ECONOMIC OPPORTUNITIES ANALYSIS
(OREGON STATEWIDE PLANNING GOAL 9)

Prepared For:

Cities of Haines, Halfway, Richland, Sumpter, and Unity

June 2019

Acknowledgments

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I. INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for the Cities of Haines, Halfway, Richland, Sumpter, and Unity, Oregon.

Cities are required to reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within their Urban Growth Boundary (UGB). The principal purpose of the analysis is to provide an adequate land supply for economic development and employment growth. This is intended to be conducted through a linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into six primary sections:

- **Economic Trends:** Provides an overview of national, state and local economic trends affecting Baker County and jurisdictions within the county, including population projections, employment growth and a demographic profile.

- **Target Industries:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.

- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.

- **Capacity:** Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within the UGB.

- **Reconciliation:** Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.

- **Economic Development Potential and Conclusions:** Summary of findings and policy implications.

This analysis reflects changes in employment, land supply, and macro-economic trends since the Baker County communities last reviewed local economic development policies.

II. ECONOMIC TRENDS

This report section summarizes long and intermediate-term trends at the national, state, and local level that will influence economic conditions in Baker County over the 20-year planning period. This section is intended to provide an economic context for growth projections and establish a socioeconomic profile of the community. This report's national evaluation has a focus on potential changes in structural socioeconomic conditions both nationally and globally. Our localized analysis considers local growth trends, demographics, and economic performance.

NATIONAL TRENDS

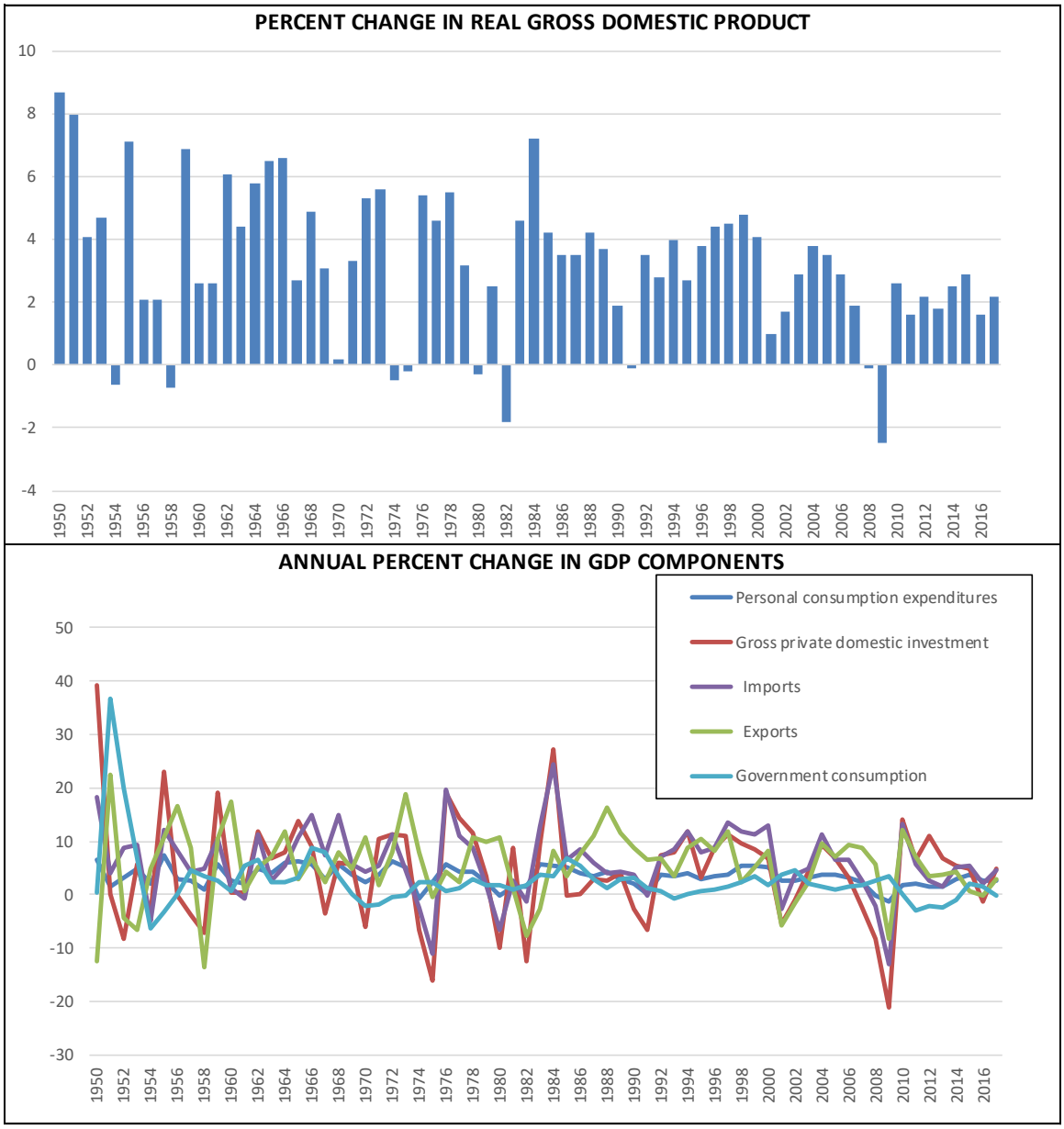
The long-term trend indicates that the United States economy has settled into a moderate growth trajectory at around 2.0% per year, after growing at above 4.0% per year during the 1960s and above 3.0% per year between 1970 and 2000. While the overall growth pace is moderating, there is a shift within the economy from consumption of goods to consumption of services, especially services oriented around personal wellbeing (health, private education, finance). This is reflective of increasing levels of wealth and discretionary income in the population. At the same time, growth in fixed investment (equipment and structures) and government defense spending is moderating – making manufactured goods a less important part of the economy.

Increasing international trade led to strong growth in imports during the 1990s and 2000s, partly due to U.S. firms offshoring operations to lower-cost markets. Exports also grew over the period, but at a slower pace. The offshoring trend has partly reversed in the current decade, due to rising costs and greater awareness of cultural barriers and various risks. Greater emphasis on leaner and more agile supply chains, combined with demand for customized products and rapid delivery, has also contributed to growth in domestic production. The impact has been greatest in auto manufacturing. Despite this "reshoring" trend, imports from Asia continue to grow at a faster clip than domestic manufacturing.

The most commonly used measure of economic prosperity is real gross domestic product (GDP) per capita. Real GDP per capita is essentially a measure of national wealth considered on an individual basis, and the increased purchasing power of the population translates into greater investment in health care, education, housing, leisure, and many other factors. U.S. real GDP per capita remains stable. Over the last century, the average annual growth rate has been 1.8%, despite considerable shifts in economic and social conditions—a finding that suggests long-term economic growth is more related to very broad trends, such as population growth and investment in physical and human capital, than temporary economic fluctuations, like the recent recession and government policy.

The Great Recession officially brought six consecutive quarters of negative economic growth in 2008 and early 2009. The depth of and duration of this downturn was the most pronounced since World War II. The current expansion cycle has been sustained yet the pace of growth has been modest to date. Credit markets have been more stringent, businesses are more cautious, and housing construction has yet to emerge as a driving catalyst.

FIGURE 2.01: NATIONAL GROSS DOMESTIC PRODUCT TRENDS

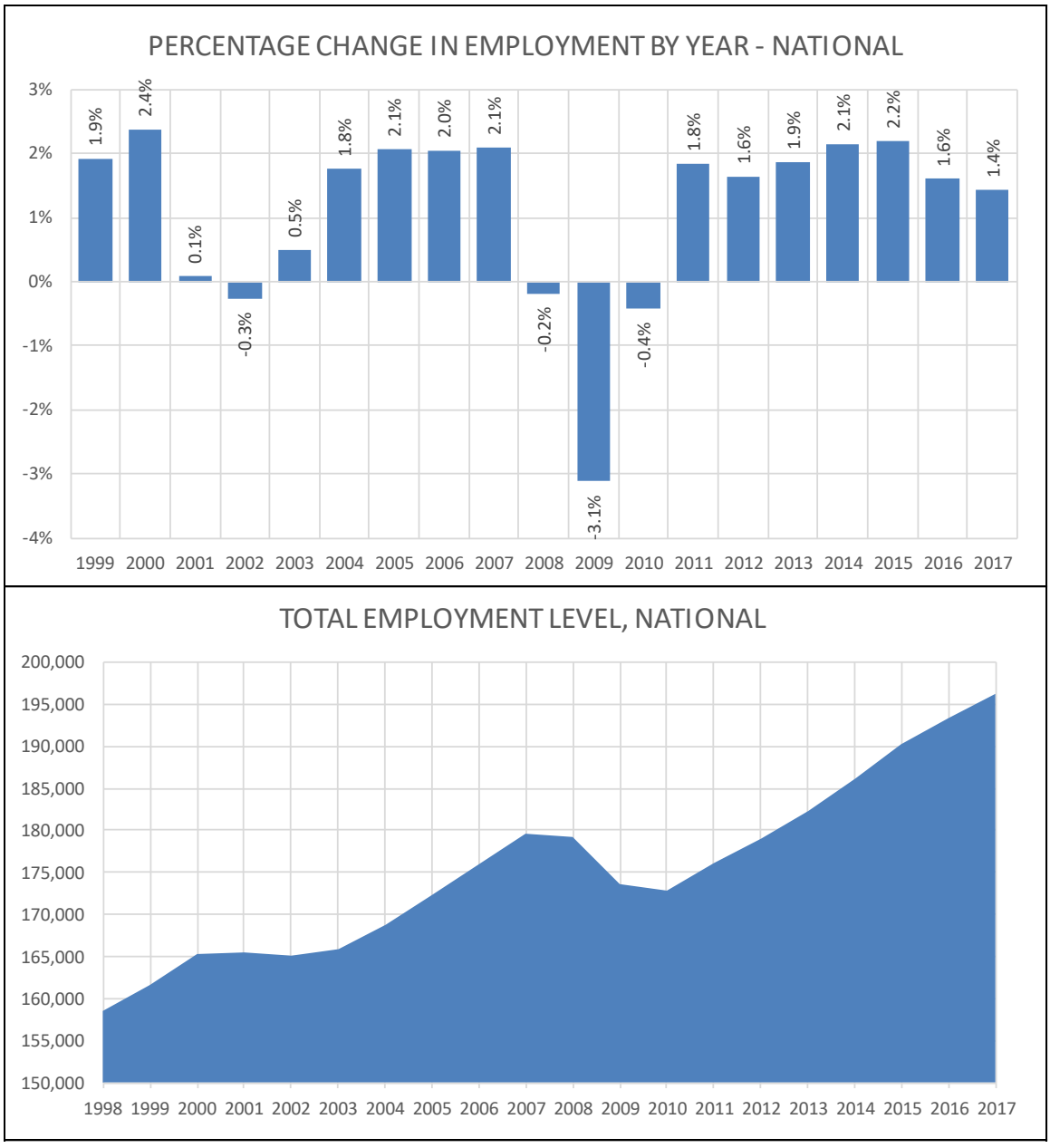


SOURCE: US Bureau of Economic Analysis

Overall, national economic output has seen a notable moderation in growth over the past two decades, with most of the current business cycle hovering around 2.0% growth per year. In comparison, the average growth rate over the 1970-1999 period was 3.2%. Economic forecasters generally expect a slight increase in growth over the very near term, followed by a cyclical moderation over the 2020-23 period, reflecting downward pressures from tight labor markets and higher interest rates. Potential GDP growth, which measures the GDP growth that can be sustained at a constant rate of inflation, indicates future long-term growth at around 2.0% per year.

The expansion in GDP is reflected in employment growth, which has ranged between 1.4% and 2.2% in the current expansion cycle. Preliminary estimates indicate an acceleration in the rate of GDP as well as employment growth in 2018. While overall trends have been positive for almost a decade, there will likely be two to three downturns at the national level over the next twenty years.

FIGURE 2.02: NATIONAL EMPLOYMENT TRENDS



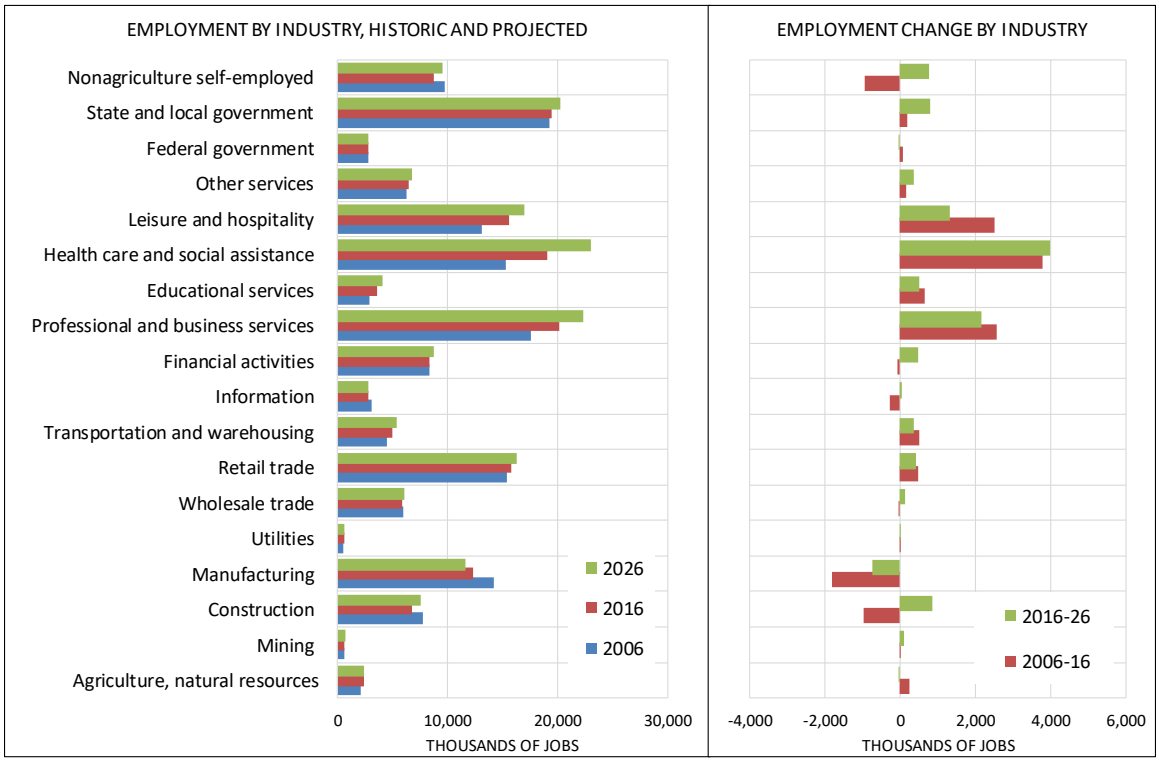
SOURCE: US Bureau of Economic Analysis

A few additional trends have significant implications for the industrial real estate market: E-commerce is rapidly taking market share from brick-and-mortar retailers, approaching 10% of all retail sales. This is causing a shift in storage needs from retail stores to warehouses and distribution centers. At the same time,

automation is causing a consolidation within the warehousing and distribution industry, leading to increasing reliance on larger third-party operators able to make heavy investments in capital and expertise. Automation is also impacting the manufacturing industry, though to a lesser extent and primarily among larger industry leaders. Finally, changes in the use of electronic devices and growth in online services are causing a shift in the tech sector, from hardware manufacturing to software development.

Due to the limited growth in demand for domestic goods and the competition from low-cost markets, the U.S. manufacturing sector has lost one-third of its jobs since its peak in the late 1970s, with its share of total employment falling from 24% to 8%. With a strong dollar and relative to the currencies of key trading partners, there remains significant headwinds for manufacturers that export a significant level of product. Sectors seeing significant expansion since 2006 include health care, professional and business services, and leisure and hospitality. Projections are that all major sectors with the exception of manufacturing and federal government will see positive growth through 2026.

FIGURE 2.03: NATIONAL EMPLOYMENT GROWTH BY SECTOR, HISTORIC AND PROJECTED



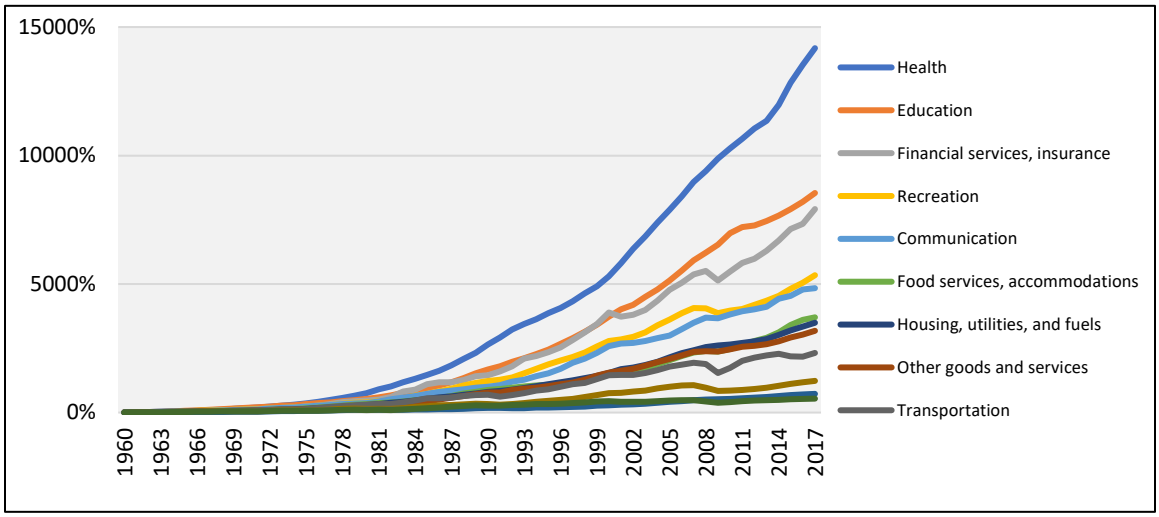
SOURCE: US Bureau of Economic Analysis

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design.

Consumer spending accounts for more than two-thirds of the U.S. economy, and changing spending patterns therefore dictate much of the shifts in the economy. The post-war era has been marked by increasing wealth and discretionary spending, which has shifted spending away from necessities and led households to buy goods and services that used to be produced in-house. The strongest spending growth

over the past decades has come in categories that represent investments in personal wellbeing, with healthcare/health products at the top of the list, followed by private education and financial services. Categories that represent more short-term enjoyment, like recreation, food services, and accommodations, occupy the middle segment, while necessities like groceries, clothing, transportation, and housing have seen only moderate growth. Spending on health is expected to continue to increase strongly over the coming decades as the baby boomer cohort ages.

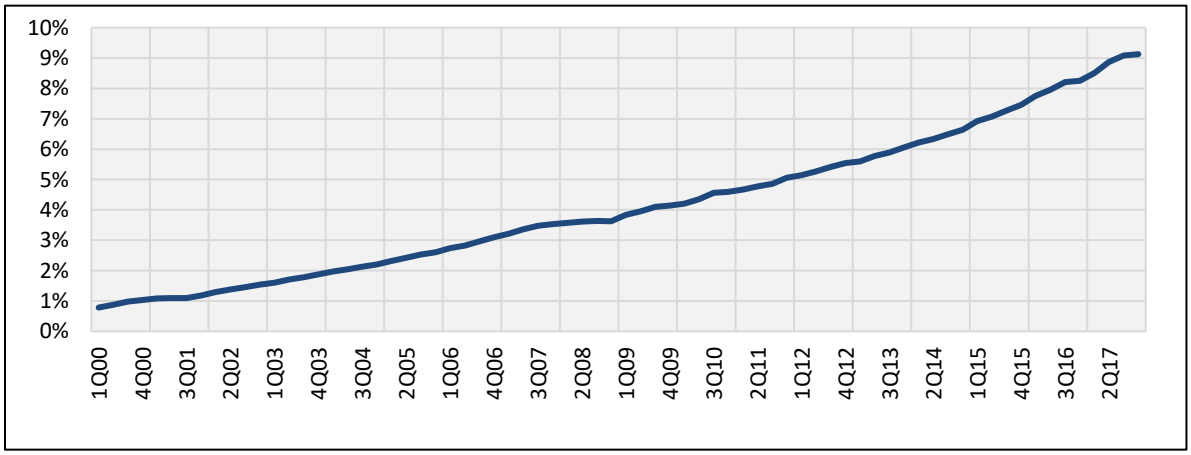
FIGURE 2.04: CONSUMER SPENDING GROWTH SINCE 1960, BY CATEGORY, UNITED STATES (1960-2017)



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

The most dramatic spending shift in the context of real estate in recent times is the growth in online shopping, which has reduced the overall need for brick-and-mortar space, especially from retailers selling physical goods. Online retailing is estimated to account for 10% of all retail spending in 2018, at around $500 million in annual sales on a national level. Since the last recession, the segment has grown by around 15% per year, and it is currently taking market share from brick-and-mortar stores at a rate of nearly one percentage point annually.

FIGURE 2.05: ONLINE RETAIL MARKET SHARE, UNITED STATES (2000-2017)



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

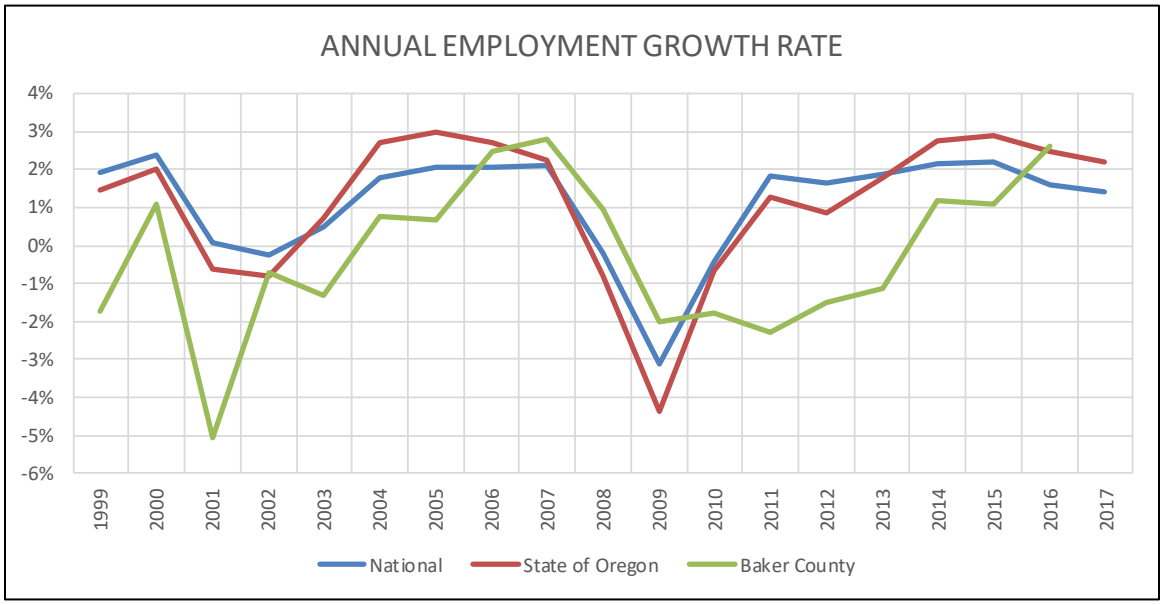
This is causing a shift in storage needs from retail stores to warehouses and distribution centers. At the same time, automation is causing a consolidation within the warehousing and distribution industry, leading to increasing reliance on larger third-party operators able to make heavy investments in capital and expertise. Automation is also impacting the manufacturing industry, though to a lesser extent and primarily among larger industry leaders. Finally, changes in the use of electronic devices and growth in online services are causing a shift in the tech sector, from hardware manufacturing to software development.

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design.

BAKER COUNTY ECONOMIC TRENDS

The annual rate of employment growth in Baker County lagged well behind the national and statewide rate during the early stages of the current expansion cycle. The rate of growth in the county accelerated to the national rate in 2016.

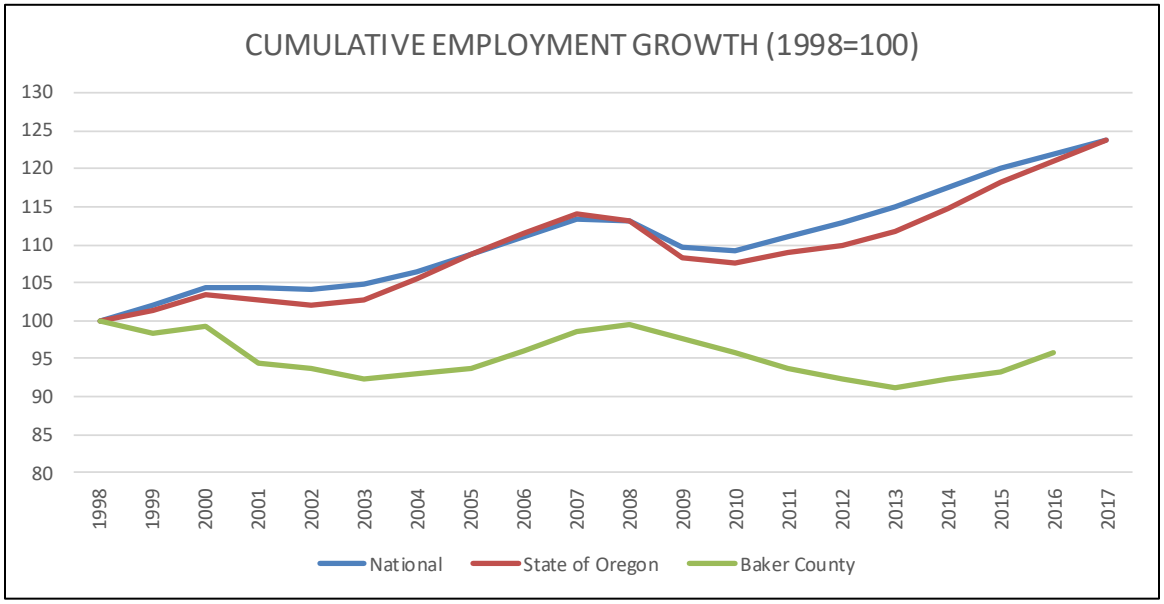
FIGURE 2.06: COMPARISON OF ANNUAL EMPLOYMENT GROWTH RATES



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

While enjoying periods of expansion over the last two decades, the cumulative growth in the area has not kept pace. The local employment base is lower now than it was twenty years ago, a period in which the national and statewide employment base expanded by just under 25%.

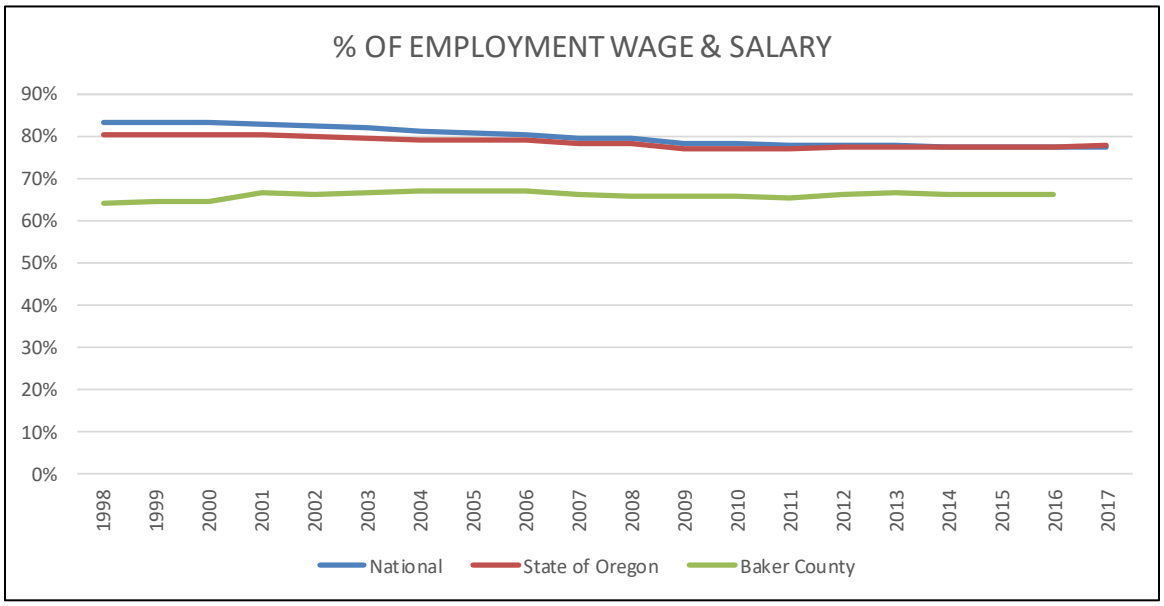
FIGURE 2.07: CUMULATIVE EMPLOYMENT GROWTH



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

The employment base in Baker County has a higher share of self-employed than the state and national averages, with wage and salary employment accounting for less than 67% of overall estimated employment in the county. This compares to rates approaching 80% statewide as well as nationally.

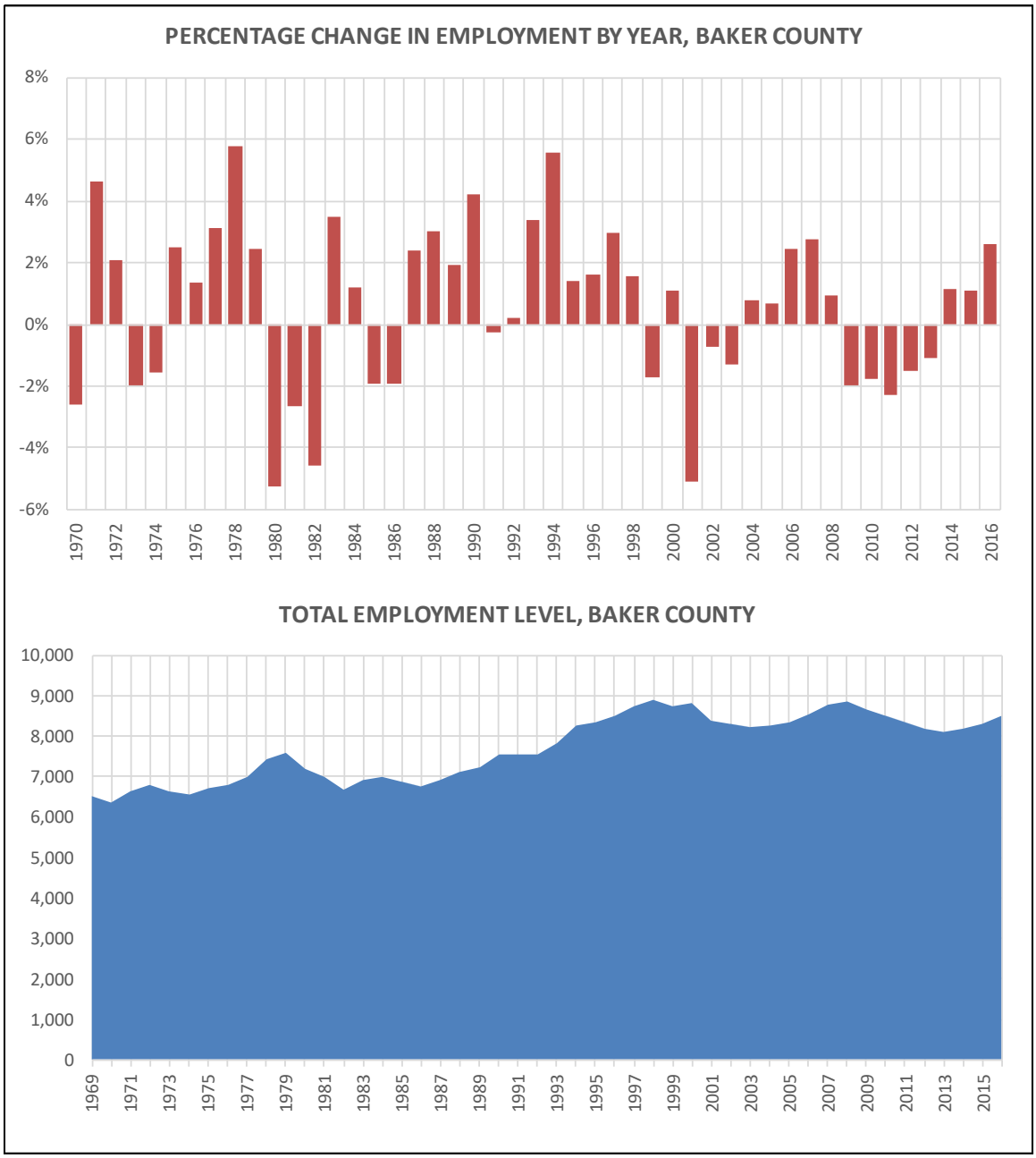
FIGURE 2.08: % OF TOTAL EMPLOYMENT REPRESENTED BY WAGE & SALARY



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

While employment growth has been modestly negative over the last twenty years, over a longer horizon Baker County experienced significant growth. The growth rate from 1987 through 1997 averaged 2.4% per year.

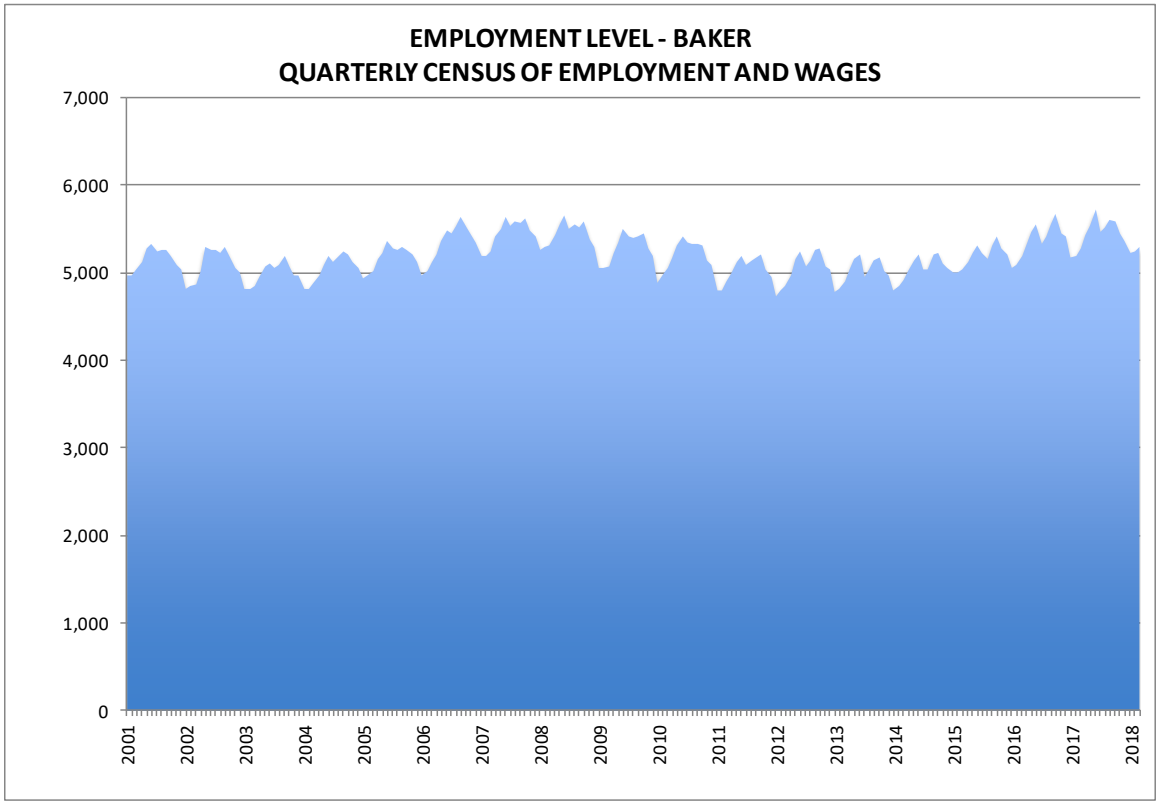
FIGURE 2.09: BAKER COUNTY EMPLOYMENT TRENDS



SOURCE: U.S. Bureau of Economic Analysis

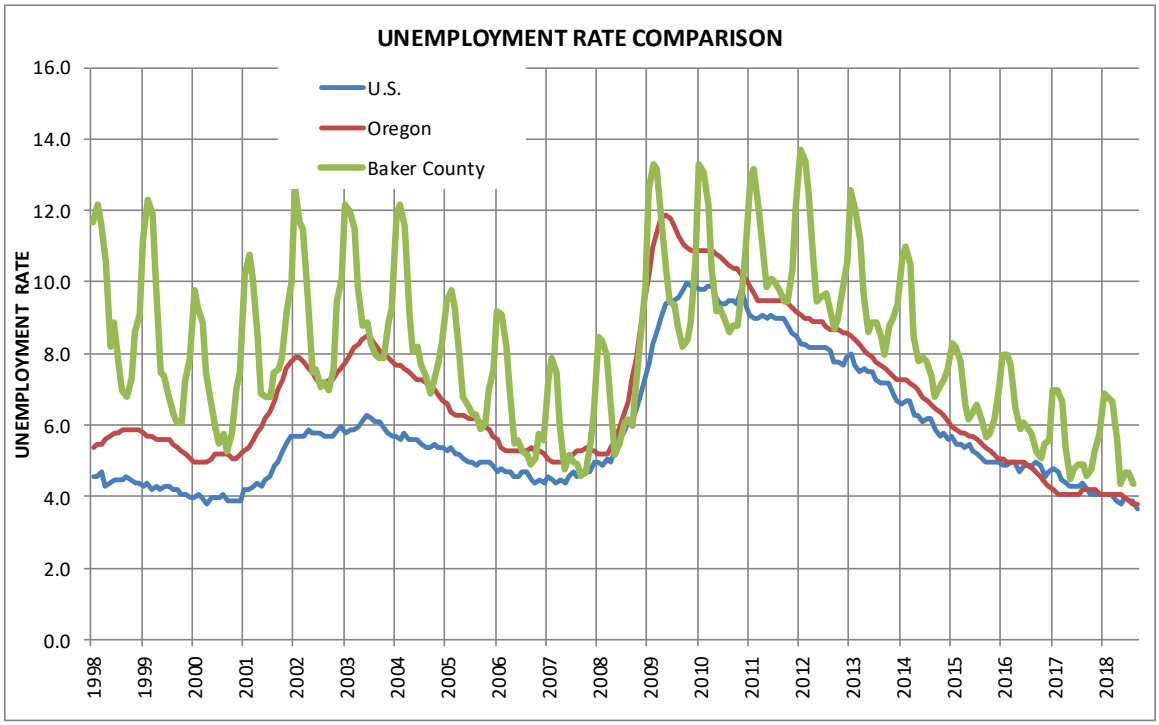
The local employment profile has a significant seasonal fluctuation, reflecting the area's relatively high proportion of agricultural employment and tourism sector.

FIGURE 2.10: BAKER COUNTY EMPLOYMENT LEVEL BY MONTH



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

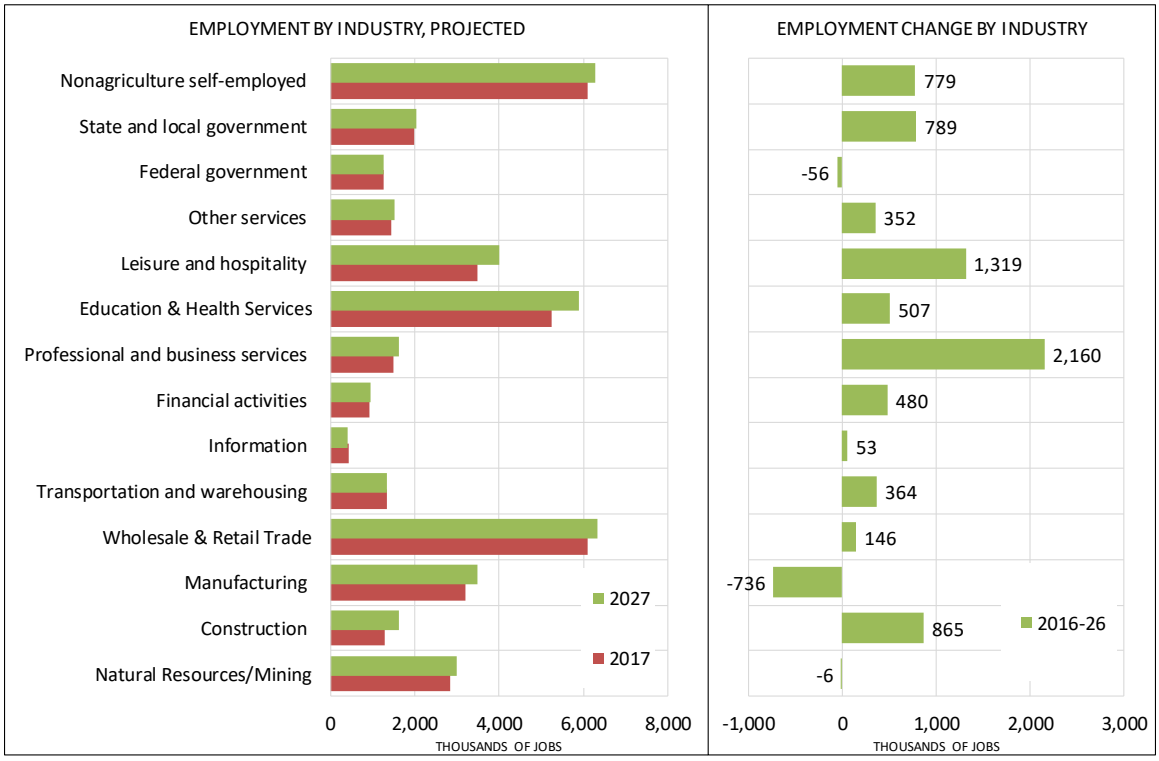
FIGURE 2.11: COMPARISON OF UNEMPLOYMENT RATE TRENDS



The economic expansion has facilitated a commensurate drop in the unemployment rate, with Baker County following the national and statewide patterns. The seasonal fluctuation in employment levels is mirrored in the unemployment statistics. Tight labor market conditions are likely to limit growth potential in the future locally as well as nationally. The local areas ability to attract and retain workforce will be critical to sustaining economic growth going forward.

Most industries are forecast to expand at a modest rate in the broader Eastern Oregon area over the next decade (Baker, Grant, Harney, Malheur, Union, and Wallowa Counties). On an absolute basis, the greatest gains are forecast in professional and business services, leisure and hospitality, and construction. On a rate of growth basis, the most rapid expansion is expected in the construction, leisure and hospitality, and education and health services sectors.

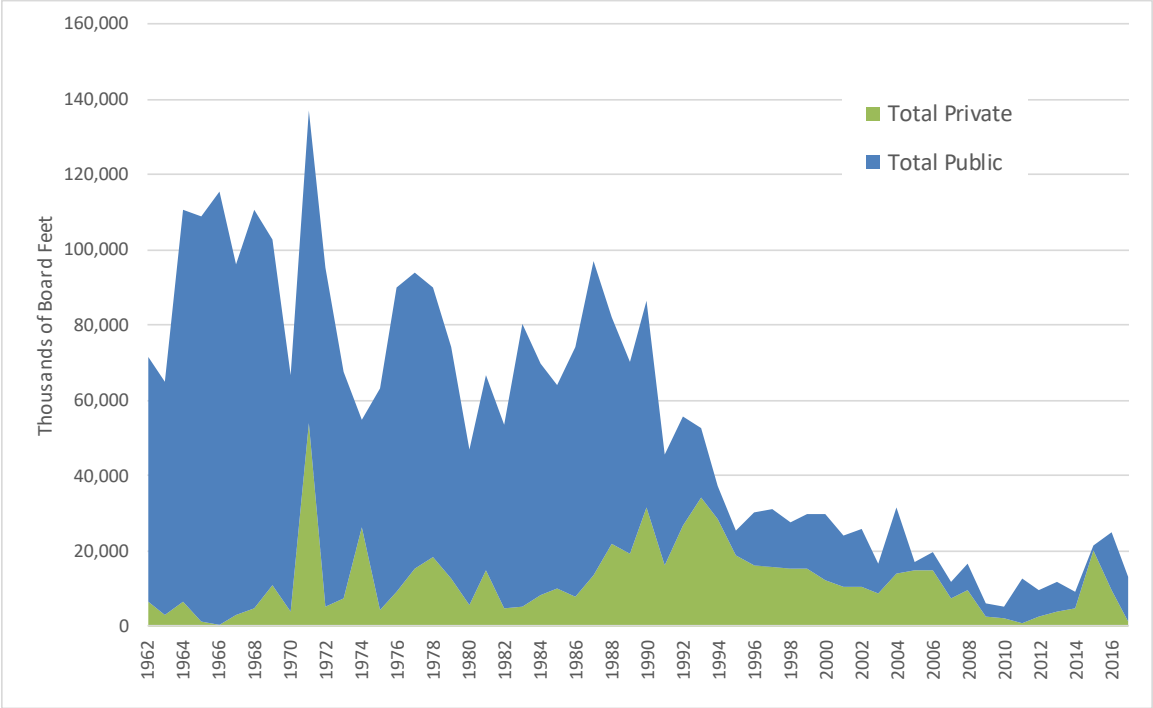
FIGURE 2.12: PROJECTED EMPLOYMENT GROWTH BY SECTOR, EASTERN OREGON



SOURCE: State of Oregon Employment Department

The forestry industry has been a significant economic driver in Baker County, with timber production at over 80 million board feet as late as 1990. The industry has seen a sharp decline in production in the County as well as in the broader region, which is largely attributable to declines in production from public lands.

FIGURE 2.13: ANNUAL TIMBER PRODUCTION IN BAKER COUNTY (1962-2016)



SOURCE: Oregon Department of Forestry

The area has been actively pursuing new and ongoing opportunities in the industry, including small diameter timber, biomass, and engineered wood products.

Agricultural production represents a significant component of the local economy, but agricultural crop production is less important in Baker County than in the broader region. The area does have a significant concentration in animal stock, with 72,000 head of cattle and calves in the county. Alfalfa and other hay production was 187,700 tons in 2016, while wheat production was 922,000 bushels in 2015.

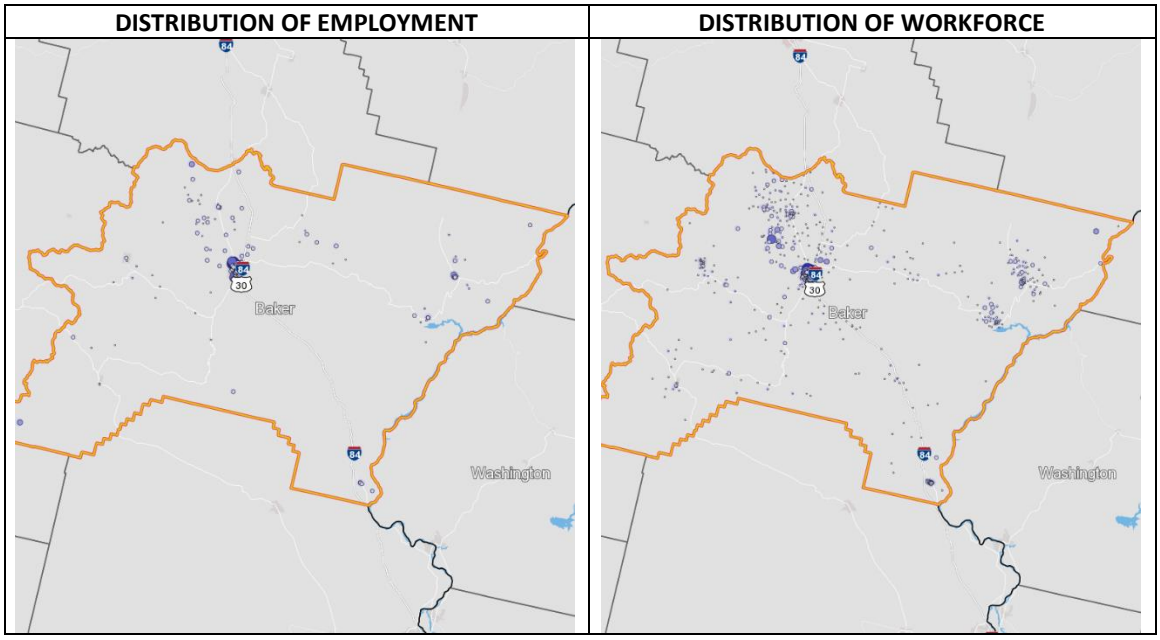
FIGURE 2.14: BAKER COUNTY AGRICULTURAL PRODUCTION

	2013	2014	2015	2016	2017
Alfalfa Hay			65,000	96,100	
Other Hay			(d)	91,500	
Beef Cows	41,000	40,000	41,000	41,000	42,500
All Cattle	70,000	70,000	72,000	72,000	72,000
Wheat			922,000	(d)	

SOURCE: 2017 Oregon Agripedia

Employment in Baker County is concentrated along the I-84 corridor, as well as along Highway 86 to the east and Highways 7 and 410 to the west. The workforce largely follows a similar pattern as employment.

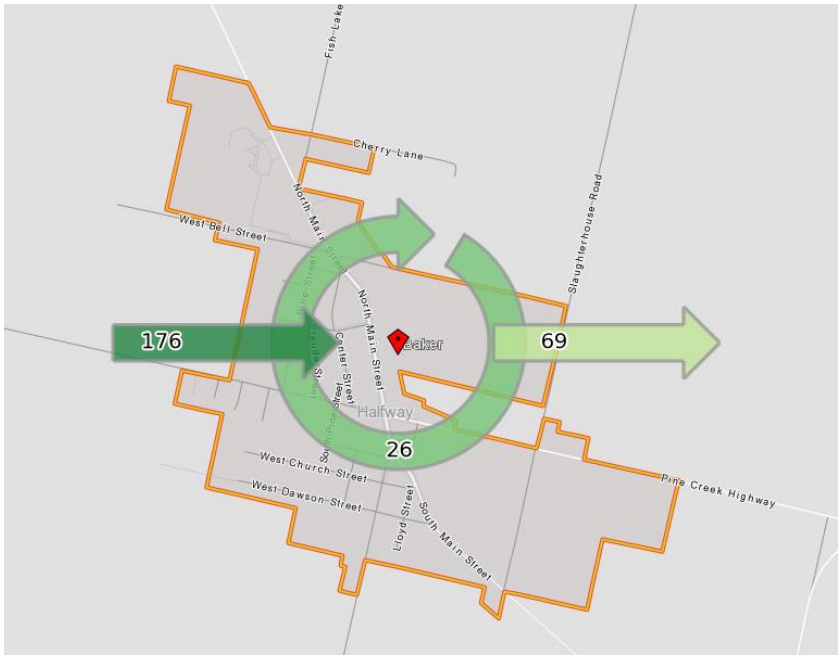
FIGURE 2.15: DISTRIBUTION OF EMPLOYMENT AND WORKFORCE, BAKER COUNTY, 2015



SOURCE: Census Bureau, LEHD Data

The City of Halfway had an estimated 202 jobs within the city limits in 2015. Persons who both live and work in Halfway accounted for 26 of those jobs, while an additional 176 employees commuted into the city. An estimated 69 persons live in the City of Halfway and commute to jobs in other communities.

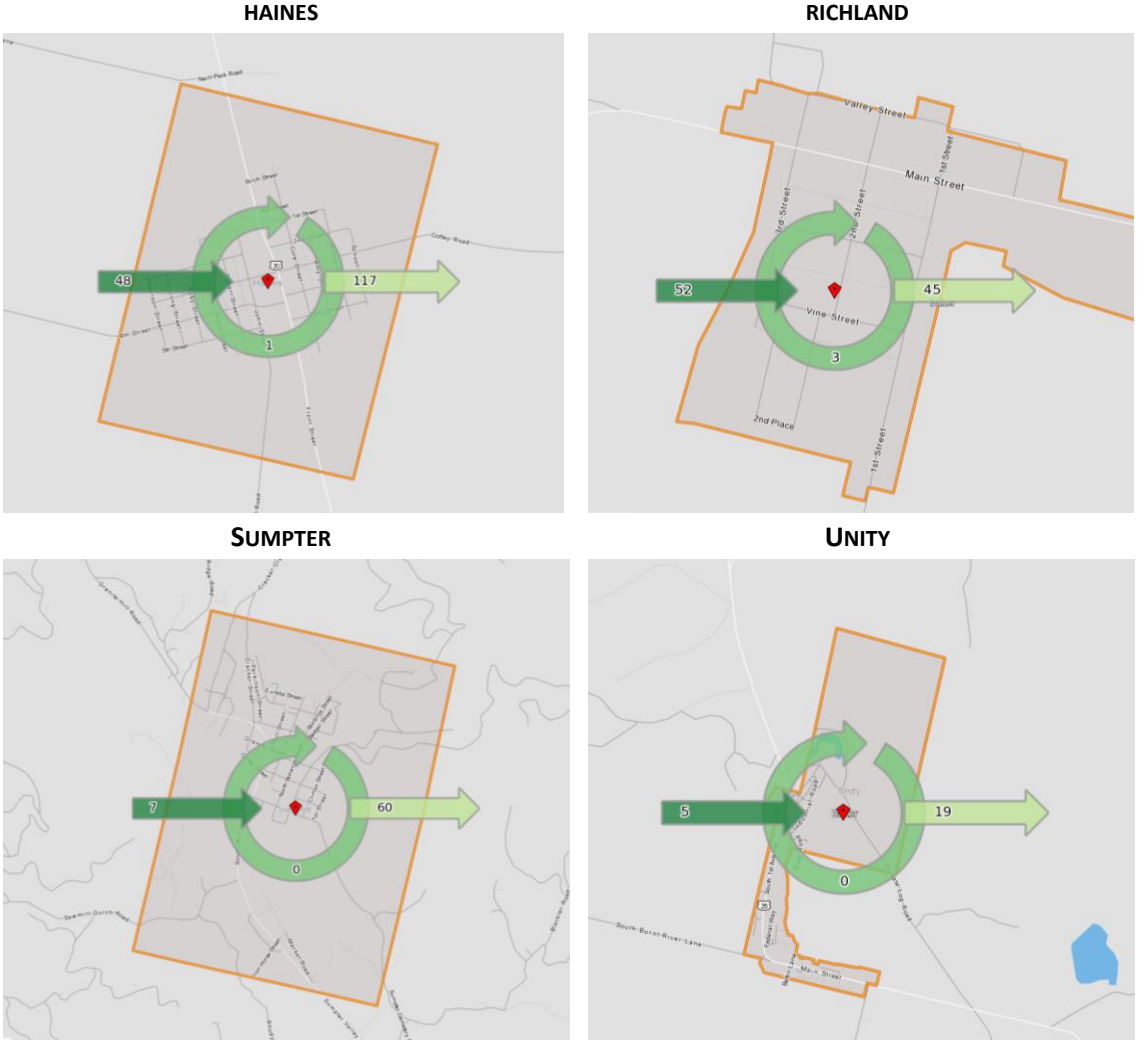
FIGURE 2.16: NET INFLOW-OUTFLOW OF EMPLOYEES, CITY OF HALFWAY, 2015



SOURCE: Census Bureau, LEHD Data

While Richland also had a greater number of employees commuting into the community than leaving for employment, the other jurisdictions all showed a net outflow of the local workforce.

FIGURE 2.17: NET INFLOW-OUTFLOW OF EMPLOYEES, SELECTED BAKER COUNTY CITIES, 2015



SOURCE: Census Bureau, LEHD Data

Commuting patterns are an important element in the local economy. They are indicative of the labor shed companies can draw workers from, the extent to which job creation translates into increased demand for housing, goods, and services, and the overall balance of population and employment in the community.

FIGURE 2.18: NET INFLOW-OUTFLOW DETAIL, BAKER COUNTY AND SELECTED CITIES, 2015

	Baker County		Halfway, OR		Haines, OR		Richland, OR		Sumpter, OR		Unity, OR	
	2015		2015		2015		2015		2015		2015	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
Selection Area Labor Market Size (Primary Jobs)												
Employed in the Selection Area	4,757	100.0%	179	100.0%	42	100.0%	54	100.0%	7	100.0%	5	100.0%
Living in the Selection Area	5,258	110.5%	82	89.2%	111	264.3%	45	83.3%	54	771.4%	19	380.0%
Net Job Inflow (+) or Outflow (-)	(501)	-	97	-	(69)	-	9	-	(47)	-	(14)	-
In-Area Labor Force Efficiency (Primary Jobs)												
Living in the Selection Area	5,258	100.0%	82	100.0%	111	100.0%	45	100.0%	54	100.0%	19	100.0%
Living and Employed in the Selection Area	3,583	68.1%	21	63.2%	1	0.9%	3	6.7%	0	0.0%	0	0.0%
Living in the Selection Area but Employed Outside	1,675	31.9%	61	36.8%	110	99.1%	42	93.3%	54	100.0%	19	100.0%
In-Area Employment Efficiency (Primary Jobs)												
Employed in the Selection Area	4,757	100.0%	179	100.0%	42	100.0%	54	100.0%	7	100.0%	5	100.0%
Employed and Living in the Selection Area	3,583	75.3%	21	56.4%	1	2.4%	3	5.6%	0	0.0%	0	0.0%
Employed in the Selection Area but Living Outside	1,174	24.7%	158	43.6%	41	97.6%	51	94.4%	7	100.0%	5	100.0%
Outflow Job Characteristics (Primary Jobs)												
External Jobs Filled by Residents	1,675	100.0%	61	100.0%	110	100.0%	42	100.0%	54	100.0%	19	100.0%
Workers Aged 29 or younger	375	22.4%	14	22.4%	16	14.5%	7	16.7%	10	18.5%	3	15.8%
Workers Aged 30 to 54	864	51.6%	30	51.5%	52	47.3%	24	57.1%	28	51.9%	13	68.4%
Workers Aged 55 or older	436	26.0%	17	26.2%	42	38.2%	11	26.2%	16	29.6%	3	15.8%
Workers Earning $1,250 per month or less	363	21.7%	15	22.0%	23	20.9%	14	33.3%	15	27.8%	5	26.3%
Workers Earning $1,251 to $3,333 per month	650	38.8%	28	40.3%	41	37.3%	12	28.6%	21	38.9%	4	21.1%
Workers Earning More than $3,333 per month	662	39.5%	18	37.7%	46	41.8%	16	38.1%	18	33.3%	10	52.6%
Workers in the "Goods Producing" Industry Class	339	20.2%	16	23.2%	20	18.2%	7	16.7%	12	22.2%	3	15.8%
Workers in the "Trade, Transportation, and Utilities" Industry Class	418	25.0%	12	23.5%	31	28.2%	11	26.2%	14	25.9%	1	5.3%
Workers in the "All Other Services" Industry Class	918	54.8%	33	53.3%	59	53.6%	24	57.1%	28	51.9%	15	78.9%
Inflow Job Characteristics (Primary Jobs)												
Internal Jobs Filled by Outside Workers	1,174	100.0%	158	100.0%	41	100.0%	51	100.0%	7	100.0%	5	100.0%
Workers Aged 29 or younger	267	22.7%	20	20.2%	8	19.5%	13	25.5%	0	0.0%	0	0.0%
Workers Aged 30 to 54	606	51.6%	95	51.6%	22	53.7%	22	43.1%	0	0.0%	3	60.0%
Workers Aged 55 or older	301	25.6%	43	28.2%	11	26.8%	16	31.4%	7	100.0%	2	40.0%
Workers Earning $1,250 per month or less	289	24.6%	60	23.4%	18	43.9%	20	39.2%	3	42.9%	3	60.0%
Workers Earning $1,251 to $3,333 per month	437	37.2%	32	41.2%	14	34.1%	24	47.1%	4	57.1%	2	40.0%
Workers Earning More than $3,333 per month	448	38.2%	66	35.4%	9	22.0%	7	13.7%	0	0.0%	0	0.0%
Workers in the "Goods Producing" Industry Class	193	16.4%	0	15.8%	0	0.0%	7	13.7%	0	0.0%	0	0.0%
Workers in the "Trade, Transportation, and Utilities" Industry Class	273	23.3%	81	23.4%	3	7.3%	19	37.3%	1	14.3%	3	60.0%
Workers in the "All Other Services" Industry Class	708	60.3%	77	60.9%	38	92.7%	25	49.0%	6	85.7%	2	40.0%
Interior Flow Job Characteristics (Primary Jobs)												
Internal Jobs Filled by Residents	3,583	100.0%	158	100.0%	1	100.0%	3	100.0%	0	-	0	-
Workers Aged 29 or younger	674	18.8%	20	20.8%	1	100.0%	0	0.0%	0	-	0	-
Workers Aged 30 to 54	1,886	52.6%	95	52.6%	0	0.0%	1	33.3%	0	-	0	-
Workers Aged 55 or older	1,023	28.6%	43	26.5%	0	0.0%	2	66.7%	0	-	0	-
Workers Earning $1,250 per month or less	878	24.5%	60	23.8%	1	100.0%	1	33.3%	0	-	0	-
Workers Earning $1,251 to $3,333 per month	1,618	45.2%	32	47.4%	0	0.0%	2	66.7%	0	-	0	-
Workers Earning More than $3,333 per month	1,087	30.3%	66	28.8%	0	0.0%	0	0.0%	0	-	0	-
Workers in the "Goods Producing" Industry Class	721	20.1%	0	19.0%	0	0.0%	0	0.0%	0	-	0	-
Workers in the "Trade, Transportation, and Utilities" Industry Class	757	21.1%	81	19.9%	0	0.0%	2	66.7%	0	-	0	-
Workers in the "All Other Services" Industry Class	2,105	58.7%	77	61.1%	1	100.0%	1	33.3%	0	-	0	-

SOURCE: US Census Burea, LEHD Origin-Destination Employment Statistics

Population and Workforce

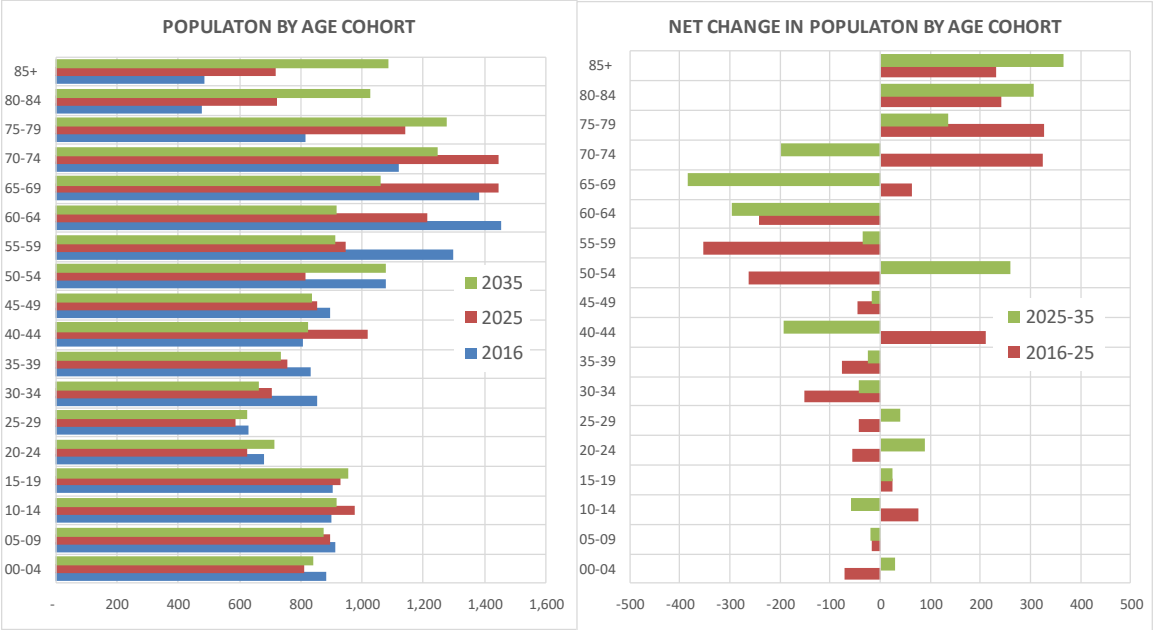
Baker County's population base has been seen very little growth, with only Sumpter and Richland reporting higher population levels from 2000 through 2017. While the overall population base has not experienced significant growth, it has also held largely steady at the County level during this period in aggregate. Unity's population has declined 42% since 2000 while Halfway's has declined by 15% during the period. Richland and Sumpter both expanded by 17%. The PSU Population Center estimates that in many years the population of these cities remained unchanged (bottom chart).

FIGURE 2.19: HISTORIC POPULATION TRENDS, BAKER COUNTY AND SELECTED CITIES

SOURCE: Population Research Center, Portland State University

The profile of the local population is projected to become significantly older, with the percentage of the population aged 70 years or higher increasing significantly. The long-term impact of this on the labor force will be a concern moving forward, as the number of younger residents is expected to decline.

FIGURE 2.20: HISTORIC AND PROJECTED DISTRIBUTION OF POPULATION BY AGE COHORT, BAKER COUNTY



SOURCE: Population Research Center, Portland State University

Race and Ethnicity: The population of Baker County is estimated to be 93% white and 7% minority or bi-racial, compared to 15% in Oregon. Since 2000, the share of Black, Asian and Pacific Islanders residents is estimated to have grown at the fastest rate, while remaining a modest share of the overall population. Latinos are estimated to make up 4% of the county population, compared to 13% statewide.

FIGURE 2.21: DISTRIBUTION OF POPULATION BY RACE & ETHNICITY, BAKER COUNTY

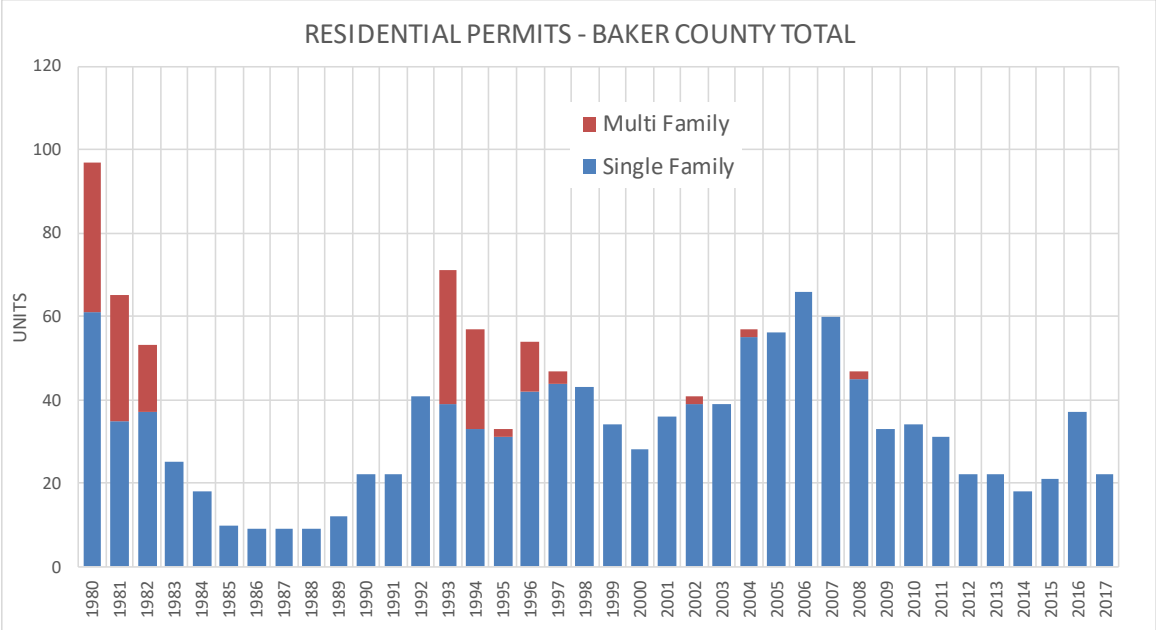
	Baker County				Oregon			
Distribution of Population	**2000**	**2017**	**Change**	**Share**	**2000**	**2017**	**Change**	**Share**
Total:	16,741	16,750	0%	100%	3,421,399	4,025,127	18%	100%
White	16,018	15,625	-2%	93%	2,961,623	3,416,776	15%	85%
Black	39	157	303%	1%	55,662	76,347	37%	2%
Native American	182	186	2%	1%	45,211	45,332	0%	1%
Asian	64	130	103%	1%	101,350	166,351	64%	4%
Hawaiian or Pac. Islander	7	62	783%	0%	7,976	15,157	90%	0%
Other Race	154	284	84%	2%	144,832	121,000	-16%	3%
Two or More Races	277	306	10%	2%	104,745	184,164	76%	5%
Latino (of any race)	392	661	69%	4%	275,314	509,507	85%	13%

SOURCE: Census (Tables QT-P3, B02001, B03002) Population Research Center, Portland State University

* 2017 Total county population is based on PSU 2017 estimate, applying the distribution of race and ethnicity from 2017 ACS.

Despite a lack of population growth, Baker County has seen ongoing residential permit activity. This trend would be consistent with reduced household sizes over time, as family households are increasingly replaced with empty nester, senior, and other non-family households.

FIGURE 2.22: HISTORIC AND PROJECTED RESIDENTIAL PERMITS, BAKER COUNTY



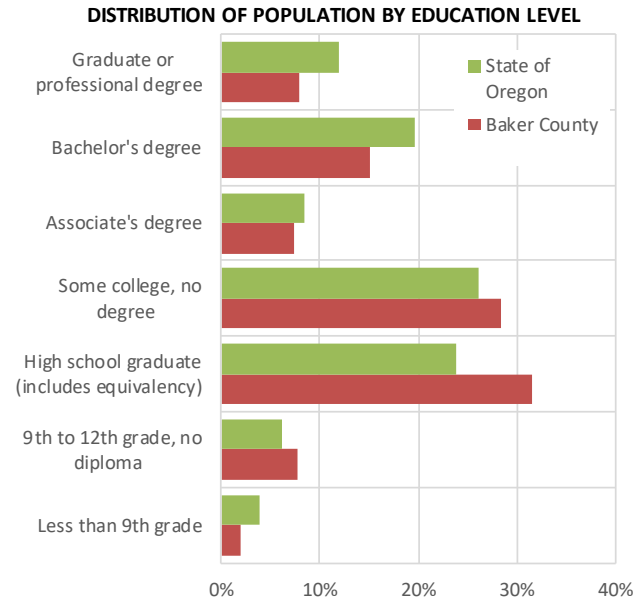
SOURCE: HUD

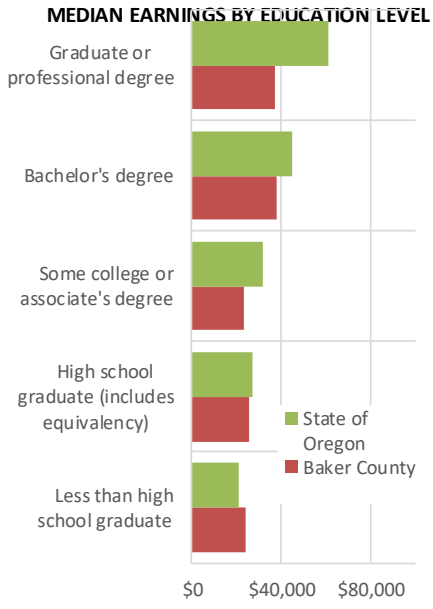
The educational attainment level of residents in Baker County is modestly lower than that of the state. A greater share of the local workforce has at least a high school diploma and some college with no degree, but the County's workforce has a lower proportion with bachelor's degrees or higher. Of an estimated 11,808 persons 25 years or older, 23.0% have a bachelor's degree or higher, compared to a 31.5% rate for the State of Oregon.

Working with community colleges and other partners (see next section) on on-going education, workforce development and distance learning opportunities may be an important part of local economic development strategy to train the workforce in the skills that local industries need.

FIGURE 2.23: EDUCATIONAL ATTAINMENT PROFILE, 2016

	Baker County		State of Oregon	
	Count	%	Count	%
Population 25 Years and Over	**11,808**	**100.0%**	**2,755,78**	**100.0%**
Less than 9th grade	225	1.9%	106,505	3.9%
9th to 12th grade, no diploma	907	7.7%	169,993	6.2%
High school graduate (includes equivalency)	3,732	31.6%	657,520	23.9%
Some college, no degree	3,364	28.5%	721,059	26.2%
Associate's degree	865	7.3%	234,336	8.5%
Bachelor's degree	1,774	15.0%	538,977	19.6%
Graduate or professional degree	941	8.0%	327,396	11.9%
Median Earnings, 25 Years and Over	$28,813	**100.0%**	$33,686	**100.0%**
Less than high school graduate	$23,631	82.0%	$20,970	62.3%
High school graduate (includes equivalency)	$25,476	88.4%	$27,139	80.6%
Some college or associate's degree	$22,890	79.4%	$31,415	93.3%
Bachelor's degree	$38,281	132.9%	$44,881	133.2%
Graduate or professional degree	$36,964	128.3%	$60,958	181.0%

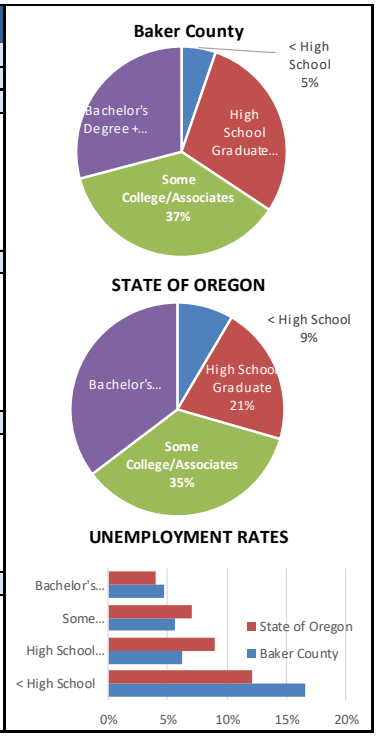




SOURCE: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

FIGURE 2.24: EDUCATIONAL ATTAINMENT PROFILE EMPLOYMENT STATUS, 2016

	Baker County 2016		State of Oregon 2016	
	Count	%	Count	%
Less Than High School Graduate	**558**	**7.1%**	**207945**	**9.8%**
In labor force:	283	50.7%	137,621	66.2%
In Armed Forces	0	0.0%	0	0.0%
Civilian:	283	50.7%	137,621	66.2%
Employed	236	42.3%	120,998	58.2%
Unemployed	47	8.4%	16,623	8.0%
Not in labor force	275	49.3%	70,324	33.8%
High school graduate (includes equivalency):	2,369	**30.3%**	478,316	**22.5%**
In labor force:	1,557	65.7%	340,327	71.2%
In Armed Forces	0	0.0%	344	0.1%
Civilian:	1,557	65.7%	339,983	71.1%
Employed	1,460	61.6%	309,361	64.7%
Unemployed	97	4.1%	30,622	6.4%
Not in labor force	812	34.3%	137,989	28.8%
Some college or associate's degree:	3,016	**38.6%**	750,303	**35.4%**
In labor force:	1,961	65.0%	570,931	76.1%
In Armed Forces	0	0.0%	1,004	0.1%
Civilian:	1,961	65.0%	569,927	76.0%
Employed	1,850	61.3%	530,003	70.6%
Unemployed	111	3.7%	39,924	5.3%
Not in labor force	1,055	35.0%	179,372	23.9%
Bachelor's degree or higher:	1,864	**23.9%**	684,648	**32.3%**
In labor force:	1,561	83.7%	573,083	83.7%
In Armed Forces	0	0.0%	746	0.1%
Civilian:	1,561	83.7%	572,337	83.6%
Employed	1,487	79.8%	549,574	80.3%
Unemployed	74	4.0%	22,763	3.3%
Not in labor force	303	16.3%	111,565	16.3%



SOURCE: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

III. TARGET INDUSTRY ANALYSIS

This element of the Economic Opportunities Analysis utilizes analytical tools to assess the economic landscape in Baker County and local jurisdictions. The objective of this process is to identify a range of industry types that can be considered targeted economic opportunities over the 20-year planning period.

A range of analytical tools to assess the local and regional economic landscape are used to determine the industry typologies the county and individual cities should consider targeting over the planning period. Where possible, we look to identify the sectors that are likely to drive growth in current and subsequent cycles.

ECONOMIC SPECIALIZATION

The most common analytical tool to evaluate economic specialization is a location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. All industry categories are assumed to have a quotient of 1.0 on the national level, and a locality's quotient indicates if the local share of employment in a given industry is greater or less than the share seen nationwide. For instance, a quotient of 2.0 indicates that locally, that industry represents twice the share of total employment as seen nationwide. A quotient of 0.5 indicates that the local industry has half the expected employment.

A location quotient analysis was completed for Baker County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry. The most over-represented industries were natural resources and mining, as well as government, and manufacturing. Average wage levels in the local natural resources industries are lower than the average in the county, while wages for government and manufacturing are higher than average for the county.

FIGURE 3.01: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, BAKER COUNTY, 2016[1]

Industry	Annual Establishments	Average Employment	Total Wages	Avg. Annual Wages	Employment LQ
1011 Natural resources and mining	43	221	$7,119,811	$32,265	3.10
1012 Construction	66	241	$7,811,116	$32,445	0.92
1013 Manufacturing	28	539	$24,603,923	$45,676	1.15
102 Service-providing	458	3288	$104,913,735	$31,906	0.86
1021 Trade, transportation, and utilities	124	1044	$34,022,363	$32,604	1.01
1022 Information	9	46	$1,965,754	$42,889	0.44
1023 Financial activities	40	140	$5,674,381	$40,531	0.46
1024 Professional and business services	68	327	$11,964,344	$36,551	0.43
1025 Education and health services	51	857	$36,070,105	$42,113	1.02
1026 Leisure and hospitality	57	579	$9,945,259	$17,169	0.96
1027 Other services	108	295	$5,249,029	$17,808	1.76
Federal Government	15	204	$12,753,508	$62,594	1.92
State Government	19	259	$13,144,899	$50,687	1.48
Local Government	47	690	$24,240,104	$35,131	1.30

1 QCEW Data, Annual Average 2016 Data

A more detailed industry analysis shows that animal and crop production are major components of the natural resources and mining sector, with animal production indicating the highest level of concentration. Average employment levels are highest in retail and food services, followed by local government and manufacturing.

FIGURE 3.02: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, BAKER COUNTY, 2016[2]

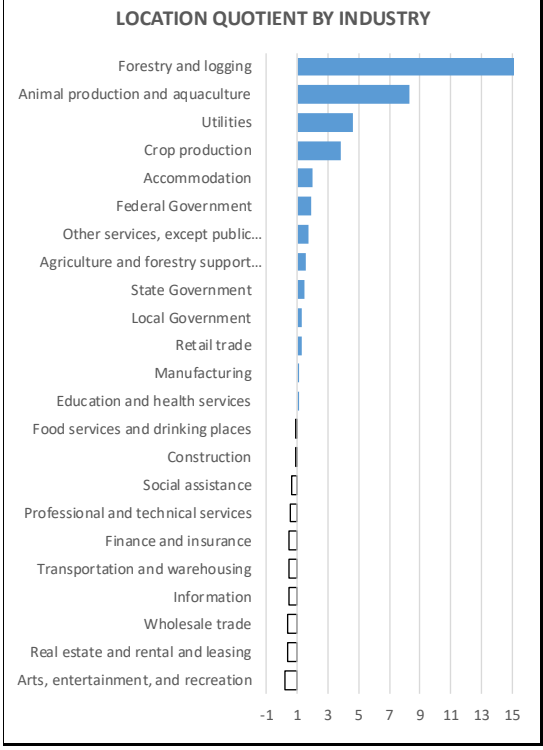
Industry	Annual Establishments	Average Employment	Total Wages	Avg. Annual Wages	Employment LQ
NAICS 111 Crop production	15	80	$2,074,824	$26,071	3.81
NAICS 112 Animal production and aquaculture	15	83	$2,627,288	$31,654	8.35
NAICS 113 Forestry and logging	4	12	$257,183	$21,734	5.87
NAICS 115 Agriculture and forestry support activities	5	22	$969,279	$44,058	1.53
NAICS 22 Utilities	8	97	$9,024,054	$93,272	4.65
NAICS 23 Construction	66	241	$7,811,116	$32,445	0.92
NAICS 31-33 Manufacturing	5	539	$24,603,923	$45,676	1.15
NAICS 42 Wholesale trade	17	80	$2,988,236	$37,314	0.36
NAICS 44-45 Retail trade	77	780	$18,773,355	$24,076	1.30
NAICS 48-49 Transportation and warehousing	22	87	$3,236,718	$37,239	0.46
NAICS 51 Information	9	46	$1,965,754	$45,676	0.44
NAICS 52 Finance and insurance	28	111	$4,799,121	$43,398	0.50
NAICS 53 Real estate and rental and leasing	12	29	$875,260	$29,754	0.35
NAICS 54 Professional and technical services	46	189	$6,776,888	$35,841	0.56
NAICS 624 Social assistance	9	89	$1,846,198	$20,783	0.63
NAICS 71 Arts, entertainment, and recreation	3	14	$252,418	$18,358	0.16
NAICS 721 Accommodation	17	152	$2,465,491	$16,211	2.02
NAICS 722 Food services and drinking places	38	413	$7,227,350	$17,482	0.94
NAICS 81 Other services, except public administration	108	295	$5,249,029	$17,808	1.76
Federal Government	15	204	$12,753,508	$62,594	1.92
State Government	19	259	$13,144,899	$50,687	1.48
Local Government	47	690	$24,240,104	$35,131	1.30

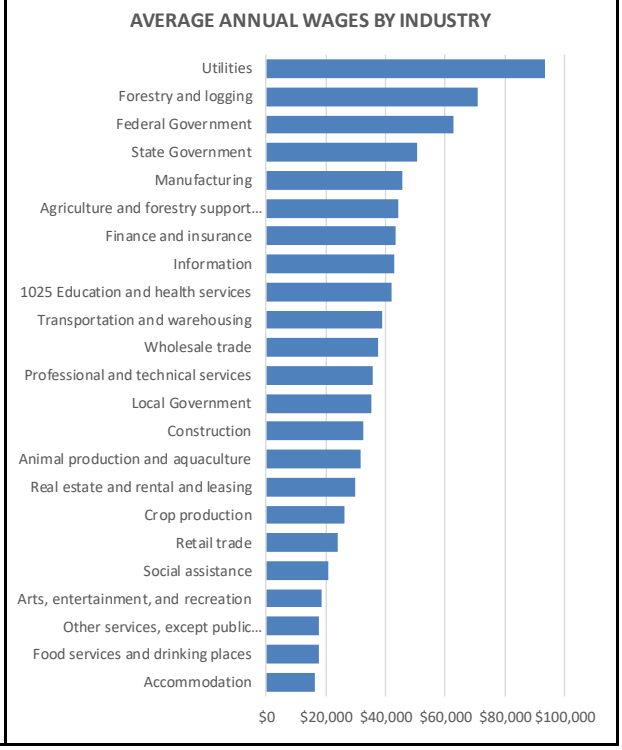
In terms of specialization, natural resource industries dominate followed by utilities, lodging, and government. The retail sector is identified as having a high level of export employment, or employment supported from outside of Baker County. This is likely due to I-84, which provides exposure and access to a large number of non-Baker county residents.

FIGURE 3.03: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT

Industry	Total Employment
Trade, transportation, and utilities	1,044
Education and health services	857
Retail trade	780
Local Government	690
Leisure and hospitality	579
Manufacturing	539
Food services and drinking places	413
Professional and business services	327
Other services, except public administration	295
Ambulatory health care services	267

Industry	Export Employment
Retail trade	180
Local Government	159
Natural resources and mining	150
Other services	127
Other services, except public administration	127
Federal Government	98
State Government	84
Accommodation	77
Utilities	76
Animal production and aquaculture	73





ECONOMIC DRIVERS

The identification of the economic drivers of a local or regional economy are critical in informing the character and nature of future employment, and by extension land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the current expansion cycle[2]. A shift-share analysis is an analytical procedure that measures local effect of economic performance within a particular industry or occupation. The process considers local economic performance in the context of national economic trends—indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends. For example, consider that Widget Manufacturing is growing at a 1.5% rate locally, about the same rate as the local economy. On the surface

2 Measured from the trough of recent recession to 2016, the most recent period available for local employment data.

we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust 4% annually. In this context, local widget manufactures are struggling, and some local or regional condition is stifling economic opportunities.

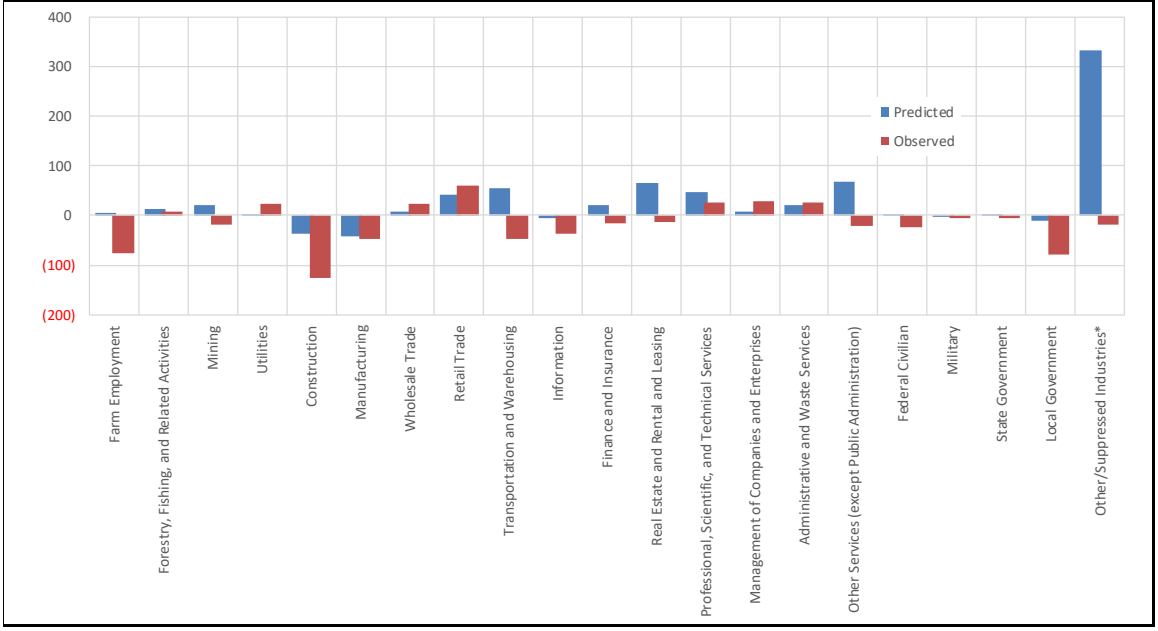
We can generally classify industries, groups of industries, or clusters into four groups:

> **Growing, Outperforming:** Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.
>
> **Growing, Underperforming:** Industries that are growing locally but slower than the national average. These industries generally have a sound foundation but some local factor is limiting growth.
>
> **Contracting, Outperforming:** Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.
>
> **Contracting, Underperforming**: Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factor is making it increasingly tough on local firms.

The average annual growth rate by industry from 2008 through 2016 for Baker County was compared to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry. As shown in Figure 4.4, only a few industries showed growth in excess of national rates. These include utilities, retail trade, wholesale trade, and management of companies.

FIGURE 3.04: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, BAKER COUNTY(2008 – 2016)

Industry	Average Employment 2008	Average Employment 2016	Net Change Total	Net Change AAGR	Standardized Level - 2016 *	Regional Shift
Farm Employment	882	806	(76)	-1.1%	887	(81)
Forestry, Fishing, and Related Activities	189	197	8	0.5%	202	(5)
Mining	122	104	(18)	-2.0%	143	(39)
Utilities	86	109	23	3.0%	87	22
Construction	519	394	(125)	-3.4%	483	(89)
Manufacturing	665	618	(47)	-0.9%	623	(5)
Wholesale Trade	119	143	24	2.3%	126	17
Retail Trade	1,001	1,061	60	0.7%	1,043	18
Transportation and Warehousing	248	200	(48)	-2.7%	304	(104)
Information	103	65	(38)	-5.6%	98	(33)
Finance and Insurance	258	242	(16)	-0.8%	279	(37)
Real Estate and Rental and Leasing	399	386	(13)	-0.4%	465	(79)
Professional, Scientific, and Technical Services	353	378	25	0.9%	399	(21)
Management of Companies and Enterprises	42	70	28	6.6%	51	19
Administrative and Waste Services	198	223	25	1.5%	218	5
Other Services (except Public Administration)	563	543	(20)	-0.5%	631	(88)
Federal Civilian	239	215	(24)	-1.3%	242	(27)
Military	45	39	(6)	-1.8%	42	(3)
State Government	210	205	(5)	-0.3%	211	(6)
Local Government	771	692	(79)	-1.3%	760	(68)
Other/Suppressed Industries*	1,835	1,816	(19)	-0.1%	2,168	(352)
TOTAL	8,847	8,506	(341)	-0.5%	9,462	(956)



* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

TARGET INDUSTRY CLUSTERS

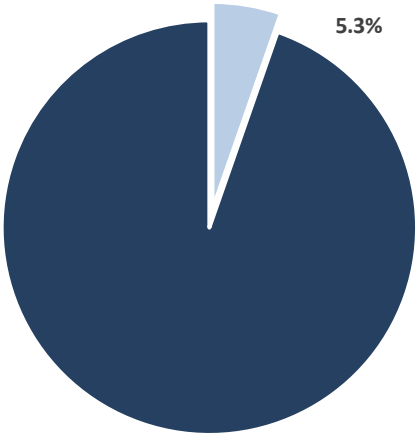
This section discusses potential target industries for Baker County based on the community's historical strengths and advantages, as well as its established economic development goals. These are industries where the county might focus efforts to grow local business and attract new businesses.

AGRICULTURE SUPPORT/VALUE-ADDED FOOD PRODUCTS

Baker County has a significant level of livestock and agricultural production. The proximity of this activity in the rural areas of the county creates opportunities for value added activities within the local urbanized areas.

Employment in these industries was estimated at 298 jobs in 2017, representing 5.3% of the local employment base. Projected growth over the next twenty years is 39 jobs, a number that anticipates an expanded importance of this sector in the future economic structure of the county. The average annual wage in 2017 in these industries was $30,700.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS	
2017 EMPLOYMENT	298.0
AVERAGE ANNUAL WAGE (2017)	$30,704
PROJECTED GROWTH	39
% OF PROJECTED GROWTH	2.7%

MAJOR EMPLOYERS
ASH GROVE CEMENT COMPANY
FOREST SERVICE
THOMAS ANGUS RANCH INC
ALLEN FARMS INC
ARM WARD RANCHES
PINE VALLEY RANCH
NORTHWEST FOREST PRODUCTS INC
HARRELL HEREFORD RANCH INC
TATER INC

While the supply of lumber remains limited, the area's diverse agricultural industry offers significant opportunities to increase the level of value added that is captured locally.

Cluster Strengths

- Proximity to high-quality farmland and significant livestock and crop production.
- Has the ability to support a growing tourism industry.
- Geographic access to export markets.

Cluster Challenges

- Will need significant capital investments to support key opportunities.
- Declining food prices and rising input costs.
- Limited available labor workforce.

Potential Opportunities

- Development of a livestock processing facility that can serve the regional need.

- Increased food manufacturing.

Potential Partners

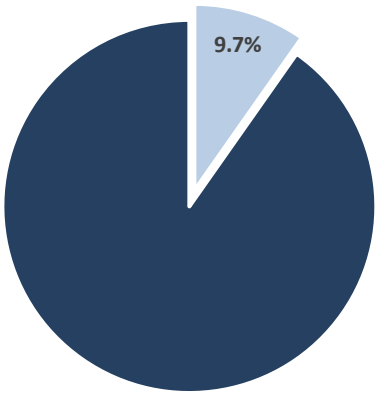
- OSU Extension Service
- Baker County Economic Development
- Chamber of Commerce
- Business Oregon
- Northeast Oregon Economic Development District (NEOEDD)
- US Forest Service
- Oregon Department of Agriculture

MANUFACTURING

The manufacturing sector is typically a highly desirable sector, which creates considerable value and often exports the bulk of its output. Several areas of the county have access to rail and Interstate 84, which increase their attractiveness to manufacturers.

The manufacturing sector accounts for 9.7% of the current employment base in Baker county, with 544 jobs at an average annual wage of $45,676 in 2017. The sector is projected to grow by 109 jobs over the next twenty years, accounting for 7.6% of the future growth in the county.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS	
2017 EMPLOYMENT	544
AVERAGE ANNUAL WAGE (2017)	$45,676
PROJECTED GROWTH	109
% OF PROJECTED GROWTH	7.6%

MAJOR EMPLOYERS
MARVIN WOOD PRODUCTS
ASH GROVE CEMENT COMPANY
BEHLEN MFG CO
NATURAL STRUCTURES INC
ORCHARDS WOOD PRODUCTS INC
BLUE MOUNTAIN FINE ART LLC
CUTTERS EDGE
TRIPLE C REDI-MIX INC

Cluster Strengths

- Interstate and rail access.
- Existing wood products industry with workforce expertise.
- Geographic access to export markets.
- Available and serviced land supply, much of which is in enterprise zones.

Cluster Challenges

- Awareness of Baker County is limited outside of region.
- Limited available labor workforce.

Potential Opportunities

- Specialty manufacturing for recreation equipment.

- Prefabrication building systems.
- Increased food manufacturing.

Potential Partners

- Oregon Manufacturing Innovation Center (OMIC)
- Business Oregon
- Blue Mountain Community College
- BMCC Small Business Development Center
- Rural Development Initiatives, Inc.
- NEOEDD

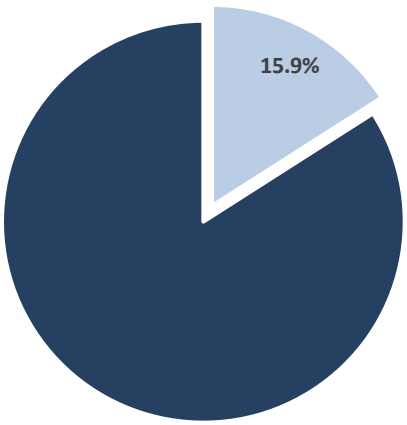
RETAIL TRADE

While trade is typically viewed as a function of growth in local population and buying power, developing a strong retail trade base in an area helps limit leakage out of the market, retaining dollars in the local economy for a greater duration.

The overall employment level in this sector was 891 in 2017, of which 90% is retail trade. This represents 15.9% of the employment base in Baker County. The sector is projected to add 109 jobs over the next twenty years, accounting for 7.6% of projected employment growth in Baker County during that period. The average annual wage was $25,300 per year in 2017.

Wholesale trade refers to warehousing and distribution which applies mostly to Baker City due to its freeway location, and less to the smaller cities in the county.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS	
2017 EMPLOYMENT	891.0
AVERAGE ANNUAL WAGE (2017)	$25,294
PROJECTED GROWTH	109
% OF PROJECTED GROWTH	7.6%

MAJOR EMPLOYERS
SAFEWAY STORES, INC.
BAKER TRUCK CORRAL
BI-MART CORPORATION
THATCHERS HARDWARE INC
MAVERIK INC
BAKER CITY
MILLER'S LUMBER & TRUSS
OLD PINE MARKET

Cluster Strengths

- Interstate access for some communities.
- Seasonal tourism traffic.

Cluster Challenges

- Limited available labor workforce.

Potential Partners

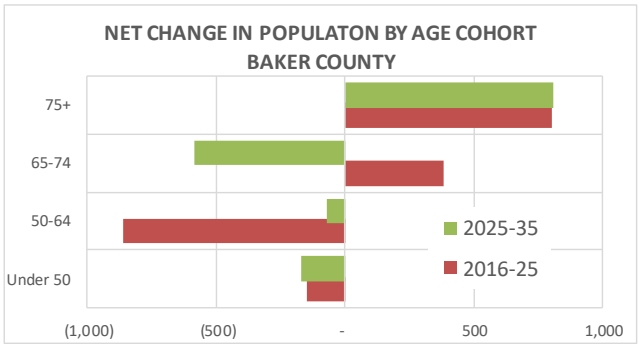
- Baker County Economic Development
- Chamber of Commerce
- BMCC Small Business Development Center
- Business Oregon
- NEOEDD

RETIREMENT SERVICES

Largely the result of aging in place, communities in Baker County have a significant existing retirement-aged population base. As noted in the demographic section of this report, the area has been aging and retirement services are expected to be an ongoing and growing need in the communities.

Senior housing demand is typically tied to existing households aging in an area, or households that move closer to their families when moving into a senior housing facility. Local households prefer to move into facilities proximate to their existing community as it allows them to maintain their social links. Households that relocate to senior housing that is not local typically do this to be closer to family support. There is a significant amount of academic research available regarding living arrangements for seniors. The research shows a clear observed preference for seniors to stay proximate to their existing locale when relocating below 76 years of age, and then the preference shifts towards proximity to children.[3]

In addition to direct retirement care services, roughly 45% of the County's population is aged 55 and older. These households provide broad support for leisure and financial activities in the local economy. Over the next five years, the retirement age household population is expected to continue to grow in Baker County as the large Baby Boomer generation continues to reach retirement. Communities within the county provide attractive physical settings, an approachable size, and relatively low cost of living that will continue to make them attractive to retirees.



Cluster Strengths

- Livability and leisure activities.
- Favorable demographics.
- National growth in retirement segments, met by insufficient facilities.

Cluster Weakness

- Locally available health care options.
- A limited labor force for staffing.

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[3] Litwak, E. Longino, Jr., Charles, F. 1987, Migration patterns amount the elderly: A development perspective, *The Gerontologist*, 27, 266-72
Rogers, Andrei, William H. Frey, Phillip Rees, Alden Spear, Jr. and Anthony M. Warnes, *Elderly migration and population redistribution: a comparative study*, Bellhaven Press, 1992

Potential Partners

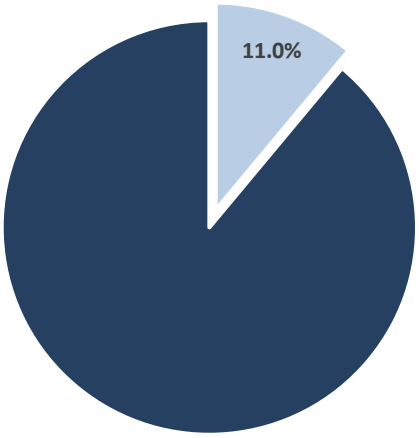
- Local retirement living providers
- Health care providers
- AARP
- Oregon Aging and Disability Services
- Local volunteering opportunities
- OSU Extension Service (health and on-going education programs)
- Distance learning programs

TOURISM: AMENITY RETAIL, RECREATION, AND HOSPITALITY

Baker County has physical and locational attributes that make recreation and hospitality an attractive target sector. The area is centrally located with access to recreational opportunities such as Anthony Lakes, Wallowa Mountains, and Hells Canyon. The local recreational amenities are supplemented by a rich history that is shared by the many towns in Baker County.

The amenities that tourism traffic supports are largely consistent with what is desirable to local residents. Quality retail, restaurant, recreation, and hospitality tenants make a community an attractive place to live and work. Studies have shown that amenity-related supportive uses have a positive impact on housing values and attract residents and businesses alike. This is a growing phenomenon in the context of emerging consumer preferences observed across Millennial and Boomer generations. Attraction of these types of businesses offers Baker County the opportunity to raise its' amenity profile and continue to revitalize strategic target areas.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS	
2017 EMPLOYMENT	617
AVERAGE ANNUAL WAGE (2017)	$17,199
PROJECTED GROWTH	274
% OF PROJECTED GROWTH	19.1%

MAJOR EMPLOYERS
SHIVAS HOTEL INC
WINDMILL ENTERPRISES INC
MCDONALDS
OREGON TRAIL MOTEL & RESTAURANT
INLAND CAFE INC
GEISER GRAND
THE MAIN PLACE LLC
WILD BILLS INC
EASTERN OREGON ADVENTURES INC

This sector accounted for 617 jobs in 2017, with average annual wages of $17,200. The sector is expected to add 274 new jobs over the next twenty years, accounting for 19.1% of projected growth.

Cluster Strengths

- Recreational amenities
- Historical context throughout the county
- Access to I-84, and central location within Baker County
- Historic Downtown area attractive for tourists
- Available sites along I-84 and near the interchanges

Cluster Weakness

- A limited labor force for staffing.

Potential Partners

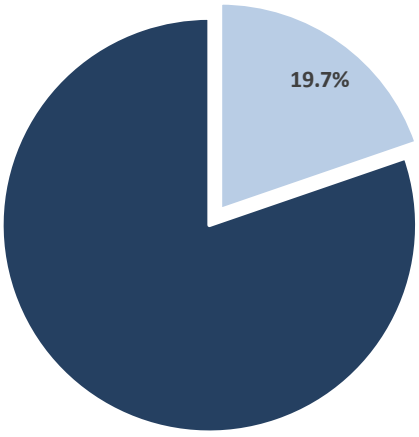
- Travel Oregon
- Chamber of Commerce
- Business Oregon
- NEOEDD

EDUCATION AND HEALTH SERVICES

The education and health services sectors account for just under 20% of all employment in Baker County. Demand for these services tends to follow demographic trends, and the aging of the local population base is expected to support a growing demand for health services, specifically continuing care. The following are key industry trends:

- Emphasis on leveraging cost advantages.
- Strong growth in utilization of mobile health systems, software, and access to information.
- Emerging care models including smaller, distributed clinics (i.e. Zoomcare).
- Video or phone appointments.
- An estimated 5% to 8% of Boomers will age in multi-family retirement and care facilities.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS	
2017 EMPLOYMENT	1,102
AVERAGE ANNUAL WAGE (2017)	$40,972
PROJECTED GROWTH	489
% OF PROJECTED GROWTH	34.0%

MAJOR EMPLOYERS
TRINITY ST ELIZABETH
BAKER WEB ACADEMY
ST LUKES HEALTH SYSTEM LTD
BROOKLYN ELEM SCHOOL
BAKER HIGH SCHOOL
SETTLERS PARK
SOUTH BAKER ELEMENTARY SCHOOL
PINE SCHOOL DISTRICT NO 61
DISTRICT 13 OFFICE

The local hospital is Saint Alphonsus Medical Center in Baker City, which is part of Trinity Health's system. The facility offers general medical and surgical services but is limited in the resources for care available.

This sector accounted for 1,100 jobs in 2017, with average annual wages of $40,972. The sector is expected to add 489 new jobs over the next twenty years, accounting for 34.0% of projected growth.

Cluster Strengths

- Aging of population will support health services.
- Access to I-84 for some communities.
- Access to recreational amenities.

Cluster Weakness

- A limited labor force for staffing.
- Limited growth in families with children.

Cluster Opportunities

- Development of expanded and/or new medical facilities.
- Expansion of offerings from BMCC.

Potential Partners

- Trinity Health
- Eastern Oregon University
- Blue Mountain Community College
- BTI
- WorkSource Oregon
- OSU nursing programs

SELF EMPLOYMENT

Self-employment accounts for an estimated 7.3% of the total employment base in Baker City. Technological advances have reduced the geographic requirements in many industries, allowing workers to interact collaboratively and effectively through multiple mediums from a remote location. This has allowed workers to become more footloose when choosing a location to live and work.

While self-employed persons may be professionals working for firms remotely, others bring their expertise and capital to start new local ventures. This influx of capital and expertise can be supportive of a broad range of industries. Attracting and retaining these individuals involves several linked industries that makes the city and region competitive, including commercial amenities, recreational opportunities, education systems, and health care.

Cluster Strengths

- Relatively affordable cost of living.
- Broadband connectivity.
- Access to I-84.

Cluster Weakness

- Accessibility to a major airport.

Potential Partners

- Chamber of Commerce
- BMCC Small Business Development Center
- Launch Pad Baker
- BTI
- Business Oregon
- NEOEDD

COMPARISON OF TARGET INDUSTRIES

The target industries presented here offer different advantages and challenges in terms of overall job growth, average wages and competitive advantages. The following table shows the relative performance of these industry categories between 2007 and 2017 based on QCEW data for Baker City.

- In terms of total job creation, the education and health services sector gained the most employment during this time and is forecasted to continue growing in the region. Wages in this category are lower than in manufacturing, but higher than tourism-related jobs. Given the aging of the population, it is forecasted that health care and retirement communities will continue to be a growth industry for many decades.

- The wholesale and retail trade sectors also reported substantial employment growth since 2007 and are projected to add over 100 new jobs over the next twenty years.

- The travel, recreation, and tourism sectors also showed expansion over the last decade, adding 126 jobs during that period. Tourism-related jobs are generally relatively low-paying but provide an important base of opportunity for part-time workers, low-skilled and first-time workers. Food service and hospitality also serve local residents and businesses and can have a positive impact on livability and recruitment.

- The other targeted industries have not yet recovered their pre-recession employment levels but are projected to add significant new employment over the next twenty years.

FIGURE 3.05: RECENT AND PROJECTED PERFORMANCE OF TARGET INDUSTRY SECTORS

TARGET INDUSTRY	Employment			Projected Growth		Average
Component	2007	2017	Net Change	Adjusted	AAGR	Wage
MANUFACTURING	633	544	(89)	109	0.9%	$45,676
Food Manufacturing	45	10	(35)	2	0.9%	$45,676
Wood Manufacturing	402	315	(87)	63	0.9%	$45,676
Metals Manufacturing	186	219	33	44	0.9%	$45,676
AGRICULTURAL & FORESTRY SUPPORT	333	298	(35)	39	0.6%	$30,704
Agriculture, forestry, fishing, and hunting	288	288	0	37	0.6%	$30,184
Food Manufacturing	45	10	(35)	2	0.9%	$45,676
WHOLESALE & RETAIL TRADE	675	891	216	109	0.6%	$25,294
Wholesale trade	68	82	14	4	0.2%	$37,314
Retail trade - Stores	498	657	159	85	0.6%	$24,076
Retail trade - Other	109	152	43	20	0.6%	$24,076
TRAVEL, RECREATION, TOURISM	491	617	126	274	1.9%	$17,199
Arts, Entertainment, and Recreation	16	30	14	13	1.9%	$18,358
Accommodation and Food Services	475	587	112	261	1.9%	$17,140
EDUCATION, HEALTH SERVICES	592	1,156	564	489	1.8%	$40,972
Educational services	296	371	75	174	1.9%	$33,679
Health care and social assistance	296	785	489	315	1.7%	$45,014
Total/Weighted Average	**2,724**	**3,506**	**782**	**1,019**	1.3%	**$32,728**

Source: Oregon Employment Department, Johnson Economics

PARTNERS IN ECONOMIC DEVELOPMENT

Effective economic development entails a partnership of communities, businesses, public and non-profit agencies, and residents. The following is a partial list of major stakeholders in regional economic development who can partner in growing existing businesses and attracting new ones along with the appropriate workforce.

Local and regional economic development staff should continue to partner and meet regularly with other regional partners to participate in and help direct regional efforts. Coordination ensures that agencies are leveraging others' efforts and not duplicating services or investments. It also means that they are aware of the services and strengths of each agency in order to direct outside contacts to the right place.

1. **Baker County Chamber of Commerce & Visitor's Bureau**
   The Chamber serves as one of the strongest economic development advocates in the county, marketing the county to visitors, businesses, and residents. The Chamber provides information on local businesses and attractions to all of these groups. The Chamber works to improve the local business climate and economy while promoting the area in its best light. As the representative of local businesses from within the target industries and other sectors, the Chamber should be involved in all regional economic development and marketing efforts.

2. **Key Industry Employers**
   In addition to the Chamber, large or small employers in target industries are key resources in understanding what opportunities and challenges those industries face in the region. The businesses can help inform economic development partners of their industry needs in terms of workforce, infrastructure, and regulatory barriers. Businesses feedback often proves to be the most valuable source of ground-testing the effectiveness of planned initiatives.

3. **Baker County Economic Development**
   Baker County Economic Development is a partnership of Baker City and the county to provide community information, professional advising and resources, and track available commercial real estate. The agency is the natural lead for many of the economic development steps that can be implemented regionally. Local communities should work closely with the economic development department to ensure that they are informed of regional efforts and that local objectives and opportunities are represented. The agency is a good first contact for any economic and workforce questions.

4. **Northeast Oregon Economic Development District (NEOEDD)**
   Economic Development Districts are designated by the US Economic Development Agency, and as such help administer certain federal programs and funding sources. The NEOEDD offers economic development resources such as workshops, technical assistance, and funding to businesses, entrepreneurs, non-profits and public officials. NEOEDD can also offer community contacts, business advising and resources, marketing and promotion, and tracks available commercial real estate.

   The economic district periodically completes a Comprehensive Economic Development Strategy (CEDS) for the northeast region that lays out detailed goals and objectives. The CEDS is one of the most comprehensive economic development strategies in the region and a good resource to local communities to review and select their own highest priorities. Local communities should also coordinate in the writing of the CEDS every five years, in order to ensure that local priorities are reflected.

5. **Northeast Regional Solutions Team**
   Regional Solutions Centers are located across Oregon and are designed to recognize the unique challenges of each region and help implement the Governor's economic development approach. The Regional Solutions Team helps coordinate the efforts of multiple State departments and other partners to ensure that efforts are cohesive. Some recent areas of focus in the Northeast region

are support for existing and new business, natural resource utilization, workforce availability and housing, water management, and infrastructure for industrial lands.

6. **Business Oregon**

   Business Oregon is the state economic development agency, looking to support and grow Oregon industries and workforce, and recruit new economic activity. Business Oregon is part of the Regional Solutions team and serves similar regions across the state. The Northeast district covers Baker, Union and Wallowa Counties. The agency offers a broad range of economic development initiatives for businesses and communities, including guidance, education, analysis, funding, and referrals to other partners. Business Oregon is an excellent resource for economic development questions that can benefit from a statewide knowledge base.

7. **Oregon Department of Development and Land Conservation (DLCD)**

   DLCD can provide guidance and sometimes funding for some economic development planning efforts for local jurisdictions. The agency can assist with the technical aspects of updating the economic aspects of the Comprehensive Plan and development codes related to commercial and industrial land. A key aspect of local economic development (and the focus of this project) is ensuring the availability of the right types of sites with the proper zoning to accommodate projected economic growth. An updated set of Comp Plan policies, as well as an up-to-date Comp Plan map, sets the table for growth to occur. In addition, the planning process helps ensure that members of the public, businesses and other stakeholders have participated in development economic development goals and plans.

8. **Baker Technical Institute**

   The Baker Technical Institute offers technical professional training and apprenticeship program for industries such as heavy equipment, welding, nursing, construction and other sectors with strong representation in the region. BTI works with regional employers and industry experts to offer relevant hands-on training and apprenticeships. As with the community college and other training programs, local partner agencies in economic development can work with BTI to understand their programs and coursework and also communicate local employment trends and changing needs.

9. **Training and Employment Consortium (TEC)**

   TEC is a consortium of governments across six Eastern Oregon counties that is dedicated to providing skills training, on-going education, youth programs, and services for displaced workers. The program is aimed particularly towards workers who are displaced by industry trends or facing long-term unemployment. TEC also administers the JOBS program for low-income workers. TEC is a good partner for workforce development issues.

10. **Blue Mountain Community College**

    The community college covers a wide range of northeastern Oregon stretching from Grant County to Wallowa County. Blue Mountain Community College offers a range of programs through their location in Baker City, including college prep, workforce and technical training, and a transfer associates degree meant for students transferring to a four-year college.

    Community colleges remain the most vital providers of on-going education and workforce training in most Oregon communities. It is important that communities and economic development agencies coordinate with the local community college to ensure that the college curriculum reflects trends in local industries, emerging businesses, and evolving skill requirements. Developing a workforce with the proper skills is key to growing or attracting target industries.

BMCC also operates a Small Business Development Center based in Pendleton offering free business advisement and workshops, led by current or former business owners.

11. Oregon State University Extension Service

OSU offers a range of programs through its extension service that are rooted in the University's traditional role in agriculture and land management across the state. The extension offers programs in 4-H, farm and forestry land management, and many related specialties such as naturalist, gardener, bee keeping, environmentalism, and many healthy and nutrition programs. OSU Extension Services also administers an Open Campus program to bring distance learning opportunities across the state. In Baker County, there is an extension service office located in Baker City at the fairgrounds.

12. Rural Development Initiative Inc.

RDI is a nonprofit organization formed after the downturn in the timber industry in the early 1990's, with a mission of supporting rural communities impacted by this permanent blow to the economy. RDI is a resource to consult on a range of interconnected challenges rural Oregon counties face, with programs and referrals for public agencies and businesses. RDI focuses on leadership training for local public servants, economic development, business retention and entrepreneurial advice.

13. Office of Small Business Assistance

The Office of Small Business Assistance serves as an advocate for small businesses and their interests from the Office of the Secretary of State. The office is meant to serve as an advocate outside of the executive and legislative branches, providing information on starting, growing or closing a business. The office also can support small businesses who believe they may be facing unfair or excessive state regulatory actions helping to find resolutions.

IV. FORECAST OF EMPLOYMENT AND LAND NEED

BAKER COUNTY EMPLOYMENT FORECASTS

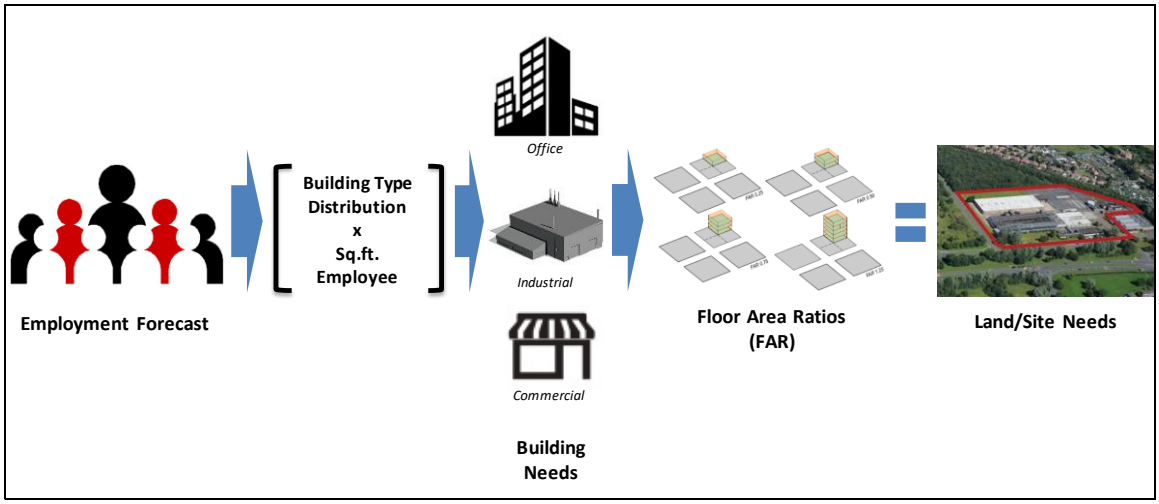
Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typical begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those influences into estimates of employment growth by broad industry. Forecasts are produced at the sector or subsector level (depending on available information), and subsequently aggregated to two-digit NAICS sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or respond to business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2018, the commencement year for the planning period. Employment growth will come as the result of net-expansion of businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. Inflections in business cycles or the impact of a major shift in employment (i.e. a major unknown recruitment) are not considered.

Overview of Employment Forecast Methodology

Our methodology starts with employment forecasts by major commercial or industrial sector. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

FIGURE 4.01: UPDATE TO 2018 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT



Due to the relatively small existing employment base for many jurisdictions in Baker County, for this analysis we have started with a county-wide forecast, from which jurisdictions will compete for new employment.

The first analytical step of the analysis is to update covered[18] employment to the 2018 base year. Our Baker County Quarterly Census of Employment and Wages (QCEW) dataset provides covered employment by industry through 2017. To update these estimates, we use observed industry specific growth rates for the region between 2017 and 2018.

The second step in the analysis is to convert "covered"[4] employment to "total" employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or commissioned workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2010 through 2017. The differential is the most significant in construction, professional, and administrative services. The adjusted 2018 total employment base for Baker County is 5,699 jobs.

FIGURE 4.02: UPDATE TO 2018 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT

	QCEW Employment				
Major Industry Sector	2017 Employment	'17-'18 County Δ[1]	2018 Estimate	Total Emp. Conversion[2]	2018 Estimate
Construction	275	2.8%	283	73%	385
Manufacturing	544	2.1%	555	98%	569
Wholesale Trade	82	-0.2%	82	97%	84
Retail Trade	809	2.7%	831	94%	880
T.W.U.	248	0.7%	250	91%	274
Information	77	-5.5%	73	95%	77
Finance & Insurance	115	-2.1%	113	92%	123
Real Estate	35	0.0%	35	92%	38
Professional & Technical Services	212	4.5%	222	88%	250
Administration Services	155	1.0%	157	88%	177
Education	470	7.2%	504	95%	533
Health Care	800	1.4%	811	95%	858
Leisure & Hospitality	585	0.5%	588	94%	623
Other Services	336	5.3%	354	83%	428
Government	410	-2.4%	400	100%	400
TOTAL	**5,153**	**2.0%**	**5,255**	**92%**	**5,699**

1 AAGR from 2012-2017 for Baker County

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

T.W.U. = Transportation, Warehousing, and Utilities

Source: Bureau of Economic Analysis, Oregon Employment Department, Johnson Economics

Scenario 1: Safe Harbor Forecast

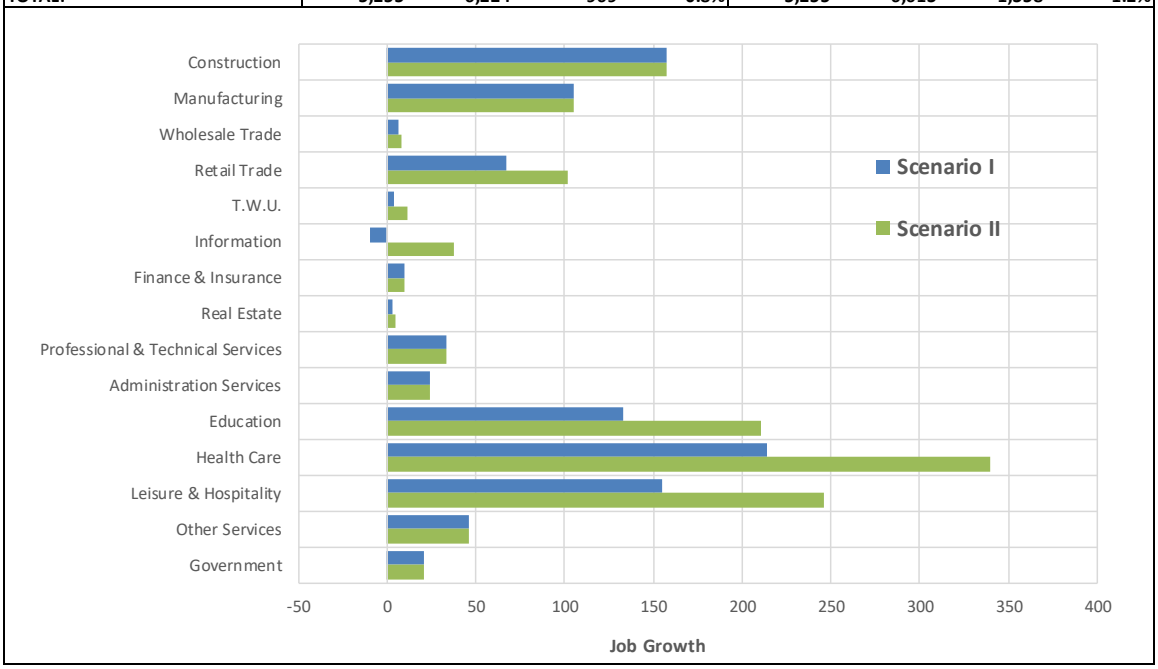
The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions a methodological approach that will not be challenged. The most applicable for Baker County jurisdictions is 660-024-0040(9)(a)(A), which recommends reliance on the most recent regional forecast published by the Oregon Employment Department. This method applies industry specific growth rates for the Eastern

4 The Department of Labor's Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are "covered" by unemployment insurance.

Oregon Workforce Region (Baker, Grant, Harney, Malheur, Union, and Wallowa Counties) to the 2018 Baker County base. This method results in an average annual growth rate of 0.8%, with total job growth of 969 jobs over the forecast period.

FIGURE 4.03: COMPARISON OF ALTERNATIVE FORECASTS, BAKER COUNTY

Industry	SCENARIO I (State of Oregon)				SCENARIO II (Adjusted)			
	2018	2039	Chg.	AAGR	2018	2039	Chg.	AAGR
Construction	283	441	158	2.2%	283	441	158	2.2%
Manufacturing	555	660	105	0.9%	555	660	105	0.9%
Wholesale Trade	82	88	7	0.4%	82	90	8	0.5%
Retail Trade	831	898	67	0.4%	831	933	102	0.6%
T.W.U.	250	254	4	0.1%	250	261	11	0.2%
Information	73	63	-10	-0.7%	73	111	38	2.1%
Finance & Insurance	113	123	10	0.4%	113	123	10	0.4%
Real Estate	35	38	3	0.4%	35	39	4	0.6%
Professional & Technical Services	222	255	34	0.7%	222	255	34	0.7%
Administration Services	157	180	24	0.7%	157	180	24	0.7%
Education	504	637	133	1.2%	504	715	211	1.8%
Health Care	811	1,025	214	1.2%	811	1,151	340	1.8%
Leisure & Hospitality	588	742	155	1.2%	588	834	246	1.8%
Other Services	354	400	46	0.6%	354	400	46	0.6%
Government	400	421	21	0.3%	400	421	21	0.3%
TOTAL:	**5,255**	**6,224**	**969**	**0.8%**	**5,255**	**6,613**	**1,358**	**1.2%**



Source: Bureau of Economic Analysis, Oregon Employment Department, Johnson Economics

Scenario 2: Alternative Employment Forecast

A second forecast scenario was prepared which was influenced by the research and analysis conducted in the EOA. This scenario formulates an employment growth trajectory based on identified trends, the growth outlook for targeted industries, and input from the project advisory committee. Further, the alternative scenario recognizes that economic development efforts and public policy can influence realized growth in targeted sectors. This scenario considers the influence of known or anticipated development over a near and medium-term horizon.

This scenario forecasts an average annual growth rate of 1.2% for the period. Our outlook for Real Estate, Health Care, Leisure & Hospitality and Trade is more optimistic than macroeconomic forecasts indicate—reflecting the area's recent strength in these sectors.

Summary of Employment Forecast Scenarios

The two forecast scenarios in this analysis range from 0.8% to 1.2% average annual growth. Job growth estimates range from 970 to 1,360 jobs. The estimates in the preceding analysis are useful in creating a baseline understanding of growth prospects by industry. These are common and broadly accepted approaches when looking at large geographic regions. Forecasts grounded in broad based economic variables do not account for the realities of local businesses and trends among evolving industries. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information.

The forecasts were broken down into four five-year increments, assuming a consistent rate of growth over the period.

FIGURE 4.04: SUMMARY OF PROJECTION SCENARIOS, BAKER COUNTY

Industry	Overall Employment					Net Change by Period				Total
	2018	2023	2028	2033	2038	18-23	23-28	28-33	33-38	18-38
SCENARIO I (State of Oregon)										
Construction	283	316	353	394	441	33	37	41	46	158
Manufacturing	555	580	606	632	660	25	26	27	28	105
Wholesale Trade	82	83	85	87	88	2	2	2	2	7
Retail Trade	831	847	864	880	898	16	17	17	17	67
T.W.U.	250	251	252	253	254	1	1	1	1	4
Information	73	70	68	65	63	-3	-2	-2	-2	-10
Finance & Insurance	113	115	117	120	123	2	2	3	3	10
Real Estate	35	36	37	37	38	1	1	1	1	3
Professional & Technical Services	222	230	238	246	255	8	8	9	9	34
Administration Services	157	162	168	174	180	6	6	6	6	24
Education	504	534	566	600	637	30	32	34	36	133
Health Care	811	860	912	967	1,025	49	52	55	58	214
Leisure & Hospitality	588	623	661	700	742	35	38	40	42	155
Other Services	354	365	376	388	400	11	11	12	12	46
Government	400	405	410	416	421	5	5	5	5	21
TOTAL:	**5,255**	**5,477**	**5,711**	**5,960**	**6,224**	**221**	**235**	**249**	**264**	**969**
SCENARIO 2 (Modified)										
Construction	283	316	353	394	441	33	37	41	46	158
Manufacturing	555	580	606	632	660	25	26	27	28	105
Wholesale Trade	82	84	86	88	90	2	2	2	2	8
Retail Trade	831	855	880	906	933	24	25	26	27	102
T.W.U.	250	253	255	258	261	3	3	3	3	11
Information	73	81	90	100	111	8	9	10	11	38
Finance & Insurance	113	115	117	120	123	2	2	3	3	10
Real Estate	35	36	37	38	39	1	1	1	1	4
Professional & Technical Services	222	230	238	246	255	8	8	9	9	34
Administration Services	157	162	168	174	180	6	6	6	6	24
Education	504	550	600	655	715	46	50	55	60	211
Health Care	811	885	966	1,054	1,151	74	81	88	96	340
Leisure & Hospitality	588	641	700	764	834	54	59	64	70	246
Other Services	354	365	376	388	400	11	11	12	12	46
Government	400	405	410	416	421	5	5	5	5	21
TOTAL:	**5,255**	**5,557**	**5,883**	**6,234**	**6,613**	**302**	**325**	**351**	**379**	**1,358**

Source: Bureau of Economic Analysis, Oregon Employment Department, Johnson Economics

EMPLOYMENT LAND FORECAST – BAKER COUNTY

The next analytical step in our analysis is to convert projections of employment into forecasts of land demand over the planning period. The generally accepted methodology for this conversion begins by allocating employment by sector into a distribution of building typologies those economic activities usually locate in. As an example, insurance agents typically locate in traditional office space, usually along commercial corridors. However, a percentage of these firms locate in commercial retail space adjacent to retail anchors. Cross-tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for market clearing vacancy we arrive at an estimate of total space demand for each building type.

Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a "floor area ratio" or FAR. For example, assume a 25,000-square foot general industrial building requires roughly two acres to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.29. Demand for space is then converted to net acres using a standard FAR for each development form.

Land Demand Analysis – Adjusted Forecast

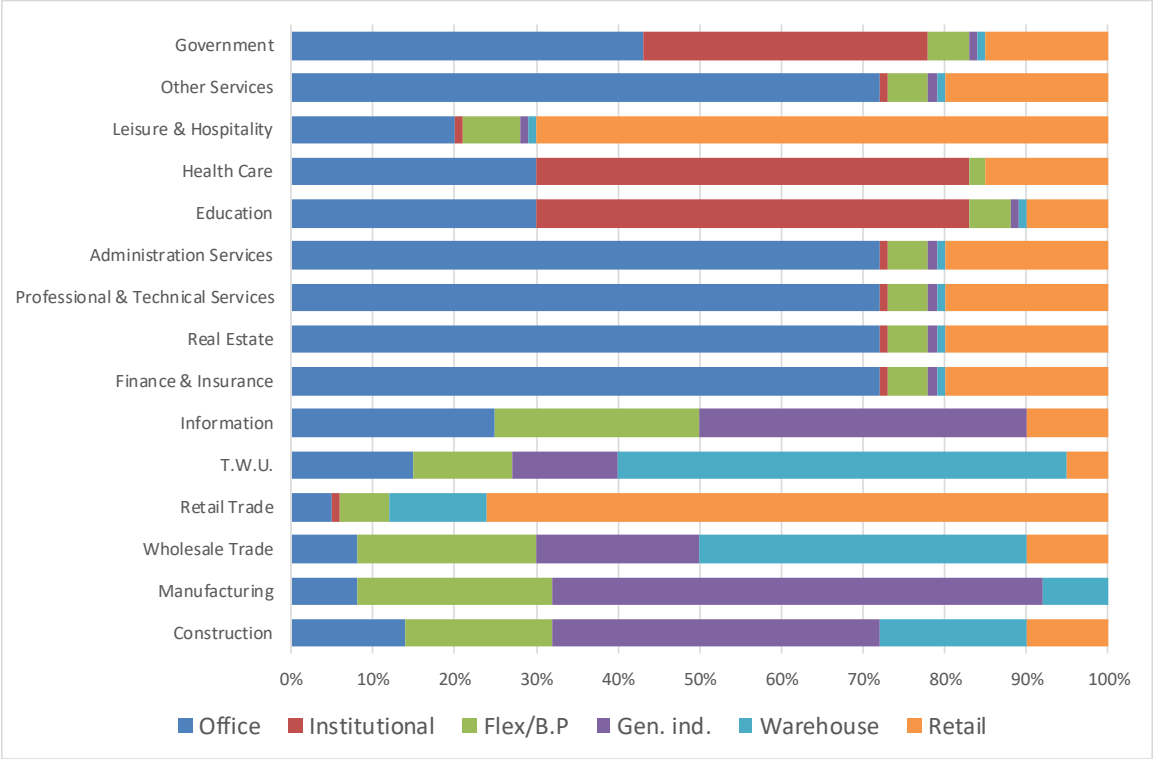
In this analytical step we allocate employment growth into standard building typologies. The building typology matrix represents the share of sectoral employment that locates across various building types.

FIGURE 4.05: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, BAKER COUNTY

	20-year Job Forecast		BUILDING TYPE MATRIX					
Industry Sector	Number	AAGR	Office	Institutional	Flex/B.P	Gen. ind.	Warehouse	Retail
Construction	158	2.2%	14%	0%	18%	40%	18%	10%
Manufacturing	105	0.9%	8%	0%	24%	60%	8%	0%
Wholesale Trade	8	0.5%	8%	0%	22%	20%	40%	10%
Retail Trade	102	0.6%	5%	1%	6%	0%	12%	76%
T.W.U.	11	0.2%	15%	0%	12%	13%	55%	5%
Information	38	2.1%	25%	0%	25%	40%	0%	10%
Finance & Insurance	10	0.4%	72%	1%	5%	1%	1%	20%
Real Estate	4	0.6%	72%	1%	5%	1%	1%	20%
Professional & Technical Services	34	0.7%	72%	1%	5%	1%	1%	20%
Administration Services	24	0.7%	72%	1%	5%	1%	1%	20%
Education	211	1.8%	30%	53%	5%	1%	1%	10%
Health Care	340	1.8%	30%	53%	2%	0%	0%	15%
Leisure & Hospitality	246	1.8%	20%	1%	7%	1%	1%	70%
Other Services	46	0.6%	72%	1%	5%	1%	1%	20%
Government	21	0.3%	43%	35%	5%	1%	1%	15%
TOTAL	**1,358**	**1.2%**	**26%**	**22%**	**8%**	**11%**	**5%**	**27%**

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

FIGURE 4.06: ASSUMED DISTRIBUTION OF BY SPACE TYPE AND SECTOR, BAKER COUNTY



SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

Under the employment forecast scenario, employment housed in office, institutional, and retail space accounts for the greatest share of growth, followed by employment housed in general industrial, flex/business park, and warehouse/distribution space.

FIGURE 4.07: NET CHANGE IN EMPLOYMENT ALLOCATED BY BUILDING TYPE, BAKER COUNTY – 2018-2039

	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2018-2039						
Industry Sector	**Office**	**Institutional**	**Flex/B.P**	**Gen. Ind.**	**Warehouse**	**Retail**	**Total**
Construction	22	0	28	63	28	16	158
Manufacturing	8	0	25	63	8	0	105
Wholesale Trade	1	0	2	2	3	1	8
Retail Trade	5	1	6	0	12	78	102
T.W.U.	2	0	1	1	6	1	11
Information	9	0	9	15	0	4	38
Finance & Insurance	7	0	1	0	0	2	10
Real Estate	3	0	0	0	0	1	4
Professional & Technical Services	24	0	2	0	0	7	34
Administration Services	17	0	1	0	0	5	24
Education	63	112	11	2	2	21	211
Health Care	102	180	7	0	0	51	340
Leisure & Hospitality	49	2	17	2	2	172	246
Other Services	33	0	2	0	0	9	46
Government	9	7	1	0	0	3	21
TOTAL	**356**	**304**	**114**	**150**	**64**	**369**	**1,358**

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

Employment growth estimates by building type are then converted to demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes a market clearing vacancy rate, acknowledging that equilibrium in real estate markets is not 0% vacancy. We assume a 10% vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A 5% rate is used for general industrial and warehouse—these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses are assumed to have no vacancy.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR). The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a per net-developable acre basis.

FIGURE 4.08: NET ACRES REQUIRED BY BUILDING TYPOLOGY, BAKER COUNTY – 20 YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	356	304	114	150	64	369	1,358
Avg. SF Per Employee	350	600	990	600	1,850	500	599
Demand for Space (SF)	124,500	182,300	112,700	90,200	119,300	184,700	813,700
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.32
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	21.1
Net Acres Required	9.1	9.3	9.6	7.3	8.2	18.8	64.2

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

Commercial office and retail densities are 39 and 20 jobs per acre, respectively. Industrial uses range from 21 for general industrial to 8 jobs per acre for warehouse/distribution. The overall weighted employment density is just 21 jobs per acre, with the projected 1,358-job expansion in the local employment base through 2039 requiring an estimated 64.2 net acres of employment land.

In addition to assuring adequate capacity for employment-driven land needs over a twenty-year horizon, local jurisdictions are also required to demonstrate that they have an adequate capacity of readily available sites to meet their more immediate needs, which are defined as employment land needs over the next five years. As shown in the following table, in Baker County that need is estimated at 14.3 net acres.

FIGURE 4.09: NET ACRES REQUIRED BY BUILDING TYPOLOGY, BAKER COUNTY – 5 YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	80	67	25	33	15	83	302
Avg. SF Per Employee	350	600	990	600	1,850	500	599
Demand for Space (SF)	27,900	39,900	25,100	20,000	26,800	41,300	181,000
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.32
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.1	32.7	11.9	20.7	7.8	19.6	21.1
Net Acres Required	2.0	2.0	2.1	1.6	1.9	4.2	14.3

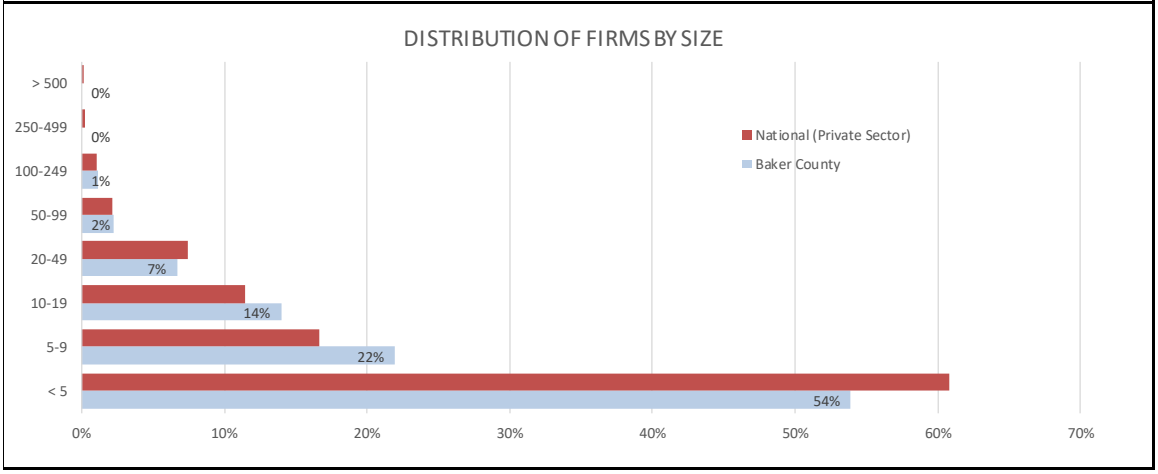
SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

There is a significant distinction between capacity and readily available site supply. The readily-available inventory must currently have appropriate entitlements and infrastructure capacity to accommodate short-term development.

The local employment base is largely dominated by relatively small firms, with the local economic base showing a higher proportion than the national average for firms with between 5 and 20 employees only eight firms currently accounting for more than 100 employees and none accounting for more than 250.

FIGURE 4.10: DISTRIBUTION OF FIRMS BY SIZE, BAKER COUNTY

	Size of Firm/Employees								
Industry	< 5	5-9	10-19	20-49	50-99	100-249	250-499	> 500	Total
Agriculture, forestry, fishing, and hunting	13	15	8	3	0	1	0	0	40
Mining	1	0	2	1	0	0	0	0	4
Construction	46	18	9	3	0	0	0	0	76
Food Manufacturing	4	1	0	0	0	0	0	0	5
Wood Manufacturing	3	2	1	0	0	2	0	0	8
Metals Manufacturing	10	2	2	0	1	1	0	0	16
Utilities	7	2	1	2	0	0	0	0	12
Wholesale trade	9	7	2	0	0	0	0	0	18
Retail trade	19	13	18	6	2	1	0	0	59
Retail trade	17	5	2	3	0	0	0	0	27
Transportation	13	4	4	0	0	0	0	0	21
Delivery and warehousing	9	2	1	1	0	0	0	0	13
Information	6	1	3	1	0	0	0	0	11
Finance and Insurance	18	11	1	0	0	0	0	0	30
Real Estate and Rental	10	4	0	0	0	0	0	0	14
Professional, Scientific, and Technical Services	35	6	3	2	1	0	0	0	47
Management of Companies and Enterprises	0	1	1	1	0	0	0	0	3
Administrative and Wast Management	18	4	1	3	0	0	0	0	26
Educational services	6	1	2	5	4	1	0	0	19
Health care and social assistance	15	15	10	8	2	1	0	0	51
Arts, Entertainment, and Recreation	1	2	2	0	0	0	0	0	5
Accommodation and Food Services	17	13	18	6	4	0	0	0	58
Other services	100	19	3	0	1	0	0	0	123
Government	8	9	6	3	1	1	0	0	28
TOTAL	**385**	**157**	**100**	**48**	**16**	**8**	**0**	**0**	**714**



SOURCE: State of Oregon QCEW Data

Additional Considerations in Land Demand

Beyond a consideration of gross acreage, there is a significantly broader range of site characteristics that industries would require to accommodate future growth. We summarize some key findings here:

- Industrial buildings are generally more susceptible to slope constraints due to larger building footprints. For a site to be competitive for most industrial uses, a 5% slope is the maximum for development sites. Office and commercial uses are generally smaller and more vertical, allowing for slopes up to 15%.

- Most industries require some direct access to a major transportation route, particularly manufacturing and distribution industries that move goods throughout the region and beyond. A distance of 10 to 20 miles to a major interstate is generally acceptable for most manufacturing activities, but distribution activities require 5 miles or less and generally prefer a direct interstate linkage. Visibility and access are highly important to most commercial activities and site location with both of these attributes from a major commercial arterial is commonly required.

- Access and capacity for water, power, gas, and sewer infrastructure is more important to industrial than commercial operations. Water/sewer lines of up to 10" are commonly required for large manufacturers. Appendix A details utility infrastructure requirements by typology.

- Fiber telecommunications networks are likely to be increasingly required in site selection criteria for most commercial office and manufacturing industries. Medical, high-tech, creative office, research & development, and most professional service industries will prefer or require strong fiber access in the coming business cycles.

V. FORECAST OF EMPLOYMENT AND LAND NEED (CITIES)

EMPLOYMENT & LAND FORECAST – CITIES

In order to determine baseline employment and land need projections for the constituent cities in Baker County, the methodology described in Section IV above, for the County, was applied to each of the cities. The results reflect the current share of county employment contained in each City's UGB by industry, as determined from Quarterly Census of Employment and Wages (QCEW) data from the Oregon Employment Department.

The same industry-specific growth rates are applied to the localities; however, the different cities have different current baselines for employment in each category.

For smaller communities, this approach can be problematic because the attraction of a single new employer or significant expansion can lead to local employment growth well in excess of what a simple share analysis would indicate. A more appropriate approach for each locality will entail identifying any specific economic development outcomes it would like to encourage, and to assure that the local community has adequate capacity and appropriate sites to accommodate the targeted industry.

A summary of baseline forecast results is presented on the following pages for all participating cities.

1) HAINES – SUMMARY OF FORECASTS

This section presents a summary of the results of employment and land need forecasts for Haines. For more explanation of methodology, please see the description presented in the previous section for the County.

FIGURE 5.01: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, HAINES

	QCEW Employment					Projected Growth	
Major Industry Sector	2017 Employment	'17-'18 County Δ[1]	2018 Estimate	Total Emp. Conversion[2]	2018 Estimate	20-yr. 2018-38	5-yr. 2018-23
Construction	4	2.8%	4	73%	5	3	1
Manufacturing	0	2.1%	0	98%	0	0	0
Wholesale Trade	2	-0.2%	2	97%	2	0	0
Retail Trade	7	2.7%	7	94%	7	1	0
T.W.U.	4	0.7%	4	91%	4	0	0
Information	3	-5.5%	3	95%	3	2	0
Finance & Insurance	0	-2.1%	0	92%	0	0	0
Real Estate	0	0.0%	0	92%	0	0	0
Professional & Technical Services	0	4.5%	0	88%	0	0	0
Administration Services	0	1.0%	0	88%	0	0	0
Education	21	7.2%	23	95%	24	10	2
Health Care	0	1.4%	0	95%	0	0	0
Leisure & Hospitality	15	0.5%	15	94%	16	7	1
Other Services	2	5.3%	2	83%	2	0	0
Government	11	-2.4%	11	100%	11	1	0
TOTAL	**69**	**2.9%**	**71**	**93%**	**76**	**24**	**4**

1 AAGR from 2012-2017 for Baker County

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.02: NET ACRES REQUIRED BY BUILDING TYPOLOGY, HAINES

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	5.8	5.7	2.1	2.2	0.8	7.3	24.0
Avg. SF Per Employee	350	600	990	600	1850	500	612
Demand for Space (SF)	2,030	3,438	2,119	1,308	1,554	3,655	14,682
Floor Area Ratio (FAR)	0.35	0.45	0.3	0.3	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	20.9
Net Acres Required	0.1	0.2	0.2	0.1	0.1	0.4	1.2

SOURCE: Oregon Employment Department, Johnson Economics

2) HALFWAY-SUMMARY OF FORECASTS

This section presents a summary of the results of employment and land need forecasts for Halfway. For more explanation of methodology, please see the description presented in the previous section for the County.

Halfway's forecast relies on the "baseline" job growth rate discussed in the prior section, while the other participating Baker County communities use the adjusted forecast. The baseline forecast better reflects community perspective and goals and the availability of employment land.

FIGURE 5.03: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, HALFWAY

	QCEW Employment					Projected Growth	
Major Industry Sector	2017 Employment	'17-'18 County Δ[1]	2018 Estimate	Total Emp. Conversion[2]	2018 Estimate	20-yr. 2018-38	5-yr. 2018-23
Construction	0	2.8%	0	73%	0	0	0
Manufacturing	2	2.1%	2	98%	2	0	0
Wholesale Trade	0	-0.2%	0	97%	0	0	0
Retail Trade	39	2.7%	40	94%	42	3	1
T.W.U.	4	0.7%	4	91%	4	0	0
Information	5	-5.5%	5	95%	5	-1	0
Finance & Insurance	4	-2.1%	4	92%	4	0	0
Real Estate	0	0.0%	0	92%	0	0	0
Professional & Technical Services	2	4.5%	2	88%	2	0	0
Administration Services	0	1.0%	0	88%	0	0	0
Education	43	7.2%	46	95%	49	13	3
Health Care	6	1.4%	6	95%	6	2	0
Leisure & Hospitality	32	0.5%	32	94%	34	9	2
Other Services	11	5.3%	12	83%	15	2	0
Government	19	-2.4%	19	100%	19	1	0
TOTAL	**167**	**3.0%**	**172**	**94%**	**183**	**29**	**6**

1 AAGR from 2012-2017 for Baker County

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.04: NET ACRES REQUIRED BY BUILDING TYPOLOGY, HALFWAY

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	8.1	8.4	1.4	-0.2	0.6	10.6	29.0
Avg. SF Per Employee	350	600	990	600	1850	500	612
Demand for Space (SF)	2,825	5,064	1,386	-90	1,129	5,315	17,741
Floor Area Ratio (FAR)	0.35	0.45	0.3	0.3	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	20.9
Net Acres Required	0.2	0.3	0.1	0.0	0.1	0.5	1.4

SOURCE: Oregon Employment Department, Johnson Economics

3) RICHLAND– SUMMARY OF FORECASTS

This section presents a summary of the results of employment and land need forecasts for Richland. For more explanation of methodology, please see the description presented in the previous section for the County.

FIGURE 5.05: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, RICHLAND

	QCEW Employment					Projected Growth	
Major Industry Sector	2017 Employment	'17-'18 County Δ[1]	2018 Estimate	Total Emp. Conversion[2]	2018 Estimate	20-yr. 2018-38	5-yr. 2018-23
Construction	16	2.8%	16	73%	22	12	3
Manufacturing	0	2.1%	0	98%	0	0	0
Wholesale Trade	0	-0.2%	0	97%	0	0	0
Retail Trade	21	2.7%	22	94%	23	3	1
T.W.U.	6	0.7%	6	91%	7	0	0
Information	11	-5.5%	10	95%	11	5	1
Finance & Insurance	0	-2.1%	0	92%	0	0	0
Real Estate	0	0.0%	0	92%	0	0	0
Professional & Technical Services	0	4.5%	0	88%	0	0	0
Administration Services	1	1.0%	1	88%	1	0	0
Education	0	7.2%	0	95%	0	0	0
Health Care	0	1.4%	0	95%	0	0	0
Leisure & Hospitality	9	0.5%	9	94%	10	4	1
Other Services	2	5.3%	2	83%	2	0	0
Government	3	-2.4%	3	100%	3	0	0
TOTAL	**69**	**0.0%**	**69**	**88%**	**78**	**24**	**6**

1 AAGR from 2012-2017 for Baker County

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.06: NET ACRES REQUIRED BY BUILDING TYPOLOGY, RICHLAND

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	3.9	0.1	3.9	6.8	2.6	6.8	24.0
Avg. SF Per Employee	350	600	990	600	1850	500	612
Demand for Space (SF)	1,358	42	3,831	4,104	4,736	3,390	14,682
Floor Area Ratio (FAR)	0.35	0.45	0.3	0.3	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	20.9
Net Acres Required	0.1	0.0	0.3	0.3	0.3	0.3	1.2

SOURCE: Oregon Employment Department, Johnson Economics

4) SUMPTER – SUMMARY OF FORECASTS

This section presents a summary of the results of employment and land need forecasts for Sumpter. For more explanation of methodology, please see the description presented in the previous section for the County.

FIGURE 5.7: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, SUMPTER

	QCEW Employment					Projected Growth	
Major Industry Sector	2017 Employment	'17-'18 County Δ[1]	2018 Estimate	Total Emp. Conversion[2]	2018 Estimate	20-yr. 2018-38	5-yr. 2018-23
Construction	1	2.8%	1	73%	1	1	0
Manufacturing	0	2.1%	0	98%	0	0	0
Wholesale Trade	0	-0.2%	0	97%	0	0	0
Retail Trade	10	2.7%	10	94%	11	1	0
T.W.U.	2	0.7%	2	91%	2	0	0
Information	0	-5.5%	0	95%	0	0	0
Finance & Insurance	0	-2.1%	0	92%	0	0	0
Real Estate	0	0.0%	0	92%	0	0	0
Professional & Technical Services	0	4.5%	0	88%	0	0	0
Administration Services	0	1.0%	0	88%	0	0	0
Education	0	7.2%	0	95%	0	0	0
Health Care	0	1.4%	0	95%	0	0	0
Leisure & Hospitality	2	0.5%	2	94%	2	1	0
Other Services	1	5.3%	1	83%	1	0	0
Government	6	-2.4%	6	100%	6	0	0
TOTAL	**22**	**0.0%**	**22**	**94%**	**23**	**3**	**0**

1 AAGR from 2012-2017 for Baker County

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.8: NET ACRES REQUIRED BY BUILDING TYPOLOGY, SUMPTER

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	0.4	0.0	0.3	0.4	0.3	1.6	3.0
Avg. SF Per Employee	350	600	990	600	1850	500	612
Demand for Space (SF)	137	12	307	246	574	780	1,835
Floor Area Ratio (FAR)	0.35	0.45	0.3	0.3	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	20.9
Net Acres Required	0.0	0.0	0.0	0.0	0.0	0.1	0.1

SOURCE: Oregon Employment Department, Johnson Economics

5) UNITY – SUMMARY OF FORECASTS

This section presents a summary of the results of employment and land need forecasts for Unity. For more explanation of methodology, please see the description presented in the previous section for the County.

FIGURE 5.9: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, UNITY

	QCEW Employment					Projected Growth	
Major Industry Sector	2017 Employment	'17-'18 County Δ[1]	2018 Estimate	Total Emp. Conversion[2]	2018 Estimate	20-yr. 2018-38	5-yr. 2018-23
Construction	0	2.8%	0	73%	0	0	0
Manufacturing	0	2.1%	0	98%	0	0	0
Wholesale Trade	0	-0.2%	0	97%	0	0	0
Retail Trade	5	2.7%	5	94%	5	1	0
T.W.U.	2	0.7%	2	91%	2	0	0
Information	0	-5.5%	0	95%	0	0	0
Finance & Insurance	0	-2.1%	0	92%	0	0	0
Real Estate	0	0.0%	0	92%	0	0	0
Professional & Technical Services	0	4.5%	0	88%	0	0	0
Administration Services	1	1.0%	1	88%	1	0	0
Education	12	7.2%	13	95%	14	6	1
Health Care	0	1.4%	0	95%	0	0	0
Leisure & Hospitality	0	0.5%	0	94%	0	0	0
Other Services	0	5.3%	0	83%	0	0	0
Government	1	-2.4%	1	100%	1	0	0
TOTAL	**21**	**4.8%**	**22**	**94%**	**23**	**7**	**1**

1 AAGR from 2012-2017 for Baker County

2 Bureau of Economic Analysis. Calculated as an eight-year average between 2010 and 2017

SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.10: NET ACRES REQUIRED BY BUILDING TYPOLOGY, UNITY

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	1.9	3.2	0.4	0.1	0.2	1.4	7.0
Avg. SF Per Employee	350	600	990	600	1850	500	612
Demand for Space (SF)	648	1,914	356	36	333	680	4,282
Floor Area Ratio (FAR)	0.35	0.45	0.3	0.3	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	20.9
Net Acres Required	0.0	0.1	0.0	0.0	0.0	0.1	0.3

SOURCE: Oregon Employment Department, Johnson Economics

VI. FORECASTED EMPLOYMENT LAND NEED VS. CURRENT SUPPLY

BUILDABLE LAND INVENTORY

The inventory of employment land provides a snapshot of the currently local capacity to accommodate more business and jobs. This current available land will be compared to the forecasted need for new land over the 20-year planning period.

Employment land includes land zoned for industrial, retail or other commercial use (i.e. office), and may also include mixed-use zoning that allows for employment uses. This inventory includes vacant parcels with the proper zoning, as well as "redevelopable" parcels. (The methodology used in this analysis is described in detail below.)

Methodology

The Buildable Lands Inventory (BLI) used in this analysis is based on tax account data from the County, supplemented with data from the State of Oregon. The data was provided in Geographic Information Systems (GIS) compatible format, providing information on land use, parcel size and other relevant data categories on the taxlot level. Zoning information was also provided by the state.

The tax account data was used to identify vacant and redevelopable parcels in the city and its UGB. The identified candidate parcels were then further screened and refined by Johnson Economics.

In keeping with State requirements, the BLI includes an assessment of vacant buildable lands and redevelopable parcels. This analysis applied the "safe harbor" assumptions allowed under state rules to determine the infill potential of developed parcels (OAR 660-024-0050):

SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY METHODOLOGY

Appendix B provides an in-depth summary of the Buildable Lands Inventory, including methodology and mapping of the identified parcels of employment land. The results are summarized below.

1) HAINES BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.01: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (HAINES)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial/Residential	6	1.1	0	0.0	6	1.1
Industrial/Residential	10	25.1	0	0.0	10	25.1
Totals:	***16***	***26.2***	***0***	***0.0***	***16***	***26.2***

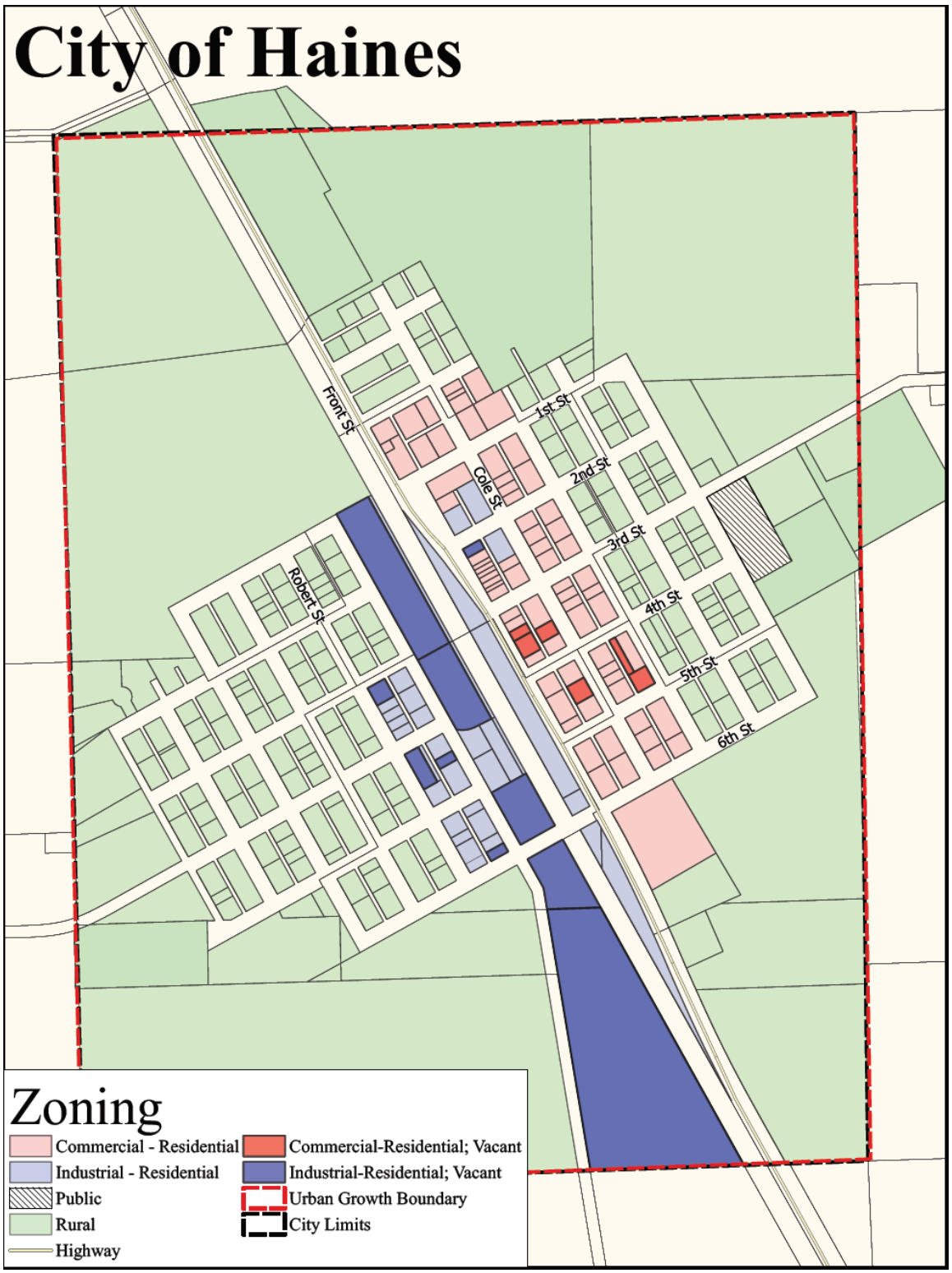
Source: Baker County, City, Johnson Economics LLC

FIGURE 6.02: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (HAINES)

ZONE	0 TO .99 acres		1 to 4.99 acres		5+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial/Residential	6	1.1	0	0.0	0	0.0
Industrial/Residential	5	0.9	4	8.4	1	15.8
Totals:	***11***	***2.1***	***4***	***8.4***	***1***	***15.8***

Source: Baker County, City, Johnson Economics LLC

FIGURE 6.03: BUILDABLE EMPLOYMENT LANDS MAP, HAINES



SOURCE: Baker County, State of Oregon, Johnson Economics

2) HALFWAY BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.04: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (HALFWAY)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	3	1.8	0	0.0	3	1.8
Totals:	***3***	***1.8***	***0***	***0.0***	***3***	***1.8***

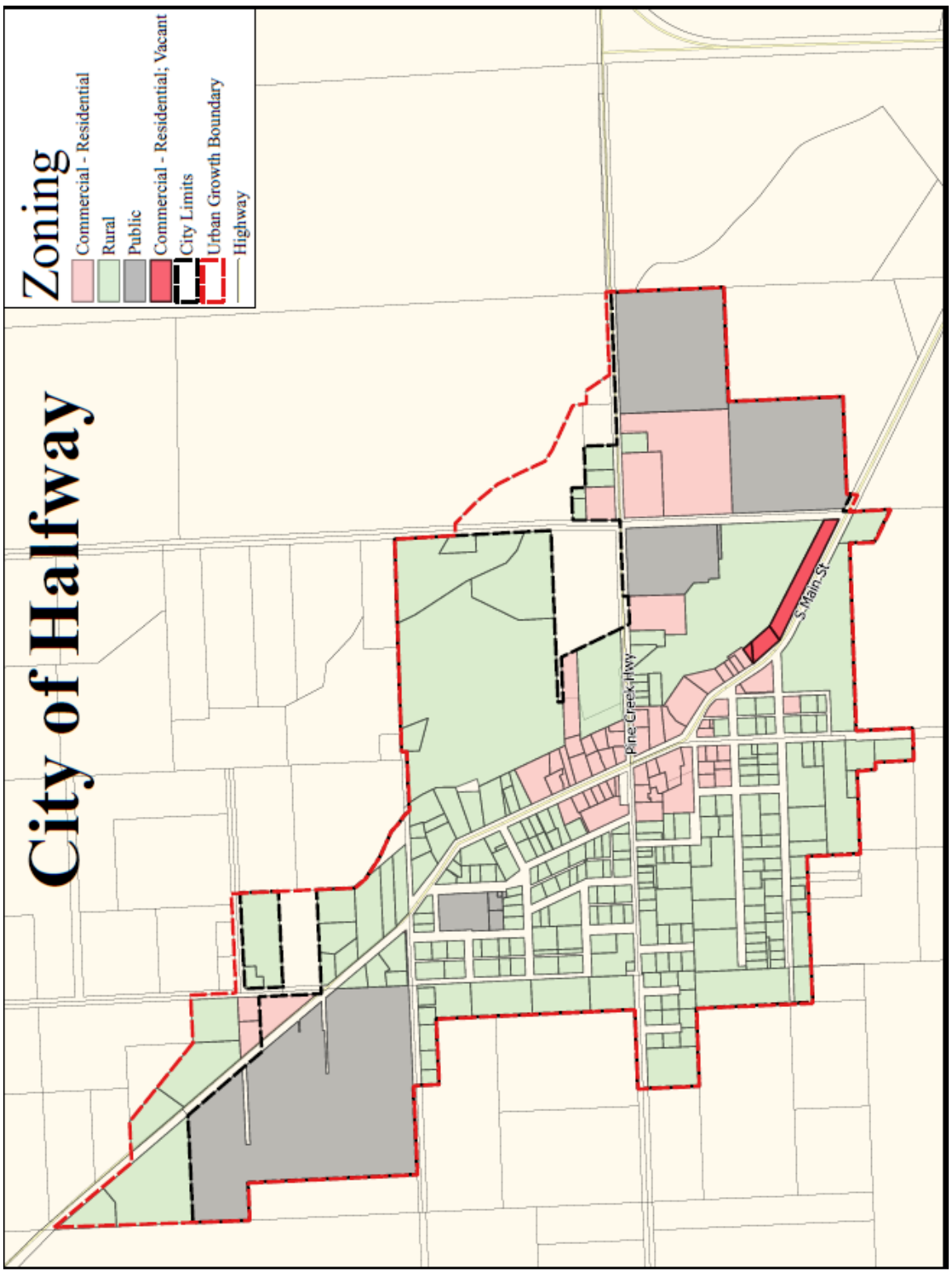
Source: Baker County, City, Johnson Economics LLC

FIGURE 6.05: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (HALFWAY)

ZONE	0 to .99 acres		1 to 4.99 acres	
	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	2	0.5	1	1.3
Totals:	***2***	***0.5***	***1***	***1.3***

Source: Baker County, City, Johnson Economics LLC

FIGURE 6.06: BUILDABLE EMPLOYMENT LANDS MAP, HALFWAY



SOURCE: Baker County, State of Oregon, Johnson Economics

3) RICHLAND BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.07: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (RICHLAND)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	12	7.5	0	0.0	12	7.5
Commercial - Residential - Apartments	1	1.3	0	0.0	1	1.3
Totals:	***13***	***8.8***	***0***	***0.0***	***13***	***8.8***

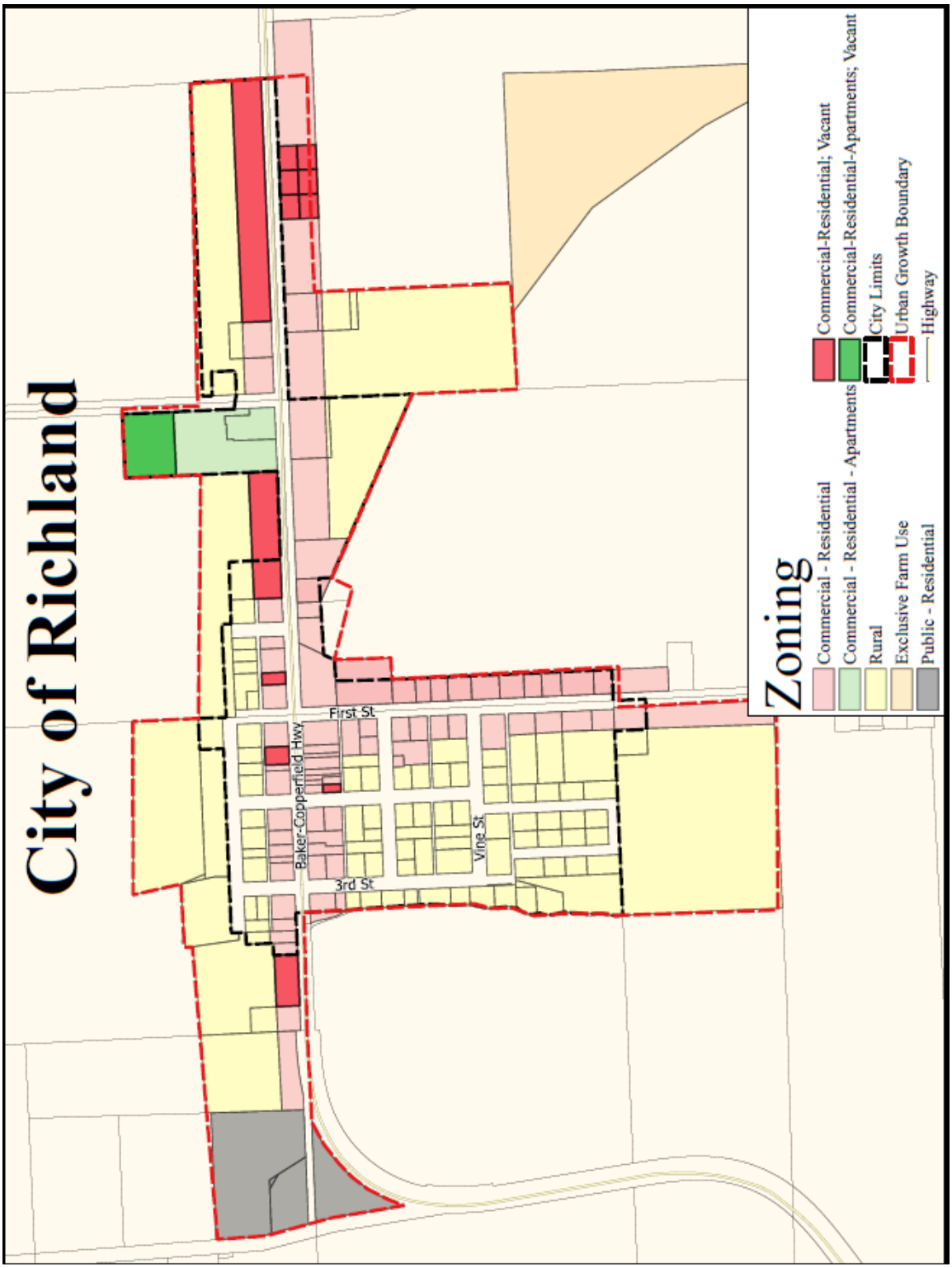
Source: Baker County, City, Johnson Economics LLC

FIGURE 6.08: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (RICHLAND)

ZONE	0 to .99 acres		1 to 4.99 acres	
	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	10	2.0	2	5.5
Commercial - Residential - Apartments	0	0.0	1	1.3
Totals:	***10***	***2.0***	***3***	***6.8***

Source: Baker County, City, Johnson Economics LLC

FIGURE 6.09: BUILDABLE EMPLOYMENT LANDS MAP, RICHLAND



SOURCE: Baker County, State of Oregon, Johnson Economics

4) SUMPTER BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.10: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (SUMPTER)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial Residential	42	6.6	0	0.0	42	6.6
Industrial Residential	5	11.5	1	7.9	6	19.4
Totals:	***47***	***18.1***	***1***	***7.9***	***48***	***26.0***

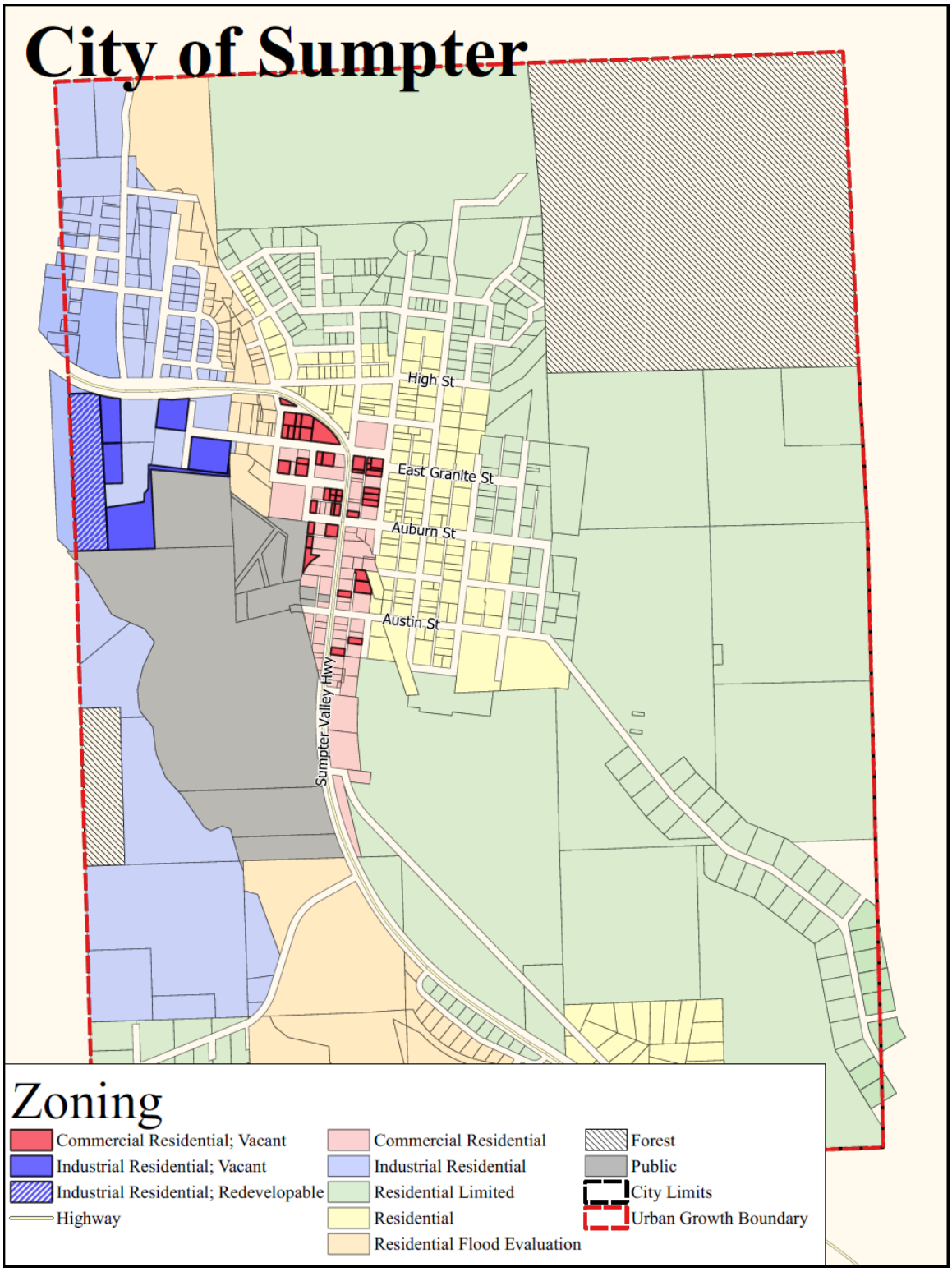
Source: Baker County, City, Johnson Economics LLC

FIGURE 6.11: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (SUMPTER)

ZONE	0 to .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial Residential	42	6.6	0	0	0	0	0	0	0	0
Industrial Residential	0	0	4	6.2	2	13.2	0	0	0	0
Totals:	***42***	***6.6***	***4***	***6.2***	***2***	***13.2***	***0***	***0.0***	***0***	***0.0***

Source: Baker County, City, Johnson Economics LLC

FIGURE 6.12: BUILDABLE EMPLOYMENT LANDS MAP, SUMPTER



SOURCE: Baker County, State of Oregon, Johnson Economics

5) UNITY BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.13: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (UNITY)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Rural Community	6	18.8	0	0.0	6	18.8
Industrial	0	0.0	1	304.2	1	304.2
Totals:	***6***	***18.8***	***1***	***304.2***	***7***	***323.0***

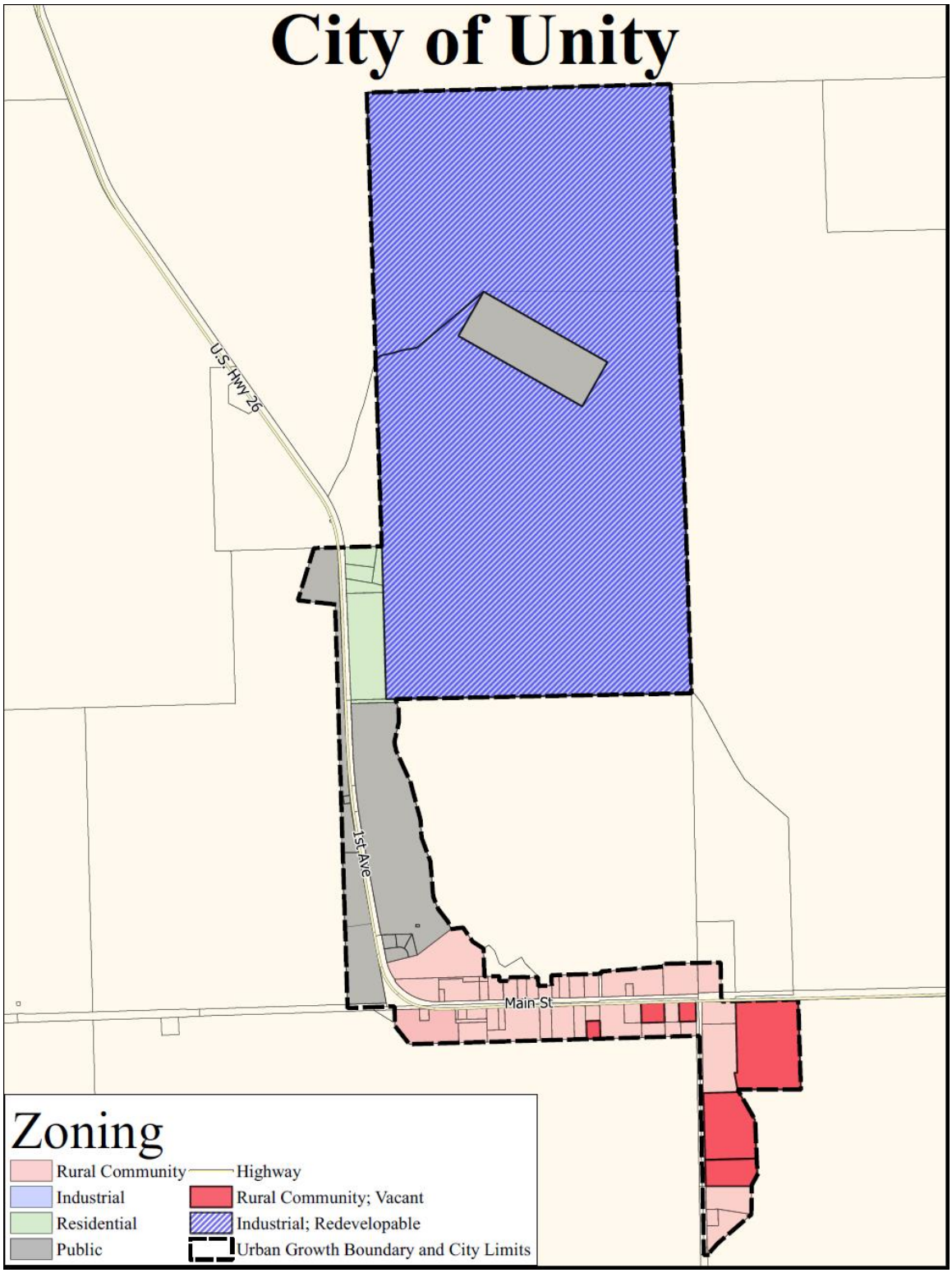
Source: Baker County, City, Johnson Economics LLC

FIGURE 6.14: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (UNITY)

ZONE	0 to .99 acres		1 to 10 acers		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Rural Community	3	1.8	1	2.3	2	14.6	0	0.0
Industrial	0	0.0	0	0.0	0	0.0	1	304.2
Totals:	***3***	***1.8***	***1***	***2.3***	***2***	***14.6***	***1***	***304.2***

Source: Baker County, City, Johnson Economics LLC

FIGURE 6.15: BUILDABLE EMPLOYMENT LANDS MAP, UNITY



SOURCE: Baker County, State of Oregon, Johnson Economics

FORECASTED LAND NEED VS. BUILDABLE LAND INVENTORY

The inventory of employment land provides a snapshot of the currently local capacity to accommodate more business and jobs. This current available land will be compared to the forecasted need for new land over the 20-year planning period.

This inventory is compared to the 20-year forecast of employment land need, generated in a previous step of this project (Section IV). The estimate of future land need is presented below. In all cases, there is an overall surplus of available employment lands compared to the forecasted 20-year need.

Halfway and Richland do not have a specific industrial zone. However, compatible industrial uses are allowed in the commercial zone, amounting to an overall surplus of employment land.

FIGURE 6.09: COMPARISON OF FORECASTED NEED TO LAND INVENTORY (BAKER COUNTY CITIES)

CITY	Buildable Inventory		20-Year Demand Forecast		Inventory minus Demand (Surplus or Need)		
	Commercial Acreage	Industrial Acreage	Commercial Acreage	Industrial Acreage	Commercial Acreage	Industrial Acreage	TOTAL
Haines	1.1	25.1	0.7	0.5	0.4	24.6	25
Halfway	1.8	0.0	1.1	0.3	0.7	-0.3	0.4
Richland	8.8	0.0	0.3	0.9	8.5	-0.9	7.6
Sumpter	6.6	19.4	0.1	0	6.5	19.4	25.9
Unity	18.8	304.2	0.3	0	18.5	304.2	322.7
TOTAL:	***37.1***	***348.7***	***2.5***	***1.7***	***34.6***	***347.0***	***381.6***

Please see Appendix B for additional detail on methodology and mapping of the identified parcels of employment land.

VII. ECONOMIC DEVELOPMENT POTENTIAL

COMMUNITY ECONOMIC PROFILE

Based on the analysis presented in previous sections, discussions with the local advisory committee, staff, the public, and other stakeholders, a profile of the city's and region's economic development potential was developed. This includes an assessment of both the opportunities and challenges for new employment growth in the area.

The following pages present a summary of this assessment on a range of metrics for each of the cities.

CITY	Haines	Halfway	Richland	Sumpter	Unity
Market Area	Haines is a city of roughly 415 people located in north Baker County. Baker City is located roughly 12 miles to the south. Haines is located on Highway 30 which runs parallel to the west of the I-84 freeway. The market area for commercial uses in Haines will be the local residents and surrounding area of the valley, and tourism traffic during summer and fall. For many categories of shopping and services, Baker City will continue to exert greater commercial "gravity" due to its larger collection of options. But Haines provides nearer access to outdoor recreation opportunities in this part of the county.	Halfway is a city of 290 residents located in northeast Baker County, near state highway 86. The town is near the Snake River Canyon and the border with Idaho. This area is sparsely populated. The market area of businesses in Halfway are the local residents and residents of the surrounding rural areas. The somewhat smaller town of Richland is 15 miles to the south, and Baker City is 70 miles to the west.	Richland is a city of 175 located in northeast Baker County, on Highway 86. This area is sparsely populated. The market area of businesses in Halfway are the local residents and residents of the surrounding rural areas. The somewhat smaller town of Halfway is 15 miles to the south, and Baker City is 70 miles to the west.	Sumpter is a small town 26 miles west of Baker City with a rich history as a mining community. Tourism is a major source of economic activity. The City has an estimated 200 people.	Unity is a small town 48-miles southwest of Baker City. The town is linked to Baker City via Highway 245, and John Day and Ontario via Highway 26. The city has an estimated population of 75 people. It is an isolated market area in the center of a forest and recreation area.
Services	Haines offers some local-scale services to serve the residents and surrounding area, including small market, restuarants, salon and vet. There is also a small amount of lodging. There is no gas station in town.	Halfway has a limited number of services and businesses, including small markets, acupucture, massage and other home businesses. There is also a small amount of lodging in the town.	Richland features some dining and a small grocer and an farm supply business. It has lodging as well. The town has outstanding broadband and telecommunications infrastructure, with all houses having access to fiber.	Sumpter offers some local-scale services to serve the residents and surrounding area, including restaurants, lodging, gas station, and personal services. Thereare also historical and cultural amenities in town.	Unity currently offers a market, restaurant and some lodging. Recreatoin in the area includes fishing, camping, hunting snowmobling and ATV trails.
Public Services	Haines does not offer full public services, lacking a local school and contracting with other jurisdictions for public safety services. However, Haines does have local city staff.	Halfway is home to a K-12 school district serving the surrounding area. Schools have been consolidated from Halfway and Richland to a single campus. Halfway does not have dedicated public safety service.	Richland students go to school in nearby Halfway, and fire protection is provided by Surprise Springs Rural Fire District.	Sumpter does not offer full public services, lacking a local school and contracting with other jurisdictions for public safety services.	Unity does not offer full public services, contracting with other jurisdictions for public safety services. The town has a well-respected K-12 school district that has a boarding program.
Transportation	Haines is located on Highway 30 which runs parallel to the west of the I-84 freeway, and therefore does not have direct freeway access or visibiliy. The freeway is accessible within ten miles to the north.	Halfway is located in a difficult location for the transportation needs of many types of businesses. The freeway and Baker City are more than an hour away by vehicle. Traveling from the freeway, Highway 86 proceeds to the Oregon/Idaho border before turning south. Between the two states, the highway forms a loop that does not travel through any large cities. The location will remain a challenge for businesses heavily reliant on shipping and freight.	Highway 86 is the primary access route between Richland and Interstate 84. There is no rail or alternative transporation access. The location will remain a challenge for businesses heavily reliant on shipping and freight.	Access to Sumpter is via the Sumpter Stage Highway (Highway 7) and Highway 410. There is an old narrow gauge rail corridor that is no longer running. Sumpter is located roughly 40 minutes drive from the freeway, and therefore has difficult freight access.	The area has a weekly bus to Boise, but no other transportation links outside of Highways 26 and 245. These highways are generally secondary highways and not main freight routes.

CITY		Haines	Halfway	Richland	Sumpter	Unity
Labor Market		Haines has an estimated 70 jobs, with the largest shares in the tourism-related, government, retail and education sectors. Many local residents work in the surrounding area in agriculture or in the Baker City area.	Halfway is home to an estimated 170 jobs, with the largest share being in education, retail, lodging, government and other services.	Richland is home to an estimated 70 jobs in a range of sectors including retail, information and tourism sectors. The area is facing an aging labor market and declining population base.	Sumpter offers an estimated 25 jobs, with many concentrated in the government and retail sectors. The area is facing an aging labor market and declining population base.	Being a small community, Unity has roughly 20 jobs, most of which are in education, with smaller shares in retail and tourism-related sectors.
Suppliers		Baker County is located somewhat distant from the types of suppliers that are not available locally. The greater Boise area is the closest metro area that would have access to a fuller range of suppliers. The distance to major markets will remain a challenge, particularly for those communities without direct freeway access.	See above	Richland is the home of Richland Feed & Seed, a major agricultural supplier to the region. The surrounding area is largely agricultural, with livestock a major component of the local mix. Baker County is located somewhat distant from the types of suppliers that are not available locally.	See above	See above
Environmental Constraints		Haines does not have significant environmental constraints to development.	Halfway features some potential wetlands and flooding risk along the creek to the east of Main Street, but this is unlikely to hinder any commercial development.	Richland does not have significant environmental constraints to development.	Sumpter has significant wetland and waterway constraints through the center of the city, in the area of the prior dredging area and multiple creeks. These wetlands do likley constrain some of the commercial land in the town.	Unity's commercial and industrial lands do not feature significant environmental constraints to development.
Workforce Education & Technical Training Programs		Blue Mountain Community College offers a range of programs through their location in Baker City, including college prep, workforce and technical training, and a transfer associates degree meant for students transferring to a four-year college. The Baker Technical Institute offers techinal professional training and apprenticeship program for industries such as heavy equipment, welding, nursing and others.				
Utilities	**Water**	Adequate/ undergoing upgrade	Good	Good	Adequate	Good
	Sewer	Good	Good	Good	Adequate	Good
	Power	Adequate	Adequate	Adequate	Adequate	Good
	Data	Good/fiber	Adequate	Good/fiber	Poor	Good/fiber
Identified Challenges		Housing availability; Aging workforce/difficulty in retaining younger residents; Distances for shipping; No natural gas access	Distant location; Housing availability; Aging workforce/difficulty in retaining younger residents; Distances for shipping;	Distant location; Housing availability; Aging workforce/difficulty in retaining younger residents; Distances for shipping;	Distant location; Housing availability; Aging workforce/difficulty in retaining younger residents; Distances for shipping; Timber harvest is falling	Distant location; Housing availability; Aging workforce/difficulty in retaining younger residents; Distances for shipping; Timber harvest is falling
Potential Opportunities		Gateway to recreation in areas, Anthony Lake; Haines Rodeo, Natural beauty; Lifestyle amenities; Spillover growth from Idaho, retirees, remote workers; Potential for value-added business from local agricultural products	Gateway to Snake River Canyon; School provides a node of community; Natural beauty; Lifestyle amenities; Spillover growth from Idaho, retirees, remote workers; Potential for value-added business from local agricultural products	Build on what is there, thriving agricultural economy; Gateway to Snake River Canyon; Potential for value-added business from local agricultural products	Recreation area; Cultural amenities; Timber industry and value added uses	Recreation area and tourism; Potential for growth in solar farms; ample available employment land; Potential for value-added business from local agricultural products

VIII. ECONOMIC DEVELOPMENT: POTENTIAL NEXT STEPS

The analysis presented in this EOA report points to a sufficient supply of employment land within the Urban Growth Boundary to accommodate forecasted growth for at least 20 years. This points to no affirmative need to proactively undertake any UGB actions at this time. However, there are a number of other strategies and steps to consider related to economic development going forward.

This section discusses a range of strategies and/or action items that the city may consider coming out of this report. (Adoption of this report does not imply official commitment to any of these steps.)

1) **Identify local economic development point person:** Each city should select a point person to ensure that the agreed upon next steps stemming from this EOA study are implemented. At minimum, this person should be responsible for ensuring that the EOA report is introduced to the Planning Commission and City Council for consideration. This local point person may coordinate with regional partners to facilitate broader economic development efforts (see below).

2) **Adoption of the EOA report and findings:** The City Council should consider formally recognizing this EOA report and its findings. This establishes the analysis as the underpinning of the Economic Chapter of the local Comprehensive Plan. Typically, at the time of adoption, the contents of the Economic Chapter will also be updated with an overview of findings from this analysis, and also revised goals and policies (if any) stemming from the findings. Adopting the EOA helps establish a factual basis for other grants and planning efforts moving forward.

3) **Undertake annual goal-setting for the city:** Individual cities should consider adopting a simple list of one to three economic development actions that it can undertake over the coming year to two-year period. These action items are meant to be practical, so they may be simple and relatively easy to achieve. The purpose is to keep forward momentum by taking small steps, on a set timeline, and tracking the progress.

4) **Identify short-term and long-term areas of focus to align with capital improvements:** In conjunction with strategic planning for economic development, the city may want to identify priorities for the next 1-year, 3-year, or 5-year periods for specific subareas of the city. This can focus and align economic development goals with capital improvement plans and funding. This exercise can help focus other economic development efforts and investments rather than spreading limited resources too thinly.

   Consider other resources such as Main Street grants to improve public infrastructure and streetscapes in town center commercial areas.

5) **Updated Goal 10 Housing Needs Analysis:** An important challenge to economic development identified in many parts of Baker County is the availability of appropriate housing, at affordable price points to the workforce that the area would like to attract. In some cases, employment may be available, but the potential workforce finds it difficult to find attractive housing options. This

situation leads to difficulty in recruiting and maintaining staffing levels, and tends to encourage longer-distance commuting. The city should review the state of their latest Goal 10 Housing Needs Analysis (HNA), which forecasts 20-year housing needs and inventories residential land. An updated HNA and Housing Chapter to the Comp Plan can help identify and provide strategies to help remedy gaps in the local housing inventory. Further partnering with Oregon Housing and Community Services can help increase access to state or federal subsidy for some types of development.

6) **Continue regional economic development coordination:** Economic development efforts, including promotion and marketing campaigns, can be coordinated at the county or even multi-county level to take some burden from scarce local resources. Baker County Economic Development is a partnership of Baker City and the County to provide community information, professional advising and resources, and track available commercial real estate. The agency is the natural lead for many of the economic development steps that can be implemented regionally. Smaller cities should engage with Baker County Economic Development to coordinate programs and activities and ensure that all parts of the county are involved.

   Local and regional economic development staff should continue to partner and meet regularly with other partners including the Chamber of Commerce, Business Oregon, Blue Mountain Community College, Baker Technical Institute, NEOEDD, and others. Coordination ensures that agencies are leverage others' efforts and not duplicating services or investments. It also means that they are aware of the services and strengths of each agency in order to direct outside contacts to the right place.

7) **Update or develop a new Economic Development Strategic Plan:** The EOA contains data and findings related to economic development, but has a primary focus on land need and supply. The city should consider whether an updated and more in-depth strategy document may be helpful to codify goals, policies and action items for the next five to ten years, and focus efforts and investments. The figures and conclusions in this EOA can provide a good foundation for developing a strategic plan.

   The NEOEDD Comprehensive Economic Development Strategy (CEDS) for northeastern Oregon is also a good resource to build from. Baker County and the cities should ensure that they actively participate in creating these five-year strategy plans as well.

8) **Prioritize childcare as a workforce readiness issue:** Childcare is a commonly identified need for working households if all adults are working, or working unusual hours, etc. This topic is increasingly raised as an important part of attracting and maintaining an available workforce. This topic has been placed on the list of priorities for some Regional Solutions areas and should be emphasized in the Eastern Oregon region as well. Home-based childcare businesses are also usually a category of self-employment and entrepreneurship which is identified as a target industry.

9) **Evaluate the opportunity for a local livestock processing facility:** Baker County has significant production of livestock and locating a processing facility locally would provide support to those activities while also supporting local employment. The facility would need to be licensed by at a

minimum ODA or ideally USDA for interstate export. Hines Meat Co. in La Grande is an example of a locally-scaled meat processing facility that connects residents to local agriculture.

10) **Evaluate other opportunities for agri-tourism and value-added agriculture:** Baker County and its cities should continue to look for ways to add value and create local brands from agricultural and natural resources in the area. These might include farm tours and lodging, farm-to-table dining, brewing and spirits, Made in Baker County branding, hemp and cannabis, among others. In conjunction with the meat processing business, Baker County Economic Development should consider undertaking a more in-depth study of the prospects and best opportunities to grow and market these local businesses.

11) **Advocate and support a regional broadband internet solution:** During this process, the lack of reliable and fast internet connectivity in many parts of Baker County and surrounding counties has arisen as a significant challenge to business and workforce recruitment and productivity of existing industry. Upgrading internet infrastructure can be cost prohibitive to providers, even on a countywide basis. With broader regional coordination among public agencies, businesses and consumers across northeastern Oregon, it may be more cost effective to expand services, and larger-scale efforts may be more successful in attracting federal funding to build the infrastructure.

    These efforts would likely be launched under the auspices of NEOEDD or Business Oregon. Local communities should express support and advocate for these efforts, and participate in regional planning to the extent possible. The build-out of full broadband connectivity across the region will benefit business and workforce recruitment for all local partners.

12) **Ensure that available employment lands are listed on Oregon Prospector:** Business Oregon provides the Oregon Prospector tool which provides open, free data on available employment lands across the state, including both industrial and commercial properties. Buildings and development sites can be listed with extensive detail and pricing for prospective businesses. Economic development staff should ensure that key sites and buildings in the city are included, and use the tool to track land transactions in their area. It also helps keep Business Oregon informed of available local properties, to guide prospective businesses.

13) **Market Opportunity Zones and New Market Tax Credits:** Baker County features one Opportunity Zone which is an "economically disadvantaged" area that is eligible for a new tax incentive for investment. The Baker County Opportunity Zone covers some of north Baker City and areas to the northwest of the city. This zone is not optimally placed because of the amount of rural and/or development constrained land it covers, and if the opportunity arises to revise or designate new zones in the future, the County may want to consider how to cover other areas.

    Most of the county is eligible for New Market Tax Credit projects, but this is not true for the central core of Baker City. This is a longer-established program that also provides a tax incentive for investment in disadvantaged areas. Economic development staff and Business Oregon can help identify projects which may be eligible and bridge developers with the Community Development Entities (CDE's) that administer the program.

14) **Continue to grow workforce development opportunities:** The County, the cities, and partners should look for opportunities to grow workforce development, particularly in the trades, and around the target industries identified in this report. Local economic development partners can work with businesses and with Baker Technical Institute and Blue Mountain Community College to identify the greatest needs in skills and specialties.

15) **Provide incubator opportunities and small business services:** There are many agencies offering small business services in Oregon, including Business Oregon, the SBA, the USDA, Baker County Economic Development and others. On-going coordination and communication can ensure that agencies are leveraging each other's resources and not duplicating services.

    Business Oregon tracks many examples of business incubator and accelerator programs across the state that can serve as a model for local efforts. Baker City is currently home to Launch Pad Baker, a shared workspace meant to incubate small businesses and entrepreneurs. The experience of Launch Pad and other partners can help identify gaps in the incubator/small business network that may still be addressed.

APPENDIX A: SITE REQUIREMENTS

The following series of tables summarize key site requirements for a range of prospective tenant types.[5]

	CRITERIA / PROFILE		A	B	C	D	E	F	G	H	I	J
			Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
	GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.									
	PHYSICAL SITE											
1	TOTAL SITE SIZE*	Competitive Acreage**	5 - 100+	5 - 15	5 - 20	5 - 25+	5 - 15+	20 - 100+	10 - 25	5 - 20	10 - 25+	5 - 25+
2	COMPETITIVE SLOPE:	Maximum Slope	0 - 5%	0 - 7%	0 - 7%	0 - 5%	0 - 5%	0 - 7%	0 - 3%	0 - 7%	0 - 7%	0 - 5%
	TRANSPORTATION											
3	TRIP GENERATION:	Average Daily Trips per Acre	40 - 60	80 - 200[1]	120 - 240[2]	50 - 60	40 - 50	60 - 150	50 - 60[3]	400 - 500[4]	20 - 30	40 - 50
4	MILES TO INTERSTATE OR FREIGHT ROUTE:	Miles	w/in 10	w/in 5	w/in 5	w/in 30	w/in 20	w/in 5	w/in 5	w/in 5	w/in 30	N/A
5	MILES TO FREQUENT TRANSIT SERVICE (15 MIN OR LESS)	Miles	0.6	0.5	0.8	< 0.1	0.2	0.1	0.3	< 0.1	0.1	< 0.1
6	RAILROAD ACCESS:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Avoid	Avoid	N/A
7	PROXIMITY TO MARINE PORT:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Not Required	Not Required	N/A
8	PROXIMITY TO INTERNATIONAL/ REGIONAL AIRPORT:	Dependency	Competitive	Required	Preferred	Preferred	Preferred	Required	Not Required	Not Required	Competitive	N/A
		Distance (Miles)	This criteria cannot be met in Eastern Oregon									

5 Business Oregon, Mackenzie.

	PROFILE		A	B	C	D	E	F	G	H	I	J
	CRITERIA		Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
	UTILITIES											
9	WATER:	Min. Line Size (Inches/Dmtr)	12" - 16"	6" - 8"	8" - 10"	12" - 16"	6" - 10"	8" - 12"	6" - 10"	8" - 12"	16"	4" - 8"
		Min. Fire Line Size (Inches/Dmtr)	12" - 18"	8" - 10"	8" - 12"	10" - 12"	8" - 10"	8" - 12"	8" - 10"	8" - 12"	10"-12"	6" (or alternate source)
		High Pressure Water Dependency	Required	Not Required	Not Required	Required	Not Required	Preferred	Not Required	Not Required	Required	Not Required
		Flow (Gallons per Day per Acre)	5,200	1,200	1,500	3,150	1,850	2,450	1,200	1,800[5]	50 - 200†	1,200
10	SEWER:	Min. Service Line Size (Inches/Dmtr)	12" - 18"	6" - 8"	8" - 10"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	6" - 10"	8"- 10"	4" - 6" (or on-site source)
		Flow (Gallons per Day per Acre)	4,700	1,000	2,000	2,600	1,700	2,000	1,000	1,500[5]	1,000‡	1,000
11	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Dmtr)	6"	4"	4"	4"	4"	6"	4"	4" - 6"	4"	N/A
		On Site	Competitive	Preferred	Competitive	Preferred	Competitive	Competitive	Preferred	Competitive	Preferred	Preferred
12	ELECTRICITY:	Minimum Service Demand	4 - 6 MW	1 - 2 MW	0.5 - 1 MW	2 - 6 MW	0.5 MW	2 - 6 MW	0.5 MW	0.5 - 1 MW	5 - 25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Preferred	Not Required	Preferred	Competitive	Not Required	Preferred	Required, could be on site	Not Required
		Redundancy Dependency	Preferred	Preferred	Preferred	Not Required	Not Required	Competitive	Not Required	Preferred	Required	Not Required
13	TELECOMMUNICATIONS:	Major Communications Dependency	Required	Required	Required	Preferred	Required	Required	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Required	Required	Required	Not Required	Not Required	Required	Preferred	Preferred	Required	Not Required
		Fiber Optic Dependency	Required	Required	Required	Preferred	Preferred	Required	Competitive	Preferred	Required	Not Required

	PROFILE	A	B	C	D	E	F	G	H	I	J
	CRITERIA	Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
14	**SPECIAL CONSIDERATIONS:**	Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.	[1]: Research & Development @ 80 ADTs per acre on the low end, estimated 200 ADTs per acre for general office on the high end. Location specific.	[2]: Range represents FAR 0.25 - 0.5 of office uses. Location to other cluster industries.	May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.	Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.	High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.	[3]: General warehousing rates	[4]: Based on discount warehouse @ 0.25 FAR. [5]: Dependent on use, i.e., brewery vs. restaurant. Location to cluster industries.	Larger sites may be needed. The 25 acre site requirement represents the more typical site. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.	Often established by municipalities and have symbiotic relationships with colleges and/or universities.

Terms:

More Critical ↑ Less Critical	**'Required'** factors are seen as mandatory in a vast majority of cases and have become industry standards.
	'Competitive' significantly increases marketability and is *highly recommended by Business Oregon*. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.
	'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.
	'Not Required' does not apply for this industry and/or criteria.
	'Avoid' factors act as deterrents to businesses in these industries because of negative impacts.

*Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.

**Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.

† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).

‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.

The 13 site requirements listed on the matrix provide a basis for establishing a profile of the physical and other site needs of the identified industry. The site requirements are intended to address the typical needs of each of the industry categories, and it is recognized that there will likely be unique or non-typical needs of a specific user that will need to be evaluated by on a case-by-case basis.

The following describes a few general requirements that apply to *all* industry type categories under consideration and then an overview of the 13 site requirements listed on the matrix.

General Requirements:

- The underlying zoning on the site must allow the use outright within the identified category. For example, no zone change, conditional use and/or similar land use review is necessary. Many jurisdictions typically require a design or development review which is acceptable, since the timeframe for obtaining such design-related approvals will be addressed in the State's rating system.
- The site under consideration must be located geographically within a UGB.
- The site is not located within a 100-year floodplain as mapped by FEMA, although sites with approved FEMA map amendments (e.g., LOMA & LOMR) are acceptable.
- The net contiguous developable area (NCDA) of the site not include hazardous contaminants as verified by a Level 1 Environmental Report, or a Level 2 Report that has received a No Further Action approval from DEQ; or existing wetlands or other natural features which are regulated at the State, Federal or local level; or federally endangered species.
- The NCDA does not contain any cultural or historical resources that have been identified for protection at the State, Federal or local level.
- The NCDA does not have mitigation plans that can be implemented in 180 days or less.

Site Requirements:

1. **Total Site Size:** The site size is taken to mean the size of the building footprint and includes buffers, setbacks, parking, mitigation, and expansion space.
2. **Competitive Slope:** Most industrial uses require relatively large building footprints that do not accommodate steps in floor slabs, and sloping topography will require extensive excavation and retaining systems that increase development cost over flat sites. The figures given are the preferred maximum average slope across the developable portion of the site, recognizing that sites with additional area outside the building, or developments with multiple building pads, generally will have lower slope earthwork costs than sites with limited space outside the building footprint.
3. **Trip Generation:** Sites are frequently limited by a jurisdiction to a specified total number of vehicle trips entering and exiting the site. This site requirement is an estimate of the minimum number of average daily trips per acre (based on the range of building coverage) that should be available for each of the industrial categories based on the Institute of Traffic Engineers (ITE) Manual-Ninth Edition. The following table lists the ITE codes used to estimate average trips for the industry profiles represented in the matrix.

4. **Miles to Interstate or Freight Route:** With few exceptions, access to major freeways or freight routes is critical for the movement of goods. This site requirement indicates the typical maximum range of distance, in miles, from the site to the freeway or highway access. The roadways/intersections between the site and freeway/highway must generally operate at a level of service 'D' or better in accordance with the Highway Capacity Manual methodologies and general engineering standards.
5. **Miles to Frequent Transit Service:** Businesses located walking distance (within one-quarter of a mile) to a bus stop that is serviced by a frequent bus line enjoy a competitive advantage over others that are more limited in transportation access options.[6]
6. **Railroad Access:** The need for access to railroad for the movement of goods within each industrial category is dependent upon individual users, so the site requirements are identified as either "Preferred," "Not Required," or "Avoid" in some cases where the presence of rail may actually be considered a deterrent to business.
7. **Proximity to Marine Port:** The need for access to a marine port for the movement of goods within each industrial category is dependent upon individual users.
8. **Proximity to International/Regional Airport:** The need for access to a regional airport for the movement of goods or business travel within each industrial category is dependent upon individual users.
9. **Availability of Water:** This requirement indicates the minimum sizes of domestic water and fire lines immediately available to the site. In certain rural cases, a comparable supply from an on-site water system (i.e., well or reservoir with available water rights) may be acceptable. In addition to lines sizes, preference for high-pressure water capabilities and average flow demand in gallons per day is specified for each industry type.
10. **Availability of Sanitary Sewer:** This requirement indicates the minimum size of public sanitary sewer service line immediately available to the site. In certain rural cases, an on-site subsurface system providing a comparable level of service may be acceptable. Sewer flow requirements were determined by calculating a percentage of the water flow for each industry type.
11. **Natural Gas:** This requirement indicates the minimum size natural gas line that is immediately available to the site. It is assumed that the pressure demand for all industry categories is 40-60 psi.
12. **Electricity:** This requirement indicates the minimum electrical demand readily available to each industry and where close proximity to a substation and redundancy dependency rank on the continuum of less critical to more critical. Estimated demand is based on review of existing usage from local utility providers, referencing industrial NAICS codes for the various profiles.
13. **Telecommunications:** This requirement indicates whether the availability of telecommunication systems are readily available, and where major commercial capacity, route diversity and fiber optic lines rank on the continuum of less critical to more critical. All sites are assumed to have a T-1 line readily available.

INDUSTRY PROFILES

The following provides supplemental information for the attached Industrial Development Profile Matrix. The preceding matrix identifies 10 industry type categories (labeled A-J on the matrix) and 13 "site needs" which will assist in evaluating selected sites using the criteria of a given industry type.

6 We have defined "frequent bus line" as one with service occurring in no longer than 15 minute intervals.

The industry categories have been established based primarily on OECDD information (including input from various state agencies). Due to the wide range and constantly evolving characteristics of uses, borderline and/or non-typical applications will likely arise and will be evaluated on a case-by-case basis. It should be noted that certain industry types might have unique requirements, such as proximity to an international airport, which may require an additional category. It should also be noted that the industry types represent the primary use of the industry, and exclude secondary/accessory uses (e.g., training facilities, etc.) at this

A: Food Processing

a) *Description:*
Generally, this category includes industries that manufacture or process foods and beverages for human or animal consumption. Although this category has similar siting characteristics as Other Manufacturing, the unique needs associated with food processing, such as high volume water and/or pressure demand, warrant this separate category. Broadly, there are two types of food processing categories:
(1) raw materials; and
(2) assembling.
Additionally, there is a packaging and warehousing component to these facilities.

b) *Representative Industry Types:*
- Production foods/goods (e.g., bakeries)
- Fruits and vegetables
- Breweries and wineries
- Dairy
- Bottling/beverages

c) *Representative Companies:*
- Ajinomoto (Portland)
- Beaverton Foods Inc. (Hillsboro)
- Cabroso (Medford)
- Rogue Creamery
- Hermiston Foods (Hermiston)
- Nancy's Yogurt (Eugene)
- Reser's Foods (Beaverton)
- Norpac (Salem and Stayton)
- Tillamook Dairy (Tillamook)
- Coca Cola bottling (statewide)
- Pepsi bottling (statewide)
- Full Sail Brewing (Hood River)
- Hood River Juice Company (Hood River)

B: Other Manufacturing

a) *Description:*
This category is intended to include industries that utilize relatively less intensive manufacturing processes, more assembly activities, and direct transfer to wholesale and domestic consumers. Typically, these facilities are freestanding, devoted to a single use, and emphasize manufacturing space over office space. Generally, these non-high tech industries may be located on individual sites or in business/industrial parks and have less effect on surrounding uses. This category also includes some industrial service uses that are engaged in serving other businesses, such as an industrial laundry facility.

b) *Representative Industry Types:*
- Electronic assembly support

- Wood products
- Automobile products
- Steel/metals
- Building materials fabrication and processing

c) Representative Companies:

- Warn Industries (Clackamas)
- JV Northwest (Canby)
- Hartung Glass (Wilsonville)
- Oregon Iron Works (Clackamas)
- Daimler Trucks North America (Portland)
- Maxim Integrated (Beaverton and Hillsboro)
- Oregon Steel Mills (Portland)

C: Wholesaling

a) Description:

The wholesale industry comprises companies involved in wholesaling merchandise and other goods such as mining, agriculture, manufacturing, and certain information industries. This industry typically represents an intermediate step in the production and distribution of goods and merchandise, as wholesalers generally sell goods intended for resale by a retailer. In some cases, users and customers may purchase these goods directly from a wholesaler with a retailer.

b) Representative Industry Types:

- Automobile and Other Motor Vehicle Merchant Wholesalers
- Furniture Merchant Wholesalers
- Office Equipment Merchant Wholesalers
- Hardware Merchant Wholesalers
- Farm and Garden Machinery and Equipment Merchant Wholesalers
- Sporting and Recreational Goods and Supplies Merchant Wholesalers

c) Representative Companies:

- Cascade Wholesale Hardware
- Costco Wholesale
- Pearlier Auto Wholesale

D: Retail

b) Description:

This industry contains businesses that sell merchandise, largely without any transformation of the good, with services largely being ancillary to the sale of said merchandise. The businesses usually receive goods from wholesalers, and typically do not transform the good before its final sale to the user or customer. There are sixty-nine subsectors of retail trade, some of which are reflected in the bulleted list below.

c) Representative Industry Types:

- Specialty food/grocery
- Coffee shops/cafes
- Theater/recreation/entertainment
- Brew pub/wine or bottle shops
- Full service local restaurants
- Food car pods
- Bookstores and boutiques
- Wellness and spa services
- Hotel & hospitality
- Niche manufacturing (bike, bakery, outdoor, etc.)

d) Representative Companies:

- New Seasons
- Dutch Bros. Coffee
- McMenamins Cornelius Pass Roadhouse
- P.F. Chang's
- Barnes & Noble
- Align Wellness Center
- Embassy Suites
- Orenco Station Cyclery

E: Incubator

a) Description:

This industry type is often established by local municipalities and has a symbiotic relationship with colleges and universities within the vicinity. Diogenensis defines business incubators as a "unique and highly flexible combination of business development processes, infrastructure and people designed to nurture new and small businesses by helping them to survive and grow through the difficult and vulnerable early stages of development."

b) Representative Industry Types:

- Not applicable for this industry type, as the incubators serve as cultivating space for a number of uses to grow in their nascent business stages.

c) Representative Examples:

- Launch Pad Baker City
- Microenterprise Investors Program of Oregon (Portland)
- BESThq (Beaverton)
- Forge Portland
- WeWork (Portland)

MEMORANDUM

To: Holly Kerns, Planning Director
Advisory Committee (Baker City)

From: Johnson Economics

Subject: Economic Opportunities Analysis, Cities of Baker County
Task 3: Inventory of Employment Lands

INTRODUCTION

This memo summarizes an interim step (Task 3) in the Economic Opportunities Analysis Project. The inventory of employment land provides a snapshot of the currently local capacity to accommodate more business and jobs. This current available land will be compared to the forecasted need for new land over the 20-year planning period.

Employment land includes land zoned for industrial, retail or other commercial use (i.e. office), and may also include mixed-use zoning that allows for employment uses. This inventory includes vacant parcels with the proper zoning, as well as "redevelopable" parcels. (The methodology used in this analysis is described in detail below.)

For planning purposes, this type of inventory is often called a Buildable Lands Inventory (BLI).

METHODOLOGY

The Buildable Lands Inventory (BLI) used in this analysis is based on tax account data from Baker County. The data was provided in Geographic Information Systems (GIS) compatible format, providing information on land use, parcel size and other relevant data categories on the taxlot level. Zoning information was also provided by the state.

The tax account data was used to identify vacant and redevelopable parcels in Baker City and its UGB. The identified candidate parcels were then further screened and refined by JOHNSON ECONOMICS.

In keeping with State requirements, the BLI includes an assessment of vacant buildable lands and redevelopable parcels. This analysis applied the "safe harbor" assumptions allowed under state rules to determine the infill potential of developed parcels (OAR 660-024-0050).

The Buildable Lands Inventory relied on the following data sources:

- Baker County Geographic Information System (GIS) data
- DLCD GIS data
- Google Earth
- Assessment of environmental constraints
- City staff input
- Advisory Committee input
- Site visits

Identification of Vacant Parcels

JOHNSON ECONOMICS used the most recent available tax account data from Baker County to identify which parcels were developed or undeveloped, and identify those existing uses. The County supplied taxlot data in GIS format. Johnson Economics applied the following steps to further refine the Buildable Lands Inventory:

1) From the County's "ownership" shapefile, isolate the taxlots within the boundary of the Baker County cities and their UGBs. The Accounts shapefile contains data on the individual property tax accounts associated with each taxlot in the county.

2) Using zoning layers provided by DLCD, isolate those taxlots that are located in appropriate employment zones, including industrial and commercial areas.

3) Through a combination of parsing individual taxlot data and aerial map surveying, develop preliminary list of qualified vacant parcels. For this preliminary analysis, all vacant lots were included regardless of size.

4) Using staff and advisory committee feedback, additional GIS data and surveying, and site visits, the vacant inventory will be further refined to remove anomalies or misidentified parcels. Determinations will be made on smaller parcels.

Identification of Redevelopable Parcels

In order to identify those developed parcels which might accommodate additional development, JOHNSON ECONOMICS applied the so-called "safe harbor" provisions of the Oregon Administrative Rules, which provide cities a systematic means to estimate the development capacity of larger parcels with a limited amount of existing development:

> **OAR 660-024-0050**
>
> **Land Inventory and Response to Deficiency**
>
> …
> (3) As safe harbors when inventorying land to accommodate industrial and other employment needs, a local government may assume that a lot of parcel is vacant if it is:
>
> (a) Equal to or larger than one-half acre, if the lot or parcel does not contain a permanent building; or
> (b) Equal to or larger than five acres, if less than one-half acre of the lot or parcel is occupied by a permanent building.
>
> Source: Oregon Administrative Rules, 660-024

Using GIS data, the above criteria were applied to the developed parcels in Baker County cities in order to identify those developed parcels which are prospective candidates for infill development or redevelopment.

The Buildable Lands Inventory of Employment Lands was prepared following the preceding steps by JOHNSON ECONOMICS LLC. The findings are presented below with additional discussion.

BUILDABLE LANDS INVENTORY – EMPLOYMENT LANDS

The methodology as described above finds an existing buildable employment lands inventory as follows for the following cities (Baker City is included in a separate memo):

1. Haines
2. Halfway
3. Huntington
4. Richland
5. Sumpter
6. Unity

1. HAINES

FIGURE 1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (HAINES)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial/Residential	6	1.1	0	0.0	6	1.1
Industrial/Residential	10	25.1	0	0.0	10	25.1
Totals:	***16***	***26.2***	***0***	***0.0***	***16***	***26.2***

Source: Baker County, State of Oregon, Johnson Economics LLC

The inventory identifies over 26 acres of vacant or potentially redevelopable land in both commercial and industrial zones. Roughly 4% of this land is in the Commercial/Residential zone, while the rest has Industrial/Residential zoning. 100% is identified as "vacant", and none in potential "redevelopment" sites.

The following figure presents the inventory broken down by the size of parcels.

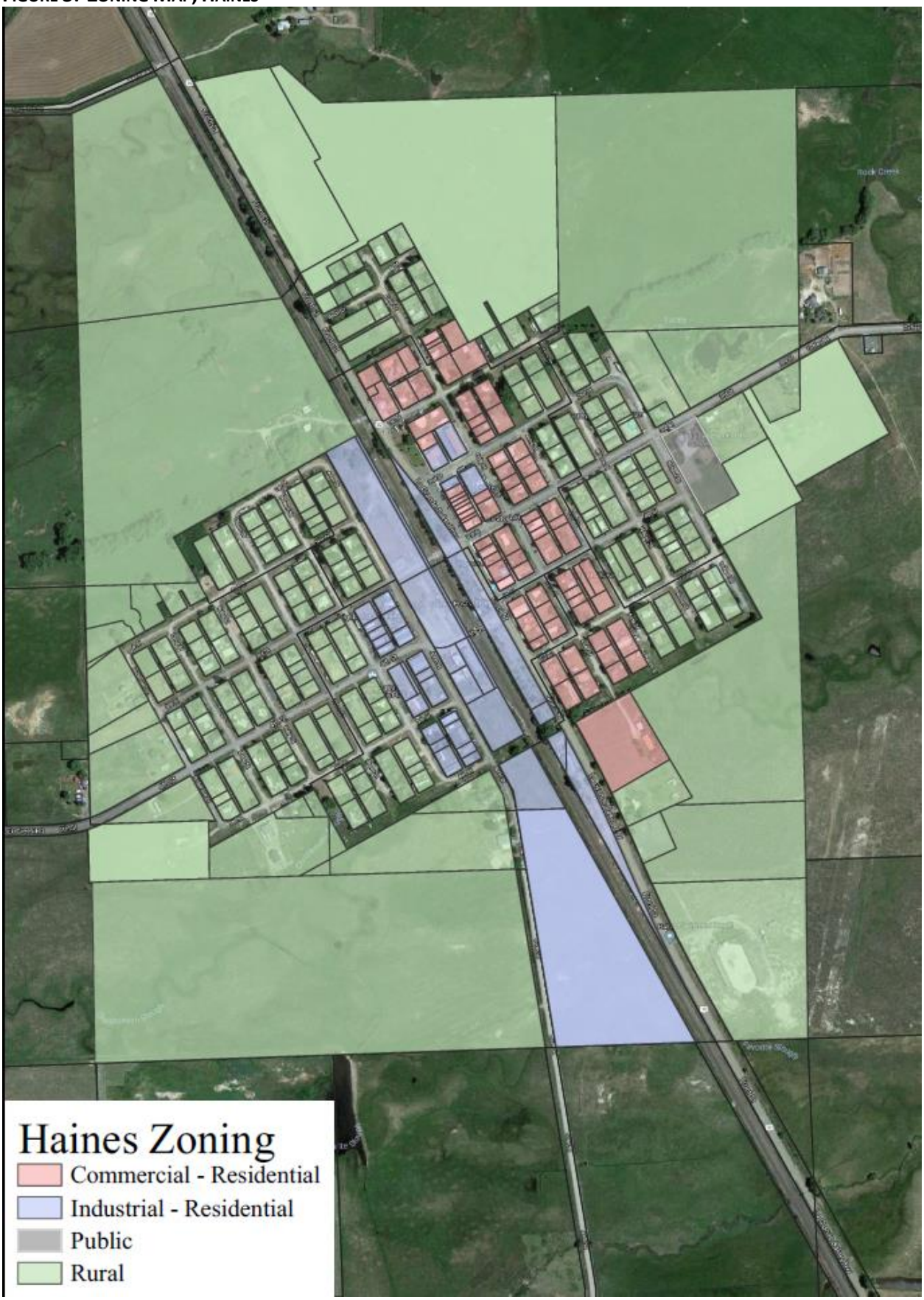
FIGURE 2: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (HAINES)

ZONE	0 TO .99 acres		1 to 4.99 acres		5+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial/Residential	6	1.1	0	0.0	0	0.0
Industrial/Residential	5	0.9	4	8.4	1	15.8
Totals:	***11***	***2.1***	***4***	***8.4***	***1***	***15.8***

Source: Baker County, State of Oregon, Johnson Economics LLC

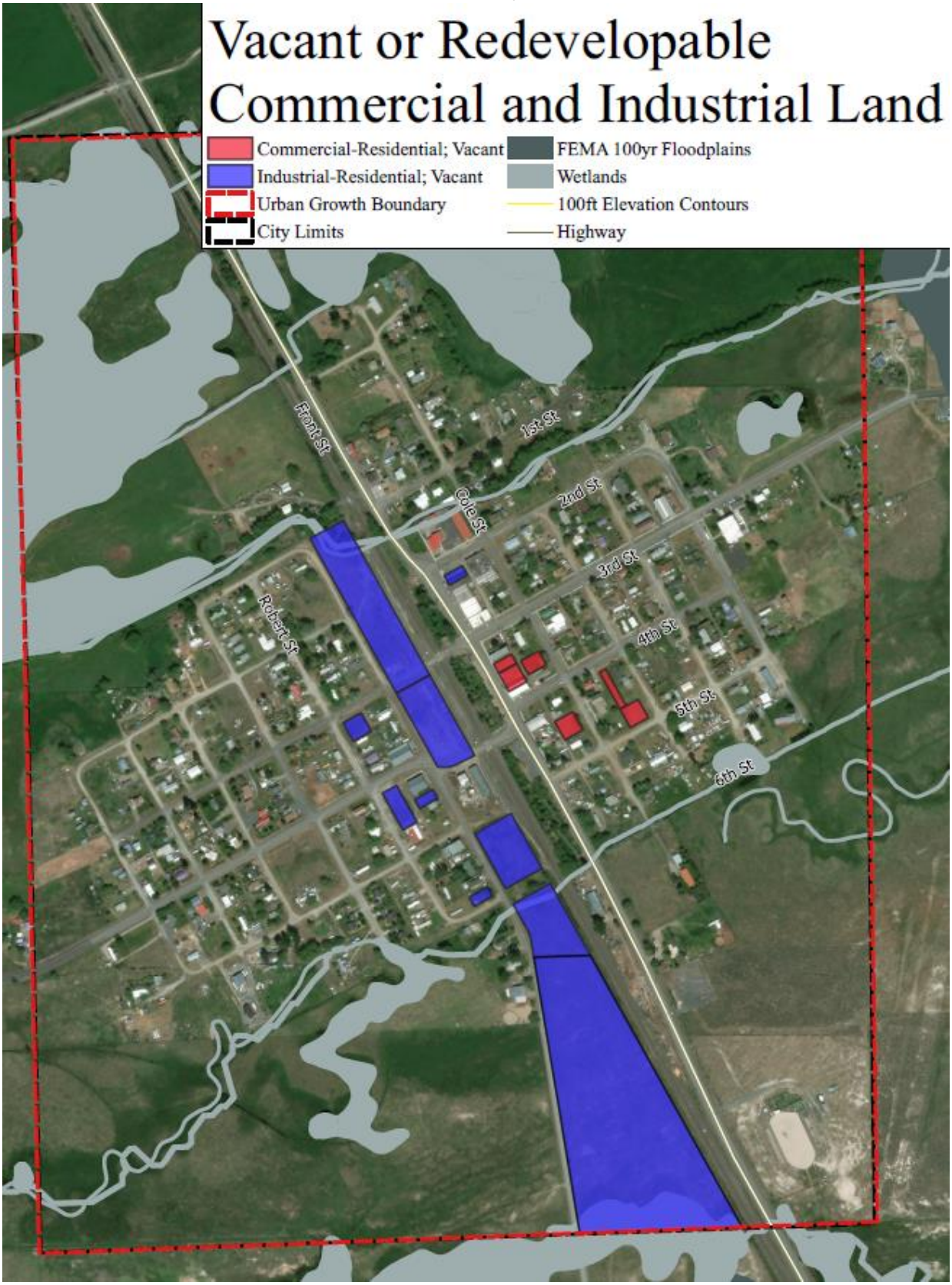
The following maps present the local zoning for reference (Figure 3), and the identified vacant and redevelopment parcels by category (Figure 4).

FIGURE 3: ZONING MAP, HAINES



Source: Baker County, DLCD, Johnson Economics LLC

FIGURE 4: BUILDABLE LAND INVENTORY – EMPLOYMENT LANDS, HAINES



Source: Baker County, DLCD, Johnson Economics LLC

2. HALFWAY

FIGURE 1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (HALFWAY)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	3	1.8	0	0.0	3	1.8
Totals:	***3***	***1.8***	***0***	***0.0***	***3***	***1.8***

Source: Baker County, State of Oregon, Johnson Economics LLC

The inventory identifies roughly 2 acres of vacant or potentially redevelopable land in the Commercial/Residential zone. 100% is identified as "vacant", and no potential "redevelopment" sites were identified.

The following figure presents the inventory broken down by the size of parcels, which are modest in size.

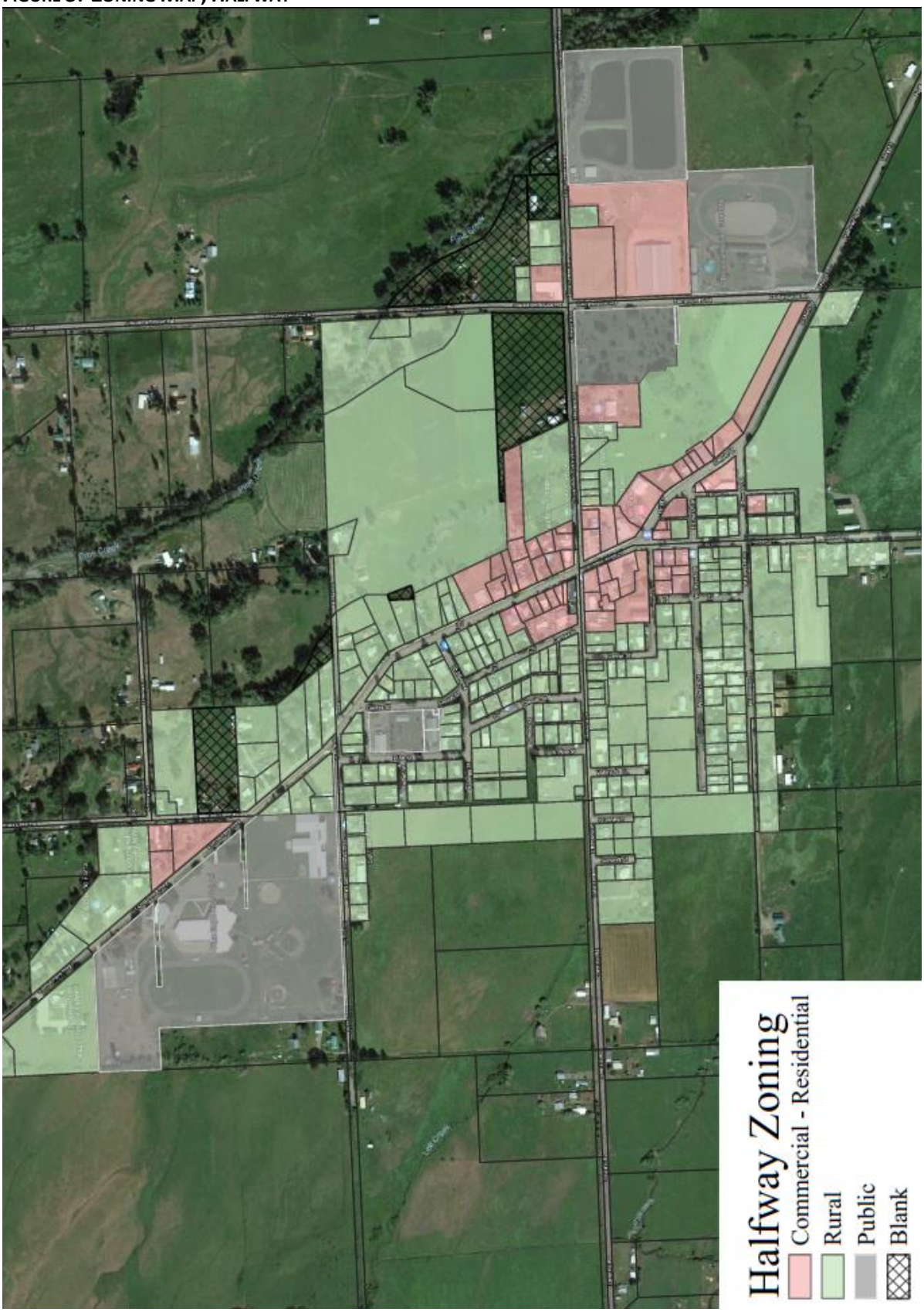
FIGURE 2: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (HALFWAY)

ZONE	0 to .99 acres		1 to 4.99 acres	
	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	2	0.5	1	1.3
Totals:	***2***	***0.5***	***1***	***1.3***

Source: Baker County, State of Oregon, Johnson Economics LLC

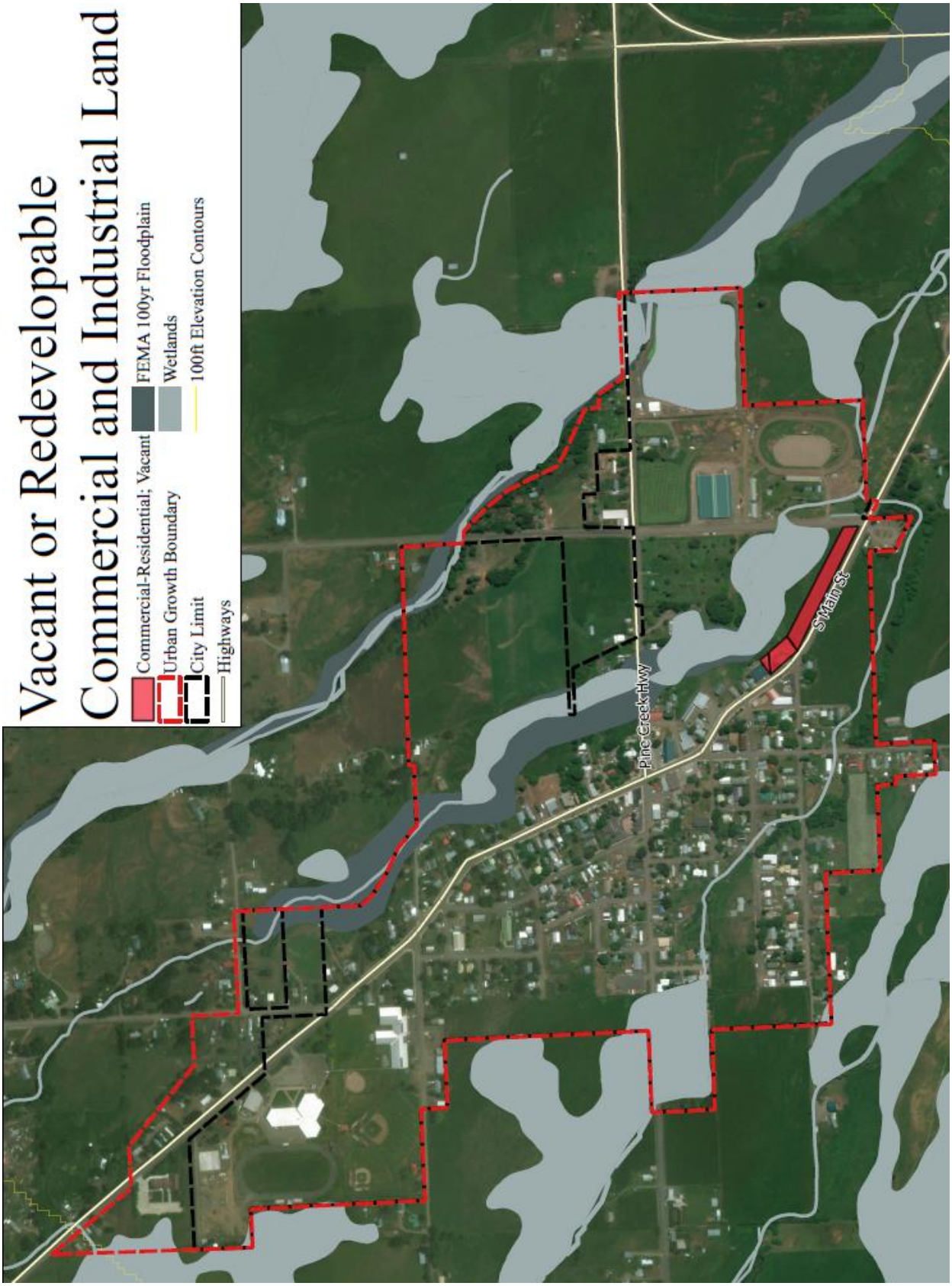
The following maps present the local zoning for reference (Figure 3), and the identified vacant and redevelopment parcels by category (Figure 4).

FIGURE 3: ZONING MAP, HALFWAY



Source: Baker County, DLCD, Johnson Economics LLC

FIGURE 4: BUILDABLE LAND INVENTORY – EMPLOYMENT LANDS, HALFWAY



Source: Baker County, DLCD, Johnson Economics LLC

3. HUNTINGTON

TOTAL BLI, INCLUDING FLOOD PLAIN:

FIGURE 1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (HUNTINGTON)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	5	0.6	0	0.0	5	0.6
Commercial - Industrial	3	62.2	2	39.3	5	101.5
Commercial - Residential	1	0.1	1	2.9	2	3.0
Totals:	***9***	***62.9***	***3***	***42.3***	***12***	***105.1***

Source: Baker County, State of Oregon, Johnson Economics LLC

Including properties located in the floodplain, the inventory identifies over 105 acres of vacant or potentially redevelopable land in both commercial and industrial zones. Over 96% of this acreage is located in the Commercial-Industrial zone. 60% is identified as "vacant", and 40% in potential "redevelopment" sites.

The following figure presents the inventory broken down by the size of parcels, *including those located in the 100-year floodplain.*

FIGURE 2: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (HUNTINGTON)

ZONE	0 to .99 acres		1 to 10 acers		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	5	0.6	0	0.0	0	0.0	0	0.0
Commercial - Industrial	0	0.0	0	0.0	2	28.4	3	73.1
Commercial - Residential	1	0.1	0	0.0	1	2.9	0	0.0
Totals:	***6***	***0.7***	***0***	***0.0***	***3***	***31.4***	***3***	***73.1***

Source: Baker County, State of Oregon, Johnson Economics LLC

BLI, EXCLUDING FLOOD PLAIN:

The inventory of vacant lands in Huntington includes three large industrial parcels on the north side of the river that are located within the 100-year floodplain. These parcels may or may not be excluded from the buildable land inventory at the community's discretion. Through this process the viability of development on these sites will be determined.

The following tables summarize the Buildable Lands Inventory with these floodplain parcels removed.

FIGURE 3: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (HUNTINGTON)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	0	0.0	0	0.0	0	0.0
Commercial - Industrial	2	22.8	1	9.6	3	32.5
Commercial - Residential	1	0.1	1	2.9	2	3.0
Totals:	***3***	***22.9***	***2***	***12.6***	***5***	***35.5***

Source: Baker County, State of Oregon, Johnson Economics LLC

When properties in the floodplain are removed, the inventory identifies over 35 acres of vacant or potentially redevelopable land in both commercial and industrial zones. The industrial acreage is reduced from 101 acres to 31 acres.

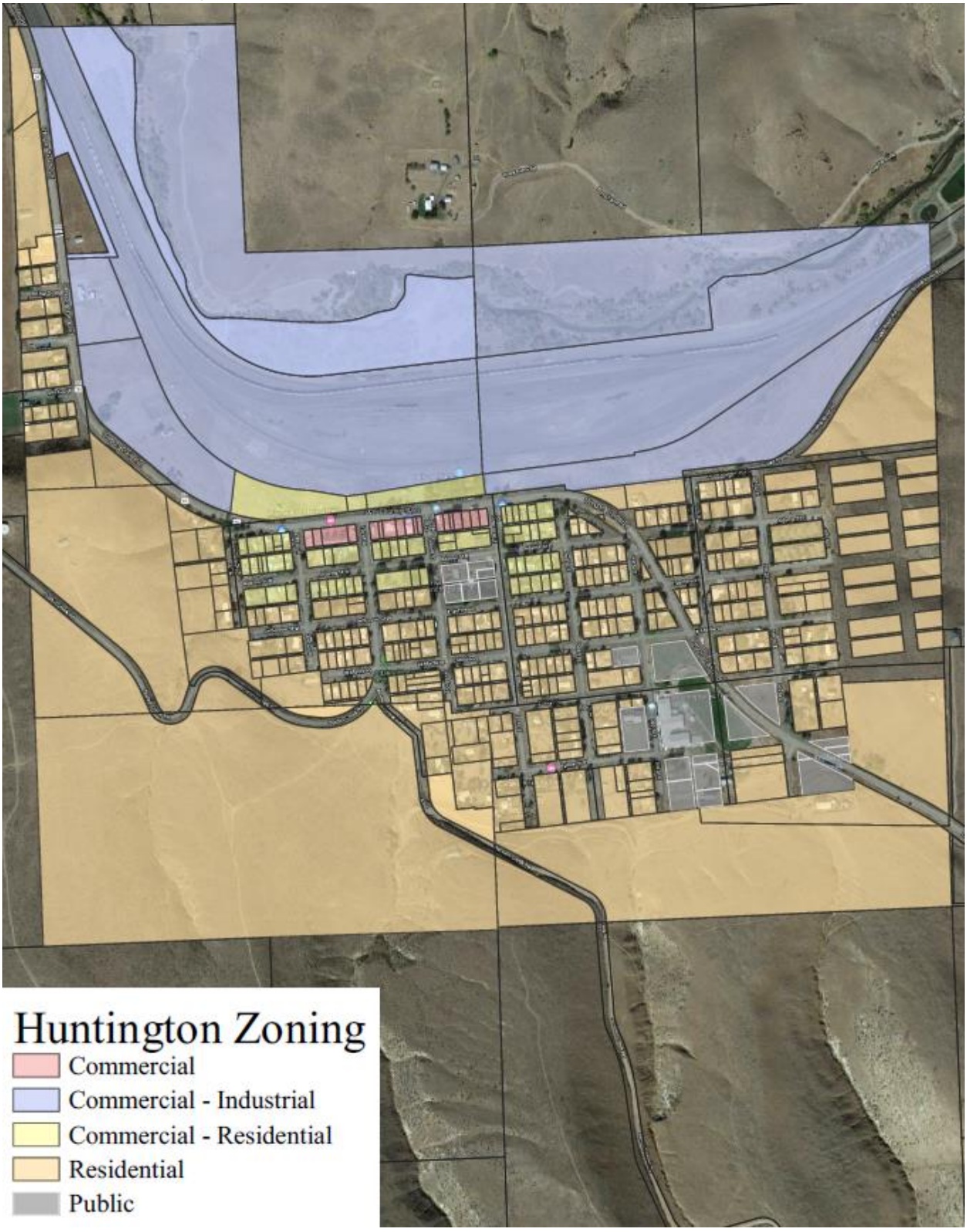
FIGURE 4: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (HUNTINGTON)

ZONE	0 to .99 acres		1 to 10 acers		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	0	0.0	0	0.0	0	0.0	0	0.0
Commercial - Industrial	0	0.0	2	11.1	0	0.0	1	21.4
Commercial - Residential	1	0.1	1	2.9	0	0.0	0	0.0
Totals:	***1***	***0.1***	***3***	***14.1***	***0***	***0.0***	***1***	***21.4***

Source: Baker County, State of Oregon, Johnson Economics LLC

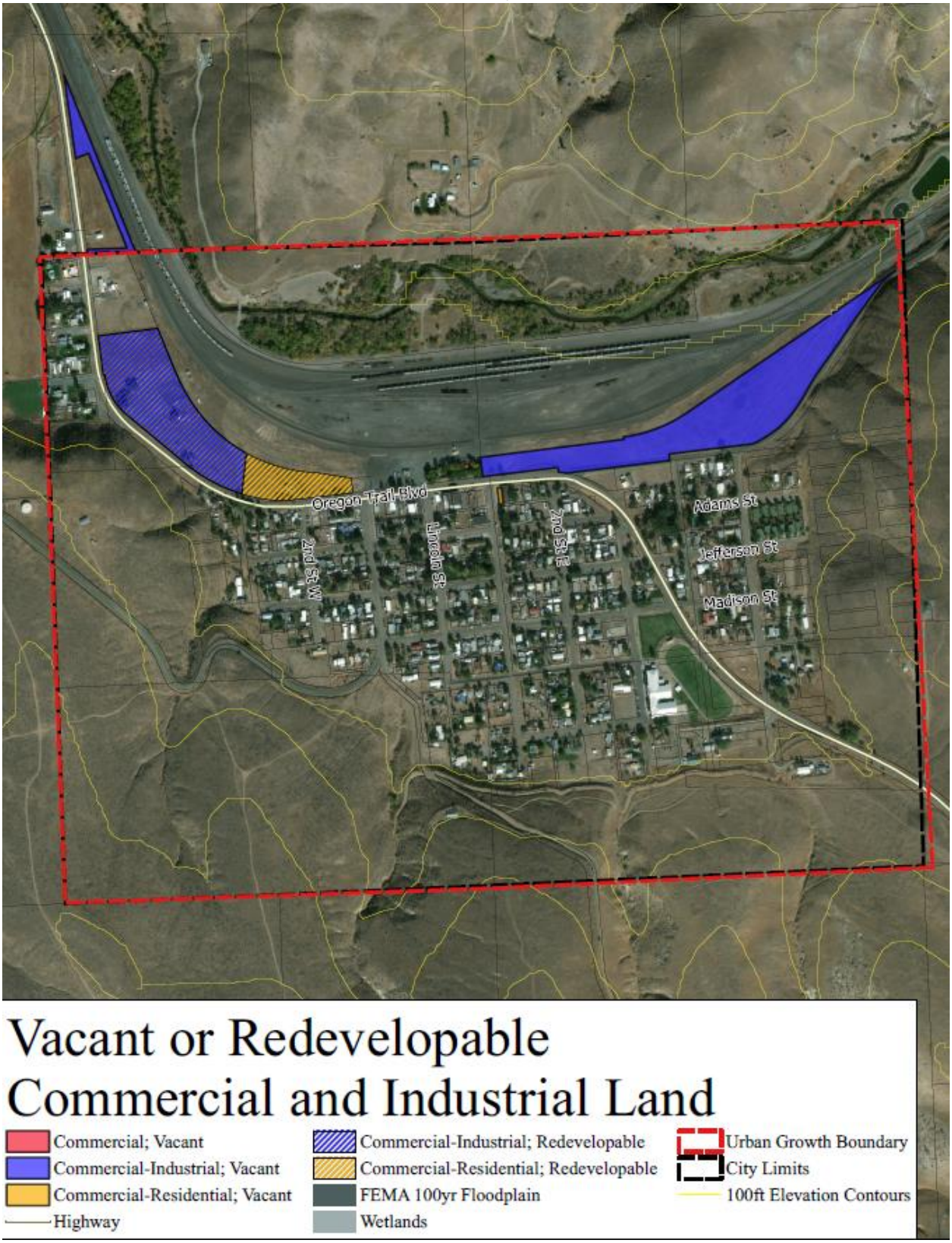
The following maps present the local zoning for reference (Figure 5), and the identified vacant and redevelopment parcels by category (Figure 6).

FIGURE 5: ZONING MAP, HUNTINGTON



Source: Baker County, DLCD, Johnson Economics LLC

FIGURE 6: BUILDABLE LAND INVENTORY – EMPLOYMENT LANDS, HUNTINGTON



Source: Baker County, DLCD, Johnson Economics LLC

4. RICHLAND

TOTAL BLI, INCLUDING FLOOD PLAIN:

FIGURE 1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (RICHLAND)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	12	7.5	0	0.0	12	7.5
Commercial - Residential - Apartments	1	1.3	0	0.0	1	1.3
Totals:	***13***	***8.8***	***0***	***0.0***	***13***	***8.8***

Source: Baker County, State of Oregon, Johnson Economics LLC

The inventory identifies nearly 9 acres of vacant land in both commercial zones. Most of this land is in the Commercial-Residential zone, while one parcel has Commercial-Residential-Apartments zoning. 100% of the acreage is identified as "vacant", and 0% in potential "redevelopment" sites.

The following figure presents the inventory broken down by the size of parcels. Most parcels are under one acre, while three are larger.

FIGURE 2: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (RICHLAND)

ZONE	0 to .99 acres		1 to 4.99 acres	
	# of Parcels	Acreage	# of Parcels	Acreage
Commercial - Residential	10	2.0	2	5.5
Commercial - Residential - Apartments	0	0.0	1	1.3
Totals:	***10***	***2.0***	***3***	***6.8***

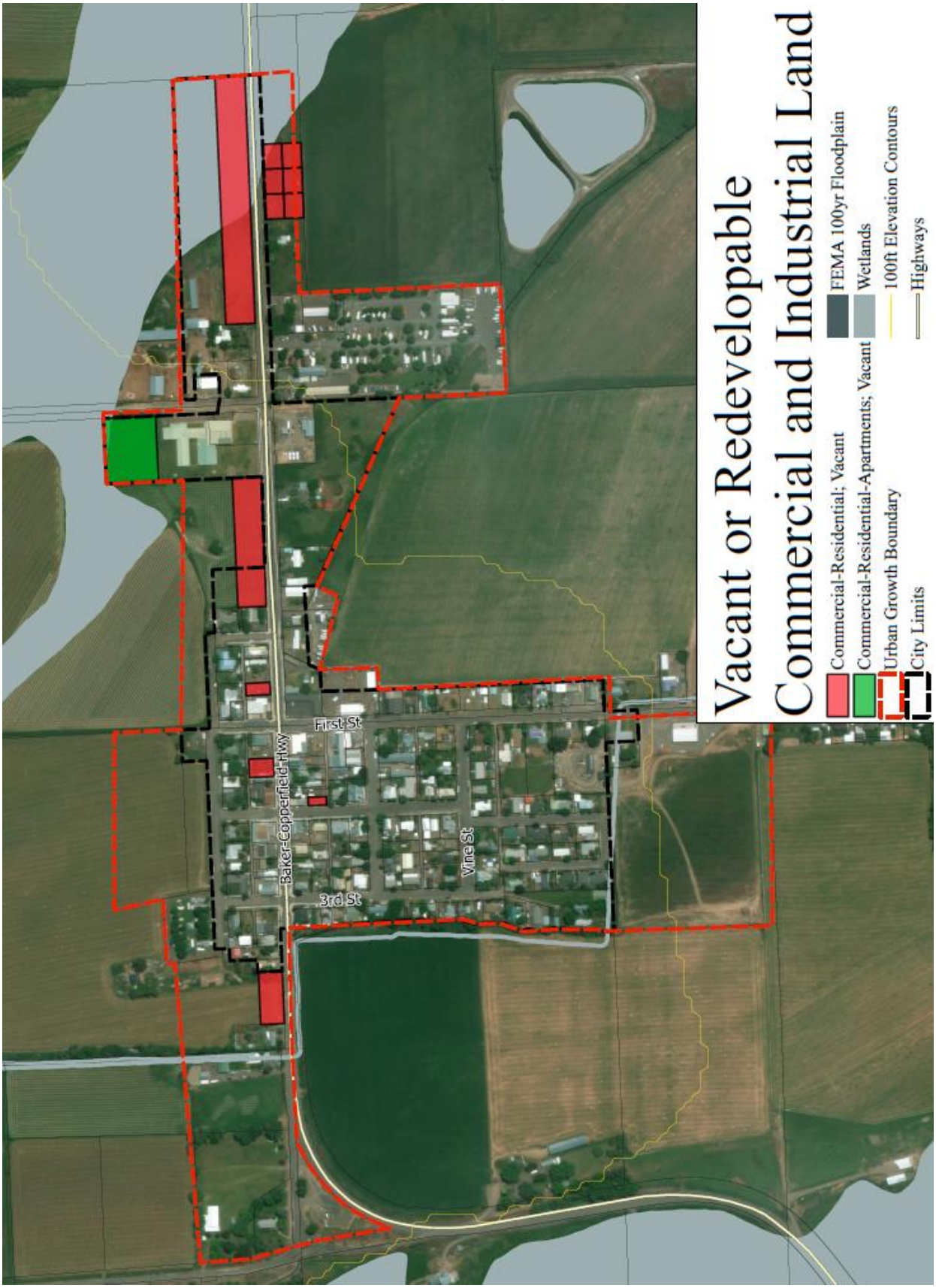
Source: Baker County, State of Oregon, Johnson Economics LLC

The following maps present the local zoning for reference (Figure 3), and the identified vacant and redevelopment parcels by category (Figure 4).

FIGURE 3: ZONING MAP, RICHLAND

Source: Baker County, DLCD, Johnson Economics LLC

FIGURE 4: BUILDABLE LAND INVENTORY – EMPLOYMENT LANDS, RICHLAND



Source: Baker County, DLCD, Johnson Economics LLC

5. SUMPTER

TOTAL BLI, INCLUDING FLOOD PLAIN:

FIGURE 1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (SUMPTER)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial Residential	42	6.6	0	0.0	42	6.6
Industrial Residential	57	45.4	2	38.0	59	83.3
Totals:	***99***	***52.0***	***2***	***38.0***	***101***	***89.9***

Source: Baker County, State of Oregon, Johnson Economics LLC

Including properties located in the floodplain, the inventory identifies 90 acres of vacant or potentially redevelopable land in both commercial and industrial zones. 93% of this acreage is located in the Commercial-Residential zone. 58% is identified as "vacant", and 40% in potential "redevelopment" sites.

The following figure presents the inventory broken down by the size of parcels, *including those located in the 100-year floodplain.*

FIGURE 2: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (SUMPTER)

ZONE	0 to .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial Residential	42	6.6	0	0.0	0	0.0	0	0.0	0	0.0
Industrial Residential	49	12.9	6	12.5	2	13.2	1	14.7	1	30.1
Totals:	***91***	***19.5***	***6***	***12.5***	***2***	***13.2***	***1***	***14.7***	***1***	***30.1***

Source: Baker County, State of Oregon, Johnson Economics LLC

BLI, EXCLUDING FLOOD PLAIN & SLOPES:

The inventory of vacant lands in Sumpter includes many smaller parcels located within the 100-year floodplain. These parcels may or may not be excluded from the buildable land inventory at the community's discretion. Through this process the viability of development on these sites will be determined.

The parcels located in the **floodplain** are generally at the north end of the city under Industrial Residential zoning. They are small and appear to be subdivided for residential use, rather than industrial use.

In addition, there are three large parcels located on the western boundary of the city, on the west side of the Cracker Creek wetlands that have been identified as mostly vacant or redevelopable based on

their industrial zoning. However, these sites are constrained by **steep slopes**, and have also been removed from the following tally>

The following tables summarize the Buildable Lands Inventory with these floodplain parcels and slope-constrained parcels removed.

FIGURE 3: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (SUMPTER)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial Residential	42	6.6	0	0.0	42	6.6
Industrial Residential	5	11.5	1	7.9	6	19.4
Totals:	***47***	***18.1***	***1***	***7.9***	***48***	***26.0***

Source: Baker County, State of Oregon, Johnson Economics LLC

When properties in the floodplain and with steep slopes are removed, the inventory is reduced from 101 parcels to 48 parcels.

The inventory identifies 26 acres of vacant or potentially redevelopable land in both commercial and industrial zones. The industrial acreage is reduced from 83 acres to 19 acres.

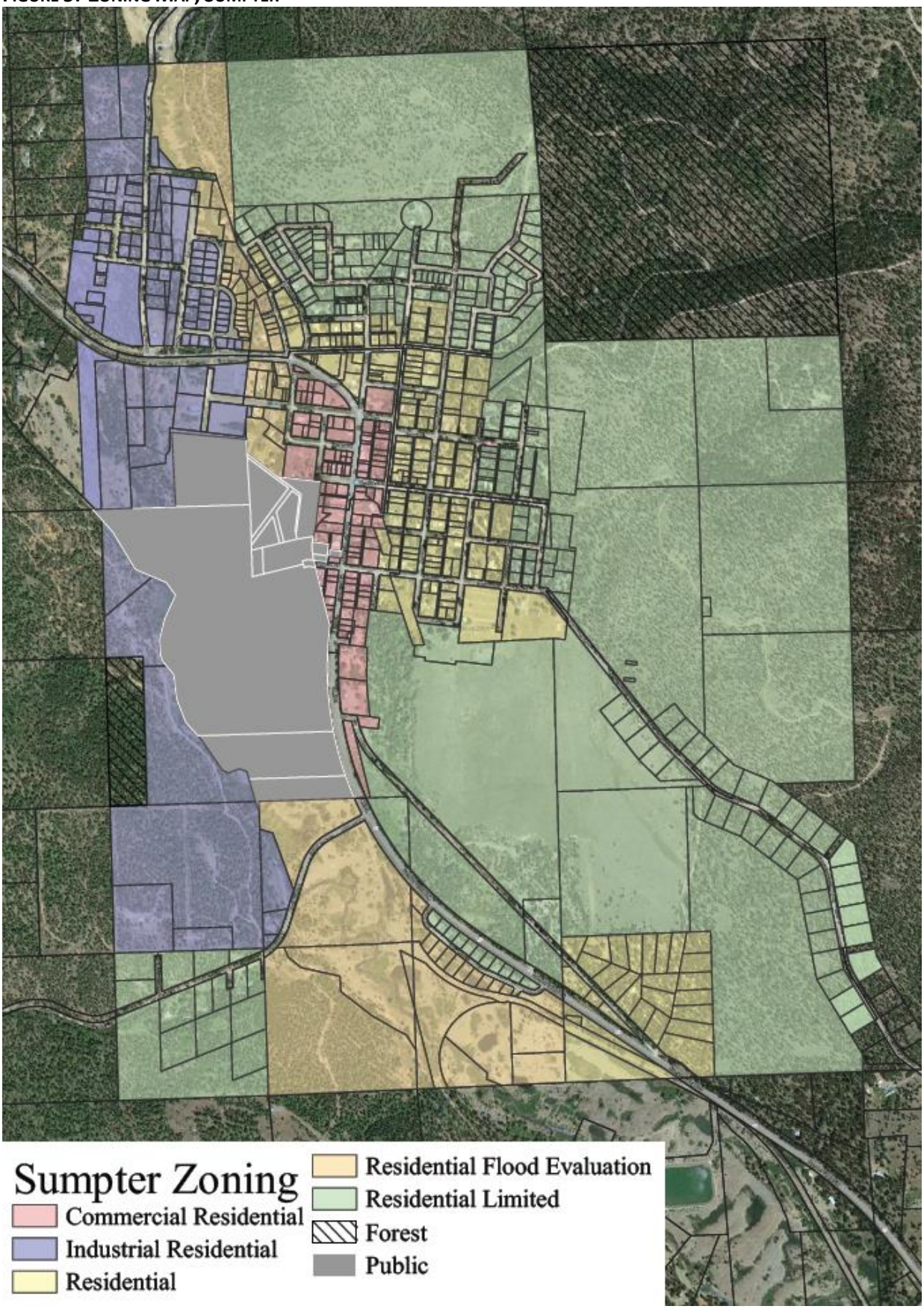
FIGURE 4: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (SUMPTER)

ZONE	0 to .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial Residential	42	6.6	0	0	0	0	0	0	0	0
Industrial Residential	0	0	4	6.2	2	13.2	0	0	0	0
Totals:	***42***	***6.6***	***4***	***6.2***	***2***	***13.2***	***0***	***0.0***	***0***	***0.0***

Source: Baker County, State of Oregon, Johnson Economics LLC

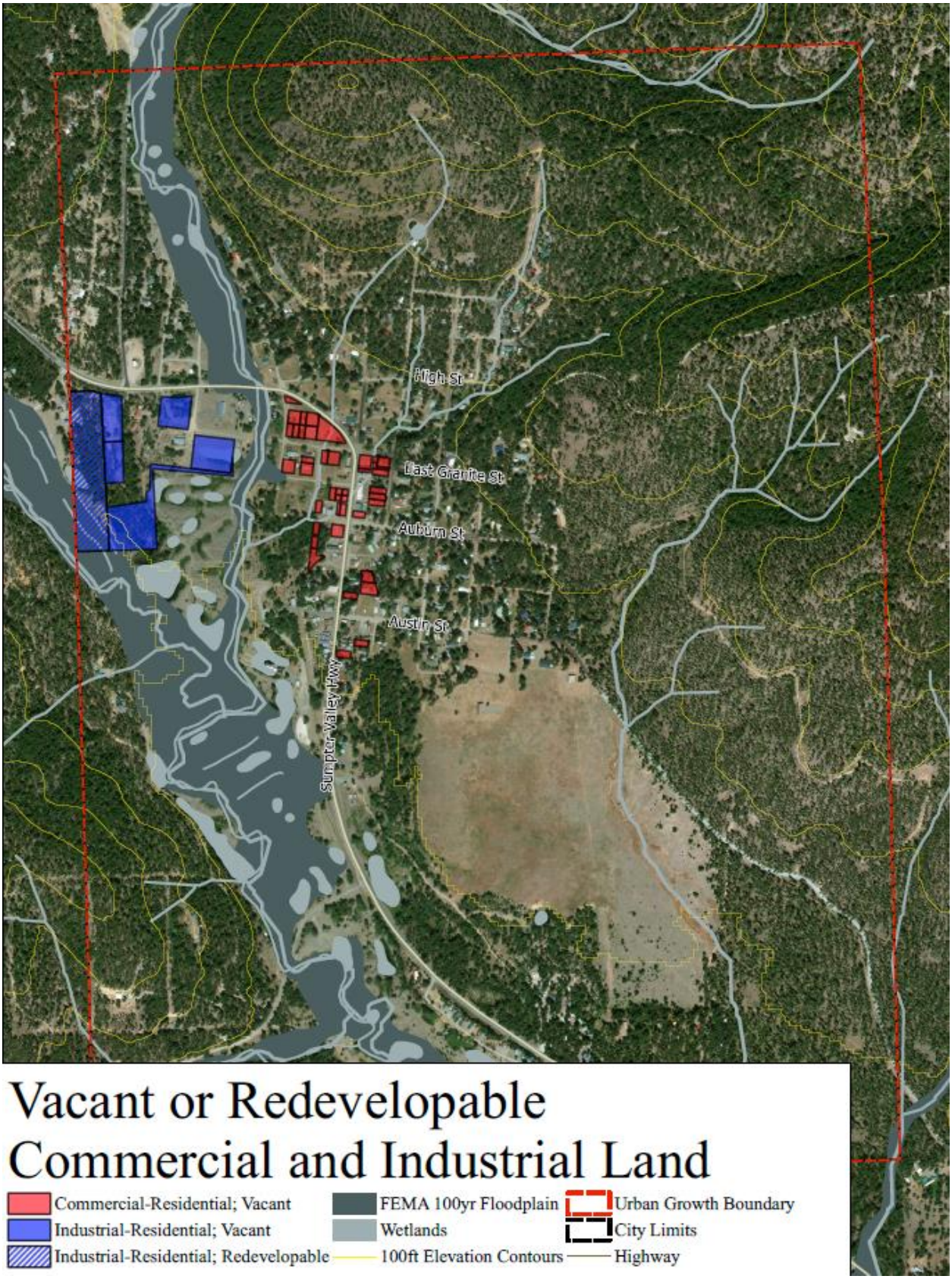
The following maps present the local zoning for reference (Figure 5), and the identified vacant and redevelopment parcels by category (Figure 6).

FIGURE 5: ZONING MAP, SUMPTER



Source: Baker County, DLCD, Johnson Economics LLC

FIGURE 6: BUILDABLE LAND INVENTORY – EMPLOYMENT LANDS, SUMPTER



Source: Baker County, DLCD, Johnson Economics LLC

6. UNITY

FIGURE 1: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (UNITY)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Rural Community	6	18.8	0	0.0	6	18.8
Industrial	0	0.0	1	304.2	1	304.2
Totals:	***6***	***18.8***	***1***	***304.2***	***7***	***323.0***

Source: Baker County, State of Oregon, Johnson Economics LLC

The inventory identifies roughly 19 acres of vacant or potentially redevelopable land in the Rural Community zone. 100% is identified as "vacant", and no potential "redevelopment" sites were identified.

The following figure presents the inventory broken down by the size of parcels.

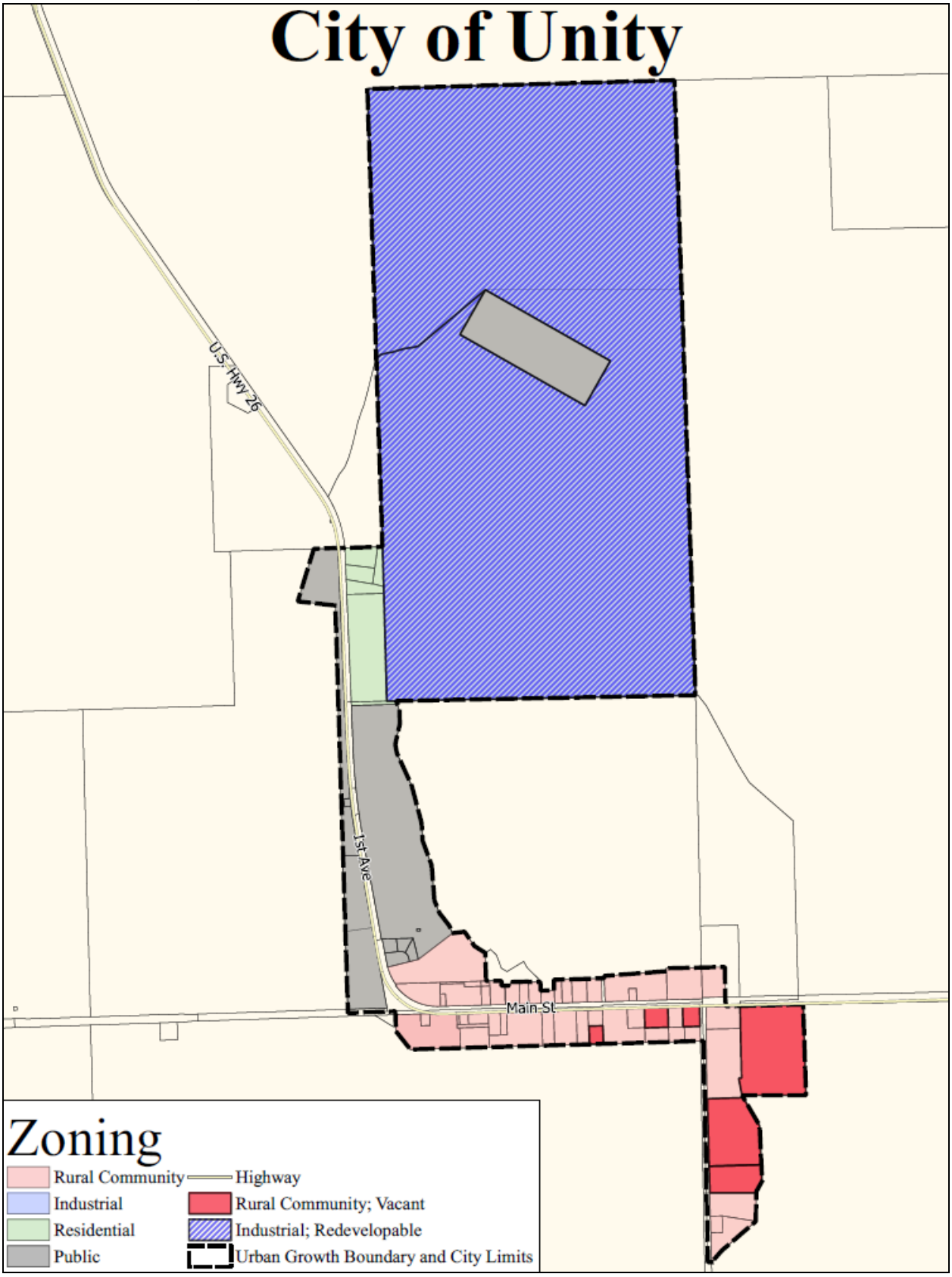
FIGURE 2: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (UNITY)

ZONE	0 to .99 acres		1 to 10 acers		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Rural Community	3	1.8	1	2.3	2	14.6	0	0.0
Industrial	0	0.0	0	0.0	0	0.0	1	304.2
Totals:	***3***	***1.8***	***1***	***2.3***	***2***	***14.6***	***1***	***304.2***

Source: Baker County, State of Oregon, Johnson Economics LLC

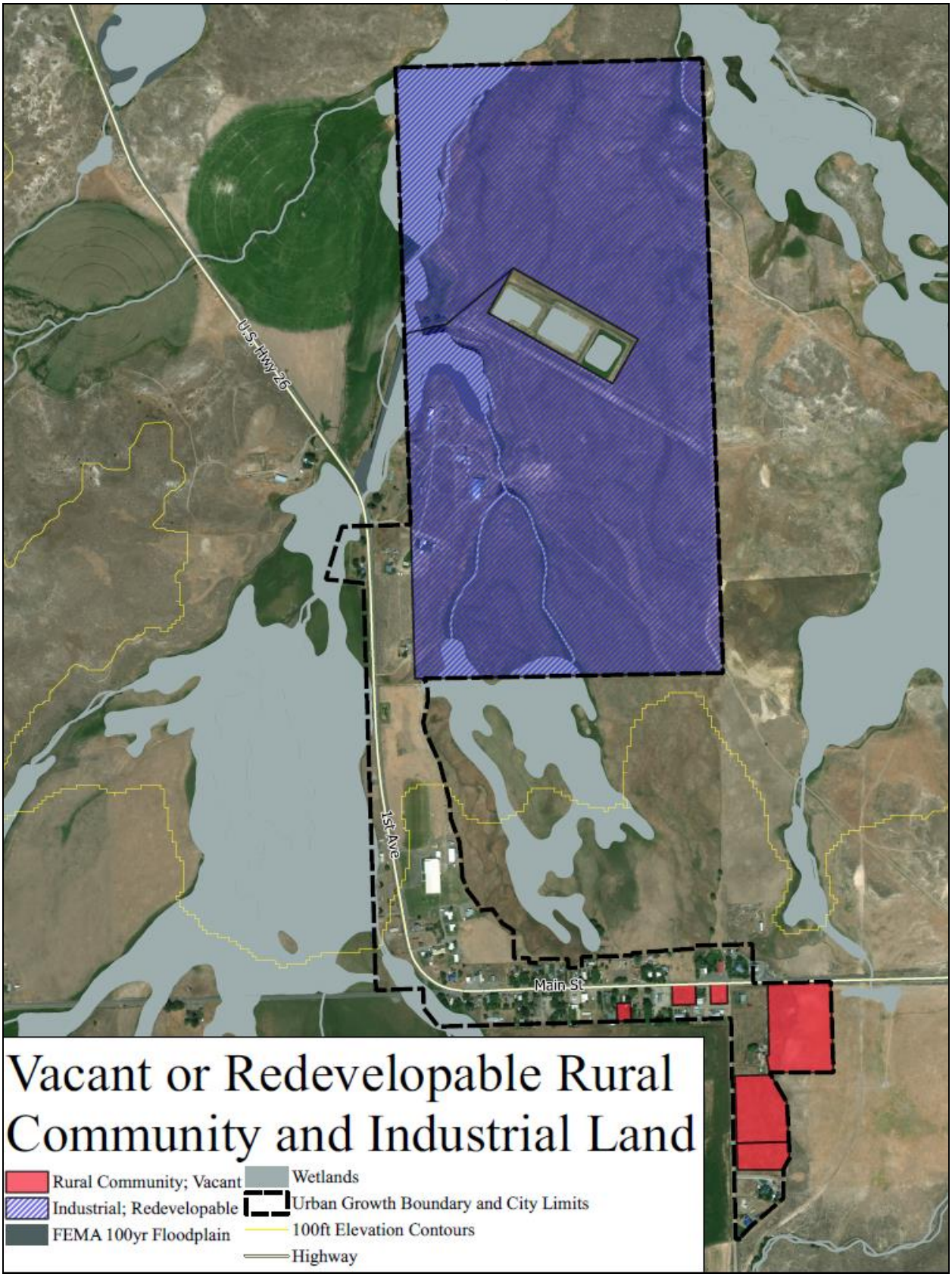
The following maps present the local zoning for reference (Figure 3), and the identified vacant and redevelopment parcels by category (Figure 4).

FIGURE 3: ZONING MAP, UNITY



Source: Baker County, DLCD, Johnson Economics LLC

FIGURE 4: BUILDABLE LAND INVENTORY – EMPLOYMENT LANDS, UNITY



Source: Baker County, DLCD, Johnson Economics LLC