



JOHNSON REID
LAND USE ECONOMICS

MEMORANDUM

DATE: April 15, 2013

To: Nate Brown
Community Development Director
CITY OF KEIZER

FROM: JOHNSON REID, LLC

SUBJECT: Goal 9 and Goal 10 Analyses Reports

GOAL 9 ECONOMIC OPPORTUNITIES ANALYSIS
GOAL 10: HOUSING AND RESIDENTIAL LANDS NEEDS

INTRODUCTION

This memo is meant to introduce and summarize the major findings of three work products. These products have been completed over the Fall of 2012 and the first half of 2013 with contributions from City Staff, Technical Advisory Committee, State of Oregon Staff, stakeholders, and a consultant team. Final input and approval will come from the Planning Commission and City Council. The three work products are:

- **Goal 9 Economic Opportunities Analysis**
- **Goal 10: Housing and Residential Lands Needs**
- **Appendix A: Buildable Lands Inventory**

Consistent with the City of Keizer's periodic review requirements, the City has retained JOHNSON REID and ANGELO PLANNING GROUP to conduct analyses of the Goal 9 (Economic Development) and Goal 10 (Housing) elements of the City's Comprehensive Plan. This analysis generates projections of employment growth and household growth, respectively, and compares this projected growth to the amount of properly zoned land remaining in the city to accommodate those uses.

This process may find a surplus or need for different kinds of land depending on the amount of buildable land remaining and the expected growth rates. *In the case of Keizer, there will be a projected deficit over the next 20 years of both employment and residential land.* This finding leads to subsequent work to address this deficit through measures ranging from encouraging more development within the existing city to expanding the Urban Growth Boundary.



EXECUTIVE SUMMARY

This section summarizes the major findings of the Goal 9 and Goal 10 reports. Much greater detail and discussion can be found in the report documents themselves.

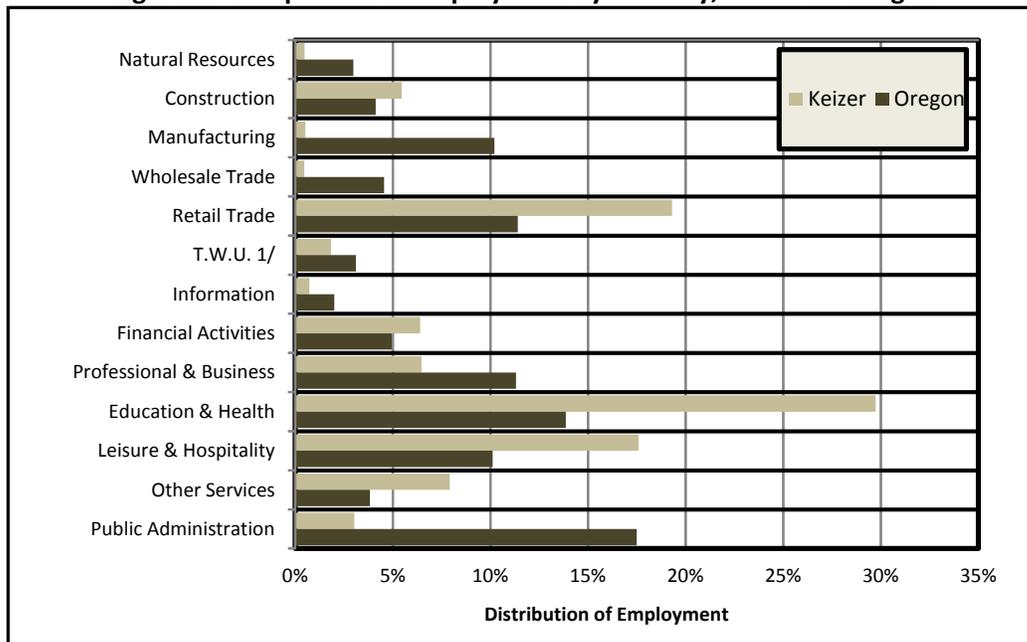
GOAL 9: ECONOMIC OPPORTUNITIES ANALYSIS (EOA)

The EOA synthesizes data on local and national economic trends, employment trends and forecasts, existing industries, economic development goals and community vision to generate employment growth projections over the next 20 years. The projections are broken down by industry category, which in turn informs what type of built space and available land will be needed to accommodate that growth.

Keizer's Economic Development Vision

Keizer aspires to provide more opportunities for a range of good paying jobs for people living in Keizer, which would result in faster growth in employment than in population growth. Keizer's vision for providing new employment opportunities is to capture professional services and associated uses in a "campus" setting, primarily but not exclusively related to medical office and research and education. These services may include a hospital and/or educational facilities, which are expected to provide Keizer with growth opportunities that fit the City's locational advantages. The city's economic vision is an economic strategy that will not directly compete with Salem but capitalizes on Keizer's own attributes and aspirations.

Figure 1: Comparison of Employment by Industry, Keizer vs. Oregon



1/ Transportation, Warehousing, & Utilities

SOURCE: Oregon Employment Department



- The composition of employment by industry in Keizer exhibits several large deviations from the statewide composition (Figure 1). These deviations represent Keizer's competitive advantages in the economy, which fall largely in population-driven services. Industry classifications such as Retail Trade, Education & Health, and Food Service & Drinking Places have a high representation locally.
- These well-represented industries, in combination with economic development goals and input from the stakeholders, were used to devise potential future target industries. After discussing and ranking industries based on local aspirations and current representation of that industry in Keizer, the Technical Advisory Committee arrived at the following list of target industries:
 - Medical facilities, including research, development and support
 - Information technology/back office
 - Educational services, including educational research and job training
 - Professional services, including corporate headquarters
 - Sporting events
- Current employment levels by industry were projected forward based on regional job growth estimates and the above target industry goals (Figure 2). The growth forecast calls for a total of 3,774 new jobs over the next 20 years, representing growth of 55% over current levels.

Figure 2: Forecasted Employment Growth, 2013 – 2033, Keizer

HIGH FORECAST SCENARIO NAICS	2013	Forecast Estimates				'13-'33 Growth	
	Base Year	2018	2023	2028	2033	Jobs	AAGR
Natural Resources	35	37	39	41	43	9	1.14%
Construction	368	409	456	507	564	196	2.16%
Manufacturing	26	39	60	92	139	113	8.78%
Wholesale Trade	31	34	38	42	47	17	2.17%
Retail Trade	1,231	1,331	1,439	1,555	1,681	450	1.57%
T.W.U.	7	9	11	14	17	11	4.73%
Information	39	41	42	43	45	6	0.67%
Financial Activities	889	953	1,021	1,094	1,173	284	1.40%
Professional & Business	462	546	646	764	904	442	3.41%
Private Education	37	41	44	48	53	15	1.71%
Health Care & Social Assistance	1,208	1,445	1,728	2,067	2,473	1,265	3.65%
Leisure & Hospitality	1,100	1,221	1,355	1,503	1,668	568	2.10%
Other Services	618	671	728	791	858	240	1.66%
Government	769	806	845	886	929	160	0.95%
Total	6,820	7,583	8,452	9,448	10,595	3,774	2.23%

Source: Oregon Employment Department and Johnson Reid

- The projected employment growth is used to estimate what types of employment land (i.e. commercial retail, office, or industrial) will be needed in the future by applying data on what types of real estate is used in each of these industry categories.



Figure 3: Forecasted Employment Land Need, 2013 – 2033, Keizer

BASELINE LAND NEED		WITH INFRASTRUCTURE 3/	
Land Type	Forecast	Land Type	Forecast
	High		High
Office Lands	34.5	Office Lands	41.4
Industrial Lands	0.6	Industrial Lands	0.7
Commercial Lands 1/	57.9	Commercial Lands	69.5
<i>Resident Driven</i>	50.3	<i>Resident Driven</i>	60.4
<i>Visitor Driven</i>	7.6	<i>Visitor Driven</i>	9.1
Overnight Lodging	5.2	Overnight Lodging	6.2
Specialized Uses 2/	34.8	Specialized Uses	41.8
TOTAL EMPLOYMENT LAND NEED	133.0	TOTAL EMPLOYMENT LAND NEED	159.6

1/ Only two scenarios were forecasted. Medium and High reflect retail need allowing for small growth in real incomes

2/ Hospitals, Clinics, Assisted Living, etc. for employment not otherwise categorized.

3/ Assumes a 20% gross up of land need for infrastructure

- As Figure 3 shows, there is an estimated need for 160 gross acres of land to accommodate the projected employment growth. An inventory of remaining buildable lands finds 123 acres of buildable land remaining within the city boundary, in the commercial and industrial categories. However, there is no land available that is well-suited for the institutional category, which includes hospitals, higher education facilities, and other uses that figure heavily into the City’s economic development strategy.

Figure 4: Forecasted Employment Land Need, 2013 – 2033, Keizer

Scenario	Demand	Supply	Surplus/ Shortage
<i>High Growth Scenario</i>			
Commercial	86.0	64.5	(21.6)
Industrial	31.8	59.6	27.8
Institutional	41.8	-	(41.8)

1/ Assumes a demand distribution of Office support 25% to commercial and 75% to Industrial

- As Figure 4 shows there is a net need for commercial and institutional lands amounting to 63.3 gross acres above and beyond what the City’s remaining buildable employment lands can accommodate.



GOAL 10: HOUSING AND RESIDENTIAL LAND NEEDS ANALYSIS

Unlike the Goal 9 analysis which reflects the community’s vision and economic development aspirations, the methodology of a Goal 10 housing analysis is much more formulaic. The Goal 10 analysis is based on the City’s adopted population forecast, and trends in household size, demographics and housing development. These are used to generate projections of population growth, number of households, and the number and types of housing units they will need over the 20-year period. The 20-year need is then compared with remaining buildable residential land to assess what additional land may be needed to accommodate that growth.

- Keizer is a City of nearly 37,000 people, making it the 14th largest city in Oregon. Keizer has grown by an estimated 4,661 people between 2000 and 2013, or 14%. This growth was roughly equal to that experienced by Marion County (13%) and the state (14%) over that period.

Figure 5: Demographic Growth and Current Profile 2000 – 2013, Keizer

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth Rate	2013	Growth Rate
	(Census)	(Census)	00-10	(Proj.)	10-13
Population ¹	32,203	36,478	1.3%	36,864	0.4%
Households ²	12,110	13,703	1.2%	13,824	0.3%
Families ³	8,642	9,498	0.9%	9,582	0.3%
Housing Units ⁴	12,774	14,445	1.2%	14,531	0.2%
Group Quarters Population ⁵	280	364	2.7%	368	0.4%
<i>Household Size</i>	2.64	2.64	0.0%	2.64	0.0%
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000	2010	Growth Rate	2013	Growth Rate
	(Census)	(Est.)	00-10	(Proj.)	10-13
Per Capita (\$)	\$20,119	\$24,645	2.0%	\$26,192	2.0%
Average HH (\$)	\$53,425	\$64,272	1.9%	\$67,937	1.9%
Median HH (\$)	\$45,052	\$53,042	1.6%	\$55,705	1.6%

SOURCE: Claritas, Census, and Johnson Reid

¹ Population is based on the certified 2012 estimate from PSU Population Research Center, projected forward one year using the 2010 - 2012 growth rate (0.4%)

² 2013 Households = 2013 population/2013 HH Size

³ Ratio of 2013 Families to total HH is kept constant from 2010.

⁴ 2013 housing units are the 2010 Census total plus new units permitted from '10 through '12 (source: HUD State of the Cities Data System)

⁵ Ratio of 2012 Group Quarters Population to Total Population is kept constant from 2010.



- Keizer’s median household income was over \$53,000 in 2010. This is 22% higher than the median income found in the City of Salem (\$43,500) and is similarly higher than the Marion County median (\$45,594). Median income grew 18% between 2000 and 2010, while growing 13% in Marion County.
- Over the 20-year period, the model projects growth in the number of non-group households over 20 years of 4,366 households, with accompanying population growth of 11,833 new residents. This is in keeping with Keizer’s adopted 2032 forecast (Figure 6).

Figure 6: Future Housing Profile 2033, Keizer

PROJECTED FUTURE HOUSING CONDITIONS (2013 - 2033)		SOURCE
2013 Population (Minus Group Pop.)	36,496	2010 Census, PSU
Projected Annual Growth Rate	1.41% <small>Based on Keizer adopted 2032 forecast</small>	City of Keizer
2033 Population (Minus Group Pop.)	48,260	
Estimated group housing population:	437 <small>From Marion County 2030 adopted forecast</small>	Marion Co.
Total Estimated 2033 Population:	48,697 <small>Based on adopted 2032 population forecast (48,089 pop.)</small>	City of Keizer
Estimated Non-Group 2033 Households:	18,191 <small>Based on Pop/HH ratio from County 2030 forecast</small>	Marion Co.
New Households 2013 to 2033	4,366	
Avg. Household Size:	2.65 <small>2032 Non-Group Pop/ Non-Group Households</small>	
Total Housing Units:	19,044 <small>Based on Units/HH ratio from County 2030 forecast</small>	Marion Co.
Occupied Housing Units:	18,191 <small>(= Number of Non-Group Households)</small>	
Vacant Housing Units:	854 <small>(Total Units - Occupied Units)</small>	
Projected Vacancy Rate:	4.5% <small>(Vacant Units/ Total Units)</small>	

Sources: Keizer adopted 2032 Population Forecast, Marion County Adopted Population Forecast (2008), PSU Population Research Center, Census, JOHNSON REID LLC

- When the needs of the projected 2033 population is compared to the current housing supply, the analysis projects the need for 4,513 new units to house the future population. This includes ownership and rental units, with additional allowance for 4.5% vacancy (Figure 7).
- The largest share (40%) of one housing type is projected to be single family detached homes, due again to the stronger need for new ownership housing. The remainder of units (57%) is projected to be some form of attached housing, and 4% are projected to be mobile homes.
- 54% are projected to be ownership units, while 46% are projected to be rental units.



Figure 7: Projected New Units Need by 2033, Keizer

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
Totals:	1,658	538	24	35	73	117	0	2,445	% All Units:	54.2%
Percentage:	67.8%	22.0%	1.0%	1.4%	3.0%	4.8%	0.0%	100.0%		

RENTAL HOUSING										
								Total Units	% of Units	
Totals:	124	227	117	368	1,186	45	0	2,068	% All Units:	45.8%
Percentage:	6.0%	11.0%	5.7%	17.8%	57.4%	2.2%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units
Totals:	1,782	765	141	402	1,260	162	0	4,513	100%
Percentage:	39.5%	17.0%	3.1%	8.9%	27.9%	3.6%	0.0%	100.0%	

Sources: PSU Population Research Center, Claritas Inc., Census, Johnson Reid

- The inventory of buildable residential lands finds a current supply of 327.7 acres which are vacant, partially vacant or re-developable. These acres can hold an estimated 2,590 units. The total 20-year unit need (4,513 units) minus this remaining buildable capacity (2,838 units), leaves a remainder of 1,674 units which must be accommodated beyond the City's remaining capacity within its current boundary. (Figure 8)

Figure 8: Projected New Units Need by 2033, Keizer

Zoning Designation	Capacity of Vacant Lands (In Units) ¹	NEW UNITS NEEDED (2033) vs. CAPACITY							Total Units	
		S.F. Detached	S.F. Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home			
		1,782	765	141	402	1,260	162	4,513	← New Units Needed (2032)	
RS Single Family Residential	1,527	977	550	-	-	-	-	1,527		
RL Limited Density Residential	-	-	-	-	-	-	-	0		
RL-LU Limited D.R. - Limited Use	-	-	-	-	-	-	-	0		
RM (Medium) Medium Density Residential	-	-	-	-	-	-	-	0		
RM (Medium High) Medium Density Residential	362	-	-	-	-	362	-	362	← Distribution of Remaining BLI Capacity	
RM-LU MDR - Limited Use	-	-	-	-	-	-	-	0		
RH High Density Residential	-	-	-	-	-	-	-	0		
UT Urban Transition	383	245	138	-	-	-	-	383		
MU Mixed Use (Keizer Station)	153	-	-	-	-	153	-	153		
MU Mixed Use (Other)	314	-	-	-	-	314	-	314		
Totals/Averages:	2,738	1,222	687	0	0	829	0	2,738	← Total Capacity of Buildable Lands	
Accessory Dwelling Unit Assumption:				100				100		
		560	77	41	402	431	162	1,674	← Remaining Unit Need	

Sources: City of KEIZER, MWVCOG, Johnson Reid LLC



- When this remaining land need is apportioned to Keizer’s residential zones, we estimate a 20-year need for 197 gross acres of residential land, to be accompanied by 43.5 acres of new land for parks to serve this new population, and 10 acres of land for new school facilities. This is a total of 250.4 gross acres (Figure 9)

Figure 9: Projected Residential and Support Land Need by 2033, Keizer

Category of Land	Gross Acreage
	Remaining Need
Residential:	196.9
Parks and Recreation:	43.5
Schools:	10
Total New 20-Year Land Need:	250.4

Source: Johnson Reid LLC

SUMMARY OF TOTAL PROJECTED LAND NEED (GOAL 9 AND 10)

The analysis summarized here and detailed in the attached reports results in a projected need for 314 gross acres of land beyond the current capacity of the City’s current boundary.

**Figure 10: Projected Total New Land Need
City of Keizer, 2033**

Category of Land	Gross Acreage
	Remaining Need
Commercial:	21.6
Industrial:	0
Institutional:	41.8
Residential:	196.9
Parks and Recreation:	43.5
Schools:	10
Total New 20-Year Land Need:	313.8

Source: Johnson Reid LLC



JOHNSON REID
LAND USE ECONOMICS

**CITY OF KEIZER, OR
ECONOMIC OPPORTUNITIES ANALYSIS
(OREGON STATEWIDE PLANNING GOAL 9)**

Prepared For:
CITY OF KEIZER, OREGON

March, 2013

DRAFT: 4/24/13 Planning Commission Meeting

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This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

I. INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for the City of Keizer's portion of the broader Salem-Keizer Urban Growth Boundary (Referred to hereafter as the Keizer UGB)). The report fills the requirements of statewide Planning Goal 9, specifically OAR 660-009, which describes the EOA as:

"The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends."

Cities are required to reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within the UGB. The principal purpose of the analysis is to provide an adequate land supply for economic development and employment growth. This is intended to be conducted through an linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into five sections:

- **Vision and Goals:** Provides an economic vision for the City of Keizer and a series of goals to achieve that vision.
- **Economic Trends:** Provides an overview of national, state and local economic trends affecting Keizer, including population projections, employment growth, retail trends and a demographic profile.
- **Economic Development Potential:** Estimates future employment growth in Keizer's portion of the UGB. Examines Keizer's economic assets and opportunities, and relates them to target industrial sectors for economic development.
- **Employment Land Supply:** Provides an inventory of suitable existing industrial and commercial land (employment land) within the City of Keizer's share of the UGB.
- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector. Compares short- and long-term demand for employment land to the existing land inventory to determine a 20-year surplus or deficit of suitable land.

II. VISION AND GOALS

VISION

Keizer aspires to provide more opportunities for a range of good paying jobs for people living in Keizer, which would result in faster growth in employment than in population growth. Keizer's vision for providing new employment opportunities is to capture professional services and associated uses in a "campus" setting, primarily but not exclusively related to medical office and research and education. These services may include a hospital and/or educational facilities, which are expected to provide Keizer with growth opportunities that fit the City's locational advantages. The city's economic vision is an economic strategy that will not directly compete with Salem but capitalizes on Keizer's own attributes and aspirations.

COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

Keizer's objectives for the future will be to live with a thriving local economy with strong businesses, diverse industries and good jobs and enjoy.....

- A variety of jobs across the economic spectrum
- A diversified economic base that attracts and retains a variety of industries
- An availability of clean, green jobs
- Industries that are invested in the community and enhance our connections to the regional and global economy through strategic collaboration
- A range of goods and services for all
- Being a centrally-located event destination
- A high-quality, well-qualified work force

In an effort to achieve this, the following goals have been developed:

- Increase employment opportunities in Keizer
- Provide an adequate supply of sites to accommodate target business, and other employment over the planning period
- Provide high-value sites for specific uses and purposes
- Plan for infrastructure to support business development
- Encourage the continued development of the Keizer Station area
- Support existing businesses and business centers in Keizer
- Increase the potential for conference and tourist related economic activities including developing a range of competitive sporting venues
- Encourage continued redevelopment of existing commercial corridors
- Monitor and periodically adjust goals and objectives
- Encourage high quality educational and training opportunities

III. ECONOMIC TRENDS

The analysis in this chapter will present a summary of recent and anticipated factors affecting the future economic growth of the Keizer area. The section begins with the systematic trends and economic outlook at the national and state level before a more concentrated analysis of the competitive economic advantages of the State of Oregon and the Keizer economies. This section makes particular use of primary research and analysis produced by third party resources, specifically the Congressional Budget Office (CBO), the Bureau of Economic Analysis (BEA), and the Oregon Office of Economic Analysis (OEA).

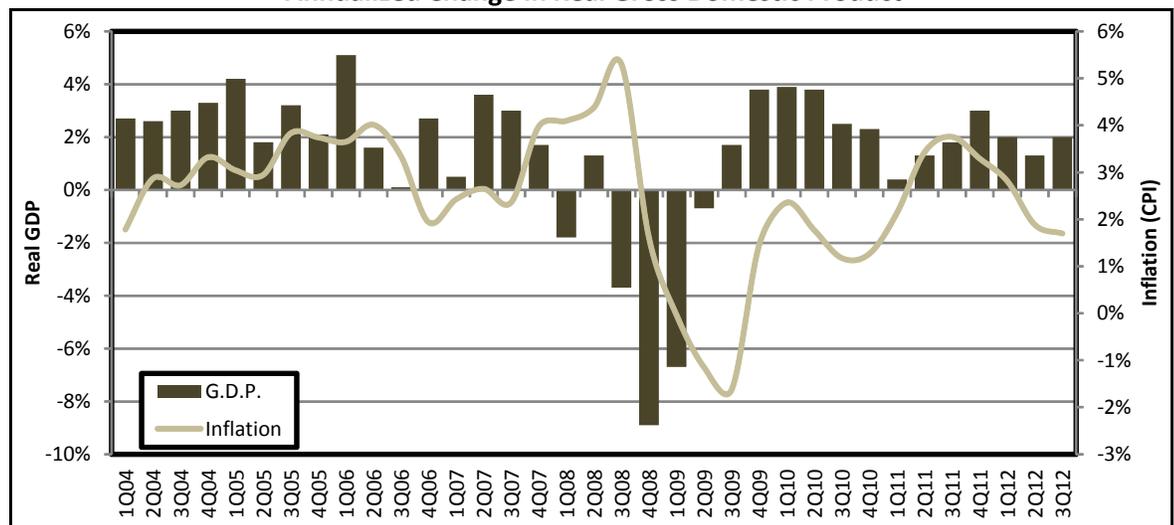
NATIONAL TRENDS

The economic outlook for Marion County and the City of Keizer will continue to be influenced by broader economic conditions in the United States and in the global marketplace. Specific trends likely to be most influential include:

Effects of the National Recovery--Gross Domestic Product

Economic activity in the United States has continued to expand a modest pace throughout 2012. Initial "advanced" estimates of GDP came in at a 2.0% annualized for the third quarter, while second quarter estimates were revised downward to only 1.3%. According to the Bureau of Economic Analysis, "The increase in real GDP in the third quarter primarily reflected positive contributions from personal consumption expenditures (PCE), federal government spending, and residential fixed investment that were partly offset by negative contributions from exports, nonresidential fixed investment, and private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased."¹

Figure 1
Annualized Change in Real Gross Domestic Product



SOURCE: Bureau of Economic Analysis

While growth has remained positive, and threat of a recessionary turn remains subdued, the national economy continues to suffer from tepid hiring and exceedingly lackluster capital investment. On-going

¹ Bureau of Economic Analysis. National Income and Product Accounts, 3Q12 Advanced Estimate, Released October 26, 2012

uncertainty about the future continues to drive the status quo; specifically the protracted European Debt Crisis, economic deceleration in Asia, and most importantly the lack of clarity of long-term domestic fiscal policy.

In light of exhibited growth and long-term inflation estimates stuck below the Fed's dual mandate targets, the Federal Open Market Committee (FOMC) moved in the third quarter to provide additional accommodative stimulus through balance sheet expansion (QE3). In doing so, the Fed committed to open ended purchases of mortgage-backed securities at a rate of \$40 billion per month. The FOMC further expanded asset purchases by an additional \$40 billion per month with the expiration of its maturity extension program (Operation Twist). The effect of QE3 will keep the Federal Funds Rate near zero for the foreseeable future, and by extension maintain historically low borrowing costs.

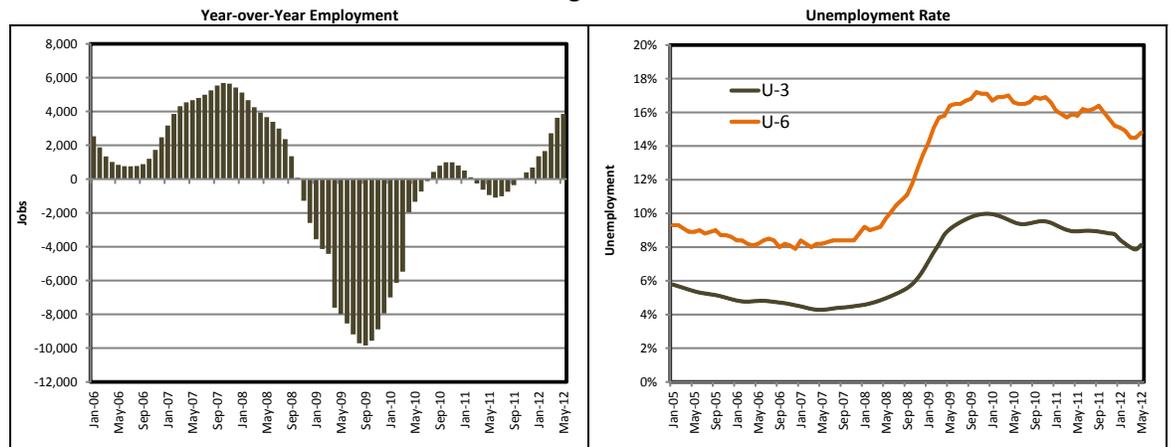
While the extent this monetary accommodation translates into economic expansion is a debated issue among academics, it is intended to provide strength to a sluggish recovery. And that is the outcome expected by both the Federal Reserve and the Blue Chip² consensus survey, which forecasts Real GDP growth in the vicinity 2.2% to 2.8% in 2013 and 2014.

Effects of the National Recovery--Employment and Labor Force

From peak to trough, nonfarm payroll employment in the United States fell by over 7.7 million jobs during the "Great Recession". This recession has been notably characterized for its depth and duration, a characteristic which international examples show are a common result of financial crises. During this period the unemployment rate rose to over 10% with the more broadly defined U-6 metric exceeding 17%³. The unemployment rate would likely have been significantly higher had there not been an unusually large decline in labor force participation.

However, the nation's employment situation has begun to slowly improve. In the first half of 2012, non-farm payrolls rose by an average of roughly 200,000 per month in the first quarter and 70,000 per month in the second quarter. The economy has regained nearly 2.8 million jobs and the unemployment rate has fallen back to 7.8%.

Figure 2



SOURCE: U.S. Bureau of Labor Statistics

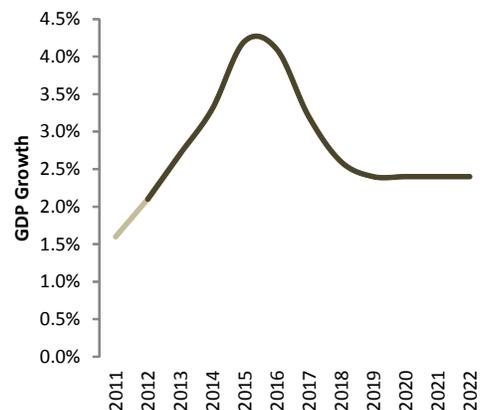
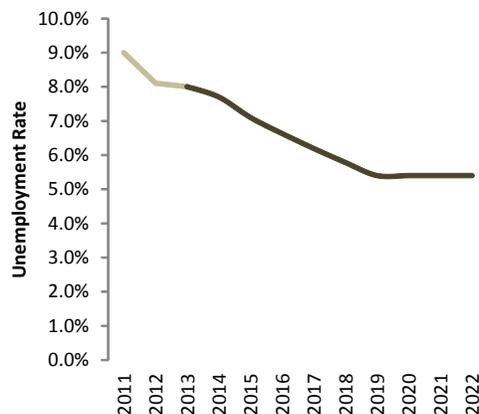
2 Monthly survey of over 50 leading business economists from banking, insurance, manufacturing, and brokerage industries.
 3 U-3 = The total unemployed as a percentage of the labor force. It is the official unemployment rate.
 U-6 = Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

Other Factors Affecting Short-Term Economic Conditions

- **Housing:** Housing has emerged as a surprising strong point in the national economy after several years in the doldrums. The majority of data indicates that the housing market has turned the corner, with a slow drawing down of excess inventory. Fixed residential investment is expected to provide some much needed support to the economy in coming years.
- **Business Investment:** Real business investment grew strongly in the first half of 2012, reaching an annualized rate of 6.4% through the first two quarters. This input is expected to maintain above average growth through the year. However, businesses are facing competing dynamics, with favorably borrowing conditions offset by the uncertainty of future fiscal conditions (see "Policy" below).
- **Government Spending:** Reductions in government spending continue to be a drag on the economy, and will likely continue to do so in the near future with on-going political pressure toward fiscal austerity.
- **Policy:** The direction of future fiscal policy with perhaps have the greatest impact on economic conditions seen in some time. The scheduled expiration of current tax cuts in addition to spending provisions in the 2011 Budget Control Act (broadly referred to as the "fiscal cliff") would severely impact near-term growth. Just the threat of such dramatic policy action is already weighing on business investment.
- **Consumer Spending:** Consumer spending has remained weak reflecting high unemployment and stagnate disposable income growth. Consumer will certainly be impacted by whether or not the Bush Tax Cuts are allowed to expire in 2014.
- **External Shock:** The extent to which the European Recession and financial crisis and slower economic growth in Asia impact U.S. growth.

National Economic Outlook

Over the longer term, the pace of economic growth is expected to accelerate moderately following 2013. Gradually, idle resource in the economy will begin to be productive, drawing growth higher to 4.3% between 2014 and 2017, and narrowing the production gap by 2018 and growing at the rate of potential (around 2.4%) thereafter.



Because of the large amount of unused resources currently in the economy, inflation is expected to remain subdued in the foreseeable future, despite additional monetary easing. Further, the Federal Reserve has

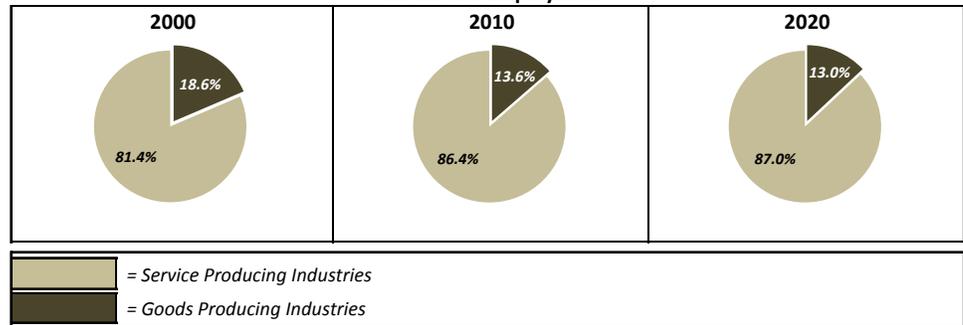
openly committed to keeping the Federal Funds Rate low through 2015. Inflation rates should stay below 2% through 2022 on average.

Payrolls should continue to increase at a moderate pace in the near-term, accelerating consistent with GDP growth. However, because unemployment had been driven down by lower labor force participation, the unemployment rate will recover at a slower pace. Unemployment is expected to average near 7% through 2015 and fall to 5.4% subsequently.

Factors Affecting Long-Term Economic Conditions

- **National Employment Shift:** The share of employment in goods producing industries has declined markedly in recent cycles on increasing worker productivity and international outsourcing. With lower cost labor still widely available in foreign markets, this is a conditions which is expected to continue in the coming decade, albeit at a far more measured pace. U.S. employment growth is expected to be strongest in Health Care, Professional & Business, and Other Services.

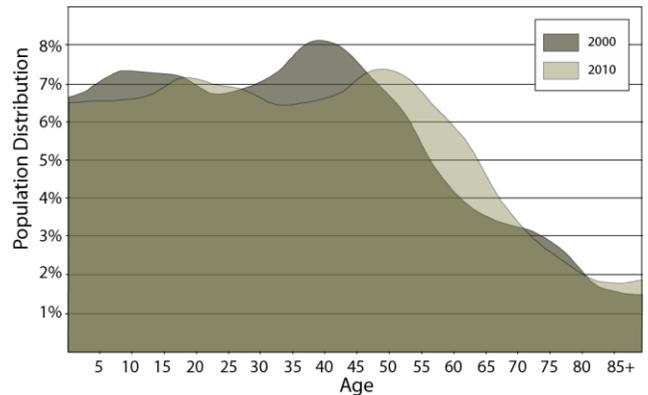
Figure 3
Shift in U.S. Employment



SOURCE: Bureau of Labor Statistics, Forecast of Industry Employment, CES Data

- **Business Cycles:** This evaluation is not attempting to predict future fluctuations in the business cycle. However, we are already several years into the current cycle, with cycles typically lasting 8 years on average. This would indicate a reasonable degree of likelihood of future economic contraction this decade.
- **Monetary Policy:** Monetary Policy is expected to remain accommodative into the foreseeable future. When the threat of accelerated inflation begins to solidify, Monetary Policy will subsequently tighten. However, as mentioned above, by the end of 2015 we will be approaching a typical cyclical length. With policy expected to remain tight through this period, there is some risk that monetary policy will not get off the zero bound in this timeframe, seriously constricting the monetary "toolbox" to provide future accommodation.
- **Fiscal Policy:** If current law holds, historic fiscal contraction will likely constrain growth considerably in the near-term, with higher growth further out resulting from a reduction in federal debt. However, if a compromise is made and the "fiscal cliff" is avoided, growth will accelerate in the near-term with slower growth farther out as federal debt crowds out private investment.

- **Demographic Factors:** The aging of the baby boomer generation is already underway, with the share of the population age 55 and older approaching 25% in 2010, with the number of residents age 65 and older expected to double over the next 40 years. The economic effects of this shift will be widespread. A slowing of labor force growth will coincide with exceedingly high job replacement demand. Further, the increased demand for health care services will place additional pressure of federal balance sheets.



- **Lasting Impacts of Recession:** The severe depth and prolonged duration of the recent recession and subsequent lackluster recovery will have permanent long term impacts on the economy. For example, job shortages have caused lowered labor force participation and in many cases early retirement. When combined with long-term unemployment increasing the risk of skill deterioration, the level of productive capital has certainly created a new reality for potential output. Similar deferrals of capital investment have occurred at sub optimal levels.
- **Other Factors:** A wide range of other factors, certain and otherwise, known and unknown, will continue to shape the future of the economy in the long-term. Potential factors include the direction of energy price, unexpected improvements or deterioration in business and consumer confidence, and the direction of external factors such as the European financial crisis and the economies of Asia and Latin America.

STATE & LOCAL CONDITIONS

Oregon’s GDP growth between 2010 and 2011 was nearly three times that of the U.S. economy, making Oregon the second fastest growing economy over this period. The state’s durable goods manufacturing industry was the second-fastest growing sector in the nation in 2011 at a rate of 3.94%, almost 20% of Oregon’s economic growth. High tech companies such as Intel Corp., which employs about 16,300 in Portland, dominate the durable goods manufacturing industry. This can be attributed to a reverse off shoring trend that is occurring partially as a result of defects, delays, and theft in overseas supply chain locations.

Given its geographic location, Oregon trades largely with countries on the Pacific Rim, most notably Canada and Asian powers. Unfortunately, the later region is among the most economically volatile areas of the world right now, with economic growth falling off considerably. This, in turn, has caused Oregon’s export driven growth to moderate somewhat in light of falling global demand.

Industry Analysis

The figure below outlines a breakdown of Oregon's primary industries, where they appear to be in the cycle, and forecasts of growth over the near-term.

Through the first half of 2012, employment gains were generally positive across most industries, with the exception of Government and Transportation Equipment Manufacturing. Construction grew significantly, driven by a mix of public construction projects and the beginning of a rebound in housing starts. Other export driven commodities remained positive, but growth is down from 2011 highs. Service oriented industries are stabilizing at slow and steady rates commensurate with broader economic expansion.

Figure 4
Industry Performance Analysis

Industry	Growth Signal	Growth Projections			Comments
		2012	2013	2014	
Wood Products	 Strong Growth	1.9%	6.7%	5.8%	Among the strongest forecasted sectors. Driven by exports and housing recovery.
Computer & Electronic Equipment	 Moderating Growth	1.8%	0.2%	1.4%	Recent growth will moderate on falling export growth.
Transportation Equipment	 Early Recovery	-0.9%	0.2%	5.2%	Among the hardest hit recession sectors. Recovery is just beginning.
Metals and Machinery	 Positive Growth	4.8%	2.5%	-0.1%	Strong growth emerging from a hard hit sectors.
Food Processing	 Flat Growth	1.3%	-0.5%	1.1%	Exports moderating. Global demand and price volatility
Construction	 Positive Growth	4.8%	2.5%	3.6%	Looking forward to a rebound in housing starts. Still well below recession levels.

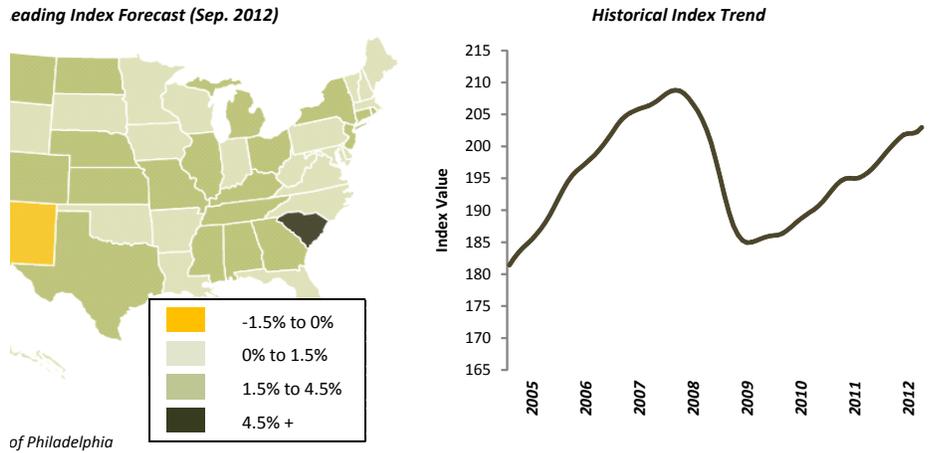
Industry	Growth Signal	Growth Projections			Comments
		2012	2013	2014	
Information	 Stabilizing	0.8%	2.3%	1.9%	Beginning to see job growth. Measured growth estimated on the horizon.
Financial Activities	 Stabilizing	0.0%	3.0%	1.6%	Weakness in real estate limits growth in 2012. Measured recovery thereafter.
Professional & Business	 Positive Growth	3.7%	2.9%	4.2%	Will grow slightly faster than the general economy. A high growth sector
Education & Health	 Positive Growth	1.5%	1.8%	2.3%	Sector remained positive through recession, and growth will remain stable
Leisure & Hospitality	 Positive Growth	1.9%	2.8%	2.0%	Growth curtailed by falling discretionary spending, but remaining surprisingly positive.
Government	 Negative Growth	-1.8%	-0.1%	0.6%	Negative state and local growth partially offset by Federal gains. Future federal growth less likely.

SOURCE: Oregon Office of Economic Analysis and Johnson Reid, LLC

Economic Recovery Prospects

The Federal Reserve Bank of Philadelphia produces monthly indices of economic indicators for every state in the nation. The coincident indices combine four state-level indicators to summarize current economic conditions in a single statistic. The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average). In its September 2012 release, Oregon's 3-month annualized growth reflected Oregon's recent soft patch, coming in at 1.9% compared to 2.5% nationally. However, The Fed's 6-month leading forecast has Oregon in the top 3 among all states, with estimated growth in the index of 4.5% annualized over the next two quarters.

Figure 5
Index of Leading Indicators

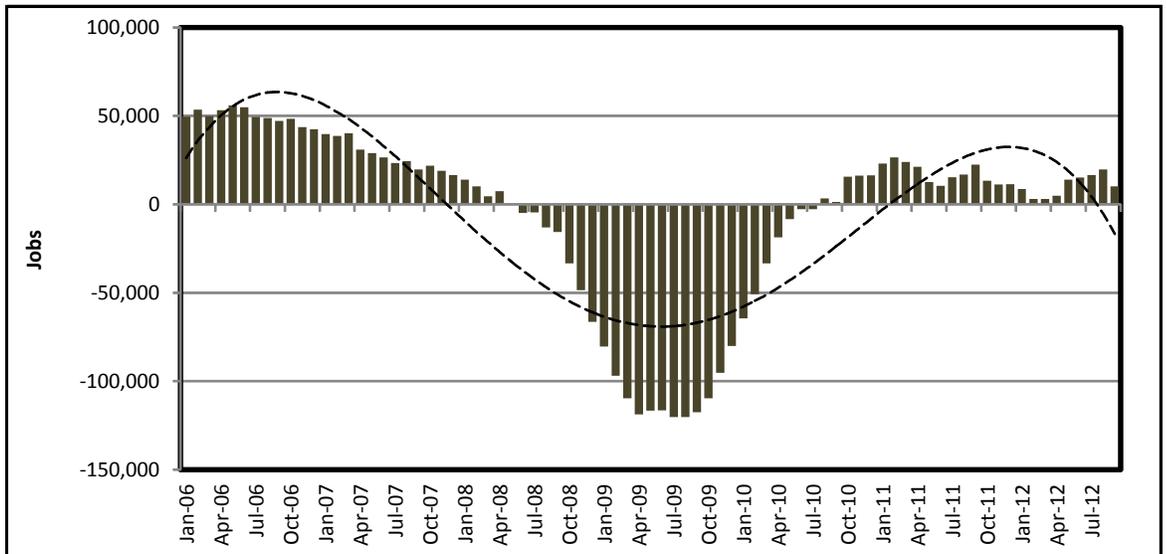


These findings from the Fed are generally echoed by the University of Oregon's Index of Economic Indicators. This series has seen steadfast improvement, increasing by 2.5% over the last 12-months.

Employment Conditions

Reflecting its recovery prospects, payroll employment in Oregon has begun to recover from the recent recession. The State has exhibited 26 consecutive months of positive year-over-year job growth while adding nearly 50,000 since post-recession low employment.

Figure 6
Year-Over-Year Job Growth



SOURCE: Oregon Employment Department

Export Market

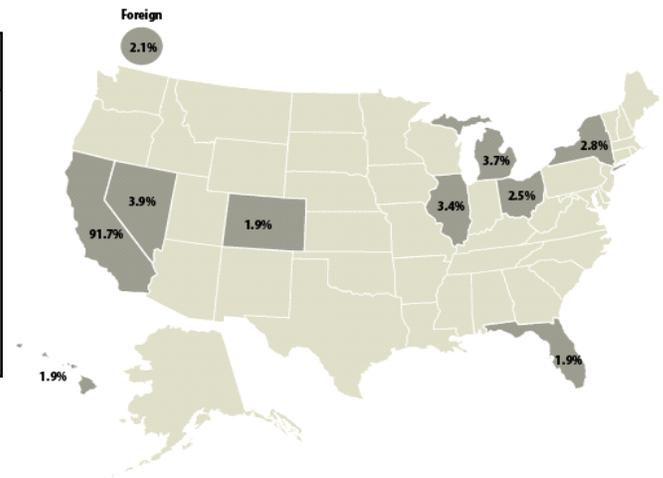
Long-term growth in Oregon's economy will continue to be a function of export potential. Oregon trades primarily with Pacific Rim countries, specifically Canada, Malaysia, Japan, China, and Taiwan. In the near-term, exports are no longer leading recovery in Oregon, with total exports flat through the first three-quarters of 2012. Exports to China and Malaysia were down nearly 20% for the second consecutive year. However, the long-term outlook for developing Asian markets is quite strong, and the strength and ongoing development of these economies and increased purchasing power will translate into growth for Oregon's export firms.

Net In-Migration

Oregon continues to benefit from the exodus of households from California in light of exceedingly high taxes and a dire state fiscal position. Between 2004 and 2010, Oregon averaged a migration rate of 5.56 persons per 1,000 residents. During this time an astonishing 91% of net growth were households originating from California. This is a trend that is expected to continue, as the exodus from California in light of exceedingly high taxes and a dire state fiscal position does not seem to have an end in sight.

**Figure 7
Oregon Net-Migration (2004-2010)**

State	Net Migration	Net Income
California	82,220	\$2,641,513,000
Nevada	3,453	\$25,274,000
Michigan	3,340	\$85,928,000
Illinois	3,010	\$112,489,000
New York	2,492	\$130,814,000
Ohio	2,265	\$65,849,000
Foreign	1,879	\$185,000
Florida	1,737	\$46,620,000
Colorado	1,711	\$48,394,000
Hawaii	1,662	\$37,990,000
Total, All States:	89,619	\$2,928,807,000
Average Net-Migration Rate:		5.56



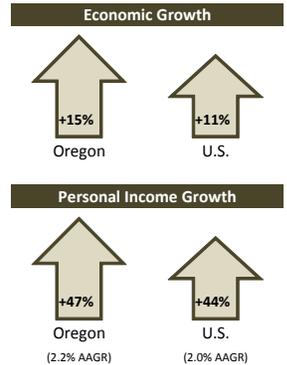
Risk Factors

While it would appear that a systematic recovery, albeit at a slow pace, is underway both nationally and in Oregon, significant downside risks remain. The single greatest risk remains external factors such as further financial meltdown in the Euro zone, a bursting housing bubble in China, or military conflict in Iran. The housing market is beginning to move from the risk to the upside category, but many other downside factors remain:

- A reversal of commodity prices from declining to inflation.
- The Fiscal Cliff
- Unknowns legislative changes and referendums derived out of the current election cycle
- Again, external factors in Europe, Asia, and the Middle East

Statewide Outlook

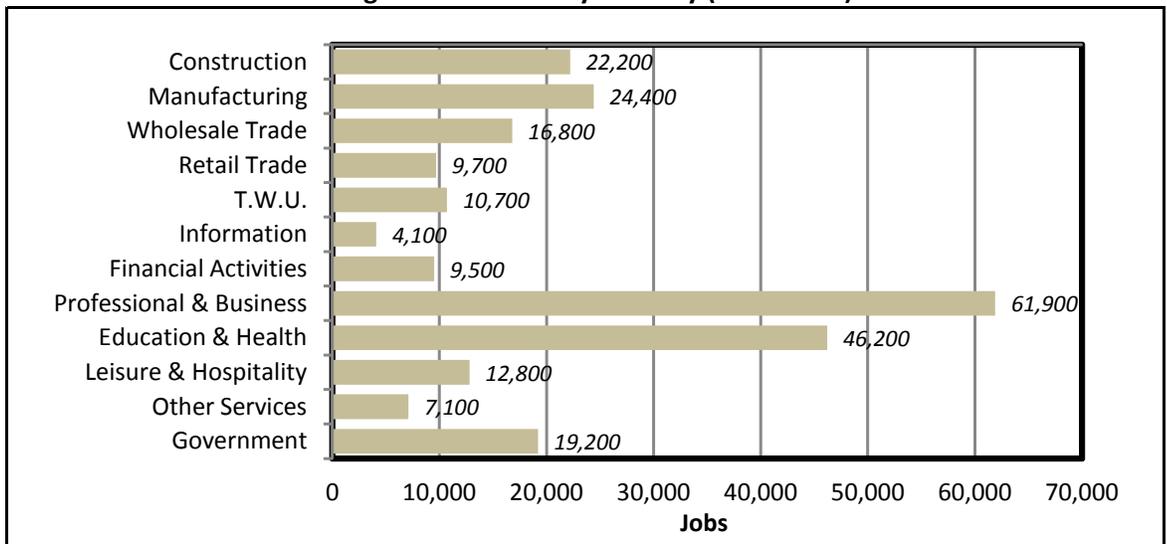
In the long-term, Oregon's economic growth is expected to outpace growth at the national level. Through 2020, the Oregon economy, as measured by employment, is expected to outpace the national average, growing by an estimated 15% compared to 11% nationally. Incomes in Oregon are also expected to be above average, growing at 2.2% annually compared to just 2% at the national level. Over the intermediate term, Oregon's growth prospects will be a function of a number of factors.



- Location to Asian countries and Canada continuing to drive trade growth.
- High commodity prices for Oregon exports.
- Business cost advantages.
- Relative cost of living and housing affordability advantages.
- Statewide focus on traded sector industry recruitment and retention.
- Quality of life.
- Continued growth in renewable energy and clean technology sectors.
- State and local tax incentives⁴
- Positive population growth, most notably due to net-migration from California, Nevada, and large Midwest and Eastern states. Oregon maintains a negative migration rate with Washington State and Idaho.

Through 2020, the Oregon Office of Economic Analysis forecasts 245,000 new jobs in the Oregon economy. Mirroring national forecasts, a significant share (44%) are expected to fall on Professional and Health Services. Manufacturing and Construction are expected to add over 46,000 jobs in the state while growth in trade and other service categories is expected to be more measured.

Figure 8
Oregon Job Growth by Industry (2012-2020)



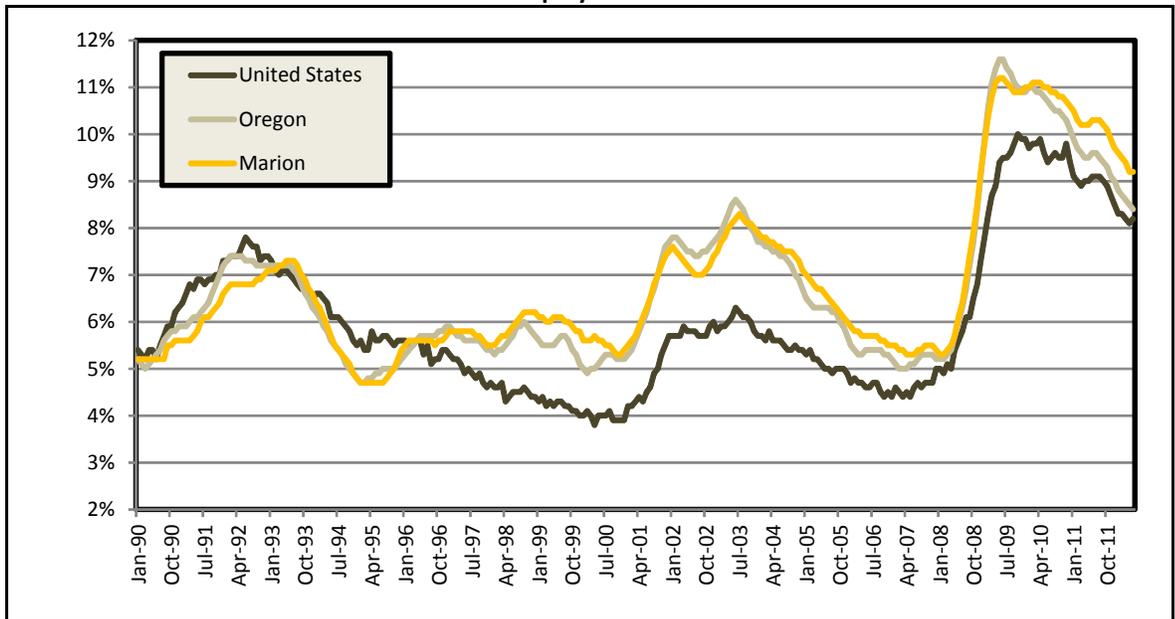
SOURCE: Oregon Office of Economic Analysis

⁴ <http://www.oregon4biz.com/The-Oregon-Advantage/Incentives/>

Regional Unemployment

The unemployment rate at all levels has declined in recent years, albeit at an less than inspiring pace. By mid-2012 unemployment in Oregon had fallen to 8.4%, its lowest level since 2008. Oregon typically lags the nation in employment inflection points as well as in magnitude. For example, between 2005 and 2009 the unemployment rate in Oregon averaged roughly 100 basis point higher than the national average. Conditions in Marion County have historically tracked very closely to Oregon's performance, however, the high concentration of government workers brings slightly less volatility. In May 2012 the unemployment rate was measurably higher than the state average, coming in at 9.2%

Figure 9
Unemployment Rate



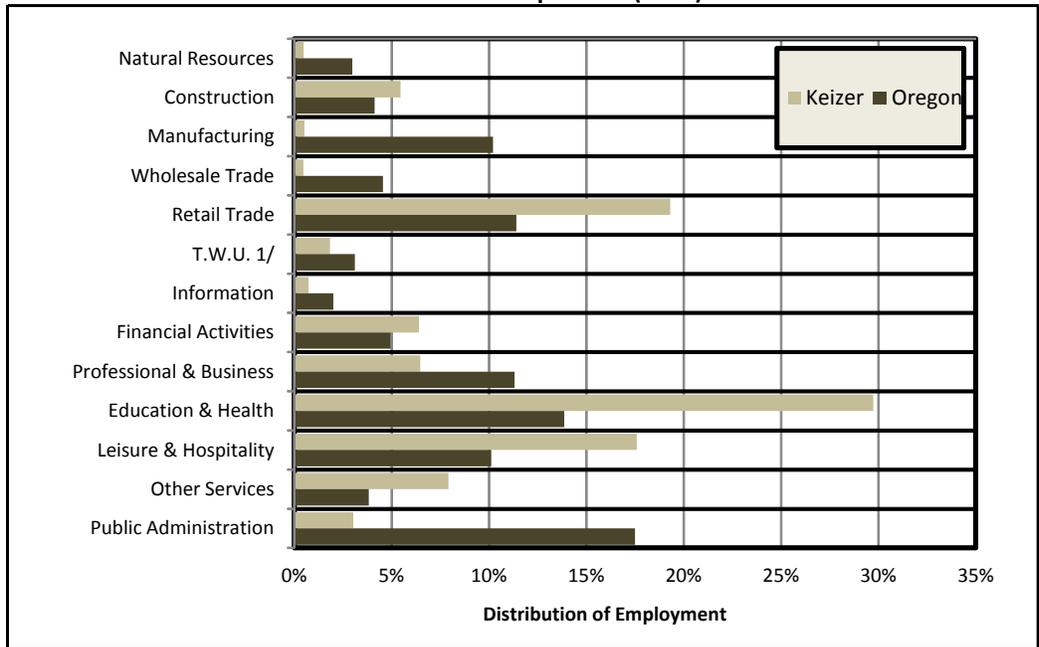
SOURCE: Oregon Employment Department

As the economy continues to slowly improve, unemployment should continue a downward trend. However, the extent to which the labor market fully recovers from the "Great Recession" remains to be seen. Many late life stage households may never return to the labor force, while the long-term unemployed may have significant deterioration of skills to be optimally productive.

Industrial Composition

The composition of employment by industry in Keizer exhibits several large deviations from statewide levels. A subject we will discuss in length in the following section, these deviations represent Keizer's competitive advantages in the economy. Keizer's advantages fall largely in population driven services. Industry classifications such as Retail Trade, Education & Health, and Food Service & Drinking Places have an exceedingly high composition locally.

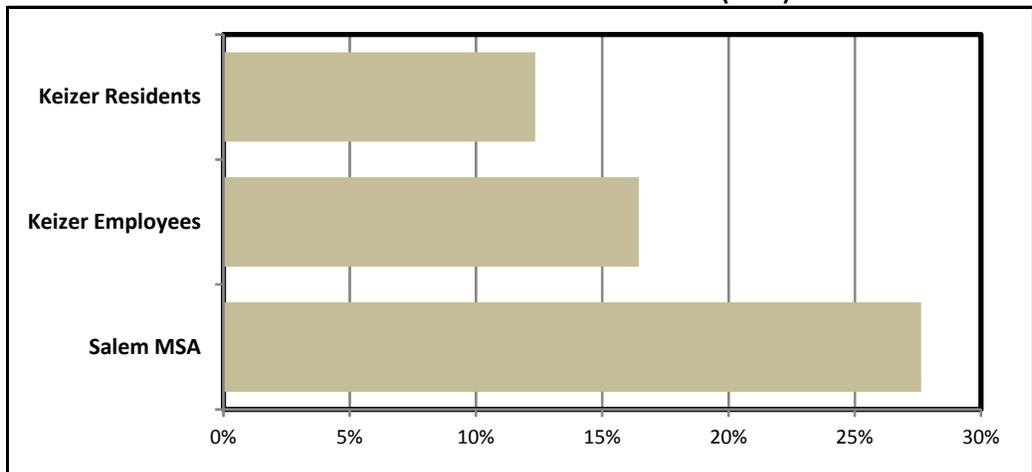
Figure 10
Industrial Composition (2010)



1/ Transportation, Warehousing, & Utilities
SOURCE: Oregon Employment Department

Among these concentrations that is not necessarily represented in the figure above in Government. With Salem as the State Capitol, the influence of State employment on the regional economy is quite significant. In Broader Salem MSA, roughly 27% of all employees are government workers (which also includes local government positions such as teachers). However, the sector's influence does not appear to be reaching Keizer. Roughly 12% of employed residents in Keizer are Government employees with 16% of actual employees in Keizer are in Government. Most of these, however, are in Education as opposed to State Public Administration.

Figure 11
Concentration of Government Workers (2010)

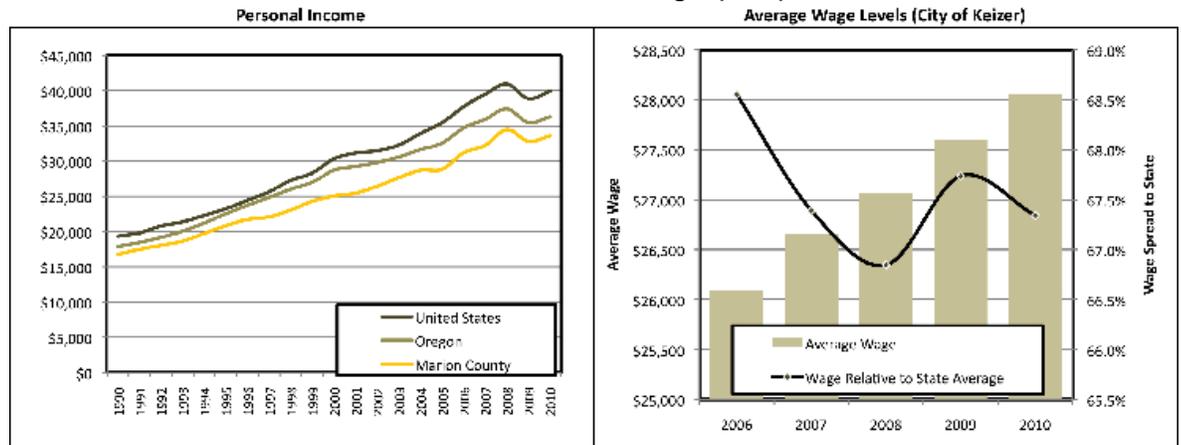


SOURCE: Oregon Employment Department, U.S. Census Bureau LEHD data

Personal Income

Wages in Marion County have historically remained well below statewide levels, affording local businesses a competitive advantage of lower business costs at the expense of the region’s purchasing power. For example, in 2010 average wages in Marion County were roughly 67% of statewide levels. Unfortunately, this spread has been widening in recent years, with wage growth locally lagging. However, personal income in the region had exhibited an annual increase of 4.1% between 2000 and the “Great Recession, before a decline commensurate with the state and national levels. In the long-run, we expect wage differentials to remain between 65% and 70% of statewide levels, increasing on average in line with the long-term trend.

**Figure 12
Personal Income and Wages (2010)**

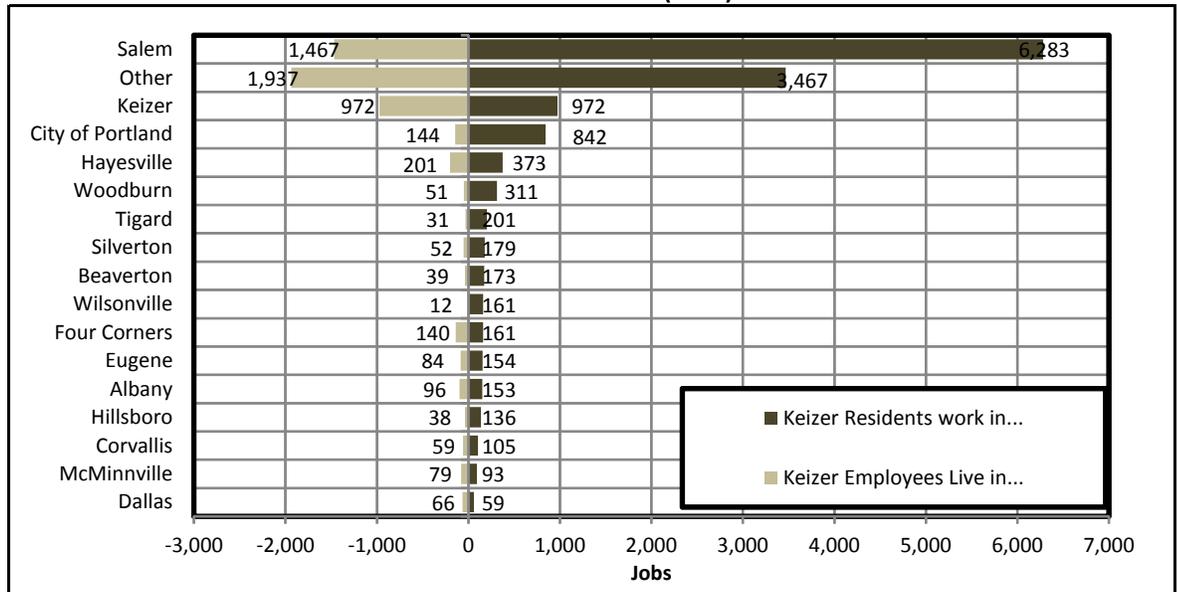


SOURCE: U.S. Bureau of Economic Analysis and the Oregon Employment Department

Commute Patterns

The City of Keizer has long been a bedroom community for the broader Salem MSA. In 2010 there were 13,823 working residents in the City of Keizer. However, only 972 (7%) actually work in Keizer. The remaining residents commute to other employment centers throughout the region, specifically Salem (45%) and Portland (6%). Alternatively, in the same year there were 5,468 people employed in the City of Keizer. Again, 972 (18%) actually live in Keizer with the remaining employees living in areas throughout the region, specifically Salem (27%) and other unincorporated and incorporated areas throughout the region. "Other" in this case represents a broad range of smaller cities and unincorporated areas. However, our data set does not permit us to drill down to these geographies.

Figure 13
Commute Patterns (2010)



SOURCE: U.S. Census Bureau

Population Growth

The rate of Keizer’s population growth will continue to drive Keizer’s population centric sectors of the economy, most notably Retail Trade, Education, Housing Construction, and most importantly Health Services. Over the last ten years, population growth in the City of Keizer (1.1% AAGR) slightly outpaced both statewide (1.05%) and Marion County (1.0%) levels. Over this time the City added nearly 3,800 new residents to its population base.

Over the next ten years, We expect population in Keizer to average 1.33% annual growth based on its capture of projected growth in Marion County.

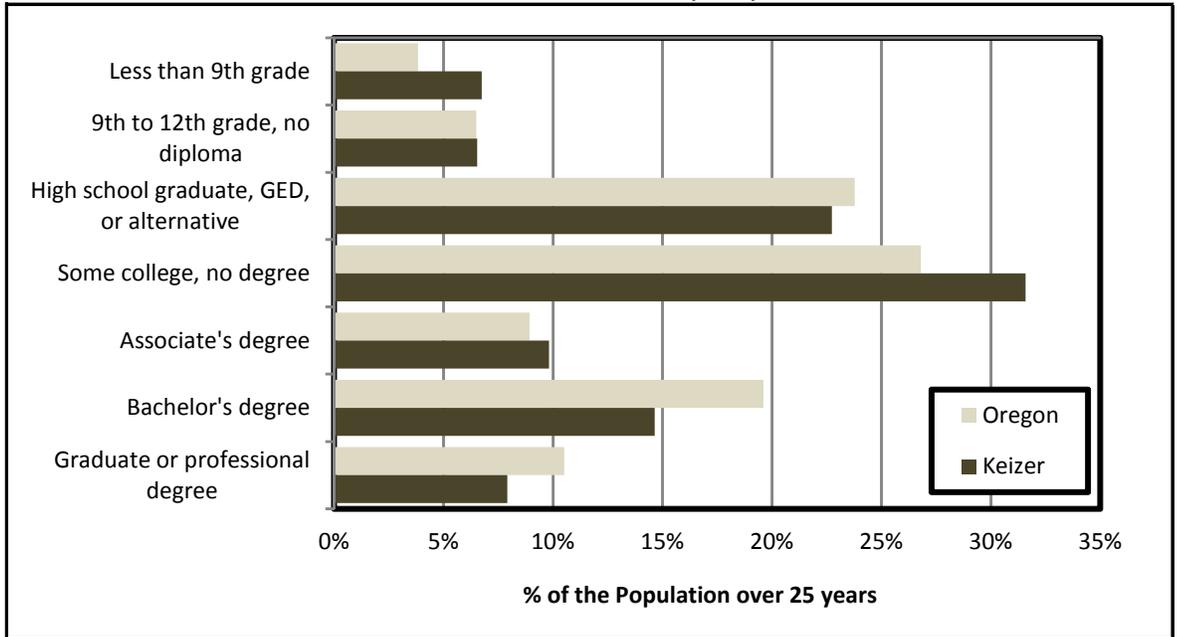
Figure 14
Population Trend

Region	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	AAGR
Oregon	3,470,385	3,502,588	3,538,591	3,578,895	3,626,938	3,685,206	3,739,359	3,784,182	3,815,775	3,837,300	3,857,625	1.06%
Marion	287,676	289,757	294,188	296,268	299,484	303,545	307,481	310,807	313,643	315,900	318,150	1.0%
Keizer	32,950	33,100	34,010	34,380	34,735	34,880	35,435	36,150	36,220	36,570	36,715	1.1%

Educational Attainment

An appropriately trained workforce is among the most critical inputs in managing economic development. Businesses need sufficiently trained workers to meet growth expectations. Further, workforce is among the primary criteria or relocating firms. In Keizer, the share of the adult population age 25-64 with at least a bachelors degree is 22%, which is measurably below the statewide average of 30%. Of greater concern is the local concentration of workers at the lowest education level. In Keizer an estimated 13.3% of workforce residents never finished high school. This is also above 10% at the state level. With education an increasingly important determinate of wage levels, changes in local education levels will influence Keizer’s economic prosperity in the long-run. While figure 15 is informative, one limitation of Census data is the failure to consider other vocational training, such as industry continuing education, trade-certificates, and apprenticeships.

Figure 15
Educational Attainment (2010)



SOURCE: U.S. Census Bureau, 2010

IV. TARGET INDUSTRY ANALYSIS

Sound economies are best organized around a healthy set of industry clusters—similar and related businesses and industries that are mutually supportive, regionally competitive, attract capital investment, and encourage entrepreneurship. As an economic development strategy, specific clusters are targeted, and emerge, when a particular geography holds an innate competitive advantage in that industry—whether it is natural resources, human capital, political policies or geography. For example, Oregon’s oldest industries—namely forestry and agriculture, emerged from physical and environmental attributes such as its climate, trees, soils, and access to shipping and distribution networks. In turn, these industries spawned interrelated clusters that include Food Processing & Manufacturing, Wood Product Manufacturing, Wholesaling & Distribution, Machinery Manufacturing, and host of other industries.

What follows is critical evaluation of this concept as it relates to the Keizer economy, specifically Keizer’s opportunities to change the status quo and improve its economic future.

REGIONAL COORDINATION

The target industry analysis in this report was coordinated with recent regional planning efforts. Specifically, in May 2011, the region completed a regional economic opportunities analysis (REOA) that collectively evaluated the economic characteristics of the region, including the communities of Salem, Keizer, and Turner. This report identified several industries important to the region, based primarily on the region’s competitive advantage in serving the needs of these business type. This analysis began with a regional Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis, which we recreate here:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Regional employment center, located between Eugene and Portland State capital, with a substantial amount of State employment Access to Interstate-5 Large parcels of industrial land with urban services and access to Interstate-5 High quality of life, including public services and access to natural areas Many existing small businesses Access to natural resources and agricultural production Access to skilled, educated workers Housing costs that are comparable to or lower than costs in nearby urban areas Access to Union Pacific rail lines Salem Convention Center and related facilities Existing business concentration in: <ul style="list-style-type: none"> Agriculture, Food, & Beverage Production Traded-Sector Services Metals, Machinery, & Equipment Forest Products Specialty Manufacturing 	<ul style="list-style-type: none"> Low wages and income Comparatively small share of residents with a Bachelor’s degree or higher Lack of diversity in the composition of the regional economy Slow state and regional job growth Access to inexpensive electricity Availability of potable water
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Growth in traded-sector services and production Growth in agriculture and food and beverage related products Long-term growth in state and local government Growth in higher paying services, such as health care or professional services Growth of small businesses Coordinating economic development throughout the region Availability of large, vacant parcels of employment land 	<ul style="list-style-type: none"> Slow state-wide recovery from the recession Potential for national large increase in energy prices Shrinking national manufacturing base Outsourcing and off-shoring of jobs Diversifying the regional economy

We note that this regional effort may include some factors not particularly applicable to conditions at the City of Keizer level, most notably the availability of larger vacant industrial sites. Nevertheless, the table above characterizes the regional context in which the City of Keizer's economy will function over the intermediate term.

KEIZER TARGETED INDUSTRIES

Building upon the regional evaluation of economic opportunities in the region, Johnson Reid further profiled a range of potential growth industries relating to Keizer. These profiles were developed from employment data provided by the Oregon State Employment Department, and refined through several work sessions with the project's Technical Advisory Committee.

The following is a brief summary of trends and patterns by target industry over the 2004 through 2010 time period. This analysis relied on geocoded covered employment data from the Oregon Employment Department. The term "covered employment" refers to firms where employees are covered under unemployment insurance. Jobs not covered and therefore not considered in this analysis include self employment and real estate brokers/agents.

Data limitations

- Geocoding errors in the input data. Firms can often be misclassified in one year and classified correctly the next. This can be interpreted as a "new firm" in a certain geography when in fact it is simply a fix in the data.
- The North American Industrial Classification System (NAICS) was broadly instituted by the Oregon Employment Department beginning in 2001. because of the systems youth and frequent industrial classification revisions, it is not uncommon for a firm's NAICS code to change, sometime broadly. This can be interpreted as an emergence of a new firm in a particular industry but it is simply a reclassification.
- Firms with employees in multiple locations around the region are often reporting under a single ID# with an associated address. The can lead to instances where a firm looks to be of a particular size in a single location but may have many smaller locations around the region. This is common in retail.
- Conversely, some firms may have multiple entities with unique ID# numbers located in a given geographic location. In other words, a single large company in a single campus or location may be reported as five or six smaller firms.
- Employment in target industries are tallied by broad NAICS category, and may include some firms that are not actually engaged in activities associated with that target. Conversely, there may be firms in other industries that do engage in a target's activities that are not included.

A basic location quotient analysis was prepared for the City, which compares the mix of employment by industrial sector with national averages. While simplistic in nature, this type of analysis can identify industries with a disproportionate representation in the local economy, which is used as a proxy for "traded

sector" or export industries. Traded sector industries sell their products and services outside of the region, providing a net influx of wealth into the local economy. As a result, these are typically a primary target of economic development efforts.

As shown in the following table, the analysis indicates that the City of Keizer has a high concentration of nursing and residential care facilities, with a location quotient of 4.01 indicating that the local concentration is over four times the national average. The City also has high concentrations in retail trade industries, most likely associated with the Keizer Station development which has a regional draw. A wide range of other industries are also indicated to export at least some component of their production. The relatively high representation of retail in the employment mix is also indicative of a bedroom community with a less than mature industrial/commercial base. Residential expenditures associated with household growth drives retail trade, while a lack of a traditional industrial base yields a high reliance upon retail for local employment opportunities.

NAICS	NAICS Description	Employment	L.Q.
623	Nursing and Residential Care Facilities	531	4.01
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	183	3.28
451	Sporting Goods, Hobby, Book, and Music Stores	76	2.97
444	Building Material and Garden Equipment and Supplies Dealers	141	2.91
453	Miscellaneous Store Retailers	88	2.68
221	Utilities	90	2.62
713	Amusement, Gambling, and Recreation Industries	151	2.58
443	Electronics and Appliance Stores	53	2.47
531	Real Estate	135	2.30
445	Food and Beverage Stores	256	2.15
722	Food Services and Drinking Places	713	1.80
711	Performing Arts, Spectator Sports, and Related Industries	29	1.76
811	Repair and Maintenance	82	1.70
452	General Merchandise Stores	201	1.58
236	Construction of Buildings	81	1.55

We also prepared a shift-share analysis of the local employment base. A shift-share analysis is one way to account for the competitiveness of a City's industries and to analyze the local economic base. This analysis assesses how well the City's current industries are performing by systematically examining the national, local, and industrial components of employment change. A shift-share analysis will provide a dynamic account of total regional employment growth that is attributable to growth of the national economy, a mix of faster or slower than average growing industries, and the competitive nature of the local industries. The analysis provides a representation of changes in employment growth or decline.

The shift-share analysis divides the change in local industry employment into three components:

- **National growth share** - The share of local job growth that can be attributed to growth of the national economy. This factor describes the change that would be expected simply by virtue of the fact that the local area is part of a changing national economy.
- **Industrial mix** - The share of local job growth that can be attributed to the region's mix of industries being analyzed. This second factor is the change in a local industry that would be attributable to the growth or decline of the industry nationally. This component isolates the fact that nationwide, some industries have grown faster or slower than others. It represents the

contribution that a specific industry nationally has made to the change in the number of jobs in the region.

- **Local share (Regional shift)** - This share of local job growth describes the extent to which factors unique to the local area have caused growth or decline in regional employment of an industrial group. This is usually attributed to some local comparative advantage such as natural resources, linked industries, or favorable local labor situations.

Shift-share, and the local share component in particular, can point to industries that enjoy local comparative advantage. The following is a summary of top industries in the City based on a shift-share analysis of trends from 2004 through 2010. It shows a substantial level of growth attributable to regional shifts in retail trade sectors, utilities, data processing and health and educational services.

Code	NAICS Description	Shift Share AAGR
448	Clothing and Clothing Accessories Stores	56.1%
517	Telecommunications	53.8%
451	Sporting Goods, Hobby, Book, and Music Stores	42.1%
221	Utilities	32.2%
443	Electronics and Appliance Stores	31.6%
444	Building Material and Garden Equipment and Supplies Dealers	30.7%
453	Miscellaneous Store Retailers	14.1%
442	Furniture and Home Furnishings Stores	12.8%
518	Data Processing, Hosting and Related Services	11.1%
522	Credit Intermediation and Related Activities	9.7%
814	Private Households	9.5%
713	Amusement, Gambling, and Recreation Industries	9.3%
531	Real Estate	9.1%
541	Professional, Scientific, and Technical Services	8.6%
515	Broadcasting (except Internet)	8.3%
523	Securities, Commodity Contracts, and Other Financial Investment	7.6%
722	Food Services and Drinking Places	7.1%
452	General Merchandise Stores	5.6%
511	Publishing Industries (except Internet)	5.1%
721	Accommodation	4.7%
623	Nursing and Residential Care Facilities	4.4%
236	Construction of Buildings	4.3%
621	Ambulatory Health Care Services	3.8%
446	Health and Personal Care Stores	2.4%
337	Furniture and Related Product Manufacturing	1.3%
611	Educational Services	1.3%

Based on the preceding analysis, we tiered industries according to their level of regional aspiration as well as their level of local representation. This analysis resulted in the following industrial tiers.

Tier 1: Regional Aspiration, but Little or no Local Representation

- Renewable Energy Manufacturing
- Food Processing
- Metals & Machinery Manufacturing

- Corporate Headquarters

Tier 2: Regional Aspiration, with Some Local Representation

- **Information Technology/Back Office**
- **Medical Facilities, including Research, Development, and Support**
- **Professional Services**
- Warehouse and Distribution
- **Education Services**

Tier 3: Regional Aspiration, with Some Local Representation

- Retail Trade
- Leisure & Hospitality
- **Sporting Events**
- Other Services

While each of the industries identified was seen as having potential to account for future employment growth within the City of Keizer, the Technical Advisory Committee made a decision to focus on a smaller number of targeted industries. This was coordinated with the City of Keizer's economic vision, which outlines a strategy that does not directly compete with Salem but capitalizes on Keizer's attributes and aspirations. The following list outlines the City's targeted industries:

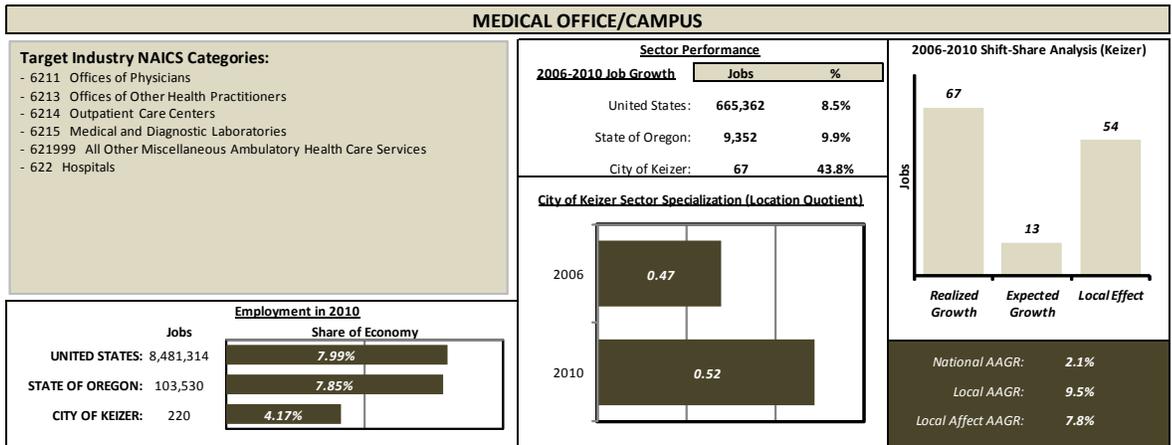
- **Medical facilities, including research, development and support**
- **Information technology/back office**
- **Educational services, including educational research and job training**
- **Professional services, including corporate headquarters**
- **Sporting events**

HISTORIC SECTOR PERFORMANCE

Medical Facilities

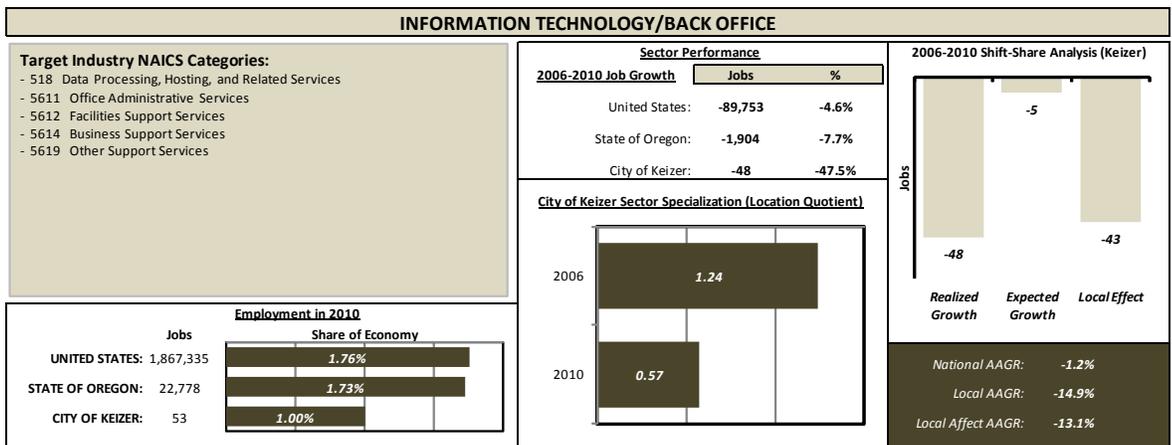
This sector added 67 jobs, representing a 43.8% expansion from 2004 through 2010. This reflects an average annual growth rate of 9.5%. The sector locally fared significantly better than the nation as whole, which expanded by 8.5% over the same interval. Despite the rapid pace of recent growth, the City remains below the State and National average for employment in this sector, indicating substantial potential for future growth.

While the area has done quite well recently with medical services, the local population base and the potential to appeal to a broader market area north and east of the Salem/Keizer metro area makes the location of additional services in the City of Keizer highly likely.



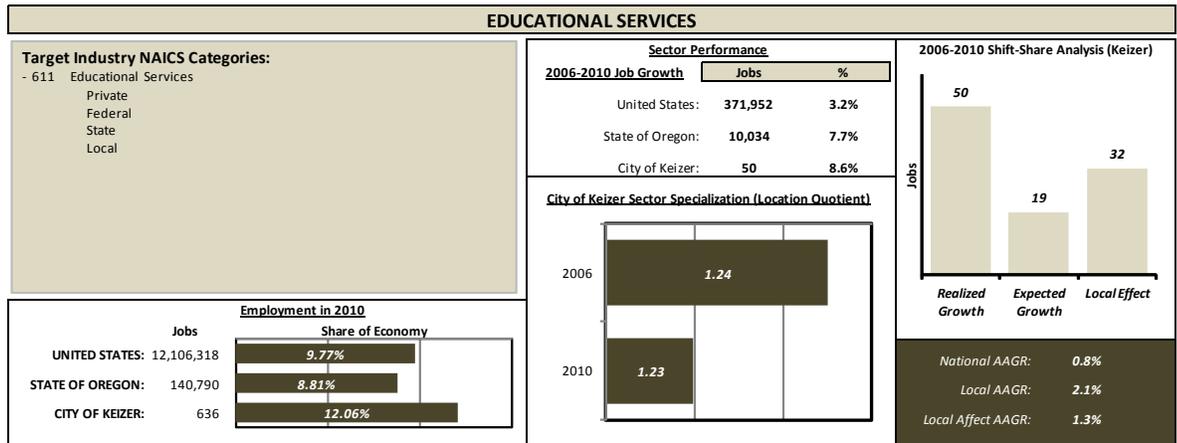
Information Technology/Back Office

This sector has performed poorly at the National, State and Local level. From 2004 through 2010, employment in the sector declined by 47.5%. As a share of the local economy, this industry is currently under-represented. While identified by in Keizer's Preliminary Economic Vision, this industry sector does not appear to represent a major area of opportunity.



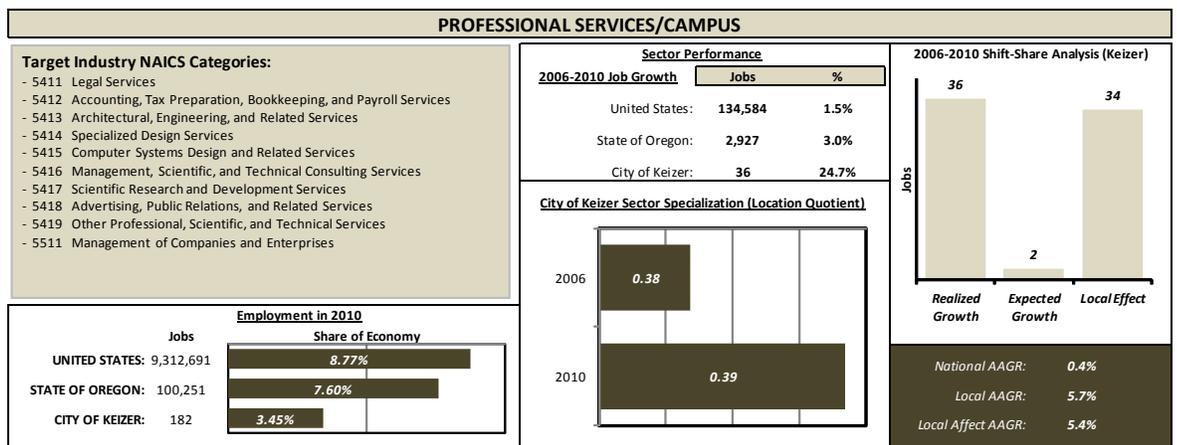
Educational Services

The educational services sector includes educational research and job training, in addition to the traditional K-12 education. The sector performed well during the 2006 through 2010 period locally, reporting a local average annual growth rate of 2.1%. This was considerably higher than the national or statewide rate.



Professional Services

Professional Services is an industry that has grown modestly at the national level (+0.4% AAGR), with stronger growth (+5.4% AAGR) at the local level. This reflects the current under development of this sector in the City of Keizer, which has a considerably lower level than would be anticipated. We would expect that professional services will be a major source of new employment growth over the next twenty years as the local service sector matches the area's population base and growth.



Sporting Events

The City has targeted the development of a range of competitive sporting venues to support local tourism. Current assets include Volcanoes Stadium, which is the home field for the Keizer Volcanoes, Class A short-season affiliate of the San Francisco Giants. The stadium seats 4,252 fans, and has 11 concession stands, a sports bar, kids playground, a bandstand and 13 luxury box suites. The Keizer Youth Sports Association also has a multiple field facility, and hosts a series of youth tournaments throughout the year.

V. REQUIRED SITE TYPES

In addition to the aggregate land demand associated with projected employment growth, this section addresses specific requirements at the site level to accommodate targeted employment sectors.

The land needs associated with the projected employment growth are often quite specific by sector, and land requirements are more appropriately addressed through an assessment of site requirements for specific targeted and/or anticipated uses. For many use types, such as convenience commercial and professional services, the site requirements are relatively flexible and the uses are likely to find viable locations without much specific attention. For other uses, such as warehouse/distribution and medical campus uses, the requirements with respect to necessary scale and accessibility are highly significant.

The following table outlines some basic site requirements for target industries.

Target Industries	Min. Site Size/Acres	Site Requirements
Education Services		
<i>Campus</i>	25+	- Transit access
<i>Education Centers</i>	0.5+	- Proximity to service population
Sporting Events		
<i>Arena</i>	5-40	- Excellent local and regional access
<i>Tournament Grounds</i>	10-100+	
IT/ Back Office		
<i>Campus</i>	5	- Scale
<i>End User Built</i>	0.5	- Access
<i>Speculative</i>	0.5	- Visibility often marketable
Medical Office/ Campus		
<i>General Hospital</i>	25	- Preference for co-location of uses
<i>Emergency/Acute Care</i>	5	- System control of properties
<i>Surgicenter</i>	2	- Physicians prefer ownership
<i>Medical Office Space</i>	0.5	- Many related tenants
Professional Services	0.5	Proximity to service population

As shown, the site needs for targeted industry cluster vary widely. For some sectors such as professional services and education center, site requirements are not particularly difficult to meet. For others, such as educational and medical campus uses, the needs are quite specific and less specific. While the site characteristics for sporting events are specific, the City already has these facilities in place, and they are not expected to require major site commitments.

The two targeted industries with specific land requirements are educational services and medical office/campus uses. The need for educational services facilities is best determined through the strategic planning of school districts (Salem-Keizer Public Schools, School District 24J), community colleges (Chemeketa Community College), the Oregon University System. We would also expect some need from privately held schools.

For the medical office/campus uses, we can take a look at the other recent major medical facility projects to provide feedback on site characteristics.

Facility	Characteristics	
Sacred Heart at Riverbend PeaceHealth Springfield, OR	<ul style="list-style-type: none"> 1.2 Million SF 338 Beds 181 Acres 1.0 miles from I-5 1.5 miles from I-105 	
Legacy Salmon Creek Vancouver, WA	<ul style="list-style-type: none"> 1.1 Million SF 220 Beds 29 Acres 1/4 miles from I-5 	
Three Rivers Community Hospital Grants Pass, OR	<ul style="list-style-type: none"> 193,000 SF 98 Beds 19.6 acres Adjacent to Hwy. 199 3.5 miles from I-5 	
Salem Hospital Salem Health Salem, OR	<ul style="list-style-type: none"> 454 Beds 58 acres 3.0 miles from I-5 	

Within the survey, facilities had an average ratio of beds per acre of 3.9, with a median closer to 6.2. It is important to note that health systems will show a strong preference to acquire additional lands, assuring that they do not become land locked in the future and allowing for high-value related uses such as medical office space. In addition to the hospital facilities themselves, major medical facilities also typically include a proximate concentration of medical office space, allowing physicians with privileges at the hospital to conveniently access the hospital facilities. Most hospital systems prefer to control much of this space, while private medical practices also seek ownership of property in the immediate area.

Beds	Acres	Beds/Acre
220	29.0	7.6
98	19.6	5.0
338	181.0	1.9
454	58.0	7.8
1,110	287.6	3.9

Based on the experience outlined in the case studies, an appropriate site for a major medical facility would be in the 30 to 50 acre range, proximate to the I-5 interchange, and have adequate infrastructure in place to accommodate the water, sewer and transportation loads of this type of facility.

VI. FORECASTS OF EMPLOYMENT AND LAND NEED

EMPLOYMENT FORECASTS

To assess future economic growth, and subsequently estimates of land need, The analysis herein employs two methods. The first method develops a baseline forecast for the Keizer UGB. It closely follows DLCD's Goal 9 Handbook, relying on trended analysis and secondary sources produced by the State of Oregon for forecasted growth rates. It is a classically planning-driven approach that begins with an evaluation of anticipated employment growth by broad industry category in the Oregon Employment Department's Workforce Region 3, which includes Marion, Polk, and Yamhill Counties. These forecasts produced by highly qualified economists at the State of Oregon form the basis for trended growth rates. This approach is predicated on the assumption that growth trends locally will generally reflect trends at the Regional level.

The second method produces alternative growth scenarios based on the economic vision and objectives of the community, the relative strengths of the local economy, and the evaluation of targeted industries in Section IV. These alternative forecasts represent the path of growth Keizer anticipates would result, beyond the status quo, as a result of its economic development efforts and policies.

Regardless of the forecast scenario, each forecast will begin with the same estimate of employment in the 2013 base year. The analytical steps to derive this estimate of total employment in 2013 from 2010 covered employment are as outlined below.

Creating a Base Year Estimate

The Goal 9 rule requires an evaluation over a 20-year period. The period of evaluation for this analysis is from 2013 to 2033. The primary source of data on current employment patterns is the Oregon Employment Department's ES-202 employment data. The ES-202 data is the best source for local employment counts at the UGB level. However, it omits certain sectors of the workforce. Further, ES-202 data is uncommonly available in the current year, and must be updated to the current period.

Conversion to Total Employment:

For the year 2010, ES-202 reports estimate employment in Keizer to total 5,276 employees. However, our source ES-202 data reports "covered employment" only—employer firms that tracked through unemployment insurance. Because this data omits a significant portion of the workforce that are not covered (i.e. sole-proprietors, self-employed, commission workers) we must revise our estimates to reflect true total employment. Estimates from the Bureau of Economic Analysis (BEA) indicate that in 2010 covered employment accounted for approximately 73 percent of total employment in Marion County, with individual estimates reported by broad sector. Therefore, based on countywide estimates, in the same year, we estimate the *total* employed level in 2010 to be in the area of 7,174 employees. This reflects a slightly larger share of non-wage employers locally than at the county level as a result of different concentrations of employment by sector.

Figure 13
Conversion of Covered Employment to Total Employment

NAICS	Keizer UGB Covered Employment 1/	Covered Share of Total Employment 2/	Est. Keizer UGB Total Employment
Natural Resources	25	76.4%	33
Construction	288	67.6%	426
Manufacturing	28	99.4%	28
Wholesale Trade	25	82.2%	31
Retail Trade	1,019	79.4%	1,283
T.W.U.	5	75.9%	6
Information	39	73.9%	53
Financial Activities	338	40.0%	845
Professional & Business	342	64.5%	530
Private Education	17	48.0%	36
Health Care & Social Assistance	933	77.6%	1,202
Leisure & Hospitality	928	81.6%	1,139
Other Services	418	60.5%	691
Government	871	100.0%	871
Total	5,276	73.5%	7,174

1/ From the Oregon Employment Department ES-202 data

2/ Data from the Bureau of Economic Analysis for 2010. the most recent year complete data is available. Assumption displays the percent of total wage and salary (covered) employment to total nonfarm employment in Marion County.

SOURCE: Oregon Employment Department, U.S. Bureau of Economic Analysis, and Johnson Reid

Update to Base Year Estimate:

The second step to creating our base year estimate is updating our 2010 total employment estimate to the current period, 2013. This process involves the evaluation of the recent employment trends in the region in addition to our anecdotal knowledge about local economic activity in Keizer. To update total employment estimates from 2010 to a 2013 base year, we apply the realized regional (Marion County) growth rates by industry over maximum data interval achievable. Outlined in Figure 14, we assume that between 2010 and 2012, the Keizer economy posted a modest employment loss, declining by roughly 40 jobs. Because data has not yet been released for 2013, we extrapolate this trend one additional year to include an additional 10 job losses. This 2013 estimate serves as the base year employed level for all forecast scenarios.

Figure 14
Base Year Employment Estimate

NAICS	Est. 2010	'10-'12 Regional	2013
	Total Employment	Growth Rate ¹	Base Year Estimate
Natural Resources	33	2.8%	36
Construction	426	-3.4%	385
Manufacturing	28	-1.0%	27
Wholesale Trade	31	1.7%	32
Retail Trade	1,283	0.1%	1,288
T.W.U.	6	3.8%	7
Information	53	-7.9%	41
Financial Activities	845	3.2%	930
Professional & Business	530	-3.0%	483
Private Education	36	2.7%	39
Health Care & Social Assistance	1,202	1.7%	1,264
Leisure & Hospitality	1,139	0.4%	1,151
Other Services	691	-2.2%	646
Government	871	-2.6%	804
Total	7,174	-0.3%	7,134

¹ Based on the realized 2Q10 to 2Q12 Marion County growth rate in covered employment
SOURCE: Oregon Employment Department and Johnson Reid

Other Factors Affecting Growth Estimates

Below we outline additional adjustments and assumptions utilized in the development of our baseline economic forecasts:

Adjustment for the Self-Employed

In Figure 13 above we converted covered employment to total employment to account for the self-employed, sole-proprietors, etc. However, a share of these workers are likely to be non-space utilizing (i.e. work from home), and should not be counted in our land/space utilizing employment forecasts. According to commute trends from the U.S. Census Bureau, roughly 4.4 percent of Keizer's workers classify themselves as "working from home". We make this revision in the base year and expect it to remain constant through the forecast period.

Variance in Employment Distribution:

Because Keizer's employment distribution by industry differs slightly from the regional level, forecasted growth varies from regional averages slightly.

Baseline Employment Forecast

As discussed above, the baseline estimate regional growth rates by industry to our 2013 base year to project long-term employment by industry sector. Every two years, the Oregon Employment Department produces 10-year growth estimates for industries by workforce region. The most recent forecast was published in December 2011 and covers the period from 2010 to 2020.

For this forecast interval, the Oregon Employment Department forecasts that the regional economy will expand by 1.5% annually while adding over 30,000 jobs. The greatest growth is expected occur in Education & Health Services (2.9% AAGR), Professional & Business Services (2.7% AAGR) and a rebound in Construction (1.9%) from the impending housing market recovery.

NAICS	Region 3 Estimate		'10-'20
	2010	2020	Growth Rate
Natural Resources	14,100	15,800	1.1%
Construction	7,700	9,300	1.9%
Manufacturing	17,400	20,000	1.4%
Wholesale Trade	4,000	4,700	1.6%
Retail Trade	19,300	21,900	1.3%
T.W.U.	4,200	5,000	1.8%
Information	1,400	1,400	0.1%
Financial Activities	8,000	9,000	1.2%
Professional & Business	13,200	17,200	2.7%
Private Education	5,400	6,100	1.2%
Health Care & Social Assistance	22,400	29,800	2.9%
Leisure & Hospitality	14,600	17,500	1.8%
Other Services	6,300	7,300	1.5%
Government	47,000	50,300	0.7%
Total	185,000	215,300	1.5%

SOURCE: Oregon Employment Department, 2010-2020 Employment Projections by Industry

When applied to space-utilizing estimates of employment and extrapolated to 2033, the baseline forecast estimates growth of 2,990 new jobs over the forecast period, averaging 1.77% average annual growth over the 20-year planning period.

BASELINE FORECAST NAICS	2013	Forecast Estimates				'13-'33 Growth	
	Base Year	2018	2023	2028	2033	Jobs	AAGR
Natural Resources	36	38	41	43	45	9	1.14%
Construction	385	423	465	511	561	176	1.91%
Manufacturing	27	29	31	33	36	9	1.40%
Wholesale Trade	32	35	38	41	44	12	1.63%
Retail Trade	1,288	1,372	1,461	1,557	1,658	370	1.27%
T.W.U.	7	8	9	9	10	3	1.76%
Information	41	41	42	42	42	1	0.10%
Financial Activities	930	986	1,046	1,110	1,177	247	1.18%
Professional & Business	483	552	630	719	820	337	2.68%
Private Education	39	42	44	47	50	11	1.23%
Health Care & Social Assistance	1,264	1,458	1,681	1,939	2,236	973	2.90%
Leisure & Hospitality	1,151	1,260	1,380	1,511	1,654	503	1.83%
Other Services	646	696	749	806	868	222	1.48%
Government	804	832	861	891	921	117	0.68%
Total	7,134	7,771	8,476	9,258	10,124	2,990	1.77%

SOURCE: Oregon Employment Department and Johnson Reid

Alternative Growth Forecasts

This forecast method relies in large part on the research and analysis conducted in Section IV on Target Industries. This analysis identifies industries that present economic opportunities for the City of Keizer. In Figure 21, we translate and summarize this analysis into targeted growth estimates for these specific industries. In other words, Figure 21 presents our assessment of potential growth in the local economy beyond the status quo of trended or "capture" estimates.

**Figure 21
Keizer Industrial and Commercial Targets**

Broad Industry Sector	Potential Growth Areas	Targeted Job Growth Potential ('13-'33)	Comments/Strengths
Manufacturing	<ul style="list-style-type: none"> - Renewable Energy Manufacturing - Food Processing - Metals & Machinery Manufacturing 	4-5 net-new jobs annually	<ul style="list-style-type: none"> - Targeted clusters for recruitment/growth regionally - Proximity to high value agriculture - Existing concentration of firms/workers regionally
Professional & Business Services	<ul style="list-style-type: none"> - Business Services - Back Office/Call Center - Engineering, Research, etc. 	4-6 net-new jobs annually	<ul style="list-style-type: none"> - Relative wage affordability - Cost of living - Access to skilled educated workers - -
Education & Health Services	<ul style="list-style-type: none"> - Retirement and Nursing - Various Health Care Practitioners - Family Services - Hospitals 	10-15 net-new jobs annually	<ul style="list-style-type: none"> - Potential gap in service area - favorable demographics/retirement growth - Existing retirement care concentration
Leisure & Hospitality	<ul style="list-style-type: none"> - Arts & Recreation - Accommodations - Wineries 	3-4 net-new jobs annually	<ul style="list-style-type: none"> - Strong natural and recreational amenities - Exhibited growth in regional travel spending - Proximity to wine driven tourism
Other Industry Response	<ul style="list-style-type: none"> - Retail Trade - Other Services - Housing/Construction - Construction - Financial Services - Local Education & Government 	7-13 net-new jobs annually	<ul style="list-style-type: none"> - Response of economy to additional growth in targeted industries, concentrated in household and education services and retail

We assume targeted growth of 28 to 48 new jobs annually above and beyond structural growth in existing industry sectors. Growth is allocated across the Manufacturing, Professional & Business, Education & Health, and Leisure & Hospitality sectors. These estimates are considered aspirational potential employment growth that could reasonably occur in these sectors given the competitive advantages, land and location characteristics, support organizations, and commitment through policy of the City of Keizer and other stakeholders.

Structural Growth Sensitivity

For sensitivity purposes, we also assume a moderate variation in structural economic growth under each alternative scenario. We assume 15-20 percent acceleration of baseline average annual growth rates by industry sector for the medium and high growth scenario, respectively. In both scenarios, we maintain baseline growth through 2013 as the economy has yet to exhibit a robust recovery stage.

Alternative Growth Forecast by Industry

This methodology translates into an additional 543 to 916 jobs across the planning period. As detailed above, these forecasts are driven in large part by growth in Keizer's Professional & Business Services, Education & Health, Manufacturing, and Leisure & Hospitality sectors.

Figure 22
Alternative Employment Forecasts by Industry

MEDIUM FORECAST SCENARIO	2013	Forecast Estimates				'13-'33 Growth	
	NAICS	Base Year	2018	2023	2028	2033	Jobs
Natural Resources	35	37	39	41	43	9	1.14%
Construction	368	406	448	495	546	178	2.00%
Manufacturing	26	37	52	74	106	80	7.30%
Wholesale Trade	31	34	37	40	43	13	1.74%
Retail Trade	1,231	1,324	1,424	1,531	1,647	415	1.46%
T.W.U.	7	8	10	12	15	8	3.80%
Information	39	40	40	41	41	2	0.22%
Financial Activities	889	946	1,006	1,070	1,138	250	1.24%
Professional & Business	462	539	629	734	856	394	3.13%
Private Education	37	40	43	46	50	12	1.43%
Health Care & Social Assistance	1,208	1,424	1,677	1,977	2,329	1,121	3.34%
Leisure & Hospitality	1,100	1,216	1,343	1,483	1,638	538	2.01%
Other Services	618	670	727	788	855	237	1.63%
Government	769	803	839	876	914	145	0.87%
Total	6,820	7,522	8,313	9,208	10,222	3,401	2.04%

HIGH FORECAST SCENARIO	2013	Forecast Estimates				'13-'33 Growth	
	NAICS	Base Year	2018	2023	2028	2033	Jobs
Natural Resources	35	37	39	41	43	9	1.14%
Construction	368	409	456	507	564	196	2.16%
Manufacturing	26	39	60	92	139	113	8.78%
Wholesale Trade	31	34	38	42	47	17	2.17%
Retail Trade	1,231	1,331	1,439	1,555	1,681	450	1.57%
T.W.U.	7	9	11	14	17	11	4.73%
Information	39	41	42	43	45	6	0.67%
Financial Activities	889	953	1,021	1,094	1,173	284	1.40%
Professional & Business	462	546	646	764	904	442	3.41%
Private Education	37	41	44	48	53	15	1.71%
Health Care & Social Assistance	1,208	1,445	1,728	2,067	2,473	1,265	3.65%
Leisure & Hospitality	1,100	1,221	1,355	1,503	1,668	568	2.10%
Other Services	618	671	728	791	858	240	1.66%
Government	769	806	845	886	929	160	0.95%
Total	6,820	7,583	8,452	9,448	10,595	3,774	2.23%

LAND NEED FORECASTS

For each growth scenario above, employment forecasts are first translated into demand for commercial and industrial space. This allows a filter of “space utilizing employment”, or jobs which require a need for physical space, and by extension land. This involves two critical assumptions:

Natural Resources: We assume that Natural Resource employment does not utilize urban land to a significant degree. Industry's in this sector include crop and animal production, logging, and crop harvesting. We assume this industry is not likely to translate into significant demand for net-new urban land.

Existing Underutilized Space: Our employment forecast scenarios above consider accelerated growth as the economy recovers from the national recession. However, a significant share of this growth from a 2013 base is likely to locate in existing underutilized space. Therefore, we assume

slower net-new space-utilizing employment growth during the first five years of our forecast as markets equalize.

Findings

The results summarized in Figure 26 highlight projections of net new demand within Keizer for commercial and industrial land between 2013 and 2033. Detailed findings by use type and growth scenario are included in the technical appendix. Over the next twenty years, net new demand for commercial and industrial land is expected to range from 91 to 133 net buildable acres, contingent upon Keizer’s realized growth pattern.

These projections reflect the net developable land, required for building and impervious surface space requirements. Roads, right-of-ways, parks and public facilities, among other things necessary to serve projected land development, are also included by applying a typical 20 percent gross up of net-buildable land need for growth and availability of infrastructure in potential expansion areas.

**Figure 26:
Projected Aggregate Need for Commercial and Industrial Land in the Keizer Urban Growth Boundary,
(Net-Buildable Acres) 2013-2033**

BASELINE LAND NEED				WITH INFRASTRUCTURE 3/			
Land Type	Forecast Scenario			Land Type	Forecast Scenario		
	Baseline	Medium	High		Baseline	Medium	High
Office Lands	26.3	30.8	34.5	Office Lands	31.5	37.0	41.4
Industrial Lands	-8.2	-2.9	0.6	Industrial Lands	-8.2	-2.9	0.7
Commercial Lands 1/	47.7	57.9	57.9	Commercial Lands	57.3	69.5	69.5
<i>Resident Driven</i>	41.5	50.3	50.3	<i>Resident Driven</i>	49.8	60.4	60.4
<i>Visitor Driven</i>	6.2	7.6	7.6	<i>Visitor Driven</i>	7.5	9.1	9.1
Overnight Lodging	1.7	2.9	5.2	Overnight Lodging	2.1	3.5	6.2
Specialized Uses 2/	23.1	30.0	34.8	Specialized Uses	27.7	36.0	41.8
TOTAL EMPLOYMENT LAND NEED	90.6	118.8	133.0	TOTAL EMPLOYMENT LAND NEED	108.8	142.6	159.6

1/ Only two scenarios were forecasted. Medium and High reflect retail need allowing for small growth in real incomes
2/ Hospitals, Clinics, Assisted Living, etc. for employment not otherwise categorized.
3/ Assumes a 20% gross up of land need for infrastructure

Industrial and Office Land Need Methodology

Demand for industrial and office commercial land is a direct function of employment growth in industrial sectors that occupy this type of space. As a result, our projections of industrial and office demand are based on forecasted employment growth by industrial sector within Keizer. Methodology for forecasting need for industrial and office commercial land follow a standard, multi-step process, summarized below. A number of exhibits are referenced, which are found in the technical appendix to this document.

Demand for Office Building Space

Sector employment growth for each of the three economic scenarios is converted into growth in office employment based on typical percentages of jobs, or capture factors, by sector that will be located in office development rather than industrial development. Employment density ratios, the average space in square feet necessary per office job, were utilized to calculate total office space demand given projected employment growth. Ratios and densities utilized are from the Urban Land Institute.

[Exhibits 1.01 and 1.02]

Demand for Office Commercial Land

Demand for office land is a conversion of demand for space by an office floor area ratio (FAR). FAR is defined as the gross leasable building area divided by the buildable land area used. For example, a 5,000

square foot office building on a 10,000 square foot site would be an example of a 0.50 FAR. For projections under each of the three Keizer economic scenarios, JOHNSON REID assumed a relatively conservative 0.30 FAR. While surface parked office space can be produced at an FAR up to 0.50, the historic pattern in the region has included more single story structures at a substantially lower ratio. The FAR standards used here reflect the results of studies of built commercial and industrial lands in Oregon, as well as Urban Land Institute data.

[Exhibit 1.03]

Demand for Industrial Building Space

Keizer's industry employment growth for each of the three economic scenarios is converted into growth in industrial employment based on typical percentages of employment by sector that will be located in industrial space. Employment is then further stratified by type of space, including warehouse/distribution, general industrial and high-tech/flex space. Finally, employment density ratios, calculated as average square feet of space necessary per industrial job, were utilized to calculate total space demand by industrial space type given projected employment growth. These ratios and densities are based on industry standards.

[Exhibits 1.04 through 1.05]

Demand for Industrial Land

Demand for industrial land is a conversion of demand for space by floor area ratios (FARs) by industrial development type and the addition of non-industrial use demand for industrial land typical of business park space. Projections utilize the following FARs:

- *Warehouse/Distribution: 0.31*
- *General Industrial: 0.30; and*
- *High-Tech/Flex: 0.26.*

[Exhibits 1.06]

Commercial Land Need Methodology

Unlike industrial and office commercial land need, retail land need is a direct function of households moving into Keizer, typical spending patterns by those households and visitor/tourist spending. Methodology for forecasting retail commercial land need is summarized below.

Household Growth Projections

For modeling growth in retail commercial land need driven by residential growth, JOHNSON REID utilized household growth rates within the Keizer UGB across the planning period. The Baseline Growth Scenario utilized household growth forecasts coordinated with Johnson Reid's ongoing Goal 10 housing analysis. Adjustments were made for Medium and High growth scenario forecasts for sensitivity purposes. Baseline, Medium, and High growth scenarios, and resulting household growth projections through 2033, were estimated as follows:

Household Forecast: Assumes household growth rate of 1.41% annually in accordance with adopted population forecasts.

Real Income Growth: Baseline scenario assumes no real income growth, alternative growth scenario assumes 0.25% average annual real income growth.

Estimated Keizer Per-Household Retail Spending

JOHNSON REID estimated per-household annual spending by retail category utilizing data derived from the US Bureau of Labor Statistics Consumer Expenditure Survey. Categories are as detailed in the following table by the North American Industry Classification System (NAICS). Estimates are in 2012 dollars because 2013 spending data is not yet available.

Figure 27
Average Household Expenditures on Retail Goods, Keizer, Oregon

CONSUMER SPENDING PATTERNS		Per Household Expenditures ¹
NAICS	Category	
Estimated Households in 2013: 13,824		
441	Motor Vehicle and Parts Dealers	\$6,631
442	Furniture and Home Furnishings Stores	\$715
443	Electronics and Appliance Stores	\$824
444	Building Materials and Garden Equipment	\$3,302
445	Food and Beverage Stores	\$5,416
446	Health and Personal Care Stores	\$2,066
448	Clothing and Clothing Accessories Stores	\$1,696
451	Sporting Goods, Hobby, Book and Music Stores	\$768
452	General Merchandise Stores	\$5,069
453	Miscellaneous Store Retailers	\$982
722	Foodservices and Drinking Places	\$1,617
Totals/Weighted Averages		\$29,087

¹ Average Retail Sales Figures in 2012 Dollars

SOURCE: Nielsen Claritas and JOHNSON REID

Estimate Future Keizer Resident-Driven Retail Sales

Future retail sales originating within Keizer were simply calculated as the product of future household counts under the baseline, medium, and high growth scenarios through 2033 and annual average retail sales by category.

[Exhibit 1.07]

Demand for Retail Commercial Space

Future retail sales are converted into need for developed retail space by calculating the product of future Keizer retail sales by category to a category-specific Sales Support Factor. The Sales Support Factor is the national average retail sales per square foot of space for each category of retail. Sales support factors are from the Urban Land Institute publication *Dollars & Cents*.

[Exhibit 1.08]

Demand for Retail Commercial Land

Demand estimates for developed retail space at different time points was then converted into demand for retail commercial land by applying the industry-standard retail Floor Area Ratio (FAR) of 0.25. The FAR assumes standard suburban retail space requiring four parking spaces per 1,000 square feet of retail floor area.

[Exhibit 1.09]

Region/Visitor Spending Projections

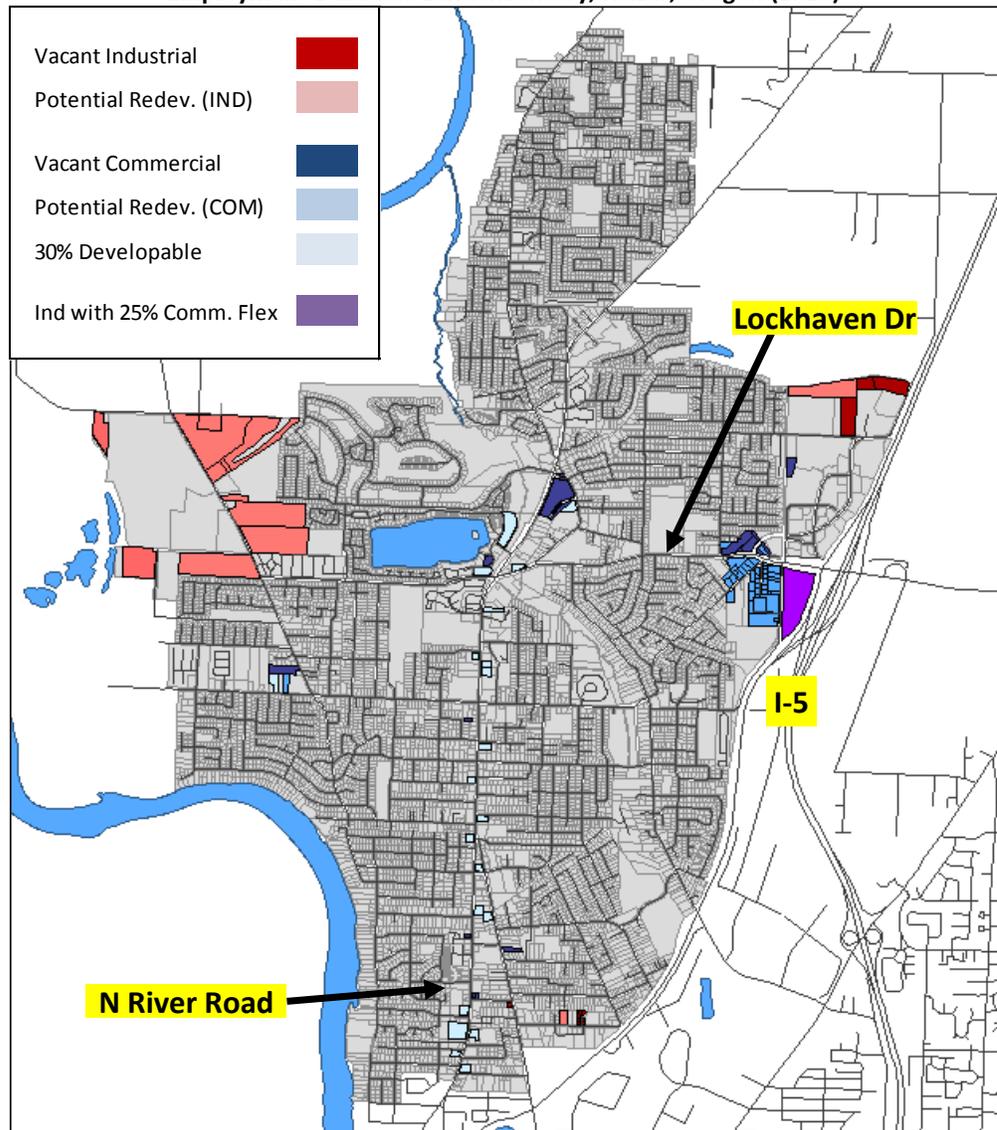
The City of Keizer maintains an above average concentration of retail employment relative to its population, exemplifying that people who are not living in Keizer are spending a share of their retail dollars in Keizer. This effect is driven largely by the Keizer Station, whose tenants draw from a broad trade area. Further, tourism spending in Marion County totaled \$285 million in 2011, up 36% over the last 10 years. A share of this spending, specifically on retail goods, provides support for Keizer businesses. To compensate for non-resident commercial support, we assume that non-residents account for 15% of total retail capture in Keizer, fixed over the forecast period.

VII. BUILDABLE LAND INVENTORY

A detailed profile of the methodology used to determine the Buildable Land Inventory is included in Appendix C, with key findings below.

The following map shows the identified parcels by category: vacant, partially vacant, and redevelopable. Based on the MWVCOG methodology partially vacant parcels are assumed to be 30% buildable. “Redevelopable” parcels are assumed to be 100% developable. The section of Keizer Station shown in purple, is an industrial parcel which is currently in planning and development to include 25% commercial “flex” space as allowed under zoning. For this inventory, it is therefore counted as 25% commercial, and 75% industrial.

Figure 28
Employment Buildable Land Inventory, Keizer, Oregon (2013)



Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

For those parcels identified as “redevelopable”, the entire parcel is assumed to be buildable within the 20-year time horizon. *There is one important exception to this assumption:* The industrial lands in the northwest corner of the city, which are zoned Agricultural Industrial (AI) and shown here as potentially redevelopable are not assumed to be 100% buildable over the 20-year period. These lands, while they show a low level of built-space development are generally under current uses which are envisioned and permitted under the AI zone. Furthermore, these parcels surround the wastewater treatment plant, in an Odor Improvement Overlay zone.

According to the City of Keizer development code, “the purpose of the Agricultural Industrial zone is to provide appropriate areas suitable for agricultural uses, agricultural related industries, warehousing, transportation facilities, and other agricultural, industrial, and recreational uses that have relatively low employees per acre ratios.” This analysis assumes that some of these parcels may develop into somewhat more intensive uses such as agricultural processing or warehousing in the 20-year period, but not all of them.

Therefore, this analysis includes an assumption that these “potential redevelopment” parcels in the northwestern area of the city are 20% redevelopable over the planning period. All other industrial and commercial “redevelopment” parcels shown below are assumed to be 100% redevelopable.

Figure 29
Employment Buildable Land Inventory, by Zone
Keizer, Oregon (2013)

Zoning		Total Acreage
AI	Agricultural Industrial	22.2
CG	Commercial General	4.7
CM	Commercial Mixed Use	11.4
CO	Commercial Office	0.4
CR	Commercial Retail	2.7
IBP	Industrial Business Park	29.3
IG	Industrial General	12.0
MU	Mixed Use	41.4
TOTAL:		124.1

Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

VIII. RECONCILIATION OF VACANT LAND AND NEED

The last step of the analysis is to compare the long-term demand for industrial and commercial land from the land need forecast with the existing supply of industrial and commercial acreage as identified through the Buildable Lands Inventory (BLI). The purpose of the reconciliation is (1) to assess whether the City of Keizer has an adequate supply of suitable employment land to satisfy economic expansion demands over the next 20 years, and (2) to serve as a basis for determining Urban Growth Boundary (UGB) expansion or other policy measures to increase the available employment land supply.

In this section we compared the existing supply of buildable industrial and commercial acreage over the planning period for all three potential growth scenarios. **It is important to remember that the different categories of employment land are not (necessarily) substitutable.** For instance, a shortage of 10 acres of commercial land, and a surplus of 10 acres of industrial land do not cancel each other. The available industrial land may not be properly zoned, configured or located to serve as commercial land. In addition, there may be reasons to preserve the industrial land for the future. The net result in this example would be that there is still a need for 10 acres of commercial land, despite the apparent surplus of industrial land.

Figure 30 shows the findings of land need for commercial, industrial and institutional uses based on the three employment growth scenarios. Institutional uses include hospitals, assisted living and other care facilities, post-secondary education facilities, etc. In all three scenarios, there is a projected need for commercial and institutional land and a projected surplus of industrial land.

Figure 30
Reconciliation of Projected 20-Year Land Need and Existing Supply
Keizer, Oregon

Scenario	Demand	Supply	Surplus/ Shortage
<u>Baseline Growth Scenario</u>			
Commercial	67.2	64.5	(2.8)
Industrial	15.5	59.6	44.2
Institutional	27.7	-	(27.7)
<u>Medium Growth Scenario</u>			
Commercial	82.2	64.5	(17.8)
Industrial	24.9	59.6	34.7
Institutional	36.0	-	(36.0)
<u>High Growth Scenario</u>			
Commercial	86.0	64.5	(21.6)
Industrial	31.8	59.6	27.8
Institutional	41.8	-	(41.8)

1/ Assumes a demand distribution of Office support 25% to commercial and 75% to Industrial

- The City has a shortage of commercial land in all three scenarios, ranging from 3 acres to 22 acres depending on the realized path of growth.
- The City currently has roughly 59.6 acres of industrial land available for development. However, the City's economic development strategy identifies no net-new demand for strictly industrial space

when refill employment is included. Specifically refill in “Transportation, Warehousing and Utilities” and “Construction.” This results in a net surplus of 28 to 44 acres of industrial land relative to pure industrial demand.

- However, the City's economic development strategy is heavily influenced by potential institutional uses, specifically targeted medical, research, and support, campus, and private educational services. These employment areas may typically locate on high value industrial land, but not exclusively. Development on commercial land is possible. Projected need for institutional land ranges from 28 acres to 42 acres.

With the assumptions of this analysis, Keizer has a deficient 20-year employment land supply.

Employment Land Need Conclusion

Assuming no substitutability of industrial land for commercial or institutional use, and adopting the high employment growth scenario based on City policy and economic development strategy, results in a projected shortage of a total of 63.3 employment land acres (21.6 commercial and 41.8 institutional).

TECHNICAL APPENDIX

APPENDIX A: ACKNOWLEDGMENTS

City Staff

-

Technical Advisory Committee

-

Consulting Team

-

APPENDIX B: JOBS NOT INCLUDED IN COVERED EMPLOYMENT

According to the Oregon Employment Department, employment and wage data on interstate railroad workers, who are covered under a separate unemployment insurance law administered by the Railroad Retirement Board, are not included in covered employment estimates. Also excluded from these numbers are:

1. Self-employment.
2. Agricultural labor performed for a farm with a quarterly payroll of less than \$20,000 or not employing at least 10 persons in each of 20 separate weeks during any calendar year.
3. Domestic service in a home, sorority or fraternity, providing the quarterly payroll at no time exceeds \$1,000.
4. Casual labor not in the course of an employer's trade or business.
5. Service performed as an officer or member of the crew of any American vessel primarily engaged in interstate, foreign, or high seas navigation, which does not maintain an office within Oregon from which the operations of the vessel are regularly managed and controlled, and service performed on any vessel of foreign registry. Officers and crews of vessels engaged in inland navigation on the Willamette and Columbia Rivers are covered.
6. Service performed by a person in the employ of a son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother.
7. Service performed by certain part-time, irregular and emergency employees of state or local government.
8. Service performed by elected officials.
9. Service by an appointed policymaking official of state or local government provided he or she works less than eight hours a week.
10. Service performed by an individual in the delivery of newspapers or shopping news.
11. Service performed by a real estate broker, real estate salesman, real estate agent, insurance agent, insurance solicitor or securities salesperson to the extent that compensation is solely by commission.
12. Service performed by an individual or partnership in the distribution of petroleum products with remuneration for service primarily consisting of the difference between the amount the individual pays or is obligated to pay for the petroleum products and the amount the individual receives.
13. Commission sales of home improvements and in-home sales of consumer goods.
14. The 1999 Legislature passed legislation that impacted a certain segment of the fishing industry. Effective October 23, 1999, House Bill 3308 excluded from unemployment insurance fishing services performed by workers on boats with crews of less than 10 individuals where the payment is based on the share of the catch.
15. Wages paid to corporate officers of closely held family corporations *may* elect to exclude from UI coverage those corporate officers who are directors of the corporation, have a substantial ownership interest in the corporation and are members of the same family.

APPENDIX C: BUILDABLE LAND INVENTORY METHODOLOGY

INTRODUCTION & METHODOLOGY

The Buildable Lands Inventory (BLI) used in this analysis is founded on the BLI prepared by the Mid-Willamette Valley Council of Governments (MWVCOG) as part of the Regional Economic Opportunities Analysis (EOA) prepared over recent years and adopted in 2011. This analysis focused on employment lands. MWVCOG's BLI of residential lands was updated through the end of 2009.

For the current Goal 9 and Goal 10 analyses prepared for the City of Keizer, the MWVCOG BLI was used as a foundation, with findings further screened by JOHNSON REID and the City of Keizer to reflect more recent development activity, and other discrepancies.

In keeping with State requirements, the BLI includes an assessment of vacant buildable lands, partially vacant lands, and redevelopment parcels. The BLI for employment land and residential land differ somewhat, as described below.

Employment Lands BLI

An in-depth discussion of the MWVCOG Buildable Lands Inventory completed in conjunction with the Salem-Keizer Metropolitan Area EOA can be found in Appendix A of that report at:

www.mwvcog.org:8080/2/document-folder/ea/economic-opportunity-analysis-final-report-and-appendices

Key portions of Appendix A describing the MWVCOG BLI methodology are included here:

Methodology

A review of the buildable land inventory methodology and definitions used for the Salem Keizer Metropolitan Area EOA is provided as follows.

The buildable land inventory was conducted in two (2) phases. Phase One of the analysis included classifying all land into one of two categories - vacant or developed land. Phase Two of the analysis included an analysis of development constraints that were deducted as unbuildable land from the inventory.

The buildable land inventory was completed primarily using Geographic Information Systems (GIS) technology. Data was gathered and analyzed at the parcel (tax lot) level using a combination of existing parcel-based land use inventory data, County Assessor's records, building permit data through December 31, 2009, and aerial photographs. The output of this analysis is a database of land inventory information by plan designation, which are summarized in both tabular and map format in this report.

The buildable land inventory was also verified to ensure accuracy using aerial photo analysis and agency staff review.

Although data for the inventory was gathered and evaluated at the parcel level, the inventory does not represent a parcel-level analysis of lot availability and suitability. The

inventory does not take into account all of the specific factors needed to determine whether or not an individual lot is suitable and available for development. The results of the BLI have been aggregated by Comprehensive Plan designations, consistent with state planning requirements. As such, the BLI is intended to be considered accurate in the aggregate only and not at the parcel-level.

[...]

Definitions

For the purposes of this study, the following definitions were used:

Vacant Land -

1. Properties with no current development⁵ and available for future employment use; or
2. Properties with a commercial or industrial plan designation with a Floor Area Ratio (FAR) of .10 or less; and commercial lots one-half acre or greater in size, or industrial lots five (5) acres or greater in size. Of these selected lots, the estimated vacant portion is 30% of the lot.

Developed Land – Land that contains existing development and is not classified as vacant under the above definitions.

MWVCOG and ECONorthwest also helped each jurisdiction in the planning area complete an analysis of ***Redevelopable Lands***, which for the purposes of Goal 9 are included under the “Developed Land” category. In general, redevelopable lands were identified as properties with the potential to redevelop or change their land use over the twenty year planning period, based upon local redevelopment policies.

The definitions used for this study are similar to the definitions for “vacant” and “developed land” described in Goal 9 and the safe harbor method provisions found in OAR 660-024-0005(3). The definition of “vacant land” however, deviates somewhat to provide a more inclusive definition that is not restricted by a minimum parcel size of one-half acre. The more inclusive definition of vacant land provides a more accurate description of vacant land within the planning area by identifying smaller vacant infill parcels within established employment areas.

Source: Salem Keizer Metropolitan Area Economic Opportunities Analysis, Appendix A (MWVCOG, 2011)

⁵ Vacant land has no permanent building structure. Sheds, storage buildings or garages may be present. [footnote from original]

In addition to Appendix A to the regional EOA, MWVCOG supplied additional detail of parameters used to narrow down the estimates of buildable employment lands. The following parameters were approved by the Technical Advisory Committee of the regional EOA and applied using GIS analysis:

Vacant Land

1. Vacant Land – for commercial and industrial
 - a. All commercial land, regardless of size
 - b. All industrial land, regardless of size
 - c. Apply constraints
 - d. Exclude from summary tables any resulting sliver or small lots LT 5000 sq. feet

2. FAR less than .10
 - a. Commercial land , started with ½ acre lots or greater
 - b. Industrial land, started with 5 acres lots or greater
 - c. Apply constraints
 - d. 30% of resulting area is considered buildable
 - e. Exclude from BLI if the area is less than 30% of the original size threshold, for Industrial this is 5 acres, for Commercial lands this is 1/2 acre.

Developed Land

3. Non- conforming
 - a. Commercial, started with ½ acre or greater
 - b. Industrial, ALL non-conforming uses regardless of size
 - c. Apply constraints
 - d. Resulting unconstrained area considered buildable
 - e. Exclude any summary tables any resulting sliver/small lots LT 5000 sq feet

With the exceptions of specific properties identified for redevelopment in Turner by the city, and in Keizer with Mixed Use property at Keizer Station Area C.

4. FAR between .10 to .20
 - a. Commercial, started with ½ acre or greater
 - b. Industrial, started with 5 acres or greater
 - c. Apply constraints
 - d. 30% of resulting area is considered buildable
 - e. Exclude from BLI if the area considered buildable is less than 30% of the original size threshold, for Industrial this is less than 5 acres, for Commercial lands this is less than 1/2 acre.

Source: Buildable Lands GIS Documentation (MWVCOG, 2011)

Residential Lands BLI

MWVCOG completed a Residential Lands BLI during a similar timeframe which was updated to reflect permitting activity through the end of 2009. The residential BLI employed a similar methodology to that

described above, with a two phase approach of first identifying vacant and developed land, then applying development constraints to deduct unbuildable lands from the inventory.

As with the employment BLI, the residential BLI includes vacant parcels, as well as partially vacant and redevelopable parcels. For residential uses, the “partially vacant” and “redevelopable” parcels are defined differently than in the employment BLI methodology. The following summarizes the parameters used by MWVCOG for residential lands:

Buildable Lands Documentation for Housing:

Vacant Land

1. Vacant Land
 - a. All residential land vacant land, regardless of size
 - b. All mixed use land if flagged likely residential, regardless of size
 - c. Apply constraints

2. Partially Vacant
 - a. All residential land greater than 17,000 sq. feet in size.
 - b. Apply constraints
 - c. Screen for size again, if the resulting net area is greater than 17,000 sq. feet, deduct ¼ acre for each existing housing unit, the balance is considered vacant.

Redevelopable Land

3. Non-conforming
 - a. Multi-family land with an existing single family use, greater than ½ acre in size.
 - b. Apply constraints
 - c. Screen for size again, if the resulting net area is greater than ½ acre in size, the entire lot is considered redevelopable.

Source: Buildable Lands GIS Documentation for Housing (MWVCOG, 2011)

Redevelopable Parcels: The MWVCOG methodology of identifying redevelopable parcels described above did not result in the identification of any residential redevelopment land. Johnson Reid conducted a second screen for redevelopable parcels by identifying residential parcels, of 0.5 acres or greater in size, and with an improvement/land ratio of less than 1.0. A low improvement-to-land ratio can be one indicator that the current use may be low in value relative to the value of the land itself. This may be a sign that there is a more economical and intensive “best use” for this property. By applying these criteria for redevelopable parcels, Johnson Reid identified some potential redevelopable residential lands while the MWVCOG BLI did not.

Accessory Residential Housing (aka Accessory Dwelling Unit): The residential BLI also includes an assumption of Accessory Residential Housing built on existing developed single family lots. These are units built on a lot with an existing single family house, usually either behind or beside the existing unit. These units have a separate address, and are sometimes offered for rent, or for family to live separate from the primary residence, and are sometimes referred to as “mother-in-law” flats. These units are rare in Keizer, with an estimate of one permitted per year. For this analysis, we assume an increased production of 5 per

year, or 100 such units over the course of the 20-year forecast period. These units are built across all of the existing developed single-family neighborhoods and therefore are not specifically identified in the Residential BLI map presented below.

BLI Refinement

For the City of Keizer Goal 9 EOA and Goal 10 Housing analysis conducted in 2012, and the subject of this report, the MWVCOG BLI data discussed above was mapped by Johnson Reid using GIS software and presented to the City of Keizer and Technical Advisory Committee for further refinement. The refinement generally reflected new development activity which had occurred since the MWVCOG BLI was prepared, and some on-the-ground discrepancies which were not caught in the regional BLI given its wider scope and inability to perform parcel-by-parcel analysis.

The findings of the City of Keizer BLI analysis of Employment and Residential Lands are presented below with additional discussion.

EMPLOYMENT - BUILDABLE LANDS INVENTORY

The methodology as described above finds an existing buildable employment lands inventory as follows:

FIGURE C1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, KEIZER

Zoning		Total Acreage
AI	Agricultural Industrial	22.2
CG	Commercial General	4.7
CM	Commercial Mixed Use	11.4
CO	Commercial Office	0.4
CR	Commercial Retail	2.7
IBP	Industrial Business Park	29.3
IG	Industrial General	12.0
MU	Mixed Use	41.4
TOTAL:		124.1

Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

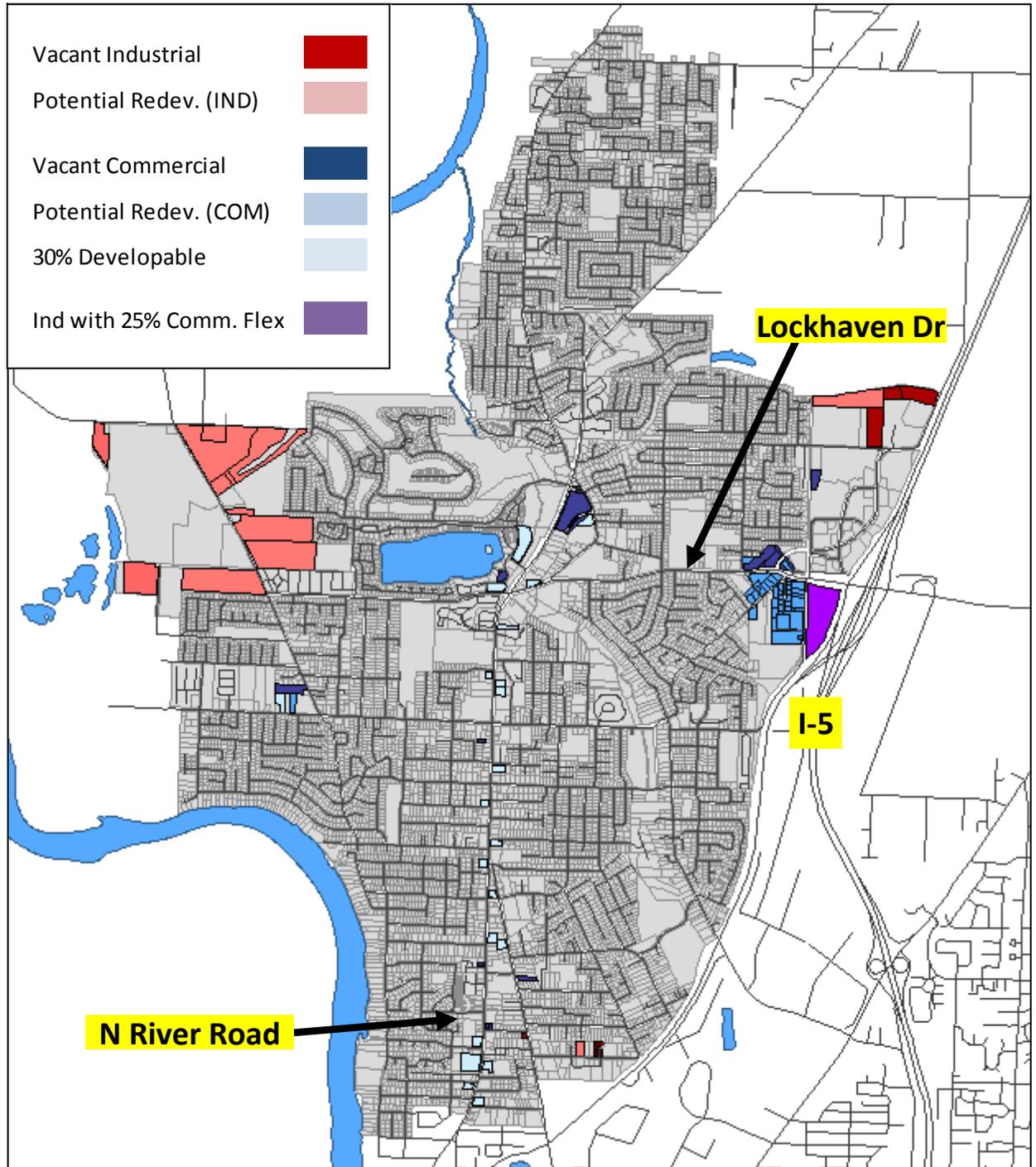
The following map shows the identified parcels by category: vacant, partially vacant, and redevelopable. Based on the MWVCOG methodology partially vacant parcels are assumed to be 30% buildable. This 30% estimate was based on examination of actual property cases which estimated the buildable lands remaining after existing structure and circulation needs are accounted for. This standard was ultimately acceptable to the parties involved and technical advisors of the MWVCOG regional EOA process.

For those parcels identified as “redevelopable”, the entire parcel is assumed to be buildable within the 20-year time horizon. *There is one important exception to this assumption:* The industrial lands in the northwest corner of the city, which are zoned Agricultural Industrial (AI) and shown here as potentially redevelopable are not assumed to be 100% buildable over the 20-year period. These lands, while they show a low level of built-space development are generally under current uses which are envisioned and permitted under the AI zone. Furthermore, these parcels surround the wastewater treatment plant, in an Odor Improvement Overlay zone.

According to the City of Keizer development code, “the purpose of the Agricultural Industrial zone is to provide appropriate areas suitable for agricultural uses, agricultural related industries, warehousing, transportation facilities, and other agricultural, industrial, and recreational uses that have relatively low employees per acre ratios.” This analysis assumes that some of these parcels may develop into somewhat more intensive uses such as agricultural processing or warehousing in the 20-year period, but not all of them.

Therefore, this analysis includes an assumption that these “potential redevelopment” parcels in the northwestern area of the city are 20% redevelopable over the planning period. All other industrial and commercial “redevelopment” parcels shown below are assumed to be 100% redevelopable.

FIGURE C2: EMPLOYMENT BUILDABLE LANDS INVENTORY, KEIZER (2013)



Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

RESIDENTIAL - BUILDABLE LANDS INVENTORY

The methodology as described above finds an existing buildable residential lands inventory as follows:

FIGURE C3: SUMMARY OF RESIDENTIAL BUILDABLE LAND INVENTORY, KEIZER

ZONING DESIGNATION		Net Vacant Buildable Acres	Observed Density (Units/ Net Acre)	Target Density (Units/ Net Acre) ⁴	Capacity of Vacant Lands (Units)	Underlying Comp Plan Designation
RS	Single Family Residential	214.9	6.6	6.6 det. 8.0 att.	1,527	Low Density Residential
RL	Limited Density Residential	0	4.8	-	-	Medium D.R. or Medium High D.R.
RL-LU	Limited D.R. - Limited Use	0	9.6	-	-	Medium High Density Res.
RM (Medium) ¹	Medium Density Residential	0	na	-	-	(See footnote)
RM (Medium High)	Medium Density Residential	24.1	9.6	15.0	362	Medium High Density Res.
RM-LU	MDR - Limited Use	0	9.6	-	-	Medium High Density Res.
RH ²	High Density Residential	0	na	-	-	(See footnote)
UT	Urban Transition	53.9	6.6	6.6 det. 8.0 att.	383	Low Density Residential
MU ³	Mixed Use (Keizer Station)	22.8	6.7	6.7	153	Mixed Use
MU	Mixed Use (Other)	18.7	16.8	16.8	314	Mixed Use
<i>Accessory Dwelling Unit Assumption:</i>					100	
Totals/Averages:		334.4		8.5	2,838	

Sources: MWVCOG, City of KEIZER, Johnson Reid LLC

¹ The City of Keizer Development Code presents standards for areas of the RM (Medium Density Residential) zone which also have an underlying "Medium Density Residential" Comp Plan designation, there are no actual instances of this situation in the zoning map. On the zoning map, all areas zoned RM (Medium Density Residential) have an underlying Comp Plan designation of "Medium High Density Residential."

Those parts of the Comp Plan designation map which are identified as "Medium Density Residential" are all covered by the Limited Density Residential zone on the zoning map.

² The City of Keizer Development Code presents standards for a zoning designation of RH (High Density Residential). This zone never appears on the zoning map, and no parts of the city are actually covered by this zone. Those areas of the city which are designated "Medium High Density Residential" on the Comp Plan map, are covered by the RM (Medium Density Residential) zone on the zoning map. Therefore, the RM (Medium Density Residential) zone conforms to what is called "medium high density" in the Comp Plan, and in the absence of any land designated RH, RM is the city's highest density active zone.

³ This mixed use area is currently under master planning and is planned to include 153 units in addition to commercial uses. That unit count is reflected here, and results in the density of 6.7 units/net acre.

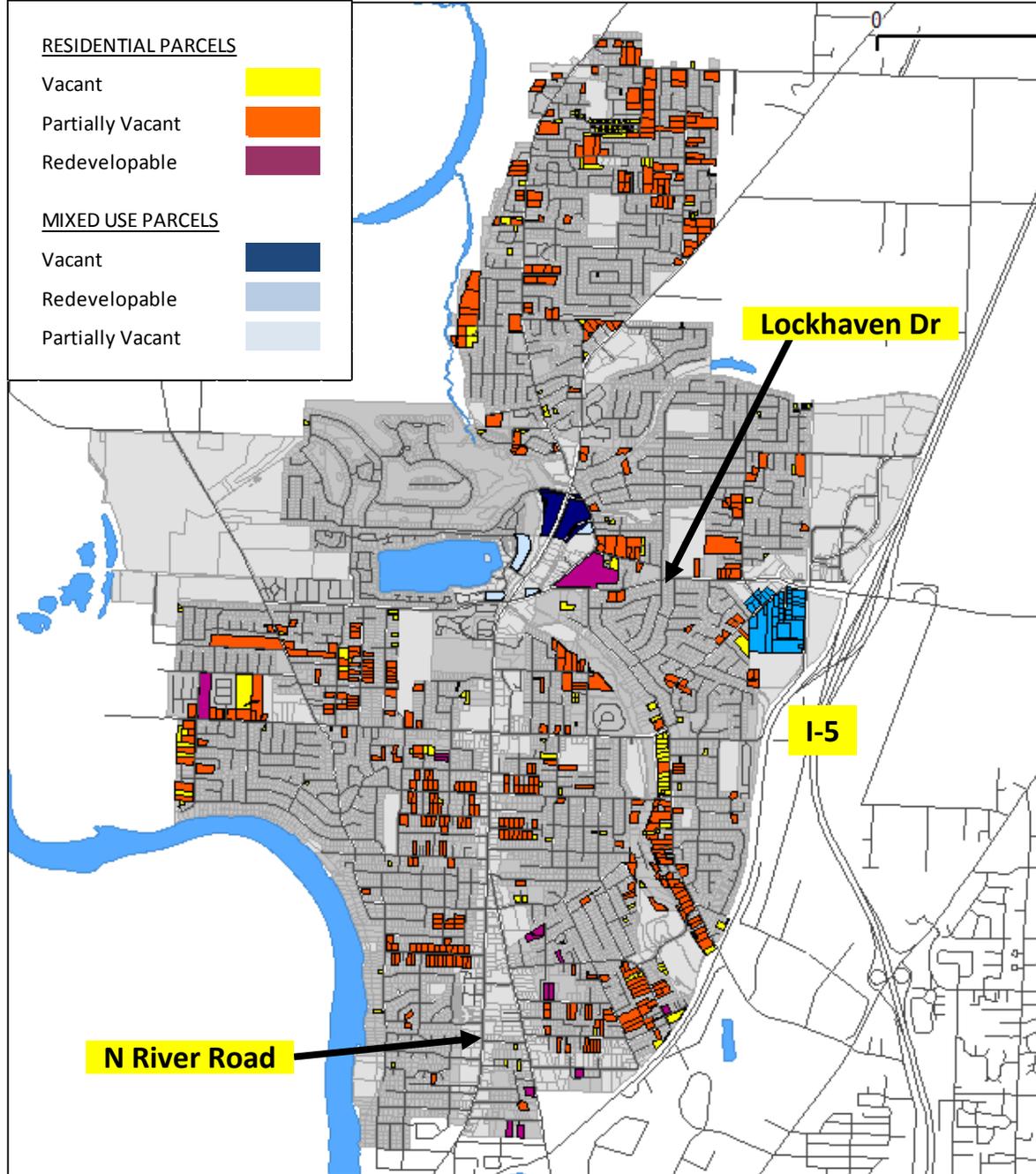
⁴ The target density is assumed to be the achieved density in most zones, as those zones are achieving density near the mid-point of the allowed density range. In the RS zone, single family detached (SFD) and single family attached (SFA) units have two different target densities listed. The SFD target density of 6.6 units/net acre represents the achieved density in the RS zone, while the SFA density of 8 units/net acre reflects that attached units achieve higher density, but are nonetheless limited to a maximum density of 8 units/acre by the zoning code. In the case of the RM (Medium Density Zone) - which has an underlying Comp Plan designation of "Medium High Density" - the achieved density of 9.6 units/net acre is at the low end of the allowed range (8 to 22 units/acre) and therefore, a higher target density of 15 units/net acre (midpoint of range) is assumed here for buildout of remaining parcels in this category.

The residential BLI finds capacity for 2,590 units within the current UGB, under existing zoning, with a likely overall density of 7.9 units/net acre on remaining parcels. This does not represent the maximum potential density allowed, but is based on historically achieved density. (Efficiency measures to ensure efficient use of existing buildable lands will be addressed in a subsequent phase of this project.)

The following map shows the identified parcels by category: vacant, partially vacant, and re-developable. As noted above in the section on methodology, this map does not specifically identify locations for Accessory Residential Units, because that assumption applies generally across all single-family parcels.

Based on the MWVCOG methodology, if partially vacant parcels exceed 17,000 sq.ft., then one quarter of an acre is removed for the existing dwelling and the remainder is assumed to be developable. This satisfies the state safe harbor method provisions found in OAR 660-024-0005(3).

FIGURE C4: RESIDENTIAL BUILDABLE LANDS INVENTORY, KEIZER (2013)



Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

APPENDIX D: LAND DEMAND FORECASTS

EXHIBIT 1.01: TOTAL AND OFFICE SPACE-UTILIZING EMPLOYMENT

Baseline Scenario Employment Sector	Base Year	Total Employment Growth*				Office	Cumulative Office Space-Utilizing Employment			
	2013	2018	2023	2028	2033	Share ¹	2018	2023	2028	2033
Construction	368	-233	-193	-149	-101	2%	-5	-4	-3	-2
Manufacturing	26	-13	-11	-9	-7	5%	-1	-1	0	0
Wholesale Trade	31	-25	-22	-19	-16	5%	-1	-1	-1	-1
Retail Trade	1,231	243	328	420	517	5%	12	16	21	26
T.W.U.	7	-42	-41	-40	-40	30%	-13	-12	-12	-12
Information	39	4	4	4	4	90%	3	3	4	4
Financial Activities	889	234	292	352	417	90%	211	262	317	375
Professional & Business	462	-67	7	93	190	90%	-60	7	83	171
Private Education	37	-8	-5	-2	0	40%	-3	-2	-1	0
Health Care & Social Assistance	1,208	333	546	793	1,077	35%	116	191	278	377
Leisure & Hospitality	1,100	259	373	498	635	5%	13	19	25	32
Other Services	618	-153	-102	-48	11	27%	-41	-28	-13	3
Government	769	-13	14	43	72	30%	-4	4	13	22
Total	6,786	519	1,190	1,935	2,761		228	456	710	994

Medium Growth Scenario Employment Sector	Base Year	Total Employment Growth*				Office	Cumulative Office Space-Utilizing Employment			
	2013	2018	2023	2028	2033	Share ¹	2018	2023	2028	2033
Construction	368	-231	-189	-142	-91	2%	-5	-4	-3	-2
Manufacturing	26	-4	11	34	65	5%	0	1	2	3
Wholesale Trade	31	-25	-22	-18	-15	5%	-1	-1	-1	-1
Retail Trade	1,231	255	355	462	578	5%	13	18	23	29
T.W.U.	7	-41	-39	-37	-35	30%	-12	-12	-11	-10
Information	39	4	4	5	5	90%	4	4	4	5
Financial Activities	889	237	298	362	430	90%	214	268	326	387
Professional & Business	462	-56	34	139	262	90%	-50	31	125	235
Private Education	37	-7	-4	-1	2	40%	-3	-2	0	1
Health Care & Social Assistance	1,208	363	617	916	1,268	35%	127	216	321	444
Leisure & Hospitality	1,100	270	397	537	692	5%	13	20	27	35
Other Services	618	-148	-92	-30	36	27%	-40	-25	-8	10
Government	769	-6	30	67	106	30%	-2	9	20	32
Total	6,786	611	1,400	2,292	3,304		257	522	824	1,167

High Growth Scenario Employment Sector	Base Year	Total Employment Growth*				Office	Cumulative Office Space-Utilizing Employment			
	2013	2018	2023	2028	2033	Share ¹	2018	2023	2028	2033
Construction	368	-228	-182	-130	-73	2%	-5	-4	-3	-1
Manufacturing	26	-1	19	51	98	5%	0	1	3	5
Wholesale Trade	31	-24	-20	-16	-11	5%	-1	-1	-1	-1
Retail Trade	1,231	262	370	486	612	5%	13	18	24	31
T.W.U.	7	-41	-38	-36	-32	30%	-12	-12	-11	-10
Information	39	5	6	8	9	90%	4	6	7	8
Financial Activities	889	244	313	386	464	90%	220	281	347	418
Professional & Business	462	-48	52	170	309	90%	-43	46	153	278
Private Education	37	-7	-3	1	5	40%	-3	-1	0	2
Health Care & Social Assistance	1,208	384	668	1,006	1,412	35%	134	234	352	494
Leisure & Hospitality	1,100	275	409	557	722	5%	14	20	28	36
Other Services	618	-147	-90	-28	40	27%	-40	-24	-7	11
Government	769	-3	36	77	120	30%	-1	11	23	36
Total	6,786	672	1,539	2,533	3,677		281	576	916	1,308

* Cumulative

¹ Share of industry employment that utilizes office space. From the Urban Land Institute converted to NAICS by JOHNSON REID.

EXHIBIT 1.02: CUMULATIVE OFFICE SPACE NEED

Baseline Scenario Employment Sector	Cumulative Office Space-Utilizing Employment					Avg. Space Per Job ¹	Cumulative Office Space Need ²			
	2018	2023	2028	2033	2018		2023	2028	2033	
Construction	-5	-4	-3	-2	366	-1,876	-1,554	-1,200	-811	
Manufacturing	-1	-1	0	0	366	-265	-224	-181	-135	
Wholesale Trade	-1	-1	-1	-1	366	-499	-443	-381	-315	
Retail Trade	12	16	21	26	366	4,889	6,612	8,446	10,400	
T.W.U.	-13	-12	-12	-12	366	-5,060	-4,977	-4,886	-4,787	
Information	3	3	4	4	366	1,327	1,399	1,471	1,543	
Financial Activities	211	262	317	375	366	84,951	105,674	127,654	150,967	
Professional & Business	-60	7	83	171	366	-24,356	2,682	33,546	68,776	
Private Education	-3	-2	-1	0	366	-1,219	-816	-388	66	
Health Care & Social Assistance	116	191	278	377	366	46,866	76,987	111,729	151,801	
Leisure & Hospitality	13	19	25	32	366	5,209	7,508	10,026	12,782	
Other Services	-41	-28	-13	3	366	-16,647	-11,119	-5,168	1,237	
Government	-4	4	13	22	366	-1,583	1,733	5,164	8,713	
Total	228	456	710	994		91,739	183,463	285,831	400,240	

Medium Growth Scenario Employment Sector	Total Employment				Avg. Space Per Job ¹	Cumulative Office Space Need ²			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-5	-4	-3	-2	366	-1,862	-1,522	-1,147	-734
Manufacturing	0	1	2	3	366	-82	231	676	1,309
Wholesale Trade	-1	-1	-1	-1	366	-495	-434	-368	-296
Retail Trade	13	18	23	29	366	5,140	7,149	9,309	11,632
T.W.U.	-12	-12	-11	-10	366	-4,965	-4,758	-4,509	-4,210
Information	4	4	4	5	366	1,412	1,569	1,729	1,890
Financial Activities	214	268	326	387	366	85,962	107,823	131,078	155,817
Professional & Business	-50	31	125	235	366	-20,131	12,433	50,427	94,756
Private Education	-3	-2	0	1	366	-1,155	-681	-172	374
Health Care & Social Assistance	127	216	321	444	366	51,115	86,896	129,059	178,743
Leisure & Hospitality	13	20	27	35	366	5,426	7,986	10,813	13,937
Other Services	-40	-25	-8	10	366	-16,111	-9,962	-3,293	3,939
Government	-2	9	20	32	366	-683	3,604	8,080	12,754
Total	257	522	824	1,167		103,571	210,333	331,682	469,912

High Growth Scenario Employment Sector	Total Employment				Avg. Space Per Job ¹	Cumulative Office Space Need ²			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-5	-4	-3	-1	366	-1,835	-1,463	-1,048	-587
Manufacturing	0	1	3	5	366	-29	386	1,019	1,982
Wholesale Trade	-1	-1	-1	-1	366	-481	-403	-316	-219
Retail Trade	13	18	24	31	366	5,279	7,447	9,791	12,325
T.W.U.	-12	-12	-11	-10	366	-4,918	-4,644	-4,299	-3,863
Information	4	6	7	8	366	1,736	2,232	2,745	3,275
Financial Activities	220	281	347	418	366	88,523	113,291	139,837	168,287
Professional & Business	-43	46	153	278	366	-17,460	18,708	61,485	112,076
Private Education	-3	-1	0	2	366	-1,064	-484	148	836
Health Care & Social Assistance	134	234	352	494	366	54,134	94,063	141,823	198,950
Leisure & Hospitality	14	20	28	36	366	5,536	8,229	11,218	14,534
Other Services	-40	-24	-7	11	366	-16,030	-9,785	-3,006	4,355
Government	-1	11	23	36	366	-305	4,395	9,322	14,486
Total	281	576	916	1,308		113,085	231,974	368,719	526,436

1 Average office employment density by industry sector based on Urban Land Institute guidelines.

2 Assumes a market-clearing 10% office space vacancy rate.

EXHIBIT 1.03: CUMULATIVE OFFICE LAND NEED

Baseline Scenario Employment Sector	Cumulative Office Space Need				Typical F.A.R.	Cumulative Land Need			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-1,876	-1,554	-1,200	-811	0.35	-0.1	-0.1	-0.1	-0.1
Manufacturing	-265	-224	-181	-135	0.35	0.0	0.0	0.0	0.0
Wholesale Trade	-499	-443	-381	-315	0.35	0.0	0.0	0.0	0.0
Retail Trade	4,889	6,612	8,446	10,400	0.35	0.3	0.4	0.6	0.7
T.W.U.	-5,060	-4,977	-4,886	-4,787	0.35	-0.3	-0.3	-0.3	-0.3
Information	1,327	1,399	1,471	1,543	0.35	0.1	0.1	0.1	0.1
Financial Activities	84,951	105,674	127,654	150,967	0.35	5.6	6.9	8.4	9.9
Professional & Business	-24,356	2,682	33,546	68,776	0.35	-1.6	0.2	2.2	4.5
Private Education	-1,219	-816	-388	66	0.35	-0.1	-0.1	0.0	0.0
Health Care & Social Assistance	46,866	76,987	111,729	151,801	0.35	3.1	5.0	7.3	10.0
Leisure & Hospitality	5,209	7,508	10,026	12,782	0.35	0.3	0.5	0.7	0.8
Other Services	-16,647	-11,119	-5,168	1,237	0.35	-1.1	-0.7	-0.3	0.1
Government	-1,583	1,733	5,164	8,713	0.35	-0.1	0.1	0.3	0.6
Total	91,739	183,463	285,831	400,240		6.0	12.0	18.7	26.3

Medium Growth Scenario Employment Sector	Total Employment				Typical F.A.R.	Cumulative Land Need			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-1,862	-1,522	-1,147	-734	0.35	-0.1	-0.1	-0.1	0.0
Manufacturing	-82	231	676	1,309	0.35	0.0	0.0	0.0	0.1
Wholesale Trade	-495	-434	-368	-296	0.35	0.0	0.0	0.0	0.0
Retail Trade	5,140	7,149	9,309	11,632	0.35	0.3	0.5	0.6	0.8
T.W.U.	-4,965	-4,758	-4,509	-4,210	0.35	-0.3	-0.3	-0.3	-0.3
Information	1,412	1,569	1,729	1,890	0.35	0.1	0.1	0.1	0.1
Financial Activities	85,962	107,823	131,078	155,817	0.35	5.6	7.1	8.6	10.2
Professional & Business	-20,131	12,433	50,427	94,756	0.35	-1.3	0.8	3.3	6.2
Private Education	-1,155	-681	-172	374	0.35	-0.1	0.0	0.0	0.0
Health Care & Social Assistance	51,115	86,896	129,059	178,743	0.35	3.4	5.7	8.5	11.7
Leisure & Hospitality	5,426	7,986	10,813	13,937	0.35	0.4	0.5	0.7	0.9
Other Services	-16,111	-9,962	-3,293	3,939	0.35	-1.1	-0.7	-0.2	0.3
Government	-683	3,604	8,080	12,754	0.35	0.0	0.2	0.5	0.8
Total	103,571	210,333	331,682	469,912	0.35	6.8	13.8	21.8	30.8

High Growth Scenario Employment Sector	Total Employment				Typical F.A.R.	Cumulative Land Need			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-1,835	-1,463	-1,048	-587	0.35	-0.1	-0.1	-0.1	0.0
Manufacturing	-29	386	1,019	1,982	0.35	0.0	0.0	0.1	0.1
Wholesale Trade	-481	-403	-316	-219	0.35	0.0	0.0	0.0	0.0
Retail Trade	5,279	7,447	9,791	12,325	0.35	0.3	0.5	0.6	0.8
T.W.U.	-4,918	-4,644	-4,299	-3,863	0.35	-0.3	-0.3	-0.3	-0.3
Information	1,736	2,232	2,745	3,275	0.35	0.1	0.1	0.2	0.2
Financial Activities	88,523	113,291	139,837	168,287	0.35	5.8	7.4	9.2	11.0
Professional & Business	-17,460	18,708	61,485	112,076	0.35	-1.1	1.2	4.0	7.4
Private Education	-1,064	-484	148	836	0.35	-0.1	0.0	0.0	0.1
Health Care & Social Assistance	54,134	94,063	141,823	198,950	0.35	3.6	6.2	9.3	13.0
Leisure & Hospitality	5,536	8,229	11,218	14,534	0.35	0.4	0.5	0.7	1.0
Other Services	-16,030	-9,785	-3,006	4,355	0.35	-1.1	-0.6	-0.2	0.3
Government	-305	4,395	9,322	14,486	0.35	0.0	0.3	0.6	1.0
Total	113,085	231,974	368,719	526,436	0.35	7.4	15.2	24.2	34.5

EXHIBIT 1.04: CUMULATIVE TOTAL AND INDUSTRIAL SPACE-UTILIZING EMPLOYMENT

Baseline Scenario Employment Sector	Base Year	Total Employment Growth*					Industrial Share ¹	Cumulative Industrial Space-Utilizing Employment			
	2013	2018	2023	2028	2033		2018	2023	2028	2033	
Construction	368	-233	-193	-149	-101	60%	-140	-116	-89	-60	
Manufacturing	26	-13	-11	-9	-7	95%	-12	-11	-9	-6	
Wholesale Trade	31	-25	-22	-19	-16	95%	-24	-21	-18	-15	
Retail Trade	1,231	243	328	420	517	0%	0	0	0	0	
T.W.U.	7	-42	-41	-40	-40	70%	-29	-29	-28	-28	
Information	39	4	4	4	4	10%	0	0	0	0	
Financial Activities	889	234	292	352	417	0%	0	0	0	0	
Professional & Business	462	-67	7	93	190	10%	-7	1	9	19	
Private Education	37	-8	-5	-2	0	10%	-1	-1	0	0	
Health Care & Social Assistance	1,208	333	546	793	1,077	0%	0	0	0	0	
Leisure & Hospitality	1,100	259	373	498	635	0%	0	0	0	0	
Other Services	618	-153	-102	-48	11	63%	-96	-64	-30	7	
Government	769	-13	14	43	72	10%	-1	1	4	7	
Total	6,786	519	1,190	1,935	2,761		-310	-238	-161	-76	

Medium Growth Scenario Employment Sector	Base Year	Total Employment Growth*					Industrial Share ¹	Cumulative Industrial Space-Utilizing Employment			
	2013	2018	2023	2028	2033		2018	2023	2028	2033	
Construction	368	-231	-189	-142	-91	60%	-139	-113	-85	-55	
Manufacturing	26	-4	11	34	65	95%	-4	11	32	62	
Wholesale Trade	31	-25	-22	-18	-15	95%	-23	-20	-17	-14	
Retail Trade	1,231	255	355	462	578	0%	0	0	0	0	
T.W.U.	7	-41	-39	-37	-35	70%	-29	-28	-26	-24	
Information	39	4	4	5	5	10%	0	0	0	1	
Financial Activities	889	237	298	362	430	0%	0	0	0	0	
Professional & Business	462	-56	34	139	262	10%	-6	3	14	26	
Private Education	37	-7	-4	-1	2	10%	-1	0	0	0	
Health Care & Social Assistance	1,208	363	617	916	1,268	0%	0	0	0	0	
Leisure & Hospitality	1,100	270	397	537	692	0%	0	0	0	0	
Other Services	618	-148	-92	-30	36	63%	-93	-58	-19	23	
Government	769	-6	30	67	106	10%	-1	3	7	11	
Total	6,786	611	1,400	2,292	3,304		-295	-202	-95	29	

High Growth Scenario Employment Sector	Base Year	Total Employment Growth*					Industrial Share ¹	Cumulative Industrial Space-Utilizing Employment			
	2013	2018	2023	2028	2033		2018	2023	2028	2033	
Construction	368	-228	-182	-130	-73	60%	-137	-109	-78	-44	
Manufacturing	26	-1	19	51	98	95%	-1	18	48	94	
Wholesale Trade	31	-24	-20	-16	-11	95%	-23	-19	-15	-10	
Retail Trade	1,231	262	370	486	612	0%	0	0	0	0	
T.W.U.	7	-41	-38	-36	-32	70%	-29	-27	-25	-22	
Information	39	5	6	8	9	10%	0	1	1	1	
Financial Activities	889	244	313	386	464	0%	0	0	0	0	
Professional & Business	462	-48	52	170	309	10%	-5	5	17	31	
Private Education	37	-7	-3	1	5	10%	-1	0	0	1	
Health Care & Social Assistance	1,208	384	668	1,006	1,412	0%	0	0	0	0	
Leisure & Hospitality	1,100	275	409	557	722	0%	0	0	0	0	
Other Services	618	-147	-90	-28	40	63%	-93	-57	-17	25	
Government	769	-3	36	77	120	10%	0	4	8	12	
Total	6,786	672	1,539	2,533	3,677		-287	-184	-62	87	

* Cumulative

¹ Share of industry employment that utilizes office space. From the Urban Land Institute converted to NAICS by JOHNSON REID.

EXHIBIT 1.05: CUMULATIVE INDUSTRIAL SPACE NEED

Baseline Scenario Employment Sector	Cumulative Industrial Space-Utilizing Employmen				Avg. Space	Cumulative Industrial Space Need ²			
	2018	2023	2028	2033	Per Job ¹	2018	2023	2028	2033
Construction	-140	-116	-89	-60	517	-79,501	-65,847	-50,843	-34,352
Manufacturing	-12	-11	-9	-6	517	-7,100	-6,019	-4,859	-3,616
Wholesale Trade	-24	-21	-18	-15	2,518	-65,219	-57,843	-49,847	-41,179
Retail Trade	0	0	0	0	0	0	0	0	0
T.W.U.	-29	-29	-28	-28	1,707	-55,062	-54,158	-53,170	-52,093
Information	0	0	0	0	467	188	198	209	219
Financial Activities	0	0	0	0	0	0	0	0	0
Professional & Business	-7	1	9	19	467	-3,453	380	4,756	9,751
Private Education	-1	-1	0	0	467	-389	-260	-124	21
Health Care & Social Assistance	0	0	0	0	0	0	0	0	0
Leisure & Hospitality	0	0	0	0	0	0	0	0	0
Other Services	-96	-64	-30	7	517	-54,868	-36,648	-17,035	4,077
Government	-1	1	4	7	908	-1,309	1,433	4,270	7,205
Total	-310	-238	-161	-76		-266,713	-218,763	-166,643	-109,968

Medium Growth Scenario Employment Sector	Cumulative Industrial Space-Utilizing Employmen				Avg. Space	Cumulative Industrial Space Need ²			
	2017	2022	2027	2032	Per Job ¹	2018	2023	2028	2033
Construction	-139	-113	-85	-55	517	-78,890	-64,503	-48,621	-31,090
Manufacturing	-4	11	32	62	517	-2,204	6,194	18,137	35,121
Wholesale Trade	-23	-20	-17	-14	2,518	-64,729	-56,778	-48,111	-38,664
Retail Trade	0	0	0	0	0	0	0	0	0
T.W.U.	-29	-28	-26	-24	1,707	-54,027	-51,780	-49,072	-45,810
Information	0	0	0	1	467	200	223	245	268
Financial Activities	0	0	0	0	0	0	0	0	0
Professional & Business	-6	3	14	26	467	-2,854	1,763	7,149	13,434
Private Education	-1	0	0	0	467	-369	-217	-55	119
Health Care & Social Assistance	0	0	0	0	0	0	0	0	0
Leisure & Hospitality	0	0	0	0	0	0	0	0	0
Other Services	-93	-58	-19	23	517	-53,103	-32,833	-10,853	12,983
Government	-1	3	7	11	908	-565	2,980	6,682	10,547
Total	-295	-202	-95	29		-256,540	-194,952	-124,499	-43,092

High Growth Scenario Employment Sector	Cumulative Industrial Space-Utilizing Employmen				Avg. Space	Cumulative Industrial Space Need ²			
	2018	2023	2028	2033	Per Job ¹	2018	2023	2028	2033
Construction	-137	-109	-78	-44	517	-77,752	-61,980	-44,427	-24,892
Manufacturing	-1	18	48	94	517	-790	10,357	27,337	53,198
Wholesale Trade	-23	-19	-15	-10	2,518	-62,848	-52,633	-41,261	-28,602
Retail Trade	0	0	0	0	0	0	0	0	0
T.W.U.	-29	-27	-25	-22	1,707	-53,524	-50,539	-46,779	-42,041
Information	0	1	1	1	467	246	316	389	464
Financial Activities	0	0	0	0	0	0	0	0	0
Professional & Business	-5	5	17	31	467	-2,475	2,652	8,717	15,889
Private Education	-1	0	0	1	467	-339	-154	47	267
Health Care & Social Assistance	0	0	0	0	0	0	0	0	0
Leisure & Hospitality	0	0	0	0	0	0	0	0	0
Other Services	-93	-57	-17	25	517	-52,835	-32,252	-9,906	14,353
Government	0	4	8	12	908	-252	3,635	7,709	11,980
Total	-287	-184	-62	87		-250,570	-180,598	-98,175	616

¹ Share of industry employment that utilizes industrial space. Regional Industrial Land Study Phase III (EcoNorthwest and Otak, Inc., 2001) converted to NAICS by JOHNSON REID. Reconciled with ULI Estimates.

EXHIBIT 1.06: CUMULATIVE INDUSTRIAL LAND NEED

Baseline Scenario Employment Sector	Cumulative Industrial Space Need				Typical F.A.R.	Cumulative Land Need			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-79,501	-65,847	-50,843	-34,352	0.29	-6.3	-5.2	-4.0	-2.7
Manufacturing	-7,100	-6,019	-4,859	-3,616	0.29	-0.6	-0.5	-0.4	-0.3
Wholesale Trade	-65,219	-57,843	-49,847	-41,179	0.30	-5.0	-4.4	-3.8	-3.2
Retail Trade	0	0	0	0	0.00	0.0	0.0	0.0	0.0
T.W.U.	-55,062	-54,158	-53,170	-52,093	0.31	-4.1	-4.0	-3.9	-3.9
Information	188	198	209	219	0.26	0.0	0.0	0.0	0.0
Financial Activities	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Professional & Business	-3,453	380	4,756	9,751	0.26	-0.3	0.0	0.4	0.9
Private Education	-389	-260	-124	21	0.26	0.0	0.0	0.0	0.0
Health Care & Social Assistance	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Leisure & Hospitality	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Other Services	-54,868	-36,648	-17,035	4,077	0.29	-4.3	-2.9	-1.3	0.3
Government	-1,309	1,433	4,270	7,205	0.26	-0.1	0.1	0.4	0.6
Total	-266,713	-218,763	-166,643	-109,968		-20.7	-16.9	-12.7	-8.2

Medium Growth Scenario Employment Sector	Cumulative Industrial Space Need				Typical F.A.R.	Cumulative Land Need			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-78,890	-64,503	-48,621	-31,090	0.29	-6.2	-5.1	-3.8	-2.5
Manufacturing	-2,204	6,194	18,137	35,121	0.29	-0.2	0.5	1.4	2.8
Wholesale Trade	-64,729	-56,778	-48,111	-38,664	0.30	-5.0	-4.3	-3.7	-3.0
Retail Trade	0	0	0	0	0.00	0.0	0.0	0.0	0.0
T.W.U.	-54,027	-51,780	-49,072	-45,810	0.31	-4.0	-3.8	-3.6	-3.4
Information	200	223	245	268	0.26	0.0	0.0	0.0	0.0
Financial Activities	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Professional & Business	-2,854	1,763	7,149	13,434	0.26	-0.3	0.2	0.6	1.2
Private Education	-369	-217	-55	119	0.26	0.0	0.0	0.0	0.0
Health Care & Social Assistance	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Leisure & Hospitality	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Other Services	-53,103	-32,833	-10,853	12,983	0.29	-4.2	-2.6	-0.9	1.0
Government	-565	2,980	6,682	10,547	0.26	0.0	0.3	0.6	0.9
Total	-256,540	-194,952	-124,499	-43,092		-19.9	-15.0	-9.3	-2.9

High Growth Scenario Employment Sector	Cumulative Industrial Space Need				Typical F.A.R.	Cumulative Land Need			
	2018	2023	2028	2033		2018	2023	2028	2033
Construction	-77,752	-61,980	-44,427	-24,892	0.29	-6.2	-4.9	-3.5	-2.0
Manufacturing	-790	10,357	27,337	53,198	0.29	-0.1	0.8	2.2	4.2
Wholesale Trade	-62,848	-52,633	-41,261	-28,602	0.30	-4.8	-4.0	-3.2	-2.2
Retail Trade	0	0	0	0	0.00	0.0	0.0	0.0	0.0
T.W.U.	-53,524	-50,539	-46,779	-42,041	0.31	-4.0	-3.7	-3.5	-3.1
Information	246	316	389	464	0.26	0.0	0.0	0.0	0.0
Financial Activities	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Professional & Business	-2,475	2,652	8,717	15,889	0.26	-0.2	0.2	0.8	1.4
Private Education	-339	-154	47	267	0.26	0.0	0.0	0.0	0.0
Health Care & Social Assistance	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Leisure & Hospitality	0	0	0	0	0.00	0.0	0.0	0.0	0.0
Other Services	-52,835	-32,252	-9,906	14,353	0.29	-4.2	-2.6	-0.8	1.1
Government	-252	3,635	7,709	11,980	0.26	0.0	0.3	0.7	1.1
Total	-250,570	-180,598	-98,175	616		-19.4	-13.8	-7.3	0.6

EXHIBIT 1.07: TOTAL HOUSEHOLD RETAIL SPENDING

Baseline Scenario		Per Household Expenditures	Household Retail Spending (In Millions)					'13-'33 Δ
NAICS	Category		2013	2018	2023	2028	2033	
441	Motor Vehicle and Parts Dealers	\$6,631	\$91.7	\$98.2	\$105.2	\$112.6	\$120.6	\$29.0
442	Furniture and Home Furnishings Stores	\$715	\$9.9	\$10.6	\$11.3	\$12.1	\$13.0	\$3.1
443	Electronics and Appliance Stores	\$824	\$11.4	\$12.2	\$13.1	\$14.0	\$15.0	\$3.6
444	Building Materials and Garden Equipment	\$3,302	\$45.6	\$48.9	\$52.4	\$56.1	\$60.1	\$14.4
445	Food and Beverage Stores	\$5,416	\$74.9	\$80.2	\$85.9	\$92.0	\$98.5	\$23.7
446	Health and Personal Care Stores	\$2,066	\$28.6	\$30.6	\$32.8	\$35.1	\$37.6	\$9.0
448	Clothing and Clothing Accessories Stores	\$1,696	\$23.4	\$25.1	\$26.9	\$28.8	\$30.8	\$7.4
451	Sporting Goods, Hobby, Book and Music Stores	\$768	\$10.6	\$11.4	\$12.2	\$13.1	\$14.0	\$3.4
452	General Merchandise Stores	\$5,069	\$70.1	\$75.1	\$80.4	\$86.1	\$92.2	\$22.1
453	Miscellaneous Store Retailers	\$982	\$13.6	\$14.5	\$15.6	\$16.7	\$17.9	\$4.3
722	Foodservices and Drinking Places	\$1,617	\$22.3	\$23.9	\$25.6	\$27.5	\$29.4	\$7.1
Totals/Weighted Averages		\$29,087	\$310.4	\$332.5	\$356.1	\$381.4	\$408.5	\$98.1

Alternative Commercial Retail Scenario		Per Household Expenditures	Household Retail Spending (In Millions)					'13-'33 Δ
NAICS	Category		2013	2018	2023	2028	2033	
441	Motor Vehicle and Parts Dealers	\$6,631	\$91.7	\$99.4	\$107.8	\$116.9	\$126.8	\$35.1
442	Furniture and Home Furnishings Stores	\$715	\$9.9	\$10.7	\$11.6	\$12.6	\$13.7	\$3.8
443	Electronics and Appliance Stores	\$824	\$11.4	\$12.4	\$13.4	\$14.5	\$15.8	\$4.4
444	Building Materials and Garden Equipment	\$3,302	\$45.6	\$49.5	\$53.7	\$58.2	\$63.1	\$17.5
445	Food and Beverage Stores	\$5,416	\$74.9	\$81.2	\$88.1	\$95.5	\$103.6	\$28.7
446	Health and Personal Care Stores	\$2,066	\$28.6	\$31.0	\$33.6	\$36.4	\$39.5	\$10.9
448	Clothing and Clothing Accessories Stores	\$1,696	\$23.4	\$25.4	\$27.6	\$29.9	\$32.4	\$9.0
451	Sporting Goods, Hobby, Book and Music Stores	\$768	\$10.6	\$11.5	\$12.5	\$13.5	\$14.7	\$4.1
452	General Merchandise Stores	\$5,069	\$70.1	\$76.0	\$82.4	\$89.4	\$96.9	\$26.9
453	Miscellaneous Store Retailers	\$982	\$13.6	\$14.7	\$16.0	\$17.3	\$18.8	\$5.2
722	Foodservices and Drinking Places	\$1,617	\$22.3	\$24.2	\$26.3	\$28.5	\$30.9	\$8.6
Totals/Weighted Averages		\$29,087	\$310.4	\$336.7	\$365.1	\$396.0	\$429.4	\$119.0

EXHIBIT 1.08: COMMERCIAL RETAIL SPACE NEED

Baseline Growth Scenario		Sales Support	Spending Supported Retail Demand ²					
NAICS	Category	Factor ¹	2013	2018	2023	2028	2033	'13-'33 Δ
441	Motor Vehicle and Parts Dealers	\$387	260,568	279,079	298,904	320,138	342,881	82,313
442	Furniture and Home Furnishings Stores	\$209	51,986	55,679	59,635	63,871	68,409	16,422
443	Electronics and Appliance Stores	\$302	41,515	44,465	47,623	51,006	54,630	13,115
444	Building Materials and Garden Equipment	\$389	129,079	138,249	148,070	158,589	169,855	40,776
445	Food and Beverage Stores	\$430	191,543	205,151	219,725	235,334	252,052	60,509
446	Health and Personal Care Stores	\$279	112,579	120,577	129,143	138,317	148,143	35,564
448	Clothing and Clothing Accessories Stores	\$156	165,310	177,053	189,631	203,102	217,531	52,221
451	Sporting Goods, Hobby, Book and Music Stores	\$199	58,720	62,892	67,359	72,145	77,270	18,550
452	General Merchandise Stores	\$164	470,044	503,436	539,200	577,505	618,531	148,487
453	Miscellaneous Store Retailers	\$127	117,621	125,976	134,926	144,511	154,777	37,156
722	Foodservices and Drinking Places	\$267	92,077	98,618	105,624	113,128	121,164	29,087
Totals/Weighted Averages			1,430,474	1,532,095	1,640,935	1,757,508	1,882,361	451,887

Alternative Commercial Retail Scenario		Sales Support	Spending Supported Retail Demand ²					
NAICS	Category	Factor ¹	2013	2018	2023	2028	2033	'13-'33 Δ
441	Motor Vehicle and Parts Dealers	\$387	260,568	282,584	306,462	332,356	360,438	99,871
442	Furniture and Home Furnishings Stores	\$209	51,986	56,379	61,142	66,309	71,911	19,925
443	Electronics and Appliance Stores	\$302	41,515	45,023	48,827	52,953	57,427	15,912
444	Building Materials and Garden Equipment	\$389	129,079	139,985	151,813	164,641	178,552	49,473
445	Food and Beverage Stores	\$430	191,543	207,728	225,280	244,315	264,958	73,415
446	Health and Personal Care Stores	\$279	112,579	122,092	132,408	143,596	155,729	43,150
448	Clothing and Clothing Accessories Stores	\$156	165,310	179,277	194,425	210,853	228,670	63,360
451	Sporting Goods, Hobby, Book and Music Stores	\$199	58,720	63,682	69,063	74,898	81,226	22,506
452	General Merchandise Stores	\$164	470,044	509,760	552,833	599,544	650,203	180,159
453	Miscellaneous Store Retailers	\$127	117,621	127,559	138,337	150,026	162,702	45,082
722	Foodservices and Drinking Places	\$267	92,077	99,857	108,295	117,445	127,369	35,291
Totals/Weighted Averages			1,430,474	1,551,342	1,682,423	1,824,580	1,978,748	548,274

¹ Based on national averages derived from "Dollars & Cents of Shopping Centers," Urban Land Institute, 2008. Median sales for neighborhood scale centers were used.

² Assumes a Market Clearing Vacancy Rate of 10%

EXHIBIT 1.09: COMMERCIAL RETAIL LAND NEED

Baseline Growth Scenario		Retail	Commercial Retail Land Need (Acres)					
NAICS	Category	F.A.R. ¹	2013	2018	2023	2028	2033	'13-'33 Δ
441	Motor Vehicle and Parts Dealers	0.25	23.9	25.6	27.4	29.4	31.5	7.6
442	Furniture and Home Furnishings Stores	0.25	4.8	5.1	5.5	5.9	6.3	1.5
443	Electronics and Appliance Stores	0.25	3.8	4.1	4.4	4.7	5.0	1.2
444	Building Materials and Garden Equipment	0.25	11.9	12.7	13.6	14.6	15.6	3.7
445	Food and Beverage Stores	0.25	17.6	18.8	20.2	21.6	23.1	5.6
446	Health and Personal Care Stores	0.25	10.3	11.1	11.9	12.7	13.6	3.3
448	Clothing and Clothing Accessories Stores	0.25	15.2	16.3	17.4	18.7	20.0	4.8
451	Sporting Goods, Hobby, Book and Music Stores	0.25	5.4	5.8	6.2	6.6	7.1	1.7
452	General Merchandise Stores	0.25	43.2	46.2	49.5	53.0	56.8	13.6
453	Miscellaneous Store Retailers	0.25	10.8	11.6	12.4	13.3	14.2	3.4
722	Foodservices and Drinking Places	0.25	8.5	9.1	9.7	10.4	11.1	2.7
Totals/Weighted Averages			131.4	140.7	150.7	161.4	172.9	41.5

Alternative Commercial Retail Scenario		Retail	Commercial Retail Land Need (Acres)					
NAICS	Category	F.A.R. ¹	2013	2018	2023	2028	2033	'13-'33 Δ
441	Motor Vehicle and Parts Dealers	0.25	23.9	25.9	28.1	30.5	33.1	9.2
442	Furniture and Home Furnishings Stores	0.25	4.8	5.2	5.6	6.1	6.6	1.8
443	Electronics and Appliance Stores	0.25	3.8	4.1	4.5	4.9	5.3	1.5
444	Building Materials and Garden Equipment	0.25	11.9	12.9	13.9	15.1	16.4	4.5
445	Food and Beverage Stores	0.25	17.6	19.1	20.7	22.4	24.3	6.7
446	Health and Personal Care Stores	0.25	10.3	11.2	12.2	13.2	14.3	4.0
448	Clothing and Clothing Accessories Stores	0.25	15.2	16.5	17.9	19.4	21.0	5.8
451	Sporting Goods, Hobby, Book and Music Stores	0.25	5.4	5.8	6.3	6.9	7.5	2.1
452	General Merchandise Stores	0.25	43.2	46.8	50.8	55.1	59.7	16.5
453	Miscellaneous Store Retailers	0.25	10.8	11.7	12.7	13.8	14.9	4.1
722	Foodservices and Drinking Places	0.25	8.5	9.2	9.9	10.8	11.7	3.2
Totals/Weighted Averages			131.4	142.5	154.5	167.5	181.7	50.3

¹ Assumes typical suburban retail profile: single-story with four parking spaces per 1,000 square feet of developed space.



JOHNSON REID
LAND USE ECONOMICS

CITY OF KEIZER, OR
HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT
(OREGON STATEWIDE PLANNING GOAL 10)

Prepared For:
CITY OF KEIZER, OREGON

April, 2013

DRAFT: 4/24/13 Planning Commission Meeting



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20-YEAR HOUSING NEED FORECAST

INTRODUCTION

This analysis outlines a forecast of housing need within the City of Keizer/Urban Growth Boundary. Housing need and resulting land need are forecast to 2033 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- City of Keizer Adopted 2032 Population Forecast
- Marion County Adopted 2030 Population Forecast
- MWVCOG Buildable Lands Inventory
- MWVCOG regional Housing Needs Analysis and Economic Opportunities Analysis (2011)
- U.S. Census
- Claritas Inc.¹
- Portland State University Population Research Center.
- Other sources are identified as appropriate.

CITY OF KEIZER DEMOGRAPHIC PROFILE

Population and Households

- Keizer is a City of nearly 37,000 people located in the greater Salem-Keizer metropolitan area.
- Keizer is the 14th largest city in Oregon, but its population is nearly equal to that of the 13th largest (Lake Oswego).
- Keizer has grown by an estimated 4,661 people between 2000 and 2013, or 14%. This growth was roughly equal to that experienced by Marion County (13%) and the state (14%) over that period. The City of Salem experienced greater growth of 16%. (US Census and PSU Population Research Center)
- Keizer was home to over 13,800 households in 2013. The percentage of families fell somewhat between 2000 and 2010 from 71.4% to 69.3% of all households. This is very similar to the Marion County figure of 68.2% family households, and the state's 63.4%.
- Keizer's average household size is 2.64 persons, unchanged since 2000. This is slightly smaller than the Marion County average of 2.7 but larger than the statewide average of 2.47.

The following table (Figure 1) presents a profile of City of Keizer demographics from the 2000 and 2010 Census. It also presents projected demographics in 2013, based on assumptions detailed in the table footnotes.

¹ Claritas Inc. is a third-party company providing data on demographics and market segmentation. It is owned by the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Claritas promotes a "bottom-up" and "top-down" analysis using these sources to produce annual demographic and economic profiles for individual geographies. Projections of future growth are based on the continuation of long-term and emergent demographic trends identified through the above sources.

FIGURE 1: KEIZER DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth Rate	2013	Growth Rate
	(Census)	(Census)	00-10	(Proj.)	10-13
Population ¹	32,203	36,478	1.3%	36,864	0.4%
Households ²	12,110	13,703	1.2%	13,824	0.3%
Families ³	8,642	9,498	0.9%	9,582	0.3%
Housing Units ⁴	12,774	14,445	1.2%	14,531	0.2%
Group Quarters Population ⁵	280	364	2.7%	368	0.4%
<i>Household Size</i>	2.64	2.64	0.0%	2.64	0.0%
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000	2010	Growth Rate	2013	Growth Rate
	(Census)	(Est.)	00-10	(Proj.)	10-13
Per Capita (\$)	\$20,119	\$24,645	2.0%	\$26,192	2.0%
Average HH (\$)	\$53,425	\$64,272	1.9%	\$67,937	1.9%
Median HH (\$)	\$45,052	\$53,042	1.6%	\$55,705	1.6%

SOURCE: Claritas, Census, and Johnson Reid

¹ Population is based on the certified 2012 estimate from PSU Population Research Center, projected forward one year using the 2010 - 2012 growth rate (0.4%)

² 2013 Households = 2013 population/2013 HH Size

³ Ratio of 2013 Families to total HH is kept constant from 2010.

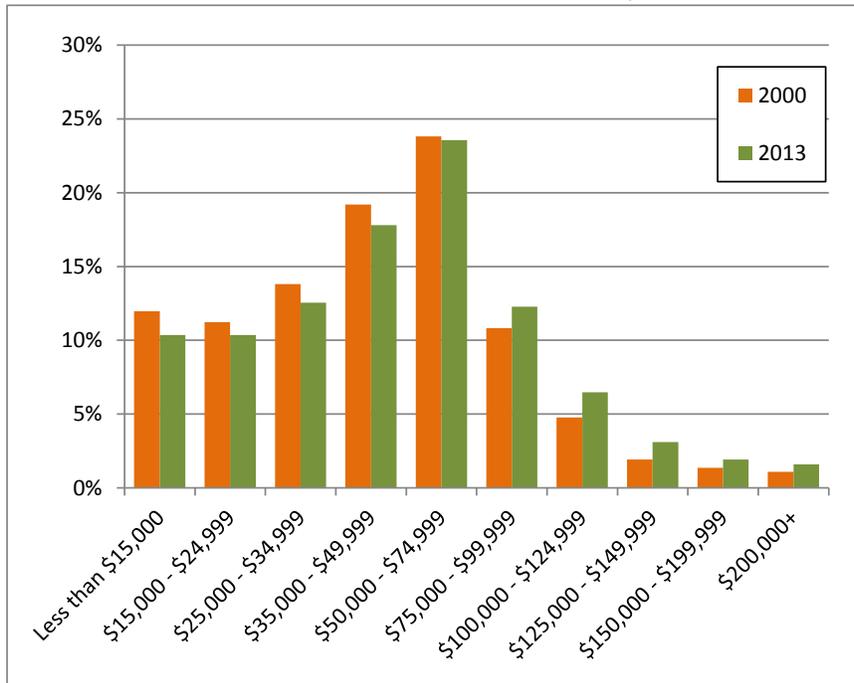
⁴ 2013 housing units are the 2010 Census total plus new units permitted from '10 through '12 (source: HUD State of the Cities Data System)

⁵ Ratio of 2012 Group Quarters Population to Total Population is kept constant from 2010.

Income Levels

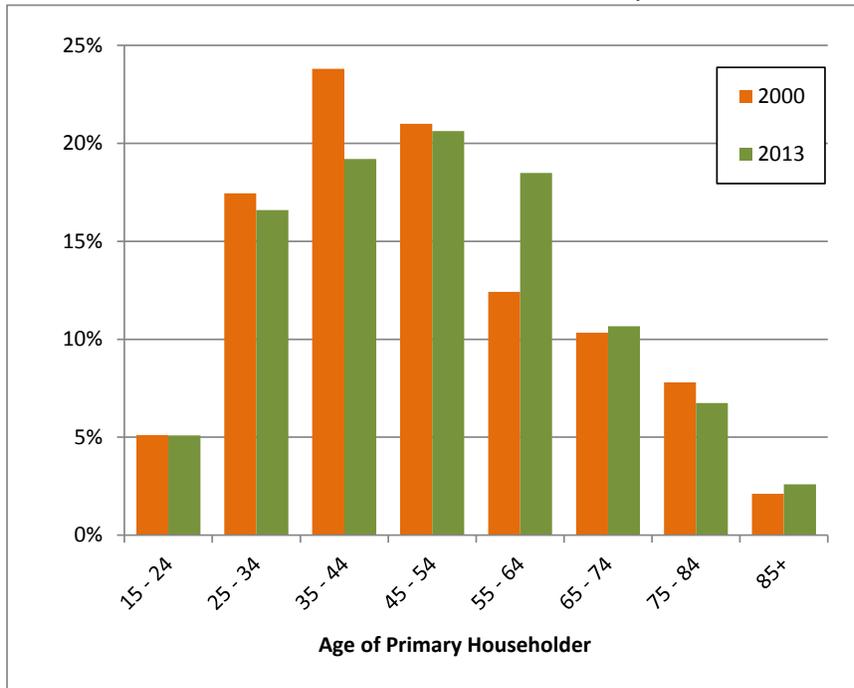
- Keizer’s median household income was over \$53,000 in 2010. This is 22% higher than the median income found in the City of Salem (\$43,500) and is similarly higher than the Marion County median (\$45,594).
- Median income grew 18% between 2000 and 2010, while growing 13% in Marion County.
- Figure 2 shows the distribution of households by income in 2000 and 2013 (estimated). The largest single income cohort is those households earning between \$50k and \$75k, at 24% of households. 51% of households earn less than this, while 25% of households earn \$75k or more per year.
- 20% of households earn \$25k or less, down from 23% of households in 2000.

FIGURE 2: SHARE OF HOUSEHOLDS WITHIN INCOME GROUPS, CITY OF KEIZER



SOURCE: Claritas Inc., Johnson Reid LLC

FIGURE 3: SHARE OF HOUSEHOLDS BY AGE OF HOUSEHOLDER, CITY OF KEIZER



SOURCE: Claritas Inc., Johnson Reid LLC

Age Trends

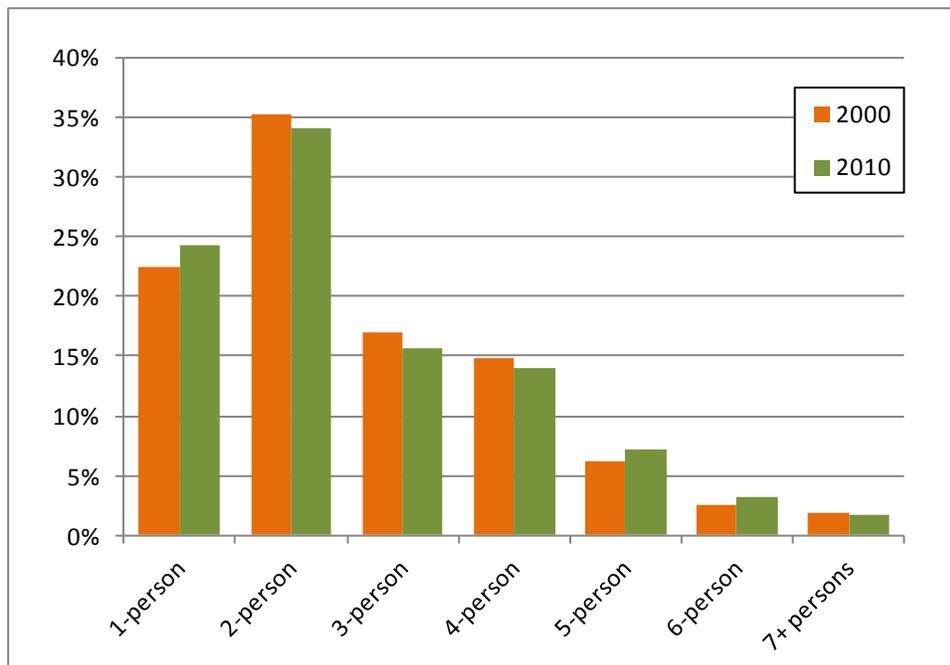
- Figure 3 shows the share of households by the age of the primary householder. In general, the distribution of households has shifted away from younger households and towards older households. Nevertheless, 56% of householders still fall 25 to 54 year range.
- The greatest growth was in households in the 55 to 64 age range, coinciding with the oldest of the Baby Boom cohort. This cohort grew from 12.4% to 18.5% of households.

- 20% of householders are now 65 years or older.
- These figures reflect the age of householders, which is an important metric of housing needs as discussed more below. In terms of the total population, 27.3% of Keizer’s citizens are children under the age of 18 years, essentially unchanged since 2000. Keizer has more children than the statewide average of 22.6% of the population.
- 13% of Keizer’s population is 65 years or older which is slightly more than the share in 2000 (12.2%), and roughly equivalent to the statewide average.

Household Size

- Keizer’s average household size is 2.64 persons, unchanged since 2000.
- Figure 4 shows the share of households by the number of people. 24% are single-person households, up slightly since 2000. This is similar to the percentage in Marion County (25%), but less than the statewide average (27%).
- The share of households with two to four people fell slightly, while large households of five or six people grew in share.

FIGURE 4: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF KEIZER



SOURCE: US Census, Johnson Reid LLC

CURRENT HOUSING NEEDS

The profile of current housing conditions in the study area is based on Census 2010, forecasted forward to 2013 based on the most recent certified estimates from the Population Research Center at Portland State University. Estimates of current population and households were cross referenced with estimates from Claritas, and the U.S. Census.

FIGURE 5: CURRENT HOUSING PROFILE (2013)

CURRENT HOUSING CONDITIONS (2013)		SOURCE
Total 2013 Population:	36,864	US Census, PSU Pop. Research Center
- Estimated group housing population:	368 (1.0% of Total)	US Census
Estimated Non-Group 2013 Population:	36,496 (Total - Group)	
Avg. HH Size:	2.64	US Census
Estimated Non-Group 2013 Households:	13,824 (Pop/HH Size)	
Total Housing Units:	14,531 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	13,824 (= # of HH)	
Vacant Housing Units:	707 (Total HH - Occupied)	
Current Vacancy Rate:	4.9% (Vacant units/ Total units)	

Sources: Johnson Reid, LLC, City of KEIZER, PSU Population Research Center, U.S. Census

We estimate a current population of roughly 36,864, living in 13,824 households (excluding group living situations). Average household size is 2.64 persons (compared to 2.5 statewide). Keizer has a somewhat higher percentage of family households (69%) in comparison to the state or Salem (each with 63% family households.)

There are an estimated 14,531 housing units in the city, with 707 units vacant. The estimated 2013 vacancy rate of housing units is 4.9% (Claritas, Census).

ESTIMATE OF CURRENT HOUSING DEMAND

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

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (Census), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each.

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

Figure 6 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (13,824).

The breakdown of tenure (owners vs. renters) reflects data from the 2010 Census. The 61% ownership rate is very similar to the statewide rate of 62%. The homeownership rate in Keizer has fallen since 2000 from almost 65%. During this period the statewide rate fell from 64% to 62%. While the overall rate is very similar the rate of decline

was more pronounced in Keizer during this decade. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

FIGURE 6: ESTIMATE OF CURRENT HOUSING DEMAND (2013)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$70k	442	Less than \$15,000	5.2%	5.2%
\$70k - \$120k	541	\$15,000 - \$24,999	6.4%	11.7%
\$120k - \$170k	839	\$25,000 - \$34,999	9.9%	21.6%
\$170k - \$240k	1,284	\$35,000 - \$49,999	15.2%	36.8%
\$240k - \$300k	2,184	\$50,000 - \$74,999	25.9%	62.7%
\$300k - \$350k	1,442	\$75,000 - \$99,999	17.1%	79.8%
\$350k - \$440k	827	\$100,000 - \$124,999	9.8%	89.6%
\$440k - \$530k	402	\$125,000 - \$149,999	4.8%	94.4%
\$530k - \$640k	263	\$150,000 - \$199,999	3.1%	97.5%
\$640k +	209	\$200,000+	2.5%	100.0%
Totals:	8,432		% of All:	61.0%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$380	990	Less than \$15,000	18.4%	18.4%
\$380 - \$620	891	\$15,000 - \$24,999	16.5%	34.9%
\$620 - \$870	896	\$25,000 - \$34,999	16.6%	51.5%
\$870 - \$1090	1,177	\$35,000 - \$49,999	21.8%	73.3%
\$1090 - \$1370	1,074	\$50,000 - \$74,999	19.9%	93.2%
\$1370 - \$1680	255	\$75,000 - \$99,999	4.7%	98.0%
\$1680 - \$2100	69	\$100,000 - \$124,999	1.3%	99.2%
\$2100 - \$2520	28	\$125,000 - \$149,999	0.5%	99.7%
\$2520 - \$3360	3	\$150,000 - \$199,999	0.1%	99.8%
\$3360 +	11	\$200,000+	0.2%	100.0%
Totals:	5,392		% of All:	39.0%

All Households	13,824
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Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON REID

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 15% down payment.

[These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. Down payment assumptions tend to range from 20% for older/established households, and 10% for first-time buyers. In recent years, down payment requirements have fallen significantly. The 15% used here represents both the average between newer and older households and recognition that despite currently tightening standards due to the 2008/2009 credit crisis, over the long-run it is anticipated that down payment standards will remain sub-20% (i.e. a new "normal" has been established).]

CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 6) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 7 below) differs from this profile, meaning that some households find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being under- or over-affordable.

A profile of current housing supply in Keizer was determined using Census data from the 2010 Census, which provides a profile of housing values, rent levels, and housing types (single family, attached, mobile home, etc.).

The following figure presents a profile of current housing supply of ownership and rental housing in the study area.

- An estimated 59.8% of housing units are ownership units, while an estimated 40.2% of housing units are rental units. The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.
- 93% of ownership units are single family homes, while 41% of rental units are in structures of 5 units or more.
- Of total housing units, an estimated 63% are detached homes, while 33% are some sort of attached type. 4% are mobile home units.

FIGURE 7: PROFILE OF CURRENT HOUSING SUPPLY (2013)

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
\$0k - \$70k	211	9	0	7	0	275	0	502	5.8%	5.8%
\$70k - \$120k	193	12	0	17	0	142	0	363	4.2%	10.0%
\$120k - \$170k	1,417	41	0	7	0	0	0	1,465	16.9%	26.8%
\$170k - \$240k	3,405	63	0	3	0	0	0	3,471	39.9%	66.7%
\$240k - \$300k	1,049	19	0	0	0	0	0	1,068	12.3%	79.0%
\$300k - \$350k	632	12	0	0	0	0	0	644	7.4%	86.4%
\$350k - \$440k	757	5	0	0	0	0	0	762	8.8%	95.2%
\$440k - \$530k	199	0	0	0	0	0	0	199	2.3%	97.5%
\$530k - \$640k	84	0	0	0	0	0	0	84	1.0%	98.5%
\$640k +	134	0	0	0	0	0	0	134	1.5%	100.0%
Totals:	8,081	161	0	34	0	417	0	8,693	% of All Units:	59.8%
Percentage:	93.0%	1.9%	0.0%	0.4%	0.0%	4.8%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
\$0 - \$380	8	15	8	21	55	38	0	146	2.5%	2.5%
\$380 - \$620	173	170	64	188	452	64	0	1,111	19.0%	21.5%
\$620 - \$870	420	382	145	456	1,199	26	0	2,628	45.0%	66.5%
\$870 - \$1090	300	194	82	242	603	0	0	1,420	24.3%	90.9%
\$1090 - \$1370	94	74	17	44	63	0	0	292	5.0%	95.9%
\$1370 - \$1680	42	16	6	6	27	0	0	97	1.7%	97.5%
\$1680 - \$2100	36	25	4	0	0	0	0	64	1.1%	98.6%
\$2100 - \$2520	45	20	0	0	0	0	0	65	1.1%	99.7%
\$2520 - \$3360	16	0	0	0	0	0	0	16	0.3%	100.0%
\$3360 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	1,134	896	324	958	2,399	128	0	5,838	% of All Units:	40.2%
Percentage:	19.4%	15.3%	5.6%	16.4%	41.1%	2.2%	0.0%	100.0%		

TOTAL HOUSING UNITS										
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	
Totals:	9,215	1,056	324	992	2,399	544	0	14,531	100%	
Percentage:	63.4%	7.3%	2.2%	6.8%	16.5%	3.7%	0.0%	100.0%		

Sources: US Census, PSU Population Research Center, JOHNSON REID

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available.

In general, this identifies a current need for additional ownership units at a range of price points, counterbalanced by a surplus of units in the \$120,000 to \$240,000 range. This is simply an indicator that most housing in the Keizer market is found in this range. Based on analysis of household incomes and ability to pay, there may be support for some ownership housing at higher price points.

The analysis identifies a general need for rental units at the lowest price level and at middle price levels. There are levels of estimated surplus for apartments (\$380 to \$1090 per month), representing the average rent prices in Keizer, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.

FIGURE 8: COMPARISON OF CURRENT NEED TO CURRENT SUPPLY

Ownership				Rental			
Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
\$0k - \$70k	442	502	60	\$0 - \$380	990	146	(844)
\$70k - \$120k	541	363	(177)	\$380 - \$620	891	1,111	220
\$120k - \$170k	839	1,465	627	\$620 - \$870	896	2,628	1731
\$170k - \$240k	1,284	3,471	2187	\$870 - \$1090	1,177	1,420	243
\$240k - \$300k	2,184	1,068	(1116)	\$1090 - \$1370	1,074	292	(782)
\$300k - \$350k	1,442	644	(798)	\$1370 - \$1680	255	97	(158)
\$350k - \$440k	827	762	(65)	\$1680 - \$2100	69	64	(4)
\$440k - \$530k	402	199	(203)	\$2100 - \$2520	28	65	37
\$530k - \$640k	263	84	(179)	\$2520 - \$3360	3	16	13
\$640k +	209	134	(75)	\$3360 +	11	0	(11)
Totals:	8,432	8,693	261	Totals:	5,392	5,838	446

Occupied Units:	13,824
All Housing Units:	14,531
Total Unit Surplus:	707

Sources: PSU Population Research Center, Claritas Inc., Census, JOHNSON REID

Overall, the analysis identifies a total surplus of 261 ownership units, and a larger current surplus of rental units of 446. This is based on a model of general preferences of households in different age and income cohorts to either own or rent.

There are an estimated 707 units more than the current number of households, which reflects the city's current vacancy rate of 4.9%.

ANTICIPATED HOUSING TRENDS

This section discusses current and anticipated demographic and market trends which are expected to impact the nature of housing demand and development in the future. These are macro-level trends which generally apply on a regional or nationwide scale, but the potential impact for Keizer is discussed in each case. The impacts of these trends are factored into the projection of housing need and residential land need detailed in following sections of this report.

The major demographic trends discussed here are:

- Migration to urban environments
- Diminishing household sizes
- Baby Boom generation transitions
- Millennial generation preferences
- Immigration
- Workforce housing

A. Migration to Urban Environments

The United States, and indeed most of the world, has been undergoing a long-term shift of population from rural areas to urban areas. For the first time in history, as of 2008, more people globally live in an urban environment than in rural areas. This shift is caused by the decline of small-scale farming as agriculture is mechanized, and the increasing dominance of cities in the global economy. In the developing world, cities are the location of jobs in factories and the export sectors.

In the United States, metropolitan areas are the heart of the high-tech, creative and services-based sectors which are growing as manufacturing declines. Ironically, as communication technology increasingly enables dispersed work environments and the ability to connect from anywhere, the urban environment seems to have only grown in popularity. Sociologists and other experts now acknowledge the enduring importance of physical proximity for networking, doing business and forming clusters of competitors within an industry to spur innovation and share a talent pool of employees.

These trends have been accompanied by the revitalization of city centers and a return of population growth in the core. For many cities, including Portland, this is a reversal of the out-migration trends of the 1970's and 1980's when the perception of urban crime and dysfunction led many to move to the suburbs to find a better family environment plus more space, cheaper housing and better schools. Since the late 1990's, the return of urban prosperity, continuously falling crime rates, and a reaction against long commutes, many cities have seen increasing demand to live in the downtown area, or the surrounding neighborhoods.

There is currently some speculation that this trend will have a negative impact on the suburban cities which surround the larger "core" city, and especially on the farther-flung "exurban" cities. As yet, the evidence is not conclusive that this will be the case.

Rather than see this trend as an ominous sign for suburban cities, some experts interpret it as impetus for suburbs to encourage some aspects of urban lifestyle in the suburbs, most notably by revitalizing traditional downtowns, zoning for mixed uses, and/or creating new town center environments which offer the benefits of a larger central city on a smaller scale.² This trend is already apparent in many suburban cities, including Keizer.

In fact, a 2011 survey from the National Association of Realtors of community preferences found that the largest share of homeowners live in the suburbs (either residential-only areas, or neighborhoods with a mix of uses). When asked where they would prefer to live, the suburbs were still dominant, but with a greater preference for mixed-use suburban environments, over residential-only neighborhoods.³ For renter households, the city market was the most popular, but roughly 34% still expressed a preference for the suburban market.

² McIlwain, John. "Housing in America: The Next Decade." ULI, 2010.

³ Logan, Gregg. "RCLCO Forecast: Does the Housing Market Still Want the Suburbs?" RCLCO, "The Advisory," 4/30/12.

Implications for Keizer: As a first-tier suburb in the Salem metro area, the City of Keizer will continue to benefit from the general trend of migration to urban areas. The metro area as a whole can expect continued growth, with different suburbs filling different niches in terms of housing affordability, lifestyle amenities, and employment opportunities.

The growing popularity of the urban core should not be interpreted as a zero-sum game in terms of attracting households. Suburban housing will continue to meet the needs for some households depending on life-stage and personal preferences.

Keizer can continue to prioritize bringing some of the benefits of a more urban environment to the city, through the long-term development of mixed use areas.

B. Diminishing Household Sizes

There is a clear long-term trend in the United States of falling household (and family) sizes. In 1900, the average household size in the US was 4.6 persons. By 1950, it was 3.4 persons, and in 2010 it was 2.58 persons (US Census). This is a rate of decline of -0.5% per year since 1900.

However, in recent decades the trend has slowed considerably. Since 1980, the rate of decline has been -0.2%. Between 2000 and 2010, the average household size was essentially unchanged. This is reflected in Keizer, where the average household size remained constant from 2000 to 2010 (2.64 persons).

Nationally, a continued slow decline of household size is expected over coming decades. Younger baby boomers will transition to empty nest status as kids leave the households. Older boomers will transition to single-person households as spouses pass away, if not in the coming decade than the following decade. (As discussed in more detail below, the size of the baby boom generation causes them to have an outsized effect on demographic trends.)

At the same time, the trend for younger generations to delay having children and having fewer children than previous generations will continue. However, the rate of decline will continue to slow and the average household size is likely to reach a stable level eventually, as it cannot realistically approach a size of 1.0 person per household.

Implications for Keizer: The city of Keizer has experienced a stable average household size since the year 2000. Given its nature as a suburban city of mostly detached single-family homes, it should continue to attract family households which will support the household size, and buck the national trend towards smaller households. The projections of future households in the following section reflect a household size which will grow very slightly to 2.65 over the next 20 years.

C. Baby Boom Generation Transitions

Due to its sheer size, the baby boom generation has dominated US demographic trends since its appearance between 1946 and 1965. (Exact definitions of generational periods vary, but this is the generally accepted definition of the baby boom generation.) There are an estimated 78 million boomers, making them approximately 26% of the US population. In 2012, this generation is roughly 47 to 66 years old.

Demographers often split the baby boom generation into an older and younger cohort when discussing their needs and preferences.⁴ The prospects of these two cohorts are likely to be very different given the severity of the recent economic downturn.

The older cohort, aged 56 to 66, is closer to retirement, with less time to repair household finances if it is needed. Many in this generation have not saved adequately for retirement, and the recent expectation of using rising home

⁴ Most of this discussion draws from the following reports:

McIlwain, John. "Housing in America: The Next Decade." ULI, 2010.

"State of the Nation's Housing 2011." Joint Center for Housing Studies of Harvard University, 2011.

equity as a backstop has been frustrated by the housing downturn. This situation may limit some opportunities in retirement.

Still, many in this older cohort were already near to retirement when the recession hit, and had built sufficient nest eggs and pension benefits to retire as planned. This cohort was able to take advantage of generally rising income growth and national prosperity over their careers. As incomes have stagnated over the last decade, they were still in their peak earning years. Many have access to pension and health benefits in retirement that are no longer offered to most workers.

The younger cohort (aged 47-56) is larger, representing about 2/3 of the generation. This cohort is still entering the prime of its earning years, many with children still at home. Though job and income prospects may be diminished, there is still the opportunity to retrench for retirement.

Economically, this younger boomer cohort has more in common with younger generations, in that it has experienced wage stagnation over the last decade. They did not necessarily share in the constant income growth and generous retirement benefits sometimes associated with older boomers.

In terms of housing, the baby boom generation is more likely to own their homes, having decades to enter the ownership market and build equity. They are more likely to have greater equity in their homes, providing some cushion from the recent downturn. Nevertheless, many in this generation are still locked in underwater mortgages, and face the same dilemma as younger generations in being unable or unwilling to sell for a loss. For those entering retirement, the lack of mobility may be a source of frustration and inconvenience, but is not damaging in the sense that they are not compelled to move for job opportunities. For younger boomer, the lack of mobility may hurt job prospects.

The older boomers also have the advantage of selling their current homes as “move up” housing to the younger boomers following them, though the prices received are likely to be greatly diminished. Younger boomers are once again in a tougher position, as their homes are most appropriate as move-up housing for the following generation: Generation X. The problem is that Generation X is much smaller, tends to be less prosperous, and shares the younger generations’ preference for an urban environment, rather than the suburbs where many younger boomers have located.

What are the anticipated housing preferences of empty nesters and retirees? Two studies by RCLCO present somewhat different conclusions on this matter. A 2009 survey found that 75% of retiring boomers said they want to live in mixed-age, mixed-use communities, which implies a more urban environment. However, this mixed environment can be found in suburban town centers as well.

A 2010 survey asked a sample of affluent households of a variety of ages what housing choices they anticipated making upon coming empty-nesters and/or retirees. 65% of respondents stated that they prefer to age in place. An additional 14% anticipated moving to a different single-family home in the same market. 7% stated the preference to move to a condominium either in the central city or suburb.⁵

These findings suggest caution with the oft-stated belief that older households will increasingly want to live in multi-family housing in dense environments. While some segment of the population will make this choice, this trend can be overstated.

Since baby boomers are likely to remain healthier and more active for longer than the previous generation, as well as face problems with underwater mortgages, they are likely to delay downsizing and seeking out senior-focused facilities for some time.

Implications for Keizer: The baby boom generation’s share of Keizer’s population (33%) is higher than that of the state (27%), and the nation (26.5%). Keizer may expect to see the impacts of this generation’s lifestyle transitions to a somewhat greater degree.

⁵ Ducker, Adam and Bob Gardner. “Anticipating the Upscale Empty-Nester Condo Market Recovery” RCLCO, “The Advisory,” 8/11.

Over the coming 20 years, the baby boom generation will remain healthier and more independent for longer than their parents, meaning that the transition to retirement communities will be postponed or never undertaken for some of these households. The youngest in this generation will have just reached the traditional retirement age in 20 years.

Their housing legacy may be in leaving behind a large stock of large suburban homes to generations with lower incomes, and/or preferences for a more urban setting (see below). If this is the case, then housing prices in suburban locations may not experience as robust of gains as central urban housing.

A subset of the baby boom generation will be interested in opportunities to live in well-planned and safe mixed-use communities in the future. The demand from older households for multi-family housing opportunities in town centers should be significant enough to be addressed by the market, but should not be overstated. Also, older seniors may prefer or require single-level housing.

D. Millennial Generation Preferences

As the baby boom generation moves through mid-life and into retirement, the millennial generation is emerging as the dominant demographic group of the future. This generation, sometimes called the Echo Boomers or Generation Y, is actually larger than the baby boom generation at 83 million people. Definitions vary, but members of this generation were born roughly between 1980 and 2000 and are now in their teens to early 30's.

Aside from being large, this generation is in the prime years of defining popular culture as its greatest consumers. In broad strokes, the millennial generation is more technologically savvy, networked, environmentally and socially responsible than previous generations. They value diversity and activity, and therefore gravitate to urban environments more-so than older generations.

This generation grew up in a time of generally rising economic prosperity in the 1980's and 1990's, but they find themselves at a disadvantage in the current economic downturn. Jobs are scarce while average student debt has risen sharply. Incomes for people younger than 35 have fallen over the last decade, meaning that this generation is starting from behind. Many experts expect that over their lifetimes, millennials will make less money and have a more modest quality of life than their parents.

The reported desire of this generation to live in an urban setting seems to be very real:

A 2008 survey by RCLCO found that 77 percent of generation Y reports wanting to live in an urban core, not in the suburbs where they grew up. They want to be close to each other, to services, to places to meet, and to work, and they would rather walk than drive. They say they are willing to live in a smaller space in order to be able to afford this lifestyle.⁶

Given their age and current finances, this currently means that millennial households are much more likely to rent units than own. In fact, the experience of the housing downturn has likely tempered the desire of many in this generation to own a home for the foreseeable future.

Due to the economy, other members of this generation are currently living with their parents, or with many roommates, as evidenced by the falling rate of household formation. After 2008, the rate fell by more than half. Once the economy improves and unemployment drops among the young, this generation is likely to make up for lost time in forming new households and generating new demand for housing. There are indications that this trend is already beginning.

Looking forward at the future housing needs of this large generation raises some questions. While they currently demand rental housing in the urban core, they will be less well-positioned to afford central city housing as they change life-stages and seek ownership opportunities and room for families. In the urban core, where they prefer to live, single-family homes will be scarce and expensive, owned mostly by generation X and boomer households.

⁶ McIlwain, John. "Housing in America: The Next Decade." ULI, 2010.

Childless millennials will continue to accept smaller multi-family units in order to remain in their preferred neighborhoods, either continuing to rent, or buying condos. But millennials with children will find many urban options either too constrained or too expensive. Like previous generations, they will seek a house with a yard at a price they can afford.

This may create opportunities for close-in suburbs. The millennial generation may eventually provide a stock of demand for the suburban single family homes vacated by the boomer generation. Similarly, they will value well-planned town centers in suburban locations. Suburbs that are able to revitalize their traditional mixed-use town centers or create new ones may be more attractive to young refugees from the urban core.

Millennials are expected to continue the trend of putting off child rearing until they are older, and therefore this trend may be slow to develop. If they move to the suburbs, this generation may be more accepting of living in denser types of housing, such as attached single-family, even with children.

Implications for Keizer: It is generally believed that when millennials claim to prefer the urban core, they truly mean the center of a larger city (for instance, central Portland), rather than a suburban environment. However, the eventual impacts of affordability and life-stage decisions are likely to cause some significant share of this generation to either never move into the urban core, or move back out at some point.

As of the 2010 Census, the generation born between 1980 and 2000 represented 27% of Keizer population. In comparison to larger nearby urban centers, this is lower than Salem (29%) and equivalent to Portland (27%). However, as of 2010 many in this generation were still dependents living with their parents. A closer examination of those aged 20 to 29 years in 2010 found that this group makes up 12% of Keizer's population compared to 15% in Salem, and 17% in Portland. The data show that Keizer has more young millennials living as dependents, but is either losing them or not attracting them as residents in their 20's the same extent as larger cities in the area.

Keizer, like many suburban cities, can plan ahead for this generation by creating mixed-use town centers which will provide some urban amenities. Transit options and opportunities to walk and bike will also be attractive. For all of their differences, good schools and a safe environment will appeal to millennial households just as much as preceding generations.

Whether millennials remain in Keizer or relocate from the city, a greater share of new housing units can be expected to be attached forms. This generation will need a sufficient stock of multi-family rentals. Townhomes will likely represent larger share of for-sale starter homes.

E. Immigration

Immigration is expected to be one of the key drivers of population growth, and therefore housing need over the coming decades. Immigrants and their U.S.-born children and grandchildren constitute one of the fastest growing population segments.

While native households are expected to trend towards smaller households, fewer children, and more childless households, the number of families and children among immigrant communities is expected to grow. Demographers credit the growth in immigrant households with slowing the decline in household size.⁷

The result of this rapid growth among immigrants and their children is that minorities are expected to account for most of the population growth between now and 2050. Latinos and Asians are the key drivers of this trend.

Immigrant households and their children have some key characteristics which impact their housing needs. These households tend to be poorer and larger than average. This means that many immigrants are reliant on rental housing, and often in lower-priced areas. They may stay in rental housing for more of their lifetime than other populations.

⁷ "State of the Nation's Housing 2011." Joint Center for Housing Studies of Harvard University, 2011.

In rental and ownership housing, immigrants will need more space to house larger families. For this reason, suburbs will continue to be increasingly attractive to immigrant households. The old pattern of immigrants moving directly to a central city, and moving outwards in later generations has been reversed, and now many immigrant households move directly to suburban communities.

Going forward, as smaller native households move back into the central city, the stock of older large suburban homes will be attractive to immigrant households. Suburban apartments also tend to be larger and offer more two and three bedroom units than central apartment properties. Suburbs can expect the trends towards greater diversity to continue.

Implications for Keizer: Keizer's foreign-born population is 9.2% of the total population, up from 8.2% in 2000. This is slightly less than the statewide figure of 10% foreign-born. The median income of foreign-born households tends to be lower than the general median, and household size tends to be larger. However, the immigrant population is not homogeneous and includes households ranging from refugees to highly-skilled recruits to local companies, from diverse countries and cultures around the world.

The percentage of foreign-born households that are Latino (72%) is up from 2000 (60%). The next greatest share of the foreign-born population are European and Asian at 9% each.

The main impact of these groups in Keizer and other suburbs will be continuing demand for low-to-moderate cost housing options, and the type of larger housing units already found in most suburbs. As long as the policies and land inventory allow for the production of multi-family units, it will be possible to meet the rental need for immigrants and other populations. Demand for for-sale housing will largely be met by older existing housing units, rather than new housing. It is likely that immigrant households and first-generation American households will provide a key source of demand for suburban boomer housing.

F. Workforce Housing

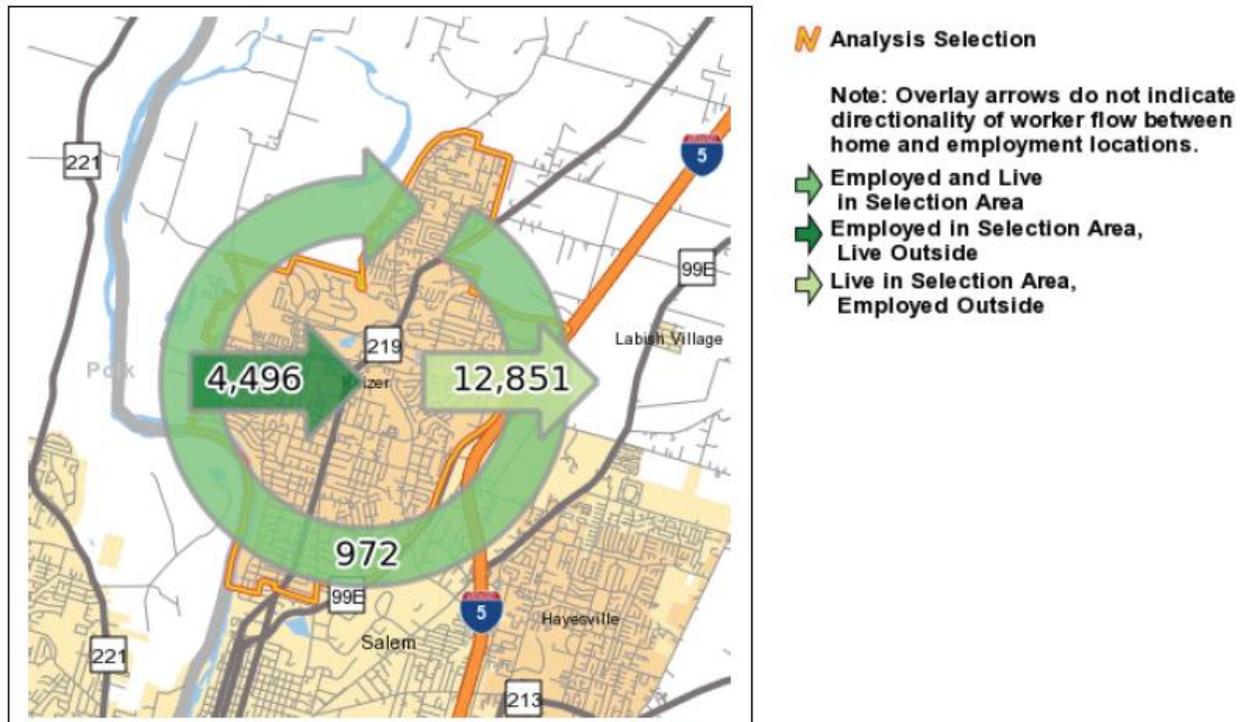
Many communities seek to better align housing opportunities with employment opportunities. There are many benefits to housing the local workforce closer to the community in which the jobs are located, as well as bringing new employment closer to local households. This arrangement helps keep economic activity within the community. It also reduces local commuting, which helps reduce traffic congestion. Residents have more transportation choices and shorter commute periods. Many communities aspire to provide greater workforce housing opportunities in order to provide greater location equity among different classes of worker.

In terms of housing, workforce housing generally means offering a full spectrum of housing at different levels of affordability. Depending on the community, there may be a lack of housing for lower-income workers who might have to commute from other communities. Or there may be a lack of higher-end or executive housing, meaning that higher-paid employees leave the community after work, bringing their financial and other resources with them.

Implications for Keizer: Keizer has a significant outflow of workers (Figure 9). As of 2010, the US Census estimated that only 7% of local working residents actually worked in Keizer. 93% of Keizer workers commute out of Keizer to their primary job. At the same time, 4,500 workers commute in to Keizer from other cities to work in Keizer jobs.

In general, a community can work to ensure a full spectrum of housing choices in order to provide opportunities to local workers to live in the community. At the same time, a community should have sufficient employment lands and economic development policies in place to encourage a broad range of employment in the community.

FIGURE 9: INFLOW AND OUTFLOW OF WORKERS, CITY OF KEIZER



SOURCE: US Census, 2010 employment data

Conclusions on Anticipated Housing Trends

These are the major demographic trends impacting future housing demand in Keizer, the region and nation. These trends were considered in building assumptions for the household growth projections presented in the following section.

The general trends that Keizer can expect to see over the next 20 years include:

- Continuing aging of the Baby Boom generation, which has higher presentation than the statewide average. These households will have a preference towards aging in place as long as possible, particularly for homeowners, and will on average be healthier longer than previous generations. When they do transition to other housing, their stock of older existing single family homes will be attractive starter and move-up homes to younger family households.
- Keizer is likely to be less attractive to 20-something residents than larger cities, but can attract some on the margin by continuing to develop mixed use areas and urban-style amenities such as multi-modal environments, shopping and entertainment, and open space. Some in this generation is already starting young families and will be well into middle age during the 20-year planning period. Some of these households may then return to communities like Keizer for affordable housing, more space, and schools.
- The share of population in Keizer that is foreign-born has grown from 8.2% to 9.2% between 2000 and 2010. As with the rest of the state and nation, immigrants will continue to make up an increasing share of households in coming decades. While not homogeneous, these households on average tend to be larger, have lower incomes and are more likely to rent their homes than the average household.
- In general, the homeownership rate (61%) is expected to continue a slight decline over the 20-year period. However, the local rate is already lower than the statewide average (62%) and the national average (65%) and the additional downward range is likely limited. Keizer remains a largely suburban community with single-family homes at attractive price ranges. It can expect to continue to attract young

families and other seeking ownership opportunities in the Salem/Keizer Metro area. The following analysis projects a 20-year decline in ownership rate to just under 60% ownership.

At the same time, the household size is expected to remain relatively stable, as the attractiveness of Keizer to families counteracts general trend towards smaller households in other demographic groups. As mentioned above the trend towards diminishing household size has been leveling off nationwide since 2000.

- The following analysis also assumes a somewhat greater shift towards attached housing styles going forward. This trend reflects development trends since Keizer’s last Periodic Review, as well as the modest increase in rental tenure mentioned above. While an estimated 45% of units permitted since 2000 have been single-family detached homes, this analysis projects that 40% will be detached homes over the 20-year planning period.
- The following section presents the projected future housing needs and provides more detail on methodology, assumptions and findings.

FUTURE HOUSING NEEDS (2033)

The projected future (20-year) housing profile (Figure 10) in the study area is based on the current housing profile, multiplied by an assumed projected future population growth rate.

The projected future population is based on the recently adopted 2032 population forecast of the City of Keizer. The average 20-year growth rate from that forecast is projected forward one more year to generate a projection for the year 2033. Additional metrics such as household totals are based on the most recent Marion County Adopted Population Forecast from 2008. This forecast supplied projections of households and housing units to the year 2030. This analysis applied the ratio of population to households found in the Marion County projection, to the 2033 projected population forecast.

FIGURE 10: FUTURE HOUSING PROFILE (2033)

PROJECTED FUTURE HOUSING CONDITIONS (2013 - 2033)		SOURCE
2013 Population (Minus Group Pop.)	36,496	2010 Census, PSU
Projected Annual Growth Rate	1.41% <small>Based on Keizer adopted 2032 forecast</small>	City of Keizer
2033 Population (Minus Group Pop.)	48,260	
Estimated group housing population:	437 <small>From Marion County 2030 adopted forecast</small>	Marion Co.
Total Estimated 2033 Population:	48,697 <small>Based on adopted 2032 population forecast (48,089 pop.)</small>	City of Keizer
Estimated Non-Group 2033 Households:	18,191 <small>Based on Pop/HH ratio from County 2030 forecast</small>	Marion Co.
New Households 2013 to 2033	4,366	
Avg. Household Size:	2.65 <small>2032 Non-Group Pop/ Non-Group Households</small>	
Total Housing Units:	19,044 <small>Based on Units/HH ratio from County 2030 forecast</small>	Marion Co.
Occupied Housing Units:	18,191 <small>(= Number of Non-Group Households)</small>	
Vacant Housing Units:	854 <small>(Total Units - Occupied Units)</small>	
Projected Vacancy Rate:	4.5% <small>(Vacant Units/ Total Units)</small>	

Sources: Keizer adopted 2032 Population Forecast, Marion County Adopted Population Forecast (2008), PSU Population Research Center, Census, JOHNSON REID LLC

The model projects growth in the number of non-group households over 20 years of 4,366 households, with accompanying population growth of 11,833 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2033)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (18,191).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2033 households and therefore includes the needs of current households.

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

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6%, with 15% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2013 dollars.

Figure 11 presents the projected occupied future housing demand (current and new households, without vacancy) in 2033.

FIGURE 11: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2033)

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0k - \$70k	638	5.9%	5.9%
\$70k - \$120k	759	7.0%	12.9%
\$120k - \$170k	1,064	9.8%	22.7%
\$170k - \$240k	1,660	15.3%	38.0%
\$240k - \$300k	2,717	25.0%	63.0%
\$300k - \$350k	1,799	16.6%	79.6%
\$350k - \$440k	1,037	9.6%	89.1%
\$440k - \$530k	518	4.8%	93.9%
\$530k - \$640k	363	3.3%	97.3%
\$640k +	298	2.7%	100.0%
Totals:	10,854	% of All:	59.7%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - \$380	1,197	16.3%	16.3%
\$380 - \$620	1,068	14.6%	30.9%
\$620 - \$870	1,135	15.5%	46.3%
\$870 - \$1090	1,550	21.1%	67.5%
\$1090 - \$1370	1,521	20.7%	88.2%
\$1370 - \$1680	482	6.6%	94.8%
\$1680 - \$2100	219	3.0%	97.8%
\$2100 - \$2520	106	1.5%	99.2%
\$2520 - \$3360	32	0.4%	99.6%
\$3360 +	27	0.4%	100.0%
Totals:	7,336	% of All:	40.3%

All Units
18,191

Sources: Claritas, Census, JOHNSON REID

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 11) was compared to the current housing inventory to determine the total future need for *new* housing units by type and price range (Figure 12).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and is common in most communities, the vacancy rate for rental units is higher than that for ownership units (6.5% vs. 1.8% in 2010). This analysis maintains this discrepancy going forward, so that the vacancy rate for rentals is assumed to be higher than the overall average, while the vacancy rate for ownership units is assumed to be less.

- The results show a need for over 4,500 new housing units by 2033.

- Of the new units needed, 54% are projected to be ownership units, while 46% are projected to be rental units.
- The largest share (40%) of one housing type is projected to be single family detached homes, due again to the stronger need for new ownership housing. The remainder of units (57%) is projected to be some form of attached housing, and 4% are projected to be mobile homes.
- The projected preferences for future unit types are based upon historically permitted units since the 1987 adoption of the Comp Plan, cross referenced with the profile of currently available buildable lands, and how that will shape future inventory (see next section on land need). It is projected that in coming decades a greater share of housing will be attached types, including attached single family. This trend is borne out in permitting data since 2000.
- Single family attached units (townhomes on individual lots) are projected to meet 17% of future need.
- Duplex through four-plex units are projected to represent over 12% of the total need.
- 28% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 3.6% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.

Mobile home units: Mobile home units are projected to make up a small share of future demand. It is projected here that there will on-going demand for mobile home units (162 units) in keeping roughly with the current share of mobile home units in the community. Mobile home units fill an important niche of low-cost rental and ownership opportunities.

There are seven established mobile home parks in Keizer, all of which are located in residential zones. There are none currently facing displacement due to being located in commercial, industrial or high density residential zones (ORS 197.480). The existing parks feature an estimated 500 units, and are generally filled to capacity.

Mobile home parks are allowed as special permitted uses in Keizer’s residential zones. A new mobile home park is required to be a minimum of three acres in size. Buildable lands of sufficient size in existing residential zones and any newly added residential land will permit new mobile home parks.

Manufactured home units on individual lots are allowed in all residential zones and also provide an important source of lower-cost ownership housing. These unit types would be included in the “single family detached” category of the following table.

Affordable Housing (Government Assisted): This report finds the need for more rental units at the bottom end of the price spectrum (below \$620 in 2013 dollars). This pattern is common in most communities, because those in the lowest income cohorts generally must stretch to pay for housing near the median rent price. While a community has a full spectrum of income ranges, the rental market will naturally set most rents around the going market rate, with some variation for location, unit quality and size.

Because of this effect, truly low-cost housing is generally limited to units which are subsidized through affordable housing programs. These include Housing Authority programs such as Public Housing and Section 8, as well as tax-credit and non-profit projects.

The City of Keizer has policies and zoning in place to allow for the development of new affordable units in the city.

FIGURE 12: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2033)

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
\$0k - \$70k	362	32	1	-3	4	77	0	474	19.4%	19.4%
\$70k - \$120k	488	37	2	-12	5	40	0	559	22.9%	42.3%
\$120k - \$170k	-462	28	2	0	7	0	0	-425	-17.4%	24.9%
\$170k - \$240k	-1,916	44	4	7	11	0	0	-1,850	-75.7%	-50.8%
\$240k - \$300k	1,389	156	6	17	18	0	0	1,586	64.9%	14.1%
\$300k - \$350k	982	104	4	11	12	0	0	1,114	45.6%	59.7%
\$350k - \$440k	174	62	2	7	7	0	0	251	10.3%	69.9%
\$440k - \$530k	266	33	1	3	4	0	0	307	12.6%	82.5%
\$530k - \$640k	242	23	1	2	2	0	0	271	11.1%	93.6%
\$640k +	133	19	1	2	2	0	0	157	6.4%	100.0%
Totals:	1,658	538	24	35	73	117	0	2,445	% All Units:	54.2%
Percentage:	67.8%	22.0%	1.0%	1.4%	3.0%	4.8%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
\$0 - \$380	197	168	64	195	530	14	0	1,169	56.5%	56.5%
\$380 - \$620	10	-7	0	4	70	23	0	101	4.9%	61.4%
\$620 - \$870	-225	-208	-77	-251	-645	9	0	-1,397	-67.6%	-6.2%
\$870 - \$1090	-34	43	12	38	155	0	0	214	10.3%	4.2%
\$1090 - \$1370	167	159	75	231	680	0	0	1,311	63.4%	67.6%
\$1370 - \$1680	41	58	23	81	208	0	0	411	19.9%	87.5%
\$1680 - \$2100	2	9	10	40	107	0	0	167	8.1%	95.5%
\$2100 - \$2520	-27	-4	6	19	52	0	0	47	2.3%	97.8%
\$2520 - \$3360	-11	5	2	6	15	0	0	17	0.8%	98.6%
\$3360 +	5	4	2	5	13	0	0	28	1.4%	100.0%
Totals:	124	227	117	368	1,186	45	0	2,068	% All Units:	45.8%
Percentage:	6.0%	11.0%	5.7%	17.8%	57.4%	2.2%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units
Totals:	1,782	765	141	402	1,260	162	0	4,513	100%
Percentage:	39.5%	17.0%	3.1%	8.9%	27.9%	3.6%	0.0%	100.0%	

Sources: Marion County Adopted Population Forecast (2008), Claritas, Census, JOHNSON REID LLC

20-YEAR HOUSING LAND NEEDS ANALYSIS

INTRODUCTION

This section summarizes the projected need for residential land associated with the household growth projections through 2033.

Residential land needs are determined by comparing the housing unit needs discussed in the previous section, with the remaining area, zoning and achieved density of residentially-zoned land in Keizer. This analysis relies on the Buildable Land Inventory completed by the Mid-Willamette Valley Council of Governments (MWVCOG) over recent years and adopted in 2011. This inventory was further refined by JOHNSON REID LLC and the City of Keizer to reflect new development in the area.

The Buildable Lands Inventory includes vacant, partially vacant and re-developable parcels in the city. (See Appendix A of this report for greater detail on the buildable lands inventory and methodology.)

CURRENT RESIDENTIAL LANDS

The City of Keizer has eight varieties of residential zone intended primarily for residential uses, ranging from low density to high density configurations, as well as a “Residential Commercial”, and a Mixed Use zone. There are some irregularities in how these zones are implemented on the official zoning map, which are summarized here and in the footnotes to Figure 13:

- The City features an Urban Transition zone in which historical rural uses are required to develop in a manner that will allow an urban pattern in the future, and new uses which would confound an urban pattern are restricted. This zoning now applies to distinct pockets and parcels in North Keizer which are surrounded by low density residential neighborhoods. Therefore, it is assumed in this analysis that land in the Urban Transition zone will develop into Single Family Residential neighborhoods over time, and therefore a maximum future density equal to the density found in low density residential zone is applied.
- The City has two zones which are described in the Development Code, but are not actually applied to any areas of the city on the official zoning map. These zones are an RH (High Density Residential) zone, and the RC (Residential Commercial) zone.
- The highest density zone actually applied to areas of the city on the zoning map is the RM (Medium Density Residential) zone. In theory, this zone actually covers two separate underlying Comp Plan designations: “Medium Density Residential,” and “Medium High Density Residential.” However, as it is actually applied on the zoning map, the RM zone is only applied to areas with an underlying “Medium High Density Residential” Comp Plan designation.
- Those areas with an underlying Comp Plan designation of “Medium Density Residential” are zoned RL (Limited Density Residential) on the zoning map.
- The Mixed Use zone in the following table is split into two line items, because one contiguous group of parcels of 22.8 acres is currently in the master planning process, with a specific planned build-out of 153 residential units in conjunction with commercial uses. The average observed density is applied to the remaining buildable Mixed Use parcels, identified as “Mixed Use (Other)”.
- See footnotes to Figure 13 for additional comments.

The “observed density” assumptions in the following table reflect the actual achieved density of these zones in Keizer as estimated in the broader *Salem-Keizer Housing Needs Analysis* completed in 2011. This analysis used

data from the MWVCOG on the density of residential development between 1999 and 2009. Given the relatively recent vintage of this data and low housing production since 2007, this data has been used here to form the density assumption. (Source: *Salem Keizer Housing Needs Analysis*, ECONorthwest, 2011, Section 3.4, Table 3-8)

Buildable Lands in Mixed Use zones were included in both the residential and employment land Buildable Lands Inventory, to reflect the potential mix of uses on these parcels.

FIGURE 13: RESIDENTIAL COMPREHENSIVE PLAN DESIGNATIONS, CITY OF KEIZER

ZONING DESIGNATION		Net Vacant Buildable Acres	Observed Density (Units/ Net Acre)	Target Density (Units/ Net Acre) ⁴	Capacity of Vacant Lands (Units)	Underlying Comp Plan Designation
RS	Single Family Residential	214.9	6.6	6.6 det. 8.0 att.	1,527	Low Density Residential
RL	Limited Density Residential	0	4.8	-	-	Medium D.R. or Medium High D.R.
RL-LU	Limited D.R. - Limited Use	0	9.6	-	-	Medium High Density Res.
RM (Medium) ¹	Medium Density Residential	0	na	-	-	(See footnote)
RM (Medium High)	Medium Density Residential	24.1	9.6	15.0	362	Medium High Density Res.
RM-LU	MDR - Limited Use	0	9.6	-	-	Medium High Density Res.
RH ²	High Density Residential	0	na	-	-	(See footnote)
UT	Urban Transition	53.9	6.6	6.6 det. 8.0 att.	383	Low Density Residential
MU ³	Mixed Use (Keizer Station)	22.8	6.7	6.7	153	Mixed Use
MU	Mixed Use (Other)	18.7	16.8	16.8	314	Mixed Use
<i>Accessory Dwelling Unit Assumption:</i>					100	
Totals/Averages:		334.4		8.5	2,838	

Sources: MWVCOG, City of KEIZER, Johnson Reid LLC

¹ The City of Keizer Development Code presents standards for areas of the RM (Medium Density Residential) zone which also have an underlying "Medium Density Residential" Comp Plan designation, there are no actual instances of this situation in the zoning map. On the zoning map, all areas zoned RM (Medium Density Residential) have an underlying Comp Plan designation of "Medium High Density Residential."

Those parts of the Comp Plan designation map which are identified as "Medium Density Residential" are all covered by the Limited Density Residential zone on the zoning map.

² The City of Keizer Development Code presents standards for a zoning designation of RH (High Density Residential). This zone never appears on the zoning map, and no parts of the city are actually covered by this zone. Those areas of the city which are designated "Medium High Density Residential" on the Comp Plan map, are covered by the RM (Medium Density Residential) zone on the zoning map. Therefore, the RM (Medium Density Residential) zone conforms to what is called "medium high density" in the Comp Plan, and in the absence of any land designated RH, RM is the city's highest density active zone.

³ This mixed use area is currently under master planning and is planned to include 153 units in addition to commercial uses. That unit count is reflected here, and results in the density of 6.7 units/net acre.

⁴ The target density is assumed to be the achieved density in most zones, as those zones are achieving density near the mid-point of the allowed density range. In the RS zone, single family detached (SFD) and single family attached (SFA) units have two different target densities listed. The SFD target density of 6.6 units/net acre represents the achieved density in the RS zone, while the SFA density of 8 units/net acre reflects that attached units achieve higher density, but are nonetheless limited to a maximum density of 8 units/acre by the zoning code. In the case of the RM (Medium Density Zone) - which has an underlying Comp Plan designation of "Medium High Density" - the achieved density of 9.6 units/net acre is at the low end of the allowed range (8 to 22 units/acre) and therefore, a higher target density of 15 units/net acre (midpoint of range) is assumed here for buildout of remaining parcels in this category.

GIS analysis of vacant, partially vacant and redevelopable parcels in Keizer found 334.4 net acres of buildable residential land, which will accommodate an estimated 2,738 housing units.

Accessory Residential Housing (aka Accessory Dwelling Unit): The residential BLI also includes an assumption of Accessory Residential Housing built on existing developed single family lots. These are units built on a lot with an existing single family house, usually either behind or beside the existing unit. These units have a separate address, and are sometimes offered for rent, or for family to live separate from the primary residence, and are sometimes referred to as "mother-in-law" flats. These units are rare in Keizer, with an estimate of one permitted per year. For this analysis, we assume an increased production of 5 per year, or 100 such units over the course of the 20-year forecast period.

The BLI of vacant, partially vacant and redevelopable lands, combined with the Accessory Unit assumption finds a **total existing capacity for 2,838 units** within the current Keizer boundary.

FUTURE RESIDENTIAL LAND NEED (2033)

The total future housing need presented in the last section, minus the capacity of existing developable parcels, leaves a need for lands to accommodate new housing units by 2033. There is a total projected need for 4,513 new housing units over the next 20 years (Figure 12). As Figure 13 shows, there is an estimated capacity for over 2,838 units on existing buildable lands. Therefore, the total 20-year need exceeds the estimated capacity of existing residential lands.

Figure 14 shows the projected need minus the remaining capacity.

FIGURE 14: PROJECTED NEW UNIT NEED MINUS REMAINING BLI CAPACITY, KEIZER (2033)

Zoning Designation		Capacity of Vacant Lands (In Units) ¹	NEW UNITS NEEDED (2033) vs. CAPACITY						Total Units	
			S.F. Detached	S.F. Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home		
			1,782	765	141	402	1,260	162		
RS	Single Family Residential	1,527	977	550	-	-	-	-	1,527	
RL	Limited Density Residential	-	-	-	-	-	-	-	0	
RL-LU	Limited D.R. - Limited Use	-	-	-	-	-	-	-	0	
RM (Medium)	Medium Density Residential	-	-	-	-	-	-	-	0	
RM (Medium High)	Medium Density Residential	362	-	-	-	-	362	-	362	← Distribution of Remaining BLI Capacity
RM-LU	MDR - Limited Use	-	-	-	-	-	-	-	0	
RH	High Density Residential	-	-	-	-	-	-	-	0	
UT	Urban Transition	383	245	138	-	-	-	-	383	
MU	Mixed Use (Keizer Station)	153	-	-	-	-	153	-	153	
MU	Mixed Use (Other)	314	-	-	-	-	314	-	314	
Totals/Averages:		2,738	1,222	687	0	0	829	0	2,738	← Total Capacity of Buildable Lands
Accessory Dwelling Unit Assumption:				100					100	
			560	77	41	402	431	162	1,674	← Remaining Unit Need

Sources: City of KEIZER, MWVCOG, Johnson Reid LLC

As Figure 14 shows, the projected number of future housing units exceeds the capacity of buildable lands by an estimated 1,674 units. Thus there is a projected need for an additional residential land in order to accommodate this additional need for housing by 2033.

Figure 15 presents a projected need for new residential lands by 2033, based on the remaining need for 1,674 units found in Figure 14.

This projection assumes that the new residential lands will primarily use four basic zoning designations and the remaining designations, with were essentially used for “special case” areas in the current city boundary would not be applied to new lands. [The RC (Residential Commercial) zone is currently unused and would remain so in the future.] The four residential zones used in new residential lands would be:

- RS (Single Family Residential)
- RM (Medium Density Residential) – with an underlying “Medium High Density” Comp Plan designation.
- RH (High Density) – currently unused, but adopted in the Development Code
- MU (Mixed Use)

Target density assumptions are explained in the table footnotes.

FIGURE 15: PROJECTED NEW RESIDENTIAL LAND NEED, KEIZER (2033)

Zoning Designation		REMAINING UNIT NEED, AFTER BLI BUILD-OUT						Total Units	Target Density (Units/ Net Acre) ¹	Net Acreage Needed	Gross Acreage Needed
		S.F. Detached	S.F. Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home				
		560	77	41	402	431	162				
RS	Single Family Residential	560					162	722	6.6	109.4	136.8
RL	Limited Density Residential							0	-	-	-
RL-LU	Limited D.R. - Limited Use							0	-	-	-
RM (Medium)	Medium Density Residential							0	-	-	-
RM (Medium High)	Medium Density Residential		77	41				119	15.0	7.9	9.9
RM-LU	MDR - Limited Use							0	-	-	-
RH	High Density Residential				322	345		667	22.0	30.3	37.9
UT	Urban Transition							0	-	-	-
MU	Mixed Use (Keizer Station)							0	-	-	-
MU	Mixed Use (Other)				80	86		167	16.8	9.9	12.4
Totals/Averages:		560	77	41	402	431	162	1,674	10.6	157.6	196.9

Sources: City of KEIZER, MWVCOG, Johnson Reid LLC

1 Target density is based on actual achieved density in the RS and MU zones.

Target density in the RM zone (15 units/acre) is based on the median value of the allowed density range in that zone (8 to 22). This density target is used because the actual RM zone has historically achieved a density of 9.6 units/acre, which is low for a medium density zone.

The RH zone has not historically been applied within the City, so a figure for the historical density achieved is not available. The permitted density of this zone is 16 units or more per net acre. The average target density of 22 units/acre applied here assumes a build-out of garden apartments and townhome-style development in this zone, which would be appropriate for a community of Keizer's size.

As Figure 15 shows, there is a projected need for 196.9 gross acres of new residential land needed by 2033. A majority of the land (69%) is projected to be for single-family and mobile home unit demand. At a lower density, these units require more land to accommodate. The attached units, while constituting a greater share of unit need, can be accommodated on less land in the higher-density zones.

The provision of additional land outside of the current UGB is highly policy dependent, so the mixture of land area covered by different zoning designations may be adjusted to include either more or less of any given zone, as long as the total surplus housing need (in units) is accommodated.

PARK AND SCHOOL FACILITY NEEDS (2033)

In addition to the projected need for new residential land discussed above, there will be an accompanying need for new park and school facility lands to serve the new households. Methodology drawn from the City of Keizer Parks Master Plan and data from the Salem-Keizer Public Schools Planning and Property Services department were used to estimate future facilities needs associated with the projected 20-year population and housing growth.

Park Land Needs

The City of Keizer Parks and Recreation Master Plan adopted in January 2008 included an assessment of existing parks and recreation facilities with comparison to current population, to determine what deficiencies might exist.

The 2008 analysis (outlined in Appendix D of that report), found that at the time, the developed parks inventory of 40.7 acres was roughly sufficient to provide 1.2 acre of parks space per 1,000 Keizer residents. The report notes that is much less than the amount of park land in most Oregon communities, which average between four and six acres per 1,000 residents.⁸

⁸ "City of Keizer, Oregon – Parks and Recreation Master Plan", January 2008, Appendix D, Page 8. The analysis in Appendix D uses park acreage numbers which are somewhat lower than those found in the final "existing conditions" chapter of the report (for instance 36.7 acres of developed park vs. 40.7 acres). This discussion uses the higher acreage figures found in the "existing conditions" section.

However, the 2008 analysis points out that at the time of the analysis, there were five planned parks which would bring an additional 136.2 acres of developed park inventory to the community (Keizer Rapids, Bair Park, Keizer Station, Palma Ciega, River's Edge Parks). The analysis found that upon completion of these planned parks there would be sufficient developed park acreage to represent 4.4 acres per 1,000 residents for the projected 2030 population of 39,994. (This is the 2030 population projected in the Parks Master Plan, and differs from the 2033 projection in this housing analysis, as discussed below.)

This provision of 4.3 acres per 1,000 people was deemed sufficient by the Parks Master Plan for those 39,994 residents in 2030. However, the 2033 projection included in this report exceeds this population mark by 8,703 people and therefore additional park land will be required to serve this additional population.

This analysis adopts 5 acres/1,000 residents as the standard going forward as the middle of the 4-to-6 acre range cited in the Master Plan. The following outlines the analytic steps:

- Assuming full development of the five planned parks, the estimated 2030 population of 39,994 would be served by 4.4 acres of developed park per 1000 residents. (176.9 existing and planned acres/ 39,994/ 1,000).
- The projected 2033 population presented in this report (Figure 10) is 48,697 people. This is a net gain of 8,703 residents over the 2030 figure in the Parks Master Plan. This net new population would need to be served by new park land (*over and above the five planned parks*).
- New park land to serve the new population (8,703) is estimated at 43.5 acres (based on the 5 acres/1,000 residents standard).

Therefore this analysis finds the need for a total of 43.5 gross acres of new land for parks over the 20-year period. This new gross need is ***in addition to the 120 acres of Keizer Rapids Park***, some of which is not currently within the Urban Growth Boundary (UGB). This Keizer Rapids acreage, if brought into the UGB, would serve the projected 2030 population, but not the additional 8,703 new residents. Therefore the needed 43.5 gross acres *is in addition to* the 120 acres of Keizer Rapids Park.

The Parks and Recreation Master Plan is best suited to help determine the breakdown and nature of these new park areas. The Master Plan also assesses the needs for specific Parks and Rec components such as playgrounds and ball fields. These facilities are assumed to be included in the gross acreage figure presented above.

School Facilities Land Needs

The Salem-Keizer Public Schools Planning and Property Services department provided information and data on how they estimate school facilities needs over time. This process was coordinated with the school district in keeping with ORS 195.110 9(b) and uses the district's methodology and data for estimating need.

The analysis uses an estimate of the number of students per household, based on different housing types. The following table is reproduced from the "Student Density by Housing Type" report from August 2006, which provides the standards the district applies. This data was compiled by the Mid-Willamette Valley Council of Governments. (While this report includes a similar table focused on just the McNary High School attendance area, the district reports using only the district-wide averages in its own calculation, and therefore they have been applied here.)

FIGURE 16: REPRODUCED FROM STUDENT DENSITY STUDY

Table 8: Student Densities by Housing Type				
Units Built 1995-2005				
Salem-Keizer School District				
Housing Type	Students Per Unit			
	Elementary	Middle	High	Total
Single Family	0.277	0.128	0.162	0.567
Duplex/Triplex	0.176	0.069	0.067	0.313
Mobile Home Park	N/A	N/A	N/A	N/A
Multi-Family	0.131	0.050	0.049	0.231
Total	0.238	0.107	0.131	0.476

Source: "Student Density by Housing Type", MWVCOG, 2006, Page 10.

FIGURE 17: STUDENT POPULATION AND CAPACITY OF KEIZER SCHOOLS (FALL 2012)

Schools	Full Capacity	Student Population	Remaining Capacity	
<u>Elementary</u>				
Cummings	463	390	73	16%
Keizer	682	604	78	11%
Kennedy	543	456	87	16%
Weddle	501	449	52	10%
Clear Lake	503	483	20	4%
Forest Ridge	463	376	87	19%
Gubser	543	477	66	12%
<i>Total:</i>	<i>3,698</i>	<i>3,235</i>	<i>463</i>	<i>13%</i>
<u>Middle School</u>				
Claggett Creek	1,040	948	92	9%
Whiteaker	871	776	95	11%
<i>Total:</i>	<i>1,911</i>	<i>1,724</i>	<i>187</i>	<i>10%</i>
<u>High School</u>				
McNary	2,072	2,037	35	2%

Source: Salem-Keizer Public Schools, Johnson Reid LLC

Figure 18 applies the density factors (Figure 16) to the projected 20-year need for new housing units (Figure 12). Not all projected housing types included in the 20-year projection are included in Figure 16, so in some cases the average density for the closest housing type was assumed.

FIGURE 18: ESTIMATED NEW STUDENTS (2033) MINUS EXISTING CAPACITY

NEW UNITS NEEDED (2033)		Average Student Densities			Projected New Students		
		elem.	middle	high	elem.	middle	high
S.F. Detached	1,782	0.277	0.128	0.162	494	228	289
S.F. Attached	765	0.277	0.128	0.162	212	98	124
Duplex	141	0.176	0.069	0.067	25	10	9
3- or 4-plex	402	0.176	0.069	0.067	71	28	27
5+ Units MFR	1,260	0.131	0.050	0.049	165	63	62
Mobile home	162	0.277	0.128	0.162	45	21	26
Total Units	4,513				1011	447	537
Current remaining capacity:					463	187	35
Additional students (20 years):					548	260	502
As % of Average Current School Size:					100%	27%	24%

Source: Salem-Keizer Public Schools, Johnson Reid LLC

- The projected housing types would represent 1,995 new students based on the school district’s density factors.
- Minus the current excess capacity in existing schools, there is a remaining need for facilities for 1,310 students.
- Broken down by school type, the remaining 20-year projection of students would be enough to fill one elementary school, and roughly 25% each of a middle school and high school (based on student body size of current schools in Keizer.)
- Based on these findings, there will be projected need for land to accommodate a new elementary school during the 20-year period. The school district uses a size standard of 10 acres for elementary schools in its planning.
- While these additional middle and high school students will create additional demand on the current schools, a conservative assumption is that this is not enough to project new schools at these levels during the 20-year period. This excess demand may possibly be accommodated through shifting boundaries in the greater Salem-Keizer district until growth is high enough to warrant new schools.

Based on the above findings there is total projected need for 10 acres to accommodate a new elementary school facility over the 20-year period.

TOTAL RESIDENTIAL AND PUBLIC FACILITY LAND NEEDS (2033)

Based on the findings of projected land need presented above, this analysis concludes a total 20-year land need for residential, schools and park land need as follows:

FIGURE 19: ESTIMATED TOTAL NEW LAND NEED (2033)

Category of Land	Gross Acreage Remaining Need
Residential:	196.9
Parks and Recreation:	43.5
Schools:	10
Total New 20-Year Land Need:	250.4

Source: Johnson Reid LLC

Note: The analysis of needed land areas finds the acreage which is anticipated to supply the identified uses. These lands are not substitutable for other or additional uses identified in the future. For instance, if 15 acres of future residential land is needed for a new use not identified here, the need for those 15 acres for residential uses still exists. Therefore most additional uses not specifically identified above will be in addition to the finding of land need.

For example, a conservative estimate is being made to include needed land for one additional elementary school (10 acres). Should the school district determine in the future a need for more land for additional schools, that need would have to be addressed outside and independent of this process. The school district has available to it an expedited process of UGB expansion of under 50 acres to address needed lands. It would be expected that the district would implement this or another alternative to address such an unanticipated need. The needed land could not come from another category of land use such as residential.

GOAL 10 HOUSING EXHIBITS

EXHIBIT 1
GENERAL DEMOGRAPHIC PROFILE
KEIZER, OREGON

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth Rate 00-10	2013 (Proj.)	Growth Rate 10-13
Population ¹	32,203	36,478	1.3%	36,864	0.4%
Households ²	12,110	13,703	1.2%	13,824	0.3%
Families ³	8,642	9,498	0.9%	9,582	0.3%
Housing Units ⁴	12,774	14,445	1.2%	14,531	0.2%
Group Quarters Population ⁵	280	364	2.7%	368	0.4%
<i>Household Size</i>	2.64	2.64	0.0%	2.64	0.0%
PER CAPITA AND AVERAGE HOUSEHOLD INCOME					
	2000 (Census)	2010 (Est.)	Growth Rate 00-10	2013 (Proj.)	Growth Rate 10-13
Per Capita (\$)	\$20,119	\$24,645	2.0%	\$26,192	2.0%
Average HH (\$)	\$53,425	\$64,272	1.9%	\$67,937	1.9%
Median HH (\$)	\$45,052	\$53,042	1.6%	\$55,705	1.6%

SOURCE: Claritas, Census, and Johnson Reid

¹ Population is based on the certified 2012 estimate from PSU Population Research Center, projected forward one year using the 2010 - 2012 growth rate (0.4%)

² 2013 Households = 2013 population/2013 HH Size

³ Ratio of 2013 Families to total HH is kept constant from 2010.

⁴ 2013 housing units are the 2010 Census total plus new units permitted from '10 through '12 (source: HUD State of the Cities Data System)

⁵ Ratio of 2012 Group Quarters Population to Total Population is kept constant from 2010.

EXHIBIT 2
PROFILE OF CURRENT HOUSING CONDITIONS
KEIZER, OREGON

CURRENT HOUSING CONDITIONS (2013)		SOURCE
Total 2013 Population:	36,864	US Census, PSU Pop. Research Center
- Estimated group housing population:	368 (1.0% of Total)	US Census
Estimated Non-Group 2013 Population:	36,496 (Total - Group)	
Avg. HH Size:	2.64	US Census
Estimated Non-Group 2013 Households:	13,824 (Pop/HH Size)	
Total Housing Units:	14,531 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	13,824 (= # of HH)	
Vacant Housing Units:	707 (Total HH - Occupied)	
Current Vacancy Rate:	4.9% (Vacant units/ Total units)	

Sources: Johnson Reid, LLC, City of KEIZER, PSU Population Research Center, U.S. Census

EXHIBITS 3

CURRENT HOUSING NEEDS - 2013
BY AGE AND INCOME COHORTS

Cohort		Tenure		Number of HH	% of all HH	Units by Tenure		Rent Range		Price Range	
Age	Income	Owner %	Renter %	13,824	100%	Owned	Rental				
15 - 24	Less than \$15,000	0.5%	99.5%	128	0.9%	1	128	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	0.8%	99.2%	138	1.0%	1	136	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	1.3%	98.7%	127	0.9%	2	126	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	1.9%	98.1%	200	1.4%	4	196	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	3.2%	96.8%	91	0.7%	3	88	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	7.0%	93.0%	13	0.1%	1	12	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	7.8%	92.2%	3	0.0%	0	3	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	8.0%	92.0%	3	0.0%	0	3	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	21.3%	78.7%	0	0.0%	0	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	20.3%	79.7%	0	0.0%	0	0	\$3,360	na	\$640,000	na	
25 - 34	Less than \$15,000	8.8%	91.2%	201	1.5%	18	183	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	12.4%	87.6%	206	1.5%	25	180	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	19.6%	80.4%	307	2.2%	60	247	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	26.4%	73.6%	503	3.6%	133	370	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	38.8%	61.2%	642	4.6%	249	393	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	60.9%	39.1%	289	2.1%	176	113	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	66.7%	33.3%	89	0.6%	60	30	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	66.7%	33.3%	21	0.2%	14	7	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	91.0%	9.0%	21	0.2%	19	2	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	82.8%	17.2%	14	0.1%	12	2	\$3,360	na	\$640,000	na	
35 - 44	Less than \$15,000	20.9%	79.1%	138	1.0%	29	109	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	27.8%	72.2%	165	1.2%	46	119	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	40.4%	59.6%	264	1.9%	107	157	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	49.9%	50.1%	486	3.5%	243	243	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	64.5%	35.5%	789	5.7%	509	280	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	83.3%	16.7%	427	3.1%	355	71	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	89.2%	10.8%	216	1.6%	192	23	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	89.2%	10.8%	94	0.7%	84	10	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	100.0%	0.0%	33	0.2%	33	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	93.0%	7.0%	43	0.3%	40	3	\$3,360	na	\$640,000	na	
45 - 54	Less than \$15,000	34.4%	65.6%	262	1.9%	90	172	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	43.3%	56.7%	200	1.4%	87	113	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	58.1%	41.9%	269	1.9%	156	113	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	67.1%	32.9%	451	3.3%	302	148	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	79.7%	20.3%	616	4.5%	491	125	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	93.1%	6.9%	449	3.2%	418	31	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	98.7%	1.3%	296	2.1%	292	4	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	98.7%	1.3%	162	1.2%	160	2	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	100.0%	0.0%	78	0.6%	78	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	96.5%	3.5%	68	0.5%	66	2	\$3,360	na	\$640,000	na	
55 - 59	Less than \$15,000	25.5%	74.5%	118	0.9%	30	88	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	33.3%	66.7%	119	0.9%	40	79	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	47.0%	53.0%	108	0.8%	51	57	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	56.5%	43.5%	202	1.5%	114	88	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	70.7%	29.3%	317	2.3%	224	93	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	87.5%	12.5%	167	1.2%	146	21	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	93.3%	6.7%	99	0.7%	92	7	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	93.3%	6.7%	46	0.3%	43	3	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	100.0%	0.0%	39	0.3%	39	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	94.6%	5.4%	39	0.3%	37	2	\$3,360	na	\$640,000	na	

EXHIBITS 3

CURRENT HOUSING NEEDS - 2013
BY AGE AND INCOME COHORTS

Cohort		Tenure		Number of HH	% of all HH	Units by Tenure		Rent Range		Price Range	
Age	Income	Owner %	Renter %	13,824	100%	Owned	Rental				
60 - 64	Less than \$15,000	49.1%	50.9%	122	0.9%	60	62	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	58.4%	41.6%	124	0.9%	72	52	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	72.9%	27.1%	112	0.8%	82	30	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	79.8%	20.2%	210	1.5%	168	43	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	89.5%	10.5%	330	2.4%	295	35	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	98.5%	1.5%	174	1.3%	171	3	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	100.0%	0.0%	103	0.7%	103	0	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	100.0%	0.0%	48	0.3%	48	0	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	100.0%	0.0%	40	0.3%	40	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	98.1%	1.9%	40	0.3%	40	1	\$3,360	na	\$640,000	na	
65 - 74	Less than \$15,000	53.5%	46.5%	214	1.5%	114	99	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	62.7%	37.3%	208	1.5%	130	77	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	76.7%	23.3%	241	1.7%	185	56	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	82.9%	17.1%	246	1.8%	204	42	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	91.7%	8.3%	283	2.0%	260	23	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	99.6%	0.4%	144	1.0%	143	1	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	100.0%	0.0%	58	0.4%	58	0	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	100.0%	0.0%	26	0.2%	26	0	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	98.5%	1.5%	40	0.3%	40	1	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	98.5%	1.5%	15	0.1%	15	0	\$3,360	na	\$640,000	na	
75 - 84	Less than \$15,000	52.2%	47.8%	166	1.2%	87	79	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	61.5%	38.5%	201	1.5%	123	77	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	75.6%	24.4%	223	1.6%	169	54	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	82.0%	18.0%	119	0.9%	98	22	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	88.5%	11.5%	146	1.1%	129	17	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	96.5%	3.5%	27	0.2%	26	1	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	99.9%	0.1%	21	0.2%	21	0	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	100.0%	0.0%	20	0.1%	20	0	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	98.4%	1.6%	9	0.1%	9	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	98.4%	1.6%	0	0.0%	0	0	\$3,360	na	\$640,000	na	
85+	Less than \$15,000	16.5%	83.5%	83	0.6%	14	70	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	22.4%	77.6%	72	0.5%	16	56	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	33.5%	66.5%	83	0.6%	28	55	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	42.6%	57.4%	44	0.3%	19	25	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	55.5%	44.5%	43	0.3%	24	19	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	74.0%	26.0%	8	0.1%	6	2	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	76.1%	23.9%	10	0.1%	8	2	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	76.1%	23.9%	10	0.1%	8	2	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	90.8%	9.2%	5	0.0%	5	0	\$2,520	\$3,360	\$530,000	\$640,000
\$200,000+	90.8%	9.2%	0	0.0%	0	0	\$3,360	na	\$640,000	na	
TOTALS:				13,824	100.0%	8,432	5,392				

Source: Johnson Reid LLC

EXHIBITS 4

**CURRENT HOUSING NEEDS (2013)
INDICATED BY TENURE AND COST**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$70k	442	Less than \$15,000	5.2%	5.2%
\$70k - \$120k	541	\$15,000 - \$24,999	6.4%	11.7%
\$120k - \$170k	839	\$25,000 - \$34,999	9.9%	21.6%
\$170k - \$240k	1,284	\$35,000 - \$49,999	15.2%	36.8%
\$240k - \$300k	2,184	\$50,000 - \$74,999	25.9%	62.7%
\$300k - \$350k	1,442	\$75,000 - \$99,999	17.1%	79.8%
\$350k - \$440k	827	\$100,000 - \$124,999	9.8%	89.6%
\$440k - \$530k	402	\$125,000 - \$149,999	4.8%	94.4%
\$530k - \$640k	263	\$150,000 - \$199,999	3.1%	97.5%
\$640k +	209	\$200,000+	2.5%	100.0%
Totals:	8,432		% of All:	61.0%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$380	990	Less than \$15,000	18.4%	18.4%
\$380 - \$620	891	\$15,000 - \$24,999	16.5%	34.9%
\$620 - \$870	896	\$25,000 - \$34,999	16.6%	51.5%
\$870 - \$1090	1,177	\$35,000 - \$49,999	21.8%	73.3%
\$1090 - \$1370	1,074	\$50,000 - \$74,999	19.9%	93.2%
\$1370 - \$1680	255	\$75,000 - \$99,999	4.7%	98.0%
\$1680 - \$2100	69	\$100,000 - \$124,999	1.3%	99.2%
\$2100 - \$2520	28	\$125,000 - \$149,999	0.5%	99.7%
\$2520 - \$3360	3	\$150,000 - \$199,999	0.1%	99.8%
\$3360 +	11	\$200,000+	0.2%	100.0%
Totals:	5,392		% of All:	39.0%

All Households
13,824

Source: Johnson Reid LLC

EXHIBITS 5

CURRENT HOUSING INVENTORY BY PRICE/RENT RANGE

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0k - \$70k	211	9	0	7	0	275	0	502	5.8%	5.8%
\$70k - \$120k	193	12	0	17	0	142	0	363	4.2%	10.0%
\$120k - \$170k	1,417	41	0	7	0	0	0	1,465	16.9%	26.8%
\$170k - \$240k	3,405	63	0	3	0	0	0	3,471	39.9%	66.7%
\$240k - \$300k	1,049	19	0	0	0	0	0	1,068	12.3%	79.0%
\$300k - \$350k	632	12	0	0	0	0	0	644	7.4%	86.4%
\$350k - \$440k	757	5	0	0	0	0	0	762	8.8%	95.2%
\$440k - \$530k	199	0	0	0	0	0	0	199	2.3%	97.5%
\$530k - \$640k	84	0	0	0	0	0	0	84	1.0%	98.5%
\$640k +	134	0	0	0	0	0	0	134	1.5%	100.0%
Totals:	8,081	161	0	34	0	417	0	8,693	% of All Units:	59.8%
Percentage:	93.0%	1.9%	0.0%	0.4%	0.0%	4.8%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0 - \$380	8	15	8	21	55	38	0	146	2.5%	2.5%
\$380 - \$620	173	170	64	188	452	64	0	1,111	19.0%	21.5%
\$620 - \$870	420	382	145	456	1,199	26	0	2,628	45.0%	66.5%
\$870 - \$1090	300	194	82	242	603	0	0	1,420	24.3%	90.9%
\$1090 - \$1370	94	74	17	44	63	0	0	292	5.0%	95.9%
\$1370 - \$1680	42	16	6	6	27	0	0	97	1.7%	97.5%
\$1680 - \$2100	36	25	4	0	0	0	0	64	1.1%	98.6%
\$2100 - \$2520	45	20	0	0	0	0	0	65	1.1%	99.7%
\$2520 - \$3360	16	0	0	0	0	0	0	16	0.3%	100.0%
\$3360 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	1,134	896	324	958	2,399	128	0	5,838	% of All Units:	40.2%
Percentage:	19.4%	15.3%	5.6%	16.4%	41.1%	2.2%	0.0%	100.0%		

TOTAL HOUSING UNITS										
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	
Totals:	9,215	1,056	324	992	2,399	544	0	14,531	100%	
Percentage:	63.4%	7.3%	2.2%	6.8%	16.5%	3.7%	0.0%	100.0%		

Sources: Claritas Inc., Census, Johnson Reid

EXHIBITS 6

**CURRENT HOUSING NEEDS COMPARED TO CURRENT SUPPLY (2013)
INDICATED BY TENURE AND COST**

Ownership				Rental			
Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
\$0k - \$70k	442	502	60	\$0 - \$380	990	146	(844)
\$70k - \$120k	541	363	(177)	\$380 - \$620	891	1,111	220
\$120k - \$170k	839	1,465	627	\$620 - \$870	896	2,628	1731
\$170k - \$240k	1,284	3,471	2187	\$870 - \$1090	1,177	1,420	243
\$240k - \$300k	2,184	1,068	(1116)	\$1090 - \$1370	1,074	292	(782)
\$300k - \$350k	1,442	644	(798)	\$1370 - \$1680	255	97	(158)
\$350k - \$440k	827	762	(65)	\$1680 - \$2100	69	64	(4)
\$440k - \$530k	402	199	(203)	\$2100 - \$2520	28	65	37
\$530k - \$640k	263	84	(179)	\$2520 - \$3360	3	16	13
\$640k +	209	134	(75)	\$3360 +	11	0	(11)
Totals:	8,432	8,693	261	Totals:	5,392	5,838	446

Occupied Units:	13,824
All Housing Units:	14,531
Total Unit Surplus:	707

Sources: Claritas, Census, Johnson Reid

EXHIBIT 7

PROFILE OF FUTURE HOUSING CONDITIONS KEIZER, OREGON

PROJECTED FUTURE HOUSING CONDITIONS (2013 - 2033)		SOURCE
2013 Population (Minus Group Pop.)	36,496	2010 Census, PSU
Projected Annual Growth Rate	1.41%	Based on Keizer adopted 2032 forecast City of Keizer
2033 Population (Minus Group Pop.)	48,260	
<u>Estimated group housing population:</u>	<u>437</u>	From Marion County 2030 adopted forecast Marion Co.
Total Estimated 2033 Population:	48,697	Based on adopted 2032 population forecast (48,089 pop.) City of Keizer
Estimated Non-Group 2033 Households:	18,191	Based on Pop/HH ratio from County 2030 forecast Marion Co.
New Households 2013 to 2033	4,366	
Avg. Household Size:	2.65	2032 Non-Group Pop/ Non-Group Households
Total Housing Units:	19,044	Based on Units/HH ratio from County 2030 forecast Marion Co.
Occupied Housing Units:	18,191	(= Number of Non-Group Households)
Vacant Housing Units:	854	(Total Units - Occupied Units)
Projected Vacancy Rate:	4.5%	(Vacant Units/ Total Units)

EXHIBIT 8

TOTAL FUTURE HOUSING DEMAND - 2033
BY AGE AND INCOME COHORTS
(INCORPORATES CURRENT NEED BUT NO VACANCY)

Cohort		Tenure		Number of HH	% of all HH	Units by Tenure		Rent Range		Price Range	
Age	Income	Owner %	Renter %	18,191	100%	Owned	Rental				
15 - 24	Less than \$15,000	0.6%	99.4%	165	0.9%	0.9	163.7	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	0.8%	99.2%	181	1.0%	1.4	179.2	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	1.2%	98.8%	188	1.0%	2.3	185.5	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	1.8%	98.2%	297	1.6%	5.4	291.8	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	3.0%	97.0%	189	1.0%	5.7	183.1	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	6.6%	93.4%	37	0.2%	2.5	34.6	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	7.3%	92.7%	6	0.0%	0.5	5.8	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	7.3%	92.7%	6	0.0%	0.5	5.8	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	19.7%	80.3%	3	0.0%	0.5	2.2	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	19.7%	80.3%	3	0.0%	0.5	2.2	\$3,360	na	\$640,000	na
25 - 34	Less than \$15,000	9.5%	90.5%	212	1.2%	20.2	191.7	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	12.9%	87.1%	204	1.1%	26.3	177.5	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	19.0%	81.0%	320	1.8%	61.0	259.3	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	25.6%	74.4%	587	3.2%	150.4	436.6	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	36.5%	63.5%	716	3.9%	261.6	454.7	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	56.2%	43.8%	350	1.9%	196.9	153.3	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	58.9%	41.1%	126	0.7%	73.9	51.6	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	58.9%	41.1%	39	0.2%	23.1	16.1	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	80.3%	19.7%	32	0.2%	25.9	6.4	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	80.3%	19.7%	21	0.1%	17.2	4.2	\$3,360	na	\$640,000	na
35 - 44	Less than \$15,000	22.5%	77.5%	158	0.9%	35.5	122.0	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	29.0%	71.0%	171	0.9%	49.6	121.4	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	39.2%	60.8%	290	1.6%	113.7	176.3	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	48.4%	51.6%	560	3.1%	271.3	288.9	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	60.8%	39.2%	902	5.0%	548.0	353.8	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	76.9%	23.1%	504	2.8%	387.3	116.3	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	78.6%	21.4%	270	1.5%	212.4	57.7	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	78.6%	21.4%	127	0.7%	100.0	27.1	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	90.2%	9.8%	42	0.2%	37.9	4.1	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	90.2%	9.8%	45	0.2%	40.2	4.4	\$3,360	na	\$640,000	na
45 - 54	Less than \$15,000	37.1%	62.9%	269	1.5%	99.6	169.1	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	45.2%	54.8%	220	1.2%	99.5	120.8	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	56.4%	43.6%	284	1.6%	160.2	124.1	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	65.1%	34.9%	485	2.7%	315.8	169.6	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	75.1%	24.9%	717	3.9%	538.7	178.8	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	86.0%	14.0%	567	3.1%	487.4	79.3	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	87.1%	12.9%	384	2.1%	334.1	49.7	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	87.1%	12.9%	220	1.2%	191.6	28.5	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	93.6%	6.4%	125	0.7%	116.9	8.0	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	93.6%	6.4%	108	0.6%	101.2	7.0	\$3,360	na	\$640,000	na
55 - 59	Less than \$15,000	27.5%	72.5%	157	0.9%	43.1	114.0	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	34.7%	65.3%	148	0.8%	51.2	96.4	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	45.5%	54.5%	144	0.8%	65.6	78.4	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	54.8%	45.2%	265	1.5%	145.1	119.5	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	66.6%	33.4%	442	2.4%	294.3	147.8	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	80.8%	19.2%	230	1.3%	185.7	44.1	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	82.3%	17.7%	140	0.8%	115.0	24.8	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	82.3%	17.7%	74	0.4%	60.6	13.0	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	91.7%	8.3%	53	0.3%	48.4	4.4	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	91.7%	8.3%	53	0.3%	48.4	4.4	\$3,360	na	\$640,000	na

EXHIBIT 8

**TOTAL FUTURE HOUSING DEMAND - 2033
BY AGE AND INCOME COHORTS
(INCORPORATES CURRENT NEED BUT NO VACANCY)**

60 - 64	Less than \$15,000	52.9%	47.1%	163	0.9%	86.4	77.0	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	60.9%	39.1%	154	0.8%	93.6	60.0	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	70.7%	29.3%	150	0.8%	106.0	43.9	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	77.4%	22.6%	275	1.5%	213.2	62.3	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	84.3%	15.7%	460	2.5%	387.9	72.2	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	91.0%	9.0%	239	1.3%	217.6	21.5	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	91.6%	8.4%	145	0.8%	133.2	12.2	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	91.6%	8.4%	77	0.4%	70.2	6.4	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	95.2%	4.8%	55	0.3%	52.3	2.6	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	95.2%	4.8%	55	0.3%	52.3	2.6	\$3,360	na	\$640,000	na
65 - 74	Less than \$15,000	57.7%	42.3%	388	2.1%	224.1	164.3	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	65.4%	34.6%	410	2.3%	267.9	141.7	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	74.4%	25.6%	462	2.5%	343.9	118.3	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	80.4%	19.6%	510	2.8%	410.0	100.1	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	86.4%	13.6%	603	3.3%	521.1	82.2	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	92.0%	8.0%	295	1.6%	271.1	23.4	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	92.5%	7.5%	136	0.7%	126.2	10.2	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	92.5%	7.5%	45	0.2%	41.9	3.4	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	95.5%	4.5%	72	0.4%	68.7	3.2	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	95.5%	4.5%	37	0.2%	35.2	1.7	\$3,360	na	\$640,000	na
75 - 84	Less than \$15,000	56.3%	43.7%	183	1.0%	103.3	80.2	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	64.1%	35.9%	221	1.2%	141.5	79.2	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	73.3%	26.7%	231	1.3%	169.4	61.5	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	79.5%	20.5%	140	0.8%	111.3	28.6	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	85.8%	14.2%	150	0.8%	129.0	21.3	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	91.8%	8.2%	39	0.2%	36.0	3.2	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	92.3%	7.7%	30	0.2%	27.4	2.3	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	92.3%	7.7%	19	0.1%	17.8	1.5	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	95.4%	4.6%	13	0.1%	12.5	0.6	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	95.4%	4.6%	0	0.0%	0.0	0.0	\$3,360	na	\$640,000	na
85+	Less than \$15,000	17.8%	82.2%	141	0.8%	25.0	115.5	\$0	\$380	\$0	\$70,000
	\$15,000 - \$24,999	23.4%	76.6%	119	0.7%	27.9	91.5	\$380	\$620	\$70,000	\$120,000
	\$25,000 - \$34,999	32.5%	67.5%	129	0.7%	42.1	87.2	\$620	\$870	\$120,000	\$170,000
	\$35,000 - \$49,999	41.3%	58.7%	90	0.5%	37.2	52.9	\$870	\$1,090	\$170,000	\$240,000
	\$50,000 - \$74,999	53.8%	46.2%	58	0.3%	31.2	26.7	\$1,090	\$1,370	\$240,000	\$300,000
	\$75,000 - \$99,999	71.8%	28.2%	20	0.1%	14.7	5.8	\$1,370	\$1,680	\$300,000	\$350,000
	\$100,000 - \$124,999	73.8%	26.2%	20	0.1%	14.7	5.2	\$1,680	\$2,100	\$350,000	\$440,000
	\$125,000 - \$149,999	73.8%	26.2%	17	0.1%	12.7	4.5	\$2,100	\$2,520	\$440,000	\$530,000
	\$150,000 - \$199,999	88.1%	11.9%	0	0.0%	0.1	0.0	\$2,520	\$3,360	\$530,000	\$640,000
	\$200,000 or more	88.1%	11.9%	3	0.0%	2.5	0.3	\$3,360	na	\$640,000	na
TOTALS:				18,191	100.0%	10,854	7,336				

Source: Johnson Reid LLC

EXHIBIT 9

**TOTAL FUTURE HOUSING DEMAND (2033)
INDICATED BY TENURE AND COST
(INCORPORATES CURRENT NEED BUT NO VACANCY ASSUMPTION)**

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0k - \$70k	638	5.9%	5.9%
\$70k - \$120k	759	7.0%	12.9%
\$120k - \$170k	1,064	9.8%	22.7%
\$170k - \$240k	1,660	15.3%	38.0%
\$240k - \$300k	2,717	25.0%	63.0%
\$300k - \$350k	1,799	16.6%	79.6%
\$350k - \$440k	1,037	9.6%	89.1%
\$440k - \$530k	518	4.8%	93.9%
\$530k - \$640k	363	3.3%	97.3%
\$640k +	298	2.7%	100.0%
Totals:	10,854	% of All:	59.7%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - \$380	1,197	16.3%	16.3%
\$380 - \$620	1,068	14.6%	30.9%
\$620 - \$870	1,135	15.5%	46.3%
\$870 - \$1090	1,550	21.1%	67.5%
\$1090 - \$1370	1,521	20.7%	88.2%
\$1370 - \$1680	482	6.6%	94.8%
\$1680 - \$2100	219	3.0%	97.8%
\$2100 - \$2520	106	1.5%	99.2%
\$2520 - \$3360	32	0.4%	99.6%
\$3360 +	27	0.4%	100.0%
Totals:	7,336	% of All:	40.3%

All Units
18,191

Source: Johnson Reid LLC

EXHIBIT 10

**TOTAL FUTURE NEEDED HOUSING INVENTORY (2033)
BY PRICE/RENT RANGE
(INCORPORATES CURRENT NEED & VACANCY ASSUMPTION)**

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0k - \$70k	573	41	1	4	4	352	0	655	5.9%	5.9%
\$70k - \$120k	681	49	2	5	5	181	0	779	7.0%	12.9%
\$120k - \$170k	955	69	2	7	7	0	0	1,092	9.8%	22.7%
\$170k - \$240k	1,489	107	4	10	11	0	0	1,703	15.3%	38.0%
\$240k - \$300k	2,438	175	6	17	18	0	0	2,788	25.0%	63.0%
\$300k - \$350k	1,614	116	4	11	12	0	0	1,846	16.6%	79.6%
\$350k - \$440k	931	67	2	7	7	0	0	1,064	9.6%	89.1%
\$440k - \$530k	465	33	1	3	4	0	0	532	4.8%	93.9%
\$530k - \$640k	326	23	1	2	2	0	0	373	3.3%	97.3%
\$640k +	267	19	1	2	2	0	0	305	2.7%	100.0%
Totals:	9,739	699	24	69	73	534	0	11,138	% of All Units:	58.5%
Percentage:	87.4%	6.3%	0.2%	0.6%	0.7%	4.8%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0 - \$380	205	183	72	216	585	52	0	1,291	16.3%	16.3%
\$380 - \$620	183	163	64	193	522	87	0	1,151	14.6%	30.9%
\$620 - \$870	195	174	68	205	554	35	0	1,223	15.5%	46.3%
\$870 - \$1090	266	237	93	280	758	0	0	1,671	21.1%	67.5%
\$1090 - \$1370	261	233	92	275	743	0	0	1,639	20.7%	88.2%
\$1370 - \$1680	83	74	29	87	235	0	0	519	6.6%	94.8%
\$1680 - \$2100	38	34	13	40	107	0	0	236	3.0%	97.8%
\$2100 - \$2520	18	16	6	19	52	0	0	115	1.5%	99.2%
\$2520 - \$3360	5	5	2	6	15	0	0	34	0.4%	99.6%
\$3360 +	5	4	2	5	13	0	0	29	0.4%	100.0%
Totals:	1,258	1,123	442	1,325	3,585	173	0	7,907	% of All Units:	41.5%
Percentage:	15.9%	14.2%	5.6%	16.8%	45.3%	2.2%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units
Totals:	10,997	1,822	466	1,394	3,659	707	0	19,044	100%
Percentage:	57.7%	9.6%	2.4%	7.3%	19.2%	3.7%	0.0%	100.0%	

Source: Johnson Reid LLC

EXHIBIT 11

**FUTURE NEW UNITS NEEDED (2033)
BY PRICE/RENT RANGE
(TOTAL FUTURE NEED MINUS CURRENT INVENTORY)**

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0k - \$70k	362	32	1	-3	4	77	0	474	19.4%	19.4%
\$70k - \$120k	488	37	2	-12	5	40	0	559	22.9%	42.3%
\$120k - \$170k	-462	28	2	0	7	0	0	-425	-17.4%	24.9%
\$170k - \$240k	-1,916	44	4	7	11	0	0	-1,850	-75.7%	-50.8%
\$240k - \$300k	1,389	156	6	17	18	0	0	1,586	64.9%	14.1%
\$300k - \$350k	982	104	4	11	12	0	0	1,114	45.6%	59.7%
\$350k - \$440k	174	62	2	7	7	0	0	251	10.3%	69.9%
\$440k - \$530k	266	33	1	3	4	0	0	307	12.6%	82.5%
\$530k - \$640k	242	23	1	2	2	0	0	271	11.1%	93.6%
\$640k +	133	19	1	2	2	0	0	157	6.4%	100.0%
Totals:	1,658	538	24	35	73	117	0	2,445	% All Units:	54.2%
Percentage:	67.8%	22.0%	1.0%	1.4%	3.0%	4.8%	0.0%	100.0%		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
\$0 - \$380	197	168	64	195	530	14	0	1,169	56.5%	56.5%
\$380 - \$620	10	-7	0	4	70	23	0	101	4.9%	61.4%
\$620 - \$870	-225	-208	-77	-251	-645	9	0	-1,397	-67.6%	-6.2%
\$870 - \$1090	-34	43	12	38	155	0	0	214	10.3%	4.2%
\$1090 - \$1370	167	159	75	231	680	0	0	1,311	63.4%	67.6%
\$1370 - \$1680	41	58	23	81	208	0	0	411	19.9%	87.5%
\$1680 - \$2100	2	9	10	40	107	0	0	167	8.1%	95.5%
\$2100 - \$2520	-27	-4	6	19	52	0	0	47	2.3%	97.8%
\$2520 - \$3360	-11	5	2	6	15	0	0	17	0.8%	98.6%
\$3360 +	5	4	2	5	13	0	0	28	1.4%	100.0%
Totals:	124	227	117	368	1,186	45	0	2,068	% All Units:	45.8%
Percentage:	6.0%	11.0%	5.7%	17.8%	57.4%	2.2%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units
Totals:	1,782	765	141	402	1,260	162	0	4,513	100%
Percentage:	39.5%	17.0%	3.1%	8.9%	27.9%	3.6%	0.0%	100.0%	

Sources: PSU Population Research Center, Claritas Inc., Census, Johnson Reid

EXHIBIT 12

PROFILE OF RESIDENTIAL ZONING DESIGNATIONS KEIZER, OREGON

ZONING DESIGNATION		Net Vacant Buildable Acres	Observed Density (Units/ Net Acre)	Target Density (Units/ Net Acre) ⁴		Capacity of Vacant Lands (Units)	Underlying Comp Plan Designation
RS	Single Family Residential	214.9	6.6	6.6 det.	8.0 att.	1,527	Low Density Residential
RL	Limited Density Residential	0	4.8	-	-	-	Medium D.R. or Medium High D.R.
RL-LU	Limited D.R. - Limited Use	0	9.6	-	-	-	Medium High Density Res.
RM (Medium) ¹	Medium Density Residential	0	na	-	-	-	(See footnote)
RM (Medium High)	Medium Density Residential	24.1	9.6	15.0	-	362	Medium High Density Res.
RM-LU	MDR - Limited Use	0	9.6	-	-	-	Medium High Density Res.
RH ²	High Density Residential	0	na	-	-	-	(See footnote)
UT	Urban Transition	53.9	6.6	6.6 det.	8.0 att.	383	Low Density Residential
MU ³	Mixed Use (Keizer Station)	22.8	6.7	6.7	-	153	Mixed Use
MU	Mixed Use (Other)	18.7	16.8	16.8	-	314	Mixed Use
<i>Accessory Dwelling Unit Assumption:</i>						100	
Totals/Averages:		334.4		8.5		2,838	

Sources: MWVCOG, City of KEIZER, Johnson Reid LLC

¹ The City of Keizer Development Code presents standards for areas of the RM (Medium Density Residential) zone which also have an underlying "Medium Density Residential" Comp Plan designation, there are no actual instances of this situation in the zoning map. On the zoning map, all areas zoned RM (Medium Density Residential) have an underlying Comp Plan designation of "Medium High Density Residential."

Those parts of the Comp Plan designation map which are identified as "Medium Density Residential" are all covered by the Limited Density Residential zone on the zoning map.

² The City of Keizer Development Code presents standards for a zoning designation of RH (High Density Residential). This zone never appears on the zoning map, and no parts of the city are actually covered by this zone. Those areas of the city which are designated "Medium High Density Residential" on the Comp Plan map, are covered by the RM (Medium Density Residential) zone on the zoning map. Therefore, the RM (Medium Density Residential) zone conforms to what is called "medium high density" in the Comp Plan, and in the absence of any land designated RH, RM is the city's highest density active zone.

³ This mixed use area is currently under master planning and is planned to include 153 units in addition to commercial uses. That unit count is reflected here, and results in the density of 6.7 units/net acre.

⁴ The target density is assumed to be the achieved density in most zones, as those zones are achieving density near the mid-point of the allowed density range. In the RS zone, single family detached (SFD) and single family attached (SFA) units have two different target densities listed. The SFD target density of 6.6 units/net acre represents the achieved density in the RS zone, while the SFA density of 8 units/net acre reflects that attached units achieve higher density, but are nonetheless limited to a maximum density of 8 units/acre by the zoning code. In the case of the RM (Medium Density Zone) - which has an underlying Comp Plan designation of "Medium High Density Residential" - the target density is assumed to be the achieved density in the RM zone, which is 9.6 units/net acre.

EXHIBIT 13

**REMAINING RESIDENTIAL UNIT NEED - 2033
(NEW UNITS NEEDED (2033) MINUS CAPACITY OF BUILDABLE LANDS)
KEIZER, OREGON**

Zoning Designation		Capacity of Vacant Lands (In Units) ¹	NEW UNITS NEEDED (2033) vs. CAPACITY						Total Units	
			S.F. Detached	S.F. Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home		
			1,782	765	141	402	1,260	162	4,513	← New Units Needed (2032)
RS	Single Family Residential	1,527	977	550	-	-	-	-	1,527	
RL	Limited Density Residential	-	-	-	-	-	-	-	0	
RL-LU	Limited D.R. - Limited Use	-	-	-	-	-	-	-	0	
RM (Medium)	Medium Density Residential	-	-	-	-	-	-	-	0	
RM (Medium High)	Medium Density Residential	362	-	-	-	-	362	-	362	← Distribution of Remaining BLI Capacity
RM-LU	MDR - Limited Use	-	-	-	-	-	-	-	0	
RH	High Density Residential	-	-	-	-	-	-	-	0	
UT	Urban Transition	383	245	138	-	-	-	-	383	
MU	Mixed Use (Keizer Station)	153	-	-	-	-	153	-	153	
MU	Mixed Use (Other)	314	-	-	-	-	314	-	314	
Totals/Averages:		2,738	1,222	687	0	0	829	0	2,738	← Total Capacity of Buildable Lands
<i>Accessory Dwelling Unit Assumption :</i>					100				100	
			560	77	41	402	431	162	1,674	← Remaining Unit Need

Sources: City of KEIZER, MWVCOG, Johnson Reid LLC

EXHIBIT 14

NEW FUTURE RESIDENTIAL ACREAGE NEEDED - 2033 (TOTAL FUTURE NEED MINUS CURRENT VACANT PARCELS) KEIZER, OREGON

Zoning Designation		REMAINING UNIT NEED, AFTER BLI BUILD-OUT						Target Density (Units/ Net Acre) ¹	Net Acreage Needed	Gross Acreage Needed	
		S.F. Detached	S.F. Attached	Duplex	3- or 4- plex	5+ Units MFR	Mobile home				Total Units
		560	77	41	402	431	162	1,674			
RS	Single Family Residential	560					162	722	6.6	109.4	136.8
<i>RL</i>	<i>Limited Density Residential</i>							0	-	-	-
<i>RL-LU</i>	<i>Limited D.R. - Limited Use</i>							0	-	-	-
<i>RM (Medium)</i>	<i>Medium Density Residential</i>							0	-	-	-
RM (Medium High)	Medium Density Residential		77	41				119	15.0	7.9	9.9
<i>RM-LU</i>	<i>MDR - Limited Use</i>							0	-	-	-
RH	High Density Residential				322	345		667	22.0	30.3	37.9
<i>UT</i>	<i>Urban Transition</i>							0	-	-	-
<i>MU</i>	<i>Mixed Use (Keizer Station)</i>							0	-	-	-
MU	Mixed Use (Other)				80	86		167	16.8	9.9	12.4
Totals/Averages:		560	77	41	402	431	162	1,674	10.6	157.6	196.9

Sources: City of KEIZER, MWVCOG, Johnson Reid LLC

1 Target density is based on actual achieved density in the RS and MU zones.

Target density in the RM zone (15 units/acre) is based on the median value of the allowed density range in that zone (8 to 22). This density target is used because the actual RM zone has historically achieved a density of 9.6 units/acre, which is low for a medium density zone.

The RH zone has not historically been applied within the City, so a figure for the historical density achieved is not available. The permitted density of this zone is 16 units or more per net acre. The average target density of 22 units/acre applied here assumes a build-out of garden apartments and townhome-style development in this zone, which would be appropriate for a community of Keizer's size.



APPENDIX A: BUILDABLE LANDS INVENTORY

INTRODUCTION & METHODOLOGY

The Buildable Lands Inventory (BLI) used in this analysis is founded on the BLI prepared by the Mid-Willamette Valley Council of Governments (MWVCOG) as part of the Regional Economic Opportunities Analysis (EOA) prepared over recent years and adopted in 2011. This analysis focused on employment lands. MWVCOG's BLI of residential lands was updated through the end of 2009.

For the current Goal 9 and Goal 10 analyses prepared for the City of Keizer, the MWVCOG BLI was used as a foundation, with findings further screened by JOHNSON REID and the City of Keizer to reflect more recent development activity, and other discrepancies.

In keeping with State requirements, the BLI includes an assessment of vacant buildable lands, partially vacant lands, and redevelopment parcels. The BLI for employment land and residential land differ somewhat, as described below.

Employment Lands BLI

An in-depth discussion of the MWVCOG Buildable Lands Inventory completed in conjunction with the Salem-Keizer Metropolitan Area EOA can be found in Appendix A of that report at:

www.mwvcog.org:8080/2/document-folder/eoa/economic-opportunity-analysis-final-report-and-appendices

Key portions of Appendix A describing the MWVCOG BLI methodology are included here:

Methodology

A review of the buildable land inventory methodology and definitions used for the Salem Keizer Metropolitan Area EOA is provided as follows.

The buildable land inventory was conducted in two (2) phases. Phase One of the analysis included classifying all land into one of two categories - vacant or developed land. Phase Two of the analysis included an analysis of development constraints that were deducted as unbuildable land from the inventory.

The buildable land inventory was completed primarily using Geographic Information Systems (GIS) technology. Data was gathered and analyzed at the parcel (tax lot) level using a combination of existing parcel-based land use inventory data, County Assessor's records, building permit data through December 31, 2009, and aerial photographs. The output of this analysis is a database of land inventory information by plan designation, which are summarized in both tabular and map format in this report.

The buildable land inventory was also verified to ensure accuracy using aerial photo analysis and agency staff review.

Although data for the inventory was gathered and evaluated at the parcel level, the inventory does not represent a parcel-level analysis of lot availability and suitability. The inventory does not take into account all of the specific factors needed to determine whether or not an individual lot is suitable and available for development. The results of the BLI have been aggregated by

Comprehensive Plan designations, consistent with state planning requirements. As such, the BLI is intended to be considered accurate in the aggregate only and not at the parcel-level.

[...]

Definitions

For the purposes of this study, the following definitions were used:

Vacant Land -

1. Properties with no current development¹ and available for future employment use; or
2. Properties with a commercial or industrial plan designation with a Floor Area Ratio (FAR) of .10 or less; and commercial lots one-half acre or greater in size, or industrial lots five (5) acres or greater in size. Of these selected lots, the estimated vacant portion is 30% of the lot.

Developed Land – Land that contains existing development and is not classified as vacant under the above definitions.

MWVCOG and ECONorthwest also helped each jurisdiction in the planning area complete an analysis of ***Redevelopable Lands***, which for the purposes of Goal 9 are included under the “Developed Land” category. In general, redevelopable lands were identified as properties with the potential to redevelop or change their land use over the twenty year planning period, based upon local redevelopment policies.

The definitions used for this study are similar to the definitions for “vacant” and “developed land” described in Goal 9 and the safe harbor method provisions found in OAR 660-024-0005(3). The definition of “vacant land” however, deviates somewhat to provide a more inclusive definition that is not restricted by a minimum parcel size of one-half acre. The more inclusive definition of vacant land provides a more accurate description of vacant land within the planning area by identifying smaller vacant infill parcels within established employment areas.

Source: Salem Keizer Metropolitan Area Economic Opportunities Analysis, Appendix A (MWVCOG, 2011)

In addition to Appendix A to the regional EOA, MWVCOG supplied additional detail of parameters used to narrow down the estimates of buildable employment lands. The following parameters were approved by the Technical Advisory Committee of the regional EOA and applied using GIS analysis:

Vacant Land

1. Vacant Land – for commercial and industrial
 - a. All commercial land, regardless of size
 - b. All industrial land, regardless of size
 - c. Apply constraints
 - d. Exclude from summary tables any resulting sliver or small lots LT 5000 sq. feet

¹ Vacant land has no permanent building structure. Sheds, storage buildings or garages may be present. [footnote from original]

2. FAR less than .10
 - a. Commercial land , started with ½ acre lots or greater
 - b. Industrial land , started with 5 acres lots or greater
 - c. Apply constraints
 - d. 30% of resulting area is considered buildable
 - e. Exclude from BLI if the area is less than 30% of the original size threshold, for Industrial this is 5 acres, for Commercial lands this is 1/2 acre.

Developed Land

3. Non- conforming
 - a. Commercial, started with ½ acre or greater
 - b. Industrial, ALL non-conforming uses regardless of size
 - c. Apply constraints
 - d. Resulting unconstrained area considered buildable
 - e. Exclude any summary tables any resulting sliver/small lots LT 5000 sq feet

With the exceptions of specific properties identified for redevelopment in Turner by the city, and in Keizer with Mixed Use property at Keizer Station Area C.

4. FAR between .10 to .20
 - a. Commercial, started with ½ acre or greater
 - b. Industrial, started with 5 acres or greater
 - c. Apply constraints
 - d. 30% of resulting area is considered buildable
 - e. Exclude from BLI if the area considered buildable is less than 30% of the original size threshold, for Industrial this is less than 5 acres, for Commercial lands this is less than 1/2 acre.

Source: Buildable Lands GIS Documentation (MWVCOG, 2011)

Residential Lands BLI

MWVCOG completed a Residential Lands BLI during a similar timeframe which was updated to reflect permitting activity through the end of 2009. The residential BLI employed a similar methodology to that described above, with a two phase approach of first identifying vacant and developed land, then applying development constraints to deduct unbuildable lands from the inventory.

As with the employment BLI, the residential BLI includes vacant parcels, as well as partially vacant and redevelopable parcels. For residential uses, the “partially vacant” and “redevelopable” parcels are defined differently than in the employment BLI methodology. The following summarizes the parameters used by MWVCOG for residential lands:

Buildable Lands Documentation for Housing:

Vacant Land

1. Vacant Land
 - a. All residential land vacant land, regardless of size
 - b. All mixed use land if flagged likely residential, regardless of size
 - c. Apply constraints
2. Partially Vacant
 - a. All residential land greater than 17,000 sq. feet in size.
 - b. Apply constraints

- c. Screen for size again, if the resulting net area is greater than 17,000 sq. feet, deduct ¼ acre for each existing housing unit, the balance is considered vacant.

Redevelopable Land

3. Non-conforming
 - a. Multi-family land with an existing single family use, greater than ½ acre in size.
 - b. Apply constraints
 - c. Screen for size again, if the resulting net area is greater than ½ acre in size, the entire lot is considered redevelopable.

Source: Buildable Lands GIS Documentation for Housing (MWVCOG, 2011)

Redevelopable Parcels: The MWVCOG methodology of identifying redevelopable parcels described above did not result in the identification of any residential redevelopment land. Johnson Reid conducted a second screen for redevelopable parcels by identifying residential parcels, of 0.5 acres or greater in size, and with an improvement/land ratio of less than 1.0. A low improvement-to-land ratio can be one indicator that the current use may be low in value relative to the value of the land itself. This may be a sign that there is a more economical and intensive “best use” for this property. By applying these criteria for redevelopable parcels, Johnson Reid identified some potential redevelopable residential lands while the MWVCOG BLI did not.

Accessory Residential Housing (aka Accessory Dwelling Unit): The residential BLI also includes an assumption of Accessory Residential Housing built on existing developed single family lots. These are units built on a lot with an existing single family house, usually either behind or beside the existing unit. These units have a separate address, and are sometimes offered for rent, or for family to live separate from the primary residence, and are sometimes referred to as “mother-in-law” flats. These units are rare in Keizer, with an estimate of one permitted per year. For this analysis, we assume an increased production of 5 per year, or 100 such units over the course of the 20-year forecast period. These units are built across all of the existing developed single-family neighborhoods and therefore are not specifically identified in the Residential BLI map presented below.

BLI Refinement

For the City of Keizer Goal 9 EOA and Goal 10 Housing analysis conducted in 2012, and the subject of this report, the MWVCOG BLI data discussed above was mapped by Johnson Reid using GIS software and presented to the City of Keizer and Technical Advisory Committee for further refinement. The refinement generally reflected new development activity which had occurred since the MWVCOG BLI was prepared, and some on-the-ground discrepancies which were not caught in the regional BLI given its wider scope and inability to perform parcel-by-parcel analysis.

The findings of the City of Keizer BLI analysis of Employment and Residential Lands are presented below with additional discussion.

EMPLOYMENT - BUILDABLE LANDS INVENTORY

The methodology as described above finds an existing buildable employment lands inventory as follows:

FIGURE A1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, KEIZER

Zoning		Total Acreage
AI	Agricultural Industrial	22.2
CG	Commercial General	4.7
CM	Commercial Mixed Use	11.4
CO	Commercial Office	0.4
CR	Commercial Retail	2.7
IBP	Industrial Business Park	16.0
IG	Industrial General	12.0
MU	Mixed Use	41.4
TOTAL:		110.7

Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

The following map shows the identified parcels by category: vacant, partially vacant, and redevelopable. Based on the MWVCOG methodology partially vacant parcels are assumed to be 30% buildable. This 30% estimate was based on examination of actual property cases which estimated the buildable lands remaining after existing structure and circulation needs are accounted for. This standard was ultimately acceptable to the parties involved and technical advisors of the MWVCOG regional EOA process.

For those parcels identified as “redevelopable”, the entire parcel is assumed to be buildable within the 20-year time horizon. *There is one important exception to this assumption:* The industrial lands in the northwest corner of the city, which are zoned Agricultural Industrial (AI) and shown here as potentially redevelopable are not assumed to be 100% buildable over the 20-year period. These lands, while they show a low level of built-space development are generally under current uses which are envisioned and permitted under the AI zone. Furthermore, these parcels surround the wastewater treatment plant, in an Odor Improvement Overlay zone.

According to the City of Keizer development code, “the purpose of the Agricultural Industrial zone is to provide appropriate areas suitable for agricultural uses, agricultural related industries, warehousing, transportation facilities, and other agricultural, industrial, and recreational uses that have relatively low employees per acre ratios.” This analysis assumes that some of these parcels may develop into somewhat more intensive uses such as agricultural processing or warehousing in the 20-year period, but not all of them.

Therefore, this analysis includes an assumption that these “potential redevelopment” parcels in the northwestern area of the city are 20% redevelopable over the planning period. All other industrial and commercial “redevelopment” parcels shown below are assumed to be 100% redevelopable.

FIGURE A2: EMPLOYMENT BUILDABLE LANDS INVENTORY, KEIZER (2013)

Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

**FIGURE A3: EMPLOYMENT BUILDABLE LANDS INVENTORY
PARCEL SUMMARY, KEIZER (2013)**

Zoning	Vacant		Partially Vacant		Redevelopable		TOTAL	
	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres
AI Agricultural Industrial					11	22.2	11	22.2
CG Commercial General	2	2.8	2	0.73	1	1.1	5	4.7
CM Commercial Mixed Use	8	6.2	15	4.1	2	1.13	25	11.4
CO Commercial Office	2	0.4					2	0.4
CR Commercial Retail					3	2.7	3	2.7
IBP Industrial Business Park	2	16.0					2	16.0
IG Industrial General	7	1.0			2	11.1	9	12.0
MU Mixed Use	8	16.7	3	2.0	36	22.8	47	41.5
TOTAL:	29	43.0	20	6.8	55	61.0	104	110.9

Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

RESIDENTIAL - BUILDABLE LANDS INVENTORY

The methodology as described above finds an existing buildable residential lands inventory as follows:

FIGURE A4: SUMMARY OF RESIDENTIAL BUILDABLE LAND INVENTORY, KEIZER

ZONING DESIGNATION		Net Vacant Buildable Acres	Observed Density (Units/ Net Acre)	Target Density (Units/ Net Acre) ⁴	Capacity of Vacant Lands (Units)	Underlying Comp Plan Designation
RS	Single Family Residential	214.9	6.6	6.6 det. 8.0 att.	1,527	Low Density Residential
RL	Limited Density Residential	0	4.8	-	-	Medium D.R. or Medium High D.R.
RL-LU	Limited D.R. - Limited Use	0	9.6	-	-	Medium High Density Res.
RM (Medium) ¹	Medium Density Residential	0	na	-	-	(See footnote)
RM (Medium High)	Medium Density Residential	24.1	9.6	15.0	362	Medium High Density Res.
RM-LU	MDR - Limited Use	0	9.6	-	-	Medium High Density Res.
RH ²	High Density Residential	0	na	-	-	(See footnote)
UT	Urban Transition	53.9	6.6	6.6 det. 8.0 att.	383	Low Density Residential
MU ³	Mixed Use (Keizer Station)	22.8	6.7	6.7	153	Mixed Use
MU	Mixed Use (Other)	18.7	16.8	16.8	314	Mixed Use
<i>Accessory Dwelling Unit Assumption:</i>					100	
Totals/Averages:		334.4		8.5	2,838	

Sources: MWVCOG, City of KEIZER, Johnson Reid LLC

¹ The City of Keizer Development Code presents standards for areas of the RM (Medium Density Residential) zone which also have an underlying "Medium Density Residential" Comp Plan designation, there are no actual instances of this situation in the zoning map. On the zoning map, all areas zoned RM (Medium Density Residential) have an underlying Comp Plan designation of "Medium High Density Residential."

Those parts of the Comp Plan designation map which are identified as "Medium Density Residential" are all covered by the Limited Density Residential zone on the zoning map.

² The City of Keizer Development Code presents standards for a zoning designation of RH (High Density Residential). This zone never appears on the zoning map, and no parts of the city are actually covered by this zone. Those areas of the city which are designated "Medium High Density Residential" on the Comp Plan map, are covered by the RM (Medium Density Residential) zone on the zoning map. Therefore, the RM (Medium Density Residential) zone conforms to what is called "medium high density" in the Comp Plan, and in the absence of any land designated RH, RM is the city's highest density active zone.

³ This mixed use area is currently under master planning and is planned to include 153 units in addition to commercial uses. That unit count is reflected here, and results in the density of 6.7 units/net acre.

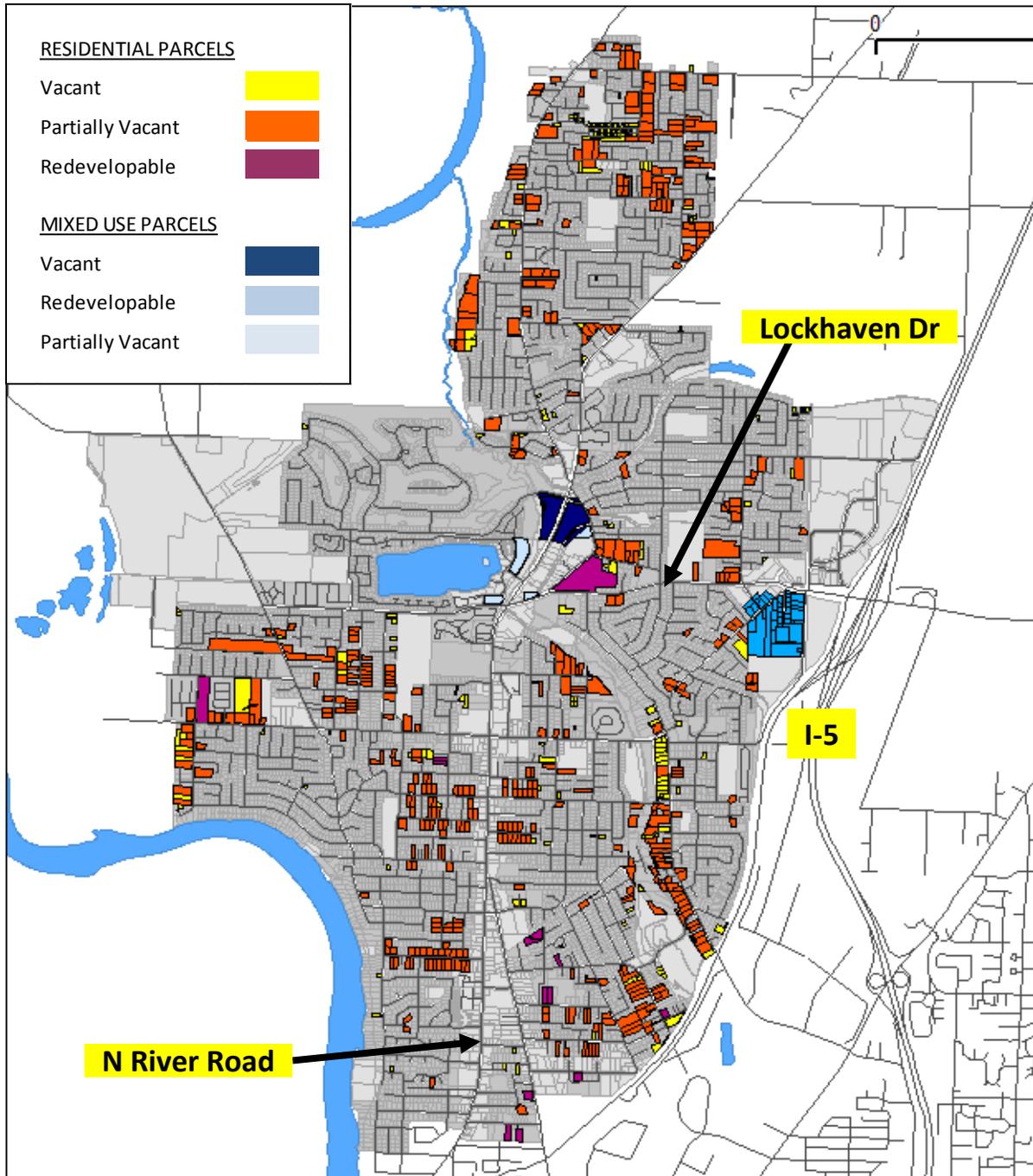
⁴ The target density is assumed to be the achieved density in most zones, as those zones are achieving density near the mid-point of the allowed density range. In the RS zone, single family detached (SFD) and single family attached (SFA) units have two different target densities listed. The SFD target density of 6.6 units/net acre represents the achieved density in the RS zone, while the SFA density of 8 units/net acre reflects that attached units achieve higher density, but are nonetheless limited to a maximum density of 8 units/acre by the zoning code. In the case of the RM (Medium Density Zone) - which has an underlying Comp Plan designation of "Medium High Density" - the achieved density of 9.6 units/net acre is at the low end of the allowed range (8 to 22 units/acre) and therefore, a higher target density of 15 units/net acre (midpoint of range) is assumed here for buildout of remaining parcels in this category.

The residential BLI finds capacity for 2,838 units within the current UGB, under existing zoning, with a likely overall density of 8.5 units/net acre on remaining parcels. This does not represent the maximum potential density allowed, but is based on historically achieved density. (Efficiency measures to ensure efficient use of existing buildable lands will be addressed in a subsequent phase of this project.)

The following map shows the identified parcels by category: vacant, partially vacant, and re-developable. As noted above in the section on methodology, this map does not specifically identify locations for Accessory Residential Units, because that assumption applies generally across all single-family parcels.

Based on the MWVCOG methodology, if partially vacant parcels exceed 17,000 sq.ft., then one quarter of an acre is removed for the existing dwelling and the remainder is assumed to be developable. This satisfies the state safe harbor method provisions found in OAR 660-024-0005(3).

FIGURE A5: RESIDENTIAL BUILDABLE LANDS INVENTORY, KEIZER (2013)



Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC

**FIGURE A6: RESIDENTIAL BUILDABLE LANDS INVENTORY
PARCEL SUMMARY, KEIZER (2013)**

Zoning	Vacant		Partially Vacant		Redevelopable		TOTAL	
	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres
RS Single Family Res.	126	45.3	380	162.6	4	7.0	510	214.9
RM Medium Family Res.	12	5.7			10	18.4	22	24.1
UT Urban Transition	57	8.6	59	45.3			116	53.9
MU Mixed Use	8	16.7	3	2.0	36	22.8	47	41.5
TOTAL:	203	76.3	442	209.9	50	48.2	695	334.4

Source: MWVCOG B.L.I., City of Keizer, Johnson Reid LLC



Memorandum

DATE: April 2, 2013

TO: Jerry Johnson and Brendan Buckley, *Johnson Reid*

CC: Sam Litke and Nate Brown, City of Keizer

FROM: Matt Hastie and Shayna Rehberg, *Angelo Planning Group*

SUBJECT: City of Keizer Draft - Evaluation of Land Use Efficiency Measures and Potential Amendments to the City of Keizer Development Code

As part of the process of updating the City's Comprehensive Plan, the City of Keizer is currently conducting a Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA) with the assistance of consulting firms Johnson Reid and Angelo Planning Group. State law requires that cities maintain a supply of buildable land within their urban growth boundaries (UGBs) that is adequate to meet housing, employment and related needs. As part of the process of preparing the HNA and EOA, the consulting team has assessed the need for future land, identified the supply of building land within the existing UGB and made a preliminary assessment regarding the ability of the current UGB to accommodate future (20-year) land needs. This initial assessment indicates that the city does not have enough land within the existing UGB to accommodate future needs. This may result in a need to expand the City's UGB.

State law requires that before considering an expansion to an urban growth boundary (UGB) to accommodate land needed to support future growth, cities must consider a variety of other measures to improve the efficiency of land use inside the existing UGB, thereby reducing or eliminating the need for a UGB expansion. These measures can include redesignating land to address targeted efficiencies (e.g., redesignating residential land for employment use), increasing allowable densities, promoting infill or redevelopment and/or other approaches. The Transportation and Growth Management Program's *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf identifies a number of specific types of efficiency approaches that can be considered, including the following:

- Apply appropriate plan and zone designations
- Increase densities
- Reduce parking requirements
- Establish narrower street width and turning radii standards
- Provide for more flexible development standards
- Allow types of housing that are currently prohibited, restricted, or not identified

- Offer developer incentives or reduce regulatory barriers
- Increase the efficiency of public infrastructure provision
- Require that certain housing types and densities be planned and built
- Adopt Interim development standards.

While the guidebook is somewhat out-of-date, the State has not prepared a more recent document to supplement or replace it. Following is a summary of measures that the City has considered, including those that have already been implemented, those that are not feasible, and those that could be implemented in the future.

1. Apply appropriate plan and zone designations

In some cases, it is appropriate to consider redesignating land from one Comprehensive Plan or zoning designation to another to use a surplus in the supply of land in one designation to account for a deficit in another designation. For example, if there is a deficit of employment land in the UGB but a surplus of residential land, it may be appropriate to redesignate some land from residential to employment use. Similarly, if a city has a surplus of one type of residential land (e.g., high density or multi-family residential land) and a deficit of another type of residential land (e.g., low density or single-family detached zones), it may be possible to redesignate land in one residential classification to another residential zone to address the imbalance.

Analysis Findings and/or Current Practice

The recently completed Employment Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) found the following:

- There is a deficit of land in all residential zoning classifications.
- There is an overall deficit of land needed to meet future employment needs.
- There is a surplus of land zoned for industrial uses but a deficit of land zoned to meet commercial and institutional employment needs.
- Not all of the surplus industrial land is suitable to meet commercial or employment needs.

Measures Considered

Because there is both an overall deficit of land needed for future residential use and an overall deficit of employment lands, redesignating land from employment to residential use (or vice versa) is not a viable option for reducing the overall deficit of land needed to meet future residential or employment needs. Similarly, because there is a deficit in all residential zoning designations, it is not feasible to redesignate land from one residential zone to another to reduce the extent of a needed UGB expansion. One caveat is that there is no buildable land currently designated High Density Residential. So there is the possibility of redesignating lower density zoned land to High Density



Residential. However, because there is a deficit of low and medium density residential lands, this would not affect the overall need for land to accommodate future housing needs unless this were applied to industrial land with a low development capacity.

The City's industrial zone allows for some non-industrial (commercial or retail uses), so a portion of the existing industrial land supply also can be used to address the estimated deficit of commercial lands. At the same time, future institutional land uses will require specific site characteristics that cannot necessarily be met by land currently zoned for industrial use. These include the following:

- Site sizes of at least 30-50 acres
- Access to regional transportation facilities
- Ability to purchase (rather than lease) land.

As a result, the majority of the surplus industrial land in the inventory is not expected to be suitable for meeting future institutional uses.

Recommendation and Potential Impact

Two rezoning actions are recommended:

1. Consider rezoning some land zoned Agricultural Industrial (AI) to residential; and
2. Consider rezoning some land zoned from lower density residential to higher density residential to meet a portion of the need for higher density residential uses.

These two actions will reduce the overall amount of land needed for an expansion (by approximately 10-40 acres). They also will result in locating higher density residential land in closer proximity to city and commercial services.

2. Increase densities

Analysis Findings and/or Current Practice

The City of Keizer has a two-map system that includes a Comprehensive Plan Map and a Zoning Map. Minimum and maximum residential densities are established in the Keizer Development Code (KDC) according to comprehensive plan and zoning designation. Existing residential density requirements are shown in Table 1. The table also presents the densities that were assumed in estimating 20-year land needs for housing in the 2013 HNA.

Currently, there is not land in the Keizer UGB designated as High Density Residential per the Development Code. However, as addressed in the previous section of this report, it is recommended that land be rezoned and designated High Density Residential and the assumed density is included in Table 1. There also is no buildable land in the 2013 City of Keizer Buildable Lands Inventory (BLI) that is designated Limited Density Residential (RL and RL-LU), Medium Density Residential (RM-Medium), Medium Density Residential



Limited Use (RM-LU), Mixed Use Keizer Station (MU-Keizer Station), or Urban Transition (UT), and that is also reflected in the table below.

Table 1: Summary of Existing Density Regulations and HNA Density Assumptions

Zone	Minimum Density	Maximum Density	Density Assumed in HNA*
Single Family Residential (RS)	4 units/gross acre	8 units/gross acre	6.6 units/net acre
Limited Density Residential (RL) – Medium	6 units/gross acre	10 units/gross acre	-
Limited Density Residential (RL) – Medium High	8 units/gross acre	14 units/gross acre	-
Medium Density (RM) – Medium	6 units/gross acre	10 units/gross acre	-
Medium Density (RM) – Medium High	8 units/gross acre	22 units/gross acre	15.0 units/net acre
High Density Residential (RH)	16 units/gross acre	No maximum	22.00 units/net acre
Urban Transition (UT)**	4 units/gross acre	8 units/gross acre	-
Mixed Use (MU)	8 units/acre	24 units/acre	16.8 units/net acre

* 2013 HNA, Figure 13 and Exhibits 13 and 14

Measures Considered

As the table shows, the existing density requirements in the Medium Density Residential Zone-Medium are only slightly higher than existing RS requirements and are much lower than the existing RH requirements; density requirements in the Medium Density Residential Zone-Medium High serve as a better bridge between the low density and high density zones. In order to achieve the development and densities assumed in the HNA, more land in the existing UGB and proposed UGB expansion should be designated Medium Density Residential-Medium High and High Density Residential.

Recommendation and Potential Impact

Density assumptions in the HNA are aggressive when compared to historical development densities in Keizer but are consistent with existing density requirements, which are sufficient to achieve the densities assumed in the HNA if more fully instituted.



Rezoning recommendations are made in the previous section of this report. Recommended measures related to density include:

- Consolidate the Comprehensive Plan Designation of Medium and Medium High Density Residential so that the density requirements for the Medium Residential Zone are those of the Medium High Density Residential (8 units/acre – 22 units/acre).
- Discontinue application of UT zoning to any new areas.
- Designate and zone land in UGB expansion areas according to the land needs found in the HNA, with higher percentages of Medium Density Residential and High Density Residential than have been designated in Keizer in the past.

These measures will allow for development of housing at densities consistent with those assumed in the HNA. However, given the aggressive nature of the density assumptions in the HNA, these measures are not projected to reduce the need for residential land in a UGB amendment.

3. Reduce parking requirements

Analysis Findings and/or Current Practice

City parking space requirements for employment uses are similar to those in the Oregon Model Development Code for Small Cities (3rd edition). Requirements for residential uses were reduced during the 2009 TSP update.

Measures Considered

If lower parking requirements were warranted, they could reduce land needs associated with future development and also would lower the average cost of development.

Recommendation and Potential Impact

As noted above, the City's off-street parking requirements already are in line with recommended state guidelines and were reviewed as part of the most recent update of the City's TSP. As a result, no further changes are recommended and no impact on land needs is assumed.

4. Establish narrower street width and turning radii standards

Analysis Findings and/or Current Practice

Existing local street standards range from 28 to 34 feet of pavement and 35 to 48 feet of right-of-way (2009 TSP, Table 4-1), which are consistent with Model Code standards for local streets with parking on both sides. Existing infill standards require just 30-32 feet of right-of-way for public streets (KDC Section 2.316.06). During its 2009 TSP update, the City of Keizer developed street design standards based on the functional classification and operational needs of the roadway and in close collaboration with City planning and public works staff. These standards are consistent with the Transportation Planning

Rule's requirement for minimum standards that meet operational needs.

Consistent with the State's safe harbor requirements, the HNA assumes that 20% of the land needed for residential uses would be needed for streets, utilities and other infrastructure, excluding schools and parks (which were accounted for separately). Assumed street widths and radii can increase these land needs.

Measures Considered

Given the work completed as part of the recent TSP update, it is not necessary to consider additional measures.

Recommendation and Potential Impact

Given no recommended changes to existing standards, there would be no impact on projected future land needs. Further, reductions in street standards likely would have an insignificant impact on projected overall land needs, given that assumptions about land needs associated with public facilities (20%) is a relatively conservative assumption, consistent with state safe harbor requirements.

5. Provide for more flexible development standards (e.g., yard setbacks, lot coverage)

Analysis Findings and/or Current Practice

Existing setback standards in the KDC are generally 5-10 feet, and lot coverage standards 70-75% for residential uses. Zero side yard housing is permitted and regulated in the city by KDC Section 2.404. Infill development standards are provided in KDC Section 2.316 and flag lots are permitted pursuant to regulations in KDC Section 2.310.3.E. Particularly in allowing for zero side yard and infill housing, the City's existing code provides flexibility in development.

Measures Considered

It is not necessary to consider additional measures.

Recommendation and Potential Impact

Given no recommended changes to existing standards, there would be no impact on projected future land needs.

6. Allow types of housing that are currently prohibited, restricted, or not identified

Analysis Findings and/or Current Practice

Other than detached single family housing, existing RS zone regulations allow duplexes on corner lots; the regulations limit building to one primary building per lot. Lot sizes can be as small as 5,445 square feet except in the case of zero lot line housing, which can be sited on lots less than 5,000 square feet (4,000 square feet per Section 2.102.05.A).



In addition to uses allowed in the RS zone, the RL, RM, and RH zones permit buildings with two or more dwelling units and combinations of permitted attached or detached dwellings on a lot. In the RL zone, minimum lot sizes allow for densities up to one unit per 3,112 square feet (multi-family housing); in the RM zone, up to one unit per 1,980 square feet (multi-family housing); and in the RH zone, there are no maximum density regulations.

All residential zones allow Planned Unit Development, “shared housing” (or accessory dwelling units), and zero side yard housing as special permitted uses (KDC Sections 2.311, 2.403, and 2.404). Planned Unit Development permits detached and attached housing, is subject to the density requirements of the underlying zoning, and offers density bonuses for increases in open space above minimum requirements. Pursuant to existing regulations, access dwelling units must be separate from primary dwelling and are limited to 25% of primary dwelling building area.

There are also emerging housing types and/or arrangements, such as small home (“cottage”) clusters and live/work units. These are not currently identified in the code as allowed uses but in some cases could be allowed under existing provisions.

Measures Considered

In the case of emerging housing types and arrangements, cottage clusters can be permitted as either fee simple lots with a homeowner’s association holding common areas, or as condominiums with shared ownership of the entire development. In order to more easily permit and encourage cottage cluster development, code language specific to cottage clusters is typically adopted. These code provisions would address the minimum and maximum number of dwellings per development, minimum lot size, setbacks, maximum cottage area, cottage design requirements, parking, access, accessory structures, and open space.

Live/work units (especially live/work apartments or townhouses) provide for flexibility in mixed use areas, allow for co-locating residential and commercial uses, and can allow residential uses on the ground floor of live/work structures until the market is ready to support retail in these areas. They would be suitable in mixed use zones in the city. Code language for live/work units typically includes a definition of a live/work unit and standards regulating the location and size/area of commercial uses, primary street frontage, off-street parking, access, signs, and business operations.

Recommendation and Potential Impact

It is recommended that the City ultimately amend its code to allow for and reduce obstacles to constructing accessory dwelling units, cottage clusters and/or live work developments. Recommended changes include removing the requirement for accessory dwelling unit separation, increasing the allowed building area (limiting it to just be smaller than primary dwelling unit), and removing or reducing parking requirements. It is also recommended that code provisions be adopted for cottage clusters and live/work units.



These code amendments will help the City meet the full range of projected housing type needs. However, given the housing density and mix assumptions which are already incorporated in the HNA, these changes would not affect projected overall land needs or the magnitude of a needed UGB expansion.

- 7. Offer developer incentives or reduce regulatory barriers, including revising or developing design standards/require master plans or specific development plans; providing research, education, and up-front services to developers; streamlining the permitting and development process; providing financial incentives in the form of waiving or reducing permitting or other fees; and/or assembling or dedicating land for specific development projects.**

Analysis Findings and/or Current Practice

The City currently does not provide for reduced permitting fees for affordable housing or other specific types of housing development. The City also does not currently waive or defer system development charges (SDCs). However, the City has made a policy choice to charge less than they could potentially charge for SDCs per their adopted SDC methodology. They charge lower fees than other nearby jurisdictions (such as Salem). The City has decided to do this to help reduce the cost of residential and other development in the City, making housing development more affordable.

The City does not have a formal program or requirements for streamlining its permitting process. However, the City does provide free pre-application conferences to help provide information and answer questions about development proposals. Most other jurisdictions we work with charge a fee for these types of conferences. Therefore, this practice represents a service to developers which they reportedly find this useful and beneficial in terms of reducing the cost of permitting and development.

The City's Development Code includes provisions for Master Planning in the Keizer Station Area and the City has worked with developers in that area to develop a Master Plan for Area C that incorporates a mix of development types. As part of this process, the City also has assisted with land assembly efforts. The City does not have any other formal program to assist with land assembly or dedication and has not applied its Master Planning provisions to other areas of the City. However, there are relatively few opportunities for master planning of residential land within the existing UGB, given the character of the supply of buildable land there.

Measures Considered

To the extent that City resources are available, the City could consider implementing additional financial incentives (e.g., fee waivers or deferrals) or regulatory streamlining activities to improve the efficiency of the development review process and reduce the cost of housing, particularly for non-profit affordable housing developers. The City of Tigard has a program for offering fee relief for affordable housing developers (currently



capped at \$10,000 for all projects).¹ At the same time, current measures being undertaken by the City are considered to be effective in meeting these goals already and to represent a set of strategies that are consistent with the intent of these types of efficiency measures.

Similarly, the City could consider expanding its Master Planning provisions to a broader area. Such provisions could continue to include supportive efforts by the City to help assemble land for larger master-planned developments. Those efforts likely would be more applicable and effective in areas that may be brought into the UGB in the future if they represent larger vacant parcels that would lend themselves to master planning.

Recommendation and Potential Impact

All of these measures can be helpful in achieving the city's economic or housing development goals, particularly in implementing certain types of developments that meet specific community objectives or needs (e.g., mixed use development, affordable housing or targeted employment uses). However, they would not be expected to have a direct or measurable impact on the overall density or efficiency of development as evaluated in the city's EOA and HNA. As a result, implementing these programs would be beneficial for the city, developers and future residents and further consideration of them is recommended. However, they would not affect the assumptions about future development mix and density included in the EOA and HNA and therefore would not affect the estimated need for a potential UGB expansion. As a result, their implementation should not be required prior to pursuing a possible UGB expansion.

8. Increase the efficiency of public infrastructure provision (e.g., require adequate services for development, charge full cost)

Analysis Findings and/or Current Practice

The City has existing code provisions that require concurrent public facility provision for zone changes (KDC Section 3.110.04.D). The City's code does not include any other "concurrency" requirements.

Measures Considered

There is no need to consider additional measures.

Recommendation and Potential Impact

While more efficient infrastructure provision will enable the type and level of development assumed in the EOA and HNA, it would not be expected to result in denser or more efficient development than already assumed in the HNA's development assumptions. Therefore, it would not impact projected future land needs.

9. Require that certain housing types and densities be planned and built (e.g. require

¹ http://www.tigard-or.gov/city_hall/departments/cd/docs/affordable_housing_assistance_request.pdf.

a minimum percentage of multi family housing)

Analysis Findings and/or Current Practice

The City does not currently require that all or a portion of a given development in a medium or high density zone consist of single-family attached or multi-family housing.

Measures Considered

While the City does not currently implement these types of requirements, application of current and proposed minimum density requirements would essentially serve the same purpose and ensure that at least a portion of developments in these areas consist of higher density housing types, including single-family attached and multi-family housing. While additional requirements could be considered to help further ensure that needed housing types and densities are developed in line with the assumptions made in the HNA, such changes are not considered necessary or essential if the City implements changes in minimum density for the medium density housing zone recommended in this report.

Recommendation and Potential Impact

Additional measures will only assist in achieving development levels assumed in the HNA; they will not have an impact on the total future projected land need or the amount of magnitude of a potential UGB amendment.

10. Adopt Interim development standards (e.g., shadow platting)

Analysis Findings and/or Current Practice

Existing regulations in the Urban Transition (UT) zone state that “(t)he location of parcel lines shall not significantly reduce feasible options for the future location of urban roads or services, or preclude basic development options on the property or adjacent properties. A development plan may be required which indicates how the proposed division will not preclude future development at densities allowed in the Comprehensive Plan” (KDC Section 2.118.10.C.3).

The City’s development code does not include any other similar requirements that apply to other zones or areas of the city.

Measures Considered

These measures should be considered for application in potential future UGB expansion areas that include larger developable parcels to ensure that future development in those areas is as efficient as possible.

Recommendation and Potential Impact

Additional measures likely would increase the efficiency of future development and would improve the ability of developers to achieve the development densities assumed in the HNA. However, there would be no measurable increase in efficiency over and



above levels of development already assumed in the HNA and EOA. In addition, these measures would be most successful in UGB expansion areas that include larger parcels with the capacity for multiple dwelling units. The bulk of the supply of vacant and redevelopable parcels in the inventory of building land within the existing UGB will not be affected by these measures because they typically are relatively small lots with limited capacity for additional development (e.g., one to two additional units).

Summary

As addressed in this report and summarized in the table below, most efficiency measures would help the City achieve the types and densities of development assumed in the HNA and EOA, as well as address other City planning objectives. For instance, the mix and density of housing types assumed in the HNA are higher densities and more compact forms of housing than have been built in Keizer in the last five to 20 years. Therefore, given these relatively aggressive assumptions in the HNA and EOA, instituting these measures is not expected to reduce the overall amount of land proposed in a UGB amendment.

The one efficiency measure with the most potential to reduce the need for additional land inside the UGB is rezoning. Rezoning land, whether from industrial to commercial or residential zoning or from lower to higher density residential zoning, will help reduce land needs, but only in a limited number of circumstances.

Table 2: Summary of Efficiency Measures, Findings, Recommendations, and Impacts

<i>Efficiency Measures</i>	<i>Current Practice/Findings</i>	<i>Recommendation/Impact of Measure</i>
1. Apply appropriate plan and zone designations	<ul style="list-style-type: none"> Deficit of land in all residential zones in next 20 years Surplus of land in industrial zones and a deficit of land for commercial and institutional uses 	<ul style="list-style-type: none"> Recommendation: Consider rezoning some industrial land for commercial or residential use while maintaining an adequate supply of industrial land; consider rezoning some low or medium density residential land to higher density residential designations Impact: Could reduce residential land needs by 10-40 acres
2. Increase densities	<ul style="list-style-type: none"> Densities assumed in the 2013 Housing Needs Analysis (HNA) consistent with density requirements Current application of Comprehensive Plan and zoning designations is not consistent with future land needs 	<ul style="list-style-type: none"> Recommendation: Simplify or clarify differences between Comprehensive Plan and Zoning designations; ensure land in new residential areas is adequate to meet specific types of housing needs and densities Impact: Will allow for achieving densities assumed in the HNA; will not reduce the



<i>Efficiency Measures</i>	<i>Current Practice/Findings</i>	<i>Recommendation/Impact of Measure</i>
		estimated need for residential land
3. Reduce parking requirements	<ul style="list-style-type: none"> • Parking requirements for employment uses are consistent with the Oregon TGM Model Development Code for Small Cities • Parking requirements for residential uses were reduced during the 2009 TSP update 	<ul style="list-style-type: none"> • No recommendation: Existing requirements have recently been reduced and are consistent with State guidelines; no changes are recommended • Impact: No projected impact on land needs
4. Establish narrower street standards	<ul style="list-style-type: none"> • Existing local street standards are consistent with Model Code standards for streets with parking on both sides and Transportation Planning Rule provisions • 20% of the projected land need for residential uses was assumed for street, utilities, and other infrastructure, consistent with State “safe harbor” provisions 	<ul style="list-style-type: none"> • No recommendation: Existing requirements are consistent with State guidelines and regulations; no changes are recommended • Impact: No projected impact on land needs
5. Provide for more flexible development standards (e.g., yard setbacks, lot coverage)	<ul style="list-style-type: none"> • Existing setback and lot coverage standards are reasonable and consistent with state guidelines • Zero side yard, infill housing, and flag lot provisions are available in existing code 	<ul style="list-style-type: none"> • No recommendation: Existing requirements allow for flexibility in development • Impact: No projected impact on land needs
6. Allow types of housing that are currently prohibited, restricted, or not identified	<ul style="list-style-type: none"> • Existing regulations allow detached and attached housing, duplexes, multi-family housing, shared housing/accessory dwelling units, and mixed uses (including housing) 	<ul style="list-style-type: none"> • Recommendation: Reduce restrictions on the development of “shared housing” (accessory dwelling units); add code provisions to support the development of new housing types and arrangements such as cottage clusters and live/work units • Impact: Recommended changes will help the City meet the range of projected housing needs already assumed in the HNA no projected impact on residential land needs
7. Provide developer incentives and/or reduce regulatory barriers (e.g., fee reductions, deferrals, or waivers; permit	<ul style="list-style-type: none"> • The City does not currently offer fee reductions, deferrals, or waivers for targeted types of housing development, but charges low system development charges (SDCs) as a way to keep 	<ul style="list-style-type: none"> • Recommendation: Consider additional financial incentives and streamlining/fast-tracking the development process for applicants, including affordable housing developers; consider expanding Master Planning provisions and support for



<i>Efficiency Measures</i>	<i>Current Practice/Findings</i>	<i>Recommendation/Impact of Measure</i>
streamlining)	<p>development costs more affordable</p> <ul style="list-style-type: none"> The City does not have a streamlined/fast-track development review process, but provides a free pre-application conference to applicants 	<p>assembly of land for larger developments</p> <ul style="list-style-type: none"> Impact: The recommended changes will facilitate the development of needed employment and housing identified in the HNA; no projected impact on residential land needs
8. Increase the efficiency of public infrastructure provision (e.g., require adequate services for development, charge full cost)	<ul style="list-style-type: none"> Existing code provisions require concurrent public facility provision for zone changes; no other “concurrency” requirements in place 	<ul style="list-style-type: none"> No recommendation: No changes are recommended Impact: More efficient infrastructure provision would facilitate development assumed in the EOA and HNA; no projected impact on residential land needs
9. Require that certain housing types and densities be planned and built (e.g. min. percentage of multi-family housing)	<ul style="list-style-type: none"> These types of requirements do not currently exist, but application of existing and recommended density requirements and zoning designations will ensure housing types are consistent with zoning 	<ul style="list-style-type: none"> No recommendation: No changes are recommended Impact: Additional requirements would help achieve development assumed in the HNA; no projected impact on residential land needs
10. Adopt interim development standards (e.g., shadow platting)	<ul style="list-style-type: none"> Existing urban transition zone provisions require that parcelization allow for future development at urban densities, but the code does not include any other similar requirements that apply to other zones or areas of the city 	<ul style="list-style-type: none"> Recommendation: These measures should be considered for application in potential future UGB expansion areas with large developable parcels to ensure efficient development patterns Impact: These measures will help achieve development levels assumed in the EOA and HNA; no projected impact on residential land needs



Memorandum

DATE: April 16, 2013

TO: Jerry Johnson, *Johnson Reid*

FROM: Matt Hastie and Shayna Rehberg, *Angelo Planning Group*

SUBJECT: City of Keizer Draft Proposed Residential Goals, Objectives and Policies

Following are updated draft goals, objectives and policies related to Residential Development proposed for inclusion in the City of Keizer's Comprehensive Plan. They would replace the existing goals, objectives and policies in this section of the Plan in their entirety. They include a combination of existing goals, objectives and policies, along with new language that is consistent with the regional Economic Opportunities Analysis and Housing Needs Analysis, as well as the work being conducted by Johnson Reid and the city specific to Keizer.

RESIDENTIAL DEVELOPMENT GOALS, OBJECTIVES AND POLICIES:

Goal 1: Provide residential land for a variety to meet a full range of needed housing types, sizes densities, locations and costs.

Objective 1.1: Provide housing opportunities for a full range of housing needs as identified by the City's most current Housing Needs Analysis.

Policies:

- 1.1.A Encourage and support development of housing units for low and moderate-income households.
- 1.1.B Encourage housing opportunities for the elderly, people with disabilities, minority, single parent, and single-person households.
- 1.1.C. Account for shifts in age, ethnicity and other demographic factors, along with associated housing needs such as low- and moderate-income housing, household sizes, housing types, housing size, and more central housing locations.
- 1.1.D Plan for low, medium and high density residential uses consistent with 20-year housing needs analysis projections of demand. Periodically monitor and analyze the population and dwelling unit projections compared to the supply of vacant and potentially redevelopable land to provide a reliable basis for land use decisions and to assure sufficient residential land to maintain a positive balance between supply and demand.

- 1.1.E Ensure that residential land use designations provide opportunities for non-traditional or emerging housing types such as accessory dwelling units, cottage clusters, live-work units, other mixed residential/commercial development types, multi-generational housing and other housing options that are suited to infill and higher density residential development.
- 1.1.F Provide for and promote through incentives development of housing at densities that will result in a compact urban form.
- 1.1.G Encourage higher density residential development near industrial and commercial zones.
- 1.1.H Encourage in-filling of existing undeveloped lots that is sensitive to the existing neighborhood patterns.
- 1.1.I Provide for the retention of large parcels of residentially zoned land to facilitate their use or reuse for projects requiring such parcels.
- 1.1.J Periodically review development densities and consider methods for increasing residential density where density targets established in the Comprehensive Plan are not being met.
- 1.1.K Establish zoning, subdivision, and other appropriate ordinances to assure that site designs consider important natural features such as drainage, soils, slopes, flood plains, and significant trees.
- 1.1.L Ensure an adequate supply of land for housing for families with children enrolled in local schools.

Objective 1.2: Encourage and support development of housing units for low and moderate income households.

Policies:

- 1.2.A Support public, private, nonprofit, and cooperative associations and joint public-private partnerships which develop, assist in creating and/or manage low and moderate income housing units. In particular, coordinate and collaborate with local housing providers and advocacy groups in order to leverage funding for development of such housing.
- 1.2.B Continue to support the use of federal and local housing assistance programs to help fund housing projects for low and moderate-income households available through an appropriate housing authority.
- 1.2.C Investigate the desirability and fiscal feasibility of starting a housing authority to establish minimum housing standards in the city. This may include: emergency housing assistance, housing assistance programs, etc.

- 1.2.D Consider providing financial incentives such as waiving or deferring permitting or other fees for affordable housing developments.

Goal 2: Encourage the location of residential development where full urban services, public facilities, and routes of public transportation are available.

Objective 2.1 Coordinate new residential development with the provision of an adequate level of services and facilities, such as sewers, water, transportation facilities, schools and parks.

Policies:

- 2.1.A Develop and annually revise a capital improvement program to ensure that public facilities are provided for residential development in a timely and efficient manner. Coordinate with federal, state, regional, and local jurisdictions and agencies with responsibilities for planning and construction of such facilities.
- 2.1.B Consider rezoning parcels to higher residential density to meet the identified multi-family housing needs provided such proposals are consistent with the policies of this Plan and its implementing ordinances. Parcels to be considered for rezoning should have access to major transportation corridors that are served by transit; are served, or can be served, by all urban services, including parks and recreational facilities; and are in close proximity to opportunities for shopping, employment and/or schools.
- 2.1.C Consider establishing a study that would inventory and prioritize sites that may satisfy future multi-family needs in an effort to allow more flexibility and certainty in the land use process.

Goal 3: Stabilize and protect the essential characteristics of residential environments, including natural features.

Objective 3.1 Ensure compatibility among all types of new and existing residential uses, and between residential and non-residential uses.

Policies:

- 3.1.A Protect existing and proposed residential areas from conflicting non-residential land uses while providing for compatible mixed-use development (residential and non-residential).
- 3.1.B Conserve the existing supply of housing in stable neighborhoods through code enforcement, appropriate zoning, rehabilitation programs, and by discouraging conversions to non-residential use.
- 3.1.C Use development and subdivision code provisions and other regulations to protect residential uses from other land use activities



that generate an excessive level of noise, pollution, traffic volume, nuisances, and hazards to residents.



Memorandum

DATE: April 16, 2013

TO: Jerry Johnson, *Johnson Reid*

FROM: Matt Hastie and Shayna Rehberg, *Angelo Planning Group*

SUBJECT: City of Keizer Draft Proposed Economic Development Goals, Objectives and Policies

Following are updated draft goals, objectives and policies related to Economic Development proposed for inclusion in the City of Keizer's Comprehensive Plan. They would replace the existing goals, objectives and policies in this section of the Plan in their entirety. They include a combination of existing goals, objectives and policies, along with new language that is consistent with the regional Economic Opportunities Analysis and Housing Needs Analysis, as well as the work being conducted by Johnson Reid and the city specific to Keizer.

4. GOALS AND POLICIES: ECONOMIC, COMMERCIAL AND INDUSTRIAL DEVELOPMENT

Goal 1: Provide an adequate supply of sites to accommodate target industries and other employment needs identified over the planning period.

Objective 1.1: Recognize that Keizer has a limited supply of sites that will allow for target industry employment opportunities and seek to develop strategies that will result in additional inventory of these sites.

Policies:

- 1.1.a Provide land to meet the site characteristics and site sizes described in the 20-year land needs that are identified in the EOA. These sites may include vacant, undeveloped land, partially developed sites with potential for additional development through infill development, and redevelopable areas. The City can provide land in two ways: (1) increasing commercial and industrial land-use efficiency by promoting infill or redevelopment and (2) bringing new land into the urban growth boundary, if necessary.
- 1.1.b Work with property owners and their representatives to help ensure that prime development and redevelopment sites throughout the city and urban growth boundary are known, able to be aggregated and ready to develop.
- 1.1.c Work with property owners and their representatives to ensure that prime development and redevelopment sites throughout the city and urban growth boundary designated for employment use are

preserved for future employment needs and are not subdivided or developed for non-employment uses.

- 1.1.d Provide a short-term supply of suitable land to respond to immediate economic development opportunities.
- 1.1.e Periodically review local land use regulations to determine whether they pose barriers to economic development and employment growth. Where regulations pose barriers, balance the goals of such regulations with economic development objectives.

Objective 1.2: Facilitate the development of local target industry employment sites with appropriate businesses.

Policies:

- 1.2.a Target industry employment businesses as identified in the local economic opportunity analysis (EOA) are those associated with medical and health care and related research, including but not limited to medical research and corporate campus facilities.
- 1.2.b Facilitate the development of a marketing plan to attract businesses within the identified target industry business sectors.

Objective 1.3: Analyze opportunities for rezoning of lands; developing adequate infill strategies, or consideration of an urban growth boundary expansion to allow for the provision and future development of target industry sites as identified in the Keizer EOA.

Policies:

- 1.3.a Conduct a planning analysis to identify employment site opportunities that can be developed through rezoning, expanding the urban growth boundary, or other means.
- 1.3.b Consider infill strategies to meet additional employment land needs; implement zoning map or development code amendments that will enable the city and property owners to implement these strategies.

Objective 1.4: Maintain an adequate supply of land for employment uses.

Policies:

- 1.4.a Develop and implement a system to monitor the supply of commercial and industrial lands. This includes monitoring commercial and industrial development (through permits) as well as land consumption (e.g. development on vacant or redevelopable lands).

- 1.4.b Track employment land use trends and re-evaluate employment land needs approximately every five to seven years.

Objective 1.5: Preserve large sites, especially sites with access to I-5, to provide opportunities for development by businesses that require large sites with access to regional transportation facilities, as identified in the Keizer EOA.

Policies:

- 1.5.a Designate land for target industry uses or business parks to provide opportunities for development of business clusters for related or complementary uses.
- 1.5.b Develop policies and related development code amendments, as needed to provide certainty for the future use of land on designated large target industry sites as identified in the EOA and that restrict incompatible or undesirable uses from occurring on these sites.
- 1.5.c To the extent there is a lack of adequate target industry sites within the City's urban growth boundary, the city may need to pursue an urban growth boundary expansion to provide for sites that will meet this future employment need.

Goal 2: Increase employment opportunities in Keizer.

Objective 2.1: Increase the city's ratio of Employment to Population. ~~from 7:1 to 4:1~~

Policies:

- 2.1.a Identify and facilitate development of target industry sites with appropriate potential businesses as identified in the Keizer EOA.
- 2.1.b Broaden, improve and diversify the Keizer economy while maintaining or enhancing its environment.
- 2.1.c Establish a range of employment opportunities in all wage classes, including entry-level jobs.

Goal 3: Provide infrastructure needed to support economic development.

Objective 3.1: Provide adequate infrastructure to facilitate employment growth in new and existing employment areas.

Policies:

- 3.1.a Coordinate capital improvement planning with land use and transportation planning to strengthen the City’s Economic Development Strategy.
- 3.1.b Prioritize use of Systems Development Charge revenues for infrastructure on sites that provide prime opportunities for new employment uses as a result of location, site size, or other significant site characteristics.
- 3.1.c Where appropriate, ensure that public-private development agreements to recover construction costs are in effect prior to financing and constructing public improvements.
- 3.1.d Establish alternative funding mechanisms that provide timely completion of ‘connecting’ public facilities (e.g., an unpaved block of a street or missing sections of a sewer line), with preference given to projects in existing commercial or industrial areas and others that foster economic development.
- 3.1.e Assist with providing infrastructure through the use of urban renewal funding, where appropriate.
- 3.1.f Work with ODOT, Marion County and the City of Salem to develop a regional funding plan for improvements as noted in the Chemawa / I-5 Interchange Area Management Plan.
- 3.1.g Develop a facilities financing plan for target industry sites to plan and provide for the adequate facilities to serve those sites.
- 3.1.h Determine how to provide for infrastructure needs, such as telecommunication or other facilities, that are in addition to standard sewer, water, stormwater, and transportation facilities, as identified in the City’s EOA and/or site-specific market analyses.

Goal 4: Facilitate the development of all of Keizer Station.

Objective 4.1: Encourage the continued development of the Keizer Station as a developing retail / mixed use / industrial development which will continue to attract new businesses and provide additional opportunities for current employees.

Policies:

- 4.1.a Strive to retain and attract new businesses within the Keizer Station.

- 4.1.b Work with potential new businesses to make them aware of the city’s master plan requirements for businesses within the Keizer Station.
- 4.1.c Consider, as necessary, adjustments to zoning districts or requirements within the Keizer Station, master plan amendments, and allocation of square footage for retail and other uses, based on the need to respond to changing economic factors and development trends.

Goal 5: Support and assist existing businesses in Keizer.

Objective 5.1: Continue to support existing businesses within Keizer as a valuable component of the city’s economy.

Policies:

- 5.1.a Develop and implement an outreach strategy to determine how the City can assist existing businesses. Opportunities for assistance may include options such as providing assistance with the development process, forming public-private partnerships to promote Keizer businesses and other strategies as appropriate.
- 5.1.b Encourage self-help methods and programs for business districts such as the formation of business associations and special self-assessment districts for economic improvement.
- 5.1.c Pursue special projects and grant applications that help support local business and industry.
- 5.1.d Remain supportive of the local Chamber of Commerce and other local business groups and their activities.
- 5.1.e Strive to retain and attract new businesses along River Road / Cherry Avenue corridors.
- 5.1.f Continue to implement projects identified by the River Road Renaissance Plan and the Keizer Urban Renewal Board.
- 5.1.h Ensure compatibility between commercial and industrial lands and lands adjacent to them.
- 5.1.i Allow commercial offices or retail uses to be located in the same structure as compatible residential uses.
- 5.1.j Allow transit services and shelters to be provided in lieu of a certain amount of required off-street parking.

Goal 6: Increase the potential for conference and tourist related economic activities.

Objective 6.1: Support tourism efforts within Keizer.

Policies:

- 6.1.a Encourage development of destination point projects such as Points of Interest and the art walk series that draw visitors to Keizer.
- 6.1.b Ensure that the factors that are likely to attract visitors to Keizer, especially Keizer’s environmental quality and natural beauty, are protected and enhanced.
- 6.1.c Work closely with local businesses and the Chamber of Commerce to promote local events and activities such as the Keizer Iris Festival, Miracle of Lights and other events that highlight and promote Keizer.

Objective 6.2: Increase the use of the Keizer Convention Center.

Policies:

- 6.2.a Continue to operate the conference center with the goal of making it financially independent.
- 6.2.b Develop a marketing plan to guide the operation of the convention center.

Goal 7: Recruit target industry businesses with a range of jobs that provide for a range of incomes, including those that pay higher than average wages.

Objective 7.1: Economic development recruitment efforts for the city should focus on business that provide a range of wages and benefits, including high-wage jobs in target industry businesses.

Policies:

- 7.1.a Work with SEDCOR and other economic development organizations to target and recruit businesses.
- 7.1.b Work with local agencies to meet workforce needs, such as: training and education, job advancement, or local expansion of businesses that are less subject to boom and bust cycles.

- 7.1.c Coordinate with community and economic development organizations to develop a coherent and effective marketing program. Coordinate development of this strategy with local, regional and state economic development agencies.
- 7.1.d. Develop regional economic development policies, strategies, and an ongoing forum with partners including the City of Salem, Marion County, Polk County, and the State. Base the policies, strategies, and discussions on findings from the most recent market analyses and regional and local EOAs.
- 7.1.e Support industries identified in market analyses and EOAs that are “sustainable” in terms of providing living wages, using resources efficiently, and having limited environmental impacts.
- 7.1.f Work with regional and local planning agencies, the County Assessor, and the Oregon Department of Economic Development to prepare and update annually an inventory of vacant commercial and industrial land parcels in the city.

Goal 8: Monitor and adjust economic development goals and objectives approximately every six to 10 years.

Objective 8.1: Regularly monitor the overall completion and benefits of the identified economic goals and objectives.

Policies:

- 8.1.a Identify a set of criteria or events that would trigger the need for updating economic goals, policies and analyses.
- 8.1.a Revise economic development goals, objectives, and strategies as appropriate to reflect ongoing success, and fiscal issues, constraints and new opportunities.



Memorandum

DATE: April 3, 2013

TO: Sam Litke and Nate Brown, City of Keizer

CC: Jerry Johnson and Brendan Buckley, Johnson Reid

FROM: Matt Hastie, Shayna Rehberg, and Andrew Parish, *Angelo Planning Group*

SUBJECT: City of Keizer Preliminary Assessment of Expansion Area Alternatives - DRAFT

As part of the process of updating the City's Comprehensive Plan, the City of Keizer is currently conducting a Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA) with the assistance of consulting firms Johnson Reid and Angelo Planning Group (APG). State law requires that cities maintain a supply of buildable land within their urban growth boundaries (UGBs) that is adequate to meet housing, employment and related needs. As part of the process of preparing the HNA and EOA, the consulting team has assessed the need for future land, identified the supply of building land within the existing UGB and made a preliminary assessment regarding the ability of the current UGB to accommodate future (20-year) land needs. This initial assessment indicates that the city does not have enough land within the existing UGB to accommodate future needs.

As part of the current EOA and HNA planning process, the City expects to adopt the findings associated with those studies, including policy and other amendments to its Comprehensive Plan. As part of a future, follow-up effort, the City will further evaluate the need for an expansion of its UGB and then potentially move forward to implement that expansion. This will require significant coordination with a variety of local, regional and state stakeholder groups and other community members. It will entail the following steps:

- Refine estimates of lands needed for inclusion in a UGB expansion
- Consider and potentially implement "efficiency measures" that can be undertaken to reduce the amount of land that may need to be included in a UGB expansion
- Identify potential areas that should be considered as alternative locations for a UGB expansion
- Recommend one or more specific UGB expansion areas
- Develop findings that support UGB expansion in conformance with state laws and administrative rules
- Work with Marion County and the City of Salem to submit a proposed UGB expansion; coordinate with the Oregon Department of Land Conservation and Development and the Land Conservation and Development Commission regarding state acknowledgement of the proposed expansion area.



In evaluating and proposing a UGB expansion, the City would need to consider and conform to a variety of state rules and regulations that regulate such actions. While the UGB expansion process, if undertaken, is expected to occur after completion of the EOA and HNA planning process, preliminary analysis has been done as part of that process to help inform future UGB expansion efforts. No formal recommendation or decision regarding UGB expansion is expected as part of the current EOA and HNA planning process. However, input on a preliminary assessment of the process and possible expansion areas would be helpful.

The remainder of this memorandum provides an initial summary of the basis for a potential UGB expansion and describes the factors that would need to be addressed in planning for a UGB amendment. The memorandum also identifies and presents a preliminary assessment of potential expansion areas adjacent to the existing City of Keizer UGB. The assessment of possible expansion areas is conducted in two stages: (1) in relation to requirements in state statute governing the priority of areas to be considered for UGB expansion; and (2) pursuant to locational factors established by Statewide Planning Goal 14 (Urbanization). These requirements also have been clarified over the years through a variety of legal decisions. The memorandum concludes with a discussion of next steps in the process of preparing for a potential UGB amendment.

Land Needs

Employment Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) Findings

State law requires cities in Oregon to maintain a supply of land that is sufficient to meet housing, employment and other land needs within a 20-year planning period. Cities typically address this requirement as part of the process of periodically updating their Comprehensive Plans (the “Periodic Review” process). The periodic review process generally entails an analysis of future housing and employment opportunities and needs and an assessment of the amount, location and characteristics of land associated with those needs. As part of a team led by Johnson Reid, APG is currently assisting the City of Keizer with just such an assessment.

As part of an Employment Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) conducted for the City in March 2013, Johnson Reid estimated the amount of land needed in Keizer for employment and housing over the next 20 years. Johnson Reid generally found a shortage of land available within the City’s existing UGB to meet both future (2032) employment and housing needs. While the EOA shows a potential surplus of industrial land, the analysis also indicates that this land is not suitable for other employment types and therefore would not be available to address the shortages of commercial and institutional land.

These analyses were reviewed by a project advisory committee that includes a variety of local representatives, including members of the City Council, City Planning Commission, the Keizer Chamber of Commerce, Marion and Polk Counties, the Keizer School District and other property owners and



citizens. The group also includes representatives of the Oregon Department of Land Conservation and Development (DLCD) and 1,000 Friends of Oregon. Johnson Reid has refined their analyses as part of this review process. Tables 1 and 2 summarize the results of the land needs analysis. As shown out in Table 2, the residential land needs include land for uses associated and to be sited with residential uses such as parks and schools. Land needs also are shown as “gross land needs” and include land needed for roads, utilities and other public infrastructure.

Table 1: Employment Land Needs in 2032

Scenario	Surplus/(Shortage) (acres)
<i>Proposed (High) Growth Scenario</i>	
Commercial	(23.1)
Industrial	27.8
Institutional	(41.8)
Net Deficit/Need	(64.9)

Table 2: Residential Land Needs in 2032

Land Use	Gross Acres Needed
Residential	256.2
<i>Single Family Residential</i>	<i>153.2</i>
<i>Medium Density Residential</i>	<i>14.1</i>
<i>High Density Residential</i>	<i>43.0</i>
<i>Mixed Use</i>	<i>14.1</i>
Parks and Recreation	69.8
Schools	10.0
Net Deficit/Need	304.1

As explained in detail in the EOA and HNA (available from the City as separate reports), these land need estimates represent the land needed above and beyond the existing land supply in the City’s UGB. This supply includes land that was identified as vacant, partially vacant, or redevelopable through a structured buildable lands inventory (BLI) process. The results of the BLI process are included as an appendix to the EOA and HNA.



Efficiency Measures

Prior to proposing an amendment to a UGB, cities must consider and, where appropriate, implement a range of “efficiency measures” that can be used to minimize or eliminate the need for a UGB expansion. The Transportation and Growth Management (TGM) Program’s *Planning for Residential Growth: A Workbook for Oregon’s Urban Areas* identifies a variety of potential efficiency strategies for consideration, and these strategies were evaluated systematically for Keizer in a separate report and are summarized in the following table.

Table 2: Summary of Efficiency Measures, Findings, Recommendations, and Impacts

<i>Efficiency Measures</i>	<i>Current Practice/Findings</i>	<i>Recommendation/Impact of Measure</i>
1. Apply appropriate plan and zone designations	<ul style="list-style-type: none"> • Deficit of land in all residential zones in next 20 years • Surplus of land in industrial zones and a deficit of land for commercial and institutional uses 	<ul style="list-style-type: none"> • Recommendation: Consider rezoning some industrial land for commercial or residential use while maintaining an adequate supply of industrial land; consider rezoning some low or medium density residential land to higher density residential designations • Impact: Could reduce residential land needs by 10-40 acres
2. Increase densities	<ul style="list-style-type: none"> • Densities assumed in the 2013 Housing Needs Analysis (HNA) consistent with density requirements • Current application of Comprehensive Plan and zoning designations is not consistent with future land needs 	<ul style="list-style-type: none"> • Recommendation: Simplify or clarify differences between Comprehensive Plan and Zoning designations; ensure land in new residential areas is adequate to meet specific types of housing needs and densities • Impact: Will allow for achieving densities assumed in the HNA; will not reduce the estimated need for residential land
3. Reduce parking requirements	<ul style="list-style-type: none"> • Parking requirements for employment uses are consistent with the Oregon TGM Model Development Code for Small Cities • Parking requirements for residential uses were reduced during the 2009 TSP update 	<ul style="list-style-type: none"> • No recommendation: Existing requirements have recently been reduced and are consistent with state guidelines; no changes are recommended • Impact: No projected impact on land needs
4. Establish narrower street standards	<ul style="list-style-type: none"> • Existing local street standards are consistent with Model Code standards for streets with parking on both sides and Transportation Planning Rule provisions 	<ul style="list-style-type: none"> • No recommendation: Existing requirements are consistent with state guidelines and regulations; no changes are recommended • Impact: No projected impact on land needs



<i>Efficiency Measures</i>	<i>Current Practice/Findings</i>	<i>Recommendation/Impact of Measure</i>
	<ul style="list-style-type: none"> • 20% of the projected land need for residential uses was assumed for street, utilities, and other infrastructure, consistent with state “safe harbor” provisions 	
<p>5. Provide for more flexible development standards (e.g., yard setbacks, lot coverage)</p>	<ul style="list-style-type: none"> • Existing setback and lot coverage standards are reasonable and consistent with state guidelines • Zero side yard, infill housing, and flag lot provisions are available in existing code 	<ul style="list-style-type: none"> • No recommendation: Existing requirements allow for flexibility in development • Impact: No projected impact on land needs
<p>6. Allow types of housing that are currently prohibited, restricted, or not identified</p>	<ul style="list-style-type: none"> • Existing regulations allow detached and attached housing, duplexes, multi-family housing, shared housing/accessory dwelling units, and mixed uses (including housing) 	<ul style="list-style-type: none"> • Recommendation: Reduce restrictions on the development of “shared housing” (accessory dwelling units); add code provisions to support the development of new housing types and arrangements such as cottage clusters and live/work units • Impact: Recommended changes will help the City meet the range of projected housing needs already assumed in the HNA; no projected impact on residential land needs
<p>7. Provide developer incentives and/or reduce regulatory barriers (e.g., fee reductions, deferrals, or waivers; permit streamlining)</p>	<ul style="list-style-type: none"> • The City does not currently offer fee reductions, deferrals, or waivers for targeted types of housing development, but charges low system development charges (SDCs) as a way to keep development costs more affordable • The City does not have a streamlined/fast-track development review process, but provides a free pre-application conference to applicants 	<ul style="list-style-type: none"> • Recommendation: Consider additional financial incentives and streamlining/fast-tracking the development process for applicants, including affordable housing developers; consider expanding Master Planning provisions and support for assembly of land for larger developments • Impact: The recommended changes will facilitate the development of needed employment and housing identified in the HNA; no projected impact on residential land needs
<p>8. Increase the efficiency of public infrastructure provision (e.g., require adequate services for development, charge</p>	<ul style="list-style-type: none"> • Existing code provisions require concurrent public facility provision for zone changes; no other “concurrency” requirements in place 	<ul style="list-style-type: none"> • No recommendation: No changes are recommended • Impact: More efficient infrastructure provision would facilitate development assumed in the EOA and HNA; no projected impact on residential land needs



<i>Efficiency Measures</i>	<i>Current Practice/Findings</i>	<i>Recommendation/Impact of Measure</i>
full cost)		
9. Require that certain housing types and densities be planned and built (e.g. min. percentage of multi-family housing)	<ul style="list-style-type: none"> • These types of requirements do not currently exist, but application of existing and recommended density requirements and zoning designations will ensure housing types are consistent with zoning 	<ul style="list-style-type: none"> • No recommendation: No changes are recommended • Impact: Additional requirements would help achieve development assumed in the HNA; no projected impact on residential land needs
10. Adopt interim development standards (e.g., shadow platting)	<ul style="list-style-type: none"> • Existing urban transition zone provisions require that parcelization allow for future development at urban densities, but the code does not include any other similar requirements that apply to other zones or areas of the city 	<ul style="list-style-type: none"> • Recommendation: These measures should be considered for application in potential future UGB expansion areas with large developable parcels to ensure efficient development patterns • Impact: These measures will help achieve development levels assumed in the EOA and HNA; no projected impact on residential land needs

As shown in the preceding table, most of the efficiency measures would help the City achieve the types and densities of development assumed in the HNA and EOA. The mix and density of housing types assumed in the HNA already assume higher densities and more compact forms of housing than have been built in Keizer in the last five to 20 years. Most of the efficiency measures would also help address other City planning objectives. However, given the relatively aggressive assumptions about future residential densities and the mix of housing types in the HNA, instituting these measures are not expected to reduce the overall amount of land proposed in a UGB amendment.

The one type of measure that could be used to reduce the need for additional land inside the UGB would be rezoning of selected areas. However, because the city has deficiencies in land supply in nearly every zoning category, rezoning would only reduce land needs in a limited number of circumstances. These could include the following:

- **Rezoning land currently zoned Agricultural Industrial to residential use.** This would reduce overall land needs for two reasons. First, vacant land in this designation is restricted in terms of the types of industrial uses it can accommodate. As a result, it has a lower industrial development capacity than land in other industrial areas. Secondly, the EOA indicates that the city has a net surplus of industrial land (i.e., more buildable industrial land within the existing UGB than is needed to support estimated 20-year industrial land needs). As a result, rezoning some of this land from Agricultural Industrial to residential use could reduce the total amount of land needed for a potential UGB expansion.

- **Rezoning vacant land from a lower to a higher residential land designation.** This would increase the capacity of the existing supply of residential land within the UGB and potentially reduce the total amount of land needed in a UGB expansion in some cases. It should be noted that because there is a deficit of buildable land in all residential land categories (low, medium and high density), this strategy generally will not impact the overall land need. It will change the location of different types of residential development but will not reduce the overall need. In fact, if applied to partially vacant residential land in established residential areas (i.e., large single family lots with existing development but with the theoretical opportunity for additional development), this approach could be counterproductive. In those cases, development of medium or high density housing would be particularly challenging given residential development compatibility issues and potential opposition from existing residents. As a result, the theoretical capacity for development would likely not be realized.

A detailed assessment of the impact of rezoning on overall land needs has not been undertaken. However, based on the character and mix of land in the buildable land inventory, rezoning actions would be expected to reduce overall UGB expansion land needs by only approximately 10-40 acres, resulting in a preliminary estimated net land need of approximately 330-360 acres.

In addition to meeting overall land needs, the City must meet specific needs for certain types of employment land. In particular, the Keizer EOA establishes specific site characteristics for needed institutional employment land (i.e., major medical facilities). A survey of four hospitals from Vancouver, Washington and Salem, Springfield, and Grants Pass, Oregon found site sizes ranging from 20 to 288 acres; the EOA narrows this range with a recommendation of a 30-50 acre site for a major medical facility. In addition to site size, the following characteristics have been identified as important for regional medical/institutional uses:

- Room to expand a hospital as well as to cluster with related facilities such as medical offices
- Proximity to major transportation facilities, particularly Interstate 5 (I-5)
- Adequate infrastructure to support high water, sewer, and transportation demand.

Given the lack of existing large sites zoned or appropriate for these identified institutional uses, potential UGB expansion areas will need to meet general needs for residential and employment uses, as well as industry-specific needs for institutional uses.

Preliminary Evaluation of UGB Expansion Area Alternatives

For purposes of evaluating different possible areas for future UGB expansion, land adjacent to the existing Keizer UGB has been divided into eight conceptual potential UGB expansion areas, shown in Figure 1. The boundaries of these areas are based on their proximity or relationship to the following:

- Proximity and relationship to the Willamette River and its floodway
- Location of “exception areas” (areas not zoned for farm and forest use)
- Location relative to the largest exception area (due north of the existing UGB)

- Location relative to I-5.

Alternative boundaries would be used but these sub-area definitions allow for comparison of areas with different characteristics related to state criteria for assessing and comparing potential UGB expansion areas. At this stage of the analysis, the boundaries are somewhat fluid and used for comparison purposes only.

State Statute Priority Hierarchy

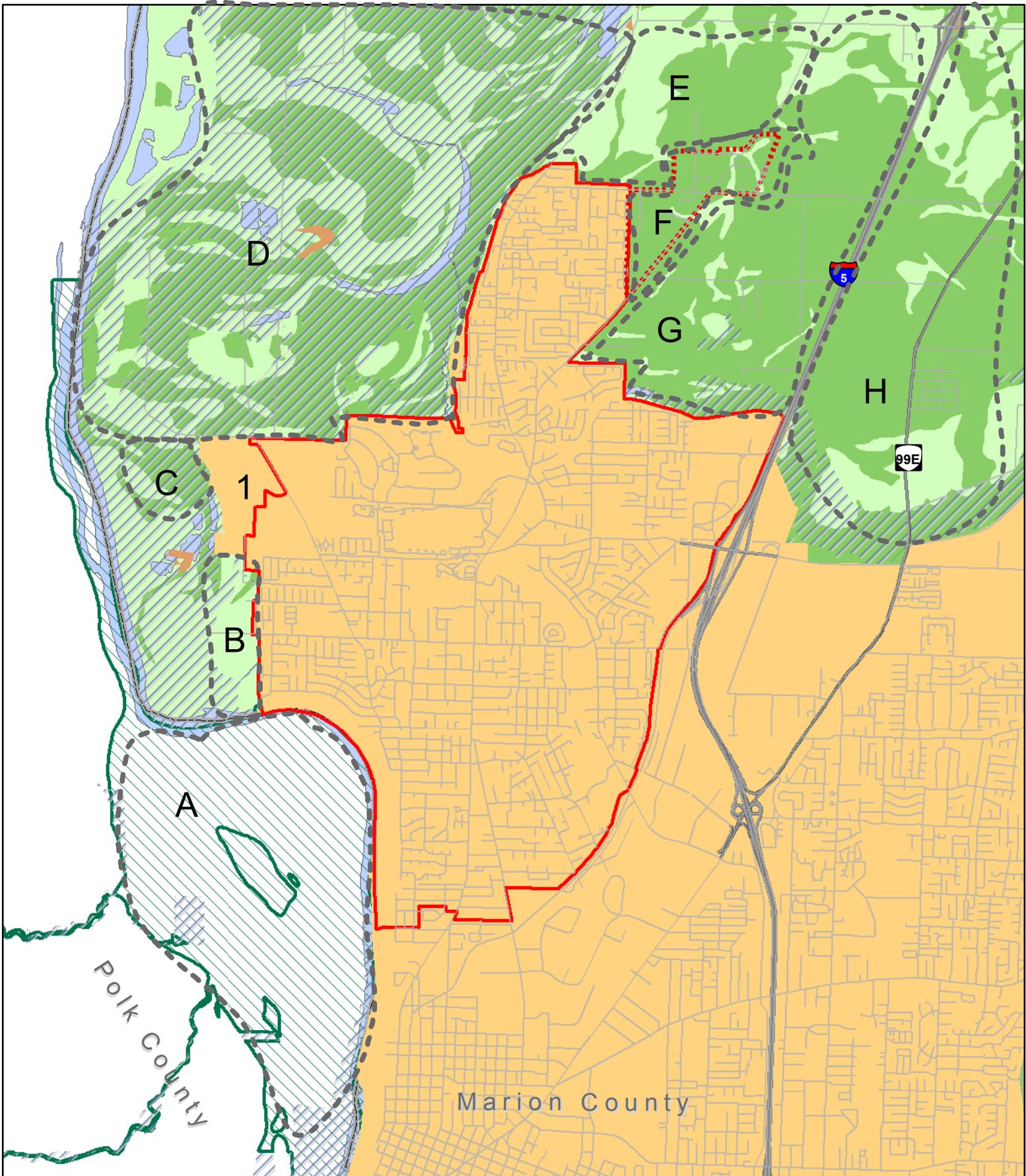
Oregon Revised Statute (ORS) 197.298 establishes a hierarchy of lands to be considered for UGB expansion that can be generally represented as:

1. Urban reserves
2. Exception areas
3. Marginal lands
4. Farm and forest land, with further prioritization related to soil classifications.

There are no urban reserves established in the Salem-Keizer region and no marginal lands or forest lands designated in the area around Keizer. Therefore, UGB expansion area alternatives must be evaluated first considering exception areas and then farmland.

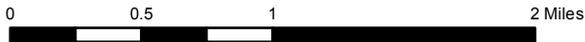
Areas of prime and non-prime agricultural soils are mixed throughout the area surrounding the existing UGB, making it difficult to use that characteristic to establish alternative expansion areas. However, in general, prime versus non-prime farmland is located in each potential UGB expansion area as follows:

- Area A – The distribution of prime and non-prime farmland has not yet been assessed. However, given the location of this area across the Willamette River from Keizer and entirely within the river's floodway, the character of soils in this area is not a significant issue.
- Area B - Almost all of the farmland in this area is non-prime farmland.
- Area C – The majority of the area is prime farmland.
- Area D – Approximately two-thirds of the area is prime farmland.
- Area E – The area is almost evenly divided between prime and non-prime farmland.
- Area F – The majority of the area is prime farmland. However, this area must be considered as a first priority because it consists of exception lands.
- Area G – The area is mostly prime farmland with non-prime farmland at the very northern end of the area.



Possible UGB Expansion Areas

- | | | |
|---|--|--|
|  City of Keizer |  Steep Slopes | Farmland Classification |
|  Keizer/Salem UGB |  FEMA 100 Year Floodplain | |
|  Exception Area |  Floodway |  Prime or Farmland of Unique/Statewide Importance |





Exception Areas

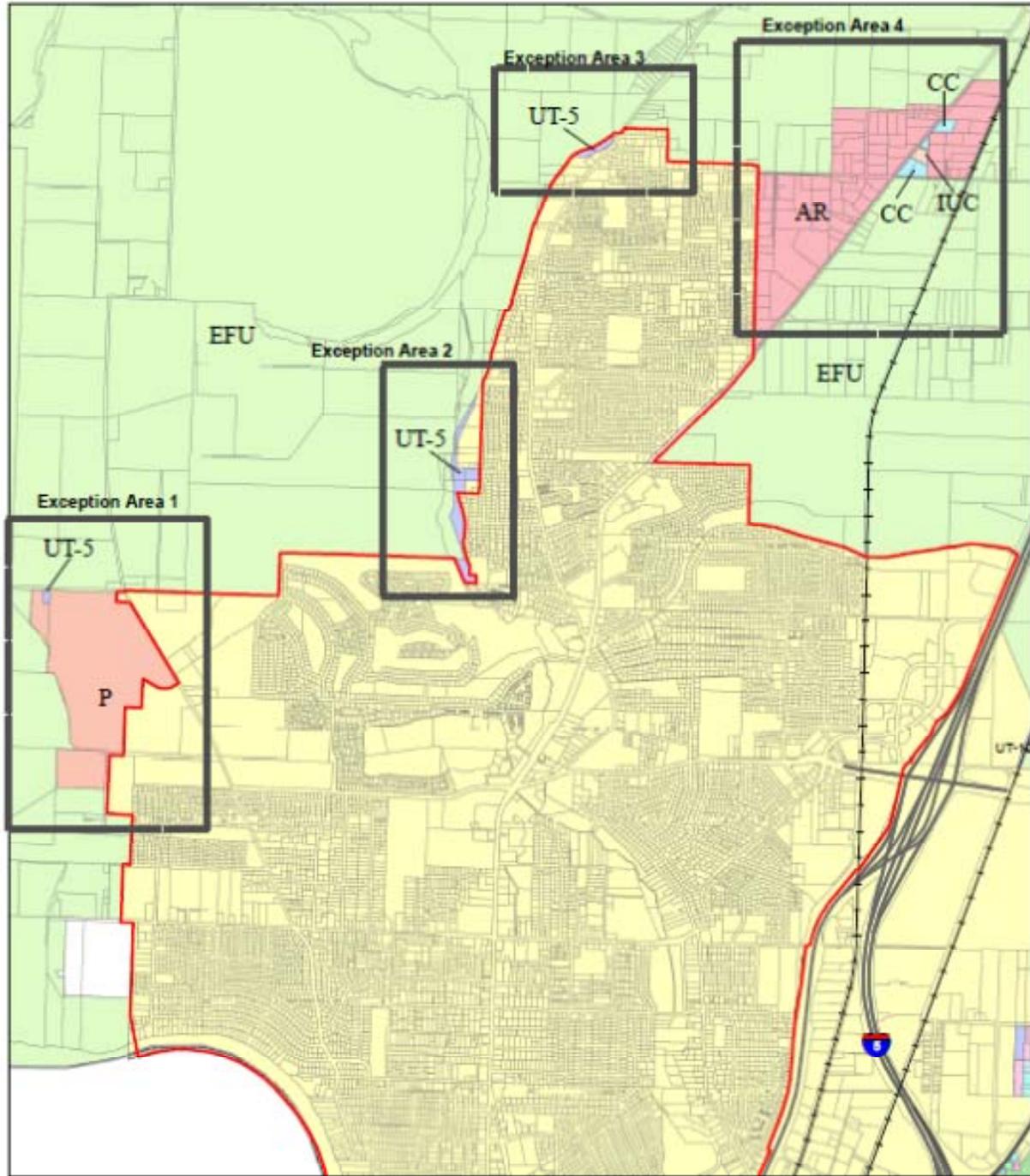
There is one significant area and two smaller areas of exception land adjacent to the Keizer UGB, shown in Figure 1 as Area F and in Figure 2 as Areas 1, 2, 3, and 4. Area F is predominantly zoned Acreage Residential (AR) by Marion County (approximately 96% of the total area and total developable area is zoned AR); the AR zone is essentially the County’s rural residential zone. The other areas are zoned Urban Transition (UT-5) with the exception of the one large lot in Area 1, which is zoned Public and currently used for the City’s wastewater treatment plant and associated buffer areas.

Developable land in exception areas was estimated with methods used in the residential BLI, which includes calculations for potentially developable land on large lots with limited existing development. The assumptions are very conservative and may not provide a realistic assessment of actual development capacity in the area given the character of development there, as further described on page 12. The analysis of capacity in this area could be refined in future evaluations to better reflect these conditions. However, the current estimate provides a conservative or maximum estimate of capacity in this area.

Table 4: Exception Areas Adjacent to the Keizer UGB

	Area 1	Area 2	Area 3	Area 4 (Area F)
Total Number of Lots	2	13 (including partial lots)	1	100
Distribution of Lot Sizes				
<i>>5 acres</i>	1	1		5
<i>2-5 acres</i>			1	19
<i>1-2 acres</i>		3		50
<i><1 acre</i>	1	9		26
Number of Vacant Lots	0	3	0	27
Number of Lots with Homes or Businesses	2	10	1	73
Total Acres	122.49	11.33	2.33	188.24
Total Developable Acres	0	5	0	150.85

Figure 2: Exception Areas Adjacent to the Keizer UGB



Keizer Exception Areas

City of Keizer
 Keizer/Salem UGB

0 0.25 0.5 1 Miles



The total developable acres between the exception areas is approximately 156 acres, which constitutes a little less than half of the need for residential land in a potential UGB expansion. The shape, configuration, and existing development patterns of lots in the exception areas may pose considerable challenges to efficient urbanization of these areas, which is discussed in more detail under the Goal 14 locational factors. These exception areas would be targeted primarily for residential development and possibly some commercial or retail development intended to serve future residents in this area or adjacent areas. The parcelized nature of these areas – and having to assemble lots – is prohibitive to creating a 30-50 acre site for a regional medical institutional use. For all of these reasons, farmland in other areas adjacent to the UGB will be considered for meeting the remaining residential, commercial and institutional land needs.

Farmland

As can be seen in Figure 1, farmland surrounds the City of Keizer. This land is largely either prime farmland or of unique/statewide importance based on soil classifications. Some non-prime farmland is located in this area but in many cases, the location and configuration of land with non-prime soil classifications does not lend itself to consideration for contiguous development and makes it challenging to evaluate non-prime areas separately from land with prime soils. The most significant areas of non-prime farmland are found in Areas B, D, E, and H, and these are discussed in more detail in the next section in preparing to consider Goal 14 locational factors for the UGB expansion area alternatives.

Goal 14 Locational Factors

Factors for locating a UGB are established in Goal 14, Oregon Administrative Rules (OAR) 660-015-000(14), and address issues such as efficiency of urbanization and relative potential social, economic and environmental impacts of UGB expansion area alternatives.

Before evaluating the Keizer UGB expansion area alternatives pursuant to the Goal 14 locational factors, it is advisable to screen the areas for “fatal flaws” that eliminate them from further consideration. It is recommended that the following areas be removed from further consideration for the following reasons.

- Area A – This area is located both across the Willamette River from the existing City of Keizer city limits and UGB and is in the floodway. Expanding the UGB across the river poses significant challenges in terms of expensive transportation and other facilities needed to literally bridge the areas and the barrier the river is to creating a connected and cohesive urban area. In addition, land within a floodway typically is not suitable for development of housing or employment uses because structures within such an area are not allowed to displace water during a flood event. This makes virtually all forms of residential and employment development impractical and infeasible from a cost and development perspective.
- Areas C and D – These areas are adjacent to the existing UGB but are in the 100-year floodplain as designated by FEMA. The southern half of Area C is comprised of water bodies. (Note: Area 1 in Figure 1 is within the existing UGB but is unincorporated. This area is the site of a regional wastewater treatment plant.) Expanding urban development into a floodplain would not be

advisable from the standpoint of development efficiency, natural resource protection or cost-effective public service provision.

- Area H – This area lies east of I-5 from Keizer. Like the Willamette River, I-5 constitutes a major barrier to urban development that is connected and cohesive, one that would be extremely costly to bridge and expand across. In addition, this area is within the Salem portion of the Salem-Keizer UGB and, therefore, is not appropriate for consideration as part of an amendment to Keizer’s UGB.

After removing the areas above, Areas B, E and G are left to be evaluated pursuant to Goal 14 locational criteria. Following is a general summary of how these areas compare to the locational factors. A more detailed analysis will need to be conducted as part of a future phase of evaluation.

- Area B
 - *Efficiency.* This area consists of both small and large lots with some existing development. Urbanization of this area should be relatively efficient on the larger lots. However, with fewer large lots than Areas E and G, urbanization here will likely be less efficient and more costly than in those areas. This area is constrained to the west by floodplain but does not have any other identified natural resource constraints.
 - *Energy, Social, Environment and Economic Conditions.* As one of the less efficient areas to urbanize, associated energy and economic costs should be higher in Area B. In addition, Area B does not meet institutional employment land needs, due to a lack of large site and limited or no access to regional transportation facilities. As a result, it is not expected to provide significant employment land and jobs resulting from providing employment land.
 - *Impacts on Farmland.* As an area made up primarily of non-prime farmland, little agricultural production on prime farmland would be lost if this area was converted for urbanization, compared to other potential expansion areas. In addition, Area B is a smaller potential UGB expansion area surrounded by designated open space (Keizer Rapids Park) instead of agricultural uses. As a result, it would be expected to have fewer impacts on existing agricultural uses in comparison to other alternative expansion areas.
- Area E
 - *Efficiency.* Area E consists mostly of larger lots, particularly lots with more land in the interior of the area. Urbanization should be relatively efficient on larger lots. With fewer large lots than Area G, urbanization should be less efficient and more costly than Area G but more efficient and less costly than Area B.
 - *Energy, Social, Environment and Economic Conditions.* As one of the more efficient areas to urbanize, associated energy and infrastructure costs should be lower in this area. Area E has the potential to provide significant employment land and resulting jobs, given the presence of larger parcels and major transportation facility access that could support future institutional employment. There are no identified natural resource constraints in Area E.
 - *Impacts on Farmland.* With a split of non-prime and prime farmland, non-prime farmland in Area E can be targeted for urbanization, minimizing the loss of agricultural production on prime farmland, compared to other potential expansion areas. Agricultural lands are



- located to the north and west, potentially resulting in more significant impacts on surrounding farm activities in comparison to Area G. Use and development standards (including density standards) may need to be specialized in this area to provide an appropriate transition between development and surrounding farm activity.
- Area G
 - *Efficiency.* Area G is a large area of mid-sized to large lots. Even though not all the lots in this area are large, because this area is larger than the others and has several large lots, it should be more efficient to urbanize than Areas, B, E and F if the larger lots are included in the expansion area.
 - *Energy, Social, Environment and Economic Conditions.* As one of the more efficient areas to urbanize, associated energy and infrastructure costs should be lower in Area G. Area G has the potential to meet the large site and major transportation facility access needs of a medical institutional use. As a result, Area G likely has the highest potential to provide significant employment land and resulting jobs in comparison to other potential alternative expansion areas.
 - *Impacts on Farmland.* As an area of mostly prime farmland, there would be a relatively greater loss of agricultural production on prime farmland if it is converted for urbanization, compared to other potential expansion areas. Area G is primarily surrounded by non-agricultural uses – I-5 to the east, Keizer to the south, and the exception area (Area F) to the west. As a result, it would be expected to have fewer impacts on existing agricultural uses in comparison to Area E. The northern part of Area G could be subject to specialized use and development standards to provide an appropriate transition between development and surrounding farm activity.

Next Steps

A preliminary draft of this memorandum has been reviewed with City Staff. Further review with staff will be needed in order to refine the observations included in this assessment. The alternatives and associated assessment will be reviewed briefly with members of the project's Citizen Advisory Committee (CAC), including key partners and stakeholders such as DLCD, the City of Salem, Marion County and others to gain initial input on the preliminary assessment.

After adoption of the EOA and HNA, the City will determine whether and how to proceed with a UGB amendment process. If it decides to proceed, additional analysis of potential alternative UGB expansion area will be undertaken. Once that analysis has been undertaken and thoroughly reviewed with local, regional and state agencies and other stakeholders, the City may proceed with a formal request to amend its UGB. Ultimately such a proposal must be acknowledged by the state Land Conservation and Development Commission.