

Employment Impacts of the Warm Springs Alternative

1.0 INTRODUCTION

The *Employment Impacts of the Proposed Cascade Locks Resort and Casino Project* documents the anticipated employment impacts and associated population, housing, and land use effects of the proposed action (development of a resort and casino in Cascade Locks, Oregon). This document addresses the anticipated employment and related effects of the Warm Springs Alternative that is under consideration in the Environmental Impact Statement (EIS).

For the purpose of the analysis documented herein, information from ECONorthwest's *Proposed Action and Five Alternative Sites: Market and Financial Feasibilities of a Casino in Cascade Locks and Five Alternative Locations* (ECONorthwest, 2006) was used to estimate employment impacts of the Warm Springs Alternative. Due to its location, substantially further from the population center of Portland, the impact region is different for the Warm Springs Alternative than for the proposed Cascade Locks Resort and Casino Project or the Hood River Alternative. The methods employed to estimate allocation of employment, resulting population growth, housing demand. Due to the smaller facility proposed in the Warm Springs Alternative, land use effects were not examined in the same level of detail that they were for the Proposed Project or the Hood River Alternative. Adjustments to the basic assumptions used in the analysis are noted in this document. The limitations of these findings are the same as those documented in the technical memorandum.

2.0 DEFINITION OF STUDY AREA AND BASELINE DATA

The study area for the examination of economic effects of the Warm Springs Alternative includes the Warm Springs Census Determined Place (CDP) and the areas where employment and spending impacts are anticipated to occur. As with the analysis of the proposed Cascade Locks Resort and Casino Project and the Hood River Alternative, the study region for the Warm Springs Alternative is a subset of the larger project study area where employment and associated effects were studied in greater detail. For this document, the Warm Springs Alternative region is composed of the Warm Springs CDP, the City of Madras, and Jefferson County, Deschutes, Crook, and Wasco counties. Estimated employment impacts to other jurisdictions in the study area are documented (e.g., Multnomah County).

Table 1 shows the baseline population and employment data for the Hood River Alternative region.

Table 1: Regional Population and Employment, 2000

Location	2000 Population	Civilian Workforce	% Unemployed	Employed	Unemployed
Warm Springs CDP	2,431	1,016	21.00%	803	213
City of Madras	5,078	2,314	9.80%	2,088	226
Remainder of Jefferson County	11,500	5,584	5.80%	5,258	326
City of Redmond	13,481	6,829	5.30%	6,466	363
City of Bend	52,029	27,767	4.30%	26,565	1,202
Remainder of Deschutes County	49,857	24,189	6.10%	22,723	1,466

Table 1: Regional Population and Employment, 2000

Location	2000 Population	Civilian Workforce	% Unemployed	Employed	Unemployed
City of Prineville	7,356	3,126	7.60%	2,888	238
Remainder of Crook County	11,826	5,638	7.70%	5,202	436
City of Maupin	411	190	9.47%	172	18
Totals	153,969	76,653	5.85%	72,165	4,488

Source: 2000 census

3.0 ESTIMATED EMPLOYMENT IMPACT

The ECONorthwest (2006) analysis identified the following employment impacts for the Hood River Alternative:

- Gross direct employment (jobs): 386
- Net direct jobs: 152
- Net indirect jobs: 58
- Net induced jobs: 190

The total net direct, indirect, and induced employment impact predicted to occur as a result of the Warm Springs Alternative is 400 jobs.

4.0 ALLOCATION OF EMPLOYMENT IMPACTS

4.1 Allocation of Direct Employment Impacts

4.1.1 Tribal Members Commuting from the Reservation

The Tribe estimated that approximately 40 percent of the direct employment impact would be accounted for by tribal members commuting from the reservation (Ford 2006).

4.1.2 Current Unemployed

Table 2 presents the estimate of casino jobs that would be taken by presently unemployed persons living in the Hood River Alternative region. Using the “most likely” scenario, 76 unemployed persons in the region are estimated to take casino jobs.

Table 2. Estimate of Casino Jobs Taken by Those Unemployed

Location	"Without Project" Unemployment Rate* (%)	Number of Unemployed	Estimated Number of Unemployed Who Will Take Jobs at the Resort and Casino			"With Project" Unemployment Rate, Based on Most Likely Scenario (%)
			Low	Most Likely	High	
Warm Springs CDP	21.0%	213	20	40	100	17.0%
City of Madras	7.3	226	5	10	20	9.3%
Remainder of Jefferson County	7.7	326	5	10	30	5.7%
City of Redmond	5.3%	363	0	3	10	5.3%
City of Bend	4.3%	1,202	0	3	10	4.3
Remainder of Deschutes County	6.1%	1,466	0	3	10	6.0%
City of Prineville	7.6%	238	0	3	10	7.5%
Remainder of Crook County	7.7%	436	0	3	10	7.7%
City of Maupin	9.5%	18	0	1	3	8.9%
Total filled by unemployed	5.9%	4,488	30	76	203	5.8%

*Source: 2000 census

4.1.3 Local Underemployed

Table 3 presents underemployed individuals and workforce re-entrants who would likely take jobs at the facility.

Table 3: Estimate of Casino Jobs Taken by Those Underemployed

Location	Employment in 2000 ⁽¹⁾	Low	Most Likely	High	Percentage of Employed Who "Move Up" to Casino and Resort Jobs, Based on Most Likely Scenario (%)
Warm Springs CDP	803	5	20	50	2.5
City of Madras	2,088	5	8	20	0.4
Remainder of Jefferson County	5,258	5	8	20	0.2
City of Redmond	6,466	0	5	10	0.1
City of Bend	26,565	0	5	10	0.0
Remainder of Deschutes County	22,723	0	5	10	0.0
City of Prineville	2,888	0	3	5	0.1
Remainder of Crook County	5,202	0	3	5	0.1
City of Maupin	172	0	1	2	0.6
Total Filled by Underemployed		15	58	132	

(1) Source: 2000 census

4.1.4 Commuters

It was assumed that, based on the remaining jobs and “most likely” assumptions, four direct casino jobs would be filled by regional commuters including one job from Clackamas or Multnomah County.

4.1.5 Newcomers to the Region

Table 4 presents the allocation of the estimated newcomers to the region who would fill the remainder of the direct jobs. A total of 15 direct jobs were estimated to be filled by newcomers; two-thirds of newcomers are estimated to locate in Deschutes County.

Table 4. Estimate of Casino Jobs Taken by Newcomers to the Region

Location	2000 Population	% of Project Area Pop. (%)	Jobs Left For Newcomers	Location of Newcomers
Warm Springs CDP	2,431	1.6	15	0
City of Madras	5,078	3.3	15	0
Remainder of Jefferson County	11,500	7.5	15	1
City of Redmond	13,481	8.8	15	1
City of Bend	52,029	33.8	15	5
Remainder of Deschutes County	49,857	32.4	15	5
City of Prineville	7,356	4.8	15	1
Remainder of Crook County	11,826	7.7	15	1
City of Maupin	411	0.3	15	0

Source: 2000 census

4.1.6 Summary of Direct Employment Allocation by Location

Table 5 presents a summary of the estimate of net casino workers and where they would live. The majority of workers are estimated to live in the community of Warm Springs and surrounding Jefferson County.

Table 6: Summary of the Potential Locations of Direct Resort and Casino Works

	Number of “Direct” Casino and Resort Jobs	Percent of Total
Warm Springs CDP	60	39.7
City of Madras	18	12.2
Remainder of Jefferson County	20	12.6
City of Redmond	9	6.1
City of Bend	13	8.5
Remainder of Deschutes County	14	8.4
City of Prineville	7	4.4
Remainder of Crook County	8	4.7
City of Maupin	3	1.3
Multnomah/Portland Metro Area	1	0.6
Total Direct Jobs	152	100.0

4.2 Allocation of Indirect Employment

Indirect employment is the jobs created in industries and services needed to support the Warm Springs Alternative. For the purposes of this analysis and based on current suppliers and service providers for Kah-Nee-Ta, it was assumed that 80 percent of indirect jobs would be in Multnomah County and 20 percent would be in Bend.

Of the estimated 58 net indirect jobs created, 46 were allocated to Multnomah County and 12 were allocated to Bend.

4.3 Allocation of Induced Employment

Induced employment impacts were allocated across the region based on direct and indirect impacts. Table 6 shows the total employment impact for the region. Again, Warm Springs and Jefferson County experience the largest portion of the total employment impact.

Table 6: Summary of the Potential Locations “Direct,” “Indirect,” and Induced Employment Impacts

	Number of “Direct” and “Indirect” Employment Impacts	Percent of Total (%)	Number of Induced Jobs Created	Total Employment Impact
Warm Springs CDP	60	28.68	55	115
City of Madras	18	8.80	17	35
Remainder of Jefferson County	20	9.09	17	36
City of Redmond	9	4.42	8	18
City of Bend	25	11.72	22	47
Remainder of Deschutes County	14	6.06	12	24
City of Prineville	7	3.19	6	13
Remainder of Crook County	8	3.39	6	14
City of Maupin	3	0.97	2	4
Multnomah/Portland Metro Area	48	22.68	43	91
Total Jobs	210	100.00	190	400

5.0 IMPACT OF EMPLOYMENT GROWTH ON HOUSING AND POPULATION

5.1 Increased Housing Demand

Table 7 presents an estimate of newcomers to the region that would result from the total employment impact, considering the number of jobs taken by current residents (as was similarly calculated for the direct jobs).

Table 7: Estimate of Newcomers to the Region

Community	Direct Employment Newcomers ⁽¹⁾	Indirect Employment Newcomers From Backfilling Positions of Underemployed ⁽²⁾	Induced Employment Newcomers ⁽³⁾	Total Indirect and Induced Newcomers	Total Newcomers
Warm Springs CDP	0	20	55	75	75
City of Madras	0	8	17	25	25
Remainder of Jefferson County	1	8	17	25	26
City of Redmond	1	5	8	13	14
City of Bend	5	17 ⁽⁴⁾	22	39 ⁽⁴⁾	44
Remainder of Deschutes County	5	5	12	17	21
City of Prineville	1	3	6	9	10
Remainder of Crook County	1	3	6	9	10
City of Maupin	0	1	2	3	3
Total Newcomers					230

(1) See Table 4

(2) See Table 3

(3) See Table 6

(4) Includes the 12 indirect jobs allocated to Bend.

Table 8 presents estimates of the number of new households that would be created by newcomers. For this analysis, it was assumed that there would be 1.2 employees per housing unit.

Table 8: Direct and Indirect Housing Impacts of Warm Springs Alternative

Jurisdiction	Direct New Households	Indirect New Households	Total New Households
Warm Springs CDP	0	63	63
Madras	0	21	21
Elsewhere in Jefferson County	1	21	22
Redmond	1	12	13
Bend	6	33	39
Elsewhere in Deschutes County	6	13	19
Prineville	1	8	9
Elsewhere in Crook County	1	8	9
Maupin /Wasco County	0	3	3

The Warm Springs Reservation (which encompasses the Warm Springs CDP) presently has a chronic housing shortage. Approximately 1,000 Tribal members live off-reservation, primarily in Madras and other bordering communities, because housing on the reservation is limited. Much of the housing on the Reservation is substandard and Tribe has identified a large number of uninhabitable housing units on the Reservation. The Tribe estimates that \$35 million is needed to build sufficient housing on the reservation to meet tribal members' demand. Increased demand for housing (the estimated 63 additional households from induced employment effects of the Warm Springs Alternative) in the community of Warm Springs and the Warm Springs Reservation would adversely affect housing by exacerbating the current housing shortage.

Increased demand for housing and secondary economic effects (i.e., indirect and induced employment) would lead to additional land development. Due to the smaller size of the Warm Springs Alternative (in comparison to the proposed Cascade Locks Resort and Casino Project and the Hood River Alternative), and the estimated level of employment impacts, the land use impacts for the Warm Springs Alternative were evaluated qualitatively.

Employment increases due to the casino would be moderate due to the fact that casino-related jobs would be transferred from Kah-Nee-Ta to the new casino. The populations of Deschutes and Jefferson counties are expected to substantially in the next twenty years. The Oregon of Economic Analysis projects that Deschutes County's population will grow by 44 percent between 2010 and 2030 and Jefferson County's population will increase by 38 percent during that time period. The population growth associated with the Warm Springs Alternative would represent a very small portion of the estimated future growth in the surrounding area. The estimated population growth in the Warm Springs CDP would represent a substantial increase (approximately 10 percent) of the current population. Housing demands related to population growth would similarly represent a very small portion of the regional growth that is anticipated.

6.0 REFERENCES

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