

CITY of LA GRANDE

City Council Work Session

Monday, January 8, 2024
6:00 p.m.

Council Chambers
La Grande City Hall
1000 Adams Avenue
La Grande, Oregon

You can view the Work Session on Facebook Live at the following link:
www.facebook.com/CityofLaGrande

AGENDA

The purpose of a Work Session is to provide an opportunity to informally discuss topics of common concern and interest and to exchange ideas with Staff, not to make decisions or to direct Staff toward a specific action or conclusion beyond identifying additional information the Council would like to have presented at a later date. As no decisions are made, there will be no voting at the Work Session. The City Manager or members of the Staff may confirm any additional information required as part of any future discussions regarding the presented topic(s). If a Work Session topic subsequently requires official action, it will become an action (voting) item on a following Regular Session Agenda. In accordance with the Oregon Public Meetings Law, Council Work Sessions are open to the public; however, in order to make efficient use of time, public comments and questions generally are not entertained during the discussion segment of the Work Session. *Time will not be designated for public comments at the conclusion of the discussion.* Members of the public are routinely provided with an opportunity to address the Mayor and Council during the Public Comments portion of each Regular Session Agenda.

1. CALL to ORDER 6:00 p.m.
~ Justin B. Rock, Mayor
2. GOAL 9 ECONOMIC OPPORTUNITY ANALYSIS DISCUSSION
~ Michael Boquist, Community Development Director
~ Timothy Bishop, Economic Development Director
3. ADJOURN 7:00 p.m.

Stacey M. Stockhoff
City Recorder

Persons requiring special accommodations who wish to participate in the Work Session are encouraged to make arrangements prior to the meeting by calling 541-962-1309. The City of La Grande does not discriminate against individuals with disabilities

BEFORE THE CITY OF LA GRANDE DRAFT – DECISION ORDER

File Number: 01-CPA-24

January 9, 2024

HEARING BODY(IES):	Planning Commission (Recommendation)	City Council (Final Decision)
HEARING DATE(S):	Tuesday, January 9, 2024	Wednesday, February 7, 2024 Wednesday, March 6, 2024
HEARING TIME(S):	6:00 p.m.	6:00 p.m.
HEARING LOCATION:	City Hall Council Chambers, located at 1000 Adams Avenue, La Grande, Oregon. Members of the public may provide testimony in person, or may participate virtually. To participate virtually, please contact the Planning Division not later than 5:00 p.m. the day prior to the meeting. Community members may submit comments or questions in writing in advance of the meeting(s). Written comments need to be received by 5:00 p.m. on date of the scheduled meeting(s), which will be read during the public comment section of the Public Hearing. Issues which may provide the basis for an appeal to the Land Use Board of Appeals must be raised in writing and with sufficient specificity to enable the Planning Commission or City Council to respond to the issues. To submit written public comment, please email mboquist@cityoflagrande.org .	

I. Application Information

Proposal:	The Goal 9 – Economic Development chapter of the City of La Grande Comprehensive Plan Ordinance 3255, Series 2022, is proposed to be amended, with the entire Goal 9 chapter being repealed and replaced with an updated Economic Opportunities Analysis that was completed in September 2023, along with updated economic development goals and policies.
Applicant:	City of La Grande, Community Development Department
Address/Location:	Not Applicable; the Goal 9 chapter of the Comprehensive Plan applies City-wide.
Decision Order Prepared By:	Michael J. Boquist, Community Development Director

II. Schedule of Procedural and Public Hearing Requirements

In accordance with Land Development Code Ordinance 3266, Series 2023, Articles 9.3 and 9.4, Comprehensive Plan Amendments are subject to the City Council's review and decision authority, upon receiving a recommendation from the Planning Commission. In accordance with Article 9.5, public meetings and public hearings for the consideration of the proposal were scheduled as follows:

March 8, 2023	Stakeholder Outreach and Interviews
July 24, 2023	Joint Work Session, before the Planning Commission & City Council
November 16, 2023	Work Session, before the Urban Renewal Advisory Commission
December 4, 2023	35-Day Required Notice to the DLCD
December 18, 2023	Public Notice Mailed to all Property Owners (City and UGB), 21-Days Minimum Required; and, Code Amendment materials posted on the City's website.
December 20, 2023	Public Notice Advertised in <i>The Observer</i> , Local Newspaper
January 8, 2024	City Council Work Session
January 9, 2024	Public Hearing #1, before the Planning Commission
February 7, 2024	Public Hearing #2, before the City Council, and First Reading of the adopting Ordinance by Title Only.
March 6, 2024	Public Hearing #3, before the City Council, and Second Reading of the adopting Ordinance by Title Only.
March 7, 2024	DLCD Notice of City Adoption - Post Acknowledgement Plan Amendment (PAPA).
April, 2024	Public Hearing #4, before the Union County Planning Commission for Co-Adoption.
May, 2024	Public Hearing #5, before the Union County Board of Commissioners, and First Reading of the co-adopting Ordinance by Title Only.
June, 2024	Public Hearing #6, before the Union County Board of Commissioners, and Second Reading of the co-adopting Ordinance by Title Only.
June, 2024	DLCD Notice of County Adoption - Post Acknowledgement Plan Amendment (PAPA).

III. Public Notice Information

Public notice was issued in accordance with City and State laws. Notice was provided to the Oregon Department of Land Conservation and Development (DLCD) on December 4, 2023, at least 35-days before the first evidentiary hearing in accordance with OAR 660-018-0020. Public notice was mailed to all property owners with the City of La Grande and its Urban Growth Boundary (UGB) on December 18, 2023, at least 20-days in advance of the first evidentiary hearing in accordance with Land Development Code Ordinance 3266, Series 2023, Article 9.6, Section 9.6.001(A). All public hearing materials, including the Draft Decision Order, was published on the City of La Grande – Planning Division’s webpage, which meets or exceeds the requirements to be made available to the public at least seven days before the first evidentiary hearing.

IV. Review Process and Appeals

Amendments to the Comprehensive Plan Ordinance is a legislative review process that is subject to the Planning Commission’s and City Council’s review and approval. The process requires the Planning Commission to first hold a public hearing to consider the proposed amendments and make a recommendation(s) to the City Council. The Planning Commission’s recommendation(s) cannot be appealed. The City Council then holds a subsequent public hearing to consider the proposed amendments, along with the Planning Commission’s recommendation(s). In total, the City Council holds at least two (2) public hearings to consider the proposed amendments, with public comments typically considered during the first public hearing. After the closing of the second public hearing, the City Council deliberates and may make a final decision. Upon receiving a final decision from the City Council, the City of La Grande Community Development Director mails written notice of the decision to any parties entitled to such notice. Such decision can then be appealed to the Oregon Land Use Board of Appeals (LUBA) if a person with standing files a Notice of Intent to Appeal within twenty-one (21) days of the date the decision was mailed, or thirty (30) days from the date of Ordinance adoption, whichever is later.

Subsequent to the City Council’s decision, the proposed amendments are forwarded to Union County for co-adoption and for implementation within the City of La Grande Urban Growth Boundary. This co-adoption goes before the Union County Planning Commission for a recommendation and subsequently to the Union County Board of Commissioners for adoption. A final decision of the Union County Board of Commissioners may also be appealed to the Oregon Land Use Board of Appeals (LUBA).

V. Recommended Conclusions and Order

Based on the analysis and Findings of Fact in this Decision Order, the proposed Goal 9 Comprehensive Plan amendment satisfy the requirements established in Land Development Code Ordinance 3266, Series 2023, Article 8.9, and are consistent with Oregon Administrative Rules (OAR) 660, Division 9.

The Planning Commission has the following three options with respect to issuing a decision on the proposed Land Development Code Amendments:

- Option 1: Recommend that the City Council approve the proposed amendments as presented; or,
- Option 2: Recommend the City Council approve the proposed amendments as modified by the Planning Commission; or,
- Option 3: Recommend that the City Council deny the proposed amendments.

Upon receiving a recommendation from the Planning Commission, the City Council has the following three options with respect to issuing a decision on the proposed Land Development Code Amendments:

- Option 1: Approve the proposed amendments as presented; or,
- Option 2: Approve the proposed amendments with modifications recommended by the Planning Commission and/or made by the City Council; or,
- Option 3: Deny the proposed amendments.

VI. General Facts and Overview

1. The City of La Grande's last Goal 9 – economic opportunities analysis was conducted in 2009. Since that time, La Grande has been fortunate in seeing a number of commercial projects come to fruition which has resulted in a significant decrease in available commercial sites for new development.
2. Significant projects over the past 10-15 years include the development of large commercial parcels along Island Avenue (Hwy 82), Mulholland Drive and May Lane to support new or expanding businesses such as Starbucks, Banner Bank, Napa Auto Parts, Commercial Tire, Hampton Inn Suites and Miller's Home Center. In addition to these, a number of smaller infill projects have also occurred throughout the City.
3. As a result of these projects, the City's vacant commercial land inventory has been reduced to critical levels with a very limited supply of land available for both new business recruitment and the expansion of existing local businesses.
4. To address the available land supply shortage, the City proactively decided in 2022 to move forward with a self-funded Goal 9 economic opportunities analysis to evaluate the City's existing commercial and industrial land inventory, to forecast the next 20-year economic growth and land need, and to update the Goal 9 Economic Development chapter of the La Grande Comprehensive Plan.
5. In February 2023, the City contracted with Points Consulting & Nexus Planning Services to conduct a Goal 9 economic opportunities analysis and buildable lands inventory (Goal 9 EOA).
6. The Goal 9 EOA was completed per the methodology and requirements provided in OAR 660-009, and completed in October, 2023.

7. The conclusions of the 2023 Goal 9 EOA identifies La Grande having an employment growth in the range of 470 and 760 jobs over the next twenty-years (2023-2043), resulting in net job growth of +7.5% to +12%. Based solely on future employment growth, by 2043 La Grande will require: 31 additional acres of industrial lands and 28 additional acres of commercial lands. Taking other qualitative factors into consideration, such as characteristics of parcel sizes and shapes, locations and geographic proximity to each other, site availability-willing sellers, and other factors, the Goal 9 EOA identifies a greater demand a need of +121 acres of industrial zoned land and +63 acres of commercially zoned land.
8. To ensure that different business types are accommodated, the Goal 9 EOA identifies land uses being divided according to appropriate zoning districts. *The identified 184 acres could result in between 48 and 88 additional lots spread across a variety of districts as follows:*

Required Lot Sizes for Additional Industrial & Commercial Lands

District Type	Acreage Range	Gross Acreage	High-End Lots	Low-End Lots
General Commercial (GC)	0.5 – 1	15.8	32	16
Interchange Commercial (IC) or Other Low-Intensity Commercial	1.3 - 2.2	47.4	38	22
Light Industrial (I-1)	4.5 - 7.5	48.3	11	6
Heavy Industrial (I-2)	20 – 50	66.4	3	1
Business Park (BP)	1.5 - 2.5	6.0	4	2
Grand Total	--	183.9	88	48

9. Following the completion of the 2023 Goal 9 EOA, the City of La Grande Urban Renewal Advisory Commission met on November 16, 2023, to discuss and recommend updates the Comprehensive Plan Goal 9 goals and policies to guide economic development efforts over the next twenty-years (2023-2043).
10. Attached to this Decision Order: Exhibit A – (Final) Goal 9: Economic Opportunities Analysis & Buildable Lands Inventory, prepared by *Points Consulting & Nexus Planning Services*, October 10, 2023.
11. Attached to this Decision Order: Exhibit B – Land Development Code Ordinance 3266, Series 2023, Article 8.9 – Comprehensive Plan Document Amendment, Review Criteria and Findings.

EXHIBIT A

**GOAL 9
ECONOMIC OPPORTUNITIES ANALYSIS
& BUILDABLE LANDS INVENTORY**

~~Red Strikethrough~~ – W/ Track Changes are recommended for deletion.

Blue Underline – Recommended added text.

Statewide Planning Goal 9 - Economic Development

I. GOAL AND POLICIES

The following goals, objectives, policies and recommendations have been formulated by the City to direct the community's economic development program during the next five to ten years.

A. GOALS

Goal 1 – To Create High Quality Family Wage Jobs

To promote industrial and commercial development that generates high quality family wage jobs and income for the community and creates sustainable and environmentally sound economic vitality.

Goal 2 – To support economic development, strengthen key industries and promote workforce development

Work collaboratively with key employers including but not limited to Eastern Oregon University, La Grande School District, and Grande Ronde Hospital for economic development activities to support and strengthen key industries, and workforce development.

~~Goal 2 – To Foster the Growth and Expansion of Eastern Oregon University~~

~~To support the university in its efforts to grow and target educational programs to the region and the state. Provide sites and other infrastructure to businesses seeking to partner with the university.~~

Goal 3 –To Promote Retail Development

To promote the development of the City as a Regional Shopping Center by providing a greater range of retail services for residents and visitors. As a Regional Center, allow residents to satisfy their shopping needs within the Community and provide a greater range of services for travelers on I-84.

Goal 4 – To Revitalize the Downtown

To revitalize the Central Business District by building on its historic character, expanding the mix of goods and services offered and creating public spaces and amenities.

Goal 5 – To Establish Sufficient Capacity for Commercial and Industrial Development

To amend the Urban Growth Boundary (UGB) ~~and consider an Urban Reserve Area (URA)~~ to provide for sufficient land to meet the City's long-term commercial and industrial economic development goals.

B. OBJECTIVES

1. To provide public improvements and infrastructure to support job-creating development. Provide planning and funding for public improvements including streets, utilities, telecommunications and other facilities in support of development that will create a range of types of family wage jobs for residents of La Grande.
2. To provide appropriate sites for businesses creating family wage jobs. Assist in land assembly and infrastructure development for quality industrial districts and business parks to attract businesses that create family wage jobs. To manage the locations of the allowable uses to ensure that the land is properly utilized.
3. To coordinate the City's economic development program with the citizens of La Grande, community-based organizations, Union County, ~~Union County Economic Development Corporation,~~ the Union County Chamber of Commerce, the Oregon Community and Economic Development Department

(OCEDD), Northeast Oregon Economic Development District and other local, regional, state and federal agencies.

~~4. To continue and enhance the City's economic development program with EOU as a means of attracting and retaining businesses.~~

45. To provide public improvements to sites for retail development. To plan and develop infrastructure and public facilities to encourage retail and mixed-use projects.

56. To diversify and strengthen the mix of economic activity in City of La Grande and the surrounding region without diminishing the livability of the area.

67. To support and utilize regional and local partnerships for greater economic development opportunities.

C. POLICIES

General

Policy 1. The City shall undertake specific activities to encourage the retention and growth of existing businesses, to encourage a diversity of businesses, and to attract new businesses to the community in industries that will provide local employment opportunities that are consistent with community needs and not detrimental to the quality of life in the community.

Policy 2. The City shall undertake specific activities to encourage and support entrepreneurship as a key business development strategy.

Policy ~~23~~. The City shall evaluate the suitability of a proposed industrial development according, but not limited, to the following factors: availability of labor force and materials, market locations, transportation and service needs, relationship to present economic base and similar considerations.

Policy ~~34~~. The City shall provide for adequate and convenient multimodal aAccess including, vehicle, public transit (via Community Connection of Oregon), pedestrian, and ~~and~~ bicycle access as well as ~~and~~ parking to accommodate customers and employees in commercial areas.

Policy ~~45~~. The City shall require that business development occurs only after sufficient right-of-way, improvements, and special control of access points have been obtained to accommodate the added traffic generated.

Policy ~~56~~. The City shall ensure that public services will be planned for and made available to those areas designated and zoned for industrial and commercial uses.

Policy ~~67~~. The City shall promote and encourage investment in communications infrastructure, including broadband, to provide opportunities for remote offices, home-based employment, and other communications-dependent employment.

Policy ~~78~~. The City shall focus economic development efforts on the following existing industry clusters: Wood Products, Education, General Manufacturing, ~~sSmall-scale / Bboutique Mmanufacturing.~~ Health Care; and the following emerging/targeted clusters: Regional Retail, ~~, Tourism, tTruck and rRail tTransportation, and Ddistribution.~~ Truck and Rail Transportation & Warehousing; ~~and the following non-cluster opportunities: medical research and development, other medical services, suppliers, private firefighting, and tourism.~~

~~Policy 8. The City shall take social, aesthetic, and environmental values into consideration when planning for commercial and industrial development.~~

Policy 9. The City shall work with regional organizations (e.g., Northeast Oregon Economic Development District (NEOEDD), ~~the Union County Economic Development Corporation (UGEDC), the Northeast Oregon Alliance,~~ the Northeast Oregon Business Development, inc. (NOBD) and the Greater Eastern Oregon Development Corporation (GEODC), and local organizations (~~e.g., Union Commercial Club and Union United~~) to enhance its economic planning efforts.

Location of Uses

Policy 10. The City shall encourage highway-oriented businesses to be located near intersections of major arterials.

Policy 11. The City shall encourage the grouping of commercial uses in such a manner as will facilitate customer involvement from one store to another.

Policy 12. The City shall locate commercial areas so as to provide good access between them and the trade area served.

Policy 13. In order that residential areas may be free from industrial traffic, the City shall locate industrial areas with access provided primarily to and from major transportation routes which include arterial truck routes, highways, and railroad lines.

Policy 14. The City shall require certain industrial uses generating heavy traffic, noise, smoke, or other nuisances to be located where it is feasible to provide a transition, with light industrial areas, commercial areas, or open space to adjoining land uses.

Policy 15. The City shall encourage the separation of noise sensitive and noise-producing land uses; minimize noise impacts on surrounding properties and protect and maintain the quiet character of those areas of the community unaffected by major noise sources, and locate, design and buffer noise producing land uses to protect noise sensitive land uses.

Policy 16. The City shall develop and maintain zoning regulations to ensure that commercial and industrial parking does not intrude into adjacent residential neighborhoods.

Policy 17. The City shall encourage redevelopment of existing vacant and underutilized industrial and commercial lands rather than designating additional lands for these purposes whenever possible.

Commercial and Industrial Sites

Policy ~~45~~18. The City shall market the availability of commercial, industrial, and business park sites to potential employers who provide family wage jobs. ~~Such marketing should include a description and timeline for the required land use approvals.~~

~~Policy 16. The City or its urban renewal agency shall seek to aggregate and redevelop commercial parcels in the area bounded by Cove Avenue, North Albany Street, East R Avenue, and the Grande Ronde Ditch for commercial uses.~~

Policy ~~47~~19. Where areas have been planned for large industrial sites, zoning regulations shall be developed and maintained to keep those sites intact. Such sites shall not be further divided except to create planned industrial parks or development that supports a specific industry.

Policy ~~48~~20. The City shall protect lots with existing areas of two and one half (2½) acres or more in commercial and industrial zones by requiring approval of a Master Plan to govern proposed uses, development patterns, and parcel sizes, along with subdivisions, partitions, and property line adjustments. The Master Plan shall be used to guide growth and maximize the long-term potential for commercial and industrial employment in accordance with this Goal 9 chapter.

Policy ~~19~~21. ~~The City shall identify~~City has identified areas ~~where in which~~ large lot lands are to be located. ~~The~~the City shall develop limited use overlays and specific criteria to protect large sites from any partitioning or from development ~~activity~~activities that would inhibit the availability of these lands for future large industrial users. ~~in the future~~

Policy 22. To prevent decline in existing commercial and industrial areas, the City shall encourage, facilitate, and assist in the redevelopment of existing vacant and underutilized industrial and commercial lands in a manner that meets current standards rather than designating additional lands for these purposes whenever possible.

Planning for Future Growth

Policy ~~20~~24. The City shall identify land that will provide for expansion of existing businesses and/or attract new businesses and shall reserve that land for future industrial development that is consistent with community needs and goals and not detrimental to the quality of life in the area.

Policy ~~24~~25. The City shall ensure that space for industries is reasonably scaled to the anticipated demand and need.

Policy 26: The City shall prioritize when possible the redevelopment of existing commercial lands to maximize infrastructure efficiencies and preserve capacity for larger parcels.

Policy ~~22~~27. The City shall maintain at least a ten (10) year supply of vacant serviceable land in a range of parcel sizes within the Urban Growth Boundary (UGB) to accommodate new employers and the growth of existing employers.

~~Policy 23. The City should consider establishing Urban Reserve Areas (URAs) adjacent to the UGB to identify the location of future Commercial and Industrial lands that the City will likely include in future UGB expansions. The establishment of URAs would promote the long range planning of public utilities and services. The City of La Grande shall coordinate with Union County regarding the designation of URAs adjacent to the UGB for Heavy and Medium Industrial uses.~~

Policy ~~24~~28. A Portion of tThe land areas to be added to the UGB ~~and/or designated as Urban Reserve Areas (URAs)~~ in the future ~~(see Exhibit 2)~~ shall include a limited use overlay and be reserved for businesses which demonstrate an actual need for medium to large sites of approximately 25 to 100 acres or larger per business or development. The objective of this policy shall be to maximize the long term potential for commercial and industrial employment in accordance with this Goal 9 chapter and shall provide for the maximum use of the parcels, yet be consistent with all other applicable requirements of the law.

Downtown

Policy ~~25~~29. The City shall encourage Central Business District retail and service uses to remain concentrated and consolidated rather than geographically expanded.

Policy ~~26~~30. In order to encourage residents to live within close proximity to their place of work, the City shall encourage mixed use development to provide opportunities for commercial, entertainment, professional, cultural, public, and residential activities~~support and promote mixed use development~~ in the Central Business, General Commercial and Residential-Professional zones.

Policy ~~27~~31. Residential development; i.e., residential units, shall be supported and encouraged on the second and higher floors in the Central Business and Ggeneral eCommercial Zones. ~~Residential uses shall also be permitted on the main and higher floors as identified in the "Residential Overlay Zone Map", in an area of the GC General Commercial Zone,~~ provided that the ground floor store front is used for retail or other commercial purposes.

Policy ~~2832~~. The City shall support new commercial development along alleys in the downtown.

Policy ~~2933~~. The City shall support ~~enhancement~~, enhancement, adaptive reuse, and preservation of the existing Historic District in the downtown in order to help restore and protect historic buildings and create a sense of pride among property owners.

~~D. RECOMMENDATIONS~~

~~The City shall consider the following development standards:~~

- ~~A. Separate noise sensitive and noise producing land uses; minimize noise impacts on surrounding properties and protect and maintain the quiet character of those areas of the community unaffected by major noise sources, and locate, design and buffer noise producing land uses to protect noise sensitive land uses.~~
- ~~B. Regulate the type and intensity of land uses within areas subject to natural disasters and hazards.~~
- ~~C. Require that all development along arterials and major collectors be preceded by and consistent with an approved Master Plan.~~
- ~~D. A detailed traffic analysis may be required by the City to accompany a Master Plan, when a Master Plan is required, which finds that existing streets and intersections both on and off site will accommodate the projected traffic increases, or, necessary improvements can be constructed which are in conformance with the Comprehensive Plan Transportation Map.~~
- ~~E. Commercial and industrial parking shall not intrude into adjacent residential neighborhoods.~~
- ~~F. When a Master Plan is required, incorporate into the Master Plan the following:~~
 - ~~• Provide the full range of required public facilities and services and pay commensurate system development charges;~~
 - ~~• Mitigate adverse impacts such as noise, traffic and visual aesthetics, on adjacent land uses through methods such as buffering, screening, parking controls, height, bulk and scale limits;~~
 - ~~• Participate in the development of a street system which provides efficient multi modal connection to higher order streets and to other activity centers;~~
 - ~~• Develop transit opportunities appropriate to the scale and character of the project;~~
 - ~~• Provide for a safe and convenient pedestrian and bicycle circulation system to and within the development;~~
 - ~~• Provide adequate, but not excessive parking for customers and employees; and,~~
 - ~~• Preserve natural resources and provide required open space.~~
- ~~G. When a Master Plan is required, require that the Master Plan show:~~
 - ~~• Projects at full development including identification of all phases;~~
 - ~~• The locational, design and transportation relationships of proposed development with the rest of the business district and with surrounding land uses;~~
 - ~~• Measures necessary to mitigate adverse impacts on the transportation system and on adjacent land uses; and,~~
 - ~~• Design compatibility with surrounding land uses in regard to elements such as scale, bulk, materials, colors and landscaping.~~
- ~~H. Support Encourage redevelopment of existing vacant and underutilized industrial and commercial lands rather than designating additional lands for these purposes whenever possible.~~
- ~~M. To prevent decline in existing commercial areas, the City shall explore opportunities to facilitate and assist in the redevelopment of existing commercial areas, in a manner that meets current standards.~~

- ~~I. Require all commercial and manufacturing operations, except those approved as a temporary use, including warehousing and storage, to be conducted either within enclosed buildings or screened from public view.~~
- ~~J. Allow Encourage mixed use development to provide opportunities for commercial, entertainment, professional, cultural, public, and residential activities.~~
- ~~K. Maximize the number of jobs per acre by utilizing the land resource in an efficient and functional manner.~~
- ~~L. Industrial and commercial development adjacent to rail lines shall be designed and constructed in a way that does not preclude the future use of the rail facility.~~
- ~~M. Given the community's intention to To prevent decline in existing commercial areas, the City shall explore opportunities to facilitate and assist in the redevelopment of existing commercial areas, in a manner that meets current standards.~~
- ~~N. The City shall develop standards in the Land Development Code to encourage or require with development or redevelopment, the consolidation of vehicle accesses on arterial streets and major collectors, where appropriate and practical.~~

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Goal 9: Economic Opportunities Analysis & Buildable Lands Inventory

For: La Grande, Oregon

*From: Points Consulting & Nexus
Planning Services*

Date: October 10th, 2023



*This Project is funded by Oregon general fund dollars through the Department of Land Conservation and Development.
The contents of this document do not necessarily reflect the views or policies of the State of Oregon.*

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1. Executive Summary & Recommendations

Through analysis of past employment trends, review of community and economic development plans, and discussions with community members, the consulting team forecasts healthy employment growth for La Grande over the next 20-years (2023-2043). We anticipate **employment growth in the range of 470 and 760 jobs over the next twenty-years, resulting in net job growth of +7.5% to +12%.**

DLCD guidance emphasizes the importance of responsible and efficient land-use within existing Urban Growth Boundaries (UGB) to prevent urban sprawl and deterioration of agricultural lands. With respect to those aims, both policy and economic conditions will nudge real estate developers toward in-fill and redevelopment over the next two decades. It is also clear that **La Grande will need to undergo a UGB expansion and/or reconfiguration of the existing lands within the UGB via the Goal 14 process.** Not doing this could stifle economic growth within the community. The forecasted employment lands shortage is determined based on expected growth in both commercial and industrial land-use sectors. Additionally, despite the existence of lands in the UGB, the City has lost numerous economic development opportunities over the past several years, pointing to a combination of issues including property ownership, zoning, and suitability or parcel sizes and locations. **Based solely on future employment growth, we forecast that by 2043 La Grande will require: 31 additional acres of industrial lands and 28 additional acres of commercial lands.**

Beyond the gross acreage of existing inventory, the characteristics of existing parcels must also be noted. On the **industrial side, though there are 45 tax lots available for development, there are just three lots greater than 20-acres.** Each of these larger parcels have been infeasible to develop due to preferences of private landowners. Except for cases of low-impact cottage manufacturing, industrial businesses require between 20-50 acres (and sometimes more). The existing lots that are available are generally not in close geographic proximity to each other and are not held by a common owner, so collapsing them into larger lots is not feasible.

On the **commercial side, of the 44 parcels available, just one is larger than 10-acres and 14 are between one and ten acres.** Commercial development can often occur on a much tighter scale than industrial development. That said, certain commercial businesses that would be a good fit for the City would not be able to develop in one-acre lots including businesses such as truck stops, hotels and big-box stores. The one remaining area of town with some capacity for medium scale commercial development includes the series of parcels on Mulholland Drive near the intersection of Highway 82 and I-84.

After accounting for the qualitative factors noted above, however, the City would be best served **by adding at least another 90-acres of industrial land and 35-acres of commercial land to “catch up” to undersupply** and compensate for existing lands in the UGB that have proven to be effectively unusable for private sector development. Including these quantities and the forecasted demand by 2043, therefore, we anticipate the demand for industrial and commercial lands by 2043 to be: **+121 acres of industrial land (or a 20% increase in gross industrial lands above existing inventory), and +63 acres of commercial land (a 14% increase).**

To ensure that different business types are accommodated, land use will need to be divided according to appropriate zoning districts. **The recommended 184 acres could result in between 48 and 88 additional lots spread across a variety of districts.** Based on projected employment growth, the City’s Land Use Codes, and current industry expectations, PC recommends the following distributions according to districts. Note that although I-2 receives the highest share of gross acreage it would only result in between one and three new lots.

Table 1: Required Lot Sizes for Additional Industrial & Commercial Lands

District Type	Acreage Range	Gross Acreage	High-End Lots	Low-End Lots
General Commercial (GC)	0.5 – 1	15.8	32	16
Interchange Commercial (IC) or Other Low-Intensity Commercial	1.3 - 2.2	47.4	38	22
Light Industrial (I-1)	4.5 - 7.5	48.3	11	6
Heavy Industrial (I-2)	20 – 50	66.4	3	1
Business Park (BP)	1.5 - 2.5	6.0	4	2
Grand Total	--	183.9	88	48

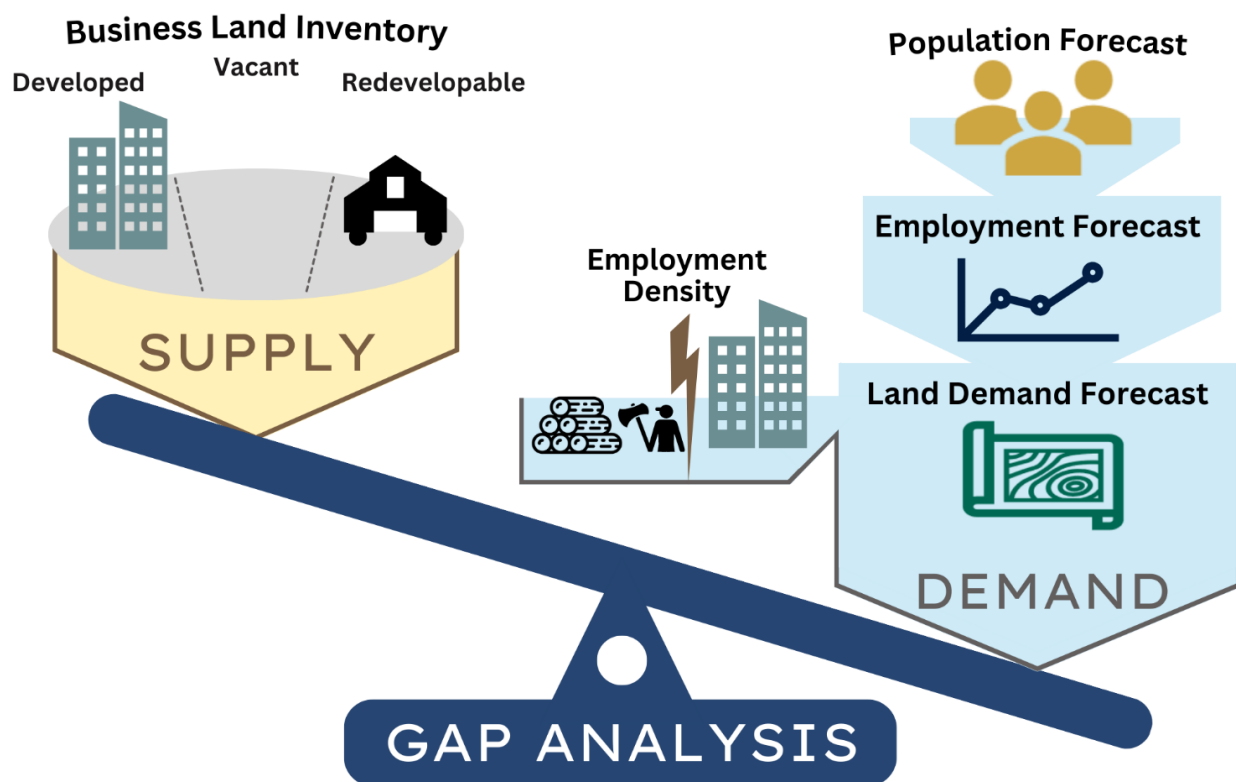
Report Introduction

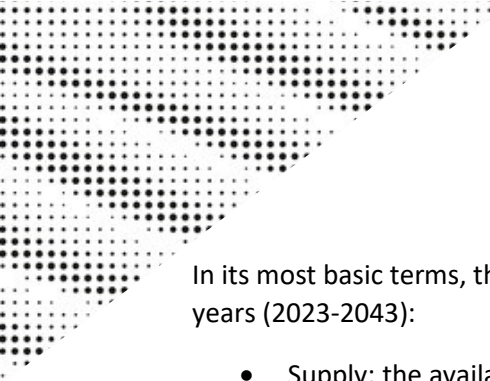
The City of La Grande hired Points Consulting (PC) and Nexus Planning Services (NPS) to develop an Economic Development and Employment Land Assessment for La Grande. The combined efforts of this project are intended to fulfill the Department of Land Conservation and Development's (DLCD) Goal 9 requirement that cities have an inventory of employment lands available to realize economic growth opportunities. This report is organized by topic:

- I. Executive Summary & Report Introduction
- II. Land Usage & Supply Assessment
- III. Socioeconomic Conditions
- IV. Employment Forecast & Future Land Use Needs
- V. Community Engagement Summary
- VI. Economic Opportunities Assessment
- Appendices

Goal 9 Process

The Goal 9 Economic Opportunities Assessment framework is a multi-stage process that accounts for both supply side and demand side estimations, and a forecast for future land-use demand based on those calculations. The diagram below explains the various steps involved in this process. These details will be sketched out in further detail in Chapters 4 and 6, but an introductory explanation is helpful grounding for reading this report.





In its most basic terms, the Goal 9 process accounts for supply and demand of land over the next twenty years (2023-2043):

- Supply: the availability of “employment lands” zoned as commercial and industrial in the La Grande Urban Growth Boundary (UGB).
- Demand: land expected to be utilized in the La Grande UGB based on an industry specific employment forecast, which accounts for population growth, employment growth, and employment density by industry.
- Gap analysis: putting together existing supply and forecasted demand yields the solution of whether La Grande will have an appropriate amount of land available to not stifle economic growth in the next 20-years.

2. Land Usage & Supply Assessment

One of the fundamental objectives of the Goal 9 process is to identify the gap between supply and demand for employment lands within the region. The availability of employment lands is underpinned by how land is zoned within the community. Our purpose in this report is to present a holistic picture of land supply and demand, and to forecast conditions for the next 20-years. La Grande, through a process outlined in Oregon's Administrative Rules, may determine whether and how changes to land use policy and UGB boundaries are justifiable based on this explanation.

Methodology

As a starting point, our team has presented the underlying zoning and land quantities for employment lands within La Grande. This includes the entire supply of industrially and commercially zoned lands. A list and map of lands zoned for commercial and industrial use can be found on the City's online map and website.¹

Next, our team considered environmental and other development constraints on the city's industrial and commercially zoned parcels. Development constraints are defined by Oregon's Administrative Rules to include "wetlands, habitat areas, environmental contamination, topography, cultural resources, infrastructure deficiencies, parcel fragmentation, natural hazard areas, ownership patterns, and other suitability and availability criteria in order to determine the readiness of the current land supply for industrial, and other employment development." (See OAR 660-009-0005)

Following the assessment of existing constraints, the team then extrapolated the number and location of vacant and redevelopable parcels (with their acreage) for employment lands according to zoning classifications.

Pursuant to the definitions found in OAR 660-009-0005, vacant lands are considered those lands greater than "one half-acre not currently containing permanent buildings or improvement" and those "equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements."

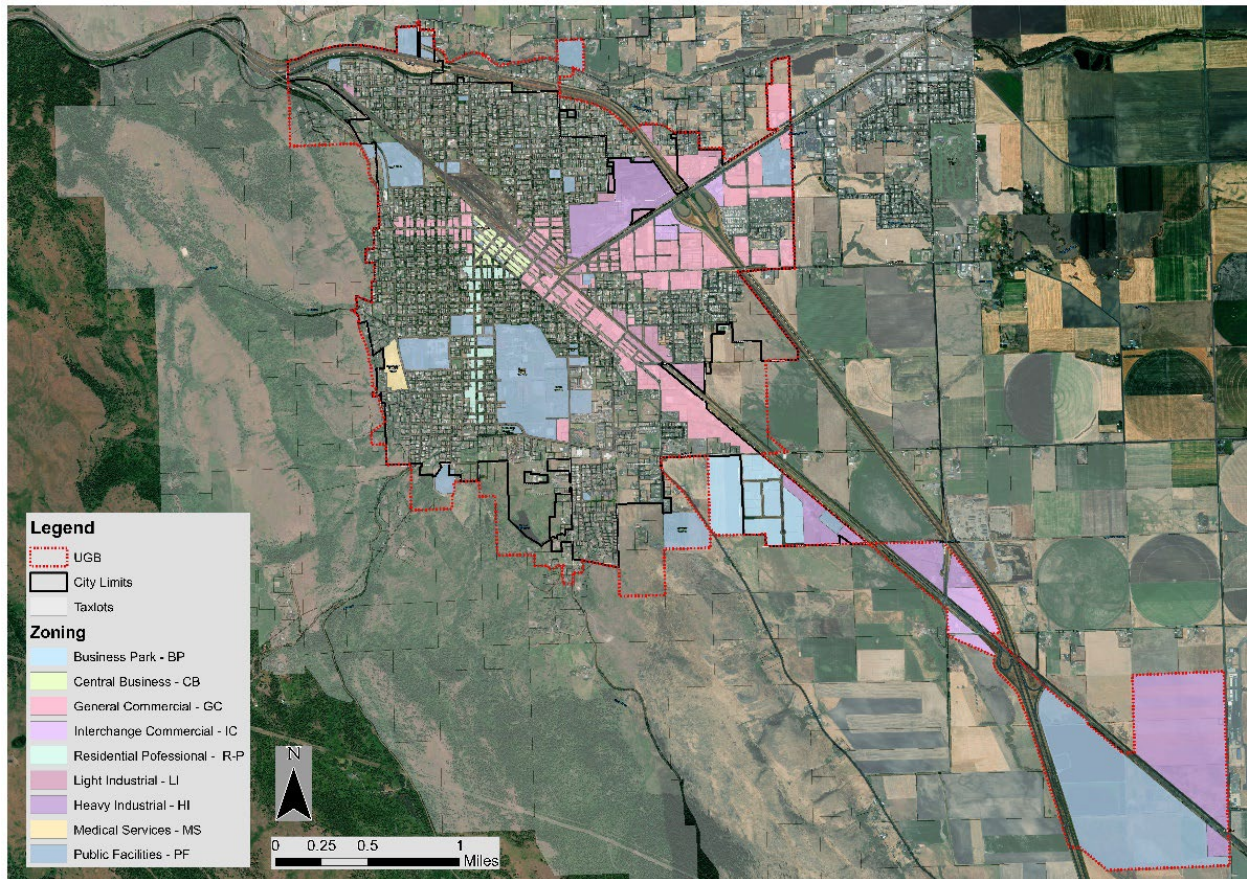
The City has remained consistent with Union County in its count of redevelopable employment lands. Both La Grande and Union County have defined redevelopable employment lands as those properties where the real market value (RMV) improvements are equal to or less than 40% of total RMV for the entire property (inclusive of land and improvement value). This results in narrowing the number of lands available for commercial and industrial use.

¹<https://cityoflagrande.maps.arcgis.com/apps/webappviewer/index.html?id=7ccb75d85bc74111a849979be8c18907>

Maps

Figure 1 shows a map of the employment zones in La Grande: the commercial and industrial areas, separated into their various districts. The industrial zones are Light Industrial (I-1), Heavy Industrial (I-2), and Business Park (BP). The commercial zones are Central Business (CB), General Commercial (GC), Interchange Commercial (IC), Residential Professional (R-P), Medical Services (MS), and Public Facilities (PF).

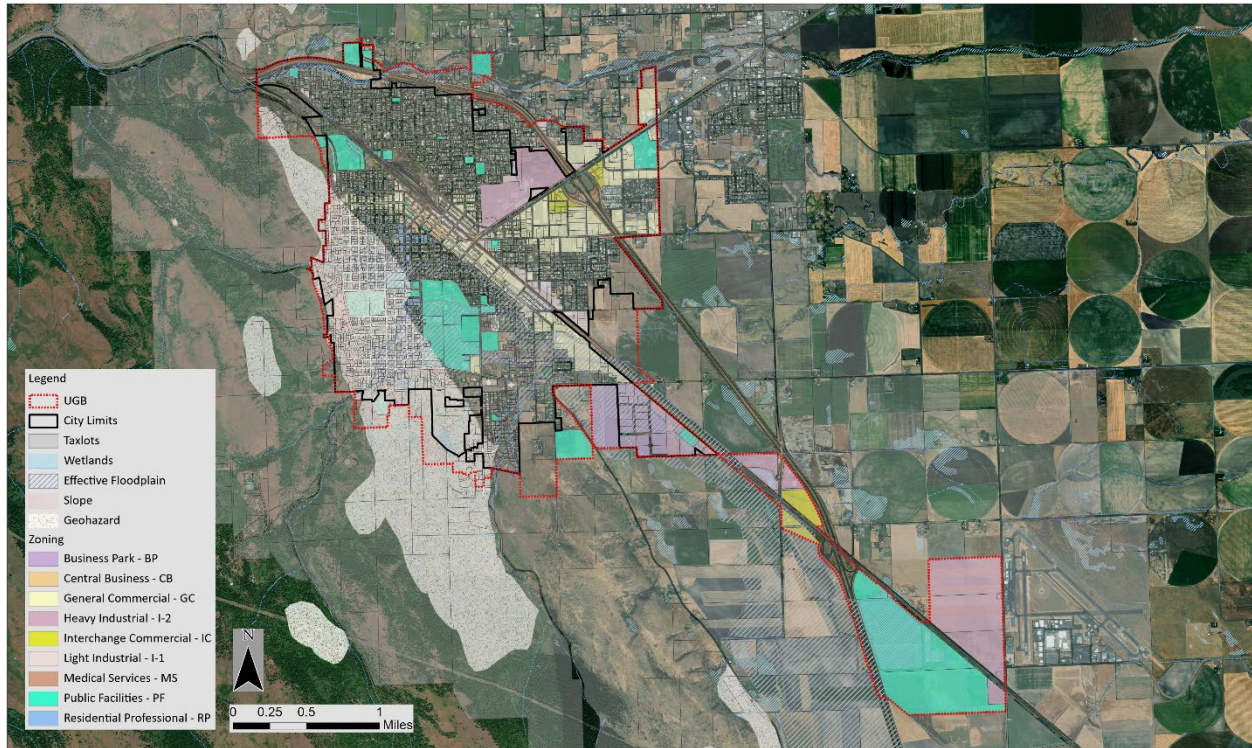
Figure 1: City of La Grande, Employment Lands Zoning



Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 2 shows the constraints to land development in La Grande, such as physical or geographic obstacles. Constrained land is not a part of the employment lands inventory, so determining the constraints is crucial to establishing the supply of employment lands.

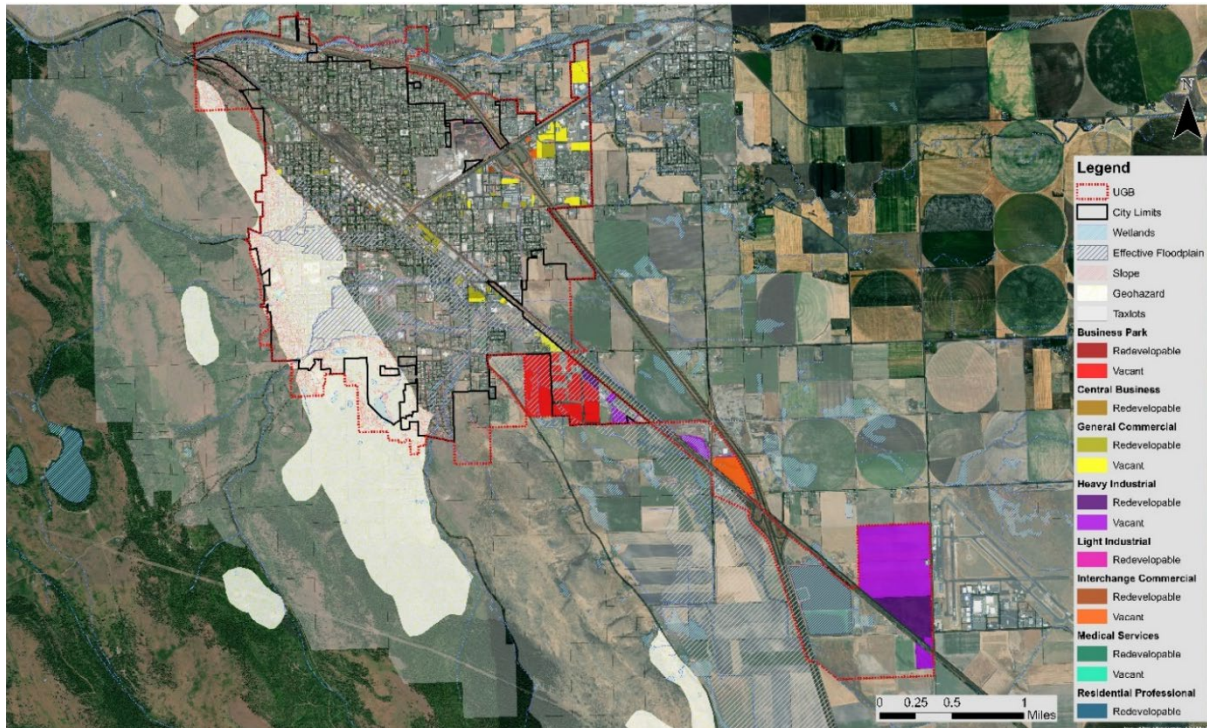
Figure 2: City of La Grande, Employment Lands Constraints



Source: Nexus Planning Services using map layers from La Grande GIS, 2023

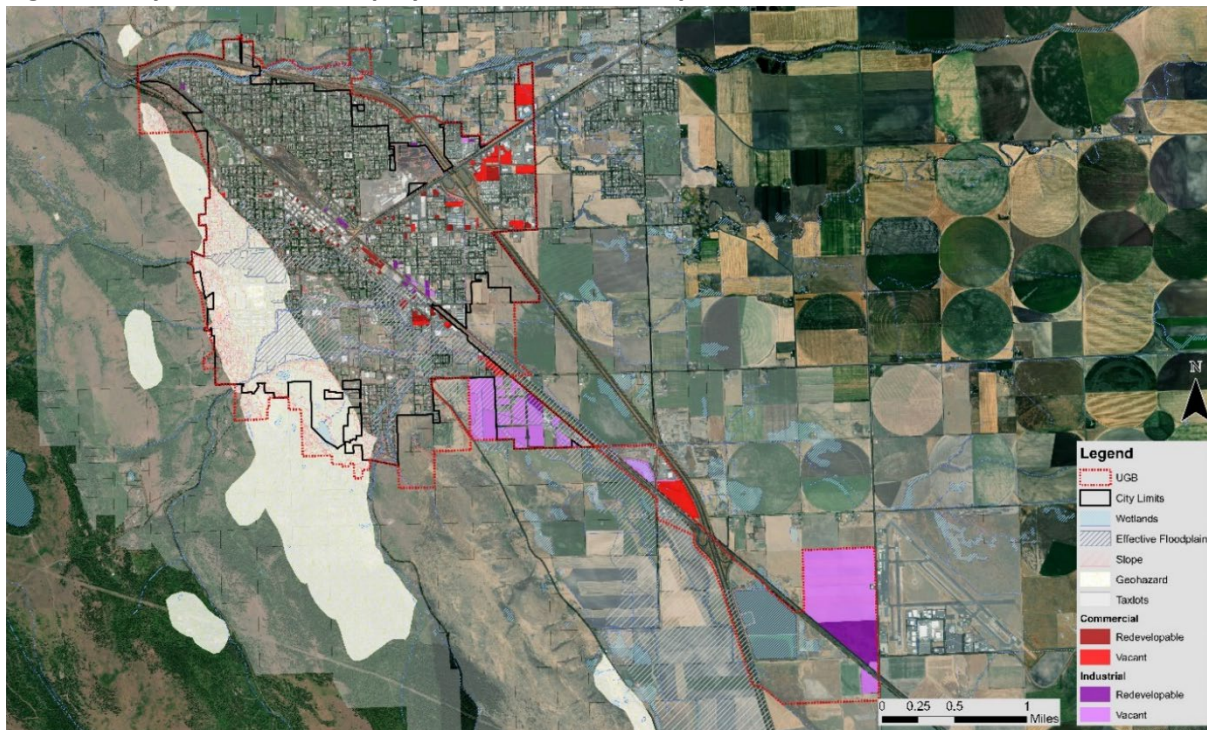
Taking constraints into account, Figures 3-7 show the vacant and redevelopable commercial, and industrially zoned lands in La Grande.

Figure 3: City of La Grande Employment Lands Inventory, All Employment Zones



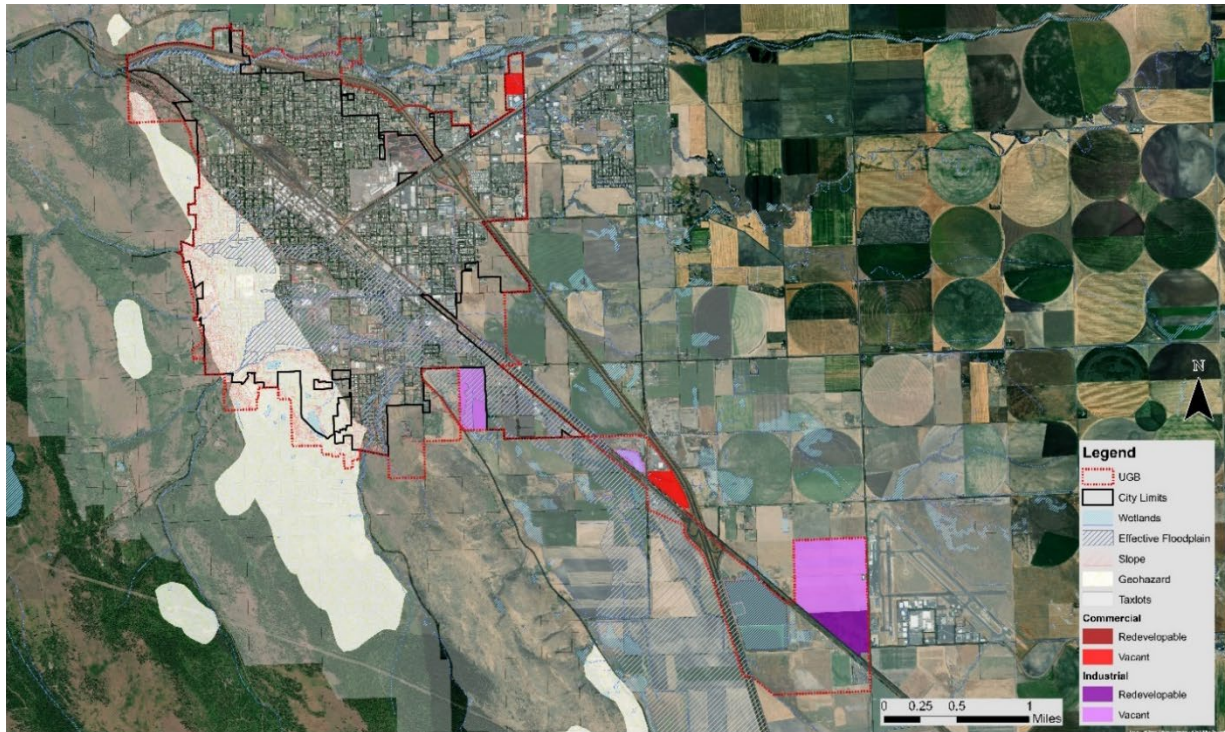
Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 4: City of La Grande Employment Lands Inventory, Commercial/Industrial



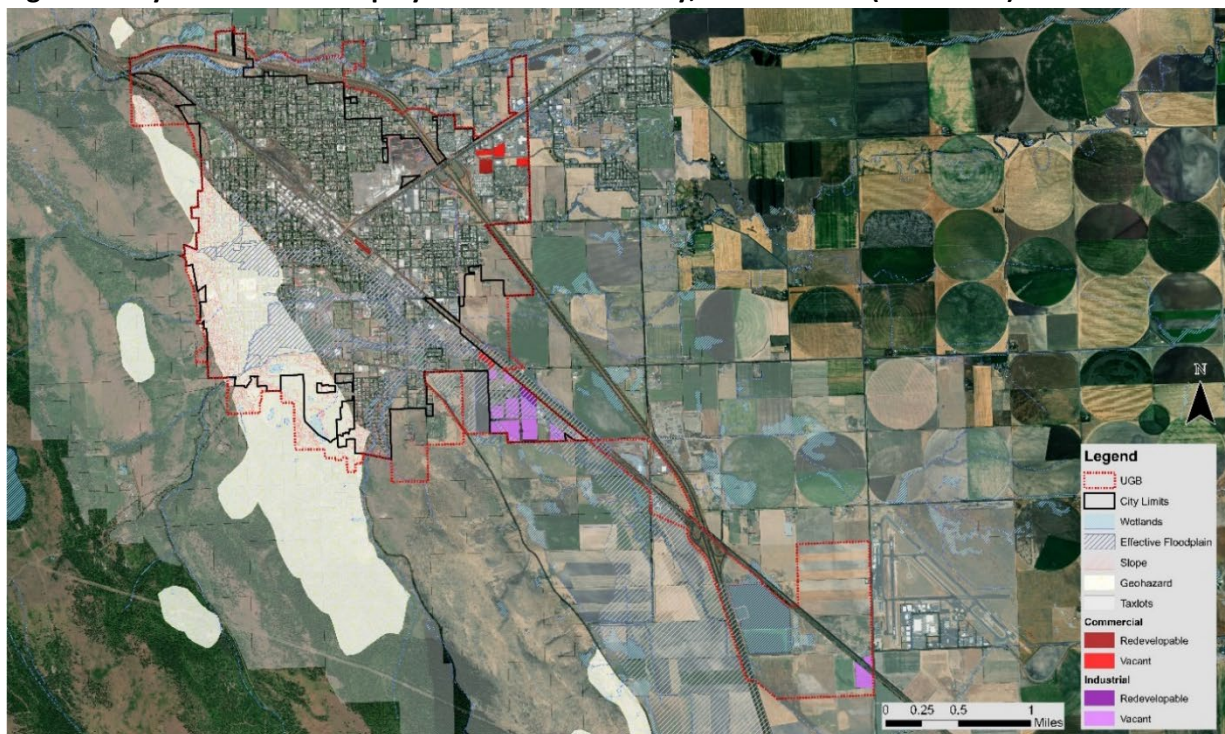
Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 5: City of La Grande Employment Lands Inventory, Large Lots (>10 Acres)



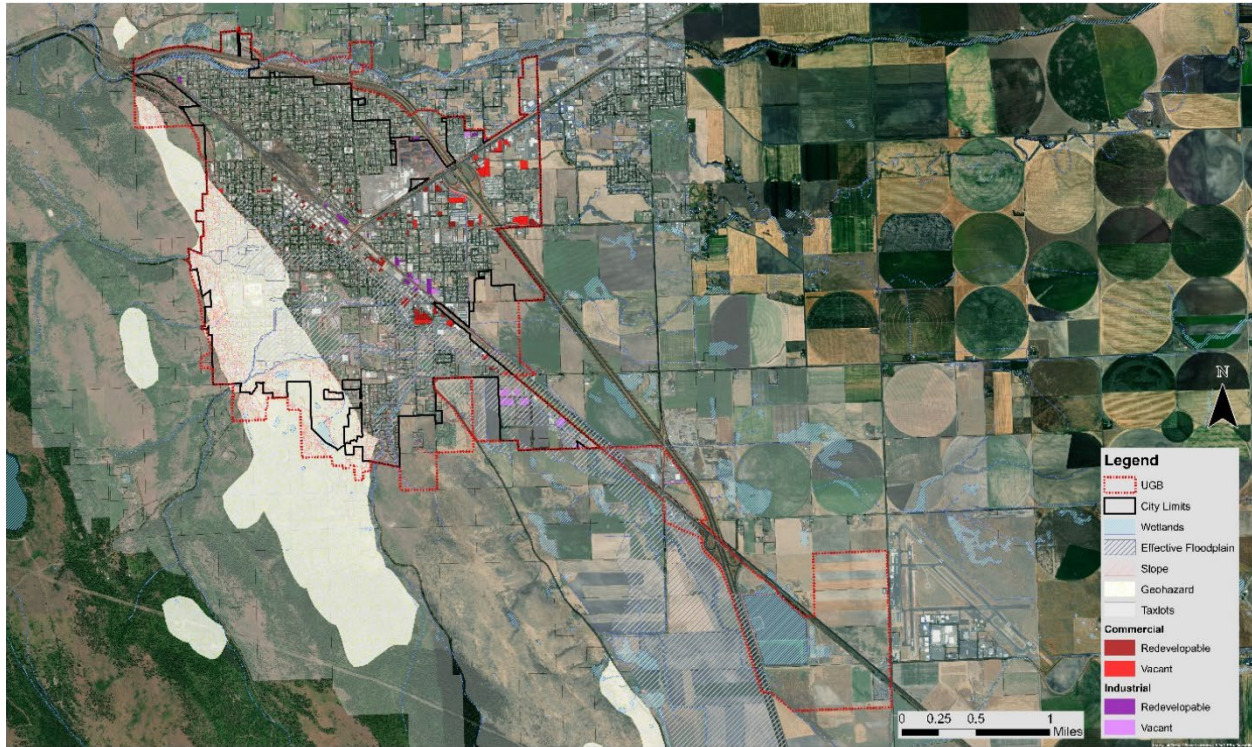
Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 6: City of La Grande Employment Lands Inventory, Medium Lots (2-10 Acres)



Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 7: City of La Grande Employment Lands Inventory, Small Lots (1-2 Acres)



Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Employment Lands Inventory

An inventory of the total employment lands in La Grande has been calculated relying on a combination of Union County Assessor’s Tax Lot data and city-specific GIS data for zoning and development constraints. Analysis conducted by NPS shows that there is a total of 417 acres of commercial land and 460 acres of industrial lands (including developed, redevelopable, and vacant parcels) in La Grande.

As a starting point, our team has presented the underlying zoning and land quantities for employment lands within La Grande. We have also extrapolated from these maps the number of vacant and redevelopable parcels with their acreage for employment lands according to zoning.² Next, our team considered environmental and other constraints on industrial and commercially zoned parcels. This results in narrowing the number of lands available for commercial and industrial use.

Table 2: Total Supply of Available Commercial & Industrial Lands in La Grande

Zone	---Redevelopable---		----Vacant----	
	Lots	Acres	Lots	Acres
Commercial	17	13.3	27	38.9
Industrial	10	38.4	35	224.3
Total	26	51.7	62	263.2

Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Table 3: Total Developed Commercial and Industrial Lands in La Grande

Zone	Lots	Acres
Commercial Developed	798	365.1
Industrial Developed	115	196.9
Total	913	562.0

Source: Nexus Planning Services using map layers from La Grande GIS, 2023

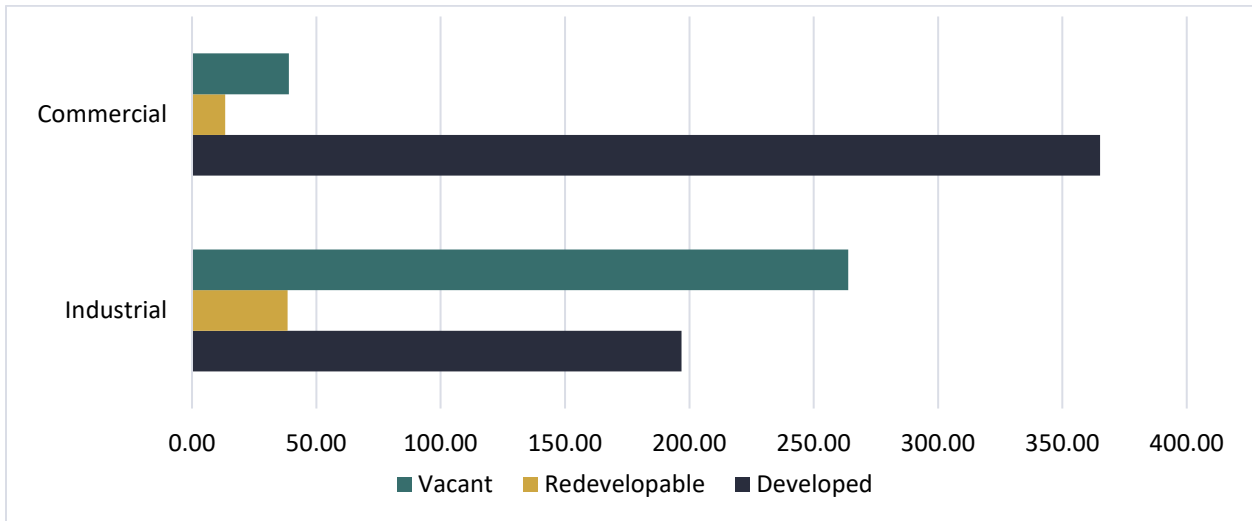
Table 4: Total Developed Commercial and Industrial Lands in La Grande by Zone

Zone	Lots	Acres
<i>Commercial</i>	798	365.1
Central Business (CB)	111	13.2
General Commercial (GC)	519	279.1
Interchange Commercial (IC)	27	22.5
Medical Services (MS)	14	15.6
Residential Professional (R-P)	127	34.7
<i>Industrial</i>	115	196.9
Business Park (BP)	7	10.5
Light Industrial (I-1)	90	45.5
Heavy Industrial (I-2)	18	140.8
Total	913	562.0

Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 8: Acres of Vacant, Redevelopable, and Developed Land in La Grande

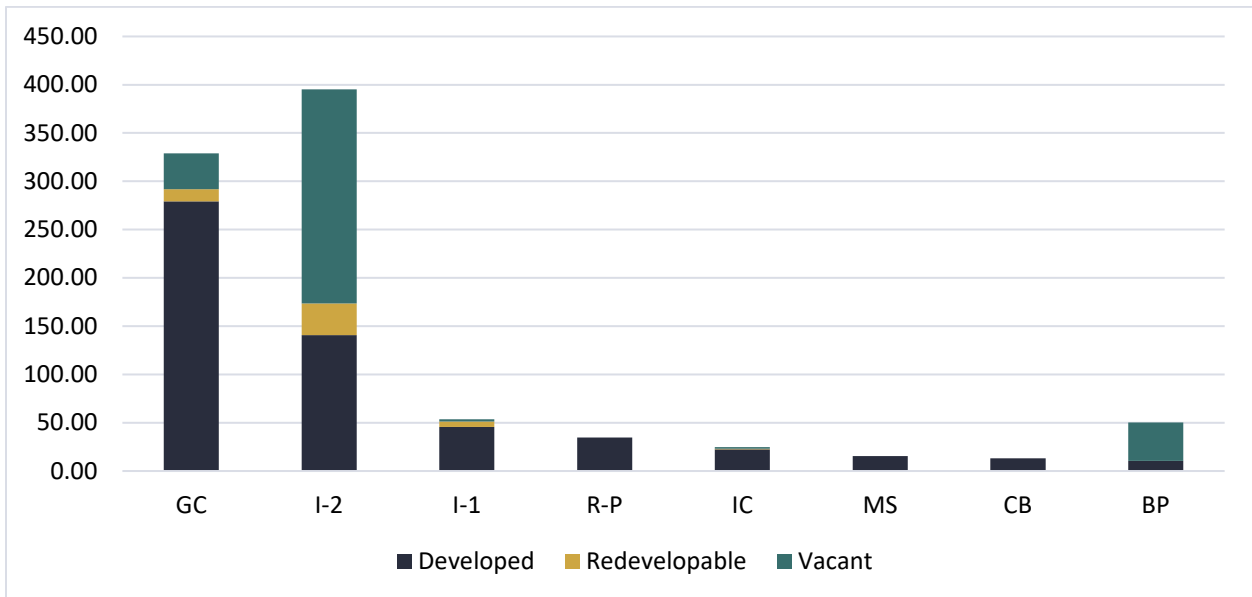
² For reference, Appendix B provides details on the types of businesses permitted by right and by conditional use for each district.



Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Figure 9 details the data shown in Figure 8 by breaking commercial and industrial acres into their respective zoning districts. More information on allowable uses and density standards for the zoning districts is located in Appendix B.

Figure 9: Acres of Vacant, Redevelopable, and Developed Land in La Grande, by Zone

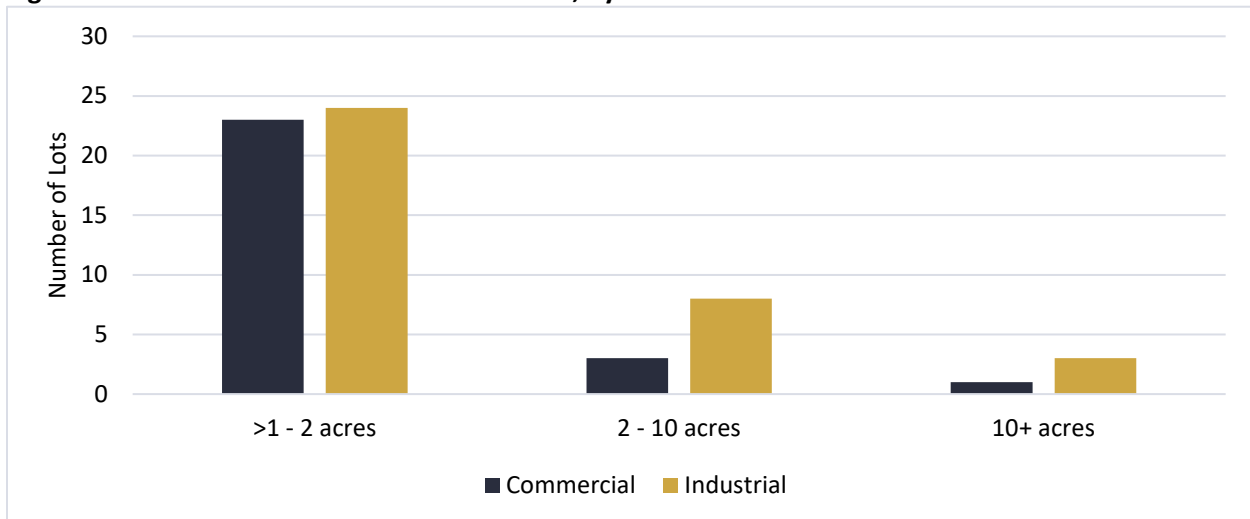


Source: Nexus Planning Services using map layers from La Grande GIS, 2023

Parcel Sizes

The following figures show the number of vacant and redevelopable employment lots by lot size. As Figure 10 shows, most of the unconstrained vacant land in La Grande is found in lots two acres or smaller. There are eleven lots in the two to ten acres range and four lots above ten acres. La Grande does have two lots that are between 75 and 120 acres, both industrial. These particular lots come with other development challenges that are addressed in Chapter 6: Economic Opportunities Assessment.

Figure 10: Number of Vacant Lots in La Grande, by Size



Source: Nexus Planning Services using data from La Grande GIS, 2023

Redevelopable lots are similarly small, but to an even greater extent. All redevelopable lots in La Grande are two acres or less, with the exception of one commercial lot that is between two and ten acres, and one industrial lot that is over ten acres.

Figure 11: Number of Redevelopable Lots in La Grande, by Size



Source: Nexus Planning Services using data from La Grande GIS, 2023

3. Socioeconomic Conditions

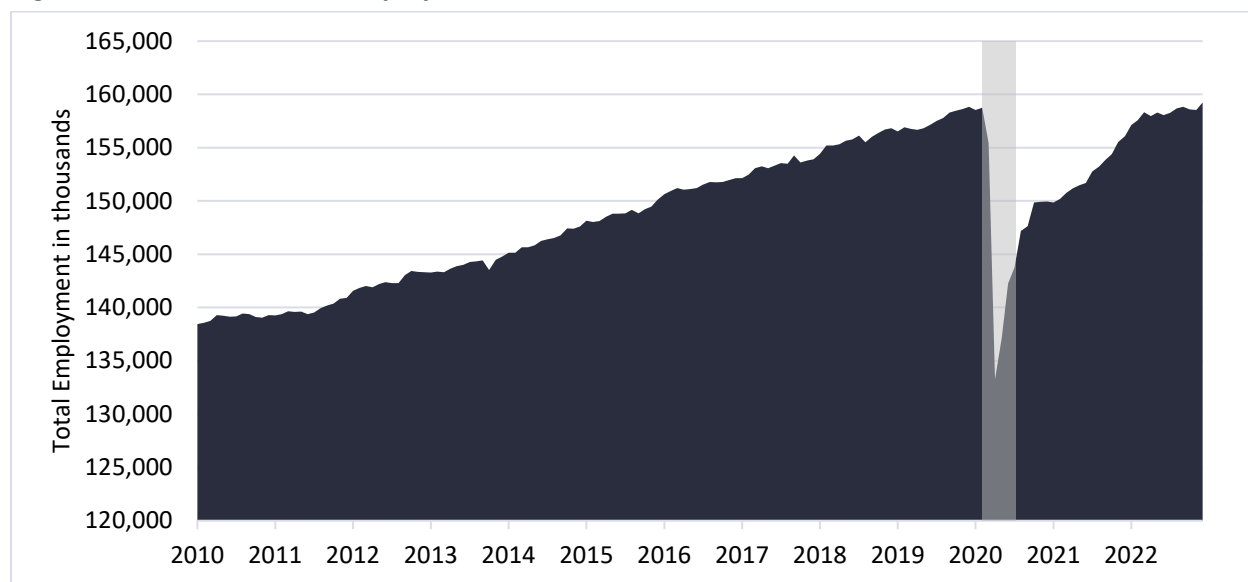
Per requirements of the DLCDC’s Goal 9 framework, the consulting team first addresses the broadest level economic trends affecting the United States and, to some extent, international issues. From there we approach unique aspects to the State of Oregon and finally to La Grande. At certain points we also touch on relevant trends in other neighboring counties in Eastern Oregon (Baker, Grant, Harney, Malheur, Morrow, Umatilla, and Wallowa). At each stage, our focus shifts to particular factors affecting competitiveness and economic opportunities in La Grande.

National Economic Overview

Labor Force Participation, Employment & Unemployment

Employment at the national level saw a steady incline from 2010 until 2020, where it experienced a steep decrease due COVID-induced stay-at-home orders. There was a loss of 9.4 million non-farm jobs in 2020, with the largest impact occurring in industries that necessitate in-person interaction, especially tourism and hospitality.³ The recovery for the overall employment level was swift, however, with certain industries reaching and even exceeding their pre-pandemic levels in 2021.

Figure 12: National Civilian Employment, 2010-2022



Source: US Bureau of Labor Statistics

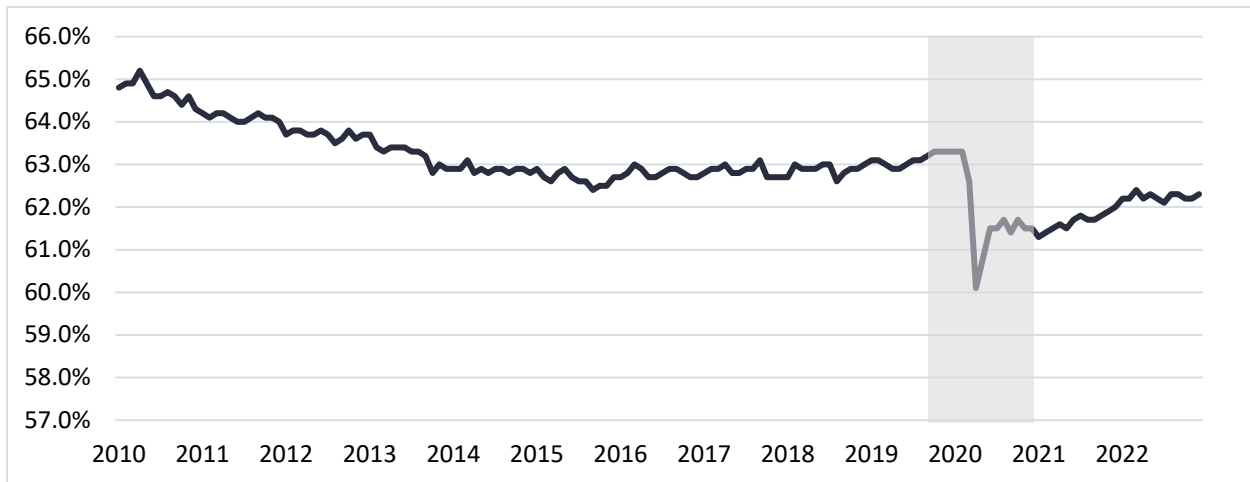
The story for national labor force participation is different, having declined slightly since 2010 (see Figure 13). This decline can partly be explained by a shift in demographics. A larger share of Americans are now reaching retirement age, which means that older workers make up a larger share of the

³ “COVID-19 ends longest employment recovery and expansion in CES history, causing unprecedented job losses in 2020”, Bureau of Labor Statistics.

<https://www.bls.gov/opub/mlr/2021/article/covid-19-ends-longest-employment-expansion-in-ces-history.htm>

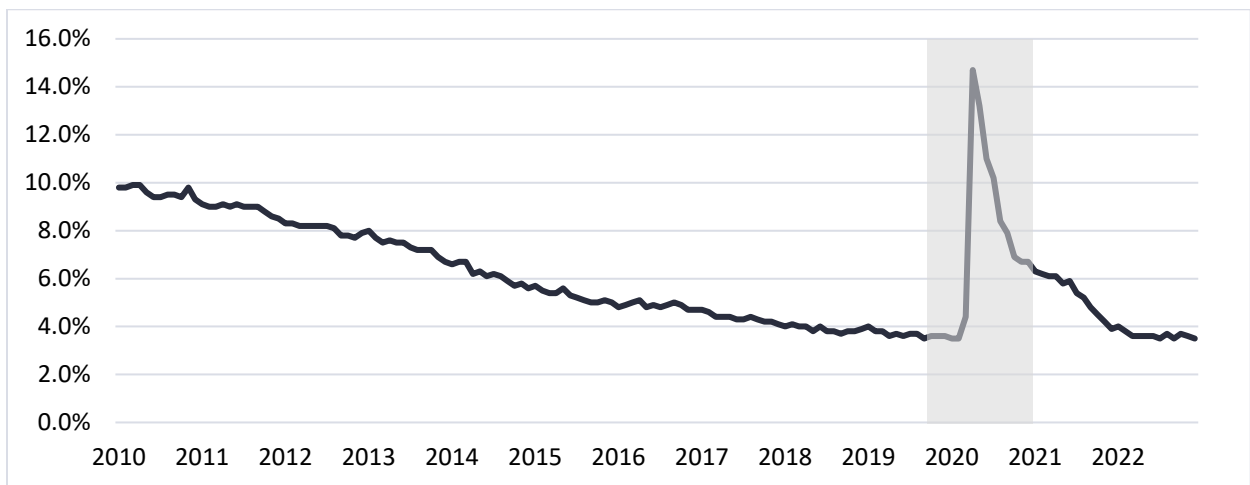
population than they did before.⁴ As these workers gradually leave the labor force, the labor force participation rate shrinks. Though workers aged 25-54 have a high labor force participation rate, it has not been enough to offset the negative effects inflicted by COVID, given it continues to hover below pre-pandemic levels. The trend for the unemployment rate, however, is more positive at the national level, showing a steady decline since 2010 and strong post-COVID recovery — reaching pre-pandemic levels in 2022.⁵

Figure 13: National Labor Force Participation Rate, Seasonally Adjusted, 2010-2022



Source: US Bureau of Labor Statistics, 2022

Figure 14: National Unemployment Rate, Seasonally Adjusted, 2010-2022



Source: US Bureau of Labor Statistics, 2022

⁴ Kreuger, “Where have all the workers gone? An inquiry into the decline of the US labor force participation rate”, 2017.

⁵ “The Employment Situation in July”, The White House, 2022.

<https://www.whitehouse.gov/cea/written-materials/2022/08/05/the-employment-situation-in-july-2/>

Inflation

Inflation is always a factor in the national and international economy, but it is currently playing an outsized role in economic behaviors and expectations. It is important to first define what inflation consists of and the ways it may affect the economy. Inflation is a general increase in the overall price of goods and services in the economy.⁶ A more colloquial definition is “too many dollars chasing too few goods.” Rises in the inflation rate can be spurred on by the Federal Reserve (the Fed) setting interest rates that are too low or by increasing the money supply too rapidly. Other factors may also apply an upward pressure on prices, such as demand exceeding supply for certain goods, or an increase in the costs of production, such as those associated with supply chain interruptions.

There are various versions of inflation which are used by economists and journalists alike. Without getting too far into the details on these various metrics, as of April 2023, 12-month change inflation is 4.9% using the Consumer Price Index (CPI), and 4.4% using Personal Consumption Expenditures (PCE).⁷ The Fed is actively managing inflation with adjustments to the federal funds rate. In May 2023, the Fed announced that they were raising the federal funds rate from 5% to 5.25%. At the same time, they also raised the primary credit rate (discount rate) from 5% to 5.25%.⁸ All told, the Fed anticipates inflation being several points above average for the majority of 2023. If they achieve their aims, however, they anticipate bringing inflation back to the traditional sub-3.0% level by 2024.

These factors are particularly important for residents of Union County, which tends to be lower income than other areas of the state. Lower-income households are more affected by inflation simply because they spend a higher proportion of their income on consumption (as opposed to investment or savings). The longer-term inflation anticipated by the Fed will put a damper on investment and spending in Union County, which most economists expect to be lifted by 2024.

International Issues & Supply Chain

While supply chain and international issues can seem far afield, global, and national economic problems do affect day-to-day life in La Grande. Supply chain issues can cause higher costs, which are passed on to customers. Furthermore, industries like manufacturing suffer when international exports become more expensive. As such, these issues warrant mention in this report.

Towards the end of 2019 and into 2020, the U.S. struggled in trade due to unprecedented social restrictions, changes or losses in the workforce, and disruptions in the supply chain that created a worldwide recession with hindered trade flows. U.S. imports at this time dropped from \$3 trillion to \$2.9 trillion, and exports fell from \$2.5 trillion to \$2.4 trillion. As shown in Figure 15, there was a major decline seen in the second quarter of 2020. Imports fell to \$2.3 trillion, and exports to \$1.8 trillion. This was the largest drop on record of exports in the U.S., which led to the highest trade deficit in the last

⁶ The Federal Reserve, “What is inflation and how does the Federal Reserve evaluate changes in the rate of inflation?” https://www.federalreserve.gov/faqs/economy_14419.htm

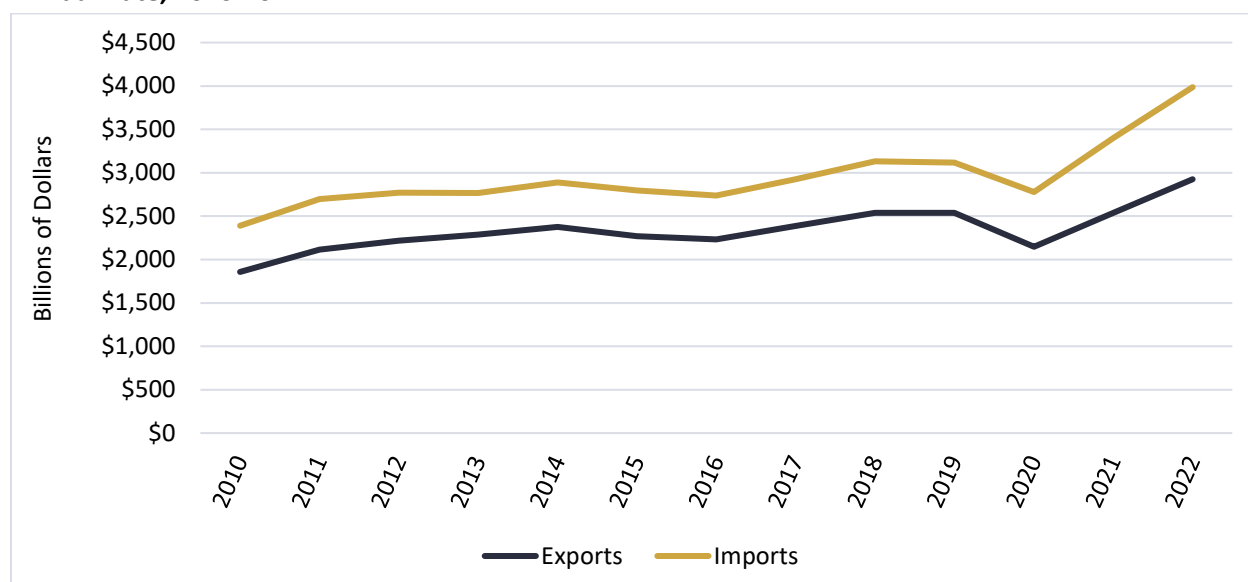
⁷ CPI uses a “basket of goods” approach which is more subject to price spikes. Arguably the PCE method is more accurate when projecting specific households’ budgets as it permits the possibility substitutionary goods to manage household cost increase.

⁸ The Federal Reserve, “Minutes of the Board’s discount rate meetings from April 10 through May 3, 2023”, <https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20230530a1.pdf>

12 years. Going into 2021, both imports and exports are rising exponentially, and surpassing 2019 numbers by the second quarter.


U.S. imports and exports can be impacted positively or negatively when the dollar's exchange rate increases or decreases. Some examples of this may be how imports become more expensive, or how exports become less expensive to other countries when the dollar's exchange rate decreases. The dollar's exchange rate decreases when the U.S. experiences inflation. Currently, the U.S. is experiencing inflation as the CPI is 4.9% higher now than it was a year ago, which is a few percentage points higher than the Federal Reserve's target rate. The exchange rate is how much one country's currency is worth relative to another country's currency. Inflation in the U.S. impacts how much the dollar is worth relative to other countries' currencies by making the dollar less valuable. Inflation has caused the dollar's exchange rate to decrease, directly impacting imports by making them more expensive. The U.S. must spend more in order to export goods from other countries. Inflation levels above the Federal Reserve's target rate are likely to persist into 2024 at least, due to the Federal Reserve's commitment to gradual interest rate increases to avoid recession.

Figure 15: Prices of Imports & Exports of Goods and Services in U.S. in the Billions, Seasonally Adjusted Annual Rate, 2010-2022



Source: U.S. Bureau of Economic Analysis

When exchange rates increase or decrease, specific industries will be impacted, such as manufacturing and retail trade. The largest industry of employment for Union County is health care & social assistance, followed by manufacturing and retail trade. Both manufacturing and retail trade will be negatively impacted by the change in the dollar's exchange rate. The dollar is becoming less valuable, thus importing will become more expensive for firms to purchase needed components from other countries. Due to the changes in the exchange rate, consumers in Union County will likely be impacted by experiencing higher prices from firms, in industries such as manufacturing and retail trade.



In more recent times, there have been positive improvements to ongoing supply chain challenges, such as progress in available freight capacity, decline in freight costs, softening in commodity prices, stabilized port operations, and container costs that are catching up to pre-pandemic levels. However, challenges are ongoing such as some seen in China with the rise of COVID-19 cases causing manufacturing plants to be temporarily shut down, and the continuing demand of crude oil.⁹ Issues with crude oil are also seen between The European Union and Russia, who are anticipated to ban crude imports to Russia in retaliation to the invasion of Ukraine (2022-present, as of mid-2023). The United States, along with the London Metal Exchange (LME), are still in process of evaluating the ban on Russian aluminum, which has significant impacts on global prices and availability. The U.S.'s East and Gulf Coast ports have recently expanded their lead in terms of share over the West Coast, which has been highly impacted by the decline in container imports from China. The West Coast ports' share of imports have dropped to 36.4% from the previous 37.0%.¹⁰ Global supply chain issues such as these, though seemingly remote from La Grande, nevertheless exert an influence on employment and earnings in the area.

Recession Expectations

The COVID-19 pandemic and the associated safety measures taken to help prevent the spread of the virus caused a severe reduction in economic activity in 2020 and 2021. In consequence, a combination of supply chain issues, economic relief measures, and pent-up consumer demand spurred inflation rates that have since hit 40-year highs in 2022.¹¹ This, in turn, has led the Fed to raise interest rates and to sustain those hikes — raising rates seven times in 2022. As of June 1, rates have been raised three times in 2023. Many economists anticipate a mild recession to begin later in 2023. In February 2023, the National Association for Business Economics released a survey for economists regarding their recession expectations, and the majority of respondents envisioned a recession sometime in 2023. The survey shows that 21% of respondents predict that recession to begin in the July-September quarter. However, economic indicators such as inflation, the labor market, and interest rates are all sending different signals, causing opinions to range from recession to robust growth in the economy. Historically, the Federal Reserve has never managed to avoid recession when raising interest rates, as it has continued to do through May of 2023.¹²

Political & Regulatory Landscape

Land Use & DLCD Priorities

The DLCD Land Use Planning has established 19 main planning goals for the State of Oregon. Each of the 19 goals address the process of local land use planning, steer the State's resource prevention, provides

⁹ Krimil, "Updated 11.22.2022 - Impacts on Global Supply Chain Logistics," Border States News, November 21, 2022, <https://content.borderstates.com/news/coronavirus-impacts-on-global-supply-chain/>.

¹⁰ Schuler, Mike. "Falling U.S. Container Imports from China Hit West Coast Ports in October -Report." Captain, November 7, 2022. <https://gcaptain.com/falling-u-s-imports-from-china-hits-west-coast-container-ports-in-october-report/>.

¹¹ Alyssa Fowers, "What is causing inflation: The factors driving prices high each month", The Washington Post, 2022. <https://www.washingtonpost.com/business/2022/07/26/inflation-causes/>

¹² CBS News, "U.S. recession expected to start later than previously predicted," <https://www.cbsnews.com/news/us-recession-nabe-forecast-survey-business-economists-push-back/>

guidance in urban development, and directs cities and counties that may need to plan for coastal assets. All of which are addressed through local comprehensive plans and reports and must be consistent with the outlined Planning Goals. Implementation of zoning code changes and adoptions must be consistent with each as well. Cities and counties are obliged to submit land use assessments to the DLCD.

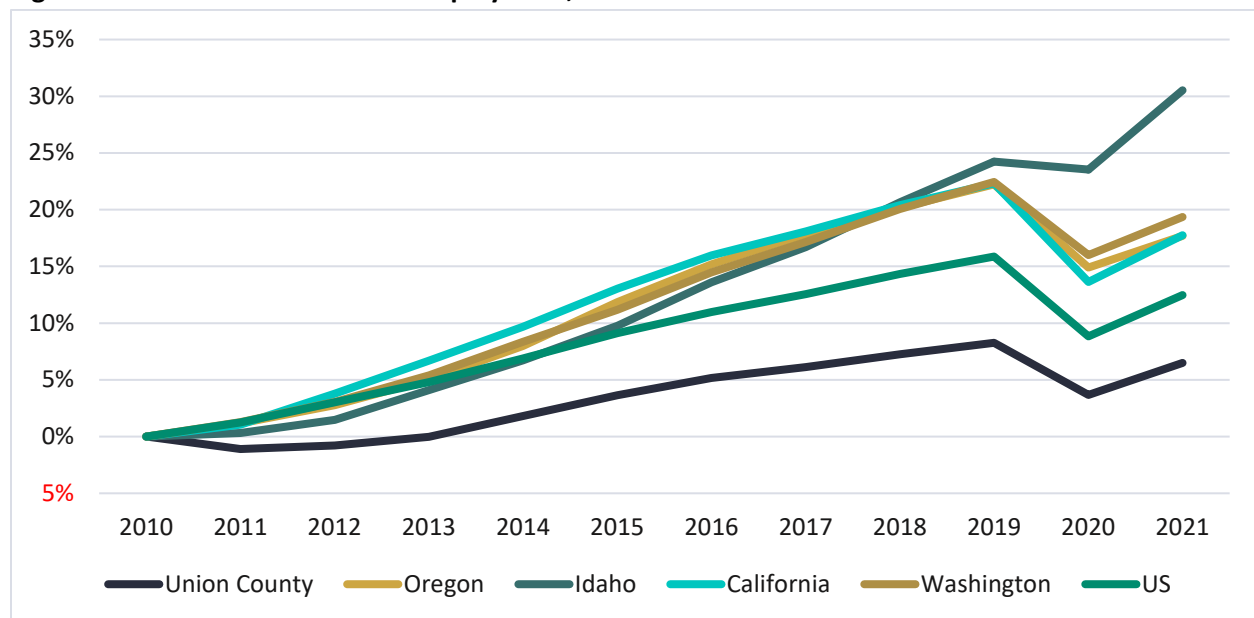
Specific goals such as Goal 3 (Agricultural Lands), Goal 4 (Forest Lands), Goal 9 (Economic Development), Goal 14 (Urbanization) narrow in on specific land types, current use, potential use, and future strategies and targets for each.

Regional Economic Overview

Trends in Employment, Income and Business Establishments

While growth in employment in Union County is the lowest of all areas of comparison, it has increased over the past decade. Union County has not shown negative growth in employment since 2013, despite the pandemic dip in 2020. Furthermore, 2021 showed a promising return towards pre-pandemic trends.

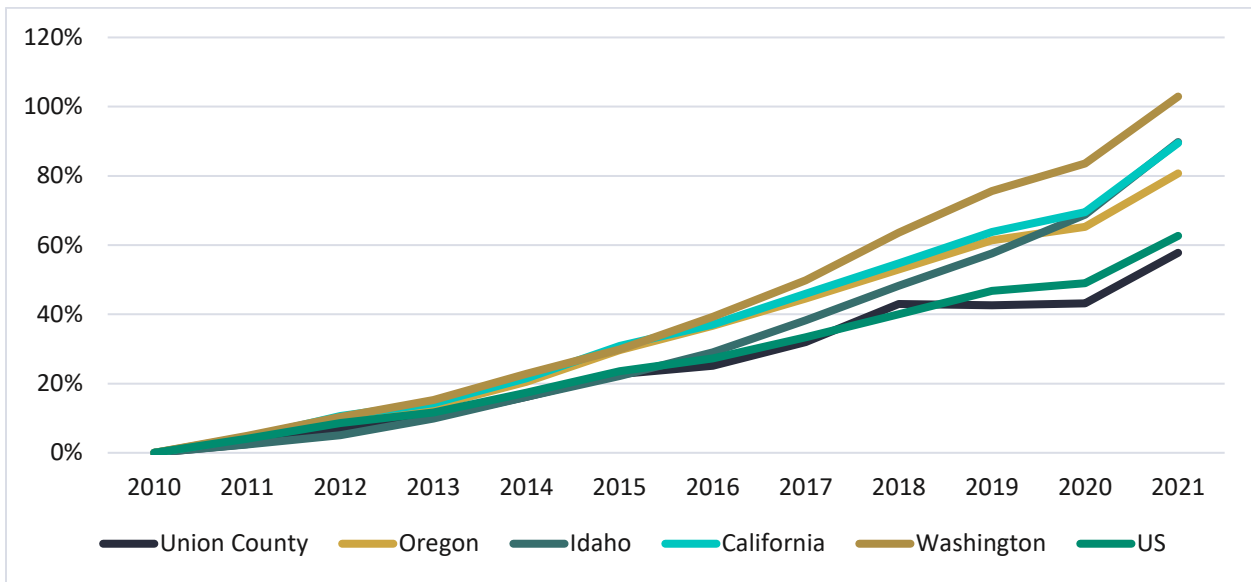
Figure 16: Cumulative Growth in Employment, 2010-2021



Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2021

Wage growth trends in Union County are comparable to those of the US. Given its more rural location, it is not surprising that the County has a lower growth rate for wages than the rest of the state.

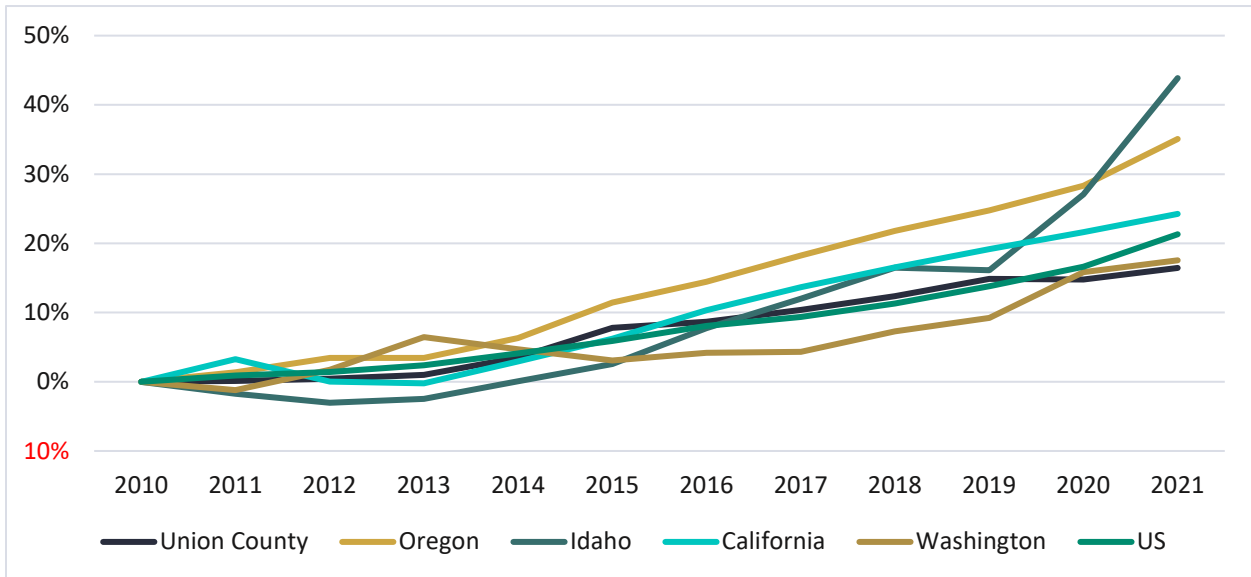
Figure 17: Cumulative Growth in Wages, 2010-2021



Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2021

The growth in establishments—meaning physical locations such as stores, factories, and offices—tells a different story. Not only does Union County keep pace with US trends, but it also exceeds certain areas in growth. Furthermore, 2020 did not see a significant decrease in growth of establishments.

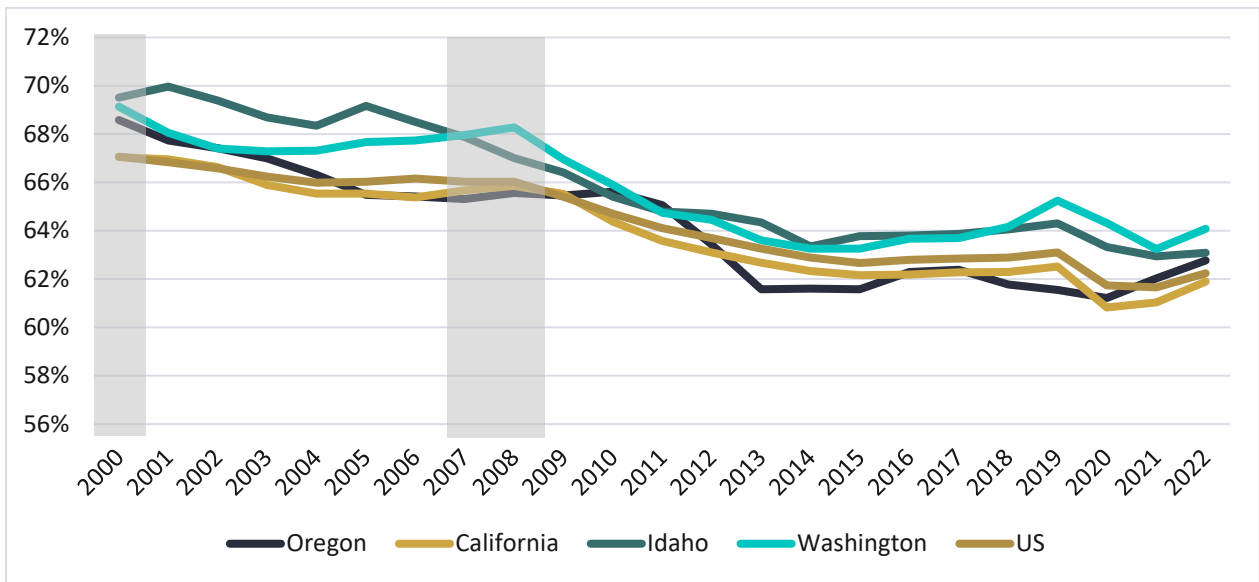
Figure 18: Cumulative Growth in Establishments, 2010-2021



Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2021

Labor force participation has been on a decline across the United States for over twenty years now. Oregon has been hit harder than some other states, with over a 5% decrease in the past twenty years.

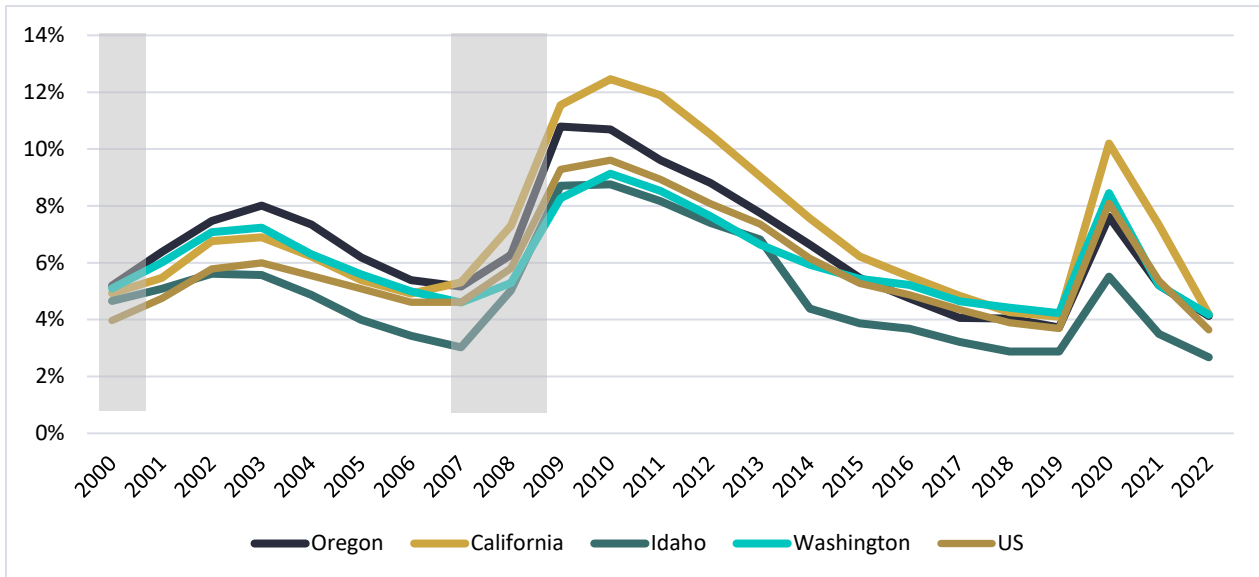
Figure 19: Labor Force Participation over Time, 2000-2022



Source: Bureau of Labor Statistics, 2022

The unemployment rate has been more turbulent. Typically, unemployment rates spike following recessions, as shown in 2009 in Figure 20. While there was a spike in unemployment in 2020, 2022 ushered in some of Oregon’s lowest unemployment rates in the past two decades.

Figure 20: Unemployment Rate (Annual Average) over Time, 2000-2022

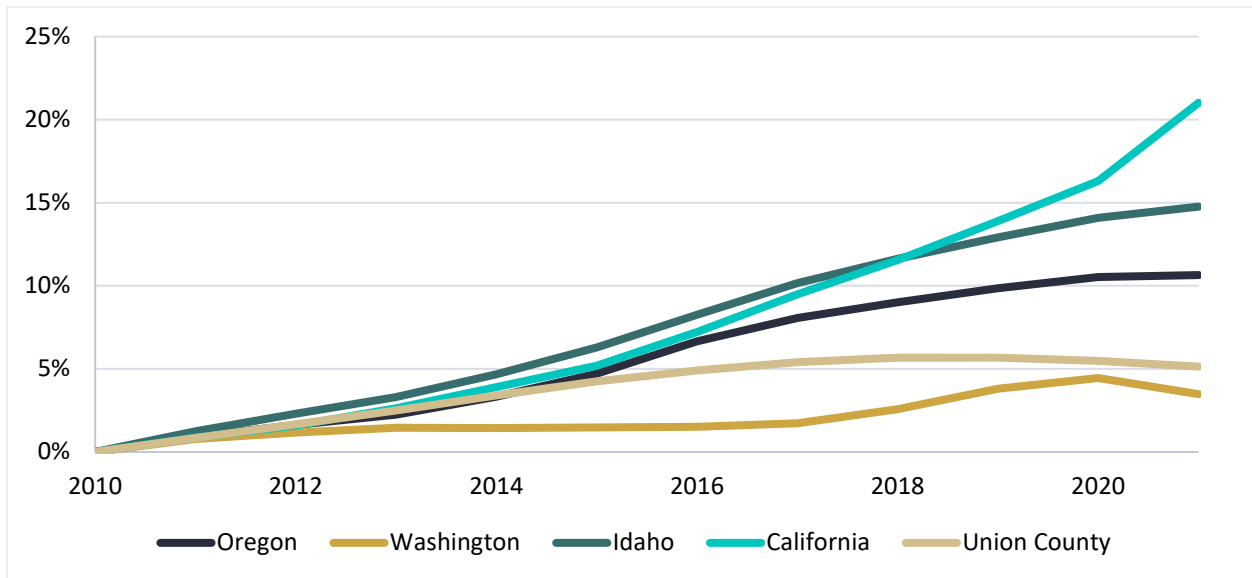


Source: Bureau of Labor Statistics, 2022

Migration & Population Change

While Union County has not quite kept pace with the state of Oregon in terms of growth, it has grown steadily over the past decade. There was a slight population downturn in 2020, in line with the slight leveling in population growth that happened across the state of Oregon during the pandemic years.

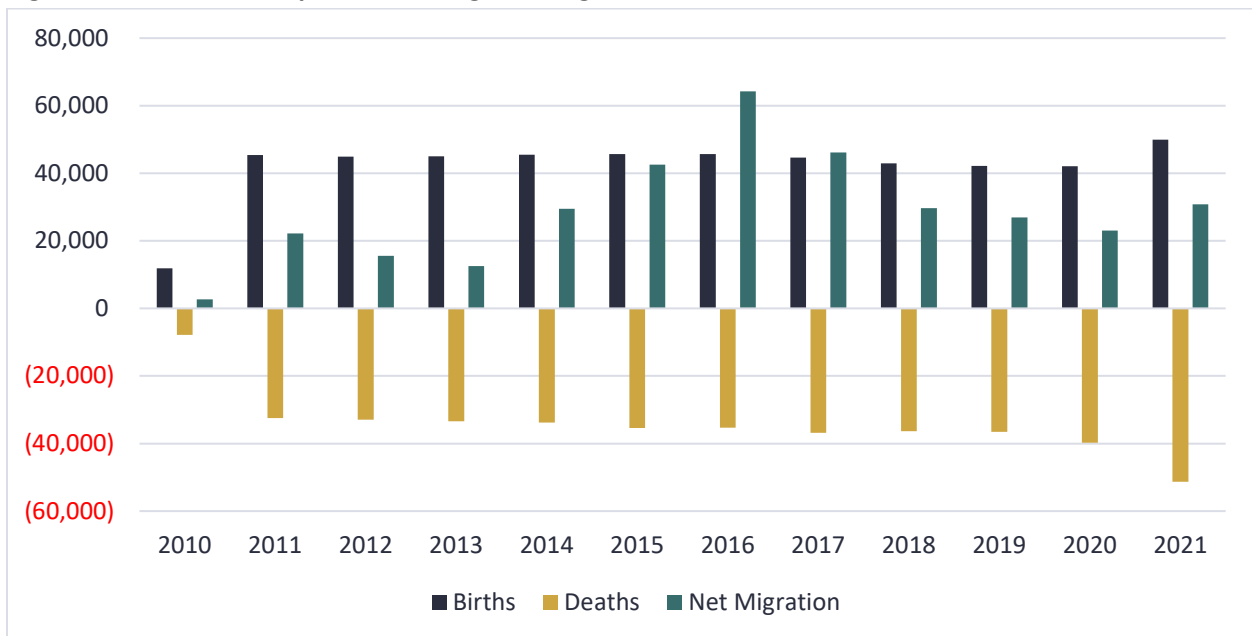
Figure 21: State and Regional Population Change, 2010-2021



Source: US Census Bureau, 2021

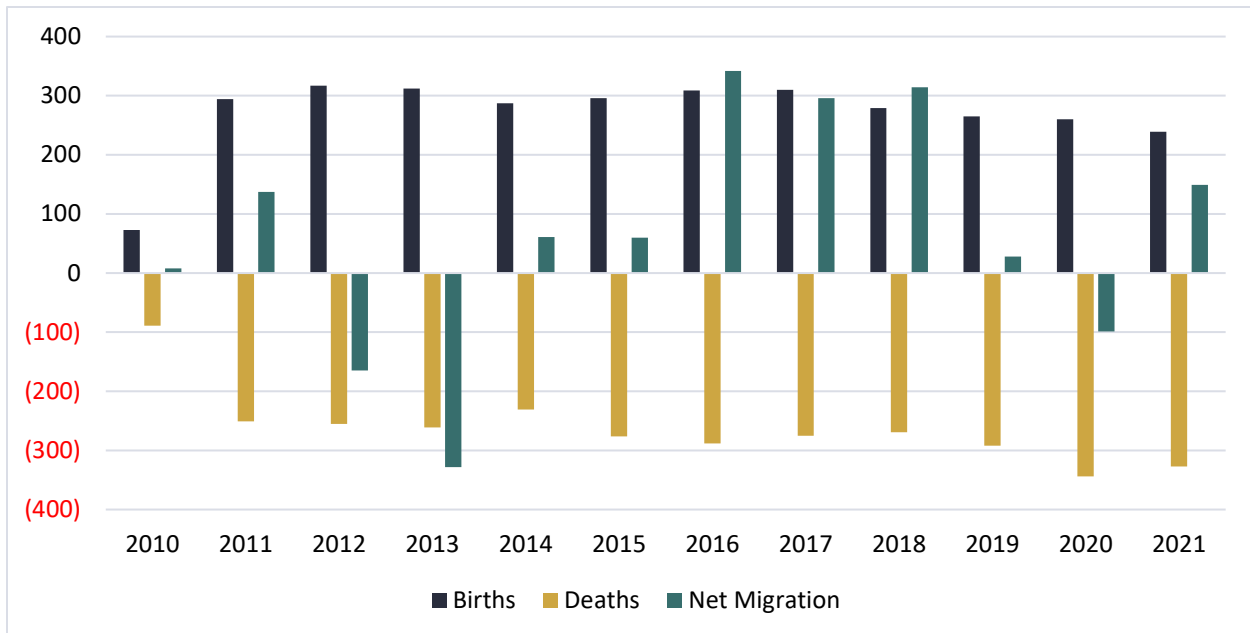
Interestingly, except for 2016 and 2017, most of Oregon’s growth in the past decade was driven by births and not migration.

Figure 22: Sources of Population Change in Oregon, 2010-2021



Source: US Census Bureau, Population and Housing Unit Estimates, 2021

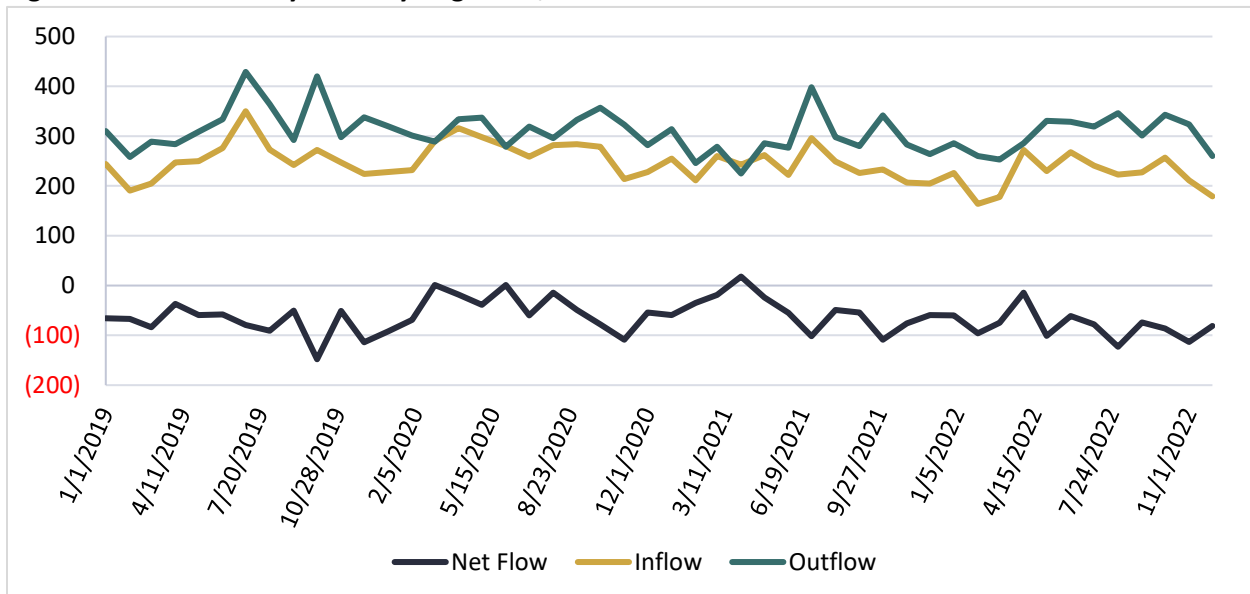
Figure 23: Sources of Population Change in Union County, 2010-2021



Source: US Census Bureau, Population and Housing Unit Estimates, 2021

Figure 24 presents data from Unacast, a technology company that tracks the movement of devices (i.e., mobile phones, tablets, etc.) These data are imperfect and experimental, but they do have the advantage of telling the right-now story without the lag effect that comes with data from the US government. The Unacast data are also cleaned and normalized such that short-term relocations (vacations, etc.) are not counted as migratory changes.

Figure 24: Union County Monthly Migration, 2019-2022



Source: Unacast Monthly Migration Trend Data, 2022

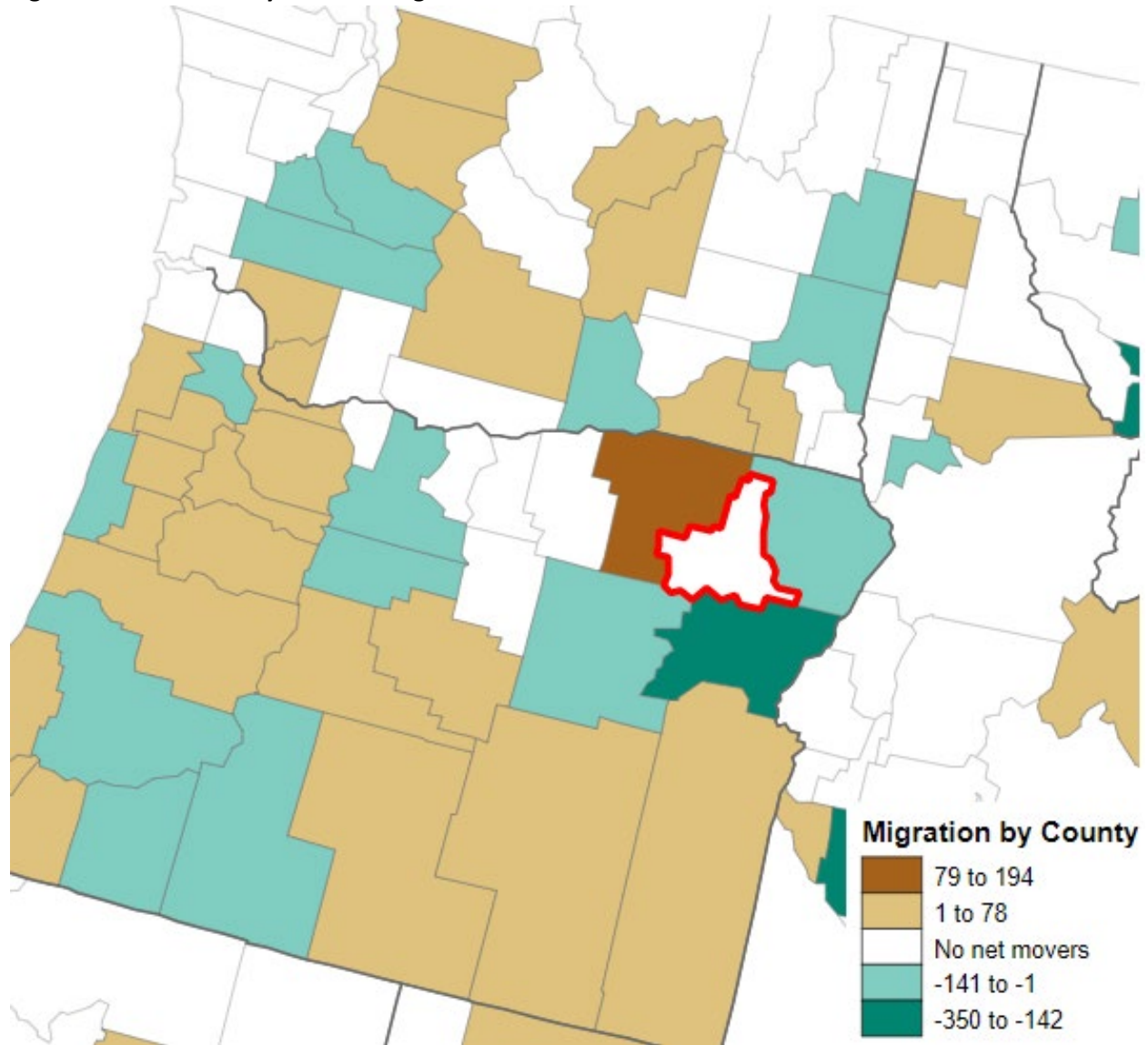
People are mostly moving into Union County from the Northwestern United States, Oregon, California, and Washington. The two notable exceptions are Montgomery County, Texas (just outside of Houston) and Onondaga County, NY (home to Syracuse). Those moving out of Union County are either: moving in-state; following national trends and moving north and east to Idaho, Washington, and Montana; or moving to warmer climates like California, Hawaii, and Florida. Notably, the two largest destinations for those moving out of La Grande are bigger cities in the Inland Northwest, Boise (Ada County) and Missoula (Missoula County).

Table 5: Union County Top In & Out Migration Counties, 2016-2020

Positive Net Migration From		Negative Net Migration to	
Umatilla County, OR	+194	Ada County, ID	(350)
Sonoma County, CA	+78	Missoula County, MT	(179)
Los Angeles County, CA	+71	Baker County, OR	(142)
Montgomery County, TX	+56	Palm Beach County, FL	(111)
Shasta County, CA	+49	Gooding County, ID	(63)
Coos County, OR	+46	Yuba County, CA	(48)
Grant County, WA	+45	Klamath County, OR	(40)
Lane County, OR	+41	Spokane County, WA	(40)
Yamhill County, OR	+41	Benton County, WA	(33)
Onondaga County, NY	+39	Hawaii County, HI	(27)

Source: United States Census Flow Mapper, 2016-2020

Figure 25: Union County In & Out Migration Trends



Source: United States Census Flow Mapper, 2016-2020

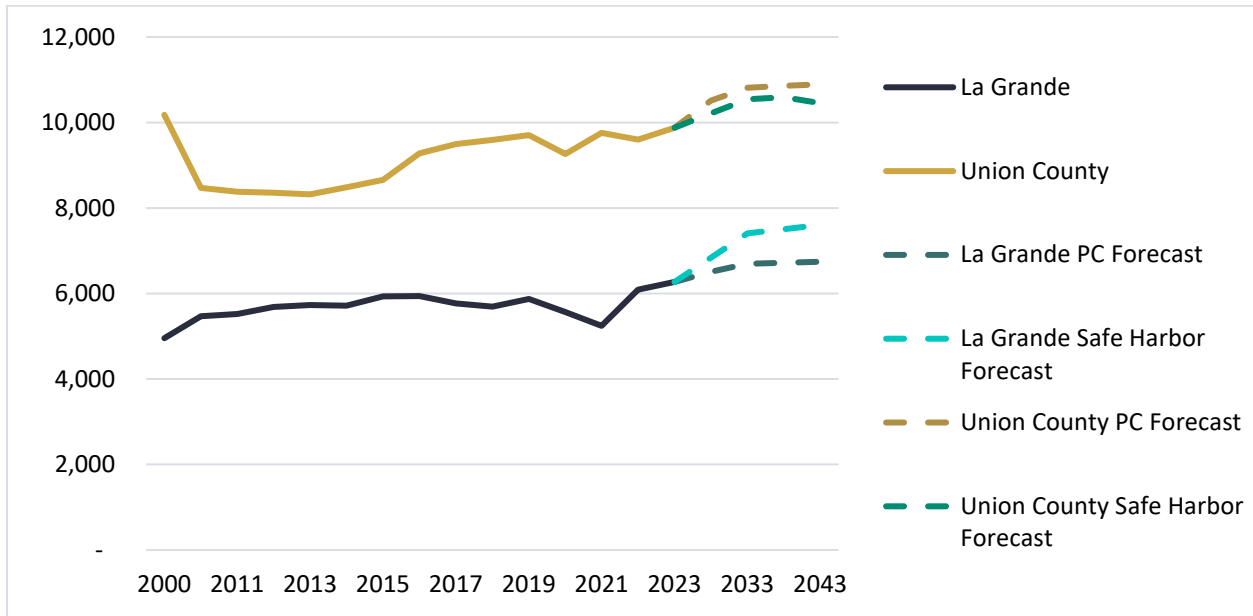
Union County & La Grande Socioeconomic Trends

Population Overview

The population overviews and calculations utilized by the consulting team in this study are from a combination of sources including the federal government, state government, and local sources. All users of this information should be aware that no single data source is perfectly accurate, especially in areas of smaller populations. The solution for this problem is to present these data sources in layers, with the awareness that they may not always concur with one another. Though we make customized adjustments to these estimates when producing our industrial lands analysis, it is important to see the unmodified data straight from the source before making such adjustments.

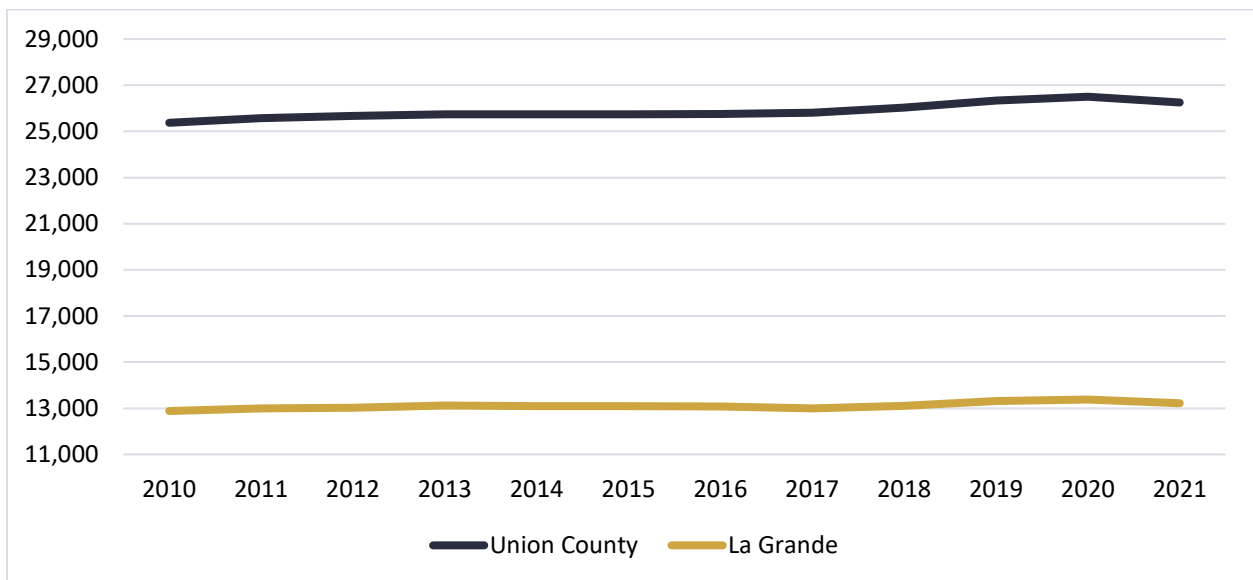
While the population of La Grande did not change significantly between 2010 and 2022, it did see some comparable rates of average annual growth to Union County and the state (0.2%). However, in the long term, La Grande’s average annual growth rate is projected to be slightly higher (0.3%) — surpassing the county rate, while trailing the growth rates at the state and national levels over the next 28 years.

Figure 26: Population Forecast Comparison



Source: Points Consulting using US Census Bureau, Esri Business Analyst, and PSU, 2023

Figure 27: La Grande Historic Population Change, 2010-2021



Source: US Census Bureau, 2021

Table 6: Population Change 2010-2021

Area	2010 Pop	2022 Pop	2050 Fore-casted Pop	'10-'22 Change	'10-'22 % CAGR ¹³	'22-'50 Change	'22-'50 % CAGR
La Grande	13,095	13,404	14,671	309	0.2%	1,267	0.3%
Union County	25,748	26,673	27,866	925	0.2%	1,193	0.2%
Oregon	3.8M	4.3M	5.6M	0.5M	0.2%	1.3M	0.9%
US	308.7M	334.0M	389.0M	25.3M	0.3%	55M	0.5%

Source: Portland State University, Population Research Center, 2021

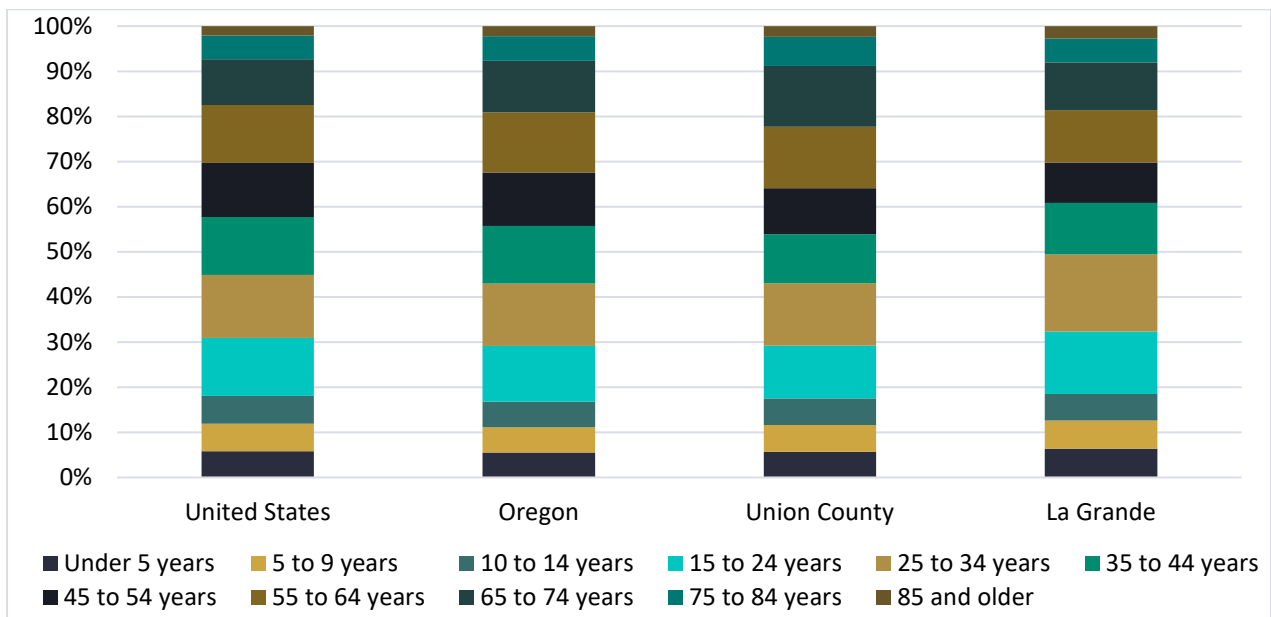
Table 7: Population Growth Over Time

Region	CAGR Past 9 Years	CAGR Past 4 Years	2021 Population	CAGR Next 4- yrs	CAGR Next 9- yrs
La Grande	0.19%	0.41%	13,212	1.73%	0.86%
Union County	0.29%	0.43%	26,255	0.42%	0.30%
Oregon	1.03%	0.59%	4.3M	1.46%	1.18%
US	0.70%	0.47%	337.1M	1.87%	1.32%

Source: Portland State University, Population Research Center, and Oregon Department of Administrative Services

La Grande has a higher percentage of 15-24 and 25–34 year-olds than any of the other areas of comparison, likely due to Eastern Oregon University’s presence in the city. While the under-15 population is roughly the same as the other areas of comparison, the 35+ year-old population is smaller in all categories. The 85+ group, however, is largest in La Grande.

Figure 28: Population by Age



Source: ESRI Business Analyst, 2022

¹³ Note: CAGR stands for Compound Annual Growth Rate, a common way of measuring change over time.

La Grande and Union County are majority-white, with the second largest ethnic groups being other races and two or more races, respectively. Not much will change with these demographics in Union County in the next five years. However, La Grande is projected to see growth in individuals of two or more races.

Table 8: Race and Ethnicity Comparison, 2022

Region	White	Black or African American	American Indian and Alaskan Native	Asian	Native Hawaiian and Other Pacific Islander	Some other race	Two or more races	Hispanic or Latino
La Grande	83.0%	0.9%	1.0%	1.1%	3.3%	8.1%	2.5%	6.4%
Union County	85.6%	0.6%	0.9%	0.8%	2.0%	1.8%	8.2%	5.2%
Oregon	74.3%	2.0%	1.5%	4.7%	0.5%	6.3%	10.8%	14.0%
United States	61.0%	12.4%	1.1%	6.1%	0.2%	8.6%	10.6%	19.0%

Source: ESRI Business Analyst, 2022

Table 9: Race and Ethnicity Projection, 2027

Region	White	Black or African American	American Indian, Alaska Native	Asian	Native Hawaiian, Other Pacific Islanders	Some other race	Two or more races	Hispanic or Latino
La Grande	83.0%	0.9%	1.0%	1.1%	3.3%	2.1%	8.5%	6.4%
Union County	85.6%	0.6%	0.9%	0.8%	2.0%	1.8%	8.2%	5.2%
Oregon	72.8%	2.0%	1.5%	4.9%	0.5%	6.5%	11.8%	14.2%
United States	59.5%	12.3%	1.2%	6.4%	0.2%	8.9%	11.5%	19.4%

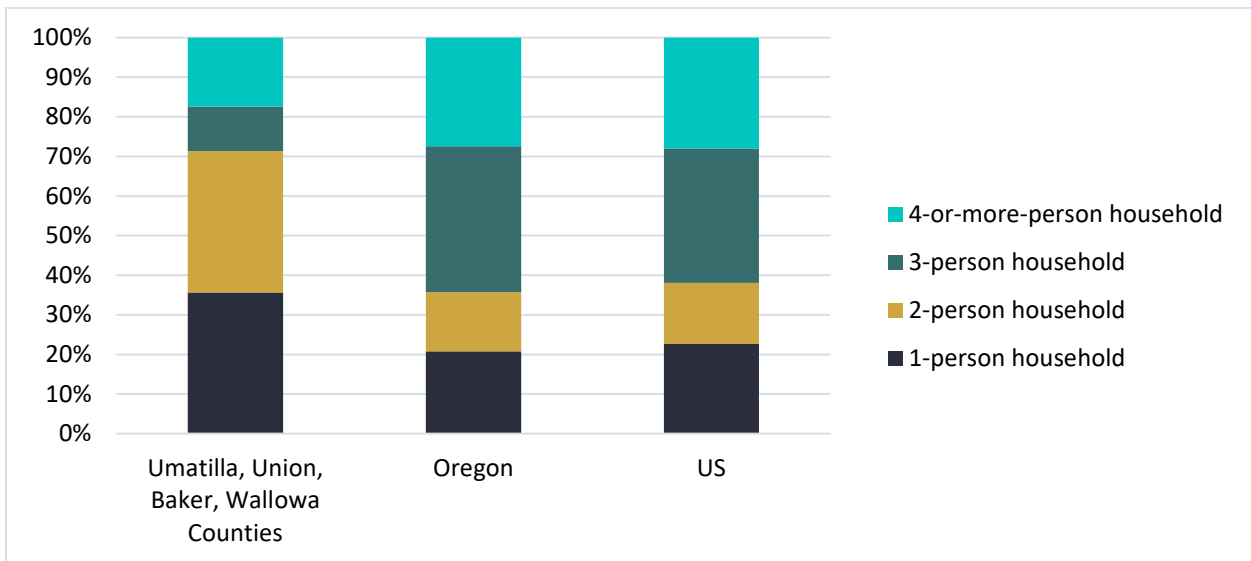
Source: Esri Business Analyst, 2022

Household Characteristics

Sometimes, the data are not available as specifically as needed. For this section, the consulting team used Public Use Microdata Sample (PUMS) data from the American Community Survey to analyze household characteristics of the region. Since data was not available for Union County alone, the consulting team used data at the most granular level they could source — Umatilla, Union, Baker, and Wallowa counties aggregated (the UUWB region). Given the demographic similarities between the counties, the data should still lend valuable insights into households in and around Union County.

The UUWB region shows significant differences in the composition of households between Oregon and the US. The UUWB region has a much larger percentage of one and two person households than either Oregon or the US. Perhaps the biggest difference is three person households in the region as compared to the greater areas. Although, there is still a significantly smaller population of four or more person households in the UUWB than in the other areas.

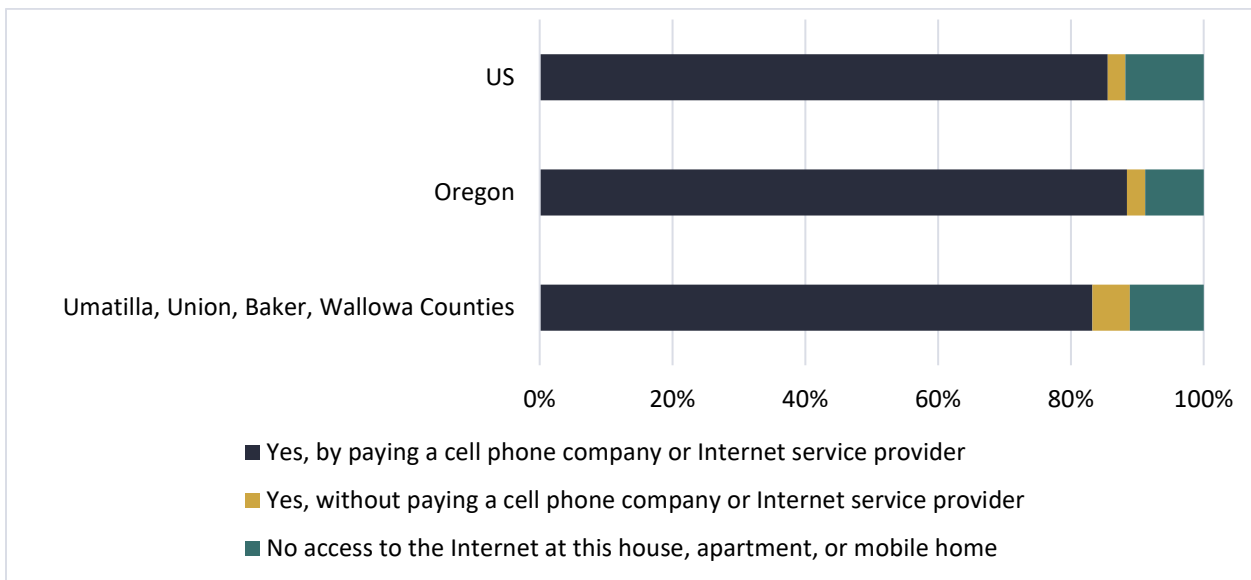
Figure 29: Composition of Households



Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

With 11.1% of households without home access to the internet, the UUWB has more access to internet than the US average (11.8%), but less access than the state of Oregon (8.8%). Surprisingly, about twice as many households have free access to the internet in the UUWB than both the US and Oregon (5.6%).

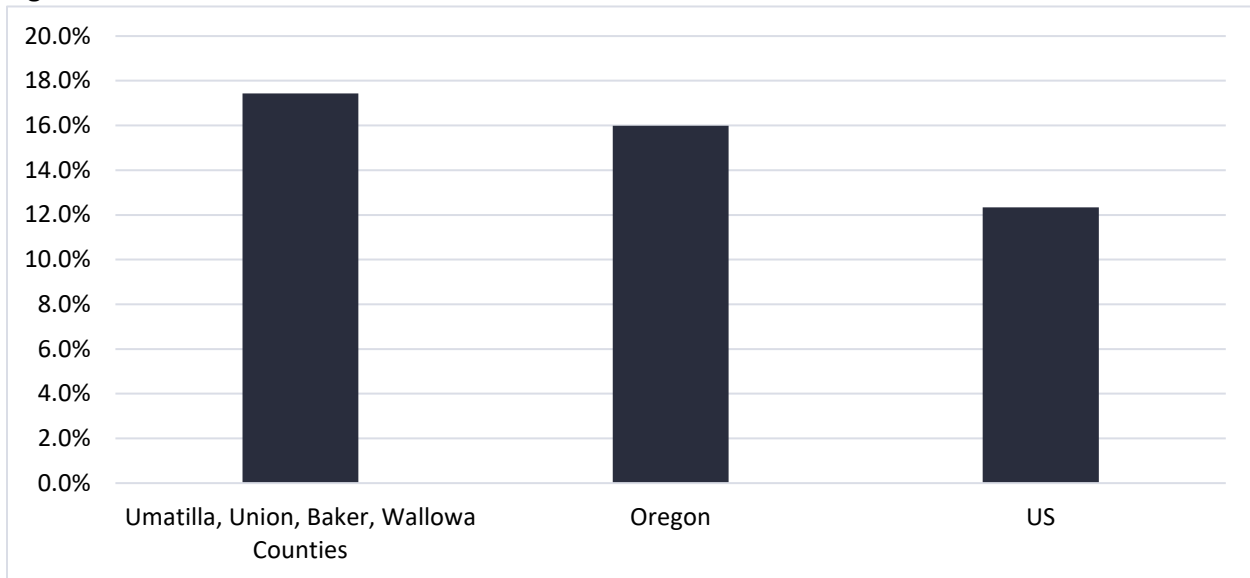
Figure 30: Internet Access



Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

A greater percentage of households in the UUWB receive SNAP benefits than in Oregon and the United States. While 17.4% of households are on SNAP in the UUWB, Oregon has 16% and the US, 12.3%.

Figure 31: SNAP Benefits



Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

Employment, Earnings, and Establishment Trends

A location quotient (LQ) is a ratio that compares the concentration of a specific industry's employment in a particular area to the national level. It provides a metric for evaluating the prevalence of jobs in a region for a given industry, relative to the same industry across the entire United States (1.0).

Oregon has a very high concentration of businesses in the agriculture, forestry, and fishing sectors. Retail, and accommodation and food services industry concentrations are also higher than the U.S. average.

Table 10: Oregon Employment by Industry

Sector	2010 Jobs	2021 Jobs	%Change	2021 LQ
Agriculture/Forestry/Fishing	40,887	52,044	27.3%	2.31
Mining, Quarrying, and Oil and Gas Extraction	1,762	1,896	7.6%	0.20
Utilities	4,440	4,869	9.7%	0.89
Construction	67,856	112,132	65.2%	0.88
Manufacturing	163,710	182,884	11.7%	1.04
Wholesale Trade	72,726	74,917	3.0%	1.04
Retail Trade	182,072	207,577	14.0%	1.19
Transportation/Warehousing	44,695	70,569	57.9%	0.89
Information	31,916	37,060	16.1%	0.89
Finance/Insurance	55,388	56,360	1.8%	0.78
Real Estate/Rental/Leasing	24,074	28,331	17.7%	1.05
Professional/Scientific/Tech	69,546	103,377	48.6%	0.96
Management of Companies and Enterprises	34,084	50,911	49.4%	1.00
Admin/Support/Waste Management	81,687	99,380	21.7%	0.87

Educational Services	27,421	29,223	6.6%	0.89
Health Care/Social Assistance	196,112	271,520	38.5%	1.03
Arts/Entertainment/Recreation	21,786	19,939	(8.5%)	0.94
Accommodation/Food Services	135,221	146,048	8.0%	1.09
Other Services (Excluding Public)	59,998	61,878	3.1%	0.89
Grand Total	1.3M	1.6M	23.1%	-

Source: Census QWI Explorer, 2022

Union County follows Oregon in industry concentrations. Agriculture, forestry, fishing and hunting shows an astonishing LQ of 3.0, three times the national average. Like Oregon, it has a slightly high LQ in retail. Healthcare also has a slightly higher industry concentration in Union County. However, the high concentration in the agriculture, forestry, fishing and hunting industry has come at the expense of other sectors, as many industry concentrations are well below the U.S. average.

Table 11: Union County Average Employment by Industry

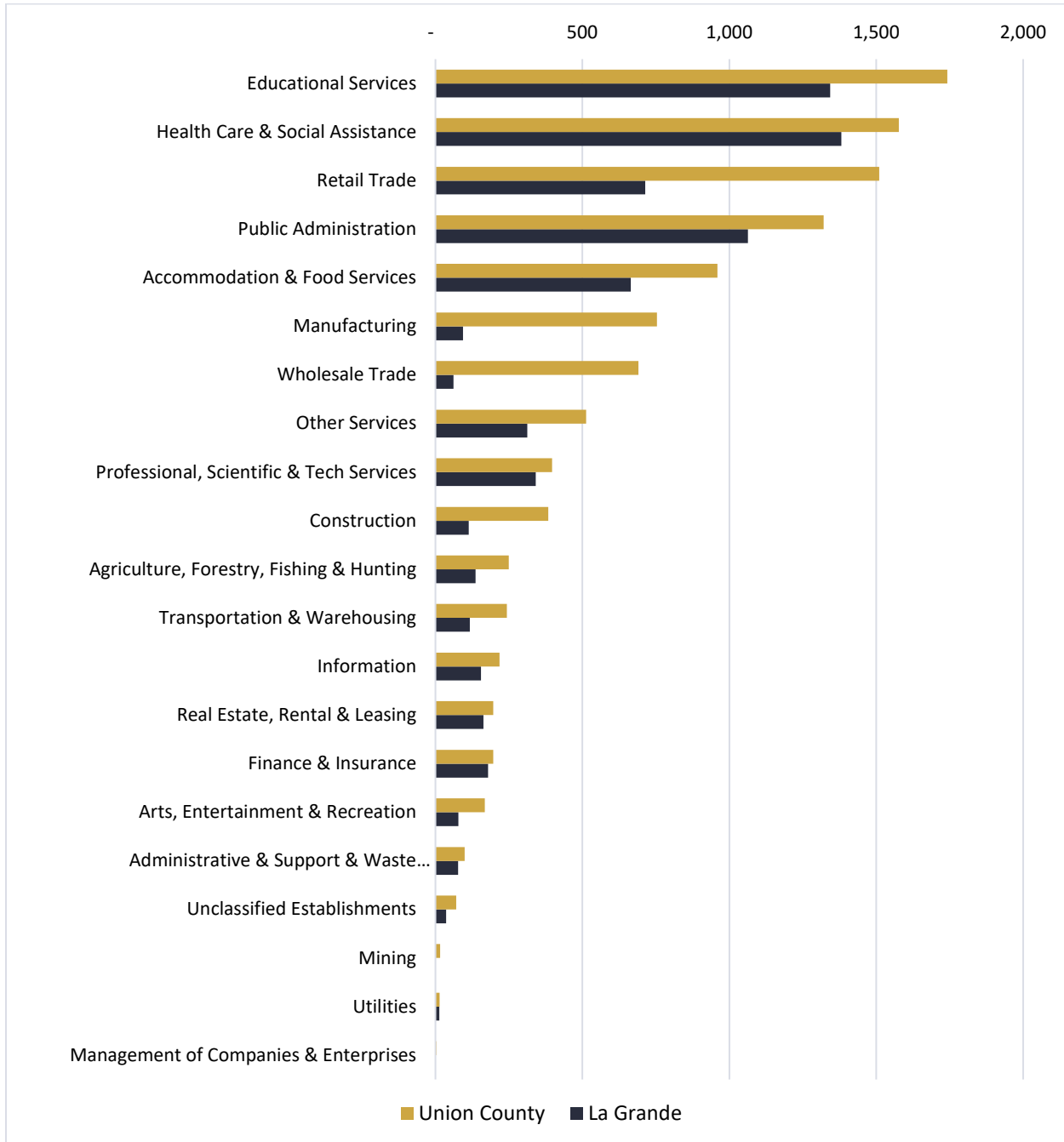
Sector	2010 Jobs	2021 Jobs	% Change	2021 LQ
Transportation and Warehousing	188	276	46.8%	1.0
Professional, Scientific, and Technical Services	209	298	42.6%	0.3
Management of Companies and Enterprises	33	45	36.4%	0.0
Construction	461	589	27.8%	0.5
Agriculture, Forestry, Fishing and Hunting	290	350	20.7%	3.0
Real Estate and Rental and Leasing	69	80	15.9%	1.4
Wholesale Trade	218	248	13.8%	1.0
Health Care and Social Assistance	1457	1633	12.1%	1.6
Administrative and Support and Waste Management and Remediation Services	186	207	11.3%	0.8
Manufacturing	1187	1314	10.7%	1.0
Accommodation and Food Services	816	875	7.2%	0.8
Retail Trade	1248	1333	6.8%	1.2
Arts, Entertainment, and Recreation	51	50	(2.0%)	1.0
Finance and Insurance	220	210	(4.5%)	0.7
Other Services (except Public Administration)	307	287	(6.5%)	1.1
Educational Services	33	29	(12.1%)	0.8
Information	230	86	(62.6%)	0.5
Total	7,203	7,910	9.8%	--

Source: U.S. Census Bureau, QWI Explorer

Unsurprisingly, with Eastern Oregon University's campus located in La Grande, the educational services industry dominates employment in La Grande and Union County. Essential services like healthcare, retail, and hospitality and food services also show high employment numbers. However, Union County overall has much larger employment in retail than La Grande, employing approximately twice as many workers. Aside from essential services, public administration has high employment in both areas. The next tier of employment diverges between Union County and La Grande. While Union County has high

numbers of manufacturing and wholesale trade workers, La Grande has many workers in the professional, scientific and tech services, and other services industries.

Figure 32: Overall Employment by Industry in La Grande and Union County



Source: Esri Business Analyst, 2022

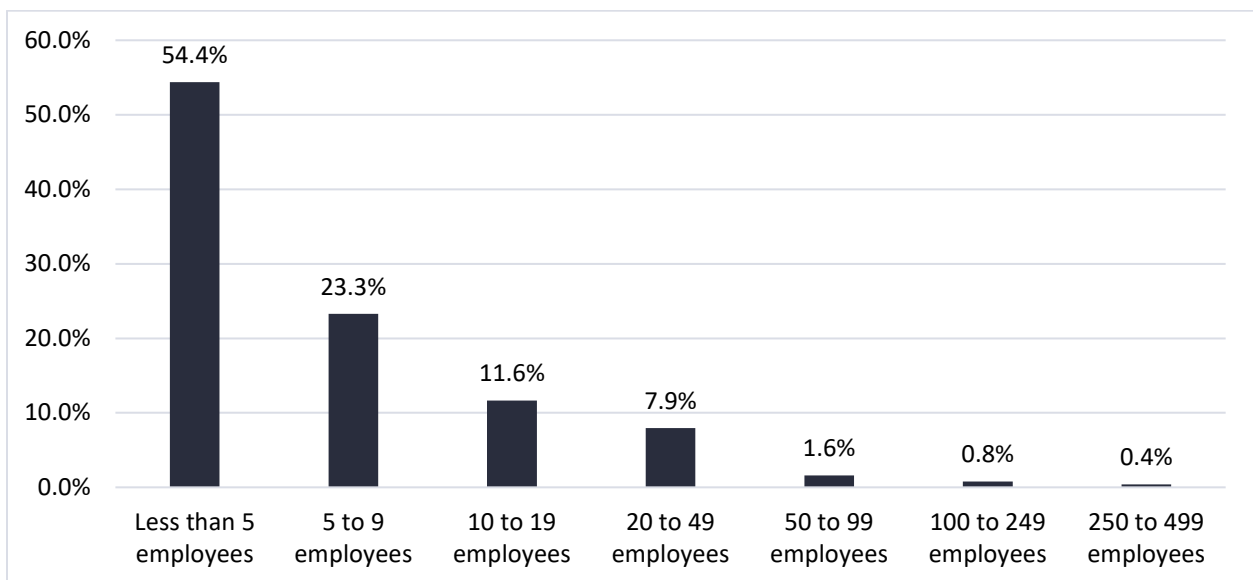
Table 12: Total Establishments by Industry in Union County, 2021

Industry Title	Establishments
Agriculture, Forestry, Fishing, Hunting	77
Utilities	4
Construction	114
Manufacturing	32
Wholesale Trade	31
Retail Trade	96
Information	19
Finance and Insurance	37
Real Estate and Rental and Leasing	21
Professional, Scientific and Technical Services	58
Management of Companies and Enterprises	4
Administrative, Support and Waste Management	37
Health Care and Social Assistance	207
Accommodation and Food Service	77
Other Services	91
All Industries	1,034

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

Union County’s business landscape is mostly comprised of small businesses with fewer than five employees. In fact, the percentage of businesses inversely scales with the size of the business. All told, 78% of businesses in Union County employ fewer than ten employees.

Figure 33: Establishments by Number of Employees in Union County, 2020

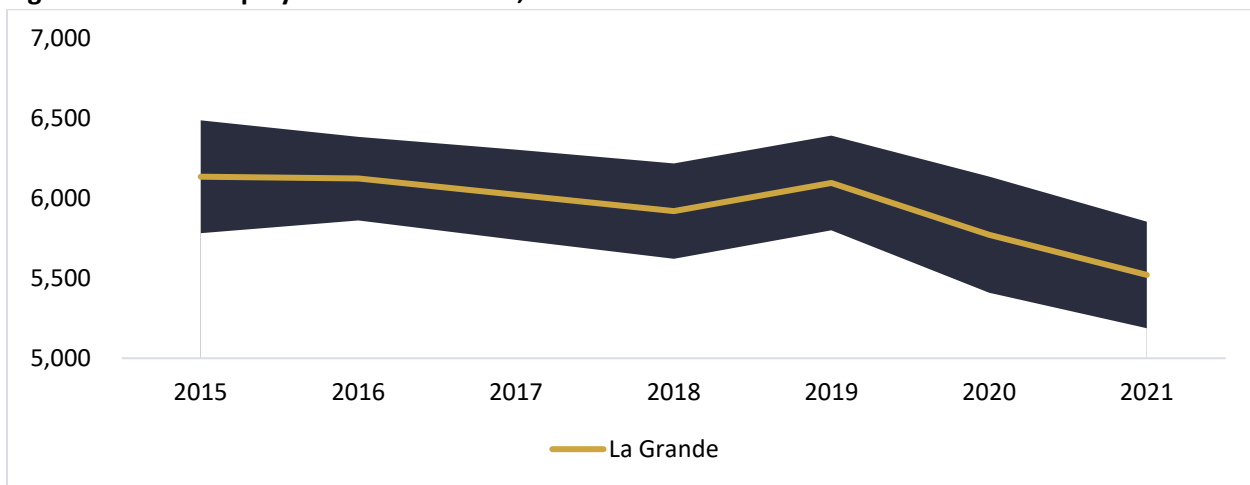


Source: U.S. Census Bureau, County Business Patterns, 2020

Employment & Income in La Grande

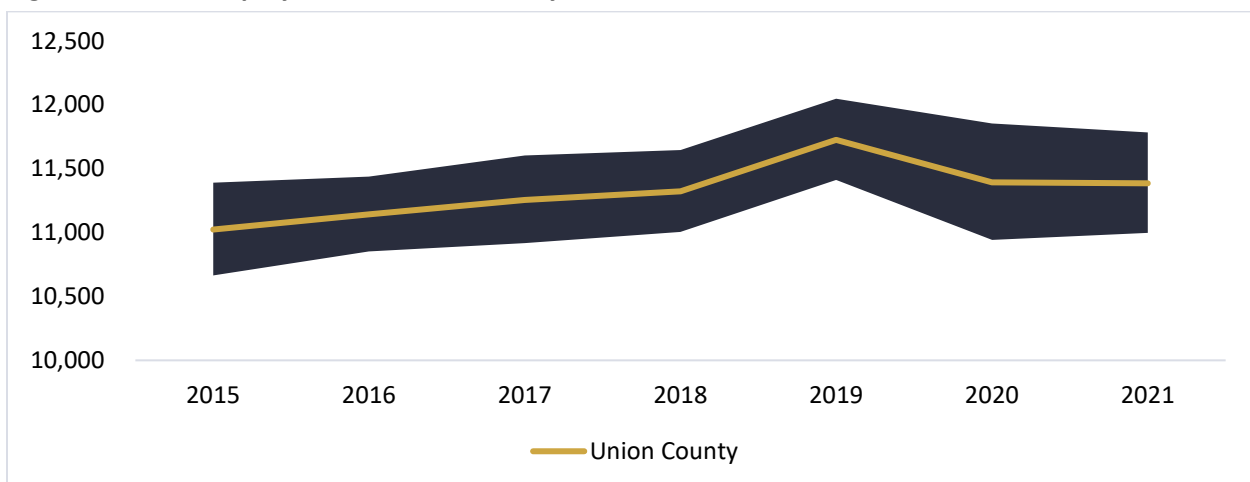
The following series of charts show the trends in employment and income in La Grande since 2015. The black bands surrounding the gold trendline represent the margin of error for each annual data point. 2019 saw a rise in employment in both La Grande and Union County. While the pandemic caused a drop in total employment in both areas, Union County as a whole recovered more quickly than La Grande, returning to its pre-pandemic trajectory in 2021. La Grande's total employment has decreased 10% since 2015, a decrease of about 600 jobs in six years. Conversely, Island City has had an increase of 1.5% in total employment over the same period.¹⁴ The overall pattern seems to consistently suggest that La Grande's employment is decreasing and Union County's is increasing.

Figure 34: Total Employment in La Grande, 2015-2021



Source: U.S. Census Bureau, 2022

Figure 35: Total Employment in Union County, 2015-2021

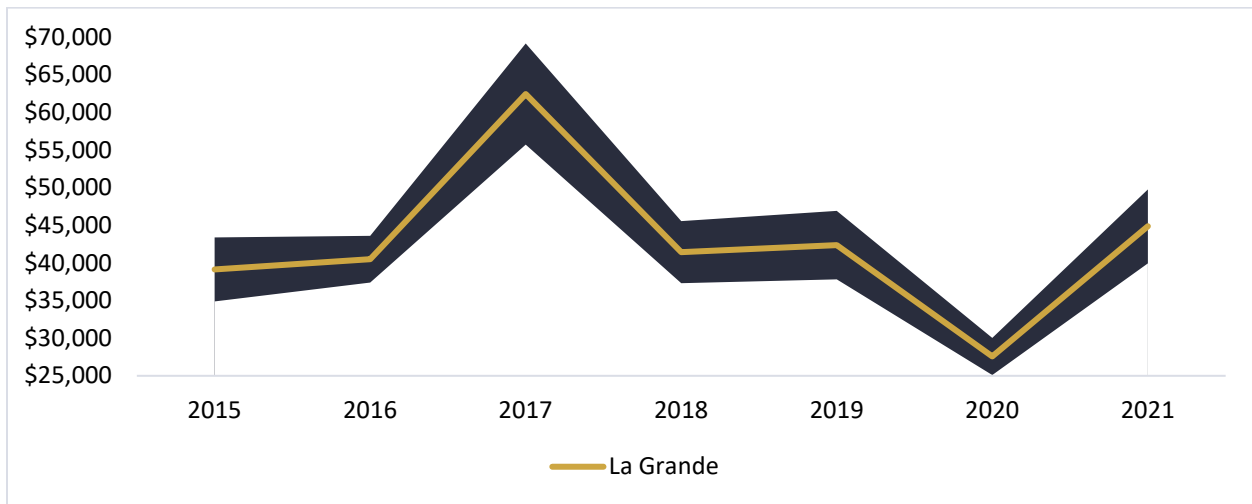


Source: U.S. Census Bureau, 2022

¹⁴ U.S. Census Bureau, American Community Survey, Table DP03

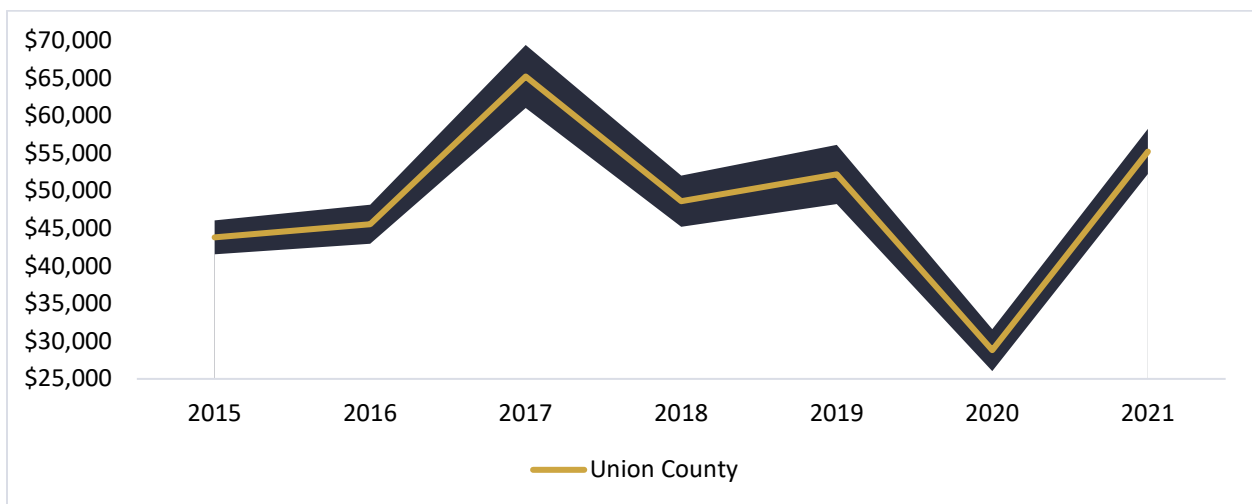
Median household income (MHI) in La Grande and Union County has followed a similar trajectory in the period between 2015 and 2021. The drivers behind some of the income increase in La Grande may be the services sector and jobs in the information industry. These two sectors experienced increases to their average quarterly earnings of over 50% in the period from 2015 to 2021.¹⁵ However, Union County has, on average, an MHI that is \$5,870 higher than La Grande’s MHI, with the MHI in Island City being close to \$13K higher.¹⁶ While MHI in both areas has varied considerably in the past six years, both La Grande and Union County had a higher MHI in 2021 than in 2015.

Figure 36: Median Household Income in La Grande, 2015-2021



Source: U.S. Census Bureau, 2022

Figure 37: Median Household Income in Union County, 2015-2021



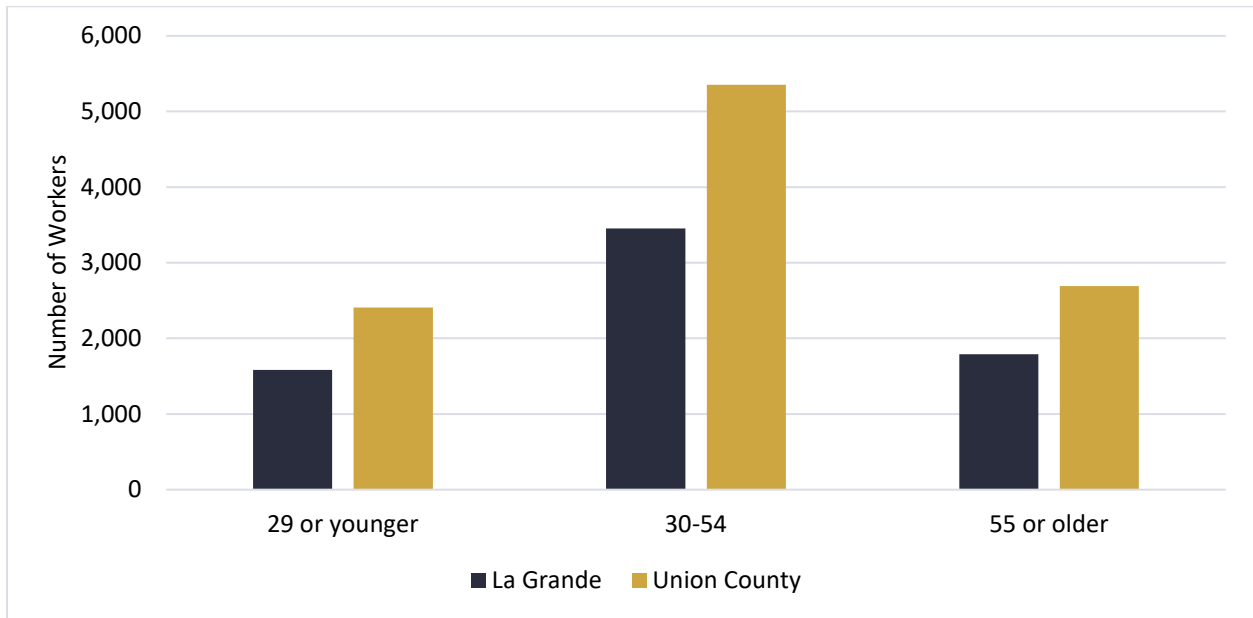
Source: U.S. Census Bureau, 2022

¹⁵ PC Calculation based on Esri Business Analyst data (2021), and U.S. Census Bureau QWI (2021).

¹⁶ U.S. Census Bureau, Ibid.

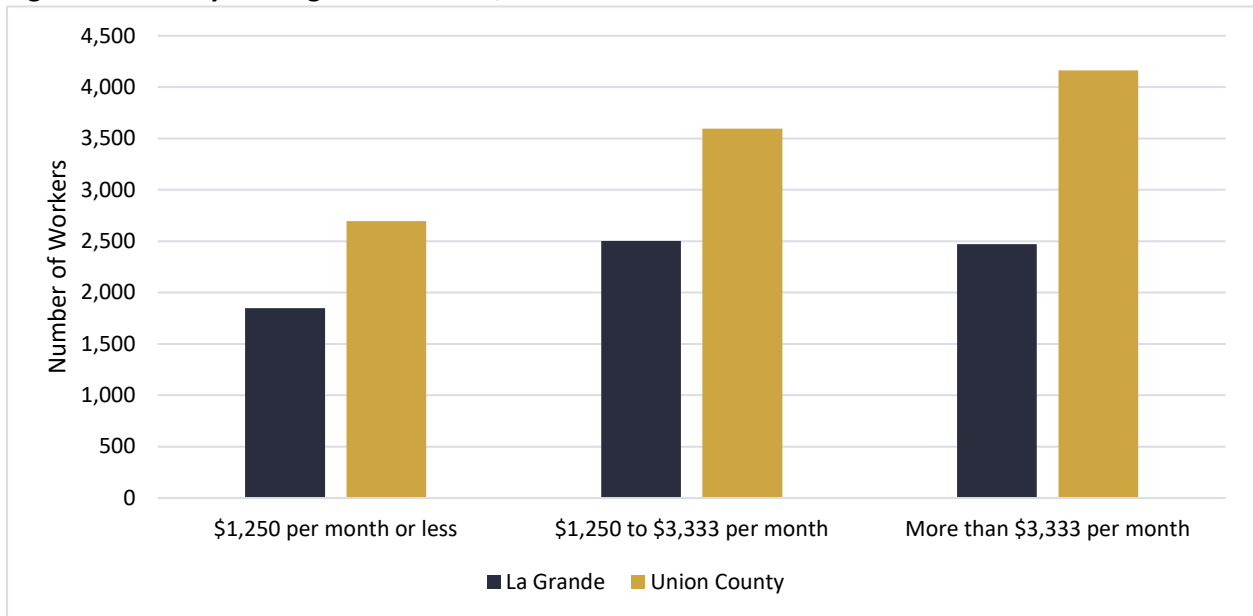
The distribution of workers in each age group is roughly the same in Union County and La Grande. Where the real difference emerges is in the wages earned. There are proportionally more workers in the higher earnings range in Union County than there are in La Grande. While 40% of workers in Union County make more than \$3,333 a month, that group is 36% percent of the workforce in La Grande. This also translates to a higher percentage of middle and lower-wage workers in La Grande than in Union County. While 4% is not a large gap, it is interesting to note that the highest wages in Union County are not being earned in La Grande, the county seat. Educational attainment is essentially the same between La Grande and Union County.

Figure 38: Jobs by Worker Age and Location, 2019



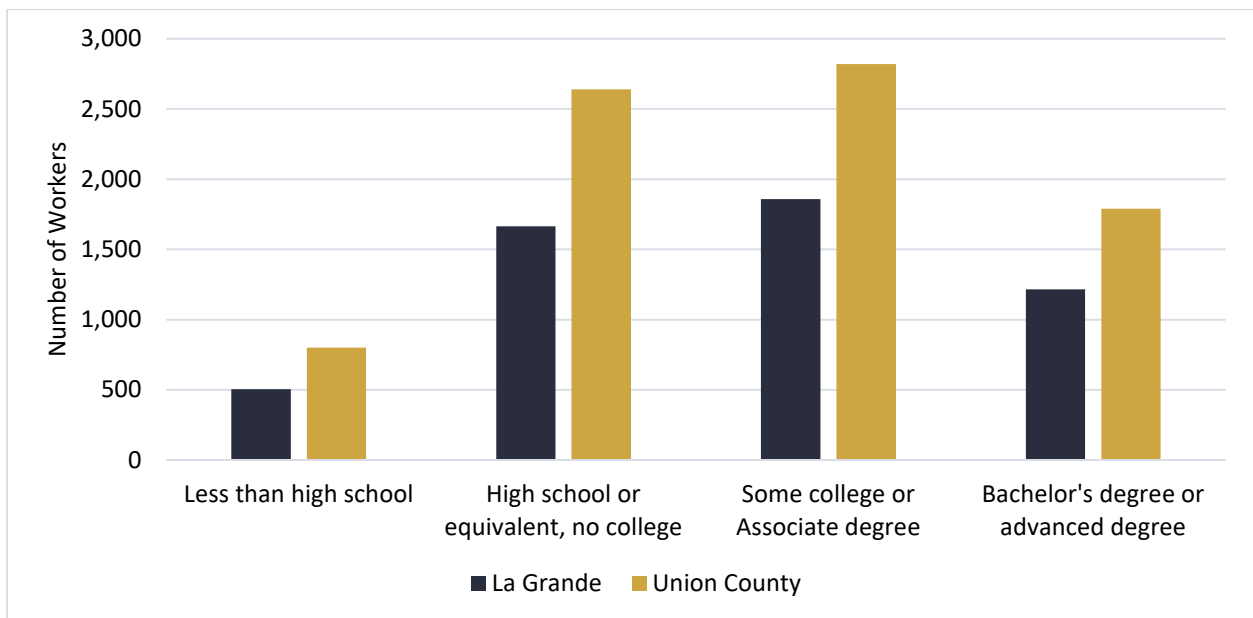
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

Figure 39: Jobs by Earnings and Location, 2019



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

Figure 40: Jobs by Worker Educational Attainment & Location, 2019



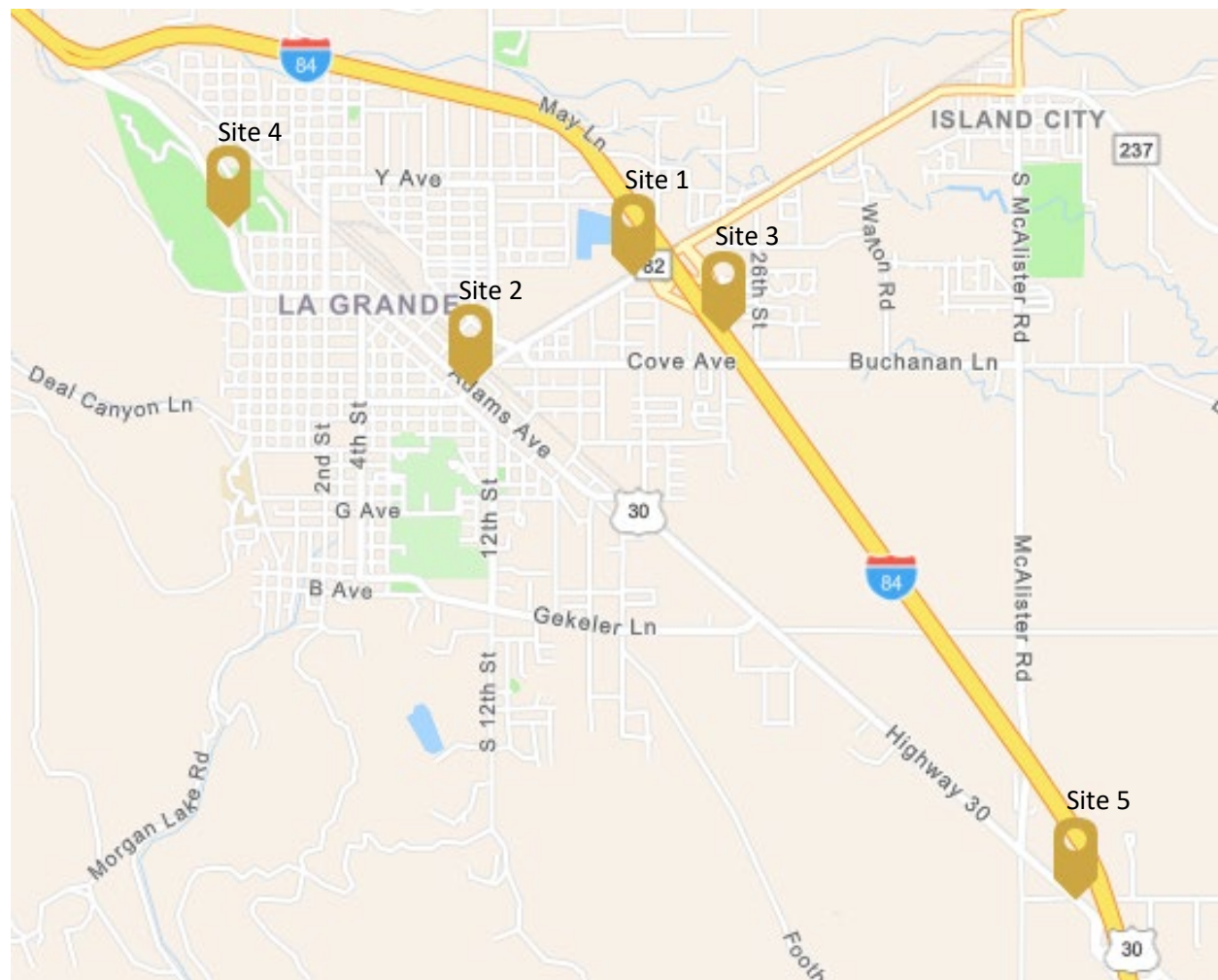
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

Commuter & Transportation Data

La Grande is a transportation hub with an interstate, several major highways, and railroad lines going through the city. This is an important consideration as goods need to move in and out on those routes. Traffic flows can show the levels of activity on commercial corridors and how those levels change over time. Unfortunately, railroad transportation data are not available for the lines that go through La Grande. However, the Oregon Traffic Monitoring System does provide data on traffic through the city.

The consulting team identified five key areas of interest in and around La Grande for consideration of traffic flow, as shown in Figure 41.

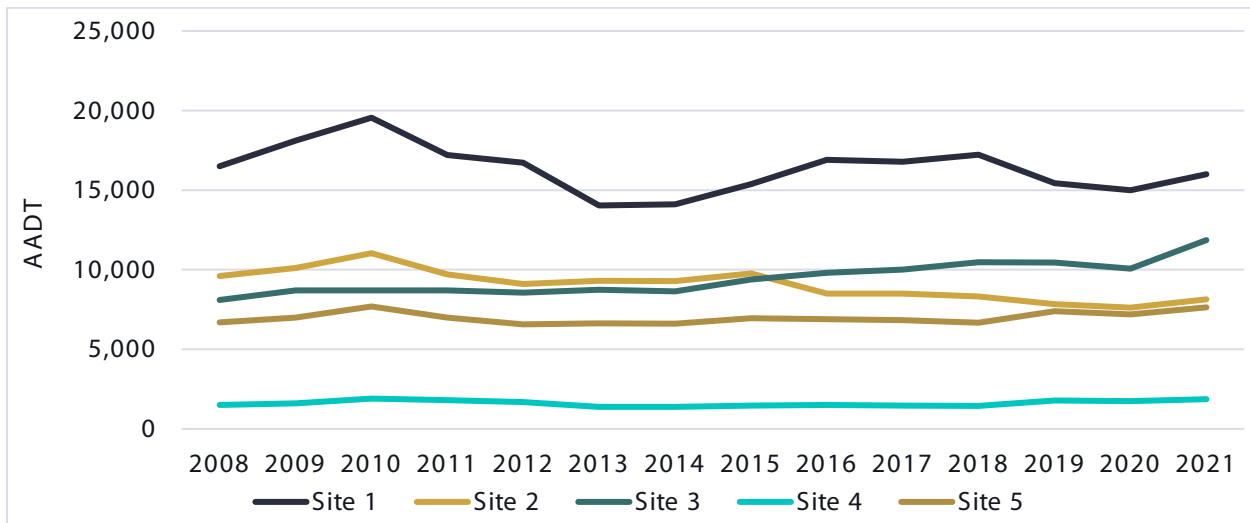
Figure 41: Key Locations of Traffic Flow



Source: Points Consulting using ESRI Business Analyst and Oregon Traffic Monitoring System, 2022

Figure 42 shows annual average daily traffic (AADT) in the key locations from 2008 to 2021. Site 1, roughly halfway between the city centers of La Grande and Island City, consistently has the most daily traffic over time. However, in the past five years, Site 2 downtown has decreased in traffic, while site 3 along I-84 has increased. Sites 4 and 5 have maintained a low, steady flow of traffic over the years.

Figure 42: AADT Over Time, Key Locations



Source: Oregon Traffic Monitoring System, 2022

About half the people who work in La Grande live in La Grande or Island City. The same can be said for people who live in La Grande, about half work in town or in Island City. Most people who live in La Grande and out-commute for work are commuting to the nearest neighboring cities of notable size: Baker, Hermiston, and Enterprise. However, a few are working in Portland, perhaps remotely. Workers who commute into La Grande are all living in neighboring areas, with the notable exception of Bend, again, likely remote workers.

Table 13: Where Workers Live Who are Employed in La Grande

City/Place	Count	Share
La Grande, OR	1,964	43.8%
Island City, OR	183	4.1%
Union city, OR	153	3.4%
Pendleton, OR	125	2.8%
Baker City, OR	114	2.5%
Elgin, OR	105	2.3%
Cove, OR	52	1.2%
Hermiston, OR	46	1.0%
North Powder, OR	32	0.7%
Bend, OR	28	0.6%
All Other Locations	1,681	37.5%

Source: U.S. Census Bureau, On-the-Map, 2020

Table 14: Where Workers are Employed who Live in La Grande

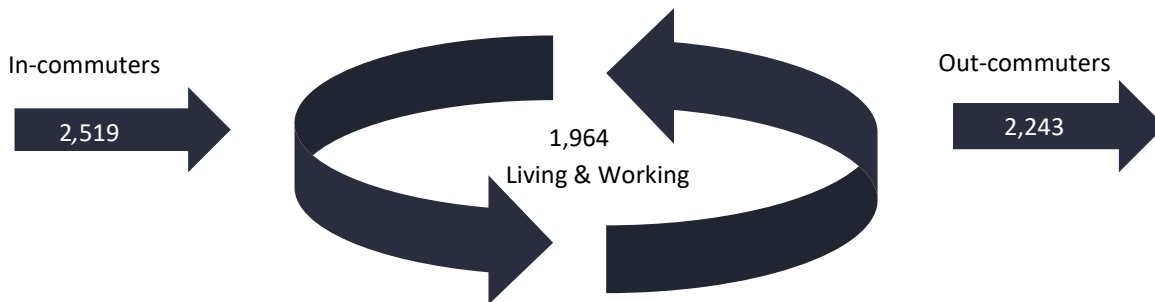
City/Place	Count	Share
La Grande, OR	1,964	46.7%
Island City, OR	196	4.7%
Baker City, OR	102	2.4%
Pendleton, OR	99	2.4%

Portland, OR	98	2.3%
Hermiston, OR	64	1.5%
Enterprise, OR	44	1.0%
Ontario, OR	32	0.8%
Salem, OR	31	0.7%
Richland, WA	30	0.7%
All Other Locations	1,547	36.8%

Source: U.S. Census Bureau, On-the-Map, 2020

All told, there are about 2,000 workers living and working in La Grande, with 2,500 commuting in, and 2,200 commuting out of La Grande.

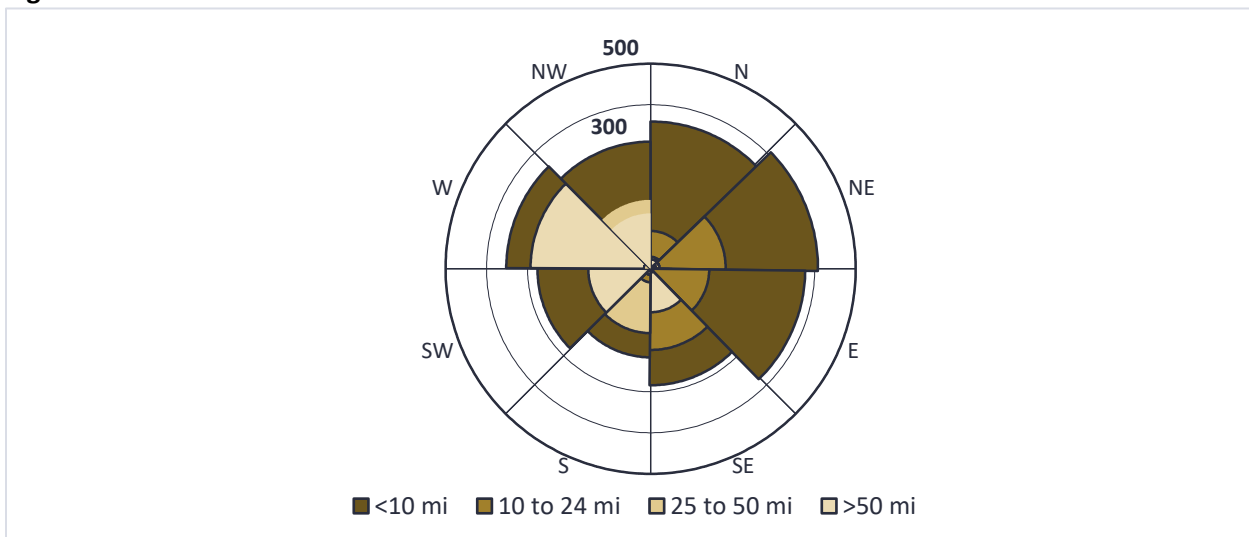
Figure 43: Commuter Inflow and Outflow from La Grande



Source: U.S. Census Bureau, On-the-Map, 2020

As noted previously, Figure 44 shows that those who are commuting out of La Grande for work are commuting to the North and East, primarily.

Figure 44: Distance and Direction of Commute for Workers in La Grande



Source: U.S. Census Bureau, On-the-Map, 2020

4. Employment Forecast & Future Land Use Needs

Determining employment land requirements by community depends on first determining the number of jobs that exist in each community. Unlike some other forms of employment statistics, this employment forecast considers jobs by “place of work” rather than by “place of residence.” In other words, the actual number of employed persons in La Grande is higher than the numbers shown in this section. In the long-run, enabling more workers to both live and work within the same community (rather than out-commute) is one of the probable and desirable outcomes from economic development.

The consulting team followed DLCDC guidance related to Goal 9 employment forecasting for La Grande, which includes the option for a “safe harbor” forecast method and a custom forecast option. The safe harbor method involves extrapolating the Employment Department’s 10-year regional forecast for the Eastern Six counties (Baker, Grant, Harney, Malheur, Union, and Wallowa Counties) and applying it to La Grande. On the other hand, our custom forecast method relies on changes to employment over the past 30-years and shifts in the population-to-employment ratio within each community.

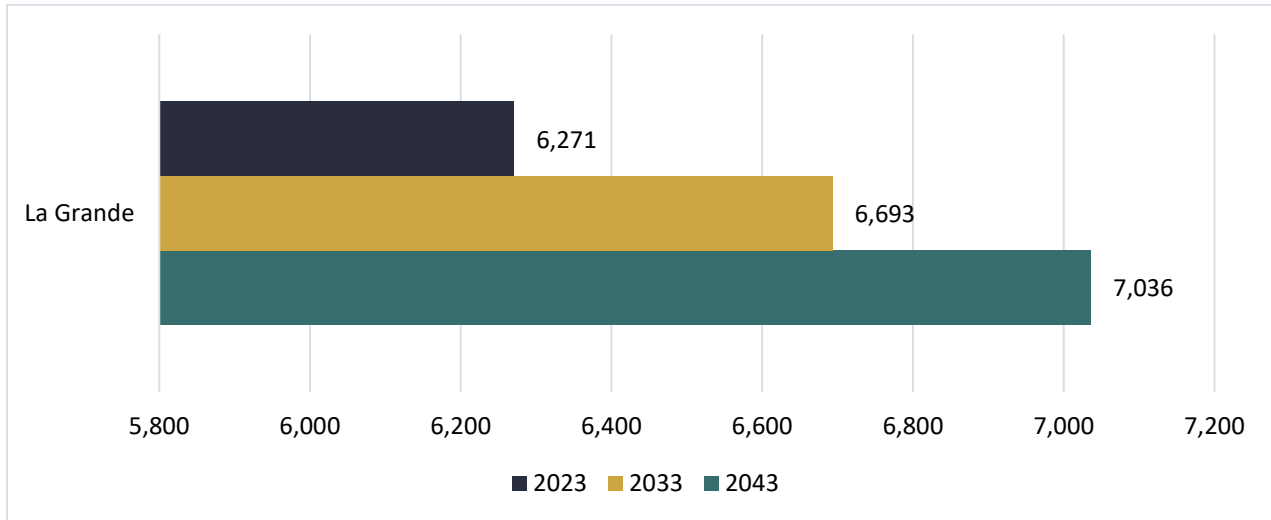
Despite some differences in approach, both methods yielded similar job forecasts for 2033. However, when projecting over the next 20 years, the safe harbor method predicts an increase of 765 jobs, while our custom forecast results in a gain of 472 jobs. Notably, PSU’s June 2023 population forecasts for Union County indicated a swifter growth rate for the City of La Grande within the projection period, contributing to the higher numbers in the safe harbor forecast for 2043. Consequently, the variance between these two projections provides us with a low-end and high-end estimate for the growth potential in La Grande. The charts and tables below primarily show the data from the safe harbor projection.

Employment Forecast

Tables 15-16 and Figures 45-46 illustrate the overall job growth rate, as well as the change in employment over time by industry. The forecasts carried out using the state’s safe harbor method show a steady increase in employment over the next 20 years for the City of La Grande. Projections show a 6.7% increase over the next ten years for total non-farm employment, and a 12.2% increase over the next twenty years, for a total gain of 765 jobs.

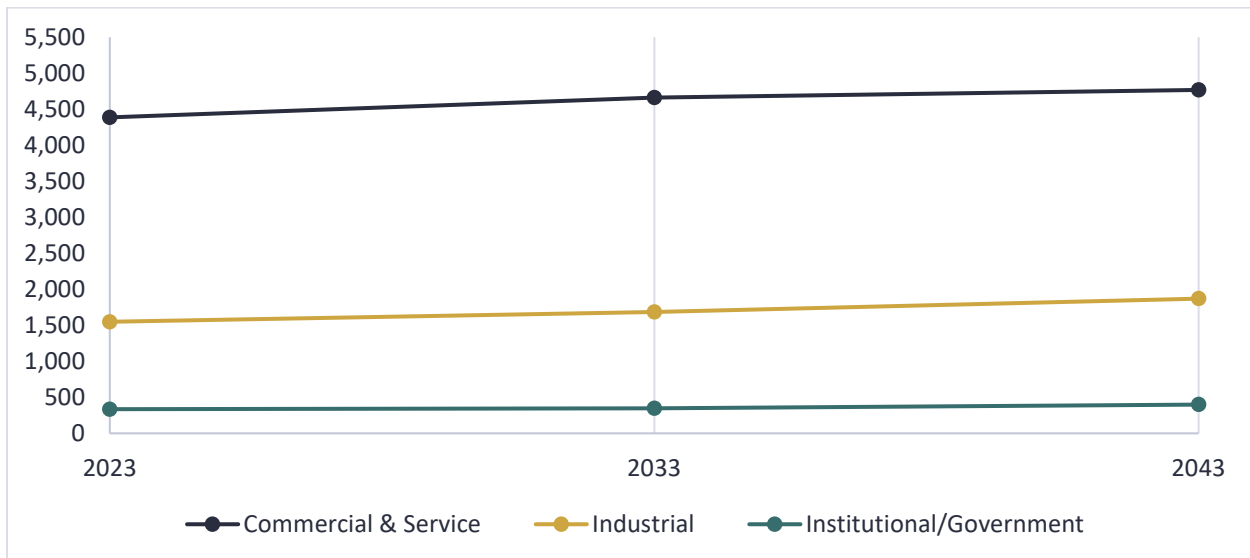
The industry that projections show is going to grow the most in terms of raw numbers over the next 20 years is the services sector, however wholesale trade will experience the largest percentage increase, with a gain of 73.5%. Services are industries that render services rather than products (such as insurance, auto repair, etc.). Wholesale trade includes businesses that hold goods in warehouses that are ultimately shipped to consumers or retail outlets. On the other end of the scale, the finance and insurance, and real estate sectors will add the smallest number of total jobs until 2043 — even slightly decreasing in 2033 — and the services industry will have the lowest percentage growth rate, with an increase of 7.4%.

Figure 45: Total Non-Farm Employment Forecast for the City of La Grande



Source: Points Consulting using State of Oregon Employment Department, and PSU, 2023

Figure 46: La Grande Employment Forecast by Category, 2023-2043



Source: Points Consulting using State of Oregon Employment Department, and PSU, 2023

Table 15: Numerical Change in Employment Comparison Between Safe Harbor and 10-year Forecast, 2023-2033

Category	Safe Harbor Forecast Method		Points Consulting Forecast Method	
	10-yr change	20-yr change	10-yr change	20-yr change
Construction & Mining	58	64	35	39
Mfg.	47	66	41	42
Transport., Com. & Utilities	28	128	68	79
Wholesale Trade	4	64	34	39

Retail Trade	31	64	33	40
Finance, Insurance, Real Estate (FIRE)	(5)	63	33	39
Services	250	253	146	156
Industrial Subtotal	136	321	178	199
Commercial & Service Subtotal	276	381	211	234
Government	11	63	33	39
Grand Total	423	765	422	472

Source: Points Consulting using State of Oregon Employment Department, PSU, US Census Bureau, and Esri Business Analyst, 2023

Table 16: 20-Year Safe Harbor Forecast for La Grande

Category	Current Employment (2023)	Expected Employment (2033)	Percent Growth (10-Years)	Expected Employment (2043)	Percent Growth (20-Years)
Construction & Mining	329	387	17.5%	393	19.3%
Manufacturing	755	802	6.2%	821	8.8%
Transportation, Com. & Utilities	378	405	7.3%	505	33.8%
Wholesale Trade	87	90	4.2%	150	73.5%
Retail Trade	736	767	4.2%	800	8.7%
Finance, Insurance, Real Estate (FIRE)	206	201	(2.3%)	269	30.9%
Services	3,445	3,695	7.3%	3,699	7.4%
Industrial Subtotal	1,549	1,684	8.8%	1,870	20.7%
Commercial & Service Subtotal	4,387	4,662	6.3%	4,768	8.7%
Government	335	347	3.3%	399	18.9%
Grand Total	6,271	6,693	6.7%	7,036	12.2%

Source: Points Consulting using State of Oregon Employment Department, and PSU, 2023

Employment Lands Forecast

Job growth is the primary driver of land demand. Therefore, given the positive jobs outlook for the City of La Grande, we project an increase in the demand for land for both industrial and commercial purposes. Based on current observed statistics and published metrics in other eastern Oregon Goal 9 studies, the land demand forecast for La Grande in 2043 is approximately 58.9 acres, with around 30.7 acres for industrial uses and 28.2 acres for commercial uses.

Each estimate of land demand shown in Table 17 was adjusted based on existing supply, the employment forecast, and a real estate absorption factor that is encouraged by DLCD guidance. The consulting team also included a 20% public lands adjustment, which accounts for roadways, easements and rights-of-way that would be built into currently vacant and redeveloped parcels once they are developed, based on values observed in other approved DLCD reports.

Table 17: Employment Lands Forecast for La Grande (2033, 2043)

2033					
Land Use	Emp/ Acre (Current)	Forecasted New Emp.	Public Lands Adj.	Real Estate Vacancy	Land Demand (Net Acres)
Industrial Acres	9	136	20%	5%	12.9
Commercial	13	287	20%	5%	18.2
2043					
Land Use	Emp/ Acre (Current)	Forecasted New Emp.	Public Lands Adj.	Real Estate Vacancy	Land Demand (Net Acres)
Industrial Acres	9	321	20%	5%	30.7
Commercial	13	444	20%	5%	28.2

Source: Points Consulting, 2023

Future Land Use Conclusions

There is more to the consideration of land demand than strictly the gross acreage of employment lands. As noted in Chapter 2, the majority of redevelopable and vacant lands are very small. The three industrial lots over 20-acres in size are effectively unusable in the short-term due to land-ownership issues. These three lots are also inhibited by a limited use overlay, reserving them for large industrial developments; two for a 20+ acre project, and one for a 50+ acre project.¹⁷ Though there are more usable commercial lots in the City’s existing inventory, these have also proven to be too small for some purposes. The option of combining parcels into larger lots is also not feasible because virtually all lots are privately owned and separated by existing roadways.

As summarized in the Land Availability Limitations section later in Chapter 5, the number of lost economic development opportunities for the City in the past ten years is further empirical evidence that the City is *already* constrained, even prior to accounting for the next twenty-years of job growth. Based on common needs for industrial-type businesses, the consulting team recommends adding an additional 90-acres of industrial land to the City’s inventory. On the commercial side, in-fill opportunities are still present in certain locations, but to provide space for certain types of businesses that have already inquired into La Grande and landed elsewhere, more capacity is required on this front also. PC recommends an additional 25-acres. This would provide available space for larger scale commercial businesses such as big-box stores, truck-stops, and chain hotels. Adding this capacity as soon as possible would allow La Grande to “catch up” to an equilibrium point with existing demand.

Including both the catch-up quantities and the forecasted growth we anticipate the demand for industrial commercial lands by 2043 to be: +121 acres of industrial land (or a 20% increase in industrial lands above existing inventory), and +63 acres of commercial land (a 14% increase).

Parcel Sizes and Zoning Districts

For planning purposes, it is helpful for the City to understand how the recommended commercial and industrial acreage should be split by zoning district and parcel sizes. The challenge with this task is lining

¹⁷ Per La Grand’s Land Development Code, Article 3.11, <https://www.cityoflagrande.org/planning-division/documents-and-reports/pages/land-development-code>.

up land use parameters by district with industry sector employment data. Permissible business activities by zoning district provide some guidance but they do not align perfectly with standard NAICS-code based industries. For example, general industrial manufacturing is permitted by-right in both the I-1 and I-2 districts, with suitability determinations left at the discretion of the Planning Commission.¹⁸ Hence, where PC’s employment forecast in Table 16 provides statistics for activities such as Manufacturing, such businesses could locate either in the I-1 or I-2 districts. Additionally, La Grande’s land use zones are not highly discriminating on minimum lot sizes by district.¹⁹

Therefore, the best determination of future land use requirements is to be found in examining density patterns for existing lots, along with typical land intensity patterns for recent business expansions and relocations in Eastern Oregon. These factors indicate that business park and light industrial businesses (those suitable for I-1) tend to require smaller lots, 2-5 acres, whereas heavy industrial businesses (those suitable for I-2) tend to require lots of 20+ acres. Commercial usage is a bit more straight-forward as businesses in the typical General Commercial district (GC) require roughly 0.6 acres per lot, and those in the Interchange Commercial (IC) average closer to 1.5 acres per lot.²⁰ To add one further wrinkle to this consideration, the City of La Grande is actively augmenting its zoning code to allow for maker-space activities in the downtown corridor between Jefferson St. and Washington St., which could result in a new zoning district or an overlay district within the existing GC district.

Table 18 extrapolates the following findings from these assumptions. The recommended 184 acres could result in between 48 and 88 additional lots. In the commercial category, the majority of land should go toward lots in the IC or other, as yet to be designated, low-intensity commercial district, resulting in between 38 and 22 additional lots. In the industrial category, I-2 is anticipated to capture the majority of new lands but, due to size requirements of 20-50 acres/lot, generates just one to three additional lots. Light-industrial could require between six and 11 new lots in the range of 4.5 to 7.5 acres.

Table 18: Required Lot Sizes for Additional Industrial & Commercial Lands

District Type	Acreage Range	Gross Acreage	High-End Lots	Low-End Lots	Business Examples
General Commercial (GC)	0.5 – 1	15.8	32	16	Finance, Real Estate, & Professional
Interchange Commercial (IC) or Other Low-Intensity Commercial	1.3 - 2.2	47.4	38	22	Chain Restaurants and Lodging, Strip Malls, and Maker Spaces
Light Industrial (I-1)	4.5 - 7.5	48.3	11	6	Product Assembly, Transportation, and Construction
Heavy Industrial (I-2)	20 – 50	66.4	3	1	Product Fabrication from Raw Materials

¹⁸ Ibid. See Section 2.2.011 and Section 2.2.012.

¹⁹ Ibid. see Article 5.2 on minimum lot sizes.

²⁰ Based on land-use patterns from La Grande’s existing developed lots that are appropriately suited for their underlying district.

Business Park (BP)	1.5 - 2.5	6.0	4	2	Personal Services, Wholesaling, R&D Facilities, and Recreational Facilities
Grand Total	--	183.9	88	48	

5. Community Engagement Summary

The consulting team conducted a series of interviews with key stakeholders and community members on March 8, 2023. Interviewees included city employees, area realtors, and members of local business organizations. From these interviews, several key themes emerged.

Active and Growing Downtown

According to participants, La Grande's downtown is productive and growing. One interviewee said that she knows of multiple businesses that want to move downtown and are looking for space. Furthermore, multiple historic buildings have been renovated and put to new use in recent years. This is, in part, because downtown revitalization had been a big priority for La Grande's urban renewal goals.

Downtown also hosts multiple events throughout the year.

Although there are not many vacancies downtown, participants state that they would like to see more retail, entertainment and activities, and restaurant space downtown. Specifically, one participant said that there's a need for a "third space" for people to go that is not work or home. Another participant suggested that might be achieved if some of the professional services (insurance, real estate, service industries) would move out of the downtown area to create more available real estate.

Transportation, Manufacturing, Distribution, and Technology


Given La Grande's proximity to multiple transportation corridors (I-84, the railroad, and the local airport), several interviewees suggested that the city is primed to take advantage of its strong logistical location. One participant suggested a shipping hub. Others suggested more generally that larger distribution and manufacturing businesses would be an all-around good fit for La Grande. On the flip side, several participants said they would like to see growth in the tech sector, an area in which La Grande has not seen much development up to this point. Overall, shortages of industrial space came up frequently in the team's interviews.

Labor Shortages

Labor shortages in La Grande were also discussed in multiple interviews. A variety of reasons were offered up for the shortages: lack of daycare, lack of housing, and an overall lack of qualified workers. One participant suggested a trade school might help funnel more young people into the workforce. Another participant said that, although Eastern Oregon University is creating qualified workers, the students don't stay in town after they graduate. Someone else said that they know of businesses that would expand if they could, but they don't have the workers to do so.

Lack of Suitable Lodging

Although there are hotels in La Grande, interviewees indicated a gap in the market for mid to high-end lodging. Current hotel stock in the area is aging and deteriorating. Upper-level family and mid-level corporate travelers do not currently have good lodging options in the city. One participant said that out-of-town sports teams traveling for tournaments are often accommodated outside of La Grande, which is a significant lost opportunity for the area. Another participant mentioned that a hotel space with a convention area would be a nice addition to the city, especially given the sporting venues in the area.



Someone also made the point that more hotels would relieve some of the pressure on the short-term rental market, which has grown significantly since Covid.

Missed Opportunity with Highway Traffic

Several people mentioned that La Grande could do more to pull traffic off the I-84 into the city. Given La Grande's hub-like position, traffic going and coming from destinations like Portland, Boise, Joseph, and Pendleton travels right by La Grande. One interviewee mentioned that simple changes like more inviting lighting on the exit ramp to La Grande would go a long way to making the city more appealing to passers-by. Others mentioned that better hotel accommodations and recognizable restaurants would likely draw more travelers into La Grande.

Housing

Several participants brought up the issue of housing. One interviewee stated that growth in the business sector must also include housing growth. Anecdotally, there seems to be a shortage of housing for higher-level professional workers, such as doctors or professors. An interviewee said that the hospital and university has had issues recruiting as the people who would otherwise take the job can't find suitable housing for them and their families. "The workforce challenge is downstream from the housing challenge."

Local Desire for More Restaurants/Retail

Interviewees indicated that, in their opinion, La Grande locals would like to see more national franchise family restaurants and retail stores in their city. Participants mentioned that franchise restaurants such as Applebee's or TGI Fridays are located in neighboring cities and may do well in La Grande. Several people mentioned that locals want more retail and grocery options such as Costco, WinCo, Old Navy, Marshalls, and TJ Maxx. However, one participant indicated that although locals want those options, retail hasn't thrived in the past in La Grande due to overall low demand.

6. Economic Opportunities Assessment

Economic Development Opportunities

The economic opportunities of La Grande cannot be derived strictly from quantitative information such as past population and employment records. DLCD guidance permits and encourages assessment of each communities' assets, opportunities, and long-term community planning goals. As such, this section contains a brief treatment of each community's perception of its own employment lands situation along with real and prospective economic development opportunities.

Cottage Manufacturing

Manufacturing businesses in the United States are typically divided between boutique (or cottage) manufacturers and multi-national manufacturers. Among the latter, La Grande currently hosts wood products company, the Boise Cascade Corporation, and snack food manufacturer, Mondelez International. Beyond these, the City is headquarters for many cottage manufacturing businesses employing between 5 to 20 workers per establishment. These businesses are spread across a variety of subindustries such as outdoor products, cosmetics, and wood products. La Grande's location on I-84 just 170 miles from Boise and 260 miles from Portland places it directly in the middle of the supply chain of vendors and suppliers between each of these Pacific Northwest industrial centers. Though small scale currently, any of these businesses could hit a growth phase which would require both more employees and more industrial space.

La Grande Business & Technology Park

The La Grande Business & Technology Park sits within the city limits of La Grande, 1.5 miles away from exit #263 on I-84. The Park holds 62.4 net acres of flat buildable land, 25 acres of which is certified as shovel ready. Lots range in size from one to over eight acres. Park utilities include improved streets, curbs and sidewalks, electrical service, telecommunications/fiber, accessible natural gas, and municipal water and wastewater.²¹

Healthcare Facilities and Treatment

Grande Ronde Hospital is located in La Grande. The hospital system has a twenty-five bed critical access hospital and thirteen outpatient clinics. The hospital employs over 700 people and is in the process of expanding their facilities. The new facilities currently in construction will encompass almost 96,000 square feet of space.²²

Eastern Oregon University

Eastern Oregon University (EOU) is a public university, established in 1929. According to the university's 2021 evaluation, the university is Union County's third largest employer, with 509 employees. The

²¹ City of La Grande website, <https://www.cityoflagrande.org/economic-development-division/pages/la-grande-business-park>, accessed July 2023.

²² Grande Ronde Hospital and Clinics website, <https://www.grh.org/about-us/>, accessed August 2023.

university pays on average \$43,357 per year. In the fall of 2021, 2,825 students were enrolled in EOU. Enrollment has declined overall 33.3% in the past decade.²³

La Grande Urban Renewal Agency and TIF District

La Grande's Urban Renewal Agency Plan was adopted in 1999 with six goals: revitalize downtown, create high quality family wage jobs, retail development, housing, transportation, and community facilities. As of 2018, the Urban Renewal Agency (URA) has three established funding programs for projects within the urban renewal district, pictured in Figure 47. The Downtown Building Façade Grant Program provides grants between \$500 to \$7,500, with the goal of assisting owners of historic downtown buildings with minor exterior renovations. The Call for Project Grants Program was established to assist property owners with larger reinvestments of new construction projects. These grants range from \$5,000 to \$75,000 and can be used for any capital construction activity inside the district. In 2023, the program allocated a \$350,000 budget and nine projects were submitted for consideration.²⁴ Finally, the Traded Sector Business Attraction Program (La Grande Business and Technology Park) provides cash incentives for commercial and industrial projects, with a primary focus on the La Grande Business and Technology Park. The program awards grants up to \$200,000, with a minimum project cost of \$500,000.²⁵

In conjunction with the URA, La Grande has a tax increment financing (TIF) district. The TIF district allows La Grande to capture the future anticipated increase in tax revenues that is generated by a project in order to invest in current urban renewal.

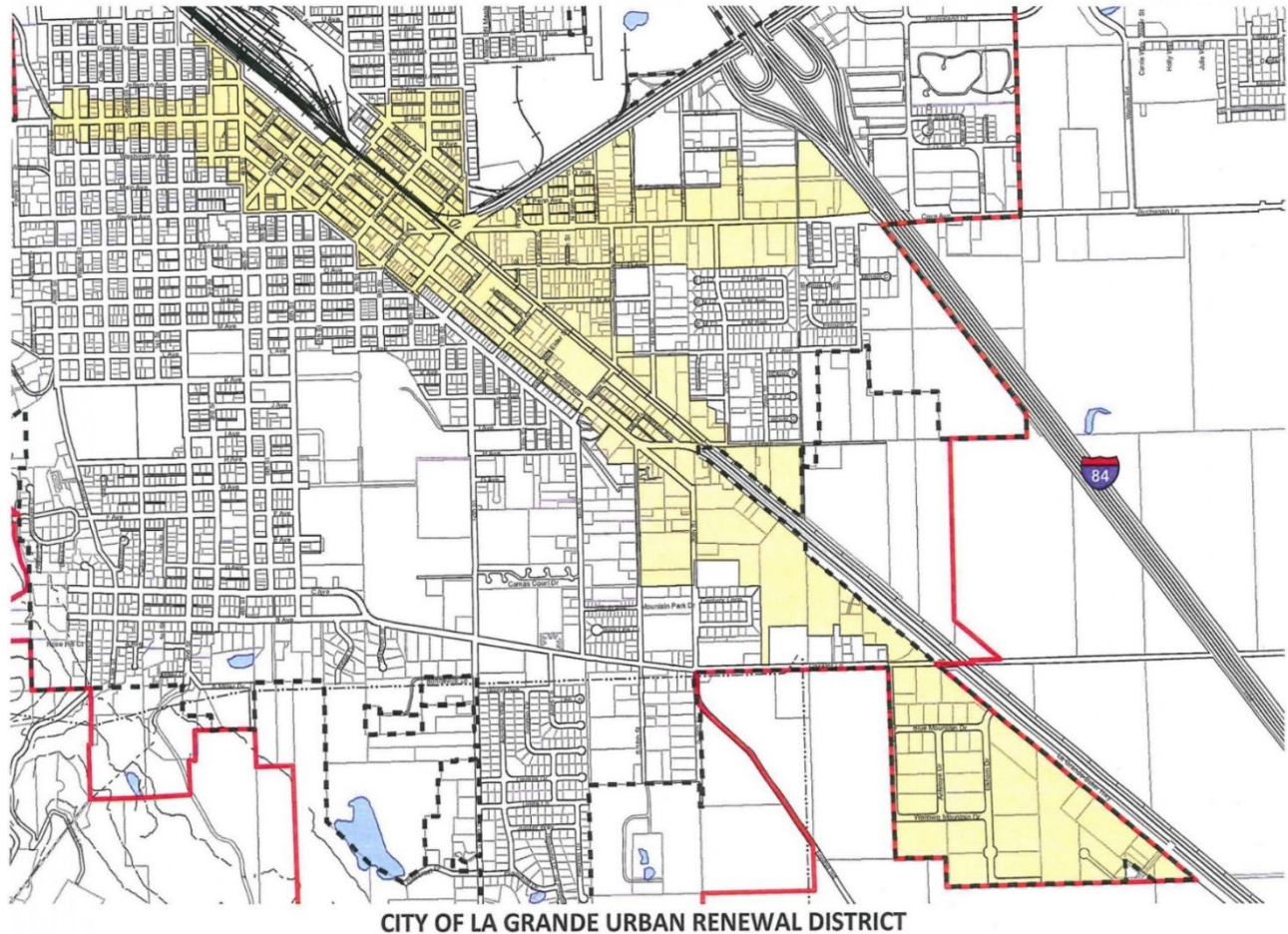
²³ Summary Points, Eastern Oregon University Evaluation, February 2022,

<https://www.oregon.gov/highered/research/Documents/Reports/2021-University-Evaluation-EOU.pdf>.

²⁴ "Urban Renewal Agency, Urban Renewal Advisory Commission to allocate \$350,000 in project funding", Isabella Crowley, The La Grande Observer, https://www.lagrandeobserver.com/news/local/urban-renewal-agency-urban-renewal-advisory-commission-to-allocate-350-000-in-project-funding/article_6d1d65c2-186d-11ee-9e71-d76569643800.html, accessed August, 2023.

²⁵ City of La Grande website, <https://www.lagrandeod.com/about/city-of-la-grande-urban-renewal-agency/p/item/13587/urban-renewal-funding-opportunities-policy>, accessed August, 2023.

Figure 47: City of La Grande Urban Renewal District



Source: City of La Grande

Recreational Assets

La Grande is in an area of outstanding natural resources. Surrounded by mountains, rivers, and National Forests, La Grande is a destination for many seeking outdoor recreation. These assets not only create an economic impact due to tourist traffic but serve as a magnet for a workforce that is looking for a high quality of life with exceptional recreational opportunities. Some of the most notable recreational opportunities in the area include:

- Morgan Lake
- Mt Emily Recreation Area
- Ladd Marsh Wildlife Area
- Grande Ronde River
- The Grande Tour Scenic Bikeway
- Hells Canyon Scenic Byway
- The Grande Tour Route
- Umatilla National Forest

- Wallowa-Whitman National Forest
- Fox Hill Campground
- Hot Lake Springs
- The Blue Mountains

Land Availability Limitations

Information from the City of La Grande Economic Development office indicates that a lack of appropriately sized lots that owners are willing to part with has been an issue in closing economic development deals over the past several years. In any industry involving sales, it is important to study such “lost leads” as it can help explain what factors lead to the prospect not accepting the deal. In this case, it can help the City of La Grande understand what prevented an otherwise feasible business expansion or relation.

Several examples can be cited as evidence that existing lands in the UGB are not suitable for the needs of prospective businesses. In summer 2023, the City of La Grande failed to secure a prospective outdoor equipment manufacturing company that was looking for 100-acres of industrially zoned land. Though these lands are technically available within the La Grande UGB, existing private landowners were not willing to sell their land at that time. Earlier in 2023, a package distribution center was also forced to look elsewhere when company representatives were unable to find a willing seller in proximity to the Business Park and airport.²⁶

Parcels that are owned by the City or the URA have drawn some interest from buyers but there are only four remaining vacant parcels, which are each roughly an acre in size. Among private landowners, there are several unaffiliated private owners who have shown an unwillingness to sell the land when offered a market rate price. To cite several prominent examples:

- One 40+ acre parcel in the vicinity of the airport is a registered Oregon Century Farm. Part of this parcel is zoned industrial and part agricultural. Though Century Farm’s status with the Oregon Farm Bureau Foundation²⁷ puts no legal limitations on land-use, it does project a desire for the owners to maintain the land in line with historic agricultural usage.
- Much of the land zoned as “Business Park” along Gekeler and HWY-30 is owned by a privately-owned by a single private-sector company.

Lost industrial opportunities are the easiest to identify because there is such a drastic gulf between supply and demand, the issue has also affected commercial opportunities as well. La Grande’s growth and economic diversity has drawn attention from a variety of business investors in fields as diverse as commercial offices, grocery stores, breweries, and hotels. In most cases, these investors are looking for greenfield between 18-60 acres that can be built to the owners’ specifications. The lack of contiguous commercial parcels of these sizes has made these opportunities a non-starter.

²⁶ Memo from City of La Grande Economic Development Department, dated July 31, 2023

²⁷ Oregon Century Farm & Ranch Program: <https://centuryfarm.oregonfb.org/>

Recommendations for Economic Development Enhancements

In the course of the project team’s work, we observed certain opportunities that could be worth further investment to spur economic development over the next 20-years. The recommendations are not directed to any particular body, as the organization to take action depends on the location, the resources, and the interest in taking the next steps. These ideas are briefly summarized below:

Challenging Parcels & Goal 14: The cluster of industrial parcels in the southeast corner of the City including both the business park and adjacent to the airport face significant limitations due to ownership issues. These conditions call for a deep dive of land use opportunities via the Goal 14 process, which the City of La Grande is already in the process of implementing. In particular, the Goal 14 process should include conversations with landowners in the area to the south of Island City and the east of La Grande (i.e., south of Cove Ave/Buchanan Lane), which could potentially be annexed by either city.²⁸ That said, the City of La Grande needs to approach these topics carefully in light of Ballot Measure 7 and the potential for takings disputes.

Strategic Investment within the Urban Renewal District: The consulting team’s site visit and subsequent research indicate that there are numerous land-owners across the City who are making suboptimal use of their commercial and industrial properties. Though the City cannot force change on these property owners, investing in capital and community assets through the URA could help leverage market change in that direction. Investing in lands (whether owned by the city or private investors) in the small and medium sized lots (identified in Figures 6 and 7) within the UGA are among the best tools that the City has for upping the standard for commercial and industrial properties in the City. The BLI identifies numerous small parcels that are redevelopable or vacant along Adams Street and Jefferson Street. The economic development department could take a targeted approach to discuss URA funded upgrades to these properties.

City Acquiring More Real Estate Assets: As noted in the Economic Development Opportunities section of this study, the challenge for the City of La Grande is not strictly the number of employment lands available, as there are a fair number of small in-fill parcels available throughout town. A compounding challenge is that the City only owns 12 parcels that are considered redevelopable or vacant. None of these parcels are larger than 1.1 acres and overall compose just 3.9 acres.²⁹


- The process of cities acquiring raw land for redevelopment is challenging in Oregon outside of brownfield situations. That said, there appears to be no prohibition against municipal agencies being long-term owners of commercial and industrial properties that can be leased out to businesses. In fact, this practice is quite common among Oregon’s Ports, for example, as 15 of the 23 state sanctioned Ports lease land to private sector tenants.³⁰ This strategy could coincide well with La Grande’s intentions of developing a maker-space corridor along Jefferson Street.

²⁸ Conversations would need to be conducted in accordance with Union County Zoning, Partition and Subdivision Ordinances, particularly article 18.00 associated with the La Grande and Island City UGA Overlay Zone:

<https://union-county.org/planning/>

²⁹ Points Consulting based on BLI Analysis and Union County Tax Assessor data.

³⁰ Points Consulting county based on review of Port websites as of July 2023.



Many early-stage businesses need flex-space but do not have the cash for a long-term lease or for purchasing a building. This could also be deployed in combination with a co-working space and/or business incubator model. If successful, such an establishment could also serve to spur further demand for industrial lands, as these businesses grow and expand. The starting point of this action would require finding suitable property that could be purchased, renovated, and managed by the City's economic development department.

- Oregon's HB 2734, passed in 2015, provides one possible avenue for the City of La Grande to acquire under or unused industrial lands for redevelopment. Specifically, the legislation deals with brownfield properties with contamination issues. Though such properties may be limited or come with some expense, opportunities could arise particularly related to decommissioned gas stations and former industrial sites. The University of Oregon published a helpful white paper on this topic, *Lots of Opportunity: Using Oregon's Land Banking Legislation to Spur Brownfield Development*, that provides guidance related to strategies, funding, and local governance issues.³¹ This process has been utilized in Clackamas County in 2019, published in the Business Plan for the Clackamas County Land Bank Authority.³²

Private Sector Development Spurred by Market Forces: The seeming intractability of private landowners to either sell or develop parcels in strategic locations is an ongoing challenge for the City of La Grande. This is a common issue for communities outside of metropolitan areas. Properties can be more difficult to develop (or redevelop) because they are owned by people who are not accustomed to high-stakes real estate transactions. Furthermore, they are often tied up in estates or trusts with numerous decision makers who may have differing priorities. Though difficult in the short-run, so long as economic development is progressing in a positive direction, market forces do tend to soften landowners' perspectives in the long-run. The economic concept of first-movers' advantage helps describe these situations. An opportunity to provide a productive real estate asset map currently exists, but due to the relatively small pool of people in the market, it has yet to be exploited. One or two real estate developers will be the first to make a move but when other landowners see the feasibility and profitability of their projects, they often follow suit. As mentioned, this does not happen overnight and often may take a new generation of decision makers to take advantage of the opportunities. The investments and strategies in the aforementioned recommendations could be part of the catalyst for creating a more lucrative real estate market for such investors.

Appendix A: Supplementary Data

Census Profile

The profile of La Grande put out by the US Census Bureau states that the city has an overall area of 4.61 square miles, 0.03 square miles of which is water. North of La Grande is Mount Emily, and northeast of La Grande is Island City, a city smaller than La Grande (2020 population being 1,144).

³¹ Kelsey, Zlevor, *Lots of Opportunity: Using Oregon's Land Banking Legislation to Spur Brownfield Redevelopment*, (2016) <https://scholarsbank.uoregon.edu/xmlui/handle/1794/19955>.

³² Clackamas County CCLBA Business Plan, <https://www.clackamas.us/meetings/bcc/presentation/2019-04-09-2>.

Table 19: La Grande Supplemental Data

	2000 Census	2010 Census	2020 Census
People	12,327	13,082	13,026
Households	5,124	5,395	5,378
Housing Units	5,483	5,794	5,843
Families	2,982	3,073	3,275
Population Density	2,833.5/sq mile	2656.3/sq mile.	----
Housing Density	1,260.3/sq mile	1.265.1/sq mile.	----

Source: United States Census Bureau, 2023.

La Grande 2019 Housing Needs Analysis

According to projections, La Grande's population is expected to grow at a rate of 0.45% annually for the next 20 years, resulting in an increase of more than 1,392 people. To accommodate this growth, the city will need to add 795 new housing units, with 42% of the demand being for single-family homes, 45% for a combination of townhouses, apartments, and other multi-unit residences, and 13% for manufactured homes and other housing types.

The number of low-income households in La Grande, which are defined as those earning 80% or less than the median family income for Union County, represents over 50% of all households. Additionally, almost one out of every four households who rent their homes spend more than half of their income on housing costs.

Currently, La Grande has a waitlist of six months for affordable housing and a very low vacancy rate of less than 5% for high-quality rental apartments. Despite this, the analysis of housing needs indicates that the city's UGB is sufficient to meet future housing demands.

However, based on an evaluation of projected incomes and housing costs, it will be necessary for La Grande to consider rezoning lower-density residential land to high-density residential land in suitable areas.

Union County Economic Development Corporation, Business Retention & Expansion Program 2011/2012: Business Visitation Summary Report

The BR&E Program's initial focus is gathering critical and necessary baseline data and information from the local business community to support the development of strategies and programs that directly assist business in Union County. The baseline data and information, used to measure changes identified in subsequent survey activity, enhances local knowledge of the economy and local awareness of resources needed to support local business.

The BR&E business visitation and survey task force identified 48 businesses in Union County to be contacted and visited in 2011. Of the 48, 37 (77%) gave their time to sit with a BR&E interview team and complete the survey.

Summary of Interview Findings:

- Local firms have had mixed experiences with sales of goods/services over the past three years, and going forward, firms are optimistic that the local economy will improve or at least remain stable in terms of sales.
- Firms are aware of emerging technologies and market forces that affect their business, and they are taking steps to address these challenges.
- Most of the firms interviewed make most of their sales in the "Local" and "Regional" markets, and they see the growth of businesses and population in Union County as important factors for their future success and growth.
- Most of the firms interviewed only have a small percentage of sales via the internet, and they do not use the internet significantly to purchase goods and services.
- Local firms expect to restore lost jobs and add new jobs over the next three years, but recruitment of skilled workers is a challenge due to factors such as distance from metro areas, lower wages, and limited opportunities for advancement. The lack of trade sector vocational training programs in Union County also exacerbates this issue.
- The advantages of doing business in Union County cited by the interviewed firms include the location of La Grande/Union County as the "Hub of NE Oregon," connectivity to I-84 in both east and west directions, and quality of life.
- Disadvantages of doing business in Union County cited by the interviewed firms include the lack of growth, distance to metro markets, difficulty in recruiting skilled workers, and limited availability of local vocational training programs.

In the past 3 years, 46 percent of firms interviewed stated there was an increase in sales, with an average increase of 21%. Sales decreased by 43% with an average decrease of 31%. 11% of businesses reported no change in the past three years.

In the future 3 years, 65% of businesses were optimistic about an increase in sales, with 16% estimating no change. 14% did not report on this metric, and 5% assume a decrease. The expectation of economic recovery was 8% for the next three years.

Market Technology and Emerging Forces

- 70% of the respondent firms acknowledged that emerging technologies or market forces would affect their businesses.
- The most frequently mentioned impacts on businesses were the rapid change in internet usage, social networking, and advanced software, as well as technological advances in equipment and machinery.
- Other impacts included the state of the general economy, new competition from local, regional, national, and international sources, customer preferences, and the need to expand one's market reach with new products/services and/or entering new geographic areas.
- Regarding the nature of the impact of these forces on local businesses, the respondents had a mildly positive perspective.
- 38% of respondents saw a positive impact on production, while only 8% saw a negative impact on production.

- 43% of respondents saw an impact on sales, with 27% being positive and 16% being negative.
- Companies were asked about the geographic location of their goods and services.
- 21 companies interviewed (57%) use the internet to buy goods and supplies.
- For 11 companies, internet purchases account for 15% or less of their total purchases.
- The other 10 companies report that 25% to 99% of their purchases are made online, with an average of about 73% for this group of companies.
- The most frequently purchased goods and services in Union County are office supplies and maintenance items and services, mentioned by 60% of the companies surveyed.
- Almost half of the respondents (49%) also purchase vehicles, servicing, and fuel.
- Some companies obtain other goods and services locally, such as machining and welding services, parts and shop supplies, accounting, payroll, and billing services, shipping, and food. These were mentioned by at least one company.
- Firms were asked to identify potential businesses to target for recruitment to Union County. Though a small percentage responded, these included a high response rate from the manufacturing sector. Most firms responded with the need for more jobs and people, but other responses included construction, steel fabrication, cabinet manufacturing, print shops and laser cutting.
- 37 companies reported employment data, at 3,420 people employed, and 3,479 cumulative employed in the past 3 years. The prediction for the next three years is 3,699.
- 49% of the firms report that they have a peak season for employment, with nearly all being summer, occasionally combined with spring or fall. 70% of the firms report that for any aspect of business, there is no outsourcing outside of the region.
- 78% reported that there were no problems with employee turnover, and 16% reported facing such issues. The reasons cited for employee turnover were drug and alcohol use, attendance problems, and the need to acquire or maintain a commercial driver's license. Notably, housing was not identified as a contributing factor to employee turnover.
- Expansion:
 - 76% of the firms said they have enough owned or leased property at their current site to accommodate expansion.
 - 22% of the firms reported they don't have enough space at their present location for expansion.
 - 68% of the firms have adequate property within Union County to facilitate expansion.
 - 24% of firms that had surplus property or buildings responded that they would be willing to sell it as a surplus.
 - The biggest reported challenges for building improvements are permitting, zone variances, city and county planning, new local vendors, and design challenges.
 - None of the interviewed firms report their intention to close.

Appendix B: Zoning Code Definitions

The following tables summarize the intent and the desired characteristics for the Commercial and Industrial Zoning Districts outlined in the La Grande Zoning Code.

2.2.007 – “RP” Residential Professional Zone

<i>Intent</i>	The purpose of the “R-P” Residential Professional zone is to provide for a desirable mixing of residential land uses with professional office uses in possible close proximity to adjacent residential areas.
<i>Permitted Uses</i>	Single-family, duplex dwellings
<i>Conditional Uses</i>	Lodging facilities- limited to bed and breakfast inns and planned unit development
<i>Min Lot Size</i>	One acre
<i>Residential Density</i>	One single-family or duplex dwelling unit per lot
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)³³</i>	Fifteen feet, fifteen feet, five feet, fifteen feet
<i>Height</i>	Thirty-five feet
<i>Parking Requirements</i>	One and one-half spaces per dwelling unit for multiple family and one space per each single family and duplex unit

2.2.008 – “CB” Central Business Zone

<i>Intent</i>	The purpose of this zone is to provide for the development of intensive consumer services and retail commercial activities in the central core area of the City.
<i>Permitted Uses</i>	Administrative & professional services, retail, other services
<i>Conditional Uses</i>	Automotive & equipment, community education, community recreation, religious assembly
<i>Min Lot Size</i>	No minimum required lot area
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	No required minimum, no required minimum unless abutting an alley or a residential zone, no required minimum unless abutting a residential zone or an R-P zone, fifteen feet
<i>Height</i>	Sixty feet
<i>Parking Requirements</i>	One space for each 200 square feet of net floor area, plus one space for every two employees

2.2.009 – “GC” General Commercial Zone

<i>Intent</i>	The purpose of this zone is to provide the full range of retail goods and services serving a large area which normally requires a large space for development.
<i>Permitted Uses</i>	Retail, administrative & professional services, automotive & equipment, food & beverage
<i>Conditional Uses</i>	Animal sales and services, lodging: campgrounds, resorts & emergency shelters
<i>Min Lot Size</i>	Two thousand five hundred square feet
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	No required minimum, no required minimum unless abutting an alley or a residential zone, no required minimum unless abutting a residential zone or an R-P zone, fifteen feet

³³ “F, R, S, and C” refer to setbacks for front yards, rear yards, side yards, and corner lots.

<i>Height</i>	Fifty feet
<i>Parking Requirements</i>	One space for each 400 square feet of gross floor area devoted to retail sales plus one space for each employee, or twenty spaces plus one space for each 400 square feet of gross floor area devoted to retail sales in excess of 5,000 square feet plus one space for each employee and employer if over 5,000 square feet of floor area

2.2.010 – “IC” Interchange Commercial Zone

<i>Intent</i>	The purpose of this zone is to provide commercial services and goods in places conveniently and safely accessible to highways.
<i>Permitted Uses</i>	Accessory structures, automotive & equipment, fuel sales, lodging: motels, hotels, and bed & breakfasts
<i>Conditional Uses</i>	Extensive impact services & utilities, lodging: campground and resort, religious assembly
<i>Min Lot Size</i>	Two thousand five hundred square feet
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	No required minimum, no required minimum unless abutting an alley or a residential zone, no required minimum unless abutting a residential zone or an R-P zone, fifteen feet
<i>Height</i>	Fifty feet
<i>Parking Requirements</i>	One space for each 800 square feet of gross floor area plus one space for each employee and employer

2.2.011 – “I1” Light Industrial

<i>Intent</i>	The purpose of this zone is to provide for areas where manufacturing, storage, sorting and wholesaling distribution can be undertaken in close proximity to one another without encroaching upon the character of the adjacent land uses.
<i>Permitted Uses</i>	Accessory structures, automotive & equipment, general industrial, wholesaling
<i>Conditional Uses</i>	Agricultural supplies & services, animal sales & services, building maintenance services
<i>Min Lot Size</i>	No minimum required
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	No required minimum, no required minimum unless abutting an alley or a residential zone, no required minimum unless abutting a residential zone or an R-P zone, fifteen feet
<i>Height</i>	Fifty feet
<i>Parking Requirements</i>	One space for each 800 square feet of gross floor area plus one space for each employee and employer

2.2.012 – “I-2” Heavy Industrial

<i>Intent</i>	The purpose of this zone is to provide for areas where large areas of land are needed for the fabrication, processing, and movements of raw materials and where the potential impacts of noise, odor, vibration, glare, and/or heat are least likely to affect adjacent land uses.
<i>Permitted Uses</i>	Accessory structures, automotive & equipment, general industrial, heavy industrial
<i>Conditional Uses</i>	Animal sales & services, communications services, research services
<i>Min Lot Size</i>	No minimum required
<i>Lot Coverage</i>	

<i>Setbacks (F,R,S,C)</i>	No required minimum, no required minimum unless abutting an alley or a residential zone, no required minimum unless abutting a residential zone or an R-P zone, fifteen feet
<i>Height</i>	Sixty feet
<i>Parking Requirements</i>	One space for each 800 square feet of gross floor area plus one space for each employee and employer

2.2.013 – “PF” Public Facilities Zone

<i>Intent</i>	The purpose of this zone is to provide areas primarily for the location and establishment of facilities which are maintained in public and quasi-public ownership and which utilize relatively large areas of land.
<i>Permitted Uses</i>	Cemeteries, civic administrative services, community education, community recreation, cultural exhibits & library services
<i>Conditional Uses</i>	Animal sales & services, medical services, postal services
<i>Min Lot Size</i>	No minimum required
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	None required with the exception of matching the residential setback required if abutting a residential zone
<i>Height</i>	Thirty-five feet with a maximum of sixty feet when accommodating for residential zone setback
<i>Parking Requirements</i>	Five spaces per classroom, plus one space for every two employees, plus one space per each fleet vehicle, plus the requirements for public assembly

2.2.014 – “BP” Business Park Zone

<i>Intent</i>	The purpose of this zone is to provide areas for the establishment of light manufacturing and warehousing uses in a park-like setting, with flexibility for siting of certain commercial/office uses where appropriate.
<i>Permitted Uses</i>	Accessory structures, administrative & professional services, building maintenance services, business equipment sales & services, general industrial
<i>Conditional Uses</i>	Extensive impact services & utilities – limited to substations and electrical generation facilities
<i>Min Lot Size</i>	One half acre for lots intended primarily for commercial or office use and one acre for lots intended primarily for industrial or warehouse use
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	No required minimum, no required minimum unless abutting an alley or a residential zone, no required minimum unless abutting a residential zone or an R-P zone, fifteen feet
<i>Height</i>	Sixty feet
<i>Parking Requirements</i>	One space for every two employees, or not less than one space for each five hundred square feet of gross floor area, plus one space for each fleet vehicle

2.2.015 – “MS” Medical Services

<i>Intent</i>	The purpose of this zone is to provide for the expansion and establishment of hospitals, health services, medical offices and associated medical residential facilities.
<i>Permitted Uses</i>	Medical services – hospitals, medical clinics, dental clinics, etc., group care residential, accessory structures

<i>Conditional Uses</i>	Eating & drinking establishments – limited to cafes or cafeterias, extensive impact services & utilities – limited to fire stations, ambulance services, helistops
<i>Min Lot Size</i>	No minimum required
<i>Lot Coverage</i>	
<i>Setbacks (F,R,S,C)</i>	None specified
<i>Height</i>	Not specified
<i>Parking Requirements</i>	One space for each doctor and each employee plus one space for each 300 square feet of gross floor area

Appendix C: Parcel Details for Redevelopable and Vacant Lands

The following tables contain material details for the parcels in La Grande that qualify as vacant or redevelopable. Lists are rank-ordered from largest amount of buildable land to smallest. Any parcel with less than one net buildable acre of space is excluded from this table. The arithmetic behind reductions due to environmental or physical development constraints is excluded in order to conserve page space. Also, the lists exclude ownership information in order to protect the confidentiality of private landowners. Such details are available via the Union County Tax Assessors office, if required for further research.

Table 20: Vacant Industrial Parcels in La Grande

Map Location (Section, Township, Range)	Tax Lot	Zoning District	Gross Acreage	Total Buildable Acres
03S38E23	100	I-2	117.5	117.5
03S38E23	1400	I-2	87.2	87.2
03S38E16B	100	BP	49.9	19.0
03S38E	8000	I-2	9.9	9.9
03S38E16AC	100	BP	5.4	5.4
03S38E16BD	300	BP	6.3	4.4
03S38E16AC	500	BP	4.2	4.2
03S38E16AC	200	BP	3.9	3.9
03S38E15	1100	I-2	10.0	3.1
03S38E16AC	600	BP	4.2	2.2
03S38E23	1501	I-2	2.0	2.0

Source: Nexus Planning Services using Union County Tax Assessor's Office Data

Table 21: Redevelopable Industrial Parcels in La Grande

Map Location (Section, Township, Range)	Tax Lot	Zoning District	Gross Acreage	Total Buildable Acres
03S38E23	1500	I-2	45.9	32.1
03S38E08AD	101	I-1	2.0	1.9
03S38E05CD	6200	I-1	1.4	1.4

Source: Nexus Planning Services using Union County Tax Assessor's Office Data

Table 22: Vacant Commercial Parcels in La Grande

Map Location (Section, Township, Range)	Tax Lot	Zoning District	Gross Acreage	Total Buildable Acres
03S38E04AB	100	GC	11.6	11.3
03S38E04	10800	GC	4.0	4.0
03S38E04	9802	GC	3.0	3.0
03S38E04CA	1301	GC	2.4	2.4


03S38E04	9801	GC	1.9	1.9
03S38E04BD	2902	GC	1.7	1.7
03S38E04CC	601	GC	1.7	1.6
03S38E04CA	1700	GC	1.5	1.5
03S38E04CA	600	IC	1.4	1.4
03S38E04DC	703	GC	1.2	1.2
03S38E04CA	1400	GC	1.3	1.2
03S38E04DC	702	GC	1.2	1.2
03S38E08DA	1201	GC	1.0	1.0

Source: Nexus Planning Services using Union County Tax Assessor's Office Data

Table 23: Redevelopable Commercial Parcels in La Grande

Map Location (Section, Township, Range)	Tax Lot	Zoning District	Gross Acreage	Total Buildable Acres
03S38E08AB	6600	GC	2.1	2.1
03S38E08DA	500	GC	1.2	1.2
03S38E08DA	1200	GC	1.1	1.1
03S38E08DA	1500	GC	1.0	1.0

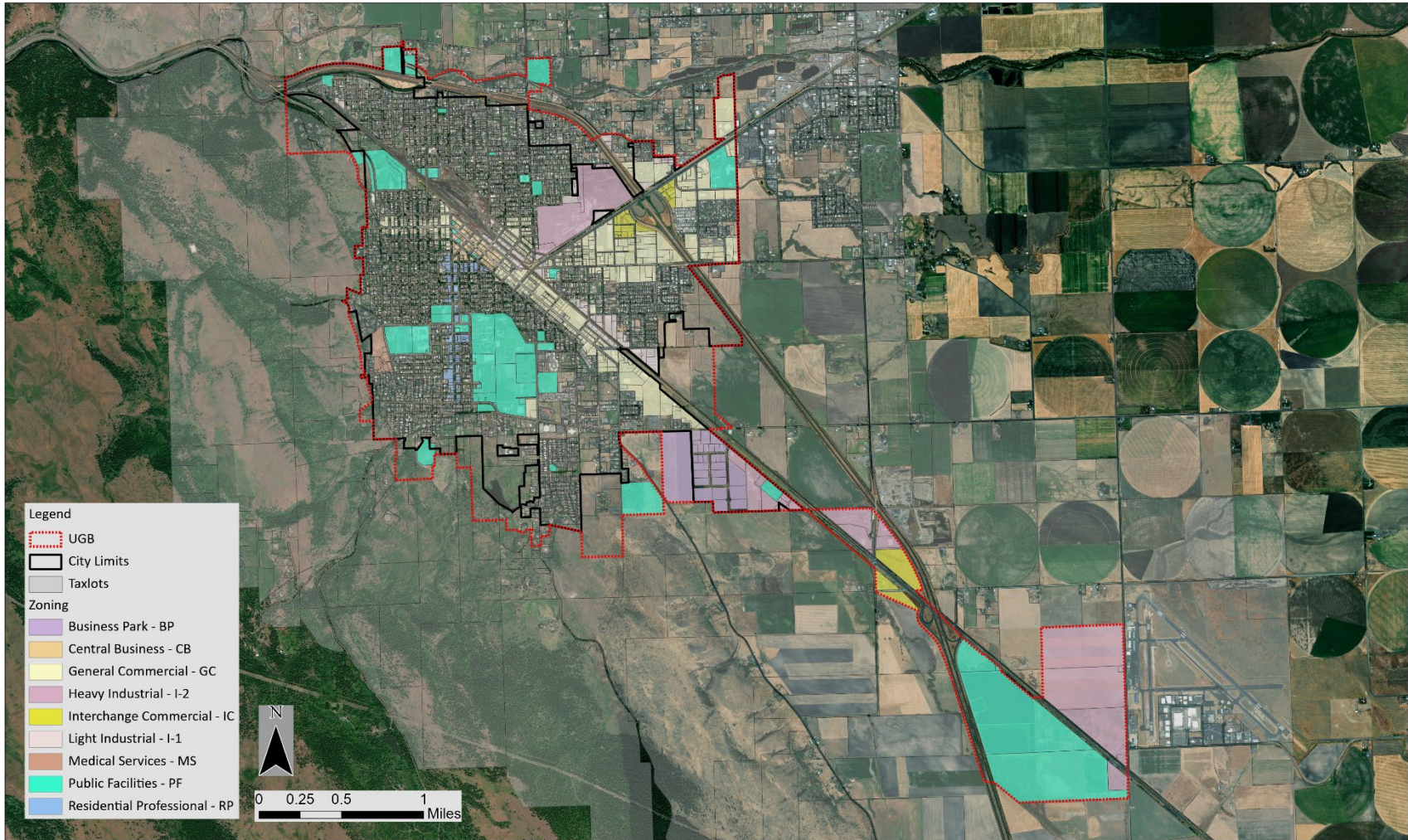
Source: Nexus Planning Services using Union County Tax Assessor's Office Data



Appendix D: Full Size Maps of La Grande Vacant and Redevelopable Lands

The following pages contains these maps in the following order:

- City of La Grande Employment Lands Zoning
- City of La Grande Employment Lands Constraints
- City of La Grande, Buildable Employment Lands Inventory (All Employment Zones)
- City of La Grande, Buildable Employment Lands Inventory (Commercial/Industrial)
- City of La Grande, Buildable Lands Inventory (Large Lots, >10 Acres)
- City of La Grande, Buildable Lands Inventory (Medium Lots, 2-10 Acres)
- City of La Grande, Buildable Lands Inventory (Small Lots, 1-2 Acres)

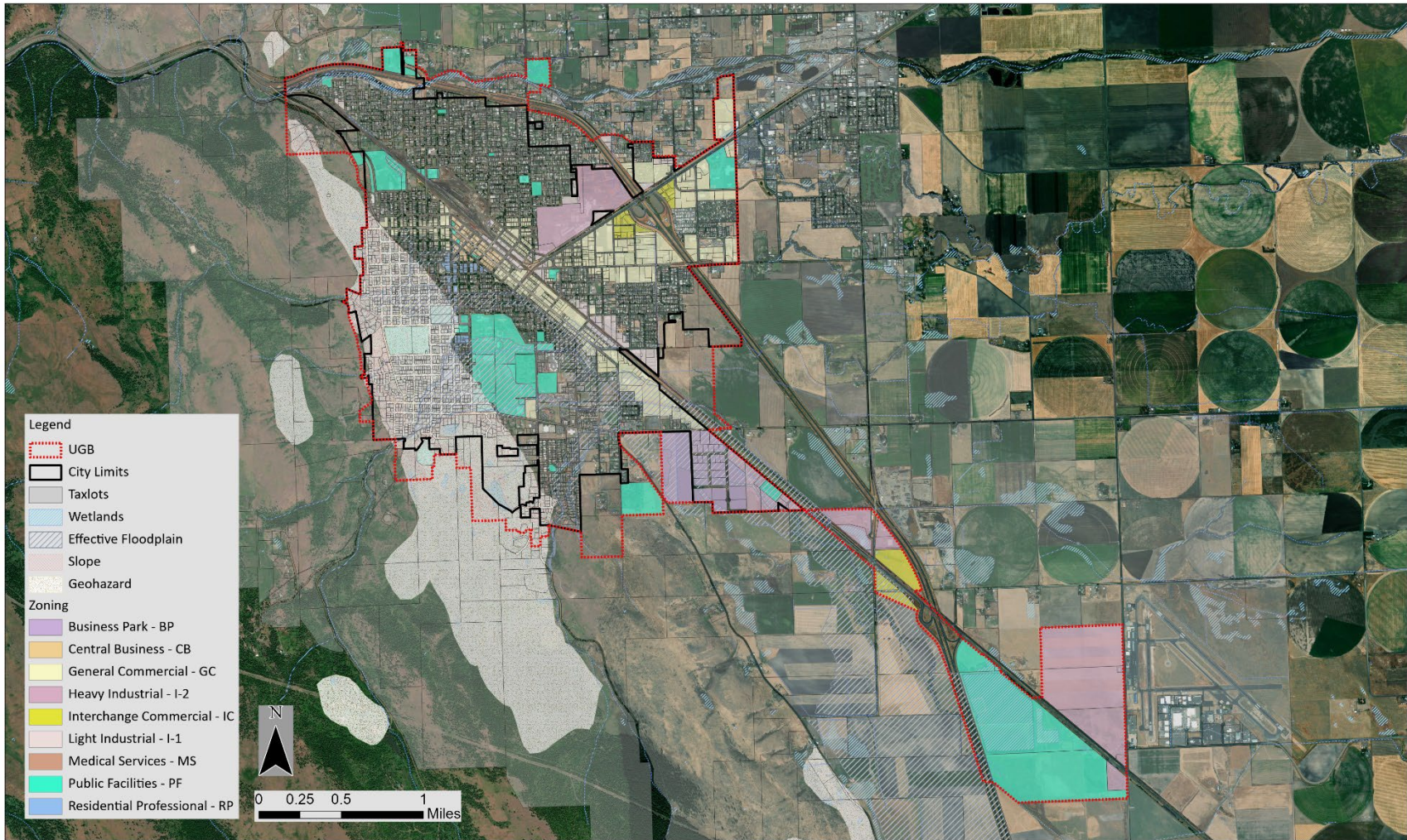


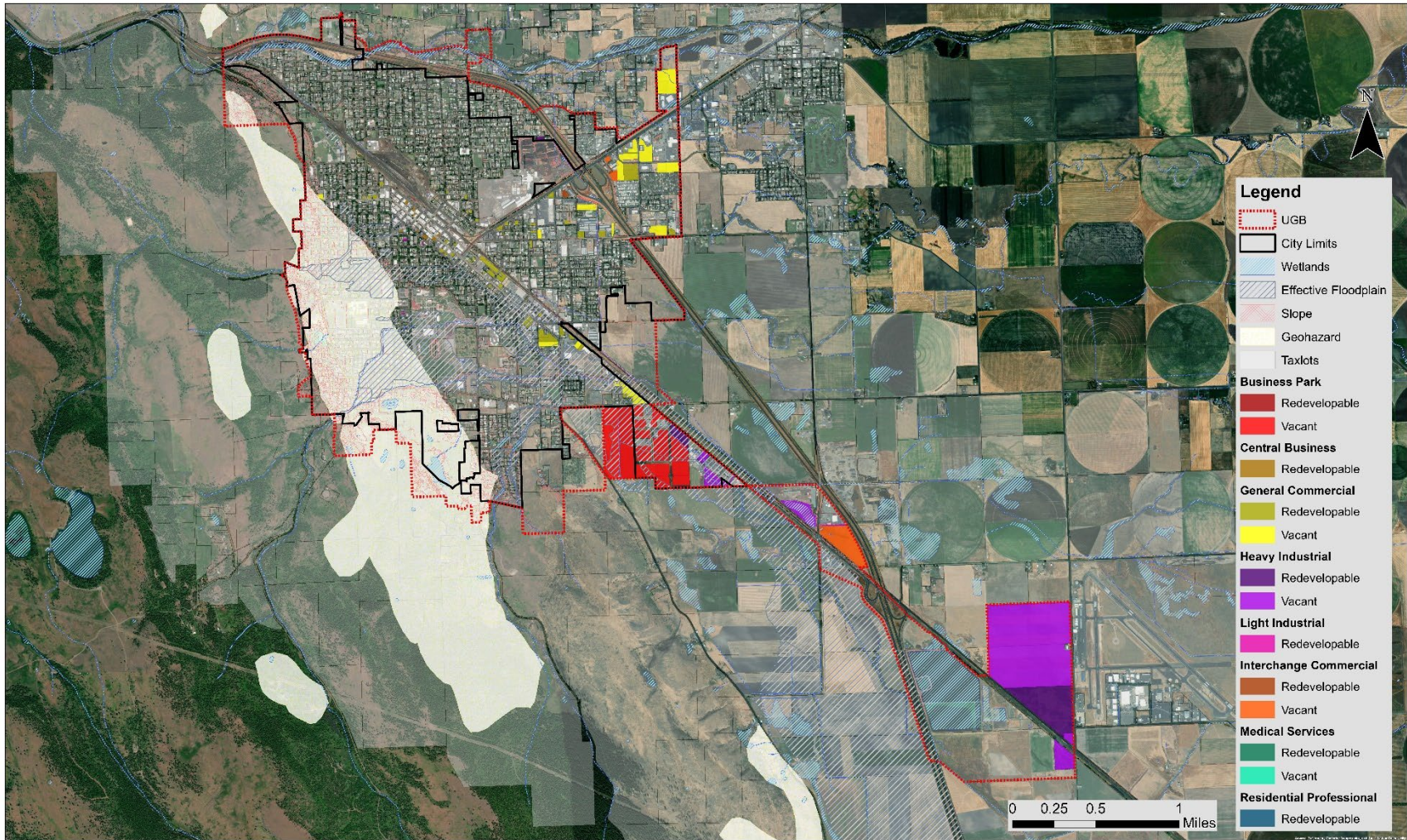
La Grande Economic Opportunities Analysis

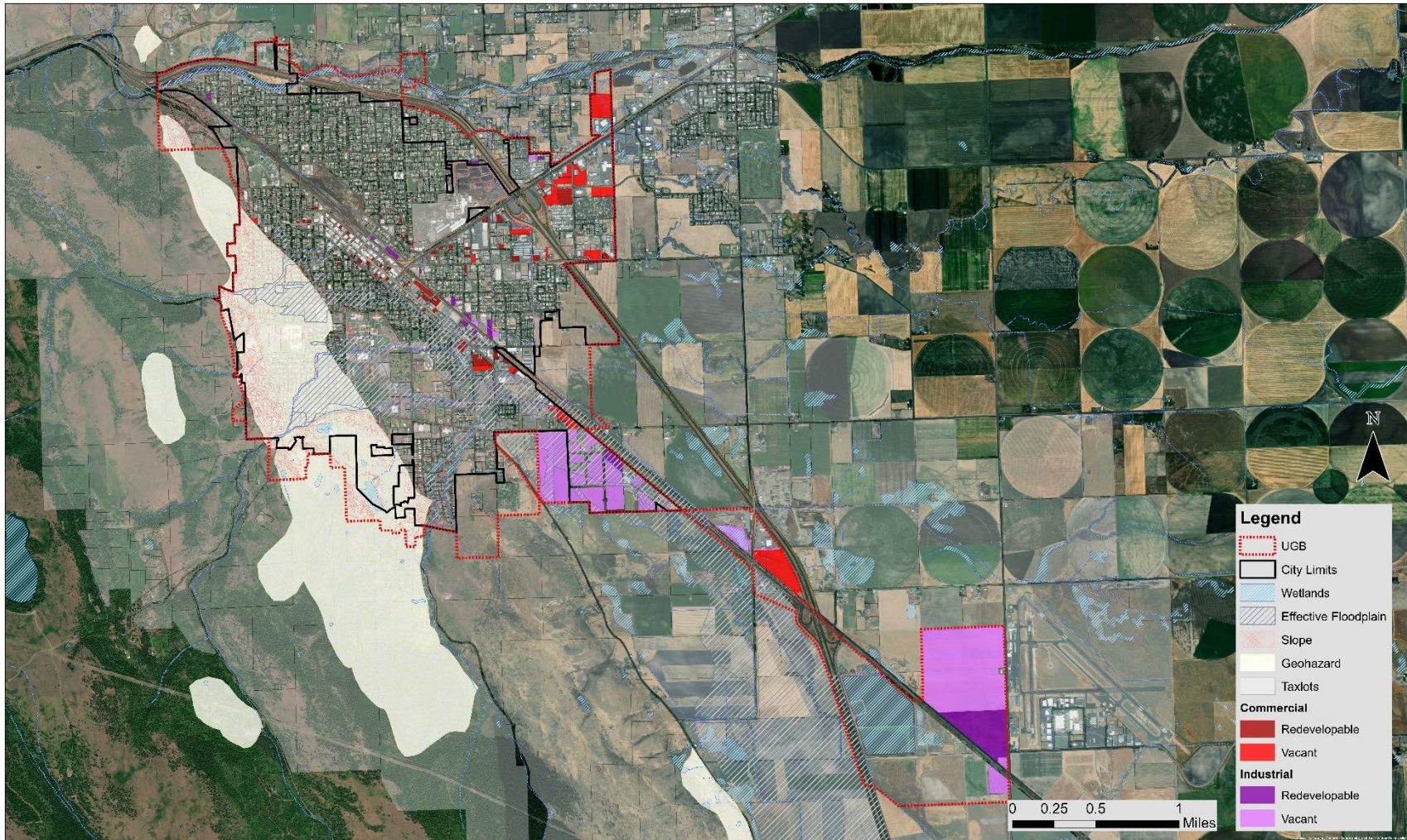
City of La Grande Employment Lands Zoning

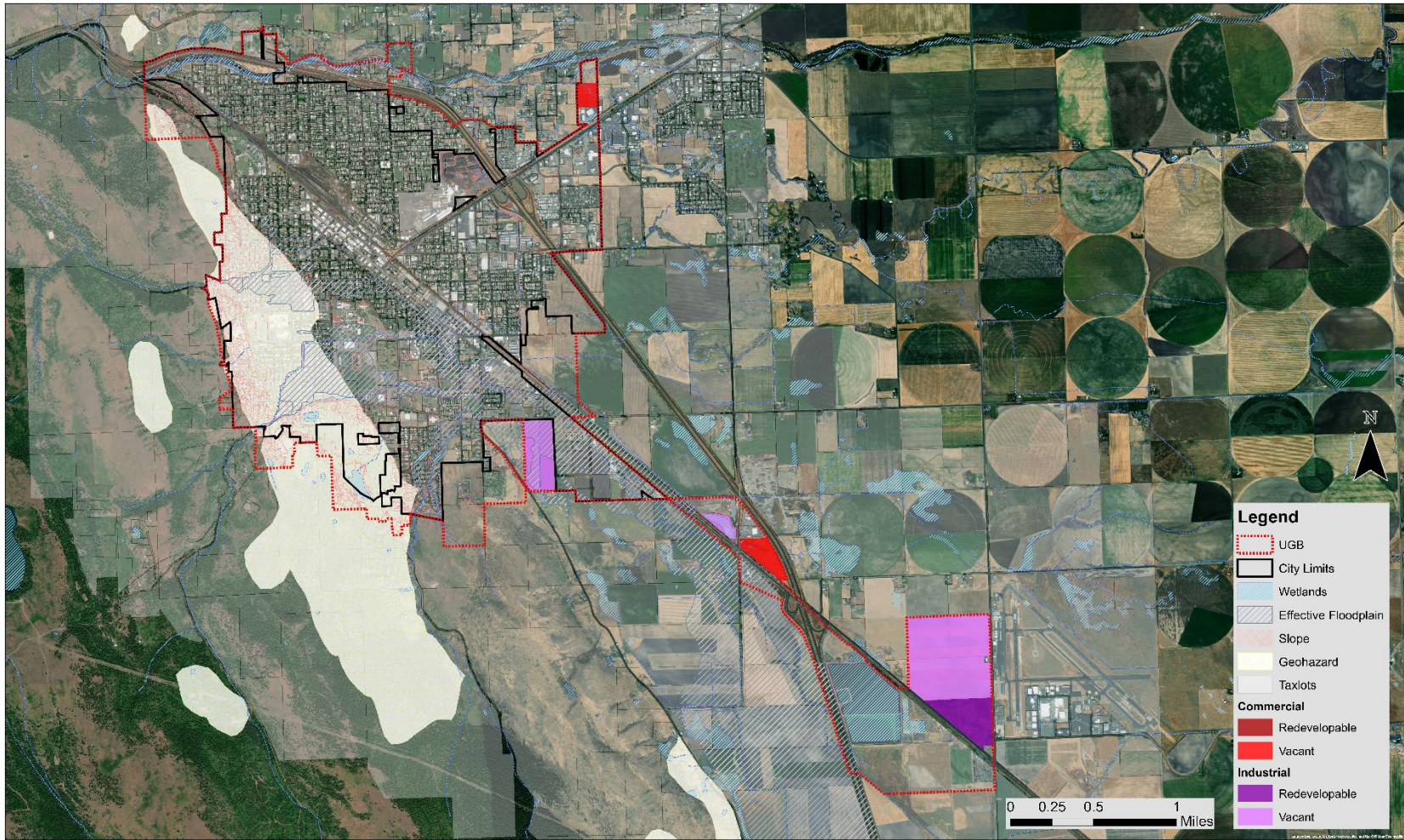
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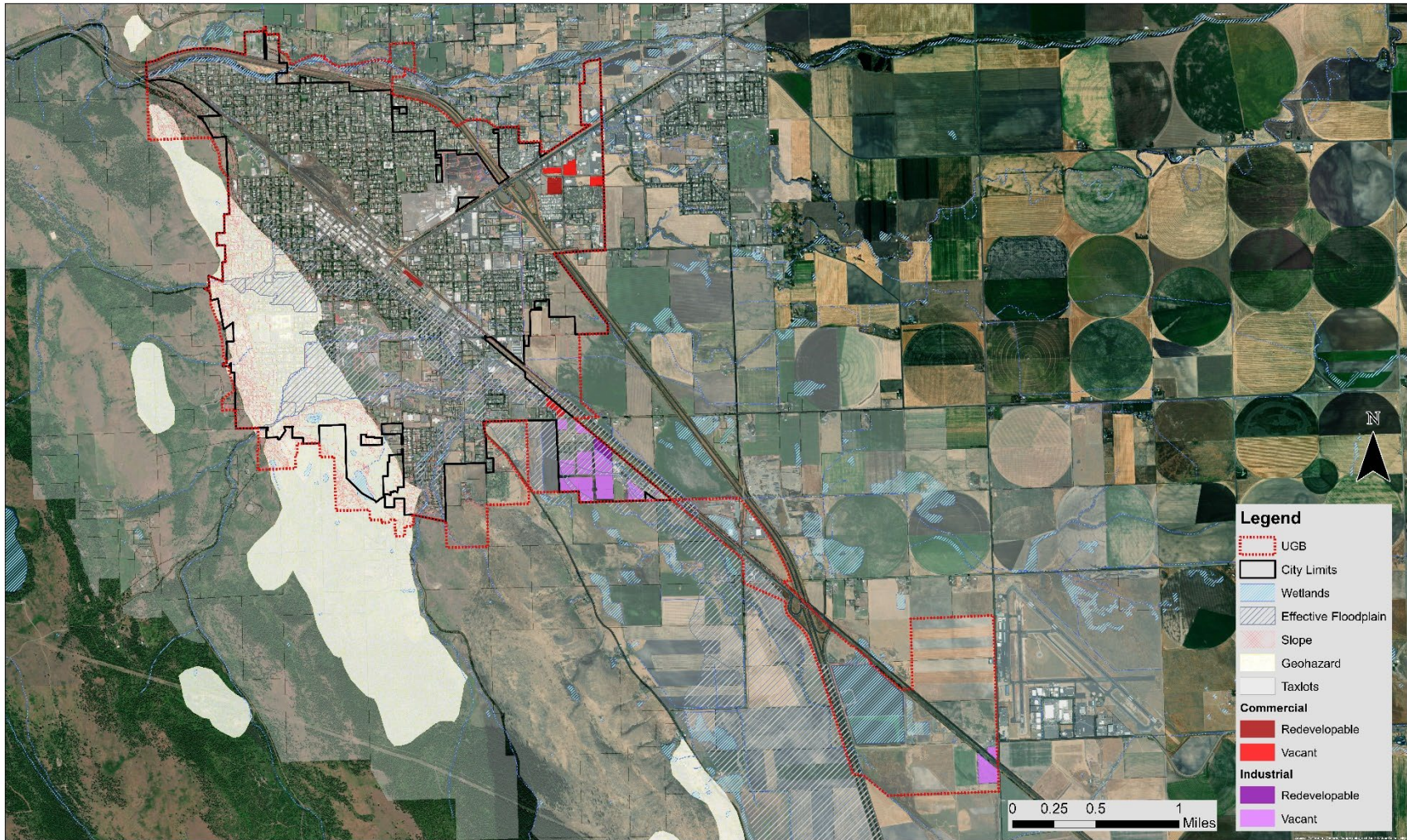
Data Sources:
City of La Grande Planning
Department
Union County Assessor

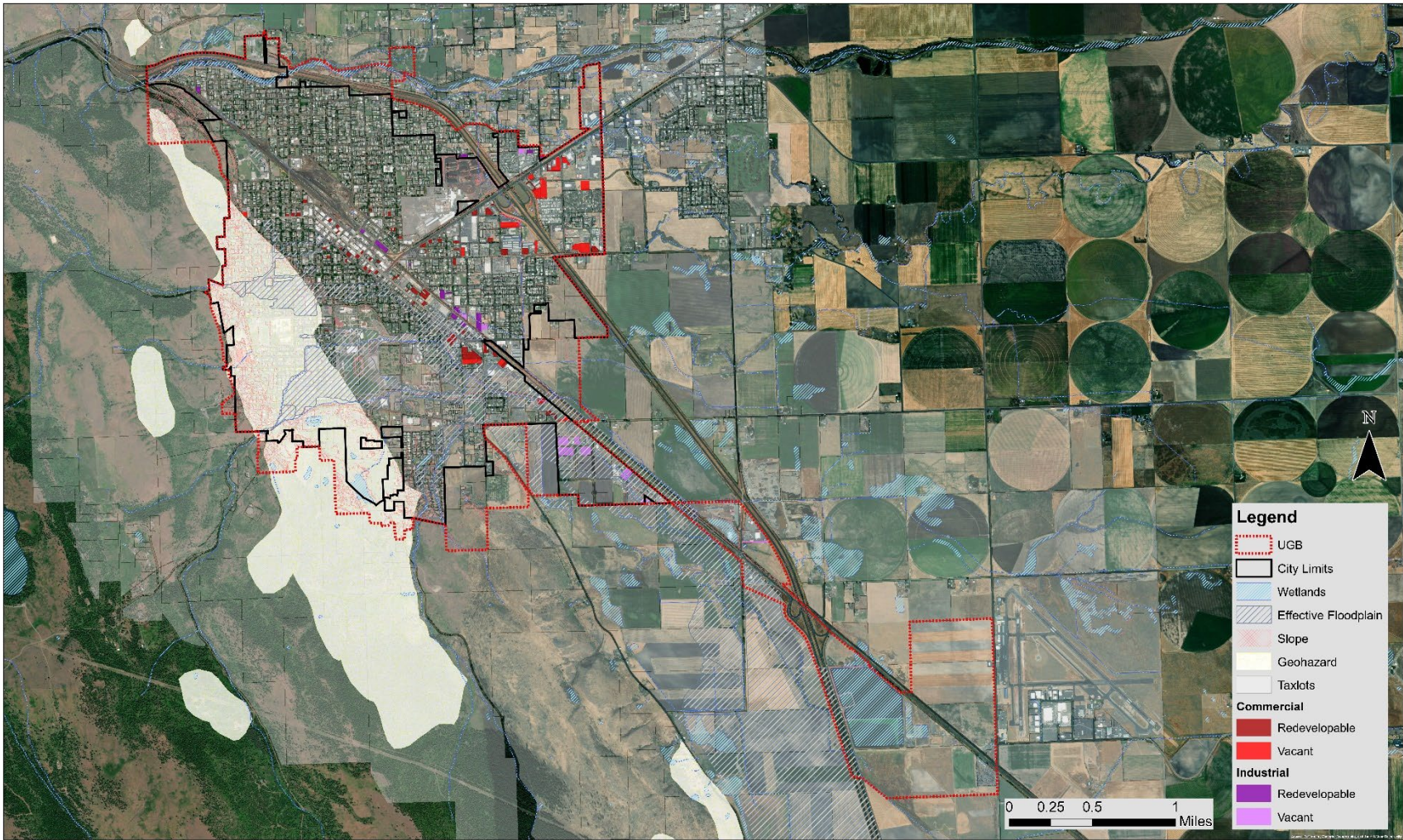












La Grande Economic Opportunities Analysis

City of La Grande - Buildable Employment Lands Inventory

 (Small Lots, 1-2 Acres)

EXHIBIT B

LAND DEVELOPMENT CODE ORDINANCE 3266, SERIES 2023

ARTICLE 8.9 – COMPREHENSIVE PLAN DOCUMENT AMENDMENT

SECTION 8.9.003 – REVIEW CRITERIA

A proposed Land Development Code Amendment shall be approved if the reviewing authority finds: (A) That the proposed amendment is in compliance with Oregon Planning Goals; (B) That the proposed amendment is in conformance with the policies of the Comprehensive Plan; and, (C) That the proposed amendment is supported by specific studies or other factual information which documents the public need for the amendment.

A. Statewide Planning Goals

The Goal 9 chapter of the City of La Grande comprehensive plan was last updated in 2009. Since that time, La Grande has been fortunate in seeing a number of commercial projects come to fruition which has resulted in a significant decrease in available commercial sites for new development. Over the past 10-15 years, significant projects have included the development of several large commercial parcels along Island Avenue (Hwy 82), Mulholland Drive and May Lane to support new or expanding businesses such as Starbucks, Banner Bank, Napa Auto Parts, Commercial Tire, Hampton Inn Suites and Miller's Home Center. In addition to these, a number of smaller infill projects have also occurred throughout the City. **As a result of these projects, the City's current Goal 9 commercial and industrial land needs analysis is no longer up to date with accurate data.** Additionally, the vacant commercial land inventory has been reduced to critical levels with a very limited supply of land available for both new business recruitment and the expansion of existing local businesses, which warrants updating the Goal 9 chapter of the comprehensive plan.

The City finds that only Statewide Planning Goal 1, Goal 2 and Goal 9 are directly applicable to the proposed amendments, as these goals address procedural requirement for the adoption process which provide citizens the opportunity to participate in the amendment process and requires that all decision shall be made on a factual basis.

1. STATEWIDE PLANNING GOAL 1 – CITIZEN INVOLVEMENT

To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

The citizen involvement program shall incorporate the following components:

1. Citizen Involvement – To provide for widespread citizen involvement.
2. Communication – To assure effective two-way communication with citizens.
3. Citizen Influence – To provide the opportunity for citizens to be involved in all phases of the planning process.
4. Technical Information – To assure that technical information is available in an understandable form.
5. Feedback Mechanisms – To assure that citizens will receive a response from policy-makers.
6. Financial Support – To insure funding for the citizen involvement program.

Finding: The City of La Grande has an established and adopted citizen involvement program that includes providing mailed notice to the owners of every property within the City of La Grande and its Urban Growth Boundary. The City has reached out and interviewed several stakeholders in the community, and held work sessions before the planning commission, urban

renewal advisory commission and city council, that were advertised and open to the public. Citizens have had several opportunities to learn about the proposed amendments and engage in the process of drafting the proposed amendments. The adoption process includes six (6) public hearings; three (3) before the City of La Grande and three (3) before Union County. All City of La Grande meetings are open to the public for participation in-person or virtually. Additionally, all meetings are held via Zoom meetings and broadcast live on the City Manager's Facebook page. All meeting materials are made available for electronic download, free of charge, from the City of La Grande Planning Division website. Printed copies are available for viewing or purchase, upon request, at the Planning Division office. All interested citizens have had the opportunity to participate in all phases of the process and submit written comments, up until 5:00 p.m. on the date of the meetings. Such comments are or will be read into the record during the public comment period of the meeting. The City of La Grande Planning Commission and/or City Council have or will respond to comments during their deliberations and decision making.

2. STATEWIDE PLANNING GOAL 2 – LAND USE PLANNING

To establish a land use planning process and policy frameworks as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

All land-use plans and implementation ordinances shall be adopted by the governing body after public hearing and shall be reviewed and, as needed, revised on a periodic cycle to take into account changing public policies and circumstances, in accord with a schedule set forth in the plan. Opportunities shall be provided for review and comment by citizens and affected governmental units during preparation, review and revision of plans and implementation ordinances.

Finding: For this Statewide Planning Goal, the proposed Goal 9 comprehensive plan amendments address changes in the conditions or circumstances within the City of La Grande as it relates to economic development, available land supply and needed lands.

To address the available land supply shortage, the City proactively decided in 2022 to move forward with a self-funded Goal 9 economic opportunities analysis to evaluate the City's existing commercial and industrial land inventory, to forecast the next 20-year economic growth and land need and to update the Goal 9 Economic Development chapter of the La Grande Comprehensive Plan. In February 2023, the City contracted with Points Consulting & Nexus Planning Services to conduct a Goal 9 economic opportunities analysis and buildable lands inventory (Goal 9 EOA).

The 2023 Goal 9 EOA identifies La Grande having an employment growth in the range of 470 and 760 jobs over the next twenty-years (2023-2043), resulting in net job growth of +7.5% to +12%. Based solely on future employment growth, by 2043 La Grande will require: 31 additional acres of industrial lands and 28 additional acres of commercial lands. Taking other qualitative factors into consideration, such as characteristics of parcel sizes and shapes, locations and geographic proximity to each other, site availability-willing sellers, and other factors, the Goal 9 EOA identifies a greater demand a need of +121 acres of industrial zoned land and +63 acres of commercially zoned land

To ensure that different business types are accommodated, the Goal 9 EOA identifies land uses being divided according to appropriate zoning districts. *The identified 184 acres could result in between 48 and 88 additional lots spread across a variety of districts as follows:*

Required Lot Sizes for Additional Industrial & Commercial Lands

District Type	Acreage Range	Gross Acreage	High-End Lots	Low-End Lots
General Commercial (GC)	0.5 – 1	15.8	32	16
Interchange Commercial (IC) or Other Low-Intensity Commercial	1.3 - 2.2	47.4	38	22
Light Industrial (I-1)	4.5 - 7.5	48.3	11	6
Heavy Industrial (I-2)	20 – 50	66.4	3	1
Business Park (BP)	1.5 - 2.5	6.0	4	2
Grand Total	--	183.9	88	48

The full Economic Opportunities Analysis is provided in Exhibit a of this Decision Order.

In addition to the Goal 9 EOA, the City’s urban renewal advisory commission, economic development director, community development director and city manager met to discuss and update the goals and policies provided in the Goal 9 chapter of the comprehensive plan. The City’s economic development vision has slightly changed over the years, which warranted a few updates to the goals and policies.

Based on the above, the Planning Commission and City Council's decision to amend the comprehensive plan is being made on a factual basis, consistent with Statewide Planning Goal 2.

3. STATEWIDE PLANNING GOAL 9 – ECONOMIC DEVELOPMENT

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

Finding: This Statewide Planning Goal establishes State guidelines for developing Comprehensive Plans, which includes longer range planning efforts to ensure that the City has evaluated the local economic patterns and other characteristics, has sufficient commercial and industrial lands to meet is current and future needs, and established policies to guide economic development decisions.

The proposed amendments are entirely focused on Goal 9 and ensuring that the City is complying with the short and long range planning requirements provided in Oregon Administrative Rule (OAR) 660, Division 9. The methodology used for forecasting and developing the Goal 9 EOA, along with the conclusions are discussed in the full EOA in Exhibit A of this report and are believed to be in conformance with OAR 660, Division9.

B. City of La Grande Comprehensive Plan

1. COMPREHENSIVE PLAN GOAL 1 – CITIZEN INVOLVEMENT

Goal Statement - To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

Policy 1 – The City of La Grande shall strive to provide for widespread citizen involvement, especially in its land use planning process.

Policy 2 – The City of La Grande shall strive to assure effective two-way communication with citizens.

Policy 3 – The City of La Grande shall strive to provide the opportunity for citizens to be involved in all phases of the planning process.

Policy 4 – The City of La Grande shall strive to assure that technical information is available in an understandable form.

Policy 5 – The City of La Grande shall strive to assure that citizens will receive a response from policy-makers

Policy 8 – That the City of La Grande continue efforts to upgrade its web site to include land use information including, but not limited to: Comprehensive Plan, implementation ordinances, meeting agendas, meeting minutes, staff reports, hearing notices, land use maps, special events and opportunities to serve on committees or commissions.

Policy 10 – That the City of La Grande produce printed materials that will enable citizens to understand technical aspects of the land use planning program and make such materials readily available to the public.

Policy 12 – That the City of La Grande continue to provide all citizens who participate in the land use process with a copy of the final decision and findings.

Finding: The City of La Grande Comprehensive Plan, Goal 1, includes 14 policies that address citizen involvement. The policies listed above focus on public engagement and participation in the public hearing process. The remaining goals focus on the City's overall public involvement program and ensuring to ensure that it includes a Citizen Involvement Committee, the program is funded, and that the City consider additional outreach efforts.

The City of La Grande's adopted land use process, per Chapter 9 of the Land Development Code Ordinance 3266, Series 2023, establishes the procedural requirement that implement the City public involvement program. For the above listed policies, the City has reached out and interviewed several stakeholders in the community, and held work sessions before the planning commission, urban renewal advisory commission and city council, that were advertised and open to the public. Citizens have had several opportunities to learn about the proposed amendments and engage in the process of drafting the proposed amendments.

As part of the formal public hearing and adoption process, there are six (6) public hearings; three (3) before the City of La Grande and three (3) before Union County. In preparation for these hearings, the City Planning Department provided a City-wide public notice that was mailed to the owners of all properties within the City and Urban Growth Boundary. The public notice included a link to the City's Planning Division webpage, where all meeting materials and proposed amendments were published and made available for citizens to view and download electronically

For each City public hearing, citizens are provided an opportunity to submit written comments, up until 5:00 p.m. on the public meeting date. If a citizen or commenter is not present during the hearing, their comments are read into the record during the public commenter period of the hearing. Each City hearing is live broadcasted via Facebook Live on the City Manager's Facebook page, and the Zoom meetings are electronically recorded with such recordings being available to the public any time after the meeting upon request. Additionally, the City allows citizens to attend and participate in meetings virtually upon request.

2. COMPREHENSIVE PLAN GOAL 2 – LAND USE PLANNING

Objective 1 - The overall goal of the La Grande Comprehensive Plan is to provide direction for achieving a safe, healthful, attractive, and workable environment for the citizens of La Grande; and,

Objective2 – To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure and adequate factual base for such decisions and actions.

Policy 1 – That planning related decisions will be made on a factual base, and that such base will be updated as base information changes, or at least every two years.

Policy 3 - That public need be established before plan changes or related requests are approved and that the burden of proof be borne by the requestor.

Finding: The City of La Grande Comprehensive Plan, Goal 2, includes 11 policies that address various planning related elements. Policies 1 and 3 are applicable to these proposed code

amendments which focuses on establishing a “need” for the change and that such need is based on factual information.

For the proposed comprehensive plan amendments, the initial driver was the City recognizing lost economic development opportunities as a result of a commercial land shortage or lack of choices. As a result, the City proactively decided in 2022 to move forward with a self-funded Goal 9 economic opportunities analysis to evaluate the City’s existing commercial and industrial land inventory, to forecast the next 20-year economic growth and land need and to update the Goal 9 Economic Development chapter of the La Grande Comprehensive Plan. In February 2023, the City contracted with Points Consulting & Nexus Planning Services to conduct a Goal 9 economic opportunities analysis and buildable lands inventory (Goal 9 EOA), which was completed in October 2023.

The final Goal 9 EOA is provided in Exhibit A of this decision order and is based on factual data that identifies the City existing conditions and 20-year economic needs forecast, consistent with the City’s comprehensive plan and Statewide Planning Goal 2

3. COMPREHENSIVE PLAN GOAL 9 – ECONOMIC DEVELOPMENT

Finding: The City’s comprehensive plan Goal 9 has the same focus as Statewide Planning Goal 9, but in more detail. The proposed amendments are entirely focused on complying with the short and long range planning requirements provided in Oregon Administrative Rule (OAR) 660, Division 9. The methodology used for forecasting and developing the Goal 9 EOA, along with the conclusions are discussed in the full EOA in Exhibit A of this report and are believed to be in conformance with OAR 660, Division 9.

In addition to the Goal 9 EOA, the City’s urban renewal advisory commission, economic development director, community development director and city manager met to discuss and update the goals and policies provided in the Goal 9 chapter of the comprehensive plan. These goals and policies are intended to guide future decision to implement the Goal 9 EOA. Implementation will occur when amending land use codes and economic development programs and managing related projects.

The entire Goal 9 chapter of the comprehensive plan will be repealed and replaced with these updated goals and policies, along with the new Goal 9 EOA.

C. Specific Studies or Other Factual Information

As discussed previously, the Goal 9 chapter of the City of La Grande comprehensive plan was last updated in 2009. Since that time, La Grande has been fortunate in seeing a number of commercial projects come to fruition which has resulted in a significant decrease in available commercial sites for new development. Over the past 10-15 years, significant projects have included the development of several large commercial parcels along Island Avenue (Hwy 82), Mulholland Drive and May Lane to support new or expanding businesses such as Starbucks, Banner Bank, Napa Auto Parts, Commercial Tire, Hampton Inn Suites and Miller’s Home Center. In addition to these, a number of smaller infill projects have also occurred throughout the City. **As a result of these projects, the City’s current Goal 9 commercial and industrial land needs analysis is no longer up to date with accurate data.** Additionally, the vacant commercial land inventory has been reduced to critical levels with a very limited supply of land available for both new business recruitment and the expansion of existing local businesses, which warrants updating the Goal 9 chapter of the comprehensive plan.