CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 4/12/16 **Approx Start Time:** 11:00 AM **Approx Length:** 60 minutes

Presentation Title: The Economic Impact of Oregon City's County Seat Status

Department: Business & Community Services

Presenters: Thomas Potiowsky, Director Portland State University Northwest Economic Research Center (NERC)

Michael Paruszkiewicz, Senior Economist, NERC

Gary Barth, Director BCS

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The purpose of this policy session is to provide the Board with an economic impact analysis resulting from the Clackamas County seat residing within the jurisdiction of the City of Oregon City and seek Board direction on the release of these findings.

EXECUTIVE SUMMARY:

The County Administrator requested that the Business & Economic Development Division within the Department of Business & Community Services undertake an economic impact analysis to measures the impact of the Clackamas County seat residing within the jurisdiction of the City of Oregon City.

BCS contracted with Portland State University's Northwest Economic Research Center (NERC) to conduct that study. A copy of that final report is attached to this policy session worksheet.

The findings conclude that there is a beneficial rather than competitive relationship between the County administration and Oregon City's economic development. The County provides over 2,300 direct jobs and indirectly supports an additional 200 via employee' income and spending while occupying a relatively small portion of the city's tax lots. In addition, roughly one-fifth of County employees reside within Oregon City.

The authors of that study will be in attendance to present their findings to the Board.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? ☒ YES ☐ NO

What is the cost? The study cost $34,500 and was funded out of the economic development budget.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
    - Prepared on the behalf of the County Administrator's office
- How does this item align with the County's Performance Clackamas goals?
    - Grow a vibrant economy
    - Building public trust through good government

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

1. Accept the report for informational purposes with no further action required.
2. Accept the report and direct the County Administrator and Public & Government Affairs to distribute this information to select audiences.
3. Request additional analysis before any further action is taken.

RECOMMENDATION:

Staff recommends Option 2 – direct the County Administrator to release the findings to the community.

ATTACHMENTS:

The Economic Impact of Oregon City's County Seat Status – Final Report

SUBMITTED BY:

Division Director/Head Approval _____GB_____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact _____@ 503-_____

The Economic Impact of Oregon City's County Seat Status

NeRC
Northwest Economic Research Center
College of Urban and Public Affairs

March 2016

Portland State UNIVERSITY

ACKNOWLEDGEMENTS

This report was researched and produced by the Northwest Economic Research Center (NERC) with support from Clackamas County.

Clackamas County is located in Northern Oregon, on the Southeast corner of the Greater Portland Metropolitan Area and has a population of just under 400,000. The Clackamas County Board of Commissioners lead a county staff of over 2,000 employees who provide services related to public safety, health and human services, business development, utilities and permits, among other vital services.

NERC is based at Portland State University in the College of Urban and Public Affairs. The Center focuses on economic research that supports public-policy decision-making, and relates to issues important to Oregon and the Portland Metropolitan Area. NERC serves the public, nonprofit, and private sector community with high quality, unbiased, and credible economic analysis. Dr. Tom Potiowsky is the Director of NERC, and also serves as the Chair of the Department of Economics at Portland State University. Dr. Jenny H. Liu is NERC's Assistant Director and Assistant Professor in the Toulan School of Urban Studies and Planning. The report was researched and written by Senior Economists Mike Paruszkiewicz, and Jeff Renfro. Research support was provided by Peter Hulseman and Emma Willingham.

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Executive Summary

Oregon City, a municipality of 35,000 residents in the southeastern corner of the Portland metropolitan area, serves as the seat of Clackamas County operations. At the proverbial crossroads of the region's urban core and its suburban and rural periphery, the city's recent economic growth and diversification has drawn attention to its status as county seat and what role it plays in this development. Clackamas County asked the Northwest Economic Research Center (NERC) to analyze the employment and economic impacts that county administration contributes to Oregon City, which likely include broad influence on industrial development and activity in the central commercial district.

The most readily estimable of these impacts stem from the County's employment of local residents and commuters from outside the city, and the resulting consumption spending at local businesses. Using County payroll data and IMPLAN, an industry-standard economic model, NERC estimated that county activity directly provides over 2300 jobs and indirectly supports more than 200 via those employees' income and spending. Roughly one-fifth of County employees reside within Oregon City; the estimated total annual effects associated with this subset alone exceeds $58 million in economic output in the city.

In order to capture a broader picture of how county seat status affects the city's economic performance and development over time, NERC also utilized data from the Bureau of Labor Statistics, US Census Bureau, InfoGroup, local tax rolls, and a study of parking commissioned by a stakeholder group of local businesses. These data show that the city's sizeable public sector may have insulated it from some of the heaviest employment losses of the recent recession. In addition to this stability over time, public employers (including the County) may contribute valuably to an industrial mix that otherwise skews toward non-traded sectors such as retail, food service, and health care.

NERC also explored the costs associated with a large administrative presence in the city. While the aggregate physical footprint of public entities comes at the opportunity cost of foregone property tax revenues, the County (including the Clackamas County Housing Authority) occupies relatively small portions of the city's tax lots, and this land is largely outside the desirable central commercial district. Similarly, County employees and visitors to county offices and court facilities obviously contribute to high demand for a very limited supply of available parking in Oregon City.

On balance, the findings of this study support a beneficial, rather than competitive, relationship between county administration and Oregon City's economic development. The public and private sectors appear to jointly contribute to the city; successfully integrating the two will continue to maximize the potential advantages associated with county seat status.

Introduction

Clackamas County occupies the Southeast portion of the Greater Portland Metropolitan Area. It contains several cities, mostly in the Northwestern portion of the county near Portland, as well as a large portion of the Mount Hood National Forest. Much of the county is outside of the Urban Growth Boundary; large portions of its area thus have limited opportunities for development. Oregon City has a storied history in Oregon and serves as the Clackamas County seat.

Civic leaders in Oregon City are hoping for new economic growth, particularly in light of the likely redevelopment of the former Blue Heron paper mill site. With opportunities for new development in mind, conversations have started regarding the economic identity of the city. Oregon City is home to multiple offices and agencies from many branches and levels of government. Clackamas County occupies several large properties within city limits and brings visitors and workers to the city center.

The Northwest Economic Research Center (NERC) was asked to quantify the economic impact of the county seat status of Oregon City. In particular, this first portion of this study focuses on the economic impacts of county employees living in, and commuting to, Oregon City through use of the industry-standard IMPLAN economic impact model. The second portion places county and other government employment in the context of the broader economic profile of the area, alongside a discussion of property use, parking, and visitors to county facilities in the city. Together these two analyses illustrate the explicit quantitative impacts, as well as general effects on the city's economic character, that Clackamas County's administrative operations create for Oregon City.

Economic Impacts

Perhaps the clearest impact that Clackamas County administration has on Oregon City is the sizeable presence of public employees who work, live or commute, and spend some portion of their earnings locally. Naturally, these employees' spending becomes the earnings of other local enterprises through a web of interconnected economic activity. The most common means of estimating the direct and indirect effects of an initial activity (here, the employment of Clackamas County staff) is through economic modeling such as that performed by the IMPLAN family of economic impact models. The IMPLAN model is briefly described below, followed by a discussion of NERC's data sources and modeling methodology and a breakdown of its results.

Description of IMPLAN

NERC used Clackamas County employee compensation data as inputs for IMPLAN, an input-output (I/O) based economic model that estimates the total macroeconomic impacts resulting from changes at a detailed geographic and economic level. For instance, if employment and wages are increased at Clackamas County offices, then the county as a whole will require additional labor and additional intermediate inputs to meet the increased demand created by the additional wages. It is critical to isolate the economic activity due to Clackamas County. These direct impacts of the organization's work became NERC's primary inputs to IMPLAN.

IMPLAN models a region's economy as a highly interconnected network of firms and households spread across the state. It is constructed from Social Accounting Matrices (SAMs), which are based on the input-output tables of purchases and sales across industries available from the Bureau of Economic Analysis (BEA) and supplementary data from other publicly available sources. IMPLAN's matrices reflect the actual industry interactions within and between regions, and include the government sector which is often omitted from this type of analysis. Put simply, IMPLAN presents a map of the economy that illustrates the flow of money, resources, and employment through the sectors of a geographic area. The model thus simulates the "wave" of spending and hiring spurred by changes in one or more industries. In addition to results in the private sector, the model estimates impacts to income and tax revenue.

The magnitude of these simulated changes relies on estimations of the historical relationships between households, industries, and the government sector. In the model, a production function for each industry describes the numerous resources from other industries and households each industry requires to produce its output. For example, the durable manufacturing industry requires both labor and intermediate goods produced by other industry to produce its own output. When the industry's sales increase, the specific number of additional employees it will hire and the amount of additional

IMPLAN Impacts

The impact summary results are given in terms of employment, labor income, total value added, and output.

Employment represents the number of annual, 1.0 FTE jobs. These job estimates are derived from industry wage averages.

Labor Income is made up of total employee compensation (wages and benefits) as well as proprietor income. Proprietor income is profits earned by self-employed individuals.

Total Value Added is made up of labor income, property type income, and indirect business taxes collected on behalf of local government. This measure is comparable to familiar net measurements of output like gross domestic product.

Output is a gross measure of production. It includes the value of both intermediate and final goods. Because of this, some double counting will occur. Output is presented as a gross measure because IMPLAN is capable of analyzing custom economic zones. Producers may be creating goods that would be considered intermediate from the perspective of the greater national economy, but may leave the custom economic zone, making them a local final good.

material inputs it purchases in IMPLAN's simulations are based on the past hiring and purchasing activity in that industry and region.

Ultimately, IMPLAN's analysis produces results of three types: direct, indirect, and induced.

- **Direct Impacts**: These are defined by the modeler, and placed in the appropriate industry. They are not subject to multipliers. In this case, revenue and employment were collected from the survey described above and allocated to the appropriate industries.

- **Indirect Impacts**: These impacts are estimated based on national purchasing and sales data that model the interactions between industries. This category reflects the economic activity necessary to support the direct impacts of other firms in the supply chain – the "ripples" in the economy resulting from an initial direct impact.

- **Induced Impacts**: These impacts are created by the change in wages and employee compensation. Employees alter purchasing decisions based on changes in their income and wealth.

Data and Methodology

The information used for the economic impact section of this report comes directly from Clackamas County human resource data. NERC received information regarding the number of employees, the wages of each employee, and the zip code of each employee's residence, which allowed NERC to split local Clackamas County employees into Oregon City residents and residents of other cities. The separate impacts of these two groups are detailed in Section XX (pg. XX).

The tax lot data used to illustrate the physical footprint of county operations is from Metro's RLIS dataset. This data specifically comes from Clackamas County tax rolls. The economic profile of Oregon City businesses was drawn from Infogroup's establishment-level dataset of businesses. Because this data is collected at the establishment level, the analysis avoids the problems related to the physical location of owners inherent in economic studies of small areas. It is sometimes difficult to track economic activity at a specific location if it is a chain establishment, or if the company headquarters are located in another county.

The rest of the study data is drawn from public sources, including the U.S. Census Bureau and the Bureau of Labor Statistics. The tables related to employment and income (pg. XX) draw from these sources.

IMPLAN Results

To capture the economic impacts of county activity specific to Oregon City, NERC requested data on employee wages categorized by zip code.[1] The estimated impacts below are split between those initiated by Oregon City residents and those initiated by the spending of Clackamas County employees who live outside of Oregon City.

Oregon City Resident Impacts

The inputs used to generate the IMPLAN impacts were the direct county employment and actual annual wages paid to each Clackamas County employee who resides within Oregon City.

Table 1: Oregon City Residents Impact Summary

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	454	$26,724,690	$32,469,263	$42,211,565
Indirect and Induced Effect	132	$5,264,511	$9,464,437	$16,077,818
Total Effect	**586**	**$31,989,201**	**$41,933,700**	**$58,289,383**

Clackamas County employs 454 Oregon City residents, and supports an additional 132 jobs through indirect and induced impacts. It is likely that much of the latter two impacts occurs in Oregon City, but it is not currently possible to isolate these intra-county supply chain impacts. As described above, Labor Income, Total Value Added, and Output should not be interpreted as distinct measurements of economic activity. Rather, labor income – the proceeds of economic activity accruing to the employees of businesses – as well as total value added are included in the broader output measure. Where total value added counts only the final value of goods and services produced within a region (this is akin to Gross Domestic Product for a nation), output counts the value of all final and intermediate output. Because small geographic areas often produce intermediate inputs for production elsewhere, Output is often a more relevant result of impact analyses.

The industries most affected by the county activity are listed below (Table 2), and generally reflect a mix of businesses that provide services to residents that work locally.

[1] Our zip code of interest was 97045, which contains Oregon City and some of the surrounding rural area. NERC used geocoded census data to estimate the population of 97045 outside of the Oregon City limits. There are approximately 10,000 people living in this area, which could skew the Oregon City estimates. It makes sense to think of these people as Oregon City residents as it is the closest commercial area, but they are technically outside of the city limits.

Table 2: Industries Most Affected by County Activity

Description	Total Employment
Real estate	8
Full-service restaurants	7
Limited-service restaurants	6
Hospitals	5
Wholesale Trade	5
Nursing and Community care facilities	5
Retail – food and beverage stores	5

The economic activity directly and indirectly tied to Clackamas County's employees naturally generates revenue for local, state, and federal governments. Table 3 reports the state and local tax impacts of Oregon City residents employed by Clackamas County. The total tax revenue generated by these employees is just under $2 million, and the revenue from local tax and fees comes to $418 thousand.

Table 3: State and Local Tax Impacts

	Total
Oregon	
State Personal and Corporate Income Taxes	$1,100,635
Other State Taxes, fees, and licenses	$427,806
Oregon Total	**$1,528,441**
Local Governments	
Property Taxes	$377,916
Other Local Taxes, Fees, and Licenses	$40,371
Local Total	**$418,287**
TOTAL	**$1,946,728**

Impacts of Employees Residing Outside of Oregon City

County employees who reside outside of Oregon City take much of their income home with them to spend in their local community. However, commuting means that some of their spending occurs near their workplace. It is very difficult to tease commuters' spending near their place of work from their overall spending, and there are few studies that directly estimate this split. While spending categories like housing are easy to assign to an employee's place of residence, and it is reasonable to assume that commuters visit restaurants, fuel stations, grocery stores, and other establishments near their workplace, particularly in employment

centers that also serve as commercial hubs for geographically diverse regions. Still, purchases like gasoline and groceries, are difficult to assign a specific locality. After consulting other studies based on surveys and data collected by the Bureau of Labor Statistics, NERC assumed that 20% of income from Clackamas County employee commuters was spent on local purchases for the following estimation of those employees spending impacts.

Table 4: Commuter Economic Impact Summary

Impact Type	Employment	Labor Income	Total Value Added	Output
Induced Effect	103	$4,091,566	$7,355,738	$12,495,643

Clackamas County employs 1,884 people who do not live in the zip codes that define Oregon City. Twenty percent of their income equals $29,770,367 which is assumed to be spent in Oregon City. For this analysis, the impact of the spending of these employees, or the "induced effect" is the relevant effect for Oregon City. Thus, Table 4 omits the direct effects seen in previous tables. The spending of Clackamas County employees who commute into the city supports 103 jobs in addition to those supported by Oregon City residents working for the County.

Table 5 breaks out the impact of non-resident County employees by industry. Given the type of spending activity generally associated with commuters, the impacts on full-service restaurants and shopping activities are not surprising.

Table 5: Commuter Industry Impacts

Description	Total Employment
Employment Services	23
Retail- Non-store Retailers	21
Other Financial Investment Activities	20
Wholesale Trade	20
Full-Service Restaurants	14

Collectively, these estimates illustrate the contribution of Clackamas County administration to employment and economic activity in Oregon City. By far, the largest impacts are linked to those employees residing within the areas that define the city itself, but commuting employees likely add to these by spending their incomes at local businesses.

The complete picture of costs and benefits associated with the city's county seat status certainly depends on more than the absolute levels of hiring and spending of county

employees. The following sections consider additional benefits and costs associated with the County's presence in the local economy.

Additional Considerations

Economic models such as IMPLAN are very good at quantifying the employment and output impacts of an economic activity (in this case, county administration) that would not occur in an area if that activity ceased. However, the results of such models are limited to the direct, indirect, and induced effects discussed above, and do not include some broader and more dynamic patterns. In the following sections, we address several issues of interest to Oregon City and its relationship to Clackamas County that are not captured by explicit impact modeling.

County Administration and Oregon City's Industrial Mix

As a place where hundreds of public employees and visitors to government offices congregate daily, it is plausible that a county seat may, over time, find its mix of employment and industry increasingly skewed towards activities that relate to or serve that economic sector. Indeed, a recent report[2] commissioned by Main Street Oregon City cites government services as "defining the business environment" in the downtown area. In this section, we compare Oregon City's economic make-up to that of greater Clackamas County and the Portland metropolitan area as a whole, addressing the impact of Oregon City's status as a county seat.

To the best of our knowledge, high quality data that would allow us to isolate the influence of county administration on an area's economic make-up over time has not been compiled. There are myriad (and difficult to specify) social, political, and economic factors that affect how cities develop, and smaller geographic areas by their nature have a narrower industrial mix than larger areas. Obviously, more of a county seat's economic activity and employment will involve government services; this may in turn influence the seat's broader economic character. So, while we cannot safely determine each of the reasons *why* a county seat's economic make-up differs from other places, we can attempt to determine *if* a county seat's economy is different than other places.

[2] *Live It Up Downtown: A Framework for Housing in Downtown Oregon City*, June 2013

Table 6 – Top Industries[3], by 2014 Employment

Oregon City		Clackamas County		Portland Metro	
Restaurants	5.8%	Restaurants	4.6%	Restaurants	5.8%
Schools	4.7%	Schools	4.2%	Hospitals	4.4%
County Gov. – Soc/Hum Res.	**4.3%**	Hospitals	3.7%	Schools	4.1%
Gov. Offices - County	**4.1%**	Physicians & Surgeons	2.9%	Physicians & Surgeons	3.1%
Hospitals	4.0%	Department Stores	2.2%	Department Stores	2.0%
Universities & Colleges	3.5%	Grocers - Retail	2.2%	Grocers - Retail	1.6%
Physicians & Surgeons	3.5%	Insurance	1.5%	Attorneys	1.4%
Sheriff	**2.1%**	Real Estate	1.5%	Insurance	1.2%
Grading Contractors	1.5%	Dentists	1.2%	Real Estate	1.2%
Dentists	1.5%	New Car Dealers	1.1%	Dentists	1.2%
Manufacturers	1.4%	Retirement Comm.	1.0%	Hotels & Motels	1.0%
Gov. Offices - State	1.4%	Residential Care	1.0%	Diagnostic Imaging	0.9%
Parks	1.4%	Office Buildings/Office Parks	1.0%	Universities/Colleges	0.9%
Grocers - Retail	1.3%	Farms	0.9%	Clinics	0.9%
Non-classified	1.2%	Non-classified	0.9%	New Car Dealers	0.8%
County Gov. - Public Health	**1.1%**	General Contractors	0.9%	General Contractors	0.8%
State Correctional Inst.	1.1%	Churches	0.9%	Non-classified	0.7%
Nursing Homes	1.1%	Copy/Dup. Machines	0.8%	Churches	0.7%
Beauty Salons	1.1%	Banks	0.8%	Computer Sys. Design	0.6%
Home Centers	1.0%	Hardware (Mfg)	0.8%	Banks	0.6%
Cutlery Wholesale	1.0%	Clinics	0.7%	Beauty Salons	0.6%
General Contractors	0.9%	Hotels & Motels	0.7%	**Gov. Offices - County**	**0.6%**
Churches	0.9%	Attorneys	0.7%	Gov. Offices - City/Twp	0.6%
Real Estate	0.9%	Real Estate Loans	0.7%	Computer Software	0.5%
County Gov. - Finance/Tax	**0.9%**	Lawn/Garden Eq. (Mfg)	0.7%	Footwear (Mfg)	0.5%

Source: InfoGroup

Table 6 shows that, as expected, county administration (in bold) comprises a significant portion of Oregon City's economic mix and is nearly entirely located there. The table is limited to the top 25 industries in each location; in total, activity directly tied to county government accounts for close to 15% of Oregon City's employment. Naturally, county government installations have some pull on related activities – attorneys' offices may locate near a circuit court, other

[3] For this purpose, the US government's Standard Industry Classification system provides a closer look at employment types when compared to the newer and more familiar NAICS system. The overall findings are unchanged by this choice, and these tables are recreated using NAICS codes in an attached appendix.

jurisdictions such as state and federal governments may locate in a county's administrative center, and so on. Most state legislative offices in Clackamas County, for example, are located in Oregon City, as is the only state court facility in the county. Nearly all of the individual and family services, and over a quarter of state-administered social and human resources activities (not tabled) in Clackamas County is centered in Oregon City.

Aside from the presence of government institutions, Oregon City's industry employment mix generally follows both the county as a whole and the metro region. The core employers – restaurants, education and health care facilities, and retailers, make up comparable or slightly smaller portions of city, county, and metro activity. One suggestion of this comparison is that Oregon City's public employers have not supplanted these industries in terms of employment.

In all, the data above verifies that Oregon City's economy is somewhat more "specialized" in activities related to public administration and associated services than the county and metro region as a whole. Although head-to-head comparisons between different-sized areas can be misleading for reasons discussed above, these tables simply establish an expected pattern; a glance at the employment mixes of similar-sized non-seat cities such as Wilsonville, Keizer, and Tualatin[4] confirm that Oregon City's industrial make-up is somewhat heavier in local public employment, but otherwise comparable to its peers. As the next section illustrates, this may confer economic benefits on the city that are not captured by the impact modeling in this report.

County Administration, Local Public Employment, and Economic Outcomes in Oregon City

The previous section established that Oregon City has a larger share of government administration and related activities in its employment mix. One key benefit is that these activities offer a relatively stable source of employment. Generally speaking, public employment is less sensitive to business cycles - wage and employment decisions in the public sector are largely decoupled from proximate economic fluctuations, unlike in the more responsive private sector. At the same time, smaller areas with narrower private industrial profiles can be especially exposed to downturns in the economy and slower recoveries. Below, we illustrate that the public sector's share of employment in Oregon City may have mitigated some of the local impact of recent business cycles.

Oregon City's unemployment rate tends to be higher than greater Clackamas County and the Portland metropolitan area (Figure 1). At the peak of the most recent recession, unemployment in the city was nearly one percentage point higher than the metro area (in 2003, this gap was even larger), and tended to lag the county and metro area during the recovery.

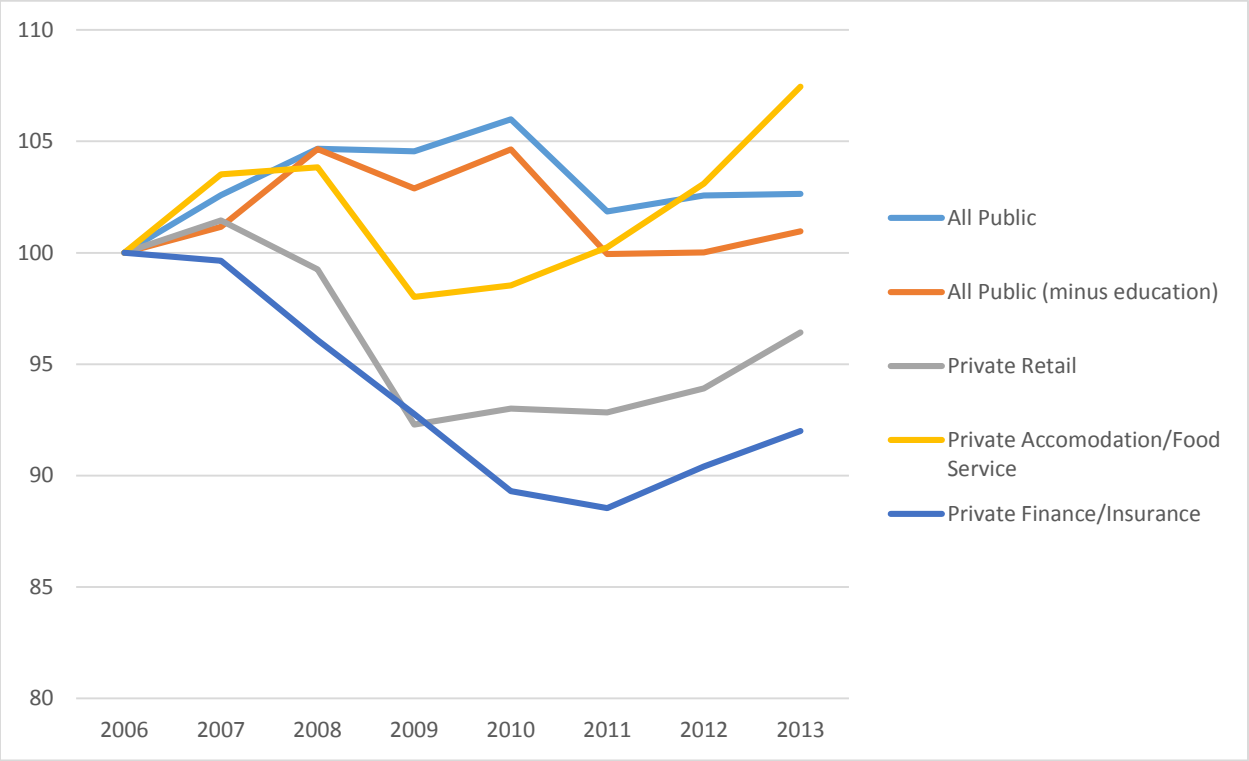
[4] See appendix XX

Figure 1 – Q3 Unemployment Rate 2001 - 2014

Source: Bureau of Labor Statistics LAUS

Nevertheless, Clackamas County's public sector was less affected by recession than many of the other industries that form the core of the area's employment base. Figure 2 below shows that public employment actually rose at the onset of the recession and remained elevated, with an eventual drop after private sector industries had begun to recover. This non-cyclical employment "bridge" reflects common patterns at the state and national level.

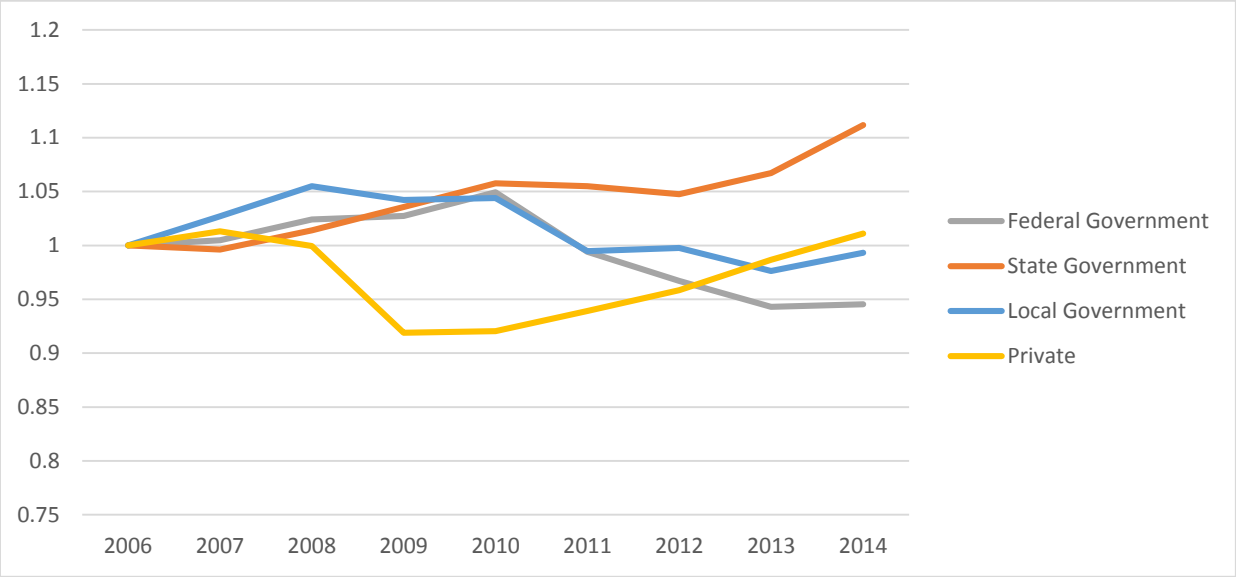
Figure 2 – Public and Private Employment, Clackamas County, 2006-2013 (2006 = 100)



Source: Census Bureau, Longitudinal Employer-Household Dynamics

The Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) data does not disentangle local, state, and federal public employment as shown in Figure 2. Bureau of Labor Statistics data (Figure 3) clarifies that, in the county's case, local government employment in fact offered some stability over the last recession. Again, note that local government employment actually rose from 2006 to 2008 and did not fall until 2010-11 as the county's private sector began to recover. Ultimately, employment losses were smaller than in the private sector or federal government.

Figure 3 – Private and Public Employment in Clackamas County, 2006-2014 (2006 = 1)



Source: Bureau of Labor Statistics QCEW

County Administrative Operations and Downtown Parking

Downtown Oregon City is a growing part of Clackamas County's economy, and economic growth has raised concerns over parking availability in the relatively small commercial district. Parking issues can be inconvenient to customers of local businesses, costly in terms of time, fuel, and fees spent by visitors and employees, and potentially disruptive to traffic flows. The economics of parking are quite complicated, and its impacts are not adequately captured by standard economic models such as IMPLAN. Although solid quantitative estimates are not available at this time, this section addresses the County's place in Oregon City's overall parking situation.

A 2009 study[5] commissioned by the City of Oregon City cited a potential clash between the downtown parking footprint of public administration and the priorities of local businesses. This report offers the best known data available on downtown parking in Oregon City, but does not explicitly quantify the parking needs of any public or commercial entity. We combine data from the Parking Study, the US Census Bureau's American Community Survey (ACS), and the Clackamas County employment department to develop rough estimates of the County's parking impact in the downtown district.[6]

[5] *Downtown Oregon City Parking Study: Findings and Recommendations of Stakeholder's Advisory Committee*. Prepared by Rick Williams Consulting, April 2009

[6] The County's presence outside of downtown is omitted from this section's analysis.

Table 7 – Means of Travel to Work, Oregon, Clackamas County, and Oregon City (2009-2013)

Means of Commuting to Work	Oregon	Clackamas County	Oregon City
Car, truck, or van	82%	86%	85%
Drove alone	72%	77%	76%
Carpooled	10%	9%	9%
In 2-person carpool	8%	7%	7%
In 3-person carpool	1%	1%	1%
In 4-or-more person carpool	1%	1%	1%
Public transportation	4%	3%	4%
Walked	4%	2%	3%
Bicycle	2%	0%	0%
Taxicab, motorcycle, or other	1%	1%	1%
Worked at home	6%	8%	8%
Workers per car, truck, or van	1.07	1.06	1.06

Source: 2013 5-Year ACS estimates

According to 5-year ACS estimates for 2009-2013, 76% of workers in Oregon City drove alone to work (Table 7). This is consistent with estimates for Clackamas County, Oregon, and the US in general. An additional 9% of workers carpool to work. Assuming the commuting habits of county government employees generally match these all-industry averages,[7] the 205 County employees and 99 5th Judicial District employees working in the downtown area would bring a combined 243 vehicles into the district per business day (Table 8).

Table 8 – Estimated[8] County/Courthouse Employee Vehicles Downtown

	County	5th Judicial District	Total
Vehicles of solo drivers	156	75	231
Vehicles of carpoolers	8	4	12
Total employee vehicles	**164**	**79**	**243**

The county courthouse also brings many visitors, jurors, and legal personnel downtown. In 2014, 7,179 jurors were called, down from nearly 8,000 in 2013 and 9,000 in 2012. 77,221 summons were issued, and over 25,000 court cases were filed in 2014. To date, the commuting

[7] Local government employees in Clackamas County appear to follow the same commuting patterns according to the Census Bureau's local-level Public Use Microdata Sample for 2012 (not tabled).
[8] Calculated from 5-year ACS estimates and actual county employee records. See Methodology section for full description.

patterns of jurors and court visitors have not been studied, and this study does not attempt to quantify the likely significant parking impacts of these visitors in Oregon City.

The 2009 Parking Study provides inventory estimates of on- and off-street parking spaces in the downtown district and Bluff areas[9] of Oregon City. In downtown, there were a total of 1029 spaces; 58 of the off-street spaces and 32 of the on-street spaces were available only to the County Corrections Department.

Table 9 – Downtown Oregon City Parking Space Availability, 2009

	On-street	Off-street	Total
Downtown	392	637	1029
Bluff	776	855	1631

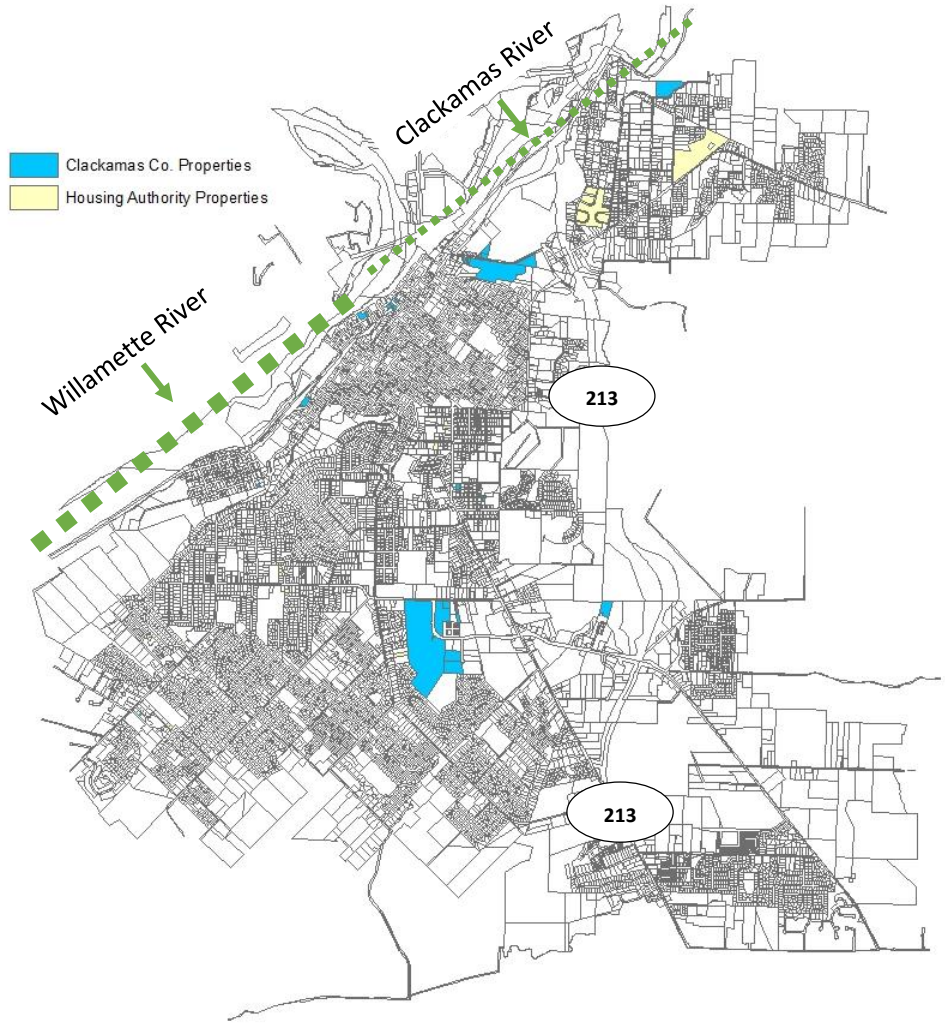
Although the estimates in this section quantify only the potential parking needs of County and Judicial District employees, and not visitors to those entities, they confirm that the parking space supply is limited in downtown Oregon City. Combined County and courthouse operations clearly significant pressure on that supply. However, extrapolating net economic impacts requires consideration of both the costs and benefits conferred on employees and visitors, and has not been attempted with the limited data presented here.

County Administration and Taxable Property

County offices and facilities occupy a large campus in the middle of the Oregon City. Although this is far from the downtown commercial core, NERC researchers were informed of a perception that Clackamas County facilities occupy property that could be used for private enterprise. In order to test this assumption, NERC used a GIS shapefile with tax lot level information on property location and ownership to create a distribution of property owners in Oregon City. Figure 4 is a map showing the location and distribution of county-owned property.

[9] See *Downtown Oregon City Parking Study* for geographic definitions.

Figure 4: Oregon City Tax Lots



County properties (highlighted in blue) represent 0.3% of the city's tax lots, and collectively occupy 1.2% of the area. A significant portion of this area is occupied by the county jail and cluster of county facilities which are located in the same area outside of the central commercial district (blue space in center of the map) and the county offices in the northern edge of downtown. The Clackamas County Housing Authority occupies 0.5% of the city's area. Its properties are clustered in the northern portion of the city.

The county does have offices in the downtown core, but the larger county properties are situated away from the main commercial areas. Properties owned by the City of Oregon City and the State of Oregon are also situated in the city core which may create a perception that land owned by public entities occupies a significant footprint within the city. A search of Oregon City tax rolls for all public entities combined – including school district, community college, vacant land owned by the city or county, and state-owned land in unincorporated areas surrounding the city – yield a combined area that is slightly less than 7% of the city's total land.

Conclusion

Oregon City's status as the Clackamas County Seat has broadly positive employment and output impacts on the local economy. County administrative activity provides jobs for residents, and brings in daily commuters who spend part of their paycheck in the local economy. Further, employment in the local government sector tends to be countercyclical (or at least lags the normal business cycle) meaning that when the private sector is struggling the county serves as an important, stable employer, particularly in light of small localities' exposure to economic fluctuations.

There are a variety of agencies and offices from all levels of government in Oregon City, but the Clackamas County administrative structure has a relatively light physical footprint. Most county-owned property is away from the city's commercial core. Parking continues to be in issue in parts of Oregon City, and it is clear that county employees and visitors contribute to this situation. However, the costs of parking associated with any economic activity should not be interpreted without also considering its benefits, and the research team has not found indications that parking issues are preventing normal economic development in the city.

As the economy of Oregon City continues to develop, its relationship to Clackamas County is a potential source of both stability and commerce. Of course, trade-offs occur whenever different activities occupy the same economic space, but on balance the costs and benefits considered in this report support a beneficial, rather than competitive, relationship. Moving forward, the net benefits of this relationship will likely be determined by the successful integration of a reliable, permanent public sector and dynamic, growing business community.

NeRC

Northwest Economic Research Center
College of Urban and Public Affairs

The Economic Impacts of Oregon City's County Seat Status

March/April 2016

Portland State UNIVERSITY

Economic Impact Analysis

Clackamas County Administration and Oregon City's Economy

Economic Impacts of County Employment

- **Oregon City Residents**

Jobs	454 *(direct)* + 132 *(indirect/induced)* **= 586** *(total)*
Labor Income	**$32 Million**
Output	**$58.3 Million**

Economic Impacts of County Employment

- Oregon City Residents
- Commuters (assumes 20% of income spent in O.C.)

Jobs	689
Labor Income	$36 Million
Output	$70.7 Million

Largest Industry Employment Impacts

	Total Employment Impact
Wholesale Trade	25
Employment Services	23
Full-service restaurants	21
Retail – non-store retailers	21
Financial investment activities	20

Economic Impacts of County Employment

	Total Tax Revenues
Oregon	
State Personal and Corporate Income Taxes	$1,100,635
Other State Taxes, Fees, and Licenses	$427,806
Oregon Total	**$1,528,441**
Local Governments	
Property Taxes	$377,916
Other Local Taxes, Fees, and Licenses	$40,371
Local Total	**$418,287**
TOTAL	**$1,946,728**

Additional Analysis

County Administration and Oregon City's Economic Mix

County administration and Oregon City's economic mix

Possible Influence:

- County government: 15% of total O.C. employment
- Related activities (attorneys, etc.)
- State and federal presence

County administration and Oregon City's economic mix

Possible Influence:

- County government: 15% of total O.C. employment
- Related activities (attorneys, etc.)
- State and federal presence

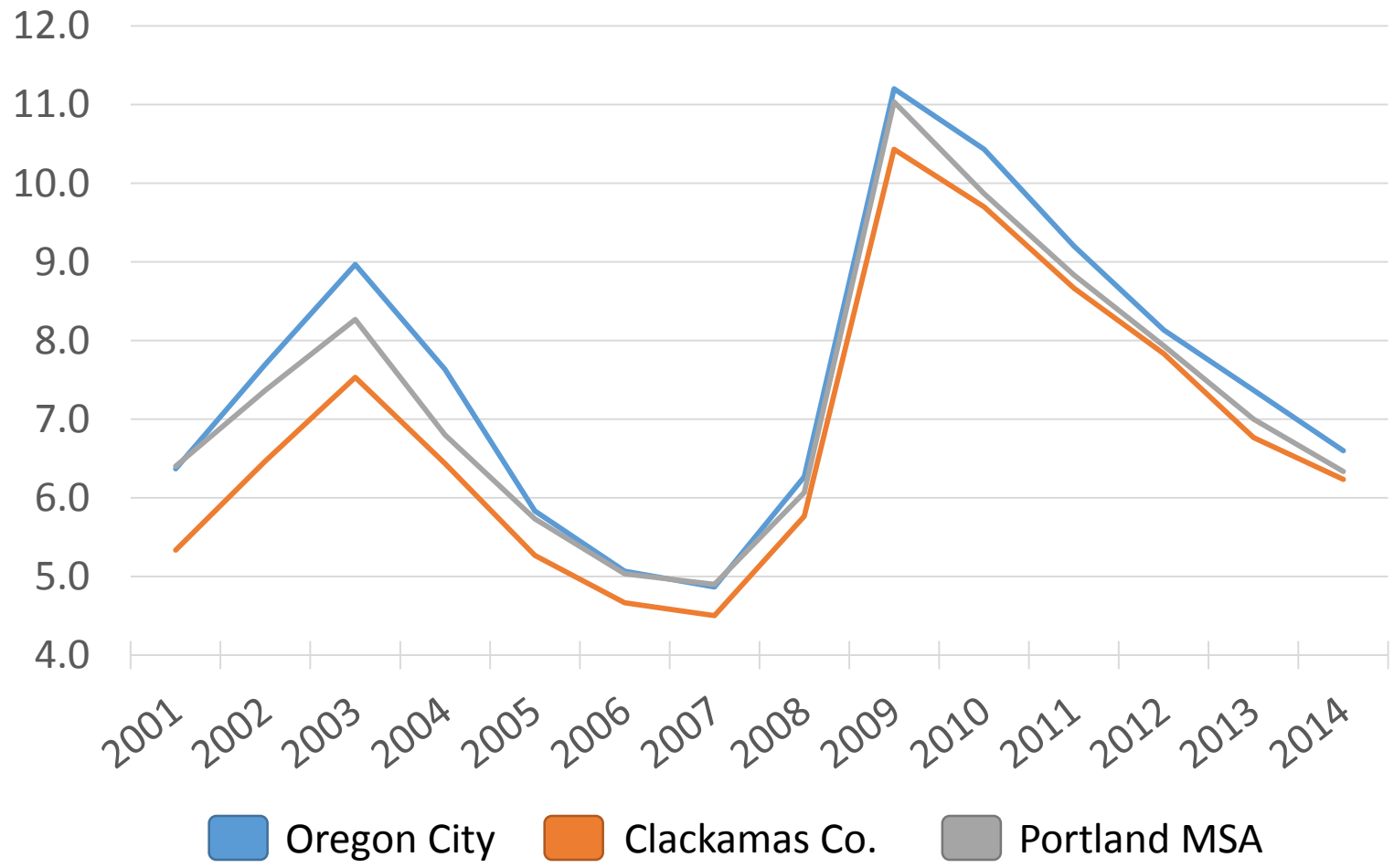
However…

- Core employers match greater Clackamas County and Portland metro
- Otherwise comparable to "peer" cities of Wilsonville, Keizer, Tualitin

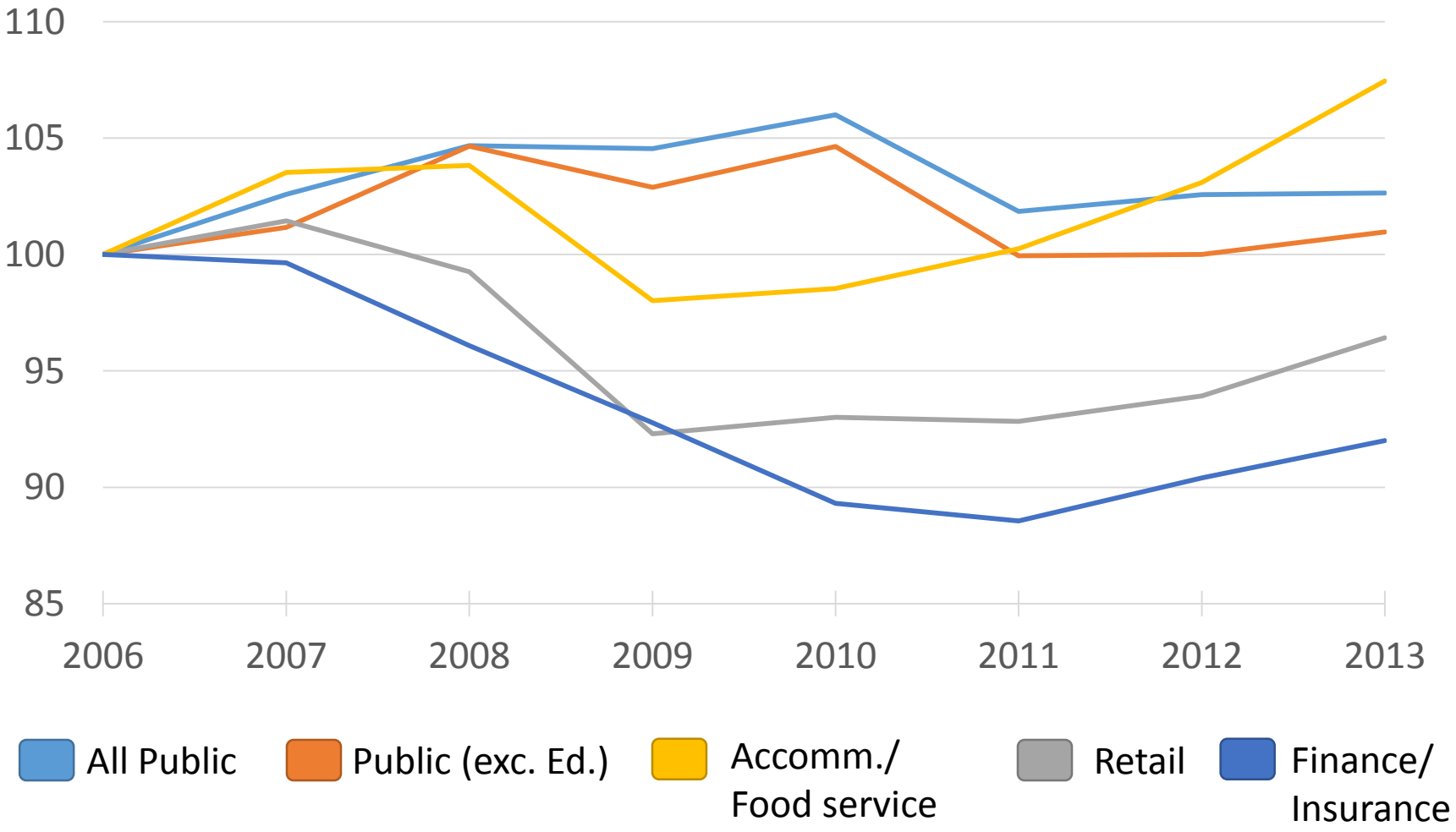
Additional Analysis

The Public Sector and Economic Outcomes in Oregon City

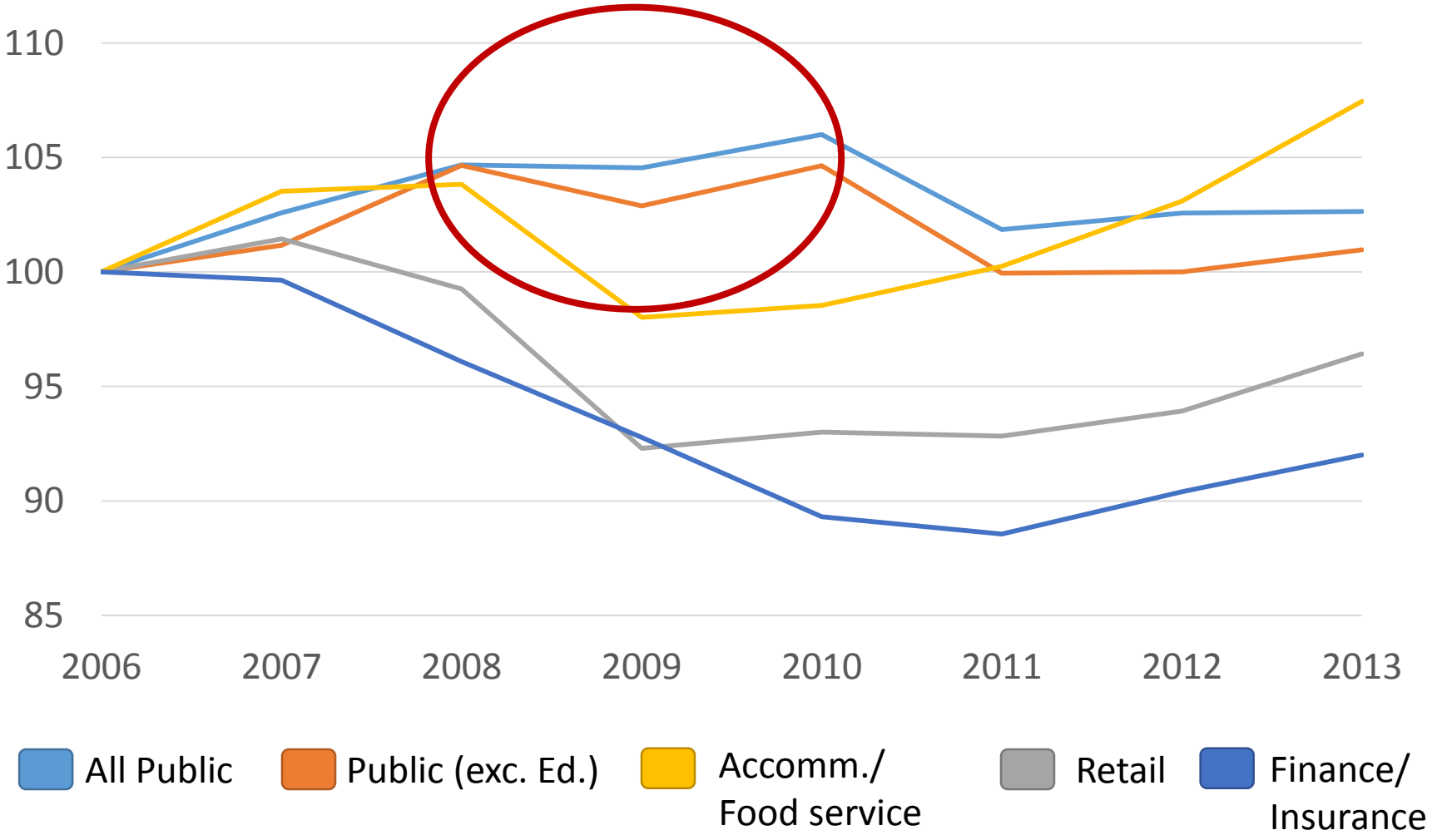
Civilian Unemployment (Percent, Q3), 2001 - 2014



Public and Private Employment, Clackamas Co. (2006 = 100)



Public and Private Employment, Clackamas Co. (2006 = 100)



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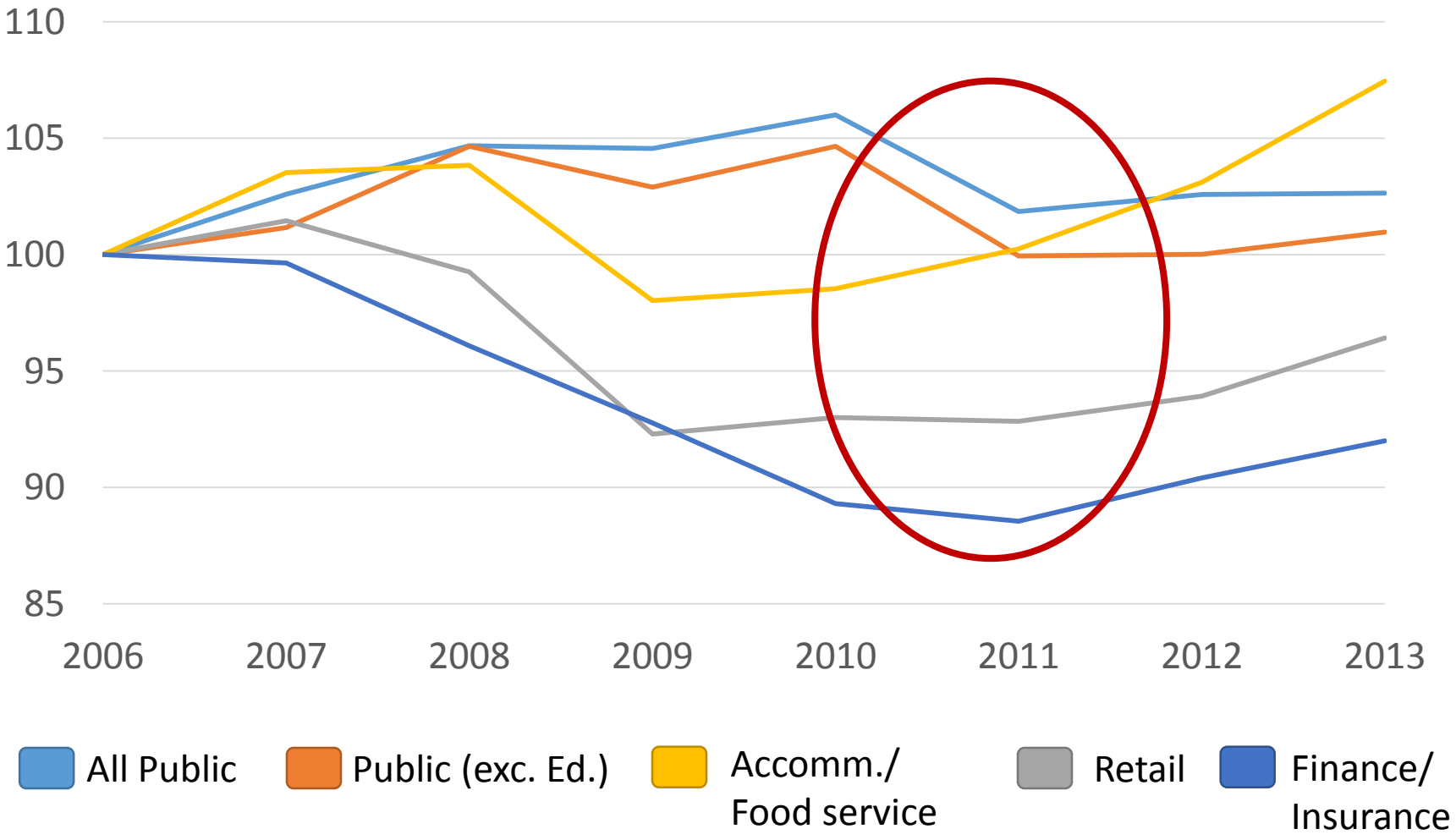
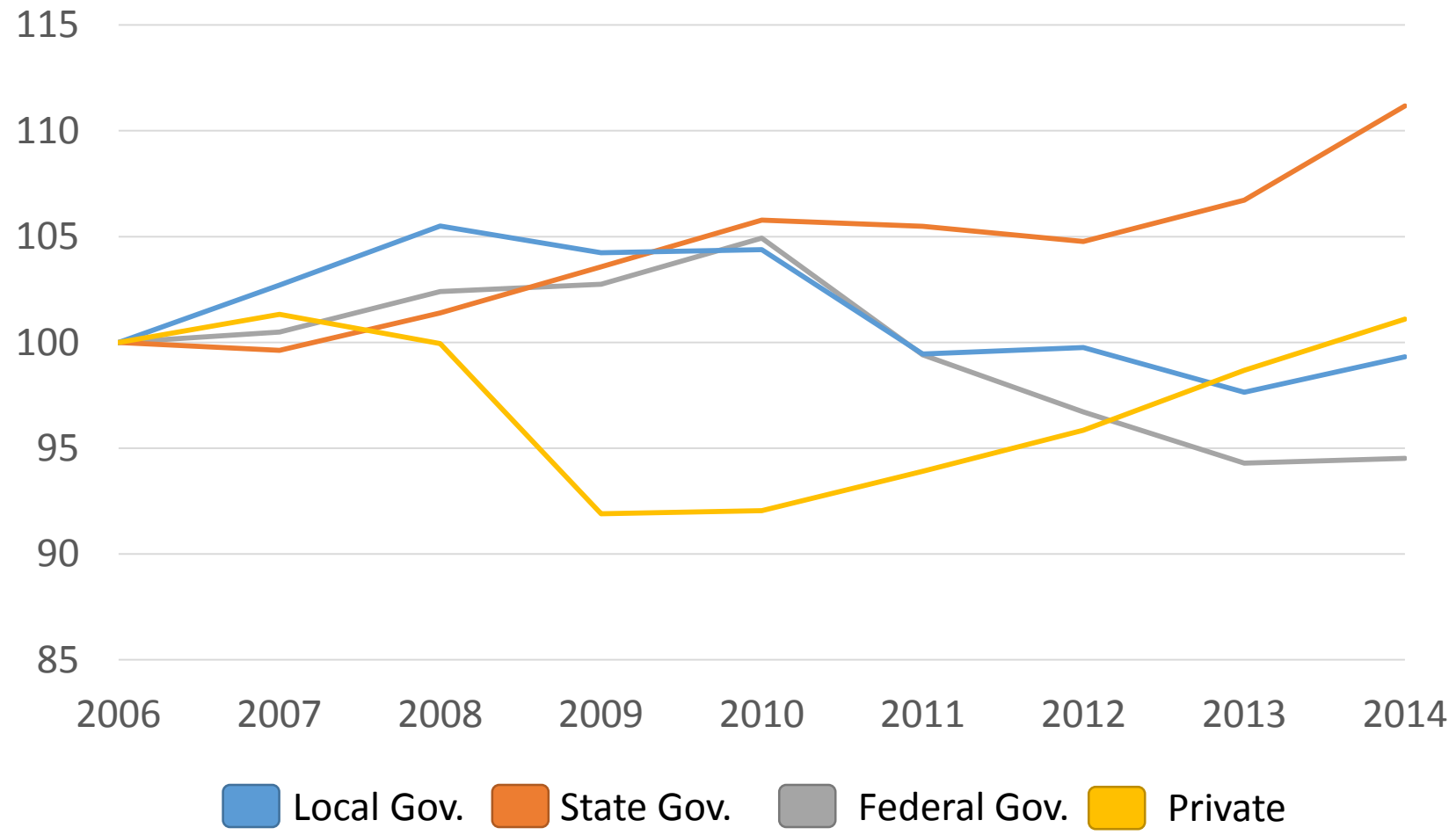
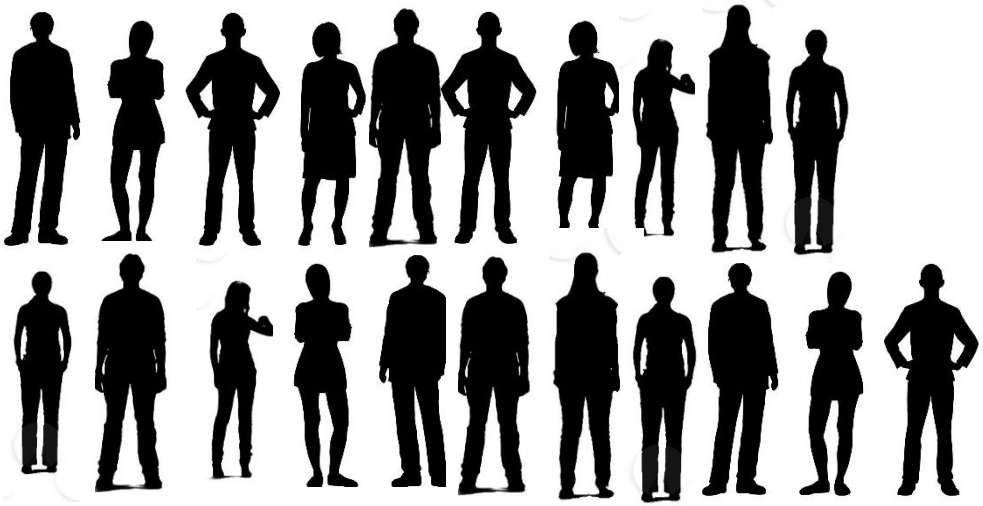


Public vs. Private Employment, Clackamas Co. (2006 = 100)

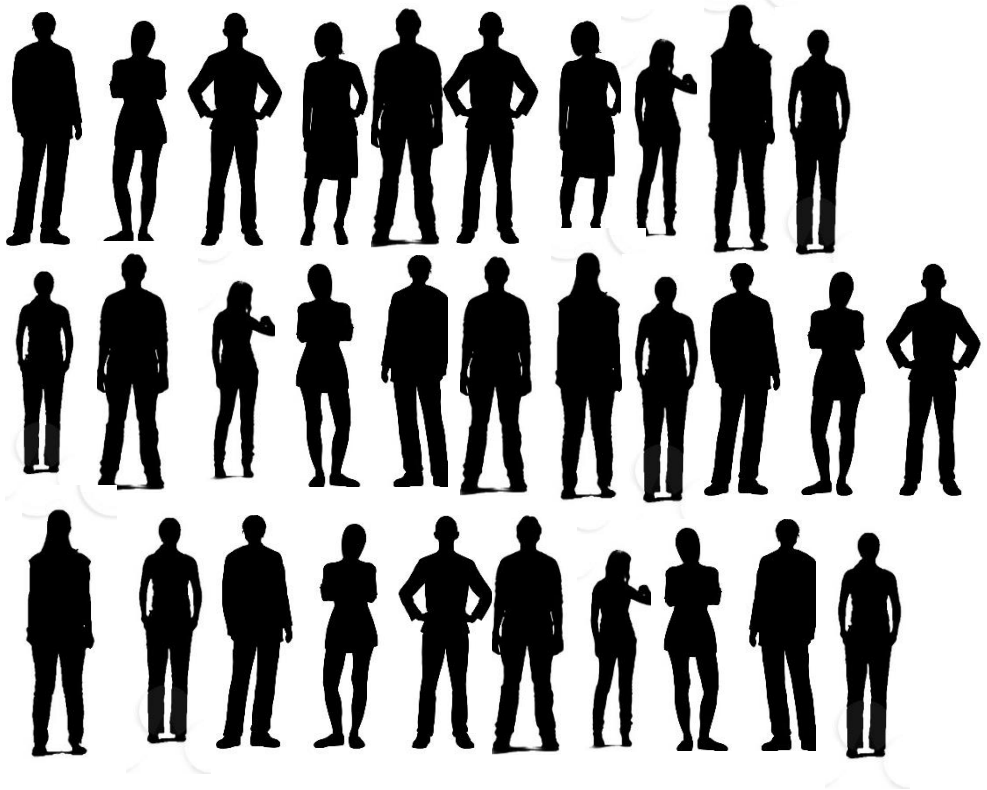


Additional Analysis

The Downtown Parking Question



205 County employees



205 County employees

99 5th Judicial District employees

76% drive alone

76% drive alone

9% carpool

243 vehicles

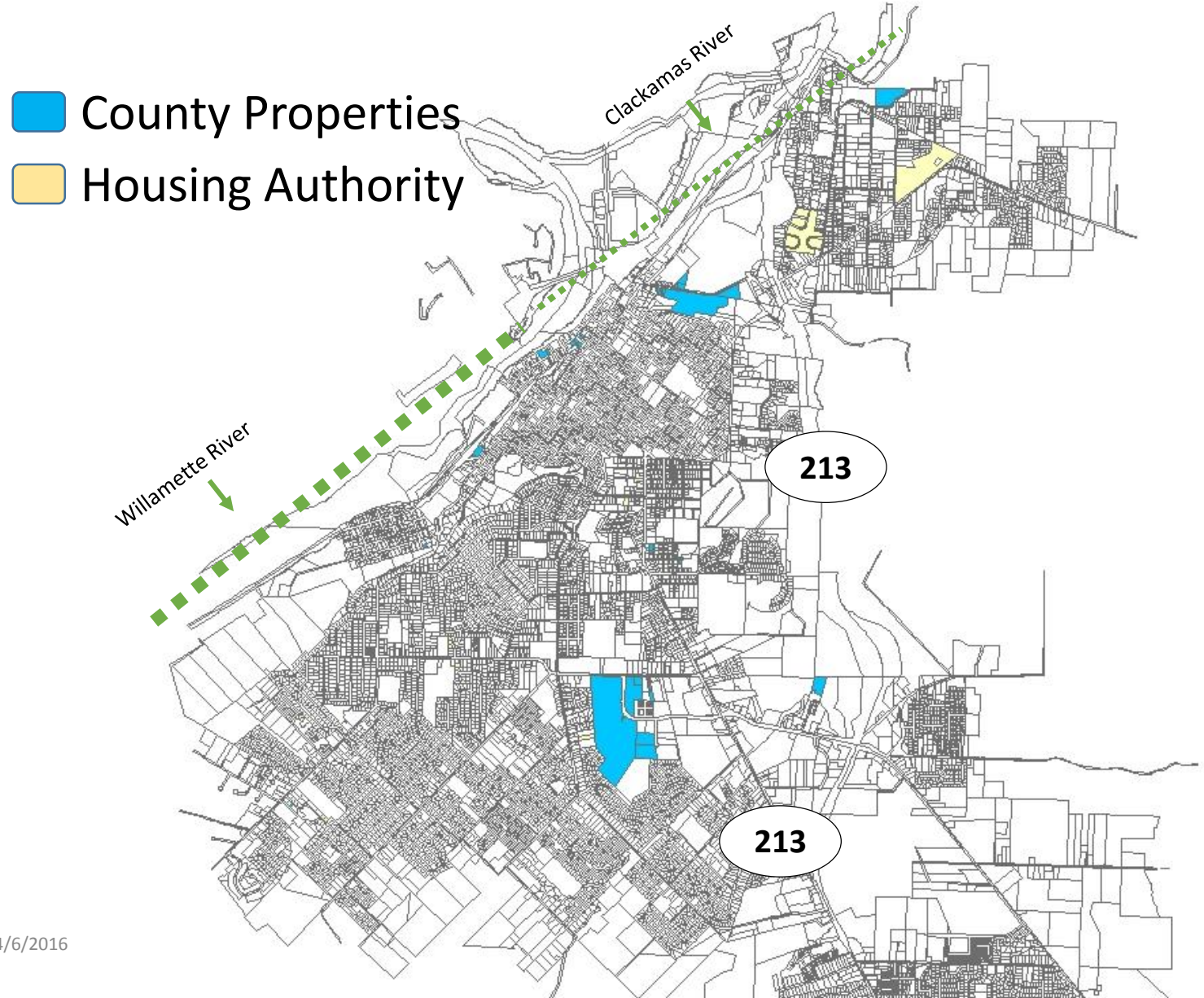
637 Off-street spaces
392 On-street spaces

Others:

- **7,000 – 9,000 jurors**
- **77,000+ summons**
- **25,000+ court cases filed**

Additional Analysis

Public Property and Property Taxes


County Properties
Housing Authority
Clackamas River
Willamette River
213
213

County properties:

- **0.3% of city tax lots**
- **1.2% total area**
- **Primarily outside city center**

Clack. Co. Housing Authority properties:

- **0.5% of total area**

All public entities:

- **7% total land**