

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

Goal 9: Economic Development and Employment Lands Assessment for the City of Heppner and Willow Creek Valley



*For: Morrow County & City of
Heppner*

*From: Points Consulting & Nexus
Planning Services*

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1. Executive Summary & Report Introduction

The City of Heppner is one of the three main municipals that make up the Willow Creek Valley (WCV) region. While Points Consulting (PC) conducted this Goal 9 study for the entire WCV, each community also has its own unique assets and aims related to economic development. For example, the City of Heppner is in the works to develop a local business incubator for current small businesses and entrepreneurs, which will provide training workshops and networking opportunities. The incubator will also include a public commercial kitchen. To highlight such distinctions and personalize our findings, PC has narrowed the original report into three separate versions, one for each community, detailing each's economic role in the area where data allows. Overall, the City of Heppner and WCV communities as a whole have a strong sense of place, offering a high quality of life for those interested in a quiet, rural lifestyle while still living in close proximity to the amenities of larger cities to the north, such as Boardman, Hermiston and Pendleton.

As of 2020, according to the Oregon Secretary of State, there are 231 registered business entities in Heppner but only 65 are recognized employer businesses. The City has an average of 332 non-farm staff (within the community's UGBs), who are earning an average take-home pay of \$41,500. An estimated 76% of working residents out-commute to other surrounding communities. The primary industries in Heppner include Professional & Technical Services, Public Administration, Real Estate, and Construction. Most of the workforce are individuals who between the ages of 30 to 54 years old, while one in every six workers in the WCV are under the age of 30.

The consulting team conducted several employment forecasts for the WCV. The first according to DLCDC's recommended "safe harbor" method, and the second a custom forecast based on Points Consulting's econometric expertise. Both estimates are based on the assumption that there will be no changes to the City limits and Urban Growth Boundaries (UGB's) in the next 20-years. The safe harbor method forecasts net growth of 64 jobs over the next 20-years. PC's forecast proports a more conservative estimate at a loss of 5 jobs.

One of the key aspects of Goal 9 studies is to measure lands in commercial and industrial employment zoning districts according to the following three categories:

- Developed: properties which includes a viable permeant structure
- Vacant: properties with little to no improvement value beyond the property itself
- Redevelopable: properties with limited improvement value which could be repurposes for higher use to accommodate employment.

Through analysis of past employment trends, review of community and economic development plans, and discussions with community members, the project team forecasts a need for several larger industrial parcels (30+ acres) to accommodate industrial economic development opportunities in Heppner over the next 20 years.

Analysis of tax lot and GIS data clearly show that the vast majority of employment lands in the WCV are already developed. There are roughly 1 acre of vacant employment lands, and 50



acres of redevelopable lands in Heppner. The majority of redevelopable acres of the WCV are within two lots in Lexington and one in Heppner, rather than being distributed across a variety of possible options for the real estate market to absorb.

In summary, it is clear that the WCV has an insufficient amount of both medium and larger sized industrial and commercial zoned lots. Given that Lexington and Lone are largely “bedroom communities” rather than employment centers, Heppner is the ideal location for several 30+ acre sized lots zoned for industrial (or industrial/commercial use).

Report Introduction

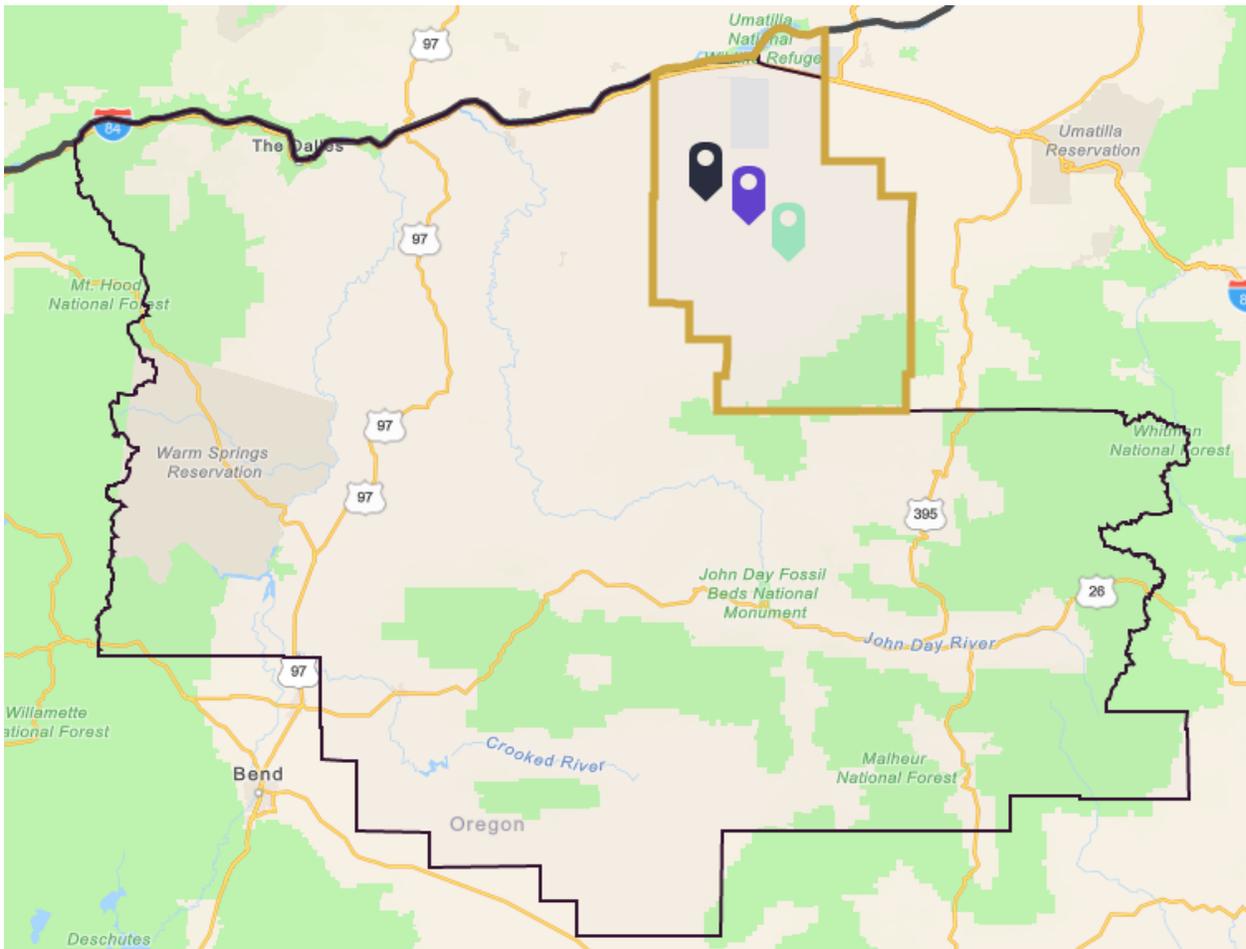
The Morrow County Planning Department, in partnership with the cities of Heppner, Lone, and Lexington, hired Points Consulting (PC) and Nexus Planning Services (NPS) to develop an Economic Development and Employment Land Assessment for the Willow Creek Valley (WCV) area in South Morrow County. The combined efforts of this project are intended to fulfill the Department of Land Conservation and Development's (DLCD) Goal 9 requirement that cities have an inventory of employment lands available to realize economic growth opportunities. While maintaining the broader findings applicable to the entire WCV region, PC revised this version of the original report to highlight impacts and opportunities specific to the City of Heppner.

At one time, the WCV region was humming with economic activity stemming from agriculture and timber production. In the last 20 years, however, the communities of Heppner, Lone and Lexington have been relatively stagnant, and have not received much attention from real estate developers or business investors. In response, the Willow Creek Valley Economic Development Group (WCVED) have in recent years supplied incentives and assistance to homeowners to renovate their homes in individual cities, such as Lone, and are in the works of providing water and sewer updates for all residents. As population growth extends south of I-84 from the communities of Pendleton and Boardman, the demand for various types of real estate is also expanding. It is prudent for Morrow County to plan for future demand and the growth of the business and economic landscape within the WCV area as the market matures.

PC and NPS conducted in-depth qualitative and quantitative research in the final several months of 2022 into 2023 including individual on-site visits to each community, analysis of multiple socioeconomic variables, and a detailed view of zoning and assessment reports. This report is organized by topics as follows:

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

Figure 1: Regions of Analysis



Source: ESRI BA, 2022

Figure 1 outlines the regions of analysis used in this report. The data presented in this report should be considered part of an inductive, rather than deductive, process. In other words, we circle around the topics of commercial and industrial land use using a variety of lenses, with the awareness that many of the data points are imperfect. Within Figure 1, the pins represent the three cities of the WCV. The green pin represents the City of Heppner (the focus of this report), the black pin the City of Lone, and the purple pin the City of Lexington. The actual data on these cities are limited, both due to the amount of information published and the frequency of updates. Hence, we also use broader geographic areas for analysis. The region with the gold outline is Morrow County and the larger region with the black outline is The Dalles City Public Use Microdata Area (PUMA). PUMAs are statistical geographical areas of no fewer than 100,000 people each identified by the US Census Bureau.¹ The teams chose to include the data found in the Public Use Microdata Sample files, since they provide greater

¹ Public Use Microdata Areas (PUMAs), US Census Bureau.

<https://www.census.gov/programs-surveys/geography/guidance/geo-areas/pumas.html>

demographic detail and are not available in the Census' pre-tabulated American Community Survey.

Expectations of Data Accuracy

Geographic areas as small as the WCV and its constituent cities are prone to challenges in data accuracy and forecasting. Any users of public data should be aware of the challenges and methodological limitations of demographers and statisticians working on such processes. It is easy to fall into a mindset of wondering why the numbers are "wrong," but those expectations need to be reset. Statisticians are not simply tallying up values from a perfect and esoteric spreadsheet. They are modeling an array of data sources, tabulating untold different metrics, across inconsistent geographies, using diverse methods, and non-consistent time periods. Not only that but the amount of data points that they have to work with in neighboring big municipalities outweighs the amount of data for small municipalities by a ratio of about five to one. Hence, some margin of error should not only be tolerated, but expected.

That said, inaccuracies can exist which could arise from a multitude of reasons: sample size issues, geographic boundary issues, and aggregation issues, to name a few. On this topic, PC reviewed the memo from PSU's Population Research Center (dated June 2022),² which we find to be statistically sound, reasonable, and transparent. Part of PSU's process includes collecting local tacit knowledge and trends that are not observable from federal and state sources. For that reason, it is worth local leaders' efforts to interject their perspectives and local knowledge into this process, particularly when those perspectives can be backed up with well-structured data points that can be incorporated into the models. Our team is fully prepared to integrate any newly published data by PSU throughout the study, including the data set to be disclosed in early 2023.

In this report PC provides the full gamut of population and socioeconomic estimates, from a range of geographic areas. We do not expect these data to be perfect, nor do we anticipate altering each and every one. Our main goal is to accurately estimate current industrial and commercial land usage and forecast demand in future years, and we will ensure those inputs and assumptions are as accurate as possible. Many of the statistics presented in this report are for regional context and inference but are not serving as direct inputs into that model.

² Population Research Center, Portland State University, "Methods and Data for Developing Coordinated Population Forecasts,"

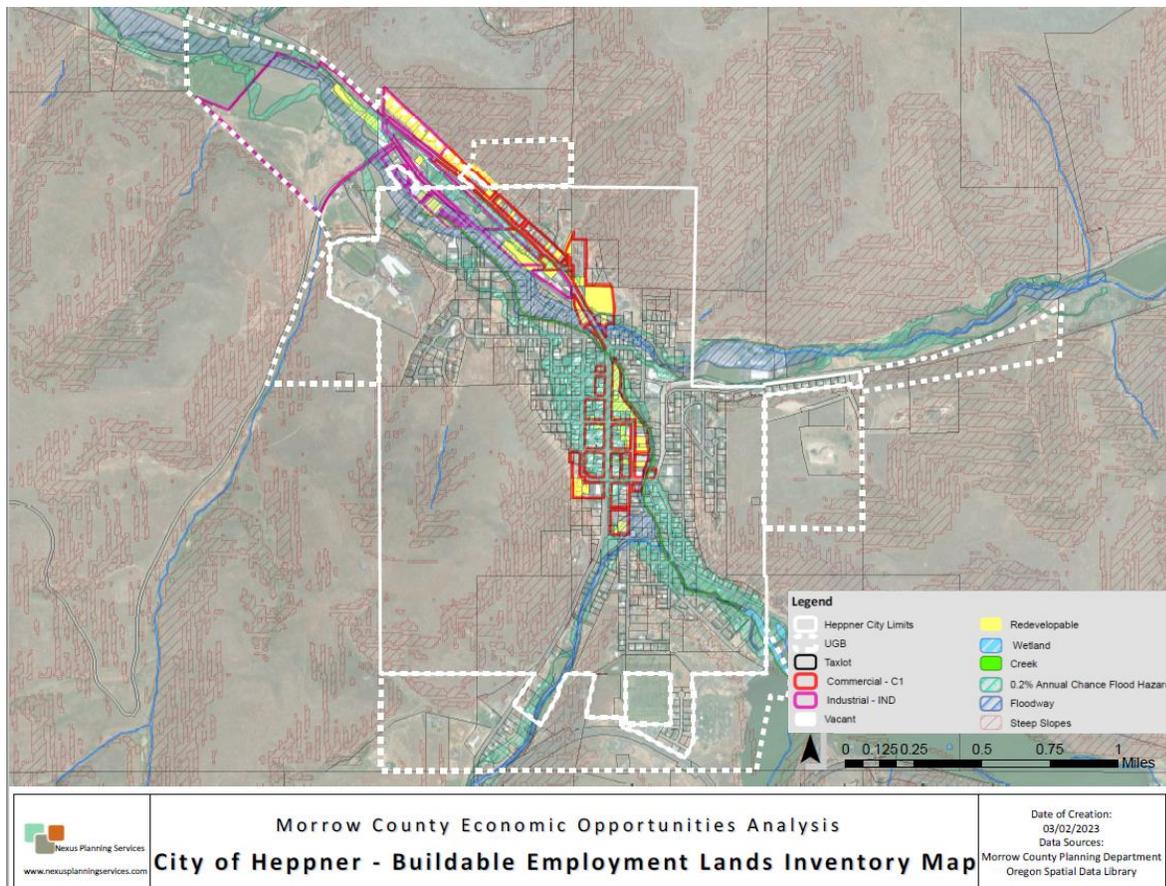
https://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1031&context=prc_pub.

2. Land Usage & Supply Assessment

One of the fundamental objectives of the Goal 9 process is to identify the gap between supply and demand for employment lands within the region. The availability of employment lands is underpinned by how land is zoned within the community. Our purpose in this report is to present a holistic picture of land supply and demand, and to forecast conditions for the next 20-years. Heppner, in consultation with the Morrow County Planning Department and the DLCDD, can subsequently determine whether and how changes to land use policy and UGB boundaries are justifiable based on this explanation.

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

Figure 2: City of Heppner Initial Employment Lands Inventory



Source: NPS using map layers from Morrow County and DOR (OR) GIS unit, 2022

Employment Lands Inventory

An inventory of the total employment lands in Heppner has been calculated relying on a combination of Morrow County Assessor's Tax Lot data and city-specific GIS data for zoning as provided by the Oregon Department of Revenue's Cadastral Information System Unit.³ Figure 3 shows the net buildable vacant, redevelopable, and developable acres in Heppner.

Table 1: Total Gross Acres of Commercial & Industrial Lands

	Heppner		S. Morrow County	
	Redevelopable Acres	Vacant Acres	Redevelopable Acres	Total Vacant Acres
Commercial	17.6	0.5	28.4	14.5
Industrial	32.1	0.8	52.5	9.0
Total	49.6	1.3	80.9	23.4

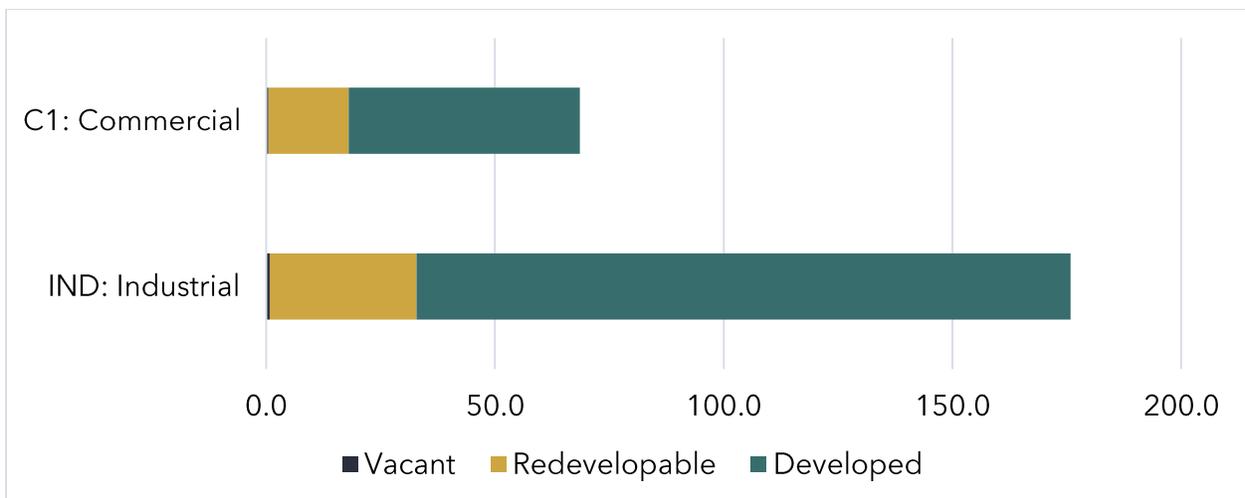
Source: Nexus Planning Services using Oregon DOR GIS Data, 2022

Table 2: Total Developed Acres of Commercial and Industrial Lands

	Heppner	S. Morrow County
Commercial Developed Acres	143	209.4
Industrial Developed Acres	50.5	73.6
Total	193.5	283

Source: Oregon DOR GIS Data, 2022

Figure 3: Acres of Vacant, Redevelopable, and Developed Land in Heppner, Oregon



Source: Nexus Planning Services using Oregon DOR GIS Data, 2022

³ Morrow County Tax Assessor Data dated August 17, 2022; Oregon State Department of Revenue Cadastral Information System Unit GIS (Zoning) dated September 26, 2022.

3. Socioeconomic Conditions

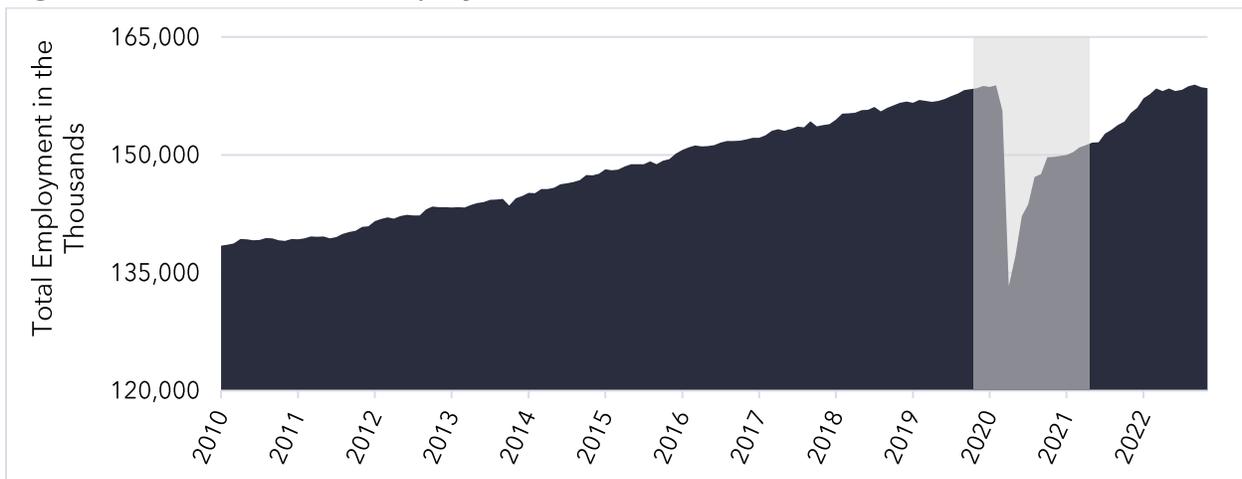
Per requirements of the DLCD’s Goal 9 framework, PC first addresses the broadest level economic trends affecting the United States and, to some extent, international issues. From there we approach unique aspects to the State of Oregon, and finally to Morrow County. At certain points we also touch on relevant trends in other neighboring counties in Eastern Oregon (including Umatilla, Union, Grant, Wheeler, and Gilliam, in particular). At each stage, our focus is on specific factors that are affecting competitiveness and economic opportunities in Morrow County, the WCV, and Heppner specifically.

National Economic Overview

Labor Force Participation, Employment & Unemployment

Employment at the national level saw a steady increase from 2010 until 2020, where it experienced a steep decrease due COVID-induced stay-at-home orders. There was a loss of 9.4 million nonfarm jobs in 2020, with the largest impact occurring in industries that necessitate in-person interaction, especially tourism and hospitality.⁴ The recovery for the overall employment level was swift, however, with certain industries reaching and even exceeding their pre-pandemic levels in 2021.

Figure 4: National Civilian Employment, 2010-2022



Source: US Bureau of Labor Statistics

The story for national labor force participation is different, having declined slightly since 2010 – as shown in Figure 5. This decline can be partly explained by a shift in demographics. A larger proportion of Americans are now reaching retirement age, which means that older workers make up a larger share of the population than they did before.⁵ As these workers

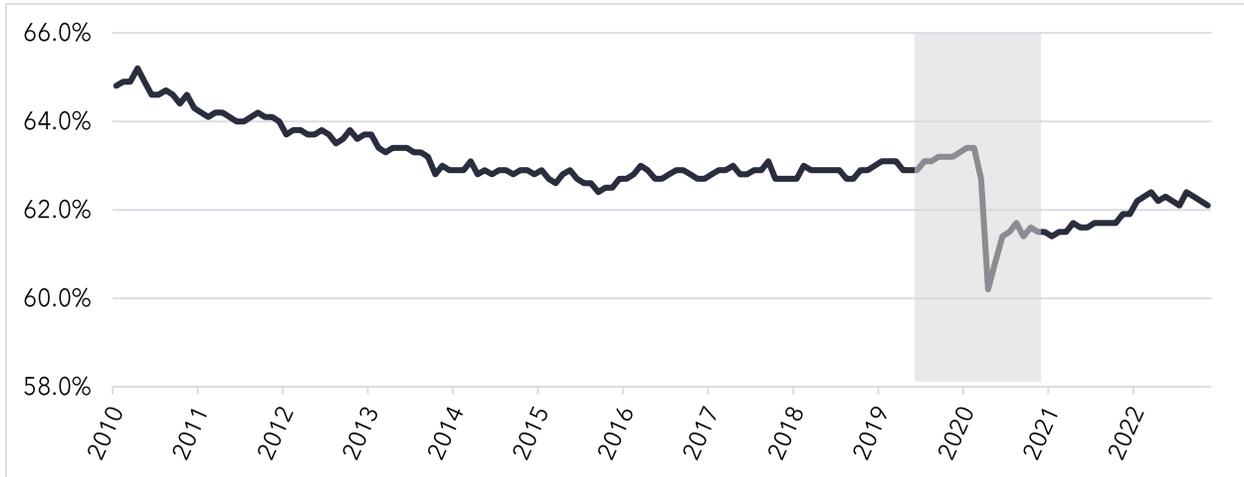
⁴ “COVID-19 ends longest employment recovery and expansion in CES history, causing unprecedented job losses in 2020”, Bureau of Labor Statistics.

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

⁵ Kreuger, “Where have all the workers gone? An inquiry into the decline of the US labor force participation rate”, 2017.

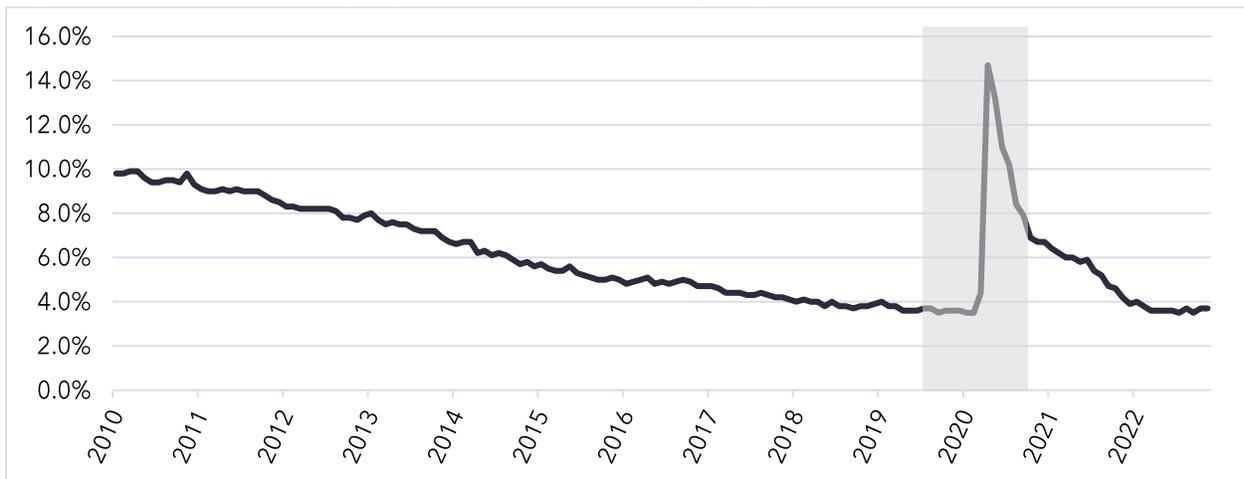
gradually leave the labor force, the labor force participation rate shrinks. The labor force participation rate is high for workers aged 25 to 54, but it has not been enough to offset the negative effects COVID had on the participation rate, given it has not been able to rise back to pre-pandemic levels. The trend for the unemployment rate, on the other hand, is more positive at the national level, showing a steady decline since 2010 and a strong post-COVID recovery—reaching pre-pandemic levels in 2022.⁶

Figure 5: National Labor Force Participation Rate, Seasonally Adjusted, 2010-2022



Source: US Bureau of Labor Statistics

Figure 6: National Unemployment Rate, Seasonally Adjusted, 2010-2022



Source: US Bureau of Labor Statistics

Inflation

Inflation is always a factor in the national and international economy, but it is currently playing an outsized role in economic behaviors and expectations. It is important to first define what

⁶ "The Employment Situation in July", The White House, 2022.

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



inflation consists of and the ways it may affect the economy. Inflation is a general increase in the overall price of goods and services in the economy.⁷ A more colloquial definition is “too many dollars chasing too few goods.” Rises in the inflation rate can be spurred on by the Federal Reserve (the Fed) setting interest rates that are too low or by increasing the money supply too rapidly. Other factors may also apply an upward pressure on prices, such as demand exceeding supply for certain goods, or an increase in the costs of production, such as those associated with supply chain interruptions.

There are various versions of inflation which are used by economists and journalists alike. Without getting too far into the details on these various metrics, as of October 2022, 12-month change inflation is 7.7% using the Consumer Price Index (CPI), and 5.0% using Personal Consumption Expenditures (PCE).⁸ The Fed is actively managing inflation with adjustments to the federal funds rate. In their last meeting in November 2022, the Fed announced that they were raising the federal funds rate from 3.25% to 4%. At the same time, they also raised the primary credit rate (discount rate) from 3.25% to 4%.⁹ All told, the Fed anticipates inflation being two to three times higher for the entirety of 2022, and several points above average for the majority of 2023. If they achieve their aims, however, they anticipate bringing inflation back to the traditional sub-3.0% level by 2024.

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

International Issues & Supply Chain

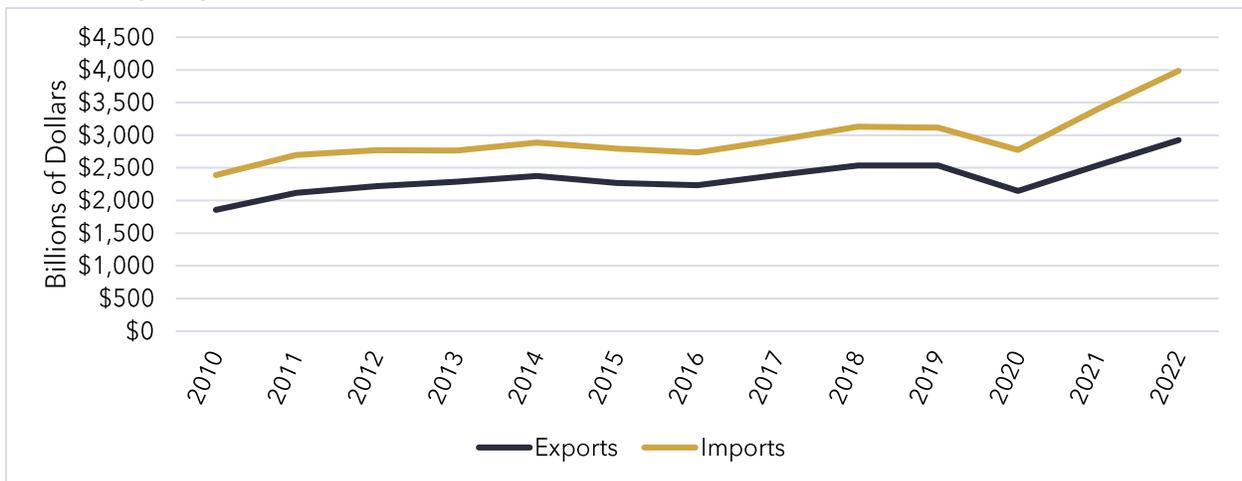
Towards the end of 2019 and into 2020, the U.S. struggled in trade due to unprecedented social restrictions, changes or losses in the workforce, and disruptions in the supply chain that created a worldwide recession with hindered trade flows. U.S. imports at this time dropped from \$3 trillion to \$2.9 trillion, and exports fell from \$2.5 trillion to \$2.4 trillion. As shown in Figure 7, there was a major decline seen in the second quarter of 2020. Imports fell to \$2.3 trillion, and exports to \$1.8 trillion. This was the largest drop on record for exports in the U.S., which led to the highest trade deficit in the last 12 years. Going into 2021, both imports and exports are seen rising exponentially, and surpassing 2019 numbers by the second quarter.

⁷ The Federal Reserve, “What is inflation and how does the Federal Reserve evaluate changes in the rate of inflation?” https://www.federalreserve.gov/faqs/economy_14419.htm

⁸ CPI uses a “basket of goods” approach which is more subject to price spikes. Arguably the PCE method is more accurate when projecting specific households’ budgets as it permits the possibility substitutionary goods to manage household cost increase.

⁹ The Federal Reserve, “Federal Reserve Board Approves discount rate action by the Boards of Directors of the Federal Reserve Banks of New York, Minneapolis, and San Francisco”, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220922a.htm>

Figure 7: Prices of Imports & Exports of Goods and Services in U.S. in the Billions, Seasonally Adjusted Annual Rate, 2010-2022



Source: U.S. Bureau of Economic Analysis

In more recent times, there have been positive improvements to ongoing supply chain challenges, such as progress of available freight capacity, decline in freight costs, softening in commodity prices, stabilized port operations, and container costs have recently begun catching up to pre-pandemic levels. However, there have been further challenges such as those seen in China, with the rise of COVID-19 cases causing manufacturing plants to be temporarily shut down.¹⁰ More issues with crude oil are also seen between The European Union and Russia, who are anticipated to ban crude imports to Russia in retaliation to the invasion of Ukraine. The United States along with the London Metal Exchange (LME) are still in process of evaluating the ban on Russian aluminum, which has significant impacts on global prices and availability. The U.S.'s East and Gulf Coast ports have recently expanded their lead in terms of share over the West Coast who has been highly impacted by the decline in container imports from China. The West Coast ports' share of imports have dropped to 36.4% from their previous 37.0%.¹¹

Global supply chain issues such as these, though seemingly remote from the WCV communities, do exert an influence on employment and earnings. This is especially the case as many workers in the WCV are employed at various companies stationed at the Port of Morrow County, which exports goods internationally.

Recession Expectations

The COVID-19 pandemic and the associated safety measures taken to help prevent the spread of the virus caused a severe reduction in economic activity in 2020 and 2021. In

¹⁰ Krimil, "Updated 11.22.2022 - Impacts on Global Supply Chain Logistics," Border States News, November 21, 2022, <https://content.borderstates.com/news/coronavirus-impacts-on-global-supply-chain/>.

¹¹ Schuler, Mike. "Falling U.S. Container Imports from China Hit West Coast Ports in October -Report." gCaptain, November 7, 2022. <https://gcaptain.com/falling-u-s-imports-from-china-hits-west-coast-container-ports-in-october-report/>.

consequence, a combination of supply chain issues, economic relief measures, and pent-up consumer demand spurred inflation rates that have since hit 40-year highs in 2022.¹² This, in turn, has led the Fed to raise interest rates and to sustain those hikes – raising rates seven times in 2022, with plans to continue those increases in 2023. Many economists are therefore expecting a mild recession in 2023. In fact, in a survey conducted by Bloomberg in late 2022, economists placed chances of a recession in 2023 at 70%.¹³ Economists from The Conference Board, who publish the U.S. Leading Economic Index – a gauge of 10 indicators that show if the economy is improving or worsening – also believe that because of the Fed’s monetary tightening cycle, a recession is likely to start at the beginning of 2023, and will last through mid-year.¹⁴

Political & Regulatory Landscape

State policies affect local economies as they shape both the constraints and opportunities that affect local economies. As such, it is worth discussing Governor Brown’s policies and principles and how they could have an effect on Morrow County. In 2021, Oregon Governor Kate Brown announced a 10-Point economic recovery plan, with the aim of helping the state to recover from the effects of the pandemic and the associated safety measures on the economy, as well as the devastation caused by wildfires.¹⁵ Not all points are equally relevant to Morrow County, but the following bullet points hit on those that are most relevant with a description on the policy and how it may affect the region.¹⁶

Current Administration’s Priorities

- 1) Reinvesting in innovative housing- “Turning commercial property into residential opportunity, as well as stabilizing renters and homeowners. Development of a strategy for affordable housing for skilled and trade workers.”
 - a) It has been noted by residents and economic development officials that more people would live in WCV communities if more housing were available, so the policy could work in favor of the region.
- 2) Supporting resilient rural communities- “Supporting local governments in planning through economic development strategies. Supporting agriculture and forest health. Investing in community colleges.”

¹² Alyssa Fowers, “What is causing inflation: The factors driving prices high each month”, The Washington Post, 2022. <https://www.washingtonpost.com/business/2022/07/26/inflation-causes/>

¹³ V. Golle & K. Yoo, “Economists Place 70% Chance for US Recession in 2023”, Bloomberg, 2022. <https://www.bloomberg.com/news/articles/2022-12-20/economists-place-70-chance-for-us-recession-in-2023?leadSource=verify%20wall>

¹⁴ Jeffry Bartash, “Leading indicators fall for ninth month in a row and point to recession in 2023”, Market Watch, 2022. <https://www.marketwatch.com/story/leading-indicators-point-to-slowing-u-s-economy-and-recession-in-2023-11671721979>

¹⁵ Sara Cline, “Oregon governor announces 10-Point Economic Recovery Plan” Oregon Public Broadcasting, 2021. <https://www.opb.org/article/2021/03/23/oregon-governor-announces-10-point-economic-recovery-plan/>

¹⁶ 10-Point Economic Recovery Plan, Office of Governor Kate Brown <https://www.oregon.gov/priorities/Pages/jobs-and-economy.aspx>

- a) All three WCV communities are rural and host natural resources and agricultural driven economies. Focus on bolstering these industries could be beneficial to the region.
- 3) Creating opportunities for Oregonians- "Providing reskill opportunities to move individuals out of poverty and leaning in on strategies to address the talent pipeline. Amplifying voices to support workforce development and helping women get back into the workforce."
 - a) Reskilling and developing the workforce in Heppner's mainly rural community may help local workers find a wider variety of employment, including remote tech jobs.
- 4) Getting small businesses back on their feet- "Providing additional business relief, as well as outreach for businesses on the cusp of closing. "
 - a) A large share of the WCV's businesses have 50 employees or less. Therefore, business relief for small businesses can be valuable for the region's communities.
- 5) Investing in Oregon's infrastructure- "Investing in broadband infrastructure, as well as development investments in water, roads, wastewater, stormwater, and ports for underserved communities."
 - a) The communities of the WCV are in various stages of updating their current water and/or wastewater systems, whether it be from updating septic tanks, developing new drain fields, or upgrading current sewer infrastructure. The Port of Morrow also hosts the majority of the region's largest employers, so further focus there could create more opportunity for residents of the WCV.
- 6) Innovation in Manufacturing- "Enhancing R+D and innovation in universities and industries and incentivizing the expansion of manufacturing. Supporting entrepreneurial development by targeting talent from rural and underrepresented communities. "
 - a) The WCV Economic Development Group currently provides financial assistance for current small businesses to upgrade or remodel their businesses infrastructure. They are also in the current processes of establishing a small business incubator which will provide a commercial kitchen, workshops, classes, and more for current and future rural entrepreneurs.

Energy and Climate Regulations

The Oregon State Legislature passed the Clean Energy Targets bill (HB 2021) in 2021. This bill signed by Governor Kate Brown is one of the most ambitious in the country in terms of timelines for achieving 100% clean energy sources. The Public Utility Commission and the Department of Environmental Quality (DEQ) set targets for energy suppliers to reduce greenhouse gas emissions from electricity sold to Oregon by the following levels:

- 80% below baseline emissions levels by 2030
- 90% below baseline emissions levels by 2035, and
- 100% below baseline emissions levels by 2040

This bill received some criticism from Senate Republicans in the state who were concerned with potentially increasing energy costs for Oregonians during an economic recovery. Another concern raised was the rising energy costs to businesses and the possible strain that

may be placed on the power grid. Opponents also questioned the attainability of the timeline.¹⁷ Policies stemming from the capital can sometimes be difficult to implement in rural parts of the state. Given the high proportion of transportation and warehousing and manufacturing jobs in north Morrow County, employers in the region may struggle to hit these climate goals without sacrificing production levels over the next 20 years.

Land Use & DLCD Priorities

The DLCD Land Use Planning Goals has established 19 main planning goals for the State of Oregon. Each of the 19 goals address the process of local land use planning, steer the State's resource prevention, provides guidance in urban development, and directs cities and counties that may need to plan for coastal assets. All of which are addressed through local comprehensive plans and reports and must be consistent with the outlined Planning Goals. Implementation of zoning code changes and adoptions must be consistent with each as well. Cities and counties are obliged to submit land use assessments to the DLCD.

Specific goals such as Goal 3 (Agricultural Lands), Goal 4 (Forest Lands), Goal 9 (Economic Development), Goal 14 (Urbanization) narrow-in on specific land types, current use, potential use, and future strategies and targets for each. Heppner, by the way of this report, is underway to address the Goal 9 land use planning in each City and at the County level.

Oregon Enterprise Zones & CREZ

Oregon's Enterprise Zones were established to incentivize private sector investment in geographic areas in non-metropolitan regions that are economically disadvantaged. There are 72 enterprise zones in the state, the majority of which are in rural areas. The Columbia River Enterprise Zone (CREZ) is a 7,300+ acre area extending south of the Columbia through Boardman and across I-84.¹⁸ In exchange for investment in these zones, eligible businesses receive property tax exemptions for up to 15-years that would be assessed on the new building and equipment for between three and five years. To receive the full five-year benefit, businesses must create at least one new job that pays 130% to 150% of the county's average wage.¹⁹

The CREZ has been extraordinarily impactful in Morrow County. Morrow County led all counties in the state in property taxes abated in 2019/20 at \$30.3M. In return, the companies incentivized in Morrow County accounted for 1,443 jobs in 2020 (seventh among Oregon's counties).²⁰

The impact of CREZ on Morrow has also allowed the county to attract unpredicted levels of investment. Though many of these new businesses were immediately eligible for property tax

¹⁷ Sara Cline, "Oregon governor signs ambitious clean energy bill", 2021.

<https://www.opb.org/article/2021/07/27/oregon-governor-signs-ambitious-clean-energy-bill/>

¹⁸ Business Oregon Enterprise Zone Map,

https://www.oregon.gov/biz/Publications/Enterprise_Zone_Maps/CLR.pdf.

¹⁹ Business Oregon, Oregon Enterprise Zone Guidebook, 2017,

<https://www.oregon.gov/biz/Publications/ezone-std-guide.pdf>.

²⁰ Oregon Open Data Portal, Part A EZ Business Projects 2019/29, <https://data.oregon.gov/d/5dh8-hbx4/visualization>.



collections, it nonetheless spurred other investments that are taxable. Furthermore, the five-year duration of the tax abatement has expired for some businesses and will expire relatively soon for others, at which time the additional tax revenue will be collected by the county and can be used for further investment. Data from the Morrow County Board of Commissioners indicate that the CREZ resulted in \$13.04 million in net payments from various businesses in 2022.²¹

Regional Economic Overview

Trends in Employment, Income, and Business Establishments

Figures 8 - 9 point out the unusually strong performance of Morrow County over the past eleven years. The region trends above all neighboring states and the state of Oregon in both employment and earnings growth. As has been noted by numerous residents and local officials, the CREZ has helped boost earnings in Morrow County by a significant degree, as visible in Figure 9 which displays a 125% wage growth between 2010 and 2021.

That said, the economic fates of the WCV and Morrow County have diverged over the past 40 years. Whereas Morrow County has remained steady and shown growth in certain key sectors, the communities in the WCV have struggled – particularly at moments when the region was struck by macroeconomic forces, such as the closure of the Heppner mill in 1999. To demonstrate the contrast, Morrow County’s total employment has expanded by 30% over the past 30 years, with most of that growth occurring in the period following the Great Recession (2007-2009).²² As indicated in Table 4, growth has been particularly outstanding in the sectors of Manufacturing, Information, and Utilities. Some of the industry specific growth rates in Morrow County over the past 11 years are nothing short of stunning. The Information sector was virtually non-existent in 2010 and now employs 600+ workers for a growth rate north of 2,400%. Manufacturing, which was already large in 2010, added 600+ jobs for a growth rate of 59%.

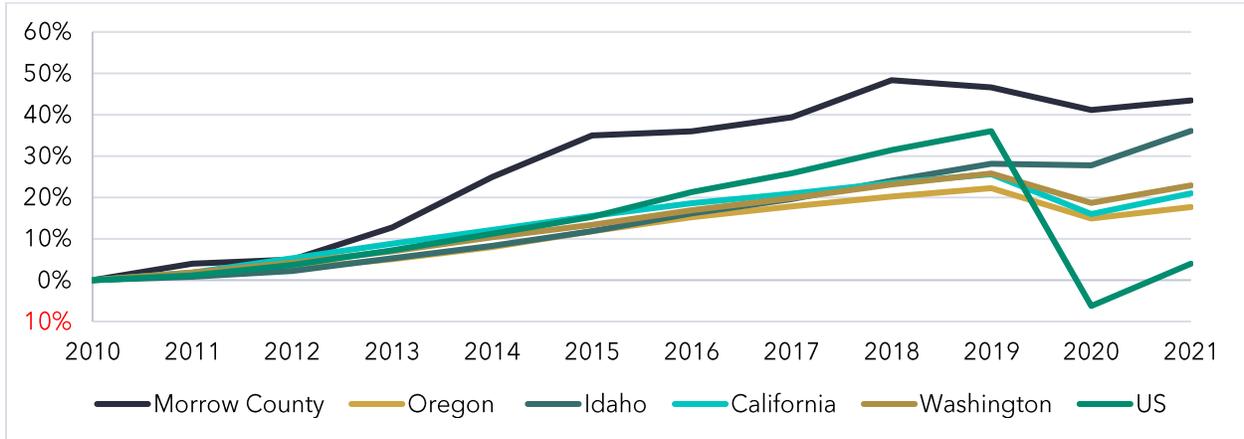
No corresponding employment data are available for Heppner over the same period of time, but population data can serve as a proxy for economic activity. In 1980 the population in Heppner was slightly higher than the city of Boardman whereas Boardman now exceeds Heppner nearly four-fold. Heppner’s population has since also been surpassed by the neighboring communities of Irrigon and Stanfield.²³

²¹ CREZ December 2022 Board Meeting minutes, https://www.co.morrow.or.us/sites/default/files/fileattachments/board_of_commissioners/meeting/packets/16542/12-22-22_crez_ii_agenda_packet.pdf

²² Census LEHD, Quarterly Workforce Indicators, 1991-2022 Employment, <https://qwiexplorer.ces.census.gov/static/explore.html#x=0&g=0>

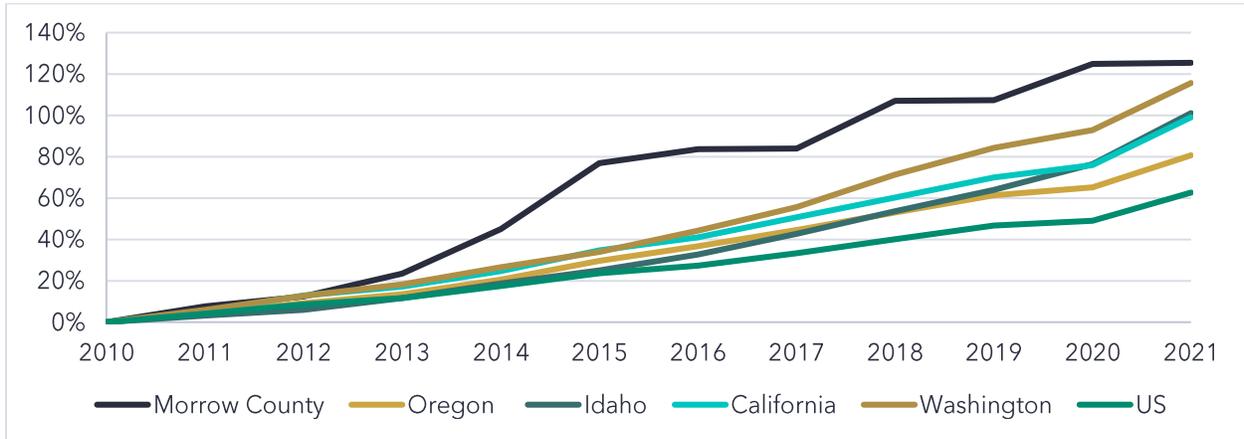
²³ PSU Research Center, City Populations, 1980-2022, <https://sos.oregon.gov/blue-book/Pages/local/city-population.aspx>.

Figure 8: Cumulative Growth in Employment, 2010-2021



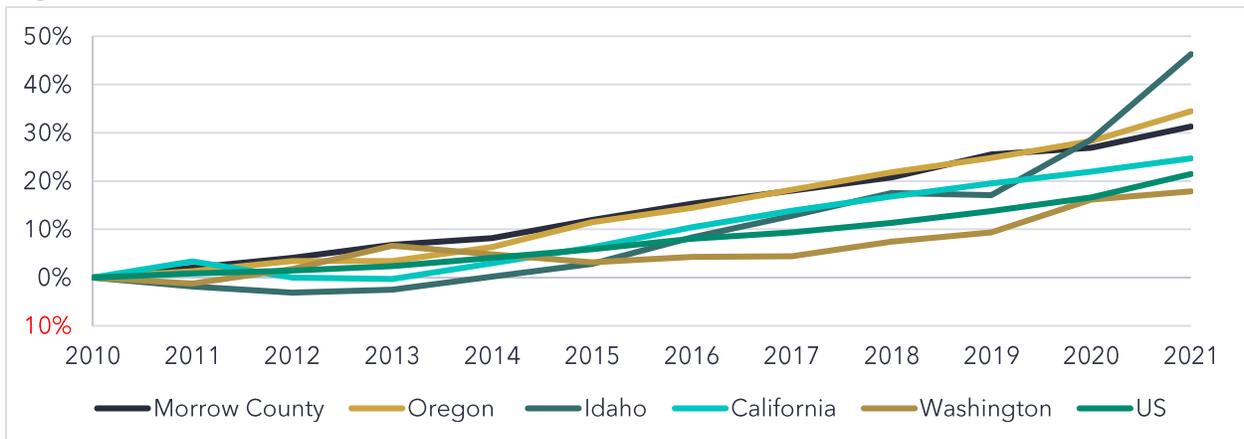
Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, and Data Tactical Group

Figure 9: Cumulative Growth in Wages, 2010-2021



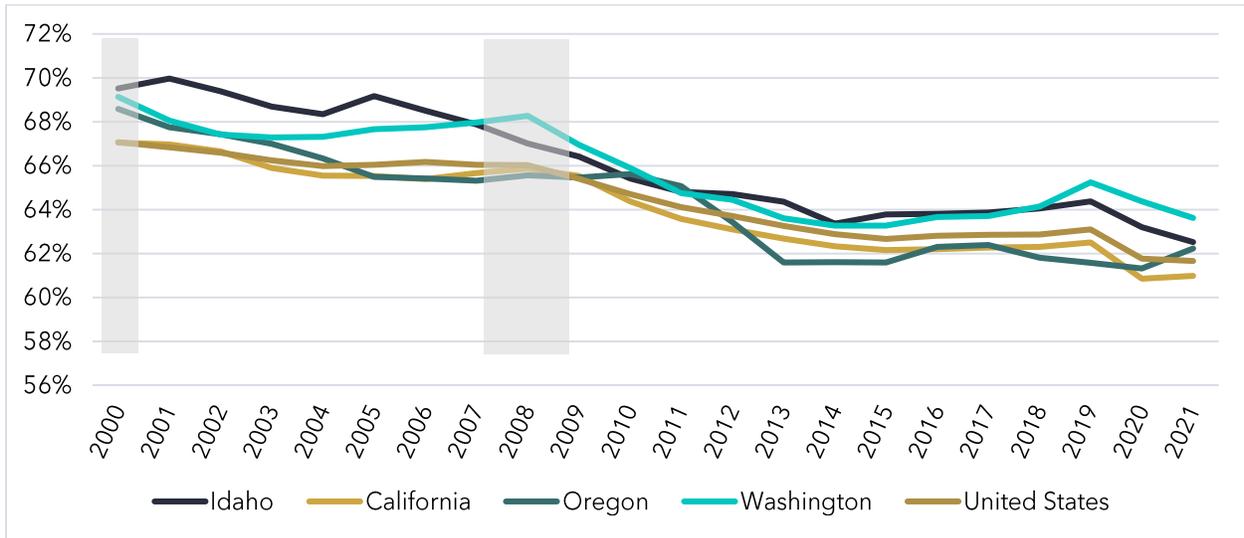
Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 10: Cumulative Growth in Establishments, 2010-2021



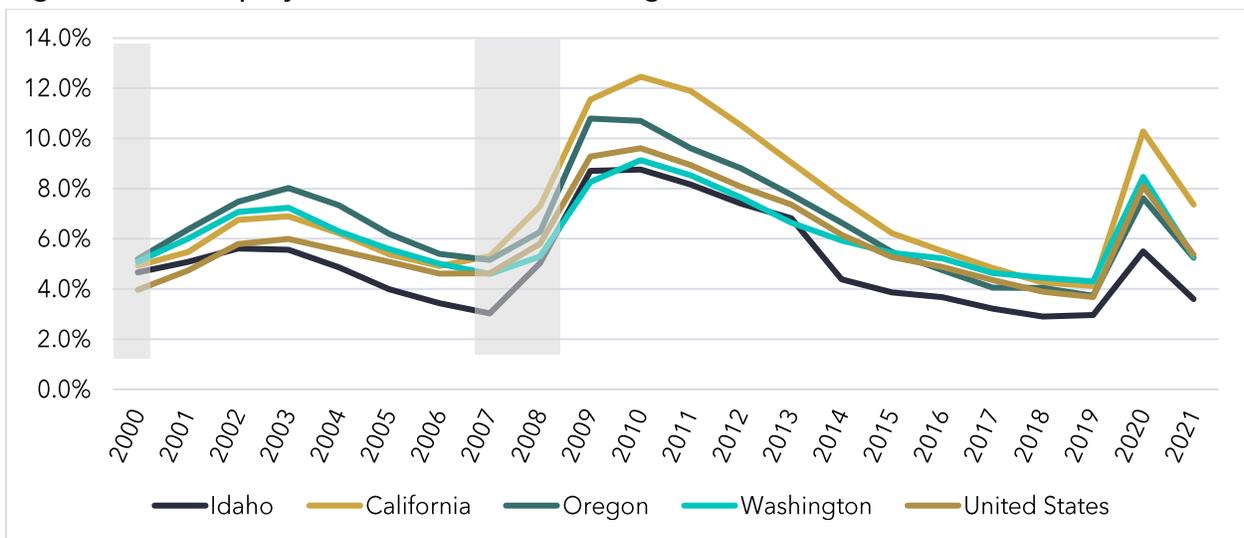
Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 11: Labor Force Participation over Time, 1976- 2021



Source: Bureau of Labor Statistics

Figure 12: Unemployment Rate (Annual Average) over Time, 1976-2021



Source: Bureau of Labor Statistics

Table 3: Oregon Employment by Industry

Sector	2010 Jobs	2021 Jobs	%Change	2021 LO
Agriculture/Forestry/Fishing	40,887	52,044	27.3%	2.31
Mining, Quarrying, and Oil and Gas Extraction	1,762	1,896	7.6%	0.20
Utilities	4,440	4,869	9.7%	0.89
Construction	67,856	112,132	65.2%	0.88
Manufacturing	163,710	182,884	11.7%	1.04
Wholesale Trade	72,726	74,917	3.0%	1.04
Retail Trade	182,072	207,577	14.0%	1.19

Transportation/Warehousing	44,695	70,569	57.9%	0.89
Information	31,916	37,060	16.1%	0.89
Finance/Insurance	55,388	56,360	1.8%	0.78
Real Estate/Rental/Leasing	24,074	28,331	17.7%	1.05
Professional/Scientific/Tech	69,546	103,377	48.6%	0.96
Management of Companies and Enterprises	34,084	50,911	49.4%	1.00
Admin/Support/Waste Management	81,687	99,380	21.7%	0.87
Educational Services	27,421	29,223	6.6%	0.89
Health Care/Social Assistance	196,112	271,520	38.5%	1.03
Arts/Entertainment/Recreation	21,786	19,939	(8.5%)	0.94
Accommodation/Food Services	135,221	146,048	8.0%	1.09
Other Services (Excluding Public)	59,998	61,878	3.1%	0.89
Grand Total	1.3M	1.6M	23.1%	-

Source: Census QWI Explorer, 2022

Table 4: Morrow County Employment by Industry

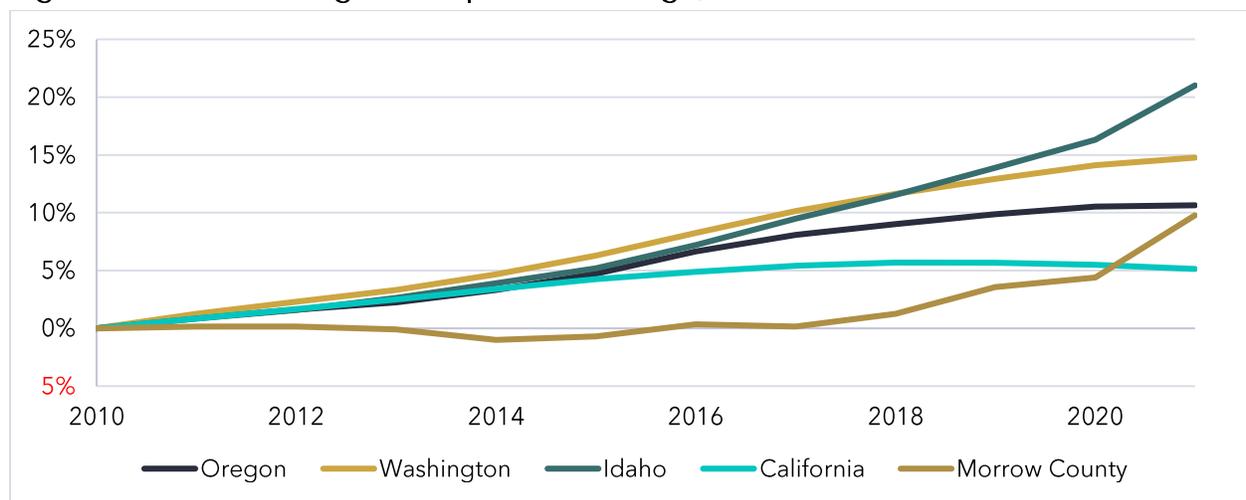
Sector	2010 Jobs	2021 Jobs	%Change	2021 LO
Agriculture/Forestry/Fishing	1,006	1,111	10.4%	110.2
Mining, Quarrying, and Oil and Gas Extraction	6	11	96.0%	9.1
Utilities	182	232	27.8%	53.2
Construction	83	103	23.8%	1.2
Manufacturing	1,102	1,749	58.7%	120.9
Wholesale Trade	287	122	(57.5%)	3.9
Retail Trade	176	255	44.7%	0.9
Transportation/Warehousing	160	114	(28.7%)	1.9
Information	25	635	2,428.9%	9.4
Finance/Insurance	59	41	(29.3%)	0.5
Real Estate/Rental/Leasing	20	18	(9.5%)	0.5
Professional/Scientific/Tech	14	36	156.4%	1.0
Management of Companies and Enterprises	27	55	105.5%	0.6
Admin/Support/Waste Management	29	244	735.1%	9.8
Educational Services	340	350	3.1%	1.1
Health Care/Social Assistance	247	405	63.6%	2.2
Arts/Entertainment/Recreation	20	37	81.7%	3.1
Accommodation/Food Services	149	254	70.9%	238.9
Other Services (Excluding Public)	47	51	7.9%	4.4
Public Administration	232	210	(9.1%)	2.8
Grand Total	4,210	6,034	43.3%	-

Source: Data Tactical Group, 2022

Migration & Population Change

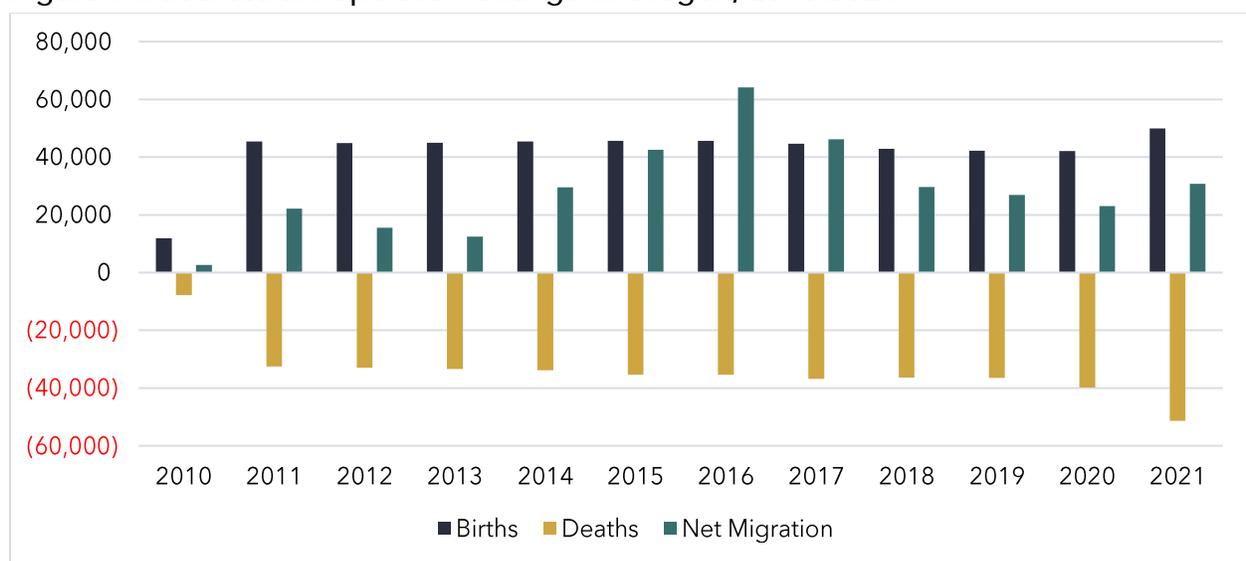
Morrow County was trending below the regions of Oregon, Washington, and Idaho in terms of population growth for the first half of the past decade, but picked up steam around 2017 (see Figure 13). By 2021 the 11-year growth rate is nearly equal to that of the state of Oregon, in general (9.8% for Morrow and 10.6% for Oregon). As evidenced by Figure 15, the turnaround was clearly attributable to net in-migration. Reversing a ten-year trend, Morrow County started adding net migrators starting in 2018, hitting its recent peak at 169 in 2019. Lastly, Figure 16, which shows more recent migration data based on cell phone geolocation data, shows that the “noise” of people movement that was common during the pandemic has calmed substantially starting in roughly January of 2021.

Figure 13: State and Regional Population Change, 2010-2021



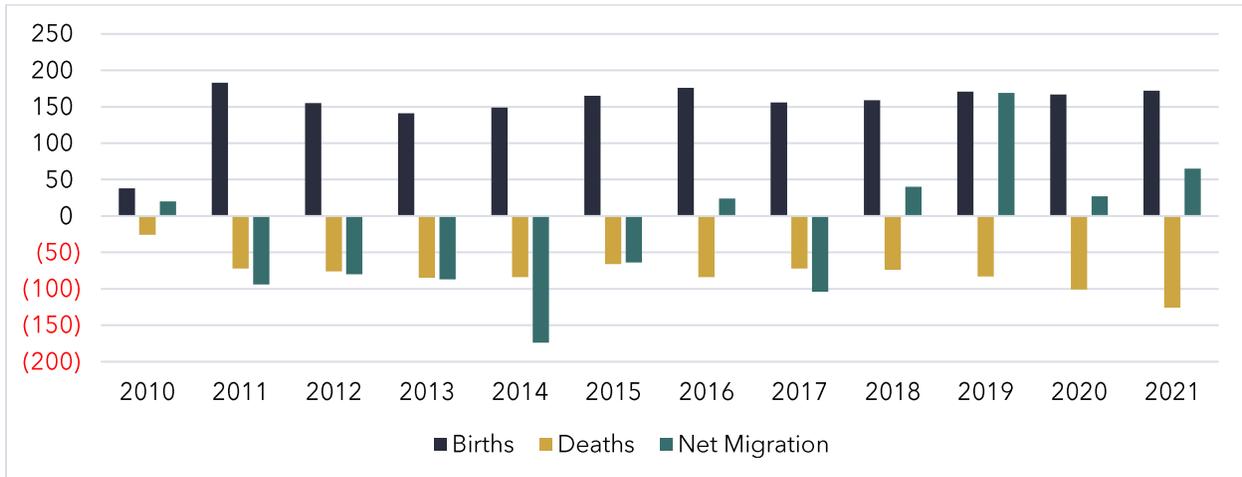
Source: US Census Bureau, 2021

Figure 14: Sources of Population Change in Oregon, 2010-2021



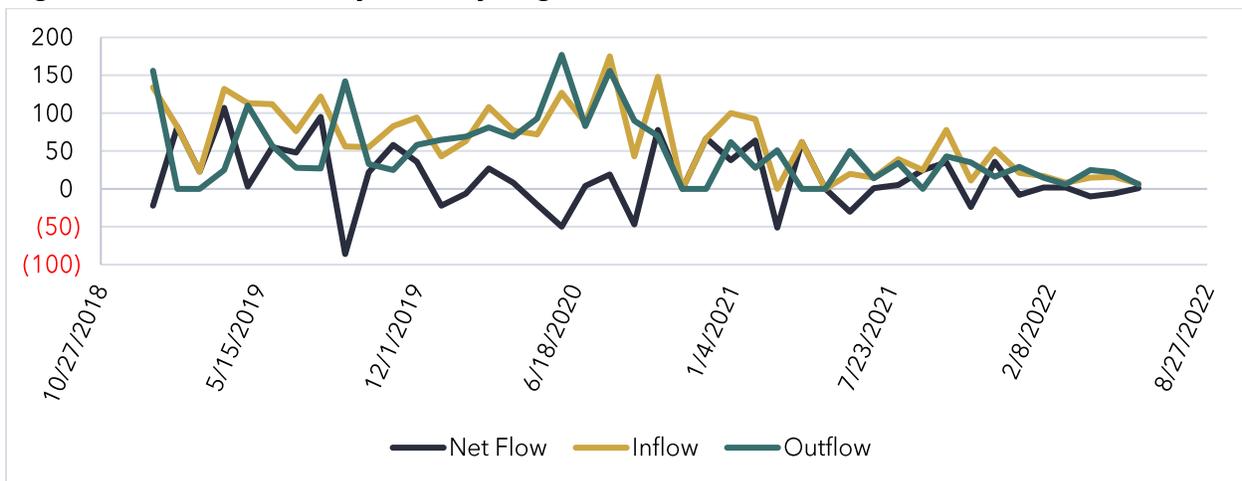
Source: US Census Bureau, Population and Housing Unit Estimates

Figure 15: Sources of Population Change in Morrow County, 2010-2021



Source: US Census Bureau, Population and Housing Estimates

Figure 16: Morrow County Monthly Migration, 2019-2022



Source: Unacast Monthly Migration Trend Data, 2022

Morrow County, WCV, & Heppner Socioeconomic Trends

Population Overview

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

On the topic of population change, the margin of error for small areas tends to be large enough to make precise calculations difficult. Using utility hook up data, the City of Heppner

has concluded that the population has increased rather than decreased over the past 10 years. These estimates are also incumbent with their own margin of error and geographic impressions. They are also not structured as cleanly in terms of headcounts, and it is therefore difficult to rely upon for analysis.

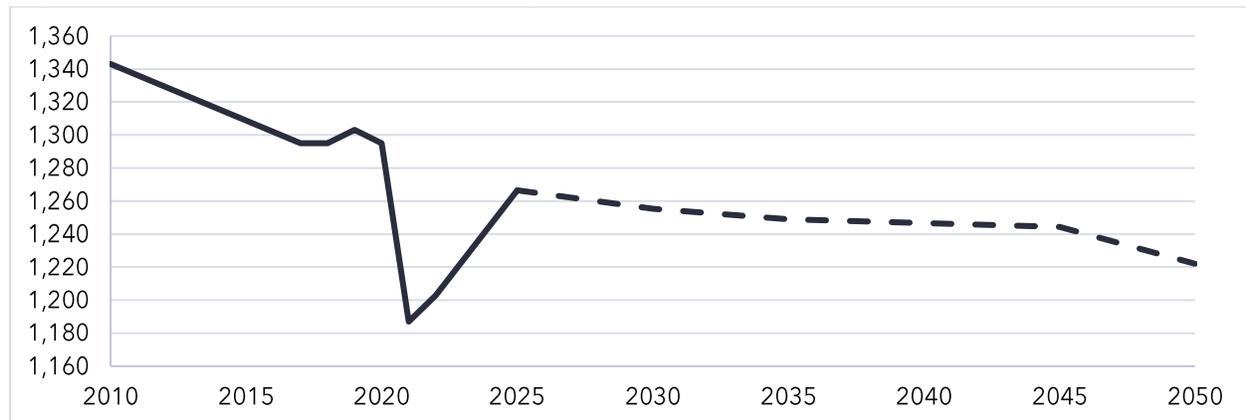
The three WCV cities have not had major demographic changes in the last 10 years. Heppner may have lost some population since 2010 but is projected to have a slight increase – around 2% – in population numbers in the following years through 2050.

Table 5: Population Change 2010-2021

Area	2010 Pop	2022 Pop	2050 Forecasted Pop	'10-'22 Change	'10-'22 % Change	'22-'50 Change	'22-'50 % Change
Heppner	1,291	1,203	1,222	(88)	(6.8%)	19	1.6%
Morrow County	11,173	12,635	14,392	1,462	13.1%	1,757	13.9%
Oregon	3.8M	4.3M	5.6M	0.5M	13.2%	1.3M	30.2%
US	308.7M	334.0M	389.0M	25.3M	8.2%	55M	16.5%

Source: Portland State University, Population Research Center, 2021

Figure 17: Heppner Population Change, 2010-2050



Source: Portland State University, Population Research Center

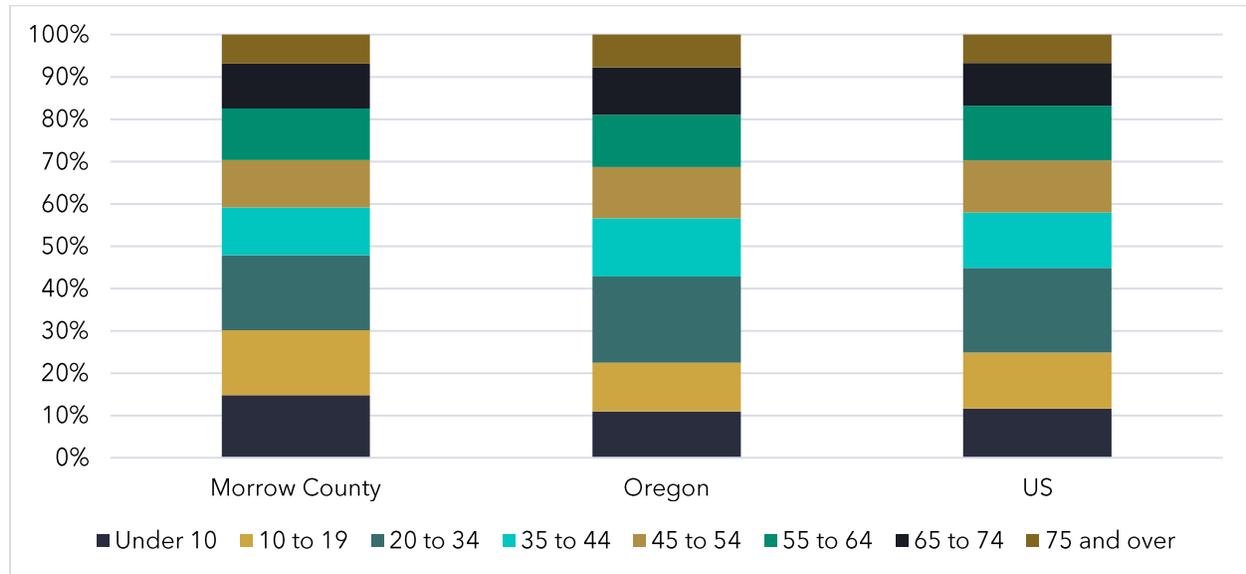
Table 6: Population Growth over Time²⁴

Region	CAGR Past 11 Years	CAGR Past 4 Years	2021 Population	CAGR 4- yrs	CAGR 9- yrs
Heppner	(1.1%)	(2.2%)	1,187	1.6%	0.6%
Morrow County	0.8%	0.6%	12,186	0.9%	0.7%
Oregon	1.0%	0.9%	4.27 M	0.8%	0.8%
US	0.8%	0.8%	337.12 M	0.7%	0.7%

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

²⁴ Note: CAGR stands for Compound Annual Growth Rate, a common way of measuring change over time.

Figure 18: Population by Age



Source: Portland State University, Population Research Center, and US Census Bureau, 2021

Heppner is majority-white, with the second-largest ethnic group split between Hispanics and individuals of two or more races. The same can be said for Morrow County, but the county as a whole has greater concentrations of Hispanic individuals and those of other races. Many Pacific Northwest rural communities have Hispanics or Latinos, or those identifying as more than one race as the second largest ethnic group. The full breakdown of Heppner’s racial and ethnic makeup is shown in Table 7, with the projected changes composition over the next 5 years shown in Table 8. Heppner is estimated to slightly decline in individuals who are white by around 1%. However, individuals of two or more races and those who identify as Hispanic or Latino are anticipated to increase by 1%. Morrow County overall will see similar decreases and increases in these racial and ethnic groups as well by 2027.

Table 7: Race and Ethnicity Comparison, 2022

Region	White	Black or African American	American Indian, Alaska Native	Asian	Native Hawaiian, Other Pacific Islanders	Other races	Two or more races	Hispanic or Latino
Heppner	89.3%	0.4%	0.5%	0.5%	0.0%	2.5%	6.8%	6.7%
Morrow County	60.3%	0.5%	1.4%	0.3%	0.0%	23.1%	14.4%	41.6%
Oregon	74.3%	2.0%	1.5%	4.7%	0.5%	6.3%	10.8%	14.0%
US	61.0%	12.4%	1.1%	6.1%	0.2%	8.6%	10.6%	19.0%

Source: Esri Business Analyst, 2022

Table 8: Race and Ethnicity Projection, 2027

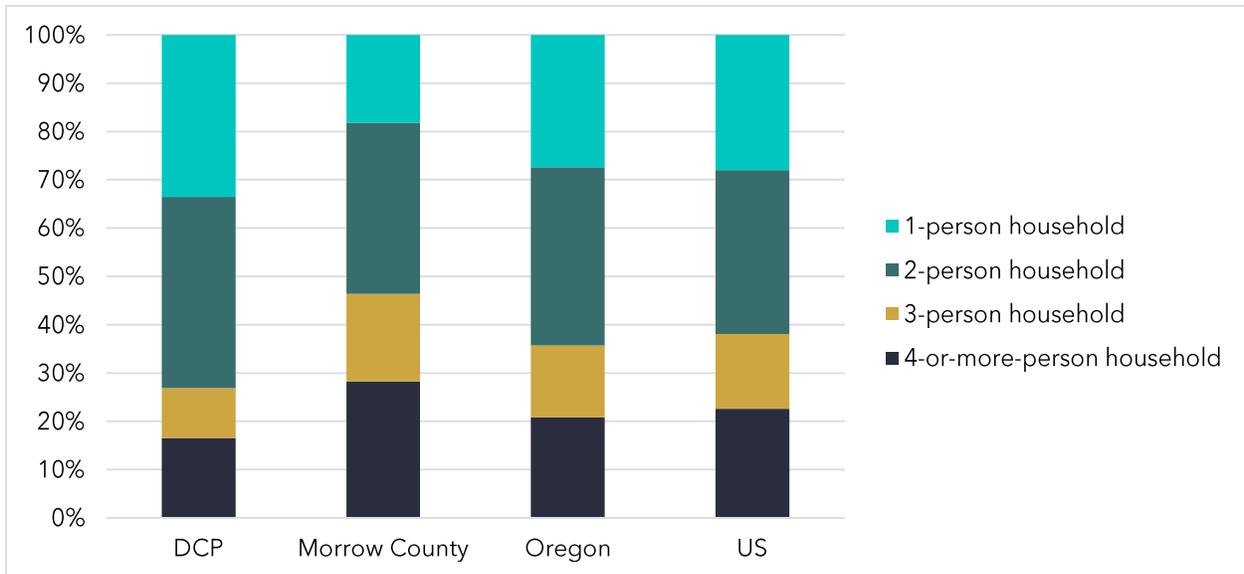
Region	White	Black or African American	American Indian, Alaska Native	Asian	Native Hawaiian, Other Pacific Islanders	Some other race	Two or more races	Hispanic or Latino
Heppner	88.0%	0.4%	0.5%	0.5%	0.0%	2.7%	7.9%	7.2%
Morrow	57.4%	0.5%	1.5%	0.3%	0.0%	24.4%	16.0%	43.4%
Oregon	72.8%	2.0%	1.5%	4.9%	0.5%	6.5%	11.8%	14.2%
US	59.5%	12.3%	1.2%	6.4%	0.2%	8.9%	11.5%	19.4%

Source: Esri Business Analyst, 2022

Household Characteristics

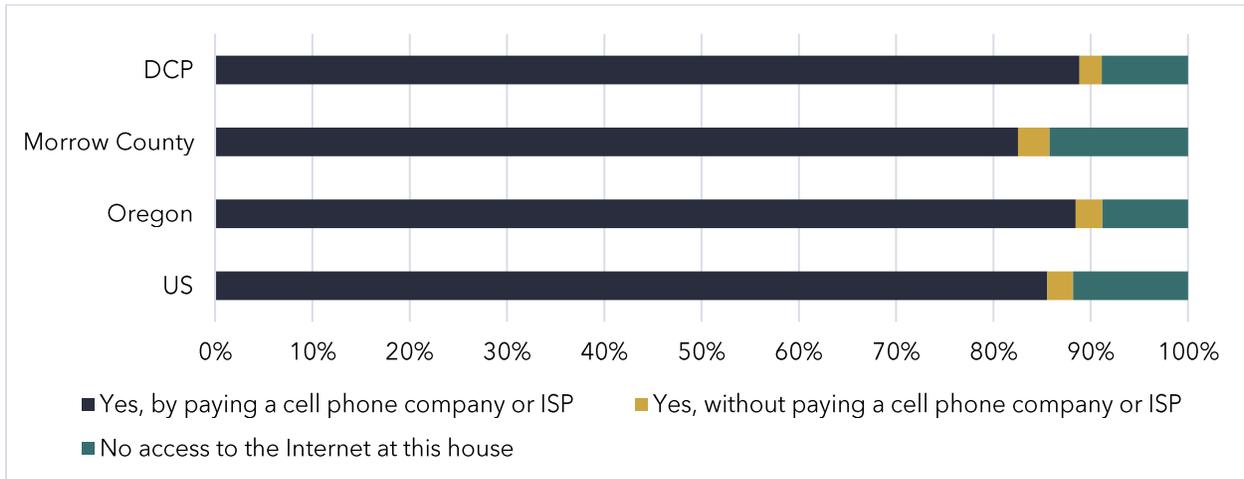
Figures 19 - 21 compare The Dalles City PUMA (shortened in this document as DCP) to Morrow County, Oregon, and the US. It is apparent that the DCP is an area whose household characteristics do not deviate significantly from those at the national and state level. The DCP has similar household compositions, rates of access to the internet, and SNAP nutritional benefit reciprocity when compared to Oregon and the US. Morrow County, on the other hand, deviates slightly from the trends observed in these other regions. For instance, the county has a higher concentration of 4-person households, and more households that lack internet access.

Figure 19: Composition of Households



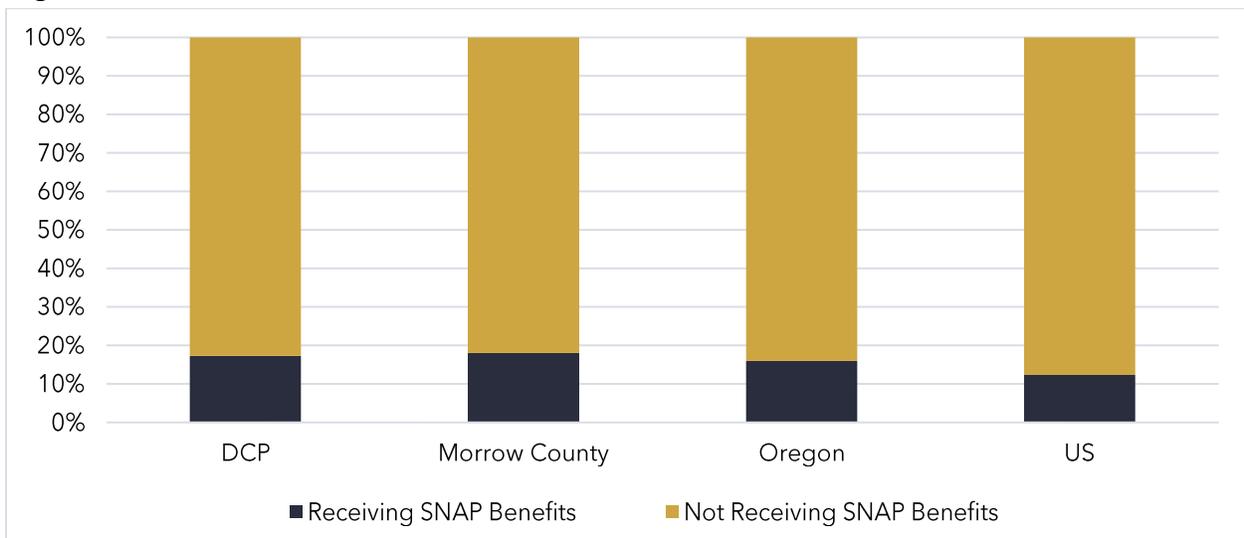
Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

Figure 20: Internet Access



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

Figure 21: SNAP Benefits



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

Employment, Earnings, and Establishment Trends in the WCV & Heppner

Determining employer data in Heppner is challenging because no state or federal programs are focused on collecting employment data for small rural areas. The consulting team resorted to an array of data points to determine the region’s employer characteristics including information from the US Census Bureau, the State Employment Department, the Oregon Secretary of State, and private-sector sources, such as Esri Business Analyst. In some cases, our team also verified the accuracy of these sources using our own desktop research to confirm that the businesses are still in existence and open for business.

The Oregon Employment Department provided PC with high-level statistics on business establishments, employees and earnings for all private-sector businesses which did not include details on industry of operation. According to the state, the WCV supported roughly 83 business establishments, 406 employees, and \$17.83M in earnings in 2020. On average, employees in the WCV took home \$43,900 in earnings, which is notably lower than the county-wide average of \$64,000.

Table 9: Establishments, Employment and Earnings in the WCV & Heppner

	2019			2020		
	Estab-lishments	Avg. Employees	Total Payroll	Estab-lishments	Avg. Employees	Total Payroll
Heppner	63	327	\$13.12M	65	332	\$13.79M
WCV Total	80	404	\$16.93M	83	406	\$17.83M

Source: Oregon Employment Department by Special Data Request

Further refinement of these data is required to make them usable for Goal 9 application. Firstly, Goal 9 is focused on employment in commercial and industrial sectors, which excludes most agricultural jobs. Secondly, DLCD documentation encourages accounting for very small employers which are typically excluded from official datasets (namely those that do not cover unemployment insurance). In our further research, we built upon these data points and sought to distribute them according to industry and location.

Our research (shown in Table 10) indicates that the primary industries in Heppner, Lexington, and Lone in terms of establishments are essential services such as healthcare and social assistance, and retail. Construction, food services, and finance/insurance also rank high on the list of top industries. There is an assortment of other businesses in the area, from manufacturing to information, but aside from health services, there is no singular industry that stands out in its number of establishments. Most of the employment in Heppner is concentrated in the professional services sector, public administration, and real estate, along with other services (Figure 22).

It is also worth noting that there are many business entities in Heppner with no employees, but which could produce employment in the future. According to the Oregon Secretary of State, there are 231 registered business entities in Heppner but only 65 recognized as employers which are currently occupying employment lands.²⁵

Table 10: Total Establishments by Industry in Lone, Heppner, and Lexington, 2020²⁶

Industry Title	Establishments
Health Care and Social Assistance	21
Other Services	16
Retail Trade	11

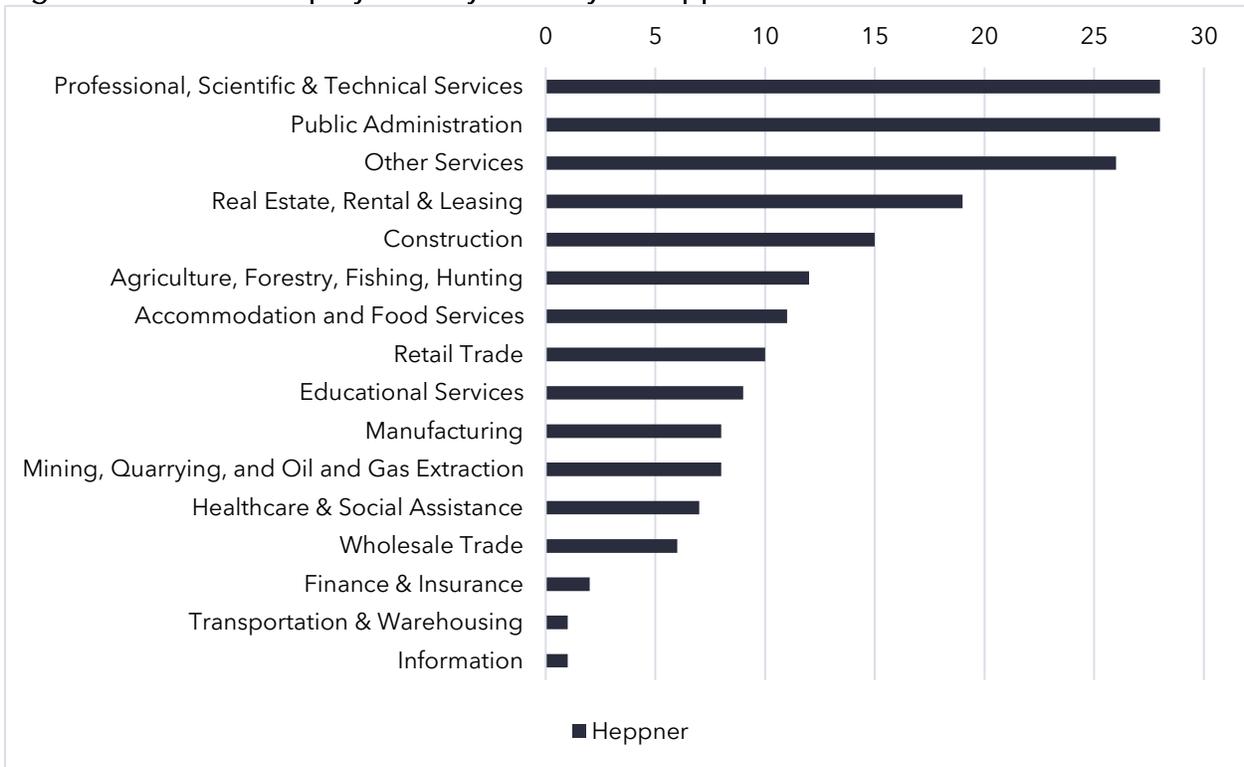
²⁵ Data from Oregon Secretary of State's Office, which includes 17 different business entity types in the general categories of Partnerships, LLC's, Corporations, Trusts and Cooperatives.

²⁶ Please note that these data are based on place of business headquarters. Businesses with mobile operations, such as food trucks, should also be included in these measurements.

Construction	5
Finance and Insurance	5
Accommodation and Food Services	5
Wholesale Trade	4
Agriculture, Forestry, Fishing and Hunting	3
Information	3
Utilities	2
Manufacturing	2
Real Estate and Rental and Leasing	2
Professional, Scientific, and Technical Services	2
Management of Companies and Enterprises	1
Administrative and Support and Waste Management	1
Total	83

Source: Points Consulting using Esri Business Analyst, Oregon Secretary of State's Office and Desktop Research

Figure 22: Overall Employment by Industry in Heppner

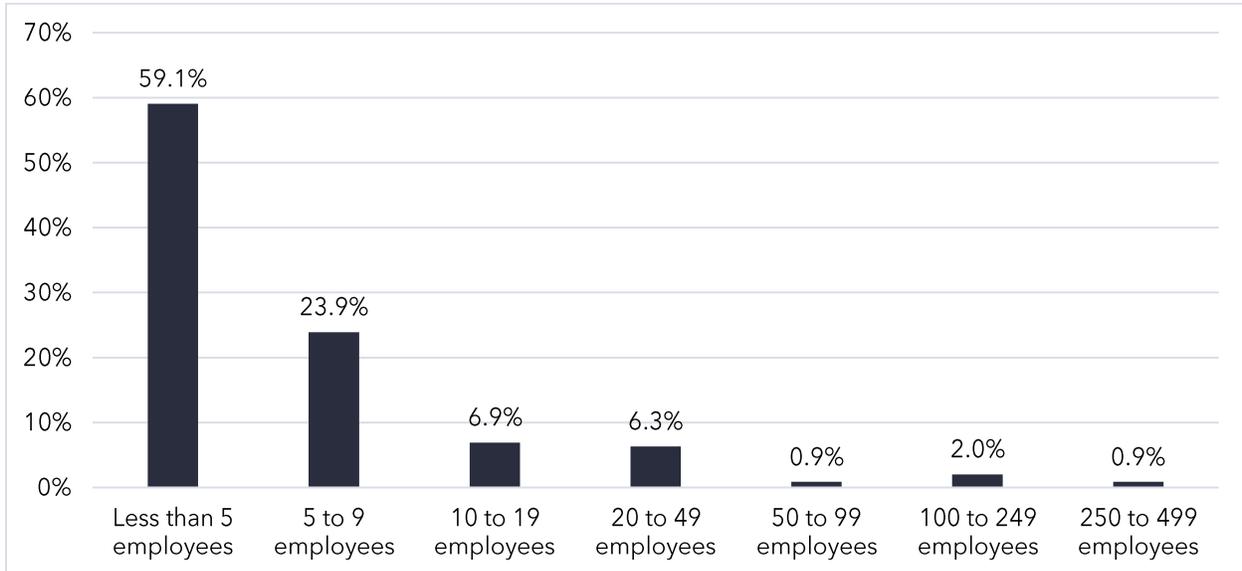


Source: Points Consulting using Esri Business Analyst, Oregon Secretary of State's Office and Desktop Research

Though many data points are lacking, what is clear is that Morrow County is dominated by small businesses (see Figure 23). Though there are a handful of large employers, nearly 60% of businesses employ five or fewer employees, and another 24% employ between five and ten. All told, 80% of businesses in Morrow County employ 10 workers or less. Though data

are not available for the WCV explicitly, it is reasonable to expect that the distribution of employment by businesses in the south end of the County is even smaller.

Figure 23: Establishments by Number of Employees in Morrow County, 2020



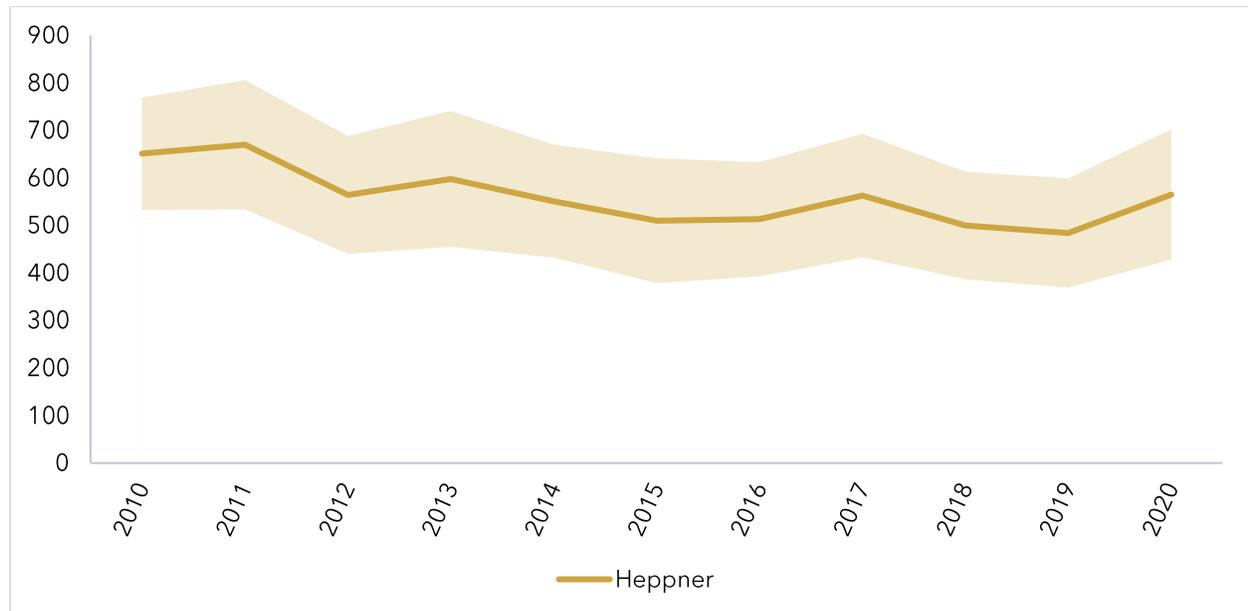
Source: U.S. Census Bureau, County Business Patterns, 2020

Figures 24 - 25 show the total employment and median household income in Heppner. As explained in the introduction to this report, demographic data for small cities is often prone to large margins of error. Therefore, the charts have been presented with error bands above and below the reported US Census Bureau numbers in order to represent the potential range of the data. The margins of error vary by year, with some years showing a higher amount of uncertainty than others.

Heppner shows the greatest difference in trends between total employment and median household income. While total employment decreased over the decade, median household income increased. Overall, median income has been trending upward, apart from the dip from 2019 to 2020, which may have been caused by the economic upset in the pandemic years. It is important to note that, while median household income decreased in 2020, total employment increased, a hint that there may have been new workers entering the labor force.

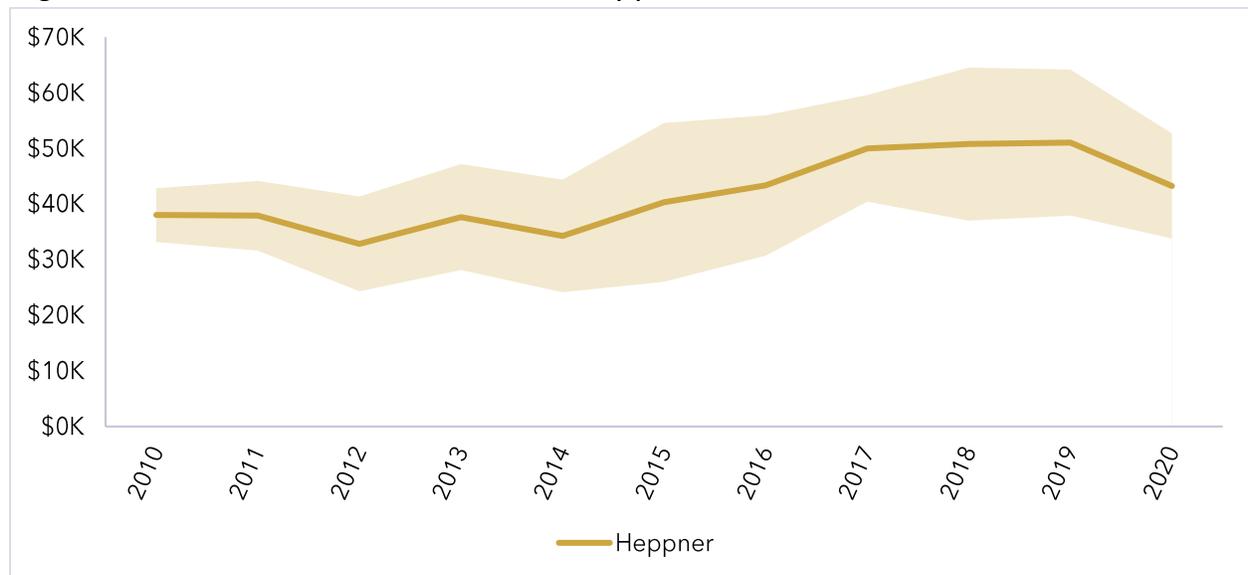
Employment & Income in Heppner

Figure 24: Total Employment in Heppner, 2010-2020



Source: U.S. Census Bureau, 2022

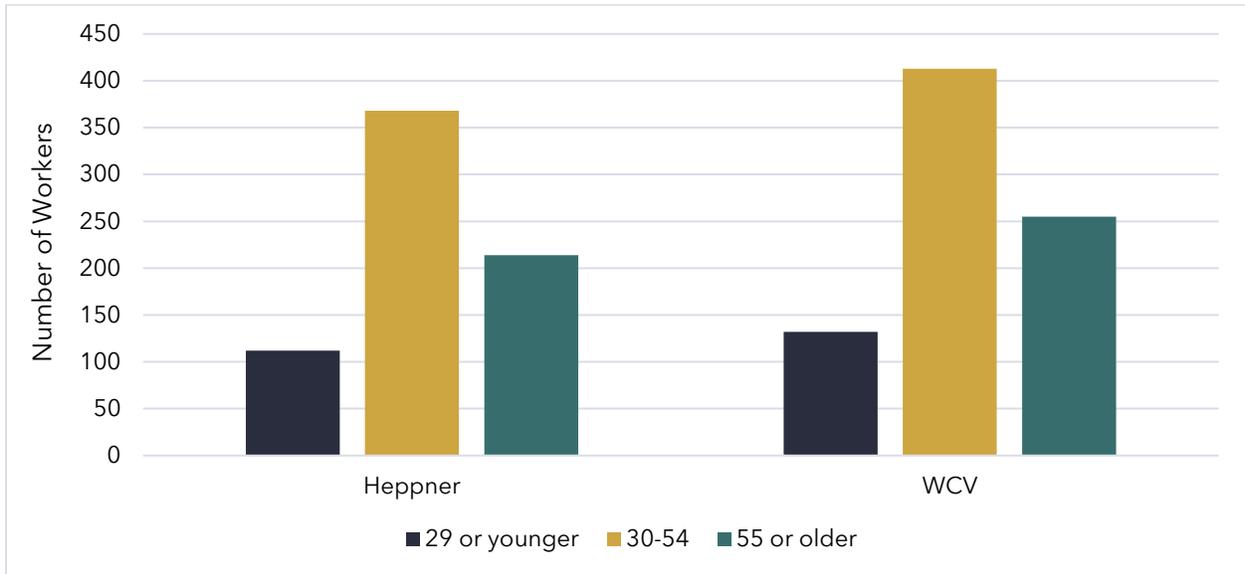
Figure 25: Median Household Income in Heppner, 2010-2020



Source: U.S. Census Bureau, 2022

Heppner contains most of the workers in the region, and thus heavily influences worker demographics in the WCV. In Heppner and the WCV as a whole, the majority of workers are over 30 with the greatest population in the 30 to 54 age group. Notably, about one in every six workers in the WCV is under 30.

Figure 26: Jobs by Worker Age and Location, 2019



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

As seen in Figure 27, Heppner’s earnings are mostly indicative of the earnings of the WCV, due to its comparatively large number of workers. About half of the workers in the WCV make more than \$3,333 per month, with most workers earning this amount or more.

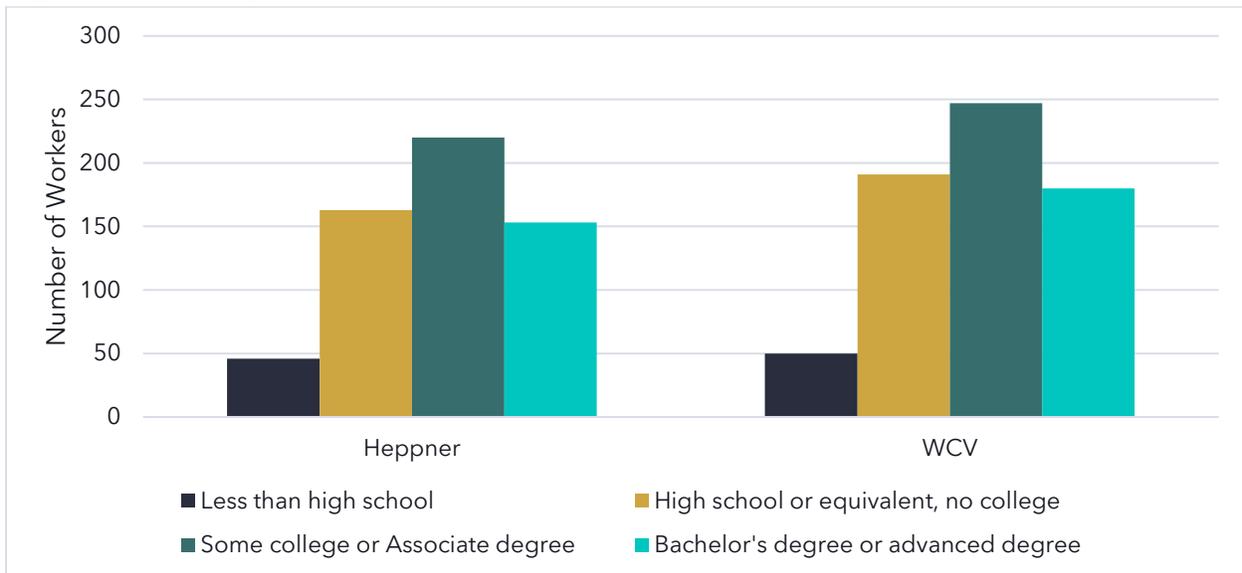
Figure 27: Jobs by Earnings and Location, 2019



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

Most of the workers in the Heppner have obtained a high school or equivalent level of education. While the largest group of workers have completed some college or an associate degree, those with at least a bachelor’s degree and those with no college degree are nearly equal in number. The smallest group of workers is those who have less than a high school level of education.

Figure 28: Jobs by Worker Educational Attainment & Location, 2019



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

Commuter & Transportation Data

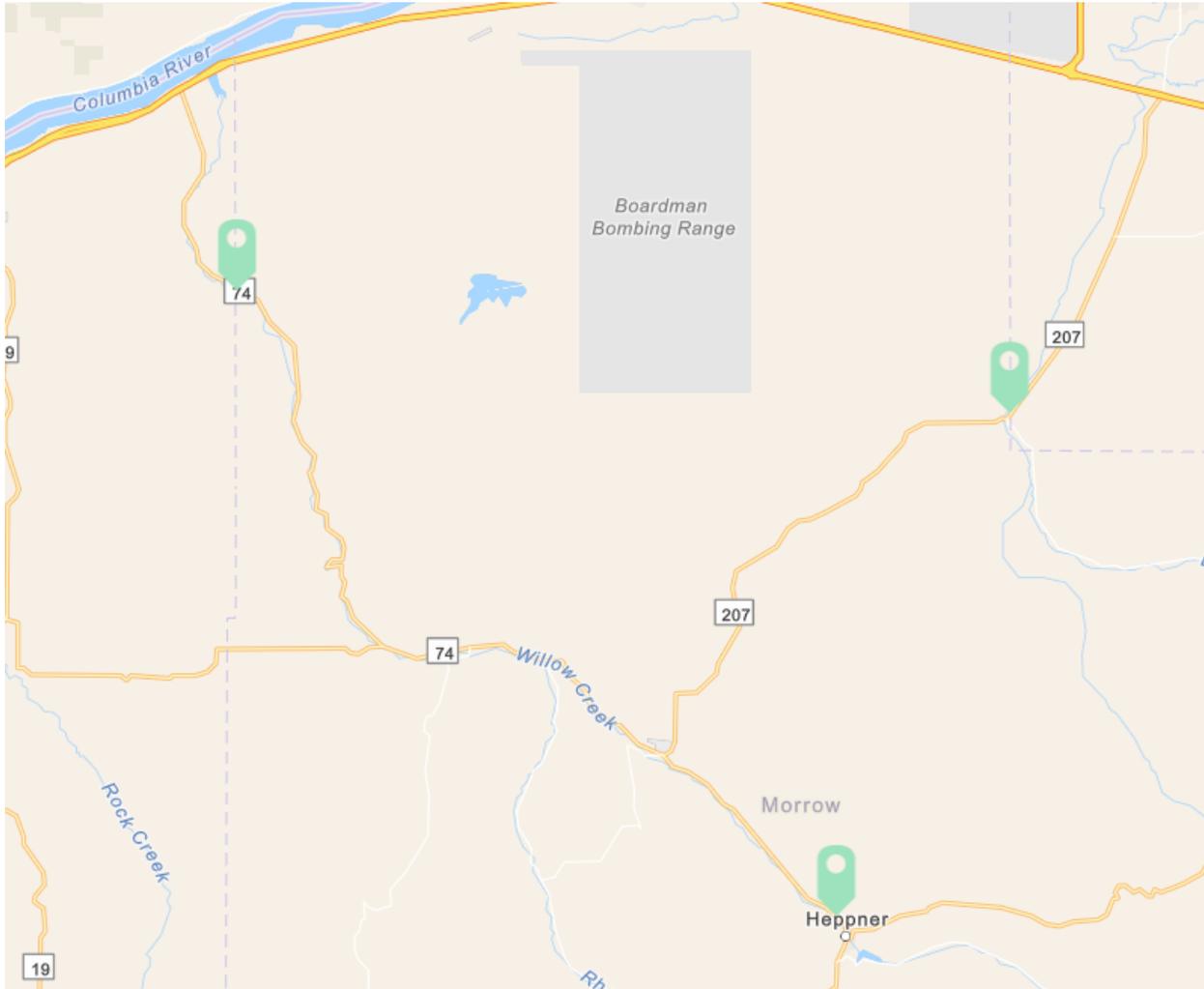
The PC Team identified three key areas of interest in Morrow County for consideration of traffic flow. Site 1 is north of Heppner on Highway 74 headed toward Lexington. Site 2 is situated on Highway 207 between Heppner and Lexington, around the Butter Creek Road intersection. Site 3 is in Cecil, between Lone and Arlington.

Figure 30 shows annual average daily traffic (AADT) in the key locations from 2008 to 2021. Before the uptick in traffic in 2021, traffic flow had been slowly decreasing in all key locations since around 2010. While Covid-19 caused a dip in highway traffic in 2020, many states quickly returned to or even exceed pre-pandemic vehicle traffic in 2021.²⁷ The key locations seem to be following this pattern. The uptick in highway usage may also be a sign of more residents in unincorporated areas surrounding the cities commuting in ways that they previously had not.

Commuter data, as shown in Tables 11-14, demonstrate the level of economic interconnectedness between the WCV communities and surrounding cities. Workers commute to the WCV from locations such as Portland, Boardman, Pendleton, and Hermiston. Conversely, cities receiving the largest number of WCV residents as commuters include Heppner, Hermiston, Lone, Boardman, Pendleton and Irrigon.

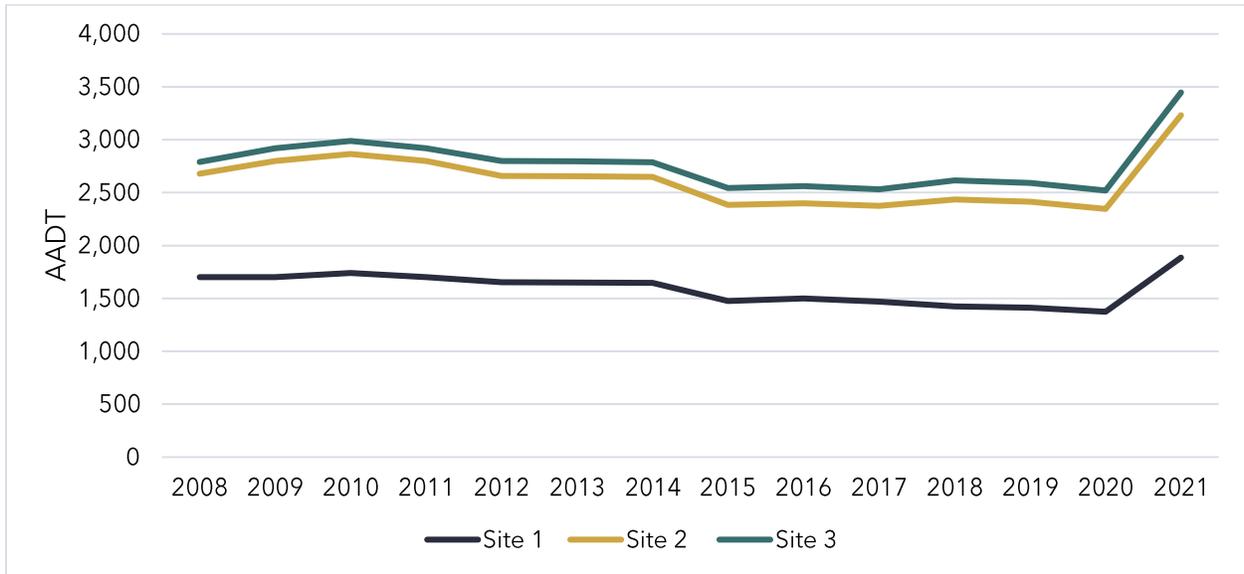
²⁷ <https://tripnet.org/reports/news-release-as-u-s-vehicle-rebounds-to-near-pre-pandemic-levels-15-states-have-exceed-pre-covid-levels/>

Figure 29: Key Locations of Traffic Flow



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

Figure 30: AADT Over Time, Key Locations



Source: Oregon Traffic Monitoring System, 2022

Table 11: Where Workers are Employed Who Live in the Willow Creek Valley

Geography	#
Heppner city, OR	172
Portland city, OR	39
lone city, OR	20
Boardman city, OR	18
Pendleton city, OR	17
Hermiston city, OR	15
Umatilla city, OR	13
Bend city, OR	11
Salem city, OR	10
Kennewick city, WA	10
All Other Locations	381

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

Table 12: Where Workers are Employed Who Live in Heppner

Geography	#
Heppner city, OR	118
Portland city, OR	30
lone city, OR	14
Hermiston city, OR	11
Boardman city, OR	10
Pendleton city, OR	9
Umatilla city, OR	9

Hillsboro city, OR	8
Salem city, OR	7
Bend city, OR	6
La Grande city, OR	5
Redmond city, OR	5
Kennewick city, WA	5
Gresham city, OR	4
Irrigon city, OR	4
Richland city, WA	4
Beaverton city, OR	3
Eugene city, OR	3
Hood River city, OR	3
John Day city, OR	3
Lake Oswego city, OR	3
Lexington town, OR	3
Prineville city, OR	3
The Dalles city, OR	3
Yakima city, WA	3
Arlington city, OR	2
Grants Pass city, OR	2
Newport city, OR	2
Sisters city, OR	2
Tualatin city, OR	2
Pasco city, WA	2
Vancouver city, WA	2

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

Table 13: Where Workers Live Who are Employed in the Willow Creek Valley

Geography	#
Heppner city, OR	135
Hermiston city, OR	48
Ione city, OR	41
Boardman city, OR	39
Pendleton city, OR	39
Irrigon city, OR	25
Lexington town, OR	20
Umatilla city, OR	19
Kennewick city, WA	11
Baker City, OR	6
Condon city, OR	6
John Day city, OR	6

Stanfield city, OR	5
Arlington city, OR	4
Echo city, OR	4
La Grande city, OR	4
The Dalles city, OR	4
Richland city, WA	4
Boise city, ID	3
Nampa city, ID	3
Ontario city, OR	3
Vale city, OR	3
Pasco city, WA	3
All Other Locations	32

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

Table 14: Where Workers Live Who are Employed in Heppner

Geography	#
Heppner city, OR	118
Hermiston city, OR	44
Ione city, OR	38
Pendleton city, OR	37
Boardman city, OR	31
Irrigon city, OR	19
Lexington town, OR	16
Umatilla city, OR	14
Kennewick city, WA	10
Baker City city, OR	6
Condon city, OR	5
John Day city, OR	5
Arlington city, OR	4
La Grande city, OR	4
Stanfield city, OR	4
The Dalles city, OR	4
Nampa city, ID	3
Echo city, OR	3
Ontario city, OR	3
Vale city, OR	3
Richland city, WA	3
All Other Locations	36

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

4. Employment Forecast & Future Land Use Needs

Employment Forecast

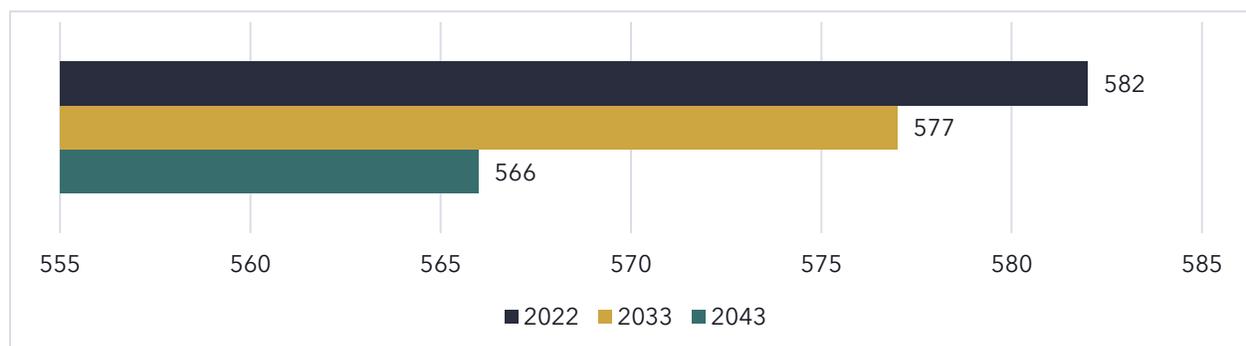
Determining employment land requirements by community depends on first determining the number of jobs that exist in each community. Unlike some other forms of employment statistics, this employment forecast considers jobs by “place of work” rather than by “place of residence.” In other words, the actual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

PC followed DLCD guidance related to Goal 9 employment forecasting for the WCV communities, which includes the option for a “safe harbor” forecast method and a custom forecast option. The safe harbor method is based on taking the Employment Department’s 10-year regional forecast for the Columbia Basin region (Morrow and Umatilla Counties) and applying it to the local communities. Though this is likely appropriate in many localities, PC’s conclusion is that this method does not result in an accurate portrayal of the future for Heppner and other WCV communities.

The primary issue with the safe harbor method is that the forecast is heavily influenced by recent growth in north Morrow County, which is experiencing very different economic trends than south Morrow County. The differences (as shown in Table 15) are clear. The safe harbor method results in a positive increase of 78 jobs to the WCV, while PC’s custom forecast results in just 3 jobs gained. PC’s method is based on changes to employment over the past 30-years and shifts in the population-to-employment ratio within each community. These estimates are also based on the assumption that no changes to each city’s limits or UGBs will take place during the 20-year forecast period.

Though our projection could be perceived as discouraging, our belief is that accurate forecasting is always to be preferred to forecasting based on aspirations. We hope this method will result in a more solid foundation for future planning.

Figure 31: Total Employment Forecast for Heppner



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

Table 15: Numerical Change in Employment Comparison Between Points Consulting and Oregon Employment Department 10-year Forecast, 2023-2033

Category	Hepppner		Incorporated WCV Total	
	Points Consulting	Forecast Method	Safe Harbor	Forecast Method
Construction & Mining	(1)	0	2	55
Mfg.	1	2	2	6
Transport., Com. & Utilities	1	1	3	5
Wholesale Trade	0	0	2	3
Retail Trade	0	(1)	3	4
Finance, Insurance, Real Estate (FIRE)	1	0	4	3
Services	(6)	(4)	47	59
<i>Industrial Subtotal</i>	1	3	11	3
<i>Commercial & Service Subtotal</i>	(6)	(3)	49	3
<i>Government</i>	0	0	7	9
<i>Other (Uncovered Employment)</i>	(1)	3	3	14
Grand Total	(5)	3	64	78

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

PC’s employment projections show that the three cities of the WCV are not expected to experience exponential growth in employment. The PC team projects a stable employment landscape in the WCV, with a slight uptick in job numbers over the next ten years, followed by a slight decline resulting in a net loss of two jobs.

As shown in Figure 31, projections show Heppner could potentially lose 16 jobs over the same span of time. Details for the next 20 years are conveyed in Figure 32 and Table 16, with Table 16 showing breakouts according to commercial and industrial land uses and the associated industry sectors. Though not expressly required for this project, Table 17 summarizes industry and overall employment change for the WCV communities combined.

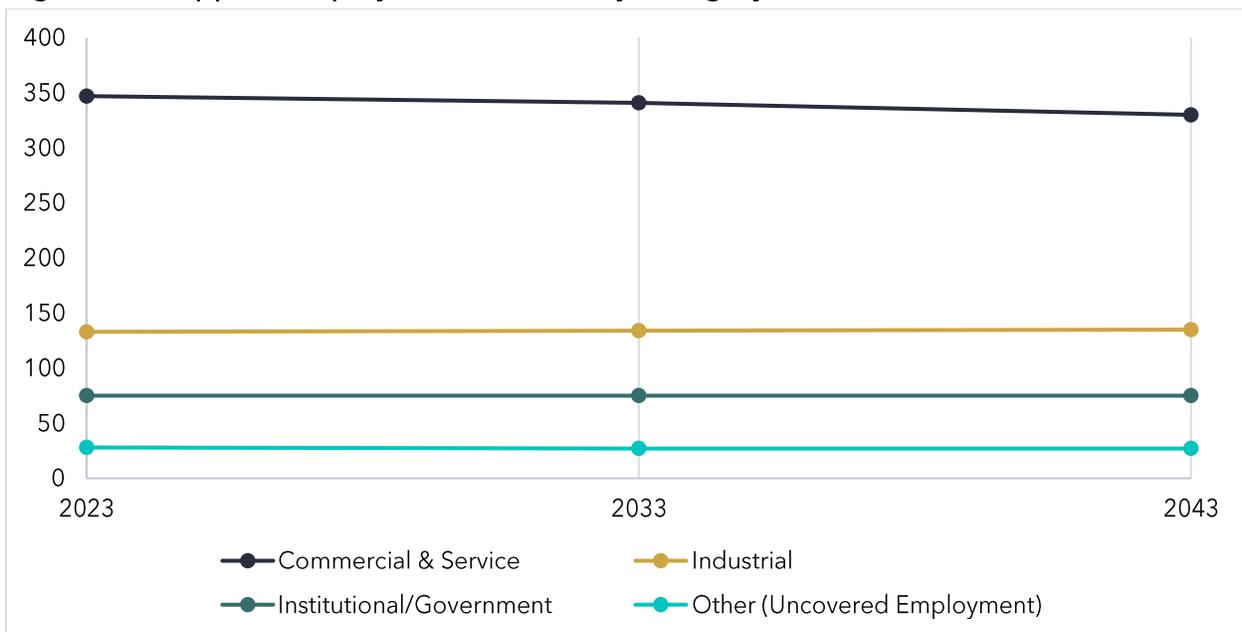
Table 16: Points Consulting 20-Year Forecast for Heppner

Category	Current Employment (2023)	Expected Employment (2033)	Percent Growth (10-Years)	Expected Employment (2043)	Percent Growth (20-Years)
Construction & Mining	27	26	(3.7%)	25	(7.4%)
Manufacturing	51	52	2.0%	53	3.9%
Transportation, Com. & Utilities	25	26	4.0%	26	4.0%
Wholesale Trade	30	30	0.0%	30	0.0%
Retail Trade	50	50	0.0%	46	(8.0%)
Finance, Insurance, Real Estate (FIRE)	27	28	3.7%	28	3.7%
Services	269	263	(2.2%)	256	(4.8%)

Industrial Subtotal	133	134	0.8%	135	1.5%
Commercial & Service Subtotal	347	341	(1.7%)	330	(4.9%)
Government	75	75	0.0%	75	0.0%
Other (Uncovered Employment)	28	27	(3.6%)	27	(3.6%)
Grand Total	582	577	(0.9%)	566	(2.7%)

Source: Points Consulting based on data from Esri Business Analyst, and US Census Bureau, 2023

Figure 32: Heppner Employment Forecast by Category, 2023-2043



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

Table 17: Points Consulting 20-Year Forecast for the WCV

Category	Current Employment (2023)	Expected Employment (2033)	Percent Growth (10-Years)	Expected Employment (2043)	Percent Growth (20-Years)
Construction & Mining	36	36	0.0%	36	0.0%
Manufacturing	60	62	3.3%	62	3.3%
Transportation, Com. & Utilities	38	39	2.6%	41	7.9%
Wholesale Trade	35	35	0.0%	36	2.9%
Retail Trade	57	56	(1.8%)	52	(8.8%)
Finance, Insurance, Real Estate (FIRE)	41	41	0.0%	41	0.0%
Services	319	315	(1.3%)	312	(2.2%)
Industrial Subtotal	169	172	1.8%	175	3.6%

Commercial & Service Subtotal	416	413	(0.7%)	406	(2.4%)
Government	88	88	0.0%	88	0.0%
Other (Uncovered Employment)	31	34	9.7%	33	6.5%
Grand Total	704	707	0.4%	702	(0.3%)

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

Employment Lands Forecast

Job growth is the primary driver of land demand. Therefore, PC projects that the overall demand for employment land in the region will increase only modestly. Each estimate of land demand shown in Tables 18 - 19 was adjusted based on existing supply, the employment forecast, and several real estate absorption factors that are encouraged by DLCD guidance. Firstly, PC used observed rates of real estate vacancy in each community and forecasted a reduction in those rates, under the assumption that existing real estate resources need to be maximally utilized before the market would demand more inventory. Secondly, PC included a public lands adjustment, which accounts for roadways, easements and rights-of-way that would be built into currently vacant and redeveloped parcels once they are developed. We used a 20% adjustment rate, based on values observed in other approved DLCD reports.

Heppner has around 0.7 acres of net buildable vacant acres of industrial land. Based on our employment forecast, PC projects the city will rely on some of the lands classified in this report as redevelopable (49 acres), to meet future employment land needs. Based on the traditional employment lands forecast, Heppner does not currently project a need for more commercial lands in the coming years. Nevertheless, Heppner has the highest demand for industrial land of the WCV communities and is projected to require 1.8 acres by 2043.

Table 18: Employment Lands Forecast in Heppner, Oregon (2033, 2043)

2033					
Land Use	Emp/ Acre (Current)	Forecasted New Emp.	Public Lands Adj.	Real Estate Vacancy	Land Demand (Net Acres)
Industrial Acres	1	1	20%	10%	0.9
Commercial Acres	9	(6)	20%	10%	0.0
2043					
Land Use	Emp/ Acre (Current)	Forecasted New Emp.	Public Lands Adj.	Real Estate Vacancy	Land Demand (Net Acres)
Industrial Acres	1	2	20%	10%	1.8
Commercial Acres	9	(16)	20%	10%	0.0

Source: Points Consulting, 2023

Based on current observed statistics and published metrics in other eastern Oregon Goal 9 studies, the land demand forecast for the whole WCV in 2024 is estimated at 5.2 acres for industrial use and 4.0 acres for commercial use.

Table 19: Employment Lands Forecast in the WCV (2033, 2043)

2033					
Land Use	Emp/ Acre (Current)	Forecasted New Emp.	Public Lands Adj.	Real Estate Vacancy	Land Demand (Net Acres)
Industrial Acres	19	3	20%	20%	1.4
Commercial Acres	13	(1)	20%	20%	2.9
2043					
Land Use	Emp/ Acre (Current)	Forecasted New Emp.	Public Lands Adj.	Real Estate Vacancy	Land Demand (Net Acres)
Industrial Acres	19	7	20%	10%	5.2
Commercial Acres	13	(8)	20%	10%	4.0

Source: Points Consulting, 2023

Future Land Use Conclusions

Ultimately, DLCDC considers more than simply the gross real estate demand for communities conducting Goal 9 studies. Economic opportunities analyses also consider issues such as site sizes, site requirements and, in particular, whether communities possess “a diverse range of site sizes, types and locations”.²⁸ Therefore, although the employment and lands forecast alone does not indicate that employment lands are undersupplied, there are other factors to consider. The shortage of both medium and large industrial sites in the WCV area is one of its greatest challenges to economic competitiveness. DLCDC’s consideration of suitability is particularly relevant on this front, as most industrial developments require a sufficient size to attract businesses to enter the community, while also being sited in a location that would not create environmental or traffic detriments to existing commercial and residential areas.

As described in Chapter 6 of this report, Heppner is limited in both gross capacity and particularly among large parcels that would be attractive and suitable for business recruitment and expansion. Within all commercial and industrial districts across all three WCV cities there are only two parcels with net buildable land exceeding 20 acres. One is a 24 acre parcel zoned EFU “exclusive farm use” within the Heppner UGB. The other is a redevelopable parcel in the rural light industrial zone of Lexington of 22 acres within Heppner’s Urban Growth Boundary (UGB). The remaining parcels (as shown in Table 20 in the Appendix) are too small to realistically serve any industrial development purposes.

Ultimately, PC’s conclusions on land demand are that there is a need in Heppner, in terms of large-tract industrial lands. To remain economically competitive on this front, Heppner would require several industrial parcels of 30+ acres of usable space.

²⁸ DLCDC Memo RE: “Economic Opportunities Analysis”, April 14 2008, https://www.oregon.gov/lcd/UP/Documents/tips_for_cond_econ_opp_analysis.pdf.

5. Community Engagement Summary

Over the course of the Goal 9 project, the project team interacted with each WCV community via in-depth interviews with city and regional leadership, in-person and remote town halls, and city tours.

The team conducted interviews with nine regional and local leaders on their perspectives of the WCV, respective cities, and other neighboring communities outside of Morrow County. The team also conversed with regional and city leadership on other occasions through chance encounters and conversations in a less formal setting.

During town halls, the project team collected feedback from community members on their perceptions on economic development, in general, and our draft lands inventory analyses, in particular. This meeting occurred in Heppner at a Pre- City Council Session on February 13, 2023.

The following are key findings from these discussions.

Observations from Townhalls & Interviews

Community

Heppner has the characteristic of being a resilient and welcoming community. The classic appeal of 'small-town' America is apparent, and retirees and small families are drawn to rural areas for a more peaceful, quiet, and tranquil atmosphere. Many community members report that households have relocated to Heppner and other communities of the WCV to escape the hustle and bustle of larger towns in the Willamette Valley.

Community pride and investment is apparent in the WCV communities in recent and ongoing investments such as the Lone Community Charter School building, and the Heppner Water Park, to name a few. Investments like these are the hallmarks of communities that intend to improve residents' quality of life and that will continue thriving in the long-run.

Economic

The economy of the WCV communities has transformed over the decades as natural resource employment, such as forestry and agriculture, has declined. Despite this, the communities have maintained and developed their unique assets. Those in leadership have largely come to embrace the identity of Heppner as one of the "spoke" communities to the economic "hubs" in north Morrow and Umatilla counties. With these identities there is still plenty of opportunity for employment and economic growth.

Floodplains

Identification of lands within floodplains or wetlands have historically inhibited opportunities for economic development. Over the years the communities of Heppner, Lone, and Lexington have reassessed floodplain designations in areas impacted by historic flooding. The updated delineations and mapping suggests that areas previously within floodplains (and floodways) may be less restricted for future development. That said, updating floodplain mapping to the satisfaction of state agencies and FEMA (the Federal Emergency Management Agency) takes

time, proper paperwork, and financial resources. Heppner is currently going through the process at the South Morrow County Industrial Park.

Fortunately, as of March 2023, the Port of Morrow County was notified of a grant award from Business Oregon to support flood mitigation, which is outlined in a Conditional Letter of Map Revision (CLOMR) for the South Morrow County Industrial Park property. Once the mitigation work is complete the floodplain designation and boundary will bring more acreage into potential industrial use.²⁹ It's anticipated this would enable additional investment and reduced costs of development.

Land Use & Available Lands

The WCV also faces challenges in the short-term availability of employment lands for several other reasons. Unlike many urban communities, many community members in the WCV are unfamiliar with how their properties are currently zoned. Additionally, many lots are non-conforming to their assigned zoning district. In other words, there is a difference between what community members consider employment lands and what the zoning maps and ordinances indicate are employment lands. In particular, within Heppner there are a large number of single-family residences that are located within some form of commercial or industrial district. Also, to some extent, industrial uses have crept into commercial districts and transportation corridors, in ways that are not beneficial or suitable for the community. In many cases, such land usage is pre-existing. In other cases, enforcement of zoning code has been limited.

To overcome these challenges will require increased awareness of about by-right and non-conforming uses, and nimbleness by community development departments in relation to meeting the communities' needs.

Infrastructure

As is often the case, these small and rural communities possess some infrastructure that is near the end of its usable life. Fortunately, Heppner is currently underway to complete a wastewater expansion project.

There are also a number of commercial and residential buildings with significant repair requirements, which are scattered throughout the region. A handful of these are listed on the National Register of Historic Places, which creates both incentives for redevelopment and some restrictions in terms of rehabilitation. Some such properties are in prime locations. Such properties can exist in this state for a period of time but can also get to the point that they are "too far gone" which can become a liability for communities—impacting safety and quality of place.

Services and Amenities

Residents of Heppner report making regular trips to communities such as Boardman, Hermiston, and Pendleton for irregular shopping and entertainment needs. Fortunately, the community does host several grocery stores and a variety of restaurants, but residents

²⁹ Memo from Port of Morrow County and Morrow County Planning Division, dated February 6, 2023.



looking for more variety make out of town trips a regular part of their lives. When asked what the WCV communities are lacking, the common theme is “more things to do” and “more restaurants.” Residents recognize the challenge of limited demand in South Morrow County but are regularly hoping that entrepreneurs will bring something new to the community.

Observations from Community Tour

In August 2022, the project team conducted a full day of tours in Heppner. At the start of the tour, they met and discussed with city officials to gain information, background, and insight on current issues.

The City of Heppner contains the most available job opportunities for the WCV, which includes employers such as Pioneer Hospital, Morrow County Courthouse, City Hall, Morrow County Sheriff’s Office, , Community Counseling Solutions, Morrow County Grain Growers, Columbia Basin Electric Co-Op, and many other small shops and businesses. Nevertheless, there is a lack of options for restaurants, retail, and entertainment options. The working population in Heppner primarily travels outside the city for work to either Boardman, Hermiston, or Stanfield. The rest of the population either does not work or is retired.

In terms of current land use, there is a demand for individuals to buy out farms and other land to use as hunting grounds and conservation preserves. Most land outside the city and within the UGB are reported to be owned by an individual with no current desire to sell. The City is in discussions about acquiring 15-acres from the owner to develop sewage facilities to support future housing development. The City is planning for more homes in the south-east end of town, but the plot of land rests on a steep hillside, and the cost of carving out land and providing utilities would be cost prohibitive.

The City has an economic and community development organization, the Willow Creek Valley Economic Development Group (WCVEDG), which supports business development in the WCV region. The WCVEDG also provides grant funding up to \$25K for businesses to improve their facilities. However, the Group indicates these funds have been used minimally.

WCVEDG also encourages housing development, particularly via a unique remodeling grant designed to incentivize private owners to buy and repair existing homes. Eligible homeowners could receive grants up to \$20K. Along with the housing grant, the WCVEDG provides demolition grant funding for older manufactured homes and utilities. The funds assist buyers of newly acquired lots to add or update sewer and water systems. This grant is not strictly for Heppner, but also neighboring towns and cities (such as Lone and Lexington).

WCVEDG is also in the midst of establishing an incubator-type of facility, which includes a local commercial kitchen. The kitchen would be available for people to process foods for catering, food prep, or packaging and resale. WCVEDG sees the kitchen as an opportunity for hunters, cooks, bakers, and other craftsmen to teach their trades to younger members of the community.

6. Economic Opportunities Assessment

Economic Development Opportunities

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

While Heppner possesses its own unique features and characteristics, certain aspects are shared with the other WCV communities as well. As demonstrated in Chapter 3, the economic growth of Morrow County in the past ten years has been stunning, but this has primarily been driven by industry growth in the Port district in Boardman. The three cities are 30 to 40 miles from Boardman. Hermiston and Pendleton are also relatively close to all three cities, particularly Lexington, due to the option to travel on HWY 207. Though seemingly a long-distance, the 30 to 60-minute commute is fairly common for residents of eastern Oregon.

Businesses in Morrow County are generally small, with 80% of businesses employing ten or fewer workers. Business sizes are even smaller in the WCV. There are many residents that maintain numerous non-employed business entities, which could become employers in the future. Despite this, a number of large businesses located at the Port of Morrow support supply chain based (or indirect effect) jobs for these small WCV businesses. These tend to concentrate in the construction, maintenance, and transportation industries. To cite one prominent example, AWS's 2022 Economic Impact Statement estimated that the tech giant is responsible for 44 indirect jobs and \$51M in earnings within Morrow County.³⁰

The Columbia River Enterprise Zone (CREZ) of Morrow County is one of the most productive in all of Oregon. In the short term this has benefited the area in terms of job creation and income increases, but there is a long-run benefit too. When property tax abatements in the Port of Morrow expire over the next ten to fifteen years, it will create a large infusion of property tax revenue that the County will distribute not just to north Morrow but to the WCV communities as well. As those funds come in, local officials will have the opportunity to invest in further economic development enabling assets including infrastructure upgrades, industrial park development, and even commercial building enhancements in the form of grants.

Though commercial and industrial expansions from north Morrow have not been common, the growth and prosperity has rippled out to the WCV and is taking shape in small scale commercial businesses. The WCVEDG in Heppner has also reported anecdotally that businesses such as electricians, plumbers, and auto mechanics, have all expressed interest in expanding or relocating their businesses, if the right type of space were available.

³⁰ AWS Investment: Morrow County, Oregon, Memo shared with PC on November 11, 2022

In recent years, energy investments have created a bump in the economy of the WCV. The Wheatland Renewable Energy Facility, for example, is about 20 miles northeast of Lone. The facility which opened in March 2022, generates up to 350 MW of clean renewable energy, and also features an innovative mix of solar, wind and battery storage.³¹ The Oregon Department of Energy reports several other pending and potential projects in Morrow County along these same lines, including the Echo Solar Project and the Wagon Trail Solar Project to name a few.³² Given Oregon's focus on investing in green energy technologies, and the availability of land in the WCV, these investments should be expected to continue over the next twenty years. Though many jobs in the energy field are temporary, there is still the need for the nearby workforce to maintain and repair equipment.

All told, the following catalogue summarizes some of the greatest regional assets that serve as a boon to all of the WCV, including those located in north Morrow County. This is not an exhaustive list but does account for the main attractions and features of the region.

- Boardman Industrial Park
- Airport Industrial Park (Boardman)
- East Beach Industrial Park (Boardman)
- AWS's existing and planned future investments in north Morrow County
- Umatilla Chemical Weapons Depot (border of Umatilla and Morrow counties), note that planning officials have developed a revitalization plan as industrial space for this area
- Ongoing and proposed energy generation projects
- Strong fiber optic backbone throughout the region

Community Development/Recreational Assets

- Willow Creek Reservoir
- Willow Creek Water Park
- Morrow County OHV Park
- Scenic Byways, including:
 - the Blue Mountain Scenic Byway (Lexington and Heppner to Baker City)
 - the Blue Mountain Century Scenic Bikeway (Heppner to Ukiah)

Heppner

Beyond the information summarized above, Heppner has its own opportunities and assets that warrant particular attention. Of all cities in the WCV, Heppner has the widest variety of opportunities to stimulate economic growth over the next 20 years. As the location for the regional junior and senior high schools, the county seat, and the site of the regional Ranger

³¹ Monica Samayoa, "Morrow County home to nation's first large-scale wind, solar and battery facility", East Oregonian, https://www.eastoregonian.com/news/local/morrow-county-home-to-nation-s-first-large-scale-wind-solar-and-battery-facility/article_37f63612-f44c-11ec-a39d-ab183c109f81.html.

³² Oregon Department of Energy, Public Energy Facilities Map, <https://geo.maps.arcgis.com/home/webmap/viewer.html?webmap=17c081fcb7fa43da87c13f8dca310e89&find=Wheatridge%20Renewable%20Energy%20Facility%20II&mapOnly=true>.



Station for the Umatilla National Forest, Heppner has multiple components of stable state and federal government employment. Private sector employment has been less stable in Heppner over the past 20 years. However, much of that decline has centered on unique adverse events, such as the closure of the Kinzua mill in 1999.

Community leadership in Heppner are deeply aware that the economic future is tied directly to affordable housing. Concerns about housing availability frequently came up in discussions with residents and leadership. This concern is reflected in the investments the City is working on to increase residential lands and capacity. However valid the concern, when it comes to land-use, the City will need to carefully weigh residential, commercial, and industrial uses. Leadership should also consider the use of mixed-use development and redevelopment, where appropriate, to accommodate multiple land-use needs.

Despite these shocks, Heppner is the center of the commercial and services industries for south Morrow County including essential components such as finance, insurance, and more boutique retail trade stores. With roughly 100 employees in blue collar industries such as construction, manufacturing, and transportation, the community also has a workforce to build upon in terms of industrial growth.

The best path for growth for Heppner will lie in its ability to further promote its unique cultural and community assets, attract mid-career and young adult workforce, expand the array of visitor attracting events, and facilitate the development of industrial properties for blue-collar businesses to expand, and new ones to initiate. Over the next ten years, economic and community development leaders will have the opportunity to advocate for and shape the future of the South Morrow County Industry Park. If developed upon, this could be a significant employment-facilitating asset to the community for industrial or a mix of commercial/industrial purposes.

Some assets specific to Heppner include:

- Heppner Chamber of Commerce
- Heppner's historic downtown corridor
- Gilliam & Bisbee Building (capacity for 36 lodgers and event space for up to 350)
- WCVEDG Housing Redevelopment Program
- Proposed housing development on east side of Heppner
- Morrow County Courthouse, (on the National Register of Historic Places)
- Downtown food truck park with regular rotation of visiting vendors
- Annual St. Patrick's Day Festival
- South Morrow Industrial Park (outside of city limits by just two miles)
- Heppner Ranger District for Umatilla National Forest
- County seat for Morrow County

Recommendations for Economic Development Enhancements

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

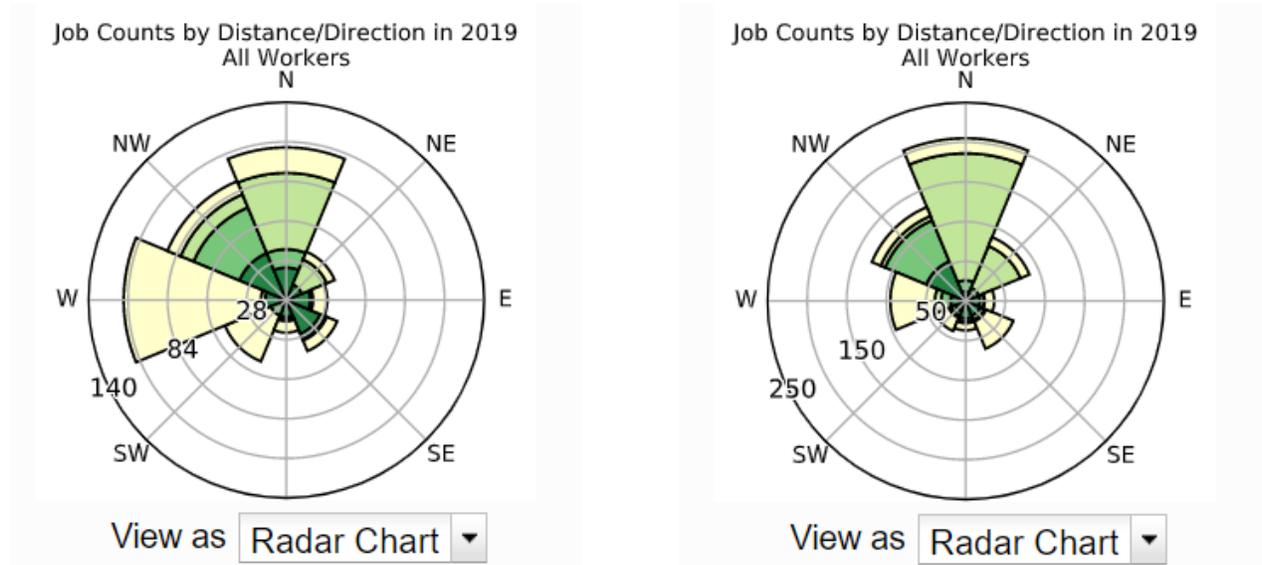
- As indicated in Chapter 4 of this study, the WCV possesses an insufficient number of medium and larger sized industrial and commercially zoned parcels. Development of these, particularly in Heppner, will provide the necessary soil for the private sector to grow employment for residents of the region.
- Upcoming floodplain mitigation work for which grant funding has been secured will likely affect available lands within multiple communities in South Morrow County. We recommend the County consider updating the BLI based on these changes, once the floodplain mitigation work is completed.
- Consider creating more community-wide events that draw crowds and support local lodging, retail, and food service businesses. Some concepts discussed by community members on this front include running/biking competitions, youth sports tournaments, and musical/cultural events. The Gilliam and Bisbee building, for example, is a unique historical building with capacity for large groups of lodgers that is typically under capacity.
- Eastern Oregon tourism branding is stronger for surrounding counties, including Umatilla, Union, and Wallowa, with focus on tours, maps, and multiple eateries and fermented beverage establishments. In future iterations of publications, the WCV communities could enhance their assets and capitalize on tourism through improved marketing and branding.
- Economic development opportunities in the WCV are abundant but the WCVEDG seems to lack capacity to carry out and pursue all such activities. Grant funding, particularly if it can be used to hire more staff, would greatly help WCVEDG and other partnering agencies to pursue more opportunities.
- Several of the communities face the prospect of being stuck with their existing urban growth boundaries due to a perceived excess capacity of vacant or redevelopable lands. The 42-acre parcel near the intersection of HWY 74 and Fuller Canyon Road in Heppner is one such example. If this parcel is not feasible for development, or if private ownership is not amenable, the city should consider reviewing comprehensive plans and zoning districts to ensure they match up with the most suitable land usages.
- During the development of the EOA and Buildable Lands Inventory, zoning for public use and employment were discussed. As public sector jobs are an important part of the local economy, it is important to consider land availability for public employment and zoning restrictions on public offices. Current zoning provisions in Heppner limit development of lands for public/ institutional use. Public use is regarded as a conditional use in residential and commercial districts, but there are no specific public facility zoning designations

provided. Only in Heppner's industrial (M) and downtown district (DD) zones are public or institutional uses allowed outright.

- Given current policy restrictions, lands within community UGBs designated by Morrow County as public were removed from the Buildable Lands Inventory. However, future zoning amendments (both map and text) should work with - and consider- any demand by public employers for siting future facilities. A closer examination may also suggest the need to expand UGBs to accommodate public employers' growing needs.
- Just as north Morrow County is known for hydroelectric energy and the multitude of businesses it has attracted to the Port of Morrow, south Morrow could establish a reputation as a nexus for renewable energy. Options along these lines could include biomass, solar, wind, and battery storage. Economic developers should remain connected to these opportunities, and advocate for development in the southern portions of the County.
- With property tax abatements expiring for the CREZ, it behooves the WCV leaders to plan for potential incoming revenue and prioritize a list of projects that would generate the greatest economic impact for the region. PC's community engagement found that industrial property in Heppner should be considered near the top of that list.
- The housing redevelopment program in Heppner is unique in its ability to provide a funding mechanism for market-rate rentals and owner-occupied homes. It would likely attract significantly higher attention if awareness was higher. Many workers in north Morrow and Umatilla would likely be drawn to the program with this increased marketing. More residents bring more property tax revenue, and more local spending, even if such workers keep their jobs to the north. This advertising could be done with "targeted ads" via social media sources (such as Facebook).
- Though the focus of this study is employment lands, there is a natural overlap between economic opportunities and availability of housing. Anecdotal information from community leaders and community members indicates that numerous employers are held back from expansion due to the lack of housing that is affordable for their workforce. This was particularly conveyed in Heppner more than the other two communities. For this reason, additional concern should be placed on policies increasing sufficient housing opportunities for young professionals and first-time home buyers.

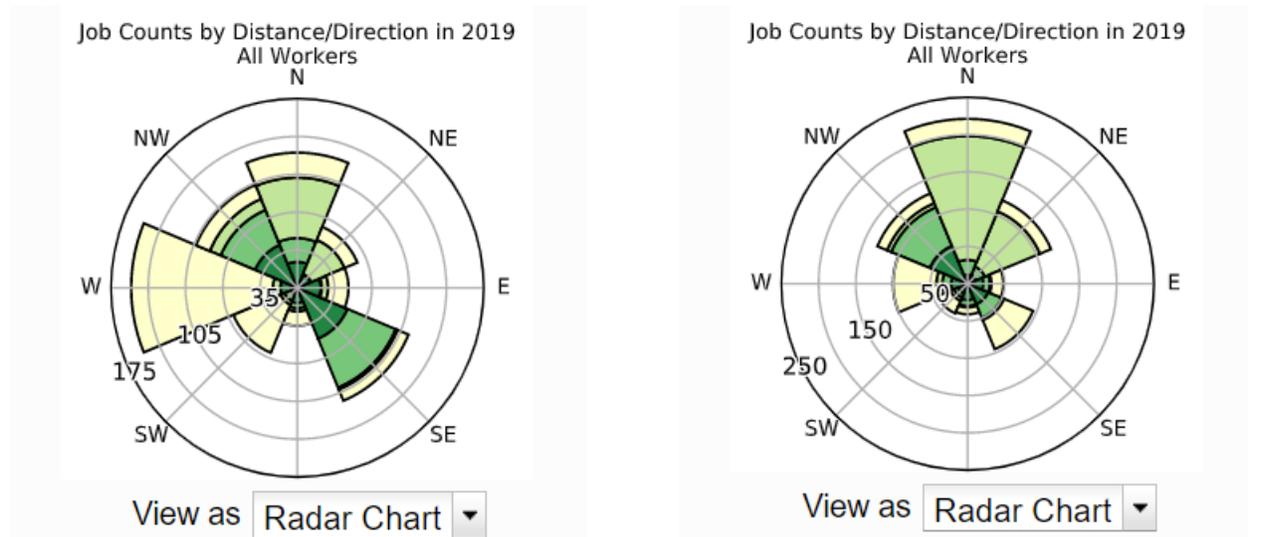
Appendix A: Supplementary Data

Figure 33: Job Counts by Distance/Direction, Residents and Workers of Heppner



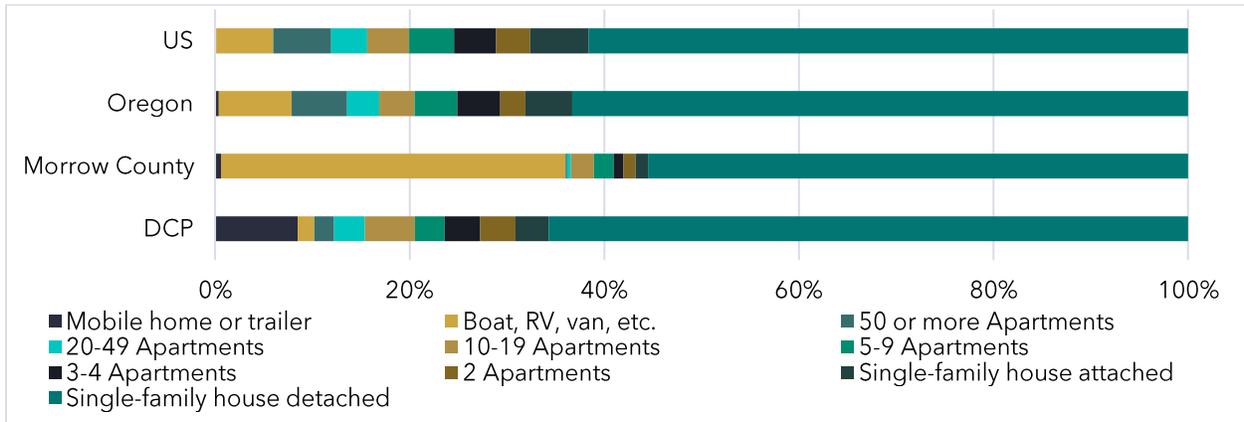
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019)

Figure 34: Job Counts by Distance/Direction, Residents and Workers of the WCV



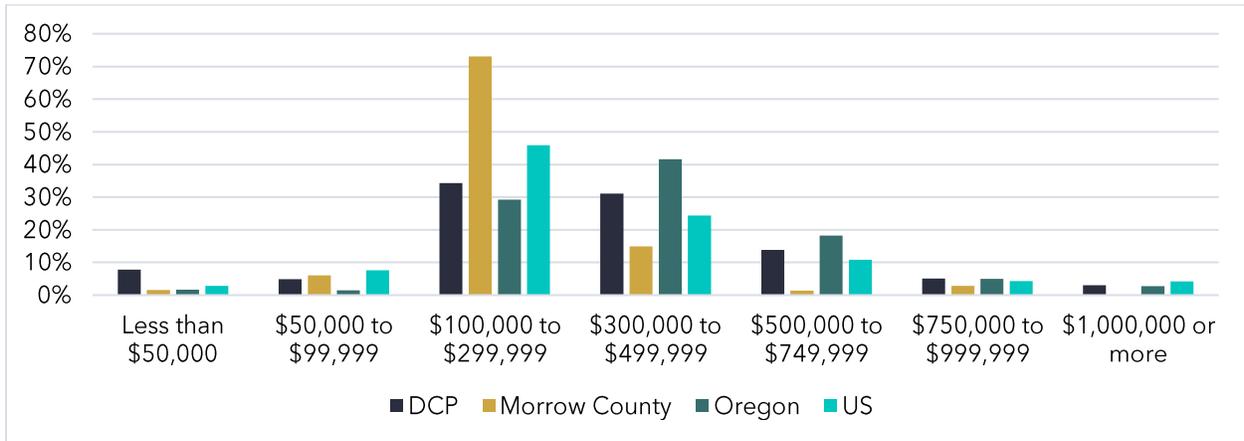
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

Figure 35: Units in Structure



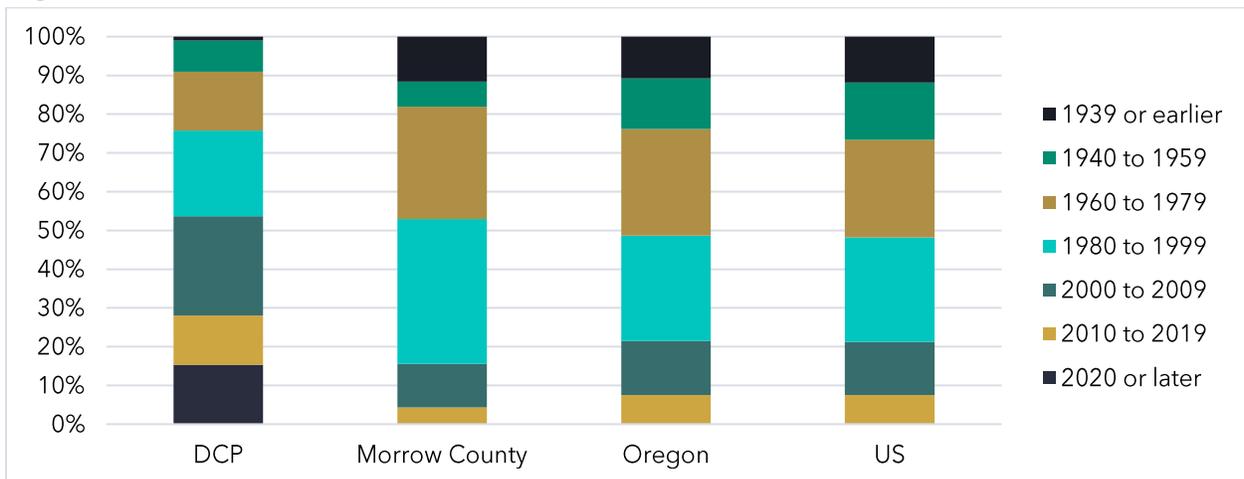
Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

Figure 36: Home Values



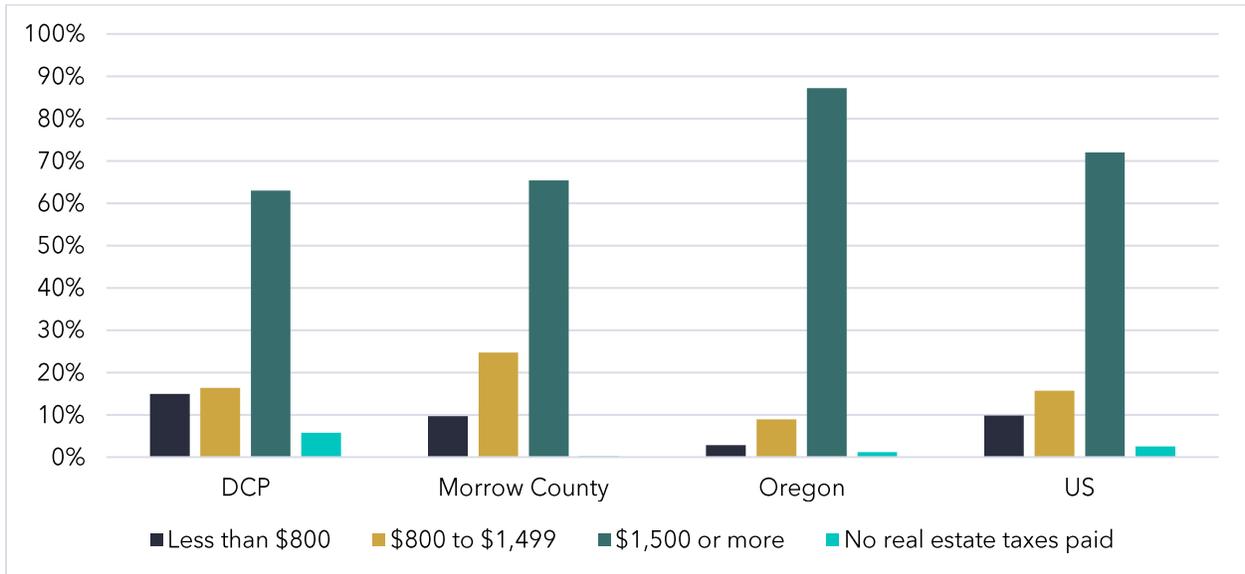
Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

Figure 37: Year Home Built



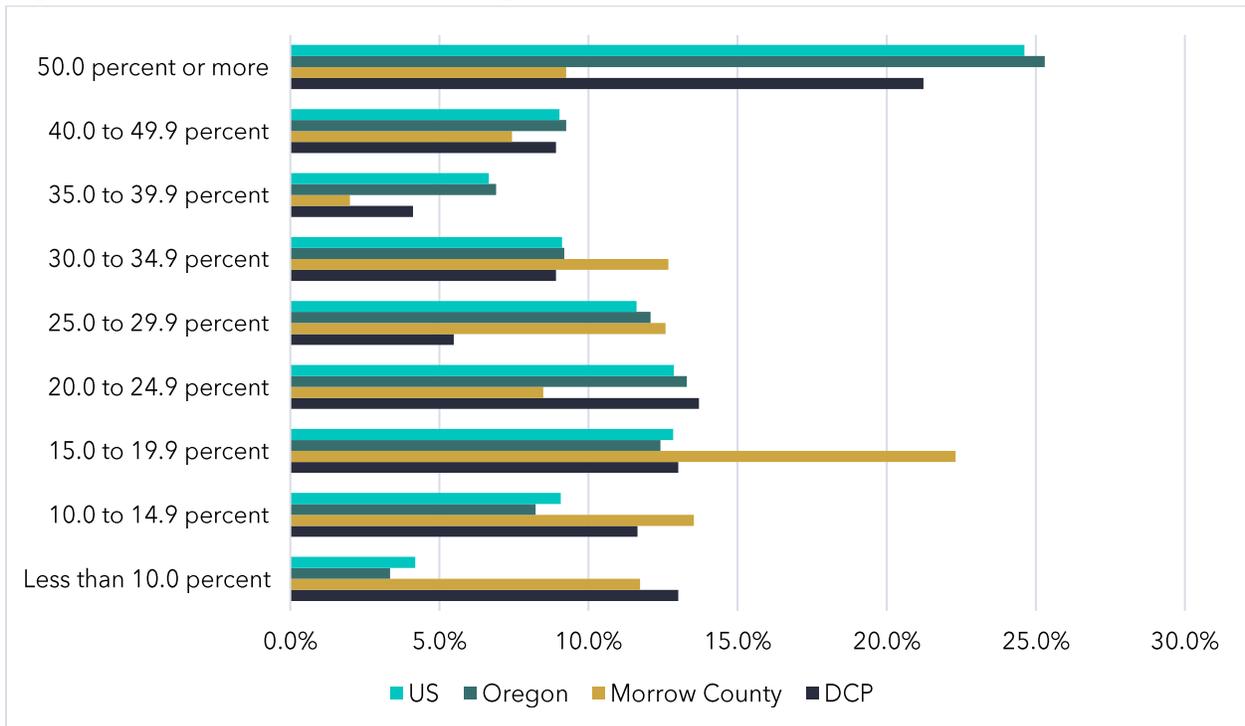
Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

Figure 38: Property Taxes



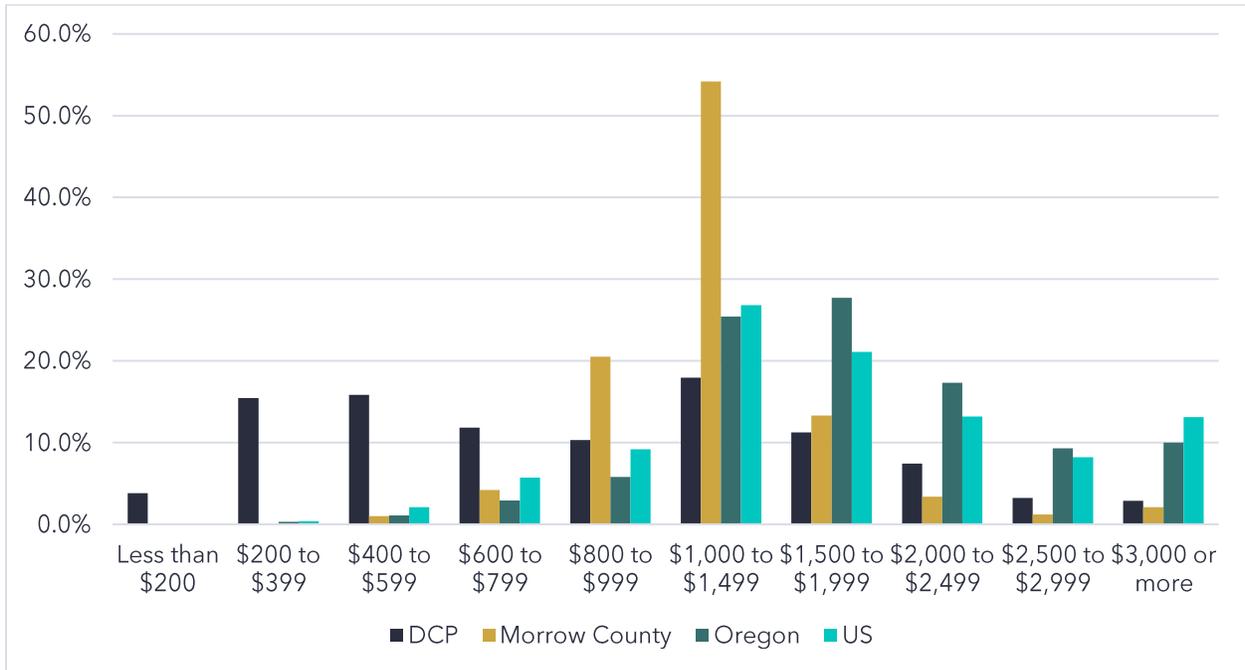
Source: ACS Public Use Microdata Sample (PUMS), U.S. Census Bureau, 2021

Figure 39: Gross Rent as a Percentage of Household Income



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

Figure 40: Monthly Owner Costs



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

Appendix B: Parcel Details for Redevelopable and Vacant Lands

Table 20 contains material details of the parcels within Heppner that qualify as redevelopable or vacant. Lists are rank ordered from largest amount of buildable land to smallest. The arithmetic behind reductions due to environmental or physical development constraints is excluded in order to conserve page space. Also, the lists exclude ownership information in order to protect the confidentiality of private landowners, but such details are available via the Morrow County Tax Assessors office, if required for further research.

Table 20: BLI Lands in Heppner

Map (T-R-S)	Tax Lot	Zone	Category (BLI)	Gross Acreage	Buildable Vacant Acres	Redevelopable Acres	Total Buildable Acres
02S26E	4300	IND	Redevelopable	55.90		24.42	24.42
02S26E26CC	6000	C1	Redevelopable	6.98		6.82	6.82
02S26E	3401	IND	Redevelopable	4.59		4.59	4.59
02S26E26CB	201	C1	Redevelopable	1.70		1.70	1.70
02S26E35BB	1200	C1	Redevelopable	2.53		1.60	1.60
02S26E27DA	6600	IND	Redevelopable	1.99		1.33	1.33
02S26E35BC	11700	C1	Redevelopable	1.01		1.01	1.01
02S26E26CB	207	C1	Redevelopable	0.73		0.73	0.73
02S26E35BB	2500	C1	Redevelopable	0.58		0.51	0.51
02S26E27AC	100	IND	Redevelopable	0.49		0.49	0.49
02S26E27DA	800	C1	Redevelopable	0.46		0.46	0.46
02S26E	4302	IND	Redevelopable	2.44		0.44	0.44
02S26E26CB	205	C1	Redevelopable	0.55		0.41	0.41
02S26E35BB	2300	C1	Redevelopable	0.45		0.37	0.37
02S26E26CB	203	C1	Redevelopable	0.37		0.37	0.37
02S26E35BB	2800	C1	Vacant	0.35	0.35		0.35
02S26E27DA	3000	C1	Redevelopable	0.30		0.30	0.30
02S26E27DA	4800	C1	Redevelopable	0.29		0.29	0.29
02S26E27DA	1100	C1	Redevelopable	0.60		0.29	0.29
02S26E27DA	1100	IND	Redevelopable	0.60		0.29	0.29
02S26E35BB	2700	C1	Redevelopable	0.33		0.29	0.29
02S26E26CC	6800	C1	Redevelopable	0.90		0.28	0.28
02S26E35BC	11600	C1	Redevelopable	0.27		0.27	0.27
02S26E27AC	1001	IND	Redevelopable	0.26		0.25	0.25
02S26E27AC	1002	IND	Vacant	0.47	0.25		0.25
02S26E27DA	900	C1	Redevelopable	0.22		0.22	0.22
02S26E27AC	500	IND	Vacant	0.50	0.22		0.22
02S26E27DB	600	IND	Vacant	0.61	0.17		0.17

02S26E27DA	100	C1	Redevelopable	0.16		0.16	0.16
02S26E26CC	6802	C1	Redevelopable	0.39		0.16	0.16
02S26E27DA	3300	C1	Redevelopable	0.15		0.15	0.15
02S26E27DA	4200	C1	Redevelopable	0.15		0.15	0.15
02S26E27DA	4600	C1	Redevelopable	0.15		0.15	0.15
02S26E27AC	1200	C1	Vacant	0.31	0.14		0.14
02S26E26CC	6400	C1	Redevelopable	0.32		0.12	0.12
02S26E35BC	13400	C1	Redevelopable	0.15		0.12	0.12
02S26E27DA	6200	C1	Redevelopable	0.18		0.12	0.12
02S26E35BB	2400	C1	Redevelopable	0.14		0.10	0.10
02S26E27DA	6300	IND	Vacant	0.10	0.10		0.10
02S26E27DA	6602	IND	Redevelopable	0.39		0.09	0.09
02S26E27DA	1601	IND	Redevelopable	0.35		0.08	0.08
02S26E35BB	7400	C1	Redevelopable	0.20		0.08	0.08
02S26E35BB	7600	C1	Redevelopable	0.11		0.08	0.08
02S26E35BB	1500	C1	Redevelopable	0.13		0.07	0.07
02S26E27DB	700	IND	Redevelopable	0.37		0.07	0.07
02S26E35BB	7500	C1	Redevelopable	0.09		0.05	0.05
02S26E35BB	1300	C1	Redevelopable	0.30		0.05	0.05
02S26E	3400	IND	Redevelopable	0.05		0.05	0.05
02S26E26CC	6801	C1	Redevelopable	0.02		0.02	0.02
02S26E27AC	1299	IND	Vacant	0.09	0.02		0.02
02S26E27DA	1200	C1	Redevelopable	0.05		0.02	0.02
02S26E27DA	1201	C1	Redevelopable	0.33		0.02	0.02
02S26E35BC	13000	C1	Redevelopable	0.42		0.02	0.02
02S26E35BB	11100	C1	Redevelopable	0.19		0.01	0.01
02S26E35BB	11100	C1	Redevelopable	0.19		0.01	0.01
02S26E35BB	2899	C1	Vacant	0.02	0.01		0.01
02S26E35BB	7300	C1	Redevelopable	0.22		0.01	0.01
02S26E27AC	400	IND	Vacant	0.61	0.01		0.01
02S26E35BB	4500	C1	Redevelopable	0.12		0.00	0.00
02S26E35BB	8900	C1	Vacant	0.03	0.00		0.00
02S26E27DA	6603	IND	Vacant	0.11	0.00		0.00
02S26E35BB	7701	C1	Vacant	0.19	0.00		0.00
02S26E35BB	10200	C1	Redevelopable	0.03		0.00	0.00
02S26E26CC	9800	C1	Redevelopable	0.03		0.00	0.00
02S26E35BB	8003	C1	Redevelopable	0.06		0.00	0.00
02S26E35BB	11800	C1	Redevelopable	0.06		0.00	0.00
02S26E27DA	1300	C1	Redevelopable	0.19		0.00	0.00
02S26E26CC	10500	C1	Redevelopable	0.39		0.00	0.00
02S26E26CC	10600	C1	Redevelopable	1.37		0.00	0.00

02S26E35BB	9000	C1	Vacant	0.13	0.00		0.00
02S26E27DA	6601	IND	Redevelopable	0.05		0.00	0.00
02S26E27DB	2200	IND	Redevelopable	0.38		0.00	0.00
02S26E27DB	2100	IND	Vacant	0.22	0.00		0.00
02S26E27DB	2001	IND	Vacant	0.25	0.00		0.00
02S26E35BB	4200	C1	Redevelopable	0.77		0.00	0.00
02S26E35BB	8200	C1	Redevelopable	0.15		0.00	0.00
02S26E35BB	9601	C1	Redevelopable	0.03		0.00	0.00
02S26E35BB	11700	C1	Redevelopable	0.05		0.00	0.00
02S26E35BB	5300	C1	Redevelopable	0.08		0.00	0.00
02S26E27DB	2300	IND	Redevelopable	0.01		0.00	0.00
02S26E35BB	7700	C1	Vacant	0.18	0.00		0.00

Source: Nexus Planning Services using data from Morrow County Assessor's Office