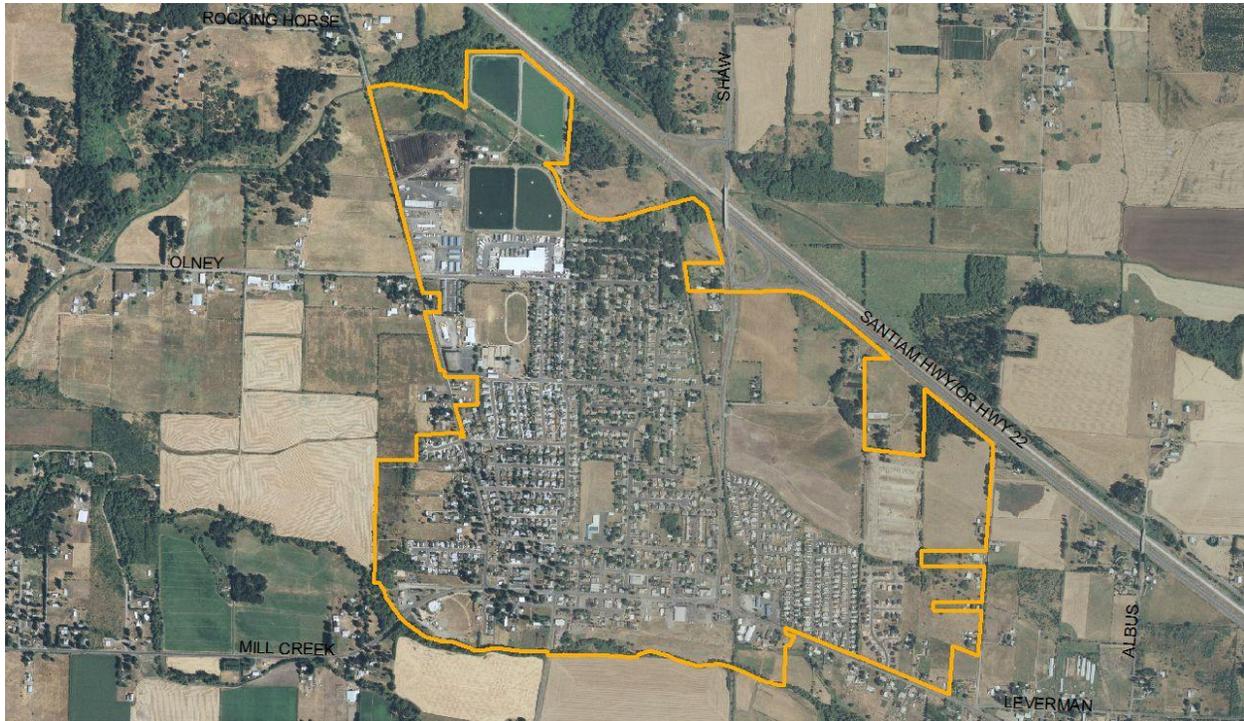


CITY OF AUMSVILLE ECONOMIC OPPORTUNITIES ANALYSIS



Adopted June 2011

E. D. Hovee & Company, LLC

Economic and Development Services



City of Aumsville Economic Opportunities Analysis

Adopted June 2011

**City of Aumsville
Aumsville City Hall
595 Main Street
Aumsville, Oregon 97325**

Phone: (503) 749-2030

Prepared by:

**E.D. Hovee & Company, LLC
P.O. Box 225
2408 Main Street
Vancouver, Washington 98666
(360) 696-9870 / (503) 230-1414**

&

**The MorganCPS Group Inc.
1308 Marigold Street NE
Keizer, Oregon 97303-3553
(503) 304-9401**

Table of Contents

I.	INTRODUCTION	1
	Background	1
	Community Economic Development Objectives	1
	Study Area	2
	EOA Approach/Process	2
	EOA Organization	3
II.	THE AUMSVILLE ECONOMY	4
	Data Sources & Methodology	4
	Population & Demographic Trends	4
	Economic Trends	8
III.	NATIONAL & STATE ECONOMIC TRENDS	15
	National Employment Trends & Forecast	15
	Oregon & Mid-Willamette Value Employment Trends & Outlook	17
IV.	ECONOMIC DEVELOPMENT POTENTIAL	24
	Factors Currently Affecting Economic Development	24
	Factors Prospectively Affecting Economic Development	26
	Employment Growth & Land Need Scenarios	29
V.	EMPLOYMENT LAND NEEDS	31
	Industrial & Commercial Site Inventory	31
	Long-Term Need Determination	35
	Short-Term Need Determination	38
	Assessment of Potential	40
VI.	IMPLEMENTATION POLICIES	43
	Adequate Sites & Facilities Commitments	43
	Resources for Public/Private Implementation	43
	APPENDIX. SUPPLEMENTAL STATISTICAL DATA	46
	END NOTES	58

I. INTRODUCTION

The City of Aumsville is updating its Comprehensive Plan. As part of this planning process, the City is undertaking this Economic Opportunity Analysis (EOA) in compliance with Goal 9, Economy of the State (as stipulated by OAR 660, Division 9).

This EOA is being prepared under a technical assistance grant to the City funded by the Department of Land Conservation and Development (DLCD). The objective of the EOA is to identify likely industrial and other economic development opportunities and corresponding employment land needs over the planning period of the next 20 years. A supporting objective is to identify the framework for a local economic development strategy.

BACKGROUND

Initially adopted by Aumsville City Ordinance No. 112 in November 1977 in response to Oregon Senate Bill 100, the City of Aumsville currently is in the process of updating its Comprehensive Plan. Among other requirements, local jurisdiction comprehensive plan updates are to address Oregon Statewide Planning Goals including Goal 9 Economy of the State.

Pursuant to OAR 660, Division 9, local jurisdictions are to conduct an Economic Opportunities Analysis (EOA). The primary objective of the EOA process is to identify likely industrial and other economic development opportunities and corresponding employment land needs over a planning period of the next 20 years.

COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

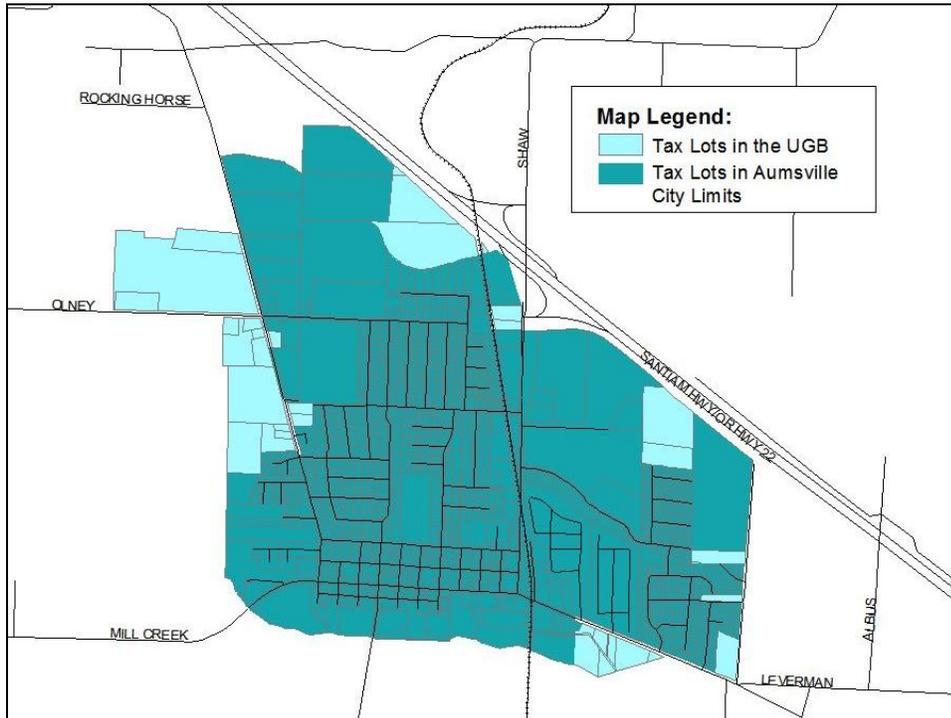
A meeting with the Aumsville City Council was conducted on October 11, 2010 at which input was received regarding objectives to be addressed through the Economic Opportunities Analysis. Based on this discussion, *preliminary draft* community economic development objectives for this EOA and resulting Comprehensive Plan update are to:

- Provide greater opportunity for local jobs available to Aumsville residents assuming continued moderate rates of residential and population growth over the next 20 years.
- Provide adequate lands for industrial use to facilitate expansion of existing industries, allow for new industries, and better assure sustained opportunities for family-wage local jobs.
- Develop the interchange district along State Highway 22 to provide better access and visibility to Aumsville and improve opportunities for commercial businesses serving both area resident and visitor needs.
- Encourage downtown recovery and redevelopment for smaller scale service and retail business together with supportive civic, residential and recreational uses.
- Assure continued and improved options for home based business and mixed-use development supportive of Aumsville's employment and residential districts.

STUDY AREA

The primary study area for this EOA assessment is the City of Aumsville and its Urban Growth Boundary (UGB). This EOA also provides discussion of the Marion County, statewide and national context from which local economic development opportunities are appropriately framed.

Figure 1. Aumsville Location



Source: Marion County and City of Aumsville in cooperation with Mid-Willamette Valley Council of Governments and MorganCPS, *Buildable Lands Inventory*, 2010.

EOA APPROACH/PROCESS

Key tasks associated with preparation of this EOA have included:

- *Preparation* including determination of study area boundaries, identification of background economic data, and intergovernmental local cooperation meeting.
- *Trend analysis* involving review of national and state, as well as local, economic trends together with review of factors affecting economic development in Aumsville and resulting forecast of employment growth potentials.¹
- *Site suitability analysis* translating employment potentials into associated requirements for industrial and commercial land needs.
- *Inventory of suitable sites* as a basis to determine short and long-term supply needs.
- *Assessment of potential* including evaluation of site requirements together with industrial/commercial acreage needs by land use type.

- *Detailed implementation policies* including identification of community economic development objectives, local and non-local funding resources, and planned community infrastructure investments in support of economic development.

EOA ORGANIZATION

The remainder of this Economic Opportunities Analysis (EOA) report is organized to cover the following topics:

The Aumsville Economy
National & State Economic Trends
Economic Development Potential
Industrial & Commercial Land Needs
Implementation Policies

An *Appendix* to this EOA provides more detailed supplemental data.

Please note that this is a review draft EOA report, subject to review and modification based on questions and suggestions received.

II. THE AUMSVILLE ECONOMY

This Economic Opportunities Analysis (EOA) begins with a review of the Aumsville economy. Topics covered are data sources and methodology, population and demographic trends, and economic trends. As applicable, comparative data is provided for the city of Aumsville, Marion County, and the state of Oregon. This overview provides a starting point for subsequent assessment of national and state economic trends, local economic development potential, industrial and commercial land needs, and implementation policies.

DATA SOURCES & METHODOLOGY

Statistical information for this discussion of the Aumsville economy has been compiled from published public agency sources including the 2000 U.S. Census and State of Oregon Office of Economic Analysis and Employment Department. Updated 2010 information for a number of post-2000 Census data items has been obtained from a nationally recognized data firm, ESRI.²

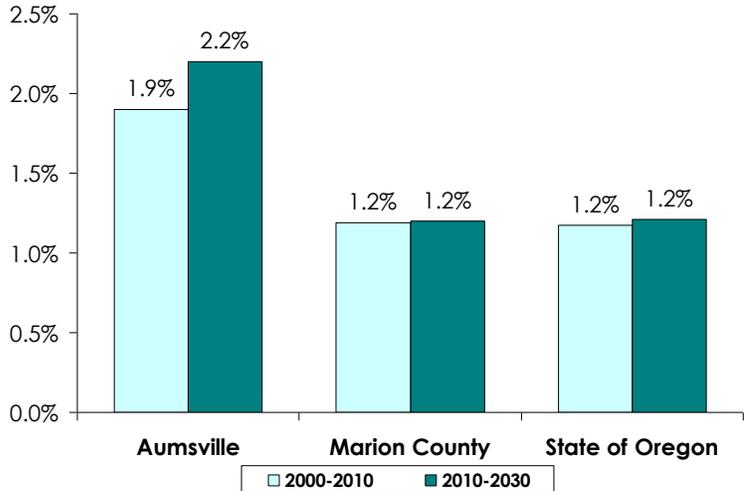
POPULATION & DEMOGRAPHIC TRENDS

Pertinent information items with this baseline assessment include population trends and forecasts and demographic trends of median age of the population, education, and housing.

Population Trend & Forecast. As of 2010, Aumsville had an estimated 3,625 residents – representing just over 1% of Marion County’s population of more than 320,640. Marion County accounts for 8% of the entire state’s population of over 3.8 million. Comparative rates of actual and current estimates of forecast population growth are illustrated by the chart below and to the right:

- Aumsville’s population increased at an average rate of 1.9% per year from 2000-10, with more than 620 residents added. The rate of population growth is forecast to increase somewhat to 2.2% over the next two decades from 2010-30.
- Both county and state-wide, population increased more slowly at rates averaging 1.2% per year from 2000-10. Projected growth is anticipated at similar rates over the next two decades, as well.

Figure 2. Average Annual Population Growth Rates (2000-2010, 2010-2030)



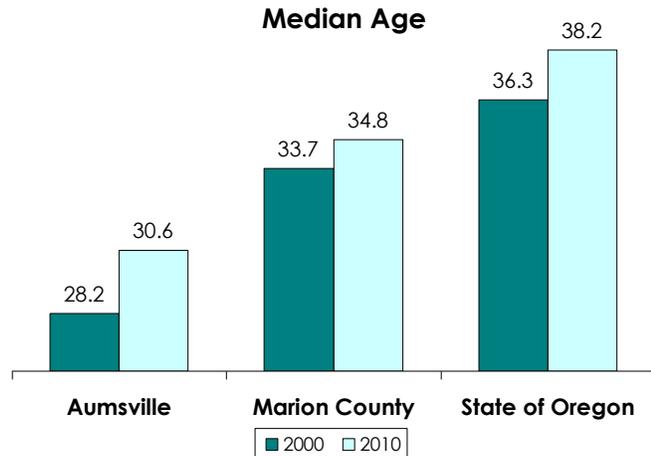
Source: Portland State University, Population Research Center; and State of Oregon Office of Economic Analysis.

Demographics. This economic profile now moves to consideration of trends with respect to more detailed demographic characteristics, notably median age and level of educational attainment of the adult population – for Aumsville, Marion County and the state of Oregon.

Median Age:

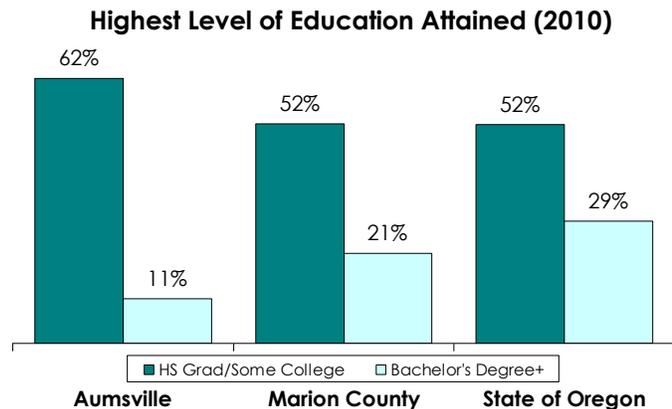
- With a median age of 30.6 years as of 2010, the population of Aumsville is considerably younger than that of Marion County (at 34.8 years) and the entire statewide population (with a median age of 38.2 years).
- However, between 2000 and 2010, the median age of residents in Aumsville rose by 2.4 years – more rapidly than the 1.1 year increase countywide and 1.9 year increase statewide.

Figure 3. Area Demographics (2000-10)



Education:

- Data regarding educational attainment is provided for adults age 25 and over. As is the case for many rural communities, the preliminary data available for 2010 indicates that Aumsville lags the entire county and the state in terms of levels of higher education. Less than 11% of the city’s adults have a (four year) college degree or better, compared with about 21% in Marion County and over 28% statewide.



Source: U.S. Census Bureau and ESRI.

- Conversely, Aumsville has a higher proportion of adults with a high school diploma and some college (at 62%) than Marion County and Oregon (each at 52%).
- From 2000 to 2010, the level of educational attainment of the adult population has increased in the city, county and state. Further boosting the overall education levels across all these regions are declines in the proportion of adults without a high school diploma.

Housing. Throughout the Pacific Northwest and much of the U.S., the availability, affordability, diversity and quality of housing have become increasingly important to economic development. This was especially the case during the first 6-7 years of the past decade. Rapid increases in housing prices through mid-decade were followed by the economic recession, further exacerbated by a mortgage lending crisis and subsequent drop-off in housing demand.

For economic development, the ability to accommodate job growth is likely to be accompanied by – and in some cases dependent on – provision of added housing or changes in the quality and character of the existing housing inventory. This is true across the entire spectrum of labor force needs – from entry-level to managerial job positions. For this EOA, housing characteristics of interest include household size, occupancy and tenure, and housing pricing and development.

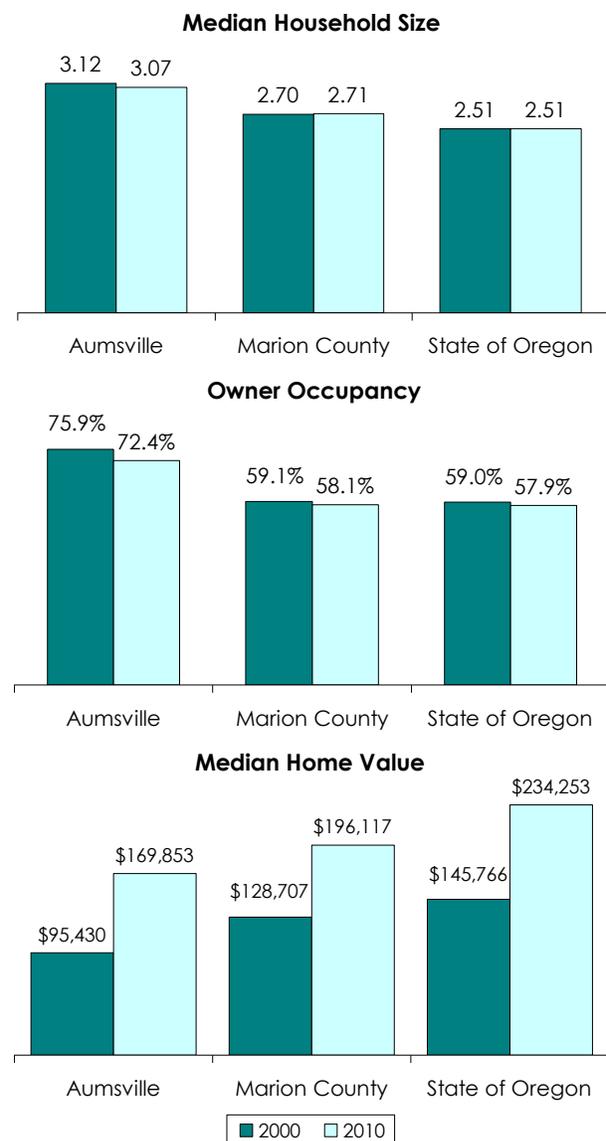
Households & Household Size:

- As of 2010, there were an estimated 1,120 households in the city of Aumsville – equating to about 3.07 residents per household. Household size is above both the Marion County average of 2.71 persons per household and the statewide average of 2.51 persons per household.
- Despite previous forecasts of declining household size, little change has actually occurred in the number of occupants per household – across all three geographies considered.

Occupancy & Tenure:

- As of 2010, there are more than 1,200 housing units in Aumsville, of which an estimated 72.4% are owner-occupied, 20.3% are renter-occupied, and 7.3% are vacant (including seasonal units).
- Home ownership in Aumsville is more common than county or statewide.
- The proportion of renter-occupied and vacant units in Aumsville appears to have increased while owner occupancy has declined from 2000 levels.
- Housing vacancy as of 2010 is higher countywide (7.5%) and statewide (9.9%) than in Aumsville (7.3%).

Figure 4. Housing Trends (2000-10)



Source: U.S. Census Bureau and ESRI.

Housing Values:

- As is often the case in smaller communities, median home values within Aumsville are significantly below comparable Marion County and state of Oregon figures. As of 2010, the median value for homes in Aumsville is estimated by ESRI at just under \$170,000, 27% lower than the \$234,300 figure estimated for the entire state. By comparison, median home value countywide is approximately \$196,100, or 84% of the statewide median.
- In the ten years since the U.S. 2000 Census, Aumsville has experienced substantial gains in housing values, with an overall average valuation increase of 78%. In comparison, housing values have increased by 52% countywide and 61% statewide. This indicates growing demand for living in smaller and rural communities that offer proximity to the employment base of a nearby, larger urban area. Despite recent declining values, homes are still valued at considerably more than ten years ago.
- As is true throughout Oregon and the nation, housing values are now in substantial flux due to the housing credit issues which emerged in 2007 and the more recent overall economic downturn. The extent of the housing demand and price adjustment that may be experienced is not yet fully known. There is risk of further pricing declines extending beyond 2010, depending on the timing and extent of regional job recovery and broadened mortgage financing availability.

Type of Housing:

- Detached single-family (stick-built) housing generally has comprised a somewhat larger proportion of Aumsville's housing inventory (66%) than is the case throughout the state of Oregon (63%) or in Marion County (62%), as illustrated by 2000 Census data.
- A relatively high proportion of housing (25%) consists of mobile homes in Aumsville, as compared to 10% both countywide and statewide.
- The city of Aumsville has a smaller proportion of attached housing than typically occurs elsewhere across the county and state – especially in multi-family units.

Housing Development:

- According to the *U.S. Census Bureau*, Aumsville issued 202 residential building permits between 2000 and 2009. Single-family structures accounted for 90% of the residential permits. The remaining 10% of the permits (a total of 20 permits) were for multi-family structures, 11 of which were duplexes and 9 of which were 3+ family structures. On average, about 24 units annually were added to the housing inventory (peaking in 2007 with 75 net added residential units).
- Over this same 2000-2009 time period, in-city residential construction values topped out in 2007 at \$13.5 million, fell to \$1.9 million in 2008, and rose slightly to \$3.1 million in 2009. Valuation of new residential averaged \$152,475 over this 10-year time period.
- Comparable building permit data for unincorporated Marion County from 2000-2009 is also available. Over 1,800 residential building permits were recorded, averaging 214 housing units per year (and \$208,765 per unit). Nearly 98% of the permits were for single-family structures, with the remaining 2% for multi-family structures.

ECONOMIC TRENDS

Economic indicators of importance to this EOA include employment by sector, occupation distribution, median household incomes, sources of personal incomes, work commute patterns, tourism, and retail sales and leakage.

Employment. Employment data segmented by major economic sectors has been compiled for the city of Aumsville, Marion County and the state of Oregon over the 2003-2009 time period. Employment data is for persons covered by unemployment insurance (which often excludes sole proprietors and business owners).

2009 Aumsville Employment Base:

- As of 2009, 54 establishments in Aumsville employed more than 490 workers. Employment in Aumsville accounts for 0.3% of total covered employment in Marion County (somewhat below the community's 1% share of population countywide).
- The typical firm in Aumsville has an average of 9 employees, compared with close to 15 employees per firm countywide.

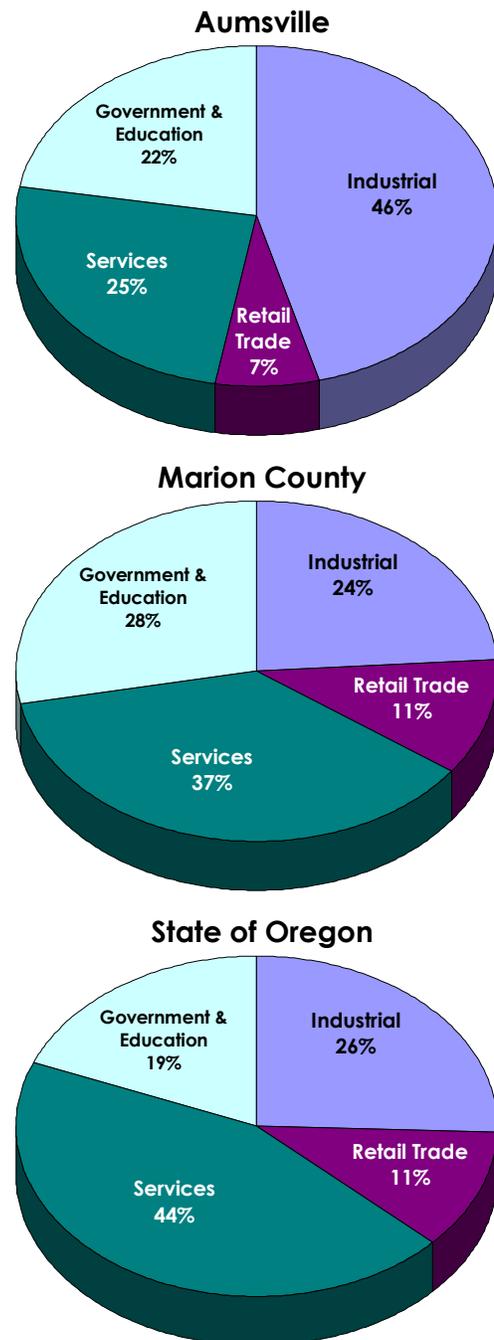
Employment Composition (or Job Mix):

- Of the 490+ jobs in Aumsville, 46% were associated with industrial jobs in sectors including natural resources, mining, construction, manufacturing, wholesale trade, transportation and utilities. The remaining jobs were split between services (at 25%), government and education (22%), and retail trade (7%).
- By comparison with Marion County and the entire state, Aumsville has a relatively high proportion of its employment base associated with industrial activity and with comparatively lesser proportions of employment in services and retail.

2003-09 Employment Change:

- Between 2003 and 2009, total employment in Aumsville increased at a rate averaging 1.2% per year (or by 33 jobs in total). The number of

Figure 5. Job Mix (2009)



Source: Oregon Employment Department.

firms reported increased by 2.0%, indicating a trend toward somewhat smaller average firm size. By comparison, employment countywide increased at a slower pace of 0.8% annually coupled with a 2.1% per year increase in the number of firms during the same six-year period.³

- The most rapid job growth in Aumsville from 2003-2009 was experienced with government and education, increasing at an average pace of 7.3% per year. In comparison, employment losses were recorded for industrial (still a dominant job sector) and with retail businesses.
- When comparing the employment sectors aggregated to match data as available for the city of Aumsville, relatively high rates of job growth county and statewide also were experienced in government and education, albeit with the number of jobs increasing at a slower pace of 2.1% annually (both for the county and state).

Added Note: Data for Marion County and the state of Oregon is available for a more detailed set of employment sectors than is possible for Aumsville (due to the relatively small base of local employers). This information indicates that health care and social assistance recorded the highest rate of both average annual job (3.0%) and wage growth (7.5%) in Marion County. Countywide, employment losses were experienced from 2003-2009 in sectors including utilities, construction, manufacturing, information, finance and insurance, real estate rental and leasing, and private non-classified sectors.

Across Oregon, the fastest growing job sector from 2003-2009 was educational services (up by 3.8% per year). Out of 18 industry sectors, 11 sectors indicate employment losses across the state – as for manufacturing (down by an average of 2.5% per year) and utilities (-1.6%).

Wage Levels:

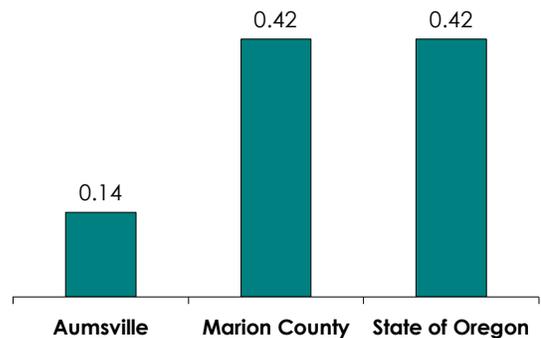
- As of 2009, the average annual wage for all employees in Aumsville covered by unemployment insurance was just under \$31,800. The local average wage is 13% below the countywide average annual wage of \$36,400 and 28% below the statewide average of \$40,700.
- The highest wage sectors for persons working in Aumsville appear primarily related to industrial sectors – representing a composite of natural resources, mining, construction, manufacturing, wholesale trade, and transportation and utilities. At more than \$40,500 per job, these industry sectors pay somewhat more than is experienced countywide for industrial firms (averaging \$35,400). The second highest wage sector is government and education, with an average wage of \$34,400 per employee.
- The average wage (or payroll per employee) in Aumsville has increased by an average of 2.2% per year between 2003 and 2009. The most substantial wage gains for this six-year period were noted for government and education (up by 4.3% annually), services (increasing by 3.1%), and industrial (up 2.4%). Average annual wages for retail declined by nearly 1% annually (likely due in part to a shift toward more part-time employment).
- Overall average wages statewide have increased 2.8% annually during the six-year period, not as rapidly as in Marion County (by 3.1% per year).

Jobs to Population. A useful indicator of economic performance and potential employment need can be provided by assessing the current ratio of local jobs to population. With this EOA, a jobs-to-population ratio is calculated for Aumsville and compared to similar ratios for Marion County and the state of Oregon.

As illustrated by the graph to the right, Aumsville has a relatively low ratio with only 0.14 jobs per resident. This is one-third the jobs-population ratio realized countywide and statewide.

In effect, a low ratio means that a comparatively high proportion of local residents now commute out of town for jobs due to lack of local employment opportunity. The extent to which this imbalance can or should be remedied is suggested as a topic for discussion with this EOA.

Figure 6. Jobs to Population (2009)



Source: Portland State University, Population Research Center; and Oregon Employment Department.

Sources of Personal Income. Information regarding sources of personal income is available at county and statewide levels, but not for individual cities. As is true statewide, wage and salary income represents less than half of total personal income in Marion County:

- Statewide, wage and salary income has fluctuated from 45% to 48% of total personal income between 1998 and 2008. In Marion County, the wage and salary component is slightly lower than for the rest of Oregon, shifting from 43% to 46% over the same time period. As of 2008, wage and salary income was 46% of statewide and 44% of countywide total personal income.
- Transfer payments account for about 19% of countywide 2008 personal income, followed by investment income (18%), supplements to wages and salaries (11%), and proprietors' income (8%).
- Compared to the entire state, transfer payments and proprietors' income are indicated as sources of income that are unusually high in Marion County.
- While the county's proportion of income from supplements to wages and salaries and proprietors' income has dropped in recent years, the shares accounted for by investment income and transfer payments have increased.

The economic recession has put considerable pressure on all sources of income. Wage and salary incomes have been affected by job loss with increasing unemployment. Investment income has been affected both by stock market and real estate prices. Transfer payments – from sources including unemployment insurance – have increased, but long-term continuation is affected by time limitations on receipt of continued benefits. An important policy question with this EOA is whether and in what fashion to aim for increasing wage and salary income in conjunction with provision of more jobs in the immediate Aumsville community.

Occupation Distribution. Occupation data is depicted for the employed population residing in Aumsville of age 16 and over. As of 2010, white collar jobs accounted for the largest share of the occupational mix in the city of Aumsville at 51%, followed by blue collar (26%) and then service jobs (23%):

- While white collar occupations account for the majority of employed residents in Aumsville, the proportion is below county and statewide averages.
- In the last decade, the proportion of workers in white collar occupations increased by 7% in Aumsville, falling between gains experienced countywide (12%) and statewide (2%). Service jobs decreased as a share of jobs in Aumsville as well as in Marion County, while increasing statewide. The proportion of workers in blue collar occupations contracted across all three geographies.

Median Household Incomes. As of 2010, median household income was \$51,200 for Aumsville, almost the same as median income countywide and at 96% of Oregon State’s median income of \$53,100.

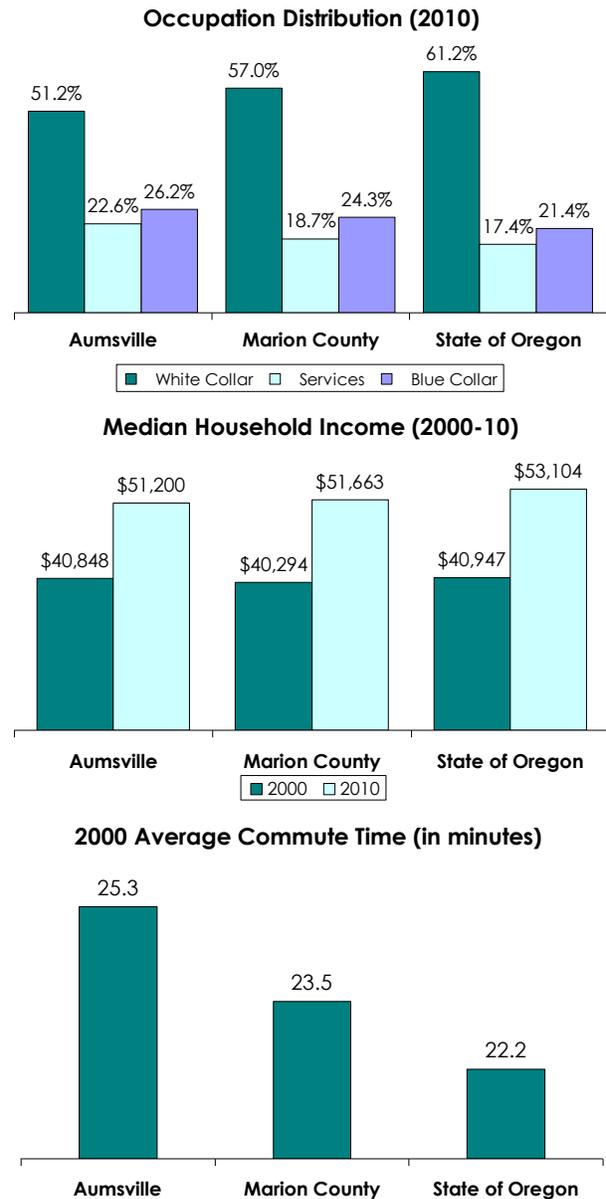
Over the past decade, median household income growth occurred at slightly lower rates in Aumsville than for Marion County and the state of Oregon.⁴

Work Commutes. As of the 2000 U.S.

Census, 97% of Aumsville employed residents commuted to the job site (with 3% working at home). However, local residents commute relatively long distances:⁵

- Average travel time to work from Aumsville is 25.3 minutes, which is above average travel times throughout the county (23.5 minutes) and state (22.2 minutes).
- Approximately 57% of Aumsville residents commute 20 or more minutes to work – compared to only 45-47% of workers county and statewide.
- Approximately 17% of those who live in Aumsville work outside their county of residence – compared to 20% countywide and 21% statewide.

Figure 7. Other Economic Indicators



Source: U.S. Census Bureau and ESRI.

Tourism. While detailed city level tourism expenditure information is not available, tourism data covering Marion County (over the 2000-2009 time period) provides a useful context for further discussion of local and regional visitor development opportunities:

- As of 2009, visitors spent an estimated \$314 million in Marion County – accounting for approximately 4,000 tourism-related jobs. With 8.3% of the state’s population, Marion County captured a below average 4.1% of the state’s total tourism spending.
- However, total direct tourism spending increased by 30% in Marion County versus 26% statewide from 2000 to 2009 – indicating strengthened appeal of the local and regional visitor product.
- The largest category of tourism-related spending in Marion County is for local transportation and gas, accounting for 34% of visitor expenditures versus 20% statewide.
- Also edging past the state is Marion County’s proportion of visitor spending at food stores, accounting for 9% countywide versus 7% statewide.
- Marion County tourism expenditure receipts lag statewide levels for accommodations, food service, arts, entertainment and recreation, and retail sales.

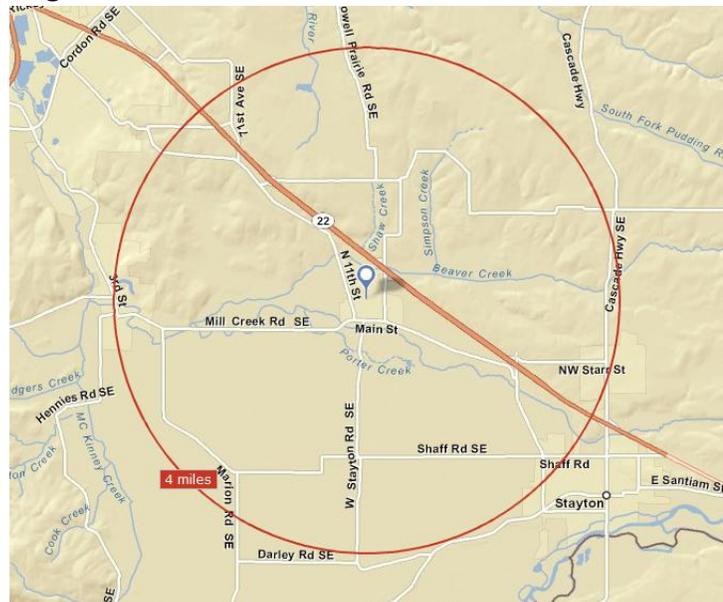
Retail Sales & Leakage. Retail demand relates to the volume of retail purchases made by local residents – whether made in the local trade area or elsewhere. Supply is defined as the volume of retail sales activity actually experienced by local businesses.

In conditions where demand outstrips supply, retail sales leakage occurs as local residents travel outside the immediate trade area to shop. In some areas, the volume of retail sales actually experienced by local businesses will outstrip locally generated demand, meaning that retailers are drawing customers from well beyond the local trade area.

For this analysis, retail sales and leakage information is provided for a radius of 4 miles from the city of Aumsville. As illustrated by the map, a 4-mile trade area extends just over ½ the distance on Highway 22 between Aumsville and the Interstate 5 corridor. To the east, the trade area extends to near Stayton.⁶

As of 2010, population within this 4-mile trade ring is estimated at 12,780. This area includes Aumsville but encompasses roughly 3.5 times the population of Aumsville alone. Key aspects of current and anticipated retail potentials for Aumsville are outlined as follows.

Figure 8. Aumsville Retail Trade Area



Source: ESRI and E. D. Hovee & Company, LLC.

Current Demand & Sales Leakage:

- Retail purchasing power generated by residents within the 4-mile trade area centered on Aumsville is estimated at \$115.3 million per year. In comparison, area retailers capture an estimated \$51.3 million in annual retail sales (as of 2010) – resulting in sales leakage estimated at \$63.9 million (or 55% of trade area generated demand).
- The majority of retail categories appear to be *under-served* within the 4-mile trade area, largely due to a lack of or limited business presence to serve the immediate area resident demand. In dollar terms, the greatest volume of lost retail sales opportunity is experienced with food and beverage (including grocery) stores and general merchandise (department or discount store) retailers. Together, these two categories account for 42% of the lost retail opportunity in Aumsville.
- The only store type realizing retail sales in excess of what the trade area population alone supports (indicating substantial tourism and pass-through related business volume) consists of the category of miscellaneous store retailers – including florists, office supplies, and gift stores.

Sales Leakage Recapture & Future Growth Potential:

- If 100% of the sales leakage were recaptured, the Aumsville trade area conceivably could support up to an added 158,000 square feet of retail space. Assuming population growth for the trade area similar to what is forecast for Aumsville alone, the area could potentially support up to another 75,000 square feet – for a combined maximum potential of 233,000 square feet of added retail space over the next 20 years. *Note:* this estimate covers all retail uses except auto dealers and gasoline stations which may require substantial land area but have widely varying building requirements.
- On paper, the greatest future residentially generated retail market needs are associated with grocery, general merchandise, and restaurant related uses. However, not all of the demand indicated should be expected to be served by new retail stores within four miles of Aumsville, as the amount of demand supported by the local trade area population alone is often below the minimum size thresholds of retail chains and independents.

Conditions for Retail Success:

- While there is demand that can be demonstrated on paper, there is no assurance that retail opportunities will be realized. This is especially the case in smaller communities situated within a relatively easy 15-20 minute commuting distance of a major urban area that already provides a broad range of retail stores and related services.
- Aumsville's opportunities will be greatest for retailers that provide day-to-day convenience items that can profitably serve a relatively small market area in the range of nearly 13,000 currently and a projected 17,000 trade area population within 20 years – as for groceries, discount general merchandise and dining.
- To the extent that some businesses also become known as a regional destination, retail appeal can be substantially broadened beyond the local trade area. While there are fewer than 13,000 residents located within four miles, there is a population base of 63,500 at an

8-mile distance, increasing further to 237,250 largely Salem area residents within a 12-mile ring.

- Types of retail stores that could best serve this broader destination appeal plus pass-through traffic on the Santiam Highway (Oregon 22) corridor are dining, apparel and other specialty retail. Retailers that can appeal both to local and visitor clientele often offer the best opportunities for year-round viability in a smaller non-metro market setting. Specifically noted is that Aumsville has the opportunity to better capitalize on businesses with regional appeal that capitalize on the community's agricultural setting. This might be focused, for example, on businesses related to horse and tack needs – essentially developing a regional specialty in this recreational-equestrian activity.

As noted, local resident generated demand potentials should not be considered as certain to occur. Three employment and land demand scenarios are provided later in this EOA: a) trend extrapolation (or baseline) employment growth; b) build-out of the existing UGB; and c) a more aggressive strategy for jobs-population balance. Full capture of resident generated demand is assumed with one of the three scenarios – predicated on aggressive employment growth and development.

III. NATIONAL & STATE ECONOMIC TRENDS

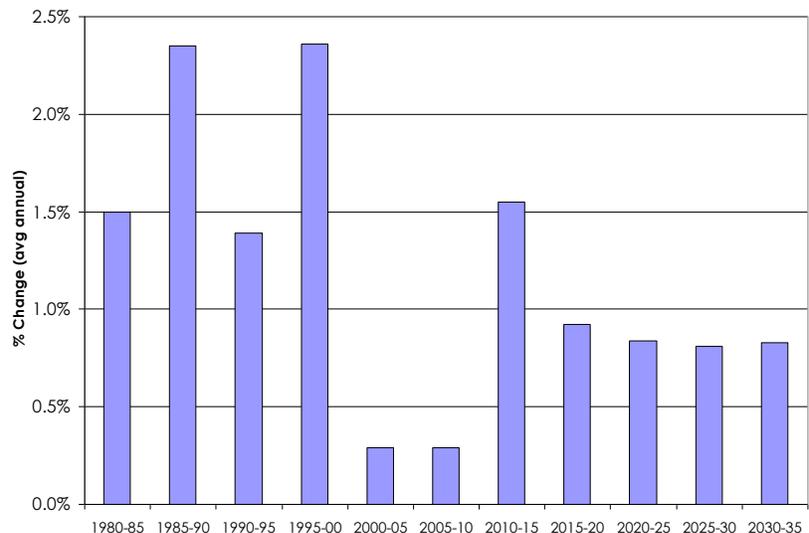
Consistent with Oregon Administrative Rules (OAR 660), Aumsville’ Economic Opportunities Analysis is set within the context of broader nationwide, state and regional trends and projections for future employment. Recent and forecast conditions are considered first for total employment, then with more detailed discussion of employment by sector.

NATIONAL EMPLOYMENT TRENDS & FORECAST

As of 2005, the U.S. had an estimated 133.7 million non-farm jobs – an increase of 48% over the 1980 nationwide job count of 90.5 million:

- Over the 25-year period of 1980-2005, employment across the U.S. increased at an average annual rate of 1.6% per year, reflecting a particularly rapid 1.9% rate of job growth during the 1980s. The 1980-90 time period also coincided with entry of a large baby boom age cohort into the job market.

Figure 9. U.S. Non-Farm Employment Growth Rates (1980-2035)



Source: Global Insight, 2008 QR US Long-Term Outlook, as compiled by Metro.

- Since 1990, job growth nationally has slowed to a more modest 1.3% annual rate from 1990-2005.

During the first half of this decade (2000-2005), job growth was even more modest averaging 0.3% per year, reflecting a post-2001 period of economic contraction followed by a slow recovery.

- In the last half of the decade, national job growth remained at a similarly anemic pace through 2010 (reflecting rapid run-up to 2007 followed by a severe economic recession).
- The fastest period of estimated job growth is anticipated for 2010-2015 assuming stronger economic recovery (at 1.5-1.6% employment growth per year) – then declining over time to a rate of about 0.9% by 2025-2035. At these rates of projected employment growth, the U.S. would have about 173.5 million non-farm jobs by 2035, an increase of just under 40 million jobs (or 30% gain) compared to 2005 conditions.

Sectoral Employment Growth. When viewed by major employment sector, the most noteworthy change has been the continued shift of the nation's economy from industrial to service-related employment. This trend is expected to continue through a forecast period extending beyond the time frame of this EOA, to about 2035.

The following generalized trends are forecast nationally for manufacturing, other industrial employment, and service-related jobs.

Manufacturing:

- Nationally, manufacturing has declined from just over 16% of all non-farm jobs in 1990 to between 10-11% in 2005, and is projected to decline further to between 6-7% of employment by 2035.
- Manufacturing has been declining not just as a share of the total but also in terms of numbers of jobs – from close to 18 million jobs across the U.S. in 1990 to just over 14 million in 2005, with further decline anticipated to a projected figure of about 11 million manufacturing jobs by 2035.
- Every major manufacturing category except lumber experienced job losses nationally between 1990 and 2005, and all sectors are forecast for further job loss through 2035. Durable goods manufacturing, which tends to be more capital intensive, has experienced less rapid job loss than non-durables (including many consumer products).

Other Industrial-Related Employment:

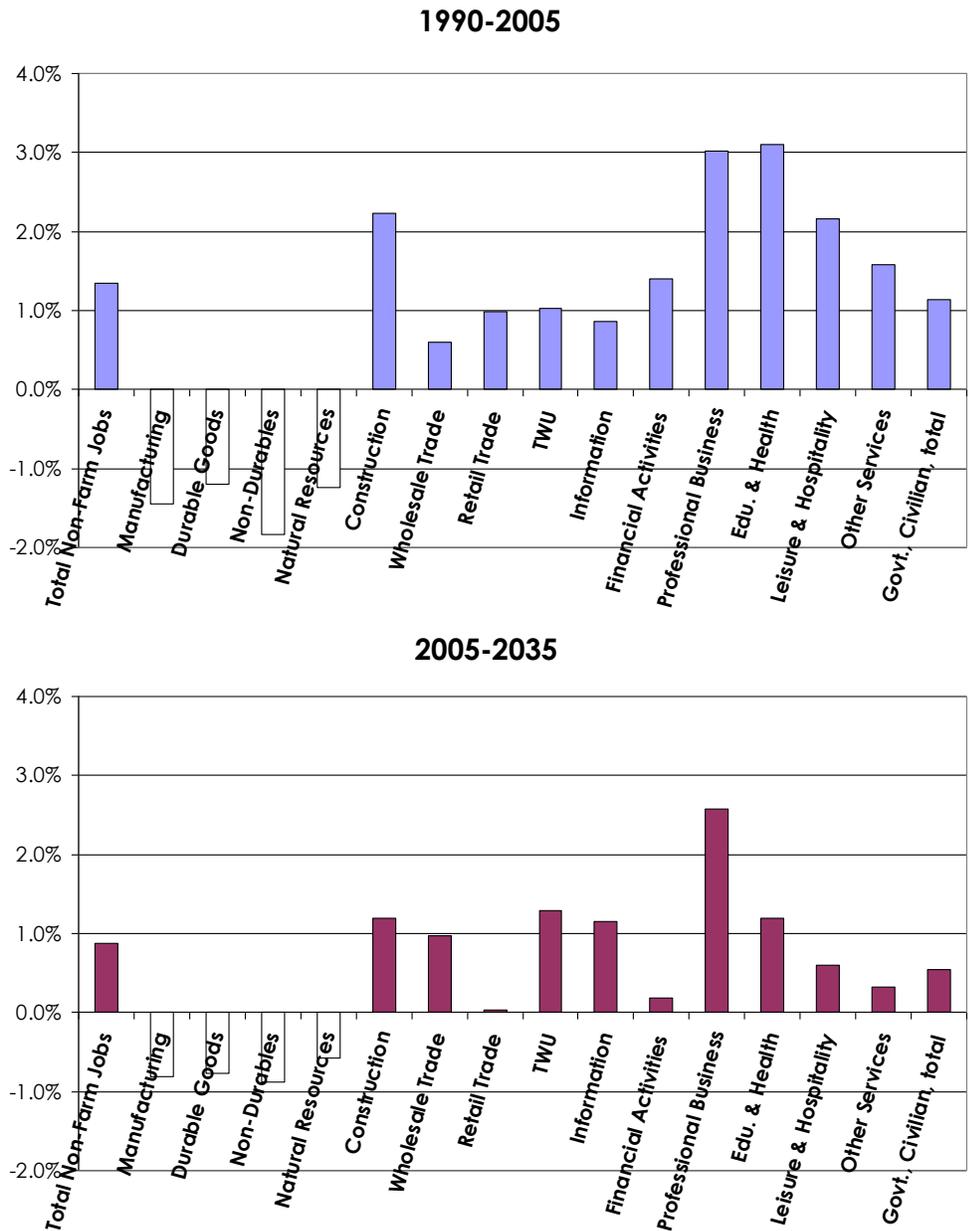
- With the added exception of natural resources, all other *industrial-related* sectors experienced job growth from 1990-2005 and are projected for continued job growth through 2035. These other industry-related sectors include construction, wholesale trade, transportation/warehousing/utilities, and information.⁷
- Between 1990 and 2005, these other industrial sectors declined somewhat in total employment share, from 16.6% to 16.2%, as growth was below rates experienced in non-industrial (service) sectors. However, the non-manufacturing industrial sectors are projected to increase their share of the nation's employment to 17.4% by 2035.
- From 1990-2005, the fastest growing industrial sector was construction, with jobs increasing an average of 2.5% per year. From 2005-2035, the biggest gains are forecasted for jobs in transportation/warehousing/utilities (at 1.3% annually), followed closely by the construction and information sectors. A return to growth in construction employment will be linked not only to economic recovery, but to renewed financing capability and industrial and infrastructure investment, as well as private sector construction activity.

Service Sector Employment:

- Service sector jobs have increased rapidly since 1990. The most rapid growth rates are reported for education and health (up by 3.1% per year) and professional services (3%). The slowest growing service job sectors have been retail (up by just 1.0% per year) and government (1.1%).

- Overall, these service sectors have increased from about two-thirds (67%) of the nation's non-farm employment in 1990 to 73% as of 2005. The largest single service-related sector was government, at 16.3% as of 2005. This is followed by professional services and then retail.

Figure 10. U.S. Job Growth Rates (1990-2035)



Note: The category abbreviated as TWU denotes Transportation, Warehouse and Utilities.

Source: Global Insight, 2008 QR US Long-Term Outlook, as compiled by Metro.

- While all service sectors (except retail) are expected to add jobs, only professional services and education and health are projected to increase their share of the employment

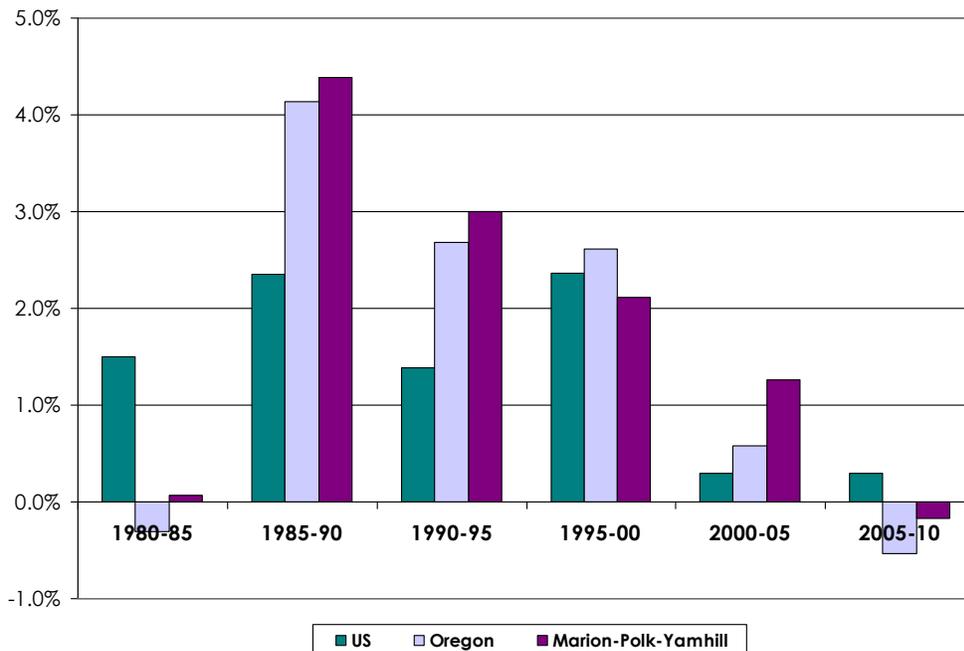
base across the U.S. over the next 25 years. Declining shares of total employment are projected for retail trade, financial activities, leisure and hospitality, and government.

OREGON & MID-WILLAMETTE VALUE EMPLOYMENT TRENDS & OUTLOOK

National trends and projections can be set in the context of Oregon and the Marion-Polk-Yamhill County region employment. Trend data is reviewed for a 30-year time period extending from 1980 to 2010.

National, Statewide & Mid-Valley Employment Growth Trends. Over a 30-year period extending from 1980-2010, patterns of employment growth nationally, in Oregon and for the Marion-Polk-Yamhill County region often have been similar – especially when viewed in terms of periods of rapid versus relatively slow growth.

Figure 11. Employment Growth Rates – U.S., Oregon & Marion-Polk-Yamhill Counties (1980-2010)



Note: Growth rates for 2005-2010 are estimates based on projections with the UGR prepared by Metro. Unless a strong rebound in employment growth is realized in the remaining months of 2010, it is unlikely that projected numbers will be fully realized. Data for Oregon and Marion-Polk-Yamhill Counties for 2010 is as of the second quarter in 2010.

Source: Metro, Oregon Employment Department, and E. D. Hovee & Company, LLC.

However, some key differences in these patterns can also be noted. Compared to the state and nation, the strongest periods of tri-county employment growth occurred from 1985-1995 and then again from 2000-2005. Since 2005, employment losses are noted both statewide and regionally, compared with modest 5-year employment gains nationally.

Statewide Forecast Employment Growth. Each year, the State of Oregon updates 10-year employment growth projections. Of particular note is that expectations of anticipated job growth have been substantially ratcheted down due to the unforeseen and severe effects of the economic recession:

- Statewide non-farm employment projections prepared by the Oregon Office of Economic Analysis (as of December 2008) indicated a projected job growth rate averaging 1.2% per year from 2006-15.
- A year later, the December 2009 forecast had been cut in half to just 0.6% per year of average annual job growth from 2006-15.⁸ This was a reflection of the severity of the recession, for example, with 2009 statewide employment now expected to be 73,200 jobs below what was forecast just one year earlier.
- The most recent forecast (December 2010) is further adjusted downward – to a current forecast of growth rate of only 0.3% from 2006-15. This most recent adjustment is an indicator of the delayed and sluggish nature of economic recovery to date. Statewide employment is now expected not to return back to 2006 levels until 2014.

Marion-Polk-Yamhill Economic Profile. In 2007, a *Regional Economic Profile & Strategic Assessment* was prepared for the 3-county mid-valley region under the auspices of SEDCOR as a regional economic development organization.⁹ Key demographic and economic trends noted with this 2007 tri-county assessment included the following:

- Over the 1980-2005 time period, three-county *employment* has increased by nearly 76% to a 2005 total of nearly 183,500 jobs. On average, employment has increased by 3,165 jobs per year – but with substantial cyclical variations noted.
- Of the major employment sectors in the region, *government* represented the single largest source of employment (with 42,800 jobs as of 2005), followed by manufacturing and then retail. The three-county region accounts for 27% of Oregon’s agricultural sales value – with Marion as the #1 county in the state.
- As was the case nationally, *manufacturing* also showed exceptionally strong job growth at the top of the last economic cycle – from about 2003 up to the recession. From 2001-2005, wages were also up – somewhat ahead of the rate of inflation.
- *Incomes* have lagged the state – at 95% of the household average for all of Oregon. By 2004, wage and salary income represented less than one-half (44%) of total personal income in the region.
- *Work commutes* typically are longer than elsewhere in the state, with a higher proportion working outside their county of residence. A major regional advantage is that, taken together, the three counties have more than 2,260 acres of *industrial land* – of which two-thirds is comprised of what are considered *first tier* industrial sites. The Mill Creek industrial area in proximity to Aumsville is a key contributor to this regional advantage. By comparison, the Oregon side of the Portland metro area has had an estimated 1,042 acres of Tier A industrial sites (as of 1999) – 30% less than the supply of Tier A sites identified for Marion, Polk and Yamhill Counties. This makes the mid-Willamette Valley

region well-positioned as an increasingly attractive alternative to the Portland metro area for industrial development.

Economic recovery from the last recession of 2000-01 was accompanied by a strong rebound in manufacturing and related industrial activity, both nationally and in the Marion-Polk-Yamhill region. With the more recent recession of 2007-09, the question now posed is whether this brief resurgence of industrial activity experienced in the last economic cycle represents an aberration in a long-term trend of continued decline of manufacturing, or whether this uptick signals opportunity for renewed competitiveness of tightly focused and technologically advanced U.S. industrial activity.

For the three-county SEDCOR region, more detailed analysis also was conducted using multiple economic measures of *comparative advantage* – including jobs concentration (relative to Oregon), number of jobs, average wage, value-added, output per worker, economic multiplier, change in job concentration, and change in sectoral employment since 1990.

From this analysis, five existing business and industry clusters were identified as offering strong comparative advantage for Marion, Polk and Yamhill Counties. Recommended was that the 3-county mid-valley region continue to focus on a short list of five existing clusters plus two emerging cluster opportunities:

- | <u>Existing Clusters</u> | <u>Emerging clusters</u> |
|---|-----------------------------------|
| ✓ Metals, machinery & equipment | ✓ I-5 business park development |
| ✓ Value-added forest products | ✓ Small business entrepreneurship |
| ✓ Agriculture, food & beverage products | |
| ✓ Specialty materials manufacturing | |
| ✓ Traded sector services | |

Building on existing clusters can be facilitated through continuing business and regional economic development initiatives coupled with statewide activities – including those of pertinent industry trade associations, the Oregon Economic and Community Development Department, and the Oregon Innovation Council.

The SEDCOR strategic assessment also included a review of existing regional strengths and weaknesses, identified as pivotal to current and continuing economic vitality. This was followed by outlining prospective opportunities and challenges – expected to affect future prospects for economic vitality both short and long-term.

This 3-county review of strengths, weaknesses, opportunities and threats (or SWOT) for economic development was summarized as follows:

Current Strengths

- ✓ Natural resources with metro proximity
- ✓ Population center with industrial land
- ✓ Small business innovation
- ✓ State capital with traded sector businesses
- ✓ Distinctive, livable communities

Current Weaknesses

- ✓ Low-skilled, low-wage labor force
- ✓ Air, rail & 99W transportation issues
- ✓ Education link to economic development?
- ✓ Slow state job growth & no urban sizzle
- ✓ Long intra-regional work commutes

Prospective Opportunities

- ✓ 21st century focus on the Pacific Rim
- ✓ Pacific Northwest icons
- ✓ Livability plus active lifestyle
- ✓ Ethic of green by design and “just do it”
- ✓ U.S. manufacturing resurgence

Prospective Challenges

- ✓ Job outsourcing
- ✓ Icon maturation – what’s next?
- ✓ Declining regional affordability
- ✓ Geographic isolation from U.S. markets
- ✓ Industrial sustainability?

Regional Analysis. As it has done for the rest of the state, in 2008 the Oregon Economic & Community Development Department (since renamed Oregon Business Development) also has prepared a regional analysis to evaluate the employment base, competitive industries and projected employment growth opportunities for a regional service area made up of Marion, Polk and Yamhill Counties.¹⁰ A goal of the state-prepared analysis was to help identify emerging issues and possible areas for strategic economic development initiatives.

Key findings of this most recent regional economic development analysis include the following:

- Employment in the 3-county region accounts for just over 10% of private sector employment in Oregon – with Marion County covering more than two-thirds of the region’s job base.
- Employment growth in each county of the region has been above the state average.
- As with incomes, average private sector wages have lagged the state.
- The region has been a net importer of business establishments – especially service and wholesale trade businesses which have accounted for the largest shares of net moves to the region.
- The share of retirement age workers (at 17.2% of the total work force) is somewhat above the statewide share (of 16.6%). Half of the region’s retirement age workers are in the three industries of education and health services, manufacturing, and retail trade. This means a potential need for replacement labor force in the years ahead, as workers of the *baby boom* generation continue to retire.

- Using competitiveness criteria of job concentration, high wages, and strong job growth rates (from 2004-2006), 58% of the industries in the region met only one competitive criterion. Two industry sectors met all three competitiveness criteria – Animal Production and Management of Companies & Enterprises.
- Looking forward, 11 sectors were identified as having high regional forecast job growth rates from 2006-2016 – with ambulatory health care services projected for a nearly 36% job gain over this period. Ten of the 11 sectors (all but agriculture and forestry support activities) are also noted as paying wages in the 3-county region that exceed comparable industry averages statewide.

Figure 12. High Growth Industries for Marion, Polk & Yamhill Counties (2006-2016)

Job Growth Sector (ranked highest to average growth rate)*
✓ Ambulatory Health Care Services
✓ Warehousing and Storage
✓ Hospitals
✓ Nursing and Residential Care Facilities
✓ Building Material and Garden Supply Stores
✓ Educational Services
✓ Administrative and Support Services
✓ Food Services and Drinking Places
✓ Furniture and Home Furnishings Stores
✓ Agriculture and Forestry Support Activities
✓ ISPs, Search Portals, and Data Processing

*Note: All sectors except agricultural and forestry support activities have wages as well as forecast job growth performing at above regional averages.

Source: Oregon Economic & Community Development Department, *Regional Analysis: Clackamas and Washington Counties*, April 2008.

Implications for Aumsville EOA.

Four broad implications of these national, state and regional trends, as well as forecasts, are noted as being of potential importance for economic opportunities over the next two decades in Aumsville:

- Despite a brief run-up mid-decade, the last 10 years from 2000-2010 have been a period of relatively modest economic and job growth nationally and statewide. This **slowing of economic growth** was in play even through the early to mid-portions of the decade, but was subsequently accentuated by the severity of the 2007-2009 economic recession.

While long-term forecasts assume eventual return to higher rates of growth, the timing and ultimate strength of the economic recovery remain extremely uncertain. Due to changing patterns affecting issues related to global demographics, competitiveness, public and private sector financing and climate change, there is greater risk that the pattern of economic growth over the next one to two decades may prove out as a period of much slower growth than what has been anticipated.

Urban and rural communities are well-advised to plan for more variability of growth and economic prosperity than in the past. Community readiness for economic development may prove to be of increased importance than in recent decades to realize benefits from a more limited pool of economic opportunities nationally and regionally. While particularly the case for the next 3-5 years, there is increasing likelihood that economic opportunities may remain challenged over a longer 10-20 year planning horizon as well.

- The national shift **from industrial to service jobs** is expected to constrain industrial activity as a continued source of higher wage jobs in Oregon and the mid-Willamette Valley. Some communities may buck these trends. Opportunities will be greatest for those communities located in close proximity to regional transportation systems, with diverse labor force capacity, and prepared with shovel-ready, regionally competitive business and industrial sites.

While located 8-9 miles from Interstate 5, Aumsville offers proximity to Oregon Highway 22 as a major highway connection between the Willamette Valley and Central Oregon. This location may be perceived as representing an opportunity or a challenge for transportation-dependent employers – depending on the specific needs of each company.

- Major sources of regional economic **spillover activity** could include any or some combination of: a) added residential base for commuters to either the Salem metro area (creating added demand for local retail and services); b) visitor-generated demand whether from pass-through or destination activities; c) industrial interest for manufacturing and distribution activities (especially independent companies); and/or d) small business entrepreneurs (“lone eagles”) who choose to operate their small business in a rural community that is readily accessible to urban services and amenities.
- The Aumsville City Council has expressed interest in outcomes that offer more local jobs and service opportunities for area residents, matched by commitments to expand lands available for industrial use, provide for interchange development, and revitalize the downtown area. This commitment is pivotal for realization of community economic development objectives over the 20-year planning horizon to the extent that these objectives can also be reinforced by **broad community support and implementation capability** in step with changing market demand.

It is to these economic development potentials that the remainder of this EOA now turns.

IV. ECONOMIC DEVELOPMENT POTENTIAL

This chapter of the EOA explores the question of economic development potential for the City of Aumsville over the 20-year period of the anticipated Comprehensive Plan update. This discussion begins with identification of factors that currently affect economic development opportunities in Aumsville. This is followed by characterization of factors that could affect economic development potentials over the next two decades.

Based on this discussion, employment forecast methodologies are identified and evaluated. Three employment growth scenarios are presented for consideration with this EOA – trend extrapolation, employment lands build-out, and jobs-population balance.¹¹

FACTORS CURRENTLY AFFECTING ECONOMIC DEVELOPMENT

Key factors that have influenced economic opportunities in Aumsville historically and/or in recent years include a well-established existing industrial base, the community's pivotal Highway 22 access, and proximity to the Salem metro area.

Existing Industrial Base. Aumsville has long relied on manufacturing and related industrial uses for a substantial portion of its local employment base. As of 2009, nearly half of employment in Aumsville consists of employment with industrial firms. By comparison, only 17% of jobs countywide are accounted for by industrial uses.

A key local employer is Blazer Industries – a manufacturer of custom commercial and specialty modular buildings headquartered in Aumsville. While employment losses have been experienced with the recession and decline of development activity, Blazer still accounts for the majority of industrial employment locally. However, job levels can be expected to return to or exceed prior levels with economic recovery, due to growing demand for cost-effective modular building solutions throughout the approximately 500-mile market area served by this production facility.¹²

There are another 19 industrial firms in Aumsville with covered employment, ranging up to 20 employees per firm (but with most businesses at three employees or less). These firms are involved in a range of activities – including construction/contracting, metals finishing, wholesale trade, and transportation activities.

The City has taken steps to assure continued capacity to facilitate expansion by existing firms plus business recruitment with recent annexation of approximately 80 acres designated for industrial use. As is further detailed by the buildable lands inventory in the next section of this EOA report, the City has 127 acres of net buildable land on properties with either Industrial (I) or Interchange Development (ID) designation – both of which allow industrial use.

Highway 22 Access. Situated on the State Highway 22 as the primary transportation route between the mid-valley and Central Oregon, Aumsville has the opportunity to benefit from corridor travel – both local and cross-mountain trips. As of 2009, the average daily traffic in the vicinity of the Shaw-Aumsville interchange was 19,300 vehicles per day.

While this is less than half the traffic volume experienced closer to I-5, traffic volumes on Highway 22 locally have increased since 2000 and have dropped closer to I-5. Even larger traffic volume declines post-2000 are noted further east, starting at about the Cascade Highway interchange at Stayton. Reasons for this shift in traffic volume are not entirely clear, though recent trends do suggest more emphasis on local commuter activity and less on visitor traffic to Central Oregon.

Traffic accessibility affects Aumsville economic opportunities in several ways, by offering:

- Commuter access for Aumsville residents to Salem metro area jobs – including the Mill Creek industrial area just 8-9 miles away.
- Access for residents of the larger trade area to varied commercial and retail service business locations – with choices available not only to Aumsville but also Salem to the west and Stayton to the east.
- A potentially convenient stopping off point for cross-mountain or recreational travelers for convenience services – augmented to the degree that Aumsville might also offer destination visitor appeal (whether for shopping or annual festivals and events).
- Truck transportation accessibility, which while not at I-5, is within a relatively reasonable distance of less than 10 miles – suitable for firms with lower I-5 dependence or those that might be oriented to serving both Central Oregon and mid-valley markets. The recent sitings of a major Lowe's distribution center in Lebanon and a Target distribution center in Albany demonstrate that sites five to ten miles from I-5 have significant potential for development even if they are not directly situated on I-5.

The ease of local and regional accessibility may not be readily apparent to visitors and prospective employers because most businesses are currently located away from the interchange. There is little visible connection from the Highway 22 corridor into the community.

However, the City of Aumsville is moving forward with planning to better serve both industrial and commercial opportunities with creation of the Interchange Development (ID) zone at the interchange location. To the extent that Aumsville properties are priced below those closer to the I-5 corridor, Aumsville may also be able to better attract industrial development interest in the years ahead.

Salem Metro Proximity. In recent years, the Salem metro area has expanded outward and increasingly in the direction of Aumsville. This has had the effect of shifting Aumsville's economic base from its historic agricultural heritage and more toward integration with the Salem metro area – as is evident by patterns ranging from work trip commutes to shopping.

While the sense of proximity is further enhanced by urban-rural connectivity of the Highway 22 corridor, other factors are also at work:

- Of considerable significance has been the emergence of the 500+ acre Mill Creek Corporate Center as the metro region's premier industrial development site. This area is home to a major state institution with the Mill Creek Correctional Facility. Recent private investments have included a regional Home Depot Distribution Center on a 50-acre

property and FedEx development of a 9-acre site. Even with these recruitments, the Mill Creek Corporate Center is still promoted as “the largest undeveloped industrial site along Interstate 5 in the region,” with more than 400 acres remaining in direct proximity to the freeway at Highway 22.¹³

- Other economic activity has gravitated to the vicinity of the I-5/Highway 22 interchange – including the Salem Municipal Airport (with expanded terminal facilities) as well as more recent uses of new state office facilities, major retail centers and large stand-alone stores (such as Lowe’s, Walmart, and Costco), together with nationally recognized lodging establishments.
- With added industrial, retail and institutional employment has come substantially increased residential activity expanding into nearby previously rural communities. While a 4-mile trade area with approximately 13,800 residents is most proximate to Stayton, at 10 miles reaching into SE Salem is a total population base of about 153,600. From 2000-2010, this larger trade area has experienced population growth of 23% , compared to just over 13% for the 4-mile trade area and less than a 13% population growth factor for all of Marion County. Population growth brings both added labor force and purchasing power to the SE quadrant of the Salem metro area and Marion County – boosting economic prospects not only of SE Salem but also nearby communities including Aumsville and Turner.
- As Aumsville becomes more economically integrated with the larger Salem regional market, it can provide niche opportunities within that overall larger market area. Providing well serviced and configured industrial land at lower costs than in the Salem industrial parks clearly represents one potential niche. Another is providing for specialty retail stores or services that offer a regional as well as local draw, such as stores that focus on agricultural specialties.

Encroaching urbanization carries both positive and negative implications for the smaller and previously primarily rural community of Aumsville. Major positives include an increased labor force on which Aumsville businesses can draw, together with potential shoppers (especially if developed as a small town regional destination). There are also spill-over opportunities for firms that want to be near the Mill Creek industrial area but sited at a lower cost, less congested location.

Negatives are that greater urban proximity may pull workers, shoppers and businesses more in the direction of the urban area than back to Aumsville – especially in the near-term. While this has been an outcome experienced by exurban communities both in Oregon and elsewhere, there is also evidence of communities that are working to capitalize on this proximity through proactive initiative to draw new investment made possible by increased economic linkages to nearby urban centers. Aumsville does not necessarily have to compete with that market, but rather find its unique place within the local and regional market and thereby prosper along with anticipated regional growth in the years ahead.

FACTORS PROSPECTIVELY AFFECTING ECONOMIC DEVELOPMENT

Looking to the future, factors that prospectively could affect Aumsville’s economic opportunities over the 20-year time frame of the City’s Comprehensive Plan update are identified to include

industrial enhancement, interchange development, downtown revitalization, small business and home occupation opportunities, and recreational opportunity. Each topic is briefly considered, in turn.

Industrial Enhancement. By providing well-located *shovel ready* sites with appropriate zoning, available infrastructure and diverse site size, there is good opportunity for Aumsville to better assure that needs of expanding local businesses can be met and to attract new business that wants proximity to an urban area without being directly located in the urban core.

These edge-of-metro sites are especially appealing to companies whose owners make location decisions for quality of life as well as bottom line business reasons. Aumsville property opportunities are most effectively marketed in conjunction with regional (SEDCOR) and state economic development organizations working together with property owner and real estate brokerage interests.

Interchange Development. With nearly 58 acres of net buildable land now designated as an Interchange Development (ID) zone, Aumsville has the opportunity to better capitalize on proximity to and visibility from the Highway 22 interchange with Shaw and Aumsville Roads. Zoning provides flexibility for a mix of industrial and commercial uses. Larger sites are better suited to the needs of contemporary retail stores for competitive store sizes meeting day-to-day shopper needs. Larger store sizes mean that retailers often need to serve not just Aumsville residents, but a larger trade area extending east from Salem that offers a larger critical mass of customers needed for business sustainability.

For Aumsville's Interchange Development (ID) zone, emphasis is appropriately placed by the City's Development Ordinance on quality of site design. As the primary transportation entry point into the community, presenting an inviting and distinctive small town image is critical to Aumsville's economic opportunities not only at the interchange, but throughout the community.

Downtown Revitalization. Like many communities across Oregon, Aumsville has had a long-standing interest in improved opportunities for its traditional downtown shopping area. The downtown comprises most of the Commercial (CL) zoning for Aumsville, though commercial uses are allowed with Interchange Development as well.

In 2009, an *Aumsville Community Assessment Report* was conducted by the Oregon Main Street Program with the (then) Oregon Economic and Community Development Department. The assessment noted the key economic strength of the community being the presence of the "day to day conveniences including a health clinic, gas station, coffee shops (2), bank, grocery/convenience stores (4), hair salons, restaurants (5+), auto and other services." Many, but not all, of these commercial retail and service businesses are located in the downtown area.

The first weakness cited by the 2009 Main Street assessment is "limited/no business synergy on Main Street." Related issues include downtown location in an area readily convenient to serve a larger trade area and proximity both to Stayton and Salem's large commercial offerings (including "big box" stores) within an "easy drive."

Near-term, revitalization prospects may be further challenged by effects of the December 2010 tornado which most severely affected downtown Main Street buildings. Longer term, the combination of this natural catastrophe and changing local/regional shopping patterns may make this an important time to also evaluate best options for short and long-term economic vitality.

Uses that offer potentially viable prospects over the 20-year planning period could include some mix of:

- Small scale convenience and specialty retail – especially those types of business which can effectively draw and serve both local and non-local customers.
- Large scale specialty retail or service uses that capitalize on the agricultural setting, such as a large-animal veterinary hospital, a tack store, or a major riding stable or arena with supporting retail uses. While the City cannot mandate that these types of uses occur, it can provide appropriately zoned and serviced land. The City can also participate in initiatives to actively promote and facilitate these local as well as regionally-oriented economic development opportunities.
- Local professional offices, financial and related service businesses – including both free standing/single user buildings and multi-tenant spaces offering common tenant services.
- Civic anchors – as with continued or expanded presence of City facilities, the post office, and local churches (and community events as might be possible with a Downtown Plaza).
- Consideration of expanded, moderate density residential options in or near downtown – as with townhomes, small apartments, live-work options, and mixed-use developments that provide retail services at the ground floor corners of multi-family residential buildings.
- Improved linkages to Mill Creek as a pivotal community amenity just south of Main Street – including recreational enhancement and commercial/residential development as suitable sites are available.

Small Business & Home Occupation Options. With the exception of Blazer Industries and Aumsville schools, there are no other local employers that account for more than 30 jobs. Average firm size is just over 9 employees per establishment; median firm size is even smaller, at just two covered employees per establishment.

Much of the community's small business activity takes place out of a residential location. The 2009 *Aumsville Community Assessment Report* notes that as many as 60 home based businesses operate locally. The City of Aumsville's web-based business directory indicates that there are more home occupations than commercial businesses.¹⁴

While larger businesses are important as a source of jobs for residents (who are not in business on their own), the likelihood is that the small business and home occupations will continue to represent the bulk of establishments for the foreseeable future. This suggests the need for continued attention to City codes and regulations – to assure flexibility and problem solving orientation for small business and home occupation uses while also assuring that such uses are compatible with neighboring activities (especially for those located in residentially zoned areas). Flexible codes may also create opportunity for local business development that supports and

encourages expansion of home based businesses or other entrepreneurial businesses as they expand beyond a home location. Examples of such options may be noted for businesses such as with shipping firms, professional service businesses, internet oriented firms. Also noted are opportunities for related service businesses such as coffee shops and restaurants with private meeting rooms catering to the needs of local business owners and entrepreneurs.

Recreational Opportunity. Parks are important to Aumsville residents. Over three-quarters (76%) of persons responding to a 2008 community survey indicated that they have visited Porter-Boone Park – on Mill Creek just to the west of downtown’s Main Street. Mill Creek Park, Wildwood Park and Brian Haney Skatepark also are well-frequented.

Aumsville is also well-positioned as a gateway to the diverse public and private recreational options available in proximity to the Santiam/Highway 20 corridor – including access to national forest lands, state parks, and the Oregon Garden. In addition to open space and recreation facilities, the community is also well-known for its annual Corn Festival, attracting at least 1,000 people every August. A farmer’s market has been identified as an opportunity for expanded seasonal use, building on the region’s agricultural heritage.

Looking ahead, a substantial opportunity might be to better link recreation with commercial opportunity – due to close proximity of related amenities offered by downtown, Mill Creek, and well-utilized local parks. Direct walking and biking path connections from downtown to and along Mill Creek would facilitate these connections, as would opportunities for mixed-use commercial, residential and civic facility development fronting the creek (upland from the floodplain).

EMPLOYMENT GROWTH & LAND NEED SCENARIOS

Based on this review of factors of importance to economic opportunity both currently and prospectively, it is now possible to more explicitly consider future employment growth and related land needs with update of Aumsville’s Comprehensive Plan. Rather than recommend a single specific path, this EOA outlines several optional directions that might be considered for economic development in the years ahead. This is consistent with the observation that economic opportunities are not predetermined, but can be actively influenced by local choices and priorities related to creating and sustaining economic opportunity.

Forecast Methodologies Available. A range of methodologies are potentially available for local jurisdiction employment forecasts.¹⁵ These methodologies include:

- 1) Extrapolation of historic local jurisdiction growth trends.
- 2) A jobs-population based projection (as might be consistent with recently updated population projection for Aumsville).
- 3) Proportional share of forecast regional or countywide employment growth.
- 4) Aspirational scenarios (reflecting other local planning documents as reflected by community visioning, community assessment or strategic planning processes).
- 5) Other options or possible hybrid/combination of the above.

Aumsville EOA Forecast Scenarios. With this EOA, three scenarios are outlined and evaluated. These contrasting scenarios are predicated on: a) trend extrapolation (or baseline) employment growth; b) build-out of the current UGB; and c) jobs-population balance:

A. Trend Extrapolation is based on projecting employment changes experienced over the last few years continued over a longer term 20-year forecast horizon. From 2003-2009, industrial and retail job losses were experienced while service sector jobs increased by an average of 12.5 jobs per year. Assuming that industrial and retail jobs remain constant (or result in no change in net land need), virtually all employment growth would consist of added service and governmental/education sector jobs – equating to 250 added jobs over 20 years.

B. Build-Out Scenario illustrates employment and use potentials if existing buildable lands that are currently designated for commercial, industrial and interchange development uses were to be fully developed by 2030. As will be further detailed in the next section to this report, anticipated capacity of 138 acres of net buildable employment lands (excluding Public use lands) could accommodate an estimated 1,550 added jobs when fully developed. Added jobs would be allocated approximately 37% to expanded or new industrial uses, 33% to service (including government/education) employment, and 30% to retail.

C. Jobs-Population Balance is predicated on achieving jobs adequate to serve local population needs at a jobs-to-population ratio similar to that of Marion County and the state of Oregon. This scenario illustrates results of bringing the Aumsville jobs-to-population ratio up from the current figure of 0.14 to the county/statewide average of 0.42 jobs per resident. Approximately 1,910 added jobs would need to be created in Aumsville over a 20-year forecast to achieve this potential policy and planning target. The distribution of added employment would be similar to that of the build-out scenario – with 39% as net new service sector, 35% as industrial, and 26% as retail jobs.

Consistent with these potential forecast scenarios, the next section of this EOA now addresses associated Employment Land Needs – beginning with an updated industrial and commercial site inventory.

V. EMPLOYMENT LAND NEEDS

Consistent with the employment forecast process, the focus of this EOA is on the employment-related portion of industrial and commercial land use needs both currently and over a 20-year time horizon extending from 2010 to 2030. This discussion begins with a review of land use inventories conducted for the City followed by comparison with industrial and commercial land use needs pursuant to each of the forecast scenarios considered.

INDUSTRIAL & COMMERCIAL SITE INVENTORY

This EOA draws from a recently completed *Buildable Lands Inventory* completed as part of the City of Aumsville Comprehensive Plan update. As of 2010, there are an estimated 561 acres covering all land uses (by zoning designation) within the Aumsville city limits. This includes already developed lands that are vacant. There are another 128 acres within the as yet unincorporated portion of the Urban Growth Boundary – comprising a total of 689 UGB acres (both in and outside the city).

Lands designated for employment use comprise 135 acres within the city limits – or 24% of the in-city uses. Other designations include single and multi-family and public zoning. Within the UGB (both in and outside the city), employment designated lands total 217 acres – or 31% of total UGA land area.

Employment Land Zoning Designations. Three zoning designations are provided with lands designated primarily for employment use by the Aumsville Development Ordinance:

- **Commercial (CL)** – covering a wide range of retail and service business uses permitted outright with conditional use designations for uses that are larger or have more potential effect on neighboring properties (such as auto uses, lodging, establishments serving alcohol, amusement/recreation, and major public assembly places). Industrial uses are not allowed.
- **Industrial (I)** – allowing as permitted uses a wide range of agriculture/forestry, construction, manufacturing, transportation/electric, and more intensive retail/wholesale as well as service uses.
- **Interchange Development (ID)** – intended to provide for a mix of industrial, commercial and office uses on property proximate to the State Highway 22 interchange. Conditional uses include convenience stores, service stations, and dining (other than drive through/specialty restaurants which are allowed outright). Quality of site design is emphasized both for outright permitted and conditional uses.

The CL and I designations were last updated in 2000; provisions for the ID zone were amended as of 2009.¹⁶ A separate zoning designation of Public (P) may account for some government related employment uses and churches but are viewed as not likely to accommodate substantial added job growth in the future. Similarly, some employment occurs within residential areas as home occupation activities (often by sole proprietors). Due to restrictions on employment, no net added covered job growth is allocated to residential areas.

Existing City & UGB Employment Land Inventory. Of the 217 employment designated acres in Aumsville’s UGB, 118 acres (54%) are noted as vacant – with the remaining 46% as either partially or fully developed.

Figure 13. Employment Acreage in Aumsville City Limits & UGB (2010)

Use / Zoning Designation	City of Aumsville		Aumsville UGB	
	Total	Vacant	Total	Vacant
Commercial	31.07	8.46	31.07	8.46
Industrial	57.07	16.24	126.83	61.68
Interchange Development	47.00	38.06	59.53	47.94
Total Employment Lands	135.14	62.76	217.43	118.07

Source: City of Aumsville in cooperation with Mid-Willamette Valley Council of Governments and MorganCPS, *Buildable Lands Inventory*, 2010.

The vacant buildable inventory currently within the City of Aumsville is estimated at 63 acres – accounting for just over half (53%) of the total UGB vacant inventory. Nearly half (47%) of vacant UGB employment land is located outside Aumsville’s current city limits. The remainder of this analysis is focused primarily on the full UGB employment land inventory – covering properties located both in and outside Aumsville’s city limits.

Distribution of Vacant Employment Land Inventory. Based on the 2010 *Buildable Lands Inventory*, an estimated 102 currently vacant acres have been identified as net buildable. This determination of net buildable is based on review of constraints that are expected to render about 16 acres (13%) of the employment land inventory as unbuildable. Site areas determined as unbuildable are located within designated floodplains – with no exclusions for wetlands.

Figure 14. Vacant UGB Employment Land Acreage (2010)

	Acreage	Unbuildable Employment Acreage			Remaining
	Total	Wetland	Flood	Subtotal	Net Buildable
Commercial	8.46	-	2.14	2.14	6.32
Industrial	61.68	-	13.68	13.68	48.00
Interchange Development	47.94	-	0.00	0.00	47.94
Total Employment Lands	118.07	-	15.82	15.82	102.26

Source: City of Aumsville in cooperation with Mid-Willamette Valley Council of Governments and MorganCPS, *Buildable Lands Inventory*, 2010.

The largest portions of the *net buildable* lands inventory are noted as designated for industrial or interchange development related uses (about 48 acres each). Only 6 acres are designated for commercial use and currently vacant.

Partially Vacant Employment Land Inventory. In addition to properties that are fully vacant undeveloped, there are some properties in Aumsville that are partially developed for

employment use but also partially vacant. These sites total 45 acres – or 35 added acres that are not fully vacant properties but representing portions of properties identified as net developable.

Figure 15. Partially Vacant UGB Employment Land Acreage (2010)

Use / Zoning Designation	Acreage		Unbuildable Employment Acreage		Remaining
	Total	Wetland	Flood	Subtotal	Net Buildable
Commercial	9.45	0.50	4.84	5.34	4.11
Industrial	26.04		4.71	4.71	21.33
Interchange Development	9.92			-	9.92
Total Employment Lands	45.42	0.50	9.55	10.05	35.37

Source: City of Aumsville in cooperation with Mid-Willamette Valley Council of Governments and MorganCPS, *Buildable Lands Inventory*, 2010.

The most significant addition to the net buildable land supply is noted for industrially designated parcels – with an added 21 acres of land on partially vacant properties. An estimated four acres of commercial land and nearly 10 acres of interchange development designated land are also added to the net buildable inventory.

Net Buildable UGB Employment Land. As illustrated by the chart below and depicted by the map on the following page, total net buildable employment lands are estimated at 137-138 acres. This represents the sum net buildable inventory of just over 102 vacant plus 35 partially vacant acres.

Figure 16. Net Buildable UGB Employment Land (2010)

Use / Zoning Designation	Acres Net	% Buildable
	Buildable	of Total
Commercial	10.43	33.6%
Industrial	69.33	54.7%
Interchange Development	57.86	97.2%
Total Employment Lands	137.62	63.3%

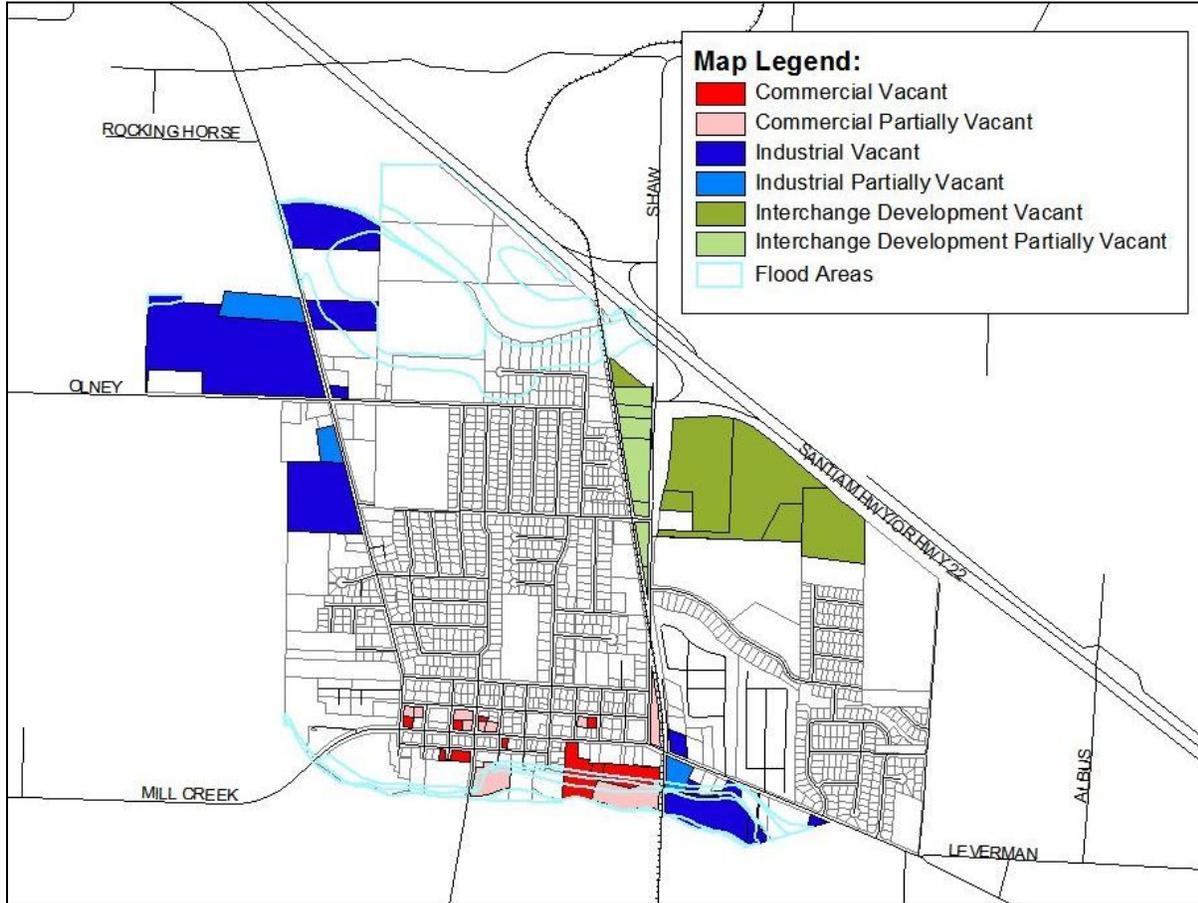
Note: Inventory analysis was completed prior to the December 2010 tornado that affected properties in the downtown commercially zoned area. Potential effects on the commercial inventory have not been determined as of the date of this review draft EOA report.

Source: City of Aumsville in cooperation with Mid-Willamette Valley Council of Governments and MorganCPS, *Buildable Lands Inventory*, 2010.

Of Aumsville’s net buildable inventory, industrial accounts for 69 acres followed by interchange development with 58 acres and commercial with just over 10 net buildable acres. The nearly 138 acres of net buildable land represents 63% of all employment designated land in the Aumsville UGB – including lands already developed as well as undeveloped.

Remaining buildable lands comprise only one-third of all commercially designated properties (with two-thirds already developed). By contrast, over 97% of the land area designated for future interchange development remains as yet undeveloped.

Figure 17. City + UGB Employment Lands Buildable Inventory



Note: Inventory analysis was completed prior to the December 2010 tornado that affected properties in the downtown commercially zoned area. Potential effects on the commercial inventory have not been determined as of the date of this review draft EOA report.

Source: Marion County and City of Aumsville in cooperation with Mid-Willamette Valley Council of Governments and MorganCPS, *Buildable Lands Inventory*, 2010.

As is illustrated by the above map, buildable **Industrial (I)** sites are located primarily toward the northwest portion of Aumsville and its unincorporated UGB, in proximity to existing industrial uses. Some industrial acreage is located at the east end of the downtown, though much of this inventory is not readily buildable due to floodplain location.

Buildable **Commercial (CL)** lands are located in downtown on Main Street and with sites also situated south of Main and the north side of Mill Creek. Much of the Mill Creek portion of the commercial inventory may be not readily buildable due to floodplain designation.

Interchange Development (ID) properties are situated on the north side of Aumsville directly at the interchange of Oregon Highway 22 and Shaw Highway/North 1st Street. No properties are identified as being floodplain constrained, though a portion of the inventory (west of 1st) has some existing structures and so is identified as partially vacant.

LONG-TERM NEED DETERMINATION

This EOA identifies employment growth and associated needs for industrial, commercial and interchange development uses over a 20-year forecast time horizon extending from 2010-2030. As noted, long-term job and associated land needs are outlined with three scenarios:

- A. Trend Extrapolation** based on projecting employment changes experienced over the last few years continued over a longer term 20-year forecast horizon.
- B. Build-Out Scenario** illustrating employment and use potentials if existing buildable lands that are currently designated for commercial, industrial and interchange development uses were to be fully developed by 2030.
- C. Jobs-Population Balance** predicated on achieving jobs adequate to serve local population needs at a jobs-to-population ratio similar to that of Marion County and the State of Oregon.

Added employment and resulting land needs are calculated for each of these three scenarios, by land use designation. Results are then compared with the existing buildable lands inventory.

Scenario Results. Comparative tabular results of these three scenarios are illustrated by the chart on the following page. For each scenario, 20-year forecast results are provided in terms of added employment and associated needs for buildable land designated for industrial, commercial and/or interchange development use:

- A wide range of job and associated employment land needs is associated with these alternative EOA forecast scenarios. The range of prospective job growth is from a net added 250 jobs with Scenario A to 1,910 jobs with Scenario C.
- Associated employment land needs range from less than 20 acres to more than 180 acres over the 20-year forecast period. However, it is assumed that most or all of government and educational land needs will occur on land designated for Public (P) use rather than on property designated strictly for industrial, commercial or interchange development use – as consistent with City practice. Consequently, acreage needs indicated for employment lands designated for industrial, commercial or interchange development use are adjusted down somewhat to a range of less than 10 to just over 170 acres.
- The existing inventory of buildable employment lands is expected to prove adequate to meet job growth associated with either Scenario A or B. Assuming continuation of recent employment trends focused on service and public sector job growth, Scenario A could be accommodated with little to no need for added employment on lands designated for industrial or interchange development. Conversely, Scenario C predicated on jobs-population balance would generate a need for more than 170 acres of employment designated land. This would be 30-35 acres more than what is currently provided by the net buildable inventory for all employment designated lands of approximately 138 acres.

With all three scenarios, land designated for Commercial (CL) use is assumed to be allocated only for commercial retail and service uses. Land zoned for Industrial (I) use is allocated only for industrial employment activity. Buildable lands designated for Interchange Development (ID) are allocated to a mix of commercial and industrial uses – particularly retail.

Figure 18. Aumsville Employment & Land Need Scenarios (2010-30)

	Added Employment & Industrial - Commercial Land Needs				
	Added Jobs Forecast	Acreage Need By Land Use Designation			
		Total Acreage	Commercial	Industrial	Interchange Development
Buildable Lands Inventory		137.62	10.43	69.33	57.86
A. Trend Extrapolation					
Industrial	-	-	-	-	-
Retail*	-	-	-	-	-
Services*	120	8.10	8.10	-	-
Government & Education**	130	10.50	-	-	-
Total Forecast Need	250	18.60	8.10	-	-
Need w/o Govt & Education	120	8.10	8.10	-	-
Job Land Surplus/(Shortage)		129.52	2.33	69.33	57.86
B. Build-Out					
Industrial	570	86.69	-	69.33	17.36
Retail*	470	25.23	2.09	-	23.14
Services*	380	25.70	8.35	-	17.36
Government & Education**	130	10.86	-	-	-
Total Forecast Need	1,550	148.48	10.43	69.33	57.86
Need w/o Govt & Education	1,420	137.62	10.43	69.33	57.86
Job Land Surplus/(Shortage)		-	-	-	-
C Jobs-Population Balance					
Industrial	670	102.50	-	90.93	11.57
Retail*	490	26.40	3.26	-	23.14
Services*	620	41.90	18.76	-	23.14
Government & Education**	130	10.50	-	-	-
Total Forecast Need	1,910	181.30	22.01	90.93	57.86
Need w/o Govt & Education	1,780	170.80	22.01	90.93	57.86
Job Land Surplus/(Shortage)		(33.18)	(11.58)	(21.60)	-

Notes: * With the North American Industry Classification System (NAICS), dining is classified with service and not retail use.

** Government and education uses are generally assumed to occur on lands zoned for Public (P) use and not on lands designated for industrial, commercial and/or interchange development use.

Source: E. D. Hovee & Company, LLC. See appendix for more detailed assumptions regarding employment and development intensity by employment sector grouping.

Employment Scenario Assumptions & Implications. A more detailed evaluation of implications of these alternative approaches to determining employment land needs is considered by scenario:

- **A. Trend Extrapolation** assumes continuation of job changes experienced in the 6 years from 2003-2009, albeit with no further erosion of industrial and retail job base. If these trends were to continue, virtually all of Aumsville’s job growth over a 20-year horizon would be focused on service together with government and education related employment. As the industrial and retail sectors have experienced net job loss in recent

years, no substantial future job growth would be anticipated for these two sectors with this trend extrapolation scenario.

The approximately 250 net new jobs forecast with this scenario would require less than 10 acres of added employment land – well within the capacity of the buildable inventory estimated at 138 acres. The ratio of jobs to population in Aumsville would drop slightly – from 0.14 to 0.13 local jobs to resident – falling further behind the county and statewide average of 0.42 jobs per resident.

- **B. Build-Out Scenario** illustrates the implications of using all designated buildable land for employment, resulting in about 1,550 added jobs between 2010 and 2030. If this scenario were to be realized, employment in Aumsville in 2030 would be about quadruple current 2010 levels.

This scenario assumes that all of designated industrial land plus 30% of the land designated for interchange development results in industrial uses – with all of the land designated for commercial and 70% of the land designated for interchange development leading to commercial retail and service use. Substantial retail development is anticipated, primarily in or near the interchange level, nearly reaching the maximum threshold (95%) of what is potentially supportable within the approximately 4-mile trade area and/or with substantial expansion of visitor spending.

This scenario results in 570 net added industrial jobs – well above the experience of no added job growth in recent years but below the proportion of industrial employment that Aumsville historically has experienced. The ratio of all local jobs to population in Aumsville would increase substantially – up from 0.14 to 0.36 jobs to resident – but remaining below the county and statewide average jobs-population ratio of 0.42.

- **C. Jobs-Population Balance** depicts the implications of reaching the county and statewide ratio of 0.42 jobs per resident in Aumsville by 2030. If realized, this scenario would result in an added 1,910 jobs within the city and UGB. Job growth would be accompanied by employment designated land need for more than 170 acres – about 35-40 acres more than what is currently identified by the inventory of buildable employment lands within Aumsville’s UGB.

Approximately 35% of added employment would be associated with industrial use. Retail would expand to the full levels of employment supported by 4-mile trade area potentials.

Whether or not this represents a realistic opportunity for a smaller mid-valley community like Aumsville remains a topic for added community discussion. Rather than obtaining jobs-population (or jobs-housing) balance within each community, what may be important is to aim for balance across the greater Salem metro / mid-valley area.

Long-Term Need Summary. As noted, an adequate inventory of buildable lands is expected to be available to meet needs associated with the Scenarios A and B forecast projections. Conversely, the long-term need could prove to exceed inventory capacity in the event that Scenario C (for jobs-population balance) was to be selected as the City of Aumsville’s employment target. Specific acreage needs are discussed further with the section regarding Assessment of Potential later in this EOA report.

With Scenario C, approximately 35-40 additional acres of employment land would be needed – with about 65% of the added land need for industrial and 35% for commercial use. Means that could be considered to meet this expanded need for building development and associated employment land area one or more of the following measures:

- Increasing the proportion of land that is buildable – as could be considered if floodplain land proved to be buildable with adequate mitigation measures (such as elevation with fill or floodproofing of buildings on site).
- Securing other sites within the current UGB for employment use – likely requiring re-designation of lands to employment use from other uses.
- Redevelopment of vacant buildings that might not currently be part of the vacant inventory – including possible application, for example, to structures damaged by the December 2010 tornado.
- Increasing job density on commercial and employment sites above what is currently projected – by measures such as reducing parking/landscaping allocations and/or two-story development (especially for service commercial uses).
- Expansion of Aumsville’s Urban Growth Boundary (UGB) – with sites served by infrastructure and otherwise suitable for the type of industrial or commercial development intended.

As noted, these measures would not be required with Scenarios A or B but would be applicable only with Scenario C.

SHORT-TERM NEED DETERMINATION

In addition to review of long-term 20-year needs, OAR 660-009-0005 also requires identification of a short-term supply of land meaning “suitable land that is ready for construction within one year of an application for a building permit or request for service extension.” OAR 660-009-0025 also stipulates that cities must provide “at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.”

Utility Infrastructure Capacity. Preliminary review for infrastructure capacity of the City of Aumsville indicates that adequate water and sewer systems capacity exists throughout Aumsville for a full range of industrial and commercial uses. However, utility extensions may be necessary with the Scenario B or C employment forecast alternatives – to provide needed urban utility services to the boundaries of some (primarily larger) properties:

- There is adequate utility systems capacity to serve land designated for **Industrial (I)** use and many properties have service directly to the site. However, it is noted that the recently annexed Schaefer property will require extension of existing water and sanitary sewer services to the west right-of-way (ROW) of 11th Street.¹⁷
- Buildable **Commercial (CL)** lands in the downtown area are well-served by existing utility and street infrastructure with no specific needs noted other than what might be required on-site for a specific development.

- Adequate utility systems capacity is also available to serve sites designated for **Interchange Development (ID)**. For the Blue Sky property, development will be predicated on extension of existing water and sanitary sewer lines to the east ROW of 1st Street.¹⁸

Transportation Infrastructure Capacity. Virtually all of Aumsville’s buildable inventory of employment designated land has some form of road access to the site. Most of the buildable industrial inventory is located in proximity to N. 11th Street/Aumsville Highway.

While existing road infrastructure is viewed as likely adequate for at least initial development of the recently annexed Schaefer property, full build-out of this site could be expected to require significant roadway improvements. This is currently anticipated as a responsibility primarily of the property owner and/or site developer.

Commercial and industrial sites in the downtown also are all served with existing street infrastructure. However, some improvements may be warranted if major redevelopment occurs, for example, with vacant parcels on Washington Street just north of Mill Creek.

Sites designated for interchange development are served by N. 1st/Shaw Highway in proximity to the Highway 22 interchange. Access to the southern boundary of this property assemblage is also available via Gordon Lane SE. However, internal access, road and circulation improvements likely will be necessitated as development occurs, with configurations reflecting master planning that will be subject to City and ODOT approval. While existing road infrastructure is viewed as likely adequate for at least initial development of the Blue Sky property, full build-out could be expected to require significant roadway improvements – currently anticipated as a responsibility of the property owner and/or site developer. The City will need to carefully manage development of the interchange area so as to optimize the City’s objectives for economic development in balance with state objectives for maintaining the function of the highway.

Short-Term Need Summary. In summary, this initial assessment indicates that Aumsville appears to have the water and sewer utility capacity in place to more than adequately serve both short and long-term needs for both industrially and commercially designated properties. Similarly, short-term transportation needs appear to be within the capacity of what can be served by the existing roadway system.

While some level of utility extension investment can be expected for development of above-noted major industrial and interchange properties, these can be expected to be at a cost supportable and within the typical responsibility of the property owner and developer. Any public funding support that might be considered could appropriately be viewed as an added competitive incentive for economic development rather than as a factor that would necessarily preclude development short or long-term.

Assuming full availability and development suitability of the buildable lands inventory, short-term (5-year) needs as stipulated by DLCD appear to be well met with any of the three employment scenarios considered. In effect, the minimum inventory of sites needed to meet 5-year needs are calculated as:

- Only two acres with Scenario A – requiring use of just 1-2% of the buildable lands inventory designated for employment use.
- 34 acres with Scenario B – utilizing 25% of the buildable employment lands inventory.
- 43 acres with Scenario C – utilizing 31% of the overall employment buildable lands inventory currently within the City and adjoining unincorporated UGB of Aumsville.

ASSESSMENT OF POTENTIAL

Consistent with EOA documentation requirements, the foregoing analysis can be used to determine specific objectives related to the process and reductions with the cost and risk associated with designating added employment land, if needed. Based on comparison of the preceding determination of forecast scenarios with the inventory of designated vacant buildable sites, no additional commercial or industrial sites are anticipated as needed over the 20-year planning horizon if either the Scenario A or B forecast are selected as a result of this EOA. With Scenario C, added land designated for commercial and industrial use could be required.

Consistent with past practice, it is anticipated that the City of Aumsville Comprehensive Plan update would not include the longer term prospect for 30-year reserves extending beyond the duration of this 20-year plan update.

Number of Sites Needed for the Planning Period. A review of the Buildable Lands Inventory database indicates that there are:

- 21 buildable sites designated for **Commercial (CL)** use – averaging 0.50 buildable acres per site (and with the largest single site at less than 2.6 acres).
- 15 buildable sites designated for **Industrial (I)** use – averaging 4.6 buildable acres per site (with the largest single site at about 31.7 acres).
- 13 buildable sites designated for **Interchange-Development (ID)** use – averaging 4.5 buildable acres per site (with the largest single site at 16.8 acres).

The distribution of buildable parcel sizing appears more than adequate if sizes of businesses similar to those of current users continue into the future. The typical commercial business currently in Aumsville operates on a site of less than one acre.

The typical industrial user would be expected to require less than two acres. There are only a handful of employers that have the employment base or land extensive operations requiring larger sites; however, these larger employers account for about three-quarters of total industrial employment.

With **Scenario A**, virtually all of the net job growth is oriented to service uses, most of which would continue to be accommodated on smaller sites, except possibly for expansion of some governmental and educational uses (anticipated to occur on lands zoned for Public use).

Scenarios B and C should be accompanied by allocation for a broader distribution of site sizes. Assuming continuation of current firm size patterns, approximately three-quarters of *industrial* employment growth would consist of firms of 20+ employees. In the case of Scenario B (with

need for 87 acres), this would be most appropriately accommodated by at least 50 acres in sites of 5+ acres, including at least one site of 20-40 acres. With Scenario C (for 103 acres of industrial property), one additional large parcel in the 20-40 acre size range would be recommended – for a total of two large 20-40 acre sites.

Scenarios B and C indicate potential for about 25-26 acres of land for *retail use* – most of which would be accommodated with the Interchange Development (ID) zone. One parcel in the range of 15-20 acres is suggested – sufficient to accommodate a competitive, planned, multi-tenant community center with grocery and/or general merchandise anchor(s) together with highway-oriented commercial.

Scenarios B and C also indicate potential need for between 26 to 42 acres for *service uses* (ranging from professional offices to dining). Much of the service business needs should be accommodated on sites of 5 acres or less.

Governmental and education uses generally are planned to be accommodated on land designated for Public (P) use. Due to recent facility expansions, existing buildings and lands designated are viewed as generally adequate to meet growth needs anticipated for the foreseeable future. However, if needs exceeded what current sites can accommodate, the City might be in the position of looking to re-designate additional lands to a Public use zone.

Such re-designation could occur from lands currently zoned for employment or residential use (as with schools). In the event that lands now zoned for industrial, commercial or interchange development were to be reallocated for Public use, consideration should be given to offsets as needed to assure continued adequacy of lands for private employment growth.

Types & Amounts of Industrial & Other Employment Uses Likely to Occur in the Planning Area. The employment and land forecast scenarios all address three major types of employment land uses currently in Aumsville and anticipated for the future:

- Commercial (CL) – including retail and service uses (but not planned to be needed to accommodate any significant share of public sector/educational job growth)
- Industrial (I) – including construction, manufacturing, wholesale/distribution, transportation, and utilities
- Interchange Development (ID) – providing for a mix of commercial and industrial use benefitting from orientation to the Santiam Highway (Oregon 22) with high site design standards

As noted by the earlier analysis, Scenarios A and B fully accommodate all three employment uses. Scenario C could require designation of up to an added 33 acres of industrial and commercial zoned property – assuming that public employment uses are accommodated on land zoned for Public use. In addition, all scenarios assume continued adequacy of home occupations to accommodate a wide range of uses – especially for sole proprietors without on-site employees.

Planning, Market, Cost & Risk Factors. As is indicated by the wide range of forecast scenario outcomes, there are a number of factors that can be expected to affect development of already designated employment land:

- Planning factors include the degree to which zoning and the regulatory/permitting process is flexible enough to accommodate a full diversity of commercial and industrial uses consistent with public safety, avoidance of nuisances, and predictable process outcomes. Also noted is the continued need for separate Public (P) zoning to accommodate growth of governmental and educational activities.
- Market and related financial/real estate factors include continued uncertainty regarding the timing and extent of national and regional economic recovery. These external factors are coupled with the degree to which Aumsville can be perceived and marketed as a desirable community for business investment, better capitalizing on attributes for convenient access between the Willamette Valley and Central Oregon including proximity to recreation attractions on both sides of the Cascades. Key issues to address to reduce perceived market risk include availability and diversity of quality housing, suitability of shovel-ready industrial and commercial properties unconstrained by floodplain limitations, access to qualified labor force, and economic development marketing coordinated with recognized regional and statewide entities.
- Critical cost and implementation factors are focused on securing funding for improved access to Interchange Development designated parcels and redevelopment of downtown properties affected by recent tornado loss and on-going floodplain limitations.

Some of these factors – such as the timing of the economic recovery – are largely beyond the influence of the local economy. Other factors – such as providing a planning environment favorable to business investment, sites that are shovel ready for development, and coordinated economic development marketing – are subject to local and regional influence.

VI. IMPLEMENTATION POLICIES

OAR 660-009-0020 outlines requirements for industrial and related economic development policies. Local comprehensive plans are to provide a commitment to provide a competitive short-term supply, and commitment to provide adequate sites and facilities. With this EOA, also identified are prospective resources for public and private implementation.

ADEQUATE SITES & FACILITIES COMMITMENTS

As a result of recent annexation and planning decisions, the City of Aumsville is in the fortunate position of having much of its employment land already served or well positioned for needed critical utility and transportation infrastructure. All three employment scenarios considered appear to be reasonably served by existing sites and facilities available within the City and UGB.

Two of three scenarios (excepting only Scenario C) can be served by the existing Buildable Lands Inventory over a 20-year planning horizon. In the event that Scenario C for jobs-population balance is selected, additional steps could be required to provide a suitable long-term inventory of commercial and industrial sites over a 20-year period.

The City of Aumsville currently is focused on two primary activities both for phased implementation of the EOA element of its Comprehensive Plan update:

- Downtown improvements including prospects for street and sidewalk enhancements – together with longer term potential for development of a downtown plaza.
- Provision of public infrastructure facilities as needed to serve larger parcels associated with recent annexation for industrial and interchange area development. To the extent required, utility extensions and road improvements are anticipated to be the primary responsibility of the property owner, but with City incentives considered on a case-by-case basis to assure sites competitive with comparable properties available regionally.

Aumsville shares many economic factors with the surrounding communities of Turner, Sublimity, and Stayton, and in many ways other small cities that surround Salem in other directions. It is important these small communities coordinate with each other on common policy and finance issues especially in their relationships with Salem and with the State Legislature and Agencies. Aumsville should convene and facilitate these discussions when needed.

RESOURCES FOR PUBLIC/PRIVATE IMPLEMENTATION

Within Oregon and for Aumsville, a variety of resources are currently or potentially available for consideration with economic development project implementation. These funding and related resources mechanisms include:

- *State and Federal Funding Support* – as with use of federal Community Development Block Grant (CDBG) and state Rural Investment Funds for infrastructure improvements that emphasize downtown redevelopment and job creation. Other potential resources include federal economic development, transportation and/or stimulus funding programs

available for infrastructure improvements that support economic development investment including downtown redevelopment and job creation. Examples of stimulus programs include the American Reinvestment and Recovery Act (ARRA) and the Local Jobs for America Act (LJAA).

- *City Incentives* – that can range from reductions in Systems Development Charges (for locations with in-place infrastructure) to regulatory streamlining to consideration of an incentives tool-kit for high priority economic development initiatives ranging from downtown development organizations to target industry marketing.
- *Local Improvement District (LID) and Economic/Business Improvement District (E/BID) Assessments* – with the LID mechanism based on property owner assessments to pay for infrastructure benefitting a specific set of properties (as might be possible with the downtown area, interchange development and/or industrial district). Related tools include an economic improvement district (EID) or business improvement district (BID) to pay for ongoing operating costs as for business district marketing, management and maintenance. BIDs can also include a fee or surcharge to benefitting business owners.
- *Urban Renewal* – as is currently applied in a range of large and small cities throughout the state to support redevelopment efforts within an identified portion of the City. Once adopted, tax increment financing and other funding resources could become available to support redevelopment efforts as for street and utility improvements, public parking, parks, streetscape and related “placemaking” amenities.
- *Enterprise Zones* – authorized in 48 rural and 11 urban Oregon communities for property tax abatement as an incentive for eligible business investment, job creation and employee compensation (currently not including Aumsville). A separate but related designation is for electronic commerce zones, for assets that serve e-commerce operations within an enterprise zone.
- *Other Tax Incentive Programs of Business Oregon* – including the Oregon Investment Advantage (income tax exemption), Strategic Investment Program (property tax exemption for large capital investments), and Business Energy Tax Credit (for initiatives in conservation, recycling and renewable energy-related manufacturing). Also noted is the Vertical Housing tax abatement program, serving as an incentive for the residential portion of mixed-use developments (as in conjunction with ground floor commercial use).
- *Other Programs of Business Oregon* – notably including Oregon Certified Industrial Lands for “shovel-ready” sites, an Infrastructure Finance Authority (funding added economic development infrastructure), and Brownfields Redevelopment Fund (to evaluate, clean-up and redevelop contaminated brownfield sites).
- *Public-Public Partnerships* – involving collaborative efforts as might occur between the City of Aumsville and other state or regional public and non-profit entities such as the Oregon Department of Transportation, Marion County, the Mid-Willamette Valley Council of Governments, SEDCOR, and GROW North Santiam.
- *Public-Private Partnerships* – facilitating private job-creating investment including consideration of master planning and development agreements that specify City and other public funding support in exchange for negotiated private development and redevelopment commitments.

As the City has relatively limited local financial resources for new community infrastructure, it can be expected to look for outside public and private sector support for major catalyst projects that can leverage economic development – whether in the downtown, at the interchange or with industrial development.

APPENDIX. SUPPLEMENTAL STATISTICAL DATA

Figure 19. Population Trends in Aumsville, Marion County & State of Oregon (2000-10)

	Aumsville	Marion County	State of Oregon
2000	3,003	284,838	3,421,399
2009	3,560	318,170	3,823,465
2010	3,625	320,640	3,844,195
Avg Ann Chg 2000-2010	1.9%	1.2%	1.2%

Source: Portland State University, Population Research Center.

Figure 20. Marion County & Incorporated Areas Within Marion County Population – Actual & Projected

Jurisdiction	1990	2000	2007	2030*	AAGR 2010-2030***
Marion County	228,516	284,834	311,070	410,245	1.20%
Aumsville	1,660	2,989	3,300	5,706	2.20%
Aurora	597	664	955	1,825	2.54%
Detroit	331	262	265	371	1.70%
Donald	314	607	995	2,034	3.20%
Gates**	466	437	460	487	0.23%
Gervais	999	1,923	2,250	4,597	2.80%
Hubbard	1,901	2,458	3,095	4,718	1.85%
Idanha**	160	131	145	170	0.63%
Jefferson	1,810	2,488	2,590	5,121	2.44%
Mill City**	309	316	328	367	0.53%
Mt. Angel	2,794	3,128	3,755	4,977	1.08%
Salem/Keizer UGB**	146,560	185,796	201,391	261,484	1.12%
St. Paul	322	352	410	556	1.34%
Scotts Mills	286	316	300	581	2.04%
Silverton	5,932	7,610	9,205	14,418	1.92%
Stayton	5,029	6,829	7,765	11,359	1.66%
Sublimity	1,487	2,139	2,255	3,200	1.53%
Turner	1,266	1,175	1,690	3,664	3.15%
Woodburn	13,535	20,191	22,875	37,216	2.04%
Unincorporated	42,758	45,023	47,041	47,394	0.19%

Notes: * Forecast population.

** Marion County portion only. Estimates for the entire UGB of the following cities are provided for 2030: Gates, 550; Idanha, 279; Mill City, 1792.

*** AAGR denotes average annual population growth rate.

Source: As provided by MorganCPS.

Figure 21. Demographic Trends in Aumsville, Marion County & State of Oregon (2000-10)

	Aumsville	Marion County	State of Oregon
<i>Median Age</i>			
2000	28.2	33.7	36.3
2010	30.6	34.8	38.2
<i>Population 25+ by Educational Attainment</i>			
Total (2000)	1,771	177,683	2,250,998
Less than 9th Grade	5.1%	9.3%	5.0%
9th - 12th Grade, No Diploma	14.2%	11.4%	9.9%
High School Graduate	34.3%	26.3%	26.3%
Some College, No Degree	30.4%	26.6%	27.1%
Associate Degree	7.5%	6.5%	6.6%
Bachelor's Degree	7.3%	13.1%	16.4%
Master's/Professional/Doctorate Degree	1.2%	6.7%	8.7%
Total (2010)	2,016	205,919	2,614,408
Less than 9th Grade	5.1%	8.8%	4.4%
9th - 12th Grade, No Diploma	10.0%	8.9%	6.9%
High School Graduate	34.5%	27.4%	26.3%
Some College, No Degree	27.7%	24.2%	25.2%
Associate Degree	12.3%	9.6%	8.4%
Bachelor's Degree	7.5%	13.7%	18.1%
Graduate/Professional Degree	3.0%	7.4%	10.6%

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 22. Housing Trends in Aumsville, Marion County & State of Oregon (2000-10)

	Aumsville	Marion County	State of Oregon
Year 2000			
<i>Households</i>	961	101,641	1,333,723
<i>Average Household Size</i>	3.12	2.70	2.51
<i>Total Housing Units</i>	1,024	108,174	1,452,709
Owner Occupied Housing Units	75.9%	59.1%	59.0%
Renter Occupied Housing Units	18.0%	34.8%	32.8%
Vacant Housing Units	6.2%	6.0%	8.2%
<i>Median Home Value</i>	\$95,430	\$128,707	\$145,766
<i>Housing Units by Units in Structure</i>			
Total	1,074	108,174	1,452,709
1, Detached	65.8%	62.3%	62.8%
1, Attached	2.1%	3.8%	3.3%
2	4.2%	2.8%	3.0%
3 or 4	1.2%	5.1%	4.2%
5 to 9	1.6%	5.0%	4.3%
10 to 19	0.3%	3.4%	3.8%
20+	0.0%	7.1%	7.8%
Mobile Home	24.8%	10.1%	10.3%
Other	0.0%	0.3%	0.6%
Year 2010			
<i>Households</i>	1,121	114,438	1,508,399
<i>Average Household Size</i>	3.07	2.71	2.51
<i>Total Housing Units</i>	1,209	123,741	1,675,021
Owner Occupied Housing Units	72.4%	58.1%	57.9%
Renter Occupied Housing Units	20.3%	34.4%	32.1%
Vacant Housing Units	7.3%	7.5%	9.9%
<i>Median Home Value</i>	\$169,853	\$196,117	\$234,253

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 23. Aumsville Building Permits (2000-09)

Year	Description	Building Type				Total
		Single Family	2 Family	3 & 4 Family	5+ Family	
2000	Buildings	0	6	0	0	6
	Units	0	12	0	0	12
	Construction cost	\$0	\$873,003	\$0	\$0	\$873,003
2001	Buildings	2	0	0	0	2
	Units	2	0	0	0	2
	Construction cost	\$285,241	\$0	\$0	\$0	\$285,241
2002	Buildings	3	0	0	0	3
	Units	3	0	0	0	3
	Construction cost	\$467,162	\$0	\$0	\$0	\$467,162
2003	Buildings	1	0	8	0	9
	Units	1	0	32	0	33
	Construction cost	\$135,080	\$0	\$2,579,059	\$0	\$2,714,139
2004	Buildings	15	1	0	0	16
	Units	15	2	0	0	17
	Construction cost	\$2,452,151	\$203,655	\$0	\$0	\$2,655,806
2005	Buildings	35	1	0	0	36
	Units	35	2	0	0	37
	Construction cost	\$5,318,825	\$203,655	\$0	\$0	\$5,522,480
2006	Buildings	31	1	0	0	32
	Units	31	2	0	0	33
	Construction cost	\$5,944,890	\$245,323	\$0	\$0	\$6,190,213
2007	Buildings	71	2	0	0	73
	Units	71	4	0	0	75
	Construction cost	\$12,907,902	\$583,533	\$0	\$0	\$13,491,435
2008	Buildings	7	0	0	1	8
	Units	7	0	0	8	15
	Construction cost	\$1,229,987	\$0	\$0	\$635,160	\$1,865,147
2009	Buildings	17	0	0	0	17
	Units	17	0	0	0	17
	Construction cost	\$3,139,392	\$0	\$0	\$0	\$3,139,392
Total 2000-2009	Buildings	182	11	8	1	202
	Units	182	22	32	8	244
	Construction cost	\$31,880,630	\$2,109,169	\$2,579,059	\$635,160	\$37,204,018
Avg Annual 2000-09	Buildings	18	1	1	0	20
	Units	18	2	3	1	24
	Construction cost	\$3,188,063	\$210,917	\$257,906	\$63,516	\$3,720,402
% of Total 2000-09	Buildings	90.1%	5.4%	4.0%	0.5%	100.0%
	Units	74.6%	9.0%	13.1%	3.3%	100.0%
	Construction cost	85.7%	5.7%	6.9%	1.7%	100.0%

Source: U.S. Census Bureau.

Figure 24. Unincorporated Marion County Building Permits (2000-09)

Year	Description	Building Type				Total
		Single Family	2 Family	3 & 4 Family	5+ Family	
2000	Buildings	183	0	1	0	184
	Units	183	0	4	0	187
	Construction cost	\$28,920,512	\$0	\$254,902	\$0	\$29,175,414
2001	Buildings	174	1	0	0	175
	Units	174	2	0	0	176
	Construction cost	\$26,353,605	\$195,016	\$0	\$0	\$26,548,621
2002	Buildings	224	0	1	0	225
	Units	224	0	4	0	228
	Construction cost	\$49,804,530	\$0	\$384,586	\$0	\$50,189,116
2003	Buildings	217	0	1	15	233
	Units	217	0	4	178	399
	Construction cost	\$54,821,671	\$0	\$291,075	\$10,976,131	\$66,088,877
2004	Buildings	240	0	0	7	247
	Units	240	0	0	51	291
	Construction cost	\$58,380,498	\$0	\$0	\$5,157,708	\$63,538,206
2005	Buildings	249	2	0	0	251
	Units	249	4	0	0	253
	Construction cost	\$59,579,977	\$531,204	\$0	\$0	\$60,111,181
2006	Buildings	192	1	1	0	194
	Units	192	2	3	0	197
	Construction cost	\$52,636,612	\$240,144	\$358,042	\$0	\$53,234,798
2007	Buildings	133	0	0	0	133
	Units	133	0	0	0	133
	Construction cost	\$41,852,804	\$0	\$0	\$0	\$41,852,804
2008	Buildings	105	0	1	5	111
	Units	105	0	3	66	174
	Construction cost	\$31,027,616	\$0	\$525,420	\$5,734,289	\$37,287,325
2009	Buildings	46	0	3	4	53
	Units	46	0	12	48	106
	Construction cost	\$14,602,174	\$0	\$1,063,122	\$3,899,723	\$19,565,019
Total 2000-2009	Buildings	1,763	4	8	31	1,806
	Units	1,763	8	30	343	2,144
	Construction cost	\$417,979,999	\$966,364	\$2,877,147	\$25,767,851	\$447,591,361
Avg Annual 2000-09	Buildings	176	0	1	3	181
	Units	176	1	3	34	214
	Construction cost	\$41,798,000	\$96,636	\$287,715	\$2,576,785	\$44,759,136
% of Total 2000-09	Buildings	97.6%	0.2%	0.4%	1.7%	100.0%
	Units	82.2%	0.4%	1.4%	16.0%	100.0%
	Construction cost	93.4%	0.2%	0.6%	5.8%	100.0%

Source: U.S. Census Bureau.

Figure 25. Employment Trends Comparison of City of Aumsville, Marion County & State of Oregon (2003-09)

NAICS Codes	Grouped Industry Sectors	2009				Avg Ann % Chg 2003-09			
		Firms	Avg Jobs	Total Wages	Avg Wages	Firms	Avg Jobs	Total Wages	Avg Wages
<i>City of Aumsville</i>									
11-23, 31-33, 42, 48-49	Industrial	20	226	\$9,154,006	\$40,504	0.9%	-2.1%	0.2%	2.4%
44-45	Retail Trade	4	33	\$340,815	\$10,328	-6.5%	-5.0%	-5.9%	-0.9%
51-56, 62, 71-72, 81	Services	26	123	\$2,378,702	\$19,339	4.5%	6.1%	9.5%	3.1%
61, 92	Government & Education	4	110	\$3,784,250	\$34,402	4.9%	7.3%	11.9%	4.3%
	TOTAL	54	492	\$15,657,773	\$31,825	2.0%	1.2%	3.4%	2.2%
<i>Marion County</i>									
11-23, 31-33, 42, 48-49	Industrial	2,456	31,867	\$1,128,099,913	\$35,400	0.2%	-0.5%	2.1%	2.7%
44-45	Retail Trade	1,017	14,915	\$361,050,966	\$24,207	1.0%	0.1%	1.4%	1.3%
51-56, 62, 71-72, 81	Services	4,981	49,737	\$1,661,675,241	\$33,409	2.9%	0.9%	4.6%	3.7%
61, 92	Government & Education	608	37,447	\$1,728,876,788	\$46,169	7.0%	2.1%	5.0%	2.9%
	Private Non-Classified	37	23	\$486,069	\$21,133	-0.9%	-12.1%	-9.1%	3.5%
	TOTAL	9,098	133,989	\$4,880,188,977	\$36,422	2.1%	0.8%	3.9%	3.1%
<i>State of Oregon</i>									
11-23, 31-33, 42, 48-49	Industrial	34,875	411,795	\$20,409,307,900	\$49,562	0.6%	-1.3%	1.6%	3.0%
44-45	Retail Trade	13,301	182,882	\$4,686,903,232	\$25,628	0.7%	-0.1%	1.5%	1.6%
51-56, 62, 71-72, 81	Services	71,555	709,264	\$27,267,085,761	\$38,444	2.8%	1.2%	4.4%	3.2%
61, 92	Government & Education	6,498	304,256	\$13,152,127,867	\$43,227	3.0%	2.1%	4.8%	2.7%
	Private Non-Classified	672	474	\$25,588,265	\$53,984	-2.6%	-11.3%	-4.6%	7.5%
	TOTAL	126,899	1,608,669	\$65,541,013,025	\$40,742	1.9%	0.5%	3.3%	2.8%

Source: Oregon Employment Department with data as aggregated by E. D. Hovee & company, LLC.

Figure 26. Detailed Marion County Employment Trends (2003-09)

NAICS Code	Industry	2009			Avg Annual % Chg 2003-09				
		Avg Firms	Avg Jobs	Total Wages	Avg Wage	Avg Firms	Avg Jobs	Total Wages	Avg Wage
	Total	9,098	133,989	\$4,880,188,977	\$36,422	2.1%	0.8%	3.9%	3.1%
11	Agriculture, Forestry, Fishing & Hunting	417	*	*	*	0.4%	*	*	*
21	Mining	12	*	*	*	0.0%	*	*	*
22	Utilities	7	272	\$21,835,066	\$80,276	-4.1%	-1.4%	3.4%	4.9%
23	Construction	1,072	6,050	\$264,463,381	\$43,713	0.4%	-0.1%	4.0%	4.1%
31-33	Manufacturing	384	10,109	\$353,544,494	\$34,973	-0.6%	-2.2%	-0.7%	1.5%
42	Wholesale trade	384	3,321	\$148,518,820	\$44,721	0.9%	0.8%	4.4%	3.5%
44-45	Retail trade	1,017	14,915	\$361,050,966	\$24,207	1.0%	0.1%	1.4%	1.3%
48-49	Transportation & Warehousing	180	2,924	\$116,377,565	\$39,801	-0.5%	1.4%	5.3%	3.8%
51	Information	103	1,241	\$55,679,781	\$44,867	-0.3%	-3.6%	-0.8%	3.0%
52	Finance & Insurance	461	3,567	\$172,184,010	\$48,271	1.7%	-0.4%	1.1%	1.6%
53	Real Estate Rental & Leasing	431	1,891	\$53,022,670	\$28,039	2.0%	-0.3%	2.6%	3.0%
54-56	Professional & Business Services	1,200	11,175	\$413,763,157	\$37,026	2.1%	0.2%	4.3%	4.1%
61	Educational Services	86	1,959	\$68,263,211	\$34,846	1.6%	1.8%	5.7%	3.8%
62	Health Care & Social Assistance	889	15,836	\$691,638,902	\$43,675	3.1%	3.0%	7.5%	4.4%
71-72	Leisure & Hospitality	747	10,866	\$157,831,992	\$14,525	2.0%	0.0%	3.0%	2.9%
81	Other Services	1,150	5,161	\$117,554,729	\$22,778	5.5%	1.0%	2.9%	1.9%
92	Government	522	35,488	\$1,660,613,577	\$46,794	8.1%	2.1%	5.0%	2.8%
	Private Non-Classified	37	23	\$486,069	\$21,133	-0.9%	-12.1%	-9.1%	3.5%

Source: Oregon Employment Department.

Figure 27. Detailed State of Oregon Employment Trends (2003-09)

NAICS Code	Industry	2009			Avg Annual % Chg 2003-09				
		Avg Firms	Avg Jobs	Total Wages	Avg Wage	Avg Firms	Avg Jobs	Total Wages	Avg Wage
	Total	126,899	1,608,669	\$65,541,013,025	\$40,742	1.9%	0.5%	3.3%	2.8%
11	Agriculture, Forestry, Fishing & Hunting	3,477	44,855	\$1,172,800,502	\$26,146	0.5%	-0.4%	1.5%	2.0%
21	Mining	143	1,676	\$74,326,391	\$44,347	2.7%	-1.1%	0.5%	1.6%
22	Utilities	216	4,711	\$383,420,268	\$81,388	-1.3%	-1.6%	2.3%	4.0%
23	Construction	13,184	72,547	\$3,400,481,496	\$46,873	0.5%	-0.9%	2.5%	3.4%
31-33	Manufacturing	5,772	166,577	\$8,920,817,722	\$53,554	-0.2%	-2.5%	0.3%	2.9%
42	Wholesale trade	9,108	75,172	\$4,647,306,514	\$61,822	1.2%	0.1%	3.7%	3.6%
44-45	Retail trade	13,301	182,882	\$4,686,903,232	\$25,628	0.7%	-0.1%	1.5%	1.6%
48-49	Transportation & Warehousing	2,975	46,257	\$1,810,155,007	\$39,133	0.3%	-0.6%	2.0%	2.6%
51	Information	2,374	33,014	\$2,042,101,573	\$61,856	1.6%	-0.3%	3.1%	3.5%
52	Finance & Insurance	6,192	56,935	\$3,343,292,164	\$58,721	1.2%	-0.7%	1.6%	2.3%
53	Real Estate Rental & Leasing	5,579	24,991	\$778,172,665	\$31,138	1.5%	-1.5%	1.1%	2.6%
54-56	Professional & Business Services	19,827	179,326	\$8,511,637,272	\$47,465	3.1%	0.9%	4.6%	3.7%
61	Educational Services	1,588	25,460	\$785,702,927	\$30,860	4.3%	3.8%	7.3%	3.4%
62	Health Care & Social Assistance	11,448	191,153	\$8,279,196,327	\$43,312	3.3%	2.8%	6.6%	3.8%
71-72	Leisure & Hospitality	11,612	162,535	\$2,688,611,088	\$16,542	2.6%	1.2%	3.8%	2.6%
81	Other Services	14,523	61,310	\$1,624,074,672	\$26,490	3.7%	0.8%	3.3%	2.5%
92	Government	4,910	278,796	\$12,366,424,940	\$44,357	2.6%	1.9%	4.7%	2.7%
	Private Non-Classified	672	474	\$25,588,265	\$53,984	-2.6%	-11.3%	-4.6%	7.5%

Source: Oregon Employment Department.

Figure 28. Employed Population 16+ by Occupation (2000-10)

	Aumsville	Marion County	State of Oregon
Total (2000)	1,387	126,682	1,627,769
White Collar	43.8%	45.4%	59.2%
Management/Professional	23.1%	29.1%	33.1%
Sales/Office & Admin Support	20.7%	16.3%	26.1%
Services	23.7%	25.8%	15.3%
Blue Collar	32.5%	28.8%	25.5%
Farming/Forestry/Fishing	2.2%	3.8%	1.7%
Construction/Extraction/Maintenance	11.2%	9.6%	9.1%
Production/Transportation/Material Moving	19.1%	15.4%	14.7%
Total (2010)	1,475	138,989	1,701,916
White Collar	51.2%	57.0%	61.2%
Management/Professional	28.2%	32.6%	36.7%
Sales/Office & Admin Support	22.9%	24.4%	24.5%
Services	22.6%	18.7%	17.4%
Blue Collar	26.2%	24.3%	21.4%
Farming/Forestry/Fishing	2.4%	3.9%	1.8%
Construction/Extraction/Maintenance	10.6%	9.2%	8.8%
Production/Transportation/Material Moving	13.4%	11.2%	10.8%

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 29. Median Household Income (2000-2010)

	Aumsville	Marion County	State of Oregon
2000	\$40,848	\$40,294	\$40,947
2010	\$51,200	\$51,663	\$53,104
Avg Ann Chg 2000-2010	2.3%	2.5%	2.6%

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 30. Sources of Personal Income for Marion County & State of Oregon (1998-08)

Income Type	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Marion County</i>											
Wage & salary income	45%	45%	45%	45%	44%	43%	43%	46%	45%	45%	44%
Supplements to wages & salaries	10%	11%	10%	11%	13%	14%	15%	11%	11%	11%	11%
Proprietors income	8%	8%	8%	8%	8%	9%	9%	9%	9%	8%	8%
Investment income	22%	21%	21%	19%	17%	17%	17%	16%	18%	18%	18%
Transfer payments	15%	16%	16%	18%	17%	17%	17%	18%	17%	18%	19%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Per Capita Personal Income	\$23,075	\$24,303	\$25,038	\$25,405	\$26,338	\$27,546	\$28,545	\$28,646	\$30,924	\$31,632	\$32,565
<i>State of Oregon</i>											
Wage & salary income	47%	47%	48%	47%	46%	45%	46%	47%	46%	46%	46%
Supplements to wages & salaries	10%	10%	10%	11%	12%	13%	12%	11%	11%	11%	11%
Proprietors income	8%	8%	8%	8%	8%	8%	8%	8%	8%	7%	7%
Investment income	23%	21%	21%	20%	19%	19%	19%	19%	20%	20%	20%
Transfer payments	13%	13%	13%	14%	15%	15%	15%	15%	15%	15%	16%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Per Capita Personal Income	\$26,016	\$27,016	\$28,718	\$29,241	\$29,768	\$30,564	\$31,622	\$32,525	\$34,656	\$35,737	\$36,365

Source: *Regional Accounts Data*, U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 31. Workers 16+ by Travel Time to Work (2000)

	Aumsville	Marion County	State of Oregon
Total	1,366	124,872	1,601,378
Did not Work at Home	97.4%	95.5%	95.0%
Less than 5 minutes	4.0%	3.4%	4.1%
5 to 9 minutes	7.2%	11.5%	12.9%
10 to 19 minutes	29.2%	34.0%	32.6%
20 to 24 minutes	21.2%	14.9%	13.9%
25 to 34 minutes	17.6%	15.6%	16.5%
35 to 44 minutes	5.1%	3.9%	4.7%
45 to 59 minutes	7.0%	5.5%	5.2%
60 to 89 minutes	3.2%	4.7%	3.2%
90 or more minutes	2.9%	2.0%	1.8%
Worked at Home	2.6%	4.5%	5.0%
Worked outside County of Residence	17.0%	19.1%	20.5%
Average Travel Time to Work (in min)	25.3	23.5	22.2

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 32. Average Annual Daily Traffic Volume – OR-22 (2000 & 2009)

Location Description	Mile-Post*	AADT All Vehicles				
		2000	2009	# Chg 2000-09	% Chg 2000-09	
west of Lancaster Drive Interchange	1.7	46,400	42,800	(3,600)	-7.8%	
east of Shaw-Aumsville Interchange	9.5	17,700	19,300	1,600	9.0%	
east of Golf Club Road Interchange	11.8	10,800	12,100	1,300	12.0%	
east of Cascade Highway	13.6	11,500	8,100	(3,400)	-29.6%	
east of Fern Ridge Road	14.4	11,200	7,900	(3,300)	-29.5%	
0.10 mile east of Old Mehama Road	15.8	10,400	9,600	(800)	-7.7%	

Source: Oregon Department of Transportation. Note that mile-post figure may average two somewhat varied locations between counts conducted in 2000 and 2009.

Figure 33. Tourism Expenditures in Marion County & State of Oregon (2000-2009)

	2000	2009	% Chg 2000-2009
<i>Marion County</i>			
Total Direct Travel Spending (millions)			
Visitor Spending at Destination	\$236.0	\$309.0	31%
Other Travel*	\$5.1	\$4.7	-8%
Total Direct Spending	\$241.0	\$313.7	30%
Visitor Spending by Commodity Purchased (millions)			
Accommodations	\$27.0	\$38.0	41%
Food Service	\$51.3	\$68.4	33%
Food Stores	\$21.5	\$27.5	28%
Local Tran. & Gas	\$70.5	\$105.6	50%
Arts, Ent. & Rec.	\$28.2	\$31.8	13%
Retail Sales	\$37.6	\$37.7	0%
Visitor Air Tran.	\$0.0	\$0.0	0%
Spending at Destination	\$236.0	\$309.0	31%
Tourism Employment (jobs)	3,000	4,000	33%
<i>State of Oregon</i>			
Total Direct Travel Spending (millions)			
Visitor Spending at Destination	\$5,500.0	\$6,900.0	25%
Other Travel*	\$700.0	\$800.0	14%
Total Direct Spending	\$6,100.0	\$7,700.0	26%
Visitor Spending by Commodity Purchased (millions)			
Accommodations	\$1,000.0	\$1,200.0	20%
Food Service	\$1,200.0	\$1,700.0	42%
Food Stores	\$400.0	\$500.0	25%
Local Tran. & Gas	\$1,000.0	\$1,400.0	40%
Arts, Ent. & Rec.	\$700.0	\$800.0	14%
Retail Sales	\$900.0	\$900.0	0%
Visitor Air Tran.	\$300.0	\$400.0	33%
Spending at Destination	\$5,500.0	\$6,900.0	25%
Tourism Employment (jobs)	83,000	88,000	6%

*Note: Other Travel includes resident air travel and travel agencies.

Source: Dean Runyan Associates.

Figure 34. Retail Sales & Leakage within a 4-Mile Radius of Aumsville (2010)

NAICS	Retail Categories	Demand (Retail Potential)	Supply (Retail Sales)	Leakage (Demand-Supply)	Leakage % of Demand
441	Motor Vehicle & Parts Dealers	\$24,962,750	\$23,417,504	\$1,545,246	6%
442	Furniture & Home Furnishings Stores	\$2,640,925	\$1,010,781	\$1,630,144	62%
443	Electronics & Appliance Stores	\$2,542,470	\$376,620	\$2,165,850	85%
444	Bldg Materials, Garden Equip. & Supply Stores	\$4,398,863	\$610,525	\$3,788,338	86%
445	Food & Beverage Stores	\$23,131,039	\$8,565,347	\$14,565,692	63%
446	Health & Personal Care Stores	\$2,472,708	\$436,423	\$2,036,285	82%
447	Gasoline Stations	\$13,493,339	\$3,714,864	\$9,778,475	72%
448	Clothing and Clothing Accessories Stores	\$3,712,441	\$22,206	\$3,690,235	99%
451	Sporting Goods, Hobby, Book, & Music Stores	\$1,227,383	\$182,776	\$1,044,607	85%
452	General Merchandise Stores	\$15,787,148	\$3,654,338	\$12,132,810	77%
453	Miscellaneous Store Retailers	\$2,169,292	\$3,671,918	-\$1,502,626	-69%
454	Nonstore Retailers	\$1,764,290	\$0	\$1,764,290	100%
722	Food Services & Drinking Places	\$16,963,277	\$5,680,946	\$11,282,331	67%
44-45, 72	Total Retail Trade and Food & Drink	\$115,265,925	\$51,344,248	\$63,921,677	55%

Source: ESRI.

Figure 35. Aumsville Commercial Retail Space Potential (2010-2030)

NAICS	Retail Categories	Building Space Demand (sf)		
		Leakage Recapture	Future Growth	Leakage + Growth
441	Motor Vehicle & Parts Dealers	-	-	-
442	Furniture & Home Furnishings Stores	8,000	4,000	12,000
443	Electronics & Appliance Stores	7,000	3,000	10,000
444	Bldg Materials, Garden Equip. & Supply Stores	10,000	4,000	14,000
445	Food & Beverage Stores	36,000	19,000	55,000
446	Health & Personal Care Stores	6,000	2,000	8,000
447	Gasoline Stations	-	-	-
448	Clothing and Clothing Accessories Stores	15,000	5,000	20,000
451	Sporting Goods, Hobby, Book, & Music Stores	5,000	2,000	7,000
452	General Merchandise Stores	35,000	15,000	50,000
453	Miscellaneous Store Retailers	-	3,000	3,000
454	Nonstore Retailers	-	-	-
722	Food Services & Drinking Places	36,000	18,000	54,000
44-45, 72	Total Retail Trade and Food & Drink	158,000	75,000	233,000
Site Acreage Required				
	Non-Auto Uses (@ 25% avg building coverage)	14.5	6.9	21.4
	Auto Uses (motor vehicles & gas sales)	2.3	2.7	5.0
		16.9	9.5	26.4

Note: Not included in building space calculations are motor vehicle/parts and gasoline stations (which require substantial land area but have widely varying building requirements) and building/land needs for non-store retailers. Land area for motor vehicle and gasoline station uses is estimated separately.

Source: ESRI, Urban Land Institute, and E. D. Hovee & Company, LLC.

Figure 36. Aumsville Employment & Development Intensity Assumptions

NAICS	Employment Group	Employment & Development Intensity			
		Bldg Sq Ft per Job	FAR Coverage	% Infra- Structure	Jobs per Acre
11-23, 31-33, 42, 48-49	Industrial Uses	1,000	0.20	25%	6.5
44-45	Retail Trade (excluding dining)	500	0.25	15%	18.5
51-56, 61-62, 71-72, 81, 92	Other Services & Government	500	0.20	15%	14.8

Source: E. D. Hovee & Company, LLC., from sources including Metro, *Preliminary Urban Growth Report – Employment: 2009-2030*, May 2009.

END NOTES

- ¹ This EOA analysis report has been prepared from statistical and other information sources generally deemed to be reliable; however, accuracy is not guaranteed. The findings and opinions contained in this report are those of the author and should not be construed as representing the opinion of any other party prior to their express approval, whether in whole or part.
- ² ESRI information may be supplemented by results of the 2010 Census, as data becomes available.
- ³ Employment is categorized by the North American Industry Classification System (NAICS). Information is for jobs covered by unemployment insurance and excludes some sole proprietors, including farm operators.
- ⁴ Indicated annual growth in median household income is estimated at 2.3% in Aumsville, 2.5% in Marion County, and 2.6% in Oregon over the 2000-2010 time period. Data is from the U.S. Census Bureau and ESRI.
- ⁵ Similar U.S. Census data regarding number of workers who commute into Aumsville for employment is not readily available.
- ⁶ Other variations to a trade area that potentially captured by Aumsville, for example, based on driving time rather than mileage distance could also be considered. However, more detailed analysis goes beyond the scope of this EOA and likely would not change potential retail opportunity results appreciably.
- ⁷ Information is a new sector defined by NAICS that includes some previous industrially related SICs such as printing combined with more service sector related functions such as internet and software.
- ⁸ Source is the *Oregon Economic and Revenue Forecast*, prepared quarterly by the Office of Economic Analysis to the Oregon Department of Administrative Services.
- ⁹ The March 2007 *Marion, Polk & Yamhill Counties Regional Economic Profile & Strategic Assessment* was prepared for the tri-county region of Marion, Polk & Yamhill Counties by the economic and development consulting firm E. D. Hovee & Company, LLC under the auspices of SEDCOR.
- ¹⁰ Information is from the *Regional Analysis: Marion, Polk and Yamhill Counties*, prepared by the Oregon Economic & Community Development Department, April 2008.
- ¹¹ These forecast scenarios have been prepared consistent with forecast methodology options as outlined by OAR 660-009 and 660-024-0040 together with the technical assistance grant agreement for this EOA.
- ¹² Based on interview by planner Richard Berger and consultant Eric Hovee with Steve Tucker of Blazer Industries, October 2010.
- ¹³ Property information is per SEDCOR as a regional economic development organization for Marion, Polk and Yamhill Counties.
- ¹⁴ Source is <http://www.aumsville.us>. As of September 24, 2010.
- ¹⁵ This analysis is based on a review of forecast methodologies identified by OARs 660-009 and 660-024-0040 together with the Technical Assistance grant from DLCD for this EOA.
- ¹⁶ Commercial (CL) and Industrial (I) provisions of the Aumsville Development Ordinance were amended by City Ordinance No. 471, passed June 26, 2000. Provisions of the Interchange Development (ID) Zone were initially amended by Ordinance No. 552, passed August 8, 2005 and then as further amended by Ordinance No. 594, passed December 14, 2009.
- ¹⁷ Estimated cost of extending the water line to the Schaefer industrial property is \$284,400; sanitary sewer extension cost is estimated at \$213,000. Per email correspondence from Jim Schuette, JMS Engineering, to Richard Berger, January 11, 2010.
- ¹⁸ Estimated cost of water line extension to the Blue Sky property for interchange development is \$198,000; sanitary sewer extension cost is estimated at \$193,000. Per Jim Schuette correspondence, cited above.