



Benton County



Lane County



Lincoln County



Linn County

Comprehensive Economic Development Strategy

*Cascades West Economic
Development District and
BL3 Regional Investment Board*

Prepared by the
Oregon Cascades West Council of Governments
and the
Lane Council of Governments

Adopted _____, 2005



SECTION 1

Introduction and Executive Summary

Introduction

This Community and Economic Development Strategy provides a framework for long-term planning efforts in the four-county area of Benton, Lane, Lincoln and Linn Counties, Oregon. The information and strategy outlined in this document combines and integrates the:

- ◆ Comprehensive Economic Development Strategy required by the U.S. Department of Commerce Economic Development Administration, and the
- ◆ Regional Investment Plan required by the Oregon Economic and Community Development Department (ORS 285B.242 and 285B.257).

Strategy development was steered by:

- ◆ Cascades West Economic Development District (CWEDD) – A partnership between Oregon Cascades West Council of Governments and Lane Council of Governments. The CWEDD receives federal funding through the Economic Development Administration to work on economic development priorities. The Oregon Cascades West Community and Economic Development Committee and Lane Economic Committee played lead roles in defining regional issues, opportunities, vision, and goals.
- ◆ Benton-Lane-Lincoln-Linn (BL3) Regional Investment Board (RIB) - Members appointed jointly by the commissioners of the four counties are charged with the development and implementation of the State’s lottery-funded Regional and Rural Investment Programs in the four-county region. The BL3 RIB Planning Committee provided review and recommendations on the refinement of regional issues, opportunities, vision, and goals.

The profile of the region (Sections 2-6), regional challenges and opportunities (Section 7), and the regional vision and goals (Section 8) presented in this document are applicable to both CWEDD and BL3 RIB. Work program descriptions for the CWEDD and BL3 RIB are included separately (Sections 9 and 10).

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Executive Summary

--- REPLACE WHEN WORKPROGRAM IS COMPLETED!!! ---

We are surrounded by insurmountable opportunities

HP

Meth

Energy

Education

Brownfields

Globalization

Unemployment

Create networks

Outsourcing of jobs

Act entrepreneurially

Protecting natural systems

Create a high quality of life

Shifting timber harvest policies

Increasing have–have not divides

Creating a new community identity

Be flexible, creative, problem solving

Deteriorating and inadequate infrastructure

Stay focused on the big picture/end product

What can we do? Make connections that count...

- ☞ Private sector with government
- ☞ Business start-ups with seed capital
- ☞ Small cities with technical assistance
- ☞ Entrepreneurs with emerging research
- ☞ Local needs with policy makers and funders
- ☞ Social issues with private sector partnerships
- ☞ Emerging business with resources, assistance, etc.

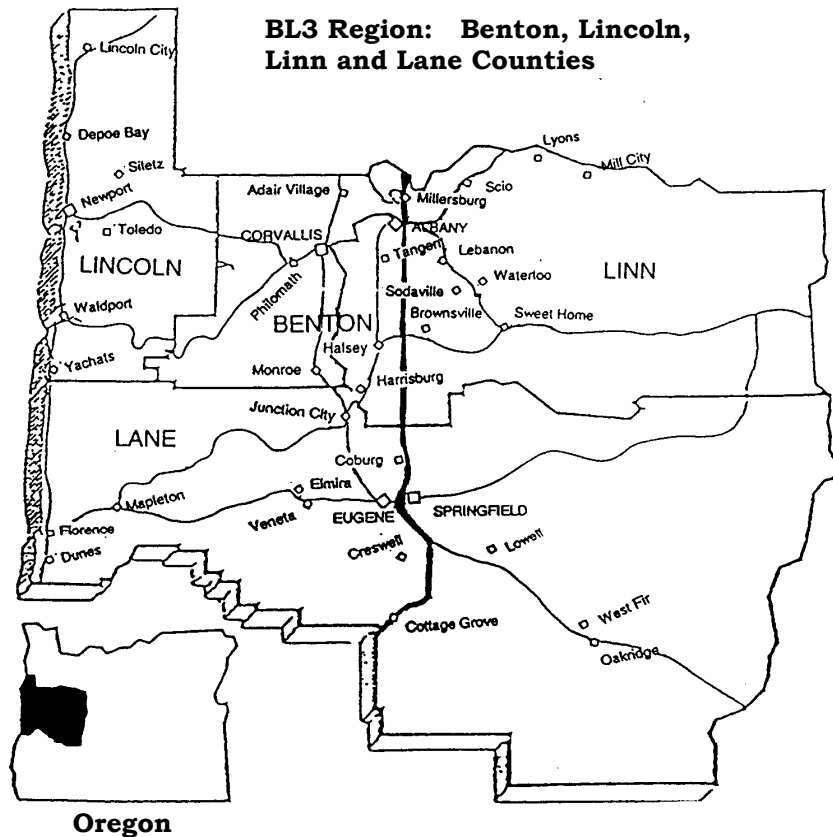


SECTION 2

Putting the Region on the Map

Location

The planning region for the Cascades West Economic Development District and the BL3 Regional Investment Board is the four-county area of Benton, Lane, Lincoln, and Linn Counties. The region is located in the center of western Oregon, stretching from the Pacific Ocean eastward over the Coast Range and through the Willamette Valley to the crest of the Cascade Range.



Major highway routes include the north-south Interstate 5 (I-5) Freeway; Oregon Highway 99, also providing north-south access through the Willamette Valley; Oregon Highway 101, connecting the coast area north-south; with major east-west connections provided by U.S. Highways 18, 20 and 34, and Oregon 126.

Geographic Profile

The region includes a variety of geographic features. Moving from west to east across the region, characteristics include:

- ◆ The **Pacific Ocean** coastline is framed by sandy public beaches, craggy cliffs, and the Oregon Dunes National Recreation Area. Rain waters move from the east side of the Coast range through multiple creeks, rivers and bays toward the ocean. Natural fresh water lakes dot the coastal area.
- ◆ Rain forest precipitation in the **Coast Range** promotes the growth of lush foliage and timber. The Siuslaw National Forest overlays most of the Coast Range within the region.
- ◆ **Coast Range foothills** are predominately secondary farmlands, where growth of Christmas trees has established the area as the “Christmas Tree Capitol of the World.” Multiple streams and rivers move water from the west side of the Coast Range toward the Willamette River. A dam creates the large Fern Ridge Reservoir.
- ◆ Elevations fall to around 200 feet along the Willamette River, which runs north through the alluvial **Willamette Valley** toward its mouth at the Columbia River. Prime and secondary agricultural lands grow a variety of crops, notably the nation’s largest grass seed production. Most of the population of the region resides near the Willamette River in the I-5 corridor.
- ◆ **Rolling foothills** with timber and secondary farmlands rise to frame the east edge of the Willamette Valley. Streams and rivers move large quantities of water toward the Willamette River. Large water reservoirs are formed in the foothill areas by Dexter, Cottage Grove, Green Peter, and Foster dams.
- ◆ Elevations rise in the volcanic **Cascade Range** to peaks at Mt. Jefferson of 10,495 feet and at the 10,385 foot South Sister. The timbered Willamette and Umpqua National Forests overlay much of Cascade Range area of the region. Natural lakes dot the mountain area.

Land Base

Federal and state lands comprise 45% of the total area of the 5.4 million acre (8,601 square mile) region. Federal and State forest lands cover 30% of the land in the region. 50% of the land base in the region is in forest land.

	<i>Region</i>	<i>Benton</i>	<i>Lane</i>	<i>Lincoln</i>	<i>Linn</i>
<i>Area Total</i>	5,433,000	428,000	2,913,000	631,000	1,461,000
<i>Prime Farmland</i>	456,000	76,000	160,000	0	221,000
<i>Forest land</i>	4,317,000	268,000	2,477,000	555,000	1,017,000
<i>-State/Fed Forest</i>	2,476,000	85,000	1,582,000	234,000	575,000

Climate

The region has a temperate climate with moderate differences between summer high and winter low temperatures. The region receives more than 40 inches of rainfall per year, which promotes timber growth, a large agricultural sector, and, except in coastal areas, a plentiful fresh water supply.

Cities

There are 36 incorporated cities in the four-county region. 70% of the regional population resides in these incorporated areas (397,720 of 565,850 people per 2004 estimate.)

There are two Metropolitan Statistical Areas in the region: Eugene-Springfield and Corvallis. The four largest cities by population are Eugene (home of University of Oregon), Springfield, Corvallis (home of Oregon State University), and Albany. Over half of the region's population resides in these cities.

Most incorporated cities in the region are small communities. In 2004, 26 cities in the region had a population of under 5,000 and 11 of these cities had a populations of under 1,000 people. Population data is provided in Section 3 – Our People.

Incorporated Cities	
<i>Benton County:</i>	<i>Lane County:</i>
- Adair Village	- Coburg
- Corvallis *	- Cottage Grove
- Monroe	- Creswell
- Philomath	- Dunes City
	- Eugene *
<i>Linn County:</i>	- Florence
- Albany *	- Junction City
- Brownsville	- Lowell
- Halsey	- Oakridge
- Harrisburg	- Springfield
- Lebanon	- Veneta
- Lyons	- Westfir
- Mill City	
- Millersburg	<i>Lincoln County:</i>
- Scio	- Depoe Bay
- Sodaville	- Lincoln City
- Sweet Home	- Newport *
- Tangent	- Siletz
- Waterloo	- Toledo
	- Waldport
* County Seat	- Yachats

Port Districts

Ports manage a variety of recreational, commercial fishing, industrial, and shipping activities and facilities predominately focused along their respective waterfronts. As a form of government, port districts are overseen by elected officials and have the ability to tax and bond. Port districts in the region are:

- ◆ Port of Depoe Bay, Depoe Bay
- ◆ Port of Newport, Yaquina Bay in Newport
- ◆ Port of Toledo, Yaquina Bay/River in Toledo
- ◆ Port of Alsea, Alsea Bay in Waldport
- ◆ Port of Siuslaw, Siuslaw Bay/River in Florence

Tribes

Historically, multiple bands of tribal members lived throughout the region. Many Oregon tribes were consolidated onto reservations in what were, in the late 1800's, less desirable coastal areas. Today, the active tribes in the region are:

- ◆ Confederated Tribes of Grand Rhonde, based in the rural Polk County community of Grand Rhonde
- ◆ Confederated Tribes of Siletz Indians, based at Siletz with several Lincoln County business ventures including casino, golf course and motel properties in Lincoln City
- ◆ Confederated Tribes of Coos, Lower Umpqua and Siuslaw, based predominately in Douglas County with a recently opened a casino in Florence



Under Development

SECTION 3

OUR PEOPLE

Population and Growth

Demographics

Labor Force Characteristics

Income and Poverty

Educational Attainment



SECTION 4

Our Natural Systems and Resources

Agricultural and Forest Lands

Agricultural Lands

The majority of the prime farmland in the region lies along the Willamette River. Vegetables, berries, grass seed, and variety of other crops are grown on these prime agricultural lands. Secondary, foothill and coastal lands also play an important role in the regional agricultural picture, producing high-value nursery stock and vineyards, and establishing the region as the Christmas tree and the grass seed “capitol of the world.”

Policies to promote a healthy agricultural economy include land use zoning, designation of urban growth areas, and protecting agricultural land owners from high property tax values. In addition to providing economic diversity and food production, keeping land in agricultural use promotes land conservation, which is particularly important where agricultural lands lie in close proximity to urban areas.

Forest Lands

Forest lands are important to the region for their economic, environmental, recreational, and quality of life benefits. Half of the region is covered by forest lands.

Douglas fir is the primary timber species in the Cascade and Coast Ranges. Much of the forest has a mixed lower canopy, and pockets of alder, Sitka spruce and western hemlock dominate small areas in the Coast Range.

Federal- and State-owned forests comprise 57% of all forest lands and include the Siuslaw, Willamette and Umpqua National Forests plus Bureau of Land Management holdings. With one-third of the regional land base in federal and state forest land ownership, public timber policies have a dramatic impact on economic and community health in the region. Federal timber harvest policy changes in the mid-1990’s deepened an economic recession and, in many communities, eliminated primary employers.

Timber harvest reductions have dramatically reduced the number of professional staff focused on forest health in the region. Federal

staff reductions have resulted in closure of multiple U.S. Forest Service ranger stations, removing another employer from already economically fragile rural communities. While restoration, limited harvesting, and road abandonment efforts continue to place professionals in the forests, there is concern that reduced oversight of remote areas lessens the early detection of fires and allows illegal uses (poaching, marijuana cultivation) to be more easily hidden.

Surface and Ground Water Quality

Water quality and quantity issues have a large impact on development in the region. Water resources are used extensively for recreation, agriculture, industrial and commercial activities, and domestic needs. These human-oriented uses must be balanced with the habitat requirements of fish and wildlife.

Surface Water Health

Multiple creeks, streams and rivers flow toward either the Pacific Ocean on the west side of the Coast Range, or toward the Willamette River on the east side of the Coast Range. Natural lakes dot the region, especially along the coastline and in the mountain areas. Dam structures have created larger lakes at Fern Ridge, Cottage Grove, Dexter, Foster, and Green Peter.

Pacific Ocean: The vast body of the Pacific Ocean rests along the western edge of the region. The coastal region has numerous rivers and drainage basins that discharge directly into the Pacific Ocean. While professional opinions vary on the extent of which man-generated pollutants are impacting ocean health, the ocean is going through a warming cycle which appears to correlate with reductions in anadromous fish runs.

Bays serve multiple critical functions in the ocean ecosystem. They also serve important economic functions as the home of ocean and marine life research, commercial fisheries, recreational fishing, and tourism. Urban storm water runoff and discharge of sewage effluent challenge bay health which, in turn, challenges economic health.

Willamette River Drainage Basin: The Willamette River Drainage Basin covers approximately twelve percent of the State of Oregon. The river system within the basin consists of the Willamette and thirteen major tributaries. The Willamette is the tenth largest river in the continental U.S. in terms of total discharge at its Columbia River mouth.

In the Willamette Basin, many competing water uses contribute pollutants to the water supply and the quality of both surface water and groundwater sources is a major concern. Several planning efforts have assessed the conditions of waterways in the Willamette Basin in the past decade. Among those efforts is current work being done by the Oregon Department of Environmental Quality (DEQ) to establish a Total Maximum Daily Load (TMDL) for temperature, bacteria and mercury in the

Additional information about TMDLs and other Willamette River planning efforts can be found at:

<http://www.deq.state.or.us/WO/Willamette/WRBHome.htm>

http://governor.oregon.gov/Gov/Willamette_River_Legacy/restore.shtml

Willamette River. When finalized, the Willamette TMDL will be used to assess and regulate surface water uses that have an impact on levels of the three pollutants.

Groundwater Health

Groundwater is an important natural resource. It recharges area streams and rivers and provides a non-surface drinking water source for multiple community water systems.

The quality of groundwater sources in the region are influenced by human activities as well as natural factors. One factor affecting groundwater quality and quantity is development and associated stormwater runoff. When stormwater is channeled directly into a surface water body, less water goes into the ground. Even where stormwater is recharged to the ground through a pond or trench, it can carry pollutants in amounts that over time can contaminate groundwater. Other influences associated with development, such as septic system releases, lawn and garden chemical applications, and pollutants associated with vehicle use can also cause groundwater pollution. In addition to nitrate pollution of the groundwater, there are areas in the Willamette Valley where the groundwater is contaminated by naturally occurring arsenic.

Research done by the Oregon Department of Environmental Quality (DEQ) identified significant levels of pollution, primarily nitrates, in groundwater between Albany and Eugene. The State established the Southern Willamette Groundwater Management Area in 2004 due to the level of identified pollution. A plan for the management area will guide state agencies' decisions that are related to groundwater in the management area.

Air Quality

Many of the inland areas of the region experience periods of air stagnation. When this happens in winter months, cold air often becomes trapped at the Willamette Valley floor with warmer air aloft, creating temperature inversion conditions. The combination of cold, stagnate air and restricted ventilation causes air pollutants to become trapped near the ground. Wintertime air inversions contribute to high particulate levels, while summertime inversions contribute to an increase in ozone levels, both causing the local air quality to deteriorate.

In the region, the EPA only requires environmental monitoring of air quality in Lane County where three of the six National Ambient Air Quality Standards are monitored:

- ♦ **Particulate Matter:** The Eugene-Springfield area was designated as a PM non-attainment area in 1980, re-designated in 1987 and last exceeded the federal standard in 1987. Oakridge was designated a PM non-attainment area in 1994 and, while Oakridge occasionally experiences high PM levels, federal air standards have not been exceeded there since 1993.

For further details on the Southern Willamette Groundwater Management Area visit:

<http://www.groundwater.oregonstate.edu/willamette/>

Air quality is impacted by almost every natural and man-influenced factor; from plant growth and naturally occurring decay, to industrial and vehicle emissions.

Every day we breathe about 35 pounds of air. High levels of air pollution can impact those with heart or lung disease, asthma, or challenged immune systems. Air pollutants may also impact habitat and water quality.

The U.S. Environmental Protection Agency (EPA) has established six health-based National Ambient Air Quality Standards that are monitored in areas that have or had air quality problems.

- ♦ Ozone: Eugene/Springfield remains in attainment with the federal ozone standards.
- ♦ Carbon Monoxide: Eugene/Springfield was designated a non-attainment area in 1978, last exceeded the federal standard in 1986, and was re-designated as an attainment area in 1994.

Land Quality: Brownfields and Superfund Sites

Brownfield Sites

A brownfield is defined by the Oregon Department of Environmental Quality (DEQ) as:

"A real property where expansion or redevelopment is complicated by actual or perceived environmental contamination."

DEQ notes that every city and county has vacant, underused, and potentially contaminated properties.

476 sites in the BL3 region were identified on the Oregon Department of Environmental Quality (DEQ) Environmental Clean-up Site Information (ECSI) database in August 2005. The variety of sites within the region that are listed on ECSI database includes neighborhoods above contaminated groundwater plumes, vacant and abandoned properties, and active businesses locations. Past and current land uses on listed sites include dry cleaners, manufacturing operations, trucking facilities, gas stations, an abandoned mine, rail yards, landfills, army bases, and residences with leaking oil tanks.

DEQ has determined that "No Further Action" is needed on 160 of the sites listed for the region, leaving 316 sites still requiring some level of assessment and/or clean-up. Only 6 of the 48 sites where hazardous substance contamination has been identified have received No Further Action status. 14 sites have been declared an "Orphan Site" because contamination is not tracked to a single contaminator, the contaminator is out of business, or the contaminator does not have resources to conduct clean-up.

Active Brownfields

The level of potential health and/or environmental threat from contamination has moved the clean-up of some sites onto DEQ's "Active Brownfield" list (August 2005):

- ♦ Coffin Butte Landfill, north of Corvallis, is being monitored for on-site groundwater contamination.
- ♦ Evanite in Corvallis is monitored at four locations: its waste water facility where trace TCE and other contaminants were identified, where a 1978 TCE spill was covered by a parking lot after soil removal, lagoon of a prior paper mill that is now under a building, and at an underground mineral spirits tank.
- ♦ Black Butte Mine, south of Cottage Grove, was a mercury mine (1890's-1960's). Arsenic and mercury were identified on the site and at creeks. OSU is monitoring contamination and the site received Orphan designated in 2002.
- ♦ Potter Manufacturing Facility in Eugene has completed clean-up, with DEQ granting No Further Action status in 2001.
- ♦ Springville Dry Cleaners in Springfield has removed PCE contaminants from a broken drain line. DEQ issued a "Contained-In" determination in 2005.
- ♦ UPRR Eugene Yards has operated since 1918 as a rail maintenance yard. Contamination from drips and spills of creosote, solvents, grease and oil has been contained. Nearby

Details about sites with known and potential contamination and current clean-up status are listed by DEQ at: <http://www.deq.state.or.us/wmc/ecsi/ecsiquery.htm>

Sites where petroleum releases from underground storage tanks have been reported are recorded by DEQ at: <http://www.deq.state.or.us/wmc/tank/LustPublicLookup.asp>

DEQ's map-based program that identifies sites in its database is at: <http://deq12.deq.state.or.us/fp20/>

wells have been remedied. DEQ granted a partial No Further Action approval in 2004.

- ◆ Lebanon Area Groundwater to the west of Lebanon's Century Park is contaminated by PCE, TCE, DEC and TCA. Remedial action at three dry cleaners is underway.
- ◆ Ridgeway Logging in Sweet Home was granted Orphan status. Contamination in nearby Midway neighborhood wells required connections to City water in 2000. DEQ is determining if additional clean-up is necessary.
- Sweet Home Area Groundwater in the Midway area has two groundwater plumes with identified PCE, TCE and TCA, but contaminants have not been traced to a source. Granted Orphan status in 1996.

Superfund Sites

The level of potential health and environmental threat from contamination moved the clean-up of some sites into the more intensive federal "Superfund" clean-up program. The National Priorities List (NPL) for the Superfund program includes ten Oregon sites, two of which are located in the region:

- ◆ United Chrome Products in the Corvallis Airport Industrial Park was listed on the NPL in 1984. Between 1956 and 1985 United Chrome's plating tanks leaked into groundwater and aquifers. Contaminant traces were identified in surface waters two miles from the site. Clean-up has been completed and the site is currently under a one-year monitoring program. DEQ made a preliminary conclusion in July 2005 that no further action will be needed.
- ◆ Teledyne Wah Chang in Millersburg was identified for the NPL in 1987. Three areas have been remedied and DEQ expects that the site will be cleared within the fifteen-year timeframe specified under the NPL based on their three year review of:
 - Seven unlined sludge ponds adjacent to the Willamette River where clean-up was completed in 1993 by removal of over 100,000 cubic yards of soil and solidification.
 - Groundwater and sedimentation in Truax Creek was cleaned-up and finalized in December 2002.
 - Remediated surface and sub-surface soils.

Addressing Brownfields

Several assistance programs are in place to help identify contamination, and to move brownfield sites toward clean-up and redevelopment. Further information on the following and other forms of State assistance is included on DEQ's website.

- ◆ Site-Specific Assessments: DEQ accesses federal funds to gather detailed site condition information, and to prepare recommendations and cost estimates for any clean-up.
- ◆ Funding through the State for assessments and clean-up are available for specific development proposals.
- ◆ Orphan sites are designated when contamination poses a serious threat to human health or the environment and responsible parties are unknown, unable, or unwilling to pay

for remedial actions. Orphan status opens public technical assistance and funding.

- ♦ Independent Clean-up Pathway allows low- and medium-priority sites to be cleaned without ongoing DEQ oversight.
- ♦ Prospective Purchaser Agreement between DEQ and a prospective purchaser legally limits the purchaser's liability to the State for environmental clean-up of a property in return for a commitment to clean-up or fund clean-up of the site.

Natural Hazards

The communities in the region continue to develop and refine planned responses to natural hazard emergencies, to avoid the hazard if possible, and to minimize any long term negative impact resulting from the hazard. A Regional All Hazard Mitigation Plan, completed for the region in 1998, focuses primarily on the hazards of flooding, severe storms, mudslides, and landslides. Continued attention to these emergency avoidance measures has been important to the region.

Floods

Traditionally, the most commonly occurring natural emergencies in the region have been floods. The region has continued to work on flood control, with damages from 1996 floods (reaching over \$34 million) resulting in attention to refining and adjusting emergency procedures and in the re-designation of some areas near Willamette Valley waterways as flood plain.

A current example of continuing flood management efforts are repairs and improvements underway on the Fern Ridge Reservoir dam. While the development and recreation value of the reservoir is most apparent, the long-term positive value of flood control in maintaining economic stability is often overlooked.

Communities continue to monitor designated flood hazard areas to make certain that any development in those areas is safe and appropriate for flood management. Assessment of storm drainage systems, policies that encourage percolation instead of runoff of storm waters, and evaluation of fill requests have all been elevated in importance over the past decade.

Tsunamis

Tsunami hazard zones appear along the Pacific coastline of the region, extending inland along bay fronts, rivers and streams. Tsunamis are a series of sea waves usually caused by a displacement of the ocean floor by an undersea earthquake. As tsunamis enter shallower water near land they increase in height. Recent research suggests that tsunamis have struck the Oregon coast on a regular basis. Typical wave heights over the last eighty years occurring in the Pacific are twenty to forty-five feet at the shoreline. A few waves have reached one hundred feet or more due to local conditions.

The December 2004 tsunami that wiped out entire communities along the Indian Ocean reminded residents along the Pacific Coast of the importance of tsunami planning. Threats of a Pacific Coast tsunami in the spring of 2005 further alerted coastal officials to adjustments needed in their response systems, as portions of the coast failed to receive emergency response warnings.

Most coastal communities are in the process of reviewing their tsunami hazard zones, refining tsunami evacuation plans, and identifying how development plans within hazard zones should be adjusted. The premier wave research lab at Oregon State University provides researchers world wide with tsunami modeling capabilities.

Wetlands, Riparian Zones, and Conservation Areas

Natural resource planning under Oregon's Land Use System requires that jurisdictions consider how to address and protect a variety of resource values. Jurisdictions are working to balance sometimes conflicting development goals with these resource-related goals. Many communities are emphasizing new land use patterns that bring natural resources into a development as an amenity, increasing the value of the development.

Planning sponsored by watershed councils at the watershed level allows the multiple interests with each watershed to be represented. Watershed councils in the region also provide restoration and enhancement education, project development assistance, funding, and implementation of projects.

Wetlands

Functioning wetlands serve as riparian cleaning zones, helping to remove contaminants before waters reach streams, rivers, and the ocean. They slow runoff and provide water storage capacity important to flood water management. They are also primary nurseries for fish.

Wetlands in the region range from apparent marsh and bog wetlands to well-drained grass seed fields in the Willamette Valley. Historically, many industrial sites have been located in wetlands; this has been especially true of lumber mills. Other wetlands have been diked, tiled and/or drained to turn the land into farm land. Many of the vacant, undeveloped, industrially-zoned lands in the Valley have wetland areas identified on them. The presence of alluvial soils designates most of the Valley floor as potential wetland.

Wetlands on the national inventory come under the jurisdiction of the Army Corps of Engineers, but the Oregon Division of State Lands oversees most wetland review requests. There is a "no net loss" of wetlands approach that applies to both public and private lands.

Many cities have invested in further identification of wetlands. Local inventories identify and refine wetland boundaries. Cooperating with property owner to delineate wetland area allows developers to move proposals forward with a higher level of certainty.

Wetlands can be addressed in a variety of ways. The size of the Willamette River Drainage Basin provides a large area in which wetlands can be mitigated offsite. Many developments have elected to retain wetland areas as site amenities. There are also efforts underway to restore some wetlands to a natural state to take advantage of positive attributes of the wetland.

Riparian Areas

Urban areas in the region are re-evaluating setbacks along their waterways to determine the effectiveness of current standards and whether additional setbacks or riparian protection measures are needed. On forest lands, the timber industry-supported Oregon Forest Practices Act establishes Riparian Management Areas of 50 to 100 feet along streams and wetlands on private lands. More stringent buffers are required on federal and state timberlands. Recent outreach and demonstration projects have helped to improve agricultural land practices impacting riparian areas.

Conservation Easements

Purchased and leased conservation easements are increasingly being offered in the region by non-profits and agencies to encourage protection of natural resource values. Easement lease agreements can be structured to allow owners to continue producing agricultural commodities on their land, with protection plans legally defining restoration and maintenance responsibilities.

Threatened and Endangered Species

Fourteen animal species and six plant species listed through the ESA (see text box) are found within the region. Species listed on the federal ESA can affect development federal, state, and private lands. Listing on the Oregon ESA affects only actions of state agencies on state lands, (less than three percent of the Oregon's land base.)

The regional economy has been dramatically impacted by two ESA listings:

- ◆ The listing of the Spotted Owl (and later, the Marbled Murrelet) and the need to protect habitat, brought about a reduction in logging in old growth forests. This has an ongoing impact on timber harvests and logging in Oregon and Washington.
- ◆ The listing of four species of salmon and consideration of other listings, especially coastal Coho, brought into life the Oregon Coastal Salmon Recovery Plan. This effort is funded through the Oregon Watershed Enhancement Board (OWEB), whose budget (July 2003-September 2004) was \$56.4 million, split primarily between Federal funds (55%) and Oregon Lottery funds (43%). Local watershed boards were also initiated as the focus for habitation protection and restoration project development.

The federal Endangered Species Act (ESA) was implemented in 1973 and the Oregon ESA was enacted in 1987 and amended in 1995. The criteria for listing species are similar in both the state and federal systems with a focus on the biological needs of the species.

Presently, there are 36 animal (birds, fish, mammals, reptiles, amphibians, and invertebrates) species and 61 plant species listed through the Oregon ESA.

34 of these animal species are also listed through the federal ESA, which has three additional listings, not listed by Oregon. Of the 61 plant species on the Oregon list, eleven are also listed on the federal ESA.

Most of the remaining 50 species are in the federal system as "species of concern" or candidates for listing.

Two-thirds of animal listings took place the year the ESA came into being-1987; the last listing, the marbled murrelet, was in 1995.

Compliance with the Section 4D Rule of the ESA does not appear to have required the restructuring efforts initially forecast. However, communities in the region continue to watch closely to see if/how development practices and infrastructure systems may be impacted.



SECTION 5

Our Community Resources

Oregon's statewide land use planning program, initiated in 1973, is based on nineteen statewide planning goals developed in response to federal environmental and land development laws, rules and requirements.

Oregon's land use program requires all local jurisdictions to develop and adopt Comprehensive Plans and implementation ordinances for land use and development.

Land Use Framework and Challenges

While Oregon's basic land use framework remains essentially intact, decision-making has been changed by several State and local process changes. The following outline summarizes some of the recent challenges that touch multiple jurisdictions in the region.

Annexations

Many communities must now take annexation requests and recommendations to their voters for consideration. While highly contentious elections have been few, addressing this additional development step, timing land use reviews with election schedules, and providing voters with adequate information to make this level of planning decision can impact development requests.

20-Year Supply

Clarified by a 2003 State Supreme Court ruling, each city must evaluate whether land within their urban growth boundary is adequate to provide a twenty-year supply of buildable land for projected industrial, commercial and residential development. Under this ruling, cities are not permitted to adopt no-growth or slow-growth policies.

Measure 37

Oregon voters approved Measure 37 in 2004, allowing property owners to be compensated when their property value has been reduced by local government land use regulation. In lieu of payment, land use regulations beyond those in place when the current owner purchased the property may be waived. Cities have largely been unaffected by M37, but county governments have been asked to consider claims. In place for only a few months, the impact of M37 claims on the agricultural and forest lands and linked economic sectors of the region is unclear at this time.

Natural Resource Planning

Local governments are working to balance natural resource goals (open space, view shed, riparian, wildlife, wetland, etc.) with

private property development rights and development-related goals. Community resource values can enhance the quality and value of private development, but not all developers are willing or able to seek solutions that accommodate community resource values.

Transportation Planning

Most cities in the region rely heavily on state highway infrastructure as a key component of their road network. Land use changes (e.g., zoning amendment) that impact the state's transportation system must address state transportation goals. Limited State resources to address safety and capacity issues mean that, to proceed, development must carry the burden of making any necessary highway improvements. Some improvements, such as new on-ramps and under-crossings, are outside the financial scope of most development proposals.

Shovel-Ready Industrial Lands

Many communities are interested in providing an inventory of ready to develop industrial sites. The State's site certification process identifies many of the obstacles that typically stand in the way of making a site shovel-ready: wetlands, water, sewer, storm drainage, transportation access, brownfields, owner interest, established sale price, etc. The complexity of these development issues challenges the abilities of cities, especially smaller ones, to move vacant industrial lands toward development.

Downtown Redevelopment

The shift of commercial spending to malls, strip development, and big boxes has led to the decline of traditional downtown commercial centers. Many communities are working to restructure their downtown business base, revitalize public spaces and address connectivity issues. Limited economic development assistance and funding remain challenges to turning these areas around.

Water Systems

Water availability and quality are major factors in enhancing or preventing economic expansion. In areas where water supply is a problem, the capacity to develop is limited. Where water is available, the growth of competing uses must be managed to avoid overuse of the resource.

System Improvements

The cost of providing safe water may shape the development that occurs in an area. The Safe Drinking Water Act of 1986 is forcing some water suppliers to make expensive improvements to their water source and their treatment systems. In areas, where water supply is limited, it is expensive to transport water from water surplus areas. The ability of the public and private sectors to pay

those costs will influence the final outcome of development ability.

Water Supply on the Coast

Due to the geology of the coastal area, most communities rely on surface water sources. Water shortages during periods of low flow are a major concern for the coastal cities. In Lincoln County, nine entities have formed the Central Coast Water Council to plan and develop a regional water source to serve their needs through 2050. Also, three cities and two water districts in the southern part of the region recently completed a study that considered the feasibility of connecting their systems to meet emergency situations.

Water Quality Violations

The State of Oregon reported that 33 water systems in the region had drinking water standard violations in 2004. Four of those systems failed to adequately treat drinking water to meet the requirements of the Surface Water Treatment Rule, sixteen systems violated fecal/total coliform limits at least once during the year, ten systems had violations of lead or copper levels, and four systems did not meet filtration requirements or exceeded the allowed level of other chemicals.

Water System Security

Security of water supplies from acts of terrorism or sabotage is now an issue that all water providers must address. The State Drinking Water Program adopted rules that require all public water systems to have a written emergency response plan based on a security vulnerability assessment. Making physical improvements, such as monitoring systems or fencing, will result in additional expenses to communities.

Waste Water Systems

Issues related to sewage collection and treatment are important to economic development in the region. Systems are impacted by a variety of factors, which many jurisdictions are currently working to address or have addressed in the past decade.

Many cities with systems that were not able to meet the Federal Clean Water Act standards entered Mutual Agreements and Orders (MAOs) with the Oregon Department of Environmental Quality (DEQ.) The MAOs established milestones and timelines that the cities must follow to bring their systems into compliance. There are currently several city sewer system improvement projects underway as a result of MAOs.

Wastewater issues have a similar impact on development as issues related to water supply. The costs of improving, expanding and maintaining wastewater treatment systems may be factors that shape development in the region. Communities with treatment systems that are in compliance and have excess

treatment capacity will have a competitive advantage for attracting economic development. Major issues that affect sewage treatment and collection in the region are outlined below.

Geography

Much of the region, particularly the Willamette Valley, has a high water table. This affects communities that lack community treatment systems (septic systems are ineffective when flooded.) In addition, many unsewered areas also have small lot sizes that make it impossible to install adequate septic drain fields.

Land Use Regulations

Oregon land use laws limit the provision of community sewer service in areas that are not zoned for development activities, e.g. agricultural lands. There are some pockets of residential development that are in need of services, but which cannot be economically serviced with a community system due to their location in a restricted area.

Economic Factors

Sewage facilities are expensive to install, maintain, and expand. It is especially difficult for some of the small communities to finance a new system or improve an existing system. Some communities have deferred needed maintenance, resulting in facilities that are not capable of meeting required standards. Additionally, there is not enough capacity in many existing systems to accommodate economic expansion and growth. Grant funds for wastewater projects have diminished significantly in the past decade, so communities have to finance more project costs with loans or bonds. At the same time, the property tax-limitations in Oregon make it difficult for communities to get approval of general obligation bonds.

Infiltration and Inflow (I&I)

Many sanitary sewer systems in the region experience high rates of storm water infiltration and inflow (I&I) during the winter season when rainfall is high. I&I problems occur due to aging collection systems that have deteriorated, improper connections that allow storm drainage into the system, and, in some cases, outdated designs that actually encourage infiltration to flush out the systems. High levels of I&I force some communities in the region to bypass raw or partially treated sewage into receiving streams during periods of heavy rain. I&I is expensive and difficult to fully correct. It can seriously limit the potential for economic development in a community by eliminating excess sewage treatment capacity.

Conflicting Environmental Uses/Values

Community sanitary sewer systems necessarily require land for facilities and places to release effluent and/or dispose of sludge. As concern for the environment increases, these land requirements often conflict with other uses or environmental values. For instance, siting of sewage lagoons may be difficult due

to restrictions on the use of wetlands or the location of a sensitive species.

Storm Water Treatment

Storm water runoff is a potential source of pollution that is regulated as a result of the Clean Water Act. Cities within Census designated “urbanized areas” must obtain permits for storm water discharges. Also, the Act specifies that businesses within certain industries must obtain permits.

TMDLs

The DEQ is completing an effort to establish the Willamette River’s Total Maximum Daily Loads (TMDLs) for mercury, bacteria and temperature. The process will result in limits on the amount of each pollutant that each wastewater system can discharge into the Willamette River or its tributaries. Some municipal wastewater systems in the region may need to be upgraded to meet the new standards.

*Additional information about wastewater issues related to the Willamette Valley can be found at:
<http://www.deq.state.or.us/wq/wqfact/WillProtectionFS.pdf>*

Solid Waste

There are currently two landfills for municipal solid waste in the CWEDD region: Short Mountain Landfill in Lane County, and Coffin Butte Landfill located in northern Benton County. Solid waste from Lincoln County is transported to Coffin Butte. Operators are recovering methane gas from both landfills to generate power. Short Mountain has resolved recent leachate issues with the installation of a capturing system, while excess leachate from Coffin Butte is trucked to municipal treatment facilities for disposal.

Hazardous Waste

Sanitation service operators sponsor drop off dates and locations for disposal of hazardous household materials. All hazardous waste in the region is transported to the Arlington landfill, the only site in the Northwest capable of accepting hazardous waste.

Recycling

Recycling of materials from the waste stream in the region in 2003 (the most recent data available) met or exceeded 2005 state targets. In 2003, the percentage of waste recycled was 45% in Benton County, 52% in Lane County, 30% in Lincoln County, and 40% in Linn County. The percent of waste recycled in the region was up substantially from ten years ago (Benton up 9%, Lane up 13%, Lincoln up 9%, Linn up 11%.) Curbside recycling at residences and businesses throughout the region contribute to recycling increases.

A significant share of recycled materials in Lane County are moved into energy recovery (13% of total recycling) and composting (9% of total recycling.) A small amount of recycled

waste (1%-7% of total recycling) is moved into these streams in the other three counties of the region.

Energy

Historically, the region has enjoyed an abundant supply of relatively low-cost electrical energy due to hydropower's large contribution to the regional power base. Increased economic activity has cut into the regional energy surplus. In addition, environmental requirements that protect salmon runs by requiring early release of water can impact stability of energy supplies. These restrictions could result in reduced energy production, higher energy prices, and a greater demand for alternative sources.

Proximity to the Pacific Ocean may allow the region to take advantage of alternative wind or tidal energy sources. Oregon State University, federal and state agencies, and communities along the coast are evaluating the opportunity to turn Oregon into a focal point for wave energy development.

Communications

Broadband telecommunication services have become one of the basic required infrastructure elements of the four-county region, as it has for the rest of the nation. Employers of all types expect broadband services, whether they are retail operations using broadband for inventory control and sales transactions, or manufacturers using broadband to reduce shipping costs and improve communications with clients. Broadband services are also becoming increasingly important in meeting the quality of life desired by residents.

The region participated in planning and directing the incumbent local exchange provider's (Qwest's) development of a redundant telecommunications ring connecting all four counties in the region. This has resulted in a fairly extensive network of broadband capacity, including basic broadband services for many of the rural areas of the region.

Some of the local governments in Lane and Lincoln Counties have created organizations (CoastNet and Fiber South Consortium) to hold some telecommunications assets and to bring additional competitive broadband service to the area. Wireless broadband has also come to the larger urban areas of the region.

There are, however, still portions of the region that lack all broadband services. Any deficiency, and especially the absence of broadband services, is becoming an increasingly high barrier to reaching development opportunities.

Demand – for increased bandwidth at decreased prices – continues to exceed supply. The region has succeeded in attracting several large employers that are dependent on the availability of broadband services, and the general availability of

broadband continues to help nearly all the region’s employers increase the range of services offered and the efficiency of their operations. If the region can continue to improve the range of broadband telecommunications services, the region should be able to remain competitive for maintaining and expanding its employment base.

Transportation Systems

-- Don't spend time proofing any of the following Transportation info yet - CAS needs to redo it (I just pasted in old info below and did a basic format on it) - skip to 13th page (@5 pages forward) to "Recreational Amenities"--

There is growing concern about traffic congestion, limited alternatives, deteriorating Highway improvements are needed to facilitate traffic flow and to support economic growth in the region.

A growing number of workers are commuting out of their cities of residence to their work sites.

The regional transportation system includes major highways, freight and passenger rail service, transit service, airports, and port facilities. Communities in the District recognize the importance of the system to their overall economic vitality and livability. Nevertheless, there is growing concern within the region as local, county and state governments are struggling to address the major issues of traffic congestion, limited alternatives to the automobile, deteriorating roadways, declining levels of funding, and damage to the transportation system because of natural disasters.

Highway System

The existing highway system includes a network of primary and secondary roads that is adequate in most respects and provides linkages between major urban areas. However, U.S. Highway 20, US Highway 101, Oregon Highway 34, Oregon Highway 18, Oregon Highway 126, and Oregon Highway 58 are prominent examples of routes in need of selected major improvements. These improvements are needed to facilitate traffic flow of all types and support economic growth in the region. The need for upgrades to these highways was recognized by the Oregon Department of Transportation in its decision to include parts of Highways U.S. 20, OR 34, OR 58, and OR 126 in the Access Oregon Highways Program. Other important heavily traveled highways within the region include Interstate 5, OR 99W and OR 99E.

Vehicle Miles Traveled (VMT) is increasing on the region’s highway system. That means that there is more traffic on the streets, roads, and highways, which means more congestion. The increase is largely attributed to patterns of population growth and commercial/industrial development in the region that encourage greater use of the automobile. Rapid job growth in the region is mainly concentrated in the larger population centers while residential development is more dispersed. As a result, a growing number of workers are commuting out of their cities of residence to their work sites.

The rate of job growth is outpacing the region’s population growth. This has resulted in large numbers of workers commuting into the region and contributing to the traffic burden. Traffic counts for portions of the Highway 20/34 corridor provide

evidence of the higher levels of usage. In general, traffic counts at sites in the corridor showed that annual traffic volumes between 1975 and 1995 increased at a rate greater than the statewide average of two percent per year. Forty-three percent of the roadway in the corridor carries Average Daily Traffic (ADT) of 10,000 to 20,000 vehicles. This is seven times higher than the statewide average. Based upon calculations by the Oregon Department of Transportation, more than 50 percent of the highway between I-5 and Newport is either moderately or highly congested.

Based upon historical traffic growth trends, traffic volumes in portions of the Highway 126 corridor are expected to increase substantially by 2017. Depending upon the location, twenty-year projections for the corridor between Springfield and Santiam Pass indicate an increase of from 26 percent to 75 percent. Between Florence and Eugene, the projected increase ranges from 23 percent to 94 percent.

In the coastal portion of the region, population growth and tourism/gambling development are generating higher levels of traffic in the U.S. Highway 101 corridor. In most of the coastal cities, the highway serves as the community's main street as well as its connecting link to the rest of the coast. These two uses are becoming increasingly problematic as local residents find it difficult to make short trips within town and through-traffic is slowed by city congestion.

Alternative Modes

At present, alternative modes are limited in the CWEDD region and it will be difficult to achieve major reductions of VMT.

Oregon land use planning laws address the issue of congestion by mandating that counties and cities plan to decrease the vehicle miles traveled. The most logical methods of decreasing the VMT are to develop and promote alternative transportation modes along with encouraging ride sharing of automobiles. At present, alternative modes are limited in the CWEDD region and it will be difficult to achieve major reductions of VMT. Within Linn, Benton, and Lincoln Counties, city bus systems exist in Albany and Corvallis. The Linn-Benton Loop and Linn County Shuttle provide a regional transportation network between cities in Linn and Benton Counties. The Valley Retriever provides a link between Lincoln Counties coastal communities and Benton, Linn, and Deschutes Counties. In addition, the Lincoln County transit system operates three buses that make four round-trip loops to cities in the county on weekdays.

In general, ridership of the public transit systems increased since 1998. The Linn-Benton Loop, the Albany Transit System, Corvallis Transit System, the Linn Shuttle, and the Lincoln County transit system increased service, and the City of Philomath contracted with the Corvallis Transit System to provide service between the two cities.

However, commuting by transit from most of the smaller bedroom communities in the region to the major employment centers is impossible. Weekend, nighttime, and holiday service is generally either non-existent or highly restricted in those communities that do have transit service.

Lane Transit District provides bus service to the Eugene/Springfield area as well as Veneta, Coburg, Junction City, Lowell, and McKenzie Bridge. In 1997, LTD initiated a pilot project to provide bus service between Cottage Grove, Creswell, and Eugene. In April 1998, LTD opened its new, \$10 million, main station in downtown Eugene. The new station will allow all buses that service the Eugene downtown area to leave from a central location.

County and local governments in the region are attempting to improve transportation alternatives. The Lincoln County Transit District was formed in 1996, and there have been preliminary discussions about forming a transportation district to serve portions of Linn and Benton Counties.

The OCWCOG, with funding from ODOT, provides transportation demand management services in Linn and Benton Counties. The program includes promoting ridesharing and assisting with the formation of carpools and vanpools.

Transportation Planning

Jurisdictions in the region participate in the regional transportation planning efforts coordinated by both OCWCOG and LCOG. The efforts have led to a regional consensus about transportation projects recommended for inclusion in the State's Transportation Improvement Program (STIP). In Linn, Benton, and Lincoln Counties work on regional transportation issues is handled by the Cascades West Area Commission on Transportation (CWACT) and the Corvallis Area Metropolitan Planning Organization (CAMPO). The Eugene-Springfield area is designated as a Metropolitan Planning Organization (MPO) area and LCOG is responsible for carrying out the MPO functions. The Corvallis/Philomath area was designated as an MPO after the 2000 Census was released.

The CWACT received its charter from the Oregon Transportation Commission (OTC) in October 1998. Membership is open to all city, county, port and tribal governments in Linn, Benton and Lincoln Counties. Each county may also appoint two private sector members. As a subcommittee of the OCWCOG, the commission establishes the regional priorities for the STIP. It also advises ODOT and the OTC regarding transportation program and policy issues.

The regional concern with transportation is in step with statewide transportation planning mandated through Oregon land use planning laws. As a result of the Oregon Transportation Planning Rule adopted in May of 1992, all cities, counties, and MPOs must develop transportation plans that cover a twenty-year planning period. The process requires jurisdictions to produce plans that are compatible with those of neighboring jurisdictions. As part of the process, the state has produced the Oregon Transportation Plan that provides an outline for the development of a multi-modal transportation system in the state. Local, county, and MPO plans must be compatible with the Oregon Transportation Plan.

TransPlan is the Eugene-Springfield area's regional transportation system plan. The draft TransPlan was released for public review in February 1998 and it is scheduled for adoption by local agencies in the fall of 1998. TransPlan will include an integrated approach to land use and transportation planning. A toolbox of strategies will address three fundamental components of transportation policy: land use, demand management, and system improvements.

LCOG is developing Transportation System Plans (TSPs) for the cities of Coburg, Cottage Grove, Creswell, Junction City, and Veneta. A TSP for Oakridge also is planned. The primary goal of the process is to develop a transportation system that will ensure a safe, efficient, and conveniently located network of transportation facilities for the movement of people and goods within those cities. TSPs for communities in Linn, Benton, and Lincoln counties are being undertaken or are underway by those jurisdictions.

Corridor planning for the Highway 20/34 corridor was coordinated by OCWCOG and it was completed in 1998. Corridor plans for Highway 126 and Highway 58 are being prepared by LCOG. The Highway 126 effort is divided into two projects, Highway 126 East (Springfield to Santiam Pass) and Highway 126 West (Florence to Eugene). Draft Strategy documents were released in spring 1997 for each of these corridors. The second phase of corridor planning on Highway 126 East and West is scheduled to begin in the spring of 1998. The Highway 58 corridor study is also scheduled to begin in the spring of 1998.

In the late summer of 1997, ODOT and the Coastal Policy Advisory Committee completed a U.S. 101 Scenic Management Plan for the entire Oregon segment of the highway. The plan was used as the basis for the state's application to have the highway designated as a National Scenic Byway by the federal government. OCWCOG staff participated on the project management team for the Lincoln County portion of the project.

Planning for alternate modes of transportation was the focus of the Linn-Benton Regional Public Transportation Plan, completed in 1999. With funding from the Transportation Growth Management Program, the OCWCOG facilitated this process to develop a strategy for providing transit service among the major communities in Linn and Benton Counties. The plan included recommendations for improving and expanding existing transit service in the short-term. The long-term strategy included the formation of a transportation district.

Transportation Funding

While demands on the transportation system are increasing, resources to meet the demands are not increasing at a comparable rate. The combined, automobile-related taxes in Oregon are among the lowest for all western states. The state gas tax, which is the major source of transportation funding, is currently .24 cents/gallon. Due to inflation and more fuel-efficient vehicles, the purchasing power of the tax is less than in 1971 when the tax was only .07 cents/gallon.

Cities and counties in the region have identified system deficiencies that will require huge investments.

Deterioration of the existing transportation system is a major concern as usage increases and the ability to fund system maintenance decreases. Cities and counties in the region have identified system deficiencies that will require huge investments. For example, the estimated cost of needed street overlay and reconstruction work in the City of Albany is \$36 to \$40 million. The twenty-year transportation need in the Eugene area is approximately \$1.6 billion. Anticipated revenues from existing sources are approximately \$1.1 billion, leaving a \$500 million shortfall.

Fifty-seven percent of the 32 miles of Benton County roads in the Corvallis/Philomath urban growth boundaries are in very poor, poor, or only fair condition. These roads do not meet full urban standards and the County finds it difficult to maintain them at current design standards.

Beside the general wear and tear on the roadways, the transportation system is facing damage due to natural disasters. Mudslides and flooding have significantly damaged the region's highways and bridges during the past several years. In the winter of 1999-2000 there were two major slides on US 101 that caused extensive damage to the highway and disrupted the economies of coastal communities. According to climatological predictions, the state is entering a twenty to thirty-year period of colder and wetter weather. Additionally, there is a high potential for seismic activity of a magnitude that would seriously damage the transportation system.

In 1999, the legislature passed a transportation-funding bill that would have increased the fuel tax by \$0.5 per gallon, increased the vehicle registration fees, and replaced the weight-mile system of taxing trucks with a diesel fuel tax. However, Oregon voters overthrew the law through the initiative process.

Rail, Air, and Marine Transportation

Rail, air and marine elements of the region's transportation system require resources to complete good linkages.

The rail, air, and marine elements of the region's transportation system provide the potential for developing an integrated system with good alternative modes. However, the full integration of the system will require resources to complete good linkages, such as intermodal shipping facilities and transit routes that connect population centers to air and rail passenger service.

Two rail freight carriers, Union Pacific (UP) and Burlington Northern Santa Fe (BNSF), provide direct freight service to industrial sites in Linn and Lane Counties, and adjoining counties north and south. Willamette Valley Railway (WVR), a short line headquartered in Independence, Oregon, runs from Albany to Mill City on trackage leased from UP. Willamette & Pacific Railroad, Inc. (W&P), a subsidiary of Genesee & Wyoming, Inc., leases Southern Pacific's (SP) western Willamette Valley branches serving Linn, Benton, and Lincoln counties and counties north. Portland & Western Railroad, a new carrier, was formed in 1995 and serves the western Portland metropolitan area. Headquartered in Albany, Portland & Western (P&W) is a sister to W&P. Both WVR and W&P coordinate services closely

with UP. P&W coordinates closely with W&P, UP and BNSF. The Central Oregon and Pacific Railroad provides rail service from Coos Bay to Eugene.

The National Railroad Passenger Corporation, better known as Amtrak, provides frequent bus and train service, stopping at Eugene, Albany, Salem, and Portland. As part of the Oregon Transportation Plan, the state is seeking local and federal funding for additional and faster trains in the Willamette Valley which anchors the southern end of the rail corridor between Vancouver, B.C., Canada, and Eugene. The route, officially named the Cascadia Corridor, is one of five such corridors in the U.S. to be federally designated as high speed and thus eligible for federal funding. Plans call for steadily improving passenger service over the next fifteen years. Funding was recently made available to add another daily run of the Cascadia train in September 2000. Consideration is being given to extending Cascadia rail service to Corvallis.

There are several publicly owned airports in the region. The Eugene Airport, located between Eugene and Junction City, averages more than 725,000 air travelers annually. Four air carriers are located in the main terminal building, which was completed in 1990. The carriers offer daily service. Since 1994, the airport has completed a runway rehabilitation project on the airport's 8,000-foot main runway, the CATII lighting project, an air cargo parking facility to help meet expanding aviation needs for commercial, corporate, and leisure aviation.

The Corvallis Municipal Airport was the busiest non-towered general aviation airport in Oregon during 1997. With improvements completed in 1995 it has a 5,900-foot runway with an Instrument Landing System that can serve the increasing corporate aircraft traffic. During the last several years, the number of individual T-hangers has grown from 54 to 100 as a result of in-based aircraft. Further improvements in 1997 included rehabilitation of runway 9-27 with the installation of a medium intensity runway lighting system, construction of a new taxiway, and installation of a six-foot security fence. The airport has Federal Aviation Regulation 139 certification that allows it to provide service to commercial airline service flights of up to 30 passengers. Currently, Harbor Air provides six flights to Portland on weekdays and four flights on weekend days.

Smaller airports in the region also offer the potential for future commuter flights. The emerging high-tech and light manufacturing industries in the region help to create opportunities for expanding flight service at a number of the region's smaller airports. Due to Lincoln County's growth and relative isolation in the region, the Newport Airport is seeing increased corporate and private airline traffic. Harbor Air is currently providing five weekday flights to Portland and three flights on weekend days.

The CWEDD region has four Port Districts along its coastal border: Port of Siuslaw (Florence), Port of Alsea (Waldport), Port of Toledo, and Port of Newport. The Port of Newport, a deep draft port, is the largest in the region and serves as an intermodal hub.

Enterprises of the four regional ports include: waterborne cargo transportation, ship repair, fisheries, recreation, and tourism, as well as provision of public facilities that support state economic interests beyond their immediate District boundaries. Land development is also a major activity through land leases of industrial and commercial sites that have been developed or are still available for development.

Maintenance of Port Districts' waterways and harbor projects, such as dredging, jetties, and breakwaters, is dependent, wholly or in part, upon federal funding of U.S. Army Corps of Engineers (COE) activities. Justification of this federal funding is based on the amount of commercial use of these navigation systems, primarily waterborne commerce. Reduction of federal budgets increases the likelihood of the COE further abandoning ports of lower waterborne commerce usage.

Working to determine the impact of dredging on the community, the region, and the Port of Siuslaw, port management successfully appealed the Corps of Engineers' maintenance cost reduction assumptions. The Port obtained a reclassification to the more favorable "Shallow Draft Harbor" study category.

Continued effort will be needed to obtain extended federal funding for the dredging of waterways.

In addition to reduced funding for harbor dredging, there are issues related to the disposal of the dredge material. Currently industry, Port of Newport and government agency representatives are working with the COE to identify ocean disposal sites that are acceptable. Acceptable upland disposal sites are also limited due to ownership issues and environmental considerations.

Recreational Amenities

Residents of the region enjoy a high quality of life, with access to a variety of active and passive recreational resources. Most of the population centers in the region are within a one hour drive of national wilderness areas and forests, Oregon's public ocean beaches, dunes, reservoirs, lakes and rivers. The abundance of natural resource-based recreation amenities in the region is expanded with ski resorts, urban trail systems, neighborhood and regional parks, water parks and pools, museums, and sports complexes. Sports and special events at the University of Oregon and Oregon State University complement activities at Eugene's Hult Center and multiple community performance venues.

These amenities not only provide residents with recreational opportunities, they also provide a strong positive internal and external image of the quality of life in the region. Further, visitors are drawn to enjoy the many unique amenities of the area, creating a tourism industry which is especially strong in coastal communities.

As population grows, the demand for access to public parks and open space increases. Many communities are planning and implementing projects that improve recreation spaces to meet increasing demands of their growing populations.

Public Higher Education

Universities

Oregon State University in Corvallis and the University of Oregon in Eugene are significant economic factors within the region. Not only are they among the largest employers in the region, their combined current enrollment of over 40,000 students has a large impact on the region.

Oregon State University and the University of Oregon also add significantly to the region through the advanced research and development carried on at their facilities and by their faculty. In 2004-05 the two universities received approximately \$300 million for externally-funded research. This research has led to improving the academic prestige of the universities and made the universities one of the region's most important "traded sectors". It has also resulted in spin-off companies, several of which have become major employers in sectors that have diversified the economic base of the region.

Community Colleges

Lane, Linn-Benton, and the Oregon Coast Community Colleges serve as life-long learning centers. They provide a variety of course offerings that meet the needs of those needing workforce training, pursuing associate degrees, preparing for higher degrees, and for those wanting to fulfill special professional or personal interests.

The community colleges also houses key economic development programs, such as the SBA acknowledged Business Development Centers and customized employee training programs. Responsiveness to regional workforce needs has lead to the creation of specialized training at the community colleges in nursing, welding, refrigeration and a host of other high-demand disciplines. An ongoing challenge has been keeping equipment used to train for these specialized fields, as well as in general education (e.g., sciences), up to date.

Health Facilities

Consolidation of health facilities has resulted in new investment in technology and facilities in the region. Major new facilities contemplated or underway include Peace Health's expansion into Springfield, McKenzie-Willamette's expansion into Eugene, and Good Samaritan's I-5 expansion in Albany. In addition, access to health care in smaller communities is being addressed by new partnerships with the region's larger medical facilities and medical training programs. However, this restructuring of the major medical facilities in the region has impacted the access to immediate care in the more rural communities.

Historic Resources

There are seventeen National Register Historic Districts in the region. Six of these are residential neighborhoods, three are commercial areas and the remainder includes one mixed use area, two wood product mills, an airport, three farms, and a fish hatchery. The Historic Districts often provide the base for tourism promotion and help to establish a positive identity for their community.

Additional properties are listed individually on the National Register and local historic resource inventories also identify resources from covered bridges to barns to cemeteries to individual homes/sites located outside of Historic Districts. Archeological sites are generally not listed publicly, but the State Historic Preservation Office identifies established and potential sites of archeological significance.



SECTION 6

Our Economy

Economic Profile

The regional economy was traditionally structured around the abundant natural resources of the region. Natural resource extraction and processing from the ocean, agricultural lands, and forest lands were the major economic force until the 1980's, when those industries began contracting as they faced structural changes.

Concurrently, emerging traded industrial sectors, such as high technology, software, and environmental services began to diversify the regional economy. The availability of university research and graduates, a good quality of life, business development support, and training programs helped attract and grow these types of industries. The establishment of these new traded sectors injected additional dollars into the regional economy to support the growth and diversification of local service and trade sectors.

The four counties in the region have very different industrial structures and occupational mixes. The economic focus varies by county and even by sub-county areas. In general, rural areas have relied on the wood products industry and agriculture, while the urban centers have established a more diverse economy which included wood products. The benefits of economic growth and diversification have been primarily focused on the four largest cities of the region near the I-5 corridor (Albany, Corvallis, Springfield, Eugene.) Rural communities have faced a more difficult time in strengthening their economies due to their relative isolation, capacity limitations, and smaller employment bases.

Employment and Unemployment

While the number of covered workers in the region rose slightly in 2004 to 267,520 working in covered employment positions, the region still has 2,000 less jobs than it did in 2000. The gain of 740 manufacturing jobs in 2004 has limited impact given the loss of 5,960 manufacturing jobs from 2000 through 2003. (See following tables for more a more detailed picture of trends.)

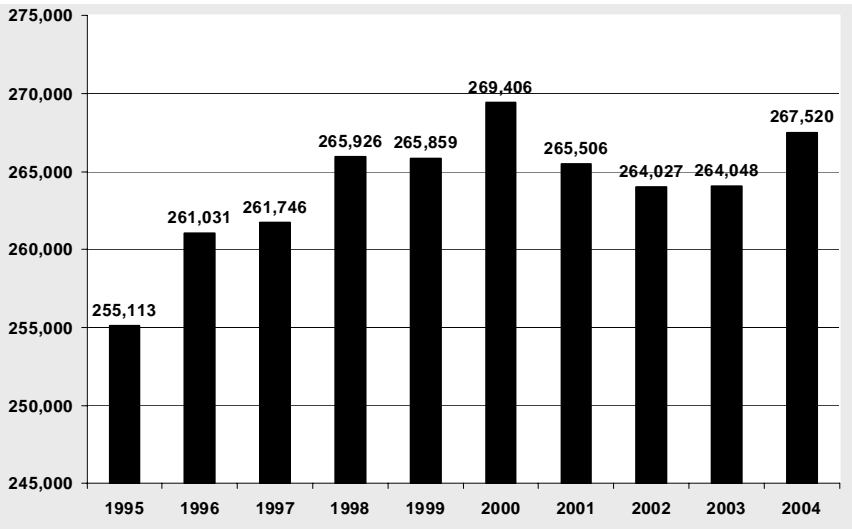
Unemployment Rates, BL3

	June 2005	May 2005	June 2004
US	5.0%	5.1%	5.6%
Oregon	6.5%	6.4%	7.5%
Benton	5.3%	4.5%	5.6%
Lane	6.6%	6.2%	7.6%
Lincoln	6.9%	6.6%	8.4%

High unemployment levels continue, with annual average unemployment in the region hovering around 7%-8% for the past several years. 19,671 people in the region were identified as unemployed in June 2005. Those that have given up looking for work or who have accepted underemployment are not reflected in these unemployment statistics.

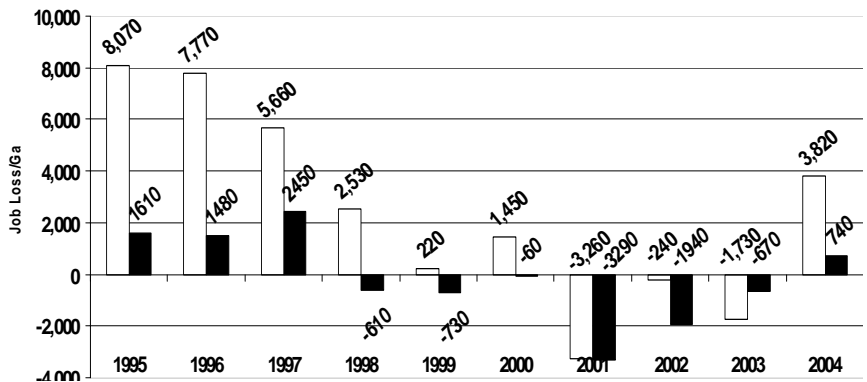
Covered Employment includes all employed persons (including part-time and temporary workers) covered under the Unemployment Insurance Act. Self-employed workers, CEOs, proprietors, military, and other non-insured workers are not included. If a worker holds more than one job, each job is reported separately.

Annual Average Covered Employment, BL3

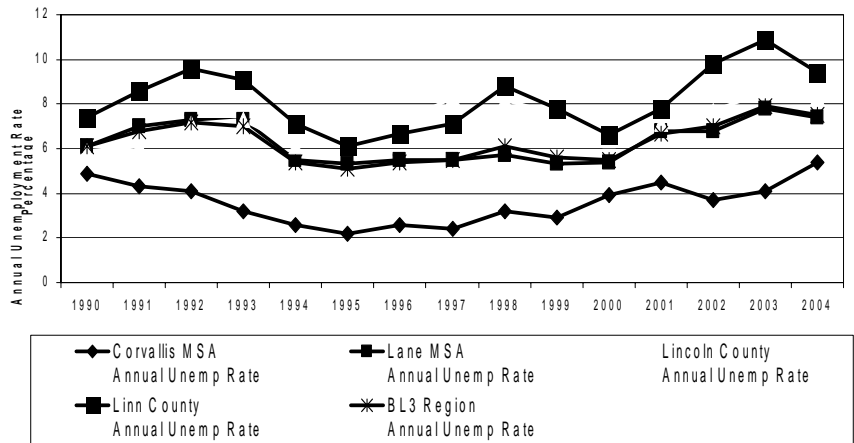


NAICS: Measuring employment has changed in recent years as a result of the new North American Industry Classification System (NAICS), replacing the U.S. Standard Industry Classification (SIC) system.

□ BL3 Annual Non-Farm Job Loss/Gain ■ BL3 Annual Manufacturing Job Loss/Gain



Annual Unemployment, BL3: 1990-2004



Traditional Sectors of the Economy

Background Information

The following “Traditional Sectors of the Economy” and “Emerging Clusters” were prepared by the State of Oregon Employment Division. Most data presented here are for jobs covered by the Oregon Employment Department unemployment insurance tax. Agriculture, fisheries and government are industries in the region with significant noncovered employment. The department’s economists use estimates of covered and noncovered employment for agriculture and government. There are no official published estimates of noncovered employment in fisheries. Wage data are for covered employment only.

<i>Regional Traditional Sector Employment</i>							
	Employment					2004-	2004-
	2001	2002	2003	2004	2014	2014	2014
						Number	Percent
Forest Products	9,867	9,603	9,147	9,193	8,720	-473	-5.1%
Fisheries 1/	104	100	91	87	63	-24	-27.6%
Agriculture 2/	5,150	5,000	5,080	5,480	N/A	N/A	4.5%
High Tech	7,588	7,082	6,933	6,944	6,794	-150	-2.2%
Software	1,562	1,415	1,217	1,321	1,581	260	19.7%
Tourism	23,056	22,899	23,253	23,744	27,410	3,666	15.4%
Metals	3,577	3,088	3,117	3,304	3,210	-94	-2.8%
Government 3/	48,750	48,440	42,940	48,390	52,344	3,954	8.2%

1/ Includes only covered employment

2/ Oregon Employment Department estimate that includes both covered and noncovered employment for 2001-2004. Employment percent growth for 2004-2014 is based on covered employment only and is not directly comparable to earlier years.

3/ Government includes tribal employment

Table 1

	Annual Average Wages				Statewide
	2001	2002	2003	2004	2004
Forest Products	\$35,965	\$37,017	\$38,456	\$40,425	\$39,293
Fisheries 1/	\$30,349	\$30,342	\$35,581	\$43,463	\$36,527
Agriculture /2	\$22,256	\$23,190	\$23,104	\$23,855	\$20,083
High Tech	\$58,523	\$59,616	\$65,008	\$64,200	\$69,274
Software	\$57,828	\$58,107	\$64,263	\$63,992	\$87,937
Tourism	\$11,679	\$12,052	\$12,312	\$12,537	\$14,535
Metals	\$44,156	\$44,387	\$44,032	\$45,774	\$43,231
Government 3/	\$45,309	\$47,307	\$49,584	\$52,149	\$38,864

1/ Includes only covered employment

2/ Estimate is covered and noncovered employment
Projection is covered employment only

3/ Government includes tribal employment

Table 2

Forest Products

The forest products industry remains vital to the region. This sector fueled the economy through much of the 19th Century and well into the 20th. More recently, it’s been battered by economic

recession and timber supply reduction. In response, the industry has become more efficient with larger mills that can process a wider range of raw material. The industry has also become more diverse, with a shift toward secondary wood products. Today, it is able to better handle the cyclic slumps and price swings that plague most of manufacturing.

The four counties of the region each have at least some employment in the forest products sector. Lane County has the most employment in forest products with 808 jobs in 2004.

Between 2001 and 2004, forest products employment dropped from 9,867 to 9,193. Employment stabilized between 2003 and 2004, when strong demand for housing and resulting high prices in wood products markets supported the industry. Industry wages tend to be high, with a regional average of \$40,425, compared with the all-industry annual average of \$31,837.

Employment in the forest products sector is expected to decline slightly between 2004 and 2014 – by 5.1% or 473 jobs. Continued technological advances will likely make the industry less labor intensive. Foreign competition, particularly from Canada, will contribute to the decline. The industry is protected somewhat by tariffs on Canadian lumber imports.

Fisheries

Fisheries employment in the region is primarily in coastal Lincoln County – especially in Newport, with a few additional jobs in Lane County. Aside from a small number of jobs in aquaculture – primarily oysters – fisheries employment is in commercial fishing for wild finfish and shellfish.

Employment seems to be slowly decreasing, but accurate counts are difficult to make. 1999 legislation excused most fishermen from unemployment insurance coverage – the primary source of employment data. The number covered by unemployment insurance dropped from 126 in 2001 to 111 in 2004. The total number of commercial fishermen in the region is probably several times higher. The recorded decrease could be from fewer fishermen working or choosing to maintain unemployment insurance coverage – or a combination of the two. A decreasing number of licenses and a federal fleet-reduction program for groundfishing suggest some of the apparent decrease is real.

Fishing employment in the short run is tied to harvests and 2004 brought a record crab crop and larger tuna, whiting and sardine harvests. License and income data suggest employment increased slightly in 2004, but a good year or two is unlikely to offset the long-term trend. Fishermen face consolidation in the fish-processing industry, which reduces the number of viable ports; price competition from the aquaculture industry, which encourages the substitution of capital for labor to increase productivity; and increasing regulation on harvests. The Pacific Fishery Management Council declared several species of groundfish overfished and restricted harvests to rebuild their stocks. These restrictions will probably continue. Crab harvests have been excellent recently.

Fishing will continue to be an important source of income in the region. The landed value of fish in Lincoln and Lane Counties was about \$30.4 million in 2004. That is about one-third of Oregon's total. Average wages in the industry are about \$40,000 per year and have risen sharply in the past few years. It is estimated that total employment, however, will slowly decline from 2004 to 2014.

Agriculture

Agriculture has long been a dominant and visible sector of the Willamette Valley economy. The agricultural production of the region includes a variety of field crops as well as livestock and poultry production.

Linn County, also known as, "the grass seed capitol of the world," is not so subtle about the county's largest crop. It produces more grass seed than any other county in Oregon. In fact, Linn County produced nearly one-third of the state's perennial ryegrass in 2004. Nearly half of Linn County's gross farm sales in 2004 were from grass and legume seed. Linn County had total gross farm sales of \$230 million in 2004, and the most agricultural employment of the four counties in the region. In 2004, its annual agriculture employment was 2,190.

Lane County is the second-largest agricultural producer in the region; its gross farm sales were just over half (\$119 million) of Linn County's. Lane County's agriculture industry is a bit more diverse than Linn's, with only 14% of the county's gross farm sales from grass and legume seed. Lane County's top commodities in 2004 were farm forest products, cattle, nursery crops, and Christmas trees. In 2004, Lane County's annual agriculture employment was 1,820.

Benton County's 2004 gross farm sales were slightly less than Lane County's. Benton County had \$106 million in gross farm sales. Benton County produces a number of commodities. In 2004, its largest commodities were farm forest products, perennial ryegrass, dairy products, and tall fescue. Benton County's annual agriculture employment was 1,260.

Lincoln County has the smallest agriculture sector of the four counties in the region, with 2004 employment of 210. The county's gross farm sales were \$11 million in 2004. Its largest commodities last year were farm forest products and cattle.

In 2004, the regional average annual wage for crop production was \$23,646, above the statewide average of \$19,575. For animal production, the average wage in the region was \$25,305, just above the statewide average of \$24,697.

Using only covered employment data, agricultural employment is expected to grow by 4.5% from 2004 to 2014.

High Tech (less software)

The high-tech sector is made up of computer and electronics manufacturing and computer systems design and related

services. All four counties have at least some employment in the sector, with Benton County leading the way – due mostly to the presence of Hewlett-Packard. Another major employer in the region is Hynix semiconductor in Lane County. Hewlett-Packard has had several publicized rounds of layoffs in recent years; Hynix has slowly added employment and made capital improvements totaling hundreds of millions of dollars.

After growing rapidly in the 1990s, high tech declined in the region when the recession started in 2001. It lost 644 jobs between 2001 and 2004. Much of the loss can be attributed to Hewlett-Packard in Corvallis and Rosen Products in Eugene. After losing jobs in 2001 and 2002, the sector stabilized at around 7,000 jobs. Jobs in this sector are generally high paying, with annual average wages at \$64,200 in 2004, compared with an average annual wage for all industries of \$31,837.

The high-tech sector is expected to decline slightly in the region over the next 10 years – losing 150 jobs or around 2.2% of current employment levels. Continued improvements in production efficiency and competition from domestic and international companies are expected to limit growth in this sector in the region over the next ten years.

Software

Software in the region is characterized by several, mostly small software publishers. There were 59 locations employing 1,321 in 2004. Two of the larger software publishers are Symantec in Springfield and Tripod Data Systems in Corvallis.

Software in the region declined during the last recession, which was largely due to a downward correction in computer-related industries. From 2001 to 2003, employment in the sector dropped from 1,562 to 1,217, for a loss of 345 or 22%. The sector regained some of the loss in 2004, with a gain of 104 jobs. Wages in software are generally high. Average annual wages in 2004 were \$63,992, compared with an average annual wage for all industries of \$31,837.

Software is expected to add 250 jobs for a growth rate of about 20% over the next 10 years. Symantec will expand its facility and other smaller firms – including Lunar Logic and Traffic Leader in Lane County - have recently seen employment gains.

Tourism

Tourism is important in all four counties of the region. Dean Runyan Associates estimated the region received about \$1 billion in travel spending in 2003 and that travel provided about 14,000 jobs. Estimating tourism-related employment is difficult because tourism is not an industry proper, but a source of customers. Two industries in the region strongly affected by tourism are arts, entertainment and recreation, and accommodation and food services, referred to here as the leisure and hospitality industry.

Employment in leisure and hospitality dipped slightly in 2002 during the recession. It grew in 2003, surpassing its earlier level,

and again in 2004. The industry provided 23,744 jobs in 2004 – about 10% of total covered employment in the region. Leisure and hospitality is relatively more important in Lincoln County, where it provides about 25% of the covered jobs. The average covered wage was about \$12,500 per year in 2004. This was much lower than the region’s average of about \$31,800. The low covered wage reflects the prevalence of part-time and seasonal work, use of tip income to augment covered wages, low skill and low training requirements, and the apparent increasing use of recent immigrants, who may lack the education, language skills or work history to command higher wages.

Employment in leisure and hospitality is expected to grow faster than the average in the region – about 15.4% over the next ten years. Growth will be fueled by the continuing expansion of demand for services in the U.S. economy, increasing travel as the baby-boom generation enters retirement, casino expansions, and Oregon’s tourism marketing. In 2003, the Oregon Legislature passed a 1% lodging tax to promote tourism. This dramatically increased spending on marketing in some counties – more than a 10-fold increase in Lincoln County – and has led to more collaborative marketing between the state’s regions and industries.

Metals

The metal manufacturing sector is concentrated in Linn and Lane counties. Linn County is responsible for nearly all of the primary metals employment in the region and Lane County comprises the majority of fabricated metals employment in the region.

Linn County hosts nearly all of the primary metal manufacturing in the region, employing over 1,700 in 2004. In fact, Linn County accounted for 22% of primary metal manufacturing employment statewide in 2004. Lane County makes up the small remainder of the primary metal manufacturing in the region, employing less than 100 in 2004. Benton and Lincoln Counties had no primary metal manufacturing employment in 2004. Wages in primary metal manufacturing are significantly higher than the average wage across all industries in the region. The average annual wage in primary metal manufacturing was \$55,441 in 2004, 74% higher than the average wage in the region of \$31,800.

Fabricated metal manufacturing is a slightly smaller industry than primary metals, employing 1,540 in the region during 2004. Lane County made up 75% of the regional employment in the industry. Linn County comprised 21% of the regional employment and Benton and Lincoln Counties made up the small remainder. The average annual wage in fabricated metals was \$34,702 in 2004, higher than the \$31,800 average paid across all industries, but not nearly as high as regional average wages in the primary metals industry.

Overall, metals manufacturing is projected to decline by 2.8% in the region from 2004 to 2014, but it is a tale of two industries. Primary metal manufacturing is projected to decline by 11% over the ten-year period, while fabricated metals is projected to grow by 7%. The projections place metals manufacturing among one of

the slower-growing industries in the region, across all industries the employment of the region is projected to grow by 13.7% between 2004 and 2014.

Government

Public-sector employment is very significant sector in the region. Statewide, public-sector employment makes up about 17% of total nonfarm employment. In the region, it accounts for 20% of the total nonfarm employment. Federal government employment (1.4%) in the region is actually slightly lower than the statewide average of 1.9%. Local government in the region accounts for 11% of nonfarm employment, matching the statewide percentage.

The region differs significantly from the statewide pattern in state government employment. State government makes up 8% of regional employment, twice the statewide percentage of 4%. The biggest reason for this is that the state's two largest universities are both located in the region. Oregon State University and the University of Oregon are the largest employers in their respective counties.

Average annual covered wages for government workers in the region were \$36,449 in 2004, lower than the statewide average of \$38,864. The regional average wages were lower than statewide for federal, state, and local government.

The government sector is projected to grow by 8% from 2004 to 2014 in the region. Statewide, employment growth in the public sector is projected to grow at a similar pace, 9% over the ten-year period.

Emerging Clusters

Motor Coach – Bicycle Manufacturing

Motor coach and bicycle manufacturing are centered in Lane County, where, in 2004, motor coach manufacturing employed 3,663 and bicycle manufacturing, 169. Motor coach manufacturing is cyclical and has had two recent large employment increases – once in the late 1990s and again from 2004 to 2005. Monaco Coach and Country Coach are two of several companies that use bus chassis as bases and add amenities to produce high-end coaches. Burley Design is a large bicycle manufacturer in Lane County that has often been included in *Oregon Business* magazine's list of best places to work.

Motor home and bicycle manufacturing are expected to grow over the next ten years. With the baby-boom generation entering its retirement years, national demand for motor coaches is expected to remain strong. Bicycles are a popular form of transportation in college towns like Eugene and Corvallis. Very high gasoline prices may also increase demand somewhat for bicycles.

Viniculture

Viniculture has expanded in the region for several years. There were 80 vineyards in the region in 2004 with 1,208 planted acres – up from 65 vineyards with 1,044 planted acres in 2000.

Most of Oregon’s wineries are relatively small and often have difficulty finding major market distributors to carry their brands. In May 2005, the Supreme Court ruled that bans on interstate, direct-to-consumer wine shipments were unconstitutional. That may help open markets to the smaller wineries of the region. Since then, New York has lifted its ban on direct sales, opening the nation’s second-largest market to small wineries.

Specialty Foods

The temperate climate of the region allows for a wide variety of agricultural products that can be used to produce specialty foods. Specialty foods are defined by the National Association for the Specialty Food Trade as “limited supply, high quality.” Fruits, nuts, berries, vegetables, and animal products are all used to create the value-added niche foods described as specialty foods. Oregon State University’s College of Agriculture and the Oregon Department of Agriculture (ODA) support specialty foods production through research and funding. Some examples of projects in the region that have been funded through ODA-administered specialty crop grants include: Wild Harvest Honey of Eugene (\$25,000) for a breeding program utilizing mite-resistant honeybees; Local Ocean Seafoods Inc. of Newport (\$90,000) for developing tuna and crab products for export; Green & Green Inc. of Corvallis (\$53,000) for development of uniquely packaged processed fruit products.

Some specialty food companies in the region include Emerald Valley organic salsa, Oregon Lox, and Harry and David, which runs a call center during the holiday season in Eugene.

Direct Market Foods

Farmers and other food producers can increase their revenue by selling directly to customers instead of to wholesalers. This is done through farmer’s or fishermen’s markets, you-pick operations, community-supported agriculture (CSA), farm stands, mail order and Internet sales, and sales to restaurants and stores. There are farmer’s markets in Albany, Corvallis, Eugene, Florence, Kings Valley, Lincoln City, Newport and Yachats. There are CSA farms in Albany, Corvallis, Philomath, Junction City, Eugene, Springfield, Coburg, Blachly, Cottage Grove, Pleasant Hill, Creswell, and Noti.

Lincoln City opened its second farmer’s market this year. The Port of Newport is developing plans for a fishermen’s market in conjunction with the Greater Newport Chamber of Commerce, the Coastal Oregon Marine Experiment Station, and the Newport Fishermen’s Wives Association.

Nurseries

Greenhouse and nursery employment has generally been significant and stable in the region. Most employment is in Lane and Benton County, with a few establishments in Linn County. Between 2001 and 2004, the industry added one job to reach employment of 786 at 35 business locations. Greenhouse and nursery crops are a high value crop for the region, producing about \$22 million in sales in 2004.

Greenhouse and nursery employment is expected to add about 130 jobs in the region over the next ten years, for a 16.7% increase.

Nano- & micro-technology – University Spinoffs and Tech Transfer

The presence in the region of Oregon State University and the University of Oregon has been a factor in attracting high-tech companies and creating spinoffs such as consulting firms and software companies. Nano- and micro-technology is a recent promising development that these universities are facilitating.

The 2003 Oregon Legislature established the Oregon Nanoscience and Microtechnologies Institute (ONAMI) with a \$21 million investment, of which \$20 million was for capital construction. The group includes departments at Oregon State University, the University of Oregon, Portland State University and the Northwest National Laboratory (Richland, WA); the state of Oregon; and Oregon Health Sciences University. In addition, private companies in the region, including Hewlett-Packard and Hynix, participate in the effort. The governor's recommended budget for the 2005 biennium includes \$7 million in operating funds for ONAMI, following a very successful startup.

As part of the ONAMI effort, University of Oregon chemistry professor Jim Hutchison has won a patent that could lead to a new class of nanoscale electronics and optics assembled from nanoparticles – including ultras-small transistors that operate efficiently at room temperature.

Economic Development Partners

The following outline of those involved in regional economic development efforts is not exhaustive. However, it does provide an indication of the many facets and many players involved in economic development in the region.

Economic Development Planning

- ◆ BL3 Regional and Rural Investment Strategy
- ◆ Cascades West Economic Development District
- ◆ Lane Council of Governments' Lane Economic Committee
- ◆ Oregon Cascade West Council of Governments Community and Economic Development Committee
- ◆ State of Oregon Community and Economic Development Department

- ◆ *Each county, city, tribe, and port (identified in Section 2) must address economic development goals as a part of their comprehensive planning efforts*

Lead Economic Development Contacts

- ◆ Albany-Millersburg Economic Development Corporation
- ◆ Corvallis-Benton County Economic Development Partnership
- ◆ Eugene/Springfield Metro Partnership
- ◆ Lincoln County Economic Development Alliance
- ◆ North Santiam Economic Development Corporation
- ◆ Oregon Community and Economic Development Department
- ◆ Sweet Home Economic Development Group
- ◆ *County, city, tribe, port, and chambers of commerce staff may also function as a lead local contact*

Business Development Funds

- ◆ BL3 Regional Investment Board
- ◆ Cascades West Financial Services
- ◆ Linn County Business Development
- ◆ Oregon Community and Economic Development Department

Business Start-up Counseling

- ◆ Lane Community College Business Development Center
- ◆ Linn-Benton Community College Business Development Center
- ◆ Oregon Coast Community College Business Development Center

Tourism

- ◆ Albany Visitors Association
- ◆ Corvallis Visitors Bureau
- ◆ Lane County Visitors Bureau
- ◆ Lincoln City Visitor and Convention Center
- ◆ **Lincoln County? Is there one group or done by chambers?**
- ◆ **Oregon Tourism Commission**
- ◆ *Chambers of commerce and multiple non-profit groups also meet visitor needs*

Workforce Training

- ◆ Community Services Consortium Business Employment Training Associates
- ◆ **Lane ?**
- ◆ Lane Community College
- ◆ Linn-Benton Community College
- ◆ Oregon Coast Community College
- ◆ Oregon Employment Department
- ◆ **? Workforce Enhancement Board**

Other Entities Involved in Economic Development

- ◆ Chambers of Commerce typically play multiple roles in supporting business development in their communities
- ◆ Cities provide infrastructure systems, development review, obtain site development funds, and play multiple other roles in implementing local economic development goals
- ◆ Community colleges have worked in partnership on regional and local economic development strategies and projects, in

addition to their business development center and training work

- ◆ Community Response Teams in some communities shape and implement community development priorities
- ◆ Oregon State University and the University of Oregon have served as economic development partners, created technology transfer programs, and supporting regional business development and recruitment efforts
- ◆ State of Oregon: The Governor's office and multiple state agencies work to address various issues and needs, provide funding assistance, and implement statewide programs
- ◆ Utility providers (electric, natural gas, communications) often provide staff support and partner in regional and local economic development efforts
- ◆ Watershed councils provide a forum various resource interests and improve natural systems



SECTION 7

Challenges and Opportunities

Identifying Strengths, Weaknesses, Opportunities and Threats

Members of the Benton-Lane-Lincoln-Linn Regional Investment Board and the Cascades West Economic Development District discussed the state of the region during a strategic planning forum in July 2005. Information presented for consideration and discussion was gathered from:

- ◆ 2004 CONTACT survey of ninety Lane County businesses
- ◆ Discussions with twenty Benton, Lincoln, and Linn County businesses in April-May 2005 by Cascades West COG with assistance of the Albany-Millersburg Economic Development Corporation, Economic Development Alliance of Lincoln County, and Corvallis-Benton Economic Development Partnership
- ◆ Interviews with the city manager/administrator/recorder of each city in the region
- ◆ Interviews with Port managers of Alsea, Toledo, and Newport
- ◆ Discussions with community and economic development partners including the Oregon Employment Division, Linn-Benton Community College, Oregon Coast Community College, Linn Benton Housing Authority, and the Community Services Consortium
- ◆ Employment, population, and income data and projections from various State and Federal sources

The information presented at the forum, additional information and perspectives provided by forum participants, and prior regional planning work (2003-05 Regional Investment Strategy) was used to prepare the following summary of regional strengths, weaknesses, opportunities, and threats. The RIB and CWEDD Committees met separately to further evaluate this outline of challenges and opportunities in the late summer of 2005. Personal perspectives shared at the forum and during committee discussions are highlighted in boxed italicized text by each topic.

While there is some crossover, these challenges and opportunities are organized under the four topic areas of:

- ◆ Health of Our Economy
- ◆ Health of Individuals and Families
- ◆ Health of Our Communities
- ◆ Health of Our Natural Systems

Health of Our Economy

Employment and Economic Diversification

- ◆ In 2004, the region had an increase in the number of jobs for the first time in five years. However, the region still had almost 2,000 less jobs than in 2000.
- ◆ Monthly and annual average unemployment rates in all BL3 counties remain above the national unemployment rates and at or above State rates.
- ◆ Although high, unemployment rates remain fairly stable, especially when compared to the peak-trough cycles of past decades.
- ◆ Almost 20,000 individuals were unemployed in June 2005. This does not include those who have given up looking for work or who have accepted under-employment.
- ◆ The economy is diversifying toward non-manufacturing.
- ◆ There has been minor job growth in manufacturing compared with much stronger growth in service and trade.
- ◆ The Oregon Employment Department projects that these trends will continue for the next decade.
- ◆ Hewlett Packard is in the process of a major reorganization what is reducing the workforce at the Corvallis facility. The implications of the restructuring and reductions are not yet fully know, however, there are likely to be ramifications in the local economy as some workers leave the area and as other former HP employees start business ventures of their own.

Comments from Forum participants:

- ◆ *Jobs and growth are basic to quality of life as their taxes support desired public services.*
- ◆ *Balancing efforts between short- and long-term job creation is needed to solve problems needing a longer-term approach.*

Overall Business Perspectives

- ◆ Most of the businesses contacted said that the best thing about doing business here is the area's high quality of life. Several explained their business remains here despite market, labor cost and other locational factors because they enjoy the lifestyle of the region. Several also noted that a high quality of life was important to attract and retain quality employees.
- ◆ Lane County businesses most frequently cited the economy as the top issue impacting their operation. Several noted that they plan to expand operations if the economy improves.
- ◆ The top issues most frequently identified as impacting the businesses contacted in Benton, Lincoln and Linn Counties were societal in nature, with many noting:
 - Entry workers seem to have poorer work ethics (absenteeism, improper attire, tardiness, unwillingness to work as a team member) than in the past and need basic soft skills training prior to entering the workforce, and
 - Instability in the K-12 funding hampers attracting/retaining technical and highly skilled professional workers.

Comments from Forum participants:

- ◆ *The agriculture and fisheries sectors are important to the regional economy.*
- ◆ *Economic growth could be encouraged by studying and developing emerging clusters.*
- ◆ *There is an opportunity to develop/support energy-related businesses and to encourage energy efficiency within businesses we assist.*
- ◆ *Using technology transfer from our universities we can attract, create, and expand businesses.*

RIB Planning Committee comments:

- ◆ *Uncertainty of funding and poor national perception of Oregon education system can affect recruitment efforts.*
- ◆ *Education system needs to be viewed as K-20.*
- ◆ *Lack of discipline in schools contributes to poor work ethic.*

- ◆ Benton, Lincoln and Linn resource-dependent businesses contacted noted that shifting public policies (Measure 37, harvest decisions) impact their investment and expansion decisions. All expressed that a better public understanding of the connection between a stable healthy environment and a stable healthy economy is needed.

Workforce and Globalization

Comments from Forum participants:

- ◆ *Soft skills issues and poor work ethics are also an issue for Lane County businesses.*
- ◆ *The gap in soft skills being reported across the U.S. is said to be linked to the generation entering the workforce.*
- ◆ *Health costs are rising faster in Oregon than other states.*
- ◆ *Work ethics were addressed in high school professional-technical classes, which are the first classes eliminated.*
- ◆ *Physical education classes that prepared students for more strenuous, physically demanding jobs, are being cut back.*
- ◆ *Professional and technical training classes are important to economic development.*
- ◆ *The median employment age on the Coast is higher than elsewhere (average age in Lincoln County is currently fifty years) and is already making it difficult to refill positions.*
- ◆ *We are increasingly encountering issues that are part of globalization and the bigger world picture.*

- ◆ Businesses contacted noted several workforce concerns:
- ◆ Uncompetitive costs (related to globalization.)
- ◆ Need for soft skills/work ethic training.
- ◆ Continued inability of many workers to meet basic math and/or reading requirements.
- ◆ Need for technical training.
- ◆ Unprepared entry workers.
- ◆ Higher-skilled and professional workers are unavailable and sometimes unwilling to relocate.
- ◆ Almost all manufacturers contacted highlighted how increased global competition impacted their businesses.
- ◆ Several manufacturers noted that they were preparing to outsource part/all of a labor-intensive production line to China where trained laborers are \$.25-.28/hour.

Physical Environment

Transportation issues noted by businesses contacted included:

Comments from Forum participants:

- ◆ *Water, sewer, etc. infrastructure limitations are also a significant concern of manufacturing businesses.*
- ◆ *Physical space for business development (e.g., business incubators) is important to grow jobs.*
- ◆ *Industrial sites that meet the needs of new and expanding manufacturers are not available.*

RIB Planning Committee comment:

- ◆ *Highway 20 improvements will have an effect on Coast/Valley relationships and coastal tourism.*

- ◆ Moving workers and goods along the I-5 corridor is becoming increasingly difficult due to congestion.
- ◆ Rail use is challenged by limited availability of rail cars and deferred line maintenance.
- ◆ Trains blocking major roadways (e.g., Albany's Queen Avenue) impact business operations.
- ◆ Air connections are needed by Lincoln County businesses.

Health of Individuals and Families

Income and Poverty

- ◆ While the average payrolls of BL3 counties have increased (1997-2002 after inflation), they remain at/below the average payroll in Oregon.
- ◆ There is growing economic disparity between the haves and have-nots influenced in part by industrial sector dominance. In example, the average annual wage in Oregon's Leisure and Hospitality sector is \$14,000 compared to \$50,000 in the Information sector.
- ◆ This have-have not divide is apparent among the BL3 counties where the average 2004 household income in Lincoln County was \$24,150 compared with \$33,700 in Benton County.
- ◆ Improving poverty rates between 1990 and 2000 indicate that overall the region seems to be doing better financially. However, population growth masks a 9% growth in the number of people in poverty during the same time period.
- ◆ There are 73,790 people in poverty in the BL3 region, of which almost 30% (19,975) are children.

Comment from Forum participant:

- ◆ *The region is losing ground on personal income levels compared to U.S. levels.*

RIB Planning Committee comment:

- ◆ *Employment Department is providing classes for seniors re-entering the workforce, because of concerns that retirement income will not cover cost of living.*

Regulation and Taxation

- ◆ Many of the businesses interviewed in Lane County expressed concern that a vocal minority negatively impacts regulatory policy.
- ◆ While many Lane County businesses noted that government regulations were a hindrance, few businesses contacted in the Benton-Lincoln-Linn survey expressed regulatory concerns.
- ◆ Many of the businesses contacted in Benton-Lincoln-Linn (especially in Lincoln) expressed concern that the quality of life that they valued was threatened negatively by the State tax structure, especially as it impacted the quality of education.

Comment from Forum participant:

- ◆ *Government regulations impact businesses, especially natural resource businesses, more than noted in the business interviews.*

Those in Need

While public funding for many assistance programs has been reduced, needs remain high:

- ◆ 6% of Oregonians have a serious mental health disorder. The State has moved most previously institutionalized individuals into communities.
- ◆ Overnight shelters in the region housed 1,695 people on the State's 2005 one-night count.
- ◆ The Oregon Food Bank reports that the number of food basket requests met in the region increases dramatically each year.
- ◆ Both Lincoln and Linn-Benton Housing Authority relays their waiting list for HUD Section 8 housing subsidies remains well above the number of available vouchers.

Comment from Forum participant:

- ◆ *The number of those in need is increasing, but it is difficult to capture the actual number in need because social service providers are turning away potentially eligible recipients due to funding constraints.*

- ◆ 50% of students in Lincoln County qualifying for free/reduced fee lunches compared with 43% in Linn, 37% in Lane and 24% in Benton.
- ◆ In Oregon 23% of the population receives DHS services compared with 43% in Lincoln, 27% in Linn, 25% in Lane and 16% in Benton. (2003 data.)

Health Care

RIB Planning Committee Comment:

- ◆ *There is a growing need for individuals to take responsibility for basic preventative health care.*

- ◆ Health care businesses relate that the increased cost of health care coverage is especially impacting the least fortunate, as reflected by a three-fold increase in the number of charity requests.
- ◆ An increase in the severity of cases received at the hospital level indicates that individuals are increasingly deferring physician visits until a health crisis arises.
- ◆ Charity requests are lowest in Linn County, perhaps because insurance coverage remains fairly stable due to union contracts.

Education

Comments from Forum participants:

- ◆ *By comparing ourselves to ourselves academically we don't get a true picture of whether the region is moving forward. While numbers may not be readily available, college-entry students who need remedial classes/assistance and the placement of college graduates may be better indicators of educational success.*
- ◆ *The difference between education measures and community perceptions could be that those tested have not yet reached the workforce.*
- ◆ *Educational perceptions are based on interaction with students and graduates, not based on how those individuals tested scholastically. One perception is that even those students called out as high achievers do not communicate or carry themselves as well as their counterparts did ten years ago did. An alternative view is that business people anticipate a certain quality that when not met becomes under a limited encounter is shaped as their reality.*
- ◆ *High school dropout rate does not take into account students who choose to receive a GED so that they are able to move more quickly onto an academic or career track. The GED-track is challenging and shouldn't be discounted.*

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- ◆ Businesses, especially those in Lincoln County, were concerned about a threat to education quality and most city contacts noted concern about school instability.
- ◆ Measures typically show educational performance in the region's K-12 school between 1997-2003 has improved and that the region exceeds State measures:
 - 3rd Grade reading & math scores, except reading scores in Lincoln County, have improved and exceed State scores;
 - 8th Grade reading & math scores, except Benton's reading score which is lower than their 1997 score (one of the highest in the State) and Lincoln County's scores are lower than State.
 - Latest scores in Lincoln County have dropped.
- ◆ High School dropout rates have improved over time, but the dropout rates in Lincoln and Linn Counties remain above State's dropout rate.

Continued, Forum comments:

- ◆ *Financial difference between a obtaining high school and a college education is widening. Individuals graduating with a college degree today are projected to earn \$1 million more over their lifetime than the holder of only a high school diploma.*
- ◆ *The average income of the families of college students is increasing, perhaps in part due to increases in tuition cost.*

RIB Planning Committee comment:

- ◆ *High school classes are being cut for those jobs that can't be exported (plumbers, electricians, mechanics.)*

Health of Our Communities

Growth

Comments from Forum participants:

- ◆ *“Management” of growth may be less of a priority today.*
- ◆ *State tax policies do not reward communities for economic development.*
- ◆ *Costs of infrastructure expansions and service increases needed by new development are often borne by the existing community. Springfield will not recuperate infrastructure funding from an industrial development project for six years.*
- ◆ *The cost of housing and limited affordable units is impacting the ability of middle-income earners to accept jobs in smaller communities. Nurses are unable to afford Coastal housing.*
- ◆ *Lowell lacks entry-level homes for teachers.*
- ◆ *Lincoln City feels geographically constrained as the ocean and hills limiting their ability to meet growth pressures.*

- ◆ The population of the region grew at a slower pace (3.1%) than Oregon (4.7%) from 2000 to 2004.
- ◆ The region is increasingly more urbanized, with 70% of the population living in incorporated cities in 2000 versus 64% in 1990.
- ◆ The population of the region is becoming increasingly more concentrated.
- ◆ The four largest cities of Albany, Corvallis, Eugene and Springfield drove the region’s growth in 2000-2004 with a combined growth rate of 5.6% versus .6% for the remainder of the region.

Comments from Forum participants:

- ◆ *There is a lack of industrial lands in all communities, making the task of matching expanding/new businesses with an appropriate site very difficult.*
- ◆ *Programs have been making investments (e.g., Community College Centers) in smaller communities to better connect with community needs.*
- ◆ *As the State’s Needs and Issues process changes it will be the responsibility of communities to update the data base themselves.*
- ◆ *Small cities need to have access to collective/cooperative approaches to addressing their infrastructure, school, labor skills, etc. needs because they are not able to adequately address these needs by themselves.*

Economic Development

- ◆ Several cities noted that they gained significant ground building a common community vision by involving the various stakeholders of their community.
- ◆ Community priorities appear to have broadened:
 - Smaller cities spoke less about replacing manufacturing jobs than in the past.
 - Larger cities spoke of working on common economic development agendas with other economic development players.
 - Several communities noted that they were working on strategies to create destination developments and build tourism.
- ◆ Cities discussed their concern about having an insufficient supply of buildable industrial sites, many noting that they were working to move sites to a shovel-ready state.
- ◆ Downtown revitalization and redevelopment was a priority noted by all cities.

Infrastructure

Comment from Forum participant:

- ◆ *The infrastructure challenges of ports and special districts are affected by financial shifts from tax base supported to fee supported, and from grants to loans offered by the State. However, as fee supported, they lack debt capacity to carry a loan.*

RIB Planning Committee comment:

- ◆ *Cost of transportation will begin to bear on commuting and where people and jobs locate.*

- ◆ Cities noted that transportation issues challenge their ability to accomplish their economic development priorities.
- ◆ Cities report that they are making progress in addressing infrastructure problems, although they forecast ongoing infrastructure challenges:
 - Maintenance and improvement needs are continuous;
 - Solutions are often complex and/or costly;
 - Repair and expansion funding is inadequate; and
 - Limited local resources strain the ability of cities, especially smaller ones, to balance multiple needs.

Education and Schools

Comments from Forum participants:

- ◆ *When public school closures in Lincoln County (Eddyville, Siletz) threatened these key parts of community identity, community members stepped forward to establish a charter school. Toledo is now having the same discussion.*
- ◆ *The delay of school budget data from the State impacts the ability of local schools to plan their budgets.*

- ◆ Some cities noted recent efforts to retain a sense of community given closures of local schools that had been primary community gathering spaces and provided a common sense of identity.
- ◆ There was widespread concern among cities about school funding; especially how it will impact education quality and workforce preparedness. Those interviewed relayed that school funding needs to be stabilized for economic growth.
- ◆ Overall comments from the cities about the State's community and economic development programs were positive, although there was widespread concern about the future availability of State and Federal funding for community priorities.

Public Safety

Comments from Forum participants:

- ◆ *Public safety challenges are heavily tied to methamphetamine use.*
- ◆ *Methamphetamine use has broad social impacts on children, social service demands, etc.*
- ◆ *There are significant public safety issues in Lane County, where violent crimes have resulted in decreased attention to property crimes.*
- ◆ *Safety and the perception of safety, impact the quality of life especially heavily in rural/smaller communities.*

Public safety was not a major topic raised in the community interviews or the Lane business survey. However, Forum participants felt that it was a significant issue.

Health of Our Natural Systems

Resource-Based Businesses

Comments from Forum participants:

- ◆ *Our oceans present a unique research opportunity.*
- ◆ *The fisheries industry is in competition with other ocean uses (aquaculture, wind/wave power generation, mining, oil production) all of which need to be balanced.*

- ◆ Natural resource-based businesses expressed that continued shifts in public policy related to harvesting and land use make business investment and expansion decisions difficult.
- ◆ Resource-based firms contacted all put a high priority on the public understanding connectivity between environment and economy.

Water Quality and Quantity

Comments from Forum participants:

- ◆ *Springfield imposed groundwater protection to reduce/alleviate the need to invest in the future.*
- ◆ *Monitoring or local enforcement of groundwater limits will be required of communities, especially the more urban ones, in the near future.*
- ◆ *Balancing water needs is becoming increasingly complex because uses often compete for flow versus retention at the dams (fish, recreation, drinking water, economic development, irrigation.)*
- ◆ *The question of water rights will increasingly come into play as growth consumes existing rights.*
- ◆ *Water discharge temperatures have been a big issue at the legislative level this year and are expected to be an increasing concern of industrial and municipal dischargers.*

Water quality and quantity issues were not raised, outside of concern over infrastructure capacity, were not major issues raised in the business or community interviews or the Lane business survey. Forum participants were asked about their perceptions of water quality and quantity issues.

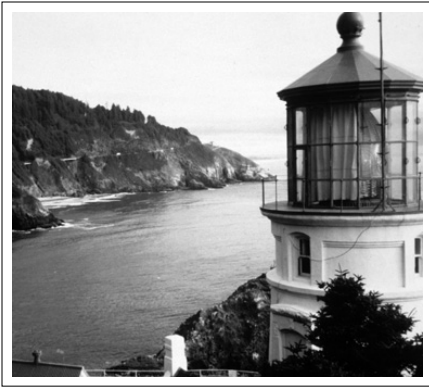
Natural Hazards and Land Conditions

Comment from Forum participants:

- *Tsunami preparedness assistance and funding will be a high priority need for the Coast over the next several years.*
- ◆ *Wetlands identification and remediation is a big, often overlooked, issue to moving industrial sites into use.*
- ◆ *There are additional recycle and pre-cycle opportunities associated with our landfills.*

Issues associated with natural hazards and land conditions were not major topics of the business or community interviews or the Lane business survey. Forum participants were asked about their perception of issues associated with:

- Slides
- Flooding
- Earthquakes
- Tsunamis
- Wetlands
- Brownfields and Superfund sites
- Landfills



SECTION 8

Regional Vision and Goals

Our Vision

The Benton-Lane-Lincoln-Linn region will guide its growth to create a sustainable demonstrably superior place to live and do business that respects the goals and capacities of each community. The region will nurture and support existing and new businesses to establish a multi-dimensional economy that provides a wide range of job opportunities to allow people to enjoy the quality of life they desire.

The high quality of life that we envision will be found in all areas of the region, including rural communities. A high quality of life means quality job, educational, and housing opportunities; health care, human services cultural and recreational offerings; and, open space and a healthy natural environment. Our rural communities will have strong institutions, strong local leadership, and strong local identities. The economies of our rural communities will be vital and diversified, including non-traditional businesses, value-added businesses, home-based businesses, and professional service firms. Linkages between communities, especially connections between rural and urban areas, will be improved through telecommunication linkages, improved highways, and other transportation options.

This vision is based on input from private and public sector participants in regional planning activities from 1995 to 2005.

Clarifications (e.g., that the guidance of growth would respect local goals and capacities) and incorporation of several current business issues and opportunities were recommended by the members of the Cascades West Council of Government's Community and Economic Development Committee, the Lane Economic Committee, and the BL3 Regional Investment Board Planning Committee.

Key elements of the regional vision include:

- ◆ **A diversified economy affording a wide range of employment opportunities providing stable, family wage jobs**, including support for:
 - A strong private sector
 - A focus on traded-sector employment
 - Value-added employment in natural resource sectors, such as agriculture, fisheries, and forest products
 - Industries such as knowledge-based, software, metals, biotechnology, and emerging industries
 - Outstanding tourism products, including facilities and attractions
 - Economic revitalization of distressed and/or rural communities
 - Successful small businesses and cottage industries

- An adequate level of technical assistance and support to entrepreneurs and emerging businesses
 - Establishing networked business clusters
 - Accessible e-commerce technology for small business
 - Vibrant port and special districts as economic partners
 - Improved linkages from the coast to the Willamette Valley
 - An increase in higher education's capacity to develop emerging businesses and industries
 - A public-private model that successfully transfers university-based research to the private sector
 - Business and labor in transition
 - Outreach to special populations, such as the disabled, Seniors, youth, minorities, unemployed and underemployed
- ♦ **Lifelong education and workforce training opportunities,** including:
- Quality K-12 public education
 - An outstanding higher education system
 - Accessible and superior community college facilities and programs
 - Strong, active partnerships between educational providers, businesses, and non-profits
 - Stable, adequate funding across the continuum of education and training systems
 - Multi-lingual delivery of education and training
 - Improved opportunities for the working poor and dislocated workers to access education and training services
 - Enhanced school-to-work programs
 - Training that addresses workforce needs
- ♦ **Sustainable natural resources,** including:
- Balancing the multiple, sometimes conflicting, demands on natural resources
 - High-quality water
 - High-quality air
 - Appropriate use of limited land and protection for resource lands and soils
 - Restoration of anadromous fisheries for commercial and recreational use based on proven science
 - Complying with Section 4D Rules of the Endangered Species Act
 - Value-added agriculture, fisheries, and forest products
 - Recycling and use of alternative fibers
 - Preserving our natural resource industries
 - Coordination of university initiatives to promote sustainable natural resource programs
 - Encouraging sustainable alternative fuels and energy sources, especially those that generate new employment
 - Addressing wetlands and brownfield issues on industrial properties
 - Preparedness for natural disasters

- ◆ **An integrated infrastructure** that includes:
 - Well maintained, up-to-date water, sewer and storm drain infrastructure systems, particularly to meet new regulations
 - Available, affordable telecommunications systems offering connectivity via television, cable, telephone, satellite, computer data line, wireless, and fiber optics for business and residential needs
 - Adequate and stable energy supplies
 - Coordination and advocacy among regional entities, such as the RIB, CWEDD, Area Commissions on Transportation, Fiber Optic Consortia and other entities to improve infrastructure networks and affordability, especially in rural areas
 - Well-maintained state and county highways and roads
 - Multi-modal and public transportation options, including air service, short-line rail, and water transportation, especially in rural areas
 - Development of an appropriate inventory of industrial parks, sites and facilities
 - State certification of shovel-ready industrial sites
 - Manufacturing spaces such as business incubators, flexible buildings and commercial kitchens that meet the needs of start-up and emerging businesses
 - Revitalized downtown business districts
 - Assistance to smaller cities in addressing regulatory changes
 - Technical assistance for capital improvement planning and construction
 - Ongoing training for individuals involved in infrastructure maintenance, planning, construction, etc.
 - Regional coordination in the planning and construction of infrastructure
 - Adequate water storage and supply
 - Coordinated regional telecommunications infrastructure planning and integration with other community needs and initiatives

Coordinated efforts that provide an integrated approach to problem solving and that focus the efforts of a variety of individuals, communities, and agencies will be needed to move the region toward this vision. This coordination will entail:

- ◆ Public-private partnerships
- ◆ Linkages between academic research and the private sector
- ◆ Local, regional, state, and federal collaborations

Also important are:

- ◆ Fostering the participation and contribution of the region's diverse citizenry
- ◆ Supporting a balanced and fair tax structure
- ◆ Encouraging well-managed economic growth
- ◆ Increasing accessibility of government programs and initiatives to all of the region's residents

Our Goals

The following six goals refine the regional vision and provide a framework for shaping the distinct work plans and investment strategies of the BL3 Regional Investment Board, Cascades West Community and Economic Development Committee and Lane Economic Committee. Policy-level explanations of why the goal is considered important and examples of how the goal could be addressed follow each goal statement.

Goal: Advance economic activities that provide a range of employment opportunities.

Considerations: The Region must both support existing businesses and industries and be prepared to take advantage of new opportunities. Individuals must be supported in their efforts to improve their skills, to have access to a variety of job opportunities, and to start their own businesses.

Examples of activities that support this goal:

- ◆ Enhance access to capital, both private and public
- ◆ Training for professional and technical primary jobs
- ◆ Enhance value-added production and niche marketing
- ◆ Support for ports and special districts
- ◆ Support for the activities of business incubation centers, entrepreneurs, small business development centers, and economic development partnerships, that help local businesses meet their needs, resolve issues, and expand job opportunities
- ◆ Create new models to commercialize research
- ◆ Reach out to special populations including the disabled, Seniors, minorities, unemployed, unemployed and youth

Goal: Build on the region's entrepreneurial culture and assets.

Considerations: Entrepreneurs continue to be the most important economic generator in the region as their efforts expand existing sectors, create new sectors that diversify the economy and generate most of the region's job growth. With macro-level economic changes that range from globalization to shifting market structures, our regional economy will require a continued in-flux of fresh energy from new businesses. To make an economic impact our approaches to supporting entrepreneurs will need to be pro-active, responsive, flexible and innovative – in a word, entrepreneurial.

Examples of activities that support this goal:

- ◆ Establish networks of business clusters
- ◆ Create new models to transfer university research to entrepreneurs
- ◆ Develop facilities that support the needs of emerging businesses such as incubators, commercial kitchens and flexible manufacturing buildings
- ◆ Expand the availability of business development assistance

- ◆ Form start-up capital, micro-enterprise financing and venture capital funds
- ◆ Identify and promote emerging business niches
- ◆ Implement enterprise development efforts targeted at start-up businesses
- ◆ Support potential entrepreneurs as they are displaced in workforce reductions

Goal: Support infrastructure assistance to communities.

Considerations: There is an ongoing shortage of industrial and business park space in our Region, especially larger sites. Some communities must address compliance issues that require improvements to water and sewer facilities. While the State has funding available for some types of infrastructure projects, there are still funding gaps. In addition, some rural communities lack full-service infrastructure (water, sewer, telecommunications, streets) to residential, commercial and industrial sites.

Examples of activities that support this goal:

- ◆ Provide leverage to access other funding sources
- ◆ Support for the development of advanced telecommunications and access to existing fiber optic infrastructure
- ◆ Development of fully-served industrial sites and business parks
- ◆ Development of transportation options, including rail and air service

Goal: Provide technical assistance to communities and support capacity building efforts.

Considerations: Communities often lack the facilitation resources needed to build consensus for their community development agenda and to identify how to move components of that agenda forward. Smaller communities also often need technical assistance to access state and private funding sources for infrastructure improvements and other community development priorities.

Examples of activities that support this goal:

- ◆ Technical assistance to develop community projects
- ◆ Technical assistance to smaller communities for accessing funding sources
- ◆ Creation of and updates to community development plans
- ◆ Development of project-specific action plans
- ◆ Support in determining how to address new governmental regulations
- ◆ Assist communities in identifying and addressing community facility needs such as health clinics, housing, and tribal facilities

Goal: Partner to improve workforce training and education.

Considerations: There is an ongoing need to increase the access to and the capacity of workforce training efforts. Career planning that links specific training to a range of job opportunities is necessary to show people that there are more opportunities available than just obtaining an initial job. Access to training opportunities in rural areas is limited and there are additional issues surrounding access (transportation, available child care, etc.) A lack of trained health care workers is a growing problem, especially in rural areas.

Examples of activities that support this goal:

- ◆ Expand training opportunities to rural areas
- ◆ Initiate new training programs
- ◆ Increase linkages between new and expanding businesses and workforce training entities and educational institutions
- ◆ Meet the needs of displaced workers with entrepreneurial interests

Goal: Support the needs of rural areas.

Considerations: All of the Goals above are applicable in rural areas and communities. Small communities may lack the local capacity and funding resources necessary to undertake large projects, such as infrastructure upgrades. Local access to training and education opportunities is important, but often limited. Lack of transportation options can hinder access to education, work, and services for individuals in rural communities. Often, a lack of serviced industrial sites reduces any opportunity for development or expansion of local industries.

Examples of activities that support this goal:

- ◆ Provide technical assistance to develop and administer projects
- ◆ Development of infrastructure
- ◆ Support for business development and management programs
- ◆ Collaboration and coordination among communities to address needs
- ◆ Enhance health care facilities and services
- ◆ Increase transportation options
- ◆ Provide outreach to existing and emerging entrepreneurs in smaller communities
- ◆ Identify and assist in developing business niches that would be attracted to the environment of smaller communities
- ◆ Identify and assist in developing desired community facilities, such as libraries, community meeting space, tribal facilities and recreational amenities