

Siletz Economic Opportunities Analysis

Introduction

The purpose of the Economic Opportunities Analysis (EOA) is to identify industrial and other economic development opportunities for the City of Siletz, and to project the corresponding employment land needs for the next twenty years. The EOA fulfills Oregon Statewide Planning Goal 9, which requires that all cities and counties retain an adequate inventory of industrial and other employment lands to support economic activities. In addition to helping Siletz understand its economy and future economic development opportunities, this EOA will help to assess the need for urban growth boundary (UGB) expansion.

Economic Overview

Population

The City of Siletz is located in rural Lincoln County – one of the slowest growing areas in western Oregon. According to the U.S. Census, Lincoln County grew by only 0.3% between 2000-2007, well below the state average of 9.5%¹. The City of Siletz is located approximately 14 miles from Newport, and is one of two incorporated cities located inland from the county's 60 miles of coastal land. The community sits back several miles from OR-20, a major coast-to-valley transportation route.

The City of Siletz has maintained a relatively stable population in recent decades, growing at an annual average rate of 1.4% between 1980 and 2007². The population of Siletz grew from 1,001 to 1,165 during this time. Growth has increased in recent years, to a rate of 2.8% between 2000 and 2007. In comparison, Lincoln County has seen a 0.3% annual growth rate between 2000 and 2007. The Siletz area has also seen notable residential growth outside of the Siletz city limits, particularly on land owned by the Confederated Tribes of Siletz Indians. These residents contribute to the local economy, and will also be seeking employment in the City of Siletz.

To help determine how these current population trends will impact land and housing needs in upcoming decades, the state requires each county to adopt a coordinated population forecast, pursuant to ORS 195. If a county has not completed one, it is provided the option to adopt a forecast based on the Oregon Office of Economic Analysis county forecasts and assume that urban areas within that county will maintain a share of the projected population equal to the current share (ORS 660-024-0030). Provided that both that Lincoln County and the City of Siletz both adopt the resulting population projection, the City of Siletz is projected to grow to 1,429 residents by 2030, based on 2008 population estimates and OEA county projections. Lincoln County is expected to grow to 53,710 residents, as shown in Table 1.

¹ Data from Portland State University Population Research Center

² Data from previous City of Siletz and PSU Population Research Center

Table 1: Siletz Population Growth

Year	Lincoln County Population	City of Siletz Population	Siletz Share of County Population
1980 census	35,264	1,001	2.84%
1990 census	38,889	926	2.38%
2000 census	44,600	1,133	2.54%
2006 census	44,520	1,150	2.58%
2008 estimate	44,715	1,190	2.66%
2020 projected	50,379	1,340	2.66%
2030 projected	53,710	1,429	2.66%

Source: US Census. <http://www.census.gov/>. Estimated data from PSU certified population estimates: <http://www.pdx.edu/prc/>. Projected data from the Oregon Office of Economic Analysis: http://www.oregon.gov/DAS/OEA/demographic.shtml#Long_Term_County_Forecast

Employment

Many of the City’s residents work in the communities of Lincoln County, including Newport and Toledo. For those who did not work at home, the average commute time was reported as 24 minutes in the 2000 Census. The highest number of workers reported a commute time of less than 10 minutes, while many also reported commute times of 20-24 minutes, 25-29 minutes, and 30-34 minutes.

Table 2: Siletz Area Covered Employment*

Jobs by Industry	Count	Percent of Local Employment
Agriculture, Forestry, Fishing and Hunting	12	6.1%
Construction	13	6.6%
Retail Trade	21	10.6%
Transportation and Warehousing	2	1%
Finance and Insurance	4	2%
Real Estate, Rental and Leasing	1	.5%
Professional, Scientific and Technical Services	2	1%
Administration and Support, Waste Management/Remediation	4	2%
Educational Services (Includes local charter school)	32	16.2%
Accommodation and Food Services	13	6.6%
Public Administration (Includes tribal employment)	91	46%
Other Services	1	.5%

* Covered employment is defined by unemployment insurance tax reports submitted to the Oregon Employment Department. Self employed workers, and farm workers, and all others not covered by unemployment insurance. Source: US Census, “LED on the Map” <http://lehdmap3.did.census.gov/themap3/>

Within a 2.5-mile radius of the City itself, there were an estimated 198 non-farm jobs in 2006³. These jobs were spread among 26 employers, with the majority of jobs in public services, education, retail, food services, or natural resources as shown in Table 2. Because this data is collected by the Oregon Employment Department based on unemployment insurance tax reports, sole proprietorships that are ‘uncovered’ by unemployment insurance are not included. These ‘uncovered’ jobs generally include home occupations and farm work, and make up about 3-5% of total employment.

³ US Census 2006, ‘LED on the Map’: <http://lehdmap3.did.census.gov/themap3/> Data was compiled through a partnership the U.S. Census Bureau, Local Employment Dynamics (LED) partner states, and the U.S. Department of Labor’s Employment and Training Administration. Data was analyzed for a radius of 2.5 miles around the City of Siletz.

With a labor force of nearly 900 residents reported in the 2000 Census, this data reflects an unmet employment needs in the City of Siletz.

The 2006 Siletz-area employment level represents a 44% growth in jobs since 2002, when 111 jobs and 22 employers were reported within a 2.5-mile radius of Siletz. While the overall trend was toward an increase in employment opportunities, declines were noticeable in retail, accommodations and food service. Notable increases were in education, public administration, finance and real estate, construction, and the aggregated field of agriculture, forestry, fishing and hunting.

Unemployment throughout Lincoln County has been slightly higher than the state average, and well above the national average, as shown in Table 3.

Table 3: Unemployment (seasonally adjusted)

Year	Lincoln County	Oregon	US
2006	6	5.4	4.6
2002	8.1	7.6	5.8
1998	8.2	5.7	4.5
1994	6.1	5.5	6.1
1990	5.9	5.4	5.6

Source: Bureau of Labor Statistics. <http://www.bls.gov/>

Opportunities & Constraints

General projections can be made regarding the growth or decline of specific industries throughout Oregon and Lincoln County; however, industries and businesses will ultimately look for a unique combination of physical, economic, demographic and cultural characteristics when deciding where to locate. Key characteristics can be reviewed to identify how the unique characteristics of Siletz can provide both opportunities and constraints to the future development of industrial and other employment opportunities.

Location & Buying Power of Markets

Siletz is a community of just over 1,000 residents in the Coast Range foothills, set back from Oregon State Route 20 on State Route 229. This rural highway is the focus of commercial activity in the community and supports several restaurants, a general store and other personal services. These services serve the basic needs of residents; however, residents regularly travel to Newport or even larger cities in the Willamette Valley for shopping, services and entertainment.

Being a small community can limit the market's buying power, but it can also present several opportunities. First, rural communities can attract new residents seeking characteristics associated with a high quality of life including scenic views, low congestion levels, lower crime rates, and a cleaner environment. Second, commercial and residential developers may be attracted to the relatively affordable land, especially as

the amount of developable land along the coast declines. Lastly, the community draws summer visitors who are utilizing recreation opportunities around the community and in the broader region. These visitors provide an additional market for current retail and services, and present a potential market for hospitality industries.

Availability of Transportation Facilities

Access to efficient and affordable transportation is a key constraint to economic growth in Siletz. The City is located approximately 8 miles from OR-20, the area's only coast-to-valley highway, 14 miles from the port facilities at the coast, and it does not have rail access. Primary access to the community is via Oregon State Route 229, a rural two-lane highway. This rural location and the comparative accessibility of other communities to OR-20, port facilities, and railroads places the City of Siletz at a disadvantage in terms of transportation access. This low level of access also increases the cost of materials and supplies.

Public Facilities & Services

The availability of public facilities and services are key determinants when locating a business. This can include the availability of water, sewer, gas, electric, and increasingly, broadband internet and wireless cell phone service. As a rural community with a low tax base and few large employers, Siletz has limited resources to dedicate to each of these services, and therefore several constraints to development. These include a limited water supply, a lack of cell phone coverage, and a need for a reliable and redundant fiber optics loop. Other services, such as sewer, gas, and electric can support current and projected growth.

The most prominent concern for the City of Siletz is maintaining an adequate and reliable water supply. The current infrastructure is able to support the City's needs at its current level of development, but faces recurring shortages during storm events and times of high water turbidity. The City is currently researching the potential for an additional water source, which would alleviate these shortages and allow for the development of additional residential and employment lands. City staff estimates that the development of an additional water source will cost approximately \$1 million.

Two additional constraints are the lack of cell phone coverage and the need for a redundant fiber optics loop. The Oregon Coastal Zone Management Association and Oregon Central Coast Development Alliance have been working to develop these capacities along the Central Oregon coast; however, the remote location and low level of commercial and institutional development in Siletz pose additional challenges to their inclusion in these projects. The City of Siletz currently has internet service; however, a redundant fiber optics loop would prevent major service outages and help to attract business owners seeking reliable internet coverage in attractive rural locations. Siletz is the only incorporated city in Lincoln County lacking full cell phone coverage.

Labor Market Factors

A community's labor force consists of all residents over the age of 16 that are employed or actively seeking work, and the size and diversity of skills represented in that labor force can play a considerable role in attracting new businesses. The City of Siletz labor force was estimated at 896 in the 2000 Census; however only 198 jobs were reported within a 2.5 mile radius in that same year. This indicates that there is a large percentage of residents who commute elsewhere to work, but may work in Siletz if there were greater opportunities.

The Siletz labor force also has access to a variety of local training opportunities through the Small Business Development Center (SBDC) at the Oregon Coast Community College in Newport. The SBDC provides a wide range of job training and business development courses, catering to both business owners and employees. Topics range from business lending and office management to basic computer classes. Instructional formats are similarly flexible - including night classes, full-term courses, satellite trainings, and specialized training programs for individual businesses. Therefore, while Siletz has a relatively small labor force (896 reported in the 2000 Census), the amount of available labor and the local training opportunities present opportunities for economic development.

Taxes

Two incentives for a business to locate in a rural community are affordable land and low property taxes. The Siletz area can offer both of these incentives, in addition to tax benefits allowed on land owned by the Confederated Tribes of Siletz Indians. Businesses that might otherwise locate along the coast may be attracted to Siletz for affordable and developable land, unencumbered by the steep slopes and environmental hazards. Businesses locating in Siletz will need to apply for a business license, as in most communities; however, their property taxes could be potentially much lower than elsewhere.

Summary

In summary, it is the affordability, available labor force, and the characteristics associated with a high quality of life - the rural ambiance, lack of congestion, and scenic views - that will draw businesses to locate in Siletz. The Confederated Tribes of Siletz Indians will also play a role in attracting businesses to Siletz, due to its access to federal resources, professional assistance, and an independent economic development corporation. The community's rural location, small population base, distance from major transportation corridors, and limited public facilities will serve as critical limiting factors.

Employment Forecast

An employment forecast based on county, state, and national trends can help to project future demand for industrial and other employment land in the City of Siletz. The

Oregon Department of Employment has projected a 10.3% job growth rate through 2016, which can be extrapolated out to nearly 5,000 jobs through 2030. This would equal job growth of nearly 20%⁴. A correlative rise in uncovered employment can also be expected.

To forecast how these trends will affect Siletz, the 2006 Siletz market share of approximately 1.08% was pulled from the total projected County employment growth. Based on this calculation, and a 2006 base of 198 jobs, 84.64 additional jobs are projected for the Siletz area by 2030, as shown in Table 4.

Table 4: Lincoln County Employment Projections

	Lincoln County		%	Siletz
	2006	2030 Job Forecast	Chnage	2030 Job Forecast
Employment Sector				
Natural Resources & Mining	158	139	-13.8%	-.34
Construction	907	1,250	27.5%	6.17
Manufacturing	1,123	996	-12.8%	-2.29
Trade, Transportation & Utilities (includes retail)	3,438	4,240	18.9%	14.44
Information	207	231	10.4%	.43
Financial Services	783	975	19.7%	3.46
Professional & Business Services	1,184	1,734	31.7%	9.90
Education & Health Services	1,660	2,915	43.1%	22.59
Leisure & Hospitality	4,315	4,853	11.1%	9.68
Other Services	642	853	24.8%	3.80
Federal Government	231	209	-10.3%	-.40
State Government (includes education)	623	921	10.7%	1.76
Local Government (Includes Tribe & local education)	2,979	3,699	19.5%	12.96
Other/Uncovered employment (3-5% of jobs)	554	690	19.8%	2.5
Total Jobs	19,004	23,705	19.8%	84.64

Source: Oregon Employment Department, Region 4. Twenty-year projections were extrapolated from the OED's published ten-year projections.

The largest projected growth areas include: Education and Health Services; Trade, Transportation and Utilities (including retail); Local governments (including Tribes); Leisure and Hospitality; and Construction. Declines in employment are projected for the Manufacturing and Natural Resources sector and for Mining. These projections reflect statewide trends, where a growing and aging population is requiring increased education

⁴ 'Lincoln County: Industry Employment Forecast 2006-2016', produced by the Oregon Employment Department, Region 4. Supporting information was also gathered from: The Central Coast Economic Development Alliance, The Siletz Tribal Business Corporation, The City of Siletz, and the Lincoln County Department of Planning

and healthcare, and the manufacturing sector is declining due to increased global competition, improved efficiency, and long-term structural changes⁵.

Historically, the Oregon coast has had proportionately less manufacturing employment than the rest of Oregon, and very few large manufacturers. Large manufacturers that have located on the coast are limited to four areas: food manufacturing, wood product manufacturing, paper manufacturing, and fabricated metal product manufacturing. Total private sector payroll employment in manufacturing was less than 12% along the coast in 2007, compared with 14% throughout Oregon⁶. Coastal manufacturing has declined by 5% since 2000, and is expected to continue to decline overall.

To better estimate how the projected employment growth across all industries will influence demand for employment land, specific industries can be aggregated into the following categories:

- Industrial: Manufacturing, Construction, Natural Resources and Mining
- Commercial/Service: Trade, Transportation and Utilities, Information, Financial Services, Professional and Business services, Leisure and Hospitality, Other Services
- Institutional/Government: Educational and Health services, Federal Government, State Government (including education), Local Government (including Tribe and local education)
- Other/Uncovered: An estimate of all other uncovered employment

Table 5: Siletz Employment Projections

Sector	2030 Projected Job Growth
Industrial Sector	3.55
Commercial/Service Sector	41.71
Institutional/Government Sector	36.92
Other/Uncovered Employment	2.47
Total Jobs	84.64

Source: Oregon Employment Department, Region 4. Twenty-year projections were extrapolated from the OED's published ten-year projections.

These projections provide a good estimate for future growth, based on historical trends at the regional and national level. It is also important to consider unique local characteristics that may shift these projections. In the Siletz area, two additional factors should be considered. First, the historically low number of jobs in Siletz has resulted in similarly low projections for the future. In this situation, the arrival of one small or medium-sized business would push employment and related land needs much higher than expected, resulting in an inadequate supply of employment land. Considering the relative affordability and availability of land in Siletz, compared with coastal communities, and

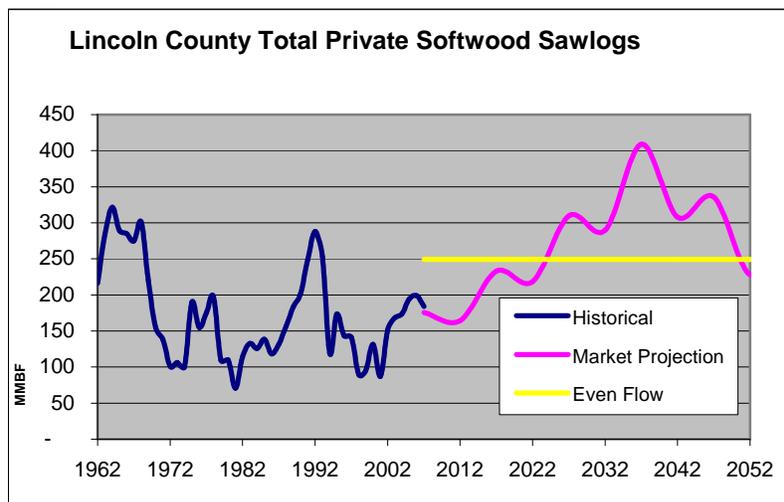
⁵ Oregon Employment Department, Regional Profile occupational Employment in Region 4 (Benton, Lincoln and Linn Counties)

⁶ Oregon Employment Department, 'Manufacturing Along the Oregon Coast' by Erik A. Knoder. September 19, 2008.

the unique draw of tribal resources, allowance should be made for the location of a small to mid-sized manufacturing or industrial use in Siletz.

Second, despite projected declines in Natural Resources and Mining, an increase in timber harvesting activity is expected for Lincoln County through 2030. This expected increase is based on the cyclical nature of timber harvests and an increased demand for private timber, which is prevalent in Lincoln County. Studies by Oregon State University forest economists project a 40% increase in total private softwood timber harvests in Lincoln County through 2032, and continued growth through 2037⁷. This projection is illustrated in Figure 1, and can be expected to correlate with additional employment opportunities in forestry-related jobs within Natural Resources and Mining.

Figure 1



Source: Oregon State University Department of Forestry 2009

To reflect these local dynamics, the Siletz area employment projections are further adjusted to accommodate 10 additional jobs in Manufacturing and 10 additional jobs in Natural Resources & Mining. These adjustments are shown in Table 6 as a total of 20 additional jobs in the Industrial sector.

Table 6: Siletz Adjusted Employment Projections

Sector	2030 Projected Job Growth	2030 Adjusted Job Growth
Industrial Sector	3.55	23.55
Commercial/Service Sector	41.71	41.71
Institutional/Government Sector	36.92	36.92
Other/Uncovered Employment	2.47	2.47
Total Jobs	84.64	104.64

Source: Oregon Employment Department, Region 4. Twenty-year projections were extrapolated from the OED's published ten-year projections.

⁷ 2009. Oregon State University Department of Forestry. Siletz Area Timber Supply, Total Private Harvest Graphs.

Potential Growth Industries

Retail and Service

Retail and related services currently serving Siletz residents can be expected to expand concurrent with population growth. For a small community, the City is fairly well served with two restaurants, a video shop, general store, laundry mat, bank, gas station, and auto repair shop, in addition to a variety of home occupations. Responses to the Community Survey indicate that the community would support an expanded general store, hardware store, and coffee shop once the population (and buying power) of the community is sufficient to support those additional services. Because Siletz is not a regional commercial center, more specialized or larger scale services may be desirable but less viable. The potential to create new jobs and bring new money into the local economy will also be limited.

Education and Health Services

Education and health services are expected to be Oregon's fastest growing industries in upcoming years, due to the state's growing and aging population. In Lincoln County, this translates to a projected 31.5% increase in employment by 2016, and 43.1% through 2030. Growth in the health services sector is also reflected at the national level, where an aging population, a rise in life expectancy, growing technology and growth in home care services are increasing demand in a variety of health occupations. In Siletz, this can translate to the addition of small health clinic, part-time dental office or similar health care center. As Oregon's population continues to grow, there will also be an increased demand for teachers and related professions.

Outdoor Recreation and Tourism

The tourism sector currently employs more people in Lincoln County than any other industry, including governmental sectors. Although little has been done to promote tourism in Siletz, it is already a regional destination for fishing and attracts visitors for the annual powwow of the Confederated Tribes of Siletz Indians. The City of Siletz can continue to build on these unique assets by promoting cultural heritage tourism and recreational opportunities on the river – both of which have been identified by the Oregon Tourism Commission as important niche markets⁸.

Employment opportunities that can help to fill this tourism niche include lodging or a bed and breakfast for seasonal visitors, a traditional crafts co-operative, or a small outdoor goods store and rental shop. There is also potential for travel planning around Siletz's unique characteristics. This could encompass cultural events, fishing derbies, development of a river trail, or scenic biking and driving tours along Highway 229. The development of a campground as a local recreational asset would indirectly support these economic development opportunities and encourage a stronger local economy.

⁸ Oregon Tourism Commission.

<http://industry.traveloregon.com/Departments/Tourism-Development/Niche-Markets.aspx>

Industry and Manufacturing

Although Lincoln County is projected to see a slow decline in industry and manufacturing through the next twenty years, small or highly specialized industries may still be interested in locating throughout the County. An example of this type of industry is Nautamatic Marine Systems, which produces autopilots for small boats, and was recently purchased by Garmin, the well-known Geographic Positioning Systems (GPS) Company. The business is located in a warehouse facility on a two-acre site near the Port of Newport⁹. There is also potential for technology and software outsourcing at rural industrial sites. In eastern Oregon, the Confederated Tribes of the Umatilla Reservation partnered with a software outsourcing company to retain outsourcing jobs in the United States at profitable rates, while also providing valuable entry-level jobs and job training for residents in the surrounding community and on the Umatilla Reservation. According to the Siletz Tribal Business Corporation, there is potential for similar opportunities on tribal land in the Siletz area.

Small industrial and manufacturing companies such as this will be drawn to Siletz's affordable land and available labor force, as well as potential tax benefits from locating on land owned by the Confederated Tribes of Siletz Indians. These small, and specialized industries typically locate in flexible manufacturing buildings that can house from two to ten individual businesses, ranging from small scale industry to personal services or software testing.

Forestry

Although Lincoln County and the State of Oregon have seen a notable decline in timber harvesting in recent decades, private timberland in the Siletz area will present additional employment opportunities, as the second-growth stands mature. Regional job development will likely include logging, millwork, and related support services. Jobs captured by the Siletz market will likely be limited to logging and related support services, as there are established and operating mills in the nearby City of Toledo.

Home Occupations

The 2000 Census reported that 8% of the Siletz labor force worked at home, and this number can be expected to rise as individuals are drawn to the affordable land and rural character of Siletz. Home occupations include both home-based businesses, which are independently owned and report no employees, and telecommuters, who work for another company from a remote site. Home-based businesses can range from website development to day care or personal services, while telecommuters are more reliant on broadband communication to conduct work and communicate with their employer. According to the Oregon Coastal Zone Management Association, the Oregon Coast is

⁹ Lincoln County Planning Department and the Garmin International website
<http://www8.garmin.com/pressroom/corporate/032807.html>

uniquely posed to host telecommuters working in a wide variety of fields¹⁰. To attract this sector of home-based employees, the City of Siletz would need to review its fiber optics reliability, and investigate options for cell phone coverage.

Site Needs

Based on the twenty-year employment projections, adjusted for additional job openings in the industrial and forestry sector, there will be a demand for an estimated 7.99 acres of employment land within the next twenty years (through 2030) and 2.66 acres within the next five years. The projections for short-term need were calculated as one-third of the 20-year demand, in order to provide a variety of sites for market choice.

Table 7: Projected Employment Land Needs through 2030

Sector	Adjusted Job Growth	Job Density (Jobs/Acre)	2015 Land Needs (acres)	2030 Land Needs (acres)
Industrial	23.55	12	0.65	1.96
Commercial/Service	41.71	20	0.70	2.09
Institutional/Government	36.92	10	1.23	3.69
Other/Uncovered	2.47	10	0.08	0.25
Total	104.64	---	2.66	7.99

These projections are largely consistent with the land needs for the potential growth industries described previously, and would account for the location of 1-2 small industrial or manufacturing businesses, 3-5 commercial or service uses, 1-2 institutional uses, and one sole-proprietorship (uncovered employment) over a twenty-year period. In the more immediate future; these projections would account for the location of 1-2 commercial or service uses, one small industrial use and one institutional use through 2015.

Specific site needs for each potential growth industry and a more detailed estimation of site needs by size and major use are included in the following paragraphs. The capacity of the current water systems must be enhanced to support most of this growth.

Retail and Service

The growth of retail and services in Siletz would present minimal demand for land. Expansion of existing businesses could occur on currently underutilized or vacant lots as demand for expansion rises. New retail and service developments would likely require lots ranging from .25 – 1 acre in size. Other site requirements would include water and sewer availability, safe pedestrian access, and a location that can be easily accessed by vehicular traffic.

¹⁰ Oregon Coast Telecommunications Economic Development Strategy, Oregon Coastal Zone Management Association. <http://www.oczma.org/>

Education and Health Services

Growth in the education and health services sector will present potential for locating a health clinic or office in Siletz, in addition to the health services currently offered by the Tribe. Related to overall growth, there will also be additional job opportunities at the local school. While an increase in education-related jobs will not bring a correlative demand for land, the location of a small or part-time health clinic in Siletz will require a standard sized site (1-5 acres) with available services and parking. Visibility and access to vehicular traffic are lesser concerns. It is likely that a small or part-time clinic may employ staff from outside the community as well as within Siletz.

Outdoor Recreation & Tourism

Businesses falling under the broad category of outdoor recreation and tourism have a wide range of land use requirements and a degree of flexibility in site location. Examples given in this analysis include a bed and breakfast for seasonal visitors, a traditional crafts co-operative, a small outdoor goods store and rental shop, or a travel planning business.

Land use requirements for these potential employers vary. According to Siletz zoning, a bed and breakfast would be allowed as a conditional use on any Single Family or General Residential parcel. Similar to a residence, it would require all utilities, as well as broadband internet and cell phone coverage. A traditional crafts co-operative, sporting goods store or travel planning business would have requirements similar to those for retail and food service.

As a related recreational use, a campground would have the most specific land use needs. A large site of over 5 acres with attractive aesthetic qualities, river access, and the capacity for a range of utility hook-ups would be likely requirements for such a site. While these land use needs will not be considered as part of overall employment land needs, they may be taken into consideration when reviewing the buildable lands inventory and designating lands for other employment uses.

Industry and Manufacturing

Siletz has the potential to draw small-scale industry and manufacturing jobs, despite the general downturn in manufacturing throughout Lincoln County. Industries likely to locate in the area include specialized manufacturing, software outsourcing, and similar businesses. These businesses are often start-up companies without the capital to construct their own facility, and prefer to lease a shared space. For this reason, flexible manufacturing buildings are generally appropriate. These can be up to 50,000 square feet in size and require sites of .5-5 acres, generally set away from primary residential and commercial areas. One flex-manufacturing building can be expected to support 10-30 jobs, and produce basic exports that will bring new money into the local economy.

Businesses that locate in these buildings are often less reliant on direct highway access or rail access, but will require adequate water and sewer access. Broadband internet and cell phone service may also be expected services.

Forestry

The combination of poor transportation access and close proximity to Toledo's Georgia-Pacific mill make the development of a mill-site unlikely in Siletz. There is greater potential for other forestry-related businesses and support services, however. With an increase in timber harvesting activity projected through 2030, employment opportunities can be expected in timber cutting and thinning, log truck hauling, heavy equipment hauling, reforestation, survey work, and similar forestry-related jobs. This type of use would require a parcel 5 acres or larger and a location separate from primary residential and commercial uses. An example of this type of business is Miller Timber Services, formerly of Siletz. The company has seen considerable growth since its establishment in 1981, and now occupies an approximately 6 acre site in Philomath.

Home-based Occupations

Home-based occupations are becoming popular throughout the country, and present a creative approach to economic and community development. It is generally required that a home-based business be an ancillary use for a residential dwelling, and that the dwelling be the principal residence of the business owner. It is also typically required that the residential character of the dwelling and neighborhood are maintained, and that negative impacts on the neighborhood are minimal. This said, a standard 7,500 square foot residential tax lot (.17 acres) would be adequate for most home-based occupations in the City of Siletz. Additional site requirements would vary according to the nature of the business, but will likely include a need for broadband internet and cell phone service.

Summary

The analysis of historic trends and target growth areas indicates that Siletz needs to provide 7.99 acres across 7-16 sites to accommodate employment growth between 2010-2030. Based on the site requirements for target industries, the demand for sites will range from a quarter of an acre to 5 acres in size. The smallest sites will accommodate home occupations and the largest will accommodate forestry-related industrial use. The majority of projected development in Siletz calls for small or standard sized lots, which can accommodate a range of commercial, service, and small industrial or manufacturing uses. A summary of site requirements for each potential growth industry is included in Table 8.

It is assumed that all of these projected uses, except for Home Occupations, will occur on land designated for General Commercial use under the current zoning code. The City does not currently have land zoned specifically for industrial use; however, designating sites for industrial use will help direct industrial development toward the most appropriate sites and will, in turn, 'save' those sites for industrial or other suitable uses.

Table 8: 20-Year Estimation of Needed Sites by Industry

Development Type	Total sites needed	Site Size (acres)	Total Sites Needed		
			Small (> 1 acre)	Standard (1-5 acres)	Large (> 5 acres)
Industrial					
Industry & Manufacturing	1-2	1-5		1-2	
Forestry	1-2	5-10		1-2	0-1
Commercial/Service					
Retail & Service	2-5	.25 -1	1-3	1-2	
Outdoor Rec. & Tourism	1-2	.17-1	1-2		
Institutional/Government					
Edu. & Health Services	1-2	1-10		1-2	
Other/Uncovered					
Home-based Occupations	1-3	.17	1-3		
Total	7-16		3-8	4-8	0-1

Source: Estimates by Oregon Cascades West Council of Governments

Suitable Sites Inventory

The Buildable Lands Inventory (BLI) found 7.83 acres of buildable General Commercial land in the City of Siletz, on which commercial, institutional and industrial uses are permitted as of right. Three of these sites are a standard size of 1-5 acres, and 11 are small sites ranging from .03-.47 acres. Details regarding each parcel are shown in Table 9 and in Figure 2.

Table 9: Inventory of Buildable Commercial Land*

Parcel	Classification	Vacant & Partially Vacant Acres	Constrained Acres	Gross Buildable Acres	Short Term Supply
Standard Sites (1-5 acres)					
1	Vacant	2.64	0.01	2.63	Yes
2	Vacant	2.63	0.00	2.63	No
3	Vacant	2.02	0.00	2.02	Yes
Small Sites (<1 acre)					
4	Vacant	0.47	0.01	0.46	Yes
5	Vacant	0.45	0.00	0.45	Yes
6	Vacant	0.35	0.01	0.34	Yes
7	Vacant	0.28	0.01	0.27	Yes
8	Vacant	0.25	0.01	0.24	Yes
9	Vacant	0.23	0.00	0.23	Yes
10	Vacant	0.16	0.00	0.16	Yes
11	Vacant	0.14	0.00	0.14	Yes
12	Vacant	0.11	0.00	0.11	Yes
13	Vacant	0.04	0.04	0.00	Yes
14	Redevelopable	0.03	0.03	0.00	Yes
Total Sites				14	
Net Buildable Acres				9.68	
Public Facilities Deduction				1.82	
Total Buildable Acres				7.83 (5.20 short term)	

* Does not include Tribal Trust or Reservation land

The BLI included all vacant, partially vacant and redevelopable tax lots, with the exclusion of any developed or constrained land. Constraints considered in the BLI include: steep slopes, location in a floodway, parcel configuration, and cultural or natural resources. To produce a viable list of sites for development as employment land, several additional constraints will be considered in the EOA. These include: ownership patterns, parcel fragmentation, availability of public services and infrastructure and other site requirements as defined by the specific target industries

Buildable sites are clustered in the ‘downtown’ area of Siletz, along OR-229/Gaither Street, which is currently characterized by commercial and institutional uses. These sites are under diverse ownership, and are either on vacant or partially vacant lots, with the exception of one small redevelopable piece. This clustering allows for ease of vehicular access, greater visibility, and will present several opportunities for land assembly.

Although this concentration of buildable employment land in the ‘downtown area’ will support the development of a vital business district, it also limits site diversity and potential development opportunities for industrial, manufacturing, or institutional uses. The majority of sites are one-quarter to one-half acre in size, and are appropriate for retail or service infill development, but do not lend themselves to larger institutional, industrial or manufacturing uses. The two largest sites are approximately 2.5 acres each and are adjacent to residential uses, which will limit the size and nature of any industrial or manufacturing uses. Although these sites are adjacent to each other, site assembly for a larger industrial use would still not create a desirable configuration for many industrial uses, unless the full tax lots were redesignated for commercial or industrial use.

One of the standard size sites described above is also constrained from short-term development, due to the presence of undelineated wetlands. The presence of wetlands will require additional time and resources for delineation and mitigation through the Department of State Lands. The State of Oregon defines a short term supply of land as “suitable land that is ready for construction within one year of an application for a building permit or request for service extension”.

Employment Land Needs

Siletz employment land needs can be determined by comparing the inventory of suitable sites with projected short and long-term needs. Needs that can not be filled through the current inventory can be addressed by redesignation of non-commercial designated sites for commercial use, expansion of the urban growth boundary (UGB) to accommodate unmet demand for employment land, or a combination of the two.

A comparison of the suitable sites inventory with projected employment land needs indicates that the City of Siletz will have a difficult time meeting demand for employment land through 2030. Projections call for a total of 7.99 acres of land by 2030, spread across 7-16 individual sites. These sites include 3-8 small sites of less than one acre and 4 - 8 sites at a standard size of 1-5 acres. While the projections for employment do not indicate a need for large lots over 5 acres, several of the potential growth

industries commonly locate or expand on lots of this size. In the short-term, it is estimated that 2.66 acres will be needed in order to meet demand through 2015.

To meet these needs, the BLI contains 7.83 acres, which is slightly below the projected need for 7.99 acres. The buildable and suitable sites are spread across 14 sites, 11 of which are small sites ranging from .03-.47 acres, and three of which are a standard size of 1-5 acres. There are no sites larger than 3 acres, and no practical assemblage of sites currently zoned for employment use that will meet the demand for a large industrial or manufacturing site. Due to undelineated wetlands, the amount of the total buildable employment land that is available for short-term development is decreased to 5.20 acres. This acreage meets the projected short-term need, although it may not include the desired diversity in site characteristics. The distribution of these sites is shown in Figure 3.

These findings indicate an unmet need for:

- Diversity in site size and location in order to accommodate industrial and manufacturing uses
- One or two large industrial sites over 5 acres

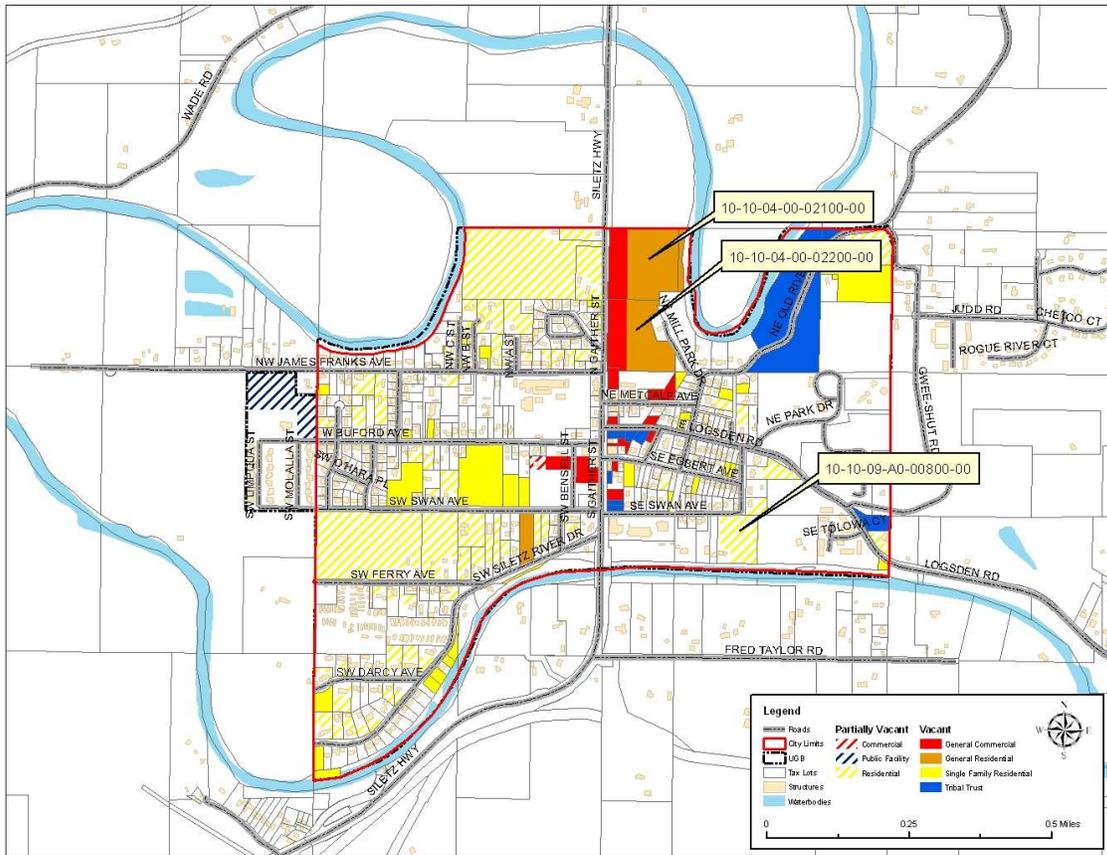
In order to meet these unmet needs, the City of Siletz can redesignate residential land within the existing UGB that is suitable for employment, and/or add land to the UGB.

There are several sites in the buildable lands inventory that are not currently designated for industrial or employment use (General Commercial) that might be suitable for industrial or employment-related development. These are described in the table below and are highlighted in Figure 3. Redesignation of these sites for employment use will allow the City to meet projected needs through 2030 within the existing UGB, and will still allow an adequate supply of land for residential development projected for the same time period.

Table 10: Sites for Potential Redesignation as Employment Land

Tax lot	Acreage	Current Designation	Description
10-10-04-00-02100-00	7.36	GR	North on 229/Gaither, bordering the river and Mill Creek Park. Currently under split zoning for GC along the road and the remainder GR. 30.11 acres (10 acres in city limits, 2.64 GC)
10-10-04-00-02200-00	5.07	GR	North on 229/Gaither, bordering Mill Creek Park and one SF parcel. Currently under split zoning for GC along the road and the remainder GR. 7.7 acres (2.63 designated GC)
10-10-09-A0-00800-00	5.66	SF	East on SE Swan, bordering on the river. Adjacent to SF and Tribal Reservation land. 5.66 acres buildable

Figure 3: Sites for Potential Redesignation as Employment Land



In the case that redesignation of these sites for industrial or employment growth will not meet the economic development objectives and goals of the City, an urban growth boundary expansion may be necessary. Several potential expansion areas are described in the table below and are highlighted in Figure 4.

Table 11: Potential UGB Expansion Areas

Tax lot	Acreage	Current Designation	Description
10-10-10-00-00500-00	21.72	Industrial	East of Logdsen Road. Currently zoned for industrial use, currently held in Tribal Trust by CTSI
10-10-04-00-01001-00	15.2	Forestry	North on 229/Gaither, bordering the river.
10-10-04-00-02100-00	20.11	Forestry	North on 229/Gaither, bordering the river and Mill Creek Park. 10 acres of total 30.11 acres currently within city limits and UGB

- Diversify its inventory of buildable sites to incorporate a greater variety in site size and location. The City can do this by either redesignating residential lands within the existing UGB that are deemed suitable for employment uses, adding land to the UGB, or a combination thereof.
- Expand the inventory to include 1-2 large industrial parcels (5-10 acres) suitable for industrial or manufacturing use.
- Support the development of a local wetlands inventory to better identify constrained areas, protect the natural environment, and plan for future development. The development of a wetlands mitigation plan will clarify what actions will be necessary to prepare affected sites for development, and will help to ensure an adequate land supply.

In order to attract potential growth industries, the City can also take the following actions:

- Invest in Infrastructure: The City of Siletz faces reoccurring water shortages, especially during storm events and high turbidity. In order to ensure a safe and reliable water source for future residential and employment growth, the City will need to increase water capacity, both in terms of storage and a reliable water source.

Cell phone coverage and reliable internet access are quickly becoming expected and required services for all types of development. In order to support the development of target industries and needs of residents, the City should proactively seek a recognized cell service company to provide service to the area, and should participate in regional efforts to build a redundant fiber optics loop.

- Zone for Employment: To better plan for a diverse and growing employment sector, it is recommended that the City of Siletz develop additional land use designations. Land use designations for General Industrial, Light Industrial, and Mixed-Use Development will help to identify and preserve sites for the most appropriate use and will help to maintain a sufficient inventory for future development.
- Workforce Training: To promote entrepreneurship, strengthen the existing labor market, and attract potential target industries, the City can work with the Community College to provide workforce training opportunities. Training opportunities can include: business management, office management, budgeting, computer skills, and technical training.