ORDINANCE NO. 5543

AN ORDINANCE AMENDING ORDINANCE NO. 4447, WHICH ADOPTED THE CITY OF ALBANY COMPREHENSIVE PLAN AND MAP, BY AMENDING THE ECONOMIC DEVELOPMENT SECTIONS OF THE COMPREHENSIVE PLAN TEXT, AND MAP AS PART OF PERIODIC REVIEW, ADOPTING FINDINGS, AND DECLARING AN EMERGENCY (FILE NO CP-01-02)

WHEREAS, the City is in Periodic Review, a process though which the City is updating its Comprehensive Plan, Plan Map, Development Code and Zoning Map in accordance with a work program approved by the State Department of Land Conservation and Development in 1997, and

WHEREAS, the City Council authorized the great Neighborhoods Project in December 1997 as the initial step in Periodic Review to gauge the desires of the community; and several hundred citizens turned out for five meetings in November 1998 to express many ways to improve the livability of the community, and

WHEREAS, the Balanced Development Patterns Project in the winter of 2000 and spring of 2001was the next step in Periodic Review to look at land use relationships and identify areas for future employment, commercial and housing growth; and

WHEREAS, the Planning Commission, City Council and Budget Committee reviewed the proposed Economic Development policies in the Albany Comprehensive Plan at work sessions in September of 2001; and

WHEREAS, the Planning Commission reviewed the draft Plan language in work sessions, and then directed staff to prepare specific changes to the Albany Comprehensive Plan text and map, and

WHEREAS, on May 22, 2002, the City mailed a "Measure 56" notice of the Planning Commission and City Council public hearings on the proposed economic development amendments to all commercial and industrial property owners in the city, and

WHEREAS, on June 3, 2002, the Planning Commission held a public hearing on the proposed amendments and then recommended approval based on findings contained in the staff report and evidence presented at the public hearings, and

WHEREAS, the Albany City Council held a public hearing on June 17, 2002, concerning the proposed Economic Development amendments, and

WHEREAS, the Albany City Council reviewed the amendments recommended by the Planning Commission and the testimony presented at the public hearing and deliberated on them at work sessions

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: The Albany Comprehensive Plan text is hereby amended as shown in the attached Exhibits A, B, C, and D for the sections listed below:

Exhibit A Plan Introduction
Exhibit B Goal 9 Economic Development Background Summary

Exhibit C. Goal 9 Economic Development Goals, Policies, and Implementation Measures
Exhibit D: Land Use Designations Background Summary

These exhibits, upon adoption of this Ordinance, shall supercede the corresponding sections of the former Comprehensive Plan Language shown in the exhibits as having been struck is removed from the Comprehensive Plan and language shown in bold is added to the existing text.

Section 2: The Economic Opportunities Analysis is hereby adopted as a background document for the Comprehensive Plan update (Exhibit E).

Section 3: The Albany Comprehensive Plan Map is hereby amended as shown on the attached Comprehensive Plan Map (Exhibit F).

Section 4: The Findings and Conclusions contained in the staff report and attached as Exhibit G are hereby adopted in support of this decision

IT IS HEREBY adjudged and declared that this Ordinance is necessary for the immediate preservation of the public peace, health, and safety of the City of Albany, an emergency is hereby declared to exist, and this ordinance shall take effect immediately upon passage by the Council and approval by the Mayor.

Passed by Council October 23, 2002

Approved by Mayor: October 23, 2002

Effective Date: October 23, 2002

Mayor

ATTEST:

City Recorder

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Albany Comprehensive Plan & Map, Albany Development Code and Zoning Map

* Colored pages indicate the sections that have changed since the Council notebook for the June public hearing Please replace the original white sections with the colored sections

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PLAN INTRODUCTION

Staff Comments. New text is shown in **bold** *and ~~strike~~ represents text that is proposed to be updated Text that is neither* **bold** *nor ~~strike~~ represents current language*

Albany is located in the approximate geographic center of the Willamette Valley. Its ideal location between the Cascade and Coast mountain ranges and the state's major metropolitan areas has brought many changes to the community over time Periods of rapid growth, such as that experienced between 1960 and 1980 **and in the mid- 1990s, and the annexation of North Albany in 1991,** have brought about the need to rapidly and efficiently provide necessary services. Periods of slowed economic growth have added a new ~~dimension of~~**challenge:** finding ways to continue to provide high-quality services as well as pay for these needed services and plan for future growth

By the year ~~2005~~**2020**, it is projected that Albany will be home to ~~almost 46,000~~**53,000** people These people will earn their livelihood, shop and enjoy the city's amenities What will Albany be like in twenty years? ~~or~~ **Or** even five years? What will be the needs and concerns of the city and its residents? The Albany Comprehensive Plan is an effort to shape and guide the development of the city in a positive and productive manner The success of this effort depends on the ability of Albany's citizens and leaders to envision the future and prepare for its challenges.

PURPOSE

The Albany Comprehensive Plan provides a framework for making better decisions ~~regarding~~ **about** the uses of land and its resources It is a guideline for both short- and long- term development The Plan identifies existing assets, problems, and needs ~~with~~in the community; it projects future conditions, and it sets forth City policy for dealing with these elements. Also adopted are implementation methods ~~which~~ **that** suggest the means to implement policy statements

The Plan is intended for use by local officials, ~~persons~~ **people** with development interests, neighborhood community groups, state and federal agencies, and citizens of all interests The Plan provides interesting and factual information about **the** community under numerous topics ranging from wildlife to economic development. But it is essential to recognize that the Plan is comprehensive and has no parts ~~which~~ **that** can be viewed without consideration of interrelationships with other areas of the Plan

Change is an inherent part of any community To keep the Plan responsive to changing conditions, it needs to be periodically updated State law also recognizes this fact and requires jurisdictions to periodically review and update their Comprehensive Plans. The City of Albany ~~was required to~~ **first** initiated review and update **of** the Plan in August 1987. **The City began the second required review of the background data in 1998, with Plan updates in 2002** This Plan complies with this state--mandated review and has been updated and modified to address changes in circumstances, Oregon Administrative Rules, state and federal regulations, citizen concerns, intergovernmental agency review, and City Council direction.

It can be anticipated that this Revised Comprehensive Plan will also need to be updated periodically (every 5-7 years) New values, concerns and opportunities will need to be incorporated into the plan. This continuing cycle of review and update will assist in making the Comprehensive Plan and the planning process more reflective of the needs, desires and goals of Albany's citizens

PLAN FORMAT

The Plan occupies the center stage for directing the Albany's future, but other planning documents are equally important. The foundation of the Albany Comprehensive Plan is the Background Reports These documents provide specific and detailed information on each of the statewide Land Use Planning Goals applicable to Albany The Background Reports provide the factual basis from which all of the Plan statements are derived

The Background Reports will be updated periodically and will be used as the basis again for updating and revising the Plan.

Of course, the Background Reports and the Comprehensive Plan have little value unless the ideas expressed in them are put in a format ~~which~~ **that** accomplishes these ideas. The most important document affecting the future quality of the city is the Development Code. The Development Code outlines procedures and standards used in the review of new development and modifications to existing development By adopting specific development standards, all development efforts will continue to enhance the viability and aesthetic quality of the community.

The Comprehensive Plan document is divided into four parts Chapter One addresses the environmental setting of the community, including its natural resources and special features, aesthetic qualities, limitations on development and special areas (historic resources, Willamette River greenway and wetlands)

Chapter Two deals with community needs, both now and in the future. The chapter addresses population projections, economic development, housing, transportation, public services, and social amenities.

Chapter Three discusses the growth management process and sets forth City direction to effectively deal with growth and redevelopment Chapter Three also ~~gives~~ consider**s**~~ation to~~ such areas as siting characteristics, energy conservation, and citizen involvement

Chapter Four discusses the Urban Growth Boundary, land use and zoning designations and other community design features. The Plan narration constitutes findings ~~which~~ **that** are adopted in support of Plan goals, policies, implementation methods, and recommendations.

DEFINITIONS AND OBLIGATIONS OF PLAN STATEMENTS

Plan statements (goals, policies, implementation methods, and recommendations) identify the intent of the City to accomplish certain results. The different types of statements vary in specificity, with goals being the most general and implementation methods being the most specific The City's obligation under these statements also vari**es**~~y~~ according to the type of statement.

All of the Plan statements relate to each other. The Goals are tied to supportive policies. The policies, in turn, are supported by implementation methods It is not necessary for an implementation method to be based on a specific policy as long as it supports a goal statement.

The Comprehensive Plan is the general guide for the City for all activities relating to land- use. ~~A number of~~ **Several** other facts must also be recognized

1. It is not the only document establishing City policies and planning activities
2. If a project or process is not discussed in the Plan, the City may still take appropriate action to address it. However, the Plan should be amended where applicable in this circumstance
3. Although the Plan does not specifically address disaster situations (floods, fire, broken utility lines, etc), ~~the~~ City responsibility ~~in the areas of~~ **for** safety and public health may occasionally require emergency actions ~~which~~ **that** would otherwise require adherence to specific permit requirements and findings of Plan compliance.

GOAL

Definition - A general statement indicating a desired end, or the direction the City will follow to achieve that end.

Obligation - The City cannot take action ~~which~~ **that** opposes a goal statement unless.

1 It is taking action ~~which~~ **that** clearly supports another goal.
2 ~~There are f~~Findings ~~indicating~~ **indicate that** the goal being supported takes precedence (in the particular case) over the goal being opposed

POLICY

Definition - A statement identifying a course of action or City position. Although more specific than goals, policies usually do not explain the exact method of implementing a goal.

Obligation - The City must follow relevant policy statements in making a land use decision or show cause why the Comprehensive Plan should be amended consistent with statewide goals. Such an amendment must take place following prescribed procedures prior to taking a land use action that would otherwise violate a Plan policy However, in the instance where specific Plan policies appear to be conflicting, then the City ~~shall~~ **must** seek solutions ~~which~~ **that** maximize each applicable policy objective within the overall content of the Comprehensive Plan and in a manner consistent with the statewide goals In balancing and weighing those statements, the City can refer to general categories of policies and does not have to respond to each applicable policy Also, in this weighing process, the City ~~shall~~ **must** consider whether the policy contains mandatory language (e g , shall, require) or more discretionary language (e g , may, encourage)

IMPLEMENTATION METHOD

Definition - A statement ~~which~~ **that** outlines a specific City project or standard to implement a goal or policy Projects are ~~those~~ statements ~~which~~**that** would require expenditure of funds and/or staff time, are specific as to what is to be done, and have a starting and ending point. Standards are statements indicating a proposed regulation or guideline.

Obligation - Completion of any project will depend on a number of factors such as specific City priorities, City financing, grant availability, etc. The City ~~shall~~ **must** periodically review project statements as part of a process to determine a priority list of projects to be completed. The list can be any length, and inclusion of an item on the list does not obligate the City to complete that project within the time period allocated.

Since implementation methods are suggestions to future City decision-makers to implement the goals and policies set forth in the Plan, the listing of any particular implementation method in this Plan does not, by virtue of the listing alone, obligate the City to undertake any particular implementation method.

Standards will be incorporated into City regulations and policies by separate action, given the constraints of staff time and City priorities, and will not be put into effect by virtue of this Plan alone

It may not be necessary for the City to incorporate ~~the~~ **a** specific implementation method where it can be demonstrated that an alternative action or no action at all will better or equally accomplish the intent of the related goals or policies.

The list of implementation methods is not exclusive, and the City ~~shall~~ **will** always have the power to adopt alternate methods for implementing the Plan's goals and policies.

RECOMMENDATION

Definition - A statement ~~which~~ **that** identifies a recommended course of action, position, or implementation method for a non-city organization.

Obligation - The recommendation section of the Plan allows the City an opportunity to express courses of action, ideas, and programs that the City would like to see implemented or to better facilitate existing programs These statements are not binding upon other agencies but provide a forum for stating City direction and action

Exhibit B

GOAL 9: ~~ECONOMY~~ ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT BACKGROUND SUMMARY

Staff Comments: The following background summary is an update and expansion of the current text language found on pages 48 to 50 of the Comprehensive Plan. While much of the content is carried forward from the 1989 Background Summary. New text is shown in **bold** *and* ~~strike~~ *represents text that is proposed to be updated. Text that is neither* **bold** *nor* ~~strike~~ *represents current language*

The content is a summary of information contained in the Albany Economic Opportunities Analysis

INTRODUCTION

Statewide Planning Goal 9 requires that comprehensive plans for urban areas be based on inventories of areas suitable for increased economic growth and activity after taking into consideration the health of the current economy. This chapter provides a summary of Albany's economy, projections for growth, and policies to ensure adequate opportunities for a variety of economic activities in Albany. The challenge for the years ahead will be to keep Albany's economic base healthy for residents and businesses, in order to provide the necessary revenue to maintain the City's services and environmental diversity while maintaining its quality of life. The Albany Economic Opportunities Analysis (2000) contains this analysis and forecasts future job growth and land needs.

THE DEVELOPMENT OF ALBANY'S ECONOMY

The Albany-Millersburg area ~~has become~~ **is** the center of one of the most diversified non-metropolitan economies in Oregon. Although the traditional wood-products and agricultural industries continue to be important parts of the local economy, the area's business environment has become much more diverse over the last ~~two~~ **three** decades The local economy is now based upon many other activities, such as the production of reactive metals, finished building products, transportation-related services, and agricultural products including foodstuffs and their processing As with other communities throughout the state and nation, the trade and services sectors **are** becoming ~~is~~ a more important part of the local economy **In 1999, the Albany economy was led by the services, retail trade, manufacturing and government sectors.**

Many important area industries and economic endeavors originated locally. The reactive-metals industry developed in Albany as a spin-off of research conducted at the Albany Research Center of the U S. Bureau of Mines **Because of the primary metals industry, Albany is one of the world's leading producers of rare metals such as zirconium and titanium. Area rare-metal industries include Oregon Metallurgical Corporation, Wah Chang, and Pacific Cast Technologies. The aerospace, defense and nuclear industries, with many others, depend on products manufactured by local rare-metals firms.** ~~These firms include Teledyne Wah Chang, Oregon Metallurgical Corporation Tiline, Oregon Freeze Dry, Inland Quick Freeze, Smokecraft, and National Fruit Canning Company are also examples of successful local firms that have developed to have national and international markets~~

Other local manufacturing activities with national and international markets include the production of finished building products (notably Golden West Homes), transportation-related services (Target Distribution Center), and agricultural products and their processing (Smokecraft, National Frozen Foods, and Oregon Freeze Dry). Another successful and growing local firm is Tec Labs. Albany has attracted several other industries over the past 20 years, such as Sonic Blue

(originally Supra), Synthetec, Hopton Technology, Panolam Industries (originally Domtar), and Allann Brothers Coffee Company.

EMPLOYMENT TRENDS 1990 - 1999

Staff Comments: Most of the deleted content is covered under Development of Albany's economy.

~~The Albany area has traditionally been dependent upon manufacturing. In 1985 it was estimated that 30 percent of the area's non-agricultural employment and 49 percent of the payroll resulted from manufacturing activity. A significant portion of area industry is concentrated in Millersburg. This small community adjacent to the Albany city limits has about 55 percent of total industrial employment, including most rare metals jobs.~~

~~The primary metals industry in the Albany-Millersburg area is the leading employer. This industry provides about 12 percent of area employment and 23 percent of total payroll. The other two leading industries, lumber/wood products and food and kindred products, make a comparable overall economic contribution. Because of the primary metals industry, the Albany area is one of the world's leading producers of rare metals such as zirconium and titanium. Aerospace ands defense and nuclear industries, along with many others, depend on products manufactured by local rare metals firms.~~

~~Manufacturing employment in the Albany area declined slightly during the period 1978-85, losing an estimated 158 employees. However, during the period 1985-89, new start-ups and expansion of existing industry have raised manufacturing employment back to and perhaps beyond 1978 levels.~~

Continuing the trends of the 1980s, the biggest shift in Albany's employment between 1990 and 1999 occurred in the services and manufacturing sectors. Despite this shift from the manufacturing sector to the retail and services sectors, manufacturing will continue to be a mainstay of Albany's economy. The Albany area (including Millersburg) has a basic to non-basic (manufacturing to non-manufacturing) job ratio twice that of the state as a whole.

Basic industries are those industries that export goods and services out of the local market.

Total employment declined in Albany, Linn and Benton Counties and Oregon between 1997 and 1999, paralleling the national slowdown in the manufacturing and high-tech sectors. Between June 2000 and June 2001, Oregon experienced the largest annual job loss in almost 10 years, losing 15,900 jobs. Transportation equipment manufacturing, lumber and wood products, machinery and metals manufacturing, and technology industries have all experienced large reductions in employment in the last year. Fortunately, Oregon's agriculture industry has remained stable, actually adding jobs over the past 10 years.

The total number of covered payroll jobs reported for Albany in 1999 was 20,668[1], which converts to approximately 24,590 total jobs in 1999. Table 1 ranks Albany's industry sectors by both number of employees and payroll for 1999.

[1] Covered employment data includes only employees who are covered by unemployment insurance laws. This excludes significant segments of the working population, primarily contractors. Covered employment in Oregon in 1999 accounted for 81% of total non-farm employment.

Table 1. Albany Industry Sector Rank by Payroll and Employees, 1999

Industry Sector	Covered Payroll	Payroll Rank	Covered Employees	No. Employees Rank	Percent of Total Empl	Ave. Salary per Employee	Average Salary Rank
Agricultural Services	$5,765,669	9	355	9	2%	$16,241 32	8
Construction	$30,928,872	5	929	5	4%	$33,292 65	2
Manufacturing	$122,995,316	1	3,441	4	17%	$35,744 06	1
Trans , Comm , & Utilities	$26,094,095	7	871	6	4%	$29,958 78	5
Wholesale Trade	$18,139,432	8	581	8	3%	$31,221 05	4
Retail Trade	$66,195,451	4	4,083	3	20%	$16,212 45	9
Finance, Ins , & Real Estate	$26,982,325	6	839	7	4%	$32,160 10	3
Services	$118,592,517	3	5,130	1	25%	$23,117 45	7
Government	$121,511,105	2	4,412	2	21%	$27,541 05	6
TOTALS	$537,204,782		20,659		100%		

Source ES-202 data for the 97321 zip code provided by the Oregon Employment Dept Compiled by the City

~~The non-manufacturing sectors of the local economy provide about 70 percent of total area employment (covered employment) and about 50 percent of total payroll. As with the rest of Oregon and the nation, the trade and services sector will grow in importance to the local economy.~~

Wage and salary employment in the Services sector increased from 10% in 1978 to 21% in 1990, and then again to 25% in 1999. Albany's Manufacturing sector dropped from 31% of all wage and salary employees in 1978 to 22% in 1990, and again to 17% in 1999.

Trade and services **accounted for 45% of covered employment in 1999 and is expected to** ~~will~~ account for most future employment in Albany~~area unless unforeseen events attract large manufacturing firms to the area~~ **The Services sector experienced a 48% increase in jobs (1,670) between 1990 and 1999, the largest percent gain of all industry sectors. Albany's Services sector was dominated by business and health services. Albany is the center of medical, financial and other professional services in Linn County and is the region's major commercial provider.**

~~The~~ **Growth in the retail** ~~of this~~ sector is evidenced by the ~~recent~~ construction of a regional shopping **mall in 1989, and of a variety of retail outlets in the last five years, including Home Depot, Staples, Costco, and Red Robin Restaurant.** Small business in Albany, as in any community, **also** creates many jobs Albany has an active and vital small-business climate. ~~This event established~~

~~Professional, financial, and medical services are also an important part of the overall economic fabric. Albany serves as the center of these services, particularly medical, for the larger Linn County Region Several new medical clinics were constructed between 1980-88. Most were built in close proximity to the Albany General Hospital The hospital itself has undertaken a major expansion and improvement program~~

~~During the period 1984-88, 385 Site Plan Review applications for establishing new businesses or relocating or expanding existing ones, were processed by the Albany Planning Department.~~

LOCAL TRENDS 1990 to 1999

Albany has become the main economic driver for Linn County and is an important component of the larger regional economy

These trends underscore Albany's growing economic importance

1. **Albany grew faster than the nation, Oregon, Linn and Benton Counties in each decade throughout the 1970–2000 period. Albany's population increased by 22% between 1990 and 2000 (excluding the North Albany annexation).**

2. **Albany's share of Linn County's population increased from 30% in 1980 to 34% in 2000. Albany's share of Benton County's population is 6.3%, according to the 2000 census.**

3. **Albany added about 4,500 jobs between 1990 and 1999, far exceeding projections of only 1,993 jobs for all of Linn County between 1988 and 1998. Albany's job growth accounted for 55% of total employment growth in Linn County.**

4. **Albany is projected to add over 5,000 jobs between 2000 and 2020.**

~~1. Albany's population has, during the last four decades (1940-80), grown at twice the rate as Linn County's and two and one-half times that of the state's.~~

~~2. The Albany area's share of overall countywide jobs has been steadily increasing. For the period, 1978-85, Albany's percentage of total county employment grew from 56.5 percent to 64 percent. It is estimated that more than 55 percent of countywide manufacturing jobs and 70 percent of non-manufacturing jobs are now located in the Albany area.~~

~~3. More than 70 percent of the 1,993 jobs anticipated to be created in Linn County within the next ten years (1988-98) are expected to be in the Albany area.~~

Staff Comments. The content below has been updated and relocated in this section of the Plan

~~Historically, the unemployment rate for Linn County has tended to be higher than either Oregon or the United States as a whole. A major reason for this is the seasonal nature of the county's dominant forest-products industrial base. The City of Albany is not immune to seasonal employment fluctuations. However, the more diversified industrial base of the Albany area provides some buffer from the unemployment shocks suffered by the county as a whole.~~

~~Albany shares economic characteristics more similar to that of the state as a whole rather than with Linn County. This is due to many factors including an adequate infrastructure to support development, a geographically central location on Interstate 5, a diverse economic base and a trained and motivated work force. However, there are important differences between Albany and the state, among which is that the Albany area (including Millersburg) has a basic to non-basic (manufacturing versus non-manufacturing) job ratio that is twice that of the state as a whole. Even though this situation is changing rapidly due to increased commercial development, manufacturing will continue to be a mainstay of the area's economy. Albany has, in recent years, attracted several other industries such as furniture, chemical, automobile parts, and building products manufacturing. Also, the food products industry has diversified and grown. Inland Quick Freeze (a seafood processing operation), Oregon Freeze Dry Foods, Inc., and National Fruit Canning Company have all added new employees during the last five years.~~

GROWTH PROJECTIONS

The state's long-term employment forecast for Linn County was used to forecast employment growth in Albany's UGB by making assumptions about the share and distribution of the County's employment in Albany. Albany is projected to add 5,655 covered employment[2] jobs by 2020. Using

[2] **Covered employment data includes only employees who are covered by unemployment insurance laws. This excludes significant segments of the working population, primarily contractors.**

only covered employment figures would systematically underestimate the demand for commercial and industrial land, because those figures do not include employees not covered by unemployment insurance laws. Converting Albany's covered employment to total job growth projected between 1999 and 2020 results in 7,206 new jobs. Albany is expected to gain approximately 13,000 residents over the same period.

The largest growth is projected in the Services (3,199 new jobs), Retail Trade (1,402), Manufacturing (817), and Finance Insurance Real Estate (F.I.R.E. - 794) sectors. Growth in these sectors accounts for 87% of Albany's expected employment growth in the next twenty years. According to the State Economist, the Food Products, Lumber & Wood Products, and Primary Metals industries are expected to have little or negative growth in the region between 2000 and 2010. These industries are a significant portion of Albany's Manufacturing industries, comprising 15% of total Albany employment and 75% of employment in the Manufacturing sector in 1999.

Table 2 shows projections of total employment growth by land use type in the Albany UGB to 2020.

Table 2. Total Job Growth by Land Use Type in Albany, 1999–2020

Sector	1999	1999	2020	2020	New Employment 1999-2020	%
Commercial	5,467	22%	7,478	23%	2,011	27 8%
Office	7,724	31%	11,108	35%	3,384	46 8%
Industrial	7,152	29%	8,640	27%	1,488	20 6%
Public	4,412	18%	4,735	15%	323	4.5%
Total	**24,755**	**100%**	**31,961**	**100%**	**7,206**	**100%**

Source Calculations by City of Albany using ES202 data from the Oregon Employment Department

COMMERCIAL AND INDUSTRIAL LAND USE NEEDS

Albany has an adequate supply of designated commercial and industrial land to accommodate development to the end of the planning period **(2020). The available land supply was calculated in the summer of 2000 by identifying vacant[3] and redevelopable[4] parcels using assessment data from Linn and Benton Counties. Table 3 shows the supply of vacant and redevelopable land within Albany's city limits and also outside the City but within the UGB by zone and Comprehensive Plan designation.**

~~This amount of land can accommodate any reasonable scenario of projected industrial growth to the year 2005. There are currently 205 acres of undeveloped commercial designated lands within the Albany city limits. This is 25 acres in excess of what is estimated to be needed by 2005 There are an additional 20 acres of commercially designated lands outside the city which also can be made available for development.~~

[3] **Vacant parcels were defined as those with an improvement value less then $10,000.**
[4] **Lands with redevelopment potential were defined as those with improvement values between $10,000 and $100,000.**

Table 3. Available Land in the Albany UGB by Use Type, 2000

Zoning District / Comp Plan Designation	Vacant Acres	Redevelopable Acres	Total Acres
In Albany city limits			
Office	26	18	44
Commercial	185	85	270
Industrial	639	97	736
Total in Albany city limits	*850*	*200*	*1,050*
Albany UGB (outside city, Comp Plan)			
Commercial	55	0	55
Industrial	95	0	95
Total UGB Land	*150*	*0*	*150*
ALBANY TOTAL LAND by TYPE			
Office	26	18	44
Commercial	240	85	325
Industrial	734	97	831
Total Acres	**1000**	**200**	**1200**

Source City of Albany, 2000

Within the city limits, there are over 700 acres of vacant or redevelopable industrial zoned land and over 200 acres of available commercial land. Most of this property is already serviced or services can be easily extended Although, **in some instances extending water and sewer could be quite costly. Albany has another 150 acres available within the Urban Growth Boundary for industrial and commercial development.**

Parcel size and location are both important variables that impact development. A review of parcel sizes by zone in 2000 indicated over 150 parcels (approximately 100 acres of commercial land and approximately 500 acres of industrial land within the city limits) that are large enough for development. Another factor that may affect the amount of developable land is environmental constraints. Approximately 10 percent of undeveloped land within the Linn County portion of the Albany UGB contains significant wetlands.

Table 4 shows that 270 acres of land and 3.1 million square feet of new building space are needed to accommodate 6,056 future employees to 2020. The acreage needed could vary depending on the number of employees accommodated per acre. An additional 32 acres will be redeveloped to provide approximately 360 jobs in Albany over the 1999–2020 period.

Table 4. New Land and Building Needs by Land Use Type in Albany, 2000–2020

Land Use Type	Acres of Land		Building Sq. Footage	
Commercial	67 6	25 0%	1,182,300	37 8%
Office	81 2	30 1%	955,050	31 8%
Industrial	102 9	38 1%	802,750	25 6%
Public	18 1	6 7%	163,200	5 2%
Totals	**269.8**	**100%**	**3,143,300**	**100%**

Source City of Albany, Economic Opportunities Analysis 2000

BACKGROUND INFORMATION ~~AND OTHER SOURCES~~

Considerable effort has gone into complying with the Industrial Commercial Lands Rule (ORS Chapter 660, Division 9) as part of periodic review. The following reports and studies provide additional information about the local economy They may be acquired from the Albany Planning Department at ~~250 SW~~ **333** Broadalbin **Street SW** and are also found in the Albany Comprehensive Plan Background Reports **2000**

Albany Economic Opportunities Analysis 2000:

a. ~~National, State, and Local Trends.~~ **Current Economic Conditions & Trends**
b ~~The City's Economic Development Potential.~~ **Factors Affecting Economic Development in Albany**
c ~~Land Availability for Expansion of Existing Industry~~. **Buildable Lands Analysis**
d. ~~Projected Commercial and Industrial Land Needs~~ **Findings, Policies and Strategies**
e ~~Target Economic Activities.~~ **Buildable Lands Inventory, Methods & Results**

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GOAL 9: ECONOMIC DEVELOPMENT

ALBANY'S ECONOMIC DEVELOPMENT GOALS, POLICIES & IMPLEMENTATION METHODS

Staff Comment. The following section represents proposed changes to the City's Comprehensive Plan policies relating to economic development that were reviewed by the City Council, Planning Commission and Budget Committee at work sessions in September, 2001, and were determined to be an acceptable starting point for discussion. The existing Comprehensive Plan goals, policies and implementation methods have been organized and renumbered under topic headings. New text is shown in **bold** *and* ~~strike~~ *represents text that is proposed to be updated. Text that is neither* **bold** *nor* ~~strike~~ *represents current policies.*

The Economic Development Comprehensive Plan goals, policies and implementation methods are organized under the following headings:

Albany's Economy
Land Use
Central Albany
Public Infrastructure
Natural Resources and Environment.

ALBANY'S ECONOMY

GOALS:

1 Diversify the economic base in the Albany area and strengthen the area's role as a regional economic center.

~~Enhance the economic position of all elements of the area's established economic base~~

~~Enhance Albany's potential for economic development associated with its central geographic location~~

2 **Provide a supportive environment for the development and expansion of desired businesses.**

3 Promote Albany's positive economic, social, and cultural image throughout the state and region and, where appropriate, at the national and international levels

4. Maintain the income levels of Albany residents, consistent with Oregon and national trends

5 **Strive for a balance of growth in jobs and housing for Albany and the region.**

6 Strengthen local and regional coordination of economic development planning.

POLICIES:

1. **Create and maintain a dialogue between business and civic leaders on what we can do as a community to improve our local economy.**

2 **Support the retention and expansion of existing businesses and industries, especially those that are locally owned.**

~~Encourage local industrial development to diversify beyond the three predominant manufacturing industries industrial sectors, while maintaining support for the strong position of the area's agriculture, timber, rare metals industries in the designation of target industries for expansion and growth~~

3. **Develop a focused investment strategy that considers the location, business or industry type and needs, and other criteria for the use of public funds such as utility oversizing, system development charges, utility rates, and gas taxes.**

4 **Effectively communicate City economic development and livability goals, policies and regulations to Albany Millersburg Economic Development Corporation (AMEDC), Chamber of Commerce (Chamber), Albany Downtown Association (ADA), Albany Visitors Association (AVA) and other agencies providing economic development advocacy and assistance.**

5 **Prepare and maintain a written economic development strategy that outlines priorities and roles for the City, AMEDC and other economic development entities.**

6 **Annually review the City's economic development strategy and priorities.**

7. **Take into account the following factors when considering financial and regulatory incentives to help attract, retain and expand businesses and industries in Albany:**

   a. **What percentage of the jobs pay wages above average for Albany?**
   b. **Will the business diversify the economy?**
   c. **Does the business want to locate or expand in areas where the City wants to encourage development or redevelopment?**
   d. **Is this an existing industry Albany would like to retain?**
   e. **Will the business place significant demands on utility or transportation systems?**
   f. **Is the business environmentally responsible?**

8. **Support efforts by AMEDC and other economic development entities to assist businesses in identifying new products and export markets.**

9 **Support efforts to improve local and regional coordination of economic development.**

10. Cooperate with business and industry to examine measures to reduce the cost of starting or expanding a business~~, such as by exploring the creation of low-cost incubator space~~

11 Support efforts by the ~~Albany Area~~ Chamber ~~of Commerce~~, ~~Albany-Millersburg Economic Development Corporation (~~AMEDC~~)~~, and the **AVA** ~~Albany Convention and Visitors Commission~~ **and ADA** ~~Associations (AVA)~~ to promote Albany through a variety of promotional and informational development activities.

12. Encourage business and industry to employ Albany's existing labor force using available job training and placement programs

13 Support the area's educational resources as vital to the social and economic well-being of the community. Encourage opportunities for increasing skill levels of local workers.

14. Recognize and promote community events as:

   a Having potential positive economic impacts
   b Important community promotion activities that demonstrate the abilities, talents, and resources of the community and its residents.
   c. Tools to develop local pride and community identity.

15 Recognize and support Albany's unique historic character as a major cultural and tourist-oriented economic resource

IMPLEMENTATION STRATEGIES:

1. **Participate in periodic community roundtables to define issues relating to the local economy and to identify remedies.**

2 **Prepare a written economic development strategy and responsibility matrix for the city, AMEDC and other economic development entities.**

3. **Assemble a community "solutions" team to assess how new, expanding or relocating businesses fit with the community and how Albany can meet their needs.**

4. **Bring perceived financial and regulatory barriers to the attention of the community solutions team.**

5. **Encourage AMEDC and the Oregon Economic and Community Development Department (OECDD) to support the retention and expansion of existing businesses, including efforts to identify new products and export markets.**

6. **Review and update contract with AMEDC to establish performance objectives and reporting requirements.**

   - **Urge AMEDC and OECDD to target and focus on businesses that meet the forcused investment strategy.**

   - **Urge AMEDC to investigate sources of venture capital to finance new and expanding business opportunities.**

7 **Use state and federal grant and loan programs, as appropriate, to encourage desired businesses to locate or expand in Albany.**

8 **Periodically review the Enterprise Zone boundaries and assess the impact of the Enterprise Zone on economic development and on the City's budget.**

~~Provide an appropriate level of public assistance to public service agencies involved in business counseling and economic development activities, and to their clients, to facilitate the acquisition of development permits~~

9 Support the activities of an economic development ~~committee~~ **entity,** such as AMEDC, to assist in implementing the economic goals and policies in the Comprehensive Plan. The ~~committee~~ **entity** would have the following responsibilities:

   a. Develop a list of target businesses and industries and a marketing strategy for Albany-area industrial land
   b. Advise the Planning Commission and City Council on economic development activities.
   c. Explore the development and use of private, local, state, and federal funding and programs directed at economic development activities.

8 Cooperate with and support AMEDC's effort to develop and maintain a current "economic profile" of Albany that can be made available to individuals and businesses considering locating in Albany

9 Coordinate with AMEDC and the International Trade Division of the Oregon Economic **and Community** Development Department to supply appropriate market and other information to international trade groups. ~~In particular, AMEDC and the City should region and with Oregon's sister state, Fu-Jian, in the People's Republic of China~~.

10 Cooperate with **area economic development entities to** ~~AMEDC and the Albany Area Chamber of Commerce to~~:

   a Maintain a current directory of ongoing economic activity
   b Update the Albany-Millersburg Industrial Site Inventory at least every two years
   c. Cooperate with economic development interests to assist them with information regarding location or expansion in the Albany area.
   d. Maintain and make available current industrial site survey information, such as: available and projected public services, surrounding land uses and potential incompatibility issues, transportation characteristics and capabilities, and other economic profile information describing Albany's social, economic, and political characteristics
   e Pursue local, state, federal, and other funding and technical assistance to attract business to the Albany area.

f. Provide funding for the administration of economic development activities.
g. When **desirable** ~~possible~~, give existing and potential businesses the advantages offered by the Albany Enterprise Zone and other local business incentives.

11 Support the cooperative efforts of all educational institutions to maintain high standards in all areas of educational opportunity.

12. Support major community events that have the potential for significant positive economic and social impacts.~~, such as the~~

~~a Monteith Riverpark summer concert series.~~
~~b Annual Veterans' Day Parade and associated activities~~
~~c Albany Timber Carnival.~~
~~d Albany Parks and Recreation Programs~~

RECOMMENDATIONS:

1 Encourage **area economic development entities** ~~AMEDC~~ to assist existing **Albany** businesses in identifying new products and export markets

2. Encourage **area economic development entities** ~~AMEDC~~ to investigate sources of venture capital to finance new business opportunities

3 Encourage investment in the area's local economy by local financial institutions.

4 Encourage **area economic development entities** ~~AMEDC~~ to develop a marketing strategy for the area's industrial lands and to actively promote the development of all industrial properties

5 Encourage **AMEDC, regional**, state and federal agencies and Linn-Benton Community College to provide special programs directed toward

a Alleviating poverty in the City of Albany.
b Job training and career counseling for the area's youth, unemployed, and dislocated workers.
c Small-business counseling for new and existing businesses

6. Encourage **area economic development entities** ~~AMEDC~~ to maintain up-to-date information regarding the area's educational resources and the educational level of the local population to provide to businesses considering locating in Albany

7 Encourage Linn-Benton Community College to actively market its facilities for cultural, conference, and community activities.

8 **Encourage Linn-Benton Community College to continue to offer training programs to local businesses.**

9. Encourage Millersburg, Tangent, Linn County, Benton County, and the Oregon Cascades West Council of Governments to work with Albany to coordinate economic development planning for areas inside respective urban growth boundaries

10 Encourage the Albany Visitors Association, the Albany Area Chamber of Commerce, and AMEDC to develop and implement methods to promote Albany throughout the region. These methods may include

a Developing and distributing attractive and current promotional literature to promote the Albany area's advantages and positive features
b. Developing and maintaining an attractive, visible, and accessible visitor's information center near Interstate 5.
c. Utilizing regional media resources to disseminate information about community activities and events.

d. Conducting tours of local industry and developing public exhibits to acquaint the community and visitors with the role that the Albany area plays in the regional and national economy

e. Encouraging community groups to host leading business, media, and community leaders from throughout Oregon and the region to present a positive view of all aspects of Albany.

~~f. Developing a logo and action theme representative of the community to be used in community promotion activities.~~

~~g~~**f**. Encouraging community civic and business leaders to be "community ambassadors" charged with promoting the business advantages of Albany-Millersburg and the surrounding region to prospective businesses

~~h~~**g** Recognizing in the local media businesses and individuals that make special efforts to promote the community.

~~I~~**h**. Encourag**eing** and cooperat**eing** with AMEDC to develop and periodically update a guide to the business assistance and development programs available in the Albany-Millersburg area

11. **Encourage Linn County to promote the Linn County Fair and Expo Center for events that draw visitor dollars to Albany.**

12 Encourage **area economic development entities,** the Albany Area Chamber of Commerce, the Albany Downtown Association, and the Albany Visitors Association ~~(AVA)~~ to study and document the need for high-quality shopping and dining opportunities in Albany.

LAND USE

GOALS:

1. ~~I~~**Ensure** an adequate supply of appropriately zoned land to provide for the full range of economic development opportunities in Albany, including commercial, professional, and industrial development.

2 **Achieve stable land-use growth that results in a desirable and efficient land-use pattern.**

3. **Create village centers that offer housing and employment choices.**

4. **Promote infill development and redevelopment throughout the City.**

5. **Improve community appearance and establish attractive gateways into Albany and visually appealing highway corridors.**

POLICIES:

General

1. Provide opportunities to develop the full range of commercial, ~~recreational,~~ **industrial** and professional services to meet the needs of Albany's residents and others

2 Encourage land use patterns and development plans ~~which~~ **that** take advantage of density and location to reduce the need for travel and dependency on the private automobile, facilitate energy-efficient public transit systems, and permit building configurations ~~which~~ **that** increase ~~the~~ **energy** efficiency ~~of energy use~~.

3. **Designate enough land in a variety of parcel sizes and locations to meet future employment and commercial needs.**

4 **Develop land use refinement plans for undeveloped and redeveloping parts of the city.**

5 Provide development opportunities for large-scale industrial and commercial development and for people to live ~~in proximity to~~ **near** activity centers, particularly their place of employment.

6 Encourage business and industry to locate within the Albany City limits to decrease the proportional share of city taxes paid by residential properties.

7. **Consider infill and redevelopment** of already serviced vacant and underdeveloped land **before designating additional land for industrial and commercial uses.** ~~Encourage the use of already serviced vacant and underdeveloped land through adaptive reuse of older areas of the community and the development and/or partitioning of lots which can meet minimum lot size requirements.~~

Industrial/Employment

1. Recognize the special needs of the area's existing industry, and ensure the provision of adequate industrial land for expansion and future development of the forest-products, rare-metals, and agriculture-related industries.
2. **Protect industrial and employment lands by restricting retail and service uses to those that cater primarily to nearby employees.**
3. **Disperse employment centers to parts of the City with access to adequate transportation routes and public utilities.**
4. ~~Assure adequate industrial land is available for warehousing and distribution centers.~~

Commercial

1. The size and type of future ~~regional and community~~ commercial sites ~~shall~~ **should** be ~~commensurate with~~ **proportional to** the area to be served and located so as to be easily accessible by the service area. Approvals of additional ~~regional and community~~ commercial sites may be ~~predicated~~ **based** ~~up~~on studies requested by the City ~~which~~ **that** assess public need~~,~~ **and** impacts ~~up~~on competing commercial areas, traffic ~~impacts~~, and ~~impacts upon~~ other public services
2. Discourage future strip commercial development and promote clustered commercial opportunities and the infilling of existing commercial areas ~~which~~ **that** will foster:
   a. Efficient and safe utilization of transportation facilities
   b. A variety of attractive and comfortable shopping opportunities that encourage shopping in a number of stores without auto use
   c. Compatibility between land uses, particularly adjacent residential neighborhoods.
   d. Efficient extension of public facilities and services
3. **Designate new mixed use Village Centers that provide a mix of commercial, office, entertainment and medium- to high-density residential uses that are integrated into the desired character of the neighborhood.**
4. **Use land use controls and other tools to reserve Village Centers for intended uses.**
5. Provide opportunities for both **small** neighborhood commercial facilities **to be located in neighborhoods** and Village Centers to be located ~~within an accessible distance of~~ **close to** the area they are intended to serve. Neighborhood **convenience and Village Center** commercial uses ~~shall~~**must.**
   a. Be located, designed, and operated so as to be compatible with surrounding residential uses.
   b. Be oriented to provide for the common and frequently recurring shopping needs of the area they are intended to serve.
   c. Be limited in number, size, and location. Generally, new **Neighborhood C**~~c~~ommercial **sites will be less than an acre.**
   d. **The commercial component of Village Center zoning districts should** ~~shall~~ be ~~less than five acres in total area~~ **sized to meet the neighborhood needs. Village Centers** ~~and~~ **are generally** ~~shall be~~ located at least one~~-half~~ mile in travel distance from any other commercial site ~~which~~ **that serves** ~~provides~~ or is available to ~~provide for~~ **serve** similar commercial needs.
   e Zone change applications for new neighborhood **and Village Center** commercial sites must demonstrate that the chosen site is superior or equal to viable alternative sites within the same

market area based on exposure to traffic flows and other market indicators, accessibility and convenience to the market area, and compatibility with surrounding uses.

6 Allow home business occupations within residential districts, to accommodate the needs of those engaged in small business ventures, subject to review procedures that ensure **that** compatibility with the surrounding residential neighborhood is maintained.

7 Within planned unit developments, commercial, recreation and retail uses may be allowed ~~which~~ **that** are designed to be compatible with the development and which can be supported primarily by its residents.

8 Encourage ~~residential professional~~ **mixed** uses as buffers between intensive commercial uses and less intensive residential uses ~~where~~ **when** compatibility can be demonstrated with the surrounding residential neighborhood.

~~Encourage the location of regional shopping facilities in Albany.~~

9 Discourage regional shopping centers outside ~~of~~ the Albany Urban Growth Boundary area ~~which~~ **that** ~~are~~ primarily target~~ed for~~ the Albany market area.

~~Actively market appropriate sites for the development of regional shopping centers~~

~~Encourage the development of conference facilities through the cooperative efforts of the public and private sectors.~~

Community Image

1. **Evaluate and revise existing commercial and industrial landscaping standards as needed to achieve a positive community image and a pleasant pedestrian environment.**

2. **Where necessary, adopt overlay design standards that ensure that development presents a positive image along Albany's major transportation corridors.**

IMPLEMENTATION METHODS:

General

1. Periodically review and update the Comprehensive Plan **goals, policies and map** to ensure that ~~there is adequate area~~ **enough land is** designated in each land use classification to meet anticipated needs.

2. **Prepare and adopt land use refinement plans for East I-5, North Albany and the Oak Creek area that result in efficient land use patterns. Modify development standards, Comprehensive Plan and zoning designations as necessary to implement area plans.**

3. **Review and amend the Albany Comprehensive Plan map designations and Development Code regulations as needed to maintain adequate industrial and commercial designated lands in locations that will achieve balanced and sustainable development patterns.**

~~Encourage new commercial and industrial development to utilize Planned Unit Development procedures and subsequently apply high quality and innovative building and site development design solutions~~

4 Develop and maintain standards for home occupations that address the needs of those who wish to engage in small-scale enterprises from their homes and which also ensure compatibility with the surrounding residential neighborhood.

~~Develop and maintain effective enforcement procedures to ensure home occupations observe compatibility standards~~

Industrial/Employment

~~Develop an Industrial Planned Unit Development ordinance that allows design and development innovation and flexibility to encourage viable and diverse industrial development opportunities.~~

1. **Periodically review the Albany Development Code to assess the uses and development standards allowed in the industrial and employment zones.**
2. **Remove regional retail uses as permitted uses in industrial zones and establish a maximum building square footage for commercial uses.**
3. **Work with property owners to prepare a redevelopment plan for the industrial and employment designated lands east of Pacific Boulevard and between Queen Avenue and Oak Creek. Specifically, identify redevelopment options for the former Stone Forest Industries site.**

<u>Commercial</u>

1. **Develop land use regulations and other tools to reserve village centers for intended uses.**
2. **Secure a commitment from a grocery store(s) to meet underserved areas.**
3. Wherever possible, except for infilling, do not allow ~~for~~ further expansion of existing strip commercial areas, and discourage new strip development, including isolated offices and professional facilities Undertake measures to improve the appearance and safe utilization and operation of existing strip commercial areas by
   a. Providing development opportunities for compact and multi-purpose commercial facilities that encourage shopping in a number of stores without auto use
   b Providing for combined access and otherwise limiting the number of access points to major arterials to maintain safety and the smooth flow of traffic.
   c. Improving pedestrian access and on-site environmental amenities.
   d. Providing for shared parking opportunities.
   e Implementing measures to improve the appearance and overall quality of strip commercial

<u>Community Image</u>

1. **Require industrial and commercial developments along major transportation corridors to meet special development standards relating to setbacks, landscaping, architecture, signs, and outside storage to present a pleasing visual image.**
2. **Improve commercial and industrial standards to allow for additional landscaping and increased variety of tree species.**

<u>CENTRAL ALBANY</u>

GOAL:

Revitalize the Central Albany area so that it will accommodate a significant portion of Albany's future employment and housing needs while retaining its unique historic character, vibrancy and livability.

POLICIES:

1. **Implement the Town Center Plan developed through the Central Albany Land Use and Transportation Study (CALUTS) using a citizen-based process.**
2. **Attract new private investment while retaining and enhancing the value of existing investments (both private and public).**
3. **Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, culture, housing, specialty shops, offices and other commercial uses by:**

a. Promoting the downtown as the ~~potential location~~ **center of** ~~for~~ a variety of commercial, ~~and~~ service, **entertainment and housing** activities.
b Discouraging the use of the downtown for non-intensive land uses ~~which~~ **that** have a low floor-area to site-**area** ratio
c **Encouraging businesses that provide daily convenience goods to downtown residents.**

4 ~~Encourage opportunities for~~ **Establish Central Albany** ~~the Downtown Business District~~ ~~to develop~~ as a ~~cultural,~~ financial, business and government center of the Albany area by~~:~~

~~a—E~~ encouraging federal, state and local governments to locate and/or maintain their offices and related facilities in downtown Albany

5. **Support the transition of industrial uses along the Willamette River to urban residential and supporting mixed uses.**

6. **Enhance and protect the community and environmental values of waterway corridors, including the canal system and the Willamette and Calapooia Rivers.**

7. **Provide a safe and convenient transportation network that encourages pedestrian and bicycle access to and within Central Albany.**

8. **Ensure compatibility of mixed-use developments with the surrounding area through access controls and design standards.**

IMPLEMENTATION METHODS:

1 Undertake periodic review of the **Central Albany Revitalization Area (CARA)** ~~Albany Economic Development District~~ Urban Renewal Plan to determine if ~~economic development district~~ resources could be more effectively used to assist the establishment of new business.

2 Support the **efforts of the Central Albany Revitalization Area Agency** ~~formation and maintenance of a redevelopment corporation~~ to organize, promote and finance improvements, historic preservation, **rehabilitation** and redevelopment in **Central Albany**. ~~the Downtown Business District~~

3. **Develop and implement the CARA Initial Implementation Strategy.**

4 **Encourage the CARA Agency and the Albany Downtown Association to cooperatively promote development and redevelopment that will establish the** downtown as the cultural, financial, **commercial,** business and government center of Albany.

5. Improve **Central** Albany's image, livability, appearance and design quality through aesthetic**ally appealing** enhancements **such as:**

   a. **Gateways to Central Albany and to downtown.**
   b. **Public gathering and resting spaces.**
   c. **Pedestrian and bicycle corridors oriented to the Willamette and Calapooia Rivers and to Albany's unique water canal system along Vine, 8th Avenue and Thurston Street.**
   d. **Pedestrian-oriented commercial areas that provide a sense of safety and street life.**
   e. **Natural and other green spaces, especially along the river corridors.**

6. **Develop design standards and incentives that encourage redevelopment and new development to respect and protect the unique pedestrian and historic qualities of Central Albany.**

7 Use the Willamette River as a resource and focus to develop new community events **and to establish an active public gathering space.**

8. Recognize and support the contribution of Albany's historic resources to the city's positive image **and Central Albany's vibrancy** by supporting.

   a The historic tours program as a focus for tourism and an expression of Albany's unique historic character and culture.

b. ~~Continue~~ **The** efforts **of the Albany Visitors Association and Willamette Valley Visitors Association** to promote Albany's historic resources throughout the state and region as a tourist attraction.

c. The Albany Regional Museum **and Monteith House** in ~~its~~ efforts to provide information concerning the area's ~~historic attractions to~~ **rich history to Albany's residents,** tourists and others who visit Albany.

d. Efforts to maintain and enhance the **programs and services of the Albany Visitors Association** ~~Historic Tours Committee's Information Center on Eighth Avenue between Ellsworth and Lyon Streets~~ as a focus of information ~~concerning~~ **about** Albany's Historic Districts

9. Develop a plan and implement strategies to balance protection of the Willamette River with development of higher-density housing, mixed uses and active public spaces along the riverfront.

~~10. Provide Residential Professional (RP) zoned areas to meet specific area needs in locations such as~~

a. ~~Near Albany General Hospital.~~

b. ~~Adjacent to the Downtown Business District.~~

c ~~Other areas that have special business, service, or professional needs (i.e. medical and dental clinics).~~

RECOMMENDATIONS:

1 Encourage the Albany Downtown Association to develop **programs and to recommend** measures to protect and enhance the viability of the Downtown Business District

PUBLIC INFRASTRUCTURE

GOALS:

1 **Ensure that new industrial and commercial development is located in areas that can be adequately served by public infrastructure.**

2 Provide a safe, diversified, economical and efficient transportation system (auto, transit, bicycles, pedestrian, rail and air) that protects and enhances Albany's economy, environment, neighborhood quality, and cultural and scenic values

POLICIES:

1. Encourage the siting of new industrial and commercial development on land that is adequately served by existing infrastructure; where the infrastructure can be made adequate, require the "minimum necessary" improvement cost to be borne by the new business rather than by existing taxpayers or utility rate payers.

2. Develop a transportation system, encourage land use patterns and design standards, and promote transportation projects, programs, and policies that reduce dependency on the automobile and encourage alternatives such as public transit, bicycling, walking, car and van pools.

3. As part of the development review process, encourage commercial developments to provide the opportunity for shared public access and shared parking where feasible.

4. Design streets that are efficient and safe for the movement of products and materials as well as for commuters and customers.

5. Promote land use patterns, site design, and incentives that accommodate public transit, bicycling, walking, vans and carpools as alternatives to single-occupancy vehicle commuting.

6. **Review infrastructure master plans as part of the refinement planning and map amendment processes for consistency with proposed changes in land use, and propose changes to the land use and/or the infrastructure plans to maintain consistency.**

~~Encourage efforts to improve US Highway 20 to the Port of Newport to reduce transportation costs and promote export of mid-valley products to the international market~~

IMPLEMENTATION METHODS:

1. **Develop a focused investment strategy that considers the location, business or industry type and needs, and other criteria for the use of public funds such as oversizing, system development charges, utility rates, and gas taxes.**
2. **Review the past practice of allocating some portion of water and sewer rate revenue to targeted economic development activities.**
3. **Investigate and use as appropriate state and federal grant and loan programs to help fund infrastructure and other costs associated with siting new desired industries or expansion of existing industries.**
4. **Update City water, sewer, stormwater, and transportation facility plans and adopt implementation strategies to ensure available capacity to accommodate targeted economic development.**
5. Enhance Albany's ability to provide high-quality public facilities and services as a cornerstone of the city's economic development potential by:
   a. Ensuring that the ability to process industrial wastes, utilizing both industrial pre-treatment and municipal treatment technology, is included in any future expansion of wastewater treatment facilities.
   b. Maintaining a five-year Capital Improvement Program and a long-range Public Facilities Plan that will schedule and provide appropriate public facilities and services to commercial and industrial land.
   c. Protecting or acquiring water rights and maintaining the ability to provide water to meet all projected residential, commercial, and industrial needs of the city and the surrounding urbanizing area.

RECOMMENDATIONS:

1. Encourage the improvement and utilization of all favorable transportation methods for raw materials, supplies, and area products to and from **key** markets, in cooperation with the Oregon Department of Transportation (ODOT), Cascades West Council of Governments, and other jurisdictions and state agencies
2. ~~Support~~ **Encourage** efforts to provide public transportation to Linn-Benton Community College, ~~and~~ Oregon State University **and major employment centers**.
3. ~~Support~~ **Encourage** efforts to develop services at the municipal airport ~~to serve~~ **for** the business and recreational flyer
4. **Encourage AMEDC to locate businesses generating significant traffic near major transportation corridors to minimize impacts on residential neighborhoods.**
5. **Encourage** ~~Support efforts to improve~~ **shuttle service to and the continued improvement of** Eugene's Mahlon-Sweet Airport ~~to serve~~ **to meet Albany's business needs and serve** as a ~~regional center of~~ **link to** national and international trade
6. **Encourage AMEDC to take utility and transportation infrastructure into account when promoting properties to prospects.**

NATURAL RESOURCES AND ENVIRONMENT

GOAL:

Transition to a pattern of sustainable economic development that conserves natural resources and minimizes environmental impacts.

POLICIES:

1 Coordinate with the Oregon Department of Environmental Quality **and other state and federal agencies** to define any environmental considerations that may affect economic development opportunities in Albany.

2 Give special attention to proposals in areas identified as in need of special review (greenway, floodplains, floodways, open space, **wetlands,** airport, etc), ensuring that developments in these areas are specially designed in recognition of the particular concern for that area

3. Support efforts to attract and retain environmentally responsible industries. These are businesses that:

   a. Reduce dependence on fossil fuels, extracted underground metals and minerals.
   b. Reduce dependence on chemicals and other manufactured substances that can accumulate in nature.
   c. Reduce dependence on activities that harm life-sustaining ecosystems.
   d. Balance the needs of present and future generations.

IMPLEMENTATION METHODS:

1 Develop and maintain clearly defined air shed and other environmental information regarding standards established by the Oregon Department of Environmental Quality for prospective industries considering location in Albany.

2. Develop a strategy for returning idle, underutilized, and/or contaminated lands ("brownfields") to productive use.

3. Continue efforts to plant and maintain trees in the City as a strategy for reducing both carbon emissions and energy expenditures.

4. Develop a mechanism for transfer of development rights among property owners to protect open space (floodplains, wetlands, riparian corridors, woodlands, view corridors and meadows).

5. Develop parking and landscaping standards that improve the quality of storm water runoff.

RECOMMENDATION:

1. Encourage AMEDC to recruit and support businesses that practice and support sustainability measures.

G \Periodic Review\Goal 9\adoption\g9 policies doc

*Staff Comments: New text is shown in **bold** and ~~strike~~ represents text that is proposed to be updated. Text that is neither **bold** nor ~~strike~~ represents current language*

GOAL ~~11~~2: ~~URBANIZATION~~LAND USE PLANNING

LAND USE DESIGNATIONS BACKGROUND SUMMARY

COMPREHENSIVE PLAN MAP DESIGNATIONS

The land use designations on the Comprehensive Plan Map (Plate 14) indicate the type, location, and density of land development and redevelopment that will be permitted in the future The map shows where various kinds of land use activities are appropriate for all areas within the Urban Growth Boundary Although future development in Albany may never correspond exactly to the Plan Map, the map does show where different kinds of activities are appropriate and directs growth to these areas The map also identifies potential development opportunities for meeting Albany's housing, commercial, and employment needs

The Comprehensive Plan Map has ~~four~~ **five** general categories of designations~~:~~ (residential, **mixed-use,** commercial, industrial, and special uses). Each general category is broken down into more specific categories as described below

RESIDENTIAL: GENERAL REQUIREMENTS

Staff Comments. No changes are proposed to the residential Comprehensive Plan designations at this time (awaiting Goal 10 Housing Policies)

MIXED-USE: GENERAL REQUIREMENTS

VILLAGE CENTER: **Provides for a mixture of uses to serve nearby neighborhoods. These uses must include retail and residential uses and may include offices, community and personal services, and live-work units. Development within a Village Center will be pedestrian friendly, fit the desired scale and character of nearby neighborhoods and prevent the appearance of strip commercial development. Within the Village Center Plan designation there will be at least two zones. One is a mixed-use commercial zone, the other is a medium- to high-density residential zone that provides a mix of housing choices.**

In order for additional land to be designated Village Center, applicants must demonstrate the need for the Village Center in a particular location and what residential populations it is intended to serve.

COMMERCIAL: GENERAL REQUIREMENTS

LIGHT COMMERCIAL: Provides for limited commercial activities ~~which~~ **that** include ~~residential~~ **office** professional and neighborhood commercial uses This designation is used to provide a buffer between residential and more intensive uses, (such as between the ~~Central Business District~~**Community Commercial District** and the surrounding residential areas) and also to provide neighborhood commercial areas in close proximity to residential areas

GENERAL COMMERCIAL: Identifies areas from **community** ~~neighborhood~~ services to ~~heavy~~ **regional** commercial establishments, suitable for a wide range of retail sales and service establishments.

Aside from recognition of existing commercial corridors, **new** ~~a~~commercial ~~node~~**areas** ~~has been created which will direct commercial development to one general area within the city and~~ **will develop under design guidelines** to avoid the continuance of "strip commercial" development in order to more efficiently serve the shopping needs of the community and region

~~**CENTRAL BUSINESS DISTRICT:** Identifies the downtown commercial core and provides for its preservation and continued viability. Typical Central Business District uses are permitted along with high density housing. Parking is provided by a Downtown Off Street Parking Assessment District.~~

INDUSTRIAL: GENERAL REQUIREMENTS

~~**INDUSTRIAL PARK:** Preserves large parcels for development of large scale, planned light industrial developments and accessory uses which have exceptionally high standards for architecture, landscaping, and environmental effects.~~

LIGHT INDUSTRIAL: Identifies areas suitable for a wide range of light industrial **uses including corporate offices, research and development, high technology,** manufacturing, warehousing, wholesaling, and other accessory and compatible uses ~~which~~ **that** have minimal environmental effects and can conform to the Development Code performance standards for the **Industrial Park and** Light Industrial Zones.

HEAVY INDUSTRIAL: Provides for most types of manufacturing and processing, storage and distribution, and other types of industrial uses ~~which~~ **that require large amounts of land in proportion to the number of employees and** are potentially incompatible with most other uses but ~~which can~~ comply with the ~~industrial performance~~ **development and environmental** standards of the **Development Code** ~~Heavy Industrial Zone~~**.**

SPECIAL USE DESIGNATIONS:

Staff Comment: No changes are proposed to the Open Space, Public and Semi-Public, Water Body and Sites of Special Interest sections of the plan at this time

~~**INTENSIVE DEVELOPMENT SECTORS:** Identifies areas where intensive development can and should occur, but, the particular type of land use should not be pre-determined in order to maintain maximum flexibility where any of several uses could be appropriate depending upon current market conditions. An intensive development sector designation requires that:~~

~~1. The area be designated on the Comprehensive Plan.~~
~~2. The area can only be developed through the planned development process.~~
~~3. No land division shall occur except as a part of an approved phase of a planned development for the entire parcel.~~

~~Permitted uses are cluster residential developments with densities of 6 to 15 units per gross acre, residential professional uses, accessory recreational uses, neighborhood commercial uses when such uses are designed to serve the development, industrial park uses, or any combination of the above.~~

~~Upon annexation, the underlying zoning designation of an intensive development sector shall be that which corresponds to the predominant intended use.~~

OVERLAY DESIGNATIONS:

Staff Comments: No changes are proposed for the Overlay Designations at this time

ZONING DISTRICTS

Zoning is a major "tool" for implementing the Comprehensive Plan. By law, zoning must be 'consistent" with the Comprehensive Plan However, this does not mean that zoning designations simply duplicate Comprehensive Plan designations. The zoning cannot permit uses or intensities ~~which~~ **that** are not allowed under the particular Plan category. It is possible to have zoning **that** ~~which~~ is more restrictive than the Plan designation (e g., if the land is not needed for such uses in the short run**,** or a particular area is not currently suitable for such development) In those instances, the zoning intensity would be increased when the land was needed and/or the suitability of the land for a particular use was assured.

Zone changes will occur, since minor adjustments to the Comprehensive Plan undoubtedly will occur. Zone changes also will occur concurrently with annexations, although the particular zone**(s)** attached to ~~such~~ **each** annexation depends on the Plan classification, the need for the intended uses, and the suitability of the land for a particular use.

Zoning regulations within the Urban Growth Boundary will be administered by the City of Albany for areas inside the city limits and by Linn ~~and Benton~~ County~~ies~~ for **land outside the city limits**~~their respective areas~~ Zone changes in the urbanizing area will be reviewed by the City of Albany subject to the requirements of the joint Urban Growth Management Agreements with ~~each~~ **Linn** ~~c~~County *(Staff Comment: In Benton County, the Urban Growth Boundary and city limits are identical Therefore there is no urbanizing area.)*

~~A brief summary of the zones~~**The Albany Development Code describes the zoning districts** that apply within the city limits ~~follows~~. For information on zones that apply in the urbanizing area**,** refer to the ~~applicable~~ **Linn** ~~c~~County zoning code

Staff Comment: The zoning district descriptions are being removed from the Comprehensive Plan based on a Councilor recommendation.

~~**OPEN SPACE DISTRICT:**~~

~~The **OS OPEN SPACE DISTRICT** is intended for the establishment, continuation, and preservation of agricultural uses, park and recreation areas, wildlife habitats, wetlands, natural areas, and other uses that do not involve the construction of structures other than minor facilities that might be required to conduct the principal use~~

~~**RESIDENTIAL ZONING DISTRICTS:**~~

~~The **R-1 LOW DENSITY RESIDENTIAL DISTRICT** is intended primarily for low density urban residential development~~

~~The **R-2 LIMITED MULTIPLE FAMILY RESIDENTIAL DISTRICT** is intended primarily for low- to medium-density residential development~~

~~The **R-3 MULTIPLE FAMILY RESIDENTIAL DISTRICT** is intended primarily for medium- to high-density residential development.~~

~~**COMMERCIAL ZONING DISTRICTS:**~~

~~The **RP RESIDENTIAL PROFESSIONAL DISTRICT** is intended to provide for a desirable mixing of residential land uses with professional offices and related limited commercial uses close to residential and~~

~~commercial districts. The limited uses allowed in this district are selected for their compatibility with residential uses. typically appropriate along arterial or collector streets as a transitional or buffer zone between residential and more intense commercial or industrial districts~~

~~The **C-1 NEIGHBORHOOD COMMERCIAL DISTRICT** is intended primarily for small areas of retail establishments serving nearby residents' frequent needs in convenient locations The C-1 District is typically appropriate for shopping clusters or service centers located in residential neighborhoods. Generally, uses within C-1 Districts should have as their primary market area the population within a one-half mile radius.~~

~~The **C-2 COMMUNITY COMMERCIAL DISTRICT** is intended to provide for developments which have a wide range of retail sales and service establishments The C-2 District is typically appropriate for large commercial clusters near intersections or along major thoroughfares~~

~~The **C-3 DOWNTOWN BUSINESS DISTRICT** is intended to provide for a single district within which a high concentration of service and activities will occur The district will be applied to the "core" or "downtown" area based upon the guidelines established in the Comprehensive Land Use Plan~~

~~The **CH HEAVY COMMERCIAL DISTRICT** is intended to provide areas where a mixture of commercial and light industrial activities can occur such as vehicle sales, heavy equipment rental and sales, and other uses which may have extensive outside storage, truck traffic and/or noise characteristics This district is most appropriate in outlying areas or in areas intended to be compatible with or buffer heavier industrial uses~~

~~**INDUSTRIAL ZONING DISTRICTS:**~~

~~The **MP INDUSTRIAL PARK DISTRICT**is intended primarily to provide for industrial uses and support activities which are characterized by large setbacks, attractive building architecture large landscaped park-like areas and the absence of objectionable external effects. The district is designed for industrial parks containing offices together with clean, non-polluting industries.~~

~~The **ML LIGHT INDUSTRIAL DISTRICT** is intended primarily to provide a wide range of manufacturing, warehousing, processing, and related establishments which have limited impacts on surrounding properties.This district is particularly suited to areas having good railand/or highway access~~

~~The **MH HEAVY INDUSTRIAL DISTRICT**is intended primarily to provide for industrial uses and support activities which are potentially incompatible with most other uses and which are characterized by large amounts of traffic, extensive shipping of goods, outside storage or stockpiling or raw materials, by-products, or finished goods, and a controlled but higher level of noise and/or air pollution~~

PLAN MATRIX

The relationship of the Plan designations to the zoning districts is summarized graphically in the "Plan Designation Zoning Matrix" This matrix is for determining the compatibility of a particular zoning district with any given Plan designation. The matrix shows ~~whether a particular~~**what** zoning districts **are** ~~is~~ **compatible with each Plan designation.** ~~either C (Compatible), R (Restricted or Subject to Special Regulations), or N (Not Compatible within any given Plan designation) For example, within the Low Density Residential Plan Designation, the R-1 zone is C (Compatible), the Residential Professional zone is R (Restricted), and the Community Commercial zone is N (Not Compatible).~~

It should be noted that ~~even a listing of C (Compatible)~~ **the listing of a zoning district as compatible** does not mean that the referenced zone can automatically occur anywhere ~~with~~in the specified Plan designation For example, a number of commercial zones (~~Neighborhood~~ **Community** Commercial,

~~commercial districts. The limited uses allowed in this district are selected for their compatibility with residential uses. typically appropriate along arterial or collector streets as a transitional or buffer zone between residential and more intense commercial or industrial districts.~~

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It should be noted that ~~even a listing of C (Compatible)~~ **the listing of a zoning district as compatible** does not mean that the referenced zone can automatically occur anywhere ~~with~~in the specified Plan designation. For example, a number of commercial zones (Neighborhood Commercial, ~~Heavy~~

Community Commercial, etc.) are compatible with the General Commercial Plan designation, but which zone should be **used** ~~utilized~~ in a particular area depends on the location and characteristics of the site and the need for the uses allowed in that zone.

Districts not listed in the table as compatible zoning districts for a particular Comprehensive Plan designation require both a zone change and a Comprehensive Plan change.

Staff Comments: The old matrix is being replaced with a simplified matrix The Overlay Designations (flood plain, greenway, wetlands, and planned unit development) are no longer in the table

PLAN DESIGNATION ZONING MATRIX

Plan Designation	Compatible Zoning Districts
~~Industrial Park~~	~~Industrial Park (IP)~~
Light Industrial	**Industrial Park (IP), Light Industrial (LI), Transit District (TD), Heavy Commercial (CH)**
Heavy Industrial	~~Industrial Park (IP),~~ **Light Industrial (LI), Heavy Industrial (HI)**
General Commercial	**Neighborhood Commercial (NC), Office Professional (OP) , Community Commercial (CC), Regional Commercial (RC), Heavy Commercial (CH)**
Light Commercial	**Neighborhood Commercial (NC), Office Professional (OP)**
Village Center	**Historic Downtown (HD), Central Business (CB), Lyon-Ellsworth (LE), Elm Street (ES), Main Street (MS), Pacific Boulevard (PB), Waterfront (WF), Mixed-Use Commercial (MUC), Mixed-Use Residential (MUR), Waterfront (WF), Residential Limited Multiple Family (RM-5), Office Professional (OP), Community Commercial (CC)**
High Density Residential	**Residential Multiple Family (RM-3), Waterfront (WF), Office Professional (OP), Neighborhood Commercial (NC)**
Medium Density Residential	**Residential Single Family (RS-5), Residential Limited Multiple Family (RM-5), Mixed Use Residential (MUR), Waterfront (WF), Office Professional (OP), Neighborhood Commercial (NC)**
Low Density Residential	**Residential Single Family (RS-10, RS-6.5, RS-5), Hackleman Monteith (HM), Residential Reserve (RR), Office Professional (OP), Neighborhood Commercial (NC)**
Urban Residential Reserve	**Residential Single Family (RS-10, RS-6.5, RS-5), Urban Residential Reserve (RR), Residential Multiple Family (RM-3), Residential Limited Multiple Family (RM-5), Mixed Use Residential (MUR), Office Professional (OP), Neighborhood Commercial (NC)**
Public & Semi-Public	**All zones**
Open Space	**Open Space (OS)**

~~PLAN DESIGNATION~~	~~ZONING DISTRICTS~~												~~OVERLAY ZONES~~			
	OS	R-1	R-2	R-3	RP	C-1	C-2	C-3	CH	MP	ML	MH	FP	GW	PUD	WTL
Urban Residential Reserve	R	C	C	C	R	R	N	N	N	N	N	N	R	R	R	R
Low Density Residential	R	C	N	N	R	R	N	N	N	N	N	N	R	R	R	R
Medium Density Residential	R	C	C	N	R	R	N	N	N	N	N	N	R	R	R	R
High Density Residential	R	C	C	C	R	R	N	N	N	N	N	N	R	R	R	R
Light Commercial	R	R	R	R	C	C	N	N	N	N	N	N	R	N	R	R
General Commercial	R	N	N	N	C	C	C	N	C	N	N	N	N	N	R	R
Central Business District	R	N	N	N	C	N	N	C	N	N	N	N	R	R	R	R
Industrial Park	R	N	N	N	N	N	N	N	N	C	N	N	R	N	R	R
Light Industrial	R	N	N	N	N	N	N	N	R	C	C	N	R	R	R	R
Heavy Industrial	R	N	N	N	N	N	N	N	N	C	C	C	R	R	R	R
Public Facilities	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Open Space	C	N	N	N	N	N	N	N	N	N	N	N	C	C	R	C
Intensive Devel. Sector	R	R	R	R	R	R	N	N	N	R	N	N	R	R	C	R

~~KEY:~~ ~~**C** = Compatible~~
~~**R** = Restricted or subject to special regulation such as Zone Changes~~
~~**N** = Not compatible, requires Comp Plan Amendment and Zone Change~~

PLAN MAPS

Staff Comment: No changes are proposed to this section or these maps at this time.

SITES OF SPECIAL INTEREST

Staff Comment: Site 3 of Special Interest is proposed to be deleted since we no longer have the Intensive Development Sector plan designation. No other changes are proposed to this section at this time

~~**SITE 3:**~~

~~This site has been designated as Intensive Development Sector and the following policies apply to its development. Its annexation and subsequent development will depend upon a demonstration that:~~

~~1 The property is needed for an industrial or professional use which is compatible with and benefits from the proximity of Linn Benton Community College and such need cannot be satisfied by land within the nearby Industrial Park classification, or~~

~~2 The property is needed for residential use due to major new employment opportunities within the South Albany area or other changes in circumstances not anticipated within the Comprehensive Plan which would increase the demand for residential uses in this area.~~

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Exhibit E

ECONOMIC OPPORTUNITIES ANALYSIS 2000

FINAL REPORT PREPARED BY:
City of Albany
Community Development Department
In 2001

ORIGINAL REPORT PREPARED BY:
ECONorthwest
Eugene, OR 97401
In 2000

Table of Contents

Chapter 1

Economic Conditions, Trends & Projections

OVERVIEW OF ALBANY ECONOMY

Since the mid-19th century, Albany has been a regional center of trade, manufacturing, and services in the central Willamette Valley. Albany's first industries were flour and wood mills, factories and farming. The city was sited to take advantage of transportation access provided by the Willamette River, which was used to ship goods to Portland and to other markets via ocean-going ships. Albany was already established when the railroad came through the Willamette Valley, and local businessmen raised money to ensure that the rail line would stop in Albany. Subsequent investments in rail and highways have reinforced Albany's role as a transportation hub and commercial center. Albany remains an essential player in the regional economy of the central Willamette Valley area that includes Linn and Benton Counties.

While the traditional wood products and agricultural industries continue to be important parts of the local economy, Albany's business environment has become one of the most stable and diverse in Oregon. Many important Albany industries and economic endeavors originated locally. The reactive metals industry developed in Albany as a spin-off of research conducted at the Albany Research Center of the U.S Bureau of Mines. Because of the primary metals industry, Albany is one of the world's leading producers of rare metals such as zirconium and titanium. Albany rare-metal industries include Oregon Metallurgical Corporation, Wah Chang and Pacific Cast Technologies. The aerospace, defense and nuclear industries, along with many others, depend on products manufactured by local rare-metals firms.

Other local manufacturing activities with national and international markets include the production of finished building products (notably Golden West Homes), transportation-related services (Target Distribution Center), and agricultural products and their processing (Smokecraft, National Frozen Foods, and Oregon Freeze Dry). Another successful and growing local firm is Tec Labs, maker of insect repellent and lotions. Albany has attracted several other industries over the past 20 years, such as Sonic Blue (originally Supra), Synthetec, Hopton Technology, Panolam Industries (originally Domtar), and Allann Brothers Coffee Company.

As with other communities throughout the state and nation, the retail trade and services sectors[1] especially are becoming a more important part of the local economy. In 1999, the Albany economy was led by the services, retail trade and manufacturing sectors. As the Linn County seat and home to Linn-Benton Community College, Albany also has a significant number of government employees.

This chapter will review population, industry, and employment trends in Albany and Oregon since the 1970s and finish with predictions for both Oregon's and Albany's economies.

[1] This report will make frequent use of the terms *sector* and *industry*. *Sectors* are groups of *industries*, as defined in the Standard Industrial Classification system used for economic statistics. For example, the manufacturing sector contains the lumber & wood products, primary metal, and other manufacturing industries.

CONTEXT OF ECONOMIC GROWTH IN ALBANY

National Trends

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

- Continuing westward migration and the increasing role of non-wage factors in decisions of households and firms to relocate (such as Oregon's quality of life).
- Growing Pacific Rim trade.
- The growing importance of education in determining wages and household income.
- Declining employment in resource-intensive industries and its increase in the services and high-tech manufacturing.
- Increasing integration of non-metropolitan and metropolitan areas as businesses and communities sprawl.

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times they may run counter to the long-term trends described above. A recent example is the downturn in Asian economies, which caused Oregon's exports to Pacific Rim countries to decline. This in turn led to layoffs in the lumber and wood products and high-tech manufacturing industries (industrial machinery, electronic equipment, and instruments). The Asian economies are recovering, however, and Pacific Rim trade is expected to continue to play a significant role in the national, state, and local economies.

This report takes a long-term perspective on the Albany economy (as the Goal 9 requirements intend) and does not attempt to predict short-term business cycles.

Oregon Trends

Future economic development in Albany will also be affected by economic trends in Oregon and the Willamette Valley. Recent economic trends and the economic outlook for Oregon form a primary basis for our expectations of future trends and development patterns in Albany. Other factors affecting future economic development in Albany and the outlook for growth in Albany are addressed later in this report.

POPULATION GROWTH

Oregon Trends

Employment growth and population growth are closely linked and influence each other. Employment growth varies more because employment is more closely tied to national and state economic conditions. Albany's population growth is based in large part on economic growth trends.

Oregon's economy is generally more cyclical than the nation's, growing faster during expansions and contracting more rapidly during recessions. This pattern is shown in Table 1-1, which presents data on population in the U.S., Oregon, and selected areas in Oregon from 1970 to 2000. The table shows that Oregon grew more rapidly than the U S in the 1970s and 1990s (which were generally expansionary) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. Oregon's population growth regained momentum in 1987, growing at annual rates of 1.4% to 3.1% between 1988 and 1996.

Population growth in Oregon and its regions slowed in 1997 to 1.1% statewide, the slowest rate since 1987. The reasons most often cited for this slowing are the recovery of the California economy, the combination of a high cost of living (especially housing) and low wages in Oregon, and a perceived decline in the quality of Oregon's schools. Oregon's population growth rate has since recovered, showing a 3.6% gain between 1999 and 2000.

Table 1-1. Population Growth Rates 1970–2000

	1970	1980	1990	2000	Avg. Ann. Growth Rate 70-80	80-90	90-00
U.S.	203,211,926	226,545,805	248,709,873	281,421,906	1.1%	1.0%	1.3%
Oregon	2,091,385	2,633,156	2,842,321	3,421,399	2.3%	0.8%	2.0%
Linn County	71,914	89,495	91,227	103,069	2.2%	0 2%	1.3%
Benton County	53,776	68,211	70,811	78,153	2.4%	0.4%	1.0%
Albany	18,181	26,511	29,540	40,852	3.8%	1.1%	2.2%
in Linn Co.			29,540	35,752		1.1%	2.1%
in Benton Co.			3,965	5,100			2.9%

Sources: U S Census Bureau and Center for Population Research and Census, Portland State University Average annual growth rates calculated by City

Note The original 1990 Census population for Albany was 29,462 (29,441 in Linn County and 21 in Benton County). The Census Bureau officially adjusted the 1990 population of Albany to include the 1991 annexation of North Albany, which is in Benton County. The 1980–90 growth rates for Albany are calculated using the pre-annexation population, and the 1990–00 growth rates are calculated using the post-annexation population

Between 1990 and 1999, almost 70% of Oregon's total population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths). Net migration to Oregon dropped from 35,000 in 1996 to 18,000 in 1999[2]. The primary reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment. Recent migrants to Oregon are, on average, younger and more educated than Oregon's existing population, and are more likely to hold professional or managerial jobs. These trends show that the continuing national movement west is important to the health of Oregon's economy and labor pool

Willamette Valley

The Willamette Valley has historically been the center of growth in Oregon. The population growth rate in the Willamette Valley has exceeded that of the state in every decade except the 1970s. Almost 70% of Oregon's population is located in the Willamette Valley, which contains only 14% of the state's land area. Most of the Willamette Valley's population is concentrated in the metropolitan areas of Portland, Salem, and Eugene.[3]

Albany

Albany has grown faster than the nation, Oregon, and Linn and Benton Counties in each decade from 1970 to 2000, as shown in Table 1-1. Albany's share of Linn County's population increased from 25% in 1970 to 34% by 2000, which may be due to growth in the service, retail and government industrial sectors in Albany. Albany saw an additional increase in population with the 1991 annexation of North Albany (in Benton County), which added 3,860 residents to Albany. The annexation made Albany the second-largest city in Benton County, following Corvallis.

Reflecting state trends, net migration accounted for about 66% of population growth in Linn County in the 1990–1999 period. A review of the *1999 Oregon In-migration Study* shows that migrants to Region 4 (Benton, Lincoln, and Linn Counties), like Oregon in-migrants overall, are relatively young and well-educated.

[2] State of Oregon, Employment Department 1999. *1999 Oregon In-migration Study.*

[3] The Willamette Valley is composed of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill counties

ECONOMIC STRUCTURE

The employment base in a region is often a good indicator of the relative health of its economy. A growing employment base and low unemployment indicate an expanding economy. A weak economy tends to be characterized by job losses and high unemployment. The health of a region's *basic* industries can greatly influence the broader economic base. Traditionally, basic industries have been those in the manufacturing sector, but technological changes have broadened the definition to cover producer services (software, research and development, consulting, etc.), tourism, and retail. The ratio of basic to non-basic (services and retail) industries is a good indication of economic stability: the higher the ratio, the more stable the economy.

Basic industries are those industries that export goods and services out of the local market.

Oregon

The composition of Oregon's employment has changed substantially since 1969. Employment growth has been led by the services and finance, insurance and real estate sectors. Employment in these sectors increased from 25% to 35% of the total between 1969 and 1995. Slow growth in manufacturing caused its share of total employment to decline from 20% to 13% over this period, while other sectors grew at rates close to the statewide average.

In the last twenty years, Oregon's economy has moved away from reliance on traditional resource-extraction industries with the growth of high-tech manufacturing, services, and trade. A significant indicator of this transition is the decline of employment in the lumber and wood products industry and the concurrent growth of employment in high-technology manufacturing industries. Employment in high-tech industries surpassed that in lumber and wood products in 1995. By 2000, 31% of Oregon's durable goods manufacturing jobs were in high-tech, while lumber and wood products employment had slipped to 28% from 40% in 1990.

While this transition has increased the diversity of employment within Oregon, it has not significantly improved Oregon's diversity relative to the national economy. Oregon's relative economic diversity has historically ranked low among the states, primarily due to dependence on the timber industry. Oregon ranked 35th in diversity (1st = most diversified) based on gross state product data for 1963–1986, and 32nd based on data for the 1977–1996 period. While Oregon's economy has diversified, it is still heavily dependent on several large industries. timber, high-tech, and agriculture. Relatively low economic diversity increases the risk of volatility as measured by changes in output or employment. For example, while Oregon has enjoyed the benefits of increasing concentration in high-tech manufacturing, the 1999 Asian banking crisis demonstrated the risk of Oregon's reliance on the high-tech manufacturing industry.[4]

Between June 2000 and June 2001, Oregon saw a notable economic downturn, losing 15,900 jobs, the largest annual job loss in almost 10 years. This downturn is being driven largely by the manufacturing sector Transportation equipment manufacturing, lumber and wood products, machinery and metals manufacturing have all experienced large reductions in employment in the last year. Hopefully the rise in power costs will only impact the metals industries in the short term Fortunately, Oregon's agriculture industry has remained stable, actually adding jobs over the past 10 years.

Changing economic conditions in Oregon are not only affected by national and international trends, but also by government action in the state itself. State policy has made a concerted effort to attract industries with favorable tax policy (e.g., no unitary tax, which would tax world-wide

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

corporate income of businesses operating in Oregon), changes in corporation codes, reforms to reduce the costs of workers' compensation, investments in infrastructure, and other incentives such as enterprise zones and the Strategic Investment Program, which attempt to stimulate capital-intensive industries through property tax abatement. The state has encouraged international trade and investments with missions and offices in Japan, Taiwan, and other Pacific Rim countries. State policies that may affect Albany directly are those related to land use and environmental quality, which aim to preserve the natural and cultural amenities that make Oregon attractive to its current and potential residents and businesses. These policies, however, may also raise taxes, fees, and land development costs.

Linn and Benton Counties

In 1999, there were slightly fewer than 76,000 jobs in Linn and Benton Counties. Employment has generally grown by 2.6% per year in this region since 1990. However, most employment growth occurred between 1992 and 1997, with the peak years being 1994-96. Employment declined between 1997 and 1999, paralleling the national slowdown in the manufacturing and high-tech sectors.

Linn and Benton Counties both have a larger-than-average share of employment and earnings from the manufacturing sector compared to Oregon. The dominant industries in each county are different - electric and electronic equipment in Benton County, lumber and wood products and primary metals in Linn County.

The agriculture sector is very important to both Linn and Benton Counties, as in the rest of the fertile Willamette Valley, providing jobs, income and profits that support the local communities. As the "grass seed capital of the world," Linn County plays an important role in the regional economy, exporting grass and legume seed, mint oils, and a variety of fruits and vegetables. Linn County had farm sales of $169.3 million in 2000, and Benton County sales totaled $85.0 million. Farm sales totaled $254.4 million for the two counties in 2000, down from $286.8 million in 1999. Over the long term, rising production costs (fuel, fertilizers, pesticides, labor), declining prices (competition from abroad), fewer and larger customers, and mechanization may impact the agriculture industries, and will certainly impact employment in both counties and in Albany.

Albany

Albany shares economic characteristics (unemployment rate, population and job growth rates, for example) more closely with the state as a whole than with Linn County. This is due to many factors, including sufficient infrastructure to support development, a geographically central location on Interstate 5, a diverse economic base, and a relatively highly trained work force. However, there are important differences between the Albany area (including Millersburg) and the state. In 1997, the Albany area still had a basic to non-basic (manufacturing to non-manufacturing) job ratio almost twice that of the state as a whole. Although Albany is seeing a shift to the services and retail sectors, manufacturing will continue to be a mainstay of the area's economy.

Table 1-2 and Table 1-3 report 1990 and 1999 covered employment data[5] for the Albany Urban Growth Boundary (UGB) based on employer records with a 97321 zip code.[6] Table 1-2 shows the number of businesses and number of employees for 1990 and 1999 by industrial sector. This table should be considered an estimate of employment in Albany's UGB. Table 1-3 shows the percentage of employment in each sector in 1990 and 1999, and the percent of change in employment. Employment in the entire 97321 zip code area is shown in Appendix C. Data for some industries is

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[5] Covered employment data only includes employees who are covered by unemployment insurance laws This excludes significant segments of the working population, primarily contractors.

[6] The 97321 zip code includes Albany, Millersburg, and surrounding areas outside the UGB, including North Albany To make these data more representative of employment in Albany, employers in Millersburg and outside the Albany UGB were omitted from Tables 1-2 and 1-3, based on street addresses and knowledge of the local economy.

Table 1-2. Covered Employment in the Albany UGB, 1990 & 1999

SIC/Sector	1990 Firms	1990 Employees	1990 Payroll	1999 Firms	1999 Employees	1999 Payroll
Agricultural Services	**17**	**91**	**$1,564,571**	**34**	**355**	**$5,765,669**
01 Crop Production	4	26	$292,734	4	13	$387,679
07 Agricultural Services	10	42	$706,619	26	191	$3,132,348
08 Forestry	3	23	$565,218	4	151	$2,245,642
Construction	**112**	**486**	**$10,318,195**	**183**	**929**	**$30,928,872**
15 General Building Contractors	37	128	$2,175,658	81	179	$5,509,119
17 *Special Trade Contractors*	73	350	$8,005,879	98	684	$22,602,980
Manufacturing	**78**	**3,527**	**$99,933,326**	**83**	**3,441**	**$122,995,316**
20 Food & Kindred Products	10	998	$23,418,816	7	964	$23,994,940
23 Apparel	4	31	$439,941	5	32	$674,721
24 Lumber & Wood Products	12	765	$22,335,208	11	849	$36,238,958
27 Printing & Publishing	10	178	$2,611,777	7	155	$3,215,946
28 Chemicals	3	34	$1,120,414	5	111	$5,102,310
33 Primary Metals	4	989	$37,295,612	4	681	$33,365,596
34 Fabricated Metal Products	4	48	$1,168,651	13	202	$7,427,829
35 Machinery & Equipment	15	259	$7,029,173	12	103	$3,242,048
36 Electronic Equipment	3	73	$1,690,268	4	135	$3,711,142
37 Transportation Equipment	3	55	$796,078	3	43	$862,927
38 Instruments				3	45	$1,387,255
Trans., Comm., & Utilities	**35**	**482**	**$13,737,060**	**45**	**871**	**$26,094,095**
41 Passenger Transit	4	9	$71,346	4	15	$179,632
42 Trucking & Warehousing	18	168	$3,928,249	19	567	$15,321,767
45 Air Transportation	4	16	$284,582	2	11	$257,465
48 Communications	4	73	$1,609,092	7	79	$2,533,334
49 Utilities	3	193	$7,432,376	7	176	$7,300,783
Wholesale Trade	**71**	**651**	**$14,845,050**	**74**	**581**	**$18,139,432**
50 Durable Goods	39	304	$7,127,297	45	248	$8,113,121
51 Nondurable Goods	32	347	$7,717,753	29	333	$10,026,311
Retail Trade	**233**	**3,446**	**$39,641,055**	**310**	**4,083**	**$66,195,451**
52 Building Materials	11	97	$1,430,267	13	250	$6,105,240
53 General Merchandise	11	817	$10,496,269	13	687	$11,237,323
54 Food Stores	30	415	$5,626,535	38	510	$8,492,993
55 Auto Dealers & Service	44	412	$7,547,012	40	533	$13,891,568
56 Apparel & Accessories	12	81	$744,940	21	190	$2,521,517
57 Furniture	16	120	$1,974,423	30	150	$2,825,374
58 Eating & Drinking Places	72	1,305	$9,788,902	91	1,447	$16,157,506
59 Miscellaneous Retail	37	199	$2,032,707	65	316	$4,963,930
Finance, Ins., & Real Estate	***95***	***629***	***$11,291,203***	***141***	***839***	***$26,982,325***
60 Depository Institutions	19	276	$5,135,023	15	252	$7,970,519
61 Nondepository Institutions	3	5	$135,468	12	37	$1,828,775
63 Insurance Carriers	7	33	$825,902	8	24	$943,692
64 Insurance Agents	21	148	$3,600,359	32	296	$10,840,351
65 Real Estate	40	162	$1,533,726	62	213	$4,177,429
67 Holding & Investment Offices	4	4	$51,185	4	4	$23,999
Services	**401**	**3,460**	**$55,462,737**	**462**	**5,130**	**$118,592,517**
70 Hotels	9	82	$528,901	9	80	$845,047
72 Personal Services	27	131	$1,475,286	42	187	$2,789,064
73 Business Services	38	649	$6,651,259	72	1,554	$26,804,465
75 Auto Repair	36	145	$2,458,966	35	209	$5,401,021
76 Miscellaneous Repair	16	110	$2,277,476	14	89	$2,449,912
78 Motion Pictures	5	44	$300,820	5	57	$540,060
79 Amusement & Recreation	16	125	$1,247,204	23	171	$2,184,946
80 Health Services	106	1,168	$24,904,634	84	1,639	$50,183,020
81 Legal Services	27	90	$2,913,864	22	90	$3,733,573
82 Educational Services	3	39	$405,905	4	73	$1,033,336
83 Social Services	35	327	$3,324,992	40	397	$8,175,222
86 Membership Organizations	33	263	$1,737,028	53	366	$4,649,702
87 Engineering & Management	33	268	$7,080,986	40	184	$9,166,750
88 Private Households	15	17	$144,680	19	34	$636,399
99 Nonclassifiable	3	2	$48,550	6	3	$124,646
Government	**35**	**3,423**	**$71,057,476**	**40**	**4,412**	**$121,511,105**
Federal Government	6	260	$8,498,768	10	169	$7,022,982
State Government	17	353	$8,492,977	16	463	$14,925,904
Local Government	12	2,810	$54,065,731	14	3,780	$99,562,219
Total	**1,081**	**16,198**	**$317,929,318**	**1,380**	**20,659**	**$537,857,335**

Source ES-202 data for the 97321 zip code provided by the Oregon Employment Dept Compiled by the City

Table 1-3. Albany UGB Employment Growth 1990–1999 & Composition of 1999 Employment

Standard Industrial		1990-1999 Employment				
Sector	Industry	Employment Change	% Change	% of Total Change	1999 % of Total Emp.	1990 % of Total Emp.
Agricultural Services		**264**	**290%**	**6%**	**2%**	**1%**
01	Crop Production	-13	-50%	0%	0%	0%
07	Agricultural Services	149	355%	3%	1%	0%
08	Forestry	128	557%	3%	1%	0%
Construction		**443**	**91%**	**10%**	**4%**	**3%**
15	General Building Contractors	51	40%	1%	1%	1%
17	Special Trade Contractors	334	95%	7%	3%	2%
Manufacturing		**-86**	**-2%**	**-2%**	**17%**	**22%**
20	Food & Kindred Products	-34	-3%	-1%	5%	6%
23	Apparel	1	3%	0%	0%	0%
24	Lumber & Wood Products	84	11%	2%	4%	5%
25	Furniture	-20	-32%	0%	0%	0%
27	Printing & Publishing	-23	-13%	-1%	1%	1%
28	Chemicals	77	226%	2%	1%	0%
33	Primary Metals	-308	-31%	-7%	3%	6%
34	Fabricated Metal Products	154	321%	3%	1%	0%
35	Machinery & Equipment	-156	-60%	-3%	0%	2%
36	Electronic Equipment	62	85%	1%	1%	0%
37	Transportation Equipment	-12	-22%	0%	0%	0%
38	Instruments	45		1%	0%	0%
Trans., Comm., & Utilities		**389**	**81%**	**9%**	**4%**	**3%**
41	Passenger Transit	6	67%	0%	0%	0%
42	Trucking & Warehousing	399	238%	8%	3%	1%
45	Air Transportation	-5	-31%	0%	0%	0%
48	Communications	6	8%	0%	0%	0%
49	Utilities	-17	-9%	0%	1%	1%
Wholesale Trade		**-70**	**-11%**	**-2%**	**3%**	**4%**
50	Durable Goods	-56	-18%	-1%	1%	2%
51	Nondurable Goods	-14	-4%	0%	2%	2%
Retail Trade		**637**	**18%**	**14%**	**20%**	**21%**
52	Building Materials	153	158%	3%	1%	1%
53	General Merchandise	-130	-16%	-3%	3%	5%
54	Food Stores	95	23%	2%	2%	3%
55	Auto Dealers & Service	121	29%	3%	3%	3%
56	Apparel & Accessories	109	135%	2%	1%	1%
57	Furniture	30	25%	1%	1%	1%
58	Eating & Drinking Places	142	11%	3%	7%	8%
59	Miscellaneous Retail	117	59%	3%	2%	1%
Finance, Ins., & Real Estate		**210**	**33%**	**5%**	**4%**	**4%**
60	Depository Institutions	-24	-9%	-1%	1%	2%
61	Nondepository Institutions	32	640%	1%	0%	0%
63	Insurance Carriers	-9	-27%	0%	0%	0%
64	Insurance Agents	148	100%	3%	1%	1%
65	Real Estate	51	31%	1%	1%	1%
67	Holding & Investment Offices	0	0%	0%	0%	0%
Services		**1,670**	**48%**	**37%**	**25%**	**21%**
70	Hotels	-2	-2%	0%	0%	1%
72	Personal Services	56	43%	1%	1%	1%
73	Business Services	905	139%	20%	8%	4%
75	Auto Repair	64	44%	1%	1%	1%
76	Miscellaneous Repair	-21	-19%	0%	0%	1%
78	Motion Pictures	13	30%	0%	0%	0%
79	Amusement & Recreation	46	37%	1%	1%	1%
80	Health Services	471	40%	11%	8%	7%
81	Legal Services	0	0%	0%	0%	1%
82	Educational Services	34	87%	1%	0%	0%
83	Social Services	70	21%	2%	2%	2%
86	Membership Organizations	103	39%	2%	2%	2%
87	Engineering & Management	-84	-31%	-2%	1%	2%
88	Private Households	17	100%	0%	0%	0%
Government		**989**	**29%**	**22%**	**21%**	**21%**
	Federal Government	-91	-35%	-2%	1%	2%
	State Government	110	31%	2%	2%	2%
	Local Government	970	35%	22%	18%	17%
Total		4,461	28%	100%	100%	100%

Source ES-202 data for the 97321 zip code provided by the Oregon Employment Dept Compiled by the City.

not reported, to maintain the confidentiality of individual firms, so industry data may not add up to sector totals.

In 1999, covered employment accounted for 20,659 jobs inside the Albany UGB. Employment in Albany is dominated by the services (5,130 jobs), government (4,412), retail trade (4,083) and manufacturing (3,441) industry sectors, which together compose 82% of total employment in the Albany UGB.

Albany's manufacturing employment is dominated by the food and kindred products (964 jobs), lumber and wood products (849) and primary metals (681) industries, which made up 72% of manufacturing employment in 1999. Employment in food and kindred products primarily represents plants that produce frozen and freeze-dried vegetables and prepared meats. Lumber and wood products employment in the Albany Urban Growth Boundary (UGB) is dominated by the manufactured home and reconstituted wood product industries. The primary metals firms in Albany are engaged in processing and die-casting nonferrous metals.

Total employment in the Albany UGB grew by 4,461, or 28%, between 1990 and 1999, far exceeding projections of 2,000 new jobs for all of Linn County between 1988 and 1998. Albany's growth accounted for 51% of employment growth in Linn County. Albany's population increased by 6,487, or 20%, during the same period

Between 1990 and 1999, employment growth was led by the following industrial sectors:

- Local Government, including schools (970 new jobs)
- Business Services (905)
- Health Services (471)
- Trucking and Warehousing (399)
- Special Trade Contractors (334)
- Building Materials (153)
- Agricultural Services (149)
- Fabricated Metals Products (154), and
- Forestry (128).

Together, these industries accounted for 83% of the job growth in the Albany UGB between 1990 and 1999.

Continuing the trends of the 1980s, the biggest shift in Albany's employment between 1990 and 1999 occurred in the services and manufacturing sectors. Although the percentage of total employment in other industrial sectors stayed roughly the same, the percentage of employment in the services sector increased from 21% to 25%. The manufacturing sector, however, dropped from 22% of total employment to 17%.

Agriculture, the smallest sector in Albany's economy, experienced the largest percentage gain in employment between 1990 and 1999. While the agriculture sector represents only 2% of 1999 total employment, it increased by 290% with 264 jobs. New jobs can be attributed to an increase in the number of landscaping, veterinary and forestry management businesses. The construction sector also made significant employment gains between 1990 and 1999, increasing 91% (443 jobs). Primary metals and machinery and equipment firms lost employment in the 1990s, but the chemicals and fabricated metals industries experienced employment gains of 226% (77 jobs) and 321% (154 jobs) respectively between 1990 and 1999.

As with the rest of Oregon and the nation, the trade and services sectors have grown in importance to the local economy. The services sector experienced a 48% increase in jobs (1,670) between 1990 and 1999, which was the largest percent gain of all industry sectors. In 1999, Albany's services sector was dominated by business services (1,554 jobs) and health services (1,639 jobs), which together accounted for 62% of employment in the sector. Albany serves as the center of medical, financial and other professional services in Linn County.

Employment in the retail trade sector is 20% of total covered employment in Albany. This sector gained 637 jobs between 1990 and 1999 and is led by eating and drinking places (1,447 total jobs) and general merchandise (687 jobs). The building materials and apparel industries experienced employment increases of more than 100% between 1990 and 1999. While retail growth is healthy, the wages are some of the lowest of all industries.

Table 1-4 ranks Albany's industry sectors by both payroll and number of employees in 1999. This table provides an income perspective for the different industry sectors. The manufacturing sector pays the best salaries (an average of $35,744 per employee) and is ranked highest by payroll, and fourth by number of employees. By contrast, the retail sector pays the lowest wages, at an average of $16,212 per employee.

Table 1-4. Albany Industry Sector Rank by Payroll and Employees, 1999

Industry Sector	Covered Payroll	Payroll Rank	Covered Employees	No. Employees Rank	Percent of Total Empl.	Ave. Salary per Employee	Average Salary Rank
Agricultural Services	$5,765,669	9	355	9	2%	$16,241 32	8
Construction	$30,928,872	5	929	5	4%	$33,292.65	2
Manufacturing	$122,995,316	1	3,441	4	17%	$35,744.06	1
Trans , Comm , & Utilities	$26,094,095	7	871	6	4%	$29,958.78	5
Wholesale Trade	$18,139,432	8	581	8	3%	$31,221.05	4
Retail Trade	$66,195,451	4	4,083	3	20%	$16,212.45	9
Finance, Ins., & Real Estate	$26,982,325	6	839	7	4%	$32,160.10	3
Services	$118,592,517	3	5,130	1	25%	$23,117.45	7
Government	$121,511,105	2	4,412	2	21%	$27,541.05	6
TOTALS	$537,204,782		20,659		100%		

Source: ES-202 data for the 97321-zip code provided by the Oregon Employment Dept Compiled by the City.

Albany building permit and planning data shows new and expanding businesses and job growth in Albany over the last few years. As forecasted, most of the recent growth has been in the retail- and services-related industries.

- 2001. Coastal Farm and Home Supply began construction of a new facility over 70,000 square feet.
- 2001. Tec Labs, an itch and lice control product manufacturer founded in Albany in 1977, began construction on a new $5 million facility south of Linn Benton Community College.
- 2001. Construction of a new medical office building began across from the hospital (as of July, 2001). The million-dollar building has 11,000 square feet.
- 2001. Red Robin Restaurant opened and in the Heritage Mall area.
- 2001. Goodwill completed a new 20,000-square-foot facility on Pacific Boulevard.
- 2001. First Consumers National Bank Call Center (Spiegel Group credit cards) remodeled a former grocery store in Heritage Plaza.
- 2001. Costco Wholesale constructed a 140,630-square-foot facility valued at more than $4.7 million.
- 2001. A 6,180 square-foot dental office opened in North Albany.
- 2000. The Target Distribution Center underwent an expansion that more than doubled its size to 1.5 million square feet.
- 1999-2001. Three new hotels with 254 rooms and meeting space opened in 2001. These three facilities represent a total investment of almost $9 million.

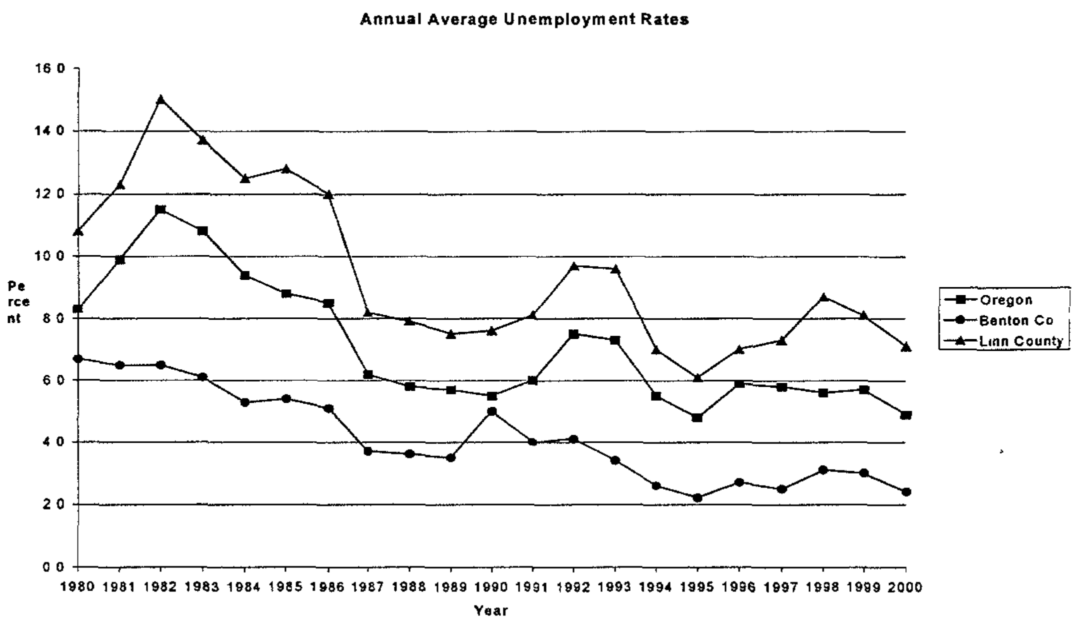
- 1998. Allann Brothers coffee roasting plant, offices, distribution center, and cafe opened with a $1.5 million investment
- 1997. Home Depot invested $3.5 million to open an Albany store.

Albany's share of Linn County employment did not change significantly between 1990 and 1999, remaining at about 50%. Albany's share of the services sector employment in Linn County increased from 61% in 1990 to 64% in 1999, indicating that Albany continues to attract regional service providers. Albany's share of Linn County's manufacturing employment decreased from 34% to 30% during the same period, while its share of non-manufacturing employment increased slightly from 56% to 58%.

Despite a 28% increase in employment in Albany between 1990 and 1999, data from Claritas Inc[7] shows unemployment in the Albany UGB was 6 1% of the labor force in 1997, compared to 7.6% in Linn County, 5.3% in Benton County, and 6.1% in Oregon the same year. Albany's unemployment rate has historically been lower than that of Linn County, and closer to the state's rate. The City is awaiting the 2000 unemployment rate for Albany.

County unemployment rates are calculated every month by the state. Figure 1-1 shows the pattern of unemployment rates over the 1980–2000 period, with Linn County's rate consistently above the state average and Benton County's rate consistently below it. Linn County's jobless rate has declined from one of the highest in the state in 1983 to one of the lowest in 1997. After a slight increase in 1998, Linn County's unemployment rate has trended downward. The county's location in the center of the Willamette Valley has helped its economy diversify and capture major employers, including Palm Harbor and Target's distribution center.

Figure 1-1. Oregon, Linn County, and Benton County Unemployment Rates, 1980-2000



Source Oregon Employment Department

[7] Claritas, Inc , 1998. Database of Residential Zip Code Demography (REZIDE)

PERSONAL INCOME

Income levels of a community reflect the types of industries and jobs in the region, and are a factor in the ability to continue to attract people and businesses and offer a high quality of life. Personal income data at the city level for non-Metropolitan Statistical Areas (MSAs) is hard to find in off-Census years (1980, 1990, 2000, etc.). The 2000 Census income data is proposed to be released in early 2002. Annual median family incomes at the county and MSA level are available every year from the Department of Housing and Urban Development. Therefore, the sources for the following income data vary by year and type from per capita income to median family income and median household income.

Oregon

Before the early-80s recession, per capita income in Oregon was close to the U.S. level, ranging from 96–102% of the U.S. average between 1969 and 1981. Oregon's per capita income began to fall in 1980, dropping as low as 92% of the U.S. average during 1985–1988 before climbing back to 96% by 1995, and dropping to 91% in 1999. The improved diversity of Oregon's economy over the last 20 years has helped to stabilize income levels. Table 1-5 shows per capita income in the U.S., Oregon, Linn and Benton Counties between 1980 and 1999.

Table 1-5. Per Capita Income in U.S., Oregon, Linn and Benton Counties 1980-1999 (in 1999 dollars)

YEAR	U.S.	OREGON	LINN	BENTON	PERCENT OF U.S.		
					Oregon	Linn	Benton
1980	10,183	10,196	8,487	9,112	100%	83%	89%
1981	11,280	10,862	9,166	9,984	96%	81%	89%
1982	11,901	11,128	9,411	10,476	94%	79%	88%
1983	12,554	11,832	9,894	11,379	94%	79%	91%
1984	13,824	12,866	10,746	12,500	93%	78%	90%
1985	14,706	13,547	11,394	12,956	92%	77%	88%
1986	15,397	14,162	11,835	13,810	92%	77%	90%
1987	16,284	14,911	12,634	14,605	92%	78%	90%
1988	17,403	16,062	13,934	15,699	92%	80%	90%
1989	18,566	17,222	14,743	16,675	93%	79%	90%
1990	19,584	18,253	15,363	17,259	93%	78%	88%
1991	20,089	18,806	15,937	17,944	94%	79%	89%
1992	21,082	19,558	16,540	18,717	93%	78%	89%
1993	21,718	20,404	17,300	19,775	94%	80%	91%
1994	22,581	21,421	18,056	21,013	95%	80%	93%
1995	23,562	22,668	18,770	22,940	96%	80%	97%
1996	24,651	23,649	19,802	24,643	96%	80%	100%
1997	25,874	24,844	20,515	26,517	96%	79%	102%
1998	27,321	25,996	21,268	27,559	95%	78%	101%
1999	29,546	26,958	21,709	28,291	91%	73%	96%

Source U S. Department of Commerce, Bureau of Economic Analysis. 2000 *Regional Economic Information System* (REIS) RCN–0250

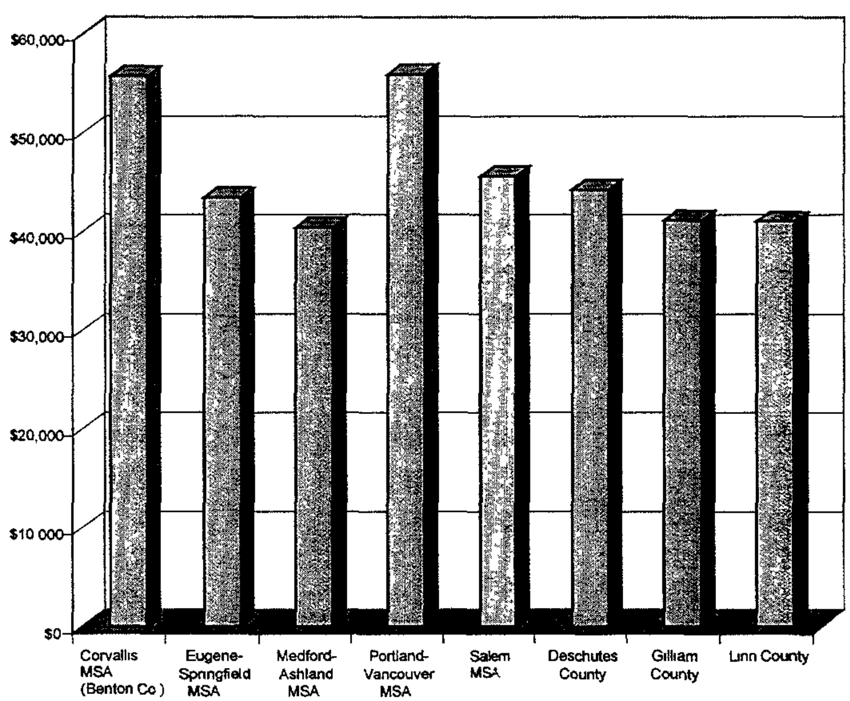
Linn County

Per capita income in Linn County was lower than the Oregon average Linn County's per capita income followed a pattern similar to the Oregon average, peaking in 1977 at 88% of the U.S. average, declining to 77% in 1986, and climbing back to 80% by 1993. Linn County's per capita income has been falling, dropping to only 73% of the U.S. average in 1999. Although Linn County's incomes are lower than the Oregon average, the 2001 HUD median family income tied for the sixth highest in the state (including the MSA areas), and was third-highest of the 29 non-Metropolitan-area counties (see Fig. 1-2). Linn County average incomes are influenced by areas outside Albany. Albany constitutes only 34% of Linn's population.

Benton County

Benton County's per capita income did not fall as much as income in Oregon and Linn County in the recession of the early 1980s, remaining at 88–91% of the U.S. average. One reason for this is that Oregon State University jobs, which account for most of Benton County's employment over the decades, have been nearly recession-proof. Per capita income in Benton County began to grow in 1994 following a Hewlett Packard expansion, peaking at 102% of the U.S. average in 1997. According to Figure 1-2, the Corvallis MSA (Benton County) 2001 HUD median family income is the highest in the state, along with that of the Portland-Vancouver MSA. Approximately 5,000 Albany residents live in Benton County.

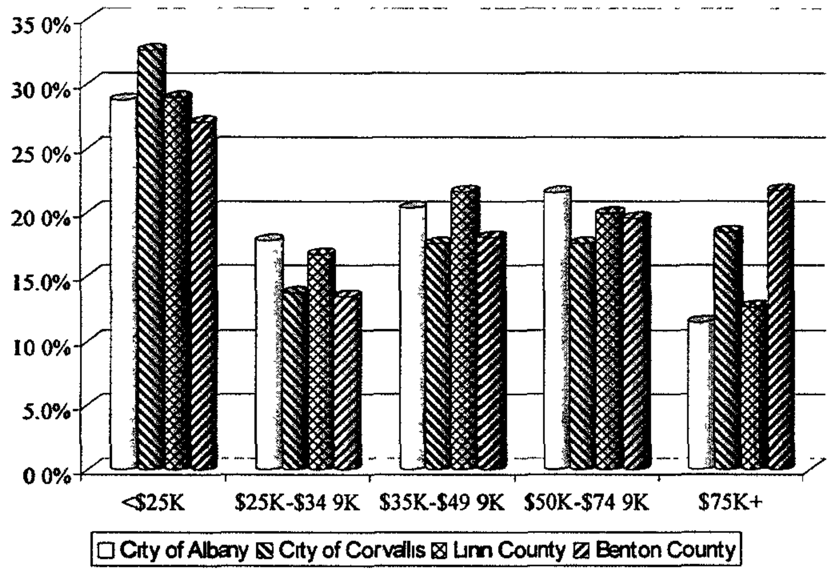
Figure 1-2. 2001 HUD Median Family Incomes (Eight Highest)



Source. Department of Housing and Urban Development

Figure 1-3 shows the distribution of households across a range of income levels for Albany, Corvallis, Linn and Benton Counties in 2000. Over 30% of Albany households have incomes greater than $50,000, and 28% have incomes less than $25.000.

Figure 1-3. Regional Household Income Distribution (2000)

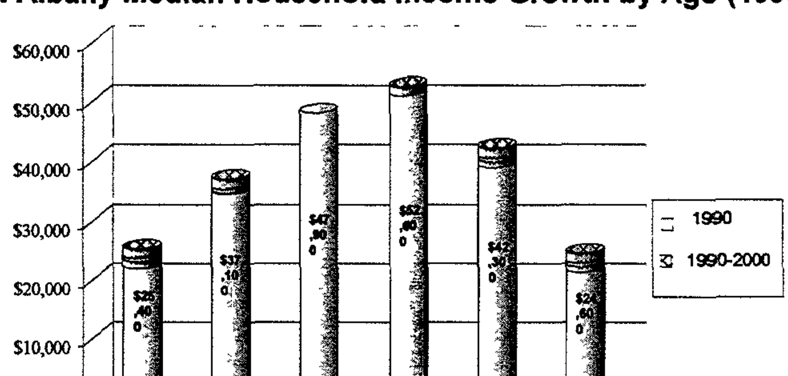


Source CACI International, Inc , as appears in the Albany Market Technical Memorandum by E D Hovee & Company, 2001

Albany

Although Albany's median income is lower than those of Corvallis or Benton County, Albany is estimated to have fewer low-income households than Corvallis (Fig. 1-3). This may be due to the large population of Oregon State University students in Corvallis. According to Figure 1-4, the median household income for most age groups in Albany has increased since 1990. Younger and senior households in Albany experienced the greatest increase between 1990 and 2000, as their median incomes grew by $3,400 and $3,300 respectively after adjusting for inflation. However, these two household groups also have the lowest incomes. Senior households generally have the lowest incomes, since many seniors (65 and older) are retired and living off assets (e.g., investments, pensions, Social Security).

Figure 1-4. Albany Median Household Income Growth by Age (1990-2000)



Source CACI International, Inc , appears in Albany Market Technical Memorandum, prepared by E D. Hovee & Company, 2001

Note: Income in 2000 dollars

ECONOMIC OUTLOOK FOR OREGON

Population

Oregon's economy is expected to follow a pattern of modest growth for the next ten years. The long-term population forecast by Oregon's Office of Economic Analysis[8] predicts steady population growth at an annual average rate of 1.1% between 2000 and 2040. At this rate of growth, Oregon is expected to add almost one million people by 2020 and another 800,000 by 2040, growing from 3.4 million in 2000 to 5.2 million by 2040. Over 70% of this population growth (1.3 million people) is expected to come from net migration into Oregon. This forecast is based on assumptions including continued growth in the national economy, strong in-migration, sustained construction activity, and continued growth in the high-tech manufacturing industries in Oregon

A review of historic and forecasted annual population growth through 2005 from the *Oregon Economic & Revenue Forecast*[9] shows that Oregon's population has grown more rapidly than that of the U S. as a whole (with the exception of the 1980s recession), and this trend is expected to continue. It also shows that actual year-to-year population growth is likely to be much more variable than the steady growth rates used in the State's long-term forecast. Barring a recession or other unforeseen economic conditions, Oregon's long-term population growth rate should average to the 1.1% rate anticipated by the long-term forecast.

Population growth rates are predicted to be relatively even across Oregon's regions, with the Willamette Valley and Central Oregon growing slightly faster than the state. The result is that each region's projected share of Oregon's population does not shift more than 1% up or down over the 40-year forecast period. The Oregon Employment Department reports a projected 10.6% increase in Linn County's population between 2000 and 2010 and a 7.3% increase for Benton County.[10]

Income

The Bureau of Economic Analysis projects that per capita income in Oregon will increase from \$20,500 in 1993 to \$26,200 in 2015 (in constant 1996 dollars).[11] Per capita income in Oregon is projected to increase at the same rate as the United States, so the state's per capita income is expected to remain at about 94% of the U.S. average. In 2000, per capita income was \$27,649 in Oregon and was \$29,451 for the United States.

Employment

The long-term employment forecast from the state Office of Economic Analysis predicts that employment growth will slow to 12% between 2000 and 2010, down from the 29% growth experienced over the past 10 years The Willamette Valley is expected to lead the state in employment growth in the next 20 years, with 75% of total employment growth between 2000 and 2020.

These projections indicate a much slower-growing economy than the one projected for 1998-2008. A slowdown in Oregon's manufacturing sector since 1998, principally in high-tech and transportation equipment manufacturers, formed the basis of the new projections. Slower growth in

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[8] State of Oregon, Office of Economic Analysis 1997. *Long-Term Population and Employment Forecast for Oregon* Salem Department of Administrative Services January

[9] State of Oregon, Office of Economic Analysis 1998 *Oregon Economic and Revenue Forecast* 18:3 (September) Salem Department of Administrative Services

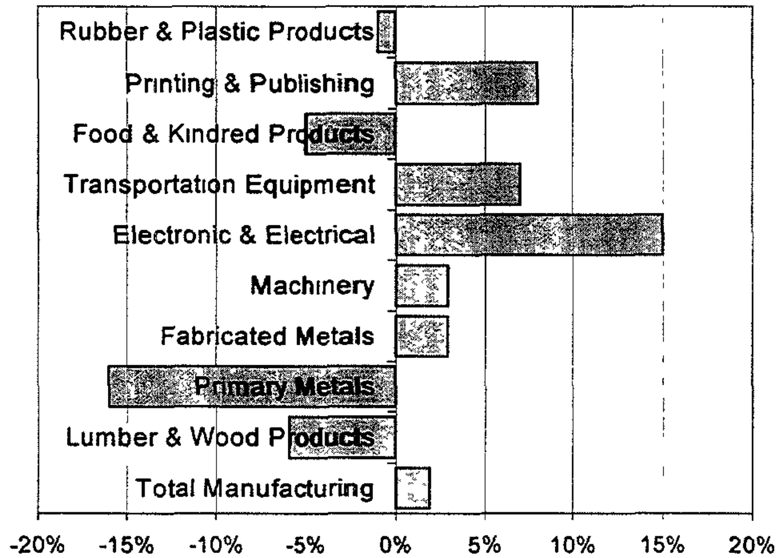
[10] Oregon Employment Department, 2000 Regional Economic Profile, Region 4, page 6, Table 2. Data provided by the Oregon Department of Administrative Services, Office of Economic Analysis.

[11] U S. Department of Commerce, Bureau of Economic Analysis. 1995 *Projections of Personal Income, Employment, and Population, for States, Metropolitan Statistical Areas, and BEA Economic Areas, 1993–2045* Washington, DC. BEA Regional Economic Analysis Division (202 606-5341).

manufacturing is due in part to stiff competition from Canada and abroad, continued automation, the economic health of the Pacific Rim countries, and the continued restructuring of natural resource-based industries.

Very slow growth is anticipated in the manufacturing sector for the period from 2000 to 2010 as shown in Figure 1-5. The original projection of 6% growth to 2008 has been reduced to 2% between 2000 and 2010. The lumber and wood products industry is anticipated to lose 6% of its workforce, and food and kindred products will lose 5%. While lumber, food products, and paper are all large employers in Linn County, these industries are not projected to decline in Region 4.

Figure 1-5. Projected Manufacturing Employment Change 2000-2010, Selected Oregon Industries.



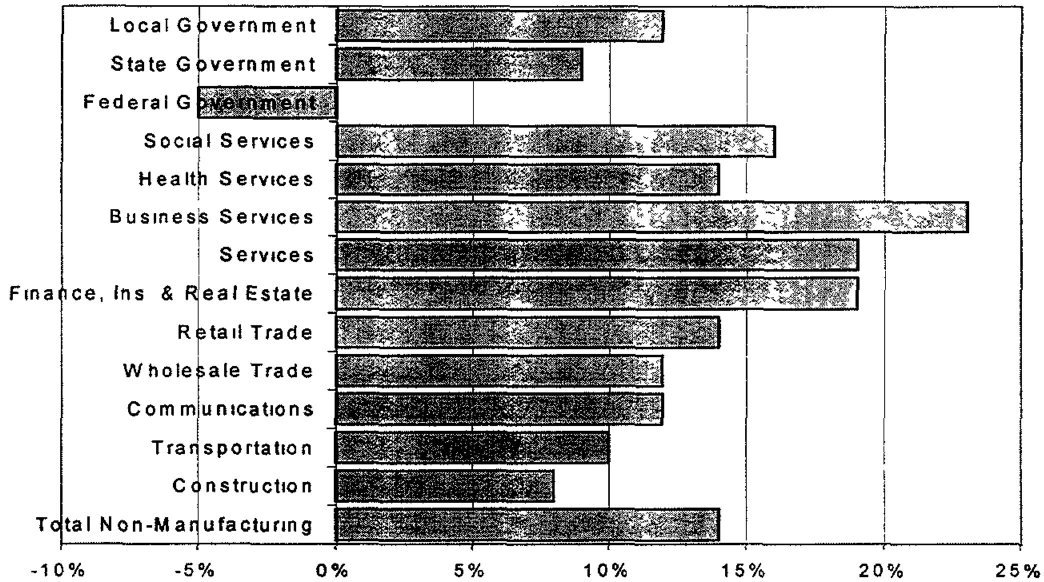
Source. State of Oregon, Employment Department July 2001

The metals manufacturing industry is expected to end the next decade down 15%, the largest percent loss in jobs projected for the decade. The largest percent employment gain is expected in the electronic and electrical industries. These industries are expected to recover from their recent slump and see a 15% increase in employment by the end of the decade, still much lower than the growth they experienced in the 1990s.

Despite the slowdown, recent trends indicate that Oregon's durable goods manufacturing industries look stable over the short term as shown in Figure 1-6. Overall, this sector is projected to continue to hold around 11% of the state's total non-farm employment through 2006. Most of Oregon's durable goods producers serve national and international markets.

The non-manufacturing sector is projected to gain 14% in the next 10 years. The services (including business, health and social services) and finance, insurance, and real estate industries will lead employment growth with 19% employment gains projected. Somewhat slower-than-average growth will be felt in construction and local government employment.

Figure 1-6. Projected Non-Manufacturing Employment Change 2000-2010, Selected Oregon Industries.



Source State of Oregon Employment Department July 2001

ECONOMIC OUTLOOK FOR ALBANY

Population

Table 1-6 shows the state's long-term forecast for population and total employment growth in Linn County (Benton County is shown in Table 1-7). Linn County's employment is expected to grow faster than population in the 2000-2005 period, after which population will grow faster. The decrease in the ratio of employment to population may reflect the impact of aging baby boomers reaching retirement. (The 65-and-over age group in Albany is projected to increase from 14% of the population in 1990 to 17% in 2015 and 19% in 2020.) Employment forecasts in Table 1-6 may also indicate that more Linn County residents will commute to work outside the county

Table 1-6. Forecast Population and Employment Growth Linn County, 2000–2040

	Population			Employment		
Year	**Amount**	**Change**	**% Change**	**Amount**	**Change**	**% Change**
2000	104,894			43,287		
2005	110,573	5,679	5 4	46,027	2,740	6.3
2010	116,053	5,480	5 0	48,099	2,072	4 5
2015	121,593	5,540	4 8	49,380	1,281	2 7
2020	127,158	5,565	4 6	50,590	1,210	2 5
2025	132,909	5,751	4 5	51,987	1,397	2 8
2030	138,812	5,903	4.4	53,912	1,925	3 7
2035	144,834	6,022	4 3	56,123	2,211	4 1
2040	150,551	5,717	3 9	57,999	1,876	3 3

Source State of Oregon, Office of Economic Analysis

Table 1-7 shows that Benton County's forecasted population and employment growth over the next 40 years are lower than those for Linn County. This may be due to Linn-County's more central location and easier access to Interstate 5 and to the fact that Benton County's industry sectors are less diversified. Benton County may also be experiencing an aging population.

Table 1-7. Forecast Population and Employment Growth Benton County, 2000–2040

	Population			Employment		
Year	**Amount**	**Change**	**% Change**	**Amount**	**Change**	**% Change**
2000	79,291			36,332		
2005	82,116	2,825	3 6	38,051	1,719	4 7
2010	85,080	2,964	3 6	39,355	1,304	3 4
2015	88,167	3,087	3 6	40,055	700	1 8
2020	91,345	3,178	3 6	40,759	704	1 8
2025	94,668	3,323	3 6	41,636	877	2.2
2030	98,024	3,356	3.5	42,906	1,270	3 1
2035	101,481	3,457	3 5	44,431	1,525	3.6
2040	104,998	3,517	3.5	45,819	1,388	3 1

Source State of Oregon, Office of Economic Analysis

Table 1-8 shows Albany's county-coordinated and adopted population growth projections to 2020 by county. Albany is projected to grow by about 12,000 people in the next 20 years and capture more than 50% of Linn County's growth.

Table 1-8. Albany Population Projections by County

Year	Citywide	Linn County	Benton County
2000*	41,085	35,748	5,104
2005	43,400	38,090	5,310
2010	46,450	40,840	5,610
2015	49,710	43,790	5,920
2020	53,200	46,950	6,250

Source: City of Albany, Planning Division, 2000

*2000 figures from US Census Bureau

Employment

Employment projections by the state are not specific to the city level. Looking at local industry predictions for employment growth in Linn and Benton counties will give us a good indication of what to expect in Albany.

Both counties are forecast to grow slightly slower than the state, which is expected to grow by 12.5% to 2010. Between 2000 and 2010, Linn County is predicted to add nearly 4,200 jobs, an increase of 10.4%. Benton County is projected to have a slower growth rate at 9.0%, or 3,300 new jobs. The projected job growth is well below that of the prior decade, when employment grew by 22.5% in Linn County and 16.7% in Benton County. Tables 2-4 and 2-5 show the Oregon Employment Department forecasts of employment growth in Linn County and Benton County by industry for the 2000-2010 period.

Job growth is likely to slow across all industries in both Linn and Benton counties for a variety of reasons including slower population growth, rising energy prices, weak markets for exported goods and the slowing national economy. Benton County will be affected by slower growth of high-tech industries. Weyerhaeuser recently acquired Willamette Industries, and timber harvests from public lands are well below historic levels. Local grass-seed farmers are still struggling to recover from the bankruptcy of AgriBioTech (a large West Coast grass-seed corporation); in addition to facing rising costs for fuel, fertilizers, pesticides, and labor; while prices for many agricultural products have declined The health of the primary metals industry relies heavily on the costs of energy.

Manufacturing is projected to have very little growth in Linn and Benton Counties. The forecast assumes that manufacturing job growth will resume once the economy rebounds from its current decline, but that employment growth will be more subdued than the prior decade. Manufacturing is forecast to grow by 270 jobs in Benton County and by just 30 jobs in Linn County between 2000 and 2010. Growth is expected to be led by the machinery and electronic equipment industries. While these industries do not currently constitute a significant share of manufacturing employment in the Albany UGB, Albany may be able to capture some of this employment growth. Food, lumber, wood, and metals products are significant manufacturing industries in Albany. These industries are forecast to have little or negative growth in the region over the 2000-to-2010 period.

Growth in finance, insurance, and real estate (FIRE) is generally modest, but with recent hiring at the First Consumers National Bank call center in Albany, FIRE is forecast to add over 700 jobs in Linn County (+51.4%). In Benton County, FIRE is forecast to add just 130 jobs (+10.7%).

Table 1-9. Employment Projection for Linn County, 2000-2010

			Change From 2000	
Employment	**2000**	**2010**	**#**	**%**
Total Nonfarm Payroll Employment	40,370	44,560	4,190	10 4
Goods-Producing[1]	12,940	13,220	280	2 2
Service-Producing[2]	27,430	31,340	3,910	14 3
Manufacturing Total	10,450	10,480	30	0 3
Durable Goods	7,700	7,660	-40	-0 5
Nondurable Goods	2,750	2,820	70	2.5
Nonmanufacturing Total	29,920	34,080	4,160	13.9
Construction & Mining	2,490	2,740	250	10.0
Transportation & Public Utilities	2,180	2,360	180	8 3
Wholesale & Retail Trade	8,920	10,100	1,180	13 2
Wholesale Trade	1,840	2,030	190	10 3
Retail Trade	7,080	8,070	990	14 0
Finance, Insurance, Real Estate	1,400	2,120	720	51 4
Services	8,260	9,550	1,290	15 6
Government	6,670	7,210	540	8 1

Source Oregon Employment Department. *Benton-Linn Labor Trends,* August 2001

[1]Goods-producing industries include manufacturing, mining, and construction

[2]Service-producing industries include transportation and public utilities, wholesale and retail trade, finance, insurance and real estate, services; and government

Covered employment data only includes employees who are covered by unemployment insurance laws This excludes significant segments of the working population, primarily proprietors

Table 1-10. Employment Projection for Benton County/ Corvallis MSA, 2000-2010

Employment	2000	2010	Change From 2000 #	%
Total Nonfarm Payroll Employment	36,670	39,960	3,290	9.0
Goods-Producing[1]	7,980	8,330	350	4.4
Service-Producing[2]	28,690	31,630	2,940	10.2
Manufacturing Total	7,010	7,280	270	3.9
Durable Goods	6,390	6,600	210	3.3
Nondurable Goods	620	680	60	9.7
Nonmanufacturing Total	29,660	32,680	3,020	10.2
Construction & Mining	970	1,050	80	8.2
Transportation & Public Utilities	900	990	90	10.0
Wholesale & Retail Trade	6,170	6,780	610	9.9
Wholesale Trade	690	750	60	8.7
Retail Trade	5,480	6,030	550	10.0
Finance, Insurance, Real Estate	1,210	1,340	130	10.7
Services	9,090	10,450	1,360	15 0
Government	11,320	12,070	750	6.6

Source Oregon Employment Department *Benton-Linn Labor Trends*. August 2001

[1]Goods-producing industries include manufacturing, mining, and construction

[2]Service-producing industries include transportation and public utilities; wholesale and retail trade, finance, insurance and real estate; services, and government

Covered employment data only includes employees who are covered by unemployment insurance laws This excludes significant segments of the working population, primarily proprietors

Construction employment is expected to slow considerably from the rapid growth of the past decade. Between 1990 and 2000, construction employment grew by 61 percent in Benton County, adding 360 jobs, and by 86 percent in Linn County, adding 1,180 jobs. While population and business growth are likely to continue to add jobs in this industry, construction employment is forecast to grow by just 80 jobs in Benton County (+8.2%) and by 250 jobs (+10.0%) in Linn County.

As a regional center for urban services, Albany will capture a large share of the growth in services, retail trade, and government. Linn County is likely to see continued job growth in finance, due to hiring at First Consumers National Bank's call center.

Services industries are forecast to add the most jobs in both Benton and Linn counties. Services industries include, but are not limited to, health, social, business, and professional services. This sector is forecast to add 1,360 jobs (+15.0%) in Benton County and just under 1,300 jobs (+15.6%) in Linn County. This is still well short of the growth of the last decade, when the service sector added over 2,500 jobs in Benton County and just under 2,500 jobs in Linn County.

The mid-valley's trade sector is forecast to add 610 jobs (+9.9%) in Benton County and 1,180 jobs (+13.2%) in Linn County. Retail trade is anticipated to add the majority of these jobs in both counties. Retail trade employment is likely to be boosted by the new Albany Costco store and the possibility of a new Safeway store in Corvallis. Eating and drinking places are also likely to add employment in the area's retail trade industry.

An emerging regional concern is whether new jobs will provide a balance of high and low wages. Over one-half of the region's projected new jobs will occur in occupations that had an average wage of less than $25,000 in 1998. Conversely, only one-fourth of new jobs are likely to be in occupations paying more than $35,000 in 1998.

To help assess future needs of existing businesses, Oregon planning rules require local governments to survey existing firms in the planning area to identify the types of sites they may need for expansion. A survey prepared by ECONorthwest was sent to major employers in Albany in early 1999. Based on the small number of returned surveys, the larger employers did not report plans for significant growth. As noted earlier under Albany trends, Tec Labs, Inc. is relocating to a new site within Albany, as is Goodwill. The Target Distribution Center recently completed an expansion that more than doubled its size to 1.5 million square feet

Albany has some comparative location advantages, and is an urban center forecast to grow in population, which suggests that a forecast of modest employment growth is realistic. The next chapter examines Albany characteristics that might affect future economic growth.

Factors Affecting Future Economic Development in Albany

Chapter 2

The previous chapter described recent national, state, and Albany area population and employment trends and growth projections. The forecasts of population and employment are demand factors used in planning for an adequate land supply and labor force. This section reviews the supply-side characteristics of the Albany Urban Growth Boundary (UGB) that could affect how much of the region's economic growth occurs in Albany. This chapter is followed by a forecast of employment growth in the Albany UGB

SUPPLY FACTORS

The existing pattern of development in Linn and Benton Counties reflects the influence of location factors and comparative advantages in the two-county region, and this pattern is unlikely to change substantially in the future. Albany was originally located on the Willamette for access to water transportation. As the community grew around waterborne commerce, subsequent investments in railroads and highways (particularly Interstate 5) reinforced Albany's status as a population center of the two-county region. Businesses located in Albany for access to the transportation network, laborers, resources and customers. This economic momentum will carry into the future, so that Albany will likely capture a large share of employment growth and remain the center of economic activity in Linn County.

The following sections discuss supply-side factors that may affect business location, expansion and economic development in Albany

Quality of Life

Quality of life is difficult to assess because it is subjective—different people will have different opinions about factors affecting quality of life, desirable characteristics of those factors, and the overall quality of life in any community. This section describes the factors most often cited in assessments of quality of life and their characteristics in Albany.

Quality of life is important to economic development in Albany because it affects the relative attractiveness of the city to migrants. Net migration is expected to make up about 70% of Oregon's population growth over the next twenty years [1] A relatively desirable quality of life may help Albany attract more migrants than it otherwise would. Most migrants bring work skills that will help increase the availability of labor in the region and support economic activity in the construction, retail trade, and services sectors. Some migrants are highly skilled and can help generate further economic development by adding their skills to existing businesses or by starting new businesses.

A survey conducted in 2000 for the City of Albany[2] asked residents what they like most about Albany. Responses were:

- Small town atmosphere (24.5%)
- Location and accessibility (20.7%)
- Parks and recreation activities (19.8%)
- People and neighborhoods (11.6%)

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[1] State of Oregon, Office of Economic Analysis. January 1997. *Long-Term Population and Employment Forecasts for Oregon* Salem Department of Administrative Services.

[2] Western Attitudes. 2000. Albany Community Attitudes Survey. http://ci.albany.or.us/pages/news_releases/survey.pdf

- Historic districts (5%)
- Shops and restaurants (3.9%)
- Affordability (1.4%)
- Other (13.2%)

Albany's small town charm and location ranked the highest among its assets. Responses were distributed over a fair number of topics, which speaks to the diversity of Albany's qualities.

Some of the characteristics that contribute to a high quality of life in Albany are related to the region's natural endowment, which supports recreational and leisure opportunities. The developed portions of the Linn-Benton region contribute to quality of life by providing communities that support people through schools, sports, public safety, shopping, and cultural activities. Albany shares these quality-of-life attributes with most areas of the Willamette Valley, but their characteristics in Albany make the city unique:

- *Recreation.* Albany offers a variety of recreational activities. Access to outdoor recreation is provided by the many parks, waterways, back roads, and wildlife refuges in the area. Nearby National Forests offer opportunities for activities such as hiking, biking, camping, boating and skiing. Albany also has several indoor recreational facilities, including two swimming pools and tennis and basketball courts.
- *Scenery and Location.* Albany residents enjoy the City's location on the Willamette River and views of the Cascade and Coast mountain ranges. Albany is also near the ocean, lakes, and central Oregon's high desert.
- *Community.* Albany offers urban amenities such as parks, shopping, higher education, and health-care facilities, without the scale of traffic, crime, and other problems often associated with larger cities.
- *Culture.* Albany residents have access to many cultural and educational opportunities in the Willamette Valley, such as indoor and outdoor concerts, live theater, festivals, lectures, workshops, art exhibits, and a variety of art, music, language, photography and cooking classes at Linn Benton Community College and through Albany's Parks & Recreation programs.
- *Housing.* Albany has a mix of housing choices and price ranges, including a large collection of historic homes.

Transportation

Transportation access, especially by truck and car, is one of the most important location factors to affect the pattern of future economic development. Transportation directly affects the cost of doing business at a location, because firms depend on truck access to receive materials and to ship products, and on automobile access to deliver customers and employees.

Location may be Albany's best advantage, as Albany is the most centrally located city with the best variety of direct highway access in the Linn-Benton region.

- I-5 is the principal transportation artery in the Willamette Valley and also connects the Valley with West Coast cities from Seattle to Los Angeles. Businesses that rely on the highway network tend to locate in communities near I-5. Since I-5 bisects the city, this has encouraged and will continue to encourage development in the Albany area.
- U.S. Highway 20 connects Albany to Corvallis and the coast. U.S 20 also runs east to Lebanon and Sweet Home and through the Cascade Mountains to Bend.
- State Route 99E is a major north-south route that connects Albany directly to some of the smaller cities not on I-5 and provides an alternate route to Eugene.

- Albany's city and Urban Growth Boundary limits are less than a mile from State Route 34, which connects to I-5, Corvallis and Lebanon.

Railroad access is important to firms that ship bulky materials and products. Major railroad users in Linn County are primarily lumber mills, paper mills, metals, other heavy industry, and agriculture. Access to the national rail network is provided in Linn County and Albany by the Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) railways, with main lines that run north-south parallel to Highway 99E; these main lines converge in Harrisburg and Albany. Shortline railroads provide service on branch lines leased from UP and BNSF extending out of Albany. The Portland & Western Railroad (formerly the Willamette & Pacific Railroad) provides service out of Albany to Corvallis, Monroe, and Toledo, and the Willamette Valley Railroad provides service to Lebanon, Sweet Home, and Mill City. Operation of each branch line depends on a few major shippers, and lines may be abandoned if these shippers reduce their demand for railroad service.

Utilities

Water

Availability of water service is critical to urban development. Major consumption of water may limit resource-intensive job opportunities, due to the need to balance available treatment capacity with system demands. Therefore, funding and constraints of treatment facilities may be critical factors in meeting job growth and demand.

The City of Albany adopted a Water System Facility Plan in 1988. The plan outlines the community's water system and treatment needs through the year 2008, and encompasses the entire area within the City of Albany and City of Millersburg urban growth boundaries. In early 2002, Albany and Millersburg approved an agreement for a joint water treatment plant off Scravel Hill Road.

A separate North Albany Water Facilities Plan was completed in 1994. Its purpose was to assess the condition and adequacy of the North Albany water system and to incorporate planning for that system into the 1988 facility plan for the Albany water system. Since the completion of the Water System Facility Plan, Albany has experienced considerable growth, zoning has been modified and environmental regulations have been enacted. The Public Works Engineering Division is currently working on an updated Water Facility Plan for all of Albany.

The primary areas of concern for the water supply portion of the City's system are maintenance of the historic Santiam Canal (bank stabilization) and improvements to the diversion and intake structures at its mouth. These improvements include installation of fish screens at the intake as required by state and federal agencies to protect threatened fish species. Capacity improvements (e.g., treatment plant upgrades) are funded mainly through System Development Charges, water service charge revenues, and revenue bonds.

Some major concerns for the water distribution system include providing adequate fire flows to all developed areas, replacing deteriorating mains and services, and creating system loops to minimize water outages in areas with only one feed. The major pipeline improvements scheduled in the 2001-2006 Capital Improvement Program are replacements of deteriorating lines with larger-diameter mains to improve flows throughout the system.

All development must extend and connect to the public water system when service is available within 150 feet of the property. Typically, extension of public water mains and appurtenances to unserved areas is done at the expense of developers as development occurs, or through the formation of Local Improvement Districts when requested by property owners. The City has also used Urban Renewal funding and obtained state grants and loans to help extend services to industrial and commercial areas.

Wastewater/Sewer

The City of Albany adopted a Wastewater Facility Master Plan in 2000. The new plan outlines the community's wastewater collection and treatment needs up to the year 2020. The plan encompasses the entire area within the City of Albany and City of Millersburg urban growth boundaries.

The primary areas of concern in the wastewater collection system are pipeline capacity problems and pipeline structural deterioration. Major sewer capacity problems exist for land east of the I-5 freeway. Other drainage basins in the collector system also have capacity issues. The current pipes are too small to accommodate large-scale development. Concerns at the Wastewater Treatment Plant include capacity to serve an expanding customer base and technology to meet state and federal regulatory requirements. Major pipeline improvements and numerous treatment plant upgrades are scheduled in 2000-2009 to address these concerns. Capacity improvements are funded mainly through System Development Charges, sewer service charge revenues, revenue bonds, and, in some instances, state and federal assistance.

Typically, extension of public sanitary sewer mains to unserved areas is done at the expense of developers as development occurs, or through the formation of Local Improvement Districts when requested by property owners. System development charge fees may be available to allow the City to help fund oversize facilities. The City has also used Urban Renewal funding and obtained state grants and loans to help extend services to industrial and commercial areas. Current City policy is that all developments must extend and connect to the public sewer system when service is available within 300 feet of the property. Since the system is divided into several drainage basins, availability of service must be analyzed on a site-specific basis.

Appendix A, Buildable Lands Inventory, Methods and Results, provides tables on water and sewer availability within the Albany city limits and the UGB.

Labor Force

The availability, skill, and cost of labor can affect the comparative advantage of a location. Assessing the labor market conditions of individual cities is complicated by the fact that labor is mobile and firms can attract workers from outside a particular community or the region. However, most firms will not rely on attracting labor from areas beyond a reasonable commuting distance, so local labor market characteristics can affect the pattern of economic development. Linn-Benton Community College in Albany offers courses and degrees in many technical fields and also provides the opportunity to gain additional education and trade skills. In the past, the college has responded to local industry by offering courses tailored to meet its training needs.

Commuting Patterns

The regional labor economist has noted that, according to the 1990 census, over one-third of Linn County's labor force and over one-fourth of workers in Benton County commuted outside their county to work. Table 2-1 shows the pattern of commuting to and from Albany and Millersburg in 1996. When compared with 1990 commuting data, the numbers in this table reflect the higher incidence of commuting within the region that developed in the 1990s. This trend may be due to Hewlett Packard's location in Corvallis.

This section will be updated when the 2000 Census data is available for commuting patterns (scheduled release is in 2003).

Table 2-1. Commuting to and from Albany/Millersburg* 1996

Residence/ Workplace	Commuters to Albany		Commuters from Albany	
Portland	34	0 2%	102	0.8%
West Metro	9	0 0%	18	0.1%
SE Metro	30	0.2%	10	0.1%
Gresham	20	0.1%		0 0%
Salem-Keizer	767	4.1%	634	4 8%
Albany	9,967	52.7%	9,967	75 6%
Corvallis	1,105	5 8%	2,383	18 1%
Eugene-Springfield	143	0 8%	64	0.5%
North Santiam	766	4.0%		0 0%
Rural Salem	120	0.6%		0.0%
Polk Co	280	1.5%		0 0%
Rural Albany	2,136	11.3%		0 0%
Linn County	3,128	16.5%		0.0%
Benton Co	294	1.6%		0.0%
Woodburn/Silverton	51	0.3%		0.0%
Junction City/Veneta	44	0.2%		0.0%
Other	32			
Total	**18,926**	**100%**	**13,178**	**100%**

Source ODOT Transportation Planning Analysis Unit. 1998. *Commuting in the Willamette Valley* p. 36. 1990 Census Transportation Planning Package adjusted by population and employment changes to 1996 population and employment figures

*Note. Areas in Table 2-7 defined by ODOT; Albany consists of Albany, North Albany, and Millersburg, Rural Albany consists of the rural area surrounding Albany

The commuting data indicate that approximately 5,800 fewer workers live in Albany/Millersburg than work there, making Albany/Millersburg a jobs destination within the region. Other interesting commuting patterns shown by Table 2-1 include:

- 75.6% (9,967) of workers who lived in Albany/Millersburg also worked in Albany/Millersburg.
- 53% of the 18,926 jobs in Albany/Millersburg were held by people who lived outside of Albany/Millersburg.
- 24% of jobs in Albany/Millersburg were held by people who commuted from Linn County, rural Albany (the area surrounding Albany), Corvallis and Benton County.
- 10.2% of jobs in Albany/Millersburg were held by people who commuted from the Salem area (Salem-Keizer, north Santiam, rural Salem, Polk Co.).
- 74.2% of the 3,211 workers who commuted from Albany/Millersburg worked in Corvallis. 20% of the Albany/Millersburg resident workers commuted to Salem.

Unemployment

Firms throughout western Oregon currently report a shortage of qualified workers, primarily due to historically low unemployment in the region over the past four years. A shortage of skilled labor is repeatedly mentioned in economic plans and analyses for communities in Linn and Benton Counties.

August 2001 labor trend data from the Oregon Employment Department shows that unemployment in Linn County was 7.4% of the labor force, compared to 2.5% in Benton County and 5.4% in Oregon. Linn County's unemployment has generally declined since peaking at 15% in the early 1980s, although it has remained slightly higher than the Oregon average. Benton County's unemployment rate has been consistently lower than the Oregon average during this period, and Benton County frequently has the lowest unemployment rate in the state, due to the presence of Oregon State University and Hewlett Packard in Corvallis The generally higher unemployment rate in Linn County (than Benton County) may be a competitive advantage for Albany to the extent that it allows firms to find skilled labor more easily than in other areas of western Oregon.

Age Distribution

Age distribution is an indicator of labor-force availability, because most labor-force participants are over 18 and under 65. Table 2-2 shows the distribution of population by age in Albany, Linn County, Benton County, and the state of Oregon.

Table 2-2. Age Distribution of Population, 2000

Age Group	Albany	Linn Co.	Benton Co.	Oregon
0-17	22.0%	21.3%	17.2%	20.5%
15-19	7.3%	7.3%	10.3%	7.1%
20-24	6.7%	5.7%	14.1%	6.7%
25-34	14.5%	12.3%	12.9%	13.8%
35-44	14.9%	14.7%	13.8%	15.4%
45-54	13.7%	14.3%	14.2%	14.8%
55-59	4.8%	5.5%	4.3%	5.1%
60-64	3.4%	4.3%	3.0%	3.8%
65-74	5.6%	7.2%	5.1%	6.4%
75+	7.1%	7.3%	5.2%	6.4%
Total	**100%**	**100%**	**100%**	**100%**

Source U S Census Bureau, 2000

Age distribution varies little across the jurisdictions, except that Benton County has a relatively larger share of population in the 18–24 cohort, reflecting the large student population at Oregon State University. Because of the lack of variation generally, age distribution in Albany relative to Linn and Benton Counties and the state as a whole does not appear to be either an advantage or a disadvantage in terms of labor force.

Table 2-3 shows the forecast percentages of Albany's population by age group to 2020. Projections indicate the population over age 65 will increase slightly and the number of children younger than 17 will decrease slightly to 2020. It appears that approximately the same percentage of the Albany population will be of "working age" projected out to 2020, resulting in a stable labor pool.

Table 2-3. Forecast of Albany Age Groups as a Percentage of Total Population

Age Group	1990	2000	2005	2010	2015	2020
0-17	26	24	23	23	22	22
18-24	11	11	11	10	10	9
25-44	33	30	28	27	26	25
45-64	16	22	24	26	25	25
65+	14	13	14	14	17	19
Totals	**100**	**100**	**100**	**100**	**100**	**100**

Source Data in the 1990 column calculated by Albany Planning staff from US Census Data in the 2000, 2010, and 2020 columns adjusted per state projections. Data in the 2005 and 2015 columns extrapolated from adjoining columns

Buildable Land

In 1998, City of Albany staff, as part of a regional study, made a preliminary assessment of buildable lands within the Albany Urban Growth Boundary (UGB). Before looking at more detailed work on buildable commercial and industrial lands in Albany, we present Table 2-4 for comparative purposes. The table shows the amount of buildable land in 1998 in the UGB for each jurisdiction involved in the regional study. Chapter 3 and Appendix A provide a more detailed discussion of current conditions of supply and demand for commercial and industrial land within Albany's city limits.

For the purpose of this report, buildable land refers to land that is either vacant or underdeveloped[3] and that has access to water, sewer, and transportation services or will likely benefit from those services in the forecast period. The buildable land data in Table 2-4 may include land containing wetlands, steep slopes, or floodplains considered developable according to city policies in place in 1998. The amount of buildable land may decrease by the end of periodic review as each city considers new policies to restrict development in environmentally sensitive lands. Also, much of the land within UGBs and outside city limits must be annexed or may have significant infrastructure costs.

Table 2-4. Acres of Buildable Land by UGB, Benton and Linn Counties, 1998

Community	Commercial/ Office	Industrial	Public
Corvallis	605.3	1,182.3	94.3
Monroe	7.8	24.0	
Philomath	15.8	368.2	6.5
Albany	284.0	626.0	
Harrisburg	9.1	279.1	14.6
Lebanon	144.0	924.7	
Millersburg	51.9	673.7	
Sweet Home	116.9	479.7	10.9
Tangent	28.6	101.5	

Source. Analysis of the Regional Economy and Housing For Linn and Benton Counties Data provided to ECONorthwest by staff in each jurisdiction, perhaps using different assumptions.

Note: Albany includes portions in Benton and Linn Counties Albany, Millersburg and Tangent do not have a "Public" plan designation Those jurisdictions assume that land needed for public employment will be supplied through vacant lands in other plan designations

Table 2-4 shows that there was a substantial amount of buildable land inside Urban Growth Boundaries in the two-county region in 1998. Albany has about 15% of the buildable land in the two-county region: 22% of commercial/office land and 13% of industrial land. Albany has roughly half as much buildable land as reported by Corvallis. Most of the other communities in the table also have a substantial amount of commercial/office or industrial land available for development within their UGBs. However, the table does not indicate the projected amount of land needed. Local jurisdictions did not provide information about the size, distribution or other characteristics of parcels included in the buildable land inventory. In addition, some of this land is no longer vacant, due to development between 1998 and 2000.

[3] Underdeveloped land includes parcels that have redevelopment potential because of low improvement values and also includes larger parcels that have additional space for development (due to low improvement to land value ratio).

City Policies

Annexation

The City Charter was amended in 1998 to require that annexations be approved by more than 50 percent of those voting in an election. In order to be eligible for annexation, a property must be contiguous to existing city limits and within the Albany Urban Growth Boundary. The City Council also reviews two major "timeliness" criteria to determine if a property is ready to be placed on the ballot for voter approval or denial. An adequate level of urban services and infrastructure must be available or be made available in a timely manner. Secondly, all necessary studies and reviews must be completed and sufficient planning and engineering data provided so that any issues regarding Comprehensive Plan policies and implementing ordinances can be resolved. Lastly, the City Council may consider, at its discretion, any other factor that affects the timeliness or wisdom of any particular annexation petition Since March 10, 1998, the date voter approval was instituted in Albany, all of the several small annexation requests have been approved by voters.

Comprehensive Plan Policies

The authority to regulate development is based on a progression from general goals to specific regulations. Statewide Planning Goals 9 and 14 provide the framework for the economic development sections of Albany's Comprehensive Plan. The Plan includes many goals and policies related to economic development. The goals are general in nature and do not point to specific economic or employment outcomes

Albany's current Capital Improvement Plan shows that the City has pursued its economic development goals and policies. Community and economic development projects include infrastructure improvements (street, sewer, water, and drainage) for prime industrial land east of I-5 and several other water and street improvements needed in part for specific development proposals. The Capital Improvement Plan also includes other transportation and public facility projects designed to maintain and expand the City's ability to provide these vital public services.

CONCLUSIONS

Table 2-5 summarizes the significant comparative advantages for economic development in Albany. Albany will benefit from economic forces encouraging continued urbanization, as well as from its excellent access to highway and rail transportation. Albany's transportation access and existing mix of manufacturing and distribution firms suggest that Albany will continue to attract these types of firms in the future Albany's status as an urban center and county seat suggests that it will attract urban-oriented trade and services firms. A large base of existing firms offers the potential of employment growth from expansion, and the supply-side factors needed to accommodate new firms (a relatively large supply of buildable land, available public services, and access to available labor) are present. Albany should continue to attract the largest share of total employment growth in Linn County. Chapter 3 develops an employment forecast for the City of Albany.

Table 2-5. Comparative Advantages for Economic Development in Albany

Location Factor	Advantages for Albany
Existing Economic Activity	Albany is a center for businesses that may attract similar or related firms: primary metals, lumber, secondary wood products (furniture, cabinets, manufactured housing), wholesale trade, and industrial machinery.
Quality of Life	Albany offers urban amenities without the traffic, crime, and other problems associated with larger cities. Albany's location near the coast and mountain ranges offers a wide range of recreational opportunities. However, Albany shares this characteristic with other communities in the Willamette Valley. Impact will vary depending on individual tastes.
Water and Sewer Service	Central issues are extension of lines, provision of water supply, and ability to treat sewage
Transportation and Access to Markets	Albany is centrally located to West Coast (Seattle–L.A.) and Willamette Valley (Portland–Eugene) markets, with access provided by I-5, US 20, Hwy 99 and railroads.
Labor Market Conditions	The relative availability of labor in Linn County may attract employers to the region. Employers are likely to locate in larger and centrally located communities such as Albany and draw workers from high-unemployment areas in rural Linn County.
Public Policy	Policies in Albany are generally supportive of economic development, while seeking to reduce adverse financial and environmental impacts

Source ECONorthwest

Buildable Lands Analysis

One of the important objectives of the Economic Opportunity Analysis is to determine whether Albany has a sufficient amount of buildable land within its Urban Growth Boundary to accommodate expected employment growth over the next twenty years as required by state law. The analysis starts with a forecast of employment growth in Albany. Expected employment growth is then translated to demand for buildable land using assumptions about the average number of employees per acre and other characteristics of employment growth and land development. The estimated level of employment demand is then compared to commercial and industrial land supply data presented in more detail in Appendix A. The city is also refining its projections of the housing demand and supply of residentially zoned land available to meet projected population increases over the next twenty years. The result of this comparison has implications for city policy that are addressed at the end of this section.

FORECAST FOR CITY-WIDE EMPLOYMENT GROWTH

Forecasts from the State of Oregon show that "covered" employment is expected to grow in Oregon and in Linn and Benton Counties. Some of this employment growth will occur in Albany, but the State has not produced an employment forecast for areas smaller than the county level. Because less than one percent of Albany's employment is in Benton County, this section will mostly discuss Albany's employment as a portion of Linn County's total. However, when balancing population growth with employment opportunities, North Albany population and employment opportunities must be considered.

Covered employment data only includes employees who are covered by unemployment insurance laws. This excludes significant segments of the working population. Employment data from the Bureau of Economic Analysis[1] reports total employment including non-covered and covered employment. A comparison of total and covered employment in Oregon shows that covered employment accounted for an average of 81% of total non-farm employment in 1997. The ratio of covered to total employment varies across sectors, from 58% in the mining sector to 100% in the government sector.

Table 3-1 presents a forecast of 2020 covered employment in Albany. This forecast is based on two assumptions: Albany's share of Linn County's 2020 employment, and the distribution of Albany's employment in 2020. Albany's share of Linn County employment increased slightly from 49% in 1990 to 49.5% in 1999. Continued urbanization and Albany's comparative advantages should cause its share of Linn County employment to increase by 2020. Albany's share of Linn County employment is expected to reach 52% in 2020, for a covered employment level of 26,306. *The state has not yet revised the Linn County 2020 employment forecast to reflect the slowing economy, so the amount of job growth to 2020 may be less than currently projected.*

Table 3-1 also shows the share of Albany's employment by sector in 1990 and 1999. The change in share for each sector and the economic outlook for sectors and individual industries were used as the basis for assumptions about the share by sector in 2020.

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[1] U.S. Department of Commerce, Bureau of Economic Analysis, 2000. Total full-time and part-time employment by industry (SA25) and full-time and part-time wage and salary employment by industry (SA27) http://www bea doc.gov/bea/regional/spi/recent.htm Accessed July 24, 2000

Table 3-1. Covered Employment in Albany Projected to 2020

	1990		1999		2020	
	%	Number	%	Number	%	Number
Linn County Total		33,028		41,830		50,590
Albany Share of Linn County	49.0	16,198	49 4	20,656	52 0	26,306
Agriculture, Forestry, Fishing	0.6	91	1 7	355	1 5	395
Mining	0 0	2	0 1	15	0 2	53
Construction	3 0	486	4 5	929	4 0	1,052
Manufacturing	21 8	3,526	16 7	3,441	16 0	4,209
Transportation, Comm , Utilities	3 0	482	4 2	871	4 0	1,052
Wholesale Trade	4 0	651	2 8	581	2 8	737
Retail Trade	21 3	3,446	19 8	4,083	20 0	5,261
Finance, Insurance, Real Estate	3 9	629	4 1	839	5 0	1,315
Services	21 4	3,459	24 8	5,130	28 5	7,497
Government	21 1	3,424	21 4	4,412	18 0	4,735
TOTAL	**100.0**	**16,196**	**100.0**	**20,656**	**100.0**	**26,306**

Sources· Linn County employment forecast from the State of Oregon Office of Economic Analysis, 1990 and 1999 2020 employment distribution for Albany projected by City staff

Albany is projected to add 5,655 covered employment jobs by 2020 Using only covered employment will systematically underestimate the demand for commercial and industrial land, because it does not include employees not covered by unemployment insurance laws. Table 3-2 converts the covered employment forecast in Table 3-1 to total employment for Albany in 2020 using the statewide ratio of covered to total employment for each sector. The ratio of covered employment to total employment in Albany is 82%. Conversion to total employment increases Albany's 1999 employment by 5,098 to 24,754 total jobs. The total job growth projected between 1999 and 2020 is 7,206 jobs

Table 3-2. Covered Employment Converted to Total Employment in Albany, 1999 & 2020

	Covered Employment As % of Total	1999 Covered	1999 Total	2020 Covered	2020 Total	99-20 Total Job Growth
Agriculture, Forestry, Fishing	62	355	573	395	636	64
Mining	58	15	26	53	91	65
Construction	73	929	1,273	1,052	1,441	169
Manufacturing	94	3,441	3,661	4,209	4,478	817
Transportation, Comm., Utilities	87	871	1,001	1,052	1,209	208
Wholesale Trade	94	581	618	737	784	166
Retail Trade	84	4,083	4,861	5,261	6,263	1,402
Finance, Insurance, Real Estate	60	839	1,398	1,315	2,192	794
Services	74	5,130	6,932	7,497	10,131	3,199
Government	100	4,412	4,412	4,735	4,735	323
TOTAL		**20,656**	**24,754**	**26,306**	**31,961**	**7,206**

Source Covered employment as a percentage of total employment ratios are from the Oregon Office Of Economic Analysis Calculations by City of Albany

DEMAND FOR NON-RESIDENTIAL LAND

The employment growth shown in Table 3-2 indicates the demand for commercial and industrial land in Albany. Different sectors in the economy will need different types of land: for example, most retail trade employment will occur on land zoned commercial, while most manufacturing employment will occur on industrial zoned land. Employment growth was allocated to four land-use types. These land-use types and the employment sectors included in each are:

- ***Commercial***: includes the retail trade sector and 12% of the services sector (hotels, repairs, movies, recreation constituted 12% of service jobs in 1999)
- ***Office***: includes the finance, insurance, real estate sector and 88% of services
- ***Industrial***: includes the agriculture, mining, construction, manufacturing, transportation, communication and utilities, wholesale trade sectors
- ***Public***: includes all government (schools, college, city and county offices)

Table 3-3 shows total employment growth by land use type in Albany in the 2000 to 2020 period. The total employment forecast shown in Table 3-2 was used to adjust the 1999 estimate of employment to a 2020 estimate using a straight line extrapolation of employment growth. The employment forecast is derived from the employment data in Table 3-1, which represents total employment within Albany's Urban Growth Boundary. Therefore, the employment forecast presented in Table 3-1 and the employment growth shown in Table 3-3 are for the Albany UGB.

Table 3-3. Total Job Growth by Land Use Type in Albany, 1999–2020

Sector	1999	1999	2020	2020	New Employment 1999-2020	New Employment %
Commercial	5,467	22%	7,478	23%	2,011	27 8%
Office	7,724	31%	11,108	35%	3,384	46 8%
Industrial	7,152	29%	8,640	27%	1,488	20 6%
Public	4,412	18%	4,735	15%	323	4.5%
Total	**24,755**	**100%**	**31,961**	**100%**	**7,206**	**100%**

Source Calculations by City of Albany using ES202 data from the Oregon Employment Department

Table 3-3 shows that almost half of future growth is expected to be in office employment, which may be due to the increase in the services and finance, insurance and real estate industry sectors.

Several assumptions must be made to convert employment growth to demand for land by land-use type. Table 3-4 shows the assumptions made in this report about these variables. The describe assumptions are:

- **Percent of total employment growth that requires no commercial or industrial built space or land.** Some new employment will occur outside commercial and industrial built space or land. For example, some construction contractors may work out of their homes, with no need for a shop or office space on non-residential land. The Census reports that 3% of workers in Albany worked at home in 1990.

- **Percent of employment growth on existing developed land:** Some employment growth will be accommodated on existing developed land, as when an existing firm adds employees without expanding space. There is little empirical research on the amount of employment growth accommodated in existing developments.

- **Vacancy rate:** Some employment growth can be accommodated in vacant buildings on non-residential land; for example, a new business that opens in a vacant store. The City's analysis of existing land use in Albany by zoning district shows that 3% of acreage in commercial/office zones and 4% of acreage in industrial zones was assigned a vacant building use.

- **Employees per acre:** The number of employees per acre on non-residential land developed to accommodate employment growth. There are few empirical studies of the number of employees per acre, and these studies report a wide range of results. Ultimately, the employees-per-acre assumptions reflect a judgement about average densities and typically reflect a desire for increased density of development

- **Floor area per employee:** Amount of built space (square footage) per employee. There are few empirical studies of the area of development needed per employee, and the few studies that exist report a wide range of results Ultimately, this assumption reflects a judgement about average densities and typically reflects a desire for increased density of development. Square-feet-per-employee assumptions used in a recent analysis of land demand for the City of Salem were 350 for commercial/office, 650 for industrial, 400 for government, and 700 for education.

- **Implied floor area ratio (FAR):** This is not an assumption per se, but a measure of the floor area ratio (FAR) calculated by the assumptions of employees per acre and built space per employee. This measure is included to indicate the reasonableness of the assumptions for land and built space per employee.

- **Percent employment growth on redeveloped land:** Some employment growth will be accommodated on land that is redeveloped: for example, an existing building that is renovated or torn down and replaced with a new building. There is little research on the actual level of employment growth accommodated on redeveloped land. A recent estimate of land demand in Salem assumed 5% of employment accommodated on redeveloped land, based primarily on the opinion of focus-group members.

- **Redeveloped land relative density:** Redevelopment of land generally increases the employment density on that land. An assumption of 50% indicates that employment density on redeveloped land will be 50% greater than the assumption of density applied to vacant land.

Table 3-4. Assumptions for Land Demand

	Land Use			
Assumption	**Commercial**	**Office**	**Industrial**	**Public**
% of employment growth outside commercial and industrial built space or land	1%	1%	2%	1%
% of employment growth on existing developed land	10%	10%	10%	10%
Building vacancy rate	7%	7%	5%	5%
Employees per acre	25	35	12	15
Square feet of floor area per employee	700	350	650	600
Implied floor area ratio	.40	.28	.18	.21
Redevelopment				
% employment growth on redeveloped land	5%	5%	5%	5%
Relative density (employees per acre)	50%	50%	50%	50%

Source ECONorthwest Note Shaded areas indicate assumptions by ECONorthwest

Table 3-5 shows the results of applying the relevant assumptions to allocate the projected employment growth (calculated in Table 3-3) to 2020 Albany will have approximately 6.000 employees to accommodate in new building space, with a majority of the employees and space needs being for new office development. Approximately 16% of future employment growth (1,100 jobs) will be accommodated through expansion or redevelopment of existing land and by home-based employment.

Table 3-5. Allocation of Employment Growth in Albany, 1999–2020

Sector	Total Job Growth 1999-2020	On Existing Land	On Redeveloped Land	Requires no Building or Land	Requires New Space
Commercial	2,011	201	100	20	1,689
Office	3,384	338	174	34	2,843
Industrial	1,488	150	68	30	1,235
Public	323	32	16	3	272
Totals	**7,206**	**719**	**361**	**87**	**6,039**

Source: Calculations by City of Albany, using EcoNorthwest assumptions in Table 3-4

Table 3-6 shows the amount of new land and built space needed for each land-use type in Albany over the 1999–2020 period. The amount of land needed (in acres) is calculated by dividing employment growth that will require new land (the last column of Table 3-5) by the employees/acre assumption in Table 3-4 (middle row) for each land-use type, with an adjustment for vacancy. Square feet of building space needed is calculated by multiplying employment growth that will require new building space by the square feet per employee assumption in Table 3-4 for each land-use type, with an adjustment for vacancy.

Table 3-6. Albany New Land and Built Space Need by Land Use Type, 1999–2020

Land Use Type	Acres of Land		Building Sq. Footage	
Commercial	67.6	25.0%	1,182,300	37 8%
Office	81.2	30.1%	955,050	31.8%
Industrial	102 9	38.1%	802,750	25.6%
Public	18.1	6.7%	163,200	5.2%
Totals	**269.8**	**100%**	**3,143,300**	**100%**

Source: City of Albany

Table 3-6 shows that 270 acres of land and 3.1 million square feet of new building space are needed to accommodate 6,056 future employees to 2020. The acreage needed could vary depending on the number of employees accommodated per acre. Table 3-6 averages future commercial, office and industrial development at 22.4 employees per acre. Commercial uses are projected to need the most building space, about 1.2 million square feet over the next 20 years. Office space needs are projected to be just under 1 million square feet of new built space.

Table 3-7 shows that an additional 32 acres will be redeveloped to provide approximately 360 jobs in Albany over the 1999–2020 period. The assumptions for employees per acre and square feet per employee were adjusted using the assumption of relative density for redeveloped space (50% for every land-use type) shown in Table 3-4.

Table 3-7. Albany Redeveloped Land and Built Space Need by Land Use Type, 1999–2020

Land Use Type	Acres of Land		Building Sq. Footage	
Commercial	8 1	25.5%	35,350	37 7%
Office	9 7	30.0%	29,575	31 5%
Industrial	12.3	38 3%	24,050	25.6%
Public	2.1	6 6%	4,800	5 1%
Totals	**32.2**	**100%**	**93,775**	**100%**

Source. Calculations by the City of Albany

Employment growth over the next 20 years is projected to need a total of 300 acres. This seems like very little land consumption considering the commercial and industrial land consumption over the last 10 years as seen in Table 3-8.

Table 3-8. Acreage Consumed 1990-2000, by Zoning District

Zones	NC	CC	CH	PB	IP	LI	HI	HD	CB	LE	MS	OP	ES	Total
Acres	4 0	71 3	55.6	1 2	114.8	147	27	2.9	0 3	0.8	1 5	13.8	0 2	440 2

Source City of Albany, building permit data. Includes developments approved and under construction Does not include projects that have land use approval, but construction has not started

Note: Shaded areas indicate clusters of zone types **See Table 3-9 for zone descriptions**

Table 3-8 shows that 440 commercial, industrial and office zoned acres were consumed by development between 1990 and 2000 (See also the New Development map located behind Chapter 4, which shows development between 1990 and March, 2002.) Albany gained approximately 6,800 jobs in the 1990s, which averages to 15 employees per acre for commercial, office and industrial development (assuming no job development on already developed land). The large number of acres developed can be attributed to a handful of large parcels that were developed, such as the 105-acre Target Distribution site (zoned IP). In addition, the new Linn County Fairgrounds site (zoned LI) used 35 acres with very few jobs produced, and the Blue Ox RV Park in the CH zone is residential use. Several industries, like Target Distribution, have enough room for future expansion at their current locations.

SUPPLY OF LAND BY TYPE

The available land supply was calculated by identifying vacant and redevelopable parcels using assessment data from Linn and Benton Counties. Vacant parcels were defined as those with an improvement value less than $10,000. Land with redevelopment potential was defined as that with improvement values between $10,000 and $100,000. Table 3-9 shows the supply of vacant and redevelopable land within Albany's UGB by zoning district and Comprehensive Plan designation.

Table 3-9. Acres of Available Land in Albany UGB by Zone and Comprehensive Plan Designation, 2000

Zoning District/Comp Plan Designation	Vacant Acres	Redevelopable Acres	Total Acres
Inside Albany City Limits			
NC Neighborhood Commercial	17.8	6.3	24.1
CC Community Commercial	108.3	42.6	150.9
CH Heavy Commercial	48.4	18.6	67.0
MS Main Street	4.7	5.5	10.2
PB Pacific Boulevard	2.8	4.1	6.9
HD Historic Downtown	3.0	7.9	10.9
Total Commercial Zones	*185.0*	*85.0*	*270.0*
ES Elm Street Medical	0.4	3.7	4.1
LE Lyon-Ellsworth	1.4	3.6	5.0
CB Central Business	3.8	5.2	9.0
OP Office Professional	19.9	6.0	25.9
Total Office Zones	*25.5*	*18.5*	*44.0*
HI Heavy Industrial	105.1	13.6	118.7
IP Industrial Park	320.5	10.6	331.1
LI Light Industrial	206.9	68.1	275.0
MUI Mixed-Use Light Industrial	6.5	5.0	11.5
Total Industrial Zones	*639.0*	*97.3*	*736.3*
Total Inside Albany City Limits	**849.5**	**200.8**	**1,050.3**
Albany UGB (Outside City, Comp Plan)			
Commercial	55.1	0.0	55.1
Industrial	94.9	0.0	94.9
Total UGB	**150.0**	**0.0**	**150.0**
Albany UGB Total by Type			
Office	25.5	18.5	44.0
Commercial	240.1	85.0	325.1
Industrial	733.9	97.3	831.2
TOTAL ACRES	**999.5**	**200.8**	**1,200.3**

Source City of Albany

Table 3-9 shows that 1,050 acres of vacant or redevelopable commercial and industrial land is within Albany's existing city limits. Only 150 acres of vacant commercial and industrial designated land is outside the city limits and inside the UGB. The buildable land supply methods and more detailed results and analysis are found in Appendix A, Buildable Lands Inventory.

The city is also analyzing the vacant residentially zoned lands to determine whether or not there is enough land zoned to accommodate the projected need for 6,000 new households of various types between 2000 and 2020.

The figures calculated in this chapter may vary, as several factors can greatly affect the amount of land available for development in the market at any one time. These factors include:

- **Size of parcels.** Size can limit the types of development that are feasible. This constraint is most often faced by uses that need large parcels of land. Table 3-10 shows vacant and redevelopable parcels by size and zoning district. There are very few parcels larger than one acre and even fewer parcels larger than 5 acres Most of the parcels larger than 20 acres are zoned industrial.

- **Availability of water and sewer services.** Most parcels within Albany's city limits can be serviced by water and sewer. In some instances, this can be quite costly. Some areas within the city need facility upgrades; some have been scheduled in the 2001-2006 Capital Improvement Program. Large demand for either domestic water or sewer treatment capacity could exceed existing treatment capacities. Appendix A identifies the number of acres and parcels within Albany's city limits and Urban Growth Boundary currently with and without water and sewer service.

Table 3-10. Vacant and Redevelopable Parcels by Size, 2000

Zoning District/Comp Plan Designation	< 1 acre	1 - 5 acres	5 - 20 acres	20+ acres	Total
In Albany City Limits					
Neighborhood Commercial	28	6	1	0	35
Community Commercial	259	17	2	1	279
Heavy Commercial	48	12	3	0	63
Pacific Boulevard	19	1	0	0	20
Central Business	46	0	0	0	46
Elm Street Medical	33	0	0	0	33
Historic Downtown	84	0	0	0	84
Lyon-Ellsworth	31	0	0	0	31
Main Street	46	0	0	0	46
Office Professional	37	8	1	0	46
Heavy Industrial	19	11	5	1	36
Industrial Park	3	1	4	8	16
Light Industrial	117	50	2	4	173
Mixed-Use Light Industrial	37	1	0	0	38
Totals in City Limits	*453*	*71*	*12*	*13*	*549*
Albany UGB (Outside City, Comp Plan)					
Commercial	11	9	3	0	23
Industrial	10	16	1	1	28
Total inside UGB	*21*	*25*	*4*	*1*	*51*
TOTAL ACRES	**474**	**96**	**16**	**14**	**600**

Source City of Albany

- **Timing and speculation.** Property owners may be holding property for planned development (including expansion of existing businesses) or in anticipation of higher profits in the future

- **Environmental constraints.** Wetlands, floodplains, riparian corridors, contamination and other constraints can make land undevelopable, limit its use, or increase the costs of development. Approximately 10 percent of undeveloped land within the Linn County portion of the Albany UGB contains significant wetlands.

With the exception of environmental constraints, we do not expect these factors to have a significant effect on the amount of land available over the twenty-year time frame of this analysis Land constrained by wetlands or riparian corridors may be excluded from the buildable land inventory when a study and protection program are complete in 2001 or 2002. However, Table 3-10 shows very little vacant land larger than one acre and even fewer large tracts available. In particular, there is very little land zoned CC (Community Commercial) or OP (Office Professional) greater than 5 acres in Albany.

While an analysis of the short-term real estate market is beyond the scope of this report, the match between long-term supply and demand is an indicator of the importance of the constraints on the short-term supply of land. If supply and demand are closely matched, constraints could have a significant impact on the short-term market for land that may need to be addressed by public policy. If supply greatly exceeds demand, constraints are unlikely to have a significant impact on the short-term supply of land. The demand for and supply of land over the next twenty years are shown in the following section.

COMPARISON OF LAND DEMAND TO LAND SUPPLY

Table 3-11 shows the match of land supply and land demand by land-use type. Supply data includes land currently zoned for commercial, office and industrial uses, as well as land inside Albany's UGB that is designated in the Comprehensive Plan for employment uses. Excluded from Table 3-11 is the supply of public land. This is difficult to assess because public uses are not a separate zone and are allowed in most zones under current Albany regulations.

Table 3-11. Comparison of Land Supply and Demand in Albany UGB, 1999–2020

Land Use Type	Vacant Acres	Redevelopable Acres	Total
Supply			
Commercial	240.1	85.0	325.1
Office	25.5	18.5	44.0
Industrial	733.9	97.3	831.2
Total Supply	**999.5**	**200.8**	**1,200.3**
Demand			
Commercial	67.6	8.1	75.7
Office	81.2	9.7	90.9
Industrial	102.9	12.3	115.2
Public	18.1	2.1	20.2
Total Demand	**269.8**	**32.2**	**302.0**
Surplus (Deficit)			
Commercial	172.5	76.9	249.4
Office	(55.7)	8.8	(46.9)
Industrial	631.0	85.0	716.0
Public	(19.0)	(2.0)	(21.0)
Total	**729.7**	**168.6**	**898.3**

Sources Supply data from the City of Albany, demand estimates from ECONorthwest

A quick assessment shows a surplus of commercial and industrial land compared to projected demand, but not enough land zoned for office uses to meet the projected 20-year demand. Currently, office uses are allowed in most commercial zones, but the land is not guaranteed for office uses. In response to the need for more office-designated lands, the city is proposing to reduce the minimum lot size in the Industrial Park zone, from 5 acres to 10,000 square feet. The Industrial Park zoning district is intended to provide opportunities for industrial and business parks containing offices together with clean, non-polluting industries in a quality environment.

When parcel size is a factor, the surplus of buildable land may actually be much less, due to very few vacant parcels larger than one or five acres in most commercial zones. The location, size and environmental constraints of available land also need to be considered when looking at the short- and long-term markets. Lastly, the city may wish to consider public land needs (especially schools) when planning future growth areas in the city. Table A-3 in Appendix A, Buildable Lands Inventory, looks more closely at buildable land characteristics.

Findings, Policies & Implementation Strategies

KEY FINDINGS

ECONOMIC CONDITIONS IN ALBANY

Employment Base

The Albany Urban Growth Boundary (UGB) had 20,659 covered wage and salary jobs in 1999. The largest industries in Albany in 1999 were:

- Local Government, including public K-12 schools and Linn-Benton Community College (3,780 jobs)
- Health Services (1,639)
- Business Services (1,554)
- Eating & Drinking Places (1,447)
- Food & Kindred Products (964)
- Lumber & Wood Products (849)
- General Merchandise Stores (687) and
- Primary Metals (681).

Total employment in the Albany area grew by 4,461 jobs or 28% between 1990 and 1999 and accounted for 51% of employment growth in Linn County. Albany's population growth was 20%, or 6,487 new people, over the same period. Albany's share of Linn County employment did not change significantly between 1990 and 1999, remaining at about 50%.

Until recently, Albany's economy has traditionally relied on primary metals, lumber and wood products and food processing industries. The biggest shift in employment since 1978 has been in the services and manufacturing sectors. The percentage of covered employment in the services sector increased from 10% in 1978 to 21% in 1997 and then to 25% in 1999, only two years later. The manufacturing sector shifted from having 31% of all covered employees in 1978 to 20% in 1997, and down to 17% in 1999.

Income Characteristics

Per capita income in Linn County has been lower than the overall Oregon average from 1969 to 1998 The gap between per capita income for Oregon and for Linn County has grown over the last decade, from $2,800 in 1988 to $4,700 in 1998 (in constant 1998 dollars). However, Linn County's per capita income is still higher than the per capita income of most Oregon counties, due to their rural character. Per capita income in Benton County surpassed the state's average in 1995, following the Hewlett Packard expansion.

Linn County's 1999 median household income ($39,400) ranked eleventh (out of 36 counties), following behind the metropolitan areas in the State. Benton County's 1999 median family income of $52,400 was at the top with the Portland Metro counties. The 1998 median family income for Albany, including North Albany, was estimated at $39,603, which was higher than that for Linn County.[1] The 1998 median family income for Albany ($39,306) was lower than in Corvallis ($50,779), and Benton County ($53,076).

COMPARATIVE ADVANTAGES FOR ECONOMIC DEVELOPMENT IN ALBANY

Albany will benefit from the economic forces encouraging continued urbanization, as well as its excellent access to highway and rail transportation Its transportation access and existing mix of manufacturing and distribution firms suggest that Albany will continue to attract these types of firms in the future. Albany's status as an urban center and county seat of Linn County suggests that it will attract urban-oriented trade and services firms. A large base of existing firms offers the potential of employment growth from expansion, and Albany has the supply-side factors needed to accommodate new firms: a relatively large supply of buildable land, availability of public services, and access to available labor. Albany also offers urban amenities without significant traffic, crime, and other problems associated with larger cities. Albany should continue to attract the largest share of total employment growth in Linn County.

EXPECTED POPULATION AND EMPLOYMENT GROWTH

Albany is expected to gain approximately 13,000 residents and approximately 7,200 covered jobs between 1999 and 2020[2]. This represents a decrease in the ratio of employment growth to population growth when compared with the last decade. In the 1990s, employment growth exceeded population growth. The projected decline in employment growth relative to population may reflect the impact of aging baby boomers reaching retirement or the expectation that more Albany residents will commute outside the city for employment opportunities.

The Oregon Employment Department forecast of employment growth in Linn County and the Benton County/Corvallis MSA) shows Services, Retail Trade, Government, and Manufacturing sectors are expected to lead employment growth in the region over the 2000–2010 period. This is consistent with Albany's growth trends between 1990 and 1999 and with recent developments in Albany

The Food Products, Lumber & Wood Products, and Primary Metals industries are expected to have little or negative growth in the region over the 2000-2010 period These industries are a significant portion of Albany's Manufacturing industries, comprising 15% of total Albany employment and 75% of employment in the Manufacturing sector.

Albany is projected to add 5,655 wage and salary jobs or 7,206 total jobs within the UGB between 1999 and 2020. The largest growth is projected in Services (3,199 new jobs), Retail Trade (1,402), Manufacturing (817), and Finance Insurance Real Estate (F.I.R.E., 794) sectors. Growth in these sectors accounts for 87% of Albany's expected employment growth in the next twenty years. The forecast of total employment growth and methods are explained in Chapter 3.

RECENT TRENDS: HIGHLIGHTS OF THE 90'S

Albany experienced some development in commercial and industrial zones over the last decade. Table 4-1 takes a closer look at where growth has been by zoning district and shows the

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[1] Claritas, Inc , U S Department of Housing and Urban Development, Calculations by ECONorthwest.

[2] Due to the loss of jobs between 1997 and 1999 and the slowing economy, this forecast may be high

amount of non-residential acreage used over the decade. The New Development 1990-2002 map (located behind Chapter 4) shows where development has occurred. Business growth has been distributed across all zones and in most areas of the city.

Table 4-1. New Development in Acres, by Zoning District, 1990-2000

ZONE	NC	CC	CH	PB	IP	LI	HI	HD	CB	LE	MS	OP	ES	Totals
Acres	4 0	71.3	55 6	1.2	114.8	147	27	2 9	0.3	0 8	1.5	13 8	0 2	440 2

Source City of Albany, building permit data, 2000 These totals include developments that are complete or under construction.

Note Shaded areas indicate clusters of zone types. See Table 3-9, page 3-7 for zone descriptions

The 440 commercial and industrial acres used for development in the last 10 years includes sites that are only partially developed and have expansion room available on site. For example, the Target distribution center doubled its size on the same parcel in 2000. Non-commercial or industrial development has also occurred in these zones. Examples are the new Linn County Fairgrounds and Expo Center in Light Industrial and the Blue Ox RV Park in Heavy Commercial. Some new businesses (such as warehouses) have created relatively few jobs for the large amount of land consumed.

The following list highlights some of the recent new or expanding businesses in Albany. As forecasted, most of the recent growth has been in the retail- and services-related industries.

- 2001. Coastal Farm and Home Supply is constructing a new 70,000-square-foot facility.
- 2001. Tec Labs, Inc. began construction on their $5 million headquarters.
- 2001. An 11,000-square-foot medical office is completed on a redeveloped site, valued at $1million.
- 2001. Goodwill redeveloped a site with a new 20,000 square-foot facility.
- 2001. Red Robin Restaurant opened in the Heritage Mall area.
- 2001. First Consumers National Bank Call Center (Spiegel Group credit cards) remodeled a former grocery site.
- 2001. Costco Wholesale opened a 140,630-square-foot facility valued at more than $4.7 million.
- 2001. A 6,180-square-foot dental office opened in North Albany.
- 2000. The Target Distribution Center doubled in size to 1.5 million square feet.
- 2000-2001. Three new hotels with 254 rooms and meeting space opened, representing a total investment of almost $9 million.
- 1998 Allann Brothers coffee roasting plant, offices, distribution center, and cafe opened a $1.5 million facility.
- 1997. Home Depot built a $3.5 million Albany store.

DEMAND FOR AND SUPPLY OF BUILDABLE LAND IN ALBANY

Projected employment growth in the Albany UGB was used to estimate the demand for commercial, office, industrial, and public land in Albany. Employment growth was converted to land demand through assumptions about the number of employees per acre, amount of employment growth on currently developed land, the amount of redevelopment, and other aspects of land development. These assumptions are found in Chapter 3.

Albany's projected employment growth between 1999 and 2020 is 7,206 total (covered and non-covered) jobs. Table 4-2 shows both Albany's supply of vacant and redevelopable land in 2000 and Albany's demand for land by type to 2020. In 2000, the City estimated there were 850 acres of vacant commercial and industrial zoned land and 201 acres of land with development potential within the City limits.

Table 4-2. Comparison of Albany Land Supply and Demand, 2000

Land Use Type	Vacant Acres	Redevelopable Acres	Total
Supply			
Commercial	185 0	85.0	270
Office	25.5	18.5	44.0
Industrial	639 0	97 3	736.3
Total Supply	**849.5**	**200.8**	**1,050.3**
Demand			
Commercial	67 6	8.1	75 7
Office	81 2	9 7	90 9
Industrial	102 9	12 3	115.2
Public	18 1	2 1	20 2
Total Demand	**269.8**	**32.2**	**302.0**
Surplus (Deficit)			
Commercial	117.4	76 9	194 3
Office	(55 7)	8 8	(46 9)
Industrial	536 1	85 0	621 1
Public	(18.1)	(2 0)	(20 1)

Sources Supply data from the City of Albany, demand estimates from ECONorthwest

A comparison of land demand and supply shows enough land is zoned for future employment needs to 2020 within the City limits, with the exception of office land. Most office development has occurred in the commercial and mixed-use zones, where a variety of commercial uses (office, retail, services) compete for available land and floor space. There appears to be enough vacant or redevelopable commercial and industrial land to accommodate future office development, including Central Albany. The land analysis found 200 acres with redevelopment potential in the City limits.

While Albany has a lot of vacant industrial land, the location and size of these parcels may not be suitable to meet the needs of businesses and industries. There are 55 acres of vacant commercially designated land and 94 9 acres of vacant industrial land outside the City limits, but inside the Albany Urban Growth Boundary The demand for land by type is shown below and the methods for calculating the demand are discussed in Chapter 3.

A more detailed look at the data by parcel in Appendix A shows that there are very few parcels over five acres zoned for commercial uses. The Vacant Lands Map (following this chapter) shows vacant parcels are clustered in the southwest end of the city, with a few smaller clusters of land east of I-5, in North Albany, and in the center of the city

THE NEXT STEPS:

The City of Albany is working through answers to key economic development issues and questions before developing a strategy for economic development. The City has reviewed the Albany Comprehensive Plan economic goals, objectives, strategies and policies and is recommending additions to update the policies to meet today's needs.

KEY ECONOMIC DEVELOPMENT ISSUES

This section lists some of the key economic development issues that should be addressed in order to choose an effective strategy. There is overlap across categories. For example, funding is a critical issue for all categories, but especially for *Transportation* and *Utilities,* where large public investments are required. Rather than flagging funding under each topic, however, we discuss it once under the last heading, *Finance and Regulation.* Similar points could be made about issues relating to coordination among agencies and institutional arrangements for supplying services.

LAND USE, PLANNING, AND LAND MARKETS

- *Non-residential Land Supply.* The City appears to have sufficient land within the Albany UGB to accommodate expected employment growth in industrial and commercial sectors over the next 20 years. The City does not have enough land specifically zoned for office uses to accommodate the large demand to 2020. Do the size and location of vacant tracts match the needs of future businesses? Do allowed uses in the zones where there is vacant land allow for the types of firms and uses the City is likely to attract or wants to attract? How will redevelopment affect our land needs?

- *Efficient Site Design.* Current development regulations specify a minimum amount of parking and landscaping for new development. These can limit the maximum floor area ratio (FAR) that can be achieved on a parcel. Should the city examine how to increase FARs in each zoning district in order to minimize the conversion of vacant land, thereby extending the build-out period? Encourage increased height in certain zones?

- *Jobs/Housing Balance.* A large share of Albany residents commute to work in other parts of the Willamette Valley. As well, a large share of Albany jobs are filled by workers commuting into Albany. How does this pattern affect land use and economic development policies intended to increase job growth within the City? Can mixed-use zones help to increase the balance and the efficiency of the transportation network?

TRANSPORTATION

- *Transportation Plan.* Are the proposed improvements to the transportation system in the City's TSP acceptable to the City? Do economic development issues suggest that the TSP may need to be modified to reflect potential changes in land use and commuting patterns? Are the TSP projects in the right priority? Should the City promote rail or other transit service to link Albany to other communities in the Willamette Valley?

- *Arterials and Collectors.* Many jurisdictions are currently deferring some cost-effective maintenance because of budget constraints. Albany is not financially able to keep up maintenance and funding capacity expansion for the existing system and future growth. How should the City address the current street maintenance problem?

- *I-5* is the key element of the City's transportation advantage. What is the best way to exploit and protect that advantage? Do economic development issues suggest improvements needed to I-5 or interchanges in the Albany area?

- *State Highways.* Many rural residents commute to Albany areas to work, and commuters are driving population growth in rural areas around Albany. Will there be sufficient state and county funding to maintain and improve these highways? Is increasing the ease of automobile commutes from rural areas consistent with the City's goals for urban form and jobs/housing balance? To what extent does local government wish to pursue other measures that may change demand for trips (e.g, parking regulations, employer-based trip reduction rules, support for telecommuting)?

UTILITIES

- *Water and Sewer.* The City is currently capable of meeting all required quality requirements for domestic water supplies. Within the next 5 to 10 years, it is expected that a capacity expansion will be required for the water supply The Master Planning process currently underway will define associated improvements and propose a financial plan to support construction. The wastewater treatment facility is currently over capacity during the winter months. Capacity expansion is currently planned to begin in 2004/5. The current financial plan is designed to support these improvements. Depending upon the siting requirements of new or expanded facilities, there may be issues with extension of required piping. The issue the City must address is how will all improvements be financed? It is generally accepted that the infrastructure system is currently under-funded to meet both the replacement and future expansion needs.

- *Electricity.* The region currently has access to relatively low-cost, high-quality electricity service. The 2000-2001 winter tested the region's supply of electricity, and there are questions as to whether it is sufficient to support long-run growth. Deregulation of electricity markets should increase choices for electricity customers How can Albany best take advantage of this economic asset and ensure its availability?

- *Telecommunications.* Service problems have been the primary telecommunications issue in the region; this may be resolved by state PUC regulation and competition for local phone service. Does the City have sufficient access to high-speed Internet connections to support growth in the Services, F.I.R.E . and other sectors? Is there a need to invest in fiber optics?

WORKFORCE AND EDUCATION

- *Current Labor Shortage* Many firms, including those in high-tech industries, are reporting a shortage of skilled labor at all levels. This may explain why 70% of our population growth since 1990 has been people moving into Albany. A common complaint has been a shortage of recent high school graduates with adequate skills and work ethic. This problem persists despite efforts to teach job skills in high school and a variety of training programs available in the region, including at Linn-Benton Community College (LBCC). Many training programs have fewer students than they could handle, primarily because of the current strength of the economy with its very low unemployment rate. Should and can the City be doing more? Can LBCC being doing more?

- *Long-run Labor Supply and Demand.* The Oregon Employment Department indicates demand will exceed supply of workers requiring only a high school diploma or on-the-job training. While some of these jobs will be low-paying, others may be relatively high-wage manufacturing jobs. Many firms in Oregon are concerned that a lack of affordable housing will limit the supply of labor for lower-paying jobs. Should Albany seek to increase the level of business skills education and awareness of manufacturing jobs in local schools? What, if anything, should Albany do to promote more affordable housing?

NATURAL RESOURCES AND ENVIRONMENT

- *Agriculture and Forestry.* While these sectors are an important part of Albany's economy, they are not expected to generate significant job growth. Should the City focus economic development efforts on protecting or expanding these traditional sectors? What alternatives for local employment are there?

- *Growth vs. Quality of Life*. Some citizens are beginning to view growth as threatening the small-town atmosphere and environmental amenities that are an important part of quality of life in communities. How can Albany accommodate growth and still maintain our quality of life?

REGULATION AND FINANCE

- *Funding*. Probably the number-one issue in any discussion of economic development is the ability to fund necessary facilities. Roads, sewer collection and treatment plants, parks, community centers, water distribution and supply improvements, incentives to attract desirable businesses: these and dozens of other desirable improvements cost money. Funding issues will never be solved once and for all—they will be an on-going discussion. Also relevant here are issues relating to the City and State tax structures and economic incentives.

- *Effective Regulation*. Simply eliminating regulation is almost certainly not beneficial for economic development in the broader sense. Some government regulations are effective in that they provide benefits (e.g., environmental protection, public safety, contract enforcement) that are greater than their costs. If one acknowledges that point, then the more interesting question is: what is the proper level of government regulation in dozens of areas? Can the objectives associated with economic development be achieved with less red tape? Can permit processing be consolidated and expedited? Can market mechanisms, which produce efficiencies in the private sector, be used to improve the efficiency of the public sector?

TARGET INDUSTRIES & BUSINESSES

- "Targeting" refers to strategies that focus on retention and expansion of existing firms or attraction of new firms that are determined to be desirable for the Albany community. Most communities that target specific industries and businesses look for above-average wages, high levels of capital investment, linkage to other industries, low utilization of or impacts to available natural resources and efficient use of available land. Targeting is typically used to provide a focus for economic development efforts, but not to exclude other industries from these development efforts. Before targeting a specific industry, the community must decide what it is trying to accomplish. Does the Albany community have a clear objective in retaining existing firms and attracting new ones? Which industries should the community focus on? What actions should it take to retain or attract targeted industries?

KEY QUESTIONS TO CONSIDER

1. Who should establish economic development policies for the City?

2. Does the City Council wish to take an active role in policy development?

3. Who else should be involved in the development of an economic development strategy?

4. Where are the City's economic development policies laid out?

5 Who carries out the City's economic development policies? To whom are they accountable?

6. Does the City wish to be reactive or proactive in attracting new businesses or encouraging expansions?

7. What factors should be evaluated when considering whether the City wishes to encourage a site location or expansion (these might include pay scale, environmental impacts, impacts on utility systems)?

8. What is the City's position on economic development incentives (such as the Enterprise Zone and "oversizing" funds for water and sewer)?

9. Is there interest in creating a focused investment strategy to encourage development in certain locations, such as in the Central Albany area?

10 Should the City recruit industry on properties that are not in the City limits but are contiguous?

11 How will the findings in this document be used?

12 Is there interest in developing a strategic plan for economic development?

13 How does Albany integrate local policies with those of other jurisdictions in the region and with State government?

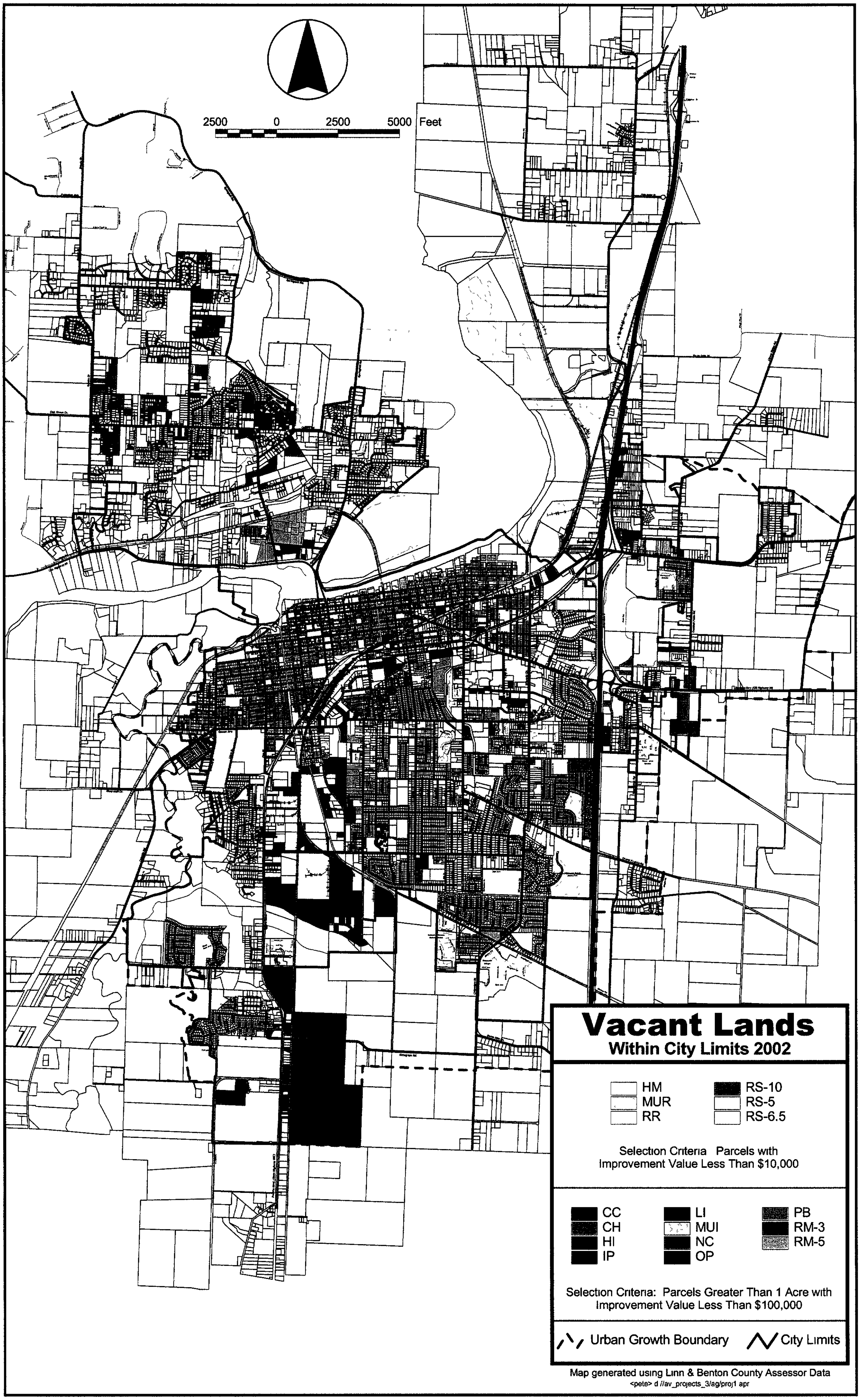
ECONOMIC DEVELOPMENT POLICIES & STRATEGIES

Once the community adopts goals and objectives, then strategies can be implemented in the form of policies. Table 4-3 is an illustrative list of policies related to typical economic development goals. A strategic plan can be an effective way to implement new policies and prioritize projects and funding.

Table 4-3. Summary of Potential Economic Development Policies

CATEGORY/POLICY	DESCRIPTION
A) Land Use	**Policies regarding the amount and location of available land and allowed uses.**
Provide adequate supply of land to support employment growth	As per state requirements, Albany should provide an adequate supply of development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Albany.
Cut red tape	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise
B) Public Services	**Policies regarding the level and quality of public and private infrastructure and services.**
Provide adequate infrastructure to support employment growth	Provide adequate public services (i e , roads, water, and sewer) and act to ensure that adequate private utilities (i e., electricity and communications) are provided to existing businesses and development sites
Focused public investment	Provide public and private infrastructure to identified development sites
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network.
C) Business Assistance	**Policies to assist existing businesses and attract new businesses.**
Business retention	Targeted assistance to businesses facing financial difficulty or thinking of moving out of Albany
Recruitment and marketing	Establish a program to market Albany as a location for business in general, and target relocating firms. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life
Development districts (enterprise zones, redevelopment districts, etc.)	Establish districts with tax abatements, loans, subsidized infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria.
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms in Albany meeting specified criteria.
Business incubators	Create low-cost space for use by new and expanding firms in Albany with shared office services, access to equipment, and networking opportunities
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.
Export promotion	Assist businesses in identifying new products and export markets; represent local firms at trade shows and missions
D) Workforce	**Policies to improve the quality of the workforce available to local firms.**

Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i e , dislocated workers).
Job access	Provide transit/shuttle service to bring workers to job sites.
E) Utilities	
Water	Target industrial users that require low to medium water supply Locate large water consumers adjacent to major transmission systems
Sewer	Target industries that have minimal impacts on the wastewater system in both quantity and quality
Streets	Locate major traffic generators adjacent to adequate transportation corridors
Energy (gas and electricity)	Require coordination of resource uses at the time of Site Plan submittal
F) Other	
Regional collaboration	Coordinate economic development efforts with Linn County and the State so that clear and consistent policies are developed
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, and environmental amenities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Vacant Lands
Within City Limits 2002
HM
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RS-6.5
Selection Criteria Parcels with Improvement Value Less Than $10,000
CC
CH
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LI
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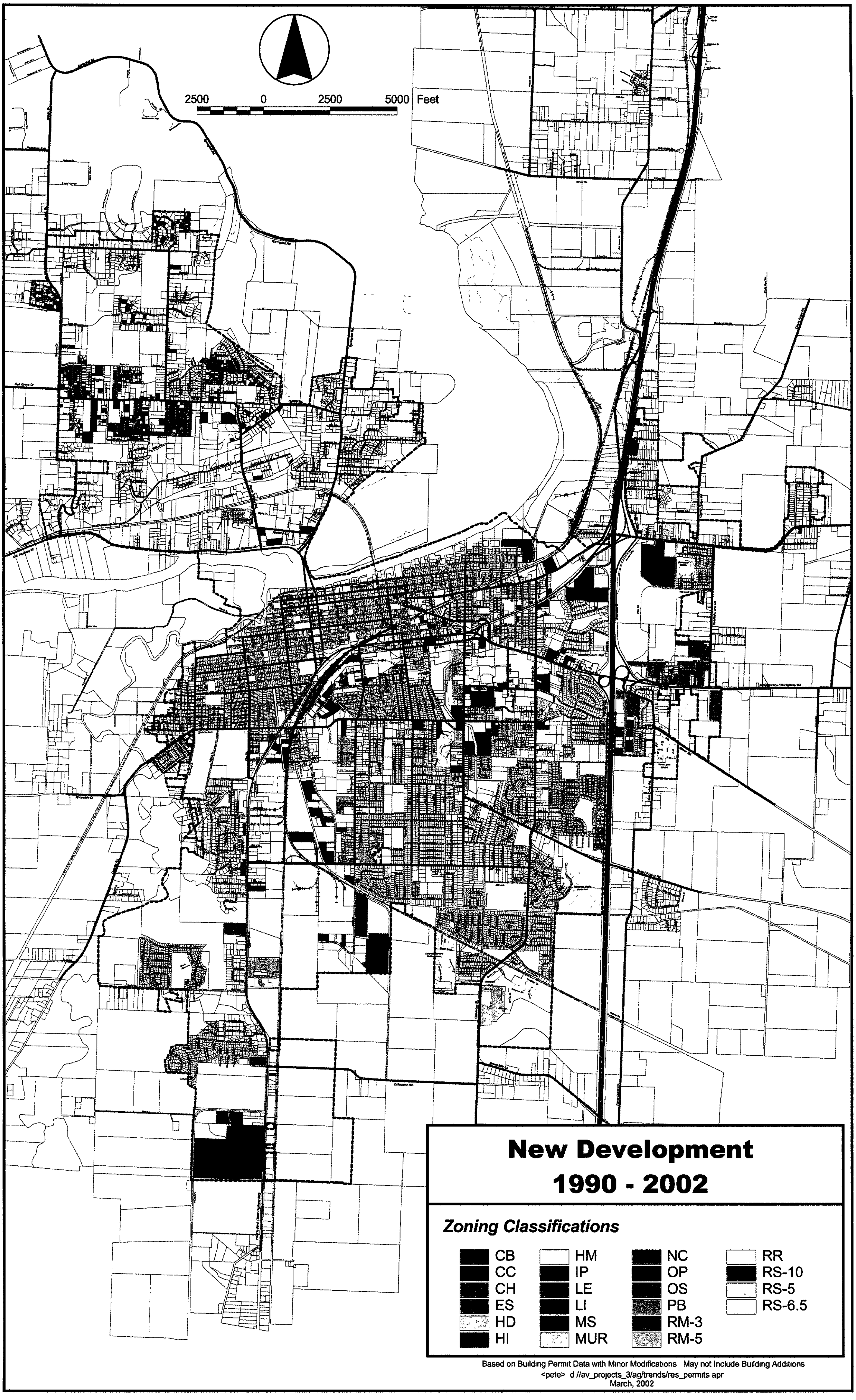
OP
PB
RM-3
RM-5
Selection Criteria: Parcels Greater Than 1 Acre with Improvement Value Less Than $100,000
Urban Growth Boundary
City Limits
Map generated using Linn & Benton County Assessor Data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New Development
1990 - 2002
Zoning Classifications
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Based on Building Permit Data with Minor Modifications May not Include Building Additions
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March, 2002

Appendix A

Buildable Land Inventory: Methods and Results

This appendix explains the methods used in developing the buildable lands inventory that provided the supporting data for the report. The inventory defines the available land for development by associated zoning district and parcel size. An analysis of existing land uses by zoning district is also included.

METHODS

The City of Albany conducted fieldwork in June 2000 to determine the current status of lands zoned for industrial and commercial uses. Lands were categorized by occupancy and were noted as either vacant, vacant buildings or occupied. The land uses were noted and classified by industrial sectors.

Land that has potential to be developed is considered buildable land. For this analysis, buildable land includes vacant land as well as land that is underdeveloped or that could be redeveloped due to a relatively low improvement value or vacancy Development potential was determined using improvement values from the 2000 Linn and Benton County Assessor's data. This method has its uses and limitations. Improvement value indicates a level of long-term investment in property However, a property with no value should not be assumed to be unused. For example, land with no or low improvement value may be in use with adjacent property for parking, landscaping or outside storage. Lands with natural or environmental constraints were NOT excluded from the inventory. Once Goal 5 work is complete, the buildable lands inventory will be adjusted to exclude any constrained lands.

Vacant Lands. Lands with no improvement value and improvement values less than $10,000 are considered vacant and partially vacant (Vacant 1 and Vacant 2). Both categories were used so that truly vacant lands could be determined when necessary.

Redevelopable Lands. Lands with improvement values between $10,000 and $100,000 are considered to have redevelopment potential. Redevelopment potential requires two additional assumptions: the threshold at which a lot becomes redevelopable, and the percentage of potentially redevelopable land that will actually redevelop during the 20-year planning period. Improvement value by acre is another way to try to figure out if land has redevelopment potential. For this study, data generated by improvement values gave a fairly accurate picture of what might be vacant or have development potential over the next 20 years. The improvement-to-land-value ratio was calculated for all parcels (Appendix D).

Developed Lands. Lands with improvement values greater than $100,000 In today's economy, the value of $100,000 is considered a moderate investment that is less likely to have additional development over the next 20 years. Of course there will be opportunities for expansion of existing businesses at current locations.

Table A-1 shows the criteria for determining development potential.

Table A-1. Criteria For Lands With Development Potential

Type	Formula
Developed Land	improved value > $100,000
Redevelopable	$10,000 < improved value < $100,000
Vacant (1)	improved value = 0
Vacant (2)	0 < improved value < $10,000.

Source City of Albany, Linn County Assessor's Data, May 2000

Table A-2 shows the acreage of land by development potential for all of the commercial and industrial zones currently within Albany's city limits

Table A-2. Land by Development Potential Within Albany

Type	Acreage	Percentage	Parcels >0.5acre
Developed	1,026 3	49.4%	
Redevelopable	200 8	9 7%	74
Vacant (1)	779 8	37 6%	160
Vacant (2)	69 1	3 3%	7
Total	2,076 0	100 0%	241

Source City of Albany

This table shows there is a large amount of land potentially available for future commercial and industrial development - approximately 1050 acres. However, there are only 241 lots greater than 0.5 acres Land availability is determined by many factors, size and location often being the first factors that are considered.

LAND AVAILABILITY

A number of factors can affect the amount of land available in the market at any one time

PARCEL SIZE

The size of parcels can limit the types of development that are feasible. This constraint is most often faced by uses that need large tracts of land. If several available parcels are adjacent, it may be possible for a purchaser to consolidate the parcels to make a larger area of land available. This analysis examines only the size of individual parcels with development potential (classified as redevelopable or vacant). Property ownership was not used to determine the feasibility of combining smaller parcels

Table A-3 shows the total number and acreage of "buildable" vacant and redevelopable parcels by zoning district. The table looks first at the amount of vacant and redevelopable land by zone. Parcels with improvement values between $10,000 and $100,000 were considered to have redevelopment potential. Parcels with improvements less than $10,000 were considered vacant. To determine the number of buildable parcels, a minimum lot size for development was estimated for each zone based on the types of uses, size of developments, and lot sizes found in each zone. The number of parcels larger than the minimum size were tallied in order to better assess the actual number of buildable lots and amount of buildable acreage by zoning district in Albany.

For example, there are many very small lots with development potential in the central Albany area. Therefore, a smaller lot size (0.25 acre) was used in the following central city zoning districts: Central Business-CB, Historic Downtown-HD, Elm Street Medical-ES, Main Street-MS, and Lyon-Ellsworth-LE. A lot size of 0.5 acre was used in the Pacific Boulevard-PB and Neighborhood Commercial-NC zones. A minimum lot size of 1 acre was used for all other commercial and industrial zones.

Table A-3. Land by Zone, Development Potential and Parcel Size in Albany, 2000

Zoning District	Vacant/Redev.	min. lot	Redevelopable		Vacant**		Total	Available
	Total Acres	x*	Acres	Lots > x	Acres	Lots > x	Acres	Lots*
CC - Community Commercial	146.6	1 acre	9 1	4	62 6	15	71.67	19
CH - Heavy Commercial	67 3	1 acre	13 6	6	41.6	9	55 2	15
NC - Neighborhood Comm'l	24 1	.5 acre	3 6	3	14 8	8	18 4	11
OP - Office Professional	25 9	1 acre	1.5	1	15 7	8	17 2	9
ES - Elm Street Medical	4 1	25 ac	0.4	1	0	0	0 4	1
CB - Central Business	9.1	25 ac	2.6	5	1.9	4	4 5	9
HD - Historic Downtown	10 9	25 ac	2.7	5	1 2	3	3 9	8
LE - Lyon-Ellsworth	5	25 ac	1.4	4	0 3	1	1 7	5
MS - Main Street	10.2	25 ac	2.5	5	2.8	8	5 3	13
PB - Pacific Boulevard	6 9	5 ac	2.8	3	1 3	2	4 1	5
HI - Heavy Industrial	118.6	1 acre	10 5	2	102 8	15	113.3	17
IP - Industrial Park	331.2	1 acre	9.2	2	320 3	11	329.5	13
LI - Light Industrial	274.4	1 acre	43 8	9	188 2	47	232	56
MUI - Mixed-Use Industrial	11.6	5 acre	2.8	1	3	4	5 8	5
Totals	**1046**		**106.5**	**51**	**556.5**	**135**	**863**	**186**

Source City of Albany Buildable Land Inventory, 2000
X = the minimum lot size determined to have good development potential The minimum lot size varies by zone
*Note Lots = the number of redevelopable and vacant parcels over 0 25, 0 5, or 1 0 acres (depending on the zoning district)
**Vacant parcels are those with improvement values less than $10,000

By subtracting out parcels that may not be buildable by themselves, Table A-3 trims off approximately 200 acres, bringing the total acreage of buildable parcels to 863 acres from 1046.

Table A-3 shows there is a lot more vacant and potentially available industrial land than land zoned for commercial or office uses. Together the Heavy Industrial-HI, Light Industrial-LI and Industrial Park-IP zoning districts have roughly 580 vacant acres with 80 parcels over one acre in size. Only nine lots zoned Office Professional are greater than one acre, with development potential totaling only 17 acres. The Elm Street medical office zone near the Albany General Hospital has only one redevelopable lot greater than 0.25 acres. This data suggests that creative infill may be the only way to accommodate significant office space near the hospital.

Table A-4 shows the size of lots with improvement values less than $100,000. Results indicate that most of the potentially available parcels are less than one acre in size. There are very few large parcels available. Looking at all zones, only 16 parcels are larger than 20 acres and only 19 parcels range between five and 20 acres. Table A-5 shows the number of parcels by size outside the Albany city limits but within the Urban Growth Boundary and designated for commercial or industrial use in the Albany Comprehensive Plan.

Table A-4. Lots with Improvement Values < $100,000 by Size and by Zone

ZONE	< 1 acre	1 - 5 acres	5 - 20 acres	20+ acres
CC - Community Commercial	259	17	2	1
CH - Heavy Commercial	48	12	3	0
NC - Neighborhood Comm'l	28	6	1	0
OP - Office Professional	37	8	1	0
ES - Elm Street Medical	33	0	0	0
CB - Central Business	46	0	0	0
HD - Historic Downtown	84	0	0	0
LE - Lyon-Ellsworth	31	0	0	0
MS - Main Street	46	0	0	0
PB - Pacific Boulevard	19	1	0	0
MUI - Mixed-Use Industrial	37	1	0	0
HI - Heavy Industrial	19	11	5	1
IP - Industrial Park	3	1	4	8
LI - Light Industrial	117	50	2	4

Source City of Albany, Buildable Lands Inventory, 2000

Table A-5. Comprehensive Plan Parcels By Size

Comp Plan Designation	< 1 acre	1 - 5 acres	5 - 20 acres	20+ acres
Commercial	11	9	3	0
Industrial	10	16	1	1

Source City of Albany, Buildable Lands Inventory, 2000

Table A-5 shows there are very few large parcels within the Urban Growth Boundary designated for commercial or industrial use. Most of the parcels are less than 5 acres in size. This indicates the only large industrial parcels are within the Albany city limits. Another possibility is that property owners may own more than one contiguous parcel.

LAND SPECULATION

Property owners may be holding property for planned development (including the expansion of existing businesses) or in anticipation of higher demands in the future. In addition, a large portion of land within the Albany UGB is currently designated as single-family residential land rather than mixed use, office or other commercial, industrial and public uses. These factors may limit the amount of land currently on the market or immediately available for commercial and industrial development in Albany.

SERVICEABILITY

The availability of water and sewer services is also critical for development of parcels. The cost to provide services to some of this land may be prohibitive. In addition to expenses to extend services, there are areas within the city highlighted for capacity upgrades in the facility plans. Chapter 2 discusses water and sewer system capacity and plans in more detail

Most of the commercial and industrial parcels available for development within the City limits are connected to or serviceable by city water and sewer. A property is generally considered serviceable by water if it is within 150 feet of a waterline. A property is generally considered serviceable by sewer if it is within 300 feet of a sewer line. Despite the proximity, there are several properties within the city limits and the UGB where the cost to extend water or sewer is extremely high due to the location of highways and railroads. Table A-6 shows how many (vacant or redevelopable) commercial and industrial parcels with development potential within the city limits lie outside the service areas, and are therefore considered not serviceable by either sewer and/or water.

Table A-6. Developable Parcels Not Serviceable by Sewer and/or Water within City of Albany

	Total Acres	Total Parcels
No sewer, yes water	17 acres	13
No water, yes sewer	53 acres	63
No sewer or water	200 acres	16

Source City of Albany

Table A-6 shows that only 16 parcels within the city limits are outside of the service range for both water and sewer. Table A-7 shows serviceability by zone.

Table A-7. Vacant and Redevelopable Parcels by Zoning District NOT Serviced by Water and/or Sewer

Zoning		Acres	# Parcels
CC	Community Commercial	20.3	35
CH	Heavy Commercial	14.4	10
HD	Historic Downtown	0.3	2
HI	Heavy Industrial	9 5	8
IP	Industrial Park	197.3	6
LI	Light Industrial	22.5	22
MUI	Mixed Use Industrial	0.3	1
NC	Neighborhood Commercial	4 4	4
OP	Office Professional	0 3	1
Total		269 3	89

Source: City of Albany, 2000.

Based upon Table A-7, most of the land that falls outside the service ranges for water and/or sewer is zoned industrial. A large percentage (65%, 200 acres of the 315 available for development) of the vacant land zoned Industrial Park does not have sewer and/or water available within 300 feet.

Some parcels within the Albany UGB and outside the city limits that are designated for commercial and industrial use in the Albany Comprehensive Plan are also not currently serviceable by city water and sewer. Table A-8 shows vacant commercial and industrial acreage outside Albany's city limits by availability of water and sewer service. Table A-8 assumes that if a property is within 300 feet of a main water or sewer line it is close enough to be serviced by city services. Again, there are costs involved in making sewer and water extensions as well as detailed site reviews.

Table A-8. Vacant Land Outside Albany's City Limits by Serviceability Characteristics

Comp Plan Designations	Water Yes	Water No	Sewer Yes	Sewer No
Commercial (55 acres)				
General Commercial		16 2		16.2
General Commercial		7 4	7.4	
General Commercial	8.2		8 2	
Light Commercial		20.5		20.5
Light Commercial	2.9		2 9	
Total Acres	**11.0**	**44.1**	**18.4**	**36.8**
Percent of Total	**20.1%**	**80.2%**	**33.4%**	**66.8%**
Industrial (95 acres)				
Light Industrial		69 1		69.1
Light Industrial	25 8		25 8	
Total Acres	**25.8**	**69.1**	**25.8**	**69.1**
Percent of Total	**27.1%**	**72.7%**	**27.1%**	**72.7%**

Source City of Albany

Table A-7 shows that 20% of vacant commercial land and 27% of vacant industrial land outside the city limits is serviced by city water or within 300 feet of a main water line. Approximately 33% of vacant commercial land and 27% of vacant industrial land outside of Albany's city limits is serviceable by city sewer. Development can occur on UGB lands that are presently zoned by Linn County for commercial or industrial use without connecting to city water and sewer services.

ENVIRONMENTAL CONSTRAINTS

Environmental constraints such as wetlands, floodways, floodplains, riparian areas and contamination can make land undevelopable, limit its use, or increase the costs of development. Most land zoned for industrial and commercial use (excluding a portion in North Albany) is located outside the floodplain. Albany has a large amount of wetlands on the Linn County side. Land that is constrained by significant wetlands and riparian corridors will be excluded from the buildable land inventory when all studies are complete. The City of Albany Public Works Department has a Department of Environmental Quality map that shows contaminated lands in Albany. City staff will determine if these lands affect any available commercial or industrial lands and make adjustments to the buildable land inventory.

LAND USES BY ZONING DISTRICT

While updating the buildable lands data in the field, the use of all commercial and industrial zoned lands was evaluated by type. Given a potentially dwindling supply of developable commercial and office lands in Albany, a look at how zoning districts are currently occupied may help in assessing whether the uses are meeting the intent of the Development Code. A review of the uses allowed by zone may be necessary to keep available lands from being used up by uses other than those for which the land is really needed. For example, some light industrial and warehousing type uses are currently allowed in some commercial zones. Table A-9 shows what types of uses exist in Albany's office, commercial and industrial zoning districts. A more detailed breakout by zoning district is shown in Table A-10.

Table A-9. Use Type by Acres and Percent

LAND USES	Acres	%
Total Acres All Zones	2076.5	100.0%
Commercial	***387.3***	***18.60%***
General Service	79.5	3.8%
Communication	0.6	0.0%
Retail Trade	255.3	12.3%
Recreation	51.9	2.5%
Public	***87.5***	***4.2%***
Government	87.5	4.2%
Industrial	***606.3***	***29.2%***
Industrial - Manufacturing	321.2	15 5%
Contractors	27.4	1 3%
Wholesale Trade	1.9	0.1%
Transportation-Related	225.3	10.9%
Utilities	30 5	1.5%
Office	***101.9***	***4.9%***
Bus & Personal Services	91 3	4.4%
Education Services	0 8	0 0%
Religious/Charitable Services	9.8	0.5%
Vacant	***808.2***	***38.9%***
Vacant	704 5	33.9%
Vacant Building	68	3.3%
Agriculture	35.7	1.7%
Residential	***86.3***	***4.2%***
Mobile Homes	14.7	0.7%
Multi-Family	14.9	0.7%
Single Family Residential	56.7	2.7%

Source City of Albany, Buildable Lands Inventory, 2000

Table A-10. Land Uses by Zoning District

LAND USES	NC	%	PB	%	CC	%	CH	%	LI	%	HI	%	IP	%	MUI	%
Total Acreage	*43 5*		*18 5*		*380 0*		*124 0*		*598.0*		*291 0*		*441 0*		*19 4*	
Commercial		***34.8%***		***53.5%***		***55.0%***		***40.1%***		***10.2%***		***0.0%***		***1.1%***		***7.0%***
General Service	3 9	8 9%	0 4	2 0%	23 5	6 2%	25 4	20 5%	14 8	2 5%			5 0	1 1%	0 2	0.9%
Communication																
Retail Trade	9 1	20 9%	9 5	51 5%	175 2	46 1%	24 3	19 6%	9 2	1 5%					1 2	6 1%
Recreation	2 2	5 0%			10 5	2 8%			37 1	6 2%						
Public																
Government	1 4	***3.2%***			1 6	***0.4%***	17 9	***14.5%***	38 4	***6.4%***	13 5	***4.6%***				
Industrial		***3.0%***		***17.7%***		***4.0%***		***4.2%***		***40.3%***		***74.3%***		***24.9%***		***54.3%***
Industrial I			2 7	14 3%	9 3	2 4%	3 2	2 6%	99 9	16 7%	188 5	64 8%	5 1	1 2%	9 5	48 8%
Contractors	0 9	2 1%	0 6	3 4%	0 6	0 1%	1 4	1.1%	23 4	3 9%						
Wholesale Trade							0 6	0.5%	1 0	0 2%	0 3	0 1%				
Transportation-Related					4 7	1 2%			112 2	18 8%	2 7	0 9%	104 7	23 7%	1 1	5 4%
Utilities	0 4	0 9%			0 7	0 2%			4 3	0 7%	24 8	8 5%				
Office		***10.0%***		***1.8%***		***6.2%***		***0.6%***		***2.9%***						
Office	3 3	7 7%	0 3	1 8%	19 6	5 2%	0 4	0.4%	14 3	2 4%						
Education Services																
Religious/Charitable	1 0	2 3%			3 9	1 0%	0 3	0 3%	2 9	0 5%						
Vacant		***34.9%***		***20.9%***		***28.1%***		***30.6%***		***37.4%***		***21.1%***		***73.3%***		***32.0%***
Vacant	15 0	34 5%	0 8	4 1%	96 2	25 3%	35 2	28 4%	179 2	30 0%	32 8	11 3%	315 9	71 6%	3 2	16 5%
Vacant Building	0 2	0 5%	3 1	16 8%	10 6	2 8%	2 8	2.2%	16 6	2 8%	28 5	9 8%			3 0	15 5%
Agriculture									28 1	4 7%			7 6	1 7%		
Residential		***8.6%***		***2.5%***		***6.2%***		***9.7%***		***2.5%***		***0.0%***		***0.6%***		***7.0%***
Mobile Homes					5 0	1 3%	7 8	6.3%								
Multi-Family			0 5	2 5%	2 3	0 6%										
Single Family	3 8	8 6%		0 0%	16 1	4 2%	4 2	3 4%	15 2	2 5%			2 6	0 6%	1 4	7.0%

Table A-10. Land Uses by Zoning District, continued

OP	%	LE	%	ES	%	CB	%	HD	%	MS	%	TOTALS ALL ZONES ACRES	%	LAND USES
57 3		*14 6*		*14 9*		*19 9*		*34 4*		*20 1*		*2076 5*	*ALL ZONES*	
	3.5%		***34.8%***		***2.2%***		***53.6%***		***34.9%***		***29.3%***		***18.6%***	***Commercial***
1 2	2 2%	0 9	6 1%	0 3	2 2%	2 0	10 2%	1 5	4 4%	0 4	1 9%	*79 5*	3 8%	General Service
						0 6	2 8%					*0 6*		Communication
0 8	1 4%	4 2	28 7%			8 1	40 6%	9 7	28 2%	4 1	20 4%	*255 3*	12 3%	Retail Trade
								0 8	2 3%	1 4	7 0%	*51 9*	2 5%	Recreation
														Public
0 9	***1.5%***	1 1	***7.3%***			2 7	***13.7%***	7 8	***22.7%***	2 3	***11.2%***	*87 5*	***4.2%***	Government
	0.0%		***12.8%***		***0.0%***		***5.1%***		***1.6%***		***2.5%***		***29.2%***	***Industrial***
		1 4	9 5%			1 0	5 1%	0 2	0 7%	0 5	2 5%	*321 2*	15.5%	Industrial
		0 5	3 4%									*27 4*	1 3%	Contractors
												1 9	0 1%	Wholesale Trade
												225 3	10.9%	Transportation-Related
								0 3	0 9%			*30 5*	1 5%	Utilities
	57.0%		***22.4%***		***65.6%***		***0.6%***		***23.7%***		***8.9%***		***4.9%***	***Office***
31 7	55 3%	3 3	22 4%	9 4	63 2%			7 6	22 0%	1 3	6 7%	*91 3*	4 4%	Office (Personal and Prof'l)
0 8	1 4%											*0 8*	0 0%	Education Services
0 2	0 3%			0 4	2 4%	0 1	0 6%	0 6	1 7%	0 5	2 3%	*9 8*	0 5%	Religious/Charitable Services
	30.1%		***8.9%***		***5.4%***		***22.8%***		***10.4%***		***10.9%***		***38.9%***	***Vacant***
17 2	30 1%	1 0	6 5%	0 8	5 4%	3 0	15 1%	2 3	6 5%	2 2	10 9%	*704 5*	33 9%	Vacant
		0 4	2 4%			1 5	7 7%	1 3	3 8%			*68 0*	3 3%	Vacant Building
												35 7	1 7%	Agriculture
	8.1%		***13.7%***		***23.7%***		***4.2%***		***29.6%***		***32.2%***		***4.2%***	***Residential***
							0 0%		0 0%	1 9	9 5%	*14 7*	0 7%	Mobile/Man Homes
0 4	0.6%	0 3	2 3%	1 4	9 0%	0 2	0 9%	8 2	23 7%	1 8	8 8%	*14 9*	0 7%	Multi-Family
4 3	7 5%	1 7	11 3%	2 2	14 6%	0 7	3 3%	2 0	5 9%	2 8	13 9%	*56 7*	2 7%	Single Family*

* HD multi-family - there are residences on top floors of buildings I added 8 acres of residential to the original total to account for upper-level units

Table B-1: Employment by Industry in Benton County, 1990–1997

Sector/Industry	1990 Estab	Avg Emp	Ann Payroll	1997 Estab	Avg Emp	Ann Payroll	Pay/Emp
Agricultue, Forestry, Fishing	**77**	**543**	**$8,193,065**	**111**	**1,035**	**$19,083,025**	**$18,438**
Agricultural Production - Crops	15	119	$2,342,073	25	274	$6,196,095	$22,613
Agricultural Production - Livestock	6	16	$180,729	7	26	$574,220	$22,085
Agricultural Services	35	178	$2,030,316	50	224	$3,386,731	$15,119
Forestry	21	230	$3,639,947	27	508	$8,895,587	$17,511
Mining	**3**	**11**	**$164,364**	**4**	**17**	**$599,233**	**$35,249**
Construction	**153**	**577**	**$11,525,731**	**222**	**1,031**	**$31,981,066**	**$31,019**
General Building Contractors	63	254	$5,063,998	115	501	$16,934,284	$33,801
Heavy Construction	11	34	$673,479	10	46	$1,102,665	$23,971
Special Trade Contractors	79	289	$5,788,254	97	484	$13,944,117	$28,810
Manufacturing	**140**	**5,275**	**$164,813,429**	**161**	**8,944**	**$427,568,408**	**$47,805**
Food & Kindred Products	9	170	$3,015,873	8	149	$3,697,745	$24,817
Textiles	0	0	$0	0	0	$0	n/a
Apparel	0	0	$0	0	0	$0	n/a
Lumber & Wood Products	56	1,394	$34,558,414	57	1,073	$33,174,011	$30,917
Furniture	3	12	$186,899	5	76	$1,237,337	$16,281
Printing & Publishing	18	174	$2,739,440	18	230	$5,770,674	$25,090
Chemicals				4	53	$1,976,323	$37,289
Rubber & Plastics	3	282	$9,355,482	6	187	$5,873,453	$31,409
Stone, Clay, & Glass	6	183	$5,225,677	7	236	$8,615,210	$36,505
Fabricated Metal	4	22	$452,051	4	22	$593,577	$26,981
Industrial Machinery & Equipment	16	926	$34,653,129	22	951	$56,504,027	$59,415
Electronic & Electric Equipment	5	1,900	$67,841,729	12	*5,817*	$305,289,396	$52,482
Instruments	7	108	$3,944,528	10	47	$1,544,083	$32,853
Miscellaneous Manufacturing	4	6	$68,894	5	12	$100,484	$8,374
Other Manufacturing	9	98	$2,771,313	3	91	$3,192,088	$35,078
Transportation & Utilities	**73**	**708**	**$15,908,053**	**74**	**944**	**$27,785,626**	**$29,434**
Passenger Transit	10	80	$807,410	6	100	$1,189,468	$11,895
Trucking & Warehousing	40	213	$5,210,463	40	247	$6,797,816	$27,522
Air Transportation	3	20	$286,559	3	55	$1,174,110	$21,347
Transportation Services	5	52	$751,625	8	66	$1,145,021	$17,349
Communications	9	208	$4,707,365	10	322	$10,718,409	$33,287
Electric, Gas, Sanitary	6	135	$4,144,631	7	154	$6,760,802	$43,901
Wholesale Trade	**86**	**814**	**$17,127,372**	**106**	**628**	**$16,700,492**	**$26,593**
Durable Goods	52	453	$12,615,729	65	359	$10,478,383	$29,188
Nondurable Goods	34	361	$4,511,643	41	269	$6,222,109	$23,131
Retail Trade	**403**	**4,609**	**$48,009,424**	**418**	**5,367**	**$71,322,214**	**$13,289**
Building Materials	20	125	$1,551,862	22	212	$3,258,133	$15,369
General Merchandise	9	361	$5,009,952	6	329	$4,973,574	$15,117
Food Stores	47	794	$9,567,569	47	885	$11,947,188	$13,500
Automotive Dealers & Service	50	527	$9,563,202	47	580	$15,369,022	$26,498
Apparel	37	227	$1,950,454	30	256	$2,782,928	$10,871
Furniture	33	199	$3,009,423	35	228	$4,717,683	$20,692
Eating & Drinking	119	1,777	$11,517,033	139	2,242	$20,593,777	$9,185
Miscellaneous Retail	88	599	$5,839,929	92	635	$7,679,909	$12,094
Finance, Insurance, & Real Estate	**166**	**804**	**$13,780,425**	**187**	**939**	**$23,414,879**	**$24,936**
Depository Institutions	24	323	$5,440,374	22	325	$7,046,162	$21,680
Nondepository Institutions	5	8	$238,549	7	22	$1,028,453	$46,748
Security & Commodity Brokers	5	22	$1,006,207	12	33	$3,516,694	$106,566
Insurance Carriers	12	50	$1,402,598	8	73	$2,230,887	$30,560
Insurance Agents	28	82	$1,812,657	35	113	$3,046,772	$26,963
Real Estate	86	308	$3,672,623	99	341	$5,668,585	$16,623
Holding & Investment Offices	6	11	$207,417	4	32	$877,326	$27,416
Services	**721**	**6,216**	**$115,286,797**	**935**	**9,233**	**$239,599,763**	**$25,950**
Hotels & Lodging Places	61	259	$1,348,573	58	257	$2,100,129	$8,172
Personal Services	54	339	$3,118,505	45	253	$4,007,018	$15,838
Business Services	92	785	$11,593,188	136	2,770	$76,493,354	$27,615
Auto Repair & Services	35	133	$1,881,966	40	206	$3,786,976	$18,383
Miscellaneous Repair	19	155	$3,626,850	15	57	$1,324,043	$23,229
Motion Pictures	9	88	$736,489	15	89	$653,310	$7,341
Amusement & Recreation	21	209	$1,914,879	36	302	$3,373,729	$11,171
Health Services	129	1,977	$45,908,608	119	2,474	$86,012,055	$34,766
Legal Services	36	73	$2,149,273	34	97	$2,870,976	$29,598
Educational Services	9	144	$1,566,933	22	189	$2,971,203	$15,721
Social Services	47	578	$5,739,105	84	1,012	$13,113,809	$12,958
Membership Organizations	70	409	$2,744,051	105	523	$6,197,344	$11,850
Engineering & Management	101	1,010	$32,273,436	162	924	$35,447,528	$38,363
Private Households	33	35	$256,980	57	55	$507,499	$9,227
Services NEC	4	15	$370,077	7	25	$740,790	$29,632
Nonclassifiable	**7**	**10**	**$45,727**	**9**	**6**	**$94,124**	**$15,687**
Government	**66**	**7,937**	**$198,111,633**	**62**	**8,057**	**$259,519,308**	**$32,210**
Federal	22	770	$22,743,899	24	673	$28,402,230	$42,202
State	26	4,780	$125,925,104	21	4,804	$163,970,004	$34,132
Local	18	2,387	$49,442,630	17	2,580	$67,147,074	$26,026
Total Employment	**1,895**	**27,504**	**$592,966,020**	**2,289**	**36,201**	**$1,117,668,138**	**$30,874**

Source: State of Oregon Employment Department Confidential ES-202 data provided to ECONorthwest

Table B-2: Employment by Industry in Linn County, 1990–1997

Sector/Industry	1990 Estab	Avg Emp	Ann Payroll	1997 Estab	Avg Emp	Ann Payroll	Pay/Emp
Agriculture, Forest., Fish., Mining	**114**	**987**	**$16,086,342**	**166**	**1,322**	**$27,866,181**	**$21,079**
Agricultural Production - Crops	51	504	$8,099,842	69	630	$13,889,782	$22,047
Agricultural Production - Livestock	7	76	$1,130,914	13	100	$1,774,182	$17 742
Agricultural Services	41	294	$4,245,794	54	428	$7,948,407	$18,571
Forestry	13	111	$2,573,176	22	132	$3,205,603	$24,285
Construction	**272**	**1,284**	**$30,356,641**	**422**	**2,417**	**$71,112,151**	**$29,422**
General Building Contractors	75	216	$3,890,216	155	459	$11,246,773	$24,503
Heavy Construction	25	269	$8,060,314	22	336	$13,245,028	$39 420
Special Trade Contractors	172	799	$18,406,111	245	1,622	$46,620,350	$28,743
Manufacturing	**285**	**10,321**	**$299,866,999**	**290**	**12,011**	**$442,911,481**	**$36,875**
Food & Kindred Products	14	1,045	$24,261,901	13	971	$24,293,181	$25,019
Apparel	4	31	$439,941	6	37	$675,361	$18,253
Lumber & Wood Products	148	4,120	$103,735,653	130	4,188	$137,575,619	$32,850
Furniture	4	126	$2,694,567	4	179	$4,324,587	$24,160
Paper & Allied Products	3	1,132	$49,633,833	3	1,087	$62,031,589	$57,067
Printing & Publishing	20	229	$3,192,626	16	213	$3,759,682	$17,651
Chemicals	4	67	$2,425,243	8	132	$6,312,458	$47,822
Rubber & Plastics	4	171	$3,893,008	6	311	$13,290,040	$42,733
Stone, Clay, & Glass	9	196	$5,254,259	8	161	$6,139,583	$38,134
Primary Metal	6	1,955	$74,539,934	9	2,551	$124,431,226	$48,777
Fabricated Metal	14	134	$3,052,130	22	256	$8,349,721	$32,616
Industrial Machinery & Equipment	27	560	$16,294,295	29	505	$17,056,751	$33,776
Electronic & Electric Equipment	5	82	$1,750,357	7	249	$5,197,005	$20,872
Transportation Equipment	6	235	$4,372,595	9	799	$20,414,395	$25,550
Instruments	3	136	$2,600,494	10	254	$6,124,800	$24 113
Miscellaneous Manufacturing	11	95	$1,646,832	7	102	$2,660,473	$26 083
Other Manufacturing	3	7	79,331	3	16	275,010	$17,188
Transportation & Utilities	**140**	**1,402**	**$35,818,599**	**169**	**1,764**	**$55,082,244**	**$31,226**
Passenger Transit	9	33	$213,276	5	33	$418,744	$12,689
Trucking & Warehousing	101	813	$18,875,165	115	837	$22,126,080	$26,435
Air Transportation	5	16	$286,424	5	127	$3,056,622	$24,068
Transportation Services	4	32	$490,647	8	42	$866,512	$20,631
Communications	15	305	$8,288,277	20	468	$16,485,135	$35,225
Electric, Gas, Sanitary	6	203	$7,664,810	15	255	$12,085,417	$47,394
Wholesale Trade	**173**	**1,429**	**$32,327,674**	**192**	**1,878**	**$54,102,807**	**$28,809**
Durable Goods	92	560	$14,262,997	115	717	$20,482,191	$28,567
Nondurable Goods	81	869	$18,064,677	77	1,161	$33 620,616	$28 958
Retail Trade	**520**	**5,603**	**$63,821,304**	**581**	**6,952**	**$102,159,370**	**$14,695**
Building Materials	33	264	$4,112,745	33	279	$6,283,770	$22,522
General Merchandise	17	883	$11,508,969	13	1,330	$22,471,313	$16,896
Food Stores	86	1,032	$12,811,658	81	993	$14,994,209	$15,100
Automotive Dealers & Service	94	801	$13,236,905	91	1,035	$22,245,621	$21,493
Apparel	24	134	$1,236,890	27	237	$2,756,110	$11,629
Furniture	35	170	$2,685,715	46	221	$4,057,585	$18,360
Eating & Drinking	151	1,928	$14,007,997	184	2,360	$21,679,981	$9,186
Miscellaneous Retail	80	391	$4,220,425	106	497	$7,670,781	$15,434
Finance, Insurance, & Real Estate	**172**	**882**	**$15,339,610**	**209**	**1,258**	**$35,181,644**	**$27,966**
Depository Institutions	32	354	$6,355,702	19	346	$7,768,134	$22,451
Nondepository Institutions	6	14	$414,268	16	60	$2,147,841	$35,797
Security & Commodity Brokers				11	22	$1,294,059	$58,821
Insurance Carriers	12	44	$1,281,898	17	86	$6,227,779	$72,416
Insurance Agents	42	221	$4,865,690	51	428	$12,898,045	$30,136
Real Estate	72	233	$2,195,380	85	301	$4,578,662	$15,212
Holding & Investment Offices	6	7	$56,558	10	15	$267,124	$17,808
Services	**757**	**5,666**	**$83,888,066**	**866**	**7,752**	**$155,064,423**	**$20,003**
Hotels & Lodging Places	19	160	$1,070,923	19	152	$1,470,107	$9,672
Personal Services	53	185	$1,953,631	52	278	$3,522,206	$12,670
Business Services	62	783	$8,555,197	101	2,016	$31,263,295	$15,508
Auto Repair & Services	70	259	$4,210,152	70	332	$7,284,062	$21,940
Miscellaneous Repair	32	177	$3,652,096	33	125	$2,891,927	$23 135
Motion Pictures	13	79	$497,622	12	100	$771,267	$7,713
Amusement & Recreation	23	185	$1,682,709	38	259	$2,501,016	$9,656
Health Services	167	2,151	$40,757,954	139	2,487	$69,322,657	$27 874
Legal Services	29	100	$2,990,189	29	127	$4,263,120	$33,568
Educational Services	11	108	$1,119,906	11	176	$2,428,485	$13,798
Social Services	64	539	$4,937,317	78	585	$7,643,975	$13,067
Membership Organizations	103	504	$3,025,262	144	726	$7,983,799	$10,997
Engineering & Management	70	378	$8,997,837	89	339	$13,046,601	$38,486
Private Households	39	56	$426,535	48	45	$541,215	$12,027
Nonclassifiable	**12**	**15**	**$349,075**	**11**	**14**	**$301,104**	**$21,507**
Government	**96**	**5,439**	**$110,596,018**	**91**	**6,979**	**$183,333,030**	**$26,269**
Federal	25	552	$16,302,155	30	379	$14,995,953	$39,567
State	21	375	$8,969,853	19	391	$11,646,277	$29,786
Local	50	4,512	$85,324,010	42	6,209	$156,690,800	$25,236
Total Employment	**2,541**	**33,028**	**$688,450,328**	**2,997**	**42,347**	**$1,127,114,435**	**$26,616**

Source State of Oregon Employment Department Confidential ES-202 data provided to ECONorthwest

Table B-3: Employment in the 97321 Zip Code Area (Albany/Millersburg),1990 & 1997

	1990			1997			
Sector/Industry	Estab	Avg Emp	Ann Payroll	Estab	Avg Emp	Ann Payroll	Pay/Emp
Agricultue, Forestry, Fishing	**35**	**240**	**$4,096,473**	**52**	**462**	**$8,135,537**	**$17,609**
Agricultural Production - Crops	15	140	$2,314,315	21	203	$4,332,097	$21,340
Agricultural Production - Livestock	*2*	*27*	*$391,184*	*1*	*21*	*$464,564*	*$22,122*
Agricultural Services	14	50	$825,756	24	197	$2,573,394	$13,063
Forestry	4	23	$565,218	5	36	$678,762	$18,855
Mining	**2**	**2**	**$36,616**	**3**	**15**	**$708,410**	**$47,227**
Construction	**129**	**657**	**$14,975,137**	**184**	**1,086**	**$32,597,661**	**$30,016**
General Building Contractors	40	137	$2,356,873	74	250	$6,924,587	$27,698
Heavy Construction	5	62	$1,829,423	3	43	$1,809,286	$42,076
Special Trade Contractors	84	458	$10,788,841	107	793	$23,863,788	$30,093
Manufacturing	**100**	**5,578**	**$174,316,792**	**113**	**6,713**	**$265,664,143**	**$39,575**
Food & Kindred Products	10	998	$23,418,816	11	956	$23,995,271	$25,100
Apparel	4	31	$439,941	6	37	$675,361	$18,253
Lumber & Wood Products	17	1,269	$36,932,459	20	1,538	$58,784,446	$38,221
Furniture	4	126	$2,694,567	3	157	$3,877,240	$24,696
Printing & Publishing	12	181	$2,644,981	7	172	$3,235,892	$18,813
Chemicals	4	67	$2,425,243	7	130	$6,240,458	$48,004
Stone, Clay, & Glass	3	33	$675,891	3	13	$403,386	$31,030
Primary Metal	6	1,955	$74,539,934	7	2,472	$122,719,753	$49,644
Fabricated Metal	7	111	$2,708,592	15	203	$5,758,330	$28,366
Industrial Machinery & Equipment	18	270	$7,244,315	14	209	$6,649,278	$31,815
Electronic & Electric Equipment	3	73	$1,690,268	5	220	$4,881,146	$22,187
Transportation Equipment	3	55	$796,078	3	90	$2,676,315	$29,737
Instruments				6	113	$3,255,778	$28,812
Misc & Other Manufacturing	9	409	18,105,707	6	403	22,511,489	$55,860
Transportation & Utilities	**43**	**638**	**$17,472,445**	**50**	**831**	**$27,561,733**	**$33,167**
Trucking & Warehousing	24	322	$7,632,496	22	272	$6,683,075	$24,570
Air Transportation	5	16	$286,424	4	122	$3,025,392	$24,798
Transportation Services				6	35	$587,150	$16,776
Communications	4	73	$1,609,092	8	154	$5,485,894	$35,623
Electric, Gas, Sanitary	4	195	$7,461,672	8	240	$11,705,027	$48,771
Wholesale Trade	**86**	**738**	**$16,987,359**	**104**	**985**	**$28,203,924**	**$28,633**
Durable Goods	47	343	$8,113,591	62	493	$14,766,336	$29,952
Nondurable Goods	39	395	$8,873,768	42	492	$13,437,588	$27,312
Retail Trade	**246**	**3,572**	**$41,472,033**	**311**	**4,565**	**$68,191,190**	**$14,938**
Building Materials	13	125	$2,204,320	14	139	$4,022,901	$28,942
General Merchandise	11	817	$10,496,269	11	1,098	$18,965,877	$17,273
Food Stores	31	416	$5,642,905	33	530	$7,966,373	$15,031
Automotive Dealers & Service	47	439	$7,886,899	45	563	$12,914,408	$22,939
Apparel	*12*	*81*	*$744,940*	*19*	*210*	*$2,381,534*	*$11,341*
Furniture	17	130	$2,165,392	29	157	$2,893,142	$18,428
Eating & Drinking	77	1,348	$10,043,238	97	1,562	$14,804,511	$9,478
Miscellaneous Retail	38	216	$2,288,070	63	306	$4,242,444	$13,864
Finance, Insurance, & Real Estate	**99**	**642**	**$11,518,106**	**126**	**884**	**$23,620,359**	**$26,720**
Depository Institutions	19	276	$5,135,023	15	292	$6,545,272	$22,415
Nondepository Institutions	3	5	$135,468	10	41	$1,557,576	$37,990
Security & Commodity Brokers				6	15	$903,840	$60,256
Insurance Carriers	7	33	$825,902	11	32	$1,025,837	$32,057
Insurance Agents	22	148	$3,603,959	30	306	$10,231,486	$33,436
Real Estate	42	167	$1,596,455	51	196	$3,350,048	$17,092
Services	**424**	**3,524**	**$56,633,472**	**471**	**5,563**	**$112,985,893**	**$20,310**
Hotels & Lodging Places	10	83	$561,841	10	100	$943,187	$9,432
Personal Services	30	136	$1,524,120	40	230	$2,981,928	$12,965
Business Services	42	652	$6,683,645	67	1,910	$29,692,345	$15,546
Auto Repair & Services	43	165	$2,846,276	44	272	$6,131,684	$22,543
Miscellaneous Repair	19	115	$2,420,825	16	76	$1,877,337	$24,702
Motion Pictures	5	44	$300,820	5	61	$493,915	$8,097
Amusement & Recreation	16	125	$1,247,204	24	169	$1,720,009	$10,178
Health Services	106	1,168	$24,904,634	86	1,594	$45,110,438	$28,300
Legal Services	26	89	$2,865,438	22	110	$3,885,791	$35,325
Educational Services	5	52	$479,760	4	85	$1,082,437	$12,735
Social Services	35	327	$3,324,992	42	327	$4,452,493	$13,616
Membership Organizations	35	270	$1,782,554	50	378	$4,337,536	$11,475
Engineering & Management	35	279	$7,535,947	47	239	$10,125,030	$42,364
Private Households	15	17	$144,680	13	11	$130,650	$11,877
Nonclassifiable	**3**	**2**	**$48,550**	**5**	**10**	**$163,041**	**$16,304**
Government	**37**	**3,426**	**$71,124,695**	**36**	**4,887**	**$132,486,845**	**$27,110**
Federal	6	260	$8,498,768	7	169	$7,766,589	$45,956
State	18	354	$8,541,403	14	360	$10,708,679	$29,746
Local	13	2,812	$54,084,524	15	4,358	$114,011,577	$26,161
Total Employment	**1,204**	**19,019**	**$408,681,678**	**1,455**	**26,001**	**$700,318,736**	**$26,934**

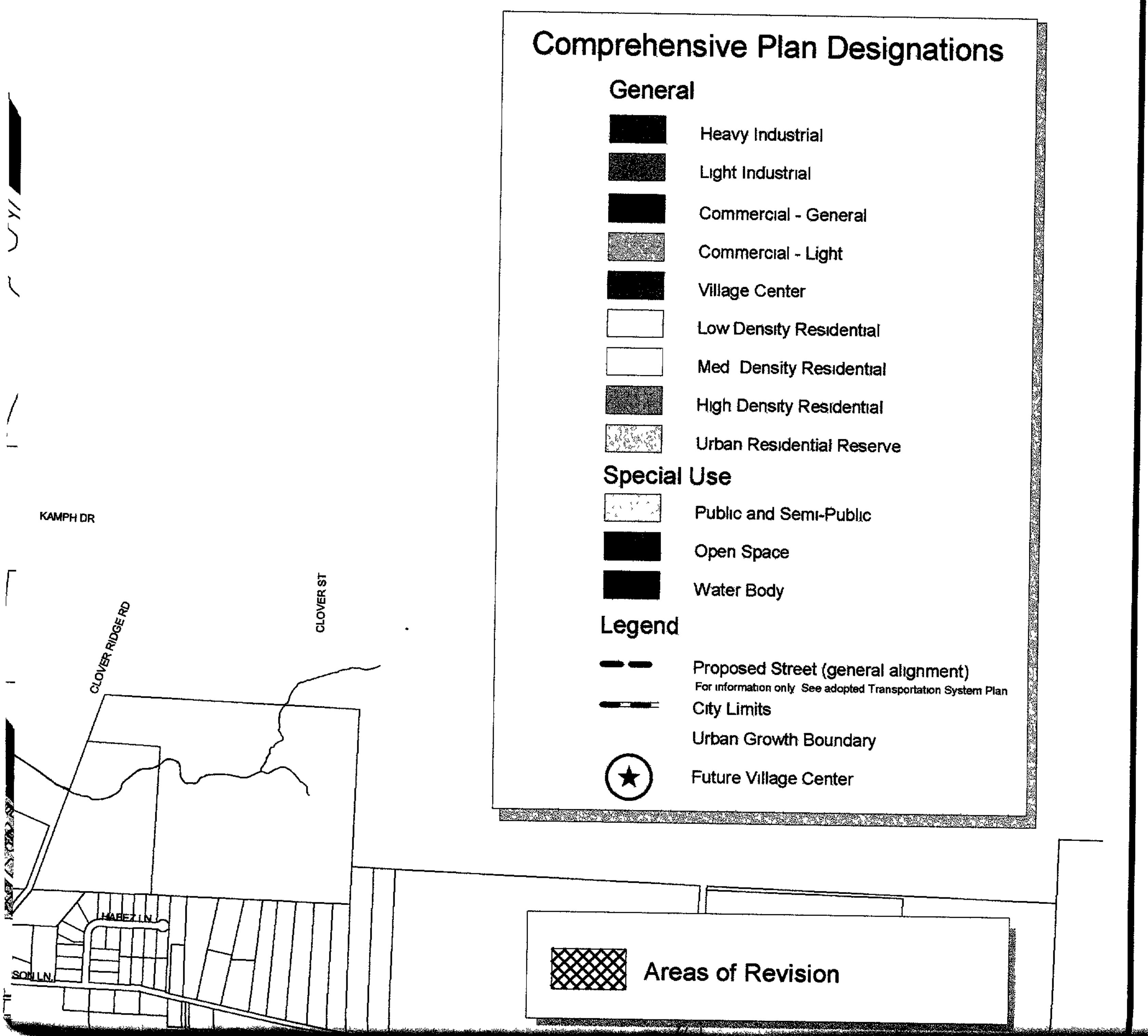
Source State of Oregon Employment Department Confidential ES-202 data provided to ECONorthwest

Note Blank cells indicate industries for which employment cannot be reported to maintain the confidentiality of individual employers. Albany/Millersburg data include North Albany

EXHIBIT F

REVISED COMPREHENSIVE PLAN MAP

October 23, 2002



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FOR LARGE, COLOR-CODED MAP

EXHIBIT G

FINDINGS AND CONCLUSIONS
Albany Comprehensive Plan Text and Map Amendments

(1) *A legislative amendment is consistent with the goals and policies of the Comprehensive Plan, the statewide planning goals, and any relevant area plans adopted by the City Council.*

A. Economic Development Comprehensive Plan Background Information Text Amendments

FINDINGS

A1 1 Statewide Planning Goal 9 states that all comprehensive plans for urban areas must "include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends "

Albany participated in an economic and housing analysis of the Linn-Benton region, completed in 1999 The City followed up the regional report with an Albany-specific analysis of trends and forecasts, titled "Economic Opportunities Analysis," completed in 2001. The project collected and analyzed economic, population and employment trends in Albany, in Oregon and the nation between 1990 and 2000. The analysis identifies Albany's economic advantages and projected employment growth based on industry trends at the state and national levels.

A1 2 Statewide Planning Goal 2 Land Use Planning, states that localities are "to establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions " The Albany Comprehensive Plan also requires the City to periodically review and update the Plan to ensure that it "remains current and responsive to community needs and incorporates the most recent and reliable information "

The Economic Opportunities Analysis estimates population and employment to 2020 and the amount of land needed to accommodate these projections. The Background Information section will be updated with more recent economic data and forecasts.

CONCLUSIONS

A1 1 The proposed economic development background information amendments are required periodically by the state and the Albany Comprehensive Plan in order for the Plan to remain current The proposed amendments will update the Plan with the most recent economic trends and projections collected and analyzed in the Albany Economic Opportunities Analysis

A1.2. This criterion is satisfied.

B. Economic Development Comprehensive Plan Goals and Policy Amendments

FINDINGS

B1 1 Statewide Planning Goal 9 says, "comprehensive plans and policies shall contribute to a stable and healthy economy in all regions of the state." All comprehensive plans for urban areas must "contain policies concerning the economic development opportunities in the community "

B1 2 The proposed amendments to the economic development Plan goals and policies reflect the need to

- support the retention and expansion of existing businesses,

- provide a variety of employment and industrial opportunities,
- promote adaptive reuse and infill development,
- ensure an adequate supply of appropriately zoned land is available, and
- enhance community livability by locating basic goods and services near the neighborhoods they are intended to serve.

B1.3 A Plan goal is to "create and maintain a dialogue between business and civic leaders on what we can do as a community to improve our local economy."

The proposed goal and policy amendments encourage Albany to prepare and maintain a written economic development strategy that outlines priorities and roles for all economic development-related entities, and prepare a focused investment strategy that uses criteria to evaluate the use of funds and incentives

A proposed policy is to "conduct periodic 'Community Leadership Roundtables' on issues relating to the local economy "

B1.4 A 2002 City Council goal is to develop a community economic development strategy in order to try to balance growth. The proposed Plan goals and policies reflect this Council goal

B1.5 In order to implement the Town Center Plan for Central Albany, goals and policies are proposed that will help to improve the economic health and community livability of Albany's downtown by:

- attracting private investment to downtown,
- supporting the redevelopment of properties along the Willamette River, and
- implementing the Central Albany Revitalization Area Urban Renewal Plan.

<u>CONCLUSION</u>

B1.1. The proposed amendments to the economic development Comprehensive Plan goals, policies, and implementation methods are consistent with both the state and Albany Plan goals and policies.

C. Comprehensive Plan <u>Land Use Designation</u> Amendments

C1.1 The Land Use Designations section was last updated in 1989. Since that time, Albany completely revised the Development Code in 1991, added Town Center zoning districts in 1996, and adopted ideas from the Great Neighborhoods project in 2000. Comprehensive Plan policies say that the City must periodically review and update the Comprehensive Plan goals, policies and map to ensure that adequate area is designated in each land use classification to meet anticipated needs

The proposed amendments would modify the Comprehensive Plan land use designations and replace the Goal 9 commercial and industrial zoning district content with current and proposed zoning district purpose statements that reflect the proposed policies and economic needs.

Revisions to the plan designation and zoning district purpose statements encourage corporate office-park development in the Industrial Park zone and continue to promote office development in the Central Albany zones.

C1.2 State Goal 9 requires comprehensive plans to limit uses on or near sites zoned for specific industrial and commercial uses to those that are compatible with the proposed uses The proposed amendments to the industrial and commercial zones would protect industrial lands for employment by restricting the size and types of retail uses within the industrial zones

C1.3. Plan policies direct the City to "provide opportunities for neighborhood commercial facilities to be located within an accessible distance of the area they are intended to serve" and to "encourage land use patterns and development plans which take advantage of density and location to reduce the need for travel and dependency on the private automobile."

Amendments to the land use designations propose creating a Village Center Comprehensive Plan designation that would provide a mixed-use commercial center for grocery stores and other convenience goods and services to serve the nearby neighborhoods. This will greatly enhance the quality of life of nearby residents and reduce vehicle miles traveled for daily needs

C1.4 The proposed Village Center designation will help to achieve the policy to "discourage future strip commercial development and promote clustered commercial opportunities and the infilling of existing commercial areas "

C1.5 The proposed amendments also address the recommendations contained in the Town Center Plan, developed through the Central Albany Land Use and Transportation Study (CALUTS), by providing the opportunity for basic services to remain downtown and within walking distance of the surrounding residential neighborhoods

CONCLUSIONS

C1 1 The proposed Comprehensive Plan amendments would update the land use designations and zoning districts with zoning districts currently in use and with revisions to the purpose statements to reflect Albany's economic development needs to 2020.

C1 2 The proposed Comprehensive Plan land use designation amendments would 1) protect industrial lands for *employment and industries, and 2) improve community livability by creating the mixed-use* Village Centers, which will help to provide neighborhoods with more direct access to basic goods and services.

C1 3 This criterion is met

D. Comprehensive Plan Map Amendments to Commercial and Industrial Land Use Designations

FINDINGS

D1.1. Statewide Planning Goal 9 and the Albany Comprehensive Plan require jurisdictions to "provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies."

The Albany Economic Opportunities Analysis conducted a buildable lands inventory of all commercial and industrial properties for vacant and redevelopable sites The report also projected future industrial and commercial land needs based on growth projections by industry and land use type. The analysis indicates that there is enough commercial and industrial land to meet Albany's needs to 2020, however, there is not enough land specifically designated for office uses to meet projected demand

More industrially-designated land is proposed within the city limits and the Urban Growth Boundary to provide more options for new and expanding industries and corporate office-park development

D1 2 City-initiated Plan map changes reflect the current use of properties and preferred land use development identified in the Balanced Development Patterns (BDP) project In the BDP project, community participants identified new mixed-use village centers to meet daily commercial needs and employment centers for jobs

Staff is proposing a new mixed-use Comprehensive Plan designation called "Village Center" to implement the village center concept and bring convenience goods, services and groceries closer to neighborhoods The Village Center designation is proposed in East Albany, North Albany, Central Albany (downtown), and south of Oak Creek. The proposed Village Center designation would locate additional commercial land close to neighborhoods.

D1 3 The Comprehensive Plan Map industrial designations (Heavy Industrial, Light Industrial and Industrial Park) are not proposed to change. Most properties currently designated Industrial on the Comprehensive Plan map are proposed to stay Industrial and are consistent with the uses found on these properties when the area was surveyed in 2000 Additional Light Industrial and Industrial Park land is proposed east of Interstate 5 off of Three Lakes Road Staff is also proposing the redesignation of Heavy Commercial properties north of Highway 20 in east of I-5 from Commercial to Light Industrial The proposed amendments to the Comprehensive Plan Map will add industrial land to the current inventory

D1 4 Many of the proposed changes to the Comprehensive Plan Map designations are property owner-initiated. These requests were reviewed for consistency with the Comprehensive Plan goals and policies and current and future land uses

CONCLUSION

D1 1 The proposed land use designation revisions are consistent with the Albany Comprehensive Plan and Statewide Planning goals.

(2) A legislative amendment is needed to meet changing conditions or new laws.

FINDINGS

2 1 The Economic Development chapter of the Albany Comprehensive Plan has not been updated since the late 1980s Albany's economic structure changed during the 1990s The proposed amendments would update the Comprehensive Plan text and map with current economic trends, forecasts and policies

2 2 The proposed amendments are consistent with Statewide Planning Goals and Oregon Administrative Rules

CONCLUSION

2.1 The proposed amendments are necessary to meet changing conditions. This criterion is met

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