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## CHAPTER 1. INTRODUCTION

This chapter provides an overview of the purpose of the Study Update (Study) and describes the methods and key policy decisions that guided the analysis and Study conclusions.

### ***Study Purpose***

Since 1973, Oregon has maintained a strong statewide program for land use planning. The foundation of that program is a set of 19 Statewide Planning Goals. This Study presents all of the State Goal requirements including the associated State Statutes and guidelines for maintaining an Urban Growth Boundary (UGB). The requirements include the following:

- A population and employment forecast consistent with ORS 195.036 and Goal 9 which includes the adopted Lane County Population Forecast (Ordinance No. PA 1255, June 17, 2009)
- A Buildable Lands Inventory consistent with Goal 9 and 10
- A Housing Needs Analysis consistent with Goal 10 and Goal 14
- An Economic Opportunities Analysis consistent with Goal 9 and OAR 660-009
- A comparison of the demand for land with the supply of land. This analysis is required by statewide Planning Goals 9, 10, and 14 to determine if the City has sufficient buildable land to meet the 20-year demand
- An Urban Growth Area Expansion Analysis consistent with Goal 14 and related Statutes and Administrative Rules that govern UGB expansions (e.g. ORS 197.298, and OAR 660-024)
- Provide a set of recommendations based on “demonstrated needs” (Goal 14) for Coburg City Council to consider regarding future UGB expansion

### **What is an Urban Growth Boundary?**

An UGB is intended to:

1. Provide for an orderly and efficient transition from rural to urban land use
2. Accommodate urban population and urban employment inside UGBs
3. Ensure efficient use of land, and to provide for livable communities (Goal 14)

There are several key benefits of an UGB, including:

- City land use patterns are more efficient, minimizing public service costs, including costs for roads and other transportation, sewer and water lines, fire and other services.
- Effective way to conserve farm and forest land
- Reduce the human impact on the balance of the natural environment

Land inside a UGB is intended for development, either in the near-term or long-term (with some exceptions, such a parks or other open space), and must be planned for urban development. The city and county together must formally adopt amendments to the existing UGB as part of the Comprehensive Plan. It must then be submitted for approval by the Land Conservation and Development Commission (LCDC). Once adopted and acknowledged, the plan and UGB are binding on the local governments.

### ***Methods***

As presented in the Study Purpose section, this Study relies on a series of analyses addressing different elements as they relate to urban expansion. Each of these analyses is based on specific assumptions. Appendix A contains a list of assumptions used in this analysis. In

addition, the following briefly overviews the methods used in compiling the different components of the Study:

## **BUILDABLE LANDS**

The general structure of the Buildable Lands Inventory contained in Chapter 3 is based on the Department of Lane Conservation and Development's (DLCDD) *Planning for Residential Development (PRD)* workbook, which specifically addresses residential lands, but is also applicable to commercial and industrial lands. As outlined in the PRD workbook, the steps and sub-steps in the supply inventory are:

**Step 1:** Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.

**Step 2:** Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total vacant acres.

**Step 3:** Calculate net buildable vacant acres by plan designation by subtracting land for future facilities from gross buildable vacant acres.

**Step 4:** Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable vacant acres.

The total net supply of land is determined by adding the gross vacant acres to the gross redevelopable acres and the gross acres available for infill development, and then subtracting for unbuildable lands.

## **HOUSING**

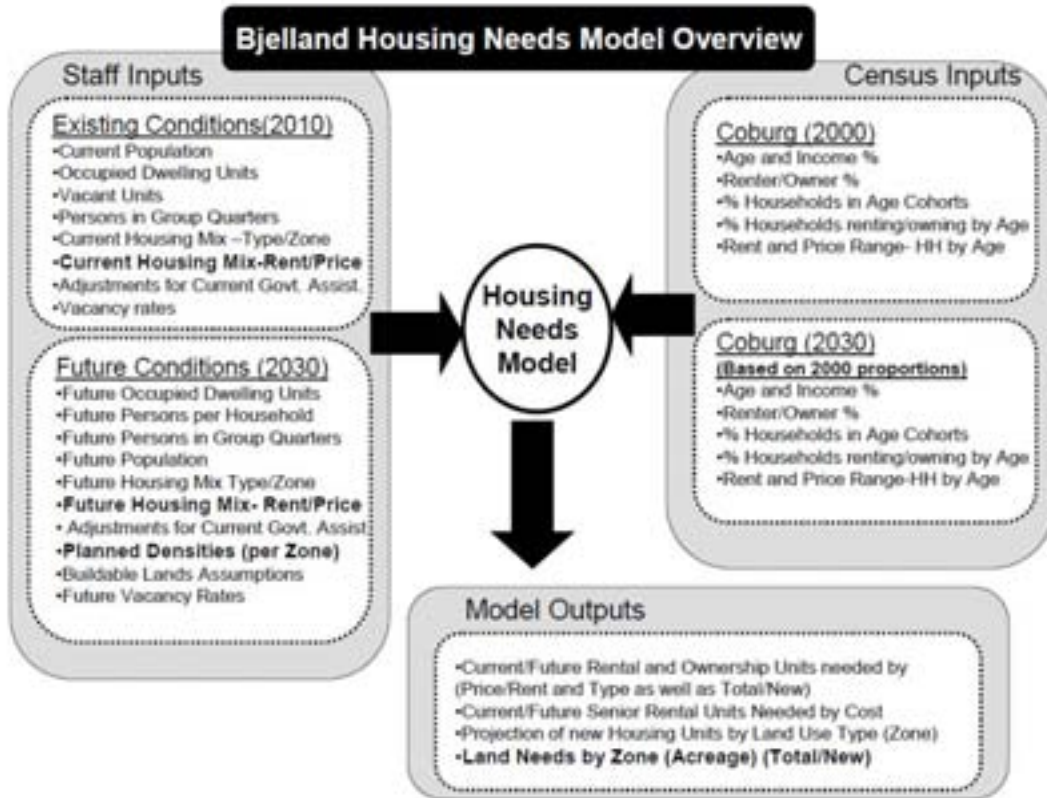
The general structure of the Housing Needs Analysis contained in Chapter 4 follows the methodology described in the DLCDD report *Planning for Residential Growth*, referred to as the "Workbook." The Workbook describes the necessary steps to conduct a housing needs analysis (pgs 26-31):

- Identify relevant national, state, and local demographic trends that will affect the 20-year projection of structure type mix.
- Describe the demographic characteristics of the population, and household trends that relate to demand for different types of housing.
- Estimate the number of new units needed.
- Determine the types of housing that are likely to be affordable to the projected households.
- Estimate the number of additional new units by structure type.
- Determine the density ranges for all plan designations and the average net density for all structure types.
- Evaluate unmet housing needs and the housing needs of special populations (Goal 10).

While the housing need analysis presented in this chapter follows the methodology described in the Workbook, it does not include as much detail as an analysis that would be required under ORS 197.296. Additionally, the housing needs assessment in Chapter 4 is based on the assumption that Coburg will develop a sanitary sewer system and that it desires to provide housing that meets the needs of individuals that are currently employed in Coburg, families, and seniors. These assumptions are consistent with goals and policies documented in the *Coburg Comprehensive Plan*.

To facilitate this analysis, a Coburg-specific Housing Needs Model was created using a model designed by demographer and housing specialist Richard Bjelland.<sup>6</sup> The model utilizes demographic and other data inputs to generate a set of future housing need estimates. The following diagram provides an overview of the model:

Figure 1.1



This Coburg specific model is designed to address the housing needs requirements set out in Oregon’s Statewide Planning Goal 10.

**ECONOMY**

The general structure of the Economic Opportunity Analysis contained in Chapter 5 follows the basic approach methodology described in the DLCDC Industrial & Other Employment Land Analysis Guidebook, referred to as the “Goal 9 Guidebook”. The methodology includes the following basic steps:

1. Create or refine an Economic Vision and Goals
2. Conduct an Economic Opportunities Analysis (OAR 660-009-0015). The purpose of an Economic Opportunities Analysis (EOA) is to compare the demand for land for industrial and other employment uses to the existing supply of such land. The EOA is composed of several different analysis in order to gain a better understanding of what employment growth will require in terms of land (amount and different site characteristics), including:

<sup>6</sup> Bjelland Consulting. [www.bjellandconsult.com](http://www.bjellandconsult.com)

- Review of National, State, Regional, County and Local Trends. This information will assist in forecasting what categories of industrial or other employment uses will locate or expand in the planning area based on information about national, state, regional, county or local trends.
- Forecast 20-year population and job growth by sector.
- Assess community economic development potential. This information will provide information on the types and amounts of industrial and other employment uses likely to occur in the planning area in order to better estimate local job capture of regional job growth forecasts.
- Identify the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses.
- Estimate job density by sector (e.g. jobs per acre). These assumptions will be used to convert employment growth to land demand by land use type.
- Estimate land demand, applying a vacancy rate.
- Determine existing vacant and partially vacant lots and estimate development constraints.
- Reconcile land demand versus land supply.
- Determine short term buildable lands needs.
- Determine 20-year land need.

## **UGB EXPANSION**

Statewide planning Goals 9, 10 and 14 all require cities to provide a 20-year supply of buildable land within urban growth boundaries (UGBs).

Prior to expanding its urban growth boundary, the City of Coburg will need to demonstrate that it cannot reasonably accommodate the anticipated demand on land already inside the urban growth boundary. Once it has evaluated whether needs can be met within the existing UGB before expanding the UGB, the City needs to conduct an UGB Expansion Analysis.

The process and criteria for justifying an expansion of an existing urban growth boundary are found in several State planning laws and goals. Most important to this process are those found in Oregon Revised Statute 197.298 (Priority of land to be included within urban growth boundary), Goal 2 (Exceptions process), and Goal 14 (Urbanization). ORS 197.298 establishes the following priorities for expanding UGBs:

1. Established Urban Reserves;
2. Exception land, and farm or forest land (other than high value farm land) surrounded by exception land;
3. Marginal lands designated pursuant to ORS 197.247;
4. Farm and forest land.

Coburg has no urban reserve or marginal lands adjacent to its urban growth boundary. There are, however, exception lands and farm lands adjacent to the Coburg UGB. To provide for the unmet future need, Coburg must inventory and assess the lands that surround its current boundary to determine which lands are most appropriate to accommodate future urban development, consistent with ORS 197.298, Goal 14 and the City's own vision and expansion policies.

Goal 14 provides some additional guidance on boundary locations with consideration of the following factors:

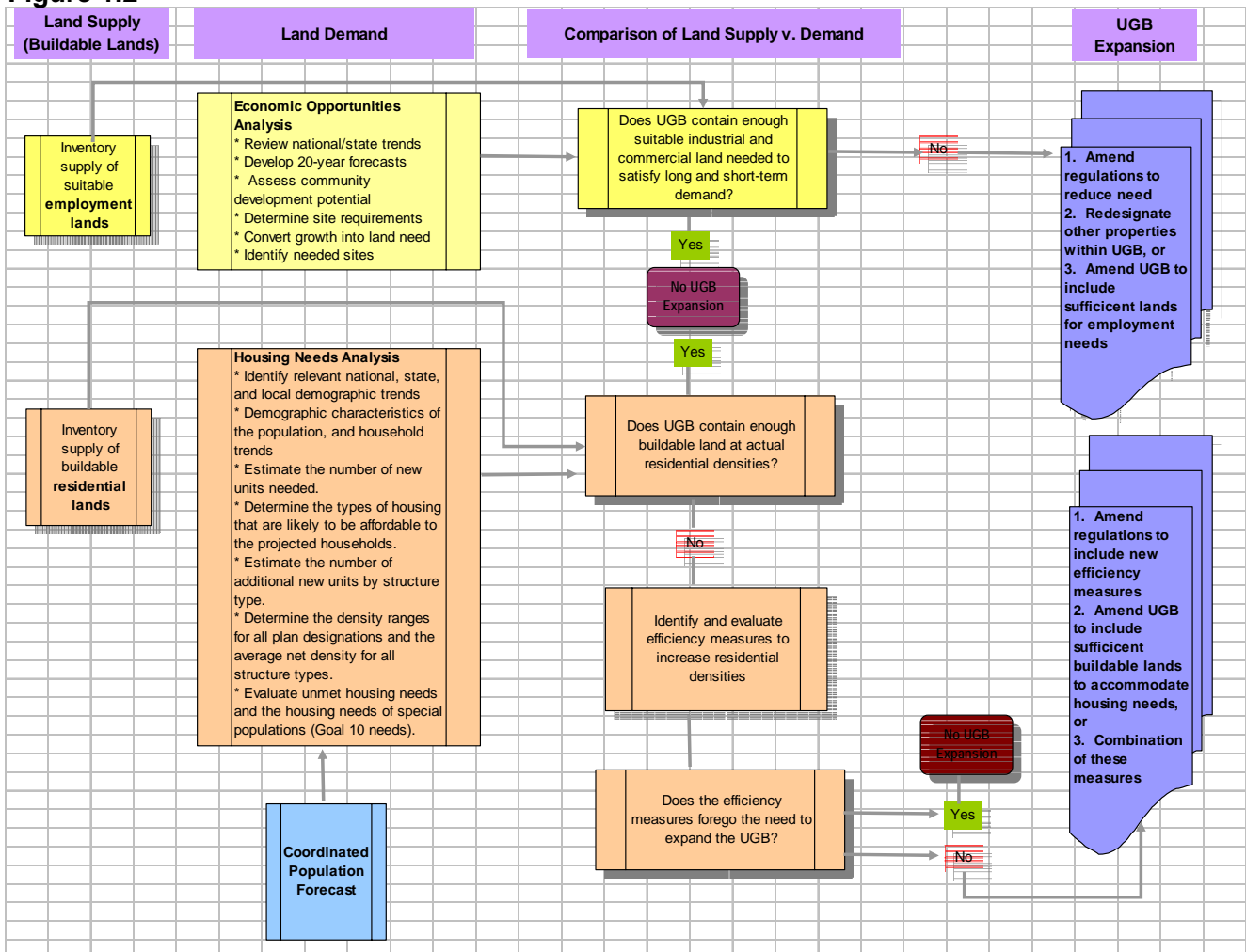
- (1) Efficient accommodation of identified land needs;
- (2) Orderly and economic provision of public facilities and services;
- (3) Comparative environmental, energy, economic and social consequences; and
- (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

These factors provide direction on selection of lands within the priority scheme and also outline some reasons why lower priority lands may be part of an expansion area if they may better address these factors than lands in higher priority categories.

ORAR 660-024-0060 requires cities to conduct an “Alternatives Analysis” when considering a UGB amendment. The alternatives analysis requires all lands adjacent to and around the existing UGB be reviewed. The determination of alternative boundary locations need to be consistent with the priority of land specified in ORS 197.298 and the boundary location factors of Goal 14. Chapter 7 contains an overview of the City’s alternatives analysis.

Figure 1.2 provides an overview of the overall UGB expansion analysis:

**Figure 1.2**



## **Process**

A large range of people participated in the development of this Study. As part of this process, a number of different meetings were held with a Technical Advisory Committee (TAC), Planning Commission, City Council, and public workshops. The following is a summary of the various meetings and workshops that have occurred:

- The TAC met nine times over the course of the Study to discuss concepts and provide recommendations. The TAC is described in more detail under the public outreach and involvement section.
- City Council.
  - The City Council has received monthly progress updates on the Study.
  - In addition, the City Council has met to discuss the project at four different Council meetings.
- Planning Commission. The Planning Commission discussed the Study four times over the course of the Study.
- Two public workshops were held

All Staff memos and supporting materials for these meetings and workshops can be found at the project's website at <http://www.lcog.org/coburgurbanization/default.cfm>.

## **Key Policy Discussion and Decisions**

A number of key policy discussions and decisions have occurred that have played a key role in this analysis. These issues are summarized briefly below:

1. **Proposed Study Area.** At the outset of the Study process, the TAC and City Council established the boundaries for the Study Areas, should UGB expansion prove needed (see Map 1). The Study Areas approved by the City Council are generally consistent with those used in the 2004 Study, with the following additional three areas also included: 1) an area south of Study Area 8 which is the subject of development activity at the County and which property owners have expressed interest in being included, 2) an area south of Roberts Court, and 3) an area north of the City which includes Pioneer Valley Estates (PVE) subdivision.
2. **Employment Forecasts.**
  - a. **Baseline Employment Figure.** There are a variety of data sources that can be utilized in establishing current employment figures. After reviewing different options, the City Council opted to use County-level Quarterly Census of Employment and Wages (QCEW) "covered employment" data from the Oregon Employment Department (OED) as a base employment figure for each industry sector. The City Council noted that the City has a fair number of self-employed that should be addressed in the baseline employment population. Since non-covered employment (e.g. home-based businesses and other sole proprietorships) are not included in the data from OED, the City Council decided to also address non-covered within the City by evaluating "Total Employment" figures, produced by the Bureau of Economic Analysis, and evaluating business licenses and other information at the local level to modify covered/non-covered

ratios in specific employment sectors (e.g. retail trade, natural resources, and government services).

- b. **Employment Forecast.** Critical to the determination of how much commercial and industrial land will be needed in the future in Coburg is an understanding of how much employment growth Coburg will experience throughout the planning period. Increased demand on commercial and industrial lands will come as a result of new businesses locating in Coburg, the growth of businesses currently in Coburg and existing businesses relocating in Coburg. Employment growth is one commonly accepted measure for increased demand for commercial and industrial land. There is no way to know exactly how much employment growth there will be, however there are methods for forecasting that employment growth.

After reviewing different options, the City Council opted to use an approach that is based upon one of the Safe Harbors established in OAR 660-024-0040(8)(a), and adjusted based on local knowledge and/or community vision. Under the Safe Harbor, Coburg would estimate that the current number of jobs in the urban area will grow during at a rate equal to the County or Regional job growth rate provided in the most recent forecast published by OED. As a result, the employment growth rate would be evaluated by applying the annual average growth rate (AAGR) percentages from OED's 10-year Lane County employment sector forecast (2006-2016) to Coburg's industry sectors (2008-2031). Adjustments to specific growth rates in the retail trade, professional services, and leisure and hospitality sectors were made to address a current lack of these services within Coburg as well as respond to anticipated growth in residential development.

3. **Buildable Lands Inventory.** The TAC provided recommendations on the following provisions of the buildable lands inventory:
  - a. Definition of vacant land. The TAC discussed the threshold to be used for the value of improvements that could occur on a property if that property continued to be classified as vacant. The 2004 Study used an improvement value of less than \$5,000 (not including lands that are identified as having mobile homes) for residential properties. The TAC recommended that this threshold continue to be used.
  - b. Definition of Partially Vacant Land: The TAC discussed the definition to be used to classify partially vacant land. Partially vacant tax lots have improvements but also have enough undeveloped land to accommodate additional development. For Traditional Residential lots, it was recommended that partially vacant lots be classified by considering the existing district regulations. Based on current minimum lot size standards established in Coburg, it is recommended that partially vacant lands be determined by evaluating all developed lots greater than 15,000 square feet in size (which is equivalent to the area needed to divide property in the Traditional Residential District and exclude 7,500 square feet to account for the lot containing the existing structure).
  - c. Definition of Undevelopable Land. All new lots must meet the minimum lot size to be created or to be recreated with a lot line adjustment. However, existing legal lots in the residential districts regardless of size may be developed if they meet the other district regulations (e.g. setbacks, access, frontage, etc.) There are some legal lots that will be too small to be developed. The 2004 Study used

a lot size of 2,500 square feet as a starting threshold for determining which lots would be undevelopable, and also included land that has no access or potential access, or land that is already committed to other uses by policy. Since that time, new zoning has been established in the City, which slightly modified the minimum lot size. The TAC recommended that in order to ensure consistency with the 2004 Study, the Study should use 2,500 square feet for properties in the Traditional Medium Residential and Traditional Residential zones; otherwise use 1,500 square feet in the Central Business District. The TAC also recommended further refining this by analyzing access limitations as well as land that is already committed to other uses by policy.

- d. Definition of Infill Property. The TAC recommended using a land area of 15,000 square feet or greater, together with a review improvement values and aerial photographs to determine whether there is sufficient land to be further developed.
- e. Rate of Infill Build-Out. The TAC discussed this issue and determined that the rate of infill over the planning period is anticipated to be low and recommended a redevelopment rate of 10 percent.
- f. Redevelopment. Redevelopable land is land on which development has already occurred but due to market forces or city policies, there is a strong likelihood that the existing development will be converted to, or replaced by, a new or more intensive use. Redevelopment can occur if improvements, renovation, infill, or development of a more intensive use are feasible options. The TAC provided the following feedback on how to include redevelopment:
  - i. Traditional Residential. Redevelopable properties should consist of corner properties over 8,000 square feet in size (based on City's duplex ordinance), excluding those properties that have been designated as a historic residence. For redevelopment rate, use same rate as Infill (10 percent).
  - ii. Commercial/Industrial Land Use. Use a 1:1 improvement to land value ratio to determine whether properties are likely to redevelop. The TAC also recommended reviewing land use information to include land if the existing use is less intensive than planning designation would allow.
- g. Redevelopment Build-Out. The 2004 Study used an assumption that 20 percent of the total vacant and redevelopable employment lands would redevelop over the planning period. Input received from the TAC suggests that this redevelopment rate is lower than is likely to occur, based upon the economic advantages of Coburg and, in particular, its strategic location along and access to I-5. As a result, for the Light Industrial and Highway Commercial designations, a higher redevelopment rate of 30 percent has been applied.
- h. Property constraints. The TAC discussed how to address property constraints that do not preclude development, but limit the degree to which land can be developed. In particular, the TAC discussed two types of constraints found within Coburg: wetlands and flooded areas. For the purposes of this Study, the following determinations were made:
  - i. Calculate no deduction for lands identified on the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Maps (FIRM) which are required to administer floodplain management regulations and to mitigate flood damage..

- ii. Exclude acreage of all wetlands identified as “SIGNIFICANT” in the Local Wetland Inventory (LWI) as unbuildable, but include remaining wetlands as buildable. For property in the southeast quadrant of City that was annexed after LWI was completed, exclude acreage of wetlands mapped in the National Wetland Inventory as unbuildable.
- i. Public Facilities Land Needs. For determining the amount of land that needs to be deducted from development area to meet public facility land needs within the UGB, the TAC recommended varying from the Safe Harbor figure of 25 percent to 20 percent. This reduction from the Safe Harbor method has been used based on several factors:
- The City has identified a large site within the UGB to use associated with the wastewater system; this acreage has already been deducted from the inventory of vacant lands as publicly owned property. The capacity of this system has been based on a population and employment forecast similar to that addressed in this Study.
  - The anticipated growth within the planning period will likely not result in increased demand for new school facilities within Coburg.
  - Plans for expanding the capacity of the water system by drilling a third well is cited outside of the existing UGB due to the location of the water tables in and around the City.
  - Coburg’s Parks and Open Space Master Plan (POS), which projects limited need for additional parks within the City’s existing UGB, but does include plans for a 5 1/2 mile linear pathway system in and around the City to meet both recreational and transportation needs.

#### **4. Economic Opportunities Analysis.**

- a. Economic Vision and Target Industries. The TAC reviewed the current economic vision contained in the Comprehensive Plan and reiterated the vision. The TAC also discussed sectors that the City is interested in pursuing as part of its economic development strategy, which are specifically addressed in Chapter 5. There has been considerable discussion about whether the City should encourage future employment growth in manufacturing, warehousing/distribution and wholesale trade, with the Planning Commission recommending against expanding the UGB for these types of industries. The City Council considered this issue in detail and decided to pursue expansion of employment lands to support employment growth for these types of employment sectors.
- b. Trend Analysis. The TAC provided input to the trend analysis included in the EOA in Chapter 5.
- c. Economic Strengths and Weaknesses. The TAC provided input to the analysis of economic strengths and weaknesses included in the EOA in Chapter 5. The TAC briefly discussed the differences in visual character in the downtown versus near the I-5 interchange and noted the desire to investigate urban design elements or other techniques that would better connect these two areas of the City.
- d. Job density by sector. The TAC provided staff direction related to employment density assumptions. The TAC reviewed visualizations of employment at

different densities. After this exercise, and based on floor area ratio (FAR) in other Oregon communities as well as general trends and analysis on the potential FAR that a site can achieve without structured parking (because of its high cost, structured parking was not seen as a viable development technique to be used in Coburg), it was concluded that FARs developed for zones within Coburg should represent less density than allowed for in the code. Rather than FARs of 0.7 or 0.6, the TAC recommended that FARs of 0.2-0.4 should be utilized.

## 5. Housing Needs Analysis.

- a. Housing Mix and Density. Staff sought guidance from the TAC, Planning Commission and City Council on whether to use either of the density Safe Harbors recently adopted by the State, briefly described as follows:

### **Option 1: Standard Density Safe Harbor**

Under this option, cities with a forecasted population for the urban area inside the UGB at the end of 20 years of 2,501 to 10,000 residents, which would include Coburg, can assume a defined density that will occur over the forecast period, for purposes of the UGB analysis. In this case, the assumed density is six units per net acre.

This density figure establishes the units per net buildable acre that the city may assume will occur over the 20-year planning period. These *units per net buildable acre* are used to determine residential density within the existing urban area and within any new areas proposed to be added to the UGB. This density figure applies only to buildable residential land.

The Safe Harbor also includes a requirement that the city allow the opportunity for a higher density. Coburg would need to zone land to allow for at least eight units per acre. Additionally, in order to use the average density Safe Harbor, the local government must establish zoning that in some manner ensures that development, on average, will not occur at a density of lower than four units per net buildable acre. This density is a “floor,” or a bottom limit to the overall average density for buildable residential land in the UGB. In general, this element is intended to discourage very large residential lot sizes for residential development inside the UGB.

Finally, this option also requires that the zoning allow for a housing mix consisting of the following minimum percentage of housing density ranges:

- o 60 percent low density (2-6 units per net buildable acre)
- o 20 percent medium density (6-12 units per net buildable acre)
- o 20 percent high density (12-40 units per net buildable acre)

### **Option 2: Alternative Density Safe Harbor for Small Exception Parcels and High Value Farm Land**

Under this option, a local government must first choose the standard density Safe Harbor. If it chooses the standard density Safe Harbor, it may also use (but is not required to use) the Small Exception Parcels and High Value Farmland Safe Harbor.

This new alternative Safe Harbor allows a local government to assume lower density will occur for small exception parcels, (4 dwelling units per net buildable acre in this case). However, at the same time, the local government must assume a higher density will occur on any high value farmland added to a UGB, in this case the zoning must allow a density of 10 units per net buildable acre. The idea is based on two assumptions: 1) authorizing lower density assumptions for small exception parcels recognizes that these parcels frequently have limited potential for future development at urban densities compared to larger exception parcels; thus, using this Safe Harbor removes a disincentive to add these lands to a UGB, and 2) requiring a higher residential density for high value farm land may lead to less farmland added to UGBs, thus better implementing state policies to protect and preserve farmland and ensure efficient use of urban land.

### **Option 3: Incremental Density Safe Harbor**

This option was designed for cities that are currently developed at a very low residential density and may consider the density assumptions in Option 1 and 2 above too difficult to achieve given their current low density development patterns.

Under Option 3, Coburg could assume that the overall density of residential development over the forecast 20-year planning period would be 25 percent higher than the overall density of developed residential land in the UGB at the time the City initiated the evaluation or amendment of its UGB. The existing estimated density within the City is 4.7 dwelling units per net buildable acre. As a result, under this provision the density would need to be approximately 5.8 units per net buildable acre. Under this option, the City would still need to meet the zone to allow provisions (8 dwelling units per acre) and required overall minimum density standards (4 dwelling units per net acre) indicated in Option 1.

Under this option, the housing mix would be estimated simply by increasing the proportion of multi-family housing within the existing mix—similar to the concept for the incremental density Safe Harbor. Safe Harbor Option 3 requires that the medium density be increased by 10 percent, and that the high density be increased by 5 percent within the existing developed housing mix, and the low density would be decreased by a proportionate share so that the overall mix total is 100 percent.

After significant discussion and review, the staff and City officials recommended not using the Safe Harbor. In general, it was thought that Coburg's existing housing mix (65 percent Low Density, 25 percent Medium Density, and 10 percent High Density) was a good starting point, but didn't match the densities in Option 1. Option 3 posed problems due to the need to increase the Medium Density zone an additional 10 percent, to 35 percent overall. Instead, the TAC recommended using concepts from Option 3, such as increasing the percentage of high density housing, to achieve an overall housing mix closer to that specified in Option 1. Specifically, the TAC provided the following guidance:

- Safe Harbor may not be the best alternative for Coburg.
  - The TAC supported making minor improvements to Coburg’s existing mix into the future. The existing mix of 65 percent Low Density, 25 percent Medium Density and 10 percent High Density could be adjusted slightly to support more units of higher density and more appropriate match Coburg’s identified housing needs. Because of wastewater limitations, recent development has not met the City’s traditional mix – therefore if this mix were to be realized it would mean higher proportions of compact development and multifamily development than Coburg has seen in the recent past.
  - Assumptions about maximum lot sizes in the single family zones should be considered.
  - Rather than the Safe Harbor 60/20/20 mix split outlined in Option 1, the TAC suggested that a 60/25/15 split should be pursued as a baseline for buildable land. Staff’s end result after accounting for all housing factors within the housing needs model was a planned mix (buildable land) of 60/21/19, resulting in an overall 2030 mix of 61/22/17. The land need and development assumptions of this mix were presented and approved by the TAC, Planning Commission and City Council.
- b. Multifamily development. The Planning Commission and City Council both expressed an understanding for the need for increased housing options and density in new development. In order to address concerns about the type of development, the Planning Commission and City Council opted to retain current policies limiting multi-family residential development to no more than four dwelling units in any single structure. The Housing Needs Model was adjusted to reflect this recommendation.
- c. Efficiency Standards. As part of the Study, the TAC, Planning Commission and City Council reviewed different infill strategies that could be incorporated into the City’s development regulations to facilitate infill and reduce UGB expansion. In particular, the following key recommendations were made:
- i. Creation of a new Mixed-Use Zone within the existing UGB. The Planning Commission and City Council decided to pursue creation of a transitional mixed use designation to apply to Map Lot 1603330000105 at the northwest quadrant of the intersection of Pearl Street and Coburg Industrial Way (see Map 26 in Chapter 7). This would redesignate this property from a low-density residential zone (Traditional Residential) to a zone containing a mix of different housing types. The Planning Commission strongly recommended that additional regulations be established prior to re-designation of this property In establishing a new Transitional Mixed-Use zone classification, the Planning Commission recommended that the designation 1) Allow for a gradual transition of use intensity and height from east to west across the site, with properties adjoining existing single-family residential neighborhoods designed to be similar in scale and intensity and existing development, b) Provide a new access road for the property along Pearl Street at the west edge of the property and from Coburg Industrial Way to minimize traffic circulation from the project to adjoining residential streets west of the property; and c) Require development of the property under the Master Planning

process. Appendix I contains a rendering that depicts a street view of a potential mixed-use development in Coburg.

- ii. Additional infill strategies. The Planning Commission and City Council also recommended that the following potential infill strategies (as described in Appendix G) be further evaluated as part of potential future amendments:

- Attached single family;
- Cottage housing;
- Small lot single-family housing;
- Historic residence preservation incentives;
- Lot coverage exemptions; and
- Lot size averaging.

**6. Public Facilities.** The TAC and City Council both discussed whether to use the Safe Harbor for determining public facility needs in the expanded UGB, or whether to revise those based upon different projected Park/Open Space needs from the City's Park and Open Space Master Plan. Eventually, it was decided to use the greater public facility needs generated by using the Master Plan estimates. Specific acreage needs are presented and discussed at the conclusion of Chapter 4.

**7. UGB Expansion Alternatives.**

- a. Coburg's UGB Expansion Priorities. The TAC, Planning Commission, and City Council reaffirmed that the policies adopted into the Comprehensive Plan that address UGB Expansion should be used in the UGB expansion alternatives to inform the local criteria that will be used.
- b. UGB Expansion Alternatives Comparison. The TAC, Planning Commission, and City Council provided input on the different UGB Expansion alternatives. The Final Residential and Employment Expansion Alternatives were approved by the City Council and presented within Chapter 7.

**Public Outreach and Involvement**

It is important to note that this Study builds upon the prior work that has been completed by the City. Prior work included significant community involvement in establishing vision for growth and information from these past efforts (Coburg Crossroads, 2004 Study, and 2005 Zoning Code/Comprehensive Plan Amendments) has been used as framework for the current Study.

Several consistent themes emerged from these studies, summarized as follows:

- Maintain Coburg's small town atmosphere
- Quality of life/livability
- Attract young families with school-age children
- Retain existing elementary school
- Plan for parks/open spaces
- Protect surrounding agricultural lands
- Buffer between residential and industrial lands
- Use land efficiently
- Plan for sequential development outward from existing city center

In addition, the following briefly outlines additional public outreach and involvement conducted as part of this update:

### **Technical Advisory Committee (TAC)**

As part of the Study, staff worked with a Technical Advisory Committee (TAC). At the December 9, 2008 City Council meeting, members were appointed by the City Council to the TAC. This committee is designed to serve as a key resource throughout the Study to discuss concepts, as well as provide input and direction on key issues, such as Coburg's economic opportunities and challenges, as well as its competitive advantages. The TAC was designed to contain representatives from the following key stakeholder groups:

- Mike Watson - Coburg City Councilor
- Cathy Engebretson - Coburg Planning Commissioner
- Ed Moore - Oregon DLCD Staff Representative
- Stephanie Schulz - Lane County Land Use Division
- Jack Harris - Coburg Public Works Staff Representative
- Roxann Emmons - Coburg Chamber of Commerce Representative
- Petra Schuetz, Project Manager
- LCOG Staff (as needed per task)

### **Open House**

An Open House addressing the Study was held the evening of Wednesday, November 18<sup>th</sup>, 2009 in the Coburg Rural Fire District Station. Staff estimates that there were 35 citizens in attendance. Appendix B contains a graphic summary of a map that was placed at the entrance to the event, and upon which participants were asked to identify where they live, work or have a property interest. The map depicts a fairly even split between interests both in and outside of the UGB. There were a significant number of residents living in bordering exception areas in attendance. Participants also represented a mix of both landowner interests, and resident interests.

Invitations were sent to all property owners within the existing UGB and at least one half mile outside and adjacent to the UGB were sent invitations by mail. Further, all interested parties who had provided their contact information by email or by signing up at City Hall were notified of public participation opportunities. Project information was also kept current on the project's website, on the City Hall readerboard, and flyers were distributed throughout Coburg. Reminders for upcoming meetings of significance were included in the City water bills.



Also present at the Open House were a number of representatives from local, regional and state agencies. These included Coburg City Council and Planning Commission members, City of Coburg

Staff, Lane Council of Governments Staff and Oregon Department of Transportation Staff. Several members of the TAC were also present.

During the three-hour Open House, participants had the opportunity to browse wall maps; acquire study summaries and materials; ask questions of Staff; and experience a Power Point presentation addressing the Study process and a review of critical points for feedback and next steps.

Wall maps presented at the Open House included the following:

- *Buildable Lands Inventory Map*
- *Infill and Redevelopment Potential Map*
- *Housing Needs Analysis Process Summary*
- *Overall Study Decision Tree/Process Chart*
- *Study Areas Map*
- *All Six Expansion Alternative Maps (Aerial and Soil Maps)*

The presentation, which contains copies of these materials, is available for review at a website devoted to the project: <http://www.lcog.org/coburgurbanization/default.cfm>. The presentation given at the Open House was essentially identical to the presentation given to the Planning Commission and City Council at their joint work session in November 2009. The Open House presentation dedicated more time and additional slides to the sections regarding the urbanization analyses undertaken up to this point. Staff felt that a primary focus of the Open House was providing the public with a background for how and why expansion happens.

## **Public Comments**

### **Written Correspondence**

Since the 2004 Study was completed, the City has received several written comments concerning urbanization, including the following:

1. Wildish Company. Staff received a request by the Wildish Companies to include their property within Study Area 2 (shown in Appendix B) within the UGB expansion area. Staff has responded to this comment and indicated that the proposed inclusion of this property would not be consistent with our assessment of the UGB expansion priorities.
2. MBM Group LLC. In 2004, Staff received a request by MBM Group LLC. to include their property (Assessors Map 16-03-28-00, Tax Lots 1500 and 2300, two linear portions of former railroad right-of-way) within Study Area 1 (see Appendix B) within the UGB expansion area and designate the property for commercial uses (e.g. Highway Commercial). This was during the Periodic Review process of 2003-2005. At that time the land was considered, but was not included in any amendment to the UGB. During the Study Update, MBM Group LLC. again provided comment contending that this land should have been included in last UGB expansion. However, Staff has responded that based on the results of the Study, Coburg has a surplus of employment lands; no additional Highway Commercial land is needed/justified (except if the City wanted to attract a large manufacturer or warehousing use which would require a 20+ acre site and which would be restricted to that size and limited use. Those two areas were east of I-5). This is largely because the current Highway Commercial land inventory is largely underdeveloped or vacant and is disproportionate to the residential land needs which have been perpetuating an imbalance in Coburg. As a result, the Study recommends that the property be included in the UGB expansion, but designated as potential residential property.

3. Eugene School District 4J. In 2004, the 4J School District contacted the City requesting that its 28-acre property located in Study Area 5 be examined for potential inclusion in Coburg's expanded UGB (see Appendix B). Staff considered this issue in its UGB expansion analysis, but determined that the School District's property, which is not exception land and is located farther to the north than other lands proposed to be incorporated into the UGB, did not meet the criteria for inclusion. The Eugene School District did not comment during the Study update.

## Public Testimony

Since the 2004 Study was completed, the City has heard from citizens concerning urbanization, both in formal testimony and on an information basis. The following is a summary of a recent public testimony:

4. Public testimony was submitted from Raymond Fisher, speaking on behalf of the Knee Deep Cattle Company. Mr. Fisher indicated support for the proposed expansion of the UGB to include Knee Deep owned lands in Study Area 8 and also noted that Study Area 7 would make a good candidate for Urban Reserve Lands.

## Open House Comments

The November, 2009 Open House provided an ideal environment for citizens to voice concerns, insights and support for the Study's assumptions and conclusions up to this point. Staff's presentations garnered a number of insightful and valuable questions from participants. Staff was also able to have a number of valuable one on one conversation with participants which supplemented the group questions and discussions that took place. Throughout the Open House, participants were encouraged to participate in a dot exercise designed to rate their preferences related to the three identified residential expansion alternatives and the three employment expansion alternatives. Finally, staff prepared a comment form with specific questions and ample space for any additional written feedback.

Appendix B provides a detailed summary of this feedback (including staff responses). Points which stood out from the discussion and exercises include the following:

- *Concern about the impacts that inclusion in the UGB would have on property owner's taxes, pressures for development, regulation.*
- *Concern about the state imposing a "one size fits all" framework on Coburg.*
- *The difference between annexation and being in the UGB*
- *The relationship of the Study's findings to future Wastewater.*
- *Interest in expanding all land uses (not just employment) east of the interstate.*
- *Property owner concern about expansion boundaries and the resulting consequences to their property*
- *The possibility of a different and perhaps smaller employment lands alternative.*
- *Concern about and opposition to industrial employment growth*
- *Concern about the transportation impacts of various alternatives*
- *Concern about the location of mixed use development*
- *Concern about expansion to the south (maintaining the buffer between Coburg and Eugene-Springfield)*
- *Questions about the impacts of development east of I-5 on the I-5 interchange.*

Attendees were asked to rate a series of UGB Expansion Alternatives through a dot exercise. The following table provides a summary of the dot exercise for the expansion alternatives. In the exercise, participants were given two sets of a green, yellow and red dot. The green dot represented the alternative which seemed most preferable, red represented the least preferable and yellow represented either second best (or second worst). The results of that exercise are as follows (N represents the number of total dots on the map).

| <b>Table 7.8 Public Open House Alternatives Dot Exercise Results</b> |              |               |            |           |
|--|--------------|---------------|------------|-----------|
|  | <b>Green</b> | <b>Yellow</b> | <b>Red</b> | <b>N</b>  |
| <b><i>Residential Alternatives</i></b>                               |              |               |            |           |
| Alternative 1  | 2            | 2             | 15         | <b>19</b> |
|  | 11%          | 11%           | 79%        |           |
| Alternative 2  | 10           | 5             | 1          | <b>16</b> |
|  | 63%          | 31%           | 6%         |           |
| Alternative 3  | 5            | 5             | 4          | <b>14</b> |
|  | 36%          | 36%           | 29%        |           |
| <b><i>Employment Alternatives</i></b>                                |              |               |            |           |
| Alternative 1  | 6            | 1             | 2          | <b>9</b>  |
|  | 67%          | 11%           | 22%        |           |
| Alternative 2  | 4            | 6             |            | <b>10</b> |
|  | 40%          | 60%           | 0%         |           |
| Alternative 3  | 8            | 2             | 5          | <b>15</b> |
|  | 53%          | 13%           | 33%        |           |

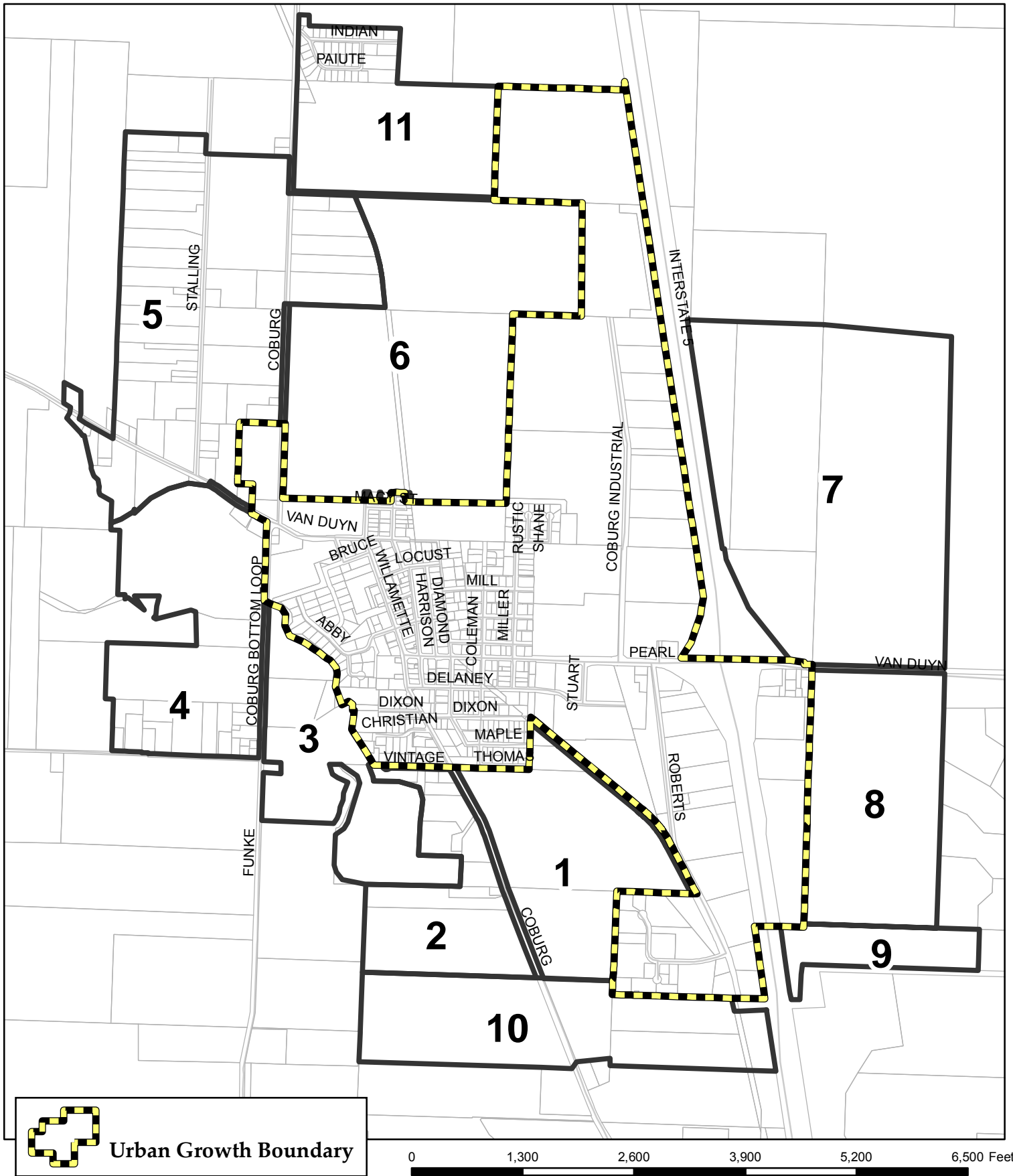
As the table displays, the residential preference is Alternative 2. Residential Alternative 3 also received support. Residential Alternative 1 was identified by 79 percent of the participants with a red dot (least preferable).

The employment expansion alternatives revealed mixed preferences. Employment Alternative 1 received the most green dots, however Employment Alternative 2 received only green and yellow dots (no red dots). Employment Alternative 3 also received many green dots.

Two main concerns arose from the Open House regarding employment demand and supply:

- Concern about increased industrial development
- Concerns about the proposed employment expansions from a transportation and land ownership perspective

In addition, the property owners of Study Area 8 noted that if only 65 acres are utilized, the remaining 40 acres to the south are isolated and useless for their current designated purpose. It has also been noted that Study Area 8 may contain more physical constraints (wetlands) than originally anticipated, supporting the idea of additional acreage.



# Map 1: Proposed Study Area(s) Coburg Urbanization Study



The information on this map was derived from digital databases on Lane Council of Governments' regional geographic information system. Care was taken in the creation of this map, but it is provided "as is". LCOG cannot accept any responsibility for errors, omissions, or positional accuracy in the digital data or the underlying records. Current designations (e.g., zoning) for specific parcels should be confirmed with the appropriate jurisdictions. There are no warranties, expressed or implied, accompanying this product. However, notification of any errors will be appreciated.



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## CHAPTER 2. POPULATION AND EMPLOYMENT FORECAST

A forecast of expected population and employment growth in Coburg is essential to estimate the demand for buildable land and to assess economic and housing needs. Expected population growth will influence economic opportunities and employment growth in Coburg, which will have implications for demand for non-residential land and public services. Coburg established an employment forecasts for the Coburg UGB based on the State requirements which include using the adopted Coordinated Population Forecast. These forecasts are based on a set of assumptions regarding the average annual growth rate and public policies that affect relationships such as economic growth and housing for seniors, workers, and young families. The time frame for both forecasts is the 20-year planning period which this study is 2010-2030.

### ***Historic Population Growth in Oregon and Lane County***

The Willamette Valley has been the center of growth in Oregon. The population growth rate in the Willamette Valley has exceeded that of the state in every decade of the 20th century except the 1970s, when population in Southern and Central Oregon grew at a rapid rate. About 2.4 million people or 70 percent of Oregon's population in 2000 was located in the Willamette Valley, which contains only 14 percent of the state's land area. Most of the Willamette Valley's population is in the metropolitan areas of Portland, Salem, and Eugene-Springfield.<sup>7</sup>

The average annual population growth rate in Lane County exceeded the Oregon average in the 1940s through 1970s, but slowed to rates lower than the Oregon average in the 1980s and 1990s. Census data shows that Lane County's share of Oregon population peaked in 1980 at 10.5 percent and declined to 9.1 percent in 2007 according to Population estimates by the Portland Research Center at Portland State University.

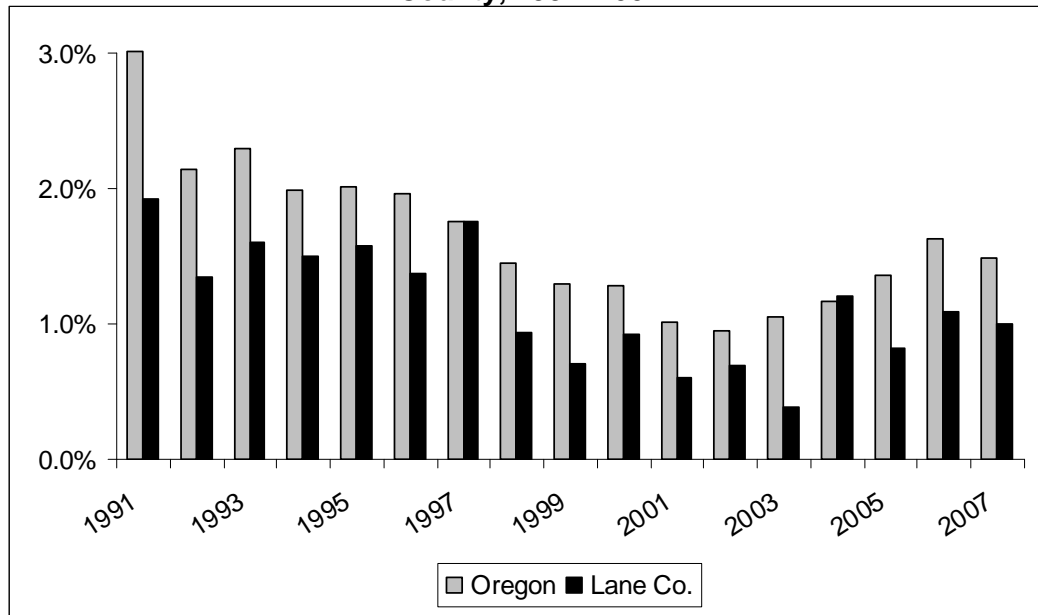
Population growth in every Oregon region slowed in the 1980s, primarily because of out-migration prompted by poor economic conditions early in the decade. Oregon's population growth regained momentum in 1988, growing at annual rates of 1.3 percent–3.0 percent between 1988 and 1999. While the Willamette Valley received most of the population growth during this period (72 percent), Central Oregon had the fastest annual population growth rates. Population growth for Oregon slowed to 0.8 percent in 2000, the lowest rate since 1987. Net migration into Oregon dropped from a peak of 67,700 in 1991 to 10,700 in 2000. The reasons most often cited for this slowing of population growth are the recovery of the California economy, the combination of a high cost of living (especially housing) and low wages in Oregon, and a perceived decline in the quality of Oregon's schools. Population growth in Oregon rebounded in 2001 and 2002, with annual population growth of 1.0 percent to 1.5 percent and annual net migration of 17,600 to 29,400.

Lane County experienced low or negative population growth rates in the early 1980s. Population growth in Lane County has been positive since 1989 but at rates lower than the Oregon average, except in 1997 and 2004 when Lane County grew at roughly the same rate as the State as a whole. In general, population growth in Lane County has been more cyclical than for Oregon as a whole. Figure 2-1 shows the annual population growth rate in Oregon and Lane County between 1991 and 2007.

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<sup>7</sup> The "Willamette Valley" is composed of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington and Yamhill counties.

**Figure 2-1. Annual population growth rate in Oregon and Lane County, 1991–2007**



Source: Portland State University, Population Research Center. Oregon Annual Population Report. Growth rates calculated by LCOG.

Between 1990 and 1999, over 70 percent of Oregon’s and 73 percent of Lane County’s total population growth was from net migration (in-migration minus outmigration), with the remaining 27 percent to 30 percent from natural increase (births minus deaths). Migrants to Oregon tend to have the same characteristics as existing residents, with some differences. Recent studies have found that recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon’s existing population. The race and ethnicity of in-migrants generally mirrors Oregon’s established pattern, with one exception: Hispanics make up more than 7 percent of in-migrants but only 3 percent of the state’s population. The number-one reason cited by in-migrants for coming to Oregon was family, followed by employment, quality of life, and retirement.<sup>8</sup>

According to the Oregon Employment Department (OED) since 2000, Oregon has seen continued positive net migration: more people moving into the state than moving out of it. This continues to make up the bulk of Oregon’s population growth, accounting for about 38,000 of the State’s 55,000 person increase. However, in 2007, net migration slowed, with 5,000 fewer people added to Oregon’s population than in 2006.

The other component of population change, natural increase, was remarkably stable for the past two decades. As births outnumber deaths, natural increase adds between 14,000 and 17,000 people to the state’s population each year. Between July 2006 and July 2007, there were over 48,000 births in Oregon and about 31,000 deaths, pointing to a natural increase of about

<sup>8</sup> LeBre, Jon. 1999. “Characteristics of Oregon’s In-Migrants: A Sneak Preview.” *Oregon Labor Trends*. February.

17,000. That was higher than the natural increase of about 16,000 in 2006 and 15,000 in 2005 and higher, actually, than at any other time since 1992.<sup>9</sup>

### **Population Estimates for Coburg**

A forecast of expected population growth in Coburg is essential to estimate the demand for buildable land and to assess housing needs. Expected population growth will also influence economic opportunities and employment growth in Coburg, which will have implications for demand for non-residential land and public services.

As of April 2007, DLCD’s Rule 660-024-0030(1) requires counties to adopt and maintain a coordinated 20-year population forecast for the county and for each urban area within the county, consistent with statutory requirements for such forecasts under ORS 195.025 and 195.036. Cities, likewise, are required to adopt a 20-year population forecast consistent with the county’s coordinated forecast and include it in their comprehensive plan, or a document referenced by their plan. In June of 2009, Lane County determined a Coordinated Population Forecast for the entire County, to bring the Rural Comprehensive Plan into conformance with OAR 660-024-0030(1). These forecasts were all based on a consideration of long term demographic trends in these communities, consistent with the requirements of OAR 660-024-0030.

The population forecast is a key component of different elements of the Study, specifically the Housing Needs Analysis, which requires a forecast of future population in order to determine of the number of new housing units needed in the next 20 years.

On June 17, 2009, the Lane County Board of Commissioners (LCBC) adopted an amendment to the Rural Comprehensive Plan (File No. PA 08-5873). This amendment included a long term population growth rate in Coburg averaging 5.32 percent. The resulting population is sufficient, Coburg believes, to support the wastewater system under construction and provide the population increase necessary to sustain the Coburg elementary school. Table 2.2 shows the coordinated population growth figures adopted by the County. The population in Coburg in 2030 is anticipated to be 3,363 and 4,354 by 2035. Coburg is anticipated to have 1,103 residents in 2010. It is therefore anticipated that Coburg will see an increase of 2,260 residents over the 20-year planning period. These figures will be used throughout this study.

**Tabel 2.2: Coordinated Population Forecast, City of Coburg, 2008-2035**

| 2008  | AAGR  | 2010  | 2015  | 2020  | 2025  | 2030  | 2035  |
|-------|-------|-------|-------|-------|-------|-------|-------|
| 1,075 | 5.32% | 1,103 | 1,387 | 1,934 | 2,628 | 3,363 | 4,354 |

### **Employment Forecast**

Critical to Coburg’s analysis of its urban land potential and capacity will be an understanding of how much employment currently exists as well as how much employment growth Coburg could experience throughout the planning period. Employment levels in a community are typically very closely linked to population. Because of the large manufacturers located in Coburg and the City’s proximity to the Eugene-Springfield metropolitan area, Coburg’s recent employment-

<sup>9</sup>*Oregon Population Growth Slows With Economy*, 4/23/08  
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00005899>, accessed 12/18/08

population dynamic is atypical. Prior to the recent downturn in the RV industry, there were roughly three times as many employees in Coburg (3,420) than residents (1,075) in 2008.

Increased demand on commercial and industrial lands will come as a result of new businesses locating in Coburg, the growth of businesses currently in Coburg and existing businesses relocating in Coburg. For this reason, employment growth is a relatively reliable and commonly accepted measure of demand for commercial and industrial land. There is no way to know exactly how much employment growth there will be between 2010 and 2030. Even the determination of current employment figures can be complicated and imperfect. However, there are reasonably reliable methods for determining current employment as well as forecasting employment growth into the future. The determination of such figures will be valuable in assuming short term and long term economic needs for Coburg. Following is a description of the methodology used to establish current and future employment figures for Coburg's UGB.

### **Employment Forecast Methodology**

Before employment can be projected, a base employment figure must be determined. The OED provides "covered" employment figures for the entire State as well as at the County and Regional level. The State's program produces a comprehensive tabulation of employment and wage information for workers "covered" by State unemployment insurance laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. This data is available in the form of the Quarterly Census of Employment and Wages (QCEW). The files include employment figures, NAICS codes, organization names and addresses for establishments within each county. The most recent QCEW data for Lane County (2006) was acquired by Lane Council of Governments from the State Employment Department in December of 2007.

Lane County QCEW employment data for 2006 was utilized to determine covered employment figures for Coburg's UGB. The identification of Lane County employment occurring within Coburg's UGB was accomplished using geo-coded address points representing each employment establishment.

"Covered Employment" does not necessarily represent all employment in a given area. It has been suggested that an average ratio for covered employment to "total" employment in Oregon communities is around 85 percent.<sup>10</sup> Data sources such as the Bureau of Economic Analysis provide estimates of "total employment" at the state and county level. These figures represent not only the number of "covered" wage and salary jobs, but also sole proprietorships, and general partnerships. The ratio of total employment to covered employment can vary considerably from sector to sector and from place to place. Sources like the Bureau of Economic Analysis only provide total employment at the county level. It is problematic to assume that a place like Coburg, which constitutes such a small percentage of overall Lane County employment, will have identical ratios for covered and total employment in all sectors. For this reason, Coburg's "covered" employment was augmented to determine "total" employment using local insight as well as local sources of data, primarily business licenses. These figures are summarized in Table 2.3.

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<sup>10</sup> City of Redmond Study, ECONorthwest, June 2005, pg 2-5

**Table 2.3. Locally Adjusted Total Employment - 2006-2010**

|  | Covered % of Total (QCEW/BEA) Lane County | Local Adjusted % (Bold) | Coburg 2006 Covered (QCEW) | Coburg 2006 Adjusted Total | Coburg 2006 Total-Covered | Coburg 2010 Adjusted Total** |
|--|---|-------------------------|----------------------------|----------------------------|---------------------------|------------------------------|
| Natural Resources and Mining           | 33%                                       | <b>75%</b>              | *                          | *                          | *                         | *                            |
| Construction                           | 65%                                       |                         | 156                        | 240                        | 83                        | 253                          |
| Manufacturing                          | 99%                                       |                         | *                          | *                          | *                         | *                            |
| Wholesale trade                        | 85%                                       |                         | 140                        | 164                        | 25                        | 171                          |
| Retail trade                           | 79%                                       | <b>50%</b>              | 188                        | 377                        | 188                       | 408                          |
| Transportation, Warehousing, Utilities | 74%                                       |                         | 28                         | 37                         | 10                        | 39                           |
| Information                            | 80%                                       |                         | *                          | *                          | *                         | *                            |
| Financial Activities                   | 57%                                       |                         | 121                        | 210                        | 90                        | 220                          |
| Professional and Business Services     | 65%                                       |                         | 21                         | 32                         | 11                        | 35                           |
| Education and Health Services          | 72%                                       |                         | *                          | *                          | *                         | *                            |
| Leisure and Hospitality                | 77%                                       |                         | 37                         | 48                         | 11                        | 52                           |
| Other services, except public admin.   | 44%                                       |                         | 12                         | 27                         | 15                        | 28                           |
| <i>*Sectors with &lt; 3 Firms</i>      |   |                         | 2,147                      | 2,181                      | 35                        | 2,214                        |
| Government and government enterprises  | 34%                                       | <b>80%</b>              | *                          | *                          | *                         | *                            |
| <b>Total employment</b>                |   |                         | <b>2,848</b>               | <b>3,316</b>               | <b>468</b>                | <b>3,420</b>                 |

Source: 2006 Lane County Quarterly Census of Employment and Wages data, 2006 Bureau of Economic Analysis Lane County Total Employment data. Adjustments developed by Coburg TAC.

\* QCEW confidentiality regulations forbid the presentation of data for sectors that consist of 3 or fewer firms.

\*\*Due to the closure of Monaco Coach, the 2010 adjusted total presented in this table is not anticipated to be realized, the figure is maintained in the analysis because the long term forecast is expected to be realized, and therefore the calculation of employment change requires a starting figure reflecting Coburg's existing employment capacity and the very likely reuse of the Monaco Site.

According to OED confidentiality standards, the specific employment figures for any sector which consist of three or fewer firms cannot be reported. In Coburg, there are five sectors which fall into this category; Natural Resources & Mining, Manufacturing, Information, Education and Health Services as well as Government and Government Enterprises. Employment figures for these sectors are represented aggregately. It is no secret that the majority of employment in Coburg is within the Manufacturing sector, and it makes up the overwhelming majority of the figures for sectors with three or less firms.

Every two years the OED generates ten-year covered employment forecasts<sup>11</sup>. At the time of the start of this 2010 Study, the most recent 10-year forecast was for 2006-2016. According to that forecast all "Broad Industry" categories are expected to add jobs at the state level. Two sectors will grow only slightly (Natural Resources and Mining (1 percent) and Manufacturing (1 percent)). This weak growth is in line with current national trends reflecting a shift from manufacturing and resource extraction to service-oriented occupations. In Oregon this slow growth is largely due to overall losses in the logging industry, as well as job losses in wood product manufacturing, computer and electronic product manufacturing and paper manufacturing.

<sup>11</sup> Oregon Employment Department: *Employment Projections by Industry and Occupation, Oregon Statewide: 2006-2016*, December, 2007.

The OED also produces ten-year covered industry employment projections at the County level. Their estimates predict a 15 percent increase in covered non-farm employment over this decade, for an increase of 22,700 jobs, and an overall increase from 153,500 to 176,100 covered jobs. The ten-year projections are provided by employment sector. Annual Average Growth Rates (AAGRs) can therefore be extracted for each sector. These growth rates can be utilized for future employment projection, if the County's growth in each sector can be viewed as being reliably consistent with the city in question. For large cities such as Eugene, Corvallis or Roseburg, county level ratios can be more reliable because the cities represent such large share of County employment. In Coburg the figures remain valuable, but local staff and decision makers were concerned about discrepancies within specific sectors. Thus, the county level AAGRs were adjusted for several sectors. These adjustments were largely based on the assumption that Coburg will experience unusually high growth in certain areas as a result of increased infrastructure capacity. The Retail Trade, Professional and Business Services and Leisure and Hospitality sectors have been identified locally as sectors that have been restricted in years passed, and are areas which show local promise and the City wishes to place focused efforts on fostering.

Table 2.4 shows how the ten-year Lane County Industry Employment Forecast was utilized to extract a ten-year AAGR trend for each sector (with some local adjustments as documented). The table shows how those AAGRs were then applied to generate a forecast for Coburg UGB's total employment through 2035, including the end of the planning period (2030).

**Table 2.4. Adjusted Coburg Employment Growth (2008-2035)**

|  | County<br>AAGR<br>(2006-16) | Adjusted<br>Coburg<br>AAGR | Coburg<br>2010<br>Adjusted<br>Total | Projected<br>Emp. 2030<br>(20-Year) | RTP<br>Projected<br>Emp. 2031 | Projected<br>Emp.<br>2035 | Emp.<br>Change<br>2010-<br>2030 |
|--|-----------------------------|----------------------------|-------------------------------------|-------------------------------------|-------------------------------|---------------------------|---------------------------------|
| Natural Resources & Mining             | 0.00%                       |                            | *                                   | *                                   | *                             | *                         | *                               |
| Construction                           | 1.41%                       |                            | 253                                 | 335                                 | 340                           | 360                       | 82                              |
| Manufacturing                          | 0.34%                       |                            | *                                   | *                                   | *                             | *                         | *                               |
| Wholesale trade                        | 0.97%                       |                            | 171                                 | 207                                 | 209                           | 218                       | 36                              |
| Retail trade                           | 1.16%                       | <b>2.00%</b>               | 408                                 | 606                                 | 618                           | 669                       | 198                             |
| Transportation, Warehousing, Utilities | 1.15%                       |                            | 39                                  | 49                                  | 49                            | 52                        | 10                              |
| Information                            | 1.03%                       |                            | *                                   | *                                   | *                             | *                         | *                               |
| Financial Activities                   | 1.14%                       |                            | 220                                 | 276                                 | 280                           | 293                       | 56                              |
| Professional and Business Services     | 1.72%                       | <b>2.25%</b>               | 35                                  | 53                                  | 55                            | 59                        | 18                              |
| Education and Health Services          | 2.71%                       |                            | *                                   | *                                   | *                             | *                         | *                               |
| Leisure and Hospitality                | 1.82%                       | <b>2.25%</b>               | 52                                  | 82                                  | 84                            | 92                        | 30                              |
| Other Services                         | 1.12%                       |                            | 28                                  | 35                                  | 35                            | 37                        | 7                               |
| *Sectors with < 3 Firms                |                             |                            | 2,214                               | 2,392                               | 2,401                         | 2,438                     | 178                             |
| Government and Gov. Enterprises        | 1.20%                       |                            | *                                   | *                                   | *                             | *                         | *                               |
| <b>Total Employment</b>                |                             |                            | <b>3,420</b>                        | <b>4,035</b>                        | <b>4,071</b>                  | <b>4,218</b>              | <b>615</b>                      |

Source: Oregon Employment Department ten-year industry forecast (2006-2016). Adjustments to specific sector AAGR developed by Coburg TAC.

\* QCEW confidentiality regulations forbid the presentation of data for sectors that consist of 3 or fewer firms.

The table reveals that Coburg's adjusted employment total (covered and non-covered employment) in 2010 is approximately 3,420 employees, and approximately 4,035 employees in 2030. This is an increase of approximately 615 employees. These growth forecasts will be used in the Economic Opportunities Analysis (Chapter 5) to better understand how Coburg should provide for its economic needs.

## ***Evaluation of Forecasts***

Population and employment forecasts for small areas or for long periods of time are subject to a high degree of uncertainty. Long-term forecasts for small areas compound this uncertainty. Several factors contribute to the uncertainty of long-term and small-area forecasts:

- Population and employment forecasts for most communities are projections of the best understanding of current dynamics. Such a forecast implicitly assumes that the underlying factors will play out as anticipated. The longer the forecast period, however, the greater the chances that some underlying factors will change in ways that could affect growth. Examples of underlying conditions that could affect population growth in Coburg include public policy, economic conditions, birth and death rates, transportation costs, and consumer preferences for housing.
- Even if planners had a sophisticated model that explicitly included all of the important underlying factors together (which they do not), they would still face the problem of having to forecast the future of these factors. In the final analysis, all forecasting requires making *assumptions* about the future.
- Comparisons of past population and employment projections to subsequent population counts have revealed that even much more sophisticated methods than the ones used in Coburg "are often inaccurate even for relatively large populations and for short periods of time."<sup>12</sup> The smaller the area and the longer the period of time covered, the worse the results for any statistical method.
- Small areas start from a small base. Single unforeseen events in a small community, such as development of a new subdivision, can cause population to significantly diverge from forecast levels. A new subdivision of 100 homes inside the Portland Urban Growth Boundary has a relatively small effect on total population. That same subdivision in Coburg would increase the community's housing stock and population by more than 25 percent. Especially for small cities in areas that can have high growth potential (e.g., because they are near to concentrations of demand in neighboring metropolitan areas, or because they have high amenity value for recreation or retirement), there is ample evidence of very high growth rates in short-term; there are also cases (fewer) of high growth rates sustained over 10 to 30 years. In this context, there is a wide range of possible population and employment growth levels in Coburg that could be justified by reasonable assumptions about future conditions. Several factors related to Coburg's situation could have a substantial effect on forecast or actual population and employment growth:
  - Coburg's proximity to the Eugene-Springfield metropolitan area could generate higher levels of population growth. For example, if just 1 percent of the growth expected over the planning period in Eugene-Springfield went to Coburg instead, growth in Coburg would increase by approximately 350 residents (around 30 percent of its current population). Such a shift in population growth could be driven by economic factors such as housing prices or consumer preferences, or by public policies that encourage growth in Coburg.

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<sup>12</sup> Murdock, Steve H., et. al. 1991. "Evaluating Small-Area Population Projections." *Journal of the American Planning Association*, Vol. 57, No. 4, page 432.

- In a similar fashion, attracting a small percentage of employment growth from Eugene-Springfield could significantly increase the level of employment in Coburg.
- Public policies in Coburg to encourage or discourage growth, or that affect the price of land, could result in more or less population growth. All of the City's population growth scenarios assume that sewer capacity will expand to accommodate growth. The City's population forecast and previous visioning documents include the assumption that the City will adopt policies to target housing for seniors, workers, and young families. In the future, however, Coburg officials may adopt policies that could result in more or less population growth than forecasted.

Overall, Coburg's employment and population forecast is based on sound methods and reasonable assumptions. Given Coburg's proximity to Eugene- Springfield, substantially high levels of population growth can be justified. This proximity even suggests that lower levels of population growth than forecasted are unlikely. This population forecast serves as the basis for the housing needs analysis in Chapter 4. The employment forecast for Coburg is subject to a higher level of variability than the population forecast because employment is more closely tied with changing short-run economic conditions. In addition, the employment forecast is based on an estimate of land supply and assumptions about the number of employees per acre for various land use types. Actual employment densities, however, will be determined by the types of firms that locate in Coburg. The level of redevelopment in Coburg will vary depending on economic conditions. Differences in the density of employment and amount of redevelopment in Coburg will cause actual employment growth to diverge from the forecast.

Finally, public policy has a critical role in determining the level of population and employment growth in a community. Local population and employment growth can be influenced by local policies, especially those regarding land use, public facility provision and pricing (taxes and fees), and economic development (incentives). It is contrary to economic theory and common sense to assume, as state policy on population forecasts is often interpreted, that every jurisdiction has a singular growth path that can be specified independent of the policies it might adopt to curb, accommodate, or stimulate growth. The population and employment forecasts used to estimate land needs in Coburg will need to be explicit about the assumptions regarding public policy (i.e., land use, public facility provision and pricing, and economic development) as it pertains to growth in the community. Moreover, many adjacent lands outside the existing Coburg UGB have Class 1-4 soils and are considered high value farmlands. Based on the *Coburg Crossroads Vision*, it is not the community's desire to grow more than it has determined (the preferred alternative growth forecasts were related directly to wastewater capacity). Little growth can be realized until the wastewater facility is constructed. Finally, Coburg recognizes the importance of the agricultural economy and desires to sustain the agricultural industry by not expanding the UGB any more than is required.