the
Southshore case, public opposition delayed the approval of the project for about 13 months, although from the original annexation request, it took a year and four months before its final approval. A second important issue was the apparent constant support by local officials to approve the project, which is tourism related, in spite of all points against it presented by opponents. The two most important arguments of the opponents were: capacity and availability of public services and the development location on a hazardous and sensitive area. This leads one to believe that among the reasons why the development was approved was its expected economic contribution to the community well-being.

The proposed development known as Southshore consisted, originally, of 82 to 90 condominium units distributed in 17 buildings, 18 single family dwellings, a 150 unit hotel, recreational facilities (indoor and outdoor tennis courts, swimming pool and recreation room), a village square, a 51,000 square foot of commercial area, and a community square to serve residents and hotel guests.

The controversy emerged in two separate, but related, issues: First was the annexation of the land in which the development was to take place, and second, the actual approval of the final development plan. We describe these two issues in the remainder of this section.

The site of the development consisted of about 90 acres of low-lying ocean front land located just south of the city of Newport. Because the property was just outside the city limits, the annexation of the land to the city was necessary if public utilities provided by the city of Newport were to be available to serve the development. The owner of the property, A. D. Dority III, wanted to sell the property to South Shore Limited Partnership. However, the transaction would take place only if permits20 to develop the property could be obtained.

The application for annexation was first presented on November 23, 1992, to the city planning commission. Specifically, the application consisted of two issues: (1) the request for

20 annexation and subsequent amended of maps and appropriate designation of the property is required before development permits can be requested
annexation of the property into the city, and (2) the request for zoning the property as R-4 (high density multifamily residential) for land west of Highway 101 and I-1 (light industrial) for land east of the Highway 101. At this public meeting, several concerns were stated by citizens of Newport and other communities. The principal concerns included: (1) portions of the property should be designated as wetlands; (2) the area was too close to the airport; and (3) doubts about the capacity of public utilities to serve the development.

Despite persistent objections by the public, the planning commission recommended the approval of the annexation to the city council. The commission considered that the three issues identified above were not relevant to the case since the meeting was only to deal with the annexation issue and no proposed development was presented then. The recommendation of the planning commission was then to approve the annexation request, one which was granted by the city council on April 5, 1993.

Request for an approval of the preliminary plan and tentative plat followed the annexation approval. The owner presented this request on March 8, 1993, to the Newport Planning Commission. Opponents had the opportunity at this time to raise all their concerns, same that were considered by the commission. Again the most relevant included concerns about the availability of public services, and the hazardous characteristics of the site. These possible impacts were discussed by the applicant, represented by Mr. Randy Tyler. The planning staff report found no significant inconsistencies of the development with zoning ordinances applicable to the case. The development was consistent with the physical characteristics and natural values of the site; wetlands were avoided and enhanced, no endangered species were present, no natural hazards jeopardized the safety of the development, and all public utilities including water and sewer were found to be capable to serve the development.

Even though some citizens were in strong disagreement with the relative safety and capacity of the water and sewer services, the planning staff made the recommendation to
approve the request subject to several conditions. Most of the conditions were minor changes and the need to present final plat for approval.

On July 12, 1993, the Final Development Plan was approved by the Newport City Council. After the approval, some local businesses expressed their support by pointing out the direct and indirect benefits of the Southshore project to the central coast economy, and particularly to Newport. Opponents, on the other hand, presented a letter indicating that some of the characteristics of the development do not agree with the city ordinance and comprehensive plan.

Opponents were in such disagreement with the approval of the Southshore development that they filed an appeal to LUBA. They, separately, appealed the annexation of the property to the city of Newport as well as the approval of the preliminary planned development, conditional use, tentative plat, and shoreland natural resource impact review. On December 29, 1993, LUBA remanded both decisions to the city of Newport for further action. LUBA said that the council acted prematurely in approving the Southshore development plan since the annexation case was also under appeal. Therefore, the city had not jurisdiction to grant permits. However, LUBA was not clear about what had to be done by the city of Newport.

On Jan. 31, 1994, the City Council of Newport reviewed the decision made in April 1993 to annex the South Beach property to the city limits. It became clear that the appeal was based on the fact that urban facilities and services must be adequate in condition and capacity to accommodate the additional level of growth allowed in the city's plans. These facilities must be available or can be provided to a site before or concurrent with any annexations or plan changes.

City planner, Mike Shoberg, pointed out that the availability of city services was not considered at the time the annexation was requested. The council agreed with the fact that city
services do not need to be considered when dealing with annexation, and the council approved the annexation of the Southshore property.

However the opponents argued that the ordinance states that city services must be at the site or be made available to the site "before or concurrent with any annexation." The council interpreted this as that the services do not need to be physically present at the site. Supporting this argument, the city council presented a letter from Lee Ritzman, Newport's superintendent of public works, indicating that the city services are presently available and that they exist in a condition and capacity that can serve the property, although it does not usually mean that physical connections to the property exist. The council accepted this as proof that the city is able to provide services to the site.

From the opponent's view, it was not clear how the city expected to supply additional units with sewage service when the treatment plant cannot consistently accommodate the existing population. Mr. Ritzman admitted that the treatment plant was being used below its actual design capacity but that steps were being taken to improve its efficiency. It was argued that, at full capacity, the plant will be able to meet the current and immediate future city's needs. Furthermore, the city planned to construct a new waste water treatment plan in South Beach.

The argument by the opponents was supported, at first, by the Department of Environmental Quality (DEQ), which indicated that Newport's sewage treatment plan was "probably at or above capacity" and that DEQ does not support the Southshore development (New Times, Newport Feb. 2, 1994.) However, DEQ later declared that the treatment plant was at its capacity but that planned upgrades and improvements to the plant should be sufficient to accommodate service for 5,000 to 7,500 additional people. In other words, DEQ was not against the development any more.
Despite the strong opposition, the council decided to reaffirm its previous decision to approve the annexation of the land. This was formalized as ordinance No 1699. The other decision remanded by LUBA, that is the approval of the planned development and tentative plat, was considered two months later during a city council meeting on April 11, 1994.

At this meeting the proponents presented several important changes to the original proposed development. The number of hotel rooms was reduced from 150 to 65, the coastal front length of the hotel was reduced from 600 feet to 352. The Village Square area will be about half of what was originally planned (from 51,000 square feet to 23,000 feet). Now there is a maximum number of individual stores inside the village, only nine separate business will be allowed. The types of business are now restricted to certain types. Another important change is the number of condominiums, which decreased from 90 oceanfront units to 65. Furthermore, three single-family units replaced 18 condominium units south of the hotel. Also, new restrictions are now imposed for the protection and enhancement of wetlands.

It became apparent during the meeting that there was a great deal of bargaining, outside the regular meetings, between proponents and opponents, one that resulted in a general agreement from both parties. The changes presented were precisely reflecting this agreement, and finally the development was approved by the council at this meeting.

This example shows several points that directly relate to our hypotheses. First, it was clear that not only demographic change but also economic change played an important role in all decisions taken by the city of Newport. The Southshore development was seen as a provider of additional housing units that will help to meet the demand of population growth. The developments would also help the local economy by attracting more tourists to the community. Of course the development would provide with more employment opportunities for local residents.
The participation of the citizens was an important factor influencing not only local policy but also the final characteristics of the Southshore development itself. Although we did not examine the characteristics of the opponents in terms of age, social class, their attitudes and beliefs, we would expect, according to previous studies, that these characteristics will also play a role in citizen participation. Characteristics like age, occupation, personal income, residency status (long time resident or newcomer), should be considered in further research. Characteristics of the local government, that is composition of the city council and planning commission should also be considered. For example, we described earlier in chapter IV, that most of the councilors and planning commission members have been in those positions for long time. However, this might start to change as citizens with different beliefs and attitudes being occupying local government positions.

From these examples we can also identify other potential impacts on resource based industries. For example, potable water and sewage treatment demands may be taken away from other residential uses to supply these services to the Southshore development. These impacts were indeed identified by the opponents of the development. One further impact, which was not identified by neither opponents nor by the city, is that provision of these services to the development may reduce the city's capability to serve industrial uses, such as fish processing plants and paper mills.

D. City of Reedsport

1. Timber Management within Urban Growth Boundary

In the past, timber activities within the city limits and urban growth boundary (UGB) were managed by the state. However, in 1990 amendments to the Forest Practices Act (FPA) provided that regulation of timber activities within the UGB and city limits became a function of the cities, in this case Reedsport. The city responded to this responsibility by forming a
special “Timber Harvesting Management Committee” with the objective of creating a management plan to handle timber activities.

This committee was formed from major land owners, timber professionals, citizens concerned with the environment, and representatives of the business sector. The committee produced a management plan, which was adopted by the council in September of 1990 as ordinance No. 710-B. This ordinance provided the general guidelines for regulating timber harvesting activities within the city limits and the UGB, including pesticides' activities. Through this plan the city expected to “enhance the quality of life for its citizens by maintaining both a quality environment and improving the community’s appearance to enhance its tourism economy” (Young, 1990). Once the ordinance was approved by Douglas County, Reedsport enforced the plan for about one year until the Forest Practice Act was again amended.

The city was informed on September of 1991 that the State Forest Department was going to enforce again forest practices within UGB as long as cities do not adopt ordinances regulating such practices. The Reedsport city council after considering the alternatives in response to this change, decided to abolish ordinance No. 710-B and the conditional use permit requirements, and agreed with the state to only manage the pesticides' activities. One of the principal reasons the city abolished ordinance 710-B was because the new FPA’s regulations became very similar to those establish by ordinance 710-B, and the city viewed them favorably.

The city did manage timber activities only for about a year. Nevertheless, the timber management plan and its regulations provided us with a good example of local policy being influenced by economic changes. As identified above, the objective of the timber management plan was of that of enhancing the quality of life for Reedsport’s citizens by maintaining both a quality environment and improving the community’s appearance to enhance its tourism.
industry. It is clear, from our previous economic analysis, that the tourism industry has become an important contributor to the local economy. Therefore, impacts of economic change on local policy are clear in this example.

Demographic impacts are not as obvious as economic impacts. Although we were not able to look for these impacts more deeply, we can still speculate about how demographic change influenced local policy. First, the objective of enhancing the quality of life for citizens can be seen to be a way to retain and attract new citizens. It has been argued for example that retirees are usually attracted by the quality of the environment. It is also true that a comfortable environment for citizens is one factor influencing the establishment of light industry business in rural communities.

A second way demographic change would have affected local policy in this example is by citizens' attitudes influencing local policy through their participation as members of Timber Harvesting Management Committee. Again, we did not investigate this type of impact, but it is worthy of consideration by further studies.

To understand the possible impacts of economic and demographic changes (through local policy) over the timber industry, it is necessary to describe some of the regulations imposed by ordinance No. 710-B. This ordinance regulated timber activities including conditional use permits, reforestation, aerial pesticide activities, truck loads permits, among others. Regulation over conditional use permits and truck permits for the use of city's streets are of special interest to us and the ones that will be described.

Section 3 of the ordinance No. 710-B states that any person proposing to harvest more than 12 trees within a calendar year must apply for a permit through the City Planning Commission. This section gives the commission\textsuperscript{21} authority to require more restrictive requirements, if they consider necessary, than those established by the ordinance itself.

\textsuperscript{21}as it is established in the conditional use permit process
Section 8 establishes a $10.00 fee per truck load whenever the activity requires two or more truck loads of logs. The revenue obtained from the fee was used to pay a consultant that monitored timer harvesting activities.

To give an idea of how restrictive were these regulations we present an example of a petition made by a timber company to harvest timber and use city streets for log hauling purposes. International Paper Company, the largest timber company in the city, requested a conditional permit to harvest timber behind the Schfield River. This request was approved by the city planning commission, but with a series of conditions. Among these conditions were: the company will be responsible for any damage and/or extreme stress to roadway, streets were to kept clean and if necessary the company could rent the city’s sweeper or a private one to clean the street, operations hours were restricted because the route was on a residential zone, payment of the $10.00 fee per truck load plus the truck permit fee, and all conditions established by the ordinance 710-B. (The city imposes similar series of conditions on an easement request by International Paper to use south Clear Lake access road for log hauling.)

In our research we did not find any information that actually shows that the timber industry was affected by these regulations. Nevertheless, we found information showing the concern by the International Paper Co. about the $10.00 fee they were required to pay per every log truck. The argument of the company was that they paid a harvest tax as well as the harvest permit, and they did not agree to pay an extra $10.00 per log truck just to pay for the city’s timber harvest monitoring.

Again, even though we did not prove our hypotheses in this example, we believe that it does support the need for further investigation. Further research is needed because even after the state took charge of timber harvesting activities within the UGB, the city still regulates some timber activities within the city limits. For example, Cutright Timber Co. made a request to use Hakki Ridge Road to haul timber. This request was approved by the city council
commission but with several conditions, among them are: one year permit only, the company should provide a $5,000,000 insurance, road to be returned to prior use or better condition, company will pay $2.00 load use fee (City council minutes Sep 8, 1992.) This type of more recent regulation needs to be investigated in more detail since it could affect the timer industry in Reedsport.

2. Zone change in the Port of Umpqua Industrial Park

The economic stress that Reedsport is undergoing originated the need to study the port activities and develop strategies for improvement and stimulation of such activities. After this study was performed by a private consultant, port officials requested a zone change for a portion of the port from water dependent uses (M-3) to non-water dependent heavy industrial uses (M-2). This request was approval by the Reedsport’s city council on June 4, 1990.

The rationale behind the zone change request was to give a better use to that portion of the port. It was argued that because no one has shown interest in establishing a water dependent use of that portion in the past few years, therefore, the land was not given its best use. The intend was that under the new zoning a diverse number of activities would be allowed opening thus opportunities for new business that want to locate in the port. It was expected that new business would provide more job opportunities and will stimulate the local economy. With the rezoning the potential tenants will be broadened and the land will be given better use. Furthermore, the rezoning did not preclude the establishment of water dependent uses on that portion of the port. Currently businesses such a veterinary and an oil company have been established after the passage of the rezoning ordinance. However, water dependent uses have not been established.

Another request for rezoning another portion of the port was approved about the same time. On this occasion, however, the zone change was from water dependent industrial (M-3) to estuarine conservation (EC). The area known as McIntosh Slough was going to be filled to
allow establishment of a railroad spur, a cargo sorting area, a water dependent fabrication and/or repair facility. The port study concluded that no additional land was needed at this time for such uses and a better use would be to leave the site as a natural amenity, which will support the increasing tourism activities.

These two zone changes have the potential to impact the natural resource based industry of Reedsport. In the first case (the zone change allowing non-water dependent uses in the industrial park) the impacts are to some extent mitigated by still allowing water dependent uses. Although, water dependent businesses have been not interested in locating in that portion of the port (City Council Minutes June 4, 1990) by allowing other industrial uses land may not be available to future water dependent uses.

The argument is that, for example in the case of the veterinary, the rental contract is for 20 years with the possibility of extension. If in the future this portion of the port is filled with industrial or another type of business, they might be taking away the land that was available for water dependent uses. We must recognize that the community is going through an economic transition, where some based industries such as fishery related industries are being replaced by tourism related activities and services. At the same time it is important to realize that the decline in the fishery industry is just temporary and we might expect the fishery industry to emerge again in the future. Therefore the zoned change could make it difficult to accommodate land for fishery industry, as it becomes necessary.

In the second case (the new zone ordinance that designates the McIntosh Slough as estuarine conservation land), the impacts are positive in terms of the tourism sector. The possible impacts on other resource based industries were neither identified nor quantified. Apparently, the occurrence of possible impacts seems to be mitigated because, according to the port study, there was no need for additional industrial land.
E. City of Gold Beach

Examples of economic and demographic impacts on resource based industry were not identified in Gold Beach. However, based on the information presented in the economic and demographic analysis, we believe that examples were not found because the search for these examples was not as conscious as in Newport and Reedsport, and not because the non-existence of such examples in Gold Beach.

Although we reviewed about two years of minutes of the city council and planning commission meetings, we could not find any example that supports or at least justifies our hypothesis. One of the main problems we encountered was that the community was too far from Corvallis that time to review documents became a constraint. We were not able to look, for example, at other documents except these minutes. Furthermore, we had no clues given by either city officials, newspaper or other sources about possible impacts.

The economic and demographic transition that Gold Beach is experiencing suggests that impacts on the resource based industry are also likely to occur in Gold Beach. A more extensive study is needed before a conclusion could be made about the verification of our hypotheses in Gold Beach.

It is possible that the projects being proposed through the northwest initiative might result in some impacts to the natural resource based industry. Most of these projects are related with the creation of new job opportunities by creating infrastructure to support a more diverse economy. For example, one of these projects is proposing the extension of sewer service to an industrial area south of the city. Investigation of these projects may be a good place to look for examples that justify the model we have present in this report.
VII. PROPOSED METHODOLOGY

A. Introduction.

It was hypothesized, in chapter II, that economic and demographic changes do not have an impact on the natural resource based industry through local policy. The basis for this hypothesis was justified by the information presented in chapter III to V. However, the anecdotal evidence we found in the three coastal communities is not sufficient to reject or not reject this hypothesis, but provides a sufficient basis for additional investigation of the impacts of economic and demographic changes.

The economic and demographic analyses as well as the case study examples, in addition to justifying this hypothesis, also demonstrate that there still are many concerns and questions that need to be more extensively investigated. The objective of this chapter is to provide, based on this research’s results, a sound basis for more extensive research on the impact of economic and demographic changes on Oregon’s coastal communities.

Four issues are essential as part of the methodology being proposed in this chapter, each one is described in a separate section as follows. Section B describes a general criterion for the selection of the case study communities. Section C describes several approaches that can be used for conducting the economic analysis. Section D describes general criteria for the demographic analysis. One of the most important parts of this methodology is the identification of evidence for the verification of impacts of economic and demographic change on natural resource based industry. A methodology for the collection and analysis of such evidence is described in section E. Finally, section F presents the different sources where information required can be found.
B. Selecting Case Study Communities.

The first step in a more comprehensive study is the selection of the case study communities. The number of communities studied will depend mostly on the financial and time resources available; based on the results of this study at least three communities should be selected. The possibility of finding useful examples increases with the number of communities under study. One approach to select the communities is by using a random procedure to select some communities among all coastal communities, and study them whether they are experiencing economic and demographic changes. This will assure unbiasedness in the selection.

Another approach is to make a preliminary selection of communities which are experiencing economic and demographic changes, and then randomly select three communities from them. The study by Smith and Restrepo (1992) is an excellent source of demographic information at the community level that could be used for the selection of case study communities. The study by Davis and Radtke (1993) is an excellent source for economic information. Although information in the Davis and Radtke study is at the county level, it still provides a good picture of economic characteristics that can be used in the selection of case study communities.

It is important however not to limit the selection of communities to those experiencing the most dramatic changes demographic and economic changes. The inclusion of one or two communities where changes do not seem to be so dramatic will strengthen the study by either showing that impacts on other communities are really the result of these changes or by confirming that even small changes cause impacts. It is important to make clear that it would not methodologically correct to select communities in which we know, from whatever the source, we are likely to find examples that affirm our hypothesis. The preliminary selection has the only intend to assure that we studied
communities experiencing economic and demographic changes. At the end, our hypothesis is based on the notion that these changes may result on impacts in coastal communities.

C. Economic Analysis

The objective of the economic analysis is to identify economic trends over time, industrial structure, economic contribution of different industries, and determine the relative levels of local expenditure and, hence, the local multiplier effects of these industries. Several approaches can be taken to accomplish this task. Because economic information at the local level is sometimes difficult to obtain, the approach for economic analysis is likely to depend on the type of information available. Most of the readily available information is at the county level. Economic information for specific coastal cities is more difficult to obtain.

One approach is to carry out an economic based study of the communities under study. This type of study requires information on employment or payroll by SCI code. This data can be obtained from the Oregon Employment Division.

Another approach is to carry out an input-output study at the community level. This type of analysis is very helpful because it provides information about changes in economic activities on the various sectors of the economy. Again the degree of detail depends on the data available. A very useful analysis will be to collect primary data from individual firms. Alternatively, secondary data provided by economic census or other secondary sources is also useful.

Davis and Radtke (1993) used the IMPLAN input-output model developed by the U.S. Forest Service. Although the information resulting from their analysis provides a
general picture of the local economy (their study focuses at the county level), it may underestimate the economic situation of given sectors at the local level. The best example is perhaps the timber sector in Gold Beach. In chapter III of this report we described that this sector has declined severely in the city of Gold Beach. However, data for the county presented by Davis and Radtke did not show this decline.

However, one can use county level information altogether with knowledge of the community itself to make approximations about the relative importance of local industries in the community’s economy. This may be sufficient to establish the economic relationship between economic change and local policy and the impacts on the natural resource based industry. More specific data would be needed if one wanted to quantify the economic impacts on the natural resource based industries in the city caused by city demographic and economic changes.

The period in which economic and demographic changes are analyzed is an important factor. Economic analysis may compare two or three time periods. Comparison between years will provide information needed to identify economic trends as well as determine economic multipliers. Caution must be taken to select those years that are representative of the economic situation over time. In other words, selection of years when some industries were booming or in a slump would bias trend data.

Analysis of the community’s characteristics is also important. Characteristics such as quality and quantity of public services, land availability for residential development, natural resources, etc., may play an important role when investigating the impacts of economic and demographic change. Although a general knowledge of these characteristics is useful, a more deep approach will be to carry out a capacity-based study. This type of study analyses the location of growth-shaping capital facilities, such as sewer and water, the extend and quality of local services, and a variety of environmental
controls (Pizor et al., 1982). For more details about capacity-based methodology the reader is referred to the Pizor's study.

D. Demographic Analysis.

The analysis of demographic characteristics, including socio-economic indicators, is also an important part of the methodology. The analysis is usually restricted to decenial periods since the U.S. Census is on a ten year basis. However, the decenial census may not accurately reflect the true demographic trend of a community. This problem is compounded if the latest census is more that a few years old. More current information is available for example from the Portland State University Center for Population and Research, which publishes demographic information on a regular basis for communities in Oregon.

Demographic information can be tabulated for the selected periods for easier interpretation. A percentage change evaluation among periods provides a relative measure of how severe the changes are. However, percentage change should be interpreted with caution because of the small size of some communities. A small increase in number of some characteristics may result in large percentage change due to a very small base number.

E. Identification and Verification of Impacts in Communities.

In this category two fundamental issues should be investigated and verified by statistical analysis: (1) the relationship between economic or demographic changes, or both, and local policy; and (2) the impacts of local policy on the natural resource based industry.
1. **Relationship between economic and demographic changes and local policy**

One of the best ways to investigate and evaluate this relationship is through a statistical analysis of the results of a community resident survey. The survey can provide information on several issues. For example, people’s attitudes towards change, including the measurement of citizens’ personal interest in affecting change in the community and citizen’s confidence in the community’s ability to handle change. The survey can also include questions regarding people’s attitudes towards economic development, which will provide information about community’s support for increasing tourist developments, conservancy of the natural environment. Another important issue is to investigate how residents view services provided in the community. How citizens think the city’s budget should be allocated among public services, recreational amenities, and other community’s needs can also be investigated through the survey. Correlation between migration patterns and total population can be investigated from results of this survey.

Results from the survey can be analyzed by statistical methods, such as multiple regression analysis. Hypothesis can be proposed and tested through this analysis. Although the questions included in the survey will have to be well defined and worded, the following list of dependent and independent variables provides a guide to formulating such questions.

**Dependent Variables:**

- support of local policies
- support for tourist development
- support for conservation of natural amenities
- need for improvement of public services
- support of residential developments
Independent variables.
- age of primary income earner
- income
- occupation
- household size
- education
- length of residence
- rural or urban newcomer
- reason for migration
- level of involvement on local policy

Another important part of the methodology is to carry out a needs assessment study, which can also be done using this survey.

Relationships between economic and demographic change and local policy may also be identified by searching in public records, including the minutes of city council and planning commission meetings. In searching for examples in these sources, the researchers need to keep in mind what type of information is needed. It is necessary to identify and document examples involving decisions by local government regarding community development policies including, taxation, services provision, identification of community goals, economic development policies, budget allocation, land use decisions (annexations and designation of land for conservation), zone changes, and decisions that influence the capacity and quality of public services (police, hospitals, recreation centers, parks, etc.) and utility services (sewer and water).

As these examples are found, it is essential to record the date the decision was made and who made the decision. The composition of the governmental body who made the decision (city council or planning commission) must be recorded as well. That is, for example, age of councilors, time in the position, time of residence, average income. This information will serve to determine if there is a correlation among these characteristics (e.g., demographic and economic) and local policy.
Another important piece of information is to record public participation or involvement in each decision. In many cases, the general public plays an important role either by forming part of advisory committees or by expressing their opinion on public meetings or in a written form. The investigation should also focus on obtaining the same type of information as that for the governmental body who made the decision. Again, this information will help to determine the extent of the citizen participation on local policy as well as determine if there are demographic characteristics that influence such participation. Although this is sometimes difficult, in most cases a group of citizens is leaded by one or two persons who may provide this information. As a matter of fact, they can provide very important information since in many cases they are in contact with both the local officials and the proponents of the example in consideration.

2. **Impacts on the Natural Resource Based Industry.**

Two issues are important regarding the impacts on the natural resource based industry. The identification of impacts, negative or positive, can be done by using anecdotal evidence. However, to evaluate the significance of such impacts, they have to be quantified. Obtaining anecdotal information regarding these impacts can be done through reviewing the sources described in the next section. For example, the impacts on the Iron Mountain Quarry were on the reduced exploitation activities limited by urban developments. The Southshore development will have positive impacts on the tourist sector in Newport, but negative impacts on the water and sewage services in the community. In both cases we have anecdotal evidence of impacts but lack quantitative measures.

Quantification of impacts can be done by conducting a survey of natural resource based industries. A survey is needed because it is necessary to distinguish between
impacts caused by state policy (such as harvesting regulations affecting the timber industry) and by local policy. This distinction is difficult to make using general economic data on generated income, employment, or payroll by industry. The opinion of the firms' managers about how local policy is affecting the firms and the industries in general, is important for the identification and quantification of impacts. The survey can be formulated such that information for the quantification of impacts can be collected. Dependent and independent variables can be formulated and survey questions can be accordingly formulated and then analyzed through statistical methods.

The survey could be sent not only to local established businesses, but also to businesses wanting to locate in the community. The reason to do this is the following. Local governments do influence the location of new business by providing incentives, such as waiving of taxes or providing services at quantities and quality that attractive to firms. Local governments however can also inadvertently discourage the location of new business if for example services are not in adequate shape, if local policies restrict the availability of affordable housing that would support the labor force, or if industrial land is not available. The local Chamber of Commerce is usually contacted by business which want to know what the location opportunities in the community. A list of business names and addresses may be obtained from the local Chamber of Commerce.

The statistical analysis of the survey data will provide the elements to test the hypothesis: economic and economic change do not impacts natural resource based industries through local policy. The analysis will also provide a measure of how significant these impacts are, if any.
F. Sources of Information.

The data sources listed in this section are not all the available sources. The list includes sources that were used in this study as well as other sources that, because of time constraints, we were not able to review. We have included a brief description for the majority of them. However, for those which are not described, the reader is referred to the report by Restrepo (1993). This report describes these sources and provides with a user guide for the use of such sources. This report is available from Dr. Fred Smith at the department of Agricultural and Resource Economics, Oregon State University.

1. Economic Information.

a) Oregon Employment Division.

The Oregon Employment Division publishes several sources of economic information. The Business and Employment Outlook reports provide economic information at the county level. There is one report for each county in Oregon. These reports provide background information about regions and about the counties they included. The Business Employment outlook included a description of demographic and economic trends as well as industry trends.

Another source is the Labor Trends report, which is published every month by the Oregon Employment Division. Each local office of the employment division publishes the Labor Trends for that specific area. For example, the Newport office publishes information about Lincoln county and its incorporated cities; although national and state information is frequently included in these reports.

The Oregon Employment Division also publishes covered employment and payroll data by SCI industry code, which are needed for the economic base study.
b) **Bureau of the Census**

(1) Census of Population and Housing
(2) Census of Agriculture
(3) Economic Censuses
(4) County Business Patterns

c) **Bureau of Economic Analysis**

The US department of Commerce’s Bureau of Economic Analysis publishes estimates of earnings by industry and transfer payments at the state and local level. It publishes yearly personal income information, as well. It also produces the following reports.

(1) Regional Economic Information System

(a) *Total Personal Income by Major Source and Earnings (2 digits SIC)*
(b) *Full and Part Time Employees by Industry*
(c) *Regional Economic Profile*
(d) *Transfer Payments*
(e) *Farm Income and Expenses*
(f) *Census Journey to Work*
(g) *Regional Multipliers*

d) **Local Chamber of Commerce**

Chambers of Commerce are one of the possible local organizations that have valuable anecdotal information. Interviews of local business persons may also provide a
good anecdotal information about local economy. This type of information helps in constructing a realistic model of the local economy.

f) **Other**

Sometimes a forecast of the local economy is needed. This information is published, for example, by the Oregon Department of Transportation (ODOT), which presents a demographic and economic forecast for 1990-2030. Other sources include the Better Jobs: Oregon’s Economic Challenge for the Nineties a report to the Joint Legislature, the Employment and Proprietor Income In the Oregon Visitor Industry prepared for the Oregon Economic development Department, Tourism Division. These sources are generally available at libraries, particularly in the Government Documents Department.

All these reports may provide more detailed information regarding several economic and demographic characteristics. The researcher must look for these types of reports carefully since they are not easy to find.

2. **Demographic Information.**

a) **Bureau of the Census**

(1) Census of Population and Housing

The principal source of demographic information is the Census of Population and Housing published by the Bureau of the Census. The Bureau carries out a census every ten year. Information reported by the census includes general profiles about labor force and commuting, income and poverty, housing characteristics, and social characteristics. The census reports these categories at the national, state, county, and some other levels, including local levels. However the census does not include some of these categories for small communities. For example, the 1980 census does not report detailed information
for communities with less than 1000 inhabitants and sometimes even less than 2500 inhabitants. It is important to mention that this is true only for some specific information. For example, the 1980 census listed total families for most small communities but it did not list persons per family for communities with population less than 1000 inhabitants.

The 1990 Census of Population and Housing is available in CD-ROM while previous censuses are available in written form only. Review of census' information on CD-ROM is much easier and efficient compared with the written reports. In many cases, depending upon equipment availability, one can print out sections of the census when using the CD-ROM format. As a matter of fact, we found it advantageous to review the 1990 census first, print the data, and then look for the same categories on the written form of previous census. In our case we reviewed the census of 1980 and 1990. Our interest was in changes occurring during this period; although future research might want to review even earlier census.

The census report presents general demographic information like that included in chapter three. In addition, the census reports socio-economic information which serves as indicators of community's well-being. They include the unemployment rate, personal income, labor force in professional and managerial occupations, and poverty level for population groups, among others. Information about these categories must be analyzed in detail since they play an important role in the investigation as we will see in the next section.

(2) County and City data Book
(3) County Statistics
(b) Center for Population Research and Census

The Center for Population Research and Census of the Portland State University reports population estimates and projections for Oregon counties and incorporated cities. This information is particularly useful when the U.S. census is several years old. We can identify changes that occurred during this period following the last U.S. census. In addition, the Oregon’s Department of Transportation publishes a demographic forecast.

3. Local Examples of Economic and Demographic Impacts.

Obtaining information on examples showing impacts on the resource-based industry is central to the investigation of these impacts on local communities. This type of information cannot be found in journals or other reports. This information requires an extensive investigation of different sources, mainly within the community itself. This section describes our experience in searching for this information. It is hoped that this presentation, including suggestions for the use of such sources, will be instructive to future research. However, it is important to note that the following sources are not the only sources available, and that future research may benefit by looking in other sources.

a) Newspapers.

Local newspapers are a good place to begin. There is usually a section that presents the most relevant events regarding decisions taken by the local government. Sometimes, they include an extensive narrative of important meetings, where not only the opinion of a particular proponent and the findings of the government but also the relevant opinion of the general public is reported. One should note specific meeting dates so that official minutes can be more efficiently found. In small communities, newspapers are published weekly or twice a week. It is important to review every edition since this is an easy and cheap way to be informed about any case that might be of interest without the
need to visit the community itself. Subscription to the local newspapers is recommendable. If this is not available, newspapers are generally available in libraries like Kerr library at Oregon State University.

b) Minutes of Public Meetings.

In Oregon, the city council and city planning minutes are required by law to be made available to the public. In the planning minutes one can find most of day-to-day business that needs review by the planning commission. In some cases, issues reviewed by the commission go for further analysis to the city council; so that one might find the same issues described in the two different sets of minutes. However not all the cases go to the city council meetings, and by omitting the planning commission minutes possible examples can be overlooked. This is why it is important to review both minutes.

We must say that reviewing of either minutes is a very tedious process. Sometimes this may cause one to overlook potential cases of interest. Although the process could be facilitated by looking at the meeting agenda usually enclosed in the minutes, sometimes this could be misleading. (This depends on specific cases and the way the agenda announces the items.) It is recommendable to read through every item, at least the first few paragraphs, to be sure that one does not miss any potential example.

Because it is difficult to review the minutes for more than 3 or 4 hours, visits to review the minutes must be well programmed. Programming of course will vary for each case and will depend on the availability of resources. In our case, Gold Beach one of the community under study, was four hours driving time from Corvallis. Each visit required us at least two days for the visit to be worthy. Review of minutes could be combined with interviews of city officials. Attending a city council or planning commission meeting could well be programmed after a session of minutes' revision.
We find better to review the minutes from the starting point in the period to the most recent minutes. For example, if one make the decision to review three years, say 1990 to 1993, it is better to begin with the minutes of January of 1990 and follow the sequence until the end of the period. The rationale behind this is that many issues are not decided in their first appearance before the council or the commission. Sometimes they are reviewed in different meetings. The detail of description varies among the minutes. Planning commission minutes tent to be present a more detailed description than the city council minutes. Neither of the types of minutes provides with all the details of a given case. If a more detailed description is needed, one could review the tapes of the minutes which are usually recorded in all cities. Furthermore, other material such as letters, photographs, and other materials are available on file. One may even want to interview people involved in a particular issue.

Another way to facilitate the review is by making photocopies of potential examples. This saves time on location and a more detailed revision can be done at the university or at researcher’s place of residence. The type of meeting as well as the date should be recorded on the photocopy. Minutes also report the names of the councilors present on a given meeting. The votes regarding a specific item on the agenda are also recorded at the end of each section in the minutes. Both of these should be also recorded on the photocopies or in an other record list.

Of course programming of the activities will vary for each case and resources availability, although these general guidelines should contribute to the success of minutes' revision procedure.

c) Special Committees.

It was previously mentioned that local governments sometimes form advisory committees for investigation of specific issues. Such was the case of the Timber
Management Committee formed in Reedsport some years ago. It is important to locate and review these files since they contain valuable information, which is of relevant importance to the research. Forming these committees has as main objective of seeking the public input regarding the issue. These committees usually consist of general citizens who are willing to collaborate with the local government. Therefore the review of the files of special committees could give an idea about the attitudes not only of the general public but also of the people who actually participate more actively as a member of the committees. Among the important things to note are the composition as well as demographic and socioeconomic characteristics of special committee’s membership.

d) Interview with Local Officials.

Local officials, such as the city manager and city planner, may provide guidance to relevant issues, data, and relationships. However, we must be aware of the possible biases and the investigation must not rely solely upon these interviews. In some cases, such as in Reedsport, the suggestions provided by local officials were indeed very useful. This was not the case in Newport and Gold Beach where local officials did not identify possible examples.

Local officials may point out the existence of special committees and the reason for their creation, can describe the community’s character including composition of the city council or planning commission, and may be a reliable source about the economic situation in the community and the community’s response. Finally, of course, they are the persons one should ask permission to review minutes, files, and other documents (and make photocopies).
e) *Interview with other community departments.*

One must be aware that the community has other local departments and/or organizations that contribute to community development. Such is the case of the Port management Office (in coastal communities) and the local Chamber of Commerce. They are important sources of information that we must not overlook. One should make contact with these departments or organizations early in the investigation.
VIII. DISCUSSION AND CONCLUSION.

A. Discussion

The economic and demographic changes experienced by coastal communities in Oregon are nothing new. Several studies have investigated these changes at the county level. This study, however, is one of the first to investigate the impacts of these changes at the community level. The analysis of three coastal communities suggests that these communities are experiencing dramatic economic and demographic changes. These changes are different in each community.

The impacts of economic and demographic changes in each community are also different. They depend not only on the demographic and economic changes themselves, but also on the general characteristics of the community, such as resource base, services infrastructure, developable land, current health services, and available recreational facilities in the community (e.g., swimming pool, libraries, etc.). A clear example that illustrates these differences is the impact of demographic and economic change on housing provision. In Reedsport, for example, the impacts on housing are more severe (in spite its decline in total population), than in Newport (with a population increased of 12%).

Given the differences in economic and demographic changes as well as differences in community characteristics, this study found that it is necessary to study possible impacts individually in each community.

This study used three coastal communities as case studies not only to document the economic and demographic changes, but also to look for actual impacts of these changes on natural resource based industry. This study hypothesized that economic and demographic changes impact the natural resource based industry through local policy.
Only in Newport we did find clear examples that support this hypothesis. The case of the Iron Mountain Quarry illustrates how pressure for provision of adequate housing resulted in local policy allowing more residential units close to the quarry. As a result, urban development threatened the exploitation of material from the quarry. The Southshore Development illustrates that local policy favorably affected the tourism industry by approving this development. However, it also shows how that adequate infrastructure to serve tourist developments is in fact an important issue, one which was the basis for opposition by residents to this development. Finally, this example illustrates the extent to which local residents may influence local policy. Opposition by residents delayed the approval of the Southshore development for more than one year.

The examples from Reedsport, although not showing a very clear impact on the natural resource based industry, show that local government is indeed being challenged by economic and demographic changes. The case of the timber management within the urban growth boundary illustrates that encouraging tourism is influencing local policy. The timber management plan, which was in effect for one year, called for the maintenance of a quality environment and improvement of the community’s appearance with the objective of enhancing the city’s tourism economy. The case of the Port of Umpqua Industrial Park illustrates how the decline of fishing industry and other water-dependent activities raised the question about what was the better use of the port. Local policy supported the rezoned of part of the port to allow non-water dependent uses and thus to open the possibility for new businesses. Rezoning of other part of the port as conservation area also illustrates the city’s goal to increase the tourist attractions.

In Gold Beach we did not find any example of economic and demographic change affecting the natural resource based industry. However, we found that local policy initiatives are being taken in response to economic and demographic changes. The creation of the Response Team Committee, which has the responsibility to develop
strategies for economic development, is a clear example of impacts of economic change on local policy. Furthermore, the wide range of peoples’ attitudes and beliefs made it difficult to reach a consensus about such strategies, a clear impact of demographic change.

The evidence from the three case study communities is insufficient to fully reject or fail to reject our hypothesis. We conclude that a more extensive research is needed to verify whether economic and demographic changes do have an impact on the natural resource based industry.

However, the findings have important implications for local officials. They illustrate that economic and demographic changes may have important impact on local policy. Furthermore, the findings by this study may be instructive to further research. We believe that the information collected and examples presented in this report fully justify the hypothesis presented in chapter II and the need for further research. The methodology presented in chapter VII is the first step to that research. The conclusions of this research are presented in the next section.

B. Conclusion.

- Newport, Gold Beach, and Reedsport are experiencing important demographic and economic changes. These changes are different however in each community. Our analysis suggests that these changes and their impacts must be studied in each community if such analysis is to be used in the decision making process; generalization from county or from other communities is not appropriate for policy making purposes.
• Examples from the three case study communities show that economic and demographic changes are triggering local policy initiatives.

• The evidence is not sufficient to reject or to fail to reject the hypothesis: economic and demographic changes do not impact the natural resource based industry.

• There is a great need to study the impacts of economic and demographic change more extensively.
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