Revised

Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis

Prepared for Junction City

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Comprehensive Citizen Planning Committee (CCPC)

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Executive Summary

This report presents an economic opportunities analysis (EOA) and description of Junction City's employment land need for the 2009 to 2029 period. It is a revision to the 2009 EOA, which was completed as the first phase (Phase I) of a broader analysis about whether Junction City's urban growth boundary (UGB) has enough land to accommodate 20-years of growth. The second phase of the project examined whether Junction City has enough residential, commercial, and public land to accommodate 20 years of growth.

The 2009 EOA focused on land needed for proposed State facilities (a prison and hospital), an industrial site for Grain Miller's, and land needed for wastewater treatment facilities to support the State facilities. The City completed a UGB expansion for these uses in 2009.

While the 2009 EOA identified land needed for commercial uses, the City deferred making decisions about how to address those land needs until the second phase (Phase II) of the UGB analysis. The land need for 62 vacant suitable acres has not changed from the 2009 EOA. The City has completed the Phase I work by identifying how to meet the land need, as described in this document.

This document combines analysis from the 2009 EOA with revisions to the City's vision for meeting the identified deficit of commercial land within Junction City's UGB. The City's vision for meeting commercial land need is based on input from Junction City's elected and appointed officials, as well as residents in and around Junction City.

WHAT IS JUNCTION CITY'S ECONOMIC DEVELOPMENT VISION?

Junction City is a local economy in transition. In 2006, the City had 2,154 jobs in manufacturing—the majority in RV manufacturing. By April 2009, that number had shrunk to about 100 as the industry collapsed in the wake of the global financial crisis. It is not clear at what employment level the industry will stabilize, but it seems unlikely to achieve levels observed in 2006.

While Junction City experienced substantial employment losses in 2008 and 2009, it has two major economic opportunities: (1) the State of Oregon is planning to construct a correctional facility and state mental hospital that will ultimately employ 1,800 workers; and (2) Grain Millers is proposing to construct a major facility. To capitalize on these economic

opportunities, the City is proposing a UGB expansion to include sites for these two uses consistent with Goals 9 and 14.

Junction City's community development vision builds from the economic opportunities that are described in the Junction City EOA and economic development vision as well as Chapter 3 of the Junction City Comprehensive Plan. Broadly, the vision articulates the city's desire to become a **complete community**. In short, the vision is for Junction City to be a community that has opportunities for people to live, work, and play. Functionally, that means the City should have:

- Adequate land for the commercial uses that Junction City will need as the City grows, including providing commercial land to serve neighborhoods and businesses on the southern side of Junction City and in the surrounding rural communities that rely upon Junction City for their day-to-day service needs;
- Adequate employment opportunities that sustain the population and maintain a population/employment ratio that does not result in Junction City being a "bedroom community" to the major employment centers in Lane County;
- A range of shopping and services available to meet most everyday needs of Junction City residents, together with those near by smaller communities and rural areas, such as (but not limited to) a full-service grocery stores, department store, home improvement store, other large format ~~big-box~~ retail stores, personal services (e.g., a branch bank or beauty salon), restaurants, food and clothing stores;
- Recreational facilities and activities that make Junction City an attractive place to live and work, such as a performing arts theater and movie theater;
- Medical services and other professional services for residents;
- Business support services for the State facilities;
- Services for visitors, such as hotels, a conference center, or a large Recreational-Vehicle Park;
- Opportunities for development of agri-businesses related to local agricultural products, such as wine, grass seed, blueberries, or services for agri-businesses;
- A downtown that is vibrant and vital to the community;
- Housing that is safe and affordable for Junction City residents at all income levels; and
- Public facilities and services that support the community's vision.

The City envisions having a hierarchy of commercial sites to provide opportunities for the uses described above. Junction City will require some relatively small sites in downtown, residential neighborhoods, and along Highway 99, to accommodate demand from businesses with those specific size and location needs. The relatively small-scale commercial uses along Highway 99 are those businesses located south of the City that already serve the City. Junction City will also require a sub-regional commercial center to provide opportunity for commercial business that need to locate in a commercial center or have special siting requirements (e.g., direct access to major transportation corridors or high visibility sites) can locate. The need for this range of sites and the characteristics of different types of sites is described in the EOA.

The economic development program for Junction City can be summarized as follows:

- Revitalize downtown by encouraging the development of a couplet on Highway 99 and adopting strategies to encourage redevelopment and infill on under-utilized sites
- Take advantage of immediate economic opportunities created by the state correctional facility and hospital projects by expanding the Urban Growth Boundary (UGB) to include the proposed sites of these major employers and extending services
- Provide a site for a sub-regional commercial center of approximately 35 acres in the southern part of Junction City
- Create a complete community that provides housing, retail, and services, and is attractive to households that have workers at the state facilities and other employers such as Grain Millers

This is a brief summary of Junction City's economic and community development vision. Chapter 3 of this report provides more detail on Junction City's comparative advantages and target industries; the Junction City Economic Development Vision and Strategy (Appendix E) articulates the City's economic development strategy.

HOW MUCH EMPLOYMENT GROWTH IS JUNCTION CITY PLANNING FOR?

Statewide Planning Goal 9 (economy) requires an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Junction City, including development of the State Prison and

Hospital. The level of this business expansion activity can be measured by employment growth in Junction City.

Table S-1 shows that Junction City's employment will grow by about 3,345 employees, a 96% increase at a rate of 3.2% annual growth between 2009 and 2029.[1] The employment forecast presented in Table S-1 assumes that employment in Junction City have several one-time employment changes: (1) Country Coach's employment will decrease to about 100 workers in 2009 (a decrease of about 1,500 jobs)[2] and (2) development of the State Prison and Hospital will add about 1,800 jobs between 2012 and 2014.

Table S-1. Forecast of employment growth in by building type, Junction City UGB, 2009–2029

	2009		2029		Change 2009 to 2029
Building Type	**Employment**	**% of Total**	**Employment**	**% of Total**	
Industrial					
Industrial	946	27%	1,365	20%	419
Commercial					
Office	418	12%	683	10%	265
Retail	1,241	36%	1,707	25%	466
Other Services	506	15%	819	12%	313
Government	370	11%	2,253	33%	1,883
Total	**3,481**	**100%**	**6,826**	**100%**	**3,345**

Source: ECONorthwest
Note: Blue shading denotes an assumption by ECONorthwest

The composition of Junction City's economy will fundamentally change over the planning period, with the development of the State Prison and Hospital and decline of the RV Industry in Lane County. Table S-1 shows the forecast of employment growth by building type/use in Junction City's UGB from 2009 to 2029. The forecast projects growth in all building types but projects the greatest employment growth in government.

[1] The employment and land need forecasts in this report are lower than the forecasts in the March 4, 2009 memorandum to the CCPC "Preliminary employment land need for Junction City." The forecasts have been lowered to account for the continuing decline in Lane County's RV industry, which is affecting RV manufacturers, their suppliers, and is likely to affect other businesses in Junction City, such as RV sales companies and businesses that provide services to businesses that depend on the RV industry.

[2] This assumption is based on information from City staff, who have had contact with managers at Country Coach. At this point, it is challenging to predict how (or if) the RV industry in Lane County will recover from recent downturns in the RV industry.

HOW MUCH SUITABLE EMPLOYMENT LAND DOES JUNCTION CITY CURRENTLY HAVE?

Junction City has a total of 810 acres designated for employment uses in its UGB. Table S-2 shows that the City has 335 acres of vacant land designated for commercial and industrial uses within the Urban Growth Boundary (UGB). Based on the Local Wetland Inventory (LWI) prepared by Winterbrook Planning and floodway data, ECO estimates that about 83 acres of Junction City's suitable land is constrained. The City has about 251 acres of vacant and suitable[3] commercial and industrial land within its UGB. The City has 20 vacant suitable acres in Commercial plan designations and 157 vacant suitable acres in Industrial plan designations.

The employment land inventory includes land that is currently designated Professional Technical, which is an employment use. The City is in the process of redesignating Professional Technical land from employment to residential uses. Once redesignated, this land will be used for residential development and not be available for employment development.

Table S-2. Vacant land by plan designation, gross acres, Junction City UGB, 2008

			Vacant Land	
Plan Designation	Tax Lots	Acres in Tax Lots	Unsuitable Acres	Suitable Acres
Commercial	14	20	0	20
Commercial/Residential	14	2	0	2
Industrial	20	189	32	157
Professional/Technical	2	85	15	70
Public	1	39	36	3
Total	**51**	**335**	**83**	**251**

Source: City of Junction City data and Local Wetland Inventory; analysis by ECONorthwest
Note: Staff have clarified that 5 acres of the public site is identified for use for the eco-energy park.
Note: Land that is constrained with floodway or wetlands are considered unsuitable for employment uses. Vacant land that is not constrained by floodway or wetlands is considered suitable for employment uses.
Note: The number of unsuitable acres (83) and suitable acres (251) add to 334 acres, rather than the 335 Acres in Tax Lots, as a result of a rounding error.

[3] OAR 660-009(5) (12) defines suitable as follows: "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use. In other words, suitable sites are sites that are vacant or could otherwise be expected to provide capacity for additional employment during the planning period.

HOW MUCH LAND WILL BE NEEDED FOR EMPLOYMENT?

Table S-3 summarizes sites and land needed for employment uses in Junction City for the 2009 to 2029 period. The results show that Junction City has a deficit of the following land types in its UGB for the 2009 to 2029 period:

- **Industrial land.** Junction City has a **need for 21 acres** of industrial land, including one 10-20 acre site. This need can be met through development of vacant land within the UGB (e.g., on one of the vacant 20 to 50 acre sites or through redevelopment.
- **Commercial sites.** Junction City has a **need for 62 vacant suitable acres** of commercial land, 20 of which will be on sites 5 to 10 acres. The need for 62 vacant suitable acres of commercial land will be met through a number of means: in a commercial center where office, service, and retail businesses could locate on one larger site, on vacant land within the City, and through infill and redevelopment in downtown.

Table S-3. Summary of employment land need, gross acres, Junction City UGB, 2009-2029

	Site Size (acres)							
	Less than 1	1 to 2	2 to 5	5 to 10	10 to 20	20 to 50	Greater than 50	Total
Industrial								
Sites needed	2	none	none	none	1	none	none	2
Land need (acres)	1	--	--	--	20	--	--	21
Commercial								
Sites needed	14	9	8	2	none	none	none	33
Land need (acres)	4	14	24	20	--	--	--	62
Total sites needed	**16**	**9**	**8**	**2**	**1**	**--**	**--**	**36**
Total acres needed	**5**	**14**	**24**	**20**	**20**	**--**	**--**	**83**

Source: ECONorthwest

The comparison of site needs with land supply in Table S-3 does not tell the entire story of site needs in Junction City.

- **Land for government uses.** Table S-3 does not include the need for public land, including land for the State Prison and Hospital or expansion of the City's wastewater system. The State has identified an approximately 235 acre site at the south end of Junction City's UGB as the site of the State Prison and Hospital. A portion of this site is already in the UGB.

  In addition, the City expects to need 80 acres to expand its wastewater facility to provide services to the State Prison and Hospital. The City has identified two sites for this expansion, both

about 40 acres, one of which is currently within the existing UGB and the other is outside the UGB. These sites are adjacent to the current wastewater treatment facility.

The sites needed to capitalize on this opportunity were added to the UGB in Phase I of the Junction City Periodic Review process. The City has almost completed infrastructure work necessary to serve the DOC site for the two state facilities.

- **A site for Grain Millers.** Grain Millers needs an industrial site that is at least 50 acres in size and access to the two rail lines that can accommodate large unit trains on a rail loop. The site needs analysis in Table 4-4 (and Table 5-1) shows this as a need for one 20 to 50 acre industrial site. The vacant 20 to 50 acre industrial sites in the UGB are located along Highway 99 between the two rail tracks. These sites are about 25 acres each and have a long, thin shape. The characteristics of a needed site for bulk processing with a rail loop are described in detail in Chapter 5. **Neither of these sites meets the characteristics needed by employers such as Grain Millers**. The site needed to capitalize on this opportunity was added to the UGB in Phase I of the Junction City Periodic Review process.

As part of the Phase II process, the CCPC articulated the community vision related to commercial uses. This vision identifies three priorities for commercial uses:

- **Downtown and small commercial sites.** Meet specialized retail and service uses in Junction City's downtown and on other small commercial sites.
    - Downtown will accommodate commercial uses in Junction City through providing small-scale sites (generally those smaller than two acres), and through infill or redevelopment of existing sites as suitable sites become available. The types of commercial businesses likely to locate on infill and redevelopment sites in Junction City's downtown are small, boutique retail businesses or other small businesses.
    - Commercial demand will also be met on small commercial sites, both those within the Junction City UGB and in proposed expansion areas south of the City core. These small commercial sites will provide opportunities for small businesses that require smaller and typically stand-alone business sites outside of downtown and outside of a commercial center.

- **Sub-Regional Commercial Center.** One of the core community and economic development objectives for Junction City is to provide opportunities for retail and service expansion to capture local and sub-regional leakage, serve anticipated growth of this sub-regional market area, and provide employment opportunities for Junction City residents. In its economic development vision, the City identified the objective of creating a mixed-use sub-regional commercial center as part of creating a complete city with opportunities where residents can work, shop, play, and live.

  The Junction City Economic Opportunities Analysis forecasts 1,044 new jobs in the commercial sector. Moreover, the City identifies new employment related to the capture of sales from regional markets to the west (Cheshire and Triangle Lake) and north as an economic opportunity. The City's strategy for capitalizing on this opportunity is to encourage the development of a sub-regional commercial center.

  Consistent with the community and economic development vision, a sub-regional commercial center would accommodate a mixture of businesses such as (but not limited to): a grocery store, a dry goods/drug store, a home improvement store, a general merchandise store, agri-busineses (e.g., wine tasking room) a hotel, an RV park, conference center, businesses providing entertainment and recreation (e.g., a theater or movie theater), medical services, personal services (e.g., a branch bank or beauty salon), restaurants, a service station, as well as offices with professional services. ~~a grocery store, a dry goods store, a home improvement store, a hotel, an RV park, a theater, as well as offices with professional services~~. These types of businesses typically require larger sites (generally those larger than two acres) or need to locate in a commercial center.

  Some of the businesses in Junction City's target industries include businesses that would locate in a master-planned commercial center, rather than in downtown, such as a grocery store or large-format retailer, as well as smaller businesses that prefer a commercial center location. Some service businesses, such as medical or personal services, will need to locate in a newly developed commercial center with other services. In addition, some businesses—such as those providing overnight accommodations and social assistance to people and families associated with the State facilities—will need to locate near the State facilities.

CAN THE CITY ACCOMMODATE SOME OF THIS GROWTH WITHIN THE EXISTING UGB?

The City can accommodate some employment land need through more efficient use of land within the existing UGB. There are several reasons to consider policies that would increase land use efficiency. A community goal is to revitalize downtown and encourage firms to locate there. Redevelopment uses existing infrastructure (such as streets or sanitary sewer), decreasing the need to expand infrastructure to accommodate new businesses.

The City will implement the following policies to promote land use efficiency within the existing UGB:

- Encourage infill and redevelopment within Junction City's downtown through adopting policies that increase the likelihood of redevelopment in downtown.
- Investigate opportunities for reuse of underused industrial land within the existing urban growth boundary. There may be opportunity to redesignate some industrial land for commercial uses. The sites that might benefit most from redevelopment are industrial areas that are adjacent to existing commercial or residential uses and have limited access to transportation (Highway 99 and the train).

IS THERE JUSTIFICATION FOR A UGB EXPANSION?

The data in Table S-3 address employment needs on vacant land. Some employment in Junction City will not require new land but will locate on land that is currently partially developed or under-developed. Junction City identified economic development strategies of encouraging redevelopment, especially in downtown. Some of the land need identified in Table S-3 can be accommodated on vacant commercial land or through redevelopment within the existing UGB:

- **Industrial land need for a 20-acre site.** Table S-3 identifies a need for one 20-acre industrial site. **This need may be accommodated on one of the 20 to 50 acre industrial sites within the UGB.** However, neither of these sites meets the requirements of a site for Grain Millers, as described above.
- **Industrial redevelopment.** ECO also assumed that industrial land needs for sites smaller than ten acres would be addressed on larger industrial sites within the UGB and possibly through redevelopment of existing industrial sites.

- **Commercial land needs.** Table S-3 shows that Junction City has a need for 62 vacant suitable acres of commercial land, all on sites 10 acres or smaller. The majority of this land can be accommodated in a mixed-use sub-regional commercial center and part can be accommodated on small sites in downtown.

In summary, Junction City will need to provide land for the following sites through a UGB expansion to accommodate growth over the 2009 to 2029 period:

- **One industrial site with at least 50 suitable acres to take advantage of a unique niche opportunity** for rail-loop served bulk processors, such as Grain Millers. Other needed characteristics of this site are described in Chapter 5.
- **One approximately 235-acre site** for the State Prison and Hospital. The State has identified the site for the State Facilities.
- **One 40-acre** site for a wastewater facility expansion that is necessary to provide sanitary sewer service for the Prison and Hospital. The City has identified the site for the wastewater facility expansion.
- **Commercial land to accommodate the 62 vacant suitable acres of commercial land demand.** While small boutique businesses may locate on infill and redevelopment sites in Junction City's downtown, other commercial land needs will need to be addressed through expansion of the UGB, such as for a mixed-use sub-regional commercial center.

Chapter 1 Introduction

This report presents an Economic Opportunities Analysis (EOA) for Junction City consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located." This report is revision of the 2009 adopted EOA, with revisions that reflect refinement to Junction City's economic development vision.

BACKGROUND

When Junction City adopted its comprehensive plan and urban growth boundary (UGB) in 1982, the City had a vision of a balanced community – a community characterized by a solid employment base, a thriving retail and service core, and attractive, livable neighborhoods.

To help realize this vision, the City included large tracts of industrial land to meet two types of anticipated needs: rail-dependent industrial at the upper end of the "Industrial Triangle" and high technology industrial at the west end of town. .The Land Use Element of Junction City's Comprehensive Plan documented the lack of large commercial parcels: "..the site selection for larger parcels is extremely limited while the demand has been high enough to cause some businesses to locate elsewhere. Testimony offered by members of the local Board of Realtors and Safeway Stores, Inc., indicate the need to conserve commercial lands in larger parcels. The need for larger parcels is further emphasized when the constraint of mid-block alleys containing utility lines serving lots along Ivy Street limits the size of buildings."

In the early 1980's, however, there was little awareness at the state or local level that Junction City's wetlands would severely limit planned urban development *and* provide open space and recreational opportunities. The notion of attracting two major state institutions was not a consideration. Junction City saw relatively little development until the 1990s, when Country Coach relocated at the northern end of the rail industrial area and new residential development occurred east of Oaklea Drive.

It is clear today that Junction City's overall vision is being realized – but in ways that were not fully imagined at the time.

- The rail-dependent industrial land south of town remained vacant for over 20 years, until chosen by the Oregon Department of Corrections (DOC) and the Oregon Health and Human Services Department (DHS) as sites for a regional corrections facility and a new state hospital. Together, these new basic employment uses will create some 1,800 jobs *and* additional demand for housing, infrastructure and services.

- Some 320 acres of Professional Technical land also remained vacant, until the City amended its comprehensive plan in 2001 to allow for residential and open space uses east of the wastewater treatment plant. As a result of this process, the City learned that about a third of the old Professional Technical site was unbuildable due to wetland constraints associated with Crow Creek. By 2007, the City was in the process of approving "The Reserve", a 295-unit planned residential community that provides for a range of housing types. This neighborhood is complemented by a potential natural wetland reserve that provides recreational opportunities for the entire city.

The economic downturn that started in 2007 creates considerable challenges for Junction City. Recent trends suggest that Junction City will experience a fundamental economic transition over the next 20 years. This transition will be the result of state institutions coupled with declines in the manufacturing sector.

This report presents the results of the economic opportunities analysis (EOA). The purpose of the EOA is to identify economic opportunities (and challenges), inventory buildable lands, and determine whether Junction City has a sufficient supply of buildable lands designated for employment to accommodate growth forecast for the 2009 to 2029 period.

FRAMEWORK FOR ECONOMIC DEVELOPMENT PLANNING IN OREGON

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 Land Conservation and Development Commission adopted amendments to this administrative rule in December 2005.[4] The analysis in this report is designed to conform to the

[4] The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, are available from the Oregon Department of Land Conservation and Development at http://www.oregon.gov/LCD/econdev.shtml.

requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and 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 or some other public input based process in conjunction with state agencies.

2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 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 adopted 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.

This report is an Economic Opportunities Analysis, the first key element 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. It also includes an inventory of buildable commercial and industrial land in Junction City.

ORGANIZATION OF THIS REPORT

The remainder of this report is organized as follows:

- **Chapter 2, Land Available for Industrial and Other Employment Uses** presents a regional inventory of industrial and other employment lands.
- **Chapter 3, Economic Trends and Factors Affecting Future Economic Growth in Junction City** summarizes historic economic trends that affect current and future economic conditions in Junction City. It also summarizes Junction City competitive advantages formed by the mix of factors present in Junction City
- **Chapter 4, Land Demand and Site Needs in Junction City** presents the employment forecast for Junction City and an estimate of how much land is needed to accommodate the 20-year employment forecast. It also describes the types of sites that are needed to accommodate industries that are likely to locate or expand in Junction City.
- **Chapter 5, Implications** presents a comparison of land supply and site needs and discusses the implications of the Economic Opportunities Analysis.

This report also includes four appendices:

- **Appendix A, Review of National, State, Regional, County, and Local Trends** describes national, state, and local economic trends that will influence the regional economy. Appendix A presents detailed information about economic trends that may affect Junction City, which is summarized in Chapter 3.
- **Appendix B, Factors Affecting Future Economic Growth in Junction City** discusses the competitive advantages formed by the mix of factors present in Junction City. Junction City competitive advantages are summarized in Chapter 3.
- **Appendix C, Employment Forecast and Site Needs for Industrial and Other Employment Uses** presents an employment forecast and analysis of needed sites for Junction City for the period 2009-2029 and is summarized in Chapter 4.
- **Appendix D: Downtown Commercial Vacancy Inventory** presents an inventory of vacant commercial space in downtown in 2009.

- **Appendix E, Economic Development Vision, Objectives, and Implementation Strategies** presents the City's policy approach to economic development.

Chapter 2 Land Available for Industrial and Other Employment Uses

The Junction City Commercial and Industrial Suitable Lands (CISL) inventory is intended to identify lands within the Junction City urban Growth Boundary (UGB) that are available for development and can accommodate employment growth. In the context of the Goal 9 administrative rule, these are called "suitable" lands (OAR 660-009-0005(12)). Suitable lands inventories are sometimes characterized as *supply* of land to accommodate growth. Population and employment growth drive *demand* for land. The amount of land needed depends, in part, on the density of development as well as strategies related to redevelopment.

This chapter presents the CISL inventory for the City of Junction City. The results are based on analysis of Geographic Information System data provided by the City and the Lane Council of Governments. The buildable land inventory also used aerial orthophotographs and review by City staff for verification.

ECO worked closely with City Staff, and the Comprehensive Citizen Planning Committee (CCPC) during the development and review of the Junction City commercial and industrial suitable lands inventory (CISL). ECO developed the inventory using the following steps:

- *Assemble and document datasets*. ECO identified data from the Regional Land Information Database (RLID) and GIS data from the City of Junction City and the Lane Council of Governments as primary datasets on which the inventory and analysis was built. RLID includes assessment and taxation data maintained by Lane County.

- *Data processing and GIS analysis.* In this step ECO performed the GIS analysis and data processing steps necessary to populate the database.

- *Verification*. ECO used a multi-step verification process. The first verification step involved a "rapid visual assessment" of land classifications using GIS and recent aerial photos for this analysis. The rapid visual assessment involved reviewing classifications overlaid on 2006 aerial photographs to verify uses on the ground. ECO reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The third round of verification involved City staff verifying the rapid visual assessment output.

This review resulted in a number of changes which are reflected in the inventory as presented in this report.

In summary, ECO used a systematic process to complete the CISL inventory that was intended to provide the greatest degree of accuracy possible.

DEFINITIONS

The first step in the buildable inventory was to develop working definitions and assumptions. ECO initially classified land using a rule-based methodology. The accompanying maps show the results of the application of those rules, with some adjustments made based on staff review and verification.

ECO began the buildable lands analysis with a tax lot database provided by the City's Staff. The tax lot database was current as of October 2008. The inventory builds from the tax lot-level database to estimates of buildable land by plan designation.

A key step in the buildable lands analysis was to classify each tax lot into a set of mutually exclusive categories. Consistent with accepted methods for buildable lands inventories and applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, lands with improvement values under $10,000[5] are considered vacant (not including lands that are identified as having mobile homes). [6]
- *Developed land.* Land that is developed at densities consistent with current zoning/plan designation and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, potentially redevelopable, or public are considered developed.[7] Thus, the definition of developed land used

[5] Improvement values were from 2008 Lane County Assessment and Taxation data and reflect the County's estimate of the market value of improvements.

[6] Note that this definition is more inclusive than what statewide planning policy requires. OAR 600-009-0005(14) provides the following definition: "Vacant Land" means a lot or parcel: (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements. The implication of using a more inclusive definition is that more land was considered available in the inventory than would be if the state definitions were used.

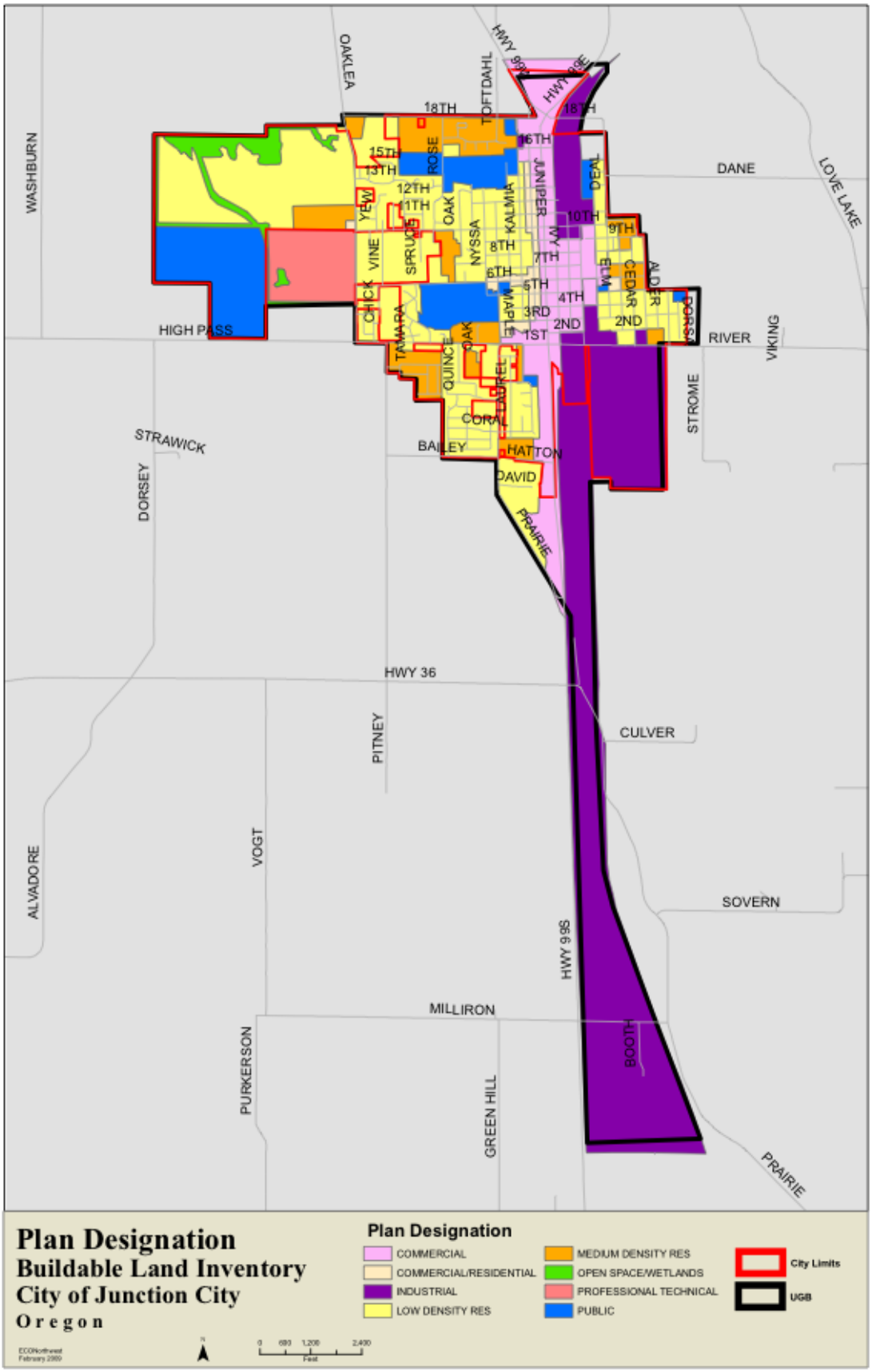
[7] Note that OAR 660-009-0005(1) uses the following definition: (1) "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. This study defines developed land as developed and defines land "likely to be redeveloped" as potentially redevelopable.

for the CISL is different than the definition in the administrative rule. For purposes of the CISL, developed land is considered committed during the 20-year period and unavailable for redevelopment.

- *Public land.* Lands in public ownership were generally considered unavailable for development unless identified by City staff as being available for development at some time during the 20-year planning period. This includes uses such as electrical substations, parks, and private cemeteries. Lands in Federal, State, County, or City ownership were also considered committed. Based on discussions with City staff, a portion of one city-owned site was considered vacant and suitable for development.
- *Committed Land.* Land owned by the Oregon Department of Corrections within the Junction City UGB. This land was included in the inventory, but is considered committed for the purpose of state institutions.
- *Suitable Land.* OAR 660-009(5) (12) defines suitable as follows: "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use. In other words, suitable sites are sites that are vacant or could otherwise be expected to provide capacity for additional employment during the planning period

The land classifications result in identification of lands that are vacant or potentially redevelopable. The inventory includes all lands within the Junction City UGB. Map 2-1 shows lands by plan designation within the Junction City UGB.

Map 2-1 plan designation



CONSTRAINTS

Constraints are factors that preclude land development or affect the desirability of land for development. OAR 660-009-0005(2) provides the following definition of "development constraints:"

> "Development Constraints" means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

Thus, the Administrative Rule provides a broad definition of constraints and leaves discretion for local governments in the application of the definition. For the purpose of this study, the following factors are considered absolute development constraints and are unbuildable on employment land:

1. Floodway as identified on FEMA maps
2. Wetlands identified on the Local Wetlands Inventory prepared by Winterbrook Planning

Floodplains are considered partial development constraints. Development can occur on floodplains subject to engineering standards. Therefore, in Junction City, no deductions were made from the inventory for the floodplain.

RESULTS

LAND BASE

The first step in the CISL inventory was to determine the land base (e.g., lands within the UGB designated for employment uses). This step was necessary because the inventory only covers a subset of land in the Junction City UGB (lands that accommodate employment). The land base is the subset of tax lots that fall within the plan designations included in the CISL.

Table 2-1 shows acres within the Junction City UGB and city limits in 2008. According to the City GIS data, Junction City has about 2,127 acres within its UGB. Of the 2,127 acres, 1,778 acres (about 84%) are in tax lots. Land not in tax lots is primarily in streets and waterways. Junction City has about 1,431 acres within its City Limits; of these 1,157 acres (about 81% of total acres in the City Limit) are in tax lots. Additionally, the City has about 696 acres between the City Limits and Urban Growth Boundary (the UGA); of this about 621 acres are in tax lots.

Table 2-1. Acres in Junction City UGB and City Limit, 2008

Area	Tax Lots	Total Acres	Acres in Tax Lots	Percent in Tax Lots
City Limits	2,283	1,431	1,157	81%
Urban Growth Area	197	696	621	89%
Total	**2,480**	**2,127**	**1,778**	**84%**

Source: City of Junction City GIS data; analysis by ECONorthwest
Note: Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 2-1 summarizes all land in the Junction City UGB. The next step is to identify the commercial and industrial land base (e.g., lands with plan designations that allow employment or "employment lands").

Table 2-2 shows that about 810 acres within the Junction City UGB is included in the commercial and industrial land base. Thus, about 46% of land within the Junction City UGB is included in the Commercial and Industrial land base.

Table 2-2. Lands designated for commercial and industrial uses, Junction City UGB, 2008

Area	Value
Junction City UGB	
Number of Tax Lots	2,480
Acres in Tax Lots	1,778
Junction City Employment Land Base	
Tax Lots in Employment Desiginations	520
Acres in Land Base in Employment Designations	810

Source: analysis by ECONorthwest

Table 2-3 summarizes acres by plan designation for employment lands within the Junction City UGB. Of lands designated for employment, about 66% (534 acres) are in industrial designations, 17% (134 acres) are in commercial designations, 10% (85 acres) are in the Professional Technical Designation[8], and 2% (19 acres) are in the Commercial/Residential Designation. Additionally, one public site (39 acres) is included in the inventory.

Table 2-3. Acres by employment plan designation, Junction City UGB, 2008

Plan Designation	Tax Lots	Acres in Tax Lots	Percent of Acres
Commercial	307	134	17%
Commercial/Residential	100	18	2%
Industrial	110	534	66%
Professional/Technical	2	85	10%
Public	1	39	5%
Total	**520**	**810**	**100%**

Source: City of Junction City GIS data; analysis by ECONorthwest

The CISL inventory includes land that is currently designated Professional Technical. The City is in the process of redesignating Professional Technical land from employment to residential uses. Once redesignated, this land will be used for residential development and not be available for significant employment development.

Table 2-4 shows acres by classification and suitability status for the Junction City UGB in 2008. Land that is constrained with floodway or wetlands are considered unsuitable for employment uses. Vacant land that is not constrained by floodway or wetlands is considered suitable for employment uses. Analysis by constraint status (the table columns) shows that about 456 acres are classified as built, 103 were classified as

[8] The City is in the process of redesignating land in the Professional Technical Designation to residential designations.

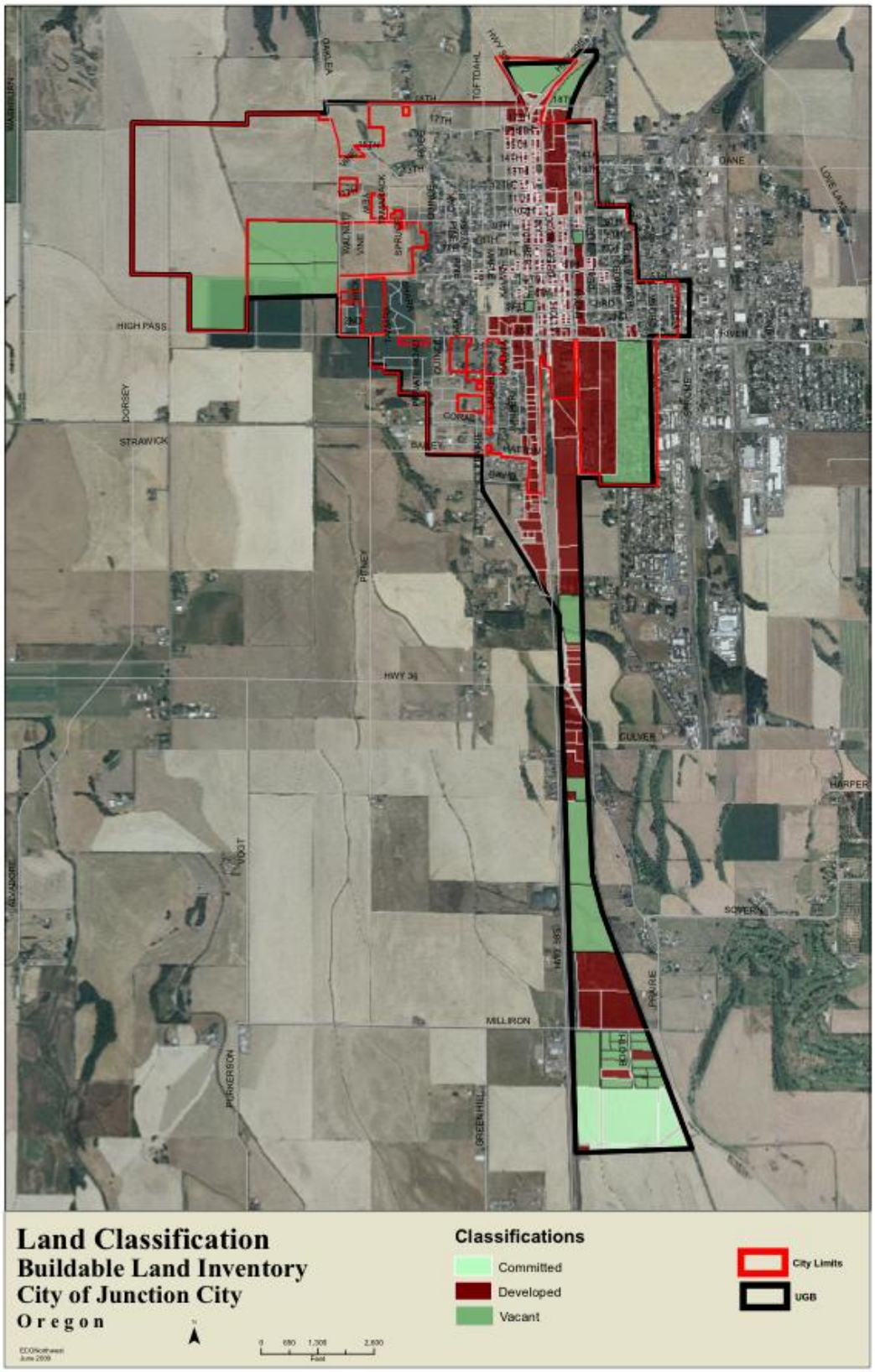
constrained (i.e., unavailable for development) and 251 were classified as vacant and suitable for employment uses.

Table 2-4. Acres by classification, Junction City UGB, 2008

				Vacant Acres	
Plan Designation	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Unconstrained Acres
Commercial	307	134	112	2	20
Commercial/Residential	100	18	16	1	2
Industrial	110	534	327	50	157
Professional/Technical	2	85	0	15	70
Public	1	39	0	36	3
Total	**520**	**810**	**456**	**103**	**251**

Source: City of Junction City data; analysis by ECONorthwest
Land that is constrained with floodway or wetlands are considered unsuitable for employment uses. Vacant land that is not constrained by floodway or wetlands is considered suitable for employment uses.

Map 2-2. Land by Classification, Junction City UGB



VACANT SUITABLE EMPLOYMENT LAND

The next step in the buildable land inventory is to net out portions of vacant tax lots that are unsuitable for development. Areas considered 100% unsuitable for development include areas with wetlands and floodways.

Junction City currently limits, but does not prohibit development within the 100-year floodplain.

Table 2-5 shows vacant land by development and constraint status. The data show that about 47 acres within vacant tax lots have development constraints that make land unsuitable for employment use. The City has about 251 vacant suitable acres (including floodplain land where impacts can be mitigated by raising habitable flood area one foot above the floodplain) within the UGB.

Table 2-5. Vacant land by constraint status, Junction City UGB, 2008

Classification	Tax Lots	Acres in Tax Lots	Developed Acres	Developed Constrained Acres	Vacant Land	
					Unsuitable Acres	Suitable Acres
Committed	4	71	71	NA	NA	NA
Developed	465	404	385	19	0	0
Public	1	39	0	0	36	3
Vacant	50	296	0	0	47	249
Total	**520**	**810**	**456**	**19**	**83**	**251**

Source: City of Junction City GIS data; analysis by ECONorthwest

The City plans to make a portion of the 39-acre public lot, which will be used for expansion of the wastewater facility, available for an eco-energy park.

Table 2-6 shows vacant land by plan designation within the Junction City UGB.

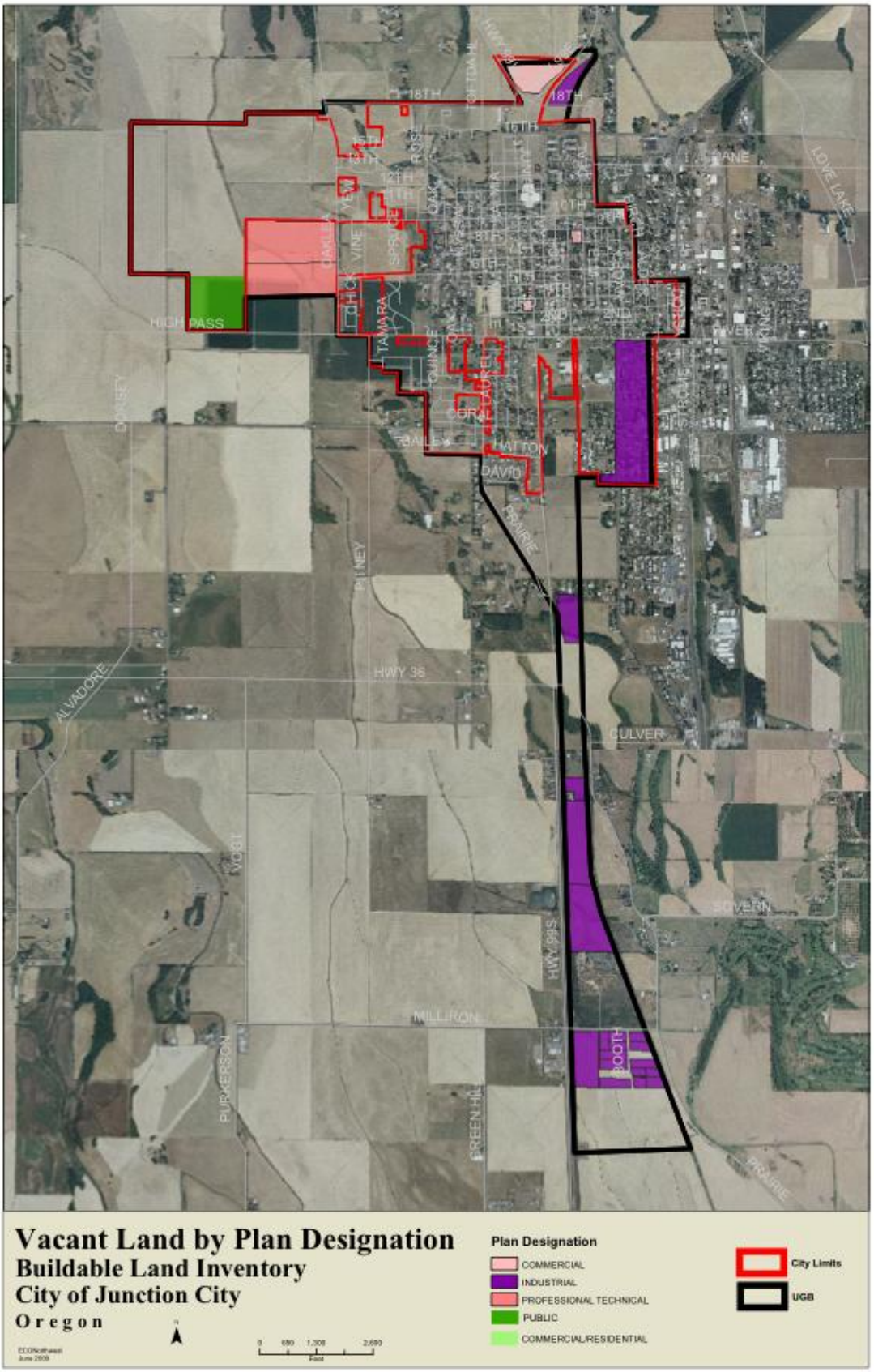
Table 2-6. Vacant land by plan designation, Junction City UGB, 2008

			Vacant Land	
Plan Designation	**Tax Lots**	**Acres in Tax Lots**	**Unsuitable Acres**	**Suitable Acres**
Commercial	14	20	0	20
Commercial/Residential	14	2	0	2
Industrial	20	189	32	157
Professional/Technical	2	85	15	70
Public	1	39	36	3
Total	**51**	**335**	**83**	**251**

Source: City of Junction City GIS data; analysis by ECONorthwest
Note: The number of unsuitable acres (83) and suitable acres (251) add to 334 acres, rather than the 335 Acres in Tax Lots, as a result of a rounding error.

Map 2-3 shows the location of vacant land by plan designation. Map 2-4 shows vacant land with constraints that make this land unsuitable.

Map 2-3. Vacant Lands



Map 2-4. Vacant Lands that is Unsuitable for Employment Use constraints

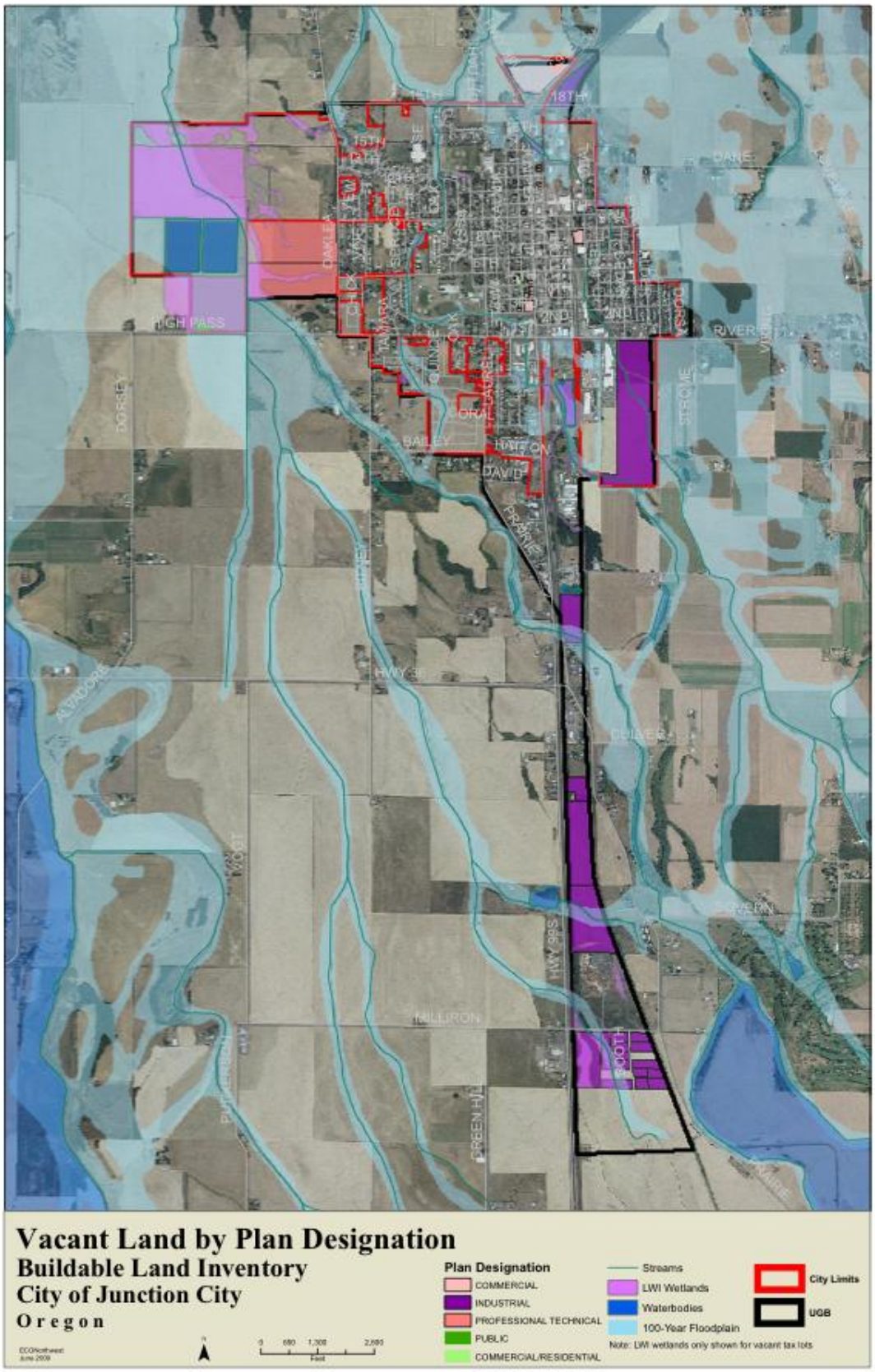


Table 2-7 shows vacant land by plan designation and by parcel size. This analysis is useful in that it shows the distribution of vacant land by parcel size, which allows an evaluation of whether a sufficient mix of parcel sizes is available. The distribution of suitable land by parcel size varies by plan designation, with the results showing the City has five vacant tax lots 20 acres or larger.

Table 2-7. Suitable acres in vacant tax lots by plan designation and parcel size, Junction City UGB, 2008

	Lot Size (Suitable Acres)							
Plan Designation	**< 1.00**	**1.00-1.99**	**2.00-4.99**	**5.00-9.99**	**10.00-19.99**	**20.00-50.00**	**50+**	**Total**
Total Acres								
Commercial	1.8	2.9	0.0	0.0	15.5	0.0	0.0	20.2
Commercial/Residential	1.9	0.0	0.0	0.0	0.0	0.0	0.0	1.9
Industrial	0.7	15.2	9.9	22.5	0.0	50.6	58.1	157.0
Professional/Technical	0.0	0.0	0.0	0.0	0.0	69.6	0.0	69.6
Public	0.0	0.0	2.8	0.0	0.0	0.0	0.0	2.8
Total	**4.3**	**18.0**	**12.8**	**22.5**	**15.5**	**120.3**	**58.1**	**251.5**
Number of Tax Lots								
Commercial	11	2	0	0	1	0	0	14
Commercial/Residential	14	0	0	0	0	0	0	14
Industrial	1	9	4	3	0	2	1	20
Professional/Technical	0	0	0	0	0	2	0	2
Public	0	0	1	0	0	0	0	1
Total	**26**	**11**	**5**	**3**	**1**	**4**	**1**	**51**
Percent of Acres	2%	7%	5%	9%	6%	48%	23%	100%
Percent of Tax Lots	51%	22%	10%	6%	2%	8%	2%	100%

Source: City of Junction City GIS data; analysis by ECONorthwest
Note: Buildable acres includes "constrained" acres and "unconstrained" acres

REDEVELOPMENT POTENTIAL

Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used in some studies is an improvement to land value ratio of 1:1. Not all, or even a majority of parcels that meet this criterion for redevelopment *potential* are assumed to redevelop during the planning period.

Redevelopment potential only applies to lands classified as "developed." The redevelopment analysis used the following parameters:

- *Significant redevelopment potential*: Tax lots with improvement to land value ratios under 0.5 are considered to have significant redevelopment potential.

- *Moderate redevelopment potential*: Tax lots with improvement to land value ratios between 0.5 and 0.99 are considered to have moderate redevelopment potential.
- *No redevelopment potential*: Tax lots with improvement to land value ratios of 1.00 or more are not considered to have redevelopment potential.

Table 2-8 summarizes redevelopment potential based on the assumptions described above. The results show 42 commercial sites with about 17 acres are considered to have significant redevelopment potential, while 20 commercial sites and 11 acres are considered to have moderate redevelopment potential. With respect to industrial sites, 15 sites and 55 acres are considered to have significant redevelopment potential, and 6 sites with 31 acres are considered to have moderate redevelopment potential.

Table 2-8. Redevelopment potential

	Commercial		Industrial	
Improvement to land value ratio	**Tax Lots**	**Acres**	**Tax Lots**	**Acres**
Significant redevelopment potential				
<0.25	27	10.7	9	39.9
0.25 - 0.49	15	6.0	6	14.8
Subtotal	**42**	**16.7**	**15**	**54.7**
Moderate redevelopment potential				
0.50 - 0.74	10	7.5	2	4.9
0.75 - 0.99	10	3.8	4	26.1
Subtotal	**20**	**11.3**	**6**	**31.0**
No redevelopment potential				
1.00 - 1.99	48	37.9	16	47.6
2.00 - 2.99	48	12.9	8	17.0
3.00 and above	67	19.8	20	81.8
Subtotal	**163**	**70.6**	**44**	**146.4**

Source: City of Junction City GIS data; analysis by ECONorthwest

Forty-two of the 57 sites with significant redevelopment potential are less than one acre in area, while 14 were between 1 and 10 acres. Only one site is greater than 10 acres in area. None of the sites with redevelopment potential meet the DOC, Grain Millers or expansion of the City's WTP, as shown in Chapter 4.

Chapter 3 Economic Trends and Factors Affecting Future Economic Growth in Junction City

Junction City exists as part of the larger economy of the southern Willamette Valley and is strongly influenced by regional economic conditions. For many factors, such as workforce, Junction City does not differ significantly from the broader region. For other factors, such as income, it does. Thus, Junction City benefits from being a part of the larger regional economy and plays a specific role in the regional economy.

This chapter summarizes national, state, county, and local trends and other factors affecting economic growth in Junction City. Each heading in this chapter represents a key trend or economic factor that will affect the Junction City economy and economic development potential. A more detailed analysis of economic trends and factors affecting Junction City's future economic growth is presented in Appendices A and B.

AVAILABILITY OF WORKFORCE

The availability of trained workers in Junction City will impact development of Junction City's economy over the planning period. Key trends that will affect the workforce in Junction City over the next 20-years include Junction City's growing population, aging population, relatively low income, and commuting trends. Junction City has access to workers in the Eugene-Springfield region workforce and is likely to continue to be able to draw workers from the regional workforce in the future.

GROWING POPULATION

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions.

Table 3-1 shows population growth in the U.S., Oregon, the Willamette Valley, Lane County, and Junction City for the 1990 to 2007 period. Lane County grew slower than the State average between 1990 and 2007, growing at 1.1% annually and adding more than 60,000 people. About 1.5% of the County's population lived within the Junction City limits.

Junction City's population grew faster than the County average, at 2.0% annually, adding 1,465 residents over the seventeen-year period.

Table 3-1. Population in the U.S., Oregon, the Willamette Valley, Lane County, and Junction City, 1990-2007

	Population			Change 1990 to 2007		
	1990	2000	2007	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	301,621,157	52,911,284	21%	1.1%
Oregon	2,842,337	3,421,399	3,745,455	903,118	32%	1.6%
Willamette Valley	1,962,816	2,380,606	2,602,790	639,974	33%	1.7%
Lane County	282,912	322,959	343,140	60,228	21%	1.1%
Junction City	3,670	4,721	5,135	1,465	40%	2.0%

Source: U.S. Census, the Population Research Center at Portland State University.
Notes: Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill Counties represent the Willamette Valley Region.

Migration is the largest component of population growth in Oregon. Between 1990 and 2007, in-migration accounted for 70% of Oregon's population growth. Over the same period, in-migration accounted for 74% of population growth in Lane County, adding nearly 44,500 residents over the seventeen-year period. The majority of growth in Junction City over the planning period is likely to be the result of in-migration, especially with the location of the State Prison and Oregon State Hospital, which will draw new residents to Junction City, including employees, residents of the facilities, and families of residents of the facilities.

Junction City's adopted population forecast shows that the City will grow by 10,268 people by 2030—an average annual growth rate of 1.8%.[9]

AGING POPULATION

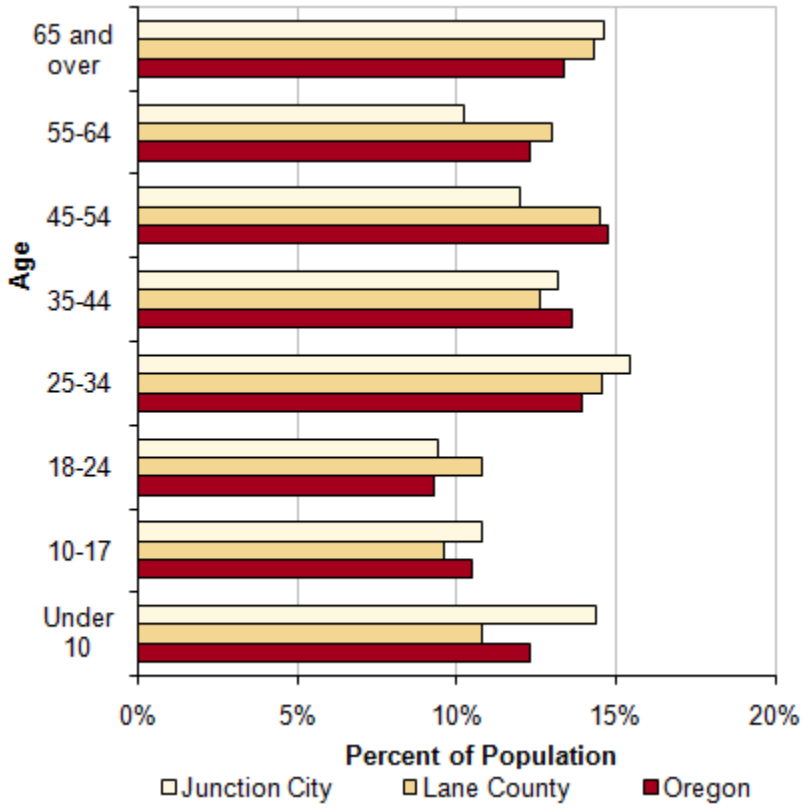
The number of people age 65 and older in the U. S. is expected to double by 2050, while the number of people under age 65 will only grow by 12%. The economic effects of this demographic change include:

- A slowing of the growth of the workforce
- Need for workers to replace retirees
- Aging of the workforce for seniors that continue working after age 65
- An increase in the demand for healthcare services, and
- An increase in the percent of the federal budget dedicated to Social Security and Medicare.[10]

[9] The proposal is in an application to Lane County called "The Rural Comprehensive Plan Amendment Application" dated July 2008.

Junction City had more working age residents than Lane County or State averages in 2008. Figure 3-1 shows that Junction City had a greater proportion of its population under 44 years of age (66%) than Lane County (58%) or Oregon (60%). Twenty-five percent of Junction City's population was aged 55 and older, compared to 27% in the County and 26% in the State.

Figure 3-1. Population by age, Oregon, Lane County, and Junction City, 2008



Source: Claritas 2008, percentages calculated by ECONorthwest.

The average age of Junction City residents is increasing. According to the US Census, Junction City's average age was 32 in 2000, 30 in 1990, and 26 in 1980. Table 3-2 shows the change in age distribution for Junction City between 2000 and 2008. Population increased in age groups older than 25 years, with the largest increase in people aged 45 to 64, which grew by 166 people (24%). This age group's proportion of the total population

[10] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008, *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 10, 2008. *The Budget and Economic Outlook: Fiscal Years 2007 to 2016*, January; and Congressional Budget Office, 2005, *The Long-Term Budget Outlook*, December.

increased from 20% to 22% during this time period. The largest percentage decrease was in people aged 18 to 24, which shrunk by 36 people (7%).

Table 3-2. Change in age distribution, Junction City, 2000-2008

	2000		2008		Change 2000 to 2008		
Age Group	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	355	8%	356	7%	1	0%	0%
5-17	925	20%	879	18%	-46	-5%	-2%
18-24	497	11%	461	9%	-36	-7%	-1%
25-44	1,317	28%	1,402	29%	85	6%	1%
45-64	923	20%	1,089	22%	166	18%	3%
65 and over	704	15%	715	15%	11	2%	0%
Total	**4,721**	**100%**	**4,902**	**100%**	**181**	**4%**	**0%**

Source: U.S. Census 2000 and Claritas 2008
Note: The estimate of residents in Junction City in 2008 (4,902) is based on data from Claritas. The draft estimate of population in Junction City in 2008 from Portland State university is for about 5,300 people. The PSU estimate was not used in Table 3-2 because age information was not available for this estimate of population.

INCOME

Over the last twenty-four years, income in Oregon has been below national averages and income in Lane County has been below state averages. There are four basic reasons that income has been lower in Oregon and Lane County than in the U.S.:

1. Wages for similar jobs are lower;
2. The occupational mix of employment is weighted towards lower paying occupations;
3. A higher proportion of the population has transfer payments (e.g. social security payments for retirees), which are typically lower than earnings; and
4. Lower workforce participation among working age residents.

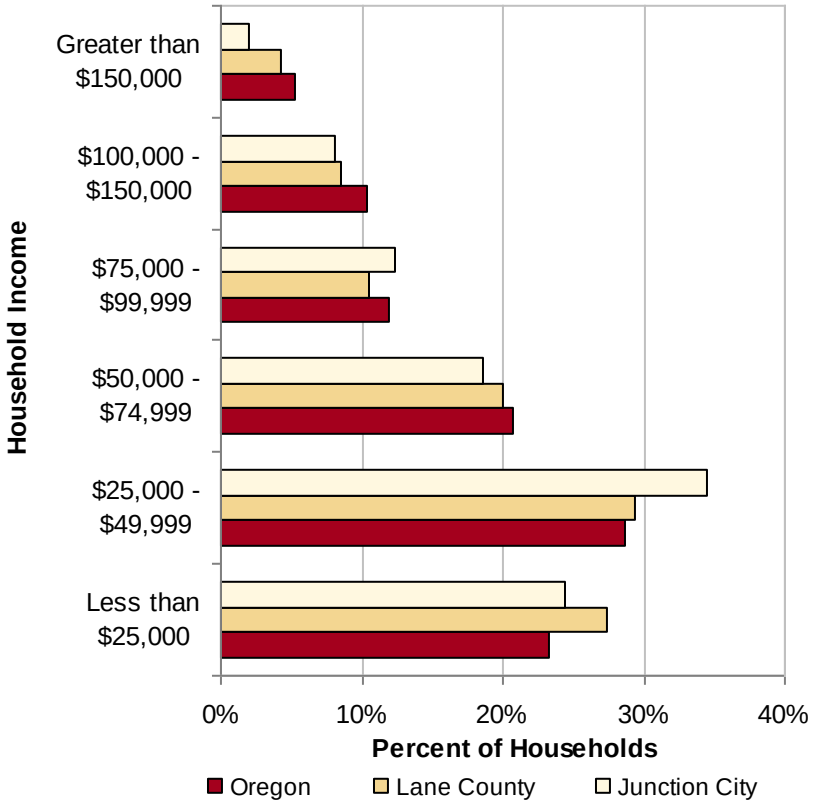
To a certain degree, these factors are all true for Oregon and Lane County. The combination of these factors results in lower income for Oregon and Lane County.

In addition, wages in Lane County and Oregon tend to be more volatile than the national average. The major reason for this volatility is that the relative lack of diversity in the State and County economy. Wages in Oregon and Lane County are impacted more than the national average by downturns in either the national economy (e.g., R.V. manufacturing) or in industries in Oregon that are dependent on natural resources (e.g., timber and wood processing).

Lane County's median household income in 2006 was $42,127, compared with $46,230 for Oregon and the national average of $48,451. Figure 3-2

shows the distribution of household income in Oregon, Lane County, and Junction City in 2008. Figure 3-2 shows that a larger share of households in Junction City (53%) had an income between $25,000 and $50,000, compared to Lane County or the State (both 49%). Junction City also has a lower share of households with income above $75,000 (22%), the County (23%), or the State (27%).

Figure 3-2. Distribution of household income of Oregon, Lane County, and Junction City, 2008

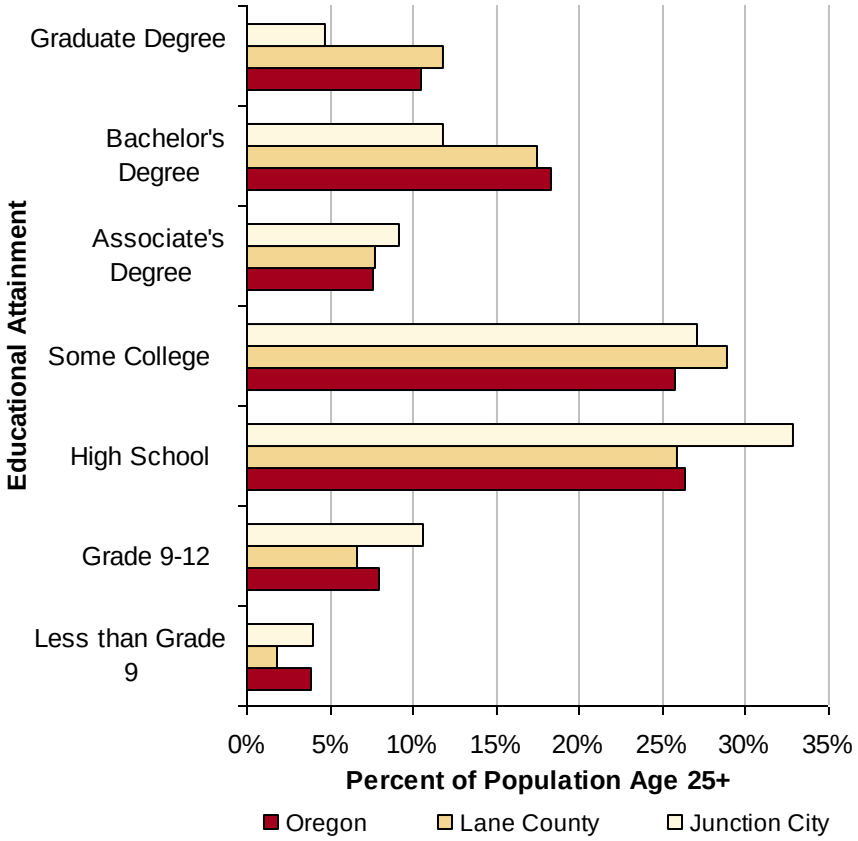


Source: Claritas 2008

EDUCATIONAL ATTAINMENT

The availability of trained, educated workers affects the quality of the workforce in a community. Educational attainment is an important workforce factor because firms need to be able to find educated workers. Figure 3-3 shows educational attainment in Oregon, Lane County, and Junction City in 2007. About 26% of Junction City's residents had an associate's degree or higher, compared to 37% of Lane County residents and 36% of Oregonians.

Figure 3-3. Educational attainment or population 25+ in Oregon, Lane County, and Junction City, 2007



Source: Oregon Prospector

WORKFORCE PARTICIPATION

The workforce participation rate is an important consideration in the availability of labor. The workforce 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. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force.

Junction City's labor force participation rates were similar to the County and State averages. In 2000, Junction City's labor participation rate was 64% of population 16 years and older or 3,500 people. In comparison, Lane County had 64% labor force participation and the State averaged 65% labor force participation.

COMMUTING PATTERNS

Commuting plays an important role in Junction City's economy. Junction City residents have a little longer commute than most residents of Lane County but a little shorter commute than the State average. In 2006, 73% of Junction City residents commute 29 minutes or less, compared to 77% of Lane County residents and 69% of Oregonians. About 4% of Junction City's residents had a commute of 45 minutes or more, compared to 10% of Oregonians and 7% of Lane County residents.

The majority of Junction City's workforce (82%) lives in Lane County, with 27% in Eugene and 13% in Junction City. The majority of Junction City residents (78%) work in Lane County, with 31% working in Eugene and 23% working in Junction City.

The implication of this data is that most people living or working in Junction City commute within the Eugene-Springfield area. Less than one-quarter of residents of Junction City work in Junction City. This commuting pattern gives Junction City firms access to the workforce within Lane County. Even though commutes in Junction City are generally shorter than the State average, these commuting patterns create demand for automotive and other forms of transportation, both within Junction City and on roads throughout the Eugene-Springfield region.

Energy prices may increase again, which may impact commuting patterns within the Eugene-Springfield area, as well as the entire State. The impact is likely to be greatest for people with longer commutes. Workers may be less willing to commute to or from Junction City. One outcome of increased energy prices may be that more workers in Junction City choose to live in Junction City or near Junction City.

CHANGES IN EMPLOYMENT

The global economy is evolving. Nationally, this is reflected in changes observed during the 1980 to 2007 period. These changes affected the composition of Oregon's economy, including Lane County and Junction City. The most important shift during this period at the national-level was the shift in employment from a focus on manufacturing to services. The most important shift in Oregon, including Lane County and Junction City, has been the shift from a timber-based economy to a more diverse economy, with the greatest employment in services. The most important trends and changes in employment for Junction City over the next 20-years are: plans for development of two major state facilities in Junction City, growing importance of health care, continued importance of manufacturing, and outlook for growth in Junction City.

SHIFTS IN EMPLOYMENT

Over the past few decades, employment in the U.S. has shifted from manufacturing and resource-intensive industries to service-oriented sectors of the economy. Increased worker productivity and the international outsourcing of routine tasks have lead to declines in employment in the major goods-producing industries.

In the 1970s Oregon started to transition away from reliance on traditional resource-extraction industries. An important indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry[11] and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments[12]).

As Oregon has transitioned away from natural resource-based industries, the composition of Oregon's employment has shifted from natural resource based manufacturing and other industries to service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 12% in 2000.

The changes in employment in Lane County have followed similar trends as changes in national and state employment. Between 1980 and 2006,

[11] Lumber and Wood Products manufacturing is in Standard Industrial Classification (SIC) 24

[12] SIC 35, 36, 38

Lane County added more than 53,000 jobs. The sectors with the greatest change in share of employment were Services and Retail Trade, adding more than 38,500 or 73% of new jobs. Over the 26-year period, manufacturing added more than 4,000 jobs (8% of new jobs), with the greatest growth in: Transportation Equipment manufacturing (R.V. manufacturing), Computer and Electronics manufacturing, and Machinery manufacturing.

Some industries in the region's employment base have volatile employment cycles. These industries typically have boom and bust cycles, which results in cycles of hiring and layoffs. The lumber and wood products industry is tied to national housing market cycles, with decreased productivity and employment in slow housing markets. The RV manufacturing industry is tied to broader national economic trends, availability of capital, and energy price changes. Finally, the region's high-tech companies are subject to market trends in the high-tech industry, including changes in production methods and consumer purchasing patterns. Two major high-tech firms, Hynix and Sony, located in the Eugene-Springfield region constructed and then subsequently closed their production facilities between the mid-1990's and 2008.

The average pay per employee in Lane County in 2006 was $33,240. The sectors with above average pay and high employment were: Construction, Manufacturing, Government, and Health and Social Services. The sectors with below average pay and high employment were: Retail, Accommodations and Food Services, and Administration and Support and Waste Management.

In 2006, Junction City had 4,023 jobs at 216 establishments, with an average firm size of 19 employees. The sectors with the greatest employees were: Manufacturing (54%), Retail Trade (19%), and Government (7%). These sectors accounted for 3,210 or 80% of Junction City's jobs. The City's remaining employment is mostly in service sectors.

Since 2006, Junction City's largest employer, Country Coach, has had a series of layoffs. In 2006, Country Coach employed about 1,600 workers, which accounted for about 40% of employment in Junction City.[13] Between 2006 and 2008, Country Coach layed off at least 400 people, some of whom the firm also rehired. In 2009, Country Coach temporarily suspended its operations and layed off all of its remaining employees due

[13] The estimate of employment at Country Coach is based on information on the firm's website (http://www.countrycoach.com/company/about/index.cfm?mode=profile) and discussions with Junction City staff.

to financing problems. By April, 2009, the firm secured short-term financing and had a workforce of about 100.

OUTLOOK FOR GROWTH IN JUNCTION CITY

The State forecasts that employment will continue growing in Lane County at 1.4% average annual growth, compared with the State average of 1.3% average annual growth. The sectors that will lead employment growth in Lane County for the ten-year period are:

- Health Care & Social Assistance (adding 5,600 jobs)
- Government (adding 3,600 jobs)
- Professional and Business Services (adding 3,000 jobs)
- Leisure & Hospitality (adding 2,800 jobs)
- Retail Trade (adding 2,400 jobs).

Together, these sectors are expected to add 17,400 new jobs or 76% of employment growth in Lane County.

Junction City historically had a high concentration of employment in Manufacturing, especially with in Recreational Vehicle (RV) manufacturing. Future growth in the RV industry is uncertain, given long-term expectations of higher fuel costs. With the development of the State Prison and Oregon State Hospital in Junction City, the City will experience significant growth in government employment.

It is unclear what impact rising fuel and transportation costs will have on Oregon's economy, including Junction City. Globalization and outsourcing of jobs, especially manufacturing jobs, has occurred since the 1980's, changing the state's economy. Globalization depends, in part, on inexpensive transportation of materials and manufactured goods. Businesses have relocated from areas with lower labor costs, in part, because transportation costs were low. Oregon's remaining manufacturing economy include jobs that are place-based and not easily exported, such as wood products manufacturing and other natural resource intensive manufacturing.

Increases in fuel prices have resulted in higher transportation costs, offsetting the benefits of lower wages that resulted from globalization and outsourcing. It is possible that, if fuel and transportation costs remain high or increase, companies may move to be closer to suppliers or consumers. This effect occurs incrementally over time and it is difficult to measure the impact in the short-term. If fuel prices and transportation costs decrease over the planning period, businesses may not make the decision to

relocate (based on transportation costs) because the benefits of being closer to suppliers and markets may not exceed the costs of relocation.

REGIONAL BUSINESS ACTIVITY

DEVELOPMENT OF THE STATE PRISON

The Oregon Department of Corrections (DOC) is building a new state prison in Junction City. The DOC owns about 240 acres of land at Junction City's southern end, about 70 acres of which are in the City's urban growth boundary. The site is located east of Highway 99 N and south of Milliron Road.

Since development of the 2009 EOA, the State's development schedule for building the prison is receiving further review. This section describes the State's plans for developing the prison, as of 2009.

The DOC plans to build the prison in two phases:

- **Phase 1: Minimum Security Facility.** This facility will have 532 beds. This development phase will include building the men's minimum-security facility, an administration building, a warehouse, and other support buildings.
- **Phase 2: Medium Security Facility.** This facility will have 1,278 beds. This development phase will include building the men's medium-security facility and additional support buildings.

The DOC's estimates for the economic impacts of the prison were presented in the report "Community Impact Study for Junction City and the Southern Willamette Valley." The report presented estimated employment and economic impacts of the prison on the Southern Willamette Valley region, including from Junction City, Eugene, Harrisburg, and Monroe. The report was written in 2002 and cost and wage information is reported in 2001 dollars.

- **Construction impact.** Construction of the prison is expected to create 370 jobs during the two-year construction period. Employee compensation for construction is expected to average $11 million over this period, with average compensation of more than $29,000 per employee. Industrial output is expected to average $32 million per year as a result of construction of the prison. The construction costs may be higher than those reported in the Impact Study because of increases in construction costs since 2002.
- **Operational impact.** The DOC projects that the minimum-security facility will employ between 100 to 150 people, with an average annual payroll of $3 to $6 million. The DOC projects that the

medium-security facility will employ an additional 300 to 350 people, with an average annual payroll of $19 to $16 million.

- **Other impacts.** The new prison will change the regional economy, through increases in employment and payroll throughout the region and in Junction City. These changes will occur as a result of construction or operation the prison, such as increased demand for construction materials or increased demand for services. After the medium security facility is completed, the DOC estimates that these changes will increase employment by more than 225 jobs annually at an estimated annual wage of $27,350 and $16 million of industrial output.

Overall, the operation of the facility is expected to increase the regional employment based by nearly 650 jobs. Employee compensation is expected to reach $18.8 million, with an average annual wage of about $29,000. Industrial output is expected to increase by about $134 million annually as a result of operation of the prison.

The facilities are expected to result in the location of 239 households, which accounts for an increase in households of 0.4% in the study area. New retail expenditures resulting from development of the Prison are expected to be about $2.2 million annually or an average $9,100 per household.

Map 3-1 shows the site identified for development of the State Prison, State Hospital, and Grain Millers facility.

DEVELOPMENT OF THE OREGON STATE HOSPITAL

The Oregon Department of Human Services plans to site one of two new Oregon State Hospitals in Junction City. The hospital will be located south of Junction City, adjacent to the planned State Prison. The Department of Human Services is in the planning phase of developing the hospital and has not yet conducted studies about the facility's operations or employment. The hospital is expected to have approximately 360 beds. The State's plans for completing construction, as of February 2012, are under review but the facility might be completed by 2015. Staff at the Department of Human Services expect the facility to employ approximately 1,100 people.[14]

[14] This employment estimate is based on preliminary estimates of employment and was provided by Patricia Feeny from the Department of Human Services. It is likely that the estimate of employment will be refined, as Department of Human Services progresses in planning the facility.

OTHER POTENTIAL BUSINESS ACTIVITY

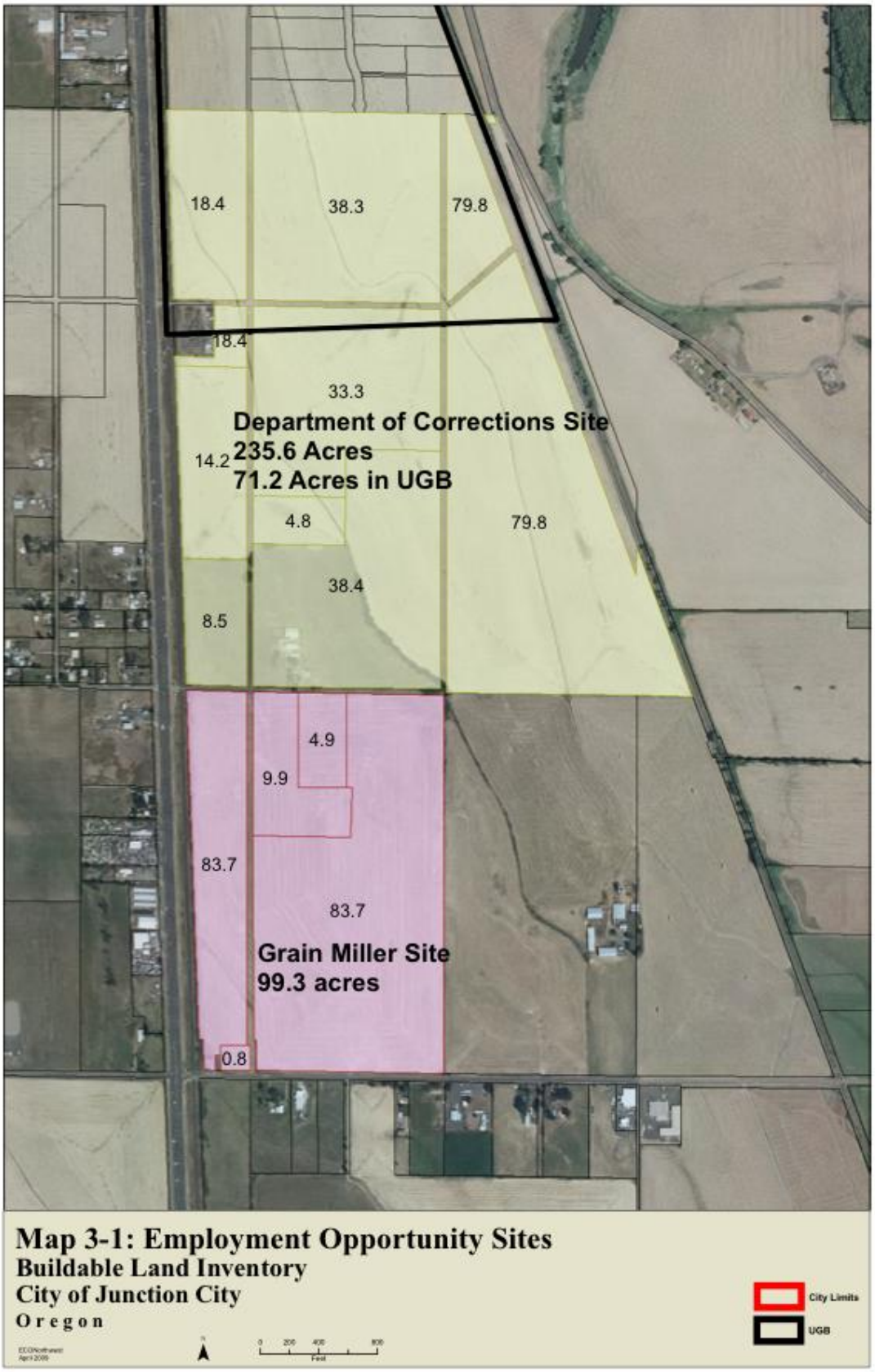
Junction City has other opportunities for increases in business activity.

- Grain Millers plans to expand its facilities to a site in Junction City. Grain Millers operates an oat and specialty grain processing facility in Oregon and has done so for 22 years. The company's facility in downtown Eugene processes regionally grown grains into ingredients that are sold to industrial food processors and retailers. Grain Millers has outgrown its existing facility and needs a facility with increased capacity, transportation access, and infrastructure support.

  Grain Millers activities have important economic impacts in the region and in the local economy. A significant share of Grain Millers raw materials suppliers and customers are located in Oregon and other parts of the Pacific Northwest. Grain Millers has about 95 employees with a payroll that exceeds $6 million annually (including benefits). On average, Grain Millers has added about 4 new employees annually for the last 20 years.

- Other potential business activity in Junction City includes: development of an anaerobic digester for food recycling on a site along Highway 99, relocation of a manufacturer of caramel corn to Junction City, and development of a housing complex by St. Vincent de Paul.

Map 3-1 State prison, hospital, and Grain Millers site



CONTINUED IMPORTANCE OF MANUFACTURING

Manufacturing is important to the economy in Junction City and in Lane County. Manufacturing accounted for 14% of employment (more than 20,000 jobs) in Lane County and 54% of employment (more than 2,100 jobs) in Junction City in 2006. [15] Manufacturing industries continue to offer jobs with above-average wages, making these jobs more desirable.

Manufacturing grew slowly in Lane County between 1980 and 2006, at an average annual rate of 0.3%, adding more than 4,000 jobs. The State forecasts continued growth in manufacturing in Lane County at the same rate over the 2006 to 2016 period. The forecast growth in manufacturing, however, was off-set by the decline in the RV industry.

Manufacturing is a traded sector industry, which brings revenue into Oregon and Lane County from outside the State. The following manufacturing industries accounted for two-thirds ($11 billion) of revenue from exports in Oregon in 2007: Computer & Electronic Production, Transportation Equipment, Machinery Manufacturers, Chemical Manufacture, and Primary Metal Manufacturers.[16] These industries are all present in Lane County, accounting for 44% of manufacturing employment in the County.

Continuing changes in the economy may impact manufacturing in Lane County. For example, high energy prices and problems accessing capital may have been factors in the decrease of RV manufacturing in Lane County, which has resulted in the layoff of employees beginning in 2006. In addition, the economic downturn and consolidation of the paper manufacturing industry may result in layoffs in firms that manufacture wood products and paper, such as the closure of the Weyerhaeuser plywood production facility in Junction City earlier in 2008.

Junction City has a substantial amount of employment in RV manufacturing. In 2008, Country Coach, the largest RV manufacturer, had over 1,600 employees[17], accounting for about 75% of all manufacturing employment in Junction City. By early 2009, Country Coach had suspended operations and layed off its entire workforce. By April 2009, they had resumed operations with a workforce of 100.

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[15] Oregon Employment Department

[16] "Economic Data Packet, Mary 2008," Oregon Economic And Community Development Department

[17] Country Coach's company profile, accessed on 10/28/2008 at: http://www.countrycoach.com/company/about/index.cfm?mode=profile

SIGNIFICANCE OF AGRICULTURE IN LANE COUNTY

Agriculture continues to be important in Lane County's economy. In 2007, Lane County had approximately $131 million in total gross sales from agriculture, a nearly 50% increase over the $88 million in total gross sales in 2002. The top five agricultural products in Lane County in 2007 were:

- Nursery and greenhouse ($33 million)
- Fruits, tree nuts, and berries ($13.8 million)
- Poultry and eggs ($12.8 million)
- Milk and dairy ($11.1 million)
- Cattle and calves ($9.9 million).

While agriculture is an important source of economic activity in Lane County, relatively few people in the Junction City UGB are employed in agriculture. In 2006, about 0.1% of Junction City's covered employment (5 employees) were employed in the Agriculture, Forestry, Fishing, and Hunting sectors. Consistent with statewide land use policy, land within the Junction City's UGB is committed for future urban uses, rather than agricultural uses.

Junction City is surrounded by farmland, which may provide opportunities for development of firms related to agricultural production, such as agricultural services or food production. Grain Millers is planning to locate an oat and grain processing facility in Junction City after a search for suitable sites in the three west coast states, which would depend on agricultural activity in the Southern Willamette Valley and Pacific Northwest.

Other changes in agri-business may create opportunities for business development in Junction City. For example, agri-businesses are trying to attract urban-dwellers to farms and bring farm goods directly to urban areas. Examples include the proliferation of farmer's markets or wine tasting rooms. Oregon Country Trails is an organization in the mid-Willamette Valley that markets rural businesses through connecting visitors with agri-businesses, such as wineries, alpaca or cow ranches, fishing and hatcheries, u-pick farms, apparel and furnishing stores, and related events and businesses. Junction City may be attractive to agricultural businesses that are geared towards tourists.

JUNCTION CITY'S COMPETITIVE ADVANTAGES

Economic development opportunities in Junction City will be affected by local conditions as well as the national and state economic conditions addressed above and described in Appendix A. The primary factors affecting future economic development in Junction City include its location within the Willamette Valley, availability of transportation facilities and other public facilities, quality and availability of labor, and quality of life. Economic conditions in Junction City relative to these conditions in other portions of the Lane County and Southern Willamette Valley form Junction City's competitive advantage for economic development. Junction City's competitive advantages have implications for the types of firms most likely to locate and expand in Junction City.

The local factors that form Junction City's competitive advantage are summarized below.

- **Location.** Junction City is located in the Southern Willamette Valley, northwest of Eugene and Springfield, and west of the Willamette River. Junction City is located near the rural communities of Harrisburg and Monroe and about 25 miles south of Corvallis. Junction City's proximity to agricultural activities may be attractive to agricultural-related businesses. Interstate 5 runs to the east of Junction City and Highway 99 runs north-south through Junction City and multiple rail lines run through the City.

  Junction City's location, proximity to agricultural activities, access to Highway 99, access to multiple rail lines, and proximity to Eugene and Springfield are primary competitive advantages for economic development in Junction City. These factors may make Junction City attractive to businesses, especially those wanting to locate in the Eugene-Springfield region.

- **Buying Power of Markets.** The buying power of Junction City and the Eugene-Springfield area forms part of Junction City's competitive advantage by providing a market for goods and services. According to estimates on household spending by Oregon Prospector, households in Junction City spent over $80 million in 2007, about 1.3% of total household expenditures in Lane County. Junction City households spend an average of $41,035 on commonly purchased items. Expenditures by households in Junction City were 93% of the County average

($44,331 per household) and 86% of the State average ($47,926 per household). This difference in spending patterns may be explained by retail leakage, where residents of Junction City shop in other communities.

The buying power of households in the Eugene-Springfield region provides Junction City with a competitive advantage. Access to households in the Eugene-Springfield region and Corvallis provides businesses in Junction City with greater sales potential than cities located further from Eugene and Springfield and Corvallis. Businesses in Junction City are most likely to capture regional sales potential through RV sales but availability of capital and future increase in fuel prices may decrease RV sales.

- **Transportation.** Businesses and residents in Junction City have access to a variety of modes of transportation: automotive (Highway 99 and local roads); rail (Union Pacific and Burlington Northern Santa Fe); transit (LTD); and air (Eugene Airport).

  Junction City has automotive access for commuting and freight movement along Highway 99. Junction City is located about 10 miles from Interstate 5, the primary north-south transportation corridor on the West Coast, linking Junction City to domestic markets in the United States and international markets visa West Coast ports. The Harrisburg I-5 interchange is a rural interchange and has limited capacity to accommodate automotive traffic and freight shipping. Junction City has developed along Highway 99, connecting Junction City to Eugene and Springfield to the south. The capacity limitations and congestion along the section of Highway 99 connecting Eugene and Junction City may make commuting from Eugene more difficult and may limit freight shipment along Highway 99.

  Other transportation options in Junction City include:

  - Multiple Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) rail lines provide freight service. These rail lines connect firms in Junction City to major West Coast Ports. The UP rail lines runs north from Junction City to Portland and Seattle, south to San Francisco and Los Angeles, and east to Reno, Salt Lake City and further east. BNSF has short-line track from Junction City to the

Salem area and track rights to Portland and Vancouver, BC.

- Transit service from the Lane Transit District provides bus service to Junction City and connects Junction City with Eugene and Springfield.

- The Eugene Airport provides both passenger and freight service and is about 7 miles from Junction City.

Junction City's access to multiple modes of transportation provides Junction City with advantages in attracting businesses that need access to I-5 for automotives. Junction City may have disadvantages in attracting businesses that need easy access to I-5 (e.g., warehousing and transportation) because of the City's distance from I-5 and capacity limitations on the Diamond Hill Road I-5 interchange. The proximity to rail in Junction City may be an advantage if there are active rail spurs from the main rail line to sites available for development.

- **Public Facilities and Services.** Provision of public facilities and services can impact a firm's decision on location within a region. Once a business has chosen to locate within a region, they consider the factors that local governments can most directly affect: tax rates, the cost and quality of public services, and regulatory policies.

  Junction City's property tax rate ranges from $14.70 to $15.01 per $1,000 of assessed value, compared with the County average of $15.47 and the State average of $15.20 per $1,000 of assessed value. In comparison, Eugene and Springfield's tax rates generally range between $16 and $24 per $1,000 of assessed value. Junction City's comparatively low property tax rates may attract businesses that want to locate in the Eugene-Springfield region within Junction City.

  The City is working with the State to upgrade its water and wastewater system, in preparation for the State Prison and Hospital. The City has finalized plans for upgrading the systems. The City expects to have enough water and wastewater capacity to provide service to new residents and most industries, with the possible exception of water intensive industries (e.g., some types of food processing). The availability of existing sufficient water and wastewater service for most

types of businesses may make Junction City attractive to firms considering locating in the Southern Willamette Valley.

- **Labor Market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well.

  Commuting is common in Junction City. Thirty-one percent of the people who live in Junction commute to Eugene for work. Less than one out of every seven of Junction City's workers live in Junction City. The implication of this workforce analysis is that, while only one-seventh of Junction City's workforce lives within the City, Junction City is able to attract workers from Eugene, Springfield, and surrounding areas in Lane County. Workers in Junction City that live elsewhere represent lost economic opportunities because these workers have nominal impact on businesses in Junction City.

  It does not appear that workforce will be a constraint on employment growth in Junction City. Junction City should be able to continue to draw on residents of Eugene for workers, even if energy prices continue to rise but Junction City's ability to attract workers from outside of the Eugene-Springfield area may be negatively impacted by continued increases in energy prices.

  Opportunities for workforce training and post-secondary education for residents of the Eugene-Springfield region include: the University of Oregon, Lane Community College, Pacific University, Northwest Christian College, and Gutenberg College. Junction City residents also have access to post-secondary institutions in or near Corvallis: Oregon State University and Linn-Benton Community College.

Chapter 4 Land Demand and Site Needs in Junction City

OAR 660-009 requires cities to maintain a 20-year inventory of sites designated for employment. To provide for at least a 20-year supply of commercial and industrial sites consistent with local community development objectives, Junction City needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by development of the State prison and hospital, the expansion and relocation of existing businesses, and new businesses locating in Junction City. The level of this business expansion activity can be measured by employment growth in Junction City.

POTENTIAL GROWTH INDUSTRIES

An analysis of growth industries in Junction City should address two main questions: (1) Which industries are most likely to be attracted to Junction City? and (2) Which industries best meet Junction City's economic objectives? The types of industries that Junction City wants to attract have the following attributes: high-wage, stable jobs with benefits; jobs requiring skilled and unskilled labor; employers in a range of industries that will contribute to a diverse economy; and industries that are compatible with Junction City's community values.

KEY TRENDS AFFECTING EMPLOYMENT GROWTH

Employment growth in Junction City will be driven by development of the State Prison and Oregon State Hospital. These facilities will account for growth of up to 1,800 jobs in Junction City at completion of the facilities. In addition, these facilities will attract businesses to provide goods and services to the facilities, employees of the facilities and their families, and families of inmates and hospital patients.

In addition, employment growth in Junction City will also be influenced by State and regional growth trends. Previous chapters reviewed historical growth trends by industry in the Eugene-Springfield Region and Lane County since 1980 and employment in Junction City. A review of key historical trends in employment in the Eugene-Springfield Region can help identify potential growth industries in Junction City. In other words, economic opportunities in Junction City are, in part, a function of regional historical trends and future economic shifts.

While nearly all sectors of the economy in the Region experienced growth over this period, some sectors grew faster than others, resulting in a shift in the distribution of employment by sector. Key **historical trends** included in the 1980 to 2007 period include:

- A substantial increase in the share of employment in Services, which increased from 23% to 42% of covered employment in Lane County.

- A decrease in the share of employment in Retail Trade, from 21% to 13%. The number of jobs in retail did not decrease substantially over the 27-year period (with a loss of nearly 550 retail jobs) but growth in retail jobs lagged behind growth in other sectors, especially service sectors.

- A decline in the share of employment in Manufacturing, which fell from 20% to 13% of covered employment.

- A decline in the share of employment in Government, which decreased from 20% to 16% of covered employment

Together, these sectors represent about 84% of employment in the County. Other sectors of the County's economy have a relatively stable and small share of the County's employment.

Historical employment trends show a substantial shift in the Region's economy that mirrored shifts in the State and national economies, specifically the substantial growth in Services and decline of Manufacturing. While these trends are expected to continue into the future, **future shifts** are not expected to be as dramatic as those experienced over the past twenty years. There are several reasons for this expectation (e.g., that the future will be somewhat different that the past):

- Growth in the Services sector has matured and should track more closely with overall employment and population growth rather than continuing to gain a substantial share of total employment.

- The decline in Manufacturing was due, in part, to decreased timber harvests and the outsourcing of production to facilities in countries with lower costs. Timber harvests are expected to level off and increase in the future as commercial forests that were replanted since the 1970s grow to a harvestable size. While outsourcing will continue, much of what can be outsourced has already gone. Remaining Manufacturing firms are tied to their region to be near supplies or markets, or manufacture specialized goods where small

production quantities, fast turn-around times, and the need for quality limit the ability to outsource.

- The mix of Manufacturing jobs in the Eugene-Springfield Region changed over the past twenty years with declines in Wood Products and the growth and decline of employment in Recreational Vehicle (RV) manufacturing, machinery manufacturing, metals manufacturing, and high-tech industries, such as Computer and Electronics Manufacturing.

TARGET INDUSTRIES

The characteristics of Junction City will affect the types of businesses most likely to locate in Junction City. Junction City's attributes that may attract firms are: the presence of the State prison and Oregon State Hospital, the City's location along Highway 99, high quality of life, proximity to the Eugene-Springfield area, positive business climate, availability of skilled and semi-skilled labor, and proximity to indoor and outdoor recreational opportunities. The types of businesses that may be attractive to Junction City include:

- **State facilities.** Junction City has been chosen as the future location of an Oregon State Prison and the Oregon State Hospital.

- **Manufacturing.** Junction City's attributes may attract manufacturing firms of varying sizes. The size and type of manufacturing firms that the City may attract will depend, in part, on the characteristics of the land available for development. Examples of manufacturing include agricultural equipment, high-tech electronics, recreational equipment, transportation equipment, furniture manufacturing, specialty apparel, and other specialty manufacturing.

- **Specialty food processing.** Junction City's proximity to agricultural resources and access to rail may make the City attractive to specialty food processing firms, such as wineries, firms that specialize in organic or natural foods, and other types of food processing. If the City attracts specialty food processors, it may also attract businesses that provide services to food processors, such as bottle washing or barrel making for wineries.

- **Biofuel production.** Junction City's proximity to agricultural resources and access to rail may make the City attractive to firms producing biofuels.

- **Agricultural services and businesses.** Junction City's proximity to agricultural activities may make the City attractive to firms providing agricultural services, such as feed and equipment stores. The City may also attract businesses related to other local agricultural products, such as blueberries or processing agricultural products like grass seed.

- **Community medical facilities.** Junction City's growing and aging population and the potential for the growth of a medical services cluster may attract new medical facilities, such as a small community hospital.

- **Services for visitors and residents.** Junction City's location in the Willamette Valley, the proliferation of wineries and agri-businesses, and events in the City and the Southern Willamette Valley may make the City attractive to tourists, especially day visitors. Firms that provide services to visitors and residents may be attracted to Junction City. Examples of these firms include: agricultural tourism, such as winery tasting rooms or tours of food processing facilities; restaurants (especially those that use local agricultural products) outdoor recreational firms; performing arts theater or movie theater; art and craft galleries; or specialty retail, such as specialty apparel or local crafts. Junction City may also attract services for business or overnight visitors, such as a hotel, large recreational vehicle (RV) park, or a convention center.

- **Social services.** Development of the Oregon State Hospital and Prison may attract organizations that provide services to relatives of people residing in these institutions or people recently released from these institutions.

- **Services for seniors.** The County's growing population of retirees or near retirees, may attract or create demand for health services that provide services to older people, such as assisted living facilities or retirement centers.

- **Services for residents and workers in the City.** Population growth and development of the State prison and hospital will drive development of retail, such as a grocery store, department store, large-format retailers, personal services, such as bank branches or beauty salons, restaurants, and government services (e.g., education), in Junction City.

- **Government and public services.** Junction City will continue to be the location for institutions such as Junction City municipal

services and the Junction City School District. With the two state facilities locating in Junction City, there exists an opportunity for Lane Community College or other institutions of higher learning to open a campus in Junction City for job training and career development related to these industries.

EMPLOYMENT FORECAST

To provide for an adequate supply of commercial and industrial sites consistent with plan policies, Junction City needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Goal 9 requires cities identify "the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses." The number of needed sites is dependent on the site requirements of employers. The estimate of land need is presented in the site needs analysis in the next section.

Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Junction City. The level of this business expansion activity can be measured by employment growth in Junction City. This section presents a projection of future employment levels in Junction City for the purpose of estimating demand for commercial and industrial land.

Appendix C presents the process used to arrive at the employment forecast for Junction City. The employment forecast presented in Table 4-1 assumes that employment in Junction City have several one-time employment changes: (1) Country Coach's employment will decrease to about 500 workers in 2009 (a decrease of about 1,500)[18] and (2) development of the State Prison and Hospital will add about 1,800 jobs between 2012 and 2014. Table 4-1 shows that employment is forecast to grow by 3,473 employees (an 89% increase) between 2009 and 2029.

[18] This assumption is based on information from City staff, who had contact with managers at Country Coach.

Table 4-1. Employment growth in Junction City's UGB, 2009–2029

Year	Total Employment
2008	4,913
2009	3,481
2012	3,828
2013	4,981
2014	5,550
2029	6,826
Change 2009 to 2029	
Employees	3,345
Percent	96%
AAGR	3.4%

Source: ECONorthwest

Table 4-2 shows the forecast of employment growth by building type in Junction City's UGB in from 2009 to 2029. The forecast projects growth in all building types but projects the greatest growth in industrial and other services. The rationale supporting this forecast is presented in Appendix C.

Table 4-2. Forecast of employment growth by building type, Junction City UGB, 2009–2029

	2009		2029		Change 2009 to 2029
Building Type	Employment	% of Total	Employment	% of Total	
Industrial					
Industrial	946	27%	1,365	20%	419
Commercial					
Office	418	12%	683	10%	265
Retail	1,241	36%	1,707	25%	466
Other Services	506	15%	819	12%	313
Government	370	11%	2,253	33%	1,883
Total	**3,481**	**100%**	**6,826**	**100%**	**3,345**

Source: ECONorthwest
Note: Blue shading denotes an assumption by ECONorthwest

Junction City's economy will undergo a fundamental shift over the 20-year period. In 2008, about 49% of employment was in industrial and about 7% in government. The lay-offs at Country Coach (about 1,500 employees) and development of the State prison and hospital will bring approximately 1,800 jobs to Junction City, changing the distribution of employment in the City. The forecast in Table 4-2 assumes that employment in industrial will grow by about 419 employees over the twenty-year period, based in part on the City's economic development objective of attracting industrial firms, such as alternative energy producers or agricultural product processors.

The greatest uncertainty about the forecast in Table 4-2 is how the RV industry will change in response to increases in energy prices and the downturn in the economy that started in 2008. RV manufacturing accounted for about two-thirds of industrial employment in Junction City in 2006. In particular, Country Coach's future is uncertain but City staff expect Country Coach will continue to employ about 100 people, based on conversations with Country Coach management. The forecast in Table 4-2 does not project additional substantial change in the amount of employment in RV manufacturing over the 20-year period but does project that other industrial employment will grow in Junction City. Additional big changes in the amount of employment in RV manufacturing would have a substantial impact of employment growth in Junction City.

It is worth noting that the employment projections do not take into account a major jump in employment that could result from the unforeseen location of one or more large employers in the community during the planning period. This could take place if the City were successful in its recruitment efforts, either on its own or in conjunction with the Governor's Initiative to bring new industry to the State. The State prison and hospital are examples of such events. Such a major change in the community's employment would essentially be over and above the growth anticipated by the City's employment forecast and the 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 very difficult to include in a study of this nature. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

Table C-8 in Appendix C estimates that about 11% of new employment in Junction City (356 jobs) will not require new land over the 2009 to 2029 period. These jobs will be accommodated through the following means: (1) some employment will locate in land that is not designated for employment uses, most likely residential land, and (2) some employment will locate in existing built space. These assumptions exclude employment at the State Prison and Hospital (1,800 jobs), which will all be on State-owned site of these new facilities.

In 2006, approximately 12% of Junction City's employment was located in non-employment (predominantly residential) plan designations. We assumed that a similar percentage of employment would continue locating in non-employment designations.

Table 4-3 shows employment growth by the employment location. Table 4-3 makes two assumptions that decrease land needed for new employment:

- **Some employment growth will occur on land not designated for employment use.** Some new employment will occur outside commercial and industrial built space or land. For example, some construction contractors may work out of their homes, with no need for a shop or office space on non-residential land. Currently 12% of employment is located in residential zones. ECO assumed that this trend will continue.
- **Some employment growth will not require new commercial or industrial built space or land.** Some employment growth will be accommodated on existing developed or redeveloped land, as when an existing firm adds employees without expanding space. Typically about 10 to 15% of new employment is accommodated in existing commercial or industrial built space. For example, businesses may add new cubicles to their existing office space, rather than move to a new office, resulting in an increased intensity of use of existing office space. ECO assumed that 10% of new employment will be accommodated in existing commercial or industrial built space. The exception to this assumption is Government employment, which will have 1,800 employees on new land (at the new State Prison and Hospital). The remaining new Government employment (36 employees) may locate in existing built space.

Using these assumptions, Junction City will have growth of about 2,989 new employees between 2009 and 2029. Excluding the 1,800 new employees at the State Prison and Hospital, Junction City will need to provide employment land for growth of 1,189 new employees.

Table 4-3. New employment locating in non-employment plan designations, Junction City, 2029

Type	New Employment	Employment Location: Non-employment designtions	Employment Location: Existing Com. & Ind. Built Space	Employment Location: Employment on New Land
Employment Growth 2009 to 2029				
Industrial				
Industrial	419	0	42	377
Commercial				
Office	265	32	27	206
Retail	466	56	47	363
Other Services	313	38	31	244
Government	1,883	0	83	1,800
Total for 2009-2029	**3,345**	**126**	**230**	**2,989**

Source: ECONorthwest

SITE NEEDS

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

Firms wanting to expand or locate in Junction City will be looking for a variety of site and building characteristics, depending on the industry and specific circumstances. Previous research conducted by ECO has found that while there are always specific criteria that are industry-dependent and firm-specific, many firms share at least a few common site criteria. In general, all firms need sites that are relatively flat, free of natural or regulatory constraints on development, with good transportation access and adequate public services. The exact amount, quality, and relative importance of these factors vary among different types of firms. This section discusses the site requirements for firms in industries with growth potential in the Eugene-Springfield Region, as indicated by the Oregon Employment Department forecast (see Table A-12 in Appendix A for the regional forecast).

Appendix C discusses the productive factors that affect business' locational decisions and the implications of these factors for businesses that may locate in Junction City. The appendix also discusses the characteristics of sites needed to accommodate employment growth and Junction City's ability to provide sites with these characteristics.

LONG-TERM LAND AND SITE NEEDS

Junction City's future site needs should reflect expected changes resulting from development of the State Hospital and Prison, as well as other expected changes in the local and regional economy. Table 4-4 shows Junction City's estimated site needs in 2009. The City's site needs will be different than the current distribution of employment by site size because of the siting of the State Prison and Hospital and changes in the City's economy (e.g., the decline in the RV industry) will fundamentally change Junction City's economy over the next 20-years.

Appendix C describes the process for estimating Junction City's site needs. Table 4-4 shows for the 2009 to 2029 period, the City will need about 75 sites. Most sites are small, 2-acres or less.[19] Junction City needs one site larger than 20-acres. Need for small sites can be met through a combination of individual sites and on a large site with co-location of office, retail, and other service businesses. Table 4-4 shows site needed to accommodate growth of 1,189 jobs, which excludes the employees on at the State facilities (about 1,800 employees). This estimate does not include public land needed for the State Prison and Hospital or for expansion of the City's wastewater facility because these sites are needed for public uses and the location of these sites has already been determined.

Table 4-4. Estimated needed sites by site size and building type, Junction City, 2009 to 2029

	Site Size (acres)							
Building Type	Less than 1	1 to 2	2 to 5	5 to 10	10 to 20	20 to 50	Greater than 50	Total Sites
Need for 2009-2029								
Industrial	3	3	3	2	1	2	1	15
Office	5	3	2	1	0	0	0	11
Retail	30	6	4	1	0	0	0	41
Other Services	4	2	2	0	0	0	0	8
Government	0	0	0	0	0	0	0	0
Total for 2009-2029	**42**	**14**	**11**	**4**	**1**	**2**	**1**	**75**

Source: ECONorthwest
Note: This table is based on analysis first prepared in 2009. Based on the community vision process (which was anticipated at the time of adoption of the 2009 EOA as part of Phase 2 of the EOA), together with a further assessment of current commercial site sizes as required to fully service retail, service businesses, and related commercial needs, the updated and revised EOA recognizes the need for a 20-50 acre commercial site to be provided within the 2009-2029 forecast period.

Table 4-4 shows Junction City's estimated site needs for 2009 to 2029. The site needs for the 2009 to 2029 period in Table 4-4 is based on the following considerations:

- The City's workforce will grow by approximately 3,345 workers, with 2,989 new employees locating on new employment land. About 1,800 of these employees will work at the State Prison or Hospital. Junction City will need to provide land for about 1,189 employees, in addition to the employees that will work at the State facilities.

[19] Table 4-4 is based on analysis first prepared in 2009. Based on the community vision process (which was anticipated at the time of adoption of the 2009 EOA as part of Phase 2 of the EOA), together with a further assessment of current commercial site sizes as required to fully service retail, service businesses, and related commercial needs, the updated and revised EOA recognizes the need for a 20-50 acre commercial site to be provided within the 2009-2029 forecast period.

- The majority of needed sites will be for sites two acres and smaller, the majority of which will provide opportunities for retail, office, and other services.
- The City's economic development objectives include providing industrial sites, including sites 20 acres and larger.
- The City's target industries include manufactures that will require large industrial sites, including food processing and biofuel production.
- The City wants to provide opportunity for choice of sites, especially larger sites to attract large employers that may have higher than average wages.

The identified site needs shown in Table 4-4 do not distinguish sites by comprehensive plan designation. It is reasonable to assume that industrial uses will primarily locate in industrial zones. Retail and service uses could locate in commercial zones, mixed use zones, and residential zones.

The site needs in Table 4-4 do not include a site for the State Prison and Hospital. The State has chosen an approximately 235 acre site at the south end of Junction City's UGB as the site for the new facilities. About 70 acres of the site is located within the City's UGB and the remainder is located outside the UGB. Approximately 1,800 employees are expected work at the State site at the Prison and Hospital.

Table 4-4 also does not include need for additional land for expansion of the City's wastewater facilities, which the State and City have identified as necessary for operation of the State facilities. The City will need about 80 additional acres of land for the wastewater facility expansion. The City has about 40 acres of land within the UGB identified for expansion of the wastewater facility and has identified a 40 acre site adjacent to the existing wastewater facility.

As part of the Phase II process, the CCPC articulated the community vision related to commercial uses. This vision identifies three priorities for commercial uses:

- **Downtown and small commercial sites.** Meet specialized retail and service uses in Junction City's downtown and on other small commercial sites.
    - Downtown will accommodate commercial uses in Junction City through providing small-scale sites (generally those smaller than two acres), and through infill or redevelopment of existing sites as suitable sites become available. The types of commercial businesses likely to locate on infill and

redevelopment sites in Junction City's downtown are small, boutique retail businesses or other small businesses.

- Commercial demand will also be met on small commercial sites, both those within the Junction City UGB and in proposed expansion areas south of the city core. These small commercial sites will provide opportunities for small businesses that require smaller and typically stand-alone business sites outside of downtown and outside of a commercial center.

- **Sub-Regional Commercial Center.** One of the core community and economic development objectives for Junction City is to provide opportunities for retail and service expansion to capture local and sub-regional leakage and provide employment opportunities for Junction City residents. In its economic development vision, the City identified the objective of creating a mixed-use sub-regional commercial center, as part of creating a complete city with opportunities where residents can work, shop, play, and live.

  The Junction City Economic Opportunities Analysis forecasts 1,044 new jobs in the commercial sector. Moreover, the City identifies new employment related to the capture of sales from regional markets to the west (Cheshire and Triangle Lake) and north as an economic opportunity. The City's strategy for capitalizing on this opportunity is to encourage the development of a sub-regional commercial center.

  Consistent with the community and economic development vision, a sub-regional commercial center would accommodate a mixture of businesses such as a grocery store, a dry goods/drug store, a home improvement store, a general merchandise store, agri-busineses (e.g., wine tasking room) a hotel, an RV park, conference center, businesses providing entertainment and recreation (e.g., a theater or movie theater), medical services, personal services (e.g., a branch bank or beauty salon), restaurants, a service station, as well as offices with professional services. ~~a grocery store, a dry goods store, a home improvement store, a hotel, an RV park, a theater, as well as offices with professional services~~. These uses either need larger sites (generally those larger than two acres) or businesses that need to locate in a commercial center.

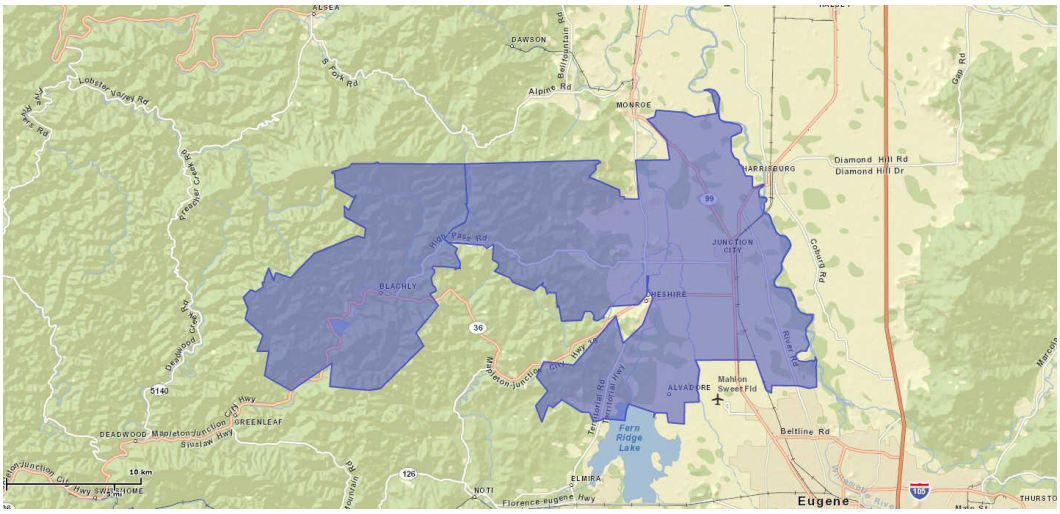
  Some of the businesses in Junction City's target industries include businesses that would locate in a master-planned commercial center, rather than in downtown, such as a grocery store or large-

format retailers, as well as smaller businesses that prefer a commercial center location. Some service businesses, such as medical offices or personal services, will need to locate in a newly developed commercial center with other services. In addition, some businesses—such as overnight accommodations—will need to locate near the State facilities, such as organizations providing social assistance to people and families associated with the State facilities.

The City's economic development vision is to provide a broader array of retail and service opportunities to Junction City residents and to capture sales leakage that is occurring to the Eugene market.

Data from ESRI, Inc. on retail sales in the Junction City and Blachly zip code areas (which are a loose approximation of the regional market—not including Harrisburg) show that Junction City is losing more than $25 million in potential sales annually to leakage shown in Figure 4-1 and Table 4-5.

Figure 4-1. Approximation of the Junction City regional market area



Source: ESRI, Inc.

Table 4-5. Retail sales potential and capture, Junction City (97558) and Blachly (97412) zip code areas[20]

Indicator	Amount
Demand (Retail Potential)	$112,224,431
Supply (Retail Sales)	$86,737,666
Retail Gap	$25,486,765
Leakage/Surplus Factor	12.8
Number of Businesses	107

Source: ESRI, Inc.

In 2011, Junction City had one major chain grocery store (Safeway) and a few convenience stores. A review of Oregon cities in the 9,000 to over 11,000 population range (the projected size of Junction City in 2031) shows all have more than one chain grocer.[21] Many have three or four. Table 4-6 shows the results of an inventory of chain grocers in selected Oregon cities.

Table 4-6. Number of commercial centers with chain grocers, selected Oregon cities

City	2010 Population	Number of Centers with Chain Grocer
Ontario	11,366	4
Baker City	9,828	2
Cottage Grove	9,686	2
Sandy	9,570	3
Prineville	9,253	3
Silverton	9,222	2

Source: ECONorthwest, Google Earth

Further analysis of the size and types of businesses in these centers suggests that chain grocers will choose to co-locate with other retail and

[20] Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf.

[21] The sample excludes several Oregon cities in this population range for various reasons. Some cities such as Monmouth, are close enough to other cities as to functionally not be in the population range. Other cities such as Newport, are highly influenced by tourism.

service activities wherever possible. The inventory summarized in Table 4-7 suggests:

- Junction City's existing commercial center is among the smallest of the centers reviewed.
- Every city had one or more commercial center over 10 acres.
- Several commercial centers are in the 15-30 acre size. These centers provided a much broader array of activities than smaller centers. They include uses such as hotels, theaters, automotive services, health clubs, home improvement stores, and others.

Table 4-7. Anchor stores and size of commercial centers in selected Oregon cities

City	Anchor	Size (ac)	Comments
Baker City	Albertson's	22.4	Includes a hotel
	Safeway	6.0	Across from the Albertson's
Cottage Grove	WalMart	12.8	Area does not include other nearby commercial uses
	Safeway	15.2	Functionally combined with the BiMart site
Ontario	BiMart	8.0	
	WalMart/ Home Depot/ Big K	137.0	Includes a broad array of services, including travel services
	Albertson's	17.9	
Junction City	Safeway	5.1	
Prineville	Ray's	23.7	Includes office development
	Grocery Outlet/ BiMart	7.0	
Sandy	Fred Meyers	28.5	Includes a theater complex
	Grocery Outlet	18.3	Includes a health club
	Safeway	12.8	
Silverton	Safeway	12.2	
	Roth's IGA	4.3	

Source: ECONorthwest, Google Earth

Based on the information in Tables 4-7 through 4-9, Junction City has a structural deficit of larger commercial sites, frequently 20 acres and larger. Over the next 20 years, demand for commercial services and retail will increase, with projected growth of 6,000 new people, as well as development of the State Facilities. This increase in demand will result in need for a new sub-regional commercial center.

Chapter 5 Implications

This chapter provides a brief summary of the implications of the economic opportunities needs analysis for Junction City. This study looked at economic trends and land needs from a regional and local perspective. This chapter includes a general comparison of land supply and demand. The buildable lands analysis is followed by a discussion of the key implications of the EOA for Junction City.

COMPARISON OF LAND CAPACITY AND DEMAND

Chapter 4 presents an analysis of site needs for the 2009 to 2029 period (Table 4-4). This section presents a comparison of employment land supply and demand for these periods in two sections.

SITE AND LAND NEEDS FOR 2009 TO 2029

Chapter 2 presents an inventory of suitable employment sites by site size (Table 2-7). Chapter 4 presents an analysis of site needs (Table 4-4). Table 5-1 shows a summary of suitable employment sites and site needs. Table 5-1 compares the supply of sites with the demand for sites to show the need for employment sites in Junction City for the 2009 to 2029 period. The results show that Junction City has a deficit of the following land types for the 2009 to 2029 period:

- **Industrial land.** Junction City has a deficit of three industrial sites smaller than one acre and one industrial site larger than 50 acres. Junction City has a surplus of seven industrial sites two to five acres and two industrial sites between 10 and 50 acres. Junction City's supply of industrial sites includes four sites that are 10 acres or larger, which are located along Highway 99, between the two rail lines. These sites have a number of disadvantages that may make them unattractive for some uses: (1) they are long, thin sites; (2) access to Highway 99 is limited to the existing at-grade rail crossings because ODOT Rail does not generally allow new at-grade rail crossings; (3) the sites have wetlands, with one site nearly entirely covered by wetlands; (4) access to City water and sewer lines will require crossing Highway 99; and (5) limited vehicle stacking distances. These sites may attract industrial firms that prefer to locate away from other urban uses.

- **Commercial sites.**[22] Junction City has a deficit of 47 commercial sites smaller than 10 acres, more than half of which are for sites smaller than one acre. Junction City has a surplus of one 10 to 20 acre commercial site. Commercial site needs can be met on individual small sites or on larger commercial sites, where more than one business locate on the site.
- **Professional Technical.** Table 5-1 includes the two sites that are designated as Professional Technical, which are the two sites in the inventory under commercial in the 20 to 50 acre category. Once the Professional Technical sites are redesignated to residential uses, they will be unavailable for employment uses.
- **Government.** Junction City has a deficit of two government sites: one 20 to 50 acres and one larger than 50 acres.

Table 5-1. Comparison of vacant land supply and site needs, industrial and other employment land, Junction City UGB, 2009-2029

	Site Size (acres)							
	Less than 1	1 to 2	2 to 5	5 to 10	10 to 20	20 to 50	Greater than 50	Total Sites
Inventory of Suitable Sites								
Industrial	1	9	4	3	0	2	1	20
Commercial	25	2	0	0	1	0	0	28
Professional Technical	0	0	0	0	0	2	0	2
Total Suitable Sites	**26**	**11**	**4**	**3**	**1**	**4**	**1**	**50**
Site Needs								
Industrial	3	3	3	2	1	2	1	15
Commercial	39	11	8	2	0	0	0	60
Total sites needed	**42**	**14**	**11**	**4**	**1**	**2**	**1**	**75**
Surplus (deficit) of sites								
Industrial	(2)	6	1	1	(1)	0	0	
Commercial	(14)	(9)	(8)	(2)	1	0	0	
Professional Technical	0	0	0	0	0	2	0	

Source: ECONorthwest
Note: Commercial land includes land in the following plan designations: Commercial and Commercial/Residential. The Professional Technical are the two sites classified as commercial in the 20 to 50 acre category, which will be unavailable for employment uses once the City completes redesignating the land to residential use.
Note: Sites needs in this table are based on Table 4-4, which was analysis first prepared in 2009. Based on the community vision process (which was anticipated at the time of adoption of the 2009 EOA as part of Phase 2 of the EOA), together with a further assessment of current commercial site sizes as required to fully service retail, service businesses, and related commercial needs, the updated and revised EOA recognizes the need for a 20-50 acre commercial site to be provided within the 2009-2029 forecast period.

Converting from the site needs shown in Table 5-1 to an estimate of land needs requires making assumptions about average site sizes needed in Junction City. Table 5-2 shows average site sizes based on the average size of developed sites in Junction City.

[22] Commercial sites in Table 5-1includes land in the following plan designations: Commercial and Commercial/Residential.

Table 5-2. Average employment site size, Junction City UGB, 2008

	Site Size (acres)						
	Less than 1	1 to 2	2 to 5	5 to 10	10 to 20	20 to 50	Greater than 50
Industrial sites	0.5	1.5	3	10	20	50	75
Commercial sites	0.3	1.5	3	10	20	40	50

Source: ECONorthwest

Table 5-3 shows sites needed (from Table 5-1) and land need (based on number of sites needed in Table 5-1 and average site size in Table 5-2). The results show that Junction City has a deficit of the following land types for the 2009 to 2029 period:

- **Industrial land.** Junction City has a **need for 21 acres** of industrial land, including one 20-acre site. As discussed below, this need can be met through development of vacant land within the UGB (e.g., on one of the vacant 20 to 50 acre sites) or through redevelopment.
- **Commercial sites.** Junction City has a **need for 62 vacant suitable acres** of commercial land, 20 of which will be on sites 5 to 10 acres. As discussed below, the need can be met on individual commercial sites, in a commercial center, or through a combination of individual sites and a commercial center.

Table 5-3. Comparison of employment land supply and site needs, Junction City UGB, 2009-2029

	Site Size (acres)							
	Less than 1	1 to 2	2 to 5	5 to 10	10 to 20	20 to 50	Greater than 50	Total
Industrial								
Sites needed	2	none	none	none	1	none	none	3
Land need (acres)	1	--	--	--	20	--	--	21
Commercial								
Sites needed	14	9	8	2	none	none	none	33
Land need (acres)	4	14	24	20	--	--	--	62
Total sites needed	**16**	**9**	**8**	**2**	**1**	**--**	**--**	**36**
Total acres needed	**5**	**14**	**24**	**20**	**20**	**--**	**--**	**83**

Source: ECONorthwest
Note: Sites needs in this table are based on Table 5-1 and Table 4-4, which was analysis first prepared in 2009. Based on the community vision process (which was anticipated at the time of adoption of the 2009 EOA as part of Phase 2 of the EOA), together with a further assessment of current commercial site sizes as required to fully service retail, service businesses, and related commercial needs, the updated and revised EOA recognizes the need for a 20-50 acre commercial site to be provided within the 2009-2029 forecast period.

The comparison of site needs with land supply in Table 5-3 does not tell the entire story of site needs in Junction City.

- **Land for government uses.** Table 5-3 does not include the need for public land, including land for the State Prison and Hospital or expansion of the City's wastewater system. Both of these sites have

gone through an extensive public siting process and have been purchased by the Department of Corrections (DOC) specifically for these institutional uses. Thus, the future location of – and uses for – these sites are known.

  - The State has identified an approximately 235 acre site at the south end of Junction City's UGB as the site of the State Prison and Hospital. A portion of this site is already in the UGB.
  - In addition, the City expects to need 80 acres to expand its wastewater facility to provide services to the State Prison and Hospital. The City has identified two sites for this expansion, - both about 40 acres One is currently within the existing UGB and the other is outside the UGB. These sites are adjacent to the current wastewater treatment facility.

- **A site for Grain Millers.** Grain Millers needs an industrial site that is at least 50 acres in size with access to the two rail lines. The site needs analysis in Table 4-4 (and Table 5-1) shows this as a need for one 20 to 50 acre industrial site. The vacant 20 to 50 acre industrial sites in the UGB are located along Highway 99 between the two rail tracks. These sites are about 25 acres each and have a long, thin shape. The characteristics of a needed site for Grain Millers are described in detail the section "Characteristics of Needed Sites." **Neither of these large industrial sites meets Grain Millers' requirements.**
- **Industrial land need for a 20-acre site.** Table 5-3 identifies a need for one 20-acre industrial site. **This need may be accommodated on one of the 20- to 50-acre industrial sites within the UGB.** None of these sites meets the site requirements for Grain Millers, as described above.
- **Commercial land need.** As described in Chapter 4, the City's community vision for meeting the 62-acre commercial land deficit identifies three priorities for commercial uses:
  - Meet specialized retail and service uses in Junction City's downtown and on other small commercial sites. Downtown will accommodate commercial uses in Junction City through providing small-scale sites (generally those smaller than two acres), and through infill or redevelopment of existing sites as suitable sites become available. Commercial demand will also be met on small commercial sites, both those within the Junction City UGB and in proposed expansion areas south of the city core.

In its economic development vision, the City identified the objective of creating a mixed-commercial use sub-regional commercial center, as part of creating a complete city with opportunities where residents can work, shop, play, and live. Junction City has enough land within the UGB to accommodate industrial growth, except the need for sites with special requirements. In summary, Junction City will need to provide suitable land to meet the following Year 2009-2029 site needs by expanding the UGB:

- **One industrial site with at least 50 suitable acres** for Grain Millers or another rail-loop served bulk processor. Other needed characteristics of this site are described in "Characteristics of Needed Land" section below.
- **One approximately 235-acre site** for the State Prison and Hospital. The DOC has identified the site for the State institutional facilities.
- **One 40-acre** site for a wastewater facility expansion. The City has identified the site for the wastewater facility expansion.
- **One site for a sub-regional commercial center.** The site characteristics, including site size, are described later in this chapter.

CHARACTERISTICS OF NEEDED SITES

The Goal 9 Administrative Rule (OAR 660-009) requires that jurisdictions describe the characteristics of needed sites (OAR 660-009-0025(1)). The Administrative Rule defines site characteristics as follows in OAR 660-009-0005(11):

> (11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

Tables 5-1 and 5-4 identified site and land needs for industrial and commercial sites in the next 20-years. Some of Junction City's commercial land deficits for the 2009 to 2029 period will be addressed through redevelopment in downtown and some may be met in a sub-regional commercial center. Junction City has the need for one approximately 50-acre industrial site one approximately 200-acre government site, and one 40-acre government site over the 2009 to 2029 period. The following section describes the characteristics of the needed sites.

INDUSTRIAL

The land needed to capitalize on this opportunity was added to the UGB in Phase I of the Junction City Periodic Review process.

Junction City's identified need for an industrial site is for use by a bulk ag-processor such as Grain Millers, which currently has a manufacturing facility in downtown Eugene. Grain Millers is looking for a new site on which to expand its operations because the facility in downtown Eugene does not have room for expansion. Illustrating advances in the industry related to handling bulk product efficiently, Grain Millers requirements for a new site are:

- **Site size.** Grain Millers needs a site that has at least 45 acres of suitable land (e.g., buildable land after constrained areas are discounted or mitigated) and 5 acres for outdoor test plots. Grain Millers requires a site with 30 acres of suitable land for development when it moves its facility - 15 acres of land for expansion of their facility over the planning period, and five acres

of land for test plots. The site must have a minimum development width of 750 feet.

- **Rail access.** Grain Millers requires a site that has immediate rail access with the ability to incorporate an inbound and outbound rail switch. The company's rail requirements are:
    - The rail service must have the ability to accommodate 3,250 linear feet of track (without use of an on-site rail switch) for storage space of up to 50 car unit trains. Grain Millers has a preference for a site that can accommodate an additional 2,450 linear feet of track, with a maximum of two on-site switches, for maneuvering railcars for loading and unloading.
    - The on-site turning radiuses cannot be less than 604 feet.
    - On-site rail cannot impede inbound and outbound vehicular traffic to the site.
    - The ideal site would be located between two railroads to allow for build-out of rail infrastructure.
- **Other transportation access.** The site must have immediate access to Highway 99 for freight movement. The freight traffic from industrial sites should not be routed through residential neighborhoods. Grain Millers also needs access to an airport for air transportation.
- **Topography.** The site should be very flat, with a slope not greater than 1% to best suit the rail uses.
- **Access to services.** The site will need to have access to services: (1) electricity service of 6 megawatts, with the ability to expand to 9 megawatts; (2) service for about 800,000 therms of natural gas; (3) municipal water service for about 13,000,000 gallons annually; and (4) sanitary sewer service for 5,000,000 gallons annually.
- **Land ownership.** A site with a single owner is strongly preferred, to reduce the cost of land assembly.
- **Surrounding land uses.** The site should be located near compatible uses - such as other industrial uses - or some types of commercial uses, including business parks or compatible government uses. The site should not be located adjacent to an urban residential area.

Grain Millers strongly prefers a site located in the Southern Willamette Valley for the following reasons:

- **Availability of workers.** Grain Millers regards its labor force as the company's most significant asset and employee retention is an important factor in site selection. In addition, Grain Millers benefits from access to the regional pool of skilled labor and access to Oregon State University, a premier, nationally recognized agricultural school.

- **Access to markets and customers.** Forty percent of Grain Millers' sales are to companies located in Oregon, 20% are to companies in California, and 20% are to companies in Washington, Idaho, and Vancouver, BC. In addition, three of Grain Millers' largest customers are located within 15 miles of Junction City. A location in the Southern Willamette Valley provides Grain Millers with comparatively low transportation costs to its customers.

- **Access to materials.** A significant amount of the raw agricultural materials used by Grain Millers is grown in Oregon, Washington, Idaho, and California. In addition, Grain Millers prefers a site with proximity to a port capable of economy-of-scale deliveries from Pacific Rim countries that grow grains compatible with Grain Millers' processing.

- **Support from regional market clusters.** The local pulp and paper industry built an infrastructure necessary for mills, such as fabrication, repair, and other services. Grain Millers prefers a location that allows it to access this industrial infrastructure.

COMMERCIAL LAND

Table 5-3 identified a deficit for commercial land of 62 vacant suitable acres, on sites ranging from less than 1 acre to 10 acres.

The site requirements for **downtown and small commercial sites** are:

1. Sites located with direct access to public streets with capacity or potential capacity to accommodate traffic volumes associated with commercial uses.
2. For larger commercial uses, the sites should be located on or within ¼ mile of a major arterial or a State highway.
3. Some commercial uses will require visibility from Highway 99.
4. Located on sites that are able to be efficiently served with water, wastewater, stormwater, and transportation facilities.
5. Located on sites that are largely free of development constraints, including floodways, flood plains, wetlands, and steep slopes.

6. Located in areas where conflicts with adjacent land uses are minimized.

~~6.~~7. Located on sites that do not have high value agricultural land.

The site requirements for a **sub-regional commercial center** are more detailed than for smaller commercial uses. The site requirements for a sub-regional commercial center are:

- **Site size.** The sub-regional commercial center can accommodate a substantial amount of the 62 commercial acre land demand, accommodating more than half of the ten sites (44 acres) on sites sized two and ten acres.

  Based on the City's economic development vision, the sub-regional commercial center will require approximately 35 acres. Table 5-4 shows a mixture of businesses and area required for each type of business in the sub-regional commercial center. The uses listed in this table are intended to be illustrative of what might be expected and supported con at a sub-regional commercial center in the Junction City area over the 2009 to 2029 period. The specific mixture of uses may be different than those shown in Table 5-4, in response to changes in employment and consumer expenditure patterns over the 20-year forecast period.~~:~~

Table 5-4. Mixture of businesses and site sizes that comprise the sub-regional commercial center

Use/Business	Area Required
Anchor Grocer	6 acres
Dry Goods / Drug Store	3 acres
Home improvement store	6 acres
Hotel	4 acres
Office complex	10 acres
Theater	3 acres
Restaurants	2 acres
Service Station	1 acre
Total	**35 acres**

Source: ECONorthwest, "Area required" based on typical site sizes required by businesses of the type shown in the table.

- **Land ownership.** Sites with two or fewer owners are necessary to reduce the cost and uncertainty of land assembly.

- **Access.** The commercial center must be located within one-quarter mile of a state highway. Traffic from the commercial center should not be routed through residential neighborhoods. The ideal site would be located at a major intersection of state highways or a state highway and an arterial.
- **Visibility.** The commercial center must be highly visible from Highway 99.
- **Unconstrained land.** Sites within a commercial center should not be significantly constrained by the floodway, floodplain, or wetlands.
- **Topography.** The commercial center site should be relatively flat, with slopes of not more than 5%.
- **Access to services.** City services should be directly accessible to the site, including sanitary sewer, and municipal water.
- **Location relative to Junction City.** The commercial center should be located on the south-side of Junction City (e.g., south of High Pass Road) to provide services needed by workers at the State Hospital and Prison, Grain Millers, new residential growth occurring in southern Junction City, and neighboring rural communities.
- **Proximity to the UGB.** The commercial center should be located within the existing UGB or on a site that is directly adjacent to the UGB, to make access to the commercial center convenient to residents in Junction City.
- **Surrounding land uses.** Commercial centers are compatible with other commercial uses, light industrial, government, or residential uses.

GOVERNMENT

Table 5-3 does not include need for sites for government uses because the location of – and uses for – these sites is already known. This section summarizes the site characteristics of the sites for the State Prison and Hospital and the expansion of the wastewater treatment facility. Junction City has need for two sites for government uses: one 235-acre site for the State Prison and Hospital and one 40-acre site for expansion of the City's wastewater facility, which is needed to provide wastewater services to the State Prison and Hospital.

The site needed to capitalize on these opportunities was added to the UGB in Phase I of the Junction City Periodic Review process. The City has almost completed infrastructure work necessary to serve the DOC site for

the two state facilities. This work includes the extension of water and sewer pipelines to the site, construction of two new water towers, construction of a ground storage water reservoir, a new well pump station, and improvements to a sewer pump station and construct sewer force mains.

Site for the State Prison and Hospital

The State of Oregon plans to develop a State Prison and Hospital on an approximately 235-acre site that is located at the south end of Junction City's UGB. About 71 acres of the site is within the current UGB and 165 acres is located outside the UGB.

The State identified the Milliron Road site in Junction City as a preferred site for a State Prison.[23] The needed characteristics of a site for the State Prison, as determined through a comprehensive, statewide siting process, are:

- **Site size.** The State identified need for a site between 200 to 300 acres, with space to accommodate setbacks around the perimeter of the facility. The preferred site configuration is generally rectilinear.
- **Land ownership.** ORS 270.100 requires that the State consider siting facilities on state-owned property prior to state acquisition of private land.
- **Topography.** The site should be flat to minimize earthwork, foundation, and construction costs and surface/subsurface drainage construction costs.
- **Natural hazards.** The site should not be subject to natural hazards that cannot be mitigated. For example, the site should not be located in a designated tsunami inundation zone and should not be unduly prone to liquefaction due to seismic activity. If the site is located with the 100-year floodplain or other flooding hazards, the site should be big enough to locate the building away from the flooding hazard and/or mitigation of flooding hazards should be possible through raising site grades or providing positive drainage features.
- **Street access.** The site should be served by a road and road system capable of supporting the prison. The site should have access to a state Highway and be close to I-5.

[23] The needed site characteristics are based on information documented in: "Findings, Conditions and Decision: Milliron Road and Stimpson Gulch: Sites Selected by the Siting Authority of Men's Medium Security Prison Complex," May 20, 1997.

- **Access to services.** The site should be serviceable for water, sanitary sewer, stormwater, telecommunications, electricity, and natural gas, oil, or propane.
- **Surrounding uses.** The surrounding uses should be compatible with a prison. Preferred surrounding uses natural features (e.g., a lake), industrial uses, or agricultural uses. The State prefers that adjacent uses not include housing and does not allow siting adjacent to a school.

The State plans to replace the existing Oregon State Psychiatric Hospital with a hospital in the Salem area and a hospital in the Southern Willamette Valley. The State's preferred site is the northern part of the Department of Correction site, which is located at the southern boundary of Junction City's UGB.[24] The State identified the following criteria as necessary for siting the new State Hospital:

- **Land ownership.** ORS 270.100 requires that the State consider siting facilities on state-owned property prior to state acquisition of private land.
- **Site size.** The site should be large enough to accommodate the Hospital and provide opportunities for future expansion of the hospital.
- **Site buildability and configuration.** The shape of the site should not inhibit development and the site should be contiguous (without any gaps or barriers). The unusable land (wetlands, utility easements, etc.) would be as minimal as possible.
- **Topography.** The site should be relatively flat, with no steep or unbuildable slopes.
- **Street access.** The site should be served by a road and road system capable of supporting the prison. It is preferable that the site have access to a State Highway and be within close proximity to I-5.
- **Access to services.** The site should be serviceable for water, sanitary sewer, stormwater, telecommunications, electricity, and natural gas, oil, or propane.
- **Surrounding uses.** The surrounding uses should be compatible with a State Hospital. Preferred surrounding uses are natural features (e.g., a lake), industrial uses, or agricultural uses. The State

[24] The site needs for the State Hospital are described in the document" Oregon State Psychiatric Hospital Replacement: Site Recommendations." This document can be found at: https://apps.dhs.state.or.us/cfmx/oshrp/documents/recommendations.pdf

prefers that adjacent uses not include housing and does not allow siting adjacent to a school.

Site for expansion of the wastewater system

The City needs a site for the expansion of the wastewater facilities to support the State Prison and Hospital. Based on preliminary plans, the expansion site may include: a mechanical (activated sludge process) wastewater treatment plant, a facultative lagoon, a facultative sludge lagoon to process biosolids from the mechanical wastewater treatment plant, and a site for final effluent disposal. The site needs for the City's wastewater system are:

- **Location.** The site must be located adjacent to the City's existing wastewater facility.
- **Site size.** The City needs approximately 80 contiguous acres for new wastewater facilities.
- **Land ownership.** The City prefers land that is under City ownership.
- **Street access.** The wastewater system will not generate significant traffic but may have occasional large vehicles on the site. The site needs to be accessible through the local road network. Locating the site on a state highway is not an advantage and may be a disadvantage to the City's economic development efforts.
- **Topography.** Mildly sloping land (about 1% slope) is generally the most cost effective on which to construct wastewater improvements.

IMPLICATIONS

The analysis presented in the economic opportunities analysis has implications for Junction City's economic land needs.

- *Economic growth.* Decision makers and community members that participated in the economic opportunities analysis agreed that economic growth is desirable over the planning period. The employment forecast indicates Junction City will add 3,345 new employees between 2009 and 2029 using the OAR 660-024-0040(8)(a)(ii) methodology and adding in new employment at the State Prison and Hospital. The economic opportunities analysis assumes that Junction City will have employment growth in a wide variety of businesses, from the State facilities to services and retail for residents to industrial development. The City wants to diversify its economy and attract higher wage and professional jobs.
- *Buildable lands.* Junction City has 810 acres that are designated for industrial and other employment use. More than one-half of the land designated for employment within Junction City's UGB is considered developed and is not expected to redevelop over the 20 year planning period. Junction City has 251 acres of suitable vacant commercial and industrial land, with 157 acres of suitable industrial land, 20 acres of suitable commercial land, two suitable acres of Commercial Residential land, and three acres of suitable public land. The City is in the process of redesignating Professional Technical land for residential uses.
- *Sub-regional commercial center.* Junction City has a deficit of 62 vacant suitable acres of commercial land, which includes a deficit of ten sites (44 acres) for sites of two and ten acres. Junction City's economic development vision includes development of a sub-regional commercial center, with a mixture of office, retail, and service business. In its economic development vision, the City identified the objective of creating a commercial center, as part of creating a complete city with opportunities where residents can work, shop, play, and live.

  This commercial center should be approximately 35 acres in size to allow for the mixture of commercial office and service and retail uses. The commercial center would provide development opportunities for businesses that would prefer to locate in a commercial center on the south side of Junction City, such as: businesses related to the State facilities (i.e., social service agencies), services for workers and residents (i.e., restaurants or bank

branches), or medium- to large-scale retail businesses (i.e., a grocery store or large-format retailers).

- *Large industrial and public sites*. Junction City's unmet employment land needs are for three larger sites: one 50-acre industrial site (with 45 suitable acres), one 40-acre site for expansion of the City's wastewater facilities, and one 235-acre site for the State Prison and Hospital.
- *Market for sites between the two railroad tracks*. Four of Junction City's six industrial sites larger than 10 acres are located in Junction City along Highway 99, between the two rail lines. These sites have a number of disadvantages that may make them unattractive for most uses: (1) they are long, thin sites; (2) access to Highway 99 is limited to the existing at-grade rail crossings because ODOT Rail does not generally allow new at-grade rail crossings; (3) the sites have wetlands, including one that is almost entirely covered by wetlands; (4) access to City water and sewer lines will require crossing Highway 99; and (5) limited vehicle stacking distances. These sites may attract industrial firms that prefer to locate away from other urban uses.

Appendix A National, State, County, and Local Trends

This appendix summarizes national, state, county, and local trends affecting Junction City. It presents a demographic and socioeconomic profile of Junction City (relative to Lane County and Oregon) and describes trends that will influence the potential for economic growth in Junction City. This appendix covers recent and current economic conditions in the City, and forecasts from the State Employment Department for employment growth in Lane County. This appendix meets the intent of OAR 660-009-0015(1).

NATIONAL, STATE, AND REGIONAL TRENDS

NATIONAL TRENDS

Economic development in Junction City over the next twenty years will occur in the context of long-run national trends. The most important of these trends include:

- **The aging of the baby boom generation, accompanied by increases in life expectancy.** The number of people age 65 and older will more than double by 2050, while the number of people under age 65 with grow only 22 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.[25]

  Baby boomers are expecting to work longer than previous generations. An increasing proportion of people in their early to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with about 30% in 1992.[26] This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2% of the workforce

[25] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008, *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 10, 2008.

[26] "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

in 1992 to 3% of the workforce in 2002, an increase of 64%. Over the same ten-year period, workers 45 to 64 years increased by 70%.[27]

- **Tightening labor force.** Growth in the labor force is projected to slow over the 2006-2016 period as a result of: (1) aging and retirement of the baby boomer generation and (2) the labor force participation by women has peaked. Job growth is expected to outpace population growth, with a 10% increase in employment (15.6 million jobs) compared to a 9% increase in civilian noninstitutional population 16 years and older (22 million people).[28]

- **Need for replacement workers.** The need for workers to replace retiring baby boomers will outpace job growth. According to the Bureau of Labor Statistics, net replacement needs will be 33.4 million job openings over the 2006-2016 period, more than twice the growth in employment of 15.6 million jobs. Management occupations and teachers will have the greatest need for replacement workers because these occupations have older-than-average workforce.[29]

- **Increases in labor productivity.** Productivity, as measured by output per hour, increased over the 1995 to 2005 period. The largest increases in productivity occurred over the 1995 to 2000 period, led by industries that produced, sold, or intensively used information technology products. Productivity increased over the 2000 to 2005 period but at a slower rate than during the later half of the 1990's. The sectors that experienced the largest productivity increases over the 2000 to 2005 period were: Information, Manufacturing, Retail Trade, and Wholesale Trade. Productivity in mining decreased over the five-year period. [30]

- **Continued trend towards domestic outsourcing.** Businesses continue to outsource work to less expensive markets. Outsourcing generally falls into two categories: (1) moving jobs from relatively

[27] "Growing Numbers of Older Workers in Oregon," Oregon Employment Department.

[28] Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[29] Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[30] Corey Holman, Bobbie Joyeaux, and Christopher Kask, "Labor Productivity trends since 2000, by sector and industry," Bureau of Labor Statistics *Monthly Labor Review*, February 2008.

expensive areas to less expensive areas within the U.S. and (2) moving jobs outside of the U.S. to countries with lower labor costs. About three-quarters of layoffs in the U.S. between 1995 and 2004 were the result of domestic relocation, involving movement of work within the same company. The industries with the largest amounts of domestic outsourcing were: manufacturing, retail trade, and information.[31]

- **Continued growth in global trade and the globalization of business activity.** With increased global trade, both exports and imports rise. Faced with increasing domestic and international competition, firms will seek to reduce costs through implementing quality- and productivity-enhancing technologies, such as robotics or factor automation. In addition, some production processes will be outsourced offshore.[32]

- **Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy.** Increased worker productivity and the international outsourcing of routine tasks lead to declines in employment in the major goods-producing industries. Projections from the Bureau of Labor Statistics indicate that U.S. employment growth will continue to be strongest in healthcare and social assistance, professional and business services, and other service industries. Construction employment will also grow but manufacturing employment will decline.[33]

- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. Increases in the population and in households' incomes, plus changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a

[31] Sharon P. Brown and Lewis B. Siegel, "Mass Layoff Data Indicate Outsourcing and Offshoring Work," *Monthly Labor Review*, August 2005, pp. 3-10.

[32] Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.

[33] Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.; Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

region's quality of life and play an important role in attracting both households and firms.[34]

- **Continued westward and southward migration of the U.S. population.** Although there are some exceptions at the state level, a 2006 U.S. Census report documents an ongoing pattern of interstate population movement from the Northeast and Midwest to the South and West.[35]
- **The growing importance of education as a determinant of wages and household income.** According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average they will yield higher incomes than occupations that do not require an academic degree. The fastest growing of occupations requiring an academic degree will be: computer software application engineers, elementary school teachers, and accountants and auditors. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for about half of all jobs by 2016. These occupations typically have lower pay than occupations requiring an academic degree. [36]

  The national median income in 2006 was about $32,000. Workers without a high school diploma earned $13,000 less than the median income and workers with a high school diploma earned $6,000 less than median income. Workers with some college earned slightly less than median and workers with a bachelor's degree earned $13,000 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.[37]

- **Continued increase in demand for energy.** Energy prices are forecast to remain at relatively high levels, as seen in the 2006 to

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[34] For a more thorough discussion of relevant research, *see,* for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

[35] Marc J. Perry, 2006, *Domestic Net Migration in the United States: 2000 to 2004*, Washington, DC, Current Population Reports, P25-1135, U.S. Census Bureau.

[36] Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[37] "Growing Number of Older Workers in Oregon," Oregon Employment Department and American Community Survey, U.S. Census, 2006.

2008 period, possibly increasing further over the planning period. Output from the most energy-intensive industries is expected to decline, but growth in the population and in the economy is expected to increase the total amount of energy demanded. Energy sources are expected to diversify and the energy efficiency of automobiles, appliances, and production processes are projected to increase. Despite increases in energy efficiency and decreases in demand for energy by some industries, demand for energy is expected to increase over the 2008 to 2030 period because of increases in population and economic activity. [38]

- **Impact of rising energy prices on commuting patterns.** Energy prices may continue to be high (relative to historic energy prices) or continue to rise over the planning period.[39] The increases in energy prices may impact willingness to commute long distances. There is some indication that increases in fuel prices have resulted in decreased suburban housing price (i.e., housing demand), especially in large urban areas (e.g., Los Angeles or Chicago) and suburbs far from the center city. If this pattern continues, the area in Oregon most likely to be most impacted is Portland, which has the largest area of urban and suburban development in the state.[40]

- **Possible effect of rising transportation and fuel prices on globalization.** Increases in globalization are related to the cost of transportation: When transportation is less expensive, companies move production to areas with lower labor costs. Oregon has benefited from this trend, with domestic outsourcing of call centers and other back office functions. In other cases, businesses in Oregon (and the nation) have "off-shored" employment to other countries, most frequently manufacturing jobs.

  Increases in either transportation or labor costs may impact globalization. When the wage gap between two areas is larger than the additional costs of transporting goods, companies are likely to shift operations to an area with lower labor costs. Conversely, when transportation costs increase, companies may have incentive to relocate to be closer to suppliers or consumers.

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[38] Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April.

[39] Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April

[40] Cortright, Joe. "Driven to the Brink: How the Gas Price Spike Popped the Housing Bubble and devalued the Suburbs," May 2008.

This effect occurs incrementally over time and it is difficult to measure the impact in the short-term. If fuel prices and transportation costs decrease over the planning period, businesses may not make the decision to relocate (based on transportation costs) because the benefits of being closer to suppliers and markets may not exceed the costs of relocation.

- **Growing opportunities for "green" businesses.** Businesses are increasingly concerned with "green" business opportunities and practices. These business practices are concerned with "the design, commercialization, and use of processes and products that are feasible and economical while reducing the generation of pollution at the source and minimizing the risk to human health and the environment."[41]

  Green business opportunities have historically been at the mercy of feasibility and economics; if a firm ignores feasibility and economics while trying to be green, the firm may not be able to afford to operate long enough to learn how to make green businesses feasible. The three types of green business opportunities are products, processes, and education.

  - *Producing green products.* Green products perform the function of regular products, but do it in a way that uses fewer resources or creates less pollution. For example, hybrid vehicles are green because they use less gasoline to operate and add fewer pollutants to the air while serving the same function as non-hybrid cars. Another example is bamboo fencing and lumber. Bamboo is a green product because it is more renewable than traditional lumber and has the strength necessary for building.

  - *Providing education about green practices or products.* Green education is often closely related to producing green products and is often done by consultants or nonprofits. Examples of companies involved in green education include the U.S. Green Building Council, which certifies buildings as green (LEED certification), or a consulting firm that writes a green (or sustainable) plan for a city or business.

  - *Using green business practices.* Green business practices are alternative methods of doing business that promote resource

[41] Urban Green Partnership at urbangreenpartnership.org

conservation, prevent or reduce pollution, or have other beneficial environmental effects. Examples of green business processes include: buying products locally to reduce shipping distance, recycling waste products (where possible), or maximizing the use of natural lighting to reduce use of electricity and light bulbs.

  - ECONorthwest is a green educator because we help our clients manage natural resources effectively and take all costs and benefits of a particular action into account in order to properly judge the correct course of action. A frequent method of marketing green products involves green education. It is much easier to sell a hybrid car to a customer who knows the environmental benefits of owning a hybrid, so educating potential customers can aid greatly in increasing sales.

- **Potential impacts of global climate change.** There is growing support for but not a consensus about whether global climate change is occurring as a result of greenhouse gas emissions. There is a lot of uncertainty surrounding global climate change, including the pace of climate change and the ecological and economic impacts of climate changes. Climate change may result in the following changes in the Pacific Northwest: (1) increase in average temperatures, (2) shift in the type of precipitation, with more winter precipitation falling as rain, (3) decrease in mountain snow-pack and earlier spring thaw and (4) increases in carbon dioxide in the air.[42] Assuming that global climate change is occurring and will continue to occur over the next 20-years, a few broad, potential economic impacts for the nation and Pacific Northwest include:[43]

  - *Potential impact on agriculture and forestry.* Climate change may impact Oregon's agriculture through changes in: growing season, temperature ranges, and water availability.[44] Climate change may impact Oregon's forestry through increase in wildfires, decrease in the rate of tree

[42] "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

[43] The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

[44] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

growth, change in mix of tree species, and increases in disease and pests that damage trees.[45]

- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from: (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,[46] (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

- *Potential changes in government policies*. There is currently no substantial national public policy response to global climate change. States and regional associations of states are in the process of formulating policy responses to address climate change including: increasing renewable energy generation, selling agricultural carbon sequestration credits, and encouraging energy efficiency.[47] Without clear indications of the government policies that may be adopted, it is not possible to assess the impact of government policies on the economy.

Global climate change may offer economic opportunities. The search for alternative energy sources may result in increased investment and employment in "green" energy sources, such as wind, solar, and biofuels. Firms in the Northwest are well positioned to lead efforts on climate change mitigation, which may result in export products, such as renewable technologies or green manufacturing. [48]

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the

[45] "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

[46] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

[47] Pew Center on Global Climate Change website: http://www.pewclimate.org/what_s_being_done/in_the_states/

[48] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

downturn in economic activity in 2007 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn has been a decrease in employment related to the housing market, such as construction and real estate. Employment in these industries will recover as the housing market recovers and will continue to play a significant role in the national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

STATE TRENDS

State and regional trends will also affect economic development in Junction City over the next twenty years. The most important of these trends includes: continued in-migration from other states, distribution of population and employment across the State,

- **Continued in-migration from other states.** Oregon will continue to experience in-migration from other states, especially California and Washington. According to a U.S. Census study, Oregon had net interstate in-migration (more people moved *to* Oregon than moved *from* Oregon) during the period 1990-2004.[49] Oregon had an annual average of 26,290 more in-migrants than out-migrants during the period 1990-2000. The annual average dropped to 12,880 during the period 2000-2004.[50] Most in-migrants come from California, Washington, and other western states.[51]

- **Concentration of population and employment in the Willamette Valley.** Nearly 70% of Oregon's population lives in the Willamette Valley. About 10% of Oregon's population lives in Southern Oregon and 9% lives in Central Oregon. The Oregon Office of Economic Analysis (OEA) forecasts that population will continue to be concentrated in the Willamette Valley through 2040, increasing slightly to 71% of Oregon's population.

[49] Marc J. Perry, 2006, *Domestic Net Migration in the United States: 2000 to 2004*, Washington, DC, Current Population Reports, P25-1135, U.S. Census Bureau.

[50] In contrast, California had net interstate *out-migration* over the same period. During 1990-2000, California had an annual average of 220,871 more out-migrants than in-migrants. The net outmigration slowed to 99,039 per year during 2000-2004.

[51] Oregon Department of Motor Vehicles collects data about state-of-origin for drivers licenses surrendered by people applying for an Oregon drivers license from out-of-state. Between 2000 and 2007, about one-third of licenses surrendered were from California, 15% to 18% were surrendered from Washington, and about 17% to 19% were from the following states: Arizona, Idaho, Nevada, Colorado, and Texas.

Employment growth generally follows the same trend as population growth. Employment growth varies between regions even more, however, as employment reacts more quickly to changing economic conditions. Total employment increased in each of the state's regions over the period 1970-2006 but over 70% of Oregon's employment was located in the Willamette Valley.

- **Change in the type of the industries in Oregon.** As Oregon has transitioned away from natural resource-based industries, the composition of Oregon's employment has shifted from natural resource based manufacturing and other industries to service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 10% in 2005.

- **Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries.** Since 1970, Oregon started to transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing. [52]

- **Continued importance of manufacturing to Oregon's economy.** Revenue from exports totaled $16.5 million in 2007, an increase of $5.1 million or 45% since 2000. Four of the five industries that accounted for more than three-quarters of revenue from exports in 2007 ($12.6 million) were manufacturing industries: Computers and Electronic Production ($6.3 million); Crop Production ($2.2 million); Transportation Equipment ($1.7 million); Machinery Manufacturers ($1.7 million); and Chemical Manufacturers ($0.7 million).Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties. Average wages for employees of manufacturing firms in these counties in

[52] Although Oregon's economy has diversified since the 1970's, natural resource-based manufacturing accounts for more than one-third of employment in manufacturing in Oregon in 2006, with the most employment in Wood Product and Food manufacturing.

2006 ranged from $71,500 to $34,200 and were generally above the state's average (about $38,000) [53]

- **Small businesses continue to account for over 50% of employment in Oregon.** Small business, with 100 or fewer employees, account for 51% of private sector employment in Oregon, up from about 50.2% of private employment in 2000 and down from 52.5% in 1996. Workers of small businesses typically had lower wages than the state average, with average wages of $33,130 compared to the statewide average of about $38,000 in 2006.

- **Continued lack of diversity in the State Economy.** While the transition from Lumber and Wood Products manufacturing to high-tech manufacturing has increased the diversity of employment within Oregon, it has not significantly improved Oregon's diversity relative to the national economy. Oregon's relative diversity has historically ranked low among states. Oregon ranked 35th in diversity (1st = most diversified) based on Gross State Product data for 1963–1986, and 32nd based on data for the 1977–1996 period.[54] A recent analysis, based on 2006 data, ranked Oregon 31st.[55] These rankings suggest that Oregon is still heavily dependent on a limited number of industries. Relatively low economic diversity increases the risk of economic volatility as measured by changes in output or employment.

The changing composition of employment has not affected all regions of Oregon evenly. Growth in high-tech and Services employment has been concentrated in urban areas of the Willamette Valley and Southern Oregon, particularly in Washington, Benton, and Josephine Counties. The brunt of the decline in Lumber & Wood Products employment was felt in rural Oregon, where these jobs represented a larger share of total employment and an even larger share of high-paying jobs than in urban areas.

[53] OECDD, "*Economic Data Packet, March 2008.*"

[54] LeBre, Jon. 1999. "Diversification and the Oregon Economy: An Update." *Oregon Labor Trends*. February.

[55] CFED, 2007, The Development Report Card for the States, http://www.cfed.org.

ECONOMIC TRENDS IN LANE COUNTY AND JUNCTION CITY

Future economic growth in Junction City will be affected in part by demographic and economic trends in the city and surrounding region. A review of historical demographic and economic trends provides a context for establishing a reasonable expectation of future growth in Junction City. In addition, the relationship between demographic and economic indicators such as population and employment can help assess the local influence of future trends and resulting economic conditions. This section addresses the following trends in Junction City:

- Population and demographics
- Household and personal income
- Employment
- Business activity
- Outlook for growth in Junction City

POPULATION AND DEMOGRAPHIC CHARACTERISTICS

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the nation's, growing faster than the national economy during expansions, and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the U.S. in the 1990s (which was generally an expansionary period) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. As the nation's economic growth has slowed during 2007, Oregon's population growth began to slow.

Oregon's population grew from 2.8 million people in 1990 to 3.7 million people in 2007, an increase of more than 900,000 people at an average annual rate of 1.6%. Oregon's growth rate slowed to 1.3% annual growth between 2000 and 2007.

Lane County grew slower than the State average between 1990 and 2007, growing at 1.1% annually and adding more than 60,000 people. More than 60% of the County's population lived in the Eugene-Springfield area in 2007, with about 1.5% of the County's population in Junction City. Junction City's population grew faster than the County average, at 2.0% annually, adding 1,465 residents over the seventeen-year period.

Table A-1. Population in the U.S., Oregon, the Willamette Valley, Lane County, and Junction City, 1990-2007

	Population			Change 1990 to 2007		
	1990	2000	2007	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	301,621,157	52,911,284	21%	1.1%
Oregon	2,842,337	3,421,399	3,745,455	903,118	32%	1.6%
Willamette Valley	1,962,816	2,380,606	2,602,790	639,974	33%	1.7%
Lane County	282,912	322,959	343,140	60,228	21%	1.1%
Junction City	3,670	4,721	5,135	1,465	40%	2.0%

Source: U.S. Census, the Population Research Center at Portland State University.
Notes: Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill Counties represent the Willamette Valley Region.

Migration is the largest component of population growth in Oregon. Between 1990 and 2007, in-migration accounted for 70% of Oregon's population growth. Over the same period, in-migration accounted for 74% of population growth in Lane County, adding nearly 44,500 residents over the seventeen-year period.

The average age of Junction City residents is increasing. Table A-2 shows the change in age distribution for Junction City between 2000 and 2008. Population increased in age groups over 25 years. The age group that increased the most was people aged 45 to 64, which grew by 166 people (18%). This age group's proportion of the total population increased from 20% to 22% during this time period. The largest percentage decrease was in people aged 18 to 24, which shrunk by 36 people (7%).

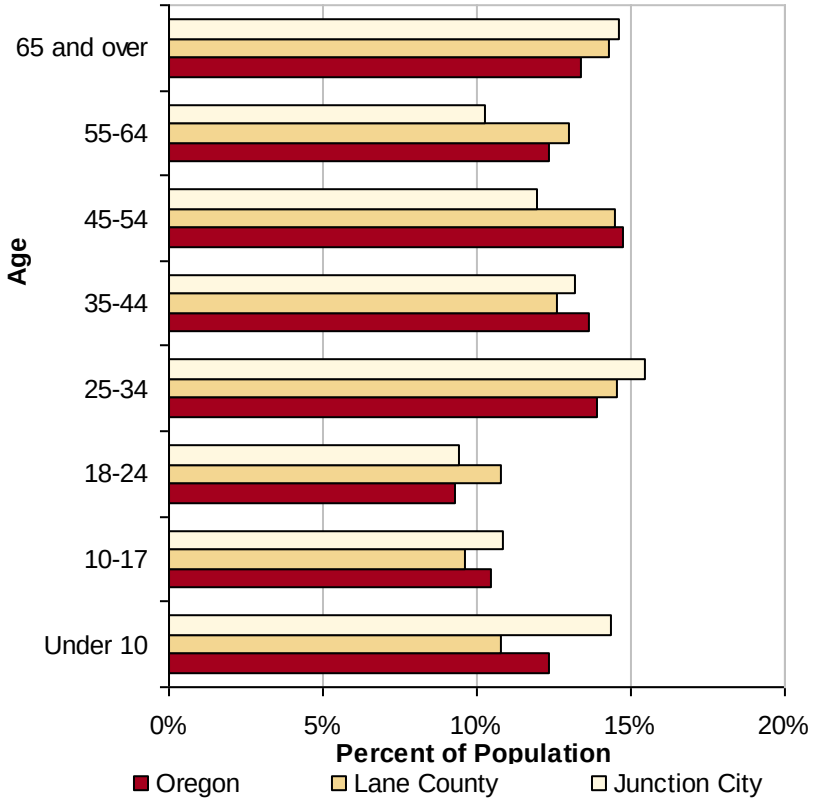
Table A-2. Change in age distribution, Junction City, 2000-2008

	2000		2008		Change 2000 to 2008		
Age Group	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	355	8%	356	7%	1	0%	0%
5-17	925	20%	879	18%	-46	-5%	-2%
18-24	497	11%	461	9%	-36	-7%	-1%
25-44	1,317	28%	1,402	29%	85	6%	1%
45-64	923	20%	1,089	22%	166	18%	3%
65 and over	704	15%	715	15%	11	2%	0%
Total	**4,721**	**100%**	**4,902**	**100%**	**181**	**4%**	**0%**

Source: U.S. Census 2000, Claritas 2008

Junction City's population was mostly similar to the County and State averages in 2008. Figure A-1 shows the age structure for Oregon, Lane County, and Junction City in 2008. Junction City had a greater proportion of its population under 44 years of age (63%) than Lane County (58%) or Oregon (60%). Junction City also had a smaller share of population aged 55 and older, 25% of Junction City's population, compared to 27% in the County and 26% in the State.

Figure A-1. Population by age, Oregon, Lane County, and Junction City, 2008



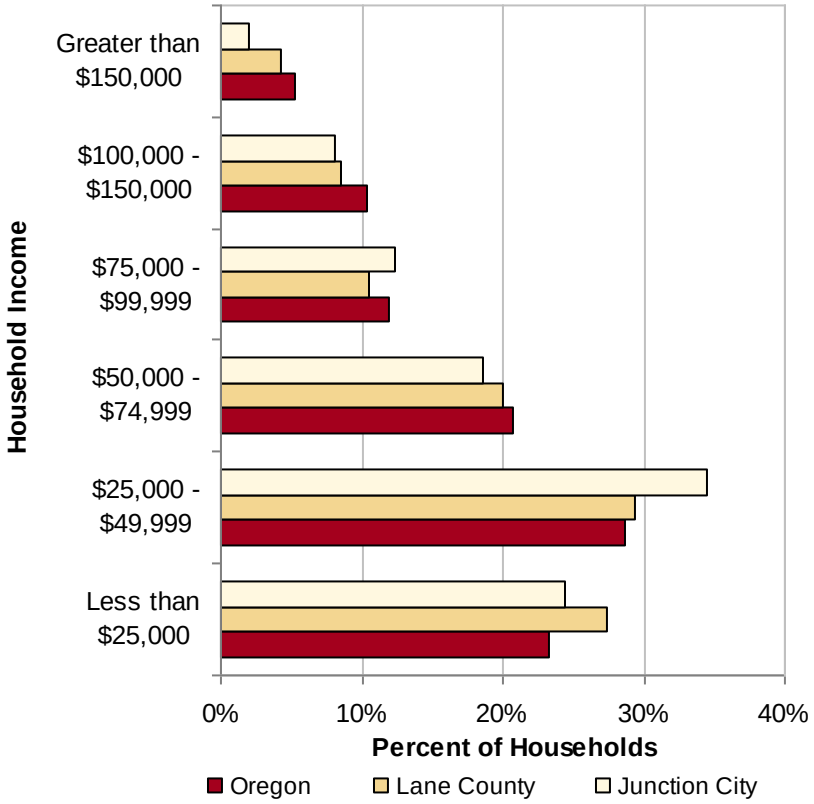
Source: Claritas 2008, percentages calculated by ECONorthwest.

HOUSEHOLD AND PERSONAL INCOME

Income in Lane County and Junction City has historically been lower than the State or national averages. Lane County's median household income in 2006 was $42,127, compared with $46,230 for Oregon and the national average of $48,451. The median household income in Junction City in 1999 was $35,347, or 96% of the County average of $36,942.

Lane County's median household income in 2006 was $42,127, compared with $46,230 for Oregon and the national average of $48,451. Figure A-2 shows the distribution of household income in Oregon, Lane County, Junction City, and Eugene in 2008. Figure 3-2 shows that a larger share of households in Junction City (53%) had an income between $25,000 and $50,000, compared to Lane County or the State (both 49%). Junction City also has a lower share of households with income above $75,000 (22%), compared to the County (23%) or the State (27%).

Figure A-2. Distribution of household income of Oregon, Lane County, Junction City, and Eugene, 2008

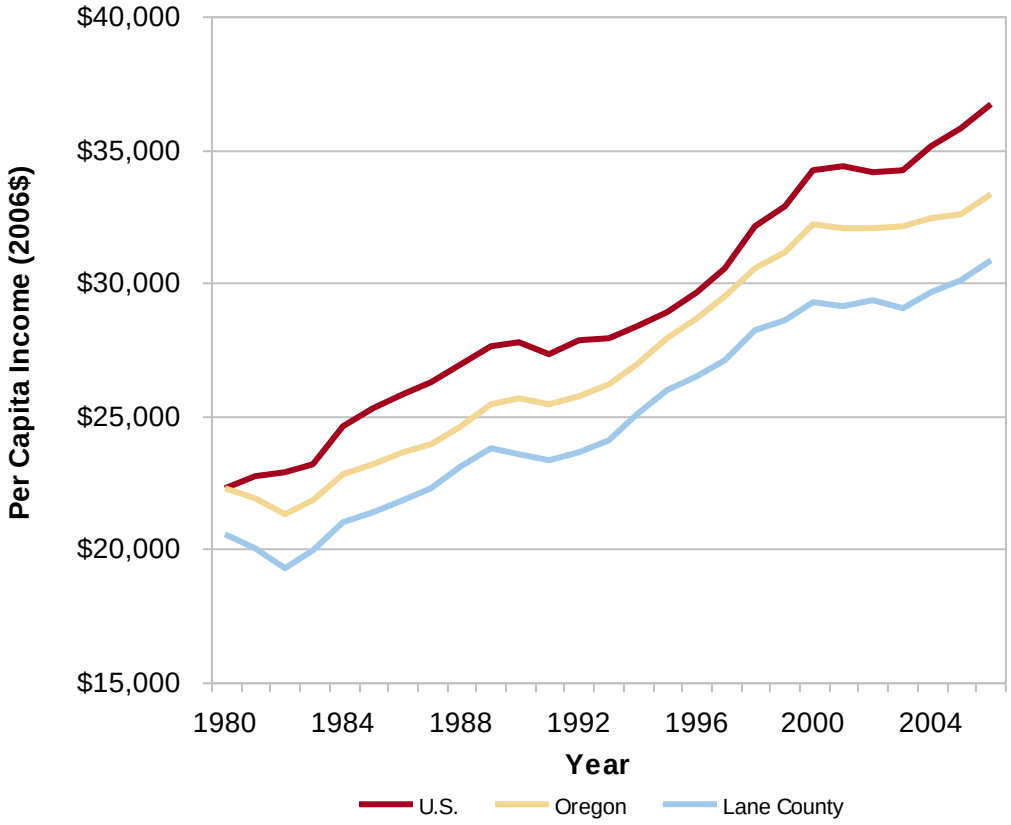


Source: Claritas 2008

Figure A-3 shows the change in per capita personal income for the U.S., Oregon, and Lane County between 1980 and 2005 (in constant 2005 dollars). Oregon's per capita personal income was consistently lower than the U.S. average over the 25-year period. While the gap between the Oregon and U.S. average narrowed in the mid-1990s, it widened again starting in the late 1990's.

Lane County's personal income over the 25-year period was consistently lower than Oregon's personal income. In 2005, per capita personal income in Lane County was approximately 92% of Oregon's per capital income and 87% of the U.S. per capital income. During the 25-year period, per capita personal income in both Lane County and Oregon grew by 49%, while personal income grew by 59% nationally during the same period.

Figure A-3. Per capita personal income in the U.S., Oregon, and Lane County, 1980-2005, (2005$)

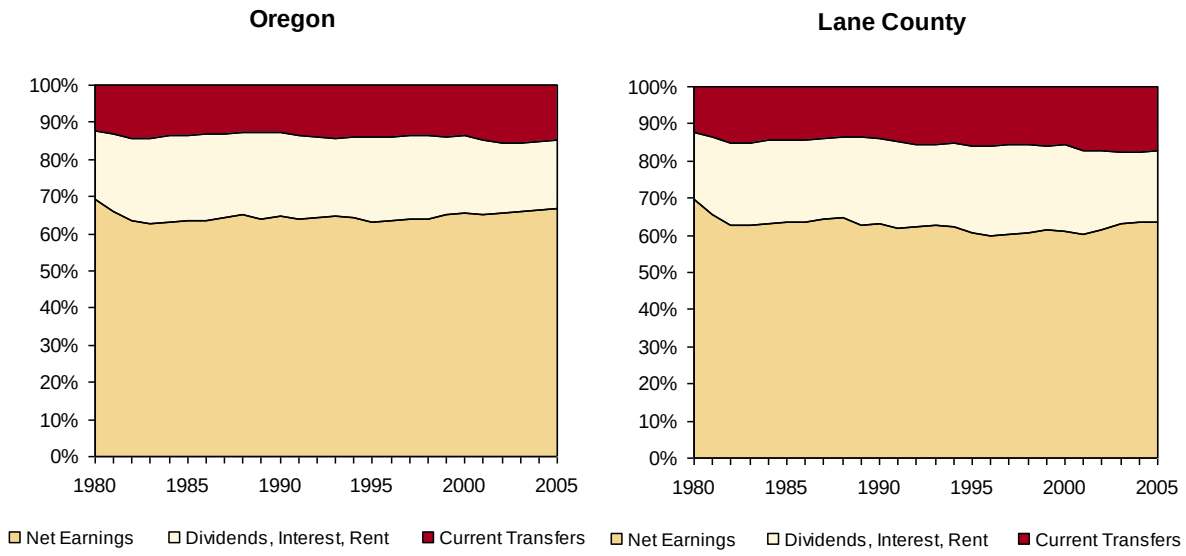


Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Figure A-4 shows the major sources of per capita personal income for Oregon and Lane County between 1980 and 2005. Lane County's share of personal income from net earnings was lower than for Oregon and the County's share of personal income from transfer payments and dividends, interest, and rent was higher than the State average.

Retirees are most likely to have personal income from current transfers and dividends, interest, and rent. The larger share of personal income from these sources makes sense because Lane County has a larger share of people over 60-years than the State average. Figure A-1 shows that Lane County has a higher percentage of residents over 60 years old than the State average. In addition, the share of population aged 65 and older increased by 16% between 1990 and 2000 in Lane County, compared with a 12% statewide increase in population 65 and older.

Figure A-4. Per capita personal income by major sources, Oregon and Lane County, 1980-2005



Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Table A-3 shows average annual pay per employee in the U.S., Oregon, and Lane County for 2000 to 2007. The national average wage grew faster than State or County averages. The average U.S. wage increased by 26% ($9,127), compared to the State increase of 21% ($6,790) or the County increase of 23% ($6,450). Wages in Lane County relative to the U.S. decreased by 2% over the seven-year period.

Lane County's average annual wage has increased by 23% (more than $6,450) from $27,878 to $34,328 over the 2000 to 2007 period. Lane County's average pay has grown faster than the State average, increasing from 85% of the State average in 2000 to 87% in 2006.

Table A-3. Average annual pay, Oregon and Lane County (nominal dollars), 2000-2006

				Lane County	
Year	U.S.	Oregon	Lane County	%of U.S.	%of State
2000	$35,323	$32,776	$27,878	79%	85%
2001	$36,219	$33,202	$28,982	80%	87%
2002	$36,764	$33,685	$29,427	80%	87%
2003	$37,765	$34,455	$30,325	80%	88%
2004	$39,354	$35,627	$31,339	80%	88%
2005	$40,677	$36,593	$32,302	79%	88%
2006	$42,535	$38,070	$33,240	78%	87%
2007	$44,450	$39,566	$34,328	77%	87%
Change 2000 to 2007					
Nominal Change	$9,127	$6,790	$6,450		
Percent Change	26%	21%	23%		

Source: Oregon Employment Department and U.S. Bureau of Labor Statistics

LANE COUNTY EMPLOYMENT TRENDS

Tables A-4 and A-5 present data from the Oregon Employment Department that show changes in covered employment[56] for Lane County between 1980 and 2005. The changes in sectors and industries are shown in two tables: (1) between 1980 and 2000 and (2) between 2001 and 2005. The analysis is divided in this way because of changes in industry and sector classification that made it difficult to compare information about employment collected after 2001 with information collected prior to 2000.

Employment data in this section is summarized by *sector*, each of which includes several individual *industries*. For example, the Retail Trade sector includes General Merchandise Stores, Motor Vehicle and Parts Dealers, Food and Beverage Stores, and other retail industries.

Table A-4 shows the changes in covered employment by sector in Lane County between 1980 and 2000. Covered employment in the County grew from 97,598 to 139,696, an increase of 43% or 42,096 jobs. Every sector added jobs during this period, except for Mining. The sectors with the greatest change in employment were Services and Retail Trade, adding a total of 29,423 jobs or about 70% of all new jobs.

Manufacturing grew by 4,020 jobs during the twenty-year period. The industries with the largest manufacturing growth were Transportation equipment manufacturing (R.V. manufacturing), computer and electronics manufacturing, and machinery manufacturing.

Average pay per employee increased from about $13,700 in 1980 to $27,900 in 2000. The sectors that grew the fastest generally paid less than average, with Services paying between 80% to 90% of average and Retail Trade paying about 60% of average. Manufacturing jobs generally paid more than the average, varying between 140% of average in 1980 to 124% of average by 2000.

[56] Covered employment refers to jobs covered by unemployment insurance, which includes most wage and salary jobs but does not include sole proprietors, seasonal farm workers, and other classes of employees.

Table A-4. Covered employment in Lane County, 1980-2000

Sector	1980	1990	2000	Change 1980 to 2000		
				Difference	Percent	AAGR
Agriculture, Forestry, and Fishing	1,137	1,863	2,101	964	85%	3.1%
Mining	231	179	154	-77	-33%	-2.0%
Construction	4,600	3,992	6,834	2,234	49%	2.0%
Manufacturing	19,638	20,654	23,658	4,020	20%	0.9%
Trans., Comm., and Utilities	3,836	3,750	3,845	9	0%	0.0%
Wholesale Trade	5,578	5,900	6,422	844	15%	0.7%
Retail Trade	20,299	24,429	28,758	8,459	42%	1.8%
Finance, Insurance, and Real Estate	4,217	4,523	6,198	1,981	47%	1.9%
Services	18,272	27,817	39,236	20,964	115%	3.9%
Nonclassifiable / All others	13	50	37	24	185%	5.4%
Government	19,779	20,219	22,453	2,674	14%	0.6%
Total	**97,598**	**113,376**	**139,697**	**42,096**	**43%**	**1.8%**

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest

Table A-5 shows the change in covered employment by sector for Lane County between 2001 and 2007. Employment increased by 15,556 jobs or 11% during this period. The private sectors with the largest increases in numbers of employees were Administration Support and Cleaning, Retail Trade, Construction, and Health and Social Assistance. The sector that lost the greatest number of employees during this period was Agriculture, Forestry, Fishing and Mining..

Table A-5. Covered employment in Lane County, 2001-2007

			Change 2001 to 2007		
Sector	**2001**	**2007**	**Difference**	**Percentage**	**AAGR**
Natural Resources and Mining	2,338	2,062	-276	-12%	-2.1%
Construction	6,366	8,034	1,668	26%	4.0%
Manufacturing	19,697	19,864	167	1%	0.1%
Wholesale	5,300	6,071	771	15%	2.3%
Retail	17,912	19,755	1,843	10%	1.6%
Transportation, Warehousing, and Utilities	2,757	3,047	290	11%	1.7%
Information	3,729	3,901	172	5%	0.8%
Finance and Insurance	3,963	4,313	350	9%	1.4%
Real Estate Rental and Leasing	2,508	2,530	22	1%	0.1%
Professional, Scientific, and Technical Services	5,571	5,658	87	2%	0.3%
Management of Companies	1,818	1,901	83	5%	0.7%
Admin and Support, Waste Mgmt and Remediation	6,399	8,738	2,339	37%	5.3%
Education	1,067	1,389	322	30%	4.5%
Health and Social Assistance	16,871	18,966	2,095	12%	2.0%
Arts, Entertainment, and Recreation	1,542	2,163	621	40%	5.8%
Accommodations and Food Services	11,746	12,737	991	8%	1.4%
Other Services	5,552	5,674	122	2%	0.4%
Private Non-Classified	49	45	-4	-8%	-1.4%
Government	22,398	24,133	1,735	8%	1.3%
Total	**137,583**	**150,982**	**13,399**	**10%**	**1.6%**

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest

EMPLOYMENT IN JUNCTION CITY

Table A-6 shows a summary of confidential employment data for Junction City in 2006. Junction City had 4,023 jobs at 216 establishments in 2006, with an average firm size of 19 employees. The sectors with the greatest employees were: Manufacturing (54%), Retail Trade (19%), and Government (7%). These sectors accounted for 3,210 or 80% of Junction City's jobs.

Table A-6. Covered employment in Junction City, 2006

		Employees	
Sector / Industry	**Establish-ments**	**Number**	**% of Total**
Agriculture, Forestry, Fishing & Hunting	**3**	**5**	**0%**
Construction	**16**	**39**	**1%**
Construction of Buildings	8	14	0%
Specialty Trade Contractors	8	25	1%
Manufacturing	**18**	**2,154**	**54%**
Wood Product Manufacturing	3	216	5%
Furniture & Related Product Manufacturing	3	28	1%
Other Manufacturing	12	1,910	47%
Wholesale Trade	**5**	**29**	**1%**
Retail Trade	**35**	**766**	**19%**
Food & Beverage Stores	7	118	3%
Gasoline Stations	4	33	1%
Other Retail Trade	24	615	15%
Transportation & Warehousing	**6**	**44**	**1%**
Finance & Insurance	**15**	**57**	**1%**
Real Estate & Rental & Leasing	**15**	**29**	**1%**
Professional, Scientific, & Technical Srv. & Information	**17**	**59**	**1%**
Management of Companies & Admin. & Support Srv.	**7**	**89**	**2%**
Health Care & Social Assistance & Private Education	**21**	**176**	**4%**
Ambulatory Health Care Services	9	56	1%
Nursing & Residential Care Facilities	6	104	3%
Other Health Care & Social Assistance & Private Education	6	16	0%
Leisure Services	**14**	**170**	**4%**
Other Services (except Public Administration)	**33**	**116**	**3%**
State & Local Government	**11**	**290**	**7%**
Total	**216**	**4,023**	**100%**

Source: Oregon Employment Department Quarterly Census of Employment and Wages (QCEW). Summary by industry and percentages calculated by ECONorthwest

Firms wanting to expand or locate in Junction City will be looking for a variety of site and building characteristics, depending on the industry and specific circumstances. One way to describe site needs is to group industries based on building and site characteristics. Each sector has been uniquely assigned to a "typical" building type, grouped by industrial and commercial uses.

Table A-7. Converting employment to building types

Building Type	Types of industries	NAICS Sectors
Industrial		
Industrial	Ag, Mining, Utlilities, Construction, Manufacturing, Transportation & Wholesale Trade	11, 21,22, 23, 31-33, 42, 48-49
Commercial		
Office	Information, FIRE, Professional Srv, Mgt of Companies, Admin & Support & Waste Mgt, Utilities	51-56
Retail	Retail (includes Leisure Services)	44-45, 71, 72
Other Services	Other Services, Health & Social Services, Private Education,	61, 62, 81
Government	Public Administration	92

Source: ECONorthwest based on methodology used by Metro in the report "Urban Growth Report: An Employment Need Analysis," 2002

Table A-8 shows the estimated covered employment located in non-residential plan designations by type of building in Junction City in 2006. About 88% of Junction City employees (3,539 employees) were located in non-residential plan designations.[57] Nearly two-thirds of Junction City's employees were in Industrial building types and one-quarter were in Retail building types.

Table A-8. Estimated covered employment in non-residential plan designations by type of building, Junction City, 2006

	Employees		Firms	
Building Type	Number	Percent	Number	Percent
Industrial	2232	63%	35	23%
Office	203	6%	39	25%
Retail	929	26%	46	30%
Other Services	129	4%	30	19%
Government	46	1%	4	3%
Total	**3,539**	**100%**	**154**	**100%**

Source: ECONorthwest based on QCEW data

Table A-9 shows the distribution of employees by building type and site size in non-residential plan designations in Junction City in 2006. About 54% of Junction City's employment was on sites 5 to 20 acres, 23% was on of less than 1-acre, and 15% was on sites 2 to 5 acres. Three percent of employment was on sites 20 to 50 acres and Junction City had no employment on sites 50-acres and larger.

[57] Non-residential plan designations are: Commercial, Industrial, and Commercial/Residential.

Table A-9. Percent of employees by building type and site sizes, Junction City, 2006

Building Type	Site Size (acres) Less than 1	1 to 2	2 to 5	5 to 20	20 to 50	Greater than 50	Total Employees
Industrial	6%	2%	1%	86%	5%	0%	100%
Office	97%	2%	1%	0%	0%	0%	100%
Retail	35%	13%	52%	0%	0%	0%	100%
Other Services	81%	11%	6%	2%	0%	0%	100%
Government	100%	0%	0%	0%	0%	0%	100%
Total	**23%**	**5%**	**15%**	**54%**	**3%**	**0%**	**100%**

Source: ECONorthwest based on QCEW data

REGIONAL BUSINESS CLUSTERS

One way to assess the types of businesses that are likely to have future growth in an area is to examine relative concentration and employment growth of existing businesses. This method of analysis can help determine relationships and linkages within in industries, also called industrial clusters. Sectors that are highly concentrated (meaning there are more than the "average" number of businesses in a sector in a given area) and have had high employment growth are likely to be successful industrial cluster. Sectors with either high concentration of businesses or high employment group may be part of an emerging cluster, with potential for future growth.

The Oregon Economic and Community Development Department (OECDD) prepared a report titled "Oregon's Traded Clusters: Major Industries and Trends." This report identified the following clusters in Lane County that may be appropriate for Junction City.

- **Agricultural Products.** Lane County has a concentration of Farm Product Wholesalers and a smaller concentration of Crop and Animal Production. The average annual wages for Farm Product Wholesalers are about $41,600 and $25,000 or less for Crop and Animal Production. Employment growth in these industries was relatively flat between 2003 and 2005. Junction City may attract businesses in these industries because of the City's proximity to farms and other agricultural activities and because of the growth in production of biofuels.

- **Business Services.** This cluster is dominated by Professional, Scientific, and Technical Services and Employment Services. The average annual wage varies by sector, with the highest pay in Professional, Scientific, and Technical Services (about $51,800). Employment growth in these industries was moderate to fast between 2003 and 2005. Business Services firms may be attracted to Junction City as a result of firms located in Junction City, the

availability of educated workers within the region, and the high quality of life and access to recreation in Junction City.

- **Communication Equipment** This cluster includes manufacturing and wholesaling of computer, communications, and audio and video equipment. Lane County has clusters of both manufacturing and wholesaling communication equipment but the manufacturing cluster is bigger in the County. Employment growth in the cluster was fastest in computer and peripheral manufacturing between 2003 and 2005. The average annual wage in this sector is higher than the State average, at $68,076. Firms in this cluster may be attracted to Junction City as the City's location and access to transportation, the availability of educated workers within the region, and the high quality of life and access to recreation in Junction City.

- **Medical products.** This cluster includes medical and equipment supplies manufacturing. This sector has higher than average wages and had moderate employment growth during the 2003 to 2005 period. Firms may be attracted to Junction City as a result of firms located in Junction City, the availability of educated workers within the region, and the high quality of life and access to recreation in Junction City.

- **Metals and Related Products.** This cluster includes metals manufacturing, including Fabricated Metals Manufacturing and Primary Metals Manufacturing. Although employment decreased in this cluster over the 2003-2005 period, Lane County has the largest cluster of Metal Wholesalers outside of the Portland metropolitan area. Wages in this cluster were general at or above State averages. Firms may be attracted to Junction City as a result of existing businesses and the availability of labor.

- **Processed Foods and Beverages.** This cluster includes manufacturing of food and beverages. Employment in this cluster decreased over the 2003-2005 period and average wages in this cluster are at or below State averages. Firms may be attracted to Junction City as a result of the City's proximity to food growers and the availability of labor.

- **Wood and Other Forest Products.** This cluster includes wood product manufacturing, logging, paper making, and support activities. The average annual wage was below State averages and employment grew slowly within the cluster over the 2003-2005

period. Firms may be attracted to Junction City as a result of the City's proximity to natural resources and the availability of labor.

REGIONAL BUSINESS ACTIVITY

Junction City exists within the Eugene-Springfield regional economy. Junction City is able to attract labor from across the region, Junction City employers and residents benefit from training opportunities present in Eugene (e.g., the University of Oregon and Lane Community College), and Junction City businesses and residents are effected by economic activity within the region. This section presents the large-scale business activities in Junction City that may impact the regional economy.

Development of the State Prison

The Oregon Department of Corrections (DOC) is building a new state prison in Junction City. The DOC owns about 240 acres of land at Junction City's southern end, about 70 acres of which are in the City's urban growth boundary. The site is located east of Highway 99 N and south of Milliron Road.

Since development of the 2009 EOA, the State's development schedule for building the prison is receiving further review. This section describes the State's plans for developing the prison, as of 2009.

The DOC plans to build the prison in two phases:

- **Phase 1: Minimum Security Facility.** This facility will have 532 beds. This development phase will include building the men's minimum-security facility, an administration building, a warehouse, and other support buildings.

- **Phase 2: Medium Security Facility.** This facility will have 1,278 beds. This development phase will include building the men's medium-security facility and additional support buildings.

The DOC's estimates for the economic impacts of the prison were presented in the report "Community Impact Study for Junction City and the Southern Willamette Valley." The report presented estimated employment and economic impacts of the prison on the Southern Willamette Valley region, including from Junction City, Eugene, Harrisburg, and Monroe. The report was written in 2002 and cost and wage information is reported in 2001 dollars.

- **Construction impact.** Construction of the prison is expected to create 370 jobs during the two-year construction period. Employee compensation for construction is expected to average $11 million

over this period, with average compensation of more than $29,000 per employee. Industrial output is expected to average $32 million per year as a result of construction of the prison. The construction costs may be higher than those reported in the Impact Study because of increases in construction costs since 2002.

- **Operational impact.** The DOC projects that the minimum-security facility will employ between 100 to 150 people, with an average annual payroll of $3 to $6 million. The DOC projects that the medium-security facility will employ an additional 300 to 350 people, with an average annual payroll of $19 to $16 million.

- **Other impacts.** The new prison will change the regional economy, through increases in employment and payroll throughout the region and in Junction City. These changes will occur as a result of construction or operation the prison, such as increased demand for construction materials or increased demand for services. After the medium security facility is completed, the DOC estimates that these changes will increase employment by more than 225 jobs annually at an estimated annual wage of $27,350 and $16 million of industrial output.

Overall, the operation of the facility is expected to increase the regional employment based by nearly 650 jobs. Employee compensation is expected to reach $18.8 million, with an average annual wage of about $29,000. Industrial output is expected to increase by about $134 million annually as a result of operation of the prison.

Development of the Oregon State Hospital

The Oregon Department of Human Services plans to site one of two new Oregon State Hospitals in Junction City. The hospital will be located south of Junction City, adjacent to the planned State Prison. The Department of Human Services is in the planning phase of developing the hospital and has not yet conducted studies about the facility's operations or employment. The hospital is expected to have approximately 360 beds. The State's plans for completing construction, as of February 2012, are under review but the facility might be completed by 2015. Staff at the Department of Human Services expect the facility to employ approximately 1,100 people.[58]

[58] This employment estimate is based on preliminary estimates of employment and was provided by Patricia Feeny. It is likely that the estimate of employment will be refined, as Department of Human Services progresses in planning the facility.

Other potential business activity

Junction City has other opportunities for increases in business activity.

- Grain Millers is considering expanding its facilities to a site in Junction City. Grain Millers operates an oat and specialty grain processing facility in Oregon and has done so for 22 years. The company's facility in downtown Eugene processes regionally grown grains into ingredients that are sold to industrial food processors and retailers. Grain Millers has outgrown its existing facility and needs a facility with increased capacity, transportation access, and infrastructure support.

  Grain Millers activities have important economic impacts in the region and in the local economy. A significant share of Grain Millers raw materials suppliers and customers are located in Oregon and other parts of the Pacific Northwest. Grain Millers has about 95 employees with a payroll that exceeds $6 million annually (including benefits). On average, Grain Millers has added about 4 new employees annually for the last 20 years.

- Other potential business activity in Junction City includes: development of an anaerobic digester for food recycling on a site along Highway 99, relocation of a manufacturer of caramel corn to Junction City, and development of a housing complex by St. Vincent de Paul.

Continued importance of manufacturing

Manufacturing is important to the economy in Junction City and in Lane County. Manufacturing accounted for 14% of employment (more than 20,000 jobs) in Lane County and 54% of employment (more than 2,100 jobs) in Junction City in 2006. [59] Manufacturing industries continue to offer jobs with above-average wages, making these jobs more desirable.

Manufacturing grew slowly in Lane County between 1980 and 2006, at an average annual rate of 0.3%, adding more than 4,000 jobs. The State forecasts continued growth in manufacturing at the same rate over the 2006 to 2016 period.

Manufacturing is a traded sector industry, which brings revenue into Oregon and Lane County from outside the State. The following manufacturing industries accounted for two-thirds ($11 billion) of revenue from exports in Oregon in 2007: Computer & Electronic Production, Transportation Equipment, Machinery Manufacturers, Chemical Manufacture, and Primary Metal Manufacturers.[60] These industries are all present in Lane County, accounting for 44% of manufacturing employment in the County.

Continuing changes in the economy may impact manufacturing in Lane County. For example, high energy prices may have been a factor in the decrease of RV manufacturing in Lane County, which has resulted in the layoff of employees beginning in 2006. In addition, the economic downturn and consolidation of the paper manufacturing industry may result in layoffs in firms that manufacture wood products and paper, such as the closure of the Weyerhaeuser plywood production facility earlier in 2008.

Junction City had a substantial amount of employment in RV manufacturing. In 2006, Country Coach, the largest RV manufacturer in Junction City, had over 1,600 employees[61], accounting for about 75% of manufacturing employment in Junction City. According to information from Junction City staff, Country Coach may reduce its workforce to about 500 employees during 2009. Country Coach's future is uncertain

[59] Oregon Employment Department

[60] "Economic Data Packet, Mary 2008," Oregon Economic And Community Development Department

[61] Country Coach's company profile, accessed on 10/28/2008 at: http://www.countrycoach.com/company/about/index.cfm?mode=profile

and it is unclear what level of production and how many employees the firm will maintain beyond 2009.

Significance of agriculture in Lane County

Agriculture continues to be important in Lane County's economy. Table A-10 shows the market value of agricultural products and the top five agricultural products in Lane County in 2002 and 2007. In 2007, Lane County had approximately $131 million in total gross sales from agriculture, a nearly 50% increase over the $88 million in total gross sales in 2002.

The top five agricultural products in Lane County in 2007 were: Nursery and greenhouse ($33 million); fruits, tree nuts, and berries ($13.8 million); poultry and eggs ($12.8 million); milk and dairy ($11.1 million); and cattle and calves ($9.9 million). The agricultural products that had the largest increase in sales between 2002 and 2007 were nursery and greenhouse (increase of $11.8 million or 56%) and fruits, tree nuts, and berries (increase of $7.1 million or 107%).

Table A-1. Six agricultural products with the highest sales value, Lane County 2002 and 2007

Item	Value of Sales	Farms	Average Value of Sales per Farm
2007 Total Sales	**$131,089,000**	**3,355**	**$39,073**
Nursery, greenhouse, floriculture, & sod	$32,810,000	204	$160,833
Fruits, tree nuts, & berries	$13,811,000	339	$40,740
Poultry & eggs	$12,794,000	433	$29,547
Milk & other dairy products from cows	$11,135,000	32	$347,969
Cattle & calves	$9,895,000	929	$10,651
Vegetables, melons, potatoes, & sweet potatoes	$5,743,000	110	$52,209
2002 Total Sales	**$87,824,000**	**2,577**	**$34,080**
Nursery, greenhouse, floriculture, & sod	$21,001,000	208	$100,966
Milk & other dairy products from cows	$10,290,000	9	$1,143,333
Cattle & calves	$7,622,000	779	$9,784
Fruits, tree nuts, & berries	$6,683,000	382	$17,495
Vegetables, melons, potatoes, & sweet potatoes	$5,955,000	155	$38,419
Poultry & eggs	$5,919,000	218	$27,151

Source: USDA Census of Agriculture, 2007; Calculations by ECONorthwest

While agriculture is an important source of economic activity in Lane County, relatively few people in the Junction City UGB are engaged in agriculture. In 2006, about 0.1% of Junction City's covered employment (5 employees) were employed in the Agriculture, Forestry, Fishing, and Hunting sectors. Consistent with statewide land use policy, land within the Junction City's UGB is committed for future urban uses, rather than agricultural uses.

Junction City is surrounded by farmland, which may provide opportunities for development of firms related to agricultural production, such as agricultural services or food production. Other changes in agri-business may create opportunities for business development in Junction City. For example, agri-businesses are trying to attract urban-dwellers to farms and bring farm goods directly to urban areas. Examples include the proliferation of farmer's markets or wine tasting room. Oregon Country Trails is an organization in the mid-Willamette Valley that markets rural businesses through connecting visitors with agri-businesses, such as wineries, alpaca or cow ranches, fishing and hatcheries, u-pick farms, apparel and furnishing stores, and related events and businesses. Junction City may be attractive to agricultural businesses that are geared towards visitors.

OUTLOOK FOR GROWTH IN JUNCTION CITY

Table A-11 shows the population forecast developed by the Office of Economic Analysis for Oregon and Lane County for 2000 through 2040. Lane County is forecast to grow at a slower rate than Oregon over the 20010 to 2030 period. The forecast shows Lane County's population will grow by about nearly 83,000 people over the 20-year period, a 24% increase. Over the same period, Oregon is forecast to grow by more than 1.0 million people, a 27% increase.

Table A-11. State population forecast, Oregon and Lane County, 2000 to 2040

Year	Oregon	Lane County
2000	3,436,750	323,950
2005	3,618,200	333,855
2010	3,843,900	347,494
2015	4,095,708	365,639
2020	4,359,258	387,574
2025	4,626,015	409,159
2030	4,891,225	430,454
2035	5,154,793	451,038
2040	5,425,408	471,511
Change 2010 to 2030		
Amount	1,047,325	82,961
% Change	27%	24%
AAGR	1.2%	1.1%

Source: Office of Economic Analysis

Table A-12 shows the Oregon Employment Department's forecast for employment growth by industry for Lane County over the 2006 to 2016 period. The sectors that will lead employment growth in Lane County for the ten-year period are Health Care & Social Assistance (adding 5,600

jobs), Government (adding 3,600 jobs), Professional and Business Services (adding 3,000 jobs), Leisure & Hospitality (adding 2,800 jobs), and Retail Trade (adding 2,400 jobs). Together, these sectors are expected to add 17,400 new jobs or 76% of employment growth in Lane County.

Table A-12. Nonfarm employment forecast by industry in Lane County, 2006-2016

Sector / Industry	**2006**	**2016**	**Change 2006-2016 Amount**	**% Change**
Natural resources & Mining	900	900	0	0%
Construction	8,000	9,200	1,200	15%
Manufacturing	20,300	21,000	700	3%
Durable Goods	16,300	16,900	600	4%
Wood prodcut mfg.	4,700	4,500	-200	-4%
Transportation equip. mfg.	4,400	4,700	300	7%
Nondurable goods	4,000	4,100	100	3%
Transportation, & utilities	3,300	3,700	400	12%
Wholesale trade	5,900	6,500	600	10%
Retail trade	**19,700**	**22,100**	**2,400**	**12%**
Information	3,700	4,100	400	11%
Financial activities	8,300	9,300	1,000	12%
Professional & business srv.	**16,100**	**19,100**	**3,000**	**19%**
Administrative & support srv.	8,200	9,700	1,500	18%
Education	1,500	1,900	400	27%
Health care & social assist.	**18,100**	**23,700**	**5,600**	**31%**
Health care	15,400	20,500	5,100	33%
Leisure & hospitality	**14,200**	**17,000**	**2,800**	**20%**
Accommodation & food srv.	12,100	14,300	2,200	18%
Food srv. & drinking places	10,700	12,700	2,000	19%
Other srv.	5,100	5,700	600	12%
Government	**28,400**	**32,000**	**3,600**	**13%**
Federal government	1,800	1,700	-100	-6%
State government	11,300	13,200	1,900	17%
State education	8,700	10,200	1,500	17%
Local government	15,400	17,100	1,700	11%
Local education	8,600	9,300	700	8%
Total nonfarm employment	**153,400**	**176,100**	**22,700**	**15%**

Source: Oregon Employment Department. Employment Projections by Industry 2004-2014. Projections summarized by ECONorthwest.

Factors Affecting Future Economic Growth in Junction City

Appendix B

This appendix presents a detailed analysis consistent with the requirements of OAR 660-009-0015(4) of Junction City's competitive advantage relative to the Eugene-Springfield area, Lane County, Willamette Valley, and Oregon. The information presented in this appendix is summarized in Chapter 3.

Each economic region has different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all areas have these factors to some degree, the mix and condition of these factors vary. The mix and condition of productive factors may allow firms in a region to produce goods and services more cheaply, or to generate more revenue, than firms in other regions.

By affecting the cost of production and marketing, competitive advantages affect the pattern of economic development in a region relative to other regions. Goal 9 and OAR 660-009-0015(4) recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production.[62] An analysis of competitive advantage depends on the geographic areas being compared. In general, economic conditions in Junction City will be largely shaped by national and regional economic conditions affecting the Willamette Valley. Chapter 2 and Appendix A present trends and forecasts of conditions in Oregon and Junction City to help establish the context for economic development in Junction City. Local economic factors will help determine the amount and type of development in Junction City relative to other communities in Oregon.

This appendix focuses on the competitive advantages of Junction City relative to the Southern Willamette Valley and the rest of Oregon. The implications of the factors that contribute to Junction City's competitive advantage are discussed at the end of this chapter.

[62] OAR 660-009-0015(4) requires assessment of the "community economic development potential." This assessment must consider economic advantages and disadvantages—or what Goal 9 broadly considers "competitive advantages."

LOCATION

Junction City is a city with a population of approximately 5,135 people in 2007, located in the Southern Willamette Valley. Interstate 5 runs to the east of Junction City and Highway 99 runs north-south through Junction City. Junction City's location will continue to impact Junction City's future economic development.

- Junction City is located about 10 miles north of Eugene, which had a population of nearly 153,700 people in 2007. The Eugene-Springfield Metropolitan Statistical Area (MSA), which includes all of Lane County, had more than 343,000 people in 2007, accounting for 9% of Oregon's population. Junction City is also located about 25 miles south of Corvallis, which had a population of nearly 54,900 in 2007.

- Junction City has access to the State's highway system and other transportation opportunities. Highway 99 is the main north-south route through Junction City. Interstate 5 runs to the east of Junction City and is accessible to the south through Eugene via the Belt Line Highway, and to the north through Halsey via Highway 228. Residents and businesses in Junction City can access other modes of transportation in Eugene, including the Eugene Airport, Greyhound bus service, and passenger rail service.

- Residents of Junction City have easy access to shopping, cultural activities, indoor and outdoor recreational activities, and other amenities in Junction City, Eugene, Springfield, and rural Lane County.

- Junction City residents have several nearby opportunities for post-secondary education: the University of Oregon, Lane Community College, Pacific University, Northwest Christian College, and Gutenberg College. Junction City residents also have access to post-secondary institutions in or near Corvallis: Oregon State University and Linn-Benton Community College.

Junction City's proximity to Eugene, access to Highway 99, and proximity to Eugene are primary competitive advantages for economic development in Junction City.

BUYING POWER OF MARKETS

The buying power of Junction City and Lane County forms part of Junction City's competitive advantage by providing a market for goods and services. Table B-1 shows average household expenditures for common purchases in Oregon, Lane County, and Junction City in 2007. Junction City's households spend an average of $41,035 on commonly purchased items. Junction City's households spent less than the regional and state averages, with about 93% of the $44,331 average expenditures for all households in Lane County and 86% of statewide average household expenditures.

Table B-1. Average household expenditures, Oregon, Lane County, and Junction City 2007

	Oregon		Lane County		Junction City	
	$ per Household	% of total	$ per Household	% of total	$ per Household	% of total
Transportation	$9,645	20%	$8,930	20%	$8,328	20%
Shelter	$9,263	19%	$8,548	19%	$7,880	19%
Food and Beverages	$7,405	15%	$6,903	16%	$6,468	16%
Utilities	$3,394	7%	$3,188	7%	$3,029	7%
Health Care	$2,978	6%	$2,807	6%	$2,665	6%
Entertainment	$2,681	6%	$2,469	6%	$2,278	6%
Apparel	$2,300	5%	$2,121	5%	$1,953	5%
Household Furnishings & Equip.	$2,092	4%	$1,912	4%	$1,738	4%
Contributions	$1,767	4%	$1,601	4%	$1,409	3%
Household Operations	$1,696	4%	$1,534	3%	$1,373	3%
Gifts	$1,263	3%	$1,150	3%	$1,022	2%
Education	$1,128	2%	$1,017	2%	$884	2%
Miscellaneous Expenses	$809	2%	$756	2%	$712	2%
Personal Care	$698	1%	$647	1%	$601	1%
Personal Insurance	$486	1%	$441	1%	$393	1%
Tobacco	$321	1%	$307	1%	$302	1%
Reading	$158	0%	$147	0%	$135	0%
Total	**$47,926**	**100%**	**$44,331**	**100%**	**$41,035**	**100%**

Source: Oregon Prospector

Businesses located in Junction City may benefit from Junction City's proximity to nearby cities by capturing expenditures from households in Eugene, Springfield, Harrisburg, Monroe, or other areas. The types of expenditures that Junction City is most likely to capture are for purchases that are unique to Junction City, such as activity generated by the Scandinavian Festival.

AVAILABILITY OF TRANSPORTATION FACILITIES

Businesses and residents in Junction City have access to a variety of modes of transportation: automotive (Highway 99, Interstate 5, and local

roads); rail (Union Pacific and Amtrak); transit (LTD); and air (Eugene Airport).

Junction City has automotive access for commuting and freight movement along Highway 99. Junction City is located about 10 miles from Interstate 5, the primary north-south transportation corridor on the West Coast, linking Junction City to domestic markets in the United States and international markets visa West Coast ports. The Harrisburg I-5 interchange is a rural interchange and has limited capacity to accommodate automotive traffic and freight shipping. Junction City has developed along Highway 99, connecting Junction City to Eugene and Springfield to the south.

Other transportation options in Junction City are:

- **Rail.** Multiple Union Pacific rail lines serve Lane County, providing freight service. The primary junction in Eugene is located in northwest Eugene on Bethel Drive, about 11 miles from Junction City. Passenger rail service (Amtrak) is also available in Eugene on Willamette Street.

- **Transit.** The Lane Transit District (LTD) provides limited transit service to the Junction City. LTD bus route 95 runs from Eugene Station to Junction City and makes several stops before returning to Eugene Station. Route 95 runs eight times per day during the week at times convenient to commuters and twice on Saturdays.

- **Air.** The Eugene Airport provides both passenger and freight service for Lane County residents. The airport is the second busiest in the state, and the fifth largest in the Pacific Northwest. The airport is served by five commercial airlines, and is the primary airport for a six county region. Junction City is only about 6 miles from the airport, providing unusually easy access to a major airport for a city of its size.

Junction City's access to transportation has both advantages and disadvantages that will affect the overall type of employment and its growth for the region.

Junction City's transportation access provides the City with competitive advantages for attracting some businesses. Junction City's location along Highway 99 gives the City access to workers throughout the region and provides opportunities for freight shipment along Highway 99, primarily for products that are shipped within the southern and mid-Willamette Valley, such as wood products.

In addition, businesses in Junction City have access to rail transportation, which may be important for businesses that ship bulky or heavy products that do not need to be shipped fast. Access to rail transportation within Junction City varies, depending on the location of the site and the logistics of building a rail spur to unserviced sites.

Junction City is located closer to the Eugene Airport than most locations within the Eugene-Springfield area. This proximity would be more important for businesses that depend on access to air transportation, such as business services or corporate headquarters.

Junction City's access to I-5 is a competitive disadvantage for businesses that depend on quick, easy access to the Interstate. These businesses include warehousing and distribution firms or firms that ship large amounts of freight by truck. Firms that require easy access to I-5 may choose not to locate in Junction City.

PUBLIC FACILITIES AND SERVICES

Provision of public facilities and services can impact a firm's decision on location within a region but ECO's past research has shown that businesses make locational decisions primarily based on factors that are similar with a region. These factors are: the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region.

Once a business has chosen to locate within a region, they consider the factors that local governments can most directly affect: tax rates, the cost and quality of public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest affect on the level and type of economic development in the community.

TAX POLICY

The tax policy of a jurisdiction is a consideration in economic development policy. Table B-2 shows that Junction City's property tax rate is between $14.70 and $15.01 per $1,000 of assessed value, compared with a state average of $15.20.

Table B-2. Property tax rate per $1,000 assessed value for Oregon, Lane County, and Junction City, 2007.

	Tax Rate (per $1,000 assessed value)
Oregon	$15.20
Lane County	$15.47
Junction City	$14.70 - $15.01

Source: Oregon Department of Revenue

WATER

The City obtains all of its water from groundwater sources (wells), which can produce a maximum of 2.95 million gallons per day (mgd). There are, however, concerns about the quality of some of the water sources, primarily from elevated nitrate levels. The use of some wells in the Junction City area is restricted because of nitrate levels that exceed the State Health Divisions' standards for drinking water.

The City is in the process of upgrading its water system by 2013, at a cost of $30 million. When completed, the City will have the ability to produce a maximum of 5 mgd of potable water. The Prison and Hospital are expected to require about 360,000 gallons per day. Water system upgrades include upgrading the water distribution and storage systems. The City plans to implement a new user fee system to encourage conservation of water.

The City will need to continue to improve its water system following this improvement program. For example, it will continue to need to replace antiquated portions of the distribution system, as well as to replace mechanical components that are at the end of their useful lives. Additional storage and an expansion of the water treatment plant may be required.

WASTEWATER

The existing wastewater collection and conveyance facilities are largely capable of conveying the existing peak flows to the City's wastewater treatment plant. The City's wastewater treatment plan (WWTP) was built in 1968. The existing wastewater treatment plant is capable of treating the organic loading from a service population of about 6900 people, assuming no commercial or industrial activity.[63] Junction City currently has 5,300

[63] The estimate of 6,900 people is based on the following assumptions: 46 acres of lagoons x 30 ppd/acre = 1380 ppd capacity. 1380 ppd/0.2 ppd/capita/day = 6,900 people.

residents.). In addition to the domestic flows to the WWTP, the City also has significant commercial and industrial loads. The City is now undertaking a process to try to identify and quantify these large users. It is believed that the largest industrial user is the DariMart Creamery. While the flows from the City's commercial and industrial users are relatively small, the loadings contributed to the WWTP are not. At times, the organic loading from the industrial and commercial users exceeds that of the rest of the community.

The current wastewater treatment plan is sized for an average influent flow of about 0.65 million gallons per day (mgd). The current WWTP is not capable treating all of the waste stream to DEQ's basin standards and the City is under a Mutual Agreement and Order with the State to make needed improvements to the facilities.

Flows to the WWTP are influenced to a very high degree by infiltration and inflow (I/I) contributions. Flows to the WWTP in the late summer and fall typically remain in the range of dry weather flows until the groundwater table rises to above the level of the gravity sewer collection system piping. Once this occurs, flows to the WWTP increase by a factor of at least two or three fold. Flows to the WWTP continue to remain elevated late into the spring and well after the winter rains end until the groundwater table drops. Dry weather flows (May 1-October 31) to the WWTP typically average in the range of about 0.80 mgd.

The WWTP discharges treated effluent during the winter months (November – April) to Flat Creek, a valley floor stream with a seasonal flow regime. During the summer months a limited amount of treated effluent is land applied on the City owned agricultural lands adjacent to the WWTP.

Flows and loads to the WWTP exceed its capacity. Major problems with the current treatment and disposal program include an inadequate receiving stream for the flows and mass loads, organic loads in excess of what the WWTP can reasonably treat and inadequate hydraulic storage capacity. The City is planning to correct these deficiencies and recognizes the need to make improvements to the facilities. The City is presently under a Mutual Agreement and Order with the Oregon DEQ to make the required improvements.

Junction City is in the process of updating the City's Wastewater Facilities Plan. The upgrades are required for the City to be able to provide wastewater service for the State Prison and Hospital. Proposed upgrades to the wastewater system are expected to be completed by 2013, at a cost

of approximately $40 million. The wastewater system will have the following upgrades:

- Extension of gravity sewer service south from town to the prison/hospital site
- Improvements to the 3rd and Maple pump station
- Construction of a new force main from the 3rd and Maple pump station to the wastewater treatment plant site
- Improvement to other City pump stations
- Expansion of the existing wastewater treatment plant or construction of a new wastewater treatment plant at the site of the existing plant
- Construction of an effluent disposal pipeline to the Long Tom River.
- The new wastewater treatment plant will have a design year average day annual capacity of 2.74 mgd and a peak week capacity of 6.60 mgd. The projected flows from the prison/hospital are 0.36 mgd.

When these improvements are complete, the City will have completed a major infrastructure program. The sewerage system will then be sized to accommodate the growth projected within the study period and as will be outlined in the Facilities Plan. The wastewater facilities that are not easily expanded incrementally (e.g., gravity sewers, force mains, and effluent pipelines) will be designed to serve the City's existing population and businesses, the Prison and Hospital, and growth expected over the 20-year period. The City will continue to need to perform wastewater system upgrades, such as replacing the original 1948 wastewater collection system. Most of this piping is scheduled to be replaced during the next 20 years.

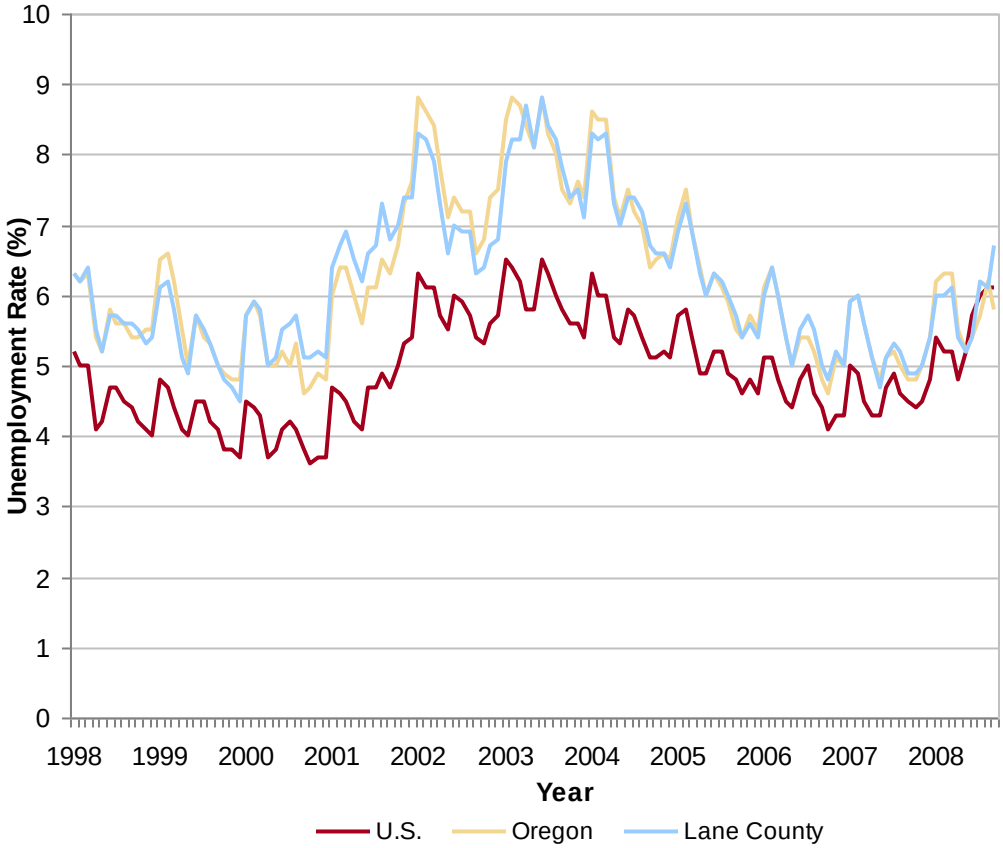
LABOR MARKET FACTORS

The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well. This section examines the availability of workers for Junction City.

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. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2000 Census, Lane County has 166,216 people in its labor force, with 1.4% of the County's labor force located in Junction City (2,253 participants in the labor force).

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Labor force data from the Oregon Employment Department shows that unemployment in Lane County 6.7% in September 2008, higher than the State average of 5.8%. Figure B-1 shows the unemployment rate for Lane County, Oregon, and the United States for the past decade. During this period, Lane County's unemployment has been very similar to the statewide unemployment rate. The County and State unemployment rates have been consistently higher than the national average, but the difference has decreased in recent years.

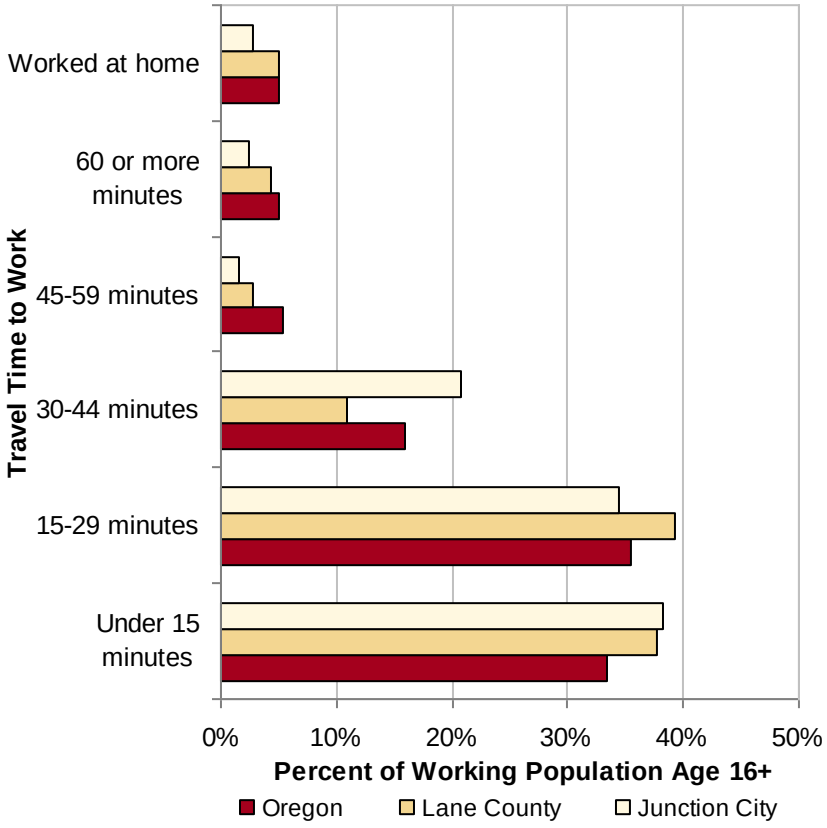
Figure B-1. Unemployment rates for Lane County, Oregon, and the U.S., January 1998 to September 2008



Source: Bureau of Labor Statistics
Note: unemployment data is not seasonally adjusted

Another important factor in the labor force is the distance that workers are willing to commute. Figure B-2 shows a comparison of the commute time to work for residents 16 years and older for Oregon, Lane County, and Junction City in 2008. Junction City residents were more likely to have a commute of between 30 and 44 minutes than residents of the State or County. About 21% of Junction City residents commute 30 to 44 minutes, compared with the 16% of State residents and 11% of County residents.

Figure B-2. Commuting time to work in minutes for residents 16 years and older, Oregon, Lane County, and Junction City, 2008



Source: Claritas 2008

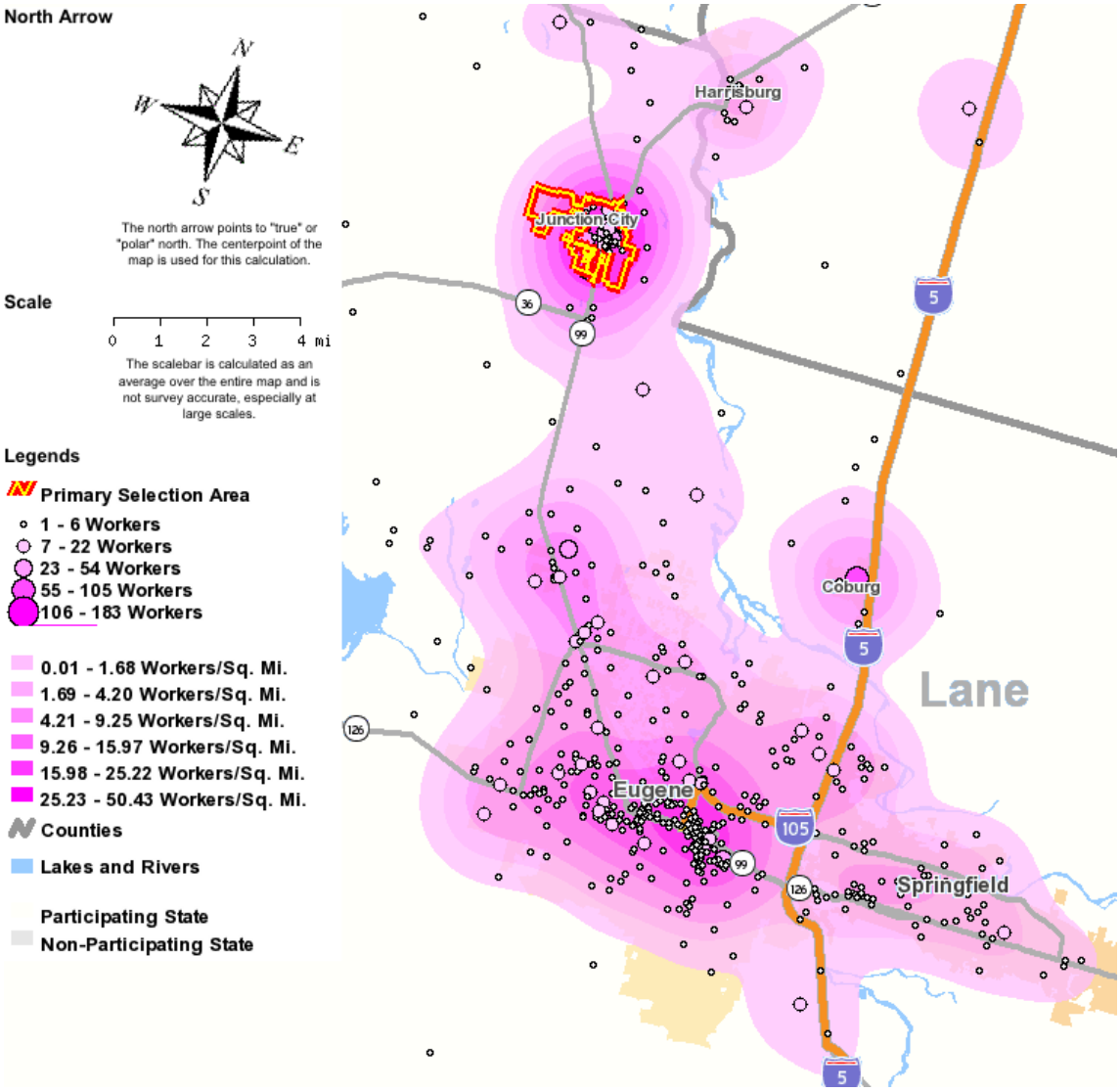
Figure B-3 and Table B-3 show where residents of Junction City worked in 2006. Figure B-3 and Table B-3 show that 78% of Junction City's residents were employed in Lane County, with 37% of Junction City's residents working in Eugene or Springfield and 23% working in Junction City. About 9% of Junction City's residents commuted to Linn or Benton Counties and 13% commuted to other locations.

Table B-3. Places that residents of Junction City were employed, 2006

Location	Number	Percent
Lane County	1,780	78%
Eugene	715	31%
Junction City	529	23%
Springfield	130	6%
Coburg	62	3%
Linn County	132	6%
Benton County	68	3%
Other Locations	291	13%
Total	**2,271**	**100%**

Source: U.S. Census Bureau: LED on the Map

Figure B-3. Places that residents of Junction City were employed, 2006



Source: U.S. Census Bureau: LED on the Map

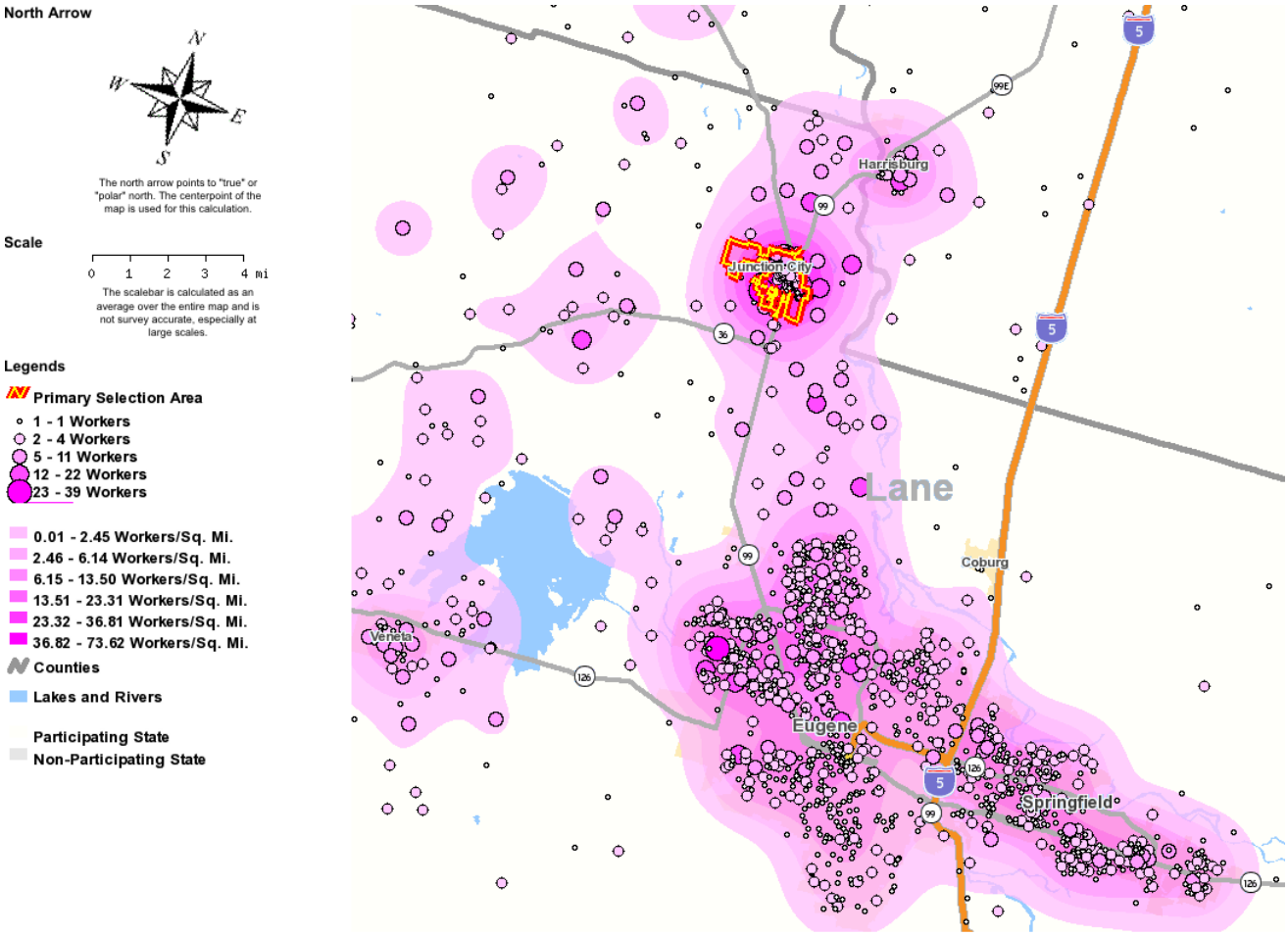
Figure B-4 and Table B-4 show where employees of firms located in Junction City lived in 2006. Eighty-two percent of Junction City's workers lived in Lane County. Twenty-seven percent lived in Eugene, 13% lived in Junction City, and 11% lived in Springfield. Very few workers lived in other cities in Lane County, though 40% of Junction City's workers in Lane County lived outside of Junction City, Eugene, and Springfield, signifying a large number of workers living in unincorporated areas of Lane County. Twenty-one percent of Junction City's workers lived outside of Lane County.

Table B-4. Places where workers in Junction City lived, 2006

Location	Number	Percent
Lane County	3,284	82%
Eugene	1,074	27%
Junction City	529	13%
Springfield	425	11%
Linn County	386	10%
Benton County	163	4%
Other Locations	191	5%
Total	**4,024**	**100%**

Source: U.S. Census Bureau: LED on the Map

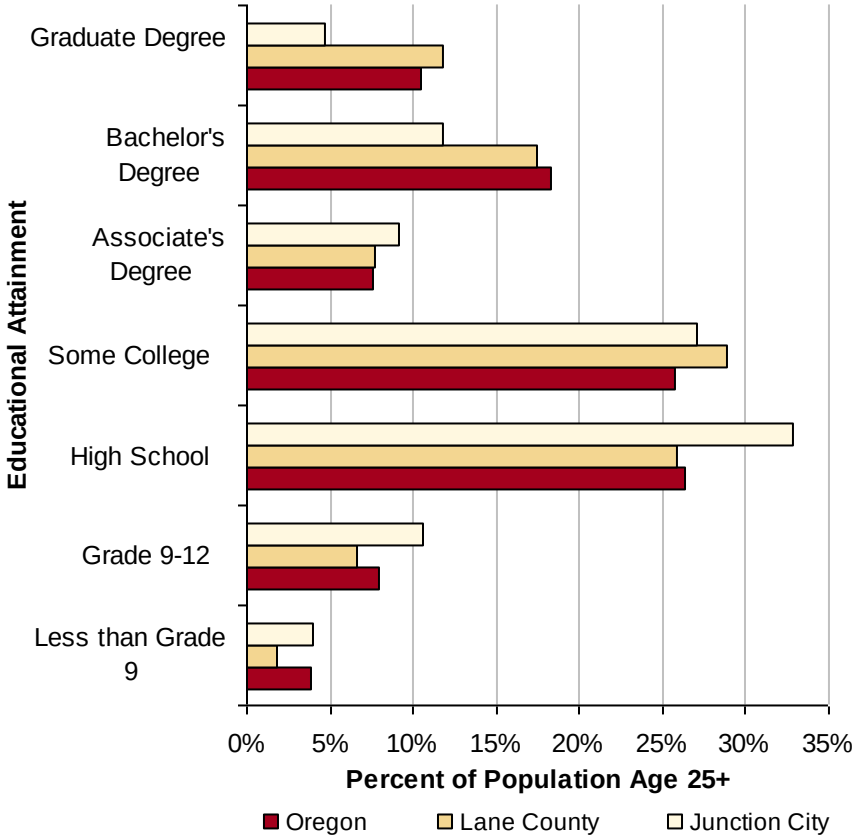
Figure B-4. Places where workers in Junction City lived, 2006



Source: U.S. Census Bureau: LED on the Map

Educational attainment is an important labor force factor because firms need to be able to find educated workers. Figure B-5 shows the share of population by education level completed in Oregon, Lane County, and Junction City in 2007. About 26% of Junction City's residents had an associate's degree or higher, compared with 37% of Lane County residents and 36% of Oregonians.

Figure B-5. Educational attainment for the population 25 years and over, Oregon, Lane County, and Junction City, 2007



Source: OregonProspector.com

Opportunities for workforce training and post-secondary education for residents of Lane County include: the University of Oregon, Lane Community College, Pacific University, Northwest Christian College, and Gutenberg College. Junction City residents also have access to post-secondary institutions in or near Corvallis: Oregon State University and Linn-Benton Community College.

Table B-5 shows changes in ethnicity Oregon, Lane County, and Junction City in 1990, 2000, and 2008. This table shows that Junction City had a larger share of Hispanic or Latino residents than Lane County in 2000, with 8.3% compared to the County average of 4.6%. Between 1990 and 2000, Junction City's Hispanic and Latino population grew by 436% (318 people), compared with growth in the Hispanic and Latino population of 117% in Lane County and 144% in Oregon.

In 2008, Hispanic residents accounted for 10.6% of Oregon's population and 6.1% of Lane County's population. Junction City's Hispanic population grew by 59% between 2000 and 2008, slowing from the rate of the previous decade.

Table B-5. Changes in ethnicity, Oregon, Lane County, and Junction City, 1990, 2000, and 2008

	Oregon	Lane County	Junction City
1990			
Total Population	2,842,321	282,912	3,670
Hispanic or Latino	112,707	6,852	73
Percent Hispanic or Latino	4.0%	2.4%	2.0%
2000			
Total Population	3,421,399	322,959	4,721
Hispanic or Latino	275,314	14,874	391
Percent Hispanic or Latino	8.0%	4.6%	8.3%
2008			
Total Population	3,772,854	343,961	4,902
Hispanic or Latino	400,435	20,941	623
Percent Hispanic or Latino	10.6%	6.1%	12.7%
Change 1990-2000			
Hispanic or Latino	162,607	8,022	318
Percent Hispanic or Latino	144%	117%	436%
Change 2000-2008			
Hispanic or Latino	125,121	6,067	232
Percent Hispanic or Latino	45%	41%	59%

Source: U.S. Census 1990 and 2000, Claritas 2008

Commuting is common in Junction City. Thirty-one percent of the people who live in Junction commute to Eugene for work. Less than one out of every seven of Junction City's workers live in Junction City. The implication of this workforce analysis is that, while only one-seventh of Junction City's workforce lives within the City, Junction City is able to attract workers from Eugene, Springfield, and surrounding areas in Lane county.

It does not appear that workforce will be a constraint on employment growth in Junction City. Junction City should be able to continue to draw on residents of Eugene for workers, even if energy prices continue to rise but Junction City's ability to attract workers from outside of the Eugene-Springfield area may be negatively impacted by continued increases in energy prices.

Appendix C Employment Forecast and Site Needs for Industrial and other Employment Uses

This appendix presents a detailed analysis of Junction City's site needs consistent with the requirements of OAR 660-009-0015(2) and of OAR 660-009-0025(1). This appendix includes an employment forecast and an analysis of site needs to accommodate industrial and other employment uses in Junction City for the 2009 to 2029 period. The information presented in this appendix is summarized in Chapter 4.

EMPLOYMENT FORECAST

To provide for an adequate supply of commercial and industrial sites consistent with plan policies, Junction City needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Goal 9 requires cities identify "the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses." The number of needed sites is dependent on the site requirements of employers. The estimate of land need is presented in the site needs analysis in the next section.

Demand for commercial and industrial land will be driven by development of the State prison and hospital and the expansion and relocation of existing businesses and new businesses locating in Junction City. The level of this business expansion activity can be measured by employment growth in Junction City. This section presents a projection of future employment levels in Junction City for the purpose of estimating demand for commercial and industrial land.

The projection of employment has three major steps:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Junction City's UGB presented in Chapter 3. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in Junction City.

2. **Project total employment.** The projection of total employment will be calculated using the safe harbor method suggested in OAR 660-024.

3. **Allocate employment.** This step involves allocating employment to different building types, based on similar requirements for built space.

EMPLOYMENT BASE FOR PROJECTION

To forecast employment growth in Junction City, we must start with a base of employment growth on which to forecast. Table C-1 shows ECO's estimate of total employment in the Junction City UGB in 2006. To develop the figures, ECO started with estimated covered employment in the Junction City UGB from confidential QCEW (Quarterly Census of Employment and Wages) data provided by the Lane Council of Governments and the Oregon Employment Department.

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 74% of total employment reported by the U.S. Department of Commerce. We made this comparison by sector for Lane County and used the resulting ratios to convert covered employment to total employment in Junction City. Table C-1 shows Junction City had an estimated 4,779 employees within its UGB in 2006.

Table C-1. Estimated total employment in the Junction City UGB by sector, 2006

	Covered Employment		Estimated Total
Sector	Number	% of Total Emp.	Employment
Agriculture, Forestry, Fishing, & Mining	5	71%	7
Construction	39	65%	60
Manufacturing	2,154	99%	2,183
Wholesale Trade	29	85%	34
Retail	766	79%	972
Transportation & Warehousing & Utilities	44	70%	63
Finance & Insurance	57	66%	86
Real Estate & Rental & Leasing	29	33%	88
Professional, Scientific, & Technical Services	59	52%	113
Management of Companies & Administrative & Support Srv.	89	79%	113
Health Care & Social Assistance & Private Education	176	72%	246
Leisure Services	170	78%	219
Other Services	116	48%	240
Government	290	82%	355
Total	**4,023**	**84%**	**4,779**

Source: 2006 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department. Covered employment as a percent of total employment calculated by ECONorthwest using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department (covered).

EMPLOYMENT PROJECTION

Table C-1 presents an estimate of total employment in Junction City's UGB in 2006, 4,779 employees. Since 2006, Junction City's employment

base has changed substantially, with lay-offs at Country Coach. In addition, Junction City's economy will be changed by development of the State Prison and Hospital, construction on both of which will be completed by 2015.

Table C-2 presents a forecast of employment in Junction City for the 2009 to 2029 period. We have made the following adjustments in the employment base:

- Decreased employment by of 1,500 employees to account for expected changes at Country Coach
- Added 1,800 employees between 2012 and 2014 with completion of the Minimum Security Prison, State Hospital, and Medium Security Prison

OAR 660-024-0040 (8) (a) (A) allows the City to determine employment land needs based on "The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department." Junction City is part of Region 5, which includes all of Lane County. Based on this safe harbor, the employment forecast in Table C-2 assumes that employment in Junction City will grow at 1.4% annually between 2009 to 2029, in addition to the adjustments described above.

Table C-2 shows the result of applying this growth rate to the total employment base of 4,913 employees in Junction City in 2008. Table C-2 shows that employment is forecast to grow by 3,345 employees (a 96% increase) between 2009 and 2029.

Table C-2. Employment growth in Junction City's UGB, 2009-2029

Year	Total Employment
2008	4,913
2009	3,481
2012	3,828
2013	4,981
2014	5,550
2029	6,826
Change 2009 to 2029	
Employees	3,345
Percent	96%
AAGR	3.4%

Source: ECONorthwest

Junction City's coordinated adopted population forecast is for 13,136 people in 2030, which includes 2,170 people in group quarters in the State Hospital and Prison (not included in the City's requested forecast).

ALLOCATE EMPLOYMENT TO DIFFERENT BUILDING TYPES

The next step in the employment forecast is to allocate future employment to building type, as described in Table A-8 in Appendix A. The allocation was done by grouping employment into building types with similar building and site requirements. For example, the following service sectors were grouped together into the "office" building type because they need similar types of built space with similar site requirements: information, finance, real estate, professional services, management of companies, administrative support, utilities, arts and entertainment, and other services.

Table C-3 shows the forecast of employment growth by building type in Junction City's UGB in from 2009 to 2029. The forecast projects growth in all building types but projects the greatest growth in industrial and other services.

Table C-3. Forecast of employment growth in by building type, Junction City UGB, 2009–2029

	2009		2029		Change 2009 to 2029
Building Type	**Employment**	**% of Total**	**Employment**	**% of Total**	
Industrial					
Industrial	946	27%	1,365	20%	419
Commercial					
Office	418	12%	683	10%	265
Retail	1,241	36%	1,707	25%	466
Other Services	506	15%	819	12%	313
Government	370	11%	2,253	33%	1,883
Total	**3,481**	**100%**	**6,826**	**100%**	**3,345**

Source: ECONorthwest
Note: Blue shading denotes an assumption by ECONorthwest

Table C-3 shows that Junction City's economy will undergo a fundamental shift over the 20-year period. In 2006, about 49% of employment was in industrial and about 7% in government. The lay-offs at Country Coach (about 1,500 employees) and development of the State prison and hospital will bring approximately 1,800 jobs to Junction City, changing the distribution of employment in the City. The forecast in Table C-3 assumes that employment in industrial will grow by about 419 employees over the twenty-year period, based in part on the City's economic development objective of attracting industrial firms.

The greatest uncertainty about the forecast in Table C-3 is how the RV industry will change in response to the downturn in the economy that started in 2008 and potential long-term increases in energy prices. RV manufacturing accounted for about two-thirds of industrial employment

in Junction City in 2006. In particular, Country Coach's future is uncertain but City staff expects Country Coach will continue to employ about 100 people, based on media reports and conversations with Country Coach management. The forecast in Table C-3 does not project additional substantial change in the amount of employment in RV manufacturing over the 20-year period but does project that other industrial employment will grow in Junction City. Additional big changes in the amount of employment in RV manufacturing would have a substantial impact of employment growth in Junction City.

It is worth noting that the employment projections in this appendix do not take into account a major jump in employment that could result from the unforeseen location of one or more large employers in the community during the planning period. This could take place if the City were successful in its recruitment efforts, either on its own or in conjunction with the Governor's Initiative to bring new industry to the State. The State prison and hospital are examples of such events. Such a major change in the community's employment would essentially be over and above the growth anticipated by the City's employment forecast and the 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 very difficult to include in a study of this nature. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

Table C-4 shows the forecast of employment growth by building type in Junction City's UGB in from 2009 to 2029. The forecast projects growth in all building types but projects the greatest growth in industrial and other services.

Table C-4. Forecast of employment growth in by building type, Junction City UGB, 2009 to 2029

Type	2009	2029	Change 2009 to 2029
Industrial			
Industrial	946	1,365	419
Commercial			
Office	418	683	265
Retail	1,241	1,707	466
Other Services	506	819	313
Government	370	2,253	1,883
Total	**3,481**	**6,826**	**3,345**

Source: ECONorthwest

SITE NEEDS

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

Firms wanting to expand or locate in Junction City will be looking for a variety of site and building characteristics, depending on the industry and specific circumstances. Previous research conducted by ECO has found that while there are always specific criteria that are industry-dependent and firm-specific, many firms share at least a few common site criteria. In general, all firms need sites that are relatively flat, free of natural or regulatory constraints on development, with good transportation access and adequate public services. The exact amount, quality, and relative importance of these factors vary among different types of firms. This section discusses the site requirements for firms in industries with growth potential in the Eugene-Springfield Region, as indicated by the Oregon Employment Department forecast shown in Table A-13.

FACTORS THAT AFFECT LOCATIONAL DECISIONS

Why do firms locate where they do? There is no single answer—different firms choose their locations for different reasons. Key determinates 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 and increasingly the most important factor of production. Other things equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases the costs by requiring either

more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of the less productive labor that is available locally. Based on existing commuting patterns, Junction City has access to labor from the Eugene-Springfield Region.

- **Land.** Demand for land depends on the type of firm. Manufacturing firms need more space and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms 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 the market, and they rely on access to different modes of transportation to do this. Junction City's location along Highway 99 provides the City with advantages to businesses that need access to a state highway and easy access to both Eugene and Corvallis. In addition, the City's access to rail and air transportation provide advantages that may appeal to firms that use these methods of transportation. The City's access to I-5 is a disadvantage for attracting firms that need to ship large volumes of freight by truck.

- **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources: lumber manufacturing requires trees. Or, farther down the line, firms may need intermediate materials: for example, dimensioned lumber to build manufactured housing.

- **Entrepreneurship**. This input to production may be thought of as good management, or even 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.

The supply, cost, and quality of any of these factors obviously 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.** Regulations protect the health and safety of a community and help maintain the quality of life. Overly burdensome regulations, however, can be a disincentive 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. Studies show that tax rates are not a primary location factor within a region—they matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The cost of these production factors is 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. Studies have shown that most types of financial incentives have had little significant effect on firm location between regions. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions. Incentives are more effective at redirecting growth within a region than they are at providing a competitive advantage between regions.

This discussion may suggest that a location decision is based entirely on a straight-forward 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. Innovation affects both the overall level and type of economic development in a region. Government can 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.

Table C-5 provides a summary of production factors in Junction City as well as comments on local opportunities and constraints. It also discusses implications of each factor for future economic development in Junction City.

Table C-5. Summary of production factors and their implications for Junction City

Category	Opportunities	Challenges	Implications
Labor	• Access to labor from the across the Eugene-Springfield Region • Workforce development through Lane Community College programs	• Existing workforce is less educated than regional averages • Potential difficulty in finding dependable labor for manufacturing jobs	The City has access to labor from the region. Commuting patterns may be negatively impacted by increases in energy prices.
Land	• Opportunities for development along Highway 99 • Proximity to agricultural activities	• Distance from I-5 • Short-term availability	Firms that prefer large, undeveloped parcels near the Interstate are unlikely to locate in Junction City, such as warehousing and distribution or manufacturers that require freight access.
Local infrastructure	• Location along Highway 99 and availability of freight shipping by rail • Opportunities for transportation via transit, bicycle, and pedestrian • Increases in the capacity of water and wastewater systems resulting from development of the State Prison and Hospital	• Cost of providing additional infrastructure	Once the infrastructure for the new prison is developed, Junction City has sufficient local infrastructure to attract and retain businesses.
Access to markets	• Location along Highway 99 and availability of freight shipping by rail • Access to the Port of Portland via rail • Proximity to Eugene Airport for transportation of people and small quantities of goods	• Distance from I-5	Junction City's highway and rail access is sufficient to attract firms that need access to markets via state highways. Junction City is relatively unlikely to attract firms that need to move large quantities of freight via trucks on I-5.

Category	Opportunities	Challenges	Implications
Materials	• Proximity to natural resources (e.g., timber or agricultural products) • Access to multiple rail lines	• Cost of shipping raw and finished products	Junction City may be attractive to manufacturers that need access to natural resources. However, firms dependent on highway access to transport large quantities of materials may not locate in Junction City.
Entrepreneur-ship	• The City's Revolving Loan Program, which is available to businesses within the Junction City UGB • Access to the University of Oregon and Lane Community College	• Distance from the University of Oregon • Junction City's image as having a "blue collar" business environment.	Junction City may be attractive to entrepreneurs who value the City's quality of life attributes, access to outdoor recreation, and other locational attributes. Junction City has opportunities to encourage entrepreneurship through continued improvement of the City's image and through attracting more professional jobs, possibly those associated with the State prison or hospital
Regulation	• Pro-business attitudes among City officials and leaders		The City has the opportunity to develop a regulatory framework that can promote economic activity through economic development policies, plans for providing infrastructure, and provision of a variety of housing types.
Taxes	• Property taxes are lower than Eugene		Junction City needs revenue sources for providing public services and infrastructure, just as other cities do. The City has options about how to raise these funds: through property taxes, development fees, and other fees to taxes.
Industry clusters	• Potential for development of a cluster of agricultural-related businesses • Potential for development of a social service cluster related to the State Prison and Hospital	• Uncertainty about RV manufacturing • Distance from regional clusters, such as the medical cluster that is forming at River Bend or the call center cluster in Eugene and Springfield	

Category	Opportunities	Challenges	Implications
Quality of life	• High quality of life, including access to recreation, proximity to cultural amenities in Eugene, regional shopping opportunities and environmental quality	• Growth management challenges, such as balancing development with protection of environmental quality	Junction City's policy choices will affect the City's quality of life, such as decisions regarding development of natural areas, housing policies, or policies that lead to redevelopment of downtown.
Innovative capacity	• Educated regional workforce • Proximity to the University of Oregon and Lane Community College • Existing regional businesses, clusters, and innovators	• Attracting and retaining good workers in the region • Availability of higher-end housing and cultural amenities to attract creative class workers	Government can 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.

CHARACTERISTICS OF SITES NEEDED TO ACCOMMODATE EMPLOYMENT GROWTH

Table C-6 summarizes the lot sizes typically needed for firms in selected industries. The emphasis in Table C-6 is on new large firms that have the most potential to generate employment growth. For example, while the number of convenience stores in the region is likely to grow, the site needs for these stores is not included in Table C-6 because they are unlikely to generate substantial employment growth. Large food stores, which are typically 50,000 to 100,000 sq. ft. in size, are more likely to generate substantial employment growth in the region, and these stores require sites of 5 to 10 acres.

Table C-6. Typical lot size requirements for firms in selected industries

Industry	Lot Size (acres)
Manufacturing	
Printing & Publishing	5 - 10
Stone, Clay & Glass	10 - 20
Fabricated Metals	10 - 20
Industrial Machinery	10 - 20
Electronics - Fab Plants	50 - 100
Electronics - Other	10 - 30
Transportation Equipment	10 - 30
Transportation & Wholesale Trade	
Trucking & Warehousing	varies
Retail Trade	
General Merchandise & Food Stores	5-10
Eating & Drinking Places	0.5-5
FIRE & Services	
Non-Depository Institutions	1 - 5
Business Services	1 - 5
Health Services	1 - 10
Engineering & Management	1 - 5

Source: ECONorthwest.

More specific site needs and locational issues for firms in potential growth industries include a range of issues. Table C-7 summarizes site needs and key issues related to sites in Junction City.

Table C-7. Summary of site requirements

Site Attribute	Comments
Flat sites. Flat topography (slopes with grades below 10%) is needed by almost all firms in every industry except for small Office and Commercial firms that could be accommodated in small structures built on sloped sites. Flat sites are particularly important for Industrial firms in manufacturing, trucking, and warehousing, since these firms strongly prefer to locate all of their production activity on one level with loading dock access for heavy trucks.	Sites in and around Junction City are relatively flat.
Parcel configuration and parking. Large Industrial and Commercial firms that require on-site parking or truck access are attracted to sites that offer adequate flexibility in site circulation and building layout. Parking ratios of 0.5 to 2 spaces per 1,000 square feet for Industrial and 2 to 3 spaces per 1,000 square feet for Commercial are typical ratios for these firms. In general rectangular sites are preferred, with a parcel width of at least 200-feet and length that is at least two times the width for build-to-suit sites. Parcel width of at least 400 feet is desired for flexible industrial/business park developments and the largest Commercial users.	Four of Junction City's six industrial sites larger than 10 acres are located in Junction City along Highway 99, between the two rail lines. The configuration and transportation access on these sites may make them unattractive for development.
Soil type. Soil stability and ground vibration characteristics are fairly important considerations for some highly specialized manufacturing processes, such as microchip fabrications. Otherwise soil types are not very important for Commercial, Office, or Industrial firms—provided that drainage is not a major issue.	Junction City is surrounded by hydric soils and high quality-agricultural soils. Available data suggests that hydric soils frequently indicate the presence of a wetland and that about 50% of wetland areas will be undevelopable.
Road transportation. All firms are heavily dependent upon surface transportation for efficient movement of goods, customers, and workers. Access to an adequate highway and arterial roadway network is needed for all industries. Close proximity to a highway or arterial roadway is critical for firms that generate a large volume of truck or auto trips or firms that rely on visibility from passing traffic to help generate business. This need for proximity explains much of the highway strip development prevalent in urban areas today.	Businesses in Junction City have access to Highway 99 and to I-5 via the Diamond Hill exchange which is about 10-miles away. Junction City also has a well-developed street network within the City. The City may need to work with large businesses to increase automotive capacity in newly developed areas or in areas where the intensity of employment uses increase substantially.
Rail transportation. Rail access can be very important to certain types of heavy industries. The region has good rail access to many industrial sites.	Junction City is served by Union Pacific and Burlington Northern Santa Fe rail lines.
Air transportation. Proximity to air transportation is important for some firms engaged in manufacturing, finance, or business services.	Junction City is located 6 miles from the Eugene Airport.
Transit. Transit access is most important for businesses in Health Services, which has a high density of jobs and consumer activity, and serves segments of the population without access to an automobile.	Junction City has access to transit through the Lane Transit District (LTD). LTD bus route 95 runs from Eugene Station to Junction City eight times per day during the week at times convenient to commuters and twice on Saturdays.

Site Attribute	Comments
Pedestrian and bicycle facilities. The ability for workers to access amenities and support services such as retail, banking, and recreation areas by foot or bike is increasingly important to employers, particularly those with high-wage professional jobs. The need for safe and efficient bicycle and pedestrian networks will prove their importance over time as support services and neighborhoods are developed adjacent to employment centers.	Junction City's urban core has pedestrian facilities, such as sidewalks.
Labor force. Firms are looking at reducing their workforce risk, that is, employers want to be assured of an adequate labor pool with the skills and qualities most attractive to that industry. Communities can address this concern with adequate education and training of its populace. Firms also review turnover rates, productivity levels, types and amount of skilled workers for their industry in the area, management recruitment, and other labor force issues in a potential site area.	Commuting patterns within Junction City suggest that businesses in Junction City have access to the workforce of the Eugene-Springfield Region. Firms in Junction City will need employees with a range of skills, from people with customer service skills to highly educated professionals. Some types of skills that employers may need include: prison guard training, a range of medical training, administrative and support skills, management skills, technology, manufacturing (e.g., machinist or wood-working), , creative skills, and other skills or education. The educational and skill requirements of businesses in Junction City are likely to be similar to the needs of businesses throughout the Eugene-Springfield Region.
Amenities. According to the International Economic Development Council[64], attracting and retaining skilled workers requires that firms seek out places offering a high quality of life that is vibrant and exciting for a wide range of people and lifestyles.	Junction City offers access to outdoor amenities. Many urban amenities are available in Junction City and Eugene.
Fiber optics and telephone. Most if not all industries expect access to multiple phone lines, a full range of telecommunication services, and high-speed internet communications.	Junction City has access to high-speed telecommunications facilities.
Potable water. Potable water needs range from domestic levels to 1,000,000 gallons or more per day for some manufacturing firms. However, emerging technologies are allowing manufacturers to rely on recycled water with limited on-site water storage and filter treatment. The demand for water for fire suppression also varies widely.	Junction City has sufficient potable water to meet current and expected needs.

[64] International Economic Development Council. "Economic Development Reference Guide," http://www.iedconline.org/hotlinks/SiteSel.html. 10/25/02.

Site Attribute	Comments
Power requirements. Electricity power requirements range from redundant (uninterrupted, multi-sourced supply) 115 kva to 230 kva. Average daily power demand (as measured in kilowatt hours) generally ranges from approximately 5,000 kwh for small business service operations to 30,000 kwh for very large manufacturing operations. The highest power requirements are associated with manufacturing firms, particularly fabricated metal and electronics. For comparison, the typical household requires 2,500 kwh per day.	Junction City has access to sufficient power supply to accommodate most commercial and industrial users.
Land use buffers. According to the public officials and developers/brokers ECO has interviewed, Industrial areas have operational characteristics that do not blend as well with residential land uses as they do with Office and Commercial areas. Generally, as the function of industrial use intensifies (e.g., heavy manufacturing) so to does the importance of buffering to mitigate impacts of noise, odors, traffic, and 24-hour 7-day week operations. Adequate buffers may consist of vegetation, landscaped swales, roadways, and public use parks/recreation areas. Depending upon the industrial use and site topography, site buffers range from approximately 50 to 100 feet. Selected commercial office, retail, lodging and mixed-use (e.g., apartments or office over retail) activities are becoming acceptable adjacent uses to light industrial areas.	

LONG-TERM LAND AND SITE NEEDS

Table C-3, presented earlier in this appendix, discusses Junction City's forecast for employment by building type. The analysis of long-term site needs in Junction City builds off of the employment forecast for Junction City. Consistent with the requirements of OAR 660-009-0015(2), the site needs analysis presented in this section identifies the number of sites by broad category of site type and size reasonably expected to be needed for the 20-year planning period.

The steps in to get from the employment forecast in Table C-3 to an estimate of needed sites are:

- Determine the amount of employment that can be accommodated in non-employment plan designations.

- Allocate new employment requiring land in employment designations[65] to sites ranging in size from less than 1-acre to greater than 50-acres. This allocation is based on historic employment patterns, discussed in Appendix A, and the City's economic development strategies.
- Estimate the reasonable range of sites needed based on the employment forecast, historic development patterns, the City's economic development strategies and infill and redevelopment potential.
- Estimate the needed sites by site size and building type, using the range of sites identified in the previous step.

The remainder of this section is organized based on these steps.

In 2006, approximately 12% of Junction City's employment was located in non-employment (predominantly residential) plan designations. We assumed that a similar percentage of employment would continue locating in non-employment designations.

Table C-8 shows employment growth by the employment location. Table C-8 makes two assumptions that decrease land needed for new employment:

- **Some employment growth will occur on land not designated for employment use.** Some new employment will occur outside commercial and industrial built space or land. For example, some construction contractors may work out of their homes, with no need for a shop or office space on non-residential land. Currently 12% of employment is located in residential zones. ECO assumed that this trend will continue.
- **Some employment growth will not require new commercial or industrial built space or land.** Some employment growth will be accommodated on existing developed or redeveloped land, as when an existing firm adds employees without expanding space. For example, businesses may add new cubicles to their existing office space, rather than move to a new office, resulting in an increase in use of existing office space. Typically about 10 to 15% of new employment is accommodated in existing

[65] Not all new employment will require additional land in employment zoning designations. Some employment growth will occur on land not designated for employment use (e.g., employment in residential zones) and some employment growth will not require new commercial or industrial built space or land (e.g., new employment accommodated in existing built space).

commercial or industrial built space. ECO assumed that 10% of new employment will be accommodated in existing commercial or industrial built space. The exception to this assumption is Government employment, which will have 1,800 employees on new land (at the new State Prison and Hospital). The remaining new Government employment (36 employees) may locate in existing built space.

Using these assumptions, Junction City will need to provide land for approximately 2,989 new employees between 2009 and 2029 .

Table C-8. New employment locating in non-employment plan designations, Junction City, 2029

		Employment Location		
Type	New Employment	Non-employment designtions	Existing Com. & Ind. Built Space	Employment on New Land
Employment Growth 2009 to 2029				
Industrial				
Industrial	419	0	42	377
Commercial				
Office	265	32	27	206
Retail	466	56	47	363
Other Services	313	38	31	244
Government	1,883	0	83	1,800
Total for 2009-2029	**3,345**	**126**	**230**	**2,989**

Source: ECONorthwest

Determining Junction City's site needs requires distributing employment to a range of site sizes, ranging from small sites (less than 1 acre and 1 to 2 acre sites) to large sites (20 to 50 acre and sites greater than 50 acres). Table C-9 shows the distribution of employees by building type and site size in non-residential plan designations in Junction City in 2006. About 54% of Junction City's employment is on sites 5 to 20 acres, 23% is on of less than 1-acre, and 15% is on 2 to 5-acre sites.

Table C-9. Percent of employees by building type and site sizes, Junction City, 2006

	Site Size (acres)						
Building Type	Less than 1	1 to 2	2 to 5	5 to 20	20 to 50	Greater than 50	Total Employees
Industrial	6%	2%	1%	86%	5%	0%	100%
Office	97%	2%	1%	0%	0%	0%	100%
Retail	35%	13%	52%	0%	0%	0%	100%
Other Services	81%	11%	6%	2%	0%	0%	100%
Government	100%	0%	0%	0%	0%	0%	100%
Total	**23%**	**5%**	**15%**	**54%**	**3%**	**0%**	**100%**

Source: ECONorthwest based on QCEW data

Junction City's future site needs should reflect expected changes resulting from development of the State Hospital and Prison, as well as other expected changes in the local and regional economy. Table C-10 shows Junction City's estimated site needs in 2009. The City's site needs will be different than the current distribution of employment by site size because of the siting of the State Prison and Hospital and changes in the City's economy (e.g., the decline in the RV industry) will fundamentally change Junction City's economy over the next 20-years.

The site needs in Table C-10 is based on the following considerations:

- The City's workforce will grow by approximately 3,345 workers, with 2,989 new employees locating on new employment land. About 1,800 of these employees will work at the State Prison or Hospital. Junction City will need to provide land for about 1,189 employees, in addition to the employees that will work at the State facilities.
- The majority of needed sites will be for sites two acres and smaller, the majority of which will provide opportunities for retail, office, and other services.
- The City's economic development objectives include providing industrial sites, including sites 20 acres and larger.
- The City's target industries include manufactures that will require large industrial sites, including food processing and biofuel production.
- The City wants to provide opportunity for choice of sites, especially larger sites to attract large employers that may have higher than average wages.

Table C-10 shows that Junction City needs approximately 75 sites. Most sites are small, 2-acres or less.[66] Junction City needs approximately 6 sites larger than 20-acres.

[66] Table C-10 is based on analysis first prepared in 2009. Based on the community vision process (which was anticipated at the time of adoption of the 2009 EOA as part of Phase 2 of the EOA), together with a further assessment of current commercial site sizes as required to fully service retail, service businesses, and related commercial needs, the updated and revised EOA recognizes the need for a 20-50 acre commercial site to be provided within the 2009-2029 forecast period.

Table C-10. Estimated needed sites by site size and building type, Junction City, 2009 to 2029

	Site Size (acres)							
Building Type	Less than 1	1 to 2	2 to 5	5 to 10	10 to 20	20 to 50	Greater than 50	Total Sites
Industrial	3	3	3	2	1	2	1	15
Office	5	3	2	1				11
Retail	30	6	4	1				41
Other Services	4	2	2	0				8
Government						0	0	0
Total	**42**	**14**	**11**	**4**	**1**	**2**	**1**	**75**

Source: ECONorthwest
Note: This table is based on analysis first prepared in 2009. Based on the community vision process (which was anticipated at the time of adoption of the 2009 EOA as part of Phase 2 of the EOA), together with a further assessment of current commercial site sizes as required to fully service retail, service businesses, and related commercial needs, the updated and revised EOA recognizes the need for a 20-50 acre commercial site to be provided within the 2009-2029 forecast period.

The site needs in Table C-10 do not include a site for the State Prison and Hospital. The State has chosen an approximately 235 acre site at the south end of Junction City's UGB as the site for the new facilities. About 70 acres of the site is located within the City's UGB and the remainder is located outside the UGB. Approximately 1,800 employees are expected work at the State site at the Prison and Hospital.

Table C-10 also does not include need for additional land for expansion of the City's wastewater facilities, which the State and City have identified as a necessary for operation of the State facilities. The City will need about 80 additional acres of land for the wastewater facility expansion. The City has about 40 acres of land within the UGB identified for expansion of the wastewater facility and has identified a 40 acre site adjacent to the existing wastewater facility.

Junction City's economic development strategies include objectives to: (1) provide large industrial sites to meet regional demand for employment land, (2) increase employment in one of the regional industry clusters, and (3) recruit businesses that have higher than average wages. One way to reach these goals is to attract manufacturing firms, some of which may require sites 20-acres or larger.

Attracting these firms may require opportunity for site choice to allow a firm to find land that meets the firm's requirements. The analysis in Table C-10 assumes that Junction City will need to provide enough sites for choice in all site sizes. Site choice, however, is especially important for businesses that will need medium-sized sites (5 to 20-acres) and large sites (20-acre and larger).

Historically, Junction City has not had firms located on sites 50-acres or larger and comparatively few firms on sites 20 to 50-acres. The need for these large sites (20 to 50 acres and 50 acres and larger) in Table C-10 is based on: (1) planned development of the State Prison and Hospital (on a State-owned 235-acre site, 70-acres of which is in the UGB) and (2) the City's economic development objective of attracting regional employers on large sites.

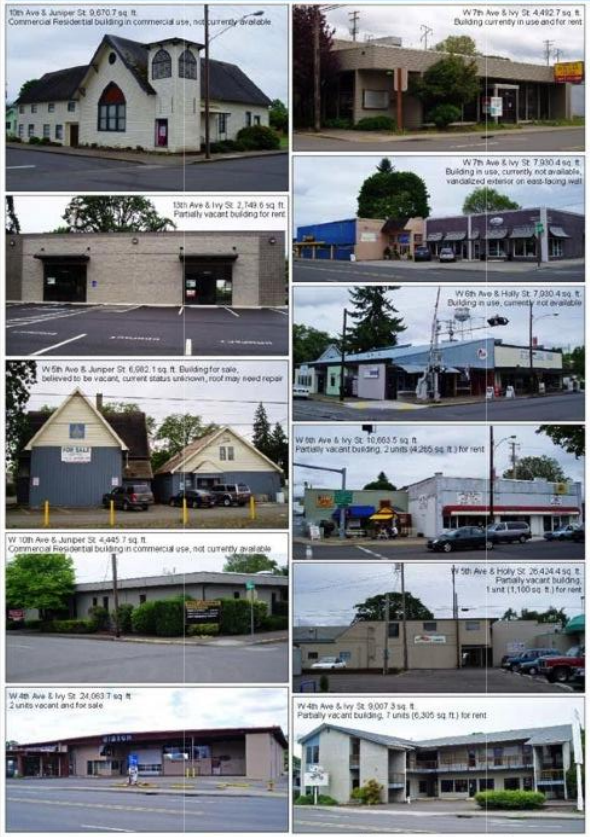
The identified site needs shown in Table C-10 do not distinguish sites by comprehensive plan designation. It is reasonable to assume that industrial uses will primarily locate in industrial zones. Retail and service uses could locate in commercial zones, mixed use zones, and residential zones.

Appendix D

Downtown Commercial Vacancy Inventory

This appendix presents the results of a downtown commercial vacancy inventory conducted in 2009 for the City of Junction City.

Map 1: Junction City Commercial Building Inventory



Availability of Inventoried Buildings

Use Status	For Rent	For Sale	Not Available	Unknown	For Rent sq.ft.	For Sale sq.ft.	Not Available sq.ft.	Unknown sq.ft.
In use	4	9	136	2	31,304.82	25,755.63	811,873.98	10,611.06
Partially vacant	9	2	0	0	86,769.43	16,171.99	-	-
Vacant	2	6	1	6	15,945.93	39,200.36	3,122.54	30,991.76
Total	**15**	**17**	**137**	**8**	**133,135.38**	**81,127.78**	**814,996.42**	**41,602.82**

Commercial/Residential Buildings in Commercial Use

Use Status	No. of Buildings	Total Sq. Ft.
In use	13	58,044.61
Partially vacant	1	1,531.77
Vacant	0	-
Total	**14**	**61,576.38**

Use Status / Use Type

Use Status	No. of Buildings	Total Sq. Ft.	Retail	Service	Both	Neither	Retail sq.ft.	Service sq.ft.	Both Retail and Service sq.ft.	Neither Retail nor Service sq.ft.
In use	151	879,545.38	63	66	21	29	631,714.63	372,464.31	204,659.82	69,006.26
Partially vacant	11	102,961.30	7	5	2	1	76,925.16	52,510.47	37,087.94	8,606.62
Vacant	15	88,358.58	2	0	0	13	5,872.15	-	-	82,486.44
Total	**177**	**1,070,865.26**	**92**	**71**	**23**	**37**	**714,511.94**	**424,974.78**	**241,747.75**	**171,101.32**

Comprehensive Plan Designation
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W 7TH AVE
W 6TH AVE
W 5TH AVE
W 4TH AVE
W 3RD AVE
W 2ND AVE
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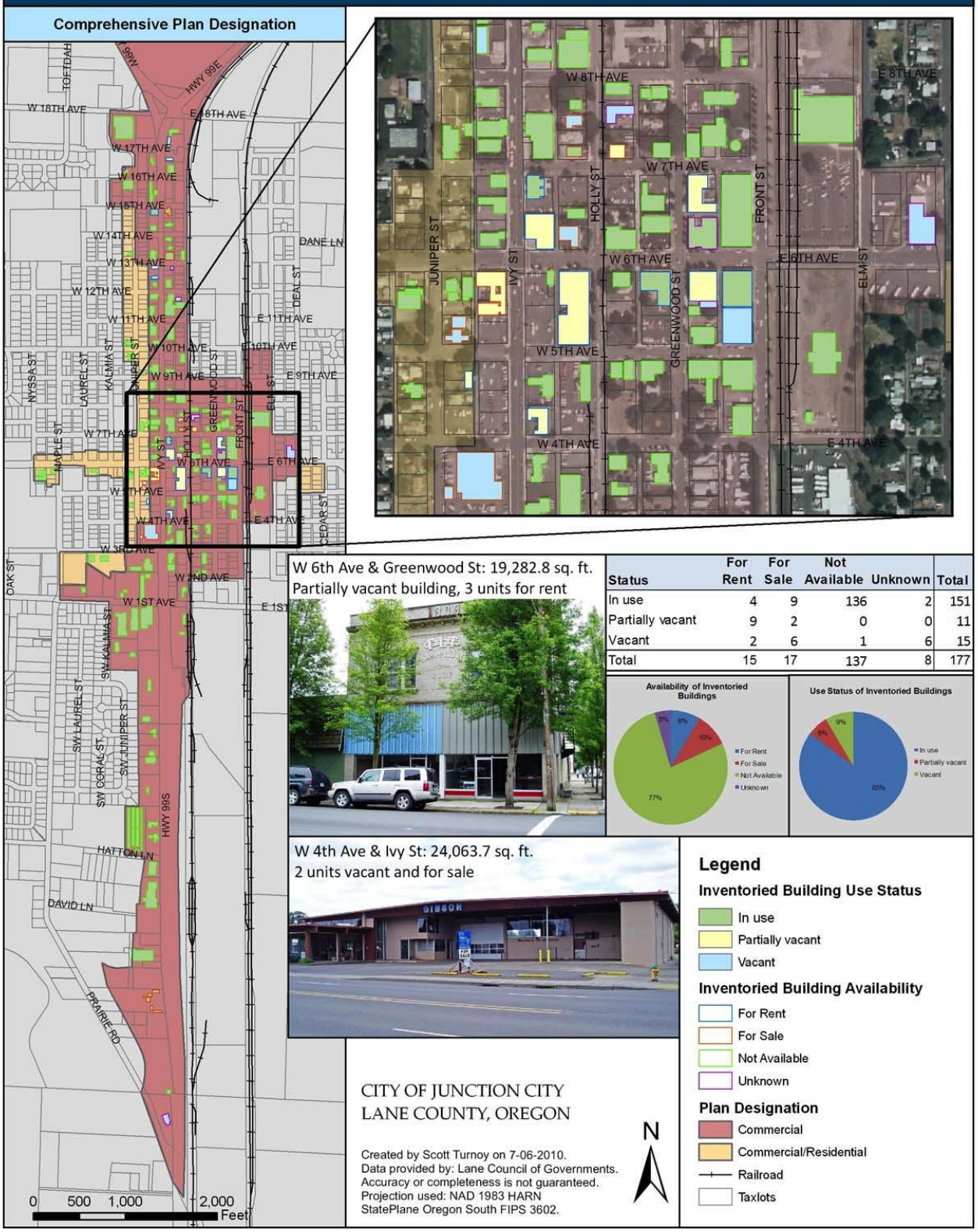
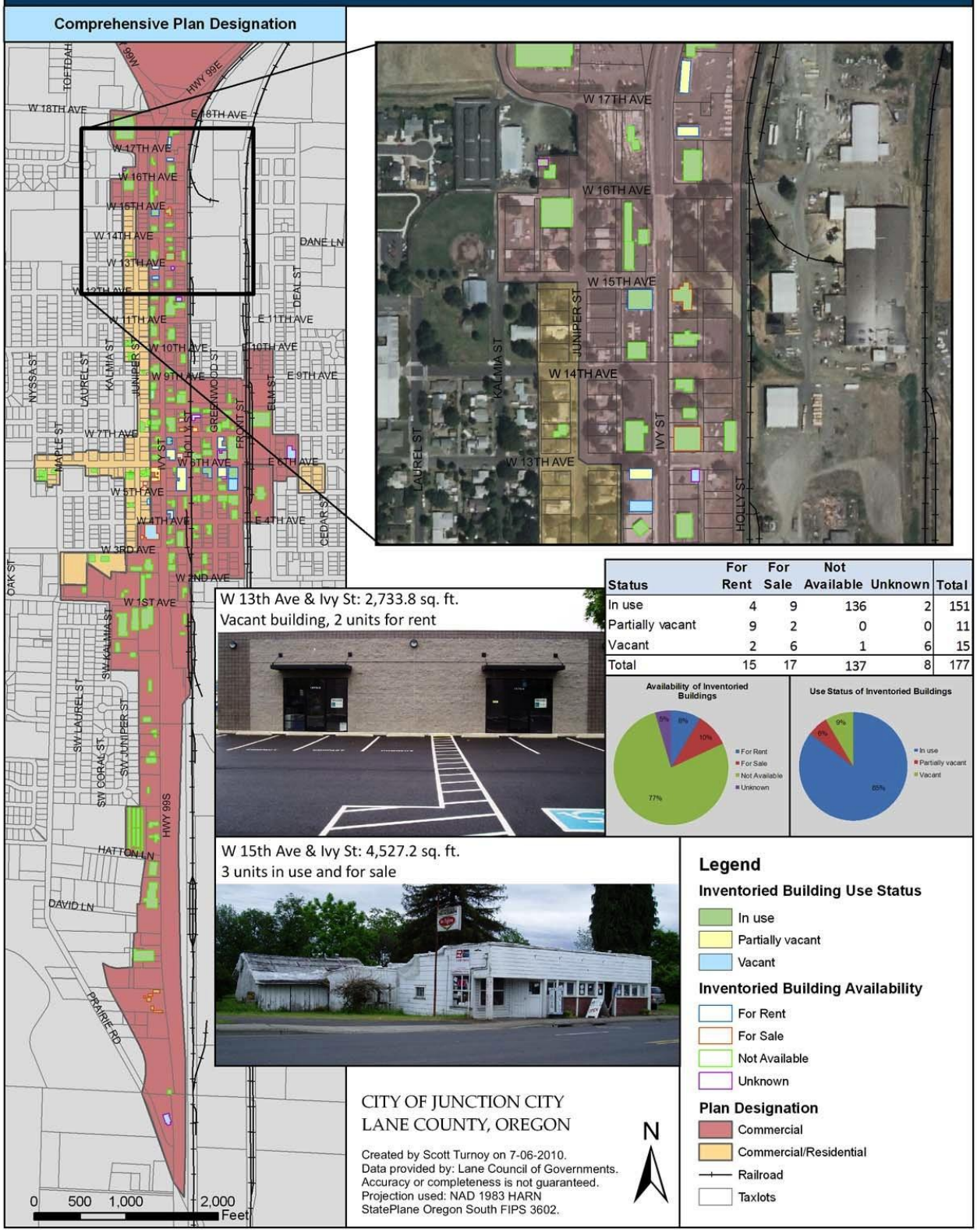
Map 2: Commercial Buildings Inventory Status of Use and Vacancy (Downtown)



Status	For Rent	For Sale	Not Available	Unknown	Total
In use	4	9	136	2	151
Partially vacant	9	2	0	0	11
Vacant	2	6	1	6	15
Total	15	17	137	8	177

Map 3: Commercial Buildings Inventory Status of Use and Vacancy (North Hwy 99)



Status	For Rent	For Sale	Not Available	Unknown	Total
In use	4	9	136	2	151
Partially vacant	9	2	0	0	11
Vacant	2	6	1	6	15
Total	15	17	137	8	177

Appendix E Economic Development Vision, Objectives, and Implementation Strategies

This appendix presents the memorandum that summarizes Junction City's economic development vision, objectives, and implementation strategies.

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March 2, 2012

TO: **Junction City Council**
CC: **Kevin Watson**
FROM: **Bob Parker and Beth Goodman**
SUBJECT: **REVISED ECONOMIC DEVELOPMENT VISION, OBJECTIVES, AND IMPLEMENTATION STRATEGIES**

The City of Junction City is revising the City's 2009 economic opportunities analysis to determine how the City will accommodate demand for commercial land over the next 20 years. A number of events led to the City's decision to complete this analysis now and in 2009, including planning for the development of two major state institutions that will employ more than 1,500 workers. Broadly, the City's objectives are straightforward—to identify key economic opportunities, including spin-off impacts of the state institutions, identify commercial development opportunities, and to determine if it has sufficient land with appropriate characteristics in its urban growth boundary (UGB) to accommodate employment growth during the 2009-2029 period.

Broadly, the project has three components: (1) a buildable lands inventory; (2) an economic opportunities analysis; and (3) an economic development strategy.[67] All of these elements are required to comply with statewide planning Goal 9 and the Goal 9 rule (OAR 660-009). The economic development strategy builds from previous work by the City and direction from the Comprehensive Citizen Planning

[67] The *Junction City Economic Opportunities Analysis* is a separate technical report that includes the buildable lands inventory.

Committee (CCPC) and will be used to guide development of land-use policies to implement the City's economic development vision.[68]

Economic development policies may address a range of outcomes, from policies to attract firms or retain existing firms to policies to improve or maintain quality of life. The economic development strategy presented in this memorandum was developed in support of the EOA and is designed to meet the requirements of Goal 9. As a result, the economic development strategy focuses on land-use issues, without addressing broader economic development strategies such as labor force education that may also be a priority to the City and residents of Junction City. Moreover, the strategies outlined in this memorandum and the EOA may require legislative amendments to the Junction City Comprehensive Plan and the Junction City Development Code. Those amendments are not described in this document.

The economic development strategy is the result of input from multiple sources:

- **Visioning Workshops.** The City of Junction City held community workshops in 2009 and 2011 to discuss community development issues.
- **Economic Development Strategic Plan: Junction City and Surrounding Areas.** The City of Junction worked with the Lane Council of Governments to develop the Economic Development Strategic Plan, dated May 2003. The Economic Development Plan addresses a range of economic development issues, including (but not limited to) land-use planning for economic growth.
- **Input from the CCPC.** The CCPC was composed of the City Council, Planning Commission, and other stakeholders in Junction City. The CCPC held multiple meetings to discuss Junction City's economic development strategy.

ORGANIZATION OF THIS MEMORANDUM

The remainder of the memorandum is organized as follows:

- **Economic development opportunities and challenges in Junction City** describes key economic development opportunities and challenges.
- **Economic Development Vision for Junction City** presents the City's vision for economic development over the next 20 years.
- **Economic Development Strategies and Implementation Steps** for Junction City presents objectives and strategies related to land-use to implement the City's economic development goals.
- **Appendix E-1: Framework for Understanding Economic Development Policies and Actions** provides an overview of economic development issues

[68] *Economic Development Strategic Plan: Junction City and Surrounding Area May 2003*, Lane Council of Governments

and types of economic development policies and strategies that municipalities can adopt to achieve various economic development goals.

ECONOMIC DEVELOPMENT OPPORTUNITIES AND CHALLENGES IN JUNCTION CITY

Junction City is in a unique position for economic development within the State. Planning is underway for construction of two State facilities within the City. At the same time, the RV industry, which is a major employer in Junction City and throughout the region, is undergoing contraction as a result of the economic recession and increases in fuel prices. The long-term future of the RV industry in Lane County is unclear. As a result, Junction City's economy will look very different in five years than it does currently. In addition, Junction City has an opportunity to fulfill a long-term goal of developing a center for commercial activity at the intersection of major State highways, as articulated in the 1980 version of the City's Comprehensive Plan.

This section describes the economic opportunities and challenges in Junction City's economy. The City can build on opportunities and address issues through developing and implementing economic development policies described later in the memorandum.

OPPORTUNITIES

- **State institutions.** The State of Oregon is initiating two major capital projects within the Junction City UGB: a state correctional facility, and a state mental hospital. Combined, these two facilities will represent approximately $500 million capital investment. Upon completion in 2015, the two facilities are expected to employ 1,800 people. The prison is expected to result in an additional 650 jobs and have an annual industrial output of about $134 million from operation of the prison.
- **Infrastructure improvements.** The development of the state facilities will also require the extension of approximately three miles of water and wastewater lines. Currently none of the UGB "leg" has municipal services. These infrastructure projects will cost an estimated $70 million, with a $20 million local contribution and $50 million contribution from the State. This infrastructure represents a major opportunity for the City to have a ready inventory of serviced sites along Highway 99.
- **Large industrial sites.** There are few ready to develop large industrial sites in Southern Willamette Valley. According to Oregon Prospector, there are only nine sites in the Southern Willamette Valley that are 20 acres or larger and Project Certified. The following counties have sites that match these characteristics: three sites in Marion County, one site in Benton County, two

sites in Linn County, no sites in Lane County, and three sites in Douglas County. There are only four sites in the Southern Willamette Valley that are 50 aces or larger and Project Certified. Each of the following counties has one site with these characteristics: Marion, Benton, Linn, and Douglas counties.

- **Commercial development opportunities.** One of the issues identified through the CCPC process was the need for more commercial and retail businesses to make Junction City a complete city, where residents in and around the City could live, work, and play. The CCPC's vision to have development of a sub-regional commercial center, which would provide goods and services to the residents of Junction City and nearby areas.

CHALLENGES

- **RV industry decline.** The major industrial employer in Junction City is Country Coach. In 2006, Country Coach had about 1,600 employees, accounting for about 40% of employment in Junction City. Over the last two years, Country Coach has had several lay-offs, as well as rehired some employees. More recently, Country Coach has had financial problems that resulted in further downsizing, to about 500 employees, and may result in the complete closure of the firm. At this point, the future of Country Coach, and the RV industry in Lane County, is unclear.
- **Downtown development.** One of the issues identified at the both public workshops was the need for revitalization of Junction City's Downtown. The challenges to downtown redevelopment are: funding redevelopment, encouraging expansion of existing businesses and attracting new businesses to downtown, and encouraging visitors that drive through the City on Highway 99 to stop in downtown. The types of uses most appropriate for downtown include small businesses that need to locate in downtown and can locate on infill sites.
- **Lack of sites for a commercial center within the UGB.** The CCPC's vision for developing a sub-regional commercial center will require a site with the appropriate characteristics to accommodate the commercial center. Analysis of the City's commercial land supply shows that the City does not currently have a site with the necessary characteristics for a sub-regional commercial center within the UGB. The City will need to address this deficiency in order to fulfill the CCPC's vision, as discussed in the following section.

ECONOMIC DEVELOPMENT VISION FOR JUNCTION CITY

Junction City's community development vision builds from the economic opportunities that are described in the Junction City EOA and economic development strategy as well as Chapter 3 of the Junction City Comprehensive Plan. Broadly, the vision articulates the city's desire to become a **complete community**. In short, the vision is for Junction City to be a community that has opportunities for people to live, work, and play. Functionally, that means that the City have:

- Adequate land for the commercial uses that Junction City will need as the City grows, including providing commercial land to serve neighborhoods and businesses on the southern side of Junction City and in the surrounding rural communities that rely upon Junction City for their day-to-day service needs
- Adequate employment opportunities that sustain the population and maintain a population/employment ratio that does not result in Junction City being a "bedroom community" to the major employment centers in Lane County;
- A range of shopping and services available to meet most everyday needs of Junction City residents, together with those near by smaller communities and rural areas, such as (but not limited to) a full-service grocery stores, department store, home improvement store, other large format retail stores, personal services (e.g., a branch bank or beauty salon), restaurants, f~~such as a full-service grocery store, department store, big-box retail stores, food and clothing stores~~;
- Recreational and entertainment facilities and activities that make Junction City an attractive place to live and work, such as a performing arts theater and movie theater;
- Medical services and other professional services for residents;
- Business support services for the State facilities;
- Services for visitors, such as hotels, a conference center, or a large Recreational-Vehicle Park;
- Opportunities for development of agri-businesses related to local agricultural products, such as wine, grass seed, blueberries, or services for agri-businesses;
- A downtown that is vibrant and vital to the community;
- Housing that is safe and affordable for Junction City residents at all income levels; and
- Public facilities and services that support the community's vision.

The City envisions having a hierarchy of commercial sites to provide opportunities for the uses described above. Junction City will require some relatively small sites in downtown, residential neighborhoods, and along Highway 99, to accommodate demand from businesses with those specific size and location needs. The relatively small-scale commercial uses along Highway 99 are those businesses located south of the City that already serve the City. Junction City will also require a sub-regional commercial center to provide opportunity for commercial business that need to locate in a commercial center or have special siting requirements (e.g., direct access to major transportation corridors or high visibility sites) can locate. The need for this range of sites and the characteristics of different types of sites is described in the EOA.

The economic development program for Junction City can be summarized as follows:

- Revitalize downtown by encouraging the development of a couplet on Highway 99 and adopting strategies to encourage redevelopment and infill on under-utilized sites;
- Take advantage of immediate economic opportunities (the state correctional facility and hospital and Grain Millers) by expanding the Urban Growth Boundary (UGB) to include the proposed sites of these major employers;
- Provide a site for a sub-regional commercial center in the southern part of Junction City;
- Create a complete community that provides housing, retail, and services and is attractive to households that have workers at the state facilities and Grain Millers.

ECONOMIC DEVELOPMENT STRATEGIES AND IMPLEMENTATION STEPS FOR JUNCTION CITY

The following economic development strategies for Junction City are based on five sources of information: (1) public input on preferred types of growth and development strategies from the public workshops; (2) existing goals and strategies in the Economic Development Strategic Plan; (3) input from City staff, and (6) the principles of economic development presented in Appendix E-1 and Table E-1.1 These strategies have been refined based on input from the Comprehensive Citizen Planning Committee (CCPC), Planning Commission, and City Council.

The strategies and implementation steps suggested below are organized with objectives most related to land-use planning presented first.

Objective 1: Provide an adequate supply of sites of varying locations, configurations, and size, to accommodate industrial and other employment over the planning period.

The Economic Opportunities Analysis (EOA) identifies the size and characteristics of sites needed in Junction City for employment uses over the planning period. The City should provide an adequate supply of land for employment uses.

Suggested implementation steps:

- Provide commercial land to meet the site characteristics and site sizes described in the EOA. These sites may include vacant, undeveloped land, partially developed sites with potential for additional development through infill development, and redevelopable areas, particularly in Downtown. The City can provide land in the following ways: (1) increasing commercial land-use efficiency by promoting infill or redevelopment, (2) bringing new land into the urban growth boundary, or (3) through both infill/redevelopment and brining new land into the urban growth boundary.
- Provide industrial land to meet the site characteristics and site sizes described in the EOA. These sites may include vacant, undeveloped land, or partially developed sites with potential for additional development through infill development. The City can provide land in two ways: (1) increasing industrial land-use efficiency by promoting infill or (2) bringing new land into the urban growth boundary.
- Work with property owners and their representatives to ensure that prime development sites throughout the City and Urban Growth Boundary are known, aggregated, ready to develop, and marketed.

- Work with property owners and their representatives to ensure that prime development sites throughout the City and Urban Growth Boundary that are designated for employment use are preserved for future employment needs and are not subdivided or used for non-employment uses.

Objective 2: Provide large industrial sites to meet regional demand for employment land.

The Economic Opportunities Analysis (EOA) identifies the size and characteristics of sites over 50-acres needed in the Eugene-Springfield region for employment uses over the planning period. Junction City has the opportunity to designate employment land to meet regional employment land needs, in part as a result of infrastructure expansion from construction of the State Prison and Hospital. The City should provide employment land to meet some regional employment land needs.

Suggested implementation steps:

- Provide large sites (50-acres or more) of land to meet regional employment needs for industrial land. These sites should be located along the Highway 99 corridor, be flat sites, be relatively easily serviced with water and wastewater, and have relatively few wetlands on the site. One or more sites should have access to the rail lines that run parallel to the Highway 99 corridor.
- Designate large sites for industrial uses and adopt plan policies that discourage or prohibit land divisions to preserve the large sites for industrial uses over the planning period.

Objective 3: Reserve sites over 20-acres for special developments and industries that require large sites.

There are comparatively few large sites available for development in the Southern Willamette Valley and no sites that are large, relatively flat, and have in the Eugene-Springfield region. The City should preserve large sites with access to Highway 99 and rail to provide opportunities for development by industries that require large sites.

Suggested implementation steps:

- Designate land for industrial or business parks to provide opportunities for development of business clusters for related or complementary businesses.
- Develop policies that provide flexibility in the industrial or commercial use of land on large sites.

Objective 4. Develop a new commercial center

The City wants to develop a new commercial center with a mixture of commercial uses, including: office, service, accommodation and recreation, and retail. The purpose of the commercial center is to grow and attract new businesses that provide jobs in Junction City, as well as goods and services to people living in and around Junction City and to visitors to the City, making Junction City a more self-contained city. This commercial center could serve the people living in rural areas around Junction City, as well as residents of the City.

The types of office businesses that may choose to locate in the commercial center may be those related to State facilities (e.g., nonprofit organizations associated with the State Hospital) or other businesses located in or near the City, businesses related to the regional industrial clusters, or businesses that prefer to locate in a smaller city. These businesses may serve residents and workers in Junction City, as well as those in nearby rural communities. The service and retail businesses could include (but are not limited to): a grocery store, a dry goods/drug store, a home improvement store, a general merchandise store, agri-busineses (e.g., wine tasking room) a hotel, an RV park, conference center, businesses providing entertainment and recreation (e.g., a theater or movie theater), medical services, personal services (e.g., a branch bank or beauty salon), restaurants, a service station, as well as offices with professional services~~a grocery store, clothing and apparel stores, specialty retail (e.g., home improvement store), agri-businesses (e.g., wine tasting room), restaurants, a hotel, large RV Park, conference center, businesses providing entertainment and recreation (e.g., a theater or movie theater), medical services, business support services for the State facilities, branch bank, beauty salon, or other retail or personal service businesses~~. These stores may include large-format retail, department stores, or smaller businesses that prefer to locate in a commercial center.

Suggested implementation steps

- Designate a site for a commercial center. This site should have direct visibility and access to Highway 99 and, if practical, direct access to other major roads that connect Junction City with nearby rural communities. The site should be located near to residential areas in the City to allow for easy access to the site for residents of the City.
- Develop the commercial center in an area where municipal services are readily available and easily provided.
- Develop the commercial center in the southern part of Junction City, where it is accessible from the State facilities, Grain Millers, and households and businesses on the south side of the city and near transportation corridors serving neighboring rural areas.
- Work with Chamber of Commerce and community groups to attract desirable businesses, as part of Objectives 8 and 9.

Objective 5: Capitalize on infrastructure investments that are required to service the State facilities.

Public infrastructure and services are a cornerstone of any economic development strategy. If roads, water, sewer, and other public facilities are unavailable or inadequate, industries will have little incentive to locate in a community. The State is funding the majority of the costs to develop sanitary sewer and water service south of the City along Highway 99 to the sites of the State Prison and Hospital. The City should capitalize on the opportunities for employment uses along Highway 99.

Suggested implementation steps:

- Maximize development of infrastructure associated with construction of the State Prison and Hospital to provide infrastructure to sites along Highway 99 in the southern part of Junction City. This includes over-sizing water and wastewater pipes and enhancing transportation capacity along Highway 99 and other local roads where possible.
- Coordinate capital improvement planning with land use and transportation planning to coincide with the City's Economic Development Strategy.
- Ensure that public-private development agreements to recover costs are in effect prior to financing public improvements.
- Efficiently use existing infrastructure by promoting development, infill, re-use, and redevelopment for commercial and industrial uses and developing strategies and incentives to stimulate private investment that overcome anticipated impacts or downturns in the local economy.
- Promote and provide information on infrastructure availability on a site-by-site basis so that developers are able to readily assess infrastructure availability on any given site.

Objective 6: Take advantage of the opportunities presented by development of the State Prison and Hospital in Junction City.

Development of the State Prison and Hospital presents Junction City with opportunities for economic development. Workers at the facilities may choose to live in Junction City, which would reduce commuting within the region, increase local demand for goods and services, and increase property taxes. Firms that provide goods or services needed at the facilities may choose to locate in Junction City. The benefits of the facilities will increase with increases in the amount of workers that choose to live in Junction City.

Suggested implementation steps:

- Provide opportunities for affordable workforce housing in Junction City through providing land for a variety of housing types, including small-lot single-family housing, townhouses, and multifamily housing
- Work with Lane Community College to develop workforce training programs for potential employees of the State Prison and Hospital
- Encourage development of services to support the facilities' workers and visitors to the facilities, such as social service agencies, financial firms, or retail stores

Objective 7: Encourage employers to locate in downtown Junction City, when appropriate.

The City has policies to encourage residential and commercial redevelopment in downtown. The types of commercial opportunities that are most appropriate for downtown are small-scale office and boutique service and retail businesses. The redevelopment of downtown Junction City provides opportunities to both use land more efficiently and minimize the costs of providing infrastructure.

Suggested implementation steps:

- Pursue policies to promote infill and redevelopment in downtown Junction City
- Provide the infrastructure and services that businesses need to operate in downtown Junction City
- Develop programs to promote investments in existing buildings to make downtown more attractive
- Encourage development of mixed-use housing in downtown
- Develop a marketing strategy to attract businesses to downtown Junction City, including providing low-cost assistance for businesses moving to downtown and attracting visitors to visit downtown, rather than passing through Junction City on Highway 99

Objective 8: Support and assist existing businesses in Junction City.

Junction City's existing businesses are important to the City's continuing economic well-being.

Suggested implementation steps:

- Develop and implement an outreach strategy to determine how the City can assist existing businesses. Opportunities for assistance may range

from ensuring availability of on-street parking to providing assistance with the development process to forming public-private partnerships to promote Junction City businesses.

- Encourage self-help methods and programs for business districts such as the formation of business associations and special self-assessment districts for parking and economic improvement.
- Continue to provide support for local businesses and industry, such as the City's Revolving Loan Fund and Community Development Fund
- Support the co-location of residential and commercial uses in existing buildings by providing financial assistance for necessary building upgrades to meet requirements in the City's building code, such as improvements to meet seismic standards.

Objective 9: Market Junction City to new businesses.

The City should seek to attract businesses through marketing the business opportunities present in the City. The City should focus marketing efforts on businesses that would benefit from locating in Junction City, such as businesses that need agricultural products produced in Lane or Linn counties.

Suggested implementation steps:

- Work with the Chamber of Commerce and community groups, such as Energize Junction City, to attract desirable businesses.
- Work with Lane Metro Partnership, the Oregon Economic and Community Development Department, and other regional and state agencies to market large industrial sites to businesses that would be likely to locate in Junction City.

Objective 10: Increase the potential for employment in one of the regional industry clusters.

The regional clusters include: Agricultural Products, Processed Food and Beverage, Health Care, Communication Equipment, Information Technology (Software), Metals (Wholesalers), Wood & Forest Products, and Transportation Equipment. Junction City may have opportunities to promote development of businesses in these clusters, especially firms that complement or support the State Prison and Hospital and firms that use locally available natural resources (e.g., lumber, winemaking, grass seed, hazelnuts, and other agricultural products)

Suggested implementation steps:

- Provide the services, infrastructure, and land needed to attract these types of businesses, especially where it can increase connectivity between businesses

- Encourage development of support businesses for the State Prison and Hospital, such as specialized learning and training centers, medical services, social service providers, short-term overnight accommodations, and other services
- Encourage development of value-added agri-business cluster that depend on agricultural products produced in Lane, Linn, and other nearby counties, such as biofuel processing, natural or organic food processing, a farmer's market, or winemaking and supporting activities (e.g., bottle washing)
- Designate land for industrial/technology/business parks to provide opportunities for development of business clusters for related or complementary businesses
- Promote development of support businesses for business clusters, including specialized suppliers for the business cluster, restaurants, financial institutions, and other services

Objective 11: Increase the potential for tourist-related economic activities.

Tourism results in economic activity, especially in the service industries like retail, food services, and accommodations. For example, the direct economic benefit of lodging tax receipts from overnight accommodations to Junction City in 2007 was $260,000. Junction City could increase tourism through growth of businesses that bring tourists to the City and through increased marketing.

Suggested implementation steps:

- Support activities that are likely to attract visitors to Junction City, such as marketing efforts like Oregon Country Trails, which is targeted towards visitors interested in rural and agricultural activities such as those that surround Junction City
- Encourage development of businesses that are tied to Junction City's history and agricultural context, such as farmers market, wine tasting, and arts and crafts related to the City's history or food processing facilities that use local products
- Encourage the development of businesses that support the arts, such as galleries and a performing arts center
- Support and build-off of existing events, such as the Scandinavian Festival and Function 4 Junction, and support development of new events to attract visitors to the City

- Ensure that the factors that are likely to attract visitors to Junction City, especially Junction City's environmental quality and natural beauty, are protected and enhanced.

Objective 12: Recruit businesses that provide opportunities for entering the workforce or pay higher than average wages for the region.

Developing a skilled workforce requires providing opportunities both for entering the workforce and jobs that high-wage. The types of businesses that provide opportunity for entering the workforce may be different than businesses that pay higher than average wages. Having both types of opportunities is important for the development of Junction City's economy. Economic development recruitment efforts the City engages in should target both entry-level and high-wage jobs.

Suggested implementation steps:

- Work with Lane Metro Partnership and other economic development organizations to target and recruit businesses: (1) with above average wages (as reported by the Oregon Employment Department), (2) that provide opportunities for entering the workforce, (3) benefits such as health insurance, especially for part-time employees, and/or (4) that provide other benefits such as job advancement or ownership opportunities.
- Work with local agencies to meet workforce needs, such as: training and education, job placement, job advancement, or local expansion of businesses that are less subject to boom and bust cycles.
- Coordinate with community economic development organizations to develop a coherent and effective marketing program. Coordinate development of the strategy with local and state economic development agencies.

APPENDIX E-1: FRAMEWORK FOR UNDERSTANDING ECONOMIC DEVELOPMENT POLICIES AND ACTIONS[69]

A wide range of economic development policies and actions are available to cities that can affect the level and type of economic development in their community. To affect economic development, any policy or action must affect a factor of production that influence business locations and job growth. In brief, the factors that have the most impact on business locations and job growth are:

- Labor
- Land
- Local Infrastructure
- Access to markets and materials
- Agglomerative economies (clusters)
- Quality of life
- Entrepreneurship

The supply, cost, and quality of any of these factors obviously depend on national and global market forces that local government has no influence over. But they also depend on public policy, which can generally affect these factors of production through:

- Planning
- Regulation
- Provision of public services
- Taxes
- Incentives

The location decisions of businesses are primarily based on the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region. Most economic development strategies available to local governments only indirectly affect the cost and quality of these primary location factors.

Local governments can most directly affect tax rates (within the bounds of Measures 5 and 50), the cost to businesses and quality of public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest effect on the level and type of economic development in the community.

[69] This section draws from previous work by ECONorthwest.

Local governments in Oregon also play a central role in the provision of buildable land through inclusion of employment sites in the Urban Growth Boundary that have appropriate plan designations, zoning, and access to public services. Obviously, businesses need buildable land to locate or expand in a community. 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. The provision of buildable land is one of the most direct ways that the City of Junction City can affect the level and type of economic development in the community.

POTENTIAL ECONOMIC DEVELOPMENT POLICIES AND ACTIONS

A broad range of policies and actions are available to cities in achieving local economic development objectives. The effectiveness of any individual tool or combination of tools depends on the specific objectives the municipality wants to achieve. In short, local strategies should be customized not only to meet locally defined objectives, but to recognize economic opportunities and limitations (as defined in the Economic Opportunity Analysis (EOA)). Positive outcomes are not guaranteed: even good programs can result in limited or modest results.

Table E-1.1 identifies a range of potential economic development strategies that the City of Junction City could consider implementing. These strategies range from those closely associated with the basic functions of government (provision of buildable land and public services) to those sometimes viewed as outside the primary functions of government (such as financial incentives and business assistance). Policies and actions adopted by the City of Junction City should address local economic development issues and the role of the City in economic development in the community.

Table E-1.1. Range of potential economic development strategies

Category/Policy	Description
Land Use	**Policies regarding the amount and location of available land and allowed uses.**
Provide adequate supply of land	Provide an adequate supply of 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 Junction City.
Increase the efficiency of the permitting process and simplify city land-use policies	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise.
Public Services	**Policies regarding the level and quality of public and private infrastructure and services.**
Provide adequate infrastructure to support employment growth	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.

Category/Policy	Description
Focused public investment	Provide public and private infrastructure to identified development or redevelopment sites.
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network.
Business Assistance	**Policies to assist existing businesses and attract new businesses.**
Business retention and growth	Targeted assistance to businesses facing financial difficulty or thinking of moving out of the community. Assistance would vary depending on a given business' problems and could range from business loans to upgrades in infrastructure to assistance in finding a new location within the community.
Recruitment and marketing	Establish a program to market the community as a location for business in general, and target relocating firms to diversify and strengthen the local economy. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life.
Development districts (enterprise zones, renewal districts, etc.)	Establish districts with tax abatements, loans, assist with infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria and help achieve community goals.
Business clusters	Help develop business clusters through business recruitment and business retention policies. Encourage siting of businesses to provide shared services to the business clusters, businesses that support the prison and hospital and agricultural industry, including retail and commercial services.
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services.
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms meeting specified criteria. Can be targeted as desired to support goal such as recruitment, retention, expansion, family-wage jobs, or sustainable industry.
Business incubators	Help develop low-cost space for use by new and expanding firms with shared office services, access to equipment, networking opportunities, and business development information. Designate land for live-work opportunities.
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.
Export promotion	Assist businesses in identifying and expanding into new products and export markets; represent local firms at trade shows and missions.
Workforce	**Policies to improve the quality of the workforce available to local firms.**
Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i.e. dislocated workers).
Job access	Provide transit/shuttle service to bring workers to job sites.
Jobs/housing balance	Make land available for a variety of low-cost housing types for lower income households, ranging from single-family housing types to multifamily housing.
Other	

Category/Policy	Description
Regional collaboration	Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies and objectives are developed.
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.

Source: ECONorthwest.