



Western Oregon Plan Revision – Impact Modeling Issues

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Modeling Issues

- Changes in Federal Forest Funds
- Changes in BLM Timber Harvest
- Secondary Changes in Wood Product Industries-
WOR
- Changes in BLM Expenditures

The Unanswered Questions:

- Timing/magnitude of Local Government Fiscal Impacts
- Future Role of the Wood Products Industry in Oregon
- Long Term Effects on Other Sectors of the Economy
- Additional Housing Led Recession Impacts

Western Oregon

- ◉ 20 counties – Not all Good FEAs
- ◉ Multiple alternatives – about 9 (180 runs)
- ◉ Two large Regional Economic Areas
 - > Portland Economic Area – 20 counties
 - > Eugene-Springfield Area – 8 counties
- ◉ Community-level impacts
 - > No budget for Community models-hundreds
 - > Communities of Concern –different than Northwest Forest Plan

IO Modeling Issues

- ◎ Hybrid IO models linked to WOR
- ◎ Poor secondary data – BEA REIS
- ◎ Field work -42 days – selective precision
- ◎ Output data issues –Adjusted output to WOR vs. employment/output ratios
- ◎ Income issues –fishing and home rental
- ◎ Export issues –models understate exports- Coos Example
- ◎ Cluster Analysis
- ◎ Spreadsheet Models -transparency

Bad Sectors

- Logging
- Sawmills
- Plywood
- Miscellaneous Wood Products
- Agriculture - income
- Forestry
- Forest Collecting
- Government –education
- Real Estate – rental
- Motels
- Seasonal business
- Migrant labor

SRS Payments to Counties

- 241 MM in 2006
- 205 MM Transition in 2009
- \$200 MM Potential Loss in Eugene Regional Economy

Counties With Major Fiscal Impacts

Local Govt. Job Losses

- ◎ Curry (126)
- ◎ Douglas (533)
- ◎ Josephine (104)
- ◎ Klamath (386)
- ◎ Lane (321)
- ◎ Lincoln (103)
- ◎ Linn (55)
- ◎ Tillamook (41)

Fiscal Impacts

- ⦿ Federal Payments Cannot be Replaced
- ⦿ Southern Oregon Counties vulnerable
- ⦿ Combined impacts Fiscal and Structural Impacts – loss of Wood Products Base –future revenue???
- ⦿ Permanent cuts in services -elderly
- ⦿ Difficulty with transition to new economy
- ⦿ Different kinds of infrastructure and services



WOPR Timber Harvest

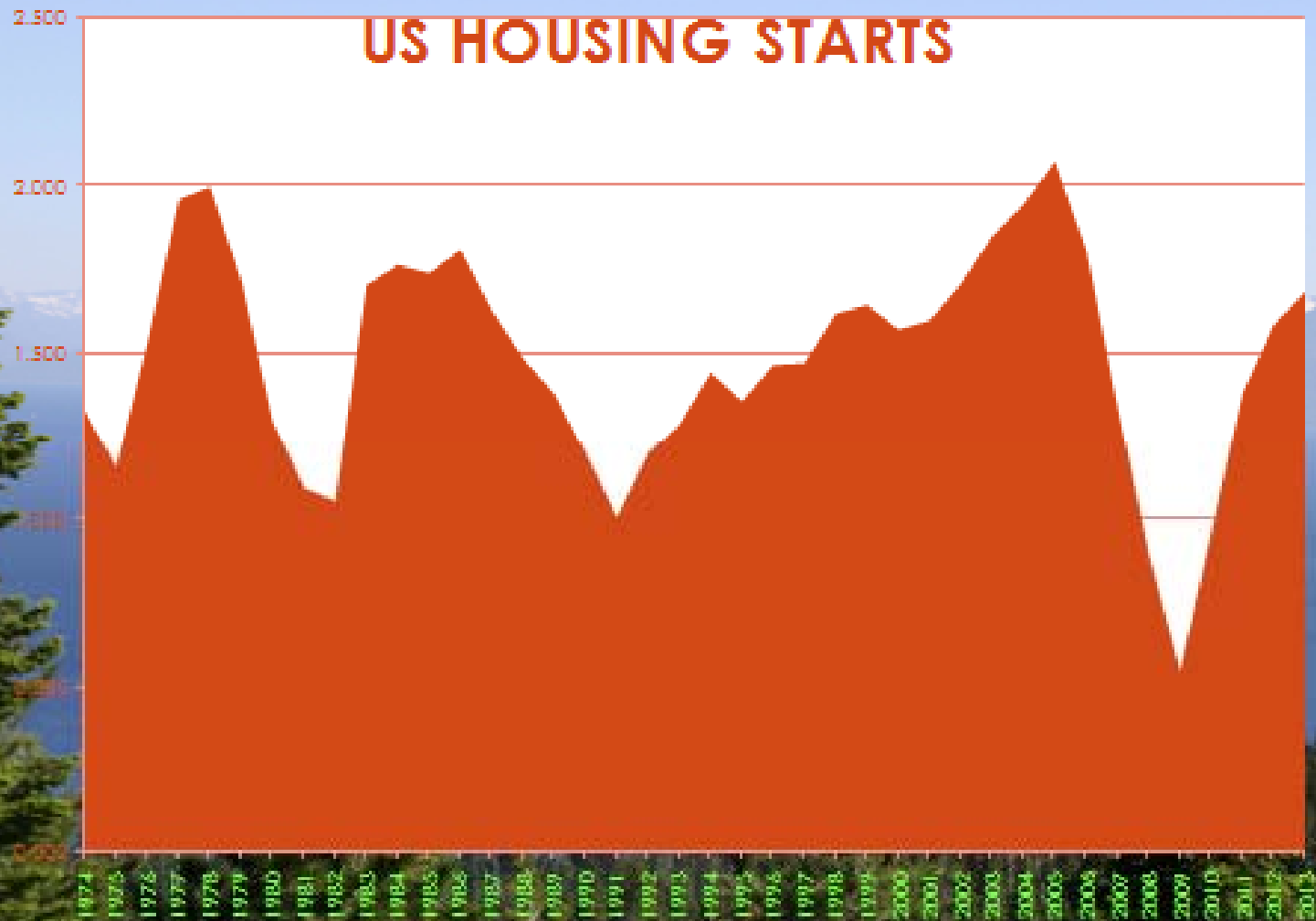
- Biologically Driven
- Polk County (.15mmbf to 85mmbf) 500x
- Lincoln County (.7mmbf to 100mmbf)
- Impacts varied greatly between runs

Who Will Be Left Standing?

Payette, Boise, and Sawtooth Plan Oregon Primary Wood Products Mill Closures



Who Will Be Left Standing?



Western Oregon Plan Revision FEIS Impact Result Overview

- About 1000 new jobs
- Compensatory losses and gains
- Forestry and Wood Products Gains 2000+
- Local Government Losses 1000+

Communities of Concern

- Roseville
- Coquille
- St. Helens
- Medford/White City
- Gold Beach
- Brookings
- Dillard
- Riddle
- Glendale
- Grants Pass
- Klamath Falls
- Eugene/Springfield
- Albany
- Lebanon
- Lyons/Mill City
- Harrisburg
- Newport
- Dallas
- Tillamook

Communities of Concern

WOPR

- Clackamas –none
- Klamath Falls
- Brookings/Gold Beach

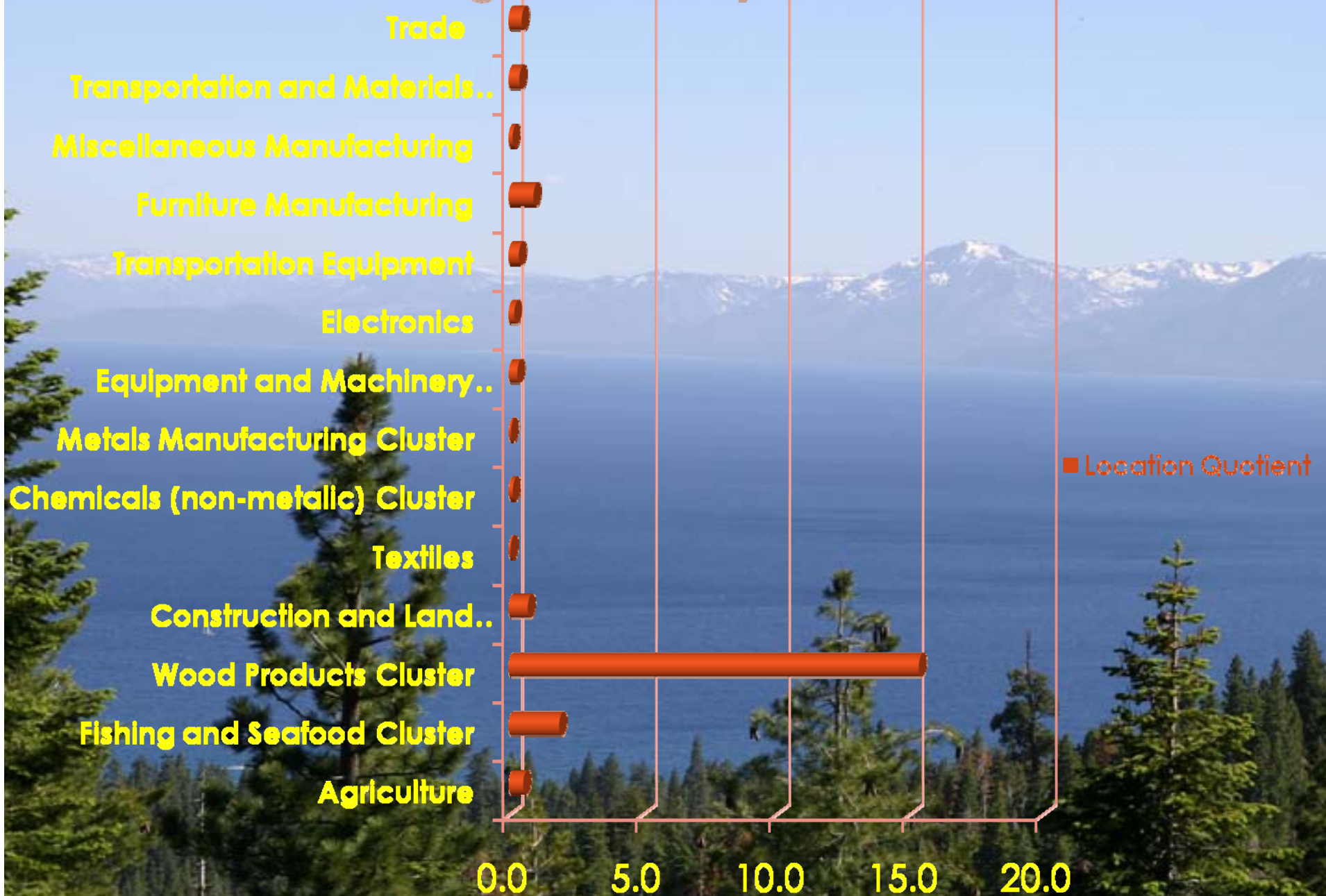
Northwest For Plan

- Rhododendron
- Scott and Butte Valleys
- Agness and Illaha

Wood Products Counties

- ◉ Linn, Lane, Klamath, Jackson, Josephine, Douglas
- ◉ More than 50% of income from wage/salary
- ◉ Wood Products key component of base
- ◉ Little retirement and tourism
- ◉ Less diversified economies –Lane exception

Douglas County Clusters



Wood Products Sector Job Winners

○ Lane	492
○ Linn	247
○ Jackson	205
○ Klamath	146
○ Polk	143
○ Washington	74
○ Tillamook	66
○ Coos	63
○ Yamhill	56

Wood Product Sector Losers

- Curry -14
- Douglas -11



Douglas County Impacts

- Major Fiscal Impacts
- Possible increase in Forestry
- Probable decline in Wood Products
- Not well positioned for recovery from loss

Southern Oregon

- ◎ Klamath County

- › Fiscal Impacts
- › Some offsetting gains in Wood
- › Didn't really look at secondary wood - WOR

- ◎ Jackson and Josephine (integrated economy)

- › Fiscal Impacts
- › Plywood plants
- › Changing base - California ties

Portland Metro Counties

- Not Sensitive to Impacts
- Large Diversified Growing Economy
- Wood Products small component
- Commuting
- Wage and Salary income predominant

Portland Region Trade Capture

Portland Region

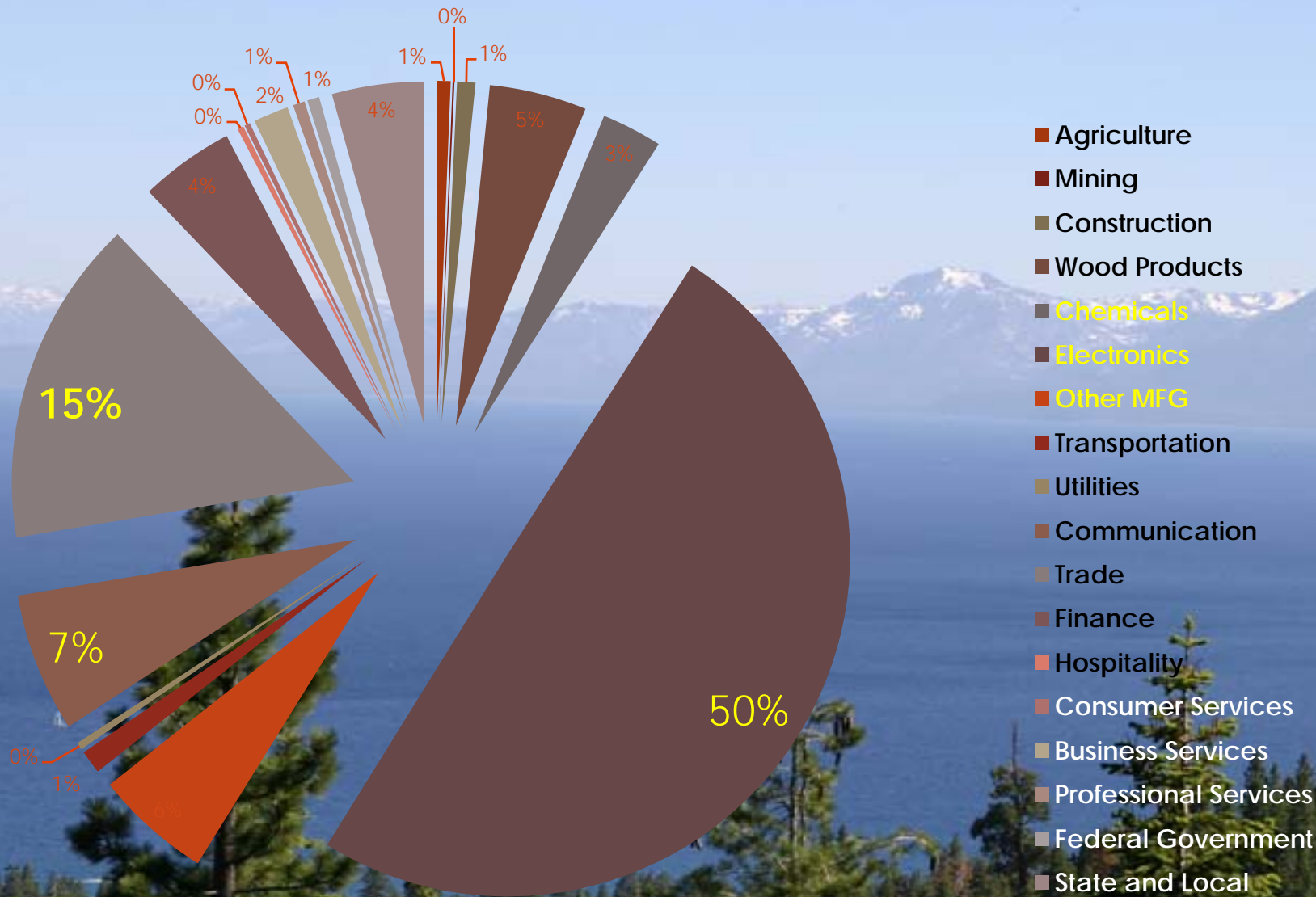
1607 Jobs

Counties

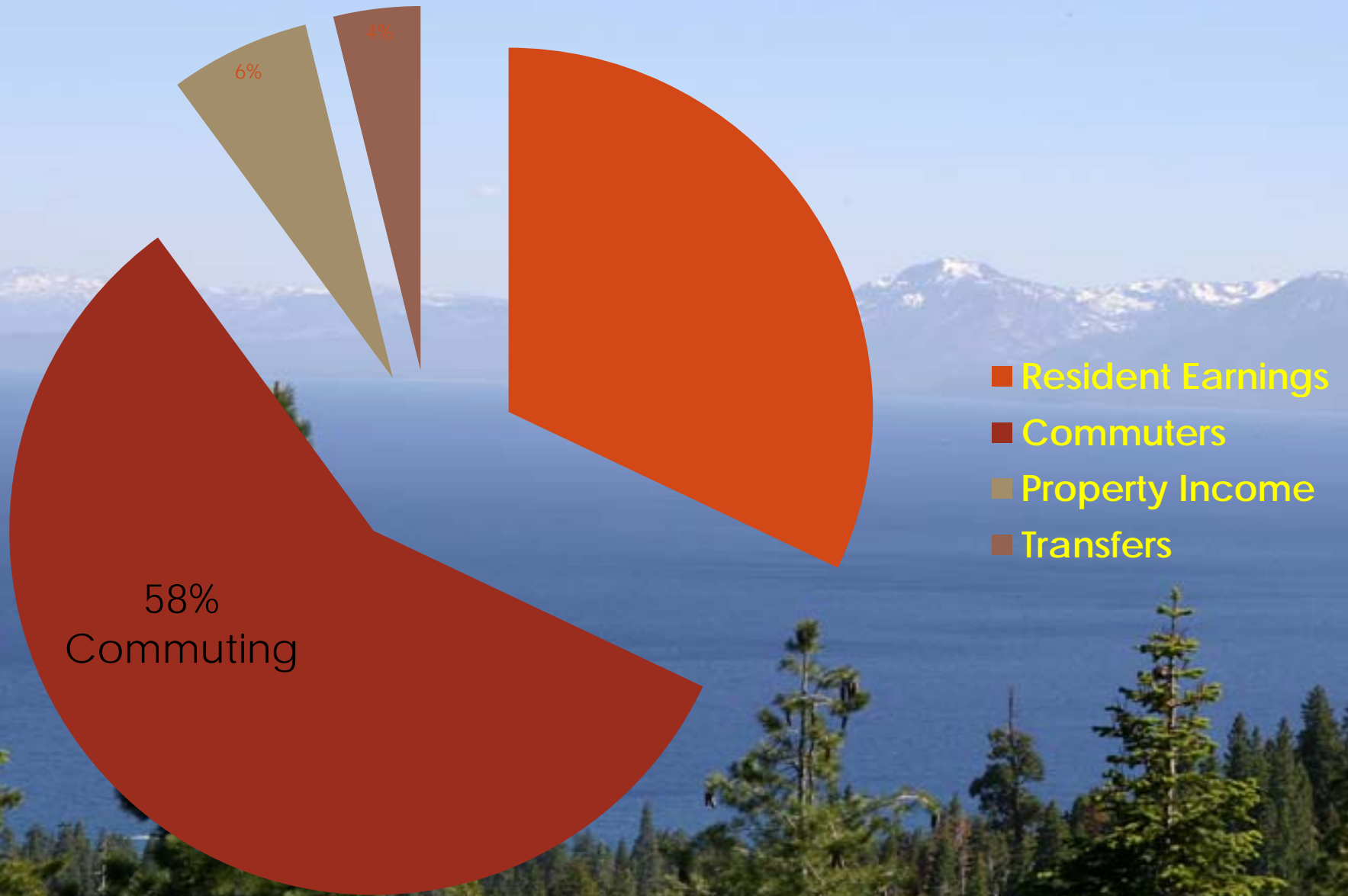
1060 Jobs

Region captures 157% more impacts

Washington Co Base



Columbia County Income



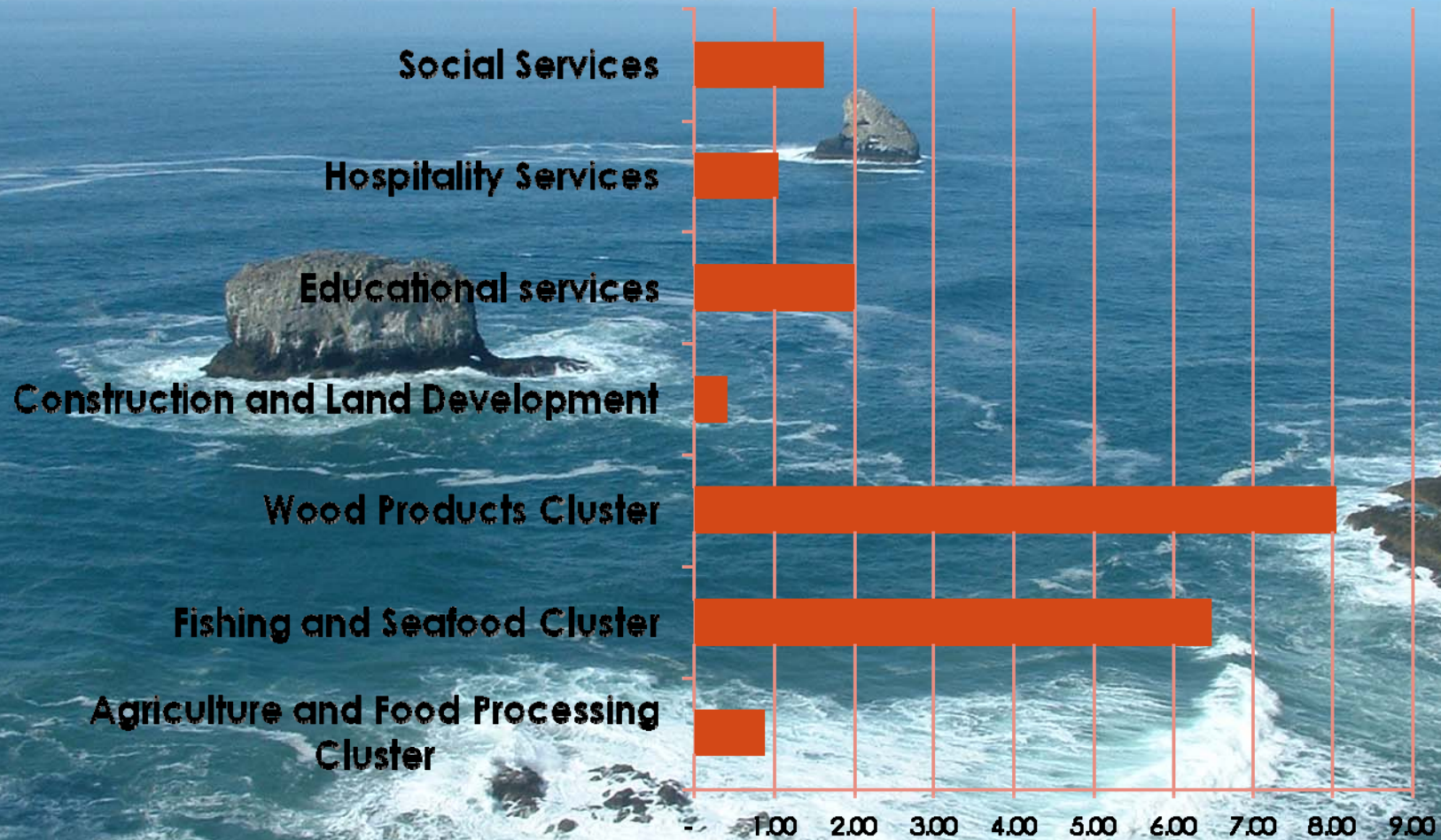
Coastal Counties

- ◉ Tourism and Seasonal Homes
- ◉ Retirement –SS or Investment Income
- ◉ Large Construction industry
- ◉ Commuting workers to outlying
- ◉ Fishing
- ◉ Seasonal economy



Coos County Economy

Coos Clusters

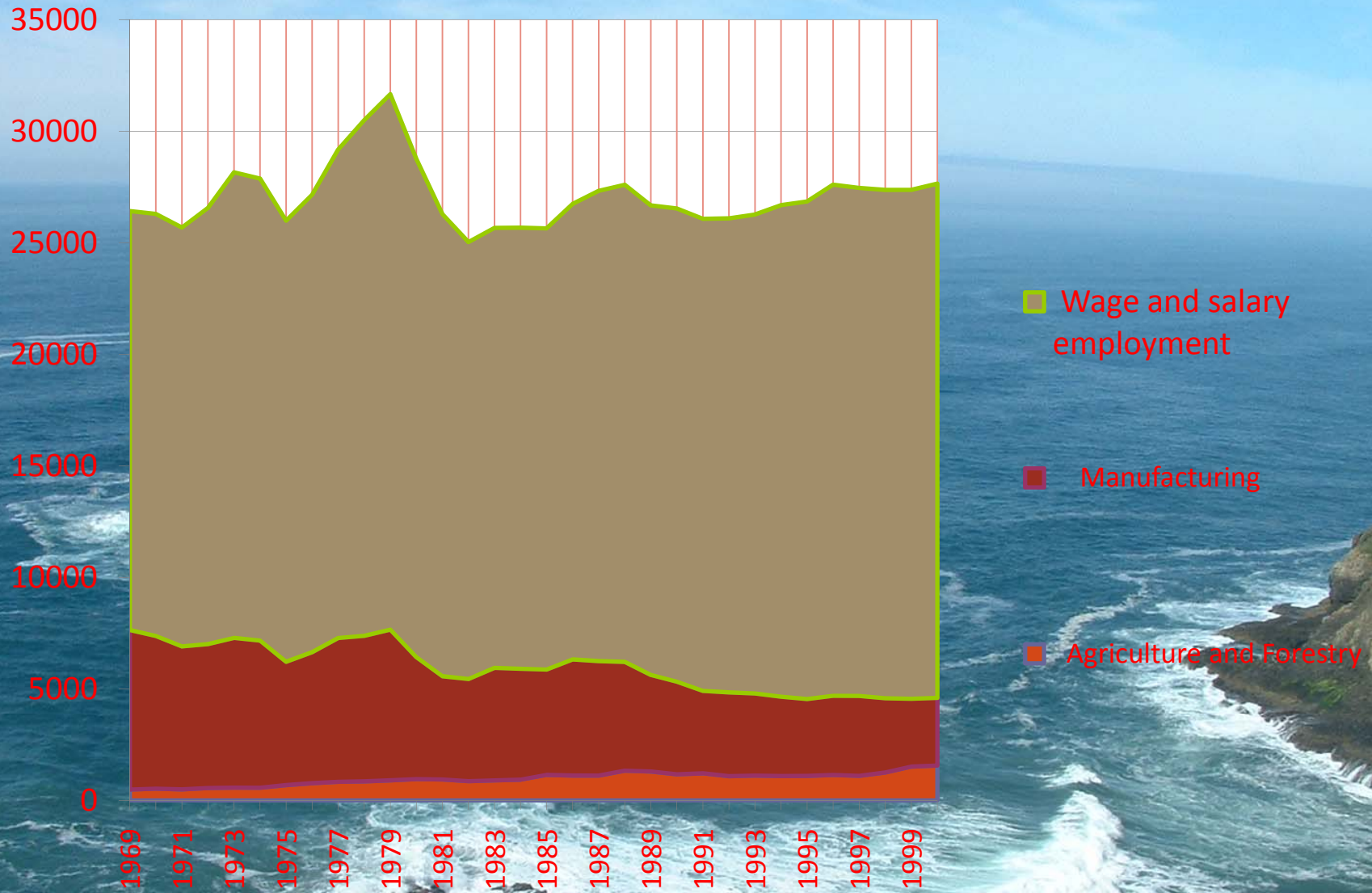


Coos Co Leakage to Region

\$10mm increase in logging

- Construction \$1mm
- Wood Product Mfg \$.25mm
- Transportation \$.4mm
- Trade 1.2mm
- Finance \$1mm
- Service \$.75mm
- Total \$6mm
- Leakage is much worse in the other coastal counties

Coos County Wage and Salary Employment



Curry County

- Becoming Part of California Economy
- Major Fiscal Impacts for Small County- (125 job in county government)
- Largest elderly population in Pac. NW
- Poor FEA –Being absorbed by Coos and Crescent City

Mid Willamette Counties

- ◉ Shift in Harvest into these Counties
- ◉ Diversified Economies
- ◉ Government Sector Important
- ◉ Resilient Economies

Polk County

- About 100 new Jobs in Forestry
- About 50 new jobs in Sawmills
- Weyerhaeuser issue

County Impact Sensitivity Groupings

- **SRS Payment**
- **Wood Products Based Economy**
- **Plywood Mills**
- **Economic Diversification and Growth**
- **Demography – income structure**

Counties With Minor Impacts

- ◎ Strong Diversified Economies

- > Multnomah
- > Clackamas
- > Washington
- > Yamhill
- > Columbia

- ◎ Not Wood Products Based

- > Benton
- > Polk

Counties With Compensatory Increases in BLM Harvest

- Benton
- Clackamas
- Coos
- Jackson
- Marion
- Polk
- Tillamook
- Washington
- Yamhill

Counties With Potential Net Job Losses

- Curry
- Douglas
- Josephine
- Klamath
- Lane
- Lincoln
- Linn

Counties with Major Fiscal Impacts From SRS Losses

- Douglas
- Lane
- Klamath
- Curry

- Jackson
- Josephine
- Linn



Counties with Potential Wood Products Industry Losses

- ◉ Coos
- ◉ Curry
- ◉ Douglas
- ◉ Jackson
- ◉ Josephine
- ◉ Lane
- ◉ Linn



Final Thoughts

Change Is Coming

- ◉ Reduction in Local Government
- ◉ Geographic Shift in Wood Products
- ◉ More Retirement and Tourism in South and Coastal Counties
- ◉ Metro Economies will become more dominant –Eugene to Portland
- ◉ Longer Commutes to Metros