

City of Lebanon
Comprehensive Plan

**Chapter 5:
POPULATION
AND
ECONOMY**

Adopted by City Council

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CHAPTER 5

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CHAPTER 5: POPULATION AND ECONOMY

PART ONE: NARRATIVE

1.0 Introduction – The Importance of Trends and Projections

Population, economic and employment trends and projections provide a basis for determining land use, housing, transportation and public facility needs. These trends can also act as strong indicators of potential impacts on the environment resulting from increased population and economic growth. The projections included in this section are based on analysis of past growth trends, current trends, and county, regional, and statewide demographic characteristics, and U.S. Census data.

The City maintains a *Lebanon Demographic, Housing and Employment Trends* document that is updated as new information becomes available, particularly after each U.S. Census. Local and regional sources of information used in developing this document include Lebanon, Linn County, Oregon Cascades West Council of Governments (OCWCOG), Portland State University Center for Population and Research of Census, the State of Oregon Employment Department, and the *2004 Lebanon Urbanization Study* (ECONorthwest). Data in this Chapter relies heavily on all of these sources, and in particular on the *ECONorthwest 2004 Lebanon Urbanization Study*.

The City will utilize the most up-to-date data and information possible in making decisions that are impacted by demographics. Population, economic development, and employment projections are essential in creating and updating the City's facility master plans and land use policies and to ensure the necessary facilities are provided to service expected growth. Improvements to street, sewer and water facilities require large public capital investments and it is imperative that population projections be maintained and updated to reflect the most recent State, regional and local trends. However, each update of the City's Comprehensive Plan can only reflect the data available at the time of writing.

2.0 A 2004 “Snapshot” of Population and Employment Projections

2.1 Populations Projections

Based on 1997 data from the Oregon Office of Economic Analysis (OEA), the Governor's Executive Order 97-22, and in accordance with HB 2709 (1995) that amended ORS 195 (e.g., 195.036, 195.025), all jurisdictions in Oregon have adopted population forecasts that involved coordination between counties and their cities. The legislation indicated that such population forecasts should be reviewed and discussed by the cities and the counties at least every five years. In 1999 the Linn County population forecast became official for the County and all jurisdictions within Linn County. This official population forecast projected a Linn County population total of 133,508 for the year 2020 with an average annual growth rate (AAGR) of 1.23 percent based on an estimated 1997 population of 100,700 persons. For the City of Lebanon, the official forecast was for a total population of 18,019 by 2020 with an AAGR of 1.71 percent based on an estimated 1997 population of 12,190.

Table 5-1 shows historical data from 1950 to 2000, and population projections to the year 2020 for both Lebanon and Linn County (also see **Figure 5-1**). The data show that population trends in Lebanon generally reflect broader County trends. The 1940s and 1970s were periods of particularly rapid growth in Lebanon (115 percent and 57 percent, respectively). During the 1990s, Lebanon's population increased by 2,000 persons or by about 18 percent.

Table 5-1: City of Lebanon and Linn County Population Growth, 1950 to 2000

Year	Lebanon				Linn County		
	Population	% Change Previous Ten Years	Annual Average Growth Rate (%)	% of County	Population	% Change	Annual Average Growth Rate (%)
1950	5,873	115.2	11.52	10.81	54,317	78.2	7.82
1960	5,858	(.03)	(.003)	9.95	58,867	8.4	.84
1970	6,636	13.3	1.33	9.23	71,914	22.2	2.22
1980	10,440	57.32	5.73	11.67	89,495	24.45	2.45
1990	10,950	4.89	.49	12.00	91,227	9.09	.91
2000	12,950	18.26	1.83	12.56	103,069	12.98	1.30

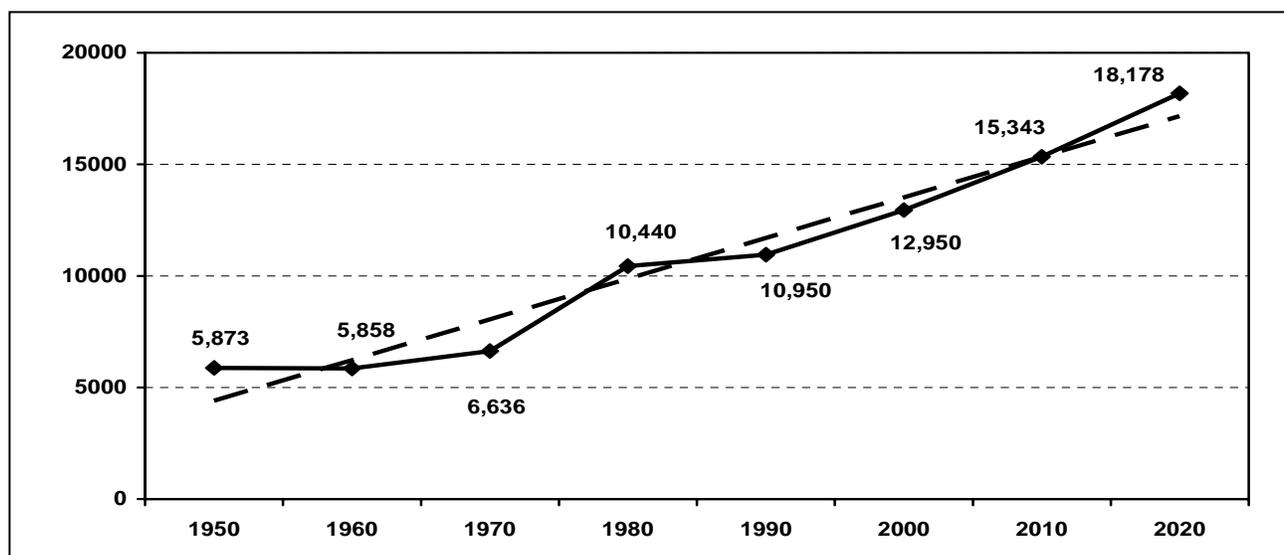
Sources: The above historical information is based on U.S. Census Data

As shown in **Figure 5-1**, the 2020 population forecast for the Lebanon City Limits is 18,178 persons when extrapolated from the 2000 Census data using the official 1.71 average annual growth rate. This is a difference of only 159 persons when compared with the officially adopted estimate noted above; 159 additional persons is a statistically insignificant difference of less than 1 percent.

Figure 5-1: City of Lebanon Population Growth, 1950 to 2020
(Population in Thousands)

Diamond & Solid Line: Historical & Projected Data

Dashed Line: Linear Trend Line



All City of Lebanon Facility Plans completed prior to 1997 used a 2.0 percent AAGR. However, all new studies should utilize the 1.71 percent AAGR, or the most recent official population projection available. City population projections should be re-evaluated at regular intervals of roughly every five years, beginning as soon as the 2010 Census information becomes available, and/or when Linn County begins the process of adopting a new coordinated population forecast.

The Lebanon Comprehensive Plan has a horizon year of 2025. This requires extrapolation of the 2020 coordinated population forecast. **Table 5-2** shows the historical and coordinated population¹ forecast for Lebanon between 2000 and 2025. The 2000 Census identified a population of 12,950 in the City of Lebanon, while the coordinated population forecast anticipated 12,826 persons for that same year. According to the Population Research Center at Portland State University, Lebanon had a 2003 estimated population of 13,140,² Lebanon's coordinated 2020 population forecast is 18,019 persons and is based on a coordinated average annual growth rate of 1.71 percent.

The City's coordinated population forecast was developed based on 1997 State Office of Economic Analysis county forecasts. Lebanon has grown during the years between 1997 and 2003. The figures presented in **Table 5-2** reflect that growth and project a 2025 population of 19,597 persons. This 2025 population projection assumes the coordinated population growth rate of 1.71 percent and the coordinated starting point—the 1997 estimated population for Lebanon (inside the City limits). The figures in **Table 5-2** use the 2000 U.S. Census data, Portland State University (PSU) estimates, the Linn County/City of Lebanon Coordinated Population Forecast to 2020, and the City's extension of that forecast to 2025. The 2003 population estimate from the Population Research Center at Portland State University is used as the base for calculating the anticipated population increase from 2003 to 2025. The Population Research Center at Portland State University is used by state agencies and jurisdictions throughout the State.

Based on the PSU 2003 estimate of 13,140 persons in the City and the County Coordinated Forecast and growth rate for Lebanon projected to the year 2025 (19,597 persons), the City (inside the City limits) will increase by 6,457 persons between 2003 and 2025. This accounts for growth that has occurred since the figures were coordinated and represents a reasonable approach for the City to address current conditions.

¹ In 1999 the Linn County population forecast became official for the County and all jurisdictions within Linn County. It is based on an estimated 1997 population for the City of 12,190 and an average annual growth rate of 1.71%. The County's coordinated population forecast for the City only extends to the year 2020, and assumes a population of 18,019 for that year. This document utilizes a planning horizon to 2025 and continues to use the adopted population growth rate.

² Linn County's 2003 coordinated population forecast for the City of Lebanon (inside city limits) is 13,626. The Population Research Center at PSU estimated Lebanon had 13,140 persons in 2003—or 486 fewer persons than the forecast. The 2000 Census identified a population of 12,950 in the City of Lebanon, while the coordinated population forecast anticipated only 12,826 persons, 124 fewer persons.

**Table 5-2: Historical and Forecast Population,
Lebanon City Limits, 2000-2025**

Year	Change		
	Population	Number	Percent
2000	12,950	-	-
2002	13,110	160	1.2%
2003	13,140	30	0.2%
2005	13,961	821	3.1%
2010	15,196	1,235	1.8%
2015	16,540	1,344	1.8%
2020	18,019	1,479	1.8%
2025	19,597	1,578	1.8%
Change 2003 - 2025			
Number	6,457		
Percent	49.1%		
AAGR	1.8%		
2000 – U.S. Census Data 2002 – PSU Estimate 2003 – PSU Estimate 2005 – County/City Forecast		2010 – County/City Forecast 2015 -- County/City Forecast 2020 -- County/City Forecast (18,019) 2025 -- City Forecast	
Source: U.S. Census, Portland State University, Linn-County/City of Lebanon Coordinated Population Forecast.			

The population forecasts in **Table 5-2** are for the city limits only. The coordinated forecasts for Lebanon implicitly assume that the City Limits will be expanded as necessary to accommodate and provide the opportunity and land for new industrial, commercial, and housing development (that will in turn accommodate population growth).

2.2 Employment Projections

Employment growth in Lebanon will be a primary determinant of the demand for non-residential land in the City’s urban growth boundary over the next twenty years. Employment growth was allocated to four land use categories.

There are reasons to expect total employment will grow faster in the Lebanon area than in Benton, Lincoln, and Linn Counties. Lebanon has attracted a lot of housing development in recent years and has lower overall housing costs than Corvallis and other cities in the mid-Willamette Valley. Lebanon has a large inventory of serviceable industrial land.

As a result, the City expects that total employment in the Lebanon area will grow slightly faster than total employment in Linn County, resulting in the Lebanon area gaining share of the County’s employment. The employment projections assume an average annual growth rate of 1.8 percent for total employment in the Lebanon UGB over the twenty-three year 2002–2025 forecast period. This rate is consistent with the City’s coordinated population forecast and the City’s economic development vision.

Table 5-3 shows the results of applying this method and assumptions to the level of 2002 covered employment in the Lebanon area. **Table 5-3** shows that ECONorthwest expects total employment in the Lebanon area to grow by 3,731 jobs over the 23-year 2002–2025 period, an increase of 51 percent or about 162 jobs per year.

Table 5-3: Employment Growth in the Lebanon Area by Land Use Type, 2002–2025

Land Use Type	2002 Employment			2002 -2025	2025 Employment		2002 -2025
	Covered	Total	Distribution	AAGR	Distribution	Total	Growth
Commercial	1,305	1,535	21%	1.5%	20%	2,172	637
Office	1,779	2,093	28%	1.8%	28%	3,119	1,026
Industrial	2,291	2,695	37%	2.3%	41%	4,496	1,801
Public	883	1,039	14%	1.0%	12%	1,306	267
Total	6,258	7,362	100%	1.80%	100%	11,093	3,731

Source: ECONorthwest, *2004 Lebanon Urbanization Study*. (Due to "rounding," the % columns may not total exactly 100%)

Notes: (1) Shaded areas indicate assumptions by ECONorthwest.
 (2) Covered Employment is all employees that are "covered" by unemployment insurance. [Typically covered employment accounts for 85% to 90% of all employment in an area. "Uncovered" employment would include farm-workers and people that are self-employed.]

However, there are significant reasons to expect that Lebanon’s job growth may, in fact, actually exceed these predictions. Lebanon has generally suffered from significant levels of unemployment in recent years averaging nearly 10 percent. Many of the unemployed or underemployed are industrially trained workers, former employees of the wood products industry. In light of Lebanon’s historically abundant industrial land inventory, and the high unemployment rate (especially in the manufacturing sector), Lebanon has been actively participating with State agencies on industrial recruitment.

Lebanon’s efforts have included active participation in the Governor’s Industrial Site Selection Program. This Program, with its focus on attracting new, larger industries to the state may have significant long-term impacts on the City. A key strategy of the Governor’s Industrial Site Selection Program is the preparation of industrial sites for a rapid and favorable response to prospective industries. The Program mandates preparing wetland and other environmental studies, zoning, annexation, infrastructure planning, and development standards so that an interested industry can start construction in not more than 180 days after that industry makes a favorable decision to locate in an Oregon community. Such short and predictable response and planning process by local jurisdictions, once applications have been received, are consistent with the public need for attracting new employment to the community and expanding the City’s tax base.

3.0 Economy

3.1 Statewide Planning Goal 9: Economic Development

3.1.1 Statewide Planning Goal 9, Economic Development, requires cities to provide lands that are suitable for economic growth. Accordingly, a major goal of the Lebanon Comprehensive Plan is to promote the economic health of the community by making adequate provisions for future diversified industrial development, encouraging suitable industries and businesses to locate in Lebanon, and by promoting healthy employment growth.

3.1.2 Goal 9 requires Comprehensive Plans to consider certain economic issues and incorporate policies designed to address those issues. Goal 9 further mandates that Comprehensive Plans must include:

- An analysis of economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends,
- An inventory of buildable lands for economic growth (usually commercial and industrial), and
- Policies concerning the economic development opportunities in the community.

3.2 National Economic Forecasts

Economic growth in Linn County over the next twenty years is anticipated to be similar to national trends. The most influential national trends include:

- Continued westward migration of the U.S. population.
- Increasing importance of “quality of life” issues when deciding where to live.
- Increasing importance and growth in Pacific Rim Trade
- The growing importance of education as a factor that determines wages and household income.
- The decline of employment in resource-based industries.
- The increase in employment in service-oriented and high tech manufacturing sectors of the economy.
- The increasing integration of non-metropolitan and metropolitan areas.

3.3 A 2004 “Snapshot” of Lebanon’s Changing Economy

3.3.1 Historically, heavy manufacturing and resource extraction have been the industries that provided the "primary jobs" in communities across Oregon. These industries have been considered the foundation for a strong local economy because they produce goods that are sold outside the area. Examples of such local industries include sawmills and secondary wood product manufacturing. These firms are important because they bring money into the community and are relatively immune to fluctuations in the local economy. But over the years, national, State, and local economies have become less dependent on resource extraction and production to provide jobs. The concept of primary jobs has broadened to include such diverse businesses as high technology products, tourism and business services (firms providing services to other businesses).

3.3.2 At the beginning of the Twenty-First Century, the major sources of employment in Lebanon were no longer timber related. A more diverse mix of employers has emerged in the community over the past two decades. The City encourages increased diversification of the industrial and commercial base. It is anticipated that an ample supply of vacant industrial land and commercial land will attract and facilitate new job-creating businesses and industries to Lebanon. The advent of local high technology and manufacturing, growing more prominent in the State and County at large, is reflected in the success of such diverse local ventures as the production of microporous plastic membrane, taxidermy supplies, and specialty gears and sprockets. The fastest growing sectors of Lebanon's economy have been the trade and service sectors, and increasing number of workers are employed in business, trade, and professional and government employment. Leading community employers in August 2004 are shown in **Table 5-4**.

Table 5-4: Major Employers in Lebanon in August 2004

Employer	Number of Employees	Services/Products
COMMERCIAL, RETAIL, and SERVICE EMPLOYERS		
Lebanon Community Hospital	675 Total: 425 Hospital 250 Physicians Organization	Health Care Services
Lebanon Community School District	430	Certified Staff
Wal-Mart	250	Retail
Safeway	120	Grocery, Retail, Food & Drug
City of Lebanon	115	Government
Century Tel	42	Voice and Data Communications
Servco	32	Contractor
INDUSTRIAL EMPLOYERS		
ENTEK	275	Battery Separators
Linn Gear	125	Sprockets And Gears
Research Mannequins	95	Mannequins Used For Taxidermy
Weyerhaeuser	77	Secondary Wood Products & Studmill
Willamette Valley Rehab Center	72	Custom Boards for Pallets, Boxes, Bench Work Assembly
West Coast Industrial Systems	60	Mill Redesign, Fabrication, Complete Wood Products & Services, Recycling
Source: City of Lebanon Community Development Staff Telephone Survey, August 2004		

3.4 Lebanon's Competitive Advantages

Each community, as a current or potential location for employment, has access to different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all places have these factors to some degree, the mix and condition of these factors vary by location. The mix and condition of productive factors may allow firms in one area to produce goods and services more cheaply than firms in other areas. Location also affects transportation costs to markets for goods and services, which may allow firms in one area to generate more revenue or profits per unit than firms in other locations.

The mix of factors of production and access to markets in a location relative to other locations is referred to as a location's *comparative advantage*. By affecting the cost of production and potential revenue, comparative advantages affect the pattern of economic development in an area relative to other areas. The Oregon Administrative Rules (OAR) for Goal 9 recognizes this by requiring jurisdictions to include an analysis of economic advantages and disadvantages in an economic opportunities analysis.³ This section focuses on the comparative advantages of Lebanon relative to Linn County and Oregon, as summarized from the ECONorthwest's 2004 *Lebanon Urbanization Report*.

3.4.1 Location

Lebanon is located approximately 13 miles southeast of Albany and eight miles east of Interstate 5 (I-5), the main transportation corridor in Oregon. Highway 34, directly linking Lebanon and Interstate 5 (I-5), is a four-travel lane (plus a center turn lane) recently improved state transportation facility. Lebanon is located within a ten-minute drive of the I-5 corridor, which is a major advantage. However, those communities with direct access to I-5, such as Albany, have a comparative advantage. Nevertheless, Lebanon's proximity provides relatively easy access via Highways 34 and 20 to potential customers and suppliers in the Willamette Valley, west coast, and national markets. This advantage is particularly important for transportation dependent industries, such as warehousing and distribution, metals, and recreational vehicle manufacturing, or wood processing. The rail carriers that access and operate in and through the City also provide access to potential customers and suppliers in the Willamette Valley, west coast, and national markets.

Lebanon is within commuting distance of Albany (8 miles), Corvallis (19 miles), and Sweet Home (14 miles), which allows residents to work in communities other than Lebanon. According to the US Census, the average commute time for Lebanon workers is 22 minutes, implying that many employees work in cities other than Lebanon.

3.4.2 Quality of Life

Lebanon's small-town atmosphere is an important comparative advantage. Lebanon is an attractive location for families that want to raise their children in a close-knit community. A desirable living environment will allow Lebanon to attract skilled workers, some of whom will bring their jobs with them. The relative low cost of living compared to Corvallis also makes Lebanon more attractive to both low- and high-income wage earners. Population growth in general will increase the labor force immediately available in Lebanon, making it more attractive to firms that may locate there.

³ OAR 660-009-0015(4).

The small-town atmosphere in Lebanon is created by more than just its small size. Aspects of this character include its traditional downtown with quaint structures, low-density residential neighborhoods, and proximity to farmland and open space. Lebanon can maintain many of the qualities of a small town even while growing, but the City will need to adopt policies and take actions to protect and enhance these qualities.

Lebanon offers a variety of service, retail, and cultural opportunities locally. The City of Lebanon website lists, “34 churches, 31 restaurants, 13 real estate offices, 4 grocery stores, and a city library with a circulation of 80,000 books, periodicals and videos. Activities can vary from attending Cascades Performing Arts recitals, to visiting the indoor shooting range downtown. Community services include a Senior Center with many associated programs, the Boys and Girls Club, and a number of community organizations.”⁴ Lebanon is also known for its annual Strawberry Festival, which attracts thousands of participants every year.

In addition to cultural amenities, Lebanon’s location provides easy access to scenic and recreational opportunities. Located at the edge of the western foothills of the Cascade Range, Lebanon is a short drive from fishing, hunting, boating, camping, backpacking, hiking, and skiing opportunities. A variety of parks and trailheads are located to the east along Highway 20.

Livability is also impacted by the quality of parks and schools. The total number of school-aged children (ages 5 to 18 years old) in Lebanon increased approximately 27 percent between 1990 and 2000. The Lebanon School District recently built two new schools; [Pioneer (K-8) and Riverview (K-5)] and renovated several schools to accommodate current and future students. The School District does not anticipate exceeding capacity in the near future. The City maintains 11 parks and other landscaped areas (such as Pioneer Cemetery and Gill’s Landing boat launch).

⁴ City of Lebanon website, <http://www.ci.lebanon.or.us/>.

3.4.3 Potential Buildable⁵ Land

Table 5-5 summarizes the amount potential buildable land in Lebanon to accommodate employment growth. Potential buildable land in Table 5-5 includes vacant and partially vacant land. (See ECONorthwest’s *2004 Lebanon Urbanization Study* for additional details.)

Table 5-5: Supply of Potential Buildable Commercial and Industrial Land, Lebanon UGB, April 2004

Location/Plan Designation	Total Number of Tax Lots	Net Vacant Acres	Percent of Net Vacant Acres
Commercial	43	17.2	1.3%
General Industrial	33	71.6	5.5%
Light Industrial	78	869.1	66.3%
Mixed Use	78	352.4	26.9%
Total	232	1,310.3	100.0%

Source: City of Lebanon GIS data; analysis by ECONorthwest (*2004 Lebanon Urbanization Study*)
 Note: Net vacant acres is acreage minus Rights of Ways, water bodies, and other non-buildable areas.

⁵ Buildable lands are defined by LCDC as "Lands in urban and urbanizable areas that are suitable, available, and necessary for ... [urban] ... uses." Buildable lands include both vacant land and developed land likely to be redeveloped [ORS 197.295(1)]. The buildable lands discussed in ECONorthwest’s Urbanization Study and BLI, and in this Comprehensive Plan meet two of these three LCDC criteria because they are in Lebanon’s UGB and hence are “suitable” and “necessary” for development over time by virtue of being included in the City’s Urban Growth Boundary and are thus classified on the Comprehensive Plan Map. Technically meeting these two criteria makes such land **potential** “buildable lands.” The third LCDC criteria “availability” is a function of the marketplace. Only a fraction of all lands that are “suitable” and “necessary” are actually for sale at any given point in time.

"Available" can mean that lands are designated for urban uses such as commercial and industrial development and do not have constraints. The long term assumption would thus be that any land that meets these criteria should be available for development over a 20-year planning horizon. Actual availability can be assessed by whether or not property is indeed for sale at any given point during the planning horizon.

3.4.4 Public Services

The availability of public services is crucial to support employment growth in Lebanon. Water and sewer services are essential for production and to support employees in the workplace. Police and fire services are needed to protect the assets of firms in Lebanon.

Water

Residents and businesses in Lebanon receive water from the Santiam River via the Santiam Canal. The City requested an additional water right of 18 cubic feet per second (11.6 million gallons per day -- mgd) from the Department of Water Resources, to the current supply of 9 cubic feet per second. While this supply is forecast to be adequate until 2015, a 1989 Water Facility Study recommended the construction of a back-up well and increasing storage capacity from four-million gallons to six-million gallons. The City has identified a number of short-term improvements, including water line replacements, improvements and maintenance to the water treatment facility, and new distribution water mains.

In the long-term, the City is planning on building a new water intake and pumping facility adjacent to the South Santiam River and a new transmission main. The City also plans on replacing the sedimentation unit at the water treatment facility.

Sewer System

The City of Lebanon maintains the sewer system, including the collection, wastewater treatment, and sludge disposal. The system experiences inflow and infiltration problems. The wastewater treatment plant is in good condition. The City begun and has completed sections of the new Westside sewer interceptor which should help alleviate some of the infiltration problems. Other short-term projects include improving disinfection, outfall diffusion, site maintenance, and the construction of a clarifier. The current sewer system should be able to accommodate anticipated growth with upgrades in some service areas. The City is also investigating creative alternatives to in-stream treated effluent discharge.

Storm Drainage

In the past, land developments sometimes led to ponding in some areas during high rainfall events. To mitigate such situations, a number of years ago the City began requiring demonstration of adequate storm drainage infrastructure when reviewing development proposals and prior to their approval. It is now the long standing requirement of the City that site development is not allowed to adversely impact historic surface drainage patterns to and from the development.

Solid Waste and Landfill

Free curbside recycling of office paper, cardboard, glass, tin, aluminum, plastic, yard debris, and tree cutting is offered by the Albany-Lebanon Sanitation Company. Residents must pay for the pickup of building material and drop boxes. Coffin Butte, the designated regional landfill, has a capacity of approximately 30 to 40 years and a planned expansion could expand capacity to approximately 100 years.

Fire and Life Safety

The Lebanon Fire District provides fire and life safety services to approximately 35,000 people in the cities of Lebanon, Waterloo, Sodaville, and Lacombe, the unincorporated areas of Brownsville, Crabtree, and Scio, and the rural areas in between. The District has six fire engines, three tankers, one aerial apparatus, three brush fire vehicles, four support vehicles, four advanced life support and one basic life support medic units. Lebanon has a fire insurance (ISO) rating of 3.

Electric Power

Electric power is supplied by Pacific Power and Light (PP&L) and Consumers Power Incorporated (CPI). In general, neither utility anticipates any problems meeting demands from new development.

Natural Gas

Northwest Natural Gas Company provides gas to Lebanon residents and businesses. They tap gas from Northwest Pipeline, Inc. at the Albany Gate Station. Ridgeway Butte is the only area within the UGB that is not easily serviced by the underground distribution lines.

Telephone

CenturyTel provides landline telephone service in Lebanon and they anticipate no major problems servicing the anticipated growth in the Urban Growth Boundary (UGB) area.

3.4.5 Transportation

See Chapter 8 for Further Details on Transportation

Transportation Access: Transportation access is critical for economic development in Lebanon. Firms must have transportation access so that workers and customers can reach their location, and so that shipments of supplies and products can easily arrive and leave the site.

Transportation Systems: Transportation systems consist of regional and local facilities. Interstate 5 (I-5) and Highways 20 and 34 are the major regional automobile transportation facilities. Proximity to I-5 is an important comparative advantage for Lebanon, particularly for firms that need access for employees, suppliers, and shipping products, and to a lesser extent, customers. Highway 34, directly linking Lebanon and I-5, is a four-travel lane (plus center turn lane) state transportation facility between Lebanon and Corvallis, continuing west to the coast.

Transportation System Plan: Lebanon did not have an adopted transportation system plan (TSP) at the time this update was completed (autumn 2004); however, the City does have an adopted transportation master plan (1991) and a completed draft TSP (2004).

Freight Rail Service: Freight rail service is available through the Burlington Northern Railroad, which has full switching rights, or Willamette Valley Railroad (current operator of the Southern Pacific Railroad line). The community has the benefits of a dual rail line that connect the community with the national rail network. These rail lines then continue eastward along both the North and South Santiam Rivers. The rail lines in the City provide access to many industrial sites. The Santiam Canal Industrial Park is serviced by a City-owned railroad spur. Amtrak offers passenger rail service with a station in Albany.

Air Transport: Air transport is available at the Lebanon State Airport, located approximately one mile west of downtown Lebanon. The airport is owned and operated by the State of Oregon's Department of Aviation. The runway is a 2,877-foot long and 50-foot wide paved surface and is equipped with a visual approach slope indicator (VASI) system and a medium intensity runway lighting system (MIRL). A Fixed Base Operator is located at the airport to provide commercial general aviation services. Air service is also available at the Eugene Airport (45 miles south) and the Portland International Airport (90 miles north).

State Highway Facilities: U.S. Highway 20, also known as the Santiam Highway, or Main Street through Lebanon, is a four- to five-lane highway of Regional Importance according to the Oregon Highway Plan (OHP). This roadway facility falls under ODOT jurisdiction. The highway, which connects Lebanon with I-5 to the northwest and east to the Oregon border and beyond, provides a continuous east-west link across the State of Oregon from Newport, Oregon to Idaho. Highway 20 serves as a commuter route, carries significant truck volumes, as a designated freight route in the OHP. In the summer, this facility carries significant recreational traffic. In addition to its function as a state route, the highway provides access to the many businesses located along Highway 20 in Lebanon. Highway 34, directly linking Lebanon and I-5, is a four-travel lane (plus center turn lane) state transportation facility between Lebanon and Corvallis, continuing west to the coast, merging again with Highway 20 in Corvallis.

3.4.6 Housing to Support Job Growth

Housing and the provision of housing are important components of any economic development

See Chapter 6 for Further Details on Housing

strategy. Goal 10 requires cities to develop strategies to provide housing affordable to households at all income levels. In addition to concerns about availability of housing affordable to lower income households, issues of providing higher quality housing for industry and business managers need consideration for both housing and economic development strategies. Housing need is discussed in Chapter 6.

3.4.7 Labor Force

The labor force in any labor 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. The labor force in Lebanon is not limited to local residents; firms in Lebanon attract workers from surrounding communities including Sweet Home and Albany, and residents of Lebanon may work in other communities.

The availability of labor is critical for economic development. A recent statewide survey in Oregon found that over one-third of Oregon's recently-hiring employers had difficulty filling positions.⁶ Availability of labor depends not only on the number of eligible workers, but the quality, skills, and experience of available workforce as well.

One of the most important factors in a quality labor pool is the training, education, and experience of potential employees. According to Oregon Employment Department data, Lebanon enjoys an immediate area workforce in excess of 52,000 workers. An unusually high percentage of this workforce is or has worked in the manufacturing and transportation, or warehousing sectors. This high level of experience, combined with recent unemployment rates of near 10 percent, wage rates trending 10 percent to 15 percent below state averages, and historically low rates of absenteeism and labor unrest, give the Lebanon/Linn County area a significant advantage in many workforce characteristics that are attractive to a number of employers.

⁶ Oregon Employment Department. 2000. *Workforce 2000: An Oregon Employer Perspective*. Salem: Research Section, Workforce Analysis Unit. September.

In addition, the Lebanon area has a wide variety of job training and educational opportunities within commuting distance. Oregon State University, which offers hundreds of programs, is less than 20 miles away. The University of Oregon, also offering hundreds of programs is within commuting distance (45 miles south). Linn-Benton Community College, located in Albany as well as a branch campus in Lebanon, provides services and classes designed to meet the needs of local businesses and workers.

Business Employment Training Associates (the area provider for the Jobs Training Partnership Act) provides subsidized training to meet the needs of local businesses. They provide wage reimbursement for up to 50 percent for new employees.

3.4.8 Renewable and Non-renewable Resources

Lebanon is located near large areas of private and public forest land. Public lands are predominately

See Chapter 2 for Further Details on Resources

managed by the Forest Service and Bureau of Land Management. Much of this forest land has been made accessible through road construction and is managed for timber production. Despite reduced logging because of environmental concerns, the proximity to supplies of raw timber mean that forestry, logging, and other production related to the forest will remain important economic activities in the southern Willamette Valley and western Oregon. Lebanon's proximity to timber supplies, Highway 20, and I-5 might allow it to attract firms engaged in lumber and wood products manufacturing or related activities.

Lebanon is also located in an area with prime agricultural land. The proximity to prime farmland can help Lebanon attract businesses that support farming activities, such as farm equipment manufacturing and sales or seed supply. Lebanon might also attract businesses in food processing or markets that sell local agriculture products, such as organic farms or specialty nurseries. The development of the local agriculture industry can help support the small-town character of Lebanon.

3.4.9 Summary

Lebanon's primary comparative advantages are its size, quality of life, proximity to I-5, affordable housing, inventory of industrial sites and access to labor markets. These characteristics will certainly continue to attract new residents and drive growth in Trade and Services; Lebanon is well poised to attract one or more major employers. Employment growth in Lebanon will probably be faster than the average rate in Linn County. (See ECONorthwest's 2004 *Lebanon Urbanization Report* for additional details.)

3.5 2003-2004 Buildable Lands Inventory (BLI)

According to ECONorthwest's 2004 Buildable Lands Inventory, Lebanon will need between 243 and 532.1 gross buildable acres to accommodate new employment between 2002 and 2025 based on the employment forecasts presented previously in **Table 5-3**. About 60 percent of this land will be needed for industrial uses. The Buildable Lands Inventory shows the City has about 1,310 net vacant acres designated for employment within the UGB. Thus, the City has sufficient land designated to accommodate long-term employment growth, and does not need to pursue an expansion of its Urban Growth Boundary at this time. It is noteworthy that industrial development and land use can occur sporadically and consume land area far beyond anticipated projections. Consequently, it is given that projections of needed industrial land are dynamic and often understated thereby warranting periodic update and revising.

3.6 Major Development and Employment Projections

The employment projections in this Chapter cannot accurately predict a major jump in employment that could result from the location of one or more large employers in the community during the planning period. This could take place if the City were successful in its recruitment efforts, either on its own and/or in conjunction with initiatives of State agencies to bring new industry to the State. Such a major change in the community's employment may not be accounted for in the growth anticipated by the City's employment forecast and may result in the need to revise future 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 very difficult to include in a study of this nature (e.g., *ECONorthwest 2004 Lebanon Urbanization Study*). The implications, however, are relatively predictable according to ECONorthwest: more demand for land (of all types) and public services.

Therefore, it is explicitly understood that the projected amount of commercial and industrial land that is expected to be needed for the economic growth of the community over any given time period is not a fixed constraint or ceiling on the acreage that could be utilized for economic development should the ongoing dynamics of the marketplace indicate a demand for commercial and industrial land that surpasses the expectations of the *ECONorthwest 2004 Lebanon Urbanization Study* and those of the City at this point in time. In fact, if the market place dictates that there is a greater demand to create local employment and shopping opportunities for City residents than anticipated in the *ECONorthwest 2004 Study*, it is incumbent upon the City to undergo an update of the lands needs analysis and undertake a public process to amend the applicable long-range City plans, including the Comprehensive Plan.

PART TWO: GOALS, POLICIES AND RECOMMENDATIONS

4.0 Goals

The City's Economic Goals include the following:

- G-1:** Providing employment opportunities for its citizens.
- G-2:** Providing a viable tax base for the community in order to pay for essential community services.
- G-3:** Encouraging a diversified economic base for the community which broadens and improves long-term employment opportunities in all sectors, including, retail, service, and industrial.
- G-4:** Providing the opportunity for a full range of commercial, cultural, recreational, educational, health services, and other professional services to meet the needs of the City's residents and visitors.
- G-5:** Supporting the establishment of new employment and the expansion of existing employment to strengthen the City's economic base in order to provide adequate employment opportunities and maintain community livability.
- G-6:** Seeking balanced, concurrent growth in the commercial, industrial and residential sectors that are within the carrying capacity of community resources.
- G-7:** Diversifying the economic base of the community through: (a) expansion of existing industries, (b) recruitment of new clean industries, and (c) expansion of the light manufacturing.
- G-8:** Taking into consideration availability of renewable and non-renewable resources, the availability of land, and pollution control requirements when planning for the economic growth of the community.
- G-9:** Ensuring an adequate supply of appropriately zoned land to provide for the full range of economic development opportunities in City, including commercial, professional, and industrial development.
- G-10:** Reviewing and updating periodically the Comprehensive Plan goals, policies and land use map to ensure that enough land is designated in each land use classification to meet anticipated needs.
- G-11:** Reviewing and amending the City Comprehensive Plan Map designations periodically to maintain an adequate supply of vacant industrial and commercial designated lands in locations that will achieve balanced and sustainable development patterns and provide choices in site features and locations for new development.
- G-12:** Developing an industrial siting and permitting process that shortens and streamlines, as well as enhances the certainty of the outcome to industrial development opportunities and plan submittals.
- G-13:** Participating, to the extent possible, in State or privately sponsored programs to "certify" or otherwise make the City's industrial sites "shovel ready."
- G-14:** Promoting infill development and redevelopment throughout the City.
- G-15:** Designating industrial areas where there is good access to transportation facilities and utility facilities are available.
- G-16:** Supporting an infrastructure improvement program for designated industrial lands in order to have a sufficient supply of "development ready" land.

- G-17:** Planning for the anticipated employment growth through the year 2025 and all of the land and services needs required by such growth, as well as employment and associated needs generated by any additional major industrial or commercial growth, as indicated in the *2004 Lebanon Urbanization Study* (ECONorthwest).
- G-18:** Improving community appearance and establishing attractive gateways into the City and visually appealing highway corridors.
- G-19:** Supporting major community events that have the potential for significant positive economic and social impacts.

5.0 Policies

The City shall:

- P-1:** Monitor changes in demographic information to assure that the type, quantity, and location of services, facilities, vacant lands, and housing remain adequate to meet changing needs.
- P-2:** Include an analysis of the implications of the most current US Census information for the City in each update of the Comprehensive Plan.
- P-3:** Require plans for vehicular, pedestrian and bicycle needs, for all commercial and industrial development proposals.
- P-4:** Encourage, as part of the development review process, commercial developments to provide the opportunity for shared public transportation access and shared parking where feasible.
- P-5:** Designate enough land in a variety of parcel sizes and locations to meet future employment and commercial needs.
- P-6:** Allow home business occupations within residential districts to accommodate the needs of those engaged in small business ventures, subject to operating standards and procedures that ensure compatibility with the surrounding residential neighborhood.
- P-7:** Allow land uses that support the availability of a continuum of health care options, including primary care, assisted living, home health care, and nursing home care.
- P-8:** Support diversity in type, scale, and location of professional, industrial, and commercial activities to maintain a high level of employment and to promote diversification of the local economy.
- P-9:** Preserve and protect lands designated for industrial use from incompatible uses by limiting uses on or near sites zoned for specific industrial to those which are compatible with industrial uses.
- P-10:** Establish prescriptive industrial development standards to reduce conflicts with non-industrial uses and provide developers with clear and objective requirements and timelines.
- P-11:** Establish an industrial development/construction process that clarifies and objectifies site restraints and opportunities as well as providing certainty to the building permit process.
- P-12:** Facilitate cooperation, to the extent possible, with an approved industrial site certification process by means of annexations, infrastructure planning, construction and site development/construction planning and standards.
- P-13:** Encourage neighborhood commercial development with restricted vehicular access points from arterials and State highways.

- P-14:** Locate future neighborhood commercial development at intersections of arterials or collectors.
- P-15:** Support the urban redevelopment of rural industrial lands in the City’s Urban Growth Boundary (UGB) along the Santiam River to efficient and orderly urban uses.
- P-16:** Take into consideration availability of renewable and non-renewable resources, the availability of land, and pollution control requirements when planning for the economic growth of the community.
- P-17:** Require that waste and process discharges from future development (when combined with discharges from existing development) not violate, or threaten to violate, state or federal environmental quality statutes.
- P-18:** Require that waste and process discharges from future development (when combined with discharges from existing development) not exceed the carrying capacity, degrade, or threaten the availability of air, water, and land resources.
- P-19:** Encourage the development or expansion of industries in the vicinity of the Airport that are compatible with airport operations and consistent with the requirements of airport related planning rules and the Airport Facility Plan.
- P-20:** Support public improvements in the downtown that improve pedestrian accessibility and connectivity, public parking and transit opportunities, to promote a business and shopping environment that is safe and user-friendly.
- P-21:** Encourage offices, housing, and other non-storefront type of uses to occupy the upper floors of buildings in the downtown area in compliance with applicable building code standards.
- P-22:** Encourage mixed-use development in downtown by removing regulatory impediments that prevent commercial uses from being combined with other uses such as hotels, residential units, or even light industrial, manufacturing and assembly operations.
- P-23:** Encourage a mix of office, commercial uses, residential uses, and retail shopping within buildings or development sites in the downtown core.
- P-24:** As available funding permits, implement the Downtown Lebanon Transportation Enhancements Plan and subsequent refinements.
- P-25:** Maintain a current information file on the community including an inventory of available industrial sites for potential developers, utilizing the resources of state of Oregon agencies.
- P-26:** Plan for at least 3,700 new jobs by the year 2025 and all of the land and services needs required by such growth, as well as employment and associated needs generated by any additional major industrial or commercial growth, as indicated in the *2004 Lebanon Urbanization Study* (ECONorthwest).
- P-27:** Plan for the projected population of the year 2025.
- P-28:** Establish an industrial land use and building permit process that reasonably assures “readiness to build” in 180 days or less.

Protocol for Referring to a Goal, or Policy from this Chapter

- Chapter 5 (Population & Economy) Goal G-x [x = Number of Goal Statement]
- Chapter 5 (Population & Economy) Policy P-x [x = Number of Policy Statement]