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Memorandum Date: March 19, 2008
Work Session Date: April 9, 2008

TO: Board of County Commissioners
DEPARTMENT: Public Works, Land Management Division
PRESENTED BY: Matt Laird, LMD Manager
AGENDA ITEM TITLE: Report Back / Coordinated Population Forecast 2030-2035

I. **ISSUE:**

Report back to the Board regarding the "Report on Lane County Coordinated Population Forecast 2030-2035" developed by LCOG and population forecast options.

II. **AGENDA ITEM SUMMARY**

On February 20, 2008, the Board requested a report back from the Land Management Division regarding areas of concern regarding the Coordinated Population Forecast report developed by LCOG. Specifically, the Board requested additional information on the following items:

1. Options for adopting a coordinated population forecast;
2. Costs associated with developing a population forecast;
3. What is driving the process to bring forward the LCOG Population Report;
4. Was there adequate citizen involvement included in the LCOG process;
5. Analysis of the methodology used in the LCOG Report;

The purpose of this work session is to provide additional information about the above areas of concern, provide a recommendation to the Board on the topic of a coordinated population forecast, and receive Board direction for the Land Management Division follow up effort.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

On August 29, 2007, the Board heard public comment questioning the process used by LCOG in developing the Report on Lane County Coordinated Population Forecast 2030-2035. At that meeting the Board requested additional information to be brought back to them from LCOG and Doug DuPriest, representing the concerned citizen Mia Nelson.

On September 12, 2007, after hearing discussion from George Kloeppe (LCOG) and Mr. DuPriest, the Board approved Order 07-9-12-15 requesting LCOG postpone its scheduled hearing in Oakridge.

On November 29, 2007, in response to a Board request, LCOG provided a memo to the Board regarding cost estimates associated with the Coordinated Population Forecasts.

On February 13, 2008, the Board adopted Order No. 08-2-13-2 in the Matter of Rescinding Delegation to Lane Council of Governments Regarding Population Forecasting.

On February 20, 2008, the County Administrator presented a letter from the Oregon Department of Land Conservation and Development (DLCD) confirming that the LCOG Report on Lane County Coordinated Population Forecast 2030-2035 was consistent with applicable statutes and administrative rule. At that meeting the Board requested a report back from staff regarding areas of concern with the report.

On March 5, 2008, the Board received a letter from LCOG recommending the Report on Lane County Coordinated Population Forecast 2030-2035 be considered by the Board for final adoption and use in future land use, transportation and public facility planning. Attached to the letter was a copy of the record created in the LCOG process.

B. Policy Issues

Multiple policy options are available to the Board with regards to this matter, including but not limited to, the choices below:

1. Process for adoption the LCOG population report 2030-2035 as a Lane County Rural Comprehensive Plan amendment;
2. Contract with a demographer/economist/statistician, to verify the numbers in the report prior to review for adoption as a Lane County Rural Comprehensive Plan amendment;
3. Acknowledge receipt of the population report from LCOG and refer it for use by the cities in their local comprehensive planning efforts, recognizing the need for eventual

county co-adoption of amendments to city plans utilizing updated population figures;

4. Direct Staff to add a Coordinated Population Forecast Project to the Long Range Planning work program and create a new Coordinated Population Forecast report for review and adoption as a Lane County Rural Comprehensive Plan amendment;

5. Contract with a private consultant to conduct a new process in conjunction with Lane County to develop a new Coordinated Population Forecast for review and adoption as a Lane County Rural Comprehensive Plan amendment;

6. Explore the combined "Safe Harbor" options allowed under OAR 660-024-0030 and House Bill 3436 (2007) (ORS 195.034) and prepare population forecasts utilizing the Oregon Office of Economic Analysis (OEA) population forecast numbers and assumptions on the urban area shares of county population based on the most recent estimates of Portland State University and data published by the U.S. Census Bureau for review and adoption as a Lane County Rural Comprehensive Plan amendment;

7. Take no action on the matter, thus allowing the cities to move forward as described in OAR 660-024-0030, HB 3436 and other applicable land use laws.

8. Invite the cities to submit individual land use applications for Post Acknowledgment Plan Amendments (PAPA) to adopt the population figures in the Lane County Rural Comprehensive Plan or as a co-adoption of city plans utilizing updated population figures.

C. Board Goals

Lane County Strategic Plan Goal 5: "Contribute to *appropriate community development* in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development."

Staff Response: ORS 195.025 and 195.034 gives some statutory authority for coordination of population forecasts to the County. Participating in the adoption of the coordinated population forecasts is consistent with the statute and the strategic plan goal 5 regarding community development and growth management.

Strategic Plan Implementation Strategies

A. Service Improvement Strategy

A1(a). Lane County Government will actively seek to improve the efficiency, effectiveness, and quality of public services by considering reorganization of service delivery systems both within county government and across

government agencies. We will examine areas where similar or closely related services exist in different organizational units.

Staff Response: For over 30 years, Lane County has directed LCOG to conduct the coordinated population forecast on behalf of the County. The County is reviewing this agreement in accordance with the above strategy.

A1(e). We will give early priority to evaluation of intergovernmental reorganization opportunities in the following direct service areas:

- Land use and building, planning and development.

Staff Response: Adoption of the coordinated population forecast into the Lane County Rural Comprehensive Plan will be a land use process conducted by the Land Management Division – Planning Program. Mandated activities have been identified by the Strategic Plan as a Priority 3 item.

A2(e). Lane County Government supports contracting out as one option to consider for assuring the efficiency and effectiveness of its services.

Staff Response: The Board may choose to use private consultants to evaluate the proposed LCOG population report or to develop new population figures.

B. Resource Planning and Allocation Strategy

B3. Allocate resources strategically.

B3(a)(3). The third funding priority is services that are mandated and that do not otherwise fall into the categories addressed by the first two priorities. The level of funding for these functions and the level of service provided may be flexible and will be guided by the demonstrated cost-effectiveness and broad public support of the services.

Staff Response: Pursuant to the above strategy, cost effectiveness may be used by the Board as a criteria for determining a course of action regarding the coordinated population forecast.

D. Financial and/or Resource Considerations

Below, please find a brief description of the financial and resource considerations of the multiple options available to the Board with regards to coordinated population forecasts.

1. Process for adoption the LCOG population report 2030-2035 as a Lane County Rural

Comprehensive Plan amendment;

Staff Response: Lane County currently participates in the funding of LCOG. Therefore, since this is not a special project, but is funded from the LCOG general fund, the County has already partially contributed to the creation of the LCOG population forecast. Continuing toward adoption of the LCOG population report will be done by the LMD Long Range Planning program. Currently, the funding for the LR Planning program is from permit fees and the long-range planning surcharge on all LMD permits. Moving forward with this option shifts the financial burden of adopting the population forecast onto rural residents that receive County permits and away from urban residents and the cities who are the primary users of the information. In addition, appeals of the land use decision are likely, thus legal staff resources would also need to be taken into consideration.

2. Contract with a demographer/economist/statistician, to verify the numbers in the report prior to review for adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: Besides the LR Planning and legal staff resources mentioned above, this option would include the additional cost of hiring an expert to review the figures in the population report. A funding source for this option has not been identified.

3. Acknowledge receipt of the population report from LCOG and refer it for use by the cities in their local comprehensive planning efforts, recognizing the need for eventual county co-adoption of amendments to city plans utilizing updated population figures;

Staff Response: Proceeding with this option would have little financial impact to the County. It would also shift the land use process and potential appeals back to the cities, initially, as they amend their local comprehensive plans for county co-adoption.

4. Direct Staff to add a Coordinated Population Forecast Project to the Long Range Planning work program and create a new Coordinated Population Forecast report for review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: Adopting a new coordinated population forecast would place a significant financial burden on the LR Planning program. An approximate cost estimate of conducting such a major project would be at least \$160,000 when considering 1 FTE would likely be assigned to this project for approximately a year. Additional expenses related to acquiring new computer software and charges associated with changes to the GIS would also be anticipated.

5. Contract with a private consultant to conduct a new process in conjunction with Lane County to develop a new Coordinated Population Forecast for review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: This option would be similar to option 4 discussed above, however, the costs would be distributed more toward the consultant and less toward staff. A rough estimate of the cost for a consultant with multiple staff to conduct the technical work is \$50,000 and approximately 6 months. This option would allow LR Planning staff more flexibility in pursuing other LR work items in conjunction with the population project while the technical details are formulated, however, a significant amount of time would be expected of staff conducting the coordinating and processing functions of the project.

6. Explore the combined "Safe Harbor" options allowed under OAR 660-024-0030 and House Bill 3436 (2007) (ORS 195.034) and prepare population forecasts utilizing the Oregon Office of Economic Analysis (OEA) population forecast numbers and assumptions on the urban area shares of county population based on the most recent estimates of Portland State University and data published by the U.S. Census Bureau for review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: Using the "Safe Harbor" option will reduce the amount of LR Planning staff time in developing a population forecast for the County. Also, as mentioned in the 2/14/08 DLCD letter "it will protect you in defending against a lawsuit" over the population figures. However, there will still be unfunded expenses associated with LR Planning staff and legal counsel time.

7. Take no action on the matter, thus allowing the cities to move forward as described in OAR 660-024-0030 and HB 3436 (2007).

Staff Response: This is the most cost effective option when considering Lane County staff time involved with coordinated population forecasting, although it might not be the most cost efficient for the cities.

8. Invite the cities to submit individual land use applications for Post Acknowledgment Plan Amendments (PAPA) to adopt the population figures in the Lane County Rural Comprehensive Plan or as a co-adoption of city plans utilizing updated population figures.

Staff Response: Receiving fees for the individual land use applications would pay for the LR Planning costs associated with processing a complex land use decision. It also is equitable in the fact that the urban population, through the city, is required to pay a fee for the Planning services that Lane County provides, similar to any rural citizen that makes a land use application to the County.

E. Analysis

At the February 20, 2008, meeting the Board identified the following areas of concern

regarding the LCOG Coordinated Population Forecast Report. Each area will be analyzed below.

1. Options for adopting a coordinated population forecast;

Staff Response: The options for adopting a coordinated population forecast have been identified in Section B and Section F of this report.

2. Costs associated with developing a population forecast;

Staff Response: The costs of developing a population forecast are dependant upon which option the Board chooses to pursue. The financial considerations of each option have been discussed in Section D of this report.

3. What is driving the process to bring forward the LCOG Population Report?

Staff Response: After review of the record, it appears there are two primary drivers to update the adopted 2005 Coordinated Population Forecast 2025-2030. First, there are four Lane County cities (Creswell, Lowell, Oakridge and Veneta) that have experienced rapid growth in the last few years that requested LCOG to update the population forecast to include that recent growth. These updated figures are important to the cities in establishing adequate public facilities plans to accommodate future growth as well as for obtaining federal and state loans and grants. The second driver of the process was the need to extend the population forecast to 2035 in order to provide a 25 year horizon for transportation planning purposes.

4. Was there adequate citizen involvement included in the LCOG process?

Staff Response: It appears that citizen involvement primarily happened at the local level with the four cities that requested the update of the population forecast. There was really no need for the other cities to spend any time on the item since it was just extending until 2035 the same methodology used in the adopted 2005 report. Of the four cities, all of which conducted public hearings to adopt the revised forecast, it seems that Lowell provided the most opportunity for citizen involvement because they were the only city to develop their own population forecast and documentation of support. Once the coordinated population report was prepared, LCOG did hold an open public hearing on September 22, 2007, left the record open for input and heard testimony at the December 13, 2007 meeting and on February 28, 2008, the LCOG Board formally accepted the report and forwarded it to the Lane County Board of Commissioners with a recommendation to adopt the figures contained in the Report on Lane County Coordinated Population Forecast 2030-2035.

Citizen involvement has also been provided at the County level as seen at the Board meetings on August 29, 2007 and September 12, 2007. Depending on which option the Board chooses to pursue, there will be opportunity for additional citizen involvement in the land use process to formally amend the comprehensive plans, either at the County level or with the cities or both.

5. Analysis of the methodology used in the LCOG Report;

Staff Response: The authority to conduct a coordinated population forecast comes from ORS 195.025. Counties are required to adopt and maintain a 20-year population forecast and the guidance for this duty comes from OAR 660-024-0030. While this rule does not give exact instructions, it does include language in Section (2) such as *"The forecast must be developed using commonly accepted practices and standards..."* In the field of demography and economics, the regression trend analysis is considered a commonly accepted practice.

The regression trend analysis starts with the Portland State University Population Research Center certified city populations for the State of Oregon. Additionally, the Oregon State Office of Economic Analysis (OEA) provides the long-range population forecast for each County in the state. The task of any coordinating body is to distribute the population among the urban and rural areas of the County and allocate appropriate population figures for each city, while staying within a 5% +/- margin of error of the OEA long-range forecast for the total County population.

The LCOG 2030-2035 population forecast uses a 15 year regression trend analysis as the standard methodology for computing the population forecast. OAR 660-024-0030 (2) also states *"The forecast must take into account documented long-term demographic trends as well as recent events that have a reasonable likelihood of changing historical trends."* Four of the cities determined that recent events would have a reasonable likelihood of changing the historical trend, based on rapid recent growth, past building moratoriums, and local knowledge of upcoming development in their area. Using this local knowledge, a 5 year regression analysis was allowed for one of the cities, while one city hired a consultant and developed their own forecast.

The methodologies used in LCOG 2030-2035 population report were reviewed by DLCD staff and found to be consistent with the statute and the administrative rules. Even the OAR's acknowledge that calculating future population growth is not an exact science. OAR 660-024-0030(2) states *"The population forecast is an estimate which, although based on the best available information and methodology, should not be held to an unreasonably high level of precision."* After review of the record, staff finds the LCOG report followed the proper administrative rule guidelines in the methodology used in the report and the proposed population figures fall within the

5% tolerance range of the OEA forecast figure, thus the numbers appear to be acceptable. With regards to a technical review of the calculations used in the regression trend analysis, staff has not expended County resources to contract with an outside expert and will not do so without Board direction.

F. Alternatives/Options

1. Process for adoption the LCOG population report 2030-2035 as a Lane County Rural Comprehensive Plan amendment;

Staff Response: Choosing this option would reaffirm our role as the governing body with authority to conduct a coordinated population forecast consistent with the ORS. It would also be very responsive to the cities and would review the population forecasts in a regional manner with one land use decision. The County would also provide additional opportunity for citizen involvement at the Planning Commission and at the Board. The disadvantage of this option would be the expense of the project that would be born by the LR Planning program and the County citizens that pay rural permit fees. It is also unclear what certainty this action would bring to future city or county land use actions utilizing those population figures.

2. Contract with a demographer/economist/statistician, to verify the numbers in the report prior to review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: This option would be the same as option 1 above, except that it would include additional costs associated with contracting out for a third party review of the statistical data.

3. Acknowledge receipt of the population report from LCOG and refer it for use by the cities in their local comprehensive planning efforts, recognizing the need for eventual county co-adoption of amendments to city plans utilizing updated population figures;

Staff Response: While this option is not as responsive as option 1, it also does not preclude the cities from using the updated forecast numbers in their comprehensive planning efforts and makes no county land use decision at this time. This option assumes that once the cities have updated their comprehensive plans through a land use process, they will submit a PAPA application for the County to formally co-adopt their comprehensive plan. This option is very cost effective for the County and allows citizen involvement to take place at the local level of the cities as they bring their amendments through their own planning commissions and city councils. Any contentious issues could be worked out through the city local land use process and it would be expected that by the time the cities bring their PAPA application to the County there would be consensus. Choosing this option also has revenue benefits to the County since each jurisdiction would be required to pay a fee for the County to

process their PAPA application co-adopting their comprehensive plan. The disadvantage of this option is that it does not address the coordinated population forecast with one land use action, but instead reviews each city individually.

4. Direct Staff to add a Coordinated Population Forecast Project to the Long Range Planning work program and create a new Coordinated Population Forecast report for review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: This option would essentially be abandoning the LCOG report and re-starting the process of developing a coordinated population forecast. Since this is not a task that the County has routinely conducted, it would be expected that this process would take approximately 2 years and would need to include some learning curve for County staff and contract administration with a consultant. Lane County LMD currently does not have a demographer/economist/statistician on staff. New computer software would likely need to be purchased and changes to the GIS such as census data and other population analysis tools would be expected. Additionally, other work tasks on the LR Planning work program would not be initiated as staff is reassigned to the population project. It should also be noted that the primary beneficiaries of the population forecasts are the cities, not the rural populations in the County. This option would be very expensive, at least \$160,000, and would shift much of the expense of developing the population forecast onto the County. Choosing this option would also not be very responsive to the cities needs as they would be forced to continue to use the adopted 2005 population forecast or the safe harbor figures developed by the state, neither of which include the last few years rapid growth figures, which was the cities original intent to capture. The advantage of this option would be the County would have a more direct role in the development of the population figures.

5. Contract with a consultant to conduct a new process in conjunction with Lane County to develop a new Coordinated Population Forecast for review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: This option would be very similar to option 4 above, however the expenses would be slightly less and distributed more toward the consultant and less toward staff. The advantage of this option would be less costs associated with software upgrades and the ability of LR Planning staff to concurrently work on other projects.

6. Explore the combined "Safe Harbor" options allowed under OAR 660-024-0030 and House Bill 3436 (2007) (ORS 195.034) and prepare population forecasts utilizing the Oregon Office of Economic Analysis (OEA) population forecast numbers and assumptions on the urban area shares of county population based on the most recent estimates of Portland State University and data published by the U.S. Census Bureau for

review and adoption as a Lane County Rural Comprehensive Plan amendment;

Staff Response: Choosing this option would be similar to option 1 described above, except the County would be adopting the State OEA figures and assumptions based on Portland State University and U.S. Census Bureau data instead of the LCOG figures. There are two primary disadvantages of this option. One, the costs associated with conducting the land use process are still born by the County, and two, this option does not address the issues of the four cities who requested the population update. Specifically, using the "Safe Harbor" option requires cities to maintain their current share of the County urban population in the future forecast, thus not acknowledging that some cities are growing faster than others and that their percent of the future urban population would likely increase.

7. Take no action on the matter, thus allowing the cities to move forward as described in OAR 660-024-0030 and HB 3436 (2007).

Staff Response: While this option would be the most cost effective for the County, it does not respond to the needs of the Cities as the governing body with the responsibility of conducting coordinated population forecasts. Taking no action would leave the cities with the choice of continuing to use the 2005 adopted population forecast or following the "Safe Harbor" option given by the State. Choosing this option is similar to option 6 above, except that the County will not bear the expense of conducting the initial land use process, recognizing the need for co-adoption of city plan amendments utilizing updated population figures for the urban areas.

8. Invite the cities to submit individual land use applications for Post Acknowledgment Plan Amendments (PAPA) to adopt the population figures in the Lane County Rural Comprehensive Plan or as a co-adoption of city plans utilizing updated population figures.

Staff Response: The advantage of this option is that it is cost effective for the County, since it will provide fee revenue to fund the LR Planning process to co-adopt the cities comprehensive plan amendment. This option would likely be used in conjunction with option 3, but could also be done separately. Citizen involvement would be conducted at both the Planning Commission and the Board. The disadvantage of this option is that it does not address the coordinated population forecast with one land use action, but instead reviews each city individually.

IV. TIMING/IMPLEMENTATION

Specific timelines have not been developed and are dependant upon which option the Board chooses to pursue. Additionally, it can be difficult to estimate the time associated with options that include a land use decision and may be appealed to LUBA.

Furthermore, some options are dependant upon actions taken by the cities.

V. RECOMMENDATION

The County has already helped fund the LCOG work of coordinating all of the cities and developing a population forecast that is generally accepted by the cities. The broad support by the cities for the population figures in the LCOG 2030-2035 population forecast report can be seen in the February 4, 2008, letter to the Board of Commissioners signed by 10 Lane County Mayors. After analyzing the methodology, staff has found it to be consistent with state law and confirmed by the February 14, 2008, letter from DLCD. The population forecast is a tool typically used by cities for public facilities infrastructure planning, transportation planning, growth analysis, and for obtaining federal and state loans and grants. The County does not frequently use the population forecast, therefore, rural residents should not be required to fund the land use process associated with adopting the population forecast.

Based on the reasons stated above, Staff recommends the Board combine option 3 and option 8. This would be a two step process. First, acknowledge receipt of the Lane County Coordinated Population Report 2030-2035 and inform the cities that Lane County does not object to the cities use of the population figures contained within the report for their comprehensive planning efforts. Second, invite the cities to submit a PAPA application to co-adopt their comprehensive plan amendments once they have finished their local land use decision making process. Hopefully, any contentious issues can be worked out at the local level and the item will have consensus support when it is brought forth for the County land use process.

Proposed Motion:

I hereby direct the Lane County Land Management Division to follow options 3 and 8 outlined in the above report and prepare a letter for the Board to review as a consent calendar item at the earliest available opportunity.

VI. FOLLOW-UP

If the proposed motion is passed, the Lane County Land Management Division will coordinate with legal counsel staff to develop a letter for Board review and approval, informing the cities the County has received the LCOG Lane County Coordinated Population Forecast 2030-2035 report and refers it to them for their use of the population figures as they see fit and inviting them to submit a PAPA application for County co-adoption of any comprehensive plan amendments incorporating revised population figures for urban areas around their city limits.

VII. ATTACHMENTS

1. March 5, 2008, letter from LCOG to BCC with the final "Report on Lane County Coordinated Population Forecast 2030-2035" including:
 - Appendix A – Population Forecasts for UGB Areas in Lane County; and
 - Appendix B – Population Forecasts for UGB Areas in Lane County.
2. House Bill 3436 (2007) (ORS 195.034)..
3. ORS 195.025 -195.036 Local Government Planning Coordination.
4. OAR 660-024-0030 Urban Growth Boundaries Population Forecasts.
5. March 4, 2008, email from Oakridge to Lane County LMD.
6. February 29, 2008, email from Junction City to Lane County LMD.
7. February 15, 2008, memo from Winterbrook Planning to LCOG.
8. February 14, 2008, letter from DLCD to LCOG.
9. Board Order 08-2-13-2, Rescinding Delegation to LCOG Re: Population Forecasting with Exhibit A - January 4, 2008, letter from Jeff Spartz to George Kloeppel.
10. February 4, 2008, letter from Lane County Mayors to BCC.



March 5, 2008

Lane County Board of Commissioners and
Jeff Spartz, Lane County Administrator
125 East 8th Avenue
Eugene, Oregon 97401

Gentlemen:

As you are aware, Lane County delegated certain land use coordination functions to the Lane Council of Governments (LCOG) in 1974. In the capacity of the delegated coordinating body, LCOG was asked by four municipalities in late 2006 to revisit the regional Coordinated Population Forecast. That request was taken to the LCOG Board of Directors, and authorization was given to the staff to assess the Forecast that had been approved the previous year, and to present any recommended changes to the Board of Directors for consideration.

Our staff elected to utilize the "Regional Managers Group," comprised of the chief administrative officers of Lane County and our twelve cities, as the advisory body for this work. Pursuant to the LCOG Board's direction, staff applied the Oregon Office of Economic Analysis (OEA) projections to current and historic trends data and the 2005 Adopted Forecast, and allocated the OEA population projection to the UGB areas of the cities within Lane County. When a revised Forecast appeared justified, the Regional Managers Group was consulted and, after review, authorized submittal of the proposed revision to the LCOG Board for adoption. The proposal was presented to the LCOG Board in December 2007, and after hearing public testimony, the Board decided to defer action until a subsequent meeting.

Last month, the Lane County Board of Commissioners formally assumed the role of coordinating body for Population Forecasts. Accordingly, when the LCOG Board next had the opportunity to consider the proposed revisions to the Forecast, it was no longer in a position to consider adoption. Rather, at its February 28, 2008 meeting, the LCOG Board endorsed the work that had been done and referred the "Population Forecasts for Urban Growth Boundary Areas in Lane County—


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2030 - 2035" to the Lane County Board of Commissioners. Specifically, the LCOG Board recommended the Forecast to the County "for final adoption and use in future land use, transportation and public facility planning."

Pursuant to the LCOG Board of Directors' decision last month, I convey with this letter the record (single copy) of the most recent Population Forecast update process, along with the proposed Forecasts by UGB area.

Please contact me if further explanation or clarification is needed. Likewise, please let LCOG know if you or your staff desire any assistance from this organization, as you assume these new responsibilities. And finally, while the County's 1974 delegation of authority in this area was over 33 years ago, LCOG has been proud to do the work that was asked of us.

Sincerely,



George Kloeppe
Executive Director

**Report
on
Lane County
Coordinated Population Forecast**

2030 – 2035

February, 2008

Lane Council of Governments

Lane County Coordinated Population Forecast 2030 – 2035

Introduction

This report summarizes the methodology and results of the 2030 and 2035 coordinated population forecasts for urban growth boundary areas in Lane County. These forecasts are an update of the coordinated population forecasts that were adopted by the Lane Council of Governments (LCOG) in February, 2005. The update was done at the request of four Lane County cities. The 2035 forecasts were added to meet the need for a 25 year forecast for the transportation planning program.

By state statute, ORS 195.036, urban growth boundary (UGB) population projections are required to be coordinated within counties.

“ 195.036 Area population forecast; coordination. The coordinating body under ORS 195.025 (1) shall establish and maintain a population forecast for the entire area within its boundary for use in maintaining and updating comprehensive plans, and shall coordinate the forecast with the local governments within its boundary. [1995 c.547 §7 (enacted in lieu of 195.035)]”

Coordinated population forecasts will be done every five years, usually following each decennial census and then five years following the census. Coordinated forecasts will also be done when requested by a city or the County.

Background

The LCOG Board adopted coordinated population forecasts (Adopted 2004 Forecasts) for Lane County in February, 2005. These forecasts were developed over a two year period and included a comprehensive review of existing forecasts and historic trends. The forecasts were computed using a 15 year regression trend methodology. The process included all the cities in Lane County and the County in a series of meetings to review the preliminary allocation of population between the cities and to build consensus approval of the forecasts. During the process LCOG staff discussed with the State Economist the margin of error around the 2025 and 2030 Lane County forecast. The margin of error around the Lane County projection was also discussed with DLCD staff. It was jointly decided that a plus or minus 5 percent margin was reasonable

Responding to the requests of the four cities, in December, 2006 the LCOG Board approved revising the coordinated population forecasts. Due to the recent adoption of coordinated forecasts, the current project was intended to be an update of the adopted forecasts. The process began in February, 2007 using the Regional Managers group as the oversight committee. The Regional Managers group is comprised of the city managers and administrators of the cities in Lane County and the county administrator. The Regional Managers reviewed the assumptions and process in March and received the first draft of the revised forecasts in April. By the end of

August the Regional Managers group had reached consensus to support approval of the revised forecasts.

Methodology

The task of the coordinating body is to forecast the population for the urban growth boundary of each city and the rural area outside the UGBs for the entire county for 2030 and 2035. The total of the individual forecasts should be about the same as the forecast for Lane County developed by the Office of Economic Analysis (OEA) and approved by the all the jurisdictions, which requires a coordinated process. This section describes the methodology used to produce the revised forecasts.

To produce the population forecasts, existing sources of population projections and historic trends were used. The starting point for the revised forecasts was the adopted coordinated forecasts (Adopted 2004 Forecasts) that were adopted by the LCOG Board in February, 2005. The new information that was used to update the forecasts was the certified city populations for 2005 and 2006 from the Population Research Center (PRC) at Portland State University and the April, 2004 County forecast from OEA. The Adopted 2004 Forecasts were a two year project that included the involvement of all the cities and Lane County. For most of the cities those forecasts are still appropriate, especially those cities that were allocated population in addition to the forecast number that was based on just historical trend information. However, a few of the cities have experienced much more rapid growth in the last few years and need revised forecasts to support better planning for public infrastructure needs such as sewer and water facilities.

Forecasts for the cities and the Metro area were computed using a 15 year regression trend calculation. The 15 year period, from 1991 to 2006, included two new years of certified city population information. The 15 year regression trend methodology was the same methodology used to develop the Adopted 2004 Forecast. Forecasts were also done using a five year regression trend analysis to determine how much building moratoriums may have impacted the 15 year forecasts. Each city also had the opportunity to submit its own forecast based on documentation that supported the forecast. Appendix A is a table that shows the Adopted 2004 Forecast, the revised 15 year trend calculation and the 5 year calculation.

The process assumed that the Adopted 2004 Forecast would not be changed unless a city determined that an updated forecast would be more accurate for their jurisdiction. These forecast options are consistent with OAR 660-024-0030 in that the regression trend analysis is a commonly accepted practice for population forecasting. The two revised forecasts series provided each jurisdiction to update their forecast using more current information. This is consistent with the OAR requirement that “The forecast must take into account documented long-term demographic trends as well as recent events that have a reasonable likelihood of changing historical trends.” The most notable recent events affecting some of the cities include building moratoriums during the past 15 years and more rapid growth in the last five years.

The three cities that selected a revised forecast conducted public hearings and subsequently adopted the revised forecasts by resolution. The City of Lowell was the only city that developed its own forecast and submitted documentation to support the forecast. The City of Lowell also

received from a private party a population forecast for the City that was done by the consultant Johnson Gardner. Johnson Gardner recommended a 4.1% growth rate for the City. The City of Lowell also conducted a public hearing and unanimously adopted a growth rate of 4.62% based on City research and the consultant's study.

Findings

1. ORS195.036 requires the County to "establish and maintain a population forecast for the entire area within its boundary for use in maintaining and updating comprehensive plans" and to "coordinate the forecasts with local governments within its boundaries."
2. In 1974 Lane County and a majority of the cities within the County authorized Lane Council of Governments to perform the regional coordination of planning activities. For more than 30 years since then, LCOG has actively coordinated a variety of planning activities, including the development of coordinated population forecasts. LCOG most recently performed this role from 2003 to 2005 with the February, 2005 adoption of coordination population forecasts for Lane County and all the cities within the County.
3. LCOG is uniquely qualified to perform the coordination role in Lane County because of its regular Board meetings which include all of the cities and Lane County and its bi-monthly meetings of the Regional Managers, a group that includes all the city managers and administrators in the County. LCOG is also the key agency for the census for the region and has considerable staff expertise in demographics and forecasting. However, State law still requires Lane County to adopt the forecast if they are to be used in planning documents.
4. Late in 2006 four cities requested that LCOG revise the Adopted 2004 Forecasts. The requests were made because of continued rapid growth in these cities and the need to provide more accurate forecasts based on recent growth. The LCOG Board approved revising the forecasts in December, 2006.
5. Revised forecasts were computed using the same 15 year regression trend methodology that was used to compute the Adopted 2004 Forecasts. The regression trend methodology is a commonly accepted method for population forecasting, and the forecasts were based on PRC certified population estimates and the most current OEA five year forecasts. The 15 year regression trend method provided more accurate forecasts using known existing data than the average annual growth rate (AAGR) and the compound average annual growth rate (CAGR). It also computed forecasts that were the most consistent with the OEA forecast for Lane County.
6. Two cities, Creswell and Oakridge, adopted revised forecasts based on the 15 year trend rate. The two years of new population estimates reflected higher growth rates than the Adopted 2004 Forecasts. Creswell has been growing rapidly and has justification for adopting an even higher forecast.
7. The City of Veneta adopted a revised forecast based on the 5 year trend rate. During the prior 15 years the City of Veneta did not grow consistently due to building moratoriums. During the last several years the City has grown very rapidly, and expects the rapid growth to continue. At the City current growth rate it will pass the Adopted 2004

Forecast for 2030 by 2014. The rapid growth was confirmed with the 2007 PRC certified population estimate that was a 9% increase over 2006.

8. The City of Lowell adopted a forecast based on recent events in the City. Among the documents submitted to the City of Lowell was a long term growth rate computed by the consultant Johnson Gardner. The study predicted an estimated annual growth rate of 4.1%. In addition, the City did a very detailed analysis of recent growth and planned development. These studies indicated that the City would grow at an annual rate of 4.62%, resulting in a population estimate for 2030 of 2,823. Growth rate analysis was not accurate for the City of Lowell because of recent moratoriums on development. The PRC certified estimate for the City for 2007 indicated 4.2% growth for the year.
9. None of the cities that conducted public hearings received any comments, except the City of Lowell. Mia Nelson, owner of more than half of the developable residential land in the City of Lowell, provided a large volume of comments opposed to the Lowell forecast. She introduced a population forecast for the City of Lowell done at her request by ECONorthwest (ECONW), a local consulting firm. The forecast proposed a growth rate of 2.2%. The forecast clearly reflected the assumptions and interests of the individual that paid for it. It was overly focused on historical information and did not include information from the meetings and recommendations of the Lowell City Council nor did the ECONW forecast recognize the impact of the building moratoriums on Lowell's historic growth rate. Another forecast submitted to the City Council recommended a growth rate of 4.1%. ECONW also provided input at the December LCOG Board meeting that challenged almost every aspect of the LCOG forecasts. Some of the challenges were clearly not true, such as the assertion that "the forecast does not show the analysis used to develop the trend, such as the base forecast years; years included in the trend." This information was available in several documents and on the LCOG website that was used to share information with the public. The ECONW forecast included other misleading arguments such as the "lack of a 20-year forecast period." These arguments are contradictory to other ECONW reports developed for other local agencies. In a preliminary population report for the City of Springfield in November, 2006 ECONW based much of their work on the Adopted 2004 Forecast developed by LCOG. Yet in the submitted comments by ECONW on the proposed revised forecasts, despite using the exact same method of calculation, the forecasting methodology is questioned, along with the assumptions and process. The lack of any information about the meetings, plans and actions of the Lowell City Council on the coordinated population issue compromises the completeness and objectivity of the ECONW study.
10. LCOG conducted a public hearing at its September 22, 2007 Board meeting. Two parties that supported the forecasts testified. The period for public input was then kept open and extended until the LCOG Board meeting on December 13, 2007. Several people spoke against the forecasts as advocates of slower growth, despite the fact that the forecasts, except for the City of Lowell, are based on historical trends. The City of Lowell's forecast received both negative and positive comments. The negative comments were the same as those described in the preceding finding.
11. The increased forecasts for the small cities around Eugene and Springfield are further justified by reviewing the 15 year growth from 1990 to 2005. During this period these cities grew at rates about three times higher than Eugene and Springfield. This trend also suggests that rapid growth compared to historical averages will continue into the future.

12. The 2035 forecasts were computed using the same growth rate as was used to compute the 2030 forecast for each city.
13. The entire set of revised coordinated forecasts was approved by the Regional Managers, who discussed them at five different meetings. Each city that adopted a revised forecast did so by resolution of the city council.

Results

Appendix B presents the 2030 and 2035 population forecast for each jurisdiction. The total forecast is within the five percent margin of the OEA forecast authorized for the Adopted 2004 Forecast. The forecasts have consensus approval by the Regional Managers and all cities that have revised forecasts have adopted the revised forecast by resolution.

Appendix A
Population Forecasts for Urban Growth Boundary Areas in Lane County
November, 2007

	2006 City		2004 City		2004 UGB		2004 UGB		Growth Rates		2030 UGB		Updated 2030		2035		2030 UGB		2035 UGB					
	Certified Population	Population	Certified Population	Population	Adopted Population	City	Outside City	Trend	15 Year	5 Year	Trend	Population	15 Year	5 Year	Population	15 Year	5 Year	Population	15 Year	5 Year	Population	15 Year	5 Year	
Eugene	148595	144,640																						
Springfield	57065	55,350																						
Eug/Spr	205,660	199,990	231,420	31,430	1.270%	0.925%	314,700	320,589	295,353	341,474	309,267	314,700	335,198											
Coburg	1075	1,050	1,050	0	1.888%	1.639%	4,200	1,684	1,588	1,849	1,723	4,200	4,200											
Cottage Grove	9275	9,010	9,450	440	1.257%	1.150%	13,400	13,122	12,785	13,957	13,537	13,400	13,957											
Creswell	4500	4,120	4,440	320	2.394%	2.862%	8,000	8,509	9,491	9,577	10,929	8,509	9,577											
Dunes City	1345	1,300	1,300	0	0.736%	0.985%	2,000	1,604	1,702	1,664	1,787	2,000	2,000											
Florence	8270	7,830	9,310	1,480	1.862%	1.605%	17,200	15,185	14,291	16,652	15,475	17,200	18,862											
Junction City	4965	4,910	6,000	1,090	1.634%	0.869%	9,800	8,934	7,452	9,688	7,781	9,800	10,627											
Lowell	955	900	900	0	0.831%	1.600%	1,700	1,097	1,279	1,129	1,359	2,823	3,538											
Oakridge	3680	3,680	3,780	100	1.106%	0.068%	4,050	4,946	3,860	5,225	3,873	4,946	5,225											
Veneta	4240	3,660	3,660	0	1.545%	3.622%	5,600	6,125	9,960	6,613	11,899	9,960	11,899											
Westfir	335	330	330	0	1.115%	0.184%	410	437	350	462	353	410	433											
Outside UGBs	95415	96,570	61,710	-34,860			56,000	56,000	56,000	56,000	56,000	56,000	56,000											
Total Cities	244,300	236,780	271,640	34,860			381,060	382,232	358,111	408,290	377,983	387,948	415,516											
Total Forecast	339,715	333,350	333,350				437,060	438,232	414,111	464,290	433,983	443,948	471,516											
OEA Forecast							431,960	430,454	430,454	451,038	451,038	431,960	451,038											
High (+5%)							453,558	451,977	451,977	473,590	473,590	453,558	473,590											
Low (-5%)							410,362	408,931	408,931	428,486	428,486	410,362	428,486											
Notes																								
1	The growth rates were computed using 5 year and 15 year regression trend analysis, 2001-2006 and 1991-2006																							
2	The 2004 adopted forecast was not changed unless change was requested by the City.																							
3	The 2035 forecast uses the same rate choice as the 2030.																							
4	The same rate that was used for the 2030 forecast was used for the 2035 forecast for each city.																							
5	If the 2030 adopted was greater than the 15 year forecast, the 2030 adopted was selected for 2035.																							
6	Lowell defined a 4.62% growth rate.																							
7	Florence, Junction City and Metro's 2035 forecasts were computed by applying the 15 year rate to the 2004 adopted 2030 forecast.																							

**Appendix B
Population Forecasts for Urban Growth Boundary Areas in Lane County
February, 2008**

	2006 City Certified Population	2004 City Certified Population	2004 UGB Adopted Population	2004 UGB Outside City	2030 UGB 2005 Adopted Population	2030 UGB 2008 Proposed Population	2035 UGB
Eugene	148,595	144,640					
Springfield	57,065	55,350					
Eug/Spr	205,660	199,990	231,420	31,430	314,700	314,700	335,198
Coburg	1,075	1,050	1,050	0	4,200	4,200	4,200
Cottage Grove	9,275	9,010	9,450	440	13,400	13,400	13,957
Creswell	4,500	4,120	4,440	320	8,000	8,509	9,577
Dunes City	1,345	1,300	1,300	0	2,000	2,000	2,000
Florence	8,270	7,830	9,310	1,480	17,200	17,200	18,862
Junction City	4,965	4,910	6,000	1,090	9,800	9,800	10,627
Lowell	955	900	900	0	1,700	2,823	3,538
Oakridge	3,680	3,680	3,780	100	4,050	4,946	5,225
Veneta	4,240	3,660	3,660	0	5,600	9,960	11,899
Westfir	335	330	330	0	410	410	433
Outside UGBs	95,415	96,570	61,710	-34,860	56,000	56,000	56,000
Total Cities	244,300	236,780	271,640	34,860	381,060	387,948	415,516
Total Forecast	339,715	333,350	333,350		437,060	443,948	471,516
OEA Forecast					431,960	431,960	451,038
High (+5%)					453,558	453,558	473,590
Low (-5%)					410,362	410,362	428,486

Enrolled
House Bill 3436

Sponsored by Representative ROBLAN

CHAPTER

AN ACT

Relating to population forecasting for land use planning.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) If the coordinating body under ORS 195.025 (1) has adopted, within 10 years before a city initiates an evaluation or amendment of the city's urban growth boundary, a population forecast as required by ORS 195.036 that no longer provides a 20-year forecast for an urban area, a city may propose a revised 20-year forecast for its urban area by extending the coordinating body's current urban area forecast to a 20-year period using the same growth trend for the urban area assumed in the coordinating body's current adopted forecast.

(2) If the coordinating body has not adopted a forecast as required by ORS 195.036 or if the current forecast was adopted more than 10 years before the city initiates an evaluation or amendment of the city's urban growth boundary, a city may propose a 20-year forecast for its urban area by:

(a) Basing the proposed forecast on the population forecast prepared by the Office of Economic Analysis for the county for a 20-year period that commences when the city initiates the evaluation or amendment of the city's urban growth boundary; and

(b) Assuming that the urban area's share for the forecasted county population determined in paragraph (a) of this subsection will be the same as the urban area's current share of the county population based on the most recent certified population estimates from Portland State University and the most recent data for the urban area published by the United States Census Bureau.

(3)(a) If the coordinating body does not take action on the city's proposed forecast for the urban area under subsection (1) or (2) of this section within six months after the city's written request for adoption of the forecast, the city may adopt the extended forecast if:

(A) The city provides notice to the other local governments in the county; and

(B) The city includes the adopted forecast in the comprehensive plan, or a document included in the plan by reference, in compliance with the applicable requirements of ORS 197.610 to 197.650.

(b) If the extended forecast is adopted under paragraph (a) of this subsection consistent with the requirements of subsection (1) or (2) of this section:

(A) The forecast is deemed to satisfy the requirements of a statewide land use planning goal relating to urbanization to establish a coordinated 20-year population forecast for the urban area; and

(B) The city may rely on the population forecast as an appropriate basis upon which the city and county may conduct the evaluation or amendment of the city's urban growth boundary.

(4) The process for establishing a population forecast provided in this section is in addition to and not in lieu of a process established by goal and rule of the Land Conservation and Development Commission.

Passed by House May 8, 2007

.....
Chief Clerk of House

.....
Speaker of House

Passed by Senate May 24, 2007

.....
President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

.....
Secretary of State

Chapter 195 — Local Government Planning Coordination

2007 EDITION

LOCAL GOVERNMENT PLANNING COORDINATION

MISCELLANEOUS MATTERS

COORDINATION AGREEMENTS

195.025 Regional coordination of planning activities; alternatives. (1) In addition to the responsibilities stated in ORS 197.175, each county, through its governing body, shall be responsible for coordinating all planning activities affecting land uses within the county, including planning activities of the county, cities, special districts and state agencies, to assure an integrated comprehensive plan for the entire area of the county. In addition to being subject to the provisions of ORS chapters 195, 196 and 197 with respect to city or special district boundary changes, as defined by ORS 197.175 (1), the governing body of the Metropolitan Service District shall be considered the county review, advisory and coordinative body for Multnomah, Clackamas and Washington Counties for the areas within that district.

(2) For the purposes of carrying out ORS chapters 195, 196 and 197, counties may voluntarily join together with adjacent counties as authorized in ORS 190.003 to 190.620.

(3) Whenever counties and cities representing 51 percent of the population in their area petition the Land Conservation and Development Commission for an election in their area to form a regional planning agency to exercise the authority of the counties under subsection (1) of this section in the area, the commission shall review the petition. If it finds that the area described in the petition forms a reasonable planning unit, it shall call an election in the area on a date specified in ORS 203.085, to form a regional planning agency. The election shall be conducted in the manner provided in ORS chapter 255. The county clerk shall be considered the elections officer and the commission shall be considered the district elections authority. The agency shall be considered established if the majority of votes favor the establishment.

(4) If a voluntary association of local governments adopts a resolution ratified by each participating county and a majority of the participating cities therein which authorizes the association to perform the review, advisory and coordination functions assigned to the counties under subsection (1) of this section, the association may perform such duties. [Formerly 197.190]

195.034 Alternate population forecast. (1) If the coordinating body under ORS 195.025 (1) has adopted, within 10 years before a city initiates an evaluation or amendment of the city's urban growth boundary, a population forecast as required by ORS 195.036 that no longer provides a 20-year forecast for an urban area, a city may propose a revised 20-year forecast for its urban area by extending the coordinating body's current urban area forecast to a 20-year period using the same growth trend for the urban area assumed in the coordinating body's current adopted forecast.

(2) If the coordinating body has not adopted a forecast as required by ORS 195.036 or if the current forecast was adopted more than 10 years before the city initiates an evaluation or amendment of the city's urban growth boundary, a city may propose a 20-year forecast for its urban area by:

(a) Basing the proposed forecast on the population forecast prepared by the Office of Economic Analysis for the county for a 20-year period that commences when the city initiates the evaluation or amendment of the city's urban growth boundary; and

(b) Assuming that the urban area's share for the forecasted county population determined in paragraph (a) of this subsection will be the same as the urban area's current share of the county population based on the most recent certified population estimates from Portland State University and the most recent data for the urban area published by the United States Census Bureau.

(3)(a) If the coordinating body does not take action on the city's proposed forecast for the urban area under subsection (1) or (2) of this section within six months after the city's written request for adoption of the forecast, the city may adopt the extended forecast if:

(A) The city provides notice to the other local governments in the county; and

(B) The city includes the adopted forecast in the comprehensive plan, or a document included in the plan by reference, in compliance with the applicable requirements of ORS 197.610 to 197.650.

(b) If the extended forecast is adopted under paragraph (a) of this subsection consistent with the requirements of subsection (1) or (2) of this section:

(A) The forecast is deemed to satisfy the requirements of a statewide land use planning goal relating to urbanization to establish a coordinated 20-year population forecast for the urban area; and

(B) The city may rely on the population forecast as an appropriate basis upon which the city and county may conduct the evaluation or amendment of the city's urban growth boundary.

(4) The process for establishing a population forecast provided in this section is in addition to and not in lieu of a process established by goal and rule of the Land Conservation and Development Commission. [2007 c.689 §1]

Note: 195.034 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 195 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

195.035 [Formerly 197.255; repealed by 1995 c.547 §6 (195.036 enacted in lieu of 195.035)]

195.036 Area population forecast; coordination. The coordinating body under ORS 195.025 (1) shall establish and maintain a population forecast for the entire area within its boundary for use in maintaining and updating comprehensive plans, and shall coordinate the forecast with the local governments within its boundary. [1995 c.547 §7 (enacted in lieu of 195.035)]

**The Oregon Administrative Rules contain OARs filed through February
15, 2008**

LAND CONSERVATION AND DEVELOPMENT DEPARTMENT

DIVISION 24

URBAN GROWTH BOUNDARIES

660-024-0030

Population Forecasts

(1) Counties must adopt and maintain a coordinated 20-year population forecast for the county and for each urban area within the county consistent with statutory requirements for such forecasts under ORS 195.025 and 195.036. Cities must adopt a 20-year population forecast for the urban area consistent with the coordinated county forecast, except that a metropolitan service district must adopt and maintain a 20-year population forecast for the area within its jurisdiction. In adopting the coordinated forecast, local governments must follow applicable procedures and requirements in ORS 197.610 to 197.650 and must provide notice to all other local governments in the county. The adopted forecast must be included in the comprehensive plan or in a document referenced by the plan.

(2) The forecast must be developed using commonly accepted practices and standards for population forecasting used by professional practitioners in the field of demography or economics, and must be based on current, reliable and objective sources and verifiable factual information, such as the most recent long-range forecast for the county published by the Oregon Office of Economic Analysis (OEA). The forecast must take into account documented long-term demographic trends as well as recent events that have a reasonable likelihood of changing historical trends. The population forecast is an estimate which, although based on the best available information and methodology, should not be held to an unreasonably high level of precision.

(3) As a safe harbor, if a coordinated population forecast was adopted by a county within the previous 10 years but does not provide a 20-year forecast for an urban area at the time a city initiates an evaluation or amendment of the UGB, a city and county may adopt an updated forecast for the urban area consistent with this section. The updated forecast is deemed to comply with applicable goals and laws regarding population forecasts for purposes of the current UGB evaluation or amendment provided the forecast:

(a) Is adopted by the city and county in accordance with the notice, procedures and requirements described in section (1) of this rule; and

(b) Extends the current urban area forecast to a 20-year period commencing on the date determined under OAR 660-024-0040(2) by using the same growth trend for the urban area assumed in the county's current adopted forecast.

(4) As a safe harbor, a city and county may adopt a 20-year forecast for an urban area consistent with this section. The forecast is deemed to comply with applicable goals and laws regarding population forecasts for purposes of the current UGB evaluation or amendment provided the forecast:

(a) Is adopted by the city and county in accordance with the notice, procedures and requirements described in section (1) of this rule;

(b) Is based on OEA's population forecast for the county for a 20-year period commencing on the date determined under OAR 660-024-0040(2); and

(c) Is developed by assuming that the urban area's share of the forecasted county population determined in subsection (b) of this rule will be the same as the urban area's current share of county population based on the most recent certified population estimates from Portland State University and the most recent data for the urban area published by the U.S. Census Bureau.

Stat. Auth.: ORS 197.040, Other Auth. Statewide Planning Goal 14

Stats. Implemented: ORS 195.015, 195.036, 197.295 - 197.314, 197.610 - 197.650, 197.764

Hist.: LCDD 8-2006, f. 10-19-06, cert. ef. 4-5-07

LAIRD Matt P

From: Gordon Zimmerman [gordonzimmerman@ci.oakridge.or.us]
Sent: Tuesday, March 04, 2008 10:05 AM
To: LAIRD Matt P
Cc: HAMPTON Don (SMTP)
Subject: Coordinated Population

Matt:

Per the request of Stephanie Schultz, a planner with Lane County, Oakridge chose the larger forecast percentage because of the current expansion in Oakridge. We have about 300 home sites under development within the City limits. We are very close to signing the final paperwork for the recruitment of several companies into the Oakridge Industrial Park which will substantially increase the number of jobs within the community. With more jobs than people available in the community to fill, we anticipate that the population will grow to meet the jobs demand.

The City also realizes that the coordinated population forecast is updated fairly frequently. We do have a US Census coming up in 2010.

The City would also encourage the County Commission to accept the forecast work done by the Lane Council of Governments and to allow LCOG to continue managing the process. It has worked well in the past because LCOG is supplying the data and mapping used by the US Census Bureau for the census. They have the information, the database, and the staff that makes the process flow for all participating jurisdictions.

GORDON ZIMMERMAN
OAKRIDGE CITY ADMINISTRATOR
541-782-2258 EXT. 225

"Oakridge - the center of Oregon recreation, where families and businesses live and grow, work and play, learn and dream in a safe and sustainable community"

LAIRD Matt P

From: BORK Kay [KBork@ci.junction-city.or.us]
Sent: Friday, February 29, 2008 2:37 PM
To: LAIRD Matt P
Cc: CLYNE David; SCHULZ Stephanie E
Subject: Coordinated Population for Junction City

Matt,
I was talking with Stephanie about the coordinated population and she said you needed more information from Junction City.

According to LCOG, calculations to the year 2035 were based on two methodologies, 1) applying the city's 5-year growth trend (2000-2005) to the 2004 base year population, or 2) applying the city's 15-year growth trend (1990-2005) to the 2004 base year population. Cities were asked to choose either method. The methods above would have resulted in a JC 2035 population of 7,452 (5-year growth trend) or 8,935 (15-year growth trend), both lower than the adopted figures. Instead of adopting this method Junction City staff recommended applying the 15 year growth trend (1.63% annual average increase) to the 2030 population in order to accommodate growth potential from development of the prison and hospital site. The result of applying the 15-year annual average growth rate is a population of 10,627 in the year 2035.

We chose this method since the 2004 adopted coordinated population did not include a method to capture potential growth from the future prison since its construction date was not known. The 5 year and 15 year growth rates used above are both lower than the projected growth rates in Junction City's adopted Transportation System Plan and recently updated Residential Buildable Land Inventory completed in 2000. The TSP and BLI indicate the projected AAGR for the years 2000-2015 is 1.9% with a population of 7,400 in 2015. Also, if JC uses the methodology of applying the higher AAGR to the 2030 adopted figure to arrive at a 2035 population of 10,627, the AAGR between 2004 and 2035 turns out to be 1.86% (still lower than the figure in the TSP and BLI).

If anything, I think the forecast for JC might be too low. If the figures are going to be recalculated for all the cities then I would want to discuss the possibility of recalculating the numbers for JC. I am not sure of the most correct methodology to use but the 2035 population for JC does not seem too high given that fact that the AAGR for 2004-2035 is below the projected growth rate in our adopted plans (even though they are outdated). We are going to be updating our Comp Plan beginning in the Spring of 2008 and new population figures will be calculated to the year 2028 and 2058. I do not want the 2035 figure any lower given the data I just provided. I have included a spreadsheet for your review.

Please let me know if I can provide you any more information and please send a copy of any staff reports regarding the adoption of the coordinated population figures to me.

Thank you,
Kay

Kay Bork
Planning Director
Junction City
PO Box 250
Junction City, OR 97448
ph: 541-998-2153 fax: 541-998-3140
kbork@ci.junction-city.or.us

www.ci.junction-city.or.us



MEMORANDUM

To: Bob Swank, Lane Council of Governments
From: Greg Winterowd; Jesse Winterowd
Date: February 15, 2008
Re: **Population Projection for Lane County and Its Cities**

Introduction

It is our understanding that the Lane Council of Governments (LCOG) will be making a recommendation to the Lane County Board of Commissioners regarding a coordinated population projection for the county and its twelve cities.

We appreciate the opportunity to comment on the *Report on Lane County Coordinated Population Forecast – 2030-2035* (LCOG Population Report, 2007). In this memorandum, Winterbrook provides background information and analysis that generally supports the population projection for Lane County and its cities. We also suggest additional research and analysis to buttress L-COG's projection for the County as a whole.

Key Issues

We have identified three key issues:

1. The 5% margin of error in the county-wide projection;
2. The flat projection for rural unincorporated areas outside city urban growth boundaries (UGBs);
3. The projected growth rates for communities proximate to the Eugene-Springfield UGB; and the need to further justify projected growth rates.

1. The 5% Margin of Error

According to the L-COG Population Report:

"During the process, LCOG staff discussed with the State Economist the margin of error around the 2025 and 2030 Lane County forecast. The margin of error around the Lane County projection was also discussed with DLCD staff. It was decided that a plus or minus 5 percent margin was reasonable."

We agree that a 5% margin of error is reasonable. However, we are unaware of situations where the fixed "margin of error" has been employed to coordinated county population projections successfully – *without* further justification. We also recognize that long-term population

projections are uncertain – especially at the county level.¹ Many view the statewide projections as conservative. We know of several county-wide projections that have been adjusted upward – and acknowledged by the Land Conservation and Development Commission over the last 10 years.²

Table 1 below shows a sampling of counties that have adopted higher population forecasts than the OEA projection. Terms used in Table 1 are described below.

- **Year Adopted:** Year the population forecast was adopted by the County.
- **Forecast Year:** Year compared in the County forecast and OEA forecast.
- **OEA:** Office of Economic Analysis forecast population for Forecast Year.
- **New Forecast:** County adopted forecast population for Forecast Year.
- **Difference:** Population difference between OEA and New Forecast.
- **Percent:** Percent of OEA forecast comprised by Difference.

For example, Deschutes County adopted a new population forecast in 2006. The new forecast projected a year 2025 population of 240,811; the new adopted forecast was 26,332 persons higher than the original 2025 OEA forecast for Deschutes County. Thus, the new forecast was 12.3% higher than the OEA forecast for 2025.

Table 1: Counties Adopting Higher Forecasts than OEA Projection

County	Year Adopted	Forecast Year	OEA	Change	Difference	Percent
Deschutes	2006	2025	214,479	240,811	26,332	12.3%
Jackson	2007	2025	253,881	261,497	7,616	3.0%
Jefferson	2006	2025	28,298	35,162	6,864	24.3%
Malheur	2006	2025	39,122	41,125	2,003	5.1%
Marion*	2004	2020	350,952	361,024	10,072	2.9%
Yamhill	2001	2020	119,011	119,689	678	0.6%

* The OEA forecast was subsequently increased to 367,018, so the 2004 Marion County forecast for 2020 is now below the new OEA forecast.

As shown in Table 1, LCOG’S proposed 5% variation from the OEA projection is well below the 24% and 12% increases adopted in Deschutes and Jefferson Counties. However, each County has its own population dynamics. Accordingly, we recommend that a demographer / economist with Oregon population projection experience review the county-wide population projection to provide support for any variation from OEA’s projection.

¹ The Office of Economic Analysis (OEA) projects state population for 5-year increments through 2040. The statewide projection is then allocated among Oregon’s counties. This allocation process is based on coordination with Oregon counties and requires the exercise of judgment.

² Counties that have coordinated and acknowledged population projections that are higher the OEA projection include at least: Deschutes, Douglas, Jefferson, Malheur, Marion County, Wasco and Yamhill Counties.

2. The LCOG Projection for Rural Areas outside UGBs

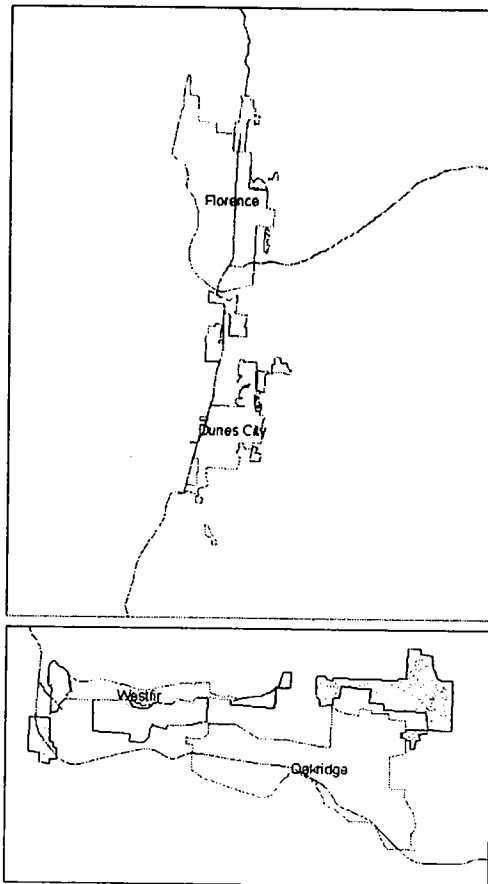
The LCOG Population Report includes a projection that rural population – outside of UGBs – will decrease slightly over the next 33 years. The existing rural population is estimated at approximately 62,000 and is expected to decline to about 56,000 in 2035.

There are a number of reasons why population growth in unincorporated areas outside existing UGBs in Lane County is likely to decline:

1. Oregon's land use program focuses population growth within urban areas, and discourages housing development on resource (agricultural and forest lands).
2. The supply of rural residential lots in Lane County is limited and cannot be readily replenished without creating new exceptions areas. With the passage of Ballot Measure 49, the number of *potential* new lots and homes decreased significantly from what might have been the case under Measure 37. Measure 49 essentially prohibits large-scale rural developments outside of UGBs.
3. Household sizes have been decreasing in Lane County over the last 26 years, from 2.49 in 1990 to 2.42 in 2000 and 2.38 in 2006 (US Census). If past trends continue, household sizes (and therefore rural population) also would decrease over the next 20 years.
4. The number of second homes in Lane County – especially in coastal and mountain areas – may not have been accounted for and is likely to increase as baby boomers continue to purchase second/seasonal homes. Second homes accounted for 15% of mortgages from 2001-2004 in Oregon.³ As shown on Figure 1, the cities of Dunes City, Florence, Oak Ridge and West Fir have rural residential exception areas (in purple) that could attract seasonal home development or conversions.

³ National Association of Realtors; The Oregonian, "Second Home Mortgage Data", July 2006

Figure 1: Rural Residential Areas Near Outlying Cities



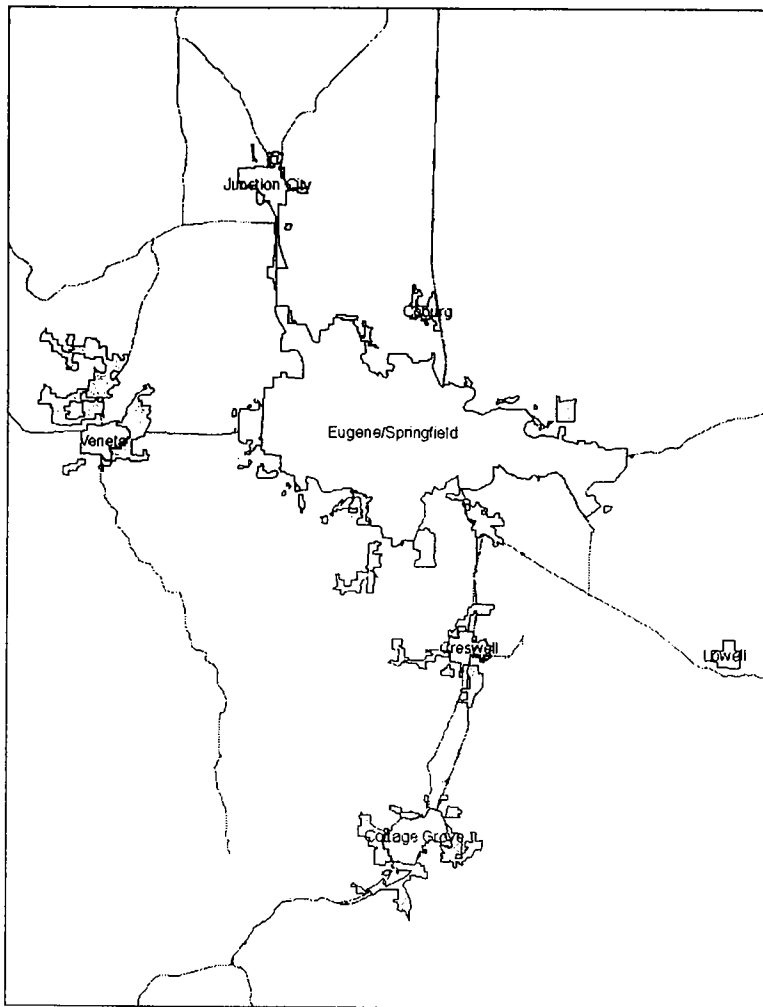
5. As UGBs begin to fill up, most (if not all) Lane County cities will need to expand their respective UGBs to maintain a 20-year supply of residential land.⁴ ORS 197.298 (Priorities for urban growth boundary expansion)⁵ requires that cities

⁴ See Goal 14 (Urbanization); OAR Chapter 16, Division 024 (Urban Growth Boundaries); and ORS 197.296 (Factors to establish sufficiency of buildable lands within urban growth boundary).

⁵ ORS 197.298 reads as follows: **197.298 Priority of land to be included within urban growth boundary.** (1) In addition to any requirements established by rule addressing urbanization, land may not be included within an urban growth boundary except under the following priorities: (a) First priority is land that is designated urban reserve land under ORS 195.145, rule or metropolitan service district action plan. (b) If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710. (c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247 (1991 Edition). (d) If land under paragraphs (a) to (c) of this subsection is inadequate to

include “nearby” rural residential land (land with existing houses and people) before bringing agricultural or forest land within a UGB. Therefore, it is likely that rural residential areas adjacent to existing UGBs will be included within these UGBs. This will have the effect of reducing the number of homes and people in rural residential areas. Figure 2 shows (in purple) rural residential exception areas near the Eugene-Springfield, Coburg, Cottage Grove, Creswell, Junction City, Lowell, and Veneta UGBs.

Figure 2: Rural Residential Areas Near Eugene / Springfield Cities



accommodate the amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both. (Underlining added by Winterbrook.)

Table 2 shows the acreage and estimated population of rural residential exception areas located within or partially within a quarter mile of existing UGBs in Lane County. Table 2 shows an estimated⁶ 12,300 persons living within rural residential areas close to UGBs. As rural residential exceptions lands are high priority for inclusion within expanded UGBs, rural population in areas close to UGBs can be expected to decrease as UGBs are expanded over the next several decades. If one-third of this estimated population were to be included within UGBs, this alone would account for a reduction of about 4,100 rural residents.

Table 2: Acres of Exception Areas Near Lane County Cities

City	Acres RR	Est. Pop*
Junction City	700	395
Coburg	208	118
Oakridge/West Fir	1,003	567
Cottage Grove	3,885	2,196
Creswell	2,028	1,146
Eugene / Springfield	6,593	3,727
Veneta	5,965	3,372
Florence / Dunes City	1,348	762
Total	21,731	12,283

* Based on estimated 2.38 persons per household, 1 residence per 4 acres, and 5% vacancy rate.

Projected Growth Rates for Cities Close to Eugene / Springfield

Generally speaking, central cities grow at a slower rate than nearby suburban communities. There are many reasons for this. The primary reason is that central cities have a larger population base than suburban communities; therefore, relatively small numerical changes in smaller cities yields relatively high growth rates. For example, Portland has grown at a slower *rate* than outlying suburban communities such as Sherwood, Wilsonville and Happy Valley.

Table 3 shows suburban cities within 9 to 16 miles of downtown Portland and their respective average annual growth rates from 1990 to 2007.⁷ Figure 1 shows the relationship of Portland to the cities in Table 3. As shown in Table 3, all of the suburban cities have grown at a faster rate than Portland. Most have grown at more than twice the rate as Portland. A few (Happy Valley, Fairview, and Sherwood) have grown 5-8 times faster.

⁶ The assumptions underlying this estimate would benefit from further analysis of actual housing units in exception areas near cities in Lane County.

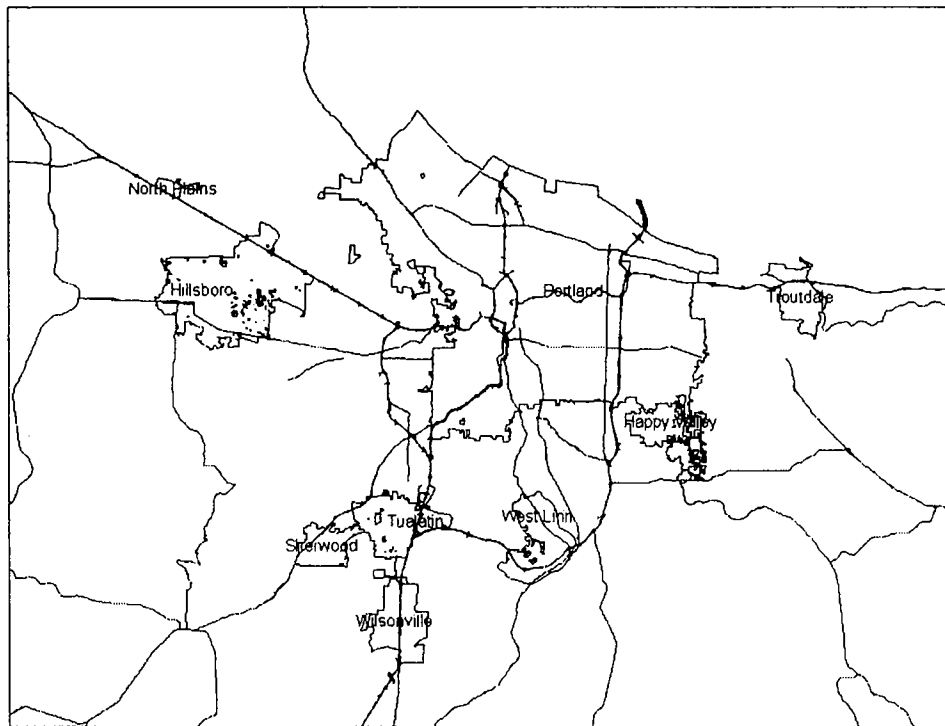
⁷ Distances were calculated using GIS from downtown Portland to the center of selected cities. They are "as the crow flies", so driving distances generally will be longer. Average Annual Growth Rate from 1990 to 2007 was based on the 1990 Census and 2007 Portland State University Population Estimates.

Table 3: Distance from Central Portland to Nearby Cities, and 1990-2007 AAGR

City	Distance*	1990-2007 AAGR
Portland	0	1.6%
Happy Valley	9.2	12.0%
West Linn	9.9	2.3%
Fairview	10.1	8.6%
Tualatin	11.1	3.3%
Hillsboro	13.2	5.2%
Troutdale	13.6	4.1%
Sherwood	14	10.3%
Wilsonville	15.5	5.4%
North Plains	16.4	4.0%

*As the crow flies.

Figure 3: Portland and Suburban Cities



The Eugene/Springfield metropolitan area follows a similar pattern. As shown in Table 4, most of the smaller cities within 9 to 16 miles have been growing much faster than the Eugene / Springfield, and all project higher growth rate than Eugene/Springfield through 2030. While

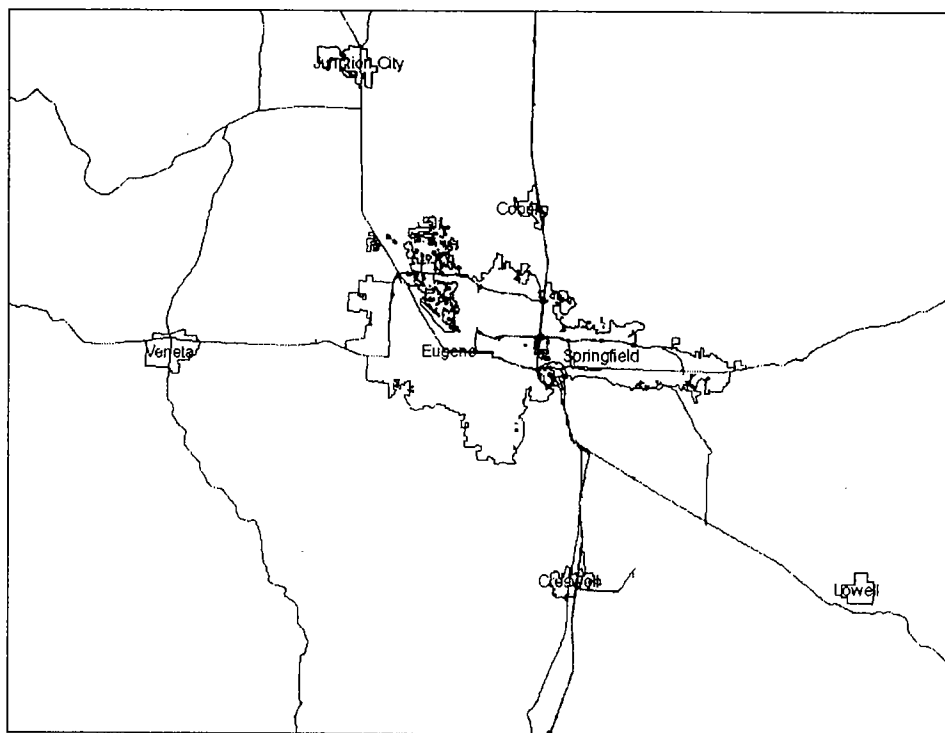
recognizing that the size and economy of Portland and Eugene/Springfield differ, the projected growth rates of suburban cities in Lane County is well below most of the suburban growth rates seen in the Portland area over the last 17 years. As County population continues to grow, we can expect that the suburban cities will continue grow at a faster *rate* than Eugene/Springfield, provided that these cities have an adequate buildable land supply and are committed to providing urban services to new development.

Table 4: Distance from Eugene / Springfield To Nearby Cities, and AAGR

City	Distance	1990-2007 AAGR	Projected Rate
Eugene / Springfield	0	1.7%	1.8%
Creswell	9.4	3.7%	2.7%
Junction City	14.2	3.9%	2.9%
Veneta	15	1.4%	3.6%
Lowell	16.1	2.0%	4.6%

Source: LCOG Report.

Figure 4: Eugene / Springfield and Suburban Cities



Specific Justification for Creswell, Lowell, Junction City and Veneta

LCOG's projected growth rates for suburban cities within 9-20 miles of Eugene-Springfield are considerably lower than observed in similarly-situated communities the in Portland metropolitan area.

However, additional justification is needed to explain why, specifically, the selected growth rates for each city is reasonable. Under LCOG's approach, cities were allowed to choose growth rates based on a 5-year trend, a 15-year trend, the rate projected in 2004, or a different rate suggested by the city itself. It would be helpful to LCOG and the Board of County Commissioners if each city were to provide justification for its projected growth rate and include this information into the County record.

In contrast, the City of Lowell based its projected growth rate on a population projection prepared by a professional economist. So far, only Lowell has provided evidence that supports its projected growth rate.

Conclusions

1. A county-wide population projection, prepared by a professional economist / demographer, is needed to justify LCOG's recommendation to exceed the OEA projection.
2. LCOG's projection that rural population will decrease slightly over time is justified for reasons stated in the memorandum.
3. Suburban communities can be expected to grow at a faster *rate* than Eugene / Springfield, but additional justification is needed to explain selected growth rates for each city.



Oregon
Theodore R. Kulongoski, Governor

Department of Land Conservation and Development
Community Services Division
South Willamette Valley Field Office
1140 Willagillespie Road, Suite 13
Eugene, OR 97401
541.686.7807 - Office
971.239.9453 - Mobile
ed.w.moore@state.or.us
Web Address: <http://www.oregon.gov/LCD>

14 February 2008



Bob Swank
Lane Council of Governments
99 East Broadway, Suite 400
Eugene, OR 97401

RE: Adoption of coordinated population projections for Lane County (DLCD File Lane County 011-07)

Dear Mr. Swank:

This letter is a follow-up to our correspondence of 20 November 2007, and the following documents received from you:

1. Letter dated 5 December 2007
2. Report on Lane County Coordinated Population Forecast 2030 – 2035 dated February 2008, including Appendices A (November 2007) and B (February 2008)

As we stated in our 20 November letter, under Oregon Administrative Rule (OAR) 660-024-0030, counties must adopt and maintain a coordinated 20-year population forecast for the county and for each of the urban areas within the county. The methodology for preparing the coordinated population forecast is also described in Section 0030.

Based upon our review of the above documents you gave us, we believe that the 2030 – 2035 coordinated population forecast prepared by LCOG for Lane County is consistent with the applicable statutes and administrative rule.

If Lane County does not have an adopted coordinated population forecast as required under Division 24, Lane County will need to adopt one. In adopting LCOG's forecast for 2030 – 2035, Lane County will need to make findings to demonstrate that the 2030 – 2035 coordinated population forecast is consistent with statutory and Division 24 requirements.


Now to the 2030 – 2035 forecast contained in the two appendices. In adopting a coordinated population forecast for the County and its urban areas, you will need to recommend to the County which population forecast they should adopt (i.e. Total Forecast or OEA Forecast). Under the rule the county is not allowed to adopt a range of population.

There is also other option the County could consider, that of adopting either "safe harbor" described in Division 24 (660-024-0030(3) and (4)). Should you choose to follow the "safe harbor" approach, you will also need to review HB 3436 for modifications to the "safe harbor" (Attached). The reason I mention the "safe harbor" for making the coordinated population forecast for Lane County and its urban areas is that using the "safe harbor" approach will protecting you in defending against a law suit over the coordinated population forecast.

Finally, should any of the local governments enumerated in this coordinate population forecast wish to use the population forecast in their local planning, the Lane County Board of Commissioners will need to make findings and adopt them as the official coordinated population forecast for the county and its incorporated cities. In adopting the coordinated forecast, Lane County, and subsequently any city wanting to use the coordinated population forecast, must follow applicable procedures and requirements in ORS 197.610 to 197.650 and provide notice to all other local governments in the county. The adopted forecast must be included in the comprehensive plan or in a document referenced by the plan.

I hope the above will be helpful in your discussion with the county regarding adoption of the 2030 – 2035 coordinated population forecast your agency has prepared. Should you have any questions or need further clarification, please feel free to contact me.

Respectfully,



Ed Moore, AICP
South Willamette Valley Regional Representative

e-copy: Darren Nichols, Community Services Manager
Rob Hallyburton, Economic Development/TGM Manager
Gloria Gardiner, Urban Planning Specialist
Bob Rindy, Policy and Legislative Liaison

**Enrolled
House Bill 3436**

Sponsored by Representative ROBLAN

CHAPTER

AN ACT

Relating to population forecasting for land use planning.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) If the coordinating body under ORS 195.025 (1) has adopted, within 10 years before a city initiates an evaluation or amendment of the city's urban growth boundary, a population forecast as required by ORS 195.036 that no longer provides a 20-year forecast for an urban area, a city may propose a revised 20-year forecast for its urban area by extending the coordinating body's current urban area forecast to a 20-year period using the same growth trend for the urban area assumed in the coordinating body's current adopted forecast.

(2) If the coordinating body has not adopted a forecast as required by ORS 195.036 or if the current forecast was adopted more than 10 years before the city initiates an evaluation or amendment of the city's urban growth boundary, a city may propose a 20-year forecast for its urban area by:

(a) Basing the proposed forecast on the population forecast prepared by the Office of Economic Analysis for the county for a 20-year period that commences when the city initiates the evaluation or amendment of the city's urban growth boundary; and

(b) Assuming that the urban area's share for the forecasted county population determined in paragraph (a) of this subsection will be the same as the urban area's current share of the county population based on the most recent certified population estimates from Portland State University and the most recent data for the urban area published by the United States Census Bureau.

(3)(a) If the coordinating body does not take action on the city's proposed forecast for the urban area under subsection (1) or (2) of this section within six months after the city's written request for adoption of the forecast, the city may adopt the extended forecast if:

(A) The city provides notice to the other local governments in the county; and

(B) The city includes the adopted forecast in the comprehensive plan, or a document included in the plan by reference, in compliance with the applicable requirements of ORS 197.610 to 197.650.

(b) If the extended forecast is adopted under paragraph (a) of this subsection consistent with the requirements of subsection (1) or (2) of this section:

(A) The forecast is deemed to satisfy the requirements of a statewide land use planning goal relating to urbanization to establish a coordinated 20-year population forecast for the urban area; and

(B) The city may rely on the population forecast as an appropriate basis upon which the city and county may conduct the evaluation or amendment of the city's urban growth boundary.

(4) The process for establishing a population forecast provided in this section is in addition to and not in lieu of a process established by goal and rule of the Land Conservation and Development Commission.

Passed by House May 8, 2007

.....
Chief Clerk of House

.....
Speaker of House

Passed by Senate May 24, 2007

.....
President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

.....
Secretary of State