

Economy of the City

INTRODUCTION

Statewide Planning Goal 9 (Economic Development) requires cities to provide an adequate supply of suitable sites for a variety of industrial and other employment uses. This section of the Monmouth Comprehensive Plan serves as an Economic Opportunity Analysis (EOA) to fulfill the Goal 9 requirements and ensure an adequate supply of land is available for new and expanding businesses in Monmouth over the 20 year planning horizon. This element of the Comprehensive Plan includes a description of the economic trends combined with an assessment of the community’s economic strength and weaknesses to determine the economic development potential of the area. This chapter also includes a description of the amount of land and types of sites needed to fulfill Monmouth’s economic needs over the next 20 years. This assessment of future land needs is compared with the supply of vacant and underutilized commercial and industrial lands available to determine whether or not there are any deficiencies in the land supply. The chapter concludes with a discussion of the planning implications and policy recommendations.

ECONOMIC TRENDS

Economic activity within the Monmouth area is influenced by greater economic forces found at the national, state and regional levels. How well the overall economy is performing at the national level will in turn have an impact on which businesses experience prosperity and decline in Monmouth and the Willamette Valley region. Recent economic trends and the economic outlook for these areas are the primary basis for our expectations of future economic development in Monmouth.

Population

Oregon’s economic conditions are strongly related to population growth. As shown in Table 1, growth was slow for the State, Polk County and Monmouth due to the recession in the early 1980s. Population increased during the economic expansionary period of the 1990s. Population growth has continued for the State and County through 2006, although at a slower rate than the expansionary period of the 1990s. Unlike the State and County’s population growth, Monmouth’s growth rate has increased since 2000.

**Economics -Table 1
Population - Oregon, Polk County, and Monmouth 1980-2006**

Location	1980	1990	2000	2006	Average Annual Growth Rate		
					1980-90	1990-00	2000-06
Oregon	2,633,156	2,842,321	3,421,399	3,690,505	0.8%	1.9%	1.3%
Polk County	45,203	49,541	62,380	66,670	0.9%	2.3%	1.1%
Monmouth	5,594	6,288	7,741	9,125	1.2%	2.1%	2.8%

Source: U.S. Census and the Center for Population Research and Census, Portland State University, 2006.

Personal Income

Table 2 shows median household income and the percentage of households below the poverty level in Monmouth, Polk County, and Oregon for 2000. Median household income for Polk County exceeded that for Oregon. In Monmouth, median income was significantly lower than for Polk County and Oregon. This is most likely attributable to the large student population in the community. The percentage of families living below the poverty level was higher in Monmouth than for Polk County, but lower than the statewide rate.

Economics -Table 2
Median Household Income and Percent of Households Living Below Poverty Level
Monmouth, Polk County, and Oregon, 2000 (in 2000 dollars)

Location	Median Household Income	Families Below Poverty Level
Monmouth	\$32,256	7.1%
Polk County	\$43,311	6.3%
Oregon	\$40,916	7.9%

Source: 2000 U.S. Census.

Region Employment

Table 3 shows covered employment data for the Dallas, Monmouth, and Independence for 2003. Combined employment in these communities reached 9,454 in 2003. A large portion of the area's employment is based in government (24 percent of the total). Employment at Western Oregon University contributes to this high percentage. Manufacturing and the transportation and utilities sector also provided 29 percent of the total jobs.

Economics -Table 3
Dallas, Monmouth, and Independence Covered Employment by Industry
2003

Industry	Percent
Government	24%
Manufacturing	17%
Education/Health Services	16%
Trade/Transportation/Utilities	12%
Natural Resources/Mining	9%
Leisure/Hospitality	8%
Construction	4%
Professional/Business Services	3%
Other Services	3%
Financial Activities	3%
Information	1%
Total	100.0%

Source: State of Oregon Employment Department, Employment, An Employment Snapshot: Dallas, Monmouth, and Independence, 2005.

Economic Outlook

Long-range economic forecasts generally predict growth at the national level, despite short-term national trends, which may run counter to the long-term trend. Several national economic trends will continue to impact Oregon and the Willamette Valley. These include continued population increase due to migration of the U.S. population to the western United States and the decline of employment in resource-intensive industries and the increase in employment in service-oriented sectors of the economy.

The State of Oregon is predicted to perform at least as well in the long-term forecast as the nation, due to its economic advantages that include, location, labor force, and diversity. According to the Oregon Employment Department, the three (3) industrial sectors that are expected to account for most of the state's job growth include: professional and business services; education and health services; and trade, transportation and utilities. The State forecasts additional job losses in the resource-based manufacturing sectors, although at a decreasing rate from the previous forecast period. The Willamette Valley, combined with the Portland Metro Area, is expected to add the majority of jobs over the forecast period.

Region Forecast

Table 4 shows projected employment within Marion, Polk, and Yamhill counties for the period from 2004 through 2014. Industry employment in the region is expected to grow from 169,400 in 2004 to 194,900 in 2014. This represents a growth rate of 15.1 percent. Oregon's statewide industry employment is also projected to increase by 15 percent over that time.¹

**Economics -Table 4
Employment Projections by Selected Industry
Marion, Polk, and Yamhill Counties, 2004 and 2014**

Industry	2004	2014	Percent Change 2004-2014
Total Non-Farm Payroll Employment	169,400	194,900	15.1%
Manufacturing, Total	20,100	20,000	-0.5%
Durable Goods	10,900	10,800	-0.9%
Non-durable Goods	9,200	9,200	0.0%
Non-Manufacturing, Total	149,300	174,900	17.1%
Construction	8,800	10,700	21.6%
Finance, Insurance, Real Estate	8,300	9,200	10.8%
Wholesale and Retail Trade	28,000	32,300	15.4%
Services	58,100	72,000	23.9%
Government	42,500	46,800	10.1%

Source: State of Oregon, Employment Department. *Regional Profile Industry Employment in Region 3, 2004.*

The Oregon Employment Department indicates that the services and construction industries will experience the most significant job growth within the region through 2014. The region's agricultural and food processors will continue to struggle as they face national and international competition. Government

¹ Oregon Employment Department, *Regional Profile Industry Employment in Region 3, 2002.*

employment is forecast to grow more slowly than the average of all industries over the period through 2014.²

Monmouth Economy

Monmouth’s economy has historically been based in education and agriculture. What began in 1856 as Monmouth University became Oregon State Normal School in 1883, Oregon College of Education in 1939, and is now known as Western Oregon University (WOU). Early agricultural industries included several fruit dryer firms, a cannery, flour mill, and grain warehouses. These businesses eventually disappeared as transportation improvement allowed these services to be established in larger population centers.³

Monmouth provides a number of economic functions to the central and southern portions of Polk County. Western Oregon University serves as a regional education and employment center. WOU is the second-largest employer in Polk County. Monmouth also serves as a commercial-service center of outlying rural and agricultural areas and, most recently, has developed as a “bedroom” community for commuters working in larger cities, such as Corvallis and Salem. Affordable housing costs and relatively short commute times to these larger employment centers has fostered population growth in Monmouth in recent years

Table 5 shows employment data for the Monmouth area based on employer records with a 97361 zip code.⁴ The data shows the prevalence of public sector employment in Monmouth as well as the large number of service industry jobs in the community. These two sectors account for about 80 percent of the local employment.

**Economics -Table 5
Monmouth Covered Employment
2005**

Industry	Covered Employment	Percent of Total
Agriculture, Forestry, Fishing & Hunting (11*)	215	6.3%
Construction (23)	118	3.4%
Manufacturing (31, 32)	56	1.6%
Transportation and Warehousing (42), Communications (48)	19	0.5%
Retail Trade (44)	178	5.2%
Real Estate (53), Services (54, 56, 61, 62, 71, 72, 81, 99)	1,914	55.9%
Public Sector (Local, State and Federal Employment)	920	27.1%
Total	3,421	100.0%

Source: State of Oregon Employment Department sorted and summarized by MWVCOG, 2007. Two-digit North American Industry Classification System (NAICS) code.

Covered employment includes only those workers covered under unemployment insurance. The data tends to underestimate total employment by excluding certain employees, such as business owners and

² Oregon Employment Department, *Regional Profile Industry Employment in Region 3*, 2002.

³ Scott McArthur, *Monmouth, Oregon: The Saga of a Small American Town*, 2004, pg. 173.

⁴ Some businesses with main offices located outside of the 97361 zip code may not be included in the employment statistics.

some agricultural workers. Overall, covered employment accounts for only about 81 percent of all employment in Oregon. In Table 4, 2005 covered employment is converted to total employment using statewide conversion ratios. The percentage in each employment sector that is reported as part of covered employment is shown in the column titled “Covered Employment Percentage”. Estimated total employment in Monmouth in 2005 was 4,190.

**Economics - Table 6
Covered and Total Employment
Monmouth, 2005**

Sector	Covered Employment Percentage	2005 Covered Employment	2005 Total Employment
Agriculture, Forestry, Fishing & Hunting	62%	215	347
Manufacturing	94%	118	126
Construction	73%	56	77
Wholesale Trade, Transportation and Warehousing	87%	19	22
Retail Trade	84%	178	212
Real Estate and Services	74%	1,914	2,586
Public Sector (Local, State and Federal Employment)	100%	920	920
Total		3,421	4,190

Source: State of Oregon Employment Department sorted and summarized by MWVCOG, 2007.

ECONOMIC OPPORTUNITIES AND CONSTRAINTS

This section examines factors that influence economic growth opportunities in Monmouth including a the local and regional strengths and weaknesses that can influence economic development. Through identifying Monmouth’s strengths and weaknesses, the city can begin to understand which types of industries have the greatest potential for growth and expansion, and what areas the city should work on to improve economic opportunity within the area.

Physical and Social Attributes

Location and Geography

Monmouth is located in the Mid-Willamette Valley approximately 15 miles southwest of Salem near the foothills of the Coast Range. The terrain in the urban area is generally flat. Outlying areas to the north, west, and south of the city are devoted to agricultural uses.

Monmouth has developed as a college-town and bedroom community for larger communities such as Corvallis and Salem. The local economy is dependent on Western Oregon University as the primary employer. In addition, retail trade and services sectors comprise a significant amount of local employment.

Quality of Life

Quality of life is a subjective standard that is hard to quantify. It includes economic factors, such as income, employment, and housing costs, as well as non-economic factors, such as natural and physical

amenities, quality of local education, and cultural and recreational opportunities. Economic factors are discussed elsewhere in this report.

Quality of life plays a role in economic development because it affects the relative attractiveness of the city to migrants. Net migration is forecast to comprise about 74 percent of Polk County's population growth through 2040.⁵ A more attractive quality of life may help Monmouth attract a greater share of in-migrants. These migrants not only bring job skills to various employment sectors, such as construction, services, and retail trade, but some may also start new businesses in the community.

Monmouth possesses a number of characteristics that contribute to quality of life. The community offers urban amenities, such as shopping, health care, parks, and schools within a small town environment. Monmouth residents have access to other nearby cultural and recreation amenities that can easily be reached from the Willamette Valley.

The Monmouth Citizens Advisory Committee (CAC) met during 1997 and 1998 to develop a *Visioning & Action Plan* for the community. The CAC listed the following qualities of Monmouth as creating a feeling of community and strength:

- Safe
- Friendly
- Youth Programs/Concern for Children
- Tea Festival and 4th of July Celebration
- Access to Arts
- Centrally located to many things
- Nice downtown
- Good school district
- Main Street Park and neighborhood parks
- Location of liberal arts university (WOU)
- Climate
- City staff
- Streets
- Pass bonds
- Library

Transportation

Available transportation access is one of the most important factors affecting economic development. Transportation affects the cost of doing business at a location. Firms depend on ready transportation access to ship and receive goods. Ready access allows for reduced production costs and more convenient automobile access for customers and employees.

Monmouth is bisected by Highway 99W which serves Corvallis to the south and McMinnville to the north. Highway 99W connects with State Highway 22, which connects to I-5. I-5 serves as the primary transportation artery in the Willamette Valley and is located approximately 17 miles east of Monmouth. The recently constructed Rickreall Interchange at the intersection of Highway 99W and Highway 22 is located approximately five (5) miles north of Monmouth. The interchange was constructed to improve traffic safety and increase capacity on this intersection. Monmouth does not have rail service.

⁵ Oregon Office of Economic Analysis, *Forecasts of Oregon's County Populations and Components of Change, 2000 - 2040*.

Land Cost

The Oregon Prospector.com is the state's official public-private website for site consultants and businesses interested in relocating or expanding a business in Oregon. This site provides an on-line database of available commercial and industrial properties in Oregon. The most recent database listing shows four (4) vacant industrial properties in Polk County with advertised sales prices, two (2) of which are in Dallas. The properties are approximately 41.8 acres and 60.5 acres. Sale prices for the properties are \$40,640 and \$45,000 per acre.

The Oregon Prospector.com also lists several vacant industrial properties in Salem. These properties range in size from 13.1 acres to 51 acres. Sale prices range from \$100,401 to \$169,948 per acre.

While none of the properties listed are in Monmouth, Polk County Assessor records show that the real market value of several vacant industrial properties in the community ranges from approximately \$32,000 to approximately \$76,000 per acre. The real market values used by the Polk County Assessor's office are comparable to the price of available land in Dallas and significantly lower than the cost of available parcels in Salem. While this obviously does not represent a comprehensive market survey, it does indicate that land costs, particularly in relation to the Salem market, are lower in the Monmouth area. Lower land cost is often a consideration for firms to locate in smaller communities.

Utilities

The City owns and operates its own wastewater collection treatment and disposal system. The collection system as a whole is considered sound, with no major defects found due to a number of successful rehabilitation projects completed in 1991 and 1997. The City is in the process of updating the 1999 Sewer Master Plan. The updated Plan will be complete in 2007. As part of planned system improvements from the 1999 Master Plan, an effluent reuse project was completed to increase the capacity of the current sewage treatment system. The effluent reuse project reduces the need for summer effluent holding through the irrigation of a popular plantation with the treated effluent from the sewer lagoons. Sewer system capacity can accommodate development of vacant commercial and industrial properties.

The City also owns and operates its own water distribution system. The City is in the process of updating the 2000 Water Master Plan. The updated Plan will be complete in 2007. Planned improvements would be completed in four phases through 2026. Improvements include development of a new wellsite, construction of main transmission lines, water line improvements to increase capacity, and eventually the construction of a 2 million gallon reservoir that would replace an existing reservoir. Water system capacity can accommodate development of vacant commercial and industrial properties.

In 2004, the cities of Monmouth and Independence created an intergovernmental entity, known as MINET (Monmouth-Independence Network), to operate a local network that offers high speed internet, telephone and cable services via fiber optic lines. MINET provides service to the general Monmouth-Independence area. A consortium comprised of the City of Monmouth and the City of Independence guides it cooperatively.

MINET began providing cable TV and high-speed Internet services to both commercial and residential customers in May of 2006. MINET offers these services at competitive rates and a high quality. Residential households have access via a 30-megabit (mb) connection. Commercial services have access to even faster connection services measured in gigabits (gb). MINET also began providing phone service in December of 2006.

Currently approximately 1,350 households or businesses in Monmouth and Independence subscribe to MINET. To date, the entire City of Monmouth and 70 percent of all neighborhoods in Independence are wired. MINET is required to offer provide their services to anyone who requests them inside the city limits. Possible expansion plans include providing these services to the City of Dallas.

Vacant commercial sites located within Monmouth have access to utilities.

An industrial subdivision was approved by the City in 2006. The subdivision is located at the south end of Monmouth one block west of Highway 99W. The subdivision would consist of 24 lots ranging in size from 6,138 to 10,824 square feet in size. The subdivision is aimed at attracting small firms such as building contractors and repair and service shops. Some lots may be combined as needed by potential businesses locating at the site. Development of this subdivision will result in construction of an extension of Ecols Street and the extension of utilities to a vacant 21-acre industrial property (Assessor Map 84W30, Tax Lot 905) located adjacent to the subdivision to the south.

The city's largest vacant industrial parcel, a recently annexed 90.0-acre property located on Hoffman Road at the north edge of the Monmouth urban growth boundary (Assessor Map 84W19, Tax Lot 107) is not currently served with utilities. Water service is located in the Hoffman Road right-of-way east of the property at the western edge of The Meadow Subdivision Phase 2. The property abuts the City's sewage lagoons and sewer service could be extended to serve the property. Improvements to Hoffman Road, which is part of the Polk County Road System, would also be necessary to allow for development of this property.

Labor Force

The cost, availability, and skill-level of the local labor force can affect the comparative advantage of a community. One indication of work availability is an area's unemployment rate. The Mid-Willamette Region (Region 3) tends to have slightly lower unemployment rates when compared with Oregon. In the 2001 recession and the years that followed, unemployment rates in the region reached levels not experienced since the recession of the early 1980s. The region's unemployment rate has since declined significantly as the economy came out of the recession. Seasonally adjusted unemployment for Region in 2005 was 6.1 percent. Although the region's unemployment level may be lower than the state's, the region's jobless rate has generally risen and fallen with the state and national jobless rate, following broader economic and labor market trends. The Oregon Employment Department forecasts Region 3 will continue to have unemployment rates consistently below Oregon's, sometimes by as much as one (1) full percentage point. As a whole, Region 3 will continue to benefit from a more stable labor force than Oregon's rural counties that depend on seasonal employment in agriculture and tourism.

Polk County residents generally enjoy a lower jobless rate for a number of reasons, including higher education levels among its residents and their ability to commute to such communities as Salem, where employment in state government is largely stable. The unemployment rate for Polk County in December 2006 was 5.1 percent. In general, a lower unemployment rate does not provide a comparative advantage in a tight labor market.

The Oregon Employment Department notes that in-migration will continue to be a significant factor in determining long-term growth in Region 3, despite the region's having a natural population increase rate that is higher than the state.⁶ From 2005 to 2040, projections from the Oregon Department of Administrative Services indicate the region's growth will be considerable higher than the state's (region

⁶ Oregon Employment Department, *Regional Population Profile - Region 3*, 2005.

64 percent) (state 50 percent). Although Polk County is expected to add the fewest new residents of the three counties (70,500), it is forecasted to have the most rapid population growth in the region, growing by nearly 108 percent from 2005 to 2040. Not only do new residents create demand for goods and services, but they also supply additional workers.

Training and Business Opportunities

Chemeketa Community College is located approximately 20 miles east of Monmouth. The Chemeketa Career Center provides educational and vocational rehabilitation assistance. Chemeketa coordinates its program for various companies in the Mid-Willamette Valley Region who need specific educational training for their employees. The Chemeketa Small Business Development Center provides business advising, training, workshops and counseling. The Chemeketa Training & Economic Development (TED) Center offers specialized training programs to assist local business.

The Chemeketa Micro Enterprise Development Center (MERIT) is a program, which helps underserved people increase income and build assets through self-employment. The MERIT program helps entrepreneurs in Marion, Polk, and Yamhill Counties develop their business ideas, learn the basics of running a business, and write a business plan. MERIT supports the “underserved”-low-income, minorities, immigrants, women, the disabled, welfare recipients, the unemployed, and anyone else who has difficulty getting small business training or credit through traditional means.

Western Oregon University in Monmouth can assist industrial firms, if WOU has contacts for experts in the specific area. The Conference and Nonacademic Program Department’s activities include customizing training in the business field. Previously, WOU customized training for managers at Teledyne-Wah Chang’s Albany office.

The Business Department is the second-largest department at Western Oregon University (the Education Department is the largest department on campus). Business majors pursue internships and specialized projects as they approach graduation. Local businesses can provide internships to these students as a way of providing valuable on-the-job training and experience.

Monmouth Economic Development Commission

The Monmouth Economic Development Commission (EDC) is a 10-person, "action-oriented team" in place to study strategize and plan for commercial development under the direction of the Monmouth City Council. The mission of the EDC is based on the following basic objectives:

- Develop a full and stable downtown commercial core based on the principles of the 1999 Downtown Development Plan.
- Create and maintain a healthy business climate to benefit new and existing business.
- Encourage and promote economic development to provide a positive business climate and a stable economic base for the provision of goods, services and facilities desired by the community.

Dallas-Independence-Monmouth Enterprise Zone

The Dallas-Independence-Monmouth Enterprise Zone includes approximately 316 acres in Monmouth. Areas within the Enterprise Zone include downtown commercial properties, commercial properties along Highway 99W, and all industrial properties located within the Monmouth urban growth boundary. The Enterprise Zone is scheduled to sunset in 2013.

Enterprise Zone benefits include:

- 100 percent waiver for property taxes for three (3) years.
- 100 percent waiver of land use permit fees.
- 50 percent discount for building permit fees.
- 25 percent discount for System Development Charges.

Monmouth Urban Renewal District

In 2005, the City of Monmouth adopted the Monmouth Urban Renewal District. The Urban Renewal District comprises approximately 307.62 acres or about 24.7 percent of the land area in Monmouth. The District is comprised of part of the Downtown Main Street District and some adjacent residential area, a portion of the Commercial Highway District, adjacent Industrial Districts, and the properties adjacent to Highway 51 from Highway 99W east to the 'S' Curves at the eastern City Limits. All parts of the Urban Renewal District are adjacent to one another creating a single, uninterrupted District.

The Urban Renewal District project funding is derived from tax increment financing, which means that the property taxes resulting from the growth in property value within the District can be used to finance development and improvement projects within the District. Urban Renewal also allows for the purchase and sale of property for redevelopment as part of a public / private development partnership.

The goals of the Urban Renewal District are as follows:

- *Promote the development of a unified and cohesive Downtown Main Street Sub Area*
- *Promote the redevelopment and new development of properties located adjacent to Highway 99, the Commercial Highway Sub Area*
- *Promote the development of underutilized or vacant Industrial properties within the Urban Renewal District*
- *Promote and manage the development and redevelopment of properties adjacent to Highway 51 from Highway 99 east to the 'S' Curves at the eastern City Limits.*
- *Increase business activity and employment opportunities in the Downtown Main Street Sub Area, Commercial Highway Sub Area, Industrial Sub Area, and all other commercially designated areas within the Urban Renewal District*

Table 7 shows the project list from the City of Monmouth Urban Renewal District Plan. Urban Renewal Projects authorized by the City of Monmouth Urban Renewal Plan are described in this section. The Plan projects will be implemented over a 20-year period from 2006 through 2026. The projects are organized for planning purposes into four categories based on the four distinct sub-areas within the Urban Renewal District as well as projects that provide benefit district wide.

**Economics - Table 7
Monmouth Urban Renewal District Projects List**

Downtown Main Street Sub-area	
Façade Improvement Program	Estimated Cost: 250,000¹
Loan and/or Grant Design Standards Professional Design Assistance Residential Improvement Program	
Infrastructure Improvements	
	Estimated Cost: 1,000,000
Streetscape Improvements – implement the recommendations for downtown from the 2000 Downtown Plan Parking Improvements (Plan, District, Physical Improvements) Pedestrian Improvements - implement the recommendations for downtown from the 2000 Downtown Plan	
Code Compliance and Structural Retrofit Program	
	Estimated Cost: 250,000
Loan and/or Grant Professional Assistance (Engineering, etc.)	
Site-Specific Redevelopment Projects	
	Estimated Cost: 500,000
Individual property redevelopment projects to be determined by availability of property, cooperation of property owner(s), and property eligibility for development and redevelopment as qualified as underdeveloped or blighted as defined by State of Oregon Urban Renewal law. Site-specific development or redevelopment projects may include development projects on City-owned property.	
Commercial Highway (Highway 99W) Sub-area	
“Gateway” Development	Estimated Cost: 100,000
Monument signage at the north and south ends of the Urban Renewal District as follows: “Welcome to the City of Monmouth, Oregon – Home of Western Oregon University” Signage is to be design-consistent with “gateway” signs on the WOU campus entrances Northern “gateway” sign will be located adjacent to the Ash Creek Trail under development and will serve a double purpose as a trail-head access point.	
Infrastructure Improvements	
	Estimated Cost: 250,000
Streetscape Improvements - designed to soften the transition between the Downtown commercial area and the Highway 99 commercial area Pedestrian and Bicycle Improvements – designed to increase bike and pedestrian safety on and near Highway 99 and to reduce the impact of the “barrier” between east and west Monmouth Sewer, storm-water, power, and MI-NET	
Commercial Property Improvement Program	
	Estimated Cost: 250,000
Loan and/or grant Design standards specific to commercial highway property development Professional design assistance Improve business access on/off Highway 99	
Site-Specific Development and Redevelopment Projects	
	Estimated Cost: 500,000
Individual property redevelopment projects to be determined by availability of property, cooperation of property owner(s), and property eligibility for development and redevelopment as qualified as underdeveloped or blighted as defined by State of Oregon Urban Renewal law. Site-specific development or redevelopment projects may include development projects on City-owned property.	

Industrial Sub-area	
Industrial Site Certification Assistance	Estimated Cost: 200,000
Develop programming to provide financial assistance to property owners for necessary site studies Provide technical and financial assistance to property owners, and access to state and regional resources for the promotion and completion of site certification.	
Infrastructure Improvements (to support Industrial Development)	Estimated Cost: 4,000,000
Streets, curbs, sidewalks Sewer, storm, water, power, and MI-NET Pedestrian / Bicycle Improvements	
Highway 51 from Highway 99 east to the ‘S’ Curves Sub-area	
Public Infrastructure Improvements	Estimated Cost: 400,000
Streetscape Improvements Pedestrian / Bicycle pathway and safety improvements Sewer, storm, water, power, and MI-NET improvements as determined necessary by City Public Works and Engineering	
“Gateway” Development	Estimated Cost: 50,000
Monument signage at the east end of the Urban Renewal District as follows: “Welcome to the City of Monmouth, Oregon – Home of Western Oregon University” Signage is to be design-consistent with “gateway” signs on the WOU campus entrances Residential Improvement Program Development	
Public Park / Recreation Property Acquisition and Development	Estimated Cost: 2,000,000
Sports complex adjacent to Ash Creek Middle School Ash Creek Trail development adjacent to sports complex	
Projects that benefit the entire Urban Renewal District	
Investment Incentives (Financial)	Estimated Cost: 90,000
Loans and or grants Public / Private Partnership Development and Redevelopment Opportunities	
Business Assistance	Estimated Cost: 20,000
Technical Assistance Business Planning and Education Opportunities Connections to available resources	
Planning Documents Review and Revision (if necessary)	Estimated Cost: 500,000
Contingency	Estimated Cost: 1,000,000
Total Expenditures	\$11,360,000

Source: City of Monmouth Urban Renewal District Plan, 2005.

¹ Estimated costs in 2005 dollars.

Since the District was formed, the administering Urban Renewal Agency has established a Façade Improvement Grant Program and a General Grant Assistance Program. The Façade Improvement Grant Program was formed to provide business owners in the Main Street District with financial assistance for exterior improvements. The General Grant Assistance Program is intended to fund redevelopment projects and major improvements in the Urban Renewal District. Program grants can be used to fund a wide array of projects.

Marion, Polk, and Yamhill Counties Regional Economic Profile and Assessment

In March 2007, E.D. Hovee & Company, LLC produced the Marion, Polk, and Yamhill Counties Regional Economic Profile and Assessment. The document is intended as a “first step in a regional strategic planning process for the Marion-Polk-Yamhill County region”.⁷ The report includes a strategic assessment of the region that includes strengths, weaknesses, opportunities, and challenges as shown in **Table 8**.

Economics - Table 8
Marion, Polk, and Yamhill Counties Strategic Assessment

Strengths	Weaknesses
• Natural Resources with metro proximity	• Low-skilled, low-wage labor force
• Population center with industrial land	• Air, rail, and Highway 99W transportation issues
• Small business innovation	• Education link to economic development?
• State capital with traded sector businesses	• Slow state job growth & no urban sizzle
• Distinctive, livable communities	• Long intra-regional work commutes
Opportunities	Challenges
• 21 st century focus on the Pacific Rim	• Job outsourcing
• Pacific Northwest economic and cultural icons (Microsoft, Starbucks, etc.)	• Icon maturation – what’s next?
• Livability plus active lifestyle	• Declining regional affordability
• Ethic of green by design and “just do it”	• Geographic isolation from U. S. markets
• U.S. manufacturing resurgence	• Industrial sustainability

Source: Marion, Polk, and Yamhill Counties Regional Economic Profile and Assessment, 2007, page iii.

The Regional Economic Profile and Assessment includes a competitive advantage analysis using IMPLAN. IMPLAN is an input-output model intended, which is an input-output model that can assess the total economic impacts of specific local economic sectors and interrelationships between various local economy sectors and the state.⁸

The IMPLAN model was used to analyze 506 industry sectors of the three-county regional economy. The analysis was intended to identify sectors that are better suited to the region. The analysis found five business clusters that rate highly for comparative advantage within the three county region. These five clusters account for about 56 percent of the region’s 2003 employment based on the IMPLAN county data.⁹ These clusters include:

- Agriculture, Food and Beverage Products – including a number of agri-business activities ranging from farming to manufacturing of both commodity and specialized food and beverage products.
- Metals, Machinery and Equipment (including Electrical) – including specialties with a high concentration currently within the region, such as iron and steel mills, secondary nonferrous metals

⁷ Marion, Polk, and Yamhill Counties Regional Economic Profile and Strategic Assessment, March 2007, page 1.

⁸ Marion, Polk, and Yamhill Counties Regional Economic Profile and Assessment, 2007, page 39.

¹⁰ Marion, Polk, and Yamhill Counties Regional Economic Profile and Assessment, 2007, page 42.

processing, ball and roller bearing manufacturing, enameled iron and metal sanitary ware, textile packaging machinery, computer terminals, electric lamp bulbs and parts, and dental equipment.

- Forest Products (including Logging) – including sectors with a high concentrations currently within the region, such as prefabricated building manufacturing.
- Specialty Materials Manufacturing – ranging from fabrics to aggregate materials to petro-chemical products.
- Traded sector services- including sectors with a high concentrations currently within the region, such as office administrative services, higher education, and state and local non-education.¹⁰

Business Clustering

The Oregon Department of Economic and Community Development (OECDD) has adopted a “cluster-based strategy” as a means of promoting economic development throughout the state. Industry clusters refer to groups of similar or interrelated firms that share common markets and technologies and which draw on similar work skills.

The strategy has two primary aims:

1. To understand traded industry clusters that are important sources of innovation, entrepreneurship and employment growth in the state; and
2. Develop policy initiatives to promote collaboration among businesses, facilitate the development of public-private partnerships and create effective incentives to support the growth of traded industry clusters.¹¹

Based on a 2003 study of Oregon's industries, the cluster initiative focuses on eleven broad industry groups with significant concentrations of employment in Oregon relative to the US economy as follows:

- High technology/software
- Forest products/wood/paper
- Food processing and agriculture
- Apparel and sporting goods
- Transportation equipment
- Creative services
- Recreation-related
- Metals/machinery
- Nursery products
- Professional services
- Biomedical

¹⁰ Marion, Polk, and Yamhill Counties Regional Economic Profile and Assessment, 2007, pages 40-42.

¹¹ From the website: <http://www.oregon4biz.com/inn.htm>

Under the clustering concept, businesses thrive in particular locations because their network of local connections to a specially skilled local workforce and the availability of local suppliers in proximity to one another generates business advantages that can not easily be imitated or competed away by low cost competitors.¹²

Oregon Site Certification

Industrial Site Certification documents and assembles information needed by a business considering acquisition and use of a site. A certified site meets specific, market-driven criteria based on the standards of real estate professionals and of the industries that would develop and operate at these locations. Each site receives a consistent level of analysis for development issues.¹³

In order to be considered for certification, an industrial site will need to contain at least 10 net contiguous developable acres, and preferably, the site should be 25 or more acres in size, as well as vacant. Project-ready sites have had necessary environmental and other investigations performed, but they may necessitate that additional capital investment or mitigation work is undertaken during an up to 180-day period.

Each site will be certified for one or more of eight industry profiles. The use of industry development profiles allows the State to identify needed facilities or site improvements and develop capital investment or mitigation plans prior to certification or an actual recruitment.¹⁴

The industry profiles used for the first round of certification are:

- Heavy Industrial Manufacturing
- General Manufacturing
- Food Processing
- High Technology manufacturing/processing
- Campus Industrial/Electronics and Computer Assembly
- Warehouse and Distribution
- Call Center/Business Services
- Rural Industrial

¹² From the website: <http://www.oregonclusters.org/faq.html>

¹³ From the website: <http://www.econ.state.or.us/IC.htm>

¹⁴ From the website <http://www.econ.state.or.us/ICfacts>.

EMPLOYMENT GROWTH AND LAND NEEDS

Local Industrial Employment Growth

A primary function of an Economic Opportunities Analysis is to identify the industrial land needs, both for the short-term and beyond. One way of estimating future employment growth is to identify the ration of jobs per capita in the community and to then apply that ratio to a future population projection.

In 2005, Monmouth had 193 industrial jobs. **Table 9** shows that this results in a ration of 0.02194 industrial jobs per capita.

**Economics - Table 9
Industrial Employment Per Capita
Monmouth, 2005**

Industrial Category	Jobs
Construction	118
Manufacturing	56
Transportation and Warehousing, Communications	19
Total	193
Population (2005)	8,785
Industrial jobs per capita	0.0219

Source: Oregon Employment Department, U.S. Census and the Center for Population Research and Census, Portland State University, MWVCOG, 2007.

In 2005, there were 59, 679 industrial jobs in the Marion, Polk, and Yamhill counties region. As shown in **Table 10**, the regional population was 458,115. The resulting ratio was 0.1303 industrial jobs per capita. This is much higher than the ratio for Monmouth, indicating that Monmouth has not created industrial jobs at the same rate as the rest of the region.

**Economics - Table 10
Industrial Employment Per Capita
Marion, Polk, and Yamhill Counties, 2005**

Industrial Category	Jobs
Construction	9,847
Manufacturing	20,782
Transportation and Warehousing, Communications	29,050
Total	59,679
Population (2005)	458,115
Industrial jobs per capita	0.1303

Source: Oregon Employment Department, U.S. Census and the Center for Population Research and Census, Portland State University, MWVCOG, 2007.

Table 11 shows the 2027 projection for industrial employment in Monmouth using the 2005 industrial jobs per capita ratio. The projection shows that 117 new industrial jobs would be created. Although

Monmouth’s industrial employment per capita currently lags behind the ratio for the three-county region, Monmouth is committed to improving the ratio of industrial jobs per capita. The City has adopted an Urban Renewal District Plan that includes a number of projects, such as infrastructure improvements and business assistance, intended to foster additional industrial growth in the community.

Economics - Table 11
Industrial Employment Growth in Monmouth
2005 - 2027

Calculation	Result
Monmouth population, 2027 ¹	14,304
Monmouth industrial jobs per capita ratio	0.0219
Monmouth industrial jobs 2027	313
2005 Monmouth industrial jobs	193
Net new industrial jobs 2027	117

Source: MWVCOG, 2007.

¹ Monmouth had adopted a 2020 population projection that has been coordinated with Polk County pursuant to Oregon Revised Statutes 195.025. The projection uses an average annual growth rate of 2.3 percent. That percentage was used to estimate the 2027 population.

Industrial Land Needs

Table 12 shows all of the industrial properties within the Monmouth urban area. Excluding estimated areas that are constrained, approximately 167 acres are available for industrial development. Constrained land includes land in an around Ash Creek in the north portion of the Monmouth urban area, that includes some wetlands as identified by the National Wetlands Inventory. Currently, no mitigation plans have been developed for wetland areas that cross several parcels at the north end of Monmouth. Without a full mitigation plan, the full extent of constraints on these properties can only be estimated.

**Economics - Table 12
Industrial Land Monmouth Urban Area**

Assessor Map/Tax Lot	Acres	Developable Acres (estimate)	Notes
Within City Limits			
84W19 / 100	8.6	7.6	Existing residence and accessory structures
84W19 / 102	0.9	0.4	Existing residence
84W19 / 105	0.9	0.4	Existing residence and accessory structure
84W19 / 106	2.38	2.0	Existing residence and accessory structure
84W19 / 107	91.4	60.0	Existing residence, possible wetlands, and Ash Creek floodplain
84W30 / 903	5.3	5.3	Approved for 24-lot industrial subdivision
84W30 / 905	21.0	21.0	Development of industrial subdivision on adjacent property will extend utilities and access
84W30 / 901 & 904	6.5	0.0	Existing mini-storage facility
Total Within City Limits		96.7	
Between City Limits and UGB			
84W19 / 300	31.2	31.2	Existing residence, possible wetlands, and Ash Creek floodplain
84W19 / 600	3.6	0.0	Existing mini-storage facility
84W19 / 1100	45.8	39.0	Portion in the Ash Creek floodplain
84W30/1000	10.5	0.0	Portion of a 26.3-acre property zoned Light Industrial by Polk County and used as a landscape supply business
Total Within UGB Area		70.2	
Total		166.9	

Source: Polk County GIS, MWVCOG, 2007.

Presently, only seven (7) industrial parcels are available for development in the Monmouth urban area. A number of additional industrial parcels are located within the outside of the city limits, but within the urban growth boundary. These parcels are currently zoned for industrial development by Polk County and are identified for future industrial use on the Monmouth Comprehensive Plan.

The approved 24-lot industrial subdivision will add a number of smaller sites of less than 0.5 acre for development. Creation of additional sites of between 2.0 and 5.0 acres is also important. Smaller cities often attract small manufacturing firm, which require sites of less than five (5) acres.

Creation of additional industrial sites that are at least 10 acres in size could provide for Site Certification by the State. Several large sites, larger than 20 acres, are available for development. Given the lack of industrial development in Monmouth to date, these parcels are probably larger than needed for any one firm. Future partitions of these properties could provide additional market opportunities for smaller firms to locate in Monmouth. Combined with wetland mitigation plans and infrastructure improvements State-certified sites could be made available. Monmouth will encourage creation of smaller parcels that could accommodate the types of firms likely to locate in the community.

Commercial Land Needs

Monmouth provides a variety of commercial services in the downtown area. The downtown extends along Main Street (State Highway 51) and several parallel streets from Highway 99E west to Clay Street. This area is zoned Main Street District. The Main Street District: “is intended to provide a vibrant mix of commercial uses in a pedestrian-friendly environment”. The Purpose statement of the Main Street District further reads: “A City goal is to strengthen the Main Street District as the “heart” of the community and as the logical place for people to gather and create a business center. The District is intended to support this goal through elements of design and appropriate mixed-use development”.

Another major commercial area in Monmouth is located on Highway 99E. The area contains a mixture of commercial uses, with an emphasis on uses catering to the traveling public.

A third, commercial area is located along Highway 51, east of Highway 99E. These are smaller primarily small service businesses located in an area with residential uses.

Table 13 shows that approximately 14.9 acres are available for commercial development within Monmouth.

**Economics Element - Table 13
Commercial Buildable Lands Inventory Summary
Monmouth, 2007**

Zone/Plan Designation	Vacant (acres)	Redevelopable	Total Acres
Within City Limits			
Commercial Office Zone (CO)	0.2	0.0	0.2
Commercial Retail Zone (CR)	14.7	0.0	14.7
Commercial Highway Zone (CH)	0.0	0.0	0.0
Total	14.9	0.0	14.9

Source: Polk County GIS data, MWVCOG, 2007

Nearly all of the vacant commercial land in Monmouth consists of a group of parcels zoned Commercial Retail (CR) located at the “S-curve” on Highway 51 at the eastern city limits, near Independence. The largest of these parcels is approximately 8.8 acres in size and has previously been approved for development. Determination from the Oregon Department of Transportation (ODOT) regarding required street improvements and lack of an anchor tenant have kept the property from being developed to date. With development of this property pending, the City will work to identify new commercial areas to serve future needs. One option will include identifying properties near the downtown commercial core that could be redeveloped for commercial uses.

Short-Term (5 Year) Land Needs

Short-term land needs are characterized by those lands that will be needed for employment growth within the next five (5) years. Ideally, land available for short-term employment growth is not constrained by the lack of infrastructure or those lands considered unavailable due to land speculation. The five-year demand is approximated as one quarter of the projected 20-year demand.

Regarding industrial land needs, the development of a new industrial subdivision between Ecols Street and Highway 99W will provide a number of sites for small industrial businesses. The development of the subdivision will extend utilities to an adjacent 21-acre industrial parcel. A larger 90.0-acre industrial site located at the north end of the urban area on Hoffman Road has services available. This site could be partitioned to provide smaller sites of between five (5) acres and 10 acres. Future development of this property will require wetland determinations and a mitigation plan to identify the full extent of development on the property.

Several larger commercial parcels located at the “S-curve” on Highway 51 near Independence can provide for short-term commercial needs. However, the city must identify future commercial sites, ideally located within the downtown area.

Based upon a review of the buildable lands inventory, the city has adequate commercial and industrial land to meet its short-term land needs.

Long-Term Land Needs

With nearly 170 acres of industrial land available within the urban area, Monmouth has enough land available to meet the projected need for industrial employment land through 2027. With more than half of the available industrial acreage is currently located outside the city limits, the City will encourage annexation of industrial parcels located within the UGB to help ensure choices in the market place.

Wetland determinations and mitigation plans must be developed for larger parcels located at the north end of Monmouth along Hoffman Road. Industrial site certification for properties in Monmouth is included as part of the Monmouth Urban Renewal District Plan. Development of mitigation plans and construction of infrastructure improvements to serve these potential development areas will be important to obtaining Site Certification for industrial properties. Encouraging creation of smaller parcels will also help ensure choices in the market and provide sites that best meet the needs of smaller firms most likely to locate in Monmouth.

Future commercial areas need to be identified to meet long-term needs. Redevelopment within the existing downtown core provides the most viable option for long-term commercial needs. The city is committed to revitalizing the downtown area. Creation of additional commercial development opportunities in the downtown will help realize this goal. Expansion of the urban growth boundary to the north or south to provide for further commercial development along Highway 99W has the potential to adversely impact business development within the downtown core.

City Policies Affecting Economic Development

Monmouth has adopted a number of economic development goals and policies as part of the Comprehensive Plan, which are stated as follows. In general, Monmouth supports economic development that adds to the quality of life of the community and that provides local employment opportunities.

Economic Development Goals

- 1. To maintain existing businesses and encourage a variety of new business activities to locate in the city.*
- 2. To increase the short- and long-term stability of the local economy.*
- 3. To foster commercial and/or industrial activities to meet the expressed needs of the residents.*

4. *To encourage development of a sound economic base through diversified industries.*
5. *To increase and broaden employment opportunities for area residents and stimulate growth of retail and service-related activities.*
6. *To utilize Western Oregon University's training opportunities for existing firms in the community and to utilize Western Oregon University as a source of new employees who meet the needs of local employers.*
7. *To promote the development of a unified and cohesive downtown Main Street.*
8. *To implement the Monmouth Urban Renewal District Plan.*

Economic Development Policies

1. *The City shall promote the retention and expansion of existing business activity while promoting the recruitment of new commercial small business activity, including the development of the business license process.*
2. *The City shall utilize public and private capital improvements funding to stimulate business development in downtown.*
3. *The City shall create a favorable climate to attract new commercial uses that will benefit the community.*
4. *Commercial development in areas outside of downtown and Highway 99W shall be oriented to serve neighborhood needs.*
5. *The City will develop neighborhood commercial standards.*
6. *The City shall reduce the community tax burden by fostering diversification and broadening the tax base.*
7. *The City shall seek to attract and expand industries to provide employment opportunities for City residents.*
8. *Industries shall be required to adhere to applicable Federal and State air, land and water quality standards.*
9. *The City shall designate additional industrial land after the majority of the existing supply is developed.*
10. *The City shall require industries to provide landscaping to buffer the visual effect of expansive buildings or paved areas, to improve the streetscape along collector and arterial streets, and to screen adjoining non-industrial areas.*
11. *Using Western Oregon University's assistance, the City will recruit technological-based industries by encouraging a link between research industries and Western Oregon University.*
12. *The City shall establish reciprocal liaisons with Western Oregon University.*

13. *The City supports opportunities for Western Oregon University faculty and their spouses to live and work in the community.*
14. *The City will continue to support the development of the Monmouth-Independence Network (MInet) as a means of fostering economic development.*
15. *The City will work to place one or more industrial properties on the list of Oregon Certified Industrial Sites.*
16. *The City will structure the standards and criteria of the Zoning Ordinance to assist commercial and industrial developers in determining the feasibility of a potential project. The City will emphasize the importance of a rapid review process, avoiding unnecessary delays in processing applications for developments.*