

# Urbanization Study Technical Advisory Committee ITEM SUMMARY

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## TOPIC: Urbanization Study – Task 4

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Meeting Date: January 5, 2009  
Staff Contact: Petra Schuetz  
Contact Telephone Number: 541-682-7858

**ACTION:** *Review and provide feedback on Overall Project and Economic Opportunities Analysis policy issues.*

### AGENDA ITEM SUMMARY

This memo summarizes some of the key steps and regulatory requirements to complete the Economic Opportunities Analysis as well as outlines some key initial decisions that need to be made to initiate the study.

**Staff Recommendation:** Staff recommends that the TAC review and comment on the Urbanization Study Work Plan, develop a recommendation to the City Council on the study area boundaries, and develop recommendations to the Economic Opportunity Analysis policy questions presented in Section II.

### KEY DISCUSSION ISSUES

#### I. OVERALL PROJECT

##### 1. 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 EOA 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 has been designed to contain representatives from the following key stakeholder groups:

- Mike Watson - Coburg City Councilor
- Cathy Engebretson - Coburg Planning Commissioner
- Ed Moore - Oregon DLCDC 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)

Staff is looking forward to working with you throughout this process and wants to recognize and thank you for your service.

**2. Are there any comments on the Urbanization Study Work Plan?**

Included as Attachment 1 is an overview of the different tasks that are involved in the Urbanization Study. The Urbanization Study has five main components: 1) A Buildable Lands Inventory that establishes the land supply within the City; 2) a Population Forecast that evaluates growth forecasts, 3) a Housing Needs Analysis that addresses housing needs, 4) an Economic Opportunities Analysis that evaluates the demand for industrial and employment lands as well as identifies economic development strategies, and 5) a UGB Expansion Analysis that evaluates how much land the City will need to accommodate growth between 2008 and 2031. It is estimated that the final Urbanization Study will be developed over a 32-week time frame. Many of the issues addressed in the remainder of this memo are focused on Task 4 – Develop Economic Analysis.

**3. What planning area should be used to evaluate for potential expansion of the urban growth boundary?**

One of the first steps in the EOA is to define a study area that will be used to assess existing land characteristics and potential supply of land to meet Coburg's demand for industrial and other employment lands. The *2004 Urbanization Study* contained a total of eight potential UGB expansion areas (see Attachment 2).

In general, there has not been significant interest expressed on the part of property owners outside of these eight potential UGB expansion areas to be included in studies of the urban growth area expansion, with the exception of a property owner located in the southeast quadrant, near UGB Study Area 8 in the *2004 Urbanization Study*.

City Council Direction: At the December 9, 2008 City Council meeting, the City Council noted that the planning area used in the 2004 Urbanization Study should be continued, with the following additional two areas to be studied for inclusion: 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, and 2) an area south of Roberts Court. Staff was requested to come back to the City Council with revised planning area maps that would detail the final proposed boundaries, with these additional areas of study. The general areas for additional study are enclosed in Attachment 3.

TAC Input Requested: In drafting the boundaries of the additional areas shown in the proposed planning area, staff is reviewing existing parcel boundaries, distance, and other factors to determine an appropriate boundary edge. At the January 5, 2008 meeting, staff will bring a map depicting the final proposed

study area maps for the TAC to review and evaluate whether these proposed boundaries are appropriate.

## II. ECONOMIC ANALYSIS

The key objective of an EOA is to compare the demand for land for industrial and other employment uses with the existing supply of such land. An EOA will include the following four interrelated elements:

- Review of national, state, regional, county, and local trends. Reviewing trends is the principal method for estimating needed sites for future industrial and other employment uses. The objective is to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. A use or category of use can reasonably be expected to expand or locate in the planning area if the area possesses the appropriate locational factors. In addition to population or job forecasts, other factors such as unmet demand, commute patterns, and other trend information should be considered.
- Identification of required site types. The EOA must identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of sites are based on the site characteristics typical of expected uses. Identifying the number of sites needed by type is one of the most important outcomes of the EOA. For small cities like Coburg, a basic approach that aggregates acres may be appropriate if sufficient detail regarding site type is provided.

Site types can be described in a number of different ways. It can be by plan designation (i.e., heavy or light industrial), it can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites). It is also important to represent the broadest range of employers expected in the planning area, including institutional employers.

- Inventory of industrial and other employment lands. This task includes conducting an inventory of vacant and developed lands within the planning area designated for industrial or employment use and evaluating the site characteristics, constraints and infrastructure needs. When determining the inventory of industrial and other employment lands, it is important to consider development constraints such as wetlands and other suitability factors for both vacant and developed land. It is critical to understand not only the quantity of land within an urban growth boundary, but also its suitability for desired uses. When estimating land needs, LCOG will factor in

the land needs for infrastructure and transportation facilities, in addition to the area for the use itself.

Assessment of community economic development potential. This step includes estimating the types and amounts of industrial and other employment uses likely to occur in the planning area. This analysis should be based on a comprehensive review of economic advantages and disadvantages. These include, but are not limited to factors such as: workforce; availability of transportation facilities for access and freight mobility; access to suppliers and utilities; location; size; and buying power of markets; state and federal environmental protection laws; and service infrastructure. LCOG will evaluate and describe how these strengths and weaknesses affect future land demand for the planning period.

The following outline some of the key initial discussion issues that will help to frame the EOA Study:

**1. Is Coburg's economic vision as expressed in the 2004 Urbanization Study and Comprehensive Plan on track? Are any changes needed?**

One of the first steps in completing an Economic Opportunities Analysis is to revisit Coburg's community vision and economic development strategy, identify key changes that have taken place since the vision was developed, and evaluate new opportunities.

The following provides an overview of the economic vision that was established based upon a significant community input process undertaken as part of the Coburg Crossroads Vision 2003 process, as well as the 2005 Comprehensive Plan Update.

**2003**

*Coburg Crossroads Vision 2003.* Through *Coburg Crossroads Vision 2003*, Coburg selected a preferred growth strategy. This information was used to support the *2004 Urbanization Study*, which established the following economic vision for Coburg:

- Coburg will work to maintain and enhance its quality of life. In Coburg this means (1) preserving the character of the downtown core area, (2) encouraging a broader range of services, and (3) providing housing opportunities for individuals that are employed in Coburg.
- Coburg recognizes its locational advantages (including proximity to the Eugene-Springfield area as well as the I-5 corridor) and believes it is in its interest to manage economic development and growth in the City.
- To that end, Coburg establishes a 2025 employment target of 5,157; an increase of about 2,000 employees between 2002 and 2025, or

equivalent to an average annual growth rate of 1.3%. This figure is consistent with the preferred employment forecast in the *Coburg Crossroads Vision*.

- Coburg wants new businesses to start, expand, or relocate in the City that will provide higher-wage jobs and a broader range of goods and services for existing and future Coburg residents.
- Coburg desires to encourage new employment to locate in the core area as appropriate. The comprehensive plan will define the types of commercial activities that area appropriate for the core area.
- New businesses will need, among other things, developable land, good services and transportation, and an educated and skilled labor force. The City should take actions to make sure those things are provided at competitive prices. Coburg will welcome industries that help it achieve its economic vision.
- Coburg wants to maintain and increase the livability of its community as it grows. To that end, the City will ensure that adequate public facilities are available to accommodate new employment and residents.
- Coburg should be strategic about any economic incentives it gives to businesses, ensuring that it has the financial resources to maintain the quality of its facilities and services.

## **2005**

The 2005 Update of the Coburg Comprehensive Plan included an economic element that articulates the City's economic goals and objectives. The overarching objective established in this Plan is to "guide community development in such a way that the local economy is improved while maintaining Coburg's small town atmosphere". The Comprehensive Plan also contains 27 policies that further articulate this objective, including (but not limited to) the following concepts:

- Provide land suitable for a full range of retail, professional and service uses in the downtown area. Mixed use is encouraged, as are small –scale downtown commercial uses.
- Provide land area adjacent to the I-5 interchange for goods and services that primarily serve the traveling public.
- Provide an adequate amount of level, buildable land which has good access to arterial streets to meet local and regional industrial needs. Group industrial uses together within well-designated industrial parks or subdivisions.
- Promote a diverse economy that continues to support a strong tax base for the community.
- Discourage big-box retail and strip commercial uses.

- Sustain and enhance business skills and management training available in Coburg.

TAC Input Requested: Staff recommends that the TAC review this existing economic vision and determine whether there are any key changes or new opportunities that should be reflected in this vision. The following questions in this section may also help to articulate these issues. Therefore, it is recommended that prior to the end of the discussion, the vision be re-examined to consider any new information that may come out of the following discussion topics.

## **2. How should the City determine its baseline employment population?**

There are a variety of data sources that can be utilized in establishing current employment figures. These baseline figures are important because they are then used as the basis to which employment growth rates are applied in order to determine an overall employment forecast for the City.

City Council Direction: After reviewing different options, the City Council opted to use an approach that uses 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.

To account for non-covered employees, the City can evaluate "Total Employment" figures, produced by the Bureau of Economic Analysis. The method for doing this involves applying County level covered/non-covered ratios for each sector to Coburg level employment figures for each sector. However, because Coburg constitutes such a small percentage of Lane County employment, these ratios can be an inaccurate reflection of Coburg's employment scenario. As a result, the City Council recommended that the Study use a locally generated inventory/process that will more accurately reflect non-covered employee populations within the City.

TAC Input Requested: In order to generate a local estimate of non-covered employees, staff is seeking input from the TAC on industries within Coburg that are likely to contain higher numbers of employees that are non-covered. The City Council mentioned that the antique retail trade within the City may be a specific industry that needs to be evaluated. Staff is also reviewing business licenses and home occupations within the City for specific information and hopes to bring summary information to the meeting to discuss. Are there other key industries or sources of data that should also be reviewed?

### **3. How should the City determine its employment growth?**

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.

City Council Direction: 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 the Oregon Employment Department. 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 any particular sector could be made to reflect any local or recent insights that may adjust Lane County level trends to be more in tune with Coburg level trends.

### **4. What are the Key Trends in Coburg's local economy?**

Trend analysis is a key component of an Economic Opportunities Analysis. The objective is to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends.

The *2004 Urbanization Study* identified several projected county trends, including: a) continued growth in services and retail trade sectors, 2) growth in health services and business and professional services, and 3) limited growth in manufacturing, with most of that concentrated in "Other Durable Goods" which includes the transportation equipment and electronic equipment industries.

Since the economic vision was updated in 2005, there have been some changes in the local and regional economy that staff recommends should be evaluated as part of the EOA, as follows:

- The wastewater system, the lack of which being the primary constraint for substantial economic and UGB expansion, development has yielded an active project which is scheduled for completion in 2010.
- Manufacturing of transportation equipment has declined in recent years. The industry in Lane County and in Coburg is made up largely of recreational vehicle manufacturers. Several factors have lessened demand for RVs. Declining real estate prices and tighter credit mean less money is available for large purchases. In addition, high gas and diesel prices make RV travel less attractive.
- Housing construction has declined over the past couple of years as home values have dropped and credit availability has tightened.
- Employment growth within Lane County continues to be strong in two private-sector industries, health care and retail trade.
- Service industry such as Business Services & Engineering, Accounting, Research, Management & Related Services accounted for the largest share of net moves into the region.
- New emphasis on renewable energy and sustainable development may allow gains in market shares for manufacturing, construction and consulting firms. The Clean Technology sectors are seen as potential growth industries in the state.
- As part of the State's effort to use business clusters as an economic development strategy, Coburg should evaluate whether there are any specific competitive advantages it has to attract businesses within these business clusters.
- The volatility of the national economy, credit crunch and the ensuing instability in the global financial market brings uncertainty that should be closely evaluated.

TAC Input Requested: Staff will be continuing to review potential trends to see if any issues have changed, but also are seeking input from the TAC on any perceived changes that should be investigated further.

**5. What are Coburg's current economic priorities? What are the industries that Coburg would like to bring to town? Which are realistic?**

An Economic Opportunities Analysis is required (OAR 660-009-0015 (1)) to identify major categories of industrial or other employment uses that could reasonably be expected to locate or expand within the City.

**6. What is Coburg's development potential? What are Coburg's economic advantages and disadvantages?**

Specific factors to consider include: Location; Labor Force/Market; Transportation; Access to suppliers; Access to utilities; Sufficiency of support services; Public facilities; Educational and training programs; local planning support. It is important to strongly consider not only Coburg's many strengths, but also its weaknesses.

**7. Who are the critical stakeholders in Coburg's Economy?**

Staff would like to involve critical stakeholders in this discussion. Are there particular parties that we should be working with?