

Clark County Comprehensive Plan 2016 Update

Planning for growth 2015 – 2035
Employment Allocation– Issue Paper 3

Purpose

This memorandum provides a basic framework and starting point from which the County and Cities may consider population and employment allocation. This memo focuses on only technical aspects and not on policy considerations.

Background

The current countywide April 1, 2013 population is 435,500. The most likely 2035 OFM population projection is 562,207 representing a medium growth scenario. The 2035 projected population average annual population growth rate is 1.1% over a twenty year period.

In “Issue Paper 1 - Comprehensive Plan Overview”, Community Planning presented a summary of the county’s Planning Assumptions, the 2013 vacant and buildable lands model (VBLM) inventory and population and employment projections.

In “Issue Paper 2 – Population and Job Projections”, Community Planning presented background information for a discussion with local cities and the Town of Yacolt on population and job planning assumptions for 2016 through 2035. This Issue Paper will focus on Proposed Population and Employment Allocations. On January 21, 2014, the Board of Clark County Commissioners adopted the OFM Medium Population 562,207 for the twenty year period ending 2035; Resolution number: 2014-01-09.

Employment Projections

The GMA does not require local jurisdictions to plan for any particular number of jobs. Identifying lands for jobs, however, is an important consideration in sizing of UGAs. The county has historically used a “jobs to population” ratio that is informed by U.S. census data and state employment information from the Washington Employment Security Department. The 2007 comprehensive plan assumption is 1:1.39 for future growth.

Clark County relies on employment projections provided by Washington Employment Security Department, Regional Economist Scott Bailey. Using the medium population projections for 2035, it is possible to estimate Clark County 2035 employment using an assumption about the future employment rate. Staff is recommending scenario three or the more aggressive job growth in the attached memo from Scott Bailey on GMA Employment Projections. The outcome for this scenario adds 78,500 net new jobs on 5,000 acres of commercial/industrial land. The 2013 VBLM can accommodate about 95,000 new jobs on 6,700 acres of commercial/industrial land.

Next Steps

The Board needs to adopt a jobs projection. Employment and household projections are based on the population projection. Once the countywide population and jobs projections are determined, the next step is to collaborate with the cities in setting the population and job planning assumptions (allocation) for each jurisdiction for approval by the Board.

Population and Employment Allocation Scenario

The GMA does not dictate a particular method for allocating population or employment growth. However, a cooperative process is recommended. It is necessary to consider “community growth goals with respect to population, commercial and industrial development, and residential land as well as other factors”.

The Board may choose to allocate by 1) placing growth where it has historically occurred by UGA, 2) allocating growth by UGA based on the proportionate share of total county vacant and buildable lands without concern for capping that growth at current capacity, or 3) allocating growth by UGA according to the proportion of the total county identified vacant and buildable lands, but capped by UGA at currently identified capacity.

The third method was used in the 2007 Comprehensive Plan Update. It is simple and provides for what the existing land use inventory shows. The 2013 results indicate urban growth areas contain the following vacant buildable lands:

8,037 net residential acres;

3,109 net acres of commercial lands, and

3,587 net acres of industrial land.

Chart 1 below shows the share of residential land available by UGA based on the 2013 vacant land model.

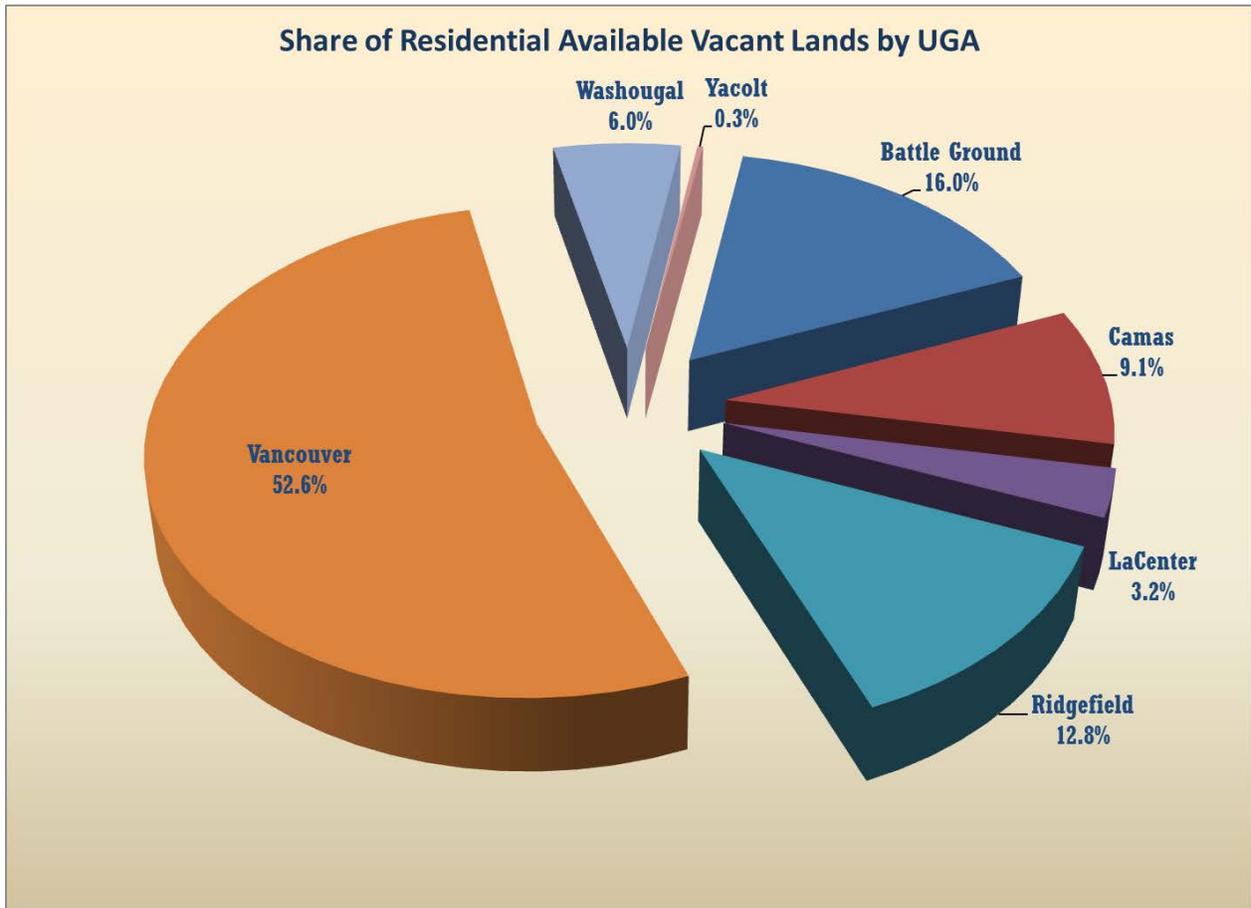


Chart 2 below shows the share of commercial land available by UGA based on the 2013 vacant land model.

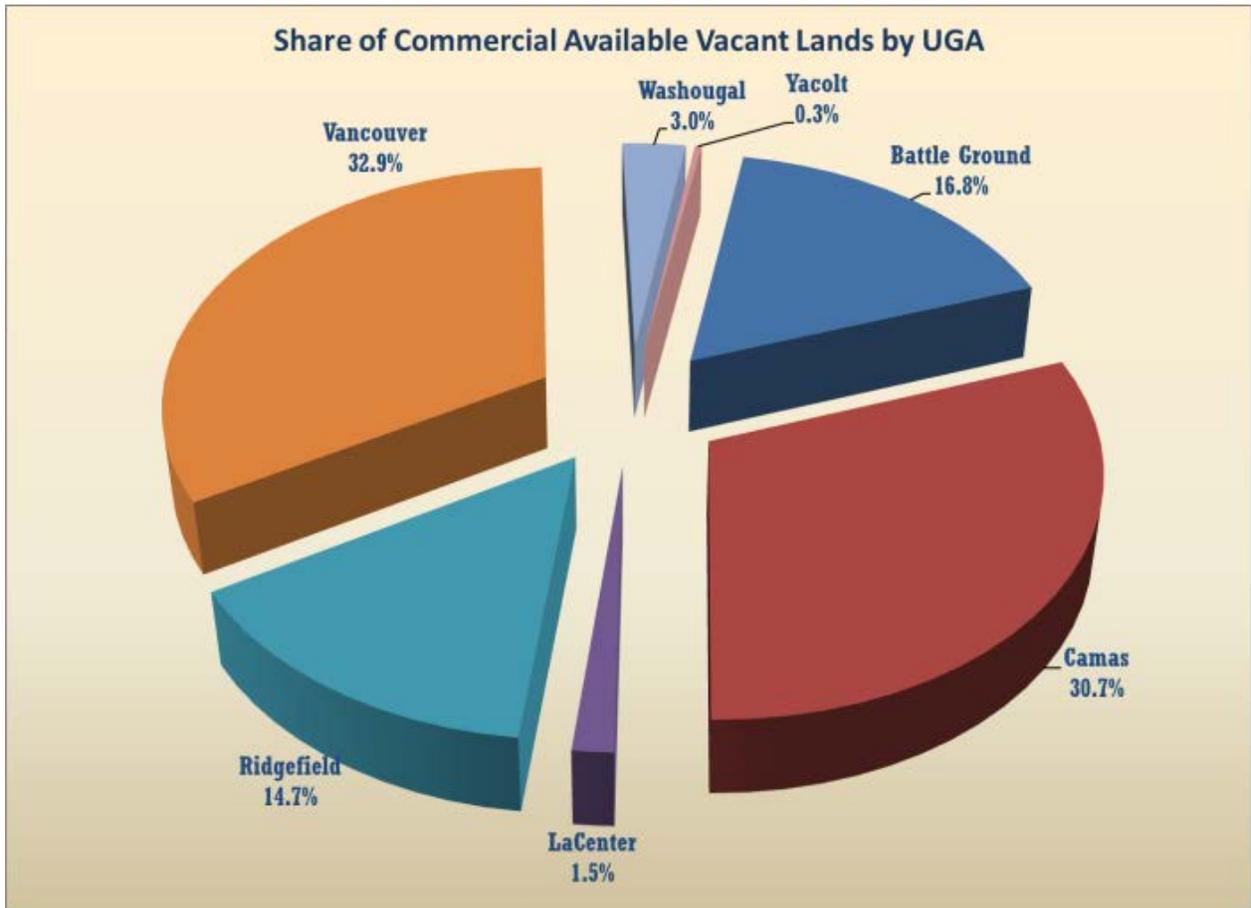
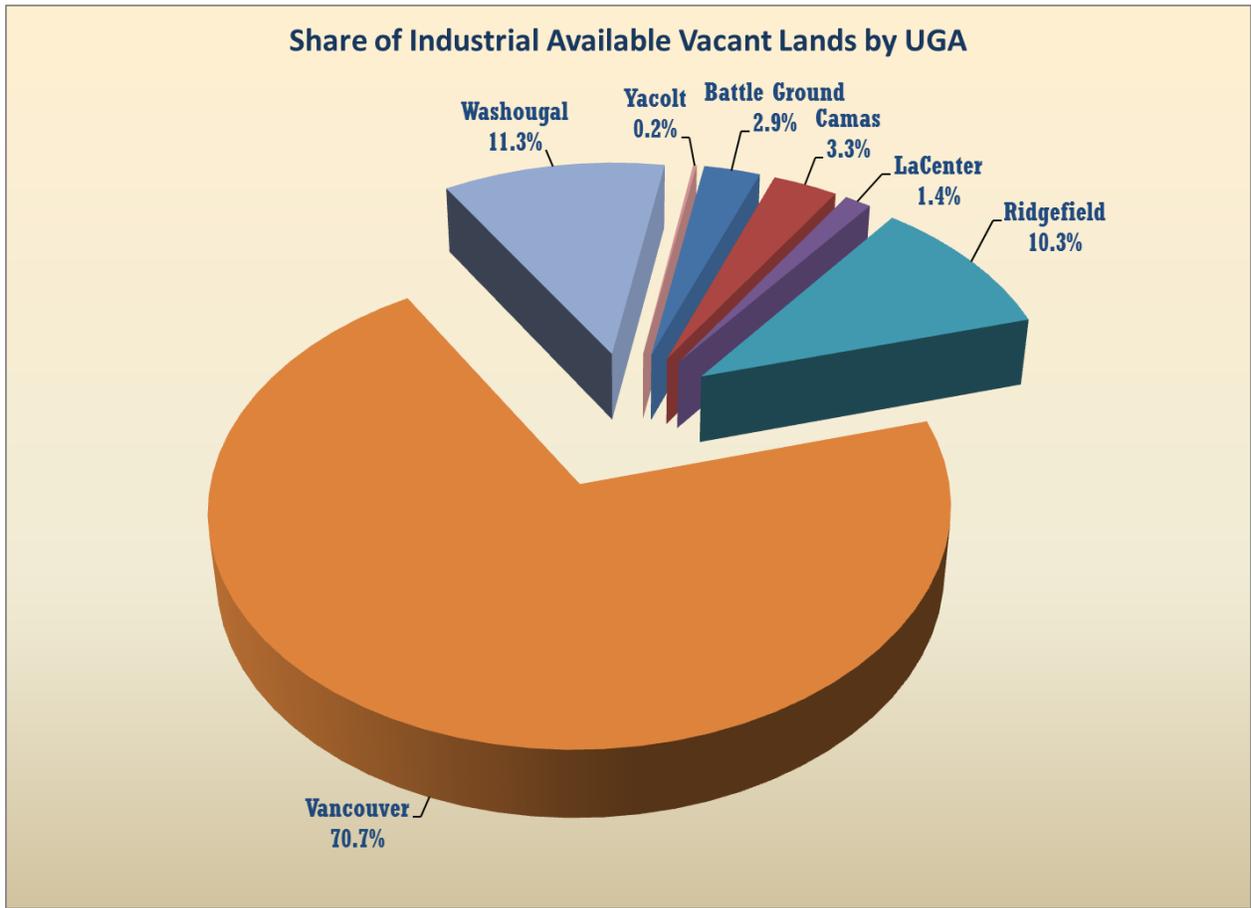


Chart 3 below shows the amount industrial land available by UGA based on the 2013 vacant land model.



February 19, 2014

To: Oliver Orjiako
Clark County Planning Department

From: Scott Bailey
Regional Economist
Washington Employment Security Department

Re: GMA Employment Projections

Thank you for requesting input on long-range employment projections for Clark County growth management. I have prepared scenarios for employment by industry for the year 2035 based on the population projection of 562,207. This memo is meant to guide readers through that scenario, and make explicit the assumptions I used.

Before starting, I want to make it clear that the projections below are in no way predictions or forecasts of the future. The question I'm answering in the projections is, "if Clark County grows such that its 2035 population is 562,207, what does that imply for employment?" While the county's development will take place within a larger economic context, local policies in place and yet to be adopted will have an impact as well.

The projections are based on the implicit assumptions that local governments will zone enough land and make capital investments adequate to support the projected population and jobs.

Finally, except for population, all projections will be shown rounded to the nearest 100.

Step 1. Population and Housing

The employment projections are based on a 2035 population projection of 562,207, the mid-range projection from the state Office of Financial Management, with estimates for age and sex by five-year cohorts. Using Metro's projection of 2.66 persons per household for Clark County, that works out to 211,400 households.

Step 2. Labor Force and Employed Residents

Based on the demographic projections, the working-age population—all those aged 16 and older—will be 429,500 in 2035. The total estimated labor force for the county was derived by applying labor force participation rates to each age and sex cohort and

summing the result. The labor force participation rates were based on projections made by the U.S. Bureau of Labor Statistics. The overall labor force participation rate for the county is projected to be 60.4%, which reflects both the aging of the population and the subdued participation rates for younger workers coming out of the recent recession. When this percentage is multiplied by the working-age population, the result is a projected labor force of 259,400. Assuming an unemployment rate of 5.5%, there would be 245,200 employed residents in the county in 2035.

Step 3. Gross Nonfarm Employment

How many jobs are associated with working residents? To get from employed residents to gross nonfarm employment, the following factors must be accounted for: farm employment, unpaid family workers, employees at private households (e.g. nannies, caretakers for the elderly), the self-employed, and multiple jobholders. Alternatively, one can simply make a projection based on the ratio of nonfarm jobs to employed residents. Using national projections showing a slight decline in the percentage of self-employed workers and an increase in the ratio of nonfarm jobs to employed residents, the gross number of jobs was estimated at 244,700.

A technical note: beginning in 2014, home care services funded through DSHS will be reclassified from NAICS 814 (private household employers) to NAICS 624 (social assistance). The former is not included in nonfarm employment, while the latter is included. Since these jobs have no impact on land use, projected nonfarm employment in this memo excludes them.

Step 4. Cross-County Commuting, Net Employment in the County, and the Jobs/Housing Ratio

The question for industrial and commercial land use planning becomes how many of these gross nonfarm jobs will be located in Clark County. Currently, the net number of cross-county commuters in Clark County is the equivalent of around 58,000 nonfarm jobs. The ratio of nonfarm jobs to housing units was 0.94 in 2012, compared with 1.19 for the four-county metro area. How these two figures will change in the future depends in large part upon land-use policy and infrastructure investments. Some possible scenarios:

Scenario 1: Constant proportion of net cross-county commuters. One possibility is that the ratio of net commuters to total jobs will remain constant. This would work out to a net of 76,200 cross-county commuters, putting county nonfarm employment at 167,100

(roughly 1,400 jobs would not be included as nonfarm employment). Job growth would average 0.8 percent annually for the 2015-2035 period, well below the long-term historical trend. The jobs/housing balance would fall to 0.79. Implicit in this scenario is that transportation infrastructure and land zoned for enterprise expand at an adequate pace to support both development in Clark County and commuting across the river.

Scenario 2: Constant jobs/housing ratio. Growth could happen in such a way that the jobs/housing ratio remained at 0.94. This translates into 198,700 nonfarm jobs in the county, and 44,300 net commuters. Annual job growth would average 1.7 percent. This scenario would likely require less capacity in terms of bridge crossings—a reduction in net commuting doesn't necessarily mean a reduction in gross commuting—but more land made available for commercial and industrial development in the county.

Scenario 3: Clark County governments make a conscious effort to increase the jobs/housing ratio. The first two scenarios take somewhat of a passive approach to the jobs/housing ratio. This third scenario assumes that the County makes an explicit attempt to increase the jobs/housing ratio by zoning additional land for industrial and commercial uses. It may be feasible to increase the jobs/housing ratio to above 1.0, below the 1.32 projected for the four-county metropolitan area. An average growth rate of 2.2 percent would be required to reach a ratio of 1.04. Net commuting would decline to 24,900.

The outcome for each scenario is summarized in the table below, based on a development density of 9 jobs per acre for industrial land (construction, manufacturing, wholesale trade, and transportation) and 20 jobs per acre for commercial uses (all other industries). Acreage here is "net" acres, that is, land that can actually be developed, as opposed to land with a particular zoning. Following your request, an estimate of 141,300 will be used for 2015 employment (a 5.4 percent increase over 2013).

SAMPLE TARGETS FOR JOB/HOUSING RATIO, WITH COMMERCIAL/INDUSTRIAL LAND USE IMPLICATIONS, 2015-2035				
Jobs/Housing Ratio	Total Nonfarm Jobs	Net Cross- County Commuters	Net New Jobs	Net Acreage Needed
0.79	167,100	77,700	25,700	1,370
0.84	177,500	67,200	36,200	2,000
0.94	198,700	46,000	57,400	3,440
1.04	219,800	24,900	78,500	4,800
1.10	232,500	12,200	91,200	5,700

Step 4. Employment by Industry

Industry employment projections were based on national and state projections and local history. As with any 20-year economic projections, these are highly speculative. Much will happen in the way of technological, social, and political change over the next 20 years that cannot be anticipated. I would welcome other opinions about different future trends for industries.

Some explicit assumptions made were that retail trade, some services, and much of government would be tied to population growth and would not be directly affected by adding commercial/industrial acreage. However, there might be secondary effects due to the retention of more of the workforce in the county. For example, in-county workers would have fewer chances to shop in Oregon, so it would be reasonable to assume that there would be some positive impact on retail trade.

Most of the job growth from more commercial/industrial acreage would come in construction, manufacturing, wholesale trade, distribution, information, financial services, and professional and business services.

POSSIBLE FUTURES: CLARK COUNTY NONFARM EMPLOYMENT					
	HISTORICAL	PROJECTED	2035 SCENARIOS		
	2013	2015	1	2	3
Total	134,100	141,300	167,100	198,700	219,800
Construction, Mining & Logging	9,400	10,800	9,200	11,200	12,600
Manufacturing	13,000	13,400	14,500	17,500	19,600
Wholesale Trade	5,700	5,900	7,000	9,000	10,000
Retail Trade	15,900	16,800	16,000	20,300	22,500
Transportation, Warehousing, Utilities	3,800	3,800	4,500	5,600	6,100
Information Services	2,700	3,400	4,000	4,700	5,200
Finance & Insurance	4,300	4,900	5,600	6,700	7,500
Real Estate, Rental & Leasing	2,300	2,300	2,800	3,500	4,000
Professional Services	7,100	7,300	10,800	13,100	15,000
Corporate Offices	2,100	2,100	3,000	3,600	4,000
Business Services	6,800	7,000	7,700	9,400	10,600
Private Education	1,400	1,400	1,600	1,900	2,000
Health Care & Social Assistance	18,100	18,800	27,100	35,000	40,900
Arts, Entertainment & Recreation	2,400	2,400	3,300	4,000	4,400
Accommodations & Food Services	10,700	11,300	12,700	15,200	16,700
Other Services	5,100	5,200	6,000	6,700	7,400
Government Administration	10,000	10,300	12,800	12,800	12,800
Public Education (K-20)	13,600	14,200	18,500	18,500	18,500

POSSIBLE FUTURES: CLARK COUNTY NONFARM EMPLOYMENT					
	HISTORICAL	PROJECTED	2035 SCENARIOS		
	2013	2015	1	2	3
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Construction, Mining & Logging	7.0%	7.6%	5.5%	5.6%	5.7%
Manufacturing	9.7%	9.5%	8.7%	8.8%	8.9%
Wholesale Trade	4.3%	4.2%	4.2%	4.5%	4.5%
Retail Trade	11.9%	11.9%	9.6%	10.2%	10.2%
Transportation, Warehousing, Utilities	2.8%	2.7%	2.7%	2.8%	2.8%
Information Services	2.0%	2.4%	2.4%	2.4%	2.4%
Finance & Insurance	3.2%	3.5%	3.4%	3.4%	3.4%
Real Estate, Rental & Leasing	1.7%	1.6%	1.7%	1.8%	1.8%
Professional Services	5.3%	5.2%	6.5%	6.6%	6.8%
Corporate Offices	1.6%	1.5%	1.8%	1.8%	1.8%
Business Services	5.1%	5.0%	4.6%	4.7%	4.8%
Private Education	1.0%	1.0%	1.0%	1.0%	0.9%
Health Care & Social Assistance	13.5%	13.3%	16.2%	17.6%	18.6%
Arts, Entertainment & Recreation	1.8%	1.7%	2.0%	2.0%	2.0%
Accommodations & Food Services	8.0%	8.0%	7.6%	7.6%	7.6%
Other Services	3.8%	3.7%	3.6%	3.4%	3.4%
Government Administration	7.5%	7.3%	7.7%	6.4%	5.8%
Public Education (K-20)	10.1%	10.0%	11.1%	9.3%	8.4%

Let me know if you have any questions. I can be reached at (360) 735-4995 or scott.bailey@esd.wa.gov. Thanks.