

**ORDINANCE NO. 588**

**AN ORDINANCE AMENDING THE CITY OF COOS BAY COMPREHENSIVE PLAN TO REPEAL AND REPLACE THE 2009 ECONOMIC OPPORTUNITY ANALYSIS AND TO ALIGN ECONOMIC GOALS AND POLICIES WITH THE UPDATED 2025 ECONOMIC OPPORTUNITIES ANALYSIS**

**WHEREAS**, the City led a robust public engagement process over the course of 2025 to update the City's Economic Opportunities Analysis (EOA) consistent with Oregon Statewide Planning Goal 9; and

**WHEREAS**, the City of Coos Bay Planning Commission conducted the initial evidentiary hearing in the matter of Land Use Application No. 187-25-000114-PLNG on October 14, 2025 to consider text amendments to the City of Coos Bay Comprehensive Plan to incorporate the updated EOA; and

**WHEREAS**, at the public hearing evidence was presented and the public was given an opportunity to comment; and

**WHEREAS**, after consideration of all evidence presented, the Planning Commission found that the proposal substantially complies with the criteria for approval in Chapters 17.130 and 17.360 of the Coos Bay Development Code and is in conformance with the City of Coos Bay Comprehensive Plan 2000 provisions and policies and with Oregon Statewide Planning Goals; and

**WHEREAS**, the City Council conducted the second evidentiary hearing on this matter on November 4, 2025, and, after full consideration of Planning Commission's recommendation and all public comment and evidence presented to-date, moved to approve Land Use Application No. 187-25-000114-PLNG and to adopt the recommended findings as presented; and

**WHEREAS**, notification of the subject amendments and public hearings was provided as follows:

Department of Land Use, Conservation, and Development. August 28, 2025, on-line PAPA submittal.

City of Coos Bay Website. August 28 and October 16, 2025, online posting.

City Hall. August 28 and October 16, 2025, public hearing notice posted.

Interested Persons. August 28 and October 16, 2025, public hearing notice emailed/mailed.

The World Newspaper. September 24, 2025, legal publication (see, Attachment A).

City of Coos Bay Friday Update. October 3, 24, and 31, 2025, on-line publication.

**NOW, THEREFORE, THE CITY OF COOS BAY CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1.** The *City of Coos Bay Economic Opportunity Analysis* dated June 17, 2009 is repealed and replaced in its entirety with the *City of Coos Bay Economic Opportunities Analysis* dated August 2025, attached hereto as Attachment B and incorporated herein by reference.

**Section 2.** The text of the *City of Coos Bay Comprehensive Plan 2000, Volume 1, Chapter 7, Section 5, Economic Development*, is amended to read as follows (new text / ~~deleted text~~):

### **Vision**

By 2045, Coos Bay will be a thriving place where people of all ages choose to live, work, visit, and get involved. The city will support a diverse range of family-wage jobs while residents, visitors, and businesses will invest their time, talents, and resources to strengthen the local economy, foster an engaged and welcoming community, and create vibrant shared public spaces.

### **Economic Development Goals**

**Goal #1:** Strengthen and diversify the local economy

**Goal #2:** Make Coos Bay a Destination to invest and work in.

**Goal #3:** Align land use and infrastructure with economic priorities.

**Goal #4:** Foster Strategic partnerships and regional collaboration.

### **Community Economic Development Objectives**

Based on review of Coos Bay's Economic Opportunities Analysis and Economic Development Strategic Plan, which reflects input from City officials, stakeholders, and advisory committee members, the following are the City's community economic development objectives, in accordance with OAR 660.009.0020(1)(a):

- Create a more diversified economy.
- Promote housing necessary for economic development and enhanced quality of life.
- Support the creation of expansions at the Port of Coos Bay to attract and stimulate economic opportunities.
- Address deficits of commercial and industrial land, through supporting increasing use of underutilized properties, as well as consider the necessity of an urban growth boundary expansion.
- Invest in Coos Bay to make it a destination for business activity.
- Grow Coos Bay as a hub for support services for the South Coast, with services such as financial services, professional services, and commercial activity.
- Ensure that the City's land use and development processes support development, of vacant, underutilized, and redevelopment sites.
- Work with regional partners to increase economic activity within the region, support innovation initiatives, and attract and retain businesses and workers.

### **Policies**

<b>Goal 1: Strengthen and diversify the local economy.</b>	
	<b>Policy</b>
<b>1.1</b>	Maintain and implement an economic development plan that identifies clear actions and partnerships to recruit and locate a diverse range of businesses and industries to Coos Bay.
<b>1.2</b>	Develop a target industry analysis grounded in regional competitive advantages, working in partnership with local and regional economic development organizations
<b>1.3</b>	Support new and existing industrial businesses, considering opportunities to leverage development at the Port of Coos Bay.
<b>1.4</b>	Continue to facilitate efforts to enhance Coos Bay as a medical center for the surrounding area.
<b>1.5</b>	Promote eco-tourism activities and the exploration and enjoyment of our natural surroundings.
<b>1.6</b>	Continue to enhance the core areas of Coos Bay as a place to do business.
<b>1.7</b>	Promote city-owned and underutilized sites to support business growth and economic development.

<b>Goal 2: Make Coos Bay a destination to invest and work in.</b>	
	<b>Policy</b>
<b>2.1</b>	Support development of vibrant commercial and mixed-use districts in core areas, by making investments in beautification and blight remediation.
<b>2.2</b>	Continue to offer programs that strengthen local businesses and encourage business development and retention.
<b>2.3</b>	Facilitate business investment and development by offering programs to fit their needs.
<b>2.4</b>	Continue to support the creation of outdoor public gathering spaces as a way to strengthen community interaction with local businesses.
<b>2.5</b>	Promote the waterfront as key to a recreational center and opportunity to increase awareness of Coos Bay's rich maritime and logging history.
<b>2.6</b>	Promote the development of walking and bike trails throughout the City, ultimately linking with our neighbors, and continue to work towards the Coos Bay Waterfront Walkway to the North Bend Boardwalk for the mutual benefit of area residents, businesses and visitors.
<b>2.7</b>	Consistent with the Development Code, create a public activity area on the waterfront that serves residents and visitors; rebuild the dilapidated dock to promote more water-related activities; and, complement surrounding properties while connecting with the existing business district.
<b>2.8</b>	Encourage expansion of recreational, cultural and eco-tourism industries by supporting, enhancing and expanding amenities and infrastructure from waterfront development to lodging options, including shopping, arts and entertainment.

<b>Goal 3: Align land use and infrastructure with economic priorities.</b>	
	<b>Policy</b>
<b>3.1</b>	Collaborate both locally and regionally to ensure there is an adequate supply of industrial land to accommodate growth and take advantage of opportunities.
<b>3.2</b>	Align the City's economic development opportunities and planning for infrastructure needs, including water, broadband, and transportation, with a focus on developing infrastructure for priority development sites.
<b>3.3</b>	Encourage and support assembly of small, contiguous industrial and commercial parcels into suitable sizes utilizing city-initiated efforts, such as the use of urban renewal, public private partnerships and real estate negotiation, site clearance assistance and brownfield remediation.

3.4	Focus industrial growth toward areas viable for industrial use; consider rezoning less viable industrial lands for redevelopment consistent with the City's overall vision and emerging market trends.
3.5	Periodically update the City's zoning and permitting processes to streamline development regulations, including lowering barriers to redevelopment, adaptive reuse, and infill development.
3.6	Direct public investments toward creating an attractive downtown and waterfront setting that enhances Coos Bay and the Empire districts as areas where people want to live and do businesses.
3.7	Investigate expansion of the City's urban growth boundary to address the shortfall of industrial lands.
3.8	Maximize the potential uses and benefits the waterfront and deep-water port offers to the city and region as a whole.
3.9	Support the Port of Coos Bay in its development efforts for transportation linkage and to develop a deep-draft channel to accommodate large cargo vessels and increase shipping activities and water-dependent uses.

<b>Goal 4:</b> Foster strategic partnerships and regional collaboration.	
	<b>Policy</b>
4.1	Formalize partnership frameworks with regional partners to align infrastructure, land use, and marketing efforts.
4.2	Continue to support the Community College and other regional partners on workforce training and marketing efforts.
4.3	Support and cooperate with community and regional partners to encourage economic growth.

**Section 4. Authorization and Findings.** The Council hereby authorizes approval of this Ordinance based on the Findings of Fact attached hereto as Attachment C and incorporated herein by reference.

**Section 5. Effect.** This Ordinance shall take effect 30 days after enactment by the Council and signature by the Mayor.


**Section 6. Adoption.** The foregoing ordinance was enacted by the City Council of the City of Coos Bay this 4th day of November, 2025.

Yes: Matthews, DiNovo, Benetti, Kilmer, Stephens, Cribbins

No: None

Absent: Niebergall

  
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 Joe Benetti, Mayor  
 City of Coos Bay  
 Coos County, Oregon

ATTEST:   
 \_\_\_\_\_  
 Christine Sylvester, Recorder  
 City of Coos Bay  
 Coos County, Oregon



AUGUST 2025

# CITY OF COOS BAY ECONOMIC OPPORTUNITIES ANALYSIS





# Acknowledgments

ECOnorthwest prepared this report with support from the guidance and input of several partners, including members, staff, and leadership of the *City of Coos Bay*. Most notably, we are appreciative of the involvement and input of *Chelsea Schnabel, Kelli Eichelberger, and Alena Schnarr*. This work was funded by the Ford Family Foundation. The contents of this report do not necessarily reflect their views or policies.

## **Advisory Committee**

Matt Friesen, Port of Coos Bay, Director of External Affairs

Garrett Gray, Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians, Assistant Planner

Stephanie Hadley, Southern Oregon Coast Regional Housing Coordinator

Theresa Haga, CCD Business Development Corporation, Executive Director

Mellissah Hendrickson, South Coast Business Corporation, Director of People & Culture

Matt Jensen, Coquille Indian Tribe, Land Use and Transportation Planner

Stephanie Kilmer, South Coast Regional Airport and Coos Bay City Council

Janice Langlinais, Coos Bay-North Bend-Charleston Visitor and Convention

Bureau, Executive Director

Rex Miller, Coos Bay Planning Commission

Sara Stephens, Southwestern Oregon Workforce Investment Board, Interim

Director and Coos Bay City Council  
Rosey Thomas, Bay Area Chamber of Commerce, Executive Director

Derek Tonn, Southwestern Oregon Community College Small Business Development Center, Director

Lexie Woodward, South Coast Development Council, Executive Director

## **City of Coos Bay**

Chelsea Schnabel, Community Development Director

Kelli Eichelberger, Planning Administrator

Alena Schnarr, former Economic Revitalization Administrator

## **ECOnorthwest Consulting Staff**

Beth Goodman, Project Director

Brittany Bagen, Project Director

Scott Goodman, Project Manager

Barrett Lewis, Technical Manager

Ciara Williams, Associate

## **City of Coos Bay Contact:**

**Chelsea Schnabel, Community Development Director**

541-269-1181 ext3531

## **ECOnorthwest Contact:**

**Beth Goodman, Project Director**

541-505-7208

goodman@econw.com



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# Executive Summary

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Coos Bay last updated its Economic Opportunities Analysis (EOA) in 2009. Since then, the local economy has undergone significant changes due to events like the Great Recession, the COVID-19 pandemic, and economic recovery from the COVID-19 pandemic. Today, Coos Bay serves as a regional hub for healthcare, retail, and public services. Economic development efforts in Coos Bay increasingly focus on diversifying beyond the historic timber reliance to address infrastructure needs, support workforce development, and shift the local narrative from distressed to success to ensure the city can sustain its role as the coastal region’s economic and service center.

The following factors make an update of Coos Bay’s EOA timely:

- ◆ Economic conditions in Coos Bay and the South Coast have changed significantly since 2009, driven by the Great Recession, the COVID-19 pandemic, and other changes to the economy in recent years.
- ◆ One potential Port development project represents a major economic opportunity that could provide upward of 9,400 regional jobs. The Port facility would be located on the North Spit, to the west of the City of Coos Bay. Expansion of the Port is contingent on infrastructure investment, such as deepening the Coos Bay Navigation Channel and upgrades to the Coos Bay Rail Line.
- ◆ The city’s healthcare system, anchored by the Bay Area Hospital and associated clinics, faces strain as it works to serve a population that is both aging and, on average, lower income than the state as a whole.
- ◆ The City is actively pursuing an expansion of its shared City-County Urban Growth Boundary (UGB) to include Urban Growth Areas, pursuant to the 1987 Joint City-County Management Agreement.

This updated EOA aligns with Statewide Planning Goal 9 and the Goal 9 Administrative Rule (OAR 660-009). It provides a forecast for employment growth from 2025 to 2045 and evaluates available commercial and industrial land to accommodate that growth. Additionally, the EOA offers strategic recommendations for leveraging key advantages – such as Coos Bay’s deepwater port and marine-related activity, access to outdoor recreation, and strong business-support ecosystem – to drive future economic development and resilience.

This project also includes development of a Coos Bay Economic Development Strategic Plan (EDSP), which identifies short- and long-term economic development



actions that support the goals around job growth, business retention, land use, and infrastructure priorities outlined in this analysis. The EDSP builds on information in the EOA but is a separate document.

## How much buildable employment land does Coos Bay currently have?

Coos Bay has 1,575 acres designated for commercial, industrial, medical park, or urban public uses within its Urban Growth Boundary (UGB). Of these, approximately 60 acres (4%) are unconstrained and buildable. Of the buildable land, 28 acres (48%) are designated for commercial uses and 31 acres (52%) are designated for industrial development.

## How much growth is Coos Bay planning for?

Coos Bay's employment base is projected to grow from 14,331 employees in 2025 to 15,854 employees by 2045, an increase of 1,523 jobs over the planning period. Most new employment (91% or 1,486 employees) will require commercial and industrial land.

## How much land will be required for employment?

The projected 1,523 new employees will create demand for approximately 58 gross acres of commercial land and 67 gross acres of industrial land.

## Does Coos Bay have enough land to accommodate employment growth?

Coos Bay does *not* have enough land within its UGB to accommodate expected commercial or industrial employment growth through 2045. The city is forecasted to have a deficit of 30 gross acres for commercial land and a deficit of 36 gross acres for industrial land. In addition, Coos Bay has no available sites larger than 10 acres and only two available sites larger than five acres, both of which are zoned industrial and are eight acres in size; most of Coos Bay's available sites are smaller than 5 acres, which limits the city's ability to attract larger businesses or employers with specific site needs. This forecasted deficit of commercial and industrial land suggests Coos Bay may need to take strategic actions to ensure that adequate land is available within the UGB for growth over the next 20 years.

The City will require commercial sites ranging from small infill parcels in the downtown and Empire districts to larger mixed-use or stand-alone developments,



including potential opportunities tied to the Bay Area Hospital’s 16-acre potential residential and/or mixed-use Medical Park District development. Some commercial needs may also be met through adaptive reuse or, redevelopment, or by co-locating retail in new housing areas, particularly if the City expands the UGB for residential growth.

To support industrial employment growth, the City will need sites capable of accommodating light manufacturing, logistics, and marine-related industries, particularly near the proposed Port expansion. The current lack of industrial land near the North Spit may present a barrier to capitalizing on Port-related economic activity. Strategic responses could include land use efficiency measures, targeted rezonings, or a UGB “land swap” that removes constrained industrial land and brings in more developable acreage.

## What are Coos Bay’s growth opportunities?

Coos Bay’s primary competitive advantages are:

- ◆ **Marine-Related Activity:** Coos Bay’s deep-draft harbor, sheltered estuary, working waterfront, and long history of maritime employment support a variety of maritime employment and opportunities for new commercial and industrial development.
- ◆ **Potential Expansion of the Port:** While the city should not rely on the Port of Coos Bay’s potential development projects for its economic future, it should plan to leverage any expansion and the potential employment as a key opportunity. Port expansion would likely result in local jobs related to logistics, support services, and related commercial and industrial uses.
- ◆ **Strong Business-Support Ecosystem:** Coos Bay acts as the hub for a regional network of economic development partners that provide small businesses and entrepreneurs with access to resources, helping to grow locally owned enterprises and services.
- ◆ **Access to Outdoor Recreation and Amenities:** The city’s proximity to beaches, parks, and scenic byways provides a high quality of life at a low cost to residents while also supporting a tourism economy. Downtown improvements and recreation-based businesses can drive visitor spending and attract remote workers.

## What are the key recommendations?

Following are ECONorthwest’s recommendations for actions for Coos Bay based on the analysis and conclusions in this report.



- ◆ **Implement the Economic Development Strategy.** The Coos Bay Economic Development Strategic Plan identifies the following four goals.
  - Strengthen and diversify the local economy
  - Make Coos Bay a destination to invest and work in
  - Align land use and infrastructure with economic priorities
  - Foster strategic partnerships and regional collaboration
- ◆ **Update the Economic Element of the Comprehensive Plan.** The Economic Element has not been updated in more than a decade. The new information in the EOA document provides a refreshed fact base for making future decisions.
- ◆ **Align the City's goals for economic development with planning for infrastructure development.** Aside from ensuring that there is sufficient land to support employment growth, one of the most important ways that the City can support economic development is through planning for and developing infrastructure (e.g., roads, water, sanitary sewer, and stormwater systems). We recommend that the City align its goals for economic development with infrastructure development through updates to the City's Capital Improvement Plan.
- ◆ **Coos Bay has a deficit of land for commercial development.** Coos Bay has a deficit of about 30 acres of land for commercial uses over the next 20 years. This deficit may be accommodated through a variety of potential options. Some areas, such as the downtown and Empire districts, present opportunities for redevelopment but face challenges related to aging infrastructure, floodplain regulations, and limited market demand. The Bay Area Hospital's plan for residential and mixed-used development on their existing campus may provide opportunities for development of commercial space. The city should consider these types of land use efficiency measures and targeted investments to support infill as well as explore UGB expansion options, particularly in conjunction with a potential residential UGB expansion or if larger-scale commercial opportunities emerge that cannot be accommodated within the existing boundary.
- ◆ **Coos Bay has a deficit of land for industrial development.** Coos Bay has a deficit of about 36 gross acres of land for industrial uses. Coos Bay has a deficit of sites larger than 10 acres for industrial development, which may create barriers to manufacturing growth. In addition, Coos Bay has little industrial land located near the site for the Port expansion, which may be a desirable area for industrial businesses involved in marine or Port-related activities to locate. The City should evaluate opportunities for increasing



land use efficiency for industrial uses within the Coos Bay UGB.

The City may want to consider a UGB “land swap” for industrial land, which would allow the City to remove some industrial land from the UGB and add new land into the UGB. In general, the City should prioritize a land swap that removes industrial land that is less likely to develop from the UGB and bringing land into the UGB that is more developable. The City may also want to consider a UGB expansion to accommodate industrial growth.

- ◆ **Monitor and replenish the supply of commercial and industrial land on a regular basis.** The buildable lands inventory identifies the existing development status of employment land in Coos Bay. While Coos Bay will not completely update the buildable lands inventory on an annual basis, City staff should still monitor the development status of these employment lands and replenish short-term supply when possible.



# 1. Introduction

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Coos Bay is the largest of the communities that comprise Oregon's Bay Area. The city has a population of approximately 16,000 and covers a total land area of about 11 square miles with access to the Pacific Ocean through its bay.

Historically, the timber industry served as the foundation to Coos Bay's economy with well-paying jobs, attracting employees and businesses to the area. The majority of those timber-related jobs have disappeared from Coos Bay since the late 1980s due to federal legislation protecting remaining forestland, shifting market trends, and overharvesting. The Georgia-Pacific Wood Products mill, one of the last remaining local mills, closed in 2019, resulting in 111 worker layoffs.<sup>1</sup>

Today, Coos Bay serves as a regional hub for healthcare, retail, and public services. The city's healthcare system, anchored by the Bay Area Hospital and associated clinics, faces strain as it works to serve a population that is both aging and, on average, lower income than the state as a whole. Stakeholders regularly discussed the need to address the shortage and affordability of housing to meet local needs. Economic development efforts in Coos Bay increasingly focus on diversifying beyond the historic timber reliance to address infrastructure needs, support workforce development, and shift the local narrative from distressed to success to ensure the city can sustain its role as the coastal region's economic and service center.

This report presents an Economic Opportunities Analysis (EOA) for the City of Coos Bay. The purpose of an EOA is to develop information as a basis for policies that capitalize on Coos Bay's opportunities and help address the City's challenges. The EOA includes technical analysis to address a range of questions that Coos Bay faces in managing its commercial and industrial land. The City is also developing an Economic Development Strategic Plan (EDSP) to guide community leaders toward a stronger local economy in a manner aligned with the community's best interests.

This EOA and EDSP align with City Council's Strategic Plan, particularly Focus Area II: Economic Development. That focus area underscores the importance of strengthening the city's economic base, attracting private investment, establishing a cohesive economic vision, leveraging partnerships, and creating opportunities for sustainable growth. By pairing the EOA with the EDSP, the City ensures its long-range land use and economic development goals reinforce the broader vision and values established by City Council.

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<sup>1</sup> "Coos Bay lumber mill to be shutdown, Georgia-Pacific will lay off 111 workers," [Associated Press](#), 2019.



The City of Coos Bay last updated the Economic Element of its Comprehensive Plan in 2009, which included the development of an Economic Opportunities Analysis (EOA). That 2009 EOA concluded that Coos Bay had a deficit of land for commercial and industrial uses. With more than 15 years having passed since the last substantial review of economic opportunities and commercial and industrial land needs, and in light of current and future economic conditions, the City is revisiting the Economic Element of its Comprehensive Plan to prepare for anticipated future growth in the local economy.

The following factors make this project work timely:

- ◆ Economic conditions in Coos Bay and the south coast have changed significantly since 2009, driven by the Great Recession, the COVID-19 pandemic, and other changes to the economy in recent years.
- ◆ The Port of Coos Bay has plans for the development of a \$2.3 billion shipping container facility project, supported by the Governor’s Office with a recently approved \$100 million grant from the Oregon legislature. The Port facility would be located on the North Spit, to the west of the City of Coos Bay. The expansion would have an estimated capacity of 1.2 million shipping containers annually. Expansion of the Port is contingent on infrastructure investment, such as deepening the Coos Bay Navigation Channel and upgrades to the Coos Bay Rail Line.
- ◆ The City is actively pursuing an expansion of its shared City-County Urban Growth Boundary (UGB) to include Urban Growth Areas, pursuant to the 1987 Joint City-County Management Agreement.

This EOA complies with the requirements of Statewide Planning Goal 9, the Goal 9 Administrative Rule (OAR 660 Division 9), and the court decisions that have interpreted them. Goal 9 requires cities to identify the characteristics of sites needed to accommodate industrial uses and other employment uses (OAR 660-009-0025[1]) over the 20-year planning period.

The EOA draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Census.

## Framework for an Economic Opportunities Analysis

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an EOA in OAR 660-009 as amended.



1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county, or local trends; identify the number of sites by type that are reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning process or some other public input-based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types, and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities and counties must adopt measures to implement policies pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.

## Stakeholder Engagement Process

Feedback from a Project Advisory Committee (PAC), composed of City staff and economic development professionals, informed the development of the EOA. The PAC met 4 times and discussed:

- ◆ Meeting 1: the buildable lands inventory, economic trends, Port of Coos Bay expansion plans, and employment forecasts



- ◆ Meeting 2: employment land deficit, demographic and economic trends, current economic development programs, economic values, economic vision, and SWOT analysis
- ◆ Meeting 3: site visit and economic survey feedback and economic development strategic plan draft actions
- ◆ Meeting 4: revised economic development strategic plan actions and metrics

The Coos Bay Economic Opportunities Analysis and Economic Development Strategic Plan projects incorporated public engagement via the following activities:

- ◆ **Community Events:** The project team engaged with the community at a variety of community events throughout 2025, conducting targeted outreach through focus groups and an online survey. Engagement included:
  - In-person site visit that included focus groups and interviews with realtors and developers, South Coast Development Council, Coos Bay-North Bend-Charleston Visitor Center and Convention Bureau, Bay Area Chamber of Commerce Wednesday Business Connection, and City Council/Planning Commission (April 22-23, 2025).
  - Online survey with over 180 resident, worker, and business owner responses (spring 2025).
- ◆ **Engagement with elected officials:** The Economic Opportunities Analysis and Economic Development Strategic Plan process included 2 decision-maker work sessions and a meeting with the Oregon Employment Department for interested City Councilors to ensure that elected and appointed officials were engaged in the process and had the opportunity to provide input and direction.

## Organization of This Report

This report is organized as follows:

- ◆ **Chapter 2. Factors Affecting Future Economic Growth** summarizes historic economic trends that affect current and future economic conditions in Coos Bay, as well as Coos Bay’s competitive advantages for economic development.
- ◆ **Chapter 3. Employment Growth and Site Needs** presents a forecast for employment growth in Coos Bay and describes potential growth industries and site needs for potential growth in industries.
- ◆ **Chapter 4. Buildable Lands Inventory** presents a summary of the inventory of employment lands.



- ◆ **Chapter 5. Land Sufficiency and Conclusions** compares the supply of and demand for buildable lands and presents key concluding recommendations for Coos Bay.

This report also includes two appendices:

- ◆ **Appendix A. National, State, and Regional and Local Trends**
- ◆ **Appendix B. Buildable Lands Inventory Methodology**



## 2. Factors Affecting Future Economic Growth

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Coos Bay exists as part of the economy of the Southern Oregon Coast region, which includes Coos, Curry, and Douglas Counties. Coos Bay is the largest city in the region with ample local assets (ocean, forest, river, dunes), providing opportunities for the city's residents and attracting labor from throughout the region. Coos Bay's economy consists of an industry mix of healthcare and social assistance, retail trade, government, and administrative and support services.

This chapter describes the factors affecting economic growth in Coos Bay within the context of national and regional economic trends. The analysis presents the City's competitive advantages for growing, attracting, and retaining businesses, which forms the basis for identifying potential growth industries in Coos Bay.

### Factors That Affect Economic Development<sup>2</sup>

The fundamental purpose of Goal 9 (the Statewide Planning Goal for Economic Development) ensures that local governments plan for economic development. The planning literature provides many definitions of economic development, both broad and narrow. Broadly,

“Economic development is the process of improving a community's well-being through job creation, business growth, and income growth (factors that are typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy.”<sup>3</sup>

That definition acknowledges that a community's well-being depends in part on narrower measures of economic well-being (e.g., jobs and income) and on other aspects of quality of life (e.g., the social and natural environment). In practice, cities and regions trying to prepare an economic development strategy typically use a

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<sup>2</sup> The information in this section is based on previous Goal 9 studies conducted by ECONorthwest, as well as “An Economic Development Toolbox: Strategies and Methods” published by the American Planning Association.

<sup>3</sup> An Economic Development Toolbox: Strategies and Methods, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.



narrower definition of economic development; they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- ◆ Business and job growth are contributors to and consistent with economic development, increased income, and increased economic welfare. From the municipal point of view, investment and the resulting increases in property tax are important outcomes of economic development.
- ◆ The evaluation of trade-offs and balancing of policies to decide whether such growth is likely to lead to overall gains in well-being (on average and across all citizens and businesses in a jurisdiction) is something that decision-makers do after an economic strategy has been presented to them for consideration.

That logic is consistent with the tenet of the Oregon land use planning program: all goals matter, no goal dominates, and the challenge is to find a balance of conservation and development that is acceptable to a local government and the State. Goal 9 does not dominate, but it legitimizes and requires that a local government focus on the narrower view of economic development regarding economic variables.

In that context, a major part of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Specifically, new small businesses are accounting for a larger share of the job growth in the United States. This shift toward a focus on entrepreneurship, innovation, and small businesses presents additional options for local support for economic development beyond firm attraction and retention. Thus, two key questions for economic development policy are addressed in depth in this document:

- ◆ What are the factors that influence business and job growth?
- ◆ What is the relative importance of each?

## What factors matter?

Why do firms locate where they do? There is no single answer—firms choose their locations for different reasons. Key determinants of a location decision are a firm's factors of production. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand for goods and services is held roughly constant, then revenue maximization is approximated by cost minimization.



The typical categories that economists use to describe a firm's production function are:

- ◆ **Labor.** Labor is often the most important factor of production. Other things being equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of less productive labor that is available locally.
- ◆ **Land.** Demand for land depends on the type of firm. Manufacturing firms typically need more space and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms often need to locate close to interstate highways.
- ◆ **Local infrastructure.** An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads, bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.
- ◆ **Access to markets.** Though part of infrastructure, transportation merits special attention. Firms need to move their product (either goods or services) to market, and they rely on access to different modes of transportation to accomplish this.
- ◆ **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources (i.e., raw lumber), and others may need intermediate materials (i.e., dimensioned lumber).
- ◆ **Entrepreneurship.** This input to production may be thought of as good management or more broadly as a spirit of innovation, optimism, and ambition that distinguishes one firm from another, even though most of their other factor inputs may be quite similar. Entrepreneurial activity, even when unsuccessful, can offer information about the local market that other entrepreneurs can use in starting a new firm. Entrepreneurs are typically willing to take on more risk in uncertain markets, and a strengthened entrepreneurial environment can help to reduce that risk and uncertainty.<sup>4</sup> Entrepreneurs also tend to have more mobility than larger firms and are more likely to locate in areas with a strong entrepreneurial environment.<sup>5</sup> To some degree, local governments can promote the high quality of life in an

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<sup>4</sup> Tessa Conroy and Stephan Weiler. "Local and Social: Entrepreneurs, Information Network Effects, and Economic Growth" (2017). [https://redi.colostate.edu/wp-content/uploads/sites/50/2017/05/gender\\_gia\\_Jun2017-2.pdf](https://redi.colostate.edu/wp-content/uploads/sites/50/2017/05/gender_gia_Jun2017-2.pdf)

<sup>5</sup> Emil E. Malizia and Edward J. Feser. *Understanding Local Economic Development*. (1999).



area to attract entrepreneurs in addition to adopting regulations with minimal barriers—or, at least, clear guidelines—for new small businesses.

The supply, cost, and quality of any of these factors depend on market factors: on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- ◆ **Regulation.** Regulations protect the health and safety of a community and help maintain quality of life. Overly burdensome regulations, however, can be disincentives for businesses to locate in a community. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.
- ◆ **Taxes.** Firms tend to seek locations where they can optimize their after-tax profits. Tax rates are not a primary location factor—they typically matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The costs of these production factors are usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- ◆ **Financial incentives.** Governments can offer firms incentives to encourage growth. In recent years, incentives have been used more frequently in Oregon to convince businesses to locate in the Portland region at large, rather than substantially distinguishing between cities in the area. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions.

This discussion may make it appear that a location decision is based entirely on a straightforward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development, however, have shown that location decisions depend on a variety of other factors that indirectly affect costs of production. These indirect factors include agglomerative economies (also known as industry clusters), quality of life, and innovative capacity.

- ◆ **Industry clusters.** Firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities.
- ◆ **Quality of life.** A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools,



affordable housing, and a clean environment, can attract people simply because it is a nice place to be. A region's quality of life can attract skilled workers, and if the amenities lure enough potential workers to the region, the excess labor supply pushes their wages down so firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect the distribution of economic development within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on an emotional or historical attachment to a place or set of amenities, without much regard for the cost of other factors of production.

- ◆ **Innovative capacity.** Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High-tech companies need to have access to new ideas typically associated with a university or research institute. In addition to innovations in research and development within firms or research institutions, firms may also draw on the innovative capacity of entrepreneurs in an area. These entrepreneurs may be former employees of the larger firm or businesses that relocated to an area because of the proximity to an industry cluster. Strong networks and communication between firms, research institutions, and entrepreneurs are key components to leveraging innovative capacity in an area.<sup>6</sup> Local governments are well equipped to help foster these networks through supporting economic development tools such as small business assistance centers or incubation centers. Government can also be a key part of a community's innovative culture through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

## How important are these factors?

To understand how changes in public policies affect local job growth, economists have attempted to identify the importance for firms with different locational factors. They have used statistical models, surveys, and case studies to examine detailed data on the key factors that influence the business location decision.

Economic theory says that firms locate where they can reduce the costs of their factors of production (assuming demand for products and any other factors are held constant). Firms locate in regions where they have access to inputs that meet their

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<sup>6</sup> Nancey Green Leigh and Edward Blakely. *Planning Local Economic Development: Theory and Practice*. 2013.



quality standards at a relatively low cost. Because firms are different, the relative importance of different factors of production varies both across industries and, even more importantly, across firms.

No empirical analysis can completely quantify firm location factors because numerous methodological problems make any analysis difficult. For example, some would argue simplistically that firms would prefer locating to a region with a low tax rate to reduce tax expenses. However, the real issue is the value provided by the community for the taxes collected. When competing jurisdictions have roughly comparable public services (type, cost, and quality) and quality of life, then tax rates (and tax breaks) can make a difference.

An important aspect of this discussion is that the business function at a location matters more than a firm's industry. A single company may have offices spread across cities, with headquarters located in a cosmopolitan metropolitan area, the research and development divisions located near a concentration of universities, the back office located in a suburban location, and manufacturing and distribution located in areas with cheap land and good interstate access.

Local governments can provide support for new and existing small businesses through policies and programs that support entrepreneurship and innovation. The National League of Cities suggests strategies for local governments, including strong leadership from elected officials; better communication with entrepreneurs, especially regarding the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, business groups, and financial institutions.<sup>7</sup>

Local governments in Oregon also play a central role in the provision of buildable land through the inclusion of lands in the Urban Growth Boundary (UGB), as well as through the determination of plan designations and zoning and the provision of public services. Typically, businesses need buildable land to locate or expand in a community. However, providing buildable land alone is not sufficient to guarantee economic development in a community—market conditions must create demand for this land, and local factors of production must be favorable for business activity. In the context of expected economic growth and the perception of a constrained land supply in Coos Bay, the provision of buildable land has the potential to strongly influence the level and type of economic development in the city of Coos Bay. The provision of buildable land is one of the most direct ways that Coos Bay can affect the level and type of economic development in the community.

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<sup>7</sup> National League of Cities “Supporting Entrepreneurs and Small Businesses” (2012).



## Summary of the Effect of National, State, and Regional Trends on Economic Development in Coos Bay

This section presents a summary of the implications of national, state, and regional economic trends on economic growth in Coos Bay, which are presented in Appendix A.

- ◆ **County and local employment growth.** Employment decreased by 0.2% in Coos County between 2007 and 2023, with a loss of about 49 employees. The largest job increases were in healthcare and social assistance, and accommodation and food services. The Coos Bay UGB contains about 43% of jobs in Coos County in 2023. Employment in Coos Bay decreased at a slightly higher rate than Coos County between 2007 and 2023, declining by approximately 0.6% or 61 employees.

Between 2007 and 2023, employment in Oregon grew by 15%. Over the next 20 years, employment in Oregon has expectations to increase, but at a slower rate than in the past. It is likely that slower labor force growth will also impact Coos Bay.

- ◆ **Changes in manufacturing.** Manufacturing employment in Coos Bay and Coos County declined between 2007 and 2023, following broader state and national trends. In 2023, manufacturing accounted for about 3% of Coos Bay's employment and had an average wage of \$65,018, higher than the city's average wage of \$50,238. Between 2007 and 2023, the manufacturing sector in Coos Bay shrank from 361 to 255 employees, a decrease of 106 employees. Automation and global competition continue to reduce the total number of manufacturing jobs nationally.

Potential expansion of the Port of Coos Bay facilities includes a large container terminal that may result in growth in manufacturing in Coos Bay for businesses that benefit from a location near the Port. These opportunities are contingent on infrastructure investments and state and federal funding necessary to support the Port expansion.

- ◆ **Shifts in Oregon's high-growth industries:** Oregon's traditionally strong timber and high-tech industries expect to experience slower job growth, which may impact the Coos Bay employment landscape. Historically, timber and fishing comprised the region's economic base. Since 2007, both Coos Bay and Coos County experienced declines in manufacturing employment, which could continue if the timber industry faces further challenges. However, state investments like the mass timber initiative could provide a boost to wood products jobs in the area.



There may be opportunity for Coos Bay to expand its economic base in other fast-growing sectors in Oregon, such as food/beverage manufacturing, healthcare, and consulting. While high-tech employment is limited locally, remote work trends may enable a wider range of residents to engage in digital or hybrid professions.

- ◆ **Increases in automation.** Increases in automation will continue impacting businesses across industrial and commercial sectors in different ways. For manufacturing and administrative/clerical roles involving routine tasks, automation is more likely to decrease employment as those processes become automated. Conversely, automation increases will drive job growth in higher-skilled roles difficult to fully automate, such as management positions requiring human skills like problem-solving and interpersonal abilities, analysis roles involving critical thinking and decision-making, and technical fields that necessitate human expertise alongside technology. Oregon's overall risk of automation remains consistent with national trends, with lower and middle-wage jobs at higher risk of being automated.

Most industrial sectors will continue to hire employees to complete certain tasks, though the types of skills required for these jobs may change as automation increases. Coos Bay's mix of industries like healthcare, accommodation and food services, and retail means it likely has roles across the automation risk spectrum. Coos Bay's role as the regional economic hub can help attract skilled workers to businesses in Coos Bay. The educational opportunities in the region could help align with the needs for industries that locate in Coos Bay.

- ◆ **The aging of the baby boomer generation and the need for replacement workers.** Coos Bay and Coos County have a higher percentage of residents 60 years and older (31% and 35%, respectively) compared with Oregon (25%), and continues to grow older. Coos Bay's median age, which was 41.6 in 2010, increased to 42.8 in 2022; Oregon's median age was 39.9 in 2022.

Coos County's population expects to continue aging. The share of the population younger than 39 will decrease from 45% in 2022 to 37% in 2040. As workers retire, businesses need to replace them with new workers. This need for replacement workers will continue to drive need for workers, and the local aging workforce may have a hard time filling in those gaps unless younger workers can be attracted to the area.

- ◆ **Growth of entrepreneurship and small business.** Coos Bay has an average size for a private business of 12.0 employees per business, higher than the state average of 9.1 employees. The creation of new businesses generates



new jobs and advances innovations into markets, vital to Oregon's (and Coos Bay's) economy. High inflation, rising interest rates, recession risks, and tighter venture capital and banking lending conditions will likely slow new business formation in Coos Bay and across the state. However, several favorable factors could mitigate these impacts and support continued strength in entrepreneurship and small business formation in Oregon. These include increased personal savings and home equity levels, which are common funding sources for new businesses, along with the shift toward remote work opportunities and the large millennial generation entering their prime entrepreneurial years (late 30s and early 40s, according to Census Bureau research). Potential for growth at the Port of Coos Bay may also increase opportunities for growth of small businesses, with growth of the overall regional economy increasing demand for goods and services.

- ◆ **Continued transformation of retail.** Over the past two decades, the trend toward supercenters and e-commerce has steadily increased. While growth of shopping online (accelerated by the COVID-19 pandemic) is likely to persist, there will continue to be demand for the local purchase of retail goods. Consumers still prefer physical, brick-and-mortar stores for certain items, such as large furniture, home improvement goods, specialty goods, and groceries. Furthermore, consumer preferences have shifted to spending at restaurants and experience-focused business establishments (e.g., entertainment or recreation). The convergence of technology and shopping creates new opportunities for retail businesses to differentiate themselves and engage customers digitally in physical retail locations. While retail businesses that compete with online retailers may become less common in Coos Bay (and other cities), businesses providing experiences (including digital/physical shopping experiences) or goods that cannot be purchased online may grow and expand in Coos Bay. This presents opportunities for Coos Bay's retail industry to build on the city's high quality of life, providing experiences for residents and visitors.
- ◆ **Changing places where work is being done.** The pandemic facilitated a shift in many industries, creating opportunities for employees to work from home at levels never seen before. Due to the shift to working from home and concerns around the pandemic, many workers started moving away from urban centers in pursuit of more space. Work-from-home trends appear likely to continue—full time for some workers or with options for a hybrid schedule for others. Coos Bay's wealth of recreational amenities could make it particularly attractive to people who work from home full time.



- ◆ **Continued increase in demand for energy.** In recent years, energy prices, especially gasoline prices, have increased sharply. Reasons for the increase include increased travel and international sanctions against Russia for the war in Ukraine, which results in less Russian fuel on the international market. Energy prices are forecasted to increase over the planning period; long term, this will likely affect the mode of commuting before it affects workers' willingness to commute. For example, commuters may choose to purchase a more energy-efficient car or carpool. Very large increases in energy prices may affect workers' willingness to commute to or from Coos Bay, especially workers living or working the farthest from Coos Bay or workers with lower-paying jobs. In addition, very large increases in energy prices may make shipping freight long distances less economically feasible, resulting in a slowdown or reversal of offshore manufacturing, especially of large, bulky goods.
- ◆ **Household income and average wages.** Coos Bay has a lower median household income (\$53,331) than the county (\$57,563) and the state (\$76,632). Private businesses in Coos Bay have an average annual wage of about \$50,238, higher than the Coos County average of \$49,669 but lower than the state average of \$67,207 in 2023. Household income data would suggest that most households may have less disposable income to spend on goods and services, and the relatively lower wages could make it difficult to attract talent, especially given the tight labor market.
- ◆ **High rates of inflation.** For the last several decades, inflation rates have generally stayed below 3% in the United States. Inflation started to increase in 2021, reaching 9.1% in 2022, the highest level in about 40 years.<sup>8</sup> In 2023, the annual inflation rate dropped to 3.4%, a marked reduction from the 2022 inflation rate.<sup>9</sup> Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession. Consumers may start decreasing spending on nonessentials, which could impact parts of Coos Bay's retail and tourism economy.
- ◆ **Climate change.** As climate impacts such as wildfire risk, extreme heat, and water scarcity intensify, particularly across the western U.S., Coos Bay's mild marine climate and natural amenities may make it increasingly attractive for in-migrants seeking a more livable environment. Not immune

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<sup>8</sup> Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer prices up 9.1% over the year ended June 2022, largest increase in 40 years at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm> (visited July 25, 2022).

<sup>9</sup> Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer Price Index: 2023 in Review, <https://www.bls.gov/opub/ted/2024/consumer-price-index-2023-in-review.htm>



to climate change, the region still has climate risks, particularly flooding, sea level rise, and infrastructure challenges during storm events. However, Coos Bay’s relative climate stability presents an opportunity for the city to position itself as a destination for both residents and businesses seeking refuge from climate disruptions elsewhere, provided it can invest in resilient infrastructure, housing, and services.

## Employment Trends in Coos Bay and Coos County

The national economy changed substantially between 2007 and 2023. These changes affected the composition of the Oregon economy, including Coos Bay’s economy. At the national level, the shift from manufacturing employment to service sector employment accounts for the most striking change. The most important shift in Oregon during this period has been the shift from a timber-based economy to a more diverse service-based economy. This section of the EOA focuses on changes in the economy in Coos County and Coos Bay since 2007.

### Employment Trends in Coos County

Exhibit 1 shows covered employment<sup>10</sup> in Coos County for 2007 and 2023. Employment decreased by 49 jobs, or *negative* 0.2%, over this period. The sectors with the largest increases in numbers of employees included healthcare and social assistance (788 jobs), accommodation and food services (430 jobs), wholesale trade (90 jobs), and construction (57 jobs). The sectors with the largest nominal decrease in numbers of employees included government (-399 jobs), agriculture, forestry, fishing, hunting, and mining (-385 jobs), manufacturing (-144 jobs), and information (-139 jobs). In 2023, Coos County had an average annual wage for employment of about \$49,669.<sup>11</sup>

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<sup>10</sup> **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as “1099 employees”), or some railroad workers. Covered employment data is from the Oregon Employment Department.

<sup>11</sup> Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023.



## Exhibit 1. Covered Employment by Industry, Coos County, 2007–2023

Sector	2007	2023	Change 2007 to 2023		
			Difference	Percent	AAGR*
Agriculture, Forestry, Fishing, Hunting and Mining	1,114	729	-385	-35%	-2.6%
Transportation, Warehousing, and Utilities	951	874	-77	-8%	-0.5%
Construction	1,056	1,113	57	5%	0.3%
Manufacturing	1,626	1,482	-144	-9%	-0.6%
Wholesale Trade	381	471	90	24%	1.3%
Retail Trade	3,073	2,994	-79	-3%	-0.2%
Information	283	144	-139	-49%	-4.1%
Finance and Insurance	527	457	-70	-13%	-0.9%
Real Estate and Rental and Leasing	264	243	-21	-8%	-0.5%
Professional and Business Services	2,366	2,415	49	2%	0.1%
Educational Services	103	80	-23	-22%	-1.6%
Health Care and Social Assistance	4,004	4,792	788	20%	1.1%
Arts, Entertainment, and Recreation	154	155	1	1%	0.0%
Accommodations and Food Services	2,457	2,887	430	18%	1.0%
Other Services (except Public Administration)	705	571	-134	-19%	-1.3%
Unclassified	5	12	n/a	n/a	n/a
Government	4,258	3,859	-399	-9%	-0.6%
<b>Total</b>	<b>23,327</b>	<b>23,278</b>	<b>(49)</b>	<b>-0.2%</b>	<b>-0.01%</b>

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2007–2023.

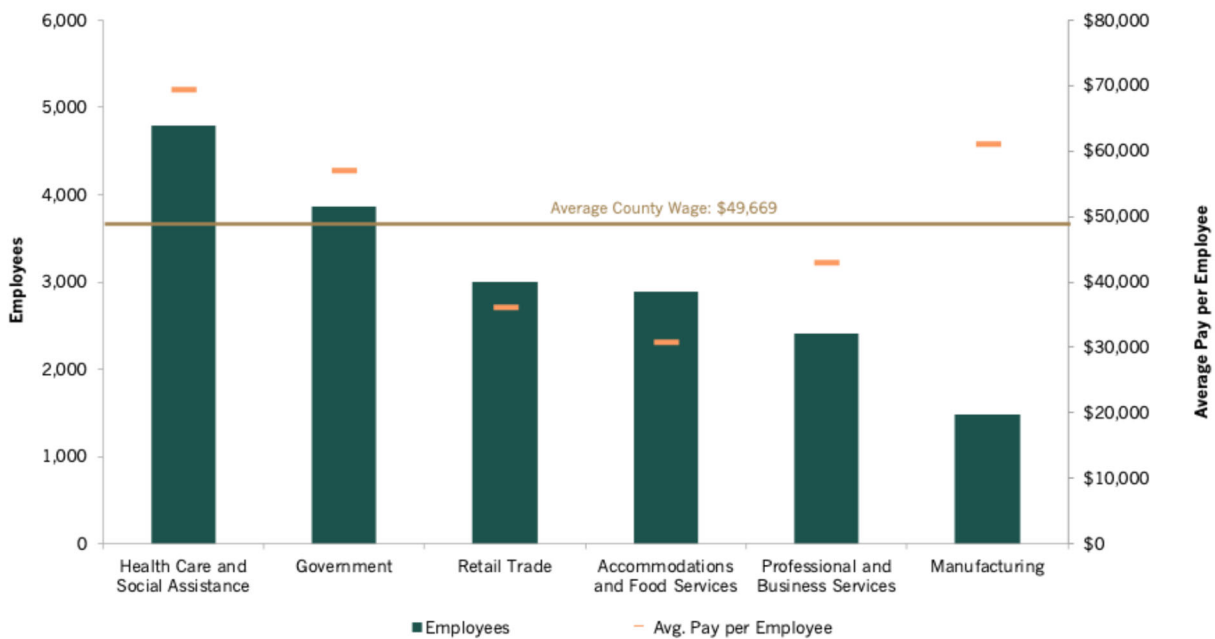
\*AAGR is Average Annual Growth Rate

Note: Healthcare and social assistance classified under government employment have been shown in the overall healthcare and social assistance category because this makes up a large amount of employment in Coos County.



Exhibit 2 shows covered employment and average wage for the six largest industries in Coos County. Jobs in healthcare and social assistance accounted for approximately 21% of the county’s total covered employment, followed by government and retail trade (17% and 13%, respectively). Of these six sectors, healthcare and social assistance, government, and manufacturing pay above the county average wage (\$49,669). Jobs in agriculture, forestry, fishing, hunting, and mining; wholesale trade; information; finance and insurance; and unclassified also paid more per year than the county average, but they accounted for a smaller share of covered employment.

**Exhibit 2. Covered Employment and Average Pay by Sector, 6 Largest Sectors, Coos County, 2023**



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023.

Note: Healthcare and social assistance classified under government employment have been shown in the overall healthcare and social assistance category because this makes up such a large amount of employment in Coos County.



## Employment in Coos Bay

Between 2007 and 2023, employment in Coos Bay decreased by about 61 employees (-0.6%), at about a *negative* 0.04% average annual growth rate. Healthcare and private education experienced the greatest nominal increase (731 employees) followed by administrative services (208 employees), while transportation and warehousing and government experienced the greatest nominal decreases (-341 and -335 employees, respectively) (Exhibit 3).

**Exhibit 3. Change in Covered Employment, Coos Bay UGB, 2007–2023**

Sector	Employees		Change 2007 to 2023		
	2007	2023	Difference	Percent	AAGR*
Agriculture, Forestry, and Fishing	254	118	-136	-54%	-4.7%
Construction	368	269	-99	-27%	-1.9%
Manufacturing	361	255	-106	-29%	-2.1%
Wholesale Trade	186	258	72	39%	2.1%
Transportation and Warehousing	609	268	-341	-56%	-5.0%
Retail Trade	1,480	1,526	46	3%	0.2%
Information	203	92	-111	-55%	-4.8%
Finance and Insurance	242	208	-34	-14%	-0.9%
Real Estate and Rental and Leasing	123	136	13	11%	0.6%
Professional & Tech. Services	260	311	51	20%	1.1%
Mgmt. of Companies	93	101	8	9%	0.5%
Admin. / Support and Waste Mgmt	1,044	1,252	208	20%	1.1%
Health Care and Private Education	2,118	2,849	731	35%	1.9%
Arts, Entertainment, and Recreation	58	48	-10	-17%	-1.2%
Accommodation and Food Services	806	820	14	2%	0.1%
Other Services (except Public admin)	295	263	-32	-11%	-0.7%
Government	1,597	1,262	-335	-21%	-1.5%
<b>Total</b>	<b>10,097</b>	<b>10,036</b>	<b>(61)</b>	<b>-0.6%</b>	<b>-0.04%</b>

Sectors highlighted in blue have wages higher than the city average.

\*Average Annual Growth Rate

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2008 and 2019.  
 Note: Healthcare and social assistance classified under government employment have been shown in the overall healthcare and social assistance category because this makes up a large amount of employment in Coos County.



Exhibit 4 shows a summary of covered employment data for the Coos Bay UGB in 2023. The sectors with the largest number of employees were healthcare, social assistance, and private educational services (28% of Coos Bay’s total covered employment); retail trade (15%); government (13%); administrative services (12%); accommodation and food service (8%); and professional, scientific, and technology services (3%). Coos Bay had an average pay for all employees of \$50,238. Coos Bay had an average size for a private business of 12.0 employees per business, higher than the state average of 9.1 employees.

**Exhibit 4. Covered Employment and Average Pay by Sector, Coos Bay UGB, 2023<sup>12</sup>**

Sector	Establishments	Employees	Average Pay per Employee
Agriculture, Forestry, Fishing, Hunting and Mining	10	118	\$60,963
Construction	44	269	\$60,622
Manufacturing	10	255	\$65,018
Wholesale Trade	24	258	\$51,897
Transportation, Warehousing, and Utilities	21	268	\$68,493
Retail Trade	87	1,526	\$40,302
Information	19	92	\$64,116
Finance and Insurance	32	208	\$71,012
Real Estate and Rental and Leasing	32	136	\$37,242
Professional, Scientific, and Tech. Services	76	311	\$63,980
Mgmt. of Companies	12	101	\$57,419
Admin. / Support and Waste Mgmt / Remediation Serv.	34	1,252	\$32,903
Health Care, Social Assistance, and Private Education	190	2,849	\$61,315
Arts, Entertainment, and Recreation	9	48	\$31,893
Accommodation and Food Services	67	820	\$25,165
Other Services (except Public admin)	66	263	\$38,897
Government	37	1,262	\$56,385
<b>Total</b>	<b>770</b>	<b>10,036</b>	<b>\$50,238</b>

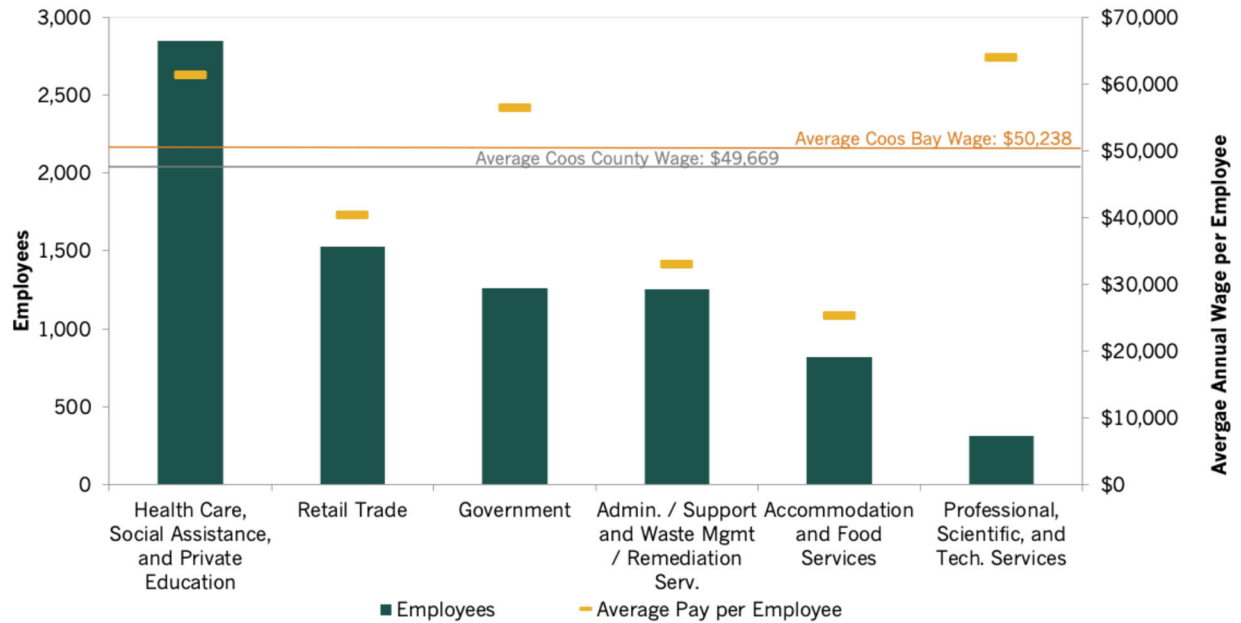
Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.

<sup>12</sup> The agriculture, forestry, fishing, hunting, and mining sector was combined with the healthcare, social assistance, and educational services sector due to confidentiality of QCEW data.



Exhibit 5 shows the employment and average pay per employee for the six largest sectors in Coos Bay, which account for about 80% of all covered employment. Of these sectors, healthcare, social assistance, and private education; government; and professional, scientific, and technology services had above-average wages. Retail, accommodation and food services, and administrative and support services had the lowest wages.

**Exhibit 5. Covered Employment and Average Pay for Six Largest Sectors, Coos Bay UGB, 2023**



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.



## Outlook for Growth in Coos County

Exhibit 6 shows the Oregon Employment Department's (OED) forecast for employment growth by industry for the Southern Oregon Coast region (Coos, Curry, and Douglas Counties) over the 2023 to 2033 period. Employment in the region is forecast to grow at an average annual growth rate of 0.51%.

The sectors projected to lead employment growth in the region in terms of total jobs for the 10-year period include private educational and health services (adding 1,420 jobs); government (620); leisure and hospitality (600); trade, transportation, and utilities (300); and professional and business services (290). In sum, these sectors expect to add 3,230 new jobs, or about 84% of total employment growth in the Southern Oregon region. Coos County accounts for about 31% of employment in these three counties, and Coos Bay accounts for about 43% of Coos County's total employment.



### Exhibit 6. Regional Employment Projections, 2023–2033, Southern Oregon Coast Region (Coos, Curry, and Douglas Counties)

Industry Sector	2023	2033	Change 2023-2033		
			Number	Percent	AAGR*
Total private	55,610	58,790	3,180	6%	0.6%
<b>Natural resources and mining</b>	<b>2,860</b>	<b>2,780</b>	<b>-80</b>	<b>-3%</b>	<b>-0.3%</b>
Mining and logging	1,350	1,260	-90	-7%	-0.7%
<b>Construction</b>	<b>3,270</b>	<b>3,520</b>	<b>250</b>	<b>8%</b>	<b>0.7%</b>
<b>Manufacturing</b>	<b>6,730</b>	<b>7,010</b>	<b>280</b>	<b>4%</b>	<b>0.4%</b>
Durable goods	5,880	6,100	220	4%	0.4%
Wood product manufacturing	3,950	3,970	20	1%	0.1%
Nondurable goods	850	900	50	6%	0.6%
<b>Trade, transportation, and utilities</b>	<b>12,800</b>	<b>13,100</b>	<b>300</b>	<b>2%</b>	<b>0.2%</b>
Wholesale trade	1,500	1,600	100	7%	0.6%
Retail trade	8,770	8,860	90	1%	0.1%
Food and beverage stores	2,230	2,320	90	4%	0.4%
General merchandise stores	2,210	2,230	20	1%	0.1%
Transportation, warehousing, and utilities	2,530	2,640	110	4%	0.4%
<b>Information</b>	<b>500</b>	<b>480</b>	<b>-20</b>	<b>-4%</b>	<b>-0.4%</b>
<b>Financial activities</b>	<b>2,670</b>	<b>2,730</b>	<b>60</b>	<b>2%</b>	<b>0.2%</b>
<b>Professional and business services</b>	<b>5,810</b>	<b>6,100</b>	<b>290</b>	<b>5%</b>	<b>0.5%</b>
<b>Private educational and health services</b>	<b>10,850</b>	<b>12,270</b>	<b>1,420</b>	<b>13%</b>	<b>1.2%</b>
<b>Leisure and hospitality</b>	<b>8,090</b>	<b>8,690</b>	<b>600</b>	<b>7%</b>	<b>0.7%</b>
Food services and drinking places	5,560	5,900	340	6%	0.6%
<b>Other services</b>	<b>2,030</b>	<b>2,110</b>	<b>80</b>	<b>4%</b>	<b>0.4%</b>
<b>Government</b>	<b>14,170</b>	<b>14,790</b>	<b>620</b>	<b>4%</b>	<b>0.4%</b>
Federal government	1,840	1,920	80	4%	0.4%
State government	1,290	1,360	70	5%	0.5%
Local government	11,040	11,510	470	4%	0.4%
Self-employment	4,550	4,600	50	1%	0.1%
<b>Total employment</b>	<b>74,330</b>	<b>78,180</b>	<b>3,850</b>	<b>5%</b>	<b>0.51%</b>

Note: AAGR is the Annual Average Growth Rate

Source: Oregon Employment Department. Employment Projections by Industry 2022-2032.



## Expansion of the Port of Coos Bay

The Port of Coos Bay, in partnership with NorthPoint Development, plans to construct a \$2.3 billion 200-acre shipping container terminal on the North Spit. The terminal would increase shipping traffic by an estimated 10% on the West Coast, with a capacity for 1.2 million TEUs (twenty-foot equivalent unit shipping containers) and the accommodation of 200 vessels annually. The terminal plans to operate as the first fully electric ship-to-rail facility in the United States with infrastructure to allow vessels to shut down their engines at berth, reducing emissions and supporting green operations.

The project includes three major components:

- ◆ Deepening and widening the Coos Bay channel to 45 feet deep and 450 feet wide, with two new turning basins
- ◆ Building the new electric-powered terminal with two berths and intermodal transfer capabilities
- ◆ Upgrading the Coos Bay Rail Line between Coquille and Eugene by replacing 108 miles of track, improving bridges and tunnels, expanding sidings for train passage, and modernizing signal systems

Port officials estimate the expansion will generate approximately 9,400 jobs.<sup>13</sup> This includes:

- ◆ **2,500 terminal jobs** in and around the Coos Bay area, including tug pilots, longshore workers, warehouse workers, clerks, stevedores, mechanics, electricians, rail crew, and government jobs (such as customs and border protection)
- ◆ **6,900 indirect jobs** tied to goods producers, building materials suppliers, food, and fuels; it is likely that relatively few of these jobs will locate within the City of Coos Bay
- ◆ **2,600 construction jobs** during the estimated five-year buildout

Much of the potential growth driven by the port expansion would occur across the broader region, but Coos County (including Coos Bay) could gain between 600 and 1,200 new jobs, particularly in the service industry that encompasses restaurant staff, childcare workers, retail workers, and medical services. Housing and workforce availability remain major concerns, especially given the size and scope of the anticipated workforce needs and the constricted housing market in Coos Bay.

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<sup>13</sup> This estimate of jobs was provided by Port staff in 2025 and is likely to change as the project evolves.



The Port of Coos Bay and NorthPoint Development estimate a total project cost of \$2.3 billion. The Port has secured a mix of public and private investments to begin planning, design, and early infrastructure improvements. Project leaders continue to coordinate with the White House, the Governor’s Office, and international shipping partners to finalize funding and sequencing. Funding highlights include:

- ◆ \$100 million from the Oregon legislature (2025) for channel deepening, a major down payment on the dredging work needed to accommodate larger vessels
- ◆ \$55 million in earlier state allocations for channel modifications
- ◆ \$54 million in federal grants awarded for rail and terminal design
- ◆ \$1 billion in private investment committed by NorthPoint Development

The Port shared these details during ECONorthwest’s interviews with Matt Friesen (Port of Coos Bay, Director of External Affairs), Caddy McKeown (NorthPoint Development, Community Relations), and Alex Bohlin (NorthPoint Development/Bohlin Group) in November 2024 and February 2025. Because the project remains in early phases of planning and permitting, all estimates and timelines are subject to change.

## Coos Bay’s Competitive Advantage

Economic development opportunities in Coos Bay will be affected by local conditions as well as the national and state economic conditions addressed above. Economic conditions in Coos Bay relative to these conditions in other portions of the Southern Oregon Coast region form Coos Bay’s competitive advantage for economic development. Coos Bay’s competitive advantages have implications for the types of firms most likely to locate and expand in the area. These advantages reflect not only Coos Bay’s economic realities but also the priorities outlined in the City Council’s Strategic Plan Focus Area II: Economic Development.

Coos Bay’s primary competitive advantages include the Oregon International Port of Coos Bay, Coos Bay’s role as the region’s economic hub and largest city, existing businesses, economic development organizations, tourism and outdoor recreational opportunities, and small-town character. These factors contribute to a high quality of life and make Coos Bay attractive to residents and businesses.

The discussion earlier in this chapter provided information about Coos Bay’s existing base of businesses and access to labor, key to understanding Coos Bay’s competitive advantages. This section summarizes these and other local factors that form Coos Bay’s competitive advantages, with additional details in the sections following this summary.



Coos Bay's advantages for economic development include:

- ◆ **Marine-related activity.** Coos Bay's deep-draft harbor, sheltered estuary, working waterfront, and long history of maritime employment provide a foundation for a range of marine-related economic activity. Existing businesses include commercial fishing, seafood processing, ship and vessel repair, and maritime logistics. The Port of Coos Bay and the Charleston Marina support these uses with moorage, cold storage, and industrial facilities. Looking forward, the community holds a strong position to support expansion in aquaculture, marine construction, dredging services, and blue economy innovations such as offshore wind energy or maritime technology. These industries benefit from Coos Bay's unique coastal geography, skilled marine workforce, proximity to Pacific trade routes, and the influence of the Oregon Institute of Marine Biology (OIMB).
- ◆ **Potential expansion of the Port.** The Port of Coos Bay and NorthPoint Development plan to build a 200-acre, fully electric container terminal on the North Spit. This project positions Coos Bay at the center of a major West Coast logistics corridor and creates new opportunities for long-term economic growth. As jobs emerge at the terminal and across the regional supply chain, Coos Bay stands to benefit from increased demand for a variety of jobs, particularly those related to the Port or industrial employment that benefits from proximity to the Port and local services needed by people newly employed at the Port.
- ◆ **Availability of high-speed internet.** Reliable high-speed internet has increasing importance for remote work, online education, telehealth, and modern business operations. Coos Bay enjoys expanded broadband access across much of the city. This connectivity supports the area's growing appeal to remote workers, creative professionals, and digital entrepreneurs seeking coastal living without sacrificing access to virtual platforms. Continued improvements in broadband service, particularly in underserved areas, will be important to support workforce attraction, business retention, and equitable economic participation.
- ◆ **Tourism and access to outdoor recreation.** Coos Bay's coastal landscapes, public beaches, and outdoor amenities make it a premier destination for adventure tourism on Oregon's south coast, referred to as the Adventure Coast. The area attracts visitors year-round for activities such as surfing at Bastendorff Beach, premier windsurfing at Floras Lake, mountain biking at the world-class Whiskey Run trail system, sand duning in the Oregon Dunes National Recreation Area, and fishing and crabbing in the rivers, bay, and ocean. Nearby state parks, scenic byways, and marina areas further support



a robust recreation economy. As interest grows in ecotourism and experience-based travel, Coos Bay's combination of natural beauty, cultural amenities, and access to outdoor adventure position it well to attract both visitors and new residents seeking high quality of life.

- ◆ **Quality of life.** Residents are attracted to Coos Bay for many of the same reasons as visitors. Coos Bay offers a unique blend of small-town charm, coastal access, and affordability that appeals to many. Residents enjoy a mild climate, access to outdoor recreation, a walkable historic downtown, and a vibrant arts and culture scene, including the Coos Art Museum, the historic Egyptian Theatre, the Oregon Coast Music Festival, Music on the Bay, the Blackberry Arts Festival, and many other cultural events and attractions. The area provides a slower pace of life without sacrificing key amenities, including regional healthcare facilities, educational institutions like Southwestern Oregon Community College, and proximity to Eugene and Medford.
- ◆ **Availability of water and wastewater services.** Coos Bay has substantial water and wastewater capacity to support future growth. Both systems operate well below capacity, with recent and ongoing upgrades ensuring long-term reliability. Utilities do not expect to limit commercial or industrial development.
- ◆ **Strong business-support ecosystem.** Coos Bay benefits from a coordinated network of organizations that support local entrepreneurs, small businesses, and traded-sector employers. The South Coast Development Council (SCDC) serves as a regional economic development hub and has its headquarters in Coos Bay. The South Coast Development Council hosts the Southwest Oregon Innovation Hub (SOIH) and the South Coast Accelerator (SCA), and it is expanding the SCA Coworking Space. Southwestern Oregon Community College (SOCC) also hosts the Small Business Development Center (SBDC), which delivers business advising and training. The Southwestern Oregon Workforce Investment Board (SOWIB) works closely with employers to align workforce development with regional economic needs. The Bay Area Chamber of Commerce and other local and regional organizations all offer an additional variety of supports to encourage local entrepreneurship and business development.
- ◆ **Business-friendly environment.** Coos County has comparatively lower property tax rates than other counties in the state. Coos Bay has two urban renewal districts (Downtown URD and Empire URD) with funds dedicated to economic development (e.g., façade and tenant improvement grants). Stakeholders mentioned appreciation of the Coos Bay City Council supporting business development in Coos Bay.



Coos Bay's disadvantages for economic development include:

- ◆ **Distance from an interstate.** For companies looking to locate in the state, Coos Bay's location presents challenges, as it has no interstate highways running through it. Coos Bay lies about 85 miles from I-5 with only Highway 101 connecting it to other coastal communities. Coos Bay's distance from I-5 may draw residents and visitors who seek a more remote location, but it can be a disadvantage for many types of businesses that need direct access to an interstate, such as warehouse and distribution. Many franchised businesses may not find the sufficient local demand to justify distribution to a location so far from major delivery corridors.
- ◆ **Challenges to long-term healthcare stability.** The City of Coos Bay has a large system of medical service providers that serve the Southern Oregon Coast region, but declining profitability and a lack of medical staff seeking to move to the area threatens the viability of the Bay Area Hospital and its surrounding medical infrastructure. A decline in this Coos Bay medical care system has consequences that will affect communities along the entire Southern Oregon Coast region, especially since Coos Bay, Coos County, and the Southern Oregon Coast region tend to have older populations that require additional medical care.
- ◆ **Housing affordability.** Coos Bay has comparable housing costs to other communities in Coos County and is lower than Oregon overall. However, the Coos Bay median home price has escalated over the last ten years, increasing from about \$164,000 in 2015 to about \$365,000 in 2025. Home sales prices grew at 8% per year compared with incomes, which grew a little less than 5% per year.<sup>14</sup> According to Redfin, the median home sales price in Coos Bay in March of 2025 was \$369,000, higher than the median sales price of Coos County overall (\$345,000) but lower than the median sales price in Oregon overall (\$510,000). While comparatively more affordable than other areas of the state, the high price of homes may make it difficult for businesses to attract and retain workers, especially workers at lower income ranges. These high costs are not unique to Coos Bay—they are driven in part because housing demand outpaces production and because housing production is often more difficult in communities isolated from major economic areas and with lower levels of disposable income.
- ◆ **Limited industrial land.** The BLI in Chapter 4 shows that Coos Bay has 31 acres of buildable industrial land in the UGB. Most of Coos Bay's industrial lots are smaller than 5 acres, with only two sites between 5 and 10 acres.

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<sup>14</sup> Redfin, median sales price, 2012 through March 2025



Coos Bay has a limited amount of industrial land, which may limit industrial development.

- ◆ **Shortage of childcare providers.** Coos Bay does not face this shortage alone; state and national trends also show similar shortages. Local stakeholders emphasized this challenge, noting difficulty in recruiting families to the area due to limited childcare availability as well as the difficulty for local residents in finding providers and managing the high costs of care. These challenges affect labor force participation and talent attraction, particularly among young families and dual-income households.
- ◆ **Limited retail shopping opportunities.** Coos Bay contains many commercial areas with potential for stronger retail activity, including downtown and other core shopping corridors. A number of vacant storefronts and underutilized buildings suggest opportunities to revitalize and expand the retail environment. Enhancing the diversity and visibility of retail offerings could improve the city's role as a shopping destination for the region and better serve the needs of current residents.
- ◆ **Lower educational attainment.** Coos Bay has lower educational attainment levels than state averages, with a smaller share of residents holding a bachelor's degrees or higher (20% in Coos Bay and 35% for Oregon). Lower educational attainment levels can pose challenges for attracting and retaining employers in knowledge-based or technical industries, and it may limit the region's capacity for innovation and higher-wage job growth. While local institutions like Southwestern Oregon Community College provide important training and upskilling opportunities, persistent gaps in education attainment reflect broader socioeconomic barriers—including lower income levels, limited exposure to higher education pathways, and out-migration of college-bound youth.
- ◆ **Retail consolidation and impacts on local businesses.** Big-box supercenters are some of the largest employers in Coos Bay and play a significant role in the local retail economy. While these stores provide a wide range of goods and entry-level employment opportunities, their presence has contributed to the consolidation of consumer spending and the decline of small, locally owned businesses—particularly in downtown and neighborhood commercial areas. Stakeholders noted that the large scale and pricing power of these businesses can make it difficult for independent retailers to compete, limiting economic diversity and reducing the circulation of dollars within the local economy. These dynamics present a challenge for efforts to revitalize commercial districts and support homegrown entrepreneurship.



## Public Facilities and Services<sup>15</sup>

Provision and costs of public facilities and services can impact a firm's decision about expanding or locating in a city. One of the primary considerations about developing a site includes whether it has infrastructure to or near the site, including water, wastewater, stormwater, and transportation. If infrastructure is not developed to or near the site, the consideration becomes whether infrastructure can be extended in a timely manner and at a financially feasible cost.

This section discusses Coos Bay's water system and wastewater system infrastructure at the city level. It answers the question of whether Coos Bay has or is planning to have sufficient capacity to support the amount and types of development proposed in the EOA.

### WATER

Overall, Coos Bay has enough water capacity and water rights to accommodate existing and future water needs for industrial and commercial uses. The Coos Bay–North Bend Water Board provides water service to Coos Bay, North Bend, and the surrounding area. The system draws primarily from Lake Merritt, with upstream storage in the Upper Pony Creek Reservoir. Together, these sources offer significant storage capacity (450 million and 2 billion gallons, respectively). The system's treatment plant has a capacity of 12 million gallons per day, with average use around 3.7 million gallons per day and peak demand near 6 million gallons per day. The plant was upgraded in 2012 and is not expected to require major reinvestment until around 2032. With the assistance of GSI Water Solutions, the Water Management and Conservation Plan will be completed this year and further increase access to additional rights.

The City maintains the water distribution system in generally good condition, with a few key improvements identified in the Water Board's capital improvement plan. These include the replacement of a 9-million-gallon reservoir constructed in the 1950s with one to two seismically resilient prestressed concrete tanks. While the Water Board considers these upgrades a priority, it is still in planning and not yet designed. The Water Board does not anticipate major capacity limitations related to planned growth and reports that large-diameter mains already serve all major commercial and industrial areas. Water rates and system development charges appear consistent with other cities of similar size and do not seem to be a barrier to business expansion.

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<sup>15</sup> Information obtained through an interview on 6/16/25 with Matt Whitty, Coos Bay-North Bend Water Board, and Jennifer Wirsing, City of Coos Bay Public Works Director.



## WASTEWATER

Overall, Coos Bay has enough sewer sanitation and stormwater capacity to accommodate existing and future needs for industrial and commercial uses. The City owns and operates two wastewater treatment plants: Plant 1 and Plant 2. Plant 2, located on the west side and the newer of the two facilities, finished construction in 2018 to support a 20-year buildout. Plant 2 handles peak flows of up to 8.2 million gallons per day (mgd), though average daily flows remain closer to 1.2 mgd, increasing to around 2 mgd during the winter. Peak daily flows rarely exceed 6.3 mgd, meaning the facility typically operates at less than 25% of its total capacity.

Plant 1, located on the east side of the city, is undergoing a major upgrade and expected to be fully operational by early 2026. Once complete, the plant will have a peak capacity of 18 mgd, an increase from its current 15 mgd. Average summer flows remain around 1.5 mgd. Neither facility has experienced overflow events in recent years, and both have ample capacity to support additional growth.

The city's collection system does include aging infrastructure on both the east and west sides, with localized capacity constraints, particularly on the east side. In response to the east side capacity constraints, a recent diversion of flows away from downtown helped reduce pressure in that area. Ongoing pipe replacement projects help to reduce infiltration and extend system life.

Coos Bay does not currently require industrial pretreatment, as no users exceed the thresholds set by the Department of Environmental Quality (DEQ). However, the City may need to implement a pretreatment program if new wastewater-intensive industries locate in the area, such as timber processing, pulp and paper manufacturing, or roofing materials production.<sup>16</sup>

The City has maintained a moratorium on wastewater system development charges (SDCs) since 2008 to encourage industrial growth. While existing capacity adequately serves the expected employment growth, lifting the moratorium may be necessary to finance future expansion or address infrastructure needs associated with large-scale development.

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<sup>16</sup> Department of Environment Quality (DEQ) complete list of industries subject to industrial pretreatment: <https://www.oregon.gov/deq/FilterDocs/IndustrialCatDescr.pdf>



# 3. Employment Growth and Site Needs

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Goal 9 requires cities to prepare an estimate of the amount of commercial and industrial land needed over a 20-year planning period. The estimate of employment land needs and site characteristics for Coos Bay derives from the expected employment growth and the types of firms likely to locate in Coos Bay. This chapter presents an employment forecast and analysis of potential growth industries that build from recent economic trends.

## Forecast of Employment Growth and Land Demand

Demand for industrial and commercial land will be driven by the expansion and relocation of existing businesses and by the growth of new businesses in Coos Bay. This employment land forecast is driven by local growth independent of broader economic opportunities.

The employment projections in this section build off Coos Bay's existing employment base, assuming future growth similar to the Oregon Employment Department's (OED's) Southern Oregon Coast region growth forecast for the 2023 to 2033 period. The employment forecast includes the potential for a major change in employment that could result from potential Port development projects during the planning period. Such a major change in the community's employment would exceed the growth anticipated by the City's current employment forecast and its implied land needs (for employment, but also for housing, parks, and other uses).

ECOnorthwest has four steps to project demand for industrial and commercial land:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Coos Bay presented in Exhibit 4. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in the city.
2. **Project total employment.** The projection of total employment considers forecasts and factors that may affect employment growth in Coos Bay over the 20-year planning period.
3. **Allocate employment.** This step involves allocating types of employment to different land use types.



4. **Estimate land demand.** This step estimates general employment land demand based on employment growth and assumptions about future employment densities.

This analysis applies methods established by administrative rule and input received from the Coos Bay Project Advisory Committee (PAC) and the Coos Bay City Council and Planning Commission.

## Employment Base for Projection

The purpose of the employment projection serves to model future employment land needs for general employment growth. The forecast of employment growth in Coos Bay starts with a base of employment on which to build the forecast. Exhibit 7 shows ECONorthwest’s estimate of total employment in Coos Bay in 2023.

To develop the figures, ECONorthwest started with estimated covered employment in the Coos Bay UGB from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Based on this information, Coos Bay had about 10,036 covered employees in 2023, shown in Exhibit 4.

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department (OED) for Coos County is only about 71% of *total* employment reported by the U.S. Department of Commerce.<sup>17</sup> We evaluated this ratio for each employment sector for Coos County and used the resulting ratios to determine the number of noncovered employees. This allowed us to estimate the total employment in Coos Bay. Exhibit 7 shows Coos Bay had an estimated 14,187 *total* employees within its UGB in 2023.

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<sup>17</sup> **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as “1099 employees”), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Total employment includes all workers based on data from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other noncovered workers.



## Exhibit 7. Estimated Total Employment by Sector, Coos Bay UGB, 2023

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
<b>Industrial</b>	<b>1,168</b>	<b>1,616</b>	<b>72%</b>
Agriculture, Forestry, Fishing, Hunting and Mining	118	206	57%
Construction	269	449	60%
Manufacturing	255	295	86%
Wholesale Trade	258	284	91%
Transportation, Warehousing, and Utilities	268	382	70%
<b>Retail Trade</b>	<b>1,526</b>	<b>1,915</b>	<b>80%</b>
<b>Commercial (non-retail)</b>	<b>6,080</b>	<b>9,279</b>	<b>66%</b>
Information	92	147	63%
Finance and Insurance	208	443	47%
Real Estate and Rental and Leasing	136	872	16%
Professional, Scientific, and Tech. Services	311	774	40%
Mgmt. of Companies	101	119	85%
Admin. / Support and Waste Mgmt / Remediation Serv.	1,252	1,662	75%
Health Care, Social Assistance, and Private Education	2,849	3,407	84%
Arts, Entertainment, and Recreation	48	177	27%
Accommodation and Food Services	820	901	91%
Other Services (except Public admin)	263	777	34%
<b>Government</b>	<b>1,262</b>	<b>1,377</b>	<b>92%</b>
<b>Total</b>	<b>10,036</b>	<b>14,187</b>	<b>71%</b>

Source: 2023 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.



## Employment Projection

The employment forecast covers the 2025 to 2045 period, requiring an estimate of total employment for Coos Bay in 2025. The base employment starts with the estimate of 14,187 total jobs in Coos Bay in 2023, shown in Exhibit 7.

Coos Bay does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9)(a) sets out some optional “safe harbors” that allow a city to determine employment land need.

Exhibit 8 shows the forecast rate options, which include employment growing at the rate of the PSU population growth rate (0.11%) and the OED regional employment growth rate (0.51%).<sup>18</sup> The PSU and OED growth rates are the safe harbor options in OAR 660-024-0040(9)(a)(A) and OAR 660-024-0040(9)(a)(B).

### Exhibit 8. Forecast Rate Options for Employment Growth in Coos Bay UGB, 2025–2045

Year	Jobs grow at the rate of...	
	Population Growth Forecast for the City (2025-45) (0.11%)	Regional Employment Growth (0.51%)
2025	14,217	14,331
2045	14,522	15,854
<b>Change 2025 to 2045</b>		
Employees	305	1,523
Percent	2%	11%
Rate (AAGR)	0.11%	0.51%

Source: ECONorthwest

<sup>18</sup> During the EOA process, ECONorthwest used the OED forecast rates for the 2023-2033 period.



The City selected the forecast based on the OED regional employment growth rate for Coos Bay (0.51% average annual growth rate), consistent with the safe harbor in OAR 660-024-0040(9)(a)(B). This safe harbor allows the City to assume that the current number of jobs in the Coos Bay UGB will grow during the 20-year planning period at a rate equal to the regional employment growth rate provided by the Oregon Employment Department.

Exhibit 9 shows employment growth in Coos Bay between 2025 and 2045, based on the assumption that the city will grow at an average annual growth rate of 0.51%. Coos Bay will have 15,854 employees within the UGB by 2045, which is an increase of 1,523 employees (11%) between 2025 and 2045.

**Exhibit 9. Employment Growth in Coos Bay UGB, 2025–2045**

Year	Total Employment
2025	14,331
2045	15,854
<b>Change 2025 to 2045</b>	
Employees	1,523
Percent	11%
Rate (AAGR)	0.51%

Source: ECONorthwest



## Allocate Employment to Different Land Use Types

The next step in forecasting employment involves allocating future employment to broad categories of land use. Firms wanting to expand or locate in Coos Bay will look for a variety of site characteristics, depending on the industry and specific circumstances. We grouped employment into four broad categories of land use based on the North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.<sup>19</sup>

Exhibit 10 shows the expected share of employment by land use type in 2025 and the forecast of employment growth by land use type in 2045 in the Coos Bay UGB. The results assume that the share of employment in industrial will increase from 11% to 13% of total employment to account for the port expansion and resulting increases in industrial activity in Coos Bay; retail commercial assumes a change from 14% to 13% of total employment to account for continued growth of online retail activity; commercial (non-retail) remains consistent at 65% of total employment; and government employment assumes a slow increase in employment, changing from 10% to 9% of total employment to account for slower population growth estimates.

### Exhibit 10. Forecast of Employment Growth by Land Use Type, Coos Bay UGB, 2025–2045

Land Use Type	2025		2045		Change 2025 to 2045
	Employment	% of Total	Employment	% of Total	
Industrial	1,633	11%	2,059	13%	426
Retail Commercial	1,935	14%	2,061	13%	126
Commercial (non-retail)	9,373	65%	10,307	65%	934
Government	1,391	10%	1,427	9%	36
<b>Total</b>	<b>14,331</b>	<b>100%</b>	<b>15,854</b>	<b>100%</b>	<b>1,522</b>

Source: ECONorthwest

Note: The shaded percentages denote an assumption about the future change in the share of employment (as a percent of total) by land use type.

<sup>19</sup> Industrial employment includes construction and agriculture; manufacturing; transportation and warehousing; and wholesale trade. Retail commercial is retail trade. Office and commercial includes information; finance and insurance; real estate; professional services; management of companies; administrative support and waste management; educational services; healthcare and social assistance; recreation; accommodation and food service; and other services. Government includes all employment at federal, state, local, and other governmental agencies.



## Estimate of Demand for Commercial and Industrial Land

This section shows demand for vacant (including partially vacant) land in Coos Bay over the 20-year period. The assumptions used in this analysis are:

- ◆ **Employment density.** Employees per net acre is a measure of employment density based on the ratio of the number of employees per acre of employment land that is developed for employment uses.

Exhibit 11 assumes the following numbers of net employees per acre: industrial will have an average of 8 employees per acre, retail commercial will have an average of 20 employees per acre, and office and commercial services will have an average of 25 employees per acre.<sup>20</sup> These employment densities remain consistent with Oregon cities similar in size to Coos Bay. Some types of employment will have higher employment densities (e.g., a multistory office building), and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- ◆ **Conversion from net to gross acres.** The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment, plus land needed for public right-of-way. One way to estimate the amount of land needed for employment, including public right-of-way, is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for public right-of-way.<sup>21</sup> A net-to-gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

Based on empirical evaluation of Coos Bay's existing net-to-gross ratios in areas designated for and developed with industrial and commercial uses, ECONorthwest uses a net-to-gross conversion factor of 26% for industrial and 33% for commercial.

Using these assumptions, the forecasted growth of 1,522 new employees will result in the following demand for vacant (and partially vacant) employment land: 67 gross

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<sup>20</sup> Government employment is not included when discussing employment land demand because growth in government employment does not result directly in need for more land for public uses. For instance, schools require land based on expected growth of students in the school district or replacement of existing obsolete schools, rather than as a result of growth in government employment. Local or regional governments may grow and continue to occupy existing built space or may need land based on factors other than employment growth. In addition, government employment locates in a range of zones, including commercial, residential, public, and other zones.

<sup>21</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net buildable acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.



acres of industrial land, 8 acres of retail commercial land, and 50 gross acres of office commercial land.

**Exhibit 11. Demand for Vacant Land to Accommodate Employment Growth, Coos Bay UGB, 2025–2045**

Land Use Type	New Employment	Employees per Net Acre	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	426	8	53	67
Retail Commercial	126	20	6	8
Commercial (non-retail)	934	25	37	50
<b>Total</b>	<b>1,486</b>	-	<b>97</b>	<b>125</b>

Source: ECONorthwest



## Potential Growth Industries

The characteristics of Coos Bay will affect the types of businesses most likely to locate in the city. Attributes that may attract firms include Coos Bay's position as the Southern Oregon Coast economic hub, a large medical system serving the greater Coastal Oregon community, a regional business growth support ecosystem, Southwestern Oregon Community College, quality of life with a variety of outdoor activities, and the potential for Port development projects.

An analysis of growth industries in Coos Bay should address (1) which industries are most likely to be attracted to Coos Bay and (2) which industries best meet Coos Bay's economic development goals? The selection of potential growth industries is based on Coos Bay's goals for economic development, economic conditions in Coos Bay and Coos County, and the city's competitive advantages. Whether potential Port development projects are completed will have significant impacts for the amount and types of employment opportunities Coos Bay may see.

Given the current employment base composed of small-sized businesses and medical services, it is reasonable to assume that much of the city's business growth will come from small-sized businesses. This growth will either come from businesses already in Coos Bay or new businesses that start in or relocate to Coos Bay from within the Southern Oregon Coast region or from outside of the region. As Coos Bay encourages business growth, the City should consider how industries support its goals for higher-wage jobs. The industries identified as having potential for growth in Coos Bay include:

- ◆ **Manufacturing.** As automation continues to change manufacturing industries, Coos Bay's target manufacturing industries will also evolve. Based on existing businesses in Coos Bay, these industries may include marine-related manufacturing. In addition, the City may have opportunities for outdoor equipment manufacturing businesses.
- ◆ **Port-Related Industries and Logistics.** The Port of Coos Bay plays a central role in the region's economy and expects to expand in coming years with potential Port development projects, which could significantly increase freight and container traffic through the area. This growth would create opportunities for a range of supporting industries, including intermodal logistics services, warehousing and cold storage, freight forwarding, and marine cargo handling. In addition, businesses that provide vessel maintenance, tug and barge support, and rail-oriented logistics services may grow in response to increased port activity. Coos Bay has a long history of marine activity that can be leveraged for this type of work.



- ◆ **Repair and Maintenance.** This subsector includes repair and maintenance of automotive, electronics, and precision equipment; commercial and industrial machinery and equipment; and personal and household goods. In Coos Bay, there is a strong culture of hands-on, do-it-yourself knowledge and technical proficiency that is often rooted in trades, self-taught skills, and community experience, which is not fully reflected in formal educational attainment but nevertheless represents an important local economic asset.
- ◆ **Services for visitors.** Coos Bay has access to oceans, rivers, forests, and dunes. These natural areas provide access to a range of outdoor recreational activities. Tribally owned entertainment sites such as the Ko-Kwel Casino Resort attract visitors who stop in Coos Bay and create demand for services such as hotels, restaurants, retail, and experiences available in or near Coos Bay. Southwestern Oregon Community College (SOCC) hosts the Oregon Coast Culinary Institute (OCCI), an award-winning and nationally renowned program that prepares the local workforce to excel in the food and restaurant industry, with locally sourced food at less risk of drought than many surrounding regions.
- ◆ **Services for residents.** As Coos Bay’s population or the population of the outlying areas in Coos County age, demand for services for residents will shift. These services include medical services, childcare services, retail, restaurants, and other services. These types of services present opportunities for entrepreneurship and small business development in Coos Bay, including culinary businesses like those noted above with the Oregon Coast Culinary Institute (OCCI).

## Site Needs for Potential Growth Industries

OAR 660-009-0015(2) requires the EOA to “identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses.” The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

OAR 660-009-0015(2) does state that “industrial or other employment uses with compatible site characteristics may be grouped together into common site categories.” The rule suggests, but does not require, that the City “examine existing firms in the planning area to identify the types of sites that may be needed.” For example, site types can be described by (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Coos Bay groups its future employment uses into categories



based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

The potential growth industries described in the prior section of this EOA include a mixture of business sizes, from small to medium-sized businesses. For the most part, Coos Bay’s potential growth industries require sites with minimal topographic constraints, smaller than two acres and up to 25 acres. Industrial businesses need access to arterial streets and highways with no freight movement through neighborhoods. Exhibit 12 shows the typical site needs for manufacturing businesses in Oregon.

### Exhibit 12. Industrial Development Competitiveness Matrix, Business Oregon

Industry Sector	Site size (Acres)	Site Topography (Slope)	Trip Generation (ADT/Acre)	Site Access Max distance in miles to interstate or major arterial	Railroad or Port Access	Telecommunications (major communications dependency)
Regionally to Nationally Scaled Clean-Tech Manufacturer	5-100+	0-5%	40 - 60	10	Preferred	Required
Heavy Industrial/ Manufacturing	10-100+	0-5%	40 - 60	10	Preferred	Preferred
General Manufacturing	5-15+	0-5%	40 - 50	20	Preferred	Required
Food Processing	5-25+	0-5%	50 - 60	30	Preferred	Preferred
Regional (multistate) Distribution Center	20-100+	0-5%	40 - 80	5 Only Interstate highway or equivalent	Preferred	Preferred
Warehouse/Distribution (local)	10-25	0-5%	40 - 80	5 Only Interstate highway or equivalent	Preferred	Preferred
Call Center / Business Services	5-15	0 to 12%	170 - 180	Not applicable	Preferred	Required
Advanced Manufacturing & Assembly	5-25+	0-7%	40 - 60	15	Not Required	Required
Business Park and R&D Campus	20 - 100+	0-7%	60 to 150	N/A	Preferred	Required
UVA Manufacturing / Research	10-25+	0-7%	40 - 80	N/A	Not Required	Required
Data Center	10-25+	0-7%	20 - 30	30	Avoid / Not Required	Required
Rural Industrial	5-25+	0-5%	40 - 50	N/A	N/A	Preferred

Source: Business Oregon, Infrastructure Finance Authority, “Industrial Development Competitiveness Matrix.”

Note: Items identified as “preferred” are those that increase the feasibility of the subject property and its future reuse. Items identified as “required” are factors seen as mandatory in the vast majority of cases and have become industry standards.

For the most part, the size of sites needed by most potential growth industries will range from space in an existing building, to sites with minimal topographic constraints of one acre or less, to sites of 15 to 25 acres for manufacturing businesses. In a few instances, such as in industrial or business parks, sites larger than 25 acres may be necessary to meet the needs of businesses or developments to support businesses. Manufacturing and other industrial businesses likely to locate in Coos Bay will have a variety of space needs, ranging from:



- ◆ **Space in an existing building.** The majority of businesses that work with Business Oregon on site selection request space in existing buildings, either in vacant buildings or in buildings with other manufacturers.
- ◆ **Small-scale manufacturing space.** Businesses would be in an industrial building with many other users. These businesses will need direct access to arterial streets and highways. Some businesses may prefer locations with closer proximity to marine facilities or nearer the Port of Coos Bay. This type of space could be used to establish a business incubator or shared workspace for growing and supporting businesses.
- ◆ **Small manufacturing site.** Some manufacturers may want to develop a building on a small site, such as a site 1 to 5 acres in size. These businesses will need easy access to arterial streets and may prefer to locate near other manufacturers and may need proximity to marine facilities, nearer the Port of Coos Bay.
- ◆ **Midsized manufacturing.** Some midsized manufacturers may prefer to locate in a building with one or two other businesses. Other manufacturers may prefer to locate in newly developed buildings on sites from five to 15 acres in size. These businesses will need direct access to arterial streets and highways, may need proximity to marine facilities, nearer the Port of Coos Bay, and may need greater access to water and wastewater.
- ◆ **Large manufacturing space.** Some larger manufacturers may prefer newly developed buildings on sites larger than 15 acres, often in buildings specifically built by the company who will occupy the building. These businesses will need direct access to arterial streets and highways, may need proximity to marine facilities, nearer the Port of Coos Bay, and may need greater access to water and wastewater.

Commercial businesses, including service and hospitality, require high-visibility locations near other businesses and neighborhoods. Professional and commercial service businesses have a variety of space needs, ranging from:

- ◆ **Space in an existing building.** Businesses would be located as one of many firms within the building. This may include locating in a vacant or underutilized building in areas like Downtown Coos Bay.
- ◆ **Space in a building dominated by one firm.** This could potentially be with retail or commercial space in the building.
- ◆ **Land for construction of a building designed for the firm.** Some firms will need a custom-built building. In this case, the firm will likely need land ranging from 1 to 5 acres in size.



# 4. Buildable Lands Inventory

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The buildable lands inventory (BLI) is intended to identify commercial and industrial lands that are available for development for employment uses within the Coos Bay Urban Growth Boundary (UGB). The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This chapter presents results of the commercial and industrial buildable lands inventory for the Coos Bay UGB. ECONorthwest analyzed data from the City of Coos Bay, Coos County, and the State of Oregon to produce these results. City staff reviewed the analysis. The remainder of this chapter summarizes key findings of the BLI.

The general steps in the buildable lands inventory are:

1. Generate UGB “land base”
2. Classify lands by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

The following chapter provides a summary of the results of the commercial and industrial buildable lands inventory for the Coos Bay UGB in both tabular and map formats. **Appendix B presents more details on the methodology for developing the inventory.**



## Land Base

The land base for the Coos Bay employment buildable lands inventory includes all tax lots in the Urban Growth Boundary within plan designations that allow for employment. Exhibit 13 shows the land base by plan designation and zoning in the UGB.

**Exhibit 13. Employment Land Base by Plan Designation, Coos Bay UGB, 2024**

Plan Designation/Zoning	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
<b>Commercial (C)</b>	<b>1,030</b>	<b>68%</b>	<b>431</b>	<b>27%</b>
Commercial (C)	624	41%	320	20%
Mixed Use (MX)	406	27%	110	7%
<b>Industrial (I)</b>	<b>393</b>	<b>26%</b>	<b>649</b>	<b>41%</b>
Hollering Place (HP)	4	0%	3	0%
Industrial/Commercial (I-C)	261	17%	542	34%
Waterfront Heritage (W-H)	61	4%	27	2%
Waterfront Industrial (W-I)	67	4%	77	5%
<b>Medical Park District (MP)</b>	<b>40</b>	<b>3%</b>	<b>105</b>	<b>7%</b>
Medical Park (MP)	40	3%	105	7%
<b>Urban Public (UP)</b>	<b>55</b>	<b>4%</b>	<b>390</b>	<b>25%</b>
Urban Public (UP)	55	4%	390	25%
<b>Total</b>	<b>1,518</b>	<b>100%</b>	<b>1,575</b>	<b>100%</b>

Source: ECONorthwest analysis, City of Coos Bay, Coos County

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis due to split plan designations.



# Development Status

Exhibit 14 shows the total acres of commercial and industrial tax lots classified by development status. We used a rule-based classification (described in Appendix B) to define an initial status classification. These classifications received confirmation through a series of reviews by EConorthwest and City staff, based on local knowledge and review of aerial maps.

**Exhibit 14. Employment Acres by Classification and Plan Designation, Coos Bay, UGB, 2024**

Plan Designation/Zoning	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
<b>Commercial (C)</b>	<b>431</b>	<b>207</b>	<b>198</b>	<b>25</b>
Commercial (C)	320	173	125	22
Mixed Use (MX)	110	34	73	4
<b>Industrial (I)</b>	<b>649</b>	<b>94</b>	<b>524</b>	<b>31</b>
Hollering Place (HP)	3	3	0.4	-
Industrial/Commercial (I-C)	542	85	437	21
Waterfront Heritage (W-H)	27	1	26	-
Waterfront Industrial (W-I)	77	5	61	10
<b>Medical Park District (MP)</b>	<b>105</b>	<b>60</b>	<b>42</b>	<b>3</b>
Medical Park (MP)	105	60	42	3
<b>Urban Public (UP)</b>	<b>390</b>	<b>206</b>	<b>184</b>	<b>0.4</b>
Urban Public (UP)	390	206	184	0.4
<b>Total</b>	<b>1,575</b>	<b>566</b>	<b>948</b>	<b>60</b>

Source: EConorthwest analysis, City of Coos Bay, Coos County

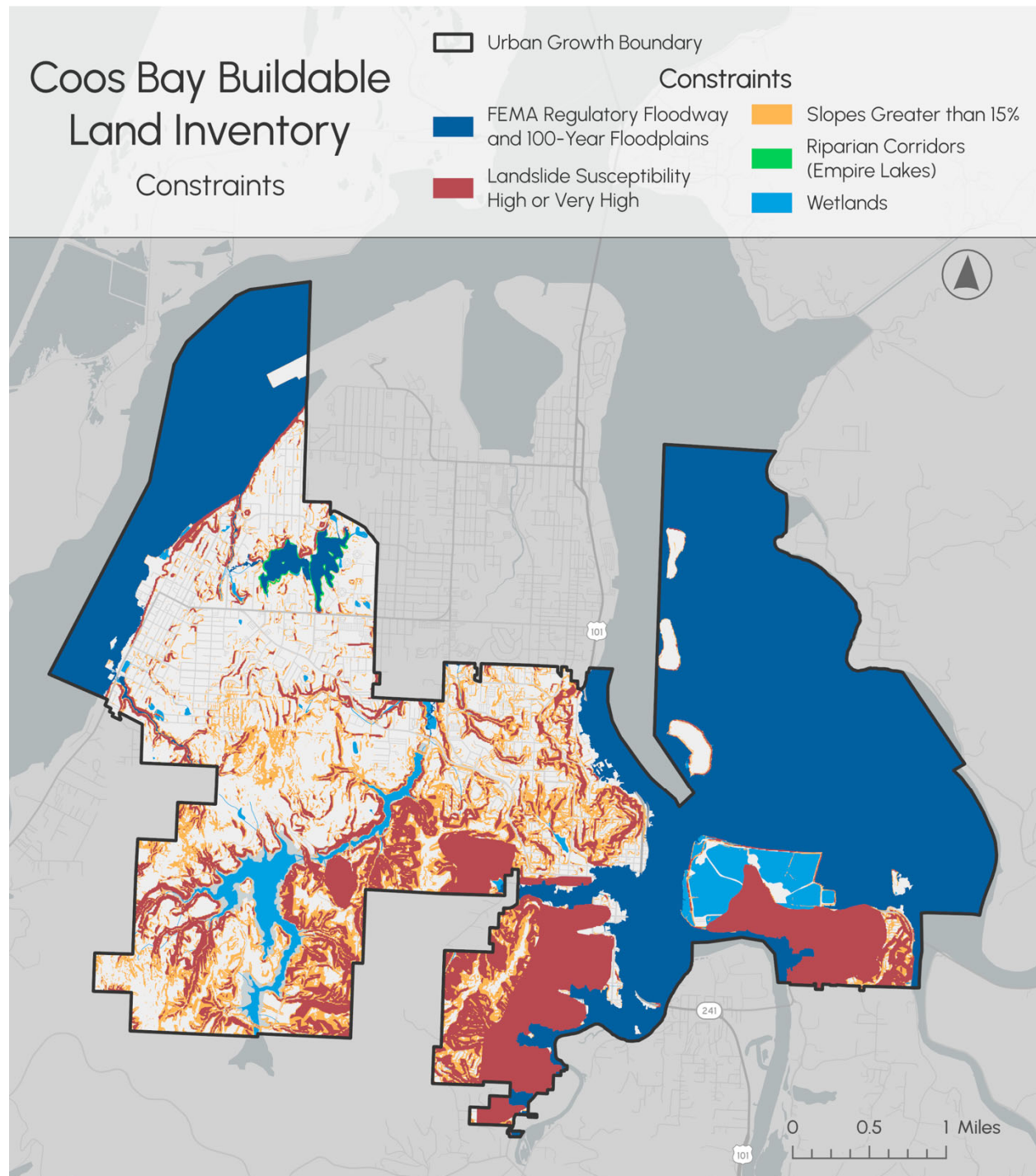
# Development Constraints

The buildable lands inventory identifies the following conditions as constraints that prohibit development. These constraints are also shown on Exhibit 15:

- ◆ FEMA 100-Year Floodplains and Regulatory Floodway
- ◆ High or very high landslide susceptibility
- ◆ Slopes greater than 15%
- ◆ Wetlands
- ◆ Riparian corridors



**Exhibit 15. Development Constraints, Coos Bay UGB, 2024**



Source: EConorthwest analysis, City of Coos Bay, Coos County

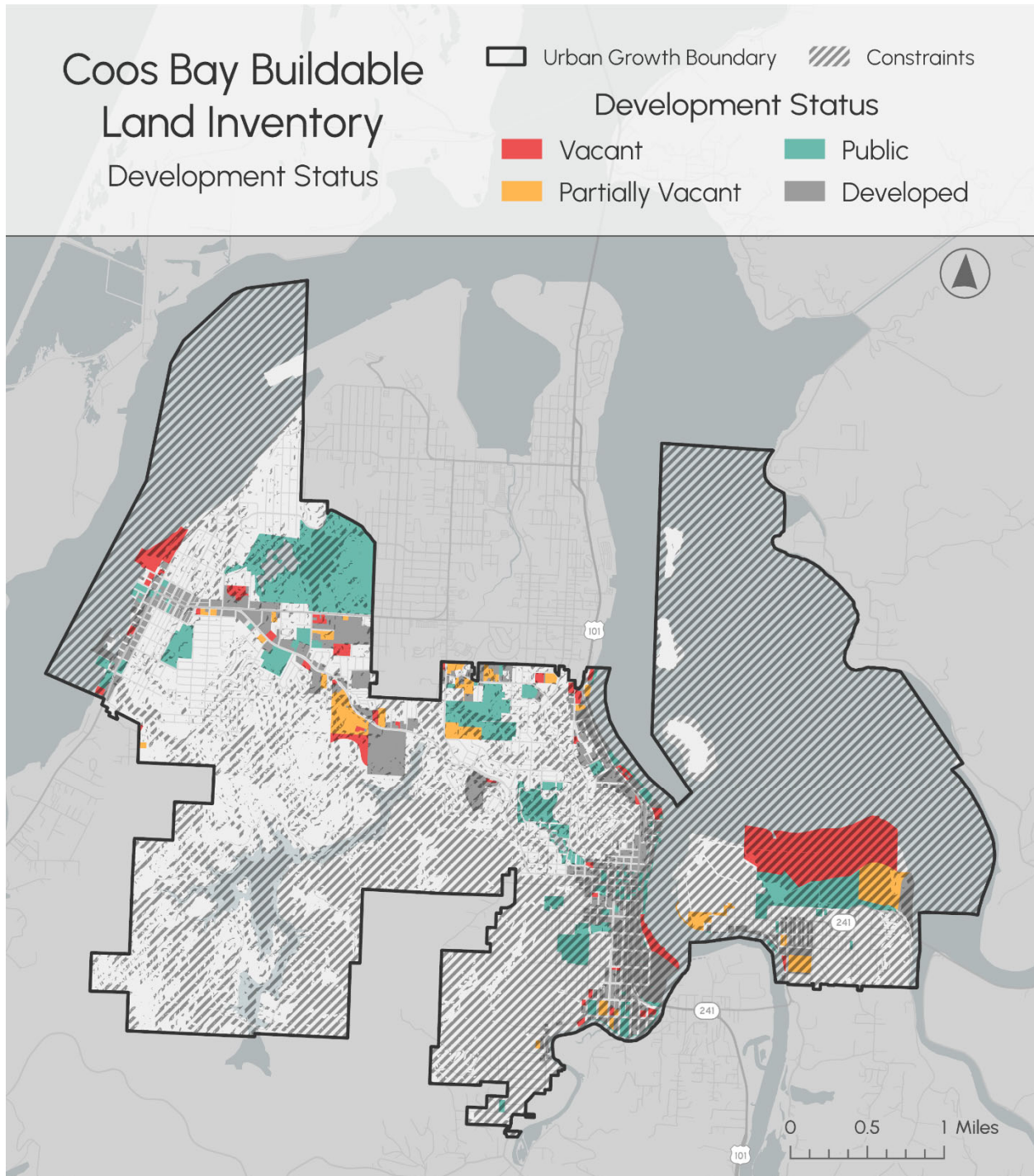
Exhibit 16 shows development status with constraints applied, resulting in buildable acres. Vacant or partially vacant land with these constraints is considered unavailable



for development and was removed from the inventory of buildable land. Note that tax lots shown as partially vacant on Exhibit 16 do not distinguish the portion of the tax lot that is unavailable for development. The buildable lands inventory database accounts for this part of the tax lot that is developed (and considered unavailable for future development).



### Exhibit 16. Development Status with Constraints, Coos Bay UGB, 2024



Source: EConorthwest analysis, City of Coos Bay, Coos County



## Vacant Buildable Land

The next step in the commercial and industrial buildable lands inventory was to net out portions of vacant and partially vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into two categories: (1) developed areas of partially vacant tax lots and (2) areas with physical constraints (i.e., areas within wetlands, floodplains, steep slopes).

Exhibit 17 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation.

**Exhibit 17. Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designation and Zoning, Coos Bay UGB, 2024**

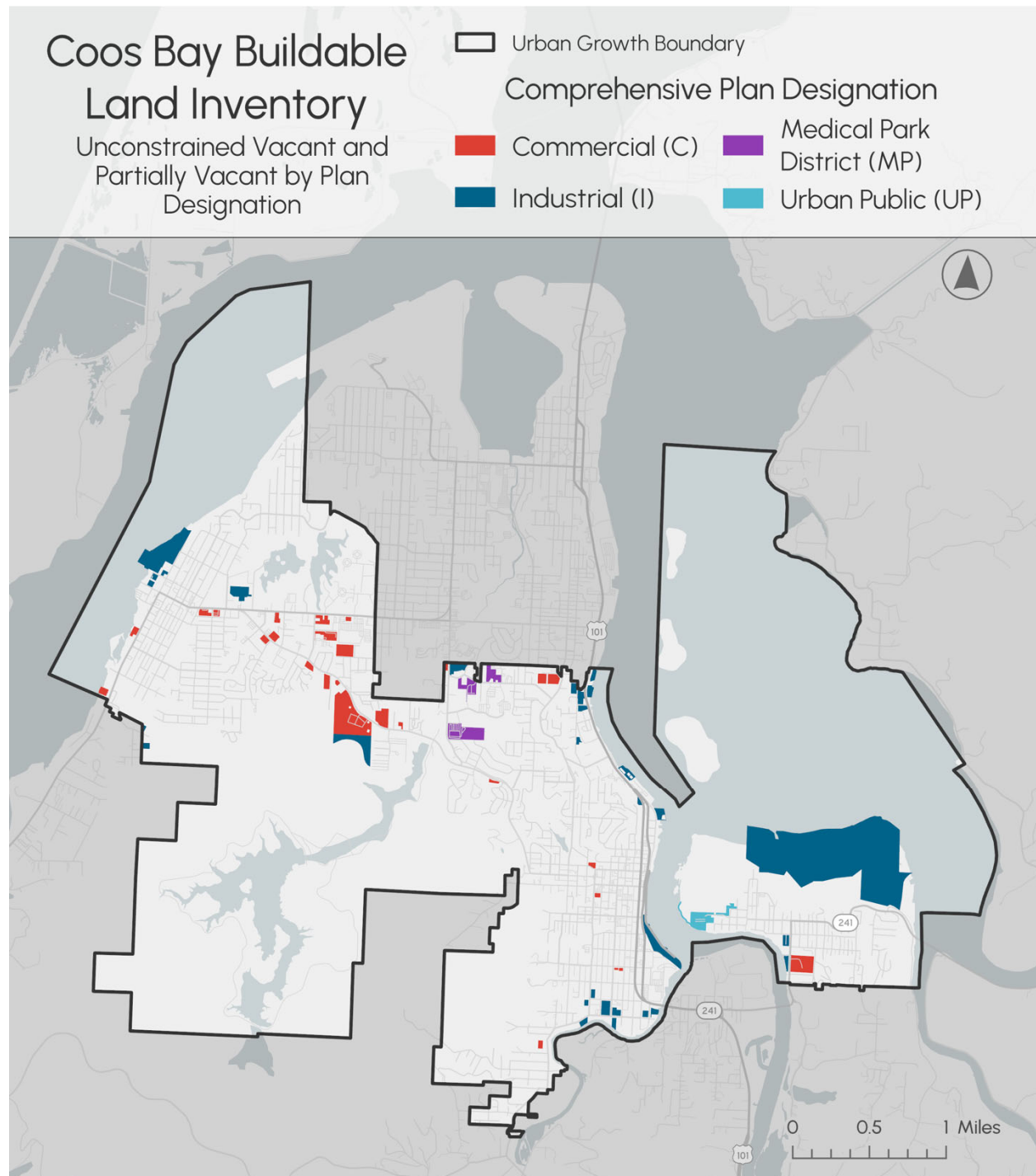
Plan Designation/Zoning	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
<b>Commercial (C)</b>	<b>25</b>	<b>16</b>	<b>9</b>
Commercial (C)	22	13	8
Mixed Use (MX)	4	3	1
<b>Industrial (I)</b>	<b>31</b>	<b>27</b>	<b>4</b>
Industrial/Commercial (I-C)	21	16	4
Waterfront Heritage (W-H)	-	-	-
Waterfront Industrial (W-I)	10	10	-
Medical Park District (MP)	3	-	3
<b>Medical Park (MP)</b>	<b>3</b>	<b>-</b>	<b>3</b>
Urban Public (UP)	3	-	3
<b>Urban Public (UP)</b>	<b>0.4</b>	<b>-</b>	<b>0.4</b>
Grand Total	0.4	-	0.4
<b>Total</b>	<b>60</b>	<b>43</b>	<b>17</b>

Source: ECONorthwest analysis, City of Coos Bay, Coos County

Exhibit 18 shows Coos Bay's buildable vacant and partially vacant commercial and industrial land by plan designation.



**Exhibit 18. Buildable Employment Land by Plan Designation, Coos Bay UGB, 2024**



Source: ECONorthwest analysis, City of Coos Bay, Coos County

Note: In the Medical Park District, the Bay Area Health District has plans to develop housing and/or mixed-use to the south of the Bay Area Hospital, which could accommodate additional commercial development depending on the final development plans.



Exhibit 19 shows the size of lots by plan designations for buildable employment land. Coos Bay has 18 lots that are smaller than 0.5 acres (with 5 acres of land); 27 lots between 0.5 and 2 acres (24 acres of land); 5 lots between 2 and 5 acres in size (15 acres of land); and 2 lots between 5 and 10 acres in size (16 acres of land).

**Exhibit 19. Tax Lot Size by Plan Designation and Zoning, Buildable Acres, Coos Bay UGB, 2024**

Plan Designation/Zoning	Buildable Sites Size				
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres
<b>Commercial (C)</b>	3	9	7	7	-
Commercial (C)	2	9	4	7	-
Mixed Use (MX)	1	-	3	-	-
<b>Industrial (I)</b>	1	5	3	6	16
Industrial/Commercial (I-C)	1	3	3	6	8
Waterfront Industrial (W-I)	-	3	-	-	8
<b>Medical Park District (MP)</b>	1	-	-	2	-
Medical Park (MP)	1	-	-	2	-
<b>Urban Public (UP)</b>	0.4	-	-	-	-
Urban Public (UP)	0.4	-	-	-	-
<b>Acres Total</b>	<b>5</b>	<b>14</b>	<b>10</b>	<b>15</b>	<b>16</b>
<b>Commercial (C)</b>	10	13	5	2	-
Commercial (C)	8	13	3	2	-
Mixed Use (MX)	2	-	2	-	-
<b>Industrial (I)</b>	4	7	2	2	2
Industrial/Commercial (I-C)	4	4	2	2	1
Waterfront Industrial (W-I)	-	3	-	-	1
<b>Medical Park District (MP)</b>	3	-	-	1	-
Medical Park (MP)	3	-	-	1	-
<b>Urban Public (UP)</b>	1	-	-	-	-
Urban Public (UP)	1	-	-	-	-
<b>Tax Lot Total</b>	<b>18</b>	<b>20</b>	<b>7</b>	<b>5</b>	<b>2</b>

Source: ECOnorthwest analysis, City of Coos Bay, Coos County



# 5. Land Sufficiency and Conclusions

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This chapter presents conclusions about Coos Bay’s employment land sufficiency for the 2025–2045 period, as well as recommendations for the City to consider for meeting its economic growth needs throughout the planning period.

## Land Sufficiency

Exhibit 20 shows commercial and industrial land sufficiency within the Coos Bay UGB. It shows:

- ◆ **Vacant unconstrained land within the UGB.** The Vacant Buildable Land section of this report discusses in detail the vacant unconstrained land within the Coos Bay UGB. Utilizing data from that section, Exhibit 20 shows that Coos Bay has 31 gross acres of industrial land and 28 gross acres of commercial land.
- ◆ **Demand for commercial and industrial land.** The



- ◆ Estimate of Demand for Commercial and Industrial Land section of this report describes the methodology used to identify demand. Based on assumptions described in that section, Coos Bay will need a total of 67 gross acres for industrial uses and 58 gross acres for commercial uses over the 2025-2045 period (Exhibit 11).
- ◆ **Land Sufficiency.** When subtracting the demand for land from the supply of vacant unconstrained land, Exhibit 20 shows that Coos Bay has:
  - A 36-acre deficit of industrial land
  - A 30-acre deficit of commercial land



**Exhibit 20. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Coos Bay UGB, 2025–2045**

<b>General Plan Designation</b>	<b>Land Supply (Gross Acres)</b>	<b>Land Demand (Gross Acres)</b>	<b>Land Sufficiency (Gross Acres)</b>
Industrial	31	67	(36)
Commercial	28	58	(30)

Source: ECONorthwest

The target industries identified include a combination of manufacturing and industrial businesses and retail and commercial services for residents and visitors. The site needs generally show that these businesses in Coos Bay will need sites that range from space in an existing building, to sites with minimal topographic constraints of one acre or less, to sites of 25 acres for manufacturing businesses. In a few instances, sites larger than 25 acres may be desired (see Site Needs for Potential Growth Industries).

Based on this information and the analysis in Exhibit 20, we conclude that Coos Bay does not have enough land within the UGB to accommodate expected industrial or commercial growth. In addition, Coos Bay has no sites larger than 10 acres. Exhibit 19 shows that most of Coos Bay’s sites are smaller than 5 acres. The City only has two sites larger than five acres, both of which are zoned industrial and are eight acres in size.

## Conclusions

The conclusions about commercial and industrial land sufficiency include:

- ◆ **Coos Bay forecasts growth in both the commercial and industrial employment sectors.** Coos Bay is planning for growth of 1,522 new jobs in the city over the 2025 to 2045 period. About 426 of the jobs will be industrial, 934 of the jobs will be in office and commercial services, and 126 in retail. Growth of these jobs will result in demand for about 58 gross acres of commercial land and 67 gross acres of industrial land.
- ◆ **Plan for land needs related to the potential Port of Coos Bay’s expansion.** Proposed expansion and potential Port development projects in the Port of Coos Bay have the potential to significantly increase industrial and service sector demand across the region. While most terminal operations will occur outside the city, Coos Bay may see increased interest from logistics, manufacturing, and support businesses seeking nearby locations. As the



plan progresses, the city should evaluate whether its existing supply of industrial and commercial land can accommodate this potential growth and consider targeted land use updates or infrastructure investments to ensure its position to capture related economic opportunities.

- ◆ **Coos Bay has a deficit of land for commercial development.** Exhibit 20 shows that Coos Bay has a deficit of about 30 acres of land for commercial uses over the next 20 years. This deficit may be accommodated through a variety of potential options. Some areas, such as the downtown and Empire districts, present opportunities for redevelopment but face challenges related to aging infrastructure, floodplain regulations, and limited market demand. The Bay Area Hospital’s plan for residential and mixed-used development on their existing campus may provide opportunities for development of commercial space. The city should consider these types of land use efficiency measures and targeted investments to support infill as well as explore UGB expansion options, particularly in conjunction with a potential residential UGB expansion or if larger-scale commercial opportunities emerge that cannot be accommodated within the existing boundary.
- ◆ **Coos Bay has a deficit of land for industrial development.** Exhibit 20 shows that Coos Bay has a deficit of about 36 gross acres of land for industrial uses. Coos Bay has a deficit of sites larger than 10 acres for industrial development, which may create barriers to manufacturing growth. In addition, Coos Bay has little industrial land located near the site for the Port expansion, which may be a desirable area for industrial businesses involved in marine or Port-related activities to locate. The City should evaluate opportunities for increasing land use efficiency for industrial uses within the Coos Bay UGB. The City may want to consider a UGB “land swap” for industrial land, which would allow the City to remove some industrial land from the UGB (especially land with constraints that make development more challenging) and add new land into the UGB. In general, the City should prioritize a land swap that removes industrial land that is less likely to develop from the UGB and bringing land into the UGB that is more developable. The City may also want to consider a UGB expansion to accommodate industrial growth.
- ◆ **Coos Bay has lower wages than the county and state averages.** Coos Bay’s average wage of \$53,331 is lower than the average of Coos County (\$57,563) and the state (\$76,632). Coos Bay’s potential growth industries generally have above-average wages, except for certain types of services for residents and visitors, such as retail.



Following are ECONorthwest's recommendations for actions for Coos Bay based on the analysis and conclusions in this report.

- ◆ **Update the Economic Element of the Comprehensive Plan.** The Economic Element has not been updated in more than a decade. The new information in the EOA document provides a refreshed fact base for making future decisions.
- ◆ **Align the City's goals for economic development with planning for infrastructure development.** Aside from ensuring a supply of sufficient land to support employment growth, one of the most important ways that the City can support economic development includes planning for and developing infrastructure (e.g., roads, water, sanitary sewer, and stormwater systems). We recommend that the City align its goals for economic development with infrastructure development through updates to the City's Capital Improvement Plan.
- ◆ **Monitor and replenish the supply of commercial and industrial land on a regular basis.** The buildable lands inventory identifies the existing development status of employment land in Coos Bay. While Coos Bay will not completely update the buildable lands inventory on an annual basis, City staff should still monitor the development status of these employment lands and replenish short-term supply when possible.
- ◆ **Determine whether and how to address the deficit of industrial land.** At the least, Coos Bay should consider whether there are opportunities to do a UGB land swap, moving industrial land that is difficult or unlikely to develop out of the UGB and bringing in land that is more likely to develop. Coos Bay should also evaluate whether there are land use efficiency measures, such as opportunities to rezone land to allow more industrial development. In addition, Coos Bay might direct some types of industrial uses to commercial areas for manufacturing or other uses that are low odor or low noise and would be compatible with surrounding commercial (and possibly adjacent residential) uses. Finally, Coos Bay may want to consider a UGB expansion to meet its industrial needs, which could be completed efficiently by also implementing a UGB land swap.
- ◆ **Determine whether and how to address the deficit of commercial land.** To meet commercial land needs over the 20-year planning period, the City should take a multipronged approach. This includes filling vacant commercial spaces, encouraging redevelopment of underutilized parcels (particularly in downtown and the Empire district) and supporting adaptive reuse where feasible. The City should also consider the Bay Area Hospital's plans for potential development of its adjacent 16-acre site located in the



Medical Park (MP) zone, an opportunity to accommodate additional commercial uses if development includes mixed-use (residential and commercial) or stand-alone commercial. Coos Bay could also explore a UGB expansion in conjunction with a future residential UGB expansion. This expansion could include a small amount of commercial land to meet neighborhood-serving retail demand or co-locate mixed-use opportunities that support walkability and reduce vehicle miles traveled. Evaluating land use efficiency measures and identifying strategic reinvestment areas (e.g., via urban renewal or public-private partnerships) can help ensure sufficient commercial land to support anticipated employment growth.

- ◆ **Implement Economic Development Strategic Plan actions.** The EOA and the Economic Development Strategic Plan have close alignment, and the Economic Development Strategic Plan actions directly support implementation of the EOA’s findings. Actions particularly relevant to addressing land deficits, infrastructure gaps, and site readiness include:
  - Action 1B. Inventory and promote city-owned and underutilized sites for economic development.
  - Action 1D. Develop a target industry analysis in partnership with local and regional economic development organizations.
  - Action 3A. Update zoning and permitting processes to streamline adaptive reuse and infill development.
  - Action 3B. Identify infrastructure needs, including water, broadband, and transportation, for priority development sites.
  - Action 4A. Formalize a partnership framework with regional partners to align infrastructure, land use, and marketing efforts.
  - Action 4B. Coordinate with regionally serving facilities to attract and retain staff, particularly in medical centers.

These goals align with the potential growth industries and economic advantages and disadvantages identified in the EOA. We recommend the City implement all the actions in the Economic Development Strategic Plan to achieve these goals and to ensure alignment with the City Council’s Strategic Plan Focus Area II: Economic Development.



# Appendix A. National, State, and Regional and Local Trends

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The economic trends discussed in this appendix are based on long-term trends that are generally expected to continue on national, state, and regional scales.

## National and State Trends

Economic development in Coos Bay over the next 20 years will occur in the context of long-run national and state trends. The most important of these trends are as follows:

- ◆ **Slower labor force growth will be offset by increased productivity gains.** According to the Oregon Office of Economic Analysis (OEA), economic growth is determined by two key factors: the number of workers and their productivity levels. While Oregon’s labor force growth is slowing due to low birth rates and pandemic-related migration changes, this will be offset by increased productivity gains as businesses seek to operate more efficiently in a tight labor market.
  - Employment in Oregon expects to increase but at a slower rate than it has in the past. The OEA forecasts that total nonfarm employment in Oregon will increase by 5.1% from 1.95 million in 2022 to 2.05 million in 2027. Similarly, total *private* nonfarm employment projects to grow by 5.4% from 1.65 million in 2022 to 1.74 million in 2027.<sup>22</sup>
  - Nationally, growth in productivity (as measured by output per hour of labor input) slowed between 2005 and 2018, averaging an annual rate of 1.3% compared to 2.1% over the longer period from 1947 to 2018.<sup>23</sup> However, productivity experienced a rebound, rising in 2019-2020 before dipping in 2021-2022, then increasing by 5% in Q3 2023.<sup>24</sup> In Oregon specifically, productivity grew by nearly 3% per year from 2019-2022.<sup>25</sup>

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<sup>22</sup> Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1. Release date February 2024, <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0324.pdf>

<sup>23</sup> Bureau of Labor Statistics, Monthly Labor Review, April 2021

<sup>24</sup> Bureau of Labor Statistics News Release, December 2023  
<https://www.bls.gov/news.release/pdf/prod2.pdf>

<sup>25</sup> Josh Lehner, Oregon Office of Economic Analysis, Bureau of Labor Statistics  
<https://oregoneconomicanalysis.com/2023/08/25/state-productivity-and-labor-growth-graph-of-the-week/>



Looking ahead, Oregon’s economic growth over the next decade is anticipated to be driven by faster productivity gains. These gains are expected to stem from an increase in start-ups, increased federal investment, and the transformative potential of generative artificial intelligence (AI) technologies, which will help offset the impact of a slower-growing labor force.<sup>26</sup>

- ◆ **Manufacturing remains an important part of Oregon’s economy.** Between 2010 and 2019, Oregon added 34,000 manufacturing jobs, an increase of 21%. Despite a decrease of about 5,500 jobs (3%) between 2019 and 2022, manufacturing remains a crucial component of Oregon’s economy.<sup>27</sup>

Oregon’s manufacturing sector grew slightly faster than the national average between 2010 and 2022, with 9.9% growth compared with the national average of 8.4%. The sectors with the largest shares of manufacturing employment in Oregon are computer and electronics components, food manufacturing, wood products, and fabricated metals and machinery.<sup>28</sup>

- ◆ **Shifts in Oregon’s high-growth industries.** Looking ahead, the state’s traditionally strong timber and high-tech industries are expected to experience slower job growth in the future. While the semiconductor industry will benefit from the CHIPS Act investments, employment gains are expected to lag productivity increases.<sup>29, 30</sup> Similarly, the timber sector is expected to remain under pressure from both market-based conditions and federal regulations. However, investments like the Economic Development Administration’s \$41.4 million Build Back Better Grant to the Oregon Mass Timber Coalition are expected to benefit the industry and potentially drive job growth.<sup>31</sup>

Despite slowing employment growth in the high-tech and timber industries, many of the state’s other larger industries—like management of companies, food/beverage manufacturing, published software, and healthcare—are expected to perform well over the next decade. Other opportunities will come in industries where Oregon has less employment currently. These

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<sup>26</sup> Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

<sup>27</sup> Oregon Employment Department Covered Employment and Wages, 2010 to 2022

<sup>28</sup> Oregon Employment Department, Made in Oregon: A profile of the State’s Manufacturing Sector, August 2022.

<sup>29</sup> Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

<sup>30</sup> The federal CHIPS Act (2022) was passed to spur investment in advanced manufacturing, including supply chain improvements and research and development. Because of Oregon’s prominent semiconductor industry, the State has taken a proactive approach by initiating a coordinated strategy for pursuing and leveraging CHIPS funds.

<sup>31</sup> Oregon Mass Timber Coalition, <https://www.masstimbercoalition.org/>



industries, like consulting, computer system design, financial investment, and scientific R&D, are expected to grow quickly in the decade ahead.<sup>32</sup>

- ◆ **Increases in automation across sectors.** Automation has been a long-running trend in employment, leading to productivity gains across sectors. Additionally, the enhancement of artificial intelligence (AI) is expanding automation possibilities beyond routine tasks to jobs previously thought impervious, such as office and cognitive roles (however, complete job replacement due to AI is expected to be minimal with task efficiencies and a shifting of tasks within jobs as more likely outcomes).<sup>33, 34</sup> The U.S. Government Accountability Office (GAO) reports that automation could be widespread, with anywhere from 9% to 47% of jobs being automated in the future according to academic research.<sup>35</sup>

The GAO identified that jobs requiring a blend of soft skills (management, interpersonal), process skills, and technical expertise face lower automation risks. Most of the top 20 in-demand jobs share this mixed skill set trait, including nurse practitioners, statisticians, occupational therapy assistants, home health aides, physical therapist assistants, medical managers, physician assistants, information security analysts, and data scientists, among others.<sup>36</sup> Lower-wage jobs are the most likely to be automated. The GAO reported that over 80% of jobs paying less than \$20 per hour are susceptible to automation over the next two decades. About 30% of jobs paying \$20 to \$40 per hour and 4% of jobs paying \$40 or more per hour were also identified as at risk.<sup>37</sup>

Oregon's automation trajectory mirrors national trends, with lower and middle-wage jobs facing higher automation potential. The state's tight labor market may further drive productivity and efficiency gains bolstered by AI's transformative potential.

- ◆ **The aging of the baby boomer generation and the need for replacement workers.** As the baby boomer generation continues to retire, the number of Social Security recipients is expected to increase from over 65 million in 2022 to over 86 million in 2045, a 32% increase. In 2022, there were 36

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<sup>32</sup> Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

<sup>33</sup> BLS, Growth Trends for Selected Occupations Considered at Risk from Automation, July 2022, <https://www.bls.gov/opub/mlr/2022/article/growth-trends-for-selected-occupations-considered-at-risk-from-automation.htm>

<sup>34</sup> Manhattan Strategy Group, Job Automation Risk and the Future of Skills: Skills and Competency Change in the U.S. Workforce, May 2023, <https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/FutureofSkillsLitScan-20230515.pdf>

<sup>35</sup> Government Accountability Office, Workforce Automation, August 2022, <https://www.gao.gov/assets/gao-22-105159.pdf>

<sup>36</sup> Government Accountability Office, Workforce Automation, August 2022.

<sup>37</sup> Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.



Social Security beneficiaries per 100 covered workers, but by 2045, there will be 45 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.<sup>38</sup>

While the Bureau of Labor Statistics projects total U.S. employment to grow by 4.7 million jobs from 2022 to 2032, this job growth is unlikely to be sufficient to replace all the baby boomer retirees leaving the workforce during that period. The BLS estimates there will be 18.6 million annual job openings arising from the need to replace retiring workers and workers changing occupations, in addition to openings from newly created positions.<sup>39</sup> The sectors expected to grow the fastest are healthcare support, computer and mathematical occupations, healthcare practitioners, and community and social service.<sup>40</sup>

- ◆ **Growth of entrepreneurship and small businesses.** The creation of new businesses plays a vital role in driving Oregon's economic growth. Start-ups generate employment opportunities, introduce innovative products and services, and help better serve local communities. According to the 2023 Small Business Profile from the U.S. Small Business Administration Office of Advocacy, small businesses (defined as having between zero and 500 employees) account for 99.9% of total businesses in the United States and employ 46% of the American workforce. Oregon's performance in early-stage entrepreneurship activity, as measured by the Kauffman Early-Stage Entrepreneurship (KESE) Index, ranked 25th in the country in 2020.<sup>41, 42</sup>

Start-up activity had been trending down for decades in Oregon and across the nation leading up to the pandemic, but since the pandemic, new business formation has increased and appears to be maintaining this higher rate.<sup>43</sup> In terms of outlook for start-ups, several key factors are at play. High inflation, rising interest rates, and recession risks—along with tighter venture capital and banking lending conditions—will likely slow new business formation. However, several favorable factors could mitigate these impacts and support continued strength in entrepreneurship and small business formation in Oregon. These include increased personal savings

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<sup>38</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2023 <https://www.ssa.gov/oact/TR/2023/tr2023.pdf>

<sup>39</sup> Bureau of Labor Force Occupational Separations and Openings, 2022-2032 <https://www.bls.gov/emp/tables/occupational-separations-and-openings.htm>

<sup>40</sup> Bureau of Labor Statistics Employment Projections – 2022-2032, September 2023 <https://www.bls.gov/news.release/pdf/ecopro.pdf>

<sup>41</sup> Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. <https://indicators.kauffman.org/>.

<sup>42</sup> This index comprises four statistics: the rate of new entrepreneurs, the opportunity share of new entrepreneurs, start-up density, and start-up early survival rate.

<sup>43</sup> Josh Lehner. “Strong Startup Activity Continues” Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>



and home equity levels, which are common funding sources for new businesses, along with the shift toward remote work opportunities and the large millennial generation entering their prime entrepreneurial years (late 30s and early 40s, according to Census Bureau research).<sup>44</sup>

- ◆ **Continued transformation of retail.** In the last two decades, retail sales by e-commerce and warehouse clubs/supercenters (a lower-cost model to the traditional department store) have increased steadily. Online retail purchases increased from about 6% of all retail purchases in 2014 to about 16% of retail purchases in 2023.<sup>45</sup> Ultimately, the growth in online shopping and the increasing dominance of large supercenters has made it difficult for small and medium-sized retail firms (offering a narrower selection of goods) to compete. Declining net profits and increased competitive pressures have led many well-known retailers (e.g., JCPenney, Macy's, Sears) to declare bankruptcy or scale back their operations.

In the future, the importance of e-commerce will likely continue to grow. However, despite the highly publicized closures of brick-and-mortar stores, physical retail is likely to remain an important part of the retail sector as well. Since modern consumers are increasingly price sensitive, less brand loyal, and (since the advent of internet) able to substitute between retailers easily, retailers must be nimble and able to adjust to the changing needs of their customers if they are to remain competitive.

The types of brick-and-mortar retail and related services that are likely to remain viable are those offering goods that consumers prefer to purchase in person or goods that are difficult to ship and return, such as furniture and other large items. Additionally, retailers specializing in groceries, personal goods that are needed immediately, restaurants, and experiential offerings like entertainment or social activities are expected to maintain their presence. According to the Urban Land Institute, large retailers such as Macy's, Nordstrom, Kohl's, and Ikea are experimenting with downsizing storefronts to operate spaces that can be flexible to changing consumer needs. These locally scaled shops feature in-person merchandise and services that are in demand for modern consumers: curated inventory, tailored services, and e-commerce fulfillment.<sup>46</sup>

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<sup>44</sup> Josh Lehner. "Strong Startup Activity Continues" Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>

<sup>45</sup> U.S. Census Bureau News, Quarterly Retail E-Commerce Sales, 4<sup>th</sup> Quarter 2023 [https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf)

<sup>46</sup> Holly Dutton. "More Retailers Are Rolling out Small-Format Stores" *Urban Land Institute*, January 8, 2024. <https://urbanland.uli.org/economy-markets-trends/more-retailers-are-rolling-out-small-format-stores>



- ◆ **Changing places where work is being done.** The COVID-19 pandemic accelerated the trend of remote work. According to the Bureau of Labor Statistics' American Time Use Survey, the share of employees working from home rose from 24% in 2019 to 34% in 2022.<sup>47</sup> However, the ability to work remotely is not equally distributed. Those most likely to have remote work opportunities tend to have higher educational attainment, be white or Asian, and be over 25 years old.<sup>48</sup> This uneven access to remote work raises equity concerns, as certain demographic groups may be disadvantaged in accessing these flexible work arrangements.

Remote work trends have consequences for downtown health and recovery. OEA found that downtown recoveries are not driven by regional economic changes; rather, they are impacted by the strength of three components: workers, residents, and visitors.<sup>49</sup> If a significant portion of previous downtown workers are now working remotely from other locations, downtowns need to capture or bolster resident and visitor spending to counteract this shift.

- ◆ **Continued increase in demand for energy even as the sources supplying that energy shifts.** The 2022 Inflation Reduction Act aims to drive increased investments in climate and energy projects across the United States.<sup>50</sup> As a result of the renewable energy investments and subsidies introduced by this legislation, the nation's energy consumption pattern is anticipated to undergo a shift over the coming years. There is an expected move away from traditional fossil fuels like crude oil and natural gas toward renewable energy sources.<sup>51</sup>

However, this shift is not expected to reduce overall energy consumption. From 2022 to 2050, the U.S. Energy Information Administration (EIA) estimates that total energy consumption will rise due to population growth and economic expansion outpacing efficiency gains. This increasing demand is anticipated to be driven primarily by the industrial sector and, to a lesser extent, transportation.

- ◆ **Impact of rising energy prices on commuting patterns.** As energy prices increase over the planning period, transportation energy consumption is

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<sup>47</sup> BLS, American Time Use Survey, 2023, <https://www.bls.gov/news.release/atus.nr0.htm#:~:text=On%20average%2C%20those%20who%20worked,to%2034%20percent%20in%202022.>

<sup>48</sup> Ben Casselman, Emma Goldberg, and Ella Koeze. "Who still works from home?" *New York Times*, March 8, 2024.

<sup>49</sup> Oregon Office of Economic Analysis, Downtown Recoveries 2023 Update, <https://oregoneconomicanalysis.com/2023/07/18/downtown-recoveries-2023-update/>

<sup>50</sup> Energy Information Administration, Inflation Reduction Act of 2022

<sup>51</sup> Energy Information Administration, Inflation Reduction Act of 2022



expected to shift to electric or fuel-efficient vehicles.<sup>52</sup> The share of electric vehicles is expected to grow from less than 6% in 2022 to 19% in 2050.<sup>53</sup> The EIA estimates an 8% increase in transportation energy consumption partially attributable to increasing vehicle miles traveled (VMT) that offset efficiency upgrades. With expected increases in fuel economy, people may commute farther while consuming less energy. VMT for passenger vehicles is forecasted to increase between 12% and 33% through 2050. Lower-income households may face financial barriers to efficiency upgrades and tend to have longer commutes, which may force them to face the brunt of rising energy prices.

- ◆ **High rates of inflation.** For the last several decades, inflation rates have generally stayed below 3% in the United States. Inflation started to increase in 2021, reaching 9.1% in 2022, the highest level in about 40 years.<sup>54</sup> In 2023 the annual inflation rate was 3.4%, a marked reduction from the 2022 inflation rate.<sup>55</sup> Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession.
- ◆ **Income gains in Oregon.** Oregon's economic growth in the past decade has led to improvements in the state's income and wage levels relative to the rest of the nation. Notably, Oregon's median household income has surpassed the national level for the first time in over 50 years.<sup>56</sup> Higher incomes can have positive impacts on an economy through improved standards of living and higher consumer spending, increased tax revenue potential, and talent attraction and retention, among others.
- ◆ **Potential impacts of global climate change.** Oregon and the Pacific Northwest have been experiencing the impacts of global climate change over the past 30 years, exacerbated by extreme events such as the 2020 Labor Day fires that burned over 840,000 acres in Oregon and the June 2021 heat dome that caused temperatures to soar to 111°F in Eugene and 116°F in Portland.<sup>57</sup> According to the National Oceanic and Atmospheric

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<sup>52</sup> Energy Information Administration, 2023, *Annual Energy Outlook 2023 with Projections to 2050*, U.S. Department of Energy, March 2023.

<sup>53</sup> Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019.

<sup>54</sup> Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer prices up 9.1% over the year ended June 2022, largest increase in 40 years at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm> (visited July 25, 2022).

<sup>55</sup> Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer Price Index: 2023 in Review, <https://www.bls.gov/opub/ted/2024/consumer-price-index-2023-in-review.htm>

<sup>56</sup> Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

<sup>57</sup> <https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6>.



Administration (NOAA), between 1980 and 2023, the U.S. experienced an average of 8.5 weather-related disasters per year where overall damages/costs reached or exceeded \$1 billion (adjusted for inflation). However, the number of such events has increased in the last five years, with an average of 20.4 events per year.<sup>58</sup> The Pacific Northwest is not only experiencing an increased frequency and severity of extreme weather events but also long-term climatic changes. These long-term changes include:

- **Increased average annual day and nighttime temperatures.** If greenhouse gas (GHG) emissions continue at the current rate, temperatures in Oregon are projected to rise approximately 5°F by the 2050s and 8.2°F by the 2080s.<sup>59</sup> These higher overall temperatures can have consequences, including increased mortality rates, the spread of diseases, and the forced migration of plants and animals as ecosystems undergo changes. Vegetation may become stressed and die, leading to an accumulation of fuel loads that heighten the risk of wildfires. Some areas that were once forestlands are transitioning into shrublands after being affected by forest fires.
- **Reduced snowpack and increased drought conditions.** As temperatures increase, snowpack is anticipated to decrease, reducing stream levels and water availability in the summer months.<sup>60</sup> Drought conditions can reduce surface water availability, hydropower generation, and recreational activities.<sup>61</sup>
- **Increased risk of high-heat events.** Climate change increases the likelihood of experiencing high-heat events like the June 2021 extreme heat wave that resulted in temperatures ranging from 110°F to 120°F in Oregon and Washington. This heat event caused approximately 159 deaths in Washington and more than 100 deaths in Oregon.<sup>62, 63</sup>

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<sup>58</sup> <https://www.ncei.noaa.gov/access/billions/#:~:text=Menu-Overview,376%20events%20exceeds%20%242.655%20trillion.>

<sup>59</sup> Fleishman, E., editor. 2023. Sixth Oregon Climate Assessment. Oregon Climate Change Research Institute, Oregon State University, Corvallis, Oregon. <https://blogs.oregonstate.edu/occri/oregon-climate-assessments>.

<sup>60</sup> WASHINGTON Assessment work. TBD.

<sup>61</sup> Bumbaco, K.A., C.L. Raymond, L.W. O'Neill, A. Mehta, D.J. Hoekema. 2023. *2022 Pacific Northwest Water Year Impacts Assessment*. A collaboration between the Office of the Washington State Climatologist, Climate Impacts Group, Oregon State Climatologist, Idaho Department of Water Resources, and NOAA National Integrated Drought Information System. <https://doi.org/10.6069/T5Q5-TT59>

<sup>62</sup> Joan A. Casey, Robbie M. Parks, Tim A. Bruckner, Alison Gemmill, and Ralph Catalano, 2023: *Excess Injury Mortality in Washington State During the 2021 Heat Wave*. American Journal of Public Health 113, 657\_660, <https://doi.org/10.2105/AJPH.2023.307269>

<sup>63</sup> Vital Statistics Report. Oregon: Oregon Health Authority, Public Health Division, Center for Health Statistics. Prepared September 2021; data are preliminary and subject to change.



- **Increased risk of wildfire.** Changing precipitation patterns and drought conditions are increasing fuel loads in wildland areas, increasing the risk of wildfires throughout the Pacific Northwest. Wildfire intensity, duration, and size has increased.
- **More days of poor air quality from wildfire smoke.** In 2021, people in Deschutes County, Klamath County, and Jackson County experienced 83 days of air quality at or above unhealthy levels for sensitive groups due to wildfire smoke.<sup>64</sup>
- **More floods and atmospheric rivers.** The University of Washington’s Climate Impact Group forecasts that the Pacific Northwest will experience slightly more precipitation in the fall, winter, and spring and less in the summer.<sup>65</sup> Extreme precipitation events are more likely to produce flooding, erosion, and landslides. These changes can threaten salmon and other species. Adaptation to extreme events could require expensive upgrades to stormwater systems.

Climate change will have a wide range of impacts on industries and communities throughout the Pacific Northwest. While some industries are more resilient to climate change, others that require predictable delivery of water, such as agriculture and hydropower, are more vulnerable to climate change. Climate change and extreme weather events also impact human health and disrupt travel. Land use decisions, in part, determine the risk that homes, businesses, schools, hospitals, and other buildings face from climate change. Development patterns in at-risk areas like tsunami zones, floodplains, wetlands, wildland-urban interfaces, and other hazardous locations will impact the economic vitality and resilience of communities as climate change accelerates.

- **Agriculture.** Climate change impacts the quality and quantity of agricultural products. For example, exposure to cold weather during dormancy is important for fruit set and quality in many perennial crops. Exposure to cold weather may increase in northern areas of the Pacific Northwest and decrease in southern areas.<sup>66</sup> A study by the Washington State Department of Agriculture found that a drought in 2015 caused

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<sup>64</sup> Barnack, A. Wildfire Smoke Trends and the Air Quality Index. Oregon: Department of Environmental Quality, Laboratory and Environmental Assessment Division [cited 2023 May 5]. 24 p. Available from: <https://www.oregon.gov/deq/wildfires/Documents/WildfireSmokeTrendsReport.pdf>.

<sup>65</sup> <https://express.adobe.com/page/C5CQaxjHUmGQ7/>

<sup>66</sup> Noorazar, H., L. Kalcsits, V.P. Jones, M.S. Jones, and K. Rajagopalan, 2022: Climate change and chill accumulation: Implications for tree fruit production in cold-winter regions. *Climatic Change*, **171** (3), 34. <https://doi.org/10.1007/s10584-022-03339-6>



\$633 to \$773 million in agricultural losses.<sup>67</sup> Drought and shifting precipitation patterns represent major threats, as drought reduces feed on rangelands for livestock and decreases water available for irrigation.

- **Aquatic/fishing.** Marine heat waves impact fresh and saltwater habitats and species. In 2021, algal blooms exacerbated by increased temperatures resulted in a \$641.1 million (in 2022 dollars) loss of commercial fishing revenue.<sup>68</sup> Tribes are often disproportionately impacted, accounting for half of fishery loss requests and experiencing losses from Dungeness crab fisheries.<sup>69, 70</sup>
- **Forestry.** Forest plants and animals vulnerable to temperature and drought stresses are undergoing climate-induced die-offs. Five fir species in Oregon, Washington, and Northern California are experiencing severe mortality dubbed "Firmageddon."<sup>71</sup> Species at the edges of their ranges are expected to succumb first and may shift to higher elevations or northward. Die-offs include Douglas fir, a primary commercial timber species. Die-offs and stressed trees face higher risks of pest infestations and increase the risk of wildfires.
- **Human health.** With many Pacific Northwest households lacking air-conditioning, higher summer temperatures and extreme heat events endanger vulnerable groups like older adults, low-income residents, those with disabilities, and individuals living alone who face heightened risks of heat stroke and death.
- **Tourism, recreation, and service industries.** The Northwest tourism and recreation industry employs about 588,000 people and supports almost \$60 billion (in 2022 dollars) in annual expenditures.<sup>72</sup> Climate impacts

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<sup>67</sup> Raymond, C.L, T.P. Nadreau, M. Rogers, Z. Kearl. 2022. Biophysical Climate Risks and Economic Impacts for Washington State. Report prepared for the Washington State legislature. Climate Impacts Group, University of Washington, Seattle.

<sup>68</sup> Bellquist, L., V. Saccomanno, B.X. Semmens, M. Gleason, and J. Wilson, 2021: *The rise in climate change-induced federal fishery disasters in the United States*. PeerJ, 9, e11186. <https://doi.org/10.7717/peerj.11186>

<sup>69</sup> Bellquist, L., V. Saccomanno, B.X. Semmens, M. Gleason, and J. Wilson, 2021: *The rise in climate change-induced federal fishery disasters in the United States*. PeerJ, 9, e11186. <https://doi.org/10.7717/peerj.11186>

<sup>70</sup> Schlinger, C., O. Conroy-Ben, C. Cooley, N. Cooley, M. Cruz, D. Dotson, J. Doyle, M.J. Eggers, P. Hardison, M. Hatch, C. Hogue, K. Jacobson Hedin, C. Jones, K. Lanphier, D. Marks-Marino, D. Mosley, F. Olsen Jr., and M. Peacock, 2021: Ch. 4.2. Water. In: *Status of Tribes and Climate Change Report*. Marks-Marino, D., Ed. Institute for Tribal Environmental Professionals, Flagstaff, AZ, 98–141. <http://nau.edu/stacc2021>

<sup>71</sup> <https://www.seattletimes.com/seattle-news/climate-change-is-hastening-the-demise-of-pacific-northwest-forests/>

<sup>72</sup> Mojica, J., K. Cousins, and T. Madsen, 2021: Economic Analysis of Outdoor Recreation in Oregon. Earth Economics, Tacoma, WA. <https://static1.squarespace.com/static/561dcdc6e4b039470e9afc00/t/5ffe3084ce56a6552b7a>



will vary as decreased snowpack will make trails and camping accessible later in the fall and earlier in the spring; however, increased extreme events from atmospheric rivers may increase maintenance costs due to flooding and erosion. Higher temperatures will increase demand for water-based recreation; however, droughts may decrease lake, reservoir, and river levels during peak recreation season.

- **Infrastructure.** Water, sewer, roads, utilities, and other infrastructure face risks if not designed to withstand climate change and extreme events. During the June 2021 heat dome, roads buckled near Everett, WA, and a Portland streetcar cable melted.<sup>73</sup> Damaged power lines can lead to wildfires (a problem utility companies have started to mitigate by preemptively shutting down power when windy and dry conditions occur).<sup>74</sup> Rural communities relying on single water sources may be in jeopardy as droughts reduce groundwater aquifers or surface water availability. Sea level rise and flooding also threaten septic wastewater treatment systems. Atmospheric rivers and flooding can damage highways and streets through inundation and landslides, temporarily halting travel access to jobs, schools, healthcare, grocery stores, etc., necessitating expensive repairs and long detours. Additionally, the Pacific Northwest's hydropower dependency means the region may see fluctuations in electricity availability and costs as altered snowpack and precipitation patterns make the water supply less predictable.

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[3c71/1610494115376/EconomicAnalysisofOutdoorRecreationinOregon\\_OTC-EarthEconomics\\_SmallRes.pdf](https://www.npr.org/2021/06/29/1011269025/photos-the-pacific-northwest-heatwave-is-melting-power-cables-and-buckling-roads)

<sup>73</sup> <https://www.npr.org/2021/06/29/1011269025/photos-the-pacific-northwest-heatwave-is-melting-power-cables-and-buckling-roads>

<sup>74</sup> EPI, 2023: Wildfire-Grid Risk, Power Talk. Boise State University, Energy Policy Institute. <https://www.boisestate.edu/epi/upcomingevents/>



# Regional and Local Trends

Throughout this section of Appendix A, Coos Bay is compared to Coos County and the State of Oregon. These comparisons are meant to provide context for changes in Coos Bay’s socioeconomic characteristics. Additionally, information based on the 2018-2022 ACS is described as 2022 data to enhance readability.

## Availability of Labor

The availability of trained workers in Coos Bay will impact the development of its economy over the planning period. A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in Coos Bay over the next 20 years include its change in its overall population, growth in the senior population, and commuting trends.

## POPULATION CHANGE

Population growth in Oregon tends to follow economic cycles. Oregon’s population grew from 3.4 million people in 2000 to 4.3 million people in 2023, an increase of more than 870,000 people or 1.0% each year.

Between 2000 and 2023, Coos Bay’s population increased by 1,159 people at an average annual growth rate of 0.3% (Exhibit 21), similar to Coos County’s growth rate (0.3%) but slower than Oregon’s growth rate during the same period (1.0%). Coos Bay’s population decreased by 152 people between 2010 and 2023.

**Exhibit 21. Population Growth, Coos Bay, Coos County, and Oregon, 2000–2023**

	Population			Change, 2000 - 2023		
	2000	2010	2023	Number	Percent	AAGR
Coos Bay	15,374	16,685	16,533	1,159	8%	0.3%
Coos County	62,779	62,930	66,945	4,166	7%	0.3%
Oregon	3,436,750	3,837,300	4,296,626	859,876	25%	1.0%

Source: U.S. Census Bureau, 2000, and 2010. Portland State University Population Estimates, 2023.



## AGE DISTRIBUTION

The number of people ages 65 and older in the United States is projected to increase from 58 million in 2022 to 82 million by 2050 (a 47% increase).<sup>75</sup> The economic effects of this demographic change include a slowdown of labor force growth, the need for workers to replace retirees, an aging workforce as seniors continue working after age 65, an increased demand for healthcare services, and a larger portion of the federal budget dedicated to Social Security and Medicare, unless policy priorities and trends shift.<sup>76</sup>

Exhibit 22 through Exhibit 25 show the following trends:

- ◆ Coos Bay and Coos County have older populations than the state overall. In 2022, 31% of Coos Bay residents were 60 years and older compared to 25% at the state level (Exhibit 24). The population ages 25 to 44 and 65 and older is growing in Coos Bay while the other age groups have lost population. The increase in median age between 2010 and 2022 further suggests that Coos Bay is attracting or retaining older adults.
- ◆ Coos County's population will shift slightly younger by 2040, with the population ages 20 to 59 projected to increase from 44% in 2022 to 47% in 2040. Over this same period, the share of the population ages 60 and older will decrease by 2 percentage points. While this demographic shift can provide a valuable source of skilled labor and experienced mentorship for younger generations entering the workforce, the share of adults ages 60 and older will remain the largest single age group, raising concerns about a potential labor shortage as a significant portion of the workforce approaches retirement age.

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<sup>75</sup> Mather, M. & Scommegna, P. (2024). Fact Sheet: Aging in the United States. <https://www.prb.org/aging-unitedstates-fact-sheet/>

<sup>76</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2022. The 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, June 2, 2022. The Budget and Economic Outlook: Fiscal Years 2024 to 2034, February 2024.



Coos Bay's median age increased between 2010 and 2022, higher than Oregon's median age but lower than Coos County's.

Coos Bay's increase in median age of 1.2 years is a comparable amount to Coos County's change of 1.1 years and Oregon's change of 1.5 years.

**Exhibit 22. Median Age, Coos Bay, Coos County, and Oregon, 2010 to 2018–2022**

2010	41.6	47.3	38.4
	Coos Bay	Coos County	Oregon
2022	42.8	48.4	39.9
	Coos Bay	Coos County	Oregon

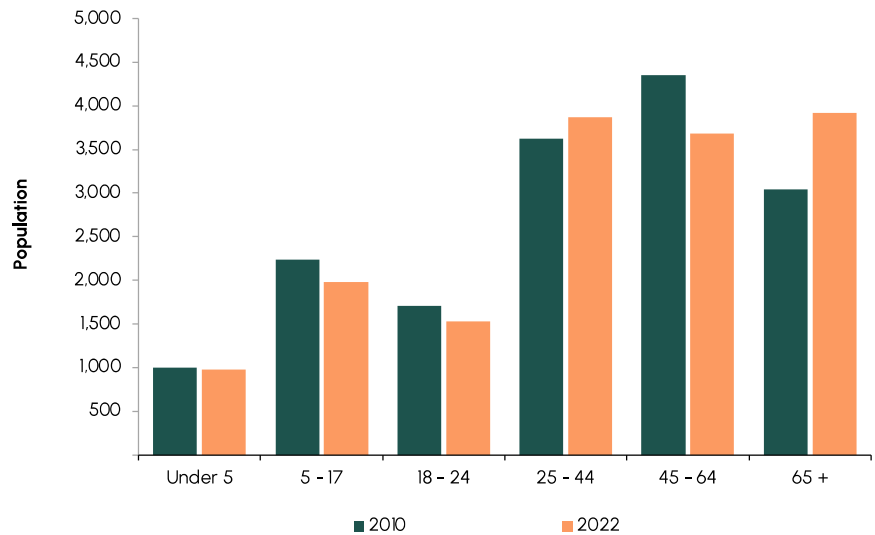
Source: U.S. Census Bureau, 2010 Decennial Census, Table P013; American Community Survey 2018–2022 5-Year Estimates, Table B01002.

From 2010 to 2022, the population ages 65 and older in Coos Bay experienced the largest increase among all age groups.

The population ages 65 and over has surpassed the other age categories and is currently the largest age group overall.

The share of population ages 25 – 44 also increased over the same period.

**Exhibit 23. Coos Bay Population Change by Age Group, 2010 to 2018–2022**



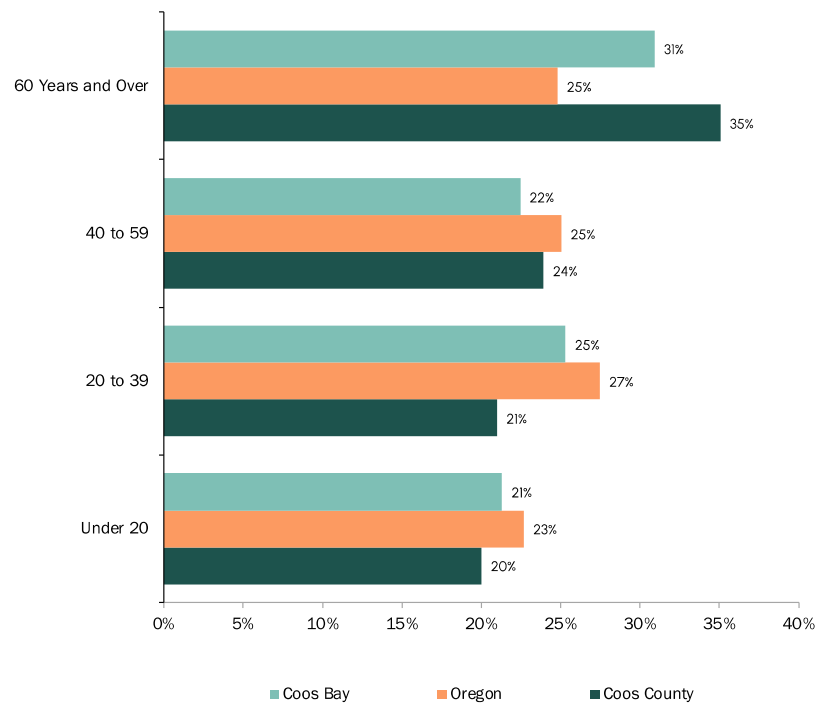
Source: U.S. Census Bureau, 2010 Summary File P012; American Community Survey 2018–2022 5-Year Estimates, Table B01001.



Over 30% of Coos Bay's residents were over 60 years of age.

About 35% of Coos County residents were over 60 years of age. Coos Bay and Coos County both have a higher share of older adults than Oregon.

**Exhibit 24. Population Distribution by Age, Coos Bay, Coos County, and Oregon, 2018–2022**



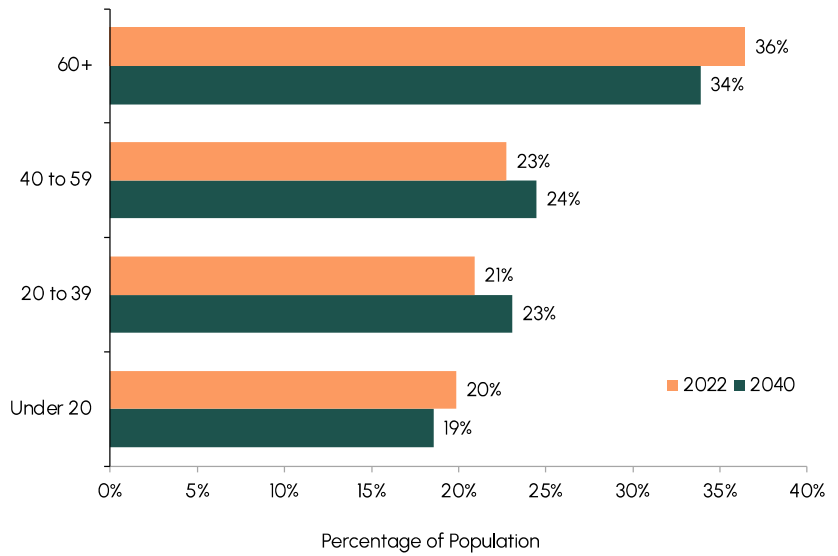
Source: U.S. Census Bureau, American Community Survey, 2018–2022 5-Year Estimates, Table B01001.



By 2040, Coos County will have a larger share of residents 20 to 59 years old than it does today.

The share of residents 60 years and older will account for 34% of Coos County's population in 2040, compared to 36% in 2022. On the other hand, the share of residents younger than 39 will decrease from 45% in 2022 to 37% in 2040.

**Exhibit 25. Population Share by Age Group, Coos County, 2022–2040**



Source: Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2024.



## RACE AND ETHNICITY

Coos Bay and Coos County are becoming less racially and ethnically diverse and are less diverse than Oregon overall. From 2010 to 2022, the share of the Hispanic/Latino population in Coos Bay grew from 8% to 9% of the total population; however, the overall share of people of color decreased from 17% to 15%. In Coos County, the share of people of color decreased from 15% to 13% of the total population, while the share of the Hispanic/Latino population grew from 5% to 7%.

Statewide, Hispanic and Latino Oregonians have employment rates that are average or slightly above average compared to the overall population in recent decades. However, their higher employment rates are primarily concentrated in low- and middle-wage occupations such as agriculture, building maintenance, production, construction, food preparation, and transportation and material moving.<sup>77</sup> Providing culturally specific services, particularly for Spanish speakers, can help improve workforce participation and economic contribution from these growing demographic groups. Such services may also facilitate the entry of Hispanic and Latino workers into higher-wage industries, enabling greater economic opportunities for these communities (if they wish to pursue them).

The population of people of color is defined as the share of the population that identifies as a race other than “white alone” according to Census definitions. The small population in Coos Bay results in small sample sizes, thus people of color are combined into one category rather than showing individual races. The margin of error is considerable for the estimate of these populations.

Exhibit 26 and Exhibit 27 show the change in the share of Hispanic and Latino and people of color populations in Coos Bay compared to Coos County and Oregon between 2010 and 2022. The group with the largest share of people of color in 2022 was two or more races, representing 7% and 8% of Coos Bay’s and Coos County’s total populations, respectively.

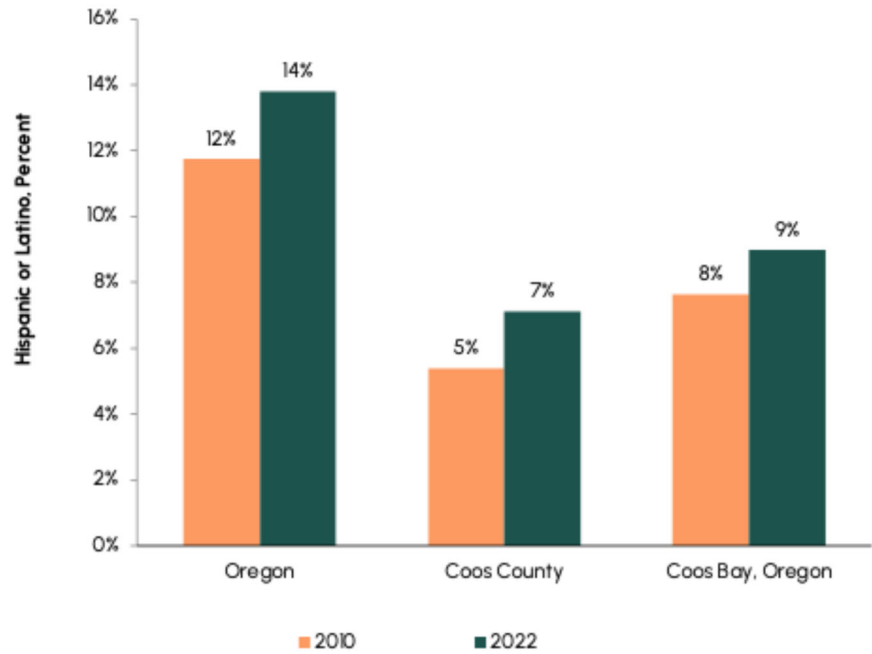
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<sup>77</sup> Lehner, Josh. “Oregon’s Growing Hispanic and Latino Population.” Oregon Office of Economic Analysis, 21 June 2023. <https://oregoneconomicanalysis.com/2023/06/21/oregons-growing-hispanic-and-latino-population/>



The share of Coos Bay's residents that identified as Hispanic/Latino increased between 2010 and 2022 from 8% to 9%. Coos Bay and Coos County are less ethnically diverse than the state overall.

**Exhibit 26. Hispanic or Latino Population as a Percentage of the Total Population, Coos Bay, Coos County, and Oregon, 2010, 2018–2022**



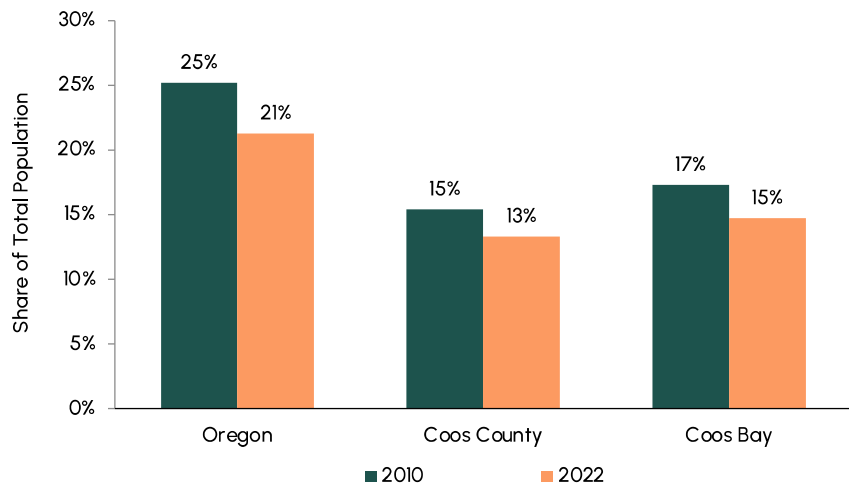
Source: U.S. Census Bureau, 2010 Decennial Census, Table P8; 2018–2022 American Community Survey, 5-Year Estimates, Table B03002.



The share of people of color in Coos Bay decreased between 2010 and 2022.

Coos Bay and Coos County are less racially diverse than the state. In 2022, people of color made up 15% of Coos Bay and 13% of Coos County, compared to 21% statewide.

**Exhibit 27. Population of People of Color as a Percentage of the Total Population, Coos Bay, Coos County, and Oregon, 2010, 2018–2022**



Source: U.S. Census Bureau, 2010 Decennial Census, Table P7; 2018–2022 American Community Survey, 5-Year Estimates, Table B02001.



## INCOME AND WAGES

Income and wages affect business decisions for locating in a city. Areas with higher wages may be less attractive for industries that rely on low-wage workers. Coos Bay’s median household income (\$53,331) was below the county median (\$57,563). In 2023, average wages at private businesses in Coos Bay (\$50,238) were similar to the county average (\$49,669).

Between 2010 and 2022, Coos County’s average wages increased alongside average wages across the state and the nation. However, when adjusted for inflation, average annual wages grew by 14% in Coos County while wages grew by 17% in Oregon and 11% across the nation.

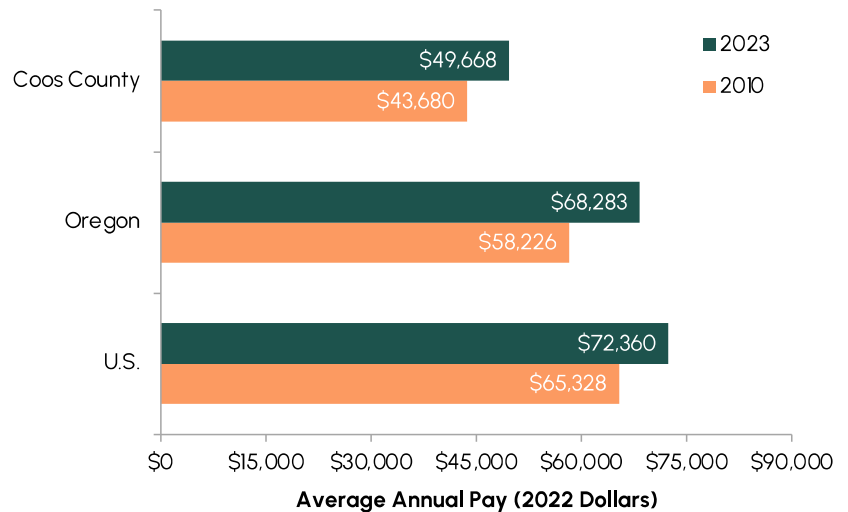
From 2010 to 2023, average annual wages in Coos County grew at a rate of 14%, compared to 17% in Oregon and 11% nationwide (adjusted for inflation).

In 2023, the average annual wage in Coos County was \$49,688, lower than both the state average of \$68,283 and the national average of \$72,630.

Not adjusted for inflation, Coos County’s annual average wage increased by \$18,409 (59%), while Oregon’s grew by \$26,614 (64%) and the nation’s grew by \$25,609 (55%).

The median household income in Coos Bay was 8% below Coos County’s median household income and 44% below Oregon’s.

**Exhibit 28. Average Annual Wage, Covered Employment, Coos County, Oregon, and U.S., 2010 to 2023, Inflation-Adjusted 2023 Dollars**



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; State of Oregon Employment Department, Employment and Wages by Industry (QCEW).

**Exhibit 29. Median Household Income (MHI),<sup>78</sup> 2018–2022**

\$53,331	\$57,563	\$76,632
Coos Bay	Coos County	Oregon

Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B19013.

<sup>78</sup> The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they are related or not.



Coos Bay's median family income was 7% above Coos County's median family income and 19% below Oregon's.

### Exhibit 30. Median Family Income,<sup>79</sup> 2018–2022

\$79,327	\$73,947	\$94,277
Coos Bay	Coos County	Oregon

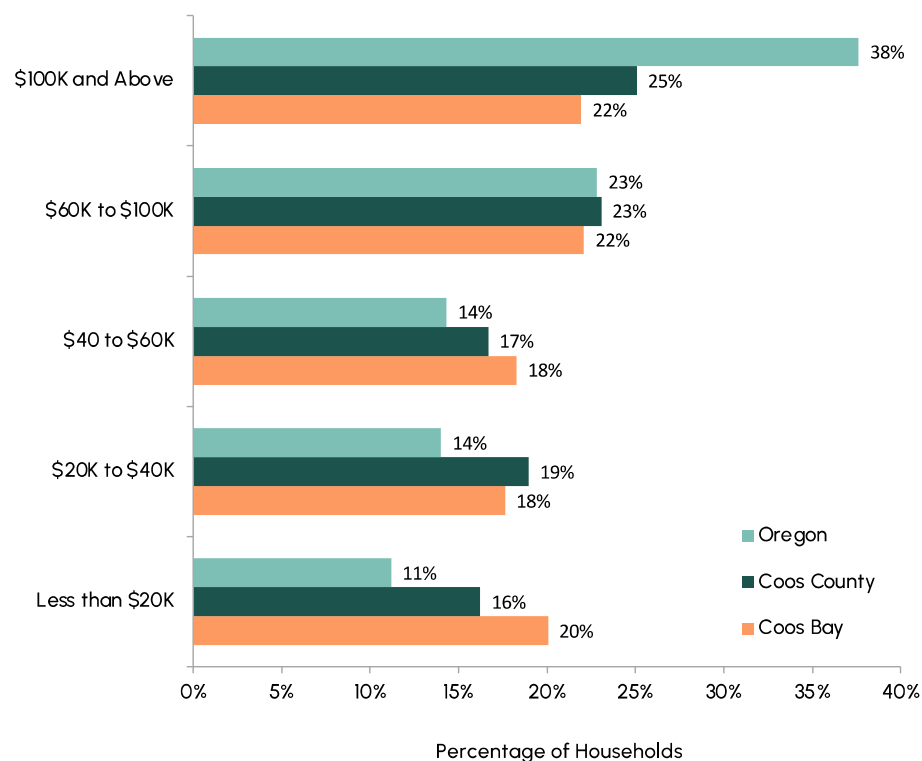
Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B19113.

Nearly 40% of Coos Bay's households earned less than \$40,000 annually.

About 20% of Coos Bay's households earn less than \$20,000 annually.

About 22% of Coos Bay's households earned over \$100,000 annually, less than Coos County (25%) and Oregon (38%).

### Exhibit 31. Household Income by Income Group, Coos Bay, Coos County, and Oregon, 2018–2022, Inflation-Adjusted 2022 Dollars



Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B19001.

<sup>79</sup> The Census calculated family income based on the income of the head of household, as identified in the response to the Census forms, and income of all individuals 15 years old and over in the household who were related to the head of household by birth, marriage, or adoption.



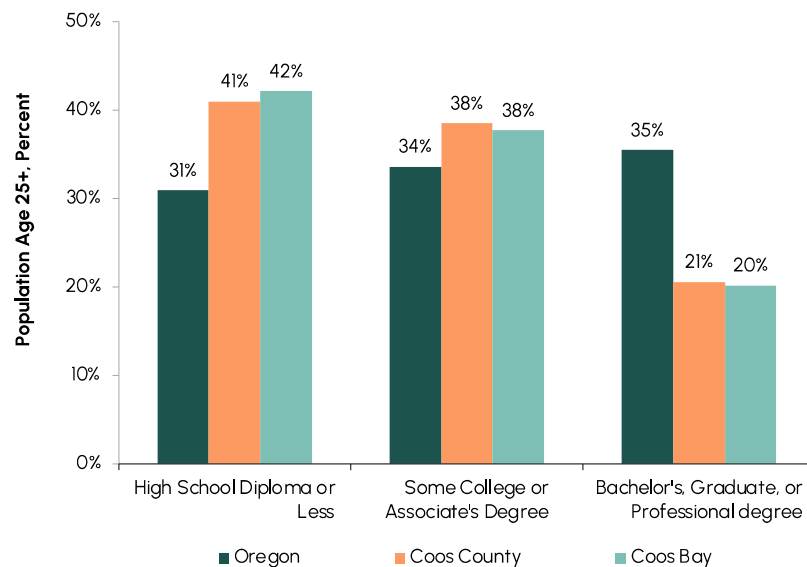
## EDUCATIONAL ATTAINMENT

The educational level of a community's workforce is a crucial factor that influences the quality of labor available. Many businesses require access to employees with relevant education and training to meet their staffing needs. A community with a highly educated population is better positioned to attract and retain companies seeking skilled workers.

About 20% of Coos Bay's residents have a bachelor's, graduate, or professional degree, which is a slightly lower share than the county and a much lower share than the state.

About 42% of Coos Bay's residents have a high school diploma or less.

**Exhibit 32. Educational Attainment for the Population 25 Years and Over, Coos Bay, Coos County, and Oregon, 2018–2022**



Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B15003.

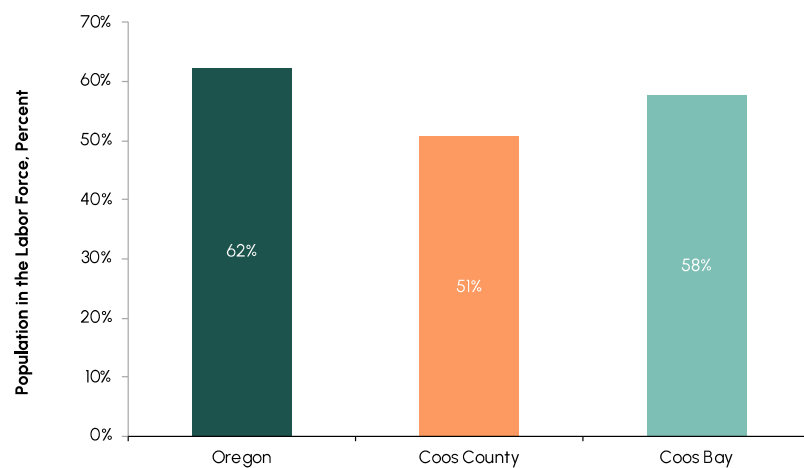


## LABOR FORCE PARTICIPATION AND UNEMPLOYMENT

The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both employed and unemployed people. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2018–2022 American Community Survey, Coos County had 27,698 people in its labor force and Coos Bay had 7,676 people in its labor force.

Coos Bay has a higher labor force participation rate (58%) relative to Coos County (51%) and lower relative to Oregon overall (62%).

**Exhibit 33. Labor Force Participation Rate, Coos Bay, Coos County, and Oregon, 2018–2022**

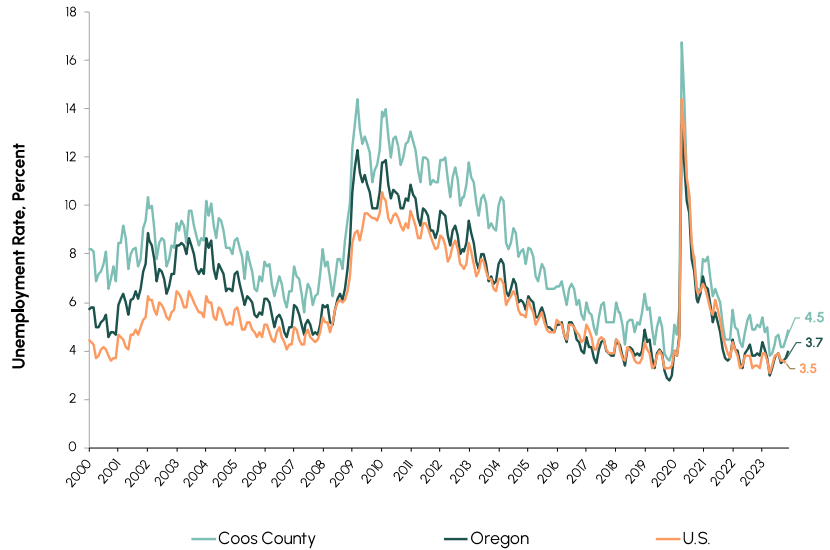


Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B23001.



Coos County's unemployment rate was 4.9% in December 2023, which was higher than the state of Oregon (4%) and the nation (3.5%).

### Exhibit 34. Unemployment Rate, Coos County, Oregon, and the U.S., 2000–2023



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, and Labor Force Statistics. Not seasonally adjusted.



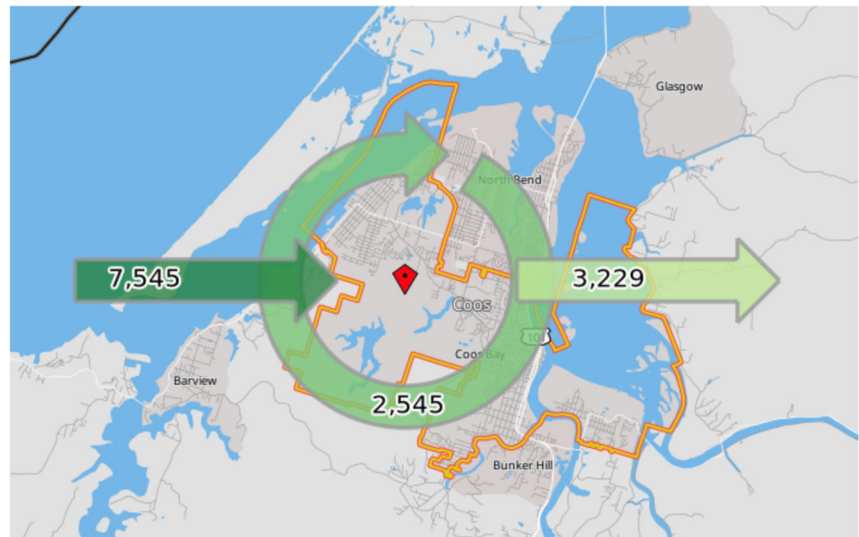
## COMMUTING PATTERNS

The ability for employers in Coos Bay to draw from a labor pool that extends beyond the city limits into neighboring areas in Coos, Curry, and Douglas Counties is a significant factor contributing to the local economy. This access to a broader workforce through commuting allows businesses in Coos Bay to find suitable candidates for available positions, even if the local population alone may not provide enough qualified workers.

Coos Bay is part of an interconnected regional economy.

More than 7,500 people commuted into Coos Bay for work, while about 3,200 commuted out of Coos Bay for work. About 2,500 people both lived and worked in Coos Bay.

**Exhibit 35. Commuting Flows, Coos Bay, 2021**



Source: U.S. Census Bureau, Census On the Map.

25% of all people who were employed at businesses in Coos Bay also lived in Coos Bay.

**Exhibit 36. Places Where Coos Bay Workers Lived,<sup>80</sup> 2021**

<b>25%</b>	<b>15%</b>	<b>3%</b>	<b>2%</b>
Coos Bay	North Bend	Coquille	Bunker Hill

Source: U.S. Census Bureau, Census On the Map.

<sup>80</sup> In 2021, 10,090 people worked at businesses in Coos Bay, with 25% (2,545) of workers both living and working in Coos Bay.



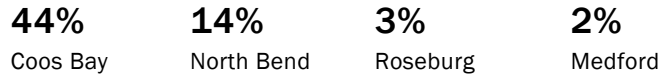
45% of residents who lived in Coos Bay also worked in Coos Bay.

14% of Coos Bay's residents commuted to North Bend for work.

Nearly 60% of Coos Bay's residents had a commute time of less than 15 minutes.

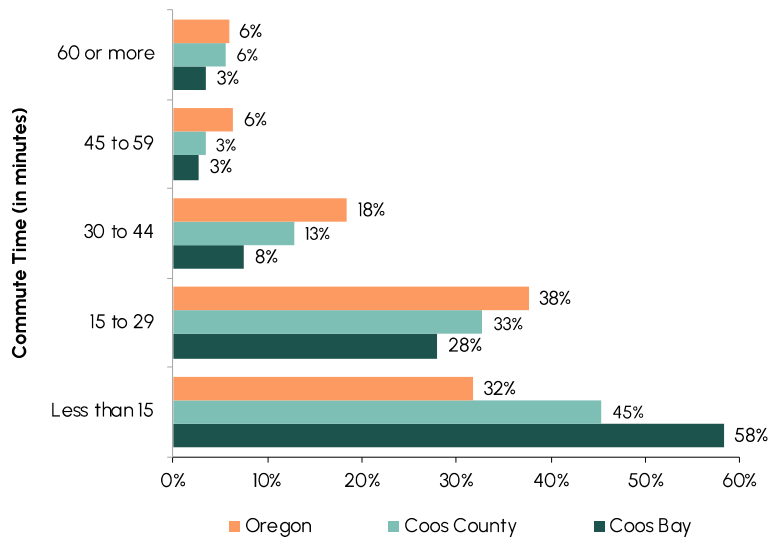
Only 6% of Coos Bay residents commuted 45 minutes or longer to get to work.

**Exhibit 37. Places Where Coos Bay Residents Were Employed,<sup>81</sup> 2021**



Source: U.S. Census Bureau, Census On the Map.

**Exhibit 38. Commute Time by Place of Residence, Coos Bay, Coos County, and Oregon, 2018–2022**



Source: U.S. Census Bureau, American Community Survey 2018–2022 5-Year Estimates, Table B08303.

<sup>81</sup> In 2021, 5,774 residents in Coos Bay worked, with 44% of Coos Bay residents (2,545) both living and working in Coos Bay.



## Tourism in the South Coast Region and Coos County

Tourism plays a crucial role in local economies by supporting businesses, creating jobs, and generating tax revenue. Dean Runyan Associates, a travel industry research firm, provides tourism data through Travel Oregon's TravelStats dashboard.<sup>82</sup> According to the dashboard, Coos County welcomed 1,001,710 overnight visitors in 2022, representing 65% of overnight travel to the South Coast region. These tourists contributed \$309.5 million in direct travel spending in 2022, with the largest expenditures in accommodations, food service, and arts, entertainment, and recreation.

Direct travel spending in Coos County increased 23% from 2014 to 2022.

The South Coast region's direct travel spending increased by 28% over the same period.

### Exhibit 39. Direct Travel Spending (\$ millions), 2014 and 2022

<b>2014</b>	<b>\$376.2</b>	<b>\$252.6</b>
	South Coast Region	Coos County
<b>2022</b>	<b>\$522.1</b>	<b>\$309.5</b>
	South Coast Region	Coos County

Source: Dean Runyan Associates, Oregon Travel Impacts, 2014-2022

**In 2022, the category that saw the highest level of visitor spending in Coos County was accommodations.**

### Exhibit 40. Largest Visitor Spending Categories (\$ millions), Coos County, 2022

<b>\$88.6</b>	<b>\$76.8</b>	<b>\$35.5</b>
Accommodations	Food Service	Arts, Entertainment, Recreation

Source: Dean Runyan Associates, Oregon Travel Impacts, 2022

The industry with the most employment generated by travel spending in Coos County in 2022 was accommodations and food services.

### Exhibit 41. Largest Industry Employment Generated by Travel Spending, Coos County, 2022

<b>2,230 jobs</b>	<b>900 jobs</b>	<b>370 jobs</b>
Accommodations & Food Services	Arts, Entertainment, and Recreation	Retail

Source: Dean Runyan Associates, Oregon Travel Impacts, 2022

<sup>82</sup> Travel Oregon. "Oregon Travel Impacts dashboard" Dean Runyan Associates. Retrieved March 27, 2024, from <https://www.travelstats.com/impacts/oregon>



# Appendix B. Buildable Lands Inventory

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The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the City of Coos Bay's UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for the Coos Bay UGB. The results (shown in Chapter 4) are based on analyses by ECONorthwest of data from the City of Coos Bay, Coos County, and State of Oregon. The analysis was reviewed by City staff. The remainder of this appendix summarizes key findings of the buildable lands inventory.

## Methods and Definitions

The buildable lands inventory (BLI) for Coos Bay includes all land that allows commercial and industrial uses within the UGB. From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Coos Bay UGB
2. It is inside a tax lot (as defined by Coos County), and
3. If its current zoning/comprehensive plan designation allows employment uses. Note that tax lots do not generally include road or railroad rights-of-way or water. The inventory then builds from the tax lot-level database to estimate buildable land by plan designation.

## Inventory Steps

The five steps in the BLI are:

1. Generate UGB “land base”
2. Classify lands by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results



## Step 1: Generate UGB “Land Base”

The commercial and industrial inventory used all tax lots within the Coos Bay UGB with the appropriate types of comprehensive plan designations and its respective zoning designations that fall under those land use categories:

- ◆ Commercial (C)
  - Commercial (C)
  - Mixed Use (MX)
- ◆ Industrial (I)
  - Hollering Place (HP)
  - Industrial/Commercial (I-C)
  - Waterfront Heritage (W-H)
  - Waterfront Industrial (W-I)
- ◆ Medical Park District (MP)
  - Medical Park (MP)
- ◆ Urban Public (UP)
  - Urban Public (UP)



Exhibit 45 below shows a map of these designations used in the BLI.

## Step 2: Classify Lands by Development Status

In this step, EConorthwest classified each tax lot with an employment plan designation (based on the definitions above) into one of four mutually exclusive categories based on development status:

- ◆ Vacant land
- ◆ Partially vacant land
- ◆ Public land
- ◆ Developed land

EConorthwest identified buildable land and classified development status using a rule-based methodology. The rules are described in Exhibit 42 and the development status classifications of the BLI land base are visualized in map format below in Exhibit 46.



## Exhibit 42. Rules for Development Status Classification

DEVELOPMENT STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	<p>A tax lot:</p> <p>(a) Equal to or larger than one-half acre not currently containing permanent buildings or improvements; or</p> <p>(b) Equal to or larger than five acres where less than one-half acre is occupied by permanent buildings or improvements</p> <p>For the purpose of criteria (a) above, lands with improvement values of \$0 will be considered vacant.</p>	OAR 660-009-0005(14)
Partially Vacant Land	<p>A tax lot:</p> <p>(a) Between one and five acres occupied by a use that could still be further developed based on zoning; or</p> <p>(b) Equal to or larger than five acres where one-half acre or more is occupied by permanent buildings or improvements where excess land that could be further developed is present.</p> <p>This determination will be based on a visual assessment and City staff verification.</p>	No statutory definition
Public	Lands in public are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, City, school district, or other public ownership. Public lands will be identified using the Coos County assessment property tax exemption codes. We also include cemeteries in this group, as they are not likely to develop over the planning period.	No statutory definition
Developed Land	<p>OAR 660-009-0005(1) defines developed land as "Non-vacant land that is likely to be redeveloped during the planning period."</p> <p>Lands not classified as vacant, partially vacant, or public are considered developed.</p>	<p>OAR 660-009-0005(1)</p> <p>We propose to address redevelopment potential on the demand side—operationalizing a definition of developed land consistent with this definition is complicated.</p>



### Step 3: Identify Constraints

As shown in Exhibit 43, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2).

**Exhibit 43. Constraints Included in BLI**

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
<b>Goal 5 Natural Resource Constraints</b>			
Wetlands	OAR 660-009-0005(2)	Lands within the US Fish and Wildlife Service's National Wetlands Inventory (NWI)	US Fish and Wildlife Service
Riparian Corridors	OAR 660-009-0005(2)	Lands within a 50-foot buffer from the Empire Lakes shoreline within the Urban Public District	City of Coos Bay
<b>Natural Hazard Constraints</b>			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA-defined regulatory floodway or 100-year floodplains	FEMA via the National Flood Hazard Layer Interactive Viewer
Landslide Hazards	OAR 660-009-0005(2)	Lands categorized as High or Very High Landslide Susceptibility within the Oregon Statewide Landslide Information Database	Oregon Department of Geology and Mining Industries
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries via the Lidar Data Viewer

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Exhibit 47 below shows a map of the individual constraints.



## Step 4: Verify Inventory Results

ECONorthwest used a multistep verification process. The first verification step involved a “visual assessment” of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECONorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of staff’s comments. The final verification was reviewed by the planning commission, who provided site-specific feedback that the BLI incorporated.

## Step 5: Tabulate and Map Results

The results of the commercial and industrial BLI are presented in tabular and maps in the remainder of Appendix B. These maps separately show the existing comprehensive plan designation maps, individual constraints used, the land base by development status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by plan designation.

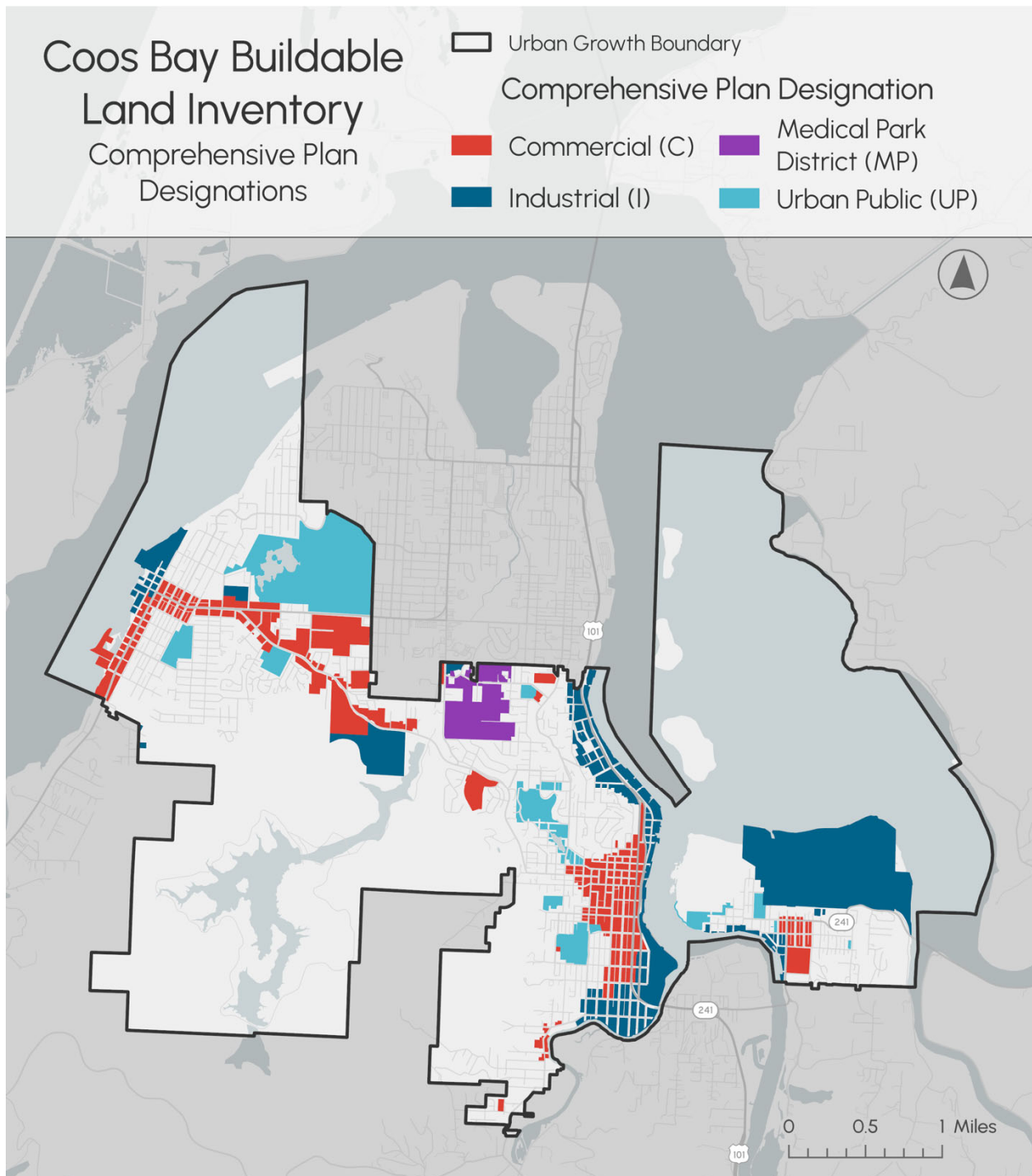
**Exhibit 44. Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designation and Zoning, Coos Bay UGB, 2024**

Plan Designation/Zoning	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
<b>Commercial (C)</b>	<b>25</b>	<b>16</b>	<b>9</b>
Commercial (C)	22	13	8
Mixed Use (MX)	4	3	1
<b>Industrial (I)</b>	<b>31</b>	<b>27</b>	<b>4</b>
Industrial/Commercial (I-C)	21	16	4
Waterfront Heritage (W-H)	-	-	-
Waterfront Industrial (W-I)	10	10	-
Medical Park District (MP)	3	-	3
<b>Medical Park (MP)</b>	<b>3</b>	<b>-</b>	<b>3</b>
Urban Public (UP)	3	-	3
<b>Urban Public (UP)</b>	<b>0.4</b>	<b>-</b>	<b>0.4</b>
Grand Total	0.4	-	0.4
<b>Total</b>	<b>60</b>	<b>43</b>	<b>17</b>

Source: ECONorthwest analysis, City of Coos Bay, Coos County



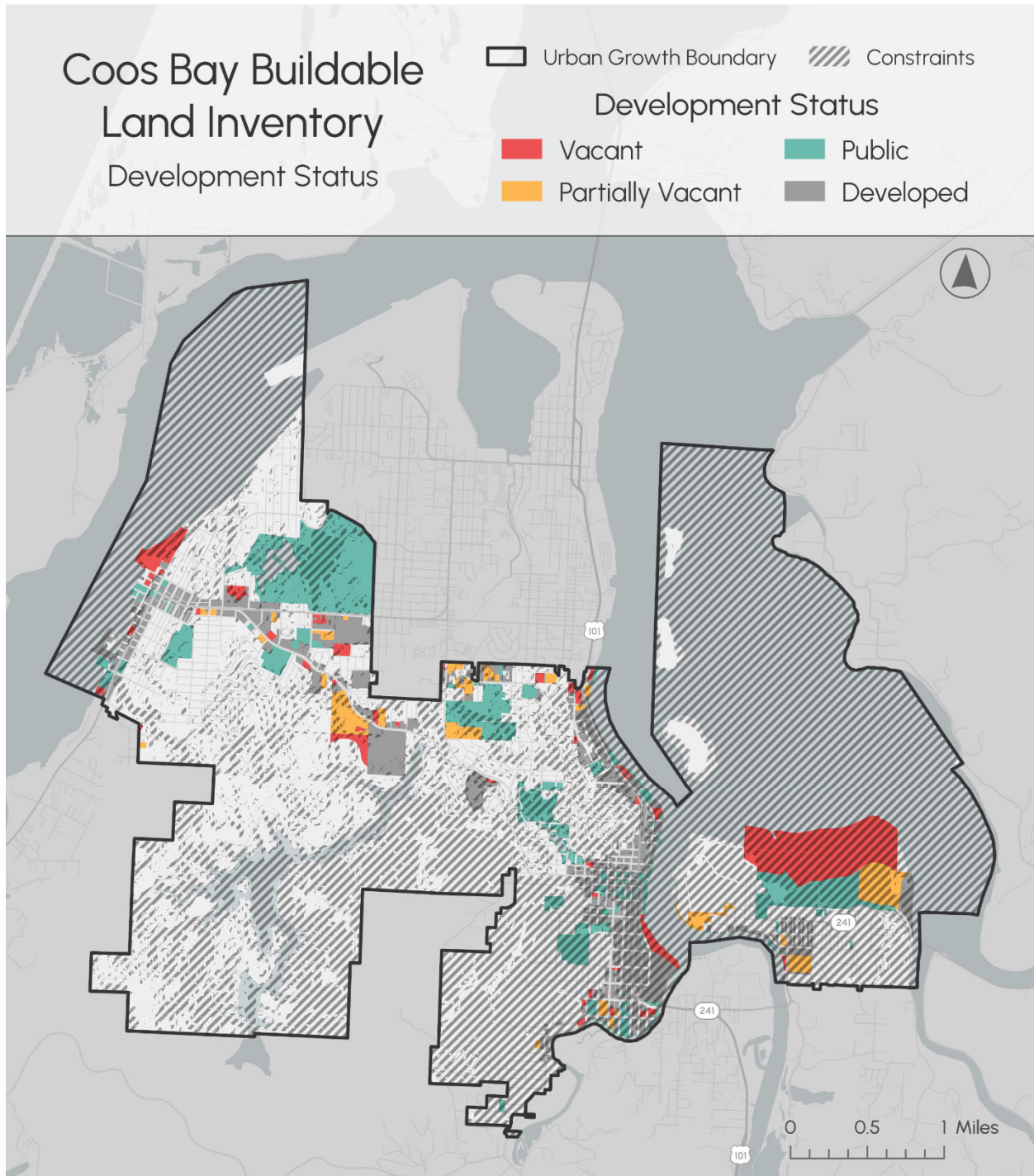
**Exhibit 45. Comprehensive Plan Designations Included in the Employment Land Base, Coos Bay UGB, 2024**



Source: EConorthwest analysis, City of Coos Bay, Coos County



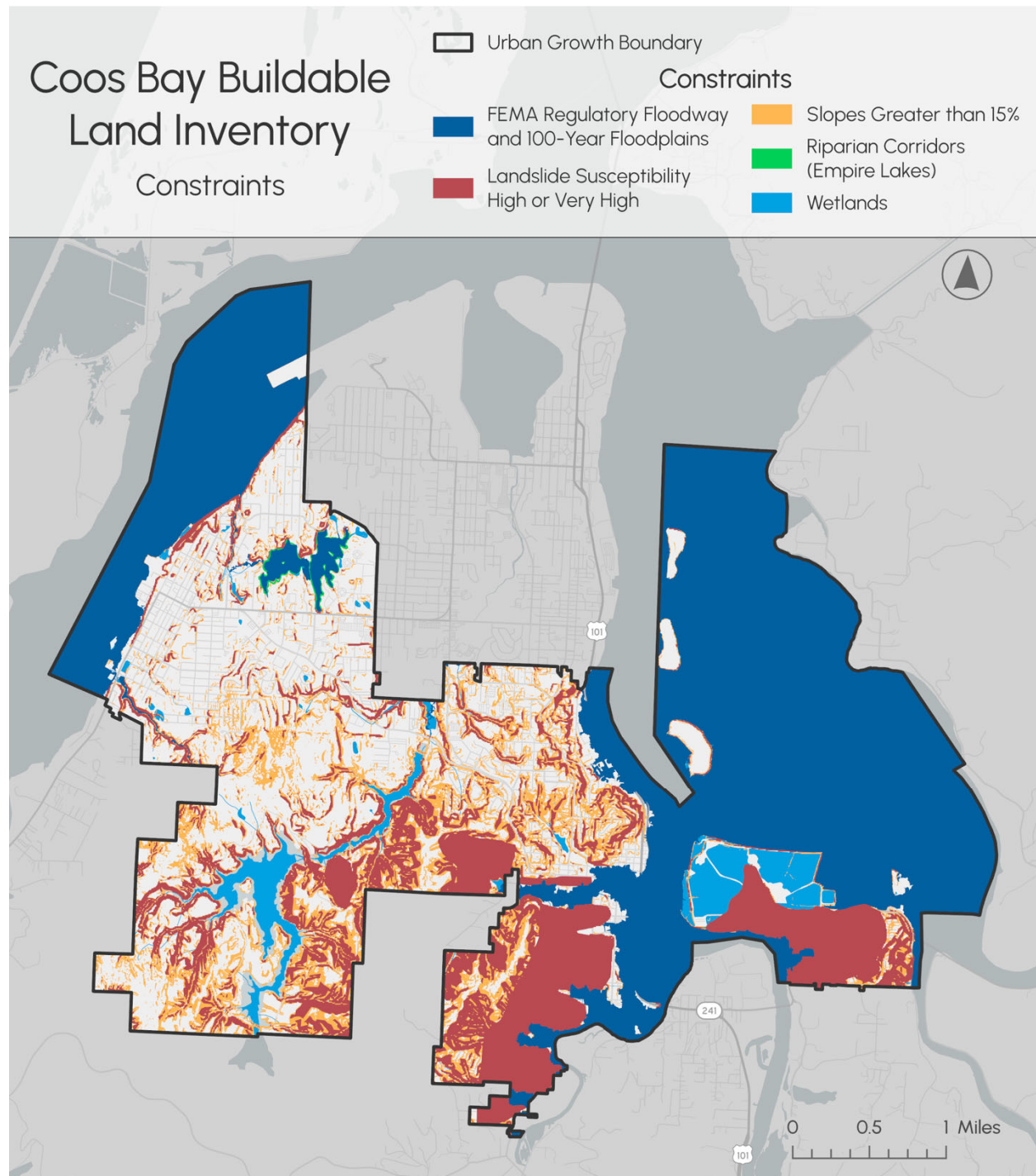
**Exhibit 46. Development Status with Constraints, Coos Bay UGB, 2024**



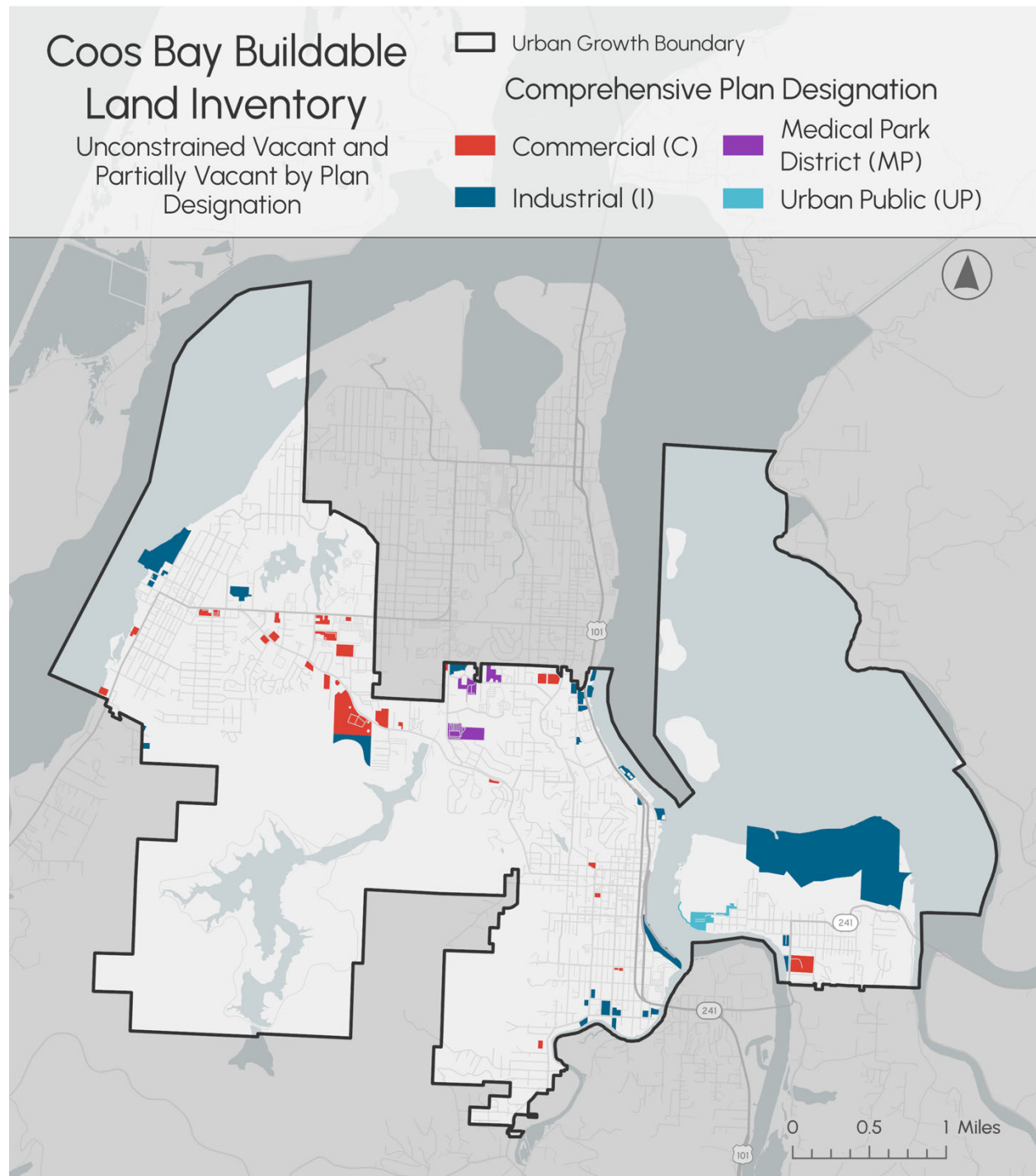
Source: ECONorthwest analysis, Coos Bay, Coos County



**Exhibit 47. Development Constraints, Coos Bay UGB, 2024**



**Exhibit 48. Buildable Employment Land by Plan Designation, Coos Bay UGB, 2024**



Source: ECONorthwest analysis, City of Coos Bay, Coos County

