CITY OF
Millersburg
A COMMUNITY LINKING AGRICULTURE AND INDUSTRY

Rules of Conduct for Public Meetings

No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting. Microphones will be muted, and webcams will be turned off for remote participants unless called upon to speak or during public comment period.

Persons shall not comment or testify without first receiving recognition from the presiding officer and stating their full name and city of residence.

During public hearings no person shall present irrelevant, immaterial, or repetitious testimony or evidence.

There shall be no audience demonstrations such as applause, cheering, display of signs, or other conduct disruptive of the meeting. If online participant(s) disrupt the meeting, the participant(s) microphone and webcam will be turned off. If disruption continues, the participant(s) will be removed from the meeting.

This meeting is being recorded for public review on the City of Millersburg website.

PLANNING COMMISSION PUBLIC HEARING

Millersburg City Hall
4222 NE Old Salem Road, Millersburg, OR 97321
August 6, 2025 @ 6:00 p.m.

Planning Commission meetings are in-person. Remote access continues to be available.
To **participate via Zoom,** contact City Recorder at 458-233-6300
or **cityclerk@millersburgoregon.gov**, **prior to 5:00 p.m. on Tuesday, August 5, 2025.**
You can watch the Planning Commission Meeting here:
YouTube: https://www.youtube.com/@cityofmillersburg611/streams

A. CALL TO ORDER

B. ROLL CALL

C. MEETING MINUTE APPROVAL
   1) Approval of July 1, 2025, Planning Commission Public Hearing Minutes
      Action:_____

D. PUBLIC HEARING: Development Code Update 25-02 – EOA Adoption
   The City of Millersburg is proposing to adopt an Economic Opportunities Analysis as a supporting document to the City's Comprehensive Plan.

E. PLANNING UPDATE

F. ADJOURNMENT

Upcoming Meeting(s):
https://www.millersburgoregon.gov/calendar

If you have a disability that requires accommodation to attend or participate, please notify Millersburg City Hall in advance by calling 458-233-6300.

PLANNING COMMISSION PUBLIC HEARING MINUTES
4222 NE Old Salem Road
Millersburg OR 97321
July 1, 2025
6:00 p.m.

A. CALL TO ORDER: Vice-Chair Alex Patterson called the meeting to order at 6:08 p.m.

B. ROLL CALL:

Members Present: Vice-Chair Alex Patterson, Commissioners Michael Mueller, Jerry Horn, and Ryan Penning

Members Absent: Chair Doug Iverson and Commissioner Brandon Abresch

Council Present: Mayor Scott Cowan

Staff Present: Matt Straite, Community Development Director; Janelle Booth, City Manager; Alan Sorem, City Attorney; and Sheena Dickerman, Finance Manager/City Recorder

C. MEETING MINUTE APPROVAL

ACTION: Motion to approve the May 6, 2025, Planning Commission Workshop minutes made by Commissioner Michael Mueller; seconded by Commissioner Jerry Horn.

Commissioner Michael Mueller: Aye
Commissioner Jerry Horn: Aye
Commissioner Alex Patterson: Aye
Commissioner Ryan Penning: Aye
Motion Passed: 4/0

D. PUBLIC HEARING: Development Code Update 25-01 – Chapter 2.12 –

Vice-Chair Alex Patterson opened the public hearing at 6:10 p.m.

City Recorder Sheena Dickerman read the disclosure statement.

Community Development Director Matt Straite presented the proposed Development Code updates, he noted that the Commissioners had all heard this at the recent Workshop explaining that there were two categories of changes: federally mandated FEMA changes and other modifications to the Development Code.

Straite first addressed the FEMA-mandated changes. He explained that the changes resulted from a lawsuit related to the Endangered Species Act not being properly implemented through FEMA policies. A biological opinion was issued in 2016 outlining

areas of non-compliance, specifically in parts of Oregon and Washington regarding fish migration impacts. While full implementation is scheduled for 2027, Pre-Implementation Compliance Measures (PICMs) needed to be addressed immediately.

Straite clarified that though these were federal changes, they needed to be implemented at the local level through the city's flood overlay zoning. The flood code regulations would only apply within floodplain limits. The bulk of the FEMA-required changes involved adding "no net loss" standards and new definitions.

Straite noted that both the Department of Land Conservation and Development (DLCD) and FEMA had reviewed the proposed changes. FEMA had recently requested five additional definitions be added to the Development Code, which had already been incorporated into the ordinance that would go before City Council the following week.

Straite discussed the following changes:

1. RV Covers: The amendments would allow walls on three sides of RV covers (not on the front), with the stipulation that walls cannot come closer than 4 feet to the ground. Screening would be permitted all around as long as it was see-through.
2. Ground-mounted Solar: The changes would allow ground-mounted solar in non-residential zones, but only when ancillary to another project. Straite clarified that this would prevent vacant industrial land from being turned into solar farms while allowing solar installations in parking lots. Some standards were revised to apply only to residential zones.
3. Partitions: The Code previously required subdivision rules for properties large enough to be redivided in the future, but this was being removed as it conflicted with state definitions. Straite assured that other rules limiting serial partitioning, such as the restriction of no more than three houses on a shared driveway, were working well.
4. Legal Nonconforming Structures: This provision would allow residential structures that don't conform to current standards (e.g., setbacks, lot coverage) to be rebuilt exactly as they were if destroyed by catastrophe, but only for homes built after 1976 when the city passed its first zoning ordinance. Straite explained that the Planning Commission had previously decided to remove this update, but City Council reinstated it after public testimony.
5. Fowl and Rabbits: The Code would be amended to clarify that permits are not required to raise fowl and rabbits, though owners would still need to comply with standards.
6. Middle Housing Land Divisions: Due to State requirements addressing the housing crisis, the Code would acknowledge that middle housing land divisions could occur. Straite explained that the State was forcing the City to allow 5,000-square-foot lots despite the City's 10,000 square foot minimum in most residential areas. Since the State rules were still

evolving, the City was adding only a reference to State requirements for now, with plans to adopt more detailed provisions at a later time.

7. Lot Width to Depth Ratios: Text would be added to clarify standards for non-square lots, consistent with the existing diagram in the Code.

8. Signs on Fences: The current prohibition on signs on fences would be removed, allowing signs on fences subject to other applicable sign regulations.

   Commissioner Michael Mueller expressed concern about allowing nonconforming structures to be rebuilt to the same nonconforming standards, noting that other municipalities typically require rebuilding to current standards. Straite explained that this provision resulted from a resident's concern about not being able to rebuild their home exactly as it was if it was destroyed.

   City Attorney Alan Sorem clarified that there was also concern about permitted structures that were later found to be non-compliant through no fault of the owner. He reminded the Commission that they should make their own recommendation regardless of previous work sessions.

   Mueller stated that municipalities are becoming more uniform in standards, and this would be an outlier in his line of work.

   PUBLIC TESTIMONY
   None

   Vice-Chair Alex Patterson closed the public hearing at 6:30 p.m.

   ACTION: Motion that the Planning Commission recommend approval of application No. DC 25-01 to the City Council made by Commissioner Michael Mueller; seconded by Commissioner Ryan Penning.

Commissioner Michael Mueller:	Aye
Commissioner Jerry Horn:	Aye
Commissioner Alex Patterson:	Aye
Commissioner Ryan Penning:	Aye

   Motion Passed: 4/0

E. PLANNING UPDATE: **6:32 p.m.**
   Straite reported that no ministerial permits had been approved since the last meeting. He noted that an Economic Opportunities Analysis looking at the City's needs for the next 20 years would be presented to the Commission the following month as a Comprehensive Plan amendment.

   Straite also mentioned that the next meeting would be held on Wednesday instead of Tuesday due to National Night Out.

F. PLANNING ADJOURNMENT: Vice-Chair Alex Patterson adjourned the meeting at 6:34 p.m.

Respectfully submitted:

Sheena Dickerman
City Recorder

Reviewed by:

Matt Straite
Community Development Director

*Presentation materials or documents discussed at the meeting that are not in the agenda packet are archived in the record. Documents from staff are posted to the website after the meeting. Documents submitted by the public are available by emailing info@millersburgoregon.gov.

Proposal: The City of Millersburg is proposing to adopt an Economic Opportunities Analysis as a supporting document to the City's Comprehensive Plan.

I. BACKGROUND

A. Applicant: City of Millersburg

B. Location: City Wide

C. Review Type: The proposed Comprehensive Plan Amendment requires a hearing before the Planning Commission whereby the Commission makes a recommendation to the City Council. A subsequent hearing before the City Council is required for a final action, including the adoption of an ordinance. Any appeal of the City Council's decision relating to this matter will be considered by the Oregon Land Use Board of Appeals (LUBA).

D. Public Notice and Hearing: A notice was posted in City Hall. A separate notice was sent to the Department of Land Conservation and Development (DLCD) on June 20, 2025. The notice was posted at City Hall and in the newspaper on July 8, 2025, and July 15, 2025. Information related to the hearing is also posted on the City's website here - https://www.millersburgoregon.gov/planning/page/land-use-applications-and-applications-under-review.

E. Review Criteria: Millersburg Development Code Section 5.11.030. The amendments also require compliance with Oregon Administrative Rules section 660-012.

F. Current Zoning: All zones will have some effect from the proposed changes. No zoning map changes are proposed.

G. Background: A Comprehensive Plan is a foundation document that guides the City's development. All City documents build off of the Comprehensive Plan. It is both a visioning document and a guide to how the City should plan to develop in the future. Comprehensive Plans are supported by studies and analysis of several aspects of the City, such as the Transportation System Plan, the Sewer Master Plan, and the Stormwater Master Plan to name a few.

The City has recently completed an analysis of the commercial and industrial land inventory, capacity, and future need called an Economic Opportunity Analysis (EOA). An EOA is intended to identify the City's strengths and weaknesses in relation to economic development, and inventory and forecast the vacant lands within the City. A key element of the EOA is to see if the City has enough commercial and industrial property and infrastructure within the City limits to grow over the next 20 years. The study found that there is water, sewer (with planned upgrades to the conveyance system), natural gas and power availability for the full 20-year buildout; the vacant land availability is adequate; there is a large workforce in the region; and that rail and freeway connections are ample. This application proposes to

formally adopt the EOA as a supporting document to the Comprehensive Plan.

It should be noted that this EOA is a little different from most cities' EOAs. In June of 2023 the City Council approved an additional task to the scope of work which added an analysis of larger industrial site availability within the City. That additional analysis found that the City may need to expand to accommodate larger businesses.

The State of Oregon dictates, to a large degree, how an EOA study is to be done. These requirements come from Oregon's Statewide Planning Goal 9 and the Goal 9 administrative rules in OAR 660-009. The study is a supporting document to the Comprehensive Plan and adopted as an appendence to the Plan. No text changes are proposed to the Comprehensive Plan main body text at this time.

II. CRITERION

CITY OF MILLERSBURG DEVELOPMENT CODE

5.11.030 Decision Criteria. Amendments to the Comprehensive Plan or Development Code text shall be approved if the evidence can substantiate the following:

(1) There are no negative impacts of the proposed amendment on land use and development patterns within the city, as measured by:

- **a. Traffic generation and circulation patterns;**
- **b. Demand for public facilities and services;**
- **c. Level of park and recreation facilities;**
- **d. Economic activities;**
- **e. Protection and use of natural resources; and**
- **f. Compliance of the proposal with existing adopted special purpose plans or programs.**

ANALYSIS: The EOA analyzes the capacity for commercial and industrial growth, in terms of land capacity, infrastructure capacity, job capacity and many other metrics. The study does not create any direct changes to the City that would result in any negative impacts. Any physical changes that could possibly result from the study would be analyzed in another implementing action. Furthermore, the EOA generally found that the City has the infrastructure needed to accommodate the next 20 years of commercial and industrial development and does not recommend any significant improvements to the City's infrastructure beyond anticipated upgrades to the sewer conveyance system.

FINDING: Based on the analysis above, the project meets the required criteria.

(2) A demonstrated need exists for the proposed amendment.

ANALYSIS: City governments are responsible for the development of local Comprehensive Plans. The City is addressing a continual need to update the Comprehensive Plan by considering the adoption of an Economic Opportunities Analysis (EOA) report. Technical reports are the best means of meeting the requisite for a comprehensive, up-to-date plan for developing and maintaining the City's economic development needs. As Millersburg is anticipated to continue to grow in population and employment, these plans appropriately address forecasted needs using industry best practices in assessments and recommendations. The EOA is not required by the State, but if one is done, the State has requirements for how they are done. City Staff elected to do this analysis for a number of reasons. First, staff was concerned that the City might be running out industrial land. If that were true, this study would be required to show *why* the City needed to expand. As it turns out, the study found that there was enough room to accommodate the next 20 years. However, the study did find that there may not be enough larger lots for larger industrial developments. Should the City elect to ever grow to accommodate more large-scale industry this study would be vital as a form of justification for said growth.

FINDING: Based on the analysis above, the project meets the required criteria.

(3) The proposed amendment complies with all applicable Statewide Planning Goals and Administrative Rule requirements.

ANALYSIS: The State Planning Goals act as the foundation for Land Use planning in the State of Oregon. The Oregon Administrative Rules (OAR) and Oregon Revised Statutes (ORS) help implement those Goals. On a local level the State Goals are implemented by City Comprehensive Plans, and Comprehensive Plans are implemented by Zoning Codes.

The State has 19 Planning Goals. Some do not apply to the City of Millersburg, these include Goal 4, Forest Land; Goal 17 Coastal Shorelands; Goal 18 Beaches and Dunes; and Goal 19 Ocean Resources. Goals applicable to Millersburg include:

Goal 1 Citizen Involvement	Goal 10 Housing
Goal 2 Land Use Planning	Goal 11 Public Facilities and Services
Goal 5 Natural Resources, Scenic and Historic Areas, and Open Spaces	Goal 12 Transportation
Goal 6 Air, Water and Land Resources Quality	Goal 13 Energy Conservation
Goal 7 Areas Subject to Natural Hazards	Goal 14 Urbanization
Goal 8 Recreational Needs	Goal 16 Estuarine Resources
Goal 9 Economic Development	

Not all State Planning Goals apply to every amendment. An analysis of all applicable State Goals is included below.

Goal 1 is the Citizen Involvement Goal. The Comprehensive Plan explains that Goal 1 is met using the public hearing process. As such, the amendment meets the requirements of Goal 1 because there will be a public hearing before the Planning Commission and another before the City Council. The notice was posted at City Hall and in the newspaper on the dates stated at the beginning of the staff report. Information related to the hearing is posted on the City's website. A separate notice to the Department of Land Conservation and Development (DLCD) on June 20, 2025.

Goal 2 requires that cities have a process for Land Use actions, zoning, and that the City regularly re-review the processes to tweak and make revisions that better serve the community. This change implements the re-evaluation called for in Goal 2. The EOA will remove uncertainty surrounding specific economic development needs while maintaining desired community outcomes. The EOA assists the City in compiling strong future policies for the Comprehensive Plan and implementing regulations. The completion of the EOA report implements Statewide Land Use Planning Goal 2 by building the City's Comprehensive Plan on a factual base where the City can follow their plan when making decisions on appropriate zoning.

Goal 9 is the Economic Goal. The purpose of Goal 9 is to ensure cities have enough vacant land available to realize economic growth and development opportunities. Commercial and industrial development leads to economic activities that are vital to the health, jobs, welfare, and prosperity of Oregon's citizens. To provide these opportunities, local governments perform Economic Opportunity Analyses based on a 20-year forecast of employment growth.

The proposed EOA is fully consistent with the requirements of Goal 9 and OAR 660-009. These State requirements explain that an EOA must project the future employment levels for the next 20 years in Millersburg (inside the City limits and the Urban Growth Boundary(UGB)) and study the existing land supply to determine if that supply can accommodate the next 20 years of growth. The EOA achieves this by first, forecasting employment demand in Millersburg. Second, the report analyses employment demand. Last, the EOA creates a buildable land inventory for all commercial and industrial zones. For these three core elements of the EOA, the report found:

<u>*Forecast*</u>
Millersburg's employment base is 4,054 employees in 2024. Millersburg is forecast to have 6,602 employees by 2044. This is an increase of 2,548 jobs over the planning period. About 1,926 new employees will be industrial jobs, 618 jobs will be commercial and retail service jobs, and a small amount of growth (4 jobs) in government.

<u>*Demand*</u>
The forecast for land needed to accommodate employment growth in Millersburg

shows that the growth of 2,548 new employees will result in demand for about 277 gross acres of industrial land and 34 gross acres of commercial land.

Buildable Land Inventory
Millersburg has a total of 1,535 acres of industrial and other employment land, 90 percent of which is in industrial zoning. Millersburg has 417 acres of unconstrained industrial and other employment land. About 333 acres are unconstrained buildable industrial land and 84 acres are unconstrained buildable commercial land.

The overall conclusions of the EOA are:

- Millersburg has a surplus of industrial and commercial land to accommodate the forecast of employment growth.
- Millersburg could accommodate additional industrial growth.
- Millersburg's supply of large industrial sites may not be large enough to meet the City's economic development goals.
- Floodplains and wetlands are a constraint to future development of industrial land, especially for uses requiring large sites.
- Millersburg has an adequate employment base, regionally.
- Millersburg's transportation, water, wastewater, and power resources are sufficient to accommodate expected growth, with some plans for upgrades to wastewater conveyance system.

Goal 9 economy requirements related to the EOA are met.

Goal 11 address the need to plan for adequate public facilities, phased over time to eventually provide for full buildout of the City. As stated previously, the study found that adequate infrastructure exists to accommodate the next 20 years of commercial and industrial growth with planned upgrades to the wastewater conveyance system. This is highly unique in the Willamette Valley and helps attract business to Millersburg. The EOA is fully consistent with the requirements of Goal 11.

Goal 12 is the Transportation Goal. Goal 12 is also often referred to as the Transportation Planning Rule (TPR). All Comprehensive Plan amendments must demonstrate consistency with the TPR as regulated through OAR 660-012, even though the primary implementation of Goal 12 is done through a separate study called the Transportation System Plan.

This set of rules generally explains that when an amendment to the Comprehensive Plan would 'significantly' affect an existing or planned transportation facility, the City must assure that the identified function, capacity, and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the streets in the plan remain at acceptable levels. Modelling is typically used to show if the changes will continue to meet the acceptable levels. While cities define these levels, the OARs explain what constitutes a "significant affect." These are listed in OAR 660-012-0060.

The proposed amendment does not meet trigger any of the listed thresholds in the OARs. The adoption of the EOA, a supporting document to the Comprehensive Plan, is not proposing to change a classification of an existing or planned transportation facility

(read: street); no street standards are proposed to be changed; nor will the proposed amendment change the level of traffic such that street classifications would change.

FINDING: Based on the analysis above, the EOA is fully consistent with the State Planning Goals, and therefore, consistent with criteria 3.

(4) The amendment is appropriate as measured by at least one of the following criteria:

- **a. It corrects identified error(s) in the provisions of the Plan.**
- **b. It represents a logical implementation of the Plan.**
- **c. It is mandated by changes in Federal, State, or local law.**
- **d. It is otherwise deemed by the City Council to be desirable, appropriate, and proper.**

ANALYSIS: The EOA represents a logical implementation of the Comprehensive Plan because it supports Goal 9 and provides details that will help implement the Plan over time. While no direct changes are proposed to the Comprehensive Plan body text through this proposed application, adding the EOA to the Plan as a supporting document will help the City attract business, and act as a vital tool to possibly grow the UGB and City in the future as needed.

The EOA also supports item "d." of the criteria, because the City Council demonstrated support for the project by awarding the vendor, approving the budget for the consultant, and approving additional funds for additional large-lot analysis.

FINDING: Based on the analysis above, the project meets the required criteria.

III. ADDITIONAL FINDINGS

The following additional finding is included for the record.

- The City's Housing Needs Analysis (HNA) was completed in January of 2022. It was acknowledged in a Comprehensive Plan Amendment in 2022. An HNA and EOA often work together to provide a full picture of the City's planned growth over the next 20-year period. Adoption of the EOA will not implement or change anything related to housing or the approved HNA. The EOA explains that more commercial and industrial development will result in more demand on employment. That certainly translates to a need for housing. However the EOA found that employment is a regional issue, not an issue that stops at a city's limits. The region has adequate employees for the forecast growth over the next 20 years. The planned increase in housing that is shown in the HNA was factored into that equation.

IV. STAFF RECOMMENDATION TO THE PLANNING COMMISSION

Based on the above findings of fact, the Economic Opportunities Analysis Comprehensive Plan amendment satisfies the applicable criteria. Staff recommends that the Planning Commission recommend approval of Application No. DC 25-02 to the

City Council.

V. SUGGESTED MOTION FOR PLANNING COMMISSION

I motion that the Planning Commission recommend approval of DC 25-02 to the City Council because all applicable criteria are met and all findings of fact are included in the staff report.

VI. STAFF RECOMMENDATION TO THE CITY COUNCIL *(assuming the Planning Commission recommends approval)*

Based on the above findings of fact the proposed amendment satisfies the applicable criteria. The Planning Commission and staff recommend that the City Council approve Application No. DC 25-02 and adopt Ordinance No. 218-25.

VII. EXHIBITS

a. Draft Economic Opportunities Analysis dated March 2024
b. Public Hearing Notice
c. Draft Ordinance No. 218-25

City of Millersburg
Economic Opportunities Analysis

March 2024

Prepared for: City of Millersburg

Final Report

ECONorthwest
ECONOMICS · FINANCE · PLANNING

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Suite 1600
Portland, OR 97201
503-222-6060

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Executive Summary

The City of Millersburg has long been identified as an important industrial hub for the Mid-Willamette Valley region. The City was incorporated in 1974, as a separate city from Albany. From its incorporation, industrial employment has played a key role in Millersburg's, the Albany Metropolitan Area's, and Linn County's economies. The large presence of industrial businesses in Millersburg provided a tax basis that funded development of water and wastewater facilities, in joint ownership with the City of Albany, which have made continued industrial growth possible.

Over the last fifty-years, Millersburg's industrial land base has changed, partially as a result of changes in use of land and in changes in state and federal laws governing development in floodways, floodplain, and other sensitive lands. The City is working with regional and state economic development partners to support growth of manufacturing jobs. For example, the City worked with Business Oregon to have a city-owned 200-acre site designated as a Regionally Significant Industrial Site (RSIS). The site has water, wastewater, electrical, natural gas, and telecommunications infrastructure. It is about 1 mile from Interstate 5. Given the scarcity of large developable industrial sites in the Mid-Willamette Valley, this site provides an important opportunity for industrial development in the region.

The purpose of the EOA was to develop a factual base to provide the City with information about current economic conditions, including the existing base of employment and buildable land within Millersburg. The EOA provides information necessary to support the City's economic development objectives of growing the industrial base in Millersburg.

What are Millersburg's growth opportunities?

Millersburg's primary competitive advantages are:

- Millersburg has 296 acres of unconstrained General Industrial buildable land within the UGB and 37 acres of Light Industrial land. Millersburg has a variety of site sizes of industrial land with developable areas suitable for a variety of businesses ranging from manufacturing and other industrial uses to smaller service outfits. Millersburg has 39 sites with about 104 acres of buildable industrial land smaller than 10 acres in size (excluding constrained land). In addition, Millersburg has 10 sites with 228 acres of buildable industrial land that are between 10 and 70 acres in size (excluding constrained land). Millersburg's inventory of buildable industrial land, especially sites larger than 10 acres, gives Millersburg advantages for industrial development, given the scarcity of buildable industrial land sites within the Willamette Valley. The relatively easy access to Millersburg via the Highway 20 I-5 interchange, makes these sites more attractive for industrial development that requires freight movement via I-5.

- Millersburg's water and wastewater systems have capacity to accommodate not only the expected growth in Millersburg over the 20-year planning period but more growth than forecast. In addition, the City's wastewater facility is designed to accommodate heavy industry, with the ability to treat effluent from heavy metals manufacturing. The capacity and capabilities of the City's water and wastewater facilities is an advantage for accommodating large and heavy manufacturing, a combination that is uncommon in the Willamette Valley. Additionally, Millersburg's ownership of access to the Willamette River is attractive to industries interested in securing raw water for manufacturing purposes.

- Businesses in Millersburg can transport freight via I-5 or two rail lines going through the city. The primary interchange for freight is via the Highway 20 and Highway 99E interchange south of Millersburg, in Albany. Millersburg is also accessible from the Highway 164 interchange on I-5.

- Businesses in Millersburg are able to access plenty of electrical power and natural gas. Pacific Power provides power to Millersburg. There are two electrical substations in Millersburg, which provide redundant power. In addition, Northwest Natural has a 4 inch natural gas line and Williams has a 10 inch high pressure natural gas line, both of which are available for providing natural gas to industrial properties. These services support operations of heavy industrial manufacturing in Millersburg.

- Commuting patterns show that Millersburg businesses pull workers from across the mid-Willamette Valley region, with workers commuting from nearby communities such as Albany, Salem, and Lebanon. Millersburg's labor force participation rate (68%) is higher than the county average (59%) and Oregon (62%). Access to a large labor force, with a variety of levels of skills, provides a large potential labor market for Millersburg businesses to pull from. The higher average wage at Millersburg businesses makes them more competitive for attracting workers than comparable businesses in Linn County.

These factors make Millersburg attractive to industrial businesses that want to locate within the Willamette Valley and need access to large sites, access to water and wastewater services, and to move freight. The types of jobs that Millersburg is planning for are primarily manufacturing, in industries such as metals manufacturing, transportation equipment manufacturing, and wood products manufacturing. Millersburg is also planning for growth in services for residents and workers, such as retail, restaurants, personal services (like hairdressers), financial services, medical services, and other services.

What are Millersburg's economic development goals

The City's economic development goals are dual: (1) attract new businesses to the City based on the city's competitive advantages for manufacturing and (2) to support and maintain existing businesses and industries, supporting their growth.

The City of Millersburg currently owns and is in control of approximately 180 acres of General Industrial property representing some of the larger parcels available within the City. Due to the significant concentration of specialty metals manufacturing within the City and associated high paying manufacturing jobs, coupled with available infrastructure and electrical supply, the City has been very selective in the type of industries considered for locating on these properties. The City's concentration has been focused on industrial interests that take advantage of infrastructure and will provide a high level of investment in jobs and value to the community and region.

The City is strongly committed to supporting and maintaining existing businesses and industries and seeing them grow. This is an ongoing challenge, especially for our specialty metals industries that provide some of the highest paid wages and are vital to virtually every high value industry interest in Oregon, including aerospace, defense, electronics, energy, and medical, given the State continues to pass laws and regulations that place negative impacts on business development and operation costs placing us in a further disadvantage to States with more friendly business practices.

How much growth is Millersburg planning for?

Millersburg's employment base is 4,054 employees in 2024. Millersburg is forecast to have 6,602 employees by 2044. This is an increase of 2,548 jobs over the planning period. About 1,926 new employees will be industrial jobs, 618 jobs will be commercial and retail service jobs, and a small amount of growth (4 jobs) in government.

How much land will be required for employment?

The forecast for land needed to accommodate employment growth in Millersburg shows that the growth of 2,548 new employees will result in demand for about 277 gross acres of industrial land and 34 gross acres of commercial land.

How much buildable employment land does Millersburg currently have?

Millersburg has a total of 1,535 acres of industrial and other employment land, 90% of which is in industrial zoning. Millersburg has 417 acres of unconstrained industrial and other employment land. About 333 acres are unconstrained buildable industrial land and 84 acres are unconstrained buildable commercial land.

What are the conclusions of the EOA?

The conclusions about commercial and industrial land sufficiency are:

- **Millersburg has a surplus of industrial and commercial land to accommodate the forecast of employment growth.** Millersburg has about 56 acres more of unconstrained vacant industrial land and 51 acres more of commercial land than the forecast shows will be needed over the 20-year planning period.

- **Millersburg could accommodate additional industrial growth.** The conclusion that Millersburg has enough land to accommodate expected industrial growth does not take into account potential for additional manufacturing growth that is beyond the forecast. Millersburg has been as an important industrial hub for the Mid-Willamette Valley region prior to the City's founding in 1974, providing land and services to support growth of manufacturing jobs in the Albany metropolitan area and the broader region. Millersburg water, wastewater, transportation, and electrical infrastructures are designed to support growth of manufacturing, particularly heavy industry. This fact makes Millersburg unique within the Willamette Valley region. The missing piece necessary for Millersburg to accommodate additional growth is large, unconstrained buildable industrial sites, such as sites larger than 100 acres.
- **Millersburg's industrial supply of large industrial sites may not be large enough to meet the City's economic development goals.** While Millersburg has enough industrial land and six sites larger than 25 acres, the industrial land base is not sufficient to meet the City's aspirations to grow its industrial base and attract large industrial users. For example, Millersburg's propose UGB land exchange would have created an approximately 230 acre site, where a paper converting business wanted to locate and build a $1.4 billion facility with about 1,000 new jobs. That business is still looking for a suitable site within Oregon.
- **Floodplains and wetlands are a constraint to future development of industrial land, especially for uses requiring large sites**. The buildable lands inventory takes floodplains and known wetlands into consideration as development constraints. These constraints make large portion of Millersburg's employment land base undevelopable. In addition, it is highly likely that Millersburg has some areas that are wetlands but are not known wetlands. Development of floodplains is highly limited and the expense and complexity of wetland mitigation makes industrial development difficult or impossible in some cases.
- **Millersburg has unique opportunities for growth**. Despite the issues with development constraints, Millersburg has a substantial base of employment land, including several larger industrial sites. The City has an existing base of manufacturing businesses. Millersburg has access to a skilled and trained workforce and opportunities for further training. The industrial land base, combined with Millersburg's other economic development advantages, give the City opportunities for growth of manufacturing and distribution businesses.
- **Infrastructure.** Millersburg's transportation, water, wastewater, and power resources are sufficient to accommodate expected growth, with some plans for upgrades to wastewater conveyance system. These systems can provide sufficient services to Millersburg's target industries. The City is in the unique position of being able to provide services to businesses that need access to large quantities of municipal water, industrial water, and who have large wastewater treatment needs, including for heavy industrial businesses.

1. Introduction

This report presents an economic opportunities analysis (EOA) for the City of Millersburg. The purpose of an EOA is to develop information as a basis for policies that capitalize on Millersburg's opportunities and help address the City's challenges. The EOA includes technical analysis to address a range of questions that Millersburg faces in managing its commercial and industrial land. The EOA includes an employment forecast that describes how much growth Millersburg should plan for over the 2024 to 2044 period and identifies the amount and type of employment land necessary to accommodate growth in Millersburg over that period. The EOA also includes an inventory of commercial and industrial land within Millersburg's urban growth boundary (UGB) to provide information about the amount of land available to accommodate employment growth.

This EOA complies with the requirements of Statewide Planning Goal 9, the Goal 9 Administrative Rule (OAR 660 Division 9), and the court decisions that have interpreted them. Goal 9 requires cities to identify the characteristics of sites needed to accommodate industrial and other employment uses (OAR 660-009-0025[1]) over the 20-year planning period. This approach could be characterized as a site-based approach that projects land need based on the forecast for employment growth, the City's economic development objectives, and the specific needs of target industries.

Background

Prior to the incorporation of the City of Millersburg, the area that encompasses the city's industrial area today, has long been identified as an important industrial hub for the Mid-Willamette Valley region. The City was incorporated in 1974, as a separate city from Albany. From its incorporation, industrial employment has played a key role in Millersburg's, the Albany Metropolitan Area's, and Linn County's economies. The large presence of industrial businesses in Millersburg provided a tax basis that funded development of water and wastewater facilities, in joint ownership with the City of Albany, which have made continued industrial growth possible.

Over time, industrial employment in Millersburg decreased from 3,045 manufacturing jobs in 1974 to about 1,578 manufacturing jobs in 2021. Since 2007, Millersburg has had a decrease of about 640 manufacturing jobs, with a loss of $26 million in annual wages.

Over the last fifty-years, Millersburg's industrial land base has also changed, partially as a result of changes in use of land and in changes in state and federal laws governing development in floodways, floodplain, and other sensitive lands. For example, a portion of the former 480 acre site of the International Paper (IP) mill site is now owned by Linn County (approximately 190 acres) of which approximately 65 acres has been built and opened as an Intermodal Transload Center in December of 2022, but to date has been unable to secure shippers. The

remaining 290 acres is still owned by IP but is it has wetlands and is now under consideration by IP for a proposed conservation easement.

The purpose of the EOA was to develop a factual base to provide the City with information about current economic conditions, including the existing base of employment and buildable land within Millersburg. The EOA provides information necessary to support the City's economic development objectives of growing the industrial base in Millersburg.

The City is working with regional and state economic development partners to support growth of manufacturing jobs. For example, the City worked with Business Oregon to have a city-owned 200-acre site designated as a Regionally Significant Industrial Site (RSIS). The site has water, wastewater, electrical, natural gas, and telecommunications infrastructure. It is about 1 mile from Interstate 5. Given the scarcity of large developable industrial sites in the Mid-Willamette Valley, this site provides an important opportunity for industrial development in the region.

The EOA draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Census. The EOA also uses information from the *Comprehensive Economic Development Strategy* developed by Cascades West Economic Development District (2020).

Framework for an Economic Opportunities Analysis

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an EOA in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county, or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input–based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also

include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types, and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities and counties must adopt measures to implement policies pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.

Organization of This Report

This report is organized as follows:

- **Chapter 2. Factors Affecting Future Economic Growth** summarizes historic economic trends and the unique characteristics of Millersburg's industrial lands that have supported the greater Albany and Linn County area even prior to the City's incorporation. The unique aspects of transportation, rail, water, and wastewater systems, as well as access to the Willamette River, converge in Millersburg, affecting current and future economic conditions in Millersburg, as well as Millersburg's competitive advantages for economic development.
- **Chapter 3. Employment Growth and Site Needs** presents a forecast for employment growth in Millersburg and describes potential growth industries and site needs for potential growth in industries.
- **Chapter 4. Buildable Lands Inventory** presents a summary of the inventory of employment lands.
- **Chapter 5. Land Sufficiency and Conclusions** compares the supply of and demand for buildable lands and presents key concluding recommendations for Millersburg.

This report also includes two appendices:

- Appendix A. National, State, and Regional and Local Trends
- Appendix B. Buildable Lands Inventory Methodology

2. Factors Affecting Future Economic Growth

Millersburg exists as part of the economy of the Cascades West region, which includes Benton, Linn, Lane, and Lincoln Counties. Its close proximity to both Salem and Eugene, the largest cities in the region, provides opportunities for the city's residents and access to a larger labor pool for employers. The economic focus of Millersburg is predominantly industrial, with 80% of employment in the city in industrial sectors and 55% in manufacturing. The city's location in the Willamette Valley, industrial land base, and proximity and access to I-5 makes Millersburg an attractive place for businesses that depend on moving freight on I-5. This fact was recognized well before the incorporation of the City of Millersburg in 1974. In the 1940s, Linn County allowed the first industrial development located in what is now City of Millersburg and industries which located here in the 1950's are still operating in Millersburg today.

This chapter describes the factors affecting economic growth in Millersburg within the context of national and regional economic trends. The analysis presents the City's competitive advantages for growing, attracting, and retaining businesses, which forms the basis for identifying potential growth industries in Millersburg.

Factors that Affect Economic Development[1]

The fundamental purpose of Goal 9 (the Statewide Planning Goal for Economic Development) is to ensure that local governments plan for economic development. The planning literature provides many definitions of economic development, both broad and narrow. Broadly,

> "Economic development is the process of improving a community's well-being through job creation, business growth, and income growth (factors that are typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy."[2]

That definition acknowledges a community's well-being depends in part on narrower measures of economic well-being (e.g., jobs and income) and on other aspects of quality of life (e.g., the social and natural environment). In practice, cities and regions trying to prepare an economic development strategy typically use a narrower definition of economic development; they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- Business and job growth are contributors to and consistent with economic development, increased income, and increased economic welfare. From a municipal point of view, investment and property tax increases are important economic development outcomes.

[1] The information in this section is based on previous Goal 9 studies conducted by ECONorthwest, as well as "An Economic Development Toolbox: Strategies and Methods" published by the American Planning Association.

[2] An Economic Development Toolbox: Strategies and Methods, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.

- The evaluation of trade-offs and balancing of policies to decide whether such growth is likely to lead to overall gains in well-being (on average and across all citizens and businesses in a jurisdiction) is something that decision makers do after an economic strategy has been presented to them for consideration.

That logic is consistent with the tenet of the Oregon land use planning program: all goals matter, no goal dominates, and the challenge is to find a balance of conservation and development that is acceptable to a local government and the State. Goal 9 does not dominate, but it legitimizes and requires that a local government focus on the narrower view of economic development regarding economic variables.

In that context, a major part of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Millersburg has opportunities for attracting large manufacturing firms, as well as supporting the growth of small entrepreneurial businesses. The key questions for economic development policy are addressed in depth in this section:

- What are the factors that influence business and job growth?
- What is the relative importance of each?

What Factors Matter?

Why do firms locate where they do? There is no single answer—different firms choose their locations for different reasons. Key determinants of a location decision are a firm's factors of production. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand is held roughly constant, then revenue maximization is approximated by cost minimization.

The typical categories that economists use to describe a firm's production function are:

- **Labor.** Labor is often the most important factor of production. Other things equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases the costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of the less productive labor that is available locally.
- **Land.** Demand for land depends on the type of firm. Manufacturing firms need more space (including larger parcels of 50-500 acres) and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms need to locate close to interstate highways.
- **Local infrastructure.** An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads,

bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.

- **Access to markets.** Though part of infrastructure, transportation merits special attention. Firms need to move their product (either goods or services) to the market, and they rely on access to different modes of transportation to do this.
- **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources (i.e., raw lumber) and others may need intermediate materials (i.e., dimensioned lumber).
- **Entrepreneurship**. This input to production may be thought of as good management, or more broadly as a spirit of innovation, optimism, and ambition that distinguishes one firm from another, even though most of their other factor inputs may be quite similar. Entrepreneurial activity, even when unsuccessful, can offer information about the local market that other entrepreneurs can use in starting a new firm. Entrepreneurs are typically willing to take on more risk in uncertain markets, and a strengthened entrepreneurial environment can help to reduce that risk and uncertainty. [3] Entrepreneurs also tend to have more mobility than larger firms and are more likely to locate in areas with a strong entrepreneurial environment.[4] To some degree, local governments can promote the high quality of life in an area to attract entrepreneurs, in addition to adopting regulations with minimal barriers—or at least, clear guidelines—for new small businesses.

The supply, cost, and quality of any of these factors depend on market factors: on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- **Regulation.** Regulations protect the health and safety of a community and help maintain quality of life. Overly burdensome regulations can be disincentives for businesses. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.
- **Taxes**. Firms tend to seek locations where they can optimize their after-tax profits. Tax rates are not a primary location factor—they typically matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The costs of these production factors are usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- **Financial incentives**. Governments can offer firms incentives to encourage growth. In recent years in Oregon (especially the Portland region), incentives have been used more to attract business to consider locating in the Portland region, rather than substantially

[3] Tessa Conroy and Stephan Weiler. "Local and Social: Entrepreneurs, Information Network Effects, and Economic Growth" (2017). https://redi.colostate.edu/wp-content/uploads/sites/50/2017/05/gender_gia_Jun2017-2.pdf

[4] Emil E. Malizia and Edward J. Feser. *Understanding Local Economic Development. (*1999).

distinguishing among cities in the Portland region. For manufacturing industries with significant equipment costs, property or investment tax credit or abatement incentives can play a significant role in location decisions.

This discussion may make it appear that a location decision is based on a straightforward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development, however, have shown that location decisions depend on a variety of factors that indirectly affect costs of production. These factors include agglomerative economies (also known as industry clusters), quality of life, and innovative capacity.

- **Industry clusters**. Firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities.
- **Quality of life.** A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools, affordable housing, and a clean environment can attract people simply because it is a nice place to be. A region's quality of life can attract skilled workers, and if amenities lure enough potential workers, the excess labor supply pushes their wages down so that firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect economic development distribution within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on emotional or historical attachment to a place or set of amenities, without regard for the cost of other factors of production.
- **Innovative capacity.** Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High tech companies need to have access to new ideas typically associated with a university or research institute. In addition to innovations in research and development within firms or research institutions, firms may also draw on the innovative capacity of entrepreneurs in an area. These entrepreneurs may be former employees of the larger firm or businesses that relocated to an area because of the proximity to an industry cluster. Strong networks and communication between firms, research institutions, and entrepreneurs are key components to leveraging innovative capacity in an area.[5] Local governments are well-equipped to help foster these networks through economic development tools such as small business assistance centers or incubation centers. Government can also be a key part of a community's innovative culture, through service provision and regulation of development and business activities that are responsive to changing business needs.

[5] Nancey Green Leigh and Edward Blakely. Planning Local Economic Development: Theory and Practice. 2013.

How Important Are These Factors?

To understand how changes in public policies affect local job growth, economists have attempted to identify the importance for firms with different locational factors. They have used statistical models, surveys, and case studies to examine detailed data on the key factors that influence the business location decision.

Economic theory says that firms locate where they can reduce the costs of their factors of production (assuming demand for products and any other factors are held constant). Firms locate in regions where they have access to inputs that meet their quality standards at a relatively low cost. Because firms are different, the relative importance of different factors of production varies both across industries and, even more importantly, across firms.

No empirical analysis can completely quantify firm location factors because numerous methodological problems make any analysis difficult. For example, some would argue simplistically that firms would prefer locating to a region with a low tax rate to reduce tax expenses. However, the real issue is the value provided by the community for the taxes collected. Because taxes fund public infrastructure that firms need, such as roads, water, and sewer systems, regions with low tax rates may end up with poor infrastructure, making it less attractive to firms. When competing jurisdictions have roughly comparable public services (type, cost, and quality) and quality of life, then tax rates (and tax breaks) can make a difference.

Further complicating any analysis is the fact that many researchers have used public expenditures as a proxy for infrastructure quality. But large expenditures on roads do not necessarily equal a quality road system. It is possible that the money has been spent ineffectively and the road system is in poor condition.

An important aspect of this discussion is that the business function at a location matters more than a firm's industry. A single company may have offices spread across cities, with headquarters located in a cosmopolitan metropolitan area, with the research and development divisions located near a concentration of universities, the back office in a suburban location, and manufacturing and distribution located in areas with cheap land and good interstate access.

Local governments can provide support for new and existing small businesses through policies and programs that support entrepreneurship and innovation. The National League of Cities suggests strategies for local governments, including strong leadership from elected officials; better communication with entrepreneurs, especially regarding the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, businesses groups, and financial institutions.[6]

[6] National League of Cities "Supporting Entrepreneurs and Small Businesses" (2012). https://www.nlc.org/supporting-entrepreneurs-and-small-business

Local governments in Oregon also play a central role in the provision of buildable land through inclusion of lands in the urban growth boundary (UGB), as well as through the determination of plan designations, zoning and the provision of public services. Typically, businesses need buildable land to locate or expand in a community. However, providing buildable land alone is not sufficient to guarantee economic development in a community—market conditions must create demand for this land, and local factors of production must be favorable for business activity. In the context of expected economic growth and concerns about a constrained land supply in Millersburg, the provision of buildable land has the potential to strongly influence the level and type of economic development in the city. The provision of buildable land served by urban infrastructure (such as water, wastewater, and transportation) is one of the most direct ways that Millersburg can affect the level and type of economic development.

Summary of the Effect of National, State, and Regional Trends on Economic Development in Millersburg

This section presents a summary and the implications of national, state, and regional economic trends on economic growth in Millersburg, which are presented in Appendix A.

- **County and local employment growth.** Employment increased in Linn County since 2001, with a gain of about 6,476 employees between 2001 and 2021. The largest increases were in manufacturing and health care and social assistance. In 2019, jobs in Millersburg accounted for about 6% of employment in Linn County but manufacturing employment in Millersburg accounted for 20% of manufacturing employment in Linn County.
- **Increases in regional economic diversity.** Within the Cascades West region (which includes Benton, Lane, Linn and Lincoln Counties), businesses transitioned away from the traditional natural resource extraction-based economy to a more diverse economic base, which includes value-add agricultural products, metals and machinery, specialty product manufacturing, and professional and technical services.[7] The increases in regional economic development diversity provide opportunities for the development of new businesses in Millersburg, as clusters of similar businesses continue to locate in the Cascades West region.
- **Changes in manufacturing and concentration of manufacturing in Oregon.** Millersburg's location in the Willamette Valley, as well as its access to highways, proximity to Salem, Albany, and Eugene, and access to a skilled workforce presents opportunities for growth in manufacturing businesses. In 2019, manufacturing, transportation and warehousing accounted for about 55% of Millersburg's total covered employment and had an average wage of $75,000, higher than the city's average wage of $66,700.

[7] Mid-Willamette Valley Regional Comprehensive Economic Development Strategy (CEDS). Mid-Willamette Valley Community Development Partnership Board. June 2018.

- **Increases in automation.** Businesses in both industrial and commercial industries will continue to respond to increases in automated processes, decreasing employment in some types of manufacturing processes and conversely increasing demand for workers with skills in computers and other high-tech sectors. While automation has been a factor in industrial sectors for decades (e.g., manufacturing), recent increases in automation have occurred for commercial industries, such as certain functions of retail or office jobs. Oregon's overall risk of automation is similar to the nation with lower and middle-wage jobs at higher risk of being automated. Jobs that are considered to be at lower risk include those that provide personal services or experiences, such as food service or hospitality. Higher-wage jobs that are considered to be at a lower risk of automation include jobs that require social intelligence, perception, creativity, or fine motor skills.

  Most industrial sectors will still hire employees to complete certain tasks, though the types of skills required for these jobs may change as automation increases.

- **Changes in the retail sector.** The retail sector has reacted over the past two decades to changing consumer preferences for shopping at large supercenters as well as online shopping. The growth of shopping online is likely to continue, accelerated as a result of the COVID-19 pandemic. There will continue to be demand for the local purchase of retail goods. Consumers still prefer physical, brick-and-mortar stores for certain items, such as large furniture, specialty goods, and groceries. Furthermore, consumer preferences have shifted to spending at restaurants and experience-focused series (e.g., entertainment or recreation). Millersburg has a smaller share of employment in retail than the County average, 4% of employment compared with the County's average of 11% of employment. Given Millersburg's small share of retail employment, continued changes in the retail sector are unlikely to have a strong negative impact on Millersburg's economy. The types of retail businesses likely to grow in Millersburg are those that sell goods that are typically not purchased on-line.

- **Continued increase in demand for energy.** In 2022, energy prices, especially gasoline prices, increased sharply. Reasons for the increase include increased travel and international sanctions against Russia for the war in Ukraine, which results in less Russian fuel on the international market. Energy prices are forecasted to increase over the planning period, which, over the long-term, will likely affect the mode of commuting before affecting workers' willingness to commute. For example, commuters may choose to purchase a more energy-efficient car or carpool. In Millersburg, the options for modes of commuting into the city from other areas are more limited than in larger urban areas with access to transit. Very large increases in energy prices may affect workers' willingness to commute, especially workers living the farthest from Millersburg or workers with lower-paying jobs. In addition, very large increases in energy prices may make shipping freight long distances less economically feasible, resulting in a slowdown or reversal of offshore manufacturing, especially of large, bulky goods.

- **A tight labor market that changed several times in recent years.** In 2019, the unemployment rate in Linn County was 4.3%, slightly higher than Oregon's rate of 3.7%

and the national rate of 3.7%. However, the sudden onset of the COVID-19 pandemic resulted in an abrupt increase in unemployment across the nation and in Oregon. In April 2020, unemployment rates increased to 13.8% in Linn County, 14.8% in Oregon, and 14.4% nationwide. In June 2022 the unemployment rate in Linn County decreased to 4.0% (3.6 % statewide).

In Linn County, approximately 1,218 jobs were lost initially, and 1,659 at its peak, these losses were concentrated in the accommodations and food services, health services, manufacturing, and retail trade industries.[8] By the first quarter in 2022, Linn County's employment exceeded Q1 2020 employment.

- **Availability of trained and skilled labor.** Availability of labor depends, in part, on population growth and in-migration. Millersburg's population increased by 2,556 people between 2000 and 2023 at an average annual growth rate of 7.1%[9]. Most of the population increase occurred between 2010 and 2023, with an increase of 1,991 residents. In comparison, Oregon's population grew at an average annual growth rate of 1.0% between 2000 and 2023.

  The current labor force participation rate is another important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. According to the 2015-2019 American Community Survey, Millersburg had about 1,021 people in its labor force and Linn County had over 58,700. The labor force participation rate in Millersburg (68%) was higher than Linn County (59%) and Oregon (62%) in the 2015-2019 period. Nonparticipants in the labor force (the 32% of people not participating in Millersburg's labor force) include students 16 years and older, retirees, and unemployed people not actively seeking work.

  Commuting is the norm for residents and workers in Millersburg. About 2,140 work at businesses in Millersburg, the majority (99%) of whom commute into Millersburg from places in Linn County, like Albany or Lebanon, or from other parts of the Willamette Valley. This highlights the importance industrial zoned lands located with Millersburg provide to the regional economy.

- **Higher household income and average wages.** Millersburg's median household income is higher relative to both the county and the state. In the 2015–2019 period, Millersburg's median household income was $89,286, higher than Linn County's median household income of $55,893 and Oregon's median household income of $62,818. The average wage at private businesses in Millersburg was about $66,722 in 2019, which was higher than both the Linn County average in 2019 of $45,211 and the state average of $55,019.[10]

[8] Based on information from the Oregon Employment Department for Linn County as of May 2022. https://www.qualityinfo.org/covid-19

[9] U.S. Census Bureau and the Portland State University Population Research Center.

[10] Oregon Employment Department, Quarterly Census of Employment and Wages, 2019.

- **Aging of the population and need for replacement workers.** Millersburg has a smaller percentage of residents 60 years and older (19%) relative to Linn County (25%) and Oregon (24%). Millersburg's median age, which was 37.2 in 2000, increased to 39.1 in the 2015–2019 period. By comparison, Linn County's median age was 39.6 and Oregon's median age was 39.3 in the 2015–2019 period.

  Linn County's population is expected to continue aging, with people 60 years and older increasing from 26% in 2020 to 29% of the population in 2040, consistent with statewide trends.[11] As workers retire, businesses need to replace them with new workers. This need for replacement workers will continue to drive need for workers.

- **Increases in racial and ethnic diversity.** Overall, both the nation and Oregon are becoming more racially and ethnically diverse. Between 2000 and 2015–2019, the Hispanic and Latino population in Oregon increased from 8% to 13%, while it increased in Millersburg from 3% to 9%. The population of people of color has increased from 13% to 16% in Oregon since 2000 and from 4% to 9% in Millersburg.

[11] Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2021.

Employment Trends in Millersburg and Linn County

The economy of the nation changed substantially between 2001 and 2022. These changes affected the composition of Oregon's economy, including Millersburg's economy. At the national level, the most striking change was the shift from manufacturing employment to service-sector employment. The most important shift in Oregon during this period has been the shift from a timber-based economy to a more diverse serviced-based economy. This section focuses on changes in the economy in Millersburg and Linn County since 2001.

Employment Trends in Linn County

Exhibit 1 shows covered employment[12] in Linn County for 2001 and 2021. Employment increased by 6,476 jobs, or 16% over this period. The sectors with the largest increases in numbers of employees were health care and social assistance (3,031 jobs), transportation, warehousing and utilities (1,615 jobs), retail trade (1,173 jobs), and construction (845 jobs). The average wage for employment in Linn County in 2021 was about $48,967.

Exhibit 1. Covered Employment by Industry, Linn County, 2001–2021
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2001–2021.
*Average Annual Growth Rate

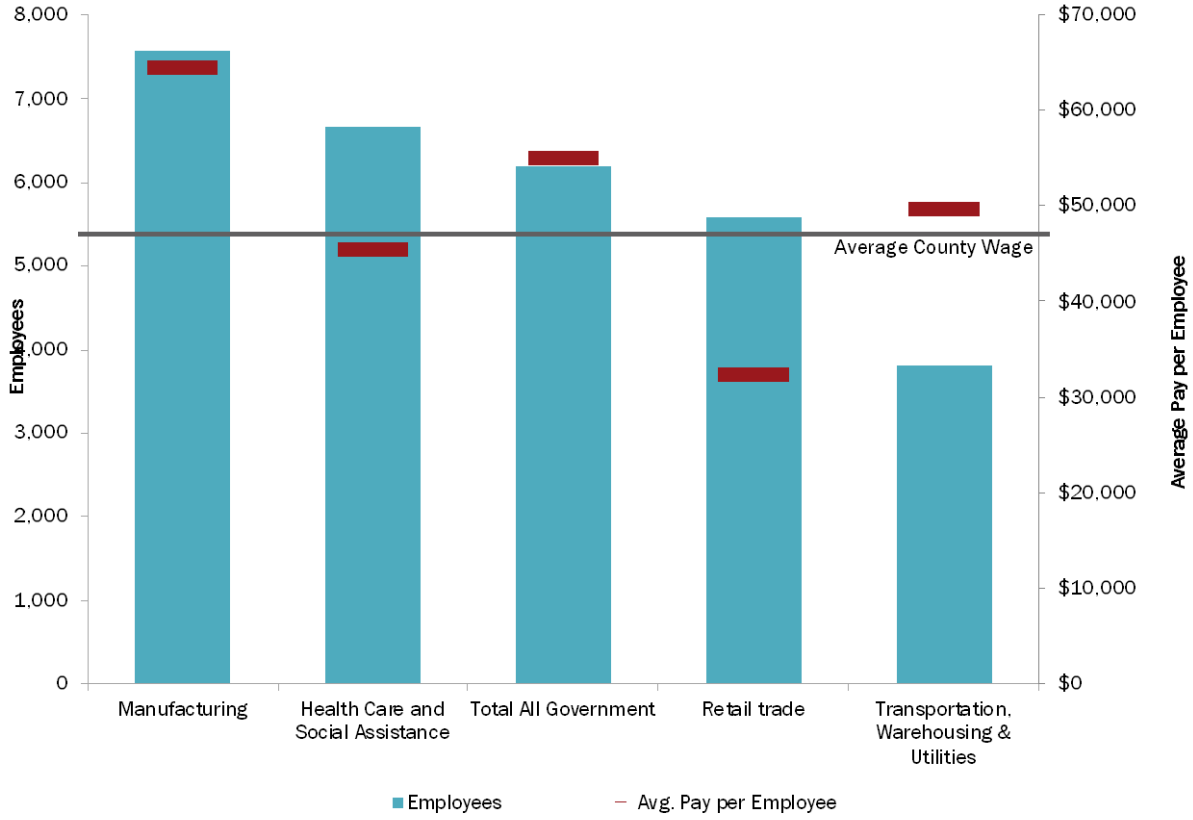
Sector	2001	2021	Change 2001 to 2021		
			Difference	Percent	AAGR*
Natural Resources and Mining	2,085	2,736	651	31%	1.4%
Construction	2,140	2,985	845	39%	1.7%
Manufacturing	8,801	7,576	- 1,225	-14%	-0.7%
Wholesale Trade	1,545	1,728	183	12%	0.6%
Retail trade	4,418	5,591	1,173	27%	1.2%
Transportation, Warehousing & Utilities	2,200	3,815	1,615	73%	2.8%
Information	639	291	- 348	-54%	-3.9%
Financial Activities	1,335	1,076	- 259	-19%	-1.1%
Professional and Business Services	3,206	3,165	- 41	-1%	-0.1%
Educational Services	232	505	273	118%	4.0%
Health Care and Social Assistance	3,634	6,665	3,031	83%	3.1%
Arts, Entertainment, and Recreation	302	376	74	25%	1.1%
Accommodation and Food Services	2,285	3,111	826	36%	1.6%
Other Services	1,379	1,333	- 46	-3%	-0.2%
Unclassified	13	52	39	300%	7.2%
Total All Government	6,521	6,206	- 315	-5%	-0.2%
Total	**40,735**	**47,211**	**6,476**	**16%**	**0.7%**

[12] **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Exhibit 2 shows covered employment and average wage for the 5 largest industries in Linn County. Jobs in manufacturing accounted for approximately 16% of the county's total covered employment, followed by health care and social assistance (14%) and retail trade (12%). Of these sectors, manufacturing, government, transportation and warehousing, professional services, construction, wholesale trade, finance and information sectors pay above county wage.

Exhibit 2. Covered Employment and Average Pay by Sector, 5 Largest Sectors Linn County, 2021

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2019.



Employment in Millersburg

Employment in Millersburg accounted for about 6.4% of employment in Linn County in 2019. Exhibit 3 shows a summary of covered employment data for the Millersburg UGB in 2019. The sectors with the largest number of employees in 2019 were Manufacturing (55% of Millersburg's total covered employment), Other Services (15%), Construction and Utilities (9%), Transportation and Warehousing (8%), and Agriculture, Forestry, Fishing, Hunting and Wholesale Trade (7%).

Exhibit 3. Covered Employment and Average Pay by Sector, Millersburg UGB, 2019
Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2019.

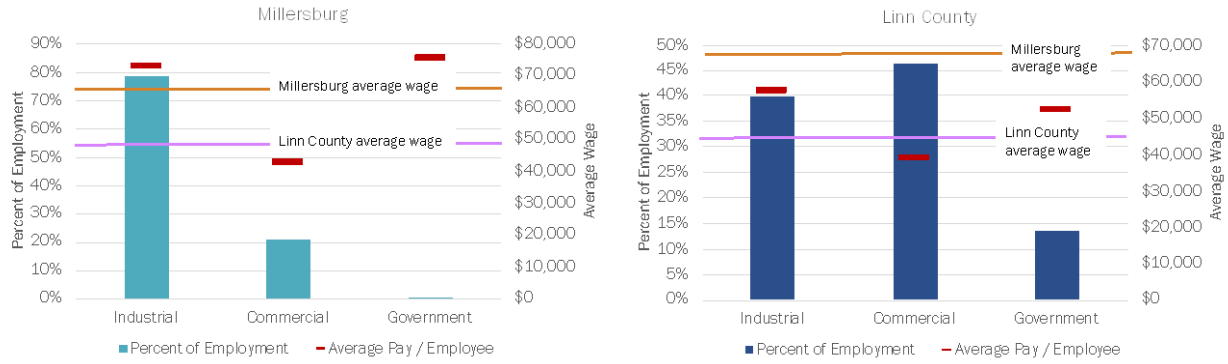
Sector	Establish-ments	Employees	Payroll	Average Pay per Employee
Industrial Sectors				
Agriculture, Forestry, Fishing and Hunting and Wholesale Trade	16	216	$11,594,020	$ 53,676
Construction	16	280	$25,512,143	$ 91,115
Manufacturing	15	1,688	$126,823,399	$ 75,132
Transportation & Warehousing and Utilities	8	235	$12,709,330	$ 54,082
Commercial Sectors				
Retail Trade	6	112	$4,258,445	$ 38,022
Other Services	21	470	$20,378,196	$ 43,358
Professional, Scientific & Technical Services	8	27	$2,423,890	$ 89,774
Accomodation & Food Services, Arts, & Entertainment	6	35	$670,218	$ 19,149
Government	1	6	$452,835	$ 75,473
Total	**97**	**3,069**	**$204,822,476**	**$ 66,739**

The average size for a private business in Millersburg was 31 employees per business in 2019, higher than the state average of 11 employees. Millersburg has 12 businesses with more than 50 employees, accounting for more than 70% of employment in Millersburg. These businesses are a mix of manufacturing and other industrial businesses, as well as some businesses in service sectors. Millersburg's mix of businesses is different than other Oregon cities because the City has so much employment in manufacturing and other industrial sectors.

Exhibit 4 shows a comparison of the types of employment and average pay in Millersburg and Linn County. The mix of employment in Millersburg is markedly different from Linn County, with nearly 80% of Millersburg's employment in industrial sectors (most notably as manufacturing). Average pay in industrial sectors in Millersburg is about $73,000, about 1.5 times the average pay for all jobs in Linn County. In comparison, Linn County's employment is balanced between industrial and commercial sectors, with nearly 15% of employment in government (including public schools). Average pay in industrial sectors in Linn County is below the average pay in industrial sectors in Millersburg.

Exhibit 4. Comparison of Covered Employment and Average Pay, Millersburg UGB and Linn County, 2019[13]

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2019.



Between 2008 and 2019, employment in Millersburg increased by about 175 employees (6.0%), at about a 0.5% average annual growth rate. Employment in other services (including information, real estate, management of companies, administrative support, private education, and health care and social assistance) increased by about 291 employees (162%), while manufacturing employment decreased by about 357 employees (17%) (Exhibit 5).

Exhibit 5. Change in Covered Employment, Millersburg UGB, 2008–2019

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2008 and 2018.
Sectors highlighted in blue had wages higher than the city average in 2019.
*Average Annual Growth Rate

Sector	Establishments		Employees		Change in Employment 2008-2019		
	2008	2019	2008	2019	Number	Percent Change	AAGR
Agriculture, Forestry, Fishing and Hunting and Wholesale Trade	-	16	145	216	71	-	-
Construction & Utilities	17	16	93	280	187	201%	10.5%
Manufacturing	7	15	2,045	1,688	(357)	-17%	-1.7%
Retail Trade	12	6	24	112	88	367%	15.0%
Transportation & Warehousing	4	8	378	235	(143)	-38%	-4.2%
Services	31	35	205	532	327	160%	9.1%
Government	1	1	4	6	2	50%	3.8%
Total	72	97	2,894	3,069	175	6%	0.5%

[13] "Industrial sectors" includes natural resources, construction, transportation and warehousing, utilities, and wholesale trade. "Leisure activities" includes accommodation and food services and arts, entertainment, and recreation.

Outlook for Growth in Linn County

Given the large change in the economy starting in March 2020 as a result of the COVID-19 pandemic, it is difficult to accurately understand the likely outlook for growth in Linn County. The best currently available data is as follows. Exhibit 6 shows the Oregon Employment Department's forecast for employment growth by industry for the Mid-Valley region (Linn, Marion, Polk, and Yamhill Counties) over the 2020 to 2030 period. Employment in the region is forecasted to grow at an average annual growth rate of 1.5%.

The sectors that will lead employment in the region for the 10-year period are private educational and health services (adding 8,800 jobs); leisure and hospitality (2,300); trade, transportation, and utilities (6,600); professional and business services (4,600); manufacturing (4,100) and government (3,800). In sum, these sectors are expected to add 36,200 new jobs, or about 79% of employment growth in the Mid-Valley region. Linn County accounts for about 22% of employment in these four counties, and Millersburg accounts for about 6.5% of the county's employment.

Exhibit 6. Regional Employment Projections, 2020–2030, Mid-Valley Region (Linn, Marion, Polk, and Yamhill Counties)

Source: Oregon Employment Department. Employment Projections by Industry 2020-2030. *Average Annual Growth Rate

Industry	2020	2030	Change (2020 to 2030)		
			Number	Percent	AAGR*
Total Private Payroll Employment	206,300	245,200	38,900	19%	1.7%
Natural Resources and Mining	18,200	19,600	1,400	8%	0.7%
Mining and Logging	1,100	1,200	100	9%	0.9%
Construction	17,300	20,000	2,700	16%	1.5%
Manufacturing	26,100	30,200	4,100	16%	1.5%
Durable Goods	15,500	18,200	2,700	17%	1.6%
Wood Product Manufacturing	4,200	4,800	600	14%	1.3%
Nondurable Goods	10,600	12,000	1,400	13%	1.2%
Trade, Transportation, and Utilities	43,700	50,300	6,600	15%	1.4%
Wholesale Trade	6,300	7,200	900	14%	1.3%
Retail Trade	26,900	30,100	3,200	12%	1.1%
Transportation, Warehousing, and Utilities	10,400	13,000	2,600	25%	2.3%
Information	1,900	2,300	400	21%	1.9%
Financial Activities	9,300	9,900	600	6%	0.6%
Professional and Business Services	19,100	23,700	4,600	24%	2.2%
Private Educational and Health Services	43,900	52,700	8,800	20%	1.8%
Health Care and Social Assistance	38,000	46,300	8,300	22%	2.0%
Leisure and Hospitality	19,300	27,600	8,300	43%	3.6%
Accommodation and Food Services	16,400	23,100	6,700	41%	3.5%
Other Services and Private Households	7,500	8,900	1,400	19%	1.7%
Government	50,700	54,500	3,800	7%	0.7%
Federal Government	2,400	2,400	0	0%	0.0%
State Government	21,300	22,900	1,600	8%	0.7%
Local Government	27,000	29,200	2,200	8%	0.8%
Local Education	14,000	15,000	1,000	7%	0.7%
Total employment	276,800	320,500	43,700	16%	1.48%

Millersburg's Competitive Advantage

Economic development opportunities in Millersburg will be affected by local conditions as well as the national and state economic conditions addressed above. Economic conditions in Millersburg relative to these conditions in other portions of the Willamette Valley region form Millersburg's competitive advantage for economic development. Millersburg's competitive advantages have implications for the types of firms most likely to locate and expand in the area.

Millersburg's primary competitive advantages are inventory of buildable industrial land (including sites larger than 10 acres), capacity and capabilities of the existing water and wastewater system, potential for freight movement via I-5 and rail, access to energy systems necessary to support heavy industrial manufacturing, and access to a large and skilled labor force from across the mid-Willamette Valley. These factors make Millersburg attractive to industrial businesses that want to locate within the Willamette Valley and need access to large sites, access to water and wastewater services, and to move freight.

The discussion earlier in this chapter provided information about Millersburg's existing base of businesses and access to labor, which are key to understanding Millersburg's competitive advantages. This section summarizes these and other local factors that form Millersburg's competitive advantage, with additional details in the sections following this summary.

Millersburg's advantages for economic development include:

- **Location**. Millersburg is located in Linn County, within the mid-Willamette Valley. It is located next to Albany, about 20 miles south of Salem, and 45 miles north of Eugene. Employers in Millersburg have access to labor in the broader Willamette Valley region, drawing employees from nearby communities such as Albany, Lebanon, Corvallis, and Salem. In addition, Millersburg's location is relatively near the Portland region (about 70 miles south of Portland) but beyond the transportation delays of the Portland region.
- **Transportation.** Businesses in Millersburg can transport freight via I-5 or two rail lines going through the city. The primary interchange for freight is via the Highway 20 and Highway 99E interchange south of Millersburg, in Albany. Millersburg is also accessible from the Highway 164 interchange on I-5.

  ODOT has plans for improvements to the section of I-5 from the Highway 164 interchange south to the Highway 20/Highway 99E interchange and further south to the Highway 34 interchange in Albany.[14] ODOT's plans include improvements to widen I-5 to three lanes, make improvements to existing interchanges, add a new interchange to provide direct service to Millersburg, and make other improvements. ODOT has not identified a funding source for implementing the Study but estimates that the new

[14] *I-5 Reconnaissance Study: Delaney Road to OR 34,* prepared for Oregon Department of Transportation, December 2021. Prepared by David Evans Associates, Inc.

Millersburg interchange would be constructed early in the study's planning horizon of 2025 to 2050.

The city has rail access through Union Pacific Railroad (UPRR) mainline and Portland Western Railroad (BNSF). In addition, the Mid-Willamette Valley Intermodal Center (MVIC) is a $35.5 million multimodal hub in Millersburg that connects rail, trucks, and ocean carriers to the natural resource-based economy of the Willamette Valley. The center is intended to function by receiving international intermodal containers via trucks, transloading them onto rail cars, and forwarding them northward towards the marine terminals of the Pacific Northwest.

- **Industrial land supply.** The buildable lands inventory (BLI) in Chapter 4 shows that Millersburg has 296 acres of unconstrained General Industrial buildable land within the UGB and 37 acres of Light Industrial land. Millersburg has a variety of site sizes of industrial land with developable areas suitable for a variety of businesses ranging from manufacturing and other industrial uses to smaller service outfits. Millersburg has 39 sites with about 104 acres of buildable industrial land smaller than 10 acres in size (excluding constrained land). In addition, Millersburg has 10 sites with 228 acres of buildable industrial land that are between 10 and 70 acres in size (excluding constrained land). Millersburg's inventory of buildable industrial land, especially sites larger than 10 acres, gives Millersburg advantages for industrial development, given the scarcity of buildable industrial land sites within the Willamette Valley. The relatively easy access to Millersburg via the Highway 20 I-5 interchange, makes these sites more attractive for industrial development that requires freight movement via I-5.
- **Existing manufacturing employment base.** Millersburg has a substantial existing base of manufacturing, with 15 manufacturing firms and more than 1,600 manufacturing jobs in 2019. The types of products manufactured in Millersburg include metals manufacturing, wood products and related products manufacturing, agricultural equipment, and other manufacturers. In addition, Millersburg is a hub for distribution and freight movement, with the City's access to I-5, railroad service, and the Mid-Willamette Valley Intermodal Center. These manufacturing businesses and the opportunities around freight movement make Millersburg attractive to other manufacturing firms who have similar labor needs, may do business with existing manufacturers, or who would benefit from the freight distribution opportunities in Millersburg.
- **Water and wastewater capacity.** Millersburg's water and wastewater systems have capacity to accommodate not only the expected growth in Millersburg over the 20-year planning period but more growth than forecast. In addition, the City's wastewater facility is designed to accommodate heavy industry, with the ability to treat effluent from heavy metals manufacturing. The capacity and capabilities of the City's water and wastewater facilities is an advantage for accommodating large and heavy manufacturing, a combination that is uncommon in the Willamette Valley. Additionally, Millersburg's ownership of access to the Willamette River is attractive to industries interested in securing raw water for manufacturing purposes.

- **Access to power.** Businesses in Millersburg are able to access plenty of electrical power and natural gas. Pacific Power provides power to Millersburg. There are two electrical substations in Millersburg, which provide redundant power. In addition, Northwest Natural has a 4 inch natural gas line and Williams has a 10 inch high pressure natural gas line, both of which are available for providing natural gas to industrial properties. These services support operations of heavy industrial manufacturing in Millersburg.
- **Telecommunication Infrastructure**. Millersburg's telecommunications infrastructure is provided by Comcast and LS Networks, providing broadband internet connection for businesses and households. A Level 3 communications major fiber line traverses Millersburg-owned industrial property and could be available for an industry requiring robust fiber connectivity.
- **Labor market.** Commuting patterns show that Millersburg businesses pull workers from across the mid-Willamette Valley region, with workers commuting from nearby communities such as Albany, Salem, and Lebanon. Millersburg's labor force participation rate (68%) is higher than the county average (59%) and Oregon (62%).

  Employers are in close proximity to students from the Linn-Benton Community College, Western Oregon University in Monmouth, Oregon State University in Corvallis, and institutions in nearby Salem, including Willamette University, Corban University, and Chemeketa Community College.

  Access to a large labor force, with a variety of levels of skills, provides a large potential labor market for Millersburg businesses to pull from. The higher average wage at Millersburg businesses makes them more competitive for attracting workers than comparable businesses in Linn County.
- **Business-friendly environment.** Millersburg's government is focused on economic development and works with economic development stakeholders and business owners to accommodate and support business growth and expansion. Millersburg works with economic development partners to support business growth within the City, including Business Oregon and Linn County's Linn Economic Development Group. The *Comprehensive Economic Development Strategy 2020-2025* from the Cascades West Economic Development District (CWEDD) includes a range of regional actions CWEDD proposes to take to increase economic resilience and diversify the regional economy. First among these actions is continuing regional collaboration efforts to support economic development.

  The City has an Enterprise Zone, in partnership with Linn County, which includes all of Millersburg. The Enterprise Zone has been used recently to support expansion of existing businesses and location of new businesses, focusing on jobs that are 150% of Linn County's average wage. Millersburg is part of a Federal Opportunity Zone but no companies have taken advantage of that.

  In addition, Millersburg's property tax rate is relatively low, $3.5000 per $1,000 of

assessed value, compared with Albany's rate of $7.8055 or Lebanon's rate of $6.2293.[15] Millersburg's relatively low property tax rate may be attractive to manufacturing businesses when considering where to locate within the Willamette Valley.

Millersburg's disadvantages for economic development include:

- **Constraints on industrial land.** Chapter 4 describes Millersburg's buildable lands inventory. It shows that Millerburg's land base has substantial constraints, most notably the floodway and floodplains and wetlands. These constraints make it difficult or impossible to develop some vacant sites. For example, Millersburg has a large amount of industrial land on the western edge of the City that is undevelopable because it is within the Willamette River floodway and floodplain. Other industrial sites have wetlands that increase development costs, negatively affecting development feasibility.

  In 2022, the City proposed a UGB land exchange of 168 acres owned by IP within the UGB but constrained by floodway with an adjacent 164 acre site located outside of the UGB and contiguous with the City's industrial zone. This land exchange would have provided legal access to a 64-acre developable industrial site currently within the city limits. This action, proposed by the city, would have created a 232-acre industrial site with minimal constraints, but was opposed by County stakeholders, which stopped the proposed UGB land exchange. A business involved in paper converting was preparing to locate in Millersburg on the land exchange site, if the exchange had been successful. The company planned to invest $1.4 billion and create about 1,000 jobs at full build out.

- **Housing affordability.** Housing affordability is a mild disadvantage for Millersburg because Millersburg's housing is at least as expensive as nearby communities and more expensive than some communities. The median sales price in Millersburg in 2020 was $414,000, which was comparable to median sales prices in Corvallis and about 25% above median sales prices in Albany and Lebanon.[16] It is unlikely that Millersburg's housing market would prevent businesses from locating in the community. But neither is availability of affordable housing an advantage for Millersburg in attracting businesses. The proximity to other cities in the region and commuting patterns show that workers are willing and able to commute to jobs in Millersburg from across the region.

Public Facilities and Services

Provision and costs of public facilities and services can impact a firm's decision regarding location within a region. One of the primary considerations about developing a site is whether it has infrastructure to or near the site, including water, wastewater, stormwater, and transportation. If infrastructure is not developed to or near the site, the consideration becomes whether infrastructure can be extended in a timely manner and at a financially feasible cost.

[15] Linn County Assessor's Office, 2023-2024 Summary of Assessment and Tax Roll.

[16] Source of sales prices is Redfin, for 2020 from the *Millersburg Housing Capacity Analysis* report.

This section discusses Millersburg's large infrastructure systems, including the water system and wastewater system. It answers the question of whether Millersburg has or is planning to have sufficient capacity to support the amount and types of development proposed in the EOA.

Water

Municipal water in Millersburg is sourced from the South Santiam River. The City's water treatment system is combined with Albany. Together, the two cities have combined water rights on the South Santiam River of 72 cubic feet per second (CFS), with Millersburg's share accounting for 22 CFS. Water usage in Millersburg typically accounts for 1.58 CFS or 1 million gallons per day (MGD).

The Albany-Millersburg water treatment plant has capacity of about 12 MGD, with Millersburg's share accounting for 2 MGD. When fully built out, the water treatment plant is expected to have a capacity of 26 MGD, 4.3 MGD would be Millersburg's share of treatment capacity.

The City currently has access to more water and water treatment capacity than is needed by businesses and residents in Millersburg. The City's water distribution system has been designed to meet industrial and residential needs. Millersburg's water treatment facility is a state-of-the-art membrane system, that provides significantly higher water quality than most systems in the region. This may be attractive to industries requiring a higher level of purity for their operational needs.

Millersburg has been approached by businesses that would use Millersburg's water system capacity, such as data centers, solar panel manufacturers, or large paper converting manufacturers. If such a business wanted to locate in Millersburg, the City would have the option of negotiating additional water and treatment capacity with Albany. In addition, additional industrial water rights are available from the Willamette River.

Wastewater

The Albany-Millersburg Water Reclamation Facility provides wastewater treatment for the cities of Millersburg and Albany. By agreement with Albany, Millersburg has 10% of wastewater treatment capacity allocated to the City. In dry weather, typical wastewater treatment capacity is 12.3 MGD for the whole plant and 1.2 MGD for Millersburg. In wet weather, the plant has capacity for 68 MGD, with Millersburg's share accounting for 6.8 MGD.

The Facility was upgraded last in 2007 and there are no major capacity upgrades planned. There are plans for changing the way that the Facility treats solid waste, to better comply with new regulations.

While Millersburg has more than enough capacity to treat current and likely future effluent, the conveyance system does have a limitation from a pump station and force main that limits capacity. The City is evaluating options for addressing this limitation.

If a new business that has substantial wastewater needs locates in Millersburg, the City may need to negotiate an increase in the amount of wastewater treatment capacity allocated to the City. This is possible because growth in amount of wastewater effluent has been slower than expected for Albany and Millersburg. In addition, the Facility is designed to treat rare and unusual metals, which provides an advantage for supporting location of new heavy industry, such as metals manufactures, in Millersburg.

Economic Development Goals

The City's economic development goals are dual: (1) attract new businesses to the City based on the city's competitive advantages for manufacturing and (2) to support and maintain existing businesses and industries, supporting their growth.

The City of Millersburg currently owns and is in control of approximately 180 acres of General Industrial property representing some of the larger parcels available within the City. Due to the significant concentration of specialty metals manufacturing within the City and associated high paying manufacturing jobs, coupled with available infrastructure and electrical supply, the City has been very selective in the type of industries considered for locating on these properties. The City's concentration has been focused on industrial interests that take advantage of infrastructure and will provide a high level of investment in jobs and value to the community and region.

The City is strongly committed to supporting and maintaining existing businesses and industries and seeing them grow. This is an ongoing challenge, especially for our specialty metals industries that provide some of the highest paid wages and are vital to virtually every high value industry interest in Oregon, including aerospace, defense, electronics, energy, and medical, given the State continues to pass laws and regulations that place negative impacts on business development and operation costs placing us in a further disadvantage to States with more friendly business practices.

3. Employment Growth and Site Needs

Goal 9 requires cities to prepare an estimate of the amount of commercial and industrial land that will be needed over a 20-year planning period. The estimate of employment land need and site characteristics for Millersburg is based on expected employment growth and the types of firms that are likely to locate in Millersburg over the 20-year period. This chapter presents an employment forecast and analysis of potential growth industries that build from recent economic trends.

Forecast of Employment Growth and Commercial and Industrial Land Demand

Demand for industrial and nonretail commercial land will be driven by the expansion and relocation of existing businesses and by the growth of new businesses in Millersburg. This employment land demand is driven by local growth independent of broader economic opportunities, including the growth of potential growth industries.

The employment projections in this section build off Millersburg's existing employment base, assuming future growth is similar to Linn County's long-term historical employment growth rates. The employment forecast does not take into account a major change in employment that could result from the location (or relocation) of one or more large employers in the community during the planning period. Such a major change in the community's employment would exceed the growth anticipated by the City's employment forecast and its implied land needs (for employment, but also for housing, parks, and other uses). Major economic events, such as the successful recruitment of a very large employer, are difficult to include in a study of this nature. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

ECONorthwest has four steps to project demand for industrial and nonretail commercial land:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Millersburg presented in Exhibit 4. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in the city.
2. **Project total employment.** The total employment projection considers forecasts and factors that may affect employment growth in Millersburg over the 20-year planning period.
3. **Allocate employment.** This step involves allocating types of employment to different land use types.
4. **Estimate land demand.** This step estimates general employment land demand based on employment growth and assumptions about future employment densities.

Employment Base for Projection

The purpose of the employment projection is to model future employment land need for general employment growth. The forecast of employment growth in Millersburg starts with a base of employment growth on which to build the forecast. Exhibit 7 shows ECONorthwest's estimate of total employment in Millersburg in 2019.[17]

To develop the figures, ECONorthwest started with estimated covered employment in the Millersburg UGB from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department, presented in Exhibit 3. Based on this information, Millersburg had about 3,069 covered employees in 2019. Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department for Linn County is only about 80% of *total* employment reported by the U.S. Bureau of Labor Statistics.[18] We evaluated this ratio for each industrial sector for Linn County and used the resulting ratios to determine the number of noncovered employees. This allowed us to determine the total employment in Millersburg. Exhibit 7 shows Millersburg had an estimated 3,589 *total* employees within its UGB in 2019.

Exhibit 7. Estimated Total Employment by Sector, Millersburg UGB, 2019
Source: 2019 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

Sector	Covered Employment	Estimated Total Employment	Covered to Total
Industrial Sectors			
Agriculture, Forestry, Fishing and Hunting and Wholesale Trade	216	253	85%
Construction	214	279	77%
Manufacturing	1,688	1,791	94%
Transportation & Warehousing and Utilities	301	389	77%
Commercial Sectors			
Retail Trade	112	144	78%
Other Services	470	628	75%
Professional, Scientific & Technical Services	27	58	47%
Accomodation & Food Services, Arts, Entertainment, & Recreation	35	41	85%
Government	6	6	100%
Total	**3,069**	**3,589**	

[17] At the time of the analysis, the most recently available data for Millersburg employment was 2021. After discussing the impact of the COVID 19 Pandemic on employment in Millersburg with City staff, we concluded that 2020 and 2021 data would reflect the impact of the pandemic on employment but by 2023, the impacts of pandemic on employment were largely resolved in Oregon and the Willamette Valley. As a result, this analysis starts with 2019 data.

[18] **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department. Total employment includes all workers based on data from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other noncovered workers.

Employment Projection

The employment forecast covers the 2024 to 2044 period, requiring an estimate of total employment for Millersburg in 2024. The base employment starts with the estimate of 3,589 total jobs in Millersburg in 2019, shown in Exhibit 7.

Millersburg does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9)(a) sets out some optional "safe harbors" that allow a city to determine employment land need.

Exhibit 8 shows the forecast rate options, which include employment growing at the rate of either the PSU population growth rate (2.47%)[19] and the OED regional employment growth rate (1.48%).[20] The City selected the growth rate equivalent to population growth (2.47% annual growth) as the preferred growth rate for forecasting employment growth in Millersburg, which results in growth of 2,548 new employees over the 2024-2044 period.

Exhibit 8. Forecast Rate Options for Employment Growth in Millersburg UGB, 2024–2044
Source: ECONorthwest

Year	Jobs grow at the rate of...	
	Regional Employment Growth (2020-2030) (1.48%)	Population Growth (2024-2044) (2.47%)
2024	3,862	4,054
2044	5,178	6,602
Change 2024 to 2044		
Employees	1,316	2,548
Percent	34%	63%
AAGR*	1.48%	2.47%

[19] The population forecast for Millersburg is based on the final forecast from the Population Research Center at Portland State University for the Millersburg UGB, dated June 30, 2021. The forecast shows Millersburg growing from 2,850 people in 2020 to 5,356 people in 2045. When extrapolated to the 2024-2044 planning period, using the statutorily required methodology, Millersburg is forecast to grow from 3,214 people in 2024 to 5,234 people in 2044, at an average annual growth rate of 2.47%.

[20] The OED regional employment forecast is presented in Exhibit 6.

Allocate Employment to Different Land Use Types

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in Millersburg will look for a variety of site characteristics, depending on the industry and specific circumstances. We grouped employment into four broad categories of land use based on the North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.

Exhibit 9 shows the expected share of employment by land use type in 2024 and the forecast of employment growth by land use type in 2044 in the Millersburg UGB. For each land use type, we assumed that the number of jobs will increase.

Exhibit 9 assumes that the share of employment by land use type will remain the same between 2024 and 2044. This assumes that the majority of employment growth in Millersburg will continue to be industrial, which is consistent with the City's economic development aspirations for industrial growth and the City's competitive advantages for industrial growth. The sector that shows the least growth is government because there is so little government employment in Millersburg currently. The primary reason for the unusually small amount of government employment in Millersburg is that Millersburg has no public schools, with the majority children attending schools in Greater Albany public school district.

Exhibit 9. Forecast of Employment Growth by Land Use Type, Millersburg UGB, 2024–2044
Source: ECONorthwest. Note: The shaded percentages denote an assumption about the future change in the share of employment (as a percent of total) by land use type

Land Use Type	2024		2044		Change
	Employment	% of Total	Employment	% of Total	2024 to 2044
Industrial	3,063	76%	4,989	76%	1,926
Retail Commercial	163	4%	265	4%	102
Office & Commercial Services	821	20%	1,337	20%	516
Government	7	0%	11	0%	4
Total	**4,054**	**100%**	**6,602**	**100%**	**2,548**

Estimate of Demand for Commercial and Industrial Land

This section shows demand for vacant (including partially vacant) land in Millersburg over the 20-year period. The assumptions used in this analysis are:

Employment density. Employees per acre is a measure of employment density based on the ratio of the number of employees per acre of employment land that is developed for employment uses. Exhibit 10 assumes the following numbers of net employees per acre: industrial will have an average of 8 employees per acre and commercial (retail and office) will have an average of 20 and 25 employees per acre. These employment densities are consistent with Oregon cities similar in size to Millersburg. Some types of employment will have higher employment densities (e.g., a multistory office building), and some will have lower employment densities (e.g., a convenience store with a large

parking lot). The density for industrial employment is consistent with a mix of heavy and light industrial employment.

- **Conversion from net-to-gross acres**. The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment, including public right-of-way, is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for public right-of-way.[21] A net-to-gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

  Based on empirical evaluation of Millersburg's existing net-to-gross ratios in areas designated for and developed with industrial and commercial uses, ECONorthwest uses a net-to-gross conversion factor of 13% for industrial and 24% for commercial.

Using these assumptions, the forecasted growth of 2,544 new employees (excluding government employment) will result in the following demand for vacant (and partially vacant) employment land: 277 gross acres of industrial land, 7 acres of retail commercial land, and 27 gross acres of office commercial services land.

Exhibit 10. Demand for Vacant Land to Accommodate Employment Growth, Millersburg UGB, 2024–2044
Source: ECONorthwest

Land Use Type	New Emp. on Vacant Land	Employees per Net Acre	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,926	8	241	277
Retail Commercial	102	20	5	7
Office & Commercial Services	516	25	21	27
Total	**2,544**	**-**	**266**	**311**

[21] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Target Industries

The characteristics of Millersburg will affect the types of businesses most likely to locate in the city. Attributes that may attract firms are Millersburg's availability of industrial land, existing capacity of water and wastewater systems, ease of freight movement, power availability for industries with large power needs, and access to labor from across the mid-Willamette Valley. One of the City's primary economic development goals is to attract manufacturing businesses that need sites with the attributes present in Millersburg.

An analysis of growth industries in Millersburg should address two main questions: (1) Which industries are most likely to be attracted to Millersburg? and (2) Which industries best meet Millersburg's economic development goals? The selection of potential growth industries is based on Millersburg's goals for economic development, economic conditions in Millersburg and Linn County, and the City's competitive advantages.

Given the current employment base, which is composed of larger industrial businesses, as well as smaller-sized businesses, it is reasonable to assume that much of the city's business growth will be a mix of business sizes, with most growth in industrial sectors. This growth will either come from businesses already in Millersburg or new businesses that start or relocate to Millersburg.

The industries identified as having potential for growth in Millersburg are:

- **Manufacturing.** Based on existing businesses in Millersburg, these industries may include:
  - Metals manufacturing
  - Transportation equipment manufacturing
  - Wood products manufacturing
  - Other manufacturing industries with large power needs
- **Services for residents and workers.** As Millersburg's population and employment base grows, demand for services for residents will grow. These services include retail, restaurants, personal services (like hairdressers), financial services, medical services, and other services. These types of services present opportunities for entrepreneurship and small business development in Millersburg.

Site Needs for Potential Growth Industries

OAR 660-009-0015(2) requires the EOA to "identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses." The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

OAR 660-009-0015(2) does state that "industrial or other employment uses with compatible site characteristics may be grouped together into common site categories." The rule suggests, but does not require, that the City "examine existing firms in the planning area to identify the types of sites that may be needed." For example, site types can be described by (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Millersburg groups its future employment uses into categories based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

The potential growth industries described in the prior section are a mixture of business sizes, including businesses that need small and large sites. For the most part, Millersburg's potential growth industries need flat sites smaller than two acres and up to 25 acres. However, Millersburg has the opportunities for accommodating industrial businesses that need large sites, such as sites of 50 acres or more, which are relatively uncommon in the Willamette Valley. Industrial businesses need access to arterial and highways with no freight movement through neighborhoods. These business may also need greater access to water and wastewater. Exhibit 11 shows the typical site needs for manufacturing businesses in Oregon.

Exhibit 11. Industrial Development Competitiveness Matrix, Business Oregon

Source: Business Oregon, Infrastructure Finance Authority, "Industrial Development Competitiveness Matrix."
Note: Items identified as "preferred" are those that increase the feasibility of the subject property and its future reuse. Items identified as "required" are factors seen as mandatory in the vast majority of cases and have become industry standards.

Industry Sector	Site size (Acres)	Site Topography (Slope)	Trip Generation (ADT/Acre)	Site Access Max distance in miles to interstate or major arterial	Railroad or Port Access	Telecommunications (major communications dependency)
Regionally to Nationally Scaled Clean-Tech Manufacturer	5-100+	0-5%	40 - 60	10	Preferred	Required
Heavy Industrial/ Manufacturing	10-100+	0-5%	40 - 60	10	Preferred	Preferred
General Manufacturing	5-15+	0-5%	40 - 50	20	Preferred	Required
Food Processing	5-25+	0-5%	50 - 60	30	Preferred	Preferred
Regional (multistate) Distribution Center	20-100+	0-5%	40 - 80	5 Only Interstate highway or equivalent	Preferred	Preferred
Warehouse/Distribution (local)	10-25	0-5%	40 - 80	5 Only Interstate highway or equivalent	Preferred	Preferred
Call Center / Business Services	5-15	0 to 12%	170 - 180	Not applicable	Preferred	Required
Advanced Manufacturing & Assembly	5-25+	0-7%	40 - 60	15	Not Required	Required
Business Park and R&D Campus	20 - 100+	0-7%	60 to 150	N/A	Preferred	Required
UVA Manufacturing / Research	10-25+	0-7%	40 - 80	N/A	Not Required	Required
Data Center	10-25+	0-7%	20 - 30	30	Avoid / Not Required	Required
Rural Industrial	5-25+	0-5%	40 - 50	N/A	N/A	Preferred

For the most part, the size of sites needed by most potential growth industries will range from space in an existing building to flat sites of one acre or less to sites of 25 acres for manufacturing businesses. In some instances, such as in industrial or business parks, sites larger than 25 acres (and up to 100 acres or larger) may be necessary to meet the needs of businesses or developments to support businesses. Manufacturing and other industrial businesses likely to locate in Millersburg will have a range of space needs:

- **Space in an existing building.** The majority of businesses that work with Business Oregon on site selection request space in existing buildings, either in vacant buildings or in buildings with other manufacturers.
- **Small-scale manufacturing space.** Businesses would be located in an industrial building with many other users. These businesses will need direct access to arterial and highways.
- **Midsized manufacturing.** Some midsized manufacturers may prefer to locate in a building with one or two other businesses. Other manufacturers may prefer to locate in newly developed buildings on sites from five to 15 acres in size. These businesses will need direct access to arterial and highways and may need greater access to water and wastewater.
- **Large manufacturing space.** Some larger manufacturers may prefer newly developed buildings on sites larger than 15 acres and up to 100 acres or larger, often in purpose-

build buildings. These businesses will need direct access to arterial and highways and may need greater access to water and wastewater, and power. Sites with these services are available in Millersburg, giving the city an advantage for attracting large manufacturing businesses.

Commercial businesses, including service and retail businesses, require high-visibility locations near other businesses and neighborhoods. Professional and commercial service businesses have a variety of space needs, ranging from:

- **Space in an existing building.** Businesses would be located as one of several or many firms within the building.
- **Space in a building dominated by one firm.** This could potentially be with manufacturing or other industrial space in the building.
- **Land for construction of a building designed for the firm.** However, in the case where the business needs to build a building, they are typically seeking existing space rather than land to build a new facility.

4. Buildable Lands Inventory

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Millersburg UGB. This chapter presents results of the commercial and industrial buildable lands inventory for the Millersburg UGB. The results are based on analyses of City of Millersburg, Linn County, and State of Oregon GIS data by ECONorthwest and reviewed by City staff. The remainder of this chapter summarizes key findings of the buildable lands inventory.

The general steps in the buildable lands inventory are:

1. Generate UGB "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

The next section provides a summary of the results of the commercial and industrial buildable lands inventory for the Millersburg UGB in both tabular and map formats. **Appendix B presents more details on the methodology for developing the inventory.**

Land Base

Exhibit 12 summarizes all land included in the employment land base (e.g., lands with zone designations that allow employment) in the Millersburg UGB. ECONorthwest used this land base in the buildable lands analysis for Millersburg. According to 2023 data, within Millersburg's UGB there are about 1,535 total employment land acres in 181 tax lots in total.

Exhibit 12. Commercial and Industrial Acres, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County

Zone	Number of taxlots	Percent	Total taxlot acreage	Percent (total acreage)
Commercial Office (CO)	15	8%	44	3%
General Commercial (GC)	20	11%	52	3%
Light Industrial (LI)	36	20%	114	7%
General Industrial (GI)	102	56%	1,275	83%
Mixed-Use (MU)	8	4%	51	3%
Total	**181**	**100%**	**1,535**	**100%**

Development Status and Development Constraints

Exhibit 13 shows the total acres of commercial and industrial land in Millersburg by development status. We used a rule-based classification (described in Appendix B) to define an initial development status. We confirmed development status through a series of reviews by ECONorthwest and City staff, based on local knowledge and review of aerial maps.

Of the 1,535 commercial and industrial acres in the Millersburg UGB, about 532 acres (35%) are in classifications with no development capacity (or "committed acres"),. Of the remaining 1,004 acres, 587 acres (38%) are constrained and 417 acres (27%) are buildable land with development capacity.

Exhibit 13. Employment Acres by Classification and Plan Designation, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County

Zone	Total Acres	Committed Acres	Constrained Acres	Buildable Acres Unconstrained Vacant & Partially Vacant
Commercial Office (CO)	44	10	1	33
General Commercial (GC)	52	28	9	15
Light Industrial (LI)	114	69	9	37
General Industrial (GI)	1,275	422	557	296
Mixed-Use (MU)	51	3	11	37
Total	**1,535**	**532**	**587**	**417**

The buildable lands inventory identifies the following conditions as constraints that prohibit development: Bonneville Power Administration easement, FEMA Regulatory Floodway and 100-Year Floodplains, landslide susceptibility, riparian corridors, slopes greater than 15%, the Willamette River Greenway, and wetlands. Exhibit 14 shows these constraints.

Exhibit 14. Development Constraints, Millersburg UGB, 2022

Source: ECONorthwest analysis, Linn County, Federal Emergency Management Agency, Oregon Department of Geology and Mining Industries, Bonneville Power Administration

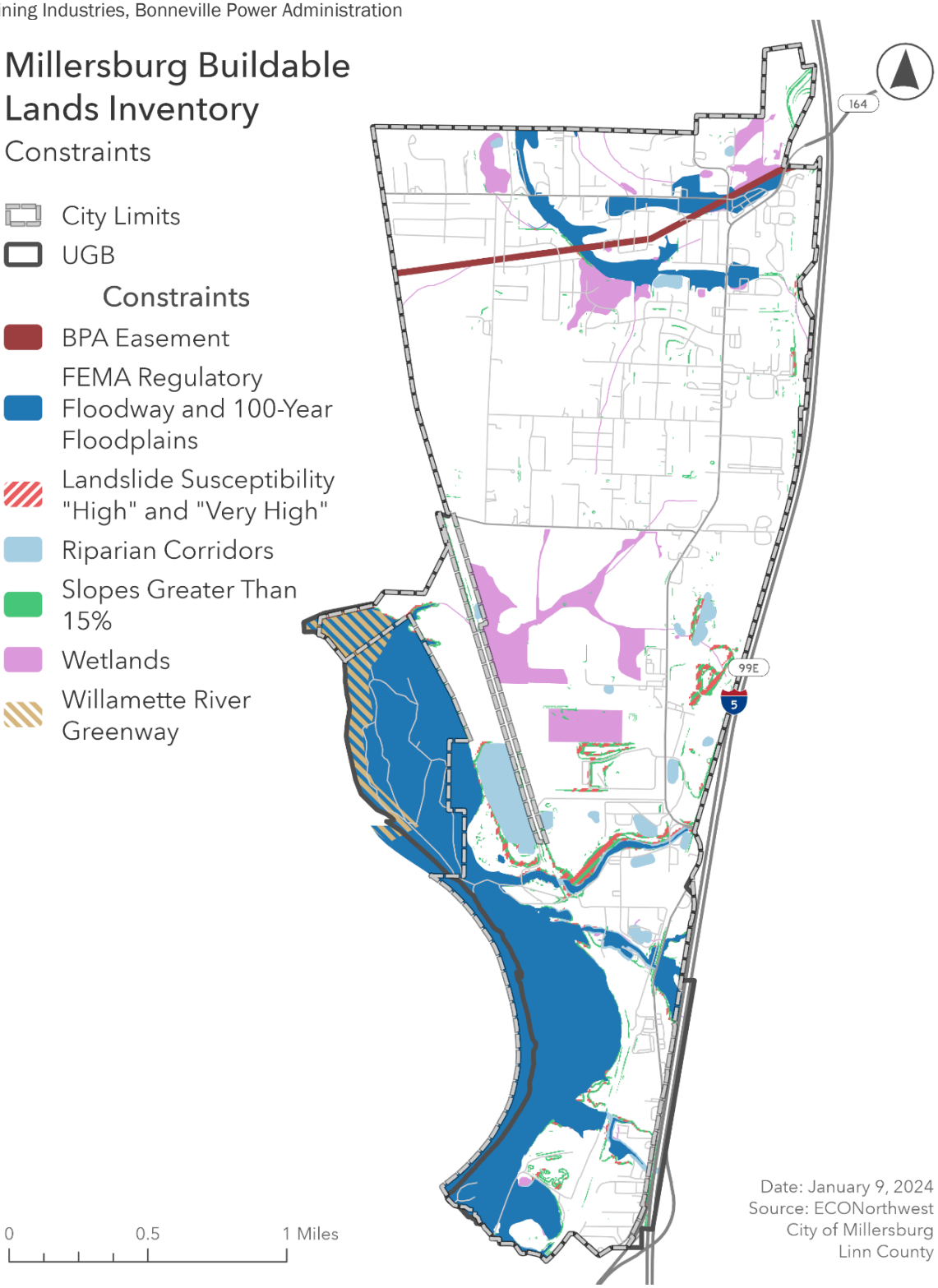
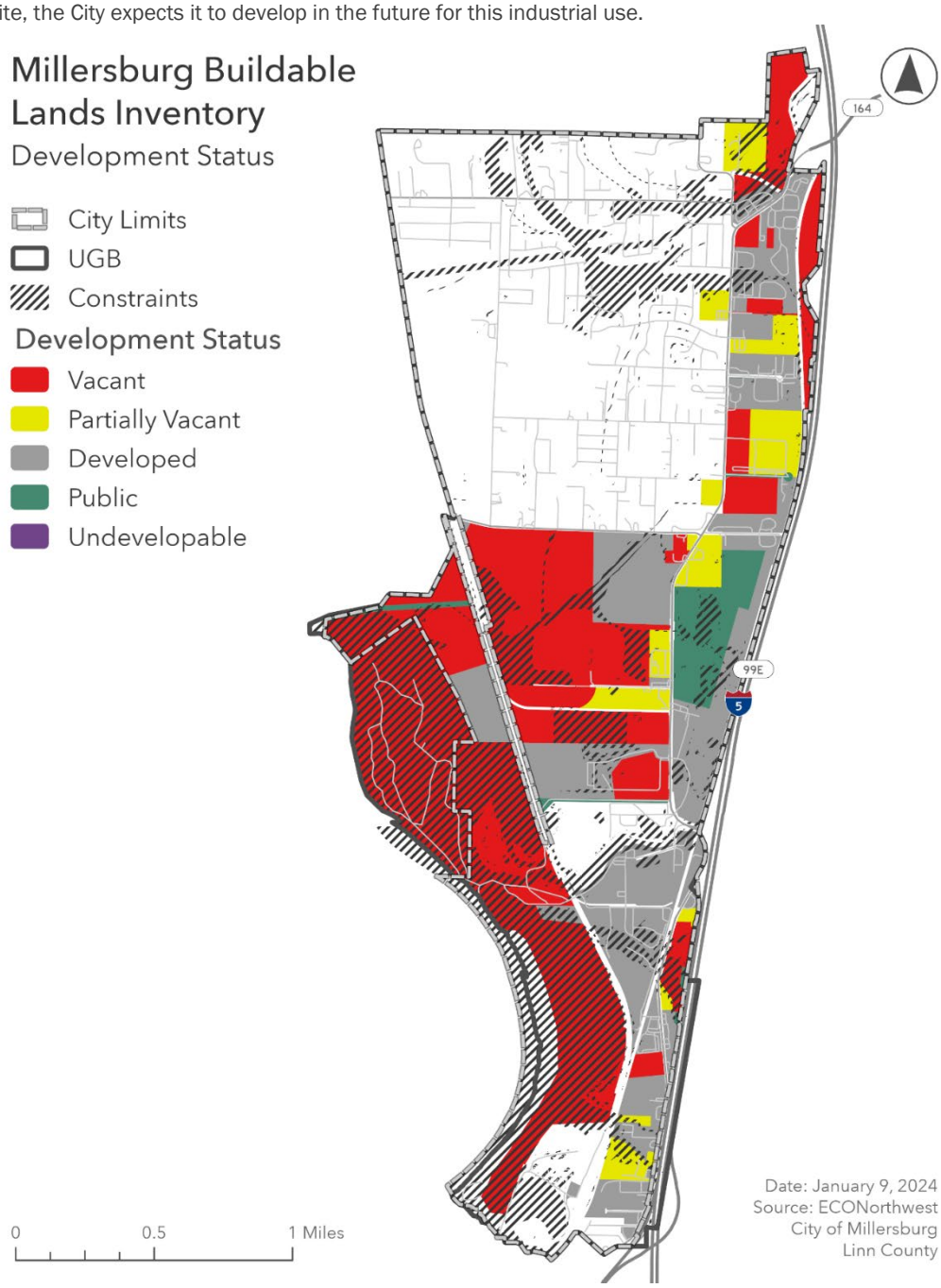


Exhibit 15 shows development status with constraints applied, resulting in buildable acres. Vacant or partially vacant land with these constraints is considered unavailable for development and removed from the inventory of buildable land.

Exhibit 15. Development Status with Constraints, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County
The site shown as in public ownership is leased for an industrial use. While building permits have not been issued for this site, the City expects it to develop in the future for this industrial use.



Vacant Unconstrained Buildable Land

The next step in the commercial and industrial buildable lands inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into two categories: (1) developed areas of partially vacant tax lots, and (2) areas with physical constraints (areas such as wetlands, floodways, riparian corridors, or steep slopes).

Exhibit 16 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. The results show that Millersburg has about 332 net buildable acres of industrial land, 48 acres of commercial land and 37 acres of mixed-use land.

Note that partially vacant land in the map in Exhibit 15 shows the entire tax lot as being partially vacant, without distinguishing the part of the tax lot that is not available for development. The buildable lands inventory database accounts for the portion of the tax lot that is developed (and considered unavailable for future development) and the portion of the tax lot that is vacant is shown in Exhibit 15.

Exhibit 16. Buildable Acres in Vacant/Partially Vacant Tax Lots by Zone, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County

Zone	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial Office (CO)	33	30	3
General Commercial (GC)	15	9	6
Light Industrial (LI)	37	29	8
General Industrial (GI)	296	264	32
Mixed-Use (MU)	37	28	9
Total	**417**	**359**	**58**

Exhibit 17 shows Millersburg's buildable vacant and partially vacant residential land by zone after removing development constraints.

Exhibit 17. Buildable Employment Land by Zone, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County

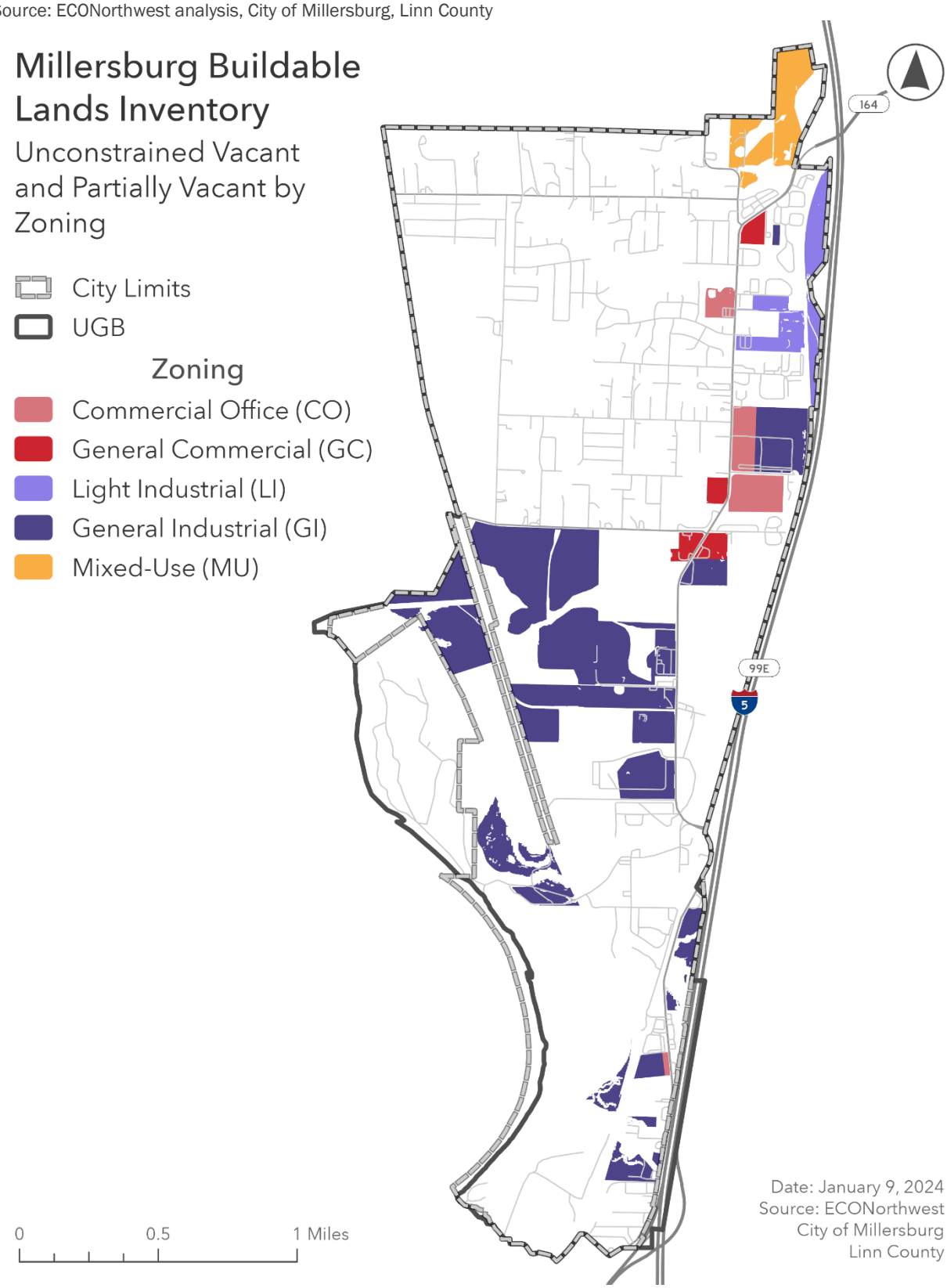


Exhibit 18 shows the size of lots by zone for buildable employment land. Millersburg has 9 lots that are smaller than 0.5 acres (with 3 acres of land); 22 lots between 0.5 and 2 acres (29 acres of land); 8 lots between 2 and 5 acres in size (58 acres of land); 18 lots between 5 and 10 acres in size (59 acres of land); 3 lots between 10 and 25 acres in size (118 acres of land); and 1 lot between 25 and 50 acres in size (70 acres of land).

Exhibit 18. Buildable Lots Size by Zone, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County

Zone	Buildable Site Size								Total
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres	50+ Acres	
Commercial Office (CO)	1	-	-	3	-	29	-	-	33
General Commercial (GC)	0	-	2	13	-	-	-	-	15
Light Industrial (LI)	-	2	4	4	16	10	-	-	37
General Industrial (GI)	2	2	14	31	29	68	80	70	296
Mixed-Use (MU)	-	-	5	7	14	10	-	-	37
Acreage Subtotal	**3**	**4**	**25**	**58**	**59**	**118**	**80**	**70**	**417**
Commercial Office (CO)	3	-	-	2	1	-	-	-	6
General Commercial (GC)	1	-	1	-	4	-	-	-	6
Light Industrial (LI)	-	3	3	1	1	-	2	-	10
General Industrial (GI)	5	3	9	4	10	3	4	1	39
Mixed-Use (MU)	-	-	3	1	2	-	2	-	8
Lot Subtotal	**9**	**6**	**16**	**8**	**18**	**3**	**8**	**1**	**69**

5. Land Sufficiency and Conclusions

This chapter presents conclusions about Millersburg's employment land sufficiency for the 2024–2044 period. The chapter then concludes with a discussion about Millersburg's land base and its ability to accommodate growth over the next 20 years, as well as recommendations for the City to consider, ensuring it meets its economic growth needs throughout the planning period.

Land Sufficiency

Exhibit 19 shows commercial and industrial land sufficiency within the Millersburg UGB. It shows:

- **Vacant unconstrained land** from Exhibit 16 within the UGB. Exhibit 19 shows that Millersburg has 332 gross acres of industrial land and 85 gross acres of commercial land.
- **Demand for commercial and industrial land** from Exhibit 10. Exhibit 19 shows Millersburg will need a total of 277 gross acres for industrial uses and 34 gross acres for commercial uses over the 2024–2044 period.

Exhibit 19 shows that Millersburg has:

- A 56-acre surplus of industrial land.
- A 51-acre surplus of commercial land.

Exhibit 19. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Millersburg UGB, 2024–2044
Source: ECONorthwest

General Plan Designation	Land Supply *(Suitable Gross Acres)*	Land Demand *(Gross Acres)*	Land Sufficiency *(Surplus, Gross Acres)*
Industrial	332	277	56
Commercial & Mixed Use	85	34	51

A consideration of site needs and the supply of buildable land by site sizes (Exhibit 18) suggests that Millersburg has sufficient sites to accommodate the forecast of growth for industrial and commercial land.

Conclusions

The conclusions about commercial and industrial land sufficiency are:

- **Millersburg has a surplus of industrial and commercial land to accommodate the forecast of employment growth.** Millersburg has about 56 acres more of unconstrained vacant industrial land and 51 acres more of commercial land than the forecast shows will be needed over the 20-year planning period.
- **Millersburg could accommodate additional industrial growth.** The conclusion that Millersburg has enough land to accommodate expected industrial growth does not take into account potential for additional manufacturing growth that is beyond the forecast. Millersburg has been as an important industrial hub for the Mid-Willamette Valley region prior to the City's founding in 1974, providing land and services to support growth of manufacturing jobs in the Albany metropolitan area and the broader region. Millersburg water, wastewater, transportation, and electrical infrastructures are designed to support growth of manufacturing, particularly heavy industry. This fact makes Millersburg unique within the Willamette Valley region. The missing piece necessary for Millersburg to accommodate additional growth is large, unconstrained buildable industrial sites, such as sites larger than 100 acres. Oregon's Statewide Planning System makes it difficult for Millersburg to expand its UGB (or conduct a UGB land exchange) to include one or more additional large manufacturing sites at this time.
- **Millersburg's industrial supply of large industrial sites may not be large enough to meet the City's economic development goals.** While Millersburg has enough industrial land and six sites larger than 25 acres, the industrial land base is not sufficient to meet the City's aspirations to grow its industrial base and attract large industrial users. For example, Millersburg's propose UGB land exchange would have created an approximately 230 acre site, where a paper converting business wanted to locate and build a $1.4 billion facility with about 1,000 new jobs. That business is still looking for a suitable site within Oregon.
- **Floodplains and wetlands are a constraint to future development of industrial land, especially for uses requiring large sites**. The buildable lands inventory takes floodplains and known wetlands into consideration as development constraints. These constraints make large portion of Millersburg's employment land base undevelopable. In addition, it is highly likely that Millersburg has some areas that are wetlands but are not known wetlands. Development of floodplains is highly limited and the expense and complexity of wetland mitigation makes industrial development difficult or impossible in some cases.
- **The City has a variety of sites in different sizes and locations that accommodate a wide range of development opportunities**. Millersburg has a variety of site sizes of industrial land with developable areas suitable for a variety of businesses ranging from manufacturing and other industrial uses to smaller service outfits. Millersburg has 39 sites with about 104 acres of buildable industrial land smaller than 10 acres in size

(excluding constrained land). In addition, Millersburg has 10 sites with 228 acres of buildable industrial land that are between 10 and 70 acres in size (excluding constrained land). Millersburg's inventory of buildable industrial land, especially sites larger than 10 acres, gives Millersburg advantages for industrial development, given the scarcity of buildable industrial land sites within the Willamette Valley. The relatively easy access to Millersburg via the Highway 20 I-5 interchange, makes these sites more attractive for industrial development that requires freight movement via I-5. In addition, this proximity to I-5 also provides the ability to attract workforce from the Albany, Salem, Corvallis, and Eugene/Springfield areas.

- **Millersburg has unique opportunities for growth**. Despite the issues with development constraints, Millersburg has a substantial base of employment land, including several larger industrial sites. The City has an existing base of manufacturing businesses. Millersburg has access to a skilled and trained workforce and opportunities for further training. The industrial land base, combined with Millersburg's other economic development advantages, give the City opportunities for growth of manufacturing and distribution businesses.
- **Infrastructure.** Millersburg's transportation, water, wastewater, and power resources are sufficient to accommodate expected growth, with some plans for upgrades to wastewater conveyance system. These systems can provide sufficient services to Millersburg's target industries. The City is in the unique position of being able to provide services to businesses that need access to large quantities of municipal water, industrial water, and who have large wastewater treatment needs, including for heavy industrial businesses.
- **Monitor and replenish the supply of commercial and industrial land on a regular, periodic basis.** The buildable lands inventory identifies the existing development status of employment land in Millersburg. City staff should monitor the development status of these employment lands and replenish the supply of industrial land through UGB expansion when possible.

Appendix A. National, State, and Regional and Local Trends

The economic trends discussed in this appendix are based on long-term trends that are generally expected to continue on national, state, and regional scales. During the development of this document, the effects of the global COVID-19 pandemic continued to evolve, as the worst of the effects on the pandemic on the labor force resolved.

National Trends

Economic development in Millersburg over the next 20 years will occur in the context of long-run national trends. The most important of these trends are as follows:

- **Economic growth was interrupted by the effects of the COVID-19 pandemic but is expected to continue from 2022 through 2031.** The Congressional Budget Office (CBO) estimates that by mid 2022 real GDP growth and employment growth will surpass pre-pandemic levels. While the CBO states the economy is stronger than previously forecasted, goods supply and services trail demand and is contributing to inflationary pressures.
- **As the U.S. economy recovers from the COVID-19 pandemic, inflation has increased significantly.** In March 2022, the personal consumption expenditures (PCE) price index increased 6.6% year-over-year[22]. Excluding food and energy, which are more volatile, the PCE price index rose 5.2%. The exact drivers of the rise in inflation is the subject of ongoing debate. Supply chain disruptions triggered by the pandemic have dramatically increased shipping rates, which in turn has led to higher prices for goods and services[23]. Exacerbating this trend is pent up demand among households, many of which received three direct assistance payments from the federal government in 2020 and 2021. Lastly, the expansion in the money supply generated by the Federal Reserve's monetary policy has also been cited as a contributor to inflation[24].
- **After declining sharply during the COVID-19 pandemic, employment has mostly recovered, and employers now face a tight labor market**. As of April 2022, the unemployment rate was 3.6%, which is about the same as pre-pandemic levels in February 2020.[25] Despite the addition of over 500,000 jobs each month during the first

[22] U.S. Department of Commerce, Bureau of Economic Analysis. Personal Consumption Expenditures Price Index. March 2022.

[23] Martin, F. M. (October 2021). What Are the Risks for Future Inflation? Federal Reserve Bank of St. Louis, *On The Economy Blog*.

[24] Martin, F.M. (April 2022). 2021: The Year of High Inflation. Federal Reserve Bank of St. Louis, *On The Economy Blog*.

[25] Bureau of Labor Statistics. (2022). *The Employment Situation – April 2022*. https://www.bls.gov/news.release/pdf/empsit.pdf

quarter of 2022[26], the labor force participation rate remains slightly below pre-pandemic levels[27], suggesting there are those who do not yet feel the need to or have the ability to return to work. In April 2022, wages increased year-over-year by 5.5%[28], faster growth than in recent pre-pandemic years but a smaller rise than the increase in inflation over the same period.

- **The aging of the baby boomer generation accompanied by increases in life expectancy.** Over the forecast period, the interest rate on 10-year Treasury notes is projected to rise gradually, reaching 3.2% in 2031.[29] As the baby boomer generation continues to retire, the number of Social Security recipients is expected to increase from almost 65 million in 2020 to over 88 million in 2045, a 36% increase. But due to lower birth-rate replacement generations, the number of covered workers is only expected to increase 10% over the same time period, from over 178 million to almost 197 million in 2045. In 2020, there are 36 Social Security beneficiaries per 100 covered workers, but by 2045, there will be 45 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.[30]
- **Baby boomers are retiring sooner as a result of the COVID-19 pandemic.** In the third quarter of 2021, about half of U.S. adults age 55 and older had retired, up from 48% in the third quarter of 2019.[31] This trend can be seen in Oregon, where the annual number of retirements among workers age 60 and older increased dramatically in 2020 and 2021.[32] However, there is evidence to suggest that these retirements are temporary and that some of these workers will return to the labor force as the economy recovers from the impacts of the pandemic, consistent with pre-pandemic trends.[33]
- **Need for replacement workers.** The need for workers to replace retiring baby boomers will outpace job growth. Between 2018 and 2028, the Bureau of Labor Statistics (BLS) estimates that total employment in the United States will grow by about 8.4 million jobs. Over this same period, BLS forecasts an annual average of 19.7 million occupational openings, indicating that the number of job openings per year exceeds expected

[26] White House Council of Economic Advisers. (2022). *The Employment Situation in April*. https://www.whitehouse.gov/cea/written-materials/2022/05/06/the-employment-situation-in-april-2/

[27] Bureau of Labor Statistics. (2022). *The Employment Situation – April 2022.* https://www.bls.gov/news.release/pdf/empsit.pdf

[28] Bureau of Labor Statistics. (2022). *The Employment Situation – April 2022.* https://www.bls.gov/news.release/pdf/empsit.pdf

[29] Congressional Budget Office. *An Update to the Budget and Economic Outlook: 2021 to 2031, July 2021.* https://www.cbo.gov/publication/57339

[30] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2021 https://www.ssa.gov/OACT/TR/2021/tr2021.pdf

[31] Pew Research Center. *Amid the pandemic, a rising share of older U.S. adults are now retired. November 2021.*

[32] Oregon Office of Economic Analysis. (2021). *Older Workers and Retirements*.

[33] Pew Research Center. (2021). *Amid the pandemic, a rising share of older U.S. adults are now retired*.

employment growth. About 78% of annual job openings are in occupations that do not require postsecondary education.[34]

- **The importance of education as a determinant of wages and household income.** According to BLS, a majority of the fastest growing occupations will require an academic degree, and on average, they will yield higher incomes than occupations that do not require a degree. The fastest growing occupations requiring an academic degree will be nurse practitioners, agents and business managers, occupational therapy assistants, statisticians, physical therapist assistants, and information security analysts.[35] Of the top 10 fastest-growing occupations, the top three do not require an academic degree – from 2020 to 2030, the fastest-growing occupations are motion picture projectionists, wind turbine service technicians, ushers and lobby attendants, nurse practitioners, and solar photovoltaic installers. However, because 2020 serves as the base year for these projections, many occupations are expected to experience cyclical recoveries in the first few years of the decade as they return to their long-term growth patterns. For example, motion picture projectionists are concentrated in an industry that experienced significant yet temporary employment losses in 2020. To account for this, the BLS has also listed the fastest growing occupations from 2020-2030 that do not include occupations with above-average cyclical recovery. These occupations include wind turbine service technicians, nurse practitioners, solar photovoltaic installers, statisticians, physical therapist assistants, and information security analysts. However, the two nondegree-requiring occupations – wind turbine service technicians and home health and personal care aids – had lower median annual wages in 2020 than the degree-requiring occupations.

  Three sectors are projected to decline from 2020 to 2030.[36] These include the federal government, retail trade, and utilities. The BLS estimates that retail trade will decrease by 586,800 positions, possibly due to the rise of e-commerce. Conversely, this shift in shopper preference is increasing occupations in transportation and warehousing. Retail positions typically have lower pay than occupations requiring an academic degree. The national median income for people over the age of 25 in 2019 was about $48,464. Workers without a high school diploma earned $19,708 less than the median income, while those with a high school diploma earned $10,504 less than the median income. Workers with some college earned $6,760 less than median income, and workers with a bachelor's degree earned $13,832 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.

[34] Bureau of Labor Statistics. (2019). *Occupational Employment Projections 2018-2028*. https://www.bls.gov/news.release/pdf/ecopro.pdf .

[35] Bureau of Labor Statistics. (2021). Occupational *Employment Projections to 2020-2030* https://www.bls.gov/news.release/pdf/ecopro.pdf.

[36] Bureau of Labor Statistics. (2021). Occupational *Employment Projections to 2020-2030* https://www.bls.gov/news.release/pdf/ecopro.pdf.

- **Increases in labor productivity.** Productivity, as measured by output per hour of labor input, increased in most sectors between 2000 and 2010, peaking in 2007. However, productivity increases were interrupted by the recession. After productivity decreases from 2007 to 2009, many industries saw large productivity increases from 2009 to 2010. Industries with the fastest productivity growth were information technology–related industries. These include wireless telecommunications carriers, computer and peripheral equipment manufacturing, electronics and appliance stores, and commercial equipment manufacturing wholesalers.[37]

  Since 2010, labor productivity has increased across a handful of large sectors but has also decreased in others. In wholesale trade, productivity—measured in output per hour—increased by 19% over 2009 to 2017. Retail trade gained even more productivity over this period at 25%. Food services, however, have remained stagnant since 2009, fluctuating over the nine-year period and shrinking by 0.01% over this time frame. Additionally, the Bureau of Labor Statistics reports multifactor productivity in manufacturing has been slowing down 0.3% per year over the 2004 to 2016 period. Much of this, they note, is due to slowdown in semiconductors, other electrical component manufacturing, and computer and peripheral equipment manufacturing.[38]

- **The importance of entrepreneurship and growth in small businesses.** According to the 2021 Small Business Profile from the U.S. Small Business Office of Advocacy, small businesses account for over 99 percent of total businesses in the United States, and their employees account for nearly 47% of American workers.[39] Women and People of Color make up 43% and 19%, respectively, of small business owners.[40] The National League of Cities suggests ways that local governments can attract entrepreneurs and increase the number of small businesses, including strong leadership from elected officials; better communication with entrepreneurs, especially regarding the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, businesses groups, and financial institutions.[41]

  Increases in automation across sectors. Automation is a long-running trend in employment, with increases in automation (and corresponding increases in productivity) over the last century and longer. The pace of automation is increasing, and

[37] Brill, M.R., & Rowe, S.T. (March 2013). Industry Labor Productivity Trends from 2000 to 2010. Bureau of Labor Statistics, *Spotlight on Statistics*.

[38] Brill, M., Chanksy, B., & Kim, J. (July 2018). Multifactor productivity slowdown in US manufacturing. *Monthly Labor Review*, U.S. Bureau of Labor Statistics. https://www.bls.gov/opub/mlr/2018/article/multifactor-productivity-slowdown-in-us-manufacturing.htm.

[39] Small businesses are defined by the US Small Business Office of Advocacy as having between zero and 500 employees.

[40] U.S. Small Business Office of Advocacy. (2021). 2021 Small Business Profile. https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/30143723/Small-Business-Economic-Profile-US.pdf

[41] National League of Cities. (2012). Supporting Entrepreneurs and Small Businesses. https://www.nlc.org/supporting-entrepreneurs-and-small-business

the types of jobs likely to be automated over the next 20 years (or longer) are broadening. Lower-paying jobs are more likely to be automated, with the potential for automation of more than 80% of jobs paying less than $20 per hour over the next 20 years. About 30% of jobs paying $20 to $40 per hour, and 4% of jobs paying $40 or more per hour, are at risk of being automated over the next 20 years.[42]

Low to middle-skilled jobs that require interpersonal interaction, flexibility, adaptability, and problem solving will likely persist into the future, as will occupations in technologically lagging sectors (e.g., production of restaurant meals, cleaning services, hair care, security/protective services, and personal fitness).[43] This includes occupations such as (1) recreational therapists, (2) first-line supervisors of mechanics, installers, and repairers, (3) emergency management directors, (4) mental health and substance abuse social workers, (5) audiologists, (6) occupational therapists, (7) orthotists and prosthetists, (8) health-care social workers, (9) oral and maxillofacial surgeons, and (10) first-line supervisors of firefighting and prevention workers.

Occupations in the service and agricultural or manufacturing industry are most at-risk of automation because of the manual-task nature of the work.[44,45,46] This includes occupations such as (1) telemarketers, (2) title examiners, abstractors, and searchers, (3) hand sewers, (4) mathematical technicians, (5) insurance underwriters, (6) watch repairers, (7) cargo and freight agents, (8) tax preparers, (9) photographic process workers and processing machine operators, and (10) accounts clerks.[47]

- **Continued transformation of retail.** In the last two decades, retail sales by e-commerce and warehouse clubs/supercenters (a lower-cost model to the traditional department store) have increased steadily, pulling the industry in two different directions. On one hand, the trend toward warehouse/supercenters is increasing the average scale of retail operations, increasing market concentrations, reducing business dynamism, and shifting retail activity toward more populated areas. On the other hand, the trend toward e-commerce generates "smaller [retailers], less market concentration, more geographical dispersion, and higher productivity."[48] Since 2012, e-commerce sales grew from 5% of

[42] Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.

[43] Autor, D.H. (2015). Why Are There Still So Many Jobs? The History and Future of Workplace Automation. *Journal of Economic Perspectives, 29*(3), 3–30.

[44] Frey, C.B, & Osborne, M.A. (2013). The Future of Employment: How Susceptible Are Jobs to Computerisation? Oxford Martin School, University of Oxford.

[45] Otekhile, C.A., & Zeleny, M. (2016). Self Service Technologies: A Cause of Unemployment. *International Journal of Entrepreneurial Knowledge, 4*(1). DOI: 10.1515/ijek-2016-0005.

[46] PwC. (n.d.). Will robots really steal our jobs? An international analysis of the potential long-term impact of automation. 2019 https://www.pwc.com/hu/hu/kiadvanyok/assets/pdf/impact_of_automation_on_jobs.pdf.

[47] Frey, C.B., & Osborne, M.A. (2013). The Future of Employment: How Susceptible Are Jobs to Computerisation? Oxford Martin School, University of Oxford.

[48] Ali Hortaçsu and Chad Syverson. (2015). The Ongoing Evolution of US Retail: A Format Tug-of-War. *Journal of Economic Perspectives, 29*(4), 89–112, p. 109.

total retail sales to 14.5% (Q4 2021). Total e-commerce sales for 2021 were about $870.8 billion, an increase of 14.2% from 2020.[49]

Ultimately, the growth in online shopping and the increasing dominance of large supercenters has made it difficult for small and medium-sized retail firms (offering a narrower selection of goods) to compete. Declining net profits and increased competitive pressures have led many well-known retailers (e.g., J.C. Penney, Macy's, Sears) to declare bankruptcy or to scale back their operations.

In the future, the importance of e-commerce will likely continue to grow, and despite the highly publicized closures of brick-and-mortar stores, physical retail is likely to remain an important part of the retail sector. In fact, retail sales at brick-and-mortar stores accounted for 85.5% of all retail sales in the Q4 of 2021.[50]

Modern consumers are increasingly price sensitive, less brand loyal, and (since the advent of internet) able to substitute between retailers easily. To compete, retailers must be nimble, adept in recognizing the changing needs of their consumers, and quick to differentiate themselves from their competitors.

- **Opportunities for local retail and service.** The types of retail and related services that remain will likely be sales of goods that people prefer to purchase in person or that are difficult to ship and return (e.g., large furniture), specialty goods, groceries and personal goods that maybe needed immediately, restaurants, and experiences (e.g., entertainment or social experiences). According to the Urban Land Institute, in the post-disruption era of retail, new trends in this sector are beginning to emerge. These changes include the convergence of technology and shopping, as businesses focus on brand awareness and customer engagement via digital channels in the physical retail space.[51]
- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. High-quality natural resources continue to be important in some states, especially in the western United States. Increases in the population and in household incomes, plus changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.[52]

[49] U.S. Census Bureau, Monthly Retail Trade, Latest Quarterly E-Commerce Report. Retrieved from: https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

[50] U.S. Census Bureau, Monthly Retail Trade, Latest Quarterly E-Commerce Report. Retrieved from: https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf .

[51] Diane Hoskins. "Three Trends Shaping Retail's Great Transformation." *Urban Land Institute*, September 3, 2019. https://urbanland.uli.org/economy-markets-trends/three-trends-shaping-retails-great-transformation/

[52] For a more thorough discussion of relevant research, *see,* for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and

- **Continued increase in demand for energy.** Energy prices were unusually high in early 2022. Total energy consumption will increase because the rising population and economic growth will outpace efficiency gains in energy consumption. Energy consumption is expected to grow primarily from industrial and, to a lesser extent, commercial users. Residential and transportation consumption are forecasted to decrease remain flat through about 2040 and possibly growth slightly through 2050. Electric vehicles are expected to continue to gain market share but gasoline powered vehicles are expected to continue to account for a substantial amount of vehicle sales through 2050. The share of electric vehicles is expected to grow from less than 3% in 2021 to 13% in 2050. Energy consumption by type of fuel is expected to change over the planning period. By 2050, the United States will continue to shift from crude oil toward natural gas and renewables. [53]
- **High rates of inflation.** For the last several decades, inflation rates have generally stayed below 3% for the nation. Inflation started to increase in 2021 and has accelerated in 2022, increasing to 9.06% in June 2022, to their highest levels in about 40 years. Inflation increased most quickly in June 2022 for Energy, motor vehicles, food, and household furnishings.[54] Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession.
- **Impact of rising energy prices on commuting patterns.** As energy prices increase over the planning period, energy consumption for transportation will decrease. These increasing energy prices may decrease willingness to commute long distances, though with expected increases in fuel economy, it could be that people commute farther while consuming less energy.[55] Moreover, lower-income households tend to have fewer options for commuting and are more likely to have jobs that require them to commute. Over 2019 to 2035, the U.S. Energy Information Administration estimates in its forecast that the decline in transportation energy consumption as a result of increasing fuel economy more than offsets the total growth in vehicle miles traveled (VMT). VMT for passenger vehicles is forecasted to increase through 2050.
- **Potential impacts of global climate change.** The consensus among the scientific community that global climate change is occurring expounds important ecological, social, and economic consequences over the next decades and beyond.[56] Extensive

S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

[53] Energy Information Administration, 2019, Annual Energy Outlook 2019 with Projections to 2050, U.S. Department of Energy, January 2019. https://www.eia.gov/outlooks/aeo/pdf/aeo2019.pdf. Note, the cited growth rates are shown in the interactive tables and can be viewed here: https://www.eia.gov/outlooks/aeo/data/browser/.

[54] Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years at https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm (visited *July 25, 2022*).

[55] Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019.

[56] U.S. Global Change Research Program. *National Climate Assessment*. 2018. https://nca2018.globalchange.gov/

research shows that Oregon and other western states have already experienced noticeable changes in climate and that more change will occur in the future.[57]

In the Pacific Northwest, climate change is likely to (1) increase average annual temperatures, (2) increase the number and duration of heat waves, (3) increase the amount of precipitation falling as rain during the year, (4) increase the intensity of rainfall events, (5) increase sea level, (6) increase wildfire frequency, and (7) increase forest vulnerability to tree disease.[58] These changes are also likely to reduce winter snowpack and shift the timing of spring runoff earlier in the year.[59]

The Oregon Climate Change Research Institute (OCCRI) evaluated potential scenarios for "Climate Change Influence on Natural Hazards in Oregon Counties" in 2018. OCCRI specifically focused on Counties in the Gorge and Eastern Oregon and evaluated the potential increased or decreased risk for natural hazards such as heat waves, cold waves, heavy rains, river flooding, drought, wildfire, poor air quality, windstorms, dust storms, increased invasive species, and loss of wetland ecosystems. Across the eight counties evaluated, the hazards most likely to increase with the effects of climate change are heat waves, heavy rains, river flooding, wildfires, increased invasive species, and loss of wetland ecosystems.[60]

These anticipated changes point toward some of the ways that climate change is likely to impact ecological systems and the goods and services they provide. There is considerable uncertainty about how long it would take for some of the impacts to materialize and the magnitude of the associated economic consequences. Assuming climate change proceeds as today's models predict, the Pacific Northwest will experience potential economic impacts:[61]

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[57] Oregon Global Warming Commission. *2020 Biennial Report to the Legislature.* 2020. https://www.keeporegoncool.org/reports/

[58] U.S. Global Change Research Program. *National Climate Assessment*. "Chapter 24: Northwest." 2018. https://nca2018.globalchange.gov/chapter/24/

[59] Mote, P., Salathe, E., Duliere, V., & Jump, E. (2008). *Scenarios of Future Climate for the Pacific Northwest.* Climate Impacts Group, University of Washington. March. http://cses.washington.edu/db/pdf/moteetal2008scenarios628.pdf; Littell, J.S., McGuire Elsner, M., Whitely Binder, L.C., and Snover, A.K. (eds). (2009). "The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate - Executive Summary." *In The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate*, Climate Impacts Group, University of Washington. www.cses.washington.edu/db/pdf/wacciaexecsummary638.pdf; Madsen, T., & Figdor, E. (2007). *When it Rains, it Pours: Global Warming and the Rising Frequency of Extreme Precipitation in the United States.* Environment America Research & Policy Center and Frontier Group.; Mote, P.W. (2006). Climate-driven variability and trends in mountain snowpack in western North America. *Journal of Climate, 19*(23), 6209-6220.

[60] Mote, P.W., Abatzoglou, J., Dello, K.D., Hegewisch, K., & Rupp, D.E. (2019). Fourth Oregon Climate Assessment Report. Oregon Climate Change Research Institute. occri.net/ocar4; Oregon Climate Change Research Institute. Climate Change Influence on Natural Hazards in Eight Oregon Counties. August 2018. https://www.oregon.gov/lcd/CL/Documents/OCCRI_PDM16_AllCountyOverview2018.pdf

[61] The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon's agriculture through changes in growing season, temperature ranges, and water availability.[62] Climate change may impact Oregon's forestry through an increase in wildfires, a decrease in the rate of tree growth, a change in the mix of tree species, and increases in diseases and pests that damage trees.[63]
- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from (1) decreases in snow-based recreation if snowpack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,[64] (3) negative impacts on availability of summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times, these trends may run counter to the long-term trends described above. The most prevalent example is the recession and subsequent recovery triggered by the global COVID-19 pandemic. While the unemployment rate rose quickly to a high of 14.7% in April 2020, it has since gradually declined to 3.6% as of March 2022, close to the pre-pandemic (February 2020) rate[65]. However, employment in some industries that were most severely impacted by the pandemic, such as leisure and hospitality, have not yet fully returned to pre-pandemic levels. Nonetheless, this report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run macroeconomic trends on employment of economic activity.

State Trends

Short-Term Trends

According to the Oregon Office of Economic Analysis (OEA), Oregon's economy is following the trends affecting the national economy: fast growth (with continued recovery from the COVID-19 pandemic recession), high demand for labor, and high inflation. The biggest

[62] Resource Innovations & Institute for a Sustainable Environment. (2005). The Economic Impacts of Climate Change in Oregon: A Preliminary Assessment. https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/2299/Consensus_report.pdf?sequence=1

[63] Climate Leadership Initiative & Institute for Sustainable Environment. (2007). Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis.

[64] Resource Innovations & Institute for a Sustainable Environment. (2005). The Economic Impacts of Climate Change in Oregon: A Preliminary Assessment. https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/2299/Consensus_report.pdf?sequence=1

[65] The Employment Situation – March 2022. News Release, Bureau of Labor Statistics. Retrieved from: https://www.bls.gov/news.release/pdf/empsit.pdf.

economic challenges are supply chain issues, resulting from strong consumer demand and problems that started with the COVID-19 pandemic. [66]

The biggest risk to the economic outlook is persistently high inflation. In early 2021, higher inflation was tied to reopening the economy and semiconductor shortages in the automobile industry. Over the last year, pressure from inflation has broadened and are more persistent than originally expected. In addition, the tight labor market is putting upward pressure on wages, with the average wage in Oregon up 17% since March 2020. Businesses are passing most of the cost increases (from increases in costs for goods and labor) onto consumers, who are showing a willingness to pay higher prices. As a result, business incomes remain high.[67]

The Orgon economy has added back most of the jobs lost during the COVID-19 pandemic, with an expectation that the remaining lost jobs will be regained by Fall 2022. The labor market remains tight for several reasons, including workers who have not returned to the workforce because they are caring for sick family members or for childcare challenges and employees who are quitting jobs at record rates.[68]

The outlook for growth is a continuation of growth of the entire economy, with faster growth of selected sectors. Leisure and hospitality are still 12% below pre-pandemic employment and expected to have strong growth through 2023. Professional and business services, health care, and transportation and warehousing are also expected to have strong growth through 2023. Demand for housing will drive growth in the construction industry. Growth in high-tech manufacturing will continue, supported by demand for automobiles, computers, and other electronics. However, growth in high-tech has not translated into more employment because of increases in productivity. And the industry is set to grow nationally, with some investments in Oregon but with investments in other states as well. [69]

Oregon has underbuilt about 111,000 housing units in recent decades, which contributes to the high demand for housing and low vacancy rates. [70] Housing starts in 2019 reached approximately 20,700 units, 18,000 in 2020 and 21,300 in 2021, an increase of 17.5%. In the years following the recession, they anticipate a partial recovery of housing starts, with a slight

[66] Office of Economic Analysis. (2022). Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1. https://www.oregon.gov/das/OEA/Documents/forecast0322.pdf

[67] Office of Economic Analysis. (2022). Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1. https://www.oregon.gov/das/OEA/Documents/forecast0322.pdf

[68] Office of Economic Analysis. (2022). Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1. https://www.oregon.gov/das/OEA/Documents/forecast0322.pdf

[69] Office of Economic Analysis. (2022). Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1. https://www.oregon.gov/das/OEA/Documents/forecast0322.pdf

[70] Office of Economic Analysis. (2022). Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1. https://www.oregon.gov/das/OEA/Documents/forecast0322.pdf

contraction in 2022 (0.6% decrease), with growth increasing again in 2023 (2.2 % increase) and 2024 (3.5% increase).[71]

Oregon's economic health is dependent on the export market, which are also affected by the COVID-19 pandemic. The value of Oregon exports in 2020 was $24.977 billion. In 2020, the countries that Oregon exported the most to were China (38% of total Oregon exports), Canada (11%), Vietnam (6%), South Korea (6%), Japan (6%), and Malaysia (6%).[72] Any strains on the relationship between the United States and China could impact Oregon's economy. Additionally, China's public debt burden poses a threat not only to the state and region but also to the global economy. [73]

Long-Term Trends

State, regional, and local trends will also affect economic development in Millersburg over the next 20 years. The most important of these trends includes continued in-migration from other states, distribution of population and employment across the state, and change in the types of industries in Oregon.

- **Continued in-migration from other states.** Oregon will continue to experience in-migration (more people moving *to* Oregon than *from* Oregon) from other states, especially California and Washington. From 2010-2020, Oregon's population increased by 406,491, 77% of which was from people moving into Oregon (net migration)[74]. The average annual increase in population from net migration over the same time period was about 31,412. During the early to mid-1990s, Oregon's net migration was highest, reaching over 60,000 in 1991, with another smaller peak of almost 42,100 in 2006. In 2020, net migration reached just over 26,028 persons. [75]
- **Increasing ethnic diversity.** Oregon's population has continued to get more ethnically and racially diverse, with the Latino population growing from 12% of the population in 2010 to 13% of the population in 2015–2019.[76] The population of people of color grew from 13.3% of the population to 16% of the population over the same period. The share of Latino and people of color populations increased in Millersburg since 2000 as well.

[71] Office of Economic Analysis. (2021). Oregon Economic and Revenue Forecast, December 2021. Vol. XLI, No. 4, p. 32.

[72] United States Census Bureau. State Exports from Oregon, 2017-2020. https://www.census.gov/foreign-trade/statistics/state/data/or.html .

[73] Office of Economic Analysis. Oregon Economic and Revenue Forecast, December 2019. Vol. XXXIX, No. 4, p. 14. https://www.oregon.gov/das/OEA/Documents/forecast1219.pdf.

[74] Oregon Office of Economic Analysis, Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1, p. 58.

[75] Oregon Office of Economic Analysis, Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1, p. 58.

[76] U.S. Census Bureau, American Community Survey 2019 5-year estimates, Tables B02001 and B03002, 2010 Decennial Census P003001 and P005001.

- **Forecast of job growth.** Total nonfarm employment is forecasted to increase 10% from 1.82 million in 2020 to just over 2 million in 2025. The OEA forecasts total private nonfarm employment to increase 11% from 1.54 million in 2020 to 1.71 million in 2025.[77]
- **Manufacturing is an important part of Oregon's economy.** The manufacturing sector has long been a crucial component of Oregon's economy. Since 2010, employment in manufacturing has grown 12% compared to the nation's 7%[78]. However, as a result of the COVID-19 pandemic, employment in the sector has declined 8% compared with a 4% decline across the nation.[79]

  Manufacturing remains an important piece of Oregon's economy and the sector is evolving. Only a few decades ago, Oregon's manufacturing economy was dependent on forestry and wood products. But between 1990 and 2018, annual average employment in wood product manufacturing dropped by 22,600 jobs or 46%.[80]

  Growth in Oregon's electronic component manufacturing, however, has filled the gap left by the decline in wood manufacturing. In 2018, there were a total of 37,900 jobs in Oregon's electronic component manufacturing (i.e., manufacturing of computer chips, computers and related equipment, and communications equipment), making it Oregon's largest manufacturing industry. Employment in this industry is over six times more concentrated in Oregon than it is nationally and is driving much of the growth in Oregon manufacturing.[81]

  Continued growth, spurred by electronic component manufacturing, is expected in the future for Oregon's manufacturing sector. Although Oregon's economy is shifting, the state's roots in forestry and wood product manufacturing remain important, particularly for rural areas. Douglas County, for example, had 8.3% of its total employment and 10.7% of its total payroll in wood product manufacturing in 2018.[82]
- **Advancements in technology and increases in automation of jobs.**[83] In decades past, automation was focused on manufacturing. In the coming decades, jobs at risk for automation will tend to be those without "computerization bottlenecks" or jobs that do not require social intelligence, perception, creativity, or fine motor skills. Jobs in

[77] Oregon Office of Economic Analysis, Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1, p. 35.

[78] Oregon Employment Department (2021). Made in Oregon: A Profile of the State's Manufacturing Sector. https://www.qualityinfo.org/-/made-in-oregon-a-profile-of-the-state-s-manufacturing-sector

[79] Oregon Employment Department (2021). Made in Oregon: A Profile of the State's Manufacturing Sector. https://www.qualityinfo.org/-/made-in-oregon-a-profile-of-the-state-s-manufacturing-sector.

[80] Oregon Employment Department (2021). Made in Oregon: A Profile of the State's Manufacturing Sector. https://www.qualityinfo.org/-/made-in-oregon-a-profile-of-the-state-s-manufacturing-sector.

[81] Oregon Employment Department (2021). Made in Oregon: A Profile of the State's Manufacturing Sector. https://www.qualityinfo.org/-/made-in-oregon-a-profile-of-the-state-s-manufacturing-sector.

[82] Oregon Employment Department (2021). Made in Oregon: A Profile of the State's Manufacturing Sector. https://www.qualityinfo.org/-/made-in-oregon-a-profile-of-the-state-s-manufacturing-sector.

[83] Portland Business Alliance. (2017). Automation and the Future of Work. https://portlandalliance.com/assets/pdfs/2017-VOJ-Automation-summary.pdf

industries lacking customer service component, such as those in transportation and material moving, are also at greater risk. Most researchers agree that "less-educated workers in low-skill, lower-wage jobs featuring routine tasks are those most likely to be displaced by automation."[84] Oregon's overall risk of automation is similar to the nation's, with lower and middle-wage jobs at higher risk.

- In 2017, 144,200 jobs in Oregon were found to be at risk of automation and 93% of jobs in food preparation and serving were found to be at risk.[85] However, automation risk does not imply automation certainty. For example, consumer preferences for personalized and genuine experiences/interactions will likely slow job automation, particularly in the food services and hospitality sectors. In addition, there is a notable difference between task automation and full automation of jobs. One research study speculates that only 5% of jobs are fully automated, and that the "activities most susceptible to automation involve physical activities in highly structured and predictable environments, as well as the collection and processing of data."[86]
- **Income and wages continue to increase.** Despite Oregon's income and wages falling below the average among states, Oregon wages are at their highest point relative to other states since the recession in the early 1980s, mainly due to the wage growth over the last two to three years. In 2019, the average annual wage in Oregon was $55,023, and the median household income was $67,058 (compared to national average wages of $59,209 in 2019 and national household income of $65,712).[87] Total personal income (all classes of income, minus Social Security contributions) in Oregon is expected to increase by 78%, from $221.2 billion in 2019 to $395.4 billion in 2030 (in nominal dollars).[88] Per capita income is expected to increase by 64% over the same time period, from $52,500 in 2019 to $86,200 in 2030 (in nominal dollars).[89]
- **Small businesses continue to account for a large share of employment in Oregon**. Between 1994 and 2018, employment in Oregon small businesses grew by 30% - exceeding the national average growth rate.[90]

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[84] Marcus Casey and Sarah Nzau. (2019). Searching for clarity: How much will automation impact the middle class? Brookings.

[85] Portland Business Alliance. (2017). Automation and the Future of Work. https://portlandalliance.com/assets/pdfs/2017-VOJ-Automation-summary.pdf

[86] McKinsey & Company. (2017). A Future that Works: Automation, Employment, and Productivity.

[87] Average annual wages are for "total, all industries," which includes private and public employers. Oregon Quarterly Census of Employment and Wages, 2019. Retrieved from: https://www.qualityinfo.org; Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2019; Total, U.S. Census American Community Survey 1-Year Estimates, 2019, Table B19013.

[88] Oregon Office of Economic Analysis. Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1, page 37.

[89] Oregon Office of Economic Analysis. Oregon Economic and Revenue Forecast, March 2022. Vol. XLII, No. 1, page 37.

[90] U.S. Small Business Office of Advocacy. (2021). 2021 Small Business Profile. https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/30143123/Small-Business-Economic-Profile-OR.pdf

In 2018 small businesses (those with 100 or fewer employees) accounted for 95% of all businesses and 40% of all private-sector employment in Oregon. Said differently, most businesses in Oregon are small (in fact, 76% of all businesses have fewer than 10 employees), but the largest share of Oregon's employees work for large businesses (those with more than 100 employees).[91] The average annualized payroll per employee for small businesses was $43,949 in 2019, which is considerably less than that for large businesses ($64,335) and the statewide average for all businesses ($53,253).[92]

Younger workers are important for the continued growth of small businesses across the nation. More than one-third of millennials (those born between 1980 and 1999) are self-employed, with approximately one-half to two-thirds interested in becoming an entrepreneur. According to the Kauffman Indicators of Entrepreneurship, in 2020, about 78.09% of start-ups nationwide were still active after one year.[93] On average, start-ups nationwide created approximately 5.03 jobs in their first year (when normalized by population).[94] In Oregon, just 77.57% survive the first year and just 4.85 jobs were created on average.[95] It is typically the case that start-ups are important for job creation on a longer-time horizon, well beyond their first year, as "fewer than half of all start-ups in America are still in business after five years."[96]

- **Entrepreneurship in Oregon.** The creation of new businesses is vital to Oregon's economy as their formations generate new jobs and advance new ideas and innovations into markets. They also can produce more efficient products and services to better serve local communities. According to the Kauffman Early-Stage Entrepreneurship (KESE) Index, Oregon ranked 25th in the country in 2020 for its Early-Stage Entrepreneurship activity, a measurement comprised of four statistics: rate of new entrepreneurs, opportunity share of new entrepreneurs, start-up density, and start-up early survival rate.[97] This ranking is higher than its 2017 rank of 30. Oregon's rate of new entrepreneurs (the percent of adults that became an entrepreneur in a given month) was in steady decline post-recession, but since 2012, has gradually declined until 2019 where it

[91] U.S Census Bureau, 2019 Statistics of U.S. Businesses, Annual Data, Enterprise Employment Size, U.S and States. https://www.census.gov/data/tables/2019/econ/susb/2019-susb-annual.html.

[92] U.S Census Bureau, 2019 Statistics of U.S. Businesses, Annual Data, Enterprise Employment Size, U.S and States. https://www.census.gov/data/tables/2019/econ/susb/2019-susb-annual.html..

[93] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Indicators: Startup Early Job Creation and Startup Early Survival Rate. Information retrieved on January 26, 2022. https://indicators.kauffman.org/indicator/startup-early-survival-rate.

[94] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Indicators: Startup Early Job Creation and Startup Early Survival Rate. Information retrieved on January 26, 2022. https://indicators.kauffman.org/indicator/startup-early-survival-rate..

[95] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. State Profiles: Oregon Early-Stage Entrepreneurship. https://indicators.kauffman.org/state/oregon.

[96] Nish Acharya. "Small Business Are Having A Bigger Impact on Job Creation Than Large Corporations." Forbes, May 5, 2019. https://www.forbes.com/sites/nishacharya/2019/05/05/who-is-creating-jobs-in-america/#5c74c156597d.

[97] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. https://indicators.kauffman.org/.

dropped to 0.26%. In 2020, the rate increased to 2020, to 0.29%, still well below Oregon's prerecession peak of 0.43% in 2000.

Moreover, in January 2021, the Oregon Office of Economic Analysis reported new business applications in Oregon were increasing since shelter in place orders were lifted.[98] However, since then, in December 2021, new business filings have slowed while active business licenses maintain some growth.[99] Though this measurement of economic activity does not constitute a full understanding of how well entrepreneurship is performing, it does provide an encouraging signal.

Regional and Local Trends

Throughout this section and report, Millersburg is compared to Linn County and the State of Oregon. These comparisons contextualize changes in Millersburg's socioeconomic characteristics.

Availability of Labor

The availability of trained workers in Linn County will impact the development of its economy over the planning period. A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in Linn County over the next 20 years include its growth in its overall population, growth in the senior population, and commuting trends.

Population Change

Population growth in Oregon tends to follow economic cycles. Oregon's population grew from 2.8 million people in 1990 to 4.2 million people in 2021, an increase of almost 1,400,000 people or 1.4% each year. In the most recent decade (i.e., 2010 to 2020), the state's average annual growth rate fell slightly from 1.4% to 1.1%.

Between 2000 and 2023, Millersburg's population increased by 2,556 residents at an average annual growth rate of 7.2%, exceeding both Linn County and Oregon's growth rates during the same time period.

[98] Josh Lehner. "So Far Fewer Business Closures than Expected." Oregon Office of Economic Analysis, March 2, 2021. https://oregoneconomicanalysis.com/2021/03/02/so-far-fewer-business-closures-than-expected/

[99] Oregon Secretary of State. (February 2022). *Oregon Business Statistics. https://sos.oregon.gov/business/Documents/business-reports-current/0222.pdf*

Exhibit 20. Population Growth, Millersburg, Linn County, and Oregon, 2000–2023
Source: U.S. Census Bureau, 2000, and 2010. Portland State University Population Estimates, 2023.

				Change, 2000 - 2023		
Geography	2000	2010	2023	Number	Percent	AAGR
Millersburg	650	1,215	3,206	2,556	393%	7.2%
Linn County	103,069	111,355	131,984	28,915	28%	1.1%
Oregon	3,421,399	3,831,074	4,291,525	870,126	25%	1.0%

Age Distribution

By 2060, the population of people 65 years and older in the United States is projected to nearly double from 52 million in 2018 to 95 million.[100] The economic effects of this change include a slowing of labor force growth, the need for workers to replace retirees, the aging of workforce for seniors that continue working after age 65, an increase in demand for health-care services, and an increase in percent of the federal budget dedicated to Social Security and Medicare.[101]

Exhibit 21 through Exhibit 24 show the following trends:

- During the 2015–2019 period, 19% of Millersburg residents were 60 years and older (Exhibit 23).
- Linn County's population is expected to continue aging, with people 60 years and older increasing slightly from 26% of the population in 2020 to 29% in 2040. This is consistent with statewide trends. Linn County may continue to attract those in their late adult years (i.e., 70 years and older) over the planning period. While the share of retirees in these respective areas may increase over the next 20 years, the share of youth (i.e., under 20 years old) or people in their early adult lives (i.e., 20 to 39 years old) is likely to decrease. As the working population continues to exit the labor force later in life, those approaching retirement provide a valuable source of skilled labor and experience to younger generations entering the workforce.

[100] Mather, M., Scommegna, P., & Kilduff, L. (2019). Fact Sheet: Aging in the United States. https://www.prb.org/aging-unitedstates-fact-sheet/

[101] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2017, The 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, July 13, 2017. The Budget and Economic Outlook: Fiscal Years 2018 to 2028, 2018.

Millersburg's median age has increased by 1.9 years since 2000, smaller than Linn County's change of 2.2 years and Oregon's change of 3 years.

This increase suggests Millersburg is attracting more workers in their later adult lives.

Exhibit 21. Median Age, Millersburg, Linn County, and Oregon, 2000 to 2015–2019

Source: U.S. Census Bureau, 2000 Decennial Census, Table P013; American Community Survey 2015–2019 5-Year Estimates, Table B01002.

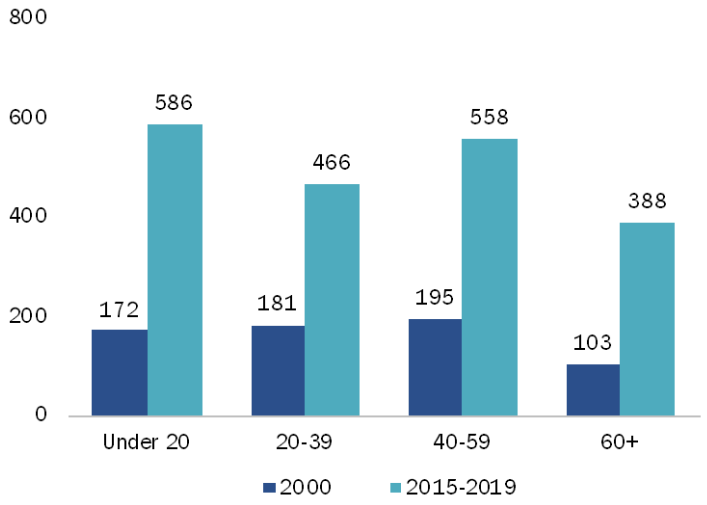
2000	37.2 Millersburg	37.4 Linn County	36.3 Oregon
2015-19	39.1 Millersburg	39.6 Linn County	39.3 Oregon

Between 2000 and 2015-2019, all age groups in Millersburg grew in size.

The largest percent increase in residents were those aged 60 and older at about 285 people (277%), followed by those 20 and younger at about 414 people (241%).

Exhibit 22. Millersburg Population Change by Age Group, 2000 to 2015–2019

Source: U.S. Census Bureau, 2000 Summary File; American Community Survey 2015–2019 5-Year Estimates, Table B01001.



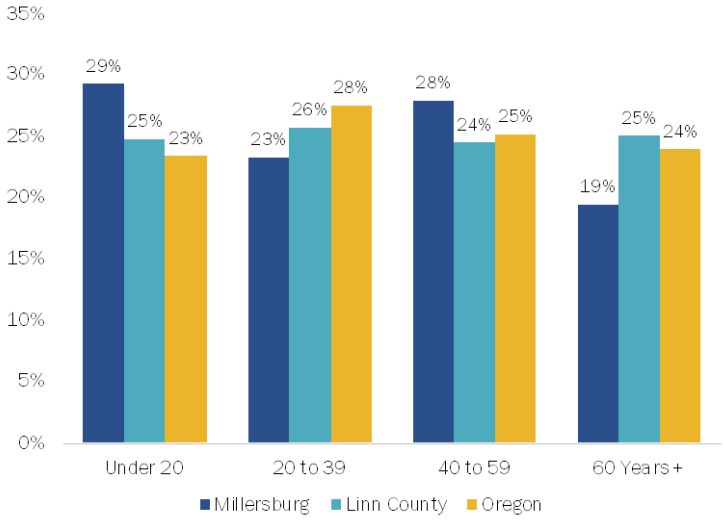
In the 2015-2019 period, about 51% of Millersburg's residents were between the ages of 20 and 59 years.

Millersburg has a smaller share of people over the age of 60 than the county and state.

29% of Millersburg's population is under 20 years old, compared to 25% of Linn County's population and 23% of Oregon's.

Exhibit 23. Population Distribution by Age, Millersburg, Linn County, and Oregon, 2015–2019

Source: U.S. Census Bureau, American Community Survey, 2015–2019 5-Year Estimates, Table B01001.

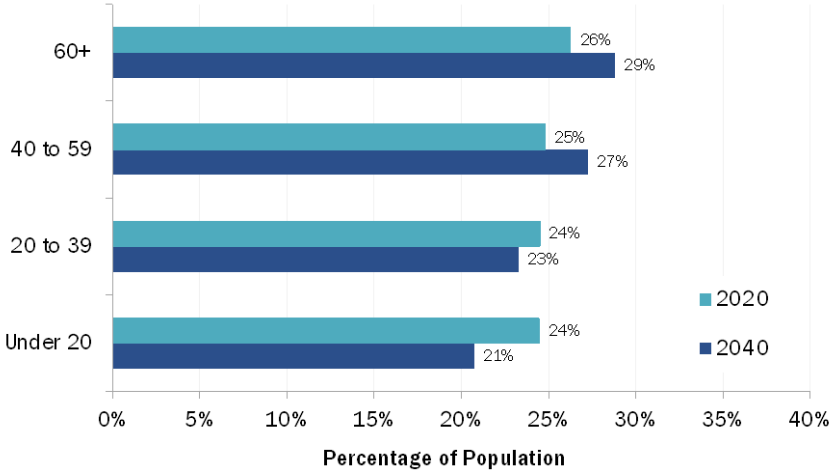


By 2040, Linn County will have a larger share of residents 40 years and older than it does today.

The share of residents 60 years and older will account for 29% of Linn County's population, compared to 26% in 2020. Similarly, the share of residents between the ages of 40 and 59 will increase from 25% to 27%.

Exhibit 24. Population Growth by Age Group, Linn County, 2020–2040

Source: Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2020.



Race and Ethnicity

Linn County, like Oregon overall, is becoming more racially and ethnically diverse. Both the Hispanic and Latino and people of color populations increased in Millersburg between 2000 and 2015–2019. The Hispanic and Latino population increased from 3% to 9%, while the population of people of color increased from 4% to 9%. Similar to the city, Linn County's population of people of color increased slightly from 7% to 10%, and the Hispanic and Latino population grew from 4% to 9% during the same time period. Millersburg is less ethnically diverse than the state and providing culturally specific services to Spanish-speaking community members can help improve their participation in the workforce and economy.

The population of people of color is defined as the share of the population that identifies as another race other than "white alone" according to Census definitions. The small population in Millersburg results in small sample sizes, and thus the margin of error is considerable for the estimate of these populations.

Exhibit 25 and Exhibit 26 show the change in the share of Hispanic and Latino and people of color populations in Millersburg, compared to Linn County and Oregon, between 2000 and 2015–2019. The groups with the largest share of the population of people of color in 2015–2019 include those that identify as Asian alone or two or more races, representing 4% and 3%, respectively, of Millersburg's total population.[102]

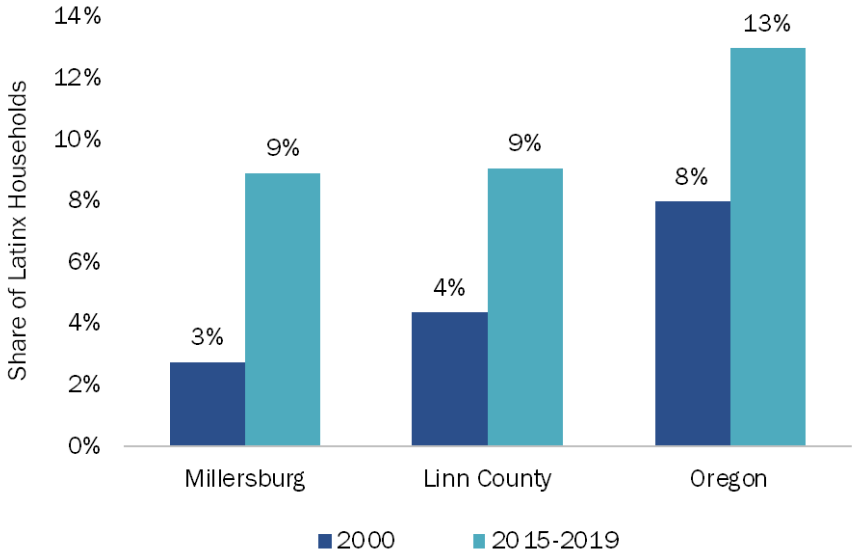
[102] "Some other race alone" also includes individuals who identify as American Indian or Alaska Native or Native Hawaiian and other Pacific Islander.

Millersburg's Hispanic/Latino population increased between 2000 and 2015–2019 from 3% to 9%.

Millersburg is less ethnically diverse than the state, but comparable with Linn County.

Exhibit 25. Hispanic or Latino Population as a Percentage of the Total Population, Millersburg, Linn County, and Oregon, 2000, 2015–2019

Source: U.S. Census Bureau, 2000 Decennial Census, Table P008; 2015–2019 American Community Survey, 2015–2019 5-Year Estimates, Table B03002.



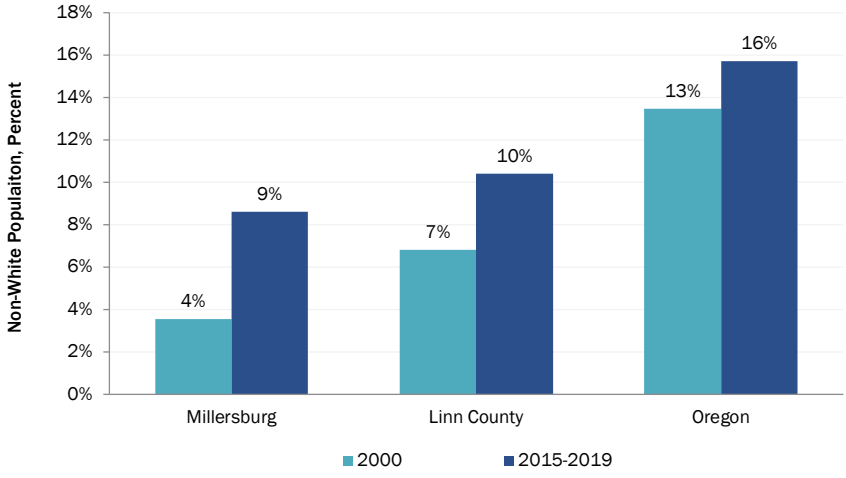
The population of people of color in Millersburg increased between 2000 and 2015–2019.

Millersburg and Linn County are less racially diverse than the state. In 2015–2019, the share of people of color in both Millersburg and Linn County was 9% and 10%, respectively, compared to 16% statewide.

During this same time period, the groups with the largest share of the population of people of color were "two or more races" and Asian alone, representing 3% and 4%, respectively, of Millersburg's residents,

Exhibit 26. Population of People of Color as a Percentage of the Total Population, Millersburg, Linn County, and Oregon, 2000, 2015–2019

Source: U.S. Census Bureau, 2000 Decennial Census Table P007; 2015–2019 American Community Survey, 2015–2019 5-Year Estimates, Table B02001.



Income

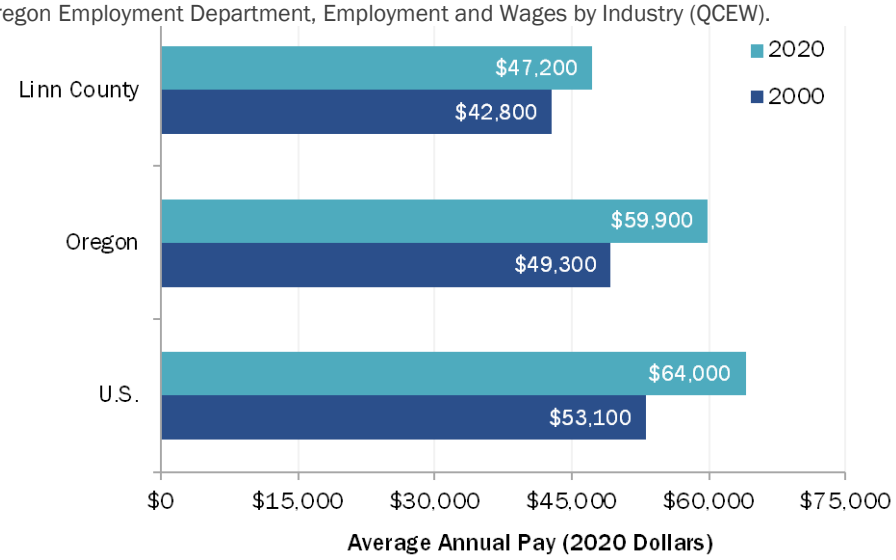
Income and wages affect business decisions for locating in a city. Areas with higher wages may be less attractive for industries that rely on low-wage workers. Millersburg's median household income in 2015-2019 ($89,286) was above the county median ($55,893). In 2020, average wages at in Linn County ($47,196) were below the state average ($59,927).

Between 2000 and 2020, Linn County's average wages increased as did average wages across the state and the nation. When adjusted for inflation, average annual wages grew by 21% in Linn County and 22% in Oregon, and 10% across the nation.

From 2000 to 2020, average annual wages rose in Linn County, Oregon, and the nation.

In 2020, average annual wages were $47,196 in Linn County, $59,927 in Oregon, and $54,021 across the nation.

Exhibit 27. Average Annual Wage, Covered Employment, Linn County, Oregon, and the U.S., 2000 to 2020, Inflation-Adjusted 2020 Dollars
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; State of Oregon Employment Department, Employment and Wages by Industry (QCEW).



Over the 2015–2019 period, the median household income in Millersburg was 60% above Linn County's median household income and 42% below Oregon's.

Exhibit 28. Median Household Income (MHI),[103] 2015–2019
Source: U.S. Census Bureau, American Community Survey 2015–2019 5-Year Estimates, Table B19013.

$89,286	$55,893	$62,818
Millersburg	Linn County	Oregon

[103] The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they are related or not.

Millersburg's median family income during the 2015–2019 period was above the median family income of both Linn County and Oregon - by 50% and 30%, respectively.

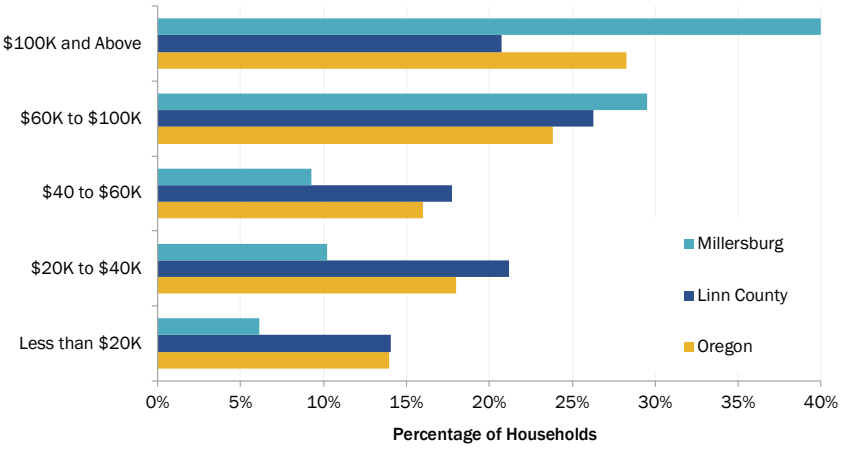
Exhibit 29. Median Family Income,[104] 2015–2019
Source: U.S. Census Bureau, American Community Survey 2015–2019 5-Year Estimates, Table B19113.

$99,833	$66,596	$76,946
Millersburg	Linn County	Oregon

During the 2015–2019 period, 16% of Millersburg households earned less than $40,000 annually, compared to 35% of Linn County households and 32% of Oregon households.

Over the same period, 9% of Millersburg households earned between $40,000 and $59,999, a proportion lower than Linn County residents (18%) and residents statewide (16%).

Exhibit 30. Household Income by Income Group, Millersburg, Linn County, and Oregon, 2015–2019, Inflation-Adjusted 2019 Dollars
Source: U.S. Census Bureau, American Community Survey 2015–2019 5-Year Estimates, Table B19001.



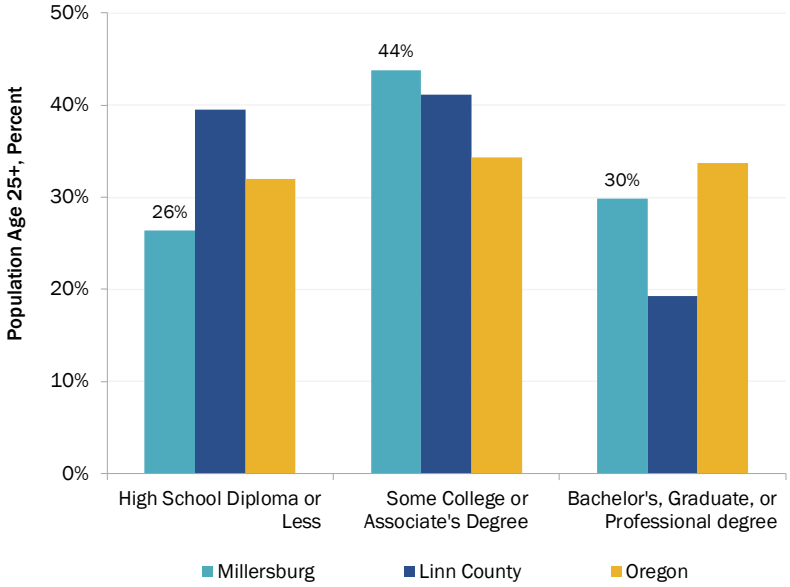
[104] Census calculated family income based on head of household income, as identified in Census forms, and of all individuals 15 years old and over in the household related to the head of household by birth, marriage, or adoption.

Educational Attainment

The availability of trained, educated workers affects the quality of labor in a community. Educational attainment is an important labor force factor because firms need to be able to find educated workers.

A larger share of Millersburg residents has some college education or an associate degree than Linn County and the state. The proportion of Millersburg residents who have a bachelor's degree or a professional degree falls below the state, but above Linn County.

Exhibit 31. Educational Attainment for the Population 25 Years and Over, Millersburg, Linn County, and Oregon, 2015–2019
Source: U.S. Census Bureau, American Community Survey 2015–2019 5-Year Estimates, Table B15003.



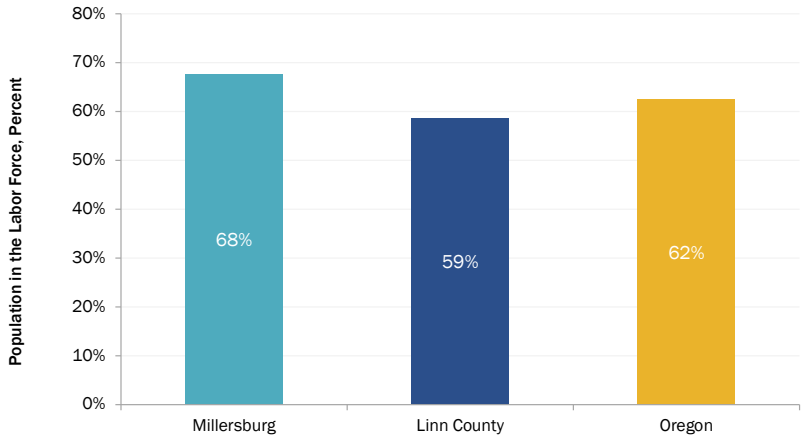
Labor Force Participation and Unemployment

The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2015–2019 American Community Survey, Linn County had 58,793 people in its labor force during that period and Millersburg had 1,021 people in its labor force.

Millersburg has a higher labor force participation rate relative to both Linn County and the state.

Exhibit 32. Labor Force Participation Rate, Millersburg, Linn County, and Oregon, 2015–2019

Source: U.S. Census Bureau, American Community Survey 2015–2019 5-Year Estimates, Table B23001.

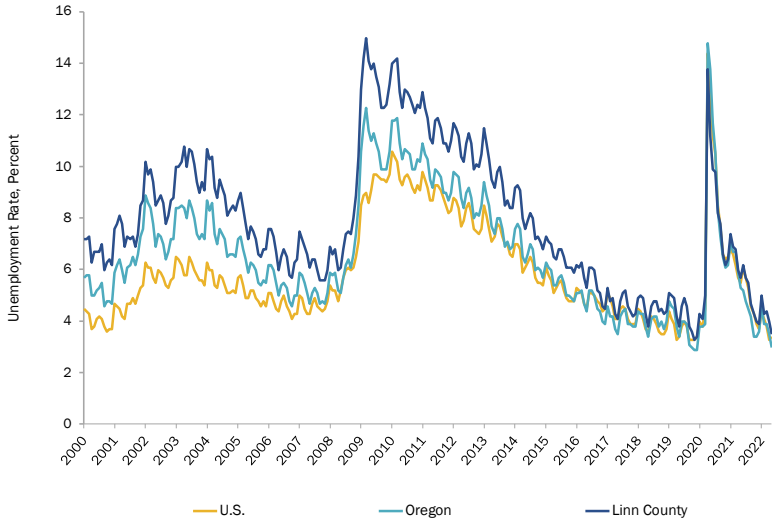


The unemployment rates in Millersburg, Linn County, Oregon, and the nation have declined since the Great Recession. However, following the pandemic, unemployment rates for the month of May 2020 exceeded the peak rate experienced during the Great Recession.

The unemployment rate in June 2022 in Linn County (4.0%) was higher than that of the state (3.6%) and nation (3.8%).

Exhibit 33. Unemployment Rate, Linn County, Oregon, and the U.S., 2000–June 2022

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics and Labor Force Statistics. Not seasonally adjusted.



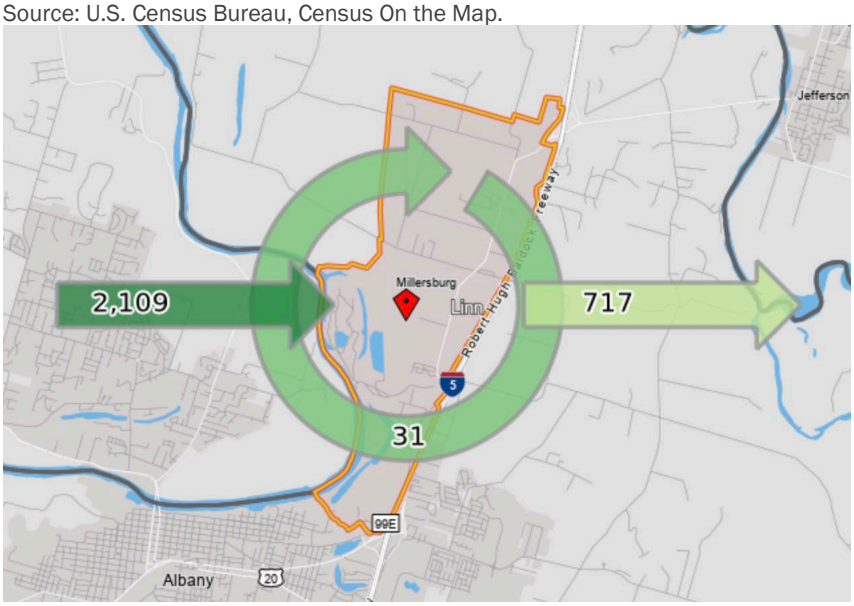
Commuting Patterns

Commuting plays an important role in Millersburg economy because employers in the area are able to access workers from cities across Linn County and Willamette Valley region. Exhibit 35 shows that 28% of people who live in Millersburg commute to Albany while only 1% remain in Millersburg. The remaining workers commute from other cities located across the region.

Millersburg is part of an interconnected regional economy.

A very small share of people both live and work in Millersburg, with a much larger share either commuting into or out of the city for work. This is similar to the commuting patterns of Linn County workers, in that most Millersburg residents commute outside of the county for work.

Exhibit 34. Commuting Flows, Millersburg, 2019
Source: U.S. Census Bureau, Census On the Map.



Only 1% of all employees at Millersburg businesses also live in Millersburg.

About 28% of all Millersburg workers commuted from Albany.

Exhibit 35. Places Where Millersburg Workers Lived,[105] 2019
Source: U.S. Census Bureau, Census On the Map.

28%	7%	4%	4%
Albany	Lebanon	Salem	Corvallis

[105] In 2019, 2,140 people worked at businesses in Millersburg, with 1% (31) of those workers both living and working in Millersburg.

About 4% of all working residents living in Millersburg also work in Millersburg.

About 26% of all Millersburg workers commuted to Albany.

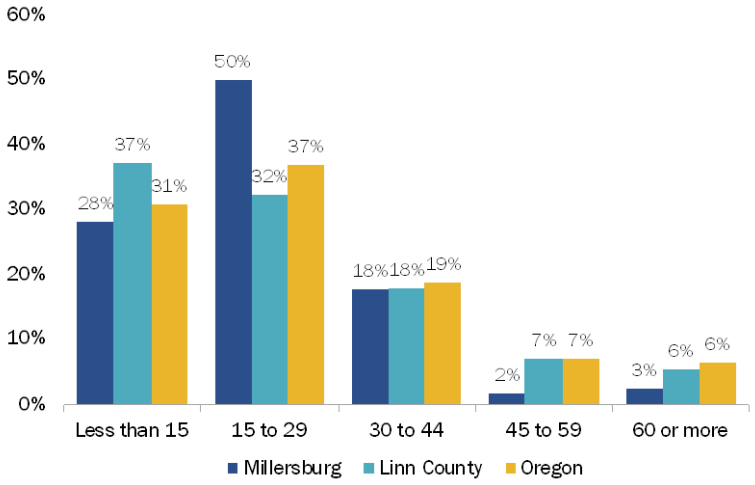
Exhibit 36. Places Where Millersburg Residents Were Employed,[106] 2019
Source: U.S. Census Bureau, Census On the Map.

26%	14%	11%	5%
Albany	Salem	Corvallis	Lebanon

During the 2015–2019 period, about 28% of Millersburg residents had a commute of less than 15 minutes, compared to 37% of Linn County's residents and 31% of Oregon residents.

The majority of Millersburg residents (72%) have a commute time over 15 minutes. This is greater than Linn County, where 63% of residents have a commute time of this length, but closer to the state average (31%).

Exhibit 37. Commute Time by Place of Residence, Millersburg, Linn County, and Oregon, 2015–2019
Source: U.S. Census Bureau, American Community Survey 2015–2019 5-Year Estimates, Table B08303.



[106] In 2019, 748 residents in Millersburg worked, with 4% of Millersburg residents (31) both living and working in Millersburg.

Tourism in Willamette Valley and Linn County

Dean Runyan Associates is a travel and tourism research consultancy generating regional data and statistics. The following information is from Dean Runyan Associates' 2021 Economic Impact of Travel report, which includes specific data for the Willamette Valley (comprised of Benton, Clackamas (South), Lane (East), Linn, Marion, and Polk Counties) as well as Linn County individually.[107] Broadly, travelers to the Willamette Valley accounted for:[108]

- About 6.4 million overnight trips by individuals in 2021, or 18% of all Oregon overnight travel in 2021.
- The primary market areas for travelers in 2021 were Oregon, Washington, and California by visitor spending. Oregon residents accounted for 38% of visitor spending in the state.
- The average nights that individuals spent in the Willamette Valley region was 3.4 in 2021, with an average party size of 2.4 people. Both the average length of stay and party size are consistent with Oregon's average.
- The average per-person expenditures on overnight trips in 2021 was $65 per day, lower than Oregon's average of $84 for all regions.
- While visiting the Willamette Valley, visitors spent the most on food services for a cumulative total of $498 million in 2021, followed by $353 million spent on accommodations and $277 million spent on arts, entertainment, and recreation. Although the lowest overall expenditures of the categories included in the report, visitor air travel saw the largest growth from 2020 to 2021, increasing by 135%.

[107] Travel Oregon. "The Economic Impact of Travel in Oregon," Dean Runyan Associates, May 2022. Retrieved from: https://industry.traveloregon.com/resources/research/oregon-travel-impacts-2003-2021-dean-runyan-associates/

[108] Longwoods International issues caution in interpreting these tourism estimates in Central Oregon, as the sample size for this region is low.

Direct travel spending in Linn County increased 54% from 2010 to 2021.

The Willamette Valley region's direct travel spending increased by 29% over the same period.

Exhibit 38. Direct Travel Spending ($ millions), 2010, 2019, 2020, and 2021
Source: Dean Runyan Associates, The Economic Impact of Travel in Oregon, 2000-2020, and Dean Runyan Associates, Oregon Travel Impacts, 2000-2020.

2010	$1,479.9 Willamette Valley Region	$112.9 Linn County
2019	$2,058.3 Willamette Valley Region	$157.2 Linn County
2020	$1,042.7 Willamette Valley Region	$91.6 Linn County
2021	$2,074.8 Willamette Valley Region	$174.2 Linn County

The areas of largest visitor spending for purchased commodities in 2019 and 2021 in Linn County was food service, retail sales, and accommodations.

Exhibit 39. Largest Visitor Spending Categories ($ millions), Linn County, 2019 and 2021
Source: Dean Runyan Associates, Oregon Travel Impacts.

2019	$44.8 Food Service	$21.8 Retail Sales	$21.3 Accommodations
2021	$45.9 Food Service	$24.0 Retail Sales	$34.1 Accommodations

The industry with the most employment in generated by travel spending in 2019 and 2021 in Linn County was in the accommodations and food services industry.

Exhibit 40. Largest Industry Employment Generated by Travel Spending, Linn County, 2019 and 2021
Source: Dean Runyan Associates, Oregon Travel Impacts.

2019	1,220 jobs Accommodations & Food Services	400 jobs Arts, Entertainment, and Recreation	240 jobs Retail
2021	1,080 jobs Accommodations & Food Services	470 jobs Arts, Entertainment, and Recreation	270 jobs Retail

Appendix B. Buildable Lands Inventory

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Millersburg UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for the Millersburg UGB. The results (shown in Chapter 4) are based on analyses of City of Millersburg, Linn County, and State of Oregon GIS data by ECONorthwest and reviewed by City staff. The remainder of this appendix summarizes key findings of the buildable lands inventory.

Methods and Definitions

The BLI for Millersburg includes all land that allows commercial and industrial uses within the UGB. From a practical perspective, land was included in the BLI if it met all of the following criteria: 1) it is inside the Millersburg UGB, 2) it is inside a tax lot (as defined by Linn County), and 3) if its current zoning designation allows employment uses. Note that tax lots do not generally include road or railroad rights-of-way or water. The inventory then builds from the tax lot–level database to estimate buildable land by zone designation.

Inventory Steps

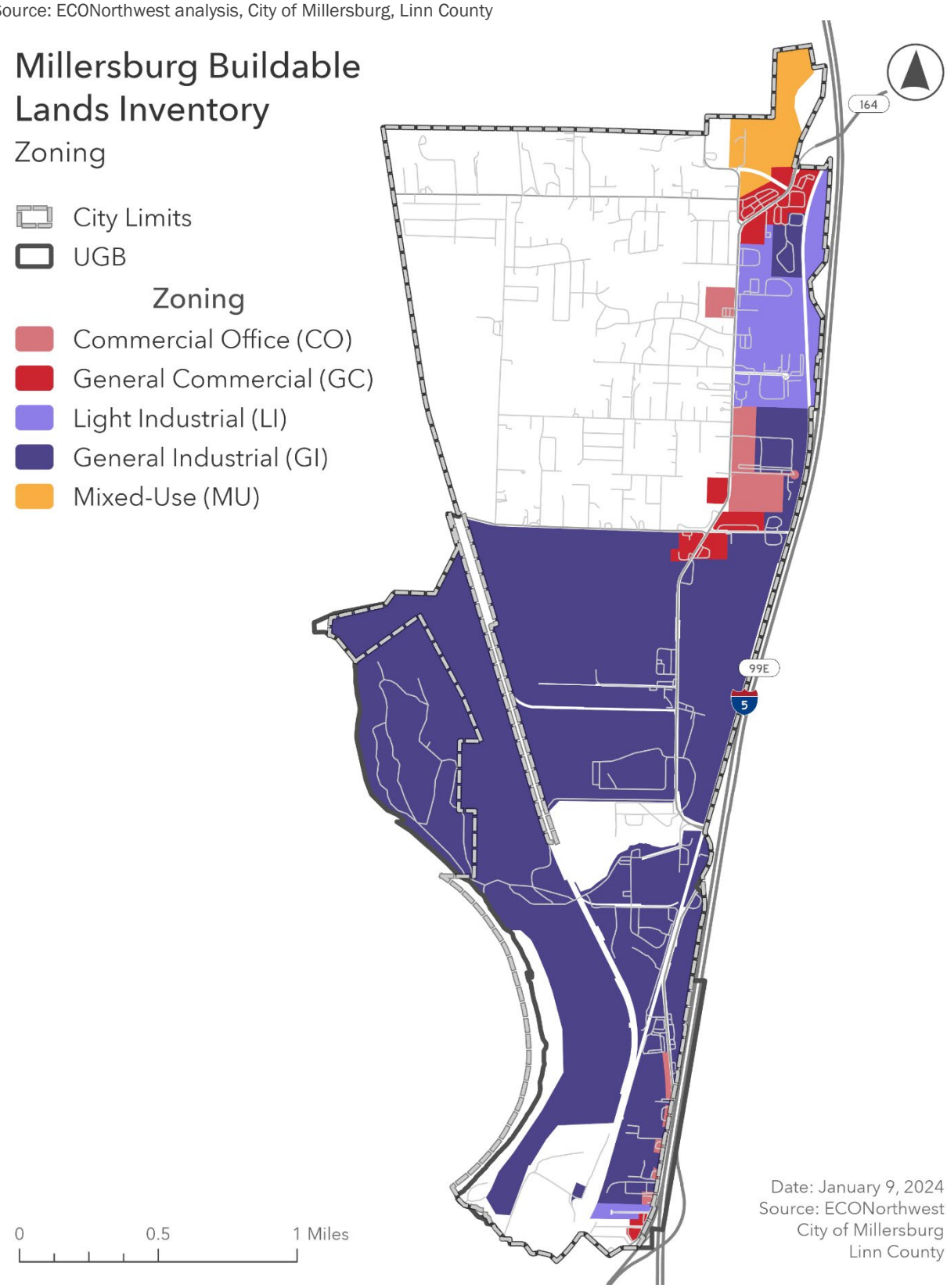
The steps in the BLI are:

1. Generate UGB "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

Step 1: Generate UGB "Land Base"

The commercial and industrial inventory used all of the tax lots in the Millersburg UGB with the appropriate zone designations: commercial, and industrial. Exhibit 41 shows a map of the specific zone designations that were used in the BLI.

Exhibit 41. Zone Designations Included in the Employment Land Base, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County



Step 2: Classify Lands

In this step, ECONorthwest classified each tax lot with an employment zoning designation into one of five mutually exclusive categories based on development status:

- Vacant land
- Partially vacant land
- Undevelopable land
- Public land
- Developed Land

ECONorthwest identified buildable land and classified buildable area status using a rule-based methodology. The rules are described below in Exhibit 42.

Exhibit 42. Rules for Development Status Classification

Development Status	Definition	Statutory Authority
Vacant Land	A tax lot: (a) Equal to or larger than one-half acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one-half acre is occupied by permanent buildings or improvements. For the purpose of criteria (a) above, lands with improvement values of $0 are considered vacant.	OAR 660-009-005(14)
Partially Vacant Land	Partially vacant tax lots are those between one and five acres occupied by a use that could still be further developed based on the zoning. This determination was based on a visual assessment and City staff verification.	No statutory definition
Undevelopable Land	Vacant tax lots less than 3,000 square feet in size are considered undevelopable.	No statutory definition
Public Land	Lands in public or semipublic ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semipublic organizations. Public lands will be identified using the Linn County Assessment property tax exemption codes.	No statutory definition

Development Status	Definition	Statutory Authority
Developed Land	OAR 660-009-005(1) defines developed land as "Non-vacant land that is likely to be redeveloped during the planning period." Lands not classified as vacant, partially vacant, undevelopable, or public or exempt are considered developed.	OAR 660-009-005(1)

Step 3: Identify Constraints

Consistent with OAR 660-009-0005(2) guidance on employment buildable lands inventories, ECONorthwest deducted certain lands with development constraints from the BLI. We used the following constraints, as listed in Exhibit 43.

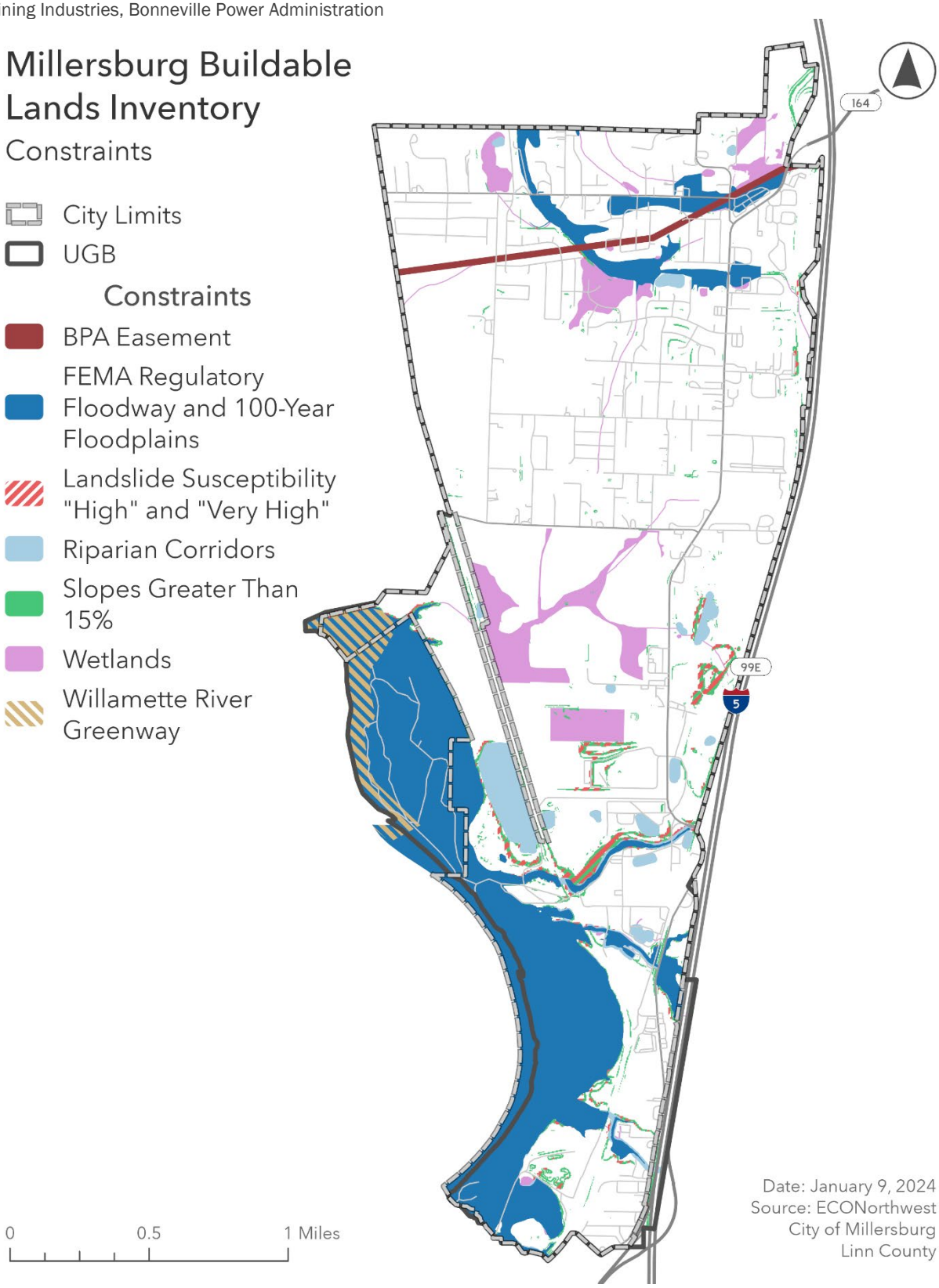
Exhibit 43. Constraints to Be Included in BLI

Constraint	Statutory Authority	Threshold	Source
Goal 5 Natural Resource Constraints			
Riparian Corridors	OAR 660-009-0005(2)	Within riparian corridors	Linn County; ECONorthwest
Wetlands	OAR 660-009-0005(2)	Within (1) National Wetlands Inventory or (2) delineated wetlands.	1) U.S. Fish and Wildlife Service 2) City of Millersburg
Willamette River Greenway	OAR 660-009-0005(2)	Within the Willamette River Greenway	Linn County
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA –defined regulatory floodway or 100-year floodplains	FEMA via National Map
Landslide Hazards	OAR 660-009-0005(2)	High or very high landslide susceptibility	Oregon Department of Geology and Mining Industries
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries
Natural Hazard Constraints			
BPA Easement	OAR 660-009-0005(2)	Within the BPA Easement	Bonneville Power Administration

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands that are identified as vacant or partially vacant. Exhibit 44 shows a map of the individual constraints.

Exhibit 44. Development Constraints, Millersburg UGB, 2022

Source: ECONorthwest analysis, Linn County, Federal Emergency Management Agency, Oregon Department of Geology and Mining Industries, Bonneville Power Administration



Step 4: Verify Inventory Results

ECONorthwest used a multistep verification process. The first verification step involved a "visual assessment" of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECONorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of staff's comments.

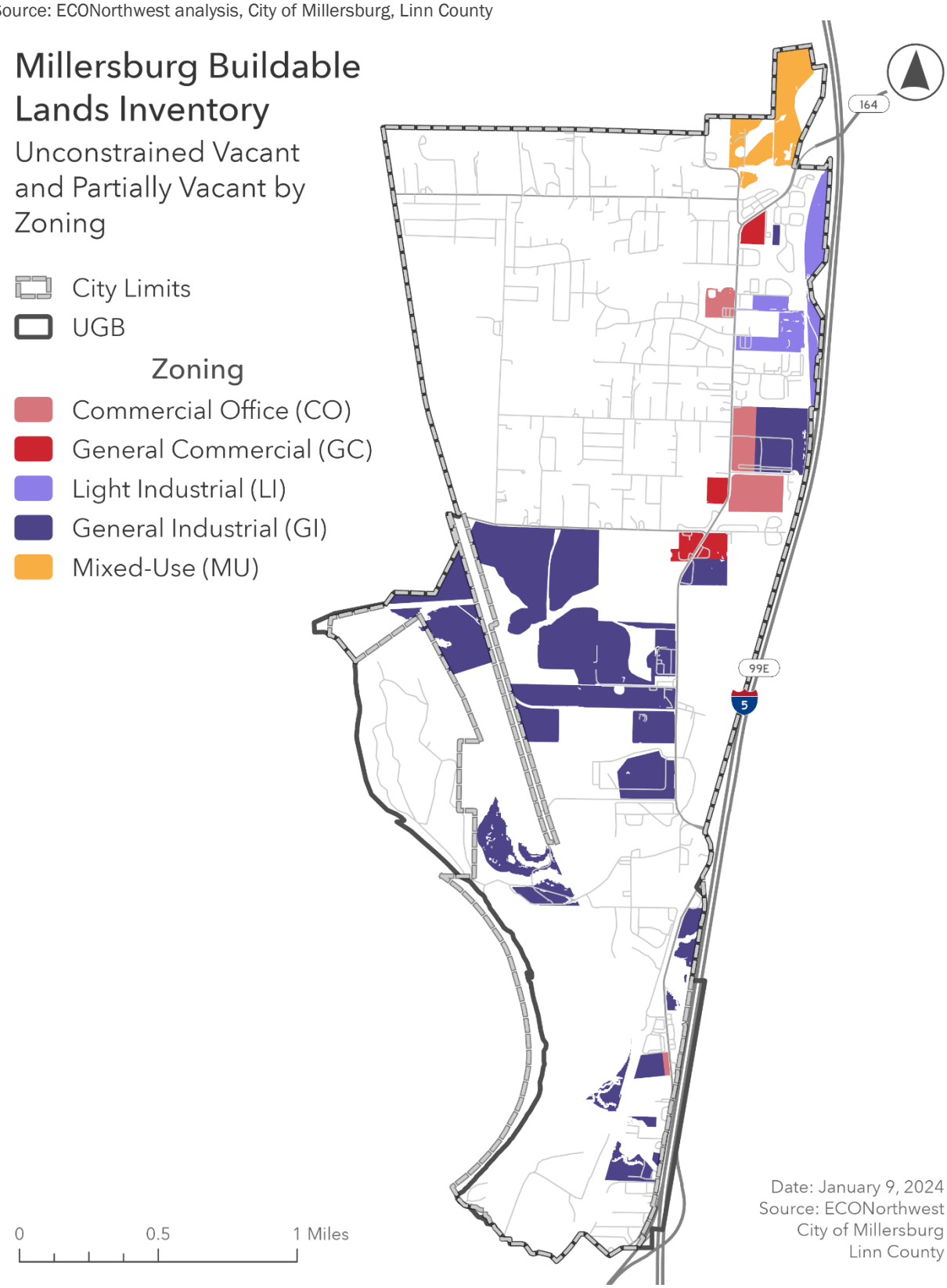
Step 5: Tabulate and Map Results

Exhibit 45 shows the results of the employment BLI in tabular format by total buildable acres, buildable acres on vacant lots, and buildable acres on partially vacant lots. Exhibit 46 shows buildable acres by zone designation after the removal of development constraints.

Exhibit 45. Employment Acres by Classification and Plan Designation, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County

Zone	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial Office (CO)	33	30	3
General Commercial (GC)	15	9	6
Light Industrial (LI)	37	29	8
General Industrial (GI)	296	264	32
Mixed-Use (MU)	37	28	9
Total	**417**	**359**	**58**

Exhibit 46. Buildable Employment Land by Zone Designation, Millersburg UGB, 2022
Source: ECONorthwest analysis, City of Millersburg, Linn County



NOTICE OF PUBLIC REVIEW
August 6, 2025, 6:00 p.m.
And August 12, 2025, 6:30 p.m.
Hearings will be in person and
by phone/computer.
See Agenda on the City website for details.

The City of Millersburg will hold a **PLANNING COMMISSION** hearing on August 6, 2025 at the above time and place. *Please note, this is not the usual hearing date, this is on a Wednesday.* There will also be a **CITY COUNCIL** hearing on August 12, 2025 at the above time and place to consider the action described below. The action may be heard later than the time indicated, depending on the agenda schedule. Interested parties are invited to send written comments or attend the hearing. A staff report relating to the proposal will be available seven (7) days prior to the first public hearing. For further information contact Matt Straite, Community Development Director, at Millersburg City Hall- (458) 233-6300.

The location of the meeting is accessible to the disabled. If you need any special accommodation to attend or participate in the meeting, please notify City Hall at least twenty-four (24) hours before the meeting.

APPLICANT:	City initiated
LOCATION:	City wide
CRITERIA:	Millersburg Development Code; Section 5.11. These criteria also require compliance with the applicable Statewide Planning Goals and Oregon Administrative Rules, 660-004, 660-012, 660-014, 660-015, 660-022, and Oregon Revised Statutes 197.732.
FILE No.:	DC 25-02
REQUEST:	The City of Millersburg is proposing to adopt an Economic Opportunities Analysis as a supporting document to the City's Comprehensive Plan.

See QR Code for more detail and the full Economic Opportunities Analysis proposed:

You can also see the current version of the Development Code here:
https://library.municode.com/or/millersburg/codes/development_code

ORDINANCE NO. 218-25

AN ORDINANCE ADOPTING THE ECONOMIC OPPORTUNITIES ANALYSIS AS A SUPPORTING DOCUMENT TO THE CITY'S COMPREHENSIVE PLAN

WHEREAS, Oregon statutes and administrative rules require every municipality to enact a Comprehensive Plan and land use regulations in conformance with Statewide Planning Goals and Guidelines, and coordinate with other affected government agencies; and

WHEREAS, in late 2021, ECONorthwest was contracted to develop several documents culminating in an Economic Opportunities Analysis (EOA) (Exhibit A) to inform land use planning citywide; and

WHEREAS, the EOA Report is intended to identify issues with land use that support employment and unmet economic needs; and

WHEREAS, the EOA Report addresses the specific requirements of Oregon's Statewide Planning Goal 9 and the Goal 9 administrative rules at OAR 660-009; and

WHEREAS, the EOA Report will act as a supporting document to aid in the development of future new and updated Comprehensive Plan policies; and

WHEREAS, the goal of the report is to establish a clear economic development direction for Millersburg that is consistent with local, regional, and state market trends and planning policies; and

WHEREAS, the case file no. DC 25-02 staff report includes findings supporting the adoption of the EOA Report; and

WHEREAS, the Comprehensive Plan includes several technical documents, and the addition of a technical document to the Plan is considered an amendment to the Plan; and

WHEREAS, the City of Millersburg's Planning Commission held a public hearing on August 6, 2025, where the Commission recommended that the City Council adopt the EOA as an official supporting document to the Comprehensive Plan; and

WHEREAS, the City Council held a public hearing on August 12, 2025, and, after considering all of the information in the record and all testimony received, believes that it is in the best interest of the City to adopt the EOA Report.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF MILLERSBURG DO ORDAIN AS FOLLOWS:

Section 1: The City of Millersburg Economic Opportunity Analysis dated March 2024, attached as Exhibit A to this Ordinance and incorporated herein by reference, is hereby adopted in its entirety.

Section 2: The City of Millersburg Economic Opportunity Analysis is hereby made an official appendix and support document to the Millersburg Comprehensive Plan.

Section 3: In support of this Ordinance, the City Council adopts the findings as presented in the File No. DC 25-02 Staff Report, incorporated herein by reference.

PASSED by the Council and approved by the Mayor this 12th day of August, 2025.

_____

Scott Cowan,
Mayor

ATTEST:

_____

Sheena Dickerman,
City Recorder