

STAFF REPORT
CITY OF COTTAGE GROVE; CPA 1-25
COMPREHENSIVE PLAN AMENDMENT
AMEND THE COMPREHENSIVE PLAN TO INCLUDE
THE 2025 ECONOMIC OPPORTUNITIES ANALYSIS
March 18, 2025

PROPOSAL DESCRIPTION

Date application filed: February 6, 2025

Applicant: City of Cottage Grove
400 Main Street
Cottage Grove, OR 97424

Location: City-wide.

Comprehensive Plan Designation: N/A.

Zoning: N/A.

Proposal:

The City of Cottage Grove has recently completed a 12-month long effort in partnership with EcoNorthwest and the Advisory Committee to draft the 2025 City of Cottage Grove Economic Opportunities Analysis (EOA) and a revised section of the Economic Development Element for the Comprehensive Plan which implements the EOA.

This proposal will amend the existing Comprehensive Plan Economic Development Element with a new Economic Development Element based on the 2025 EOA and adopt the 2025 EOA as background to this Element.

This project was funded through the Technical Assistance Grant provided by the Department of Land Conservation and Development (DLCD).

The Economic Development Element of the Cottage Grove Comprehensive Plan addresses the factual basis for Cottage Grove's economic development strategy and includes policies to direct the City's economic development efforts. The Economic Development Element was last updated in 2009 and no longer accurately reflects the economic environment of Cottage Grove.

Statewide Planning Goal 9 Economic Development and the administrative rule that implements Goal 9 (OAR 660-009) require that cities base their economic development planning on Economic Opportunities Analyses. An Economic Opportunities Analysis (EOA) must include an analysis of lands needed within a city's urban growth boundary for commercial and industrial uses through a 20 year planning horizon.

Executive Summary of the Plan:

The City of Cottage Grove is working on updating its Economic Opportunities Analysis (EOA) for the first time since 2009. Cottage Grove's last EOA concluded that the city had a deficit of land for industrial uses and a small surplus of land for industrial uses. Since the previous EOA in 2009, Cottage Grove expanded its UGB for industrial land. The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within Cottage Grove between 2025 and 2045, (2) evaluate the existing employment land supply within the city to determine if it is adequate to meet that need, (3) help the City understand its economic opportunities in the context of Cottage Grove's comparative advantages and disadvantages, and (4) fulfill state planning requirements for a twenty-year supply of employment land.

How much buildable employment land does Cottage Grove currently have?

Cottage Grove has 648 total acres in its commercial or industrial plan designations. Of these 648 acres, about 90 acres (14%) are unconstrained and buildable within its UGB. Of Cottage Grove's buildable acres, 30 (33%) are designated for commercial uses and 60 (66%) are designated for industrial uses.

How much growth is Cottage Grove planning for?

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Cottage Grove needs an estimate of the amount of commercial and industrial land that will be needed over the 2025 to 2045 planning period.

Cottage Grove's base of covered employees is 3,656 workers in 2022 (or 4,813 total employees). Cottage Grove is forecast to have 5,799 employees by 2045. This is an increase of 986 jobs over the planning period.

Most new employment will require commercial and industrial lands, accounting for over 90% of new employment growth (915 employees) over the 2025–2045 planning period. Cottage Grove will accommodate new government employees in existing government buildings and areas designated for public use.

How much land will be required for employment?

The forecast for land needed to accommodate employment growth in Cottage Grove shows that the growth of 986 new employees will result in demand for about 101 gross acres of land for commercial (28 acres) and industrial employment (73 acres).

Does Cottage Grove have enough land to accommodate employment growth?

Cottage Grove has sufficient land to accommodate demand for commercial employment in its UGB, but it does not have sufficient land to accommodate demand for industrial employment. Cottage Grove has a 13-gross-acre deficit of industrial land and may want to consider a UGB expansion to address that land deficit.

Cottage Grove has a limited number of industrial sites larger than 5 acres. Cottage Grove has one 5-acre buildable industrial site and one 14-acre buildable industrial site. The City aspires to grow manufacturing jobs, which typically have higher than average wages, and may require more industrial land in the future, especially sites 10 acres and larger. Over the next few years, the City could identify and support opportunities for redevelopment of underutilized industrial sites and buildings within the city.

In the longer-term, the City may want to identify opportunities for potential UGB expansion for one or more larger industrial site. The primary challenges to UGB

expansion include: constraints around Cottage Grove (such as floodplains and steep slopes), parcelization of land outside the UGB (and likely need to assemble land into a larger site), amount of rural residential development outside of the UGB (and complexities of industrial development adjacent to residential land), costs of extending infrastructure to areas outside of the UGB, and the prevalence of farm and forest land around Cottage Grove.

What are Cottage Grove's growth opportunities?

Cottage Grove's primary competitive advantages are:

- ◆ **Location and Transportation.** Cottage Grove is located along I-5 and Highway 99, approximately 20 miles south of Eugene. Cottage Grove's easy access to transportation gives employers access to potential workers with a range of skills and education in the region. The City also has opportunities to attract visitors and capture those traveling through the area.
- ◆ **Water and wastewater services.** Cottage Grove has sufficient capacity for both water and wastewater services year-round, including during peak water demand season in the summer and peak sanitary sewer demand in the winter.
- ◆ **High quality of life and local services.** Cottage Grove offers a high quality of life with small-town charm and strong local services and amenities, including its hospital, library, school, and recreation programs.
- ◆ **Labor market.** Cottage Grove has access to workers who live in the City and across the broader Eugene-Springfield region. Aging of the workforce and the need for replacement workers will drive need for a growing labor force, combined with growth of businesses in Cottage Grove.
- ◆ **Businesses and partnerships.** Cottage Grove's existing base of businesses provide an advantage for growing businesses. Cottage Grove offers opportunities for small businesses and entrepreneurs through existing programs with the Cottage Grove Area Chamber of Commerce and in partnership with organizations, including the Oregon Small Business Development Center Network, Regional Accelerator and Innovation Network, and others.
- ◆ **Historic downtown.** Cottage Grove has a historical downtown, with a range of businesses, which provides an attractive place for a mixture of specialty retail, restaurants, public spaces, and other services that serve residents and visitors.

These factors make Cottage Grove attractive to residents and businesses that want a high quality of life where they live and work.

The types of businesses that have potential for growth in Cottage Grove include (but are not limited to) manufacturers (particularly wood products and plastics and rubber products, as well as manufacturing of furniture, machinery, food, and fabricated metals), warehouse and distribution centers, services for residents (such as retail, restaurants or health care services), and services for visitors (such as hotels, restaurants, specialty retail, and experiences).

Cottage Grove's average wage of \$38,916 was also lower than the Lane County average of \$52,449 in 2022. Several of Cottage Grove's potential growth industries generally have above-average wages, except for certain types of services for residents and visitors, such as retail.

What are Cottage Grove's economic goals?

Cottage Grove's economic development goals are:

- ◆ To encourage opportunities to broaden our economic base, but this should be a gradual transition that will not destroy our rich historical heritage and the natural amenities of the area.
- ◆ To take advantage of our location within commuting distance of the Eugene-Springfield area by providing residential development and commercial services for those desiring metropolitan employment but a historic, small-town living environment.
- ◆ To support entrepreneurship and growth of small businesses.
- ◆ To continue to provide for tourist-oriented development.
- ◆ To support growth of manufacturing businesses through provision of industrial land, including sites larger than 5-acres.
- ◆ To strive to attract industrial development by assuring first that our community is an attractive and desirable place to work, live, shop and play.
- ◆ To support redevelopment of underutilized industrial and commercial lands to provide opportunities for business growth and expansion.

What are the key recommendations?

Based on the analysis and conclusions in this report, ECONorthwest recommends that Cottage Grove update the economic section of its Comprehensive Plan. Below are the draft recommended economic development policies and actions. Additional recommendations specific to industrial and commercial uses are presented in Chapter 5 in the **Error! Reference source not found.** section.

The following policies are based on the analysis in the 2024 Cottage Grove EOA:

- (1) Support the growth, development, and retention of a diverse mix of industries that complement existing strengths and assets in the community, reducing reliance on any single sector.
- (2) Foster entrepreneurship, new business creation, and expansion of existing businesses through strengthened partnerships and coordinated economic development efforts with partners such as the Cottage Grove Chamber of

Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners.

- (3) Work with partners to identify and support the expansion of existing industries and the attraction of new industries to the community.
- (4) Provide an adequate supply of suitable and serviceable development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Cottage Grove.
- (5) Identify and support opportunities for redevelopment of areas with obsolescent or underutilized commercial and industrial development.
- (6) Revise master planning standards for large commercial and industrial sites as needed to ensure that industrial and commercial land supply will be suitable and available for targeted industries and will be retained specifically to meet identified employment land needs.
- (7) Provide adequate public services (i.e., roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e., electricity and communications) are provided to existing businesses and development sites.
- (8) Consider economic development incentives—such as the establishment of an urban renewal district, tax abatement districts, loans, assistance with infrastructure, streamlined regulation, or other incentives available to businesses in the district—that meet specified criteria and help achieve community goals.
- (9) Use urban renewal to fund needed infrastructure upgrades and provide development incentives within the urban renewal district to catalyze redevelopment.
- (10) Continue to collaborate with the South Lane School District, the Lane Workforce Partnership, Lane Community College, and the University of Oregon to understand the City’s role, if any, in supporting opportunities in workforce development and training in general.
- (11) Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies are maintained or developed.
- (12) Support growth and retention of existing businesses, including those who are owned or operated by people with a primary language other than English.
- (13) Support existing businesses by sharing technical resources, maintaining open communications with local business owners/operators, and providing available staff support for economic development projects initiated by the business community.
- (14) Maintain and enhance quality of life through supporting community efforts such as cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.

- (15) Collaborate with Lane County and the Lane Workforce Partnership to support development of childcare facilities in the city.

More specific policies to accommodate commercial and industrial needs are discussed in the following sections of the Economic Development Element.

Actions

1. Hire a community development specialist to improve coordination with organizations and businesses to make Cottage Grove a more business-friendly city. This role would supplement current staff by handling tasks they lack the time or expertise to advance. Key responsibilities would include streamlining city functions, simplifying the development process, and supporting business growth. The City may be able to use urban renewal funds to partially fund this position as long as the position supports implementation of urban renewal priorities.
2. Continue to pursue the establishment of an urban renewal district along Main Street and Highway 99, with the purpose of funding needed infrastructure upgrades and economic development incentives to support redevelopment of the area.
3. Partner with the Cottage Grove Chamber of Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners to support entrepreneurship and business retention and expansion efforts by serving as a clearinghouse for regional data and resources.
4. Partner with the Cottage Grove Community Development Corporation and other partners to develop funds to support business growth and entrepreneurship, possibly through leveraging funding from urban renewal, grants, or other funding sources.
5. Develop programs to attract businesses to the new urban renewal district, considering tax incentives, land use controls, and capital improvement programming. Consider targeting incentives in Urban Renewal Areas.
6. Coordinate capital improvement planning to ensure infrastructure availability on employment land and continue to pursue funding for needed infrastructure to support economic development activities.
7. Identify opportunities to support development of childcare facilities in Cottage Grove, in coordination with Lane County and the Lane Workforce Partnership.
8. Work with Lane County, Business Oregon, the Lane Workforce Partnership, the Cottage Grove Community Development Corporation, and other staff to recruit new businesses to Cottage Grove.

9. Revise Master Plan requirements for land set aside for public use, such as revisiting requirements that 15% of land be set aside for public use.

COMMENTS RECEIVED

Extensive comments were received through the planning process and were incorporated into the draft document. Written comments were received from Len Blackstone, and are attached as Exhibit C.

APPROVAL CRITERIA AND FINDINGS; CPA 1-25

14.41.500.H Decision-Making Criteria. *The recommendation by the Planning Commission and the decision by the City Council shall be based on the following factors:*

- 1. Approval of the request is consistent with the Statewide Planning Goals;*

Staff response and findings of fact:

This request is consistent with the Statewide Planning Goals. As this application modifies the adopted Economic Development Section of the Comprehensive Plan, the Statewide Planning Goals that are directly impacted by this request are Goal 1, Citizen Involvement, Goal 2, Land Use Planning and Goal 9, Economic Development.

Goal 1 – Citizen Involvement: This request is consistent with Goal 1, Public Involvement. Multiple advisory committee meetings and Joint Work Sessions of the City Council and Planning Commission were held through the planning process. Public notice of the proposed Comprehensive Plan Amendment has been provided through the Type IV public notice process as specified in Section 14.41.500 of the Development Code. The Department of Land Conservation and Development was notified of the intended modification on March 12, 2025, and did not express any concerns in writing about the changes. The first public hearing with the Planning Commission was held April 16, 2025, and the second public hearing was held on May 12, 2025.

Goal 2 – Land Use Planning: This request is consistent with Goal 2. The purpose of Goal 2, Land Use Planning, is to establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions. Under Goal 2, “All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents.”

The current Cottage Grove Comprehensive Plan includes through Resolution No. 1713, the 2009 Economic Opportunities Analysis was adopted and the Economic Development Section of the Comprehensive Plan was updated. It is appropriate at this time that the

City adopt the proposed 2025 Economic Opportunities Analysis and amendment to the Economic Development Section of the Comprehensive Plan.

Goal 3: Agricultural Lands:

Goal 3, Agricultural Lands, is not applicable to this application. The EOA and corresponding Economic Development Element in the Comprehensive Plan only relate to those lands within the urban growth boundary. As no agricultural lands are within the City's UGB and the adoption of this Element and refinement plan do not automatically trigger the expansion of the UGB, agricultural resources are not impacted by this plan amendment. Future UGB expansions will have to be made in compliance with the requirements of Goal 3.

Goal 4: Forest Lands:

Goal 4, Forest Lands, is not applicable to this application. The EOA and corresponding Economic Development Element in the Comprehensive Plan only relate to those lands within the urban growth boundary. As no forest lands are within the City's UGB and the adoption of this Element and refinement plan do not automatically trigger the expansion of the UGB, forest resources are not impacted by this plan amendment. Future UGB expansions will have to be made in compliance with the requirements of Goal 4.

Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces:

Goal 5, Natural Resources, Scenic and Historic Areas, and Open Spaces, states that local governments must adopt plans that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. The City of Cottage Grove has adopted such plans in its Comprehensive Plan and Development Code. The proposed Comprehensive Plan modification does not remove or change any policy or regulation related to natural resource, historic or open space protection. Hence Goal 5 is not applicable.

Goal 6: Air, Water and Land Resources Quality:

Goal 6, Air, Water and Land Resources Quality, establishes policies to ensure that all waste and process discharges from future development, when combined with such discharges from existing developments shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards. The City maintains all waste and process discharges in compliance with Goal 6, and has regulations within Title 14 Development Code which ensure that future development will be in compliance with Goal 6. As the proposed amendment does not change any of these policies or regulations, it does not change the City's compliance with Goal 6, and therefore it is not applicable.

Goal 7: Areas Subject to Natural Hazards:

Goal 7, Areas subject to Natural Hazards, is addressed by the City of Cottage Grove through Comprehensive Plan sections and implementing ordinances in Title 14 Development Code that will not be altered by the proposed amendment. All future development must continue to be in compliance with natural hazard ordinances. Hence Goal 7 is not applicable at this time.

Goal 8: Recreational Needs:

Goal 8, Recreational Needs, relates to the provision of adequate recreational lands for citizens. Cottage Grove addresses recreational needs through its adopted Master Parks Plan. The proposed amendment does not alter the adopted parks plan or modify its implementation. Hence Goal 8 is not applicable at this time.

Goal 9: Economic Development:

Goal 9, Economic Development, establishes policies to provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens. The proposed EOA and corresponding Economic Development Element are designed to meet the requirements of Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The draft Cottage Grove Economic Opportunities Analysis (EOA) is the primary factual and analytical document required by Goal 9. This EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that leads to identification of needed development sites. The analysis in the EOA is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended, effective January 1, 2025.

Goal 10: Housing:

Goal 10, Housing, requires cities to inventory and plan for a range of housing needs. The City has a Buildable Lands Analysis (BLA), adopted as a refinement plan to the Comprehensive Plan in 2005, which analyzes housing lands need. The City also has a 2018 Housing Needs Analysis, which focused on analyzing housing needs for a 20-year period. The Economic Opportunities Analysis proposed for adoption with this application does not include any modification to the adopted BLA, nor does the economic development Element propose any policies related to the provision of housing. Hence Goal 10 is not applicable at this time.

Goal 11: Public Facilities and Services:

Goal 11, Public Facilities and Services, requires cities to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development. The proposed EOA and Economic Development Element allow the City of Cottage Grove to evaluate and plan long-term for needed lands for industrial and commercial development. They provide recommendations for the amount of acreage needed to meet identified needs, and make policy recommendations related to economic development tools and practices that can be utilized to meet identified goals. Without this information, the City cannot adequately plan for or develop timely, orderly and efficient arrangements of public facilities and services over the planning period (next 20 years). Consequently, the proposed amendment helps bring the City into compliance with Goal 11, by providing needed background research and recommendations necessary to plan for the future development of land within and around Cottage Grove.

Goal 12: Transportation:

Goal 12, Transportation, requires cities to adopt plans to address transportation planning issues. The City of Cottage Grove adopted a Transportation System Plan in compliance with Goal 12 in 2008, supplemented with the Cottage Grove Pedestrian and Bicycle Plan adopted in 2024. This document guides development of the transportation system within the existing UGB through 2027. No modifications are required to this plan unless the baseline circumstances change (i.e. UGB is expanded). The proposed EOA and Economic Development Element do not trigger the expansion of the UGB nor any change at this time to the proposed transportation system. Hence Goal 12 is met at this time. Future UGB amendments made to address findings of the EOA will require amendments to the adopted Transportation System Plan.

Goal 13: Energy Conservation:

The purpose of Goal 13, Energy Conservation, is to conserve energy. Land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. The proposed EOA and Economic Development Element will assist Cottage Grove in coming into compliance with Goal 13, as they update the factual information and economic projections the City uses to make economic development decisions and allow the City to conserve existing commercial and industrial lands. The EOA and Economic Development Element recommend focusing on opportunities to support redevelopment which will enhance existing developed areas without requiring the extension of public facilities and services. Hence the proposed amendment is in compliance with Goal 13.

Goal 14: Urbanization:

Goal 14, Urbanization, is designed to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. Expansions of UGBs are processed through Goal 14 and its implementing statutes. The proposed amendment to the Comprehensive Plan and the EOA refinement plan do not stipulate expansion of the UGB at this time. However, implementation of the EOA will require processing of a Goal 14 amendment. Hence, Goal 14 is not currently applicable, but will be applicable when the City goes forward to address concerns raised by the proposed EOA/economic development Element.

Goal 15: Willamette River Greenway:

Goal 15, Willamette River Greenway, is not applicable, as it deals with the preservation of natural and historic resources along the designated Willamette River Greenway. The proposed amendment does not impact existing policies or regulations regarding the Willamette River Greenway.

2. Approval of the request is consistent with the Comprehensive Plan; and

Staff response and findings of fact:

This request is consistent with and furthers the goals of the Comprehensive Plan, as modifications to the Comp Plan and its adopted implementing documents are expected over time. This request focuses on updating an outdated section of the Comprehensive

Plan to bring it into compliance with current state law (OAR 660-009). The replacement of the existing Economic Development Element with an Economic Development Element based upon a new Economic Opportunities Analysis produced in compliance with Goal 9 and OAR 660-009 brings the city into compliance with current state law while providing much needed guidance for economic development based on current findings and expected trends. As planning documents such as the EOA are updated, it is appropriate to update the corresponding Elements of the Comprehensive Plan.

3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property.*

Staff response and findings of fact:

No individual properties are impacted by this proposal. The 2025 EOA does not target specific properties or areas within the city for future commercial or industrial growth/development, nor does it dictate the location of future public facilities or services. The Economic Development Element is comprehensive rather than specific in nature, providing a framework for future decisions relative to the city as a whole. This application is compliant with this standard.

CONCLUSION

The proposed Comprehensive Plan amendment is consistent with Section 14.41.500.H Decision-Making Criteria, and is supported by the findings of fact that establish compliance with the applicable state and local standards.

STAFF RECOMMENDATION

Approval of CPA 1-25 to amend the Economic Development Element of the Comprehensive Plan and adopt the 2025 Economic Opportunities Analysis as background to this Element, pursuant to Section 14.41.500, which is supported by findings of fact.

CONDITIONS OF APPROVAL

None.

MATERIALS TO BE PART OF THE RECORD

File CPA 1-25

EXHIBITS

- A. Draft Ordinance amending the Economic Development Element of the Cottage Grove Comprehensive Plan, including the draft Economic Opportunities Analysis
- B. DLCD Notice of Proposed Amendment, March 12, 2025
- C. Comments received from Len Blackstone, Feb 26, 2025 and Feb 27, 2025

EXHIBIT A:

Ordinance No. _____

AN ORDINANCE AMENDING THE COTTAGE GROVE COMPREHENSIVE PLAN
ECONOMIC DEVELOPMENT SECTION

WHEREAS, a Comprehensive Plan for Cottage Grove has been developed in accordance with statewide Planning Goals and acknowledged by the Oregon Land Conservation and Development Commission; and

WHEREAS, the Economic Development Element of the Cottage Grove Comprehensive Plan addresses the factual basis for Cottage Grove's economic development strategy and includes policies to direct the City's economic development efforts; and

WHEREAS, the Economic Development Element of the Cottage Grove Comprehensive Plan was last updated in 2009 and no longer accurately reflects the economic environment of Cottage Grove; and

WHEREAS, the Economy section under Goals for Community Development in the Cottage Grove Comprehensive Plan no longer accurately reflects the economic environment of Cottage Grove; and

WHEREAS, Statewide Planning Goal 9 Economic Development and the administrative rule that implements Goal 9 (OAR 660-009) require that cities base their economic development planning on Economic Opportunities Analyses; and

WHEREAS, EcoNorthwest has completed an Economic Opportunities Analysis for the City of Cottage Grove through a 12 month planning process that included an extensive public involvement plan; and

WHEREAS, the 2025 Cottage Grove Economic Analysis (EOA) assesses the City's comparative economic advantages in a regional context; identifies commercial and industrial employment opportunities; describes site requirements for targeted types of employment; and determines whether the existing UGB has enough, and the right kinds of, employment sites to meet the City's economic development objectives; and

WHEREAS, the EOA must be adopted as a refinement plan of the City of Cottage Grove Comprehensive Plan to provide the background for the Economic Development Element of the Comprehensive Plan; and

WHEREAS, the City must amend the Comprehensive Plan Economic Development Element to reflect the findings of the EOA; and

WHEREAS, the Department of Land Conservation and Development was given thirty-five day notice prior to the first hearing on March 19, 2025 pursuant to Oregon Revised Statutes; and,

WHEREAS, the Planning Commission has forwarded said amendment to the Plan to the City Council with a favorable recommendation after holding a public hearing on April 23, 2025; and,

WHEREAS, the City Council finds that the 2025 Economic Opportunities Analysis and revised Comprehensive Plan Economic Development Element adequately addresses requirements of Goal 9 and OAR 660-009 and will provide much needed guidance for economic development initiatives in Cottage Grove over the next 20 years;

NOW, THEREFORE, BE IT RESOLVED that the Comprehensive Plan for Cottage Grove is hereby amended to incorporate the 2025 Cottage Grove Economic Opportunities Analysis as shown in Exhibit “B” and attached hereto and by reference made a part hereof, to replace in whole the current Economic Development Element with the Economic Development Element shown in Exhibit “C” and attached hereto and by reference made a part hereof.

THE CITY OF COTTAGE GROVE ORDAINS AS FOLLOWS:

Section 1. Findings. The City Council for City of Cottage Grove hereby adopts the above recitals and the findings contained in the Staff Report attached hereto as Exhibit A and incorporated herein by this reference as support for the Cottage Grove Comprehensive Plan Amendment.

Section 2. Amendment. The Cottage Grove Comprehensive Plan is hereby amended to include the 2025 Economic Opportunities Analysis as shown in Exhibit “B” and to replace the current Economic Development Element with the Economic Development Element attached hereto as Exhibit “C” and incorporated herein by this reference.

Section 3. Effective Date: This ordinance shall take effect on the 30th day after its adoption by the Cottage Grove City Council.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 12TH DAY OF MAY, 2025.

Candace Solesbee, Mayor

Dated: _____

ATTEST:

Mindy Roberts, City Recorder

Dated: _____

Exhibit A: Findings

This request is consistent with the Statewide Planning Goals. As this application modifies the adopted Economic Development Section of the Comprehensive Plan, the Statewide Planning Goals that are directly impacted by this request are Goal 1, Citizen Involvement, Goal 2, Land Use Planning and Goal 9, Economic Development

Goal 1 – Citizen Involvement: This request is consistent with Goal 1, Public Involvement. Multiple advisory committee meetings and Joint Work Sessions of the City Council and Planning Commission were held through the planning process. Public notice of the proposed Comprehensive Plan Amendment has been provided through the Type IV public notice process as specified in Section 14.41.500 of the Development Code. The Department of Land Conservation and Development was notified of the intended modification on March 12, 2025, and did not express any concerns in writing about the changes. The first public hearing with the Planning Commission was held April 16, 2025, and the second public hearing was held on May 12, 2025.

Goal 2 – Land Use Planning: This request is consistent with Goal 2. The purpose of Goal 2, Land Use Planning, is to establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions. Under Goal 2, “All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents.”

The current Cottage Grove Comprehensive Plan includes through Resolution No. 1713, the 2009 Economic Opportunities Analysis was adopted and the Economic Development Section of the Comprehensive Plan was updated. It is appropriate at this time that the City adopt the proposed 2025 Economic Opportunities Analysis and amendment to the Economic Development Section of the Comprehensive Plan.

Goal 3: Agricultural Lands:

Goal 3, Agricultural Lands, is not applicable to this application. The EOA and corresponding Economic Development Element in the Comprehensive Plan only relate to those lands within the urban growth boundary. As no agricultural lands are within the City’s UGB and the adoption of this Element and refinement plan do not automatically trigger the expansion of the UGB, agricultural resources are not impacted by this plan amendment. Future UGB expansions will have to be made in compliance with the requirements of Goal 3.

Goal 4: Forest Lands:

Goal 4, Forest Lands, is not applicable to this application. The EOA and corresponding Economic Development Element in the Comprehensive Plan only relate to those lands within the urban growth boundary. As no forest lands are within the City's UGB and the adoption of this Element and refinement plan do not automatically trigger the expansion of the UGB, forest resources are not impacted by this plan amendment. Future UGB expansions will have to be made in compliance with the requirements of Goal 4.

Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces:

Goal 5, Natural Resources, Scenic and Historic Areas, and Open Spaces, states that local governments must adopt plans that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. The City of Cottage Grove has adopted such plans in its Comprehensive Plan and Development Code. The proposed Comprehensive Plan modification does not remove or change any policy or regulation related to natural resource, historic or open space protection. Hence Goal 5 is not applicable.

Goal 6: Air, Water and Land Resources Quality:

Goal 6, Air, Water and Land Resources Quality, establishes policies to ensure that all waste and process discharges from future development, when combined with such discharges from existing developments shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards. The City maintains all waste and process discharges in compliance with Goal 6, and has regulations within Title 14 Development Code which ensure that future development will be in compliance with Goal 6. As the proposed amendment does not change any of these policies or regulations, it does not change the City's compliance with Goal 6, and therefore it is not applicable.

Goal 7: Areas Subject to Natural Hazards:

Goal 7, Areas subject to Natural Hazards, is addressed by the City of Cottage Grove through Comprehensive Plan sections and implementing ordinances in Title 14 Development Code that will not be altered by the proposed amendment. All future development must continue to be in compliance with natural hazard ordinances. Hence Goal 7 is not applicable at this time.

Goal 8: Recreational Needs:

Goal 8, Recreational Needs, relates to the provision of adequate recreational lands for citizens. Cottage Grove addresses recreational needs through its adopted Master Parks Plan. The proposed amendment does not alter the adopted parks plan or modify its implementation. Hence Goal 8 is not applicable at this time.

Goal 9: Economic Development:

Goal 9, Economic Development, establishes policies to provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens. The proposed EOA and corresponding Economic Development Element are designed to meet the requirements of Goal 9 and the

administrative rule that implements Goal 9 (OAR 660-009). The draft Cottage Grove Economic Opportunities Analysis (EOA) is the primary factual and analytical document required by Goal 9. This EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that leads to identification of needed development sites. The analysis in the EOA is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended, effective January 1, 2025.

Goal 10: Housing:

Goal 10, Housing, requires cities to inventory and plan for a range of housing needs. The City has a Buildable Lands Analysis (BLA), adopted as a refinement plan to the Comprehensive Plan in 2005, which analyzes housing lands need. The City also has a 2018 Housing Needs Analysis, which focused on analyzing housing needs for a 20-year period. The Economic Opportunities Analysis proposed for adoption with this application does not include any modification to the adopted BLA, nor does the economic development Element propose any policies related to the provision of housing. Hence Goal 10 is not applicable at this time.

Goal 11: Public Facilities and Services:

Goal 11, Public Facilities and Services, requires cities to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development. The proposed EOA and Economic Development Element allow the City of Cottage Grove to evaluate and plan long-term for needed lands for industrial and commercial development. They provide recommendations for the amount of acreage needed to meet identified needs, and make policy recommendations related to economic development tools and practices that can be utilized to meet identified goals. Without this information, the City cannot adequately plan for or develop timely, orderly and efficient arrangements of public facilities and services over the planning period (next 20 years). Consequently, the proposed amendment helps bring the City into compliance with Goal 11, by providing needed background research and recommendations necessary to plan for the future development of land within and around Cottage Grove.

Goal 12: Transportation:

Goal 12, Transportation, requires cities to adopt plans to address transportation planning issues. The City of Cottage Grove adopted a Transportation System Plan in compliance with Goal 12 in 2008, supplemented with the Cottage Grove Pedestrian and Bicycle Plan adopted in 2024. This document guides development of the transportation system within the existing UGB through 2027. No modifications are required to this plan unless the baseline circumstances change (i.e. UGB is expanded). The proposed EOA and Economic Development Element do not trigger the expansion of the UGB nor any change at this time to the proposed transportation system. Hence Goal 12 is met at this time. Future UGB amendments made to address findings of the EOA will require amendments to the adopted Transportation System Plan.

Goal 13: Energy Conservation:

The purpose of Goal 13, Energy Conservation, is to conserve energy. Land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. The proposed EOA and Economic Development Element will assist Cottage Grove in coming into compliance with Goal 13, as they update the factual information and economic projections the City uses to make economic development decisions and allow the City to conserve existing commercial and industrial lands. The EOA and Economic Development Element recommend focusing on opportunities to support redevelopment which will enhance existing developed areas without requiring the extension of public facilities and services. Hence the proposed amendment is in compliance with Goal 13.

Goal 14: Urbanization:

Goal 14, Urbanization, is designed to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. Expansions of UGBs are processed through Goal 14 and its implementing statutes. The proposed amendment to the Comprehensive Plan and the EOA refinement plan do not stipulate expansion of the UGB at this time. However, implementation of the EOA will require processing of a Goal 14 amendment. Hence, Goal 14 is not currently applicable, but will be applicable when the City goes forward to address concerns raised by the proposed EOA/economic development Element.

Goal 15: Willamette River Greenway:

Goal 15, Willamette River Greenway, is not applicable, as it deals with the preservation of natural and historic resources along the designated Willamette River Greenway. The proposed amendment does not impact existing policies or regulations regarding the Willamette River Greenway.

Exhibit B: Plan

2025 Economic Opportunities Analysis

Exhibit C: Economic Development Element

Economic Development Element



March 2025

City of Cottage Grove Economic Opportunities Analysis

Prepared for: City of Cottage Grove, OR

ECOnorthwest

222 SW Columbia Street • Suite 1600 • Portland, OR 97201 • 503-222-6060



Acknowledgments

ECONorthwest prepared this report with support from the guidance and input of several partners, including members, staff, and leadership of the City of Cottage Grove. Most notably, we are appreciative of the involvement and input of Eric Mongan, Leni Crow, and Mike Sauerwein. This work was funded by Oregon general fund dollars through the Department of Land Conservation and Development (DLCD). The contents of this report do not necessarily reflect the views or policies of the State of Oregon.

Advisory Committee

Elected/Appointed Officials:

Commissioner Ashley Rigel
Commissioner Brandon Parsons
Councilor Greg Ervin
Councilor Chalice Savage
Commissioner David Christopher
Commissioner Debra Monsive
Commissioner Rick Hazeltine
Mayor Candace Solesbee

Community Members/Stakeholders:

Alejandro Camarena
Jim Gilroy
Len Blackstone
Matt Parsons
River Molineaux
Ruth Linoz
Georgia Haskell

City of Cottage Grove

Eric Mongan, AICP, City Planner
Leni Crow, Associate Planner
Tina MacDonald, Planning and Building Specialist
Faye Stewart, Public Works Director
Mike Sauerwein, City Manager

ECONorthwest Consulting Staff

Beth Goodman, Project Director
Becky Hewitt, Senior Advisor
Mary Chase, Project Manager
Barrett Lewis, Technical Manager
Mackenzie Visser, Associate
Rebecca Chen, Research Analyst

Cottage Grove Contact :

Mike Sauerwein, City Manager
503-942-3340
msauerwein@cottagesgrove.org

ECONorthwest Contact:

Beth Goodman, Project Director
541-505-7208
goodman@econw.com

Table of Contents

Executive Summary	i
How much buildable employment land does Cottage Grove currently have?	i
How much growth is Cottage Grove planning for?	i
How much land will be required for employment?	ii
Does Cottage Grove have enough land to accommodate employment growth?	ii
What are Cottage Grove's growth opportunities?	ii
What are Cottage Grove's economic goals?	iv
What are the key recommendations?	iv
1. Introduction	1
Background	1
Framework for an Economic Opportunities Analysis	2
Stakeholder Engagement Process	3
Organization of This Report	3
2. Factors Affecting Future Economic Growth	4
Factors that Affect Economic Development	4
Summary of the Effect of National, State, and Regional Trends on Economic Development in Cottage Grove	10
Employment Trends in Cottage Grove and Lane County	16
Cottage Grove's Competitive Advantage	23
3. Employment Growth and Site Needs	27
Forecast of Employment Growth and Commercial and Industrial Land Demand	27
Target Industries	33
Site Needs for Potential Growth Industries	36
4. Buildable Lands Inventory	40
Land Base	41

Buildable Area Status	42
Development Constraints	43
Vacant Buildable Land	46
5. Land Sufficiency and Conclusions	49
Land Sufficiency	49
Conclusions.....	51
Recommended Policies and Actions.....	54
Appendix A. National, State, and Regional and Local Trends	62
National and State Trends	62
Regional and Local Trends.....	72
Appendix B. Buildable Lands Inventory	89
Methods and Definitions	89
Inventory Steps	89



Executive Summary

The City of Cottage Grove is working on updating its Economic Opportunities Analysis (EOA) for the first time since 2009. Cottage Grove's last EOA concluded that the city had a deficit of land for industrial uses and a small surplus of land for industrial uses. Since the previous EOA in 2009, Cottage Grove expanded its UGB for industrial land.

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within Cottage Grove between 2025 and 2045, (2) evaluate the existing employment land supply within the city to determine if it is adequate to meet that need, (3) help the City understand its economic opportunities in the context of Cottage Grove's comparative advantages and disadvantages, and (4) fulfill state planning requirements for a twenty-year supply of employment land.

How much buildable employment land does Cottage Grove currently have?

Cottage Grove has 648 total acres in its commercial or industrial plan designations. Of these 648 acres, about 90 acres (14%) are unconstrained and buildable within its UGB. Of Cottage Grove's buildable acres, 30 (33%) are designated for commercial uses and 60 (66%) are designated for industrial uses.

How much growth is Cottage Grove planning for?

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Cottage Grove needs an estimate of the amount of commercial and industrial land that will be needed over the 2025 to 2045 planning period.

Cottage Grove's base of covered employees is 3,656 workers in 2022 (or 4,813 total employees). Cottage Grove is forecast to have 5,799 employees by 2045. This is an increase of 986 jobs over the planning period.

Most new employment will require commercial and industrial lands, accounting for over 90% of new employment growth (915 employees) over the 2025–2045 planning period. Cottage Grove will accommodate new government employees in existing government buildings and areas designated for public use.



How much land will be required for employment?

The forecast for land needed to accommodate employment growth in Cottage Grove shows that the growth of 986 new employees will result in demand for about 101 gross acres of land for commercial (28 acres) and industrial employment (73 acres).

Does Cottage Grove have enough land to accommodate employment growth?

Cottage Grove has sufficient land to accommodate demand for commercial employment in its UGB, but it does not have sufficient land to accommodate demand for industrial employment. Cottage Grove has a 13-gross-acre deficit of industrial land and may want to consider a UGB expansion to address that land deficit.

Cottage Grove has a limited number of industrial sites larger than 5 acres. Cottage Grove has one 5-acre buildable industrial site and one 14-acre buildable industrial site. The City aspires to grow manufacturing jobs, which typically have higher than average wages, and may require more industrial land in the future, especially sites 10 acres and larger. Over the next few years, the City could identify and support opportunities for redevelopment of underutilized industrial sites and buildings within the city.

In the longer-term, the City may want to identify opportunities for potential UGB expansion for one or more larger industrial site. The primary challenges to UGB expansion include: constraints around Cottage Grove (such as floodplains and steep slopes), parcelization of land outside the UGB (and likely need to assemble land into a larger site), amount of rural residential development outside of the UGB (and complexities of industrial development adjacent to residential land), costs of extending infrastructure to areas outside of the UGB, and the prevalence of farm and forest land around Cottage Grove.

What are Cottage Grove's growth opportunities?

Cottage Grove's primary competitive advantages are:

- ◆ **Location and Transportation** . Cottage Grove is located along I-5 and Highway 99, approximately 20 miles south of Eugene. Cottage Grove's easy access to transportation gives employers access to potential workers with a range of skills and education in the region. The City also has opportunities to attract visitors and capture those traveling through the area.
- ◆ **Water and wastewater services** . Cottage Grove has sufficient capacity for both water and wastewater services year-round, including during peak water



demand season in the summer and peak sanitary sewer demand in the winter.

- ◆ **High quality of life and local services.** Cottage Grove offers a high quality of life with small-town charm and strong local services and amenities, including its hospital, library, school, and recreation programs.
- ◆ **Labor market.** Cottage Grove has access to workers who live in the City and across the broader Eugene-Springfield region. Aging of the workforce and the need for replacement workers will drive need for a growing labor force, combined with growth of businesses in Cottage Grove.
- ◆ **Businesses and partnerships** . Cottage Grove's existing base of businesses provide an advantage for growing businesses. Cottage Grove offers opportunities for small businesses and entrepreneurs through existing programs with the Cottage Grove Area Chamber of Commerce and in partnership with organizations, including the Oregon Small Business Development Center Network, Regional Accelerator and Innovation Network, and others.
- ◆ **Historic downtown.** Cottage Grove has a historical downtown, with a range of businesses, which provides an attractive place for a mixture of specialty retail, restaurants, public spaces, and other services that serve residents and visitors.

These factors make Cottage Grove attractive to residents and businesses that want a high quality of life where they live and work.

The types of businesses that have potential for growth in Cottage Grove include (but are not limited to) manufacturers (particularly wood products and plastics and rubber products, as well as manufacturing of furniture, machinery, food, and fabricated metals), warehouse and distribution centers, services for residents (such as retail, restaurants or health care services), and services for visitors (such as hotels, restaurants, specialty retail, and experiences).

Cottage Grove's average wage of \$38,916 was also lower than the Lane County average of \$52,449 in 2022. Several of Cottage Grove's potential growth industries generally have above-average wages, except for certain types of services for residents and visitors, such as retail.



What are Cottage Grove's economic goals?

Cottage Grove's economic development goals are:

- ◆ To encourage opportunities to broaden our economic base, but this should be a gradual transition that will not destroy our rich historical heritage and the natural amenities of the area.
- ◆ To take advantage of our location within commuting distance of the Eugene-Springfield area by providing residential development and commercial services for those desiring metropolitan employment but a historic, small-town living environment.
- ◆ To support entrepreneurship and growth of small businesses.
- ◆ To continue to provide for tourist-oriented development.
- ◆ To support growth of manufacturing businesses through provision of industrial land, including sites larger than 5-acres.
- ◆ To strive to attract industrial development by assuring first that our community is an attractive and desirable place to work, live, shop and play.
- ◆ To support redevelopment of underutilized industrial and commercial lands to provide opportunities for business growth and expansion.

What are the key recommendations?

Based on the analysis and conclusions in this report, EConorthwest recommends that Cottage Grove update the economic section of its Comprehensive Plan. Below are the draft recommended economic development policies and actions. Additional recommendations specific to industrial and commercial uses are presented in Chapter 5 in the Recommended Policies and Actions section.

The following policies are based on the analysis in the 2024 Cottage Grove EOA:

- (1) Support the growth, development, and retention of a diverse mix of industries that complement existing strengths and assets in the community, reducing reliance on any single sector.
- (2) Foster entrepreneurship, new business creation, and expansion of existing businesses through strengthened partnerships and coordinated economic development efforts with partners such as the Cottage Grove Chamber of Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners.
- (3) Work with partners to identify and support the expansion of existing industries and the attraction of new industries to the community.



- (4) Provide an adequate supply of suitable and serviceable development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Cottage Grove.
- (5) Identify and support opportunities for redevelopment of areas with obsolescent or underutilized commercial and industrial development.
- (6) Revise master planning standards for large commercial and industrial sites as needed to ensure that industrial and commercial land supply will be suitable and available for targeted industries and will be retained specifically to meet identified employment land needs.
- (7) Provide adequate public services (i.e., roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e., electricity and communications) are provided to existing businesses and development sites.
- (8) Consider economic development incentives—such as the establishment of an urban renewal district, tax abatement districts, loans, assistance with infrastructure, streamlined regulation, or other incentives available to businesses in the district—that meet specified criteria and help achieve community goals.
- (9) Use urban renewal to fund needed infrastructure upgrades and provide development incentives within the urban renewal district to catalyze redevelopment.
- (10) Continue to collaborate with the South Lane School District, the Lane Workforce Partnership, Lane Community College, and the University of Oregon to understand the City's role, if any, in supporting opportunities in workforce development and training in general.
- (11) Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies are maintained or developed.
- (12) Support growth and retention of existing businesses, including those who are owned or operated by people with a primary language other than English.
- (13) Support existing businesses by sharing technical resources, maintaining open communications with local business owners/operators, and providing available staff support for economic development projects initiated by the business community.
- (14) Maintain and enhance quality of life through supporting community efforts such as cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.
- (15) Collaborate with Lane County and the Lane Workforce Partnership to support development of childcare facilities in the city.

More specific policies to accommodate commercial and industrial needs are discussed in the following sections of the Economic Development Element.



Actions

1. Hire a community development specialist to improve coordination with organizations and businesses to make Cottage Grove a more business-friendly city. This role would supplement current staff by handling tasks they lack the time or expertise to advance. Key responsibilities would include streamlining city functions, simplifying the development process, and supporting business growth. The City may be able to use urban renewal funds to partially fund this position as long as the position supports implementation of urban renewal priorities.
2. Continue to pursue the establishment of an urban renewal district along Main Street and Highway 99, with the purpose of funding needed infrastructure upgrades and economic development incentives to support redevelopment of the area.
3. Partner with the Cottage Grove Chamber of Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners to support entrepreneurship and business retention and expansion efforts by serving as a clearinghouse for regional data and resources.
4. Partner with the Cottage Grove Community Development Corporation and other partners to develop funds to support business growth and entrepreneurship, possibly through leveraging funding from urban renewal, grants, or other funding sources.
5. Develop programs to attract businesses to the new urban renewal district, considering tax incentives, land use controls, and capital improvement programming. Consider targeting incentives in Urban Renewal Areas.
6. Coordinate capital improvement planning to ensure infrastructure availability on employment land and continue to pursue funding for needed infrastructure to support economic development activities.
7. Identify opportunities to support development of childcare facilities in Cottage Grove, in coordination with Lane County and the Lane Workforce Partnership.
8. Work with Lane County, Business Oregon, the Lane Workforce Partnership, the Cottage Grove Community Development Corporation, and other staff to recruit new businesses to Cottage Grove.
9. Revise Master Plan requirements for land set aside for public use, such as revisiting requirements that 15% of land be set aside for public use.



1. Introduction

This report presents an Economic Opportunities Analysis (EOA) for the City of Cottage Grove. The purpose of an EOA is to develop information as a basis for policies that build on Cottage Grove's opportunities and help address the City's challenges. The EOA includes technical analysis to address a range of questions that Cottage Grove faces in managing its commercial and industrial land. For example, the EOA includes an employment forecast that describes how much growth Cottage Grove should plan for from 2025 to 2045 and identifies the amount and type of employment land necessary to accommodate growth in Cottage Grove over that 20-year planning period. The EOA also includes an inventory of commercial and industrial land within Cottage Grove's urban growth boundary (UGB) to provide information about the amount of land available to accommodate employment growth.

BACKGROUND

The City of Cottage Grove is working on evaluating its policies for regulating commercial and industrial land. Cottage Grove last conducted an EOA in 2009, which concluded that the City had a deficit of land for industrial uses (56 acres) and a small surplus of land for commercial uses (16 acres). Since the previous EOA in 2009, Cottage Grove has expanded its UGB for industrial land.

Updating the EOA now provides the City of Cottage Grove with the opportunity to reexamine its employment land needs regarding the continued changes in the national and regional economy since 2009, which have implications for economic growth in the City. The EOA accounts for recent employment trends and changes in economic conditions. It describes current conditions in the city and forecasts potential future changes in economic activity in Cottage Grove within the context of the region.

The EOA provides a factual base about current economic conditions and information necessary for updating the City's economic development Comprehensive Plan policies. The EOA also provides information that the City can use to identify and capitalize on its economic opportunities. This information is essential to addressing the City's challenges in managing economic development.

The EOA draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Census.



FRAMEWORK FOR AN ECONOMIC OPPORTUNITIES ANALYSIS

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an EOA in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660 -009 -0015)* . The Economic Opportunities Analysis (EOA) requires communities to (1) 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; (2) identify the number of sites by type that are reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; (3) include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and (4) estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning process or some other public input –based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660 -009 -0020)* . Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types, and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660 -009 -0025)* . Cities and counties must adopt measures to implement policies pursuant to OAR 660 -009 -0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.



STAKEHOLDER ENGAGEMENT PROCESS

Development of the EOA was informed by feedback from an Advisory Committee (AC) composed of City staff and economic development professionals. The AC met 3 times and discussed:

- ◆ **Meeting 1:** Preliminary Results of the Buildable Lands Inventory, Employment Forecast, and Land Sufficiency (July 1, 2024)
- ◆ **Meeting 2:** Consideration of Economic Policies and Actions (November 20, 2024)
- ◆ **Meeting 3:** Draft EOA and Revisions to Economic Policies and Actions (February 13, 2025)

The EOA process also included touch points with local decision-makers, including 2 meetings with Cottage Grove Planning Commission and City Council on 9/9/2024 and March 10, 2025.

ORGANIZATION OF THIS REPORT

This report is organized as follows:

- ◆ **Chapter 2. Factors Affecting Future Economic Growth** summarizes historic economic trends that affect current and future economic conditions in Cottage Grove, as well as Cottage Grove's competitive advantages for economic development.
- ◆ **Chapter 3. Employment Growth and Site Needs** presents a forecast for employment growth in Cottage Grove and describes potential growth industries and site needs for potential growth in industries.
- ◆ **Chapter 4. Buildable Lands Inventory** presents a summary of the inventory of employment lands.
- ◆ **Chapter 5. Land Sufficiency and Conclusions** compares the supply of and demand for buildable lands and presents key concluding recommendations for Cottage Grove.

This report also includes two appendices:

- ◆ **Appendix A. National, State, and Regional and Local Trends**
- ◆ **Appendix B. Buildable Lands Inventory Methodology**



2. Factors Affecting Future Economic Growth

This chapter describes the factors affecting economic growth in Cottage Grove within the context of national and regional economic trends. The analysis presents the City's competitive advantages for growing, attracting, and retaining businesses, which forms the basis for identifying potential growth industries in Cottage Grove.

FACTORS THAT AFFECT ECONOMIC DEVELOPMENT¹

The fundamental purpose of Goal 9 (the Statewide Planning Goal for Economic Development) is to ensure that local governments plan for economic development. The planning literature provides many definitions of economic development, both broad and narrow. Broadly,

"Economic development is the process of improving a community's well-being through job creation, business growth, and income growth (factors that are the typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy."²

That definition acknowledges that a community's well-being depends in part on narrower measures of economic well-being (e.g., jobs and income) and on other aspects of quality of life (e.g., the social and natural environment). In practice, cities and regions trying to prepare an economic development strategy typically use a narrower definition of economic development; they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- ♦ Business and job growth are contributors to and consistent with economic development, increased income, and increased economic welfare. From the municipal point of view, investment and the resulting increases in property tax are important outcomes of economic development.
- ♦ The evaluation of trade-offs and balancing of policies to decide whether such growth is likely to lead to overall gains in well-being (on average and across

¹ The information in this section is based on previous Goal 9 studies conducted by ECONorthwest, as well as "An Economic Development Toolbox: Strategies and Methods" published by the American Planning Association.

² An Economic Development Toolbox: Strategies and Methods, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.



all citizens and businesses in a jurisdiction) is something that decision-makers do after an economic strategy has been presented to them for consideration.

That logic is consistent with the tenet of the Oregon land use planning program: all goals matter, no goal dominates, and the challenge is to find a balance of conservation and development that is acceptable to a local government and the State. Goal 9 does not dominate, but it legitimizes and requires that a local government focus on the narrower view of economic development regarding economic variables.

In that context, a major part of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Specifically, new small businesses are accounting for a larger share of the job growth in the United States. This shift toward a focus on entrepreneurship, innovation, and small businesses presents additional options for local support for economic development beyond firm attraction and retention. Thus, two key questions for economic development policy are addressed in depth in this document:

- ◆ What are the factors that influence business and job growth?
- ◆ What is the relative importance of each?

What factors matter?

Why do firms locate where they do? There is no single answer—firms choose their locations for different reasons. Key determinants of a location decision are a firm's factors of production. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand for goods and services is held roughly constant, then revenue maximization is approximated by cost minimization.

The typical categories that economists use to describe a firm's production function are:

- ◆ **Labor.** Labor is often the most important factor of production. Other things being equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of less productive labor that is available locally.



- ◆ **Land.** Demand for land depends on the type of firm. Manufacturing firms typically need more space and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms often need to locate close to interstate highways.
- ◆ **Local infrastructure.** An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads, bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.
- ◆ **Access to markets.** Though part of infrastructure, transportation merits special attention. Firms need to move their product (either goods or services) to market, and they rely on access to different modes of transportation to accomplish this.
- ◆ **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources (i.e., raw lumber) and others may need intermediate materials (i.e., dimensioned lumber).
- ◆ **Entrepreneur ship.** This input to production may be thought of as good management or, more broadly, as a spirit of innovation, optimism, and ambition that distinguishes one firm from another, even though most of their other factor inputs may be quite similar. Entrepreneurial activity, even when unsuccessful, can offer information about the local market that other entrepreneurs can use in starting a new firm. Entrepreneurs are typically willing to take on more risk in uncertain markets, and a strengthened entrepreneurial environment can help to reduce that risk and uncertainty.³ Entrepreneurs also tend to have more mobility than larger firms and are more likely to locate in areas with a strong entrepreneurial environment.⁴ To some degree, local governments can promote the high quality of life in an area to attract entrepreneurs, in addition to adopting regulations with minimal barriers—or at least clear guidelines—for new small businesses.

The supply, cost, and quality of any of these factors depend on market factors—on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- ◆ **Regulation s.** Regulations protect the health and safety of a community and help maintain quality of life. Overly burdensome regulations, however, can be

³ Tessa Conroy and Stephan Weiler. "Local and Social: Entrepreneurs, Information Network Effects, and Economic Growth" (2017). https://redi.colostate.edu/wp-content/uploads/sites/50/2017/05/gender_gia_Jun2017-2.pdf

⁴ Emil E. Malizia and Edward J. Feser. *Understanding Local Economic Development.* (1999).



disincentives for businesses to locate in a community. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.

- ◆ **Taxes.** Firms tend to seek locations where they can optimize their after-tax profits. Tax rates are not a primary location factor—they typically matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The costs of these production factors are usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- ◆ **Financial incentives.** Governments can offer firms incentives to encourage growth. In recent years in Oregon, incentives have been used more to attract business to consider locating within regions, rather than substantially distinguishing between cities in them. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions.

This discussion may make it appear that a location decision is based entirely on a straightforward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development, however, have shown that location decisions depend on a variety of other factors that indirectly affect costs of production. These indirect factors include agglomerative economies (also known as industry clusters), quality of life, and innovative capacity.

- ◆ **Industry clusters** . Firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities.
- ◆ **Quality of life.** A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools, affordable housing, and a clean environment, can attract people simply because it is a nice place to be. A region's quality of life can attract skilled workers, and if the amenities lure enough potential workers to the region, the excess labor supply pushes their wages down so that firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect the distribution of economic development within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on an emotional or historical attachment to a place or set of amenities, without much regard for the cost of other factors of production.



- ♦ **Innovative capacity.** Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High-tech companies need to have access to new ideas typically associated with a university or research institute. In addition to innovations in research and development within firms or research institutions, firms may also draw on the innovative capacity of entrepreneurs in an area. These entrepreneurs may be former employees of the larger firms or businesses that relocated to an area because of the proximity to an industry cluster. Strong networks and communication between firms, research institutions, and entrepreneurs are key components to leveraging innovative capacity in an area.⁵ Local governments are well equipped to help foster these networks through supporting economic development tools such as small business assistance centers or incubation centers. Government can also be a key part of a community's innovative culture through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

How important are these factors?

To understand how changes in public policies affect local job growth, economists have attempted to identify the importance for firms with different locational factors. They have used statistical models, surveys, and case studies to examine detailed data on the key factors that influence the business location decision.

Economic theory says that firms locate where they can reduce the costs of their factors of production (assuming demand for products and any other factors are held constant). Firms locate in regions where they have access to inputs that meet their quality standards at a relatively low cost. Because firms are different, the relative importance of different factors of production varies across industries and, more importantly, across firms.

No empirical analysis can completely quantify firm location factors because numerous methodological problems make any analysis difficult. For example, some would argue simplistically that firms would prefer locating to a region with a low tax rate to reduce tax expenses. However, the real issue is the value provided by the community for the taxes collected. When competing jurisdictions have roughly comparable public services

⁵ Nancey Green Leigh and Edward Blakely. Planning Local Economic Development: Theory and Practice. 2013.



(type, cost, and quality) and quality of life, then tax rates (and tax breaks) can make a difference.

An important aspect of this discussion is that the business function at a location matters more than a firm's industry. A single company may have offices spread across cities, with headquarters located in a cosmopolitan metropolitan area, the research and development divisions located near a concentration of universities, the back office located in a suburban location, and manufacturing and distribution located in areas with cheap land and good interstate access.

Local governments can provide support for new and existing small businesses through policies and programs that support entrepreneurship and innovation. The National League of Cities suggests strategies for local governments, including strong leadership from elected officials; better communication with entrepreneurs, especially regarding the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, business groups, and financial institutions.⁶

Local governments in Oregon also play a central role in the provision of buildable land through inclusion of lands in the urban growth boundary (UGB), as well as through the determination of plan designations and zoning and the provision of public services. Typically, businesses need buildable land to locate or expand in a community. However, providing buildable land alone is not sufficient to guarantee economic development in a community—market conditions must create demand for this land, and local factors of production must be favorable for business activity. In the context of expected economic growth and the perception of a constrained land supply in Cottage Grove, the provision of buildable land has the potential to strongly influence the level and type of economic development in the city of Cottage Grove. The provision of buildable land is one of the most direct ways that Cottage Grove can affect the level and type of economic development in the community.

⁶ National League of Cities "Supporting Entrepreneurs and Small Businesses" (2012).



SUMMARY OF THE EFFECT OF NATIONAL, STATE, AND REGIONAL TRENDS ON ECONOMIC DEVELOPMENT IN COTTAGE GROVE

This section presents a summary of the implications of national, state, and regional economic trends on economic growth in Cottage Grove, which are presented in Appendix A.

- ◆ **County and local employment growth.** Employment has increased in Lane County, with a gain of about 17,964 employees between 2007 and 2022. The largest increases in number of employees were in health care and social assistance and accommodation and food services. Jobs in Cottage Grove accounted for about 2% of overall employment in Lane County in 2022. Employment in Cottage Grove increased 14% between 2007 and 2022 (442 jobs), which was approximately on par with the County (13%).

Changes in manufacturing and decreasing employment in the sector. In 2022, manufacturing accounted for 11.6% of Cottage Grove's total employment and had an average wage of \$67,908 (higher than the city's average wage of \$41,344). Between 2007 and 2022, the manufacturing sector in Cottage Grove shrank from 525 to 425 employees, a decrease of 100 employees (-19%). In Lane County, over the same period, manufacturing also saw an even more notable decline of 4,281 jobs (-23%). Cottage Grove's location in the I-5 corridor is a potential advantage for growth in manufacturing businesses; however, it also faces challenges like land availability and a workforce for more skilled manufacturing.

- ◆ **Increases in automation.** Both industrial and commercial businesses will continue to respond to increases in automated processes, decreasing employment in some types of manufacturing and, conversely, increasing demand for workers with skills in computers and other high-tech sectors. While automation has been a factor in industrial sectors for decades (e.g., manufacturing), recent increases in automation have occurred for commercial industries, such as certain functions of retail or office jobs. Oregon's overall risk of automation is consistent with national trends, with lower and middle-wage jobs at higher risk of being automated. Jobs that are lower risk include those that provide personal services or experiences, such as food service or hospitality. Higher-wage jobs that are also considered at lower risk of automation include jobs that require social intelligence, perception, creativity, or fine motor skills.



Most industrial sectors will continue to hire employees to complete certain tasks, though the types of skills required for these jobs may change as automation increases. Cottage Grove's access to a skilled workforce is limited and demonstrates the need for ongoing connections with educational opportunities in the region to continue to align with the needs for industries that locate in Cottage Grove.

- ◆ **Importance of small businesses in Cottage Grove's economy.** The average business in Cottage Grove has 9 employees, slightly less than the state average of 11 employees.⁷ The creation of new businesses is vital to Oregon's (and Cottage Grove's) economy as their formations generate new jobs and advance innovations in markets. Cottage Grove's population has been growing faster than Lane County or Oregon over the last two decades, with opportunities for encouraging new small businesses to grow in the city.
- ◆ **Changes in the retail sector.** Over the past two decades, the trend toward larger-scale retail and e-commerce has steadily increased. While growth of shopping online, accelerated by the COVID-19 pandemic, is likely to persist, there will continue to be demand for the local purchase of retail goods. Consumers still prefer brick-and-mortar stores for certain items, such as large furniture, home improvement goods, specialty goods, and groceries. Furthermore, consumer preferences shifted to spending at restaurants and experience-focused business establishments (e.g., entertainment or recreation). One emerging retail trend, the convergence of technology and shopping, creates new opportunities for retail businesses to differentiate themselves and engage customers digitally in physical retail locations. While retail businesses that compete with online retailers may become less common in Cottage Grove (and other cities), businesses providing experiences (including digital/physical shopping experiences) or goods that cannot be purchased online may grow and expand in Cottage Grove. This presents opportunities for Cottage Grove's retail industry to provide experiences for residents and visitors.
- ◆ **Continued increase in demand for energy.** Since 2022, energy prices, especially gasoline prices, have increased sharply. Reasons for the increase include increased travel and international sanctions against Russia for the war in Ukraine (which results in less Russian fuel on the international market). Energy prices are forecasted to increase over the planning period, which, over the long-term, will likely affect the mode of commuting before it affects workers' willingness to commute. For example, commuters may choose to purchase a more energy-efficient car or carpool. Cottage Grove is a

⁷ 2022 QCEW data for the State of Oregon



part of the Lane Transit District (LTD) with access to programs like the LTD Connector and a bus line that connects Cottage Grove to Eugene, although it only runs four times per day. Very large increases in energy prices may affect workers' willingness to commute to or from Cottage Grove, especially workers living or working the farthest from Cottage Grove or workers with lower-paying jobs. In addition, very large increases in energy prices may make shipping freight long distances less economically feasible, resulting in a slowdown or reversal of offshore manufacturing, especially of large, bulky goods.

- ◆ **Availability of labor.** Availability of labor depends, in part, on population growth and in-migration. Cottage Grove's population increased by 2,650 people between 2000 and 2023 at an average annual growth rate of 1.2% (higher than either the County or state's annual growth rate). Cottage Grove is forecast to grow by 918 people between 2025 and 2045.⁸

The current labor force participation rate is another important consideration in the availability of labor. 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. According to the 2018–2022 American Community Survey, Cottage Grove had about 5,300 people in its labor force and Lane County had 198,000 people in its labor force. The labor force participation rate in Cottage Grove (62%) was roughly on par with Lane County (61%) and Oregon (62%). Nonparticipants in the labor force (the 38% of people not participating in Cottage Grove's labor force) included students 16 years and older, retirees, and unemployed people not actively seeking work. A higher concentration of older residents in an area, or a mismatch between the types of jobs available in an area and the types of skills of the labor force, can contribute to low labor force participation rates.

Commuting is common for residents and workers in Cottage Grove. About 24% of workers at businesses in Cottage Grove lived in Cottage Grove as of 2021. About 11% of workers live in Eugene, 6% in Springfield, and 3% in Cresswell. About 82% percent of Cottage Grove residents commute to work across the region, including 25% who work at businesses in Eugene, 11% who work in Springfield, and 3% who work in Salem.

- ◆ **Aging of the population and need for replacement workers.** While Cottage Grove has a smaller percentage of residents 60 years and older (22%) relative to Lane County (26%) and Oregon (24%), Cottage Grove's population is growing older. Cottage Grove's median age, which was 36.8 in 2000,

⁸ Portland State University, College of Urban & Public Affairs: Population Research Center, population forecast, 2020.



increased to 38.2 in 2022.⁹ By comparison, Lane County's median age was 40.1 and Oregon's median age was 39.9 in 2022.¹⁰

Lane County's population is expected to continue aging, with people 60 years and older increasing from 28% of the population in 2020 to 29% of the population in 2045, consistent with statewide trends.¹¹ As workers retire, businesses need to replace them with new workers. This need for replacement workers will continue to drive need for workers. With a relatively younger workforce, Cottage Grove could be in a good position to replace retiring workers if workforce skills match job openings.

- ◆ **A tight labor market and increasing labor costs** . In November 2023, the unemployment rate in Lane County was 3.7%, slightly higher than Oregon's rate of 3.4% and the national rate of 3.5%. After declining sharply during the COVID-19 pandemic, employment has mostly recovered, with the national labor force participation rate slightly below prepandemic levels. Ongoing baby boomer retirements also contribute to the tight labor market. Economic growth paired with a tight labor market pushed wages upward, with wages increasing nationally. For Cottage Grove, the tight labor market could make it difficult for businesses to attract talent, especially given the lower wages offered in the city relative to Lane County.
- ◆ **Household income and average wages** . Cottage Grove's median household income (\$60,219) in 2022 was lower than the county (\$65,157) and the state (\$76,632). In 2022, the average annual wage at private businesses in Cottage Grove was about \$38,916, which was also lower than the Lane County average of \$52,449 and the state average of \$65,389.¹² Household income data may suggest that residents of Cottage Grove have relatively lower disposable incomes to spend on goods and services, creating challenges for attracting these businesses. Relatively lower wages could make it difficult to attract employees to Cottage Grove businesses, especially given the tight labor market.
- ◆ **Increases in racial and ethnic diversity.** Overall, both the nation and Oregon are becoming more racially and ethnically diverse. Between 2000 and 2022, the Hispanic and Latino population in Oregon increased from 8% to 14%, while it increased in Cottage Grove from 5% to 10%. Since 2000, the

⁹ 2022 data is based on the 5-year ACS (2018–2022).

¹⁰ 2022 data is based on the 5-year ACS (2018–2022).

¹¹ Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2020.

¹² Oregon Employment Department, Quarterly Census of Employment and Wages, 2022



population of people of color has increased from 13% to 21% in Oregon and from 7% to 17% in Cottage Grove.¹³

- ◆ **Increase in work -from -home trends.** The pandemic facilitated a shift in many industries, opening up opportunities for employees to work from home at levels never seen before. Due to the shift to working from home and concerns around the pandemic, many workers started moving away from urban centers in pursuit of more space. Work from home trends are likely to continue—full time for some workers or with options for a hybrid schedule for others. Cottage Grove’s proximity to recreational amenities in the Willamette Valley could make it attractive to people who work from home full time or have a hybrid work arrangement at a job along the I-5 corridor that requires them to be in the office a few times a week.
- ◆ **High rates of inflation.** For the last several decades, inflation rates have generally stayed below 3% in the United States. Inflation started to increase in 2021 and increased substantially in 2022 to its highest level in 40 years—around 9%. In June 2022, inflation increased most quickly for energy, motor vehicles, food, and household furnishings.¹⁴ The average hourly earnings for nonfarm employees increased slightly through April 2022, but inflation-adjusted real average hourly earnings declined slightly due to continued inflation.¹⁵ Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession.
- ◆ **Potential impacts of global climate change** . Oregon and the Pacific Northwest have been experiencing the impacts of global climate change over the past 30 years, exacerbated by extreme events such as the 2020 Labor Day fires and the June 2021 heat dome.¹⁶ According to the National Oceanic and Atmospheric Administration (NOAA), between 1980 and 2023, the U.S. experienced an average of 8.5 weather-related disasters per year where overall damages/costs reached or exceeded \$1 billion (adjusted for inflation). However, the number of such events has increased in the last five years, with an average of 20.4 events per year.¹⁷ The Pacific Northwest is not only experiencing an increased frequency and severity of extreme weather events

¹³ 2022 data is based on the 5-year ACS (2018–2022).

¹⁴ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily* . Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years . at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm> (visited July 25, 2022).

¹⁵ *New Inflationary Concerns: A US Macroeconomic Update* , IBISWorld, June 03, 2022.

<https://www.ibisworld.com/blog/new-inflationary-concerns-us-macroeconomic-update/1/1126/>

¹⁶ <https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6>.

¹⁷ <https://www.ncei.noaa.gov/access/billions/#:~:text=Menu> , Overview, 376%20events%20exceeds%20%242.655%20trillion.



but also long-term climatic changes. These long-term changes include increased average annual day and nighttime temperatures, reduced snowpack and increased drought conditions, increased risk of high heat events, increased risk of wildfire, more days of poor air quality from wildfire smoke, and more floods and atmospheric rivers.

Climate change will also have a wide range of impacts on industries and communities throughout the Pacific Northwest. While some industries are more resilient to climate change, others such as agriculture, fishing, forestry, hydropower, tourism, and recreation are more vulnerable to climate change. Climate change and extreme weather events also impact human health and disrupt travel. Land use decisions, in part, determine the risks that homes, businesses, schools, hospitals, and other buildings face from climate change. Development patterns in at-risk areas like tsunami zones, floodplains, wetlands, wildland-urban interfaces, and other hazardous locations will impact the economic vitality and resilience of communities as climate change accelerates.



EMPLOYMENT TRENDS IN COTTAGE GROVE AND LANE COUNTY

The national economy changed substantially between 2007 and 2022. These changes affected the composition of Oregon's economy, including Cottage Grove's economy. At the national level, the most striking change was the shift from manufacturing employment to service-sector employment. The most important shift in Oregon during this period has been the shift from a timber-based economy to a more diverse service-based economy. This section of the EOA focuses on changes in the economy in Lane County and Cottage Grove since 2007, the peak of employment before the beginning of the Great Recession.

Employment Trends in Lane County

Exhibit 1 shows covered employment¹⁸ in Lane County for 2007 and 2022. Employment increased by 17,964 jobs, or 13%, over this period. The sectors with the largest increases in numbers of employees were health care and social assistance (8,787 jobs), accommodation and food services (3,096 jobs), management of companies and enterprises (2,350), and retail trade (2,326). The average annual wage for employment in Lane County in 2022 was about \$54,661.¹⁹

¹⁸ **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

¹⁹ Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022.



Exhibit 1. Covered Employment by Industry, Lane County, 2001-2022

Sector	2001	2022	Change 2001 to 2022		
			Difference	Percent	AAGR
Agriculture, Forestry, Fishing, Hunting and Mining	2,338	2,475	137	6%	0.3%
Transportation, Warehousing, and Utilities	2,759	3,365	606	22%	1.0%
Construction	6,385	7,701	1,316	21%	0.9%
Manufacturing	18,966	14,685	-4,281	-23%	-1.2%
Wholesale Trade	5,298	6,082	784	15%	0.7%
Retail Trade	17,908	20,234	2,326	13%	0.6%
Information	3,811	1,921	-1,890	-50%	-3.2%
Finance and Insurance	4,028	4,256	228	6%	0.3%
Real Estate and Rental and Leasing	2,508	2,612	104	4%	0.2%
Professional, Scientific, and Tech. Services	5,537	6,279	742	13%	0.6%
Mgmt. of Companies	1,738	4,088	2,350	135%	4.2%
Admin. / Support and Waste Mgmt / Remediation Serv.	6,401	7,438	1,037	16%	0.7%
Educational Services	1,067	1,811	744	70%	2.6%
Health Care and Social Assistance	16,841	25,628	8,787	52%	2.0%
Arts, Entertainment, and Recreation	1,541	1,940	399	26%	1.1%
Accommodations and Food Services	11,753	14,849	3,096	26%	1.1%
Other Services (except Public Administration)	5,505	4,862	-643	-12%	-0.6%
Uncategorized	49	336	287	586%	9.6%
Government	22,418	23,987	1,569	7%	0.3%
Total	136,853	154,547	17,694	13%	0.6%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2007-2022



Exhibit 2 shows covered employment and average wage for the six largest industries in Lane County. Jobs in health care and social assistance and government accounted for approximately 17% and 16% of the county's total covered employment, respectively, followed by retail trade (13%) and accommodation and food services (10%). Of these sectors, health care and social assistance, government, manufacturing, and construction all paid above the county wage (over \$54,661). Retail trade and accommodation and food services both paid lower wages than the county's average (\$37,767 and \$24,077, respectively). Jobs in information, management of companies and enterprises, finance and insurance, professional/scientific/technical services, wholesale trade, and construction also paid more per year than the county average, but they accounted for a smaller share of covered employment in the county.

Exhibit 2. Covered Employment and Average Pay by Sector, 6 Largest Sectors Lane County, 20 22



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022.



Employment in Cottage Grove

Between 2007 and 2022, employment in Cottage Grove increased by about 442 employees (14%), at about a 0.9% average annual growth rate. Health care, social assistance, and educational services experienced the greatest nominal increase (263 employees) followed by retail trade (144 employees), while manufacturing experienced the greatest nominal decrease (100 employees) (Exhibit 3).

Exhibit 3. Change in Covered Employment, Cottage Grove UGB, 2007–2022

Sector	Employees		Change in Employment 2007-2022		
	2007	2022	Number	Percent	AAGR*
Agriculture, Forestry, Fishing and Hunting	28	33	5	18%	1.2%
Construction	121	111	(10)	-8%	-0.6%
Manufacturing	525	425	(100)	-19%	-1.3%
Transportation & Warehousing and Utilities	47	30	(17)	-36%	-2.4%
Wholesale Trade	18	24	6	33%	2.2%
Retail Trade	731	875	144	20%	1.3%
Information	21	35	14	67%	4.4%
Finance & Insurance	89	50	(39)	-44%	-2.9%
Real Estate & Rental & Leasing	35	20	(15)	-43%	-2.9%
Prof., Sci. & Technical Tech. & Mgmt. of Companies	73	95	22	30%	2.0%
Admin. / Support & Waste Mgmt & Remediation Serv.	24	56	32	133%	8.9%
Health Care & Social Assistance & Educational Services	277	540	263	95%	6.3%
Arts, Entertainment, & Recreation	40	15	(25)	-63%	-4.2%
Accommodation & Food Services	532	587	55	10%	0.7%
Other Services (except Public Administration)	134	141	7	5%	0.3%
Government	519	619	100	19%	1.3%
Total	3,214	3,656	442	14%	0.9%

Sectors highlighted in blue have wages higher than the city average.

*Average Annual Growth Rate

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 and 2022.



Exhibit 4 shows a summary of covered employment data for the Cottage Grove UGB in 2022. The sectors with the largest number of employees were retail trade (24% of Cottage Grove's total covered employment); government (17%); accommodation and food services (16%); and health care, social assistance, and educational services (15%). The average size for a private business in Cottage Grove was 7.9 employees per business, slightly lower than the state average of 9.4 employees.

Exhibit 4. Covered Employment and Average Pay by Sector, Cottage UGB, 2022 ²⁰

Sector	Establishments	Employees	Average Pay per Employee
Agriculture, Forestry, Fishing and Hunting	12	33	\$45,398
Construction	37	111	\$38,844
Manufacturing	14	425	\$67,908
Transportation & Warehousing and Utilities	8	30	\$41,462
Wholesale Trade	7	24	\$50,098
Retail Trade	53	875	\$35,216
Information	7	35	\$55,354
Finance & Insurance	15	50	\$54,306
Real Estate & Rental & Leasing	14	20	\$25,142
Prof., Sci. & Technical Tech. & Mgmt. of Companies	24	95	\$37,588
Admin. / Support & Waste Mgmt & Remediation Serv.	12	56	\$32,919
Health Care & Social Assistance & Educational Services	91	540	\$41,643
Arts, Entertainment, & Recreation	5	15	\$12,374
Accommodation & Food Services	45	587	\$20,995
Other Services (except Public Administration)	40	141	\$32,726
Government	21	619	\$53,319
Total	405	3,656	\$41,334

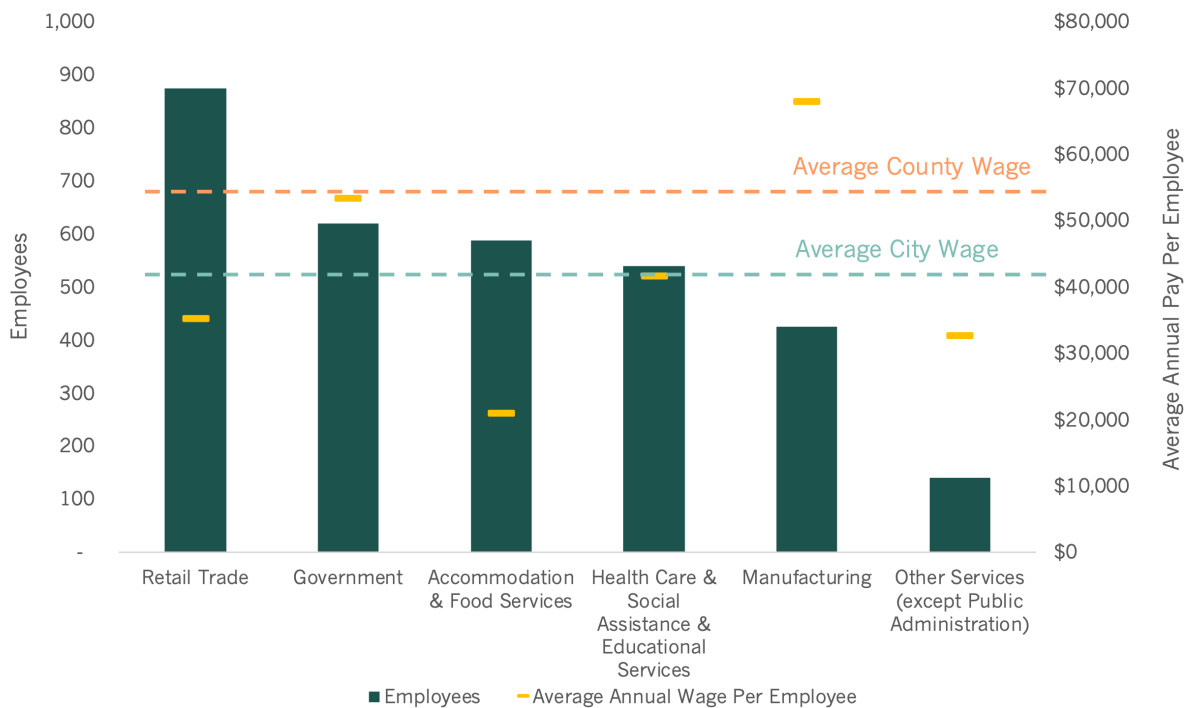
Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022.

²⁰ The following sectors were combined due to confidentiality of QCEW data: construction and agriculture, forestry, fishing, and hunting, and mining; professional, scientific, and technical services and management of companies; arts, entertainment, and recreation and accommodation and food services.



Exhibit 5 shows the employment and average pay per employee for the six largest sectors in Cottage Grove. Average pay in Cottage Grove for all employees (\$41,334) is shown as a light green line across the graph and average pay for individual sectors as short yellow lines. Of these top industries, government and manufacturing had above-average wages in 2022. The lowest wages were in retail trade, accommodation and food services, and other services. Health care, social assistance, and educational services paid approximately the same as the average wage for all jobs in Cottage Grove.

Exhibit 5. Covered Employment and Average Pay by Sector, Cottage Grove UGB, 2022



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022.



Outlook for Growth in Lane County

Exhibit 6 shows the Oregon Employment Department's forecast for employment growth by industry for Lane County over the 2020 to 2030 period. Employment in the region is forecasted to grow at an average annual growth rate of 0.9%.

The sectors that are projected to lead employment in the region for the 10-year period are private educational and health services (adding 4,400 jobs); leisure and hospitality (2,600 jobs); and professional and business services (2,100 jobs).

Exhibit 6. Regional Employment Projections, 2022–2032, Lane County

Industry Sector	2022	2032	Change 2022-2032		
			Number	Percent	AAGR
Total Private	133,000	147,200	14,200	11%	1.0%
Natural Resources and Mining	2,500	2,600	100	4%	0.4%
Mining and Logging	800	800	0	0%	0.0%
Construction	7,900	9,000	1,100	14%	1.3%
Manufacturing	14,600	15,700	1,100	8%	0.7%
Durable Goods	9,400	10,000	600	6%	0.6%
Wood Product Manufacturing	3,700	3,700	0	0%	0.0%
Nondurable Goods	5,300	5,700	400	8%	0.7%
Trade, Transportation, and Utilities	29,700	31,400	1,700	6%	0.6%
Wholesale Trade	6,100	6,700	600	10%	0.9%
Retail Trade	20,200	20,800	600	3%	0.3%
Transportation, Warehousing, and Utilities	3,500	3,900	400	11%	1.1%
Information	2,000	2,300	300	15%	1.4%
Financial Activities	8,900	9,200	300	3%	0.3%
Professional and Business Services	17,800	19,900	2,100	12%	1.1%
Administrative and Support Services	7,000	7,400	400	6%	0.6%
Private Educational and Health Services	27,500	31,900	4,400	16%	1.5%
Private Educational Services	1,900	2,200	300	16%	1.5%
Health Care and Social Assistance	25,600	29,700	4,100	16%	1.5%
Leisure and Hospitality	16,800	19,400	2,600	15%	1.4%
Accommodation and Food Services	14,900	17,100	2,200	15%	1.4%
Accommodation	1,600	1,900	300	19%	1.7%
Other Services	5,300	5,800	500	9%	0.9%
Government	28,300	29,900	1,600	6%	0.6%
Federal Government	2,200	2,200	0	0%	0.0%
State Government	1,800	1,900	100	6%	0.5%
Local Government	24,300	25,800	1,500	6%	0.6%
Local Government Education	16,700	17,300	600	4%	0.4%
Self-Employment	10,800	11,800	1,000	9%	0.9%
Total employment	172,100	188,900	16,800	10%	0.9%

Source: Oregon Employment Department. Employment Projections by Industry 2020-2030.

*Note: AAGR is the Annual Average Growth Rate.



COTTAGE GROVE'S COMPETITIVE ADVANTAGE

Local conditions as well as the national and state economic conditions addressed above will affect economic development opportunities in Cottage Grove. Economic conditions in Cottage Grove relative to these conditions in other portions of the Lane County region form Cottage Grove's competitive advantage for economic development. Cottage Grove's competitive advantages have implications for the types of firms most likely to locate and expand in the area.

Cottage Grove's primary advantages are its location along I-5, proximity to destinations in the Willamette Valley region, high quality of life and local services, reliable capacity for utilities, nearby tourism and outdoor recreational opportunities, and business-friendly environment. These factors contribute to a high quality of place and make Cottage Grove an attractive destination for residents and businesses.

The discussion earlier in this chapter provided information about Cottage Grove's existing base of businesses and access to labor, which are key to understanding the city's competitive advantages. This section summarizes these and other local factors that form Cottage Grove's competitive advantages, with additional details in the sections following this summary.

Cottage Grove's advantages for economic development include:

- ◆ **Location.** Cottage Grove is located along I-5, approximately 20 miles south of Eugene. Cottage Grove's easy access to transportation gives employers access to potential workers with a range of skills and education in the region. The City is also within 2 to 3 hours of Portland and Salem, which provides access to wider markets. Cottage Grove's location can be an advantage, especially for workers who prefer to live in or near Cottage Grove for its quality of life, access to recreation, and secondary services but still want access to urban areas. The City also has opportunities to attract visitors and capture those traveling through the area.
- ◆ **Transportation.** As a major interstate, I-5 is a preferred route for trucking and distribution between California and Washington, as it is relatively flat. In addition to its location along I-5, Cottage Grove has a local airport and access to Oregon State Highway 99, which offer additional options for passengers and freight. The Lane Transit District (LTD) provides transit opportunities with routes to Eugene and other destinations.
- ◆ **High quality of life and local services** . Cottage Grove offers a high quality of life with small-town charm and strong local services and amenities, including its hospital, library, school, and recreation programs. Since 2000, Cottage Grove's population has grown at a faster rate (1.2% annual average)



compared to Lane County (0.8%) and Oregon (1.0%), indicating its attractiveness for new residents to locate.

- ◆ **Availability of water and wastewater services** . Availability of water and wastewater infrastructure is an important consideration for many industries. Cottage Grove has sufficient capacity for both water and wastewater services year-round, including during peak water demand season in the summer and peak sanitary sewer demand in the winter. Reservoirs on the west side of Cottage Grove could help to provide water to facilitate development of potential industries if needed.
- ◆ **Labor market.** Cottage Grove has a population that is relatively young in comparison to Lane County or Oregon, which has implications for the local workforce. A larger share of Cottage Grove residents is under 40 years of age than in Lane County and Oregon overall, with a lower overall median age. Between 2000 and 2022, Cottage Grove's largest nominal population increases were for those ages 18–24 years old. The younger population may provide greater access to working-age people for Cottage Grove businesses. Cottage Grove's labor force participation rate (62%) is on par with the county average (61%). Cottage Grove's workforce is aging slightly, but the city's older residents (age 60 and over) will likely remain lower than that of both the state and Lane County.

Although the share of Cottage Grove's working-age population with a bachelor's degree or higher (20%) is lower relative to the county average (33%), the city has a higher share (40%) of residents with an associate's degree. Employers have access to workers in various stages of their careers, including students attending colleges and the University of Oregon in Eugene and other regional institutions.

- ◆ **Existing businesses.** Cottage Grove's existing base of businesses provide an advantage for growing business. Cottage Grove's employment is distributed across a range of business types, from retail trade, health care, accommodation and food services, manufacturing, and other types of businesses. Businesses may be attracted to Cottage Grove as a result of existing businesses or because of the availability of a range of goods and services in a smaller town.
- ◆ **Business -friendly environment.** Cottage Grove offers opportunities for small businesses and entrepreneurs through existing programs with the Cottage Grove Area Chamber of Commerce and in partnership with organizations, including the Oregon Small Business Development Center Network, Regional Accelerator and Innovation Network, and others.



- ◆ **High quality of life.** Businesses and residents of Cottage Grove enjoy a high quality of life in a community with a small-town atmosphere and easy access to outdoor recreation. Amenities available in larger cities are accessible in Eugene and Springfield.
- ◆ **Historic downtown.** Cottage Grove has a historical downtown, with a range of businesses. The downtown has an intact collection of early-twentieth-century buildings, many of which were designed by noted architect John Hunzicker. In the past, the downtown was a focal point for farming activities, Bohemia mining activities, and wood products industries. Downtown is currently a mix of specialty retail, restaurants, public spaces, and other services that serve residents and visitors.

Cottage Grove's disadvantages for economic development include:

- ◆ **Partial highway interchange to the south** . Although Cottage Grove is located on I-5, the partial I-5 interchange in the south part of the city limits the attractiveness of areas in the south part of Cottage Grove for industrial, tourism, and other businesses that rely on highway access.
- ◆ **Small business challenges.** Cottage Grove has a business-friendly environment in general struggles to grow and retain entrepreneurs, in part because of the limited access to capital for small businesses. The "Cottage Grove Business Challenge" is a local competition, sponsored by private businesses, that fosters growth of entrepreneurial businesses through education, mentorship, and resources.
- ◆ **Vacant storefronts.** Commercial storefronts are sometimes vacant as a result of absentee owners and other challenges to renting vacant space.
- ◆ **Housing affordability and availability** . Like many jurisdictions in Oregon, Cottage Grove's housing market has challenges such as a lack of enough affordable housing in good condition, despite demand from new and existing residents. The City's 2022 Housing Implementation Plan (HIP) and 2018 Housing Needs Assessment (HNA) identified key challenges and needs for housing in Cottage Grove. The recent HIP highlights specific barriers related to regulations and infrastructure to address issues of available and affordable housing. The HIP also proposed strategies for land use regulations, infrastructure planning, preservation of low-cost market-rate housing, and support for regulated affordable housing.
- ◆ **Shortage of childcare providers.** Engagement with the Advisory Committee highlighted the shortage of access to quality childcare as a disadvantage for local economic development. Shortages for childcare have been seen at the state and national level, particularly post-pandemic.



- ♦ **Wildfire risk.** Cottage Grove is in an area with increasing wildfire risk. Smoke and disruptions during these events can have impacts for a range of industries, including tourism and agriculture.

Public Facilities and Services

Provision and costs of public facilities and services can impact a firm's decision about expanding or locating in a city. One of the primary considerations about developing a site is whether it has infrastructure to or near the site, including water, wastewater, stormwater, and transportation. If infrastructure is not developed to or near the site, the consideration becomes whether infrastructure can be extended in a timely manner and at a financially feasible cost.

This section discusses Cottage Grove's water system and wastewater system infrastructure at the city level. It answers the question of whether Cottage Grove has or is planning to have sufficient capacity to support the amount and types of development proposed in the EOA.

Water

Overall, Cottage Grove has enough water capacity to accommodate existing and future water needs for industrial and commercial uses. The City's current capacity for water treatment is 6,000,000 gallons per day. Currently, Cottage Grove's average demand for water is between 1 to 1.5 million gallons per day, with a maximum demand in the summer of 3 million gallons per day. The City does not have current challenges for meeting this demand, even during peak seasons.

The City is also currently working on expanding storage space for water with the acquisition of three locations for reservoirs to help accommodate new development, particularly in areas with elevations that require pump assistance (primarily in residential areas). Older water infrastructure is also a focus for future work, primarily in the core downtown area. Updating aging pipes and reducing infiltration are priorities that may be addressed with new investments in downtown Cottage Grove.

Wastewater

Cottage Grove's wastewater treatment plant treats an average of 3.5 million gallons per day and has capacity to treat up to 15 million. The City's wastewater treatment facilities are able to meet current demand and fulfill current and future wastewater demands and comply with federal and state requirements.



3. Employment Growth and Site Needs

Goal 9 requires cities to prepare an estimate of the amount of commercial and industrial land that will be needed over a 20-year planning period. The estimate of employment land needs and site characteristics for Cottage Grove is based on expected employment growth and the types of firms that are likely to locate in Cottage Grove over the 20-year period. This chapter presents an employment forecast and analysis of potential growth industries that build from recent economic trends.

FORECAST OF EMPLOYMENT GROWTH AND COMMERCIAL AND INDUSTRIAL LAND DEMAND

Demand for industrial and commercial land will be driven by the expansion and relocation of existing businesses and by the growth of new businesses in Cottage Grove. This employment land demand is driven by local growth independent of broader economic opportunities.

The employment projections in this section build off Cottage Grove's existing employment base, assuming future growth is similar to Cottage Grove's population growth forecast for the 2023 to 2043 period. The employment forecast does not take into account a major change in employment that could result from the location (or relocation) of one or more large employers in the community during the planning period. Such a major change in the community's employment would exceed the growth anticipated by the City's employment forecast and its implied land needs (for employment, but also for housing, parks, and other uses). Major economic events, such as the successful recruitment of a very large employer, are difficult to include in an economic opportunities analysis. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

ECONorthwest has four steps to project demand for industrial and nonretail commercial land:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Cottage Grove presented in Exhibit 4. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in the city.



2. **Project total employment.** The projection of total employment considers forecasts and factors that may affect employment growth in Cottage Grove over the 20-year planning period.
3. **Allocate employment.** This step involves allocating types of employment to different land use types.
4. **Estimate land demand.** This step estimates general employment land demand based on employment growth and assumptions about future employment densities.

This analysis applies methods established by administrative rule and input received from Cottage Grove's Advisory Committee (AC).

Employment Base for Projection

The purpose of the employment projection is to model future employment land needs for general employment growth. The forecast of employment growth in Cottage Grove starts with a base of employment on which to build the forecast. Exhibit 7 shows EConorthwest's estimate of total employment in Cottage Grove in 2022.

To develop the figures, EConorthwest started with estimated covered employment in the Cottage Grove UGB from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Based on this information, Cottage Grove had about 3,656 covered employees in 2022, shown in Exhibit 4.

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department for Lane County is only about 7.2% of *total* employment reported by the U.S. Department of Commerce.²¹ We evaluated this ratio for each sector for Lane County and used the resulting ratios to determine the number of noncovered employees. This allowed us to determine the total employment in Cottage Grove. Exhibit 7 shows Cottage Grove had an estimated 4,680 *total* employees within its UGB in 2022.

²¹ **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Total employment includes all workers based on data from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other noncovered workers.



Exhibit 7. Estimated Total Employment by Sector, Cottage Grove UGB, 2022

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, Fishing and Hunting	33	36	91%
Construction	111	159	70%
Manufacturing	425	465	91%
Transportation & Warehousing and Utilities	30	76	39%
Wholesale Trade	24	27	89%
Retail Trade	875	1,082	81%
Information	35	59	59%
Finance & Insurance	50	106	47%
Real Estate & Rental & Leasing	20	94	21%
Prof., Sci. & Technical Tech. & Mgmt. of Companies	95	192	50%
Admin. / Support & Waste Mgmt & Remediation Serv.	56	81	69%
Health Care & Social Assistance & Private Education	540	627	86%
Arts, Entertainment, & Recreation	15	41	37%
Accommodation & Food Services	587	650	90%
Other Services (except Public Administration)	141	321	44%
Government	619	663	93%
Total	3,656	4,680	78%

Source: 2022 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

Employment Projection

The employment forecast covers the 2025 to 2045 period, requiring an estimate of total employment for Cottage Grove in 2022. The base employment starts with the estimate of 4,680 total jobs in Cottage Grove in 2022, shown in Exhibit 7.

Cottage Grove does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9)(a) sets out some optional “safe harbors” that allow a city to determine employment land need.

Exhibit 8 shows the forecast rate options, which include employment growing at the rate of the PSU population growth rate (0.42%), the OED regional employment growth rate (0.94%),²² or the historic employment growth rate in Cottage Grove between 2008 and 2022 (0.86%). The PSU and OED growth rates are the safe harbor options in OAR 660-024-0040(9)(a)(A) and OAR 660-024-0040(9)(a)(B).

²² During the EOA process, EConorthwest used the OED forecast rates for the 2022-2032 period.



Exhibit 8. Forecast Rate Options for Employment Growth in Cottage Grove UGB, 2025–2045

Year	Jobs grow at the rate of...		
	Population Growth Forecast for Cottage Grove (2025-45) (0.42%)	Historic Employment Growth in Cottage Grove (2008-22) (0.86%)	Regional Employment Growth (2022-2032) (0.94%)
2025	4,739	4,802	4,813
2045	5,149	5,702	5,799
Change 2025 to 2045			
Employees	410	900	986
Regional Annual Growth Rate (AAGR)	9%	19%	20%
	0.42%	0.86%	0.94%

Source: ECONorthwest

Note: AAGR is average annual growth rate.

Cottage Grove selected the forecast based on OED’s regional employment growth estimate for Lane County (0.94% AAGR), consistent with the safe harbor in OAR 660-024-0040(9)(a)(A). This safe harbor allows the City to assume that the current number of jobs in the Cottage Grove UGB will grow during the 20-year planning period at a rate consistent with county or regional job growth provided in the most recent forecast published by the Oregon Employment Department.

Exhibit 9 shows employment growth in Cottage Grove between 2025 and 2045, based on the assumption that the city will grow at an average annual growth rate of 0.94%. With this rate, Cottage Grove will have 5,799 employees within the UGB by 2045, which is an increase of 986 employees (20%) between 2025 and 2045.

Exhibit 9. Employment Growth in Cottage Grove UGB, 2025–2045

Year	Total Employment
2025	4,813
2045	5,799
Change 2025 to 2045	
Employees	986
Regional Annual Growth Rate (AAGR)	20%
	0.94%

Source: ECONorthwest



Allocate Employment to Different Land Use Types

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in Cottage Grove will look for a variety of site characteristics, depending on the industry and specific circumstances. We grouped employment into four broad categories of land use based on the North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.²³

Exhibit 10 shows the expected share of employment by land use type in 2025 and the forecast of employment growth by land use type in 2045 in the Cottage Grove UGB. The results assume that the share of employment in retail commercial will decrease from 23% to 21%, consistent with national trends of declining local retail, and that government employment will decrease from 14% to 13%, based on the assumption that school, county, and local employment will grow slower than other types of employment. Industrial employment is assumed to increase by 4% in share of employment to account for the City's economic development aspirations to grow manufacturing employment and higher-wage jobs, and office and commercial services are assumed to stay the same in share of employment.

Exhibit 10 . Forecast of Employment Growth by Land Use Type, Cottage Grove UGB, 2025–2045

*Number of Employees

Source: ECONorthwest

Note: The shaded percentages denote an assumption about the future change in the share of employment (as a percent of total) by land use type.

²³ Industrial employment includes construction and agriculture; manufacturing; transportation and warehousing; and wholesale trade. Retail commercial is retail trade. Office and commercial includes information; finance and insurance; real estate; professional services; management of companies; administrative support and waste management; educational services; health care and social assistance; recreation; accommodation and food service; and other services. Government includes all employment at federal, state, local, and other governmental agencies.



Estimate of Demand for Commercial and Industrial Land

This section shows demand for vacant (including partially vacant) land in Cottage Grove over the 20-year period. The assumptions used in this analysis are:

- ◆ **Employment density** . Employees per net acre is a measure of employment density based on the ratio of the number of employees per acre of employment land that is developed for employment uses.

Exhibit 11 assumes the following numbers of net employees per acre: industrial will have an average of 6 employees per acre, retail commercial will have an average of 20 employees per acre, and office and commercial services will have an average of 25 employees per acre.²⁴ These employment densities are consistent with Oregon cities similar in size to Cottage Grove, as well as an empirical evaluation of Cottage Grove's observed employment densities in developed commercial and industrial areas of Cottage Grove. Some types of employment will have higher employment densities (e.g., a two-story office building), and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- ◆ **Conversion from net to gross acres** . The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment, plus land needed for public right-of-way. One way to estimate the amount of land needed for employment, including public right-of-way, is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for public right-of-way.²⁵ A net-to-gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

Based on empirical evaluation of Cottage Grove's existing net-to-gross ratios in areas designated for and developed with industrial and commercial uses, ECONorthwest uses a net-to-gross conversion factor of 14.5% for industrial and 20.3% for commercial.

²⁴ Government employment is not included when discussing employment land demand because growth in government employment does not result directly in the need for more land for public uses. For instance, schools require land based on expected growth of students in the school district or replacement of existing obsolete schools, rather than as a result of growth in government employment. Local or regional governments may grow and continue to occupy existing built space or may need land based on factors other than employment growth. In addition, government employment locates in a range of zones, including commercial, residential, public, and other zones.

²⁵ OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.



Using these assumptions, the forecasted growth of 915 new employees will result in the following demand for vacant (and partially vacant) employment land: 73 gross acres of industrial land, 7 acres of retail commercial land, and 22 gross acres of office commercial land.

Exhibit 11 . Demand for Vacant Land to Accommodate Employment Growth, Cottage Grove UGB, 202 5–204 5

Source: EConorthwest

TARGET INDUSTRIES

The characteristics of Cottage Grove will affect the types of businesses most likely to locate in the city. Attributes that may attract firms are Cottage Grove’s advantageous location along the I-5 corridor, rail access, quality of life, and secondary services.

Cottage Grove’s existing businesses are concentrated in the industries defined in Exhibit 12. The industries in **green highlight** are industries with higher-than-average city wages. Industries with a high location quotient (i.e., highly specialized compared to regional employment in the industry), high employment (i.e., have more than 50 employees in Cottage Grove), and higher-than-average city wages have the highest potential for growth.

Cottage Grove also has opportunities for employment growth in industries without a concentration of employment or a high location quotient.



Exhibit 12 . Concentration of Industries and Employment, Cottage Grove , 20 22

High Employment (50 employees or more)		Low Employment (at least 10 employees)
High Location Quotient	<ul style="list-style-type: none"> Plastics and Rubber Products Manufacturing General Merchandise Retailers Wood Product Manufacturing Transit and Ground Passenger Transportation Gasoline Stations and Fuel Dealers Motor Vehicle and Parts Dealers Food and Beverage Retailers Food Services and Drinking Places Government Services Nursing and Residential Care Facilities Repair and Maintenance Religious and Grantmaking Organizations Construction of Buildings 	<ul style="list-style-type: none"> Telecommunications Web Search Portals and Information Services Health and Personal Care Retailers Wholesale Trade Financial Investments and Related Activities
Low Location Quotient	<ul style="list-style-type: none"> Social Assistance Educational Services Ambulatory Health Care Services Professional, Scientific, and Technical Services Specialty Trade Contractors 	<ul style="list-style-type: none"> Furniture, Home Furnishings, Electronics, and Appliance Retailers Building Material and Garden Equipment and Supplies Dealers Accommodations Performing Arts, Spectator Sports, and Related Industries Furniture and Related Product Manufacturing Machinery Manufacturing Fabricated Metal Product Manufacturing Warehousing and Storage Food Manufacturing

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2022.

Note: Green highlighting indicates higher than Cottage Grove's average wage.



Potential Growth Industries

An analysis of growth industries in Cottage Grove should address two main questions: (1) Which industries are most likely to be attracted to Cottage Grove? (2) Which industries best meet Cottage Grove's economic development goals? The selection of potential growth industries is based on Cottage Grove's goals for economic development, economic conditions in Cottage Grove and Lane County, and the city's competitive advantages.

Given the current employment base, which is composed of small and midsize businesses, it is reasonable to assume that much of the city's business growth will come from small and medium-sized businesses. This growth will either come from businesses already in Cottage Grove or new businesses that start in or relocate to Cottage Grove from within the I-5 corridor or from outside of the region. As Cottage Grove encourages business growth, the City should consider how industries support its goals for higher-wage jobs. The industries identified as having potential for growth in Cottage Grove are:

- ◆ **Manufacturing.** Cottage Grove currently has concentrations of wood product manufacturing (NAICS code 321) and plastics and rubber products manufacturing (NAICS code 326), as well as manufacturing of furniture (NAICS code 337), machinery (NAICS code 333), food (NAICS code 311), and fabricated metals (NAICS code 332). Given Cottage Grove's competitive advantages, such as its location along I-5 near existing businesses and its proximity to natural resources, it is reasonable to assume that Cottage Grove will continue to have growth in manufacturing, especially wood product manufacturing.
- ◆ **Warehouse and Distribution Centers.** The City's proximity to an I-5 interchange makes it potentially attractive for warehousing or distribution centers. Given the lack of buildable lands near the northern I-5 interchange, it is likely that warehouse and distribution facilities (NAICS code 484) will be relatively small, often associated with local businesses.
- ◆ **Health care.** Health care and social services currently have a low location quotient in Cottage Grove but growing employment. These jobs have potential to provide higher-opportunity jobs but require workforce training.
- ◆ **Hotels and Lodging.** There is interest in developing hotel and lodging within Cottage Grove, and its location near recreational amenities and transportation give it an advantage. The high quality of life has potential to draw in visitors alongside its historic downtown, bike paths, and covered bridges. However, there is a lack of available land for developing new lodging.



- ◆ **Services for visitors.** Cottage Grove is near I-5, and many travelers pass through on the way to outdoor recreational destinations, nearby wineries, and other activities. Capturing visitors to stop in Cottage Grove creates demand for services (such as restaurants and retail) and experiences that could provide new opportunities for businesses.

SITE NEEDS FOR POTENTIAL GROWTH INDUSTRIES

OAR 660-009-0015(2) requires the EOA to “identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses.” The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

OAR 660-009-0015(2) does state that “industrial or other employment uses with compatible site characteristics may be grouped together into common site categories.” The rule suggests, but does not require, that the City “examine existing firms in the planning area to identify the types of sites that may be needed.” For example, site types can be described by (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Cottage Grove groups its future employment uses into categories based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

The potential growth industries described in the prior section of this EOA are a mixture of business sizes, from small to medium-sized businesses. For the most part, Cottage Grove’s potential growth industries require sites with minimal topographic constraints, smaller than two acres and up to 25 acres. Industrial businesses need access to arterial streets and highways with no freight movement through neighborhoods. Exhibit 13 shows the typical site needs for manufacturing businesses in Oregon.



Exhibit 13. Industrial Development Competitiveness Matrix, Business Oregon

Industry Sector	Site size (Acres)	Site Topography (Slope)	Trip Generation (ADT/Acre)	Site Access Max distance in miles to interstate or major arterial	Railroad or Port Access	Telecommunications (major communications dependency)
Regionally to Nationally Scaled Clean-Tech Manufacturer	5-100+	0-5%	40 - 60	10	Preferred	Required
Heavy Industrial/ Manufacturing	10-100+	0-5%	40 - 60	10	Preferred	Preferred
General Manufacturing	5-15+	0-5%	40 - 50	20	Preferred	Required
Food Processing	5-25+	0-5%	50 - 60	30	Preferred	Preferred
Regional (multistate) Distribution Center	20-100+	0-5%	40 - 80	5 Only Interstate highway or equivalent	Preferred	Preferred
Warehouse/Distribution (local)	10-25	0-5%	40 - 80	5 Only Interstate highway or equivalent	Preferred	Preferred
Call Center / Business Services	5-15	0 to 12%	170 - 180	Not applicable	Preferred	Required
Advanced Manufacturing & Assembly	5-25+	0-7%	40 - 60	15	Not Required	Required
Business Park and R&D Campus	20 - 100+	0-7%	60 to 150	N/A	Preferred	Required
UVA Manufacturing / Research	10-25+	0-7%	40 - 80	N/A	Not Required	Required
Data Center	10-25+	0-7%	20 - 30	30	Avoid / Not Required	Required
Rural Industrial	5-25+	0-5%	40 - 50	N/A	N/A	Preferred

Source: Business Oregon, Infrastructure Finance Authority, "Industrial Development Competitiveness Matrix."

Note: Items identified as "preferred" are those that increase the feasibility of the subject property and its future reuse. Items identified as "required" are factors seen as mandatory in the vast majority of cases and have become industry standards.

For the most part, the size of sites needed by most potential growth industries will range from space in an existing building, to sites with minimal topographic constraints of one acre or less, to sites of 15 acres for manufacturing businesses. Manufacturing and other industrial businesses likely to locate in Cottage Grove will have a range of space needs, ranging from:

- ◆ **Small -scale manufacturing space.** Businesses would be in an industrial building with many other users. These businesses will need direct access to arterial streets and highways. This type of space could be used to establish a business incubator or shared workspace for growing and supporting businesses.
- ◆ **Space in an existing building.** The majority of businesses that work with Business Oregon on site selection request space in existing buildings, either in vacant buildings or in buildings with other manufacturers.
- ◆ **Small manufacturing site.** Some manufacturers may want to develop a building on a small site, such as a site 1 to 5 acres in size. These businesses



will need easy access to arterial streets and may prefer to locate near other manufacturers.

- ◆ **Midsize manufacturing.** Some midsize manufacturers may prefer to locate in a building with one or two other businesses. Other manufacturers may prefer to locate in newly developed buildings on sites from five to 15 acres in size. These businesses will need direct access to arterial streets and highways and may need greater access to water and wastewater.

The characteristics for small and midsize manufacturing, such as wood product manufacturing, plastics and rubber products manufacturing, manufacturing of furniture, machinery, food, and fabricated metals, will include:²⁶

- ◆ **Site size.** The size of sites needed by small manufacturers are likely to be 1 to 5 acres in size. Midsize manufacturers may require sites of five to 15 acres, depending on the scale of operations.
- ◆ **Slope.** Exhibit 13 shows that manufacturers typically need sites with a slope below 7% and often 5% or less.
- ◆ **Location.** The location of sites will vary. Existing businesses may need a site near or adjacent to the existing business site. New businesses may need a site nearer to I-5 or Highway 99. If the City needs to expand its UGB, the site needs to be adjacent to the existing UGB.
- ◆ **Compatibility with surrounding uses.** Sites must be located in areas where the expected industrial uses are compatible with surrounding land uses. Industrial site users typically reject sites located in areas where a manufacturing operation will be incompatible with surrounding uses (established or planned), such as areas near residential uses. OAR 660-009-0025(6) recognizes that compatibility is an important factor when locating new employment land. It strongly encourages cities to manage the encroachment and intrusion of incompatible uses with employment uses.
- ◆ **Ownership.** Sites may be made up of one large parcel or multiple adjacent parcels and have no more than three owners, given the relatively small nature of the sites. Sites with fewer owners reduce the cost and uncertainty of land assembly. Developing an industrial building on a site on two or more tax lots requires negotiating land assembly. Land assembly is difficult and often costly for a number of reasons. People own land for a variety of reasons, such as the desire to develop the land, keep the land undeveloped, or sell the land for a profit. Getting landowners to sell land can be difficult,

²⁶ The NAICS codes for these industries are 321 for wood product manufacturing, 326 for plastics and rubber products manufacturing, 337 for manufacturing of furniture, 333 machinery, 311 for food, and 332 for fabricated metals.



especially if the ownership is legally disputed, as is the case with some inheritances. If a landowner is a willing seller, they may have an unrealistic expectation of their land's value, in the context of comparable land values. In addition, one parcel of land may have multiple owners, compounding the issues described above.

- ◆ **Access to municipal infrastructure.** Sites must have future access to highways, water, and sewer. This access must be consistent with the requirements presented in Business Oregon's Industrial Development Competitiveness Matrix (Exhibit 13). While it would be preferable if these types of infrastructure were available to the edge of the parcel, it is likely that new off-site infrastructure will need to be built to provide services to any site around Cottage Grove.

Commercial businesses, including service and hospitality, require high-visibility locations near other businesses and neighborhoods. Professional and commercial service businesses have a variety of space needs, ranging from:

- ◆ **Space in an existing building.** Businesses would be located as one of many firms within the building.
- ◆ **Space in a building dominated by one firm.** This could potentially be with manufacturing or other industrial space in the building.
- ◆ **Land for construction of a building designed for the firm** . Some firms will need a custom-built building. In this case, the firm will likely need land ranging from 1 to 5 acres in size.



4. Buildable Lands Inventory

The Buildable Lands Inventory (BLI) is intended to identify commercial and industrial lands that are available for development for employment uses within the Cottage Grove UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This chapter presents results of the commercial and industrial buildable lands inventory for the Cottage Grove UGB. The results are based on analyses of the City of Cottage Grove, Lane County, and State of Oregon GIS data by EConorthwest and were reviewed by City staff. The remainder of this chapter summarizes key findings of the BLI.

The general steps in the Buildable Lands Inventory are:

1. Generate UGB “land base”
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

The following chapter provides a summary of the results of the commercial and industrial buildable lands inventory for the Cottage Grove UGB in both tabular and map formats. **Appendix B presents more details on the methodology for developing the inventory.**



LAND BASE

The land base for the Cottage Grove employment BLI includes all tax lots in the UGB within plan designations that allow for employment. Exhibit 14 shows the land base by plan designation in the UGB.

Exhibit 14 . Employment Land Base by Plan Designation , Cottage Grove UGB, 20 24

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
City Limits	561	90%	382	59%
Central Business District (B)	169	27%	28	4%
Community Commercial (C)	211	34%	116	18%
Residential Commercial (RC)	83	13%	27	4%
Tourist Commercial (T)	41	7%	72	11%
Industrial (I)	57	9%	140	22%
County	60	10%	266	41%
Community Commercial (C)	14	2.3%	14	2%
Industrial (I)	46	7%	252	39%
Total	621	100%	648	100%

Source: ECONorthwest analysis, City of Cottage Grove, Lane County

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis due to split plan designations.



BUILDABLE AREA STATUS

Exhibit 15 shows the total acres of commercial and industrial tax lots classified by buildable area status. EConorthwest used a rule-based classification (described in Appendix B) to define an initial status. These status classifications were then confirmed through a series of reviews by EConorthwest and City staff, based on local knowledge and review of aerial maps.

Exhibit 15. Employment Acres by Classification and Plan Designation, Cottage Grove UGB, 2024

Plan Designation	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
City Limits	382	262	56	64
Central Business District (B)	28	24	4	-
Community Commercial (C)	116	101	6	8
Residential Commercial (RC)	27	20	6	1
Tourist Commercial (T)	72	58	2	12
Industrial (I)	140	60	38	42
County	266	195	45	26
Community Commercial (C)	14	5	0	9
Industrial (I)	252	189	45	18
Total	648	457	101	90

Source: EConorthwest analysis, City of Cottage Grove, Lane County



DEVELOPMENT CONSTRAINTS

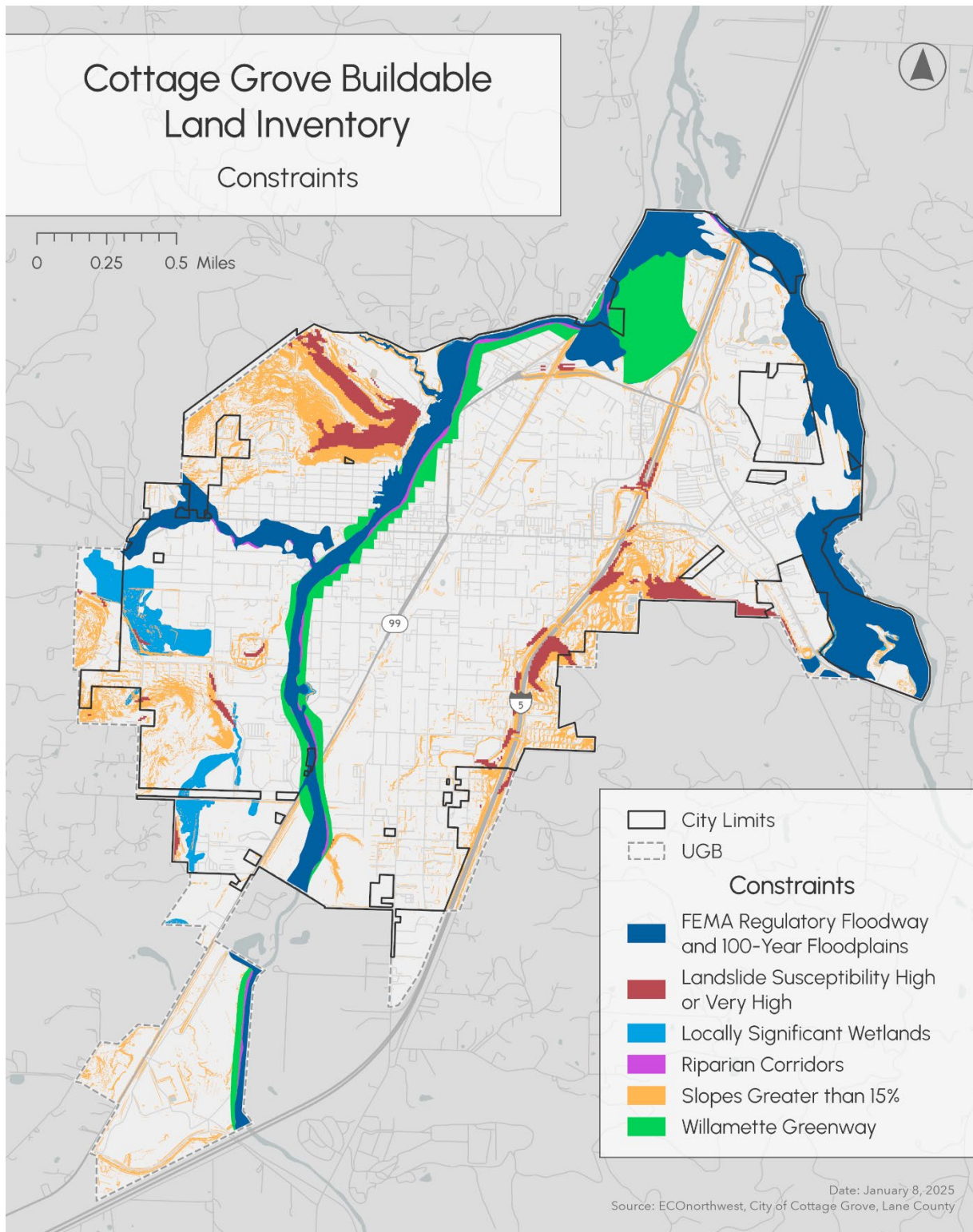
The buildable lands inventory identifies the following conditions as constraints that prohibit development. These constraints are also shown on Exhibit 16:

- ◆ FEMA 100-year floodplains and regulatory floodway
- ◆ High or very high landslide susceptibility
- ◆ Locally significant wetlands
- ◆ Riparian corridors
- ◆ Slopes greater than 15%
- ◆ Willamette Greenway

Exhibit 17 shows buildable area status with constraints applied, resulting in buildable acres. Vacant or partially vacant land with these constraints is considered unavailable for development and was removed from the inventory of buildable land. Note that tax lots shown as partially vacant do not distinguish the portion of the tax lot that is unavailable for development. The buildable lands inventory database accounts for this part of the tax lot that is developed (and considered unavailable for future development).



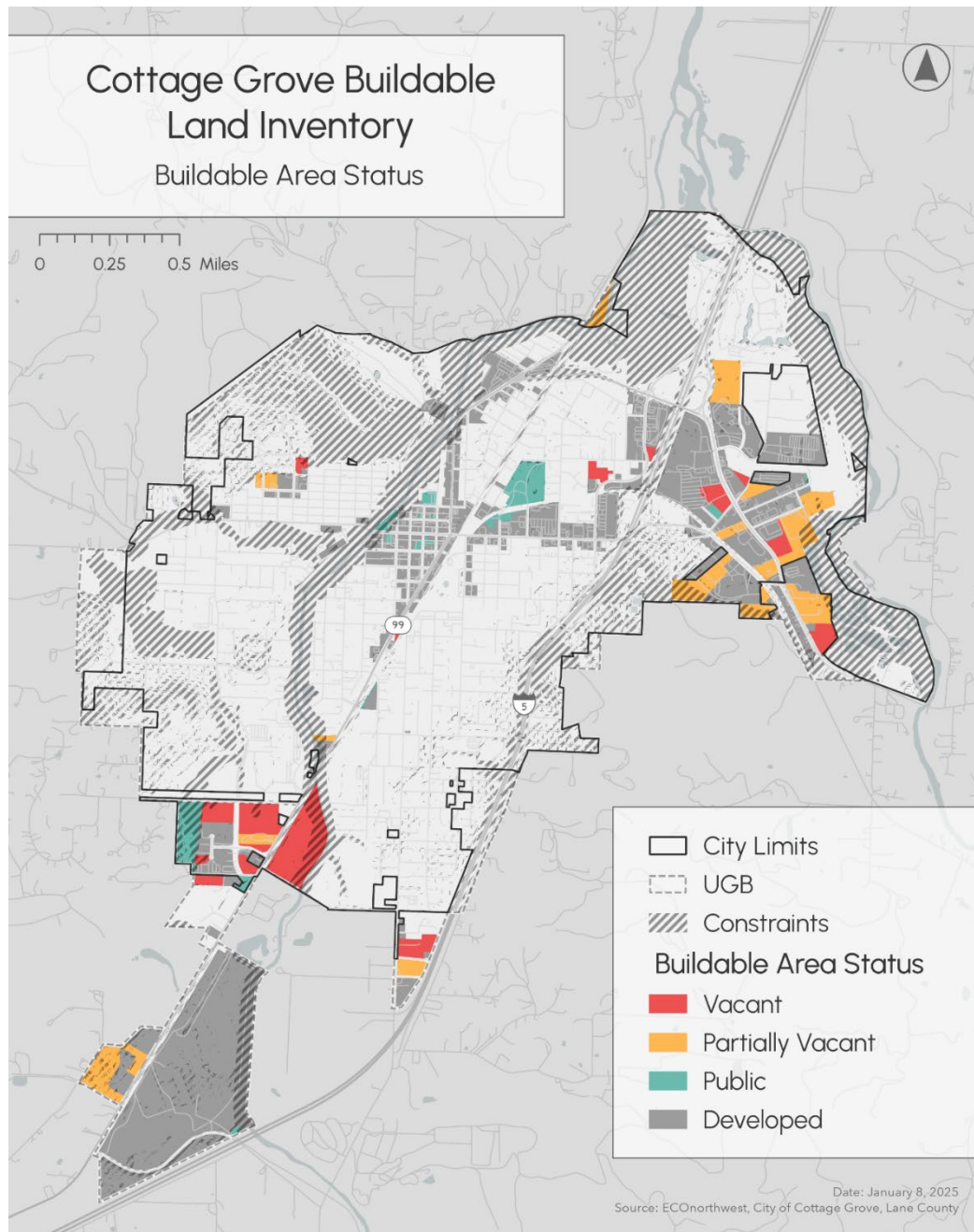
Exhibit 16 . Development Constraints, Cottage Grove UGB, 202 4



Source: EConorthwest analysis, City of Cottage Grove, Lane County



Exhibit 17 . Buildable Area Status with Constraints , Cottage Grove UGB, 202 4



Source: ECONorthwest analysis, City of Cottage Grove, Lane County

Note: Two large lots in the southern portion of the UGB, owned by Weyerhaeuser Co., appear as vacant or partially vacant land, but were designated as developed due to their use as staging yards.



VACANT BUILDABLE LAND

The next step in the commercial and industrial buildable lands inventory was to net out portions of vacant and partially vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into two categories: (1) developed areas of partially vacant tax lots and (2) areas with physical constraints (i.e., areas within wetlands, floodplains, steep slopes).

Exhibit 18 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation.

Exhibit 18 . Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designations
Cottage Grove UGB, 2024

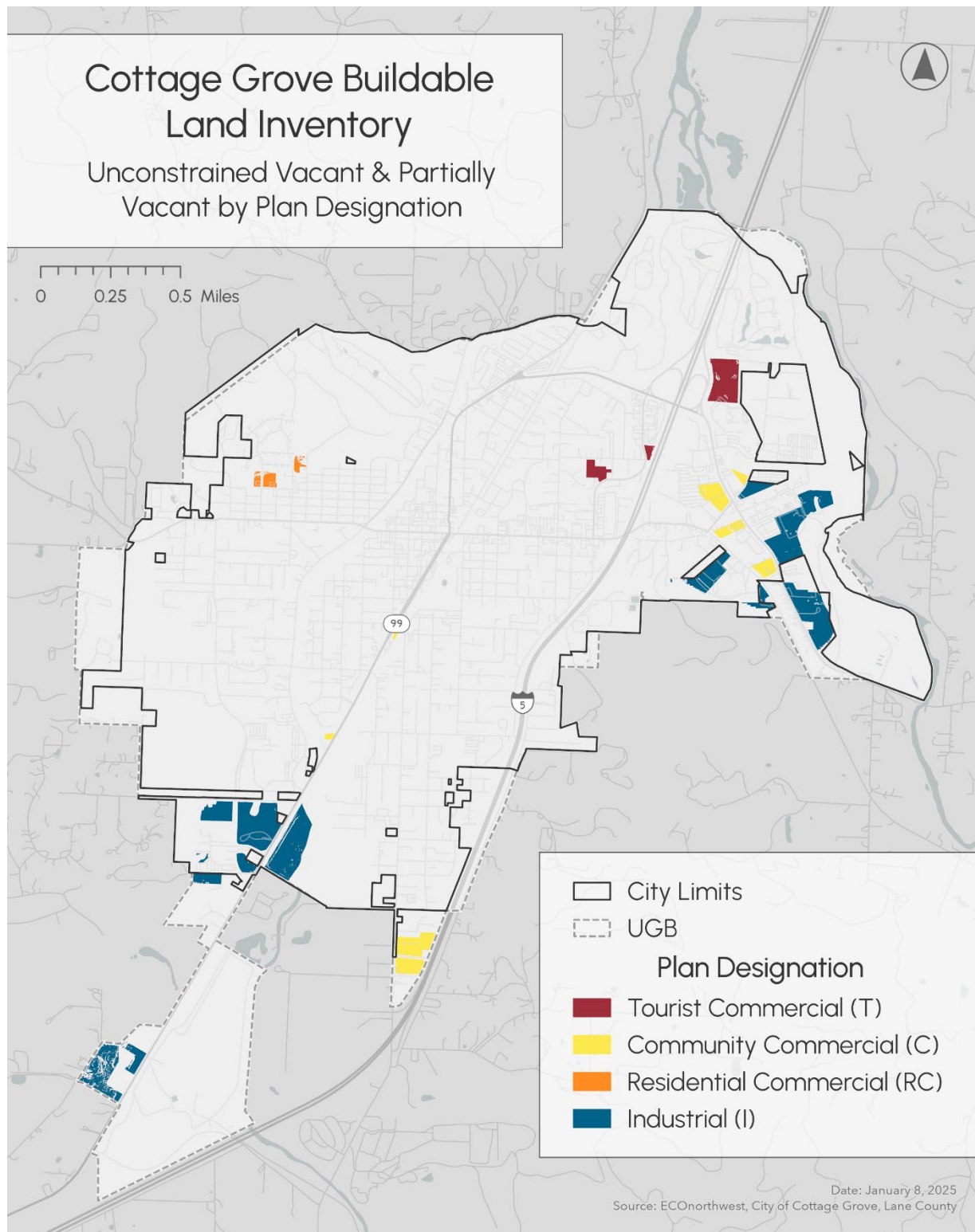
Plan Designation	Total Buildable Acres	Share of Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
City Limits	64	71%	44	20
Community Commercial (C)	8	9%	6	3
Residential Commercial (RC)	1	1%	1	0.4
Tourist Commercial (T)	12	13%	3	9
Industrial (I)	42	47%	34	9
County	26	29%	12	14
Community Commercial (C)	9	10%	6	3
Industrial (I)	18	19%	6	11
Total	90	100%	56	35

Source: ECONorthwest analysis, City of Cottage Grove, Lane County

Exhibit 19 shows Cottage Grove's buildable vacant and partially vacant residential land by plan designation.



Exhibit 19. Buildable Employment Land by Plan Designation with Development Constraints, Cottage Grove UGB, 2024



Source: EConorthwest analysis, City of Cottage Grove, Lane County



Exhibit 20 shows the size of lots by plan designations for buildable employment land. Cottage Grove has 6 lots that are smaller than 0.5 acres (with 1 acre of land); 20 lots between 0.5 and 2 acres (21 acres of land); 10 lots between 2 and 5 acres in size (29 acres of land); 3 lots between 5 and 10 acres in size (20 acres of land); 1 lot between 10 and 25 acres in size (14 acres of land); and no lots between 25 and 50 acres in size.

Exhibit 20 . Tax lot Size by Plan Designation, Buildable Acres, Cottage Grove UGB, 2024

Plan Designation	Buildable Sites Size							Total
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres	
City Limits	0.7	4	16	16	14	14	-	64
Community Commercial (C)	-	1	4	3	-	-	-	8
Residential Commercial (RC)	0.4	1	-	-	-	-	-	1
Tourist Commercial (T)	-	1	-	3	9	-	-	12
Industrial (I)	0.3	1	11	11	5	14	-	42
County	0.3	1	6	13	6	-	-	26
Community Commercial (C)	-	-	-	3	6	-	-	9
Industrial (I)	0.3	1	6	10	-	-	-	18
Acreage Total	1	5	21	29	20	14	-	90
City Limits	4	5	10	6	2	1	-	28
Community Commercial (C)	-	2	3	1	-	-	-	6
Residential Commercial (RC)	2	1	-	-	-	-	-	3
Tourist Commercial (T)	-	1	-	1	1	-	-	3
Industrial (I)	2	1	7	4	1	1	-	16
County	1	2	3	4	1	-	-	11
Community Commercial (C)	-	-	-	1	1	-	-	2
Industrial (I)	1	2	3	3	-	-	-	9
Tax Lot Total	5	7	13	10	3	1	-	39

Source: EConorthwest analysis, City of Cottage Grove, Lane County



5. Land Sufficiency and Conclusions

This chapter presents conclusions about Cottage Grove’s employment land sufficiency for the 2023–2043 period, as well as recommendations for the City to consider for meeting its economic growth needs throughout the planning period.

LAND SUFFICIENCY

Exhibit 21 shows commercial and industrial land sufficiency within the Cottage Grove UGB. It shows:

- ◆ **Land Supply is vacant unconstrained land within the UGB**. This land is identified and discussed in detail in the Vacant Buildable Land section of this report. Utilizing data from that section, Exhibit 21 shows that Cottage Grove has 60 gross acres of industrial land and 30 gross acres of commercial land.
- ◆ **Land Demand is demand for commercial and industrial land.** Exhibit 11 shows the methodology used to identify demand. Based on assumptions described in that section, Cottage Grove will need a total of 73 gross acres for industrial uses and 28 gross acres for retail commercial uses and office and commercial services uses combined over the 2025-2045 period (Exhibit 11).
- ◆ **Land Sufficiency.** When subtracting the demand for land from the supply of vacant unconstrained land, Exhibit 21 shows that Cottage Grove has:
 - A 13-acre deficit of industrial land
 - A 2-acre surplus of commercial land



Exhibit 21. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Cottage Grove UGB, 2025–2045

Source: EConorthwest

Note: It is possible that some of the commercial land may be used for the development of affordable housing as allowed by Senate Bill 8.²⁷

The target industries identified are a combination of manufacturing and industrial businesses and retail and services for both residents and visitors (see Potential Growth Industries). The site needs generally show that these businesses in Cottage Grove will need sites that range from space in an existing building, to sites with minimal topographic constraints of one acre to 5 acres, to sites of 5 to 15 acres for manufacturing businesses. Cottage Grove has a specific identified need for 13 acres of industrial land that cannot be met within the existing UGB.

Exhibit 20 shows that Cottage Grove has two industrial sites five acres and larger, one of which is about 5 acres and the other 14 acres in size. Cottage Grove has no industrial sites larger than 14 acres.

Some businesses will need sites smaller than 5 acres for development. Cottage Grove has a larger number of sites smaller than 5 acres (41 acres or 23 sites). In addition, development of sites larger than 5 acres is likely to result in the dividing of land into smaller sites.

²⁷ SB 8 requires local governments to approve the development of certain affordable housing and not require a zone change or conditional use permit on land zoned to allow commercial uses, religious assembly, or as public lands. Qualifying land may be owned by a public body or a religious nonprofit. The bill applies to property zoned to allow for industrial uses only if the property is publicly owned, adjacent to lands zoned for residential uses or schools, and not specifically designated for heavy industrial uses. These requirements do not apply to land that a local government determines lacks adequate infrastructure or is on property that contains a slope of 25% or greater, is within a 100-year floodplain, or is constrained by state land use regulations based on natural disasters and hazards or natural resources. Local governments may still impose development requirements based on siting and design standards and building permits. SB 8 also includes a statewide density bonus for affordable housing in areas zoned for residential use. A local government may reduce the density or height of a development as necessary to address a health, safety, or habitability issue (including fire safety) or to comply with a protective measure adopted pursuant to a statewide land use planning goal. SB 8 was signed into law on June 23, 2021, and the bill goes into effect on January 1, 2022. To read the full text of Senate Bill 8, use the link below.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB8>



Based on this information and the analysis in Exhibit 21, we conclude that Cottage Grove has a 13-acre deficit of industrial land for a manufacturing use of the type discussed in the Site Needs for Potential Growth Industries section of the report.

While Cottage Grove has sufficient commercial land, the City only has 30 acres of vacant unconstrained commercially zoned land, and expected growth of commercial businesses will consume most of that land. Cottage Grove has a substantial number of vacant buildings (or spaces within buildings) and underutilized commercial areas, which may provide opportunities for redevelopment and reuse.

CONCLUSIONS

The conclusions about commercial and industrial land sufficiency are:

- ◆ **Cottage Grove is forecasted to grow in both the commercial and industrial employment sectors.** Cottage is planning for growth of 986 new jobs in the city over the 2025 to 2045 period. About 375 of the jobs will be industrial, 435 of the jobs will be in office and commercial services, and 105 in retail. Growth of these jobs will result in demand for about 28 gross acres of commercial land and 73 gross acres of industrial land.
- ◆ **Cottage Grove has enough employment land to accommodate commercial growth.** Exhibit 21 shows that Cottage Grove has enough land for commercial employment growth over the next 20 years, with a surplus of 2 acres. However, for its target industries, Cottage Grove will have need for commercial sites ranging from space in existing buildings to custom-built buildings on sites from 1 to 5 acres, which it may struggle to accommodate. Cottage Grove has a substantial number of vacant buildings (or spaces within buildings) and underutilized commercial areas, which may provide opportunities for redevelopment and reuse.
- ◆ **Cottage Grove may want to consider an urban growth boundary (UGB) expansion to accommodate industrial land needs.** The analysis shows that Cottage Grove has a deficit of about 13 acres of industrial land. The City may want to consider a UGB expansion to accommodate industrial growth. This expansion could be for several smaller sites or could be for one site of 10-15 acres, for a midsize industrial business. The City should seek sites that meet the requirements of manufacturing target industries (as described in Chapter 3), such as wood products or other manufacturing.
- ◆ **Cottage Grove has a limited number of industrial sites larger than 5 acres.** Cottage grove has one 5-acre buildable industrial site and one 14-acre buildable industrial site. The City aspires to grow manufacturing jobs, which typically have higher than average wages, and may require more industrial



land in the future, especially sites 10 acres and larger. Over the next few years, the City could identify and support opportunities for redevelopment of underutilized industrial sites and buildings within the city.

In the longer-term, the City may want to identify opportunities for potential UGB expansion for one or more larger industrial site. The primary challenges to UGB expansion include: constraints around Cottage Grove (such as floodplains and steep slopes), parcelization of land outside the UGB (and likely need to assemble land into a larger site), amount of rural residential development outside of the UGB (and complexities of industrial development adjacent to residential land), costs of extending infrastructure to areas outside of the UGB, and the prevalence of farm and forest land around Cottage Grove.

- ◆ **Cottage Grove will need to address infrastructure needs in the city , particularly the downtown area .** Cottage Grove will need to address older pipes and infrastructure deficiencies in its commercial core to support future employment growth. To meet upcoming demand, Cottage Grove may be able to integrate plans to fix aging sewer pipes with future urban redevelopment.
- ◆ **Cottage Grove has limited commercial land and should consider opportunities to support redevelopment.** Exhibit 21 shows that Cottage Grove has just enough land to accommodate expected commercial job growth. However, Cottage Grove has a very limited supply of commercial land (about 30 acres of vacant unconstrained commercial land). The City should pursue opportunities for redevelopment of existing commercial areas. The City has been evaluating establishing an urban renewal district along Main Street (including in downtown) and Highway 99. This area includes underutilized buildings and parcels, which could provide space for business growth, if barriers for use were removed or lowered. An urban renewal district can support redevelopment in these areas.
- ◆ **Cottage Grove should consider establishing clearer policies to allow mixed - use development on commercial land.** Given the limited supply of commercial land and recent development of housing in commercial areas, the City should consider limiting residential-only development in commercial areas to preserve them for commercial uses. In particular, land near the northern I-5 interchange²⁸ is especially limited and is the location most suited for commercial services for visitors and residents. The southern I-5 interchange only provides access to travels going south, without an exit for

²⁸ The northern I-5 interchange is generally the area of the north end of Gateway and Row River Road from the Interstate to Thornton Road.



travelers going north. The City should consider limiting residential development to vertical mixed-use buildings (ground floor commercial and second story residential) on areas near the northern I-5 interchange. In other commercial areas, the City may want to require master planning on larger parcels for mixed-use development along Main Street, in the Village Center, and near the southern I-5 interchange. In downtown and along Highway 99, the City should continue to regulate mixed-use development as it currently does.



RECOMMENDED POLICIES AND ACTIONS

Following are EONorthwest's recommendations for actions for Cottage Grove based on the analysis and conclusions in this report.

Based on the analysis and conclusions in this report, EONorthwest recommends that Cottage Grove update the economic section of its Comprehensive Plan. This section has not undergone a comprehensive update in over a decade. The new information provided in the EOA offers an updated fact base to guide future decision-making. EONorthwest also recommends that the City develop an action plan, based on the recommendations for actions below, to implement its economic development goals and policies.

Draft economic development goals, policies, and corresponding actions to support implementation are provided below for the City's consideration.

Economic Development Goals

The recommended economic development goals for the Comprehensive Plan Economy Element are:

- ◆ To encourage opportunities to broaden our economic base, but this should be a gradual transition that will not destroy our rich historical heritage and the natural amenities of the area.
- ◆ To take advantage of our location within commuting distance of the Eugene-Springfield area by providing residential development and commercial services for those desiring metropolitan employment but a historic, small-town living environment.
- ◆ To support entrepreneurship and growth of small businesses.
- ◆ To continue to provide for tourist-oriented development.
- ◆ To support growth of manufacturing businesses through provision of industrial land, including sites larger than 5-acres.
- ◆ To strive to attract industrial development by assuring first that our community is an attractive and desirable place to work, live, shop and play.
- ◆ To support redevelopment of underutilized industrial and commercial lands to provide opportunities for business growth and expansion.



Economic Development Policies

The following policies are based on the analysis in the 2024 *Cottage Grove EOA*:

- (16) Support the growth, development, and retention of a diverse mix of industries that complement existing strengths and assets in the community, reducing reliance on any single sector.
- (17) Foster entrepreneurship, new business creation, and expansion of existing businesses through strengthened partnerships and coordinated economic development efforts with partners such as the Cottage Grove Chamber of Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners.
- (18) Work with partners to identify and support the expansion of existing industries and the attraction of new industries to the community.
- (19) Provide an adequate supply of suitable and serviceable development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Cottage Grove.
- (20) Identify and support opportunities for redevelopment of areas with obsolescent or underutilized commercial and industrial development.
- (21) Revise master planning standards for large commercial and industrial sites as needed to ensure that industrial and commercial land supply will be suitable and available for targeted industries and will be retained specifically to meet identified employment land needs.
- (22) Provide adequate public services (i.e., roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e., electricity and communications) are provided to existing businesses and development sites.
- (23) Consider economic development incentives—such as the establishment of an urban renewal district, tax abatement districts, loans, assistance with infrastructure, streamlined regulation, or other incentives available to businesses in the district—that meet specified criteria and help achieve community goals.
- (24) Use urban renewal to fund needed infrastructure upgrades and provide development incentives within the urban renewal district to catalyze redevelopment.
- (25) Continue to collaborate with the South Lane School District, the Lane Workforce Partnership, Lane Community College, and the University of Oregon, to understand the City's role, if any, in supporting opportunities in workforce development and training in general.
- (26) Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies are maintained or developed.



- (27) Support growth and retention of existing businesses, including those who are owned or operated by people with a primary language other than English.
- (28) Support existing businesses by sharing technical resources, maintaining open communications with local business owners/operators, and providing available staff support for economic development projects initiated by the business community.
- (29) Maintain and enhance quality of life through supporting community efforts such as cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.
- (30) Collaborate with Lane County and the Lane Workforce Partnership to support development of childcare facilities in the city.

More specific policies to accommodate commercial and industrial needs are discussed in the following sections of the Economic Development Element.

Actions

- 10. Hire a community development specialist to improve coordination with organizations and businesses to make Cottage Grove a more business-friendly city. This role would supplement current staff by handling tasks they lack the time or expertise to advance. Key responsibilities would include streamlining city functions, simplifying the development process, and supporting business growth. The City may be able to use urban renewal funds to partially fund this position as long as the position supports implementation of urban renewal priorities.
- 11. Continue to pursue establishment of an urban renewal district along Main Street and Highway 99, with the purpose of funding needed infrastructure upgrades and economic development incentives to support redevelopment of the area.
- 12. Partner with the Cottage Grove Chamber of Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners to support entrepreneurship and business retention and expansion efforts by serving as a clearinghouse for regional data and resources.
- 13. Partner with the Cottage Grove Community Development Corporation and other partners to develop funds to support business growth and entrepreneurship, possibly through leveraging funding from urban renewal, grants, or other funding sources.
- 14. Develop programs to attract businesses to the new urban renewal district, considering tax incentives, land use controls, and capital improvement programming. Consider targeting incentives in Urban Renewal Areas.



15. Coordinate capital improvement planning to ensure infrastructure availability on employment land and continue to pursue funding for needed infrastructure to support economic development activities.
16. Identify opportunities to support development of childcare facilities in Cottage Grove, in coordination with Lane County and the Lane Workforce Partnership.
17. Work with Lane County, Business Oregon, the Lane Workforce Partnership, the Cottage Grove Community Development Corporation, and other staff to recruit new businesses to Cottage Grove.
18. Revise Master Plan requirements for land set aside for public use, such as revisiting requirements that 15% of land be set aside for public use.

Industrial Areas

This section addresses the need for suitable sites to accommodate targeted manufacturing, assembly, warehouse, and distribution industries, as identified in the EOA.

Industrial Policies:

- (1) Encourage industrial activities, which will broaden the community's long-term employment base.
- (2) Protect industrial areas from encroachment by incompatible land uses and ensure sites in a variety of sizes to assure opportunities for both small and large industrial activities.
- (3) Identify opportunities for industrial development, considering redevelopment opportunities or strategic expansion of the urban growth boundary where necessary to support growth of businesses.
- (4) Preserve prime industrial land while considering opportunities for rezoning nonprime industrial areas where commercial development (or redevelopment) can better support new business growth.
- (5) Identify and support redevelopment of obsolescent or underutilized industrial lands.
- (6) Retain industrial sites for their intended industrial or business park purposes while allowing accessory and limited-support commercial activities.
- (7) Support development of manufacturing and other industrial jobs with above-average wages through provision of industrial land, considering opportunities for an increase in the number of industrial sites in the city that are at least 5-acres in size, preferably 10-acres or larger.
- (8) Continue to preserve industrial development in the vicinity of the Cottage Grove Airport to assure that incompatible uses or site development do not hinder



airport operation or future development through implementation of the Airport District.

- (9) The industrial lands projection in the EOA shall be reviewed every five to seven years to maintain a continuous 20-year supply of suitable and available industrial sites.

ACTIONS

1. Define “prime industrial lands,”²⁹ identify those lands in Cottage Grove, and preserve them for industrial uses.
2. Where possible, identify opportunities for prime industrial lands and support industrial development on those lands.
3. Evaluate opportunity for a small urban growth boundary expansion to support industrial growth opportunities, as identified in the 2024 EOA.

Commercial Areas

This section of the Economic Element deals with commercial retail and service employment. Commercial development typically is accommodated in community shopping centers, the Central Business District, and in highway-oriented and tourist commercial zones. Service commercial and limited retail support commercial uses also can be accommodated in business parks. Residential development increasingly occurs in commercial areas as well.

COMMERCIAL POLICIES:

- (1) Ensure that the Central Business District (CBD) remains the heart of the community as a place to work, shop, live, and conduct public affairs.
 - a. Encourage revitalization and upgrading of the existing downtown core area with improvements to be financed by assessments and city-matching finances when available.
 - b. Plans should be developed jointly by the Central Business District merchants with the help of the City and the general public.
 - c. Take advantage of tax abatement and marketing opportunities resulting from the Downtown Historic District.

²⁹ OAR 660-009 defines prime industrial land as “land suited for traded-sector industries as well as other industrial uses providing support to traded-sector industries. Prime industrial lands possess site characteristics that are difficult or impossible to replicate in the planning area or region. Prime industrial lands have necessary access to transportation and freight infrastructure, including, but not limited to, rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.”



- d. Where appropriate, support residential uses, whether stand-alone residential buildings or located above ground floor commercial uses.
- (2) Strip commercial development shall be restricted to major thoroughfares suitable for conveying higher traffic volumes where this type of development wholly or partly exists.
 - a. These thoroughfares include East Main Street to 19th Street, Highway 99 from South River Road to Gibbs and from Woodson Bridge to the Connector Road interchange.
 - b. Encourage redevelopment of existing highway-oriented development.
 - c. Continually upgrade existing Commercial areas through enforcement of the fire, housing, building, plumbing, sign, electrical, and dangerous building codes.
 - d. The properties that front on West Main Street between “H” and “I” Streets shall continue under Community Commercial zoning to avoid the creation of a nonconforming use status for the existing retail stores and lodges. In order to restrict additional commercial development from expanding into the adjacent residential land, this area shall not be designated for commercial use on the Land Use Diagram.
- (3) Preserve land located near the northern I-5 interchange (generally the area of the north end of Gateway and Row River Road from the interstate to Thornton Road), primarily for highway-oriented tourist developments with Commercial Tourist (C-T) zoning.
- (4) Encourage infilling and redevelopment of lands within commercial areas.
- (5) Leverage the benefits of Cottage Grove’s historic downtown to improve the business climate and encourage business growth in Cottage Grove.
- (6) Enhance the aesthetic appeal, functionality, and economic vitality of key commercial areas through strategic public infrastructure investments and design standards.
- (7) Preserve commercial land for commercial uses in areas where commercial is most appropriate, limiting or not allowing residential uses in these areas.
- (8) Identify areas where allowing a combination of commercial and residential uses are appropriate, allowing for mixed-use development.

ACTIONS

1. Use urban renewal to catalyze redevelopment downtown, along Main Street and along Highway 99 near the intersection with Main Street.
2. Develop and implement public facility designs and development standards to revitalize businesses and business districts in downtown, along Main Street and along Highway 99.



3. Increase businesses and pedestrian activity, support improvements, and implement street beautification efforts as part of redevelopment in downtown, along Main Street and along Highway 99.
4. Revise development standards for stand-alone residential development to disallow stand-alone residential development near the northern³⁰ and southern I-5 interchanges. Limit stand-alone residential development in Main Street, the Village Center, and along selected parts of Highway 99.³¹
5. Develop a new mixed-use zone or overlay to regulate development of vertical mixed-use buildings, with commercial development on the ground floor and residential uses above the ground floor.
6. Require master planning on larger parcels for mixed-use development along Main Street, in the Village Center, and near the southern I-5 interchange. Limit residential development to above the ground floor for the northern I-5 interchange. Continue to regulate mixed-use development in downtown and along Highway 99 as the City currently does.³²
7. Partner with organizations like Cottage Grove Chamber of Commerce, Downtown Cottage Grove Association, the Cottage Grove Community Development Corporation, and other partners to provide resources and support for local entrepreneurs.
8. Support the “Cottage Grove Business Challenge” by promoting it and providing assistance where possible.
9. As staff capacity allows, develop a work plan for business outreach to understand problems that businesses in Cottage Grove face, including unmet workforce needs, and identify approaches to meet those needs. The outreach plan should focus either on a location for outreach each year (e.g., downtown) or on a sector (e.g., manufacturing or downtown commercial). Set a goal regarding number of businesses to reach out to each year and topics to discuss.
10. Work with property owners in downtown and other areas to understand the barriers and reasons for vacancies. Identify ways to support and incentivize rental of vacant spaces, such as developing a low-interest loan program for building improvements.
11. Increase communication in city publications (such as the “Friday Update”) about new development, redevelopment, and other things happening with Cottage Grove’s businesses.

³⁰ The northern I-5 interchange is generally the area of the north end of Gateway and Row River Road from the interstate to Thornton Road.

³¹ The memorandum “ *Cottage Grove Mixed -Use Policy Analysis*” (dated 11/11/2024) by ECONorthwest provides guidance on where the City should allow and limit stand-alone residential uses in commercial areas.

³² The memorandum “ *Cottage Grove Mixed-Use Policy Analysis*” (dated 11/11/2024) by ECONorthwest provides guidance on where the City should allow and limit vertical mixed-use buildings in commercial areas.



12. Consider renaming the Commercial Tourist (C-T) zone to Highway Commercial to better reflect the types of uses in this zone.



Appendix A. National, State, and Regional and Local Trends

The economic trends discussed in this appendix are based on long-term trends that are generally expected to continue on national, state, and regional scales.

NATIONAL AND STATE TRENDS

Economic development in Cottage Grove over the next 20 years will occur in the context of long-run national trends. The most important of these trends are as follows:

- ◆ **Slower labor force growth will be offset by increased productivity gains.**
According to the Oregon Office of Economic Analysis (OEA), economic growth is determined by two key factors: the number of workers and their productivity levels. While Oregon's labor force growth is slowing due to low birth rates and pandemic-related migration changes, this will be offset by increased productivity gains as businesses seek to operate more efficiently in a tight labor market.
 - Employment in Oregon is expected to increase but at a slower rate than it has in the past. The OEA forecasts that total nonfarm employment in Oregon will increase by 5.1% from 1.95 million in 2022 to 2.05 million in 2027. Similarly, total *private* nonfarm employment is projected to grow by 5.4% from 1.65 million in 2022 to 1.74 million in 2027.³³
 - Nationally, growth in productivity (as measured by output per hour of labor input) was slower between 2005 and 2018, averaging an annual rate of 1.3% compared to 2.1% over the longer period from 1947 to 2018.³⁴ However, productivity experienced a rebound, rising in 2019-2020 before dipping in 2021-2022, then increasing by 5% in Q3 2023.³⁵ In Oregon specifically, productivity grew by nearly 3% per year from 2019-2022.³⁶

³³ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1. Release date February 2024, <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0324.pdf>

³⁴ Bureau of Labor Statistics, Monthly Labor Review, April 2021

³⁵ Bureau of Labor Statistics News Release, December 2023
<https://www.bls.gov/news.release/pdf/prod2.pdf>

³⁶ Josh Lehner, Oregon Office of Economic Analysis, Bureau of Labor Statistics
<https://oregoneconomicanalysis.com/2023/08/25/state-productivity-and-labor-growth-graph-of-the-week/>



Looking ahead, Oregon's economic growth over the next decade is anticipated to be driven by faster productivity gains. These gains are expected to stem from an increase in start-ups, increased federal investment, and the transformative potential of generative artificial intelligence (AI) technologies, which will help offset the impact of a slower-growing labor force.³⁷

- ◆ **Manufacturing remains an important part of Oregon's economy.** Between 2010 and 2019, Oregon added 34,000 manufacturing jobs, an increase of 21%. Despite a decrease of about 5,500 jobs (3%) between 2019 and 2022, manufacturing remains a crucial component of Oregon's economy.³⁸

Oregon's manufacturing sector grew slightly faster than the national average between 2010 and 2022, with 9.9% growth compared with the national average of 8.4%. The sectors with the largest shares of manufacturing employment in Oregon are computer and electronics components, food manufacturing, wood products, and fabricated metals and machinery.³⁹

- ◆ **Shifts in Oregon's high -growth industries.** Looking ahead, the state's traditionally strong timber and high-tech industries are expected to experience slower job growth in the future. While the semiconductor industry will benefit from the CHIPS Act investments, employment gains are expected to lag productivity increases.^{40, 41} Similarly, the timber sector is expected to remain under pressure from both market-based conditions and federal regulations. However, investments like the Economic Development Administration's \$41.4 million Build Back Better grant to the Oregon Mass Timber Coalition are expected to benefit the industry and potentially drive job growth.⁴²

Despite slowing employment growth in the high-tech and timber industries, many of the state's other larger industries, like management of companies, food/beverage manufacturing, published software, and health care, are expected perform well over the next decade. Other opportunities will come in industries where Oregon has less employment currently. These industries,

³⁷ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

³⁸ Oregon Employment Department Covered Employment and Wages, 2010 to 2022

³⁹ Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, August 2022.

⁴⁰ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

⁴¹ The federal CHIPS Act (2022) was passed to spur investment in advanced manufacturing, including supply chain improvements and research and development. Because of Oregon's prominent semiconductor industry, the State has taken a proactive approach by initiating a coordinated strategy for pursuing and leveraging CHIPS funds.

⁴² Oregon Mass Timber Coalition, <https://www.masstimbercoalition.org/>



like consulting, computer system design, financial investment, and scientific R&D, are expected to grow quickly in the decade ahead.⁴³

- ◆ **Increases in automation across sectors.** Automation has been a long-running trend in employment, leading to productivity gains across sectors. Additionally, the enhancement of artificial intelligence (AI) is expanding automation possibilities beyond routine tasks to jobs previously thought impervious, such as office and cognitive roles (however, complete job replacement due to AI is expected to be minimal, with task efficiencies and a shifting of tasks within jobs as more likely outcomes).^{44, 45} The U.S. Government Accountability Office (GAO) reports that automation could be widespread, with anywhere from 9% to 47% of jobs being automated in the future according to academic research.⁴⁶

The GAO identified that jobs requiring a blend of soft skills (management, interpersonal), process skills, and technical expertise face lower automation risks. Most of the top 20 in-demand jobs share this mixed skill set trait, including nurse practitioners, statisticians, occupational therapy assistants, home health aides, physical therapist assistants, medical managers, physician assistants, information security analysts, and data scientists, among others.⁴⁷ Lower-wage jobs are the most likely to be automated. The GAO reported that over 80% of jobs paying less than \$20 per hour are susceptible to automation over the next two decades. About 30% of jobs paying \$20 to \$40 per hour and 4% of jobs paying \$40 or more per hour were also identified as at risk.⁴⁸

Oregon's automation trajectory mirrors national trends, with lower and middle-wage jobs facing higher automation potential. The state's tight labor market may further drive productivity and efficiency gains bolstered by AI's transformative potential.

- ◆ **The aging of the baby boomer generation and the need for replacement workers** . As the baby boomer generation continues to retire, the number of Social Security recipients is expected to increase from over 65 million in 2022 to over 86 million in 2045, a 32% increase. In 2022, there were 36

⁴³ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

⁴⁴ BLS, Growth Trends for Selected Occupations Considered at Risk from Automation, July 2022, <https://www.bls.gov/opub/mlr/2022/article/growth-trends-for-selected-occupations-considered-at-risk-from-automation.htm>

⁴⁵ Manhattan Strategy Group, Job Automation Risk and the Future of Skills: Skills and Competency Change in the U.S. Workforce, May 2023, <https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/FutureofSkillsLitScan-20230515.pdf>

⁴⁶ Government Accountability Office, Workforce Automation, August 2022, <https://www.gao.gov/assets/gao-22-105159.pdf>

⁴⁷ Government Accountability Office, Workforce Automation, August 2022.

⁴⁸ Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.



Social Security beneficiaries per 100 covered workers. But by 2045, there will be 45 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.⁴⁹

While the Bureau of Labor Statistics projects total U.S. employment to grow by 4.7 million jobs from 2022 to 2032, this job growth is unlikely to be sufficient to replace all the baby boomer retirees leaving the workforce during that period. The BLS estimates there will be 18.6 million annual job openings arising from the need to replace retiring workers and workers changing occupations, in addition to openings from newly created positions.⁵⁰ The sectors expected to grow the fastest are health care support, computer and mathematical occupations, health care practitioners, and community and social service.⁵¹

- ◆ **Growth of entrepreneurship and small businesses.** The creation of new businesses plays a vital role in driving Oregon's economic growth. Start-ups generate employment opportunities, introduce innovative products and services, and help better serve local communities. According to the 2023 Small Business Profile from the U.S. Small Business Administration Office of Advocacy, small businesses (defined as having between zero and 500 employees) account for 99.9% of total businesses in the United States and employ 46% of the American workforce. Oregon's performance in early-stage entrepreneurship activity, as measured by the Kauffman Early-Stage Entrepreneurship (KESE) Index, ranked 25th in the country in 2020.^{52, 53}

Start-up activity had been trending down for decades in Oregon and across the nation leading up to the pandemic, but since the pandemic, new business formation has increased and appears to be maintaining this higher rate.⁵⁴ In terms of outlook for start-ups, several key factors are at play. High inflation, rising interest rates, and recession risks, along with tighter venture capital and banking lending conditions, will likely slow new business formation. However, several favorable factors could mitigate these impacts and support continued strength in entrepreneurship and small business

⁴⁹ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2023 <https://www.ssa.gov/oact/TR/2023/tr2023.pdf>

⁵⁰ Bureau of Labor Force Occupational Separations and Openings, 2022-2032 <https://www.bls.gov/emp/tables/occupational-separations-and-openings.htm>

⁵¹ Bureau of Labor Statistics Employment Projections – 2022-2032, September 2023 <https://www.bls.gov/news.release/pdf/ecopro.pdf>

⁵² Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. <https://indicators.kauffman.org/>.

⁵³ This index comprises four statistics: the rate of new entrepreneurs, the opportunity share of new entrepreneurs, start-up density, and start-up early survival rate.

⁵⁴ Josh Lehner. "Strong Startup Activity Continues" Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>



formation in Oregon. These include increased personal savings and home equity levels, which are common funding sources for new businesses, along with the shift toward remote work opportunities and the large millennial generation entering their prime entrepreneurial years (late 30s and early 40s, according to Census Bureau research).⁵⁵

- ◆ **Continued transformation of retail.** In the last two decades, retail sales by e-commerce and warehouse clubs/supercenters (a lower-cost model to the traditional department store) have increased steadily. Online retail purchases increased from about 6% of all retail purchases in 2014 to about 16% of retail purchases in 2023.⁵⁶ Ultimately, the growth in online shopping and the increasing dominance of large supercenters has made it difficult for small and medium-sized retail firms (offering a narrower selection of goods) to compete. Declining net profits and increased competitive pressures have led many well-known retailers (e.g., JCPenney, Macy's, Sears) to declare bankruptcy or to scale back their operations.

In the future, the importance of e-commerce will likely continue to grow. However, despite the highly publicized closures of brick-and-mortar stores, physical retail is likely to remain an important part of the retail sector as well. Since modern consumers are increasingly price sensitive, less brand loyal, and (since the advent of the Internet) able to substitute between retailers easily, retailers must be nimble and able to adjust to the changing needs of their customers if they are to remain competitive.

The types of brick-and-mortar retail and related services that are likely to remain viable are those offering goods that consumers prefer to purchase in person or goods that are difficult to ship and return, such as large furniture items. Additionally, retailers specializing in groceries, personal goods that are needed immediately, restaurants, and experiential offerings like entertainment or social activities are expected to maintain their presence. According to the Urban Land Institute, large retailers such as Macy's, Nordstrom, Kohl's, and Ikea are experimenting with downsizing storefronts to operate spaces that can be flexible to changing consumer needs. These locally scaled shops feature in-person merchandise and services that are in

⁵⁵ Josh Lehner. "Strong Startup Activity Continues" Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>

⁵⁶ U.S. Census Bureau News, Quarterly Retail E-Commerce Sales, 4th Quarter 2023 https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf



demand for modern consumers: curated inventory, tailored services, and e-commerce fulfillment.⁵⁷

- ♦ **Changing places where work is being done.** The COVID-19 pandemic accelerated the trend of remote work. According to the Bureau of Labor Statistics' American Time Use Survey, the share of employees working from home rose from 24% in 2019 to 34% in 2022.⁵⁸ However, the ability to work remotely is not equally distributed. Those most likely to have remote work opportunities tend to have higher educational attainment, be white or Asian, and be over 25 years old.⁵⁹ This uneven access to remote work raises equity concerns, as certain demographic groups may be disadvantaged in accessing these flexible work arrangements.

Remote work trends have consequences for downtown health and recovery. OEA found that downtown recoveries are not driven by regional economic changes but rather are impacted by the strength of three components: workers, residents, and visitors.⁶⁰ If a significant portion of previous downtown workers are now working remotely from other locations, downtowns need to capture or bolster resident and visitor spending to counteract this shift.

- ♦ **Continued increase in demand for energy , even as the sources supplying that energy shift .** The 2022 Inflation Reduction Act aims to drive increased investments in climate and energy projects across the United States.⁶¹ As a result of the renewable energy investments and subsidies introduced by this legislation, the nation's energy consumption pattern is anticipated to undergo a shift over the coming years. There is an expected move away from traditional fossil fuels like crude oil and natural gas toward renewable energy sources.⁶²

However, this shift is not expected to reduce overall energy consumption. From 2022 to 2050, the U.S. Energy Information Administration (EIA) estimates that total energy consumption will rise due to population growth and economic expansion outpacing efficiency gains. This increasing demand

⁵⁷ Holly Dutton. " More Retailers Are Rolling Out Small -Format Stores " *Urban Land Institute* , January 8, 2024. <https://urbanland.uli.org/economy -markets -trends/more -retailers -are-rolling -out-small -format -stores>

⁵⁸ BLS, American Time Use Survey, 2023, <https://www.bls.gov/news.release/atus.nr0.htm#:~:text=On%20average%2C%20those%20who%20worked,to%2034%20percent%20in%202022>.

⁵⁹ Ben Casselman, Emma Goldberg, and Ella Koeze. "Who still works from home?" *New York Times* , March 8, 2024.

⁶⁰ Oregon Office of Economic Analysis, Downtown Recoveries 2023 Update, <https://oregoneconomicanalysis.com/2023/07/18/downtown -recoveries -2023 -update/>

⁶¹ Energy Information Administration, Inflation Reduction Act of 2022

⁶² Energy Information Administration, Inflation Reduction Act of 2022



is anticipated to be driven primarily by the industrial sector and, to a lesser extent, transportation.

- ◆ **Impact of rising energy prices on commuting patterns.** As energy prices increase over the planning period, transportation energy consumption is expected to shift to electric or fuel-efficient vehicles.⁶³ The share of electric vehicles is expected to grow from less than 6% in 2022 to 19% in 2050.⁶⁴ The EIA estimates an 8% increase in transportation energy consumption, partially attributable to increasing vehicle miles traveled (VMT) that offset efficiency upgrades. With expected increases in fuel economy, people may commute farther while consuming less energy. VMT for passenger vehicles is forecasted to increase between 12% and 33% through 2050. Lower-income households may face financial barriers to efficiency upgrades and tend to have longer commutes, which may force them to face the brunt of rising energy prices.
- ◆ **High rates of inflation.** For the last several decades, inflation rates have generally stayed below 3% in the United States. Inflation started to increase in 2021, reaching 9.1% in 2022, the highest level in about 40 years.⁶⁵ In 2023 the annual inflation rate was 3.4%, a marked reduction from the 2022 inflation rate.⁶⁶ Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession.
- ◆ **Income gains in Oregon.** Oregon's economic growth in the past decade has led to improvements in the state's income and wage levels relative to the rest of the nation. Notably, Oregon's median household income has surpassed the national level for the first time in over 50 years.⁶⁷ Higher incomes can have positive impacts on an economy through improved standards of living and higher consumer spending, increased tax revenue potential, and talent attraction and retention, among others.
- ◆ **Potential impacts of global climate change** . Oregon and the Pacific Northwest have been experiencing the impacts of global climate change over the past 30 years, exacerbated by extreme events such as the 2020 Labor

⁶³ Energy Information Administration, 2023, *Annual Energy Outlook 2023 with Projections to 2050* , U.S. Department of Energy, March 2023 .

⁶⁴ Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050* , U.S. Department of Energy, January 2019 .

⁶⁵ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily* . Consumer prices were up 9.1% over the year ended June 2022, which was the largest increase in 40 years . at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm> (visited July 25, 2022).

⁶⁶ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily* , Consumer Price Index: 2023 in Review, <https://www.bls.gov/opub/ted/2024/consumer-price-index-2023-in-review.htm>

⁶⁷ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024 . Vol. XLIV, No. 1.



Day fires that burned over 840,000 acres in Oregon and the June 2021 heat dome that caused temperatures to soar to 111°F in Eugene and 116°F in Portland.⁶⁸ According to the National Oceanic and Atmospheric Administration (NOAA), between 1980 and 2023, the U.S. experienced an average of 8.5 weather-related disasters per year where overall damages/costs reached or exceeded \$1 billion (adjusted for inflation). However, the number of such events has increased in the last five years, with an average of 20.4 events per year.⁶⁹ The Pacific Northwest is not only experiencing an increased frequency and severity of extreme weather events but also long-term climatic changes. These long-term changes include:

- **Increased average annual day and nighttime temperatures.** If greenhouse gas (GHG) emissions continue at the current rate, temperatures in Oregon are projected to rise approximately 5°F by the 2050s and 8.2°F by the 2080s.⁷⁰ These higher overall temperatures can have consequences, including increased mortality rates, the spread of diseases, and the forced migration of plants and animals as ecosystems undergo changes. Vegetation may become stressed and die, leading to an accumulation of fuel loads that heighten the risk of wildfires. Some areas that were once forestlands are transitioning into shrublands after being affected by forest fires.
- **Reduced snowpack and increased drought conditions.** As temperatures increase, snowpack is anticipated to decrease, reducing stream levels and water availability in the summer months.⁷¹ Drought conditions can reduce surface water availability, reduce hydropower generation, and reduce recreational activities.⁷²
- **Increased risk of high heat events.** Climate change increases the likelihood of experiencing high heat events like the June 2021 extreme heat wave that resulted in temperatures ranging from 110°F to 120°F in

⁶⁸ <https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6>.

⁶⁹ <https://www.ncei.noaa.gov/access/billions/#:~:text=Menu-Overview,376%20events%20exceeds%20%242.655%20trillion.>

⁷⁰ Fleishman, E., editor. 2023. Sixth Oregon Climate Assessment. Oregon Climate Change Research Institute, Oregon State University, Corvallis, Oregon. <https://blogs.oregonstate.edu/occri/oregon-climate-assessments>.

⁷¹ WASHINGTON Assessment work. TBD.

⁷² Bumbaco, K.A., C.L. Raymond, L.W. O'Neill, A. Mehta, D.J. Hoekema. 2023. *2022 Pacific Northwest Water Year Impacts Assessment*. A collaboration between the Office of the Washington State Climatologist, Climate Impacts Group, Oregon State Climatologist, Idaho Department of Water Resources, and NOAA National Integrated Drought Information System. <https://doi.org/10.6069/T5Q5> -TT59



Oregon and Washington. This heat event caused approximately 159 deaths in Washington and more than 100 deaths in Oregon.^{73, 74}

- **Increased risk of wildfire.** Changing precipitation patterns and drought conditions are increasing fuel loads in wildland areas, increasing the risk of wildfires throughout the Pacific Northwest. Wildfire intensity, duration, and size has increased.
- **More days of poor air quality from wildfire smoke.** In 2021, people in Deschutes County, Klamath County, and Jackson County experienced 83 days of air quality at or above unhealthy levels for sensitive groups due to wildfire smoke.⁷⁵
- **More floods and atmospheric rivers.** The University of Washington's Climate Impact Group forecasts that the Pacific Northwest will experience slightly more precipitation in the fall, winter, and spring and less in the summer.⁷⁶ Extreme precipitation events are more likely to produce flooding, erosion, and landslides. These changes can threaten salmon and other species. Adaptation to extreme events could require expensive upgrades to stormwater systems.

Climate change will have a wide range of impacts on industries and communities throughout the Pacific Northwest. While some industries are more resilient to climate change, others that require predictable delivery of water, such as agriculture and hydropower, are more vulnerable to climate change. Climate change and extreme weather events also impact human health and disrupt travel. Land use decisions, in part, determine the risk that homes, businesses, schools, hospitals, and other buildings face from climate change. Development patterns in at-risk areas like tsunami zones, floodplains, wetlands, wildland-urban interfaces, and other hazardous locations will impact the economic vitality and resilience of communities as climate change accelerates.

- **Agriculture.** Climate change impacts the quality and quantity of agricultural products. For example, exposure to cold weather during dormancy is important for fruit set and quality in many perennial crops. Exposure to cold weather may increase in northern areas of the Pacific

⁷³ Joan A. Casey, Robbie M. Parks, Tim A. Bruckner, Alison Gemmill, and Ralph Catalano, 2023: *Excess Injury Mortality in Washington State During the 2021 Heat Wave*. American Journal of Public Health 113, 657_660, <https://doi.org/10.2105/AJPH.2023.307269>

⁷⁴ Vital Statistics Report. Oregon: Oregon Health Authority, Public Health Division, Center for Health Statistics. Prepared September 2021; data are preliminary and subject to change.

⁷⁵ Barnack, A. Wildfire Smoke Trends and the Air Quality Index. Oregon: Department of Environmental Quality, Laboratory and Environmental Assessment Division [cited 2023 May 5]. 24 p. Available from: <https://www.oregon.gov/deq/wildfires/Documents/WildfireSmokeTrendsReport.pdf>.

⁷⁶ <https://express.adobe.com/page/C5CQaxjHUmGQ7/>



Northwest and decrease in southern areas.⁷⁷ A study by the Washington State Department of Agriculture found that a drought in 2015 caused \$633 to \$773 million in agricultural losses.⁷⁸ Drought and shifting precipitation patterns represent major threats, as drought reduces feed on rangelands for livestock and decreases water available for irrigation.

- **Aquatic /Fishing** . Marine heat waves impact fresh and saltwater habitats and species. In 2021, algal blooms exacerbated by increased temperatures resulted in a \$641.1 million (in 2022 dollars) loss of commercial fishing revenue.⁷⁹ Tribes are often disproportionately impacted, accounting for half of fishery loss requests and experiencing losses from Dungeness crab fisheries.^{80, 81}
- **Forestry**. Forest plants and animals vulnerable to temperature and drought stresses are undergoing climate-induced die-offs. Five fir species in Oregon, Washington, and Northern California are experiencing severe mortality dubbed "Firmageddon."⁸² Species at the edges of their ranges are expected to succumb first and may shift to higher elevations or northward. Die-offs include Douglas fir, a primary commercial timber species. Die-offs and stressed trees face higher risks of pest infestations and increase the risk of wildfires.
- **Human health** . With many Pacific Northwest households lacking air-conditioning, higher summer temperatures and extreme heat events endanger vulnerable groups like older adults, low-income residents, those with disabilities, and individuals living alone who face heightened risks of heatstroke and death.
- **Tourism, Recreation, and Service Industries**. The Northwest tourism and recreation industry employs about 588,000 people and supports almost

⁷⁷ Noorazar, H., L. Kalcsits, V.P. Jones, M.S. Jones, and K. Rajagopalan, 2022: Climate change and chill accumulation: Implications for tree fruit production in cold-winter regions. *Climatic Change*, **171** (3), 34. <https://doi.org/10.1007/s10584-022-03339-6>

⁷⁸ Raymond, C.L, T.P. Nadreau, M. Rogers, Z. Kearl. 2022. Biophysical Climate Risks and Economic Impacts for Washington State. Report prepared for the Washington State legislature. Climate Impacts Group, University of Washington, Seattle.

⁷⁹ Bellquist, L., V. Saccomanno, B.X. Semmens, M. Gleason, and J. Wilson, 2021: *The rise in climate change-induced federal fishery disasters in the United States* . PeerJ, 9, e11186. <https://doi.org/10.7717/peerj.11186>

⁸⁰ Bellquist, L., V. Saccomanno, B.X. Semmens, M. Gleason, and J. Wilson, 2021: *The rise in climate change-induced federal fishery disasters in the United States* . PeerJ, 9, e11186. <https://doi.org/10.7717/peerj.11186>

⁸¹ Schlinger, C., O. Conroy -Ben, C. Cooley, N. Cooley, M. Cruz, D. Dotson, J. Doyle, M.J. Eggers, P. Hardison, M. Hatch, C. Hogue, K. Jacobson Hedin, C. Jones, K. Lanphier, D. Marks -Marino, D. Mosley, F. Olsen Jr., and M. Peacock, 2021: Ch. 4.2. Water. In: *Status of Tribes and Climate Change Report*. Marks -Marino, D., Ed. Institute for Tribal Environmental Professionals, Flagstaff, AZ, 98 -141. <http://nau.edu/stacc2021>

⁸² <https://www.seattletimes.com/seattle-news/climate-change-is-hastening-the-demise-of-pacific-northwest-forests/>



\$60 billion (in 2022 dollars) in annual expenditures.⁸³ Climate impacts will vary, as decreased snowpack will make trails and camping accessible later in the fall and earlier in the spring; however, increased extreme events from atmospheric rivers may increase maintenance costs due to flooding and erosion. Higher temperatures will increase demand for water-based recreation; however, droughts may decrease lake, reservoir, and river levels during peak recreation season.

- **Infrastructure.** Water, sewer, roads, utilities, and other infrastructure face risks if not designed to withstand climate change and extreme events. During the June 2021 heat dome, roads buckled near Everett, WA, and a Portland streetcar cable melted.⁸⁴ Damaged power lines can lead to wildfires (a problem utility companies have started to mitigate by preemptively shutting down power when windy and dry conditions occur).⁸⁵ Rural communities relying on single water sources may be in jeopardy as droughts reduce groundwater aquifers or surface water availability. Sea level rise and flooding also threaten septic wastewater treatment systems. Atmospheric rivers and flooding can damage highways and streets through inundation and landslides, temporarily halting travel access to jobs, schools, health care, grocery stores, etc., necessitating expensive repairs and long detours. Additionally, the Pacific Northwest's hydropower dependency means the region may see fluctuations in electricity availability and costs as altered snowpack and precipitation patterns make the water supply less predictable.

REGIONAL AND LOCAL TRENDS

Throughout this section of Appendix A., Cottage Grove is compared to Lane County and the State of Oregon. These comparisons are to provide context for changes in Cottage Grove's socioeconomic characteristics.

⁸³ Mojica, J., K. Cousins, and T. Madsen, 2021: Economic Analysis of Outdoor Recreation in Oregon. Earth Economics, Tacoma, WA. https://static1.squarespace.com/static/561dc6e4b039470e9afc00/t/5ffe3084ce56a6552b7a3c71/1610494115376/EconomicAnalysisofOutdoorRecreationinOregon_OTC-EarthEconomics_SmallRes.pdf

⁸⁴ <https://www.npr.org/2021/06/29/1011269025/photos-the-pacific-northwest-heatwave-is-melting-power-cables-and-buckling-roads>

⁸⁵ EPI, 2023: Wildfire-Grid Risk, Power Talk. Boise State University, Energy Policy Institute. <https://www.boisestate.edu/eipi/upcomingevents/>



Availability of Labor

The availability of trained workers in Cottage Grove will impact the development of its economy over the planning period. A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in Cottage Grove over the next 20 years include growth in its overall population, growth in the young adult (age 18-24) and senior population (age 65 and over), and commuting trends.

Population Change

Population growth in Oregon tends to follow economic cycles. Oregon's population grew from 3.4 million people in 2000 to 4.3 million people in 2023, an increase of over 870,000 people or 1.0% each year.

Between 2000 and 2023, Cottage Grove's population increased by 2,650 people at an average annual rate of 1.2% (Exhibit 22), exceeding both Lane County's and Oregon's growth rates during the same time (0.8% and 1.0%, respectively).

Exhibit 22 . Population Growth , Cottage Grove , Lane County, and Oregon , 2000 –2023

Source: U.S. Census Bureau, 2000, and 2010. Portland State University Population Estimates, 2023.

	Population			Change, 2000 - 2023		
	2000	2010	2023	Number	Percent	AAGR
Cottage Grove	8,445	9,495	11,095	2,650	31%	1.2%
Lane	322,959	348,550	384,374	61,415	19%	0.8%
Oregon	3,421,399	3,831,074	4,291,525	870,126	25%	1.0%

Age Distribution

By 2060, the population of people 65 years and older in the United States is projected to nearly double from 52 million in 2018 to 95 million.⁸⁶ The economic effects of this demographic change include a slowing of the growth of the labor force, the need for workers to replace retirees, the aging of the workforce for seniors that continue working after age 65, an increase in the demand for health care services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.⁸⁷

Exhibit 23 through Exhibit 26 show the following trends:

⁸⁶ Mather, M., Scommegna, P., & Kilduff, L. (2022). Fact Sheet: Aging in the United States. <https://www.prb.org/aging-unitedstates-fact-sheet/>

⁸⁷ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2017, The 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, July 13, 2017. The Budget and Economic Outlook: Fiscal Years 2018 to 2028, April 2018.



- ◆ Cottage Grove has a younger population than Lane County and the state overall. In 2022, only 22% of Cottage Grove’s residents were 60 years and older compared to 26% of residents in Lane County and 25% in Oregon (Exhibit 25). Cottage Grove is growing across all age groups, but the increase in median age between 2000 and 2022 suggests that Cottage Grove is attracting or retaining older adults.⁸⁸
- ◆ Lane County’s population is expected to continue aging, with people 60 years and older increasing slightly from 28% of the population in 2020 to 29% in 2045 (Exhibit 26). Lane County may continue to attract those in their late adult years (i.e., 20–59 years) over the planning period. While the share of retirees in these respective areas may increase over the next 20 years, the share of youth (i.e., under 20 years old) is likely to decrease slightly.

Cottage Grove’s median age increased between 2000 and 2022 but remains less than both the county and state. ⁸⁹

Cottage Grove’s increase in median age of 1.4 years is lower than Lane County’s change of 3.5 years and Oregon’s change of 3.6 years.

Exhibit 23 . Median Age, Cottage Grove , Lane County, and Oregon, 2000 to 2018 –2022

Source: U.S. Census Bureau, 2000 Decennial Census, Table P013; American Community Survey 2018–2022 5-Year Estimates, Table B01002.

2000	36.8 Cottage Grove	36.6 Lane County	36.3 Oregon
2018- 22	38.2 Cottage Grove	40.1 Lane County	39.9 Oregon

⁸⁸ 2022 data is based on the 5-year ACS (2018–2022).

⁸⁹ 2022 data is based on the 5-year ACS (2018–2022).



Between 2000 and 2022, Cottage Grove's largest nominal population increases were for those ages 18–24 years.⁹⁰

Residents ages 18–24 years also had the greatest percentage change over this period, followed by older adults age 65 and over.

Statewide, the highest percent increase was also for those ages 18 to 24 years, followed by those age 65 and over.

22 % of Cottage Grove residents were over 60 years of age.

The proportion of Cottage Grove's older residents was lower than that of both the state and Lane County. Conversely, the proportion of Cottage Grove residents 39 years of age and younger was higher relative to Lane County and Oregon.

Exhibit 24. Cottage Grove Population Change by Age Group, 2000 to 2022

Source: U.S. Census Bureau, 2000 Summary File; American Community Survey 2018–2022 5-Year Estimates, Table B01001.

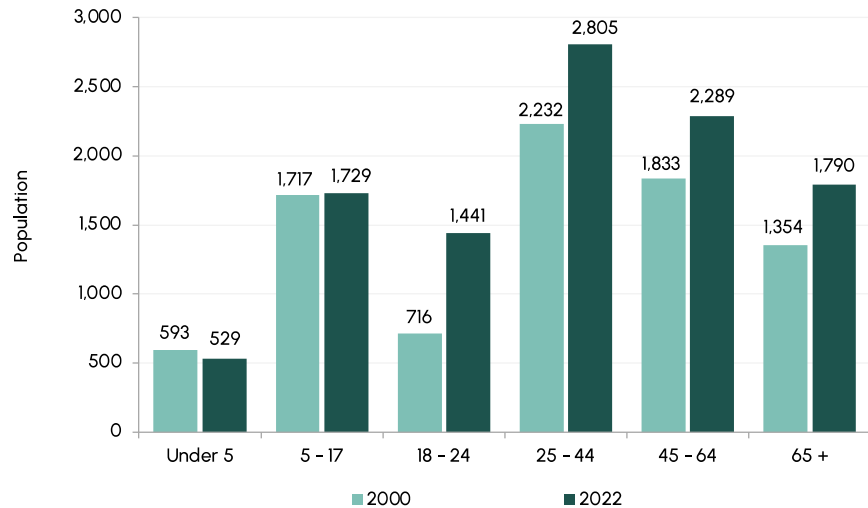
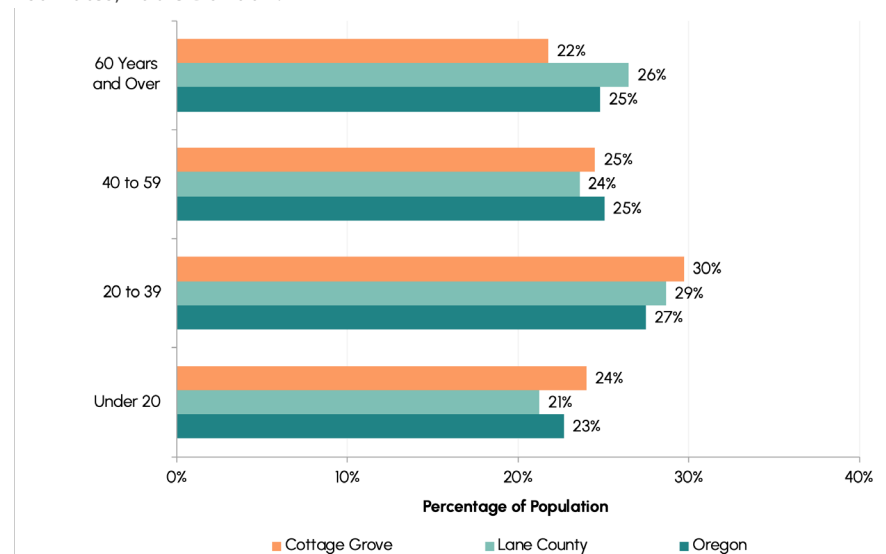


Exhibit 25. Population Distribution by Age, Cottage Grove, Lane County, and Oregon, 2018–2022

Source: U.S. Census Bureau, American Community Survey, 2018–2022 5-Year Estimates, Table B01001.



⁹⁰ 2022 data is based on the 5-year ACS (2018–2022).

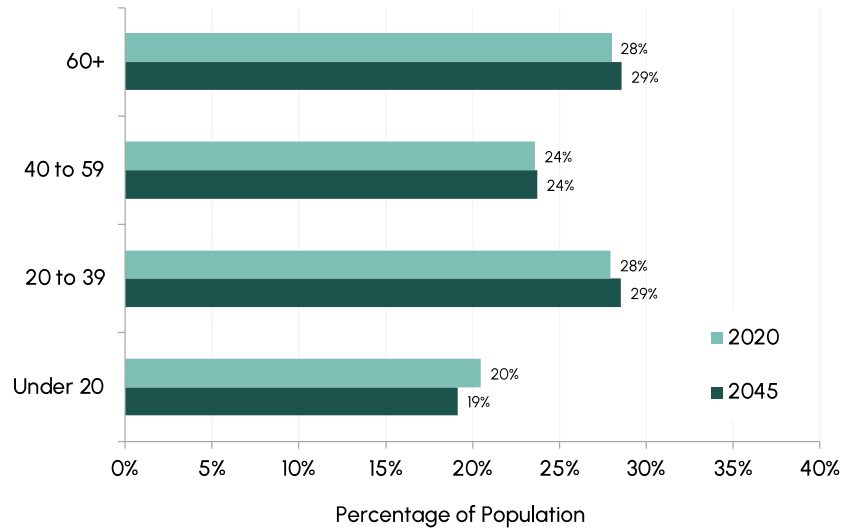


By 2045, Lane County will have a slightly larger share of residents 60 years and older than it does today.

The share of residents 60 years and older will account for 29% of Lane County's population in 2045, compared to 28% in 2020.

Exhibit 26 . Population Growth by Age Group, Lane County , 2020 –2045

Source: Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2021.



Race and Ethnicity

Cottage Grove, like Oregon overall, is becoming more racially and ethnically diverse. Although Oregon still ranks low for overall racial and ethnic diversity nationwide (30th among all states), it ranks 14th in the nation for its share of Hispanic and Latino residents.⁹¹ Both the share of Hispanic and Latino residents and people of color increased in Cottage Grove between 2000 and 2022.⁹² Hispanic and Latino residents increased from 5% to 10% of the population, while people of color overall increased from 7% to 17%. Similar to Cottage Grove, people of color in Lane County increased slightly from 9% to 17%, and Hispanic and Latino residents grew from 5% to 10%. Despite the increase, Cottage Grove and Lane County are less racially diverse than the state. In 2022,⁹³ the share of people of color in both Cottage Grove and Lane County was 17% compared to 21% statewide.

The population of people of color is defined as the share of the population that identifies as another race other than “white alone,” according to Census definitions. The small population in Cottage Grove results in small sample sizes, and thus the margin of error is considerable for the estimate of these populations.

Exhibit 27 and Exhibit 28 show the change in the share of Hispanic and Latino residents and people of color in Cottage Grove compared to Lane County and Oregon between 2000 and 2022.⁹⁴ The groups with the largest share of people of color in 2022 included those that identified as Some Other Race Alone or Two or More Races, each representing 6% and 9% of Cottage Grove’s total population, respectively.⁹⁵

⁹¹ Josh Lehner, “2022 Migration: Who Left?,” Oregon Office of Economic Analysis, September 14, 2023, <https://oregoneconomicanalysis.com/2023/09/14/2022-migration-who-left/>.

⁹² 2022 data is based on the 5-year ACS (2018–2022).

⁹³ 2022 data is based on the 5-year ACS (2018–2022).

⁹⁴ 2022 data is based on the 5-year ACS (2018–2022).

⁹⁵ “Some Other Race Alone” also includes individuals who identify as American Indian or Alaska Native or Native Hawaiian and other Pacific Islander.

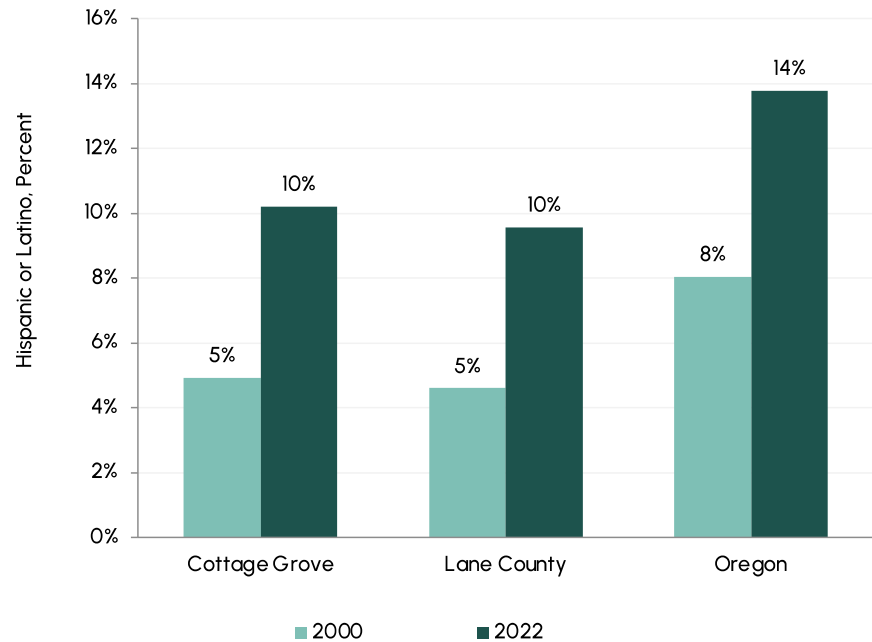


Cottage Grove 's Hispanic/Latino population increased between 2000 and 2022 from 5% to 10%. ⁹⁶

Lane County and Cottage Grove are less ethnically diverse than the state overall, even with their increases over the period.

Exhibit 27 . Hispanic or Latino Population as a Percent age of the Total Population, Cottage Grove , Lane County, and Oregon, 2000, 2018 - 2022 (5-year ACS)

Source: U.S. Census Bureau, 2000 Decennial Census, Table P008; 2018–2022 American Community Survey, 5-Year Estimates, Table B03002.



⁹⁶ 2022 data is based on the 5-year ACS (2018–2022).

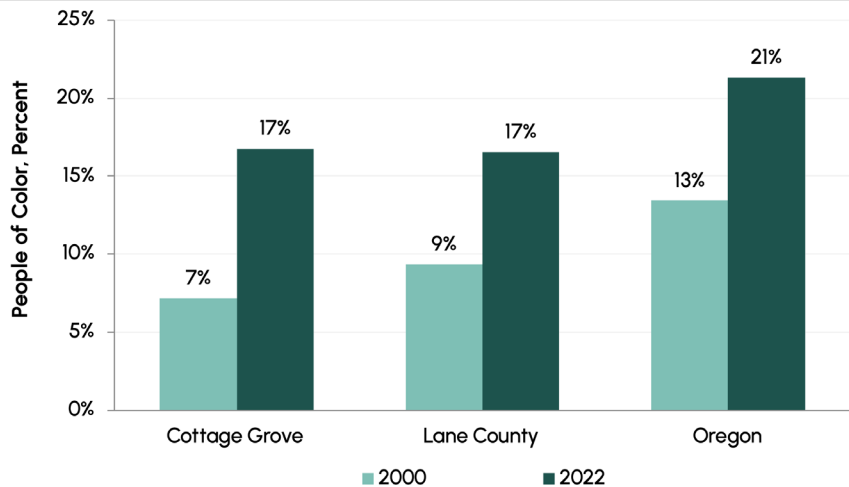


People of color in Cottage Grove increased between 2000 and 2022.⁹⁷

Cottage Grove and Lane County are less racially diverse than the state. In 2022,⁹⁸ the share of people of color in both Cottage Grove and Lane County was 17% compared to 21% statewide.

Exhibit 28. Population of People of Color as a Percent age of the Total Population, Cottage Grove , Lane County, and Oregon, 2000, 2018 –2022 (5-Year ACS)

Source: U.S. Census Bureau, 2000 Decennial Census Table P007; 2018–2022 American Community Survey, 2018–2022 5-Year Estimates, Table B02001.



Income and Wages

Income and wages affect business decisions for locating in a city. Areas with higher wages may be less attractive for industries that rely on low-wage workers. Cottage Grove’s median household income (\$60,219) was below the county median (\$65,157). In 2022, median family income in Cottage Grove (\$67,326) was also below the county average (\$84,068).

Between 2000 and 2022, Lane County’s average wages increased, as did average wages across the state and the nation. When adjusted for inflation, average annual wages grew by 16% in Lane County and 23% in Oregon and across the nation.

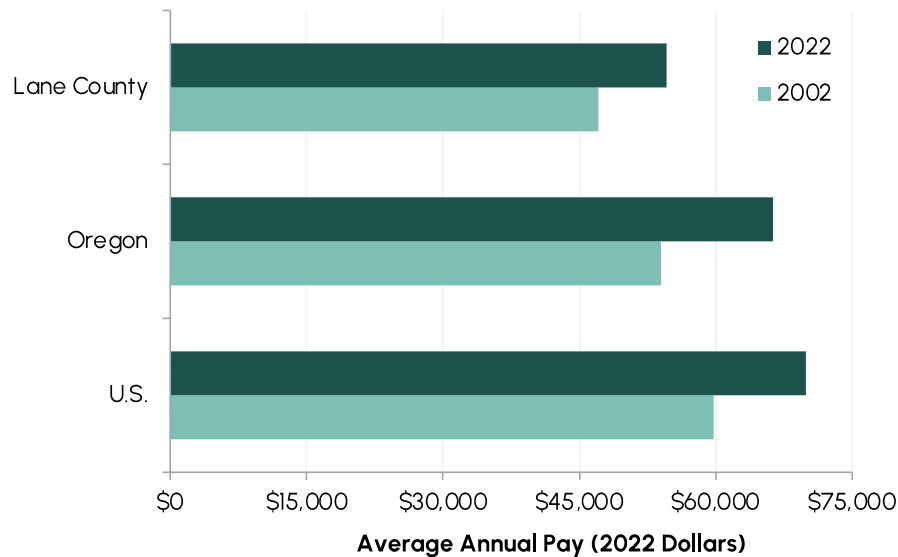
⁹⁷ 2022 data is based on the 5-year ACS (2018–2022).

⁹⁸ 2022 data is based on the 5-year ACS (2018–2022).



From 2002 to 2022 , average annual wages rose in Lane County, Oregon, and the nation. In 2022, average annual wages were \$54,661 in Lane County, \$66,342 in Oregon, and \$69,986 in the U.S. overall.

Exhibit 29 . Average Annual Wage, Covered Employment, Lane County, Oregon, and U.S., 2002 to 2022 , Inflation -Adjusted 2022 Dollars
 Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; State of Oregon Employment Department, Employment and Wages by Industry (QCEW).



The median household income in Cottage Grove was 8% below Lane County's median household income and 25% below Oregon's overall .

Exhibit 30 . Median Household Income (MHI), ⁹⁹ 2018 –2022
 Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B19013.

\$ 60,219	\$ 65,157	\$ 76,632
Cottage Grove	Lane County	Oregon

Cottage Grove's median family income was below Lane County's by 27 % and below Oregon's by 40 %.

Exhibit 31 . Median Family Income, ¹⁰⁰ 2018 –2022
 Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B19113.

\$ 67,326	\$ 84,068	\$ 94,277
Cottage Grove	Lane County	Oregon

⁹⁹ The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they were related or not.
¹⁰⁰ The Census calculated family income based on the income of the head of household, as identified in the response to the Census forms, and income of all individuals 15 years old and over in the household who were related to the head of household by birth, marriage, or adoption.



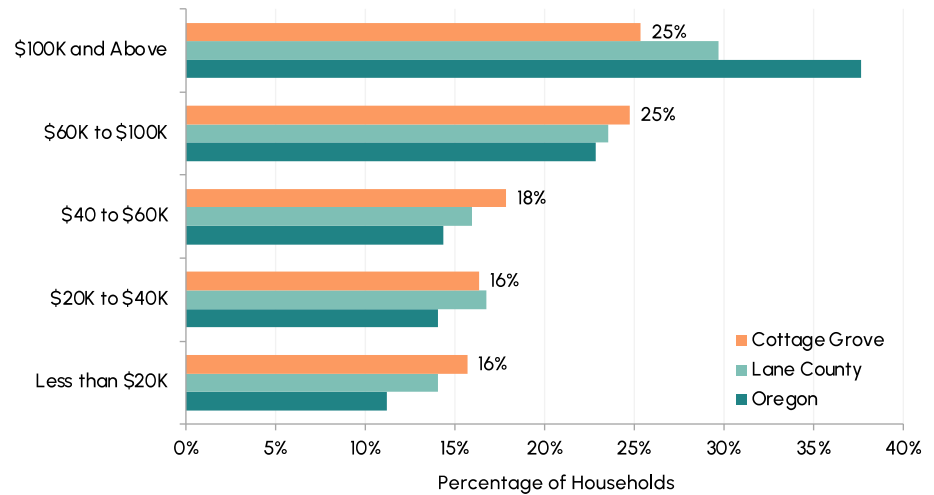
About 32 % of Cottage Grove households earned less than \$40,000 annually, similar to Lane County and lower than Oregon overall.

Over the same period, 25% of Cottage Grove households earned over \$100,000 annually (accounting for the largest share of households), but this group was lower than both Oregon and Lane County.

Cottage Grove had the second-largest proportion of households earning between \$60,000 and \$100,000 (25%).

Exhibit 32. Household Income by Income Group, Cottage Grove, Lane County, and Oregon, 2018 —2022 , Inflation - Adjusted 2022 Dollars

Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B19001.



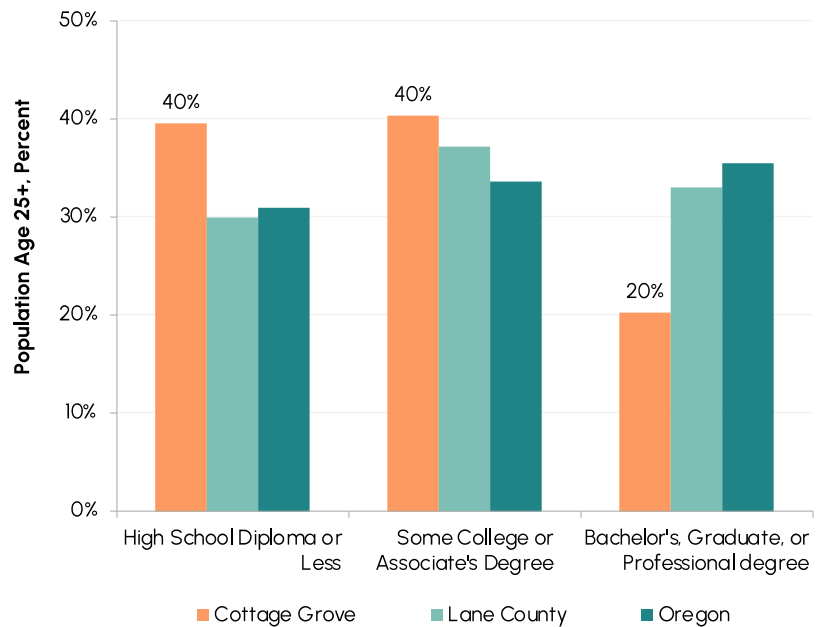
Educational Attainment

The availability of trained, educated workers affects the quality of labor in a community. Educational attainment is an important labor force factor because firms need to be able to find educated workers.

The share of Cottage Grove residents who have a bachelor's degree or a professional degree fell below the state and Lane County. Only 20% of Cottage Grove residents age 25 and over had a bachelor's degree or higher compared to 33% in Lane County and 35% in Oregon.

Exhibit 33. Educational Attainment for the Population 25 Years and Over, Cottage Grove, Lane County, and Oregon, 2018–2022

Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B15003.



Labor Force Participation and Unemployment

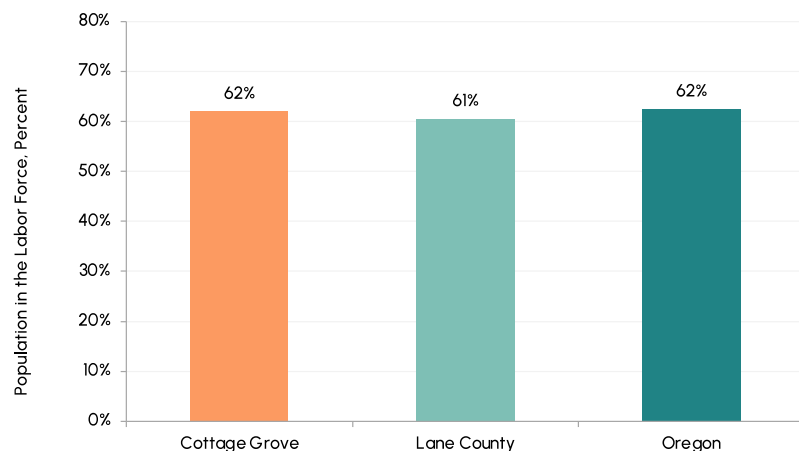
The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both employed and unemployed people. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2018–2022 American Community Survey, Lane County had 322,293 people in its labor force during that period and Cottage Grove had 8,540 people in its labor force.

In 2019, the Oregon Office of Economic Analysis reported that the most common reason for difficulty in filling jobs included a lack of applications (29% of employers' difficulties), unfavorable working conditions (23%), a lack of qualified candidates (16%), a lack of soft skills (8%), a lack of work experience (7%), and low wages (7%).¹⁰¹ These statistics indicate a mismatch between the types of jobs that employers are demanding and the skills that potential employees can provide.

Cottage Grove has a labor force participation rate (62%) similar to Lane County (61%) and Oregon overall (62%).

Exhibit 34 . Labor Force Participation Rate, Cottage Grove , Lane County, and Oregon, 2018 –2022

Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B23001.



¹⁰¹ Oregon's Current Workforce Gaps: Hiring Challenges for Unfilled Job Vacancies, May 2022. Employer-Provided Reasons for Difficulty Filling Vacancies in Oregon, 2018. p. 20. <https://www.qualityinfo.org/documents/10182/13336/Oregon%27s+Current+Workforce+Gaps>.

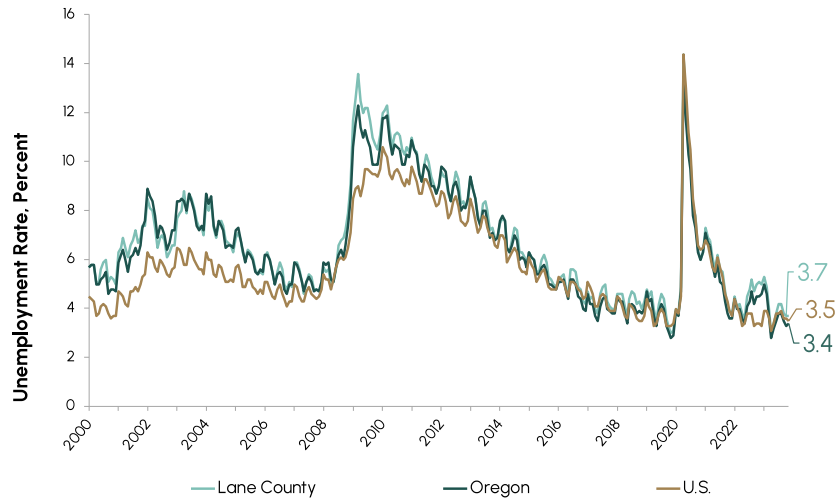


The unemployment rates in Lane County, Oregon, and the nation have declined since the Great Recession. However, following the pandemic, unemployment rates for the month of May 2020 exceeded the peak rate experienced during the Great Recession.

The unemployment rate for November 2023 in Lane County (3.7%) was slightly higher than that of the state (3.4%) and nation (3.5%).

Exhibit 35. Unemployment Rate, Lane County, Oregon, and the U.S., 2000 –November 2023

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics and Labor Force Statistics. Not seasonally adjusted.



The annual inflation rate in the U.S. declined following the Great Recession until 2015. From 2016 - 2018, inflation increased steadily to nearly 2.5% before declining in 2019 and 2020. Inflation reached 9.1% in June 2022.

Exhibit 36. Annual Inflation Rate, All Urban Consumers, City Average, U.S., 2010 -2023

Source: Bureau of Labor Statistics, Consumer Price Index. Not seasonally adjusted.



Commuting Patterns

Commuting plays an important role in Cottage Grove's economy because employers in the area can access workers from cities across Lane County.

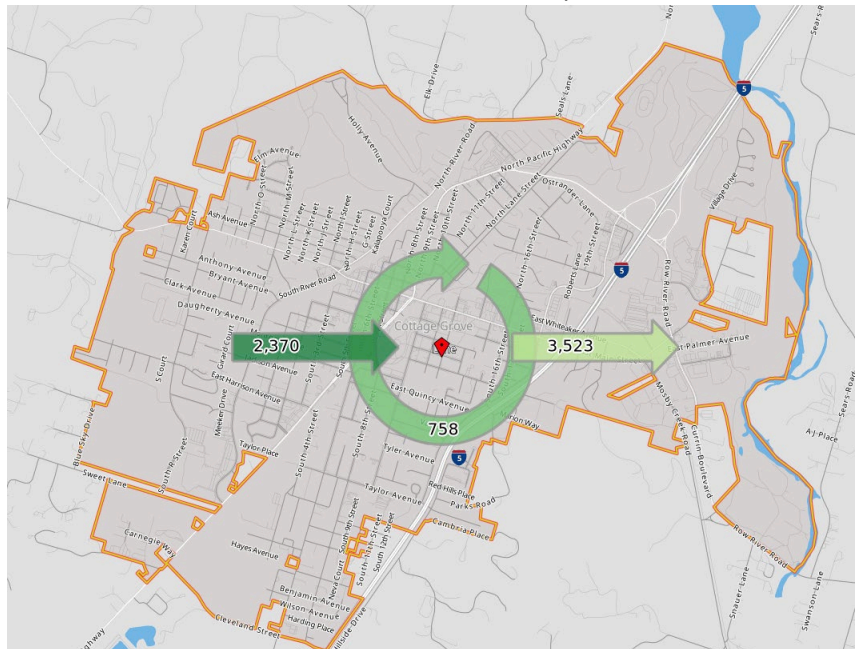
Exhibit 37 shows that nearly 2,400 people commute into Cottage Grove for work while 3,500 commute out of Cottage Grove for work. About 750 people both live and work in Cottage Grove. Exhibit 38 demonstrates that 24% of people who work in Cottage Grove also live in Cottage Grove, while 11% commute from Eugene and 6% from Springfield. Further, Exhibit 39 shows that 25% of people who live in Cottage Grove commute to Eugene, while 18% remain in Cottage Grove and 11% commute to Springfield.

Cottage Grove is part of an interconnected regional economy

Fewer people both live and work in Cottage Grove than commute into or out of the city for work.

Exhibit 37. Commuting Flows, Cottage Grove, 2021

Source: U.S. Census Bureau, Census On the Map.



About 24% of all people who were employed at businesses in Cottage Grove also lived in Cottage Grove.

Exhibit 38. Places Where Cottage Grove Workers Lived, 2021

Source: U.S. Census Bureau, Census On the Map.

24%	11%	6%	3%
Cottage Grove	Eugene	Springfield	Creswell

¹⁰² In 2021, 2,370 people commuted into Cottage Grove for work, while 758 of workers both lived and worked in Cottage Grove.



About 18 % of residents who live d in Cottage Grove also worked in Cottage Grove .

25% of Cottage Grove residents commuted to Eugene for work.

Exhibit 39 . Places Where Cottage Grove Residents Were Employed, ¹⁰³ 2021

Source: U.S. Census Bureau, Census On the Map.

25 %	18 %	11 %	3 %
Eugene	Cottage Grove	Springfield	Salem

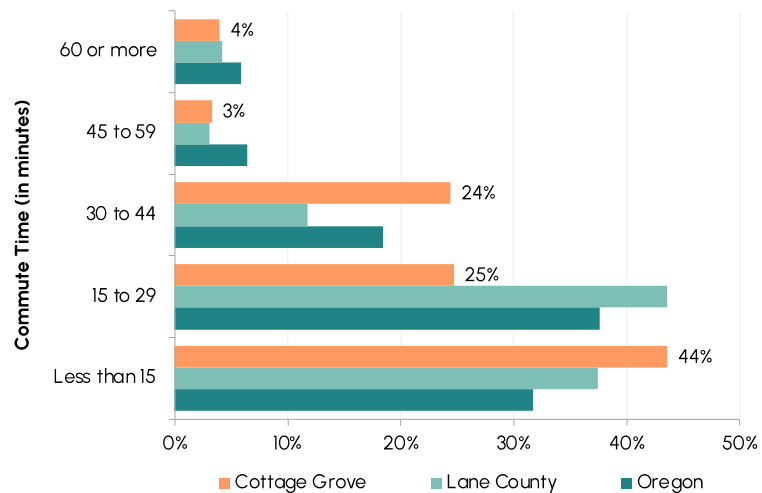
In 2022, about 44% of Cottage Grove residents had a commute of less than 15 minutes, higher than those in Lane County and across Oregon.¹⁰⁴ In general, Cottage Grove residents had a slightly lower rate of commutes over 60 minutes, with 4% of workers traveling longer than an hour, compared to 4% of Lane County residents and 6% across Oregon.

About half of Cottage Grove residents (44 %) had a commute time less than 15 minutes.

This is higher than Lane County and the state . Cottage Grove residents had a slightly lower rate of commutes over 60 minutes, with 4% of workers traveling longer than an hour, compared to 4% of Lane County residents and 6% across Oregon.

Exhibit 40 . Commute Time by Place of Residence, Cottage Grove , Lane County, and Oregon, 2018 –2022

Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B08303.



¹⁰³ In 2021, 4,281 residents in Cottage Grove worked, with 18% of Cottage Grove residents (758) both living and working in Cottage Grove.

¹⁰⁴ 2022 data is based on the 5-year ACS (2018–2022).



Tourism in the Willamette Valley Region and Lane County

Dean Runyan Associates provides state, regional, and county statistics on travel. The following information is from Dean Runyan Associates' TravelStats dashboard created for Travel Oregon. This section of Appendix A includes information on Lane County.¹⁰⁵

Broadly, travelers to Lane County accounted for about 3.36 million overnight person trips in 2022, or 48% of all Willamette Valley region overnight travel that year.¹⁰⁶ Lane County received \$1,393.6 million from direct travel spending in 2022, with the largest spending categories in food service, accommodations, and retail sales.

Direct travel spending in Lane County increased 168 % from 2003 to 2022 .

The Willamette Valley region's direct travel spending increased by 57% over the same period.

Exhibit 41 . Direct Travel Spending (\$ millions), 2003 and 2022

Source: Dean Runyan Associates, Oregon Travel Impacts, 2003 and 2022.

2003	\$1,102.5 Willamette Valley Region	\$520.5 Lane County
2022	\$2,542.3 Willamette Valley Region	\$1,393.6 Lane County

Food service accounted for the largest amount of visitor spending for purchased commodities in 2022.

The accommodation and food services industry accounted for the most employment generated by travel spending in Lane County in 2022 .

Exhibit 42 . Largest Visitor Spending Categories (\$ millions), Lane County, 2022

Source: Dean Runyan Associates, Oregon Travel Impacts

\$284.8	\$269.9	\$137.9
Food Service	Accommodations	Retail Sales

Exhibit 43 . Largest Industry Employment Generated by Travel Spending , Lane County, 2022

Source: Dean Runyan Associates, Oregon Travel Impacts.

6,210 jobs	2,670 jobs	880 jobs
Accommodation & Food Services	Arts, Entertainment, and Recreation	Retail

¹⁰⁵ Travel Oregon. "Oregon Travel Impacts dashboard" Dean Runyan Associates. Retrieved July 18, 2022, from <https://www.travelstats.com/impacts/oregon>

¹⁰⁶ A total of 3,361,570 person trips occurred in Lane County in 2022, and 6,978,370 person trips occurred in the Willamette Valley region in 2022.



The number of overnight visitors to Lane County increased from 1,725,960 in 2020 to 3,361,570 in 2022, an increase of 1,635,610 overnight stays (or 95%). The numbers show a robust recovery from the COVID-19 pandemic between 2020 and 2022.



Appendix B. Buildable Lands Inventory

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Cottage Grove UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for the Cottage Grove UGB. The results (shown in Chapter 4) are based on analyses of the City of Cottage Grove, Lane County, and State of Oregon GIS data by ECONorthwest and were reviewed by City staff. The remainder of this appendix summarizes key findings of the buildable lands inventory.

METHODS AND DEFINITIONS

The Buildable Lands Inventory (BLI) for Cottage Grove includes all land that allows commercial and industrial uses within the UGB. From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Cottage Grove UGB
2. It is inside a tax lot (as defined by Lane County), and
3. Its current zoning/comprehensive plan designation allows employment uses.
Note that tax lots do not generally include road or railroad rights-of-way or water. The inventory then builds from the tax lot level database to estimate buildable land by plan designation.

INVENTORY STEPS

The five steps in the BLI are:

1. Generate UGB “land base”
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results



5. Tabulate and map results

Step 1: Generate UGB “ Land Base”

The commercial and industrial inventory used all tax lots within the Cottage Grove UGB with the appropriate comprehensive plan designations that fall under those land use categories:

- ◆ Central Business District (B)
- ◆ Community Commercial (C)
- ◆ Tourist Commercial (T)
- ◆ Residential Commercial (RC)
- ◆ Industrial (I)



Exhibit 47 below shows a map of these designations used in the BLI.

Step 2: Classify Lands by Buildable Area Status

In this step, EConorthwest classified each tax lot with an employment plan designation (based on the definitions above) into one of four mutually exclusive categories based on buildable area status:

- ◆ Vacant land
- ◆ Partially vacant land
- ◆ Public land
- ◆ Developed land

EConorthwest identified buildable land and classified buildable area status using a rule-based methodology. The rules are described in Exhibit 44, and the buildable area status designations of the BLI land base are visualized in map format below in Exhibit 48.

Exhibit 44 . Rules for Buildable Area Status Classification

BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	<p>A tax lot:</p> <p>(a) Equal to or larger than 15,000 sq. ft. not currently containing permanent buildings or improvements; or</p> <p>(b) Equal to or larger than five acres where less than one-half acre is occupied by permanent buildings or improvements</p> <p>For the purpose of criteria (a) above, lands with improvement values of \$0 will be considered vacant.</p>	OAR 660-009-0005(14)
Partially Vacant Land	<p>Partially vacant tax lots are those equal to or larger than one acre where more than one-half acre is occupied by permanent buildings or improvements and could still be further developed based on the zoning. This determination was based on a visual assessment by EConorthwest and City staff.</p>	No statutory definition



BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Public land	Lands in public are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, City, school district, Port, or other public ownership. Public lands will be identified using the Columbia County assessment property tax exemption codes. We also include cemeteries in this group, as they are not likely to develop over the planning period.	No statutory definition
Developed Land	OAR 660-009-005(1) defines developed land as “Non-vacant land that is likely to be redeveloped during the planning period.” Lands not classified as vacant, partially vacant, or public are considered developed.	OAR 660-009-0005(1) We propose to address redevelopment potential through policy discussions where appropriate—operationalizing a definition of developed land consistent with this definition is complicated.

Step 3: Identify Constraints

As shown in Exhibit 45, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2).

Exhibit 45 . Constraints to Be Included in BLI

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
Goal 5 Natural Resource Constraints			
Wetlands	OAR 660-009-0005(2)	Lands within wetlands identified as significant by the Oregon Department of State Lands with a 20-foot buffer applied.	Oregon Department of State Lands



Riparian Corridors	OAR 660-009-0005(2)	Lands within 50 ft. from the top of the banks of Coast Fork Willamette, Row, and Silk Creek rivers.	Stream data from the United States Geological Survey
Willamette River Greenway	OAR 660-009-0005(2)	Lands within the Willamette River Greenway	Provided by Lane County and created by the Oregon Parks and Recreation Department.
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100 -Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA-defined regulatory floodway or 100-year floodplains	FEMA via National Flood Hazard Layer Interactive Viewer
Landslide Hazards	OAR 660-009-0005(2)	Lands categorized as High or Very High Landslide Susceptibility within the Oregon Statewide Landslide Information Database	Oregon Department of Geology and Mining Industries
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Digital Elevation Model from the Oregon Department of Forestry

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Exhibit 49 below shows a map of the individual constraints.

Step 4: Verify Inventory Results

ECONorthwest used a multistep verification process. The first verification step involved a “visual assessment” of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECONorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of staff’s comments. The



final verification is reviewed by stakeholders, most especially by members of the Advisory Committee (AC).

Step 5: Tabulate and Map Results

The results of the commercial BLI are presented in tabular and map format in the remainder of Appendix B. These maps separately show the existing comprehensive plan designation maps, individual constraints used, the land base by buildable area status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by plan designation.

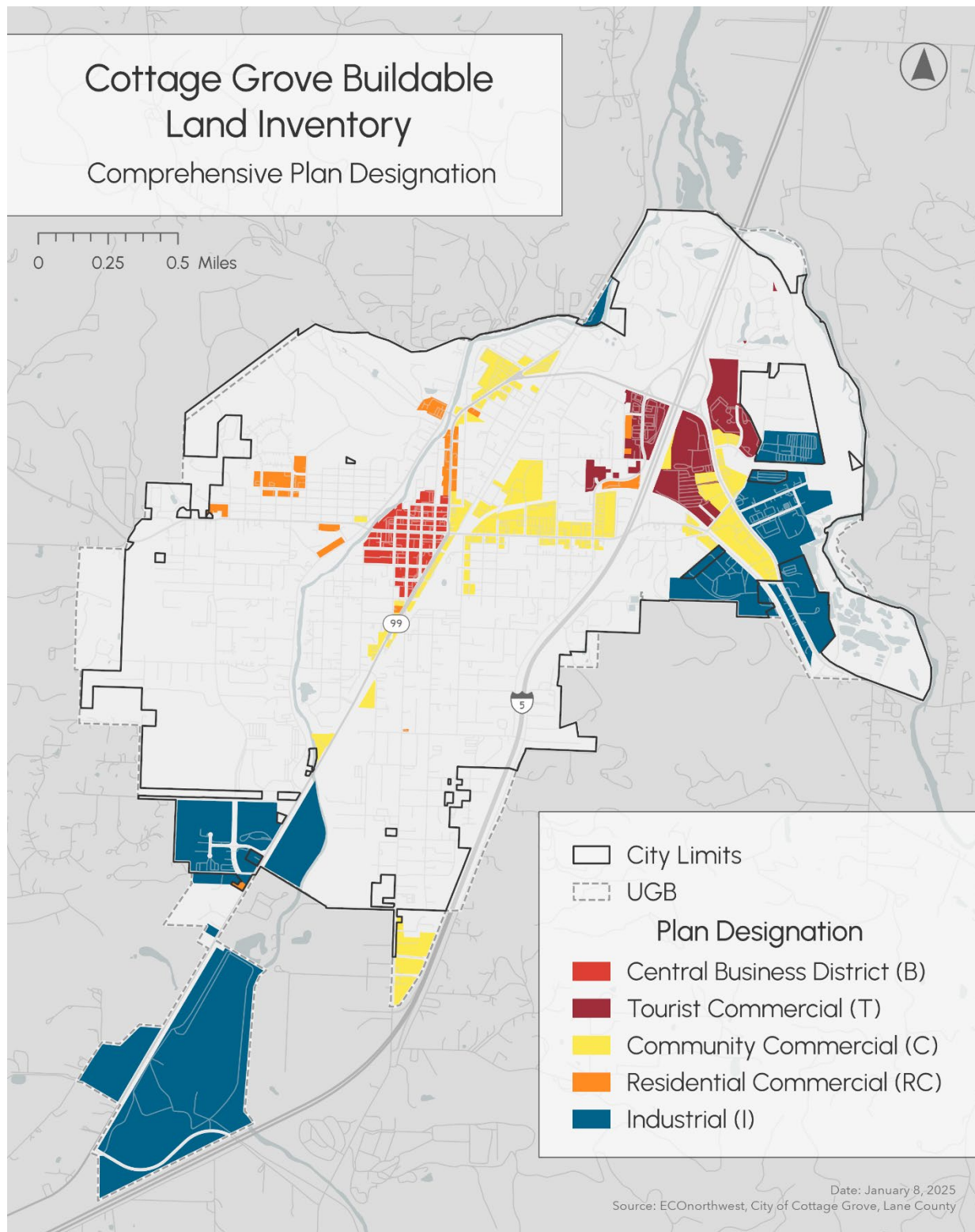
Exhibit 46 . Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designations, Cottage Grove UGB, 2024

Plan Designation	Total Buildable Acres	Share of Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
City Limits	64	71%	44	20
Community Commercial (C)	8	9%	6	3
Residential Commercial (RC)	1	1%	1	0.4
Tourist Commercial (T)	12	13%	3	9
Industrial (I)	42	47%	34	9
County	26	29%	12	14
Community Commercial (C)	9	10%	6	3
Industrial (I)	18	19%	6	11
Total	90	100%	56	35

Source: EConorthwest analysis, City of Cottage Grove, Lane County



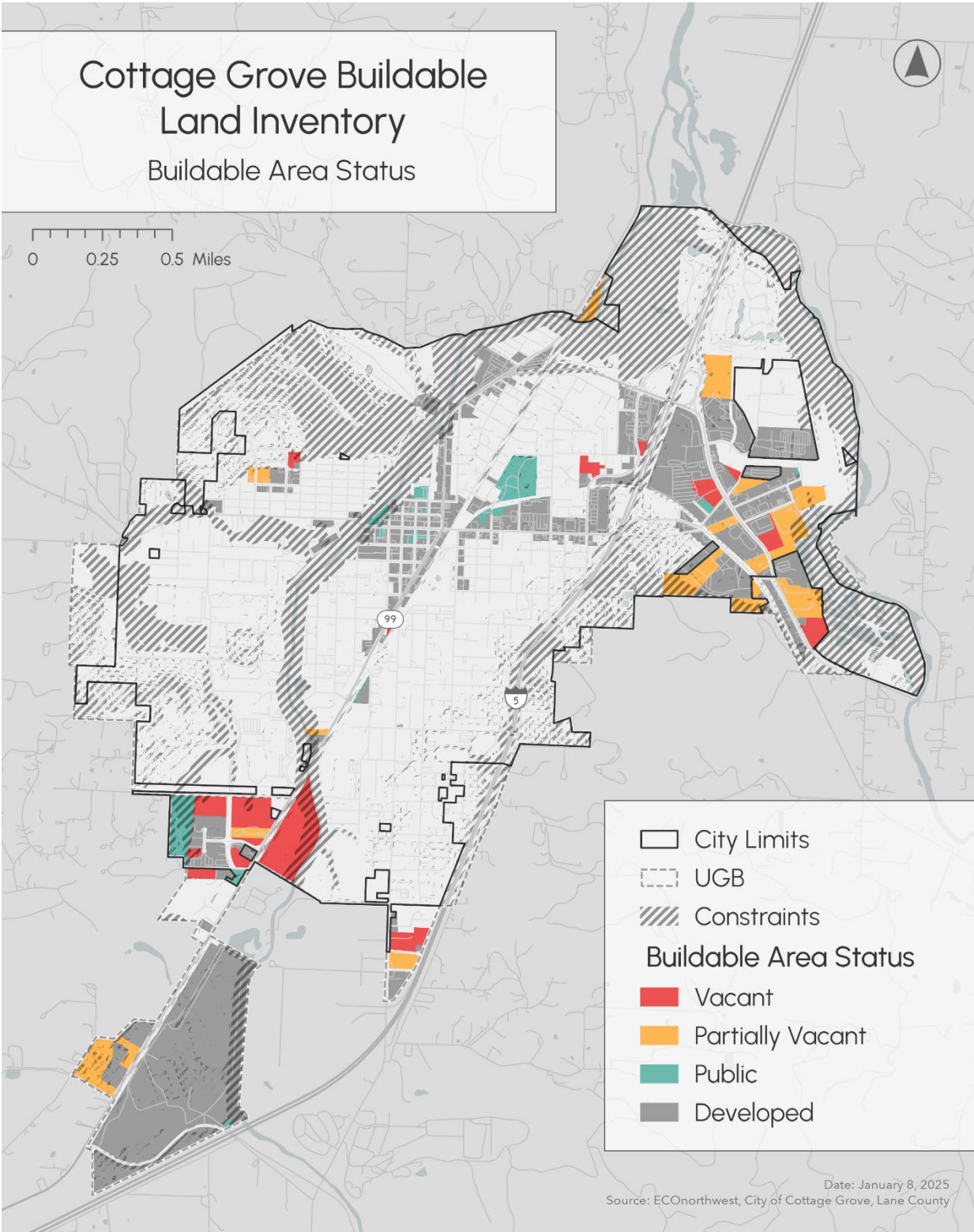
Exhibit 47. Comprehensive Plan Designations Included in the Employment Land Base, Cottage Grove UGB, 2024



Source: EConorthwest analysis, City of Cottage Grove, Lane County



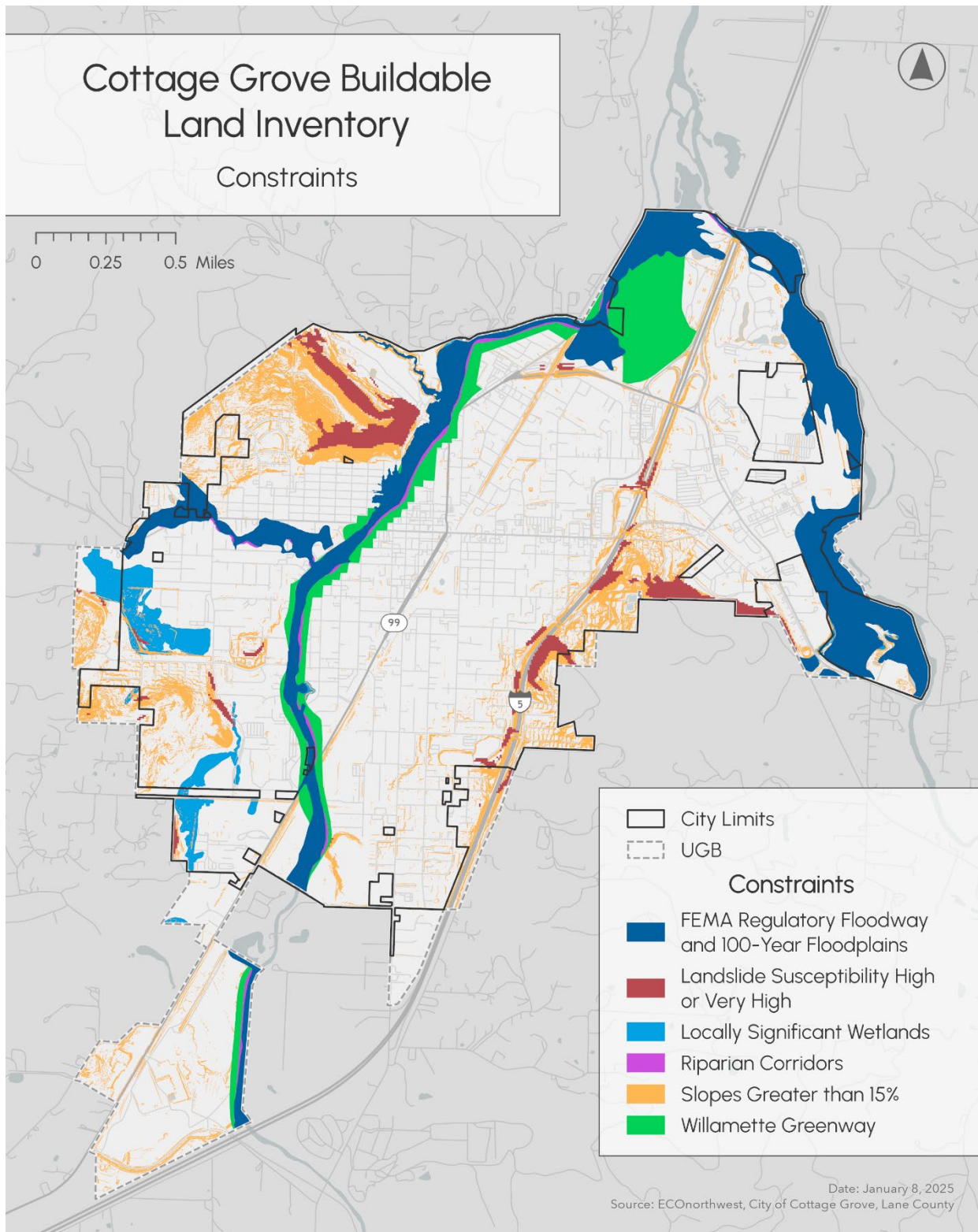
Exhibit 48 . Buildable Area Status with Constraints, Cottage Grove UGB, 2024



Source: EConorthwest analysis, City of Cottage Grove, Lane County



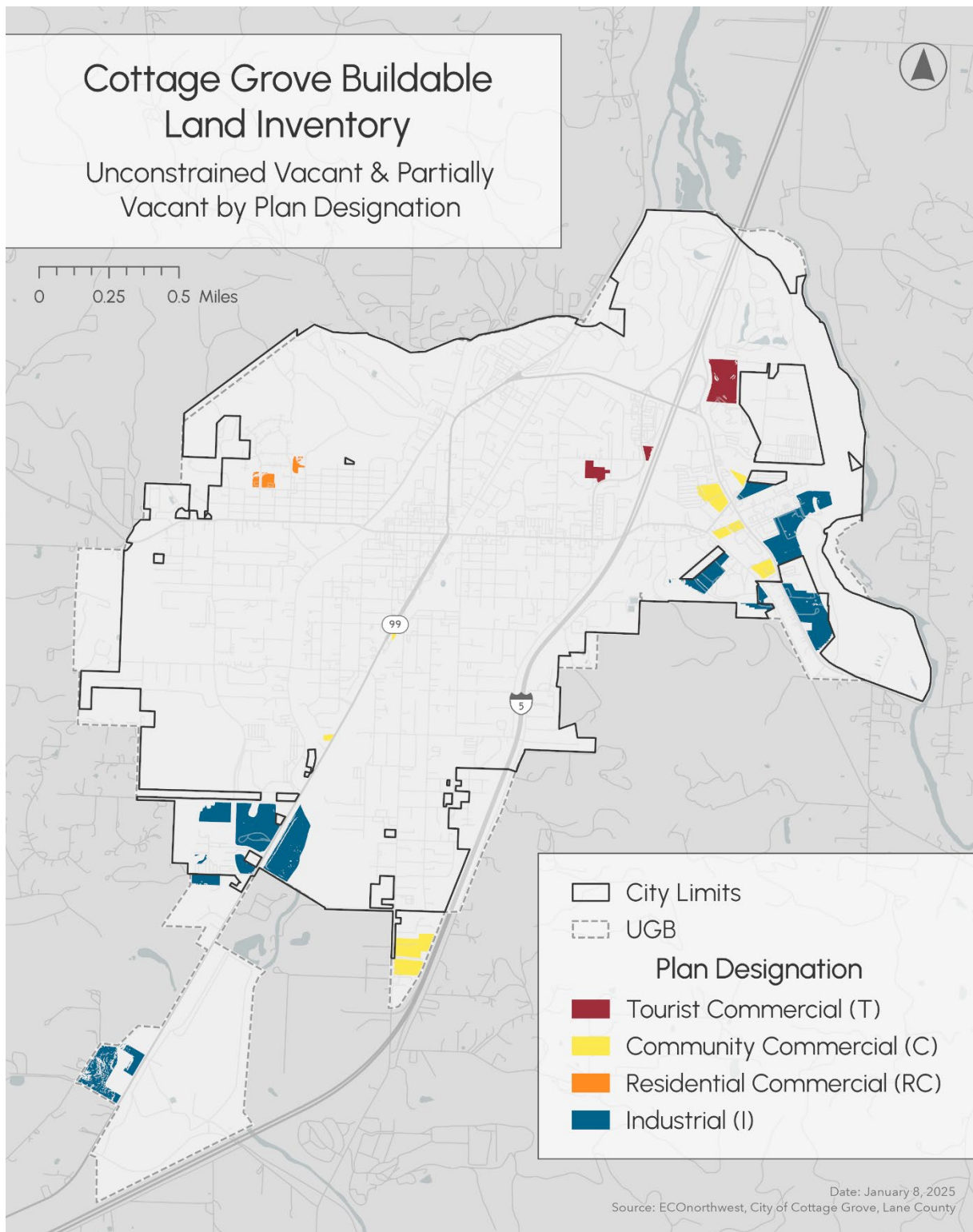
Exhibit 49 . Development Constraints , Cottage Grove UGB, 2024



Source: EConorthwest analysis, City of Cottage Grove, Lane County



Exhibit 50. Buildable Employment Land by Plan Designation, Cottage Grove UGB, 2024



Source: EConorthwest analysis, City of Cottage Grove, Lane County



Goals for Community Development

IT IS THE INTENT OF THE CITY:

ECONOMY

To encourage opportunities to broaden our economic base, but this should be a gradual transition that will not destroy our rich historical heritage and the natural amenities of the area.

To take advantage of our location within commuting distance of the Eugene-Springfield area by providing residential development and commercial services for those desiring metropolitan employment but a historic, small-town living environment.

To support entrepreneurship and growth of small businesses.

To continue to provide for tourist-oriented development.

To support growth of manufacturing businesses through provision of industrial land, including sites larger than 5-acres.

To strive to attract industrial development by assuring first that our community is an attractive and desirable place to work, live, shop and play.

To support redevelopment of underutilized industrial and commercial lands to provide opportunities for business growth and expansion.

Economic Development

Background Information

This element of the Plan addresses the factual basis for Cottage Grove's economic development strategy and includes policies to direct the City's economic development efforts. Two planning documents inform and provide support for the Economic Development element:

- The *2037 Vision and Action Plan*; and
- The *2025 Cottage Grove Economic Opportunities Analysis* (EOA).

Economic Development Goals

Cottage Grove's *2037 Vision and Action Plan* emphasizes investment in a "diverse and sustainable economy" and includes several strategies or goals:

1. **Establish Cottage Grove as the seat and gateway for a South Lane County recreation and tourism destination;**
2. **Recruit a complementary range of, small, medium and large businesses in a variety of sectors;**

3. **Grow a local workforce to accommodate new employment sectors; and**
4. **Maintain and upgrade critical infrastructure to accommodate demand.**

Cottage Grove is particularly interested in attracting sustainable “green” industries, such as recycling, ecotourism, and sustainable energy.

Economic Development Policies

The following policies are based on the analysis in the 2024 Cottage Grove EOA:

1. Support the growth, development, and retention of a diverse mix of industries that complement existing strengths and assets in the community, reducing reliance on any single sector.
2. Foster entrepreneurship, new business creation, and expansion of existing businesses through strengthened partnerships and coordinated economic development efforts with partners such as the Cottage Grove Chamber of Commerce, the Downtown Cottage Grove Association, the Small Business Development Center at Lane Community College, Lane County, Oregon RAIN, the Woodard Family Foundation, and other partners.
3. Work with partners to identify and support the expansion of existing industries and the attraction of new industries to the community.
4. Provide an adequate supply of suitable and serviceable development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Cottage Grove.
5. Identify and support opportunities for redevelopment of areas with obsolescent or underutilized commercial and industrial development.
6. Revise master planning standards for large commercial and industrial sites as needed to ensure that industrial and commercial land supply will be suitable and available for targeted industries and will be retained specifically to meet identified employment land needs.
7. Provide adequate public services (i.e., roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e., electricity and communications) are provided to existing businesses and development sites.
8. Consider economic development incentives—such as the establishment of an urban renewal district, tax abatement districts, loans, assistance with infrastructure, streamlined regulation, or other incentives available to businesses in the district—that meet specified criteria and help achieve community goals.
9. Use urban renewal to fund needed infrastructure upgrades and provide development incentives within the urban renewal district to catalyze redevelopment.
10. Continue to collaborate with the South Lane School District, the Lane Workforce Partnership, Lane Community College, and the University of Oregon, to understand the City’s role, if any, in supporting opportunities in workforce development and training in general.
11. Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies are maintained or developed.

12. Support growth and retention of existing businesses, including those who are owned or operated by people with a primary language other than English.
13. Support existing businesses by sharing technical resources, maintaining open communications with local business owners/operators, and providing available staff support for economic development projects initiated by the business community.
14. Maintain and enhance quality of life through supporting community efforts such as cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.
15. Collaborate with Lane County and the Lane Workforce Partnership to support development of childcare facilities in the city.

More specific policies to accommodate commercial and industrial needs are discussed in following sections of the Economic Development Element.

INDUSTRIAL AREAS

This section addresses the need for suitable sites to accommodate targeted manufacturing, assembly, warehouse, and distribution industries, as identified in the EOA.

Industrial Policies:

1. Encourage industrial activities, which will broaden the community's long-term employment base.
2. Protect industrial areas from encroachment by incompatible land uses and ensure sites in a variety of sizes to assure opportunities for both small and large industrial activities.
3. Identify opportunities for industrial development, considering redevelopment opportunities or strategic expansion of the urban growth boundary where necessary to support growth of businesses.
4. Preserve prime industrial land while considering opportunities for rezoning nonprime industrial areas where commercial development (or redevelopment) can better support new business growth.
5. Identify and support redevelopment of obsolescent or underutilized industrial lands.
6. Retain industrial sites for their intended industrial or business park purposes while allowing accessory and limited-support commercial activities.
7. Support development of manufacturing and other industrial jobs with above-average wages through provision of industrial land, considering opportunities for an increase in the number of industrial sites in the city that are at least 5-acres in size, preferably 10-acres or larger.
8. Continue to preserve industrial development in the vicinity of the Cottage Grove Airport to assure that incompatible uses or site development do not hinder airport operation or future development through implementation of the Airport District.
9. The industrial lands projection in the EOA shall be reviewed every five to seven years to maintain a continuous 20-year supply of suitable and available industrial sites.

Implementing Industrial Zones

Cottage Grove has two Industrial zones that implement the Industrial plan designation:

- Industrial (M) – Intended to provide for land use compatibility while providing a high-quality environment for businesses and employees. The industrial districts are also intended to provide suitable locations for heavy industrial uses (e.g., raw materials processing and manufacturing, assembly, packaging, or distribution of heavy or large goods) that would not otherwise be compatible in other districts.
- Business Park (BP) – Intended to allow for mixed light industrial and service commercial uses, with limited supporting retail, in a master-planned, campus-like

COMMERCIAL AREAS

This section of the Economic Element deals with commercial retail and service employment. Commercial development typically is accommodated in community shopping centers, the Central Business District, and in highway-oriented and tourist commercial zones. Service commercial and limited retail support commercial uses also can be accommodated in business parks. Residential development increasingly occurs in commercial areas as well.

Commercial Policies:

1. Ensure that the Central Business District (CBD) remains the heart of the community as a place to work, shop, live, and conduct public affairs.
 - a. Encourage revitalization and upgrading of the existing downtown core area with improvements to be financed by assessments and city-matching finances when available.
 - b. Plans should be developed jointly by the Central Business District merchants with the help of the City and the general public.
 - c. Take advantage of tax abatement and marketing opportunities resulting from the Downtown Historic District.
 - d. Where appropriate, support residential uses, whether stand-alone residential buildings or located above ground floor commercial uses.
2. Strip commercial development shall be restricted to major thoroughfares suitable for conveying higher traffic volumes where this type of development wholly or partly exists.
 - . These thoroughfares include East Main Street to 19th Street, Highway 99 from South River Road to Gibbs and from Woodson Bridge to the Connector Road interchange.
 - a. Encourage redevelopment of existing highway-oriented development.
 - b. Continually upgrade existing Commercial areas through enforcement of the fire, housing, building, plumbing, sign, electrical, and dangerous building codes.
 - c. The properties that front on West Main Street between “H” and “I” Streets shall continue under Community Commercial zoning to avoid the creation of a nonconforming use status for the existing retail stores and lodges. In order to restrict additional commercial development from expanding into the adjacent residential land, this area shall not be designated for commercial use on the Land Use Diagram.
3. Preserve land located near the northern I-5 interchange (generally the area of the north end of Gateway and Row River Road from the interstate to Thornton Road), primarily for highway-oriented tourist developments with Commercial Tourist (C-T) zoning.
4. Encourage infilling and redevelopment of lands within commercial areas.

5. Leverage the benefits of Cottage Grove’s historic downtown to improve the business climate and encourage business growth in Cottage Grove.
6. Enhance the aesthetic appeal, functionality, and economic vitality of key commercial areas through strategic public infrastructure investments and design standards.
7. Preserve commercial land for commercial uses in areas where commercial is most appropriate, limiting or not allowing residential uses in these areas.
8. Identify areas where allowing a combination of commercial and residential uses are appropriate, allowing for mixed-use development.

Implementing Commercial Zones

Cottage Grove has five commercial zones implementing the Commercial Plan designation:

- Central Business (C-2) – Applies to the historic commercial and civic core, the Central Business District (CBD);
- Community Commercial (C-2P) – Applies to commercial areas outside or adjacent to the CBD;
- Commercial Tourist (C-T) – Applies to commercial areas adjacent to the I-5 interchange; and
- Commercial Tourist/Limited (CT/L) – This special-purpose zone provides standards for a small area in the northeast portion of Cottage Grove. The UGB was expanded in 1989 to accommodate the Middlefield Golf Course, the Cottage Grove Hospital and clinic, a recreational vehicle park, manufactured housing, and an assisted-living facility consistent with master planning requirements. A new CT/L Limited Commercial/Tourist District and Medium-Density Residential zoning were assigned to this area to implement site-specific plan policies. (See City of Cottage Grove Resolution No. 1423, Exhibit “A”, 2001, Amending Resolution No. 1052 Appendix “B” and 1150 Appendix “A.”)
- Residential Commercial (RC) – Intended to combine a variety of housing similar to the R-2 district with public and commercial services at an appropriate neighborhood scale to provide a transitional zone between residential and commercial zones.
- Mixed-Use Zone – The City is recommended to add a mixed-use zone or overlay.

[Note: The 2025 Economic Opportunities Analysis was adopted by City Council through Ordinance No. #### as a refinement plan to this section of the Comprehensive Plan.]



Leni Crow <assistantplanner@cottagegrove.org>

Big Picture Reflection

3 messages

Len Blackstone <len@blackstoneinc.net>
To: Leni Crow <lcrow@cottagegrove.org>

Wed, Feb 26, 2025 at 8:17 AM

Leni,

I'm sorry I inundated you yesterday with so many comments. I hope they have not been overwhelming.

I wanted to get this final email to you early this morning so you can forward its content to whomever you think is appropriate

As I reflect on the Economic Opportunity Analysis (EOA) Report, here are two points which concern me the most.

Point #1. Let's say I'm a marketing guy and my new employer (a company called Cottage Grove) has hired me to help it grow the number of well-paying jobs. My employer (Cottage Grove) currently has mostly low-paying jobs (the average Cottage Grove wage is much lower than the County). So, my new employer wants more high-paying jobs.

I know as a marketing guy that to convert prospects into customers, I need to be able to sell a product they want. The company (Cottage Grove) hired me because they haven't been successful in the past. What did we discover in the Report? Well, an analysis of the data clearly shows that my employer, Cottage Grove, has not had the products (the amount nor type of real estate) which align with the needs of prospects. And, as a marketing guy, I can't sell something that doesn't exist.

So, what should my new employer do? The answer is more than just increase the quantity of products (total acreage) they have. They also need to make sure they develop the types of products (lot sizes) that customers want. Let's say, for example, there's a bicycle shop with 25 bicycles that does not have enough customers. "Oh," we say, "they just need more bicycles." So, they go ahead and double their inventory but are still struggling. Why? Because all their bicycles are tricycles!

We need this Report to go beyond the total amount of acreage. We also need recommendations about the lot sizes we should have.

Point #2. One of the biggest community problems we have which I see in the Report is our low wages, compared to the County (\$32K vs \$52K). This disparity is much larger than I expected because our household income is not that much different. Why is this? My guess is it's because a high percentage (30%?) of our citizens commute to Eugene-Springfield for employment. I think most of us think of Cottage Grove as a "bedroom community". But is this what we want?

Would we agree that it would be better to live and work in the same town? If so, then I think perhaps we need to think differently. Perhaps we need to be asking, "How can we create well-paying jobs IN our community for our citizens who live here so they don't have to commute to Eugene-Springfield?"

In the Report, it says in 2022 we had 4,813 employees. And, based upon this, it forecasts 5,799 employees in 2045 (a 20% increase). **What's missing in the Report is how many citizens in our community work at well-paying jobs which are located in Eugene-Springfield?**

Why is this important? Because let's say we have 1,000 Cottage Grove citizens who would like to work in our town rather than commute every day. So, rather than an increase of just "986 jobs over the planning period", we really need or want a total of 2,000 new well-paying jobs in Cottage. And half these jobs would be for our existing citizens. What we need to accomplish this is then twice the total acreage mentioned in the Report.

Why am I proposing this? Because my concern is we're projecting from a base employment that is actually low (doesn't include our citizen's jobs that are outside) and a base which has low wages. And by doing so, the new employment projections are both low and result in the mix being more of the same.

Here's an example. Let's say you have a pancake mix that is four cups of flour and one cup of milk. But the mix of these five cups has two problems: (1) there's not enough of it, and (2) it's too thin. If you double what exists, you get more of the same. You've got to change both the quantity and ratios. We need not only more jobs (more pancake mix); we also need a different mixture (more high-paying jobs).

We need to dramatically up our game if we want to change what we have. Since the 1980s, when the spotted owl destroyed much of our lumber industry and Walmart moved to town, Cottage Grove has been on a downward spiral. We need to change the direction of the curve and dramatically increase the number of well-paying jobs in our community. And much of this can be accomplished for existing citizens. And this won't require new housing or schools. And this can dramatically increase our community's economic health. That sounds like a pretty good thing.

Best wishes,

Len

Len Blackstone, CEO

Cell 541.501.5396



BLACKSTONE INC.

609 E Main St, Cottage Grove, OR 97424

[LinkedIn](#)

www.BlackstoneInc.net

This email may contain confidential and/or privileged information. If you are not the intended recipient (or have received this email in error) please notify the sender immediately and destroy this email. Any unauthorized copying, disclosure or distribution of the material in this email is strictly forbidden.

TO: Mayor Candace Solesbee, City Councilor Greg Ervin
City Planning Commissioners David Christopher and Brandon Parsons

COPY: City Manager Mike Sauerwein
City Public Works Director Faye Stewart, City Planner Leni Crow
CG Community Development Corporation Chair Matt Parsons
CG Chamber CEO Georgia Haskell and President Cameron Reiten

FROM: Len Blackstone, Stakeholder, Economic Opportunities Analysis (EOA) Report
Owner, Bank Building; Broker, Windermere Real Estate

DATE: February 27, 2025

RE: Industrial Lands

I am writing to ask the City Council and Planning Commission to carefully consider how you receive the completion and delivery of the *Economic Opportunity Analysis (EOA) Report*. You soon will be receiving this from our Planning Department and the consulting firm, ECONorthwest. My comments are in no way critical of their professionalism nor analysis. They have done an excellent job of following planning guidelines to fulfill state requirements. And I applaud and am grateful to them for helping me answer questions I've had for 10 years.

However, the EOA Report does not include any recommendations which adequately confront the poverty in Cottage Grove and what contributes to it. We need solutions.

- **Why** is our average employment wage 25% less than Lane County's average (\$39K vs. \$52K)?
- **Why** do we have so few well-paying jobs in Cottage Grove?
- **Why** must so many of our citizens commute out of town for work?

These are all connected. And, unless you, as the leaders in our community, address **why**, our lack of economic health will continue and look no better in the future than it does now. This is a problem which has existed for far too long. We can change this.

What's the problem? We have a severe shortage of industrial lands available for development. We need to expand our Urban Growth Boundary (UGB) and annex properties as needed. Here are two scenarios that could happen:

1. An out-of-the-area, small manufacturer wants to expand their business to Cottage Grove. They will have 50 employees, who make an average wage of \$70,000 per year (\$35/hour) and need 15 acres. We can't even begin to help them. We don't have the land. **We lose out from having 50 jobs and the loss of \$3 million in payroll**, much of which could be spent locally.
2. Three small manufacturers in Cottage Grove, with 25 employees each, are on 7-acres and are having great success. They see the potential to double their size, and each wants 15 acres. They will be forced to move away because we don't have the available land. **We would lose 150 jobs** (75 existing and 75 potential jobs).

Why is industrial land so important to a community? Because manufacturers make products which are shipped out of the area and bring money back into our community. The money then moves around to local service and retail businesses. Per Matt Parsons comments, "Export products. Import cash."

Sometimes, good intentions can have disastrous consequences. Our land use laws may have the good intention of preserving farm and forest lands. But these same laws can also imprison a small, rural community like us in poverty and prevent us from even hoping to have well-paying, manufacturing jobs. This is a grave injustice. And this is a fight worthy of your attention, time, and resources. Please help us.

THE DETAILS

Employees

Per the EOA Report, Cottage Grove has 785 employees on Industrial Lands and is projected to have 1,160 employees in 2045. This is an increase of 375 employee jobs over 20 years.

Employed 2025 and Projected 2045					
Land Type	2025		2045		
	Employees	% Mix	Employees	% Mix	Change
Industrial	785	16%	1,160	20%	375
City Total	4,813	100%	5,799	100%	986

Source: Cottage Grove EOA Draft, Jan 2025, page 31 (PDF p. 40)

Lots

At present, we have only the following buildable Industrial Lands available:

- **Zero lots over 25 acres**
- **One lot is “available” in the 10-25 acres category**
 - But a buyer is in the wings for this single 14-acre lot
 - So, *we effectively have zero lots bigger than 10 acres.*
- **One lot in the 5-10 acres category**

Current Inventory 2024					
Lots	0-2 Ac	2-5 Ac	5-10 Ac	10-25 Ac	25-50 Ac
Industrial	10	4	1	1?	0

Source: Cottage Grove EOA Draft, Jan 2025, page 48 (PDF p. 57)

Yes, we have 10 lots under 2 acres and 4 lots with less than 5 acres. But tiny acreage lots often support only tiny businesses. And tiny manufacturing companies generally do not have well- or high-paying jobs. They lack the resources to provide benefits such as health insurance or retirement programs. So, if we want well-paid jobs, we need large enough companies which provide these types of wages and benefits.

How Many Lots Do We Need?

Assuming we'll have an additional 375 industrial jobs by 2045, the ECONorthwest Report uses 6 Employees per Acre as the factor when calculating needed acreage. Based upon this, we need 73 acres.

Industrial Land Needed			
Employees	Employees Per Acre	Net Acres	Gross Acres
375	6	63	73

Source: EOA Draft, page 33 (PDF p. 42)

Assuming the minimum of 5 acres per company, **we need over 14 lots.** (73 divided by 5-acre lots = 14.6 lots). **We currently have just 1.**

Where We Can Live AND Work

At present, we have a significant portion of our citizens who must commute out-of-town for well-paying jobs. Imagine having well-paid jobs where people could live and work in the same town? If our current employees who commute and work out-of-town were to find work locally, we would NOT need to build more housing or schools because they already live here. We get the benefit without the cost.

How Much Land or Lots Do We Really Need?

Analyzing data while looking solely at acreage and employees is incomplete. It fails to recognize that real estate acreage is purchased and developed as lots, and employees are connected to companies. When you look at the data in a real-world environment of lots and companies, the conclusions are very different.

So, let's envision our future within the context of these groups (lots and companies). In this scenario, let's assume during the next 20 years, **we're able to recruit just one company per year**. And these 20 companies are a variety of sizes: some want a 5-acre lot, some need 10-acre parcels, and one of them wants a 25-acre parcel.

The 5-acres companies would have 30 employees (using EOA Report factor of 6 industrial employees per acre), the 10-acres companies would have 60 employees, and the 25-acres company would have 150 employees.

These size companies have well-paying jobs with benefits and could be a great fit with Cottage Grove.

Lots				
	Totals	5-acre	10-acre	25-acre
Companies	20	12	7	1
Jobs/Company		30	60	150
Acres	155	60	70	25
New Jobs	930	360	420	150
New Citizens	375			
Commuters	555			

These new companies would generate 930 new jobs. Using the EOA Report of population growth at 375 in the Industrial Sector, this leaves 555 well-paying jobs for current citizens of Cottage Grove; an opportunity to find jobs locally instead of commuting out-of-town. We've gained the benefits of well-paid employees without having to build new housing.

In this scenario, to achieve this objective, we would need 155 acres and 20 lots in the 5+ acres lot size (one lot for each company).

We currently have just 1 lot (or 2 if you include the lot who has a buyer waiting in the wings). The analysis by ECOnorthwest clearly shows we're not going to be able to have more well-paid manufacturing jobs unless we have more industrial land.

Where Do We Go from Here?

To understand where we need to go, it can be helpful to understand where we've been. Economically, Cottage Grove has been on a downward spiral for the last 40 years. In the 1980s, we got hit by the spotted owl restrictions which devastated our lumber industry. Family-wage jobs (primarily in lumber mills) began disappearing.

In the 1990s, Walmart moved to town and our downtown retail sector began its downward slide. At the turn of the century, online shopping began gaining traction, further threatening local retail businesses.

Today, we need to realize that if we keep doing what we've done, we'll keep getting what we've got. More poverty is not attractive. We must first decide whether we want a better future. And, if we do, then what would that look like? At a minimum, I think **we should set a goal of looking for at least 150 acres and work to expand our Urban Growth Boundary (UGB)** accordingly.

The First Step

There will be questions like, "Where will we find 150 acres?" And there will be challenges like, "How can a small town like us go up against powerful land-use laws?" It's not going to be easy.

At present, it's okay to not have specific answers to every question and not be sure exactly how we're going to navigate the road ahead. I expect the Wright Brothers, who invented the first airplane, were asked, "How are you going to defy gravity?" Or Thomas Edison was likely asked, "What are you going to do with electricity?"

We must first decide if our current situation is acceptable. Do we want to improve our future. Poverty is unacceptable. So, let's decide we want a better future. And begin the journey to get there. That's the first step.

There will be many more steps and questions ahead: who, how, where, when? But, for now, we know the **why** and we know **what** we need to do to increase our economic health.