

# **Creswell Economic Opportunities Analysis**

Prepared for

Lane Council of Governments  
and  
the City of Creswell

by

## **ECONorthwest**

99 W. Tenth, Suite 400  
Eugene, OR 97401  
(541) 687-0051

March 2005

Updated by

**Lane Council of Governments**

Spring, 2012

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# Creswell Economic Opportunities Analysis: Executive Summary

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## FRAMEWORK

This Creswell *Economic Opportunities Analysis* is designed to comply with Oregon's Statewide Planning Goal 9, which requires communities to provide for an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.

The *Economic Opportunities Analysis* reports our inventory of buildable non-residential land currently in Creswell's UGB. *Buildable* means land that is vacant, zoned for non-residential development, free of constraints on development such as steep slopes or wetlands, and to which public services can be provided. The buildable lands inventory in this report also considers opportunities for redevelopment of currently developed properties in Creswell. The size distribution, location, and availability of public services for buildable land in Creswell.

This *Economic Opportunities Analysis* also reviews regional economic trends and local conditions to project the level of potential employment growth in Creswell. The amount and type of potential employment growth is used to estimate demand for non-residential land in total as well as by size, type, location, and service level.

The supply of buildable land currently in Creswell's UGB is compared to demand generated by potential employment growth to assess whether or not Creswell has an adequate supply of suitable sites for industrial and commercial uses. This assessment considers whether sites currently in Creswell's UGB suitable for the type of projected employment growth in terms of their size, type, location, and availability of public services.

The remainder of this Executive Summary describes our findings on the inventory of buildable land in Creswell's UGB, economic conditions, projected employment growth in Creswell, the resulting demand for non-residential land, and a comparison of demand and supply conditions. This Executive Summary ends with a discussion of the next steps in this study.

## SUPPLY OF BUILDABLE LAND

A cursory review of the buildable lands inventory in Chapter 2 shows that the City has about 137 acres available for commercial and industrial development. Of that land, about 66 acres are designated for industrial use, 48 for commercial use, and 22 for commercial-resort uses.

A more detailed evaluation, however, suggests that Creswell has a more limited inventory of industrial lands. All of Creswell's available industrial lands is in only eleven parcels, and two of these parcels have approximately half of Creswell's available industrial acreage. The limited number of industrial parcels limits the size range of available parcels and may restrict market choice for certain types of industries interested in locating in Creswell. A more detailed discussion of site needs of potential industries is presented in Chapter 6 of this report.

For commercial lands, several of the sites have access restrictions and do not appear to be desirable sites for commercial uses. These sites, located north of Oregon Avenue and east of Highway 99, are surrounded by residential development. Portions of the sites that are close to I-5 may have some potential for commercial or light industrial use, but any use that generates heavy traffic will cause use conflicts with nearby residences. Moreover, access to the site would need significant improvements to accommodate uses that generate a lot of traffic.

We found that land designated for commercial-resort use has been primarily developed as housing. For this study, we assumed that only 17% of vacant lands designated for commercial-resort use would be in commercial uses. The most likely location for commercial uses is across from the Emerald Valley Resort Clubhouse at the intersection of Dale Kuni Road and Emerald Parkway.

## **ECONOMIC CONDITIONS**

Population growth has occurred at a faster rate in Creswell than in Lane County or Oregon in every decade since the 1970s. Growth in Creswell has been fueled by its proximity to Eugene-Springfield, relatively lower housing costs, and desirable small-town atmosphere.

Employment growth in Creswell has been relatively flat over the few recent years for which data is available. But Creswell has recently seen some substantial development and business activity with the revitalization of the Emerald Valley Resort, residential development around the resort, and the development of the Creswell Marketplace shopping center and surrounding commercial uses east of I-5.

Creswell has a relatively diverse economy, with an employment distribution similar to that for Lane County as a whole. Major employment industries within Creswell's UGB include Education, Retail Trade, Food and Accommodation, and Health Care/Social Assistance.

The latest population forecast from the Lane Council of Governments (LCOG) shows that Creswell is expected to grow faster than Lane County or any city in Lane County except Veneta over the 2010–2035 period. LCOG's forecast of employment growth Creswell over the planning period (2012-2032) is 793 new employees (156 Industrial, 534 Commercial and 103 Public). This is based on state level annual average growth rates (AAGRs) for each sector. The state level forecasts were the only current forecasts available at the time of this analysis and were assumed to be more accurate than the older County level forecast (2008-

2018). Specific sector AAGRs were adjusted to reflect Creswell appropriate expectations. Reference to the county level forecast made available after the analysis shows sufficient consistency with the state assumptions, and local rate adjustments by LCOG.

Creswell's comparative advantage for attracting business activity is determined by the mix of productive factors present in Creswell relative to other communities in the Willamette Valley. Creswell's primary comparative advantage is its proximity to larger urban areas and location on I-5 combined with its small-town character. This makes Creswell attractive to residents and businesses who want to live and work in a community with small-town character but that still need to have access to urban amenities, a large and skilled workforce, and supplies and services available in larger communities as well as access to major transportation networks.

Economic conditions in Creswell are discussed in more detail in Chapters 3 and 4. Regional economic trends and conditions in Creswell, including Creswell's comparative advantages, were the basis for developing the projection of employment growth summarized in the next section.

## **EMPLOYMENT GROWTH IN CRESWELL**

Given the expected rapid growth of population in Creswell relative to the County and the implications for the ratio of population to employment, an annual average growth rate of 2.1% is expected for total employment growth in Creswell. This fits with the expectation that Creswell will receive an increasing share of employment growth in Lane County as it becomes a more fully developed community, and growth from spillover caused by increasingly crowded and expensive conditions in Eugene-Springfield.

Based on expected economic trends in Lane County and Creswell, the share of Creswell's employment in Industrial and Commercial uses was assumed to increase slightly while the share of employment in Public uses was assumed to decline. The result of these assumptions applied to the existing level of employment in Creswell is shown in Table 1 below.

**Table 1. Projected employment growth by land use type in the Creswell UGB, 2012-2032**

Land Use Type	2012 Employment	% of Total	2032 Employment	% of Total	2009-2032 Growth	2012-2032 Growth
Industrial	276	18%	432	18%	172	156
Commercial	1110	72%	1644	70%	595	534
Public	162	10%	265	11%	114	103
Total	1548	100%	2341	100%	881	793

Source: LCOG

## SUPPLY AND DEMAND FOR NON-RESIDENTIAL LAND IN CRESWELL

We used assumptions about the number of employees per acre for the three land use types shown in Table 1 to translate employment growth to demand for land. These assumptions of employees per acre are based on observation of actual densities at employment sites. Table 2 shows the level of expected employment growth, the resulting demand for non-residential land, the existing supply of buildable non-residential land, the resulting surplus or deficit of land in Creswell.

**Table 2. Comparison of land demand and supply, Creswell UGB, 2012-2032**

Land use type	Total Emp Growth	Emp per net acre	Demand (net buildable acres)	Supply (net buildable acres)	Surplus/ (Deficit)
Commercial	534	35	15	55.7*	40.7
Industrial	156	20	8	63.5	45
Public	103	15	n/a	n/a	0
Total	793		23	119.2	85.7

Source: ECONorthwest and LCOG

Note: Buildable land supply includes land designated for commercial and commercial/resort uses. We allocated 17% of the total commercial/resort land to commercial uses, with the remaining 83% going for residential uses. Of redevelopable Commercial lands, only those lands without any existing employment were included in the "net buildable acres sum" to avoid double counting employees. Public land demand is set to zero because the City and School District report that they have sufficient land to accommodate their expected growth.

Table 2 indicates that Creswell has an adequate supply of buildable Commercial and Industrial land. This comparison of demand and supply, however, focuses only on the total acreage. An analysis of the specific sites available in Creswell may suggest supply constraints not apparent in Table 2. All of Creswell's vacant industrial land is located in two sites at the north and south end of Highway 99. Each of these sites have several large parcels with a few owners.

The south industrial site is separated from Highway 99 by the railroad and a slough that will require a bridge to access Highway 99 from this site. Alternative access to this site may be provided by Park Drive, but this alternative may be limited by residential structures in the area. The old veneer plant site is also

available “redevelopable” industrial acreage contributing approximately 34 acres after accounting for constraints.

An analysis of the distribution of vacant and partially-vacant parcels by size, as shown in Table 2-4 in Chapter 2, suggests that Creswell’s supply of buildable industrial sites does not have a range of sizes that will allow Creswell to respond to market opportunities. The distribution of industrial parcels in Creswell raises several issues for the availability of buildable land for economic development, including:

- In any market, not all vacant and partially-vacant parcels are on the market or available for development in the immediate future. Thus, it is likely that even fewer industrial parcels than those shown in Chapter 2 are on the market or available for development in the immediate future.
- Many of the types of manufacturing firms that have potential to locate in Creswell need relatively small sites in the range of 0.25 to 5 acres. Chapter 2 shows that there limited parcels in Creswell in this range, and these parcels are, in some cases, too large for small specialty manufacturers who want a site less than 1 acre.

In addition to the limited distribution of industrial sites in Creswell, other factor suggests that Creswell may not have the right supply of buildable industrial land to respond to market opportunities. Chapter 5 identifies airport-related uses as a potential growth industry in Creswell. The City, however, does not have any buildable industrial land in the airport area currently within the UGB.

## NEXT STEPS

Given the context established by this *Economic Opportunities Analysis*, there are several steps the City of Creswell can take to attract the type of economic development desired in the community:

1. This report shows that Creswell lacks a supply of buildable industrial sites with a variety of sizes that will allow the community to respond to market opportunities. In addition, the small number of buildable industrial sites suggests that Creswell may not have any sites available for development when an opportunity presents itself. To address these constraints, the City should consider expanding the UGB to include more areas designated for industrial development. Areas around the airport should be among the sites considered for this expansion in order to take advantage of opportunities presented by that site.
2. Actions recommended in the 2004 *Economic Development Plan* for the City of Creswell include steps that would support employment growth in Creswell. These steps include creating State-certified market-ready development sites and working with ODOT on permitting for sites adjacent to highways and the railroad. The City should work with ODOT and OECD to help resolve site access issues for the southern industrial site. The City could also pursue State

certification of development sites, either now or after an expansion of the UGB.

3. The City has identified a vision and goals that are generally supportive of economic development in the community. The economic development planning to date, however, does not contain specific policies or actions the City should adopt to attract the type of development desired in the community. The next phase of this study will be the development on an implementation plan that identifies specific policies and actions the City might adopt to affect the level and type of economic development in the community.

## BACKGROUND

Creswell had one of the highest growth rate of any community in Lane County in the 1990s and in the most recent decade, fueled by its proximity to Eugene-Springfield, relatively lower housing costs, and desirable small-town atmosphere. Rapid population growth has caused substantial residential development in Creswell, but commercial development has been sporadic and industrial development stagnant. The result is that Creswell has increasingly become a bedroom community for residents that work elsewhere.

Expected future population and employment growth in Lane County will create an opportunity for economic development and employment growth in Creswell. However, Creswell does not have all of the plans, policies, and technical data needed to guide economic development in the community. To address these needs, the City of Creswell undertook several initiatives, including:

- Development of an *Economic Development Strategic Plan* that identifies an economic development vision for the community and general industries to target for development.
- Creation of an Economic Development Subcommittee of the City Council, which will provide ongoing support and leadership for economic development in the community.
- Development of a master plan for the quadrant formed by I-5, Oregon Avenue, Mill Street, and the lumber mill that will identify a local street network and general land uses in this central area.
- Preparation of a *Creswell Urban Growth Boundary Land Analysis* that identified the supply of vacant land in Creswell's Urban Growth Boundary in 2001.

Despite these initiatives, Creswell still does not have a full assessment of its economic development opportunities, an updated inventory of its buildable land supply, or an assessment of potential economic development policies it could implement to encourage desired growth in the community. Oregon Statewide Planning Goal 9 requires comprehensive plans to:

- Include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends;
- Contain policies concerning the economic development opportunities in the community; and
- Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.

This project is intended to meet these Goal 9 requirements and provide the City of Creswell with strategies to implement economic development policies. These results will be summarized in two reports: an Economic Opportunities Analysis and an Implementation Plan. These reports will have the following components:

- An assessment of national, state, and local economic trends that lead to an estimate of short- and long-term demand for commercial and industrial land in Creswell.
- A determination of the supply of buildable land in acres by type that is available to accommodate growth in Creswell.
- A comparison of land demand and supply.
- Short- and long-term strategies for implementing policies and actions to address land supply issues (if any) and to encourage the type of growth desired in Creswell.

The project is divided into two phases, each ending in a report. This report, the *Economic Opportunity Analysis*, is the product for the first phase, which focuses on describing past economic conditions, and likely and possible economic futures. It provides the base of information for a more detailed discussion of policy and implementation that will occur in the second phase, which will end with a second report: *Development Strategies*.

## **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 framework for economic development planning in Oregon is defined by OAR 660-009, which requires three key elements:

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to review national and state trends, assess community economic development potential, identify industries reasonably expected to expand or locate in the area, and identify site requirements of these industries. The EOA must also include an inventory of lands available for commercial and industrial development.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 are required to develop policies based on the EOA. The policies must include community development objectives and identify categories or particular types of industrial and commercial uses desired by the community. Consistent with the community development objectives, cities must adopt policies to designate an adequate number of sites of suitable sizes, types and locations for desired industrial and commercial uses. Cities must also ensure necessary public facilities through the public facilities plan for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025.* Cities must adopt appropriate implementing measures including: (1) identification of needed sites; (2) assessment of the long-term supply of land available for commercial and industrial uses; and (3) evaluation of the short-term supply of serviceable sites.

This report is an Economic Opportunities Analysis, the first key element required by Goal 9. This EOA will be followed by a Development Strategies report that will identify potential policies and actions that the City of Creswell could adopt to meet the second key element required by Goal 9.

This EOA also includes an employment forecast that leads to identification of needed development sites, and an updated inventory of buildable commercial and industrial land in Creswell. These elements of the EOA will address part of the third key element required by Goal 9. However, this study does not include the analysis of potential urban expansion areas that will be required if an expansion of the Urban Growth Boundary is needed to provide a long-term supply of buildable commercial and industrial land in Creswell.

## ORGANIZATION OF THIS REPORT

This report is organized as follows:

**Chapter 1: Introduction** describes the theoretical background for the methods and analysis in this report in terms of building quality communities and the economics of location decisions by households and firms. This chapter also summarizes key City goals and policies related to economic development.

**Chapter 2: Non-Residential Buildable Lands Inventory** reports the results of the buildable lands analysis to identify the amount, size distribution, and location of buildable commercial and industrial sites in Creswell.

**Chapter 3: The Creswell Economy** contains an overview of the Creswell economy, a review of national and statewide trends and forecasts as the context for economic growth in Creswell, and previous forecasts of population and employment growth developed for Creswell.

**Chapter 4: Factors Affecting Future Economic Development in Creswell** discusses the condition of these factors in Creswell and how this compares with other locations in the southern Willamette Valley region. The factors included in this chapter are location, buildable land, labor force, housing, public services, transportation, renewable and non-renewable resources, and quality of life. This chapter ends with a discussion of Creswell's comparative advantages for economic development.

**Chapter 5: Employment Forecast** presents an employment forecast for Creswell based on expected economic conditions at the national, state, and regional level and previous forecasts for growth in Creswell as described in Chapter 2 and local factors affecting economic development described in Chapter 3.

**Chapter 6: Conclusion** summarizes key points from the previous chapters and makes a preliminary identification of potential economic development policies.

# Non-Residential Buildable Lands Inventory

## Chapter 2

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This chapter presents the non-residential buildable lands inventory for the City of Creswell. The results are based on analysis of Geographic Information System data provided by the Lane Council of Governments (LCOG). The analysis used aerial orthophotographs, discussions with City staff, and field visits to verify land classifications. The chapter begins with a discussion of the buildable lands inventory methodology, then presents maps and tables summarizing the inventory.

## METHODS

As required by OAR 660-009-0015(3), the Economic Opportunities Analysis (EOA) for Creswell includes an updated estimate of the supply of buildable commercial and industrial land. The initial geographic scope of the study is all land designated for commercial or industrial inside the Creswell UGB. According to the Lane Council of Governments, the City prepared a Land Analysis in 2001 that did not disaggregate commercial and industrial lands or address the issue of infrastructure constraints.

Lane Council of Governments began the buildable lands analysis with a tax lot database which originated from the Lane County Assessor and was current as analysis proceeded from Fall 2001 to Spring 2012. The supply analysis builds from the tax lot-level database to estimates of buildable land by plan designation.

The original method applied by ECONorthwest resulted in a database structure that facilitates a summary of land supply that can be cross-referenced geographically, by plan designation, and other variables. The general structure is based on the DLCD HB 2709 Workbook. As outlined in the Workbook, the steps and sub-steps in the supply inventory are:

1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant tax lots.
2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable and constrained acres from total acres.
3. Calculate net buildable acres by plan designation by subtracting land for future public facilities from gross buildable vacant acres.
4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.

The next step in the buildable lands analysis was to classify each tax lot into a set of mutually exclusive categories. LCOG developed a set of working definitions that specify the rules with input from City staff. As a first step, we classified all tax lots in the UGB into one of the following categories:

- *Vacant land.* Vacant lands include land uses that are coded as agricultural, timber, or vacant. They do not contain any structures.
- *Partially vacant land.* Partially vacant tax lots have improvements but also have enough undeveloped land to be further subdivided without need of rezoning. Partially vacant commercial and industrial tax lots were identified by analysis of GIS data.
- *Undevelopable land.* Land that is under the minimum lot size for the underlying zoning district, is too steep for development, has no access or potential access, or land that is already committed to other uses by policy. LCOG used a threshold of 3,000 square feet to identify undevelopable land.
- *Developed land.* Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.
- *Redevelopable land.* 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. Redevelopable land includes lands designated for commercial and industrial uses with improvement to land value ratios of less than 1:1. Redevelopable land is a subset of developed land.

The land classifications result in identification of lands that are vacant or partially vacant. The inventory includes all commercial and industrial lands within the Creswell UGB. Figure 2-1 shows lands by plan designation within the Creswell UGB.



**Table 2-1. Land by plan designation, Creswell UGB, 2012**

Location/Plan Designation	Number of Taxlots	Total Plan Des Acres	Gross Acres in Tax Lots	Percent of Acres by Plan Des	Percent of Acres in Tax Lots
<b>Inside City Limits</b>					
Commercial	189	162.7	130.8	13.7%	80.4%
Commercial Resort	218	121.5	68.5	7.1%	56.4%
Industrial	20	93.4	84.2	8.7%	90.1%
Parks, Rec, Open Space	20	128.4	50.3	5.2%	39.2%
Residential	1536	487.8	356.1	36.7%	73.0%
Public Facility/Government	20	105.4	99.4	10.3%	
<b>Subtotal</b>	<b>1,983.0</b>	<b>993.7</b>	<b>789.1</b>	<b>80.3%</b>	<b>77.3%</b>
<b>Urbanizable Area</b>					
Commercial	1	3.44	1.0	0.0%	0.3%
Commercial Resort	0	0.0	0.0	0.0%	
Industrial	8	42.3	38.0	3.9%	89.8%
Parks, Rec, Open Space	3	11.6	2.0	0.2%	17.2%
Residential	128	162.7	138.1	14.2%	84.9%
Public Facility/Government	0	0.0	0.0	0.0%	
<b>Subtotal</b>	<b>139.0</b>	<b>216.6</b>	<b>181.2</b>	<b>19.7%</b>	<b>85.8%</b>
<b>Total</b>	<b>2,122.0</b>	<b>1,316.0</b>	<b>970.0</b>	<b>100.0%</b>	<b>85.5%</b>

Source: LCOG GIS data; analysis by LCOG

Note: the number of tax lots includes slivers of tax lots. Thus, the number of tax lots fully within the UGB is less than reported in Table 2-1.

## FINDINGS

### Land by classification

Table 2-2 shows non-residential land by classification for the Creswell UGB. The data show Creswell has 371.4 acres that are designated for non-residential use.<sup>1</sup> Of the 371 acres designated for non-residential use, about 125 acres were classified as available for development. Map 2-2 shows non-residential land by classification.

**Table 2-2. Non-residential land by classification, Creswell UGB, 2012**

Classification	Gross Acres	Gross Buildable Acres
Developed	193.6	0
Undevelopable	0.31	0
Partially Vacant	92.6	62
Vacant	84.9	62.9
<b>Total</b>	<b>371.4</b>	<b>124.9</b>

Source: LCOG GIS data; analysis by LCOG

<sup>1</sup> This includes the following plan designations: commercial, commercial/resort and industrial. Lands in the floodplain plan designation are considered available for development for the purpose of this study. Creswell does not allow development in floodplains.

## Map 2-2. Non-residential land by classification, Creswell UGB, 2012

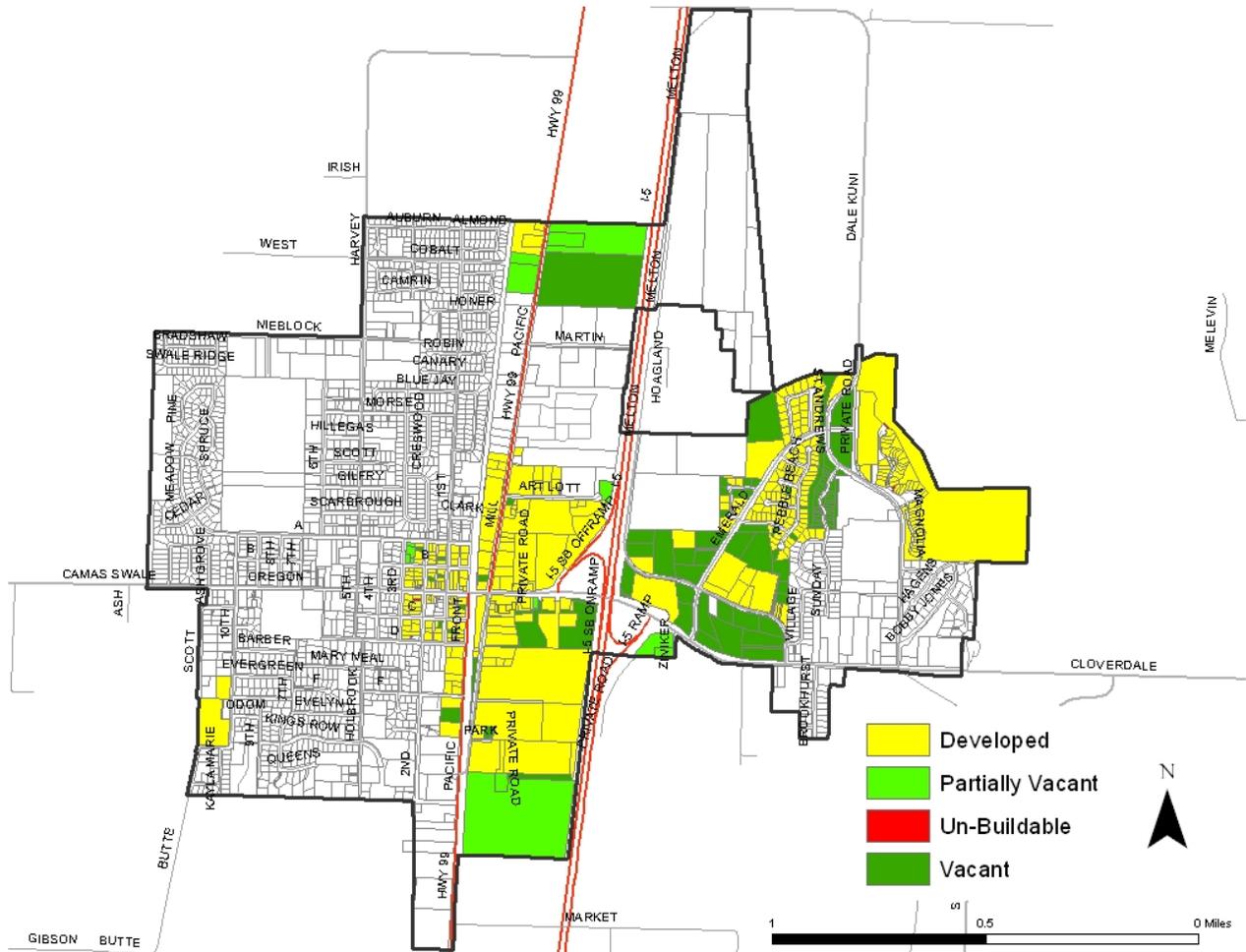


Table 2-3 shows non-residential land by plan designation in the Creswell UGB. The results show that about 30% of all non-residential land is designated for industrial uses, about 42% for commercial uses, and 21% for commercial-resort uses.

**Table 2-3. Non-residential land by plan designation, Creswell UGB, 2012**

Location/Plan Designation	Number of Taxlots	Gross Acres	Percent of Gross Acres	Gross Buildable Acres	Percent of Gross Acres
<b>Inside City Limits</b>					
Commercial	189	130.8	40.3%	41.2	31.3%
Commercial Resort	218	68.5	21.1%	14.4	21%
Industrial	20	84.2	25.9%	25.1	29.8%
<b>Subtotal</b>	<b>427.0</b>	<b>283.5</b>	<b>87.3%</b>	<b>80.7</b>	<b>28.5%</b>
<b>Urbanizable Area</b>					
Commercial	1	3.4	2.1%	1.3	38.2%
Commercial Resort	0	0.0	0.0%		
Industrial	8	38.0	3.9%	21	55.3%
<b>Subtotal</b>	<b>9.0</b>	<b>41.4</b>	<b>19.5%</b>	<b>22.3</b>	<b>53.9%</b>
<b>Total</b>	<b>436.0</b>	<b>324.9</b>	<b>100.0%</b>	<b>103</b>	<b>31.7%</b>

Source: LCOG GIS data; analysis by ECONorthwest

Table 2-4 shows vacant and partially vacant non-residential land by plan designation and tax lot size in the Creswell UGB. The acreage figures include the only the *vacant* portions of partially vacant tax lots. The results show that about 75% of vacant or partially vacant non-residential tax lots are under one acre in area, and 97% are under five acres in area. In terms of acres, however, 36% of the total land area is in three tax lots over five acres in size. All of the tax lots over 10 acres in area are designated for industrial uses.

**Table 2-4. Vacant and partially vacant non-residential land by plan designation and tax lot size, Creswell UGB, 2012**

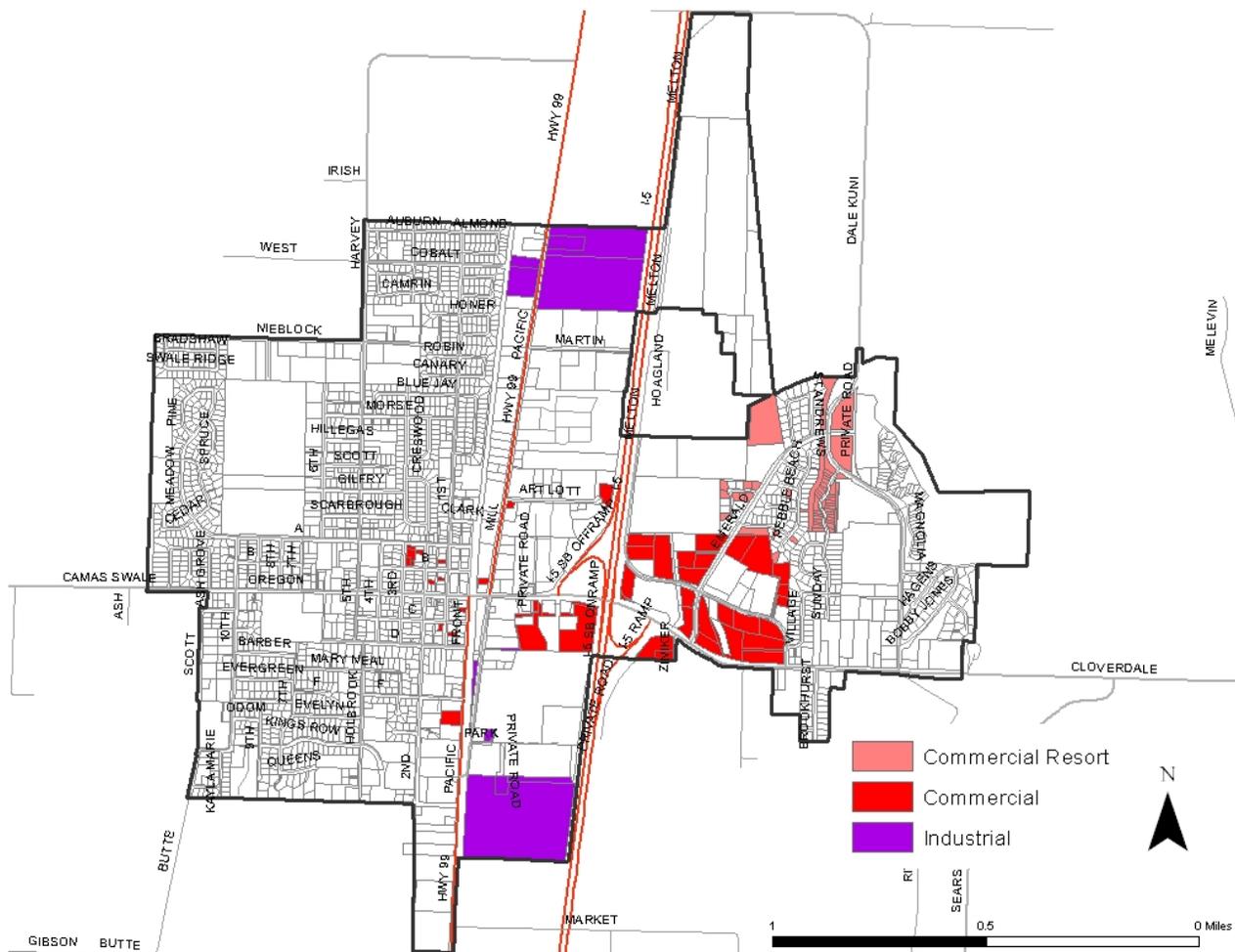
Plan Designation	Lot Size (Gross Buildable Acres)							Total	
	<0.25	0.25-0.49	0.50-0.99	1.00-1.99	2.00-4.99	5.00-9.99	10.00-19.99		20+
<b>Number of Taxlots</b>									
Commercial	17	6	7	15	5				50.0
Commercial Resort	45	2		1	3				51.0
Industrial	3	1	2	1		2		1	10.0
<b>Total</b>	<b>65</b>	<b>9</b>	<b>9</b>	<b>17</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>111.0</b>
<b>Number of Acres</b>									
Commercial	2.2	2.0	5.8	20.0	15.3				45.3
Commercial Resort	5.3	1.1		1.1	7.0				14.5
Industrial	0.1	0.3	1.5	1.1		16.4	0.0	20.3	39.7
<b>Total</b>	<b>7.6</b>	<b>3.4</b>	<b>7.3</b>	<b>22.2</b>	<b>22.3</b>	<b>16.4</b>	<b>0.0</b>	<b>20.3</b>	<b>99.5</b>
Percent of Tax Lots	59%	8%	8%	15%	7%	2%	0%	1%	100%
Percent of Acres	8%	3%	7%	22%	22%	16%	0%	20%	100%
Average Lot Size	0.1	0.4	0.8	1.2	2.7	8.2		20.3	2.7

Source: City of Creswell buildable land database, analysis by LCOG

Note: Acreages do not include developed portions of partially vacant tax lots

Map 2-3 shows vacant and partially vacant lands within the Creswell UGB by plan designation. The City has several large industrial sites in the north and south areas west of Interstate-5. All of the commercial/resort land is east of I-5. The majority of this land is developing in residential uses. Commercial lands are clustered around the I-5 interchange.

**Map 2-3. Vacant and partially-vacant land by plan designation, Creswell UGB, 2012**



### **SERVICE CONSTRAINTS ON NON-RESIDENTIAL LAND SUPPLY**

OCAR 660-009-0015(3)(B) requires that the inventory indicate the approximate total acreage and percentage of sites within each plan or zone district which are serviceable. ECO evaluated service constraints by reviewing water and sewer master plans and meeting with City staff.

Our review of industrial properties suggests there are no significant constraints to providing water and sewer services to any of the vacant sites. Access to industrial sites, however, may be an issue. The sites abutting Highway 99 on the south end of Creswell are separated from the highway by railroad tracks. Moreover, a slough that is located in the western portions of the site will

require that a bridge be built to access Highway 99. Alternative access may be possible via Park Drive; however, several existing residential structures may constrain this option.

The industrial sites on the north end of Creswell presently do not have access to sewer facilities. According to City staff, a planned residential development in the northwest area of Creswell will require sewer lines be extended. The plan is to place an interceptor under the railroad tracks which would provide sewer service to the industrial sites. The upgrade is scheduled to occur within two years.

All of the lands within the UGB east of Interstate 5 are serviced by a privately-owned sewer system. Technically this could be considered a constraint. However, considerable development of the commercial and commercial-resort land east of Interstate 5 has occurred in recent years. This shows that the private owner is allowing development to occur as the market dictates.

## REDEVELOPMENT POTENTIAL

Redevelopment potential deals primarily with developed land where the ratio of improvement-to-land value is less than 1:1<sup>2</sup>. Not all, or even a majority of parcels that meet these criteria for redevelopment *potential* will be assumed to redevelop during the planning period. The issue of *how much* land might redevelop over the planning period is discussed in Chapter 6.

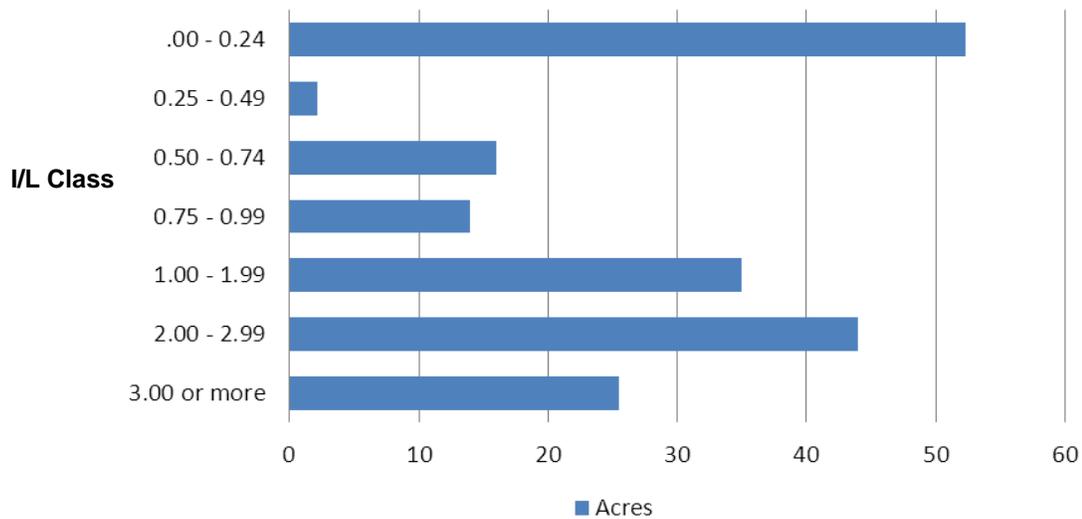
As a starting point, we plotted the distribution of improvement-to-land-value ratios for all non-residential parcels classified as developed.<sup>3</sup> Figure 2-1 shows the distribution of improvement-to-land values for all developed non-residential land in Creswell. The figure shows that the largest category of land with improvement-to-land value ratios of less than 1:1 is in the 0.00-0.24 category (just over 50 acres). Because these parcels have improvement values that are less than one-quarter of the land value, they can be considered the most ripe for redevelopment.

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<sup>2</sup> In the context of a buildable lands inventory, we are only interested in redevelopment that increases the density or intensity of use.

<sup>3</sup> Developed parcels include parcels that are fully developed, and the developed portion of partially developed parcels.

**Figure 2-1. All developed non-residential parcels by improvement-to-land value ratio, Creswell UGB**



Source: City of Creswell buildable land database, analysis by LCOG

Table 2-5 shows a summary of potentially redevelopable parcels by improvement-to-land value ratio in 2012. A ratio of less than 1:1 is a typical, but arbitrary, standard for estimating lands with redevelopment potential.

The results show that several industrial parcels have improvement-to-land value ratios of less than 1:1—totaling less approximately 50 acres. About 34 acres zoned for commercial uses have improvement-to-land value ratios of less than 1:1. Using improvement-to-land value ratios as an indicator of redevelopment potential suggests that there is some redevelopment potential in Creswell at this time.

**Table 2-5. Developed non-residential parcels by improvement/land value ratio inside the Creswell UGB in 2012**

Imp/Land value ratio	Commercial	Industrial	Total
<b>Land with more redevelopment potential</b>			
0.00 - 0.24	6.2	46.8	53.0
0.25 - 0.49	1.8		1.8
0.50 - 0.74	16.5		16.5
0.75 - 0.99	9.8	3.8	13.6
<b>Subtotal</b>	<b>34.2</b>	<b>50.6</b>	<b>84.9</b>
<b>Land with less redevelopment potential</b>			
1.00 - 1.99	33.6	1.5	35.1
2.00 - 2.99	37.5	4.7	42.3
3.00 or more	23.1	2.4	25.5
<b>Subtotal</b>	<b>94.3</b>	<b>8.5</b>	<b>102.9</b>
<b>Total</b>	<b>128.5</b>	<b>59.2</b>	<b>187.7</b>

Source: City of Creswell buildable land database, analysis by LCOG

Our evaluation is that Creswell has industrial and commercial land with redevelopment potential. The City has about 30 acres of commercial land with

redevelopment potential—approximately two-thirds of which is land that is commercially zoned but in residential use by manufactured homes. Redevelopment potential does not represent an assumption of 100% redevelopment. An arbitrary but fairly standard “potential” development rate assumes that 10% of redevelopable land will, in fact, redevelop. Due to local insights and existing plans, some lands are subjectively understood to redevelop at a higher rate (i.e. the old veneer plant site). In Creswell, the combination of parcels with the 10% rate and parcels with the subjective 100% rate constitute 22.8 commercial acres and 33.7 industrial acres.

## SUMMARY

A cursory review of the buildable lands analysis in this chapter shows that the City has about 119.2 acres available for commercial and industrial development. Of that land, about 63.5 acres are designated for industrial use, 53.9 for commercial use, and 1.8 for commercial-resort (employment) uses.

A more detailed evaluation, however, suggests that Creswell has a limited inventory of industrial lands. The majority of available industrial lands are in eleven parcels (and only three of these are over 5 acres). Industrial parcels range from about 0.1 acre to more than 20 acres. The limited number, however, may restrict market choice for certain types of industries interested in locating in Creswell. A more detailed discussion of site needs of potential industries is presented in Chapter 6 of this report. One advantage the City has is that both of the major industrial areas are in limited ownerships, and have adjacent tax lots that could be combined to create larger sites.

For commercial lands, several of the sites have access restrictions and do not appear to be desirable sites for commercial uses. These sites, located north of Oregon Avenue and east of Highway 99, are surrounded by residential development. Portions of the sites that are close to I-5 may have some potential for commercial or light industrial use, but any use that generates heavy traffic will cause use conflicts with nearby residences. Moreover, access to the site would need significant improvements to accommodate uses that generate a lot of traffic.

Finally, a lot of the land that is designated for commercial-resort use has been developed as housing. The *Creswell Economic Development Plan*, assumed that only 17% of vacant lands designated for commercial-resort use would be in commercial uses.

## OVERVIEW OF THE CRESWELL ECONOMY

### POPULATION

Table 3-1 shows population growth trends in Oregon, Lane County, and Creswell between 1970 and 2010. Population in Creswell has more than quadrupled over the 40-year period shown in Table 3-1, growing from 1,199 in 1970 to 5,031 in 2010. Creswell's population in 2010 was only 1.4% of population in Lane County and 0.1% of population in Oregon.

Relatively modest amounts of population growth in communities with a small population base, such as Creswell, can result in relatively high rates of population growth in percentage terms. Table 3-1 shows that the average annual population growth rate in Creswell has outpaced both county and statewide growth rates over the 1970-2010 period, with Creswell's average annual growth rates by decade ranging between 3.2% and 4.0%. In comparison, population in Lane County grew more slowly than for Oregon as a whole except in the 1970–1980 period, with average annual growth rates by decade ranging between 0.3% and 2.5%. More rapid growth in Creswell has caused its share of population in Lane County to grow from 0.6% in 1970 to 1.4% in 2010.

**Table 3-1. Population in Oregon, Lane County, and Creswell, 1970-2010**

Area	1970	1980	1990	2000	2010	Avg. Annual Growth Rate			
						70-80	80-90	90-00	00-10
Oregon	2,091,385	2,633,156	2,842,321	3,421,399	3,831,074	2.30%	0.80%	1.90%	1.10%
Lane County	215,401	275,226	282,912	322,959	351,715	2.50%	0.30%	1.30%	0.90%
Creswell	1,199	1,770	2,431	3,579	5,031	4.00%	3.20%	3.90%	3.50%
Creswell % of Lane Co	0.60%	0.60%	0.90%	1.10%	1.40%				

*Source: Census (1970, 1980, 1990, 2000, 2010) AAGR calculated by ECONorthwest (1970-2000) and LCOG (2000-2010)*

While population has grown more rapidly in Creswell than in Lane County and Oregon since 1970, the average annual growth rates of Oregon, Lane County and Creswell move together overtime. Population growth rates in Oregon, Lane County, and Creswell were higher over the 1970–1980 period, dropped during the 1980–1990 period, rose again during the 1990–2000 period, and are showing a declining trend over the 2000–2010 period. The Creswell average annual growth rate has remained several points higher than either the state or the county average over the entire time period shown in Table 3-1.

## HOUSEHOLD INCOME

Table 3-2 shows the distribution of household income in Creswell, Lane County, and Oregon in 2005-2009. Compared to Lane County and Oregon, Creswell has a larger share of low-income households (with an annual income of less than \$10,000) and middle-income households (with an annual income of \$50,000 to \$74,999). The share of Creswell households with an annual income of \$10,000 to \$49,999 is roughly similar to that in Lane County and Oregon, but Creswell has a lower share of households with annual incomes of \$150,000 and over.

**Table 3-2. Households by annual income in Creswell, Lane County and Oregon, (2006-2010)**

Income Range	City of Creswell		Lane County	Oregon
	Households	Percent	Percent	Percent
Less than \$10,000	231	12%	10%	7%
\$10,000 to \$14,999	134	7%	6%	6%
\$15,000 to \$24,999	231	12%	13%	11%
\$25,000 to \$34,999	192	10%	12%	11%
\$35,000 to \$49,999	211	11%	15%	15%
\$50,000 to \$74,999	461	24%	20%	20%
\$75,000 to \$99,999	231	12%	11%	12%
\$100,000 to \$149,999	192	10%	8%	11%
\$150,000 to \$199,999	19	1%	2%	3%
\$200,000 or more	19	1%	2%	3%
<b>Total</b>	<b>1,921</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Median HH Income	\$45,956		\$42,852	\$49,033

Source: U.S. Census, American Community Survey, Profile of Selected Economic Characteristics: 2006-2010

## EMPLOYMENT

Table 3-3 shows covered employment by sector and industry within Creswell's Urban Growth Boundary (UGB). The data in Table 3-3 is based on confidential records for individual employers provided the Oregon Employment Department. Table 3-3 does not report employment in sectors where there are fewer than three firms in order to maintain the confidentiality of individual employers. The sectors with the largest level of 2009 employment in the Creswell UGB are Government, Retail Trade, Health Care & Social Assistance and Accommodation and Food Service. Together these industries account for 648 jobs or 62% of total employment in the Creswell area. A review of the data underlying Table 3-3 shows that Creswell's largest employment industries are in four sectors:

- **Government:** Educational Services
- **Retail Trade:** Food and Beverage Stores, Gasoline Stations
- **Accommodation and Food Service:** Accommodations, Food Services and Drinking Places

- **Health Care and Social Services:** Child Day and Nursing Care Facilities

Of these major employment sectors, Table 3-3 shows that only Government has a payroll per employee higher than the Creswell average, while Health Care & Social Assistance, Retail Trade and Accommodation & Food Services have a payroll per employee well below the Creswell average. Other sectors with a higher-than-average payroll per employee include Construction, Agriculture/Forestry, Manufacturing, Transportation Warehousing & Utilities, Information, Real Estate & Rental Leasing.

**Table 3-3. Covered employment and payroll (in thousands) in the Creswell UGB, 2004 and 2009**

Industry	2004					2009			
	NAICS	Est.	Emp	Payroll	Pay/Emp	Est.	Emp	Payroll	Pay/Emp
Agriculture, Forestry, Fishing & Hunting	11	*				5	19	\$558	\$29
Construction	23	20	82	\$2,158	\$26	26	67	\$2,240	\$33
Manufacturing	31-33	12	199	\$8,827	\$44	8	48	\$1,715	\$36
Wholesale trade	42	5	7	\$270	\$39	n/a	n/a	n/a	n/a
Retail trade	44-45	9	157	\$2,281	\$15	14	177	\$3,724	\$21
Transportation, Warehousing, Utilities	48-49	4	10	\$341	\$34	5	18	\$758	\$42
Information	51	*				6	10	\$395	\$40
Financial and Insurance	52	4	17	\$390	\$23	7	21	\$562	\$27
Real Estate and Rental & Leasing	53	9	29	\$654	\$23	7	30	\$911	\$30
Professional, Scientific, & Tech. Svcs	54	7	12	\$205	\$17	6	21	\$549	\$26
Management of Companies	55	*				n/a	n/a	n/a	n/a
Admin Support and Cleaning Services	56	8	82	\$981	\$12	8	84	\$2,096	\$25
Health Care and Social Assistance	62	11	88	\$1,456	\$17	16	117	\$2,249	\$19
Arts, Entertainment, and Recreation	71	*		\$0		4	54	\$705	\$13
Accommodation and Food Services	72	14	95	\$1,234	\$13	15	115	\$1,479	\$13
Other Services (Except Gov)	81	11	35	\$427	\$12	21	30	\$505	\$17
*Aggregated Sectors ≥ 3 Firms			7	\$1,247	\$20	n/a	n/a	n/a	n/a
Government	92	12	222	\$7,478	\$34	7	239	\$10,546	\$44
<b>Total Covered Employment &amp; Payroll</b>		<b>134</b>	<b>1097</b>	<b>\$27,949</b>	<b>\$25,397</b>	<b>155</b>	<b>1050</b>	<b>\$28,993</b>	<b>\$28</b>

Source: Oregon Employment Department. Confidential ES-202 Employment Data provided to LCOG and refined by LCOG.

\* Sectors with 3 or fewer establishments (Est.) are not reported for purposes of confidentiality

Notes: Covered employment does not include most farm employment or other sole proprietorships, thus the table underestimates "total" employment. Employment data for payroll was limited to one quarter, thus the "annual" payroll figure represents the 2nd Quarter payroll x 4 for both years

Table 3-4 shows the change in the number of covered establishments, employment, payroll, and payroll per employee by sector in the Creswell UGB between 2004 and 2009. Table 3-4 shows that total covered employment decreased by 48 jobs in the Creswell UGB between 2004 and 2009, a reduction of 4.3%. Table 3-4 shows an increase in business establishments (22). The growth that occurred was offset in this period, however, by the closure of larger firms, including the Bald Knob Veneer Mill, which was destroyed by fire in May of 2008, removing a significant numbers of jobs from Creswell.

**Table 3-4. Change in the number of covered establishments, employment, payroll, and payroll per employee by sector in the Creswell UGB, 2005–2009**

Industry	Establishment Change	Employment		Payroll Change	Payroll/Emp Change
		Change	Change %		
Agriculture, Forestry, Fishing & Hunting	3	17	850%	\$492,432	-\$3,229
Construction	6	-15	-18%	\$81,960	\$7,115
Manufacturing	-4	-151	-143%	-\$7,111,792	-\$8,625
Wholesale trade	-5	-7	-100%	n/a	n/a
Retail trade	5	20	841%	\$1,443,356	\$6,513
Transportation, Warehousing, Utilities	1	8	217%	\$417,176	\$8,021
Information	4	4	67%	\$108,172	-\$8,320
Financial and Insurance	3	4	24%	\$171,864	\$3,814
Real Estate and Rental & Leasing	-2	1	3%	\$257,028	\$7,816
Professional, Scientific, & Tech. Svcs	-1	9	75%	\$344,236	\$9,080
Management of Companies	-1	-11	-100%	n/a	n/a
Admin Support and Cleaning Services	0	2	2%	\$1,115,852	\$12,999
Health Care and Social Assistance	5	29	33%	\$792,624	\$2,673
Arts, Entertainment, and Recreation	2	10	23%	\$150,492	\$452
Accommodation and Food Services	1	20	21%	\$245,612	-\$123
Other Services (Except Gov)	10	-5	-14%	\$78,040	\$4,637
Government	-5	17	-1%	\$3,067,516	\$10,429
<b>Total Covered Employment &amp; Payroll</b>	<b>22</b>	<b>-48</b>	<b>-4.3%</b>	<b>\$1,044,584</b>	<b>\$2,305</b>

Source: Oregon Employment Department. Confidential ES-202 Employment Data provided to LCOG. Changes calculated by LCOG.

Employment growth across sectors in the Creswell UGB was mixed. Sectors with the largest increases in covered employment were Agriculture, Forestry Fishing & Hunting, Health Care and Social Assistance, Accommodation & Food Services, Retail Trade and Government which together added 103 jobs over the period. Sectors that lost the most employment were Manufacturing, Construction and Management of Companies. The number of establishments in Creswell increased while the number of jobs decreased, suggesting a shift toward more smaller employers over the 2004–2009 period.

While total employment decreased by 4.3%, total payroll increased by over \$1 million or 3.75% in the Creswell UGB between 2004 and 2009. Total payroll increased most in the Retail Trade sector, which also had the largest level of employment growth. Total payroll also grew substantially in two sectors with small increase or a decline in employment: Construction and Real Estate and Rental & Leasing. Average payroll per employee increased by \$2,305 or 9%, with the largest increases in Admin. Support and Cleaning Services, Government, Professional Services, and Transportation, Warehousing & Utilities.

Table 3-5 compares the distribution of covered employment in the Creswell UGB and Lane County. Table 3-5 shows that the distribution of employment in the Creswell UGB is very similar to that in Lane County—the distribution for every sector in Creswell is within four percentage points of the distribution in Lane County.

**Table 3-5. Distribution of covered employment in the Creswell UGB and Lane County, 2009**

<b>Industry</b>	<b>Creswell</b>	<b>Lane County</b>
Agriculture, Forestry, Fishing & Hunting	2%	1%
Mining & Utilities	0%	1%
Construction	6%	4%
Manufacturing	5%	9%
Wholesale trade	0%	4%
Retail trade	17%	13%
Transportation & Warehousing	2%	3%
Information	1%	3%
Financial and Insurance	2%	3%
Real Estate and Rental & Leasing	3%	2%
Professional, Scientific, & Tech. Svcs	2%	4%
Management of Companies	0%	1%
Admin Support and Cleaning Services	8%	5%
Health Care and Social Assistance	11%	15%
Arts, Entertainment, and Recreation	5%	2%
Accommodation and Food Services	11%	9%
Other Services (Except Gov)	3%	4%
Government	23%	16%
<b>Total Covered Employment</b>	<b>100%</b>	<b>100%</b>

*Source: Calculated by LCOG from data provided by the Oregon Employment Department.*

Table 3-6 shows total covered employment in Lane County, Census Tract 11 (which includes Creswell and the surrounding rural area) and Creswell over the 1978–2008 period. Table 3-6 shows that employment in Census Tract 11 grew at a slower rate over the 1978–2008 period, than the County as a whole with an average annual growth rate of 1.2% in Lane County and 0.5% in Census Tract 11.

Table 3-6 shows that Census Tract 11 has had a relatively steady share of the County’s total employment, ranging from 1.0% to 1.4% over the 1978–2008 period. Total employment in the Creswell UGB ranged between 56.4% and 78.3% of the total in Census Tract 11 over the 1994–2008 period, revealing a steady increase in that proportion over that time period.

Data for total covered employment in the Creswell UGB is only available for the 1994–2008 period. During this period total employment in Lane County grew at an identical rate as total employment in Creswell’s UGB (1.1%). During this same period of time Census Tract 11 saw an overall decrease in employment of -0.40%.

**Table 3-6. Total covered employment in Lane County, Census Tract 11, and the Creswell UGB, 1978–2008**

Year	Lane County	Census Tract 11	Creswell UGB	Tract 11 % of Lane Co	Creswell % of Tract 11
1978	103200	1239	n/a	1.2%	n/a
1980	102900	986	n/a	1.0%	n/a
1982	90700	1267	n/a	1.4%	n/a
1984	96300	1374	n/a	1.4%	n/a
1986	99200	1061	n/a	1.1%	n/a
1988	109800	1449	n/a	1.3%	n/a
1990	118500	1462	n/a	1.2%	n/a
1992	117200	1375	n/a	1.2%	n/a
1994	126300	1540	972	1.2%	63.1%
1996	133100	1520	967	1.1%	63.6%
1998	140100	1649	991	1.2%	60.1%
2000	139638	1616	911	1.2%	56.4%
2002	136470	1336	927	1.0%	69.4%
2004	140783	1434	1097	1.0%	76.5%
2006	147529	1541	1151	1.0%	74.7%
2008	147487	1445	1131	1.0%	78.3%
AAGR					
78-98	1.50%	1.40%			
98-08	0.50%	-1.30%	1.30%		
78-08	1.20%	0.50%			

Source: Lane Council of Governments. Percentages and growth rates calculated by ECONorthwest Note: AAGR is Average Annual Growth Rate.

In summary, employment growth in Census Tract 11 kept pace with growth in Lane County over the twenty year period between 1978 and 1998, but lagged well behind County growth in the 1998–2008 period. Interestingly, employment in Creswell’s UGB sustained a higher growth rate during this period than both the County and Census Tract 11. Census Tract 11 has maintained a relatively stable share of total employment in Lane County between 1978 and 2008. Data shows that the current distribution of employment by sector in Creswell is similar to that in the County. Together these facts suggest that (1) Creswell is a suitable location for many of the industries located in Lane County, and (2) that employment in Creswell has historically grown at a rate close to that for the County as a whole.

## BUSINESS AND DEVELOPMENT TRENDS IN CRESWELL

Creswell has seen several development projects and new business activity in the past five years. A review of business news publications shows that this business activity has included:

- Pliska Investments LCC, owners of the Emerald Valley Golf Course in Creswell, bought the adjoining Emerald Valley Resort. The golf course employs about 40 workers and the resort will add six to 10 workers. *The Register-Guard*, 4/13/2011
- A fire has closed the Bald Knob Veneer Co. in Creswell, putting as many as 60 people out of work. The mill supplies veneer to a plywood mill in

Springfield where production will be slowed. No decision has been made about reopening.-Register-Guard (Eugene, OR) 5/22/08

- Development of the Creswell Marketplace shopping center around the relatively new Ray's Food Place. This shopping center has a bank, veterinary clinic, video rental, hair salon, and other retail shops including discount retailer Bi-Mart which opened in November, 2006.

Other important business trends in Creswell include:

- Recent commercial development trends in Creswell suggest that the City has enough commercial land to address current commercial needs. For example, a commercial site east of I-5 along Springfield-Creswell Highway, has been in the process of developing since 2000. Current uses in this area include: retail (e.g., Bi-Mart and Ray's), personal services (e.g., a beauty salon and dental offices), overnight accommodations (e.g., a Comfort Inn Suites), food services (e.g., a Subway and coffee shop), the Emerald Valley Golf Course, and other commercial uses. Commercial development on this land has been relatively slow, with absorption taking more than nine years. There are currently vacant lots available for development in this area.
- Although the "North of Oregon Avenue" area may not redevelop in the near future, it remains a unique development opportunity (and challenge) in Creswell. The "*North of Oregon Avenue Economic Opportunities*" study conducted by ECONorthwest in 2009 should be consulted for further detail specific to this area.
- Residential growth will create demand for local retail and services. The draft population forecast for Creswell suggests that more than 6,500 new residents will locate in Creswell by 2035. These new households will create demand for local retail and services.

## FORECASTS OF ECONOMIC GROWTH IN CRESWELL

Several planning efforts in the last ten to fifteen years have included projections of population and employment growth in Creswell, including the 1998 *Transportation System Plan* and 2001 *Urban Growth Boundary Land Analysis*. An updated forecast of employment growth is presented as part of this EOA in Chapter 5, based on national, state, and regional trends presented in this chapter and local factors affecting economic development described in Chapter 4.

The 1998 *Creswell Transportation System Plan*<sup>1</sup> included a projection of population and employment in the Creswell UGB to 2015. This projection estimated that population in Creswell's UGB would increase by 2,000 people, from 3,400 in 1996 to 5,400 in 2015.. Employment in Creswell's UGB was estimated to grow by 754 jobs, from 972 in 1994 to 1,726 in 2015. Population was projected to grow at a faster rate than employment, resulting in a decreasing ratio

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<sup>1</sup> Lane Council of Governments. 1998. City of Creswell Transportation System Plan. August.

of population to employment (residents per job), from 3.50 in 1996 to 3.13 in 2015.

**Table 3-7. Projected population and employment growth in the Creswell UGB by 2015 (TSP)**

	1996	2015	Growth	AAGR
Population	3,400	5,400	2,000	2.5%
	1994	2015	Growth	AAGR
Employment	972	1,726	754	2.8%
Pop/Emp Ratio	3.50	3.13		

Source: Lane Council of Governments. 1998. *City of Creswell Transportation System Plan*. August. Growth, AAGR, and Pop/Emp Ratio calculated by ECONorthwest.  
 Note: AAGR is Average Annual Growth Rate.

The population projection in the *Transportation System Plan* was based on assuming that population in the Creswell UGB would grow at a rate similar to the 2.6% average annual growth rate for Creswell’s population between 1980 and 1995. The employment projection in the *Transportation System Plan* was based on a forecast of total employment in Lane County and an assumption that the share of County employment in Census Tract 11 (which includes Creswell) would increase slightly over the forecast period. All employment growth in Census Tract 11 was assumed to occur in Creswell because of Oregon’s land use planning rules.

The 2001 *Creswell Urban Growth Boundary Land Analysis*<sup>2</sup> also included a projection of population and employment growth in the City of Creswell and the Creswell UGB area between 2000 and 2020. Population in the Creswell UGB was projected to grow by almost 80% over the twenty-year planning period, increasing from 3,929 in 2000 to 7,050 in 2020. All of the projected growth in the Creswell UGB area was projected to occur in the City of Creswell. This 2001 population projection is shown in Table 3-8.

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<sup>2</sup> Lane Council of Governments. 2001. *Creswell Urban Growth Boundary Land Analysis*. October.

**Table 3-8. Projected population growth in the City of Creswell and Creswell UGB, 2000–2020, Creswell Urban Growth Boundary Land Analysis**

	City of Creswell	Creswell UGB
<b>Population</b>		
2000	3,579	3,929
2010	5,000	5,350
2020	6,700	7,050
<b>Growth</b>		
2000-10	1,421	1,421
2010-20	1,700	1,700
Total	3,121	3,121
<b>AAGR</b>		
2000-10	3.4%	3.1%
2010-20	3.0%	2.8%
2000-20	3.2%	3.0%

Source: Lane Council of Governments. 2001. *Creswell Urban Growth Boundary Land Analysis*. October Growth and AAGR calculated by ECONorthwest. Note: AAGR is Average Annual Growth Rate.

The population projection used in the *UGB Land Analysis* is an average of projections based on (a) the State’s projection for Lane County and assumptions on Creswell’s share of County population, and (b) a projection population using the average annual growth rate in Creswell over the 1990–2000 period.

The *UGB Land Analysis* also includes a projection of employment growth between 2000 and 2020. Employment in Creswell was projected to increase by almost 50% in the Creswell UGB, increasing from 991 in 1998 to 1,458 in 2020. (467 jobs and an average annual growth rate of 1.8%). The share of employment in the Commercial sector was projected to grow faster than in other major sectors, increasing its share of total employment from 54% in 1998 to 60% in 2020.

The employment projection used in the *UGB Land Analysis* is based on an employment projection for Lane County developed as part of the Region 2050 project and assumptions about the share of County employment in Census Tract 11. The share of Census Tract 11 employment in Creswell was assumed to increase from 60% in 1998 to 65% in 2020. To allocate the projection of total employment to major sectors, the share of employment in the Industrial sector was expected to remain at 25% while the share in Commercial increased from 54% in 1998 to 60% in 2020 and the share in Other sectors decreased from 21% in 1998 to 15% in 2020.

In 2010, Lane County developed and adopted a coordinated population forecast for urban growth boundary areas (UGBs) of communities in Lane County. The forecast for communities is coordinated to County control totals. This forecast predicts that population in the Creswell UGB area will increase by 6,080 between 2010 and 2033. Creswell’s population is projected to grow at an average annual rate of 3.4% between 2010 and 2033, compared to only 0.9% for Lane County as a whole in the same period. The coordinated forecast is shown in Table 3-9.

Current data suggest certain consistencies with these projections as well as some significant deviations. It is noted that according to newly released 2010 US Census data, Creswell's population was 5,031 which means the TSP population projection of 5,400 in 2015 is roughly on track. It is also noted, however, that Lane County's Coordinated Population Forecast for Creswell in 2015 is 6,802 and assumes a higher growth rate than the TSP assumes (3.4% as opposed to 2.5%). The 2001 *UGB Land Analysis* is also consistent up to the present projecting an almost perfectly accurate 5,000 resident population in Creswell for 2010. Like the TSP forecast, however, the forecast's assumptions after 2010 are not as high as the Lane County Coordinated population forecast. The *UGB Land Analysis* forecast for Creswell in 2020 (6,700) is not even as high as the Lane County Coordinated Population Forecast for Creswell in 2015 (6,802). It is important to note that the Lane County Coordinated Population Forecast assumes a higher 2010 population (5,647) than was realized according to the 2010 Census (5,031).

Additionally, 2009 Oregon Employment Department covered employment figures for Creswell's UGB suggest an actual average annual employment growth

**Table 3-9. Projected population in Lane County and Urban Growth Boundary areas, 2010-2033**

Year	Lane County	Eugene Springfield	Coburg	Cottage Grove	Creswell	Junction City	Outside UGBs
2010	349,516	244,806	1,103	9,957	<b>5,647</b>	6,567	58,531
2033	430,933	299,689	3,896	13,268	<b>11,727</b>	13,587	51,885
<b>Population Growth</b>							
2010-33	81,417	54,883	2,793	3,311	<b>6,080</b>	7,020	-6,646
<b>Percent of Lane County Population</b>							
2010	100%	70%	0%	3%	<b>2%</b>	2%	17%
2033	100%	70%	1%	3%	<b>3%</b>	3%	12%
<b>Average Annual Growth Rate</b>							
2010-33	0.9%	0.9%	5.7%	1.3%	<b>3.4%</b>	3.5%	-0.6%

Source: Lane County Coordinated Population Forecast. Annual Average Growth Rates calculated by LCOG.

rate of 0.5% between 1994 and 2010, lagging well behind the AAGR outlined in both the 1998 *Transportation System Plan* (2.8%) and the 2001 Creswell Urban Growth Boundary Land Analysis (1.8%).

The range of growth and growth rates for population and employment in Creswell predicted by these past and current forecasts provides background for the employment forecast developed for this study. That employment forecast is presented in Chapter 5 of this report.

## NATIONAL ECONOMIC TRENDS

### A REVIEW OF TRENDS

Creswell's economy occurs within a greater social, political and economic context. A review of national, state and local economic trends is important to recognizing the City's potential for growth in various industries and expected changes that are likely to occur within the planning period.

## NATIONAL TRENDS

National economic trends will influence development in Creswell. ECONorthwest, an Oregon economic development planning firm, recently generated a summary of significant national and state economic trends<sup>3</sup>. The following trends are applicable to the City of Creswell:

- **Effects of the national recession** The national recession that started at the end of 2007 has affected businesses and workers alike. Unemployment at the national level has been at or above 9% since January 2009, with Oregon's unemployment rate at or above 10% since January 2009. The federal government's economic forecast suggests slow economic growth, with gradual increases of employment through 2011. Economic growth in Oregon typically lags behind national
- **Growth of service-oriented sectors.** Increased worker productivity and the international outsourcing of routine tasks led 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 grow with the economy but manufacturing employment will decline. These trends are also expected to affect the composition of Oregon's economy.
- **The aging of the baby boom generation, accompanied by increases in life expectancy.** As the number of people age 65 and older increases (100 percent by 2050), the number of people under age 65 will grow by only 12 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.
- **Changes in demographics.** As reported in the 2008 Diversity Forum held by the American Planning Association, the American population continues to undergo a demographic shift. It is estimated that by the year 2050, the percentage of Hispanics and blacks in the United States will increase from 25 to 45 percent. With this change in demographics also comes an increase in purchasing power. According to information derived from the US Census, from 1990 to 1999, minority purchasing power increased by 77 percent compared to 49 percent of the general population. Increased diversity has the potential to lead to a growth of related industries, such as language services, and market products and services.
- **Innovation in electronics and communication technology, and its application to production.** Advancements in communication and manufacturing technology increase worker productivity. There will be growth in the production of both services and goods, but the economy's emphasis on services will increasingly dominate.

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<sup>3</sup> City of Sale-Keizer, Economic Element, Pre-Policy Draft, ECONorthwest, 11/05/07 pgs. 4-18

- **Continued growth in global trade and the globalization of business activity.** With increased global trade, both exports and imports rise. Faced with increasing domestic and international competition, firms will seek to reduce costs and some production processes will be outsourced offshore.
- **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 professional and business services, healthcare and social assistance, and other service industries. Construction employment is also anticipated to grow.
- **The growing importance of education as a determinant of wages and household income.** The Bureau of Labor Statistics has conducted research showing that the fastest growing occupations will require an academic degree, and will typically yield higher incomes than occupations that do not require an academic degree. In addition, the percentage of high school graduates that attend college will increase.
- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. Increases in the population and in household incomes, plus changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.

Additional national trends include the following:

- **Climate change is anticipated to be an issue that may influence urban growth.** The impacts of climate change are likely to be uneven in different geographical regions and this will have varying effects on current migratory patterns, communities, and economies. Potential adverse impacts from climate change include increased flood risk and then strongly reduce water supplies, declining crop yields and increases in threat of malnutrition, heat stress, and spread of vector-borne diseases.

Some key themes related to climate change that are included in ULI's *The City in 2050: Creating Blueprints for Change* publication:

- Worldwide efforts to reduce greenhouse gas emissions are likely to drive new economies.
- Higher energy and water prices will induce investment and alter behavior patterns.
- New transportation options—from smaller cars and individualized transit to high-speed rail and smart buses.
- Buildings and their construction will continue to adapt as a result of continuing efforts to reduce greenhouse gas emissions.

## STATE AND REGIONAL TRENDS

State and regional economic trends will also influence development in Creswell over the twenty year planning period. Important among those identified by ECONorthwest are the following:

- **Population changes in Oregon.** Oregon’s population growth rate lagged behind the U.S. rate in the 1980s, but saw greater growth in every other decade since the 1970s. In the 1970s, Oregon’s growth rate doubled that of the U.S. Oregon’s slow growth in the 1980s was primarily due to the nationwide recession early in the decade.

Oregon’s population growth regained momentum beginning in 1987, growing at annual rates of between 1.4 percent and 2.9 percent between 1988 and 1996. Population growth for Oregon and its regions slowed in 1997, to 1.1 percent statewide, the slowest rate since 1987. Oregon’s population growth between 2000 and 2010 was considerably higher at 1.5 percent annually.

As a result of recent economic downturn, Oregon’s population is expected to grow at a slower pace in the near future. Based on the current forecast, Oregon’s population will reach 4.02 million in the year 2015 with an annual rate of growth of 1.1 percent between 2011 and 2020.<sup>4</sup>

**Table 3-10: Population Growth in the US and Oregon 1970-2010.**

	1970	1980	1990	2000	2010	Average Annual Growth Rate			
						70-80	80-90	90-00	00-10
<b>US</b>	203,211,926	226,545,805	248,709,873	281,655,404	308,745,538	1.1%	0.9%	1.3%	1.5%
<b>Oregon</b>	2,091,385	2,633,105	2,842,321	3,421,399	3,831,074	2.3%	0.8%	1.9%	1.9%

*Source: US Census Bureau 1970, 1980, 1990, 2000, 2010*

- **Lack of diversity in Oregon’s economy.** Oregon’s economy has diversified since the 1960’s but Oregon continues to rank low in economic diversity among states. A recent analysis, based on 2007 data, ranked Oregon 31st. These rankings suggest that Oregon is still heavily dependent on a limited number of industries. Relatively low economic diversity increases the risk of economic volatility as measured by changes in output or employment.
- **Importance of small businesses in Oregon’s economy.** Small business, with 100 or fewer employees, account for 51% of private sector employment in Oregon. Workers of small businesses typically have had lower wages than the state average.
- **Availability of trained and skilled labor.** Businesses in Oregon are generally able to fill jobs, either from available workers living within the State or by attracting skilled workers from outside of the State.

<sup>4</sup> Quarterly Economic and Review Forecast, September, 2011, Appendix C

Availability of labor depends, in part, on population growth and immigration. Oregon added more than 980,000 new residents and about 475,000 new jobs between 1990 and 2008. The population-employment ratio for the State was about 1.6 residents per job over the 18-year period. Availability of labor also depends on workers' willingness to commute. Workers in Oregon typically have a commute that is 30 minutes or shorter. Availability of skilled workers depends, in part, on education attainment. About 28% of Oregon's workers have a Bachelor's degree or higher.

- **Increases in energy prices.** Energy prices are forecast to resume to relatively high levels, such as those seen in the 2006 to 2008 period, possibly increasing further over the planning period.
- **Comparatively low wages.** The income of a region affects the workforce, the types of businesses attracted to the region. Average income affects workers and businesses in different ways. Workers may be attracted to a region with higher average wage or high wage jobs. Businesses, however, may prefer to locate in regions with lower wages, where the cost of doing business may be lower. Since the early 1980's, Oregon's per capita personal income has been consistently lower than the U.S. average. In 2007, Oregon's per capita wage was 91% of the national average. On average, Oregon's workers earn about \$9,400 less than workers in Washington State. Oregon residents earn nearly \$1,200 a year less from investment income than Washington residents.
- **Population and jobs balance.** The relationship between population and employment growth is an important one. Ideally, people would live and work within the same city and possibly within the same neighborhood. In reality, people frequently commute to work outside the city or region where they live. Maintaining the population and jobs balance or reducing the number of people who commute outside a city for work (generally through faster employment growth relative to population growth) is one way to increase local economic prosperity and decrease the negative effects of commuting.
- **Projected employment growth.** According to an economic forecast generated by IHS Global Insight for the period 2010-2020, the sectors that will lead employment growth in Oregon for the ten-year period are Professional and Business Services (3.99%), Construction (3.42%) (Education and Health Services (2.73%) and Transportation, Warehousing and Utilities (2.46%). Together, these sectors are expected to add 198,000 new jobs for the state or 60% of employment growth in the State. These forecasts do not consider any major recruitment or large expansion of existing firms.
- **Distribution of population and employment across the State.** Nearly 70 percent of Oregon's population lives in the Willamette Valley. With higher growth rates than the rest of the state, the Willamette Valley and Central Oregon have each captured a higher percentage of the state's population throughout the period 1970-2005. After the Willamette Valley,

Southern Oregon is the second-largest population center in the state. The *1999 Oregon In-migration Study* found that the majority of in-migrants moved to the Willamette Valley.

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 1970-2004, but over 70 percent of Oregon's employment growth in that period occurred in the Willamette Valley.

- **Tightening of labor market as a result of retiring workers.** Though this may not be the case in the current economy, in the long-term, as the baby-boomers reach retirement age over the next two decades, the State may have a scarcity of qualified workers. The sectors with the most employment and the largest share of employees 55 years or older include: Education Services; Real Estate; Transportation and Warehousing; Health Care and Social Assistance; Public Administration; and Agriculture, Forestry, Fishing, and Hunting. The State expects little or no growth in manufacturing employment over the next decade but expects that retirements will create demand for employees in Manufacturing.
- **Public Policy .** Changing economic conditions in Oregon have not only been affected by national and international trends, but also by government action in Oregon. State policy has made a concerted effort to attract industries with tax policy (e.g., no unitary tax, which would tax world-wide corporate income of businesses operating in Oregon), changes in corporation codes, reforms to reduce the costs of workers' compensation, investments in infrastructure, and other incentives (e.g., enterprise zones and the Strategic Investment Program, which attempts to stimulate capital-intensive industries through property tax abatement). The State has encouraged international trade and investments with missions and offices in Japan, Taiwan, and other Pacific Rim countries. State policy on land use and environmental quality aim at preserving the natural and cultural amenities that make Oregon attractive to its current and potential residents and businesses—but their effects, however, are not unambiguous, since they may also raise taxes, fees, and land development costs.

In reaction to a perceived lack of industrial sites in Oregon ready for development, the State has initiated the Industrial Site Certification Program. This program certifies that industrial sites are ready for development within six months or less after being chosen for development. Certified sites receive a comprehensive review and have current information available for the availability and capacity of water, sewer, electrical power and telecommunications; environmental, cultural and land issues; transportation accessibility; and much more. Site certification serves as a marketing tool for communities and allows them to better take advantage of development opportunities.

According to the September, 2011 Oregon Quarterly and Economic Review Forecast (QERF) produced by the Oregon Office of Economic Analysis, the following additional key factors will fuel the state's long-term growth:

- **Steady in-migration and population growth** High population growth is an opportunity for economic growth as the state creates jobs to serve a growing population. At the same time, it presents a challenge for the state as the demand for services increases.
- **Export growth and high commodity prices** Global economic expansion will increase demand for Oregon commodities, both finished and capital goods. Oregon is well positioned for trade with countries in the Pacific Rim. High commodity prices will benefit agricultural and timber producers in the state.
- **Returning high energy prices.** Recently, slower demand for oil has caused the gas price spike to fade. However, the long-term growth of the developing world could cause demand to return, creating upward price pressures. We have already seen how high energy prices can slow consumer spending and raise business costs.
- **Continued strength in domestic markets.** Continued economic growth in California and other major domestic markets will fuel demand for Oregon products.
- **Business costs advantages.** The Oregon economy will benefit from a comprehensive energy plan. Efforts which have long been in place for electricity planning should extend to all energy sources. If the plan can assure businesses of an abundant, reliable, and relatively inexpensive supply of electricity and other sources of energy, the state (and the Pacific Northwest) will continue to have a relative energy cost advantage over other regions. Oregon has other business cost advantages, such as lower workers' compensation rates and multi-modal transportation options compared to other states. Equally important is an educated work force that contributes to productivity.
- **Environmental issues.** Salmon protection measures, the Portland Super Fund, and other issues could change the economic landscape.
- **Affordable housing.** For most of the late 1990s and the early part of this decade, California, Washington, and the nation as a whole have experienced more rapidly rising housing costs than Oregon. The housing boom once again raised California prices above Oregon's house prices, and Washington kept pace with Oregon. This relative advantage in housing cost is narrowing as prices in California fall faster than in Oregon, with Washington once again keeping pace with Oregon. If housing costs rise faster in Oregon than in the rest of the nation, companies will face increased difficulties recruiting workers. If Oregon can maintain a relative cost advantage in housing, this factor will be attractive for firm location.
- **Biotechnology and Clean Technology.** These sectors are seen by many as the next growth industries. Portland and the State have launched funding plans to promote the biotechnology sector. The platform for the

Oregon Business Plan includes nanotechnology as an emerging field for Oregon. It is too early to tell if these are indeed the next growth industries and what returns they may bring.

- **Renewable Energy and Sustainable development.** Centered in the Portland area, this movement in sustainable building practices is spreading throughout the U.S. Uncertainty surrounds the number of new jobs associated with this movement, but it may allow gains in market shares for construction and consulting firms in Oregon. Renewable energy such as solar and wind mills are increasing looking to Oregon as a place to locate.
- **Quality of life** Oregon will continue to attract financially secure retirees. Companies that place a high premium on quality of life will also want to locate in Oregon.

Additional Statewide trends include the following:

- **Emphasis on Business Clusters as an economic development strategy.** In 2003, the Oregon Business Plan placed the development of traded-sector industry clusters at the center of its economic development strategy. Traded-sector clusters are those that sell their products and services outside the state, bringing in fresh dollars that directly sustain high-paying jobs while spurring growth and good jobs among local suppliers, retailers, and service businesses. The State has been involved in a number of initiatives that are aimed at learning about cluster needs so that the community at large can support clusters through a wide range of strategies, including higher education research, education and workforce development, transportation and logistics, recruiting key suppliers, and branding and marketing.
- **Impacts and adaptations in response to climate change.** In the fall of 2008, the University of Oregon's Climate Leadership Initiative and the National Center for Conservation Science & Policy, in partnership with the MAPSS Team at the U.S. Forest Service Pacific Northwest Research Station, initiated a project to assess the likely consequences of climate change for the Upper Willamette River Basin. In the spring of 2009, the project team released a report, *Preparing for Climate Change in the Upper Willamette River Basin of Western Oregon*, which seeks to raise awareness about the likely consequences of climate change to natural and built systems in the Upper Willamette Basin, as well as identify actions that can be taken to better prepare aquatic, terrestrial, human, built, and economic systems for climate change. Some of the key findings of this study, related to economic opportunities and risks, are:
  - Current supplies of power and water may become increasingly less stable.
  - Road, rail, and air transportation may face disruption due to increased storm events, flooding, and wildfires.
  - Rising fuel costs due to potential greenhouse gas mitigation measures, and higher power costs due to reduced hydroelectric

supply will likely produce increased stress for many facets of the manufacturing, retail, and service economy. In addition, transportation disruptions due to climate related extreme weather events along with more restrictive use of water are likely to affect these sectors.

- Hotter summer temperatures, increased allergens, and reduced air quality may adversely impact the health of the local workforce.
- The optimal tourist season may shift as rising temperatures make summers less attractive. In the summer months, these changes may affect the entire service sector and their suppliers, including motels, hotels, and restaurants.
- As noted elsewhere in this study, sales of motor coaches could be impacted by rising gasoline prices and greater awareness of vehicle emissions that contribute to climate change. However, innovations that reduce emissions could transform the industry due to the demand that is likely to exist if retirees regain recently lost financial security.
- Bicycle manufacturing may increase as incentives are developed for alternative forms of transportation to automobiles.
- Increased crop productivity may result in the short term, with a longer associated growing season increasing crop harvests. Growers may need to shift to different, more diverse crops, and new varieties and types of crops may need to be developed and planted.
- Forestry is likely to be under increasing stress.

## LANE COUNTY TRENDS

Research of available economic data sources, along with conversations with state and local economic authorities, and local staff and stakeholders, revealed a number of economic trends for Lane County. Generally, county trends mirror national and state trends with a few exceptions. A summary of some significant county trends is presented below.

- **Aging Population.** Lane County is expected to experience the same aging of the baby boom generation. The impending retirement of the baby-boomer generation may create challenges and opportunities for the Lane County economy. Worker replacement needs may create new employment opportunities; at the same time, the County will need to have qualified workers to meet this demand. A Regional Analysis of Benton, Lane, Lincoln and Linn Counties completed by Oregon Economic & Community Development Department shows that the number of retirement age workers in the region is highest in Educational & Health Services, Manufacturing, and retail trade respectively. Further, almost one third of Transportation & Utilities sector workers are at retirement age, with transportation workers having the highest percentage of retirement age workers (26.9 percent) when compared to all the sectors in the region.

- **Net Importer of Business.** In 2006, the workforce region composed of Benton, Lane, Lincoln and Linn Counties was a net importer of businesses, with the service industry (Business Services, Miscellaneous Retail, Engineering, Accounting, Research, Management & Related Services) accounting for the largest share of net moves into the region.
- **Shift from Manufacturing to Technology.** In line with national and state trends, Lane County is expected to continue experiencing a shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy. This is reflected in regional employment projections. It is noted that the region will remain strongly poised for the wood products industry and over the next decade or so, the amount of second-growth timber available from private timberlands could lead to a mini-boom in this industry.

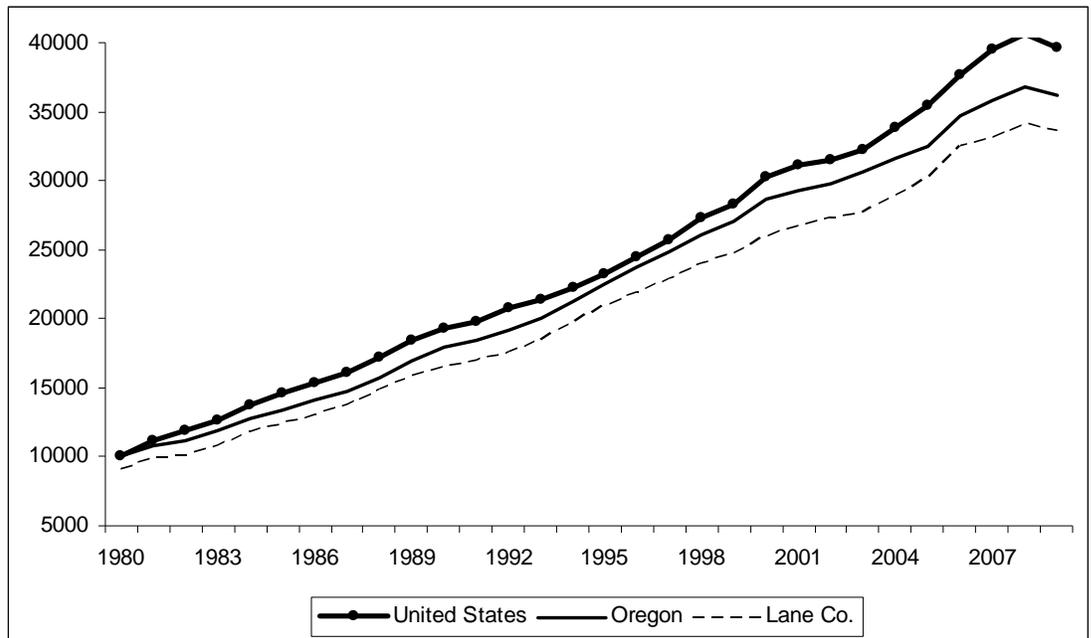
## PERSONAL INCOME IN LANE COUNTY, OREGON AND THE NATION

Figure 3-1 shows the level of per capita personal income in the United States, Oregon, and Lane County over the 1980–2009 period, in non inflated-adjusted dollars. Per capita personal income has experienced relatively steady growth since 1980, with the exception of the early-1980s recession in Oregon and Lane County. Figure 3-1 shows that per capita income in Lane County has historically lagged behind the Oregon and U.S. average. In the late 1990s and early part of this decade, Lane County experienced a widening of the gap between its per capita personal income and the national per capita income. That gap is maintained through this decade and the current per capita figures are reported as \$39,626 for the United States, \$36,191 for Oregon and \$33,562 for Lane County.

Lane County's real (inflation adjusted) *per capita* personal income dropped two years in a row because of the recent recession. Between 2006 and 2007, it dropped \$740 or 2.1 percent. Between 2007 and 2008, it dropped \$480 or 1.4 percent to reach \$33,520. Before then, it had not dropped since 1999.

Relative to other areas, Lane County's per capita personal income remained 92 percent of the statewide and declined slightly to 83 percent of the U.S in 2008. Lane County's per capita personal income ranked 11th among Oregon's 36 counties.

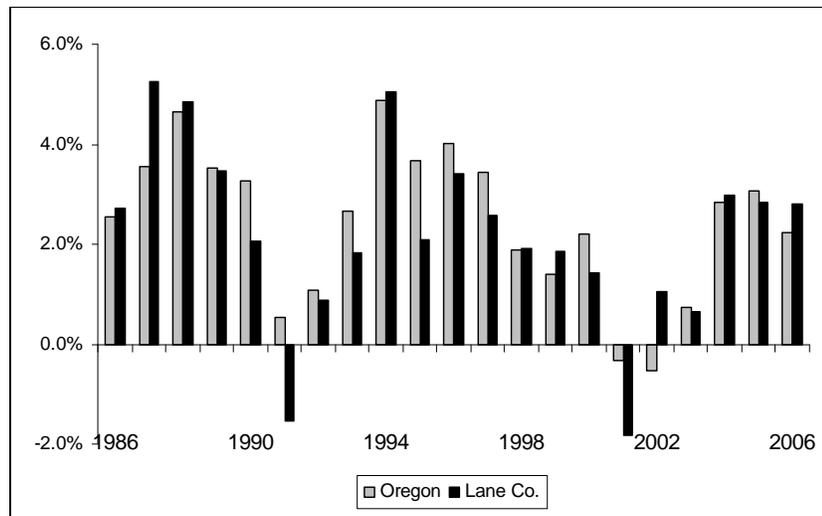
**Figure 3-1 Per capita personal income in the Lane County, Oregon and the U.S., 1980–2009 (BEA)**



## HISTORIC EMPLOYMENT IN LANE COUNTY AND OREGON

Employment growth has generally followed the trend of population growth, but employment growth varies more because employment is more closely tied to economic conditions. As for population, over 70 percent of Oregon’s employment is located in the Willamette Valley. The Valley also experienced the largest loss employment in the recession of the early 1980s. Since 1969, employment in Oregon has grown most rapidly in the 1970s, with annual employment growth above 5 percent in 1972–73 and 1977–78. Annual employment growth in Oregon was slow or negative in the early 1980s but peaked at 4.6 percent per year in 1988, declined in the early 1990s and peaked at 4.9 percent in 1994. Annual employment growth in Oregon has declined since 1994, falling to -0.1 percent in 2001. As with population, employment growth in Lane County tends to be more cyclical than employment growth in Oregon as a whole. Annual employment growth in Oregon and Lane County is shown in Figure 3-2 for the 1986–2006 period. Figure 3-2 shows that Lane County has seen periods of both lesser and greater growth than Oregon as whole. The recessions of the early 1990s, and in 2001 saw Lane County experiencing significantly less growth than the state (reductions in fact). Lane County also appears to have grown at a faster rate than Oregon during the recovery from these slow economic times.

**Figure 3-2. Annual nonfarm employment growth in Oregon and Lane County, 1986–2006**



The composition of employment in Oregon has changed over the last 40 years. Employment growth during this time period has been led by the Services and Retail Trade sectors.<sup>5</sup> The share of total employment in these sectors increased from 35 percent to 49 percent between 1969 and 1995. Slow growth in Manufacturing caused its share of total employment to decline from 22 percent to 13 percent over this period, while other sectors grew at rates close to the statewide average. Employment in Lane County showed a similar pattern, with employment in manufacturing declining from 25 percent to 14 percent of total employment between 1969 and 2001, while the share in Services and Retail Trade increased from 35 percent to 50 percent of total employment in the same period.<sup>6</sup>

A more recent look at employment trends (2005-2010) is presented in Table 3-11, which also includes growth rates for other counties in the Western Oregon Region. Employment growth is presented by North American Industrial Classification System (NAICS) sector in the table.

<sup>5</sup> This chapter will make frequent use of the terms sector and industry. Sectors are groups of industries, as defined in the North American Industrial Classification System and the Standard Industrial Classification system used for economic statistics.

<sup>6</sup> U.S. Department of Commerce, Bureau of Economic Analysis, 2003. Regional Economic Accounts. <http://www.bea.doc.gov/bea/regional/statelocal.htm>. Share of total employment by sector calculated by ECONorthwest.

**Table 3-11: Industry Growth in Western Oregon Counties 2005-2010**

<b>NAICS Sector</b>	<b>Lane</b>	<b>Benton</b>	<b>Linn</b>
<b>Natural Resources and Mining</b>	-22%	n/a	-20%
<b>Construction</b>	-30%	n/a	-22%
<b>Manufacturing</b>	-40%	-38%	-22%
<b>Wholesale trade</b>	-5%	n/a	7%
<b>Retail trade</b>	-6%	n/a	-9%
<b>Transp., Warehousing and Utilities</b>	-16%	8%	10%
<b>Information</b>	-13%	-5%	-15%
<b>Financial Activities</b>	1%	-6%	-25%
<b>Professional and Business Services</b>	-9%	23%	-10%
<b>Education and Health Services</b>	14%	11%	20%
<b>Leisure and Hospitality</b>	1%	-1%	5%
<b>Other Services</b>	-2%	-3%	1%
<b>Government</b>	10%	2%	7%

*Source: Oregon Employment Department, (OLMIS) Oregon Labor Market Information System*

There is wide variation among all three counties in the region for the majority of sectors. There is however a consistent decrease in all sectors for all counties. Most significant is the decrease in Construction, Natural Resources and Mining and Manufacturing. Education and Health Services and Government are the only sectors that show growth in all counties. On the whole, Lane County consistently sustained less growth than the other counties during this time period.

## **SUMMARY OF KEY NATIONAL, STATE AND COUNTY TRENDS**

Creswell's economy must operate within the larger context of the county, state and national economies. This section has summarized recent economic trends at each of those levels. General trends that seem to occur as themes throughout the national, state and local level include the following:

- Demographic changes including an increase in the number of senior citizens, and increased numbers and proportions of Hispanics and blacks. These changes result in and a shift in economic dynamics. An increase in retirement aged individuals is also expected to result in a tightening of the labor force.
- Economic growth in Oregon is expected to continue its gradual shift from natural resource and manufacturing based industries to service oriented industries. The same general trend is expected locally, although increases in the construction and high-tech industry could serve to bolster the former.
- Climate change has the potential to impact economic systems as a result of measures to reduce environmental impacts, innovation and emerging industries aimed at responding to existing impacts, and changing migration patterns. Oregon and the Willamette Valley are anticipated to accommodate an above average share of economic growth related to climate change.
- The recent local, national and global economic downturn has impacted Oregon and Lane County. A review of historic trends and economic

forecasts suggest that the local economy will recover significantly during the 20-year planning period.

- Industry sectors expecting the greatest growth in the State and Region are Professional and Business Services (3.99%), Construction (3.42%) (Education and Health Services (2.73%) and Transportation, Warehousing and Utilities (2.46%).

Short-term trends will also affect economic growth in the United States, Oregon and Creswell, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. An example is the current economic recession, with persistently high unemployment rates. Despite the current recession, credit crisis and housing slump the long-term expectation is for continued population and employment growth in Oregon, Lane County and Creswell.

## OUTLOOK FOR GROWTH IN OREGON AND LANE COUNTY

The State’s long-term forecast of population in Oregon and Lane County is shown in Table 3-12. Table 3-12 shows that population in Oregon is expected to grow at an average annual rate of 1.10% over the 2010–2030 period. Growth in Lane County is expected to lag behind the State average, with an average annual growth rate of 1.20% over the same period. Lane County is expected to add over 80,000 residents over the twenty-year 2010–2030 period.

**Table 3-12. Population forecast for Oregon, and Lane County, 2010–2030**

	2010	2015	2020	2025	2030	AAGR 10-30
Population						
Oregon	3,843,900	4,095,708	4,359,258	4,626,015	4,891,225	1.20%
Lane	347,494	365,639	387,574	409,159	430,454	1.10%

*Source: State of Oregon, Office of Economic Analysis. 2004. Forecasts of Oregon's County Populations and Components of Change, 2000 – 2040. Average Annual Growth Rate (AAGR) calculated by LCOG*

Table 3-13 shows a ten-year forecast for employment by industry for Oregon. Table 3-13 shows that employment growth in Oregon over the 2010-2020 period will be led by Professional and Business Services, Construction, and Education and Health Services. Together, these three sectors are expected to add 184,400 new jobs or 56% of employment growth in Oregon. Employment growth in Lane County is expected to be led by these same three sectors over the 2010-2020 period. Creswell is however expected to have slightly different leading sectors. This is discussed in Chapter 5 which is dedicated to an employment forecast.

**Table 3-13. Nonfarm Employment by Industry in Oregon, 2010-2020 (in thousands)**

Sector	2010	2020	Growth	% Growth	AAGR
Natural Resources and Mining	6.7	6.9	0.2	3.3%	0.33%
Construction	67.7	94.8	27.1	40.0%	3.42%
Manufacturing	163.8	195.9	32.1	19.6%	1.80%
Retail Trade	183.4	208.0	24.6	13.4%	1.27%
Wholesale Trade	72.7	86.6	13.9	19.1%	1.77%
Transportation and Warehousing, and Utilities	52.1	66.4	14.3	27.5%	2.46%
Information	32.2	37.6	5.4	16.8%	1.57%
Financial Activities	92.7	101.1	8.4	9.0%	0.87%
Professional and Business Services	181.3	268.1	86.8	47.9%	3.99%
Educational and Health Services	228.4	298.9	70.5	30.9%	2.73%
Leisure and Hospitality	161.8	183.5	21.8	13.5%	1.27%
Other Services	57.5	67.4	9.9	17.2%	1.60%
Government	299.5	313.3	13.8	4.6%	0.45%
<b>Total Nonfarm Payroll Employment</b>	<b>1,599.8</b>	<b>1,928.6</b>	<b>328.9</b>	<b>20.6%</b>	<b>1.89%</b>

Source: Oregon Department of Administrative Services. IHS Global Insights

## ECONOMIC ACTIVITY

Since 2008, Oregon, Lane County and Creswell have experienced significant economic downturn. Since 2008 there have been many business closures and a slowing of new business growth. Current economic forecasts identify the current economic setting as bottoming out point and forecast moderate employment growth for the next decade. Historically, business news sources have identified numerous examples of businesses that expanded and relatively new business activity in Oregon. These businesses have included firms in the following industries:

- Manufacture of aircraft, aircraft equipment, and avionics. Much of this activity has occurred in the Central Oregon region.
- Call centers.
- Green Tech
- Software design and customer support.
- Other specialty manufacturing, including high-tech electronics, food processing, adhesives, industrial equipment, and recreational equipment.
- Warehousing and distribution.
- Specialty retail in shopping center and traditional downtown settings.

Of course, businesses in these and other industries have closed or downsized in this decade. The industries that are generating growth, however, are suggestive of the types of industries that might generate growth in Creswell. The comparative advantage of Creswell as a business location and the implications for the types of businesses that may locate in Creswell are discussed in Chapter 4 of this report.

# Factors Affecting Future Economic Development in Creswell

## Chapter 4

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Economic development opportunities in Creswell will be affected by local conditions as well as the national and regional economic conditions that were addressed in Chapter 3. Factors affecting future economic development in Creswell include its location, buildable land, labor force, housing, public services, transportation, natural resources, and quality of life. Economic conditions in Creswell relative to these conditions in other portions of the southern Willamette Valley form Creswell's comparative advantage for economic development. Creswell's comparative advantages have implications for the types of firms most likely to locate and expand in Creswell.

This chapter begins with a description of comparative advantage any why it is relevant for the Economic Opportunity Analysis. This chapter then reviews local factors affecting economic development in Creswell and any advantages, opportunities, disadvantages, and constraints these factors may present. This chapter ends with a discussion of the comparative advantages formed by the mix of factors present in Creswell and the implications for the types of firms most likely to locate in Creswell.

There is little that Creswell can do to influence national and regional conditions that affect economic development. Creswell, however, can influence local factors that affect economic development. The review of local factors in this chapter will form a basis for developing economic development strategies for Creswell later in this study.

## WHAT IS COMPARATIVE 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 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, comparative advantages affect the pattern of economic development in a region relative to other regions. Goal 9 recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production. An analysis of comparative advantage depends on the geographic areas being compared. Economic conditions in Creswell will be largely shaped by national and regional economic conditions affecting the southern Willamette Valley. Chapter 3 presents forecasts of conditions in Oregon and Lane County to help establish the context for economic development in Creswell. Local economic factors will help determine the level

and type of development in Creswell relative to other communities in the southern Willamette Valley. This chapter focuses on the comparative advantages of Creswell relative to Lane County and the southern Willamette Valley. The implications of these individual factors for Creswell's overall comparative advantage are discussed at the end of this chapter.

## LOCATION

Creswell's location will have substantial influence on its future development. Creswell lies roughly ten miles south of Eugene-Springfield and ten miles north of Cottage Grove. Creswell is linked to both communities by Interstate 5. Creswell's proximity to larger communities and location on I-5 has important implications for economic development in Creswell:

- Creswell's proximity to Eugene-Springfield and Cottage Grove mean that workers in these communities are able to commute to employers in Creswell, and Creswell residents are able to commute to employers in these larger communities.
- Creswell has roughly the same access to workers and to markets as other locations in the southern Willamette Valley. Firms that are currently in or are considering a location in the region may be willing to consider locations in Creswell.
- Creswell can offer its residents access to shopping, cultural activities, and other amenities of the larger urban areas along with its local small-town character.
- With its small size and rural setting, Creswell also offers access to rural housing and recreational opportunities in the surrounding rural area.

Creswell's proximity to larger urban areas and location on I-5, along with its small-town character, are a primary comparative advantage for economic development in Creswell.

Demand for highway commercial and other retail in Creswell is affected by spending of travelers on I-5 that might stop in Creswell. According to daily traffic counts in 2007, nearly 5,000 I-5 southbound travelers exited at the Creswell interchange every day. In all, 6,390 vehicles exited at Creswell from I-5 each day, or approximately one in every six cars to drive past Creswell. Previous research indicates that travelers resist pulling off of the Interstate before their destination. Hunger is only a mild motivator, since a person can go without eating often before reaching the destination. The most common motivators to stopping are needing a restroom or fuel. Travelers typically need to stop for a restroom an average of every 90 minutes to two hours. For instance, travelers on south-bound I-5 that last stopped in Woodburn (about 90 minutes from Creswell) might take a rest break by the time they reach Creswell, if they are traveling at least another half-hour south of Creswell. The same would apply for northbound travelers that last stopped around Canyonville or further south.

## **BUILDABLE LAND**

An analysis of buildable lands in Creswell is presented in Chapter 2 of this report. This analysis shows that Creswell has several large parcels designated for industrial development at the north and south ends of Highway 99 in Creswell and the old veneer plant site near the center of town, with commercial land clustered east and west of the I-5 interchange. Buildable land designated for commercial/resort land off of Emerald Parkway east of I-5 appears to be primarily developing in residential uses. In addition, there appears to be some potential for redevelopment on a portion of developed commercial properties in Creswell, primarily in the area west of I-5 and east of the railroad tracks.

Buildable land is needed to allow new development that will support employment growth in Creswell. The limited amount of buildable land identified in Chapter 2 suggests that the supply of buildable land may be a constraint for employment growth in Creswell. Creswell's Comprehensive Land Use Plan, however, states that "The City shall encourage local economic expansion by providing an adequate choice of industrial sites with public services." The Comprehensive Plan also contains other policies supportive of economic development in Creswell.

The employment forecast in Chapter 5 will lead to an estimate of demand for commercial and industrial land in Creswell over the planning period. For the purposes of developing the employment forecast in Chapter 5, we will assume that Creswell will take actions to provide an adequate supply of development sites for commercial and industrial development consistent with the City's policies and goals for economic development. This means that we will not consider the existing supply of buildable lands as a constraint on the future level or type of employment growth likely to occur in Creswell. To the extent that Creswell does not take actions to provide a supply of development sites that is adequate or suitable for the type and level of employment growth forecast in Chapter 5, some of that growth may not occur.

## **LABOR FORCE**

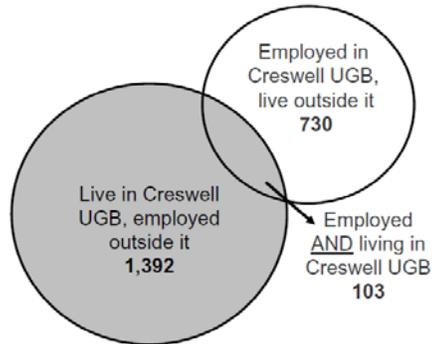
The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. The labor force in Creswell is not limited to local residents; firms in Creswell could attract workers from surrounding communities, and residents of Creswell may work in other communities. Figure 4-1 shows the inflow and outflow of jobs (primary) in Creswell in 2009. Almost all of the Creswell resident commuters at the time worked in the Eugene-Springfield area.

The availability of labor is critical for economic development. A 2008 statewide survey in Oregon found that just under half (45%) of Oregon's recently

hiring employers had difficulty filling positions.<sup>1</sup> While recent increases in unemployment has increased the supply of labor, the availability of workers in the labor market remains an important issue for employers in Oregon. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well.

**Figure 4-1**

**Inflow/Outflow Job Counts in Creswell 2009**  
(Primary jobs)



Source: Oregon Department of Transportation. 1998. *Commuting in the Willamette Valley*. Salem: Transportation Planning Section. May. Notes: This study aggregates the commuters from the Creswell and Cottage Grove areas.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Labor force data from the Bureau of Labor Statistics shows unemployment in Lane County was 9.6% of the labor force in June 2011, compared to 9.7% in Oregon and 9.1% Nationally (see Table 4-5).

Direct information on the quality of the workforce is not readily available—it would require an extensive survey about worker's level of education, work experience, and an assessment of cognitive and physical skills. Demographic characteristics that are typically used to indicate the quality of the labor force include age distribution, educational attainment, employment by occupation or industry, and race/ethnicity.

Table 4-2 shows the share of population by age in Creswell, the surrounding South Valley region, and Oregon. This table shows that compared to other areas, Creswell has a higher share of its population in the under 18 age group, which is primarily outside of the labor force. Creswell's share of population in other age groups is within three percentage points of that in the region and state.

**Table 4-2. Percent of population by age in Oregon, Lane County, and Creswell, 2010**

Age	Oregon		Lane County		Creswell	
	Total	Percent	Total	Percent	Total	Percent
Under 19	972,183	25.4%	82,821	23.5%	1,448	28.8%
19-34	777,192	20.3%	77,142	21.9%	1,014	20.2%
35-49	762,404	19.9%	63,645	18.1%	1,034	20.6%
50-64	785,762	20.5%	75,326	21.4%	939	18.7%
65+	533,533	13.9%	52,781	15.0%	596	11.8%
<b>Total</b>	<b>3,831,074</b>	<b>100.0%</b>	<b>351,715</b>	<b>100.0%</b>	<b>5,031</b>	<b>100.0%</b>

Source: US Census 2010

Table 4-3 shows the percent of population by education level completed in Creswell, other communities in the southern Willamette Valley, and Oregon. Table 4-3 shows that the majority of Creswell's residents cluster around being a high school graduate, having some college, or having an associates degree (66%).

<sup>1</sup> Oregon Employment Department. 2008. *Employer Perspective at a Glance: Region 5*. Salem: Research Section, Workforce Analysis Unit.

Eugene's share of population with a Bachelor's or graduate degree is above the state average. Creswell's share of population with a Bachelor's or graduate degree is below both Eugene and the state average.

**Table 4-3. Percent of population by education completed in Oregon, Cottage Grove, Creswell, Eugene, and Springfield, 2010**

<b>Educational Attainment</b>	<b>Oregon</b>	<b>Creswell</b>	<b>Cottage Grove</b>	<b>Eugene</b>	<b>Springfield</b>
Less than 9th grade	9%	8%	8%	12%	11%
9th to 12th grade, no diploma	7%	10%	7%	4%	11%
High school graduate, GED, or alternative	24%	30%	33%	16%	29%
Some college, no degree	26%	29%	30%	25%	28%
Associate's degree	9%	11%	11%	12%	9%
Bachelor's degree	16%	8%	6%	17%	8%
Graduate or professional degree	9%	5%	4%	13%	4%

2010 American Community Survey. Percentages calculated by LCOG

The percent of population by race/ethnicity in Creswell is shown in Table 4-4. This table shows that the distribution in Creswell is roughly similar to that in the Lane County. However, Lane County and Creswell have a larger share of White population and correspondingly lower shares of Hispanic and Black populations.

**Table 4-4. Percent of population by race/ ethnicity in Oregon, Lane County, and Creswell, 2010**

	<b>Oregon</b>	<b>Lane County</b>	<b>Creswell</b>
<b>White</b>			
Population	3,204,614	337,052	4,844
Percentage	83.6%	95.8%	96.3%
<b>Black</b>			
Population	69,206	3,369	20
Percentage	1.8%	1.0%	40.0%
<b>Hispanic</b>			
Population	450,062	26,167	434
Percentage	11.7%	7.4%	8.6%
<b>Other</b>			
Population	399,091	22,229	308
Percentage	10.4%	6.3%	6.1%
<b>Total</b>			
Population	3,831,074	351,715	5,031
Percentage	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2010 Census. Percentages calculated by LCOG.

Table 4-5 shows the percent of population by occupation in Oregon, the South Valley region, and Creswell. This table shows that the distribution of occupations for residents of the Creswell zip code area is roughly similar to that of the surrounding South Valley region and Oregon. The largest differences appear in Management and Service occupations (where Creswell has a larger share) and in Sales occupations (where Creswell has a lower share).

**Table 4-5. Population by occupation in Oregon, the South Valley region, and the Creswell zip code area, 2004**

Occupation	Oregon		South Valley		Creswell	
	Population	Percent	Population	Percent	Population	Percent
Not In Labor Force	981,626	34.7%	65,660	34.5%	2,363	36.3%
In Armed Forces	2,786	0.1%	71	0.0%	0	0.0%
Civilian, Unemployed	118,437	4.2%	8,046	4.2%	295	4.5%
Civilian, Employed	1,725,058	61.0%	116,479	61.2%	3,858	59.2%
Management Occupations, Except Farmers and Farm Managers	150,342	5.3%	9,150	4.8%	362	5.6%
Farmers and Farm Managers	13,846	0.5%	303	0.2%	36	0.6%
Business Operations Specialists	34,097	1.2%	1,972	1.0%	36	0.6%
Financial Specialists	32,344	1.1%	1,949	1.0%	39	0.6%
Computer and Mathematical Occupations	39,508	1.4%	2,331	1.2%	9	0.1%
Architecture and Engineering Occupations	39,101	1.4%	1,733	0.9%	10	0.2%
Life, Physical, and Social Science Occupations	17,830	0.6%	1,560	0.8%	38	0.6%
Community and Social Services Occupations	28,992	1.0%	2,365	1.2%	54	0.8%
Legal Occupations	16,022	0.6%	1,382	0.7%	32	0.5%
Education, Training, and Library Occupations	93,014	3.3%	8,194	4.3%	251	3.9%
Arts, Design, Entertainment, Sports, and Media Occupations	35,860	1.3%	3,274	1.7%	76	1.2%
Healthcare Practitioners and Technical Occupations	71,023	2.5%	5,013	2.6%	144	2.2%
Healthcare Support Occupations	32,279	1.1%	2,161	1.1%	86	1.3%
Protective Service Occupations	26,830	0.9%	1,286	0.7%	42	0.6%
Food Preparation and Serving Related Occupations	87,763	3.1%	5,980	3.1%	124	1.9%
Building and Grounds Cleaning, and Maintenance Occupations	58,256	2.1%	4,009	2.1%	196	3.0%
Service Occupations: Personal Care and Service Occupations	57,193	2.0%	4,274	2.2%	253	3.9%
Sales and Related Occupations	196,643	7.0%	14,142	7.4%	310	4.8%
Office and Administrative Support Occupations	254,599	9.0%	17,195	9.0%	572	8.8%
Farming, Fishing, and Forestry Occupations	29,126	1.0%	1,095	0.6%	59	0.9%
Construction and Extraction Occupations	93,012	3.3%	5,549	2.9%	228	3.5%
Installation, Maintenance, and Repair Occupations	64,304	2.3%	4,400	2.3%	229	3.5%
Production Occupations	140,860	5.0%	9,880	5.2%	319	4.9%
Transportation and Material Moving Occupations	112,214	4.0%	7,282	3.8%	353	5.4%
<b>Totals</b>	<b>2,827,907</b>	<b>100.0%</b>	<b>190,256</b>	<b>100.0%</b>	<b>6,516</b>	<b>100.0%</b>

Source: Claritas. Percentages calculated by ECONorthwest. Note: South Valley consists of the population in zip codes for Cottage Grove, Creswell, Eugene, Pleasant Hill, and Springfield.

The implications of the workforce analysis reinforce the point made earlier in this chapter that Creswell can attract a workforce from the surrounding region. In addition, it appears that the workforce in the Creswell zip code area is very similar to that for the surrounding region in terms of educational attainment, race/ethnicity, and occupation. Thus it does not appear that workforce will be a constraint on employment growth in Creswell or have a substantial impact on the type of employment growth likely to occur.

## HOUSING

Housing is an important component of any economic development strategy because it affects the type of residents and employers who might be attracted to the community. Goal 10 requires cities to develop strategies to provide housing affordable to households at all income levels. In addition to concerns about availability of housing affordable to lower income households, providing higher-

quality housing for managers and skilled workers should also be considered in both housing and economic development strategies.

Table 4-6 shows housing units within Creswell by type, with a comparison to the distribution of housing types in Lane County. Table 4-6 shows that in 2010 almost two-thirds of the housing within Creswell was Single Family and another 13% of housing is Manufactured Dwellings in Parks. Compared to Lane County, Creswell has a larger share of Manufactured Dwellings in Parks and a lower share of housing in Duplex and Multi-Family developments.

**Table 4-6. Housing units by type in Creswell and Lane County, 2010**

Housing Type	Creswell	Percent of total	Lane County	Percent of total
Single-family detached	1,294	66.5%	97,486	62.6%
Single-family attached	83	4.3%	8,470	5.4%
Duplex	21	1.1%	5,861	3.8%
3 & 4 units	92	4.7%	7,299	4.7%
5 or more	197	10.1%	22,754	14.6%
Mobile home, trailer, other	260	13.4%	13,958	9.0%
<b>TOTAL UNITS</b>	<b>1,947</b>	<b>100%</b>	<b>155,828</b>	<b>100%</b>

Source: 2010 Census

Census data shows that roughly 88% of Creswell’s 2010 housing stock was built after 1969. Housing development in Creswell over the last three decades has provided new built and manufactured single-family homes in subdivision developments. Some of these developments have homes targeted at first-time homebuyers and young families with prices that are relatively lower than prices for similar homes in the Eugene-Springfield market. The result is that Creswell has attracted many families looking for housing value, many with one or more members that work in Eugene-Springfield. The relatively lower cost of housing helped Creswell attract employers looking for communities where their owners and workers can afford to live.

In addition, recent residential development near the Emerald Valley Resort on the east side of Creswell has provided high-quality expensive housing for professionals and retirees with relatively higher incomes. Owners of businesses like to live near their business, regardless of their income. The diversity of housing types is an asset for economic development in Creswell as it can help attract a variety of firms and firms with workers in a range of income levels.

## **PUBLIC SERVICES**

### **PLANNING AND SUPPORT FOR ECONOMIC DEVELOPMENT**

The City of Creswell's Comprehensive Plan contains a range goals and policies supportive of economic development in Creswell. These goals and policies include:

- The City shall encourage local economic expansion by providing an adequate choice of industrial sites with public services.
- The City shall encourage expansion of freeway oriented services to capitalize on through and tourist traffic.
- The City shall, through industrial and commercial diversification, create jobs to employ the currently unemployed.

The Lane Council of Governments published an *Economic Development Plan* for the City of Creswell in 2004.<sup>2</sup> This Plan was developed by a committee of Creswell residents and business owners. The *Economic Development Plan* states the Committee's vision for economic development as:

Attract and promote sustainable industries with a long-term interest in the Creswell region. These industries shall be small, clean, and provide family-wage jobs. Industries and businesses shall also include opportunities for local residents to work and shop.

The *Economic Development Plan* identifies a goals and strategies to support the vision for economic development. Goals and strategies that have implications for the potential type of employment growth in Creswell include:

- Support and enhance existing business enterprises on both sides of the railroad and Interstate 5.
- Develop sites along the Interstate 5 corridor to attract tourism and create jobs.
- Promote small businesses with 10–50 employees.
- Create office space for professionals and professional businesses.
- Create a business park.
- Encourage and facilitate retail growth that serves and accompanies Creswell's residential growth.
- Provide adequate industrial lands for new or expanding businesses.
- Recruit a state government headquarters for Creswell.
- Promote airport-related businesses and industries.
- Encourage downtown property owners to redevelop their properties as appropriate.
- Encourage tourism by marketing Emerald Valley Resort and its championship golf course.

The *Economic Development Plan* also identifies industries that were found to be compatible with Creswell's vision for economic development, on the State targeted industries list, and make the most of Creswell's location.:

- Health care
- Assisted living facilities
- Wood products
- Corporate office space

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<sup>2</sup> Lane Council of Governments. 2004. *City of Creswell and Creswell Region Economic Development Plan*. August.

- Distribution
- Logistics center
- Transportation-related
- Airport-related
- Government headquarters/office
- Sports-equipment related
- Recreation-related

Actions recommended in the *Economic Development Plan* for the City of Creswell include steps that would support employment growth in Creswell. These steps include:

- Creating State-certified “shovel-ready” development sites.
- Working with ODOT on permitting for sites adjacent to highways and the railroad.
- Providing an adequate supply of buildable commercial and industrial lands in Creswell.
- Increased marketing and outreach, including development of a buildable lands map, marketing materials, application assistance, collaboration with other small cities and towns in Lane County, a business recruiting committee, and an economic plan implementation committee.

These adopted goals, policies, and strategies show that the City of Creswell supports economic development and is willing to take steps to accommodate and encourage employment growth in the community. The types of industries and commercial activities supported by these policies reflect the existing mix of employers in Creswell and Creswell’s comparative advantages identified in this chapter.

## **WATER**

The City of Creswell provides water service in the community. According to Ron Staehlin, Professional Engineer at Southwood Engineering, the City relies on the Coast Fork of the Willamette River for its water supply. This water supply has the capacity to provide 2,010 gallons/minute (2.9 million gallons/day) but treatment capacity is limited to 1,400 gallons/minute at full capacity (2.0 million gallons/day). However, during winter, turbidity limits treatment capacity to only 300 gallons/minute (432,000 gallons/day).

If the City were to expand treatment to be sufficient to the full water supply (2,010 gallons/minute) it would support a population of 4,944. The City’s 20-year population projection for 2025 will require a water supply and treatment capacity of 2,843 gallons/minute. Mr. Staehlin recommends that the City expand its treatment capacity by adding pre-treatment facilities and doubling the size of its filters. This expansion will require investment by the City of Creswell, and funds have not been identified to pay for these improvements.

While the City’s water supply has capacity for growth, the City’s water storage facilities are currently inadequate. Creswell currently needs capacity to

store 1.6 million gallons for its current population but has only 1.22 million gallons of storage. For the 20-year population projection the City will need 4.3 million gallons of storage. Mr. Staehlin is proposing that the City develop a new 3 million gallon water storage tank to supplement its existing storage capacity. Such a tank will give Creswell enough storage capacity to support its projected 2025 population.

## **WASTEWATER**

The City of Creswell provides wastewater collection and treatment for development in Creswell west of I-5. According to Steve Cilest at West Yost Engineering, treatment capacity is the most limiting aspect of the wastewater system in Creswell. The City currently uses a lagoon system that is likely to hit capacity soon. The City has decided to hold off on expanding treatment capacity until the State Department of Environmental Quality establishes treatment requirements for water discharged into Camas Swale Creek, which the City system discharges into. The DEQ study of Camas Swale Creek is currently underway.

The City is just finishing other improvements to its wastewater treatment facility that will increase capacity. With these improvements, this facility (except the lagoons) will have capacity to support the 20-year population projected by the Lane Council of Governments. Expansion or replacement of the treatment lagoons will need to wait five to ten years until the DEQ makes its final recommendations.

The portions of Creswell east of I-5 are served by a private wastewater treatment system. This system currently has capacity for additional development, but its owners are not allowing new residential development to connect to the system until they are done with their own commercial developments in the area. The City seeks to eventually have the two wastewater systems connected.

We assume that the City will be able to resolve issues with discharging into Camas Swale Creek in order to expand its treatment capacity and will eventually connect the systems on both sides of I-5. Thus, wastewater treatment should not be a constraint to future employment growth in Creswell.

## **UTILITIES**

Natural gas is distributed in the Creswell area by Northwest Natural Gas Company. Emerald People's Utility District (EPUD) and Pacific Power & Light provide electricity. Both natural gas or electricity capacity appear to be sufficient to support future employment growth in Creswell.

## **TRANSPORTATION**

Creswell is located on Interstate 5, a primary north-south transportation corridor linking Creswell to domestic markets in the United States and international markets via west coast ports. The Creswell interchange on I-5 is the

only interchange for about five miles north or south along the freeway. Creswell is also located on Highway 99, which runs parallel to I-5 in the Creswell area and provides alternative access to Eugene-Springfield and Cottage Grove.

The I-5 overpass in Creswell is in the process of being reconstructed to provide sidewalks that will improve pedestrian safety and access. This interchange, however, will continue to use the existing on- and off-ramps. These ramps may need to be improved in the future to serve additional traffic generated by population and employment growth in Creswell.

In addition to its location on I-5, Creswell is also served by rail. The Central Oregon and Pacific Railroad (COPR) operates on the Siskiyou line that runs parallel to I-5 and Highway 99 through Creswell. Currently, the COPR operates two freight and two local trains through Creswell, six days per week. One spur line currently exists in the Creswell area to serve Bald Knob Lumber Mill.<sup>3</sup> This service allows connection to the Union Pacific Railroad in Eugene, with connections to national and international markets. Railroad service is primarily used by businesses that rely on shipments of large quantities of commodities such as lumber, grains, and chemicals.

Creswell is also served by transit service provided by the Lane Transit District (LTD), which operates Route 98 through Creswell linking Eugene-Springfield to Cottage Grove. A bus covers this route six times on weekdays, three times on Saturday and twice on Sunday. This bus route also stops at the main campus of Lane Community College in Eugene.

Residents and businesses in Creswell have access to the Eugene Airport, which is about a 30-minute drive from Creswell. The Eugene Airport offers scheduled flights with connections available to national and international destinations. The City of Creswell owns and operates Hobby Field, which is classified as a basic utility general aviation airport. Hobby Field is popular with private pilots—it is ranked as the third-busiest CAT4 General Aviation airport and serves as a reliever for the Eugene Airport. A survey by the Oregon Department of Aviation measured 23,000 operations (1 landing plus 1 take-off) at Hobby Field in 2001.

## **RENEWABLE AND NON-RENEWABLE RESOURCES**

Goal 9 requires economic development plans to be based on a consideration of the availability of renewable and non-renewable resources and pollution control requirements in the planning jurisdiction. Goal 9 goes on to state that economic projections should take into account the availability of natural resources to support the expanded development, and that plans to improve the economy should consider as a major determinant the carrying capacity of the air, land, and water resources of the planning area.

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<sup>3</sup> Lane Council of Governments. 2004. *City of Creswell and Creswell Region Economic Development Plan*. August.

The carrying capacity of land and water have been addressed in this chapter with the discussion of buildable lands, water supply, and wastewater treatment capacity. Thus, this section will focus on the capacity of air to support economic development in Creswell. The discussion of air pollution in this section is drawn from the Lane Regional Air Pollution Authority 1998 Annual Report, the latest annual report available on their web site.<sup>4</sup>

Much of the inland areas of Lane County experience periods of air stagnation. When this happens during winter months, cold air often becomes trapped near the valley floor with warm air aloft creating temperature inversion conditions. The combination of cold stagnant air and restricted ventilation causes air pollutants to become trapped near the ground. Although temperature inversions can occur anytime, they are most frequent and pose most harm to air quality in the winter when residents are using wood to heat their homes. During these episodes, smoke and gas concentrations climb, deteriorating the local air quality.

The Environmental Protection Agency (EPA) has established health standards for six outdoor air pollutants (criteria pollutants): particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>), ozone (O<sub>3</sub>), carbon monoxide (CO), sulfur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>) and lead (Pb). These National Ambient Air Quality Standards (NAAQS) are based on protection against adverse health and environmental effects. The concentrations of criteria pollutants must be continually measured to ensure the standards are met. Areas that fail to meet the NAAQS are designated as federal “non-attainment” areas by EPA and are required, by law, to have strategic plans developed to bring the areas back into compliance with the standards and maintain compliance.

In Lane County, four criteria pollutants are measured: particulate matter, carbon monoxide, ozone and lead. The Eugene/Springfield area is monitored for all four pollutants. LRAPA measures pollutants at five locations in Eugene, one location in Springfield, one location in Saginaw (south of Eugene/Springfield), and one location in Cottage Grove (south of Saginaw).

The Eugene/Springfield area has been designated a PM<sub>10</sub> "attainment" area. PM<sub>10</sub> standards were last exceeded in the Eugene/Springfield area in 1987. Eugene-Springfield has been in attainment of EPA standards for the other three monitored pollutants since 1994. There is no indication that the level of air pollutants in Lane County will pose a constraint on economic development in Creswell over the planning period.

## QUALITY OF LIFE

Quality of life is difficult to assess because it is subjective—different people will have different opinions about factors affect quality of life, desirable characteristics of those factors, and the overall quality of life in any community. Economic factors such as income, job security, and housing cost are often cited as

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<sup>4</sup> Lane Regional Air Pollution Authority. *2010 LRAPA Annual Report*. [http://www.lrapa.org/public\\_education/annual\\_reports/](http://www.lrapa.org/public_education/annual_reports/) Accessed 09/21/10.

important to quality of life. These economic factors and overall economic conditions are the focus of this report, so this section will focus on non-economic factors that affect quality of life.

Creswell's quality of life, combined with its access and proximity to jobs, shopping, services, and cultural amenities in Eugene-Springfield, is a key comparative advantage for economic development. Creswell's *Economic Development Plan* (August 2004) identified factors that affect this quality of life in Creswell, which are confirmed by field work and contacts with real estate and economic development specialists familiar with Creswell. These factors include:

- Small-town character and feel in Creswell.
- Local schools that are supported in the community.
- Community spirit.
- Access to recreational opportunities including golf, flying, bicycling, hiking, fishing, and hunting.
- Rural lifestyle with access to urban amenities.
- An attractive downtown.

Creswell's location and quality of life suggest that it will continue to attract residents and businesses that are attracted to the southern Willamette Valley but prefer the lifestyle of a smaller town.

Chapter 5 will consider the national and regional economic conditions described in Chapter 3 and the local factors affecting economic development described in this chapter to develop an employment projection for the Creswell UGB.

## **CRESWELL'S COMPARATIVE ADVANTAGES**

The mix of productive factors present in Creswell, relative to other communities in the Willamette Valley, form Creswell's comparative advantage. A primary comparative advantage in Creswell is its proximity to larger urban areas and location on I-5, along with its small-town character. This makes Creswell attractive to residents and businesses who want to live and work in a community that has small-town character but still need to have access to urban amenities, a large and skilled workforce, and supplies and services available in larger communities as well as access to major transportation networks.

Chapter 3 reports industries that have shown growth and business activity in Oregon over the past few years. These industries are indicative of businesses that might locate or expand in Creswell. The characteristics of Creswell will affect the types of businesses most likely to locate in Creswell:

- The presence of the Creswell Airport could help Creswell attract businesses engaged in the manufacture and service of aircraft, avionics, and related equipment.
- Creswell's semi-rural setting, access to I-5, and workforce availability make Creswell attractive for businesses in manufacturing. Examples include the manufacture of high-tech electronics, food processing, industrial equipment, recreational equipment, and other specialty manufacturing.
- Creswell's semi-rural setting, access to I-5, and workforce availability also make Creswell attractive for businesses in warehousing and transportation. Large warehouse facilities that serve large areas appear to be favoring locations in the mid-Willamette Valley—examples include the Lowe's distribution warehouse in Lebanon and the WinCo distribution facility in Woodburn. Creswell is more likely to attract more modest facilities that serve a smaller geographic region or that specialize in fewer goods.
- Creswell's attractive semi-rural setting could make it a location for software design, engineering, research, and other professional services that are attracted to high-quality settings.
- The availability of commercial land east of the I-5 interchange may be attractive to call centers and back-office operations that need to attract employees from the larger labor market.

Cities exist in an economic hierarchy in which larger cities offer a wider range of goods and services than smaller cities. The location of a community relative to larger cities, as well as its absolute size, affects the mix of goods and services that can be supported by a small city. Creswell's small size and location between Eugene-Springfield and Cottage Grove has implications for the types of retail and service firms most likely to locate in Creswell:

- Big-box retail is unlikely to locate in Creswell because of its proximity to Eugene-Springfield and Cottage Grove. Big-box retailers are more likely to locate in these larger communities, because both have a larger customer base and are within a short drive of Creswell.
- Creswell has been able to support a mid-size discount store (Bi-Mart), and considering forecasted population growth may be able to support another large grocery store over the planning period.
- Population growth in Creswell will drive more development of small and specialty retail, both in new and traditional areas of Creswell.
- Small towns with an I-5 interchange are common locations for factory outlet centers, which are a retail destination.

To provide for at least an adequate supply of commercial and industrial sites consistent with plan policies, Creswell needs to have an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Creswell. The level of this business expansion activity can be measured by employment growth in Creswell. This chapter presents a projection of future employment levels in Creswell for the purpose of estimating demand for commercial and industrial land.

The projection of employment in this chapter has three major steps:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Creswell's UGB presented in Chapter 3. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in Creswell. Employment by sector will be summarized into employment by land use type for the purposes of estimating land demand by type.
2. **Identify potential growth industries in Creswell.** Given trends in economic activity and expected growth in Oregon, and Creswell's comparative advantages, we identify the types of firms and industries that may locate in Creswell.
3. **Project total employment.** The projection of total employment will consider a variety of factors, including historical growth rates and projections for Lane County.
4. **Allocate total employment to land use types.** This allocation will use assumptions based on expected trends in employment growth by land use type.

The remainder of this chapter is organized by headings that correspond to these four major steps for the projection.

## EMPLOYMENT BASE FOR PROJECTION

Chapter 3 presents an estimate of 2009 covered employment in the Creswell UGB. Covered employment refers to employment that is covered by unemployment insurance laws. Covered employment does not include jobs that are not covered by unemployment insurance laws, primarily self-employed proprietors. To estimate the share of total employment in Creswell that is not included in covered employment, we compared estimates for total and covered employment for Lane County. The U.S. Department of Commerce, Bureau of Economic Analysis provides estimates of total employment by county that include self-employed proprietors and other workers not covered by unemployment insurance. We compared the estimates of total employment from the BEA to covered employment reported by the Oregon Employment Department. The

resulting percent of total employment included in covered employment in shown in Table 5-1.

**Table 5-1. Total employment by land use type in the Creswell UGB, 2009**

Land Use Type/Sector	Covered Employment	Covered % of		Total Employment	% of Total Employment
		Total	Total Employment		
<b>Industrial</b>					
Natural Resources	22	29%	75	5.2%	
Construction	63	61%	103	7.1%	
Manufacturing	59	100%	59	4.1%	
Wholesale trade	0	86%	0	0.0%	
Transportation and warehousing utilities	17	77%	22	1.5%	
<b>Commercial</b>	<b>161</b>		<b>259</b>		
Retail trade	182	81%	225	15.6%	
Information	13	80%	16	1.1%	
Financial Activities	51	50%	101	7.0%	
Professional, Business	112	63%	177	12.3%	
Health Care and Social Assistance	190	80%	237	16.4%	
Leisure and Hospitality	168	76%	221	15.1%	
Other services,	33	46%	71	4.9%	
<b>Public</b>	<b>749</b>		<b>1,048</b>		
Government (educational servies)	145	96%	150	10.4%	
<b>Total Employment</b>	<b>1,055</b>		<b>1,458</b>	<b>72.4%</b>	

*Source: Covered employment from confidential ES-202 employment data provided by the Oregon Employment Department; employment by sector in the Creswell UGB summarized by LCOG. Total Employment is calculated by increasing all employment sectors by their County level ratio of Covered employment to Bureau of Economic Analysis "Total" employment.*

Table 5-1 shows that covered employment includes 72% of total employment in Creswell based on our comparison of covered and total employment in Lane County and the composition of employment by sector in the Creswell UGB. The share of total employment included in covered employment varies by sector, from a low of 29% in Natural Resources and Mining to a high of 100% in Manufacturing. The percentages shown in Table 5-1 correspond with our expectation that industries have a higher share of self-employed proprietors, like Natural Resources and Mining, Finance, Real Estate, Professional Services, and Construction, have a lower share of jobs in covered employment than sectors where most employees earn a wage or salary, such as Manufacturing and Wholesale Trade. The adjustment to convert covered employment to total employment increases employment in Creswell by 403 jobs or 38%, from 1,055 covered jobs to 1,458 total jobs.

Table 5-1 also classifies sectors by land use type. These land use types are the categories that will be used to project employment growth for the purposes of estimating land demand in the Creswell UGB. Sectors with similar land use types are grouped together in Table 5-1.

## POTENTIAL GROWTH INDUSTRIES IN CRESWELL

The analysis of economic conditions and trends in Chapter 3 and of Creswell's comparative advantages in Chapter 4 have implications for industries with potential for growth in Creswell. These implications include the following:

- Creswell should be attractive for firms engaged in a range of specialty manufacturing, including aircraft, high-tech electronics, food processing, industrial equipment, and recreational equipment.
- Creswell should also be attractive for firms engaged in warehousing and distribution. Creswell is most likely to attract modestly-sized facilities that serve a small geographic region or that specialize in fewer goods.
- Creswell might be attractive for firms engaged in software design, Green-Tech, engineering, research, and other professional services.
- Considering forecasted population growth, Creswell might be able to support another large grocery or other big-box retail businesses.
- Population growth in Creswell will drive more development of small and specialty retail, both in new and traditional areas of Creswell.
- Small towns with an I-5 interchange are common locations for factory outlet centers.

In addition to these implications, population growth in Creswell will drive growth in local government and school employment.

## PROJECTION OF TOTAL EMPLOYMENT

The analysis of economic conditions in Creswell includes a variety of indicators for likely future levels of employment in the Creswell UGB. These indicators include the following:

- Employment in Creswell's UGB, grew at an average annual rate of 1.6% over the 1988–2008 period.
- Population to employment ratios in Creswell have reflected a steady increase over the last twenty years rising from 2.4 in 1988 to 4.2 in 2008. This increasing ratio is indicative of Creswell's emergence as a bedroom community to the Eugene-Springfield area during this period.
- Creswell's employment as a percentage of all Lane County employment has remained consistently between 0.7 % and 0.8 % from 1988 to 2008
- Creswell's population as a percentage of all Lane County population has steadily increased over the last twenty years, doubling from 1988 (0.7%) to 2008 (1.4%).
- The Oregon Department of Administrative Services (DAS) provides a ten-year forecast for employment in the State. Although this forecast is limited to State growth rates, it is released ahead of the Oregon Employment Department's biennial ten-year forecast of County employment. The DAS forecast was available at the time of this report, and the OED forecast was not. State economists suggested that the 2010-2020 figures for the state would be far more effective for forecasting than the current forecast

(2008-2018). This is partly because that forecast reflects a significant economic downturn that the economy is emerging from. The DAS forecast calls for 1.9% average annual growth rate between 2010 and 2020 . The forecast also provides sector specific rates of growth at the state level. Specific sector AAGRs were adjusted to reflect Creswell appropriate expectations. Reference to the county level forecast made available after the analysis shows sufficient consistency with the state assumptions, and local rate adjustments by LCOG.

- LCOG’s most recent coordinated forecast of population in Lane County and the UGB area of communities in the County show that population growth in Creswell is expected to significantly outpace growth in Lane County. Creswell has an average annual population growth rate of 3.4% between 2010 and 2030, compared to only 0.9% in Lane County. Creswell is expected to grow faster than every other community in Lane County except Coburg.

Historical and projected growth suggest an average annual employment growth rate between 1.6% and 1.9% in the Creswell UGB. However the County’s Coordinated Population Forecast assumes a growth rate for Creswell that far exceeds County and Statewide growth rates (3.4%). Table 5-2 shows the level of total employment in 2032 and employment growth between 2012 and 2032 resulting from average annual growth rates ranging from 1.5% to 2.7%. Table 5-2 shows that this range of growth rates results in a 2032 employment level of 2,053 to 2,691 in the Creswell UGB, a difference of 638 jobs. While this difference is roughly 20% in Creswell, it is relatively minor in the context of employment in Lane County. Table 5-2 also shows the ratio of population to employment resulting from the range of forecast employment levels in 2032 compared to Lane County’s most recent Coordinated Population Forecast of Creswell’s population in 2032 (extending the 2030 estimate of 11,060 out two years at Creswell’s 3.4% AAGR rate). Population and employment data presented in Chapter 3 show that Creswell’s current ratio of population to employment is about 4.6. If the current population and employment ratio trend continues Creswell will have a population to employment ratio of roughly seven persons per job by 2032. Such a ratio is far from ideal and should be addressed.

**Table 5-2. Total employment and employment growth in the Creswell UGB resulting from a range of growth rates, 2012–2032**

<b>Avg Annual Growth Rate</b>	<b>2032 Total Employment</b>	<b>Employment Growth 2012-2032</b>	<b>2032 Population</b>	<b>Pop/Emp Ratio</b>
1.5%	2053	529	11,830	5.76
1.7%	2149	615	11,830	5.50
1.9%	2248	705	11,830	5.26
2.1%	2341	793	11,830	5.05
2.3%	2460	899	11,830	4.81
2.5%	2572	1002	11,830	4.60
2.7%	2691	1111	11,830	4.40

Source: LCOG

Given Creswell's significant population forecast a population/employment ratio of seven is not likely. History (and economic principles) would suggest that it is incorrect to assume that Creswell's employment growth rates will mirror its population growth rates. However, sectors closely tied with population growth (non-basic sectors) can be assumed to experience growth proportional to population. Non-basic sectors are those that depend largely upon local business conditions. For example, a local grocery store sells its goods to local households, businesses, and individuals. Its clientele is locally based and, therefore, its products are consumed locally. Almost all services (like drycleaners, restaurants, and drug stores) are identified as non-basic because they depend almost entirely on local factors. Increased population does not necessarily mean more Manufacturing or Wholesale Trade jobs, but increased population often means more Retail, Accommodation and Food Service, and Government jobs.

Given the expected rapid growth of population in Creswell relative to the County and the implications for the ratio of population to employment, it appears that an annual average growth rate of 2.1% for total employment in Creswell is reasonable. This fits with our expectation that Creswell will receive an increasing share of employment growth in Lane County as it becomes a more fully developed community, with a fuller range of economic activities, and from spillover caused by increasingly crowded and expensive conditions in Eugene-Springfield.

## **ALLOCATION OF EMPLOYMENT TO LAND-USE TYPES**

All sectors will not grow at the same rate; some will grow faster than others, causing them to have an increasing share of employment in Creswell. To account for expected variations in growth rates by sector, we will use assumptions about the future share of employment by land use type. These assumptions are based on the potential growth industries identified in this chapter and the analysis of comparative advantages in Chapter 4:

- Based on anticipated non-basic sector growth in Creswell, LCOG has adjusted the 10-year forecast provided by Oregon Department of Administrative Services to reflect higher growth rates for Retail, Leisure and Hospitality, and Government. Several sectors are also adjusted downward to reflect a more Creswell specific dynamic, including Professional and Business Services, Financial Activities and Education and Health Services.
- We expect Retail and Leisure and Hospitality growth in Creswell will serve the growing local population. We assume that the share of these sectors in the Creswell UGB will increase from 30% in 2012 to 34% in 2032.
- Professional and Business Services, Financial Activities and Education and Health Services are expected to have high growth rates in Lane County. However, much of this growth will locate in the urban centers of Eugene and Springfield. We expect growth in these sectors in Creswell to

be in businesses that serve the local population. We assume that the share of employment in the Creswell UGB in these sectors will decline slightly over the planning period, from 19% in 2012 to 15% in 2032.

- Although Creswell should be attractive to a range of firms engaged in specialty manufacturing, warehousing, and distribution, the forecast for such industries in Lane County is minimal (0.3%) and there remains a significant inventory of industrial sites in more competitive markets. We assume that the share of Industrial employment in the Creswell UGB will remain constant, 18% in both 2012 and 2032.
- In Creswell we expect population growth to drive demand for employment in education and other government services. Due to economies of scale, however, we assume that the share of Public employment in the Creswell UGB will only increase slightly over the planning period, from 10% in 2012 to 11% in 2032.

The result of these assumptions for the share of employment by land use type and the overall average annual growth rate for total employment is shown in Table 5-3, which shows growth will be led by Commercial (605 jobs), followed by Industrial (156 jobs), and Public (34 jobs). The amount of buildable land needed to support this employment growth is estimated in Chapter 6.

**Table 5-3. Projected employment growth by land use type in the Creswell UGB, 2012-2032**

Land Use Type	2012		2032		2009-2032	2012-2032
	Employment	% of Total	Employment	% of Total	Growth	Growth
Industrial	276	18%	432	18%	172	156
Commercial	1110	72%	1644	70%	595	534
Public	162	10%	265	11%	114	103
<b>Total</b>	<b>1548</b>	<b>100%</b>	<b>2341</b>	<b>100%</b>	<b>881</b>	<b>793</b>

Source: LCOG

# Conclusion

All the preceding technical work contained in this report has been structured to comply with the Goal 9 requirements for an "Economic Opportunity Analysis." That information and structure is useful to the City for procedural reasons: it allows the City to demonstrate to state agencies that it has met state planning requirements.

Equally, if not more, important from the City's perspective is that the information is a base from which possible futures and policy options can be generated and evaluated. That evaluation will, in turn, lead to changes in policy that the City believes will increase its possibilities for achieving the future it decides to pursue.

The following conclusions are intended to raise issues for consideration in the in the next phase of this project. Some conclusions address economic development opportunities; others economic development constraints. While the conclusions ultimately relate to each other in diverse ways, we structure them around several key topics for the purpose of discussion.

## BUILDABLE LANDS

This section compares land demand and supply. The comparison is based on data presented in this chapter and does not consider local policies or economic development strategies that may imply different site requirements and land needs. OAR 660-009-0025(2) requires cities to designate sufficient land in each site category to accommodate, at a minimum, the projected land needs for each category during the 20-year planning period.

Table 6-1 shows a comparison of land demand and supply for the Creswell UGB for the period 2012-2032. The results show Creswell has an overall surplus of buildable non-residential land of 85.7 acres. When analyzed by plan designation, it appears that Creswell has a surplus of Commercial and Industrial land. Public sector demand in Table 6-1 was set to zero because the City and School District reported that they can accommodate their expected growth on land they already own, so no additional land for these public uses will be needed. Public land, however, may be needed for parks to serve Creswell's growing population.

**Table 6-1. Comparison of land demand and supply, Creswell UGB, 2012-2032**

Land use type	Total Emp Growth	Emp per net acre	Demand (net buildable acres)	Supply (net buildable acres)	Surplus/ (Deficit)
Commercial	534	35	15	55.7*	40.7
Industrial	156	20	8	63.5	45
Public	103	15	n/a	n/a	0
Total	793		23	119.2	85.7

Source: ECONorthwest and LCOG

Note: Buildable land supply includes land designated for commercial and commercial/resort uses. We allocated 17% of the total commercial/resort land to commercial uses, with the remaining 83% going for residential uses. Of redevelopable Commercial lands, only those lands without any existing employment were included in the "net buildable acres sum" to avoid double counting employees. Public land demand is set to zero because the City and School District report that they have sufficient land to accommodate their expected growth.

This comparison of demand and supply, however, focuses only on the total acreage. An analysis of the specific sites available in Creswell may suggest supply constraints not apparent in Table 6-1 Particularly for Industrial Sites. Most of Creswell's available industrial land is located in two sites at the north and south end of Highway 99. Each of these sites have several large parcels with a few owners, creating the potential to assemble large development sites.

The south industrial site has access problems that may limit its availability for development in the short-run. This site is separated from Highway 99 by the railroad and a slough that will require a bridge to access Highway 99 from this site. Alternative access to this site may be provided by Park Drive, but this alternative may be limited by residential structures in the area.

An analysis of the distribution of vacant and partially-vacant parcels by size, as shown in Table 2-4 in Chapter 2, suggests that Creswell's supply of buildable industrial sites does not have a range of sizes that will allow Creswell to respond ideally to market opportunities. Table 6-2 shows the distribution of vacant and partially-vacant industrial parcels in Creswell's UGB as derived from Table 2-4 in Chapter 2.

Chapter 2 describes how Creswell has only three vacant or partially vacant parcels designated for industrial development with over five buildable acres, and only eleven total. Redevelopment adds one large site (the old veneer plant site). The remaining parcels have buildable acreage in the under two acres range and four of these have under a half acre. The distribution of industrial parcels in Creswell raises several issues for the availability of buildable land for economic development, including:

- In any market, not all vacant and partially-vacant parcels are on the market or available for development in the immediate future. Some of these parcels may be held for future development opportunities, in use for storage, or not available for a variety of other reasons. Thus, it is likely that even fewer industrial parcels than those presented in Chapter 2 are on the market or available for development in the immediate future. The lack of buildable industrial land available for development will severely limit Creswell's ability to respond to market opportunities for industrial development.
- Many of the types of manufacturing firms that have potential to locate in Creswell need relatively small sites. Small specialty manufacturers typically locate in an industrial park or stand-alone developments on lots of 0.25 to 2 acres. The smallest warehouse/distribution facilities are typically 100,000 sq. ft. on 4.6 acres. Table 2-4 shows that there is only one parcel in Creswell in the range of 1 to 4.9 acres, and such a parcel is

too large for small specialty manufacturers who want a site less than 1 acre.

- One of the larger industrial parcels in Creswell might subdivide to create an industrial park to meet the market for smaller sites. This would help increase the supply of smaller sites, but reduce the supply of larger sites from two to one.
- Creswell has the potential to attract a large manufacturer or warehouse/distribution facility. One of these firms locating in Creswell would occupy one of the two large industrial sites available in Creswell, further constraining the supply of buildable sites.
- Several of the smaller parcels in the range of 1 to 9.99 acres are adjacent to the largest parcels, suggesting that they could be assembled to create a larger development site. This would further reduce the supply of smaller sites.

In addition to the limited distribution of industrial sites in Creswell, other factor suggests that Creswell may not have the right supply of buildable industrial land to respond to market opportunities. Chapter 5 identifies airport-related uses as a potential growth industry in Creswell. The City, however, does not have any buildable industrial land in the airport area currently within the UGB.

## NEXT STEPS

Given the context established by this Economic Opportunities Analysis, there are several steps the City of Creswell can take to attract the type of economic development desired in the community:

1. This report shows that Creswell lacks a supply of buildable industrial sites with a variety of sizes that will allow the community to respond to market opportunities. In addition, the small number of buildable industrial sites suggests that Creswell may not have any sites available for development when an opportunity presents itself. To address these constraints, the City should consider expanding the UGB to include more areas designated for industrial development. Areas around the airport should be among the sites considered for this expansion in order to take advantage of opportunities presented by that site.
2. Actions recommended in the 2004 *Economic Development Plan* for the City of Creswell include steps that would support employment growth in Creswell. These steps include creating State-certified market-ready development sites and working with ODOT on permitting for sites adjacent to highways and the railroad. Creswell currently does not have any State-certified development sites and this report identifies access constraints at one of the large industrial sites in Creswell. The City should pursue certification of development sites, either now or after an expansion of the UGB, and work with ODOT

and OECD to help resolve site access issues for the southern industrial site.

3. The City has identified a vision and goals that are generally supportive of economic development in the community. The economic development planning to date, however, does not contain specific policies or actions the City should adopt to attract the type of development desired in the community. The next phase of this study will be the development on an implementation plan that identifies specific policies and actions the City might adopt to affect the level and type of economic development in the community.