

# Urbanization Study Technical Advisory Committee ITEM SUMMARY

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## TOPIC: Urbanization Study – Tasks 4, 5 & 7

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Meeting Date: March 23, 2009  
Staff Contact: Petra Schuetz  
Contact Telephone Number: 541-682-3639

**ACTION:** *Confirm direction for Buildable Lands Inventory based on earlier feedback and review initial draft. Review and provide feedback on preliminary Economic Opportunities Analysis topics, including trends, economic opportunities, and priorities. Provide policy recommendation for methodology to use for calculation of employment density.*

### AGENDA ITEM SUMMARY

This memo provides a draft copy of the Buildable Lands Inventory (BLI) document for initial review by the TAC. This memo also summarizes some of the key components of the Economic Opportunities Analysis (EOA) and requests TAC input on a number of issues relevant to the EOA.

**Staff Recommendation:** Staff recommends that the TAC review the draft BLI and provide direction for any needed changes. Staff also recommends that the TAC develop recommendations to the EOA policy questions presented in Section II.

### KEY DISCUSSION ISSUES

#### I. BUILDABLE LANDS INVENTORY UPDATE

A preliminary draft of the Buildable Lands Inventory is included as Attachment 1. The report incorporates the recommendations that were discussed with the TAC at your February 2009 meeting.

TAC Input Requested: Please review the draft copy of the Buildable Lands Inventory, with particular attention to the methodology, and provide direction for any needed revisions.

#### II. ECONOMIC ANALYSIS UPDATE

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.

This **summary** will provide key findings for the four central components of the EOA thus far:

o **Review of national, state, regional, county, and local trends.**

The following summarizes the trends that are occurring at the national, state, regional and local level. These trends provide background and insight on factors that affect economic development in order to provide context for development of the EOA. As you read through these, please consider whether there are any gaps or changes that you feel are necessary.

National

- The aging of the baby boom generation, accompanied by increases in life expectancy.
- Innovation in electronics and communication technology, and its application to production.
- Continued growth in global trade and the globalization of business activity.
- Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy.
- Continued westward and southward migration of the U.S. population.
- The combination of rising energy costs, strong energy demand, and requirements to reduce emissions and increase use of renewable fuels.
- The growing importance of education as a determinant of wages and household income.
- The importance of high-quality natural resources.
- Changes in Credit.

Statewide

- Population changes in Oregon.
- Continued in-migration from other states.
- Distribution of population and employment across the State
- Tightening of labor market as a result of retiring workers.
- Shift from natural resource-based to high tech industries.
- Continued lack of diversity in the State economy
- Emphasis on Business Clusters as an economic development strategy.
- Export growth and high commodity prices:
- Future growth in domestic markets:
- Business costs advantages in Oregon: Environmental issues:
- Affordable housing:
- Biotechnology and Clean Technology:
- Renewable Energy and Sustainable development:
- Quality of life: Oregon will continue to attract financially secure retirees.

County

- Lane County is expected to experience the same aging of the baby boom generation.
- An analysis of economic competitiveness shows that the region is particularly competitive in Machinery Manufacturing, a sector expected to grow less than the regional average from 2006 to 2016. Of the competitive industries in the region, 15 are projected to grow faster than the regional

average. Of these, Ambulatory Health Care Services, Nursing and Residential Care Facilities, and Internet Publishing and Broadcasting are expected to grow fastest.

- The workforce region composed of Benton, Lane, Lincoln and Linn Counties was a net importer of businesses.
- According to a 2003 report by Claggett Wolfe Associates analyzing the Market Feasibility of Business Incubation Opportunities in Lane County, the County has an evolving technology sector that has become an important part of the regional economy.
- There will be an increase in Lane County in the demand for healthcare services.
- Shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy.
- Employment growth within Lane County is also projected to be strong in Leisure and hospitality, Food Services, and Professional and business services.
- There will also be an increase in Lane County in the demand for education. Educational and health services are projected to have the second highest percentage of new workers (31% increase from 2006 to 2016) when compared to all the sectors in the County.

#### Local

- The construction of the wastewater facility system
- Continued low population to employment ratio.
- 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 and region.
- 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.
- More recent analysis of state and county employment trends suggests that the employment target of 5,157 for 2025, established in 2003, is unlikely (see Attachment 3).
- New Serenity Lane Campus proposed to be coming to town.
- Current Interchange Area Management Plan (IAMP). Funding for improvements to the I-5 interchange, along with state level interest in the interchange for increased economic potential as the northern gateway to the Eugene-Springfield metro area.
- Recent district discussions of Coburg Elementary School closure.
- Continued pressure from the growth of Eugene-Springfield.
- Current downturn in the RV Industry.

**TAC Input Requested:** What feedback does the TAC have on local and regional economic trends addressed (or not addressed) above?

o **Assessment of community economic development potential.**

Economic Factors: Each place has access to different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all places have these factors to some degree, the mix and condition of these factors vary by location. The mix of factors of production and access to markets in a location relative to other locations is referred to as a location's *comparative advantage*. This section focuses on the comparative advantages of Coburg relative to Lane County and Oregon. As you read through these, please consider whether there are any gaps or changes that you feel are necessary.

***Location***

Coburg's proximity to Eugene-Springfield and the I-5 corridor are its two most key comparative advantages affecting economic development.

***Quality of life***

Coburg's small-town character, coupled with its proximity to Eugene--Springfield and I-5, is an important comparative advantage.

While Coburg has many desirable qualities, one aspect of quality of life that is lacking is retail services. Coburg currently lacks many retail options for residents, particularly a full-service grocery store and pharmacy.

***Buildable Land***

The BLI presents detailed information on the supply of buildable land in Coburg. Table 9 summarizes the amount of buildable land in Coburg to accommodate employment growth.

**Table 9: Employment Lands, Buildable Land Supply**

<b>Plan Designation</b>	<b>Acres</b>	<b>Gross Vacant Acres</b>	<b>Unbuildable Acres</b>	<b>Constraint Deducted Acres</b>	<b>Gross Vacant Acres</b>	<b>Public Facilities Land Deduction (acres)</b>	<b>Total Net Acres</b>	<b>Pro-rated Buildable Re-development Acres</b>	<b>Total Buildable Acres</b>
Central Business District	15.0	4.5	0.2	0	4.3	0.3	<b>4.0</b>	1.0	<b>5.0</b>
Highway Commercial	94.3	36.6	0	8.5	28.1	4.9	<b>23.2</b>	15.9	<b>39.1</b>
Light Industrial	193.1	21.1	1.2	0	19.9	3.7	<b>16.2</b>	12.2	<b>28.4</b>
<b>Total</b>	<b>302.4</b>	<b>62.2</b>	<b>1.4</b>	<b>8.5</b>	<b>52.3</b>	<b>8.9</b>	<b>43.4</b>	<b>29.1</b>	<b>72.5</b>

Table 9 shows that the City of Coburg currently has about 72.5 vacant, partially vacant or underdeveloped non-residential acres.

In reviewing the information, one of the key issues that will need to be considered is the availability of commercial and industrial land within the UGB, both in terms of total acreage, but also parcel size and variety of sites. According to information in the BLI, Coburg does not contain any vacant Light Industrial sites over 10 acres in size or Highway Commercial sites over 20 acres in size. There is the potential to aggregate properties into larger tracts, particularly in the vacant Highway Commercial located between Industrial Way and I-5. However, the limitations in available land may impact the ability for the City to attract larger businesses that require significant land area.

All of the commercial and industrial sites identified as vacant, partially vacant, or underdeveloped within the Coburg UGB are serviceable or can be serviced in the future. Water service is available to all sites on the westside of the interchange. The City does not presently have a sewer treatment system, but the second phase is under construction spring of 2009. The wastewater system scheduled for completion in 2011. All sites are accessible.

### ***Transportation***

The primary regional facility in Coburg is I-5, which provides access to regional, national, and international markets. Proximity to I-5 is an important comparative advantage for Coburg, particularly to attract firms that need a high degree of access for employees, suppliers, customers, and shipping products.

Access to I-5 in Coburg is presently limited by the capacity of the Coburg interchange on I-5. This interchange currently consists of a narrow overpass that limits capacity and truck movements. The City, Lane County, and the Oregon Department of Transportation (ODOT) have nearly completed the adoption process for the Interchange Area Management Plan (IAMP). IAMPs manage interchanges and adjacent land to ensure integration of land use and transportation planning. Resolution of the current interchange capacity problems is a key issue to ensure that economic development is not constrained in the short or long-term.

After I-5, Coburg Road is an important transportation facility linking Coburg to Eugene-Springfield to the south and Harrisburg to the north. Coburg Road becomes Willamette St. within the City urban growth boundary. The local street system in Coburg is adequate for current development and to serve existing vacant sites within city limits, though local circulation at the periphery of the city limits needs to be improved. Internal roads may be needed for development of some vacant sites in Coburg. This infrastructure will be built by the developer. Extension and improvements to local collector roads will be required in conjunction to future development.

Transit service, provided by Lane Transit District, includes minimal circulation within the city, but does provide direct service to Eugene..

The location of future transportation corridors and access to I-5 will be key issues to consider if the City determines that expansion of the UGB is needed to accommodate additional employment lands.

## ***Public Services***

### ***Sewer***

Coburg's wastewater facility will also have capacity to accommodate additional users as soon as the system is operational. Project engineers assert that Coburg's existing wastewater usage would constitute approximately 760 Edu (An Edu is a measure of flow, representing the equivalent of a residence). The engineers estimate that non-residential uses make up just over half of Coburg's 760 Edu.

The Coburg wastewater facility is being planned and constructed to accommodate approximately 2000 edu. All of the system will be built either to immediately accommodate that many users or as a part of a modular system where additional modules can easily be added to ramp up to that ultimate capacity. In addition, portions of the system, especially the collection system, are being built to accommodate more users beyond the 2000 Edu. The funding structure is such that existing users are paying for their share of the capacity of the system and future users will pay, through system development charges (SDCs) for the built-in future capacity. The wastewater system does not discriminate between different types of users. If there is large scale commercial development that uses more of the capacity there may be a reduced capacity to accommodate additional residential users.

### ***Water***

The City of Coburg owns and operates the Coburg Water System, which serves businesses and residents within the Coburg city limits. According to the 2005 Water System Master Plan Update, the current water system is deficient in both supply and storage. Current well field capacity with the largest well offline is 525 gallons per minute, or 756,000 gallons per day. Sufficient capacity will need to be added so that the maximum day demand of 1.64 Mgd can be met with the largest well out of service. In addition, current storage capacity of 1 MG is not adequate for future demand. To ensure ample fire protection, emergency supply, and equalization storage, 1.6 MG of storage will need to be constructed. The City is currently in the process of selecting a site and design for a new well to increase its water capacity. In addition, the Master Plan indicated the need for the City to apply for another water right permit.

### ***Public Safety/Emergency Services***

According to the Oregon Economic & Community Development Department (OECDD), the Coburg Rural Fire Department has one station and 28 paid and volunteer fire fighters, and the Coburg Police Department has two full-time officers and four reserve officers.<sup>1</sup> This level of fire and police protection has been significantly reduced from past levels due to budget constraints and could be considered inadequate for the existing population and employment base in Coburg.

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<sup>1</sup> City of Coburg Website, [http://www.coburgoregon.org/home/cob/smartlist\\_64/departement\\_personnel.html](http://www.coburgoregon.org/home/cob/smartlist_64/departement_personnel.html), 01/27/09

Police and fire protection will need to increase as the City's population and employment grows.

State of the art medical services are available only 5.5 miles away from Coburg at the newly constructed Sacred Heart Riverbend hospital in Springfield.

### ***Utilities***

According to the Oregon Economic & Community Development Department (OECDD), Coburg is served by Northwest Natural for natural gas and Pacific Power and Light for electricity. Rates for industrial and commercial customers vary by need and may be negotiated for very large consumers of utilities.

Equally critical to the attraction and retention of many business sectors, is the creation and maintenance of a strong technology infrastructure. Coburg's telecommunications services are provided by Qwest and by Charter Cable. Broadband services are available only from Qwest. Among these DSL and T1 lines are the primary services used.

### ***Local Planning and Support***

Economic Development in Coburg and Lane County is served and supported by a number of organizations who are dedicated to elements of economic wellbeing in the Coburg and Lane County. These organizations include: Convention & Visitors Association of Lane County Oregon (CVALCO), Coburg Chamber of Commerce, Lane County Community and Economic Development, Lane Metro Partnership, as well as staff and officials responsible for economic development at the City of Coburg. Most of these organizations address economic development for Lane County or the entire State forcing Coburg to compete with other communities for the resources available for such assistance. Coburg's development constraints, specifically the lack of sewer service, have made it a challenging area for economic development, however its excellent location and other economic factors have provided for significant industrial development in the recent past.

The planned development of Coburg's wastewater treatment facility is evidence of local planning and support for growth and expanded opportunity.

The City does not contain an enterprise zone designated under ORS 285C.250. An enterprise zone is a specific area in which new plant and equipment of "eligible" (typically manufacturing) businesses that create jobs receive exemption from local property taxes for three or more years. Previously, an enterprise zone was established, but this was terminated in 1995.

Coburg's Comprehensive Plan includes numerous policies and goals aimed at supporting Coburg's Economy (see Attachment 2). As part of its comprehensive planning, the City will have to find some balance between sometimes conflicting goals of, for example, high-quality public services and low costs, or accommodating employment growth with low-cost land and protecting farmland around Coburg from urbanization. Additionally, there are several comprehensive plan policies addressing the preservation of Coburg's small town atmosphere and

quality of life. Economic development will be subject to both sets of local values and priorities.

A survey was sent to Coburg businesses and local economic development organization personnel. Respondents to that survey identified both positive and negative local planning and support dynamics in Coburg. The results for this survey are reported in a later section of this memo (pg. 16).

### ***Labor Force***

The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. The labor force in Coburg is not limited to local residents; firms in Coburg attract workers from surrounding communities, and residents of Coburg may work in other communities. The labor market area in Coburg includes the Eugene-Springfield metropolitan area and rural communities in the southern Willamette Valley.

The availability of skilled labor is critical for economic development. A recent statewide survey in Oregon found that nearly one-half of Oregon's employers in Lane County said that a shortage of skilled workers made it difficult to find qualified workers to fill job vacancies. This shortage was reported at a slightly higher frequency by Lane County employers than Oregon employers. The same survey revealed that Lane County's employers are most interested in "Soft Skills" like work ethic, interpersonal skills, problem solving and critical thinking.

### ***Housing***

Housing is an important component of any economic development strategy. Goal 10 requires cities to develop strategies to provide housing affordable to households at all income levels. In addition to concerns about availability of housing affordable to lower income households, issues of providing higher quality housing for managers need to be considered in both housing and economic development strategies. Since employees in Coburg could live in Eugene-Springfield or other communities in the southern Willamette Valley, housing capacity is not crucial for increasing employment in Coburg. Housing availability, however, is important if Coburg seeks to attract employers who wish to offer their employees the quality of life and short commute that comes from living and working in a small town. Housing is also important to maintain a balance between jobs and housing to reduce automobile commuting and to achieve other economic development goals.

### ***Renewable and Non-Renewable Resources***

Despite reduced logging because of environmental concerns, the proximity to supplies of raw timber mean that forestry, logging, and other production related to the forest will remain important economic activities in the southern Willamette Valley and western Oregon. Coburg's proximity to timber supplies and I-5 might allow it to attract firms engaged in lumber and wood products manufacturing or related activities. Coburg is also located in an area with prime agricultural land, particularly to the north and west of the city. The proximity to prime farmland can help Coburg attract businesses that support farming activities, such as farm equipment manufacturing and sales. Coburg might also attract businesses in food processing or markets that sell local agriculture products, such as organic farms or

specialty nurseries. The development of the local agriculture industry can help support the small-town character of Coburg. Development of a farmer's market or similar farm stands could help attract visitors to Coburg and create synergy with existing businesses and events in the city.

**TAC Input Requested:** What feedback does the TAC have on elements of Coburg's economic conditions/potential addressed above?

### ***Economic Priorities***

Priorities for Coburg's economy can be difficult to summarize. A review of recent Coburg community visioning documents, interviews with stakeholders and conversations with the Coburg Technical Advisory Committee reveals a number of priorities for Coburg's economy. First, it is a clear priority of the City to protect the small town atmosphere that exists in the majority of Coburg, particularly the area in and around the Central Business District. Economic priorities seem to focus on the possibility of industries that capitalize on that dynamic. Additional priorities include a desire to attract more professional office activity, as well as health related businesses. Also, the City has indicated its continuing commitment to provide ~~an~~An adequate amount of level, buildable land which has good access to arterial streets shall be provided within existing city limits to meet local and regional industrial needs. The following describes these different sectors in more detail:

#### **Retail Trade**

There is a widely expressed desire for more Retail Trade businesses that focus on Coburg's reputation and history in antique shops and malls. Connected to that is a desire to develop and attract more businesses in the Leisure and Hospitality Sector. Because of the City's proximity to I-5 and its uniqueness, Coburg is seen by many as having additional potential as a tourist destination.

Preliminary Input from Economic Development Specialists: LCOG has been in contact with a number of representatives from organizations who are actively involved in economic development issues in order to assess business trends and needs and their impact on Coburg's economic development, including Jack Roberts of the Lane Metro Partnership and Bob Warren of the Oregon Economic & Community Development Department, as well as the State's Economist for this region, Brian Rooney.

There is agreement that there will be demand for retail goods and services with increasing population, but cautioned that this is unlikely to be a large economic opportunity for the City.

There was also concern expressed by Jack Roberts about the retail trade resulting in tremendous spillover to other businesses. Similarly, Brian was suggested that growth in Leisure and Hospitality is a reliable assumption.

#### **Professional Office**

Additional priorities include a desire to attract more professional office activity, as well as health related businesses. Coburg is not far from the new Sacred Heart Riverbend Hospital in Springfield and sees its locale as desirable for health related

and support services. Coburg is currently home to Manley services which is a licensed third party medical benefits administrator.

Preliminary Input from Economic Development Specialists: There have been concerns expressed about the potential for Coburg to attract firms in the health industry. In general, there is a tremendous amount of competition for these uses, and Coburg is viewed as being too far from the new hospital; therefore, it is projected that the majority of support services to the hospital will locate in Springfield, closer to the hospital.

### Industrial

Coburg's residents cannot and do not disregard the City's potential for industrial business growth. The City lies directly on I-5, the main thoroughfare for ground transportation in the Pacific West. The RV industry currently dominates the industrial lands between downtown Coburg and I-5. With concern rising regarding the long-term health of the RV Industry, and the Coburg's desire to better realize its economic potential, diversify, and be flexible to respond to a variety of potential business sectors, the City has identified several industrial priorities. These include:

- *Clean-Tech Manufactures:* The clean tech industry is fairly new and not easy to define. One summary of the clean tech industry is provided by cleantech.com which states that "clean tech is new technology and related business models offering competitive returns for investors and customers while providing solutions to global challenges". The Clean industry embraces a diverse range of products, services, and processes across industries, but is generally defined by the following industrial segments:
  - Energy Generation
  - Energy Storage
  - Energy Infrastructure
  - Energy Efficiency
  - Transportation
  - Water & Wastewater
  - Air & Environment
  - Materials
- *Warehousing/Distribution Centers:* Distribution centers typically consist of a warehouse or other specialized building with refrigeration or air conditioning which is stocked with products to be re-distributed to retailers or wholesalers.
- *General Industrial:* General industrial building types can accommodate light to heavy manufacturing activities and encompass a wide range of activities from research, development and manufacturing and fabrication.
- *Other industrial priorities:* The 2004 Urbanization Study identified Agriculture as an industry exhibiting a comparative advantage within Coburg.

General Comments: As the City looks to diversify the types of businesses, it is also important to evaluate its policies to ensure that they do not erode industrial lands. The City contains areas that have the potential to be prime industrial land, given their size, topography, provision of utilities, and access to transportation.

Preliminary Input from Economic Development Specialists:

*Clean-Tech Manufacturers:* There is a great demand for this type of facility throughout the State and nationally as well. Because this is an emerging industry, the future of this sector is seen as uncertain at this time, and could be volatile as businesses adapt to changing market factors.

*Warehousing/Distribution Centers:* Coburg exhibits a lot of the competitive advantages conducive to warehousing and distribution centers. These include its proximity to I-5, regional markets, and labor.

One potential area of emerging growth observed by Jack Roberts includes medical equipment distribution centers, which would rely on good transportation access.

There was concern expressed by Bob Warren about the size of available land that may be needed to accommodate these uses and the need to resolve the access issues at the interchange, if these uses were to locate within Coburg. As an example, the nearby Lowe's distribution center is approximately one million square feet, similar to the size of the Target distribution center in Albany.

There are uncertainties about the barriers that may exist within the Coburg's land use regulations pertaining to these uses. Currently Coburg's zoning does not allow for new warehousing facilities within its Highway Commercial zone and limits wholesaling, warehousing and storage to 250,000 square feet in the Light Industrial zone.

*General Industrial:* There was general agreement that Coburg is well-suited to support industrial development, provided that it has sufficient available land and is able to address the interchange issues.

Manufacturing was identified by Brian Rooney as a competitive industry for Coburg, particularly small manufacturing. Brian's opinion was that an expectation for a large manufacturer like another Monaco Coach would likely be disappointed, but that energy should perhaps be focused on regional manufacturers instead.

In contrast, Bob Warren suggested that if Coburg were to provide an inventory of large sites (50+ acres) it could have a marketable advantage over other communities in the area, such as Eugene and Springfield, which do not have the ability to accommodate large-size sites. Bob commented that there is a lot of competition for mid- to smaller-size sites, and that businesses looking for this type of site may be drawn closer to the urban services in Eugene and Springfield.

Finally, Jack Roberts stressed the need to provide a variety of sites so that the City could be flexible in responding to the needs of different manufacturers. The following sample range of sites was recommended to respond to market factors:

- One 50+ acres site
- One-to-two 20+ acre sites
- Smaller sites with intermix of commercial and industrial uses

Jack also stressed the need for buildings to be flexible so that they can be adaptable to different uses.

*Agriculture-related Industry:* Businesses that capitalize on the City’s location within the Willamette Valley, proximity to farmlands, and good transportation access, such as natural food manufacturers, were also mentioned. The region has established a good reputation for this type of industry, and Coburg could capitalize on this.

*Other Comments:* One of the concepts stressed was the need to have strong vision, but to remain open to options that may come forward. Representatives commented on the need for available land and potential limitations for logical expansion areas for industrial development due to existing constraints, such as wetlands, agricultural land, and proximity to residential lands. The eastern side of I-5 was mentioned as a potential logical expansion area.

**TAC Input Requested:** What feedback does the TAC have on elements of Coburg’s economic conditions/potential addressed above? Does the TAC have any recommended changes to its economic priorities and target industries in response to comments from economic development specialists?

- o **Identification of required site types.**

The EOA must identify the number of sites, by type, reasonably expected to be needed for the 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.

In order to accomplish this task, the TAC and CUS staff will need to:

- Identify target industry opportunities (see Trends and Economic Priorities section above for preliminary list of target industries). A summary of required site types will be based on the types and sizes of firms Coburg expects in the short and long term future. This will be determined through the analysis of trends, priorities and competitive factors.
- Complete employment projections to determine the growth in employment in each of the sectors. The employment projections for Coburg will also provide valuable insights into realistic expectations for the amount of growth that can be expected, as well as which types of growth. Below is a summary of the employment forecast for Coburg by land use type.

<b>Employment Type</b>	<b>Change 2008-2031</b>
Industrial	318
Commercial	385
<b>TOTAL</b>	<b>703</b>

Commercial uses include both uses that could occur within the Highway Commercial zone as well as the within the Central Businesses District zone.

Although the forecast suggests more commercial growth than industrial growth, both appear to be roughly balanced. Commercial employment is broadly categorized, and includes any employment that would occur on commercially zoned lands (institutional, government, etc.).

Coburg's economic priorities and comparative advantages will also inform the identification of required site types. This is particularly true of industrial sites. Coburg can focus recruitment efforts on specific industries that exhibit both realistic promise to locate and succeed in Coburg, and to meet the City's economic vision and goals.

- Determine the type of sites that would meet demand, based upon the target industries and projected employment growth. This evaluation would identify factors such as site size (acreage), public facilities, utilities, surrounding development patterns, access to transportation infrastructure, and other site amenities that are unique to a specific industry. The following provides a preliminary overview of the site requirements for each of the industry categories that Coburg has shown interest in:
  - Retail Trade: The need for retail trade sites in Coburg seems to be focused on the antique industry and supporting industries. These sites are most successful in the Central Business District and have fairly moderate land requirements (.25-1 acre). However, there is expressed desire for the presence of a grocery store and other similar services which would require larger sites (2-6 acres).
  - Leisure and Hospitality: Coburg residents have expressed a desire for services that support the City's antique industry. This includes more overnight accommodations, and more restaurants. These uses require sites roughly .25-1 acre in size
  - Health-related Industries: City priorities have not been clearly outlined for this sector, and should be discussed further in March's TAC meeting.
  - Clean-Tech Manufactures: The energy efficiency industry is an amalgam of different business types. Ranging from prototypical professional services firms (e.g. mechanical, electrical, architectural services) to trade skill oriented installation contractors (plumbers, pipefitters, sheet metal), to insulation/weatherization installers. Because of this diversity, the industries space needs vary widely, but many are typical to other industries. The needs of the energy efficiency industry do not tend to be dramatically different from traditional industries. Typical needs include: Modern high speed communications infrastructure; access to customers; space affordability. For those involved in direct installation, access to qualified skilled trades is also an important plus.
  - Warehousing/Distribution Centers: OECDD's "must" criteria for Warehouse and Distribution industries, include a minimum of 25 net contiguous developable acres. that is within 5 miles of an interstate or highway. Suitable sites for warehouse/distribution should contain the following characteristics:

- Freeway access within 3-5 miles of an interchange via an arterial street, no intermediate conflicting uses such as residential, schools and high traffic generating commercial uses;
  - Development of new warehouse/distribution locations need to provide enough area for a number of uses not just one single site;
  - Slopes of less than 5%, larger buildings are more difficult to accommodate on sites with greater slopes;
  - Highway routes are key: I-5, I-84, I-205;
  - Rail access is preferred for many Warehouse Distribution Centers.
- General Industrial: General industrial building types can accommodate light to heavy manufacturing activities and encompass a wide range of activities from research, development and manufacturing and fabrication. Buildings can be as large as 400,000 square feet in size. The buildings range from custom built projects for single user company operations to more general spaces that are built as speculative facilities. Heavy manufacturing activities that require bulk materials locate adjacent to rail and port facilities to take advantage of cost savings from these types of transportation facilities. General industrial sites need the following site characteristics:
    - Freeway access within 3 miles of an interchange via an arterial street;
    - Freeway access within 3 miles of an interchange via an arterial street;
    - Net parcel sizes: varies between 1-5 acres and 10-20 acres, depending upon the shape of the lot and constraints;
    - Location near other firms to provide access to an adequate labor pool
    - Stable soils, flat sites to reduce required site work, allow truck access and interaction between businesses;
    - Manufacturing sites greater than 20 acres must have slopes less than 2 to 3 percent; the larger the building the less likely a project can accommodate slopes greater than 3 percent; and
    - Manufacturing sites between 1-5 acres – slopes no more than 5 to 10%
  - Other industrial priorities: The 2004 Urbanization Study identified Agriculture as an industry exhibiting a comparative advantage within Coburg.
  - Utilizing the above summarized data regarding Coburg's economic priorities; employment forecasts, employment lands; and planned employment densities allows staff to develop a matrix summarizing the recommended number of additional land required within the planning period.
  - Once estimated demand is determined, it will be compared against the supply of available land provided in the BLI. Attachment 1 contains a summary table (see Table 7) that overviews the gross buildable vacant land by plan designation and parcel size. As noted earlier, there appears to be a shortage of larger sites to meet the site requirement needs of some of the industries noted above.

**TAC Input Requested:** Does the TAC have comments or feedback on the results or remaining questions regarding the specific land needs of Coburg's target industries?

**Economic Opportunities Survey:**

In Mid-February CUS staff with the help of Coburg City staff, sent out an e-mail survey to businesses, agency staff, and real estate professionals. The survey included questions regarding Coburg's Economic priorities, challenges, strengths, opportunities and the future. Approximately 120 individuals/organizations were contacted by mail or e-mail or both.

Response to the survey was disappointing. As of March 17, 2009 only five surveys have been returned, and no response was received of agency staff.

From those who responded the following themes arose:

- Respondents confirmed that factors attracting business to Coburg are its proximity to Eugene-Springfield, its small town environment, proximity to I-5 and reasonable start-up costs.
- More than one respondent identified the following factors that may detract business from locating in Coburg: small town politics, lack of sewer service, and lack of services. One respondent expressed disappointment with the lack of a strong "anchor" in town.
- Respondents suggested that better dining and grocery opportunities were needed. Others suggested focusing on the antiques industry.
- Among respondents generally, interest in industry growth was limited to areas along the freeway.
- Some respondents expressed concern in making plans during this period of economic recession.
- Respondents generally expressed optimism in Coburg's economic advantages (proximity to I-5 mentioned multiple times).
- Some concerns for future included "lack of civic protocol", lack of sufficient City staff, loss of citizen's trust, and lack of clear vision.
- More than one respondent expressed frustration with inconsistencies in design standards, causing confusion and lack of cohesion in town.

Those who responded to the survey provided meaningful feedback. However, with such a low response rate, this feedback can only be considered anecdotal. Many questions, for which answers were anticipated, remain unanswered. Some are immensely complicated by the current economic state. These include:

- What are the expected plans for growth among existing firms?
- What can we anticipate as local absorption rates?
- What industries do the businesses in Coburg think the City should seek to grow and develop? What sizes? And what are the specific obstacles to attracting them?

Staff has recently individually contacted several local economic agency representatives to gain needed expert insights to inform and strengthen Coburg's economic priorities and vision and integrated their comments into the analysis.

**TAC Input Requested:** Does the TAC have comments or feedback on the results or remaining questions from the Economic Opportunities Survey?

**Employment Density:** Key to the assumptions about employment growth and land demand will be a methodology for determining employment density in Coburg. Employment density varies considerably by industry and even within industries. There are two primary approaches that are used: employees per acre and floor area ratio. Each of these methods has its advantages and disadvantages. These two methodologies are summarized below:

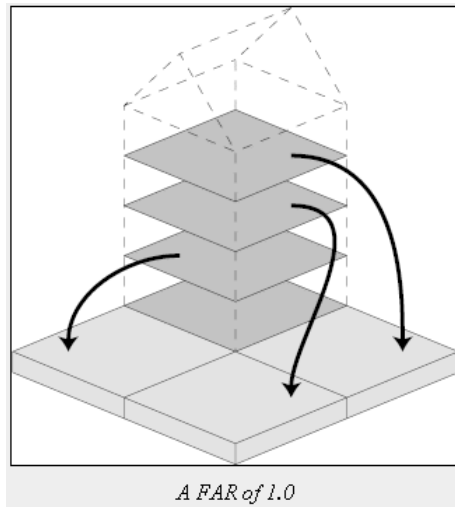
**Employees per Acre Analysis (EPA):** This method uses an estimation of the number of employees per acre per industrial sector to determine the number of acres necessary to support the projected employment growth. According to the Industrial and Other Employment Lands Guidebook prepared by DLCD (2005), typical employment densities per net acre (where constrained lands and infrastructure have already been subtracted) range from 8-12 jobs in industrial; 14-20 jobs for commercial; and 6-10 jobs for institutional/other jobs. Although some high rise office buildings in metropolitan downtowns are as dense as 100 employees per acre, an office in a non-metropolitan downtown or suburban setting typically has about 20 employees per acre. Employees per Acre can be averaged by industry or land use type.<sup>2</sup> Staff has developed a summary of existing EPA's in Coburg:

Table X EPA Assumptions by Sector	Existing
<b>By Sector</b>	
Construction	28
Manufacturing	23
Wholesale trade	5
Retail trade	13
Transportation, warehousing and utilities	3
Information	60
Financial activities	35
Professional and business services	33
Educational and health services	20
Leisure and hospitality	23
Other services	2
<b>By Land Use Type</b>	
Industrial	15
Highway Commercial	4
Central Business District	29

**Floor to Area Ratios Analysis (FAR):** Another method for determining employment density is to estimate the capacity for employees through assumptions of floor area ratios and square feet of built space per employee. This method is designed to be

<sup>2</sup> Industrial and Other Employment Lands Analysis Guidebook, Department of Land Conservation and Development, 2005

closely linked to the limitations established by the development code (building height, lot coverage, parking, etc.). This method tends to yield greater densities than those typically assumed for employees per acre (EPA). This is because it often assumes more optimal use of employment lands that may occur as lands are developed at higher intensity.



The following graphic shows a Floor Area Ratio (FAR) of 1.0. This simply means that, if the area of the plot is 100 square meters, then 100 square meters of gross floor area has been built on the plot. The illustration shows a 4-story building covering 1/4 of the site, giving a FAR of 1.0. Four floors of 25 square meters each are built on a site of 100 square meters.

The FAR methodology utilizes employee per square foot assumptions to determine employment density. There is general consensus in empirical studies that a range for office use is between 300 and 500 square feet; retail can be the same or slightly higher.

Industrial and warehousing may reach as high as 600 to 1,000.

Estimates for FAR can be averaged for industry or land use type. Though the Coburg Zoning Ordinance does not establish a floor area maximum or minimum in any of its zoning districts, staff has used other development factors such as building height, lot coverage, and parking to calculate a potential FAR. Using this method, it was determined that the Highway Commercial district has the potential to yield an FAR of 0.7, while the industrial zone has the potential to yield an FAR of 0.6. The potential FAR for the Central Business District could be greater, given the higher allowable lot coverage. Attachment 4 provides a visual representation of this development potential.

Though there is potential to achieve these FARs, market conditions and community sentiment may not support this intensity of development within Coburg. To better understand how this FAR would correspond to a typical EPA analysis, staff has prepared a table summarizing corresponding EPA figures, as well as both existing and "typical" EPA figures.

**Table: Coburg EPA and FAR Results Comparison**

	FAR	Emp/sq ft.	Corresponding EPA	Existing EPA	"Typical" EPAs
<b>Central Business District</b>	1	1/400	108	29	15-25
<b>Commercial Highway</b>	0.7	1/500	60.9	4	10-15
<b>Light Industrial</b>	0.6	1/1000	26.1	15	8-12
<b>Campus Industrial</b>	0.5	1/500	43.5	N/A	15-20

These figures demonstrate that an FAR methodology using a greater development potential will yield significantly more employees per acre than would traditionally be found within Coburg or within 'typical' conditions. This can be adjusted by modifying the anticipated FAR. Other economic opportunity analysis reports reviewed by staff have used an FAR of 0.3. Attachment 4 provides a visual representation of this FAR.

Attachment 5 provides other examples of how FAR, using FAR development numbers that better align with typical employment per acres figures, would be used to determine employment density.

**Recommendation:** Staff has reviewed both methodologies and has also sought guidance from other planning professionals including DLCD. It is staff's recommendation that the FAR methodology be used for the Coburg Urbanization Study Update. The benefits of FAR analysis include the following:

- Employment density will be linked inherently to the realities of what the code will allow. The analysis process also reveals what Coburg's employment density potential is.
- FAR is better when trying to establish changes to historic employment growth patterns. For example, the Highway Commercial zone currently has an EPA that is extremely low. FAR analysis reveals the employment potential of the zone and allows for wiser consideration of the use of sites within that (and other) zones.

Once a methodology is determined and employment densities are calculated, an estimate of the employment land need can be generated. Forecasts, in combination with local and expert insight, can be used to inform how many sites of each employment type will be necessary to meet assumed demand.

**TAC Input Requested:** What methodology should we use for determining employment density in Coburg? If the FAR methodology is used, what FAR numbers should be used for each of the land use districts?

- **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.

This Buildable Lands Analysis was only recently completed. The conclusions of that analysis include assumptions about the availability of employment lands within Coburg.

### III. Remaining EOA Tasks:

- **Short-Term Analysis:** Staff will also conduct a short-term economic supply and demand analysis. This analysis will look at Coburg's economic needs and opportunities within the next 1-5 years. Critical to the analysis will be an understanding of short-term constraints. This should include a review of ownership dynamics, current market trends, local planning and support (including economic policies), and site availability (short-term land supply).

As noted previously, a brief review of the BLI results suggests that there may be short-term constraints in terms of available industrial land supply. However, the current economic slowdown has also resulted in a fairly significant surplus of industrial sites in the region. CUS staff will be further evaluating the implications of land availability in the region and within Coburg to determine its affect on the short-term analysis.

- **Summary of needed sites by type and size:** Task 8 will involve the comparison of the land supply with land demand. This will overlap with the final elements of the

EOA. During this analysis staff will review the acreage needs that correspond with the expected employment growth and economic priorities in Coburg, as well as the amount of available land within the UGB to accommodate that growth. This need will be identified by specific site type and approximate site size. If all needed acreage cannot be accommodated within the UGB, there will be a deficit, and an identified need for additional acreage.

**TAC Input Requested:** Does the TAC have any initial comments on Coburg's short-term economic constraints?

## **ATTACHMENTS**

1. Draft Buildable Land Inventory
2. Coburg Comprehensive Plan Economic Development Policies
3. Employment Forecast
4. Visual Representations of FAR
5. FAR Example Worksheet