

3 REGIONAL POPULATION AND ECONOMICS

3.1 PROJECTED GROWTH FOR ST. GEORGE AND WASHINGTON COUNTY

For more than 20 years, Washington County has had steady demographic and economic growth, and the long-term future growth prospects remain very favorable. Washington County will continue to benefit from its scenic, climatic and cultural/religious resources in the following anticipated trends:

- a trend toward increasing numbers of upper-income retirees;
- local and national trends toward increasing leisure time and tourism;
- transportation and communications advances which will continue to reduce the importance of location (offices and residences) relative to business; and
- in-migration created by a desire to leave the congestion and expense of larger urban areas.

These characteristics will sustain a rate of growth that could greatly increase population in Washington County.

3.1.1 TWENTY-YEAR POPULATION PROJECTIONS

Figure 3-1 shows a population projection by the Governor's Office of Planning and Budget, based primarily on assumptions about in- and out-migration, birthrates and job opportunities. St. George is projected to grow to nearly 100,000 by 2020.

It should be noted that this is not a "buildout" estimate, but merely a projection through the year 2020.

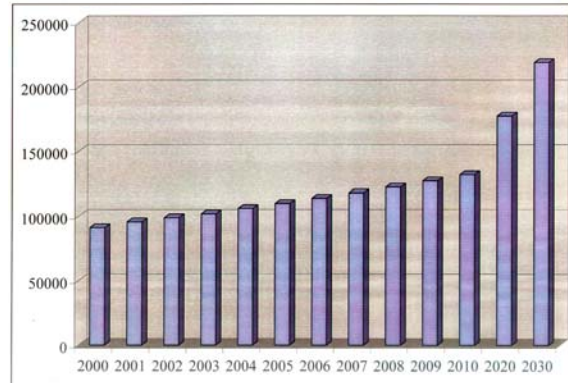


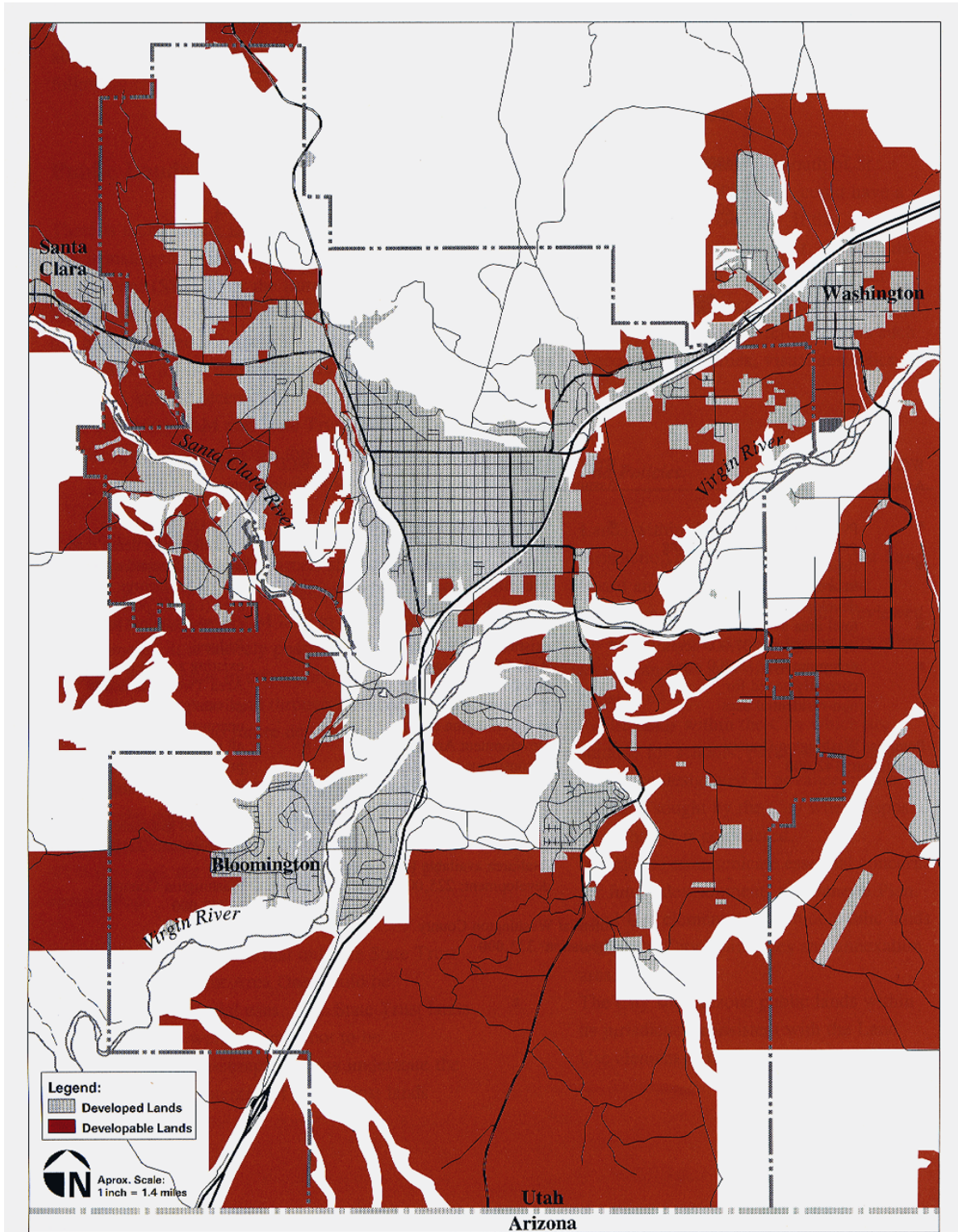
Figure 3-1: Population projections for Washington County by Governor's Office of Planning and Budget

3.1.2 WATER CONSERVANCY DISTRICT 'BUILDOUT' PROJECTIONS

A 1995 study by the Washington County Water Conservancy District (WCD) estimated the future population of Washington County based on the extent of land suitable for residential development. The study did not attempt to project population by time, nor show growth rates. Nor did it identify other constraints or thresholds (quality of life, attitudes toward growth) that might stop growth as the area approaches buildout.

The WCD study concluded that there are ample land resources to sustain a very large regional population (far larger than one might presume by merely looking at the year 2020 population projected by the Governor's Office of Planning & Budget). Based on density patterns found in the St. George area, the WCD projected three possible buildout population scenarios, which are summarized below. The WCD study projections for St. George, within its current boundaries as well as within expanded boundaries, range from 100,000 to 150,000 at buildout, as illustrated in Figure 3-3.

Figure 3-2: Development Areas – 1994 Washington County Water Conservancy Population Study



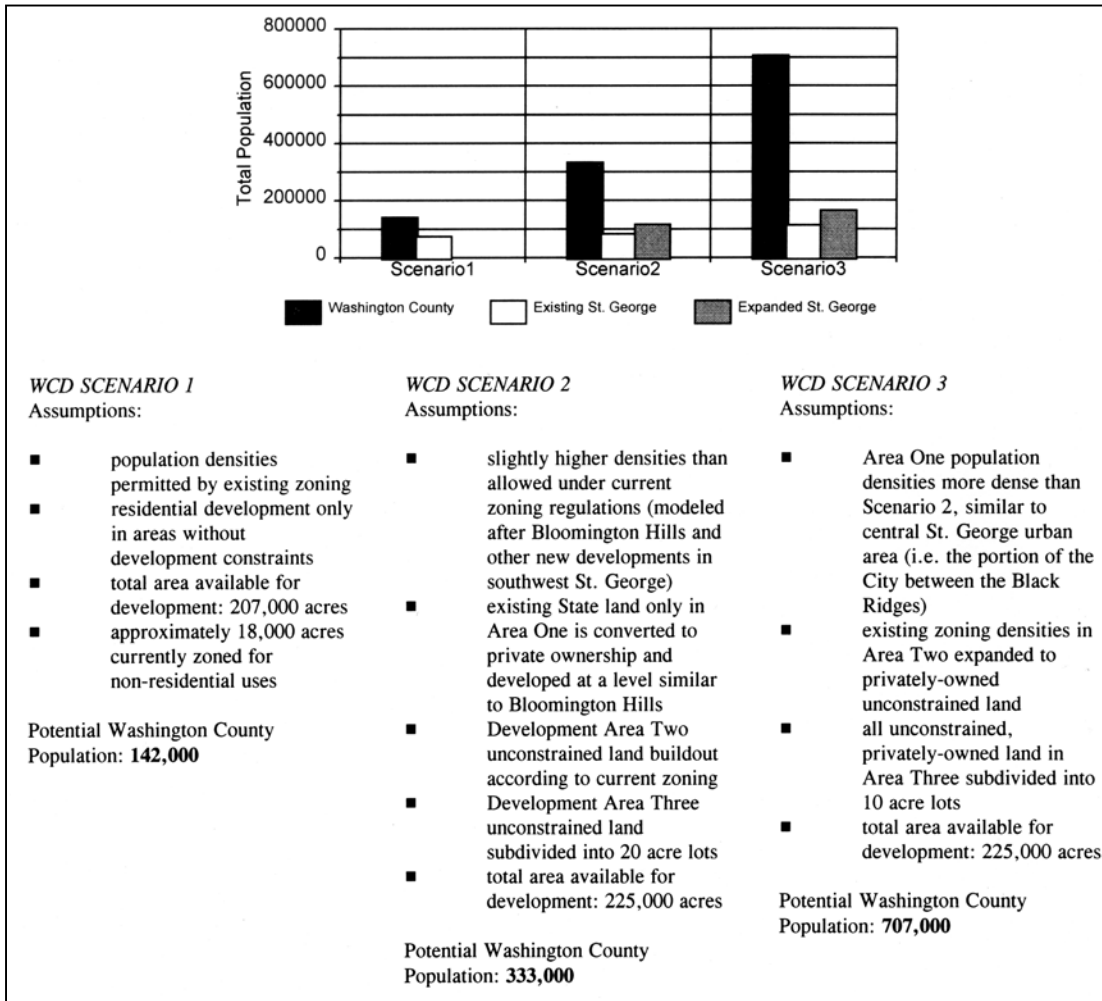


Figure 3-3: "Buildout" Population Projections by the Washington County Water Conservancy District

It should be noted that the accuracy of these population figures is limited by a variety of factors, including the validity of the three scenarios. As a result, the scenarios resulting from this study can only indicate general trends.

General Plans was 328,000, or approximately the same as the WCD Scenario 2.

There are two key messages of the population and economic projections:

3.1.3 WASHINGTON COUNTY COORDINATION PLAN 'BUILDOUT' PROJECTIONS

In 1997, Washington County commissioned a study to examine buildout growth potential from yet another perspective—the cumulative development being proposed in the General Plans of the major urban areas of the County. The Coordination Plan ¹, concluded that the “buildout” embodied in the cumulative total of all the current

1. growth will continue to come to the St. George urbanizing region; and
2. we have to make sure that growth is directed and coordinated so that it results in a healthy, vibrant City, a City that embodies the goals and objectives outlined in Chapter 3.

These concerns are addressed in the General Plan that follows.

¹ County’s Urbanizing Region, An Element of the Washington County General Plan, Winston Associates, 1997.

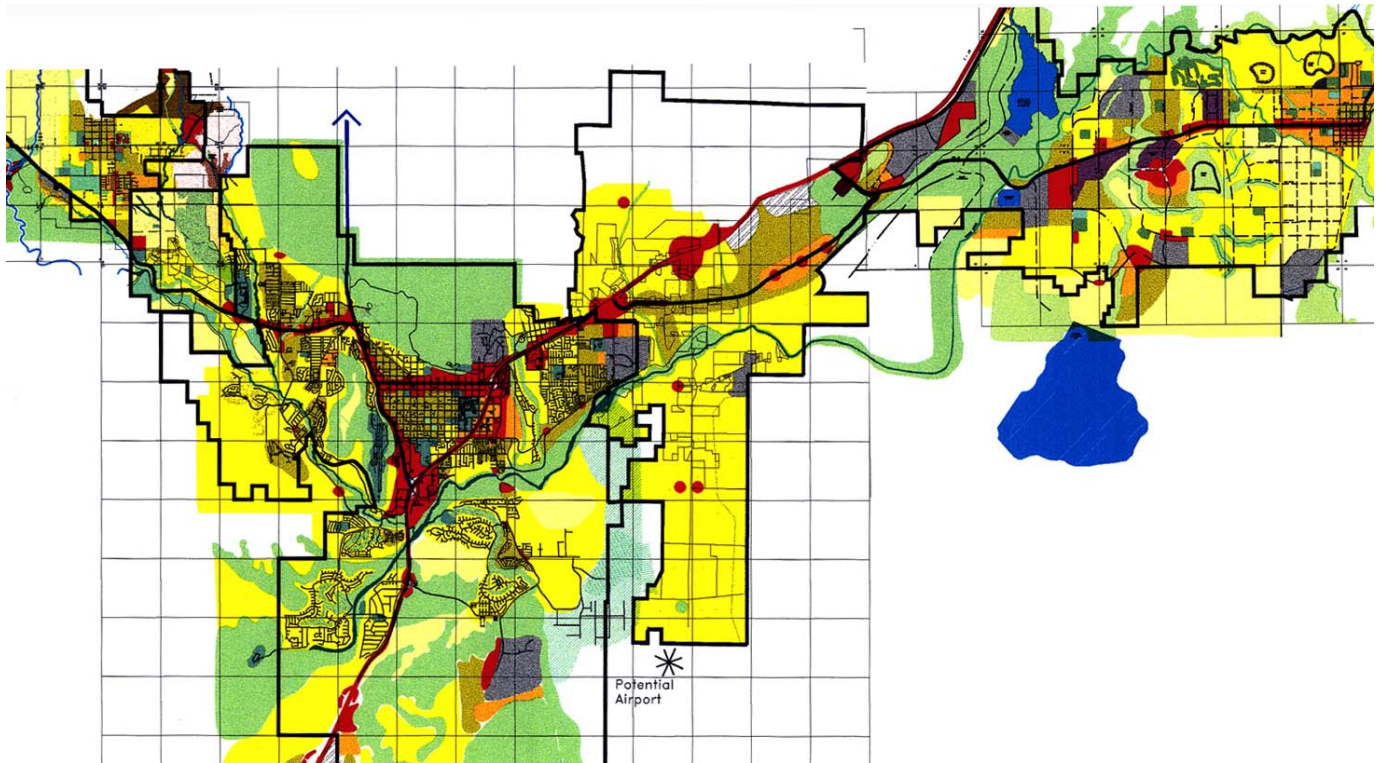


Figure 3-4: Washington County Coordination Plan - Ivins to Hurricane

3.2 THE ECONOMIC EVOLUTION OF ST. GEORGE

In its 140 year history, St. George has experienced several transformations: from an economy based on agriculture, to a combination of agriculture and tourism, to today's economy based primarily on tourism, retirement, services and manufacturing. Originally settled under the direction of Brigham Young, the mission of Utah's "Dixie" was to produce agricultural products uniquely suited to a warm climate: cotton, sugar, grapes, tobacco, figs, almonds, olive oil and other useful articles.² The creation of the National Park system in 1916 and Zion National Park in 1919 began to bring tourism into the St. George area. In the mid-1960's, St. George experienced a sudden acceleration in population and economic growth fueled to a large degree by a growing number of retirees moving from metropolitan Utah (Salt Lake City, Provo) to southern Utah. By the end of the 1960's,

² Brigham Young to Orson Hyde, Journal History of the Church of the Latter-day Saints, Church Historian's Office, Salt Lake City, Utah.



Figure 3-5: Farmhouse to bed and breakfast: the agriculture to tourism transition

agricultural employment had receded to less than 10% of Washington County's total employment.

The factors contributing to this growth in tourism and retirement living in St. George are:

- The synergy or mutually reinforcing aspects of recreation and retirement. Many of the support services that make St. George attractive as a retirement community also make it desirable as a recreation destination.
- New sources of retirement income (pensions) and trends toward earlier retirement and

semi-retirement which increase the number of retirees and lengthen the retirement period.

- An increased orientation at all ages toward leisure activities.
- Temperate climate.
- Unique natural resources.
- Cultural and religious resources.
- Interstate 15 and the St. George Municipal Airport.

greatest increase in total number of employees between 1987 and 1992, as shown in Figure 3-6.

The increase in Health Services relates to general population growth as well as the growth of services supporting the in-migration of retirees. Local Government includes all public agencies, particularly several new schools in the area.

(Washington County School District is the largest employer in the county.)

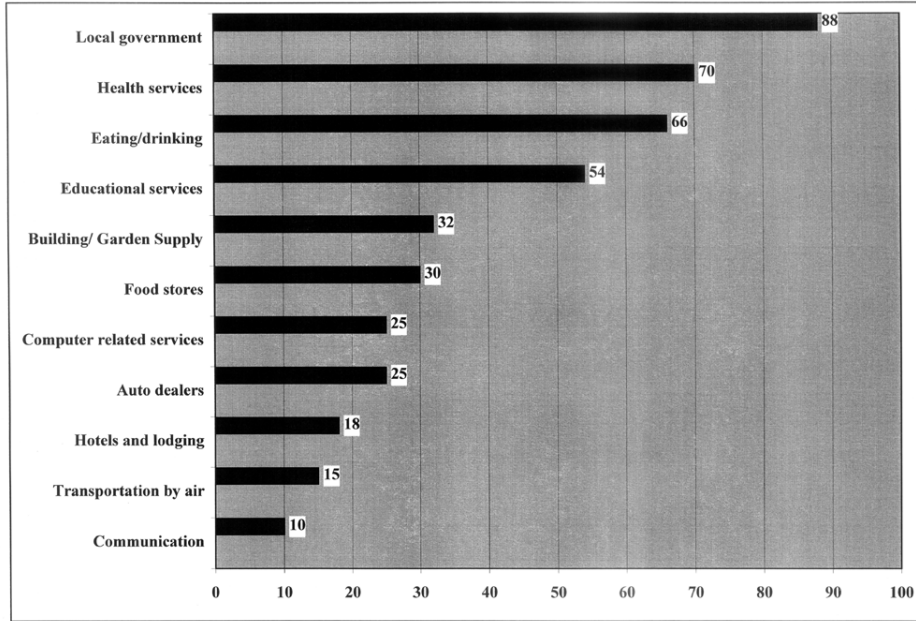


Figure 3-6: Employment Growth by Sector in 2002 (in thousands)

Eating/Drinking establishments and Hotels & Lodging Services are the two categories most closely related to tourism. Special Trades is related to construction services. The in-migration of retirees has played an increasing role in boosting residential construction activity to higher levels. In the 1970's, in-migration accounted for 69% of Washington County's growth. During the 1980's, in-migration

The sequence of growth associated with the development of St. George has been:

1. increasing in-migration of retirees, seasonal residents and visitors, followed by
2. expanding employment opportunities in local services and construction, which in turn led to
3. inducing existing residents to stay as well as attracting more in-migration to meet the expanded job opportunities.

accounted for almost 75% of the County's growth. Of the 16,700 people who moved to the area in the 1980's, approximately 6,000 persons (more than one-third) were of age 55 or older, an age group that now makes up almost 25% of the total County population. The same trend is illustrated by the change in population 65 years and older, and the increase of that age group as a percentage of the total population, in both the County and the City, in Figures 3-7 and 3-8.

Since 1970, Washington County has experienced rather steady economic growth. The main source of overall economic growth has been a significant increase in tourism and in-migration. This is reflected in the employment sectors with the

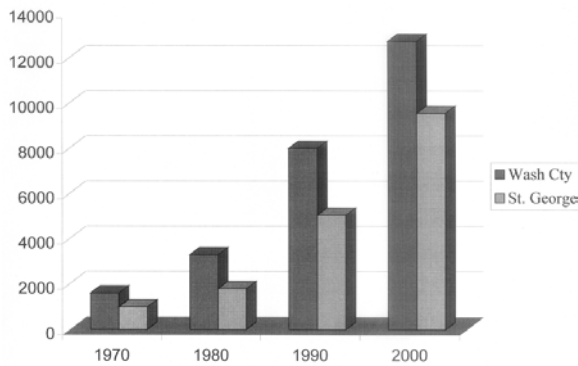


Figure 3-7: Actual population of 65 and older

During this same period approximately 10,000 new dwelling units were built in the County. It is estimated that about 40% of these new housing units, or 4,000 units, were built due to demand from retirees and second home/seasonal use ("recreation use") owners.³

Manufacturing and freight distribution employment also increased significantly in 1993 with the addition of a Wal-Mart Distribution Center employing approximately 300 persons, and an envelope manufacturer employing about 70 persons.

3.3 IMPLICATIONS FOR ST. GEORGE'S ROLE IN THE REGION

3.3.1 POPULATION

In 1920, St. George represented only 33% of the population of Washington County. However, over the next 40 years, St. George's role rapidly increased until by 1965 it represented approximately 75% of the population of the County. More recently, with growth now increasing in other areas of the County, St. George's percent of County population has begun and will continue to decline. In 1990, St. George's

3 An Economic Analysis for the Management of State Lands in Washington County, Bureau of Economic and Business Research, University of Utah, 1994, p. 21.

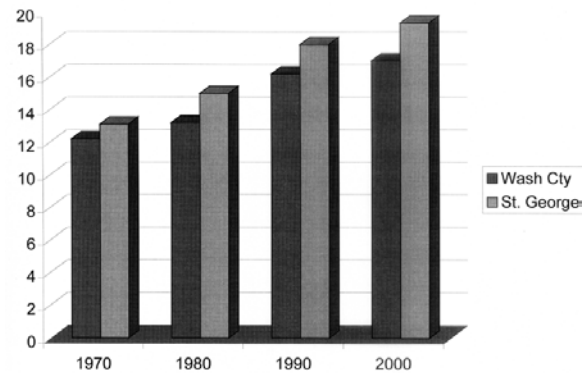


Figure 3-8: Percent of population 65 and older

population share had decreased to 58%.⁴ By 2000, St. George represented 55% of the County's population.

Implication 1: Regional development levels could significantly exceed previous estimates that have been used to guide planning decisions.

If either WCD Scenario 2 or 3 (see Figure 3-6 above) population levels are achieved it will have significant implications for roads, utilities, open space, power and water, and quality of life. Said another way, if we knew that Washington County was headed toward a population of 300,000 or more, would we make today's land planning decisions differently?

Implication 2: Development in the region will likely reach at least 300,000 if all of the individual General Plans are followed.

In many respects this estimate is conservative. That is, the estimates of WCD, Scenario 2, (Figure 3-3) and the Coordination Plan represent the "maintain the present course" alternative for St. George and Washington County. It is the level of development that will occur if the General Plans are followed. If the General Plans are not followed, growth may be even higher! The low estimate, WCD Scenario 1, will only result through

4 US Census data, An Economic Analysis for the Management of State Lands in Washington County, Bureau of Economic and Business Research, University of Utah, 1994.

concerted effort, by all the communities, to reduce densities of land use designations and zoning.

downtown, and on creating new commercial areas that will be self-sustaining in the regional market.

3.3.2 BUSINESS AND RETAIL

St. George is the county seat for Washington County and home to most local offices of state government. It is likely that St. George will continue to serve as the government, retail and healthcare center for southwestern Utah and southeastern Nevada. However, in 10 to 20 years our shopping centers and commercial areas will be dated. From the example in other U.S. cities, new commercial areas attract patronage away from older areas, unless they are updated and renewed on a regular basis. So even though St. George currently has the largest retail trade and business sector in the County, as the surrounding communities grow, St. George’s relative role in the business and retail sector of the region may begin to diminish—if we are not vigilant about refurbishing and upgrading our commercial/business areas. The presence of government offices (City, County, Federal, State) is an asset, but will remain an attraction to businesses and offices only if the downtown remains a vital, attractive, accessible center.

Implication 3: St. George will continue to grow, and will likely retain its role as a government center. But its role as a regional center for services and retail may well be challenged in the future particularly if we are not vigilant about refurbishing and constantly upgrading our downtown.

3.3.3 POPULATION AND ECONOMIC POLICIES

1. St. George will cooperate with, and participate in, regional planning efforts, especially those that are directed toward efficient use of resources and cost-effective development of public infrastructure (roads and utilities).
2. The City will consider regional implications in decisions about major capital improvements.
3. The City will focus on revitalizing older existing commercial areas, especially the