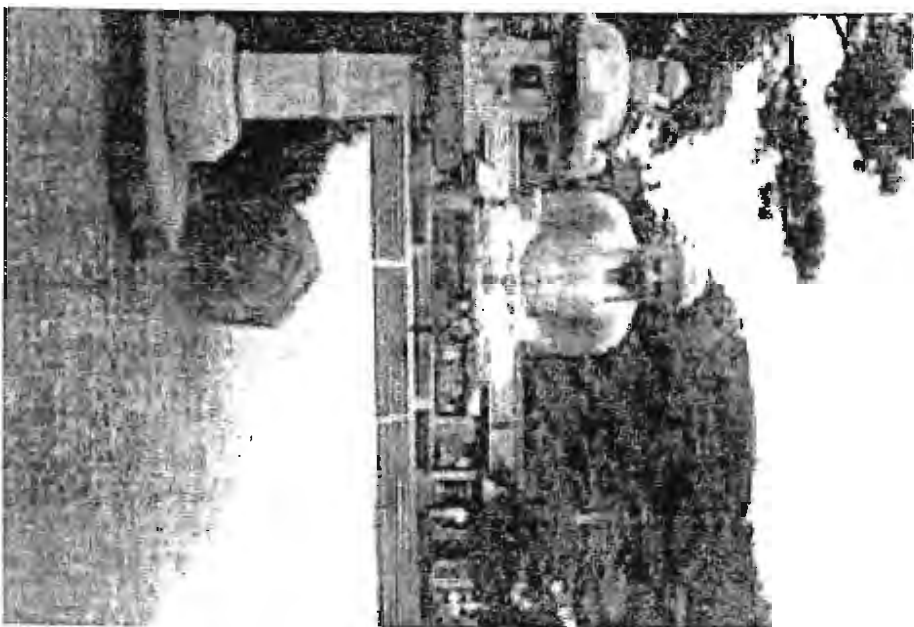


# Acknowledgment is The End



# Acknowledgments

Slides from:

- Portland Japanese Garden  
[www.japanesegarden.com/](http://www.japanesegarden.com/)
- Japanese Friendship Garden (San Diego)  
<http://www.niwa.org/>
- City of Cottage Grove  
<http://cottagegrove.org/>
- *Specht Development Corporation*  
[www.spechtprop.com/](http://www.spechtprop.com/)



ORDINANCE NO. 3003  
AN ORDINANCE EXPANDING THE URBAN GROWTH BOUNDARY  
AND AMENDING THE COTTAGE GROVE  
COMPREHENSIVE PLAN LAND USE DIAGRAM MAP  
FOR EMPLOYMENT LANDS

Section 1. Purpose. The purpose of this ordinance is to expand the Urban Growth Boundary (UGB) and amend the Cottage Grove Comprehensive Plan Land Use Diagram Map for employment lands as shown on Exhibit "A" attached hereto and by reference made a part hereof. The Comprehensive Plan with a UGB and a land use diagram map for Cottage Grove has been developed in accordance with statewide Planning Goals and acknowledged by the Oregon Land Conservation and Development Commission.

Section 2. Procedural Compliance. The Department of Land Conservation and Development was given forty-five day notice prior to the first hearing on September 2, 2010 pursuant to Oregon Revised Statutes. This expansion and amendment is in compliance with the procedures of Title 14 of the Municipal Code of the City of Cottage Grove with required local notification of the public hearings, after the Planning Commission held a public hearing and made a recommendation to Council, and after City Council held a Public Hearing on the expansion of the UGB and Comprehensive Plan Map Amendment.

Section 3. Findings. The City Council determined that the Expansion of the UGB and Comprehensive Plan Map Amendment is the proper implementation of the Statewide Goals; that the amended plan adequately addresses the land needs of the community; is in the public interest; and serves the health, safety, and welfare of the citizens of the City of Cottage Grove. City Council adopts the findings attached as Exhibit "B" attached hereto and forming a part of this ordinance.

Section 4. Amendment. The UGB is expanded and the City Comprehensive Plan for Cottage Grove is hereby amended as shown on Exhibit "A" attached hereto and by reference made a part hereof.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS  
14th DAY OF February, 2011.

  
Richard Meyers, City Manager

  
Heather Murphy, Council President

Dated: Feb. 14, 2011

Dated: February 14, 2011

**EXHIBIT A to ORD. 3003**  
**Proposed Comprehensive Map Changes**  
**Cottage Grove Urban Growth Boundary Expansion**  
**Including Rights-of-Way (see legal description below)**

**RCP P Parks to CG P Parks & Open Space**

<u>Map</u>	<u>Tax Lot</u>	<u>Acreage</u>
21-03-05	201	14.07
21-03-05	203	0.7
		<b>14.77 total</b>

**RCP I Industrial to CG I Industrial**

<u>Map</u>	<u>Tax Lot</u>	<u>Acreage</u>
21-03-05	103	0.66
21-03-05	105	1.96
21-03-05	106	0.59
21-03-05	107	1.43
21-03-05	1301	5.67
21-03-05	1500	5.5
21-03-05	1502	1.66
21-03-05	1503	2.8
21-03-05	1504	1.97
21-03-05	1505	1.99
21-03-05	1600	4.26
21-03-05	1701	165.13
21-03-05	1702	0.54
21-03-05-10	901	0.88
21-03-05-10	903	0.03
21-03-05-10	2300	0.76
		<b>195.83 total</b>

**RCP R Residential to CG L Low Density Residential**

<u>Map</u>	<u>Tax Lot</u>	<u>Acreage</u>
21-03-05-10	502	2.43
21-03-05-10	500	0.05
21-03-05-10	700	0.89
21-03-05-10	800	0.58
21-03-05-10	902	0.87
21-03-05-10	903	0.02
21-03-04-21	200	0.69
21-03-04-21	600	0.58
21-03-04-21	700	1.59

21-03-04-21	900	0.18
21-03-04-21	1200	0.35
21-03-04-21	1300	0.25
21-03-04-21	1400	0.21
21-03-04-21	1500	0.42
21-03-04-21	1600	0.3
21-03-04-21	1700	0.24
21-03-04-21	1800	0.64
21-03-04-21	1900	0.51
21-03-04-21	2000	0.32
21-03-04-21	2100	0.27
21-03-04-21	2200	0.08
21-03-04-21	2300	0.72
21-03-04-21	2400	0.39
21-03-04-21	2500	0.36
21-03-05-10	600	0.75
21-03-05-10	900	0.48
		<b>14.17 total</b>

**RCP C Commercial to CG C Community Commercial**

<u>Map</u>	<u>Tax Lot</u>	<u>Acreage</u>
21-03-04-21	800	0.24
21-03-05-10	200	0.69
		<b>0.93 total</b>

**RCP R Residential to CG C Community Commercial**

<u>Map</u>	<u>Tax Lot</u>	<u>Acreage</u>
21-03-04-24	100	7.06
21-03-04-24	300	0.32
21-03-04-24	400	3.7
21-03-04-24	500	0.11
21-03-04-24	600	0.38
21-03-04-24	700	0.34
21-03-04-24	800	0.27
21-03-04-24	900	0.86
21-03-04-24	1000	0.3
21-03-04-24	1100	0.29
21-03-04-24	1200	0.4
21-03-04-24	1300	0.68
21-03-04-21	1000	0.4
21-03-04-21	2600	0.3
		<b>15.41 total</b>

**LEGAL DESCRIPTION FOR  
PROPOSED URBAN GROWTH BOUNDARY EXPANSION  
(SECTION 32, T. 20 S., R 3 W., W.M. &  
SECTIONS 5 & 8, T. 21 S., R. 3 W., W.M.)**

Beginning at a point on the Westerly right of way line of the Goshen-Divide Highway, said point being North 61° 00' 00" West 787.80 feet more or less from the Northeast corner of the James Chapin Donation Land Claim No. 40, in Section 5, Township 21 South, Range 3 West of the Willamette Meridian; thence along the westerly right of way of said highway South 29° 18' 43" East 351.36 feet more or less to a point, said point being an iron rod set in Survey No. 39381 of Lane County Surveyor's records; then leaving said right of way North 89° 59' 35" West 1143.67 feet to a point, said point being 4.28 feet north of the Northwest corner of Parcel 1 in Land Partition Plat Number 2009-P2368, Lane County Surveyor's records; thence South 00° 00' 00" East 201.80 feet more or less to the Southwest corner of said Parcel 1, said corner is the Northwest corner of Parcel 1 in Land Partition Plat Number 94-P0496, Lane County Surveyor's Records; thence along the west property line of Parcel 1 of said Partition Plat 94-P0496 South 32° 40' 24" West 953.04 feet to the Southwest corner of said Parcel; thence along the South property line of said parcel North 00° 00' 00" East 820.10 feet to the Southeast corner of said Parcel; thence continuing N 00° 00' 00" East 10.20 feet to a point; thence parallel to the Westerly right of way line of the Goshen-Divide Highway South 28° 37' West 345.4 feet more or less to the Southwest corner of Parcel 1 as described in Deed 2004-09305, Lane County Deeds and Records; thence along the south property line of said parcel South 61° 23' East 245.00 feet more or less to the Westerly right of way of the Goshen Divide Highway; thence along said Westerly right of way South 28° 37' West 1700 feet more or less to a point, said point being the intersection point of the Westerly right of way line of the Goshen-Divide Highway and Northerly right of way line of Dugan Lane; thence along the Northerly right of way line of Dugan Lane the following courses:

North 86° 30' West 495 feet;  
thence South 44° 30' West 330 feet;  
thence South 42° West 211.86 feet;  
thence North 84° 30' West 321 feet more or less to a point on the West line of said            Chapin  
Donation Land Claim No. 40;

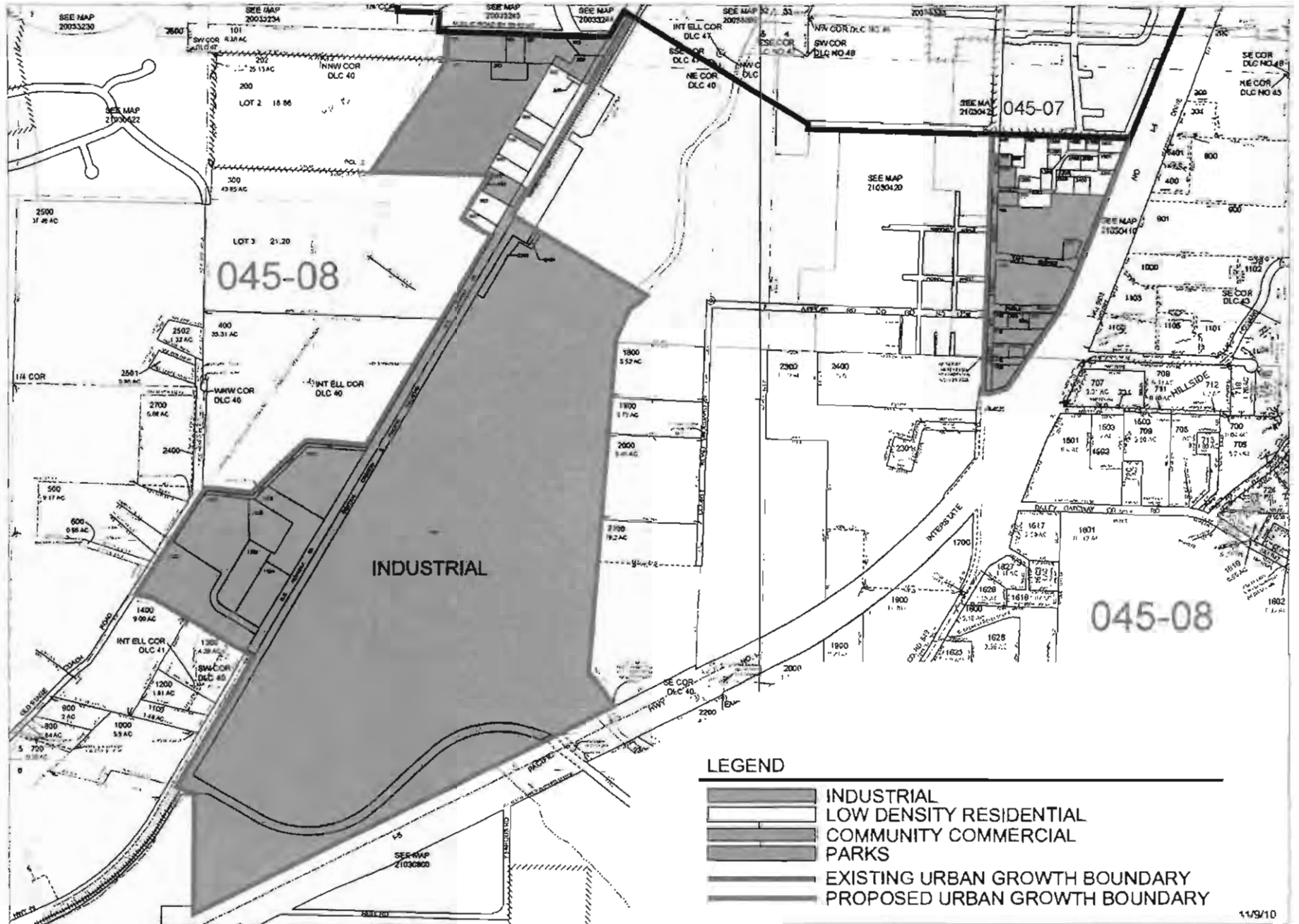
thence South 79° 14' 46" West 58.44 feet more or less to an 5/8 inch iron rod as documented in Lane County Survey File No. 18699, said iron rod is on the Westerly right of way line of Dugan Lane; thence continuing on said Westerly right of way Southwesterly 843 feet more or less to a point, said point being South 78° 33' 00" East 43.75 feet more or less from the westernmost Southwest corner of adjusted tract 4 as shown on Lane County Survey File No. 34656; thence South 78° 33' 00" East 162.46 feet to an iron rod, said iron rod is on the South property line of said tract 4; thence continuing on the said south property line South 61° 10' 00" East 760.13 feet to the Southeasterly corner of said tract 4; said corner is an iron rod and is a point on the Westerly right of way of said Goshen Divide Highway; thence continuing along said westerly right of way South 28° 50' East 1,065 more or less to the Southeast corner of that tract of land conveyed to Bruce E. and Arlene B. Taddei as recorded in document No. 2002-052457, Lane County Deeds and Records; thence leaving said Westerly right of way Southeasterly 180 feet more or less to a point intersection of in the Southerly right of way line of Latham Road (County Road No. 58) and the Easterly right of way of vacated Kosey Road (County Road No. 1266) (Order No. 01-11-28-9); thence South 01° 32' 30" West 876.6 feet to a point, said point beings on the Northerly right of way line of Pacific Highway No. I-5; thence following the said Northerly right of way North 63° 42' 30" East 3,288.2 feet to a point; thence leaving the said Northerly right of way North 32° 01' West 138.10 feet to a point; thence North 38° 59' West 151.3 feet to a point; thence N 04° 40' 30" East 2,351.6 feet to a point; thence North 22° 35' 30" East 230.4 feet to a point; thence North 48° 38' East 155.1 feet to a point; thence North 59° 18' West 859.5 feet to a point; thence South 30° 23' 30" West 134.0 feet to a point; thence North 59° 27' 30" West 103.1 feet to a point; thence South 30° 32' 30" West 30.0 feet to a point; thence South 38° 53' 30" West 116.5 feet to a point; thence South 30° 32' 30" West 334.5 feet to a point; thence North 59°

27° 30" West 50.0 feet to a point, said point being on the Easterly right of way line of Central Oregon & Pacific Railroad; thence following the said easterly right of way North 27° 45' West 2,245 feet more or less to a point; said point being the intersection point of the said Easterly right of way and a line bearing North 61° 00' 00" West from the Northeast corner of the James Chapin Donation Land Claim No. 40, in Section 5, Township 21 South, Range 3 West of the Willamette Meridian; thence North 61° 00' 00" West 120 feet more or less to the Point of Beginning, in Lane County, Oregon.







**LEGAL DESCRIPTION FOR  
PROPOSED URBAN GROWTH BOUNDARY EXPANSION  
(SECTION 4, T. 21 S., R. 3 W., W.M.)**

All properties, including public right of ways, bounded by the following:

On the North by the South property line of Sunset Park Subdivision as recorded and platted in Lane County Surveyor File No. 38988 and the westerly extension thereof; on the East and South by the Westerly right of way line of Pacific Highway No. I-5 and the southwesterly extension thereof across South 6th Street; and on the West by the Westerly right of way line of South 6th Street (Lane County Road No. 538).



**LEGEND**

-  INDUSTRIAL
-  LOW DENSITY RESIDENTIAL
-  COMMUNITY COMMERCIAL
-  PARKS
-  EXISTING URBAN GROWTH BOUNDARY
-  PROPOSED URBAN GROWTH BOUNDARY



COTTAGE GROVE CITY COUNCIL  
REGULAR MEETING MINUTES  
January 24, 2011

**CALL TO ORDER**

Mayor Gary Williams called the meeting to order at 7:30 in the Council Chambers at City Hall.

**ROLL CALL/PLEDGE OF ALLEGIANCE**

City Recorder Truly Borrevik called the roll. The following were

**PRESENT:** Mayor Gary Williams, City Councilors Mike Fleck, Jeff Gowing, Jake Boone, Heather Murphy, Garland Burback and Victoria Doyle

**YOUTH REPRESENTATIVE:** Dallas Murphy

**STAFF PRESENT:** City Manager Richard Meyers, Howard Schesser Community Development Director, Mike Grover Police Chief, Pete Barrell Community Services Director, Finance Director Bert McClintock, Ron Bradsby City Engineer and City Planner Amanda Ferguson.

**CITY ATTORNEY:** Sean Kelly

**OTHERS PRESENT:** Cameron Reiten - KNND Radio, Greg Winterowd - Winterbrook Planning

**ITEMS TO BE ADDED TO THE AGENDA**

None

**PRESENTATIONS**

Mayor Williams read a proclamation proclaiming February 2011 as Kiwanis Children's Cancer Cure Month and presented the proclamation to representatives of the Cottage Grove Kiwanis Clubs.

City Attorney, Sean Kelly, read Ordinance No. 3002 once by title only.

**IT WAS MOVED BY COUNCILOR MURPHY AND SECONDED BY COUNCILOR FLECK THAT ORDINANCE NO. 3002 BE ADOPTED.**

The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowling	Councilor Boone	Councilor Murphy	Councilor Burback	Councilor Doyle	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(c) First Reading for Ordinance Expanding the Urban Growth Boundary and Amending City Comprehensive Plan, Land Use Diagram Map (MCPA -3-10) for Employment Lands

Community Development Director, Howard Schesser, said Council held the public hearing tonight and read the minutes from both the City and County Planning Commissions and staff was recommending that the ordinance be introduced, read once by title only and following discussion be brought before the Council at the next meeting for a second reading and consideration for adoption.

Councilor Fleck said he thought it was a convoluted process. He said the City had adopted a business park overlay zone last year in apprehension and now weren't going to implement it but after reading through the material he understood why.

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 3003 BE INTRODUCED, READ ONCE BY TITLE ONLY AND FOLLOWING DISCUSSION BE BROUGHT BEFORE THE COUNCIL AT THE NEXT MEETING FOR A SECOND READING AND CONSIDERATION FOR ADOPTION.**

The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowling	Councilor Boone	Councilor Murphy	Councilor Burback	Councilor Doyle	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

City Attorney, Sean Kelly, read Ordinance No. 3003 once by title only.

**PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

None.

**CONSENT AGENDA**

- (a) Minutes of the December 6, 2010 Council Work Session
- (b) Minutes of the January 7, 2011 Agenda Session
- (c) Minutes of the January 11, 2011 Regular City Council Meeting

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR MURPHY TO APPROVE THE CONSENT AGENDA.**

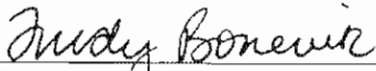
The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowling	Councilor Boone	Councilor Murphy	Councilor Burback	Councilor Doyle	Mayor Williams
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

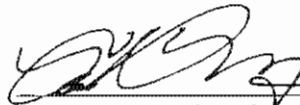
**ADJOURNMENT**

There being no further business, Mayor Williams adjourned the regular meeting of the City Council at 9:27 p.m.

The next regular City Council Meeting will be held February 14, 2011 at 7:30 p.m. in the Council Chambers at City Hall.



Trudy Borrevik, City Recorder



Heather Murphy, Council President

COTTAGE GROVE CITY COUNCIL  
REGULAR MEETING MINUTES  
February 14, 2011

**CALL TO ORDER**

Council President Heather Murphy called the meeting to order at 7:30 in the Council Chambers at City Hall.

**ROLL CALL/PLEDGE OF ALLEGIANCE**

City Recorder Trudy Borrevik called the roll. The following were

**PRESENT:** City Councilors Mike Fleck, Jeff Gowing, Jake Boone, Heather Murphy, Garland Burback and Victoria Doyle

**ABSENT:** Mayor Gary Williams

**YOUTH**

**REPRESENTATIVE:** Ethan Boone

**STAFF PRESENT:** City Manager Richard Meyers, Howard Schesser Community Development Director, Mike Grover Police Chief, Pete Barrell Community Services Director, Finance Director Bert McClintock, Jan Wellman Public Works Director and Ron Bradsby City Engineer.

**CITY ATTORNEY:** Sean Kelly

**OTHERS PRESENT:** Cameron Reiten - KNND Radio

**ITEMS TO BE ADDED TO THE AGENDA**

None

**PUBLIC HEARINGS**

None

**PUBLIC COMMENT ON AGENDA ITEMS**

Kendall Clifton, 2487 S. 8<sup>th</sup> Street, spoke regarding Item 7(b) on the proposed four way stop at Wilson and South 8<sup>th</sup> Streets. He said he lived at the cross road south of the intersection and was in favor of having four way stop signs installed.

**RESOLUTIONS AND ORDINANCES**

- (a) Second Reading of Ordinance No. 3003 Expanding the Urban Growth Boundary and Amending City Comprehensive Plan, Land Use Diagram Map (MCPA -3-10) for Employment Lands

Community Development Director, Howard Schesser, said the legal description had been completed which would be included with the ordinance. He provided Council with a Memorandum outlining an amendment to the ordinance. He said staff recommended that Ordinance No. 3003 be adopted with the one amendment.

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 3003 BE READ ONCE IN TITLE ONLY AND PLACED ON ITS FINAL PASSAGE.**

The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowling	Councilor Boone	Councilor Murphy	Councilor Burback	Councilor Doyle	Mayor Williams
AYES	X	X	X	X	X	X	
NAYS							
ABSTAIN							

City Attorney, Sean Kelly, read Ordinance No. 3003 once by title only.

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR GOWING THAT ORDINANCE NO. 3003 BE ADOPTED.**

The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowling	Councilor Boone	Councilor Murphy	Councilor Burback	Councilor Doyle	Mayor Williams
AYES	X	X	X	X	X	X	
NAYS							
ABSTAIN							

Swimmers Association for masters swimming, of which they have several members and more signing up. He appreciated the past support the Council had provided in the pool and understood there was a long way to go. He thanked Council for their support.

Councilor Burback said it was important that the City or School District helped to find money to keep the pool funded. It was going to be an uphill battle but he felt it was important.

**CONSENT AGENDA**

- (a) Minutes of the January 21, 2011 Council Agenda Session
- (b) Minutes of the January 24, 2011 Work Session
- (c) Minutes of the January 24, 2011 Regular City Council Meeting

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR GOWING TO APPROVE THE CONSENT AGENDA.**

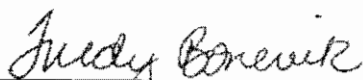
The vote on the motion was as follows:

VOTE	Councilor Fleck	Council Gowing	Councilor Boone	Councilor Murphy	Councilor Burback	Councilor Doyle	Mayor Williams
AYES	X	X	X	X	X	X	
NAYS							
ABSTAIN							

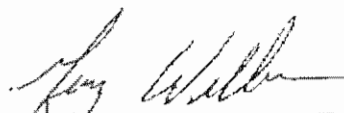
**ADJOURNMENT**

There being no further business, Council President Murphy adjourned the regular meeting of the City Council at 8:58 p.m.

The next regular City Council Meeting will be held February 28, 2011 at 7:30 p.m. in the Council Chambers at City Hall.



Trudy Borrewik, City Recorder



Gary Williams, Mayor

## **APPENDIX 5:**

**Engineering Comments for Public Facilities  
on UGB Expansion, January 20, 2011**

## MEMO

To: Amanda Ferguson, City Planner

From: Ron Bradsby, City Engineer

Subject: **ENGINEERING COMMENTS FOR PUBLIC FACILITIES ON UGB EXPANSION**

Date: January 20, 2011

The following comments are based on questions asked by Jesse Winterowd of Winterbrook Planning in electronic mail to Amanda Ferguson, City Planner, dated September 2, 2010, and a second request for additional information, on November 10, 2010.

### 1. Does the existing system adequately serve the existing UGB?

#### Water System

Recently the City's Row River Water Treatment Plant was upgraded to 4 million gallons per day capacity, with the ability to expand to 6 million gallons per day with the purchase of a bank of filter treatment cylinders. Therefore the City serves the existing UGB quite well.

The 1998 water master plan listed 28 improvements to the existing system and 9 future systems improvements, which includes upsizing of lines, adding 3 more reservoirs and extending water mains. The City has completed 11 of the existing system improvements and 2 of the future system improvements to date.

#### Sanitary Sewer System

In 2006, the City of Cottage Grove completed a 9 million dollar upgrade to its Wastewater Treatment Plant. The design year for this upgrade was 2025; therefore, from a treatment point of view, the existing UGB is adequately served.

The 2007 Wastewater Master Plan identified 3 projects that have hydraulically deficient pipes under current conditions and can expect 2 more projects of this type as the City nears build out conditions. These two projects are located on South 6<sup>th</sup> Street between Harrison and Taylor Avenues and Grover Avenue between North 8<sup>th</sup> and North 10<sup>th</sup> Streets. The plan also states the City needs to provide yearly maintenance projects such as reducing inflow and infiltration and replacing 6-inch mains, etc.

With regular scheduled cleaning and flushing, the existing system does adequately serve the UGB.



### Storm Drainage System

The 2007 Storm Drainage Master Plan identified 24 projects within the existing system in which existing pipes need to be upsized. These projects have been given a priority score. Only two future projects were noted for the system to adequately serve the area within the existing City limits.

- 2. How will we serve the proposed expansion? Are there any major issues (i.e. reservoir, pump stations, rebuilding entire lines due to sizing, etc)?**

### Water System

With water treatment plant expansion mentioned above, the City will have the ability produce enough water for this UGB expansion.

The major issue will be installing a major distribution line around the exterior of the addition. Currently, the City has a 16-inch water distribution line along Highway 99 to the Weyerhaeuser property. So the distribution line will need to continue from this location to Latham Road to London Road/South 6<sup>th</sup> Street to the intersection of South 6<sup>th</sup> Street to Cleveland Avenue. There may be some lines within the existing system to ensure fire flows can be obtain within the proposed expansion.

### Sanitary Sewer System

The proposed UGB expansion was evaluated in the 2007 Sanitary Sewer Master Plan and as mentioned above only two projects were identified as being hydraulic deficient.

In looking at the topography of the expansion and where the existing sanitary sewer infrastructure exists, the lower lying areas on each side of the Coast Fork will need at least one pump station on each side.

Development will need to expand the system to their southern boundaries as per city policy.

### Storm Drainage System

The area east side of the Coast Fork of the Willamette River can be served by the outfall on Cleveland Avenue. This area can also be served by constructing a new outfall along the Coast Fork.

The area west of the Coast Fork can be served by a new outfall on the river. Therefore, this expansion will have little or no effect on the existing system.

The major issue for this system will be permitting for the new outfall(s) from the Army Corp of Engineers and the Oregon Department of State Lands.

**3. Provide a map showing improvements needed to adequately serve the proposed expansion UGB?**

Attached is the map. The map is not plotted to a scale. The color Cyan represents water and the color Magenta represents sanitary sewer. Solid lines represent existing infrastructure and dashed lines represent the proposed improvements to serve the proposed expansion.

**4. Provide construction costs estimates for the projects needed to adequately serve the proposed UGB expansion.**

*South 6th Street Area*

Water System

South 6th Street (Cleveland Avenue South)

- Extend 1,713 feet of 12-inch water line with appurtenances - **\$330,200.00**

The 1998 Water Master Plan shows the fire flows are marginal for commercial designation. To correct this situation, the City would need to upsize 3,397 feet of 8-inch pipe to 12-inch pipe. The cost estimate for that project is - **\$ 910,500.00**

Sanitary Sewer System

South 6th Street (Cleveland Avenue South)

- Extend 1,790 feet of 8-inch sewer line with appurtenances - **\$199,500.00**

*Highway 99 Area*

Water System

Highway 99 (Emerson Avenue South)

- Extend 1,777 feet of 16-inch water line and install 2,882 of 12-inch water line with appurtenances - **\$1,592,800.00**

Sanitary Sewer System

Highway 99 (Weyerhaeuser North property line South)

- Extend 4,536 feet of 24-inch sewer line with appurtenances - **\$1,011,300.00**

5. How would we serve the 6<sup>th</sup> Street resource site? What is the difference between extending services here and extending services down to Highway 99 resource site? Also provide estimates to serve the respective sites.

Assumptions: 1. Extending utilities to the farthest property line as per City policy.  
2. Extending services into the site was not considered. However if a special design criteria is needed to fully develop the site, it is mentioned below.

#### 6<sup>th</sup> Street Resource site

##### Water

- The existing water system infrastructure stops at the intersection of South 6<sup>th</sup> Street and Cleveland Avenue. A 12-inch water main would need to be extended an additional 500 feet, which costs approximately \$96,400.00.

##### Sanitary Sewer

- The existing sanitary system infrastructure stops at the intersection of South 6<sup>th</sup> Street and Cleveland Avenue. A 8-inch sanitary sewer main would need to be extended an additional 450 feet, which costs approximately \$50,200.00.

##### Storm Drainage

- Would need to be designed for the site. There is a wetland running through or near the site so some type of drainage swale system could be used in this instance.

##### Special Design Criteria of Site

- Site slopes away from South 6th Street. Therefore storm drainage runoff would need to be directed into the wetlands/ creek running through the site. Also need to consider the effects downstream of the additional runoff because this creek goes through private property.
- With site sloping away from South 6th Street, a pumping station would need to be designed to actually serve the site or an alternative route for sanitary sewer needs to be explored. By looking at topography map, a possible alternative route would be extending the sanitary sewer approximately 1 mile along the Coast Fork of the Willamette River.

#### Highway 99 Resource site

##### Water

- A 16-inch water main exists on the east side of the Highway 99 and railroad tracks. To get service to the site, a water main or water service would need to be bored west approximately 120 feet under the railroad tracks and Highway 99. A 12-inch water main would need to be extended an additional 1,060 feet, which costs approximately \$ 234,900.00

#### Sanitary Sewer

- No extension of the sanitary sewer is needed because in order to serve the area south of this site the sanitary sewer main would be installed along its entire frontage.

#### Storm Drainage

- Would need to be designed for the site. Road way ditches exist next to Highway 99, so some type of retention system could be designed to satisfy ODOT standards.

#### Special Design Criteria of Site

- Site slopes toward Highway 99 and the drainage swale at the northeast corner of the property. Storm water treatment issues need to be explored. Also need to consider the effects downstream of the additional runoff; however I believe there is less impact from this site than the South 6th site.

## **APPENDIX 6:**

*Cottage Grove Economic Opportunities Analysis, 2009*



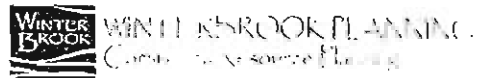
# CITY OF COTTAGE GROVE Economic Opportunities Analysis



JUNE 2009



*Prepared by:*



**ECONorthwest**  
Economics • Finance • Planning

City of Cottage Grove

# **Economic Opportunities Analysis**

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Winterbrook Planning with ECONorthwest

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Final Report – June 25, 2009

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## APPENDICES

- *Appendix A: Recommended Comprehensive Plan Policy Amendments* incorporates the policy recommendations of the EOA as part of the *Cottage Grove Comprehensive Plan*.
- *Appendix B: Recommended Development Code Amendments* includes draft code amendments necessary to implement economic development policy amendments and the recommendations of the EOA.
- *Appendix C: Public and Agency Involvement* includes information regarding the public and agency participation process in the development of the EOA.

## EXECUTIVE SUMMARY

Cottage Grove's *2037 Vision and Action Plan* emphasizes investment in a "diverse and sustainable economy" and includes several "strategies":

- Establish Cottage Grove as the seat and gateway for a South Lane County recreation and tourism destination;
- Recruit a complementary range of small, medium and large businesses in a variety of sectors;
- Grow a local workforce to accommodate new employment sectors; and
- Maintain and upgrade critical infrastructure to accommodate demand.

To support these strategies, the 2009 *Cottage Grove Economic Opportunities Analysis* (EOA) assesses the City's comparative economic advantages in a regional context; identifies commercial and industrial employment opportunities, describes site requirements for targeted types of employment; and determines whether the existing UGB has enough, and the right kinds of, employment sites to meet the City's economic development objectives.

### COMPARATIVE ADVANTAGES

Our research, and insights from the Citizens Advisory Committee (CAC), identified several distinct comparative advantages that are likely to attract a wide range of potential employment to Cottage Grove. These advantages include small town charm, a stable and supportive governmental structure, relatively affordable housing prices, a strong school system, new medical facilities, and enhanced public facilities. Cottage Grove also has a number of community attractions, including the Cottage Grove Speedway, the Cottage Theatre, a National Historic District, the Cottage Grove Rodeo, and two community golf courses.

In addition to serving as a market center and destination for the surrounding rural residents and smaller communities, Cottage Grove is proximate to the Eugene-Springfield markets, and is well served by rail, transit and the Interstate 5 / Highway 99 corridor. In short, Cottage Grove is in an excellent position to attract families, individuals, and businesses that are looking for small town quality of life, with good transportation access, in the context of a larger urban setting.

As noted below, Cottage Grove's biggest competitive *disadvantages* are the lack of (a) suitable and serviced employment sites for basic and service-oriented employment within the existing UGB, and (b) a fully trained workforce.

### EMPLOYMENT AND LAND NEEDS PROJECTIONS

ECONorthwest projects that employment in Cottage Grove will increase at an average of 1.4% per year – from 4,423 employees in 2006 to 6,075 employees in 2029. This means 1,652 new jobs – a 37% increase during the 20-year planning period.<sup>1</sup> Cottage Grove

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<sup>1</sup> The City's population is expected to grow at a similar rate, with a projected population of 12,500 by 2025 and 13,400 in 2030. According to LCOG's 2005 Population Forecast (included in the *Cottage Grove Buildable Lands Analysis Update* that was adopted by the City Council as part of the *Cottage Grove Comprehensive Plan* in 2005), population in Cottage Grove is expected to increase at an average annual rate of 1.37%. Lane County is currently reviewing this and other small city projections in response to a proposed plan amendment application from Lane County cities, and through a contract with Portland

currently has a jobs-to-population ratio of 1:2.1, or 1 job for every 2.1 people. This is low compared with Springfield (1:1.7) and the state as a whole (1:1.6). From a policy perspective, the City should allocate sufficient employment sites to redress this imbalance, and thereby reduce vehicle miles travelled as a result of commuting.

Most of Cottage Grove's future jobs will be in the retail and service sectors (85%), with a relatively small proportion of jobs in the industrial sector (15%). A key focus in this study is to identify the types of basic or "traded sector" employment the City can reasonably expect to attract, and provide suitable sites for such potential employment. Embracing the "Greening the Grove" challenge, several CAC members recommended pursuing "alternative/renewable energy production" as a key target industry.

The Lane Council of Governments, ECONorthwest and economic development experts on the CAC have identified the following targeted industries and other employment opportunities:

**1. Target Basic Industries:**

1. outdoor recreational products,
2. alternative/renewable energy production,
3. medical supplies manufacturing,
4. specialty food production,
5. secondary wood products,
6. nursery and greenhouse products, high technology manufacturing and services,
7. warehouse and distribution centers,
8. call/technical support centers, and
9. plastics.

**2. Targeted Commercial Retail, Service and Other Employment:**

1. health care and social assistance,
2. government, professional and business services,
3. leisure and hospitality,
4. general and specialty retail trade.

## **SITE REQUIREMENTS**

Generally, the targeted industries identified above require sites with characteristics similar to those found in the existing Cottage Grove Industrial Park.

- Relatively flat, serviced (or serviceable) sites, without environmental constraints (floodplain, wetlands and steep slopes);
- Direct access to Highway 99 and Interstate 5;

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State University's Center for Population Research. Cottage Grove's requested Year 2030 population forecast is 13,400. The *draft* 2030 projection provided by Portland State University is 12,856. However, this difference in projected population is not directly related to the economic projections found in this document.

- Clustered near existing employment centers, so that truck and automobile traffic will not be directed through established residential neighborhoods.

Targeted commercial and other employment firms typically require sites with characteristics that are similar to those of targeted basic industrial employment.

Tourist commercial (leisure and hospitality) uses typically require direct access to I-5, but may also locate in the Downtown Historic District. Targeted health care, social assistance uses, government, professional and business service uses can locate in the Downtown Historic District, in redeveloped commercial areas along Highway 99, in new commercial centers, or in Business Parks.

To accommodate this wide range of targeted employment, ECONorthwest has determined that Cottage Grove needs a wide range of suitable employment sites over the next 20 years. An estimated 111 to 176 suitable and serviceable sites will be required, ranging in size from less than an acre to more than 20 acres. Overall ECO estimates that approximately 170 net suitable and serviceable employment acres (after accounting for streets and topographically constrained areas) will be needed within the Cottage Grove UGB over the 20-year planning period.

### SUITABLE SITES INVENTORY

Over the last several months, Winterbrook has worked with City Planning and Lane County GIS staff to update the commercial and industrial land inventory – comparing existing vacant and potentially redevelopable land within with specific site suitability criteria. Based on the 2005 Satre Buildable Lands Analysis, more recent inventory work completed by City and County GIS staff, and analysis by Winterbrook, it appears that Cottage Grove’s UGB has slightly over half of the needed acreage (approximately 100 net suitable acres), after accounting for infill and redevelopment potential on existing commercially- and industrially-designated land.

*Cottage Grove's biggest challenge in the years to come will be providing an adequate industrial and commercial land supply to ensure that local economic development keeps pace with the community's growing residential population*

However, three-quarters of the available employment acreage is contained in sites under 5 acres in size. The City has only one suitable site of 10 or more acres. The City clearly lacks suitable sites in the larger size categories. Thus, Cottage Grove’s most apparent competitive disadvantage is the lack of suitable mixed employment and industrial sites within the existing UGB. Although many of the projected retail and service jobs can be accommodated on land that is designated for commercial or industrial use within the existing UGB, it appears likely that a UGB amendment will be necessary to meet long-term basic and service employment needs in Cottage Grove.

Winterbrook estimates that Cottage Grove will need approximately 100 acres of suitable 5-acre or larger sites with direct access to Highway 99 (and Interstate 5) to accommodate:

- A new industrial park similar to the Cottage Grove Industrial Park to provide a range of site sizes for basic industrial employment;
- A new business park to provide a range of site sizes for service, support commercial and light industrial employment in a master-planned environment;
- a community retail and service commercial center; and

- targeted individual firms that require parcels of 20 acres or more.

## **NEXT STEPS**

At the November CAC meeting, the CAC reached general consensus regarding comparative advantages (and disadvantages) and targeted types of employment. The CAC also agreed that there was an apparent shortage of suitable sites within the UGB to meet targeted employment needs.

At the March 2009 CAC meeting, Winterbrook will present the first complete draft of the *Cottage Grove Economic Opportunities Analysis* (EOA). We will focus on site requirements for targeted employment, and compare these requirements with the updated inventory of the commercial and industrial land supply. This will result in, among other things, a recommendation regarding the type, location and amount of industrial, commercial and other employment land that will be needed during the 20-year planning period.

Chapter 8 of the EOA includes a draft *Economic Development Strategy* (EDS) for Cottage Grove. The EDS will serve as the basis for drafting comprehensive plan and code amendments.

At the final CAC meeting, Winterbrook will translate what we learned from our research and the community into text, policy and map amendments to the Cottage Grove Comprehensive Plan and Development Code for CAC review and comment.

## CHAPTER 1: PROJECT PURPOSE AND ORGANIZATION

This report presents an Economic Opportunities Analysis (EOA) for the City of Cottage Grove consistent with Oregon's statewide planning program. The EOA is intended to provide a factual basis for:

- Developing a local economic development strategy that builds upon Cottage Grove's comparative economic advantages while addressing its disadvantages;
- Identifying the types of employment that can reasonably be attracted to the community, as well as the site requirements of "targeted" types of employment;
- Reviewing the City's existing supply of commercial, industrial and other employment lands; and
- Amending the Comprehensive Plan and Development Code to ensure that the City has allocated and protected a range of serviced and suitable employment sites within the Cottage Grove Urban Growth Boundary (UGB).

### FRAMEWORK FOR ECONOMIC DEVELOPMENT PLANNING IN OREGON

This report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The Land Conservation and Development Commission adopted amendments to this administrative rule in December 2005.<sup>2</sup> The analysis in this report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Goal 9 Rule requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Cottage Grove has *already* assessed community economic development potential in its *2037 Vision and Action Plan*, as encouraged by this section of the administrative rule.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cottage Grove is required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area and to consider efficient land use and potential redevelopment.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cottage Grove, in coordination with Lane County, must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility

<sup>2</sup> The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, is available from the Oregon Department of Land Conservation and Development at <http://www.oregon.gov/LCD/econdev.shtml>.

plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs. Plans for cities and counties should also designate suitable land to respond to short-term economic development opportunities as they arise.

The draft *Cottage Grove Economic Opportunities Analysis* (EOA) is the primary factual and analytical document required by Goal 9. This EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that leads to identification of needed development sites. It also includes an inventory of suitable commercial and industrial land in Cottage Grove and a comparison between long-term site requirements and the employment land supply within the existing UGB.

## ORGANIZATION OF THIS REPORT

The remainder of this report is organized as follows:

- *Chapter 2: Economic Trends and Factors Affecting Future Economic Growth in Cottage Grove* summarizes historic economic trends that affect current and future economic conditions in Cottage Grove.
- *Chapter 3: Cottage Grove's Comparative Advantages* summarizes comparative advantages and disadvantages provided by the mix of factors present in Cottage Grove.
- *Chapter 4: Cottage Grove Employment Projection and Target Industries Determination* presents the employment forecast for Cottage Grove and an estimate of land is needed to accommodate the 20-year employment forecast. It also identifies targeted industries and the types of employment that Cottage Grove is likely to attract over the 20-year planning period.
- *Chapter 5: Land Demand and Site Needs in Cottage Grove Available for Industrial and Other Employment Uses* describes the types of sites that will be needed to accommodate industries that are likely to locate or expand in Cottage Grove.
- *Chapter 6: Employment Land Inventory within the Cottage Grove UGB* summarizes the results of the "suitable sites inventory" and considers vacant, partially vacant and redevelopable land within the Cottage Grove UGB.
- *Chapter 7: Comparison of Employment Site Needs with Available Sites within the Cottage Grove UGB* evaluates the capacity of Cottage Grove's UGB to accommodate employment needs identified in Chapter 5, presents a comparison of suitable land supply and identified site needs, and discusses the implications for future planning efforts
- *Chapter 8: Economic Development Strategy* (EDS) establishes a framework for understanding the role of local governments in furthering economic development, and suggests a series of actions the community may take to enhance the likelihood of a successful economic future. The EDS sets the stage for adoption of comprehensive plan policies and amendments to the development code to carry out this strategy.

This report also includes two appendices:

- *Appendix A: Recommended Comprehensive Plan Policy Amendments* incorporates the policy recommendations of the EOA as part of the *Cottage Grove Comprehensive Plan*.



- *Appendix B: Recommended Development Code Amendments* includes draft code amendments necessary to implement economic development policy amendments and the recommendations of the EOA.

## CHAPTER 2: ECONOMIC TRENDS AND FACTORS AFFECTING ECONOMIC GROWTH IN COTTAGE GROVE

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

This chapter summarizes national, state, county, and local trends and other factors affecting economic growth in Cottage Grove. Each section in this chapter represents a key trend or economic factor that will affect Cottage Grove's economy and economic development potential. A more detailed analysis of economic trends and factors affecting Cottage Grove's future economic growth is presented in Appendices A and B.

### AVAILABILITY OF LABOR

The availability of trained workers in Cottage Grove will impact development of the City's economy over the planning period. Key trends that will affect Cottage Grove's workforce over the next 20-years include Cottage Grove's growing population, age and income composition, training and commuting trends.

#### Population Growth

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the nation's, growing faster than the national economy during growth periods and contracting more rapidly than the nation during recessions.

Table 2-1 shows population growth in Oregon, Lane County, and Cottage Grove for the 1990 to 2007 period. Lane County grew slower than the State average between 1990 and 2007, growing at 1.1% annually and adding more than 60,000 people. Less than 3% of the County's population lived in Cottage Grove in 2007, though the City grew by 1.4% annually since 1990, faster than the County, but slower than the State.

*Table 2-1. Population in Oregon, Lane County and Cottage Grove, 1990-2007*

Area	Population			Change 1990 to 2007		
	1990	2000	2007	Number	Percent	AAGR
Oregon	2,842,321	3,421,399	3,745,455	903,134	32%	1.6%
Lane County	282,912	322,959	343,140	60,228	21%	1.1%
Cottage Grove	7,402	8,445	9,345	1,943	26%	1.4%

Migration is the largest component of population growth in Oregon. Between 1990 and 2007, in-migration accounted for 70% of Oregon's population growth. Over the same period, in-migration accounted for 74% of population growth in Lane County, adding nearly 44,500 residents over the 17-year period.

#### Aging Population

The number of people age 65 and older in the U. S. is expected to double by 2050, while the number of people under age 65 will only grow by 12%. The economic effects of this demographic change include a slowing of the growth of the labor force, need for workers to replace retirees, aging of the workforce for seniors that continue working after age 65, an

increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.<sup>3</sup>

The average age of Cottage Grove residents is increasing. Table 2-2 shows the change in age distribution for Cottage Grove between 2000 and 2008. Population increased in all age groups above the age of 17. The 45-64 age group grew the most at 20% (369 people). This age group's proportion of the total population increased from 22% to 25% during this time period. The 65 and over age group grew by 6% or 88 people.

*Table 2-2. Change in age distribution, Cottage Grove, 2000-2008*

Age Group	2000		2008		Change 2000-2008		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	593	7%	591	7%	-2	0%	0%
5-17	1,717	20%	1,634	18%	-83	-5%	-2%
18-24	716	8%	796	9%	80	11%	0%
25-44	2,232	26%	2,311	26%	79	4%	-1%
45-64	1,833	22%	2,202	25%	369	20%	3%
65 and over	1,354	16%	1,442	16%	88	6%	0%
<b>Total</b>	<b>8,445</b>	<b>100%</b>	<b>8,976</b>	<b>100%</b>	<b>531</b>	<b>6%</b>	<b>0%</b>

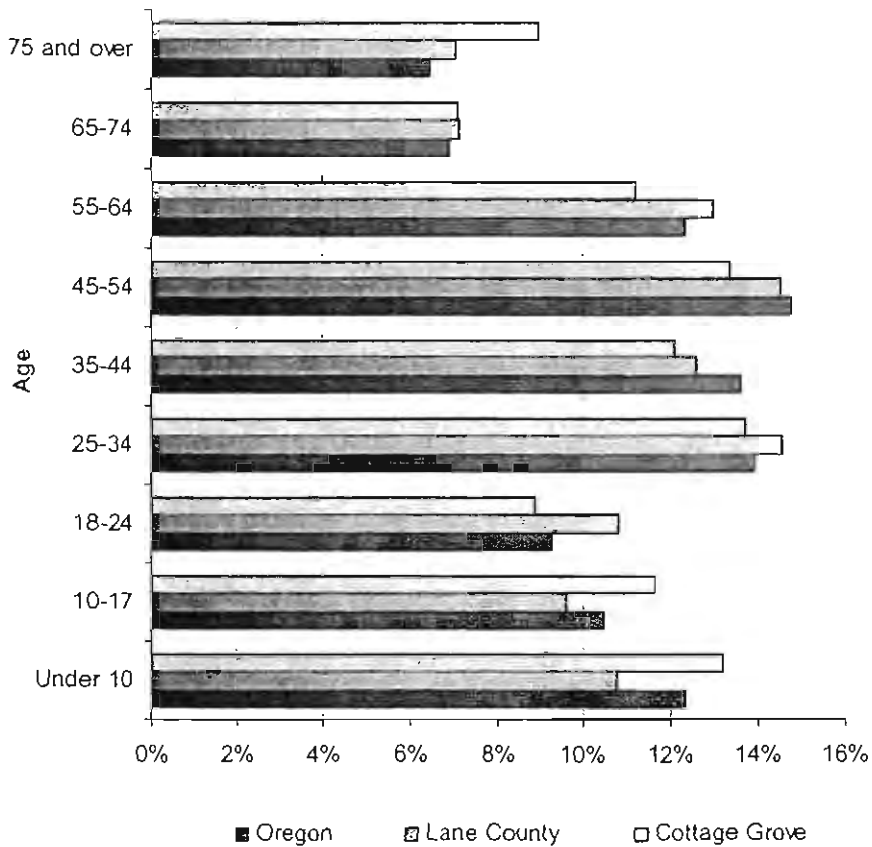
Source: U.S. Census 2000 and Claritas 2008

The age of Cottage Grove's population was similar to the County and State averages in 2008. Figure 2-1 shows the age structure for Oregon, Lane County, and Cottage Grove in 2008. Cottage Grove had a nearly equal proportion of its population above 44 years of age (41%) to Lane County (42%) and Oregon (40%). Cottage Grove had a higher percentage of people over 74 and under 10 than the County or the State.

The ethnicity of the workforce in Cottage Grove is also changing. However, Cottage Grove is less ethnically diverse than the State average. Nearly 7% of Cottage Grove's residents are of Hispanic origin, compared to the State average of 11%.

<sup>3</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008, *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 10, 2008. *The Budget and Economic Outlook: Fiscal Years 2007 to 2016*, January; and Congressional Budget Office, 2005, *The Long-Term Budget Outlook*, December.

Figure 2-1. Population by Age, Oregon, Lane County, and Cottage Grove, 2008



Source: Claritas 2008, percentages calculated by ECONorthwest.

## INCOME

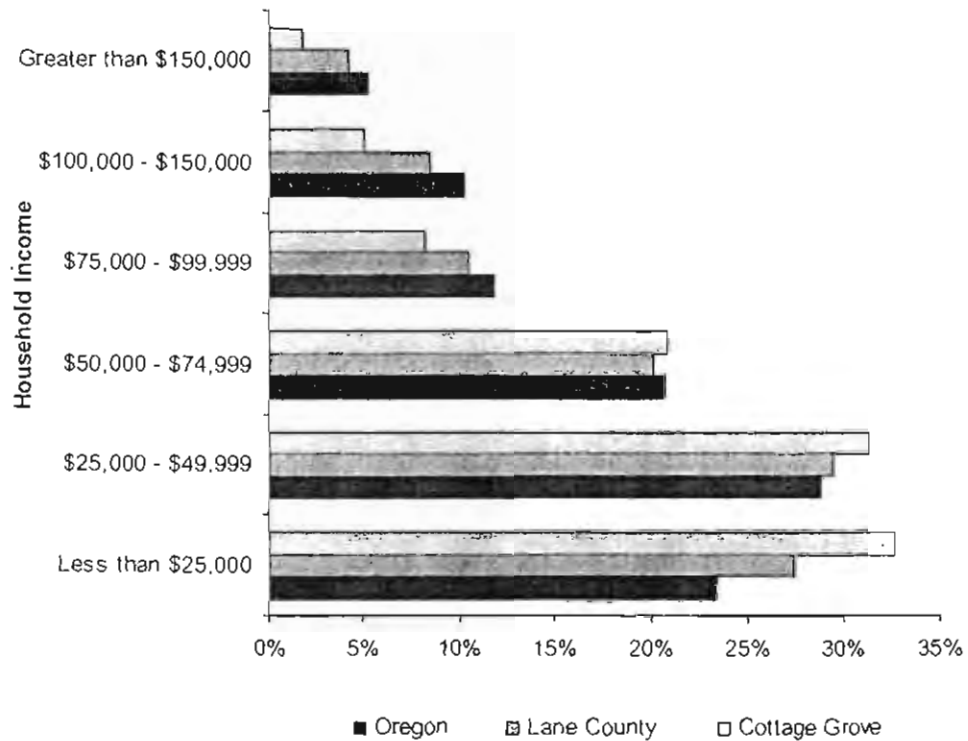
Over the last 24 years, income in Oregon has been below national averages and income in Lane County has been below state averages. There are four basic reasons that income has been lower in Oregon and Lane County than in the U.S.: (1) wages for similar jobs are lower; (2) the occupational mix of employment is weighted towards lower paying occupations; (3) a higher proportion of the population has transfer payments (e.g. social security payments for retirees), which are typically lower than earnings; and (4) lower labor force participation among working age residents. To a certain degree, all of these factors are true for Oregon and Lane County. The combination of these factors results in lower income.

In addition, wages in Lane County and Oregon tend to be more volatile than the national average. The major reason for this volatility is the relative lack of diversity in the State and County economy. Wages in Oregon and Lane County are impacted more than the national average by downturns in either the national economy or in industries in Oregon that are dependent on natural resources or energy costs (e.g., timber and wood processing or R.V. manufacturing).

Lane County's median household income in 2006 was \$42,127, compared with \$46,230 for Oregon and the national average of \$48,451. Figure 2-2 shows the distribution of household income in Oregon, Lane County, and Cottage Grove in 2008. Figure 2-2 shows that a larger share of households in Cottage Grove (33%) had an income of \$25,000 or less, compared to

Lane County (27%) or the State (23%) Cottage Grove also has a lower share of households with income above \$75,000 (15%) than the County (23%), or the State (27%).

*Figure 2-2. Distribution of household income of Oregon, Lane County, and Cottage Grove, 2008*



Source: Claritas 2008

The low average income in Lane County and Cottage Grove, relative to Oregon and the U.S., make Cottage Grove attractive to some firms considering moving within the U.S. Firms continue to outsource back-office functions, such as call centers or administrative functions, within the U.S. Lane County’s relatively low labor costs and the availability of trained workers make Lane County attractive to firms considering relocating back-office functions.

## WORK FORCE

### Training

The availability of trained, educated workers affects the quality of labor in a community. Educational attainment is an important labor force factor because firms need to be able to find educated workers. Cottage Grove has historically had a less well-educated labor force than the County or State averages. In 2007, Cottage Grove had a smaller share of residents with an associate’s degree or higher (24%) than residents of Lane County (37%). In comparison, 47% of Eugene’s residents have an associate’s degree or higher. From this information, it is clear that Cottage Grove should work closely with Lane Community College and other higher education institutions to enhance local and regional job training programs.

## Workforce Participation

The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force.

In 2007, Cottage Grove's labor participation rate was 55% of their over-16 population of over 6,900. Of their 55% in the labor force, 9.5% were unemployed. In comparison, Lane County had 63% labor force participation, 8% of whom were unemployed. Labor force participation rates have dropped by about 2% since 2000, when Cottage Grove's labor participation rate was 57%, compared to the State average of 64%.

## COMMUTING PATTERNS

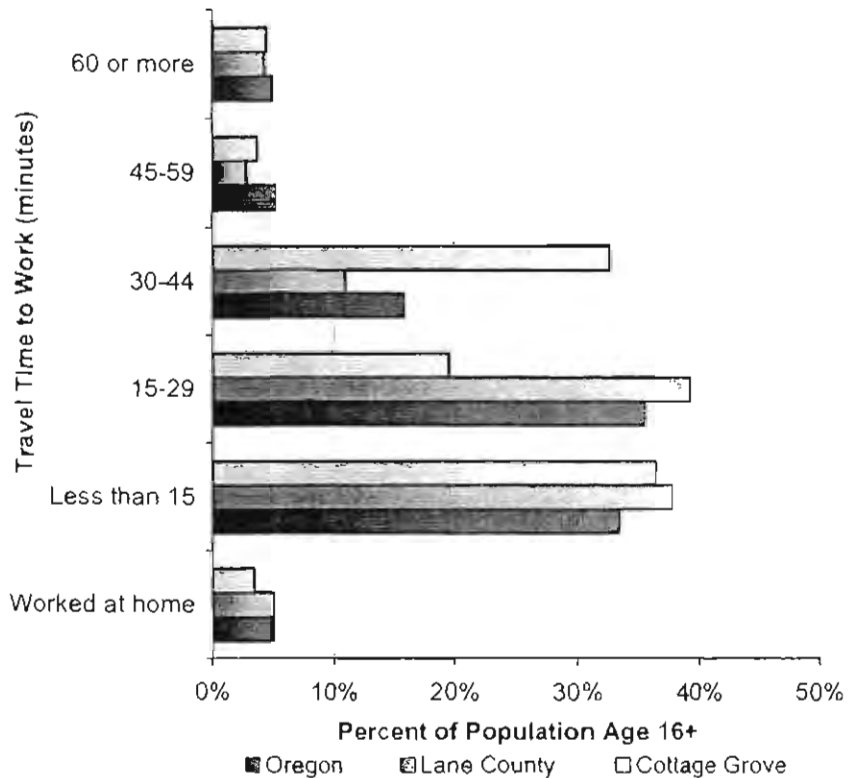
Commuting plays an important role in Cottage Grove's economy. Cottage Grove residents generally have a longer commute than residents of Lane County or Oregon. Forty-one percent of Cottage Grove residents commute 30 minutes or more, compared to 18% of Lane County residents and 26% of Oregonians. Residents of Cottage Grove are less likely to have a mid-range commute, with 20% of Cottage Grove residents commuting between 15 and 29 minutes, compared to 39% of Lane County residents and 36% of Oregonians.

The majority of Cottage Grove's workforce (85%) lives in Lane County, with 28% in Cottage Grove, 15% in Eugene or Springfield, and 41% in other parts of Lane County. The majority of Cottage Grove residents (82%) work in Lane County, with 38% working in Eugene or Springfield and 24% working in Cottage Grove.

The implication of this data is that most people living or working in Cottage Grove commute within the eastern Lane County area. This commuting pattern gives Cottage Grove firms access to the workforce within the Eugene-Springfield region. As shown in Figure 2-3, commutes in Cottage Grove are generally longer than the State or County averages. This creates a demand for automotive and other forms of transportation within Cottage Grove and on roads throughout the eastern Lane County area.

Increasing energy prices may impact commuting patterns within the eastern Lane County area. The impacts are most likely to be greatest in smaller, outlying cities in the region, such as Cottage Grove. If energy prices increase over the long-term, these increases may make residents and workers in Cottage Grove less willing to commute. This trend underscores the importance of providing an adequate supply of suitable employment sites to achieve a better balance between jobs and population in Cottage Grove.

Figure 2-3. Commuting time to work in minutes for residents 16 years and older, Oregon, Lane County, and Cottage Grove, 2008



Source: Claritas 2008

### CHANGES IN EMPLOYMENT

The economy of the nation changed in the 1980 to 2006 period. These changes affected the composition of Oregon's economy, including Lane County and Cottage Grove. The most important shift during this period at the national-level was the shift in employment from a focus on manufacturing to services. The most important shift in Oregon, including Lane County and Cottage Grove, has been the shift from a timber-based economy to a more diverse economy, with the greatest employment in services. The most important trends and changes in employment for Cottage Grove over the next 20-years are: shifts in employment, growing importance of health care, continued importance of manufacturing, and outlook for growth in Cottage Grove.

Over the past few decades, employment in the U.S. has shifted from manufacturing and resource-intensive industries to service-oriented sectors of the economy. Increased worker productivity and the international outsourcing of routine tasks have led to declines in employment in the major goods-producing industries.

In the 1970s Oregon started to transition away from reliance on traditional resource-extraction industries. An important indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood

Products industry and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments<sup>4</sup>).

As Oregon has transitioned away from natural resource-based industries, the composition of Oregon's employment has shifted from natural resource-based manufacturing and other industries to service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 12% in 2000.

The changes in employment in Lane County have followed national and state employment trends. Between 1980 and 2006, Lane County added more than 53,000 jobs. The sectors with the greatest change in share of employment were Services and Retail Trade, adding more than 38,500, or 73%, of new jobs. Over the 26-year period, manufacturing added more than 4,000 jobs (8% of new jobs), with the greatest growth in: Transportation Equipment manufacturing (R.V. manufacturing), Computer and Electronics manufacturing, and Machinery manufacturing.

Some industries in the region's employment base have volatile employment cycles. These industries typically have boom and bust cycles, which result in cycles of hiring and layoffs. The lumber and wood products industry is tied to national housing market cycles, with decreased productivity and employment in slow housing markets. The RV manufacturing industry is tied to broader national economic trends and energy price changes. Finally, the region's high-tech companies are subject to market trends in the high-tech industry, including changes in production methods and consumer purchasing patterns. Two major high-tech firms, Hynix and Sony, located in the Eugene-Springfield region and closed their production facilities between the mid-1990's and 2008.

The average pay per employee in Lane County in 2006 was \$33,240. The sectors with above average pay and high employment were: Construction, Manufacturing, Government, and Health and Social Services. The sectors with below average pay and high employment were: Retail, Accommodations and Food Services, and Administration and Support and Waste Management.

## **OUTLOOK FOR GROWTH IN COTTAGE GROVE**

The State forecasts that employment will continue growing in Lane County at 1.4% average annual growth, compared with the State average of 1.3% average annual growth. The sectors that will lead employment growth in Lane County for the ten-year period are: Health Care & Social Assistance (adding 5,600 jobs), Government (adding 3,600 jobs), Professional and Business Services (adding 3,000 jobs), Leisure & Hospitality (adding 2,800 jobs), and Retail Trade (adding 2,400 jobs). Together, these sectors are expected to add 17,400 new jobs or 76% of employment growth in Lane County.

It is unclear what impact rising fuel and transportation costs will have on Oregon's or Cottage Grove's economy. Globalization and outsourcing of jobs, especially manufacturing jobs, has occurred since the 1980's, changing the state's economy. Globalization depends, in part, on inexpensive transportation of materials and manufactured goods. Businesses have relocated from areas with lower labor costs, in part, because transportation costs were low.

Increases in fuel prices have resulted in higher transportation costs, decreasing the benefits of lower wages. It is possible that, if fuel and transportation costs remain high and/or increase, companies may move to be closer to suppliers or consumers. This effect occurs incrementally

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<sup>4</sup> Lumber and Wood Products manufacturing is in Standard Industrial Classification (SIC) 24

<sup>5</sup> SIC 15, 36, 38



over time and it is difficult to measure the impact in the short-term. If fuel prices and transportation costs decrease over the planning period, businesses may not make the decision to relocate (based on transportation costs) because the benefits of being closer to suppliers and markets may not exceed the costs of relocation.

### **Growth by Employment Sector**

Cottage Grove had 3,338 jobs at 363 establishments in 2006, with an average firm size of 10 employees. The employment sectors with the largest percentage of Cottage employees in 2006 were:

- Retail – 24%
- Government – 16%
- Accommodations and Food Services – 15%
- Health Care and Social Assistance and Private Education – 15%
- Manufacturing – 9%

These five sectors accounted for 78 percent Cottage Grove's covered employment in 2006.

### **Major Firms In Cottage Grove**

Some of the larger employers (not necessarily ranked by size) in the Cottage Grove area include:

1. Cottage Grove Community Hospital
2. Wal-Mart
3. South Lane School District
4. Weyerhaeuser Company
5. The City of Cottage Grove
6. Starfire Lumber
7. Kimwood Corporation
8. Safeway Corporation
9. Georgia Pacific (research and nursery facility)
10. Territorial Seed Company
11. Poly-Craft Systems
12. Wright Machine Corporation
13. Pacific Yurts

### **Local Business Activity**

To gauge the status of local business activity, the CAC members were asked to identify any new businesses that had recently left or were moving out of Cottage Grove as well as any new businesses that were moving to Cottage Grove. Several members mentioned that a new 24-hour Walgreens is scheduled to open March 6, 2009 – the City's first 24-hour chain drugstore. Although the committee did not identify other businesses slated for arrival in Cottage Grove, several members mentioned that Pacific Yurts, Sidepocket and Western States had recently expanded their facilities; and a new bike shop and two Mexican restaurants had recently opened.

Notably, many CAC members noted that Quicke RV Parts had recently left the Cooks Industrial Park, and the City was having difficulty recruiting a new tenant. Some committee members also expressed concern regarding the loss of small, locally-owned businesses, due in part to competition from retail chain stores. Another concern expressed by many of the

members was a lack of retail diversity: there are few shoe/clothing options, very few retail and specialty shops and no movie theatre. Safeway and Wal-Mart are the primary providers of everyday retail needs in Cottage Grove.

This anecdotal information is indicative of broader trends affecting Cottage Grove and other South Willamette Valley communities. The City will need to focus its efforts on attracting and retaining basic employment. Although an increasing large proportion of new employment will likely be in the retail and service sectors, these sectors are experiencing major structural changes. As noted in subsequent chapters, Winterbrook anticipates that the retail and service commercial sectors will rely substantially on redevelopment and infill to meet long-term growth needs.