

CITY OF PHOENIX OREGON

RESOLUTION NO. 808

A RESOLUTION ON BEHALF OF THE CITY OF PHOENIX RECOMMENDING JACKSON COUNTY ADOPTION OF THE GREATER BEAR CREEK VALLEY REGIONAL PROBLEM SOLVING PLAN.

WHEREAS Pursuant to *former* ORS 197.654 (1) (2007), Jackson County and the cities of Medford, Ashland, Central Point, Eagle Point, Phoenix and Talent, entered into a collaborative regional problem-solving (RPS) process; and

WHEREAS the City of Phoenix, as a participant in RPS, having signed a Participants' Agreement identifying a regional land use problem, establishing goals addressing the problem, creating mechanisms for achieving such goals, and a system for monitoring the implementation and effectiveness of the those goals ; and

WHEREAS the Greater Bear Creek Valley Regional Problem Solving Plan (the "RPS Plan") contemplated by the Participants' Agreement has been proposed under the provisions of *former* ORS 197.654(1) and *former* 197.656(2), which remain applicable to this RPS process; and

WHEREAS Jackson County is the local government charged with adopting the final RPS Plan; and

WHEREAS the RPS process must include: (a) An opportunity for involvement by other stakeholders with an interest in the problem; and (b) Efforts among the collaborators to agree on goals, objectives and measures of success; and

WHEREAS the City has been requested to make recommendation(s) to Jackson County concerning the contents and adoption of the final RPS Plan, including associated maps and Findings; and

WHEREAS the City Planning Commission conducted hearings on the RPS Plan on March 22, 2010 and April 26, 2010, and the City Council conducted hearings on the RPS Plan on June 21, 2010 and July 6, 2010; and

WHEREAS, all requirements for legal notices and advertisements have been fulfilled and public testimony accepted and recorded; and

WHEREAS, the Greater Bear Creek Valley Regional Problem Solving Plan proposes five Urban Reserve Areas for the City of Phoenix, as shown on the attached map City of Phoenix Urban Reserve Areas, including:

1. PH-1: A 58-acre area, west of the Central Oregon and Pacific Railroad line, and immediately north of the City of Phoenix's industrial property that is constrained by the lack of access.
2. PH-2: A 41-acre area currently zoned Exclusive Farm Use and considered part of the County's significant agricultural properties, west of Norman Lumber on Houston Road.

Jackson County Planning Commission

File No. LRP2009-00010 Exhibit # 89

Offered by City of Phoenix

Date: 7-29-2010 Received by: UM

-861-

- This parcel has Coleman Creek running diagonally through the property from the southwest corner to the northeast corner. Uses proposed for this area include employment (50%) and open space/park (50%).
3. PH-3: A 250-acre developed urban area, with an existing population of 2,712 people on 173 acres, and 916 jobs on the remaining 77 acres.
 4. PH-5: A 453-acre parcel east of Interstate 5. This area is proposed for 66% (299 acres) of employment land, 22% (100 acres) of residential land, and 12% (54 acres) of open space/park land.
 5. PH-10: A 43-acre parcel east of Knollcrest on the north side of Fern Valley Road is proposed for 85% (37 acres) residential land and 15% (6 acres) employment land.

WHEREAS, the future employment areas PH-1 and the City of Phoenix's industrial land to the south of PH-1 are located west of the Central Oregon and Pacific Railroad lines, with no recorded access across the railroad east to South Pacific Highway (OR 99). Industrial development on the City of Phoenix's industrial property and PH-1 will require at least two access points to provide safe and secure access to future industrial development.

WHEREAS, an area identified as PH-1A is located to the north of PH-1 between PH-1 and South Stage Road. This approximately 49-acre area provides important geographic connectivity between PH-1 and South Stage Road, and is shown on the attached City of Phoenix Urban Reserve Area Options map. PH-1A is found to include 24 tax lots, which are zoned Exclusive Farm Use (one parcel), Rural Residential RR-2.5 and RR-5; to contain 24 residences, a farm petting zoo, and machine shops and other small businesses. The Resource Lands Review Committee found that PH-1A did not contain commercially significant agricultural land.

WHEREAS, although PH-1 currently has physical access to Highway 99 over the Central Oregon and Pacific (CORP) Railroad via West Glenwood, this access is not approved by the CORP Railroad, and cannot be expanded to accommodate additional residential, employment or industrial traffic in the PH-1 area. Consequently, any employment or industrial development must provide a different access to Highway 99. New access is theoretically possible over the CORP Railroad (either at grade, or under or over the railroad), but such access would require approval by CORP, and approval is highly unlikely for a variety of reasons. However, access is currently available to Highway 99 via connection to South Stage Road, which already includes an approved crossing over the CORP railroad line.

WHEREAS, access for employment, industrial and community purposes cannot be developed across agricultural land, particularly those lands which comprise a portion of the agricultural land base of Southern Oregon. The Exclusive Farm Use zoned lands south and west of PH-1 and the City's industrial land have been identified by the Resource Lands Review Committee (RLRC) as a significant part of that agricultural base. Therefore, access for the needed industrial and employment lands in PH-1 can go only east over the railroad tracks, or north, through PH-1A to South Stage Road, a county designated arterial highway capable of handling urban truck traffic.

WHEREAS, the public testified at the Planning Commission's public hearings on March 22, 2010 and April 26, 2010, and the City Council's hearings on June 21, 2010, July 6, 2010, and July 19, 2010, expressing:

1. Grave concerns on the inclusion of PH-2 into the Urban Reserves because of the high agricultural quality of this 41.0 acre property;
2. Concerns over the negative traffic impacts which would be created on the schools and residential neighborhoods by the industrial, employment and community traffic from PH-2 and the City of Phoenix industrial lands to the north; and,
3. Concerns that the county roads, over which the City proposed to direct the industrial, employment and community traffic, are not designed to handle this level of urban truck traffic. Additionally, the public testified about frequent accidents on the proposed truck route.

WHEREAS, Associated Fruit Company testified at the Planning Commission's public hearings on March 22, 2010 and April 26, 2010, and the City Council public hearings of June 12, 2010, July 6, 2010, and July 19, 2010, recommending that 71.0 acres of land, east of PH-10 and the Phoenix Hills and Meadow View subdivisions, be included as additional urban reserve lands for the City of Phoenix.

WHEREAS, the Associated Fruit Company property:

1. Is near urban services that are readily available and can be extended to the subject property at lower fixed capital cost
2. Is located so that ongoing publicly funded maintenance costs can be projected to be less expensive because of proximity to existing urban service
3. Can be demonstrated to benefit from future transportation capacity provided by a planned and funded transportation project (Fern Valley Interchange)
4. Can be efficiently urbanized because of minimal slopes
5. Will create an easternmost alignment with both Phoenix's existing Urban Growth Boundary and the proposed Urban Reserve Boundary created by PH-5 and PH-10 in support of efficient urban form
6. Will support nodal transportation options including transit, pedestrian, and cycling, and
7. Because it is located near the geographical center of the region, inclusion of the subject property would support more regional urban and transportation strategies.
8. Will, through the gain in value realized by designation as a future growth area, permit reinvestment of a significant portion of the added value in the company's other orchards, thereby increasing the amount of land in active pear production.

WHEREAS, the Resource Lands Review Committee (RLRC) had reviewed both the Associated Fruit Land and PH-2, and had recognized both properties as part of the significant agricultural land base for Southern Oregon. The RLRC did not distinguish between the PH-2 and the Associated Fruit Company property, noting only that they were part of the region's agricultural base.

WHEREAS, the development of the Fern Valley Interchange and improved Fern Valley Road and North Phoenix Road would better serve the employment and open space/park uses than proposed in PH-2, which would be exchanged for the Associated Fruit property, in the expansion of PH-10.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Phoenix, recommends Jackson County's adoption of the "Greater Bear Creek Valley Regional Plan".

attached as Exhibit "A", including Plan Maps and associated Findings amended under the following provisions:

1. Add PH-1A to provide an alternative access to PH-1 and the City's industrial land to the south. PH-1 and the City's industrial land will be required to develop access over, under or across the railroad lines to Highway 99, as well as a second access. This second access should not be directed south or west across agricultural land, which has been identified by the Resource Lands Review Committee (RLRC) as part of the significant agricultural land base. This second access, like the primary access, needs to lead to a road which can handle urban level truck traffic. Both Highway 99 and South Stage Road can handle this level of urban traffic. Therefore, the Phoenix City Council requests that that Jackson County add PH-1A to the Phoenix urban reserve areas as a second access for the industrial traffic and continued cottage industrial development.
2. Eliminate PH-2, a 41 acre significant agricultural property on the west side of Phoenix, and add the Associated Fruit property, a 71-acre significant agricultural property on the east side of Phoenix, formerly described as PH-4A and PH-4B. Development on the east side of Phoenix, where the road system is being developed and improved for expanded urban uses can better accommodate these employment uses. Additionally, with expanded residential and employment uses in PH-10 and PH-5, additional open space/park development will be required in proximity to the increased population.

PASSED AND APPROVED by the City Council of the City of Phoenix and signed in authentication thereof at a regular meeting on the 19th day of July, 2010.

Carlton DeBate, Mayor

ATTEST:

Jane M. Turner, City Manager

RESOLUTION NO. 2010- 21
A RESOLUTION ON BEHALF OF THE CITY OF ASHLAND
RECOMMENDING RESOLUTION OF ISSUES RELATING TO THE
CITY OF ASHLAND AS PART OF ADOPTION OF THE GREATER BEAR
CREEK VALLEY REGIONAL PROBLEM SOLVING PLAN.

Recitals:

- A. WHEREAS Pursuant to *former* ORS 197.654 (1) (2007), Jackson County and the cities of Medford, Ashland, Central Point, Eagle Point, Phoenix and Talent, entered into a collaborative regional problem-solving (RPS) process; and
- B. WHEREAS the City of Ashland (City), as a participant in RPS, having signed a Participants' Agreement identifying a regional land use problem, establishing goals addressing the problem, creating mechanisms for achieving such goals, and a system for monitoring the implementation and effectiveness of the those goals ; and
- C. WHEREAS the Greater Bear Creek Valley Regional Problem Solving Plan (the "RPS Plan") contemplated by the Participants' Agreement has been proposed under the provisions of *former* ORS 197.654(1) and *former* 197.656(2), which remain applicable to this RPS process; and
- D. WHEREAS Jackson County is the local government charged with adopting the final RPS Plan; and
- E. WHEREAS the RPS process must include: (a) An opportunity for involvement by other stakeholders with an interest in the problem; and (b) Efforts among the collaborators to agree on goals, objectives and measures of success; and
- F. WHEREAS the City has been requested to make recommendation(s) to Jackson County concerning the contents and adoption of the final RPS Plan, including associated maps and findings; and
- G. WHEREAS the City's Planning Commission discussed and took comments on the RPS Plan on April 27, 2010 and the City Council conducted a public meeting on the RPS Plan on June 15, 2010, 2010; and
- H. WHEREAS, all requirements for legal notices and advertisements have been fulfilled and public testimony accepted and recorded; now, therefore,

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1 – RPS PLAN. The City Council of Ashland hereby recommends Jackson County's adoption of the "**Greater Bear Creek Valley Regional Plan**", attached as **Exhibit "A"**, and associated findings as amended with the following provisions:

1. **Population** – That the population allocations be reviewed and adjusted accordingly prior to adoption by the Jackson County Board of Commissioners.

Specifically, the Regional Problem Solving Plan must be amended to reflect a 2040 population projection consistent with an approximate 1.06 average annual growth rate (AAGR), and a 2060 population projection consistent with an approximate 0.91 average annual growth rate for Ashland over the respective planning horizons. While Jackson County's Population Element is expected to be revisited in 2012 (JC Ord. 2007-3), it must be amended prior to final adoption of the RPS Plan by the County. The Population Element must be revised based on the 1.06 percent annual growth rate through the 2020 planning horizon, and the 0.91 percent annual growth rate through the 2040 planning horizon.

Population estimates must be corrected for Ashland and all other participants to reflect these projected growth rates, or alternate growth rates based upon an accepted, empirically based population projection methodology prior to adoption by the Board of Commissioners.

2. **Efficient Land Use and Transportation Planning/Implementation** – That the Regional Problem Solving Plan incorporates a commitment to applying land use strategies that increase target densities and promote a healthy mix of land uses that influence greater use of a full range of transportation options (i.e. walking, cycling, transit and rail).

Participants should commit to a higher target density, lower land need scenario of approximately 7.26 dwelling units per acre (as suggested by DLCD), which would provide densities more conducive to supporting a successful regional transit system. Should meeting the target density for an urban reserve area prove to be infeasible due to the location, physical characteristics of the land or lack in proximity to existing or planned transit route, the target density may be met by an increase in Plan density elsewhere in the UGB at a location without these or similar constraints.

The plan shall include measures to verify compliance with these commitments as part of any proposed urban growth boundary expansion, for instance by the preparation of conceptual development plans identifying proposed residential and/or employment densities.

Participants should commit to a meaningful increase in the average density within an existing urban growth boundary prior to any expansion into urban reserve areas.

3. **Urban Fringe** – That the Regional Problem Solving Plan be amended to provide some formal assurance that the ten-acre minimum lot size requirement, as

outlined in Oregon Administrative Rule 660-004-0040(8)(c), will remain in place within Ashland's urban fringe until Ashland identifies urban reserve areas and an urban reserve management agreement between Ashland and Jackson County is signed.

4. **Jurisdictional Transfer** – That jurisdictional transfer of County roads within existing city limits as suggested in John Vial's June 4, 2010 letter should not be tied to the adoption and acknowledgement process for the RPS Plan.

This issue, only recently raised by the County, may have significant budgetary implications which need to be further considered by the Cities and the County.

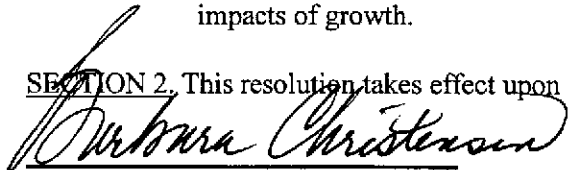
5. **High Value Farm Land** – That Jackson County should reduce the total amount of critical commercial agricultural lands included in urban reserve areas.

The City of Ashland believes that the adoption of the higher density/lower land need planning scenario and a more accurate population allocation will reduce the total amount of land needed to accommodate future urban growth, and would allow a reduction in the amount of high value farm land included in the proposed urban reserve areas.

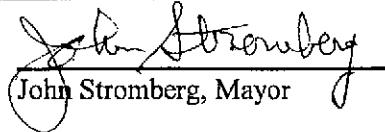
6. **Housing Strategies** – That Jackson County identify a specific timeline during the Regional Problem Solving Plan adoption process for the creation of regional housing strategies that strongly encourage a range of housing types throughout the region.

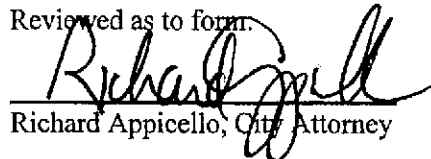
Diverse and affordable housing options close to work, school and shopping are an essential element to managing growth, supporting economic development, providing schools and public services, and reducing the environmental and social impacts of growth.

SECTION 2. This resolution takes effect upon signing by the Mayor.


Barbara Christensen, City Recorder

SIGNED and APPROVED this 30 day of June, 2010.


John Stromberg, Mayor

Reviewed as to form:

Richard Appicello, City Attorney

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23 May 2006

TO: Bill Molnar, Jeanell Wyntergreen, Laurel Prairie-Kuntz, Tom Humphrey,
John Adam, Paul Wyntergreen, Rob Scott, Gretchen Meloth, David Hussell,
Margaret Dials, Ron Orman
CC: Melissa Anderson
FROM: Bob Parker and Beth Goodman
SUBJECT: PRELIMINARY POPULATION ALLOCATIONS FOR JACKSON
COUNTY

BACKGROUND

Jackson County is in the process of updating its coordinated population forecasts consistent with ORS 195.036. The County contracted with ECONorthwest to assist with the technical aspects of developing updated forecasts and in updating the Population Element of the Comprehensive Plan. The memorandum provides an overview of methods ECO used to allocate the County's population to the eleven cities in Jackson County. It also presents a provisional allocation of population to the cities in Jackson County. The allocations are based population figures for Jackson County from the Long-Range State and County Population Forecast developed by the State Office of Economic Analysis.

DATA SOURCES

The population allocations presented in this memorandum build from ECO's analysis of a range of secondary data sources—primarily historical population data and forecasts from other planning documents. All of the data used in developing the allocations are from easily available standard sources:

- The U.S. Census of population and housing (1980, 1990, and 2000) provides decennial population figures as well as a broad range of demographic and socioeconomic variables;
- The Oregon Office of Economic Analysis (OEA) provides long-term population forecasts (through 2040);
- The Population Research Center at Portland State University provides annual population estimates and annexation history for incorporated cities;
- The Phase I RPS report includes a set of forecasts that extended from 2000 to 2050

Jackson County Planning Commission

File No. LRP2009-00010 Exhibit # 91

Offered by: City of Ashland

Date: 7-29-2010 Received by: LM

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- The RTP includes a set of population forecasts for the Bear Creek AQMA and the incorporated cities within the AQMA.

The forecasts presented with this memorandum should be considered **preliminary and provisional**. We say preliminary because ECO has not reviewed all the data we would like to as part of this process. We say provisional because we *assume* the forecasts will change based on discussions with staff at the County, staff at the cities in Jackson County, and the County Board of Commissioners. In short, we welcome comments and suggestions at this time and will incorporate them into a set of revised figures.

Methods: Overview

The literature identifies many accepted approaches to projecting or forecasting population. More robust approaches use component models (natural increase plus migration).¹ Simpler approaches extrapolate from historic trends. At large geographic levels, migration becomes less of a factor making component models more accurate. For smaller regions, migration and other factors are more difficult to document. Appendix A discusses issues with small area forecasts in more detail.

At the national or state level, population growth has a larger affect on employment growth. Standard cohort-component models can provide relatively accurate forecasts of population growth in larger areas where the migration component is small. Such models are frequently applied in areas where there is relative stability in demographic characteristics and vital statistics (e.g., birth and death rates).

Regional or city-level forecasts often use a step-down method based on a larger regional or national forecast. The general concept is to estimate the portion of population regional population growth that will occur in the subregion. There are several variations on the step-down method, summarized in Table 1.

Table 1. Basic population forecasting methods

Method	Description
Trend extrapolation	Uses historical population growth rates and extrapolates them into the future.
Ratio trend	Uses current city/county ratio of population and extrapolates to the future.
Comparative	Past growth pattern is compared with growth patterns of larger, older areas. Should consider social, economic, political, and other variables.

Source: ECONorthwest

These methods are relatively simple and rely on past trends as an indicator of future growth. A number of assumptions are implicit in these methods: (1) past growth is a good indicator of future growth; (2) factors affecting local population growth will not change substantially; and (3) selection of base year can significantly affect the forecast.

¹ The OEA long-range forecasts use this methodology.

The allocation of population to the cities of Jackson County uses a "ratio trend" method described in Table 1 to allocate population to Jackson County cities. ECO reviewed historical population trends as a basis for future growth. Trend data reviewed as part of this analysis included annual population changes from the Census and from the Population Research Center at Portland State University.

ECONorthwest considered several different methods for allocating population to subareas of the County including a compounding method, a ratio method, and a straight-line method. We selected the **ratio methodology** because it is (1) consistent with historical population growth trends, (2) it is a relatively simple approach that builds from historical data and assumptions about future City and County growth policies, and (3) it assumes that the proportion of the County's population in the cities will change over time, with faster growth in some cities and slower growth in other cities.

In summary, ECO selected the ratio methodology because:

- It provides the best approximation of historical growth trends in Jackson County;
- The County has not identified any constraints to population growth;
- It is a simple method that implicitly considers factors that have affected historical population growth;
- It provides a method of modeling annual variations in population growth that have occurred in the past and will continue in the future; and
- It is an accepted method for allocating population to the cities based on the OEA population forecast for Jackson County.

METHODS: SPECIFICS

The charge was to allocate population to the eleven cities in the County², based on the OEA 2004 forecast for Jackson County. ECO started by developing population ratios for each city, based on historic and current population ratios. To project future population, ECO considered each city's attitudes towards growth and constraints to growth. We adjusted the ratios based on these considerations. This ensured that the population allocation was justifiable in the context of the individual jurisdictions—and that a reasonable amount of growth was being allocated to unincorporated areas.

The first step was to develop a 2005 base population. ECO used the PSU 2005 estimates for incorporated cities as the base population.³

² Later drafts of the population forecast and allocation will include allocations of population to the following unincorporated areas of Jackson County: White City, Applegate, Ruch, and Prospect.

³ This has some limitation in that it does not include population within UGBs. This limitation, however, is not a significant one given that the ratio method works from a control total (the County forecast) and allocates population to cities based on that total and other factors. Population in UGBs is not one of the other factors.

The second step was to develop population ratios for each city. We divided the forecasting period into two parts: 2006-2026 and 2026 to 2060. For the initial population allocation, we developed population allocations for 2026 and 2056.⁴ Table 1 shows the preliminary population allocation ratios by geographic area. The amount of population allocated to some cities differs from the preliminary population forecast that ECONorthwest completed in January 2006 for the Regional Problem Solving process. The reasons for the differences are (1) ECO used the OEA forecast to provide the total County population and allocated that population to the incorporated cities and unincorporated areas and (2) ECO allocated a reasonable amount of population to unincorporated areas of the County.

Table 1. Preliminary population allocation and allocation ratios

	2005		2026		2056	
	Population	Ratio	Population	Ratio	Population	Ratio
Ashland	20,880	10.73%	26,057	10.15%	33,140	9.50%
Butte Falls	445	0.23%	552	0.22%	565	0.16%
Central Point	15,640	8.04%	23,875	9.30%	41,861	12.00%
Eagle Point	7,585	3.90%	12,579	4.90%	21,977	6.30%
Gold Hill	1,080	0.56%	1,361	0.53%	1,640	0.47%
Jacksonville	2,490	1.28%	3,466	1.35%	4,381	1.26%
Medford	70,855	36.43%	98,836	38.50%	141,279	40.50%
Phoenix	4,660	2.40%	6,623	2.58%	9,942	2.85%
Rogue River	1,995	1.03%	2,542	0.99%	3,314	0.95%
Shady Cove	2,645	1.36%	3,594	1.40%	4,779	1.37%
Talent	6,255	3.22%	9,499	3.70%	16,395	4.70%
White City	7,500	3.86%	11,552	4.50%	18,140	5.20%
Other Unincorp.	52,485	26.98%	56,183	21.89%	51,426	14.74%
Total County	194,515	100.00%	256,718	100.00%	348,838	100.00%

Source: 2005 population estimates from Portland State University Center for Population Research; 2005 White City population estimate from the Medford Water Commission; Calculations by ECONorthwest.

Table 2 shows a comparison of the change in population between 2005-2026 and 2005-2056.

⁴ These time periods represent a 20-year and a 50-year planning horizon.

Table 2. Comparison of population change between 2005 - 2026 and 2005 - 2056

	2005 Pop.	2026 Pop.	2056 Pop.	Change 2005 to 2026			Change 2005 to 2056		
				Difference	Percent change	AAGR	Difference	Percent change	AAGR
Ashland	20,880	26,057	33,140	5,177	25%	1.06%	12,260	59%	0.91%
Butte Falls	445	552	565	107	24%	1.03%	120	27%	0.47%
Central Point	15,640	23,875	41,861	8,235	53%	2.03%	26,221	168%	1.95%
Eagle Point	7,585	12,579	21,977	4,994	66%	2.44%	14,392	190%	2.11%
Gold Hill	1,080	1,361	1,640	281	26%	1.11%	560	52%	0.82%
Jacksonville	2,490	3,466	4,381	976	39%	1.59%	1,891	76%	1.11%
Medford	70,855	98,836	141,279	27,981	39%	1.60%	70,424	99%	1.36%
Phoenix	4,660	6,623	9,942	1,963	42%	1.69%	5,282	113%	1.50%
Rogue River	1,995	2,542	3,314	547	27%	1.16%	1,319	66%	1.00%
Shady Cove	2,645	3,594	4,779	949	36%	1.47%	2,134	81%	1.17%
Talent	6,255	9,499	16,395	3,244	52%	2.01%	10,140	162%	1.91%
White City	7,500	11,552	18,140	4,052	54%	2.08%	10,640	142%	1.75%
Other Unincorp.	52,485	58,183	51,426	3,698	7%	0.32%	-1,059	-2%	-0.04%
Total County	194,515	256,718	348,838	62,203	32%	1.33%	154,323	79%	1.15%

Source: 2005 population estimates from Portland State University Center for Population Research; 2005 White City population estimate from the Medford Water Commission; Calculations by ECONorthwest.

NEXT STEPS

We anticipate receiving comments on the provisional population allocations presented in this memorandum. There will be a meeting with representatives from each city, the County, and ECONorthwest on June 13, 2006 to discuss the allocations and forecast presented in this memorandum.

After reviewing the comments, ECO will discuss the comments with County staff and make appropriate modifications. ECO will then develop population allocations to the cities for each year in the 2006 to 2060 period in subsequent drafts of the population allocations. The revised allocations will be incorporated into a findings report that will be presented to the County Planning Commission in June and the Board of Commissions in July.

APPENDIX A. ISSUES WITH SMALL AREA FORECASTS

Planning implies forecasting. To use policies to change the future in ways that decision makers think their constituents would find beneficial, one must first have an idea of what could or is likely to occur in the absence of those policy changes.

Forecasting is usually better, and better received, if it is based on a model of how the world works. In the context of housing and economic development, that understanding must certainly include how households and businesses make decisions about where to locate, and what types of buildings to occupy.

In the context of land use and growth management, the main variables that one must forecast are population and employment, which are then used to forecast the demand for new built space (housing, offices, warehouses, retail stores, and so on). The demand for built space creates a derived demand for land on which to build that space.

The amount of land needed depends on the type and density of space that will be built to accommodate population and employment growth. The type and density of development will be a function of market factors (demand and supply conditions) and public policy (especially about density and infrastructure, but also about transportation, economic development, environmental protection, and so on). This function of forecasting is central to Jackson County and its cities: it will allow cities to determine whether they have sufficient land available to accommodate 20 years of population and employment growth.

The main point is that (1) forecasting growth requires a consideration of many variables that interact in complicated ways, and (2) any forecast of a single future is bound to be wrong—there are many possible futures that are more or less likely depending on one's assessment of the likelihood of the assumptions.

In conjunction with the forecasts, it is useful to describe the limitations of small areas forecasts. The fact that the PSU estimates significantly underestimated the 2000 population of several Oregon cities, underscores one of the key problems that emerge with small area population estimates and forecasts. Following is a discussion of why small area forecasts are highly uncertain:

- Projections for population in most cities and counties are not based on deterministic models of growth; they are simple projections of past growth rates into the future. They have no quantitative connection to the underlying factors that explain why and how much growth will occur.
- Even if planners had a sophisticated model that links all these important variables together (which they do not), they would still face the problem of having to forecast the future of the variables that they are using to forecast growth (in, say, population or employment). In the final analysis, all forecasting requires making *assumptions* about the future.