

# EUGENE COMMERCIAL LAND STUDY 2000

## Introduction

The primary objective of this study is to update the information from the Eugene Commercial Land Study (ECLS) published in October 1992. The goal of that document was to inventory available commercial lands. In addition, those lands were qualified as to being constrained or constraint-free sites. In addition, the study attempted to project the demand for commercial lands through the Year 2010.

The current study is again to inventory available commercial lands for four purposes: 1) to estimate the inventory of commercial lands within the Eugene UGB, 2) to create an interim check on the original 20-year absorption of commercial lands as compared to the projection in the original study, 3) to determine if the remaining inventory of commercial lands are sufficient to satisfy expected demand, and 4) attempt to measure the potential demand over the next 10-15 years. Under Statewide Planning Goal 9, local jurisdictions are required to maintain a reasonable inventory of lands to fulfill the development needs of the community. Absorption is defined as the change from the earlier inventory. This survey measures the absorption of the commercial land inventory since 1990. This absorption would have occurred through a variety of ways, i.e. commercial, other developments, wetland classification, and government acquisitions.

The Eugene Chamber is concerned about the diminishing supply of commercial land, therefore Duncan & Brown, Real Estate Analysts, was contracted to complete this survey. Lane Council of Governments (LCOG) was contacted regarding the availability of data. LCOG, using a similar database to the data developed in the ECLS, supplied a listing of all properties shown on their database to be zoned and/or designated commercial lands. Not only were the vacant commercial lands obtained, but also partially vacant sites and sites in which the improvement value from the Lane County Assessor's Office was less than \$10,000 or where the improvement value was less than 25% of the land value. These categories were all included. The purpose for including the partially or undervalued improvement categories were so determinations could be made if the land was available for redevelopment. To assure that as many parcels as potentially available in the marketplace were surveyed, the Lane County Assessor's Office was also contacted. From them, a list of all properties that they show being vacant commercial land were also included to create the master commercial land list.

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## Summary

*The number of acres of constraint-free sites has reached a historically low level. The level of commercial lands have reached such a low level that further commercial development is near impossible.*

### Significant Findings

Statewide Planning Goal 9 requires the city of Eugene to provide an adequate amount of commercial land to meet projected needs for commercial development in the planning period. Utilizing the same general methodology as used in the 1992 Eugene Commercial Land Study, the city of Eugene would need approximately between 400 and 500 acres over the next 10 years and likely 800-1,200 acres of commercial land in the next 20 years. The study revealed less than 113 acres of commercial land available.

- ❖ According to findings from this Study, over 400 acres were absorbed during the decade of the 1990's, versus the 1990 projection of approximately 266 acres, or more than twice the amount projected.
- ❖ Of the lands available, approximately 30 acres are considered to be constraint-free sites. Of those 30 acres, approximately half the land is located in 22 scattered parcels, less than 2 acres in size.
- ❖ There are seven constraint-free parcels between 2-4 acres. No parcels larger than 3.5 acres could be located that were constraint-free.
- ❖ There are approximately 82 acres constrained by a variety of elements. There are two parcels of 5 and 8.3 acres, with all the remaining sites being a smaller size.
- ❖ Two parcels totaled 8.6 acres.
- ❖ There are five sites between 3-4 acres totaling 16.9 acres.
- ❖ The remaining 53 sites are less than 3 acres in size and contain nearly 65% of all those lands.
- ❖ Of the 74 acres of lands classified as constrained sites, approximately 56 acres currently have some type of improvement.
- ❖ Redevelopment and infill of commercial sites is not realistic to expect that element to support ongoing commercial development.
- ❖ Redevelopment and infill is often a problematic period.
- ❖ Redevelopment of the multitude of small lots would be difficult because of the lack of financial feasibility to redevelop small sites, particularly under the new land use code.
- ❖ A trend in commercial development has been for larger parcels, both retail and office development, because of the gained efficiencies.

## Supply of Commercial Land

The purpose of this section is to describe the supply of buildable commercial land within the Eugene Chamber study boundary as previously discussed. Bill Clingman of LCOG indicated that their database includes more land than the Urban Growth Boundary and Urban Reserve. The amount of additional land outside both boundaries is minimal. The area included within this study is that land within the database of LCOG, referred to as the Eugene Study Boundary. The purpose of describing the supply of commercial sites is to determine if the available supply will meet or exceed projected demand through the year 2010. This chapter is intended to discuss the commercial land inventory within the study area through December 2000. The data was studied over a three-month period (September-December 2000). Available commercial land inventory is a dynamic figure because of the ever-changing commercial market.

The data obtained from the Lane County Office of Assessment and Taxation (A&T) and Lane Council of Governments (LCOG) yielded a total of 1,060 separate tax lots that fit within the previously described criteria. Sites indicated to be either vacant commercial, commercial with less than \$10,000 in value per the Lane County Assessor's Office, or sites in which the improvement value was less than 25% of the land value were contained in the master list. Of the total 1,060 accounts, approximately 750 of those accounts had less than \$10,000 in improvement values. An additional 125 had improvement values between \$10,000-\$25,000. The remaining had values higher. The original 1,060 accounts were reduced to slightly over 400 by simply reviewing available computer and in-office data. Many of these accounts were being utilized as parking lots for adjoining commercial operations, or the improvement values were such an amount that it would be unreasonable to assume the property would be available for redevelopment. Many of the improved elements were field reviewed. In total, approximately 400 properties were field checked (visually inspected). Of the 400 accounts viewed, only 91 were considered as potential commercial sites that should be further studied. Sites that were committed to development (although vacant) were not included. This was the same approach used with the ECLS. Most of the parcels which were designated as vacant commercial land in the LCOG database, were, in fact, such parcels as parking lots for active commercial properties, in which the parking was required by the development code applicable/allowable at the construction.

During the field review section of the study, the properties were examined to determine if they were readily developable or had some type of constraint, which could somehow restrict or complicate the development of the site. Constraint-free properties are those sites that are ready for development, have adequate service, and do not have elements that would constrain or delay development of the property.

*The findings of the Eugene Commercial Land Study indicate that Eugene's long-term supply of development land is extremely limited, and in fact, available lands are almost nonexistent.*

## Constraint Analysis

A number of the sites included in the commercial land inventory have one or more elements that constrain the property being classified as constraint-free ready for immediate development. The constraint categories used in developing and categorizing the individual tax lots included wetlands, existing improvements, flood plain restrictions, exposure/access problems, environmental concerns, or permanent easements. These are similar constraints as detailed in the original ECLS. An additional element was considered in the analysis that was the financial likelihood of a parcel constraint element could be developed. This financial consideration was a very difficult element, because of the substantial amount of analysis of each parcel that was required to determine financial feasibility to remove or minimize the constraining element, such as wetlands. Without interviewing each owner, financial feasibility can not be tested.

The area of wetlands is a difficult element to analyze on a property-by-property basis. The wetland impact is likely greater than measured in the study. Particularly since a dramatic change in the requirements by the state that has occurred since the West Eugene Wetland Survey occurred. The recently passed changes have in many cases dramatically increased the amount of wetlands. The wetlands reported in this survey are based on available information from the LCOG database, through the West Eugene Wetlands Survey, and other published information.

One area of potential constraints not considered is with regard to non-served parcels. Services refer to utilities such as water, sanitary and storm sewers, electricity, etc. A basic assumption of this report is that any property within the study boundary would be capable of receiving public services. If public services are not capable of serving a parcel within the next few years, because of capacity problems, then the total acreage of commercial land reported in this study has been overestimated.

Figure 1 reflects the available commercial land by submarket, similar to the breakout in the original report.

*There are only 31.4 Acres of constraint-free commercial land available in Eugene. After extensive research and field surveys, it has been concluded that in fact, there is approximately 113 acres of available developed land, of which only approximately 30 of those acres are truly constraint-free and readily developable.*

<b>Figure 1 COMMERCIAL LAND BY SUB AREA</b>			
	<b>Constraint Free</b>	<b>Constrained</b>	<b>Total</b>
<b>Coburg Road</b>	4.8	30.2	35.0
<b>South/East Eugene</b>	4.0	1.3	5.3
<b>River Road</b>	6.5	11.7	18.2
<b>West Eugene</b>	15.1	36.5	51.6
<b>Downtown Eugene</b>	1.0	2.8	3.8
<b>Total (Acres)</b>	<b>31.4</b>	<b>82.5</b>	<b>112.8</b>

Following is a brief description of the makeup of the sites within each submarket.

## Constraint-Free

### COBURG ROAD AREA

There are five sites, with a total of 2.74 acres, or 57% of the available commercial land, in one site at Crescent and Coburg Road. **The 2.74 acre parcel is being purchased for development in 2001.**

### SOUTHEAST EUGENE

There are three vacant sites in southeast Eugene, which total 4 acres; 3.75 acres of the total are located in two sites in the Riverfront Research Park.

### RIVER ROAD AREA

There are seven sites for a totaling 6.5 acres, of which 4.2 acres or 65% of the available commercial land, are located on two sites in the very north River Road area, near Irvington Avenue.

### WEST EUGENE

West Eugene has the most available commercial land at 15.1 acres located within 15 sites. **There were 13 sites (not included) located in the West Park Commercial Center on Commerce Street, south of West 11th, bought by Wal-Mart for a new retail store. In addition, the 11 acres being acquired by Target was removed.**

### DOWNTOWN EUGENE

This study revealed that there are currently three sites containing 1.02 acres in downtown Eugene, all currently used for surface parking lots.

*The largest concentration of constraint-free commercial lands exist in West Eugene.*

## Constrained Acres

### Coburg Road Area

There is a total of 35 acres of constrained lands in the Coburg area. The majority of these sites have flood plain issues. There is one site located west of the Emerald Lanes Bowling Alley off of Coburg Road that is constrained by access issues. Another is east of Garden Avenue, with poor commercial exposure.

### Southeast Eugene

There is a total of 1.28 acres in Southeast Eugene. They consist mostly of small sites that offer redevelopment potential, most actually located north of the University on Garden Avenue.

### River Road Area

There is a total of 11.69 acres spread throughout the River Road area; 4.55 acres comprise three sites off Maxwell Road and North Park. These three parcels are improved with an old grocery store converted into secondary use and other small older retail. Most of the land is a partially developed surface parking lot. Many of the others are in secondary areas where visibility and/or exposure is minimal.

### West Eugene

There is a total of 36.5 acres of constrained commercial land throughout the West Eugene area. One parcel containing 12 acres consists of a property on the northeast corner of West 11<sup>th</sup> and Belt Line. The property has some groundwater problem and wetland issues. Fill and mitigation will be required. Many of the remaining parcels are those located along West 11<sup>th</sup>, currently being redeveloped or being prepared for redevelopment, or are smaller parcels located along Highway 99N with older low value improvements. Many of the Highway 99N parcels are currently being used for manufactured home sales lots, used car lot, or a variety of uses that are currently under utilizing the land. To develop most of these parcels, removal of old improvements will need to occur.

### Downtown Eugene

There is approximately 2.8 acres of constrained commercial land in downtown Eugene located on mostly small sites, many 6,000-8,000 square feet in size, which are currently underimproved, most having older houses or commercial improvements. Again, most will need removal of older improvements before redevelopment occurs. Further, many of these smaller sites cannot be redeveloped unless assembled with other lands can occur. Land values currently on small interior lots do not support redevelopment, currently or likely in the near future. Diamond Parking owned an additional 2.76– acres in 12 separate parking lots.

Note: Government agencies control another 42.2 acres of commercial land divided into approximately 65 separate parcels.

*The largest concentration of constrained commercial sites exists in the Coburg Road area and West Eugene.*

## Size Breakdown

An important characteristic in the ability to develop a parcel is its size. Most primary commercial support facilities have to be located on parcels of a reasonable size, often larger than 1 acre. The vacant and underdeveloped land within the study boundary is contained within 91 lots. Figure 2 is a breakdown of the number of sites by size category. The figure represents the number of parcels available. When contiguous tax lots run the same ownership, they were combined to reflect the gross area of the total parcels. Conversely, if two adjacent sites were under different ownership, those are reflected as separate parcels.

*The small parcel sizes could limit further commercial development.*

Figure 2 Site Size Range	Constraint-Free Sites		Constrained Sites	
	# of Sites	Total Acres	# of Sites	Total Acres
Less than .5 acs.	10	3.24	25	8.20
.5 to .99 acs.	10	5.97	14	10.77
1.0 to 1.99 acs.	2	2.87	8	11.16
2.0 to 2.99 acs.	6	14.76	6	13.54
3.0 to 3.99 acs.	1	3.5	5	16.90
4.0 to 4.99 acs.	0	0	2	8.63
5.0 acs. and over	0	0	2	13.28
<b>TOTALS</b>	<b>29</b>	<b>30.34</b>	<b>62</b>	<b>82.48</b>

Figure 3 is a chart representing the total amount of commercial acreages as found within the study. The solid sections represent the constraint-free parcels, with cross-hatched sections representing the constrained sites. This representation clearly shows the small amount of available constraint-free commercial land.

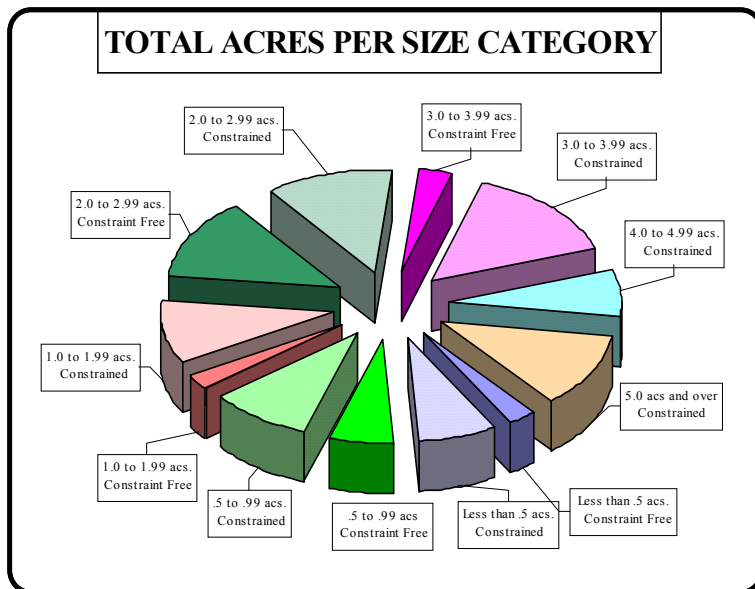


Figure 3

Figure 4 represents the number of sites within each of the size categories. Again, this visual aid shows the lack of constraint-free sites.

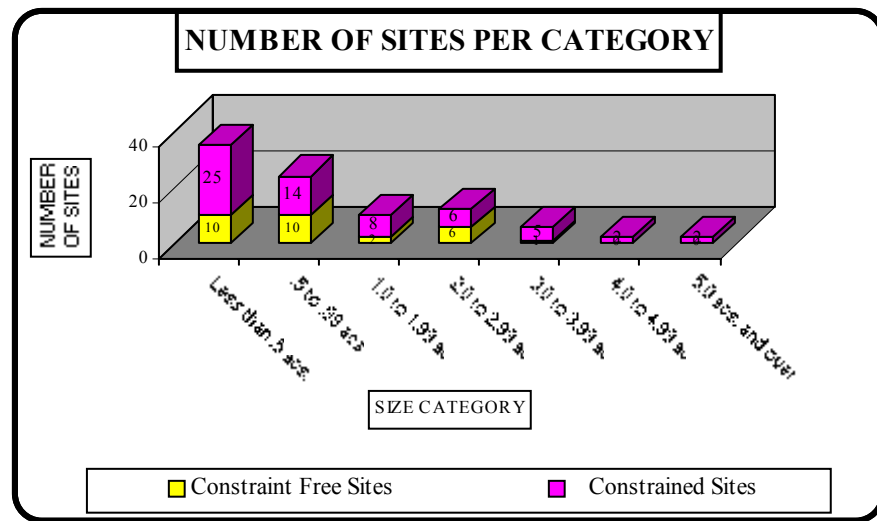


Figure 4

## Zoning of Available Lands

One aspect that is not dealt with either in the constrained or constraint-free sites is the current and future zoning/plan classifications. When compiling the inventory, land was included that is either zoned some type of commercial use or is under the planned designation as a commercial use property. Only the exact zoning classification is known, i.e. C-1, C-2, etc., because the Metro Plan designates properties by use type, such as commercial, residential, industrial, etc. Figure 5 reflects the summary of the lands included in the inventory, their current zone classification, plan designation, the number of parcels, and total acres by category.

Included in this study/inventory is 46.45 acres of lands that are designated for commercial use, but have a current zone classification other than commercial. Changing property zoning adds an additional step in the development process. In selecting data to be examined in this study, the general guideline was to review property that is either zoned some type of commercial use and/or property that is designated for commercial use. Figure 5 shows the current zoning of all lands included in the study as well as their plan designation. According to the current planned designation as shown through the LCOG database, an additional 18 acres are planned for some other type of zoning classification other than commercial use. Approximately 5 of the acres are included in the constraint-free category. Although this information is shown to be another type of zoning, it is assumed that there are possible errors, and that the land, in fact, will be included as part of the commercial inventory. If not, the inventory discussed in this study should be reduced to reflect that change.

Zoning	Plan Designation	Constraint Free Sites		Constrained Sites	
		# of Sites	Total Acs.	# of Sites	Total Acs.
AG/UL	Commercial	2	2.86	2	5.91
C-1	Commercial	2	0.93	1	0.47
C-1	LDR	1	2.09	1	0.49
C-1/PD	HDR	0	0	2	2.19
C-1/PD	MDR	0	0	1	1.36
C-1/SR	Commercial	1	0.63	0	0
C-1/UL	Commercial	1	0.28	3	5.64
C-1/UL	LDR	0	0	4	1.78
C-2	Commercial	10	5.87	17	18.54
C-2	HDR	1	0.51	2	0.56
C-2	LDR	0	0	1	0.51
C-2	Open Space	0	0	1	0.33
C-2	U. Research	2	3.75	0	0
C-2/PD	Commercial	0	0	1	2.44
C-2/SR	Commercial	2	3.04	4	7.71
C-2/SR	LDR	2	2.15	0	0
C-2/SR	Major Retail	0	0	1	2.13
C-2/SR	MDR	1	0.62	0	0
C-2/UL	Commercial	0	0	3	5.09
GO	MDR	0	0	1	0.95
GO/PD	MDR	0	0	1	4.63
GO/SR	Commercial	0	0	1	0.45
HDR	Commercial	1	2.74	0	0
I-2	Commercial	1	0.60	12	9.20
I-2/UL	Commercial	1	0.77	0	0.00
I-2/WP	Commercial	1	3.50	1	0.80
LDR/UL	Commercial	0	0.00	1	3.02
LDR	Commercial	0	0	1	8.28
TOTALS		29	30.34	62	82.48

Figure 5

## Redevelopment Land

Included in the inventory is an estimate of available redevelopment land. As discussed in the introduction section, properties with improvement values of less than \$10,000 as well as properties in which the improvement value was less than 25% of the land value were included. There is a total of 42.3 acres of land that have minimal improvements included as part of the constrained supply of commercial land. This data is included as part of the available commercial lands. The 42.3 acres of land with improvements account for 40% of all land in the commercial inventory.

The difficulty in utilization of these types of land is that the improvements are still generating income, and the value of the property, as improved, still exceeds the vacant land value. Historically, Eugene properties have not been redeveloped, but are continually upgraded or renovated to maintain some value. Most of the time the work doesn't maximize the value of the property, but simply increases the improvement's economic life. Often, owners of these potential redevelopment properties can't afford to redevelop the property because of existing debt or lack of funding.

A case could be made that there is substantially more redevelopment land available, along such corridors as 1) West 6<sup>th</sup> & 7<sup>th</sup>, west of the downtown core, 2) some of the commercial lands to the south of the downtown core, or 3) lands along Highway 99N. There is a substantial amount of underdeveloped land in these areas. One of the problems is that most sites are very small. There is not contiguous ownership and for redevelopment to be financially feasible, assemblage of several lots might be required. Again, this has not been a trend in the Eugene marketplace, and is not expected to become a trend in the near future.

In addition, market trends have not moved into the areas identified above. Land value does not support redevelopment. Municipalities in various locations throughout the country have forwarded a variety of regulatory solutions to promote more redevelopment. To date, there has not been a truly successful plan created that effectively stimulated redevelopment. As an example, the downtown core of Eugene has been under redevelopment strategies for more than three decades, and true redevelopment has not yet occurred. There has been some infill redevelopment with some moderate success. The lands included within the study are truly those lands that are felt to have a reasonable potential for redevelopment.

*There is a total of 42.3 acres of land that has minimal improvements and would be available for redevelopment.*

## Comparative Data

This section is presented to compare the 1992 ECLS statistics based on the 1986 through 1990 inventory compared to the information developed through this study. Figures 6 and 7 show the general use of commercially zoned and designated lands both as of January 1986 and January 2001. The charts show distribution of lands based on the current use at the time the chart was developed. One obvious comparison is the amount of increase of the total commercial land which is now in commercial use, from 47% to 61%. A significant reduction has occurred in the amount of residentially used land as a percentage. According to the LCOG database, there is approximately 300+ acres of vacant commercial land. This is contrary to the findings of this study. Total vacant lands based on this study should be approximately 71 acres (113 total acres less underimproved lands of 42 acres).

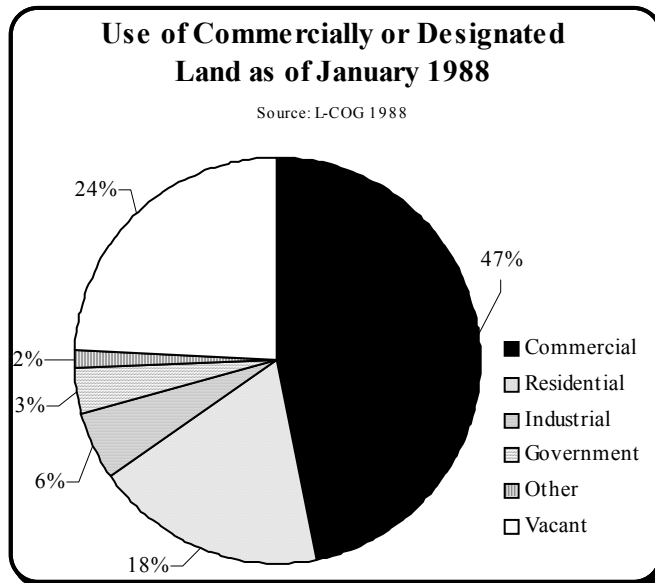


Figure 6

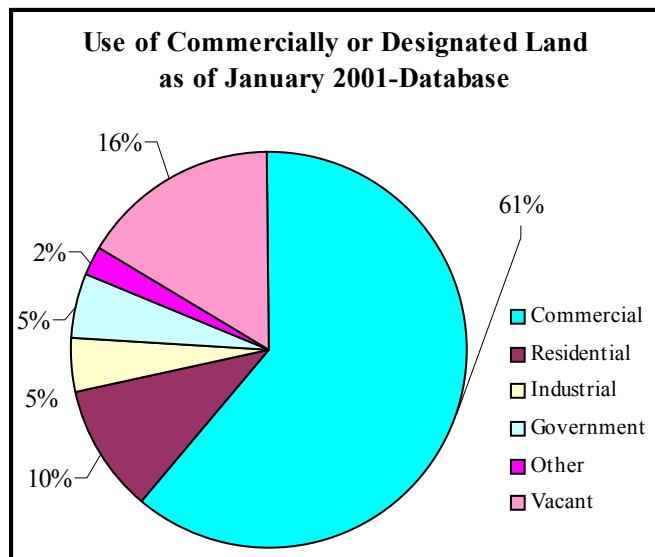


Figure 7

Following is Figure 8, the previous pie chart redeveloped to show what this study's results suggest based on information received from LCOG combined with this study. The reconfigured pie chart shows less than 3% of all zoned/designated commercial lands are still vacant. The obvious discrepancy is land referred to as undeveloped in the LCOG database.

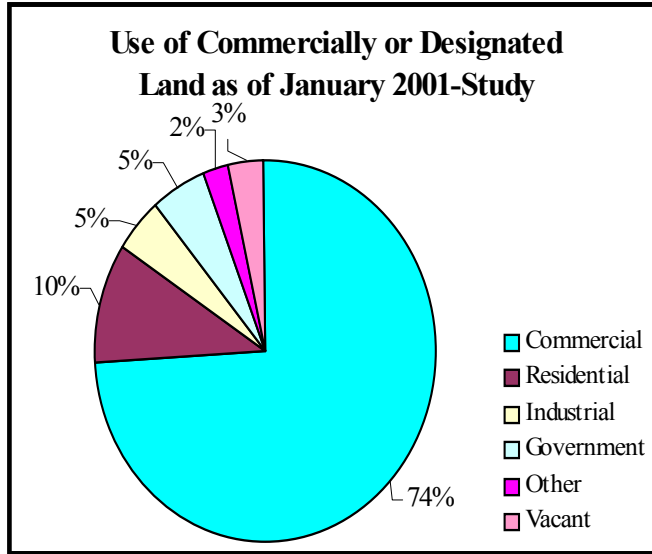


Figure 8

**Note: Remember that of the 113 acres currently, the inventory includes approximately 42 acres or slightly over 40% of those lands being in a use that has some type of improvement currently on the site.**

The 1992 ECLS concluded that as of January 1989, the commercial buildable land inventory for the Eugene Urban Growth Boundary was 505 acres. This consisted of 274 acres of commercial, 40 acres of office, and 191 acres of a category referred to as other (those lands that are zoned other than C-1, C-2, C-3, C-4, or GO, but are in the planned designation as being converted to commercial usage). The following chart shows a comparison between the 1989 data and the December 2000 data.

Figure 9	Commercial	Office	Other	Total Acres
January 1989	274 acres	40 acres	191 acres	505
December 2000	78 acres	6 acres	29 acres	113
<b>% Change</b>	<b>-72%</b>	<b>-85%</b>	<b>-85%</b>	<b>-78%</b>

Figure 9 shows the dramatic change that has occurred and the reduction since January of 1989 in the total commercial and other land inventory. The overall reduction has gone from 505 acres (according to the January 1989 data published in October of 1992) to a December inventory of approximately 113 acres, a reduction of 78% in the available commercial lands.

## Quality of Available Commercial Lands

A predominate characteristic that becomes apparent in the supply of commercial land is a lack of quality sites. When viewing the number of parcels (there are 91 included within the report) 29 of those are constraint-free, and only nine are 1 acre or larger. Most of the sites reviewed are either infill sites, smaller, or leftover commercial parcels located adjacent to or behind other commercial developments. When reviewing the individual sites, it becomes very apparent, there are only a few average quality sites; most are just fair to poor. Recognizing the sites even reduces the quality further. The available prime sites in Eugene are gone, as well as the better than average sites. The half dozen remaining vacant parcels that are good quality sites, have been purchased for immediate development, at which point nearly all sites in the market will be less than of average quality. Quality being determined by reasonable exposure to major commercial arterials, having reasonable services, and offering development potential in areas needed.

*In brief, the supply of commercial land has diminished to a point where development of primary commercial project could not occur, because of the lack of significantly larger parcels.*

## Commercial Land Supply Conclusion

The quality of the parcels has deteriorated considerably since the 1992 ECLS. The general quality has diminished to a point where redevelopment will become the only alternative if additional land is not made available. Redevelopment will be time consuming, expensive, and may, from a financially feasible standpoint, be impossible. Redevelopment of these or other parcels will require assemblage of properties in which improvements still have some economic life, making it very expensive, and therefore, likely not financially feasible for development. This is **NOT** an opinion, redevelopment is not a practical solution to fulfill the commercial needs of a community. This type of development can only fulfill a small percentage of the identified need.

Appendix B of the 1992 Eugene Commercial Lands Study lists on pages B-1 and B-2, the constraint-free commercial sites above ½ acre available as of July 1991. After reviewing the document, it was found that nearly all of those sites have now been improved, and most of that land is no longer available. The only parcel larger than 3 acres in size are 4 contiguous tax lots located on West 11<sup>th</sup>, currently zoned I-2. This property was recently acquired and the old auto parts/wrecking yard removed from the site. The supply of better quality sites available in 1990 has been absorbed. The key areas where land was available included Coburg Road at Crescent and Chad Drive, Delta Highway/Green Acre node, Division Avenue/River Road, Barger and Belt Line, and West 11<sup>th</sup> Avenue from Seneca through Belt Line. That supply of land has been absorbed. Notably, these sites are all located along major thoroughfares, in particular Belt Line Highway. Office nodes along Country Club Road as well as the available commercial and office lands around Valley River Center and Valley River Village have all been absorbed. These parcels have access, visibility, and/or exposure to a major thoroughfare, I-105 or Delta Highway, characteristics that no longer exists for sites in

## Demand Analysis for Commercial Land

*Based on these findings, absorption of commercial land over the last decade, the 1990s, has been over 400 acres. The amount absorbed in the last decade exceeding the 1992 projection for, of 260 acres needed by the Year 2000.*

Estimating the amount of commercial land that will be needed in the future is always a difficult function. The two generally accepted methods have typically been historical data and an employee-per-acre ratio. The original study was based on information received from LCOG with regard to estimated supply based on an "employee-per-acre-ratio". In the 1992 Eugene Commercial Lands Study, it was determined that demand for vacant commercial land by the Year 2010 would be 532 acres. That table is presented on page II-15 of that study. That table describes the adjusted total supply of lands as well as the estimate of the demand for vacant land through 2010. The adjusted total supply is indicated at 702 acres, which included the Glenwood area at the time, and 18 acres of surfaced parking lots owned by the Eugene Renewal Agency. Removing these two items suggests a total supply of approximately 640 acres within the Eugene Urban Growth Boundary. It was previously indicated that there was approximately 505 acres of commercial land in the original ECLS. Within this supply was approximately 180 acres of other zoned land, that would be used to satisfy future commercial demand. There was some other minor deductions that reduced the overall supply. A review of page II-15, in the ECLS will clarify the original supply and demand analysis. That summary page indicates the above 640 acres with demand over a 20-year period, ending 2010, would be 532 acres. This study concluded that supply exceeded demand by 170 acres.

Interestingly, based on this study and the indicated conclusions, there is approximately 113 acres of available commercial land. Not considered in these numbers is the fact that some additional lands have been converted to commercial uses, or that quasi-commercial uses have been allowed on other zoned lands, (such as the Chad Drive area where office buildings are constructed on the special light industrially zoned lands. )

The decade of the 1990s was a rapid growth period for the Eugene area. The market has slowed dramatically in the last 3-4 years. However, absorption of commercial land is being reviewed over a decade, which included the slow period of the late 1990s. The average absorption over the past decade has been approximately 40 acres per year. If that current rate was to continue, all lands within the inventory, both constraint-free and constrained sites, would be absorbed in the next 3 years. This is obviously impossible since over 40% of the lands in the inventory would require redevelopment of existing sites. As discussed, population growth in the Eugene area has slowed over the last few years. As population growth slows, absorption may follow, which might allow another year or two before all lands, in theory, would be absorbed. Further compounding the problem is that there are no large sites remaining that can be developed into centralized or node type developments. All of the sites available are scattered throughout, most being in small parcels. Realistically, without considering a demand analysis, an easy conclusion is Eugene is virtually out of commercial land for further development, other than one or two midsized parcels (2-6 acres).

As discussed previously, the ECLS included an estimate of demand based on an employee-per-acre ratio. This technique was used nationally and was adopted by LCOG for a demand analysis process in the late 1980s. Basically, the approach is to project the growth of employment in different sectors of employment and then translate that into an estimate of the amount of commercial land needed. Clair Van Bloem, LCOG, indicated recently that a review of that process a few years ago showed that it generally underestimated the amount of land required. To verify this assumption, the employment-per-acre ratio was utilized with the actual change of employment between 1990 and 2000. The model indicated that approximately 385 acres should have been absorbed. This further supports the LCOG conclusion that the model is a low predictor, certainly when considering the amount of other zoned land absorbed for commercial uses.

There are likely very sophisticated models in which to project demand for commercial land over the next 10-20 years. It is beyond the scope of this document to attempt to utilize those models as predictors. However, historical data would seem to be a reasonable basis for forecasting land in the future. This is not an attempt to accurately predict the required land inventory, but simply to view historical growth as that growth compares to the future and how that may translate into some comparative measurement between possible demand for land compared to current supply.

According to information received from the Center for Population and Research and Census at PSU, population in Eugene increased from approximately 112,700 in 1990 to 136,800 in 2000, or an increase of 21.4%. This results in an increased population of approximately 24,100 people in Eugene.

According to information within the TransPlan, Chapter 1, page 2, population is expected to increase by 34% in the Eugene/Springfield area by the year 2015. This document was published in May 1999. A 34% increase over the next 15 years from the 2000 population of 136,800 results in an additional population growth of 46,500 people (approximately 31,000 by 2010).

Employment increased from 1988 of 74,224 to 2000 of 98,222 or an increase of approximately 32%, or 24,000 people. Again, the TransPlan information was used, and it was stated "*employment in the region is expected to grow at 43% during the same period (by 2015).*" Utilizing the actual employment projections for 2000 for Eugene of 98,222 people, a projected gross of 43% by the year 2015 results in an increase in employment of approximately 42,235 (approximately 28,000 by 2010).

The indicated increase in population and employment growth exceeds the growth during the 1990s. If growth in employment and population is any predictor of demand for commercial land, then at least as many acres that were absorbed during the 1990s would be absorbed between 2000-2010. Recognizing that some demand was satisfied by locating commercial oriented uses on other zoned sites, total commercial demand should exceed that absorbed during the 90s. This could be particularly true since there is no real substitute land available for commercial development. Such as the Coburg Road and Chad Drive location that has been utilized in the past decade.

## 1990 Projections

In an effort to understand the lack of accuracy of the projection, data from the ECLS was utilized. On pages III-XIV, it reflects the 1988 population and the year 2010 population estimate. Included in that is the portion of the unincorporated area of River Road/Santa Clara. Removing that area and simply taking an average of the two results in a population estimate for the Year 2000 of 137,500. Eugene's population for 2000 is shown currently as 136,800. Although data could not be found, the 136,800 population is assumed to include those areas incorporated within River Road/Santa Clara over the last decade, as well as other lands annexed and improved with residential properties. Based on this quick overview, it would appear that the original land study projections were very low. It would appear that population growth has in fact been approximately what was expected in 1990, and yet commercial land absorption has more than doubled than originally expected. The ECLS projected a 20-year absorption of 532 acres. A mathematical half for the

## Demand Findings

decade of the '90s would suggest absorption of 266 acres in the first 10 years. Reasonably, over the 20-year period, demand on an annual basis should increase slightly as population and employment grow. Absorption of the first 10 years should not be half, but in fact be something less. Utilizing a constant rate of growth over the 20-year period, absorption should have been approximately 240 acres. Based on the analysis, absorption in the first 10 years was near 400 acres of commercial land, as well as other zoned land. As realized by the LCOG staff a few years ago, the use of the employee-per-acre ratio for the 1992 Eugene Commercial Lands Study results in a low estimate.

Recognizing the projected growth of population and employment, as well as the limited amount of commercial land, it is easy to assume up to 500 acres could be absorbed in the next 10 years. This study indicates there is approximately 113 acres available. As discussed, the quality of this land is less than desirable. In conclusion, somehow the commercial land inventory must be dramatically increased.

## Supply & Demand Conclusions

- ◆ Commercial land inventory has diminished to a point in which there is virtually no reasonable quality sites available.
- ◆ Absorption of commercial land during the 1990s was estimated to have exceeded 400 acres, in comparison to the projected 240 acres.
- ◆ Over 40% of the land currently in the commercial land inventory is improved and would need to be redeveloped.
- ◆ Less than 30% of available commercial land inventory is considered to be constraint-free sites.
- ◆ There is only two designated commercial site of 5 acres remaining within the study boundaries.
- ◆ Nearly 30% of the commercial land inventory is of sites less than 1 acre.
- ◆ Based on population and employment projections, demand for commercial land could reach 700 to 900 acres over the next 15 years.
- ◆ No level of redevelopment could practically satisfy demand.
- ◆ Redevelopment has not significantly impacted commercial land demand.
- ◆ Redevelopment can be expected to satisfy no more than 10% of the commercial land demand in the next 15 years.