ECONOMIC DEVELOPMENT

Type and Level of Employment Growth

Employment growth was calculated using the *Industrial and Other Employment Lands Analysis Guidebook* (ODOT TGM, 2005).

Economic Development Vision and Goals

The first step to calculating employment growth was to look at the City's economic development vision and goals. The Tangent Vision Statement notes that:

"Tangent remains a rural town with downtown shops, some services serving as community gathering places. Shops continue to retain old town attractive character. Larger attractive industrial/commercial establishments continue to develop in the north area of town providing employment for local residents."

Goals included in the City's Comprehensive Plan include preserving and strengthening agricultural and the agricultural service related economic base of the community, protecting the core area of the city from unmanaged commercial and industrial development impacts, designating industrial and regional commercial development reserves in north Tangent, and preserving the historical areas of city shopping and commerce.

City zoning reflects these goals, providing for Industrial and Highway Commercial in the northern part of the city, while providing Central Commercial Zoning along OR 99E through town.

Economic Opportunities Analysis – Basic Approach

The next step in the economic analysis process was to conduct an economic opportunities analysis, which considers Statewide Planning Goal 9 and Division 9 rules. The basic approach of the guidebook (ODOT TGM, 2005) was used, as Tangent is a small jurisdiction with little previous economic analysis.

Assess National, State, Regional, County and Local Trends

Between 1980 and 1990, Tangent's population grew from 478 to 556 people, with an annual growth rate of 1.52 percent. Between 1990 and 2000 the population grew from 556 to 933 with an annual growth rate of 5.3 percent. Between 2000 and 2008, Tangent's population grew from 933 to 985, with an annual growth rate of 0.68 percent.

Oregon has been harder hit in the employment sector than the rest of the country, with the second highest unemployment rate in the nation, presently hovering around 12 percent unemployment. Rural counties within Oregon have higher unemployment compared to the state average. Linn County's unemployment rate for 2009 is currently around 15 percent.

To account for employment and population losses from the national recession, the assumption was made to assume 3 years of no growth in both the employment and population projections. The assumption is that the economy will rebound after the recession has run its course. Table 6 shows the population and employment projections for Linn County and the City of Tangent.

Table 6: Population and Employment Projections for Linn County and Tangent

Year	Market Region (Linn County)	City of Tangent	Tangent share of Linn County (%)
Population			
1980	89,495	478	0.53 %
1990	91,227	556	0.60 %
2000	103,069	933	0.96 %
Base year – 2008	110,185	985	0.89 %
2020	123,000	1,194	0.97 %
Planning year - 2030[1]	138,995	1,481	1.07 %
Employment (at place of work)			
1980	40,842	612	1.5 %
1990	45,070	676	1.5 %
2000	53,059	795	1.5 %
Base year – 2008	43,841	657	1.5 %
2020	48,377	726	1.5 %
Planning year - 2030[2]	53,970	810	1.5 %[3]

Source: Population Data for 1980-2000 from U.S. Census, www.census.gov, Accessed August 2009
Population Data for 2008 from Portland State University Population Research Center, Population Projections, July 2008
Employment Data for 1980-2000 from U.S. Census, www.census.gov, Accessed August 2009
Employment Data for 2008 from Oregon Employment Department Worksource Quality Info.org, http://www.qualityinfo.org Accessed August 2009

Forecast 20-Year Population and Job Growth by Sector

The only forecast data available for 2016 was Benton, Lincoln, and Linn Counties aggregate employment data. The Linn County 2006 information was compared to the Benton, Lincoln and Linn County 2006 data, and the percentage of the regional total was determined for Linn County. This percentage was then assumed to hold true for the future projection, and the 2016 data for Linn County was calculated assuming the same percentage of employment sector as compared to the projected employment for the multicounty data. Table 7 shows the projected job increase by sector for Linn County.

[1] Calculated from 2008 estimate using a 1.23 % annual growth rate for Linn County (from Linn County Community Facilities and Development Element Code, 2003), and a 2.17% growth rate for the City of Tangent (from the City's Comprehensive Plan), for 19 years of growth (due to the recession 3 years were considered to have no growth in both employment and population).

[2] Average annual growth rate for Linn County used is 1.1%, from EcoNorthwest report: *Analysis of the Regional Economy and Housing for Linn and Benton Counties.* November 1999. (Due to the recession 3 years were considered to have no growth in both employment and population).

[3] Employment within Tangent is 1.5% of regional total. EcoNorthwest, *Analysis of the Regional Economy and Housing for Linn and Benton Counties.* November 1999

Table 7: Projected Employment by Sector for Linn County, Oregon

Employment Sector	*2006 Base year count*	*2016 Forecast job count*	*Forecasted Change in jobs (2006-2016)*	*Forecasted annual change in jobs*	*Total 24 year job increase for 2030*
Construction and Mining	3,060	3,324	264	26	634
Manufacturing	8,540	8,209	-331	-33	-793
Transportation, communication and utilities	2,420	3,146	726	73	1,742
Wholesale Trade	1,470	1,627	157	16	337
Subtotal Industrial jobs	15,490	16,307	817	82	1,960
Retail trade	4,920	5,396	476	48	1,143
Finance, Insurance Real Estate	2,230	2,459	229	23	548
Services	11,780	13,800	2,020	202	4,847
Subtotal Commercial/ Service Jobs	18,930	21,655	2,725	273	6,539
Institutional/ Government	7,410	7,937	527	53	1,265
Other/Uncovered Employment (3% of total jobs)	1,255	1,383	128	13	308
Total Jobs	43,085	47,282	4,197	420	10,073

[Source: Oregon Employment Department. Workforce and Economic Research. Industry Employment Forecast, *2006-2016 Benton, Lincoln and Linn Counties. http://www.qualityinfo.org Accessed August 2009*]. *Linn County numbers were derived by determining the percentage for each sector for the multi-county total in 2006, and those percentages were applied to the multi-county 2016 projections.*

Assess Community's Economic Development

The next step is to look at the market advantages and disadvantages of the County and Tangent. Table 8 provides the relative score of the county and city for each of the advantages/disadvantages.

Table 8: Assessment of the County and City's Economic Development

Market Advantages and Disadvantages	Linn County	City of Tangent
Location relative to markets	3	3
Availability of key transportation facilities	3	3
Key public facilities (water, sewer, etc.)	2	1
Labor market (cost and access)	2	2
Materials and energy (availability and cost)	3	2
Necessary support services	2	1
Pollution Control Issues	2	2
Education and technical training	3	3
Other (Such as land availability)	3	3
Total	23	20

Subjective score: 1 = poor, 2 = fair, 3 = good, 4 = excellent

Market Region Analysis – Linn County

Location relative to markets

Linn County is located relatively close to Corvallis and Portland, which are large markets for many of the goods and services produced in the area.

Availability of key transportation facilities

Transportation access is listed as a competitive advantage for the county, especially for farm to market and industrial goods. There are numerous communities near I-5 or with good connections to I-5: Albany, Millersburg, Tangent, and Lebanon. The Port of Portland is an international shipping hub, providing businesses in the market region a convenient resource for shipping internationally. The west coast north-south railroad mainline crosses the county and a shortline serves east-west connections.

Key public facilities

A variety of communities in Linn County have limited utility capacity, which makes development of business in those areas prohibitively expensive, though most communities have plans to upgrade the deficient services.

Labor Market

Linn County between 1992 and 2007 had high net job growth compared to the state average; although overall per capita income was low, pay per worker was higher than other counties. Linn County has a higher than state average unemployment rate and job loss, which would indicate that there are residents who are under-employed or unemployed, creating an advantage for employers looking for available labor. Average annual payroll is also less in Linn County than the state.

Materials and energy

The county produces many raw materials from agricultural and forest products such as straw and wood chips, and produces refined materials such as metals and plastics. Energy is not expensive, and the region has access to affordable materials and energy. Green energy is projected to play a large part in the development of the area. With the solar, wind, biofuel, and wave energy facilities expected to be built, the future of energy access in the region appears stable.

Necessary support services

There are business support services in the larger cities of the region, specifically Corvallis and Albany. There are numerous chambers of commerce organizations scattered throughout cities of the region, providing a regional mid-valley business support network.

Pollution control issues

There are areas in the market region that may have contamination due to previous or existing industrial uses. Industrial and manufacturing sectors are the largest employers in the market area, and may be subject to strict environmental controls. Maintaining air quality will be an important environmental issue into the future for Linn County and the mid-valley region, along with water quality standards, wetland impacts, and erosion control.

Education and technical training

Just over the border of Linn County in Corvallis, Oregon State University (OSU) provides undergraduate and graduate education. OSU is known for its engineering, environmental sciences, business, forestry, and pharmacy programs.

Other

Communities within the area have a supply of commercial, office, and industrial lands adequate to support anticipated growth, assuming land within urban growth boundaries will be annexed as needed.

Existing concentrations of industries are likely to attract similar and related businesses – primary metals and heavy manufacturing, seed and food processing and distribution, high-tech, research and engineering.

Tangent Market Analysis

Location relative to markets

Tangent is close to the center of Albany and Corvallis (within 15 miles) and is well suited to supply those markets with goods and services. Portland and Eugene are also large markets and located approximately 80 miles north and 40 miles south, respectively.

Availability of key transportation facilities

Tangent is conveniently located along OR 34 and OR 99E, and is only a few miles west of Interstate-5. The intersection of OR 34/OR 99E was recently upgraded to a full interchange, providing easy and quick access from Tangent to communities along I-5 and to the east and west.

The Union Pacific Railroad mainline runs through Tangent connecting Portland and Eugene and points farther north and south. Portland with its port facilities on the Columbia River is a major freight/transportation hub, which widens options for intermodal shipping. .

Key public facilities

Tangent does not have much in the way of public facilities that would support economic development. A high-capacity city water system, advanced wastewater treatment, piped stormwater conveyance, and enhanced fire fighting capabilities are lacking, which would be desirable if not necessary by large industrial plants. The City does not have a tax base to be able to provide such facilities in the future, unless a funding source is identified.

Labor Market

Tangent is a net importer of workers, meaning that there are more workers than housing. This could limit the access to labor within the immediate area, and require firms to look outside of the city to attract workers. The projections for the future include a strategy for dealing with this jobs/housing imbalance, though the higher paying manufacturing and industrial jobs will continue to be a draw for workers outside of Tangent. Tangent is also likely to attract additional residents who are looking for a small-town feel, adding to the potential labor market.

Materials and energy

There are abundant agricultural materials in Tangent, and energy is available and not expensive. All other materials are shipped in for manufacturing and industrial uses, though the availability and ease of transporting materials is helped by the transportation facilities nearby.

Necessary support services

Tangent does not have an internal tax source; therefore, public services that are currently missing, such as a city police force, will be hard to implement. Regarding private services, there are no banks in Tangent, but nearby Albany has professional and banking support services.

Pollution control issues

Tangent is similar to the market region that may have contamination due to previous or existing industrial uses. Industrial and manufacturing sectors are the largest employers, and may be subject to strict environmental controls. Water quality, erosion and wetlands impacts are especially important in Tangent due to the habitual flooding and abundance of wetlands and runoff areas coupled with the low absorption rate of the soils. The current and projected future water source is private wells for the city, and groundwater quality is especially important due to the lack of a centralized water system.

Education and technical training

Nearby OSU can provide programs which require field study and focus on rural areas, which could benefit Tangent by providing education to those who would stay and work in the area.

Linn-Benton Community College (LBCC) offers two-year programs in general education and skilled trades, and is located just north of Tangent on OR 99E.

Union training centers are located in Tangent to support the carpenter and electrical trades. Tangent has no local high school.

Other

Tangent has a supply of commercial, office, and industrial lands to meet future growth needs. Tangent is known as the "Grass seed capital of the world", and is well suited for companies and laboratories dealing in seed processing and development.

Estimate Total Job Growth in Tangent Based on Capture Rate within Linn County

According to an economic analysis for the region prepared by EcoNorthwest[9], the portion of Linn County employment captured overall within Tangent is 1.5%, with individual job sector capture varying between 0.3 percent and 5 percent. Table 9 shows the forecast by sector for Tangent determined by the percent capture rate from Linn County employment projections.

Table 9: Tangent 2030 Job Forecast

Employment Sector	24-year job forecast for Linn County 2030	Tangent job growth capture rate (%)	Tangent 24-year job forecast
Industrial	1,960	5 %	98
Commercial/Service	6,539	1.8 % for Commercial, 0.6% for Office	53
Institutional/Government	1,265	0.3 %	4
Other/Uncovered Employment	308	1.5 %	5
Total jobs	10,073	1.5 % (average capture)	160

Job Growth Capture Rate Source: EcoNorthwest, Analysis of the Regional Economy and Housing for Linn and Benton Counties. 1999

Tangent's expected employment growth is a total of 160 employees. The next step of the analysis determines where the jobs will be allocated, either to vacant or redevelopable land. The Highway Commercial/Industrial zoning designation (HC/I) was assumed to contain 50 percent commercial and 50 percent industrial employment. Table 10 shows the percentage of vacant and redevelopable land sites within the City of Tangent.

Table 10: Job Growth Allocation Infill vs. Redevelopment

Employment Sector	Tangent 24-year forecast	Forecasted allocation to redevelopment	Forecasted allocation to vacant sites
Industrial	98	33 %	67 %
Commercial/Service	53	69 %	31 %
Institutional/Government	4	0 %	0 %
Other/Uncovered	5	100 %	0 %
Total jobs	160		

Source: Buildable Lands Inventory, City of Tangent 2009

Estimate Job Density

The jobs per acre in Tangent were determined from the regional economic analysis done by EcoNorthwest. Table 11 shows the job density by employment sector for the City.

Table 11: Job Density

Employment Sector	Job density (jobs per acre)
Industrial	11.2
Commercial/Service	23.5
Institutional/Government	20
Other/Uncovered	6

Table 11: Job Density

Employment Sector	Job density (jobs per acre)
Industrial	11.2
Commercial/Service	23.5
Institutional/Government	20
Average Density	15

Source: EcoNorthwest, Analysis of the Regional Economy and Housing for Linn and Benton Counties. November 1999

Forecast 2030 Land Need for Job Growth

The next step is to determine the land need for the projected increase in employment. The land requirement was determined by dividing the density by the number of jobs to determine acreage needed. In Table 12 below, the land needed to accommodate the Institutional/Government employment in all likelihood exists within the UGB; it simply is not identified as a land use within the City's Zoning Designation.

Table 12: Land Requirements for Projected Job Growth in acres

Sector	Land requirements	Public facility needs (25 % of net land area)	Total Land Requirements
Industrial	8.75	2.19	10.94
Commercial/Service	2.26	0.57	2.83
Institutional/Government	0.36	0.09	0.45
Other/Uncovered	0.4	0.1	0.5
Total	0.36 acres	0.09 acres	14.72 acres

Table 13 compares the land requirements for employment to the available area within the Tangent UGB. There are ample industrial and commercial lands to accommodate the projected employment in the two sectors. Institutional/governmental land needs could be accommodated within the zoning

Table 13: Employment Land Needs vs. Supply in Acres

	Commercial/Office[4]	Industrial	Institutional/Government	Total
Employment Land needs[5]	2.83	10.94	0.45	14.22
Employment Land Supply	67.69	126.18	0	193.87
Land Surplus or Deficit	64.86 acres	115.24 acres	-0.45 acres	179.65 acres

Source: Buildable Lands Inventory, City of Tangent, 2009

[4] The HC/I zone for Tangent was assumed to be developed half commercial and half industrial

[5] It is assumed that other/uncovered employment will occur in existing land uses including residential lands, so the total land needs was reduced by 0.5 acres, the land projected for other/uncovered employment.

Conclusion: Land Supply Is Adequate

Tangent does not have a need for additional buildable lands within the UGB for either employment or housing growth (Table 14). Buildable lands were determined using the data from the recent Drainage Study done by ICF Jones & Stokes, incorporating lands constrained due to natural waterways, wetlands, and riparian areas (protected by Comprehensive Plan Policy 5.1.1). The planned provision of linear parks is not well defined within the project area and is contingent upon property owners; therefore, no constraints due to parks can be identified at this time.

Table 14: All Land Needs vs. Supply in Acres

	Residential	Commercial	Industrial	Institutional/Government	Total
Land Need	51.0	2.83	10.94	0.45	14.22
Land Supply	269.9	67.69	126.18	0	193.87
Land surplus or deficit	218.9	64.86	115.24	-0.45	179.65

This analysis of land needs and supply includes constrained lands for protecting wetlands, natural waterways, and riparian lands (Figures 3A, attached). Redevelopment potential is constrained by flooding; although vacant buildable lands are outside of flood zones (Figure 8 in Comprehensive Plan), the soils have low permeability (Figure 5 in Comprehensive Plan) which contributes to flooding downstream. There are many historic houses in Tangent, and a large area east of the UGB has high probability of archaeological resources (Figure 10-11 in Comprehensive Plan). Nevertheless, there is enough land surplus land available for a planned linear park, when a location is determined.