



**Oregon**

Theodore R. Kubongski, Governor

**Department of Land Conservation and Development**

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**NOTICE OF ADOPTED AMENDMENT**

8/4/2009

**TO:** Subscribers to Notice of Adopted Plan  
or Land Use Regulation Amendments

**FROM:** Plan Amendment Program Specialist

**SUBJECT:** City of Coos Bay Plan Amendment  
DLCD File Number 001-09

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures\*

**DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL:** Friday, August 14, 2009

This amendment was submitted to DLCD for review prior to adoption. Pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

**\*NOTE:** THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAT IT WAS MAILED TO DLCD. AS A RESULT, YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.

**Cc:** Laura Barron, City of Coos Bay  
Gloria Gardiner, DLCD Urban Planning Specialist  
Dave Perry, DLCD Regional Representative

Thomas Hogue, DLCD Regional Representative  
Angela Lazarean, DLCD Regional Representative

<paa> YA

**2 Notice of Adoption**

Attachment E

THIS FORM MUST BE MAILED TO DLCD  
WITHIN 5 WORKING DAYS AFTER THE FINAL DECISION  
PER ORS 197.610, OAR CHAPTER 660 - DIVISION 18



Product of DLCD Grant TA-U-09-187\*\*\*

Jurisdiction: City of Coos Bay Local file number: ZON 2009-00023  
Date of Adoption: July 21, 2009 Date Mailed: July 24, 2009  
Date original Notice of Proposed Amendment was mailed to DLCD: MARCH 24, 2009

- Comprehensive Plan Text Amendment
- Comprehensive Plan Map Amendment
- Land Use Regulation Amendment
- Zoning Map Amendment
- New Land Use Regulation
- Other: \_\_\_\_\_

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".  
The text amendments to Volumes I and II of the Comp Plan incorporate the Economic Development + Housing Needs Analysis which make up the Buildable Tracts Inventory.

Describe how the adopted amendment differs from the proposed amendment. If it is the same, write "SAME". If you did not give Notice for the Proposed Amendment, write "NA".  
The final figures for supply/demand have changed since the draft was provided in March. Methodology was revised. Visional goals/policies have been revised.

Plan Map Changed from: \_\_\_\_\_ to: \_\_\_\_\_  
Zone Map Changed from: NA to: NA  
Location: \_\_\_\_\_ Acres Involved: \_\_\_\_\_  
Specify Density: Previous: \_\_\_\_\_ New: \_\_\_\_\_  
Applicable Statewide Planning Goals: 9 and 10  
Was and Exception Adopted?  YES  NO

DLCD File No.: 001-09 (17446) [15645]

Did the Department of Land Conservation and Development receive a Notice of Proposed Amendment.....

- Forty-five (45) days prior to first evidentiary hearing?  Yes  No  
If no, do the statewide planning goals apply?  Yes  No  
If no, did Emergency Circumstances require immediate adoption?  Yes  No

Affected State or Federal Agencies, Local Governments or Special Districts:

Cosco Co., City of Tillamook

Local Contact: Laura Barron Phone: (503) 269-8929 Extension: \_\_\_\_\_

Address: 500 Central City: Cosco Bay 97420

Zip Code + 4: - Email Address: lbarron@coscobay.org

### ADOPTION SUBMITTAL REQUIREMENTS

This form must be mailed to DLCD within 5 working days after the final decision  
per ORS 197.610, OAR Chapter 660 - Division 18.

1. Send this Form and TWO (2) Copies of the Adopted Amendment to:

**ATTENTION: PLAN AMENDMENT SPECIALIST  
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT  
635 CAPITOL STREET NE, SUITE 150  
SALEM, OREGON 97301-2540**

2. Submit **TWO (2)** copies the adopted material, if copies are bounded please submit **TWO (2)** complete copies of documents and maps.
3. Please Note: Adopted materials must be sent to DLCD not later than **FIVE (5)** working days following the date of the final decision on the amendment.
4. Submittal of this Notice of Adoption must include the text of the amendment plus adopted findings and supplementary information.
5. The deadline to appeal will not be extended if you submit this notice of adoption within five working days of the final decision. Appeals to LUBA may be filed within **TWENTY-ONE (21)** days of the date, the Notice of Adoption is sent to DLCD.
6. In addition to sending the Notice of Adoption to DLCD, you must notify persons who participated in the local hearing and requested notice of the final decision.
7. **Need More Copies?** You can copy this form on to 8-1/2x11 green paper only; or call the DLCD Office at (503) 373-0050; or Fax your request to: (503) 378-5518; or Email your request to [maria.ulloa@state.or.us](mailto:maria.ulloa@state.or.us) - **ATTENTION: PLAN AMENDMENT SPECIALIST.**

**ORDINANCE NO. 416**

**AN ORDINANCE AMENDING COOS BAY COMPREHENSIVE PLAN 2000, VOLUME I, PLAN POLICIES, TO UPDATE THE ECONOMIC DEVELOPMENT AND HOUSING ELEMENTS OF THE PLAN**

**WHEREAS**, the City of Coos Bay, in reviewing its Comprehensive Plan, determined updates are warranted based on the Economic Opportunity and Housing Needs Analyses, prepared by Cogan Owens Cogan, LLC, dated June 17, 2009;

**WHEREAS**, notice that public hearing would be held before the city of Coos Bay Planning Commission (the Commission) on May 12, 2009 and public hearing would be held before the Coos Bay City Council on June 2, 2009 was published in "The World," a newspaper of general circulation within Coos County, Oregon, on April 28, 2009;

**WHEREAS**, at the Planning Commission hearing on May 12, 2009, the hearing was continued to June 9, 2009 and the City Council hearing was continued to July 21, 2009;

**WHEREAS**, provisions in the Coos Bay Municipal Code relating to notice have been complied with; and,

**WHEREAS**, public hearing was held on June 9, 2009, and after receiving evidence and hearing testimony, the Commission recommended approval with changes that have now been incorporated into the Economic Opportunities and Housing Needs Analyses and proposed changes to the plan.

**NOW THEREFORE**, the City Council of City of Coos Bay ordains as follows:

**Section 1.** The Commission's Findings and Conclusions supporting its recommended approval are attached hereto as "Exhibit A" and included herein by reference.

**Section 2.** The City of Coos Bay does hereby delete Section 2.3, 5.2, 5.3, 6.2, 6.3, 6.4, 7.5, and 7.6 of the existing Comprehensive Plan, Volume I, and replace these sections with the language attached hereto as "Exhibit B."

**Section 3.** The City of Coos Bay hereby adopts, by reference, the Economic Opportunity and Housing Needs Analyses, prepared by Cogan Owens Cogan, LLC, dated June 17, 2009, identifying the 20-year need for employment and residential land, a buildable lands inventory for the City.


**Section 4.** The sections and subsections of this Ordinance are severable. The invalidity of one section or subsection shall not affect the validity of the remaining sections or subsections.


The foregoing ordinance was enacted by the City Council of the City of Coos Bay the 21<sup>st</sup> day of July, 2009.

Yes: Mayor Jeff McKeown and Councilors Mark Daily, Jon Eck, Joanie Johnson, Stephanie Kramer, Gene Melton, and John Pundt.

No: None

Absent: None

  
Jeff McKeown  
Mayor of the City of Coos Bay  
Coos County, Oregon

ATTEST:   
Rae Lea Cousens  
City Recorder of the City of Coos Bay  
Coos County, Oregon

## EXHIBIT A

### FINDINGS AND CONCLUSIONS

Following is a list of the decision criteria applicable to the request as stated in the Coos Bay Municipal Code (CBMC) Chapter 17.380. Each of the criteria is followed by findings or justification statements which may be adopted by the City Council to support their conclusions. Although each of the findings or justifications statements specifically apply to one of the decision criteria, any of the statements may be used to support the final decision.

#### **DECISION CRITERIA #1. Identification of new planning problems and issues.**

##### **STATEMENTS OF FINDINGS AND FACT:**

- 1a.** The purpose of the proposed amendments is to update information from 1978 in the existing Plan pursuant to Statewide Planning Goal 9, Economic Development and Goal 10, Housing, and Oregon Administrative Rule 660-009 and 660-008.

The Economic opportunities Analysis for goal 9 and Housing Needs Analysis for Goal 10 brings us into compliance with these statewide land use goals and associated administrative rules.

- 1b.** The urban growth boundary for the city of Coos Bay is basically the city limits. Comprehensive plans should designate, over a 20-year planning period, sufficient amounts of urbanizable land to accommodate the need for further urban expansion taking into account population growth; the needs of the forecast population; the carrying capacity of the planning area; and open space and recreational needs.

- 1c.** The Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) inventory areas suitable for increased economic growth and activity after taking into consideration the elements set forth in Statewide Planning Goal 9 and a housing needs projection as set forth in Statewide Planning Goal 10.

The buildable lands inventory (BLI) significantly updates the City's information base regarding the location of vacant residential, commercial and industrial land in the City limits/urban growth boundary.

**CONCLUSION:** In order to update the economic and housing elements of the Comprehensive Plan, analyses have been completed identifying economic and employment needs and opportunities and housing needs projections over the 20-year planning period. This work brings the City into compliance with State Land Use Goals 9 and 10 and updates our local buildable lands inventory.

#### **DECISION CRITERIA #2. Collection and analysis of inventories and other pertinent factual information.**

- 2a.** The following sources were used to develop the EOA and HNA: ESRI Business Information Solutions; US Census 1990 and 2000; Portland State University

(PSU) population estimates; Oregon Employment Department; South Coast Development Council and Marketek, Inc.; and Urban Land Institute.

- 2b.** Housing Needs Analysis (HNA): The amount of land needed for future housing depends on the number of housing units expected and the average density (or lot size) at which they are developed. State regulations require that the City estimate the amount of land needed in each zoning designation where housing is allowed. Statistics found there to be a significant surplus, approximately 780 acres, of residential land overall within Coos Bay's UGB and the ability to accommodate growth during a 20-year period within the city's existing UGB.

Unlike the EOA, land on slopes greater than 25 percent were not eliminated from the buildable lands inventory. While these lands have been included in the inventory, it should be noted that the capacity and resulting density of development on land with slopes over 25 percent is typically lower, given cut-and-fill and other construction requirements in such areas, including city code which limits the maximum roadway grade to 16 percent. To note, land on steep slopes constitutes a significant portion of the buildable lands inventory – over 330 acres, or 40 percent.

- 2c.** Economic Opportunities Analysis (EOA): In Coos Bay, the area's geography and natural resources play an important role in the economy, from marine activity, to wood product manufacturing and forest management, to recreation and tourism. Demand for new office and industrial space is generated by increases in employment, whether by existing local businesses expanding and adding workers or by business relocations or start-ups.

In the Coos/Curry County region employment is expected to grow at an average annual rate of 1.0% reaching 33,620 as job growth forecast and business opportunities translate into land demand forecasts. Coos Bay has an insufficient 20-year supply of industrial and employment land to satisfy projected demand.

Coos Bay has an overall shortage of approximately 53 acres of industrial land and an overall shortage of approximately 63 acres of commercial land.

**CONCLUSION:** The decision criteria has been adequately addressed and approval of the proposal can be supported.

**DECISION CRITERIA #3: Evaluation of alternative courses of action and ultimate policy choices.**

- 3a.** The alternative to updating the economic and housing elements of the Comprehensive Plan is to not update these elements. If we were not to update the Plan with current data, goals and policies, we would be remiss in our responsibility to provide adequate residential, commercial and industrial land for the 20-year planning period.

**CONCLUSION:** The City prefers to update the economic and housing elements of the Comprehensive Plan in order to provide adequate land and updated goals/policies for the 20-year planning period. The decision criterion has been adequately addressed

and approval of the proposal can be supported. Implementation actions suggested in the goals and policies should be considered.

**DECISION CRITERIA #4: Recommendation of policy directives, based upon consideration of the City's social, economic, energy and environmental needs.**

- 4a.** The existing goal for economic development as discussed in Chapter 7.5 of the Comprehensive Plan states that Coos Bay shall promote and encourage greater commercial and industrial development within its city limits while supporting efforts to diversify and expand the regional economic base.
- 4b.** The existing goal for housing is to provide for the housing need of its citizens by acting to assure the community has an adequate and affordable supply of safe, sanitary and decent housing. The updated analysis sets forth documentation to provide the City with justification for the amount of residential land in each zoning district.

**CONCLUSION:** The decision criterion has been adequately addressed and approval of the proposal can be supported.



## EXHIBIT B

### 1. Chapter 2.3, Population:

#### 2.3 POPULATION

The population of the City of Coos Bay is estimated to be 16,670 persons as of 2008<sup>1</sup>. This figure represents about 63% of the urban area population (comprised of the cities of Coos Bay and North Bend) 26% of Coos County's population, and 0.44% of Oregon's estimated total population. The City of Coos Bay has traditionally been the largest city in Coos County since 1874 when Coos Bay was incorporated as the Town of Marshfield, although North Bend has closely paralleled this population growth.

Coos Bay and North Bend share a common regional and economic base and have historically depended on port activity for their economic existence. Minor climatic and topographical variations between the two towns account for the subtle variation in the historical development and population characteristics of the two places. However, the bay area has exhibited a general trend of faster population growth than has Coos County and the state since the early part of this century until the recent population decline of the 1980s.

An analysis of the makeup of the city's population reveals a few interesting points. According to the 2000 Census, the median age for Coos Bay is 40.1 years, compared to the state, which is 36.3 years. This suggests that Coos Bay has an older population, with 19.2% of its population 65 years and older, compared to the state's 12.8%. Further, there are less young people in Coos Bay, with 22.6% of residents under the age of 18, compared to the state's 24.7%. Given Coos Bay's positive growth rate, this suggests that Coos Bay is receiving additional population from retirees, while not retaining families with children.

### 2. Chapter 5.2, Economic Development:

#### 5.2 ECONOMIC DEVELOPMENT

Population growth projections used for this document were determined using the state's accepted methodology. The methodology forces the use of data that represent an aberration in the community's economic history which affected the City's apparent population growth. Based on the experience and observation of local residents and officials, the actual growth is expected to be higher. The belief that population growth will actually exceed the calculated rate is supported by several factors. In Coos Bay, the area's geography and natural resources play an important role in the economy, from marine activity to wood product manufacturing and forest management to recreation and tourism. As expected, the economic outlook for Oregon, Coos County and the Coos bay area is tied to the U.S. outlook and the global marketplace. However, assets in Coos bay such as the Port of coos bay, tourism, capitalizing on the area's natural beauty and outdoor recreation activities and the continuous building in the healthcare sector present key opportunities for economic growth.

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<sup>1</sup> Portland State University Population Research Center, 2008 Population Estimate

## **Economic Trends**

### **National Overview**

As of Fall 2008, the economic outlook for Oregon, Coos County and the Coos Bay area is inextricably tied to the U.S. outlook and the global marketplace. As a wave of negative signs gather force in the U.S., policy makers and investors are debating just how much the national economy could be affected in upcoming years. Underpinning much of the economic slowdown is the housing market, which is a year and a half into its response to the mortgage lending crisis and increased home foreclosures. Other recent worries, including rising energy costs, increases in unemployment, tepid job growth, a volatile stock market and declines in consumer spending, indicate a national economy headed for a recession.

The Bureau of Labor Statistics (BLS) tracks economic growth within the US and prepares 10-year growth forecasts based on a general view of the national economy, labor force growth rates, unemployment assumptions, exports and imports, consumer spending and other economic variables. Major trends reported by the BLS include:

- An anticipated annual employment increase of 1.0% through 2016, compared to 1.2% during the 1996 to 2006 time frame. Growth expected to be concentrated in service sectors, with the greatest growth in professional and business services, health care and social assistance. By 2016, service jobs are projected to account for more than three-quarters of all jobs.
- Increase in unemployment from 5.7% in July to 6.1% in August 2008—the highest unemployment rate since September 2003. Continued decline in non-farm payroll employment throughout 2008. The rise in unemployment despite job gains indicates that the labor force is growing faster than the number of jobs.
- Manufacturing sector expected to lose 1.5 million jobs by 2016, compared to a decrease of 3.0 million jobs from 1996 to 2006.
- Civilian labor force expected to grow by 12.8 million persons to reach 164.2 million by 2016. This increase is below that seen from 1996 to 2006, when the civilian labor force grew by 17.5 million.
- Aging “baby boom” population (persons born between 1946 and 1964) adding to the share of labor force over the age of 55 over the next 10 years. Increasingly diverse labor force as share of Hispanics, Asians and African Americans grow through 2016.

### **The Pacific Northwest & Coos County**

Three economic regions make up the West Coast, including the Pacific Northwest (Seattle and Portland in the US and Vancouver, British Columbia), Northern California (San Francisco/Oakland) and Southern California (Los Angeles). Although the Pacific Northwest is the smallest in terms of population and economy, its economic growth rate during the 1990s, as measured by Gross Metropolitan Product (GMP), was nearly double that of other West Coast regions. In 2004, the combined GMP for the region was estimated at \$254.4 billion and made up 16% of GMP for the West Coast.

In Oregon, the Coos/Curry County Region, located along the southern coast, makes up 40% of the state's coastline. Its largest population centers include the Coos Bay-North Bend area in Coos County and the Brookings-Harbor area in Curry County. During the housing boom of the early to mid 2000s, the region's construction-related industries

flourished, including wood product, cement/concrete, metals and construction machinery manufacturing and lumber and building materials trade.

Following the recent housing downturn, however, construction and wood product manufacturing employment declined. In Coos County, employment in these industries fell by 80 jobs from 2006 to 2007, with losses surpassing expectations. The professional and business services sector, however, saw greater job losses of 420 jobs, contributing to an overall decline in employment by 230 jobs during that period. Industries with job growth during the 2006 to 2007 timeframe included educational and health services (140 new jobs), leisure and hospitality, government positions and food manufacturing. While the coast has few large manufacturing firms, the 15 firms employing 99 or more persons are concentrated in four industries – food, wood products, paper and fabricated metal product manufacturing. Of these industries, food manufacturing employs the most people (1,240 in 2007) followed by wood products manufacturing with 1,097 jobs.

### **Coos Bay**

In Coos Bay, the area's geography and natural resources play an important role in the economy, from marine activity, to wood product manufacturing and forest management, to recreation and tourism. Local facilities include the Southwestern Oregon Community College, Port of Coos Bay and a state-of-the-art Bay Area medical center, attractive to retirees and the aging population of Oregon's south coast.

As Coos Bay plans for future economic development, these assets present the area with key opportunities for economic growth, including:

- Greater activity at the Port of Coos Bay, with increased bulk container shipments;
- Increase tourism capitalizing on the area's natural beauty and outdoor recreation activities; and
- Growth in the healthcare sector building on the Bay Area Hospital and other local medical care providers, as well as the aging population in the region.

## **Population & Employment Trends**

### **Population Trends**

The City of Coos Bay has an estimated population of 16,670 persons and the study area has an estimated 30,447 persons. This study area, reaching from North Bend on the north to Charleston on the south and including the communities of the Empire District and Eastside, was selected because of the interdependence and similarities of economic activity. Comparisons to the City of Coos Bay, Coos County and the State of Oregon are made where appropriate. The City represents the project planning area, as it is coterminous with the Urban Growth Boundary. Between 2000 and 2008, the City grew considerably faster than both the study area and the County over the last eight years, with average annual growth rates of 1.06%, 0.15% and 0.03%, respectively. These rates are all below the growth rate throughout the state (1.44% per year over the same period).

### **Employment Trends**

Demand for new office and industrial space is generated by increases in employment, whether by existing local businesses expanding and adding workers or by business relocations or start-ups.

The Oregon Employment Department provides employment estimates and forecasts for several regions across the state. In the Coos/Curry County Region, the Employment Department estimates a total of 30,620 non-farm employees in 2006 (see Table 3). Sectors with the most employment in 2006 included Government (7,650 jobs or 25.0%), Trade, Transportation and Utilities (5,820 jobs or 19.0%), Leisure and Hospitality (3,680 jobs or 12.0%) and Professional and Business Services (3,290 jobs or 10.7%).

Employment is expected to grow at an average annual rate of 1.0%, reaching 33,620 by 2016.

### **Target Industries**

#### **Regional Business Clusters**

The Oregon Economic and Community Development Department conducted a Regional Trade Cluster Analysis for Coos, Curry and Douglas Counties in 2007 to identify major business clusters in the region. Clusters were classified as "high growth," "established" or "emerging." High growth clusters are defined as those with employment over 500, with positive average wage growth from 2001 to 2006 and with an employment growth rate that exceeded the region's overall employment growth rate from 2001 to 2006. Established clusters were those with employment over 500 and positive employment growth or positive wage growth. Emerging clusters had positive employment growth and positive wage growth.

High growth clusters included Transportation Equipment & Parts and Business Services. Logistics & Distribution was the top ranked established cluster and Agricultural Products was the top emerging cluster.

#### **Coos Bay Targets**

Identifying Coos Bay's target industries over the next 20 years should reflect a realistic combination of community goals and aspirations, the current local and county employment base and Coos Bay's assets and challenges in the context of the regional business clusters described above. A synopsis of industrial and commercial targets follows, based on research and local and agency interviews.

- Water-dependent industries and enterprises
- Industries that don't require access to Interstate 5
- Businesses relating to outdoor recreation
- Wood products and commercial fishing industries
- Solar and metal fabrication
- Technology industries dependent on location near fiber optic lines
- Tourism

#### **Coos Bay Retail Potential**

Potential demand for additional retail and restaurant space in the Coos Bay study area is generated based on two sources. The first, "existing demand," is demand for retail goods by current study area households that is now being met outside of the study area. The second, "future demand," is demand for retail space based on projected household growth within the study area over the next ten years. In each case, household expenditure trends (from the Bureau of Labor Statistics' Consumer Expenditure Surveys)

by type of merchandise are applied to study area population figures to obtain potential sales volume by study area residents. Estimates of sales per square foot of store space (derived from the Urban Land Institute's *Dollar and Cents of Shopping Centers*) are then used to convert sales potential to supportable space estimates.

The only merchandise category with existing demand for additional space is home improvement, specifically building supplies and garden equipment and supplies, which showed potential demand for an additional 12,824 square feet of store space. In other merchandise categories, supply in the Coos Bay study area is greater than demand by study area residents, meaning that the area is drawing shoppers who live outside its boundaries.

Household growth in the study area through 2018 is estimated to generate demand for 81,289 square feet of *new* retail space throughout the study area. Most of the future demand – 36,100 square feet – is for shoppers' goods (i.e., apparel, home furnishings, home improvement goods or other specialty retail items). There is potential demand for an additional 20,056 square feet of store space for convenience goods, such as groceries and pharmaceuticals. Demand for restaurants/entertainment is the next highest, with the potential for an additional 18,869 square feet of space through 2018.

Together, existing and future demand show potential support for an additional 94,113 square feet of new retail space in the Coos Bay study area over the next ten years. This demand estimate accounts for most but not all commercial potential. Some sales are inevitably linked to persons living outside of the study area as well. These other markets include tourists/visitors to the area, households living nearby that come to the study area to shop and employees working in Coos Bay businesses who visit area stores and restaurants on lunch breaks or before or after work. Visitor spending tends to be highest for restaurant and bars, entertainment and convenience goods and, in 2007, was estimated at \$193 million for Coos County, up from \$137.4 million in 2000.

## **Issues and Opportunities**

### **Key Industry Changes**

Like much of the Pacific Northwest, the Coos Bay region has seen continued decline of the wood-products industry. Interviewees estimate that the community has lost 80% of its water-dependent industry as well. Advisory Committee members feel it is time to embrace this change and re-align Coos Bay's employment strategies along 21<sup>st</sup> century growth industries.

### **Port Expansion**

Due to its proximity to the Pacific Ocean, the Coos Bay (Port) harbor is well-positioned to serve as a regional marine trade center to accommodate the projected doubling of Trans-Pacific cargo between the years 2015 and 2020.

The Port District, Oregon International Port of Coos Bay (Port), has plans to develop marine industrial property on the North Spit of lower Coos Bay and expand marine terminal capacity in the harbor to handle bulk commodities, intermodal containers and possibly automobiles, and could potentially become the third largest container port in the Pacific Northwest.

This expansion is dependent on several key factors: depth and width modification of the federally-authorized Coos Bay deep-draft channel to accommodate large cargo vessels

and increased shipping traffic, rehabilitation of the Coos Bay rail line and private-sector investment in terminal facilities.

#### **Commercial and Industrial Land Supply**

There is concern among interviewees that Coos Bay lacks adequate industrial lands to accommodate economic growth. Many feel that the existing industrial land is encumbered by water-dependent use restrictions as stipulated in the City's Waterfront-Industrial (W-I); is difficult to build on due to topography and other environmental constraints; or is not of a size and contiguity suitable for industrial development. There is also limited commercial land available that is suitable for large format retail.

#### **Transportation**

Interviewees believe the Coos Bay area is challenged by a lack of adequate transportation infrastructure to support future economic development. The Central Oregon & Pacific (CORP) Railroad Coos Bay Line, a critical rail link between Coquille and Eugene was embargoed by CORP in September 2007. The rail line is in need of significant repair, including repairs to the rail bridge across Coos Bay. The rail is crucial for existing industries, the Port's expansion plans, and the development of industrial sites throughout the region. In December, 2008, the Port agreed to purchase and rehabilitate the CORP Coos Bay line.

The region has a new air terminal located in North Bend. The area is served twice-daily by SkyWest shuttles from San Francisco International (SFO) and twice-daily service to Portland International Airport (PDX).

Coos Bay's distance from a major interstate (Interstate 5) and the limited capacity of Highways 32 and 48 are considered constraints to attracting freight-dependant industries to the area.

#### **Tourism Development**

Interviewees say tourism is a key opportunity for Coos Bay. The region's access to outdoor recreational opportunities is significant and considered by some to be underexploited. Some feel the role of tourism in Coos Bay seems to conflict with the industrial/natural resources based psychology, history of the region and living wage jobs. However, this psychology may be transforming due to the success of Bandon Dunes, a world-class golf resort located south of Coos Bay in Bandon. Tourism is considered hindered by the aforementioned uncertainty regarding air service, a perceived lack of contemporary, recently updated hotel rooms and sufficient recreational/entertainment opportunities.

#### **Beautification/Revitalization**

Interviewees say the waterfront beautification/revitalization of Front Street is considered central to attracting tourism to the community. The departure of water-dependent industries along Coos Bay's waterfront creates significant redevelopment opportunity.

#### **Housing Affordability and Supply**

Interviewees say housing is increasingly expensive in Coos Bay relative to the community's median household income. This represents a significant cost of living hurdle for younger, lower-income households.

According to interviewees, Coos Bay lacks an adequate supply of workforce housing. This may be due to several factors: there is increased market demand for single-family, upper-income housing on larger lots; the buildable residential land supply is not suitable

in places due to topographical issues that make development infeasible; and median home prices have inflated over the past several years following the housing boom. Recently, more affordable homes are being built on smaller lots.

### 3. Chapter 5.3, Housing:

#### 5.3 HOUSING

##### Land Supply

Buildable land within the City's UGB includes land that is completely vacant, as well as land that is partially vacant and theoretically has the potential for additional development based on parcel size, zoning, the location of existing development and environmental constraints. The buildable land supply was evaluated by reviewing the following information:

- Tax assessor data
- GIS data
- Aerial photographs
- Site visits to identify potential constraints to development or redevelopment
- Consultation with City staff and members of the Coos Bay Project Advisory Committee

There are approximately 810 acres of buildable land on 850 lots within Coos Bay's UGB zoned for residential use (see Table 1). This does not include commercially zoned land where housing may be allowed under certain conditions. There are another 119 acres of commercially zoned land on 197 lots that could accommodate some additional residential development. Land considered potentially unbuildable due to environmental constraints was removed from the inventory summarized in Table 1. The area or portion of each parcel subject to the environmental constraint(s) was deducted from the total land area on a parcel by parcel basis, rather than removing entire parcels of land. Land with environmental constraints includes riparian areas, area within the city's tsunami zone (including estuary lands), and significant wetlands.

Another typical development constraint is land with steep slopes. The portion of each parcel with a slope of 25% or greater was determined and identified on the residential buildable lands inventory map. However, this acreage was not removed from the gross inventory due the fact the City does not have a building code that explicitly prohibits development on steep slopes; thus, this land is technically developable for purposes of the residential buildable lands inventory.

While these areas have been included in the inventory, it should be noted that the capacity and resulting density of development on land with slopes over 25% is typically lower, given cut-and-fill and other construction requirements in such areas. To note, land on steep slopes constitutes a significant portion of the BLI – over 330 acres, or 40%.

After subtracting for constraints, some parcels are very small. However, these very small lots tend to account for a relatively small proportion of the buildable area. For example, of the 39 lots zoned R-1 in the inventory, 12 of them (over 25 percent) are less than 0.11 acres in size. However, they make up a smaller fraction of the total buildable land area in that zone (0.61 acres or less than 10 percent). Similarly over 240 parcels in

the inventory zoned R-2 are less than 0.11 acres but account for only 12 acres of land (5 percent of the R-2 total). Some of these very small parcels may still be considered buildable if the city's zoning code allows for constructing new homes on any lots of record, even if they are below the minimum lot size otherwise allowed for land division or development. As a result these parcels have been included in the buildable lands inventory.

### **Housing Occupancy and Structure Type**

In 2007, based on population estimates obtained from ESRI, there were an estimated 6,668 households in the Coos Bay UGB. There were an estimated 7,314 housing units in Coos Bay in 2008, which include both occupied households and additional vacant units. By subtracting the number of occupied households from the total number of housing units, we know there are approximately 646 vacant units, indicating a vacancy rate of approximately 8.8%. Homes classified as vacant fall into two general categories – those that are vacant because they are in the process of being sold or rented and are temporarily unoccupied for relatively short periods of time; and those that are occupied only seasonally (second homes or vacation homes) and considered to be vacant during a majority of the year.

Only a modest percentage of vacant housing units in Coos Bay fall into the second category (seasonally occupied homes). Approximately 12% of vacant units and about one percent of all units are seasonally occupied. These percentages are much lower than many north coast communities (e.g., the City of Manzanita has a 73% vacancy rate with the vast majority of vacant units used for recreational or seasonal purposes).

### **Housing Costs, Household Incomes and Housing Affordability**

Median home values in 2008 were approximately \$189,000 and \$166,000 respectively; with 69% of homes in the \$100,000 - \$300,000 price range and only 11% over \$300,000. Housing costs in Coos Bay are lower than for the state as a whole.

Median household income of under \$40,000 in Coos Bay, about \$10,000 less than for the state as a whole. It also shows a higher percentage of residents in the lowest two income categories in Coos Bay compared to the state, a similar percentage in low to moderate income categories (e.g., earning \$25,000 to \$75,000 per year), and a lower percentage in the higher income categories than in the state as a whole.

Housing affordability is typically assessed in one of two ways – either by estimating the percentage of households which spend more than 30% of their monthly income on housing (the standard measure of affordability) or by comparing incomes to the supply of housing at prices that people in those income levels could afford. The most recently available data related to the first measure comes from the 2000 US Census. That data indicated that just over 20% of all homeowner households spent more than 30% of their incomes on housing, while about 46% of renter households did the same. Almost a third of all households in Coos Bay spend more their 30% of their income on housing. These percentages likely have climbed since the year 2000, given increases in housing costs, particularly for owner-occupied housing during this period across the state of Oregon and in Coos Bay.



### Future Needed Housing Types

The following trends are expected to affect the need for different types of housing:

- Increasing cost of land and housing in communities throughout Oregon. Right now housing costs are lower in Coos Bay than for the state as a whole and the state and nation are currently in the midst of a housing price slump. However, over the long term (next 20 years), we expect to continue to see an increase in housing and land costs, similar to historic long term trends.
- Relatively modest increases in wages, consistent with trends during the last ten years.
- Continued need for relatively low cost housing for households and families with lower incomes, including workers in the retail/tourism sector.
- Continued need for manufactured housing in parks as a potential supply of low-cost, workforce housing.
- An increase in the need and market for multi-family and single-family attached housing as a potential supply of low and moderate cost housing.
- Continued demand for housing on somewhat smaller lots (5,000 square feet and smaller), consistent with recent trends and zoning regulations for most residential zones in Coos Bay.

The following two tables identify current and projected percentages and numbers of homes by housing type in Coos Bay. These tables represent projected housing needs which the housing market may or may not accommodate on its own. The projections (see Table 6) show the following needs and trends related to future housing types:

- **Modest shifts in tenure mix.** The trends described above are expected to result in modest changes in the relative percentage of owner and renter-occupied housing. However, without knowing more about projected future incomes or housing costs, it is not appropriate to project significant changes in the tenure mix. A modest increase in the share of renter-occupied housing and a similar decrease in the share of owner-occupied housing will support the changes in housing need by structure type described in the following paragraphs.
- **Continued demand single-family detached homes, but with these units making up a smaller proportion of the total supply.** 2000 Census data and 2008 ESRI data shows that single-family detached homes account for 61.5% of all dwellings in Coos Bay. This does not include manufactured homes on individual lots which the Census includes in the supply of "mobile homes." Other data indicates that approximately half of these "mobile homes" are located on individual lots. As a result, closer to 68% of all dwellings would be classified as single-family detached homes per state guidelines. We have projected a reduction from over 66% to approximately 61.5% during the planning period. The modest reduction is based in part on current and recent trends in Coos Bay, including relatively low land values, falling housing prices and values, a relatively ample supply of land and relatively limited cost savings associated with other types of owner-occupied units (e.g., single-family detached units), given relatively low land values.
- **Need for a more balanced mix of housing** to address the needs of households in all income ranges, including those with lower incomes. While single-family detached dwellings will continue to make up a significant percentage of future housing needs, other housing types are expected to increase, given affordability considerations and the fact that the aging population in Coos Bay and throughout the state can be expected to need smaller housing units and different housing types. We project an increase in

single-family attached units (2.2% to 5% of the total or an increase of over 100% in terms of the relative share of these units). We also project an increase in the relative share of duplexes (5.9% to 7.5% of the total), tri-plexes and four-plexes (3.8% to 5.0% of the total) and multi-family dwellings with 5 or more units (14% to 16% of the total).

- **Year-round residents need more alternatives to single family detached units** (e.g., duplexes and multi-family units) than the market is currently providing because these units have the potential to be more affordable to households with lower incomes. As noted above, we assume an increase in all of these types of housing in our projections (increasing from about 26% of the total in 2008 to about 35% of new units constructed during the planning period).
- **Continued need for manufactured homes in parks or on individual lots.** While the table appears to indicate a decrease in the percentage of manufactured homes, this is not actually the case. Rather the different percentages reflect how these units are accounted for in historical (2000) data versus future projections (2029). As indicated in the footnote to Table 3, 2000 Census data includes all manufactured homes (in parks and on individual lots). State guidelines direct us to only include manufactured homes in parks in our future manufactured home projections. Manufactured homes on individual lots are included in the definition of single-family detached homes. As noted above, approximately half of the manufactured homes in the 2000 Census data (about 5%) are assumed to be manufactured homes in parks. We are assuming that this proportion of total housing will not shift appreciatively during the planning period.

We also assume that densities of development will increase somewhat but not substantially, given relatively moderate land costs in Coos Bay. Assumed densities are similar to the City's minimum lot size requirements which are in turn consistent with recent development trends. By assuming densities consistent with minimum lot sizes (rather than average lot sizes), we are assuming a trend towards relatively denser development.

The analysis identifies a projected increase in the number of housing units of 254 units with just over 60% of the new units in single-family detached units (including manufacture homes) on individual lots.

#### **Future Land Needs**

The amount of land needed for future housing depends on the number of housing units expected and the average density (or lot size) at which they are developed. State regulations require that the City estimate the amount of land needed in each zoning designation where housing is allowed. In Coos Bay, housing can be constructed in several residential (R-1, R-2, R-3, R-4P, R-5 and R-w) and commercial (C1 and C2) zones. Only housing built on upper floors over commercial uses is allowed in the commercial zones. Other types of new housing are prohibited in these zones. Based on the types of housing allowed in each zone and the relative supply of buildable land in each zone, the following future distribution among zones is expected:

- **Most new single-family detached housing is expected to be located in the R-2 zone, with a modest amount (25% of the total) in the R-1 zone and a smaller amount in the R-4P and R-W zones.** This is consistent with the fact that all of these zones allow for single-family detached homes at similar densities and that existing vacant land is concentrated

in the R-2 zone, with smaller supplies in the other residential zones where single-family detached homes are allowed and historically have been constructed.

- Single-family attached housing will be located primarily in the R-3, with modest amounts in the R-4P and R-W zones. This is consistent with the fact that all three of these zones allow for single-family attached housing, the R-3 zone includes relatively more available, vacant land for housing and that city staff indicate that it is likely the most suitable for this type of housing, given its location relative to commercial and other services.
- Duplexes will be located primarily in the R-2, zone, with smaller percentages in the R-3, R-4P and R-W zones. This is consistent with the fact that all three of these zones allow for duplexes, the R-2 zone includes relatively more available, vacant land for housing and that duplexes are generally more compatible with other types of development typically found in the R-2 zone, compared to the other zones.
- Multi-family housing (i.e., apartments or other structures with five or more units as identified in the following tables) will be located primarily in the R-3 zone, with smaller amounts in the R-4P and R-W zones and with some units located in the city's commercial zones as upper story housing over ground floor commercial or retail uses). This is consistent with the fact that all three of these zones allow for multi-family housing, the R-3 zone includes relatively more available, vacant land for housing and that city staff indicate that it is likely the most suitable for this type of housing, given its location relative to commercial and other services.
- Manufactured homes in parks will be located exclusively in the R-5 zone, given that they are only allowed outright in this zone.

#### 4. Chapter 6.2, Residential Lands:

##### 6.2 Residential Lands

As of 2009, there are approximately 810 acres of buildable land on 850 lots within Coos Bay's UGB zoned for residential use (see Table 1). This does not include commercially zoned land where housing may be allowed under certain conditions. There are another 119 acres of commercially zoned land on 197 lots that could accommodate some additional residential development. Land considered potentially unbuildable due to environmental constraints was removed from the inventory summarized in Table 1. The area or portion of each parcel subject to the environmental constraint(s) was deducted from the total land area on a parcel by parcel basis, rather than removing entire parcels of land. Land with environmental constraints includes riparian areas, area within the city's tsunami zone (including estuary lands), and significant wetlands.

Another typical development constraint is land with steep slopes. The portion of each parcel with a slope of 25% or greater was determined and identified on the residential buildable lands inventory map. However, this acreage was not removed from the gross inventory due the fact the City does not have a building code that explicitly prohibits development on steep slopes; thus, this land is technically developable for purposes of the residential buildable lands inventory.

While these areas have been included in the inventory, it should be noted that the capacity and resulting density of development on land with slopes over 25% is typically lower, given cut-and-fill and other construction requirements in such areas. To note,

land on steep slopes constitutes a significant portion of the BLI – over 330 acres, or 40%.

After subtracting for constraints, some parcels are very small. However, these very small lots tend to account for a relatively small proportion of the buildable area identified in Table 1. For example, of the 39 lots zoned R-1 in the inventory, 12 of them (over 25 percent) are less than 0.11 acres in size. However, they make up a smaller fraction of the total buildable land area in that zone (0.61 acres or less than 10 percent). Similarly over 240 parcels in the inventory zoned R-2 are less than 0.11 acres but account for only 12 acres of land (5 percent of the R-2 total). Some of these very small parcels may still be considered buildable if the city's zoning code allows for constructing new homes on any lots of record, even if they are below the minimum lot size otherwise allowed for land division or development. As a result these parcels have been included in the buildable lands inventory.

## **5. Chapter 6.3, Industrial and Commercial Land:**

### **6.3 INDUSTRIAL AND COMMERCIAL LAND**

Coos Bay has approximately 180.21 gross acres of buildable industrial and commercial land within Coos Bay's UGB, comprising 323 parcels. The majority of this land is devoted to C2 – General Commercial (115 acres) and IC – Industrial/Commercial (36.76 acres).

Given Coos Bay's unique geographic and topographical characteristics, special consideration should be given to the suitability of land devoted to commercial and industrial uses. Specifically, this pertains to environmentally constrained land due to the presence of wetlands, steep slope, 100-year floodplain, and tsunami inundation. Approximately 7.06 acres of available industrial and commercial land are constrained by wetlands and 18.43 acres are constrained by steep slope above a 25% grade.

By removing environmental constraints, there are approximately 154.73 acres of existing buildable industrial and commercial acres inside Coos Bay's Urban Growth Boundary, with 12.77 acres of industrial lands and 141.96 acres of commercial land.

Additionally, Coos Bay should seek to create parcels of suitable size to accommodate commercial and industrial development. As of 2009, there are three large sites (32.01 acres, all commercial), 19 standard sites (50.86 acres) and 300 small sites (71.86 acres). Given the high number of small sites, to fully utilize this land for industrial and commercial purposes will require assembly of smaller, contiguous parcels into larger sites.

## **6. Chapter 6.4, Undeveloped Land:**

### **6.4 UNDEVELOPED LAND**

As of 2009, there are approximately 1116 acres of undeveloped land within the City of Coos Bay's Urban Growth Boundary (UGB). This consists of approximately 946 acres of vacant residential and 170 acres of vacant commercial and industrial land. These numbers do not consider factors that determine the suitability of the land as "buildable". These factors include environmental constraints, such as flooding, wetlands, tsunami

inundation, and steep slopes. Considering these factors, there are approximately 820 acres of net vacant buildable residential land\* and 81 acres of net vacant buildable industrial and commercial land.

\*Includes area with slopes above 25%

## **7. Chapter 7.5, Economic Development:**

### **7.5 ECONOMIC DEVELOPMENT**

#### **Vision**

The City of Coos Bay is developing a vibrant, dynamic economy capitalizing on its waterfront and proximity to a geographically unique area. The City is poised as the region's hub to support industrial growth.

The City's commercial and industrial economic development is a balance of increasing the amount and occupancy of useable industrial land and maintaining a focus on services, hospitality, the retirement community and related support services.

#### **Economic Development Goals**

- **Goal #1:** Encourage and support economic growth.
- **Goal #2:** Maintain and expand a diversified economy.
- **Goal #3:** Recruit businesses.
- **Goal #4:** Work to retain, expand and strengthen existing local businesses.
- **Goal #5:** Recruit sustainable industries and industries that provide "green-collar" jobs.
- **Goal #6:** Maximize use of Coos Bay's unique geographic and recreational assets and cultural heritage.

#### **Community Economic Development Objectives**

Based on review of Coos Bay's existing economic vision and goals, Comprehensive Plan policies, and interviews with City officials, DLCDC staff and Advisory Committee members, the following are the City's community economic development objectives, in accordance with OAR 660.009.0020(1)(a):

- Create a more diversified economy.
- Become ready for economic opportunities aligned with 21st century trends.
- Promote housing necessary for economic development and enhanced quality of life.
- Encourage a range of housing types at different price points (including, but not limited to first-time home owners, workforce housing, and retirees).
- Support the creation of necessary improvements to the Oregon International Port of Coos Bay to attract and stimulate economic opportunities.
- Increase the City's short-term availability of industrial and commercial sites.

- Update the City's Buildable Lands Inventory (BLI) to reflect truly buildable land.
- Serve as a regional hub for commercial and professional support services.

### Policies

Recommended updated Comprehensive Plan goals and associated policies.

<b>Goal 1: Encourage and support economic growth.</b>	
	<b>Policy</b>
<b>1.1</b>	Enhance Coos Bay's role as a hub for support services for the south coast, commercial, financial, real estate, professional services (engineering, architecture), housing, etc.
<b>1.2</b>	Encourage and support assembly of small, contiguous industrial and commercial parcels into suitable sizes utilizing city-initiated efforts, such as the use of urban renewal, public private partnerships and real estate negotiation, site clearance assistance and brownfield remediation.
<b>1.3</b>	Collaborate both locally and regionally to provide an adequate supply of industrial land.
<b>1.4</b>	Focus industrial growth toward areas viable for industrial use; consider rezoning less viable industrial lands for redevelopment consistent with the City's overall vision and emerging market trends.
<b>Action 1.4.1</b>	Considering revising the City's Industrial-Commercial Zone (I-C) to ensure industrial use, including possible minimum use requirements for industrial, or more condition uses for commercial.
<b>1.5</b>	Support and cooperate with community and regional partners to encourage economic growth.

<b>Goal 2: Maintain and expand a diversified economy.</b>	
	<b>Policy</b>
<b>2.1</b>	Encourage expansion of recreational, cultural and eco-tourism industries by supporting, enhancing and expanding amenities and infrastructure from waterfront development to lodging options, including shopping, arts and entertainment.
<b>2.2</b>	Direct public investments toward creating an attractive downtown and waterfront setting that enhances Coos Bay and the Empire districts as areas where people want to live and do businesses.
<b>2.3</b>	Pursue the implementation of the Hollering Place Master Plan, adopted December 2, 2008, to create a public activity area on the waterfront that serves residents and visitors; rebuild the dilapidated dock to promote more water-related activities; and, complement surrounding properties while connecting with the existing business district. A plan amendment from industrial to commercial or mixed-use will be required.

<b>2.4</b>	Investigate expansion of the City's urban growth boundary to address the shortfall of industrial lands.
<b>2.5</b>	Pursue new industrial opportunities while supporting existing industrial uses.

<b>Goal 3: Recruit service-oriented businesses.</b>	
	<b>Policy</b>
<b>3.1</b>	Continue to offer programs that encourage business development and retention
<b>3.2</b>	Continue to facilitate efforts to enhance Coos Bay as a medical center for the surrounding area.
<b>3.3</b>	Continue to enhance our core area as a place to do business.

<b>Goal 4: Work to retain, expand and strengthen existing local businesses.</b>	
	<b>Policy</b>
<b>4.1</b>	Continue to support the creation of outdoor public gathering spaces as a way to strengthen community interaction with local businesses.
<b>4.2</b>	Continue to offer programs that strengthen local businesses.
<b>4.3</b>	Facilitate business investment and development by offering programs to fit their needs.

<b>Goal 5: Recruit sustainable industries and industries that provide "green-collar" jobs.</b>	
	<b>Policy</b>
<b>5.1</b>	Continue to support the Community College and other regional partners on workforce training and marketing efforts.
<b>5.2</b>	Create a sustainability action plan that identifies clear strategies and collaborative partnerships to help recruit and locate green and sustainable industries in Coos Bay.

<b>Goal 6: Maximize use of Coos Bay's unique geographic and recreational assets and cultural heritage.</b>	
	<b>Policy</b>
<b>6.1</b>	Maximize the potential uses and benefits the waterfront and deep-water port offers to the city and region as a whole.
<b>6.2</b>	Support the Port of Coos Bay in its development efforts for transportation linkage and to develop a deep-draft channel to accommodate large cargo vessels and increase shipping activities and water-dependent uses.
<b>6.3</b>	Promote the waterfront as key to a recreational center and opportunity to increase awareness of Coos Bay's rich maritime and logging history.
<b>6.4</b>	Promote the development of walking and bike trails throughout the City, ultimately linking with our neighbors, and continue to work towards the Coos Bay Waterfront Walkway to the North Bend Boardwalk for the mutual benefit of area residents, businesses and visitors.
<b>6.5</b>	Promote eco-tourism activities and the exploration and enjoyment of our natural surroundings.

**7. Chapter 7.6, Housing, is hereby amended to read as follows:**

**7.6 Housing**

**Vision**

The City of Coos Bay will provide opportunities for a wide range of housing types, available at varied price and rent ranges to accommodate the housing needs of its current and future citizens. Needed housing types are expected to include attached and detached single-family and duplex dwellings, row houses, apartments of varying densities, cluster housing, mobile homes, and condominiums.

The City of Coos Bay will help ensure that housing is constructed and remains in safe, sanitary and decent condition.

**Housing Goals**

**Goal #1:** Designate and maintain an adequate supply of land zoned for a range of housing types and price ranges.

**Goal #2:** Support efforts of state, regional and local public, private and non-profit entities to provide needed housing for low and moderate income households and others with special housing needs.



- **Goal #3:** Encourage the use of sustainable land use development practices and building materials including use of energy efficient materials and design principles.
- **Goal #4:** Review land development ordinance to ensure promotion of development and affordable housing.
- **Goal #5:** Allow for, encourage and support the development of housing units in conjunction with commercial development (e.g., housing located above commercial uses).
- **Goal #6:** The City of Coos Bay shall comply with federal and state fair housing laws which affirm access to housing opportunities for all people in Coos Bay.
- **Goal #7:** The City of Coos Bay shall comply with the provisions of the Uniform Building Code and other specialty codes adopted by the City Council recognizing that this is the key to providing safe, sanitary, and decent housing for its residents.

**Policies**

<b>Goal 1:</b> Coos Bay shall designate and maintain an adequate supply of land zoned for a range of housing types and price ranges.	
	<b>Policy</b>
<b>1.1</b>	Coos Bay will continue to update its zoning provisions to allow for construction to provide a wide range of housing available at varied prices and rent ranges, and allow for flexible site and architectural design.
<b>1.2</b>	Coos Bay will regularly update the City's inventory of buildable land (at least every five years) and use it to both identify housing development opportunities and assess the ability to meet future housing needs. If growth is occurring at a faster rate than previously predicted, the city shall work with the County to update the county's coordinated population forecast and the City's housing needs analysis accordingly.
<b>1.3</b>	Coos Bay will explore and provide information about opportunities to consolidate buildable land where it will promote more efficient development.
<b>1.4</b>	Coos Bay will monitor public facility capacity to ensure that proposed new residential developments can be adequately served by water, sewer, transportation, drainage and other public facilities.

<b>Goal 2:</b> Support efforts of state, regional and local public, private and non-profit entities to provide needed housing for low and moderate income households and others with special housing needs.	
	<b>Policy</b>
<b>2.1</b>	Coos Bay will consider waiving or deferring city fees such as development fees or system development charges for affordable housing projects that meet defined criteria and result in permanently affordable housing.

2.2	Coos Bay will work with other public agencies and/or other organizations to provide or assist in obtaining technical assistance for transitional housing and housing projects targeted to households with low or moderate incomes developed by nonprofit organizations.
2.3	As appropriate, Coos Bay will advocate for national and state funding from the National Housing Trust Fund, Oregon Housing Trust Fund, and Lenders Tax Credit and other funding mechanisms that may be available.
2.4	Coos Bay will negotiate agreements to develop housing affordable to residents with low or moderate incomes on lands to be annexed.
2.5	Coos Bay will advocate for national and state funding from the National Housing Trust Fund, Oregon Housing Trust Fund, and Lenders Tax Credit.

<b>Goal 3: Encourage the use of sustainable land use development practices and building materials including use of energy efficient materials and design principles.</b>	
	<b>Policy</b>
3.1	Coos Bay will continue to apply innovative regulations for planned unit development allowing flexibility in designing cluster housing, recognizing that such land development practices (1) result in lower costs per site than conventional subdivisions, (2) permit sound land economics, (3) enhance the environmental integrity of the land resources, (4) promote energy conservation, and (5) provide additional open space and common areas.
3.2	Coos Bay will continue to allow for and encourage small scale cluster housing concepts in residentially zoned areas to stimulate infill development. This strategy recognizes that infill development (1) is an acceptable way to wisely use undeveloped properties, (2) improves efficiency of land use, (3) helps conserve energy, and (4) takes advantage of established public facilities and services.
3.3	Promote and encourage energy efficiency and sustainable building practices.

<b>Goal 4: Review land development ordinance to ensure promotion of development and affordable housing.</b>	
	<b>Policy</b>
4.1	Coos Bay shall exercise its site plan review for major residential land developments, recognizing that site review is necessary to provide development that (1) fosters sound energy conservation practices, (2) is aesthetically pleasing, and (3) complements the natural characteristics of the site.
4.2	Coos Bay will consider the use of density bonuses or other incentives to encourage the development of affordable housing, consistent with other housing and community goals.
<b>Goal 5: Allow for, encourage and support the development of housing units in conjunction with commercial development (e.g., housing located above commercial uses).</b>	

**Goal 6:** The City of Coos Bay shall comply with federal and state fair housing laws which affirm access to housing opportunities for all people in Coos Bay.

**Goal 7:** The City of Coos Bay shall comply with the provisions of the Uniform Building Code and other specialty codes adopted by the City Council recognizing that this is the key to providing safe, sanitary, and decent housing for its residents.

	<b>Policy</b>
<b>7.1</b>	Dilapidated residential structures that flagrantly violate code provisions shall be demolished or rehabilitated to restore them to sound conditions.
<b>7.2</b>	The city shall continue to participate in the Housing Rehabilitation Program sponsored by the Housing and Urban Development through its Community Development Block Grant.

**ORDINANCE NO. 417**

**AN ORDINANCE AMENDING COOS BAY COMPREHENSIVE PLAN 2000, VOLUME II, INVENTORY, TO UPDATE THE ECONOMIC DEVELOPMENT AND HOUSING ELEMENTS OF THE PLAN, AND TO CREATE A BUILDABLE LANDS INVENTORY**

**WHEREAS**, the City of Coos Bay, in reviewing its Comprehensive Plan, determined updates are warranted based on the Economic Opportunity and Housing Needs Analyses, prepared by Cogan Owens Cogan, LLC, dated June 17, 2009;

**WHEREAS**, notice that public hearing would be held before the city of Coos Bay Planning Commission (the Commission) on May 12, 2009 and public hearing would be held before the Coos Bay City Council on June 2, 2009 was published in "The World," a newspaper of general circulation within Coos County, Oregon, on April 28, 2009;

**WHEREAS**, at the Planning Commission hearing on May 12, 2009, the hearing was continued to June 9, 2009 and the City Council hearing was continued to July 21, 2009;

**WHEREAS**, provisions in the Coos Bay Municipal Code relating to notice have been complied with; and,

**WHEREAS**, public hearing was held on June 9, 2009, and after receiving evidence and hearing testimony, the Commission recommended approval with changes that have now been incorporated into the Economic Opportunities and Housing Needs Analyses and proposed changes to the plan.

**NOW THEREFORE**, the City Council of City of Coos Bay ordains as follows:

**Section 1.** The Commission's Findings and Conclusions supporting its recommended approval are attached hereto as "Exhibit A" and included herein by reference.

**Section 2.** The City of Coos Bay does hereby delete Section 5.3 and 5.4 of the existing Comprehensive Plan, Volume II, and replace these sections with the language attached hereto as "Exhibit B."

**Section 3.** The City of Coos Bay hereby adopts, by reference, the Economic Opportunity and Housing Needs Analyses, prepared by Cogan Owens Cogan, LLC, dated June 17, 2009, identifying the 20-year need for employment and residential land, a buildable lands inventory for the City.


**Section 4.** The sections and subsections of this Ordinance are severable. The invalidity of one section or subsection shall not affect the validity of the remaining sections or subsections.

The foregoing ordinance was enacted by the City Council of the City of Coos Bay the 21<sup>st</sup> day of July 2009.


Yes: Mayor Jeff McKeown and Councilors Mark Daily, Jon Eck, Joanie Johnson, Stephanie Kramer, Gene Melton, and John Pundt.

No: None

Absent: None

  
\_\_\_\_\_  
Jeff McKeown  
Mayor of the City of Coos Bay  
Coos County, Oregon

ATTEST:

  
\_\_\_\_\_  
Rae Lea Cousens  
City Recorder of the City of Coos Bay  
Coos County, Oregon

## EXHIBIT A

### FINDINGS AND CONCLUSIONS

Following is a list of the decision criteria applicable to the request as stated in the Coos Bay Municipal Code (CBMC) Chapter 17.380. Each of the criteria is followed by findings or justification statements which may be adopted by the City Council to support their conclusions. Although each of the findings or justifications statements specifically apply to one of the decision criteria, any of the statements may be used to support the final decision.

#### **DECISION CRITERIA #1. Identification of new planning problems and issues.**

##### **STATEMENTS OF FINDINGS AND FACT:**

- 1a.** The purpose of the proposed amendments is to update information from 1978 in the existing Plan pursuant to Statewide Planning Goal 9, Economic Development and Goal 10, Housing, and Oregon Administrative Rule 660-009 and 660-008.

The Economic opportunities Analysis for goal 9 and Housing Needs Analysis for Goal 10 brings us into compliance with these statewide land use goals and associated administrative rules.

- 1b.** The urban growth boundary for the city of Coos Bay is basically the city limits. Comprehensive plans should designate, over a 20-year planning period, sufficient amounts of urbanizable land to accommodate the need for further urban expansion taking into account population growth; the needs of the forecast population; the carrying capacity of the planning area; and open space and recreational needs.

- 1c.** The Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) inventory areas suitable for increased economic growth and activity after taking into consideration the elements set forth in Statewide Planning Goal 9 and a housing needs projection as set forth in Statewide Planning Goal 10.

The buildable lands inventory (BLI) significantly updates the City's information base regarding the location of vacant residential, commercial and industrial land in the City limits/urban growth boundary.

**CONCLUSION:** In order to update the economic and housing elements of the Comprehensive Plan, analyses have been completed identifying economic and employment needs and opportunities and housing needs projections over the 20-year planning period. This work brings the City into compliance with State Land Use Goals 9 and 10 and updates our local buildable lands inventory.

#### **DECISION CRITERIA #2. Collection and analysis of inventories and other pertinent factual information.**

2a. The following sources were used to develop the EOA and HNA: ESRI Business Information Solutions; US Census 1990 and 2000; Portland State University (PSU) population estimates; Oregon Employment Department; South Coast Development Council and Marketek, Inc.; and Urban Land Institute.

2b. Housing Needs Analysis (HNA): The amount of land needed for future housing depends on the number of housing units expected and the average density (or lot size) at which they are developed. State regulations require that the City estimate the amount of land needed in each zoning designation where housing is allowed. Statistics found there to be a significant surplus, approximately 780 acres, of residential land overall within Coos Bay's UGB and the ability to accommodate growth during a 20-year period within the city's existing UGB.

Unlike the EOA, land on slopes greater than 25 percent were not eliminated from the buildable lands inventory. While these lands have been included in the inventory, it should be noted that the capacity and resulting density of development on land with slopes over 25 percent is typically lower, given cut-and-fill and other construction requirements in such areas, including city code which limits the maximum roadway grade to 16 percent. To note, land on steep slopes constitutes a significant portion of the buildable lands inventory – over 330 acres, or 40 percent.

2c. Economic Opportunities Analysis (EOA): In Coos Bay, the area's geography and natural resources play an important role in the economy, from marine activity, to wood product manufacturing and forest management, to recreation and tourism. Demand for new office and industrial space is generated by increases in employment, whether by existing local businesses expanding and adding workers or by business relocations or start-ups.

In the Coos/Curry County region employment is expected to grow at an average annual rate of 1.0% reaching 33,620 as job growth forecast and business opportunities translate into land demand forecasts. Coos Bay has an insufficient 20-year supply of industrial and employment land to satisfy projected demand.

Coos Bay has an overall shortage of approximately 53 acres of industrial land and an overall shortage of approximately 63 acres of commercial land.

**CONCLUSION:** The decision criteria have been adequately addressed and approval of the proposal can be supported.

**DECISION CRITERIA #3: Evaluation of alternative courses of action and ultimate policy choices.**

- 3a.** The alternative to updating the economic and housing elements of the Comprehensive Plan is to not update these elements. If we were not to update the Plan with current data, goals and policies, we would be remiss in our responsibility to provide adequate residential, commercial and industrial land for the 20-year planning period.

**CONCLUSION:** The City prefers to update the economic and housing elements of the Comprehensive Plan in order to provide adequate land and updated goals/policies for the 20-year planning period. The decision criterion has been adequately addressed and approval of the proposal can be supported. Implementation actions suggested in the goals and policies should be considered.

**DECISION CRITERIA #4: Recommendation of policy directives, based upon consideration of the City's social, economic, energy and environmental needs.**

- 4a.** The existing goal for economic development as discussed in Chapter 7.5 of the Comprehensive Plan states that Coos Bay shall promote and encourage greater commercial and industrial development within its city limits while supporting efforts to diversify and expand the regional economic base.
- 4b.** The existing goal for housing is to provide for the housing need of its citizens by acting to assure the community has an adequate and affordable supply of safe, sanitary and decent housing. The updated analysis sets forth documentation to provide the City with justification for the amount of residential land in each zoning district.

**CONCLUSION:** The decision criterion has been adequately addressed and approval of the proposal can be supported.



## EXHIBIT B

### 1. Chapter 5.3, Economic Development:

#### 5.3 Economic Development

##### Economic Trends

##### National Overview

As of Fall 2008, the economic outlook for Oregon, Coos County and the Coos Bay area is inextricably tied to the U.S. outlook and the global marketplace. As a wave of negative signs gather force in the U.S., policy makers and investors are debating just how much the national economy could be affected in upcoming years. Underpinning much of the economic slowdown is the housing market, which is a year and a half into its response to the mortgage lending crisis and increased home foreclosures. Other recent worries, including rising energy costs, increases in unemployment, tepid job growth, a volatile stock market and declines in consumer spending, indicate a national economy headed for a recession.

The Bureau of Labor Statistics (BLS) tracks economic growth within the US and prepares 10-year growth forecasts based on a general view of the national economy, labor force growth rates, unemployment assumptions, exports and imports, consumer spending and other economic variables. Major trends reported by the BLS include:

- An anticipated annual employment increase of 1.0% through 2016, compared to 1.2% during the 1996 to 2006 time frame. Growth expected to be concentrated in service sectors, with the greatest growth in professional and business services, health care and social assistance. By 2016, service jobs are projected to account for more than three-quarters of all jobs.
- Increase in unemployment from 5.7% in July to 6.1% in August 2008—the highest unemployment rate since September 2003. Continued decline in non-farm payroll employment throughout 2008. The rise in unemployment despite job gains indicates that the labor force is growing faster than the number of jobs.
- Manufacturing sector expected to lose 1.5 million jobs by 2016, compared to a decrease of 3.0 million jobs from 1996 to 2006.
- Civilian labor force expected to grow by 12.8 million persons to reach 164.2 million by 2016. This increase is below that seen from 1996 to 2006, when the civilian labor force grew by 17.5 million.
- Aging “baby boom” population (persons born between 1946 and 1964) adding to the share of labor force over the age of 55 over the next 10 years. Increasingly diverse labor force as share of Hispanics, Asians and African Americans grow through 2016.

##### The Pacific Northwest & Coos County

Three economic regions make up the West Coast, including the Pacific Northwest (Seattle and Portland in the US and Vancouver, British Columbia), Northern California

(San Francisco/Oakland) and Southern California (Los Angeles). Although the Pacific Northwest is the smallest in terms of population and economy, its economic growth rate during the 1990s, as measured by Gross Metropolitan Product (GMP), was nearly double that of other West Coast regions. In 2004, the combined GMP for the region was estimated at \$254.4 billion and made up 16% of GMP for the West Coast.

In Oregon, the Coos/Curry County Region, located along the southern coast, makes up 40% of the state's coastline. Its largest population centers include the Coos Bay-North Bend area in Coos County and the Brookings-Harbor area in Curry County. During the housing boom of the early to mid 2000s, the region's construction-related industries flourished, including wood product, cement/concrete, metals and construction machinery manufacturing and lumber and building materials trade.

Following the recent housing downturn, however, construction and wood product manufacturing employment declined. In Coos County, employment in these industries fell by 80 jobs from 2006 to 2007, with losses surpassing expectations. The professional and business services sector, however, saw greater job losses of 420 jobs, contributing to an overall decline in employment by 230 jobs during that period. Industries with job growth during the 2006 to 2007 timeframe included educational and health services (140 new jobs), leisure and hospitality, government positions and food manufacturing. While the coast has few large manufacturing firms, the 15 firms employing 99 or more persons are concentrated in four industries – food, wood products, paper and fabricated metal product manufacturing. Of these industries, food manufacturing employs the most people (1,240 in 2007) followed by wood products manufacturing with 1,097 jobs.

### **Coos Bay**

In Coos Bay, the area's geography and natural resources play an important role in the economy, from marine activity, to wood product manufacturing and forest management, to recreation and tourism. Local facilities include the Southwestern Oregon Community College, Port of Coos Bay and a state-of-the-art Bay Area medical center, attractive to retirees and the aging population of Oregon's south coast.

As Coos Bay plans for future economic development, these assets present the area with key opportunities for economic growth, including:

- Greater activity at the Port of Coos Bay, with increased bulk container shipments;
- Increase tourism capitalizing on the area's natural beauty and outdoor recreation activities; and
- Growth in the healthcare sector building on the Bay Area Hospital and other local medical care providers, as well as the aging population in the region.

### **Population & Employment Trends**

#### **Population Trends**

Demand for new office, commercial, residential and institutional development and for additional public infrastructure is typically driven by population and employment growth. The socio-economic trend analysis focuses on the Coos Bay/North Bend region shown in Map 1 as the project study area. This study area, reaching from North Bend on the north to Charleston on the south and including the communities of the Empire District

and Eastside, was selected because of the interdependence and similarities of economic activity. Comparisons to the City of Coos Bay, Coos County and the State of Oregon are made where appropriate. The City represents the project planning area, as it is coterminous with the Urban Growth Boundary.

Map 1  
Coos Bay Study Area

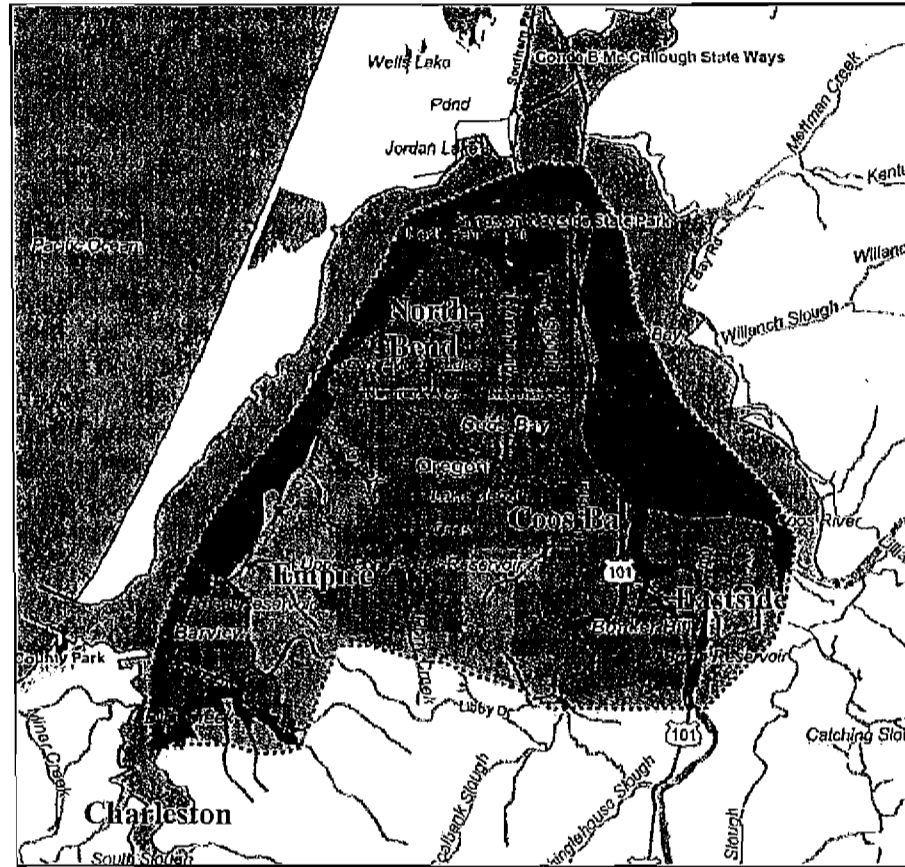


Table 1 displays population growth in the City of Coos Bay, the Coos Bay study area, Coos County and Oregon since 1990. The City of Coos Bay has an estimated population of 16,670 persons and the study area has an estimated 30,447 persons. Between 2000 and 2008, the City grew considerably faster than both the study area and the County over the last eight years, with average annual growth rates of 1.06%, 0.15% and 0.03%, respectively. These rates are all below the growth rate throughout the state (1.44% per year over the same period).

**Table 1**  
**POPULATION GROWTH**  
**City of Coos Bay, Coos Bay Study Area, Coos County and State of Oregon**  
**1990 to 2008**

Geographic Area	Avg. Ann. Change 1990-2000				Avg. Ann. Change 2000-2008		
	1990	2000	Number	Percent	2008 (Estimate)	Number	Percent
City of Coos Bay	15,231	15,372	14	0.09%	16,670	162	1.06%
Coos Bay Study Area	29,210	30,080	87	0.30%	30,447	46	0.15%
Coos County	60,273	62,799	253	0.42%	62,962	20	0.03%
State of Oregon	2,842,321	3,421,399	57,908	2.04%	3,814,725	49,166	1.44%

Source: Census 1990 and 2000; State and Coos Bay Study Area 2008 estimates from ESRI Business Information Solutions; City and County 2008 estimates from City of Coos Bay Housing Needs Analysis by Angelo Planning and based on PSU population estimates

Table 2 provides a demographic snapshot of the City of Coos Bay and the Coos Bay study area with comparisons to Coos County and Oregon. These trends show that:

- Current and historical median household income and per capita income in the City of Coos Bay and the Coos Bay study area are comparable to those of Coos County but below those of the state. Coos Bay median household income in 2008 is \$39,637 and per capita income is \$22,515; study area median household income is \$40,123 and per capita income is \$21,369.
- The city and study area populations are slightly younger than the county population, but older than the population statewide, with median ages of 42.0 years, 42.4 years, 46.4 years and 38.0 years, respectively.
- Educational attainment is lower in the city, study area and county than in Oregon. Approximately 17% of persons age 25 or over in these geographies have four year degrees or more, compared to 27.4% statewide.
- Migration trends are similar across the city, study area, county and state. As of 2000, roughly half of households moved within the last five years (46.9% in Coos County and 55.2% in Oregon).
- The percentage of the Coos Bay population living in poverty in 2000 was 15.8% in the city and 16.7% in the study area, above that of the county (14.8%) and the state (10.8%). The poverty line is based on household type and size and, in 2000, was \$17,463 for a family of four.

Table 2

DEMOGRAPHIC SNAPSHOT  
City of Coos Bay, Coos Bay Study Area, Coos County and State of Oregon

Demographic Indicator	City of Coos Bay	Coos Bay Study Area	Coos County	State of Oregon
Median Household Income				
1990	\$21,334	\$22,280	\$22,146	\$27,250
2000	\$31,240	\$30,942	\$31,629	\$40,947
2008	\$39,637	\$40,123	\$40,692	\$52,474
% Change ('90-'00)	46.4%	38.9%	42.8%	50.3%
% Change ('00-'08)	26.9%	29.7%	28.7%	28.2%
Per Capita Income				
1990	\$11,191	\$11,095	\$11,088	\$13,418
2000	\$18,158	\$16,968	\$17,547	\$20,940
2008	\$22,515	\$21,369	\$22,143	\$27,198
% Change ('90-'00)	62.3%	52.9%	58.3%	56.1%
% Change ('00-'08)	24.0%	25.9%	26.2%	29.9%
Median Age (2008)	42.0	42.4	46.4	38.0
Educational Attainment (2008)				
Four Year Degree or More	17.1%	16.9%	16.7%	27.4%
Associate Degree	7.5%	7.2%	7.7%	7.4%
Moved from 1995 to 2000 (2000)	52.0%	50.8%	46.9%	55.2%
Average Commute Time (2000)	14.0 min	15.2 min	19.9 min	22.2 min
Below Poverty Line (2000)	15.8%	16.7%	14.8%	10.8%

Source: ESRI Business Information Solutions

### Employment Trends

Demand for new office and industrial space is generated by increases in employment, whether by existing local businesses expanding and adding workers or by business relocations or start-ups.

The Oregon Employment Department provides employment estimates and forecasts for several regions across the state. In the Coos/Curry County Region, the Employment Department estimates a total of 30,620 non-farm employees in 2006 (see Table 3). Sectors with the most employment in 2006 included Government (7,650 jobs or 25.0%), Trade, Transportation and Utilities (5,820 jobs or 19.0%), Leisure and Hospitality (3,680 jobs or 12.0%) and Professional and Business Services (3,290 jobs or 10.7%).

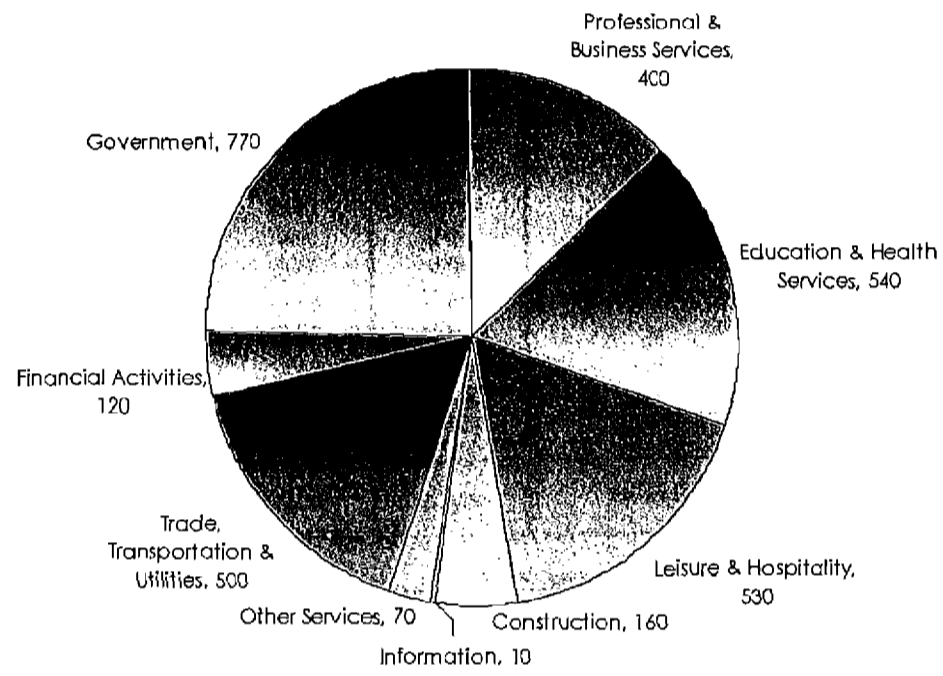
Employment is expected to grow at an average annual rate of 1.0%, reaching 33,620 by 2016. Figure 1 provides growth by economic sector for the Coos/Curry County Region and shows the following highest growth sectors and expected job increases:

- Government (including tribal employment) – 770 new jobs
- Education and Health Services (including assisted-living and nursing homes; does not include retirement housing without health services) – 540 new jobs
- Leisure & Hospitality – 530 new jobs

- Trade, Transportation and Utilities – 500 new jobs

Figure 1

**FORECASTED EMPLOYMENT GROWTH BY SECTOR**  
Coos/Curry County Region  
2006-2016



Source: Oregon Employment Department

**Table 3**  
**NONFARM EMPLOYMENT FORECAST BY SECTOR**  
**Coos/Curry County Region**  
**2006-2016**

Employment Sector	2006	2016	Change	Avg. Ann. % Change
Professional & Business Services	3,290	3,690	400	1.2%
Education & Health Services	2,800	3,340	540	1.9%
Leisure & Hospitality	3,680	4,210	530	1.4%
Construction	1,740	1,900	160	0.9%
Information	390	400	10	0.3%
Other Services	810	880	70	0.9%
Trade, Transportation & Utilities	5,820	6,320	500	0.9%
Financial Activities	1,440	1,560	120	0.8%
Government	7,650	8,420	770	1.0%
Manufacturing	2,250	2,180	-70	-0.3%
Natural Resources & Mining	750	720	-30	-0.4%
<b>Total Non-farm Employment</b>	<b>30,620</b>	<b>33,620</b>	<b>3,000</b>	<b>1.0%</b>

Source: Oregon Employment Department

In the Coos Bay study area, nonfarm employment is estimated at 16,360 in 2008, with approximately 64%, or 10,519 jobs located in the City of Coos Bay, according to a business summary report from ESRI Business Information Solutions. ESRI is a proprietary data service that collects updated economic data through public and private sources for use in geographic information systems (GIS)<sup>1</sup>. Largest employment sectors in the Coos Bay study Area include Services (8,917 jobs or 54.5% of total jobs), Retail Trade (2,623 jobs or 16.0%) and Government (976 jobs or 6.0%). Table 4 lists major employers in Coos County.

<sup>1</sup> <http://www.esri.com/industries/business/index.html>

**Table 4**  
**Local Employment Base**  
**Largest Employers**  
**2008**

Employer & Location	Type	Number of Employees
Bay Area Hospital, Coos Bay	Medical	1,040
CEDCE/The Mill Casino, North Bend	Entertainment	563
Affiliated Computer Services, Coos Bay	Services	534
Bandon Dunes, Bandon	Entertainment	527
Southwest Oregon Community College, Coos Bay	Education	405
Wal-Mart, Coos Bay	Retail	401
Coos County, Coquille	Government	384
Coos Bay School District, Coos Bay	Education	307
Roseburg Forest Products, Coquille	Manufacturing	320
North Bend Medical Center	Medical	242
North Bend School District	Education	225
South Coast ESD	Education	220
US Coast Guard, Coos Bay	Government	210
Safeway, Coos Bay	Retail	160
Fred Meyer, Coos Bay	Retail	156
Oregon Resources	Mining	60 (expected)
Georgia Pacific	Manufacturing	65

Source: South Coast Development Council and Marketek, Inc.



## Target Industries

### Regional Business Clusters

The Oregon Economic and Community Development Department conducted a Regional Trade Cluster Analysis for Coos, Curry and Douglas Counties in 2007 to identify major business clusters in the region. Clusters were classified as "high growth," "established" or "emerging." High growth clusters are defined as those with employment over 500, with positive average wage growth from 2001 to 2006 and with an employment growth rate that exceeded the region's overall employment growth rate from 2001 to 2006. Established clusters were those with employment over 500 and positive employment growth or positive wage growth. Emerging clusters had positive employment growth *and* positive wage growth.

High growth clusters included Transportation Equipment & Parts and Business Services. Logistics & Distribution was the top ranked established cluster and Agricultural Products was the top emerging cluster. Table 5 provides the findings of this research.

Table 5

#### Coos, Curry and Douglas County Business Clusters

<b>High Growth Clusters: High Employment, Increase in Wages, High Employment Growth Rate</b>
Transportation Equipment & Parts (including barges) Business Services
<b>Established Clusters: High Employment, Increase in Wages or Increase in Employment</b>
Logistics & Distribution Metals Processed Food & Beverage Products Wood & Other Forest Products
<b>Emerging Clusters: Increase in Wages and Increase in Employment</b>
Agriculture Products Medical Products Electronics & Advanced Materials Information Technology

Source: Oregon Economic and Community Development Department

### **Coos Bay Targets**

Identifying Coos Bay's target industries over the next 20 years should reflect a realistic combination of community goals and aspirations, the current local and county employment base and Coos Bay's assets and challenges in the context of the regional business clusters described above. A synopsis of industrial and commercial targets follows, based on research and local and agency interviews.

- Water-dependent industries and enterprises
- Industries that don't require access to Interstate 5
- Businesses relating to outdoor recreation
- Wood products and commercial fishing industries
- Solar and metal fabrication
- Technology industries dependent on location near fiber optic lines
- Tourism

## Coos Bay Land Demand

### Employment Forecasts

Job growth forecasts and business cluster opportunities discussed above translate into land demand forecasts. The analysis used for this study breaks employment into three general classifications for land: (1) Industrial, including construction & mining, manufacturing, transportation, communications & utilities and wholesale trade; (2) Commercial/Service, including retail trade, finance, insurance and real estate and services; and (3) Institutional/Government jobs. A fourth category – other/uncovered employment – is included to take into account home-based employment not included in employment counts; this factor is assumed to be 5% of covered employment (based on standards from the Department of Land Conservation & Development's *Industrial & Other Employment Lands Analysis Guidebook*).

Table 6 displays estimated employment by type for the City of Coos Bay, the Coos Bay study area and the Coos/Curry County Region as of 2008 (estimated from ESRI Business Information Solutions). As shown, the Coos Bay study area contained 53.9% of total employment in Coos and Curry Counties in 2008. The City of Coos Bay accounts for approximately 64% of the Coos Bay study area, and 35% of total employment in Coos & Curry Counties.

Table 6

EMPLOYMENT BY TYPE  
City of Coos Bay, Coos Bay Study Area and Coos & Curry Counties  
2008

Employment Type	City of Coos Bay	Coos Bay Study Area	Coos & Curry Counties	Study Area Share	City of Coos Bay Share
Construction & Mining	387	550	1,326	41%	29%
Manufacturing	527	574	2,263	25%	23%
Transportation, Communication & Utilities (TCU)	414	556	931	60%	44%
Wholesale Trade	199	370	773	48%	26%
<b>Industrial Jobs</b>	<b>1,527</b>	<b>2,050</b>	<b>5,293</b>	<b>39%</b>	<b>29%</b>
Retail Trade	2,286	2,623	4,638	57%	49%
Finance, Insurance & Real Estate (FIRE)	474	797	1,642	49%	29%
Information	177	218	384	57%	46%
Services	5,268	8,917	15,175	59%	35%
<b>Commercial/Service Jobs</b>	<b>8,205</b>	<b>12,555</b>	<b>21,839</b>	<b>57%</b>	<b>38%</b>
Government	286	976	1,761	55%	16%
Other/Uncovered (5% of covered jobs)	501	779	1,445	54%	35%
<b>Total Nonfarm Employment</b>	<b>10,519</b>	<b>16,360</b>	<b>30,338</b>	<b>54%</b>	<b>35%</b>

Source: ESRI Business Information Solutions

To estimate increases in employment in the Coos Bay study area through 2029, Oregon Employment Department projections for the Coos/Curry County Region were used. Based on average annual increases in employment for Coos and Curry Counties from 2006 to 2016, employment by sector in 2029 was estimated for the county. The City of Coos Bay share or "capture" of county jobs in 2008 (from Table 6) was then used to determine potential employment or the employment capture in the area in 2029 (see Table 7).

Table 7

**EMPLOYMENT PROJECTIONS BY TYPE**  
City of Coos Bay and Coos & Curry Counties  
2008-2029

Employment Type	2016 Projected Employment in Coos & Curry Counties	Avg. Annual Increase (2006-2016)	2029 Projected Employment in Coos & Curry Counties	Total Increase (2006-2029)	2008 City of Coos Bay Share	2029 City of Coos Bay Projected Employment	Change in Employment City of Coos Bay (2008-2029)
Construction & Mining	2,620	13	2,789	299	29%	474	87
Manufacturing	2,180	-7	2,089	-161	23%	490	-37
TCU	1,230	6	1,308	138	44%	475	61
Wholesale Trade	520	3	559	69	26%	217	18
Industrial Jobs	6,550	15	6,745	345	29%	1,656	123
Retail Trade	4,570	41	5,103	943	49%	2,751	465
FIRE	1,560	12	1,716	276	29%	554	80
Information	400	1	413	23	46%	188	11
Services	12,120	154	14,122	3,542	35%	6,498	1,230
Commercial/Service Jobs	18,650	208	21,354	4,784	38%	9,990	1,785
Government	8,420	77	9,421	1,771	16%	574	288
Other/Uncovered	1,681	15	1,876	431	35%	650	150
<b>Total Nonfarm Employment</b>	<b>35,301</b>	<b>315</b>	<b>39,396</b>	<b>7,331</b>	<b>35%</b>	<b>12,870</b>	<b>2,351</b>

Source: Oregon Employment Department; ESRI Business Information Solutions

As shown, the City of Coos Bay is projected to have approximately 12,870 jobs in 2029, an increase of 2,351 jobs, or approximately 23% over the 2008 number. Table 8 summarizes projected population changes for the city, study area and county over the next 22 years, estimated by Angelo Planning for the Coos Bay Housing Needs Analysis and based on anticipated growth rates from the Oregon Office of Economic Analysis (OEA) housed within the Oregon Economic and Community Development Department (OECDD). According to the OEA, the City of Coos Bay is expected to grow at an average annual rate of 0.10% to reach 17,018 in 2029. This growth rate is less than the average annual growth rate of 1.06% between 2000 and 2008 presented in Table 1, which represents historical growth. The study area is forecasted to reach 31,256 persons and the County to reach 64,634 persons.

Notably, employment within the study area is projected to grow at a considerably higher rate than the population over the next twenty years. This is in part due to the fact that the laborshed, especially on the coast, is larger than the study area or County, so the City of Coos Bay's employment may grow at a faster rate than its population. Another factor is the use of different sources for forecasting. Population forecasts are based on Office of Economic Analysis projected growth rates, while employment forecasts are based on Employment Department projections.

Table 8

**POPULATION PROJECTIONS**  
**City of Coos Bay, Coos Bay Study Area and Coos County**  
**2008 to 2029**

	2008 (Estimate)	2029 (Forecast)	Avg. Annual % Increase
City of Coos Bay	16,670	17,018	0.10%
Coos Bay Study Area	30,447	31,256	0.13%
Coos County	62,962	64,634	0.13%

Source: City of Coos Bay Housing Needs Analysis by Angelo Planning;  
 Forecasts based on current Office of Economic Analysis projected growth rates

**Coos Bay Retail Potential**

This section reports Marketek’s estimate of potential demand for additional retail and restaurant space in the Coos Bay study area. Potential demand for new space is generated based on two sources. The first, “existing demand,” is demand for retail goods by current study area households that is now being met outside of the study area. The second, “future demand,” is demand for retail space based on projected household growth within the study area over the next ten years. In each case, household expenditure trends (from the Bureau of Labor Statistics’ Consumer Expenditure Surveys) by type of merchandise are applied to study area population figures to obtain potential sales volume by study area residents. Estimates of sales per square foot of store space (derived from the Urban Land Institute’s *Dollar and Cents of Shopping Centers*) are then used to convert sales potential to supportable space estimates.

Table 9 shows potential and future demand for retail space by type of merchandise. The only merchandise category with existing demand for additional space is home improvement, specifically building supplies and garden equipment and supplies, which showed potential demand for an additional 12,824 square feet of store space. In other merchandise categories, supply in the Coos Bay study area is greater than demand by study area residents, meaning that the area is drawing shoppers who live outside its boundaries.

Household growth in the study area through 2018 is estimated to generate demand for 81,289 square feet of new retail space throughout the study area. Most of the future demand – 36,100 square feet – is for shoppers goods (i.e., apparel, home furnishings, home improvement goods or other specialty retail items). There is potential demand for an additional 20,056 square feet of store space for convenience goods, such as groceries and pharmaceuticals. Demand for restaurants/entertainment is the next highest, with the potential for an additional 18,869 square feet of space through 2018.

Together, existing and future demand show potential support for an additional 94,113 square feet of new retail space in the Coos Bay study area over the next ten years. This demand estimate accounts for most but not all commercial potential. Some sales are inevitably linked to persons living outside of the study area as well. These other markets include tourists/visitors to the area, households living nearby that come to the study area

to shop and employees working in Coos Bay businesses who visit area stores and restaurants on lunch breaks or before or after work. Visitor spending tends to be highest for restaurant and bars, entertainment and convenience goods and, in 2007, was estimated at \$193 million for Coos County, up from \$137.4 million in 2000.

Coos Bay's ability to capture potential demand is based on the availability of quality commercial space and emphasis on understanding the retail niches that are needed and aggressive marketing to the local resident population.

**Table 9**  
**SUMMARY OF POTENTIAL SUPPORTABLE RETAIL SPACE**  
**Coos Bay Study Area**  
**2008-2018**

Merchandise/Service Category	Existing Demand (SF)	Future Demand (SF)	Total New Supportable Space (SF)
<b>Shoppers Goods</b>			
Apparel	0	9,914	9,914
Home Furnishings	0	7,737	7,737
Home Improvement	12,824	8,603	21,427
Misc. Specialty Retail	0	9,846	9,846
<b>Subtotal</b>	<b>12,824</b>	<b>36,100</b>	<b>48,924</b>
<b>Convenience Goods</b>			
Grocery	0	16,653	16,653
Health & Personal Care	0	3,403	3,403
<b>Subtotal</b>	<b>0</b>	<b>20,056</b>	<b>20,056</b>
Restaurants	0	14,176	14,176
Entertainment	0	4,693	4,693
Personal Services	0	6,264	6,264
<b>Total</b>	<b>12,824</b>	<b>81,289</b>	<b>94,113</b>

Source: ESRI; Urban Land Institute; Markelek, Inc.

### Land Demand Estimate

Table 10 outlines the methodology for estimating demand for vacant land for new commercial and industrial development based on employment growth forecasts for the City of Coos Bay. Based on employee per acre standards from the Oregon Department of Land Conservation and Development *Industrial and Other Employment Lands Analysis Guidebook*, employment forecasts were translated to acres of land needed to accommodate employment growth. Infill and land redevelopment will absorb some of this need for space and the remaining space will be developed on currently vacant land. Based on consultation with the City and local economic development organizations, and through COC's experience working on redevelopment and revitalization projects and research conducted on similar standards from Urban Land Institute case studies and other planning agencies, such as Metro, COC estimates that 25% of service and office

job growth will occur on existing sites with the balance (75%) of anticipated new development on vacant land. For retail uses, the infill redevelopment rate is estimated at 50%. For this study, a redevelopment rate of 30% was used for Commercial/Service jobs and a redevelopment rate of 25% for Government and Other employment. Redevelopment rates for industrial land vary considerably. This analysis assumes a redevelopment rate of 0% - i.e., that any new employment on redeveloped parcels will be offset by existing employment moving to new sites. This means with regard to new industrial development, an equal amount will occur on infill sites as will occur from existing industry expanding on industrial land.

Additional land will be required for public roads, utilities, easements and other types of public infrastructure. COC assumes 25% of total gross buildable land area is allotted to such public facilities. This assumption was considered reasonable by City staff based on guidelines provided in the DLCD *guidebook*. The adjustment results in an estimated need for 200 acres of vacant land based on anticipated employment growth in the City of Coos Bay.

The analysis shows that there will be an estimated need for 271 acres of total employment land in Coos Bay through 2029. Approximately 200 acres of this need will be for vacant land to accommodate forecasted employment in the City of Coos Bay. Note that the demand for 23 acres of vacant land for "other" employment includes sole proprietorships and other forms of uncovered employment not included in Oregon Employment Department estimates.

Table 10

**20 YEAR LAND DEMAND ANALYSIS**  
City of Coos Bay  
Through 2029

Type	Employment Growth Forecast (1)	Employees per Acre (2)	Land Needed (acres) (3)	Adjusted Land Needed (acres) (4)	% Vacant Land (5)	Vacant Land Needed (acres) (6)
Industrial	129	8	16	20	100%	20
Commercial/Service	1,785	14	127	159	70%	112
Government	288	6	48	60	75%	45
Other	150	6	25	31	75%	23
<b>Total</b>	<b>2,351</b>		<b>216</b>	<b>271</b>		<b>200</b>

(1) Increase in employment from 2008 to 2029 from Tables 6 and 7.

(2) Employees per acre from *Employment Lands Analysis Guidebook*.

(3) Employment growth divided by employees per acre standard.

(4) Land needed plus an additional 25% for public infrastructure.

(5) Estimated percentage of employment growth that will occur on vacant land rather than through infill/redevelopment.

(6) Adjusted land needed multiplied by percentage of vacant land needed.

Source: Marketek, Inc.; *Industrial and Other Employment Lands Analysis Guidebook*; Metro 2002-2022  
Urban Growth Report

The near-term land requirements (i.e., land needed over the 2009 to 2014 period) are estimated to be a third of the total vacant land needed through 2029. According to the *Guidebook*, this estimate will allow for a competitive land supply allowing tenants to choose between a variety of locations that meet their site needs. Table 11 summarizes near- and long-term demands for total and vacant land by employment type. Through 2014, 90 total acres of employment land will be needed, with 66 acres of that for vacant. Approximately 271 total acres will be needed through 2029, with 200 acres of that for vacant land. Of this demand, the majority is for commercial/service or government land (including employment on American Indian reservations). Together these uses will demand 75 acres of land (83% of all land demanded) in the near-term and 219 acres (83%) in the long-term.

Table 11

**SUMMARY OF INDUSTRIAL AND COMMERCIAL  
LAND REQUIRED THROUGH 2029  
Coos Bay Study Area**

Type	Near-Term Land Required (2009 to 2014)	Near-Term Vacant Land Required (2009 to 2014)	Long-Term Land Required (2009 to 2029)	Long-Term Vacant Land Required (2009 to 2029)
Industrial	7	7	20	20
Commercial/Service	40	28	159	111
Government	35	27	60	45
Other	8	6	31	23
<b>Total</b>	<b>90</b>	<b>66</b>	<b>271</b>	<b>200</b>

**Existing Industrial and Commercial Land Supply**

In accordance with OAR 660-009-0015(3), the following summarizes the existing industrial and commercial land supply for the City of Coos Bay.

COC worked closely with the City's Public Works and Engineering Department and Planning staff to conduct an inventory of existing buildable industrial and commercial lands in Coos Bay.

Using guidance from DLCDC's *Industrial and Other Employment Lands Analysis Guidebook (2005)* and agency staff, and in accordance with OAR 660-009-0015(3)(a)(A-C), the City created a base inventory consisting of select industrial and commercial parcels within Coos Bay's Urban Growth Boundary (UGB) using a tax assessor's database provided by Coos County.

The inventory consists of the following:

- **Vacant Industrial and Commercial Parcels.** Industrial and commercial properties within the UGB that have zero improvement value.
- **Potentially Redevelopable and Underutilized Parcels (infill).** Industrial and commercial properties that meet at least one of the following criteria:
  - The improvement value is less than \$10,000.



- o The ratio of assessed improvement value to land value is less than one.

The inventory does not include schools, cemeteries, federal/tribal land, tidelands and City parks. The City determined these lands to be permanently unbuildable.

The above methodology yielded an initial inventory of 368 industrial and commercial parcels, comprising approximately 350 acres. Following discussions with the City of Coos Bay, Advisory Committee Team Members, and through COC's field analysis, 45 parcels, comprising approximately 170 acres were eliminated from the inventory. This was primarily due to some inaccuracy of parcel status in the County's tax assessment records. Table 12 provides an updated aggregate inventory of acreage by type.

Table 12  
AGGREGATE INVENTORY OF BUILDABLE INDUSTRIAL AND  
COMMERCIAL LANDS WITH COOS BAY UGB

Parcels by Type	Industrial		Commercial		Total	
	Parcels	Acreage	Parcels	Acreage	Parcels	Acreage
Vacant	48	14.83	224	155.37	272	170.20
Redevelopable/Infill	3	2.44	48	7.57	51	10.01
<b>Total</b>	<b>51</b>	<b>17.27</b>	<b>272</b>	<b>162.94</b>	<b>323</b>	<b>180.21</b>

In summary, there are approximately 180.21 gross acres of buildable industrial and commercial land within Coos Bay's UGB, comprising 323 parcels.

Table 13 provides a breakdown of parcels by City of Coos Bay zoning designation.

Table 13  
AGGREGATE INVENTORY OF BUILDABLE INDUSTRIAL AND  
COMMERCIAL LANDS WITH COOS BAY UGB BY CITY ZONING DESIGNATION

Coos Bay Zone	Parcels	Gross Acreage
C1 Central Commercial	25	3.54
C2 General Commercial	172	115.74
IC Industrial/Commercial	79	36.76
WH Waterfront Heritage	11	13.95
W-I Waterfront Industrial	36	10.22
<b>Total</b>	<b>323</b>	<b>180.21</b>

DLCD specifies guidelines for eliminating acreage affected by near- and long-term constraints. The analysis currently includes the following constraints and their respective acreage:

- **Wetlands.** The City of Coos Bay does not currently have a local (Goal 5) wetlands inventory. For the purposes of this analysis, the City utilized data from the National Wetlands Inventory (NWI) to determine the presence of wetlands. Given the inaccuracy of the NWI, the amount of affected acreage was reduced by half, as per guidance from DLCD. This amount was removed from the parcel acreage, leaving an effective net-buildable acreage.

- **Steep Slope.** The City calculated the amount of parcel acreage affected by slope with a grade above 25%. This amount was removed from the parcel acreage, leaving an effective net-buildable acreage.

Additionally, there are three relevant constraints that should be recognized as having potential long-term implications to site suitability:

- **Tsunami Inundation.** The City determined the affected area for potential tsunami inundation. This area is illustrated on the BLI map, but not removed from the aggregate inventory as an environmental constraint due to potential mitigation measures and will be addressed through policy and code provisions on a parcel by parcel basis.
- **Estuary.** This area is designated in the Coos Bay Estuary Comprehensive Plan Element. Policies relating to areas affected by the Estuary are addressed in the Estuary Plan Element. The affected area is not illustrated on the BLI map due to it being entirely contained in the Tsunami Inundation Zone.
- **100-year Flood Plain.** The City acquired recent Federal Emergency Management Agency (FEMA) 100-year floodplain data for Coos Bay. This area was not removed from the aggregate inventory as an environmental constraint due to potential mitigation measures and will be addressed through policy and code provisions on a parcel by parcel basis.

Table 14 provides "net" industrial and commercial lands and the amount of constrained acreage.

Table 14  
NET BUILDABLE INDUSTRIAL AND COMMERCIAL LAND  
WITH LONG-TERM CONSTRAINTS REMOVED (ACRES)

Land by Zone	Parcels	Acres	Constraints (Acres)		Buildable Acres	Vacant Land	Potentially Redevelopable
			Wetlands	Slope			
Industrial	51	17.27	2.18	2.32	12.77	11.25	1.52
Commercial	272	162.95	4.88	16.11	141.96	134.51	7.45
<b>Total</b>	<b>323</b>	<b>180.22</b>	<b>7.06</b>	<b>18.43</b>	<b>154.73</b>	<b>145.76</b>	<b>8.97</b>

Approximately 7.06 acres of available industrial and commercial land are constrained by wetlands and 18.43 acres are constrained by steep slope above a 25% grade.

By removing environmental constraints, there are approximately 154.73 acres of net buildable industrial and commercial acres inside Coos Bay's UGB, with 12.77 acres of industrial lands and 141.96 acres of commercial land.

Approximately 145.76 acres of this net buildable land is vacant, and the remaining approximately 8.97 acres is redevelopable/infill land.

Buildable lands can be classified by size according to the following thresholds:

- **Small Sites:** Less than one acre
- **Standard Sites:** 1- 10 acres

- **Large Sites:** Above 10 acres

Table 15 provides buildable industrial and commercial sites by size.

**Table 15**  
**BUILDABLE INDUSTRIAL AND COMMERCIAL SITES BY SIZE**

Available Land by Zone	Total Sites		Large Sites		Standard Sites		Small Sites	
	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres
Industrial	51	12.78	0	0	1	1.10	50	11.68
Commercial	272	141.96	3	32.01	19	49.76	250	60.18
<b>Total</b>	<b>323</b>	<b>154.73</b>	<b>3</b>	<b>32.01</b>	<b>20</b>	<b>50.86</b>	<b>300</b>	<b>71.86</b>

As the table illustrates, there are three large sites (32.01 acres, all commercial), 19 standard sites (50.86 acres) and 300 small sites (71.86 acres). Given the high number of small sites, to fully utilize this land for industrial and commercial purposes will require assembly of smaller, contiguous parcels into larger sites.

Table 16 provides a summary of buildable acres by land use type and corresponding zoning designation.

**Table 16**  
**BUILDABLE INDUSTRIAL AND COMMERCIAL ACREAGE BY LAND USE TYPE AND ZONING DESIGNATION**

Land Use Type	Coos Bay Zoning Designation (Acres)					Total
	C1	C2	IC	WH	W-I	
Industrial	0.00	0.00	4.96	0.00	7.82	<b>12.78</b>
Commercial	3.52	102.68	24.04	11.70	0.00	<b>141.94</b>
<b>Total</b>	<b>3.52</b>	<b>102.68</b>	<b>29.00</b>	<b>11.70</b>	<b>7.82</b>	<b>154.72</b>

As outlined in the above table, most of Coos Bay's buildable land is allocated as Commercial (141.94 acres), while the 12.78 acres on industrial is distributed among Industrial Commercial (IC) and Waterfront-Industrial (W-I).

The following Buildable Lands Inventory map illustrates buildable employment land in Coos Bay:



In 2008, members of the City of Coos Bay Planning Commission conducted a separate field analysis to further assess the viability of each industrial site identified in the Buildable Lands Inventory based on the following criteria:

- Ownership pattern
- Local knowledge of the area
- Property location
- Transportation access
- Parcel size
- Site utilization factor

Planning Commission members identified 18 total industrial parcels comprising 17.3 acres considered viable for use. A breakdown of these viable parcels by their respective industrial zone is presented in the following table and map:

**Table 17  
BUILDABLE INDUSTRIAL AND COMMERCIAL ACREAGE BY LAND USE TYPE AND ZONING DESIGNATION**

Industrial Zone	Viable Parcels	Acres
I-C Industrial Commercial	10	12.8
W-I Waterfront-Industrial	8	4.5
<b>Total</b>	<b>18</b>	<b>17.3</b>

There is a difference of approximately 4.5 acres comprising 33 parcels between the inventory and the Planning Commissioner's field analysis. This is primarily due to a discrepancy in the Comprehensive Plan designation for certain parcels in the Industrial-Commercial (I-C) zone. According to the City's zoning code, the I-C zone encompasses both commercial and industrial uses. However, the BLI inventories land according to Comprehensive Plan designation. Given this, some I-C parcels are designated as commercial, while others are designated as industrial. The Planning Commissioner's field analysis assumes all I-C parcels have an industrial comprehensive plan designation. The City has outlined an implementation policy as part of this analysis that more discreetly separates commercial and industrial uses in the zoning code according to Comprehensive Plan designation.

These sites should be carefully evaluated in an alternatives analysis associated with any future UGB expansion.



**Reconciliation of Land Demand and Supply**

This section compares the near- and long-term demand for industrial and employment land with the existing supply of industrial and commercial acreage as identified through the Buildable Lands Inventory (BLI). The purpose of the reconciliation is to assess whether the City of Coos Bay has an adequate supply of suitable industrial and employment land to satisfy projected demand for the next 20 years, and serve as a basis for determining Urban Growth Boundary (UGB) expansion or other policy measures to increase the available industrial and employment land supply.

Table 18 compares the existing supply of buildable vacant industrial and commercial acreage with the projected 5-year land needs (near-term) identified in Table 11, Coos Bay currently has an overall near-term surplus of 79.76 acres of vacant land. This consists of approximately 89.51 acres of commercial land, offset by a 9.75 acre deficit of industrial land. More importantly, there is an overall long-term shortage of 54.24 acres consisting of 52.25 acres of industrial and 1.99 acres of commercial. This reconciliation assumes that government is an employment need that is potentially met by industrial and commercial land. Since Coos Bay does not have a zone specifically for government use, land demand allocated to government and other uses, comprising approximately 97 acres, was redistributed equally among industrial and commercial land needs.

Table 18  
RECONCILIATION OF LAND DEMAND AND SUPPLY FOR VACANT LAND

Land by Zone	Vacant Acres	Near-term		Long-term	
		Needed Acres	Surplus/ (Shortage)	Needed Acres	Surplus/ (Shortage)
Industrial*	11.25	21	(9.75)	63.5	(52.25)
Commercial*	134.51	45	89.51	136.5	(1.99)
<b>Total</b>	<b>145.76</b>	<b>66</b>	<b>79.76</b>	<b>200</b>	<b>(54.24)</b>

\* Land needed for "other" and "government" has been equally allocated to industrial and commercial need

Table 19 provides an overall breakdown of land needs by assumed parcel size. The overall land needs considers redevelopable/infill land in addition to vacant land.

COC and Marketek assumed the following parcel sizes for allocating acreage based on typical need by plan designation:

- **Small** = Parcels less than 1.0 acre, with an average size of .5 acres/parcel
- **Standard** = Parcels greater than 1.0 acre, but less than 10.0 acres, with an average size of 5 acres/parcel
- **Large** = Parcels greater than 10.0 acres, with an average size of 10.0 acres/parcel

Needed acreage was distributed by parcel size and compared to the current supply by parcel size (Table 15) to determine a net surplus or shortage by parcel size.

Table 19  
**OVERALL NEAR- AND LONG-TERM EMPLOYMENT LAND NEED BY PARCEL SIZE**

Parcel Size	Near-term		Long-term		Vacant Parcels	Vacant Acres	Redev/ Infill Parcels	Redev/ Infill Acres	Total Parcels	Total Acres	Surplus/ Shortage
	Parcels Needed	Acres Needed	Parcels Needed	Acres Needed							
<b>Industrial</b>											
Small (.5 acres average)	18	9	42	21	47	10.91	3	0.77	50	11.68	(9.31)
Standard (5 acres average)	2	10	5	25	1	1.10	0	0.00	1	1.10	(23.90)
Large (10 acres average)	1	10	2	20	0	0.00	0	0.00	0	0.00	(20.00)
<b>Total</b>	<b>21</b>	<b>29</b>	<b>49</b>	<b>66</b>	<b>48</b>	<b>12.01</b>	<b>3</b>	<b>0.77</b>	<b>51</b>	<b>12.78</b>	<b>(53.22)</b>
<b>Commercial</b>											
Small (.5 acres average)	22	11	60	30	202	52.73	48	7.45	250	60.18	30.18
Standard (5 acres average)	8	40	25	125	19	49.76	0	0.00	19	49.76	(75.24)
Large (10 acres average)	1	10	5	50	3	32.01	0	0.00	3	32.01	(17.99)
<b>Total</b>	<b>31</b>	<b>61</b>	<b>90</b>	<b>205</b>	<b>224</b>	<b>134.51</b>	<b>48</b>	<b>7.45</b>	<b>272</b>	<b>141.96</b>	<b>(63.04)</b>



### Overall Industrial Land Needs

Coos Bay has an overall shortage of approximately 53.22 acres of industrial land. COC estimates that Coos Bay will need at least one large, two standard, and 12 small industrial parcels in the next 1-5 years to accommodate immediate market demand. Near-term demand accounts for approximately 33% of the projected 20-year industrial land demand. Meeting near-term demand for large parcels may be difficult as there are no large parcels identified in the inventory. A potential strategy may be to aggregate several small parcels to create additional standard or large-sized parcels.

### Overall Commercial Land Needs

Coos Bay has an overall shortage of approximately 63.04 acres of commercial land. Coos Bay is anticipated to have a near-term need for 1 large, 8 standard and 22 small parcels. Again, near-term demand accounts for approximately 33% of the projected 20-year demand for commercial land. Accommodating near-term demand for large parcels is particularly significant as Coos Bay seeks to attract larger-sized commercial retailers to satisfy and better localize demand for goods.

### Conclusion

Based on the reconciliation above, Coos Bay has an insufficient 20-year supply of industrial and employment land to satisfy projected demand.

Considering that the City is in need of immediate, near and longer-term industrial and employment land, consideration of rezoning and/or UGB expansion is warranted.

### Implementation

Goal 1: Encourage and support economic growth.	
	Policy
1.1	Enhance Coos Bay's role as a hub for support services for the south coast, commercial, financial, real estate, professional services (engineering, architecture), housing, etc.
1.2	Encourage and support assembly of small, contiguous industrial and commercial parcels into suitable sizes utilizing city-initiated efforts, such as the use of urban renewal, public private partnerships and real estate negotiation, site clearance assistance and brownfield remediation.
1.3	Collaborate both locally and regionally to provide an adequate supply of industrial land.
1.4	Focus industrial growth toward areas viable for industrial use; consider rezoning less viable industrial lands for redevelopment consistent with the City's overall vision and emerging market trends.
Action 1.4.1	Considering revising the City's Industrial-Commercial Zone (I-C) to ensure industrial use, including possible minimum use requirements for industrial, or more condition uses for commercial.
1.5	Support and cooperate with community and regional partners to encourage economic growth.

<b>Goal 2: Maintain and expand a diversified economy.</b>	
	<b>Policy</b>
<b>2.1</b>	Encourage expansion of recreational, cultural and eco-tourism industries by supporting, enhancing and expanding amenities and infrastructure from waterfront development to lodging options, including shopping, arts and entertainment.
<b>2.2</b>	Direct public investments toward creating an attractive downtown and waterfront setting that enhances Coos Bay and the Empire districts as areas where people want to live and do businesses.
<b>2.3</b>	Pursue the implementation of the Hollering Place Master Plan, adopted December 2, 2008, to create a public activity area on the waterfront that serves residents and visitors; rebuild the dilapidated dock to promote more water-related activities; and, complement surrounding properties while connecting with the existing business district. Redevelopment of the site will require a plan amendment from industrial to commercial or mixed-use.
<b>2.4</b>	Investigate expansion of the City's urban growth boundary to address the shortfall of industrial lands.
<b>2.5</b>	Pursue new industrial opportunities while supporting existing industrial uses.

<b>Goal 3: Recruit service-oriented businesses.</b>	
	<b>Policy</b>
<b>3.1</b>	Continue to offer programs that encourage business development and retention
<b>3.2</b>	Continue to facilitate efforts to enhance Coos Bay as a medical center for the surrounding area.
<b>3.3</b>	Continue to enhance our core area as a place to do business.

<b>Goal 4: Work to retain, expand and strengthen existing local businesses.</b>	
	<b>Policy</b>
<b>4.1</b>	Continue to support the creation of outdoor public gathering spaces as a way to strengthen community interaction with local businesses.
<b>4.2</b>	Continue to offer programs that strengthen local businesses.

4.3	Facilitate business investment and development by offering programs to fit their needs.
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**Goal 5: Recruit sustainable industries and industries that provide "green-collar" jobs.**

	<b>Policy</b>
5.1	Continue to support the Community College and other regional partners on workforce training and marketing efforts.
5.2	Create a sustainability action plan that identifies clear strategies and collaborative partnerships to help recruit and locate green and sustainable industries in Coos Bay.

**Goal 6: Maximize use of Coos Bay's unique geographic and recreational assets and cultural heritage.**

	<b>Policy</b>
6.1	Maximize the potential uses and benefits the waterfront and deep-water port offers to the city and region as a whole.
6.2	Support the Port of Coos Bay in its development efforts for transportation linkage and to develop a deep-draft channel to accommodate large cargo vessels and increase shipping activities and water-dependent uses.
6.3	Promote the waterfront as key to a recreational center and opportunity to increase awareness of Coos Bay's rich maritime and logging history.
6.4	Promote the development of walking and bike trails throughout the City, ultimately linking with our neighbors, and continue to work towards the Coos Bay Waterfront Walkway to the North Bend Boardwalk for the mutual benefit of area residents, businesses and visitors.
6.5	Promote eco-tourism activities and the exploration and enjoyment of our natural surroundings.

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**Appendix A**

**Economic Assets, Opportunities and Challenges**

Interviews with 12 Coos Bay community and economic leaders, an August 2008 site visit and the professional observations of the Coos Bay EOA consultant team provided insight and perspective to the synopsis of Coos Bay's economic strengths and weaknesses in the table below.

Although a host of factors influence the decision process for business expansion and attraction, among the key considerations are:

- Location and proximity to customers
- Labor costs and skills
- Business climate
- Industrial buildings and sites
- Size of community
- Transportation access
- Infrastructure
- Cost of doing business

The following represents perspectives from interviews with 12 community and economic development leaders in the Coos Bay area:

<b>Physical Attributes</b>	
<b>Assets/Opportunities</b>	<b>Issues/Challenges</b>
Completion of Southwest Oregon Regional Airport terminal expansion. Coos Bay harbor is well-positioned to serve as a regional marine trade center. Port of Coos Bay plans to expand marine terminal capacity to handle intermodal containers & bulk commodities are dependent in part on increasing channel depth and width, up to 10 years out.	Transportation infrastructure challenges: Lack of interstate access is impediment to trucking. Businesses highly dependent on truck transportation or access to the freeway are unlikely to locate in Coos Bay. Main rail line to Eugene has been discontinued with needed bridge repairs; 800 coastal jobs and development of key industrial sites depend on rail.
Coos Bay waterfront development is an attraction and continues to improve.	Coos Bay's physical image somewhat 'depressed.' Highway 101 in need of beautification.
<b>Business Climate</b>	
<b>Assets/Opportunities</b>	<b>Issues/Challenges</b>
Local job opportunities more stable than historically through Mill Casino, Bandon Dunes and economic diversification. Southwestern Oregon Community College is an important partner to area business w/ focused Career Pathways and Industry Cluster Programs.	Declining school enrollments, #s of graduates and working age population. Attracting white collar professionals and some highly skilled industrial workers noted as a challenge.
Multiple economic development partners and collaborative leadership in the Coos Bay region.	Limited served, developable marketable industrial sites or buildings; inventory of industrial land scarce. Environmental and parcel size constraints often limit or significantly constrain development.

Residential and visitor markets are growing. Excellent community exposure with 21,300 average daily vehicle traffic ('07) on Hwy 101 at north city limits	Relatively small population base and low anticipated rate of growth (<1.0%/yr) will limit additional commercial expansion.
Served by electric (Pacific Power, Coos-Curry Electric, Central Lincoln PUD) and natural gas (NW Natural). Excellent, leading edge fiber system. Trans Pacific Communications Cable comes ashore in Bandon	
Enterprise Zone, Urban Renewal District and Business Incubator, with the South Coast Community College in place.	59 enterprise zones exist statewide, lessening the competitive advantage they offer; additional incentives are needed
Business investment has been steady with only small layoffs recently.	Limited transportation and market access
<b>Business Base: Commercial and Industrial</b>	
<b>Assets/Opportunities</b>	<b>Issues/Challenges</b>
Retail leakage is estimated at \$1.8 million w/in Coos Bay study area, creating opportunities to fill niches. Identified targets include: home improvement, and garden supplies.	Slow growing population base and low incomes do not favor commercial expansion and attraction of big box. Limited sites for large scale, big box commercial.
Relatively diverse economic base—metals, wood products, forestry, with private employment comprising 75%+ of the total. Strong forest/agribusiness industry including forest products, recreational fishing; Employment base is expanding, but at a slower rate than the state overall. Tourism spending in Coos County estimated at \$193.4 million in 2007.	
Opportunity to develop industrial property on the North Spit of lower Coos Bay, outside city limits.	Limited land/building availability for industrial expansion within the City and the study area overall; large lot (10 acre +) not available.
Small-to-mid size parcels and building space (<5,000 SF) are in greatest demand. Flexible commercial/lt. industrial space (20-40k SF) under development at airport.	Missed opportunities to site or expand small-mid-size companies due to limited, served developable land and building inventory.
Retirement population is on the rise with quality medical facilities to support this market.	Attracting medical professionals is hard
Mill Casino recently expanded convention capacity to 500+ breakout room for 200; attracting 25-30 large conferences/year.	Casino recently reduced workforce by 37 due to slow economy.
<b>Business Base: Commercial and Industrial (continued)</b>	
<b>Assets/Opportunities</b>	<b>Issues/Challenges</b>

Tourism has grown at 6.2% annually to \$193.4 mil in visitor spending countywide 2007. Additional recreation-serving businesses and boat docks identified as visitor-related needs.	Majority of tourism jobs are lower skill and lower wage retail and service.
Good base of hospitality services with 970 hotel rooms in Coos Bay, North Bend and Charleston. Recreational tourism growth potential particularly with Bandon Dunes' expansion to 4 courses. Mill Casino just added 92 rooms.	Additional overnight lodging is needed to capture more visitors spending.
<b>Quality of Life</b>	
<b>Assets/Opportunities</b>	<b>Issues/Challenges</b>
Historic downtown Coos Bay has made strides in physical appearance. Recent action plan by Oregon Downtown Development Association provides suggestions.	Downtown vacancies and business mix send a negative message to business prospects. Sprawl on Highway 101 dilutes the potential for downtown's success.
Easy access to highly scenic coastal area; numerous outdoor recreational options (fishing, golfing, kayaking, biking/cycling, dunes) offers affordable price point for vacationing families.	
Relatively affordable cost of living—median home values are considerably lower than Oregon overall: \$166,132, Coos Bay vs. \$280,043.	Owner-occupied housing is very low, 55% compared to 60% for Oregon.

## 2. Chapter 5.4, Housing:

### 5.4 HOUSING

Statewide Planning Goal 10 requires cities to plan for future housing needs. More specifically, it requires them to provide opportunities for the development of adequate numbers of needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of Oregon households. It also requires that they allow for flexibility of housing locations, types and densities. They are required to ensure that there is enough land within their urban growth boundary (UGB) to meet these needs for a 20-year period. The following steps have been taken to ensure that the City of Coos Bay meets these objectives:

- Conducted an inventory of “buildable” land within the City’s UGB that is zoned to allow for housing development.
- Identified long-term (20-year) needs for additional housing, considering the following factors:
  - Recent, current and expected future population trends related to household size, income and age.
  - Housing market characteristics, including the current mix of housing, cost of different types of housing, vacancy rates and other factors.
  - Types of housing allowed by different zoning classifications.
- Compared the supply of land in different zones to the estimated need for housing in each zone to ensure that there is enough land within the City’s UGB and that it is zoned appropriately to meet long-term housing needs.

The remainder of this document describes these efforts and the resulting findings. It is a snapshot in time of the ability of the City to meet long-term needs of future residents and should be reassessed and updated periodically to ensure that the City can continue to meet these needs.

### Land Supply

Buildable land within the City’s UGB includes land that is completely vacant, as well as land that is partially vacant and theoretically has the potential for additional development based on parcel size, zoning, the location of existing development and environmental constraints. The buildable land supply was evaluated by reviewing the following information:

- Tax assessor data
- GIS data
- Aerial photographs
- Site visits to identify potential constraints to development or redevelopment
- Consultation with City staff and members of the Coos Bay Project Advisory Committee

There are approximately 810 acres of buildable land on 850 lots within Coos Bay’s UGB zoned for residential use (see Table 1). This does not include commercially zoned land where housing may be allowed under certain conditions. There are another 119 acres of commercially zoned land on 197 lots that could accommodate some additional residential development. Land considered potentially unbuildable due to environmental constraints was removed from the inventory summarized in Table 1. The area or portion of each parcel subject to the environmental constraint(s) was deducted from the total land area on a parcel by parcel basis, rather than removing entire parcels of land. Land with environmental constraints includes riparian areas, area within the city’s tsunami zone (including estuary lands), and significant wetlands.



Another typical development constraint is land with steep slopes. The portion of each parcel with a slope of 25% or greater was determined and identified on the residential buildable lands inventory map. However, this acreage was not removed from the gross inventory due the fact the City does not have a building code that explicitly prohibits development on steep slopes; thus, this land is technically developable for purposes of the residential buildable lands inventory.

While these areas have been included in the inventory, it should be noted that the capacity and resulting density of development on land with slopes over 25% is typically lower, given cut-and-fill and other construction requirements in such areas. To note, land on steep slopes constitutes a significant portion of the BLI – over 330 acres, or 40%.

After subtracting for constraints, some parcels are very small. However, these very small lots tend to account for a relatively small proportion of the buildable area identified in Table 1. For example, of the 39 lots zoned R-1 in the inventory, 12 of them (over 25 percent) are less than 0.11 acres in size. However, they make up a smaller fraction of the total buildable land area in that zone (0.61 acres or less than 10 percent). Similarly over 240 parcels in the inventory zoned R-2 are less than 0.11 acres but account for only 12 acres of land (5 percent of the R-2 total). Some of these very small parcels may still be considered buildable if the city's zoning code allows for constructing new homes on any lots of record, even if they are below the minimum lot size otherwise allowed for land division or development. As a result these parcels have been included in the buildable lands inventory.

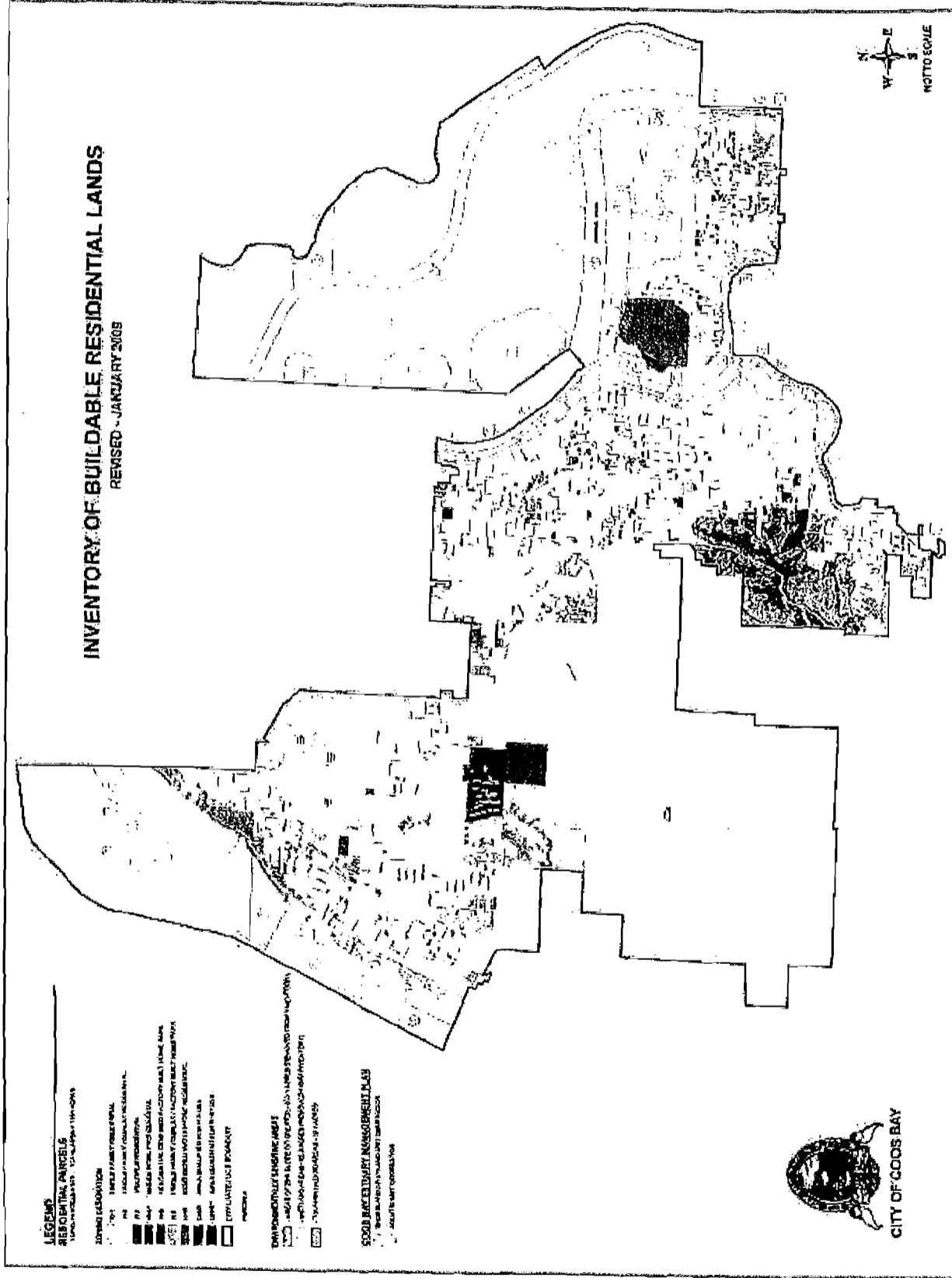
**Table 1. Gross\* Buildable Land by Zoning Designation, Coos Bay UGB**

<b>Zone</b>	<b>Acres</b>	<b>Lots</b>
R-1	13.0	39
R-2	333.1	565
R-3	379.1	174
R-4P	6.2	22
R-5	31.9	2
R-6	5.6	5
RW	40.2	43
<b>Total Resid.</b>	<b>809.2</b>	<b>850</b>
C-1, C-2	119.28	197

\*The remaining acreage after environmental constraints has been removed.

Map 1 illustrates an inventory buildable residential land in Coos Bay.

# Residential Buildable Lands Inventory



**Population Projections**

Local governments are required by the Oregon Department of Land Conservation and Development (DLCD) administrative rules to use coordinated county and city population projections for the purposes of estimating housing and employment needs. If other projections are used, the jurisdiction must prepare and present enough data to justify the use of the alternative projections. Use of alternative projections ultimately requires the city and county to revise the coordinated county and city projections. Such a process typically requires a significant level of resources and takes several months. Coos County worked with cities within the county to prepare a set of coordinated population projections in the mid-1990s. These forecasts cover the period from 1996 through 2020.

Since the current County coordinated forecasts were prepared the Oregon Office of Economic Analysis (OEA) has updated its forecasts of statewide and County population. These forecasts were updated in 2004 and coordinated with Coos and other counties in Oregon. However, the County and cities have not updated their coordinated forecasts since this time. The 2004 forecasts are the most recent data available. They are used for planning purposes only, consistent with guidance from DLCD and not necessarily subject to adoption.

If a county and its cities do not have adopted forecasts that are less than 10 years old, urban areas are allowed to use a safe harbor approach to update their population forecast (Oregon Administrative Rule 660-024-0030). The applicable safe harbor approach OAR 660-024-0030 (4)(b) allows for the City to use an updated forecast that meets the following conditions:

- Extends the 2020 coordinated forecast to 2029.
- Incorporates county forecasts from the most recent OEA projections and most recent population estimates prepared by Portland State University (PSU).
- Assumes that the urban area continues to account for the same proportion of the overall county population as it does currently or according to the most recent PSU estimates.

The City has used this approach in estimating future population, including the following assumptions from the OEA projections, PSU data and previous population forecast:

- The estimated 2008 Coos Bay urban area population from PSU is 16,670.
- The City of Coos Bay's share of total Coos County population is 26.5%.
- The OEA forecasted annual average growth rate for Coos County varies approximately 0.09% and 0.16% (per year).

Table 2 summarizes the forecasted population change.

**Table 2. Historical and Future Population Data and Forecasts, Coos Bay urban area**

	1990 *	2000*	2008**	2019	2029
City population	15,231	15,372	16,670	16,895	16,992

\* Based on US Census data, except the county coordinated forecast.

\*\*Based on coordinated forecast data, PSU estimate for OEA forecast.

### Housing Occupancy and Structure Type

In 2007, based on population estimates obtained from ESRI, there were an estimated 6,668 households in the Coos Bay UGB. There were an estimated 7,314 housing units in Coos Bay in 2008, which include both occupied households and additional vacant units. By subtracting the number of occupied households from the total number of housing units, we know there are approximately 646 vacant units, indicating a vacancy rate of approximately 8.8%. Homes classified as vacant fall into two general categories – those that are vacant because they are in the process of being sold or rented and are temporarily unoccupied for relatively short periods of time; and those that are occupied only seasonally (second homes or vacation homes) and considered to be vacant during a majority of the year.

Only a modest percentage of vacant housing units in Coos Bay fall into the second category (seasonally occupied homes). Approximately 12% of vacant units and about one percent of all units are seasonally occupied. These percentages are much lower than many north coast communities (e.g., the City of Manzanita has a 73% vacancy rate with the vast majority of vacant units used for recreational or seasonal purposes).

Table 3 summarizes the distribution of housing units of different types (see list of Census definitions on p. 17). A significant majority of homes in Coos Bay are single-family dwellings (over 61.5% in 2000). The remainder is relatively evenly distributed among other housing types.

**Table 3. Housing Units by Structure & Occupancy, 2000, City of Coos Bay**

Unit Type	Total	Occupied
1 Unit Detached*	61.5%	62.4%
1 Unit Attached*	2.6%	2.2%
2 Units	5.6%	5.9%
3 or 4 Units	3.6%	3.8%
5-9 Units	5.8%	5.1%
10-19 Units	3.6%	3.5%
20-49 Units	3.8%	3.3%
50+ Units	2.1%	2.2%
Manufactured Homes**	9.8%	9.8%
Other	1.6%	1.8%

Source: US Census

\* 1 unit-detached homes are single family homes (including manufactured homes) on individual lots; 1-unit attached homes are townhouses, rowhouses or other condominiums where each housing unit is contained within an individual structure but shares a wall with another structure.

\*\* Manufactured homes in parks and on single lots per Census definition of Mobile Home.

In the City of Coos Bay, approximately 60% of homes are occupied by their owners, while 40% are occupied by renters.

**Housing Costs, Household Incomes and Housing Affordability**

Based on data from ESRI BIS<sup>2</sup>, average and median home values in 2008 were approximately \$189,000 and \$166,000 respectively; with 69% of homes in the \$100,000 - \$300,000 price range and only 11% over \$300,000 (see Table 4). Housing costs in Coos Bay are lower than for the state as a whole.

**Table 4. Home Value of Specified Owner Units, 2008, City of Coos Bay**

Home Value	Number of Homes	% of Total
Less than \$50,000	380	9.4%
\$50,000-\$99,999	430	10.7%
\$100,000-\$149,999	864	21.4%
\$150,000-\$199,999	984	24.4%
\$200,000-\$299,999	924	22.9%
\$300,000-\$399,999	233	5.8%
\$400,000-\$499,999	99	2.5%
\$500,000-\$749,999	98	2.4%
\$750,000-\$999,999	4	0.1%
\$1,000,000 and Above	16	0.4%
<b>Total Units</b>	<b>4,032</b>	<b>100%</b>
<b>Average Home Value: \$188,859</b>		
<b>Median Home Value: \$166,132</b>		

Source: US Census, ESRI BIS, Marketek

Table 5 summarizes data related to household income for Coos Bay residents in comparison to the state as a whole. It indicates a median household income of under \$40,000 in Coos Bay, about \$10,000 less than for the state as a whole. It also shows a higher percentage of residents in the lowest two income categories in Coos Bay compared to the state, a similar percentage in low to moderate income categories (e.g., earning \$25,000 to \$75,000 per year), and a lower percentage in the higher income categories than in the state as a whole.

<sup>2</sup> ESRI is a private data provider. ESRI BIS is ESRI's Business Information Services division which provides a variety of demographic, housing and economic data frequently used by demographers, planners, market analysts and others in evaluating planning and economic issues.

**Table 5. Household Income, Coos Bay, 2008, City of Coos Bay**

<b>Income</b>	<b>Coos Bay</b>	<b>State of Oregon</b>
Less than \$15,000	18.7%	11.9%
\$15,000 to \$24,999	14.6%	10.4%
\$25,000 to \$34,999	11.6%	11.1%
\$35,000 to \$49,999	16.3%	16.6%
\$50,000 to \$74,999	20.6%	20.8%
\$75,000 to \$99,999	10.5%	12.5%
\$100,000 to \$149,999	4.4%	10.8%
\$150,000 to \$199,999	1.5%	3.0%
\$200,000 and more	1.9%	2.9%
<b>Median Household Income</b>	<b>\$39,637</b>	<b>\$50,051</b>

Source: ESRI BIS, Marketek

Housing affordability is typically assessed in one of two ways – either by estimating the percentage of households which spend more than 30% of their monthly income on housing (the standard measure of affordability) or by comparing incomes to the supply of housing at prices that people in those income levels could afford. The most recently available data related to the first measure comes from the 2000 US Census. That data indicated that just over 20% of all homeowner households spent more than 30% of their incomes on housing, while about 46% of renter households did the same. Almost a third of all households in Coos Bay spend more their 30% of their income on housing. These percentages likely have climbed since the year 2000, given increases in housing costs, particularly for owner-occupied housing during this period across the state of Oregon and in Coos Bay.

#### **Projection of Future Households and Housing Units**

In some coastal communities, seasonal occupancy rates can have a significant impact on housing and land needs analyses. However, seasonal occupancy rates remain relatively low in Coos Bay and do not seem to be a significant factor in the local housing market. As a result, no significant changes have been forecast in vacancy or seasonal occupancy trends. In Coos Bay, demographic characteristics and housing price and availability conditions will be the primary determinants of housing needs.

Projections of future population, households and housing units are summarized in Table 6 and 8. The estimates assume a slight drop in average household size and a continuation of current vacancy rates based on previous trends and projected future trends at the state and national level.

**Table 6. Historical and Projected Future Population, Households and Housing Units, Coos Bay UGB, 1990 - 2029**

	1990 *	2009	2019	2029
Population	15,151	16,684	16,895	16,992
Households	6,328	7100	7,220	7,324
Average HH Size	2.39	2.35	2.34	2.32
Housing Units		7,681	7,811	7,923
Vacancy Rate		7.6%	7.6%	7.6%

**Future Needed Housing Types**

The following trends are expected to affect the need for different types of housing:

- Increasing cost of land and housing in communities throughout Oregon. Right now housing costs are lower in Coos Bay than for the state as a whole and the state and nation are currently in the midst of a housing price slump. However, over the long term (next 20 years), we expect to continue to see an increase in housing and land costs, similar to historic long term trends.
- Relatively modest increases in wages, consistent with trends during the last ten years.
- Continued need for relatively low cost housing for households and families with lower incomes, including workers in the retail/tourism sector.
- Continued need for manufactured housing in parks as a potential supply of low-cost, workforce housing.
- An increase in the need and market for multi-family and single-family attached housing as a potential supply of low and moderate cost housing.
- Continued demand for housing on somewhat smaller lots (5,000 square feet and smaller), consistent with recent trends and zoning regulations for most residential zones in Coos Bay.

The following two tables identify current and projected percentages and numbers of homes by housing type in Coos Bay. These tables represent projected housing needs which the housing market may or may not accommodate on its own. The projections (see Table 6) show the following needs and trends related to future housing types:

- **Modest shifts in tenure mix.** The trends described above are expected to result in modest changes in the relative percentage of owner and renter-occupied housing. However, without knowing more about projected future incomes or housing costs, it is not appropriate to project significant changes in the tenure mix. A modest increase in the share of renter-occupied housing and a similar decrease in the share of owner-occupied housing will support the changes in housing need by structure type described in the following paragraphs.
- **Continued demand single-family detached homes, but with these units making up a smaller proportion of the total supply.** 2000 Census data and 2008 ESRI data shows that single-family detached homes account for 61.5% of all dwellings in Coos Bay. This does not include manufactured homes on individual lots which the

Census includes in the supply of "mobile homes." Other data indicates that approximately half of these "mobile homes" are located on individual lots. As a result, closer to 68% of all dwellings would be classified as single-family detached homes per state guidelines. We have projected a reduction from over 66% to approximately 61.5% during the planning period. The modest reduction is based in part on current and recent trends in Coos Bay, including relatively low land values, falling housing prices and values, a relatively ample supply of land and relatively limited cost savings associated with other types of owner-occupied units (e.g., single-family detached units), given relatively low land values.

- **Need for a more balanced mix of housing** to address the needs of households in all income ranges, including those with lower incomes. While single-family detached dwellings will continue to make up a significant percentage of future housing needs, other housing types are expected to increase, given affordability considerations and the fact that the aging population in Coos Bay and throughout the state can be expected to need smaller housing units and different housing types. We project an increase in single-family attached units (2.2% to 5% of the total or an increase of over 100% in terms of the relative share of these units). We also project an increase in the relative share of duplexes (5.9% to 7.5% of the total), tri-plexes and four-plexes (3.8% to 5.0% of the total) and multi-family dwellings with 5 or more units (14% to 16% of the total).
- **Year-round residents need more alternatives to single family detached units** (e.g., duplexes and multi-family units) than the market is currently providing because these units have the potential to be more affordable to households with lower incomes. As noted above, we assume an increase in all of these types of housing in our projections (increasing from about 26% of the total in 2008 to about 35% of new units constructed during the planning period).
- **Continued need for manufactured homes in parks or on individual lots.** While the table appears to indicate a decrease in the percentage of manufactured homes, this is not actually the case. Rather the different percentages reflect how these units are accounted for in historical (2000) data versus future projections (2029). As indicated in the footnote to Table 3, 2000 Census data includes all manufactured homes (in parks and on individual lots). State guidelines direct us to only include manufactured homes in parks in our future manufactured home projections. Manufactured homes on individual lots are included in the definition of single-family detached homes. As noted above, approximately half of the manufactured homes in the 2000 Census data (about 5%) are assumed to be manufactured homes in parks. We are assuming that this proportion of total housing will not shift appreciatively during the planning period.

We also assume that densities of development will increase somewhat but not substantially, given relatively moderate land costs in Coos Bay. Assumed densities are similar to the City's minimum lot size requirements which are in turn consistent with recent development trends. By assuming densities consistent with minimum lot sizes (rather than average lot sizes), we are assuming a trend towards relatively denser development.

The analysis identifies a projected increase in the number of housing units of 254 units with just over 60% of the new units in single-family detached units (including manufacture homes) on individual lots.



**Table 7. Existing and Projected Future Housing Units by Type, Coos Bay UGB, 2008 – 2029**

Unit Type	Housing Units			
	2008		New Units, 2009-2029	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1 Unit Detached	4,656	62.4%	149	61.5%
1 Unit Attached	164	2.2%	12	5.0%
Duplexes	440	5.9%	18	7.5%
Triplexes, four-plexes	284	3.8%	12	5.0%
5 or more units	1,052	14.1%	39	16.0%
Manufactured Home*	731	9.8%	12	5.0%
<b>Total Units</b>	<b>7,462</b>		<b>242</b>	

Source: US Census and Angelo Planning Group

\*Note: 2008 data includes manufactured homes in parks and on single lots per Census definition of Mobile Home; 2029 projections are for manufactured homes in parks only

### Future Land Needs

The amount of land needed for future housing depends on the number of housing units expected and the average density (or lot size) at which they are developed. State regulations require that the City estimate the amount of land needed in each zoning designation where housing is allowed. In Coos Bay, housing can be constructed in several residential (R-1, R-2, R-3, R-4P, R-5 and R-w) and commercial (C1 and C2) zones. Only housing built on upper floors over commercial uses is allowed in the commercial zones. Other types of new housing are prohibited in these zones. Based on the types of housing allowed in each zone and the relative supply of buildable land in each zone, the following future distribution among zones is expected:

- Most new single-family detached housing is expected to be located in the R-2 zone, with a modest amount (25% of the total) in the R-1 zone and a smaller amount in the R-4P and R-W zones. This is consistent with the fact that all of these zones allow for single-family detached homes at similar densities and that existing vacant land is concentrated in the R-2 zone, with smaller supplies in the other residential zones where single-family detached homes are allowed and historically have been constructed.
- Single-family attached housing will be located primarily in the R-3, with modest amounts in the R-4P and R-W zones. This is consistent with the fact that all three of these zones allow for single-family attached housing, the R-3 zone includes relatively more available, vacant land for housing and that city staff indicate that it is likely the most suitable for this type of housing, given its location relative to commercial and other services.
- Duplexes will be located primarily in the R-2, zone, with smaller percentages in the R-3, R-4P and R-W zones. This is consistent with the fact that all three of these zones allow for duplexes, the R-2 zone includes relatively more available, vacant

land for housing and that duplexes are generally more compatible with other types of development typically found in the R-2 zone, compared to the other zones.

- Multi-family housing (i.e., apartments or other structures with five or more units as identified in the following tables) will be located primarily in the R-3 zone, with smaller amounts in the R-4P and R-W zones and with some units located in the city's commercial zones as upper story housing over ground floor commercial or retail uses). This is consistent with the fact that all three of these zones allow for multi-family housing, the R-3 zone includes relatively more available, vacant land for housing and that city staff indicate that it is likely the most suitable for this type of housing, given its location relative to commercial and other services.
- Manufactured homes in parks will be located exclusively in the R-5 zone, given that they are only allowed outright in this zone.

The following table summarizes the projected distribution of future development by housing type and city zoning designation based on the assumptions above and should be considered a projection. It does not require a certain distribution among different zones or preclude a different percentage or number of housing units be built in any given zone or area, assuming there is adequate land to accommodate them.

**Table 8. Projected Distribution of Future Housing Units by Housing Type and Zoning Designation, Coos Bay UGB, 2029**

Housing Type	R-1	R-2	R-3	R-4P	R-5	R-6	R-W	C-1,2
1 Unit Detached *	25%	55%	0%	5%	0%	5%	10%	0%
1 Unit Attached	0%	0%	70%	10%	0%	0%	20%	0%
Duplexes	0%	60%	15%	5%	0%	5%	15%	0%
Triplexes, four-plexes	0%	0%	80%	5%	0%	0%	15%	0%
5 or more units	0%	0%	75%	5%	0%	0%	10%	10%
Manufactured Home **	0%	0%	0%	0%	100%	0%	0%	0%

Source: Angelo Planning Group

\* Also includes manufactured homes on individual lots

\*\* Only includes manufactured homes in parks

The following table summarizes projected lot sizes for future needed housing. As indicated previously, they based on the minimum lot sizes specified in the city's zoning ordinance. This is consistent with the fact that most recent development has been built at minimum lot sizes and by assuming a trend towards minimum lot sizes, we are projecting a trend toward generally smaller lots, given that a certain proportion of homes will be built on lots that are larger than the minimum. This can be achieved through targeted future reductions in allowed minimum lot sizes or through the City's variance process which allows for development on slightly smaller lots in certain circumstances.

**Table 9. Projected Average Lot Size for Development by Zoning Designation and Housing Type, Coos Bay UGB, 2029**

Housing Type	R-1	R-2	R-3	R-4P	R-6	R-5	R-W	C-1,2
1 Unit Detached *	6,000	5,000	5,000	5,000	5,000		5,000	
1 Unit Attached			2,000	2,500			2,000	
Duplexes		3,500	3,500	3,500	3,500		3,500	
Triplexes, four-plexes			2,200	2,200			2,200	
5 or more units			1,700	1,700			1,700	1,700
Manufactured Home **						6,000		

Source: Angelo Planning Group

\* Also includes manufactured homes on individual lots

\*\* Only includes manufactured homes in parks

Table 10 summarizes average gross and net densities for development. Net densities are based on assumed average lot sizes identified in Table 9. Gross densities incorporate land needed for roads and other utilities, as well as parks, schools and other public facilities. Consistent with standards identified in the *Guidebook for Residential Planning* and other similar reference sources, we have assumed that approximately 25% of gross buildable land will be needed for these types of facilities.

Based on direction from DLCD representatives, we have not included an efficiency factor in our land need calculations. The buildable land inventory reflects the total amount of vacant land in any given zone. In applying net and gross densities to calculate land need, we are assuming that all the land in each zone can be aggregated and then divided at maximum efficiency. However, that will not be the case, given that much of the future residential development will occur on smaller lots at lower efficiencies (e.g., a 12,000 square foot lot can actually accommodate only two single-family dwellings, not 2.4 as an average calculation would indicate. As a result, we believe it is important to note that our calculations of land need based on use of average densities may underestimate total future land need.

**Table 10. Projected Average Lot Size for Development by Zoning Designation and Housing Type, Coos Bay UGB, 2029**

Housing Type	Density (dwelling units per acre)	
	Net Density	Gross Density
1 Unit Detached *	7.2 - 8.7	5.8 - 7.0
1 Unit Attached **	17.4 - 21.8	13.9 - 17.4
Duplexes	12.4	10.0
Triplexes, four-plexes	19.8	15.8
5 or more units	25.6	20.5
Manufactured Home **	7.3	5.8

Source: Angelo Planning and Cogan Owens Cogan

\* Density varies with lower number in R-1 zone and higher number in all other zones

\*\* Density varies with lower number in R-4P zone and higher number in all other zones

Tables 11 and 12 indicate the number of new housing units and amount of land needed for each type of housing in each zoning designation for the lower growth scenario (A). Average densities in housing units per acre are shown as "net densities," i.e., not including land needed for roads and other public services because such areas already have been subtracted from the supply of buildable land.

**Table 11. Projected Total Future Housing Units and Acres of Land Needed by Housing Type and Zoning Designation, R-1, R-2 and R-3 zones, Coos Bay, 2029**

Housing Type	R-1		R-2		R-3	
	Units	Acres	Units	Acres	Units	Acres
1 Unit Detached *	37	6.4	82	11.8	0	0.0
1 Unit Attached	0		0		8	0.5
Duplexes	0		11	1.1	3	0.3
Triplexes, four-plexes	0		0		10	0.6
5 or more units	0		0		25	1.2
Manufactured Home **	0		0		0	
<b>Total</b>	<b>37</b>	<b>6.4</b>	<b>93</b>	<b>12.9</b>	<b>46</b>	<b>2.6</b>

Source: Angelo Planning Group

\* Includes manufactured homes on individual lots

\*\* Only includes manufactured homes in parks

**Table 12. Projected Total Future Housing Units and Acres of Land Needed by Housing Type and Zoning Designation, R-4P, R-5 and R-W zones, Coos Bay, 2029**

Housing Type	R-4P		R-5		R-6		R-W	
	<i>Units</i>	<i>Acres</i>	<i>Units</i>	<i>Acres</i>	<i>Units</i>	<i>Acres</i>	<i>Units</i>	<i>Acres</i>
1 Unit Detached *	7	1.0	0		7	1.0	15	2.2
1 Unit Attached	1	0.1	0		0		2	0.1
Duplexes	1	0.1	0		1	0.1	3	0.3
Triplexes, four-plexes	1	0.1	0		0		2	0.1
5 or more units	5	0.2	0		0		5	0.2
Manufactured Home **	0		12	2.1	0		0	0.0
<b>Total</b>	<b>15</b>	<b>1.5</b>	<b>12</b>	<b>2.1</b>	<b>8</b>	<b>1.1</b>	<b>27</b>	<b>2.9</b>

Source: Angelo Planning Group

\* Includes manufactured homes on individual lots

\*\* Only includes manufactured homes in parks

In each of the scenarios a very small amount of commercial land also is projected to be needed (less than one acre in each case).

Table 13 summarizes the difference between the supply of buildable land and the amount of land needed in each zone to meet projected future land needs. This assessment indicates an overall surplus of residential land of over nearly 800 acres, not including a small amount of additional commercial land that potentially would be needed to meet a portion of the City's future housing needs.

The comparison also indicates adequate land in all zones to meet specific land needs for housing in each designation. While there is adequate land to meet projected housing needs based on our assumptions of where housing will likely be located, City staff indicate that some land zoned as R-3 on the Eastside may be more appropriately zoned as R-2 land given the character or existing housing this area. The City has a surplus of land in both designations. Rezoning a modest portion of the R-3 areas on the Eastside should not have any adverse impact on residential land capacity in the City.

**Table 13. Comparison Between Land Supply and Need  
by Zoning Designation, Coos Bay UGB, 2029**

	<b>Supply</b>	<b>Need</b>	<b>Surplus/(Gap)</b>
R-1	13.0	6.4	6.6
R-2	333.1	12.9	320.3
R-3	379.1	2.6	376.5
R-4P	6.2	1.5	4.8
R-5	31.9	2.1	29.8
R-6	5.6	1.1	4.5
R-W	40.2	2.9	37.3
<b>Total</b>	<b>809.2</b>	<b>29.4</b>	<b>779.7</b>

Source: Cogan Owens Cogan, Angelo Planning Group

**Conclusions and Recommendations**

Following is a brief summary of preliminary conclusions and recommendations.

- The housing needs analysis indicates a significant surplus of land overall within Coos Bay's UGB and the ability to accommodate growth during a 20-year period within the city's existing UGB.
- The projections show both an overall surplus and a surplus of land in each zoning designation.
- While housing values in Coos Bay are lower than in the rest of the state on average, approximately one-third of all Coos Bay households spend more than 30% of their income on housing (a typical measure of housing affordability). An even higher percentage of renter households spend more than 30% on housing (46%).
- Some of the data used to estimate housing needs and conditions, including data on housing values and prices, are several years old. As a result, the data likely underemphasizes gaps in housing affordability.
- The housing market cannot be expected to meet the projected housing needs of Coos Bay residents alone. A variety of strategies can be implemented by the City in partnership with non-profit and for-profit developers and others to encourage the development of housing in price ranges and types that would be affordable to a wider range of residents. Many of those strategies will be identified in a subsequent memorandum or report describing proposed housing policy amendments for the City's Comprehensive Plan.
- While the housing needs analysis indicates a significant surplus of land, a number of factors could ultimately affect the actual surplus. Lands with steep slopes were included in the inventory and account for a significant percentage of it. However, the relative capacity and feasibility of development in these areas will likely be lower than on other lands in the inventory, potentially overstating the estimated supply. Furthermore, this analysis assumes maximum efficiency of land development on an average basis. This is not necessarily a realistic assumption and also may tend to overestimate the land supply or underestimate the land need. Accordingly, the City

should carefully monitor its land supply and development trends and update the results of this analysis as needed to reflect future trends and conditions.

- City staff should pursue rezoning some R-3 land in Eastside Coos Bay to R-2 to improve compatibility of existing and future uses, assuming this does not result in any gaps in the capacity of land needed for specific types of housing.

### **Census Definitions of Structure Types**

The data on units in structure (also referred to as "type of structure") were obtained from answers to long-form questionnaire Item 34, which was asked on a sample basis at both occupied and vacant housing units. A structure is a separate building that either has open spaces on all sides or is separated from other structures by dividing walls that extend from ground to roof. In determining the number of units in a structure, all housing units, both occupied and vacant, are counted. Stores and office space are excluded. The statistics are presented for the number of housing units in structures of specified type and size, not for the number of residential buildings.

**1-unit, detached.** This is a 1-unit structure detached from any other house; that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A 1-family house that contains a business is considered detached as long as the building has open space on all four sides. Mobile homes to which one or more permanent rooms have been added or built also are included.

**1-unit, attached.** This is a 1-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

**2 or more units.** These are units in structures containing 2 or more housing units, further categorized as units in structures with 2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more units.

**Mobile home.** Both occupied and vacant mobile homes to which no permanent rooms have been added are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory. In 1990, the category was "mobile home or trailer."

**Boat, RV, van, etc.** This category is for any living quarters occupied as a housing unit that does not fit in the previous categories. Examples that fit in this category are houseboats, railroad cars, campers, and vans.

**Implementation**

The following are suggested revisions and additions to the City of Coos Bay's existing Housing Comprehensive Plan policies:

**Vision**

The City of Coos Bay will provide opportunities for a wide range of housing types, available at varied price and rent ranges to accommodate the housing needs of its current and future citizens. Needed housing types are expected to include attached and detached single-family and duplex dwellings, row houses, apartments of varying densities, cluster housing, mobile homes, and condominiums

The City of Coos Bay will help ensure that housing is constructed and remains in safe, sanitary and decent condition.

**Goals**

<b>Goal 1:</b> Coos Bay shall designate and maintain an adequate supply of land zoned for a range of housing types and price ranges.	
	<b>Policy</b>
1.1	Coos Bay will continue to update its zoning provisions to allow for construction to provide a wide range of housing available at varied prices and rent ranges, and allow for flexible site and architectural design.
1.2	Coos Bay will regularly update the City's inventory of buildable land (at least every five years) and use it to both identify housing development opportunities and assess the ability to meet future housing needs. If growth is occurring at a faster rate than previously predicted, the city shall work with the County to update the county's coordinated population forecast and the City's housing needs analysis accordingly.
1.3	Coos Bay will explore and provide information about opportunities to consolidate buildable land where it will promote more efficient development.
1.4	Coos Bay will monitor public facility capacity to ensure that proposed new residential developments can be adequately served by water, sewer, transportation, drainage and other public facilities.

<b>Goal 2:</b> Support efforts of state, regional and local public, private and non-profit entities to provide needed housing for low and moderate income households and others with special housing needs.	
	<b>Policy</b>
2.1	Coos Bay will consider waiving or deferring city fees such as development fees or system development charges for affordable housing projects that meet defined criteria and result in permanently affordable housing.



2.2	Coos Bay will work with other public agencies and/or other organizations to provide or assist in obtaining technical assistance for transitional housing and housing projects targeted to households with low or moderate incomes developed by nonprofit organizations.
2.3	As appropriate, Coos Bay will advocate for national and state funding from the National Housing Trust Fund, Oregon Housing Trust Fund, and Lenders Tax Credit and other funding mechanisms that may be available.
2.4	Coos Bay will negotiate agreements to develop housing affordable to residents with low or moderate incomes on lands to be annexed.
2.5	Coos Bay will advocate for national and state funding from the National Housing Trust Fund, Oregon Housing Trust Fund, and Lenders Tax Credit.

<b>Goal 3: Encourage the use of sustainable land use development practices and building materials including use of energy efficient materials and design principles.</b>	
	<b>Policy</b>
3.1	Coos Bay will continue to apply innovative regulations for planned unit development allowing flexibility in designing cluster housing, recognizing that such land development practices (1) result in lower costs per site than conventional subdivisions, (2) permit sound land economics, (3) enhance the environmental integrity of the land resources, (4) promote energy conservation, and (5) provide additional open space and common areas.
3.2	Coos Bay will continue to allow for and encourage small scale cluster housing concepts in residentially zoned areas to stimulate infill development. This strategy recognizes that infill development (1) is an acceptable way to wisely use undeveloped properties, (2) improves efficiency of land use, (3) helps conserve energy, and (4) takes advantage of established public facilities and services.
3.3	Promote and encourage energy efficiency and sustainable building practices.

<b>Goal 4: Review land development ordinance to ensure promotion of development and affordable housing.</b>	
	<b>Policy</b>
4.1	Coos Bay shall exercise its site plan review for major residential land developments, recognizing that site review is necessary to provide development that (1) fosters sound energy conservation practices, (2) is aesthetically pleasing, and (3) complements the natural characteristics of the site.
4.2	Coos Bay will consider the use of density bonuses or other incentives to encourage the development of affordable housing, consistent with other housing and community goals.

**Goal 5:** Allow for, encourage and support the development of housing units in conjunction with commercial development (e.g., housing located above commercial uses).

**Goal 6:** The City of Coos Bay shall comply with federal and state fair housing laws which affirm access to housing opportunities for all people in Coos Bay.

**Goal 7:** The City of Coos Bay shall comply with the provisions of the Uniform Building Code and other specialty codes adopted by the City Council recognizing that this is the key to providing safe, sanitary, and decent housing for its residents.

	<b>Policy</b>
<b>7.1</b>	Dilapidated residential structures that flagrantly violate code provisions shall be demolished or rehabilitated to restore them to sound conditions.
<b>7.2</b>	The city shall continue to participate in the Housing Rehabilitation Program sponsored by the Housing and Urban Development through its Community Development Block Grant.



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