

# **Coburg Urbanization Study**

Prepared for

City of Coburg

by

**ECONorthwest**

99 W. Tenth, Suite 400  
Eugene, OR 97401  
(541) 687-0051

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Table 2-4 shows that buildable non-residential land in Coburg, including underdeveloped sites and expansion areas for existing firms, have a capacity to accommodate another 1,920 employees. The level of employment growth in Table 2-4 is within the range of growth forecast by the City's employment growth alternatives for the 2000–2025 period, which is 1,440 to 2,026 (see Figure 2-1). The estimates in Table 2-4 suggest that the level of employment growth in the City's alternatives is still reasonable given current land supply conditions in Coburg.

## EVALUATION OF FORECASTS

Population and employment forecasts for small areas or for long periods of time are subject to a high degree of uncertainty. Long-term forecasts for small areas compound this uncertainty. Several factors contribute to the uncertainty of long-term and small-area forecasts:

- Population and employment forecasts for most communities are simple projections of past growth rates into the future. Such a forecast implicitly assumes that the underlying factors driving growth will remain relatively constant. The longer the forecast period, however, the greater the chances that some underlying factors will change in ways that could affect growth. Examples of underlying conditions that could affect population growth in Coburg include public policy, economic conditions, birth and death rates, transportation costs, and consumer preferences for housing.
- Even if planners had a sophisticated model that explicitly included all of the important underlying factors together (which they do not), they would still face the problem of having to forecast the future of these factors. In the final analysis, all forecasting requires making *assumptions* about the future.
- Comparisons of past population and employment projections to subsequent population counts have revealed that even much more sophisticated methods than the ones used in Coburg "are often inaccurate even for relatively large populations and for short periods of time."<sup>7</sup> The smaller the area and the longer the period of time covered, the worse the results for any statistical method.
- Small areas start from a small base. Single unforeseen events in a small community, such as development of a new subdivision, can cause population to significantly diverge from forecast levels. A new subdivision of 100 homes inside the Portland Urban Growth Boundary has a relatively small effect on total population. That same subdivision in Coburg would increase the community's housing stock and population by more than 25%.

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<sup>7</sup>Murdock, Steve H., *et. al.* 1991. "Evaluating Small-Area Population Projections." *Journal of the American Planning Association*, Vol. 57, No. 4, page 432.

- Especially for small cities in areas that can have high growth potential (e.g., because they are near to concentrations of demand in neighboring metropolitan areas, or because they have high amenity value for recreation or retirement), there is ample evidence of very high growth rates in short-term; there are also cases (fewer) of high growth rates sustained over 10 to 30 years.

In this context, there is a wide range of possible population and employment growth levels in Coburg that could be justified by reasonable assumptions about future conditions. Several factors related to Coburg's situation could have a substantial effect on forecast or actual population and employment growth:

- Coburg's proximity to the Eugene-Springfield metropolitan area could generate higher levels of population growth. Table 2-2 shows that Eugene-Springfield is expected to grow by 25,527 between 2005 and 2015 while Coburg is expected to grow by 919 in the same period. If just 1% of growth in Eugene-Springfield went to Coburg instead, growth in Coburg would increase by 255 or 28%. Such a shift in population growth could be driven by economic factors such as housing prices or consumer preferences, or by public policies that encourage growth in Coburg.
- In a similar fashion, attracting a small percentage of employment growth from Eugene-Springfield could significantly increase the level of employment in Coburg.
- Public policies in Coburg to encourage or discourage growth, or that affect the price of land, could result in more or less population growth. All of the City's population growth scenarios assume that sewer capacity will expand to accommodate growth. The City's preferred population forecast includes the assumption that the City will adopt policies to target housing for seniors, workers, and young families, generating population growth in addition to the Base Case forecast. In the future, however, Coburg officials may adopt policies that could result in more or less population growth than forecasted.

Overall, Coburg's preferred population forecast is based on sound methods and reasonable assumptions. Given Coburg's proximity to Eugene-Springfield, substantially higher levels of population growth could be justified with different, but still reasonable, assumptions. And this proximity suggests that lower levels of population growth than forecast are unlikely. ECO uses this population forecast (Alternative A), without modification, as the basis for the housing needs analysis in Chapter 4.

The employment forecast for Coburg is subject to a higher level of variability than the population forecast because employment is more closely tied with changing short-run economic conditions. In addition, the employment forecast is based on an estimate of land supply and assumptions about the number of employees per acre for various land use types. Actual

employment densities, however, will be determined by the types of firms that locate in Coburg. The level of redevelopment in Coburg will vary depending on economic conditions. Differences in the density of employment and amount of redevelopment in Coburg will cause actual employment growth to diverge from the forecast.

The employment growth alternatives developed by Coburg assume that buildable non-residential land in Coburg will be fully developed by 2025. Given the relatively small amount of non-residential land in Coburg and Coburg's proximity to the growing Eugene-Springfield metropolitan area, this assumption appears reasonable. This issue will be addressed further in Chapter 5.

The analysis in this report will present information that will have implications for expected population and employment growth in Coburg. Estimates of the amount of buildable lands in Coburg presented in Chapter 3 could affect the land base used to estimate the capacity for population and employment growth. Estimates of housing need in Chapter 4 could affect the assumptions of housing density used to forecast population capacity in Coburg. Economic opportunities and constraints for development in Coburg presented in Chapter 5 could have implications for potential employment growth. The implications of information presented in Chapters 3, 4, and 5 will be summarized in population and employment forecasts presented in Chapter 6, which will be used to estimate the amount of land needed in Coburg to accommodate expected population and employment growth.

Finally, public policy has a critical role in determining the level of population and employment growth in a community. Local population and employment growth can be influenced by local policies, especially those regarding land use, public facility provision and pricing (taxes and fees), and economic development (incentives). It is contrary to economic theory and common sense to assume, as state policy on population forecasts is often interpreted, that every jurisdiction has a singular growth path that can be specified independent of the policies it might adopt to curb, accommodate, or stimulate growth. The population and employment forecasts used to estimate land needs in Coburg will need to be explicit about the assumptions regarding public policy (i.e., land use, public facility provision and pricing, and economic development) as it pertains to growth in the community.

Moreover, many adjacent lands outside the existing Coburg UGB have Class 1-4 soils and are considered high value farmlands. Based on the *Coburg Crossroads Vision*, it is not the community's desire to grow more than it has determined (the preferred alternative growth forecasts relate directly to wastewater capacity). Little growth can be realized until the wastewater facility is constructed. Finally, Coburg recognizes the importance of the agricultural economy and desires to sustain the agricultural industry by not expanding the UGB any more than is required.

ECO uses this population forecast (Alternative A), without modification, as the basis for the housing needs analysis in Chapter 4. A revised

employment forecast based on input from the Coburg Core Team and Stakeholder Group is presented in Chapter 5 and used as the basis for estimating land needed to accommodate employment.