

W. S. C.

AGENDA COVER MEMO

DATE: February 8, 2006 (Date of Memo)
February 22, 2006 (Date of Meeting)

TO: Board of County Commissioners

FROM: LCOG, Milo Mecham, Principal Planner

TITLE: Order No. 06-_____ IN THE MATTER OF ORDERING THE ADOPTION OF THE CASCADES WEST ECONOMIC DEVELOPMENT DISTRICT COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY AND RECOMMENDING THAT THE STRATEGY BE SUBMITTED TO THE ECONOMIC DEVELOPMENT ADMINISTRATION FOR APPROVAL

I. MOTION

MOVE TO ADOPT ORDER NO. 06 _____ IN THE MATTER OF ORDERING THE ADOPTION OF THE CASCADES WEST ECONOMIC DEVELOPMENT DISTRICT COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY AND RECOMMENDING THAT THE STRATEGY BE SUBMITTED TO THE ECONOMIC DEVELOPMENT ADMINISTRATION FOR APPROVAL

II. ISSUE OR PROBLEM

Lane County, along with Benton, Lincoln and Linn Counties form the Cascades West Economic Development District. One of the requirements of the successful operation of the District is the periodic updating of the Comprehensive Economic Development Strategy (CEDS). This document helps communicate the region's economic development needs to the federal EDA, and to other federal agencies. The update prepared by the Economic Development District reflects a fairly comprehensive survey of business and government leaders in the four County area, as well as detailed review and discussion by the region's economic development leaders, including the Lane Economic Committee. The Commissioner's approval of the CEDS is the last step in local review and approval of the document.

III. DISCUSSION

A. Background

The Cascades West Economic Development district comprehensive Economic Development Strategy represents a standard part of the regional economic development program. It is prompted by the requirements of the region being a part of an economic development district, but it also reflects the results of an extensive discussion over more than a year about what economic development strategy would best serve the region and the parts of the region.

Economic Development Districts are a tool of the U.S. Department of Commerce economic Development Administration (EDA). Lane County is a member of a four County district, along with Benton, Linn and Lincoln Counties. One of the EDA's requirements for districts is that they adopt and then update a Comprehensive Economic Development Strategy (CEDS).

Participation in an Economic Development District does bring some rewards to Lane County. The EDA regularly provides financial support of economic development planning. In Lane County these funds go to help support the work of the Lane Economic Committee. The EDA also provides some Economic development grants. The number and amount of these grants has decreased significantly in recent years, but has not disappeared. Most recently an EDA grant was used in Lane County to facilitate a dialogue between the State OECD and the recreational vehicle manufacturing sector in lane County regarding the needs of that industrial cluster, and ways that the cluster might be expanded in Lane County.

This update of the CEDS does reflect a major reworking of the earlier versions of the CEDS. One of the first steps in the rewrite was a survey of businesses and governments in the four County area. In Lane County, the business survey was conducted by the Chamber of Commerce as a supplement to their annual business survey. The questions of the survey focused on the needs of the businesses, what they felt were the major barriers to expansion in the region, and what they would like to see in the form of programs to address the problems that they saw. Similar questions were asked of representatives of all the local governments in the County.

These survey results were combined and reported to the four County economic development committees (in Lane county this

was the Lane Economic Committee). These committees held a joint session to review the results and make suggestions about the form and content of the CEDS.

After the draft CEDS was prepared, following the directions provided by the joint committee meeting, each County committee met separately to review the text of the draft CEDS. The Lane Economic Committee had two meetings devoted in part to editing and rewriting portions of the CEDS.

To facilitate and improve the coordination of economic development planning in the four county area, the CEDS has been integrated with the four county Regional Investment Strategy. The Regional Investment Strategy, which provides some opportunity for the region to access economic development funds, fits well into the CEDS and provides a good opportunity to implement some of the strategies highlighted by the CEDS.

After its development by the economic development committees, the CEDS has been reviewed and approved by the economic development committees, the board of the Economic Development district, and the Executive Committee of the LCOG board.

The text of the CEDS can be downloaded by following the links at

B. Analysis

The CEDS tries to accurately reflect current conditions in the region, and the most important economic development needs of the region. Job creation through a program that works to diversify the region's economic base is the primary emphasis of the CEDS. The CEDS also makes some interesting observations about the connection between important social factors and economic development. In addition to noting the importance of public infrastructure to economic development, the report highlights the importance of the region's educational system and the importance of public safety. Education is seen as important both because its perceived quality helps recruit new businesses to the area, but also because of its critical importance in creating the workforce that the region needs to do well.

Public safety issues as an important part of economic development was a newly important issue in the CEDS. Public safety issues affect the perceived quality of life that is important for business recruitment and expansion. Public safety issues also affect the quality of the workforce.

he CEDS adopts six overall goals to build the regional vision of economic development. While each of the goals has important subparts, the goals are:

- Advance economic activities that provide a range of employment opportunities
- Build on the region's entrepreneurial culture and assets
- Support infrastructure assistance to communities
- Provide technical assistance to communities and support capacity building efforts
- Partner to improve workforce training and education
- Support the needs of rural areas

C. Alternatives/Options

The options before the Board are as follows:

1. The Board may take no action. This would result in a region-wide reassessment of economic development goals and strategies.
2. The Board may choose to approve the CEDS. This would include a recommendation of acceptance of the CEDS by the EDA, and allow use of the CEDS in future economic development planning.
3. The Board may choose to reject the CEDS.

D. Recommendation

Staff recommends that the Board adopt the proposed Order.

IV. IMPLEMENTATION/FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate that action The other members of the regional EDA district, and to the EDA.

V. ATTACHMENTS

1. Board Order No. 05-_____ in the Matter of Ordering the Acceptance Of The Final Reccomendations of the Benton, Lane, Lincoln, Linn Regional Investment Board Regarding Funding Projects For The Fy 2003-2005 Biennium

2. The Cascades West Economic Development District Comprehensive Economic Development Strategy

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON

ORDER No.

) **IN THE MATTER OF ORDERING**
) **THE ADOPTION OF THE**
) **CASCADES WEST ECONOMIC**
) **DEVELOPMENT DISTRICT**
) **COMPREHENSIVE ECONOMIC**
) **DEVELOPMENT STRATEGY AND**
) **RECOMMENDING THAT THE**
) **STRATEGY BE SUBMITTED TO**
) **THE ECONOMIC DEVELOPMENT**
) **ADMINISTRATION FOR**
) **APPROVAL**

WHEREAS, the Economic Development Administration Planning Grant program was established by the Congress to provide a flexible source of funding to Economic Development Districts to support project development and to provide a vehicle by which Economic Development Districts can assist in local project development and leverage other funding sources to the maximum extent possible; and

WHEREAS, the Planning Grant program requires the Economic Development District to work with the major interests of the community in order to develop a Comprehensive Economic Development Strategy, which describes how the District will use the Planning Grant funds to meet the economic and community development needs of the District; and

WHEREAS, the Economic Development District has developed a Comprehensive Economic Development Strategy for the Benton-Lane-Lincoln-Linn Region that meets the requirements of the Economic Development Administration programs; and

WHEREAS, the Economic Development District has held public meetings on the Comprehensive Economic Development Strategy in each County and accepted and responded to all public input;

NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners does adopt the Comprehensive Economic Development Strategy of the Cascades West Economic Development District, a copy of which is attached.

IT IS FURTHER ORDERED that the Lane County Board of Commissioners recommends that the Comprehensive Economic Development Strategy be submitted to the Economic Development Administration for consideration under their Planning Grant program.

DATED this 22nd day of February, 2006.

Bobby Green, Chair, Lane County Board of Commissioners

APPROVED AS TO FORM
Date 2/14/06 Lane County
Teresa Archuleta
OFFICE OF LEGAL COUNSEL



Benton County



Lane County



Lincoln County



Linn County

Comprehensive Economic Development Strategy

*Cascades West
Economic Development District*

Regional Investment Strategy

*Benton-Lane-Lincoln-Linn (BL3)
Regional Investment Board*

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

Published November 2005

Approval of this document has been recommended by the:

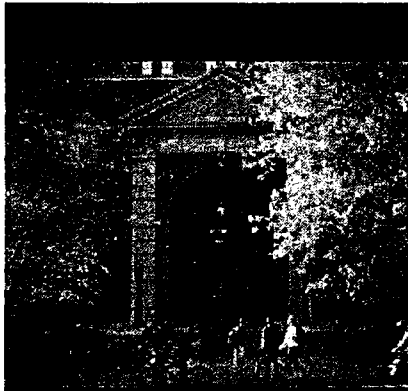
- ♦ *Oregon Cascades West Council of Governments Community and Economic Development Committee* (September 25, 2005)
- ♦ *Lane Economic Committee* (October 17, 2005)
- ♦ *Benton-Lane-Lincoln-Linn (BL3) Regional Investment Board* (October 17, 2005)

For consideration by the:

- ♦ *Benton County Board of Commissioners*
- ♦ *Lane County Board of Commissioners*
- ♦ *Lincoln County Board of Commissioners*
- ♦ *Linn County Board of Commissioners*
- ♦ *Cascades West Economic Development District Board*
- ♦ *Lane Council of Governments*
- ♦ *Oregon Cascades West Council of Governments*
- ♦ *State of Oregon*
- ♦ *U.S. Department of Commerce Economic Development Administration*

**This document was produced with grant assistance from the
U.S. Department of Commerce
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and Rural Investment Funds administered by
Oregon Economic and Community Development
Department*



Benton County



Lane County



Lincoln County



Linn County

TABLE OF CONTENTS

Comprehensive Economic Development Strategy and Regional Investment Strategy

Section 1	Introduction and Executive Summary	1
	<ul style="list-style-type: none"> ◆ Document Context ◆ Executive Summary ◆ Summary of Contents 	
Section 2	Putting the Region on the Map	9
	<ul style="list-style-type: none"> ◆ Location ◆ Geographic Profile ◆ Land Base ◆ Climate ◆ Jurisdictions: Cities, Port Districts, Tribes 	
Section 3	Our People	13
	<ul style="list-style-type: none"> ◆ Population and Growth ◆ Demographics ◆ Income and Poverty ◆ Labor Force ◆ Educational Attainment 	
Section 4	Our Natural Systems and Resources	19
	<ul style="list-style-type: none"> ◆ Agricultural and Forest Lands ◆ Surface and Ground Water Quality ◆ Air Quality ◆ Land Quality: Brownfields and Superfund Sites ◆ Natural Hazards ◆ Wetlands, Riparian Zones, Conservation Areas ◆ Threatened and Endangered Species 	
Section 5	Our Community Resources	29
	<ul style="list-style-type: none"> ◆ Local Funding ◆ Land Use Framework ◆ Water Systems ◆ Waste Water Systems ◆ Solid Waste ◆ Energy ◆ Communications ◆ Transportation Systems ◆ Recreational, Leisure, and Historic Resources ◆ Public Higher Education ◆ Health Care Facilities ◆ Public Safety 	

Continued on next page

Section 6	Our Economy	41
	<ul style="list-style-type: none"> ◆ Economic Profile ◆ Employment and Unemployment ◆ Traditional Sectors of the Economy ◆ Emerging Clusters 	
Section 7	Challenges and Opportunities	53
	<ul style="list-style-type: none"> ◆ Identifying Strengths, Weaknesses, Opportunities, and Threats ◆ Health of Our Economy ◆ Health of Individuals and Families ◆ Health of Our Communities ◆ Health of Our Natural Systems 	
Section 8	Regional Vision and Goals	61
	<ul style="list-style-type: none"> ◆ Our Vision ◆ Our Goals ◆ Economic Development Partners 	
Section 9	Cascades West Economic Development District Work Program	71
	<ul style="list-style-type: none"> ◆ Organizational Structure ◆ Accomplishments ◆ Work Program ◆ Program Evaluation 	
Section 10	BL3 Regional Investment Board 2005-05 Implementation Plan	77
	<ul style="list-style-type: none"> ◆ Legal Framework ◆ Organizational Structure and Board ◆ 2003-05 Accomplishments ◆ Long Term Plan ◆ 2005-07 Investment Strategy ◆ Plan for Minorities and Economically Disadvantaged ◆ Program Evaluation 	
Appendix A	County Data Profiles	
	<ul style="list-style-type: none"> ◆ U.S. Census Summaries by County: 2000 ◆ Demographic and Housing Estimates and Projections: 2005 and 2010 ◆ Workforce and Business Characteristics: 2005 	
Appendix B	Interview Summaries	
	<ul style="list-style-type: none"> ◆ Summary of 2005 Community Interviews ◆ Summary of CWCOG 2005 Industry Interviews ◆ Summary of Lane Business Interviews 	
Appendix C	Cascades West Economic Development District	
	<ul style="list-style-type: none"> ◆ Leadership ◆ 2004-05 Accomplishments Report ◆ 2005-06 Committee Work Programs 	
Appendix D	Regional Investment Board	
	<ul style="list-style-type: none"> ◆ Leadership ◆ 2003-05 Summary of Accomplishments ◆ Location of ORS Requirements in Strategy Document 	



SECTION 1

Introduction and Executive Summary

Document Context

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

- ♦ **Comprehensive Economic Development Strategy (CEDS)** of the Cascades West Economic Development District (CWEDD) required by the U.S. Department of Commerce Economic Development Administration, and the
- ♦ **Regional Investment Plan (RIP)**, including the Rural Action Plan, required of the BL3 Regional Investment Board by the Oregon Economic and Community Development Department (ORS 285B.242 and 285B.257).

This publication is made possible through:

- ♦ U.S. Department of Commerce Economic Development Administration grant funding.
- ♦ Oregon State Lottery – Regional Investment and Rural Investment Funds administered by the Oregon Economic and Community Development Department.

Multiple information sources were used to develop the information presented in this document:

- ♦ 2004 CONTACT survey of ninety Lane County businesses
- ♦ Discussions with twenty Benton, Lincoln, and Linn County businesses
- ♦ Interviews with the city manager/administrator/recorder of each city in the region and Port managers of Alsea, Toledo, and Newport
- ♦ Discussions with community and economic development partners including the Oregon Employment Division, Linn-Benton Community College, Oregon Coast Community

College, Linn Benton Housing Authority, and the Community Services Consortium

- ♦ Employment, population, and income data and projections from various State and federal sources

Based on the information gathered, **strategy development was steered by:**

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

Executive Summary

The following Executive Summary provides an overview of key findings in the Benton-Lane-Lincoln-Linn County (BL3) Comprehensive Economic Development Strategy and Regional Investment Strategy (Sections 2 through 7). This Executive Summary also highlights how the region will work to meet these challenges and opportunities (Sections 8 through 10).

Key Issues

Health of Our Economy: Like most of the United States, the region of is facing significant economic challenges:

- ◆ Recent economic growth has been focused along the I-5 corridor. Rural communities have had a more difficult time in strengthening their economies due to infrastructure limitations, relative isolation, and smaller employment bases.
- ◆ The pressure of globalization makes shifting manufacturing operations to countries with very low wage rates enticing to firms who hope to continue to compete in the world market.
- ◆ Manufacturers tied to the region's abundant natural resources (fisheries, timber and agricultural lands) will likely remain near their raw resource, but ever-changing public policies have constrained machinery and facility investment.
- ◆ Business owners who keep their operations in the area because they value the quality of life are concerned about how changes in local education, constrained State finances, increasing methamphetamine use, and other rising social issues are impacting their personal and community lifestyles.
- ◆ The loss of 5,960 manufacturing jobs from 2000 through 2003 was offset only slightly by the addition of 740 manufacturing jobs in 2004.
- ◆ Despite recent employment gains, the region currently has 2,000 less jobs than it did in 2000.
- ◆ County unemployment rates remain at or above state and national norms, with just under 20,000 people currently identified as unemployed (not including those who have given up looking for work or who have accepted underemployment).
- ◆ The Oregon Employment Department forecasts that the region will grow almost 4,000 new jobs over the next ten years, but that most of these will be in the Tourism Sector (which, on average, has the lowest annual wage) and in Government (linked to expected expansion of Tribal facilities).
- ◆ Job losses are forecast over the next ten years in the Forest Products, Fisheries, Metals, and High Tech Sectors.

Health of Our Natural Systems: The region spreads from the Pacific Ocean to the crest of the Cascade Range. 79% of the region is forestland and 8% is prime farmland. State and Federal governments own almost half of the region's land base. Natural system- and resource-related issues include:

- ◆ Ocean, other surface water, and riparian area health are being impacted by source and non-point source pollution and by encroaching development pressures.
- ◆ Groundwater pollution (primarily nitrates) is being evaluated in the Albany-Eugene basin.

- ◆ The Total Maximum Daily Load for mercury, bacteria, and temperature in the Willamette River is being evaluated. More restrictive limits on discharges to the River are expected.
- ◆ Areas of the coast experience water shortages during periods of low flow.
- ◆ Despite meeting federal standards, Lane County was ranked by the American Lung Association as the seventh-worst county in the nation for air quality.
- ◆ 316 sites in the region have been identified as Brownfields and require some level of assessment and/or cleanup.
- ◆ Disaster planning and emergency response systems are being evaluated to address natural and human-related hazards.

Health of Our People: An estimated 565,850 people called the region home in 2004. Over half of the region's population resides in the four largest cities of Albany, Corvallis, Springfield, and Eugene. Most incorporated cities (26 of 36) have fewer than 5,000 people. There is growing economic disparity between the haves and have-nots in the region:

- ◆ This divide is apparent across the Counties of the region, where the average 2004 household income of Benton County of \$33,700 compares with \$24,150 in Lincoln County. Average wage rates also indicate this divide, with Benton County's average at \$37,247 and Lincoln County's at \$26,015.
- ◆ This divide is also apparent across employment sectors, where the 2004 average annual wage in Oregon's Tourism sector is \$14,000 compared with \$50,000 in the Information sector.
- ◆ Improving poverty rates between 1990 and 2000 mask a 9% growth in the number of people in poverty. In 2000, 73,790 people were in poverty (almost 30% were children).
- ◆ Health care providers report significant increases in charity requests and length of hospital stay due to deferred care, noting a correlation to reductions in health insurance.

Health of Our Communities: Communities in the region are grappling with constrained revenue sources that are typically inadequate to cover infrastructure maintenance responsibilities and capacity improvement needs:

- ◆ 33 water systems in the region had drinking water standard violations in 2004, and many cities are struggling to meet federal Safe Drinking Water Act standards.
- ◆ Federal Clean Water Act requirements and increases in system infiltration and inflow are forcing many communities to evaluate and invest in waste water system improvements.
- ◆ Deferred maintenance and growing traffic volumes are challenging the area's highway and local street networks.
- ◆ Rail service to some industrial areas and communities is imperiled by track maintenance costs.
- ◆ Increasingly important telecommunication services remain unavailable to some areas of the region.
- ◆ Public safety concerns abound, especially as related to methamphetamine abuse.

Key Opportunities for Our Future

While not discounting the value of recruiting new businesses to make the region their home, the heart of the region's economic development strategies is supporting existing businesses and encouraging local start-ups.

- ◆ The region has a long history of growing successful start-up businesses, with several major manufacturers having started as garage-based businesses.
- ◆ Business development and support programs are in place to help prospective and existing entrepreneurs.
- ◆ Economic development partners are committed to building onto the entrepreneurial culture and assets of the region.
- ◆ Oregon State University and the University of Oregon attracted \$300 million in outside research dollars in 2004. The Universities are focusing on patenting research.

Local leadership remains committed to meeting challenges within their revenue and staff limits. Communities in the region are, often concurrently, working to revitalize their downtown cores, protect and build a community identity, balance land uses, move industrial lands toward development, address water and sewage mandates, plan for natural and human-caused disasters, maintain their base infrastructure, and provide the quality of life resources desired by their citizens. Creating community consensus and building from a community-based vision are increasingly important to move priorities forward.

How We'll Get There

The regional vision and goals remain similar to those developed in the mid-1990s, with an increased emphasis on promoting business and civic entrepreneurship. Regional goals, as refined through this strategic planning effort, are:

- ◆ Advance economic activities that provide a range of employment opportunities.
- ◆ Build on the region's entrepreneurial culture and assets.
- ◆ Support infrastructure assistance to communities.
- ◆ Provide technical assistance to communities and support capacity building efforts.
- ◆ Partner to improve workforce training and education.
- ◆ Support the needs of rural areas.

In order to better meet the challenges and opportunities faced by the region, the District will continue core services while further leveraging its resources to address multiple needs with a single solution using a longer-term view. Economic development partners will be convened to look for ways to leverage individual results and to examine services provided from a systems viewpoint. User-centered service delivery will also become a focus.

The Regional Investment Board will focus on projects and programs that create or retain short- and long-term jobs in the region. Four categories of activities will be considered for funding through the RIB: Business Development, Site Development, Workforce Development, and Capacity Development.

Summary of Contents

The profile of the region (Sections 2-6), regional challenges and opportunities (Section 7), and the regional vision and goals (Section 8) presented in this document are applicable to both CWEDD and BL3 RIB. Work program descriptions for the CWEDD and BL3 RIB are included separately (Sections 9 and 10). Text boxes alongside the following summary of sections delineate the requirements of the Regional Investment Program (ORS 285B.230-.269).

Section 1: Executive Summary, a requirement of the Regional Investment Program, provides an introduction to the strategy and summary of key findings. **Section 2: Putting the Region on the Map** provides basic background on the region, including geography, climate, and jurisdictions.

Sections 3 through 6 fulfill ORS 285B.239(2) requirements to present an "analysis of the unique or significant resources that provide the foundation for the regional investment strategy," and supplies, in part, the background necessary for ORS 285B.239(1) "identification of short-term and long-term priorities."

The next four sections delineate the social, environmental, cultural, intellectual, and political "capital" of the region:

- ♦ **Section 3: Our People** presents information on demographics, population, poverty, educational attainment, and labor force.
- ♦ **Section 4: Our Natural Systems and Resources** includes background on the resource lands; water, air, and land quality; natural hazards; wetlands; and threatened and endangered species in the region.
- ♦ **Section 5: Our Community Resources** reviews the status of local funding, land use, infrastructure, transportation, education, health, and other systems and resources in the region.
- ♦ **Section 6: Our Economy** completes the review of the region's existing assets and conditions. It presents an analysis of employment, unemployment, traditional industrial sectors, and emerging clusters.

Section 7 fulfills ORS 285B.239(3) requirements to define an "analysis of barriers to implementation and an identification of the means to overcome those barriers." More on the "means to overcome those barriers," is found in the Two-year Implementation Plan in Section 10.

Section 7: Challenges and Opportunities defines the region's strengths, weaknesses, opportunities, and threats (SWOT), obtained from interviews with a wide variety of jurisdictions, agencies, and businesses. This analysis goes beyond a normal SWOT by focusing the analysis on the "health" of communities, individuals, the economy, and natural systems.

Section 8 fulfills, in part, ORS 285B.239(1) requirements for "identification of short-term and long-term regional priorities" and delineates economic partners and defines their input, in fulfillment of ORS 285B.239(4).

Section 8: Regional Vision and Goals provides the overall vision and goals for the region, establishing the framework for identification of short-term and long-term regional priorities. This section also identifies our economic partners.

Section 9: Cascades West Economic Development District Work Program presents the work plans to be undertaken by the two Councils of Governments and is primarily pertinent primarily to the CEDS, although the work plan of the CWEDD does overlap and support the efforts of the Regional Investment Program in numerous ways.

Section 10 addresses multiple Regional Investment Program requirements.

Overview defines the focus of this section.

Legal Framework fulfills ORS 285B.239(9) to demonstrate that a region has the capacity to allocate and effectively use the Regional and Rural Investment Fund resources.

Organizational Structure and Board Membership provides information on the BL3 Regional Investment Board and how it does business, as required in ORS 285B.242 and 285B.239(9).

Long Term Plan presents the four eligible areas of activity that will drive the efforts of the program per ORS 285B.239(4).

Two-Year Implementation Plan defines the focus of the Regional Investment Strategy for the 2005-07 biennium. The program's project application, review, and evaluation process are specified, including information on loan programs, tourism projects, industrial marketing programs, and interface with the State of Oregon's Strategic Reserve Fund. This fulfills ORS 285B.239(5).

Plan for Minorities and Economically Disadvantaged details the efforts at outreach and inclusion through all stages of the strategy, from development to contracting with individual projects per ORS 285B.239(6).

Program Evaluation satisfies ORS 285B.239(7) and (8) by establishing performance measures and targets, benchmarks, and reporting requirements for the program.

Section 10: BL3 Regional Investment Board Work Program defines the focus of the Regional Investment Strategy during the present biennium. This section is important to fulfilling the requirements of the Regional Investment and Rural Action Plans, that each subsection will be reviewed individually.

In addition to this summary of Strategy contents, see Appendix D for a guide to where the State of Oregon's "Outline of a Regional Investment Strategy" with Regional Economic Development Act (ORS 285B.269) requirements and references are met within this Strategy document.

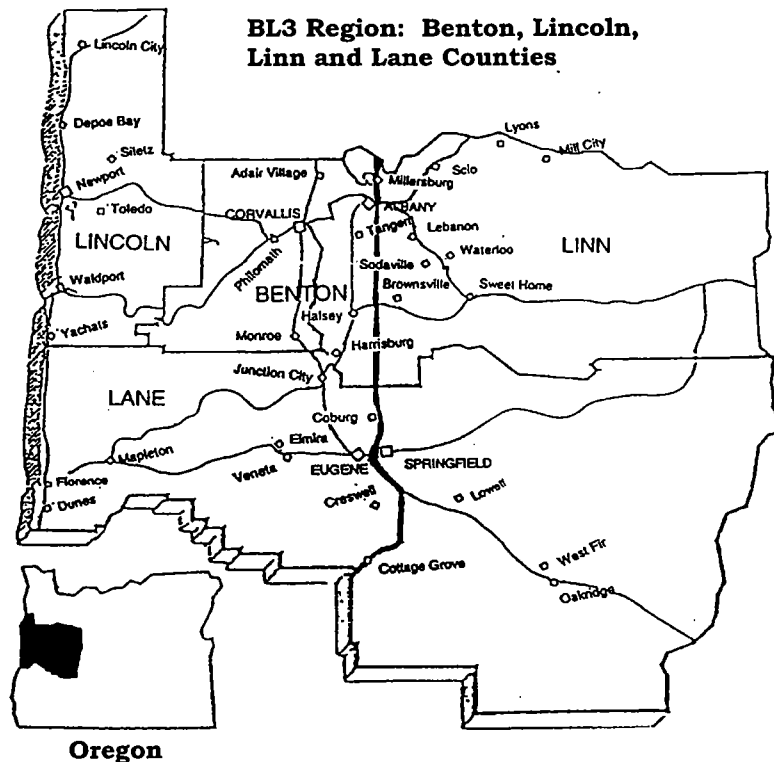


SECTION 2

Putting the Region on the Map

Location

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



Major highway routes include the north-south Interstate 5 (I-5) Freeway; Oregon Highway 99, also providing north-south access through the Willamette Valley; Oregon Highway 101, connecting the coast area north-south; with major east-west connections provided by U.S. Highways 18, 20 and 34, and Oregon 126. Union Pacific and Burlington Northern/Sante Fe rail main lines and multiple short lines service the region.

Geographic Profile

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

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

Land Base

90% of the land base in the region is in a natural resource designation. Federal and State governments control at least 46% of the regional land base.

Federal and State lands comprise at least 46% of the total area of the 5.4 million acre (8,601 square mile) region. As illustrated in the following table, 79% of the land base in the region is in forest land and 8% of the region is prime farmland

ACREAGE	Region	Benton	Lane	Lincoln	Linn
Area Total	5,433,000	428,000	2,913,000	631,000	1,461,000
Prime Farmland	457,000	76,000	160,000	0	221,000
Forest Land	4,317,000	268,000	2,477,000	555,000	1,017,000
-State/Fed Forest	2,476,000	85,000	1,582,000	234,000	575,000

Climate

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

Cities

Most residents live in incorporated areas, with over half of the population living in the four largest cities. 75% of the cities in the region house fewer than 5,000 people, and 31% have a population of fewer than 1,000.

Incorporated Cities

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

* County Seat

** Some cities lie in more than one county:

- Albany extends into Benton County
- Lyons and Mill City extend into Marion County

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

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

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

Port Districts

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

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

Tribes

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

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



SECTION 3

OUR PEOPLE

The populations of the four counties in the Benton-Lane-Lincoln-Linn region have much in common, but there remain significant population differences from county to county as well as from each county compared to statewide data. Despite these population variances and travel distances within the region, the labor market of the four-county area is increasingly inter-connected.

Population and Growth

Total Population

Total population of the region was estimated at 565,850 in 2004 (Population Research Center, Portland State University). Between 1990 and 2000, the population in the region grew by 13.7% (64,811 people), for an average annual growth rate of 1.3%. Lane County led regional population growth, with a growth of 15.2%.

County Population Trends

Year	Benton	Lane	Lincoln	Linn	Region
1990	70,811	282,912	38,899	91,227	483,849
2000	78,153	322,959	44,479	103,069	548,660
2001	79,000	325,900	44,650	103,500	553,050
2002	79,900	328,150	44,700	104,000	556,750
2003	80,500	329,400	45,000	104,900	559,800
2004	81,750	333,350	44,400	106,350	565,850

1990 and 2000: U.S. Bureau of the Census

2001-2004: Certified Population Estimate, Center for Population Research at Portland State University

Population growth slowed to .8% annually from 2000-2004, compared with 1.3% annual growth between 1990 and 2000.

Sluggish regional economic growth appears to have resulted in a slowing of regional population growth. The total population of the region grew only 3.1% (or .8% annually) from 2000 through 2004, compared to a statewide growth rate of 4.7% for this period.

In-migration is still the primary population growth factor in the region. 68% (37,694) of the population growth in the region from 1990-2000 was due to in-migration. From 2000-2002, in-migration accounted for 59% of the regional growth of 8,090 people. Slow economic growth may account for the recent slowing of in-migration rates.

Population Projections

Growth projections through 2040 are that the region will continue to grow more slowly than the overall state. The State of Oregon Office of Economic Analysis, Department of Administrative Services (OEA) estimates that state population will grow by almost 58% by 2040, while our four counties will grow by only 41%, with the highest growth rate continuing to be in Lane County.

Future growth projections (OEA) estimate that in-migration will accelerate, with in-migration accounting for 83% of regional population growth through 2040. Estimates predict that especially the coastal population will continue to age and that all net growth in coastal areas will come from in-migration.

Urbanization

The population of the four largest cities of the region grew 5.6% from 2000-2004, while the remainder of the region only grew .6%.

The region is increasingly more urbanized, with 70% of the population living in incorporated cities in 2000 versus 64% in 1990 (U.S. Census). The four largest cities in the region of Eugene, Springfield, Corvallis, and Albany are driving regional growth, with a combined growth rate of 5.6% from 2000 through 2004 compared with a .6% growth rate for the remainder of the region.

Demographics

Minorities

Minorities (Black or African-American, American Indian, Asian, Pacific Islander, and Hispanic or Latino) accounted for 11.0% of the population in the region in 2000 compared with 7.1% in 1990. At the state level, the minority rates for the same period are 19.1% (2000 Census) and 11.2% (1990 Census).

As with many population factors, our four counties differ in the composition of our minority populations. Racial diversity in the region is the highest in Benton County (13.3% minority population in 2000), which may be influenced by a higher proportion of Asian/Pacific Islanders (37%) than identified statewide (25%). In Lane County, minorities are 8.0% of County population, with Hispanics accounting for almost 50% of all minorities. Lincoln and Linn Counties both have a minority population rate of 6.1%. Lincoln County, home to the Confederated Tribes of Siletz Indians, has the highest percentage of American Indians (2.3%) in the region and the same percentage of Hispanics. In Linn County, 60% of the minority population is Hispanic.

Growth of the Hispanic population is accelerating. Hispanics accounted for 1.9% of the regional population in 1980. By the 1990 Census, the Hispanic population in the region had risen to 2.4%. By the 2000 Census, Hispanics accounted for 4.5% of regional population. 2003 population estimates indicate that the Hispanic population had risen to 5.1% of the region. Looked at

another way, between the 2000 and 2003, annual overall population growth rates in the region were approximately 0.4% per year while the Hispanic population in the region grew at an average of 4.4% per year (eleven times faster).

Age and Gender

Most of the population in the region is of working age. Work force population in the region is expected to drop from the current 60% to 53% by 2040.

Age patterns in the region are generally similar to those statewide. One in five people in the region are of school age (5-19 years old) and 60% of the regional population is of working age. The region does have a slightly smaller percentage of pre-school age children (5.9% versus 6.6% for the state), and has a slightly higher percentage of population older than 65 (13.6% versus 12.8% for the state).

Projections to 2040 (OEA) forecast that the retirement age population will rise to 20% in both the region and the state. The percentage of school age population statewide is projected to drop by 16%, while it is projected to drop by only 6% at the regional level. Working age population is projected to drop to 56% statewide and to 53% in the region.

50.8% of the population in the region is female and 49.2% is male. The percentage of females is slightly higher in the region than for the state. Lincoln County and coastal Lane County have greater gender disparity, perhaps reflecting the growth of the coastal area as a retirement area.

Income and Poverty

Income Disparity

County average payroll data shows a slight improvement (after inflation) between 1997 and 2002. However, County averages for 2002 remain at or slightly below the statewide average.

While the average payroll after inflation increased in each county between 1997 and 2002, all remain at or slightly below the average payroll in Oregon. Income varies greatly, but consistently, among the four counties of the region and in comparison to statewide data whether measured by average wage, per capita income, or median household income.

Economic disparity between the counties is influenced in part by industrial sector dominance and in part by population composition. Some areas of the region have a strong Leisure and Hospitality sector (\$14,000 annual statewide average wage) while others are adding large numbers of jobs in the Information sector (\$50,000 annual statewide average wage). The prevalence of small business ownership and a large retiree population also contribute to Lincoln County's lower average income levels. In Benton County, a proportionately large university student population impacts Benton County's median household income but is less evident in that County's median family income data. The impact of university students on County income statistics is not as apparent in Lane County due to its overall larger population base.

Average wages in 2004 were:

- ♦ \$37,247 – Benton County
- ♦ \$31,338 – Lane County
- ♦ \$26,105 – Lincoln County
- ♦ \$31,401 – Linn County
- ♦ \$35,621 – State of Oregon

The Oregon Employment Department uses average wage (AW) as their focal point. In 2004, the AW in Oregon for all covered

employment was \$35,621. Benton County's AW was \$37,247 (104.6% of state level). Lincoln County has the lowest AW, at \$26,015 (73.0%). Lane at \$31,338 (88.0%) and Linn at \$31,401 (88.2%) are below the state AW but close to each other.

Sources of Personal Income – 2003

	Oregon	Benton	Lane	Lincoln	Linn
Total Personal Income (000's)	\$102,418,819	\$2,410,599	\$8,698,081	\$1,196,115	\$2,525,489
Net Earnings	66.2%	66.6%	62.1%	53.9%	61.6%
Dividends, Interest, and Rent	18.2%	23.1%	20.1%	23.0%	16.7%
Transfer Payments	15.6%	10.3%	17.7%	23.2%	21.7%

U.S. Bureau of Economic Analysis

Personal income is derived from the three basic sources of earnings, dividends/interest/rent, and transfer payments (retirement, medical, unemployment, and veterans benefits). The table above relates the higher level of transfer payments and lower level of earnings in Lincoln County, likely driven by its higher percentage of retirees.

Poverty and Need

Overall poverty rates in the region are slightly higher than state rates. While the percentage of people in poverty improved between 1990 and 2000, the number of people in poverty grew by 9%.

Poverty rates in the region for all measures (overall number in poverty, various iterations of families in poverty, and those qualifying for food stamps) are slightly higher than state rates, but within a reasonable range. Benton County has lower rates than the state in all measures except for overall poverty, which in Benton County is affected by the college student population.

The percentage of the population in poverty (poverty rate) improved between 1990 and 2000 in the region (U.S. Census). However, the number of people in poverty grew substantially during that same time period, with a 9% increase in the number of individuals in poverty in the region.

73,790 individuals in the region were in poverty in 2000 (for example, \$19,307 was the poverty threshold for a family of four). The percentage of people of all ages in poverty was 12.2% in the region, which is somewhat higher than the state poverty rate of 11.3%.

38% of families headed by women were in poverty in 2000. Almost 30% of those in poverty in the region are children.

19,590 children ages 0 through 17 years were in poverty. The rate of children in poverty in the region of 16.1% was slightly higher than the state's rate of 15.1%. Children represent almost 30% of the impoverished in the region.

The highest poverty rates in the region were for families headed by women with children under 18 years of age. In the region, over 38% of these families are in poverty; at the state level the poverty rate for these families is 33.3%.

Other indicators also reflect that a large portion of the population in the region is in need. In 2004, 29.7% percent of the population

in the region qualified for food stamps (eligibility is 185% of poverty rate) compared to a statewide 26.9% eligibility rate. Overnight shelters in the region housed 1,695 people on the evening of the State of Oregon One Night Count. In the 2004-05 school years, 50% of students in Lincoln County qualified for free/reduced fee lunches compared with 43% in Linn, 37% in Lane, and 24% in Benton Counties.

Labor Force

The 2000 U.S. Census divides the labor force into six basic occupational categories (see table below). Our four counties vary significantly amongst themselves and in comparison to the state.

Occupation in 2000 - U.S. Census

	Oregon	Benton	Lane	Lincoln	Linn
Total Employed	1,627,769	38,356	155,460	19,263	46,140
Management/Prof.	33.1%	46.9%	31.9%	27.3%	25.1%
Service	15.3%	14.8%	15.7%	21.9%	15.9%
Sales/Office	26.1%	20.7%	26.3%	27.5%	23.7%
Resource Industries	1.7%	1.7%	1.3%	2.9%	2.3%
Construction/Maint.	9.1%	6.3%	9.3%	10.4%	11.0%
Production/Transp.	14.7%	9.7%	15.5%	9.9%	21.9%

Lane County closely reiterates the state percentages. Benton County exhibits the effects of its two primary employers (Oregon State University and Hewlett Packard), with a 50% higher number employed in management and professional activities. Lincoln County has a significantly higher percentage employed in service positions, reflective of its visitor-based economy. Linn County exceeds the state percentage for those working in production and transportation by 50%.

Educational Attainment

Educational measurements indicate very different populations in each of the counties of the region. K-12 test scores, high school dropout rates, and educational attainment data show Benton County and Lane County exceeding state education norms, while Lincoln County and Linn County typically lag far behind Benton and below state levels.

Testing measures typically show educational performance has improved in the K-12 schools of the region over the past five years. With a few exceptions, average countywide test scores typically exceed statewide averages.

High school dropout rates for the population over age 25 in the region have improved over time. Dropout rates in Benton (2.8%) and Lane (3.8%) Counties are significantly better than statewide averages (4.9%). However, the dropout rates in Lincoln (6.0%) and

Linn (6.1%) Counties significantly exceed the statewide dropout rate.

The over age 25 populations of Benton and Lane Counties both exceed state norms for attainment of high school diplomas and Bachelor degrees (see Table). Populations in Lincoln and Linn Counties both exceed state percentages for those whose highest level of education was high school or some college (including associates degrees), but who have not achieved a Bachelor Degree. In Linn County, 18.1% of the population over age 25 did not hold a high school or equivalent diploma, compared with only 6.9% of Benton County, 12.5% of Lane County, and 15.1% of Lincoln County.

Educational Attainment – 2000 Census

Age 25+ Completing	Oregon	Benton	Lane	Lincoln	Linn
- High School or Higher	85.1%	93.1%	87.5%	84.9%	81.9%
- Bachelor Degree or Higher	25.1%	47.4%	25.5%	20.8%	13.4%