

Points Consulting  
PO Box 8487  
409 S. Jackson St., Suite 201  
Moscow, Idaho 83843  
208-596-5809  
points-consulting.com

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# Goal 9: Economic Opportunities Analysis & Buildable Lands Inventory

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*For: La Grande, Oregon*

*From: Points Consulting &  
Nexus Planning Services*

*Date: August 17<sup>th</sup>, 2023*



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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 parcels 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
<b>Grand Total</b>	--	<b>183.9</b>	<b>88</b>	<b>48</b>

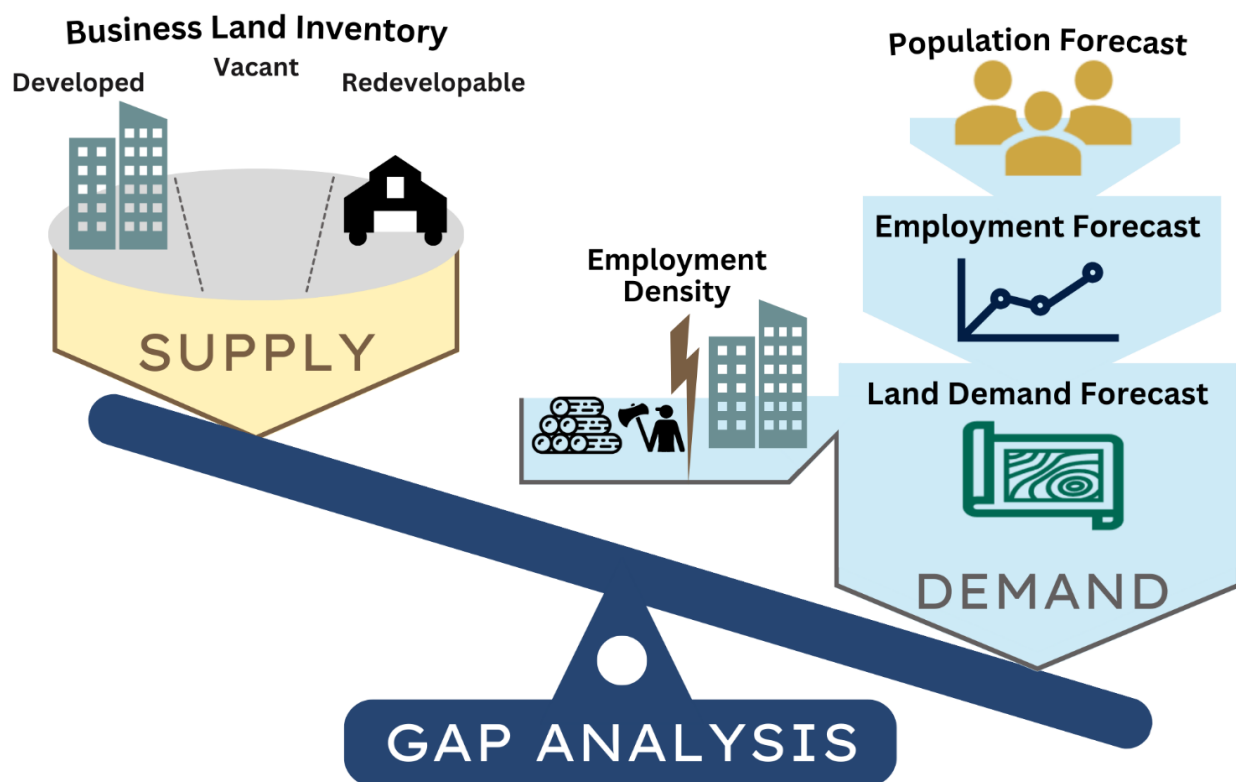
## Report Introduction


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.<sup>1</sup>

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.

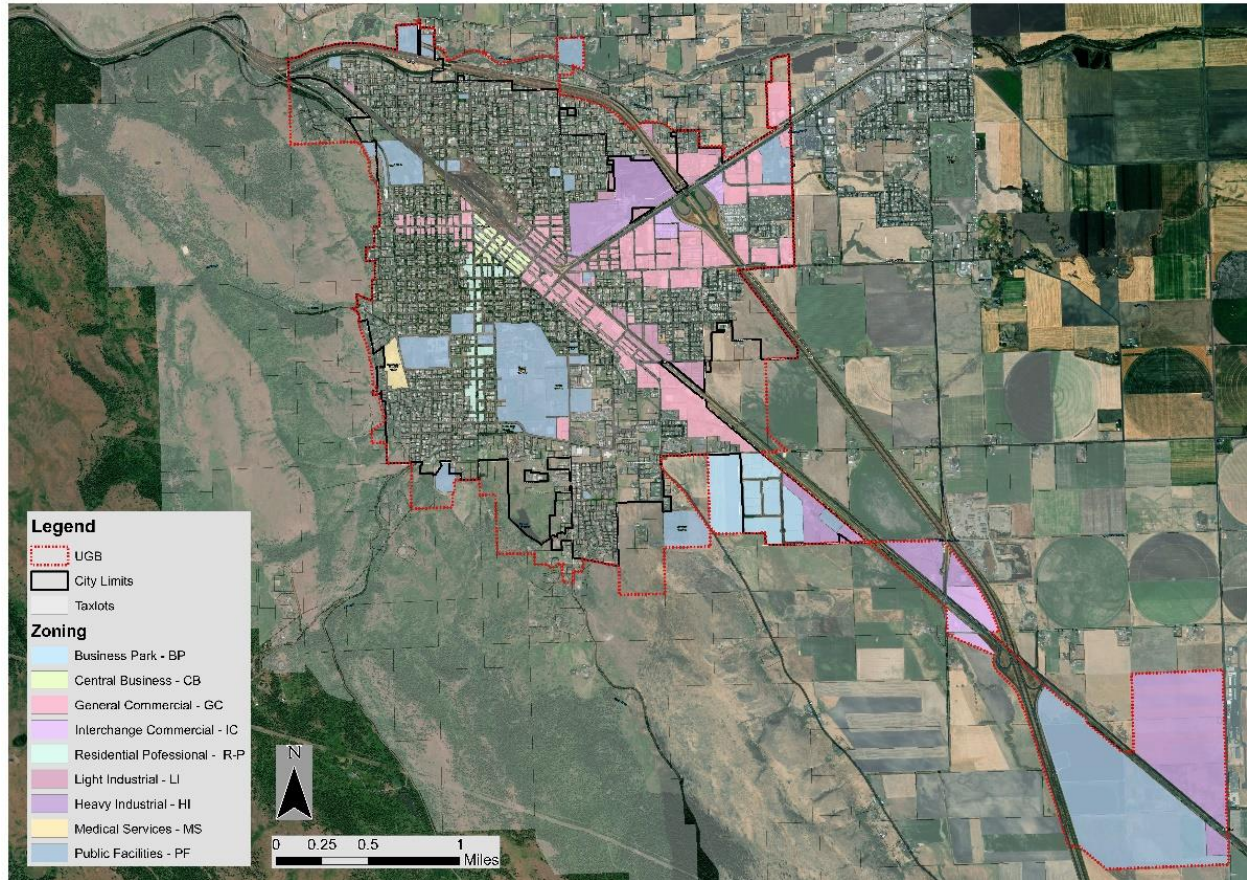
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<sup>1</sup><https://cityoflagrande.maps.arcgis.com/apps/webappviewer/index.html?id=7ccb75d85bc74111a849979be8c18907>

## 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

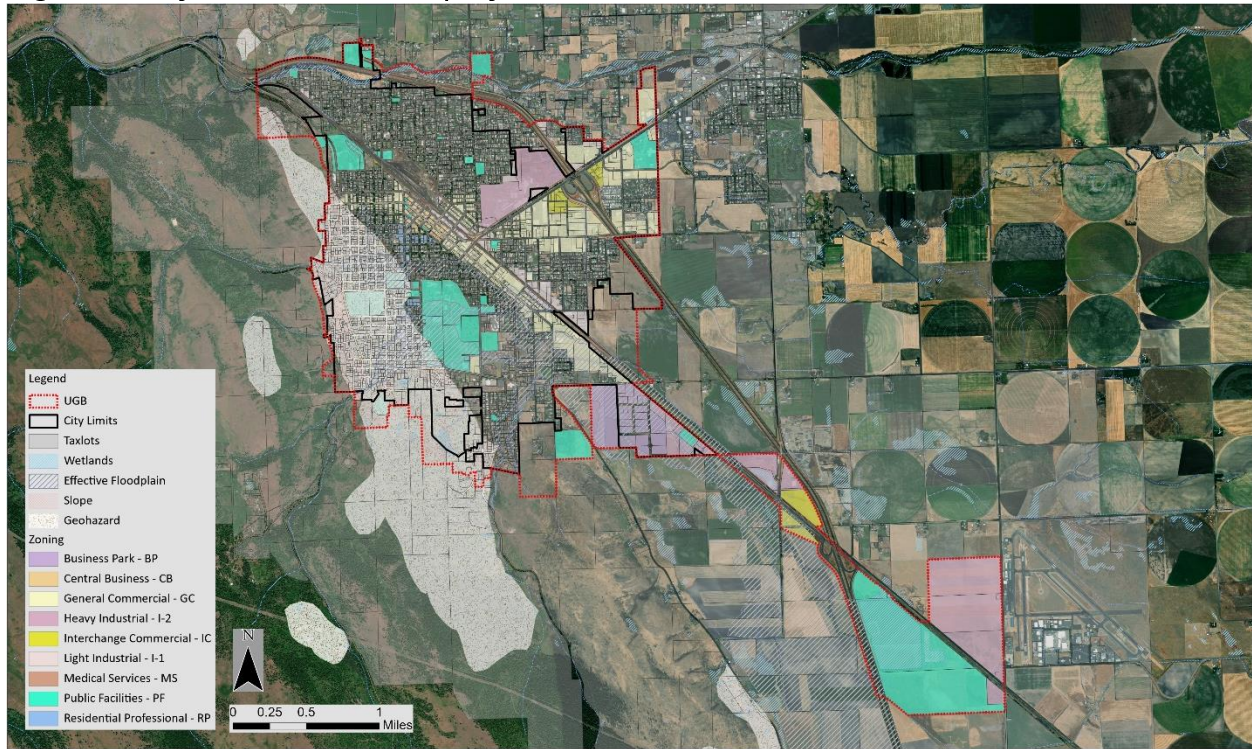


Source: Nexus Planning Services using map layers from La Grande GIS, 2023



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.

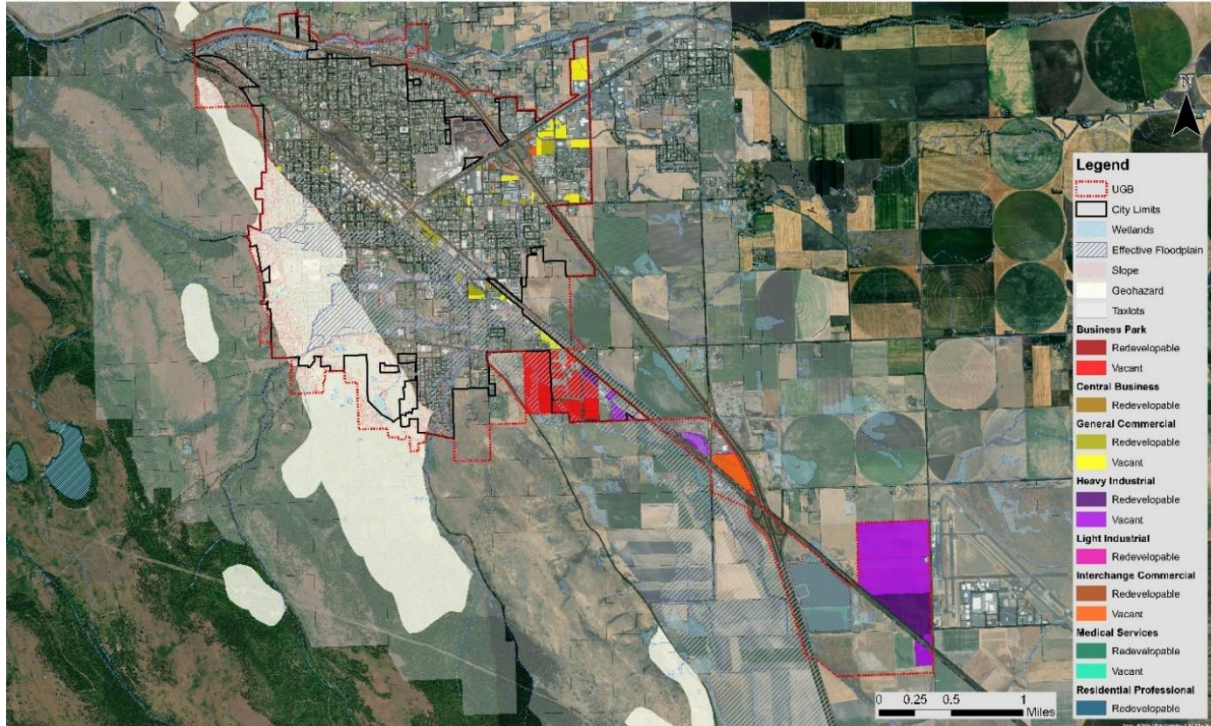
Figure 2: City of La Grande, Employment Lands Constraints



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

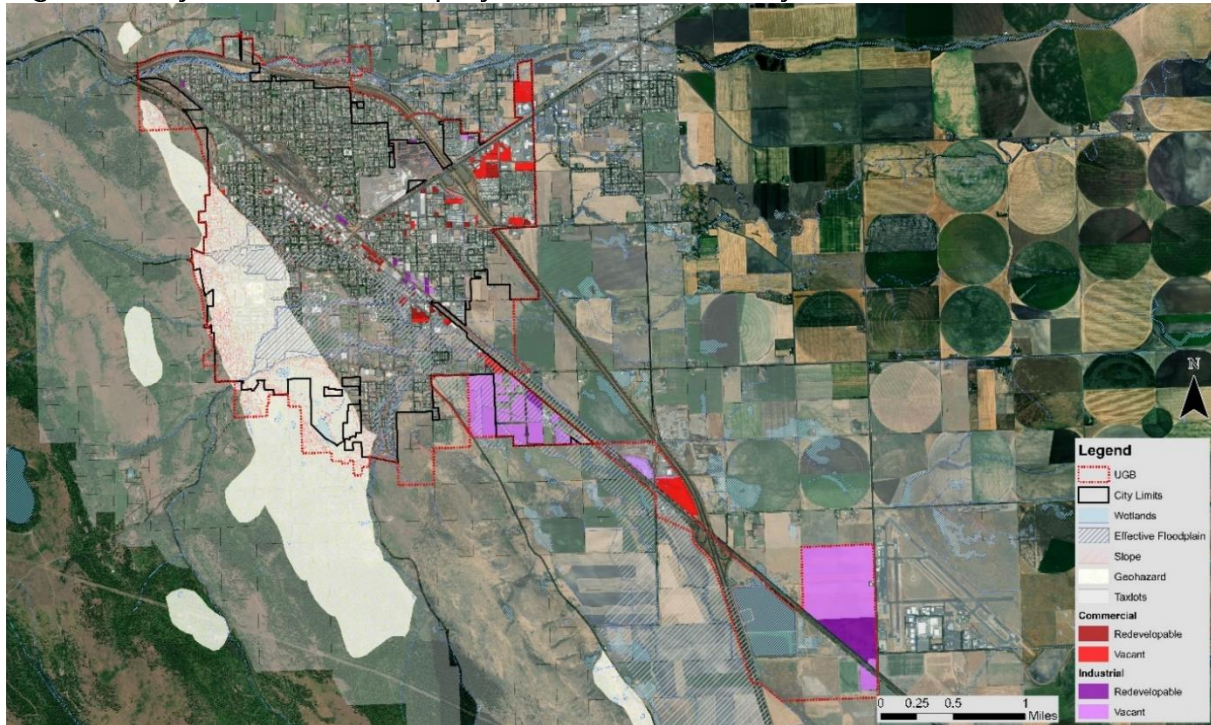
Taking constraints into account, Figures 3-7 show the vacant and redevelopable commercial, and industrially zoned lands in La Grande.

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



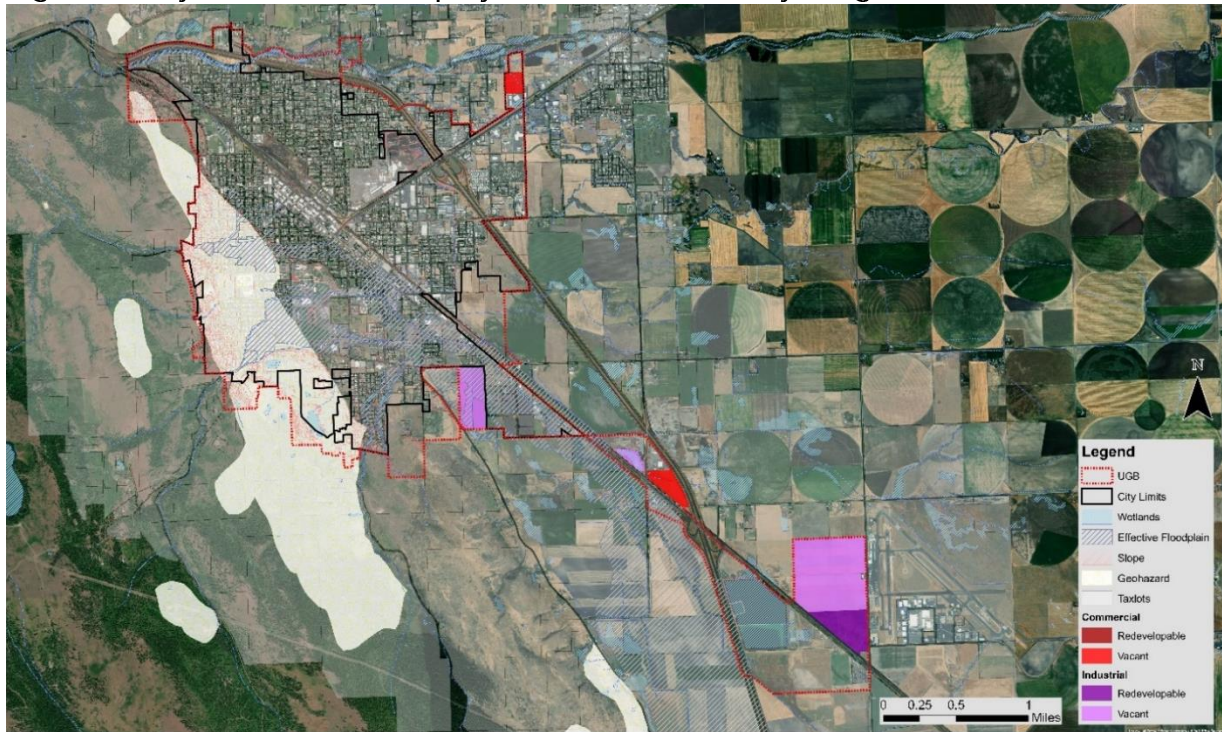
Source: Nexus Planning Services using map layers from La Grande GIS, 2023

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



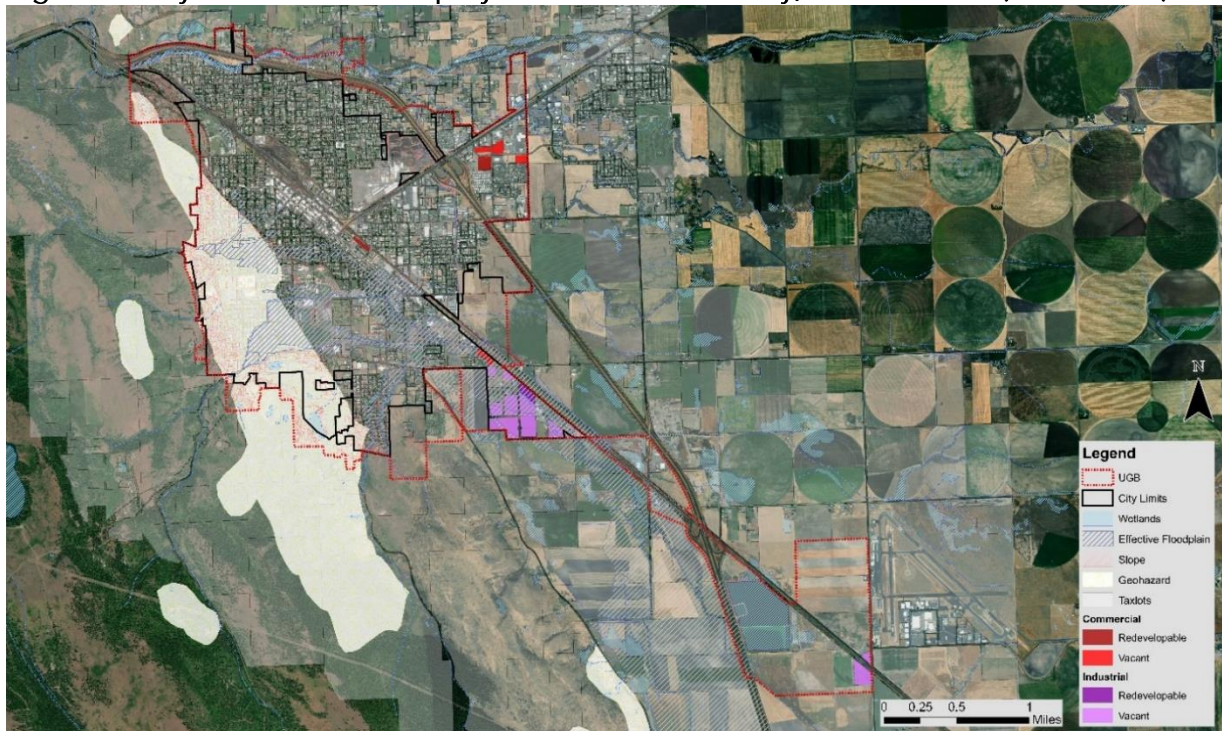
Source: Nexus Planning Services using map layers from La Grande GIS, 2023

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



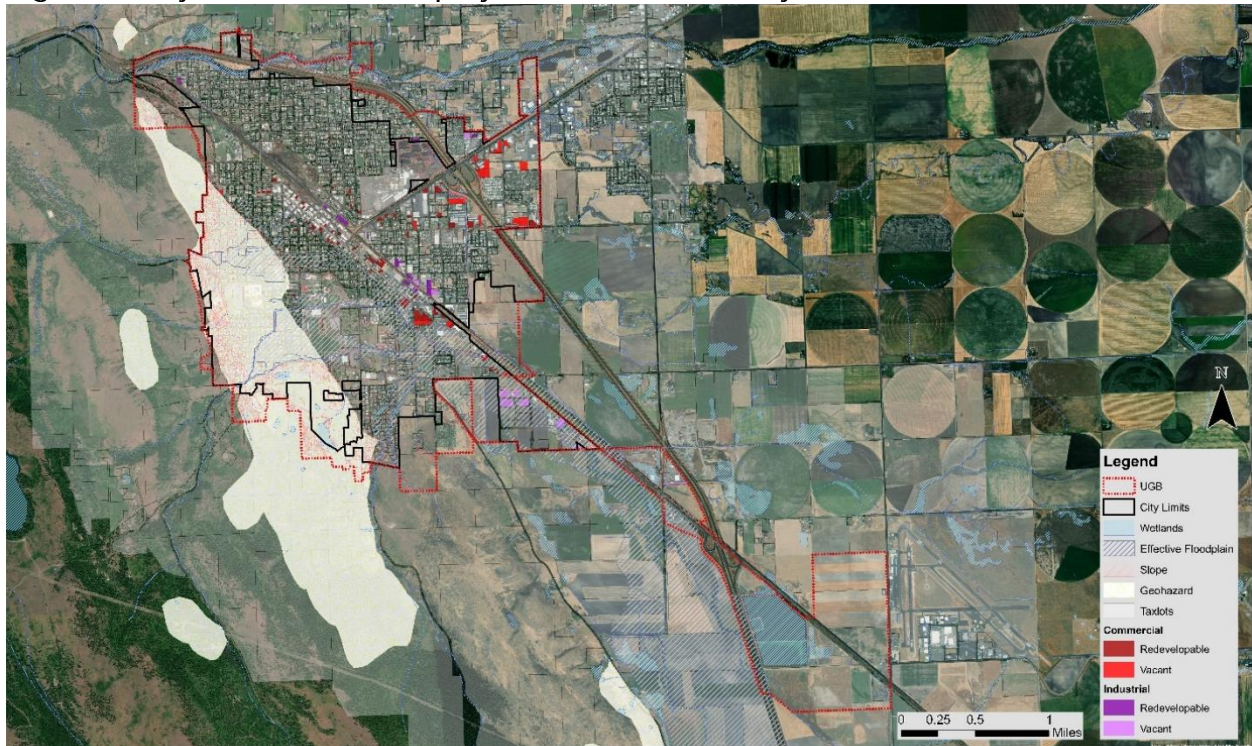
Source: Nexus Planning Services using map layers from La Grande GIS, 2023

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.<sup>2</sup> 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
<b>Total</b>	<b>26</b>	<b>51.7</b>	<b>62</b>	<b>263.2</b>

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
<b>Total</b>	<b>913</b>	<b>562.0</b>

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

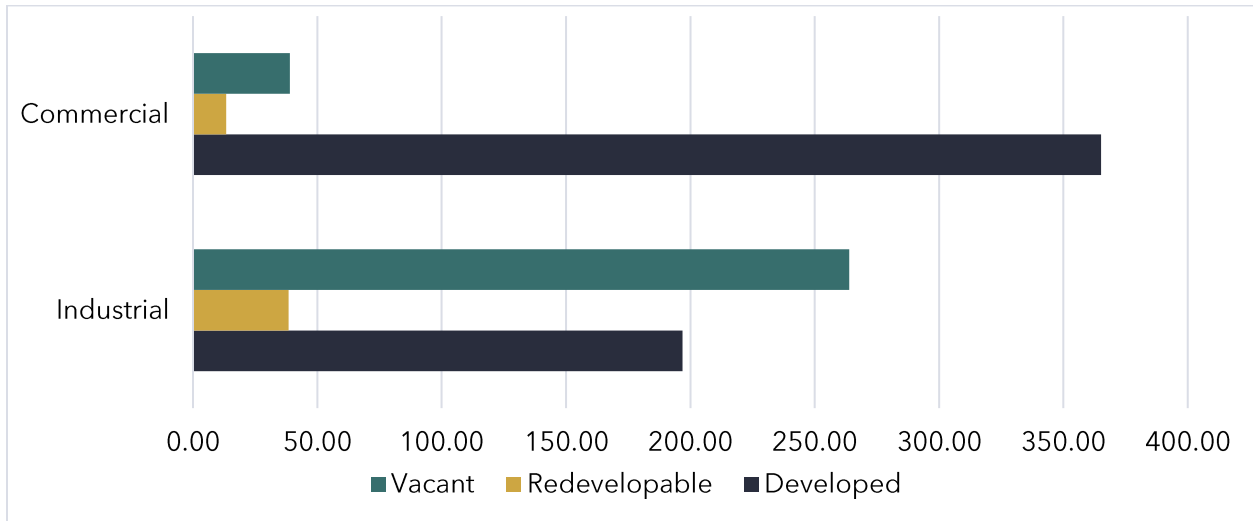
**Table 4: Total Developed Commercial and Industrial Lands in La Grande by Zone**

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
<b>Total</b>	<b>913</b>	<b>562.0</b>

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

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

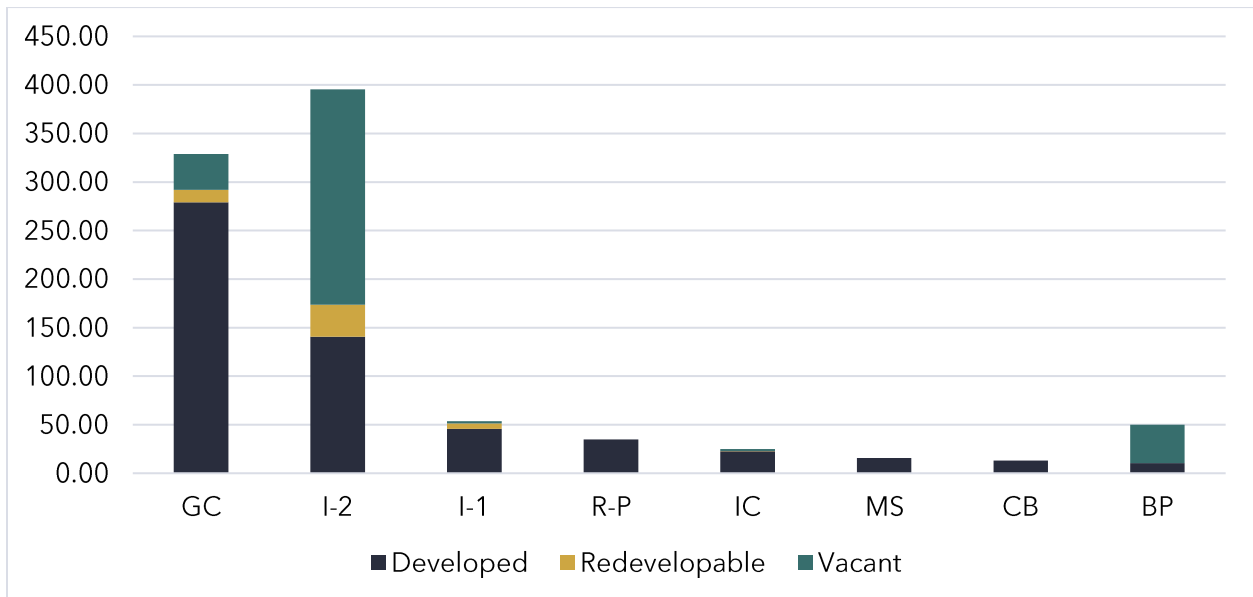
Figure 8: Acres of Vacant, Redevelopable, and Developed Land in La Grande



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

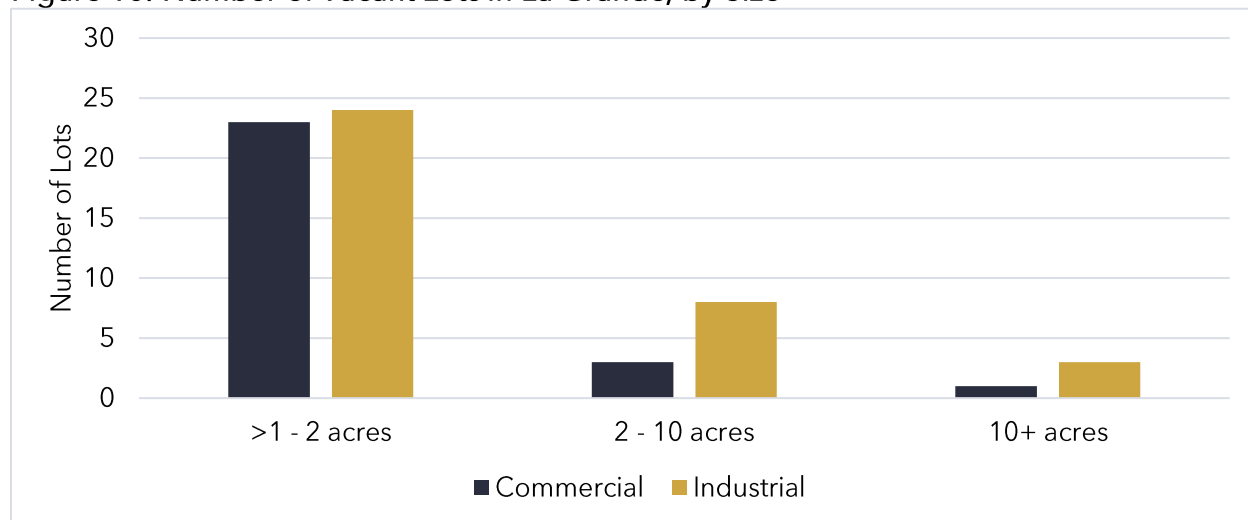


Source: Nexus Planning Services using map layers from La Grande GIS, 2023

## 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.

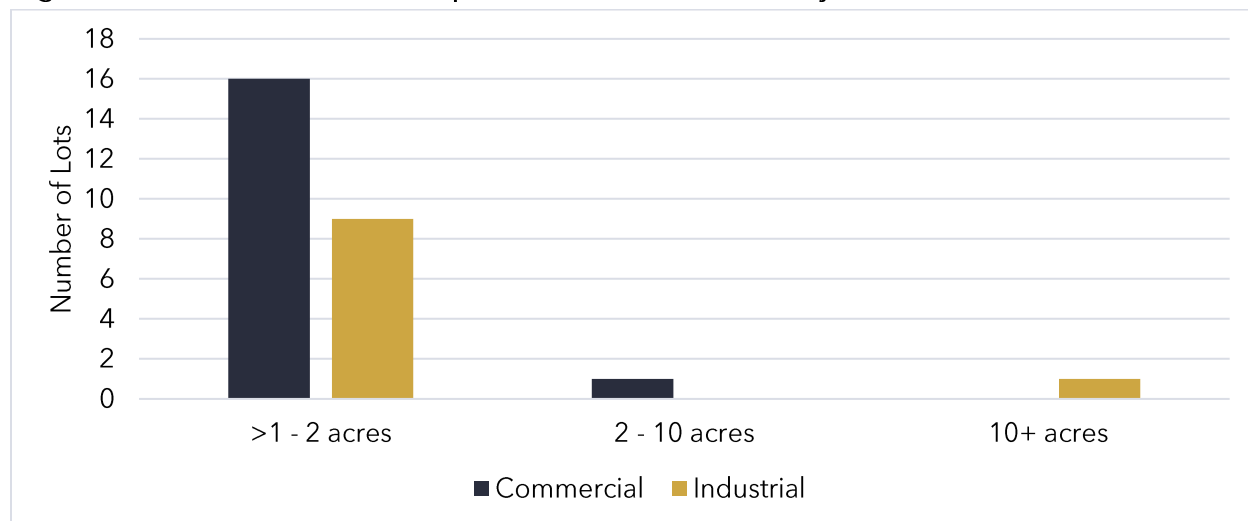
Figure 10: Number of Vacant Lots in La Grande, by Size



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

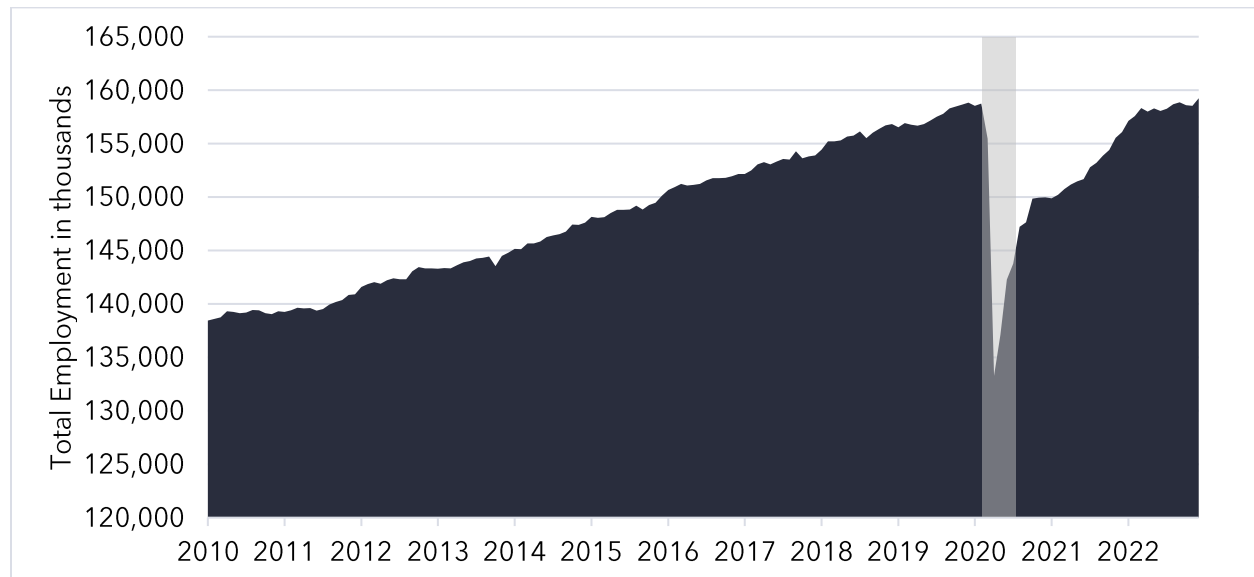
Per requirements of the DLCD’s Goal 9 framework, the consulting team first addresses the broadest level economic trends affecting the United States and, to some extent, international issues. From there we approach unique aspects to the State of Oregon and finally to La Grande. At certain points we also 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.<sup>3</sup> 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

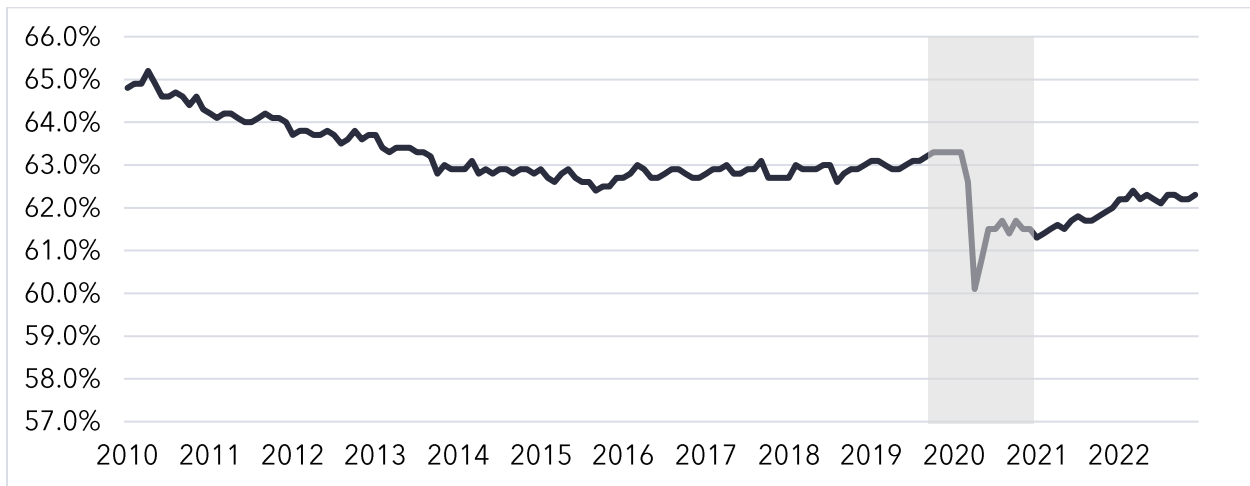
The story for national labor force participation is different, having declined slightly since 2010 (see Figure 13). This decline can partly be explained by a shift in demographics. A larger

<sup>3</sup> “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>



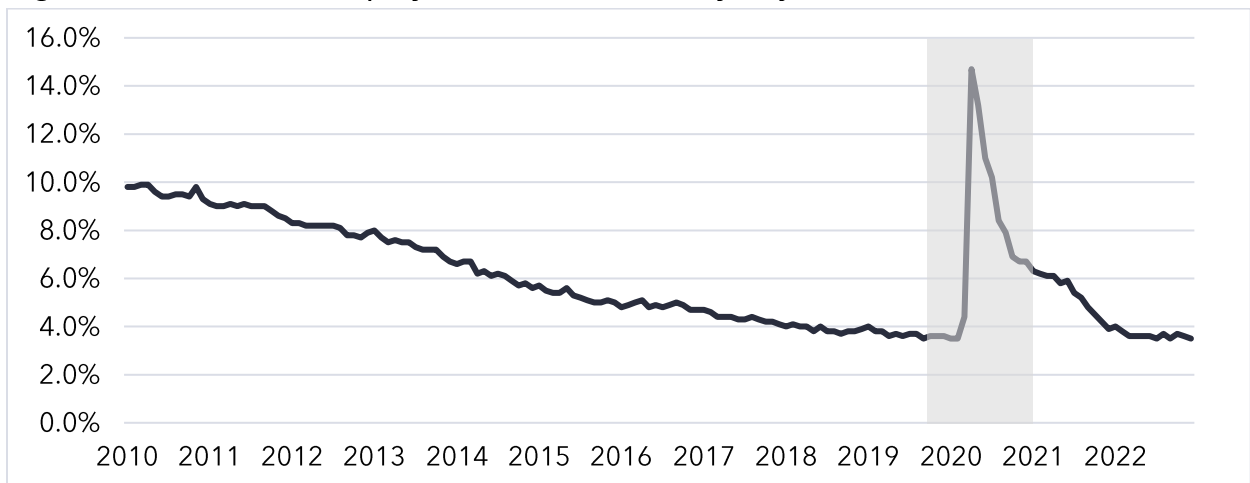
share of Americans are now reaching retirement age, which means that older workers make up a larger share of the population than they did before.<sup>4</sup> As these workers gradually leave the labor force, the labor force participation rate shrinks. Though workers aged 25-54 have a high labor force 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.<sup>5</sup>

**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

<sup>4</sup> Kreuger, "Where have all the workers gone? An inquiry into the decline of the US labor force participation rate", 2017.

<sup>5</sup> "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.<sup>6</sup> 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).<sup>7</sup> 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%.<sup>8</sup> 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

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<sup>6</sup> 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](https://www.federalreserve.gov/faqs/economy_14419.htm)

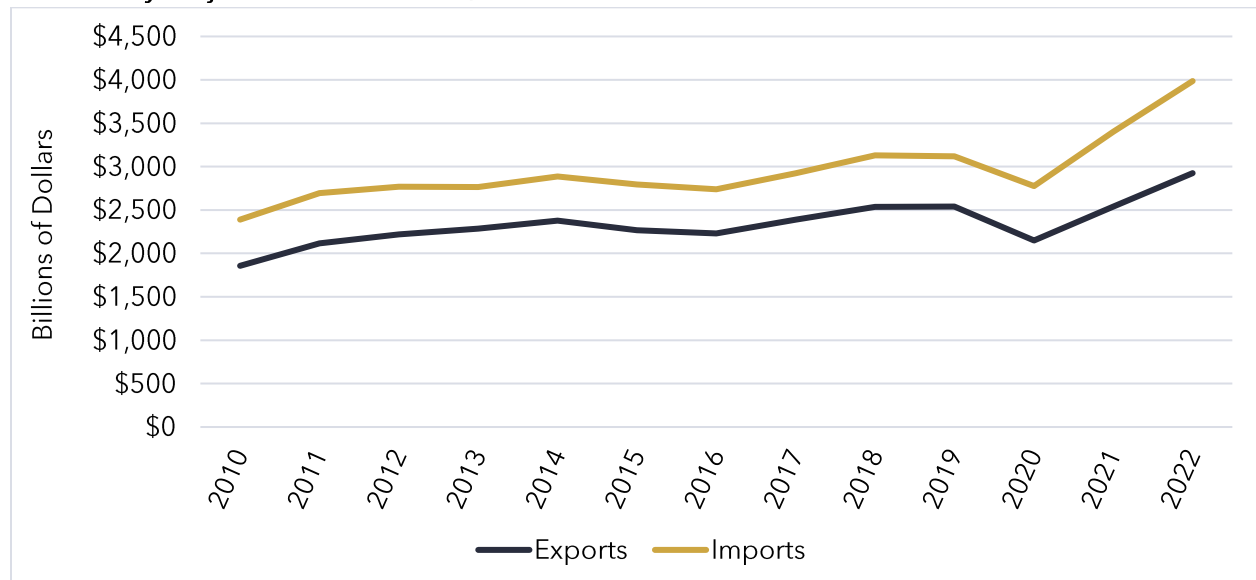
<sup>7</sup> CPI uses a “basket of goods” approach which is more subject to price spikes. Arguably the PCE method is more accurate when projecting specific households’ budgets as it permits the possibility substitutionary goods to manage household cost increase.

<sup>8</sup> 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>

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 lead to the highest trade deficit in the last 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.<sup>9</sup> 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%.<sup>10</sup> 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.<sup>11</sup> 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.<sup>12</sup>

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<sup>9</sup> 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/>.

<sup>10</sup> 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/>.

<sup>11</sup> 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/>

<sup>12</sup> 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/>

## Political & Regulatory Landscape

### Land Use & DLCDC Priorities

The DLCDC 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 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 DLCDC.

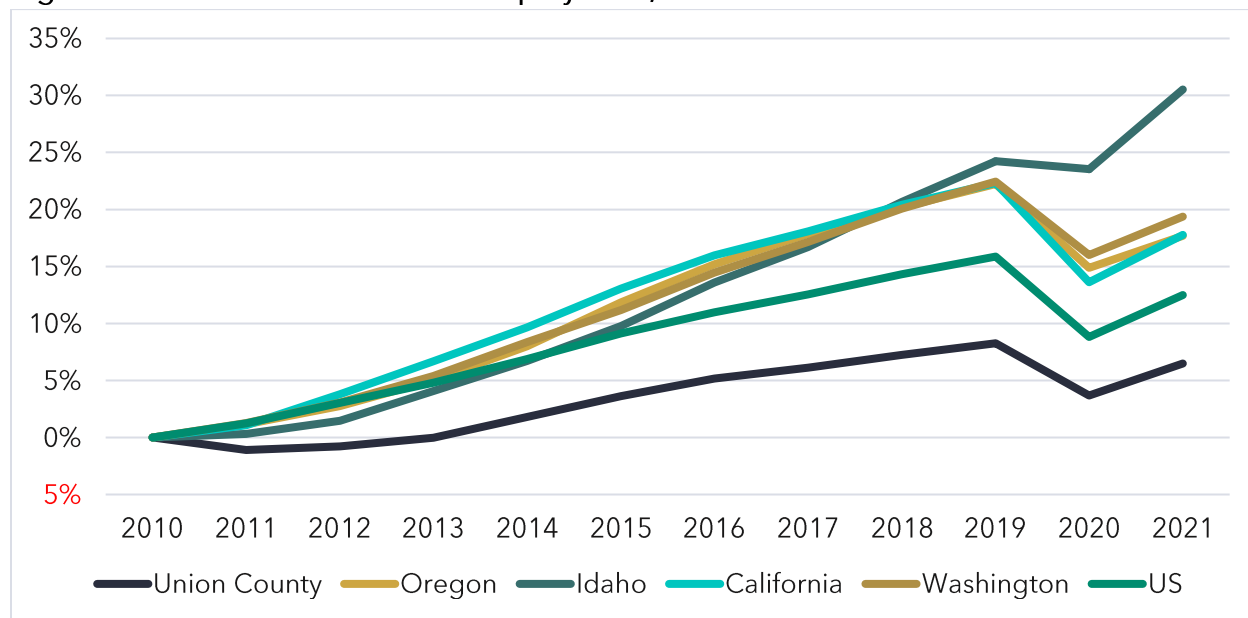
Specific goals such as Goal 3 (Agricultural Lands), Goal 4 (Forest Lands), Goal 9 (Economic Development), Goal 14 (Urbanization) narrow in on specific land types, current use, potential use, and future strategies and targets for each.

## 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.

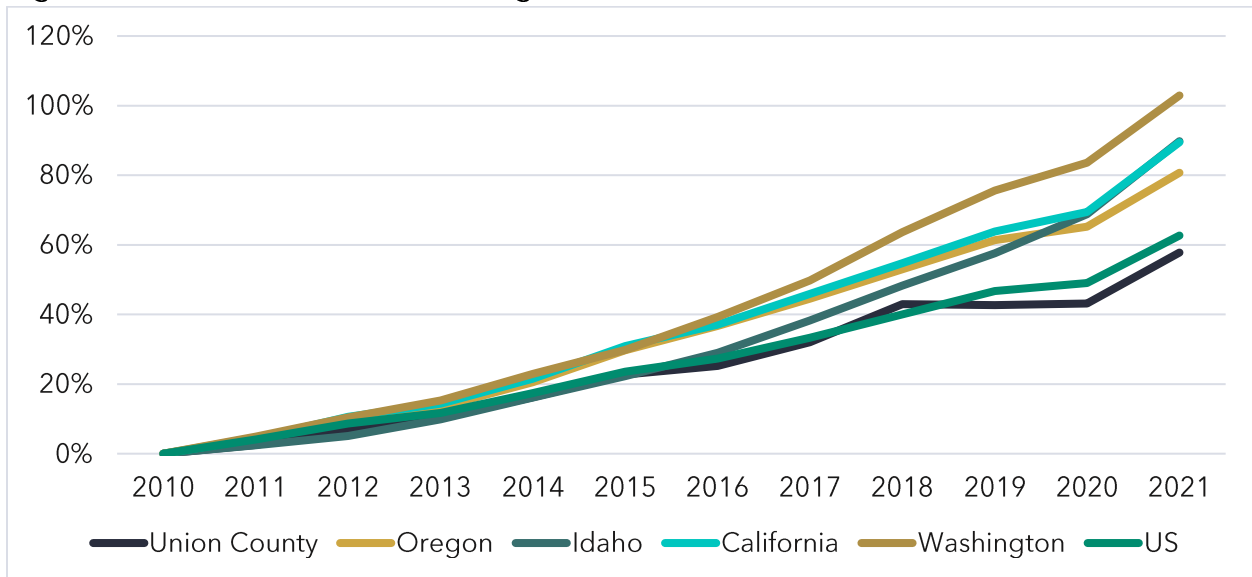
Figure 16: Cumulative Growth in Employment, 2010-2021



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.

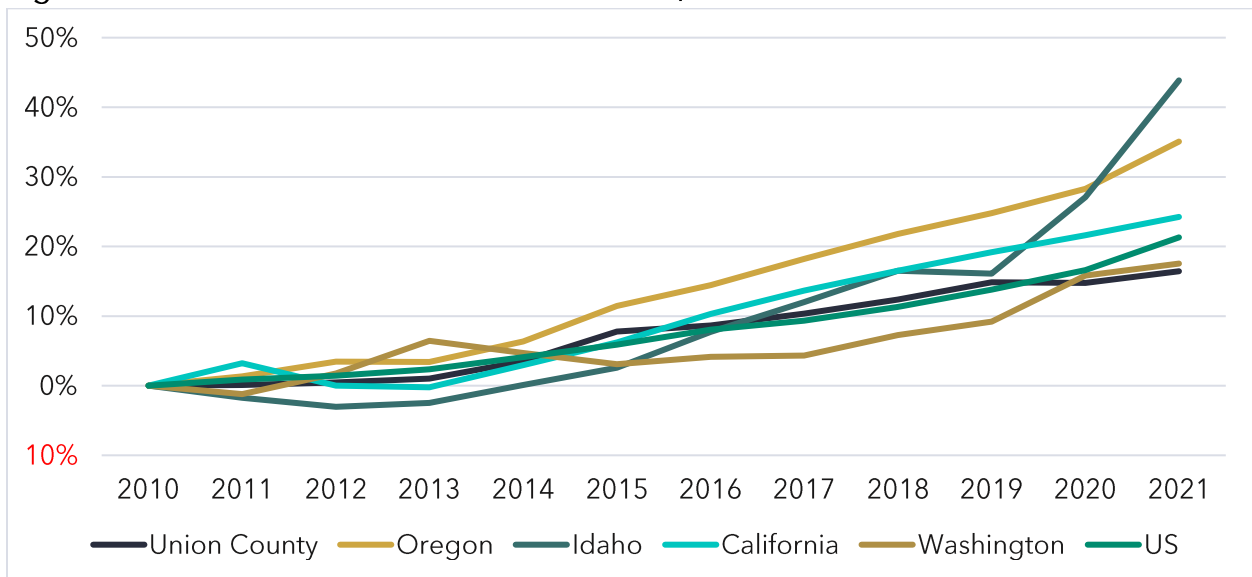
Figure 17: Cumulative Growth in Wages, 2010-2021



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.

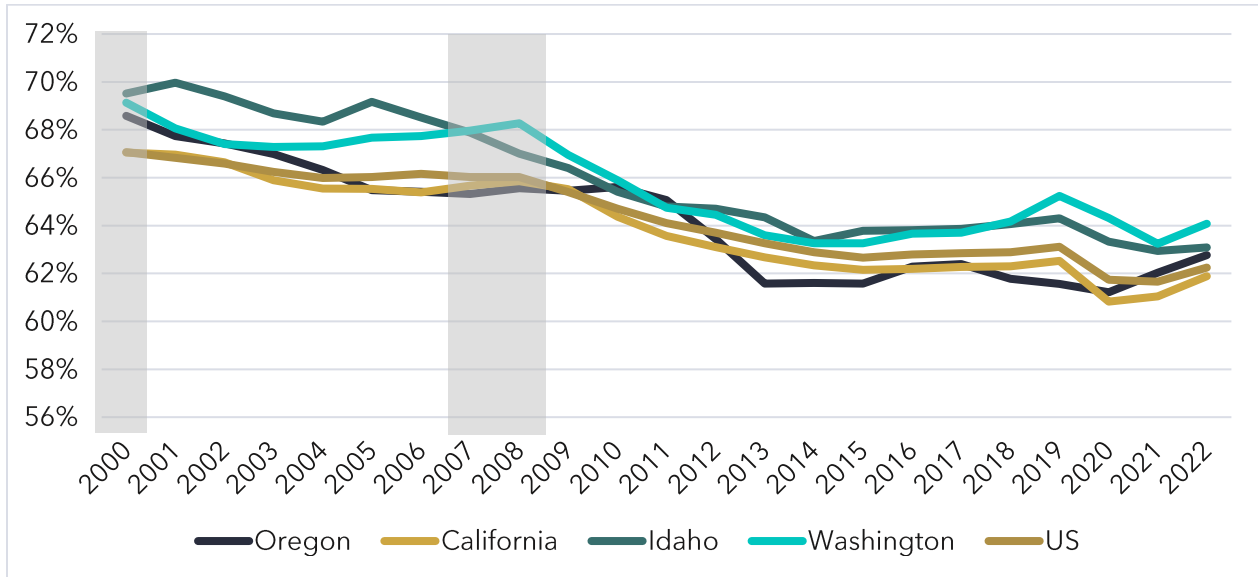
Figure 18: Cumulative Growth in Establishments, 2010-2021



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.

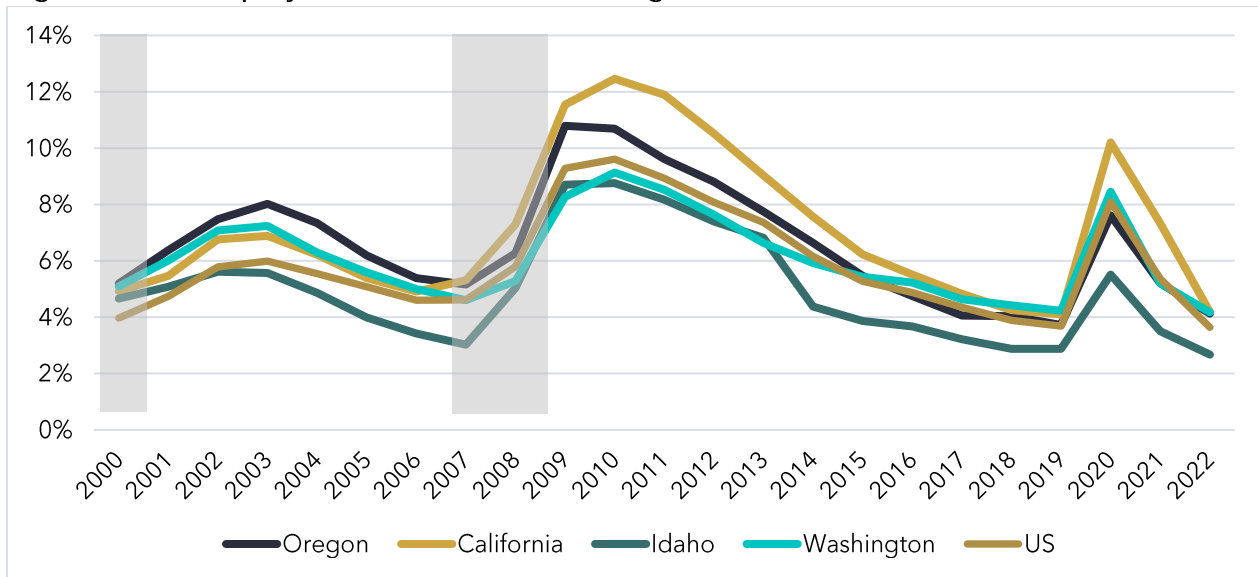
Figure 19: Labor Force Participation over Time, 2000-2022



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



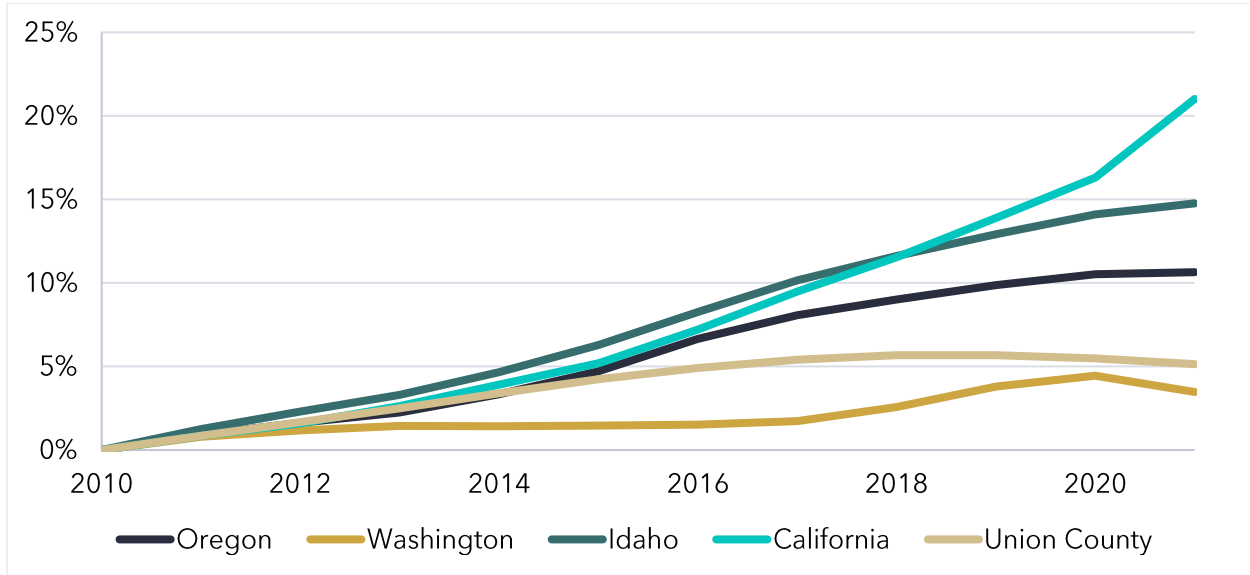
Source: Bureau of Labor Statistics, 2022

### 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.

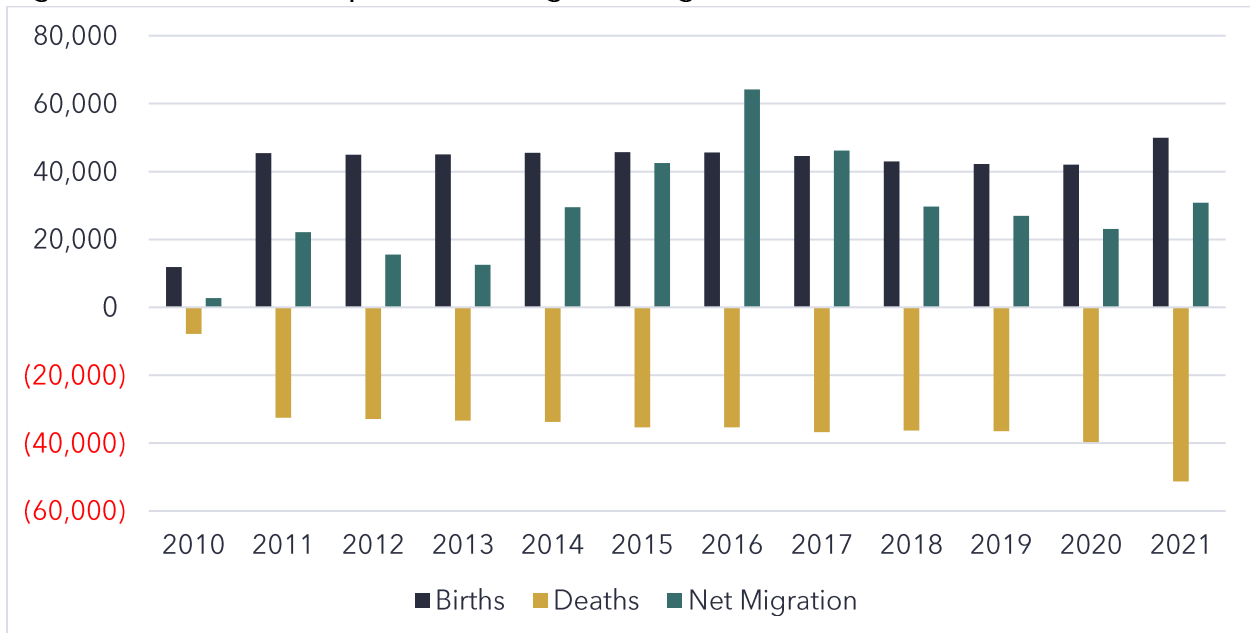
**Figure 21: State and Regional Population Change, 2010-2021**



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.

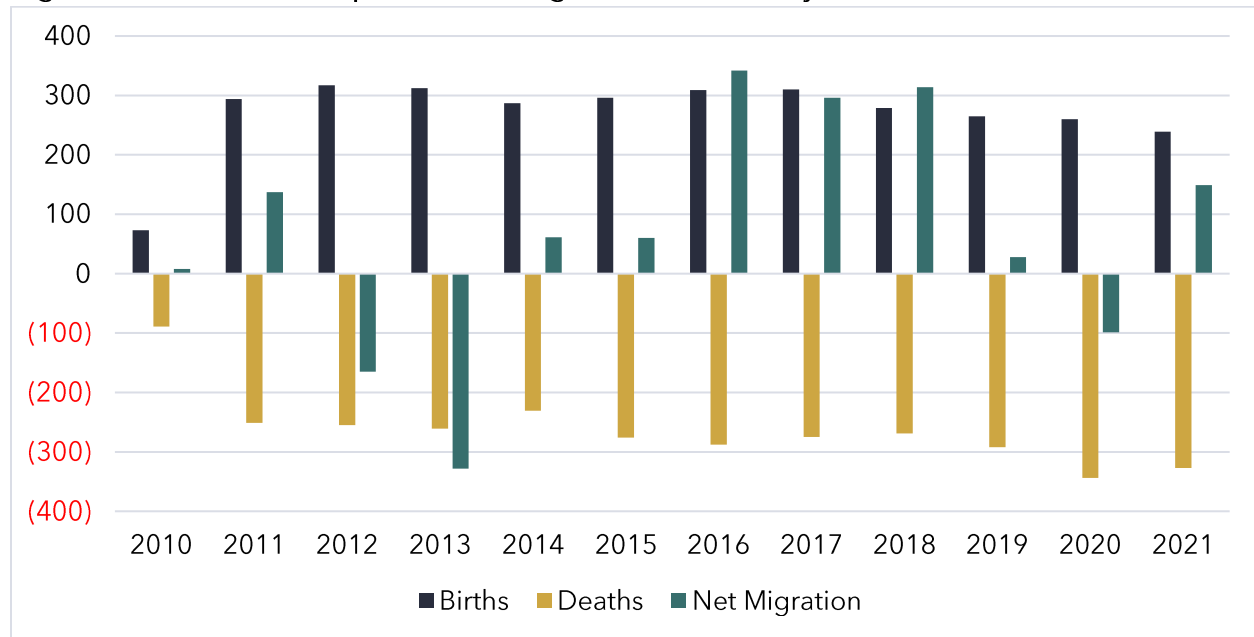
**Figure 22: Sources of Population Change in Oregon, 2010-2021**



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



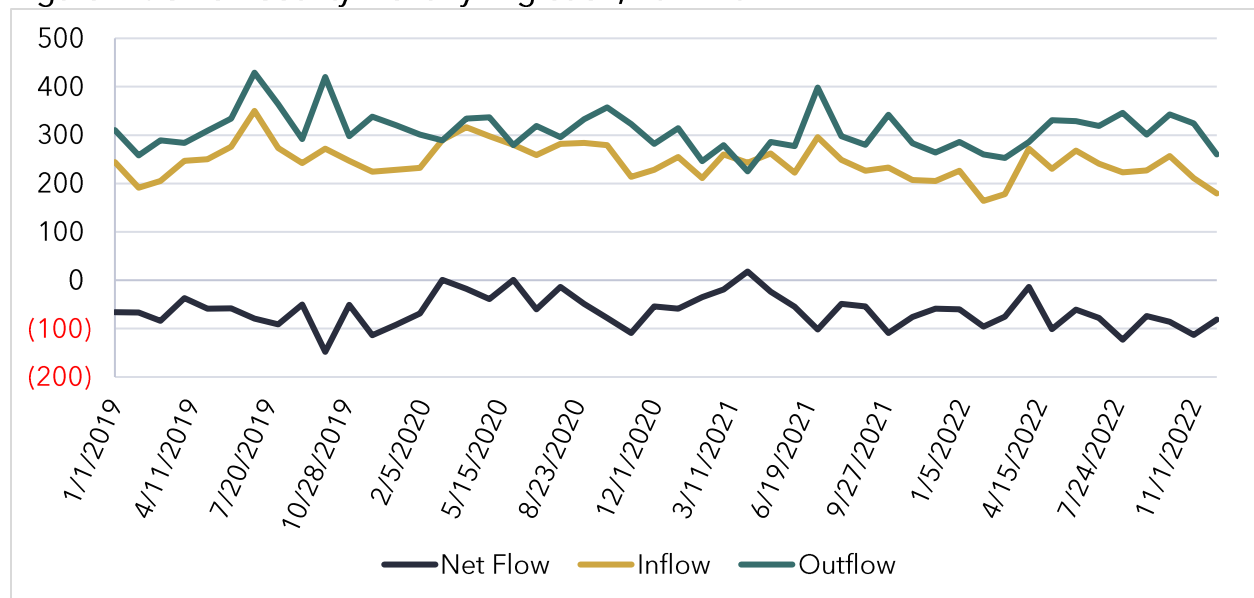
Figure 23: Sources of Population Change in Union County, 2010-2021



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

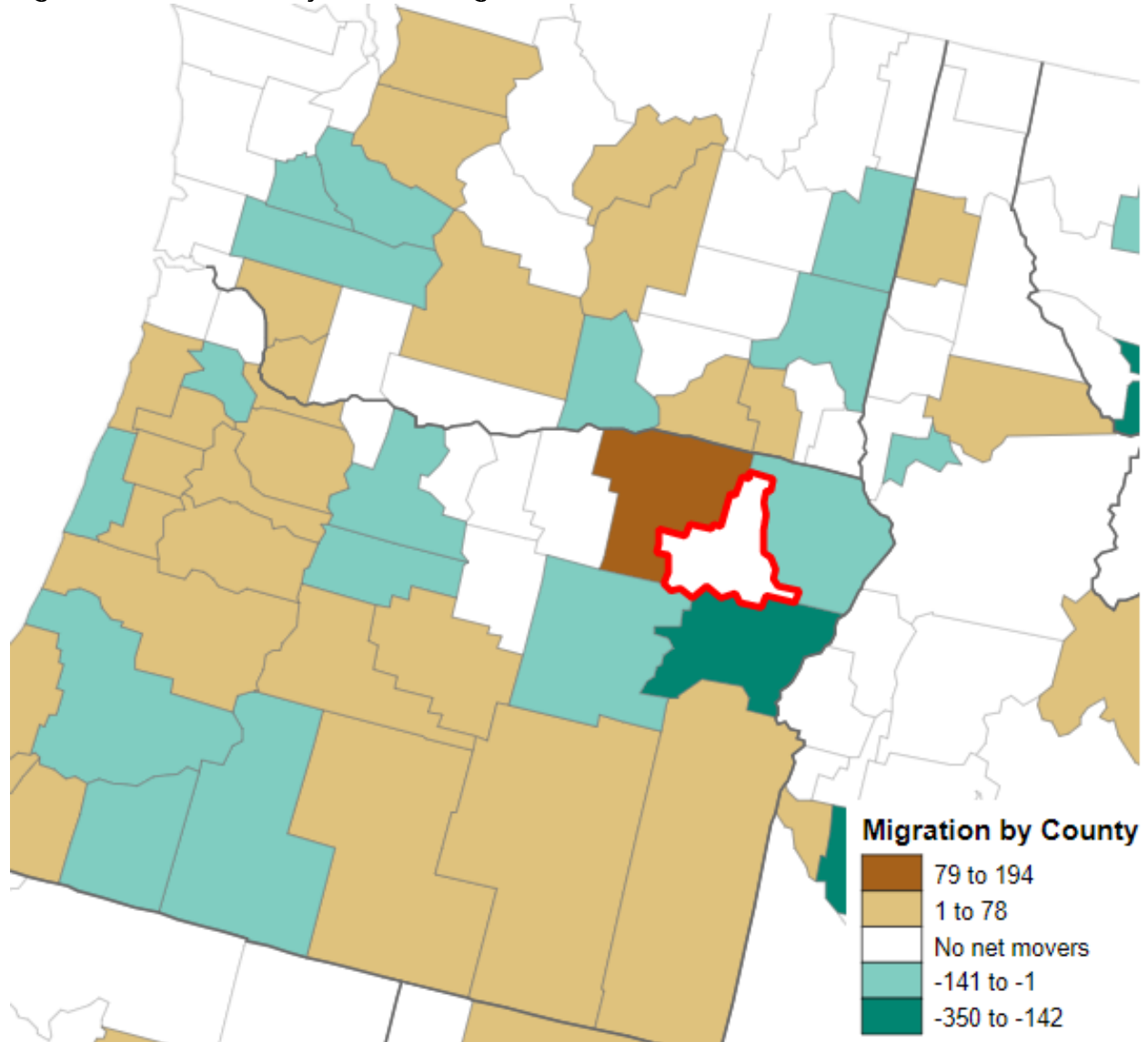
People are mostly moving into Union County from the Northwestern United States, Oregon, California, and Washington. The two notable exceptions are Montgomery County, Texas (just outside of Houston) and Onondaga County, NY (home to Syracuse). Those moving out of Union County are either: moving in-state; 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

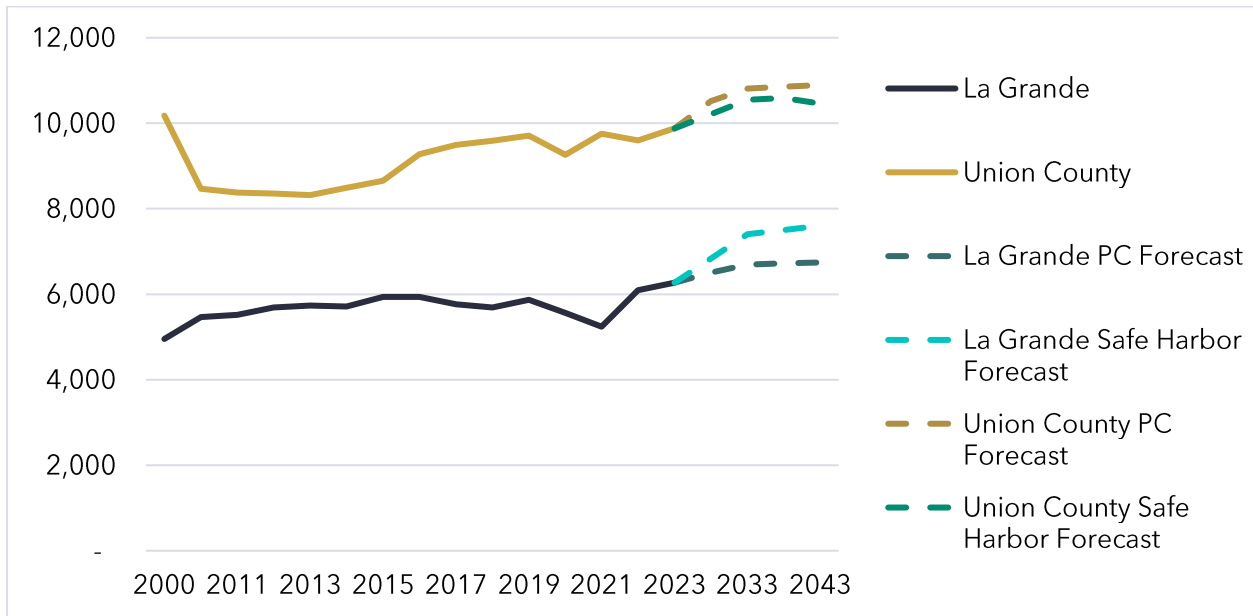
## Union County & La Grande Socioeconomic Trends

### 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.

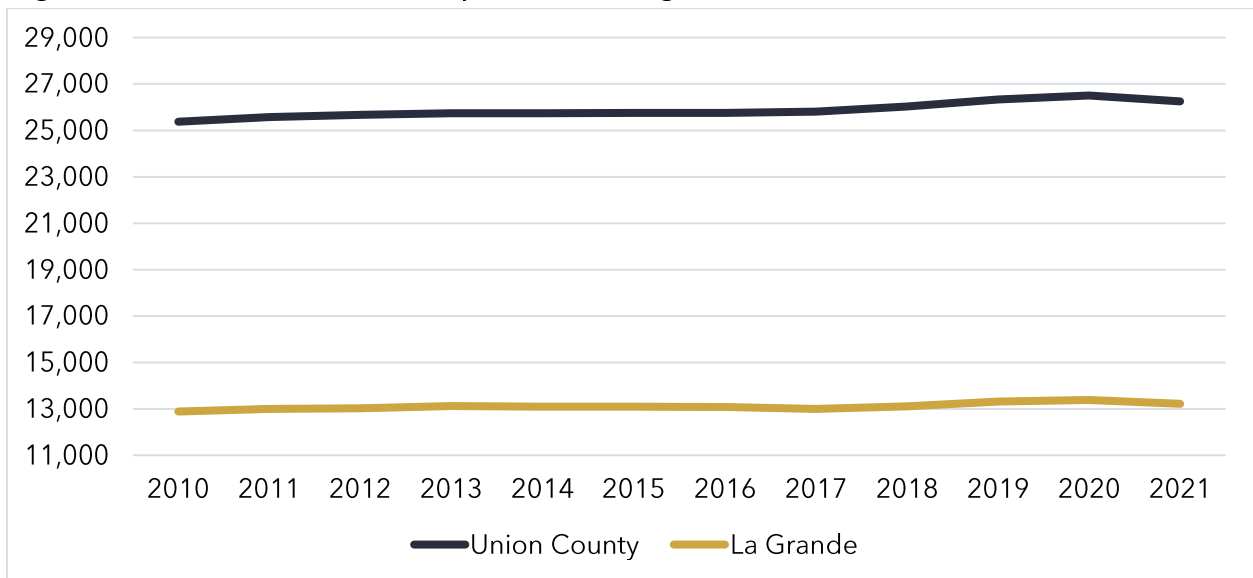
While the population of La Grande did not change significantly between 2010 and 2022, it did see some comparable rates of average annual growth to Union County and the state (0.2%). However, in the long term, La Grande’s average annual growth rate is projected to be slightly higher (0.3%) – surpassing 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 <sup>13</sup>	'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

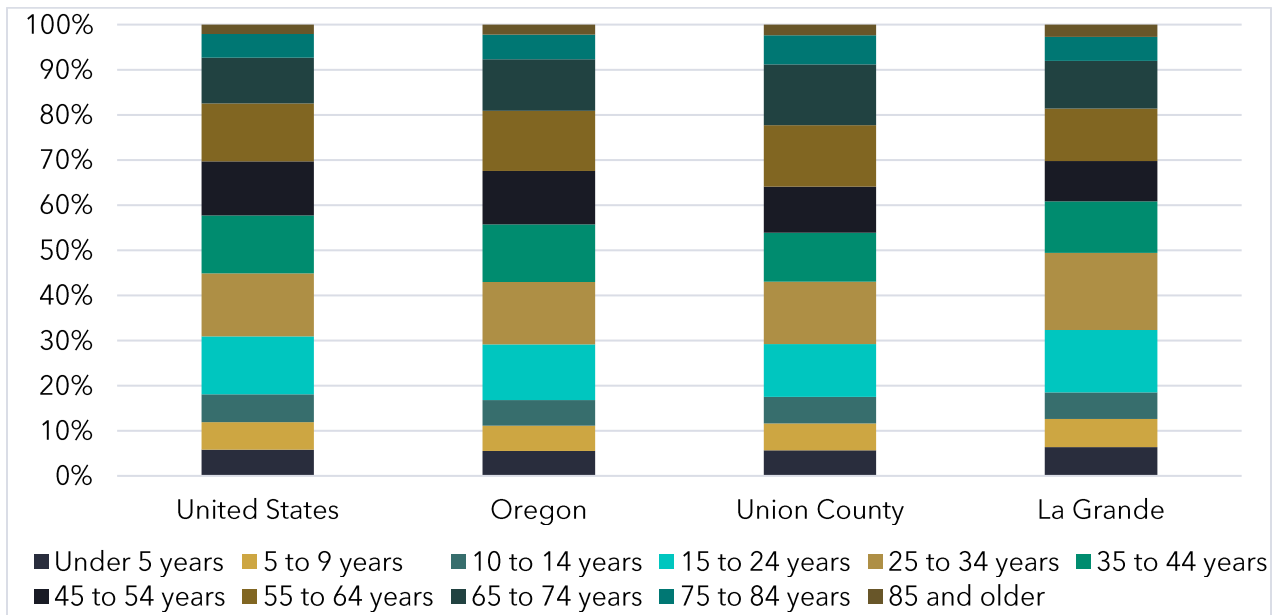
**Table 7: Population Growth Over Time**

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

<sup>13</sup> 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%

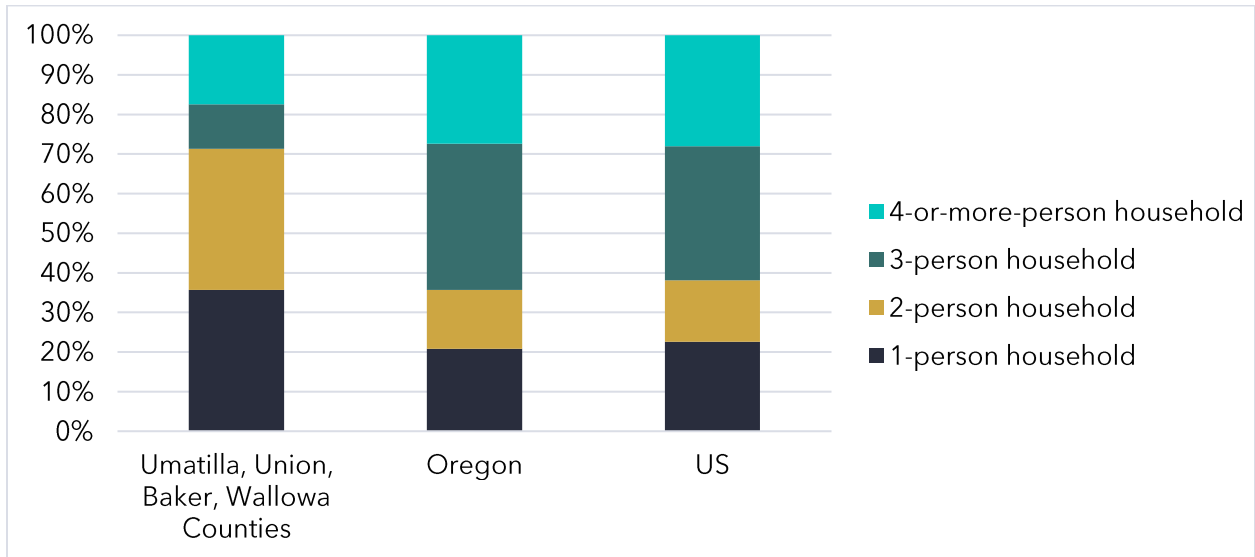
Source: Esri Business Analyst, 2022

## 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.

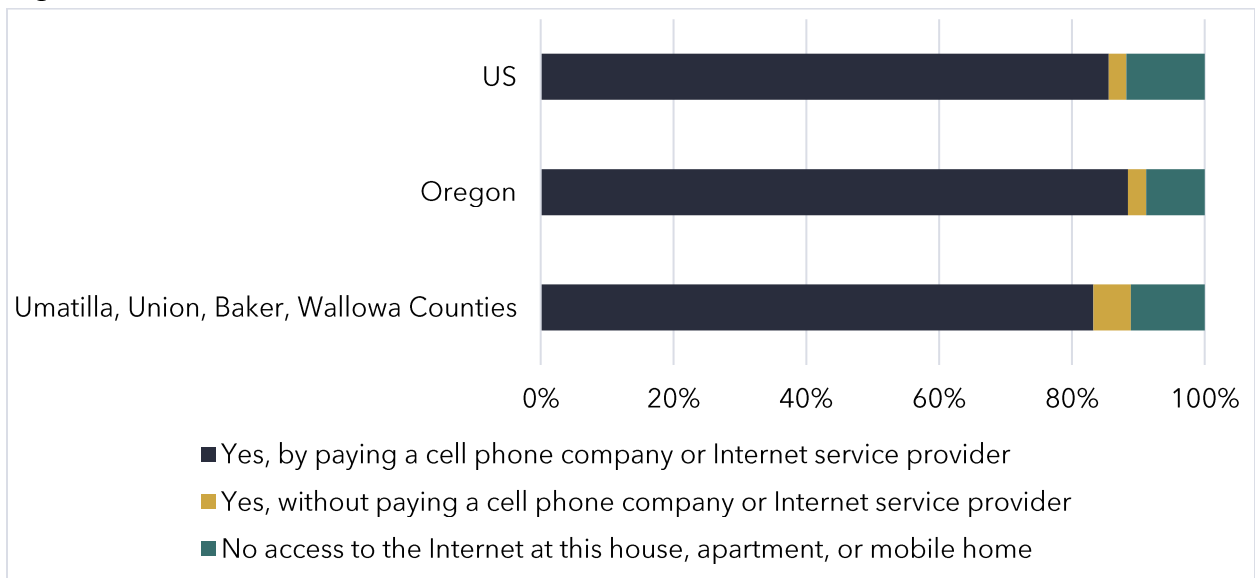
Figure 29: Composition of Households



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%).

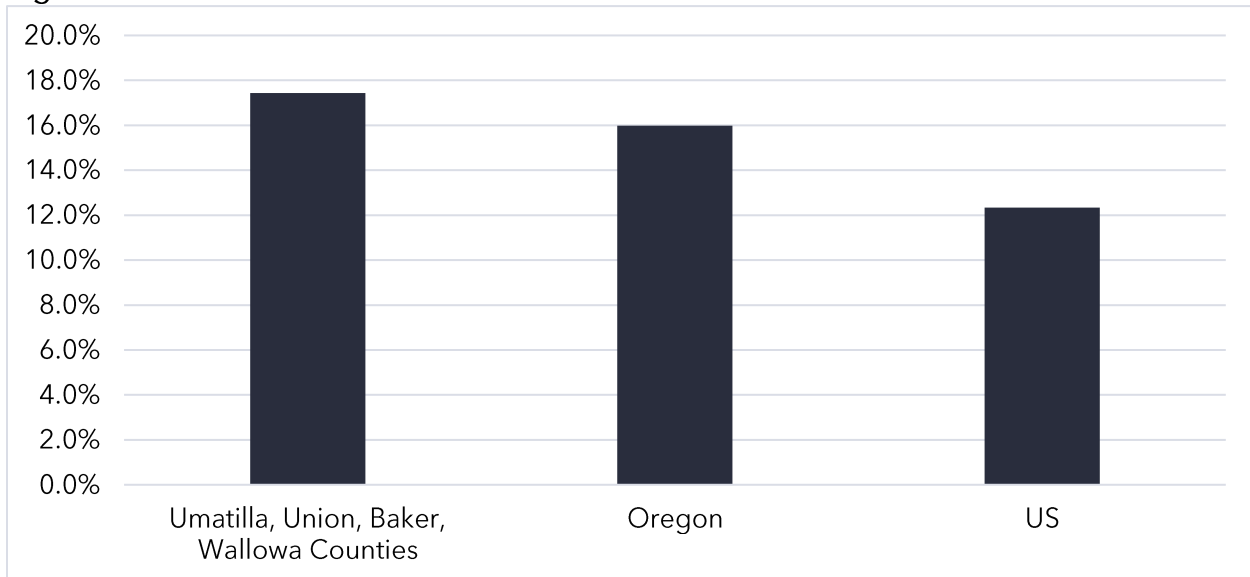
Figure 30: Internet Access



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
<b>Grand Total</b>	<b>1.3M</b>	<b>1.6M</b>	<b>23.1%</b>	-

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**

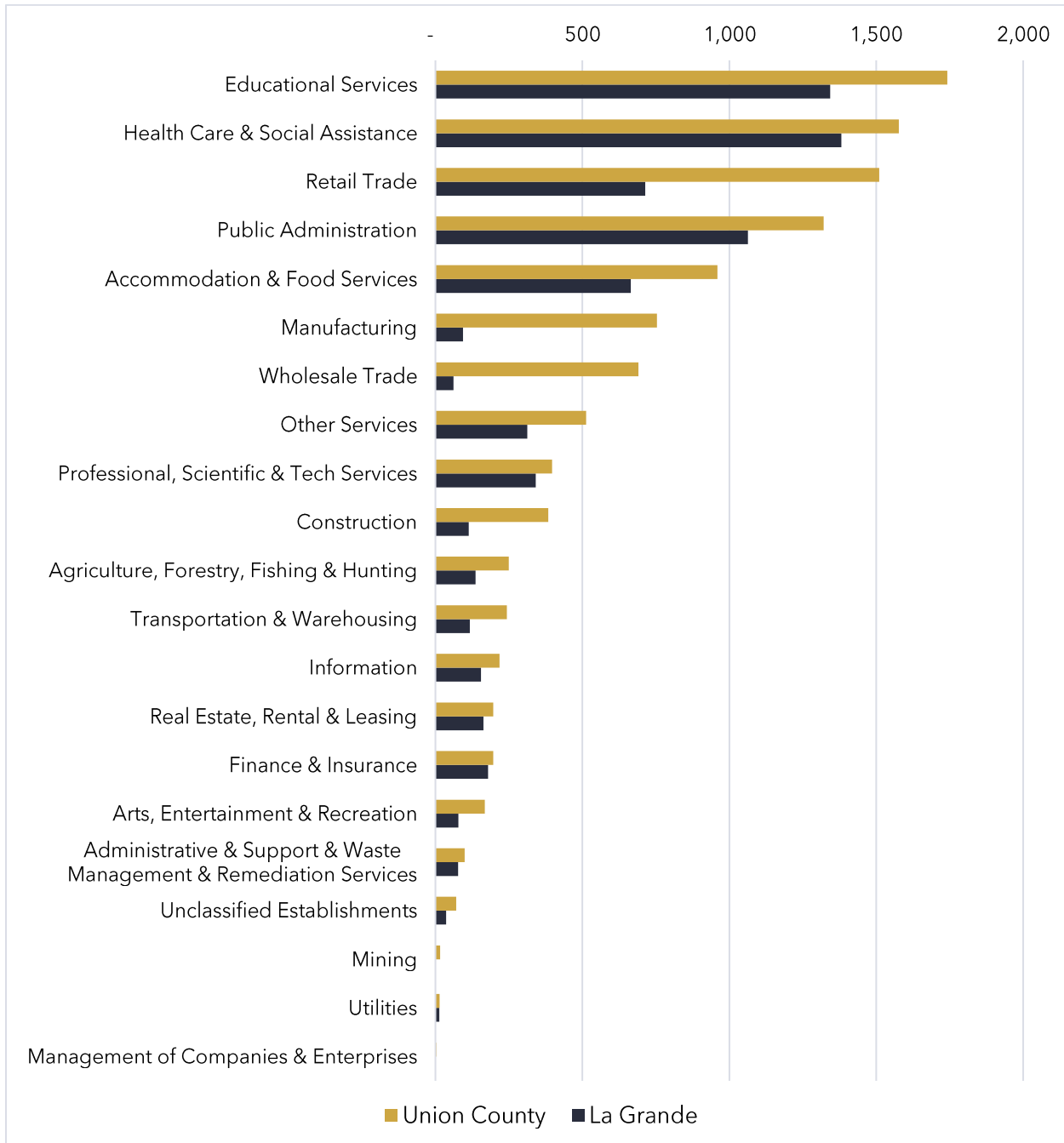
Sector	2010 Jobs	2021 Jobs	% Change	2021 LQ
Transportation and Warehousing	188	276	46.8%	1.0
Professional, Scientific, and Technical Services	209	298	42.6%	0.3
Management of Companies and Enterprises	33	45	36.4%	0.0
Construction	461	589	27.8%	0.5
Agriculture, Forestry, Fishing and Hunting	290	350	20.7%	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
<b>Total</b>	<b>7,203</b>	<b>7,910</b>	<b>9.8%</b>	--

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

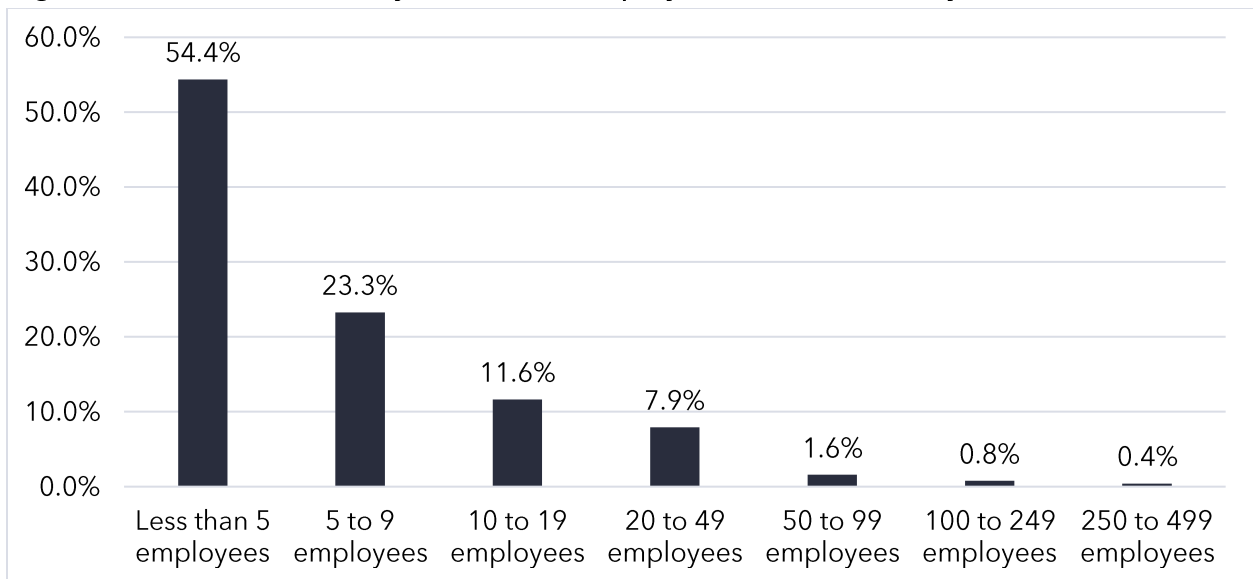
**Table 12: Total Establishments by Industry in Union County, 2021**

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
<b>All Industries</b>	<b>1,034</b>

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**

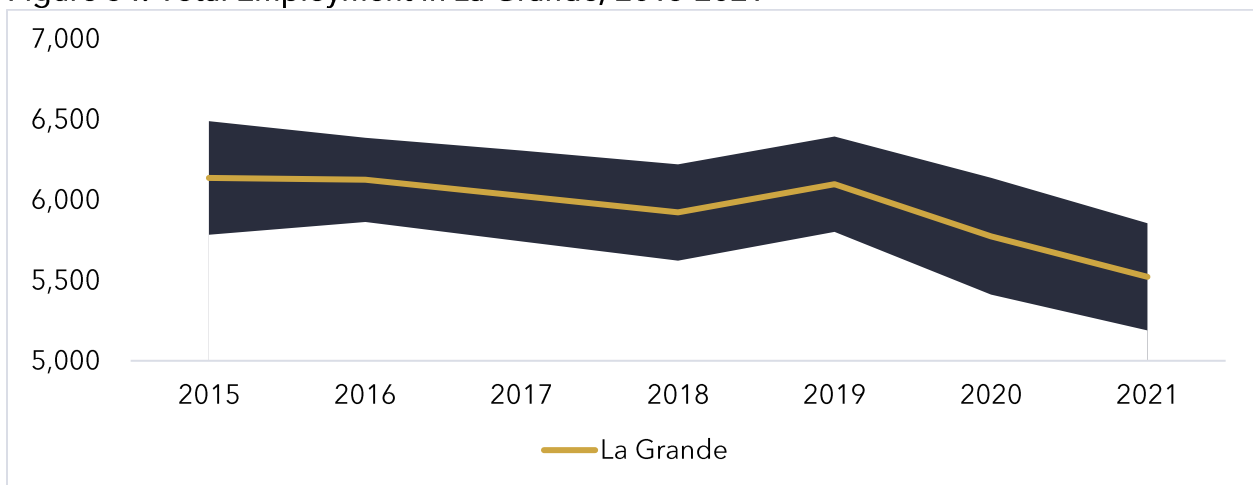


Source: U.S. Census Bureau, County Business Patterns, 2020

## Employment & Income in La Grande

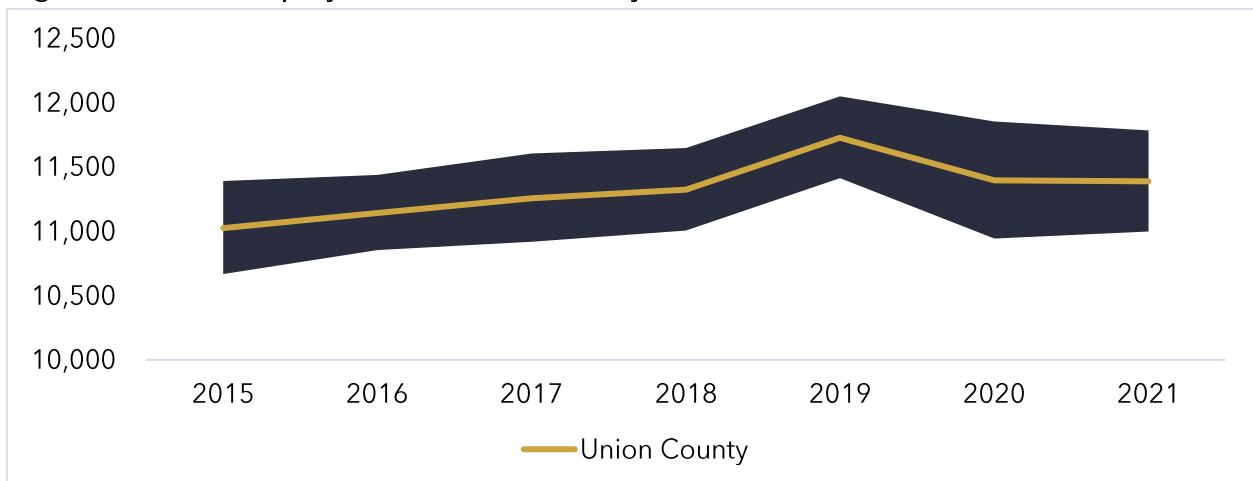
The following series of charts show the trends in employment and income in La Grande since 2015. The black bands surrounding the gold trendline represent the margin of error for each annual data point. 2019 saw a rise in employment in both La Grande and Union County. While the pandemic caused a drop 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.<sup>14</sup> 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

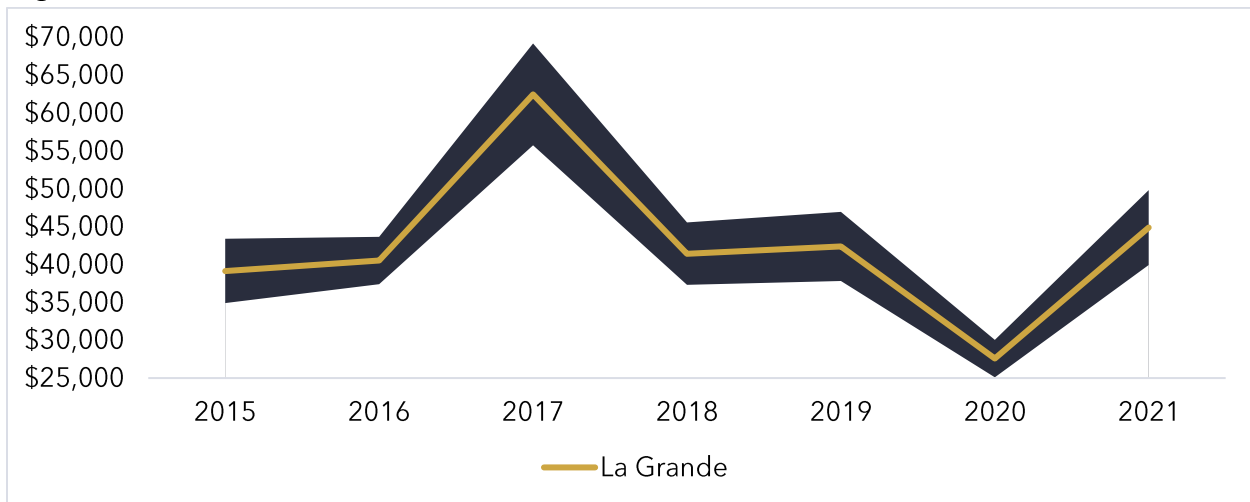


Source: U.S. Census Bureau, 2022

<sup>14</sup> U.S. Census Bureau, American Community Survey, Table DP03

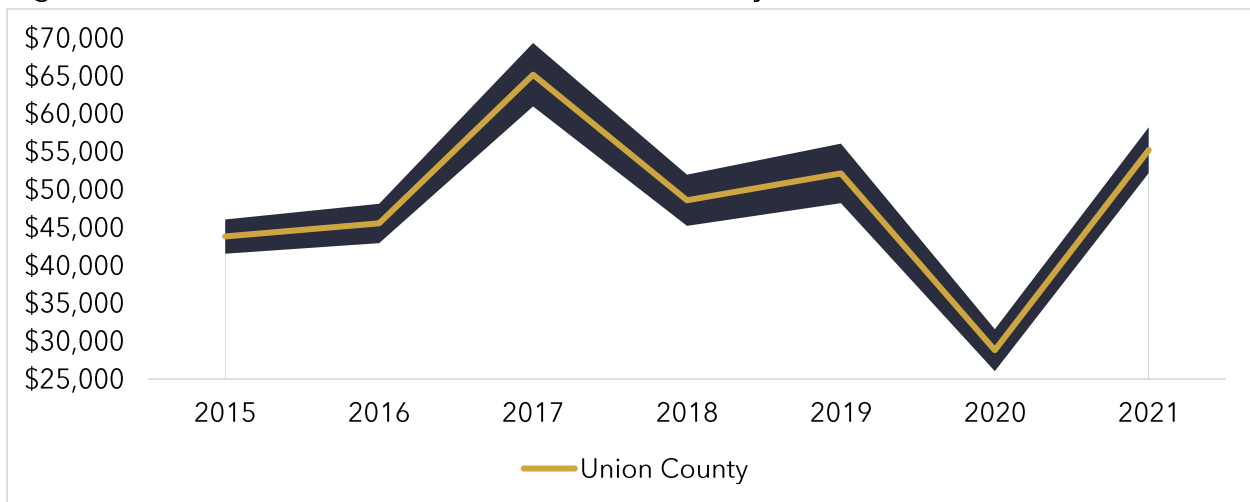
Median household income (MHI) in La Grande and Union County has followed a similar trajectory in the period between 2015 and 2021. The drivers behind some of the income increase in La Grande may be the services sector and jobs in the information industry. These two sectors experienced increases to their average quarterly earnings of over 50% in the period from 2015 to 2021.<sup>15</sup> 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.<sup>16</sup> 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**



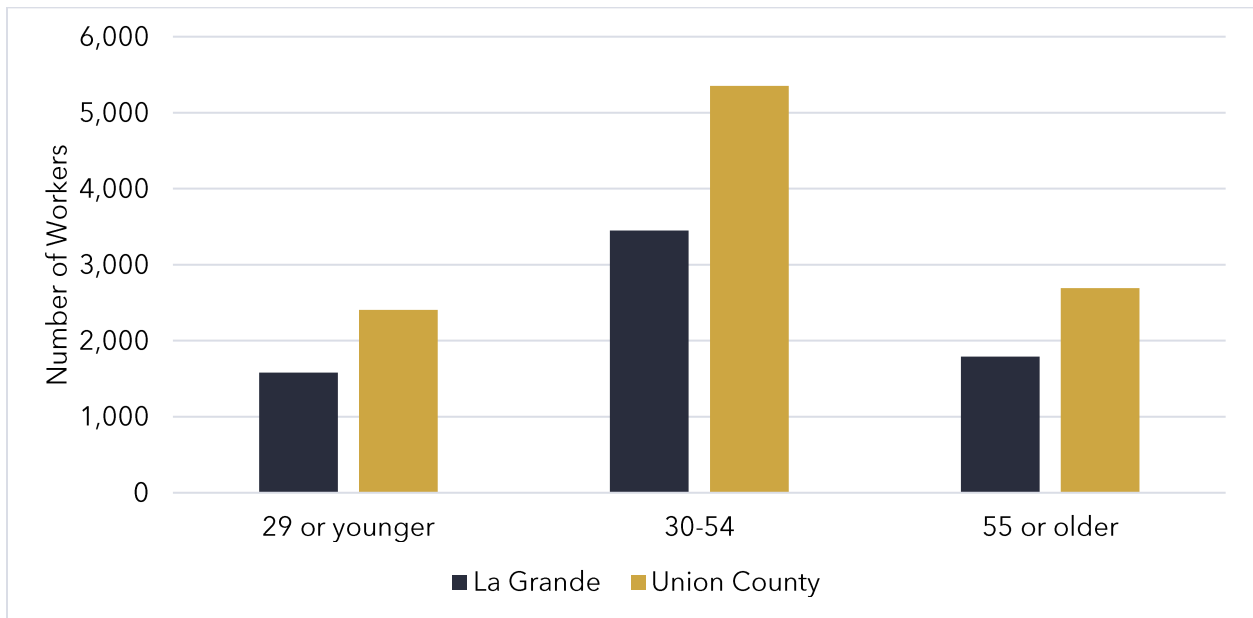
Source: U.S. Census Bureau, 2022

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

<sup>16</sup> U.S. Census Bureau, Ibid.

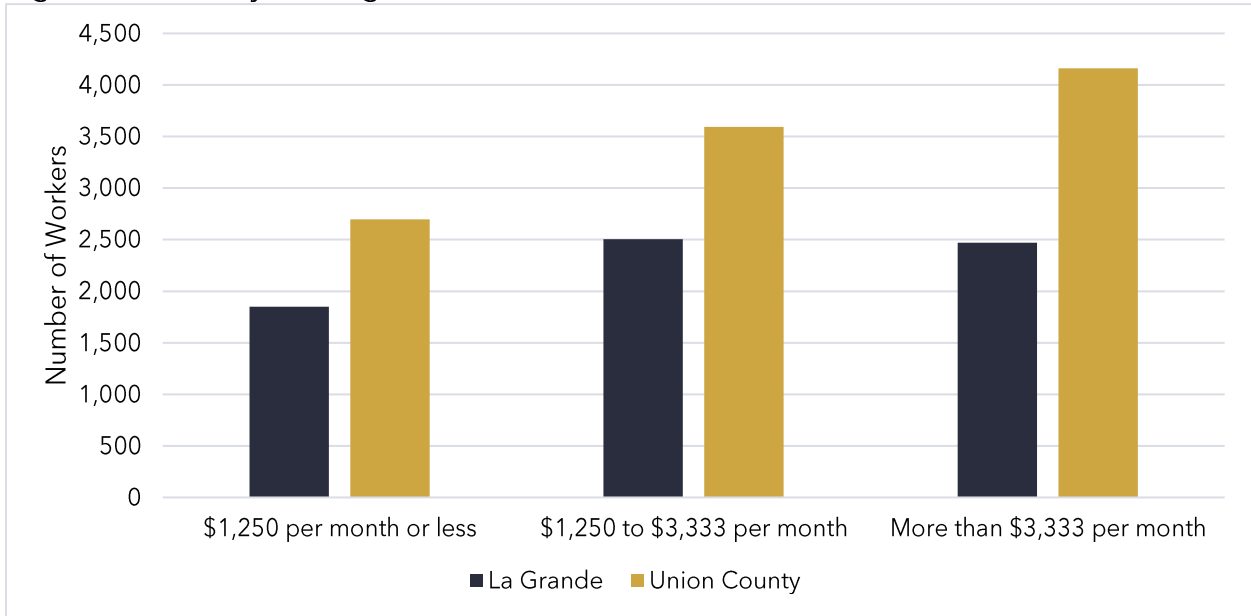
The distribution of workers in each age group is roughly the same in Union County and La Grande. Where the real difference emerges is in the wages earned. There are proportionally more workers in the higher earnings range in Union County than there are in La Grande. While 40% of workers in Union County 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**



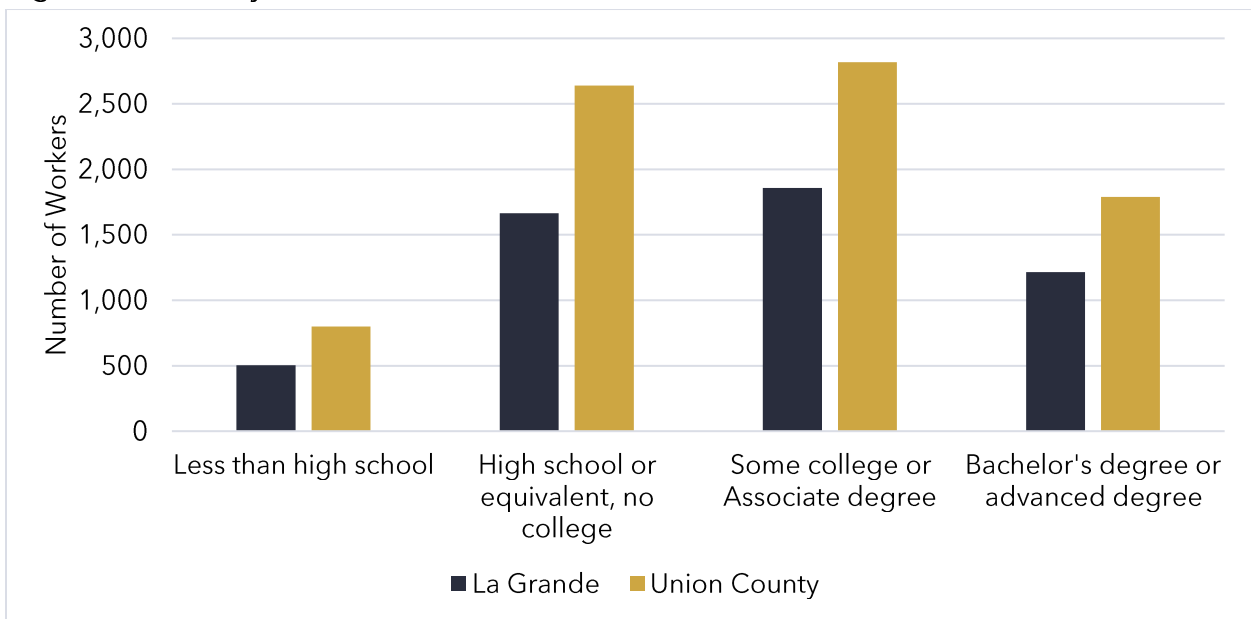
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

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



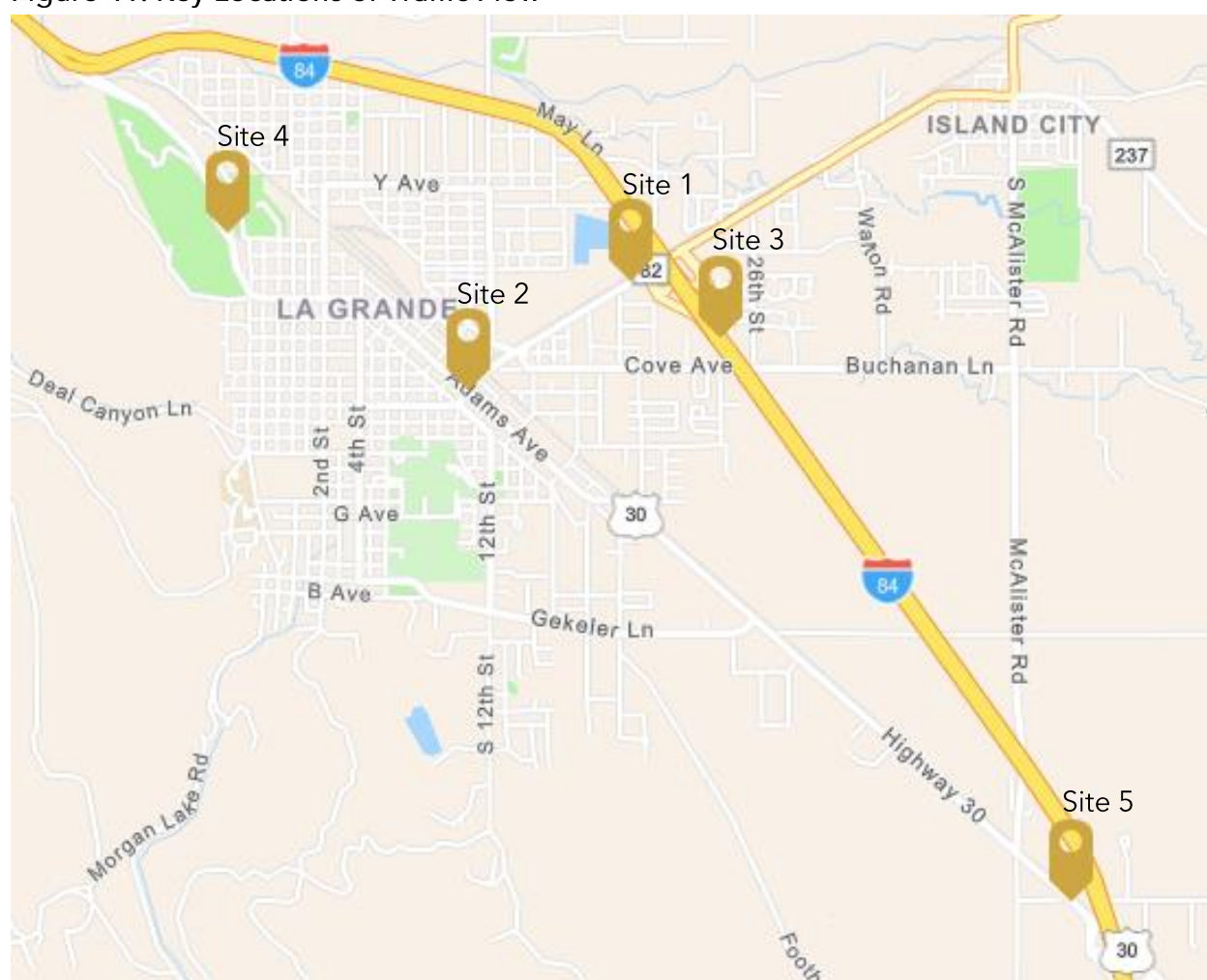
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

## 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



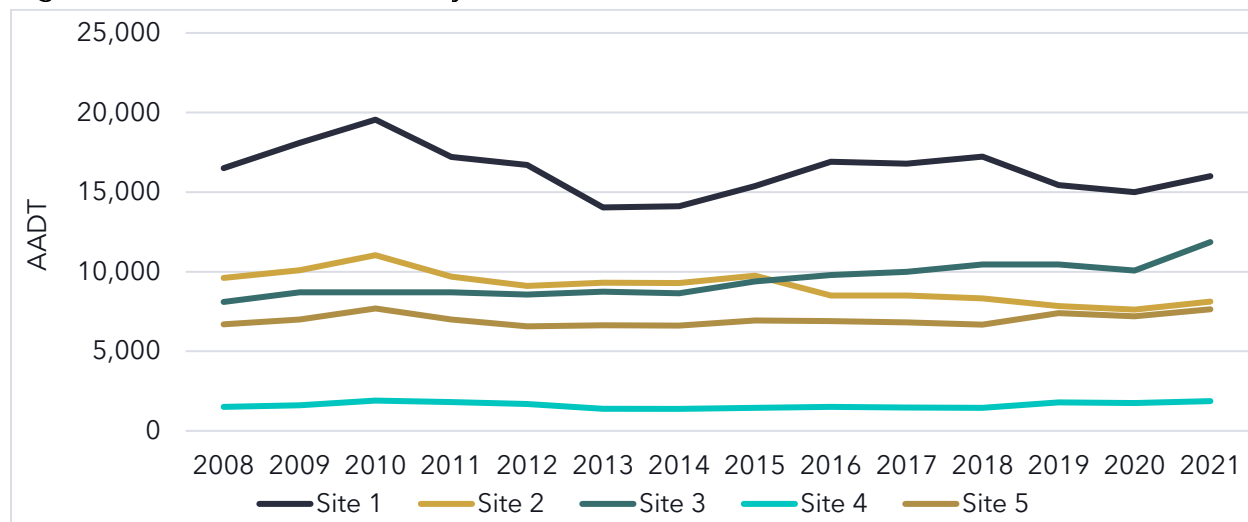
Source: Points Consulting using ESRI Business Analyst and Oregon Traffic Monitoring System, 2022

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

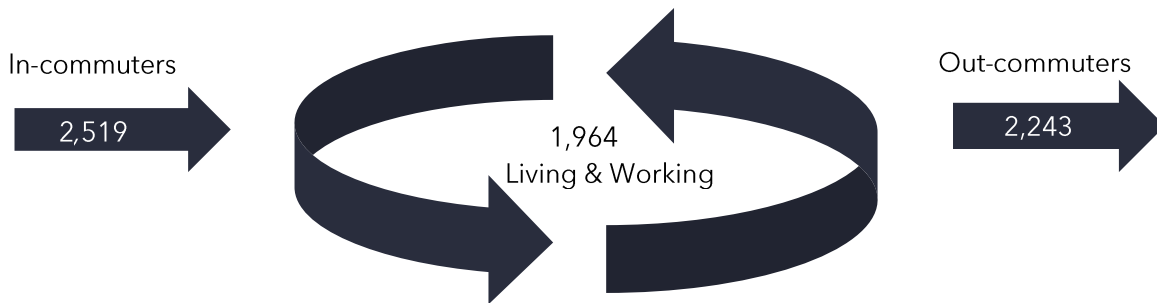
City/Place	Count	Share
La Grande, OR	1,964	46.7%
Island City, OR	196	4.7%

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.

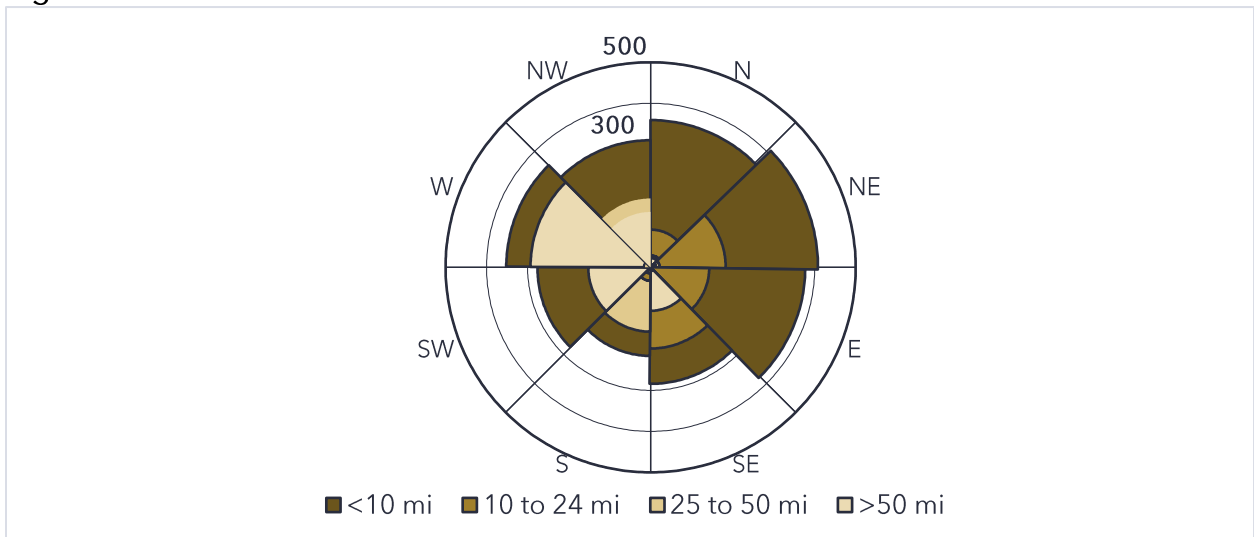
Figure 43: Commuter Inflow and Outflow from La Grande



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 DLCD 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.

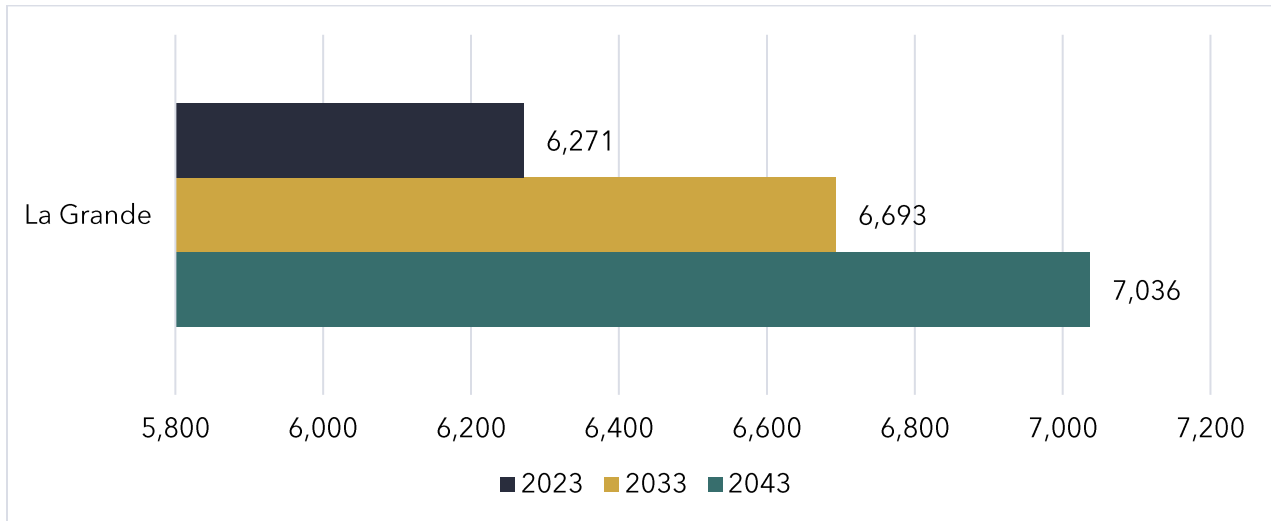
Despite some differences in approach, both methods yielded similar job forecasts for 2033. However, when projecting over the next 20 years, the safe harbor method predicts an increase of 765 jobs, while our custom forecast results in a gain of 472 jobs. Notably, PSU’s June 2023 population forecasts for 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.

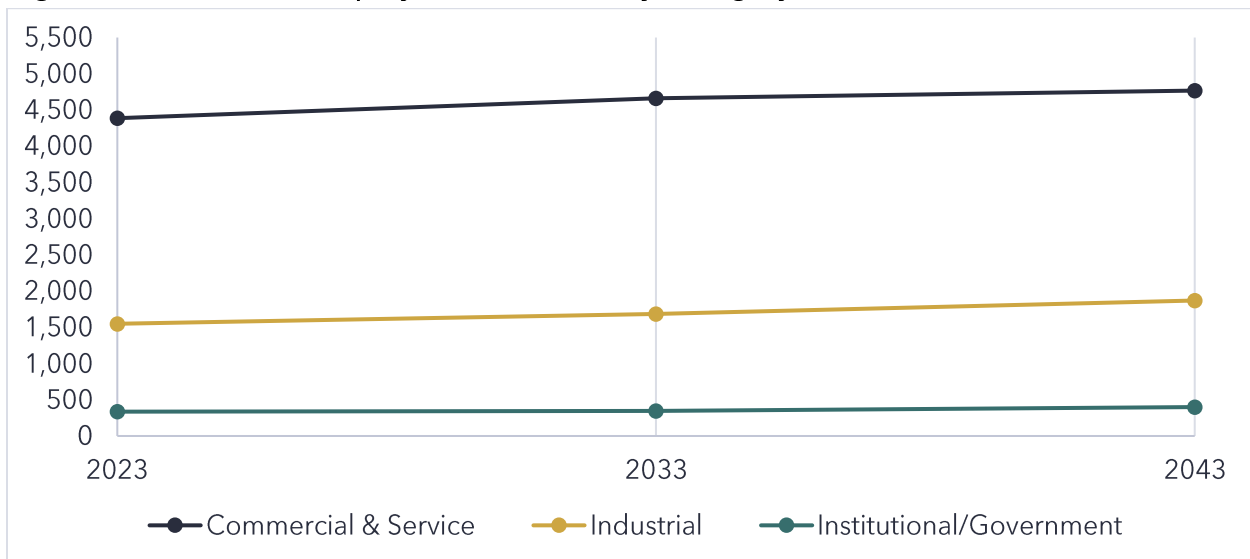
The industry that projections show is going to grow the most in terms of raw numbers over the next 20 years is the services sector, however wholesale trade will experience the largest percentage increase, with a gain of 73.5%. Conversely, the finance and insurance, and real estate sectors will add the 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
<i>Industrial Subtotal</i>	136	321	178	199
<i>Commercial &amp; Service Subtotal</i>	276	381	211	234
<i>Government</i>	11	63	33	39
<b>Grand Total</b>	<b>423</b>	<b>765</b>	<b>422</b>	<b>472</b>

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%
<i>Industrial Subtotal</i>	1,549	1,684	8.8%	1,870	20.7%
<i>Commercial &amp; Service Subtotal</i>	4,387	4,662	6.3%	4,768	8.7%
<i>Government</i>	335	347	3.3%	399	18.9%
<b>Grand Total</b>	<b>6,271</b>	<b>6,693</b>	<b>6.7%</b>	<b>7,036</b>	<b>12.2%</b>

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.<sup>17</sup> 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%

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

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 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.<sup>18</sup> 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.<sup>19</sup>

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.<sup>20</sup> 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

<sup>18</sup> Ibid. See Section 2.2.011 and Section 2.2.012.

<sup>19</sup> Ibid. see Article 5.2 on minimum lot sizes.

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

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



## 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.<sup>21</sup>

#### ***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.<sup>22</sup>

#### ***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

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

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

employees. The 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.<sup>23</sup>

### ***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.<sup>24</sup> 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.<sup>25</sup>

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.

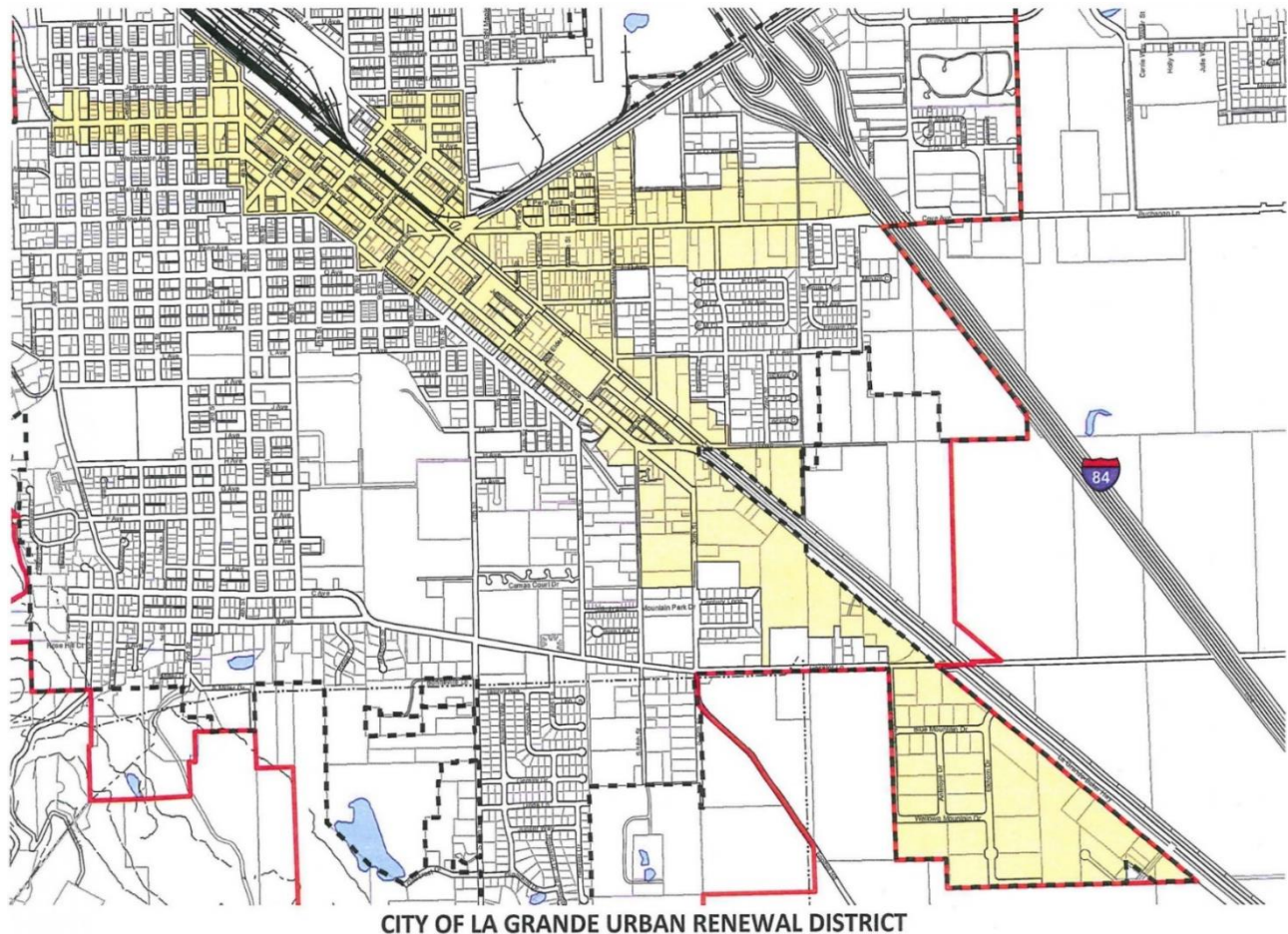
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<sup>23</sup> Summary Points, Eastern Oregon University Evaluation, February 2022, <https://www.oregon.gov/highered/research/Documents/Reports/2021-University-Evaluation-EOU.pdf>.

<sup>24</sup> "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](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.

<sup>25</sup> 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 center in proximity to the Business Park and airport.<sup>26</sup>

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 Foundation<sup>27</sup> 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.

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<sup>26</sup> Memo from City of La Grande Economic Development Department, dated July 31, 2023

<sup>27</sup> 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.<sup>28</sup> 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.<sup>29</sup>

- 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

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<sup>28</sup> 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/>

<sup>29</sup> Points Consulting based on BLI Analysis and Union County Tax Assessor data.

Oregon's Ports, for example, as 15 of the 23 state sanctioned Ports lease land to private sector tenants.<sup>30</sup> This strategy could coincide well with La Grande's intentions of developing a maker-space corridor along Jefferson Street. 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.<sup>31</sup> This process has been utilized in Clackamas County in 2019, published in the Business Plan for the Clackamas County Land Bank Authority.<sup>32</sup>

**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.

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<sup>30</sup> Points Consulting county based on review of Port websites as of July 2023.

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

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



## 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).

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.

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- 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)<sup>33</sup></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>	

<sup>33</sup> "F, R, S, and C" refer to setbacks for front yards, rear yards, side yards, and corner lots.

<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 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.
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<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

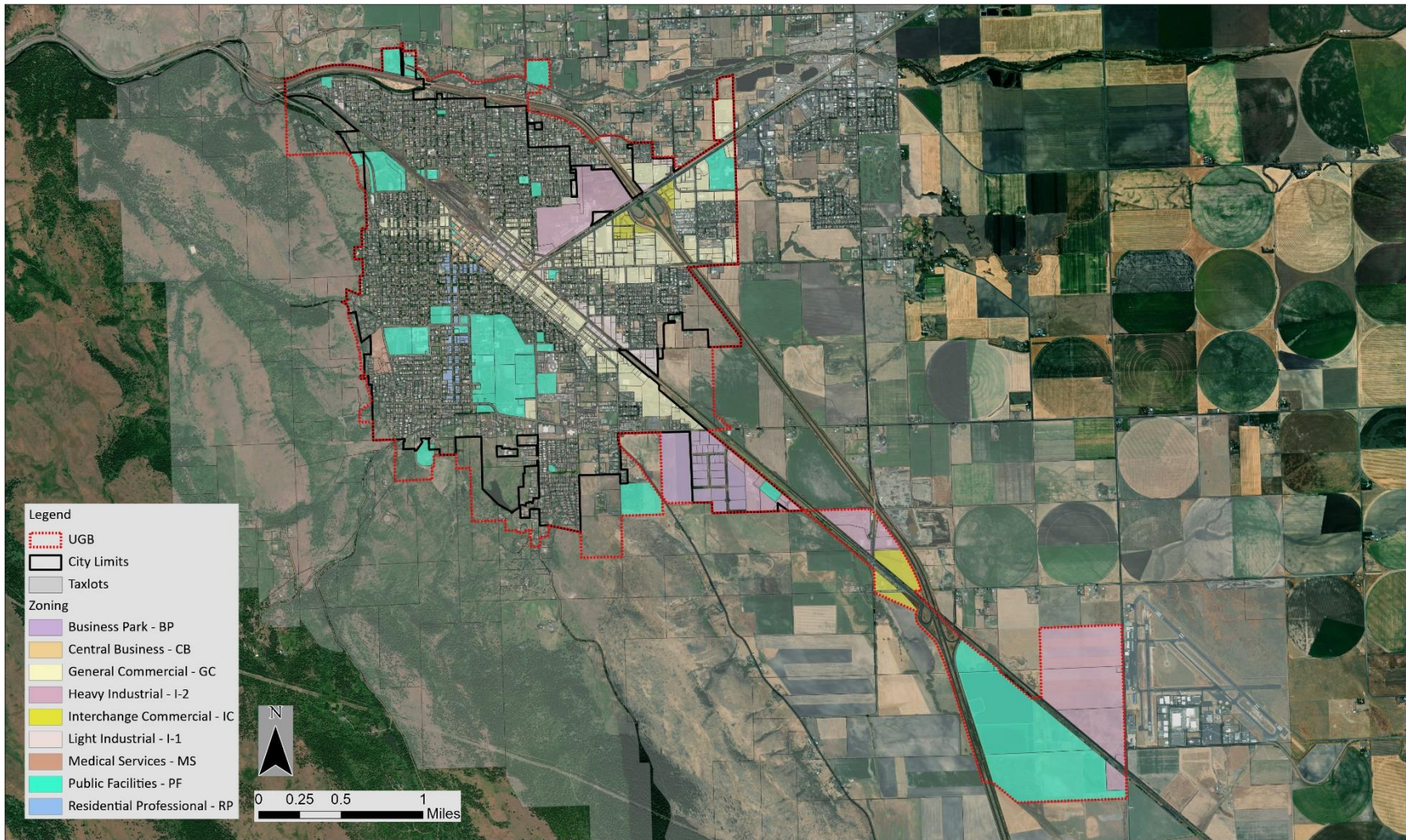
Source: Nexus Planning Services using Union County Tax Assessor's Office Data



## **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)

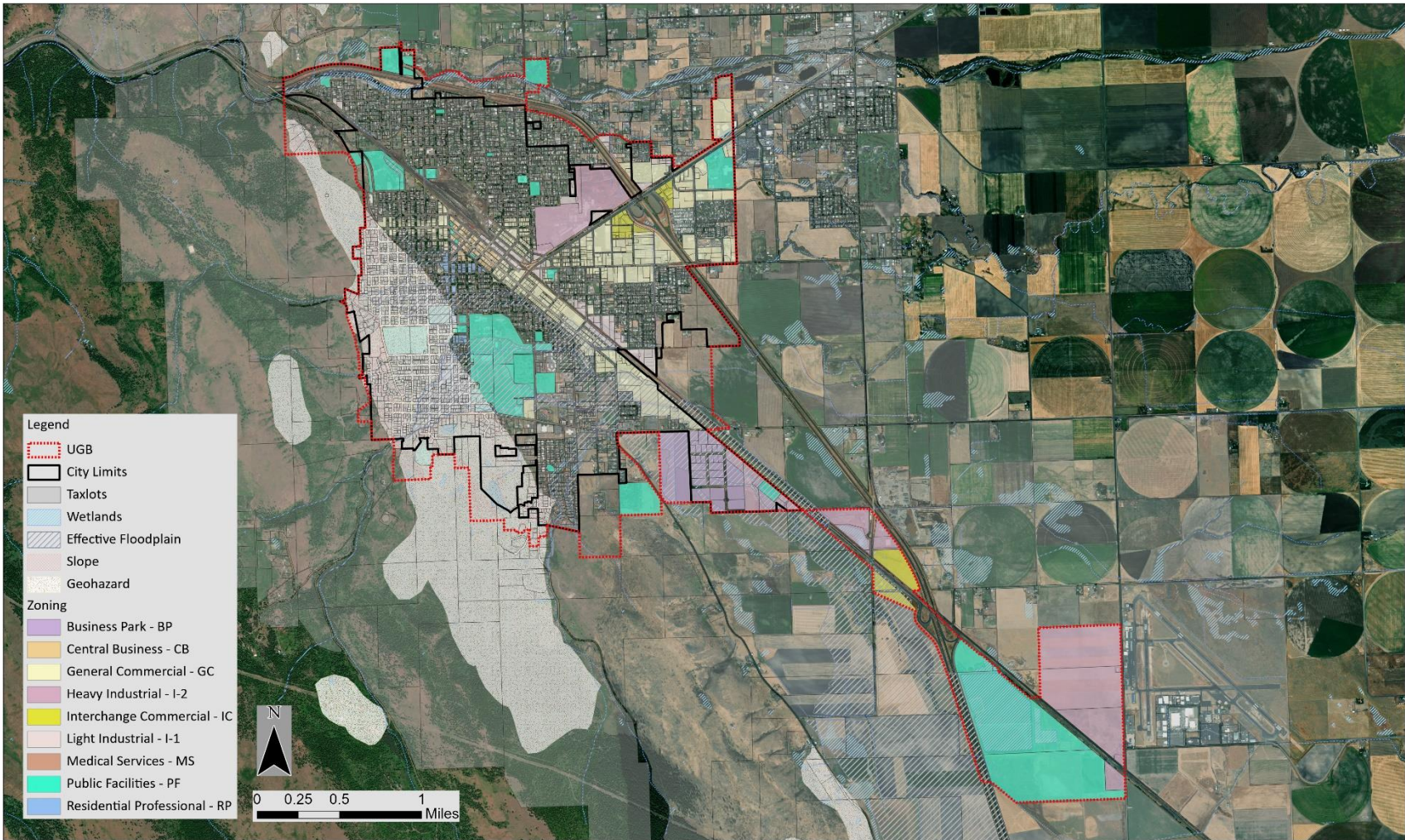


## La Grande Economic Opportunities Analysis

# City of La Grande Employment Lands Zoning

Date of Creation: 08/03/2023

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



La Grande Economic Opportunities Analysis  
**City of La Grande Employment Lands Constraints**

