



COMMUNITY DEVELOPMENT

333 Broadalbin Street SW, PO Box 490, Albany, Oregon 97321-0144 | BUILDING 541-917-7553 | PLANNING 541-917-7550

Staff Report

Comprehensive Plan Amendments Economic Development and Housing Chapters

File: CP-02-20

September 21, 2020

HEARING BODIES:	Planning Commission	City Council
HEARING DATES:	Monday, September 28, 2020	Wednesday, October 28, 2020
HEARING TIMES:	5:15 p.m.	7:15 p.m.
HEARING LOCATION:	Due to Governor Brown's Executive Orders limiting public gatherings during the COVID-19 pandemic, this meeting is accessible to the public via phone and video connection. Planning Commission Hearing: At 5:15 p.m., join with the GoToMeeting app on your computer, tablet, or smartphone (using your device's microphone and speakers): https://www.gotomeet.me/CommunityDevelopmentCityofAlbany/pc If you wish to dial in using your phone: Call 1-571-317-3122 and when prompted enter access code 498-239-709	

Application Information

Proposal:	Proposed Comprehensive Plan text amendments to Chapter 3: Economic Development (Goal 9) and Chapter 4: Housing (Goal 10) of the Albany Comprehensive Plan based on updated buildable lands inventory, housing needs analysis, and economic opportunities analysis, and removal of Chapter 10: Demographics.
Review Bodies:	Planning Commission and City Council (Type IV – Legislative review process)
Applicant:	City of Albany, Community Development Department 333 Broadalbin Street SW, Albany, OR 97321
Address/Location:	Not applicable; the Plan amendments are not site specific
Staff Report Prepared by:	Anne Catlin, Project Planner

Overview

Over the past year, the City worked with consultant team Angelo Planning Group and Johnson Economics to conduct a buildable lands inventory and prepare an Economic Opportunities Analysis and Housing and Residential Land Needs Analysis to better understand the City's capacity for residential and employment growth within city limits and the Urban Growth Boundary (UGB) to 2040. These analyses are requirements of statewide planning Goal 9 Economic Development (OAR 660-009) and Goal 10 Housing (OAR 660-008).

The purpose of Goal 9 Economic Development planning is to ensure cities and counties have enough land available to realize economic growth and development opportunities. To be ready for these opportunities, local governments perform Economic Opportunity Analyses (EOA) based on a 20-year forecast of population and job growth. The proposed plan amendments will update the economic development background summary information in Chapter 3 with current trends and forecasts from the EOA.

The purpose of Goal 10 Housing planning is to provide for the housing needs of Albany residents and ensure enough buildable residential land is available within the Albany UGB to accommodate needed housing to 2040. The Housing and Residential Land Needs Assessment (HNA) provides a snapshot of Albany's demographics, characteristics of Albany's existing housing stock, housing affordability, and projects future housing needs by type to 2040. The HNA also assesses Albany's capacity to accommodate needed housing.

The Background Summary sections of the economic development and housing chapters of the Albany Comprehensive Plan are proposed to be updated with current data and forecasts from the EOA and HNA, and these analyses and the Buildable Land Inventory (BLI) are proposed to be adopted as supporting documents to the Plan.

No amendments are proposed to the Goals, Policies, and Implementation Methods in Chapters 3 and 4 at this time. The EOA provides the foundation for future economic development strategies and policy amendments. The HNA is a critical first step in determining housing strategies and policies that will help the City address needed housing and comply with new housing related requirements of House Bill 2001 and 2003. State administrative rules for complying with these laws are currently in development.

Legislative Amendments to the Albany Comprehensive Plan

Sections 2.210 and 2.280 of the Albany Development Code (ADC) allows for the Community Development director to initiate legislative amendments to the Albany Comprehensive Plan (Plan). The proposed amendment package (planning file CP-02-20) includes the following city-initiated changes to the Plan:

- **Chapter 3: Economic Development (Statewide Planning Goal 9)** – Proposed amendments would a) update the background information with current economic data including projected employment growth and land needs, and b) adopt the City of Albany Economic Opportunities Analysis to 2040 and Albany Buildable Lands Inventory Methodology and Results as supporting documents to the Comprehensive Plan.
- **Chapter 4: Housing (Statewide Planning Goal 10)** – Proposed amendments would a) update the background information with current housing conditions and demand, and b) adopt the City of Albany Housing and Residential Land Needs Assessment to 2040 and Albany Buildable Lands Inventory Methodology and Results as supporting documents to the Comprehensive Plan.
- **Chapter 10: Demographics** – Proposed amendments would remove this chapter from the Comprehensive Plan. Population trends and forecasts and other demographic information will be maintained and updated regularly outside of the Comprehensive Plan.

Notice Information

Public notice was issued in accordance with legislative amendment requirements. A notice was issued to the Oregon Department of Land Conservation and Development (DLCD) on August 21, 2020, at least 35 days before the first evidentiary hearing, in accordance with OAR 660-018-0020 and ADC 1.640. A Notice of Public Hearing was published in the *Albany Democrat-Herald* on September 14, 2020. A Notice of Public Hearing was distributed on September 16, 2020, to Linn and Benton County Planning Divisions, City of Millersburg, and other interested parties. The staff report for the proposed comprehensive plan amendments was posted on the City's website on September 21, 2020, at least seven days before the first evidentiary public hearing. As of the date of this report, no comments have been received by the Community Development Department.

Review Process and Appeals

Amendments to the Plan are made through a Type IV legislative land use review process. Following this process, the planning commission will hold a public hearing to consider proposed amendments and will make a recommendation to the city council. The planning commission's recommendation cannot be appealed. The city council will hold a subsequent public hearing to consider the proposed amendments. After closing the public hearing, the city council will deliberate and make a final decision. Within five days of the city council's final action on the proposed amendments,

the Community Development Director will provide written notice of the decisions to any parties entitled to notice. A city council decision can be appealed to the Oregon Land Use Board of Appeals (LUBA) if a person with standing files a Notice of Intent to Appeal within 21 days of the date the decision is reduced to writing and bears the necessary signatures of the decision makers.

Analysis of Development Code Criteria

Comprehensive Plan Text Amendments (file no. CP-02-20)

Section 2.220(1) and (2) of the Albany Development Code (ADC) includes the following review criteria that must be met for this legislative text amendment to be approved. Code criteria are written in *bold italics* and are followed by findings and conclusions.

Review Criterion 2.220(1)

A legislative amendment is consistent with the goals and policies of the Comprehensive Plan, the statewide planning goals, and any relevant area plan adopted by the City Council.

The goals and policies of the Albany Comprehensive Plan, statewide planning goals, and local plans identified in **bold** are relevant in considering the proposed Comprehensive Plan text amendments. They are organized by Statewide Planning Goals.

Findings of Fact

1.1 Statewide Planning Goal 1: Citizen Involvement. Public involvement is a requirement of land use planning in Oregon. Applicable goals and policies are provided below.

Albany Comprehensive Plan Chapter 9, Citizen Involvement Goal: Ensure that local citizens and other affected groups, neighborhoods, agencies, and jurisdictions are involved in every phase of the planning process.

Policy 2: When making land use and other planning decisions:

- a. **Actively seek input from all points of view from citizens and agencies and assure that interested parties from all areas of the Urban Growth Boundary have the opportunity to participate.**
- b. **Utilize all criteria relevant to the issue.**
- c. **Ensure the long-range interests of the general public are considered.**
- d. **Give particular attention to input provided by the public.**
- e. **Where opposing viewpoints are expressed, attempt to reach consensus where possible.**

Policy 3: Involve the general public in the use, evaluation, and periodic review and update of the Albany Comprehensive Plan.

1.2 Public involvement was integrated into the planning process through interviews with our stakeholders and agencies and two public events. Interviews included representatives from local businesses, housing developers, real estate brokers, Community Services Consortium, Linn-Benton Housing Authority, Mennonite Village, Albany Chamber of Commerce, Albany-Millersburg Economic Development Corporation, Linn-Benton Community College, Business Oregon, City of Millersburg, and City of Albany mayor and staff.

1.3 Interviews were instrumental in identifying the City's growing industries, housing needs, the City's competitive strengths, and constraints to accommodating projected housing and economic growth.

1.4 The City held two public events (October 30, 2019, and March 9, 2020) that included presentation of findings and opportunity for discussion and input. These meetings were well attended by residents, business owners, agencies, organizations, and government entities.

1.5 Statewide Planning Goal 2, Land Use Planning. The following goals and policies are relevant for the proposed Plan amendments.

Albany Comprehensive Plan Chapter 9, Land Use Planning Goal: Undertake Periodic Review and Update of the Albany Comprehensive Plan to ensure the Plan:

1. Remains current and responsive to community needs.
2. Retains long-range reliability.
3. Incorporates the most recent and reliable information
4. Remains consistent with state laws and administrative rules.

Policy 2: Base approval of Comprehensive Plan amendments upon consideration of the following:

- a. Conformance with goals and policies of the Plan,
- b. Citizen review and comment,
- c. Applicable Statewide Planning Goals,
- d. Input from affected governmental units and other agencies,
- e. Short - and long-term impacts of the proposed change,
- f. Public need for the change, and
- g. The amendments will best meet the identified public need versus other available alternatives.

Policy 4: Undertake periodic review and/or update of the Albany Comprehensive Plan at least every four to seven years.

- 1.6 The housing and economic development chapters of the Albany Comprehensive Plan (Plan) were last updated when the City was in Periodic Review, a former state mandated process that requires jurisdictions to update their Comprehensive Plans to remain current and responsive to community needs. The Housing Chapter 4 background information was last updated in 2007, following the 2005 Housing Needs Analysis (HNA) and residential buildable lands inventory: Chapter 3: Economic Development was updated in 2008, when the Economic Opportunities Analysis (EOA) was last revised and updated based on a 2007 EOA. Chapter 10: Demographics was last updated in 2003.
- 1.7 Oregon court decisions have concluded that a land use decision could not be based on a plan, document, or analysis that has not been adopted into the comprehensive plan.
- 1.8 The housing and economic development Background Summary sections need to be updated with current and reliable information so the City can make sound land use planning decisions that help meet Albany's housing and economic development needs.
- 1.9 The proposed 2020 EOA, 2020 HNA, and buildable lands inventory were prepared following methodology outlined in State law for statewide planning goals 9 and 10. The analyses reflect the coordinated population forecast prepared by the Oregon Population Forecast Program at the Population Research Center at Portland State University (PSU) in 2017 that projects Albany will experience an annual average growth rate (AAGR) of 1.27 percent to 2040.
- 1.10 The proposed plan amendments include a comparison of land needs to land supply and assess Albany's capacity within the city limits and urban growth boundary (UGB) to meet housing and employment needs over the next 20 years to 2040. This assessment is based on a 2019-2020 buildable lands inventory that determined Albany's land with development potential, after factoring for constraints.
- 1.11 As noted in Finding 1.4, the City held two public events (October 30, 2019, and March 9, 2020) that provided an opportunity for citizen comments on city needs and preliminary findings of the 2020 EOA and HNA. Public comments included concern over the impact wetlands have on the cost of development and buildable land, need for larger industrial properties, need to find ways to reduce the costs of development and provide smaller houses. The city sent the analyses to Linn and Benton county staff for their review and input. (None was received.)
- 1.12 The amendments propose to remove Chapter 10, Demographics from the Plan and rely on current population projections and demographic data prepared by PSU and the Census Bureau, maintained outside of the Plan. Removing Chapter 10 will ensure the Plan is reliable and not dated. Current city population projections and demographic information are in the proposed Plan updates to the housing and economic development chapters and 2020 EOA and HNA reports.

- 1.13 Goal 9, Economic Development. The purpose of Goal 9 planning is to make sure cities and counties have enough land available to realize economic growth and development opportunities. The relevant local goals and objectives, and state laws are listed below.

Albany Comprehensive Plan Chapter 3 Economy, Land Use Goal 1: Ensure an adequate supply of appropriately zoned land to provide for the full range of economic development opportunities in Albany, including commercial, professional, and industrial development.

Statewide Planning Goal 9-Economic Development requires that comprehensive plans for urban areas be "based on inventories of areas suitable for increased economic growth and activity after taking into consideration the health of the current economic base." The comprehensive plans "shall include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends."

OAR 660-009-0015 requires cities to "review and, as necessary, amend their comprehensive plans to provide economic opportunities analyses" that include a review of economic trends, identification of required sites, an inventory of industrial and other employment lands, and an assessment of the community economic development potential. "The analysis will compare the demand for land for industrial and other employment uses to the existing supply of such land."

City of Albany FY 2019-2023 Strategic Plan *Healthy Economy* objective HE-2-Land: Identify the availability of commercial and industrial land in the Economic Opportunities Analysis.

- 1.14 The content in the Background Summary section in Plan Chapter 3 – Economic Development was based on data and analysis done as part of the 2007 Economic Opportunities Analysis (EOA) and is no longer current. The Background Summary content will be updated with content from the 2020 EOA to reflect changes in employment, land supply, and macro-economic trends since 2007.
- 1.15 The EOA was also prepared to meet the requirements of Oregon Statewide Planning Goal 9 and as specified in the administrative rules that implement Goal 9 (OAR 660-009).
- 1.16 The 2020 EOA analyzes economic trends at the local, state, and national levels and projections, and determines the type and sizes of land projected to be needed to accommodate industry and employment growth to 2040. The EOA compares the need for suitable commercial and industrial sites with the supply of such sites currently within city limits and the Albany UGB. It estimates Albany will need about 560 acres of buildable commercial and industrial land to accommodate employment to 2040. Albany has about 690 acres of buildable employment land in the city limits and another 123 acres outside the city in the UGB. Some larger industrial sites have wetland and/or transportation constraints for short-term development.
- 1.17 The proposed Plan amendments and 2020 EOA provide a foundation for the city to develop economic development strategies assess future zoning and comprehensive plan map and policy amendments.
- 1.18 The city is pursuing state and federal resources for assessment and remediation of brownfield sites to create economic opportunities in areas already served by city services and utilities and will be evaluating development challenges for some of the city's large industrial sites located in east Albany as part of the East Albany Plan project, which will be completed in 2021.
- 1.19 Goal 10, Housing. The provision of an adequate supply of housing to meet the needs of residents is a primary element and purpose of comprehensive plans and is the basis of Albany's Plan. Both the city and state goals and policies strive for a variety of development opportunities in diverse neighborhoods to meet the housing needs of all residents.

Albany Comprehensive Plan, Chapter 4 Housing, Policy 1: Ensure that there is an adequate supply of residentially zoned land in areas accessible to employment and public services.

Statewide Planning Goal 10 and OAR 660 Division 8 asks cities to inventory residentially designated "buildable land" inside the UGB that is suitable and available for residential use; and conduct a housing needs analysis (HNA) to determine areas of need in the current inventory of housing and forecast needs to ensure a 20-year supply of residential land.

- 1.20 The information in the current Housing Background Summary section in Chapter 4 of the Plan is based on data and analysis done as part of the 2005 HNA and is no longer current. The Background Summary content will be updated with content from the 2020 Albany Housing and Residential Land Needs Assessment (HNA) that assesses the capacity of Albany's residential lands to accommodate housing needs to 2040.
- 1.21 The HNA was based on the 20-year need assessment requirements of ORS and OAR 660 Division 8 for statewide planning Goal 10, Housing. It projects the number and types of units by tenure and cost based on the PSU population projections to 2040 and compares housing demand to residential land supply.
- 1.22 The HNA found Albany is projected to add roughly 6,500 new households by 2040. Based on analysis of the existing mix and density of Albany's housing stock, residential development trends, and housing affordability needs, it is estimated Albany will need 1,328 acres to accommodate projections to 2040 in a mix of low-, medium- and high-density housing types and zoning districts. The buildable lands inventory estimates the city has 1,397 buildable acres for residential development and another 1,278 acres in the urban growth boundary available for residential development.
- 1.23 The projections of housing types needed calculate a deficit of medium density land for attached housing types in the city limits, but a surplus of land that allows higher density housing in the city limits. There is sufficient land designated medium density outside the city limits, in the UGB to accommodate projected needs to 2040.
- 1.24 The proposed Plan amendments and 2020 HNA provide a foundation for the City to evaluate housing development strategies, assess zoning, and comprehensive plan map and policy amendments. Policy amendments will be evaluated and considered in 2020-2021 with the House Bill 2001 compliance project and development of the East Albany Plan.

Conclusions: Development Code Amendments Criterion 1

- 1.1 The proposed Plan amendments, EOA, HNA, and buildable lands inventory are required periodically so the Plan remains current and responsive to housing and employment needs and provides long-range reliability. The amendments are needed to provide accurate information and guidance to decision makers when considering future development code, zoning, and comprehensive plan amendments and policy decisions that impact housing and employment in Albany.
- 1.2 The proposed amendments will update the Plan with the most recent and reliable information regarding population, housing, and economic conditions and projections, and provide an assessment of land needed to accommodate forecasts to 2040.
- 1.3 The HNA and EOA concluded that Albany has sufficient land within the city limits and UGB to accommodate housing and employment needs to 2040.
- 1.4 The proposed amendments to the Plan Chapters 3 and 4 are consistent with the goals and policies of the Albany Comprehensive Plan and the statewide planning goals. This criterion is satisfied.

Review Criterion 2.220(2)

A legislative amendment is needed to meet changing conditions or new laws.

Findings of Fact

- 2.1 In 2019, Albany was home to approximately 54,000 residents, 21,000 households, and 27,750 jobs. Since 2000, Albany has grown by roughly 13,000 people within the UGB, or 32 percent in 19 years, and added approximately 5,000 housing units. Albany is projected to add 6,500 new households and more than 8,000 jobs by 2040.
- 2.2 The proposed legislative amendments are necessary to provide an accurate foundation for the City to consider housing and economic strategies needed to ensure an adequate supply of land and housing to meet needs to 2040. In addition, these analyses will help the City comply with new laws, including House Bill 2001 and House Bill 2003, which will require cities over 10,000 people to develop strategies to produce the needed housing.

Conclusions Development Code Amendments Criterion 2

- 2.1 The proposed legislative amendments to the Comprehensive Plan and adoption of the 2020 BLI, EOA, and HNA as supporting documents to the Plan are necessary to meet Albany's changing conditions and provide for future needs.
- 2.2 The proposed amendments are consistent with current Statewide Planning Goals and Oregon Administrative Rules.
- 2.3 This criterion is met.

Overall Conclusions

Based on the analysis in this report, the proposed Comprehensive Plan text amendments meet the applicable review criteria as outlined in this report.

The Planning Commission has three options with respect to the proposed Comprehensive Plan amendments:

Option 1: Recommend that the city council approve the proposed amendments as presented; or

Option 2: Recommend the city council approve the proposed amendments as modified by the planning commission; or

Option 3: Recommend the city council deny the proposed amendments.

Staff Recommendation

Based on the staff recommendation, the following motion is suggested:

I move that the planning commission recommend that the City Council approve the proposed Comprehensive Plan text amendments as presented in planning file CP-02-20. This motion is based on the findings and conclusions in the September 21, 2020, staff report, and the findings in support of the application made by the planning commission during deliberations on this matter.

Attachments

The proposed changes are attached to this staff report as exhibits:

- A: Chapter 3: Economic Development
- B: Chapter 4: Housing
- C: Chapter 10: Demographics
- D: Economic Opportunities Analysis to 2040
- E: Housing and Residential Land Needs Assessment to 2040
- F: Albany Buildable Lands Inventory – Methodology and Results

Acronyms

ACP	Albany Comprehensive Plan
ADC	Albany Development Code
AMC	Albany Municipal Code
CP	Comprehensive Plan Text Amendment File Designation
DLCD	Oregon Department of Land Conservation and Development
LUBA	Oregon Land Use Board of Appeals
OAR	Oregon Administrative Rules
ORS	Oregon Revised Statutes
PSU	Portland State University
UGB	Urban Growth Boundary

CHAPTER 3: ECONOMIC DEVELOPMENT

Goal 9: Economic Development Background Summary

Staff Comments: The Background Summary is new text. The old text is being replaced in its entirety but is not shown deleted for ease of reading.

Introduction

This chapter addresses Statewide Planning Goal 9: *"To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon citizens."* This section includes information about the city's vision for a healthy economy, economic trends and outlook for growth in Albany, site needs of new and expanding industries, and an inventory of suitable sites in the Albany Urban Growth Boundary (UGB). The next section of this chapter contains policies to ensure adequate opportunities for a variety of economic activities in Albany.

Vision

In addition to the economic development policies found in this chapter, the City of Albany Strategic Plan (2019-2023) includes four primary themes that reflect the city's mission and vision statements: Great Neighborhoods, a Safe City, a Healthy Economy, and an Effective Government. Each theme is followed by the City's primary goals in that subject area in the foreseeable future.

The four stated goals for Healthy Economy are:

Goal 1: Business – Enhance the value and diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.

Goal 2: Partnerships –Strengthen the area's role as a leading regional economic center through local and regional coordination and collaboration on economic development planning and projects.

Goal 3: Prosperity – Maintain and grow the income levels with a focus on living-wage jobs, training, and education opportunities of Albany residents consistent with Oregon and national trends. Work to improve the community's assessed value while working to achieve a healthy balance of housing and jobs.

Goal 4: Central Albany – Create a readily identifiable downtown core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

Albany Economic Profile

Albany area's diversified economy serves a large region of the mid-Willamette Valley between the Salem and Eugene metro areas. Although the traditional wood-products and agricultural industries continue to be important parts of the local economy, the area's business environment has become much more diverse to include the production of specialty metals, finished building products, advanced products such as robotics, and value-added processing of food and other agricultural products. In keeping with nationwide trends, the trade and services sectors have been a growing part of the local economy. As of 2020, the Albany economy was led by manufacturing, services sectors (including health care and education), government, and retail.

Many important area industries originated locally. The specialty metals industry developed in Albany as a spin-off of research conducted at the Albany Research Center of the U.S. Bureau of Mines. Because of this local research, Albany is one of the world's leading producers of specialty metals such as zirconium and titanium. Multiple specialty metals companies are located in Albany, paying excellent wages to a highly skilled workforce and supporting an ecosystem of local suppliers and contractors. The aerospace, defense, and nuclear industries, among others, depend on products manufactured by these local firms.

Other local manufacturing activities with national and international markets include the production of finished building products (notably manufactured housing and tiny homes), a large distribution center, and agricultural products and their processing. Manufacturing is expected to remain a growing part of Albany's economic base and identity.

Economic Opportunity Analysis

A key tool in Goal 9 planning is the Economic Opportunities Analysis (EOA). The main purpose of the EOA is to determine if the City has an appropriate supply and range of employment sites to accommodate expected growth over the 20-year planning period. The EOA is intended to support the City's infrastructure planning, community involvement, and coordination among local governments and the state. An update to the 2007 EOA was completed in 2020 to reflect changes in employment, land supply, and macro-economic trends since adoption of the previous EOA.

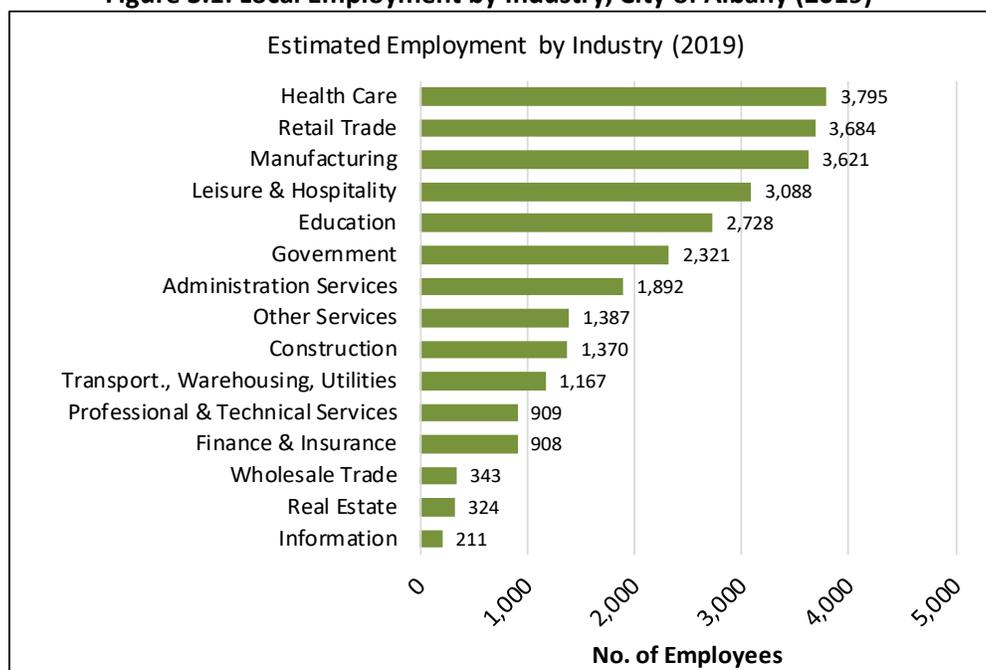
The 2020 EOA is adopted as a background document to the Comprehensive Plan. It includes information on the topics listed below. A summary of key findings from the EOA is provided in this section.

- Economic trends and outlook for growth in Albany
- Target industry analysis
- Demand for commercial and industrial land in Albany
- Site needs
- Inventory of suitable sites
- Comparison of employment land demand and supply

Current and Projected Employment

Albany was home to an estimated 27,750 jobs in 2019. The largest sectors by number of jobs are health care, retail, and manufacturing (see Figure 3.1).

Figure 3.1: Local Employment by Industry, City of Albany (2019)



Source: Johnson Economics, Oregon Employment Department, BEA

Employment was forecasted to 2040 using the “safe harbor” option of applying the most recent adopted PSU population forecast of 1.3 percent to the current employment as shown in Figure 3.2. Projected employment growth is then allocated to building typologies and commercial and industrial land needs.

Figure 3.2: Projected Employment Allocated by Building Type, 2019-2040

Industry Sector	20-year Job Forecast			NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2019-2039					
	Total Jobs	Net change	AAGR	Office	Institutional	Flex/B.P	Gen. Ind'l	Warehouse	Retail
Construction	2,131	761	2.1%	107	0	137	305	137	76
Manufacturing	4,414	792	0.9%	63	0	190	475	63	0
Wholesale Trade	443	100	1.2%	8	0	22	20	40	10
Retail Trade	4,487	803	0.9%	40	8	48	0	96	610
T.W.U.	1,930	762	2.4%	114	0	91	99	419	38
Information	240	29	0.6%	7	0	7	12	0	3
Finance & Insurance	1,030	122	0.6%	88	1	6	1	1	24
Real Estate	368	44	0.6%	31	0	2	0	0	9
Professional & Technical Services	1,163	253	1.2%	182	3	13	3	3	51
Administration Services	2,384	492	1.1%	354	5	25	5	5	98
Education	3,476	748	1.2%	224	396	37	7	7	75
Health Care	5,903	2,107	2.1%	632	1,117	42	0	0	316
Leisure & Hospitality	4,165	1,077	1.4%	215	11	75	11	11	754
Other Services	1,737	350	1.1%	252	3	17	3	3	70
Government	2,709	388	0.7%	167	136	19	4	4	58
TOTAL	36,580	8,828	1.3%	2,486	1,680	733	945	791	2,192

Source: Johnson Economics, Oregon Employment Department, Portland State University

Based on a forecasted annual growth rate of 1.3 percent¹, the city is expected to add nearly 8,800 jobs by 2040. The greatest growth in number of jobs is projected to be in the health care, retail, manufacturing, and tourism-related (lodging and dining) sectors.

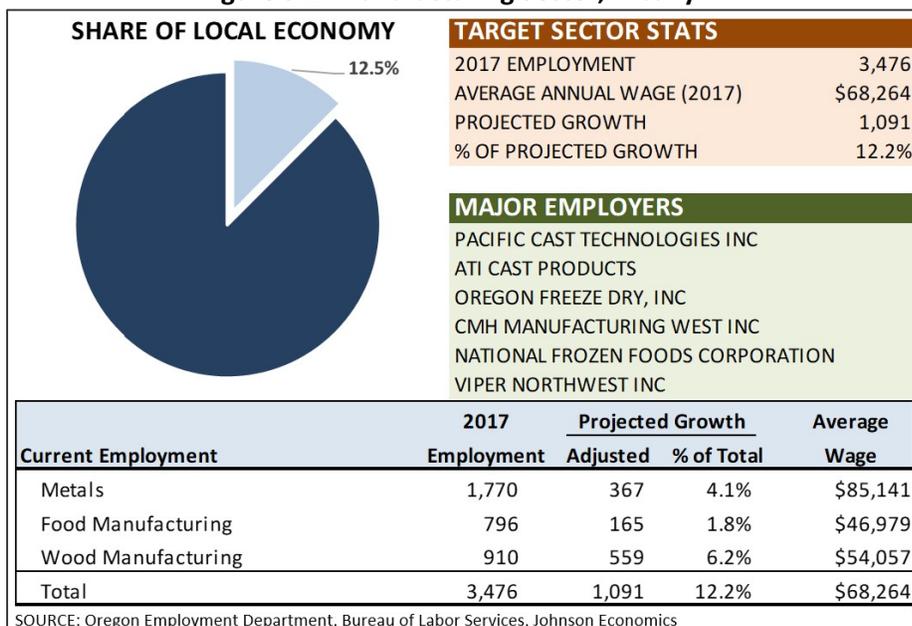
Target Industries

Albany has significant strength and potential for growth in several key industries. Analysis of the representation of industries in the city relative to the representation in the U.S. shows Albany is strong in multiple subsectors of manufacturing. Other industry sectors with high representation in Albany are education (including the school district), some categories of retail, and warehousing. Health care is the largest segment of local employment and is forecasted to add the most jobs over the next 20 years.

Manufacturing continues to be a priority for future economic development, while health care also plays an important role in the local economy.

- Manufacturing:** This sector was identified as a key area of focus for continued job growth and economic development. Albany currently has strength in metal manufacturing, wood products, and food processing. These industries are good candidates to expand and continue to attract suppliers and other related firms that grow along with the industry clusters. A key future candidate for growth is high-tech and advanced manufacturing, which includes robotics, drones, and automation tools used by other industries. There are currently over 3,600 manufacturing jobs in Albany, or 13 percent of the City’s total employment; almost 800 new manufacturing jobs are forecasted by 2040. On average, these jobs have wages that are well above the local median wage.

Figure 3.2: Manufacturing Sector, Albany



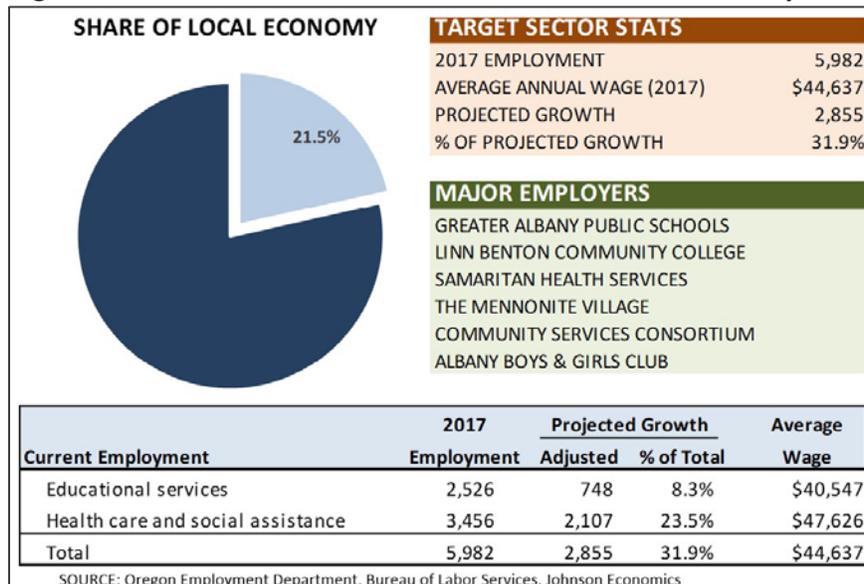
- Health Care:** This sector is the largest in Albany in terms of total employment and is forecasted to see the most overall growth over the 20-year planning period. This sector accounted for nearly 3,800 jobs in 2019, with above-average annual wages. Health care provides a wide range of wage

¹ OAR 660-009-0015 allows for an adjusted employment forecast based on the research and analysis conducted during the EOA process. This adjusted growth rate is based on identified trends, the growth outlook for targeted industries, and input from the project technical advisors and stakeholders.

levels due to the range of education and skill levels for different roles across the industry. The sector is expected to add over 2,100 new jobs by 2040, accounting for one quarter of projected job growth. The forecasted strength in health care in the coming decades is based on growth of Samaritan Health Services and related providers in the community, the long-term shift in the national economy from goods consumption to service consumption, and the aging of the population.

The Retail and Construction sectors are secondary growth sectors due to their share of employment and forecasted growth. However, the growth in these sectors will follow naturally from growth in the traded sector economy.

Figure 3.3: Education, Health, and Social Services Sectors, Albany



Employment Land Need and Land Supply

The EOA analysis finds that the forecasted 20-year job growth by industry will translate to a need for 562 total acres of land zoned for employment uses (see Figure 3.5) among roughly 400 sites. The distribution of land demand between commercial uses (Office, Institutional, Retail) and industrial uses (Industrial, Warehouse, Business Park) is fairly evenly distributed. The analysis is presented in aggregate and by major uses (e.g., warehousing, office, and retail) in the EOA.

Figure 3.5: Estimated Number of Sites Needed by Size (Acres) and Supply, Albany Oregon

DEVELOPMENT TYPE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL (sites)	TOTAL (acres)
Office	116	7	1	1	0	0	0	0	125	79
Institutional	33	12	1	1	0	0	0	0	47	83
Retail	80	23	1	1	0	0	0	0	105	140
Commercial Need Total:	229	42	3	3	0	0	0	0	277	302
Flex/Business Park	26	6	0	1	0	1	0	0	34	77
Gen. Ind.	39	7	2	1	0	1	1	1	52	57
Warehouse	21	16	1	1	1	1	1	0	42	126
Industrial Total:	86	29	3	3	1	3	2	1	128	260
TOTAL SITES NEEDED:	315	71	6	6	1	3	2	1	405	562
SITE SUPPLY	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL (sites)	TOTAL (acres)
Commercial Supply Total	279	26	3	0	2	1	0	0	311	230
Industrial Supply Total	76	50	11	4	2	1	1	1	146	585
TOTAL SITE SUPPLY:	355	76	14	4	4	2	1	1	457	815

Source: Johnson Economics, Oregon Employment Department

Statewide Planning Goal 9 requires cities to provide an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and other employment uses. An adequate land supply provides sites suitable for the 20-year planning period, as well as for the short term to meet development opportunities as they occur. This is necessary to accommodate a varied range of small, medium, and large employers, for new and expanding businesses, and to ensure land is available for immediate development.

The EOA includes findings from a Buildable Lands Inventory (BLI) of employment lands and analysis of site suitability. It is based on recent development data, environmental constraints, verification with recent aerial photos, trends in residential development on employment lands, and land currently being developed.

The BLI found a total of 815 buildable acres designated for commercial, industrial, and mixed uses within the UGB. While the total supply exceeds the total forecasted need, a comparison of land demand to land supply in Figures 3.5 and 3.6 indicate the zoning designation and site characteristics of the available supply may not fully meet the forecasted demand for projected commercial land. While large sites will be needed for development by major industries, most industrial and commercial development will require smaller sites, most under one acre.

Figure 3.6: Comparison of Employment Land Supply to Demand (2040), By Zone and Building Type

WITHIN CITY LIMITS		DEMAND		RECONCILIATION	
Zoning Category	SUPPLY Buildable Capacity (Acres)	Development Type	Buildable Capacity (Acres)	Development Type	Capacity (Acres) Surplus or (Deficit)
COMMERCIAL ZONES		COMMERCIAL		COMMERCIAL*	
CC -- Community Commercial	47.6	Office	79.3	Office	(54.4)
NC -- Neighborhood Commercial	10.3	Institutional	82.7	Institutional	(62.5)
OP -- Office Professional	14.8	Retail	139.8	Retail	(5.5)
PB -- Pacific Boulevard	3.0	Commercial Total:	301.8	Commercial Total:	(122.4)
RC -- Regional Commercial	52.7				
Mixed Use Zones (all)	51.0				
Commercial Total:	179.3				
INDUSTRIAL ZONES		INDUSTRIAL		INDUSTRIAL	
HI -- Heavy Industrial	70.0	Gen. Ind.	57.1	Gen. Ind.	12.9
IP -- Industrial Park	303.1	Flex/Biz. Park	77.2	Flex/Biz. Park	226.0
LI -- Light Industrial	139.7	Warehouse	126.2	Warehouse	13.5
Industrial Total:	512.8	Industrial Total:	260.5	Industrial Total:	252.3

OUTSIDE CITY, WITHIN UGB		LONG-TERM SUPPLY
Zoning Category	Buildable Capacity (Acres)	
Commercial (UGB)	22.9	
Mixed Use (Village Center)	28.0	
Industrial (UGB)	72.0	
	123.0	

Source: Angelo Planning Group, Johnson Economics LLC

*Mapping of zones to development types: "Office": OP-50%, MU-25%, CC-10%. "Institutional": OP-50%, MU-25%; "Retail": MU-50%, CC-90%, NC, PB, RC. "General Industrial": HI. "Flex/Biz.Park": IP. "Warehouse": LI.

The following is a summary of findings on the adequacy of available employment sites compared to the forecasted need:

- For industrial uses, the total number of acres available exceeds the demand in the long term; *however*, there is a discrepancy between the size of sites needed and those available. Most notably there is a deficit of suitable large industrial sites (>30 acres) and a deficit of small industrial sites (<1 acre). Industrial sites between 1 and 10 acres can be used to address the projected deficit of smaller industrial sites.
- Many currently buildable industrial sites have wetland and/or transportation constraints that make them difficult or infeasible sites for short-term development, particularly the largest sites. Wetlands render much of some sites unusable, or expensive to mitigate, while leaving the useful portions isolated on the wrong part of the site. Multiple large employment sites in South Albany and near the Highway 20/I-5 interchange look available but must wait on costly new off-site street infrastructure to provide access. After factoring for these constraints (276 acres in the City and 38 acres in the UGB), the City lacks enough "shovel-ready" industrial land of all types and sizes in the short term. See Key Industrial Site Analysis and the EOA for more information.
- For commercial uses, the forecasted need for sites of different sizes does not match with the current supply. The demand for commercial sites (retail/office/institutional) exceeds the current

supply. There is a projected deficit of commercial sites between one to five acres and 10 to 20 acres. Larger commercial sites could be used to support smaller site needs. Institutional uses tend to locate in residential districts and are permitted in industrial and mixed use zones.

- Business Oregon states that the average potential business recruitment in the region is looking for at least 40 acres, with an average of 60 acres.
- Local stakeholders demonstrated there is a limited ready supply of land for new industrial businesses of any size, but particularly mid- to large-sized firms. Stakeholders indicated that smaller start-ups need smaller pre-built spaces. These may be one to five acres and include multi-tenanted buildings.
- Some high-tech businesses want to be centrally located in Albany due to the town center's amenities. These businesses may not want an isolated industrial location or to be in a larger market. Central "flex space" or refurbished warehouse space may be appropriate for these users.
- Given limited resources, the City cannot serve all employment areas with new infrastructure at once. Any public efforts to help prepare employment lands must be prioritized and phased.

Key Industrial Sites Analysis

The findings of aggregate land supply in the BLI belie the fact that many of the larger industrial parcels that have been identified as "available" face major hurdles to development in the short- or even long-term. Of the seven key sites examined, five industrial sites have major hurdles to development that add up to more than 54 percent of the total "buildable" industrial land identified in the BLI.

- The greatest barrier is found on large industrial sites in South Albany. These show up as a majority share of "available" buildable industrial land within the City boundary. However, these 214 acres face major hurdles, including the need to plan and build a future street in order to provide access. Current access to these sites is via inadequate, under-improved roads, with an at-grade rail crossing that will prohibit a significant increase in traffic. A significant development on any of these sites will require right-of-way dedication and expensive new road improvements across parcels of land under differing ownership.
- These sites in South Albany are also constrained by a web of wetlands across all of the acreage, which will require significant mitigation on- or off-site.
- A key site in East Albany (the Kempf site) that is included in the "available" inventory similarly will require expensive future road improvements off-site across parcels of land the site owner does not control. This makes the timing and feasibility of development of this site uncertain and removes it from the "short-term" supply.
- With these large sites removed from the "short-term" supply, Albany is left with a shortage of short-term supply of employment land, particularly among the largest prospective employers.

The EOA includes a set of recommended strategies intended to address Albany's land needs identified in the analysis and to meet the City's goals for target industries and business development.

Goal 9: ECONOMIC DEVELOPMENT

Goals, Policies & Implementation Methods

Staff Comments: The only changes proposed to this section at this time are to add brownfield redevelopment policies and implementation strategies consistent with existing practices.

ALBANY'S ECONOMY

GOALS

1. Diversify the economic base in the Albany area and strengthen the area's role as a regional economic center.
2. Provide a supportive environment for the development and expansion of desired businesses.
3. Promote Albany's positive economic, social, and cultural image throughout the state and region and, where appropriate, at the national and international levels.
4. Maintain the income levels of Albany residents, consistent with Oregon and national trends.
5. Strive for a balance of growth in jobs and housing for Albany and the region.
6. Strengthen local and regional coordination of economic development planning.

POLICIES

1. Create and maintain a dialogue between business and civic leaders on what we can do as a community to improve our local economy.
2. Support the retention and expansion of existing businesses and industries, especially those that are locally owned.
3. Develop a focused investment strategy that considers the location, business or industry type and needs, and other criteria for the use of public funds such as utility oversizing, system development charges, utility rates, and gas taxes.
4. Effectively communicate City economic development and livability goals, policies, and regulations to Albany Millersburg Economic Development Corporation (AMEDC), Chamber of Commerce (Chamber), Albany Downtown Association (ADA), Albany Visitors Association (AVA), and other agencies providing economic development advocacy and assistance.
5. Prepare and maintain a written economic development strategy that outlines priorities and roles for the City, AMEDC, and other economic development entities.
6. Annually review the City's economic development strategy and priorities.
7. Take into account the following factors when considering financial and regulatory incentives to help attract, retain, and expand businesses and industries in Albany:
 - a. What percentage of the jobs pay wages above average for Albany?
 - b. Will the business diversify the economy?
 - c. Does the business want to locate or expand in areas where the City wants to encourage development or redevelopment?
 - d. Is this an existing industry Albany would like to retain?
 - e. Will the business place significant demands on utility or transportation systems?

- f. Is the business environmentally responsible?
8. Support efforts by AMEDC and other economic development entities to assist businesses in identifying new products and export markets.
 9. Support efforts to improve local and regional coordination of economic development.
 10. Cooperate with business and industry to examine measures to reduce the cost of starting or expanding a business.
 11. Support efforts by the Chamber, and the AVA to promote Albany through a variety of promotional and informational development activities.
 12. Encourage business and industry to employ Albany's existing labor force using available job training and placement programs.
 13. Support the area's educational resources as vital to the social and economic well-being of the community. Encourage opportunities for increasing skill levels of local workers.
 14. Recognize and promote community events as:
 - a. Having potential positive economic impacts.
 - b. Important community promotion of activities that demonstrate the abilities, talents, and resources of the community and its residents.
 - c. Tools to develop local pride and community identity.
 15. Recognize and support Albany's unique historic character as a major cultural and tourist-oriented economic resource.
 16. Pursue state and federal resources for the assessment and remediation of brownfield sites to create economic opportunities and the improve environmental health of the surrounding areas.

IMPLEMENTATION STRATEGIES

1. Participate in periodic community roundtables to define issues relating to the local economy and to identify remedies.
2. Prepare a written economic development strategy and responsibility matrix for the city, AMEDC, and other economic development entities.
3. Assemble a community "solutions" team to assess how new, expanding, or relocating businesses fit with the community and how Albany can meet their needs.
4. Bring perceived financial and regulatory barriers to the attention of the community solutions team.
5. Encourage AMEDC and the Oregon Economic and Community Development Department (OECDD) to support the retention and expansion of existing businesses, including efforts to identify new products and export markets.
6. Review and update contract with AMEDC to establish performance objectives and reporting requirements.
 - Urge AMEDC and OECDD to target and focus on businesses that meet the focused investment strategy.

- Urge AMEDC to investigate sources of venture capital to finance new and expanding business opportunities.
7. Use state and federal grant and loan programs, as appropriate, to encourage desired businesses to locate or expand in Albany.
 8. Periodically review the Enterprise Zone boundaries and assess the impact of the Enterprise Zone on economic development and on the city's budget.
 9. Support the activities of an economic development entity, such as AMEDC, to assist in implementing the economic goals and policies in the Comprehensive Plan. The entity would have the following responsibilities:
 - a. Develop a list of target businesses and industries and a marketing strategy for Albany-area industrial land.
 - b. Advise the Planning Commission and City Council on economic development activities.
 - c. Explore the development and use of private, local, state, and federal funding and programs directed at economic development activities.
 10. Cooperate with and support AMEDC's effort to develop and maintain a current "economic profile" of Albany that can be made available to individuals and businesses considering locating in Albany.
 11. Coordinate with AMEDC and the International Trade Division of the Oregon Economic and Community Development Department to supply appropriate market and other information to international trade groups.
 12. Cooperate with area economic development entities to:
 - a. Maintain a current directory of ongoing economic activity.
 - b. Update the Albany-Millersburg Industrial Site Inventory at least every two years.
 - c. Cooperate with economic development interests to assist them with information regarding location or expansion in the Albany area.
 - d. Maintain and make available current industrial site survey information such as available and projected public services; surrounding land uses and potential incompatibility issues; transportation characteristics and capabilities; and other economic profile information describing Albany's social, economic, and political characteristics.
 - e. Pursue local, state, federal, and other funding and technical assistance to attract business to the Albany area.
 - f. Provide funding for the administration of economic development activities.
 - g. When desirable, give existing and potential businesses the advantages offered by the Albany Enterprise Zone and other local business incentives.
 13. Support the cooperative efforts of all educational institutions to maintain high standards in all areas of educational opportunity.
 14. Support major community events that have the potential for significant positive economic and social impacts.

15. Maintain an inventory of the City's brownfield sites, remediation needs, and opportunities for redevelopment.

14.16. Help property owners navigate resources for remediating brownfield sites.

RECOMMENDATIONS

1. Encourage area economic development entities to assist existing Albany businesses in identifying new products and export markets.
2. Encourage area economic development entities to investigate sources of venture capital to finance new business opportunities.
3. Encourage investment in the area's local economy by local financial institutions.
4. Encourage area economic development entities to develop a marketing strategy for the area's industrial lands and to actively promote the development of all industrial properties.
5. Encourage AMEDC, regional, state and federal agencies and Linn-Benton Community College to provide special programs directed toward:
 - a. Alleviating poverty in the City of Albany.
 - b. Job training and career counseling for the area's youth, unemployed, and dislocated workers.
 - c. Small-business counseling for new and existing businesses.
6. Encourage area economic development entities to maintain up-to-date information regarding the area's educational resources and the educational level of the local population to provide to businesses considering locating in Albany.
7. Encourage Linn-Benton Community College to actively market its facilities for cultural, conference, and community activities.
8. Encourage Linn-Benton Community College to continue to offer training programs to local businesses.
9. Encourage Millersburg, Tangent, Linn County, Benton County, and the Oregon Cascades West Council of Governments to work with Albany to coordinate economic development planning for areas inside respective urban growth boundaries.
10. Encourage the Albany Visitors Association, the Albany Area Chamber of Commerce, and AMEDC to develop and implement methods to promote Albany throughout the region. These methods may include:
 - a. Developing and distributing attractive and current promotional literature to promote the Albany area's advantages and positive features.
 - b. Developing and maintaining an attractive, visible, and accessible visitor's information center near Interstate 5.
 - c. Utilizing regional media resources to disseminate information about community activities and events.
 - d. Conducting tours of local industry and developing public exhibits to acquaint the community and visitors with the role the Albany area plays in the regional and national economy.

- e. Encouraging community groups to host leading business, media, and community leaders from throughout Oregon and the region to present a positive view of all aspects of Albany.
 - f. Encouraging community civic and business leaders to be “community ambassadors” charged with promoting the business advantages of Albany-Millersburg and the surrounding region to prospective businesses.
 - g. Recognizing in the local media businesses and individuals that make special efforts to promote the community.
 - h. Encouraging and cooperating with AMEDC to develop and periodically update a guide to the business assistance and development programs available in the Albany-Millersburg area.
11. Encourage Linn County to promote the Linn County Fair and Expo Center for events that draw visitor dollars to Albany.
 12. Encourage area economic development entities, the Albany Area Chamber of Commerce, the Albany Downtown Association, and the Albany Visitors Association to study and document the need for high quality shopping and dining opportunities in Albany.

Supporting Documents

The following documents prepared by Angelo Planning Group, Johnson Economics, and the City of Albany between July 2019 and August 2020 are hereby adopted in their entirety as supporting document to the Albany Comprehensive Plan:

- City of Albany Economic Opportunities Analysis; 20-year employment land need to 2040
- Albany Building Lands Inventory – Methodology and Results

CHAPTER 4: HOUSING

Goal 10: Housing Background Summary

Staff Comments: The Background Summary is new text. The old text is being replaced in its entirety but is not shown deleted for ease of reading.

Introduction

Housing is one of the most basic and fundamental needs of our society. In Oregon, statewide housing goals aim to provide housing that meets the needs of all residents. Albany's choices and policies will affect housing opportunities for its citizens. It is essential the City of Albany plans to meet the needs of residents, considering a full range of incomes, ages, household sizes, and specialized housing needs. The role of local governments like Albany in meeting housing needs includes:

- Ensuring an adequate supply of land within its urban growth boundary to meet forecasted population growth.
- Zoning land and applying development standards in a way that supports the mix of housing needed by residents, without creating barriers to the development of specific types of needed housing.
- Supporting the provision of housing and services to people with low or moderate income who would not otherwise be able to afford housing in Albany.

Demographic and Housing Trends

In 2019, the City of Albany's population was roughly 54,000 people, with over 55,000 people within the urban growth boundary (UGB), located mostly in Linn County. The neighborhood of North Albany is in Benton County. The Albany UGB includes roughly 11,350 acres in Linn County, and 2,550 acres in Benton County.

Albany is the 11th largest city in the state by population (2019), the largest in Linn County, and the second largest in Benton County. Albany is similar in size to its neighboring city of Corvallis, and statewide is also similar in size to Springfield and Tigard.

Albany grew by an estimated 32 percent between 2000 and 2019. In contrast, Linn County and the state experienced population growth of 22 percent and 23 percent respectively during the same period.ⁱ

Albany was home to an estimated 21,500 households and 22,800 housing units in 2019, an increase of about 5,000 households and housing units since 2000. This translates to a vacancy rate of 5.6 percent.

FIGURE 4.1: ALBANY DEMOGRAPHIC PROFILE

	2000 (Census)	2010 (Census)	Growth 00-10	2019 (PSU, City)	Growth 10-19
Population	41,895	50,158	20%	55,201	10%
Households ¹	16,549	19,705	19%	21,517	9%
Families ²	11,105	12,894	16%	14,072	9%
Housing Units ³	17,817	20,979	18%	22,805	9%
Group Quarters Population ⁴	687	824	20%	1,410	71%
Household Size (non-group quarters)	2.49	2.50	0%	2.50	0%
Average Family Size	2.99	3.01	1%	3.07	2%
Per Capita Income ⁵	\$18,570	\$22,236	20%	\$26,978	21%
⁵ Median Household Income	\$39,409	\$46,638	18%	\$54,275	16%

SOURCES: Census (SF1, DP-1 DP-2, S1901, S19301), PSU Population Research Center, Johnson Economics

¹ 2019 Households =(2019 population-Group Quarters)/2019 household size

² Ratio of 2019 families to total households is based on 2018 ACS 5-year estimate

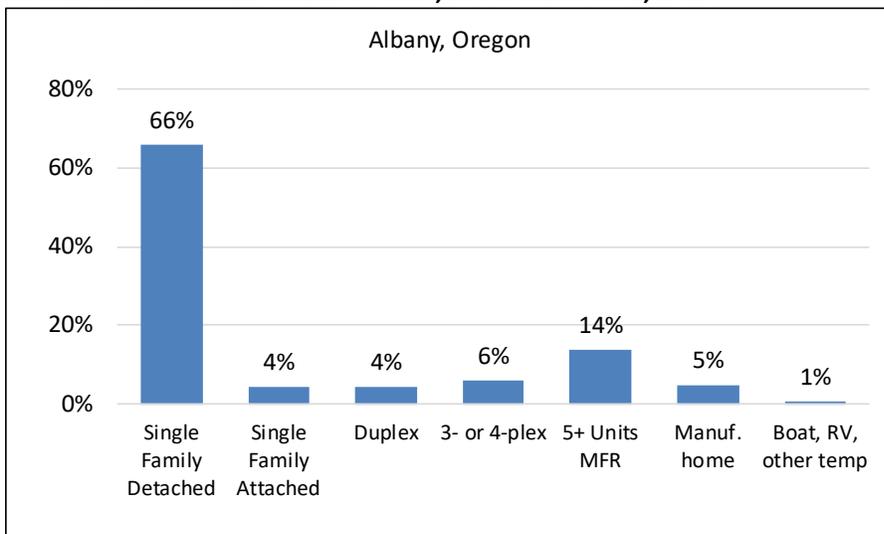
³ 2019 housing units are 2010 Census total plus new units permitted from 2010-2019

⁴ 2019 figure from City of Albany

⁵ 2019 income projected from 2018 ACS 5-year estimate

An average of 300 units have been permitted in the City annually since 2000, with 20 percent being multi-family units. Single-family detached homes and manufactured homes account for 71 percent of Albany’s housing supply. Middle housing types accounted for 14 percent of Albany’s housing stock.

FIGURE 4.2: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2019



SOURCE: US Census, City of Albany

More than half (55 percent) of Albany’s housing stock was constructed before 1980. Seventy percent of rented housing was constructed before 1990.

Most of Albany’s owner-occupied housing is detached single-family with three or more bedrooms (86 percent), while one-third of rentals are complexes with five or more units. Just over half of Albany’s rental units have two-bedrooms, and 18 percent are one-bedroom or studio units.

Household age and income tend to have a stronger correlation to housing tenure and choice than other variables. Albany’s population continues to age, those ages 55 and 74 saw the greatest increase in the share of the population since 2000, rising from 14 percent to 20 percent in 2018.

The percentage of families remained steady between 2000 and 2019 at 65 percent of all households. Almost one third of all households have children under 18 at home. Albany estimated 1,410 persons living in group quarters (assisted living, nursing homes, jails, shelters) in 2019.

Average household size remained flat at 2.50 persons during this period, while average family size increased to 3.07. The average size of owner households was 2.7 and renter household size was 2.2 in 2018.

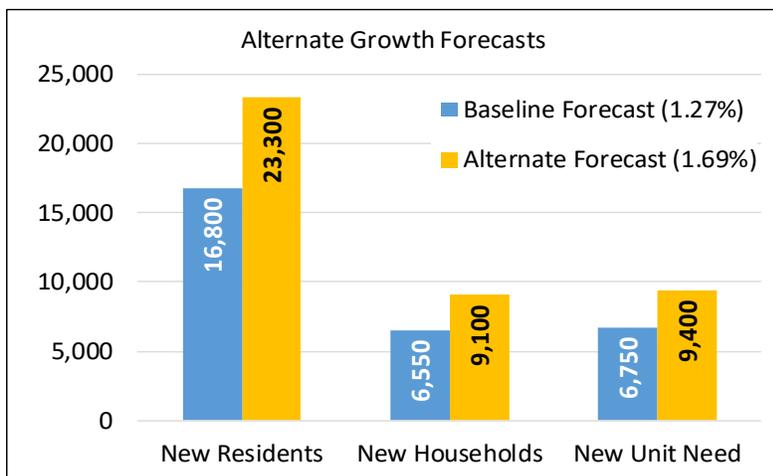
Home ownership rate dropped slightly from 59.5 percent in 2000 to 58.5 percent in 2018, which is lower than Linn County (64 percent), the state (62 percent), and national average of 65 percent.

Albany’s median household income was \$54,275 in 2019, about 37 percent higher than 2000. Just under half of Albany households earned less than \$50,000 in 2018, while 21 percent earned \$25,000 or less in 2018. Housing prices also increased, with the largest increase seen in the last few years. In 2019, the average mean sales price was \$325,271 in Linn County and \$408,744 in North Albany. Rents also increased by more than 15 percent between 2015 and 2018. Consequently, almost one in four renter households were severely housing cost burdened, spending at least half of their income on housing.

Population and Housing Projections

Cities are required to base future planning on population projections prepared by the Portland State University (PSU) Center for Population Research. The official PSU forecasted annual growth rate of 1.27 percent per year was used to project growth to 2040. Since Albany has grown faster than the PSU baseline forecast during the past 30 years, an alternative forecast was prepared that reflects Albany’s average annual growth rate of 1.69 percent since 1992.

Figure 4.3 2040 Growth Forecasts



Depending on the rate of growth, the City is projected to add between 16,800 and 23,300 new residents to 2040, requiring between 6,750 and 9,400 new housing units after factoring for group quarters and a vacancy rate of five percent.

The City’s assessment of future housing needs is based on a combination of past and future projected demographic and housing trends. It considered the propensity of households at specific age and

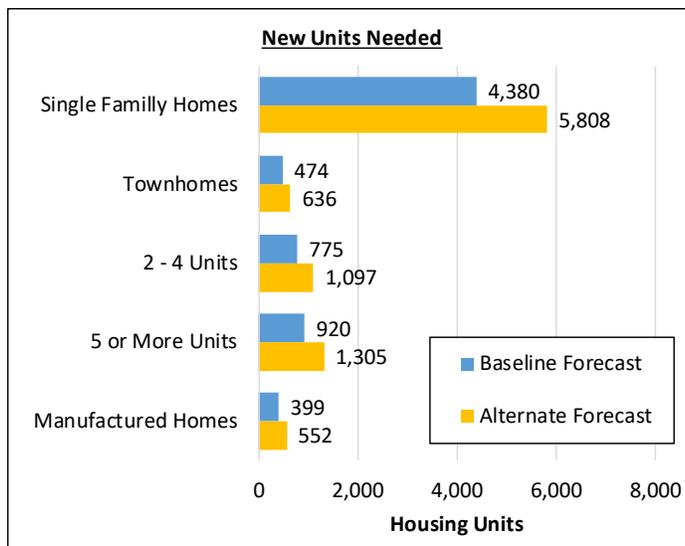
income levels to either rent or own their home, and the affordable cost level of each. The analysis projected the need for all 2040 households and therefore includes the needs of current households.

Single family detached housing units are expected to make up the greatest share (62 percent) of new housing development over the planning period (2020-2040). However, attached forms of housing are also expected to grow as an overall share of housing (32 percent) due to growing trends towards more density,

infill development, accessory dwelling units, and constraints of the urban growth boundary. State legislation adopted in 2019 also seeks to encourage more “middle housing” (duplexes, triplexes, etc.) in traditional single-family zones.

- Single family attached units (townhomes on individual lots) are projected to meet seven percent of future need.
- Duplex through four-plex units are projected to represent 11.5 percent of the total need. Duplex units would include a detached single-family home with an accessory dwelling unit.
- Multi-family units in structures of five attached units are projected to be 14 percent of all needed units.
- Manufactured homes will represent five percent of new needed units, while RV or other temporary housing is projected to be one percent; both will help meet the needs of some low-income households for both owners and renters.

Figure 4.4 Housing Unity Need by Housing Type (2040)



It is projected homeownership rate in Albany will remain steady to 2040 at 59 percent. Residents are projected to seek a range of ownership and rental housing types across all income spectrums.

- Ownership units are projected to be primarily single-family detached homes, with nine percent manufactured homes and two percent in attached forms.
- About 72 percent of new rental units are expected to be in new attached buildings, with 34 percent projected in rental properties of five or more units, and 27 percent in buildings of two- to four-plexes.

Housing Need by Affordability

The profile of future housing demand by cost was compared to the current housing inventory to determine future demand by housing type and price range (Figure 4.5).

There is a current and projected need for more affordable housing opportunities for many Albany households. Over 50 percent of renters spending more than 30 percent of their income on gross rent, and a quarter of renters are spending 50 percent or more of their income on housing and are considered severely rent-burdened.

- Households earning less than \$30,000 in 2019 dollars is expected to account for 20 percent of all households in 2040.
- The number of households earning less than 80 percent of the median income is projected to increase by 1,100 using the PSU baseline forecast to 2040.
- Ownership demand exists at both the low-end and the high-end of the pricing spectrum – below \$200,000 and over \$350,000 in 2019 dollars.

- The greatest need for rental units is at the low-end of the spectrum for households earning \$25,000 or less; however, some demand exists for higher-end units.

Figure 4.5 Projected Need for New Housing by Income Level

Household Income Segment	Income Level (Rounded)*	Share	Baseline Forecast (1.3%)			Alternative Forecast (1.7%)			Common Housing Product
			Owned	Renter	Total	Owner	Renter	Total	
Extremely Low Inc. < 30% AMI	< \$18,000	11%	201	565	766	277	802	1,079	Govt-subsidized; Voucher
Very Low Income 30% - 50% AMI	\$18k - \$30k	11%	262	480	742	363	680	1,043	Aging/substandard rentals; Govt-subsidized; Voucher
Low Income 50% - 80% AMI	\$30k - \$48k	17%	513	598	1,111	709	848	1,557	Market apts; Mauf. Homes; Plexes; Aging Single-family
Middle income 80% - 120% AMI	\$48k - \$71.5k	17%	726	431	1,157	1,004	611	1,615	Single-family detached; Townhomes; small homes; new apts
Upper Income > 120% AMI	> \$71,500	44%	2,375	580	2,955	3,281	823	4,104	Single-family detached; S-F high end attached/condos
		100%	4,077	2,654	6,731	5,634	3,764	9,398	

Sources: HUD, Census, Envirionics Analytics, Johns Economics

Capacity for Future Housing Development

A buildable lands inventory (BLI) was conducted to determine the amount of buildable residential and mixed-use land available within the City limits of Albany and the Urban Growth Boundary to accommodate residential growth to 2040. First, environmental, and other constraints that reduce development capacity (floodplains, wetlands, water bodies, steep slopes, power, and gas line easements) were identified per Oregon Administrative Rules Chapter 660 Division 8. Then the developable acreage was determined for every vacant or partially vacant tax lot.

Housing need is broken down by matching housing types to the general density range of the zoning districts and plan designations. The average effective density per acre is based on City development trends by zone.

Figure 4.6 summarizes the capacity of Albany's buildable land within the City limits for new housing units by comparing the residential BLI to the estimate for new housing need by housing types to 2040 based on the PSU growth forecast.

Figure 4.7 provides the supply of buildable residential land outside the city limits but within the UGB.

Figure 4.6 Comparison of Forecasted Land Need to 2040 with Available Capacity in City Limits

WITHIN CITY LIMITS		SUPPLY			DEMAND		
Zoning Districts	Typical Housing Types	Buildable Land Inventory			PSU Forecast (1.3%)		
		Buildable	Avg. Density	Unit	New Unit Need to 2040	Surplus (Deficit)	
		Acres	units/ac	Capacity		Units	Acres
Low-Density: RR, RS-10, RS-6.5, RS-5, HM, MS	Single-family detached; duplex	1,165	3.9	4,525	4,270	255	23
Med-Density: RS-5 attached, MUR, RM<1ac, WF<1ac, MUC, DMU, CB	Single-family Attached; Manuf. Home parks, 2-4 plexes	120	10.6	1,271	1,540	(269)	(25)
High-Density: RM, RMA, HD	Apartments, condos	115	21.0	2,418	920	1,498	71
TOTALS		1,397	5.6	7,829	6,730	1,484	69

Sources: Angelo Planning Group, Johnson Economics

Figure 4.7 Buildable Land Supply Outside City, in UGB

OUTSIDE CITY LIMITS, IN UGB		SUPPLY		
Comprehensive Plan Designation	Typical Housing Type	Buildable Land Inventory		
		Buildable Acres	Avg. Density units/ac	Unit Capacity
Low-Density	Single-family detached; duplex	1,214	4.5	5,456
Med-Density	SF attached; Manuf. home; 2-4 plexes	28	10.0	276
High-Density/ Village Center	Apartments, condos	36	20.0	722
TOTALS		1,278	5.0	6,454

Sources: Angelo Planning Group, Johnson Economics

Findings of the comparison of land need to land supply indicate:

- Low Density – There is enough land in the City limits to accommodate future growth needs for low-density and high-density housing types under the PSU forecast to 2040 (Figure 4.6).
- Medium Density – If historic trends in housing types and tenancy continue, there will likely be demand for land that can accommodate medium density housing (8 to 18 units/acre) to 2040 according to Figure 4.6. However, land in the UGB outside the City limits can meet this demand (Figure 4.7). In addition, medium density housing is permitted in the RM and RMA zones and could be developed in Village Centers.
- High Density – The City has enough land zoned for high density housing (18+ units/acre) based on the assumption that all buildable land over one acre in the RM and RMA zones will be developed with higher density housing. Land designated Village Center outside the City limits in the UGB could help to meet projected demand (Figure 4.7).

Goal 10: Housing

Goals, Policies & Implementation Methods

Staff Comments: No changes are proposed to this section at this time. Housing policies will be evaluated over the next year when the City evaluate changes needed to comply with House Bill 2001 (missing middle housing bill) and with the development and implementation of the East Albany Area Plan.

GOALS

Provide a variety of development and program opportunities that meet the housing needs of all Albany's citizens.

Create a city of diverse neighborhoods where residents can find and afford the values they seek.

POLICIES

General

1. Ensure an adequate supply of residentially zoned land in areas accessible to employment and public services.
2. Provide a variety of choices regarding type, location, density, and cost of housing units corresponding to the needs and means of city residents.
3. Encourage innovation in housing types, densities, lot sizes and design to promote housing alternatives.

Examples include:

- a. Attached single-family housing and condominium ownership opportunities in the Waterfront zoning district
 - b. The adaptive reuse of the upper floors of structures within the Downtown Business District for residential purposes.
 - c. Mixed housing types and price ranges at a minimum of ten units per acre in Village Center Comprehensive Plan districts.
 - d. Neighborhoods with a variety of lot and housing sizes and types.
 - e. Accessory dwelling units.
 - f. Other actions directed at reducing housing costs which conform to the Comprehensive Plan, including innovative Development Code regulations.
4. Encourage residential development that conserves energy and water; uses renewable resources; and promotes the efficient use of land, conservation of natural resources, easy access to public transit, and easy access to parks and services.
 5. Encourage the use of Cluster and Planned Unit Developments to:
 - a. Promote architecturally appealing and functional land use design.
 - b. Allow flexibility in the placement and uses of buildings, recreation areas, open spaces, streets, utilities, and off-street parking areas.

- c. Effectively utilize special site features including natural characteristics, location, view, topography, size, or shape of parcels.
 - d. Maintain a development pattern compatible with the surrounding area as determined by the Comprehensive Plan designation.
- 6. Encourage residential development on already serviced vacant residential lots or in areas where services are available or can be economically provided.
- 7. Require residential densities to be commensurate with the availability and adequacy of public facilities and services.
- 8. Encourage the development of great neighborhoods by:
 - a. Supporting neighborhood identity
 - b. Locating parks, trails, schools, daycare, and churches in close proximity to residences
 - c. Incorporating natural features and spaces into developments
 - d. Connecting and orienting new neighborhoods to Village Centers
- 9. Encourage new residential developments to provide housing choices that allow for persons to stay within their neighborhoods (“age in place”) as their housing needs change.
- 10. Preserve and enhance Albany’s historic housing as a unique and valuable resource.
- 11. Promote the conservation of existing housing by supporting programs that rehabilitate and upgrade substandard and deteriorating units.
- 12. Encourage the development of housing with quality craftsmanship and amenities to attract new business as well as keep local business executives within the community.
- 13. Allow the establishment of bed and breakfast accommodations in existing residential areas when it can be determined the use will be compatible with the surrounding neighborhood in terms of traffic generation, parking, use intensity, and size of structure.
- 14. Encourage a mix of housing types and residential densities within the Urban Residential Reserve area which conform to the population and density projections adopted by the City of Albany and where infrastructure is available or can be made available.
- 15. Encourage the removal of barriers to safe neighborhoods, such as vacant lots and buildings and overgrown vegetation.

Affordable and Special Needs Housing

- 16. Encourage the development of a range of affordable housing in a range of types and appropriate sizes to meet Albany’s housing needs. Examples include accessory apartments, manufactured housing, and attached single-family houses.
- 17. Recognize groups needing specialized housing such as the elderly, handicapped, homeless, and other disadvantaged groups when identifying housing programs and opportunities.
- 18. Encourage providers of transitional housing units, shelters, and single-room occupancy housing to locate near Village Centers, employment centers, and public transportation.

19. Comply with federal, state, and local fair housing laws and policies that affirm access to housing opportunities for all persons in Albany.
20. Encourage senior housing developments and care facilities to be located in or near Village Centers for improved access to goods, services, and public transportation.

IMPLEMENTATION METHODS

1. Use a variety of techniques to reduce housing costs including:
 - a. Timely processing of development permits
 - b. Providing opportunities for the use of innovative techniques in development, design, and construction
 - c. Promoting Cluster Developments to allow flexibility in residential development and the transfer of density within the development when protecting natural features, open areas, and park spaces
 - d. Allowing increased densities within Planned Unit Developments, zero lot line setbacks, attached single-family housing, and other innovative housing techniques
 - e. Developing new residential street designs that may reduce pavement widths in appropriate situations and allow for natural drainage
2. Require residential densities to be commensurate with the availability and adequacy of public facilities and services.
3. Work with the Parks and Recreation Department to evaluate ways to incorporate parks and trails into neighborhoods. Determine if changes are needed to the Comprehensive Plan, Parks Master Plan, or Development Code to implement ideas.
4. Periodically review the residential zoning district standards and the subdivision standards in the Development Code for ways to better meet the housing need of all income levels and of all housing types.
5. Review all mixed-use zoning districts, such as MUR and MUC, to determine if maximums should be set on the amount of land that can be used for commercial or residential purposes.
6. Facilitate occasional city staff-developer roundtables to identify potential incentives that might encourage developers to build great neighborhoods with a diversity of housing choices, densities, and price ranges.
7. Upon annexation of Urban Residential Reserve areas, medium- and high-density developments will be encouraged in areas that:
 - a. Have adequate sewer and water capacity
 - b. Can be served economically and efficiently with public services including fire protection, police protection, and schools
 - c. Are located in close proximity to collector or arterial streets

8. Periodically review the Urban Residential Reserve designation to determine anticipated residential densities as reflected by anticipated needs, development trends, and extension of public services.
9. Support enforcement of the City's Property Maintenance Code and Compliance Program that addresses substandard housing issues.

Affordable and Special Needs Housing

10. Participate in federal, state, local, and other housing programs that provide assistance to the city's low-income individuals, households, and neighborhoods through:
 - a. Public facility improvements
 - b. Rehabilitation loans and grants
 - c. Historic preservation grants and other related programs
 - d. Regional fair share distribution of assisted housing and other local, state, and federal programs
11. Monitor low- and moderate-income housing needs by reviewing available information on current conditions including census data, rental rates, vacancy rates, and housing sales prices.
12. Encourage public and private social service and housing agencies to coordinate programs that provide secure housing and shelter opportunities to those in need.
13. Support efforts by the Albany Partnership for Housing and Community Development, the Linn-Benton Housing Authority, Habitat for Humanity, the Community Services Consortium, and other local agencies to provide affordable housing, financial assistance, and services to Albany's moderate-, low- and very-low-income households; for the elderly; and for Albany's special needs populations.
14. Convene Albany's housing agencies to discuss affordable housing, housing for the special-needs populations, agency roles, and existing programs. Evaluate program gaps and areas for improvement.
15. Identify areas with a concentration of very-low income households to determine if there are any programs or assistance that can help provide safe and decent housing.
16. Evaluate incentives to develop affordable housing. Become an entitlement community under the Community Development Block Grant program.

RECOMMENDATIONS

17. Encourage Linn and Benton Counties to consider the needs of the homeless and other displaced persons by:
 - a. Maintaining close contact with local social service providers in order to be able to measure needs and to be able to provide appropriate referrals.
 - b. Facilitating emergency housing assistance during severe conditions.
18. Encourage the Community Services Consortium (CSC) to serve as the region's "housing resource center" that can serve as a "clearinghouse" for housing needs.

Staff Comments: The new Housing and Residential Land Needs Assessment and the Buildable Land Inventory will be adopted as supporting documents to the Plan.

Supporting Documents

The following documents prepared by Angelo Planning Group, Johnson Economics, and the City of Albany between July 1, 2019, and April 1, 2020, are hereby adopted in their entirety as supporting documents to the Albany Comprehensive Plan:

- City of Albany Housing and Residential Land Needs Assessment; 20-year housing need to 2040
- Albany Building Lands Inventory – Methodology and Results.

ⁱ US Census and PSU Population Research Center

CHAPTER 10: DEMOGRAPHICS

Staff Comments: Staff proposes to remove this content from the Comprehensive Plan. Staff collects and maintains this data on a regular basis and applicable demographics information is provided in other sections of the Comprehensive Plan as necessary. For this chapter to remain useful, it would require regular Comprehensive Plan amendments.

DEMOGRAPHICS

[Ord. 5667, 4/25/2007]

POPULATION TRENDS AND FORECASTS

Many aspects of the Comprehensive Plan are based upon population projections. These projections were developed from an analysis of past growth rates, current trends, and statewide demographic characteristics. Because these projections are based on assumptions, all of which are subject to change, they should be used only as indicators of expected growth and not as goals and objectives to be used as measures of the Plan's success. The most important value of population projections is in determining the need for land use types and facilities to service expected growth. Since substantial public investments will be made in public facilities to accommodate this growth, it is imperative that population projections be evaluated and updated on a regular basis.

Population Trends

Oregon. Between 1990 and 1999, almost 70% of Oregon's population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths). Net migration to Oregon dropped from 35,000 in 1996 to 18,000 in 1999¹. The primary reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment.

Willamette Valley. The Willamette Valley has historically been the center of growth in Oregon. Population growth in the Willamette Valley has exceeded that of the state in every decade except the 1970s. Almost 70% of Oregon's population is located in the Willamette Valley, which contains only 14% of the state's land area. Most of the Willamette Valley's population is concentrated in the metropolitan areas of Portland, Salem, and Eugene.²

Population Growth Rates 1970–2000

	1970	1980	1990	2000	Avg. Ann. Growth Rate		
					1970-80	1980-90	1990-2000
U.S.	203,211,926	226,545,805	248,709,873	281,421,906	1.1%	1.0%	1.3%
Oregon	2,091,385	2,633,156	2,842,321	3,421,399	2.3%	0.8%	2.0%
Willamette Valley	1,446,594	1,788,577	1,962,816	2,280,606	2.1%	0.9%	2.1%
Benton County	53,776	68,211	70,811	78,153	2.4%	0.4%	1.0%
Linn County	71,914	89,495	91,227	103,069	2.2%	0.2%	1.3%
Albany	18,181	26,540	33,523	40,852	3.9%	1.1%	2.2%
Linn Co.	18,181	26,540	29,558	35,030	3.9%	1.1%	1.9%
Benton Co.		6	3,965	4,980	na	na	2.6%

Sources: U.S. Census Bureau and Center for Population Research and Census, Portland State University. Average annual growth rates calculated by the City.

Note: The original 1990 Census population for Albany was 29,462 (29,441 in Linn County and 21 in Benton County). The Census Bureau officially adjusted the 1990 population of Albany to include the 1991 annexation of North Albany, which is in Benton County. The 1980–90 growth rates for Albany are calculated using the pre-annexation population, and the 1990–00 growth rates are calculated using the post-annexation population.

¹ State of Oregon, Employment Department. 1999. *1999 Oregon In-migration Study*.

² The Willamette Valley is composed of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill counties.

Albany. Albany grew faster than the nation, Oregon, and Linn and Benton Counties in each decade from 1970 to 2000. Between 1980 and 1999, Albany's annual average growth rate was 1.55%.

Albany's share of Linn County's population increased from 25% in 1970 to 34% by 2000. The 1991 annexation of North Albany (in Benton County) added 3,860 residents to Albany, making Albany the second-largest city in Benton County, following Corvallis.

Reflecting state trends, net migration accounted for about 66% of population growth in Linn County in the 1990–1999 period. The *1999 Oregon In-migration Study* shows that migrants to Region 4 (Benton, Lincoln, and Linn Counties), are relatively young and well-educated.

The following table shows Albany's annual population estimates prepared by Portland State University's Population Research Center and Census figures since 1980.

Year	US Census	PSU	% Change	Linn	Benton
1980	26,540				
1981		27,100	2.11%		
1982		27,450	1.29%		
1983		27,500	0.18%		
1984		27,900	1.45%		
1985		27,911	0.04%		
1986		27,950	0.14%		
1987		28,060	0.39%		
1988		28,020	-0.14%		
1989		28,030	0.04%		
1990*	33,523	29,540	5.39%	29,525	15
1991*		33,850	0.98%	29,975	3,875
1992		34,200	1.03%	30,310	3,890
1993		34,350	0.44%	30,375	3,975
1994		35,020	1.95%	30,945	4,075
1995		36,205	3.38%	32,005	4,200
1996		37,095	2.46%	32,745	4,350
1997		37,830	1.98%	33,290	4,540
1998		38,925	2.89%	34,185	4,740
1999		40,010	2.79%	35,030	4,980
2000	40,852	41,145	2.84%	36,005	5,140
2001		41,650	1.23%	36,410	5,240
2002		42,280	1.51%	36,895	5,385
2003		43,600	3.12%	37,565	6,035
2004		44,030	0.99%	37,815	6,215
2005		45,360	3.00%	38,905	6,455

Long Term Average Annual Growth Rates

2.28%	1996 to 2005
1.66%	1980 to 2005

*The original 1990 Census figure for Albany was 29,462. In 1995, this figure was officially revised to 33,523 to include the 1991 North Albany annexation. The percent increase between 1990 and 1991 reflects the pre-annexation figures.

[Ord. 5638, 2/8/2006; Ord. 5667, 4/25/2007]

Population Forecast

The state requires each county to establish a population forecast for the entire county and to coordinate this forecast with the local governments within its boundary.³ The state's long-term forecast for population growth for Linn and Benton Counties is shown below.

Year	Benton County Forecast			Linn County Forecast		
	Amount	Change	% Change	Amount	Change	% Change
2000	79,291			104,894		
2005	82,116	2,825	3.6	110,573	5,679	5.4
2010	85,080	2,964	3.6	116,053	5,480	5.0
2015	88,167	3,087	3.6	121,593	5,540	4.8
2020	91,345	3,178	3.6	127,158	5,565	4.6
2025	94,668	3,323	3.6	132,909	5,751	4.5
2030	98,024	3,356	3.5	138,812	5,903	4.4
2035	101,481	3,457	3.5	144,834	6,022	4.3
2040	104,998	3,517	3.5	150,551	5,717	3.9

Source: State of Oregon, Office of Economic Analysis.

In 1997 and 1998, Albany representatives met with those from Linn and Benton Counties to arrive at a population forecast to 2020. This forecast was adjusted by the Department of Land Conservation and Development and adopted by both counties in 1999. The forecast assumes an annual average increase of 1.4%, which is consistent with state projections for a slower growth rate over the forecast period. Albany's adopted population forecast to 2020 is 53,200 residents. The 2020 forecast was straight-lined to 2025 using the same average annual increase.

Year	City Total	Linn County	Benton County
1996	37,095	32,745	4,350
2000*	40,852	35,748	5,104
2005	43,400	38,090	5,310
2010	46,450	40,840	5,610
2015	49,710	43,790	5,920
2020	53,200	46,950	6,250
Projected 2025 Population			
2025	57,030	50,330	6,700

Source: City of Albany, Planning Division.

*2000 figure is from the Census.

Albany's population grew by an average of 2.3% per year between 1996 and 2005. This growth rate is much higher than the 1.4% growth rate used in the Albany's official adopted forecast above. According to estimates by Portland State University, Albany's Benton County population was close to the 2020 projection in 2004 at 6,215 persons.

³ ORS 195.025 and ORS 195.036.

Due to higher growth than projected in the county-adopted forecast, staff calculated three additional population growth scenarios to 2025 in 2005. Growth scenario 1 uses a moderate average annual growth rate of 1.5% applied to Albany's 2005 Portland State University's population estimate of 45,360. Scenario 2 uses a 1.9% average annual growth rate. Scenario 3 assumes a continuation of a high annual growth rate of 2.2%, beginning with Albany's 2005 estimated population.

Albany Population Growth Scenarios to 2025

YEAR	2000	2005	2010	2015	2020	2025
1999 Adopted County-Coordinated Forecast to 2020.	39,550	43,400	46,450	49,710	53,200	57,030
Scenario 1: 1.5% Ave. Annual Inc.	40,852*	45,360	48,666	52,642	56,711	61,093
Scenario 2: 1.9% Ave. Annual Inc.	40,852*	45,360	49,836	54,754	60,157	66,093
Scenario 3: 2.2% Ave. Annual Inc.	40,852*	45,360	50,574	56,387	62,869	70,096

Source: Albany Planning staff. The 1999 adopted County-Coordinated forecast continues the 1.4% growth rate to 2025. Scenarios 1 through 3 show different average annual increases starting with the 2005 Portland State University population estimate of 45,360.

*2000 figures are from the U.S. Census Bureau.

Due to unpredictable growth cycles, population forecasts should be reviewed and adjusted every few years in order to plan for future needs. [Ord. 5638, 2/08/2006; Ord. 5667, 4/25/2007]

DEMOGRAPHICS

Characteristics of Albany's population can be helpful information for all City departments and others in the community.

A Census Snapshot: Albany 1990 and Albany 2000

In 2000, Albany residents were better off in many ways than in 1990. In 2000, residents were:

- More affluent - median household income increased from \$26,666 to \$39,409; median family income went from \$31,977 to \$46,094; per capita income rose from \$11,444 to \$18,570;
- Older - from 32.7 to 34.6 median age;
- More diverse - from 96.1% to 91.7% white...from 2.0% to 4.4 % foreign born;
- Better educated - from 81.1% to 84.7% high school graduate or higher; from 12.4% to 18.4% bachelor's degree or higher;
- More likely to be homeowners - from 51.9% to 59.5%;
- Similar in household size - from 2.46 to 2.49 persons;
- More likely to be employed - from 6.9% to 5.5% unemployed;
- Less likely to work in manufacturing - from 27.0% to 20.5%;
- Less likely to be in poverty status - from 11.3% of families to 9.3%; and
- More likely to be spending over 35% of income on housing costs - from 9.2% to 15.7% for homeowners; from 31.7% to 38.5% for renters.

Age Distribution

An important factor in projecting housing and other needs is understanding the age structure of the population. Like much of the nation, Albany's population is continuing to age and is expected to see gradual improvements in life expectancy. The median age was 34.6 in 2000, up from 32.7 in 1990 and 27.6 in 1980.

The aging baby boomers caused the 45-to-64 age group to grow sharply from 16% of Albany's total population in 1980 to 22% in 2000. Most of these baby boomers are projected to become "empty nesters" if they are not already, and will cycle into retirement over the next 20 years. The percentage of the population 45 and over is projected to grow from 35% in 2000 to 45% in 2020 and 2025. This trend results in a slight decrease in the youth population.

Trends and Forecast of Age Groups as a Percentage of Albany's Population

Age Ranges	1990*		2000		2010		2020		2025	
	Count	%								
0 to 14	7,302	22.2%	9,012	22.1%	9,336	20.1%	10,001	18.8%	10,588	18.6%
15 to 24	4,754	14.5%	5,715	14.0%	6,177	13.3%	6,650	12.5%	6,547	11.5%
25 to 34	5,349	16.3%	5,914	14.5%	6,178	13.3%	6,810	12.8%	7,345	12.9%
35 to 44	4,927	15.0%	6,070	14.9%	6,642	14.3%	7,076	13.3%	7,231	12.7%
45 to 54	3,542	10.8%	5,583	13.7%	6,550	14.1%	7,129	13.4%	7,516	13.2%
55 to 64	2,385	7.3%	3,358	8.2%	5,620	12.1%	6,703	12.6%	7,174	12.6%
65 to 74	2,536	7.7%	2,298	5.6%	3,112	6.7%	5,213	9.8%	5,978	10.5%
75 and older	2,026	6.2%	2,902	7.1%	2,835	6.1%	3,618	6.8%	4,556	8.0%
Total Pop.	32,821		40,852		46,450		53,200		57,030	

Source: Data in the 1990 and 2000 columns calculated by Albany Planning staff from the US. Census. *1990 figures include the 1991 North Albany population, excluding 502 North Albany residents for whom age was unknown (Portland State University). Data in the 2010 and 2020 columns adjusted per Oregon data. Data in the 2005 and 2015 columns extrapolated from adjoining columns.

Albany's seniors (65 and older) were 13% of the population in 2000, with over half of them 75 years and older. The senior population is projected to grow to 19% of Albany's population by 2020. The needs and preferences of those over 65, and especially those over 75, could have a significant impact on housing needs in Albany.

The age of the household head (householder) and household income have been found to have a stronger correlation with housing tenure than other demographic variables.⁴

Age of Householder by Household Type, 2000

Household type	Families	Non-family Households	Totals	%
Total Family and Non-family households:	10,809	5,299	16,108	100%
Householder 15 to 24 years	589	542	1,131	7.0%
Householder 25 to 34 years	2,273	685	2,958	18.4%
Householder 35 to 44 years	2,580	763	3,343	20.8%
Householder 45 to 54 years	2,321	943	3,264	20.3%
Householder 55 to 64 years	1,349	623	1,972	12.2%
Householder 65 to 74 years	878	559	1,437	8.9%
Householder 75 to 84 years	668	790	1,458	9.1%
Householder 85 years and over	151	394	545	3.4%

Source: U.S. Census Bureau, 2000.

Ethnicity

Albany's Hispanic/Latino population grew from just under 3% of Albany's population in 1990 to 6% in 2000. This ethnic group is projected to increase as a percentage of Albany's population over the next 25 years as immigration to Oregon increases.

⁴ Oregon Housing Needs Model Methodology, Oregon Housing and Community Services Department

Albany's Ethnic Make-up, 2000

Total Population:	40,852	100.0%
Population of one race:	39,805	97.4%
White alone	36,361	89.0%
Hispanic or Latino	2,489	6.1%
Black or African American alone	217	0.5%
American Indian and Alaska Native alone	500	1.2%
Asian alone	465	1.1%
Native Hawaiian & Other Pacific Islander alone	86	0.2%
Population of two or more races:	1,047	2.6%

Source: U.S. Census Bureau, 2000.

The most significant difference between Albany's at-large population and its Hispanic/Latino population is household size. The average Hispanic/Latino household size was 3.47 in 2000, compared with 2.49 for the entire Albany population.

Average Size of Hispanic/Latino Households, 2000

All Hispanic/Latino Hhs	3.47
Owner-occupied	3.66
Renter-occupied	3.38

Source: U.S. Census Bureau, 2000.

Education

Albany's population 25 years and older was better educated in 2000 than it was in 1990, going from 81.1% of persons with a high school or equivalent degree to 84.7% in 2000, and from 12.4% to 18.4% for persons with a bachelor's degree or higher.

Educational Attainment for Albany Residents, 2000

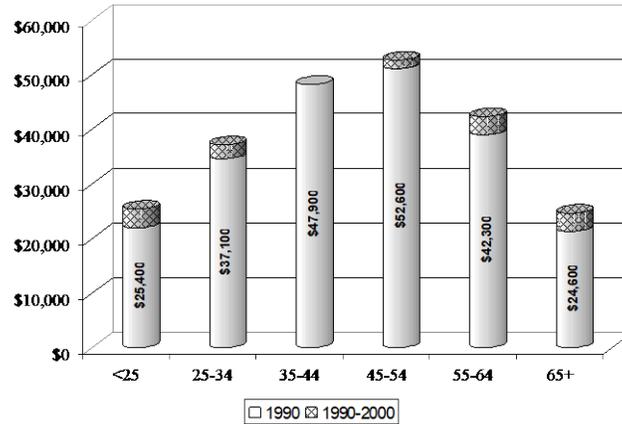
Population 25 and over	26,281	100.0%
High school graduate or higher	22,260	84.7%
Some College, no degree	8,019	30.5%
Associates Degree	1,996	7.6%
Bachelor's degree	3,252	12.4%
Graduate or Prof'l degree	1,584	6.0%

Source: U.S. Census Bureau, 2000.

Income

Most Albany household incomes increased between 1990 and 2000 after adjusting for inflation, except for household heads ages 35 to 44 who experienced a nominal \$300 decline as shown in the next graph. The younger and senior households in Albany have the lowest incomes, but experienced the greatest increase in incomes between 1990 and 2000, after adjusting for inflation.

Albany Median Household Income Growth by Age (1990-2000)



Source: CACI International, Inc., appears in the Albany Market Technical Memorandum, prepared by E.D. Hovee & Company, 2001.
 Note: Income in 2000 dollars.

Albany’s median household income in 1999 was \$39,409 and the median family income was \$46,094. According to the 2000 Census, just over 5,000 Albany households (about 32% of all households) had incomes less than \$25,000. Half of these low-income households (2,567) are families.

1999 Albany Household and Family Incomes

Income in 1999	Households		Families	
	Total HHs:	Percent:	Total Families:	Percent:
	16,189	100%	10,984	100%
Less than \$10,000	1,603	9.9	673	6.1
\$10,000 to \$14,999	1,018	6.3	481	4.4
\$15,000 to \$24,999	2,527	15.6	1,413	12.9
\$25,000 to \$34,999	2,089	12.9	1,342	12.2
\$35,000 to \$49,999	2,941	18.2	2,076	18.9
\$50,000 to \$74,999	3,516	21.7	2,810	25.6
\$75,000 to \$99,999	1,422	8.8	1,275	11.6
\$100,000 to \$149,999	809	5.0	703	6.4
\$150,000 to \$199,999	133	0.8	109	1.0
\$200,000 or more	131	0.8	102	0.9
Median Household Inc.	\$39,409			
Median Family Income			\$46,094	

Source: U.S. Census Bureau, 2000.

Albany Households with Supplemental Incomes, 1999

Total Hhlds with Supplemental Income:	9,563
With Social Security Income	4,921
With Supplemental Security Income	705
With Public Assistance Income	650
With Retirement Income	3,281

Source: U.S. Census Bureau, 2000.

Poverty Status

More than 11% (4,684 people) of Albany's population was below the poverty level in 1999. (The 1999 United States poverty level was \$17,029 for a four-person family.) Of those below the poverty level, most were families.

Persons with Incomes Below the Poverty Level, 1999

Total Population for which poverty status is determined:	40,282	100%
Income in 1999 below poverty level:	4,684	11.6%
Under 65 years:	4,309	10.7%
In married-couple families	1,242	3.1%
In other families:	2,096	5.2%
Male householder, no wife present	488	1.2%
Female householder, no husband present	1,608	4.0%
Unrelated individuals	971	2.4%
65 to 74 years:	375	0.9%
In married-couple families	79	0.2%
In other families:	37	0.1%
Male householder, no wife present	15	0.0%
Female householder, no husband present	22	0.1%
Unrelated individuals	259	0.6%

Source: U.S. Census Bureau, 2000.

[Ord. 5667, 4/25/2007]



City of Albany, Oregon
Economic Opportunities Analysis
(OREGON STATEWIDE PLANNING GOAL 9)

20-year employment land need to 2040

August 10, 2020



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I. INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for the City of Albany, Oregon.

Cities are required to periodically reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within their Urban Growth Boundary (UGB) and identify future site needs over the 20-year planning period.

While, the principal purpose of the analysis is to provide a factual basis for evaluating economic development policies and strategies to help the city capitalize on its economic opportunities and to ensure the City has an adequate land supply for economic development and employment growth to 2040. The intent is to conduct the analysis through a linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into six primary sections:

- **Economic Trends:** Overview of national, state and local economic trends affecting Linn and Benton Counties and the City of Albany, including population projections, employment growth and a demographic profile.
- **Target Industries:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.
- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- **Capacity:** Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within the City of Albany's UGB.
- **Reconciliation:** Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.
- **Economic Development Potential and Conclusions:** Summary of findings and policy implications.

The prior Economic Opportunities Analysis for the City of Albany was adopted in 2007. This updated analysis reflects changes in employment, land supply, and macro-economic trends since that time.

Oregon Statewide Planning Goal 9: Economic Development

In addition to providing an analysis of the City's economic opportunities and needs, this report is intended to meet the requirements of Oregon Statewide Planning Goal 9 and the requirements for an EOA as specified in the administrative rules that implement Goal 9 (OAR 660-009).

II. ECONOMIC TRENDS

This report section summarizes long and intermediate-term trends at the national, state, and local level that will influence economic conditions in Albany over the 20-year planning period. This section is intended to provide an economic context for growth projections and establish a socioeconomic profile of the community. This report's national evaluation has a focus on potential changes in structural socioeconomic conditions both nationally and globally. Our localized analysis considers local growth trends, demographics, and economic performance.

NATIONAL TRENDS

This section provides an overview of national economic trends that impact regional and local economies.

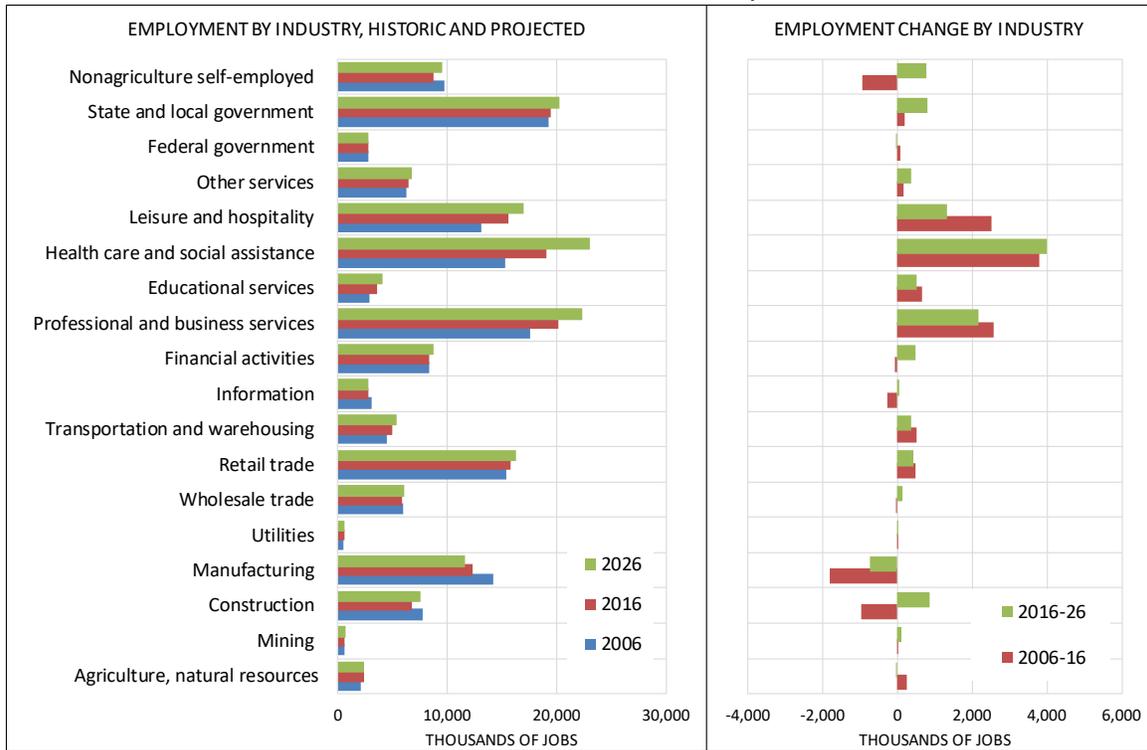
- New Normal of Moderate GDP Growth:** The United States economy has matured into a moderate growth trajectory of around 2.0 percent per year, after growing at a faster average rate for much of the 20th Century. The most commonly used measure of economic prosperity is real gross domestic product (GDP) per capita. Real GDP per capita is essentially a measure of national wealth considered on an individual basis. The increased purchasing power of the population translates into greater investment in health care, education, housing, leisure, and many other sectors. Potential GDP growth, which measures the GDP growth that can be sustained at a constant rate of inflation, indicates future long-term growth will remain around 2.0 percent per year.
- Shifts in Imports/Exports:** The US economy has fully transitioned from being a net-exporting economy to a net-importing economy. Increasing international trade led to strong growth in imports during the 1990s and 2000s, partly due to U.S. firms offshoring operations to lower-cost markets. Exports also grew over the period, but at a slower pace. Imports from Asia continue to grow at a faster clip than domestic manufacturing, while the outsourcing of some knowledge-based industries has also picked up pace over the last decade.
- A Decade of Economic Expansion:** The "Great Recession" officially spurred six consecutive quarters of negative economic growth in 2008 and early 2009. The depth and duration of this downturn was the most pronounced since World War II. Likewise, the following expansion cycle has been one of the longest on record. The expansion has lasted more than a decade, with on-going monthly job growth and unemployment remaining near record lows.

While overall trends have been positive for some time, history indicates there is likely to be two to three downturns at the national level over the next twenty years. In the near-term, some economic uncertainty exists due to global trade and currency conflicts among the US and many of its largest traditional trading partners. On-going trade issues and new tariff regimes have the potential to hasten the end of the nation's long expansion.

- Employment Growth:** The economic expansion in GDP has been reflected in employment growth, which has ranged between 1.4 percent and 2.2 percent in the current expansion cycle. For the past five years, the economy has added an average of over 275,000 jobs per month. The national unemployment rate been lower than four percent since early 2018.

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design (Figure 2.01).

FIGURE 2.01: NATIONAL EMPLOYMENT GROWTH BY SECTOR, HISTORIC AND PROJECTED

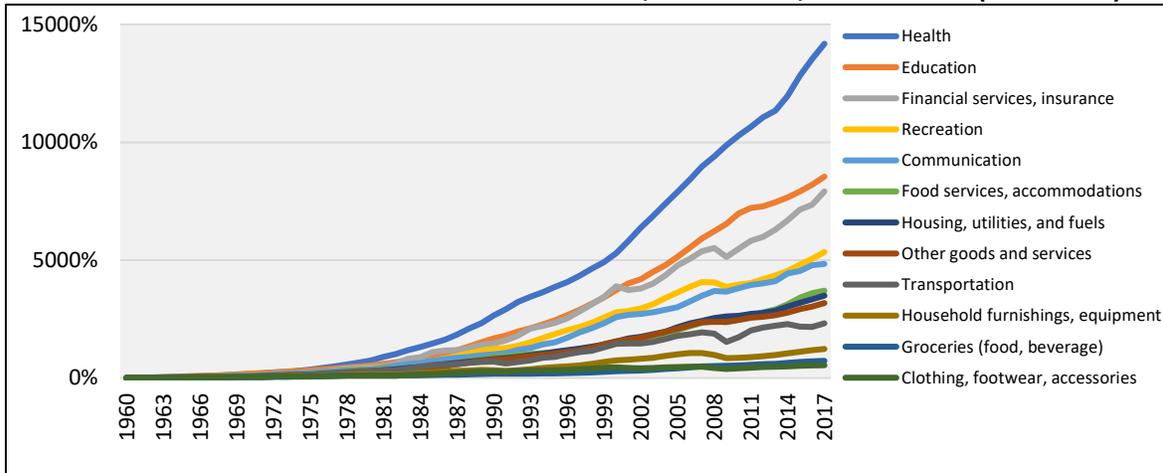


SOURCE: US Bureau of Economic Analysis

- Shifts in Consumer Spending:** Consumer spending accounts for more than two-thirds of the U.S. economy, therefore changing spending patterns dictate much of the shifts in the economy. There has been a shift within the economy from consumption of goods to consumption of services. The strongest spending growth over recent decades has come in categories that represent investments in personal wellbeing, with healthcare/health products at the top of the list, followed by education and financial services. This reflects increasing levels of wealth and discretionary income in the population. Spending on health is expected to continue to increase strongly over the coming decades as the baby boomer cohort ages.

Categories that represent more short-term enjoyment, like recreation, food services, and accommodations, have experienced the second fastest growth, while necessities like groceries, clothing, transportation, and housing have seen only moderate growth (Figure 2.02).

FIGURE 2.02: CONSUMER SPENDING GROWTH SINCE 1960, BY CATEGORY, UNITED STATES (1960-2017)

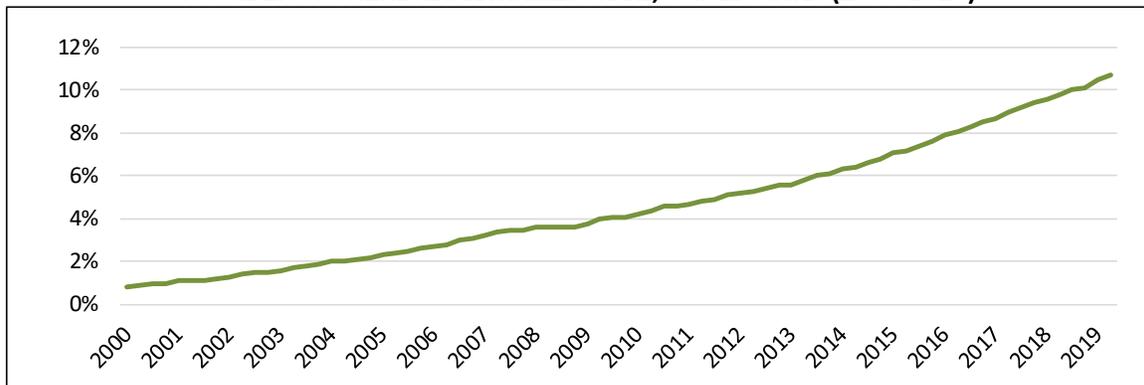


SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

- On-Line Spending:** The most dramatic spending shift in the context of commercial real estate in recent times is the growth in online shopping, which has reduced the overall need for brick-and-mortar retail space. This has caused a shift in storage needs from retail stores to warehouses and distribution centers.

Online retailers accounted for an estimated 10 percent of all retail spending in 2018, at over \$525 million in annual sales on a national level. Since the last recession, the segment has grown by around 15 percent per year (Figure 2.03).

FIGURE 2.03: ONLINE RETAIL MARKET SHARE, UNITED STATES (2000-2019)



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

OREGON ECONOMIC TRENDS

In this section, we examine trends in Oregon that may impact economic development in Albany. This section draws explicitly from the Oregon Office of Economic Analysis' most recent economic forecast.¹

- Strong Recovery, Strong Growth:** Oregon as a state fared somewhat better than many regions of the country in the 2007-2009 recession. While the depths of the recession, including declines in home value and new construction were acutely felt in Oregon, they were milder than the experience of many other regions of the country. Many of the largest players in the high technology industry remained resilient during the downturn and continued to expand their presence in Oregon over the last ten years, particularly in the Portland Metro area. At the same time, the state remained an attractive place to move and retire. These trends helped the state recover sooner, and at a faster pace, than much of the country.

Since 2012, the state has added an average of 60,000 jobs per year, or 5,000 per month. In 2017 and 2018 the state added an estimated 72,000 and 60,000 jobs respectively. The rate of job growth during the recovery was comparable to that observed in the 1990s, during a statewide population boom. There are now an estimated 2,582,000 total jobs, compared to the state's 1,572,000 households.

Wages have also grown more quickly in Oregon during the recovery than nationally. Unemployment is estimated at four percent statewide, and the share of the labor force that is underemployed (working less than they would like to) is down to the pre-Recession level.

The strong in-migration experienced since the recession is expected to continue going forward. The state has added an average of 45,000 people per year since 2010. While the greatest growth occurs in urban areas, most rural areas are experiencing growth as well. Growth is driven by the combination of a healthy economy, an increasingly mobile and "remote" workforce, lower cost of living than other West Coast metro areas, outdoor and recreation amenities, and an attractive tax structure for retirees.

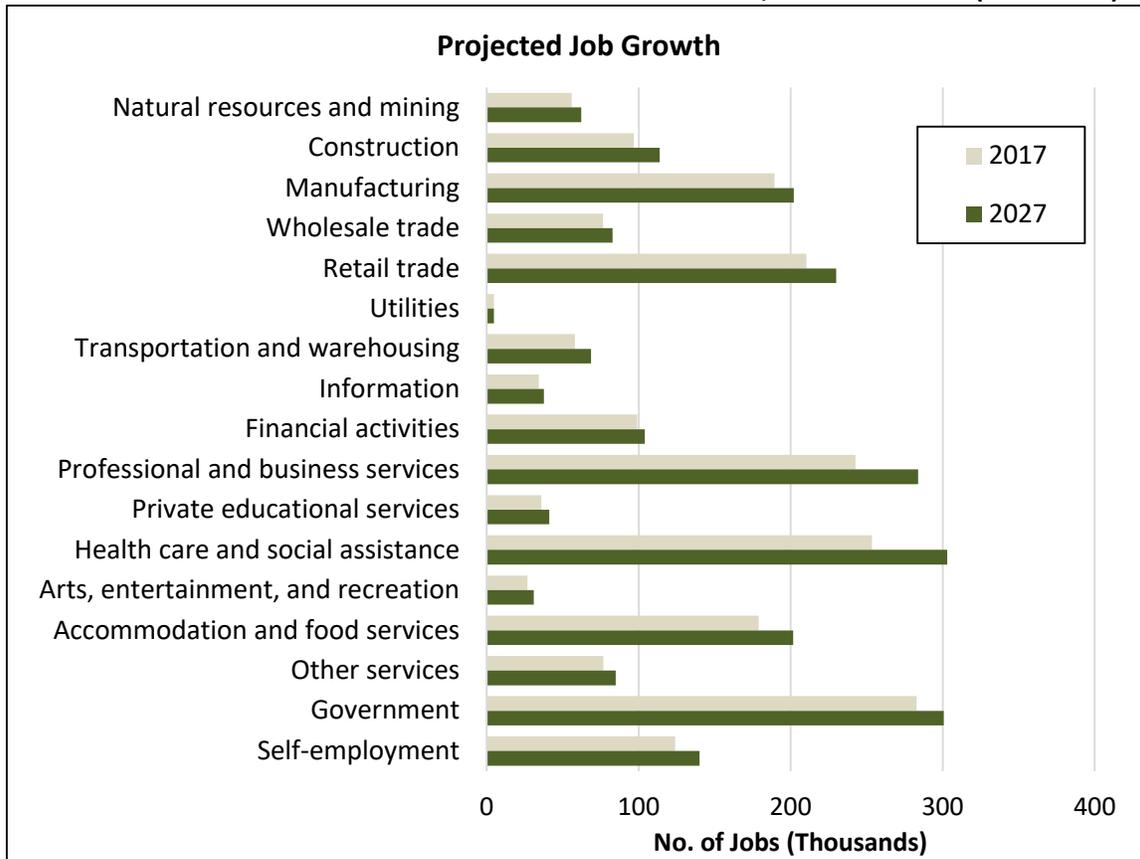
- Housing:** Oregon is projected to maintain its competitive advantage in housing and cost of living in relation to other west coast markets such as San Francisco and Seattle. While new housing construction and sales activity remained muted for years following the housing "bust" in 2008/9, new apartment construction emerged first to provide rental homes to newcomers, younger residents, and those displaced from the ownership market.

The sales of existing homes and new construction activity have since returned to pre-recession levels, while foreclosures and other distressed properties have largely worked their way through the system. Even as the housing market recovers, new supply entering the market has not kept up with demand and housing affordability remains a risk to the outlook in most parts of the state. Expectations are that new construction will continue to accelerate to match the increase in demand, alleviating the squeeze on supply and returning prices to the affordable range. Until that gap is bridged, it is expected rent and home prices will continue to increase, hopefully without outstripping the rate of growth for household income. In recent years, price and rent growth has started to level off in many submarkets, but the trend is still upward.

- Shifting Industrial Composition:** Oregon has experienced a decades-long shift away from natural resource-based industries toward more value-added manufacturing activities such as technology, machinery, equipment, and fabricated metals. This trend is expected to continue. Moreover, Oregon should continue to follow the national trend of growth in service-oriented industries (health care, professional services) outpacing goods production.

¹ Oregon Office of Economic Analysis, Oregon Economic and Revenue Forecasts

FIGURE 2.04: 10-YEAR EMPLOYMENT FORECAST BY INDUSTRY SECTOR, STATE OF OREGON (2017-2027)

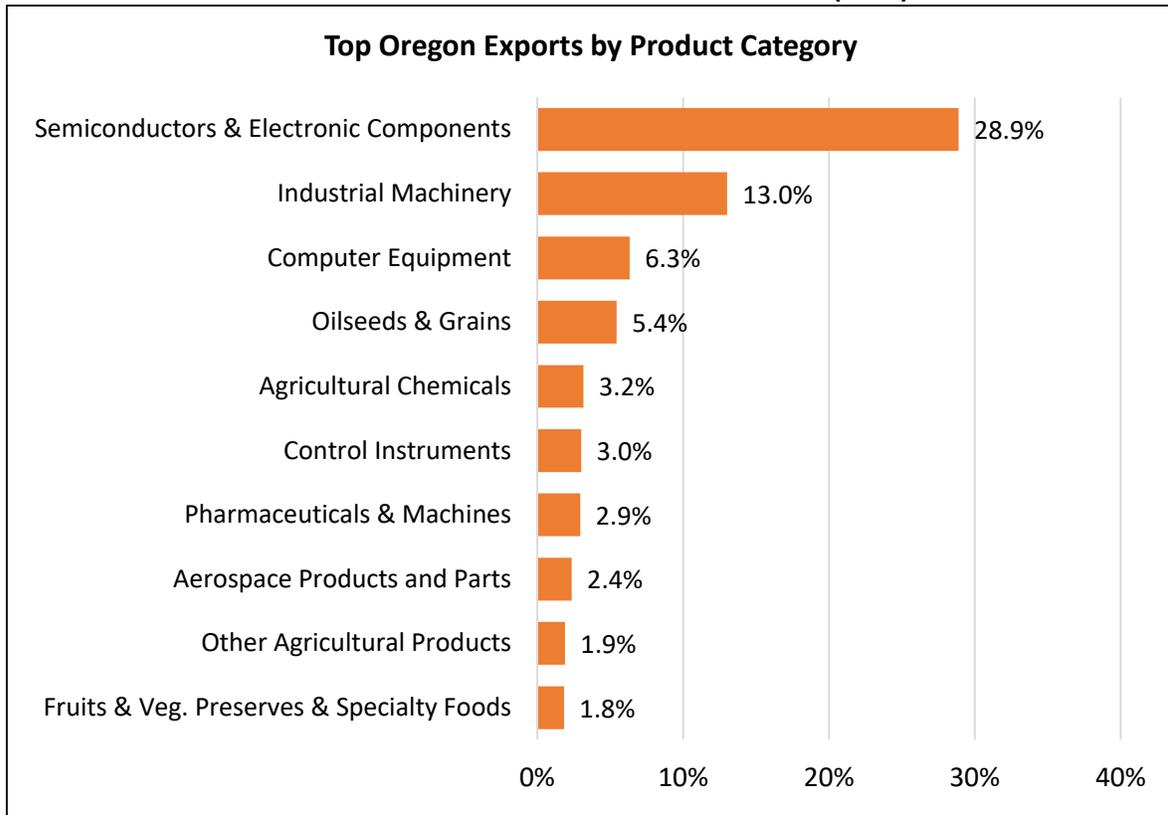


SOURCE: Oregon Employment Department

- Oregon Export Economy:** Oregon’s Economic health is largely connected to growth in the export market. Export, or “traded sector,” businesses are critical to growing the local economy by bringing in profits from external markets. This makes the overall state economy larger, as opposed to businesses that largely redistribute revenue within the state economy. In 2018, Oregon’s total export value reached over \$21.9 billion, growing 19 percent over the prior five years.

Nearly 29 percent of state exports (by value) is in semiconductors and electronic components, an industry in which Washington County leads the state (Figure 2.05). Other technical products as well as agricultural products are also prominent components of state exports.

FIGURE 2.05: OREGON EXPORTS BY PROJECT CATEGORY (2018)



Source: US Department of Commerce

China receives the most Oregon exports by value (\$3.9 billion) followed by Canada, and a number of Asian countries. Over the last decade export growth has been most robust with China (+175 percent), Malaysia (+114 percent), and Vietnam (+1,500 percent).

FIGURE 2.06: OREGON EXPORTS BY PROJECT CATEGORY (2018)



Source: US Department of Commerce

Economic development leaders in the region are confident there is more room for growth. Increasing exports has become a central component of regional economic development strategies. The connection of export growth to job creation is clear; the Oregon Office of Economic Analysis estimates 90,000 jobs are directly supported by Oregon exports.

- Green Technology:** Among the strategic opportunities Oregon faces is leading growth in green energy and technology. The initiative to increase energy efficiency, reduce carbon emissions, and develop alternative means of energy have resulted in increased investment across a range of industries. Oregon has a competitive advantage in many of these arenas, including cross-laminated lumber, biofuels, wind and wave energy, and solar energy. The extent to which these industries can achieve stabilized competitiveness through scale and/or technological advance will influence local opportunities.
- Other Long-Term Advantages:** Oregon holds many other long-term competitive advantages on both a national and global scale, including but not limited to its relatively low electricity costs; strategic economic location on the Pacific Rim; and proximity to California, Washington, British Columbia, and Asia. Relative to these markets, communities in Oregon boast clean water supplies, cost of living advantages, and lower space rents. The last decade has also seen an increase in awareness nationwide of Oregon as an attractive place to visit and live. While this brings some growing pains, it also drives continued economic growth to house and serve new population and businesses.

Economic Risks

The economic outlook for Oregon is not without risks, particularly over the long-term planning period. Those risks recently identified by the 2019 OEA forecast include:

Nationwide Economic Cycle—As of the time of this analysis, the state continues to share in the benefits of one of the longest economic expansions in history, with continued growth in GDP and jobs, and record low unemployment. Like all expansions, the current one will end at some point, and Oregon

will experience the contraction along with other regions. The timing of the next downturn or the sectors most impacted are yet to be seen.

Housing Affordability—The supply of housing in many parts of the state continues to lag demand from both homebuyers and investors, making housing affordability an increasing problem especially in areas that have experienced good job growth. If increasing rents and home prices continue to outpace income growth, housing affordability will become a brake on future growth as the workforce struggles to find appropriate housing. While the pace of rent and price increases has moderated somewhat in recent years in many Oregon markets, they continue to grow.

Export Challenges—While many structural conditions are in place to facilitate strong export expansion, prospects for growth are not without risks. Most notably, reoccurring labor disputes at the Port of Portland have undermined certainty for exporting firms in the Oregon market. A long-term resolution and return of shipping business will be necessary for the region to meet its export goals.

The current US political climate has grown more hostile to trade agreements and more favorable to measures such as tariffs which have the potential to trigger reprisals from other countries and significantly impact world trade. This political climate has created significant uncertainty over where these measures will be put in effect, and how long they might remain in place. Changes in the strength of the U.S. dollar also impact exports positively or negatively.

Commodity Prices—While always fluctuating, commodity prices remain high and any demand driven commodity price inflation can threaten regional or global expansion. It is normal for inflation to occur during expansions, as greater economic activity drives up the cost of oil, timber, metals, and other inputs. Rising commodity prices reduce resources available for other purchases, and ultimately drive up prices as the costs are passed on to consumers.

Federal Timber Policy—The long-term status of federal payments to timber counties remains uncertain, though recently reinstated. The loss of this revenue would have a significant fiscal impact on many rural Oregon counties with the fallout likely to be felt statewide in the increased need to fund the gap.

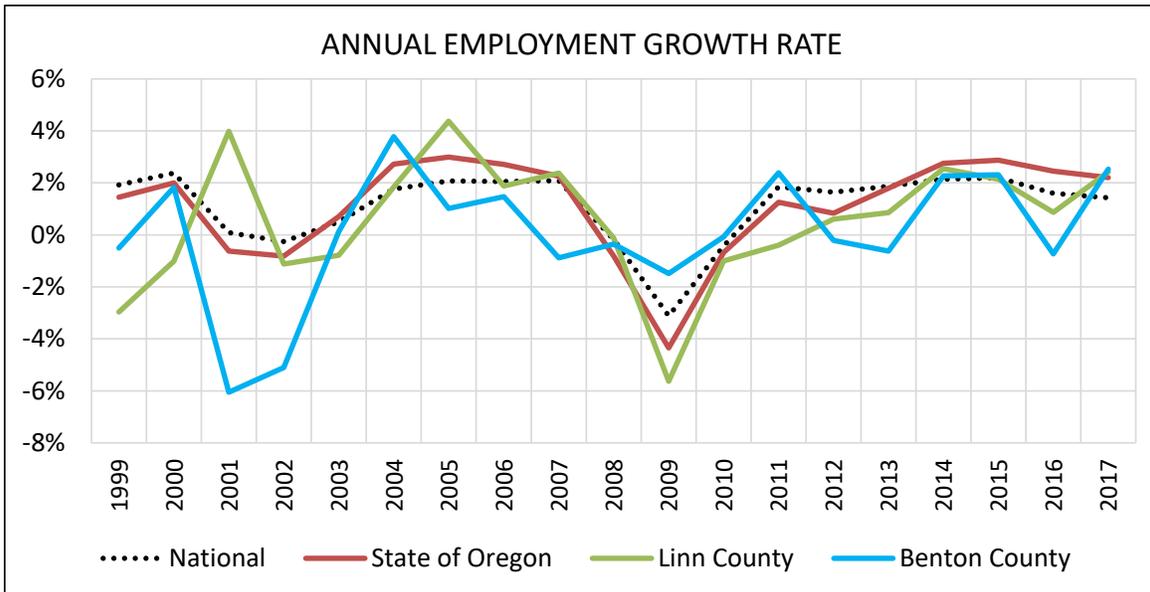
LINN AND BENTON COUNTIES, CITY OF ALBANY ECONOMIC TRENDS

Most of the City of Albany and urban growth boundary is located in Linn County (11,350 acres, or 82 percent), including most of the employment lands. Two thousand five hundred fifty (2,550) acres of the city is located in Benton County. Given Albany's location on the boundary, economic trends in both counties impact the city. However, being the largest city and employment center in Linn County, the trends in Linn will most closely reflect local Albany trends. Benton County data greatly reflect the Corvallis economy which is the largest population and employment center in that county.

In 2019, Albany had approximately 27,750 local jobs, while Linn County had roughly 61,000 jobs, and Benton County had 52,000 jobs. Over 95 percent of Albany's employment is located in Linn County, while a little over 1,000 jobs are located in North Albany in Benton County. Therefore, Albany represents roughly 47 percent of Linn County Employment, and only about two percent of Benton County employment.

The annual rate of employment growth in Linn County has closely mirrored the broad national and statewide trends (Figure 2.07). The Benton County growth rates have been more irregular, reflecting the more erratic influence of the university-based economy and staffing decisions of Hewlett Packard as a major employer.

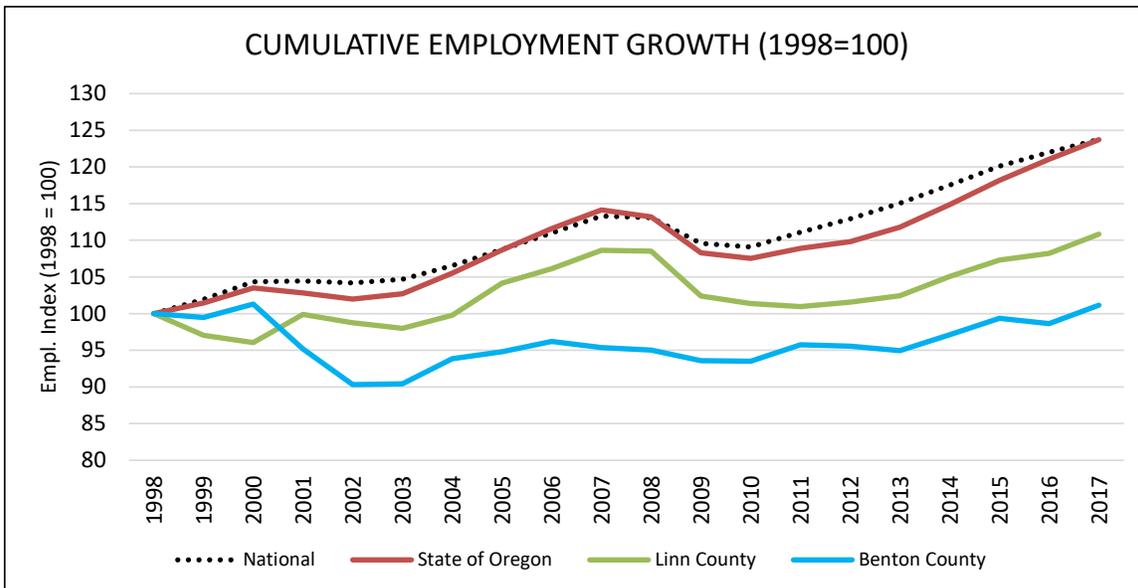
FIGURE 2.07: COMPARISON OF ANNUAL EMPLOYMENT GROWTH RATES



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

On a cumulative basis Linn County has fallen behind the national and statewide growth, with the employment base up 11 percent over the last twenty years compared to 24 percent statewide and nationally. Benton County by contrast has experienced very flat employment over the past 20 years, after decreasing notably early in the new century (Figure 2.08).

FIGURE 2.08: CUMULATIVE EMPLOYMENT GROWTH

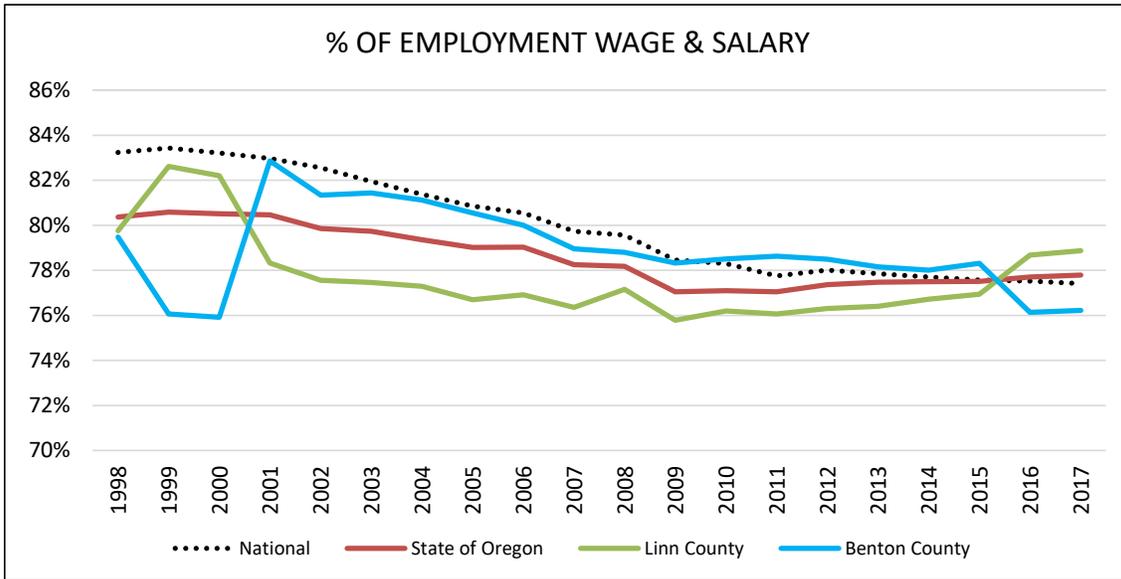


SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

Linn County’s employment base has grown by roughly 8,000 jobs since 2000. After the prior peak in 2007, employment fell by an estimated 4,200 jobs, or seven percent in the recession. Employment has since recouped these losses and is two percent higher than the prior peak. Benton County experienced its greatest employment declines in the early 2000s and less so in the more recent recession.

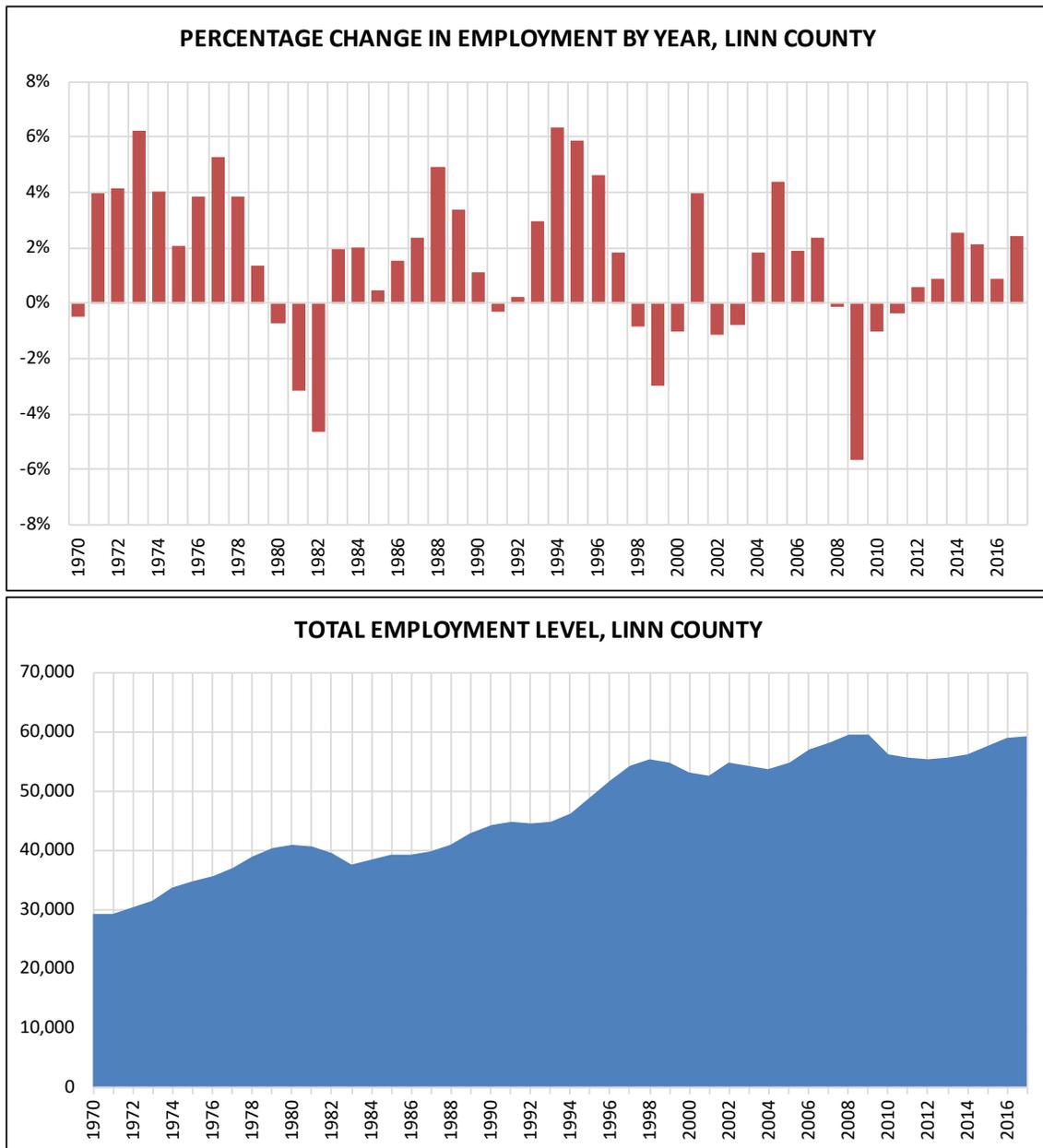
The employment base in Linn County has a similar estimated share of self-employed (21 percent) as the national and state averages, with wage and salary employment accounting for roughly 79 percent of overall estimated employment in the county. This compares to a rate of 78 percent statewide and nationally (Figure 2.09).

FIGURE 2.09: PERCENT OF TOTAL EMPLOYMENT REPRESENTED BY WAGE AND SALARY



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

FIGURE 2.10: LINN COUNTY EMPLOYMENT TRENDS



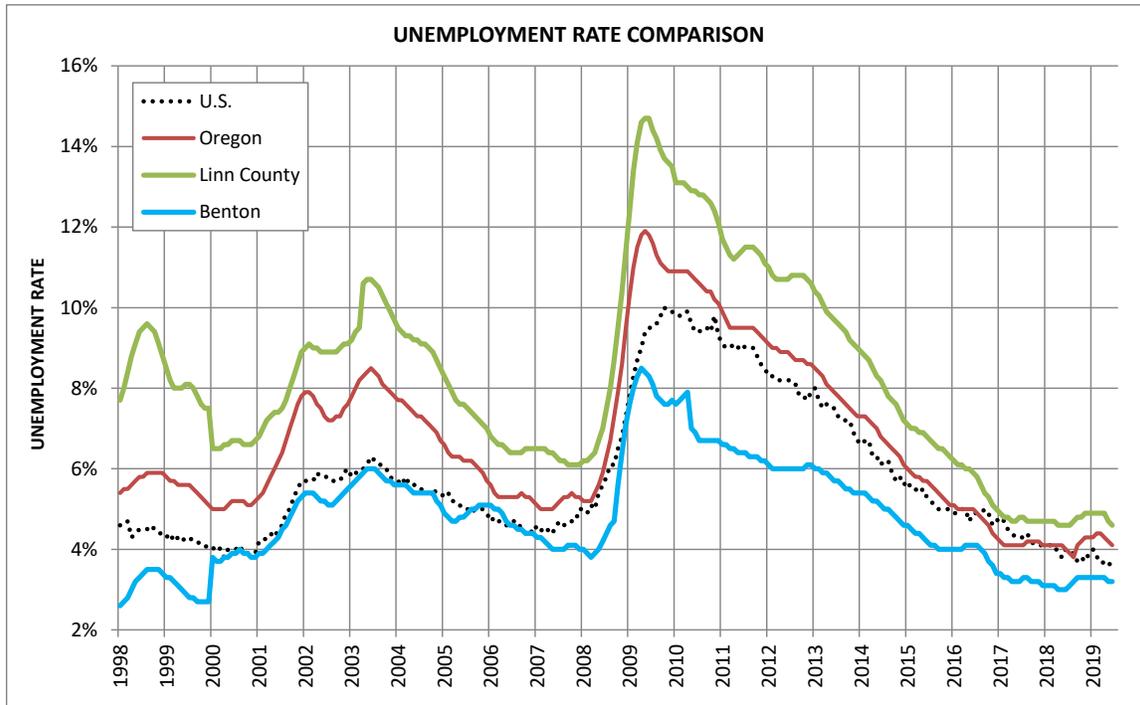
SOURCE: U.S. Bureau of Economic Analysis

Figure 2.10 shows annual growth or loss of employment since 1970, as well as the growth in cumulative employment. After losing employment in the recession, growth once again turned positive in 2012. Local employment tends to experience minor seasonal fluctuations, being lowest in the winter, after the holiday season and growing in the spring and summer into the following holiday season.

Figure 2.11 shows the unemployment rate in Linn and Benton Counties, compared to the state and national rates. The economic expansion has facilitated a commensurate drop in the unemployment rate since 2009. Over the last 20 years, the Linn County unemployment rate has exceeded the national rate, while the Benton County rate has tended to be lower. This is attributable to Benton County’s reliance on the university, other government and health care sectors, which tend to be more stable in recessions. Linn

County will be more susceptible to general economic swings that impact the lumber and home building markets, and purchases from the manufacturing sector.

FIGURE 2.11: UNEMPLOYMENT RATE TRENDS



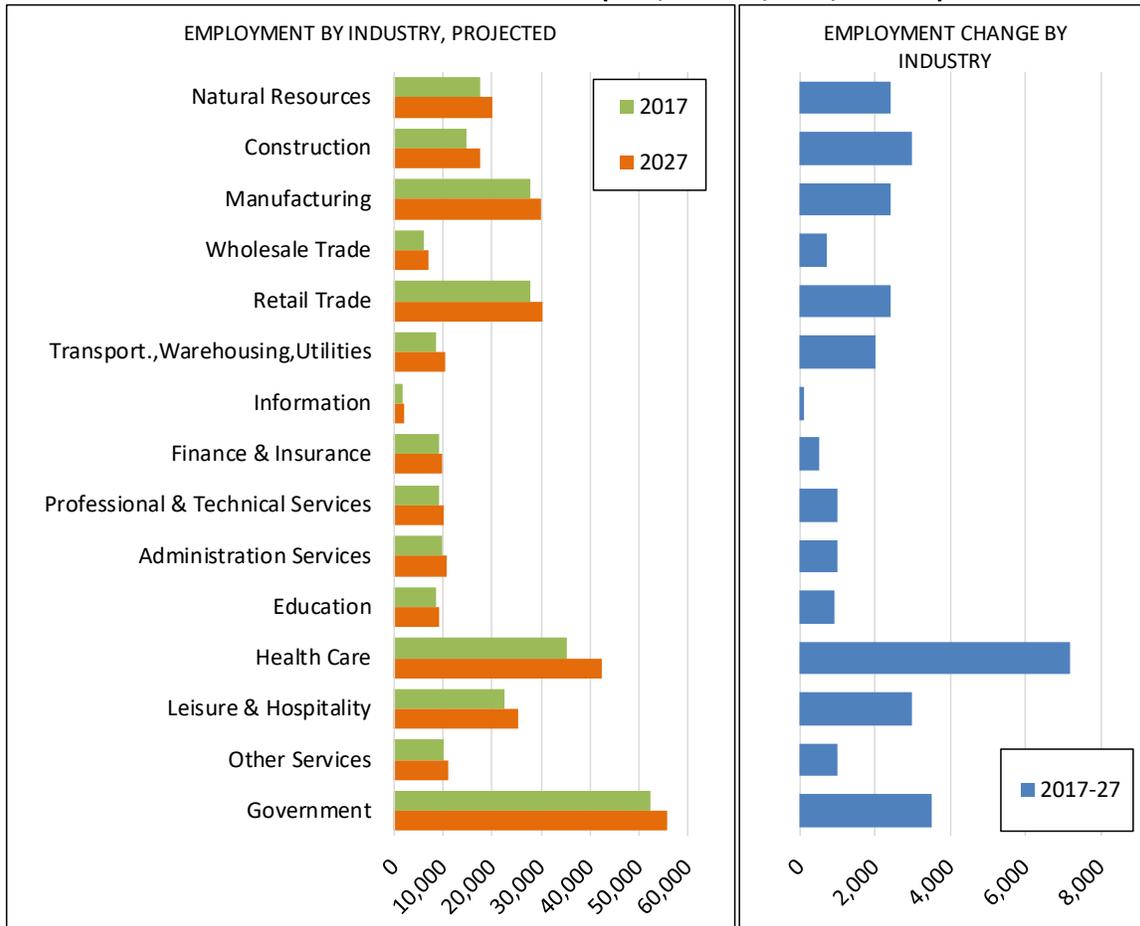
SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

As we reach full employment, tight labor market conditions may limit growth potential in the future both locally and nationally. The local area’s ability to attract and retain workforce will be critical to sustaining economic growth going forward. In mid-2019, the unemployment rate had fallen to a healthy 4.6 percent in Linn County, and three percent in Benton County. The statewide rate is four percent, while the national rate is roughly 3.5 percent.

Economic Forecast – According to the Oregon Employment Department, most industries are forecast to expand at a modest rate over the next decade in the broader mid-valley submarket (Linn, Marion, Polk, and Yamhill counties)². On an absolute basis, the greatest gains are forecast in natural resource industries, education and healthcare, manufacturing, and government (Figure 2.12). On a percentage growth basis, the most rapid expansion is expected in the natural resources and construction sectors.

² OED includes Benton County in another economic region with mostly central and north coastal counties. The trends in that submarket are less likely to be relevant to Albany.

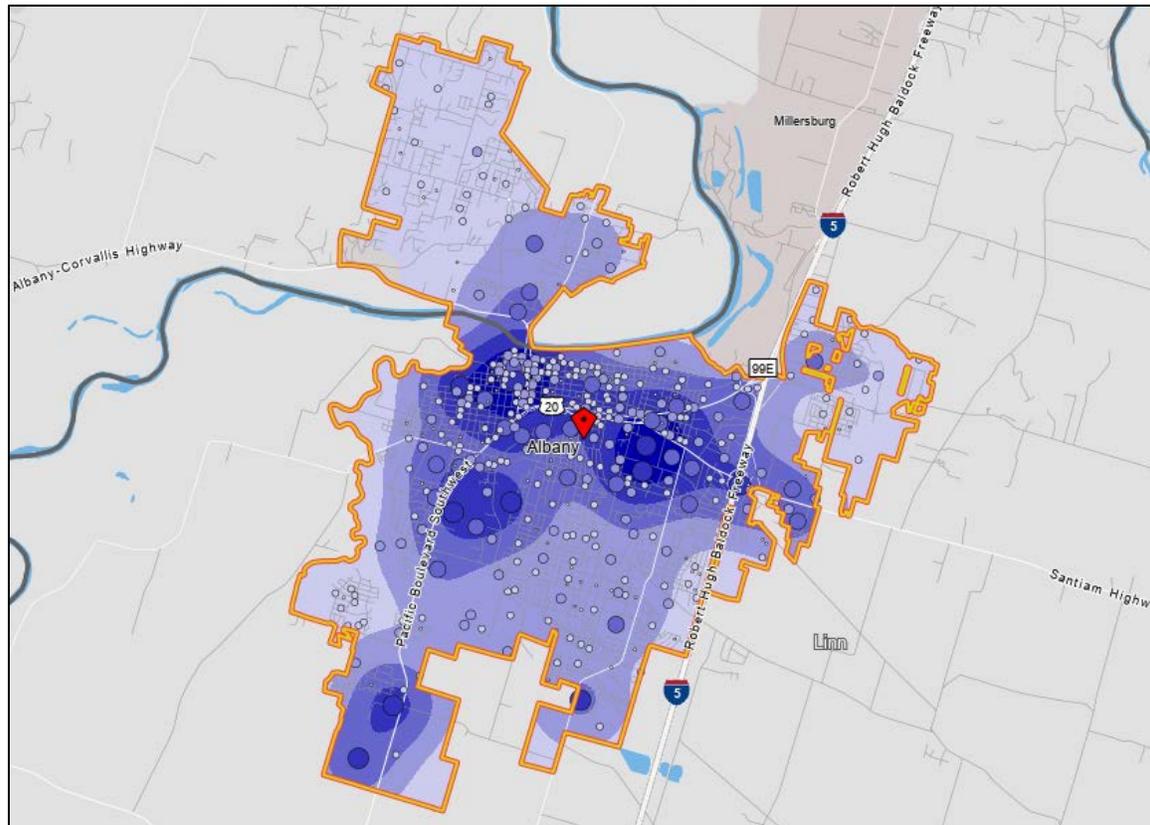
**FIGURE 2.12: PROJECTED EMPLOYMENT GROWTH BY SECTOR
MID-WILLAMETTE VALLEY COUNTIES (LINN, MARION, POLK, YAMHILL)**



SOURCE: State of Oregon Employment Department

Albany Jobs/Household Ratio – Albany features a healthy jobs-to-households ratio. There are an estimated 27,750 jobs in the City of Albany (including covered and non-covered), and an estimated 21,750 households in Albany. This represents 1.35 jobs per household.

Employment in the City of Albany is concentrated in a few key areas, including the downtown, Heritage Mall area, and central and southern industrial areas (Figure 2.13).

FIGURE 2.13: DISTRIBUTION OF EMPLOYMENT, CITY OF ALBANY, 2017

SOURCE: Census Bureau, LEHD Data

Commute Patterns – Commuting patterns are an important element in the local economy. They are indicative of the labor shed from which companies can draw workers; the extent to which job creation translates into increased demand for housing, goods, and services; and the overall balance of population and employment in the community.

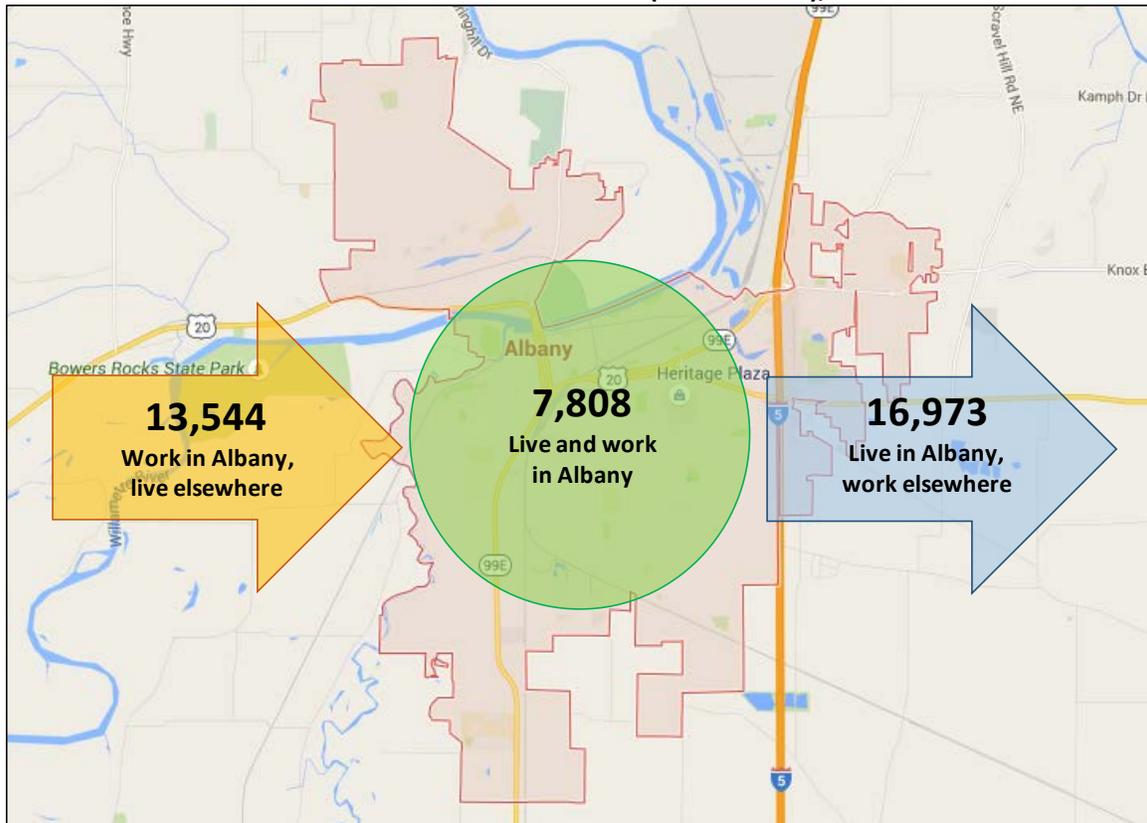
The following figure (Figure 2.14) shows the inflow and outflow of commuters to Albany according to the Census Employment Dynamics Database. (The figures discussed here are best understood as indicators of the general pattern of commuting and not exact figures.)

As of 2017, the most recent year available, the Census estimated there were 21,350 covered employment³ jobs located in Albany. Of these, 7,800 or 37 percent, are held by local residents, while over 13,500 employees commute into the city from elsewhere. This pattern is fairly common among most communities. The most common homes of local workers commuting into the city are Corvallis, Lebanon, and Salem.

Of the estimated 24,800 employed Albany residents, 68 percent of them commute elsewhere to employment. The most common destinations for Albany commuters are Corvallis, Salem, and Eugene. Smaller shares work in the Portland metro or across the mid-Willamette Valley.

³ Covered employment refers to those jobs where the employee is covered by federal unemployment insurance. This category does not include many contract employees and self-proprietors and therefore is not a complete picture of local employment.

FIGURE 2.14: COMMUTING PATTERNS (PRIMARY JOBS), ALBANY



Source: US Census Longitudinal Employer-Household Dynamics

The following figure presents the demographics of the covered employment workforce commuting into and out of Albany and Linn County (Figure 2.15).

FIGURE 2.15: NET INFLOW-OUTFLOW DETAIL, CITY OF ALBANY, 2017

	Albany		Linn County	
	2017		2017	
	Count	Share	Count	Share
Selection Area Labor Market Size (Covered Jobs)				
Employed in the Selection Area	21,352	100.0%	45,171	100.0%
Living in the Selection Area	24,781	116.1%	53,321	118.0%
Net Job Inflow (+) or Outflow (-)	(3,429)	-	(8,150)	-
In-Area Labor Force Efficiency (Covered Jobs)				
Living in the Selection Area	24,781	100.0%	53,321	100.0%
Living and Employed in the Selection Area	7,808	31.5%	24,163	45.3%
Living in the Selection Area but Employed Outside	16,973	68.5%	29,158	54.7%
In-Area Employment Efficiency (Covered Jobs)				
Employed in the Selection Area	21,352	100.0%	45,171	100.0%
Employed and Living in the Selection Area	7,808	36.6%	24,163	53.5%
Employed in the Selection Area but Living Outside	13,544	63.4%	21,008	46.5%
Outflow Job Characteristics (Covered Jobs)				
External Jobs Filled by Residents	16,973	100.0%	29,158	100.0%
Workers Aged 29 or younger	4,029	23.7%	7,086	24.3%
Workers Aged 30 to 54	9,181	54.1%	15,375	52.7%
Workers Aged 55 or older	3,763	22.2%	6,697	23.0%
Workers Earning \$1,250 per month or less	3,471	20.5%	6,377	21.9%
Workers Earning \$1,251 to \$3,333 per month	6,064	35.7%	10,991	37.7%
Workers Earning More than \$3,333 per month	7,438	43.8%	11,790	40.4%
Workers in the "Goods Producing" Industry Class	3,752	22.1%	5,065	17.4%
Workers in the "Trade, Transportation, and Utilities" Industry Class	3,452	20.3%	6,150	21.1%
Workers in the "All Other Services" Industry Class	9,769	57.6%	17,943	61.5%
Inflow Job Characteristics (Covered Jobs)				
Internal Jobs Filled by Outside Workers	13,544	100.0%	21,008	100.0%
Workers Aged 29 or younger	3,481	25.7%	5,085	24.2%
Workers Aged 30 to 54	6,953	51.3%	10,669	50.8%
Workers Aged 55 or older	3,110	23.0%	5,254	25.0%
Workers Earning \$1,250 per month or less	3,670	27.1%	4,894	23.3%
Workers Earning \$1,251 to \$3,333 per month	4,906	36.2%	7,409	35.3%
Workers Earning More than \$3,333 per month	4,968	36.7%	8,705	41.4%
Workers in the "Goods Producing" Industry Class	1,870	13.8%	5,681	27.0%
Workers in the "Trade, Transportation, and Utilities" Industry Class	2,939	21.7%	5,202	24.8%
Workers in the "All Other Services" Industry Class	8,735	64.5%	10,125	48.2%
Interior Flow Job Characteristics (Covered Jobs)				
Internal Jobs Filled by Residents	7,808	100.0%	24,163	100.0%
Workers Aged 29 or younger	1,911	24.5%	5,414	22.4%
Workers Aged 30 to 54	4,041	51.8%	12,624	52.2%
Workers Aged 55 or older	1,856	23.8%	6,125	25.3%
Workers Earning \$1,250 per month or less	2,055	26.3%	5,546	23.0%
Workers Earning \$1,251 to \$3,333 per month	3,118	39.9%	9,325	38.6%
Workers Earning More than \$3,333 per month	2,635	33.7%	9,292	38.5%
Workers in the "Goods Producing" Industry Class	1,317	16.9%	7,380	30.5%
Workers in the "Trade, Transportation, and Utilities" Industry Class	1,024	13.1%	4,016	16.6%
Workers in the "All Other Services" Industry Class	5,467	70.0%	12,767	52.8%

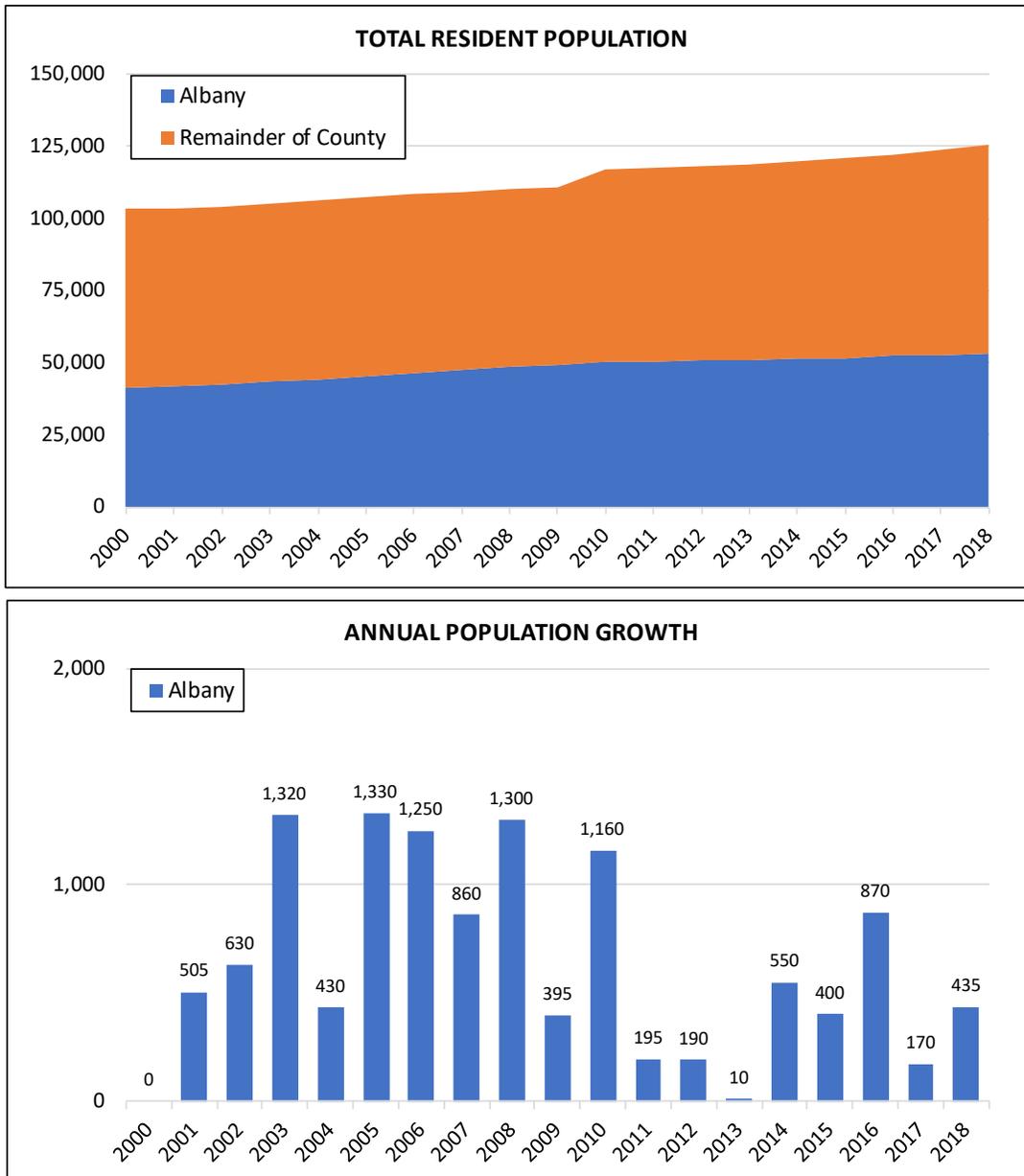
SOURCE: US Census Bureau, LEHD Origin-Destination Employment Statistics

Population and Workforce - The population base in both Albany and in Linn County have grown at a rate of slightly under one percent since 2010, according to the Population Research Center at Portland State

University. The growth rate is estimated to have increased more in recent years and is projected to accelerate over the coming 20-year period.

The City of Albany had an estimated population of 53,000 in 2018. Nearly 8,000 people (15 percent) live in North Albany (Benton County), while 45,000 people (85 percent) live on the Linn County side. North Albany has developed the most recently, and therefore has grown by 56 percent in population since 2000, while the Linn County portion of Albany grew 26 percent in that time. In total, the city grew by over 12,000 or 30 percent since 2000.

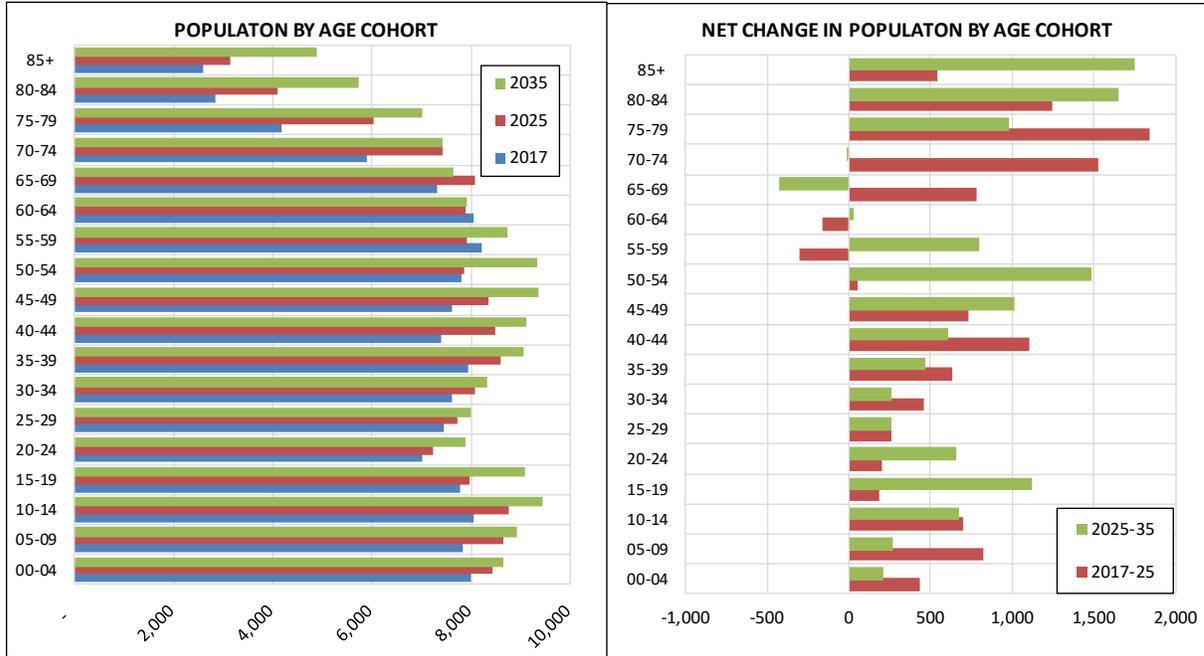
FIGURE 2.16: HISTORIC POPULATION TRENDS, LINN COUNTY AND CITY OF ALBANY (TOTAL)



SOURCE: Population Research Center, Portland State University

The composition of the population base is expected to become generally older. The trend is most pronounced for residents over 65 years of age, but growth is also anticipated in age categories that traditionally form the base of the workforce.

FIGURE 2.17: HISTORIC AND PROJECTED DISTRIBUTION OF POPULATION BY AGE COHORT, LINN COUNTY



SOURCE: Population Research Center, Portland State University

Race and Ethnicity: The population of Albany was estimated to be 90 percent white and 10 percent minority or bi-racial, a somewhat smaller minority share than statewide. The city is estimated to have a lower share of minorities in most categories. In 2017, Latinos were estimated to make up 12 percent of the county population, similar to the 13 percent statewide.

FIGURE 2.18: DISTRIBUTION OF POPULATION BY RACE AND ETHNICITY, CITY OF ALBANY

Distribution of Population	City of Albany				Oregon			
	2000	2017	Change	Share	2000	2017	Change	Share
Total:	40,852	52,007	27%	100%	3,421,399	4,025,127	18%	100%
White	37,453	46,704	25%	90%	2,961,623	3,416,776	15%	85%
Black	217	363	67%	1%	55,662	76,347	37%	2%
Native American	500	426	-15%	1%	45,211	45,332	0%	1%
Asian	465	1,128	143%	2%	101,350	166,351	64%	4%
Hawaiian or Pac. Islander	86	47	-45%	0%	7,976	15,157	90%	0%
Other Race	1,084	1,435	32%	3%	144,832	121,000	-16%	3%
Two or More Races	1,047	1,904	82%	4%	104,745	184,164	76%	5%
Latino (of any race)	2,489	6,296	153%	12%	275,314	509,507	85%	13%

SOURCE: Census (Tables QT-P3, B02001, B03002) Population Research Center, Portland State University

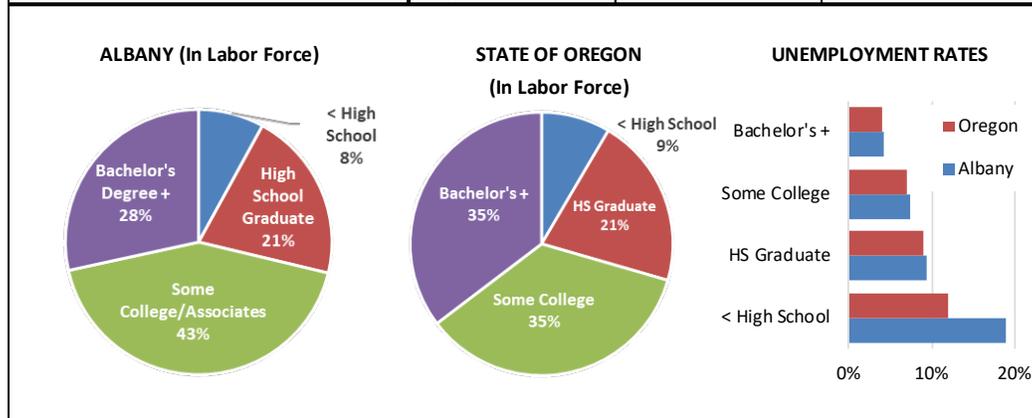
* 2017 Total county population is based on PSU 2017 estimate, applying the distribution of race and ethnicity from 2017 ACS.

The educational attainment level of the local workforce is higher than the county and similar to the statewide profile. Residents of working age in Albany are as likely to have at least some college education,

but a lower share have completed a college degree (28 percent vs. 35 percent). The fact that the population includes many current students who have not yet graduated likely contributes to this finding.

FIGURE 2.19: EDUCATIONAL ATTAINMENT PROFILE BY EMPLOYMENT STATUS, 2017

	City of Albany		Linn County		State of Oregon	
	2017		2017		2017	
	Count	%	Count	%	Count	%
Less Than High School Graduate	2,298	8.6%	5,567	9.0%	207,945	9.8%
In labor force:	1,636	71.2%	3,498	62.8%	137,621	66.2%
In Armed Forces	0	0.0%	0	0.0%	0	0.0%
Civilian:	1,636	71.2%	3,498	62.8%	137,621	66.2%
Employed	1,325	57.7%	3,024	54.3%	120,998	58.2%
Unemployed	311	13.5%	474	8.5%	16,623	8.0%
Not in labor force	662	28.8%	2,069	37.2%	70,324	33.8%
High school graduate (or equivalency):	5,950	22.2%	17,890	28.8%	478,316	22.5%
In labor force:	4,281	71.9%	12,506	69.9%	340,327	71.2%
In Armed Forces	0	0.0%	8	0.0%	344	0.1%
Civilian:	4,281	71.9%	12,498	69.9%	339,983	71.1%
Employed	3,882	65.2%	11,344	63.4%	309,361	64.7%
Unemployed	399	6.7%	1,154	6.5%	30,622	6.4%
Not in labor force	1,669	28.1%	5,384	30.1%	137,989	28.8%
Some college or associate's degree:	11,309	42.2%	26,670	43.0%	750,303	35.4%
In labor force:	8,813	77.9%	19,845	74.4%	570,931	76.1%
In Armed Forces	10	0.1%	10	0.0%	1,004	0.1%
Civilian:	8,803	77.8%	19,835	74.4%	569,927	76.0%
Employed	8,146	72.0%	18,392	69.0%	530,003	70.6%
Unemployed	657	5.8%	1,443	5.4%	39,924	5.3%
Not in labor force	2,496	22.1%	6,825	25.6%	179,372	23.9%
Bachelor's degree or higher:	7,228	27.0%	11,918	19.2%	684,648	32.3%
In labor force:	5,851	80.9%	9,567	80.3%	573,083	83.7%
In Armed Forces	16	0.2%	16	0.1%	746	0.1%
Civilian:	5,835	80.7%	9,551	80.1%	572,337	83.6%
Employed	5,591	77.4%	9,016	75.7%	549,574	80.3%
Unemployed	244	3.4%	535	4.5%	22,763	3.3%
Not in labor force	1,377	19.1%	2,351	19.7%	111,565	16.3%



SOURCE: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

III. TARGET INDUSTRY ANALYSIS

This element of the Economic Opportunities Analysis utilizes analytical tools to assess the economic landscape in Albany, Linn County, and the region. The objective of this process is to identify a range of industry types that can be considered targeted economic opportunities over the planning period.

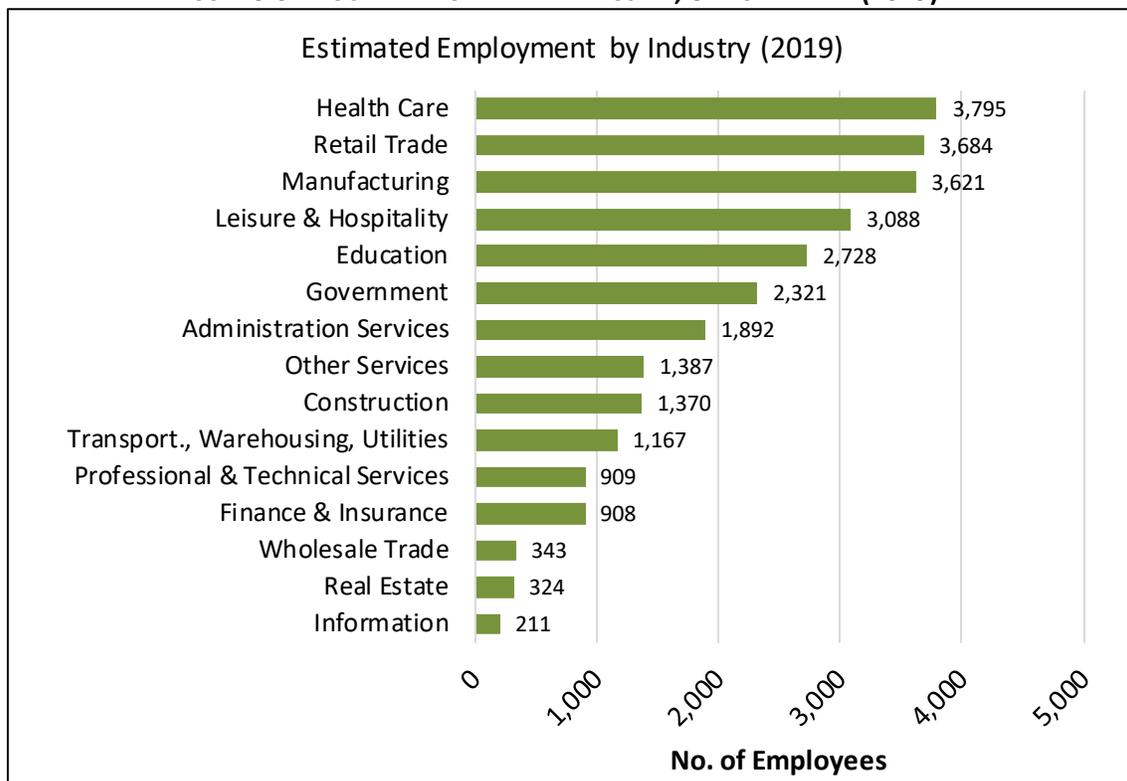
A range of analytical tools to assess the local and regional economic landscape are used to determine the industry typologies that currently outperform in the city in comparison to state or national metrics. Where possible, we look to identify the sectors likely to drive growth in current and subsequent cycles.

LOCAL EMPLOYMENT SNAPSHOT

As discussed in more detail in the following section, Albany features an estimated 27,750 jobs within its UGB as of 2019. The profile of current industries provides the best indicator of which sectors may be local areas of strength and competitive advantage.

The following table presents the major industry sectors ranked by estimated number of employees. The largest sectors are health care, retail, and manufacturing.

FIGURE 3.01: LOCAL EMPLOYMENT BY INDUSTRY, CITY OF ALBANY (2019)



Source: Johnson Economics, Oregon Employment Department, BEA

Figure 3.02 presents the largest employers in Albany.

FIGURE 3.02: LARGEST PRIVATE AND PUBLIC EMPLOYERS, ALBANY (2017)

RANK	COMPANY	PRODUCT	# OF EMP*
1	Greater Albany Public Schools	Primary & Secondary Education	1,400
2	ATI	Metals	1,250
3	Linn Benton Community College	Vocational & Higher Education	1,100
4	Samaritan Health Services	Acute Care & Health Center	1,050
5	Linn County	County Government	750
6	Target Distribution Center	Retail Distribution Center	650
7	City of Albany	City Government	450
8	OFD Foods	Freeze Dried Foods	400
9	CMH Manufacturing West	Manufactured Housing	400
10	Mennonite Village	Senior Housing	375
11	Walmart	Retail	300
12	National Frozen Foods	Frozen Fruits & Vegetables	275
13	Fred Meyer	Retail	275
14	Costco	Retail	275
15	Linn Benton Lincoln Educ. Dist.	Education	230

* Employment totals are approximate

Source: Oregon Employment Department, QCEW 2017; Albany Area Chamber of Commerce

ECONOMIC SPECIALIZATION

The most common analytical tool to evaluate economic specialization is a location quotient (L.Q.) analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. All industry categories are assumed to have a quotient of 1.0 on the national level, and a locality's quotient indicates if the local share of employment in each industry is greater or less than the share seen nationwide. For instance, a quotient of 2.0 indicates that locally, that industry represents twice the share of total employment as seen nationwide. A quotient of 0.5 indicates that the local industry has half the expected employment.

Linn County: A location quotient analysis was completed for Linn County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry (Figure 3.03). The industries that are most highly represented relative to national averages were forestry and logging, metal, and wood product manufacturing. Crop production is also well represented in the county, but this is less relevant to Albany proper.

FIGURE 3.03: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, LINN COUNTY, 2018⁴

Rank	NAICS	Description	Employment	Emp. L.Q.	Average Wage	Total Wages L.Q.
1	113	Forestry and logging	417	23.9	\$53,161	36.0
2	331	Primary metal manufacturing	2,289	18.6	\$85,154	29.2
3	321	Wood product manufacturing	1,901	14.5	\$54,066	22.3
4	111	Crop production	1,511	8.5	\$38,202	12.4
5	814	Private households	424	4.5	\$18,439	4.1
6	493	Warehousing and storage	1,575	4.3	\$40,184	5.2
7	115	Agriculture and forestry support activities	381	3.0	\$51,070	6.0
8	813	Membership associations and organizations	878	2.0	\$21,466	1.2
9	485	Transit and ground passenger transportation	272	1.8	\$27,123	1.8
10	484	Truck transportation	776	1.6	\$57,684	2.3
11	562	Waste management and remediation services	224	1.6	\$50,192	1.7
12	311	Food manufacturing	807	1.6	\$46,979	2.0
13	452	General merchandise stores	1,561	1.6	\$27,176	2.2
14	623	Nursing and residential care facilities	1,672	1.5	\$30,786	1.9
15	333	Machinery manufacturing	517	1.4	\$55,376	1.5
16	326	Plastics and rubber products manufacturing	339	1.4	\$67,653	2.3
17	424	Merchant wholesalers, nondurable goods	973	1.4	\$55,902	1.4
18	238	Specialty trade contractors	2,021	1.4	\$55,194	1.7
19	624	Social assistance	1,698	1.4	\$20,148	1.5
20	444	Building material and garden supply stores	538	1.3	\$28,632	1.4

SOURCE: Bureau of Labor Services

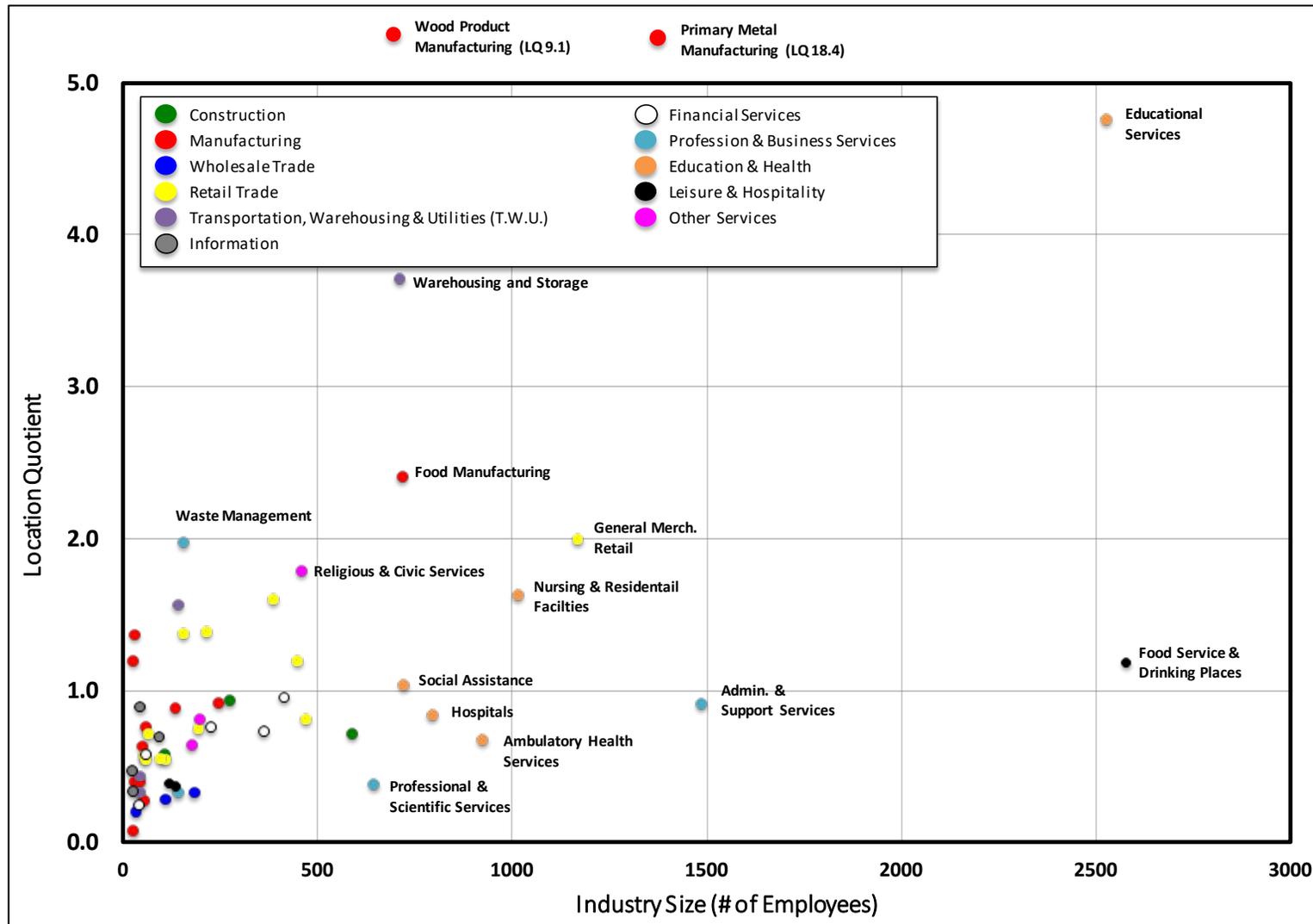
NAICS: North American Industry Classification System; visit [census.gov/eos/www/naics/](https://www.census.gov/eos/www/naics/) to learn more about the specific industry types included in each code.

Albany: A similar analysis for industries located within the City of Albany itself, is presented below. Figure 3.04 shows the local subsectors graphed by L.Q. and the overall number of employees in those subsectors.

Those industries with the highest L.Q. in Albany are metal manufacturing and wood product manufacturing. Other industry sectors with high representation are employment in “private households” (i.e., household employees such as nannies and housekeepers), education (including the school district), garden center retailers, warehousing, and food manufacturing.

⁴ QCEW Data, Annual Average 2018 Data

FIGURE 3.04: INDUSTRY SUBSECTOR SPECIALIZATION, LOCATION QUOTIENT VS. NUMBER OF EMPLOYEES, CITY OF ALBANY, 2017



Source: QCEW Data, Annual Average 2017 Data

Figure 3.05 shows the 20 subsectors with the highest location quotient (L.Q.) of 1.0 or more in the city. These are not necessarily the subsectors with the highest overall employment levels. However, they are the subsectors with the highest representation relative to national levels, which indicates the local economy may have competitive advantages in these industries and the ability to grow on them.

FIGURE 3.05: SUBSECTORS WITH HIGHEST LOCATION QUOTIENT, CITY OF ALBANY, 2017

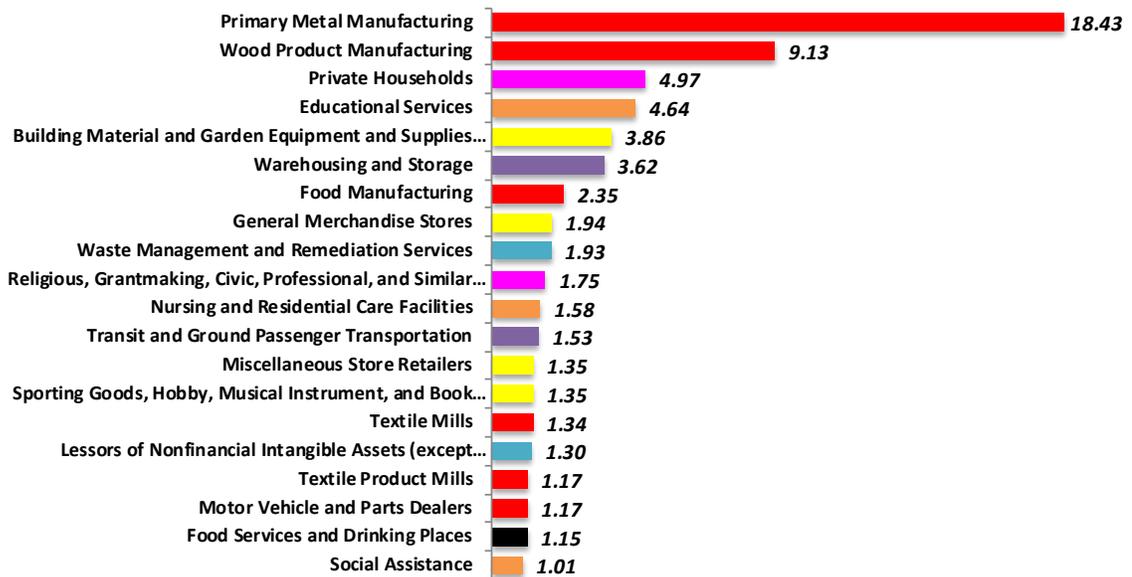
Rank	NAICS	Description	Employment	Emp. L.Q.	Average Wage*
1	331	Primary Metal Manufacturing	1,311	18.4	\$85,141
2	321	Wood Product Manufacturing	697	9.1	\$54,057
3	814	Private Households	276	5.0	\$18,457
4	611	Educational Services	2,526	4.6	\$40,547
5	444	Building Material and Garden Equipment Dealers	955	3.9	\$28,645
6	493	Warehousing and Storage	710	3.6	\$40,176
7	311	Food Manufacturing	718	2.3	\$46,979
8	452	General Merchandise Stores	1,169	1.9	\$27,184
9	562	Waste Management and Remediation Services	154	1.9	\$50,080
10	813	Religious, Grantmaking, Civic, Prof., and Similar Orgs	461	1.7	\$21,454
11	623	Nursing and Residential Care Facilities	1,014	1.6	\$30,780
12	485	Transit and Ground Passenger Transportation	140	1.5	\$27,165
13	453	Miscellaneous Store Retailers	216	1.4	\$25,130
14	451	Sporting Goods, Hobby, Music, and Book Stores	155	1.3	\$17,449
15	313	Textile Mills	29	1.3	\$36,157
16	533	Lessors of Nonfinancial Intangible Assets	6	1.3	\$32,364
17	314	Textile Product Mills	26	1.2	\$36,157
18	441	Motor Vehicle and Parts Dealers	450	1.2	\$42,051
19	722	Food Services and Drinking Places	2,577	1.2	\$17,198
20	624	Social Assistance	722	1.0	\$20,147

SOURCE: Oregon Employment Department, Bureau of Labor Services; census.gov/eos/www/naics/.

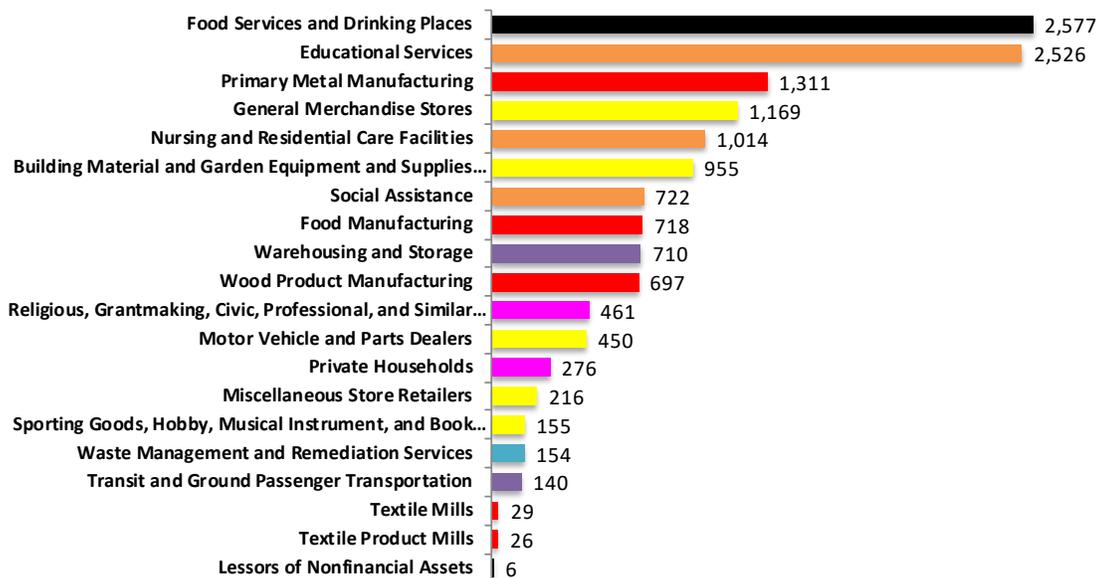
* Average wage by industry is based on wage levels in Linn County due to data limitations.

The following figure presents the same information in chart form.

FIGURE 3.06: SUBSECTORS WITH HIGHEST LOCATION QUOTIENT, CITY OF ALBANY, 2017
LOCATION QUOTIENT



TOTAL JOBS





Source: QCEW Data, Annual Average 2017 Data

ECONOMIC DRIVERS

The identification of the economic drivers of a local or regional economy are critical in informing the character and nature of future employment, and by extension, land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the current expansion cycle⁵.

A shift-share analysis is an analytical procedure that measures local effect of economic performance within a particular industry or occupation. The process considers local economic performance in the context of national economic trends – indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends. For example, consider that Widget Manufacturing is growing at a 1.5 percent rate locally, about the same rate as the local economy. On the surface we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust four percent annually. In this context, local widget manufacturing is not keeping pace with the broader growth in the industry.

We can generally classify industries, groups of industries, or clusters into four groups:

Growing, Outperforming: Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.

Growing, Underperforming: Industries that are growing locally but slower than the national average. These industries generally have a sound foundation, but some local factor is limiting growth.

Contracting, Outperforming: Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.

Contracting, Underperforming: Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factor is making it increasingly tough on local firms.

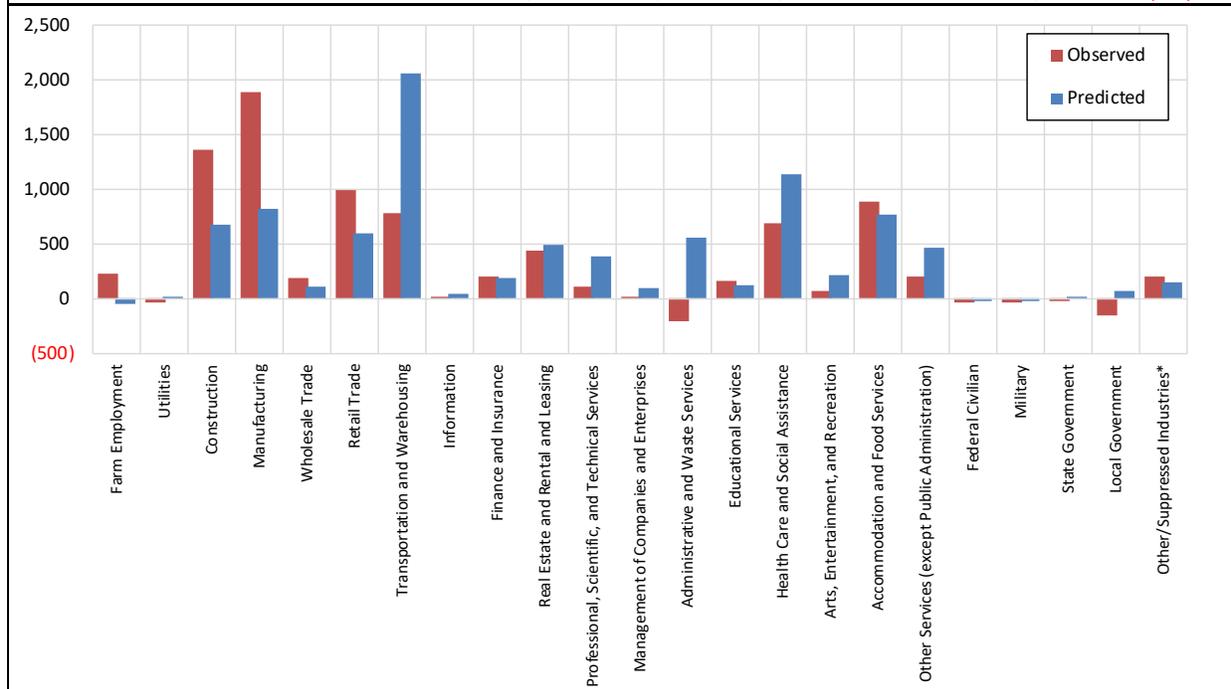
The average annual growth rate by industry from 2010 through 2018 (the most recent year available) for Linn County was compared to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry.

⁵ Measured from the trough of recent recession to 2018, the most recent period available for local employment data.

As shown in Figure 3.07 and 3.08, some key industries showed growth in excess of national rates. These include manufacturing, construction, retail and wholesale trade, and educational services. These industries, particularly manufacturing, are areas of local strength. Other sectors also experienced positive growth, but less than predicted if they had grown at the national rate.

FIGURE 3.07: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, LINN COUNTY (2010 – 2018)

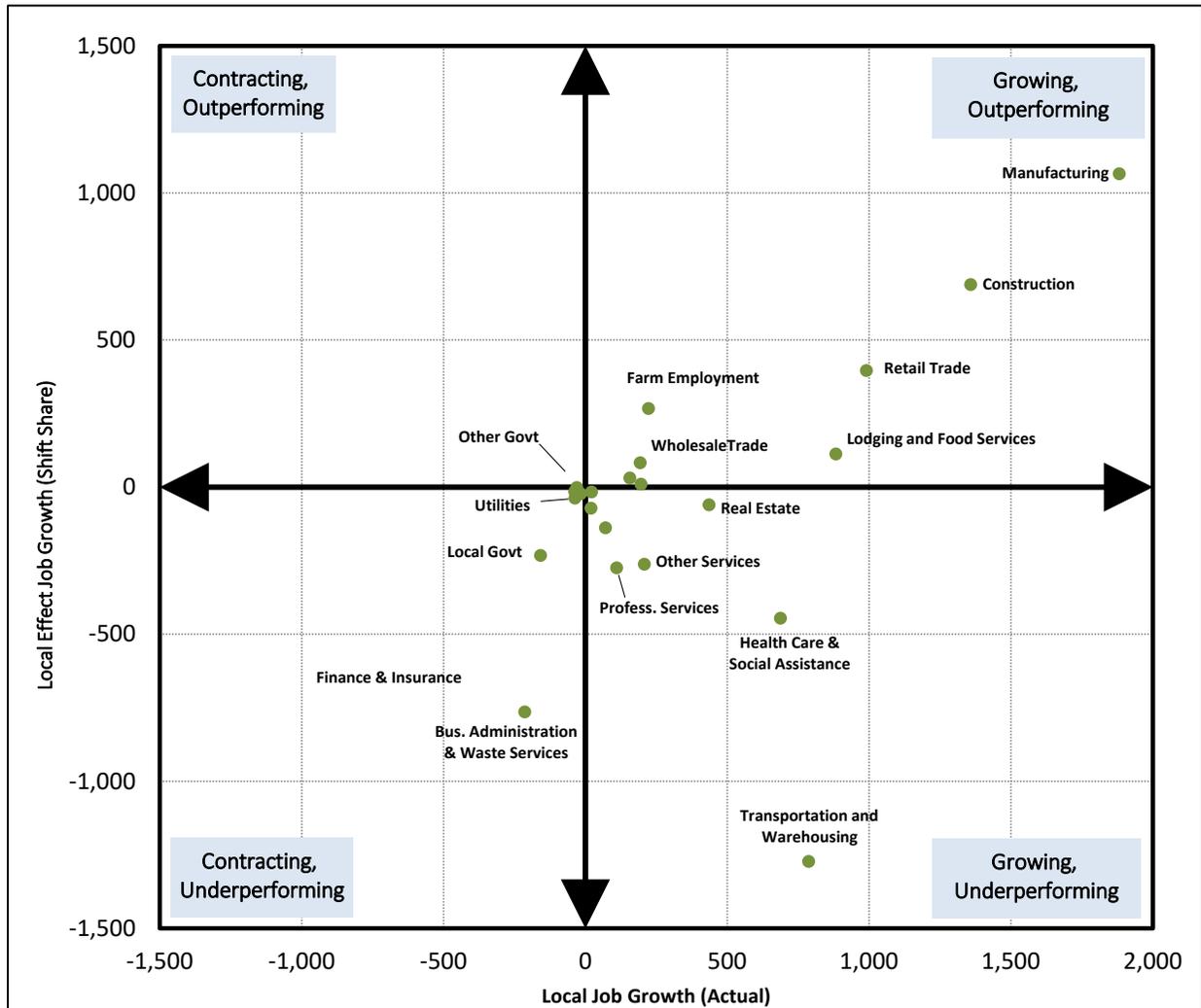
Industry	Average Employment		Net Change		Standardized Level - 2017 *	Regional Shift
	2010	2017	Total	AAGR		
Farm Employment	3,606	3,829	223	0.9%	3,562	267
Utilities	177	141	(36)	-3.2%	179	(38)
Construction	2,669	4,027	1,358	6.1%	3,339	688
Manufacturing	7,014	8,896	1,882	3.5%	7,831	1,065
Wholesale Trade	1,654	1,847	193	1.6%	1,765	82
Retail Trade	6,019	7,010	991	2.2%	6,614	396
Transportation and Warehousing	2,888	3,675	787	3.5%	4,948	(1,273)
Information	526	548	22	0.6%	565	(17)
Finance and Insurance	1,433	1,629	196	1.8%	1,619	10
Real Estate and Rental and Leasing	2,106	2,542	436	2.7%	2,603	(61)
Professional, Scientific, and Technical Services	1,849	1,959	110	0.8%	2,234	(275)
Management of Companies and Enterprises	285	305	20	1.0%	377	(72)
Administrative and Waste Services	2,767	2,554	(213)	-1.1%	3,319	(765)
Educational Services	764	921	157	2.7%	890	31
Health Care and Social Assistance	6,114	6,802	688	1.5%	7,248	(446)
Arts, Entertainment, and Recreation	887	958	71	1.1%	1,097	(139)
Accommodation and Food Services	2,978	3,861	883	3.8%	3,749	112
Other Services (except Public Administration)	3,037	3,245	208	1.0%	3,508	(263)
Federal Civilian	346	309	(37)	-1.6%	325	(16)
Military	331	301	(30)	-1.3%	303	(2)
State Government	623	607	(16)	-0.4%	630	(23)
Local Government	5,990	5,832	(158)	-0.4%	6,065	(233)
Other/Suppressed Industries*	1,499	1,695	196	1.8%	1,642	53
TOTAL	55,562	63,493	7,931	1.9%	64,412	(919)



* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

FIGURE 3.08: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, LINN COUNTY (2010 – 2018)



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

TARGET INDUSTRY CLUSTERS

This section discusses potential target industries for Albany based on the community’s historical strengths and advantages, as well as its established economic development goals. These are industries where Albany can focus efforts to grow local business and attract new businesses.

Feedback from Economic Development Stakeholders

During this process, stakeholders in local economic development were engaged to provide insight on Albany’s employment and industry goals, strengths, and challenges. This local expertise informs this analysis on what industries the community may target with available resources. The following is a summary of key points made during these discussions:

- Albany should focus on continued light industrial and manufacturing growth going forward. This has long been a strength in the community and part of its employment identity.
- Albany has and can continue to draw companies that are being developed out of the universities in Corvallis and Eugene, and the local National Energy Technical Laboratory.

- Albany’s labor shed is quite large, drawing from across the central Willamette Valley. It can draw labor for other communities in every direction.
- Healthy population growth and residential development is supportive and positive for recent and future economic growth.
- Albany should be a manufacturing community, rather than a bedroom community.
- The City should encourage and facilitate job growth and development-ready sites.
- Since the recession, fabrication industries (metals, and to a lesser extent, food and wood) have seen expansion and growth. There should be a focus on new businesses and different types of manufacturing – diversification.
- New and expanding primary enterprises leads to growth of support industries.
- Commercial uses will follow industrial job growth, and there is ample commercial space and land available in central Albany.

Manufacturing

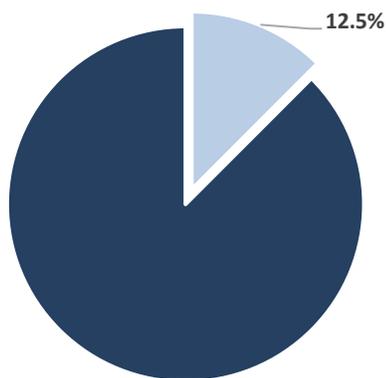
The manufacturing sector is already an outperforming sector in Albany, representing over 12.5 percent of local employment. It is typically a highly desirable sector for growth, which creates considerable value, pays high wages, and often exports the bulk of its output. The city’s central location, with direct access to Interstate 5 and rail make it an attractive location for production.



Albany is an established home to metal, food, wood and wood product manufacturers, and skilled production is a key part of the city’s economic identity. Going forward, these will remain good opportunities for growth taking advantage of available industrial lands, infrastructure, and skilled workforce. These export industries also benefit from the ample transportation connections and shipping options in the area.

FIGURE 3.06: MANUFACTURING SECTOR, ALBANY

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS

2017 EMPLOYMENT	3,476
AVERAGE ANNUAL WAGE (2017)	\$68,264
PROJECTED GROWTH	1,091
% OF PROJECTED GROWTH	12.2%

MAJOR EMPLOYERS

- PACIFIC CAST TECHNOLOGIES INC
- ATI CAST PRODUCTS
- OREGON FREEZE DRY, INC
- CMH MANUFACTURING WEST INC
- NATIONAL FROZEN FOODS CORPORATION
- VIPER NORTHWEST INC

Current Employment	2017	Projected Growth		Average
	Employment	Adjusted	% of Total	Wage
Metals	1,770	367	4.1%	\$85,141
Food Manufacturing	796	165	1.8%	\$46,979
Wood Manufacturing	910	559	6.2%	\$54,057
Total	3,476	1,091	12.2%	\$68,264

SOURCE: Oregon Employment Department, Bureau of Labor Services, Johnson Economics

Advanced manufacturing is also expected to be an increasing opportunity. In general, this refers to modern manufacturers who use advanced technologies such as robots and software to increase productivity and make traditional methods more efficient. Despite the automation, these industries typically require a sizable trained workforce to run the advanced processes.

Manufacturing firms can be a full range of sizes with differing land needs from small sites to very large. Small manufacturing firms often occupy small spaces in multi-tenant buildings, while large manufacturers may require dedicated sites of hundreds of acres.

The overall employment level in this sector was 3,500 in 2017, representing an estimated 12.5 percent of the total employment base in Albany. The sector is projected to add nearly 1,100 jobs over the next twenty years, accounting for 12 percent of employment growth in Albany during that period. The average annual wage is over \$68,500 per year, led by the metals manufacturing industry.

Cluster Strengths

- Proximity to existing transportation, power, water, and fiber infrastructure
- Existing cluster of manufacturing industries in the area, with shared suppliers and expertise
- Skilled workforce, with strong education and training assets in the region
- Strong wages

Cluster Challenges

- Limited supply of larger shovel-ready development sites, for largest manufacturers
- Labor supply is currently constrained

Potential Manufacturing Opportunities

- Expansion of existing and recruitment of new businesses in strength areas: metals and wood products
- Additional food and beverage products/value-added specialty foods
- Growth in burgeoning advanced robotics industry
- Potential to commercialize technologies developing out of OSU, UO, and NETL R&D

Education and Health Services

The education and health services sectors account for over a fifth of all employment in Albany. Demand for these services tends to follow demographic trends, and the aging of the population base is expected to support a growing demand for health services, specifically continuing care. The following are key industry trends:

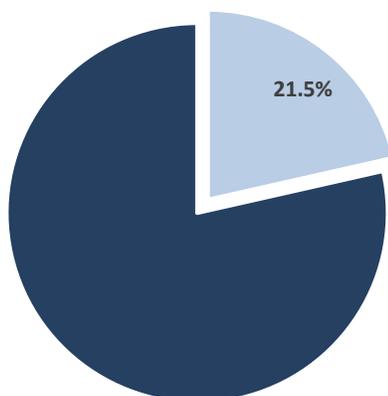
- Emphasis on consolidation, leveraging cost advantages
- Strong growth in utilization of mobile health systems, software, and access to information

- Emerging care models including smaller, distributed clinics (i.e., urgent care)
- Phone and video appointments
- An estimated five percent to eight percent of Boomers will age in multi-family retirement and care facilities

Samaritan Health Services offers a full range of in-patient and out-patient health services in Albany across multiple locations including the Albany General Hospital and dispersed clinics. Linn Benton Community College, based in Albany, offers college credit classes, job skills workshops, college preparatory classes, and customized training for business and industry.

FIGURE 3.07: EDUCATION, HEALTH, AND SOCIAL SERVICES SECTORS, ALBANY

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS

2017 EMPLOYMENT	5,982
AVERAGE ANNUAL WAGE (2017)	\$44,637
PROJECTED GROWTH	2,855
% OF PROJECTED GROWTH	31.9%

MAJOR EMPLOYERS

- GREATER ALBANY PUBLIC SCHOOLS
- LINN BENTON COMMUNITY COLLEGE
- SAMARITAN HEALTH SERVICES
- THE MENNONITE VILLAGE
- COMMUNITY SERVICES CONSORTIUM
- ALBANY BOYS & GIRLS CLUB

Current Employment	2017	Projected Growth		Average
	Employment	Adjusted	% of Total	Wage
Educational services	2,526	748	8.3%	\$40,547
Health care and social assistance	3,456	2,107	23.5%	\$47,626
Total	5,982	2,855	31.9%	\$44,637

SOURCE: Oregon Employment Department, Bureau of Labor Services, Johnson Economics

These sectors accounted for nearly 6,000 jobs in 2017, with average annual wages of \$44,376. Health care provides a wide range of wage levels due to the range of education and skills level for different roles across the industry. The sector is expected to add over 2,800 new jobs over the next twenty years, accounting for nearly a third of projected growth.

Healthcare Cluster Strengths

- Aging of population will support health services
- Albany (in conjunction with the Corvallis Samaritan campus) is the regional hub
- Access to I-5 and central location
- Combination of LBCC and nearby OSU offer a good education cluster and supply of young, skilled workforce

Cluster Weakness

- Constrained supply of skilled labor relative to pace of industry growth

Cluster Opportunities

- Development of expanded and/or new medical facilities
- Continued coordination between local industry and LBCC training programs

SECONDARY OPPORTUNITY INDUSTRIES

The wholesale trade, retail, and construction sectors have a sizable representation within the local economy or employment base but are not anticipated to be major targets of specific economic development activity.

The local wholesale trade sector is well represented in comparison to the national average of employment in this sector. The city's access to Interstate 5, and central location within the Willamette Valley are assets. The 2017 average wage was \$52,730.

The strength of the construction sector typically trails growth in population and employment, as new households and businesses drive new real estate development. The Construction sector provides both lower-skilled and high-skilled positions and supports solid wages. Having construction capacity also allows the local economy to respond quickly and competently to new demand, while keeping costs down relative to importing construction workers and expertise from outside the area.

This sector accounted for nearly 1,000 jobs in 2017, with average annual wages of \$43,700. Though the industry represents just 3.5 percent of current employment, it is forecasted to grow at one of the quickest rates over the next twenty years, adding over 750 new jobs and accounting for eight percent of new job growth.

IV. FORECAST OF EMPLOYMENT

CITY OF ALBANY EMPLOYMENT FORECAST

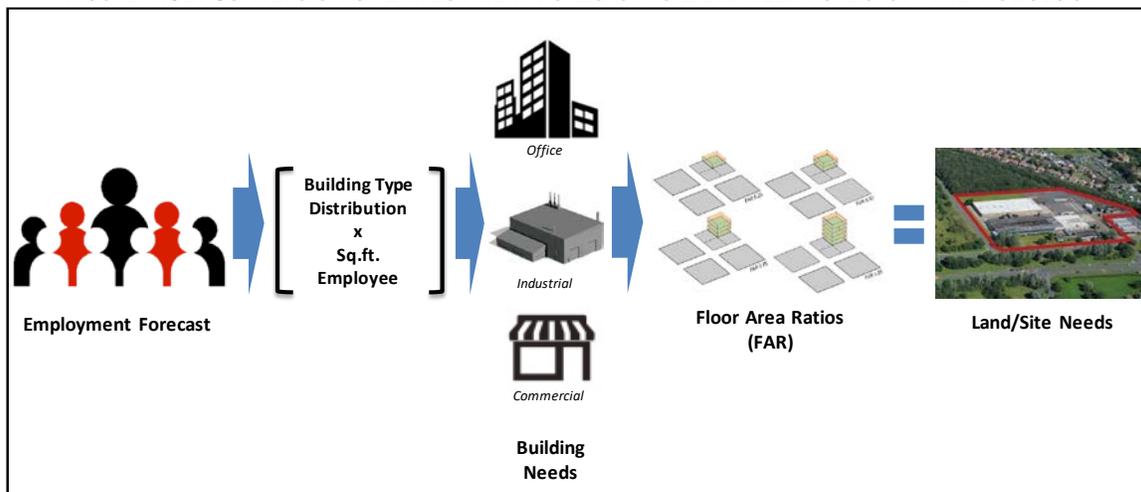
Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment needs forecasts typically begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those influences into estimates of employment growth by broad industry. Forecasts are produced at the sector or subsector level (depending on available information) and are subsequently aggregated to two-digit NAICS sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or respond to business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2019, the commencement year for the planning period. Employment growth will come as the result of net-expansion of businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. Inflections in business cycles or the impact of a major shift in employment (i.e., a major unknown recruitment) are not considered.

Overview of Employment Forecast Methodology

The methodology starts with employment forecasts by major commercial and industrial sector. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

FIGURE 4.01: CONVERSION OF EMPLOYMENT FORECAST TO LAND NEED FORECAST - METHODOLOGY



Source: Johnson Economics

The first step of the analysis is to update covered employment to the 2019 base year. Our City of Albany Quarterly Census of Employment and Wages (QCEW) dataset provides covered employment by industry through 2017. To update these estimates, observed industry specific growth rates for the region between 2017 and 2019 were used.

The second step in the analysis is to convert “covered”⁶ employment to “total” employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or some contracted workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2010 through 2017.

The differential is the most significant in construction, professional, administrative, and other services. The adjusted 2019 total non-farm employment base for the City of Albany is an estimated 27,750 jobs.

FIGURE 4.02: UPDATE TO 2019 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT, ALBANY

Major Industry Sector	QCEW Employment			Total Emp. Conversion ²	2019 Estimate
	2017 Employment	'17-'19 County Δ ¹	2019 Estimate		
Construction	970	1.9%	1,007	73.5%	1,370
Manufacturing	3,476	0.8%	3,534	97.6%	3,621
Wholesale Trade	327	1.1%	334	97.3%	343
Retail Trade	3,422	0.8%	3,479	94.4%	3,684
T.W.U.	1,022	2.1%	1,066	91.3%	1,167
Information	213	0.5%	200	94.7%	211
Finance & Insurance	823	0.5%	832	91.6%	908
Real Estate	294	0.5%	297	91.6%	324
Professional & Technical Services	788	1.0%	804	88.5%	909
Administration Services	1,641	1.0%	1,673	88.5%	1,892
Education	2,526	1.0%	2,578	94.5%	2,728
Health Care	3,456	1.9%	3,587	94.5%	3,795
Leisure & Hospitality	2,842	1.3%	2,914	94.4%	3,088
Other Services	1,126	0.9%	1,147	82.7%	1,387
Government	2,291	0.7%	2,321	100.0%	2,321
TOTAL	25,217	1.1%	25,774	92.9%	27,751

1 Forecasted AAGR from 2017-2027 for Mid-Willamette Valley submarket. Oregon Employment Department

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

T.W.U. = Transportation, Warehousing, and Utilities

*Information sector: Employment in 2019 is estimated from local sources

Source: Johnson Economics, Oregon Employment Department, BEA

Employment by Industry: The industries with the highest total employment are health care, retail, and manufacturing.

Retail and hospitality related industries tend to offer fairly low average wages. However, the other high employment industries, including manufacturing, health care, education, and government tend to offer higher average wages (Figure 3.01).

Scenario 1: Safe Harbor Forecast

The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions a methodological approach that will not be challenged. The methods allow for either applying the most

⁶ The Department of Labor’s Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are “covered” by unemployment insurance.

recent industrial growth projections for the Mid-Valley area from the Oregon Employment Department, or the most recently adopted population growth rate as determined by the Portland State University Population Research Center.

In the case of the City of Albany, both projected annual growth rates are similar (1.15 percent vs 1.3 percent). However, over a 20-year forecast period a small variation will compound. For this analysis, we have adopted the higher population growth rate as the baseline forecasted growth rate. The projected rate is applied to the 2019 base, essentially reflecting that employment growth is expected to keep track with population growth. Within individual industries, the projected overall growth rate is still scaled to the Oregon Employment Department forecast, to reflect that not all sectors will grow at a uniform rate.

This method results in an average annual growth rate of 1.3 percent, with total job growth of 8,828 jobs over the forecast period when applied to the employment profile in Albany.

Scenario 2: Adjusted Growth Forecast

The Goal 9 process allows for an adjusted employment forecast based on the research and analysis conducted during this process. A second forecast scenario was prepared reflecting some of the research and analysis conducted in the EOA.

This scenario formulates an employment growth trajectory based on identified trends, the growth outlook for targeted industries, and input from the project technical advisors and stakeholders. Further, the adjusted growth scenario recognizes that the city's policy direction has influence over realized growth in targeted sectors. This scenario considers the influence of known or anticipated development over a near- and medium-term horizon. The following identified factors are expected to influence growth in the forecast.

Target Industries – The key industries the community has identified for targeted growth and focused economic development efforts. Known real-world business interest and location scouting from industries have also been considered. The most significant changes were to reflect targeted growth in the manufacturing and health care sectors.

Cluster Advantages – Albany has an established skilled workforce and concentration of competitors and suppliers that have proven attractive to industrial users.

Location – Albany's central location within the mid-valley region will influence the mix of employment uses it can attract. Transportation, labor shed, recreation, and livability are some key locational factors.

Household Growth – Growth in many sectors, including retail, hospitality, banking, and real estate, is a direct function of population and households in a community.

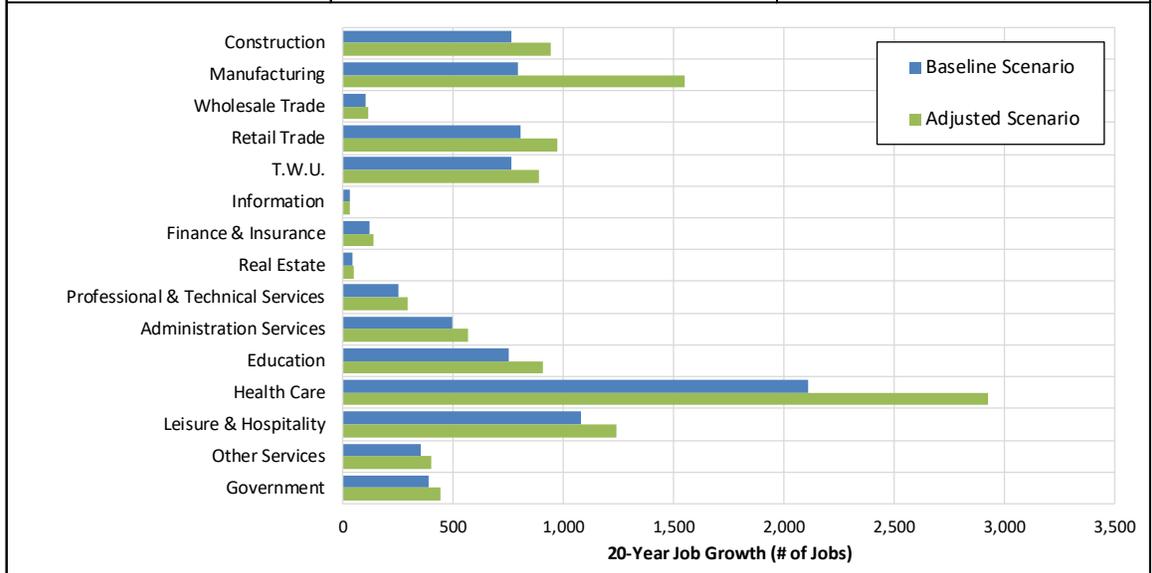
Taken together, the 20-year forecast in this scenario projects 1.7 percent average annual growth, with total job growth of 11,455 jobs over the forecast period when applied to the employment profile in Albany.

Summary of Employment Forecast Scenarios

The two forecast scenarios in this analysis range from 1.3 percent to 1.7 percent average annual growth. Job growth estimates range from roughly 8,825 to 11,500 jobs. Figure 4.03 presents a comparison of the two growth scenarios broken down by industry sector.

FIGURE 4.03: COMPARISON OF ALTERNATIVE FORECASTS, CITY OF ALBANY

Industry	SCENARIO I (PSU Pop. Growth)				SCENARIO II (Adjusted)			
	2019	2040	Chg.	AAGR	2019	2040	Chg.	AAGR
Construction	1,370	2,131	761	2.1%	1,370	2,311	941	2.5%
Manufacturing	3,621	4,414	792	0.9%	3,621	5,170	1,549	1.7%
Wholesale Trade	343	443	100	1.2%	343	458	114	1.4%
Retail Trade	3,684	4,487	803	0.9%	3,684	4,653	969	1.1%
T.W.U.	1,167	1,930	762	2.4%	1,167	2,057	890	2.7%
Information	211	240	29	0.6%	211	244	33	0.7%
Finance & Insurance	908	1,030	122	0.6%	908	1,047	139	0.7%
Real Estate	324	368	44	0.6%	324	374	50	0.7%
Professional & Technical Services	909	1,163	253	1.2%	909	1,200	290	1.3%
Administration Services	1,892	2,384	492	1.1%	1,892	2,456	564	1.3%
Education	2,728	3,476	748	1.2%	2,728	3,634	907	1.4%
Health Care	3,795	5,903	2,107	2.1%	3,795	6,722	2,927	2.8%
Leisure & Hospitality	3,088	4,165	1,077	1.4%	3,088	4,327	1,239	1.6%
Other Services	1,387	1,737	350	1.1%	1,387	1,788	400	1.2%
Government	2,321	2,709	388	0.7%	2,321	2,763	442	0.8%
TOTAL:	27,751	36,579	8,828	1.3%	27,751	39,206	11,455	1.7%



Source: Johnson Economics, Oregon Employment Department, BEA

The first scenario is useful in creating a baseline understanding of macroeconomic growth prospects. These are common and broadly accepted approaches when looking at large geographic regions. However, forecasts grounded in broad-based economic variables do not account for the realities of local businesses and trends among evolving industries. The second scenario is meant to reflect these unique circumstances along with local economic development goals. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information.

Figure 4.04 presents the forecasts in five-year increments to the year 2040, for the two growth scenarios. This gives an indicator of potential short- and mid-term employment gains.

FIGURE 4.04: SUMMARY OF PROJECTION SCENARIOS, CITY OF ALBANY (5-YEAR INCREMENTS)

Industry	Overall Employment					Net Change by Period				Total
	2019	2025	2030	2035	2040	19-25	25-30	30-35	35-40	19-40
SCENARIO 1 (PSU Pop. Growth)										
Construction	1,370	1,554	1,727	1,919	2,131	184	172	192	213	761
Manufacturing	3,621	3,832	4,017	4,211	4,414	211	185	194	203	792
Wholesale Trade	343	369	392	417	443	26	23	25	26	100
Retail Trade	3,684	3,898	4,085	4,282	4,487	213	187	196	206	803
T.W.U.	1,167	1,348	1,519	1,712	1,930	180	171	193	218	762
Information	211	219	226	233	240	8	7	7	7	29
Finance & Insurance	908	942	970	1,000	1,030	33	29	30	30	122
Real Estate	324	336	347	357	368	12	10	11	11	44
Professional & Technical Services	909	976	1,034	1,097	1,163	66	59	62	66	253
Administration Services	1,892	2,021	2,135	2,256	2,384	129	114	121	128	492
Education	2,728	2,923	3,097	3,281	3,476	196	174	184	195	748
Health Care	3,795	4,306	4,783	5,313	5,903	510	477	530	589	2,107
Leisure & Hospitality	3,088	3,363	3,612	3,878	4,165	276	248	267	286	1,077
Other Services	1,387	1,479	1,561	1,646	1,737	92	81	86	91	350
Government	2,321	2,426	2,517	2,611	2,709	105	91	94	98	388
TOTAL:	27,751	29,992	32,022	34,213	36,579	2,241	2,030	2,191	2,367	8,828
SCENARIO 2 (Adjusted)										
Construction	1,370	1,591	1,802	2,041	2,311	221	211	239	271	941
Manufacturing	3,621	4,009	4,364	4,750	5,170	388	355	386	420	1,549
Wholesale Trade	343	373	399	427	458	29	26	28	30	114
Retail Trade	3,684	3,939	4,164	4,402	4,653	254	225	238	252	969
T.W.U.	1,167	1,372	1,571	1,798	2,057	205	198	227	260	890
Information	211	220	228	236	244	9	8	8	8	33
Finance & Insurance	908	946	979	1,012	1,047	38	33	34	35	139
Real Estate	324	338	350	362	374	13	12	12	12	50
Professional & Technical Services	909	984	1,052	1,123	1,200	75	67	72	77	290
Administration Services	1,892	2,038	2,169	2,308	2,456	146	131	139	148	564
Education	2,728	2,961	3,170	3,394	3,634	233	209	224	240	907
Health Care	3,795	4,469	5,120	5,867	6,722	673	652	747	855	2,927
Leisure & Hospitality	3,088	3,400	3,685	3,993	4,327	313	284	308	334	1,239
Other Services	1,387	1,492	1,584	1,683	1,788	104	93	99	105	400
Government	2,321	2,440	2,543	2,651	2,763	119	103	108	112	442
TOTAL:	27,751	30,572	33,178	36,046	39,206	2,821	2,607	2,868	3,159	11,455

Source: Johnson Economics, Oregon Employment Department, BEA

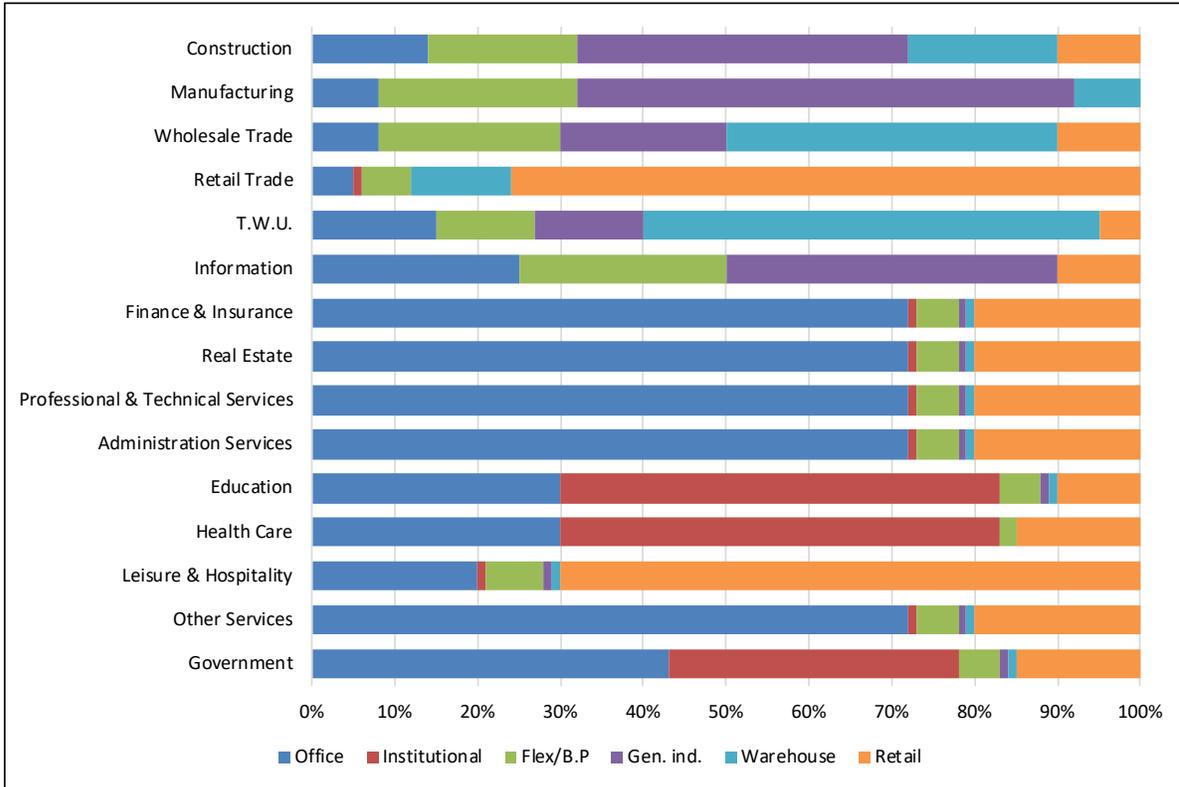
EMPLOYMENT LAND NEED FORECAST – CITY OF ALBANY

The next step in our analysis is to convert projections of employment into forecasts of land demand over the planning period. This conversion begins by allocating employment by sector into a distribution of building typologies that typically house those economic activities (Figure 4.05). As an example, insurance agents commonly locate in a traditional office space, usually along commercial corridors. However, a percentage of these firms locate in commercial retail space adjacent to retail anchors. Cross tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for market clearing vacancy, we arrive at an estimate of total space demand for each building type. Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a “floor area ratio” or FAR. For example, assume a 25,000-square foot general industrial building requires approximately two acres to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.29. Demand for space is then converted to net acres using a standard FAR for each development form.

The building typology matrix represents the share of sectoral employment that locates across various building types (Figure 4.05).

FIGURE 4.05: AVERAGE DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE



Source: Johnson Economics, Oregon Employment Department

Land Demand Analysis

Employment growth for both growth scenarios was allocated into standard building typologies per Figure 4.05. Figure 4.06 shows the forecasted employment growth for Albany for both growth scenarios (PSU and adjusted) distributed by projected building type. Employment housed in office, retail, and institutional space (health care) accounts for the most total jobs in both scenarios. However, on average, industrial jobs tend to use more real estate space per employee (Figure 4.07).

FIGURE 4.06: NET CHANGE IN EMPLOYMENT ALLOCATED BY BUILDING TYPE, CITY OF ALBANY – 2019-2040**4.06 A: SCENARIO 1 (PSU FORECAST, 1.3 PERCENT)**

Industry Sector	20-year Job Forecast		NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2019-2039						Total
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Construction	761	2.1%	107	0	137	305	137	76	761
Manufacturing	792	0.9%	63	0	190	475	63	0	792
Wholesale Trade	100	1.2%	8	0	22	20	40	10	100
Retail Trade	803	0.9%	40	8	48	0	96	610	803
T.W.U.	762	2.4%	114	0	91	99	419	38	762
Information	29	0.6%	7	0	7	12	0	3	29
Finance & Insurance	122	0.6%	88	1	6	1	1	24	122
Real Estate	44	0.6%	31	0	2	0	0	9	44
Professional & Technical Services	253	1.2%	182	3	13	3	3	51	253
Administration Services	492	1.1%	354	5	25	5	5	98	492
Education	748	1.2%	224	396	37	7	7	75	748
Health Care	2,107	2.1%	632	1,117	42	0	0	316	2,107
Leisure & Hospitality	1,077	1.4%	215	11	75	11	11	754	1,077
Other Services	350	1.1%	252	3	17	3	3	70	350
Government	388	0.7%	167	136	19	4	4	58	388
TOTAL	8,828	1.3%	2,486	1,680	733	945	791	2,192	8,828

4.06 B: SCENARIO 2 (ADJUSTED FORECAST, 1.7 PERCENT)

Industry Sector	20-year Job Forecast		NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2019-2039						Total
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Construction	941	2.5%	132	0	169	376	169	94	941
Manufacturing	1,549	1.7%	124	0	372	929	124	0	1,549
Wholesale Trade	114	1.4%	9	0	25	23	46	11	114
Retail Trade	969	1.1%	48	10	58	0	116	737	969
T.W.U.	890	2.7%	133	0	107	116	489	44	890
Information	33	0.7%	8	0	8	13	0	3	33
Finance & Insurance	139	0.7%	100	1	7	1	1	28	139
Real Estate	50	0.7%	36	0	2	0	0	10	50
Professional & Technical Services	290	1.3%	209	3	15	3	3	58	290
Administration Services	564	1.3%	406	6	28	6	6	113	564
Education	907	1.4%	272	480	45	9	9	91	907
Health Care	2,927	2.8%	878	1,551	59	0	0	439	2,927
Leisure & Hospitality	1,239	1.6%	248	12	87	12	12	868	1,239
Other Services	400	1.2%	288	4	20	4	4	80	400
Government	442	0.8%	190	155	22	4	4	66	442
TOTAL	11,455	1.7%	3,082	2,223	1,024	1,498	985	2,642	11,455

Source: Johnson Economics, Oregon Employment Department

Employment growth estimates by building type are then converted into demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes an average market vacancy rate, acknowledging that equilibrium in real estate markets is not 0 percent vacancy. We assume a 10 percent vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A five percent rate is used for general industrial and warehousing; these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses are assumed to have no vacancy.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR). The combined space and FAR assumptions further provide estimates indicative of job densities, determined on a per net-developable acre basis.

FIGURE 4.07: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF ALBANY**4.07 A: SCENARIO 1 (PSU FORECAST, 1.3 PERCENT)**

PSU SCENARIO	DEMAND BY GENERAL USE TYPOLOGY, 2019-2039						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	2,486	1,680	733	945	791	2,192	8,828
Avg. SF Per Employee	350	600	990	600	1,850	500	649
Demand for Space (SF)	870,200	1,008,300	726,000	567,100	1,462,700	1,096,200	5,730,500
Floor Area Ratio (FAR)	0.35	0.35	0.30	0.30	0.35	0.25	0.31
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.9%
Implied Density (Jobs/Acre)	39.2	25.4	11.9	20.7	7.8	19.6	19.6
Net Acres Required	63.4	66.1	61.7	45.7	101.0	111.8	449.8
Gross Acres Required	79.3	82.7	77.2	57.1	126.2	139.8	562.2

4.07 B: SCENARIO 2 (ADJUSTED FORECAST, 1.7 PERCENT)

ADJUSTED SCENARIO	DEMAND BY GENERAL USE TYPOLOGY, 2019-2039						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	3,082	2,223	1,024	1,498	985	2,642	11,455
Avg. SF Per Employee	350	600	990	600	1,850	500	652
Demand for Space (SF)	1,078,800	1,333,800	1,014,100	898,600	1,822,400	1,321,100	7,468,800
Floor Area Ratio (FAR)	0.35	0.35	0.30	0.30	0.35	0.25	0.31
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	100.0%
Implied Density (Jobs/Acre)	39.2	25.4	11.9	20.7	7.8	19.6	19.6
Net Acres Required	78.6	87.5	86.2	72.4	125.8	134.8	585.3
Gross Acres Required	98.3	109.4	107.8	90.5	157.3	168.5	731.7

Source: Johnson Economics, Oregon Employment Department

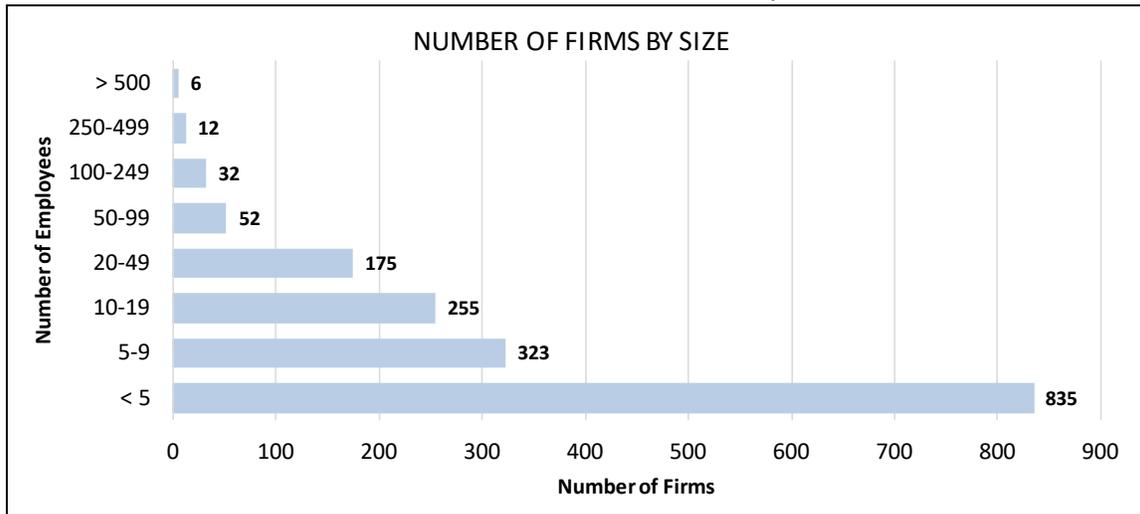
Commercial office and retail densities are 39 and 20 jobs per acre, respectively. Industrial uses range from 21 jobs per acre for general industrial to as few as eight jobs per acre for warehouse.

- As shown in Figure 4.07, the projected 8,800 job expansion in the local employment base using the PSU forecast in Scenario 1 would require an estimated 562 gross acres of employment land, compared to 732 gross acres of employment land to house 11,500 new jobs in Scenario 2, the higher forecast.
- The distribution of demand between Commercial and Industrial land is fairly evenly distributed in both growth scenarios.
- There is an estimated need for between 301 and 376 acres of land for commercial uses (office, institutional, retail); however, many institutional uses are not permitted in commercial zones but are permitted in residential, mixed use, and some industrial zones.
- There is an estimated need for between 260 and 355 acres of land for industrial uses (industrial, warehouse, business park).

EMPLOYMENT LAND NEED FORECAST – NEEDED SITE SIZES

The local employment base is largely dominated by small employers of 10 or fewer employees, which is a common pattern across most markets (Figure 4.08). There are six employers of 500 or more employees, and 12 with 250 to 500 employees. Some of these may have employees spread over multiple locations.

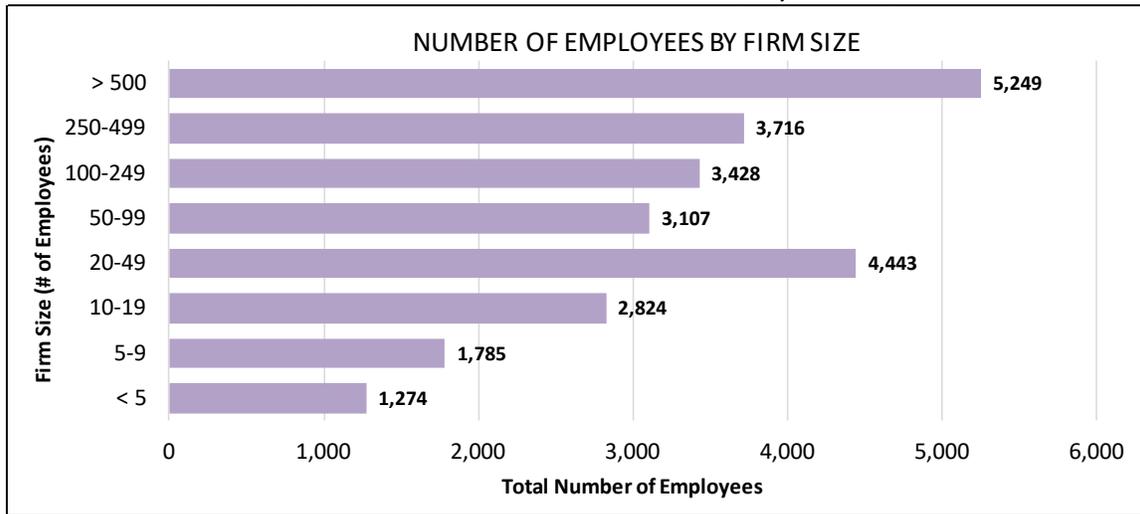
FIGURE 4.08: DISTRIBUTION OF CURRENT FIRMS BY SIZE, ALBANY OREGON



Source: Johnson Economics, Oregon Employment Department

Figure 4.09 presents the estimated number of employees in firms of the different sizes. While there are relatively few of the largest employers, in total they employ the most people due to their large size.

FIGURE 4.09: DISTRIBUTION OF EMPLOYEES BY FIRM SIZE, ALBANY OREGON



Source: Johnson Economics, Oregon Employment Department

Local and regional employment trends in Albany support the likely ability to continue to recruit and grow large manufacturers going forward. At the same time, there will be a continued demand for real estate space and sites of all size to accommodate the full range of employers across sectors.

Figure 4.10 presents the projected need for new commercial and industrial sites by size based on the industry growth projections presented above for both growth scenarios. These site needs are an estimate of future needs to aid comparison to available land supply (see following Section.)

FIGURE 4.10: ESTIMATED NUMBER OF SITES NEEDED BY SIZE (ACRES), ALBANY OREGON**4.10 A: SCENARIO 1 (PSU FORECAST, 1.3 PERCENT)**

LAND USE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL (sites)	TOTAL (acres)
Office	116	7	1	1	0	0	0	0	125	79
Institutional	33	12	1	1	0	0	0	0	47	83
Retail	80	23	1	1	0	0	0	0	105	140
Commercial Total:	229	42	3	3	0	0	0	0	277	302
Flex/B.P	26	6	0	1	0	1	0	0	34	77
Gen. Ind.	39	7	2	1	0	1	1	1	52	57
Warehouse	21	16	1	1	1	1	1	0	42	126
Industrial Total:	86	29	3	3	1	3	2	1	128	260
TOTAL:	315	71	6	6	1	3	2	1	405	562

4.10 B: SCENARIO 2 (ADJUSTED FORECAST, 1.7 PERCENT)

LAND USE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL (sites)	TOTAL (acres)
Office	139	8	1	1	0	0	0	0	149	98
Institutional	46	15	1	2	0	0	0	0	64	109
Retail	96	27	2	1	1	0	0	0	127	168
Commercial Total:	281	50	4	4	1	0	0	0	340	376
Flex/B.P	33	8	1	1	0	1	0	0	44	108
Gen. Ind.	39	11	2	1	0	1	1	1	56	90
Warehouse	25	19	1	1	1	1	1	0	49	157
Industrial Total:	97	38	4	3	1	3	2	1	149	356
TOTAL:	378	88	8	7	2	3	2	1	489	732

Source: Johnson Economics, Oregon Employment Department

The Scenario 1 forecast indicates Albany will need 315 properties less than one acre and another 71 properties between one and acres to 2040. Most of the smaller sites needed are projected for commercial uses, while most of the larger sites needed are for industrial uses under both growth scenarios.

The estimates presented in Figures 4.10 A and B are based on the average firm sizes of businesses in the different industry subsectors in Albany. *However, economic development and job growth are dynamic, and this estimate of site needs is unlikely to match actual future needs exactly. Communities should maintain flexibility and ensure a supply of a variety of site types with short-term availability, as allowed through the Goal 9 EOA process.*

ADDITIONAL CONSIDERATIONS IN LAND/SITE DEMAND

General Considerations

Beyond a consideration of gross acreage, there is a significantly broader range of site characteristics that industries typically require to accommodate future growth. We summarize some key findings here:

- Industrial buildings are generally more susceptible to slope constraints due to larger building footprints. For a site to be competitive for most industrial uses, a five percent slope is the maximum for development sites. Office and commercial uses are generally smaller and more vertical, allowing for slopes up to 15 percent. *Slope is less of a constraint in the Albany market than wetlands and floodways are.*

- Most industries require some ready access to a major transportation route, particularly manufacturing and distribution industries that move goods throughout the region and beyond. A distance of 10 to 20 miles to a major interstate is generally acceptable for most manufacturing activities, but distribution activities require five miles or less and generally prefer a direct interstate linkage. Visibility and access are highly important to most *commercial* activities and site location with both attributes from a major commercial arterial is commonly required. *While Albany's industrial sites are within a few miles of Interstate 5, several sites require access and infrastructure improvements.*
- Access and capacity for water, power, gas, and sewer infrastructure is more important to industrial than commercial operations. Water/sewer lines of up to 10" are commonly required for large manufacturers. Appendix A details utility infrastructure requirements by typology. *Most of Albany's buildable employment sites within the City limits are served with appropriately sized city utilities.*
- Fiber telecommunications networks are likely to be increasingly required in site selection criteria for most commercial office, and manufacturing industries. Medical, high-tech, creative office, research and development, and most professional service industries will prefer or require strong fiber access in the coming business cycles. *Most of Albany's buildable employment sites within the City limits are served with or adjacent to high-speed internet service.*

Feedback from Local Industry and Real Estate Stakeholders

During this process, local realtors and technical experts were engaged to provide feedback on employment land needs, strengths, and deficiencies in the Albany community. This local expertise informs this analysis on how well local available employment lands really serve existing and prospective businesses in Albany. The following is a summary of key takeaways from these discussions:

- Most currently available industrial lands have constraints that make them difficult or infeasible sites, particularly the largest sites. Local stakeholders feel that there is limited ready supply for new industrial businesses of any size, but particularly mid- to large-sized firms.
- Wetland and transportation issues are particularly difficult on many of the City's remaining industrial lands. Wetlands render much of some sites unusable, or expensive to mitigate, while leaving the useful portions isolated in the wrong part of the parcel.
- Multiple large employment sites in South Albany and near the Highway 20/I-5 interchange look available but must wait on costly new off-site street infrastructure to provide access to them.
- Due to these challenges, many vacant sites are not currently ready to go for prospective employers and not truly part of the "short term" supply.
- Business Oregon confirms that site selectors are looking in the area. Many of the available sites are deemed too small or have transportation and wetland issues.
- The average potential business recruitment is looking for at least 40 acres, with an average of 60 acres. A mix of available sites is needed, including small, medium, and large sites.
- Smaller start-ups need smaller pre-built spaces. These may be one to five acres and include multi-tenanted buildings.
- Land needs to be in good industrial areas, with proper access and visibility (if necessary).

- Given limited resources, the City cannot serve all employment areas with new infrastructure at once. Any public efforts to help prepare employment lands must be prioritized and phased.
- Some high-tech businesses want to be centrally located in Albany due to the town center's amenities. These businesses may not want an isolated industrial location or to be in a larger market. Central "flex space" or refurbished warehouse space may be appropriate for these users.

Section VI and Appendix A of this report discuss specific key sites, and industry-specific site requirements in greater detail.

V. EMPLOYMENT LAND INVENTORY (SUPPLY)

This section summarizes the results of the Buildable Lands Inventory (BLI) of employment land. Employment land includes land zoned for industrial, retail or other commercial use (i.e., office), and may also include mixed-use zoning that allows for employment uses.

The BLI and its methodology is presented in detail in an accompanying memo to this report but are summarized here. Data for this BLI was provided by the City of Albany and Linn County.

The land inventory is conducted in several steps, as follows.

Step 1. Constraints. Constraints include floodplains, wetlands, steep slopes, and other features that may reduce the developability of land in Albany. Several scenarios of constraints were evaluated in the BLI.

Step 2. Classification of Land. Every taxlot within the Albany UGB was classified as either residential, employment, mixed use, or “committed” based on comprehensive plan and/or zoning designation, assessor’s data, and staff input.

Step 3. Assign Development Status. Each taxlot within the Albany UGB was given a “development status” of either developed, vacant, partially vacant, or committed, based on assessor’s data, aerial photography, and staff input.

Step 4. Determine Developable Acreage. Taxlots with a vacant or partially vacant status were given an amount of developable acreage based on their size, existing uses, and any development constraints on the property.

Step 5. Determine Development Capacity. For Employment land, capacity is reported in terms of acres.

The BLI analysis produced four scenarios, which differed in how they counted the constraints caused by the 100-year floodplain and non-significant wetlands. The scenarios ranged from an assumption that these factors cause significant limitations to future development, to lower limitations.

The analysis presented here relies on the most conservative estimate of land development capacity from the multiple scenarios considered in the BLI memo. The scenario used here (Scenario 1B) assumes lands within the Special Flood Hazard Area, significant wetlands and riparian corridors, steep slopes, etc., to be 100 percent constrained, while 50 percent of non-significant wetlands are constrained due to their impact on the cost of development. *All figures discussed below refer to this BLI scenario.*

The following table (Figure 5.01) presents the estimated developable acreage of the buildable employment lands identified in the City of Albany and within the UGB. The table breaks down the City’s zoning into broad categories of commercial, industrial, and mixed-use zones that allow some employment uses.

FIGURE 5.01: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (ALBANY)

Zoning Category	Developable Acres
COMMERCIAL ZONES	
<u>In City Limits</u>	
CC -- Community Commercial	47.6
NC -- Neighborhood Commercial	10.3
OP -- Office Professional	14.8
PB -- Pacific Boulevard	3.0
RC -- Regional Commercial	52.7
	128.3
<u>Outside City Limits</u>	
Commercial	22.9
TOTAL:	151.2
INDUSTRIAL ZONES	
<u>In City Limits</u>	
HI -- Heavy Industrial	70.0
IP -- Industrial Park	303.1
LI -- Light Industrial	139.7
	512.8
<u>Outside City Limits</u>	
Industrial	72.0
TOTAL:	584.9
MIXED USE ZONES	
<u>In City Limits</u>	
Mixed Use Zones*	46.0
<u>Outside City Limits</u>	
County -- Village Center	28.0
TOTAL:	74.0
TOTAL ALL ZONES	
Total Commercial	151.2
Total Industrial	584.9
Total Mixed Use	74.0
TOTAL:	810.1

Source: Angelo Planning Group, City of Albany

* Mixed use zones: CB, DMU, ES, HD, LE, MS, MUC, WF

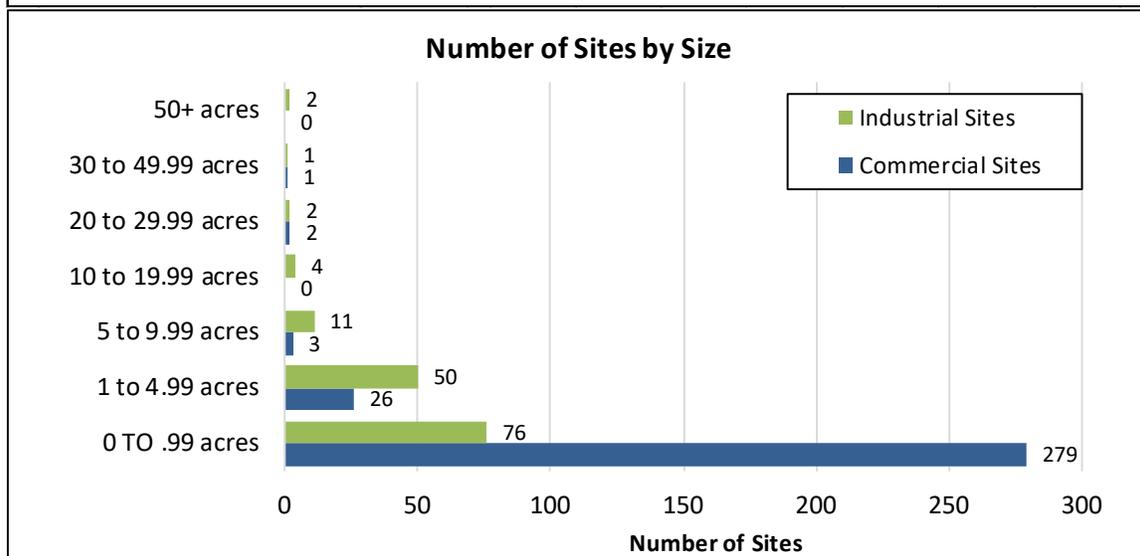
The inventory identifies over 736 acres of vacant or potentially redevelopable land in both commercial and industrial zones, plus 74 acres in mixed use zones. A smaller share of the acreage (19 percent) was identified in the commercial zones, while the majority (72 percent) has industrial zoning. The mixed-use zoning (nine

percent) is mostly amenable to general commercial and retail uses, because industrial uses are generally less compatible with residential uses.

Figure 5.02 presents the inventory broken down by the size of parcels. This chart represents the estimated *developable* portion of the site, as determined by the BLI methodology. Therefore, some of these sites may officially be larger taxlots but are counted here as the size of their buildable portion.

FIGURE 5.02: BUILDABLE EMPLOYMENT SITE INVENTORY, BY PARCEL SIZE (ALBANY)

	Total Emp. Dev. Sites	0 TO .99 acres	1 to 4.99 acres	5 to 9.99 acres	10 to 19.99 acres	20 to 29.99 acres	30 to 49.99 acres	50+ acres
Employment Total	457	355	76	14	4	4	2	2
NC -- Neighborhood Commercial	19	18	1	0	0	0	0	0
CC -- Community Commercial	131	124	7	0	0	0	0	0
RC -- Regional Commercial	35	27	7	0	0	0	1	0
OP -- Office Professional	17	14	2	1	0	0	0	0
PB -- Pacific Boulevard	10	10	0	0	0	0	0	0
Mixed Use Commercial (UGB)	89	84	2	1	0	2	0	0
Commercial Total:	311	279	26	3	0	2	1	0
LI -- Light Industrial	99	61	33	4	0	1	0	0
HI -- Heavy Industrial	18	5	7	4	2	0	0	0
IP -- Industrial Park	18	9	4	2	0	0	1	2
Industrial (UGB) Total:	146	76	50	11	4	2	1	2



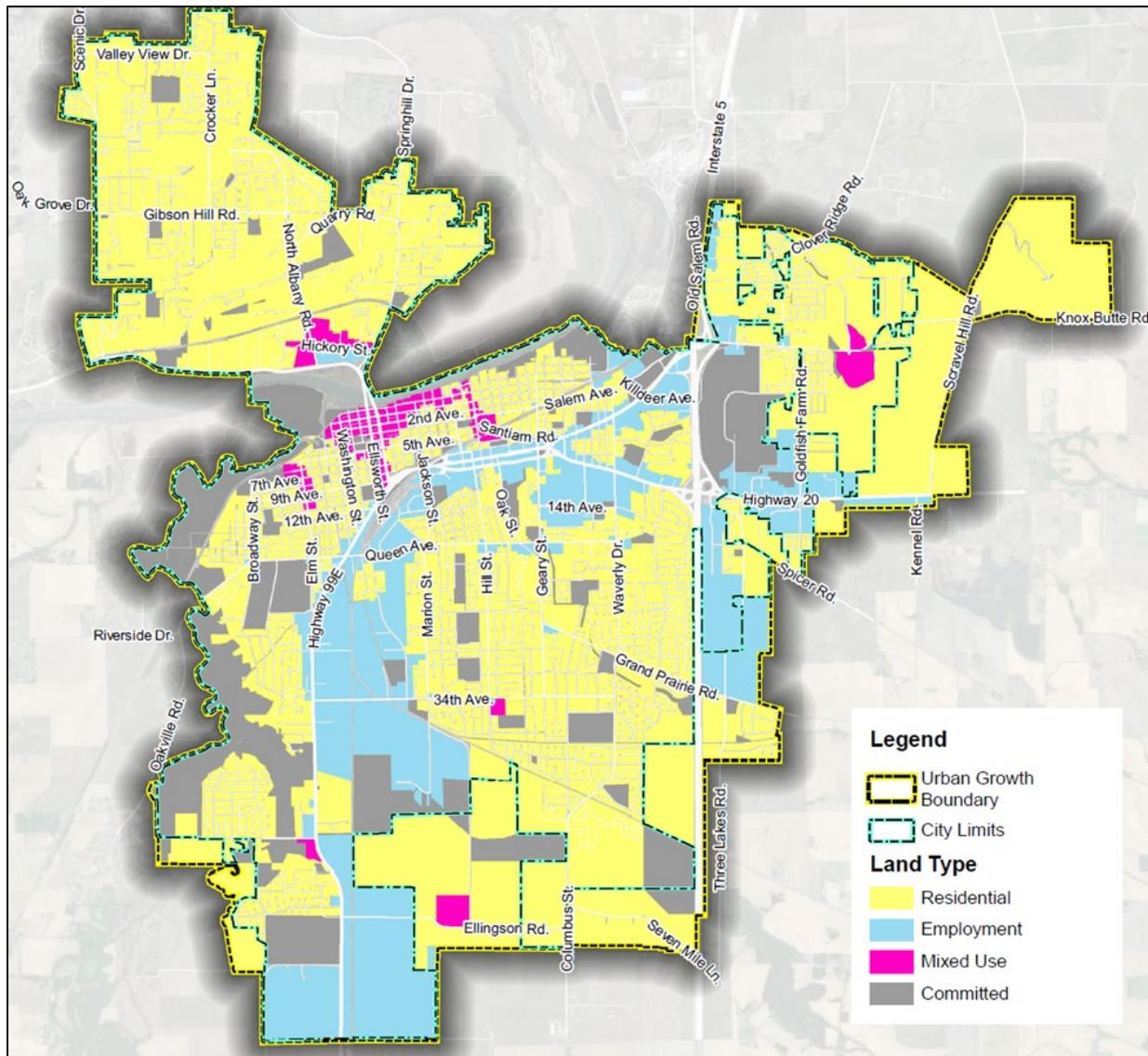
Source: Angelo Planning Group, City of Albany

- Most of the buildable unconstrained parcels identified are smaller than 10 acres.
- The largest share of commercial parcels are smaller than one acre in size, and only three identified parcels are greater than 10 acres in size.

- Most industrial parcels (86 percent) are less than five acres in size. There are only a handful of large industrial parcels remaining, many of which feature some constraints that limit developability.

Figures 5.03 to 5.05 present a series of maps of the Buildable Land Inventory for commercial, industrial, and mixed-use parcels. Figure 5.03 shows the land within the Albany UGB categorized by general zoning classes (residential, employment, and mixed use).

FIGURE 5.03: CLASSIFICATION OF LAND USES, CITY OF ALBANY UGB

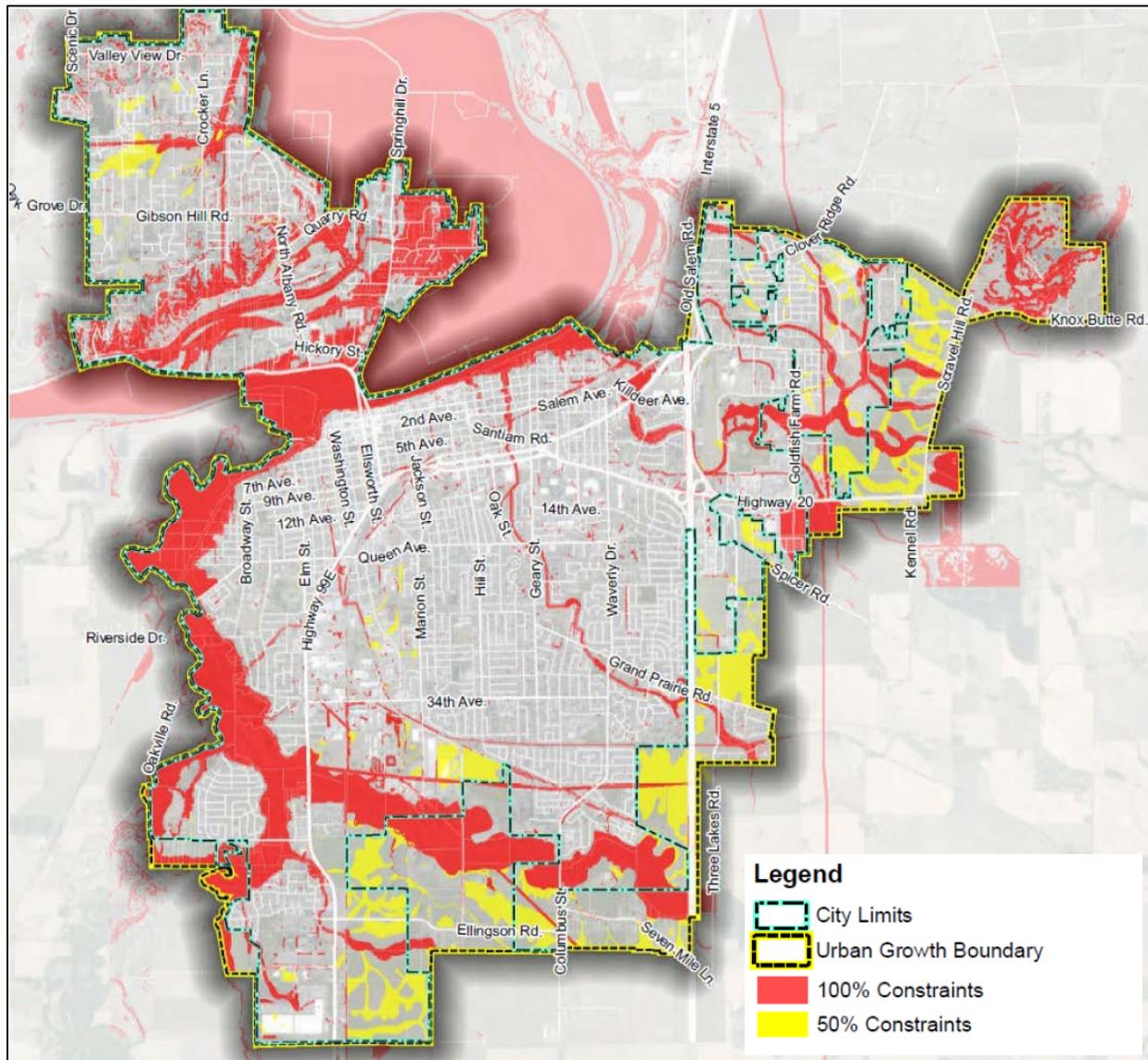


Source: Angelo Planning Group, City of Albany

Figure 5.04 shows the environmental constraints identified in the Albany UGB, including steep slopes, waterways and flood zones that may prevent or limit development in the impacted areas. These constraints are accounted for and in some cases deducted from the final inventory of buildable employment land.

BLI Scenario 1B used in this analysis assumes 100 percent deduction for the following constraints: the entire Special Flood Hazard Area (SFHA, also known as the 100-Year Floodplain), Lakes and Water Bodies, Significant Wetlands, Riparian Corridor and Habitat areas, areas with slopes 25 percent or greater, and land within the BPA and KM easements. Additionally, a 50 percent deduction for non-significant wetlands is applied due to the costs of wetland mitigation and availability of mitigation bank credits for purchase.

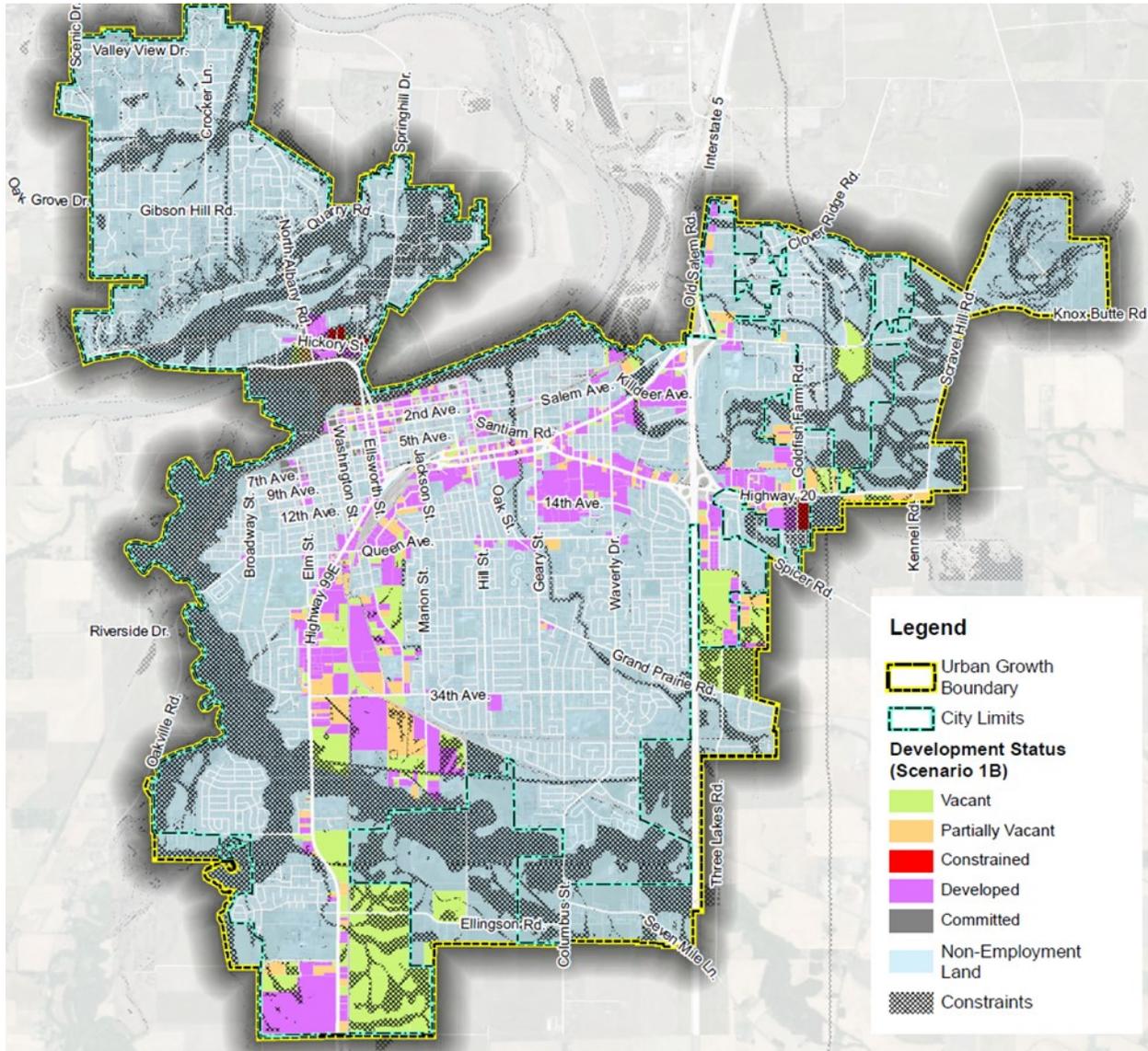
FIGURE 5.04: ENVIRONMENTAL CONSTRAINTS, CITY OF ALBANY UGB



Source: Angelo Planning Group, City of Albany

Figure 5.05 presents employment parcels categorized by their development status. Wetland constraints are highlighted to show how they hamper some of nominally vacant land supply. Where wetlands constrain a parcel, these parcels may be partially or wholly discounted from the inventory.

FIGURE 5.05: BUILDABLE EMPLOYMENT LAND INVENTORY MAP, CITY OF ALBANY UGB



Source: Angelo Planning Group, City of Albany

VI. RECONCILIATION OF FUTURE NEED (2040) AND LAND SUPPLY

The inventory of employment land provides a snapshot of the current local capacity to accommodate more business and jobs. This current available land is compared to the forecasted need for new land over the 20-year planning period, generated in a previous step (Section IV).

LAND SUPPLY VS. LAND DEMAND (ACRES)

The estimate of future land need is re-presented below for both growth scenarios. A total need for 562 gross acres in the PSU Scenario and 732 gross acres in the Adjusted Scenario was identified across a range of building types.

FIGURE 6.01: SUMMARY OF FORECASTED 20-YEAR LAND NEED BY BUILDING TYPOLOGY (ALBANY)
6.01 A: SCENARIO 1 (PSU FORECAST, 1.3 PERCENT)

PSU SCENARIO	DEMAND BY GENERAL USE TYPOLOGY, 2019-2039						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	2,486	1,680	733	945	791	2,192	8,828
Avg. SF Per Employee	350	600	990	600	1,850	500	649
Demand for Space (SF)	870,200	1,008,300	726,000	567,100	1,462,700	1,096,200	5,730,500
Floor Area Ratio (FAR)	0.35	0.35	0.30	0.30	0.35	0.25	0.31
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.9%
Implied Density (Jobs/Acre)	39.2	25.4	11.9	20.7	7.8	19.6	19.6
Net Acres Required	63.4	66.1	61.7	45.7	101.0	111.8	449.8
Gross Acres Required	79.3	82.7	77.2	57.1	126.2	139.8	562.2

6.01 B: SCENARIO 2 (ADJUSTED FORECAST, 1.75)

ADJUSTED SCENARIO	DEMAND BY GENERAL USE TYPOLOGY, 2019-2039						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	3,082	2,223	1,024	1,498	985	2,642	11,455
Avg. SF Per Employee	350	600	990	600	1,850	500	652
Demand for Space (SF)	1,078,800	1,333,800	1,014,100	898,600	1,822,400	1,321,100	7,468,800
Floor Area Ratio (FAR)	0.35	0.35	0.30	0.30	0.35	0.25	0.31
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	100.0%
Implied Density (Jobs/Acre)	39.2	25.4	11.9	20.7	7.8	19.6	19.6
Net Acres Required	78.6	87.5	86.2	72.4	125.8	134.8	585.3
Gross Acres Required	98.3	109.4	107.8	90.5	157.3	168.5	731.7

Source: Oregon Employment Department, Albany, Johnson Economics LLC

Roughly half of the projected acres needed is for uses most appropriate to industrial zones (business park, general industrial, warehouse), and a little more than half the acres needed are for uses most appropriate for commercial zones (office, retail, institutional).

The assignment of demand by building type to specific zones is fungible. For this analysis, demand has been mapped generally to appropriate zones, but in practice the varying zones tend to allow for more than one of the building types. Therefore, this analysis necessarily involves many assumptions of what zones the needed employment building types might locate in. The results may best be viewed as an “order of magnitude” of supply vs. demand.

The following tables in Figure 6.02 A and 6.02 B show a reconciliation of forecasted need for employment land vs. supply for Scenarios 1 and 2. The estimated 20-year demand is compared only to the land supply inside the city. Employment lands located outside the city boundary, but within the UGB should be considered “long-term” supply.

- While the total forecasted land need is less than the total buildable employment land inventory (815 gross acres), the breakdown of zoning and site size does not align as well as demonstrated in Figure 6.03.
- Because most of the buildable land is in industrial zones, there is an estimated shortage of commercial acreage in the city limits compared to the forecasted need in both scenarios. At the same time, there is an estimated surplus of industrial land compared to the forecasted need.
- The commercial land forecast includes land needs of institutional uses such as hospitals and schools; these uses are not permitted in many commercial zones but are permitted in many residential zones and in some industrial zones.

It is important to remember that the different categories of employment land are not (necessarily) substitutable. For instance, a shortage of 10 acres of commercial land, and a surplus of 10 acres of industrial land do not cancel each other.

Also, this does not address the more specific site needs from specific categories of employment land users. **Some of the forecasted growth includes employers who may have specific site needs and preferences that are not reflected in the available buildable inventory,** even though *in total* the available parcels sum to a significant amount.

In particular, there is forecasted demand for more suitable large-lot industrial sites while relatively few of these sites were found in the inventory that are unconstrained. This is discussed in greater detail following the tables in Figures 6.02 A and B.

FIGURE 6.02 A: SCENARIO 1 (PSU, 1.3 PERCENT) COMPARISON OF EMPLOYMENT LAND SUPPLY (BLI) TO LAND DEMAND (2040), BY ZONE AND BUILDING TYPE

WITHIN CITY LIMITS		DEMAND		RECONCILIATION	
Zoning Category	SUPPLY Buildable Capacity (Acres)	Development Type	Buildable Capacity (Acres)	Development Type	Capacity (Acres) Surplus or (Deficit)
COMMERCIAL ZONES		COMMERCIAL		COMMERCIAL*	
CC -- Community Commercial	47.6	Office	79.3	Office	(54.4)
NC -- Neighborhood Commercial	10.3	Institutional	82.7	Institutional	(62.5)
OP -- Office Professional	14.8	Retail	139.8	Retail	(5.5)
PB -- Pacific Boulevard	3.0	<i>Commercial Total:</i>	301.8	<i>Commercial Total:</i>	(122.4)
RC -- Regional Commercial	52.7				
Mixed Use Zones (all)	51.0				
<i>Commercial Total:</i>	179.3				
INDUSTRIAL ZONES		INDUSTRIAL		INDUSTRIAL	
HI -- Heavy Industrial	70.0	Gen. Ind.	57.1	Gen. Ind.	12.9
IP -- Industrial Park	303.1	Flex/Biz. Park	77.2	Flex/Biz. Park	226.0
LI -- Light Industrial	139.7	Warehouse	126.2	Warehouse	13.5
<i>Industrial Total:</i>	512.8	<i>Industrial Total:</i>	260.5	<i>Industrial Total:</i>	252.3
OUTSIDE CITY, WITHIN UGB		LONG-TERM SUPPLY			
Zoning Category	Buildable Capacity (Acres)				
Commercial (UGB)	22.9				
Mixed Use (Village Center)	28.0				
Industrial (UGB)	72.0				
	123.0				

*Mapping of zones to development types: "Office": OP-50 percent, MU-25 percent, CC-10 percent. "Institutional": OP-50 percent, MU-25 percent; "Retail": MU-50 percent, CC-90 percent, NC, PB, RC. "General Industrial": HI. "Flex/Biz.Park": IP. "Warehouse": LI.
 Source: Angelo Planning Group, Johnson Economics LLC

FIGURE 6.02 B: SCENARIO 2 (ADJUSTED, 1.7 PERCENT) COMPARISON OF EMPLOYMENT LAND SUPPLY (BLI) TO LAND DEMAND (2040), BY ZONE AND BUILDING TYPE

WITHIN CITY LIMITS		DEMAND		RECONCILIATION	
Zoning Category	SUPPLY Buildable Capacity (Acres)	Development Type	Buildable Capacity (Acres)	Development Type	Capacity (Acres) Surplus or (Deficit)
COMMERCIAL ZONES		COMMERCIAL		COMMERCIAL	
CC -- Community Commercial	47.6	Office	98.3	Office	(73.4)
NC -- Neighborhood Commercial	10.3	Institutional	109.4	Institutional	(89.3)
OP -- Office Professional	14.8	Retail	168.5	Retail	(34.2)
PB -- Pacific Boulevard	3.0	Commercial Total:	376.2	Commercial Total:	(196.9)
RC -- Regional Commercial	52.7				
Mixed Use Zones (all)	51.0				
Commercial Total:	179.3				
INDUSTRIAL ZONES		INDUSTRIAL		INDUSTRIAL	
HI -- Heavy Industrial	70.0	Gen. Ind.	57.1	Gen. Ind.	12.9
IP -- Industrial Park	303.1	Flex/Biz. Park	77.2	Flex/Biz. Park	226.0
LI -- Light Industrial	139.7	Warehouse	126.2	Warehouse	13.5
Industrial Total:	512.8	Industrial Total:	260.5	Industrial Total:	252.3
OUTSIDE CITY, WITHIN UGB		LONG-TERM SUPPLY			
Zoning Category	Buildable Capacity (Acres)				
Commercial (UGB)	22.9				
Mixed Use (Village Center)	28.0				
Industrial (UGB)	72.0				
	123.0				

*Mapping of zones to development types: "Office": OP-50 percent, MU-25 percent, CC-10 percent. "Institutional": OP-50 percent, MU-25 percent; "Retail": MU-50 percent, CC-90 percent, NC, PB, RC. "General Industrial": HI. "Flex/Biz.Park": IP. "Warehouse": LI.

Source: Angelo Planning Group, Johnson Economics LLC

SITE SUPPLY VS. SITE DEMAND (NUMBER AND SIZE OF SITES)

This section compares the more specific site requirements of projected future commercial and industrial users with the specific inventory of prospective employment sites identified within the UGB. Oregon Administrative Rules requires a determination of 20-year employment land need, as well as a determination of need for suitable, readily serviceable land to meet short-term demand.

The following definitions from OAR 660-009-005 are relevant to this discussion:

(2) "Development Constraints" means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

(10) "Short-term Supply of Land" means suitable land that is ready for construction within one year of an application for a building permit or request for service extension. Engineering feasibility is sufficient to qualify land for the short-term supply of land. Funding availability is not required. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses.

(11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

(12) "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide, the appropriate site characteristics for the proposed

As noted in Section V, the Buildable Land Inventory was screened for major constraints, including current development, floodways, wetlands, steep slopes, and federal ownership. The remaining parcels in the inventory may be buildable but may not meet the specific site requirements of certain users. Others may be part of the long-term supply, but not be well-suited for the short-term supply.

Estimated 20-Year Site Needs vs. Current Supply

The following figures represent the findings of estimated 20-year need (Section IV) and current supply (Section V) of sites by size and land use. Note the estimate of future needs is approximate, as economic growth is dynamic and difficult to predict. Communities should maintain flexibility and ensure a supply of a variety of site types with short-term availability, as allowed through the Goal 9 EOA process.

FIGURE 6.03: ALBANY SITE SUPPLY VS. FORECASTED 20-YEAR NEED

Estimated 20-Year Site SUPPLY (BLI) by Zone and Site Size (acres)

LAND USE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL
NC -- Neighborhood Commercial	18	1	0	0	0	0	0	0	19
CC -- Community Commercial	124	7	0	0	0	0	0	0	131
RC -- Regional Commercial	27	7	0	0	0	1	0	0	35
OP -- Office Professional	14	2	1	0	0	0	0	0	17
PB -- Pacific Boulevard	10	0	0	0	0	0	0	0	10
Mixed Use	84	2	1	0	2	0	0	0	89
Commercial (UGB)	2	7	1	0	0	0	0	0	10
Commercial Total:	279	26	3	0	2	1	0	0	311
LI -- Light Industrial	61	33	4	0	1	0	0	0	99
HI -- Heavy Industrial	5	7	4	2	0	0	0	0	18
IP -- Industrial Park	9	4	2	0	0	1	1	1	18
Industrial (UGB)	1	6	1	2	1	0	0	0	11
Industrial Total:	76	50	11	4	2	1	1	1	146
TOTAL:	355	76	14	4	4	2	1	1	457

PSU Scenario (1.3%): Estimated 20-Year Site NEED by Land Use and Size (acres)

LAND USE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL (sites)
Office	116	7	1	1	0	0	0	0	125
Institutional	33	12	1	1	0	0	0	0	47
Retail	80	23	1	1	0	0	0	0	105
Commercial Total:	229	42	3	3	0	0	0	0	277
Flex/B.P	26	6	0	1	0	1	0	0	34
Gen. Ind.	39	7	2	1	0	1	1	1	52
Warehouse	21	16	1	1	1	1	1	0	42
Industrial Total:	86	29	3	3	1	3	2	1	128
TOTAL:	315	71	6	6	1	3	2	1	405

ADJUSTED Scenario (1.7%): Estimated 20-Year Site NEED by Land Use and Size (acres)

LAND USE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100+ acres	TOTAL (sites)
Office	139	8	1	1	0	0	0	0	149
Institutional	46	15	1	2	0	0	0	0	64
Retail	96	27	2	1	1	0	0	0	127
Commercial Total:	281	50	4	4	1	0	0	0	340
Flex/B.P	33	8	1	1	0	1	0	0	44
Gen. Ind.	39	11	2	1	0	1	1	1	56
Warehouse	25	19	1	1	1	1	1	0	49
Industrial Total:	97	38	4	3	1	3	2	1	149
TOTAL:	378	88	8	7	2	3	2	1	489

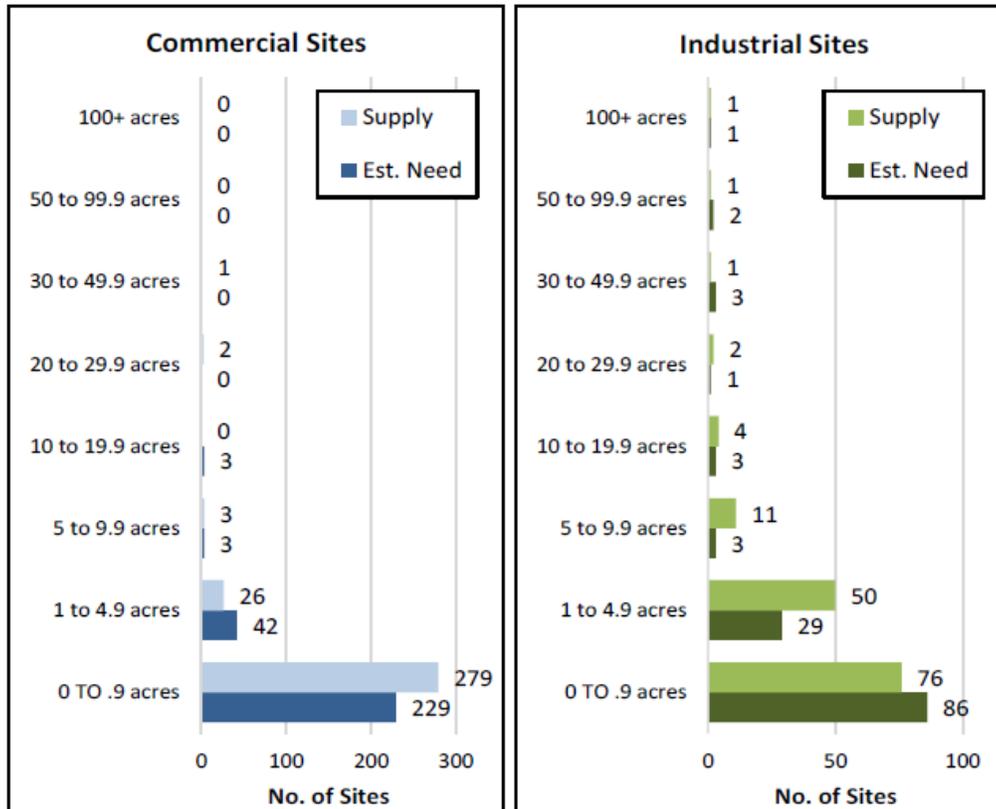
Source: Angelo Planning Group, Johnson Economics LLC

As Figure 6.03 presents, the forecasted need for sites of different sizes does not match exactly with the current supply. The demand for commercial sites (retail/office/institutional) matches well with the supply under the PSU forecast, but demand exceeds the current supply under the adjusted forecast. There is a deficit of commercial sites between one to five acres and 10 to 20 acres; however larger sites could be used to meet these needs.

For industrial users, the total number of sites needed matches very well; however, there is a discrepancy between the size of sites needed and those available. Most notably there is a deficit of suitable large industrial sites and a deficit of small industrial sites. Industrial sites between one and 10 acres can be used to address the projected deficit of smaller industrial sites.

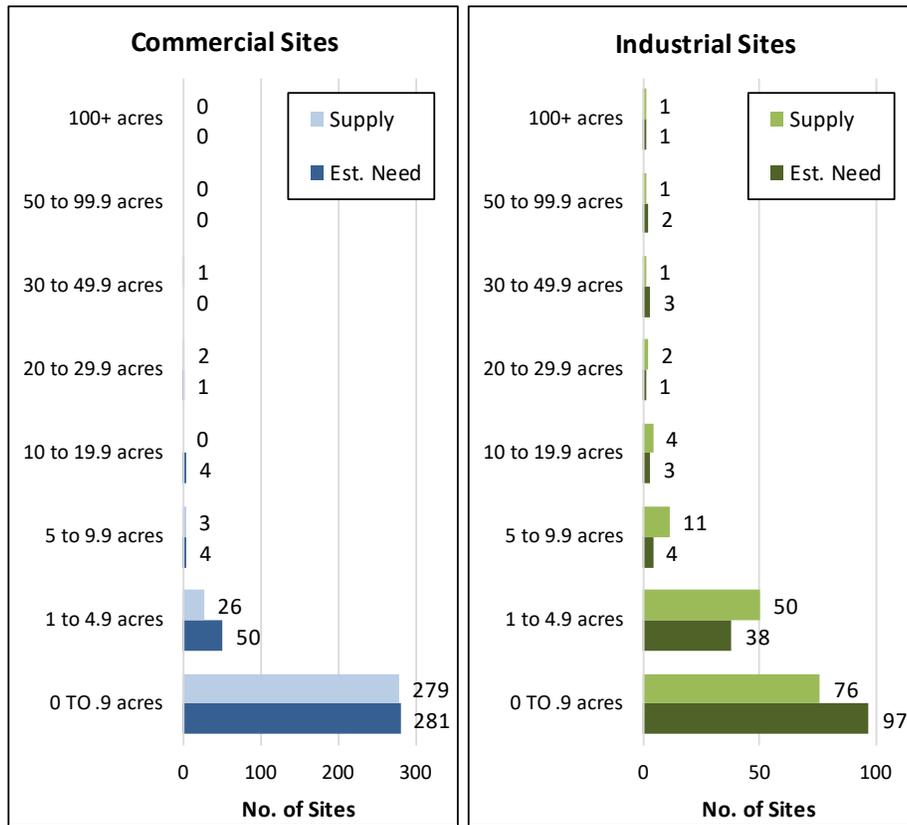
Figure 6.04 presents the same data in chart form to provide a side-by-side comparison of forecasted need and supply by site size for the two growth scenarios .

FIGURE 6.04 A: SCENARIO 1 (PSU, 1.3 PERCENT)
FORECASTED 20-YEAR SITE NEED VS. SITE SUPPLY BY LAND USE AND SITE SIZE (ACRES)



Source: Oregon Employment Department, Albany, Johnson Economics LLC

**FIGURE 6.04 B: SCENARIO 2 (ADJUSTED FORECAST, 1.7 PERCENT)
FORECASTED 20-YEAR SITE NEED VS. SITE SUPPLY BY LAND USE AND SITE SIZE (ACRES)**



Source: Oregon Employment Department, Albany, Johnson Economics LLC

- As noted, the analysis finds the estimated need for commercial sites between one and five acres outnumbers the estimated supply. There is an unmet need for commercial sites between 10 and 20 acres.
- There is an estimated need for the smallest industrial sites, to accommodate small businesses and start-ups.
- There is also an estimated need for larger industrial sites in the 30-acre to 100-acre range.
- Most of Albany’s larger industrial sites are constrained by infrastructure needs and access in the short term (see Further Discussion of Key Sites that follows).

FURTHER DISCUSSION OF KEY SITES

The findings of aggregate land supply from the Buildable Land Inventory belie the fact that many of the larger parcels (mostly industrial) that have been identified as “available” face major hurdles towards development in the short- or even long-term. Discussion with local experts and stakeholders provided further context on the feasibility of developing these sites.

The examination of the key sites found there is significant (industrial) acreage likely to be unavailable without significant further public investment in streets and other infrastructure that is unlikely to happen in the near term. These findings should be considered in assessing if Albany truly has the usable employment land supply the BLI suggests and how much of it is truly short-term, shovel-ready land.

Figure 6.05 shows the findings that of the seven key sites examined, five industrial sites have major hurdles to development. The constraints on these burdened sites amount to a total of 315 acres of industrial land which includes 50 percent of non-significant wetlands. This is more than 54 percent of the total “buildable” industrial land identified in the BLI.

FIGURE 6.05: SUMMARY OF SHORT-TERM INDUSTRIAL LAND SUPPLY

INDUSTRIAL	Buildable Capacity (BLI)	Key Sites Constrained		Net Acres Remaining
	Acres	Acres	% Total	
In City Limits	512.8	276	54%	236.8
Outside City Limits	72	38	53%	34
Total	584.8	314		270.8

Source: Stakeholders, City of Albany, Angelo Planning, Johnson Economics LLC

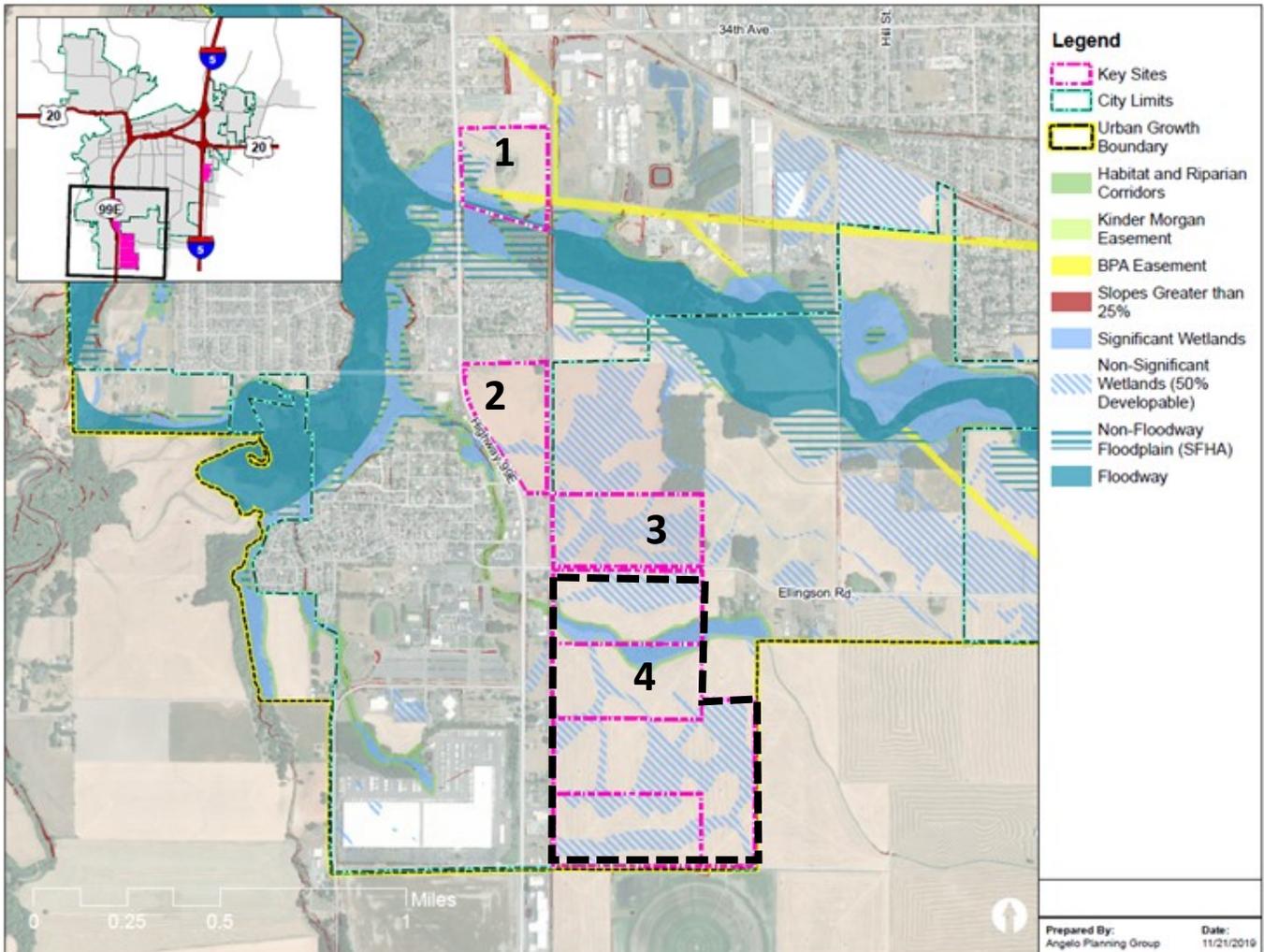
The key sites discussed here are found mostly in the South Albany area near Pacific Boulevard (Figure 6.06), and in East Albany, south of the interchange between Highway 20 and Interstate 5 (Figure 6.07). The sites are shown on the maps that follow. A summary of each site is contained in Appendix A.

SOUTH ALBANY AREA

There are three large industrial sites near Highway 99 E in South Albany and one commercial site (#2). The short-term supply includes the Epping/Springer Light Industrial site (#1), which has approximately 25 developable acres and is served with utilities and streets, and the Epping Regional Commercial Site (#2). The commercial site is 36 acres with limited wetlands, but the TSP describes a future extension of 53rd Avenue and a railroad crossing.

Site #4 is Albany’s largest industrial site, consisting of four taxlots totaling 243 acres, of which about 178 acres is developable. Access to this site and Site 3 will require street improvements.

FIGURE 6.06: SOUTH ALBANY INDUSTRY AREA (KEY SITES)



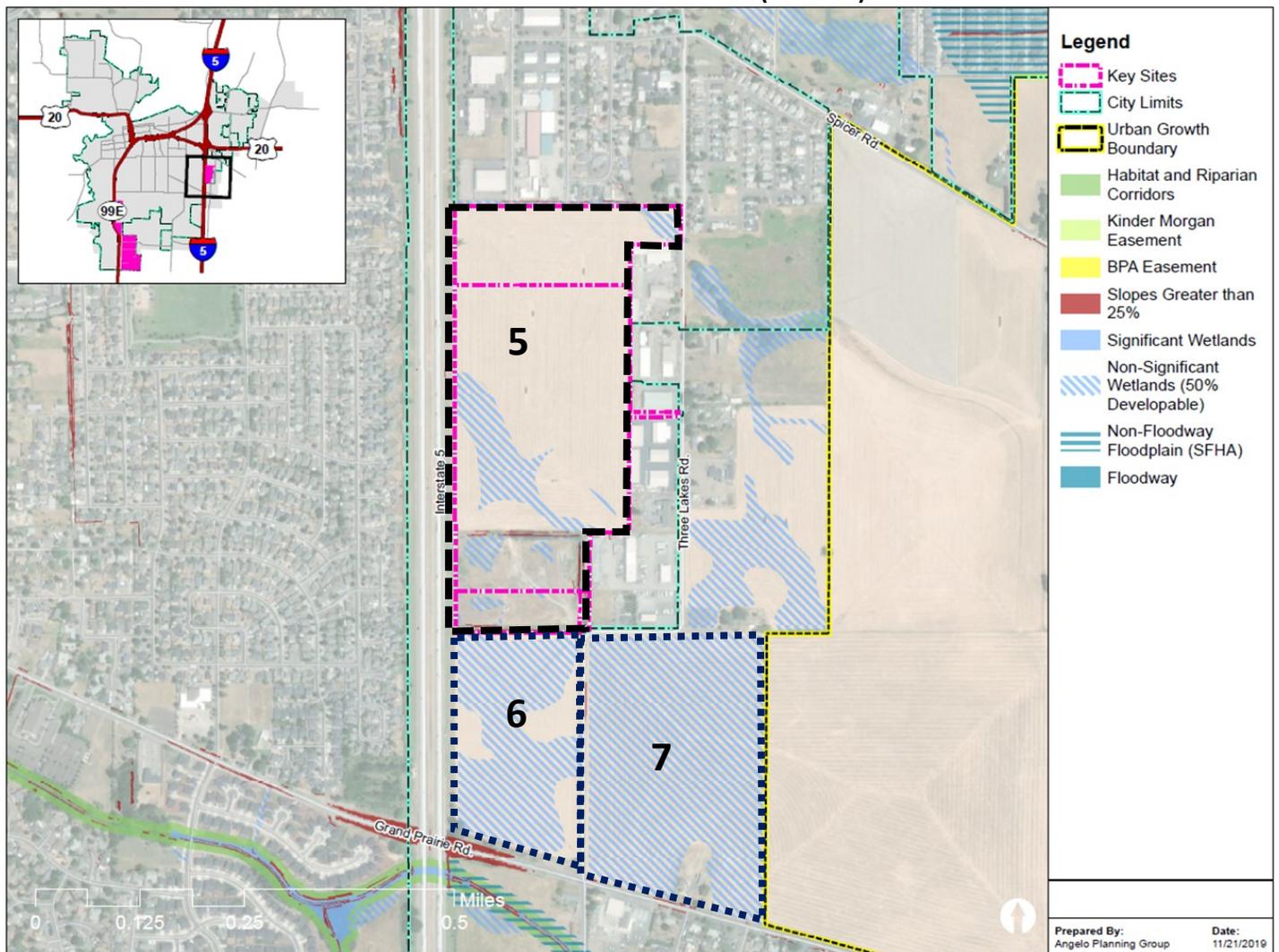
Source: Oregon Employment Department, Albany, Johnson Economics LLC

EAST ALBANY INDUSTRIAL AREAS

The Kempf Industrial Park (#5) is a 66-acre property east of I-5 and south of Highway 20 with high visibility and very few wetlands. Utilities are at the site, but development of the site is expected to exceed the amount of traffic that ODOT will permit to access highway 20 near the I-5 interchange. The site’s reliance on broader transportation improvements throughout the area is likely to make it a poor short-term development candidate.

Two additional industrial sites (6 and 7) are located outside of the city boundary, but within the UGB. Both sites represent theoretical long-term land supply. They both are currently farmed and feature very extensive coverage by non-significant wetlands. These sites may be potential candidates for a land swap to more beneficial locations adjacent to more feasible industrial areas.

FIGURE 6.07: EAST ALBANY INDUSTRY AREA (KEY SITES)



Source: Oregon Employment Department, Albany, Johnson Economics LLC

VII. CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF FINDINGS

The EOA report points to several key conclusions regarding economic development goals and target industries in Albany over the next 20 years. It also quantifies projected employment growth and land need within the UGB and the adequacy of the current supply of employment land to meet that need.

Through this planning process, a few major economic development themes were identified:

- Manufacturing and skilled light industrial employment has long been a strength in the community and is part of the local employment identity. These traded sector industries are a key target for current and future economic development.
- Albany has and can continue to draw companies being commercialized out of the universities in Corvallis and Eugene and the local National Energy Technical Laboratory (NETL).
- There is a lack of short-term, shovel-ready industrial sites for most sizes of industrial firms. The lack of readily usable sites is an obstacle to business recruitment and expansion.
- Industrial job growth drives growth in commercial services and retail. There is currently enough commercial and mixed-use land available in central Albany, both in vacant, redevelopable, and reusable space downtown, and along the Highway 99 and Highway 20 corridors.
- Policies must continue to support healthy population growth and development of a range of housing types appropriate for the local workforce. The community seeks to be a community where most workers live locally and most residents are employed locally.

Employment Growth

Albany is home to an estimated 27,750 jobs as of 2018. The largest sectors by number of jobs are health care, retail, and manufacturing. Based on a forecasted annual growth rate of 1.3 percent, the city is expected to add roughly 8,800 jobs by 2040. The greatest growth in number of jobs is projected to be in the health care, manufacturing, tourism-related (lodging and dining), and retail sectors.

Broken down into broad categories of employment that tend to use commercial/retail space or that tend to use industrial space, the analysis forecasts a fairly balanced demand for land in both categories of zoning.

Expanding and Target Industries

The city has significant strength and potential for growth in several key industries. Analysis of the representation of industries in Albany relative to the representation in the U.S. shows Albany is strong in multiple subsectors of manufacturing including metals, wood products, and food products. Other industry sectors with high representation are education (including the school district), some categories of retail, and warehousing. Health care is also the largest segment of local employment and is forecasted to add the most jobs over the next 20 years.

Manufacturing was identified as the major priority for future economic development. Healthcare plays an important role in the local economy.

- **Manufacturing:** This sector was identified as a key area of focus for continued job growth and economic development. Albany currently has strength in metal manufacturing, wood

products, and food processing. All of these areas are good candidates to expand and continue to attract suppliers and other related firms that grow along with the industry cluster. A key future candidate for growth is high-tech and advanced manufacturing, which includes robotics, drones, and automation tools used by other industries.

There are currently over 3,600 manufacturing jobs in Albany, or 13 percent of the total, with about 800 to 1,500 new jobs forecasted over 20 years, depending on the growth rate. On average, these jobs pay excellent wages, well above the local median wage.

- **Health Care:** This sector is the largest in Albany in terms of total employment and is forecasted to see the most overall growth over the next 20 years. This sector accounted for nearly 3,800 jobs in 2019, with above-average annual wages. Health care provides a wide range of wage levels due to the range of education and skills level for different roles across the industry. The sector is expected to add over 2,100 new jobs over the next twenty years, accounting for almost one quarter of projected job growth.

The forecasted strength in health care in the coming decades is based on growth of the Samaritan Health Services and related providers in the community, the long-term shift in the national economy from goods consumption to service consumption, and the aging of the population.

The retail and construction sectors are secondary growth sectors due to their share of employment and forecasted growth. However, the growth in these sectors will follow naturally from growth in the traded sector economy.

Employment Land Need

The EOA analysis finds that the forecasted 20-year job growth by industry, will translate to a need for between 562 to 730 total acres of land zoned for employment uses. The distribution of land demand between commercial uses (office, institutional, retail) and industrial uses (industrial, warehouse, business park) is fairly evenly distributed.

A range of site sizes will be needed ranging from the small to the very large to accommodate the projected business expansion. Different commercial and industrial users have different site requirements driven by the specific nature of their business operations, firm size, location, infrastructure requirements, and other factors.

Adequacy of Employment Land Supply

The Buildable Land Inventory (BLI) of employment lands completed in conjunction with the EOA found a total of 810 buildable acres in commercial, industrial, and mixed-use zones. While this total supply exceeds the total forecasted need, the zoning categories, site sizes, and site characteristics of the available supply do not fully meet the forecasted demand.

The following is a summary of findings on the adequacy of available employment sites compared to the forecasted need:

- For commercial users, the forecasted need for sites of different sizes under both growth scenarios does not match exactly with the current supply. In the PSU growth scenario, the demand for commercial sites (retail, office, institutional) can be met with the current supply but not under the adjusted scenario (1.7 percent). There is a deficit of commercial sites between one and five acres and 10 to 20 acres under both scenarios, and a deficit of sites less than one acre under the adjusted scenario.

- For industrial users, the total number of acres available matches the demand under both scenarios; however, there is a discrepancy between the size of sites needed and those available. Most notably there is a deficit of suitable large industrial sites (>30 acre) and a deficit of small (<1 acre) industrial sites.
- Most currently buildable industrial lands have constraints that make them difficult or infeasible sites for short-term development, particularly the largest sites. Local stakeholders demonstrated there is a limited ready supply of land for new industrial businesses of any size, but particularly mid- to large-sized firms.
- Wetland and transportation issues are particularly challenging on many of the city's remaining industrial lands. Wetlands render much of some sites unusable, or expensive to mitigate, while leaving the useful portions isolated in the wrong part of the parcel.
- Multiple large employment sites in South Albany and near the Highway 20/I-5 interchange look available but must wait on costly new off-site street infrastructure to provide access to them.
- Business Oregon states the average potential business recruitment in the region is looking for at least 40 acres with an average of 60 acres. A mix of available sites is needed, including small, medium, and large sites.
- Stakeholders indicated smaller start-ups need smaller pre-built spaces. These may be one to five acres and include multi-tenanted buildings.
- Some high-tech businesses want to be centrally located in Albany due to the town center's amenities. These businesses may not want an isolated industrial location or to be in a larger market. Central "flex space" or refurbished warehouse space may be appropriate for these users.
- Given limited resources, the City cannot serve all employment areas with new infrastructure at once. Any public efforts to help prepare employment lands must be prioritized and phased.

Key Industrial Sites Analysis

The findings of aggregate land supply in the BLI belie the fact that many of the larger industrial parcels that have been identified as "available" face major hurdles to development in the short- or even long-term.

Of the seven key sites examined, five industrial sites have major hurdles to development that add up to more than 54 percent of the total "buildable" industrial land identified in the BLI.

- The greatest barrier is found on large industrial sites in South Albany. These show up as a majority share of "available" buildable industrial land within the City boundary. However, these 214 acres face major hurdles, including the need to plan and build a future street in order to provide access. Current access to these sites is via inadequate, under-improved roads, with an at-grade rail crossing that will prohibit a significant increase in traffic. A significant development on any of these sites will require right-of-way dedication and expensive new road improvements across parcels of land under differing ownership.
- These sites in South Albany are also constrained by a web of wetlands across all of the acreage that will require significant mitigation on-site or off.
- A key site in East Albany (the Kempf site) included in the "available" inventory, similarly will require expensive new future road improvements off-site across parcels of land the site owner does not control. This makes the timing and feasibility of development of this site uncertain and removes it from the "short term" supply.

- With these large sites removed from the “short-term” supply, Albany is left with a shortage of short-term supply of employment land, particularly among the largest prospective employers.

EOA IMPLEMENTATION RECOMMENDATIONS

This section provides recommended implementation measures to help address the opportunities and challenges identified through the EOA planning process. The City undertakes many of these measures to support economic development.

PROVIDE AN ADEQUATE SUPPLY OF EMPLOYMENT LAND and SITES	
CORE INITIATIVE	
Actions	Notes
MEET INDUSTRIAL AND COMMERCIAL LAND NEEDS	
1 Establish and maintain a competitive short-term supply of employment land, in readily developable sites.	Large amounts of Albany's identified "available" inventory consists of industrial land that is not readily developable. In particular, the city's large-lot industrial supply will only be available in the long-term if at all. The City must prioritize quickly serving this land with new infrastructure or consider alternative areas that can be served and developed in a shorter timeframe. <u>Options</u> : rezoning of other land categories to industrial; UGB swap or expansion; public effort to serve some or all of these large industrial areas (see below).
2 Prioritize serving key industrial subareas and sites in the TSP and Capital Improvement Plan	Given limited public resources, ensure that all planning efforts reflect the prioritization and sequencing of infrastructure projects to serve key sites and areas.
3 Evaluate options for financing the build-out of infrastructure in the South Albany and East Albany industrial areas.	Potential options include an employment-focused tax increment financing (TIF) district, or local improvement district. If feasible, a TIF is more likely to provide the scale of funding needed to build out infrastructure.
Actions	Notes
4 Encourage infill, redevelopment, and/or adaptive reuse of obsolete or underused properties in central employment zones.	Existing commercial and retail space in the downtown area and along commercial corridors might be more intensively used, accommodating more job growth in existing employment areas. More intensive development and mixed-use construction often encounter a feasibility gap between costs and end value. Common approaches to bridging this gap include TIF funding, tax credit programs, tax incentives, and public/private partnerships.
5 Inventory properties that might be good opportunity sites for potential public/private catalyst projects.	Public control of a property by the City, TIF agency, or other public agency provides the public with a valuable incentive with which to forge a public/private deal that provides public benefits that a private development might not. Examples include incentivizing the developer to build at greater density, mixed uses, design elements, transit-oriented or other design elements, and other public goods.
6 Continue to improve and streamline development regulations and review processes where possible, to reduce cost and time, and provide predictability.	The community and city work to be development and employer friendly.

7	Evaluate assisting in wetland mitigation to increase developable land inventory, including creating or partnering in a wetland mitigation bank	Significant and non-significant wetlands constrain a high percentage of Albany's "available" employment land. Costs of mitigating can be prohibitive for industrial users while on-site mitigation reduces usable site area and can be difficult for a business operator to maintain over time. Mitigation banks allow for off-site mitigation. Credits at existing banks can be difficult or expensive to obtain. A local bank would provide more certainty for mitigation; however, an extensive interagency process is involved.
8	Facilitate clean up and utilization of identified brownfield sites	Work with the appropriate agencies to identify requirements, as well as potential funding sources, to bring environmentally contaminated sites to productive use. Possible incentives include local and state tax abatement programs, and surcharge-based clean up funds.

TARGET INDUSTRIES AND BUSINESS DEVELOPMENT		
CORE INITIATIVE		
	Actions	Notes
SUPPORT AND EXPAND EMPLOYMENT IN TARGETED INDUSTRIES		
9	Adopt and regularly update target industry profiles.	Industry patterns can change significantly over time, and target industries should be assessed regularly for progress on metrics like job creation and new firms.
10	Maintain and enhance business outreach and communication.	Coordinate business cluster and employment district networking opportunities.
11	Develop a marketing plan to attract businesses within the identified target industry business sectors.	Assemble and distribute materials of specific interest to targeted industries and identify key industry groups.
	Actions	Notes
12	Support and engage regional and statewide partners.	Regularly meet and coordinate with groups such as AMEDC, the Chamber and Business Oregon. Promote available employment space and land.
13	Regularly update Oregon Prospector to promote available employment space and land to site selectors.	Ensure all key sites are listed and information is accurate and up to date.
14	Promote Albany Enterprise Zone and Opportunity Zone.	In all site listings and marketing materials, ensure the benefits of the existing zones are mentioned where applicable.
SUPPORT SMALL BUSINESS DEVELOPMENT		
15	Develop and/or market programs to assist emerging and under-capitalized firms	Technical assistance, micro loans, storefront improvement programs, master leases, and credit enhancement.
16	Evaluate development of incubator space.	A shared work or incubator space, often affiliated with a college, economic development agency, or other agency, to provide space for small but promising companies to work and collaborate in a subsidized environment while they grow.

<p>17 Evaluate development of shared fabrication space and/or “makers” collective.</p>	<p>Similar to (former) ADX in Portland, look for opportunities to repurpose existing space to support multi-tenant maker spaces. These provide small spaces for craftsmen and artisans to work and share tools and knowledge, to incubate new businesses. A good fit for a local economy with diverse manufacturing base and workforce.</p>
<p>18 Connect small business opportunities with property owners.</p>	<p>The City can serve as a clearinghouse or matchmaker, matching business needs with local property owners. This could include food carts, which can serve as an incubator for future food service tenants.</p>
<p>WORKFORCE INITIATIVES</p>	
<p>19 Support connections between local industry, K-12, LBCC, and OSU education and training courses.</p>	<p>Help match training programs to employers, potentially coordinating internships or regular interaction with local businesses. Ensure these programs address target industries in particular and stay up to speed on rapidly evolving industry norms and technology.</p>
<p>20 Promote workforce training resources.</p>	<p>Increase knowledge of existing resources for job seekers.</p>
<p>21 Ensure the housing policies allow for an appropriate mix of housing for the local workforce.</p>	<p>The community should strive to provide the full range of housing types and price points to meet the needs to the full workforce and encourage residents to both live and work in Albany.</p>
<p>22 Support local affordable housing developers</p>	<p>Low-wage positions are a key component of any local economy, and most industries rely on this workforce either primarily, or through their supporting firms. Subsidized affordable housing is one key segment of the workforce housing puzzle.</p>

APPENDIX A: LARGE INDUSTRIAL SITE SUMMARIES

This section provides additional detail on Albany's key employment land sites discussed in Section VI of this report. These sites make up a sizable part of the acreage found in the Buildable Lands Inventory, but many have challenges to development as noted in the profiles below.

1) Epping/Springer Industrial Site

Address:	3943 Pacific Boulevard
Tax Lot(s):	11S03W1900414
Zoning:	Light Industrial
Acreage:	36.2 acres
Constraints:	Several constraints in southern and western portion of property, including floodplain, wetlands, and BPA easement. The southern portion of the site is designated open space within the Oak Creek waterway, which may limit some industrial uses or require a buffer on the south end of the site. The BPA easement can be used for parking, storage, or stormwater mitigation, but not development.
Estimated Usable Acreage:	23-27 acres
Access:	Good access from Pacific Boulevard, a high-volume principal arterial and state highway. Roughly 900 feet of frontage. The site is roughly four miles from access to the I-5 freeway via the center of the city, or six miles via the less congested route to the south. Good visibility for businesses that require it. Rail access potential.
Notes:	Listed on Oregon Prospector (28 usable acres). Enterprise Zone.
Development Feasibility:	This site is not being actively marketed for sale by the owner but is listed on Oregon Prospector. The usable acreage is feasible industrial land, with road access and utilities. It can be considered short-term land supply.

2) Epping Regional Commercial Parcel (Piano Property)

Address:	East of Highway 99E, at 53 rd Avenue SW
Tax Lot(s):	11S03W1900500
Zoning:	Regional Commercial
Acreage:	36 acres total
Constraints:	There are some non-significant wetlands that split the southern third of the site east to west. The Transportation Systems Plan (TSP) describes a future street that would extend from the intersection of 53 Avenue and Pacific Boulevard eastward across the northernmost boundary of the property. This future street will likely entail some loss of acreage on this parcel to public right-of-way.
Estimated Usable Acreage:	33.7

Access:	Good access and retail visibility from Pacific Boulevard. Roughly 2,000 linear feet of frontage. However, the designation of Pacific Boulevard as a state highway may complicate the location of access points to this parcel. Access may also require signals and other off-site transportation improvements that will raise the cost of development.
Notes:	Not listed on Oregon Prospector. Enterprise Zone.
Development Feasibility:	The site is a good size for a regional commercial shopping center, with access and utility at the property line. The timing of build-out may be contingent on the continued build-out of residential neighborhoods in the area, to provide a critical density of customers to support a large retail center. Alternatively, one or more destination retailers (i.e., big box) that draw customers from a broader range may be viable. It can be considered short-term commercial land supply.

3) Wilt Industrial Property

Address:	East of Highway 99E, North of Ellingson Road
Tax Lot(s):	11S03W3000200
Zoning:	Industrial Park
Acreage:	50 acres
Constraints:	Site is covered by a web of non-significant wetlands.
Estimated Usable Acreage:	36 acres
Access:	<p>This site has access problems under current conditions and with a planned future street through the area. Currently, the site is accessible from S Ellingson Road which borders the property to the south. This section of Ellingson Road is currently a two-lane road, designated as a minor collector. The site does not have direct access to Pacific Boulevard, being separated by the heavy rail line to the west. Those traveling to and from the site must cross an at-grade rail crossing on Ellingson Road, which may serve as a barrier to some types of industrial users that require high truck traffic.</p> <p>Any new land user would have to make costly upgrades to this street to have adequate access; however, under the current TSP, <i>Ellingson is planned for obsolescence when a new future street is constructed from the north</i>. Therefore, it is very unlikely that any developer will want to use this site until it is made accessible via the future street.</p> <p>The site is roughly five miles from the I-5 freeway via Highways 99E and Highway 34 to the south. It does <i>not</i> have rail access potential.</p>
Notes:	Listed on Oregon Prospector (52 usable acres). Enterprise Zone.
Development Feasibility:	<p>This site has multiple development challenges that will make it difficult to develop in the short term. Ellingson Road is an inadequate facility for many businesses, but the cost of access improvements would likely be prohibitive even if the street could be used indefinitely.</p> <p>However, the TSP calls for a future street to provide access from the north, with Ellingson likely to lose its access to Pacific Boulevard. With this plan</p>

	<p>in place, it is very unlikely any land user will make the short-term improvements necessary to Ellingson Road. Therefore, this site is unlikely to see development in the short-term and development will likely be contingent on a larger transportation planning effort of the broader South Albany industrial area.</p> <p>The site also faces significant wetland constraints that will add cost to mitigate.</p>
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4) SVC/PepsiCo Industrial Site

Address:	East of Highway 99E, South of Ellingson Road
Tax Lot(s):	11S03W3000311; 11S03W3000500; 11S03W3000700; 11S03W3001100
Zoning:	Industrial Park
Acreage:	243 acres
Constraints:	Significant wetlands and riparian area split the northern quarter of the site from east to west. The remainder of the site is covered by a web of non-significant wetlands. There is currently a separate 165-acre property designated to mitigate wetlands from this site.
Estimated Usable Acreage:	178 acres (divisible)
Access:	<p>Access to this large site is complicated by the boundary of the heavy rail line to the west of the property. Currently access will have to be from Ellingson Road to the north and Beta Drive SW that borders the property to the south. Both of these sites are two-lane minor roads, with at-grade rail crossings between the site and Highway 99E, which may serve as a barrier to some types of industrial users that require high truck traffic. Access from the northernmost quarter of this property to the southern ¾ of the property is likely to be complicated by the bisecting creek and significant wetlands.</p> <p>As noted with Site #3, any new land user would have to make costly upgrades to these unimproved streets to have adequate access; however, under the current TSP, <i>Ellingson is planned for obsolescence when a new future street is constructed from the north</i>. Therefore, it is very unlikely that any developer will want to use this site until it is made accessible via the future street.</p> <p>The site is roughly five miles from the I-5 freeway via Highways 99E and Highway 34 to the south. It does <i>not</i> have rail access potential.</p>
Notes:	Listed on Oregon Prospector (247 usable acres). Enterprise Zone. Current asking price of this parcel is likely prohibitive for many potential industrial users.
Development Feasibility:	This site faces the same development challenges as those noted for Site #3 regarding the inadequacy of Ellingson Road for access, but the impracticality of improving this road when it is planned for obsolescence and a future street will provide access from the north and east.

	<p>With this plan in place, it is very unlikely any land user will make the short-term improvements necessary to Ellingson. Therefore, this site is unlikely to see development in the short-term and development will likely be contingent on a larger transportation planning effort of the broader South Albany industrial area.</p> <p>The site also faces significant wetland constraints that will add cost to mitigate.</p>
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5) Kempf Industrial Park

Address:	Three Lakes Road SE, South of Highway 20, East of I-5
Tax Lot(s):	11S03W1600704; 11S03W1600700; 11S03W1600601; 11S03W1600602
Zoning:	Industrial Park
Acreage:	66 acres
Constraints:	There are some non-significant wetlands on the southwest portion of the site.
Estimated Usable Acreage:	61.6 acres (divisible)
Access:	<p>The site has multiple direct access points, including Fescue Street SE to the north, and Three Lakes Road to the east. Highway 20 and freeway access lay 0.5 miles to the north. No rail access.</p> <p>However, the development of this site, along with the existing industrial development directly to the north is expected to exceed the amount of traffic that ODOT will permit to access Highway 20 near the I-5 interchange. The TSP outlines a future transportation circulation serving this area that includes new access from the northeast of the site. The TSP also shows an extension of Fescue Street bisecting this site vertically. The build-out of this site will be dependent on, and likely delayed by, solving these larger transportation problems through the area.</p> <p>Good visibility from the freeway for businesses that can benefit from it.</p>
Notes:	Listed on Oregon Prospector (67 usable acres). Enterprise Zone.
Development Feasibility:	This site features some advantages including freeway access and visibility. However, the site’s reliance on broader transportation improvements throughout the area is likely to make it a poor short-term development candidate.

Industrial sites within UGB

Two additional industrial sites are located outside of the city boundary, but within the UGB. Both of these sites represent theoretical long-term land supply. They both are currently farmed and feature very extensive coverage by non-significant wetlands. These sites may be potential candidates for a land swap to more beneficial locations adjacent to more feasible industrial areas.

6) Heyerly Industrial Property

Grand Prairie Road SE and I-5 (no freeway access)
11S03W1601500
Zoning: Light Industrial (outside Albany city limits)
Total Acres: 24.4
Developable Acres: 15.2 (non-significant wetlands on site)

7) Linn County Industrial Property

Grand Prairie Road SE and Three Lakes Road SE
11S03W1602300
Zoning: Light Industrial (outside Albany city limits)
Total Acres: 43.7
Developable Acres: 23.3 (non-significant wetlands on site)

APPENDIX B: INDUSTRY SITE REQUIREMENTS

This section presents a series of tables that summarize key site requirements for a range of prospective tenant types.⁷ This is followed by further discussion of needs for some industry sectors relevant to the local market.

The 14 site requirements listed on the matrix provide a basis for establishing a profile of the physical and other site needs of the identified industry. The site requirements are intended to address the typical needs of each of the industry categories, and it is recognized there will likely be unique or non-typical needs of a specific user that will need to be evaluated by on a case-by-case basis.

The following describes a few general requirements that apply to *all* industry type categories under consideration and then an overview of the 14 site requirements listed on the matrix.

General Requirements:

- The underlying zoning on the site must allow the use outright within the identified category. For example, no zone change, conditional use, and/or similar land use review is necessary. Many jurisdictions typically require a design or development review which is acceptable, since the timeframe for obtaining such design-related approvals will be addressed in the state's rating system.
- The site under consideration must be located geographically within a UGB.
- The site is not located within a 100-year floodplain as mapped by FEMA, although sites with approved FEMA map amendments (e.g., LOMA and LOMR) are acceptable.
- The net contiguous developable area (NCDA) of the site does not include hazardous contaminants as verified by a Level 1 Environmental Report or a Level 2 Report that has received a No Further Action approval from DEQ, or existing wetlands or other natural features which are regulated at the state, federal or local level; or federally endangered species.
- The NCDA does not contain any cultural or historical resources that have been identified for protection at the state, federal or local level.
- The NCDA does not have mitigation plans that can be implemented in 180 days or less.

Site Requirements:

1. **Total Site Size:** The site size is taken to mean the size of the building footprint and includes buffers, setbacks, parking, mitigation, and expansion space.
2. **Competitive Slope:** Most industrial uses require relatively large building footprints that do not accommodate steps in floor slabs, and sloping topography will require extensive excavation and retaining systems that increase development cost over flat sites. The figures given are the preferred maximum average slope across the developable portion of the site, recognizing that sites with additional area outside the building or developments

⁷ Business Oregon, Mackenzie.

with multiple building pads generally will have lower slope earthwork costs than sites with limited space outside the building footprint.

3. **Trip Generation:** Sites are frequently limited by a jurisdiction to a specified total number of vehicle trips entering and exiting the site. This site requirement is an estimate of the minimum number of average daily trips per acre (based on the range of building coverage) that should be available for each of the industrial categories based on the Institute of Traffic Engineers (ITE) Manual-Ninth Edition. The following table lists the ITE codes used to estimate average trips for the industry profiles represented in the matrix.
4. **Miles to Interstate or Freight Route:** With few exceptions, access to major freeways or freight routes is critical for the movement of goods. This site requirement indicates the typical maximum range of distance, in miles, from the site to the freeway or highway access. The roadways/intersections between the site and freeway/highway must generally operate at a level of service 'D' or better in accordance with the Highway Capacity Manual methodologies and general engineering standards.
5. **Miles to Frequent Transit Service:** Businesses located within walking distance (within one-quarter of a mile) to a bus stop that is serviced by a frequent bus line enjoy a competitive advantage over others that are more limited in transportation access options.⁸
6. **Railroad Access:** The need for access to railroad for the movement of goods within each industrial category is dependent upon individual users, so the site requirements are identified as either "Preferred," "Not Required," or "Avoid" in some cases where the presence of rail may be considered a deterrent to business.
7. **Proximity to Marine Port:** The need for access to a marine port for the movement of goods within each industrial category is dependent upon individual users.
8. **Proximity to International/Regional Airport:** The need for access to a regional airport for the movement of goods or business travel within each industrial category is dependent upon individual users.
9. **Availability of Water:** This requirement indicates the minimum sizes of domestic water and fire lines immediately available to the site. In certain rural cases, a comparable supply from an on-site water system (i.e., well or reservoir with available water rights) may be acceptable. In addition to line sizes, preference for high-pressure water capabilities and average flow demand in gallons per day is specified for each industry type.
10. **Availability of Sanitary Sewer:** This requirement indicates the minimum size of public sanitary sewer service line immediately available to the site. In certain rural cases, an on-site subsurface system providing a comparable level of service may be acceptable. Sewer flow requirements were determined by calculating a percentage of the water flow for each industry type.
11. **Natural Gas:** This requirement indicates the minimum size natural gas line that is immediately available to the site. It is assumed the pressure demand for all industry categories is 40-60 psi.
12. **Electricity:** This requirement indicates the minimum electrical demand readily available to each industry and where proximity to a substation and redundancy dependency rank on the continuum of less critical to more critical. Estimated demand is based on review of existing usage from local utility providers, referencing industrial NAICS codes for the various profiles.

⁸ We have defined "frequent bus line" as one with service occurring in no longer than 15 minute intervals.

13. **Telecommunications:** This requirement indicates whether the availability of telecommunication systems are readily available, and where major commercial capacity, route diversity and fiber optic lines rank on the continuum of less critical to more critical. All sites are assumed to have a T-1 line readily available.

14. **Special Considerations:** 1 Notes on industry-specific factors.

PROFILE		A	B	C	D	E	F	G	H	I	J
		Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
CRITERIA											
GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.									
PHYSICAL SITE											
1	TOTAL SITE SIZE* Competitive Acreage**	5 - 100+	5 - 15	5 - 20	5 - 25+	5 - 50+	20 - 100+	10 - 100+	5 - 20	10 - 100+	5 - 25+
2	COMPETITIVE SLOPE: Maximum Slope	0 - 5%	0 - 7%	0 - 7%	0 - 5%	0 - 5%	0 - 7%	0 - 3%	0 - 7%	0 - 7%	0 - 5%
TRANSPORTATION											
3	TRIP GENERATION: Average Daily Trips per Acre	40 - 60	80 - 200 ₁	120 - 240 ₂	50 - 60	40 - 50	60 - 150	50 - 60 ₃	400 - 500 ₄	20 - 30	40 - 50
4	MILES TO INTERSTATE OR FREIGHT ROUTE: Miles	w/in 10	w/in 5	w/in 5	w/in 30	w/in 20	w/in 5	w/in 5	w/in 5	w/in 30	N/A
5	MILES TO FREQUENT TRANSIT SERVICE (15 MIN OR LESS) Miles	0.6	0.5	0.8	< 0.1	0.2	0.1	0.3	< 0.1	0.1	< 0.1
6	RAILROAD ACCESS: Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Avoid	Avoid	N/A
7	PROXIMITY TO MARINE PORT: Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Not Required	Not Required	N/A
8	PROXIMITY TO INTERNATIONAL/REGIONAL AIRPORT: Dependency	Competitive	Required	Preferred	Preferred	Preferred	Required	Not Required	Not Required	Competitive	N/A
	Distance (Miles)	This criteria cannot be met in Eastern Oregon									

PROFILE		A	B	C	D	E	F	G	H	I	J	
		Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator	
CRITERIA												
UTILITIES												
9	WATER:	Min. Line Size (Inches/Dmtr)	12" - 16"	6" - 8"	8" - 10"	12" - 16"	6" - 10"	8" - 12"	6" - 10"	8" - 12"	16"	4" - 8"
		Min. Fire Line Size (Inches/Dmtr)	12" - 18"	8" - 10"	8" - 12"	10" - 12"	8" - 10"	8" - 12"	8" - 10"	8" - 12"	10"-12"	6" (or alternate source)
		High Pressure Water Dependency	Required	Not Required	Not Required	Required	Not Required	Preferred	Not Required	Not Required	Required	Not Required
		Flow (Gallons per Day per Acre)	5,200	1,200	1,500	3,150	1,850	2,450	1,200	1,800 _s	50 - 200 [†]	1,200
10	SEWER:	Min. Service Line Size (Inches/Dmtr)	12" - 18"	6" - 8"	8" - 10"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	6" - 10"	8" - 10"	4" - 6" (or on-site source)
		Flow (Gallons per Day per Acre)	4,700	1,000	2,000	2,600	1,700	2,000	1,000	1,500 _s	1,000 [‡]	1,000
11	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Dmtr)	6"	4"	4"	4"	4"	6"	4"	4" - 6"	4"	N/A
		On Site	Competitive	Preferred	Competitive	Preferred	Competitive	Competitive	Preferred	Competitive	Preferred	Preferred
12	ELECTRICITY:	Minimum Service Demand	4 - 6 MW	1 - 2 MW	0.5 - 1 MW	2 - 6 MW	0.5 MW	2 - 6 MW	0.5 MW	0.5 - 1 MW	5 - 25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Preferred	Not Required	Preferred	Competitive	Not Required	Preferred	Required, could be on site	Not Required
		Redundancy Dependency	Preferred	Preferred	Preferred	Not Required	Not Required	Competitive	Not Required	Preferred	Required	Not Required
13	TELECOMMUNICATIONS:	Major Communications Dependency	Required	Required	Required	Preferred	Required	Required	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Required	Required	Required	Not Required	Not Required	Required	Preferred	Preferred	Required	Not Required
		Fiber Optic Dependency	Required	Required	Required	Preferred	Preferred	Required	Competitive	Preferred	Required	Not Required

PROFILE		A	B	C	D	E	F	G	H	I	J
CRITERIA		Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
14	SPECIAL CONSIDERATIONS:	<p>Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.</p>	<p>1: Research & Development @ 80 ADTs per acre on the low end, estimated 200 ADTs per acre for general office on the high end. Location specific.</p>	<p>2: Range represents FAR 0.25 - 0.5 of office uses. Location to other cluster industries.</p>	<p>May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.</p>	<p>Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.</p>	<p>High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.</p>	<p>3: General warehousing rates</p>	<p>4: Based on discount warehouse @ 0.25 FAR 5: Dependent on use, i.e., brewery vs. restaurant Location to cluster industries.</p>	<p>Site size differs due to land cost and availability. Urban-area centers may require 10-20 acres, while E. Oregon centers will typically use larger sites. Also the trend is towards increasing site size as cloud storage needs continue to increase. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.</p>	<p>Often established by municipalities and have symbiotic relationships with colleges and/or universities.</p>

Terms:

<p>More Critical</p> <p>↑</p> <p>Less Critical</p>	<p>'Required' factors are seen as mandatory in a vast majority of cases and have become industry standards.</p>
	<p>'Competitive' significantly increases marketability and is <i>highly recommended by Business Oregon</i>. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.</p>
	<p>'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.</p>
	<p>'Not Required' does not apply for this industry and/or criteria.</p>
	<p>'Avoid' factors act as deterrents to businesses in these industries because of negative impacts.</p>
<p>*Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.</p>	
<p>**Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.</p>	
<p>† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).</p>	
<p>‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.</p>	

Industry profiles

The following provides supplemental information for the attached Industrial Development Profile Matrix. The preceding matrix identifies 10 industry type categories (labeled A-J on the matrix) and 14 “site needs” which will assist in evaluating selected sites using the criteria of a given industry type.

The industry categories have been established based primarily on Business Oregon information (including input from various state agencies). Due to the wide range and constantly evolving characteristics of uses, borderline and/or non-typical applications will likely arise and will be evaluated on a case-by-case basis. It should be noted that certain industry types might have unique requirements, such as proximity to an international airport, which may require an additional category. It should also be noted that the industry types represent the primary use of the industry and exclude secondary/accessory uses (e.g., training facilities, etc.).

A: Food Processing

a) Description:

Generally, this category includes industries that manufacture or process foods and beverages for human or animal consumption. Although this category has similar siting characteristics as Other Manufacturing, the unique needs associated with food processing, such as high-volume water and/or pressure demand, warrant this separate category. Broadly, there are two types of food processing categories:

- (1) raw materials
- (2) assembling

Additionally, there is a packaging and warehousing component to these facilities.

b) Representative Industry Types:

- Production foods/goods (e.g., bakeries)
- Fruits and vegetables
- Breweries and wineries
- Dairy
- Bottling/beverages

c) Representative Companies:

- | | |
|-------------------------------------|----------------------------------|
| • Oregon Freeze Dry (Albany) | • Norpac (Salem and Stayton) |
| • Ochoas Queseria (Albany) | • Tillamook Dairy (Tillamook) |
| • Beaverton Foods, Inc. (Hillsboro) | • Coca Cola bottling (statewide) |
| • Hermiston Foods (Hermiston) | • Pepsi bottling (statewide) |
| • Nancy’s Yogurt (Eugene) | • Deschutes Brewery (Bend) |
| • Reser’s Foods (Beaverton) | |

B: Other Manufacturing

a) Description:

This category is intended to include industries that utilize relatively less intensive manufacturing processes, more assembly activities, and direct transfer to wholesale and domestic consumers. Typically, these facilities are freestanding, devoted to a single use, and emphasize manufacturing space over office space. Generally, these non-high-tech industries may be located on individual sites or in business/industrial parks and have less effect on surrounding uses. This category also includes some industrial service uses that are engaged in serving other businesses, such as an industrial laundry facility.

b) Representative Industry Types:

- Electronic assembly support

- Wood products
- Automobile products
- Steel/metals
- Building materials fabrication and processing

c) *Representative Companies:*

- Warn Industries (Clackamas)
- JV Northwest (Canby)
- Hartung Glass (Wilsonville)
- Oregon Iron Works (Clackamas)
- Daimler Trucks North America (Portland)
- Maxim Integrated (Beaverton and Hillsboro)
- Oregon Steel Mills (Portland)

C: Wholesaling

a) *Description:*

The wholesale industry comprises companies involved in wholesaling merchandise and other goods such as mining, agriculture, manufacturing, and certain information industries. This industry typically represents an intermediate step in the production and distribution of goods and merchandise, as wholesalers generally sell goods intended for resale by a retailer. In some cases, users and customers may purchase these goods directly from a wholesaler with a retailer.

b) *Representative Industry Types:*

- Automobile and Other Motor Vehicle Merchant Wholesalers
- Furniture Merchant Wholesalers
- Office Equipment Merchant Wholesalers
- Hardware Merchant Wholesalers
- Farm and Garden Machinery and Equipment Merchant Wholesalers
- Sporting and Recreational Goods and Supplies Merchant Wholesalers

c) *Representative Companies:*

- Cascade Wholesale Hardware
- Costco Wholesale
- Pearlier Auto Wholesale

D: Incubator

a) *Description:*

This industry type is often established by local municipalities and has a symbiotic relationship with colleges and universities within the vicinity. Business incubators are designed to help new and small businesses in the start-up and early growth phases of development through providing a flexible combination of business development tools, facilities and resources, and personal contacts.

b) *Representative Industry Types:*

- Not applicable for this industry type, as the incubators serve as cultivating space for several uses to grow in their nascent business stages.

c) *Representative Examples:*

- Launch Pad Baker City
- Microenterprise Investors Program of Oregon (Portland)
- BESThq (Beaverton)

- Forge Portland
- WeWork (Portland)
- Hacienda CDC (Portland)
- Fertilab Thinkubator (Eugene)

E: Data Center

a) Description:

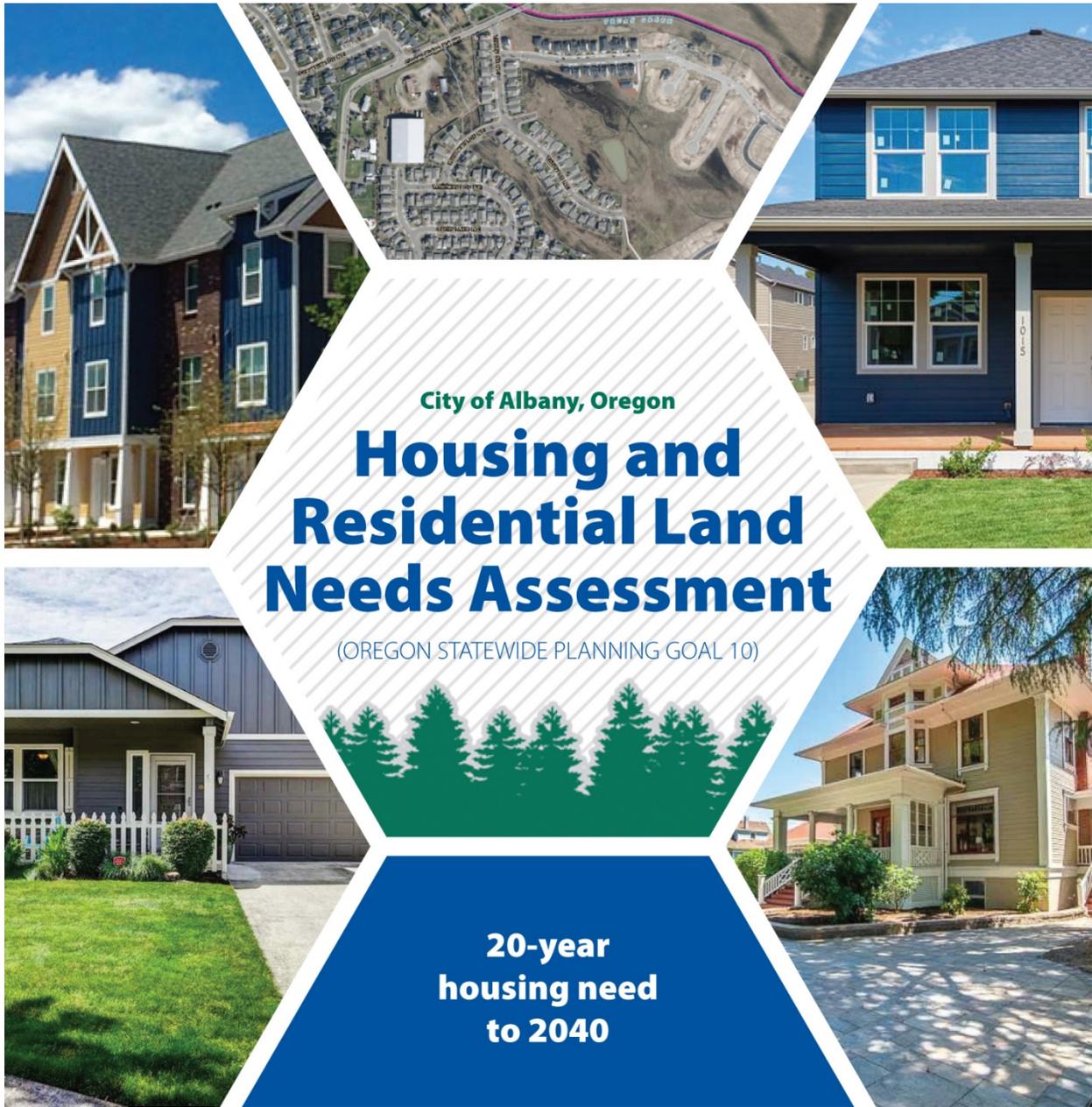
Data centers are classified under NAICS 5182: Data Processing, Hosting, and Related Services. We consider them separately from other “information and software” activities because the land and utility needs are far different. Over the just the last five years, unprecedented growth in demand for data hosting has developed an entirely new segment of the industrial landscape in Oregon attracted to a generally temperate climate, low overall disaster risk, low utility rates from renewable sources, and abundant water.

The growth outlook for data center siting is strong, as high growth rates for streaming, software as a service (SaaS), and cloud data and processing across the industry creates an accelerating need for hosting services. Global data center demand is expected to grow threefold over just the next five years.⁹ Key areas like the Columbia Basin, Central Oregon, and Hillsboro compete for these industrial users.

b) Representative Companies:

- Vadata
- Google
- Apple
- Facebook
- ViaWest
- Adobe

⁹ Cisco Global Cloud Index (2015).



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I. INTRODUCTION

This analysis outlines a forecast of housing need within the City of Albany to 2040. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections to 2040 consistent with 20-year need assessment requirements of Oregon Revised Statutes¹ and Oregon Administrative Rule 660 Division 8 (statewide planning Goal 10, Housing). The analysis provides a snapshot of Albany's demographics, describes the characteristics of the existing mix and density of Albany's housing stock and residential development trends, and evaluates housing affordability. This information and population forecasts were used to project Albany's future housing needs over the 20-year period.

The primary data sources used in generating this forecast were:

- Portland State University Population Research Center
- U.S. Census
- Environics Analytics, Inc.²
- Oregon Employment Department
- City of Albany
- Linn County/Benton County
- Other sources are identified as appropriate.

This analysis reflects the coordinated population forecast from the Oregon Population Forecast Program at the Population Research Center (PRC) at Portland State University (PSU). State legislation passed in 2013 made the PRC responsible for generating the official population forecasts to be used in Goal 10 housing analyses in Oregon communities outside of the Portland Metro area (ORS 195.033). The population forecasts used in this analysis were generated in 2017.

This analysis relies heavily on Census data from both the Decennial Census, and the American Community Survey (ACS). Generally, data from the ACS has a larger statistical margin of error than the ten-year Census. This analysis relies whenever possible on the most recent ACS five-year estimates. The five-year estimates have the lowest margin of error in comparison to the ACS three-year and one-year estimates. All Census data feature some margin of error but remain the best source of data available on many demographic and housing subjects.

II. CITY OF ALBANY DEMOGRAPHIC PROFILE

SUMMARY

The following table (Figure 2.1) presents a profile of City of Albany demographics from the 2000 and 2010 Census. This includes the city limits of Albany, as well as areas currently included within the Urban Growth Boundary (UGB) in Linn and Benton Counties. It also reflects the estimated population of this area as of 2018 from PSU estimates.

- Albany is a City of nearly 54,000 people (City), and over 55,000 people (UGB), located mostly in Linn County in mid-Willamette Valley. The neighborhood of North Albany is located in Benton County. The Albany UGB includes roughly 11,350 acres in Linn County, and 2,550 acres in Benton County (or 18 percent of the total area).

¹ ORS 197.628; OAR 660-025

² Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

- Based on the UGB population, Albany is the 11th largest city in the state by population, the largest in Linn County, and is currently the second largest in Benton County. Albany is similar in size to its neighboring city of Corvallis, and statewide is also similar in size to Springfield and Tigard.
- Albany has experienced strong growth, growing an estimated 32 percent since 2000. In contrast, Linn County and the state experienced population growth of 22 percent and 23 percent respectively (US Census and PSU Population Research Center).
- Albany was home to an estimated 21,750 households in 2019, an increase of 5,200 households since 2000. The percentage of families remained steady between 2000 and 2019 from 65 percent of all households. Average household size has remained flat during this period. The city has a smaller share of family households than Linn County (68 percent) but higher than the state (63 percent).
- Albany's estimated average household size is 2.50 persons, using the 2010 figure. This is somewhat less than the Linn County average of 2.59 and greater than the statewide average of 2.47.

FIGURE 2.1: ALBANY DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2019	Growth
	(Census)	(Census)	00-10	(PSU)	10-19
Population ¹	41,895	51,438	23%	55,201	7%
Households ²	16,549	20,246	22%	21,517	6%
Families ³	11,105	13,248	19%	14,072	6%
Housing Units ⁴	17,817	21,514	21%	22,805	6%
Group Quarters Population ⁵	687	824	20%	1,410	71%
<i>Household Size (non-group)</i>	<i>2.49</i>	<i>2.50</i>	<i>0%</i>	<i>2.50</i>	<i>0%</i>
<i>Avg. Family Size</i>	<i>2.99</i>	<i>3.01</i>	<i>1%</i>	<i>3.07</i>	<i>2%</i>
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2019	Growth
	(Census)	(Census)	00-10	(Proj.)	10-19
Per Capita (\$)	\$18,570	\$22,236	20%	\$26,978	21%
Median HH (\$)	\$39,409	\$46,638	18%	\$54,275	16%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

¹ From PSU Population Forecast Program, growth rate from final forecast for Linn/Benton Co. (2017)

² 2019 Households = (2019 population - Group Quarters Population)/2019 HH Size

³ Ratio of 2019 Families to total HH is based on 2017 ACS 5-year Estimates

⁴ 2019 housing units are the '10 Census total plus new units permitted from '10 through '19 (source: Census, Cities)

⁵ 2019 estimate from City of Albany.

A. POPULATION GROWTH

Since 2000, Albany has grown by roughly 13,300 people within the UGB, or 32 percent in 19 years. This was greater than the countywide and statewide rate of growth. In comparison, the population of Corvallis grew by an estimated 20 percent during this period.

B. HOUSEHOLD GROWTH AND SIZE

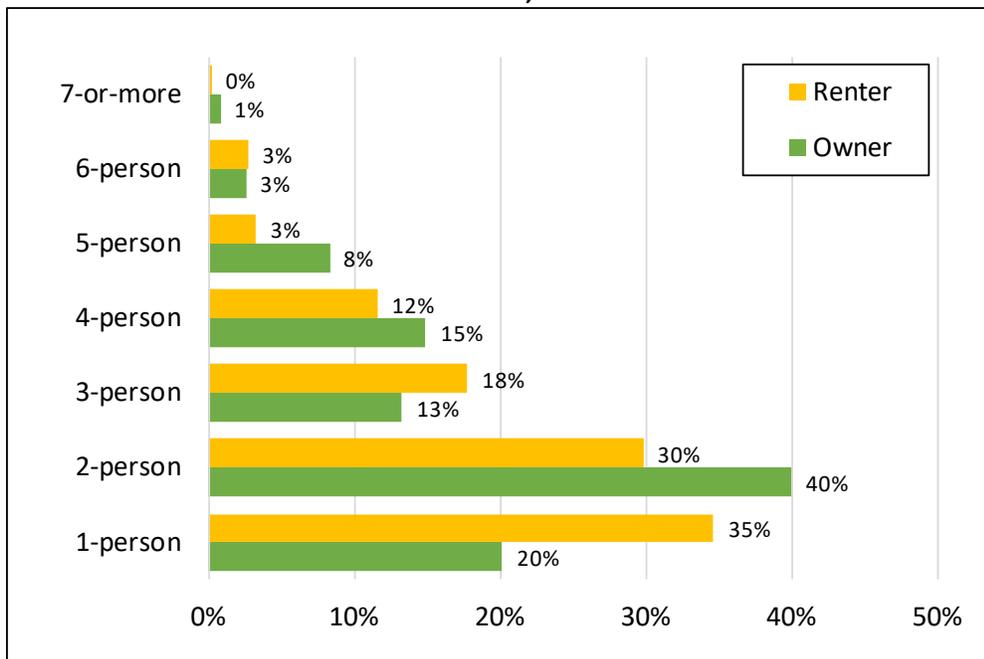
As of 2019, the city has an estimated 21,500 households. Since 2000, Albany has added an estimated 4,970 households. This is an average of roughly 260 households annually during this period. The growth since 2000 has roughly kept pace with the growth in new housing units, which have been permitted at the rate of just under 270 units per year.

Household growth has kept pace with population growth reflecting that the average household size has remained steady. There has been a general trend in Oregon and nationwide toward declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Albany has resisted this trend.

Albany’s average household size of 2.5 people, with 65 percent family households, is slightly smaller than Linn County (2.59; 68 percent).

Figure 2.2 shows the share of households by the number of people for renter and owner households in 2017 (latest available), according to the Census. Renter households are more likely to have a single person, or two persons, and less likely to have more than three people. Owner households are more likely to have two persons (older couples and single parents) or more than three persons. Household size correlates to housing needs.

FIGURE 2.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF ALBANY



SOURCE: US Census, JOHNSON ECONOMICS LLC
 Census Tables: B25009 (2017 ACS 5-yr Estimates)

C. FAMILY HOUSEHOLDS

As of the 2010 Census, 67 percent of Albany households were family households, roughly equal to 2000. By the most recent American Community Survey, the share of family households is estimated to have fallen slightly to 65 percent. The number of family households in Albany is estimated to have grown by roughly 2,970 since 2000.

The Census defines family households as two or more persons, related by marriage, birth, or adoption and living together. In 2017, family households in Albany had an average size of 3.1 people.

D. GROUP QUARTERS POPULATION

The City of Albany has an estimated group quarters population of 2.6 percent of the total population, or 1,410 persons. Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. For the purposes of this analysis, these residents are removed from the estimated population total, before determining the amount of other types of housing that is needed for non-group households. (The share of group quarters population is assumed to remain steady over the 20-year forecast period.)

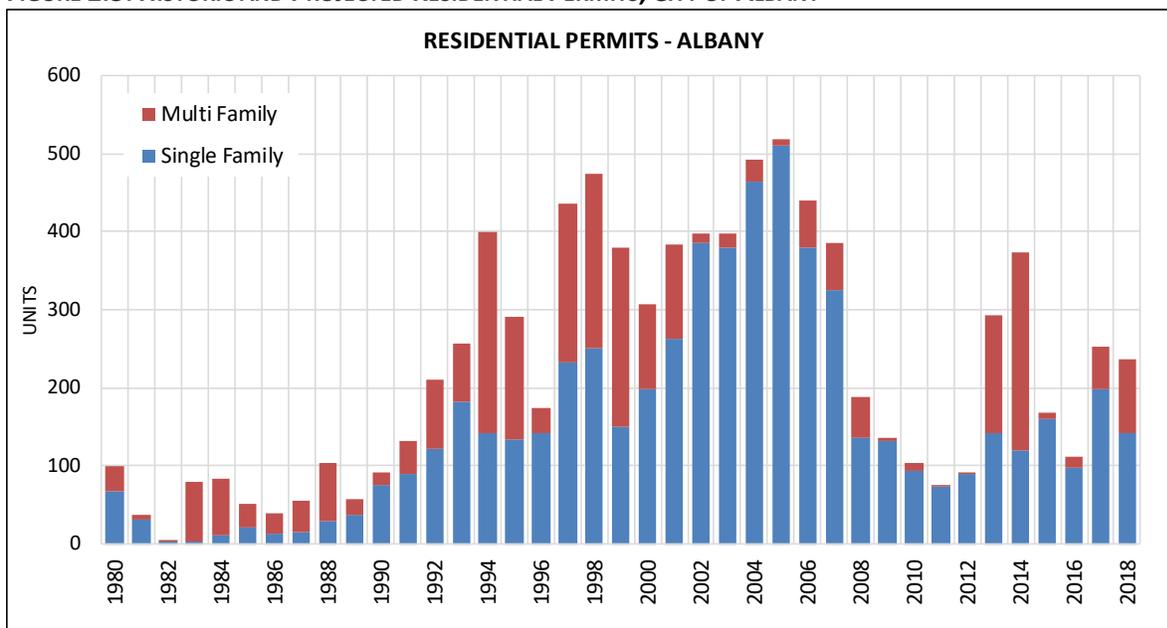
E. HOUSING UNITS

Data from the City of Albany and the US Census indicate that the city added just under 5,000 new housing units since 2000, representing 28 percent growth in the housing stock. This number of new units is very close to the growth in new households estimated during the same period (4,970), indicating that housing growth has just kept pace with need.

As of 2018, the city had an estimated housing stock of roughly 22,805 units for its 21,500 estimated households. This translates to an estimated average vacancy rate of 5.6 percent.

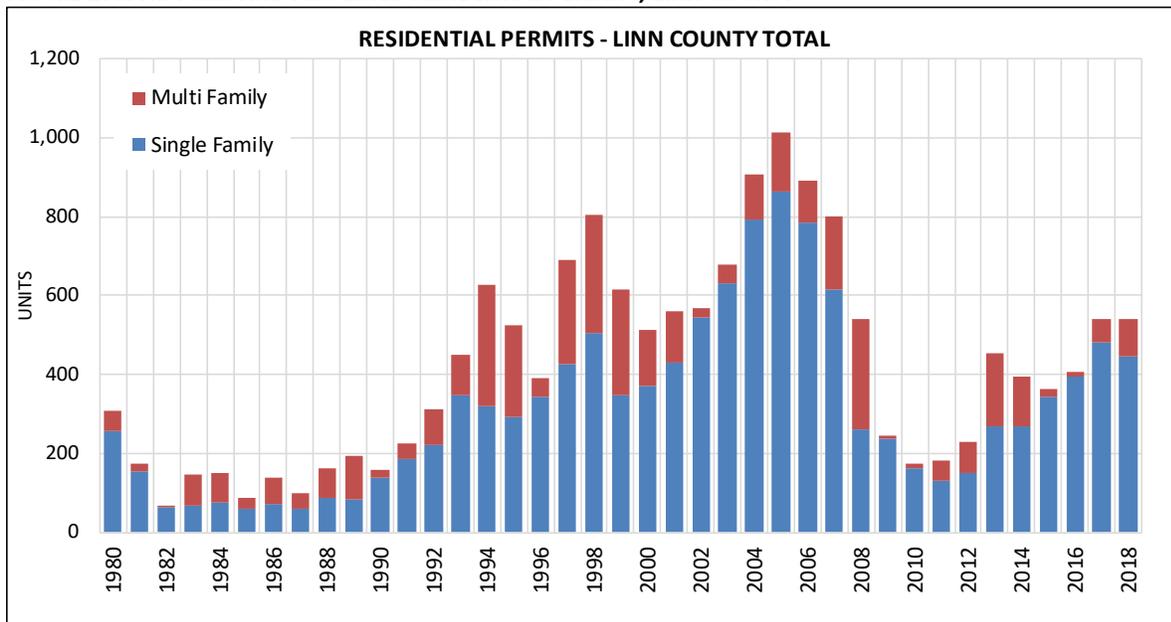
Residential Permits: An average of 300 units have been permitted in the City annually since 2000, with 20 percent being multi-family units. Residential permits in Linn County have averaged 550 per year since 2000, with the majority being single-family homes. After experiencing some multi-family development prior to the 2008 recession, permitting has been relatively slow for the past decade.

FIGURE 2.3: HISTORIC AND PROJECTED RESIDENTIAL PERMITS, CITY OF ALBANY



SOURCE: HUD

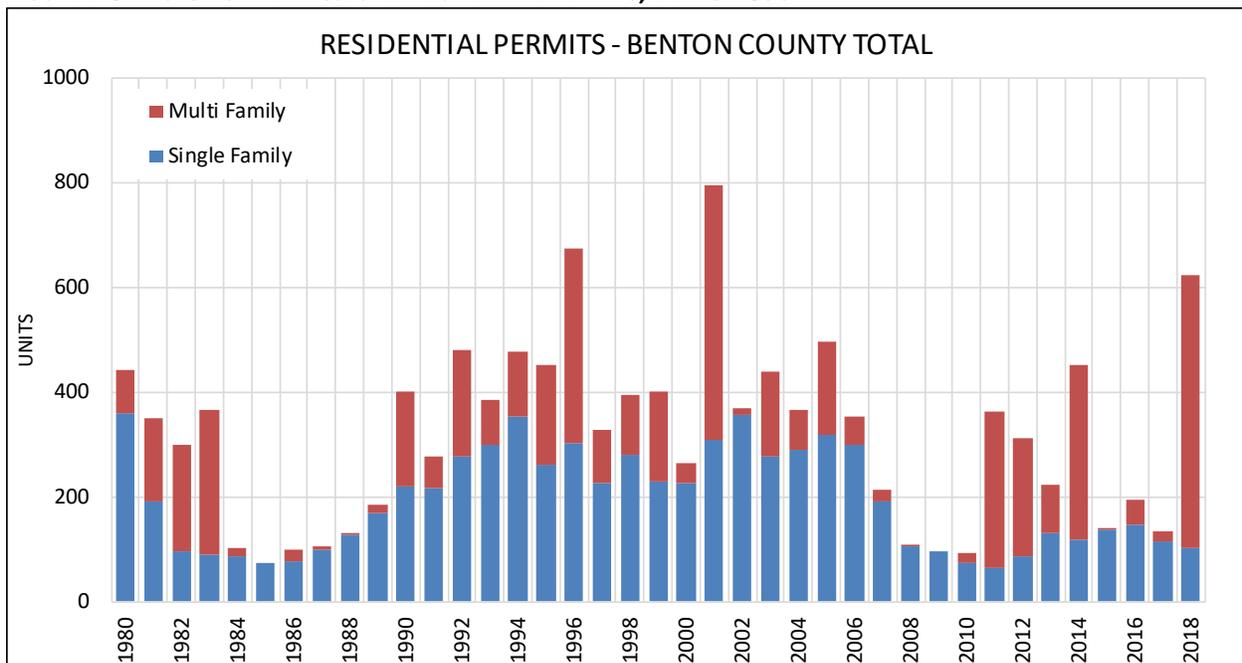
FIGURE 2.4: HISTORIC AND PROJECTED RESIDENTIAL PERMITS, LINN COUNTY



SOURCE: HUD

Much of Albany’s residential growth since 2000 has been in North Albany, in Benton County. Benton County has seen less overall housing permitting activity than Linn County in that period, at roughly 6,050 total units to 10,000 total units. Benton County has seen a much higher percentage of permitted units being multi-family (43 percent), compared to Linn (18 percent). This is attributable to the need for college student housing in Corvallis where there have been periodic surges in enrollment at Oregon State University and a corresponding surge in multi-family development in the 1990s and since 2011.

FIGURE 2.5: HISTORIC AND PROJECTED RESIDENTIAL PERMITS, BENTON COUNTY



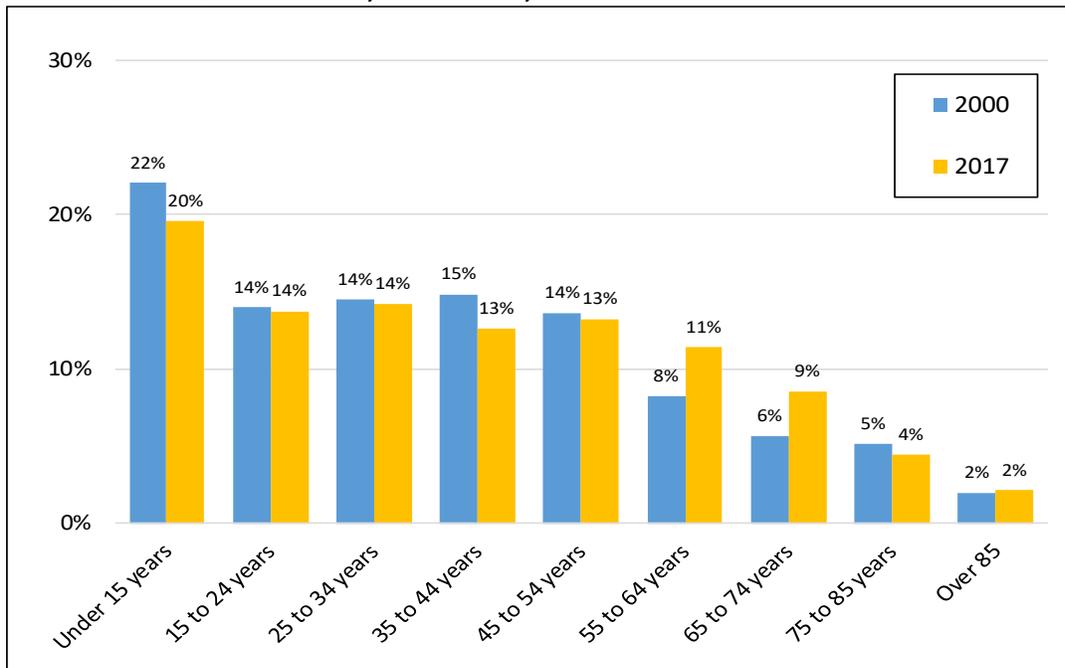
SOURCE: HUD

F. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent five-year American Community Survey estimates. As the chart shows, there is a general trend for middle age cohorts to fall as share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. At the same time, the number of younger people has remained fairly steady as a share of population.

- The cohorts which grew in share during this period were those aged 55 to 74 years. Still, an estimated 85 percent of the population is under 65 years of age.
- In the 2017 ACS, the local median age was an estimated 37 years, compared to 38 years in Oregon.

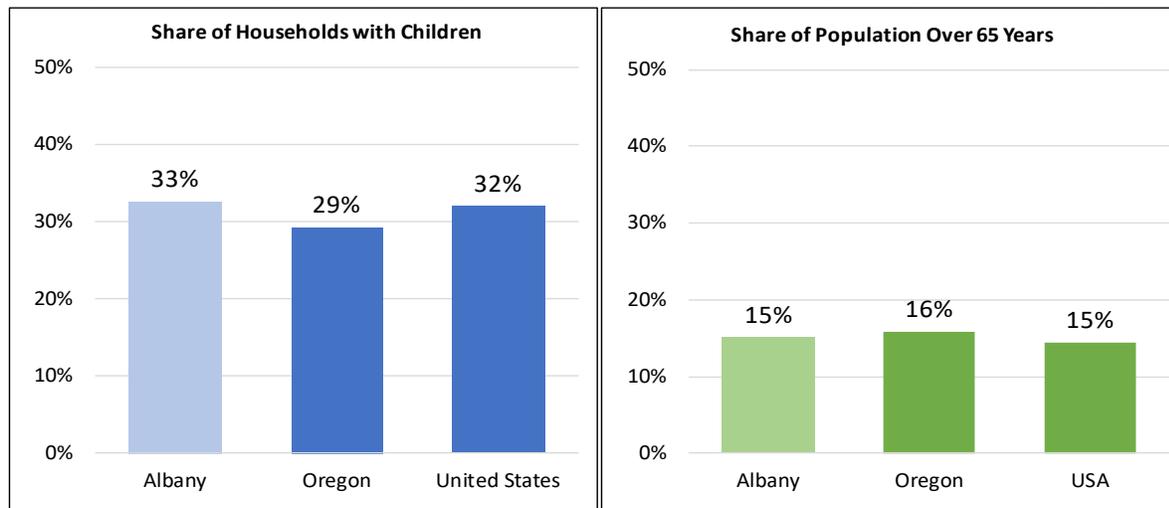
FIGURE 2.6: AGE COHORT TRENDS, 2000 – 2017, ALBANY



SOURCE: US Census, JOHNSON ECONOMICS LLC
 Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

Figure 2.7 presents the share of households with children and the share of population over 65 years for comparison. Compared to state and national averages, Albany has a similar share of households with children as the national average, but higher than the statewide figure. The share of population over 65 is similar to the state and national figures.

FIGURE 2.7: SHARE OF HOUSEHOLDS WITH CHILDREN/POPULATION OVER 65 YEARS



SOURCE: US Census, JOHNSON ECONOMICS LLC
 Census Tables: B11005; S0101 (2017 ACS 5-yr Estimates)

G. INCOME TRENDS

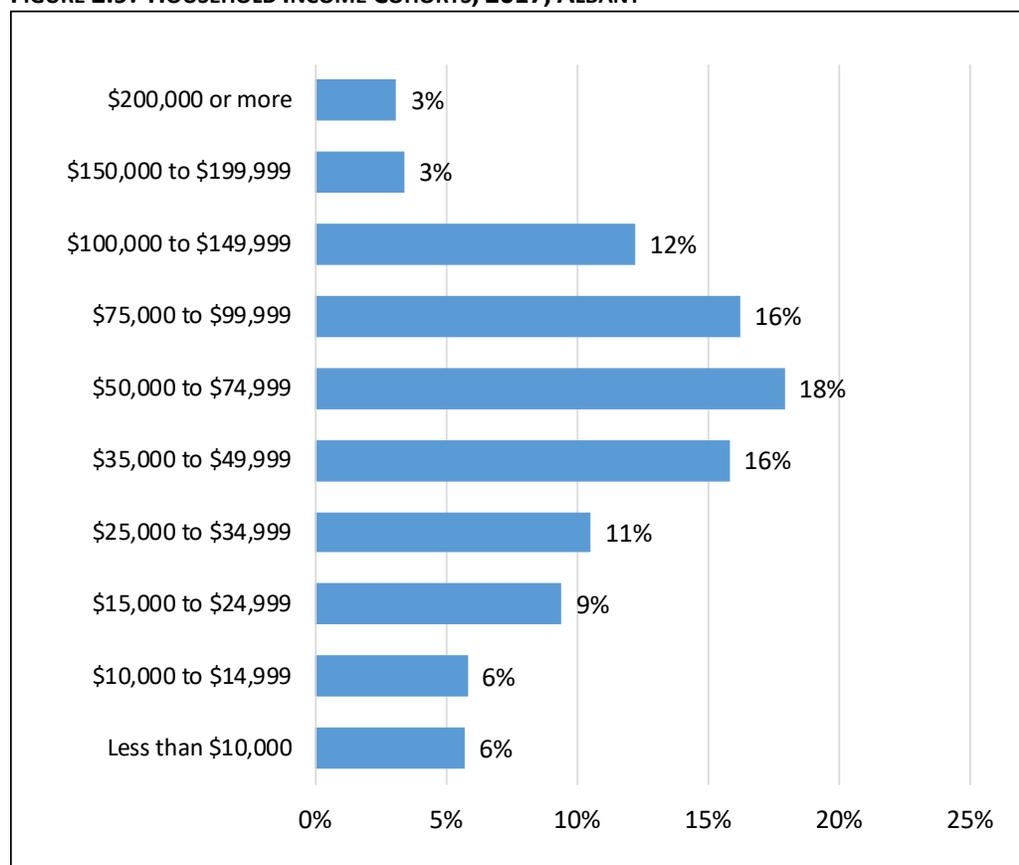
The following figure presents data on Albany’s income trends.

FIGURE 2.8: INCOME TRENDS, 2000 – 2019, ALBANY

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2019	Growth
	(Census)	(Census)	00-10	(Proj.)	10-19
Per Capita (\$)	\$18,570	\$22,236	20%	\$26,978	21%
Median HH (\$)	\$39,409	\$46,638	18%	\$54,275	16%

SOURCE: Census, PSU Population Research Center, and Johnson Economics
 Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

- Albany’s estimated median household income was \$54,000 in 2019. This is eight percent higher than the Linn County median of \$49,500, and slightly lower than the state median of \$56,000.
- Albany’s per capita income is roughly \$27,000.
- Median income has grown an estimated 45 percent between 2000 and 2019, in real dollars. Inflation was an estimated 45 percent over this period, so the local median income has roughly kept pace with inflation. This is not the case in many regions and nationally, where income growth has not kept pace with inflation.

FIGURE 2.9: HOUSEHOLD INCOME COHORTS, 2017, ALBANY

SOURCE: US Census, Census Tables: S1901 (2017 ACS 5-yr Est.)

Figure 2.9 presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$50k and \$75k, followed by the nearest cohorts. Fifty percent of households earn between \$35,000 and \$100,000.

- 47 percent of households earn less than \$50k per year, while 53 percent of households earn \$50k or more.
- 21 percent of households earn \$25k or less.

H. POVERTY STATISTICS

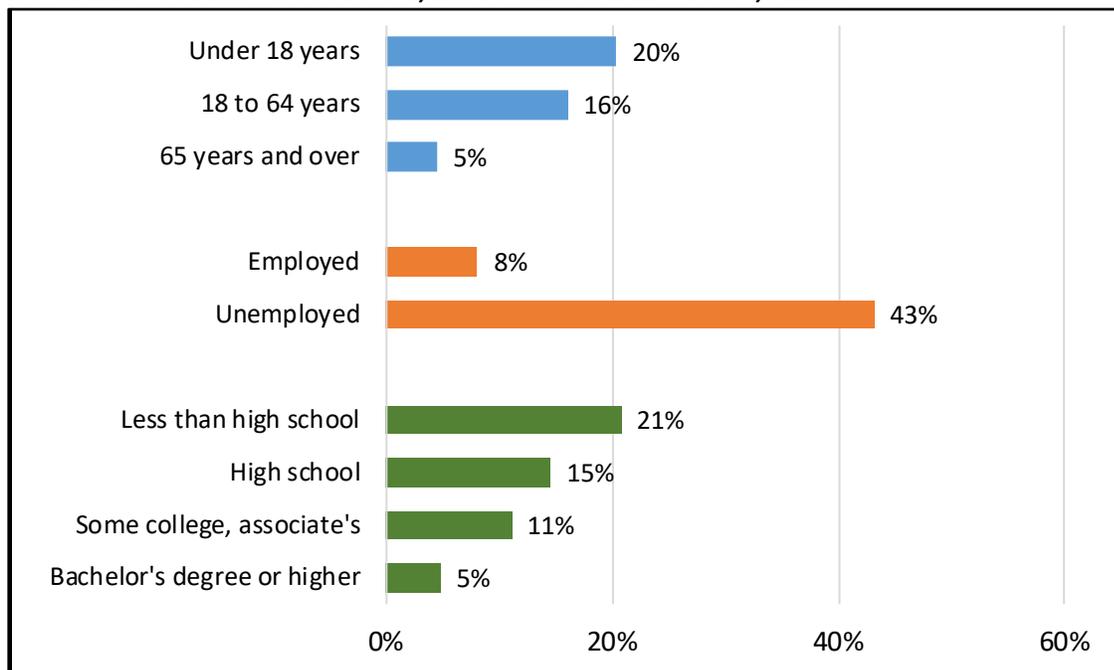
According to the US Census, the official poverty rate in Albany is an estimated 15.4 percent over the most recent period reported (2017 five-year estimates).³ This is roughly 8,500 individuals in Albany. In comparison, the official poverty rate in Linn County is 16 percent, and at the state level is 17 percent. In the 2013-17 period:

- The Albany poverty rate is highest among those under 18 years of age at 20 percent. The rate is 16 percent among those between 18 and 64 years of age. The estimated rate is lowest for those 65 and older at just five percent.
- For those without a high school diploma the poverty rate is 21 percent. For those with a high school diploma only, the rate is 15 percent.
- Among those who are employed the poverty rate is eight percent, while it is 43 percent for those who are unemployed.

³ Census Tables: S1701 (2017 ACS 5-yr Estimates)

Information on affordable housing is presented in Section II F of this report.

FIGURE 2.10: POVERTY STATUS BY AGE, EMPLOYMENT AND EDUCATION, ALBANY



SOURCE: US Census
Census Tables: S1701 (2017 ACS 5-yr Est.)

I. EMPLOYMENT LOCATION TRENDS

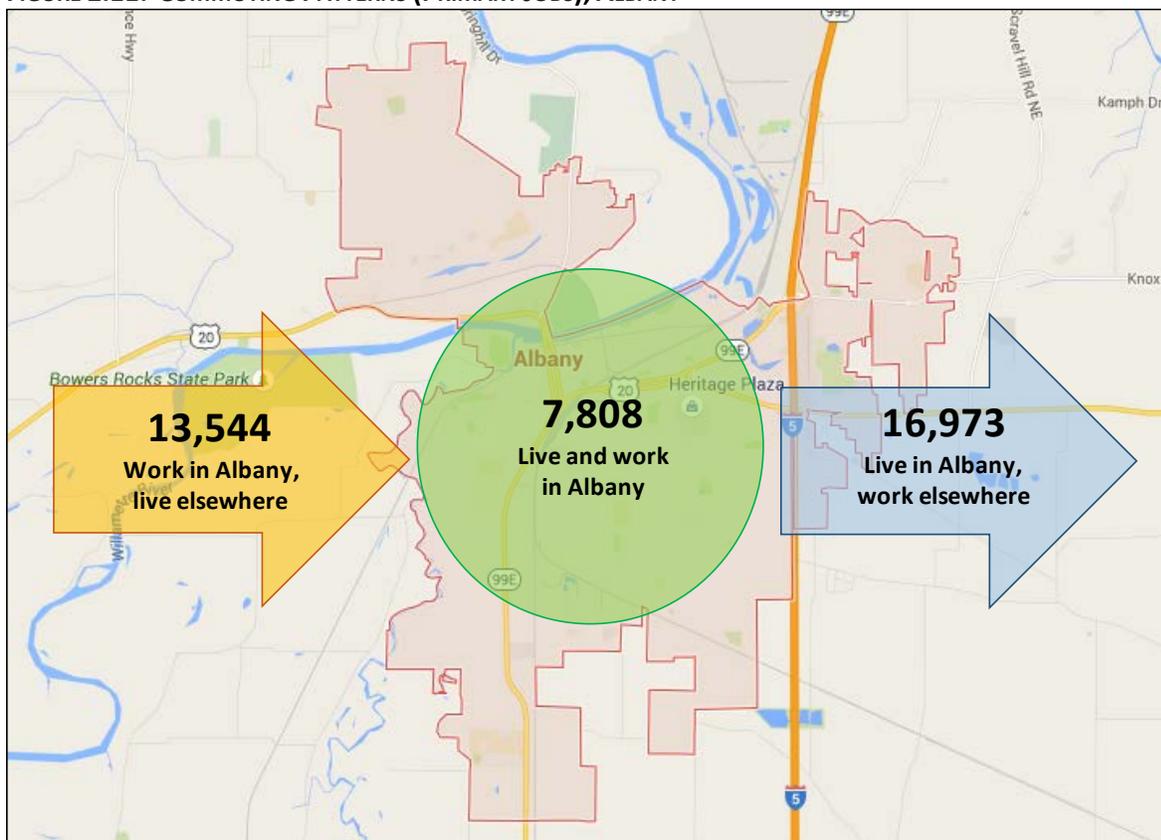
This section provides an overview of employment and industry trends in Albany related to housing.

Commuting Patterns: The following figure shows the inflow and outflow of commuters to Albany according to the Census Employment Dynamics Database. These figures reflect “covered employment” as of 2017, the most recent year available. (Covered employment refers to those jobs where the employee is covered by federal unemployment insurance.) This category does not include many contract employees and self-proprietors and therefore is not a complete picture of local employment. The figure discussed here is best understood as indicators of the general pattern of commuting and not exact figures.

As of 2017, the most recent year available, the Census estimated there were 21,350 covered employment jobs located in Albany. Of these, 7,800 or 36.5 percent, are held by local residents, while over 13,500 employees commute into the city from elsewhere. This pattern is fairly common among most communities. The most common homes of local workers commuting into the city are Corvallis, Lebanon, and Salem.

Of the estimated 24,800 employed Albany residents, 68 percent of them commute elsewhere to employment. The most common destinations for Albany commuters are Corvallis, Salem, and Eugene. Smaller shares work in the Portland metro or across the mid-Willamette Valley.

FIGURE 2.11: COMMUTING PATTERNS (PRIMARY JOBS), ALBANY



Source: US Census Longitudinal Employer-Household Dynamics

Jobs/Household Ratio: Albany features a healthy jobs-to-households ratio. There are an estimated 29,500 jobs in the city of Albany (including covered and non-covered), and an estimated 21,750 households in Albany. This represents 1.35 jobs per household.

III. CURRENT HOUSING CONDITIONS

This section presents a profile of the current housing stock and market indicators in Albany. This profile forms the foundation to which current and future housing needs will be compared.

A. HOUSING TENURE

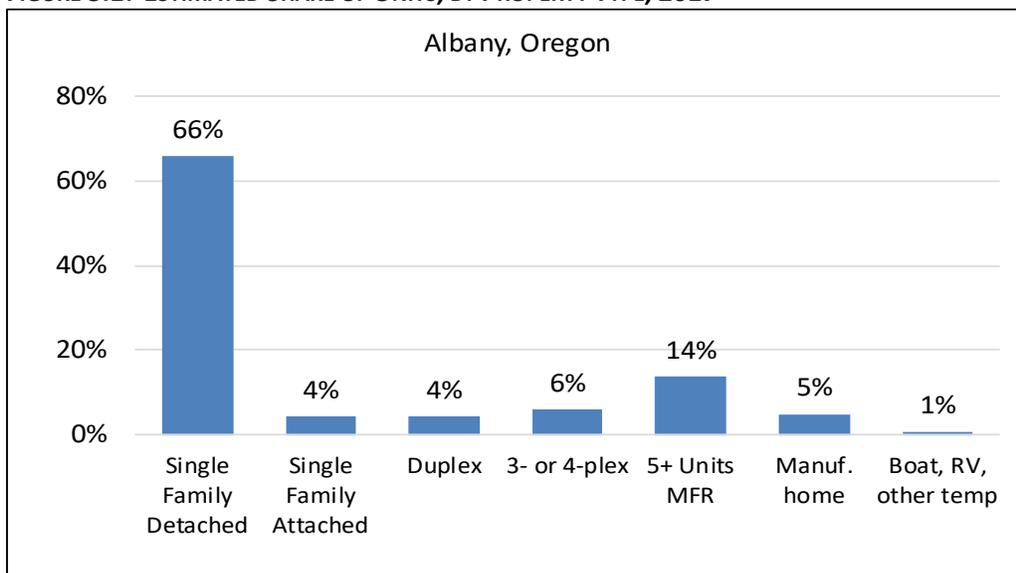
Albany has a greater share of homeowner households than renter households. The 2017 American Community Survey estimates that 59 percent of occupied units were owner occupied, and 41 percent renter occupied. The ownership rate in Albany has stayed fairly stable since 2000. During this period the statewide rate fell from 64 percent to 62 percent. Nationally, the homeownership rate has nearly reached the historical average of 65 percent, after having climbed to 69 percent from the late 1990s to 2004.

The estimated ownership rate is higher in Linn County (64 percent) and statewide (61 percent).

B. HOUSING STOCK

As shown in Figure 2.1, Albany UGB had an estimated 22,805 housing units in 2019, with a vacancy rate of 4.6 percent (includes ownership and rental units). The housing stock has increased by roughly 5,000 units since 2000, or growth of 28 percent.

FIGURE 3.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017



SOURCE: US Census, City of Albany

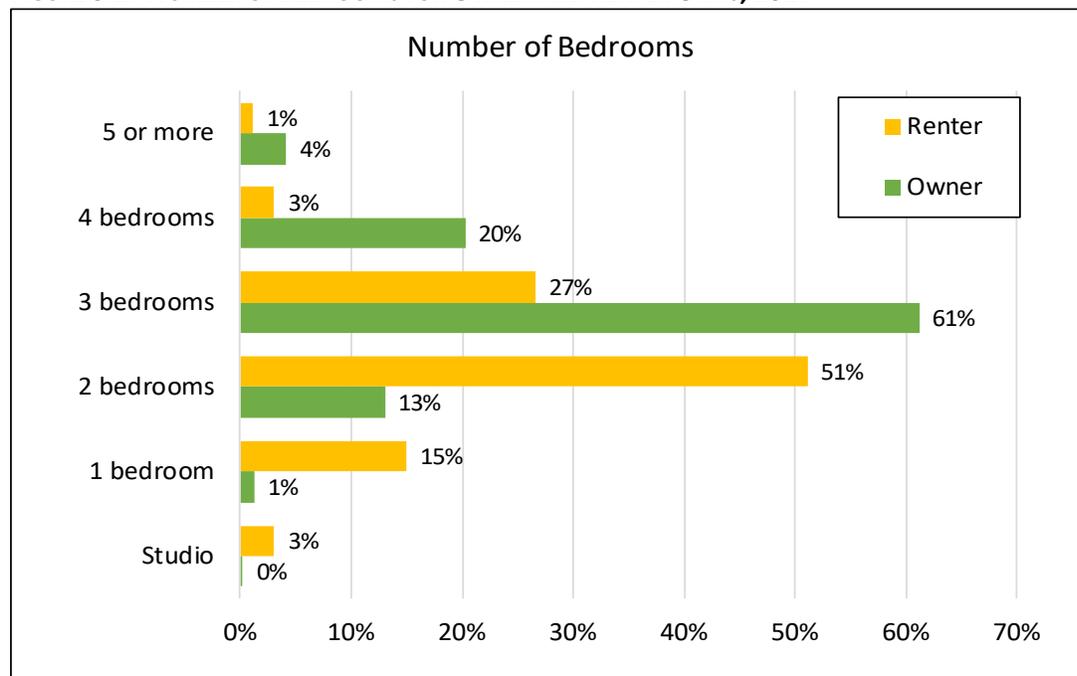
Figure 3.1 shows the estimated number of units by type in 2017 based on US Census. Detached single-family homes represent an estimated 66 percent of housing units.

Units in larger apartment complexes of five or more units represent 14 percent of units, and other types of attached homes represent 14 percent of units. (Attached single family generally includes townhomes, some condos, and two-to four-plexes which are separately metered.) Manufactured homes and RVs represent six percent of the inventory.

C. NUMBER OF BEDROOMS

Figure 3.2 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter-occupied units are much more likely to have two or fewer bedrooms.

FIGURE 3.2: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2017



SOURCE: US Census
 Census Tables: B25042 (2017 ACS 5-year Estimates)

D. UNIT TYPES BY TENURE

As Figure 3.3 and 3.4 show, a large share of owner-occupied units (89 percent) are detached homes, which is related to why owner-occupied units tend to have more bedrooms, as do manufactured homes (nine percent). Renter-occupied units are much more distributed among a range of structure types. About 35.5 percent of rented units are estimated to be detached homes or manufactured homes, while the remainder are some form of attached unit. Over 32 percent of rental units are in larger apartment complexes.

FIGURE 3.3: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING

OWNERSHIP HOUSING

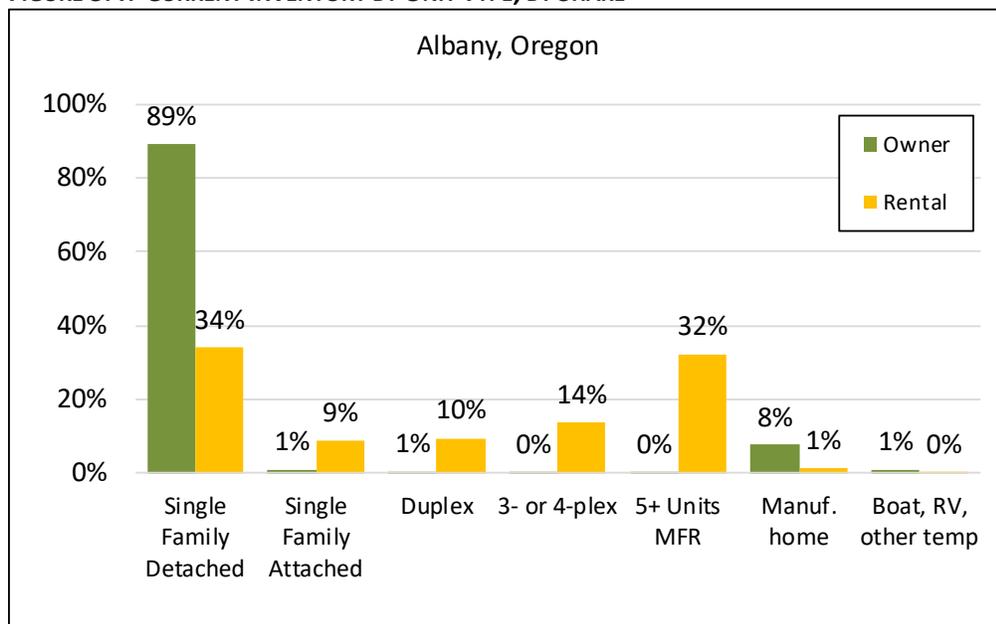
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
Totals:	11,745	132	75	26	31	1,009	145	13,163
Percentage:	89.2%	1.0%	0.6%	0.2%	0.2%	7.7%	1.1%	100.0%

RENTAL HOUSING

Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
Totals:	3,277	858	923	1,318	3,116	131	18	9,642
Percentage:	34.0%	8.9%	9.6%	13.7%	32.3%	1.4%	0.2%	100.0%

Sources: US Census, JOHNSON ECONOMICS, CITY OF ALBANY

FIGURE 3.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE

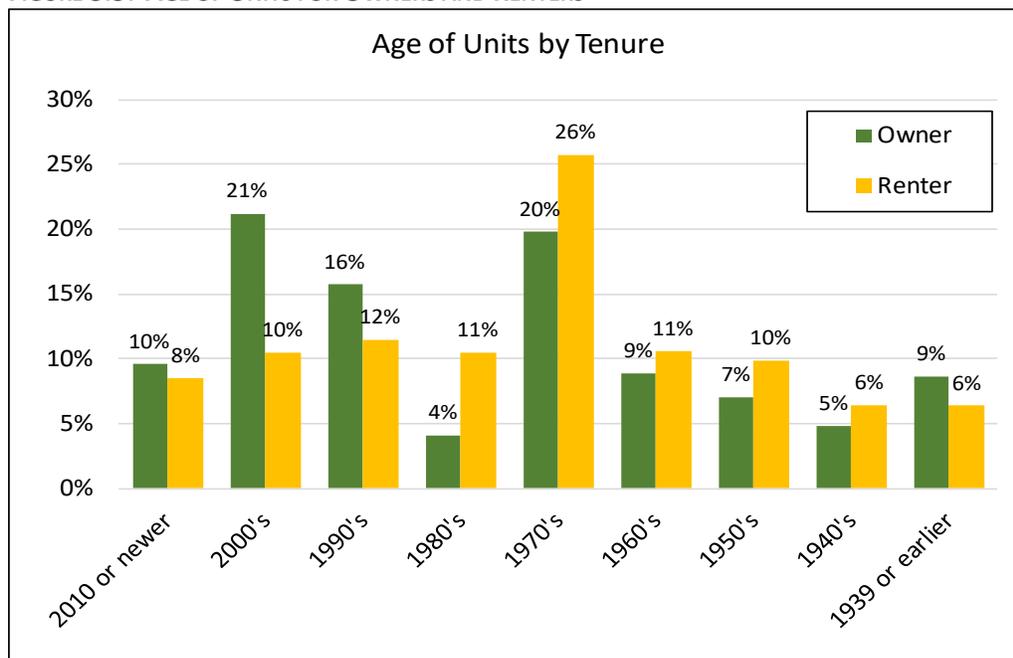


Sources: US Census, JOHNSON ECONOMICS, CITY OF ALBANY

E. AGE OF HOUSING STOCK

Albany’s housing stock reflects the pattern of development over time. Almost three-fourths, or 74 percent, of the housing stock is pre-2000. The single largest share of housing stock was built in the 1970s. Thirty percent of the housing stock dates from the 1960s or earlier, which is low compared to many Oregon communities. The following figure shows that renters are more likely to live in older housing, while owners are more likely to live in newer homes.

FIGURE 3.5: AGE OF UNITS FOR OWNERS AND RENTERS



SOURCE: US Census
 Census Tables: B25036 (2017 ACS 5-year Estimates)

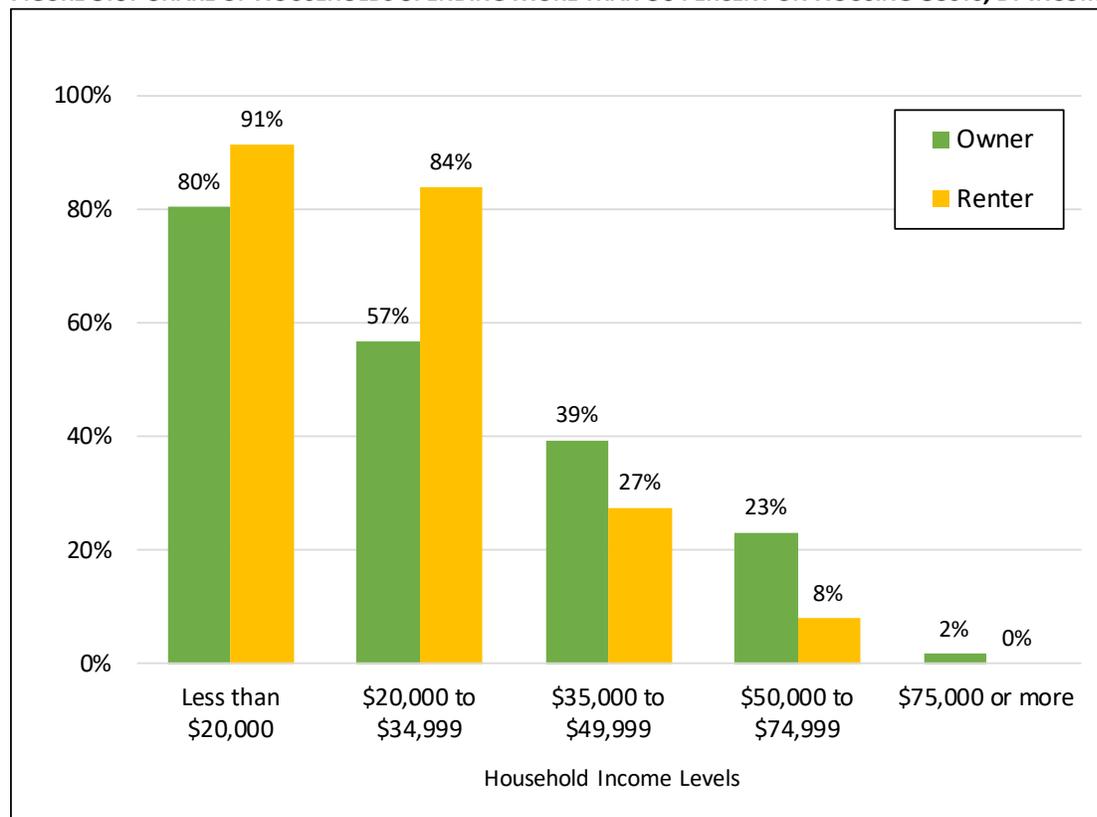
F. HOUSING COSTS VS. LOCAL INCOMES

Figure 3.6 shows the share of owner and renter households who are paying more than 30 percent of their household income towards housing costs, by income segment. (Spending 30 percent or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

As one would expect, households with lower incomes tend to spend more than 30 percent of their income on housing, while incrementally fewer of those in higher income groups spend more than 30 percent of their incomes on housing costs. Of those earning less than \$20,000, an estimated 80 percent of owner households spend more than 30 percent of income on housing costs and 91 percent of renters.

In total, the US Census estimates that over 33 percent of Albany households pay more than 30 percent of income towards housing costs (2017 American Community Survey, B25106)

FIGURE 3.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30 PERCENT ON HOUSING COSTS, BY INCOME GROUP



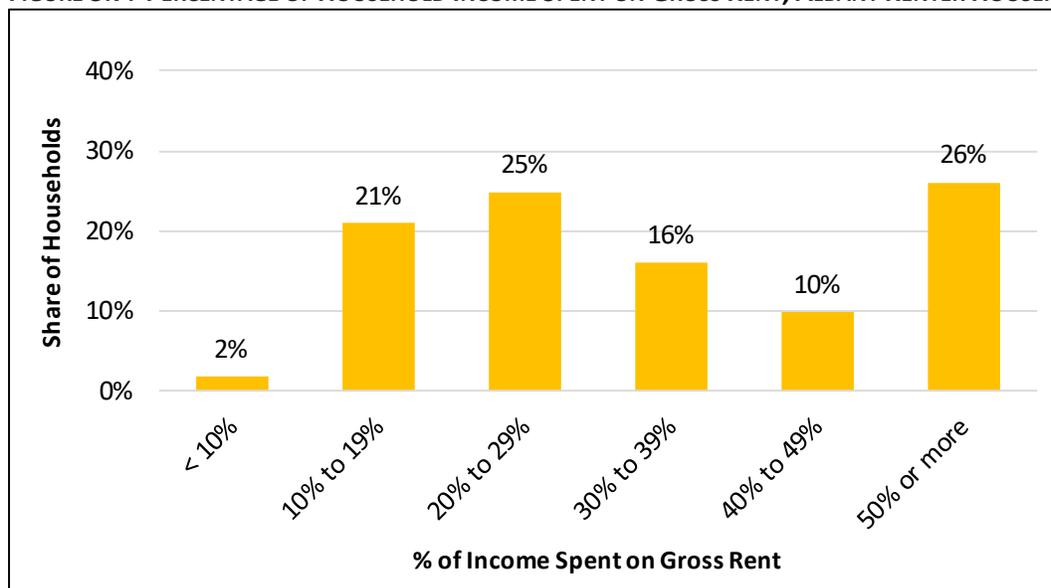
Sources: US Census, JOHNSON ECONOMICS
 Census Table: B25106 (2017 ACS 5-yr Estimates)

The following figure shows the percentage of household income spent towards gross rent⁴ for local renter households only. This more fine-grained data shows that not only are 52 percent of renters spending more than 30 percent of their income on gross rent, but an estimated 26 percent of renters are spending 50 percent or more of their income on housing and are considered severely rent-burdened.

Renters are disproportionately lower income relative to homeowners. Housing cost burdens are felt more broadly for these households, and as the analysis presented in a later section shows, there is a need for more affordable rental units in Albany, as in most communities.

⁴ The Census defines Gross Rent as “the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).”

FIGURE 3.7: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, ALBANY RENTER HOUSEHOLDS



Sources: US Census, JOHNSON ECONOMICS
 Census Table: B25070 (2017 ACS 5-yr Estimates)

G. PUBLICLY ASSISTED HOUSING

In 2019, Albany had an estimated 509 affordable housing units, found in 16 properties, according to Oregon Housing and Community Services (OHCS). These properties are funded through HUD programs, tax credits, and other programs which guarantee subsidized rents for qualified households.

The Linn Benton Housing Authority administers 2,400 housing choice vouchers which may be used in Albany or other communities in the jurisdiction. In August 2019, 958 Albany households were using housing choice vouchers and 698 households were on the waiting list.

The estimated 509 subsidized housing units in Albany represents two percent of total local households, and six percent of local renter households. The high number of renters paying over 30 percent of their income towards housing costs indicates there is an ongoing need for rental units at the lowest price points.

Homelessness: The most recent (2019) Point-in-Time count of homeless individuals in Linn County⁵ found 277 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. Of these, 194 were sheltered. It is estimated there are roughly 70 chronically homeless individuals in Albany.

IV. CURRENT HOUSING NEEDS, CITY OF ALBANY

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates through 2019. The PRC methodology incorporates the estimated population from within the city limits and an estimated population from those areas within the UGB, but outside of the city limits. To estimate the additional population within the UGB area, the PRC assigned a share of the population from the relevant Census tracts.

⁵ Figures are for the entire County; provided by Community Services Consortium via OHCS

FIGURE 4.1: CURRENT HOUSING PROFILE (2019)

CURRENT HOUSING CONDITIONS (2019)		SOURCE
Total 2018 Population:	55,201	PSU Pop. Research Center
- Estimated group housing population:	1,410 (2.6% of Total)	US Census
Estimated Non-Group 2018 Population:	53,791 (Total - Group)	
Avg. HH Size:	2.50	US Census
Estimated Non-Group 2018 Households:	21,517 (Pop/HH Size)	
Total Housing Units:	22,805 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	21,517 (= # of HH)	
Vacant Housing Units:	1,288 (Total HH - Occupied)	
Current Vacancy Rate:	5.6% (Vacant units/ Total units)	

Sources: Johnson Economics, City of Albany, PSU Population Research Center, U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 2.1

We estimate a current 2019 population of roughly 55,200 residents, living in 21,500 households. After excluding group living situations, the average household size is 2.5 persons.

There are an estimated 22,805 housing units in the city, indicating an estimated vacancy rate of 5.6 percent. This includes units vacant for any reason, not just those which are currently for sale or rent.

ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based on the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2017 ACS 5-yr Estimates).

The analysis takes into account the average amount owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30 percent of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20 percent for the highest income households.

While the Census estimates that most low-income households pay more than 30 percent of their income for housing, this is an estimate of current *preferred* demand. It assumes low-income households prefer (or demand) units affordable to them at no more than 30 percent of income, rather than more expensive units.

Figure 4.2 presents a snapshot of current housing demand (i.e., preferences) equal to the number of households in the study area (21,517). The breakdown of tenure (owners vs. renters) reflects data from the 2017 ACS.

FIGURE 4.2: ESTIMATE OF CURRENT HOUSING DEMAND (2019)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	431	Less than \$15,000	3.4%	3.4%
\$80k - \$130k	645	\$15,000 - \$24,999	5.1%	8.5%
\$130k - \$170k	760	\$25,000 - \$34,999	6.0%	14.5%
\$170k - \$230k	1,431	\$35,000 - \$49,999	11.3%	25.8%
\$230k - \$330k	2,352	\$50,000 - \$74,999	18.6%	44.4%
\$330k - \$430k	2,356	\$75,000 - \$99,999	18.6%	63.0%
\$430k - \$510k	1,860	\$100,000 - \$124,999	14.7%	77.6%
\$510k - \$590k	1,071	\$125,000 - \$149,999	8.5%	86.1%
\$590k - \$750k	815	\$150,000 - \$199,999	6.4%	92.5%
\$750k +	947	\$200,000+	7.5%	100.0%
Totals:	12,668		% of All:	58.9%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	1,508	Less than \$15,000	17.0%	17.0%
\$400 - \$700	1,263	\$15,000 - \$24,999	14.3%	31.3%
\$700 - \$900	1,493	\$25,000 - \$34,999	16.9%	48.2%
\$900 - \$1100	1,453	\$35,000 - \$49,999	16.4%	64.6%
\$1100 - \$1600	1,394	\$50,000 - \$74,999	15.8%	80.4%
\$1600 - \$2000	834	\$75,000 - \$99,999	9.4%	89.8%
\$2000 - \$2400	482	\$100,000 - \$124,999	5.5%	95.2%
\$2400 - \$2800	249	\$125,000 - \$149,999	2.8%	98.0%
\$2800 - \$3500	85	\$150,000 - \$199,999	1.0%	99.0%
\$3500 +	88	\$200,000+	1.0%	100.0%
Totals:	8,849		% of All:	41.1%

					All Households
					21,517

Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS

Census Tables: B25007, B25106, B25118 (2017 ACS 5-yr Estimates)

Claritas: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$80,000 or less. Affordable rent for someone in this category would be \$400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of five percent (significantly more than the current rate, but in line with historic norms), with 15 percent down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the 2000s, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20 percent is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The five percent used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980s, but coming out of the recent recession, many economists believe that rates cannot fall farther and must begin to climb as the Federal Reserve raises its rate over the coming years.

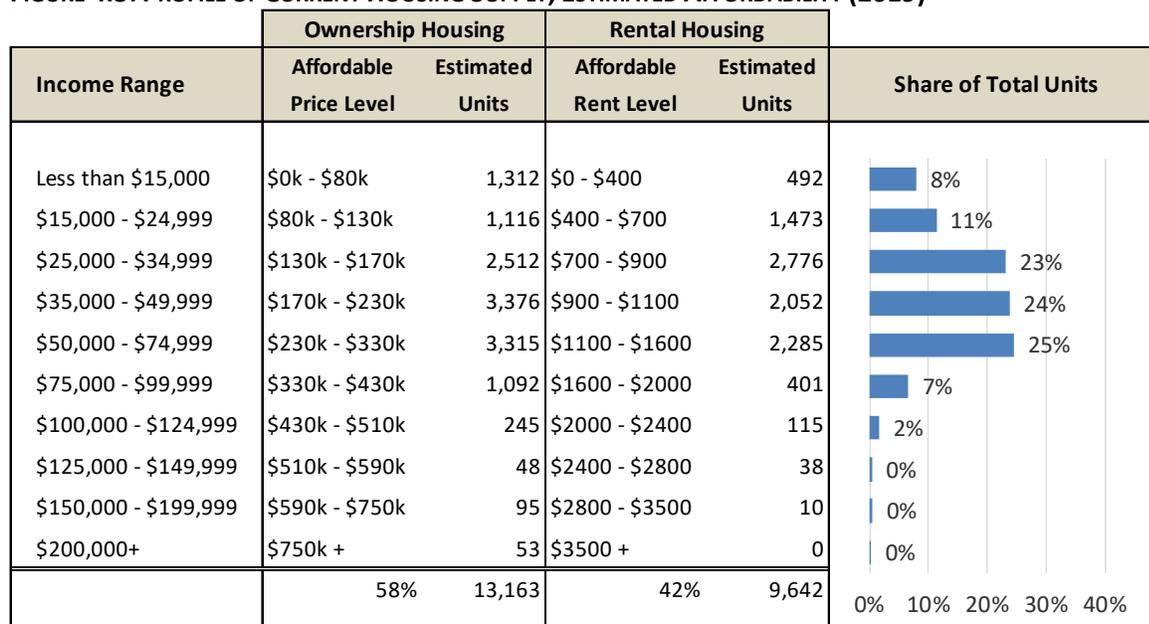
CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 4.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figures 4.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household’s own/rent preference or being unaffordable (requiring more than 30 percent of gross income).

A profile of current housing supply in Albany was estimated based on permit data from the City of Albany and Census data from the most recently available 2017 ACS, which provides a profile of housing types (single family, attached, manufactured home, etc.), tenure, housing values, and rent levels.

- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).
- Most subsidized affordable housing units found in the city are represented by the inventory at the lowest end of the rental spectrum.
- Ownership housing found at the lower end of the value spectrum generally reflect mobile homes; older, smaller homes; or homes in poor condition on small or irregular lots. **It is important to note that the units at the affordable price levels represent estimates of current property value or current housing cost to the owner, not the current market pricing of homes for sale in the city.** These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value.

FIGURE 4.3: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2019)



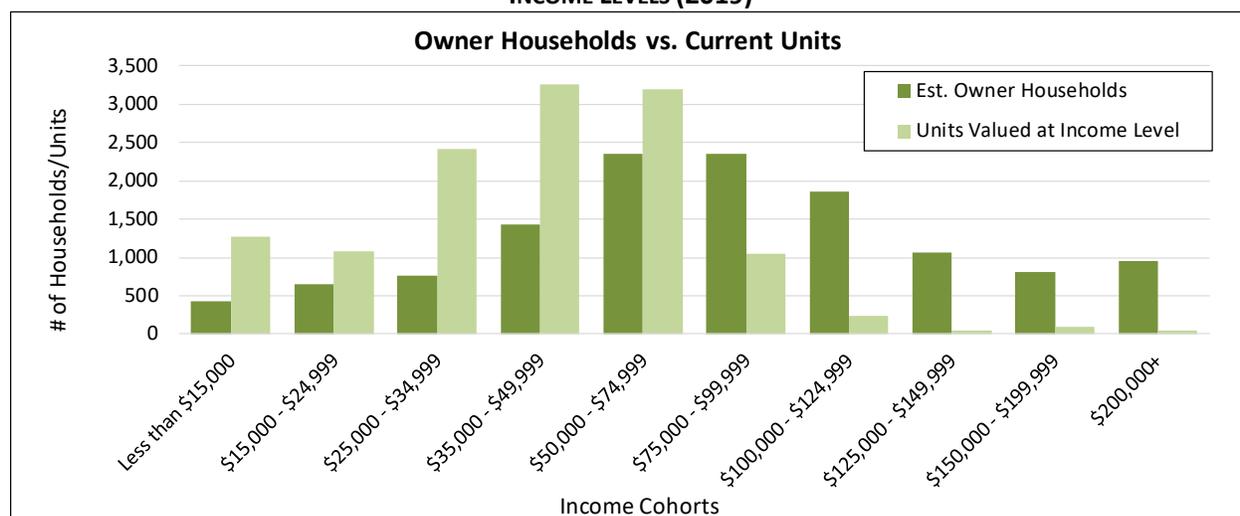
Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2017 ACS 5-yr Estimates)

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available. The estimated number of units outnumbered the number of households by roughly 1,300 units, indicating an average vacancy rate of 5.6 percent as of mid-2019.

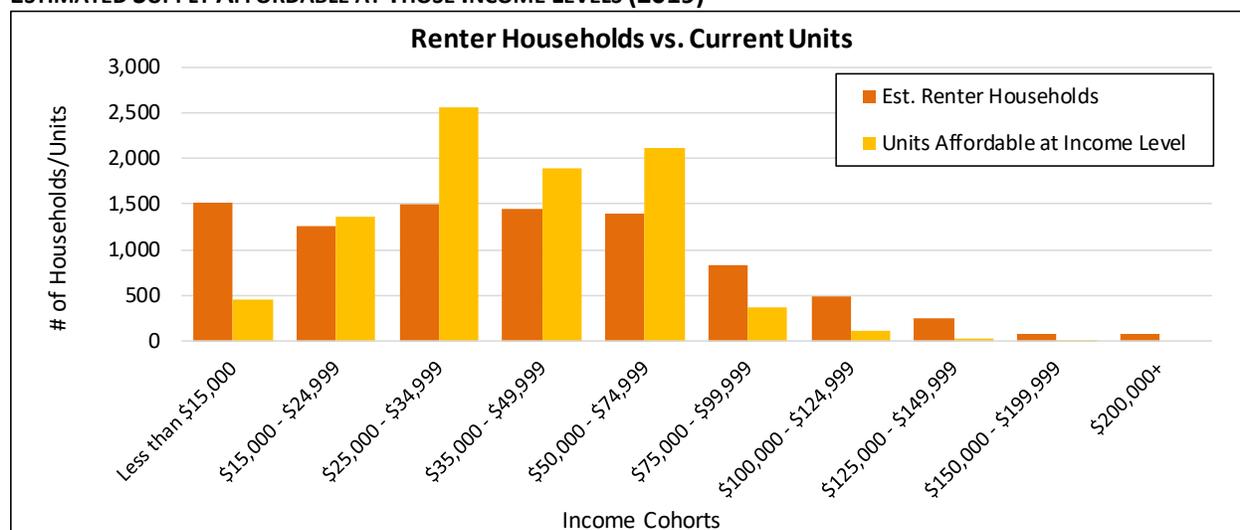
Figures 4.4 and 4.5 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households. Please keep in mind that the number of units currently affordable by income range are based on the property value and current housing costs to the occupant and do not represent the current market price of housing.

FIGURE 4.4: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2019)



Sources: PSU Population Research Center, City of Albany, Census, JOHNSON ECONOMICS

FIGURE 4.5: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2019)



Sources: PSU Population Research Center, City of Albany, Census, JOHNSON ECONOMICS

In general, the findings indicate that there is currently support for more ownership housing at price ranges above \$350,000. This is because most housing in Albany is clustered at the low to middle property values, while analysis of household incomes and ability to pay indicates that some households could afford housing at higher price points.

Although Figure 4.4 indicates a surplus of lower-cost or valued owned units, there is demand for lower priced ownership housing for new buyers and low-income households. (This is explained under Home Sales Prices below.)

The analysis finds that the current market rates for most rental units are in the \$700 to \$1,600/month range. Therefore, this is where most of the rental unit supply is currently clustered. However, the greatest unmet need is found at the lowest end of the income scale, where many current renters pay more than 30 percent of their income in housing costs. There is an indication that some renter households could support more units at higher rental levels. Rentals at more expensive levels generally represent single family homes for rent.

The home value and rent segments which show a “surplus” in Figures 4.4 and 4.5 illustrate where current property values and market rent levels are in Albany. Housing prices and rent levels will tend to congregate around those levels. These levels will be too costly for some (i.e., require more than 30 percent in gross income) or “too affordable” for others (i.e., they have income levels that indicate they could afford more expensive housing if it were available).

In general, these findings demonstrate that there are some lower-value housing opportunities for many current owner households, and potential support for some more expensive ownership housing. There is a need for more rental units at lower rent levels (<\$700/mo.), and modest support for some rental units at higher rent levels as well.

HOME SALE PRICES

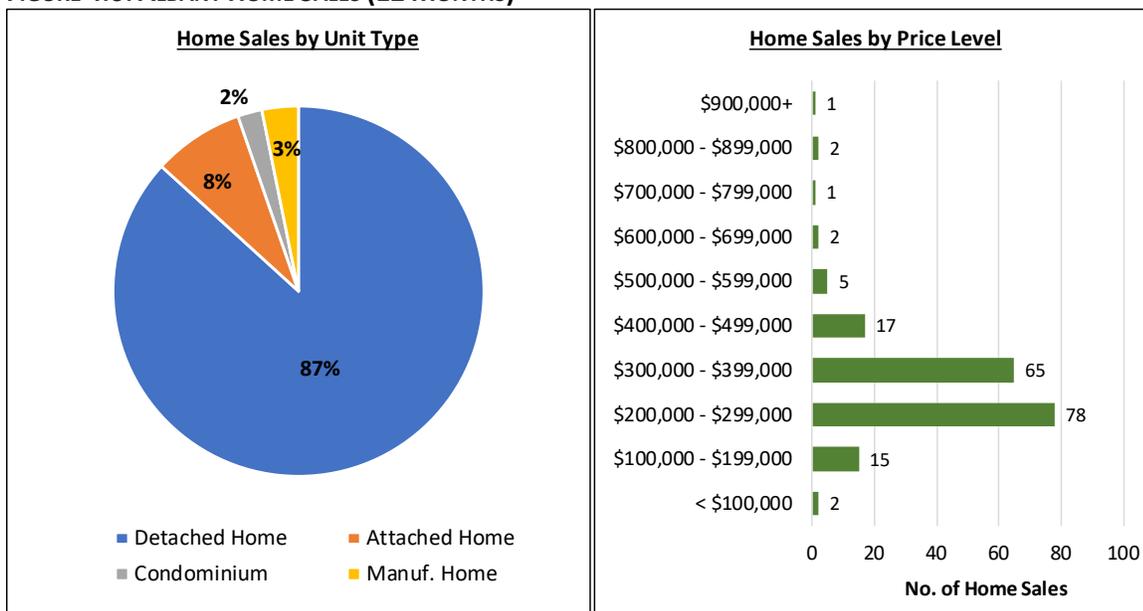
It is important to note that the figures presented in the prior section represent estimates of current *property value or current housing cost to the owner*, not the current market pricing of homes for sale in the city. For instance, a household living in a manufactured home that has been paid off over many years may have relatively low housing costs. This indicates that one owner household is living in a “lower value” unit. It does **not** indicate that units at this price point are available on the current market.

If this hypothetical household were to sell their home, it would sell at a higher price reflecting inflation and current achievable market prices. For this reason, many of the lower value or lower rent units found in the previous section will actually become higher-priced units when they are sold or become vacant. Therefore, Figure 4.4 does not represent the demand for housing affordable to new buyers and households with lower incomes.

For reference, this section and Figure 4.6 present home sales data from 2019 to indicate housing costs for new entrants into the market (December 2019 report from wvmls.com).

- The average (mean) sale price was \$325,271 in Linn County and \$408,744 in North Albany (Benton County).
- The average price per square foot was \$190/s.f. in Linn County and \$187/s.f. in North Albany.
- The median square footage was 1,780 s.f. in Linn County and 2,233 s.f. in North Albany.
- Units sold for roughly one percent less than the original listed asking price.

FIGURE 4.6: ALBANY HOME SALES (12 MONTHS)



Sources: RMLS, JOHNSON ECONOMICS

- 42 percent of sales were priced between \$200,000 and \$299,000.
- 35 percent of sales were priced between \$300,000 and \$399,000.
- 15 percent of sales were priced at \$400,000 or more.
- 9 percent of sales were priced below \$200,000.

Affordability: As indicated, 77 percent of recent sales in Albany took place within the \$200,000 to \$400,000 price range. Homes in this range should be affordable to many households earning roughly \$50,000 to \$125,000 per year, assuming 15 percent down and 30-year loan at five percent. An estimated 45 percent of local households fall within these income segments.

Roughly 48 percent of households earn less than \$50,000 per year, meaning the bulk of housing supply on the current for-sale market is likely too expensive for most of these households.

* * *

The findings of current need form the foundation for projected future housing need, presented in a following section.

V. FUTURE HOUSING NEEDS – 2040 (CITY OF ALBANY)

The projected future (20-year) housing profile (Figure 5.1) in the study area is based on the current housing profile (2019) multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (1.27 percent) for 2040 generated by the PSU Oregon Forecast Program. This technically represents a 21-year forecast period from the preparation of this report in 2019.

FIGURE 5.1: FUTURE HOUSING PROFILE (PSU, 2040)

PROJECTED FUTURE HOUSING CONDITIONS (2019 - 2040)		SOURCE
2019 Population (Minus Group Pop.)	53,791	PSU
Projected Annual Growth Rate	1.27%	OR Population Forecast Program
2040 Population (Minus Group Pop.)	70,147	(Total 2040 Population - Group Housing Pop.)
Estimated group housing population:	1,839	Share of total pop. (2.6%)
Total Estimated 2040 Population:	71,985	US Census
Estimated Non-Group 2040 Households:	28,059	(2040 Non-Group Pop./Avg. Household Size)
New Households 2019 to 2040	6,542	
Avg. Household Size:	2.50	Projected household size
Total Housing Units:	29,535	Occupied Units plus Vacant
Occupied Housing Units:	28,059	(= Number of Non-Group Households)
Vacant Housing Units:	1,477	(= Total Units - Occupied Units)
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC
Projections are applied to estimates of 2019 population, household and housing units shown in Figure 2.1

The model projects growth in the number of non-group households over 20 years of nearly 6,550 households, with accompanying population growth of 16,800 new residents (not including group housing). (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

ALTERNATIVE FORECAST

In addition to preparing the baseline growth forecast based on the official forecasted annual growth rate (1.27 percent) for 2040 generated by the PSU Oregon Forecast Program, this analysis also includes an alternate forecast that reflects that Albany has experienced a faster growth rate (1.69 percent) in recent decades than the PSU projection.

This alternate forecast is intended to help the community plan for alternative scenarios if the City's population continues to grow at a faster pace. The projected future growth is the annual growth rate (1.69 percent) experienced in the community since 1992. (The beginning year was chosen because a major annexation prior to 1992 distorts the annual growth rate.)

FIGURE 5.2: ALTERNATIVE FORECAST: FUTURE HOUSING PROFILE (AAGR, 2040)

PROJECTED FUTURE HOUSING CONDITIONS (2019 - 2040)		SOURCE
2019 Population (Minus Group Pop.)	53,791	PSU
Projected Annual Growth Rate	1.69%	Historical growth rate City
2040 Population (Minus Group Pop.)	76,481	(Total 2040 Population - Group Housing Pop.)
<u>Estimated group housing population:</u>	<u>2,005</u>	Share of total pop. (2.6%) US Census
Total Estimated 2040 Population:	78,486	
Estimated Non-Group 2040 Households:	30,593	(2040 Non-Group Pop./Avg. Household Size)
New Households 2019 to 2040	9,076	
Avg. Household Size:	2.50	Projected household size US Census
Total Housing Units:	32,203	Occupied Units plus Vacant
Occupied Housing Units:	30,593	(= Number of Non-Group Households)
Vacant Housing Units:	1,610	(= Total Units - Occupied Units)
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)

Sources: PSU Population Research Center, Census, JOHNSON ECONOMICS LLC

*Projections are applied to estimates of 2019 population, household and housing units shown in Figure 2.1

The model projects growth in the number of non-group households over 20 years of 9,075 households, with accompanying population growth of 23,300 new residents (not including group housing). (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2040)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore, the needs identified below are the total need for actual households in occupied units rather than the full count of housing units needed).

Using the official PSU population forecast (1.27 percent), Albany is projected to have 28,060 households in 2040 compared to 30,600 households using the higher annual average population growth rate of 1.69 percent.

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2040 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30 percent for low-income households down to 20 percent for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of five percent, with 15 percent down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2019 dollars.

Figure 5.3 presents the projected occupied future housing demand (current and new households, without vacancy) in 2040 using the official PSU forecast. Figure 5.4 projects future housing demand by tenure using the alternate forecast.

It is projected that the homeownership rate in Albany will remain steady over the next 20 years at 59 percent, which would remain lower than the current statewide average (61 percent). The number of households across the income spectrum seeking a range of ownership and rental housing is anticipated to grow.

FIGURE 5.3: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2040)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	562	Less than \$15,000	3.4%	3.4%
\$80k - \$130k	841	\$15,000 - \$24,999	5.1%	8.5%
\$130k - \$170k	991	\$25,000 - \$34,999	6.0%	14.5%
\$170k - \$230k	1,867	\$35,000 - \$49,999	11.3%	25.8%
\$230k - \$330k	3,067	\$50,000 - \$74,999	18.6%	44.4%
\$330k - \$430k	3,072	\$75,000 - \$99,999	18.6%	63.0%
\$430k - \$510k	2,425	\$100,000 - \$124,999	14.7%	77.6%
\$510k - \$590k	1,397	\$125,000 - \$149,999	8.5%	86.1%
\$590k - \$750k	1,063	\$150,000 - \$199,999	6.4%	92.5%
\$750k +	1,235	\$200,000+	7.5%	100.0%
Totals:	16,519		% of All:	58.9%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	1,967	Less than \$15,000	17.0%	17.0%
\$400 - \$700	1,647	\$15,000 - \$24,999	14.3%	31.3%
\$700 - \$900	1,947	\$25,000 - \$34,999	16.9%	48.2%
\$900 - \$1100	1,894	\$35,000 - \$49,999	16.4%	64.6%
\$1100 - \$1600	1,818	\$50,000 - \$74,999	15.8%	80.4%
\$1600 - \$2000	1,087	\$75,000 - \$99,999	9.4%	89.8%
\$2000 - \$2400	629	\$100,000 - \$124,999	5.5%	95.2%
\$2400 - \$2800	324	\$125,000 - \$149,999	2.8%	98.0%
\$2800 - \$3500	111	\$150,000 - \$199,999	1.0%	99.0%
\$3500 +	115	\$200,000+	1.0%	100.0%
Totals:	11,539		% of All:	41.1%

All Units
28,059

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

FIGURE 5.4: ALTERNATIVE FORCAST: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2040)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$80k	613	Less than \$15,000	3.4%	3.4%
\$80k - \$130k	917	\$15,000 - \$24,999	5.1%	8.5%
\$130k - \$170k	1,081	\$25,000 - \$34,999	6.0%	14.5%
\$170k - \$230k	2,035	\$35,000 - \$49,999	11.3%	25.8%
\$230k - \$330k	3,343	\$50,000 - \$74,999	18.6%	44.4%
\$330k - \$430k	3,350	\$75,000 - \$99,999	18.6%	63.0%
\$430k - \$510k	2,644	\$100,000 - \$124,999	14.7%	77.6%
\$510k - \$590k	1,523	\$125,000 - \$149,999	8.5%	86.1%
\$590k - \$750k	1,159	\$150,000 - \$199,999	6.4%	92.5%
\$750k +	1,347	\$200,000+	7.5%	100.0%
Totals:	18,011		% of All:	58.9%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	2,144	Less than \$15,000	17.0%	17.0%
\$400 - \$700	1,795	\$15,000 - \$24,999	14.3%	31.3%
\$700 - \$900	2,123	\$25,000 - \$34,999	16.9%	48.2%
\$900 - \$1100	2,065	\$35,000 - \$49,999	16.4%	64.6%
\$1100 - \$1600	1,982	\$50,000 - \$74,999	15.8%	80.4%
\$1600 - \$2000	1,186	\$75,000 - \$99,999	9.4%	89.8%
\$2000 - \$2400	686	\$100,000 - \$124,999	5.5%	95.2%
\$2400 - \$2800	354	\$125,000 - \$149,999	2.8%	98.0%
\$2800 - \$3500	121	\$150,000 - \$199,999	1.0%	99.0%
\$3500 +	126	\$200,000+	1.0%	100.0%
Totals:	12,581		% of All:	41.1%

All Units
30,593

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 5.3 – 5.4) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 5.5 – 5.6).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. An average vacancy rate of five percent is assumed for the purpose of this analysis.

Of the new units needed in both scenarios, roughly 60 percent are projected to be ownership units, while 40 percent are projected to be rental units. This is close to the estimated tenure split, but it is projected that slightly more ownership units are needed to meet demand and provide some vacant units for purchase.

FIGURE 5.5: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2040), ALBANY

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	3,495	163	44	8	10	358	0	4,077	60.6%
Percentage:	85.7%	4.0%	1.1%	0.2%	0.2%	8.8%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	690	289	307	416	911	41	0	2,654	39.4%
Percentage:	26.0%	10.9%	11.6%	15.7%	34.3%	1.5%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	4,185	452	351	424	920	399	0	6,730	100%
Percentage:	62.2%	6.7%	5.2%	6.3%	13.7%	5.9%	0.0%	100%	

Sources: PSU, City of Albany, Census, Environics Analytics, JOHNSON ECONOMICS

The results show a need for 6,730 new housing units by 2040 based on the PSU projected average annual population growth of 1.27 percent and 9,398 units based on an AAGR of 1.69 percent.

FIGURE 5.6: ALTERNATIVE FORECAST: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2040), ALBANY

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	4,830	225	60	11	13	494	0	5,634	59.9%
Percentage:	85.7%	4.0%	1.1%	0.2%	0.2%	8.8%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	978	410	436	590	1,292	58	0	3,764	40.1%
Percentage:	26.0%	10.9%	11.6%	15.7%	34.3%	1.5%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Manuf. home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5,808	636	496	601	1,305	552	0	9,398	100%
Percentage:	61.8%	6.8%	5.3%	6.4%	13.9%	5.9%	0.0%	100%	

Sources: PSU, City of Albany, Census, Environics Analytics, JOHNSON ECONOMICS

Needed Unit Types

The mix of needed unit types shown in Figures 5.5 and 5.6 reflect both past trends and anticipated future trends as projected above. Since 2000, detached single family units (including manufactured and mobile homes) have constituted a majority of the permitted units in Albany. Development trends, current standards, and zoning of buildable land in Albany, suggest single family units will make up the greatest share of new housing development over the next 20 years.

However, attached forms of housing are also expected to grow as an overall share of housing due to growing trends towards more density and diversity in housing types, infill development, accessory dwelling units, and constraints of the urban growth boundary. Recent state legislation also seeks to encourage more variety in housing types by permitting duplexes, triplexes, and cottage cluster housing in traditional single-family zones.

- 62 percent of the new units are projected to be single family detached homes, while 32 percent are projected to be some form of attached housing, and six percent are projected to be manufactured homes, RV, or other temporary housing.
- Single family attached units (townhomes on individual lots) are projected to meet seven percent of future need. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units and duplexes.
- Duplex through four-plex units are projected to represent 11.5 percent of the total need. Duplex units would include a detached single-family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- 14 percent of all needed units are projected to be multi-family in structures of 5+ attached units.
- Six percent of new needed units are projected to be manufactured home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 86 percent are projected to be single-family homes, and nine percent manufactured homes. Only a few units are projected to be attached forms.
- About 72 percent of new rental units are projected to be found in new attached buildings, with 34 percent projected in rental properties of five or more units, and 27 percent in buildings of two to four units.

Needed Affordability Levels

Figures 5.7 and 5.8 present the estimated need for net new housing units by major income segment, based on the projected demographics of new households to the market area. The needed affordability levels presented here are based on current 2019 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.

- The \$200,000 to \$350,000 price point (in current dollars) is projected to remain the greatest share of demand. There is some new need for ownership housing at the low-end of the pricing spectrum and income trends suggest the community could supply more housing in the upper price ranges (\$500k or more). This is because some of the city's current housing is found at lower value levels due to age and condition.
- The greatest need for rental units is found at the lowest price points and some demand at higher price points. Market rents are currently clustered in the \$700 to \$1,600 range in current dollars. Therefore, most units are to be found in this range. There is insufficient rental housing for the lowest income households making \$25,000 or less, and there may also be some support for higher rent units, which may be in new apartment complexes, or in single-family homes for rent.

The figures also present the housing types typically attainable by residents at these income levels.

FIGURE 5.7: PROJECTED NEED FOR NEW HOUSING AT DIFFERENT INCOME LEVELS

Household Income Segment	Income Level (Rounded)*	Owner Units	Renter Units	Total	Share	Common Housing Product
Extremely Low Inc. < 30% AMI	< \$18,000	237	632	869	13%	Govt-subsidized; Voucher
Very Low Income 30% - 50% AMI	\$18k - \$30k	295	539	833	12%	Aging/substandard rentals; Govt-subsidized; Voucher
Low Income 50% - 80% AMI	\$30k - \$48k	670	686	1,356	20%	Market apts; Manuf. homes; Plexes; Aging SFR
Middle Income 80% - 120% AMI	\$48k - \$71.5k	882	428	1,310	19%	Single-family detached; Townhomes; Small homes; New apts
Upper Income > 120% AMI	> \$71,500	1,993	369	2,362	35%	Single-family detached
TOTAL:		4,077	2,654	6,730	100%	

* Adjusted to 2019 dollars. The median household income level in 2039 will be will be inflated from current levels.
Sources: HUD, Census, Environics Analytics, JOHNSON ECONOMICS

FIGURE 5.8: ALTERNATIVE FORCAST: PROJECTED NEED FOR NEW HOUSING AT DIFFERENT INCOME LEVELS

Household Income Segment	Income Level (Rounded)*	Owner Units	Renter Units	Total	Share	Common Housing Product
Extremely Low Inc. < 30% AMI	< \$18,000	327	896	1,223	13%	Govt-subsidized; Voucher
Very Low Income 30% - 50% AMI	\$18k - \$30k	407	764	1,171	12%	Aging/substandard rentals; Govt-subsidized; Voucher
Low Income 50% - 80% AMI	\$30k - \$48k	926	973	1,899	20%	Market apts; Manuf. homes; Plexes; Aging SFR
Middle Income 80% - 120% AMI	\$48k - \$71.5k	1,219	607	1,826	19%	Single-family detached; Townhomes; Small homes; New apts
Upper Income > 120% AMI	> \$71,500	2,754	524	3,278	35%	Single-family detached
TOTAL:		5,634	3,764	9,398	100%	

* Adjusted to 2019 dollars. The median household income level in 2039 will be will be inflated from current levels.
Sources: HUD, Census, Environics Analytics, JOHNSON ECONOMICS

- Generally, there is a shortage of rental units in the lowest pricing levels (\$700 and less) for renter households with very low and extremely low income.
- While Figures 5.5 and 5.6 present the *net NEW* housing unit need over the next 20 years, there is also a *current* need for more affordable rental units to reduce the number of current and new households paying more than 30 percent of their income on housing costs. This indicates that some of the current supply would need to become less expensive to meet the needs of current households, or a higher percentage of new housing would need to be affordable, such as smaller houses or middle housing types.
- The projection of future ownership units finds that the supply at the lowest end of the spectrum is currently sufficient. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) However, some of the lowest valued housing supply includes older houses, trailers, and manufactured homes that need repairs or replacement. The community can also support some housing at higher price points, mostly in ranges above \$500,000.

Housing Affordable to Low-Income Households

Figures 5.9 and 5.10 present estimates of need at key low-income affordability levels in 2019 and in 2040. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Linn County. An estimated 45 percent of households qualify as at least “low income” or lower on the income scale; of these, 12 percent of households qualify as “extremely low income.” Typically, only rent-subsidized properties and homebuyer assistance programs can accommodate these households at “affordable” housing cost levels.

FIGURE 5.9: PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW-INCOME LEVELS, ALBANY

Affordability Level	Income Level*		Current Need (2019)		Future Need (2040)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$17,910	2,494	12%	3,363	12%	869	13%
Very Low Income	50% AMI	\$29,850	4,939	23%	5,772	21%	833	12%
Low Income	80% AMI	\$47,760	9,780	45%	11,136	40%	1,356	20%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

* Income levels are based on OHCS guidelines for a family of four.

FIGURE 5.10: ALTERNATIVE FORECAST: PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW-INCOME LEVELS, ALBANY

Affordability Level	Income Level*		Current Need (2019)		Future Need (2040)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$17,910	2,494	12%	3,717	12%	1,223	13%
Very Low Income	50% AMI	\$29,850	4,939	23%	6,110	20%	1,171	12%
Low Income	80% AMI	\$47,760	9,780	45%	11,679	38%	1,899	20%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

* Income levels are based on OHCS guidelines for a family of four.

Agricultural Worker Housing

There is currently no identified housing dedicated to this population in Linn County. Based on the assumption that this type of housing will maintain its current representation in the local housing stock, this indicates no need for dedicated agricultural workforce housing in Albany during this planning period. However, this population may be served by other available affordable units.

Reconciliation of Future Need (2040) and Land Supply (City of Albany)

This section summarizes the results of the Buildable Lands Inventory (BLI). The BLI is presented in detail in an accompanying memo to this report. This analysis relies on two estimates of capacity from the multiple constraint scenarios considered in the BLI memo as seen in Figure 6.1.

More specifically, the projected capacity in Scenario 1A follows state methodology for residential buildable lands as specified for Goal 10 (OAR 660 Division 8 and ORS 197.296). Scenario 1B considers 50 percent of non-significant wetlands as constrained due to a limited number of wetland mitigation bank credits, the expense of credits, and location of wetlands. The other two BLI scenarios (2A and 2B) evaluated the impacts of floodplains and wetlands on developable acres, considering land outside the floodway in the special flood hazard area as developable (currently permitted).

The following table (Figure 6.1) presents the estimated new unit capacity of the buildable lands identified in the City of Albany and within the UGB for the multiple constraint scenarios that were evaluated. Residential zones and mixed-use zones that can accommodate some residential uses were included in the inventory using their effective density.

The City's zoning districts can be broken down into broad categories based on density trends and effective density in mixed use zones:

- **Low density (<8 units/gross acre):** RR – Rural Residential, RS-10 Residential Single-Family, RS-6.5 Residential Single-Family, RS-5 Residential Single-Family (detached), HM – Hackleman Monteith, ES – Elm Street, MS – Main Street, WF – Waterfront (undeveloped) , URR – Urban Residential Reserve (county), and LDR – Low Density Residential (county)
- **Medium density (8 – 18 units/gross acre):** RS-5 (attached), RM – Residential Medium Density (<1 acre), MUR – Mixed Use Residential, WF (<1 acre), CB – Central Business, DMU – Downtown Mixed Use, MUC -Mixed Use Commercial, and Village Center
- **High density (18+ units/gross acre):** RM, RMA – Residential Medium Density Attached, HD – Historic Downtown, MDR – Medium Density Residential (county)

The difference in buildable land between Scenarios 1A and 1B represents about 73 residential acres in the City limits and 164 acres in the UGB when factoring for half of the non-significant wetlands. This is illustrated on the development status maps in Figure 6.2 that follow. The difference in buildable land between Scenario 1 (A&B) and Scenario 2 (A&B) is about 300 total acres of land in the floodplain outside the floodway in the City and UGB.

FIGURE 6.1: ESTIMATED RESIDENTIAL BUILDABLE LANDS CAPACITY BY ACREAGE AND NO. OF UNITS (2019)

	Effective Units/Gross Acre	Total		1A: State Methodology		1B: 1A plus 50% nonsign wetlands		2A: 1A plus SFHA outside floodway		2B: 2A plus 50% nonsign wetlands	
		# of Taxlots	Acres in Taxlots	Buildable Acres	Units	Buildable Acres	Units	Buildable Acres	Units	Buildable Acres	Units
In City Limits Total		16,757	5,843	1,399	8,214	1,327	7,773	1,620	9,354	1,533	8,841
LE	0.0	59	14	1	-	1	-	1	-	1	-
NC	0.0	22	4	0	2	0	2	0	2	0	2
OP	0.0	11	7	4	3	4	3	4	3	4	3
ES	0.5	68	17	0	-	0	-	0	-	0	-
RR	3.6	717	588	173	579	173	579	250	817	249	815
RS-10	3.6	2,185	1,182	482	1,593	469	1,554	508	1,673	496	1,633
MS	3.8	54	18	2	4	2	4	2	4	2	4
RS-6.5	4.6	7,997	2,359	377	1,649	346	1,508	433	1,889	397	1,720
WF	5.0	62	15	3	7	3	7	3	7	3	7
HM	5.1	982	151	2	13	2	13	2	13	2	13
RS-5 (detached)	5.1	1,478	392	121	675	103	593	141	773	117	659
Low Density Totals		13,635	4,747	1,165	4,525	1,104	4,263	1,345	5,181	1,272	4,856
RS-5 (attached)	9.0	369	98	30	271	26	232	35	316	29	264
RM (<1acre)	10.0	2,060	401	41	367	40	356	48	433	48	428
MUC	11.9	43	97	41	529	41	527	56	666	55	664
WF (<1acre)	13.3	45	5	3	40	3	40	3	40	3	40
MUR	12.2	106	16	1	11	1	11	1	11	1	11
CB	18.0	86	17	3	45	3	45	3	45	3	45
DMU	18.0	41	9	1	8	1	8	1	8	1	8
Medium Density Totals		2,750	643	120	1,271	115	1,219	146	1,519	140	1,460
HD	20.0	122	22	4	66	4	66	4	67	4	67
RM	22.0	100	318	105	2,171	98	2,043	118	2,402	111	2,274
RMA	26.0	150	113	7	181	7	181	7	184	7	184
High Density Totals		372	453	115	2,418	108	2,290	128	2,653	121	2,525
Outside City Limits Total		483	1,918	1,279	6,454	1,113	5,546	1,348	6,769	1,170	5,809
LDR	4.6	46	137	10	41	10	41	14	60	14	59
URR	4.6	428	1,712	1,205	5,415	1,051	4,706	1,270	5,711	1,104	4,951
Village Center	10.0	1	28	28	276	25	250	28	276	25	250
MDR	20.0	8	41	36	722	27	549	36	722	27	549
TOTAL UGB CAPACITY		17,240	7,761	2,679	14,668	2,440	13,319	2,968	16,123	2,703	14,650

Source: Angelo Planning Group

- Looking at Scenarios 1A (state methodology) and 1B, there is a total estimated remaining capacity of between 7,700 and 8,200 units of different types in the City limits and between roughly 13,300 and 14,600 units within the full study area (City and UGB) depending on the impact of non-significant wetlands.
- Most of the remaining buildable acreage is in low-density residential zones or Plan designations. At a total capacity of 9,000 to 10,000 housing units, this is roughly 75 percent of the total unit capacity.
- Though there are many fewer buildable high-density acres, they can still accommodate around 1,900 units in the City limits, and another 550 to 725 in the UGB assuming land is developed with residential uses at projected densities of 20 to 26 units an acre. This is nearly 20 percent of the total unit capacity.
- There is less available acreage in medium-density zones (defined as supporting density between eight and 18 units/acre), though the bulk of the mixed-use zoned land falls in this category. In total, the capacity of these zones represents nine percent of the total unit capacity.

FIGURE 6.2: ESTIMATED INVENTORY OF BUILDABLE RESIDENTIAL LANDS (2019)

FIGURE 6.2 A – SCENARIO 1A DEVELOPMENT STATUS: STATE METHODOLOGY

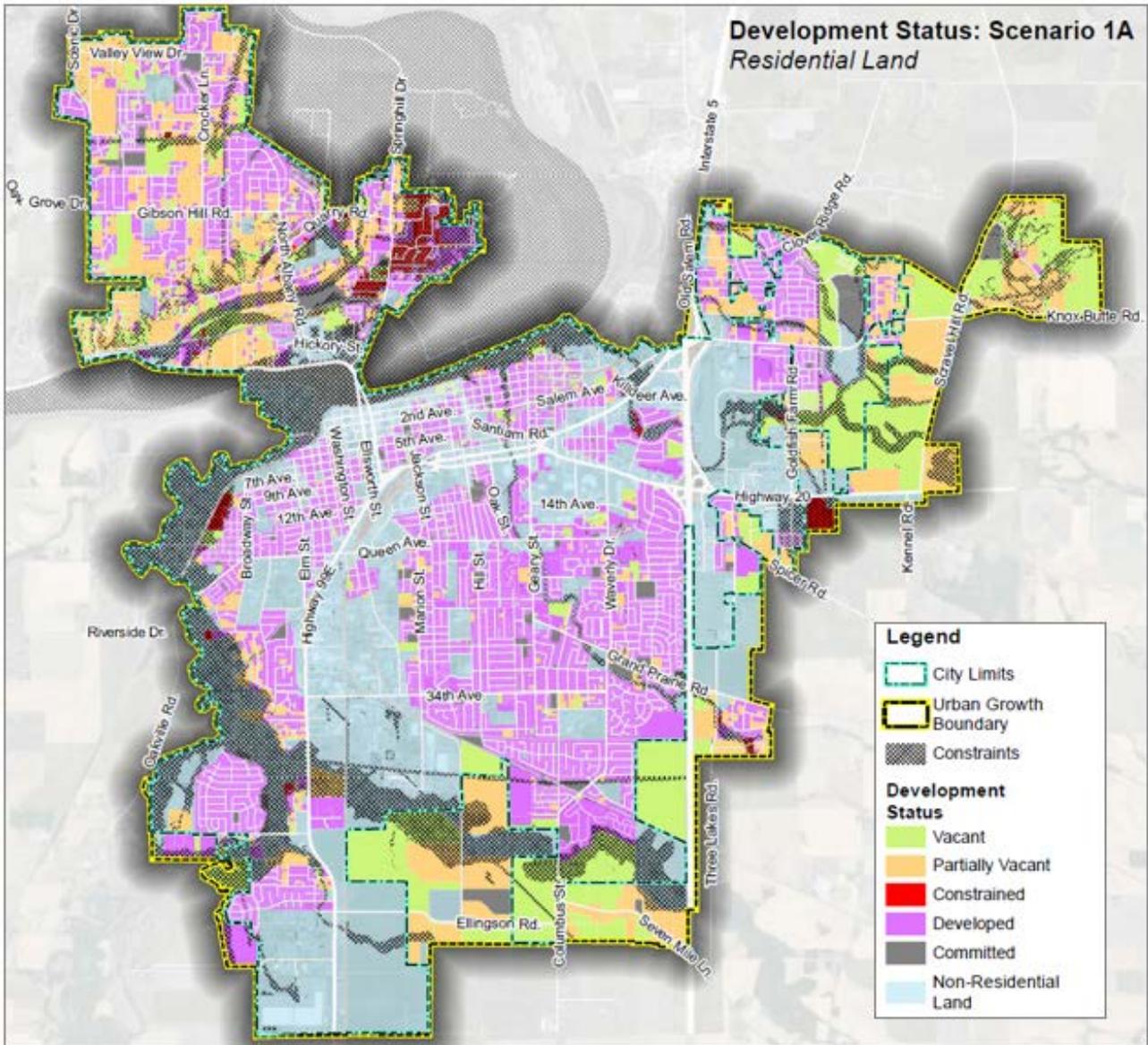
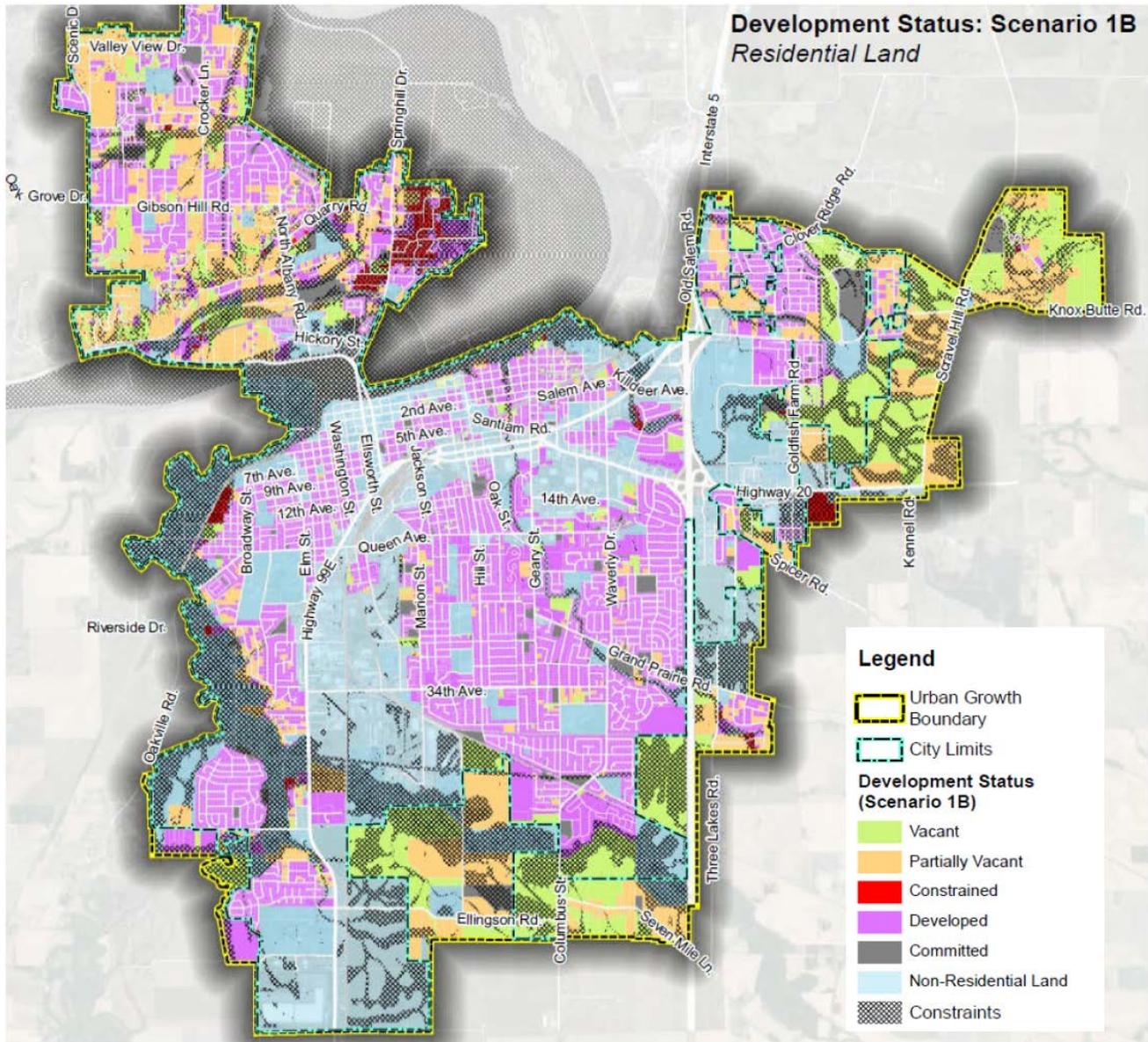


FIGURE 6.2 B – SCENARIO 1B DEVELOPMENT STATUS

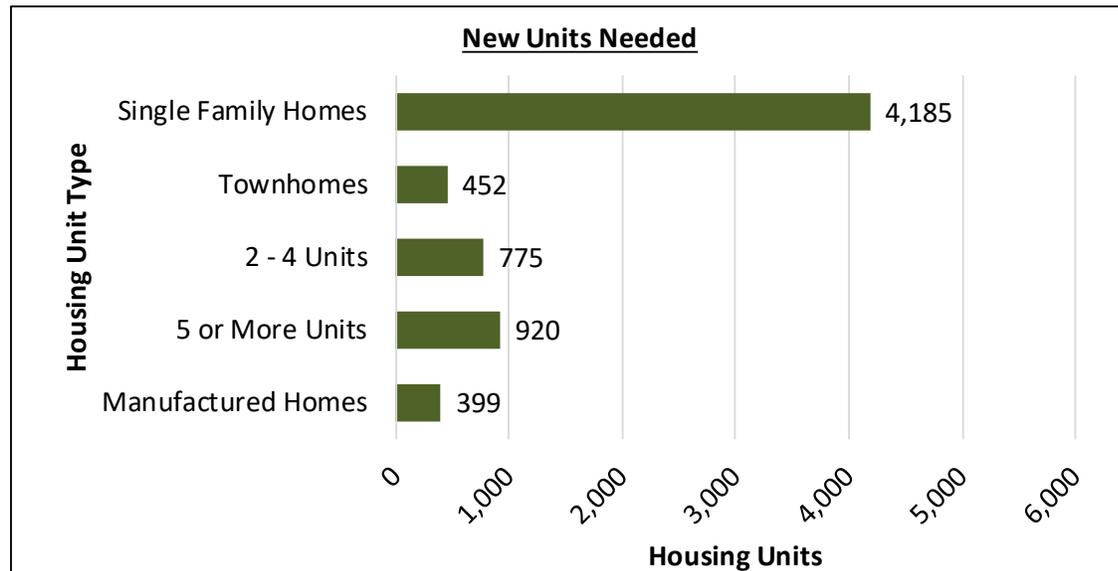


Source: Angelo Planning Group

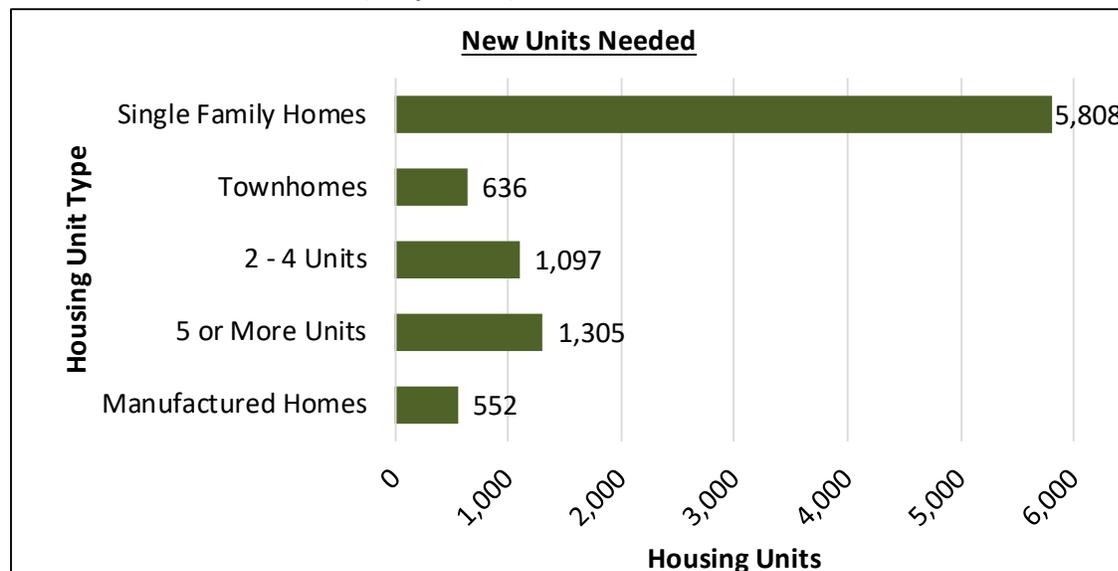
The following figures summarize the forecasted future unit need for Albany by housing types. These are the summarized results from Section V of this report, presented here for reference.

FIGURE 6.3: SUMMARY OF FORECASTED FUTURE UNIT NEED BY HOUSING TYPE (2040)

A. PSU FORECAST (1.3 PERCENT)



B. ALTERNATIVE FORECAST (1.7 percent)



Sources: PSU Population Research Center, Census, Johnson Economics

Comparison of Housing Need and Capacity

There is a total forecasted need for roughly 6,700 units over the next 20 years based on the PSU forecast and approximately 9,400 units are forecasted using the alternative growth scenario. This is higher than the estimated capacity of land within the city limits but is below the estimated capacity within the UGB of over 14,240 units (Scenario 1A), assuming all URR land is built-out with residential.

Figure 6.4 below presents a comparison of the BLI capacity for new housing units, compared to the estimate for new unit need by 2040. It breaks down need by general density range of the zoning and plan designations (LDR, MDR, HDR), assuming the density parameters and general housing types listed at the beginning of this section.

- The results find ample capacity for low-density housing, and higher-density housing using the baseline forecast.

- Under the higher-growth alternative forecast there is a projected shortage of land for low-density residential uses within the current city limits.
- The amount of dedicated “medium-density housing” land (eight to 18 units per acre) in the city limits is lower than the need for middle-housing types based on the city’s current development standards for both growth scenarios. When residential land capacity located outside of the current city limits but within the current UGB is considered, there is ample developable capacity for the projected growth in the baseline forecast, and most of the growth under the alternative forecast.
- In addition, the City has two “medium-density” zones (RM and RMA) that are designed to meet the needs of medium-density and higher-density housing types along with some of the City’s mixed-use zones.
- While HB 2001 will require the City to allow middle housing types in low-density zones by June 30, 2022, the increased capacity of two percent was factored into the projected density by zone.

FIGURE 6.4: COMPARISON OF FORECASTED FUTURE LAND NEED (2040) WITH AVAILABLE CAPACITY

WITHIN CITY LIMITS		SUPPLY			DEMAND					
Zoning Districts	Typical Housing Types	Buildable Land Inventory			PSU Forecast (1.3%)			Alternate Forecast (1.7%)		
		Buildable Acres	Avg. Density units/ac	Unit Capacity	New Unit Need to 2040	Surplus (Deficit)		New Unit Need to 2040	Surplus (Deficit)	
						Units	Acres		Units	Acres
Low-Density: RR, RS-10, RS-6.5, RS-5, HM, MS	Single-family detached; duplex	1,165	3.9	4,525	4,270	255	23	5,926	(1,401)	(359)
Med-Density: RS-5 attached, MUR, RM<1ac, WF<1ac, MUC, DMU, CB	Single-family Attached; Manuf. Home parks, 2-4 plexes	120	10.6	1,271	1,540	(269)	(25)	2,166	(895)	(84)
High-Density: RM, RMA, HD	Apartments, condos	115	21.0	2,418	920	1,498	71	1,305	1,113	53
TOTALS		1,397	5.6	7,829	6,730	1,484	69	9,398	(1,183)	(391)

OUTSIDE CITY LIMITS, IN UGB		SUPPLY		
Comprehensive Plan Designation	Typical Housing Type	Buildable Land Inventory		
		Buildable Acres	Avg. Density units/ac	Unit Capacity
Low-Density	Single-family detached; duplex	1,214	4.5	5,456
Med-Density	SF attached; Manuf. home; 2-4 plexes	28	10.0	276
High-Density/ Village Center	Apartments, condos	36	20.0	722
TOTALS		1,278	5.0	6,454

Sources: Angelo Planning Group, Johnson Economics

VI. CONCLUSIONS AND RECOMMENDATIONS

The analysis presented in this report leads to the following key conclusions regarding housing and residential land need in Albany.

- Using the baseline PSU forecast to 2040 and state methodology for determining buildable residential land, there is ample capacity within the City limits to 2040 for low-density and high-density housing

types, but the City may need to rely on land in the UGB to accommodate projected medium density housing types (attached housing, eight to 18 units/acre).

- When factoring for the most constrained scenarios and more aggressive growth rate, there is inadequate capacity within the City limits to 2040, but there is still adequate available land within the UGB for 20 years.
- Single-family units are expected to make up the greatest share of new housing development over the next 20 years. However, attached forms of housing are also expected to grow as an overall share of housing due to growing trends toward more density, infill development, accessory dwelling units, and constraints of the urban growth boundary. Recent state legislation also seeks to encourage more of this type of development by permitting duplexes and triplexes in traditional single-family zones.
- If historic trends in housing types and tenancy continue, there will likely be demand for land that can accommodate medium density housing (and for higher density housing (more than 18 units an acre).
- There is a current and projected need for more affordable housing opportunities for many Albany households. Over 50 percent of renters spending more than 30 percent of their income on gross rent, and a quarter of renters are spending 50 percent or more of their income on housing and are considered severely rent-burdened.
- There is some new need for ownership housing at the low-end of the pricing spectrum. But income trends suggest the community could supply more housing in the middle and upper price ranges (\$500k or more). The \$200,000 to \$350,000 price point (in current dollars) is projected to remain the greatest share of demand.
- The greatest need for rental units is found at the lowest and some higher price points. Market rents are currently clustered in the \$700 to \$1,600 range in current dollars. Therefore, most units are to be found in this range. There is insufficient rental housing for the lowest income households making \$25,000 or less.

RECOMMENDATIONS

There are a variety of potential strategies applied in other communities that the City of Albany could consider to address current and future housing needs identified in the HNA. Potential categories of strategies could include:

- (1) Development Code Strategies;
- (2) Policy and Land Supply Strategies;
- (3) Funding Sources and Programs; and
- (4) Incentives for Needed Housing.

Figure 7.1 presents a table of potential strategies the City might consider.

FIGURE 7.1: SUMMARY OF POTENTIAL HOUSING STRATEGIES

Strategy	Current and Past Efforts
Development Code Strategies	
1. Establish Minimum Density Standards	
In order to ensure residential developments meet the intent and projected capacity of each zone, the City could consider adopting minimum density requirements.	N/A

Strategy	Current and Past Efforts
<p>2. Evaluate Existing Development Standards</p> <p>Review existing standards to ensure they do not overly constrain housing development. Suggestions for reduced lot sizes, parking, setbacks, and lot coverage are presented under this strategy.</p>	<p>The City is currently reviewing residential design standards as part of a separate project to ensure standards are clear and objective and to provide additional flexibility for housing developers.</p>
<p>3. Evaluate Existing Non-Residential Uses</p> <p>Review and consider amendments to allowed uses in residential zones to ensure development of non-residential uses does not prevent those zones from meeting their projected housing capacity.</p>	<p>N/A</p>
<p>4. Facilitate Middle Housing Types</p> <p>Consider zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for duplexes, triplexes, fourplexes, townhomes, cottage clusters, and other “missing middle” housing types.</p>	<p>The City allows many of these housing types in the medium density and mixed use zones, either outright or through discretionary review. The City will need to allow middle housing in more areas as required by Oregon House Bill 2001.</p>
<p>5. Zoning Incentives for Affordable or Workforce Housing</p> <p>Creates incentives for developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code.</p>	<p>The City currently provides density bonuses for moderate-cost housing. The bonus varies by the affordability level (i.e., housing affordable to persons whose’s income is 0.8 times, equal to, or 1.2 times the area median income).</p>
<p>6. Inclusionary Zoning</p> <p>A tool used to produce affordable housing within new market-rate residential developments. Typically implemented through an ordinance mandating a minimum percentage of units remain affordable for a set period of time.</p>	<p>N/A</p>
<p>Policy and Land Supply Strategies</p>	
<p>7. Rezone and Redesignate Land</p> <p>Rezone land from other residential designations and/or from non-residential designations to meet specific housing needs, assuming there is an adequate supply of land available to meet non-residential needs.</p>	<p>N/A</p>
<p>8. Expand Urban Growth Boundary</p> <p>A strategy to amend the city’s UGB if the supply of land within the UGB cannot accommodate the amount needed for future development. (Not supported by HNA at this time.)</p>	<p>N/A</p>

Strategy	Current and Past Efforts
Funding Sources and Programs	
9. Construction Excise Tax (CET)	
<p>A tax on new construction of between 1 percent and 3 percent to help pay for affordable housing strategies identified here. CET is a one-time tax assessed on new construction. State law requires it to be spent on specific types of programs and activities.</p>	N/A
10. Land Acquisition and Banking	
<p>Land acquisition is a tool to secure sites for affordable housing. Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be used for affordable housing.</p>	<p>The City has acquired properties within the Central Albany Revitalization Area (CARA); but not for the purpose of developing affordable housing (see Strategies 12 and 13).</p>
11. Financial Assistance Programs	
<p>A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.</p>	<p>The City funds assistance programs through its Community Development Block Grant (CDBG) program, and partners with organizations including DevNW, Albany Area Habitat for Humanity, and Community Services Consortium (CSC) to implement these programs.</p>
12. Tax Increment Financing (TIF)	
<p>TIF is a funding mechanism in which future tax revenues in targeted development or redevelopment areas are diverted to finance infrastructure improvements and/or development—potentially including affordable and/or market-rate housing.</p>	<p>The City has supported development of affordable housing and infrastructure improvements in the Central Albany Revitalization Area (CARA) (see Strategy 13). The CARA Waterfront Project will improve the streetscape and rail crossings along Water Avenue. Those improvements could be leveraged to reduce costs for private or non-profit housing developers.</p>
13. Public-Private Partnerships (PPPs) and Community Land Trusts	
<p>Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit), including Community Land Trusts.</p>	<p>The Woodwind Apartments, completed in 2015, are an example of a PPP for affordable housing that was supported by the Central Albany Revitalization Agency. The CARA committed \$1.45 million to the project, including \$817,660 for the purchase of the property.</p>
Incentives for Needed Housing	
14. Tax Abatements	
<p>Tax abatements are reductions in property taxes for housing and may include full or partial tax exemptions or freezes on the assessed value of properties. Abatements are often provided to non-profit corporations or to private developers in exchange for developing affordable or other desired housing types (such as mixed-use).</p>	<p>The City adopted the Non-Profit Low-Income Housing Tax Credit per ORS 307.540-548 in 1993, which enables the City to exempt affordable housing developed by non-profit organizations from City taxes, although annual renewal is required.</p>

Strategy	Current and Past Efforts
<p>15. Development Fee Deferrals, Exemptions or Reductions and SDC Methodology</p> <p>This strategy reduces costs for housing development by reducing, exempting, or deferring one-time fees for new development, such as land use application fees and fees to offset costs of public facilities. The City could also consider scaling SDCs to the type or size of housing so that smaller houses would pay a smaller SDC fee, for example.</p>	



MEMORANDUM**Buildable Lands Inventory – Methodology and Results**
City of Albany Housing Needs Assessment & Economic Opportunities Analysis

DATE July 30, 2020
TO Anne Catlin, City of Albany
FROM Andrew Parish and Matt Hastie, APG
CC File

INTRODUCTION

This memorandum describes the methodology and initial results of the City of Albany Buildable Lands Inventory (BLI). The purpose of this analysis is to determine the amount of buildable land available within the City of Albany's Urban Growth Boundary (UGB) in order to evaluate the capacity for residential and employment growth remaining within the UGB. The BLI will be paired with a Housing Needs Assessment (HNA) and Economic Opportunities Analysis (EOA), which will determine the projected growth and land need for Albany's residential and employment uses.

Data for this BLI was provided by the City of Albany and Linn County.

The BLI is conducted in several steps, as follows.

- **Step 1. Constraints.** Constraints include floodplains, wetlands, water bodies, steep slopes, and other features that may reduce the developability of land in Albany. Several scenarios of constraints evaluated in the BLI are discussed in more detail later in this memorandum.
- **Step 2. Classification of Land.** We have classified every taxlot within the Albany UGB as either residential, employment, mixed use, or committed, based on comprehensive plan and/or zoning designation, assessor's data, and staff input.
- **Step 3. Assign Development Status.** Each taxlot within the Albany UGB is given a "development status" of either developed, vacant, partially vacant, or committed, based on assessor's data, aerial photography, and staff input.
- **Step 4. Determine Developable Acreage.** Taxlots with a vacant or partially vacant status are given an amount of developable acreage based on their size, existing uses, and any development constraints on the property.
- **Step 5. Determine Development Capacity.** For land categorized as residential and mixed-use, we have identified development capacity in number of units based on the developable acreage of a parcel and an initial review of the City's zoning regulations. This piece will be refined and updated with the results of the HNA and EOA to create a clearer picture of capacity within the Albany UGB. For Employment land, capacity is reported in terms of acres.

The remainder of this memorandum discusses these steps and initial results in greater detail.

STEP 1. CONSTRAINTS

TYPES OF CONSTRAINTS

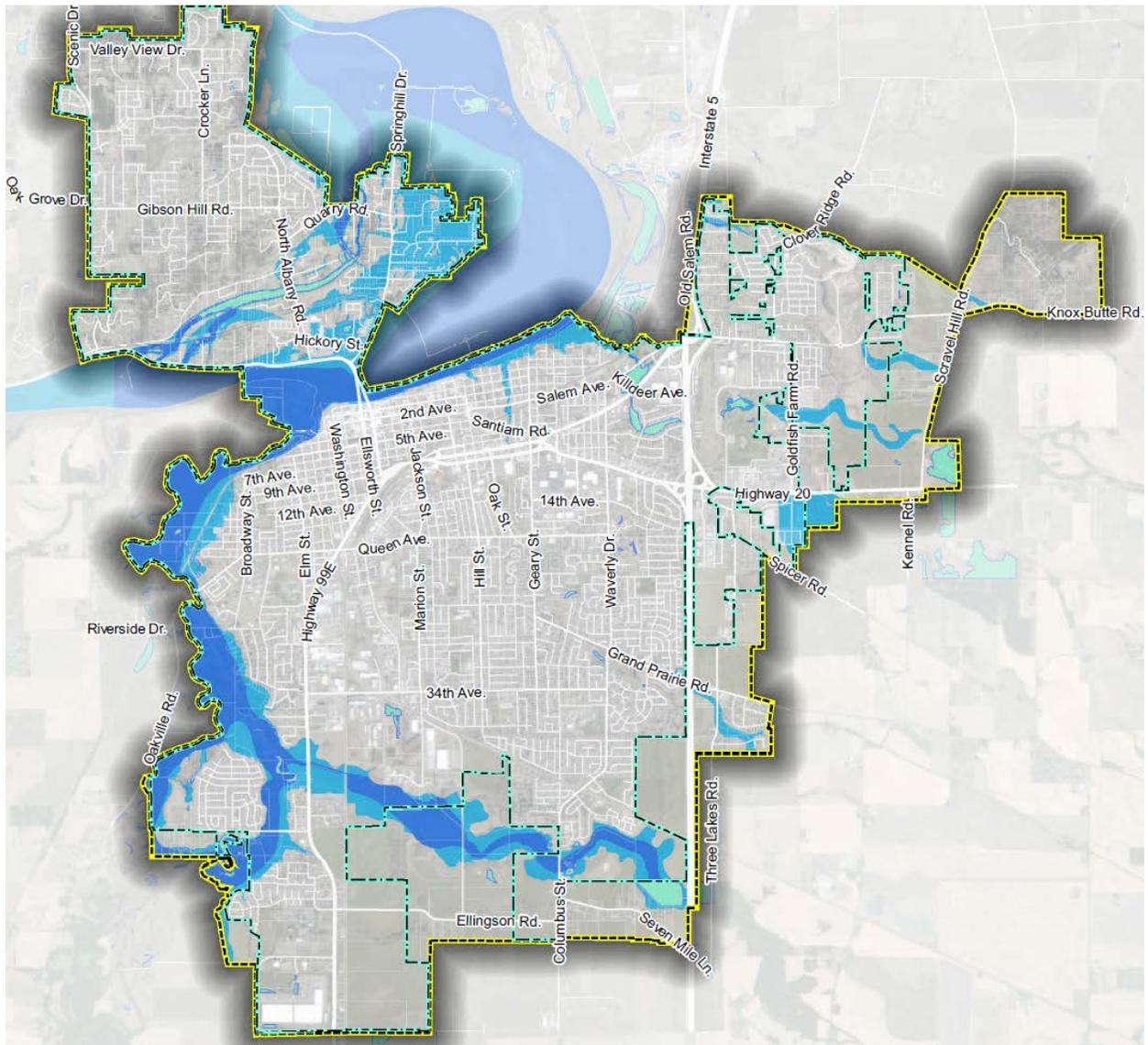
This step determined the amount of land in each taxlot within the Albany UGB that is constrained consistent with guidance provided in Statewide Planning Goal 10, OAR 660 divisions 8 and 9, and ORS 197.296.

The constraints used include:

- Special Flood Hazard Area (100-year Floodplain excluding the Floodway)
- Lakes and water bodies
- Floodway
- Wetlands classified as “significant” by the City of Albany
- Wetlands classified as “non-significant” by the City of Albany
- Areas with slopes 25 percent or greater
- Habitat and riparian corridors
- Areas within the Bonneville Power Administration (BPA) and Kinder Morgan (KM) pipeline easements.

Constraints are shown on Figure 1 and Figure 2.

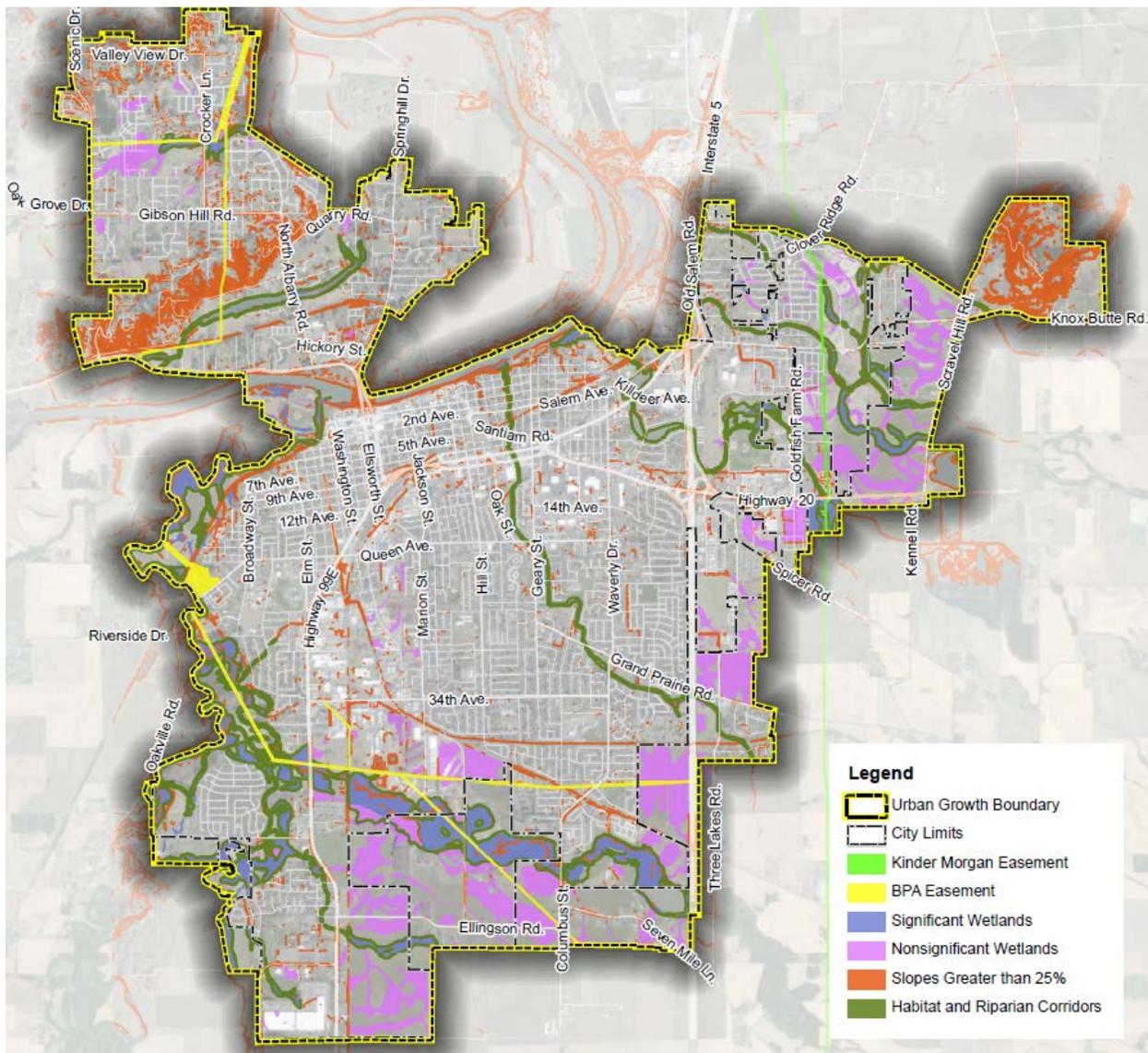
Figure 1. Floodway and Floodplain (Special Flood Hazard Area)



Legend

-  Non-Floodway SFHA
-  Floodway
-  Lakes and Water Bodies
-  City Limits
-  Urban Growth Boundary

Figure 2. Easements, Slopes, Wetlands, and Habitat and Riparian Corridors



CONSTRAINT SCENARIOS

Four different scenarios for the types of development constraints have been evaluated. These different constraint scenarios differ primarily in how floodplains and “non-significant” wetlands are categorized, while other constraints (easements, slopes, etc.) remain constant. These scenarios are defined as follows:

Scenario 1A. Scenario 1A follows the state definition of buildable land in OAR 660-008-005(2) and assumes 100 percent deduction from developable land for the following constraints:

- The entire Special Flood Hazard Area (SFHA, also known as the 100-Year Floodplain), which includes the floodway
- Significant Wetlands, Riparian Corridor, and Habitat areas
- Lakes and Water Bodies
- Areas with slopes 25 percent or greater

- e. Areas within the Bonneville Power Administration (BPA) and Kinder Morgan (KM) pipeline easements.

Scenario 1B. Scenario 1B is based on the constraints in Scenario 1A that are 100 percent constrained, with the added development constraint of 50 percent of non-significant wetlands on any given parcel due to expense of wetland mitigation and availability of mitigation bank credits.

Scenario 2A. Scenario 2A considers only the floodway within the floodplain as a constraint. Additionally, 50 percent of the land within the Riparian Corridor or Habitat overlays on a given parcel is assumed to be developable as permitted in the Albany Development Code.

Scenario 2B. Scenario 2B is based on the constraints in Scenario 2A, with the added development constraint of 50 percent of non-significant wetlands on any given parcel.

Table 1 lists the features that are considered constrained in each scenario.

Table 1. Constraint Scenarios

Constraints	Scenario 1A	Scenario 1B	Scenario 2A	Scenario 2B
BPA and KM Pipeline Easements	X	X	X	X
Slopes >25%	X	X	X	X
Floodway	X	X	X	X
Significant Wetlands	X	X	X	X
Lakes and Water Bodies	X	X	X	X
SFHA (100-year Floodplain excluding the floodway)	X	X		
Riparian Corridor or Habitat Overlays	X	X	X (50%)	X (50%)
Non-significant Wetlands		X (50%)		X (50%)

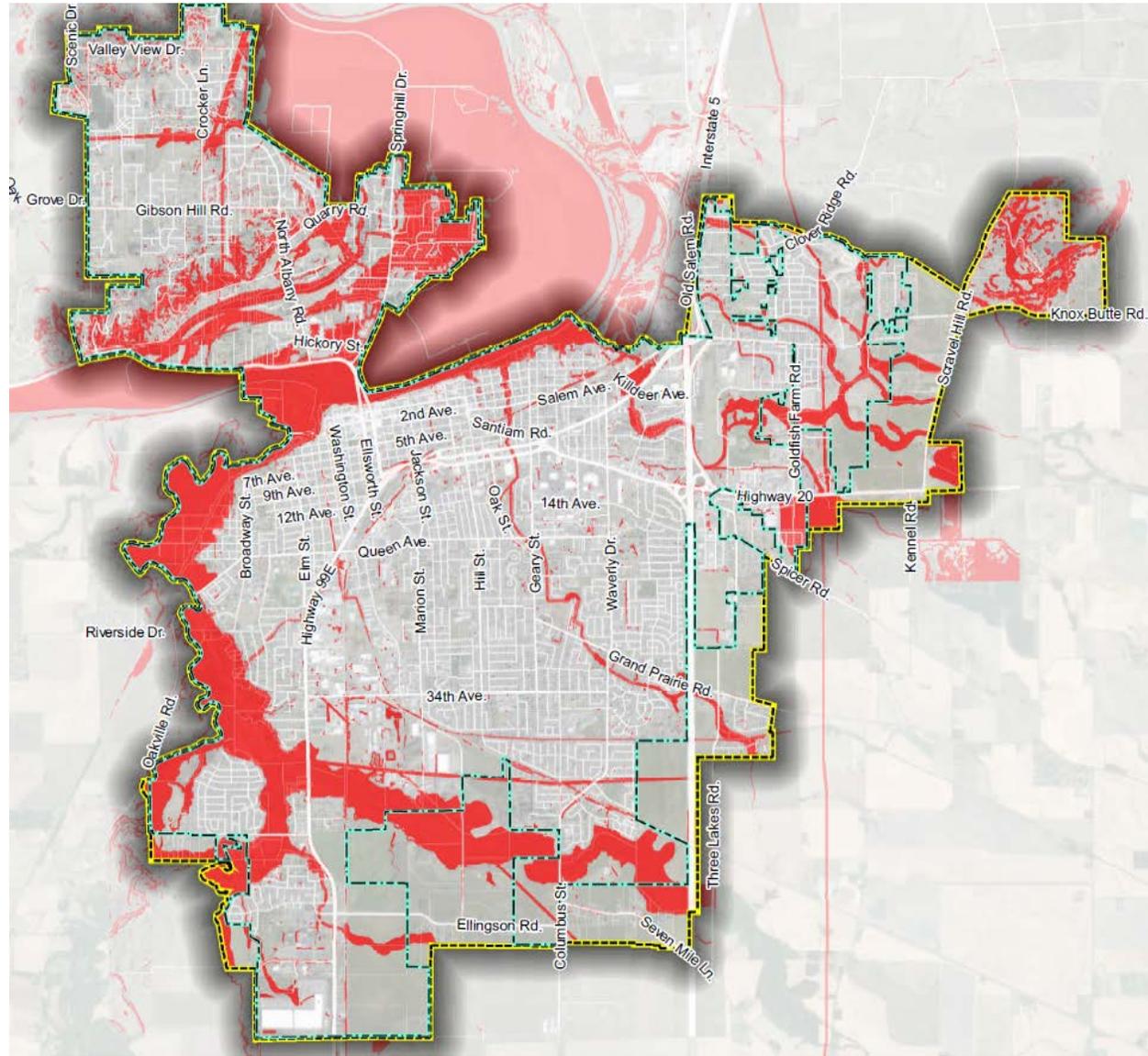
Table 2. Constrained Acres by Constraint Scenarios

	Total Acres within Taxlots ¹	1A Constraints	1B Constraints	2A Constraints	2B Constraints
Within City Limits	9,465	1,892	2,090	1,278	1,515
Outside City Limits	2,234	554	772	454	683
Total	11,699	2,446	2,862	1,731	2,198

¹ Does not include area within ROW or portions of the Willamette River within the Albany UGB.

Maps depicting the constrained area of each scenario are shown in Figures 3 through 6.

Figure 3. Scenario 1A Constraints

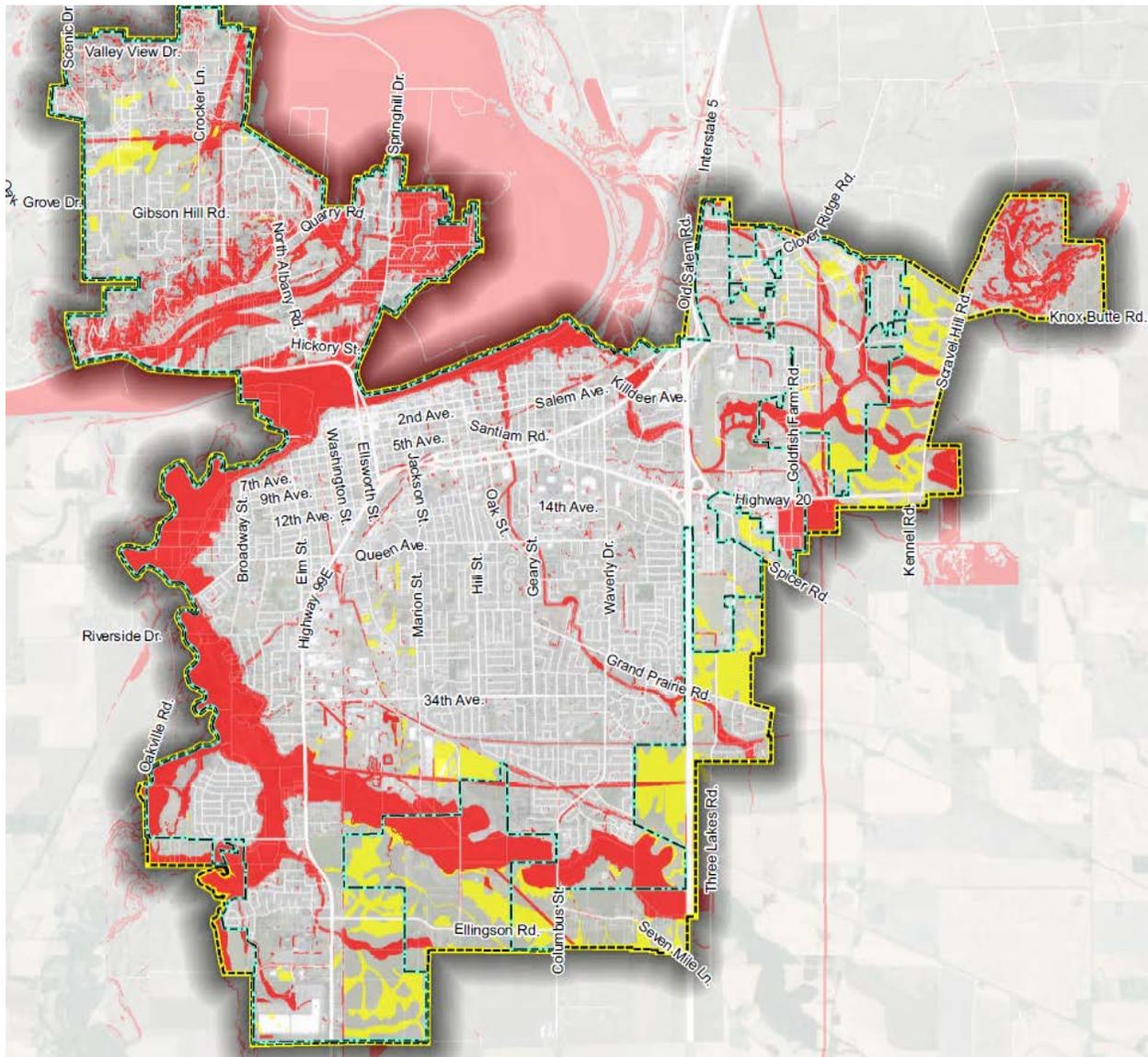


Legend

- City Limits
- Urban Growth Boundary
- 100% Constraints

Scenario 1A assumes 100 percent deduction for the following constraints: the entire Special Flood Hazard Area (SFHA, also known as the 100-Year Floodplain); Lakes and Water Bodies; Significant Wetlands; Riparian Corridor and Habitat areas; areas with slopes 25 percent or greater; and land within the BPA and KM easements.

Figure 4. Scenario 1B Constraints

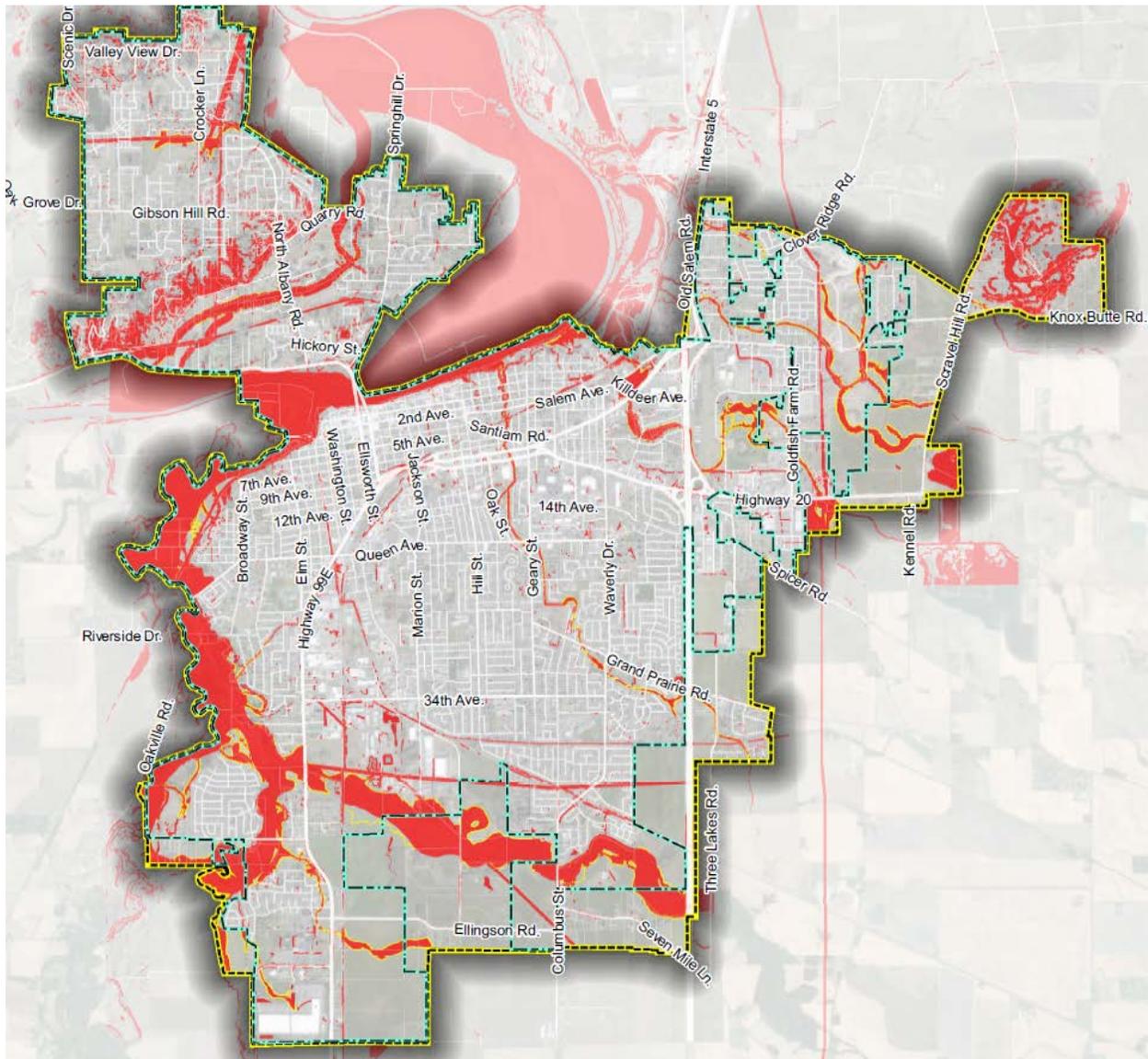


Legend

- City Limits
- Urban Growth Boundary
- 100% Constraints
- 50% Constraints

Scenario 1B assumes 100 percent deduction for the following constraints: the entire Special Flood Hazard Area (SFHA, also known as the 100-Year Floodplain); Lakes and Water Bodies; Significant Wetlands; Riparian Corridor and Habitat areas; areas with slopes 25 percent or greater; and land within the BPA and KM easements. Additionally, a 50 percent deduction for non-significant wetlands is applied.

Figure 5. Scenario 2A Constraints

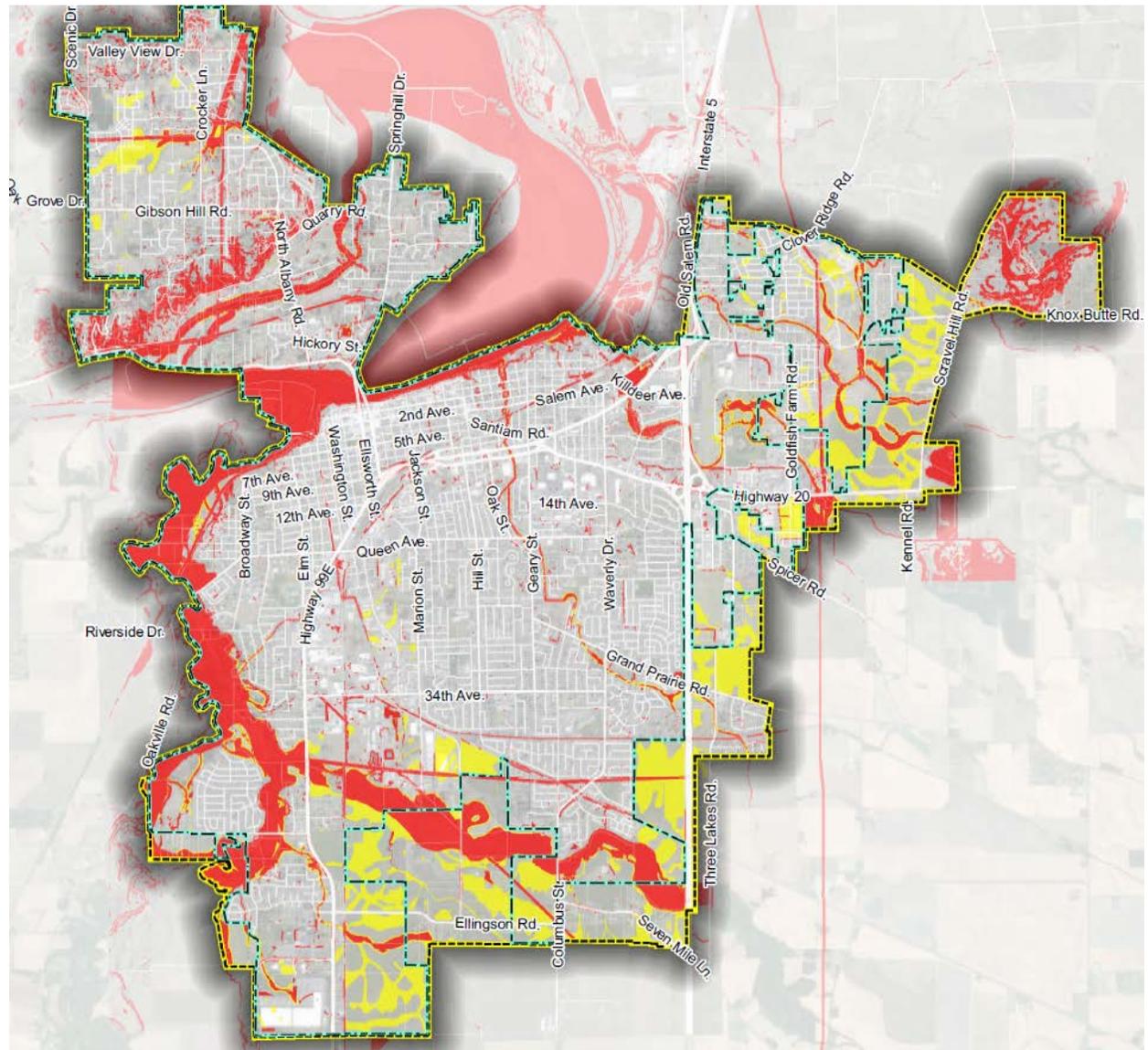


Legend

- City Limits
- Urban Growth Boundary
- 100% Constraints
- 50% Constraints

Scenario 2A assumes 100% deduction for the Floodway, Lakes and Water Bodies, Significant Wetlands, areas with slopes 25 percent or greater, and land within the BPA and KM pipeline easements, and 50% reduction for land in the Riparian Corridors and Habitat overlays.

Figure 6. Scenario 2B Constraints



Legend

-  City Limits
-  Urban Growth Boundary
-  100% Constraints
-  50% Constraints

Scenario 2B assumes 100 percent deduction for the Floodway, Lakes and Water Bodies, Significant Wetlands, areas with slopes 25 percent or greater, and land within the BPA and KM pipeline easements; and 50 percent reduction for Riparian Corridor and Habitat Overlays and Non-Significant Wetlands.

STEP 2 – CLASSIFICATION OF LAND

Land within the Albany UGB has been categorized as one of the following:

- **Residential** – Land with a comprehensive plan designation of Residential or Urban Residential Reserve, with the exception of land with non-residential zoning (i.e., Office Professional – OP or Neighborhood Commercial – NC); as well as land with a comprehensive plan designation of Village Center zoned RM or MUR or with identifiable residential developments. [City zoning districts: Rural Residential (RR), Residential Single-Family (RS)-10, RS-6.5, RS-5, Hackleman Monteith (HM), Residential Medium Density (RM), Residential Medium Density Attached (RMA), and Mixed Use Residential (MUR).]
- **Employment** – Land with a comprehensive plan designation of Commercial or Industrial; and properties zoned Office Professional District (OP), Neighborhood Commercial District (NC), Pacific Boulevard (PB), and Community Commercial (CC), Industrial Park (IP), Light Industrial (LI), Heavy Industrial (HI), and Regional Commercial (RC).
- **Mixed Use** – Properties with a comprehensive plan designation of Village Center and zoned Downtown Central Business District (CB), Elm Street (ES), Lyon-Ellsworth (LE), Main Street (MS), Downtown Mixed Use (DMU), Historic Downtown (HD), Mixed Use Commercial (MUC), and Waterfront (WF).
- **Committed** – Land with a comprehensive plan designation of Open Space, Water Body, and Public and Semi-Public, as well as publicly-owned properties in public use (i.e.e fire stations, schools).

Cases where parcels have zoning designations that differ from comprehensive plan designation (i.e. an industrial plan designation with residential zoning) or are split-zoned have been addressed on a case-by-case basis in consultation with City staff.

The Urban Residential Reserve (URR) Comprehensive Plan designation primarily identifies areas between the developed urban area and the UGB where a variety of residential zones and some light commercial zones may be permitted to accommodate all needed housing types without a Plan change.

Figure 7 shows land classification within the Albany UGB. Table 3 provides information about number of taxlots and acreage.

Table 3 provides information about number of taxlots and total acreage by zoning district and assessor's land classification that corresponds to the Land Classification Map in Figure 7.

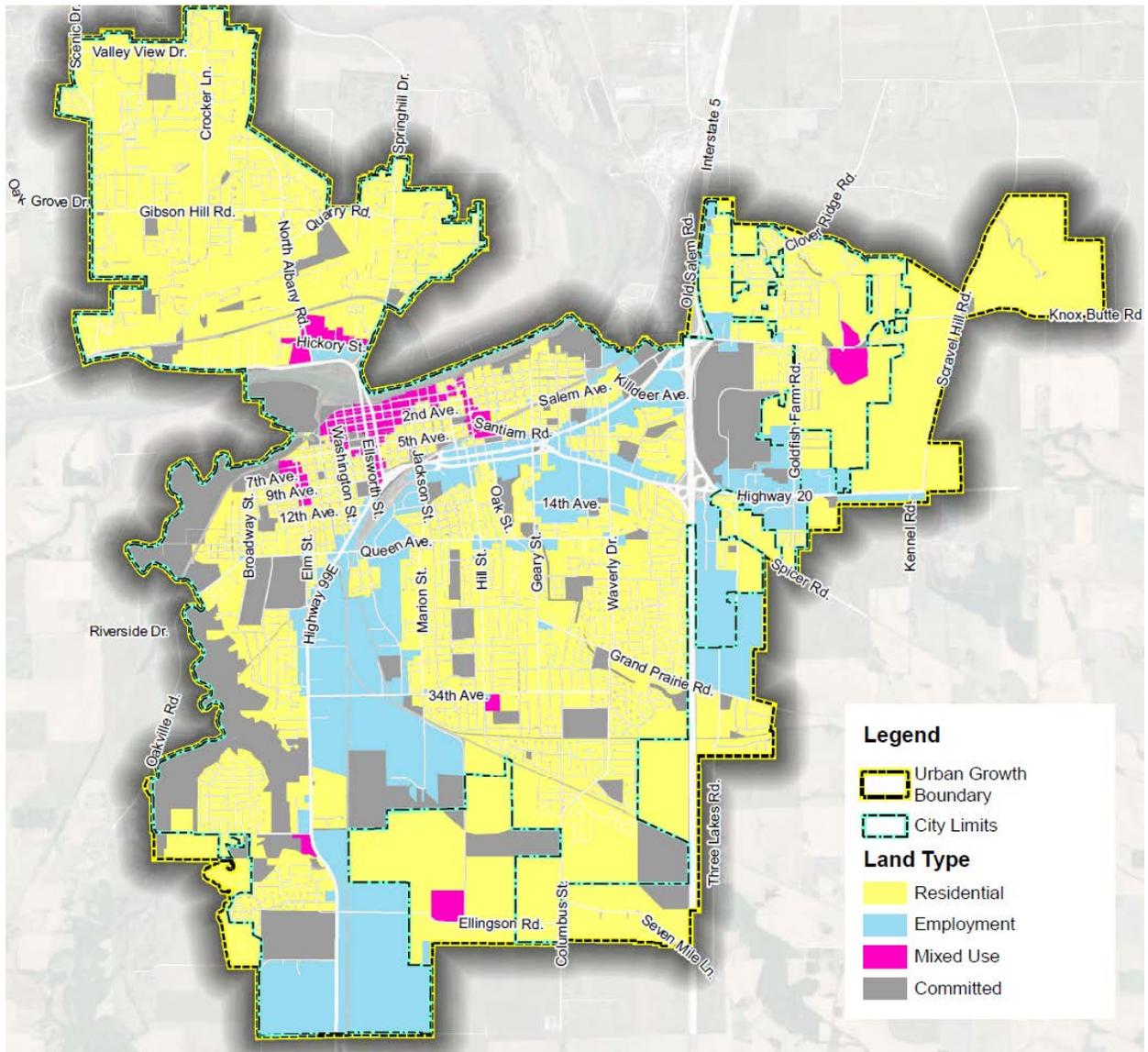
Table 3. Land Type by Zoning and Land Classification

Land Type and Zoning	# of Taxlots	Total Acres
Within City Limits	18,068	9,465
Residential	16,245	5,687
HM – Hackleman Monteith	982	151
MUR – Mixed Use Residential	106	16
NC – Neighborhood Commercial	22	4
OP – Office Professional	11	7
OS – Open Space	23	39
PB – Pacific Boulevard	1	0
RM – Residential Medium Density (> 1 acre)	100	318
RM – Residential Medium Density (< 1 acre)	2,060	401
RMA – Residential Medium Density Attached	150	113
RR – Residential Reserve	717	588
RS-10 – Residential Single Family	2,185	1,182
RS-5 – Residential Single Family	1,847	480
RS-6.5 – Residential Single Family	7,997	2,359
WF – Waterfront	45	5
Employment	1,013	1,842
CC – Community Commercial	338	233
HI – Heavy Industrial	32	249
IP – Industrial Park	36	421
LI – Light Industrial	300	564
NC – Neighborhood Commercial	45	29
OP – Office Professional	107	60
PB – Pacific Boulevard	44	19
RC – Regional Commercial	102	266
Mixed Use	534	205
CB – Central Business	86	17
DMU – Downtown Mixed Use	41	9
ES – Elm Street	68	17
HD – Historic Downtown	122	22
LE – Lyon Ellsworth	59	14
MS – Main Street	54	18
MUC – Mixed Use Commercial	43	97
WF – Waterfront	62	15

Land Type and Zoning	# of Taxlots	Total Acres
Committed	276	1,731
CC – Community Commercial	8	2
DMU – Downtown Mixed Use	1	0
HD – Historic Downtown	6	7
HI – Heavy Industrial	4	53
HM – Hackleman Monteith	6	12
LI – Light Industrial	10	90
MS – Main Street	1	2
OP – Office Professional	5	10
Open Space	1	0
OS – Open Space	90	526
PB – Pacific Boulevard	3	3
Public Facilities	5	3
RC – Regional Commercial	2	2
RM – Residential Medium Density (> 1 acre)	9	33
RM – Residential Medium Density (< 1 acre)	11	3
RR – Residential Reserve	2	15
RS-10 – Residential Single Family	13	72
RS-5 – Residential Single Family	1	0
RS-6.5 – Residential Single Family	96	813
Split Zoned (RS 6.5/LI)	1	85
WF – Waterfront	1	1
Outside City Limits	528	2,234
Residential	482	1,890
Medium Density Residential	8	41
Low Density Residential	46	137
Urban Residential Reserve*	428	1,712
Employment	28	177
Commercial	12	46
Industrial	16	131
Mixed Use	1	28
Village Center	1	28
Committed	17	139
Open Space and Water Body	14	127
Public Facilities	3	11
Total	18,596	11,699

*Land designated Urban Residential Reserve could be zoned for commercial or mixed uses; the OP, NC and MUR zones are compatible with the Plan designation.

Figure 7. Land Classification



STEP 3 –DEVELOPMENT STATUS

Each taxlot within the Albany UGB was given a “development status” of either developed, vacant, partially vacant, constrained, or committed. This designation is based on assessor’s data, aerial photography, and staff input. The four constraint scenarios yielded four separate status designations for each taxlot within the Albany UGB, differing primarily in areas of floodplain and non-significant wetlands. Criteria for these categories are described below.

DEVELOPMENT STATUS FOR RESIDENTIAL TAXLOTS

- **Vacant:** These parcels have sufficient area for development and little to no improvements. Parcels with more than 2,000 square feet of unconstrained land and improvement value less than \$10,000 are given this designation. Vacant parcels that have active or recently approved land use applications or are under construction, as identified by City staff, are still considered vacant if they have not yet been developed. However, they will reflect the actual housing unit capacity based on the specific type and level of development identified in the land use application when calculating buildout.
- **Partially Vacant:** These parcels have existing development but can accommodate additional infill based on their size and zoning designation. These parcels are at least a half-acre in size, have an existing single-family dwelling or duplex, and contain unconstrained land of at least one quarter acre. A quarter-acre is removed from the buildable area of these parcels to account for the existing dwellings. Parcels with an existing multi-family use or other non-residential property class/use are classified as Developed unless aerial imagery shows unconstrained land or developed land is 0.5 acres or larger.
- **Constrained:** These are parcels impacted by one of the constraints identified in earlier steps that have less than 2,000 square feet of unconstrained land remaining. They are assumed to not be developable due to the small area that is potentially buildable.
- **Developed:** Parcels that have an improvement value of more than \$10,000, but do not meet the definition of Partially Vacant or Constrained. These parcels are assumed to be developed and do not have enough land remaining to accommodate additional development.
- **Committed.** These parcels are assumed to be unavailable for further development, and include common green space held by homeowners’ associations, land owned by religious or fraternal organizations, and publicly owned property that is not intended to be used for future development.

Development Status differs between constraint scenarios as illustrated in Table 7 and Figures 8 and 9. Scenario 1A in Figure 8 follows the state methodology for determining residential buildable lands. Figure 9 adds the location of non-significant wetlands, which, due to mitigation costs, can render land unbuildable. When factoring for 50 percent of non-significant wetlands, the difference is 73 acres in the city limits 163 outside the city. Maps of constraint Scenarios 2A and 2B, which exclude land outside the floodway, are provided in Appendix A.

Figure 8. Residential Development Status: Scenario 1A

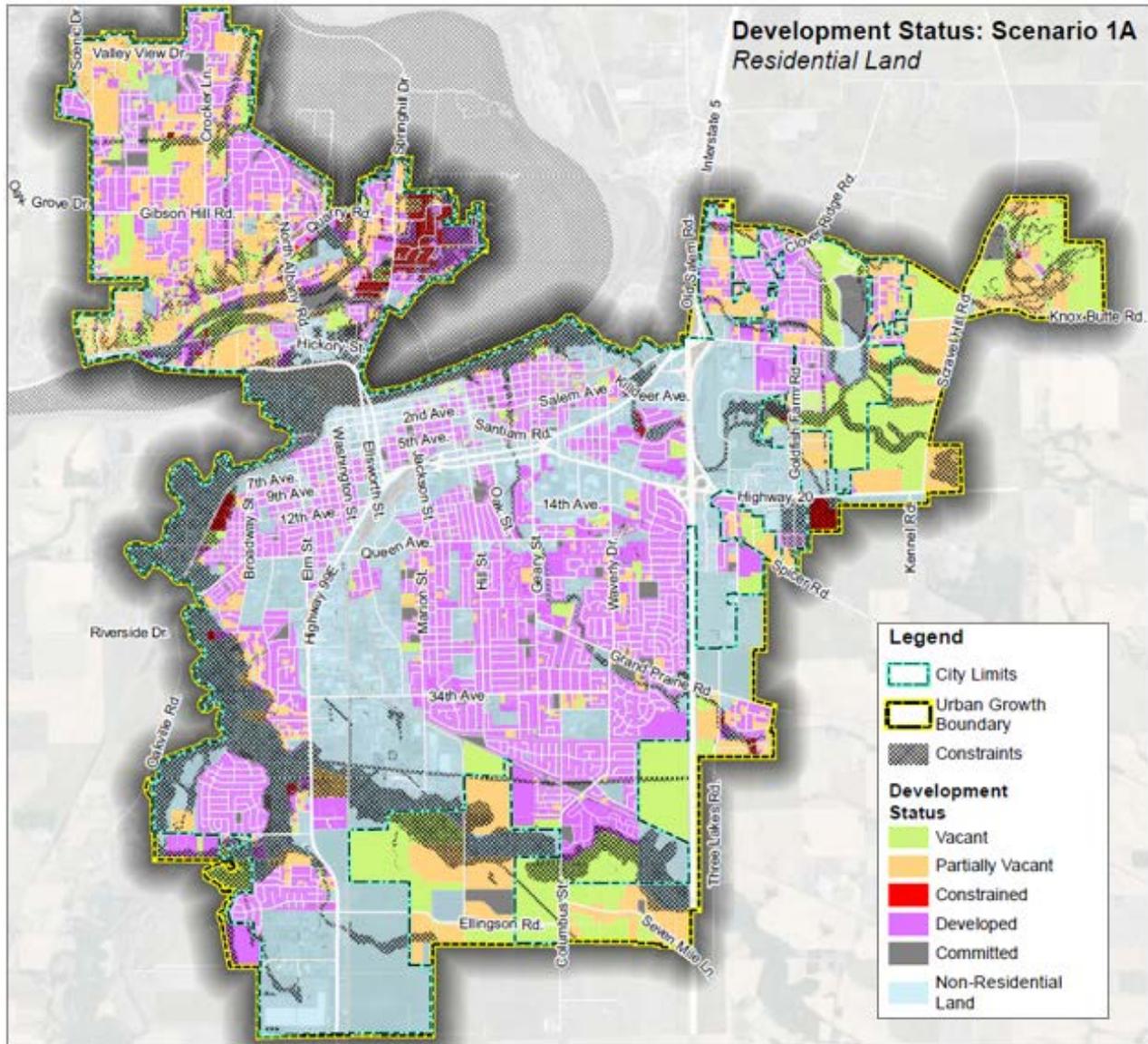


Figure 9. Residential Development Status: Scenario 1B

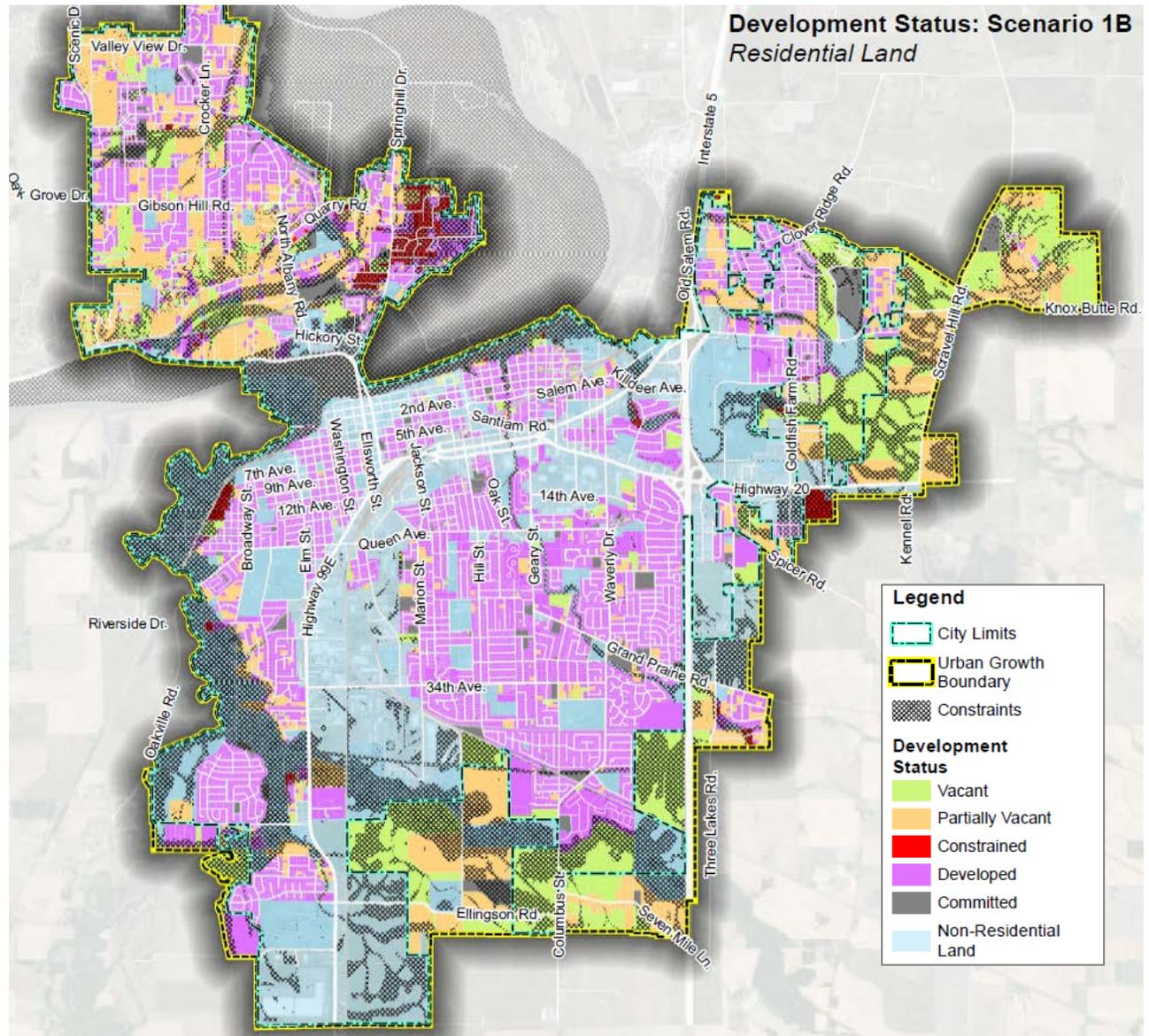


Table 4. Development Status for Residential Tax Lots (Scenario 1A)

	Number of Taxlots	Acres in Taxlots	% of acreage	Constrained Acres (Scenario 1A)	Acres for Existing Homes (Partially Vacant Taxlots)	Developable Residential Acres (Scenario 1A)
In City Limits	16,222	5,648	100%	868	216	1,346
Constrained	257	111	1.95%	110	-	-
Developed	14,056	3,193	56.14%	222	-	-
Ignore	348	336	5.91%	83	-	-
Partially Vacant	855	1,146	20.29%	222	214	710
Vacant	720	876	15.41%	241	-	635
Outside City Limits	482	1,890	100%	426	51	1,251
Constrained	10	32	1.68%	32	-	-
Developed	182	148	7.84%	37	-	-
Ignore	16	61	3.23%	11	-	-
Partially Vacant	204	763	40.35%	171	51	541
Vacant	70	886	46.90%	176	-	711
Total	16,727	7,577		1,294		2,597

DEVELOPMENT STATUS FOR EMPLOYMENT AND MIXED-USE TAX LOTS

The development status criteria for employment lands are similar to those of residential lands. They are provided by OAR 660-038-0120 – “Inventory of Buildable Employment Land within the UGB.”

- **Vacant:** Parcels with an improvement value less than \$5,000, or less than or equal to five percent of its real market value.
- **Partially Vacant:** Parcels with an improvement value greater than five percent and less than 40 percent of real market value. Or, based on aerial imagery, if the parcel is greater than one acre and approximately half the parcel is not improved.
- **Developed:** Parcels with an improvement value greater than or equal to 40 percent of the real market value or parcels with no improvement value that have a property class of Commercial Improved or Industrial Improved.
- **Constrained:** Parcels that are not developed and contain less than 2,000 square feet of unconstrained land and are impacted by one of the constraints identified in earlier steps. These parcels are assumed to not be developable due to the small area that is potentially buildable.
- **Committed:** These parcels are assumed to be unavailable for further development, and include common green space, land owned by religious or fraternal organizations, and publicly owned property that is not intended to be used for future development.

Development Status differs between constraint scenarios for employment lands as outlined in Table 9. The difference between Scenarios 1A and 1B amount to 80 acres in the city limits and 38 acres outside city limits if 50 percent of non-significant wetlands were considered a constraint. The map of Scenario 1B follows, showing the impact wetlands may have on the buildable employment land. (OAR 660-009-0005 (2) lists wetlands as a development constraint.) Maps of Scenarios 1A, 2A, and 2B are provided in Appendix A.

Table 5. Development Status for Employment and Mixed-Use Taxlots (Scenario 1B)

	Number of Taxlots	Acres in Taxlots	% of acreage
In City Limits	1,547	2,047	100%
Vacant	298	728	36%
Partially Vacant	142	239	12%
Developed	1,010	1,030	50%
Constrained	8	17	1%
Committed	89	32	2%
Outside City Limits	29	205	100%
Vacant	10	142	69%
Partially Vacant	12	53	26%
Developed	7	10	5%
Total	1,576	2,252	

STEP 4 DETERMINE DEVELOPMENT CAPACITY

HOUSING CAPACITY

The tables in this section describe the estimated housing unit capacity of Residential and Mixed-Use lands that have a development status of “Vacant” or “Partially Vacant.” Table 6 lists zoning and comprehensive plan designations, assumptions about the projected density, which are based on past development trends and current development code standards, and the proportion of development assumed to be residential in mixed-use districts.

The projected density was then increased by 2 percent in residential zones that are typically comprised of single-family dwellings (identified in Table 6 with a *) to factor for House Bill 2001, which will allow duplexes on any property that allows a single-family home and other middle-housing types in some single-family zones.

Table 6. *Development Assumptions of Residential and Mixed-Use Lands*

Zone	Type	Notes	Effective DU/ Gross Acre
RM – Residential Medium Density	Residential	Maximum of 25 Dwelling Units/Gross Acre (DU/AC). 100% Residential; Unconstrained area 1 acre or larger.	22
		RM<1acre: Unconstrained area less than 1 acre (i.e. smaller scale infill, rather than large new residential development)	10.0*
RMA – Residential Medium Density Attached	Residential	Maximum of 35 Dwelling Units/Gross Acre; 100% residential.	26
RS-5 – Residential Single Family	Residential	RS-5 Detached single-family - 5,000 SF lot size; 100% Residential, 80% of acreage	5.1*
		RS-5 Attached housing – 7,000 SF duplex lot size; 2,800 SF attached lot size; 100% Residential; 20% of acreage	9.0
HM – Hackleman Monteith	Residential	Historic single-family detached homes. 5,000 SF lot size; 100% Residential.	5.1*
RS-6.5 – Residential Single Family	Residential	6,500 SF lot sizes; 100% residential.	4.6*
RS-10 – Residential Single Family	Residential	10,000 SF lot sizes; 100% residential.	3.6*
RR – Residential Reserve	Residential	Restricted to 5-acre lot sizes due to infrastructure limitations; assumed to eventually build out at RS-10 densities; 100% residential.	3.6*
MUR – Mixed Use Residential	Mixed Use	No min lot size s-f detached; 80% Residential at 15 DU/AC.	12.2*
CB – Central Business	Mixed Use	High-density residential infill encouraged; 50% residential at 36 DU/AC.	18
DMU – Downtown Mixed Use	Mixed Use	High-density residential infill encouraged; 50% residential at 36 DU/AC	18
ES – Elm Street	Mixed Use	Hospital-related zone; 10% residential at 5 DU/AC.	0.5
HD – Historic Downtown	Mixed Use	High-density residential infill encouraged; 50% Residential at 40 DU/AC.	20
LE – Lyon Ellsworth	Mixed Use	Parking/Commercial; 0% residential.	0
MS – Main Street	Mixed Use	Primarily commercial district; 25% residential at 15 DU/AC	3.75
MUC – Mixed Use Commercial	Mixed Use	Encourages medium density residential. Minimum density of 10 DU/AC unless above commercial; 70% Residential at 17 DU/AC.	12
PB – Pacific Boulevard	Mixed Use	Auto oriented district, 0% residential.	0
WF – Waterfront	Mixed Use	Variety of uses. Attached s-f 1,600 SF lot size; 50% Residential minimum density of 10 DU/AC.	5
		WF<1 acre: Already platted but vacant lots < 1 acre; actual units/acre	13.3

Zone	Type	Notes	Effective DU/ Gross Acre
County: Urban Residential Reserve	Residential and Mixed Use	Assume a mix of RS-5 and RS-6.5 zoning, maybe a little mixed use.	4.5
County: Low-Density Residential	Residential	Unincorporated but surrounded by City property. Assume a mix of RS-5 and RS-6.5 zoning.	4.5
County: Medium-Density Residential	Residential	Assume RM average of 20 DU/AC.	20
Village Center	Mixed Use	Assume 50% residential at 20 DU/AC	10

* Note: Densities increased by 2% to account for additional middle housing production due to HB2001.

Table 7 describes the capacity of residential land within the Albany UGB under the four constraint scenarios discussed in Step 1.

- **Effective Density:** The zoning assumptions from Table 6.
- **Developable Residential Land:** The amount of land remaining after deducting any land that is constrained for development due to factors discussed above. For Partially Vacant parcels, 0.25 acres has been deducted to account for an existing home or other development.
- **Units:** The number of units resulting from multiplying Developable Acres by the assumed density, rounded down to the nearest whole number for each taxlot.

MIXED-USE CAPACITY

Approximately half the development potential of mixed-use properties is projected to be residential and half employment. Table 8 describes the acreage and residential capacity of mixed-use land within the Albany UGB under the four constraint scenarios discussed in Step 1. The few developable mixed-use properties in the downtown core are not impacted by the different constraint scenarios. Some land zoned MUC in North Albany is constrained by floodplain in Scenarios 1A & B.

EMPLOYMENT CAPACITY

Developable Employment Acreage by Zoning Designation is shown in Table 9. This acreage will be used in the EOA to evaluate the capacity for employment growth within the Albany UGB. Developable Mixed-Use properties will provide opportunities for retail, office, and small-scale manufacturing.

TAKEAWAYS

These initial results show:

- The differences in constraint scenarios make up roughly 130 acres of employment land and 550 acres of residential land (translating into roughly 2,600 units) between the least-constrained and most-constrained scenarios.
- Most of Albany's Developable Employment Land is zoned industrial within the city limits, between 510 and about 600 acres.
- Buildable residential land is projected to accommodate between roughly 12,300 to 14,700 units at build out among the different constraint scenarios. Mixed Use zones are projected to accommodate approximately 860 to 1,030 units.
- The majority of Albany's residential capacity within the city limits is located in the single-family detached zones (RR, RS-10, RS-6.5, and RS-5).
- Land outside the city limits, but within Albany's urban growth boundary, accounts for roughly half of all buildable residential land within the UGB.

Additional information regarding expected unit mix between single-family detached, single-family attached, and multifamily housing types; number and types of employment supported by the land base; and other implications of this analysis will be determined through the accompanying Housing Needs Assessment and Economic Opportunities Analysis work.

Table 7. *Developable Residential Land and Unit Capacity*

	Effective DU/Gross Acre	Number of Residential Taxlots	Total Acres in Taxlots	1A: Developable Residential		1B: Developable Residential		2A: Developable Residential		2B: Developable Residential	
				Acres	Units	Acres	Units	Acres	Units	Acres	Units
In City Limits		16,222	5,635	1,340	7,562	1,251	6,751	1,550	8,587	1,444	7,694
HM	5.1	982	151	2	13	2	13	2	13	2	13
MUR	12.2	106	16	1	11	1	11	1	11	1	11
NC	0.0	22	4	0	2	0	2	0	2	0	2
OP	0.0	11	7	4	3	4	3	4	3	4	3
RM	22.0	100	318	107	2,218	85	1,729	120	2,449	98	1,960
RM < 1 acre	10.0	2,060	401	41	367	40	356	48	433	48	428
RMA	26.0	150	113	7	181	7	181	7	184	7	184
RR	3.6	717	588	173	579	173	579	250	817	249	815
RS-10	3.6	2,185	1,182	482	1,593	469	1,554	508	1,673	496	1,633
RS-5 Detached	5.1	1,478	392	115	647	96	558	139	762	112	633
RS-5 Attached	9.0	369	98	29	259	25	217	35	311	28	252
RS-6.5	4.6	7,997	2,359	377	1,649	346	1,508	433	1,889	397	1,720
WF < 1 acre	13.3	45	5	3	40	3	40	3	40	3	40
Outside City Limits		482	1,890	1,251	6,178	1,088	5,296	1,320	6,493	1,145	5,559
County - MDR	20.0	8	41	36	722	27	549	36	722	27	549
County - URR	4.6	428	1,712	1,205	5,415	1,051	4,706	1,270	5,711	1,104	4,951
County - LDR	4.6	46	137	10	41	10	41	14	60	14	59
Grand Total		16,704	7,525	2,591	13,740	2,339	12,047	2,870	15,080	2,590	13,253

Table 8. *Developable Mixed-Use Acres and Unit Capacity*

	Effective Units Gross Acre	Total # of Mixed Use		1A: Developable Mixed Use		1B: Developable Mixed Use		2A: Developable Mixed Use		2B: Developable Mixed Use	
		Taxlots	Acres	Acres	Units	Acres	Units	Acres	Units	Acres	Units
In City Limits	20.0	534	205	52	659	51	657	66	797	66	795
CB	18.0	86	17	3	45	3	45	3	45	3	45
DMU	18.0	41	9	1	8	1	8	1	8	1	8
ES	0.5	68	17	0	0	0	0	0	0	0	0
HD	20.0	122	22	4	66	4	66	4	67	4	67
LE	0.0	59	14	1	0	1	0	1	0	1	0
MS	3.8	54	18	2	4	2	4	2	4	2	4
MUC	11.9	43	97	41	529	41	527	56	666	55	664
WF	5.0	62	15	3	7	3	7	3	7	3	7
Outside City Limits	10.0	1	28	28	276	25	250	28	276	25	250
Village Center	10.0	1	28	28	276	25	250	28	276	25	250
Grand Total	20.0	535	232	79	891	76	863	94	1029	91	1001

Table 9. *Developable Employment Acres*

	Number of Employment Taxlots	Total Acres in Taxlots	1A: Developable Employment Acres	1B: Developable Employment Acres	2A: Developable Employment Acres	2B: Developable Employment Acres
In City Limits	960	1,822	718	638	731	649
CC	338	233	48	48	49	49
HI	32	249	72	70	72	70
IP	36	421	369	303	373	308
LI	300	564	146	140	151	143
NC	45	29	11	10	11	10
OP	107	60	16	15	16	15
RC	102	266	55	53	58	54
Outside City Limits	28	177	133	95	135	97
Commercial	12	46	26	23	27	24
Industrial	16	131	107	72	108	73
Grand Total	988	1,999	851	733	866	746