

**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.

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