City of Veneta
Economic Opportunities Analysis

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Final Report

Prepared for:

The City of Veneta

Prepared by:

Community Planning Workshop

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UNIVERSITY OF OREGON

CPW Community Planning Workshop

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City of Veneta Economic Development Strategic Planning Committee

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Joan Mariner, Community Representative
Phil Velie, Business Representative
Herb Vloedman, Business Representative

Community Planning Workshop Team

Robert Parker, AICP Director
Michael Howard, AICP Project Advisor
Amanda D'Souza, Project Manager
Leigh Anne Hogue, Research Assistant
Aniko Drlik-Muehleck, Research Assistant
Nestor Guevara, Research Assistant
Emily Kettell, Research Assistant
Evelyn Perdomo, Research Assistant

About the Community Service Center

The Community Service Center (CPW), a research center affiliated with the Department of Planning, Public Policy, and Management at the University of Oregon, is an interdisciplinary organization that assists Oregon communities by providing planning and technical assistance to help solve local issues and improve the quality of life for Oregon residents. The role of the CPW is to link the skills, expertise, and innovation of higher education with the transportation, economic development, and environmental needs of communities and regions in the State of Oregon, thereby providing service to Oregon and learning opportunities to the students involved.

About Community Planning Workshop

Community Planning Workshop (CPW) is an experiential education program within the Community Service Center. CPW is affiliated with the Department of Planning, Public Policy and Management at the University of Oregon. Students work in teams under the direction of faculty and Graduate Teaching Fellows to develop proposals, conduct research, analyze and evaluate alternatives, and make recommendations for possible solutions to planning problems in Oregon communities. The CPW model is unique in many respects, but is transferable to any institution that desires to link pedagogy with community service.

About the EDAUC

The University of Oregon Economic Development Administration University Center is a partnership between the Community Service Center, the UO Department of Economics, the Oregon Small Business Development Center Network and UO faculty. The UO Center provides technical assistance to organizations throughout Oregon, with a focus on rural economic development. The UO Center seeks to align local strategies to community needs, specifically with regards to building understanding of the benefits of sustainable practices and providing technical training to capitalize on economic opportunities related to those practices. The EDC is partially funded through a grant from the U.S. Department of Commerce, Economic Development Administration.

Table of Contents

EXECUTIVE SUMMARY

This report presents an Economic Opportunities Analysis 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."

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within the Veneta Urban Growth Boundary (UGB) between 2015 and 2035, (2) evaluate the existing employment land supply within the Veneta UGB to determine if it is adequate to meet the need, and (3) to fulfill state planning requirements for a twenty-year supply of employment land. This project included preparation of an economic development implementation strategy, which is presented in a separate document.

How much buildable employment land does Veneta currently have?

Veneta had 107 suitable acres in employment plan designations as of 2014. Table S-1 shows employment acres with development capacity (e.g. lands classified as vacant or partially vacant) by constraint status and plan designation in the Veneta UGB in 2014. Analysis by constraint status (the table columns) shows that 6 acres are classified as developed, and 40 acres are classified as constrained. Constrained acres are not suitable for employment uses, leaving 107 acres that are considered land suitable for new employment.

Table S-1. Vacant and Partially Vacant Land by Plan Designation, Veneta UGB, 2014

				Land Not Suitable for New Employment		Land Suitable for New Employment
Plan Designation	Code	Number of Tax Lots	Total Acres	Developed Acres	Constrained Acres	Suitable Acres in Vacant and Partially Vacant Taxlots
Commercial	C	44	85	6	36	44
Industrial	I	22	49	0	4	45
Industrial-Commercial	IC	16	19	0	0	19
Commercial-General Residential	U	5	0	0	0	0
Total		**87**	**153**	**6**	**40**	**107**

Source: GIS data provided by the City of Veneta; Analysis by CPW

How much growth is Veneta planning for?

Veneta will add 612 employees between 2015 and 2035. CPW used the regional employment growth safe harbor rate prepared by the Oregon Employment Department. This assumes that employment will grow at a rate similar to that in the region. The most recent Oregon Employment Department (OED) forecast shows regional employment growth at an average annual growth (AAGR) rate of

1.43 percent.[1] Using the OED rate of 1.43 percent, Veneta's employment is forecast to increase from 1,789 to 1,867 in 2015 and then to 2,479 in 2035 (Table S-2). This is a net increase of 612 employees over the 20-year forecast period. Based on this forecast, Veneta's ratio of population to employment (PE ratio) will increase from 3.16 to 4.24.

Table S-1. Employment, Veneta UGB, 2015-2035

Year	Population Forecast	Total Employment	PE Ratio
2012		1,789	
2015	5,902	1,867	3.16
2035	10,505	2,479	4.24
Change 2015 to 2035			
Employees		612	
Percent		25%	
AAGR		1.43%	

Source: Calculations by CPW using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department. Population forecasts from Portland State University, adopted by Lane County in August 2008.

How much land will be required for employment?

Veneta will need approximately 35 net acres and 41 gross acres to accommodate new employment forecast between 2015 and 2035. CPW used a 15% net to gross factor to estimate gross acres. The majority of land demand is for commercial employment (29.6 gross acres). The forecast estimates demand for 9.1 gross acres for industrial employment, and 1.9 gross acres for government employment.

Table S-3. Estimated demand for employment land using safe harbor forecasts, Veneta UGB, 2015-2035

Land Use Type	Employment Growth (Employees)	Employee Per Acre Assumption	Land Demand	
			Net Acres	Gross Acres
Industrial	77	10	7.7	9.1
Commercial	503	20	25.2	29.6
Government	32	20	1.6	1.9
Total	**612**		**34.5**	**40.6**

Source: Community Planning Workshop

Does Veneta have enough land to accommodate employment growth?

A key objective of the Veneta EOA was determining if the City has sufficient suitable commercial and industrial land to accommodate forecast employment growth between 2015 and 2035. Table 5-1 compares the supply of buildable land with the demand for employment land:

[1] http://www.qualityinfo.org/pubs/projections/projections.pdf

- **Industrial**: Veneta has a supply of 44.6 acres of buildable land designated for industrial uses. The employment forecast projects demand for 9.1 gross acres of industrial land. Veneta has a surplus of 35.5 acres of industrial land.

- **Commercial**: Veneta has a supply of 43.5 acres of buildable land designated for commercial uses. The employment forecast projects demand for 31.5 acres of commercial land. Veneta has a surplus of 12.0 acres of commercial land.

- **Industrial-Commercial**: Veneta has a supply of 19 acres of buildable land that is designated for industrial or commercial uses. Land designated industrial-commercial could accommodate both industrial and limited commercial uses and therefore contributes to Veneta's surplus of available buildable land.

In summary, the land sufficiency analysis shows that Veneta has a surplus of land in all plan designations in light of forecast employment growth between 2015 and 2035. In total, Veneta has a surplus of more than 66 acres.

Table S-4. Comparison of sufficiency of employment land to accommodate employment growth, acres, Veneta, 2015 to 2035

Plan Designation/ Employment Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	44.6	9.1	35.5
Commercial			
Commercial	43.5	29.6	
Government		1.9	
Commercial Subtotal	**43.5**	**31.5**	**12.0**
Industrial-Commercial	18.6		18.6
Total	**106.8**	**40.6**	**66.2**

Source: Community Planning Workshop

What type of business does Veneta want to attract?

While Veneta is interested in working with a broad range of businesses, previous efforts identified specific "target" industries. Veneta chose the targeted industries by identifying industries that are viewed as a good fit for the area and that might consider Veneta a good fit given the City's comparative advantages. The industries that fit with the Community's aspirations for growth and identified as having growth potential in Veneta are:

- Food Processing – with a focus on specialty items
- Professional, Scientific, and Technical Services – focus on high-tech
- Secondary Wood Products – focus on niche markets
- Small-scale or Specialty Agriculture including Greenhouse, and Floriculture Products
- Tourism and Wine industry

While Veneta identifies these as target industries, the list above is not exclusive and does not prevent the City from working with businesses in other industrial sectors.

What are the implications of the key economic development issues in Veneta?

Following are key conclusions and implications based on the Economic Opportunities Analysis:

- **Veneta does not need to amend the Urban Growth Boundary**. Veneta has a sufficient inventory of employment land in all plan designations and zones to meet forecast demand for the 2015-2030 planning period.
- **Veneta has a sufficient inventory of suitable, serviced employment sites**. The buildable lands inventory shows Veneta has about 107 acres of unconstrained industrial and commercial land. Forecasts indicate a total land need of 40 acres for the 2015-2035 planning period.
- **Veneta's location presents both advantages and disadvantages.** Veneta's distance from I-5 and proximity to the Eugene-Springfield metropolitan area (1) make Veneta less attractive to industries that need close proximity to the freeway, and (2) create a lot of retail and service leakage. Moreover, many Veneta residents work in Eugene-Springfield. On the positive side, Veneta's rural and small town environment are attractive. Close proximity to the Eugene Airport and access to Highway 126 are also positive attributes.
- **Veneta has a highly skilled population**. A significant number of Veneta residents work in professional occupations (see Table B-2, in appendix B) but work outside Veneta. This is a significant community asset.
- **Veneta has a small employment base**. CPW estimate Veneta has about 1,700 employees, or about one job per three persons. This low population-employment ratio confirms that Veneta is a bedroom community.
- **Veneta has potential to capture more retail and service expenditures**. Veneta households have high per capita disposable income, but Veneta has a lot of retail and service leakage, most of which probably goes to Eugene-Springfield businesses. This creates an opportunity to capture sales and create business opportunities. This is not an easy or automatic outcome—the City has been actively working to attract more commercial businesses with limited success.
- **Veneta has made significant infrastructure investments to support economic development**. Improvements to downtown and the EWEB water intertie are two major successes that provide a foundation for future economic growth in Veneta.

CHAPTER 1: INTRODUCTION

This report presents an Economic Opportunities Analysis 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."

Background

The City of Veneta is updating the Economic Development chapter of the City's Comprehensive Plan. This update includes two related parts: (1) determining whether Veneta has enough employment land through conducting an economic opportunities analysis (EOA) and (2) developing a strategy to guide economic development policy and actions in Veneta. The documents prepared through this process are informed by recent data, consider community viewpoints, express a direct economic development vision for Veneta, and clearly articulate the city's role in implementing the Veneta Economic Development Strategy.

This study will help the City define its role in achieving community economic development aspirations through policies and implementation strategies. While the study is focused on local policy and implementation, the EOA must comply with the requirements of Goal 9 and OAR 660-009 and related land use statutes and rules.

The City has engaged in a number of recent studies related to economic development. The Lane Council of Governments (LCOG) prepared an economic development strategy in 2003, and a subsequent implementation strategy in 2004. Veneta received grant funding in 2006 to prepare the Downtown Master Plan and associated Market Readiness Analysis Report. The Strategies for Next Steps Implementation addresses how the City will facilitate redevelopment. Moreover, the extension of EWEB the water pipeline to Veneta provides stable capacity to service new development. Following is a list of studies related to community and economic development:

- Veneta Economic Development Strategic Plan (2003)
- City of Veneta Comprehensive Plan (2004)
- Veneta Economic Development Implementation Plan (2004)
- Market Readiness Analysis and Report (2006)
- Next Step Strategies: Redevelopment Action Plan (2008)
- Downtown Master Plan (2006)
- Fern Ridge Visitor Readiness Report (2009)
- Urban Renewal Plan (2013)[2]

[2] Full texts of the studies can be accessed at http://ci.veneta.or.us/docs.cfm

While the City has pursued a range of focused economic development efforts, the City has not conducted a thorough review of the Economic Element of the Comprehensive Plan since the 1990s. 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 Veneta has a sufficient supply of buildable lands designated for employment to accommodate growth forecast for the 2015 to 2035 period.

A separate document presents the second product of this project: the Veneta Economic Development Strategy. The Strategy articulates Veneta's vision and goals for economic development and actions to implement the community's aspirations.

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.[3] The analysis in this report is designed to conform to the 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 used; 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.

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

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 particularly 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 Veneta.

Organization of the Report

The remainder of this report is organized as follows:

- **Chapter 2: Land Available for Industrial and Other Employment Users** presents a regional inventory of industrial and other employment lands
- **Chapter 3: Economic Trends and Factors Affecting Future Economic Growth** presents a summary of economic trends that may affect economic development in Veneta. Chapter 3 provides a summary of the region's comparative advantage and economic opportunities relative to other parts of Lane County and Oregon.
- **Chapter 4: Employment Forecast, Land Demand, and Site Needs** presents an analysis of land demand for commercial and industrial uses in Veneta, focusing on employment growth in the region and discusses the site needs for potential growth industries.
- **Chapter 5: Implications** presents a comparison of land supply and site needs and discusses the implications of the Economic Opportunities Analysis.

This report includes three appendices:

- **Appendix A: National, State, Regional, County, and Local Trends Affecting Future Economic Growth** describes national, state, and local economic trends that will influence the regional economy. Appendix B presents detailed information about economic trends that may affect Veneta, which is summarized in Chapter 3.
- **Appendix B: Factors Affecting Future Economic Growth in Veneta** provides details about factors that may affect economic develop in Veneta and an analysis of Veneta's comparative and competitive advantages relative to Lane County and Oregon.

CHAPTER 2: LAND AVAILABLE FOR INDUSTRIAL AND OTHER EMPLOYMENT USES

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

This chapter presents results of the commercial and industrial buildable lands inventory for the City of Veneta. The results are based on analysis of geographic information system (GIS) data by the Community Service Center. The remainder of this chapter summarizes key findings of the BLI.

Overview of Land Inventory Methodology

The results of the buildable land inventory (BLI) are based on an analysis of Geographic Information System (GIS) data provided by Lane Council of Governments (LCOG) and the City of Veneta. The BLI consists of several steps:

1. Identifying the "land base" (e.g., lands in plan designations that are primarily focused on employment)
2. Classifying land into mutually exclusive categories
3. Netting out development constraints
4. Developing tabular summaries of lands by classification and plan designation

The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. The steps in the inventory were:

- Generate employment "land base." This involved "clipping" all of the tax lots in the Veneta UGB with the comprehensive plan layer. The GIS function was followed by a quality assurance step to review the output and validate that the resulting dataset accurately represents all lands designated for employment use in the Veneta UGB.
- Classify lands. Each tax lot was 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, employment lands with improvement values under $10,000 were considered vacant.
  - *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without

need of rezoning. This determination was made through review of aerial photographs.

- *Undevelopable land.* Land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained.

- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.

- *Public land.* Lands in public ownership are mostly considered unavailable for employment uses. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Lane County Assessment property tax exemption codes. This category only includes public lands that are located in employment plan designations.

- Identify constraints. The City identifies areas in steep slopes (over 15%), floodways, greenways, and wetlands identified in the Local Wetlands Inventory (LWI), as constrained or committed lands. These areas are deducted from lands that were identified as vacant or partially vacant. To estimate the constrained area within each tax lot, all constraints listed above were merged into a single constraint file which was overlaid on tax lots.

- Evaluate redevelopment potential. According to statewide planning rules, redevelopable land is land on which development has already occurred but on which, due to present or expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period.

- Tabulation and mapping. The results are presented in tabular and map format with accompanying narrative. The maps include lands by classification, and maps of vacant and partially vacant lands with constraints.

CPW initially classified land using a rule-based methodology. CPW then generated maps that show the results of the application of those rules, with some adjustments made through a validation step based on review of aerial photos and building permit data. The preliminary classification maps were provided to City staff for review and comment.

Summary of Employment Land Supply

Land base

The first step in the BLI process was to identify the employment land base (e.g., lands with plan designations that allow employment). The land base includes the following employment designations – Commercial (C), Industrial (I), Industrial-Commercial (IC), Commercial-General Residential (U). Note that the U designation

allows both commercial and residential uses and was included in the residential land inventory.

Table 2-1 shows that Veneta has about 377 acres of land inside the Urban Growth Boundary (UGB) designated for employment uses. The majority of the land (225 acres) is designated Commercial, 71 acres are designated Industrial, 54 acres Industrial-Commercial, and 55 acres Commercial-General Residential.

Table 2-1. Acres in Employment Plan Designations, Veneta UGB, 2014

Plan Designation	Code	Acres
Commercial	C	225.5
Industrial	I	74.1
Industrial-Commercial	IC	55.2
Commercial-General Residential	U	22.7
Total		**377.4**

Source: City of Veneta GIS data; analysis by CPW
Notes: Includes Right of Way. Lands in the U designation were also included in the residential Inventory.

Table 2-2 shows that about 377 acres and 262 tax lots are within the Veneta UGB are within the employment land base (including lands in Commercial, Industrial, Industrial-Commercial, and Commercial- General Residential). The 377 acres includes lands in right-of-ways. Table 2-2 shows the total acres in each plan designation, the number of tax lots, and the acres in tax lots. Veneta has about 282 acres in tax lots that are within employment land designations.

Table 2-2. Acres in Tax Lots by Employment Plan Designation, Veneta UGB, 2014

Plan Designation	Code	Total Acres	Number of Tax Lots	Acres in Tax Lots
Commercial	C	225.5	132	166.5
Industrial	I	74.1	29	68.1
Industrial-Commercial	IC	55.2	23	32.6
Commercial-General Residential	U	22.7	78	14.7
Total		**377.4**	**262**	**281.9**

Source: City of Veneta GIS Analysis; analysis by CPW

Map 2-1 shows employment plan designations and tax lots within employment plan designations within the Veneta UGB in 2014.

Map 2-1: Employment Land Base, Veneta UGB, 2014

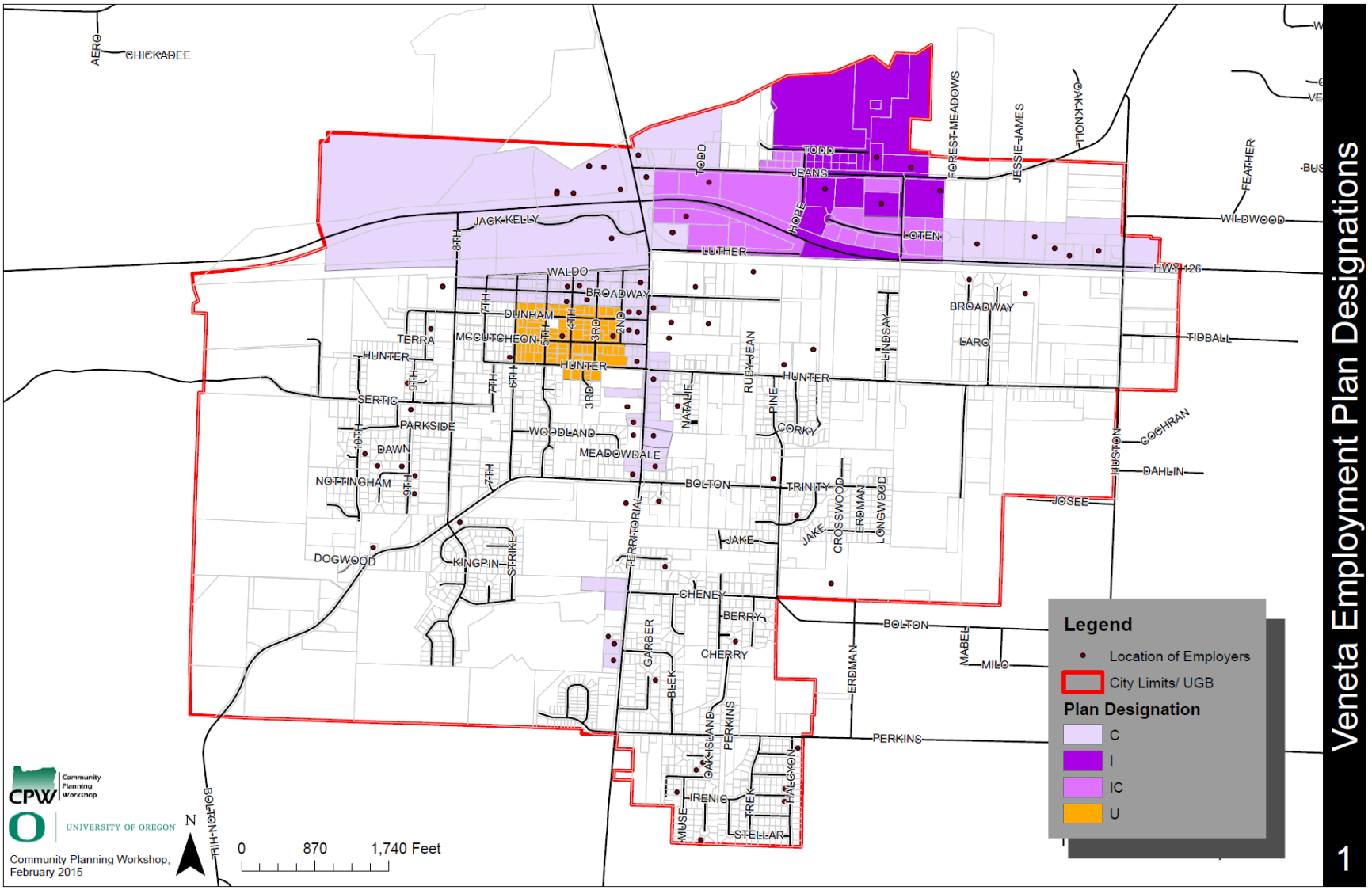


Table 2-3 shows employment land by comprehensive plan designation within the Veneta UGB. The results show that of the 282 total acres in employment designations, 96 acres are developed, 79 are constrained (e.g., not suitable for development), and 107 vacant.

Table 2-3. Employment Land by Comprehensive Plan Designation, Veneta UGB, 2014

Plan Designation	Code	Number of Tax Lots	Total Acres	Developed Acres	Constrained Acres	Vacant Acres
Commercial	C	132	166	49	74	44
Industrial	I	29	68	19	4	45
Industrial-Commercial	IC	23	33	14	0	19
Commercial-General Residential	U	78	15	14	0	0
Total		**262**	**282**	**96**	**79**	**107**

Source: City of Veneta GIS data; analysis by CPW

The next step in the employment land inventory was to classify lands into mutually exclusive categories that relate to their development status. Table 2-4 shows all employment land in the Veneta UGB by classification and plan designation. The results show that of the 282 total acres in employment designations, 129 acres are developed, 26 are partially vacant, and 127 acres vacant. Note that Table 2-4 does not deduct for development constraints (for example, 20 of the 127 vacant acres are constrained, resulting in 107 vacant suitable acres).

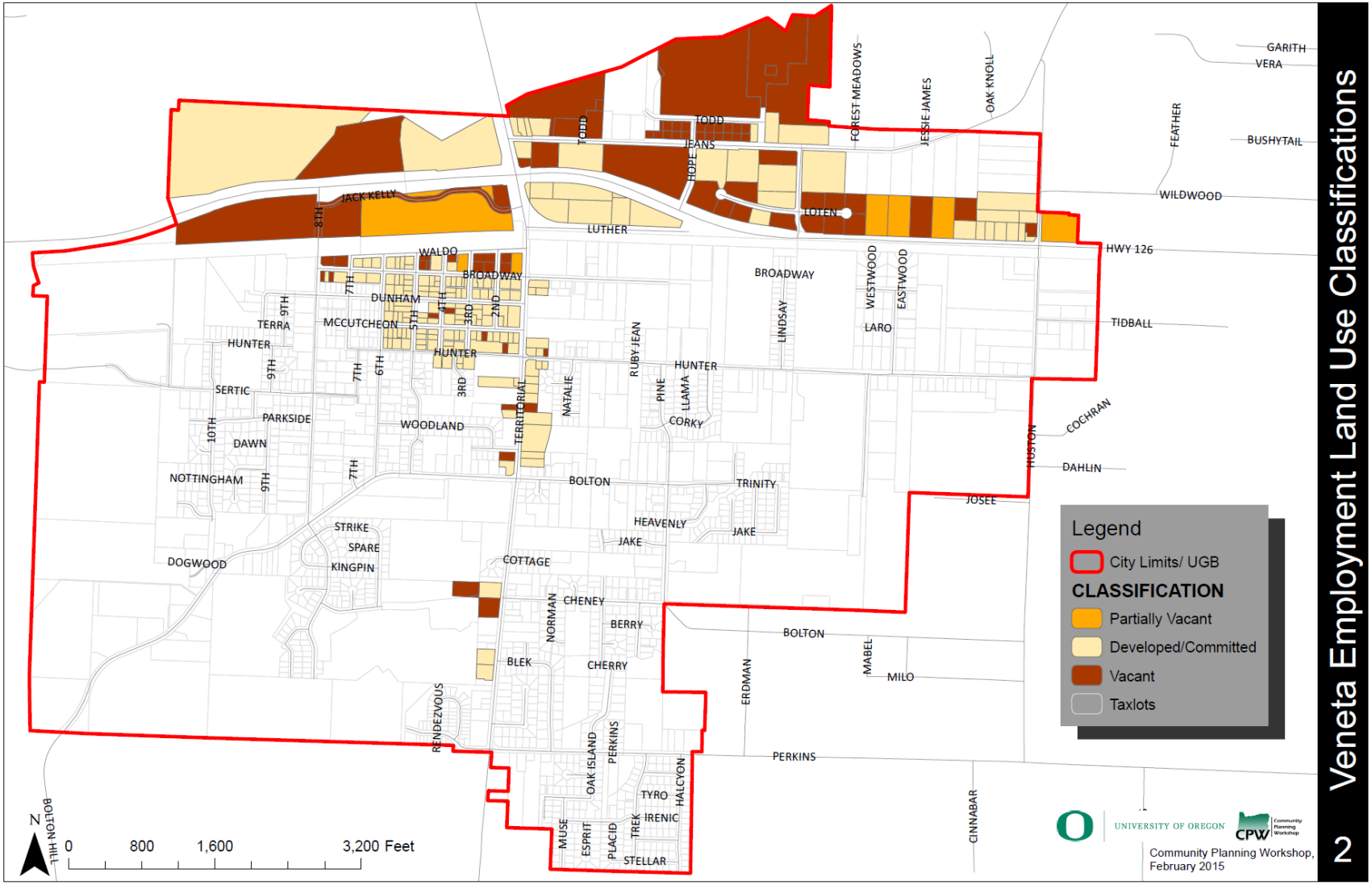
Table 2-4. Employment Land by Development Classification and Comprehensive Plan Designation, Veneta UGB, 2014

		Total Acres by Classification			
Plan Designation	Code	Developed	Partially Vacant	Vacant	Total
Commercial	C	82	26	59	166
Industrial	I	14	0	19	33
Industrial-Commercial	IC	19	0	49	68
Commercial-General Residential	U	14	0	0	15
Total		**129**	**26**	**127**	**282**

Source: City of Veneta GIS data; analysis by CPW

Map 2-2 shows employment lands by classification (e.g., development status).

Map 2-2. Land Classification (development status) for Employment Lands in the Veneta UGB, 2014



Vacant buildable land

The next step in the commercial and industrial buildable land inventory was to subtract out portions of vacant and partially vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant lots, (2) areas with physical constraints (for example, wetlands or floodplains), or (3) lands that are already committed to a use (public/ quasi-public or private open space).

Table 2-5 shows employment acres with development capacity (e.g. lands classified as vacant or partially vacant) by constraint status and plan designation in the Veneta UGB in 2014. Analysis by constraint status shows 6 acres within tax lots with development capacity are classified as developed, and 40 acres are classified as constrained. Constrained acres are not suitable for employment uses, leaving 107 acres that are considered land suitable for new employment.

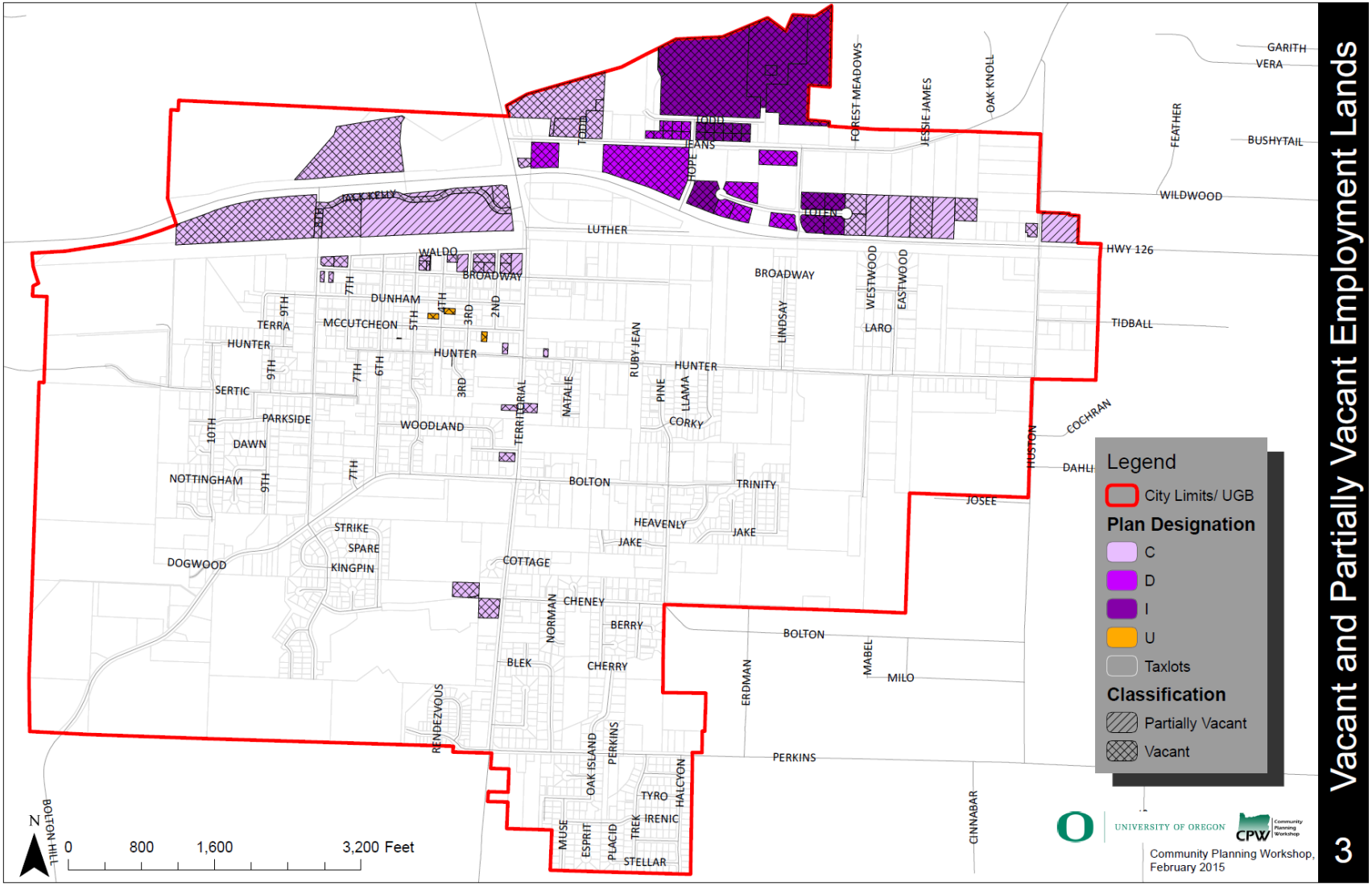
Table 2-5. Vacant and Partially Vacant Land by Plan Designation, Veneta UGB, 2014

				Land Not Suitable for New Employment		Land Suitable for New Employment
Plan Designation	Code	Number of Tax Lots	Total Acres	Developed Acres	Constrained Acres	Vacant Acres
Partially Vacant						
Commercial	C	7	26	6	5	16
Industrial	I	0	0	0	0	0
Industrial-Commercial	IC	0	0	0	0	0
Commercial-General Residential	U	0	0	0	0	0
Subtotal		**7**	**26**	**6**	**5**	**16**
Vacant						
Commercial	C	37	59	0	31	28
Industrial	I	22	49	0	4	45
Industrial-Commercial	IC	16	19	0	0	19
Commercial-General Residential	U	5	0	0	0	0
Subtotal		**80**	**127**	**0**	**35**	**92**
TOTAL		**87**	**153**	**6**	**40**	**107**

Source: GIS data provided by the City of Veneta; Analysis by CPW

Map 2-3 shows vacant and partially vacant commercial and industrial land in Veneta by development status. Map 2-4 shows vacant and partially vacant commercial and industrial land in Veneta with development constraints.

Map 2-3. Vacant and Partially Vacant Employment Lands, Veneta UGB, 2014



Map 2-4. Vacant and Partially Vacant Lands and Development Constraints, Veneta UGB, 2014

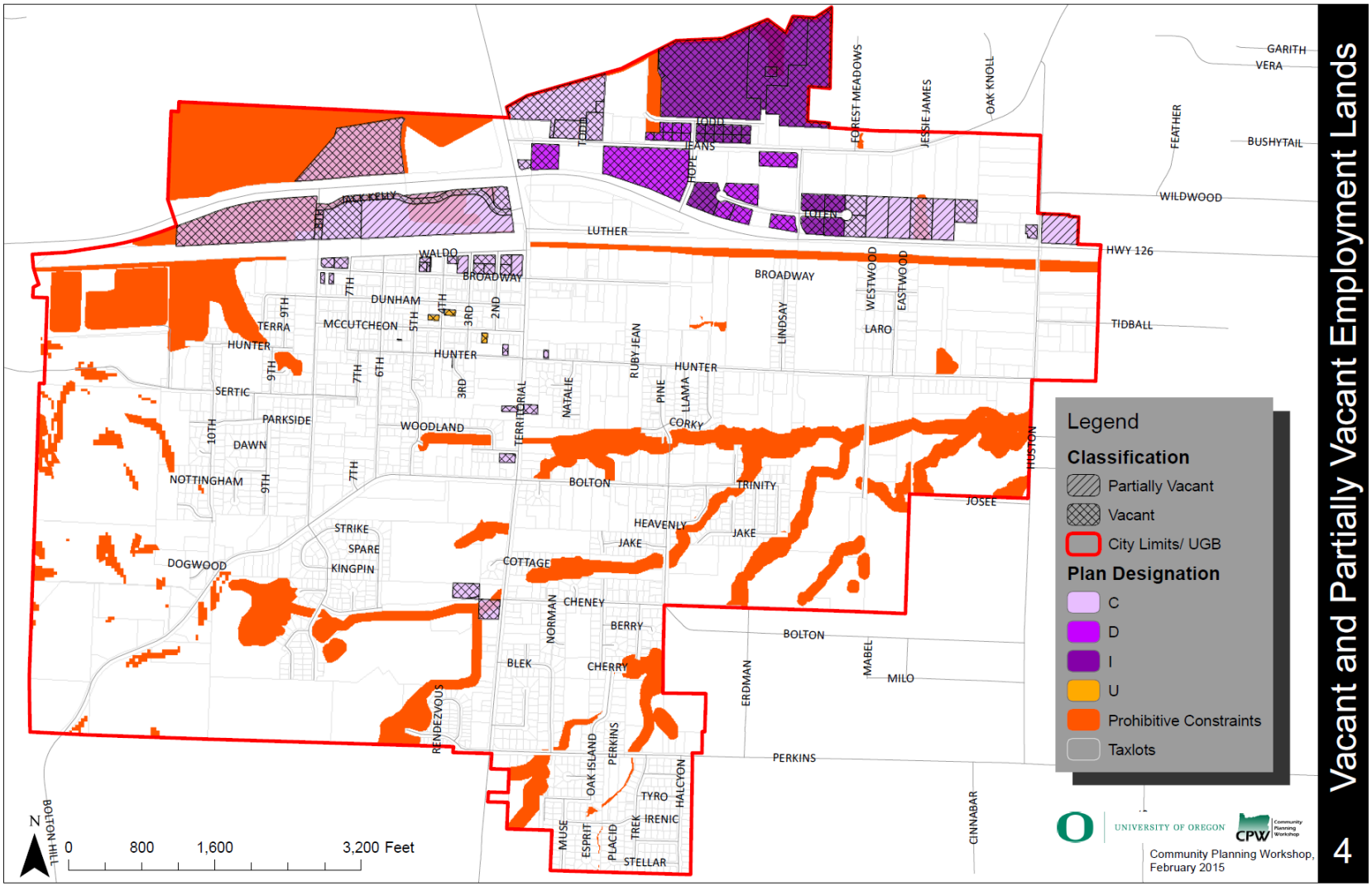


Table 2-6 shows vacant and partially vacant tax lots in Veneta by the amount of suitable land (in acres) in each tax lot. Veneta has 79 tax lots that have on acre or less of suitable land. These 79 lots have 41 suitable acres of land. The city also has 7 lots between 2 and 10 acres (48 acres of land), 1 lot between 10 and 20 acres in size (19 acres of land), and no tax lots larger than 20 acres.

Table 2-6. Vacant and Partially Vacant Tax Lots by Suitable Land Acres

	Suitable Acres in Tax Lot								
Plan Designation	**<0.25**	**0.25-0.49**	**0.50-0.99**	**1.00-1.99**	**2.00-4.99**	**5.00-9.99**	**10.00-19.99**	**20.00+**	**Total**
Number of Tax Lots									
Commercial	14	12	3	12	1	2	0	0	44
Industrial	13	1	1	3	1	2	1	0	22
Industrial-Commercial	6	3	2	4	0	1	0	0	16
Commercial-General Residential	5	0	0	0	0	0	0	0	5
Total	**38**	**16**	**6**	**19**	**2**	**5**	**1**	**0**	**87**
Suitable Acres									
Commercial	2	4	2	16	4	16	0	0	44
Industrial	3	0	1	3	2	17	19	0	45
Industrial-Commercial	1	1	2	6	0	9	0	0	19
Commercial-General Residential	0	0	0	0	0	0	0	0	0
Total	**6**	**5**	**4**	**25**	**6**	**42**	**19**	**0**	**107**

Source: City of Veneta GIS data; analysis by CPW

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. Different studies have used different improvement to land value ration thresholds to identify redevelopment potential.

One of the key issues in preparing an accurate inventory of employment lands in Veneta is how to identify and inventory under-utilized or redevelopable lands. For the purpose of this study, we do not make a distinction between under-utilized and redevelopable sites. The inventory consistently uses the term "redevelopable" since it is consistent with the terminology of the statewide land use program.[4] For the purpose of this study, however, the definition of "redevelopable" land is considered synonymous with "under-utilized" properties.

In the context of the Veneta commercial and industrial buildable lands inventory, redevelopment potential addresses land that was initially 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 will be assumed to redevelop during the planning period.

[4] OAR-660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose of clarity, CPW uses the term "developed" to mean land committed to existing productive employment uses and "redevelopable" as lands that have potential for redevelopment during the planning period.

The factors that affect redevelopability are many, but the economics are pretty straightforward. Redevelopment occurs when achievable rents exceed the current return on investment of the land and improvements. The reality, of course, is much more complicated. One way to think about the market for land is "highest and best use" which is a function of:

1. Achievable Pricing – Given the product type and location, what lease rates or sale prices are achievable?
2. Entitlements – What do local regulations allow to be built?
3. Development Cost – What is the cost to build the range of product types allowed (entitled) at that location?
4. Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

Despite all of the above factors, it is difficult to develop reliable models of redevelopment potential because the factors are complicated and are location and time specific. Moreover, public policy can play a significant role in facilitating redevelopment.

Previous studies have explored supply side approaches using GIS datasets. The problem with supply side approaches is that the base data available to conduct empirical analyses is quite coarse and as a result, the analyses are limited and the results have varying levels of inaccuracy. The improvement to land value approach has some problems; for example, it does not make distinctions for land intensive employment uses that require minimal built structure investments. Despite this limitation, it has utility in identifying districts that may be worth focusing resources on.

Thus, this study uses a demand-based approach to estimate how much land will be redeveloped over the 20-year planning period. This issue is approached from the demand side by making deductions from total employment growth to account for a new employment that will not need new land.

Table2-7 shows improvement to land ratios for developed land in Veneta. Twenty-five developed sites have a land value ratio of 0.99 or less, suggesting that these sites may have redevelopment potential. High improvement to land value ratios suggest decreasing probability of redevelopment potential. Less than 10 acres of land in Veneta have an improvement to land value ratio of 0.99 or less, and 2.4 acres in seven tax lots have an improvement to land value ratio of less than 0.5. These results suggest that Veneta does not have much redevelopment potential, particularly in light of the amount of vacant suitable employment land.

Table 2-7. Improvement to Land Value Ratio, Developed Lots, Veneta UGB, 2014

	Improvement to Total Value Ratio					
Plan Designation	0.01-0.24	0.25-0.49	0.50-0.74	0.75-0.99	1.00 or More	No Value Data
Number of Tax Lots						
Commercial	1	5	2	2	32	43
Industrial	0	0	0	0	0	7
Industrial-Commercial	1	0	0	1	0	5
Commercial-General Residential	0	0	2	11	38	21
Total	**2**	**5**	**4**	**14**	**70**	**76**
Total Acres						
Commercial	0.2	1.1	0.8	0.8	12.2	66.2
Industrial	0.0	0.0	0.0	0.0	0.0	19.2
Industrial-Commercial	1.0	0.0	0.0	2.8	0.0	10.2
Commercial-General Residential	0.0	0.0	0.4	1.9	7.6	4.0
Total	**1.3**	**1.1**	**1.3**	**5.5**	**19.7**	**99.6**

Source: City of Veneta GIS data; analysis by CPW

CHAPTER 3: ECONOMIC TRENDS AND FACTORS AFFECTING FUTURE ECONOMIC GROWTH

According to OAR 660-0009, "the intent of the Land Conservation and Development Commission is to provide an adequate land supply for economic development and employment growth in Oregon." The intent OAR 660-009 is to link planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state." To meet those objectives OAR 660-009-0015(1) requires cities consider national, state, regional, county and local trends; this chapter summarizes economic trends and factors that will affect future economic growth in Veneta.

This chapter summarizes key findings from: (1) Appendix A: National, State, County, and Local Economic Trends, and (2) Appendix B: Factors Affecting Future Economic Growth in Veneta.

State, National and Local Trends

This section summarizes national, state, county, and local trends affecting Veneta. It presents a demographic and socioeconomic profile of Veneta relative to Lane County and Oregon, and describes trends that will influence the potential for economic growth in Veneta.

Short-term Trends

The U.S. economy continues to recover from the deep recession brought about by instability of financial and housing markets and has impacted Oregon in a variety of ways, most notably with the labor market showing high unemployment and the housing market's oversupply of homes.

According to the Oregon Employment Department, Oregon's employment peaked in the first quarter of 2008 (at more than 1.74 million jobs) and hit its lowest point in the first quarter of 2010 (at about 1.59 million jobs), losing 146,000 jobs over the two-year period. However, Oregon added about 52,000 jobs between 2010 and December 2012.

Nationally, housing demand decreased during 2008 and continued to decline through 2009. The OEA expects that Oregon's housing market should recover more easily than other states that had greater increases in housing prices during the recent housing boom.[5]

Long-term National Trends

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

[5] Office of Economic Analysis. Oregon Economic and Revenue Forecast, March 2010, Vol. XXX, No. 1, Page 6-7. http://www.oregon.gov/DAS/OEA/docs/economic/forecast0310.pdf. Page 11.

- **Economic growth will continue at a moderate pace.** Annual growth rates (in real GDP) are projected to be roughly 3 percent through 2017. The Congressional Budget Office (CBO) estimates that unemployment rates will continue to decline but remain above 6.0 percent until late 2016.

- **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. This trend can be seen in Oregon, where the share of workers 65 years and older grew 2.9 percent of the workforce in 2000 to 4.1 percent of the workforce in 2010, an increase of 41 percent.

- **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 33.7 million job openings over the 2010-2020 period, compared with growth in employment of 21.1 million jobs.

- **The 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.

State and Regional Trends

State, regional, and local trends will also affect economic development in Veneta over the next twenty years. The most important of State and Regional trends includes:

- **Continued in-migration from other states**. 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 1990-2010. Oregon had an annual average of 15,612 more in-migrants than out-migrants during the period 2010-2013.

- **Concentration of population and employment in the Willamette Valley**. Nearly 70 percent of Oregon's population lives in the Willamette Valley. 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 percent of Oregon's population.

- **Change in the type of the industries in Oregon**. The composition of Oregon's employment has shifted from natural resource based manufacturing and other industries to service industries.

- **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 decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries.

Economic Trends in Veneta and Lane County

Future economic growth in Veneta will be affected in part by demographic and economic trends in Veneta and surrounding Lane County region.

Population and Demographic Characteristics

Oregon's population grew from 2.8 million people in 1990 to 3.8 million people in 2012, an increase of more than 1,000,000 people at an average annual rate of 1.5 percent. Veneta grew more quickly than the State average during this period, growing at 2.79 percent annually. Lane County added 71,288 residents and Veneta added 2,552.

Migration is the largest component of population growth in Oregon. Between 2010 and 2013, in-migration accounted for 53 percent of Oregon's population growth. Over the same period, in-migration accounted for 82 percent of the population growth in Lane County, adding nearly 3,614 residents over the three-year period[6].

The median age of Veneta residents is increasing. The average age of Veneta residents in 2012 was 34.9 years old, compared with 32.7 in 2000. By comparison, Lane County's median age was 36.6 years old in 2012 and 38.8 in 2000.

Individuals aged 65 and older in Veneta increased faster than any other age between 2000 and 2012 (409 people, an increase of 199 percent). The Oregon Office of Economic Analysis forecasts that Lane County's percent of people 65 years and older will increase from 13 percent in 2000 to 20 percent in 2030.[7]

Household and Personal Income

Income for Veneta residents and households is higher on average than the County, but lower than the state. In 2012, Veneta's median household income was $48,598, compared with the County median of $42,628. The State median household income was $50,036.

A larger share of households in Veneta (17 percent) had an income between $75,000 and $99,999, compared to Lane County (11 percent) or the State (12 percent) in 2012. Veneta had a lower share of households with income below $25,000 (18 percent), compared to Lane County (29 percent) and the State (24 percent).

In 2011, average annual pay for workers in Lane County was $36,778, compared to Oregon's average of $43,077 and the national average of $48,043.

Lane County Employment Trends

Between 1980 and 2000, covered employment in the County grew from 97,600 to 139,696, an increase of 43 percent or 42,096 jobs. All sectors except Mining added jobs during this period, which was reduced by 33 percent or 77 jobs from 1980-

[6] Portland State University, College of Urban and Public Affairs: Population Research Center, 2013 Annual Population Report Tables http://www.pdx.edu/prc/population-estimates-0

[7] Oregon Office of Economic Analysis, Long Term County Forecast, State and County Population Forecasts by Age and Sex, 2000 to 2040

2000. The sectors with the greatest positive change in covered employment include Services; Retail Trade; Manufacturing; Government; Construction; and Agriculture, Forestry & Fishing, adding a total of 18,351 jobs in Lane County, or about 44 percent of all new jobs.

Lane County is forecasted to grow by about 124,018 between 2010 and 2040 – a 36 percent increase. Over the same period, Oregon is forecasted to grow by more than 1.5 million people, or 41 percent.

The sectors that will lead employment growth in Lane County between 2012 and 2022 are Health Care and Social Assistance (adding 3,800 jobs), Government (adding 3,700 jobs), Leisure and Hospitality (adding 2,900 jobs), and Professional and Business Services (adding 2,700 jobs). Together, these sectors are expected to add 13,100 new jobs or 60 percent of employment growth in Lane County.

Comparative and Competitive Advantages

Economic development opportunities in Veneta will be affected by local conditions as well as the national and state economic conditions described in Appendix A. Economic conditions in Veneta relative to these conditions in other nearby communities contribute to Veneta's competitive and comparative advantages for economic development. These advantages have implications for the types of firms most likely to locate or expand in Veneta.

There is little that Veneta can do to influence national and state conditions that affect economic development. Veneta can, however, influence local factors that affect economic development. Veneta's primary advantages are: location in the Willamette Valley, access to Highway 126 and Territorial Highway, and high quality of life.

The local factors that form Veneta's competitive and comparative advantages are summarized below.

- **Location**. Veneta is located in Lane County, along Highway 126 and Territorial Highway. The City is 14 miles from the Eugene/Springfield metro area. Businesses that need access to or want to attract customers from coastal communities or the Willamette Valley may locate in Veneta. Location can be considered both an advantage (the rural nature with close proximity to the Eugene-Springfield metropolitan area and the Eugene Airport) and a disadvantage (Veneta's distance from Interstate 5 is a disadvantage relative to communities that are adjacent to I-5).

  A key competitive disadvantage is the location of Veneta's downtown. West Broadway Street (the main road through the downtown core) is not visible from Highway 126. While visibility is a challenge, the City has invested considerable resources into downtown improvements including street upgrades and property acquisition. The City's long term vision and strategies provide a strong foundation for future development.

- **Transportation**. Businesses and residents in Veneta have access to a variety of modes of transportation: automotive (Highways 126 and Territorial

Highway), air (Eugene Airport), rail (Union Pacific and Burlington Northern Santa Fe, Central Oregon and Pacific Railroad, Amtrak), and transit (Lane Transit District). Businesses that need access to multiple modes of transportation may choose to locate in Veneta. The City's distance from Eugene/Springfield metro area and the Oregon coast are a benefit to attracting businesses that need direct access to markets in the Coast or Willamette Valley.

The City is working with ODOT to get improvements to Highway 126 into the State Transportation Improvement Program (STIP). The city's proximity to the Eugene Airport is a particular advantage. While the Coos Bay Rail Link goes through Veneta, no industrial land is adjacent to the line and it has no spurs that access Veneta.

- **Infrastructure**. Veneta recently constructed a nine mile pipeline to connect the EWEB water system to Veneta's storage and distribution plant. The pipeline allows Veneta to provide an additional 6 to 8 million gallons of water a month. The water system will be enough to support growth over the next 20 years. The City has also developed a Wastewater Master Plan that will provide guidance for increasing capacity in the near future.

- **Tourism.** Veneta levies an 8 percent transient lodging tax on overnight accommodations. Between 2003 and 2013, Veneta's lodging tax revenue did not significantly vary, as revenue fluctuated from 0 to $1 million throughout the ten-year period. Note that Veneta has no major chain hotels within its incorporated boundary.

  The three day Oregon Country Fair hosts nearly 45,000 visitors every July, and is one of the most well-known tourism events in the city. Revenue from the 2008 Oregon Country Fair was generated by three main sources: crafters (39 percent), visitors (60 percent), and external funding (1 percent). The 2008 Oregon Country Fair had an economic impact of $8,515,245 in Lane County, with $2,931,985 of this coming from non-local visitors.

  The Fern Ridge area, which includes Veneta, has several tourism initiatives such as bird watching, wine tasting, outdoor recreation, and handmade local crafts and food to attract visitors. Other outdoor activities that draw visitors to the Fern Ridge area include sailing, kayaking, canoeing, and cycling. In addition, the Fern Ridge area is also home to many wineries, such as King Estate, and others along Territorial Road. An important future strategy will be to capitalize on the potential of the wineries in this area, and create a wine route. Linking the growing agri-tourism and other local food and craft artisans to the wine route will be key to expanding wine tourism in the Fern Ridge area.

- **Buying power of markets.** The buying power of Veneta's households, residents of nearby communities and visitors provide a market for goods and services. Residents of nearby unincorporated communities go to Veneta to shop. Veneta's role as a sub-regional center for retail and

services is a competitive advantage for attracting retail and other services. Residents of Veneta on average spend $3,000 more annually on commonly purchased goods. In addition, 17 percent of households have an income between 75,000 and $99,999, which is higher than the state average. Moreover, Veneta contains a lower share of households with incomes below $25,000 – almost 10 percent lower than Oregon and Lane County.

- **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. Veneta has a higher labor force participation than Lane County and the State average. This provides an opportunity for workforce training and education. Many Veneta residents, however, commute to other communities for work.

- **Public Policy**. Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retaining firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Veneta (rather than another Lane County community) based on: the City's tax policies, development charges (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

- **Land Supply**. Veneta has 44 industrial sites, 19 industrial-commercial sites, and 42 commercial sites within its UGB. Many of these sites are fully serviced and have access and exposure to Highway 126. These sites provide opportunities to attract businesses.

Summary

In summary, Veneta's comparative advantages include a well-educated population, a substantial inventory of commercial and industrial sites, infrastructure improvements, and a rural atmosphere. From a land use perspective, the City has made strategic investments that provide a foundation for business development. While Veneta's location will limit its attractiveness to businesses that need direct access to Interstate 5, the City is prepared to accommodate a range of industrial and manufacturing uses. A key challenge for commercial development is sales leakage to the Eugene-Springfield area; however, the local income profile is favorable to support more retail and commercial uses. The key challenge will be attracting pioneer businesses to the downtown core.

CHAPTER 4: EMPLOYMENT FORECAST AND DEMAND FOR EMPLOYMENT LAND

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, Veneta needs an estimate of the amount of commercial and industrial land that will be needed to accommodate forecast employment over the planning period. Demand for commercial and industrial land will be driven by development in target industries, the expansion and relocation of existing businesses, and new businesses locating in Veneta.

Summary of Economic Development Objectives

In 2015, the City of Veneta adopted an economic development strategy action plan. Following is the City's economic development vision statement:

> *The City of Veneta will be a "complete community" that provides an array of job opportunities and local services. The City will work collaboratively to develop partnerships to implement economic and community development activities.*

To implement the vision, City decision makers and staff will work to:

- Make Veneta a vibrant, safe, and welcoming place for community members and tourists.
- Support community members through the creation of long-term, family wage jobs in Veneta.
- Provide services and shopping amenities for residents and visitors.
- Provide for a majority of residents' basic needs.
- Create a healthy environment for supporting current and future businesses.
- Create a unique community identity that residents and businesses are proud to promote.
- Embrace a sustainable economic development approach that meets Veneta's current needs while anticipating future growth opportunities.

The five-year economic development action plan for the City of Veneta includes four goals that frame the plan. Following are goals and strategies from the Veneta Economic Development Strategic Action Plan.

Goal 1: Economic Development Commitment

The first goal in the strategy is commitment to economic development. Commitment is important because without leadership, resources, and staff time, the action plan will not get implemented.

> Strategy 1.1: Demonstrate consistent commitment and support for long-term economic development in Veneta.

Strategy 1.2: Establish and maintain relationships with business development partners and with local, state, and federal economic development organizations.

Goal 2: Business Retention, Expansion, Recruitment, and Entrepreneurial Development

Economic development typically has four cornerstone strategies: (1) retention (strategies to retain existing businesses), (2) expansion (strategies such as Economic Gardening or other approaches focusing on helping existing businesses grow); (3) recruitment (attracting new businesses to the community), and (4) entrepreneurial development (assisting individuals with ideas turn those into businesses). The City of Veneta embraces all of these strategies and does not prioritize one over another.

Strategy 2.1: Facilitate economic development in Veneta through the retention and expansion of existing businesses.

Strategy 2.2: Make the community attractive to businesses and residents through marketing efforts.

Strategy 2.3: Increase capacity to recruit commercial, industrial, and traded sector businesses.

Goal 3: Retail and Commercial Development

A key concern is the amount of sales "leakage" that Veneta is losing to other communities. To reduce the amount of sales leakage, the City will work to offer a broader range of retail and commercial services, with emphasis on attracting businesses to the downtown area.

Strategy 3.1: Create a vibrant downtown core area that encourages residents and visitors to shop and spend time.

Strategy 3.2: Focus on quality retail and commercial development that will offer a full spectrum of products/services for the community.

Goal 4: Infrastructure Improvement

Infrastructure is a pre-requisite for economic development. While the City has made tremendous progress on infrastructure with the downtown street improvements and the water intertie, more work remains to be done.

Strategy 4.1: Continue infrastructure improvements to support the needs of current and future Veneta businesses.

Strategy 4.2: Make aesthetic and general beautification enhancements to make Veneta attractive to residents, visitors, and potential industries.

In short, the city is focusing on a multi-pronged business development strategy that weights recruitment, retention/expansion, and innovation/entrepreneurship equally. That focus is coupled with a commitment to provide adequate serviced or serviceable land and overall community improvements.

Potential Growth Industries

While Veneta is interested in working with a broad range of businesses, previous efforts identified specific "target" industries. Veneta chose the targeted industries by identifying industries that are a viewed as a good fit for the area and that might consider Veneta a good fit given the City's comparative advantages. The industries that fit with the Community's aspirations for growth and identified as having growth potential in Veneta are:

- Food Processing – with a focus on specialty items
- Professional, Scientific, and Technical Services – focus on high-tech
- Secondary Wood Products – focus on niche markets
- Small-scale or Specialty Agriculture including Greenhouse, and Floriculture Products
- Tourism and Wine industry

While Veneta identifies these as target industries, the list above is not exclusive and does not prevent the City from working with businesses in other industrial sectors.

Forecast of Employment Growth

Goal 9 requires cities to plan for economic growth. Specifically, OAR 660-009-0015 requires cities to prepare an Economic Opportunities Analysis that "will compare the demand for land for industrial and other employment uses to the existing supply of such land." Demand (or need) for land for industrial and other employment uses is a function of expected employment growth. Thus, a forecast of employment is required as a basis for estimating land demand.

The expansion of existing businesses and the location of new businesses in Veneta will drive demand for additional commercial and industrial land. The growth and expansion of new and existing businesses is measured by employment growth. This section a forecast of employment growth for the 2015 through 2035 period. The results from the employment forecast will serve as the basis for estimating land demand.

The forecast of employment uses a methodology developed by ECONorthwest and has three major steps:

1. **Establish base employment for the projection.** This first step includes estimating covered employment in Veneta's Urban Growth Boundary. Covered employment does not include all workers, so we adjusted covered employment to reflect total employment in Veneta.

2. **Forecast total employment.** To forecast total employment, we used the safe harbor method described in OAR 660-024-0040(9)(a)(A).[8] This method

[8] OAR 660-024-0040(9) The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

bases forecast off of the rate of job growth in the most recent regional forecast prepared by the Oregon Employment Department (OED).

3. **Allocate employment**. This step involves allocating employment to generalized land uses: industrial, commercial, and government. For this allocation, CPW used the share of employment based on Veneta's current of employment by sector as reported in the 2012 Quarterly Census of Employment and Wages (QCEW).

Employment Base for Projection

To forecast employment growth in Veneta, we first establish a base 2015 employment estimate. Table 4-1 shows the estimate of total employment in the Veneta UGB in 2012. To develop the figures, we start with covered employment in the Veneta Urban Growth Boundary (UGB) as reported by the QCEW.

Covered employment, however, does not include all workers. Most notably, covered employment does not include sole proprietors or farm employment. Analysis of U.S. Bureau of Labor Statistics (BLS) data shows that covered employment in Lane County is only about 75 percent of the total employment reported by the BLS. We assume the ratio of covered to total employment in Lane County is similar in Veneta and applied the ratios by sector to the QCEW data to convert covered employment to total employment. Table 2-1 shows Veneta had an estimated 1,789 employees within its UGB in 2012 and a population/employment ratio of 3.03.

(A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or

(B) The population growth rate for the urban area in the adopted 20-year coordinated population forecast specified in OAR 660-024-0030.

Table 4-1. Estimated Total Employment in the Veneta UGB by Sector, 2012

Sector	Covered Employment Number	Covered Employment % of Total Emp.	Estimated Total Employment
Natural Resources and Mining	c	90%	c
Construction	48	63%	76
Manufacturing	c	99%	c
Wholesale Trade	c	85%	c
Retail Trade	205	82%	249
Transportation & Warehousing & Utilities	c	74%	c
Information	c	78%	c
Finance & Insurance	c	54%	c
Real Estate & Rental & Leasing	c	30%	c
Professional, Scientific, and Technical Services	60	51%	117
Management of Companies and Enterprises	c	98%	c
Admin. & Support & Waste Mgt. & Remediation Srv.	c	73%	c
Private Educational Services	c	45%	c
Health Care & Social Assistance	111	81%	137
Arts, Entertainment, & Recreation	c	35%	c
Accommodation & Food Services	240	91%	263
Other Services (except Public Administration)	80	51%	156
Government	86	91%	94
Total	**1,365**	**75%**	**1,789**

Source: 2012 QCEW Data. Covered employment as a percent of total employment calculated by CPW using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department. Note: c=confidential. OED rules preclude reporting employment figures when there are three or fewer firms or a single firm accounts for 80% or more of employment.

Employment Forecast Assumptions

Forecasting employment growth in Veneta requires making assumptions about future economic conditions in Veneta and Lane County over the next 20 years. Some factors that we considered when creating the employment forecast for Veneta include historical growth trends in the County and Veneta's expected growth. To forecast Veneta's employment growth, CPW used the regional employment growth safe harbor rate prepared by the Oregon Employment Department. This assumes that employment will grow at a rate similar to that in the region.

The most recent Oregon Employment Department forecast shows regional employment growth at an average annual rate of 1.43 percent.[9] Using the OED rate of 1.43 percent, Veneta's employment is forecast to increase from 1,789 to 1,867 in 2015 and then to 2,479 in 2035. Based on this forecast, Veneta's ratio of population to employment (PE ratio) will increase from 3.16 to 4.24.

Table 4-2 presents Veneta's employment forecast for the 2015 to 2035 period based on the OAR 660-024-0040(9)(a)(A) regional employment growth rate safe harbor. The regional employment growth rate for the safe harbor is 1.43%. Applying this to the base year employment estimate of 1,789 yields a 2015

[9] http://www.qualityinfo.org/pubs/projections/projections.pdf

employment estimate of 1,867 and a 2035 forecast of 2,479. This is a net increase of 612 employees over the 20-year forecast period.

Table 4-2. Forecast Employment Growth, Veneta UGB, 2015-2035

Year	Population Forecast	Total Employment	PE Ratio
2012		1,789	
2015	5,902	1,867	3.16
2035	10,505	2,479	4.24
Change 2015 to 2035			
Employees		612	
Percent		25%	
AAGR		1.43%	

Source: Calculations by CPW using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department.

Allocation of Employment to Land Use Types

The next step in the employment forecast is to allocate future employment to land use types by grouping employment into either industrial, commercial, or government land use types based on the North American Industry Classification System (NAICS).

Industrial land use types include businesses in the following sectors: Natural Resources and Mining, Construction, Manufacturing, Wholesale Trade, and Transportation, Warehousing, and Utilities. Industrial employment accounted for 13 percent of Veneta's covered employment in 2012.

Commercial land use types include businesses in Retail Trade, Information, Finance and Insurance, Real Estate, Professional and Scientific Services, Management of Companies, Administrative and Support Services, Private Educational Services, Health Care and Social Assistance, Accommodations and Food Services, and Other Services. Commercial employment accounted for 82 percent of Veneta's covered employment in 2012.

Government land use types include employment in local, state, and federal agencies, including public educational services. Government employment accounted for 5 percent of Veneta's covered employment in 2012.

To allocate employment to different land uses for the 2015-2035 planning period, we assumed the share of industrial, commercial, and government employment would remain the same as the 2012 share. Table 4-3 shows the allocation of forecast employment by land use category. Applying the 2012 share by land use type results in 312 employees allocated to industrial land uses, 2,307employees to commercial land uses, and 130 employees to government land uses.

Table 4-2. Forecast of Employment Growth by Land Use Type, Veneta UGB, 2012 and 2015-2035

	2012		2015-2035		
Land Use Type	Employment	% of Total	2015 Employment	2035 Employment	Change 2015 to 2035
Industrial	225	13%	235	312	77
Commercial	1,470	82%	1,534	2,037	503
Government	94	5%	98	130	32
Total	**1,789**	**100%**	**1,867**	**2,479**	**612**

Source: Calculations by CPW using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total), the Oregon Employment Department, and GIS data provided by the City of Veneta.

Land Available for Industrial and Other Employment Uses

Chapter 2 described the methods and results of the commercial and industrial buildable lands inventory in detail. This section summarizes results of the commercial and industrial buildable lands inventory for the City of Veneta.

Table 4-4 shows employment acres by classification and constraint status in the Veneta UGB in 2014. The inventory shows 153 acres in 87 tax lots that were designated for employment uses and were classified as vacant or partially vacant. Of those lands, six acres were developed and 40 acres constrained, leaving 107 suitable acres. Veneta has 45 acres of suitable land in the industrial designation, 44 acres in the Commercial designation, 19 acres in the Industrial-Commercial designation, and less than 0.5 acre in the Commercial-General Residential designation.

Table 4-3. Vacant and Partially Vacant Land by Plan Designation, Veneta UGB, 2014

				Land Not Suitable for New Employment		Land Suitable for New Employment
Plan Designation	Code	Number of Tax Lots	Total Acres	Developed Acres	Constrained Acres	Vacant Acres
Partially Vacant						
Commercial	C	7	26	6	5	16
Industrial	I	0	0	0	0	0
Industrial-Commercial	IC	0	0	0	0	0
Commercial-General Residential	U	0	0	0	0	0
Subtotal		**7**	**26**	**6**	**5**	**16**
Vacant						
Commercial	C	37	59	0	31	28
Industrial	I	22	49	0	4	45
Industrial-Commercial	IC	16	19	0	0	19
Commercial-General Residential	U	5	0	0	0	0
Subtotal		**80**	**127**	**0**	**35**	**92**
TOTAL		**87**	**153**	**6**	**40**	**107**

Source: GIS data provided by the City of Veneta; Analysis by CPW.

Land Demand Estimates

The final step in the analysis is to convert the employment forecast in to land demand estimates. This is done by dividing suitable acres of land by an employee-per-acre assumption. The land demand estimates assume the following number of employees per acre (EPA):

- Industrial: an average of 10 employees per acre
- Commercial and government: an average of 20 employees per acre

These employment densities are consistent with the Oregon Department of Land Conservation and Development (DLCD) Goal 9 Economic Development and Employment Land Planning Guidebook. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

Table 4-5 shows that Veneta will need approximately 35 net acres and 41 gross acres to accommodate new employment forecast between 2015 and 2035. CPW used a 15% net to gross factor to estimate gross acres. The majority of land demand is for commercial employment (29.6 gross acres). The forecast estimates demand for 9.1 gross acres for industrial employment, and 1.9 gross acres for government employment.

Table 4-4. Estimated demand for employment land using safe harbor forecasts, Veneta UGB, 2015-2035

			Land Demand	
Land Use Type	Employment Growth	Employee Per Acre Assumption	Net Acres	Gross Acres
Industrial	77	10	7.7	9.1
Commercial	503	20	25.2	29.6
Government	32	20	1.6	1.9
Total	**612**		**34.5**	**40.6**

Source: Community Planning Workshop

CHAPTER 5: IMPLICATIONS

This chapter summarizes the implications of economic opportunities analysis for Veneta. It includes a comparison of land supply and demand and a determination of whether Veneta has an adequate 20-year land supply. It also provides a description of the characteristics of sites need to accommodate target employers and other businesses that might locate in Veneta.

Comparison of Land Supply and Demand

A key objective of the Veneta EOA was determining if the City has sufficient suitable commercial and industrial land to accommodate forecast employment growth between 2015 and 2035. Table 5-1 compares the supply of buildable land from Table 2-6 (Chapter 2) with the demand for employment land from Table 4-5 (Chapter 4):

- **Industrial**: Veneta has a supply of 44.6 acres of buildable land designated for industrial uses. The employment forecast projects demand for 9.1 gross acres of industrial land. Veneta has a surplus of 35.5 acres of industrial land.
- **Commercial**: Veneta has a supply of 43.5 acres of buildable land designated for commercial uses. The employment forecast project demand for 31.5 acres of commercial land. Veneta has a surplus of 12.0 acres of commercial land.
- **Industrial-Commercial**: Veneta has a supply of 19 acres of buildable land that is designated for industrial or commercial uses. Land designated industrial-commercial could accommodate both commercial and industrial uses and therefore contributes to Veneta's surplus of available buildable land.

In summary, the land sufficiency analysis shows that Veneta has a surplus of land in all plan designations in light of forecast employment growth between 2015 and 2035. In total, Veneta has a surplus of more than 66 acres.

Table 5-1. Comparison of sufficiency of employment land to accommodate employment growth, acres, Veneta, 2015 to 2035

Plan Designation/ Employment Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	44.6	9.1	35.5
Commercial			
Commercial	43.5	29.6	
Government		1.9	
Commercial Subtotal	**43.5**	**31.5**	**12.0**
Industrial-Commercial	18.6		18.6
Total	**106.8**	**40.6**	**66.2**

Source: Community Planning Workshop

Characteristics of Needed Sites

OAR 660-009-0015(2) requires the EOA to 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. 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, service 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 other major transportation routes.

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 9 gross acres of industrial land, 30 gross acres of commercial land, and 2 gross acres of land for government employment.

Table 5-2 shows common site requirements by industry sector as reported by Business Oregon. Given Veneta's comparative advantages, General Manufacturing, Food Processing, High-tech Manufacturing and Campus Industrial are businesses that fit Veneta's profile. Moreover, Veneta meets most of the special considerations for these industries (Veneta has no industrial sites larger than 20 as suggested for High-Tech Manufacturing. While Veneta does not have larger sites, the existing smaller serviced sites will accommodate many businesses in the High-Tech Manufacturing sector.

Table 5-2. Common Site Requirements by Industrial Type, Business Oregon Industrial Competitiveness Matrix

Industry Sector	Site size* (Acres)	Site topography (Slope)	Site Access Max distance in miles to interstate or major arterial	Utilities (Min. line size in inches) Water / Sanitary Sewer	Special Considerations
Regionally to Nationally Scaled Clean-Tech Manufacturer	50	0-5%	10	10 / 10	Acreage allotment includes Expansion space (often an exercisable option). Very high utility volumes in one or more areas common. Sensitive to nearby uses.
Globally Scaled Clean Technology Campus	100	0-5%	10	10 / 10	Demanding criteria-driven site selection. High material and visitor throughput. Major Commercial Airport a must. Redundancy in trip routes and utilities vital. Surrounding Environmental (vibration, noise, etc.) Buffering and expansion space necessary. Sensitive to encroachment activities of nearby uses (residential, institutional, commercial).
Heavy Industrial/ Manufacturing	25	0-5%	10	8 / 8	Adequate distance from sensitive land uses (residential, parks, large retail centers) necessary. High throughput of materials. Large yard spaces and/or buffering required. Often transportation related requiring marine/rail links.
General Manufacturing	10	0-5%	20	8 / 8	Adequate distance from sensitive land uses(residential, parks) necessary.
Food Processing	20	0-5%	30	10 / 10	May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. On-site water pretreatment needed in many instances.
High-tech Manufacturing or Campus Industrial	25	0-7%	15	10 / 10	Surrounding environment of great concern (vibration, noise, air quality, etc.). Increased setbacks may be required and/or on-site utility service areas. Avoid sites close to wastewater treatment plants, landfills, sewage lagoons, and other such land uses. May require high volume/supply of water and sanitary sewer treatment.
Regional (multistate) Distribution Center	200	0-5%	5 Only Interstate highway or equivalent	4 / 4	Transportation routing and proximity to/from major highways is crucial. Expansion options required. Truck staging requirements mandatory. Does not like to site or have routing issues between site and interstate that have rail crossings, school zones, airport runways, or drawbridges
Warehouse/ Distribution	25	0-5%	5 Only Interstate highway or equivalent	4 / 4	Transportation infrastructure such as roads and bridges to/from major highways is most competitive factor.

Industrial Sites

Based on the analysis of land supply and Veneta's comparative advantages, Veneta will need 9.1 acres of land for general industrial uses over the 2015 to 2035 period. Industrial sites may be used for one firm or may be used for an industrial park, to provide space for multiple, smaller firms.

- **Site size**. Veneta will need about 9 acres of industrial land over the 20-year planning period. The current inventory includes lots up to 20 acres and provides a range of choices for potential businesses and developers.
- **Street access**. Industrial sites should be located within one-half mile of Highway 126. The freight traffic from industrial sites should not be routed through residential neighborhoods. All of Veneta's industrial lands meet these criteria.
- **Topography**. Industrial sites should be relatively flat, preferably not more than 5% slope and not more than 10% slope. All of Veneta's industrial lands meet these criteria.
- **Unconstrained land**. Sites should not be constrained by floodplains or wetlands. Veneta's industrial sites do not have any significant development constaints.
- **Access to services**. City services should be accessible to the site, including arterial street access, sanitary sewer, and municipal water. Other services that industrial sites will need are: electricity, phone, and high-speed telecommunications. Some businesses may need higher capacity water or wastewater services (such as food processors) or higher capacity electricity (such as high-tech firms). If the site has access to services, the need for higher capacity services could be addressed when a business chooses to locate at the site. Sites in Veneta generally have access to services and services can easily be extended where they are not available.
- **Land ownership**. Sites with a single owner are strongly preferred, to reduce the cost of land assembly. A concern in Veneta is that a single owner controls much of the industrial land supply.
- **Surrounding land uses**. General industrial sites should be located near compatible uses, such as other industrial uses, warehousing and distribution, or some types of commercial uses, such as a business park. Veneta's industrial lands are well buffered.

Commercial

Based on the analysis of land supply in Table 5-1, Veneta will need about 30 acres of commercial land between 2015 and 2035. Veneta has a mixture of site sizes. Larger commercial sites could have a variety of uses: a campus site for a large business, a business park, large format retail, a grocery store or other grouping of retail stores, or other groupings of office and retail buildings.

- **Site size**. Veneta will need about 30 acres of commercial land in a variety of site configurations. The buildable lands inventory suggests Veneta has sufficient supply to meet the 20-year demand.

- **Street access.** Office sites should be located on an arterial or collector streets. Retail sites should be located along Highway 126, with access within one-half mile of Highway 126. Traffic from commercial sites should not be routed through residential neighborhoods. Most commercial land in Veneta meets these criteria.

- **Topography**. Commercial sites should be relatively flat, preferably not more than 15% slope. Commercial land in Veneta does not have slope constraints.

- **Unconstrained land**. Sites should not be constrained by the floodplain or wetlands. Several commercial sites in Veneta have significant flood or wetland constraints; these lands were deducted from the inventory. The remaining inventory is relatively free of constraints.

- **Access to services**. City services should be accessible to commercial sites, including street access, sanitary sewer, and municipal water. Other services that commercial sites will need are: electricity, phone, and high-speed telecommunications. All commercial sites are serviced.

- **Land ownership**. Sites with a single owner are strongly preferred, to reduce the cost of land assembly. Veneta has a range of sites in a range of ownerships.

- **Surrounding land uses**. Commercial uses may be compatible with light industrial uses, other services, or high-density residential uses. CPW's evaluation is that the location of commercial lands does not create and land use compatibility issues.

- **Visibility**. Many retailers—particularly larger format retailers—will need sites that are highly visible from Highway 126. Visibility is an issue on Broadway and has created challenges attracting retailors.

In summary, the site requirements for industries have many common elements. Firms in all industries rely on efficient transportation access and basic water, sewer and power infrastructure, but may have varying need for parcel size, slope, configuration, and buffer treatments. Transit, pedestrian and bicycle access are needed for commuting, recreation and access to support amenities.

Implications

Following are key conclusions and implications based on the Economic Opportunities Analysis:

- **Veneta does not need to amend the Urban Growth Boundary**. Veneta has a sufficient inventory of employment land in all plan designations and zones to meet forecast demand for the 2015-2030 planning period.

- **Veneta has a sufficient inventory of suitable, serviced employment sites**. The buildable lands inventory shows Veneta has about 107 acres of unconstrained industrial and commercial land. Forecasts indicate a total land need of 40 acres for the 2015-2035 planning period.

- **Veneta's location presents both advantages and disadvantages.** Veneta's distance from I-5 and proximity to the Eugene-Springfield metropolitan area (1) make Veneta less attractive to industries that need close proximity to the freeway, and (2) create a lot of retail and service leakage. Moreover, many Veneta residents work in Eugene-Springfield. On the positive side, Veneta's rural and small town environment are attractive. Close proximity to the Eugene Airport and access to Highway 126 are also positive attributes.

- **Veneta has a highly skilled population**. A significant number of Veneta residents work in professional occupations (see Table B-2, in appendix B) but work outside Veneta. This is a significant community asset.

- **Veneta has a small employment base**. CPW estimate Veneta has about 1,700 employees, or about one job per three persons. This low population-employment ratio confirms that Veneta is a bedroom community.

- **Veneta has potential to capture more retail and service expenditures**. Veneta households have high per capita disposable income, but Veneta has a lot of retail and service leakage, most of which probably goes to Eugene-Springfield businesses. This creates an opportunity to capture sales and create business opportunities. This is not an easy or automatic outcome—the City has been actively working to attract more commercial businesses with limited success.

- **Veneta has made significant infrastructure investments to support economic development**. Improvements to downtown and the EWEB water intertie are two major successes that provide a foundation for future economic growth in Veneta.

APPENDIX A: NATIONAL, STATE, REGIONAL, COUNTY, AND LOCAL TRENDS AFFECTING FUTURE ECONOMIC GROWTH

This appendix summarizes national, state, county, and local trends affecting Veneta. It presents a demographic and socioeconomic profile of Veneta relative to Lane County and Oregon, and describes trends that will influence the potential for economic growth in Veneta. The appendix covers recent and current economic growth in the city, as well as 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

This section summarizes national, state, county, and local trends and other factors affecting economic growth in Veneta. Each heading in this chapter represents a key trend or economic factor that will affect Veneta's economy and economic development potential. The trends are adapted from work by ECONorthwest.

Short-term Trends

The focus of the Economic Opportunities Analysis is to identify long-term economic opportunities and the need for land to accommodate employment growth. The EOA generally focuses on long-term economic cycles (Goal 9 requires a 20-year forecast). The recent recession, however, is severe enough that it may continue to affect Oregon's economy over the next five years, possibly longer. This section briefly summarizes big-picture, short-term economic trends.

The U.S. economy continues to recover from the deepest recession since World War II. The recession was brought about by instability of financial and housing markets and has impacted Oregon in a variety of ways, most notably with the labor market showing high unemployment and the housing market's oversupply of homes.

Oregon has seen gradual employment increases since the beginning of 2010.[10] According to the Oregon Employment Department, Oregon's employment peaked in the first quarter of 2008 (at more than 1.74 million jobs) and hit its lowest point in the first quarter of 2010 (at about 1.59 million jobs), losing 146,000 jobs over the two-year period. Between early 2010 and December 2012, Oregon added about 52,000 jobs.

According to the Oregon Office of Economic Analysis (OEA), the state's job growth since mid-2011 has been slow but continuous, at about 1.2 percent per year, which is less than half of the average growth rate during an expansion year. The OEA predicts continued slow growth.

[10] Office of Economic Analysis. Oregon Economic and Revenue Forecast, September 2012, Vol. XXXII, No. 3., Page 6-7. http://www.oregon.gov/DAS/OEA/docs/economic/forecast0912.pdf

Nationally, housing demand decreased precipitously during 2008 and continued to decline through 2009. This decrease is the result of a number of factors, including the sub-prime lending crisis, difficulties with the financial industry and resulting tightening of credit availability, the impact of decreases in home value for existing homeowners, and the impact of job losses.

The national housing market appears to be stabilizing, with housing starts beginning to increase. While housing prices are increasing in some markets, they are holding stable or continuing to decrease in some housing markets. The OEA expects that Oregon's housing market should recover more easily than other states that had greater increases in housing prices during the recent housing boom.[11]

The Oregon Index of Leading Indicators grew in late 2011 through early 2012 but declined sharply in June 2012. The overall decline was driven by large decreases in a few indicators, particularly those related to global economic slowdown in the manufacturing sector. In general, recent trends in the Index suggest near-term economic growth.[12]

Governments across the globe attempted to stabilize the economy through economic stimulus. In the U.S. government stimulation that has directly impacted Oregon includes government subsidies for the housing market and the return of federal timber payments to Oregon's counties. But the federal timber payments were phased out over a four-year period, which ended in 2011. The withdrawal of these forms of stimulus may have adverse impacts on economic activity. [13]

Oregon's economic health is dependent on the export market. Oregon's exports in the first half of 2012 decreased by 5.1 percent relative to 2011 levels. [14] The countries that Oregon has the most exports to are China, Canada, Malaysia, Japan, and Taiwan. These economies were all affected by the global recession. Exports to China and Malaysia, which accounted for 30 percent of Oregon's exports in 2011, are down 28 percent in the first half of 2012. The manufacturing slowdown in China and the euro zone recession have negatively impacted Oregon exports. As foreign economies recover from the recession, their increased purchasing power will aid U.S. producers looking to export, including export firms in Oregon.

Long-term National Trends

Economic development in Veneta over the next twenty years will likely occur in the context of long-term national trends. The most important of these trends include:

- **Economic growth will continue at a moderate pace.** Analysis from the Congressional Budget Office (CBO) predicts that, following a slow recovery from the recession, the economy will continue to grow at a solid pace in 2014 and for the next few years. Annual growth rates (in real GDP) are projected to be roughly 3 percent through 2017.

[11] Office of Economic Analysis. Oregon Economic and Revenue Forecast, March 2010, Vol. XXX, No. 1, Page 6-7. http://www.oregon.gov/DAS/OEA/docs/economic/forecast0310.pdf, Page 11.
[12] Office of Economic Analysis. Oregon Economic and Revenue Forecast, September 2012, Vol. XXXII, No. 3., Page 6-7. http://www.oregon.gov/DAS/OEA/docs/economic/forecast0912.pdf, page 46.
[13] Ibid., 50.
[14] Ibid., 19-22.

Unemployment rates have also improved with the recovery and CBO expects continued decline, but CBO estimates that it will remain above 6.0 percent until late 2016.

Beyond 2017, CBO projects that economic growth will decline to a pace below the average seen over the past several decades. This expectation reflects long-term trends—in particular, slower growth in the labor force due to the aging of the population.

- **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 working age people under age 65 will grow only 19 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.[15]

  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 percent of these workers expect to work full-time after age 65, compared with about 30 percent in 1992.[16] This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2.9 percent of the workforce in 2000 to 4.1 percent of the workforce in 2010, an increase of 41 percent. Comparatively, over the same ten-year period, workers 45 to 64 years increased by 15 percent.[17]

- **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 33.7 million job openings over the 2010-2020 period, compared with growth in employment of 21.1 million jobs. The occupations with the greatest need for replacement workers includes: retail sales, food service, registered nurses, office workers and teachers.[18]

- **The 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: health care service, computer programming, management and business services, college teachers, and architectural and engineering services. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for more than two-thirds of all new jobs by 2020. These occupations typically have lower pay than occupations requiring an academic degree.[19]

[15] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2011, The 2011 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, May 13, 2011.
[16] "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.
[17] Analysis of 2000 Decennial Census data and 2010 U.S. Census American Community Survey, 1-Year Estimates for the table Sex by Age by Employment Status for the Population 16 Years and Over
[18] "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.
[19] "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

The national median income in 2013 was about $43,004. Workers without a high school diploma earned $18,460 less than the median income and workers with a high school diploma earned $9,152 less than median income. Workers with some college earned slightly less than median and workers with a bachelor's degree earned $14,612 more than median. Workers in Oregon experience the same patterns as the nation, but pay is generally lower in Oregon than the national average.[20]

- **Need for diversity in the skills of workers.** While workers with academic degree or "high" skills are forecast to continue to be in demand (e.g., managers, lawyers, engineers, or health care practitioners), businesses will need other skilled workers. These workers, termed "middle-skill," are in occupations such as sales, administrative support, construction, maintenance, or transportation. Middle-skill workers may have a high school diploma or may have completed an Associate's degree but are less likely to have a Bachelor's degree. Middle-skill workers have specialized skills and need more training than a high school diploma.

  The Oregon Department of Employment projects that about 28 percent of job openings in Oregon between 2010 and 2020 will be in middle-skill occupations.[21]

- **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 latter 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. [22]

- **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.[23]

- **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. High-quality natural resources continue to be important in some states, especially in the Western U.S. Increases in the population and in households' incomes, plus changes in tastes and preferences, have dramatically increased the demand for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to

[20] Bureau of Labor Statistics, Employment Projections, March 2014. http://www.bls.gov/emp/ep_chart_001.htm
[21] "A careful Analysis of Oregon's middle-Skill Jobs," July 2012 Oregon Employment Department.
[22] 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.
[23] "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

a region's quality of life and play an important role in attracting both households and firms.[24]

- **Continued increase in demand for energy.** Energy prices are forecast to remain at relatively high levels, with continued, gradual increased prices over the planning period. While energy use per capita is expected to decrease by 2040, total energy consumption will increase with rising population. Energy consumption is expected to grow primarily from industrial and (to a lesser extent) commercial users, and remain relatively flat by residential users. Energy consumption for transportation is expected to decrease, as Federal standards for energy efficiency in vehicles increases.

  Energy consumption by type of fuel is expected to change over the planning period. By 2040, the US will consume a little less oil and more natural gas and renewables. Despite increases in energy efficiency and decreases in demand for energy by some industries, demand for energy is expected to increase over the 2013 to 2040 period because of increases in population and economic activity.[25]

- **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.[26] The increases in energy prices may impact willingness to commute long distances.

- **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.

  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 include "the design, commercialization, and use of processes and products that are feasible and economical while reducing the generation of

[24] 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.

[25] Energy Information Administration, 2013, *Annual Energy Outlook 2013 with Projections to 2040 Early Release Overview*, U.S. Department of Energy, December 2012.

[26] Energy Information Administration, 2014, *Annual Energy Outlook 2014 with Projections to 2040 Early Release Overview*, U.S. Department of Energy, April 2014.

pollution at the source and minimizing the risk to human health and the environment."[27]

Defining what constitutes a green job or business is difficult because most industries can have jobs or business practices that are comparatively environmentally beneficial. A 2009 study by the Pew Charitable Trust defines the clean energy economy as an economy that "generates jobs, businesses and investments while expanding clean energy production, increasing energy efficiency, reducing greenhouse gas emissions, waste and pollution, and conserving water and other natural resources."[28]

- **Potential impacts of global climate change.** There is a consensus among the scientific community that global climate change is occurring and will have important ecological, social, and economic consequences over the next decades and beyond.[29] Extensive research shows that Oregon and other Western states already have experienced noticeable changes in climate, and predicts that more change will occur in the future.[30]

  In the Pacific Northwest, climate change is likely to (1) increase average annual temperatures, (2) increase the number and duration of heat waves, (3) increase the amount of precipitation falling as rain during the year, (4) increase the intensity of rainfall events, and 5) increase sea level. These changes are also likely to reduce winter snowpack and shift the timing of spring runoff earlier in the year.[31]

  These anticipated changes point toward some of the ways that climate change is likely to impact ecological systems and the goods and services they provide.

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[27] Urban Green Partnership at urbangreenpartnership.org

[28] "The Clean Energy Economy: Repowering Jobs, Businesses and Investments Across America." The Pew Charitable Trusts. June 2009. Pages 8-11. http://www.pewcenteronthestates.org/uploadedFiles/Clean_Economy_Report_Web.pdf

[29] Karl, T.R., J.M. Melillo, and T.C. Peterson, eds. 2009. *Global Climate Change Impacts in the United States.* U.S. Global Change Research Program. June. Retrieved June 16, 2009, from www.globalchange.gov/usimpacts; and Pachauri, R.K. and A. Reisinger, eds. 2007. *Climate Change 2007: Synthesis Report. Contribution of Working Groups I, II, and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change.*

[30] Doppelt, B., R. Hamilton, C. Deacon Williams, et al. 2009. *Preparing for Climate Change in the Upper Willamette River Basin of Western Oregon.* Climate Leadership Initiative, Institute for a Sustainable Environment, University of Oregon. March. Retrieved June 16, 2009, from http://climlead.uoregon.edu/ pdfs/willamette_report3.11FINAL.pdf and Doppelt, B., R. Hamilton, C. Deacon Williams, et al. 2009. *Preparing for Climate Change in the Rogue River Basin of Southwest Oregon.* Climate Leadership Initiative, Institute for a Sustainable Environment, University of Oregon. March. Retrieved June 16, 2009 from http://climlead.uoregon.edu/pdfs/ROGUE percent20WS_FINAL.pdf

[31] Mote, P., E. Salathe, V. Duliere, and E. Jump. 2008. Scenarios of Future Climate for the Pacific Northwest. Climate Impacts Group, University of Washington. March. Retrieved June 16, 2009, from http://cses.washington.edu/db/pdf/moteetal2008scenarios628.pdf; Littell, J.S., M. McGuire Elsner, L.C. Whitely Binder, and A.K. Snover (eds). 2009. "The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate - Executive Summary." In The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate, Climate Impacts Group, University of Washington. Retrieved June 16, 2009, from www.cses.washington.edu/db/pdf/wacciaexecsummary638.pdf; Madsen, T. and E. Figdor. 2007. When it Rains, it Pours: Global Warming and the Rising Frequency of Extreme Precipitation in the United States. Environment America Research & Policy Center and Frontier Group.; and Mote, P.W. 2006. "Climate-driven variability and trends in mountain snowpack in western North America." Journal of Climate 19(23): 6209-6220.

There is considerable uncertainty about how long it would take for some of the impacts to materialize, and the magnitude of the associated economic consequences. Assuming climate change proceeds as today's models predict, however, some of the potential economic impacts of climate change in the Pacific Northwest will likely include:[32]

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon's agriculture through changes in: growing season, temperature ranges, and water availability.[33] Climate change may impact Oregon's forestry through increase in wildfires, decrease in the rate of tree growth, change in mix of tree species, and increases in disease and pests that damage trees.[34]
- *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,[35] (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.

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 downturn in economic activity in 2008 and 2009 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 and Regional Trends

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

[32] 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.
[33] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.
[34] "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.
[35] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

State, regional, and local economic trends will affect economic activity in Veneta 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, and change in the types of industries in Oregon.

- **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 1990-2010. Oregon had an annual average of 26,290 more in-migrants than out-migrants during the period 1990-2000, while the annual average dropped to 9,800 during the period 2000-2010. Between 2010 and 2013, the annual average was 15,612 a year. [36]
- **Concentration of population and employment in the Willamette Valley.** Nearly 70 percent of Oregon's population lives in the Willamette Valley. About 10 percent of Oregon's population lives in Southern Oregon, 9 percent lives in Central Oregon, and 6 percent live in Coastal counties. 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 percent of Oregon's population.

  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 percent 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 percent to 45 percent in 2011, while employment in Manufacturing declined from an average of 18 percent in the 1970s to an average of 10 percent in 2011.
- **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. [37]

[36] Portland State University Population Research Center, Population Report, Components of Population Change for 1990-2000, 2000-2010, and 2010-2013. http://pdx.edu/prc/annual-oregon-population-report

[37] Although Oregon's economy has diversified since the 1970's, natural resource-based manufacturing accounts for more than nearly 40 percent of employment in manufacturing in Oregon in 2010, with the most employment in Wood Product and Food manufacturing.

- **Continued importance of manufacturing to Oregon's economy.** Oregon's exports totaled $19.4 billion in 2008, nearly doubling since 2000. Oregon's largest export industries were computer and electronic products and agricultural products, accounting for nearly 60 percent of Oregon's exports. Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties.[38]
- **Small businesses continue to account for a large share of employment in Oregon**. While small firms played a large part in Oregon's expansion between 2003 and 2007, they also suffered disproportionately in the recession and its aftermath (64 percent of the net jobs lost between 2008 and 2010 in Oregon were from small businesses).

  In 2011, small businesses (those with 100 or fewer employees) accounted for 96 percent of all businesses, and 41 percent of all private sector employment in Oregon. Said differently, most businesses in Oregon are small (in fact, 77 percent of all businesses have fewer than 10 employees), but the largest share of Oregon's workers work for large businesses.

  The average annualized payroll per employee at small businesses was $33,404 in 2011, which is considerably less than that at large businesses ($47,661) and the statewide average for all businesses ($41,802).[39]
- **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.

Economic Trends in Veneta and Lane County

Future economic growth in Veneta 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 Veneta. In addition, the relationship between demographic and economic indicators such as population and employment can help assess the local influence of future trends and their resulting economic conditions. This section addresses the following trends in Veneta:

- Population and Demographic Characteristics
- Household and Personal Income
- Lane County Employment Trends
- Employment in Veneta
- Business Activity in Target Industries
- Outlook for Growth in Veneta

[38] Business Oregon, *"Economic Data Packet"*

[39] U.S Census Bureau, 2011 Statistics of U.S. Businesses, Annual Data, Enterprise Employment Size, U.S and States

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.

Table A-1 shows the changes in population for U.S., Oregon, Lane County, and Veneta. Oregon's population grew from 2.8 million people in 1990 to 3.9 million people in 2013, an increase of more than 1 million people at an average annual rate of 1.4 percent. Oregon's growth rate slowed to 1.1 percent annual growth between 2000 and 2010. Approximately 1.3 percent of the county's population lived in Veneta in 2013.

Lane County grew more slowly than the State average between 1990 and 2013, growing at 1 percent annually. Veneta grew more quickly than the State average during this period, growing at 2.7 percent annually. Lane County added 73,213 residents and Veneta added 2,116.

Table A-1. Population in the U.S., Oregon, Lane County, and Veneta, 1990-2012

	Population			Change 1990 to 2013		
Area	1990	2000	2013	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	316,128,839	67,418,966	27%	1.0%
Oregon	2,842,321	3,421,399	3,919,020	1,076,699	38%	1.4%
Lane County	282,912	322,959	356,125	73,213	26%	1.0%
Veneta	2,519	2,755	4,635	2,116	84%	2.7%

Source: 2000 U.S. Census Table DP-1, Table NST-EST2013-01; 2013 Population Research Center at Portland State University, Certified Annual Population Estimates

Migration is the largest component of population growth in Oregon. Between 2010 and 2013, in-migration accounted for 53 percent of Oregon's population growth. Over the same period, in-migration accounted for 82 percent of the population growth in Lane County, adding nearly 3,614 residents over the three-year period[40].

Based on review of Census and American Community Survey data, the median age of Veneta residents is increasing[41]. The average age of Veneta residents in 2012 was 34.9 years old, compared with 32.7 in 2000. In comparison, Lane County's median age was 36.6 years old in 2012 and 38.8 in 2000. The median age of Oregon's population in 2012 was 38.4 years and 36.3 in 2000.

[40] Portland State University, College of Urban and Public Affairs: Population Research Center, 2013 Annual Population Report Tables http://www.pdx.edu/prc/population-estimates-0

[41] 2008-2012 American Community Survey Table DP05; 2000 U.S. Census Table DP-01

Table A-2 shows the change in age distribution for Veneta between 2000 and 2012. Population increased in all age groups. The age group that increased the most was people aged 65 and older, which tripled in size (an increase of 409 people). This age group's proportion of the total population increased from 7 percent to 14 percent during this time period. Veneta's younger population grew quickly too, with people under 5 years accounting to for 10 percent of the City's population in 2012, up from 7 percent in 2000.

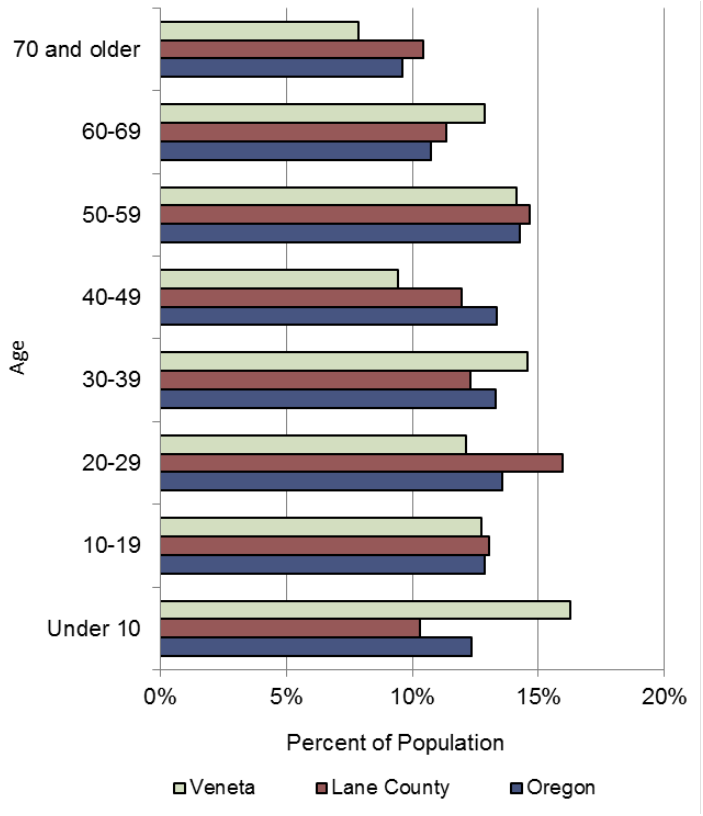
Table A-2. Change in age distribution, Veneta, 2000, 2008-2012

	2000		2012		Change 2000-2012		
Age Group	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Share**
Under 5	195	7%	454	10%	259	133%	3%
5-17	713	26%	778	17%	65	9%	-9%
18-24	213	8%	275	6%	62	29%	-2%
25-44	841	31%	1,228	27%	387	46%	-3%
45-64	587	21%	1,146	25%	559	95%	4%
65 and over	206	7%	615	14%	409	199%	6%
Total	**2,755**	**100%**	**4,496**	**100%**	**1,741**	**63%**	**0%**

Source: 2000 U.S. Census, Table P12; 2008-2012 American Community Survey, Table B01001.

Figure A-1 shows the age structure for Oregon, Lane County, and Veneta during the 2008-2012 period. Lane County and Veneta have a similar age distribution as Oregon's. However, Veneta had a larger share of people under 10 years old (16 percent) than Oregon. Lane County had a larger share of people ages 20 to 29 (16 percent) compared to Veneta (12 percent) and Oregon (14 percent).

Figure A-1. Population by age, Oregon, Lane County, and Veneta, 2008-2012



Source: 2008-2012 American Community Survey, Table S0101.

The office of Economic Analysis forecasts that Lane County's percent of people 65 years and older will increase from 13 percent in 2000 to 20 percent in 2030, compared to Oregon's increase from 13 percent to 19 percent of the population.[42]

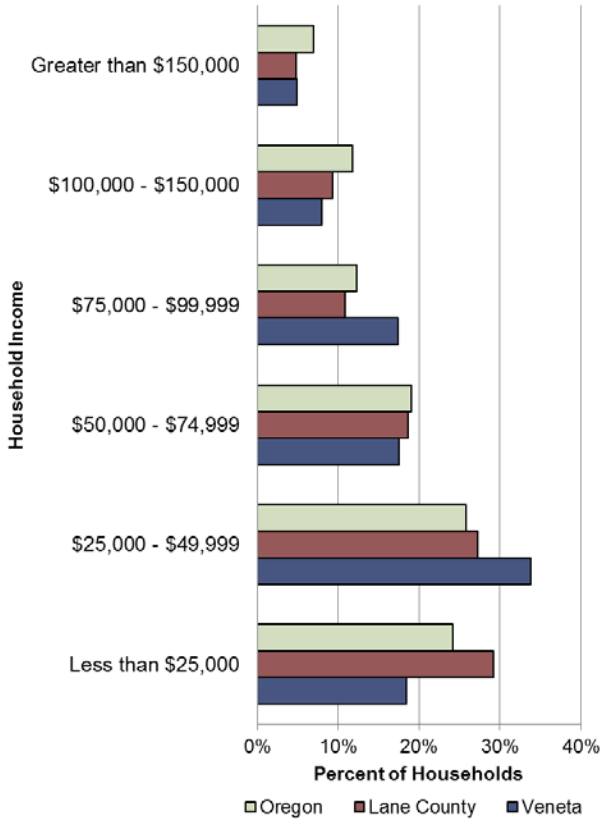
Household and Personal Income

Income for residents of Veneta is higher on average than the county. In 2012, Veneta's median household income was $48,598, compared with the county median of $42,628 or the State median of $50,036.[43]

Figure A-2 shows the distribution of household income in Oregon, Lane County, and Veneta in 2012. A larger share of households in Veneta (17 percent) had an income between $75,000 and $99,999, compared to Lane County (11 percent) or the State (12 percent). Additionally, a larger share of households in Veneta (34 percent) had an income between $25,000 and $50,000, compared to Lane County (27 percent) or the State (26 percent). Finally, Veneta had a lower share of households with income below $25,000 (18 percent), compared to Lane County (29 percent) and the State (24 percent).

[42] Oregon Office of Economic Analysis, Long Term County Forecast, State and County Population Forecasts by Age and Sex, 2000 to 2040
[43] 2008-2012 American Community Survey, Table S1903.

Figure A-2 Distribution of Household Income of Oregon, Lane County, and Veneta, 2008-2012



Source: 2008-2012 American Community Survey, Table B19001.

Table A-3 shows average annual wage per employee in the U.S., Oregon, and Lane County for 2001 to 2013. The national average wage grew faster than State or county averages. The average U.S. wage increased by 33 percent, compared to the State (30 percent) and County (27 percent) increase. As a percentage of the U.S. average, wages in Lane County decreased by 3 percent over the ten-year period, from 80 percent to 77 percent. Wages in Lane County were 15 percent below the State average in 2011, a 2 percent increase from 2001.

In 2011, average annual wage for workers in Lane County was $36,778, compared to Oregon's average of $43,077 and the national average of $48,043.

Table A-3. Average Annual Wage, US, Oregon and Lane County (nominal dollars), 2001-2011

				Lane County	
Year	US	Oregon	Lane County	% of US	% of State
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	$34,324	77%	87%
2008	$45,563	$40,486	$35,363	78%	87%
2009	$45,559	$40,742	$35,475	78%	87%
2010	$46,751	$41,669	$35,889	77%	86%
2011	$48,043	$43,077	$36,778	77%	85%
Change 2001-2013					
Nominal Change	$11,824	$9,875	$7,796		
Percent Change	33%	30%	27%		

Source: Oregon Employment Department, OLMIS, Covered Employment and Wages; 2001-2011 Bureau of Labor Statistics, Occupational Employment Statistics, Table 00-0000;

Lane County Employment Trends

Tables A-4 and A-5 present data from the Oregon Employment department that show changes in covered employment[44] for Lane County between 1980 and 2013. These changes in sectors and industries are shown in two tables: the first shows changes from 1980-2000, and the second shows changes from 2001-2013. The analysis is divided into two tables because of changes in the industry and sector classification system that made it difficult to compare information about employment collected after 2001 with information collected prior to 2000.[45]

Employment data in this section is summarized by sector, and each sector includes several industries. For example, the Manufacturing sector includes industries such as Food Manufacturing, Textile Mills, Computer and Electronic Product Manufacturing.

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 97,600 to 139,696, an increase of 43 percent or 42,096 jobs. All sectors added jobs during this period, except Mining, which declined by 33 percent or 77 jobs from 1980-2000. The Transportation, Communication & Utilities sector grew the least from 1980-2000, increasing by only 9 jobs. The sectors with the greatest positive change in covered employment include Services, Retail Trade, and Manufacturing which gained 33,433 jobs in Lane County (79 percent of all new jobs). Other sectors to add employment during this time period included Government (adding 2,674 jobs),

[44] 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.

[45] Prior to 2001, data was organized by Standard Industrial Classification (SIC) codes. That system was changed and was replaced with the North American Industrial Classification System (NAICS) in 2001.

Construction (adding 2,234 jobs), and Finance, Insurance and Real Estate (adding 1,981 jobs).

The average annual pay per employee increased in Lane County from about $28,982 in 2001 to $38,349 in 2013.[46] The average annual pay in Lane County has been consistently lower than that of Oregon for the 2001 to 2013 period. Overall, from 2001 to 2013, average annual employment wage in Lane County increased by $9,267 or 32 percent, compared to the $11,808 or 36 percent increase in the state of Oregon.

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

				Change 1980 to 2000		
Sector	**1980**	**1990**	**2000**	**Difference**	**Percent**	**AAGR**
Agriculture, Forestry & 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., & 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 & 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	**97,600**	**113,376**	**139,696**	**42,096**	**43%**	**1.8%**

Source: Oregon Employment Department, OLMIS, Covered Employment & Wages (Accessed 1/4/07); 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 2013. Employment increased by 935 jobs or 1 percent during this period. Natural Resources and Mining; Construction; Manufacturing; Information; Finance & Insurance; Real Estate Rental Leasing; Professional Scientific & Technical Services; Private Non-Classified; and Other Services were all sectors that decreased the number of covered employees from 2001-2013. Manufacturing accounted for the largest decreases, with a loss of 7,118 jobs. All other sectors fluctuated from 2001 to 2013, with the largest increases in covered employment coming from the Health & Social Assistance; Government; Accommodations & Food Services; and Retail sectors which accounted for 8,220 new jobs.

[46] Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages.

Table A-5. Covered Employment in Lane County, 2001-2013

Sector	2001	2013	Change 2001 to 2013 Difference	Percent	AAGR
Natural Resources and Mining	2,338	2,205	-133	-6%	-0.5%
Construction	6,366	5,223	-1,143	-18%	-1.6%
Manufacturing	19,697	12,579	-7,118	-36%	-3.7%
Wholesale	5,300	5,604	304	6%	0.5%
Retail	17,912	19,074	1,162	6%	0.5%
Transportation & Warehousing	2,606	2,939	333	13%	1.0%
Information	3,729	3,365	-364	-10%	-0.9%
Finance & Insurance	3,963	3,901	-62	-2%	-0.1%
Real Estate Rental & Leasing	2,508	2,208	-300	-12%	-1.1%
Professional, Scientific & Tech. Srv.	5,571	5,323	-248	-4%	-0.4%
Management of Companies	1,818	1,990	172	9%	0.8%
Admin. Support & Cleaning Srv.	6,399	7,137	738	12%	0.9%
Education	1,067	1,582	515	48%	3.3%
Health & Social Assistance	16,871	20,843	3,972	24%	1.8%
Arts, Entertainment & Recreation	1,542	1,866	324	21%	1.6%
Accommodations & Food Services	11,746	13,185	1,439	12%	1.0%
Other Services (except Public Admin.)	5,552	5,292	-260	-5%	-0.4%
Private Non-Classified	49	6	-43	-88%	-16.1%
Government	22,398	24,045	1,647	7%	0.6%
Total	**137,432**	**138,367**	**935**	**1%**	**0.1%**

Source: 2001, 2013 Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages; Summary by industry and percentages calculated by Community Service Center

Employment in Veneta

Table A-6 shows the estimate of total employment in the Veneta UGB in 2012. To develop the figures, we start with covered employment in the Veneta Urban Growth Boundary (UGB) as reported by the Quarterly Census of Employment and Wages (QCEW). Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors or farm employment.

Analysis of U.S. Bureau of Labor Statistics (BLS) data shows that covered employment in Lane County is only about 75 percent of the total employment reported by the BLS. We assume the ratio of covered to total employment in Lane County is similar in Veneta and applied the ratios by sector to the QCEW data to convert covered employment to total employment. Table A-6 shows Veneta had an estimated 1,789 employees within its UGB in 2012. Additionally, based on this data, Veneta had a population/employment ratio of 3.03 in 2012.

Table A-6. Estimated Total Employment in the Veneta UGB by Sector, 2012

Sector	Covered Employment		Estimated Total Employment
	Number	% of Total Emp.	
Natural Resources and Mining	c	90%	c
Construction	48	63%	76
Manufacturing	c	99%	c
Wholesale Trade	c	85%	c
Retail Trade	205	82%	249
Transportation & Warehousing & Utilities	c	74%	c
Information	c	78%	c
Finance & Insurance	c	54%	c
Real Estate & Rental & Leasing	c	30%	c
Professional, Scientific, and Technical Services	60	51%	117
Management of Companies and Enterprises	c	98%	c
Admin. & Support & Waste Mgt. & Remediation Srv.	c	73%	c
Private Educational Services	c	45%	c
Health Care & Social Assistance	111	81%	137
Arts, Entertainment, & Recreation	c	35%	c
Accommodation & Food Services	240	91%	263
Other Services (except Public Administration)	80	51%	156
Government	86	91%	94
Total	**1,365**	**75%**	**1,789**

Source: 2012 QCEW Data. Covered employment as a percent of total employment calculated by CPW using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department. Note: c=confidential. OED rules preclude reporting employment figures when there are three or fewer firms or a single firm accounts for 80% or more of employment.

Table A-7 shows the average employees and payroll in Veneta in 2012. Due to Oregon Employment Department rules related to confidentiality, data is provided only for sectors with more than 3 firms. Retail Trade and Accommodation and Food Services had the largest share of employees in Veneta, accounting for 15 percent and 18 percent of the workforce. Management of Companies and Enterprises ($48,302) and Government ($34,557) accounted for the largest average payroll of the sectors provided.

Table A-7. Employment and Payroll in Veneta, 2012

Sector	Firms	Average Employees	Payroll	Average Payroll
Natural Resources and Mining	c	c	c	c
Construction	13	48	$667,642	$13,909
Manufacturing	c	c	c	c
Wholesale Trade	3	9	$147,471	$16,386
Retail Trade	10	205	$3,377,547	$16,476
Transportation & Warehousing & Utilities	3	30	$670,279	$22,343
Information	c	c	c	c
Finance & Insurance	c	c	c	c
Real Estate & Rental & Leasing	c	c	c	c
Professional, Scientific, and Technical Services	c	c	c	c
Management of Companies and Enterprises	1	4	$193,209	$48,302
Admin. & Support & Waste Mgt. & Remediation Srv.	3	7	$91,380	$13,054
Private Educational Services	c	c	c	c
Health Care & Social Assistance	11	111	$2,549,764	$22,971
Arts, Entertainment, & Recreation	c	c	c	c
Accommodation & Food Services	16	240	$2,606,621	$10,861
Other Services (except Public Administration)	c	c	c	c
Government	4	86	$2,971,859	$34,557
Total	**76**	**1365**	**$13,001,076**	

Source: 2012 QCEW Data. Covered employment as a percent of total employment calculated by CPW using data for Lane County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department. Note: c=confidential. OED rules preclude reporting employment figures when there are three or fewer firms or a single firm accounts for 80% or more of employment.

Tourism Activity

Tourism continues to bring in economic activity into Lane County from outside sources. Table A-8 shows how travel spending in Lane County has steadily increased over the past 10 years. In 2013, tourism expenditures in Lane County accounted for $733.6 million in direct travel spending, a 32.9 percent increase since 2004.

Table A-8. Direct Travel Spending in Lane County in millions of dollars

Year	Spending ($Millions)	Percent Change
2004	552.1	
2005	592.7	7.4%
2006	628.0	6.0%
2007	652.5	3.9%
2008	680.9	4.4%
2009	649.6	-4.6%
2010	693.0	6.7%
2011	703.0	1.4%
2012	714.1	1.6%
2013	733.6	2.7%
Percent Change (04-13)		**32.9%**

Source: Dean Runyan Associates "Oregon Travel Impacts" 1991-2013, Lane County Travel Trends
Note: Dean Runyan Associates define travel spending as expenditures incurred by visitors that "stay overnight away from home, or travel more than fifty miles one-way on a non-routine trip (p. 227)."

Tourism in Veneta plays an important part in the local economy. The three-day Oregon Country Fair hosts nearly 45,000 visitors every July, and is one of the most well-known tourism events in the city. An analysis from 2009 details both the direct and indirect economic benefits that stem from the Oregon Country Fair[47]. Revenue from the 2008 Oregon Country Fair was generated by three main sources: crafters (39 percent), visitors (60 percent), and external funding (1 percent). By combining both the 2008 direct and indirect spending, the Oregon Country Fair had an economic impact of $8,515,245 in Lane County, with $2,931,985 of this coming from non-local visitors.

The Fern Ridge area, which includes Veneta, has several tourism initiatives such as bird watching, wine tasting, outdoor recreation, and handmade local crafts and food to attract visitors.

Fern Ridge is home to 250 different bird species that make it a haven for bird watchers and tourists wanting to see wildlife. Other outdoor activities that draw visitors to the Fern Ridge area include sailing, rafting, or floating down the river.

In addition, Fern Ridge is also home to many wineries such as Domaine Meriwether, LaVelle Vineyards, King Estate, and others along Territorial Road. An important future strategy will be to capitalize on the potential of the wineries in this area, and create a wine route. Linking the growing agritourism and other local food and craft artisans to the wine route will be key to expanding wine tourism in the Fern Ridge area.

[47] L. Hudson and C. Carothers (2009). "The Oregon Country Fair: An Economic Impact Analysis." http://economics.uoregon.edu/wp-content/uploads/sites/4/2014/07/ocf.pdf

Outlook for Growth in Veneta

Table A-9 shows the population forecast developed by the Office of Economic Analysis for Oregon and Lane County for 2000 through 2040. Lane County is forecasted to grow at a slower rate than Oregon from 2010 to 2040. The forecast shows Lane County's population will grow by about 124,018 over the 30-year period – a 36 percent increase. Over the same period, Oregon is forecasted to grow by about 1.6 million people, or 41 percent.

Table A-9. Population Forecast, Oregon and Lane County, 2000-2040

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 2040		
Amount	1,581,508	124,018
% change	41%	36%
AAGR	1.16%	1.02%

Source: Oregon Office of Economic Analysis, Demographic Forecast, Long-Term Oregon State's County Population Forecast 2010-2050

Table A-10 shows the Oregon Employment Department's forecast for employment growth by industry for Lane County over the 2012-2022 period. The sectors that will lead employment growth in Lane County for the ten-year period are Health Care and Social Assistance (adding 3,800 jobs), Government (adding 3,700 jobs), Leisure and Hospitality (adding 2,900 jobs), Professional and Business Services (adding 2,700 jobs), and Retail Trade (adding 2,100 jobs). Together, these sectors are expected to add 13,100 new jobs or 60 percent of employment growth in Lane County.

Table A-10. Nonfarm Employment Forecast by Industry in Lane County, 2012-2022

Sector / Industry	2012	2022	Change 2012-2022 Amount	% Change	AAGR
Natural Resources & Mining	2,100	2,500	400	19%	1.76%
Construction	5,100	6,400	1,300	25%	2.30%
Manufacturing	12,300	13,900	1,600	13%	1.23%
Durable Goods	8,400	9,700	1,300	15%	1.45%
Wood prodcut mfg.	3,300	3,900	600	18%	1.68%
Transportation equip. mfg.	600	700	100	17%	1.55%
Nondurable goods	3,900	4,200	300	8%	0.74%
Transportation, & utilities	3,000	3,400	400	13%	1.26%
Wholesale trade	5,400	6,000	600	11%	1.06%
Retail trade	18,600	20,700	2,100	11%	1.08%
Information	3,200	3,500	300	9%	0.90%
Financial activities	7,000	8,000	1,000	14%	1.34%
Professional & business srv.	14,800	17,500	2,700	18%	1.69%
Administrative & support srv	7,200	8,500	1,300	18%	1.67%
Education	1,700	2,000	300	18%	1.64%
Health care & social assist.	20,700	24,500	3,800	18%	1.70%
Health care	17,900	21,160	3,260	18%	1.69%
Leisure & hospitality	14,500	17,400	2,900	20%	1.84%
Accommodation & food srv.	12,700	15,300	2,600	20%	1.88%
Other srv.	4,800	5,400	600	13%	1.18%
Government	29,100	32,800	3,700	13%	1.20%
Federal government	1,600	1,700	100	6%	0.61%
State government	12,300	14,200	1,900	15%	1.45%
State education	9,800	11,000	1,200	12%	1.16%
Local government	15,200	16,900	1,700	11%	1.07%
Local education	8,200	9,300	1,100	13%	1.27%
Total nonfarm employment	**142,300**	**164,000**	**21,700**	**15%**	**1.43%**

Source: 2012-2012 OR Employment Department, Employment Projections by Industry, Region 5

APPENDIX B: FACTORS AFFECTING FUTURE ECONOMIC GROWTH IN VENETA

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

What is Competitive Advantage

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 will 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. [48] An analysis of competitive advantage depends on the geographic areas being compared. Chapter 3 and Appendix A present trends and forecasts of conditions in Oregon and Veneta to help establish the context for economic development in Veneta. Local economic factors will help determine the amount and type of development in Veneta relative to other communities in Oregon.

This appendix focuses on the competitive advantages of Veneta relative to Lane County and the rest of Oregon.

Location, Size, and Buying Power of Markets

Veneta is a city with a population of approximately 4,635 people in 2013, located at the heart of the greater Fern Ridge area, fourteen miles west of Eugene and adjacent to the east slope foothills of the Coast Range. The area is less than a one-hour drive from the Oregon Coast and less than a two-hour drive to the Cascade Mountains. Veneta's location will continue to impact its future economic development.

- The Fern Ridge area encompasses the communities of Veneta, Elmira and Alvadore to the north, Noti to the west, and Crow and Lorane to the south. To the east is Fern Ridge Reservoir, a 9,000-acre lake adjacent to the Veneta, which provides for a wide variety of water related sports (boating, sailing, and swimming) and is considered by many to be Oregon's finest sailing lake. The land around Fern Ridge Reservoir supports four regional

[48] 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."

parks and is a wildlife refuge. The area also consists of productive timber and agriculture lands, which provide a strong base for the local economy.

- The City of Veneta is 14 miles from the Eugene/Springfield metro area. It is intersected by a state highway and county facility: Highway 126 and Territorial Road, respectively.
- Veneta serves as a sub-regional center for the unincorporated communities in the Fern Ridge area (including Crow and Elmira). Veneta's quiet, small town community feel, close proximity to abundance of natural and scenic amenities, and location near the metro area are among the more compelling features attracting residential growth to the city. A comfortable commute from the metropolitan area, Veneta is a relatively close proximity to shopping, services, and jobs in West Eugene.
- Veneta's location near the Eugene/Springfield metro area provides convenient access to institutions of higher learning, including the University of Oregon, Northwest Christian University, and Lane Community College.

Veneta's distance from the Eugene/Springfield metropolitan area, the Oregon coast and Highway 126 will affect the types of businesses that locate in Veneta.

The buying power of Veneta and Lane County forms part of Veneta's competitive advantage by providing a market for goods and services. Table B-1 shows average household expenditures for common purchases in Lane County and Veneta in 2013. Veneta's households spend an average of $46,532 on commonly purchased items, nearly $3,333 more than the County average.

Table B-1. Average household expenditures, Lane County and Veneta, 2013

	Lane County		Veneta	
	$ per Household	% of total	$ per Household	% of total
Apparel	2,254	5%	2,217	5%
Entertainment	2,623	6%	2,576	6%
Education	1,052	2%	1,013	2%
Food and Beverages	7,338	17%	7,241	16%
Gifts	1,205	3%	1,180	3%
Household Furnishings	2,028	5%	1,999	4%
Shelter	5,076	12%	8,924	19%
Household Operations	1,627	4%	1,585	3%
Personal Care	685	2%	674	1%
Utilities	3,374	8%	3,341	7%
Reading	154	0%	151	0%
Tobacco	326	1%	324	1%
Transportation	9,571	22%	9,491	20%
Health Care	2,963	7%	2,939	6%
Miscellaneous Expenses	797	2%	789	2%
Personal Insurance	464	1%	455	1%
Contributions	1,662	4%	1,633	4%
Total	**$ 43,199**	**100%**	**$ 46,532**	**100%**

Source: Oregon Prospector, 2013

Businesses in Veneta may benefit from being located near the Eugene/Springfield metropolitan area. Residents in smaller nearby cities may find a larger selection of goods and services in Veneta, increasing the size of the market for area businesses.

Availability of Transportation Facilities

Veneta has automotive access for commuting and freight movement along Highway 126 and Territorial Highway. The City is 125 miles from the Portland metro area and 14 miles from the Eugene/Springfield metro area which offers access to the major automotive and rail facilities. Veneta is in close proximity to Interstate 5, the primary north-south transportation corridor on the West Coast, linking Veneta to domestic markets in the United States and international markets via West Coast ports.

- **Rail.** The Coos Bay Rail Link operates freight service between Coos Bay and Eugene, with service running through Veneta, though there is currently no facility for accessing the rail infrastructure in town. Rail shipments interchange in Eugene with Union Pacific, offering opportunities for shipment via the North American rail system. Three industrial sites have access to the Coos Bay Rail Link railway line, though none have existing infrastructure for loading.

  The Eugene station provides the nearest passenger rail service, with Amtrak Routes running north to Canada and south to California. These lines account for significant passenger activity due to Amtrak's Coast Starlight train, which has stops in Seattle, Portland, Salem, Albany and Eugene, as well as connections to Chemult, Klamath Falls, and points all the way to Los Angeles.

- **Transit.** Lane Transit District provides a metro commuter-oriented service for Veneta. Route 93 offers service to Veneta residents to Downtown Eugene Monday through Friday and twice on Saturdays.

- **Air.** The Eugene Airport, located in north Eugene, is only a 20-minute drive from Veneta. The Mahlon Sweet Airfield is a 1,500-acre facility that provides commercial air service to a six-county region in mid-Oregon. The airport has an expanded air cargo facility to serve the growing air cargo demands of the region.

The considerable distance to major arteries and urban centers will affect the types of businesses that locate in Veneta and overall employment growth for the City. Veneta's transportation access provides the City with competitive advantages for attracting some business, such as businesses that prefer to locate on Highway 126 or those who prefer to locate near the Eugene/Springfield metro area. In addition, Veneta's location by Highway 126 gives the City access to workers in the Willamette Valley and heavy seasonal tourist traffic. There is also an opportunity to build infrastructure to take advantage of the rail lines that run through Veneta and could be easily accessed by potential industrial firms.

Public Facilities and Services

The provision of public facilities and services can impact a firm's decision to locate within a region. Businesses also take into account factors such as the regional availability and cost of labor, transportation, raw materials, and capital. 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 have only a modest impact 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. In Fiscal Year 2012 to 2013, the property tax rate in Veneta for the City was $6.30 per $1,000 of assessed value[49]. Veneta's property tax rate was in the middle of the range for Lane County, higher than Coburg ($3.75), Creswell ($2.67), and Florence ($2.88), and lower than Cottage Grove ($7.21), Springfield ($7.01), and Eugene ($8.14). Due to limitations on taxes paid by individual properties from State Ballot Measures 5 and 50, total property tax rates in Veneta cannot exceed $15 per $1,000 of real market value. [50]

Water

The City of Veneta contracts with Eugene Water and Electricity Board (EWEB) to provide water resources for the City. The two entities partnered to construct a 10-mile pipeline that connects the City's water system to EWEB's existing distribution system, completed in 2013. Prior to this, the community relied on ground water wells to supply water to households and businesses. Since the pipeline's construction, EWEB has been selling surplus water and providing service to Veneta.[51] The pipeline cost $11 million to build, and the additional water source will allow the city to meet demand as it grows since the additional water can provide for nearly 20 percent of Veneta's water needs.[52]

With the construction of the new pipeline, Veneta's *Water Master Plan* has additional recommendations for meeting the anticipated growth in the area[53]:

- The construction of two additional water reservoirs is recommended in the *Water Master Plan*. The reservoirs should be strategically placed in areas with high demand such as near the Kingpin loop and the intersection of Territorial Highway and Perkins Road. The first reservoir is a short-term recommendation, and the second should be completed in the long-term.

[49] League of Oregon Cities, "City Property Tax Data" (2013) http://www.orcities.org/Portals/17/Library/FY2012-13LOCPropertyTaxReport_Web.pdf
[50] City of Veneta, "Economic Development Strategic Plan", pages 21-22.
[51] EWEB, "Creating Regional Water Supply Connections," http://www.eweb.org/watersupply
[52] LaSalle, Katie, "Veneta Welcomes Pipeline Pumping Fresh Water to Town," (Oct. 17, 2013), http://www.kval.com/news/local/Veneta-welcomes-pipeline-Pumping-more-fresh-water-to-town-228253341.html
[53] City of Veneta, "Water Master Plan"(2009)

- To accommodate new development west of 10th Street at the base of Bolton Hill, a 750-foot pressure zone would help ensure sufficient fire flows and minimum water pressures.

Wastewater

The City of Veneta is the sole provider of wastewater services within the city limits. The wastewater collection system consists of approximately 11.5 miles of gravity fed conveyance. In addition, the system has .42 miles of pressurized pipe and two pump stations. The existing treatment plant was designated for approximately 5,000 people, and in 2012 was at about 85 percent of its population loading capacity. Effluent from the treatment system is discharged into the Long Tom River during the wet months of the year and is used to irrigate pasteurized property and a plantation of hybrid poplar trees during the dry months of the year.

The treatment plant was constructed in 2001, and is estimated to reach capacity during the 20-year planning period. A doubling of the current capacity is necessary to meet treatment needs for the population. The *Wastewater System Master Plan* recommends several improvements in order to expand sewer collection systems to service all land within the urban growth boundary. Over the 20-year planning period, the City will be required to implement an additional treatment process due to limitations on the Long Tom River. This tertiary treatment process will result in a cleaner effluent, which opens up several options for disposal, reuses, and reclamation.

Stormwater

The City's stormwater drainage system diverts local surface runoff to a system of small intermittent drainage channels, wetlands, and pipes. As a result of the 1999 adoption of a peak runoff detention standard requiring that post development peak flows be held at predevelopment levels, the collection system includes a modest piped drainage network and more than a dozen open detention ponds. These detention systems have created significant maintenance issues.

The City is considered a Designated Management Agency under the Willamette Basin Total Maximum Daily Load (TMDL) program. This program places responsibility on local governments to reduce the transport of pollutants of concern to receiving waters from lands within their jurisdiction. The City has an adopted TMDL plan which calls for adoption of new standards for stormwater treatment.

In 2010, the City adopted regulations requiring the use of "green" stormwater infrastructure to increase runoff and alleviate some of the ponding and vector control problems experienced with open detention ponds. These systems need to be reviewed for performance and maintenance issues, but appear to provide significant benefits over more traditional systems. Plans for treatment, capital improvements, financing, and maintenance of drainage ways were addressed in the *Stormwater Capital Improvement Plan* adopted in 2005 (Resolution 894).[54]

[54] City of Veneta, "Veneta Public Facilities Plan" (May 2012), pages 6-7.

Labor Market Factors

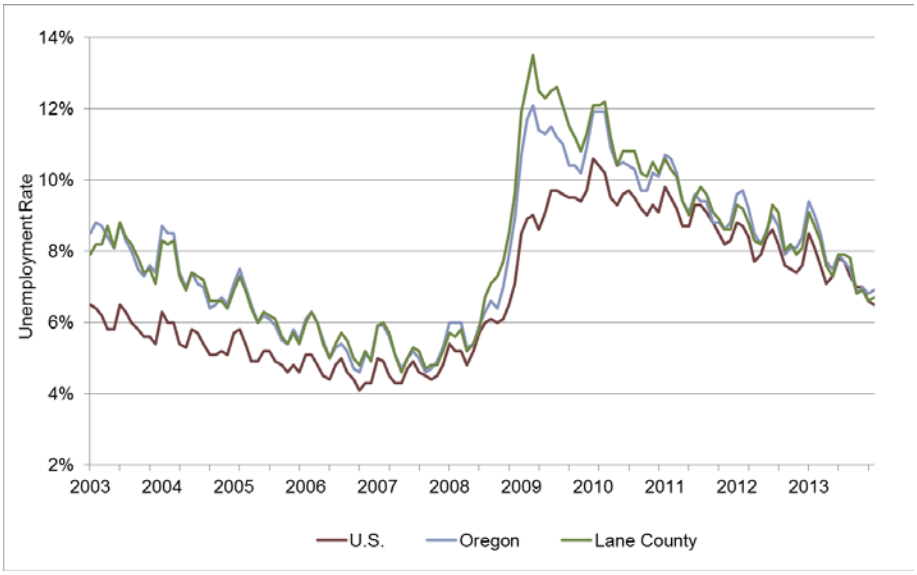
The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well. This section examines the availability of workers for Veneta.

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.

Veneta's labor force participation rate (percent of adult population who are employed or actively seeking work) was about 67 percent in 2012[55]. In comparison, Lane County's labor force participation rate was 60.5 percent, compared with the State average of 63.7 percent.

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 in June 2012 was the same as the State average of nine percent and slightly higher than the national average of eight percent. 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 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 2002 through December 2013



Source: Bureau of Labor Statistics, Table LNU04000000; LAUCN410390000000003; Oregon Employment Department, OLMIS, Local Area Unemployment Statistics;
Note: unemployment data is not seasonally adjusted

[55] 2011 American Community Survey, Table CP03

Table B-2 shows the types of occupations held by employees in Veneta. Office and Administrative Support (20 percent), Management, Business, and Financial (18 percent), and Sales and Related (12 percent) occupations account for half of the jobs held by Veneta residents. Industries that require skills similar to those needed by these sectors will benefit from having access to Veneta's current workforce.

Table B-2. Percent of Employees per Occupation Type, Veneta, 2009-2013 5-Year Estimate

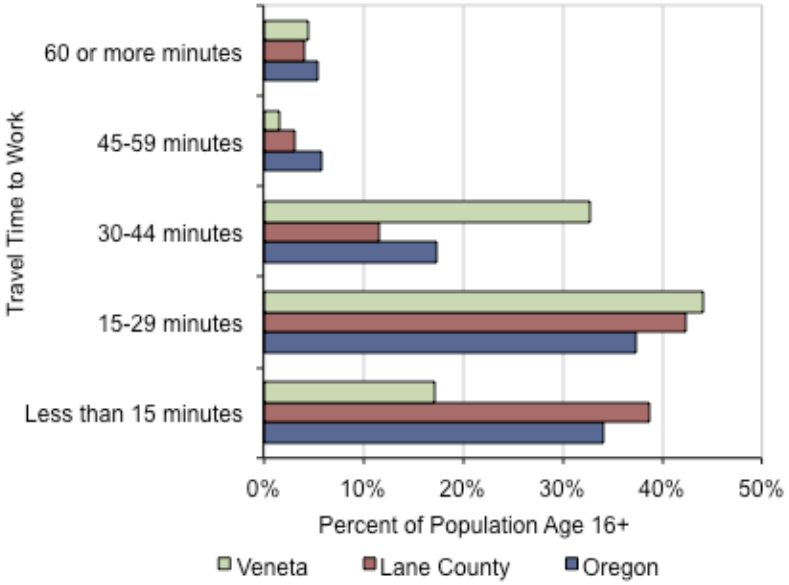
Occupation	Number of Employees	% of Total
Management, Business, and Financial	344	18%
Computer, Engineering, and Science	40	2%
Education, Legal, Community Service, Arts, and Media	104	6%
Healthcare Practitioner and Technical	97	5%
Healthcare Support	69	4%
Protective Service	29	2%
Food Preparation and Serving-Related	105	6%
Building and Grounds Cleaning Maintenance	51	3%
Personal Care and Service	46	2%
Sales and Related	220	12%
Office and Administrative Support	372	20%
Farming, Fishing, and Forestry	53	3%
Construction and Extraction	89	5%
Installation, Maintenance, and Repair	28	1%
Production	183	10%
Transportation	53	3%
Material Moving	6	0%
Total	**1889**	**100%**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S2401

Commuting Patterns

Analyzing commute times and where most residents live and work is important in understanding how employment affects Veneta's economy. Figure B-2 shows a comparison of the commute time to work for residents 16 years and older for Oregon, Lane County, and Veneta in 2012. Seventeen percent of Veneta residents have a commute of less than 15 minutes compared to 39 percent of Lane County residents and 34 percent of Oregon residents. The highest percentages of commute time in Veneta were for 15-29 minutes (44 percent) and 30-44 minutes (33 percent). Seventy-seven percent of Veneta residents have a commute time between 15 and 44 minutes, compared to 54 percent of Lane County and Oregon residents. This is likely reflective of the fact that most Veneta's residents work outside of Veneta.

Figure B-2. Commuting Time to Work for Residents 16 years and Older, in Minutes, Oregon, Lane County, and Veneta, 2012



Source: U.S. Census, 2008-2012 American Community Survey, Table B08303.

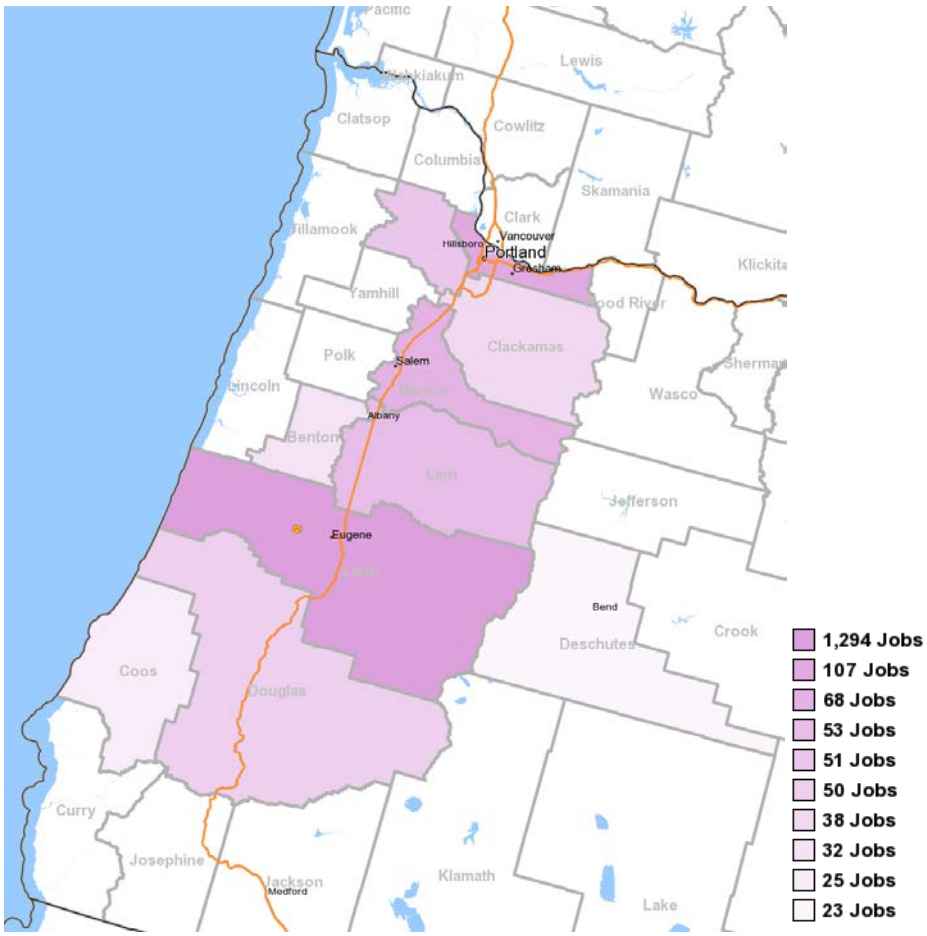
Table B-2 and Figure B-4 show the places where residents of Veneta were employed in 2011. Fifty-seven percent of Veneta's 1,770 working residents worked in Lane County, though only 5 percent worked within Veneta, and about 51 percent worked in either Eugene or Springfield. Thirteen percent of Veneta residents worked in other counties and 31 percent worked in other locations.

Table B-3. Places Where Residents of Veneta Were Employed, 2011

Location	Number	Percent
Lane County	1,015	57%
Veneta	86	5%
Eugene	732	41%
Springfield	179	10%
Junction City	18	1%
Multnomah County	105	6%
Portland	89	5%
Gresham	16	1%
Benton County	45	3%
Corvallis	26	1%
Albany	19	1%
Marion County	47	3%
Salem	47	3%
Douglas County	16	1%
Roseburg	16	1%
All Other Locations	542	31%
Total	**1,770**	**100%**

Source: U.S. Census Bureau, LEHD on the Map

Figure B-3. Places Where Residents of Veneta Were Employed, 2011



Source: U.S. Census Bureau, LEHD on the Map

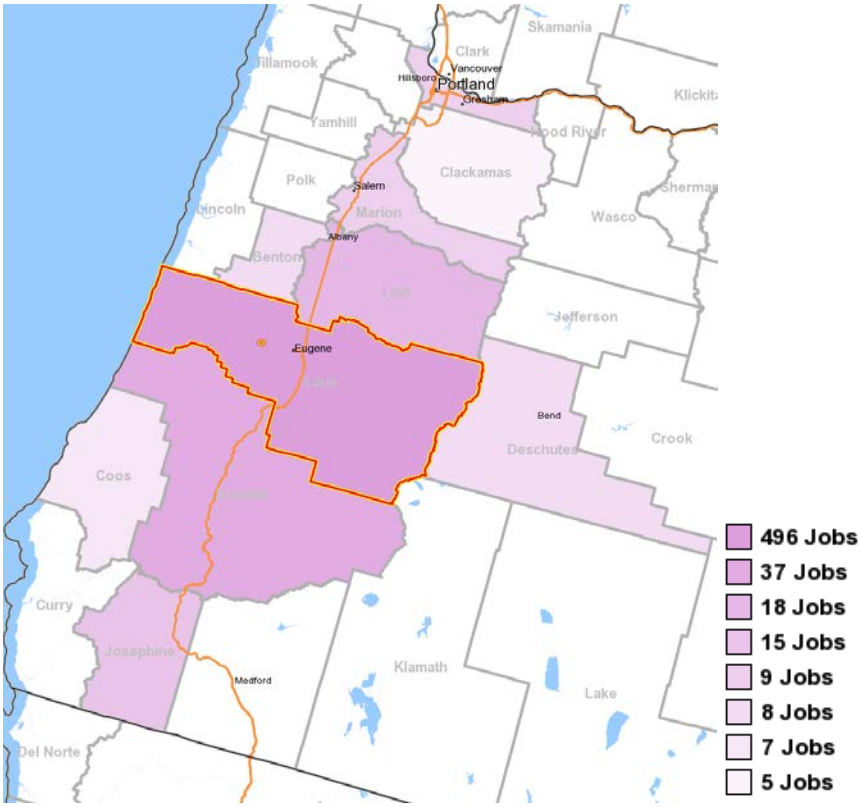
Table B-3 and Figure B-4 show where employees of firms located in Veneta lived in 2011. Forty-one percent of Veneta employees lived in Lane County. Of this 41 percent, only about 13 percent lived in Veneta, about 18 percent lived in Eugene, and 10 percent lived in Springfield. Over half (59 percent) of workers in Veneta lived in various other counties.

Table B-4. Places Where Workers in Veneta Lived, 2011

Location	Number	Percent
Lane County	271	41.0%
Veneta	86	13.1%
Eugene	116	17.7%
Springfield	63	9.6%
Junction City	6	0.9%
All Other Locations	385	59.0%
Benton County	8	1.2%
Multnomah County	7	1.1%
Desichutes County	6	0.9%
Curry County	5	0.8%
Josephine County	5	0.8%
Douglas County	6	0.9%
Other Locations	348	53.0%
Total	**656**	**100.0%**

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

Figure B-4. Places Where Workers in Veneta Lived, 2011

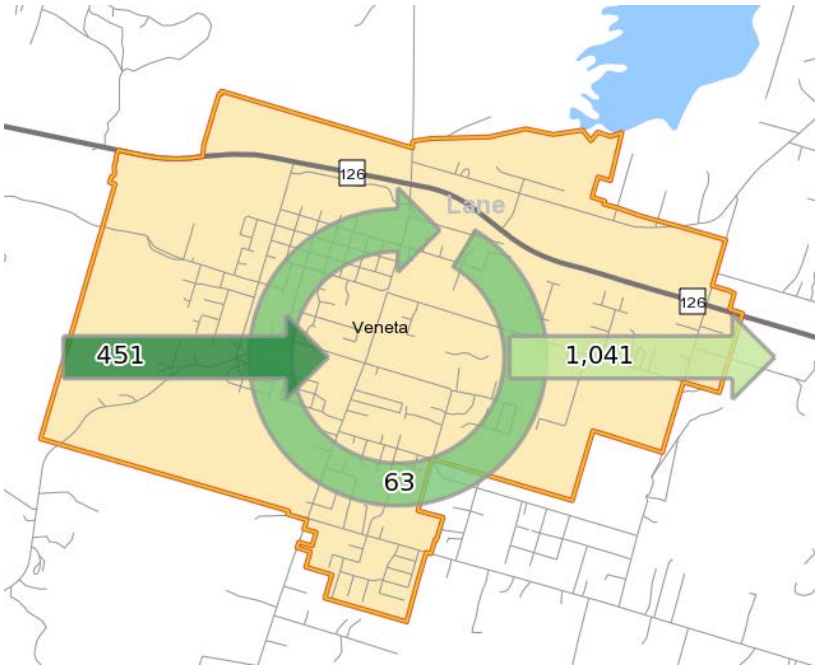


Source: U.S. Census Bureau LEHD on the Map

Figures B-5 and B-6 show the inflow and outflow of workers in 2002 and 2011. Figure B-5 shows that in 2002, of the 514 employees in Veneta, 451 or about 88 percent, lived outside of the city. In 2002, there were 1,104 residents in Veneta,

and about 95 percent or 1,041 of these residents worked outside of Veneta. Only 63 people both lived and worked in the city.

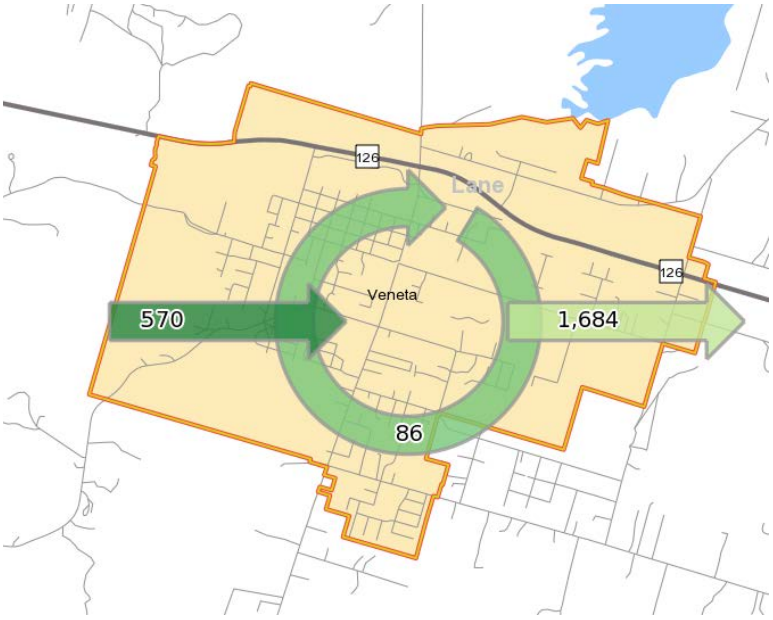
Figure B-5. Inflow/Outflow Analysis for Veneta, 2002



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

Figure B-6 does not show much change from 2002 to 2011. People living outside of the city comprise eighty-six percent of Veneta's workforce. The percentage of people living in Veneta, but working outside of the city, 95 percent, has not changed over this time period. Eighty-six people both lived and worked in the city in 2011.

Figure B-6. Inflow/Outflow Analysis for Veneta, 2011



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

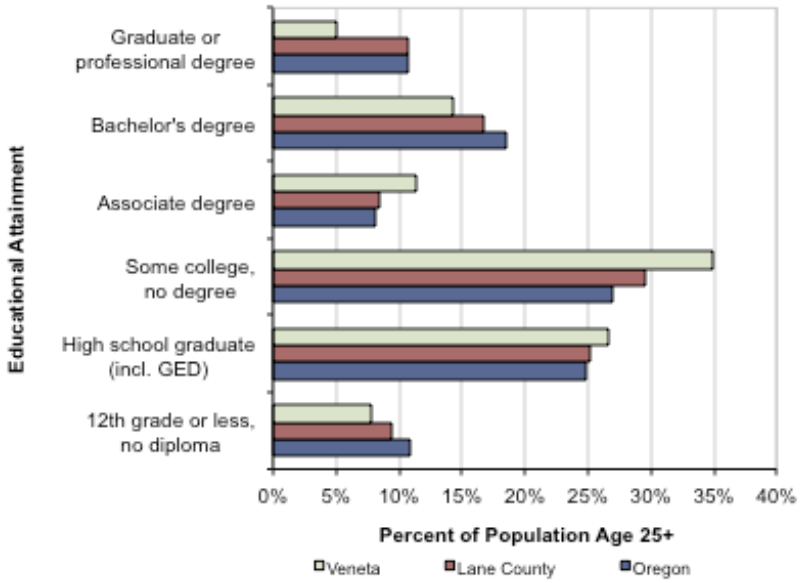
These commuting patterns show that Veneta firms have access to workforce living throughout various counties in Oregon, and in particular, Lane County. However, very few residents both live and work inside Veneta. A higher percentage of employees 16 and older generally have a longer commute than other employees in Lane County because most residents are working in other cities or counties and there are limited options for methods of travel outside of the Veneta area. Given that the majority of residents in Veneta commute, the commuting patterns create demand for automotive and other forms of transportation, particularly in the Lane County region.

Increasing energy prices may impact commuting patterns for workers in Veneta. The impact is most likely to be the greatest for workers living in cities like Veneta because the commute to other cities in and outside of Lane County will be longer than working closer to home.

Education

Educational attainment is an important labor force factor because firms need to be able to find educated workers. Figure B-7 shows the share of population by education level completed in Oregon, Lane County, and Veneta in 2012. About 31 percent of Veneta's residents had an associate's degree or higher, compared with 36 percent of Lane County residents and 37 percent of Oregonians.

Figure B-7. Educational Attainment for Population 25 Years and Over, Oregon, Lane County, and Veneta, 2012



Source: US Census, 2012 American Community Survey, Table B15002

Lane Community College provides opportunities for workforce training and post-secondary education for Lane County residents and serves more than 40,000 full-time and part-time adult education students each year[56]. In addition to Lane Community College resources, Veneta residents also have access to the University of Oregon and Northwest Christian University.

While Veneta currently has a lower percentage of workers with associates degrees or higher than either the State or County, they have a similar percentage of residents age 50 and above – many of whom may soon reach retirement age and leave the workforce.

[56] Lane Community College, "Lane Enrollment and Headcount" http://www.lanecc.edu/research/ir/lane-enrollment-and-headcount