



**ECONOMIC OPPORTUNITIES ANALYSIS
(OREGON STATEWIDE PLANNING GOAL 9)**

Prepared For:
Grant County, Oregon
& Grant County Cities

May 2019

Acknowledgments

Johnson Economics prepared this report for Grant County, Oregon and select cities of Grant County. Johnson Economics and the County thank the many people who helped to develop this Economic Opportunities Analysis.

Economic Opportunities Analysis Steering Committee

Grant County

Cities

Consultants

Jerry Johnson, Johnson Economics
Brendan Buckley, Johnson Economics

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I. INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for Grant County, Oregon and participating local cities.

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

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

- **Economic Trends:** Provides an overview of national, state and local economic trends affecting Grant County and Cities, including population projections, employment growth and a demographic profile.
- **Target Industries:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.
- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- **Capacity:** Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within the UGB.
- **Reconciliation:** Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.
- **Economic Development Potential and Conclusions:** Summary of findings and policy implications.

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

II. ECONOMIC TRENDS

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

NATIONAL TRENDS

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

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

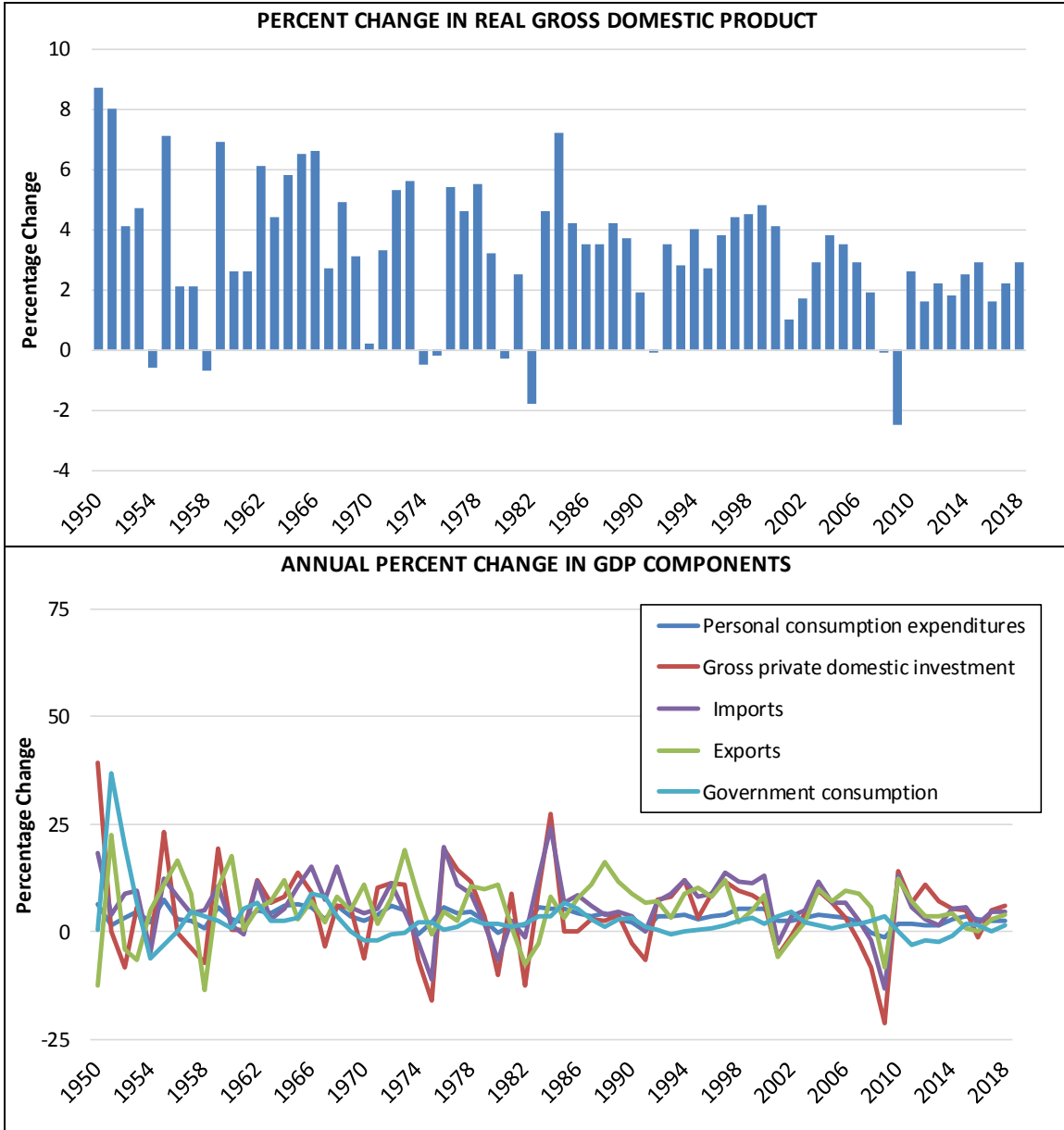
Gross Domestic Product: The most commonly used measure of economic prosperity is real gross domestic product (GDP) per capita. Real GDP per capita is essentially a measure of national wealth considered on an individual basis, and the increased purchasing power of the population translates into greater investment in health care, education, housing, leisure, and many other factors. U.S. real GDP per capita remains stable.

Over the last century, the average annual growth rate has been 1.8%, despite considerable shifts in economic and social conditions—a finding that suggests long-term economic growth is more related to very broad trends, such as population growth and investment in physical and human capital, than temporary economic fluctuations, like the recent recession and government policy.

The Great Recession officially brought six consecutive quarters of negative economic growth in 2008 and early 2009. Though now a decade in the past, the depth and duration of this downturn was the most pronounced since World War II. Coming out of this period, the expansion cycle has been sustained yet the pace of growth has been generally modest to date. Credit markets have been more stringent, businesses are more cautious, and housing construction has yet to return to its previous level. This caution has actually

served to make this nearly decade-long expansion more stable and durable as it has thus far been underpinned by less risky or speculative behavior.

FIGURE 2.01: NATIONAL GROSS DOMESTIC PRODUCT TRENDS



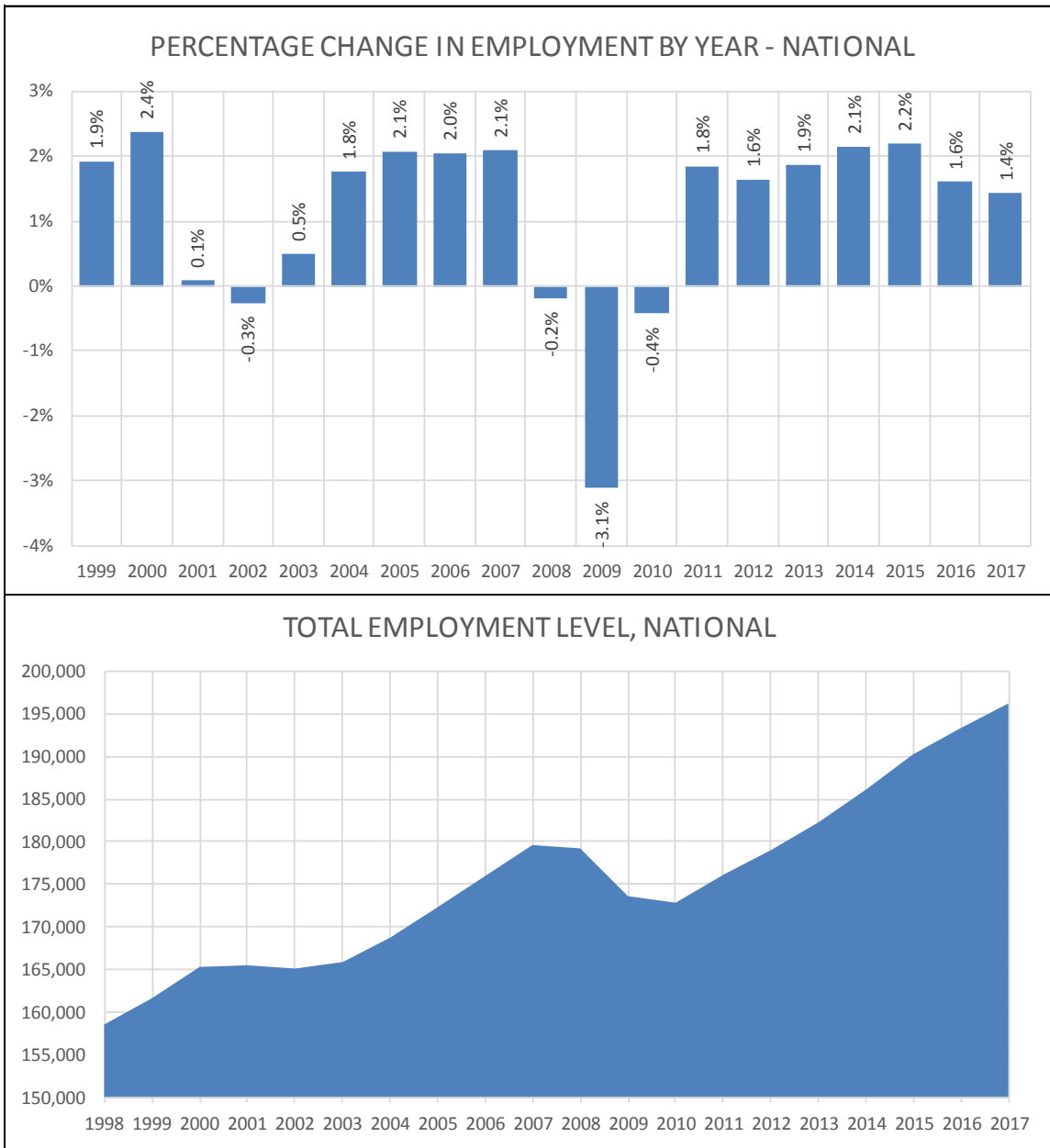
SOURCE: US Bureau of Economic Analysis

Economic forecasters generally expect a slight increase in growth over the near term, followed by a cyclical moderation over the 2020-23 period, reflecting downward pressures from tight labor markets and higher interest rates. Potential GDP growth, which measures the GDP growth that can be sustained at a constant rate of inflation, indicates future long-term growth at around 2.0% per year.

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

At the same time, the national unemployment rate has consistently fallen to near historic lows of under 4%, after peaking at roughly 12% unemployment during the recession.

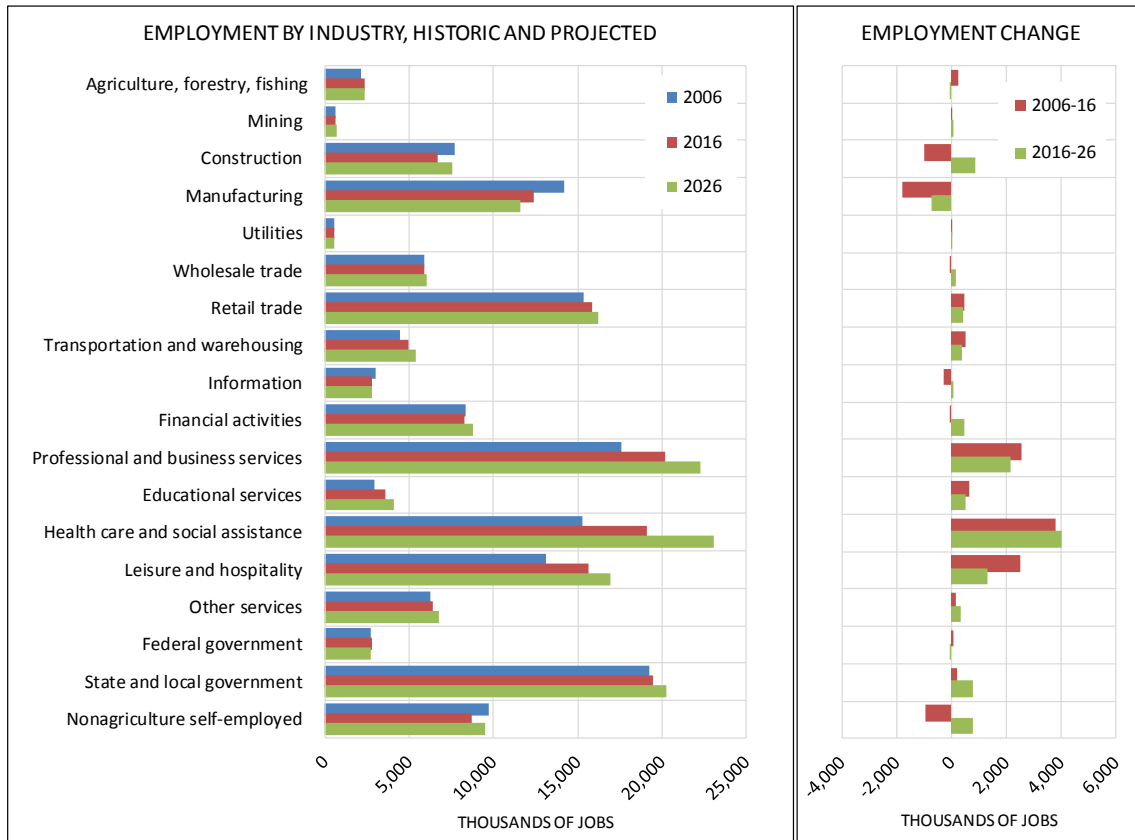
FIGURE 2.02: NATIONAL EMPLOYMENT TRENDS



SOURCE: US Bureau of Economic Analysis

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design. Over the prior decade, the sectors of manufacturing, construction and self-employment experienced a loss of jobs, while going forward only manufacturing is predicted to continue to lose employment.

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



SOURCE: US Bureau of Economic Analysis

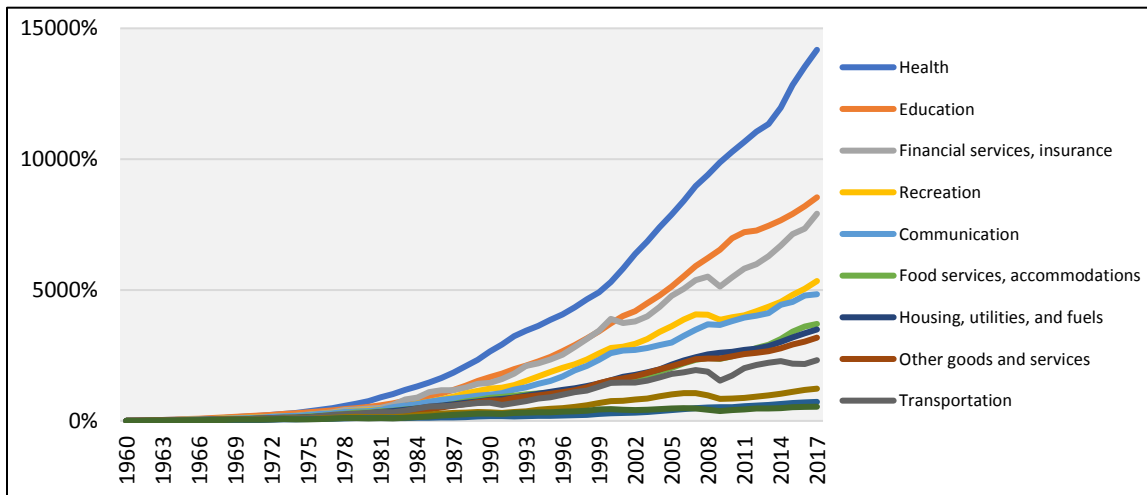
Due to the limited growth in demand for domestic goods and the competition from low-cost markets, the U.S. manufacturing sector has lost one-third of its jobs since its peak in the late 1970s, with its share of total employment falling from 24% to 8%. With a strong dollar and relative to the currencies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

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

The strongest spending growth over the past decades has come in categories that represent investments in personal well-being, with healthcare/health products at the top of the list, followed by private education and financial services.

Categories that represent more short-term enjoyment, like recreation, food services, and accommodations, occupy the middle segment, while necessities like groceries, clothing, transportation, and housing have seen only moderate growth. Spending on health is expected to continue to increase strongly over the coming decades as the baby boomer cohort ages.

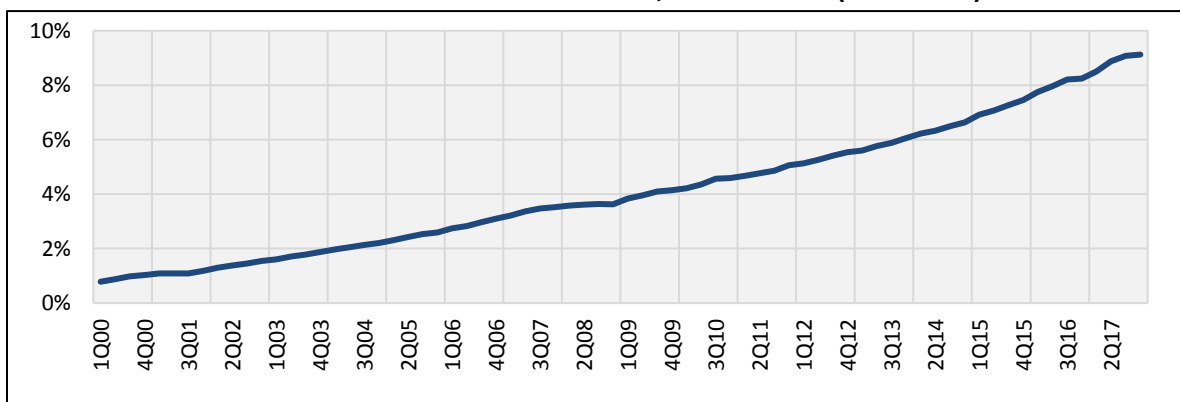
FIGURE 2.04: CONSUMER SPENDING GROWTH SINCE 1960, BY CATEGORY, UNITED STATES (1960-2017)



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

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

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



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

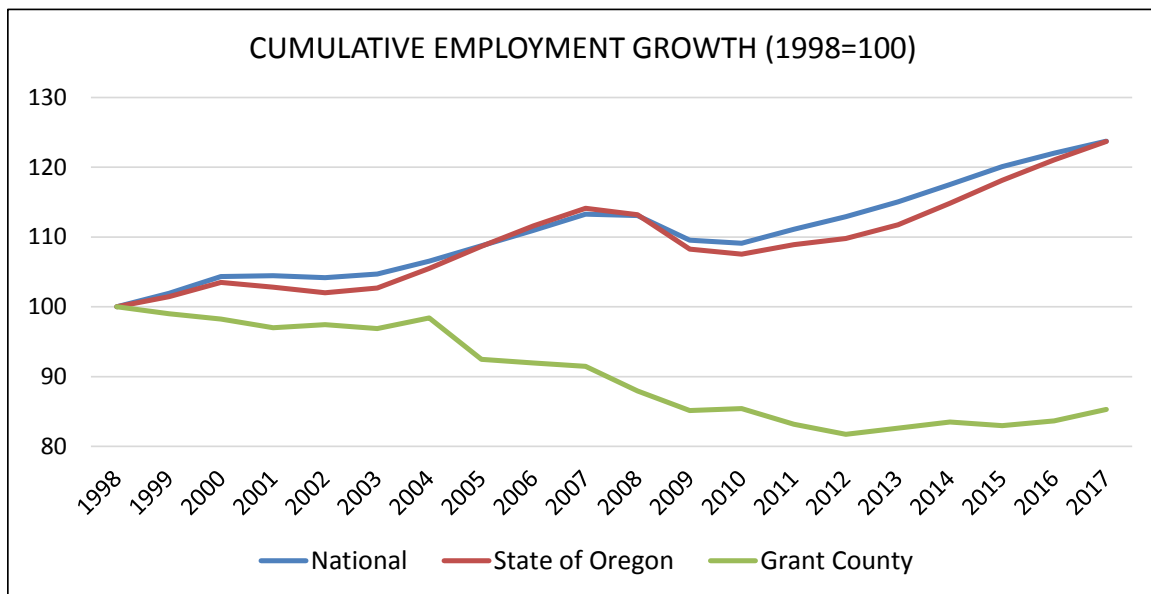
The growth of e-commerce is causing a shift in storage needs from retail stores to warehouses and distribution centers. At the same time, automation is causing a consolidation within the warehousing and distribution industry, leading to increasing reliance on larger third-party operators able to make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

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

GRANT COUNTY ECONOMIC TRENDS

Grant County has unfortunately been losing employment in recent decades, while the US and Oregon have generally experienced positive job growth outside of recessionary periods. Grant County saw additional job loss after the most recent recession, but levels have stabilized since roughly 2011.

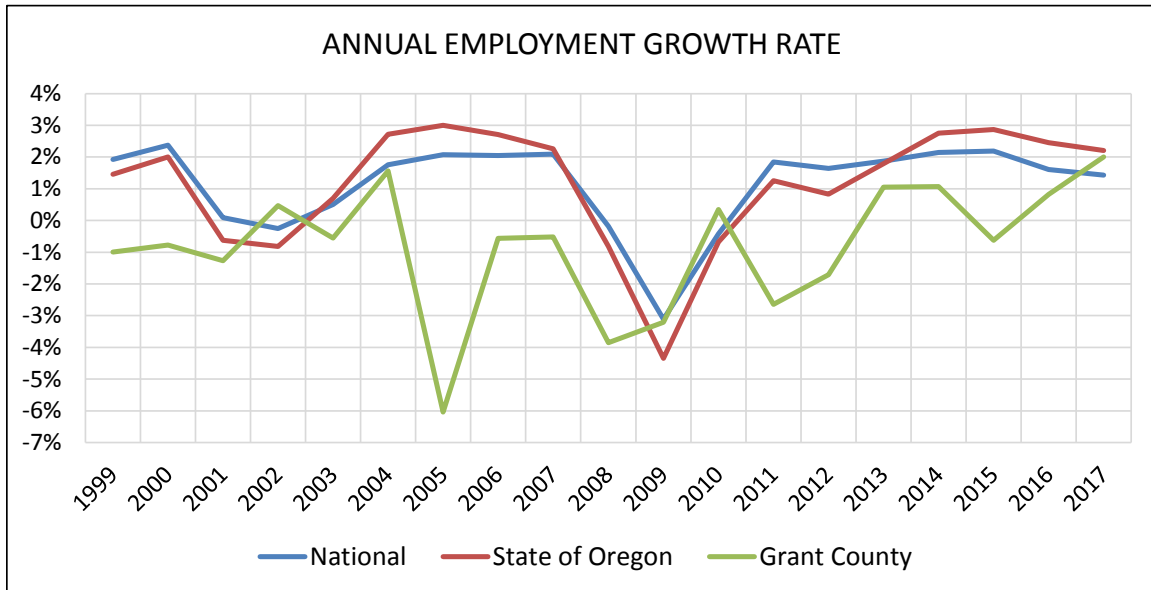
FIGURE 2.06: COMPARISON OF EMPLOYMENT GROWTH SINCE 1998



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

Annual growth rates have typically lagged behind the state and have often been negative during this period.

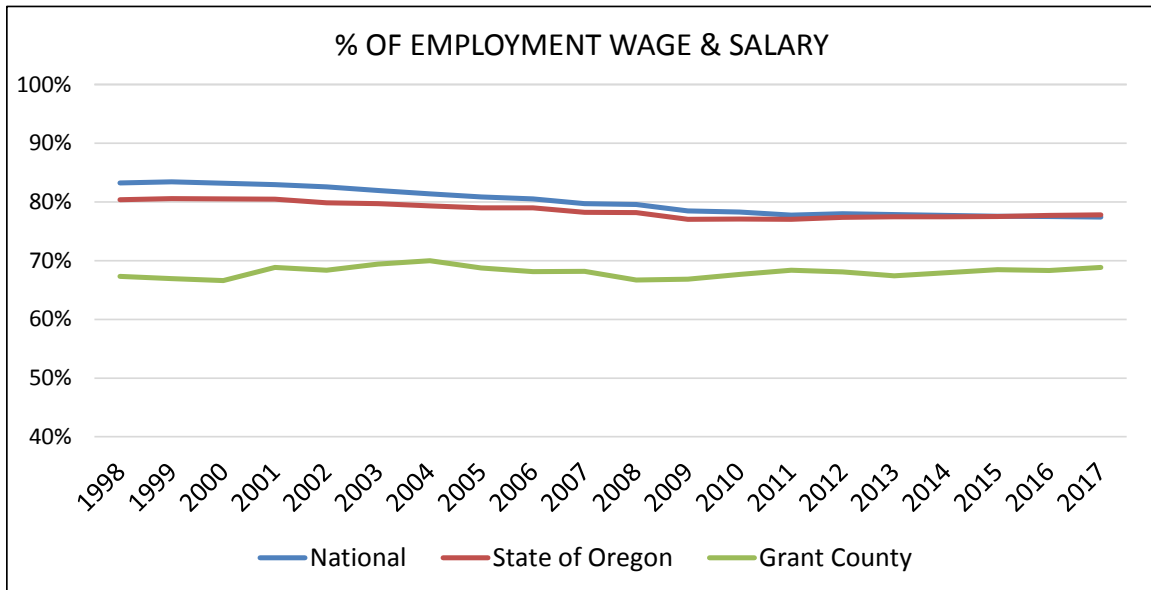
FIGURE 2.07: CUMULATIVE EMPLOYMENT GROWTH



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

The employment base in Grant County has a higher share of self-employment, including farms and other self-proprietorships. “Wage and salary” employment (i.e. non-self-employment) accounts for less than 70% of overall estimated employment in the county. This compares to rates approaching 80% statewide as well as nationally.

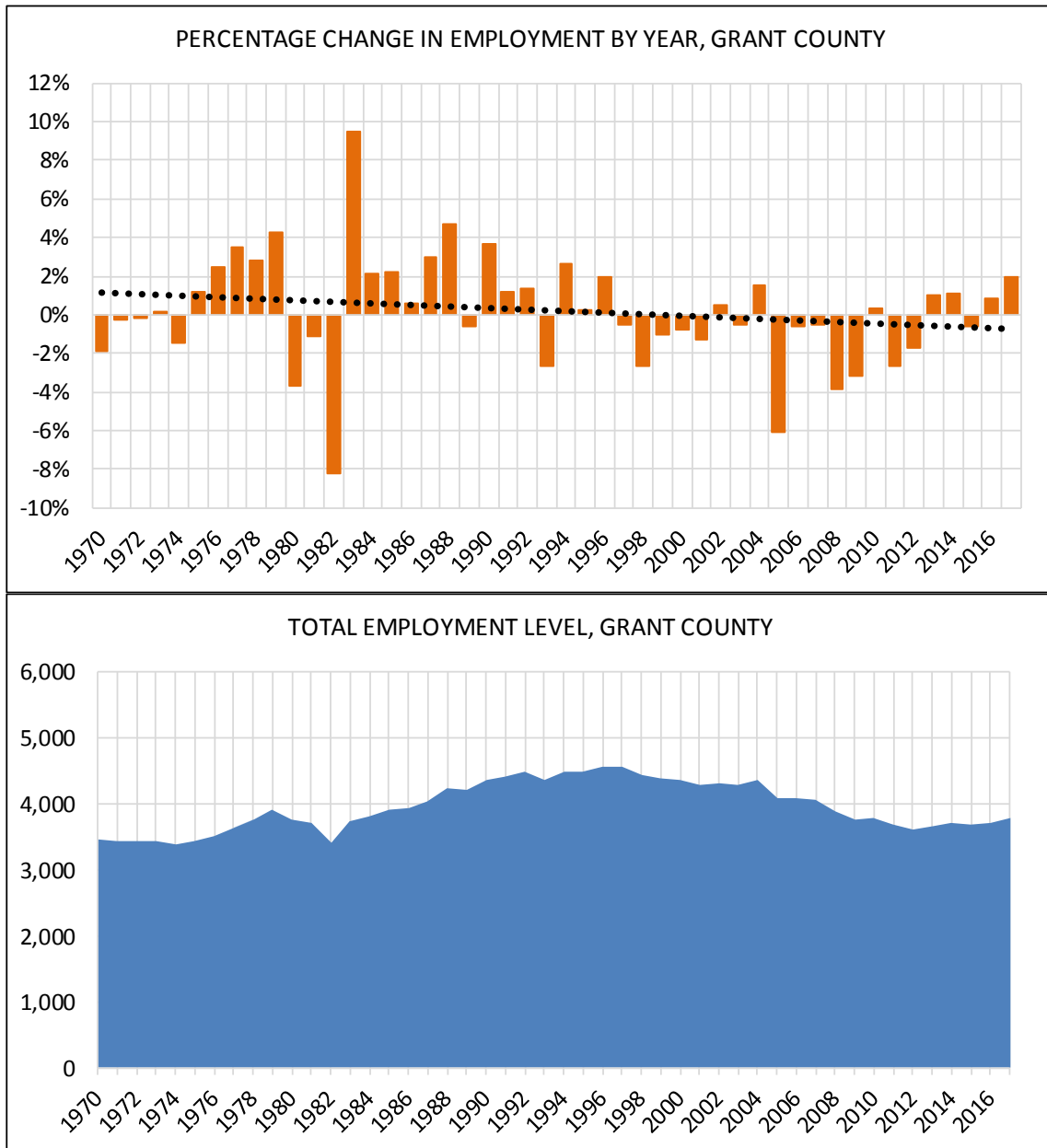
FIGURE 2.08: % OF TOTAL EMPLOYMENT REPRESENTED BY WAGE & SALARY



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

Grant County’s employment peaked in the mid-1990’s at over 4,550 jobs, or an estimated 1.35 jobs per household. Since that time, employment fell consistently, until stabilizing after the most recent recession. As of 2017, there are an estimated 3,780 jobs in the County, or 1.2 jobs per household.

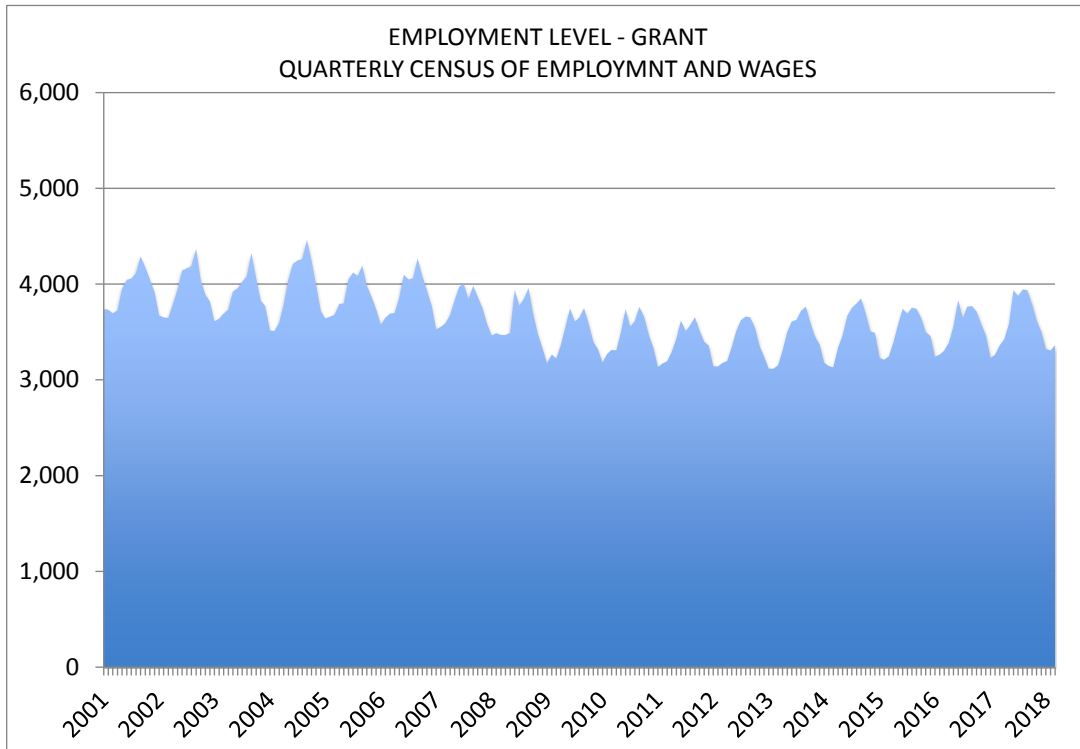
FIGURE 2.09: GRANT COUNTY EMPLOYMENT TRENDS



SOURCE: U.S. Bureau of Economic Analysis

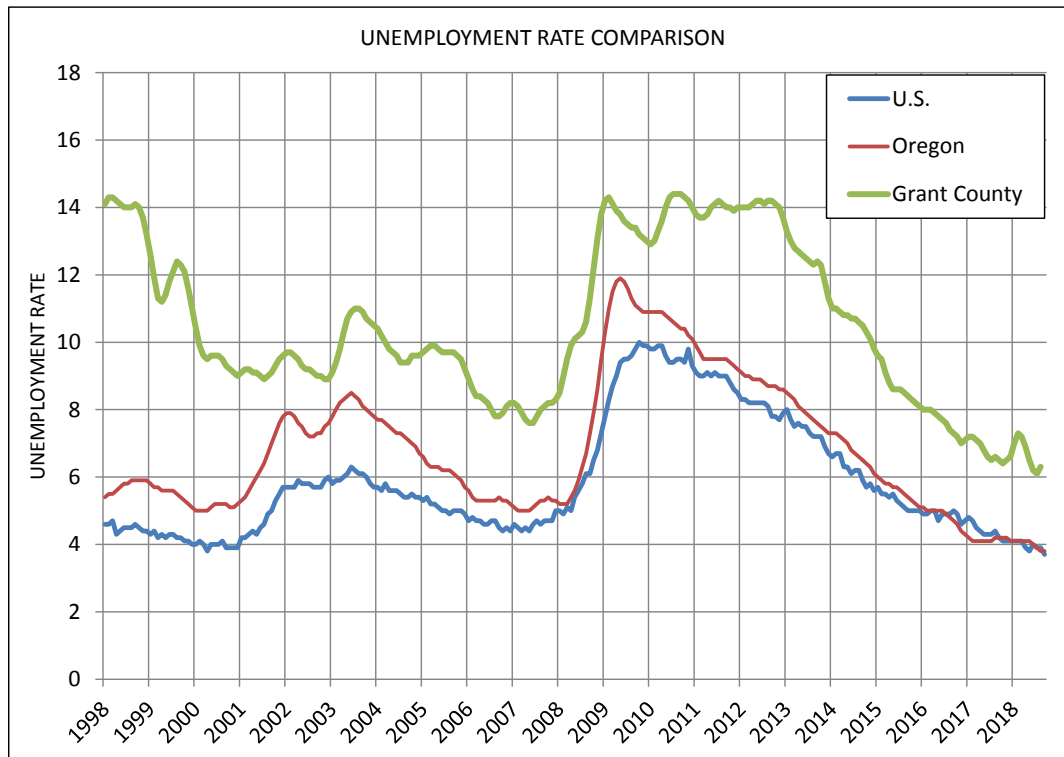
Local employment profile is highly seasonal however, reflecting the area’s relatively high proportion of agricultural employment. Employment tends to peak in August and September during peak harvest periods and falling to lowest levels by mid-winter (Figure 3.10).

FIGURE 2.10: GRANT COUNTY EMPLOYMENT LEVEL BY MONTH



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

FIGURE 2.11: UNEMPLOYMENT RATE TRENDS



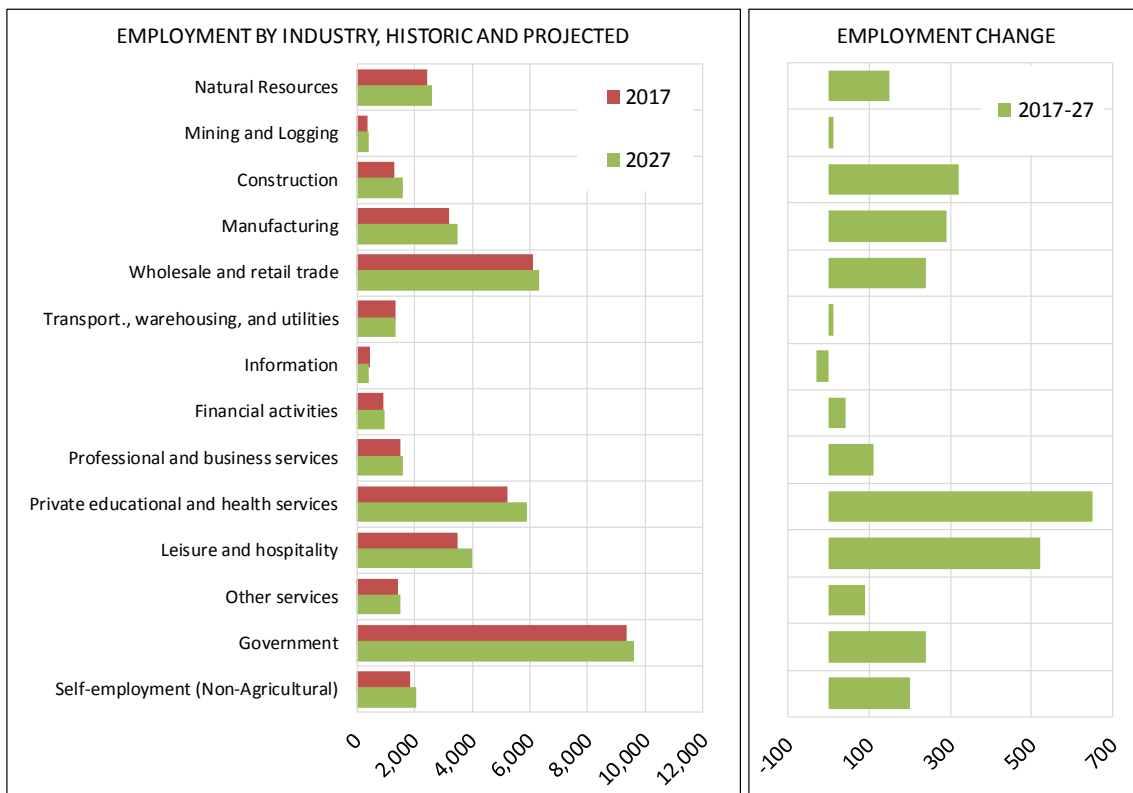
SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

The economic expansion has seen a similar drop in the unemployment rate. The unemployment in Grant County tends to be higher than the US and state averages by roughly 2 to 3 percentage points in recent years. Coming out of the recession, the elevated unemployment rate of roughly 14% persisted in Grant County until 2013, lagging behind the national recovery.

Currently county unemployment is estimated at 6%. Though somewhat higher than the statewide rate, this does mean that there is some remaining labor availability to accommodate additional growth, whereas the tight labor supply is expected to start limiting growth potential in other regions.

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

FIGURE 2.12: PROJECTED EMPLOYMENT GROWTH BY SECTOR, EASTERN OREGON

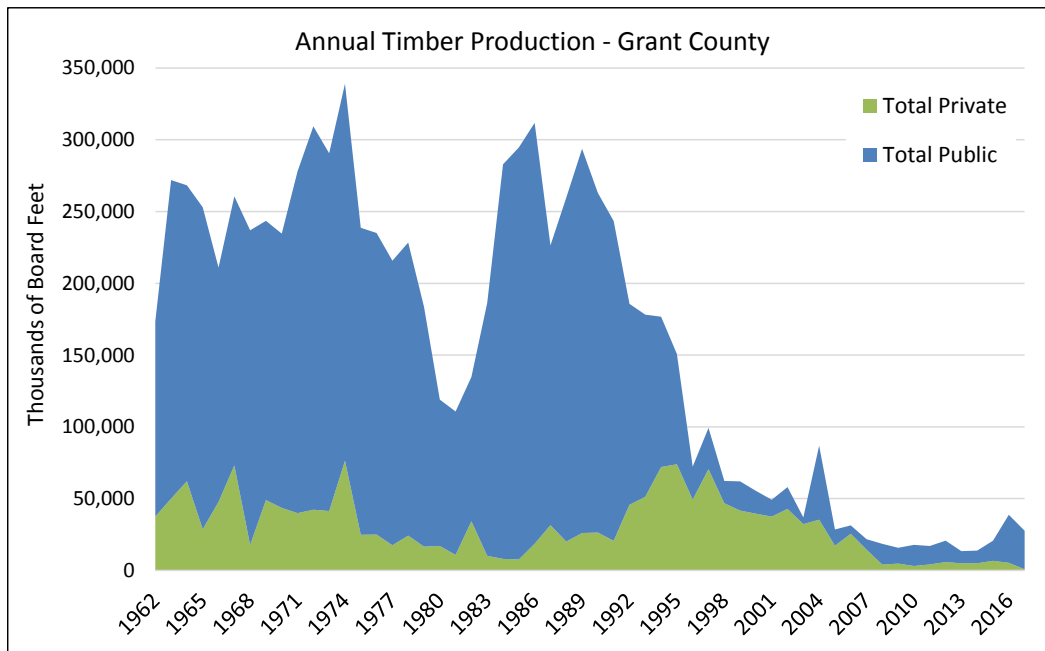


SOURCE: State of Oregon Employment Department

The forestry industry has been a significant economic driver in Grant County, with natural resources' local employment levels almost six times the national average. The industry has seen a sharp decline in production, which is largely attributable to declines in production from public lands since 1993. In recent years, private timber production has also decreased. The Eastern and Central Oregon region has been

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

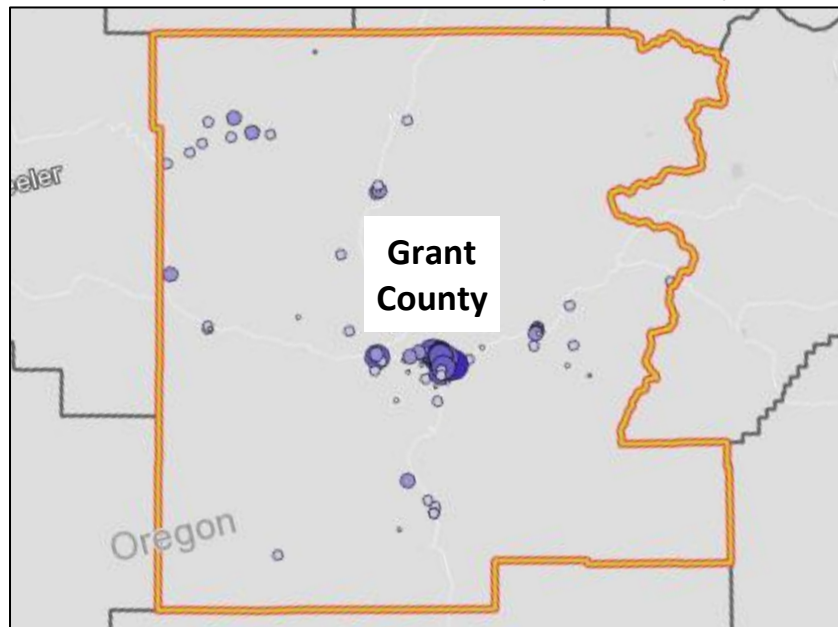
FIGURE 2.13: ANNUAL TIMBER PRODUCTION IN GRANT COUNTY (1962-2017)



SOURCE: Oregon Department of Forestry

Employment in Grant County is concentrated in the John Day/Canyon City area, with smaller concentrations in Prairie City, Monument and smaller communities.

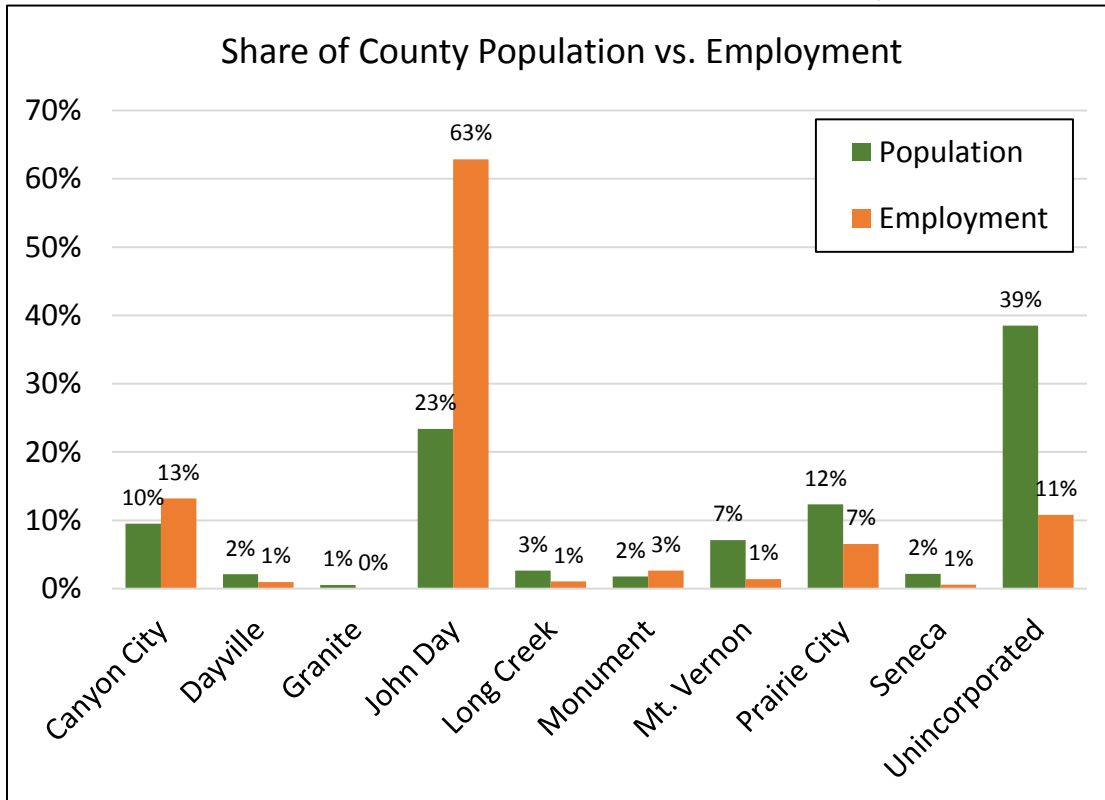
FIGURE 2.14: DISTRIBUTION OF EMPLOYMENT, GRANT COUNTY, 2015



SOURCE: Census Bureau, LEHD Data

The following figure compares the distribution of population in the county to employment in the county (based on 2017 data). John Day and Canyon City have the greatest share of the county’s employment, exceeding their share of the population. Smaller communities and particularly unincorporated areas have a greater population but fewer employment opportunities.

FIGURE 2.15: COMPARISON OF LOCAL POPULATION AND LOCAL EMPLOYMENT, GRANT COUNTY



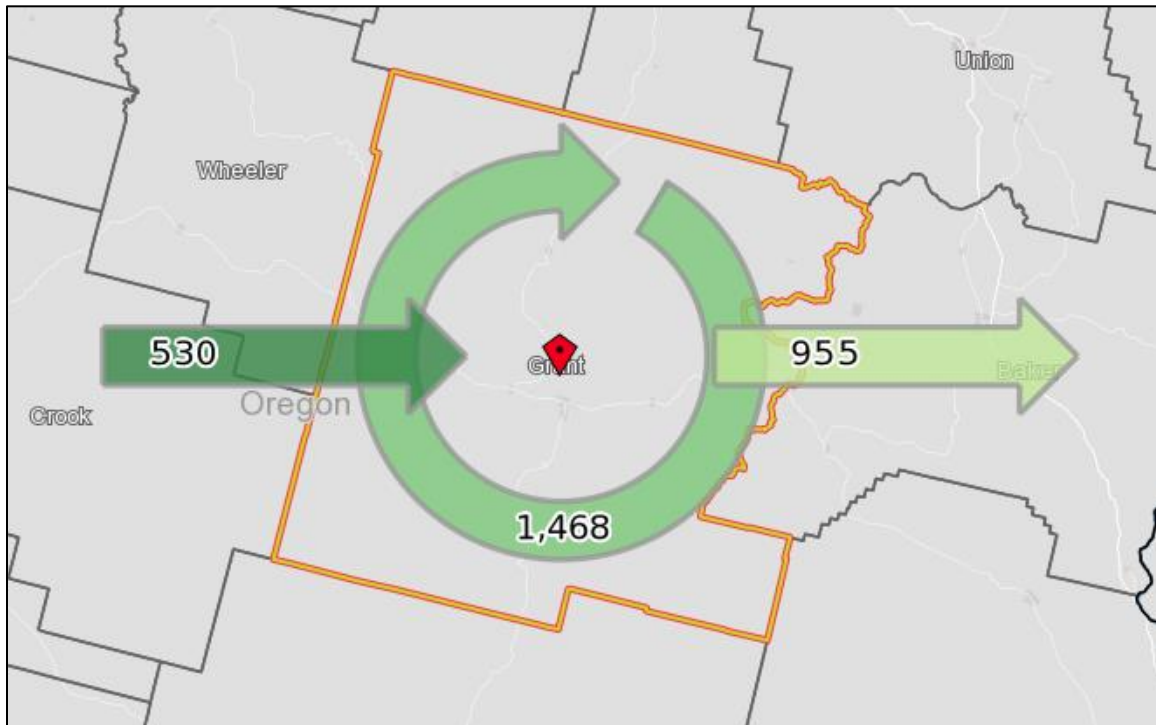
SOURCE: PSU Population Research Center, Oregon Employment Department

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

Working residents of Grant County commute within and outside of the county for employment. An estimated 61% of local working residents work within Grant County, while an estimated 39% commute outside of the county. Overall, local residents hold 73% of the locally available jobs, while the remainder are held by employees who commute from outside of the county (Figure 2.16).

It is typical that within a geographic area like a county that there will be significant cross-commuting between the local communities and this is borne out amongst the cities in Grant County. Figure 2.17 presents some statistics on commuters for the County and participating cities. (Employment numbers in this table will not exactly match other employment data presented in following sections. This is because differences in the data sources, years, and whether all employment is included.)

FIGURE 2.16: NET INFLOW-OUTFLOW OF EMPLOYEES (COVERED EMPLOYMENT), GRANT COUNTY, 2015



SOURCE: Census Bureau, LEHD Data

FIGURE 2.17: NET INFLOW-OUTFLOW DETAIL, GRANT COUNTY AND PARTICIPATING CITIES, 2015

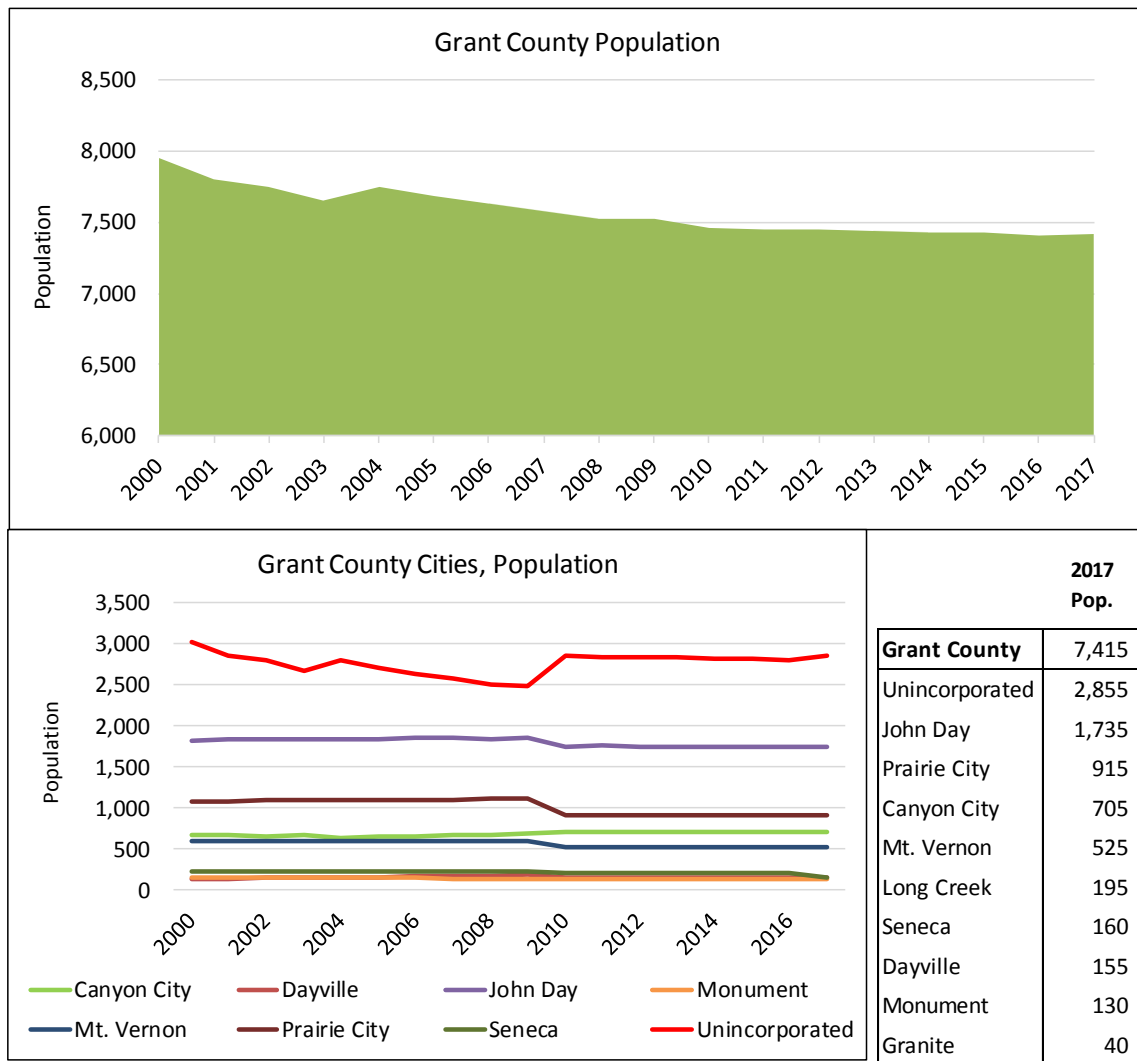
	Grant County		Dayville, OR		John Day, OR		Monument, OR		Mt. Vernon, OR		Prairie City, OR		Seneca, OR	
	2015		2015		2015		2015		2015		2015		2015	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
Selection Area Labor Market Size (Primary Jobs)														
Employed in the Selection Area	1,844	100.0%	9	100.0%	989	100.0%	18	100.0%	64	100.0%	108	100.0%	7	100.0%
Living in the Selection Area	2,246	121.8%	45	500.0%	600	60.7%	37	205.6%	168	262.5%	194	179.6%	56	800.0%
Net Job Inflow (+) or Outflow (-)	(402)	-	(36)	-	389	-	(19)	-	(104)	-	(86)	-	(49)	-
In-Area Labor Force Efficiency (Primary Jobs)														
Living in the Selection Area	2,246	100.0%	45	100.0%	600	100.0%	37	100.0%	168	100.0%	194	100.0%	56	100.0%
Living and Employed in the Selection Area	1,361	60.6%	0	0.0%	229	38.2%	0	0.0%	5	3.0%	18	9.3%	0	0.0%
Living in the Selection Area but Employed Outside	885	39.4%	45	100.0%	371	61.8%	37	100.0%	163	97.0%	176	90.7%	56	100.0%
In-Area Employment Efficiency (Primary Jobs)														
Employed in the Selection Area	1,844	100.0%	9	100.0%	989	100.0%	18	100.0%	64	100.0%	108	100.0%	7	100.0%
Employed and Living in the Selection Area	1,361	73.8%	0	0.0%	229	23.2%	0	0.0%	5	7.8%	18	16.7%	0	0.0%
Employed in the Selection Area but Living Outside	483	26.2%	9	100.0%	760	76.8%	18	100.0%	59	92.2%	90	83.3%	7	100.0%
Outflow Job Characteristics (Primary Jobs)														
External Jobs Filled by Residents	885	100.0%	45	100.0%	371	100.0%	37	100.0%	163	100.0%	176	100.0%	56	100.0%
Workers Aged 29 or younger	175	19.8%	8	17.8%	73	19.7%	4	10.8%	33	20.2%	27	15.3%	10	17.9%
Workers Aged 30 to 54	450	50.8%	21	46.7%	199	53.6%	22	59.5%	82	50.3%	86	48.9%	28	50.0%
Workers Aged 55 or older	260	29.4%	16	35.6%	99	26.7%	11	29.7%	48	29.4%	63	35.8%	18	32.1%
Workers Earning \$1,250 per month or less	171	19.3%	12	26.7%	75	20.2%	9	24.3%	46	28.2%	44	25.0%	11	19.6%
Workers Earning \$1,251 to \$3,333 per month	349	39.4%	22	48.9%	155	41.8%	10	27.0%	60	36.8%	83	47.2%	23	41.1%
Workers Earning More than \$3,333 per month	365	41.2%	11	24.4%	141	38.0%	18	48.6%	57	35.0%	49	27.8%	22	39.3%
Workers in the "Goods Producing" Industry Class	178	20.1%	7	15.6%	111	29.9%	4	10.8%	35	21.5%	51	29.0%	19	33.9%
Workers in the "Trade, Transportation, and Utilities" Industry Class	205	23.2%	9	20.0%	60	16.2%	8	21.6%	40	24.5%	36	20.5%	6	10.7%
Workers in the "All Other Services" Industry Class	502	56.7%	29	64.4%	200	53.9%	25	67.6%	88	54.0%	89	50.6%	31	55.4%
Inflow Job Characteristics (Primary Jobs)														
Internal Jobs Filled by Outside Workers	483	100.0%	9	100.0%	760	100.0%	18	100.0%	59	100.0%	90	100.0%	7	100.0%
Workers Aged 29 or younger	79	16.4%	2	22.2%	122	16.1%	1	5.6%	7	11.9%	11	12.2%	0	0.0%
Workers Aged 30 to 54	237	49.1%	1	11.1%	394	51.8%	12	66.7%	32	54.2%	39	43.3%	4	57.1%
Workers Aged 55 or older	167	34.6%	6	66.7%	244	32.1%	5	27.8%	20	33.9%	40	44.4%	3	42.9%
Workers Earning \$1,250 per month or less	87	18.0%	6	66.7%	211	27.8%	3	16.7%	3	5.1%	30	33.3%	5	71.4%
Workers Earning \$1,251 to \$3,333 per month	195	40.4%	3	33.3%	338	44.5%	3	16.7%	30	50.8%	40	44.4%	2	28.6%
Workers Earning More than \$3,333 per month	201	41.6%	0	0.0%	211	27.8%	12	66.7%	26	44.1%	20	22.2%	0	0.0%
Workers in the "Goods Producing" Industry Class	97	20.1%	0	0.0%	73	9.6%	0	0.0%	0	0.0%	10	11.1%	1	14.3%
Workers in the "Trade, Transportation, and Utilities" Industry Class	76	15.7%	0	0.0%	161	21.2%	15	83.3%	11	18.6%	8	8.9%	0	0.0%
Workers in the "All Other Services" Industry Class	310	64.2%	9	100.0%	526	69.2%	3	16.7%	48	81.4%	72	80.0%	6	85.7%
Interior Flow Job Characteristics (Primary Jobs)														
Internal Jobs Filled by Residents	1,361	100.0%	0	-	229	100.0%	0	-	5	100.0%	18	100.0%	0	-
Workers Aged 29 or younger	202	14.8%	0	-	32	14.0%	0	-	1	20.0%	0	0.0%	0	-
Workers Aged 30 to 54	729	53.6%	0	-	124	54.1%	0	-	4	80.0%	12	66.7%	0	-
Workers Aged 55 or older	430	31.6%	0	-	73	31.9%	0	-	0	0.0%	6	33.3%	0	-
Workers Earning \$1,250 per month or less	375	27.6%	0	-	60	26.2%	0	-	0	0.0%	5	27.8%	0	-
Workers Earning \$1,251 to \$3,333 per month	583	42.8%	0	-	104	45.4%	0	-	2	40.0%	7	38.9%	0	-
Workers Earning More than \$3,333 per month	403	29.6%	0	-	65	28.4%	0	-	3	60.0%	6	33.3%	0	-
Workers in the "Goods Producing" Industry Class	320	23.5%	0	-	28	12.2%	0	-	0	0.0%	2	11.1%	0	-
Workers in the "Trade, Transportation, and Utilities" Industry Class	209	15.4%	0	-	45	19.7%	0	-	0	0.0%	3	16.7%	0	-
Workers in the "All Other Services" Industry Class	832	61.1%	0	-	156	68.1%	0	-	5	100.0%	13	72.2%	0	-

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

Population and Workforce

The population base in Grant County has been declining since the 1990's, a pattern that is projected to continue in the Population Research Center at Portland State University's most recent forecast. Of the cities in the county, nearly all have seen a similar loss of population since 2000. However, in most of these communities, the decline has stabilized since the recession with population remaining fairly steady since 2010.

FIGURE 2.18: HISTORIC POPULATION TRENDS, GRANT COUNTY AND PARTICIPATING CITIES

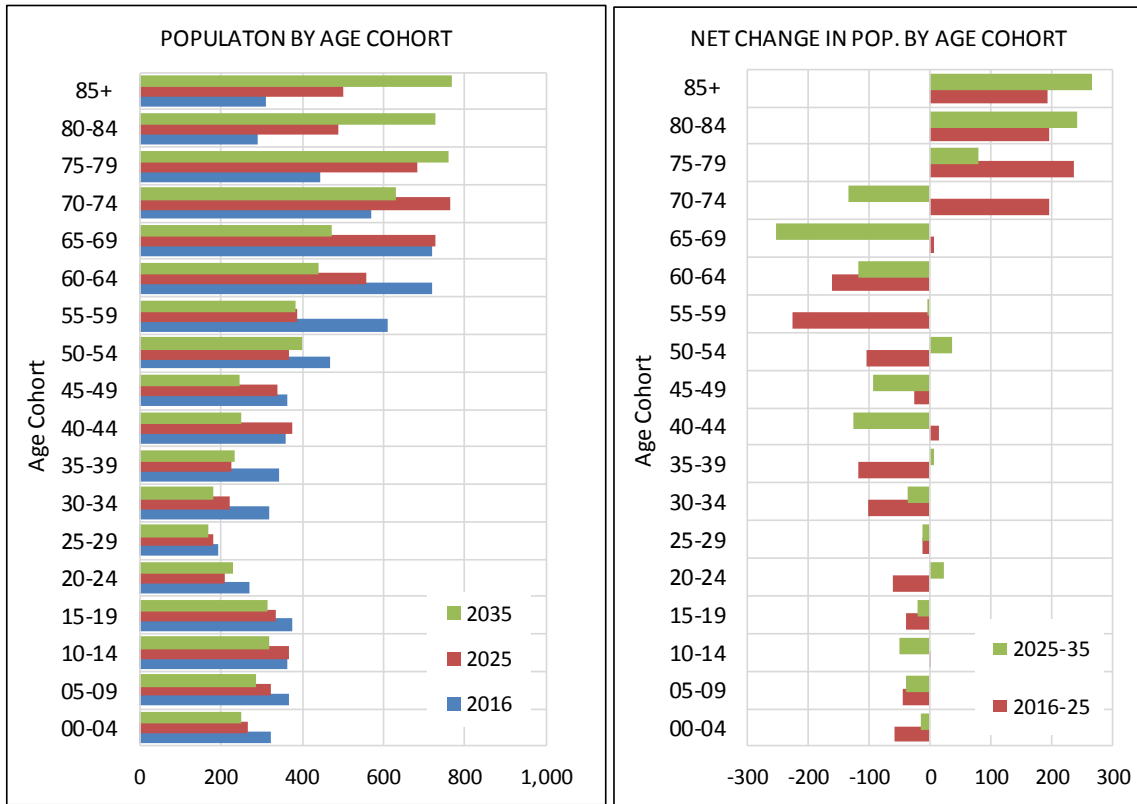


SOURCE: Population Research Center, Portland State University

With general decline in population, residential permit levels in Grant County have been commensurately low since the 1990's, with little new development activity.

Over the coming decades, the composition of the population base is expected to become generally older. The trend is most pronounced for residents over 70 years of age, reflecting the aging of the Baby Boomer generation in coming years.

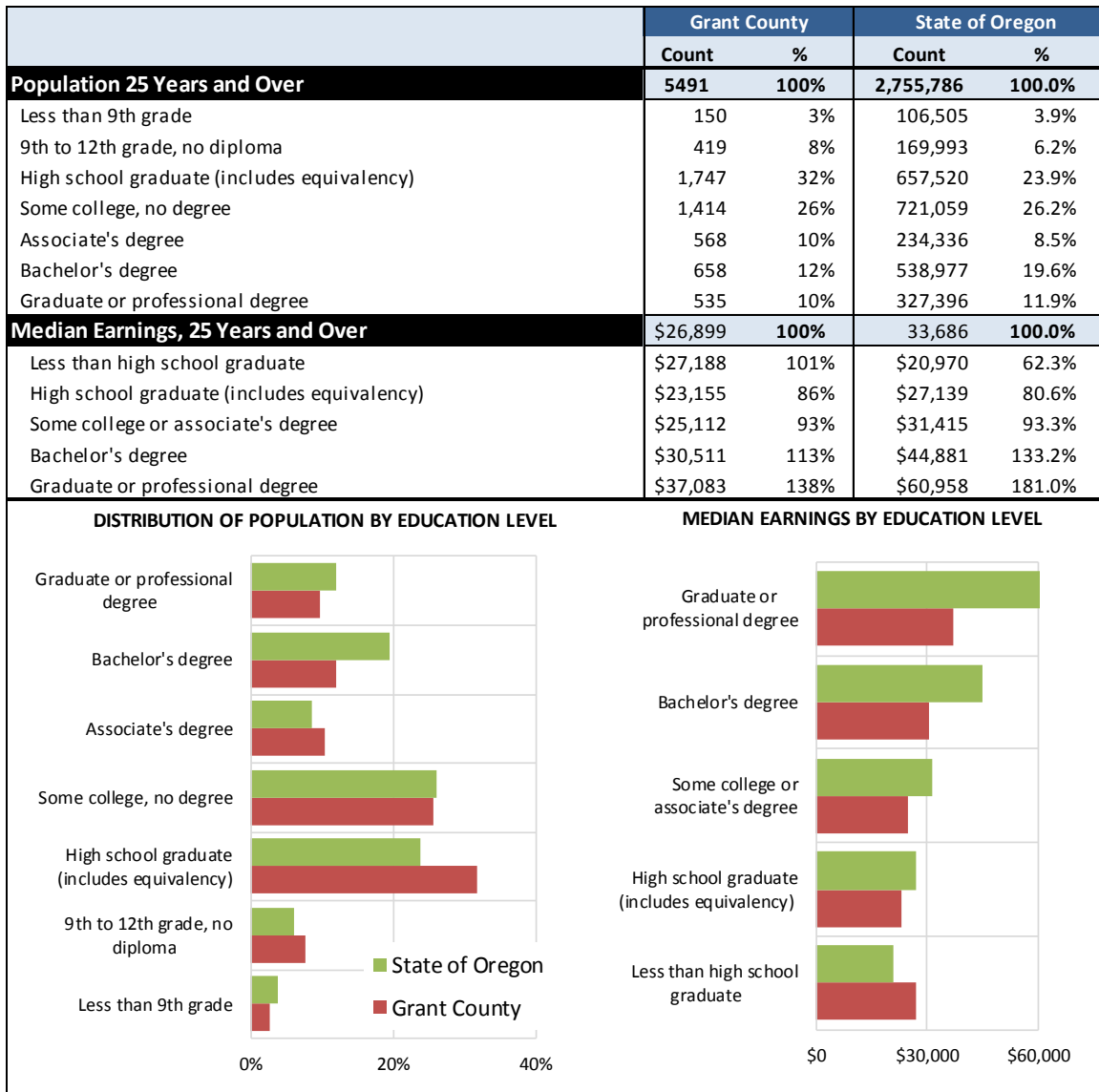
FIGURE 2.19: HISTORIC AND PROJECTED DISTRIBUTION OF POPULATION BY AGE COHORT, GRANT COUNTY



SOURCE: Population Research Center, Portland State University

Figures 2.20 and 2.21 presents estimated educational attainment level of the local population. In general, educational attainment levels are somewhat lower than statewide averages.

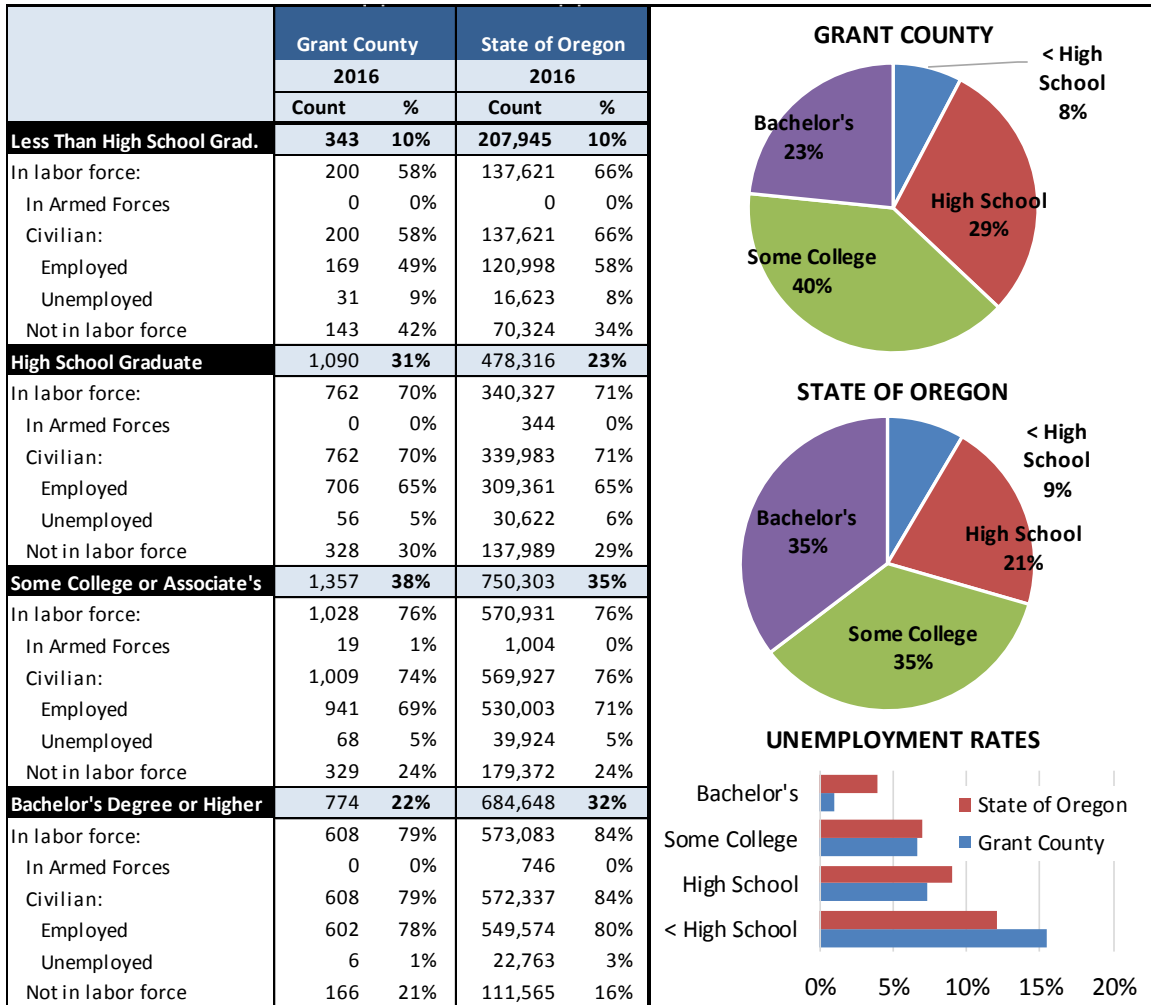
FIGURE 2.20: EDUCATIONAL ATTAINMENT PROFILE, 2016



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

The educational profile of the workforce is similar, with active labor force participants having somewhat lower educational attainment levels.

FIGURE 2.21: EDUCATIONAL ATTAINMENT PROFILE EMPLOYMENT STATUS, 2016



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

III. TARGET INDUSTRY ANALYSIS

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

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

ECONOMIC SPECIALIZATION

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

A location quotient analysis was completed for Grant County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry. The most over-represented industries were natural resources and mining (which includes forestry), as well as government. Average wage levels in these industries are on par with, or higher than average for the county.

FIGURE 3.01: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, GRANT COUNTY, 2016¹

Industry	Annual Establishments	Average Employment	Total Wages	Avg. Annual Wages	Employment LQ
1011 Natural resources and mining	40	244	\$8,734,399	\$35,797	7.52
1012 Construction	27	60	\$1,605,214	\$26,643	0.50
1013 Manufacturing	6	140	\$5,666,748	\$40,429	0.66
1021 Trade, transportation, and utilities	51	313	\$9,999,289	\$31,930	0.67
1022 Information	6	53	\$2,422,098	\$46,062	1.10
1023 Financial activities	15	58	\$2,293,283	\$39,596	0.42
1024 Professional and business services	28	113	\$3,923,096	\$34,820	0.32
1025 Education and health services	26	182	\$5,685,880	\$31,184	0.48
1026 Leisure and hospitality	30	192	\$3,112,217	\$16,245	0.70
1027 Other services	35	98	\$2,003,857	\$20,395	1.28
Federal Government	14	282	\$16,812,029	\$59,547	5.85
State Government	15	157	\$7,488,194	\$47,746	1.97
Local Government	41	583	\$24,442,866	\$41,938	2.41
	334	2,475	\$94,189,170	\$38,056.23	

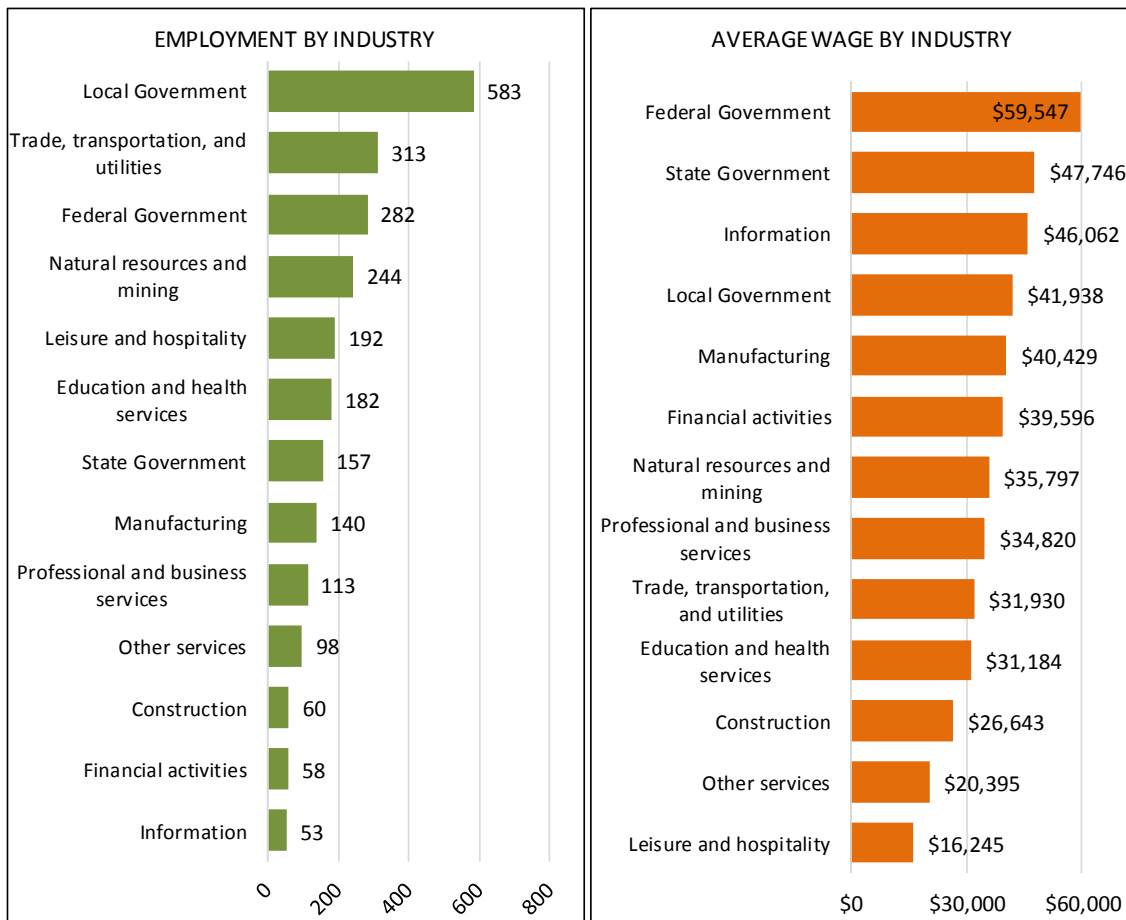
SOURCE: US Bureau of Labor Statistics

¹ QCEW Data, Annual Average 2016 Data

A more detailed industry analysis shows that forestry and logging and agricultural production are major components of the natural resources and mining sector. Government, health care and retail trade are the sectors with the highest total employment counts.

The top employment sectors are largely industries that are driven by serving a local population, including health care and retail trade. The highest average annual wage levels are reported in government, information, manufacturing and financial activities.

FIGURE 3.02: TOP INDUSTRIES IN EMPLOYMENT & AVERAGE WAGE



ECONOMIC DRIVERS

The identification of the economic drivers of a local or regional economy are critical in informing the character and nature of future employment, and by extension land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the current expansion cycle². A shift-share analysis is an analytical procedure that measures local effect of economic performance within

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

a particular industry or occupation. The process considers local economic performance in the context of national economic trends—indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends.

For example, consider that Widget Manufacturing is growing at a 1.5% rate locally, about the same rate as the local economy. On the surface we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust 4% annually. In this context, local widget manufacturers are struggling, and some local or regional condition is stifling economic opportunities.

Considering this, we can generally classify industries, groups of industries, or clusters into four groups:

Growing, Outperforming: Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.

Growing, Underperforming: Industries that are growing locally but slower than the national average. These industries generally have a sound foundation but some local factor is limiting growth.

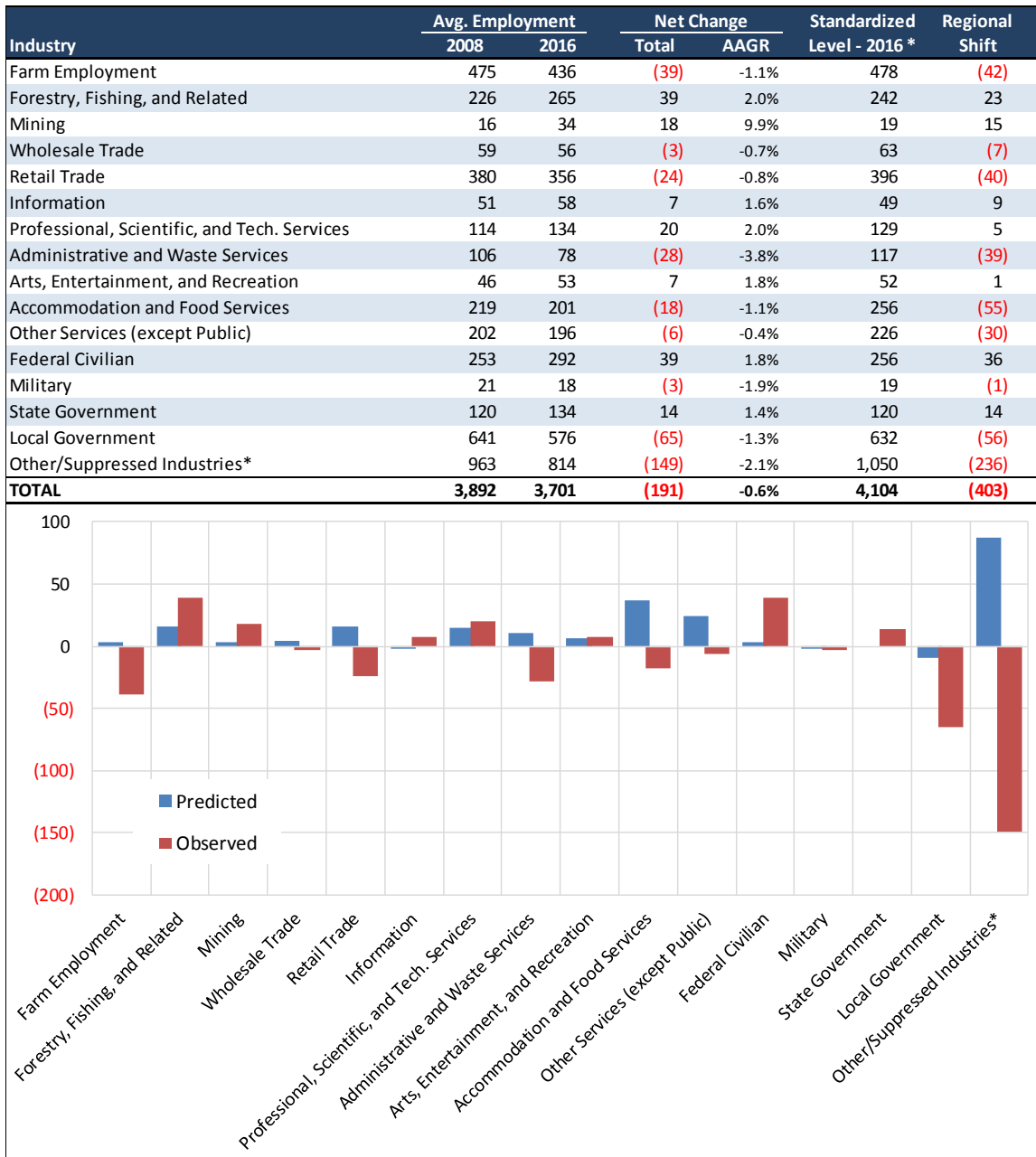
Contracting, Outperforming: Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.

Contracting, Underperforming: Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factor is making it increasingly tough on local firms.

The average annual growth rate by industry from 2008 through 2016 was evaluated Grant County relative to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry.

As shown in Figure 3.03, a few industries showed growth in excess of national rates. These forestry, government, mining, information and professional services.

FIGURE 3.03: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, GRANT COUNTY (2008 – 2016)



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

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

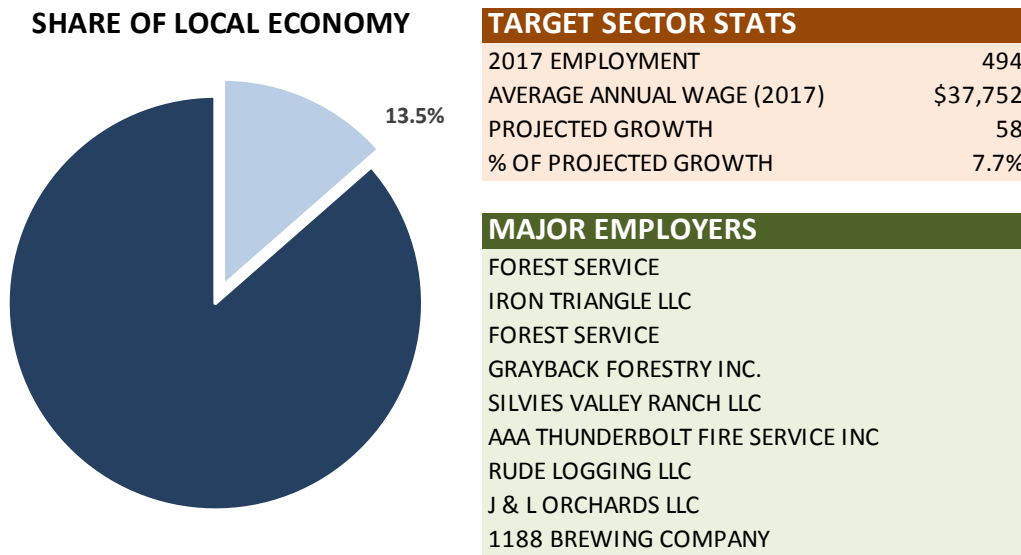
TARGET INDUSTRY CLUSTERS

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

AGRICULTURE SUPPORT/VALUE-ADDED FOOD PRODUCTS

Grant County has a significant level of natural resource and agricultural production. The proximity of this activity in the rural areas of the county creates opportunities for value-added activities within the local urbanized areas, such as food processing and packaging, wood products production and biomass fuels.

Employment in these industries was estimated at 494 jobs in 2017, representing 13.5% of the local employment base. Projected growth over the next twenty years is 58 jobs. The average annual wage in 2017 in these industries was \$37,750, 12% higher than the average wage in the county.



The area’s ranching and farming agricultural industries offer significant opportunities to increase the level of value added that is captured locally. Timber production has fallen significantly since the 1990’s, however production levels on public lands have remained stable for the past decade and even seen some modest increase.

Cluster Strengths

- Proximity to high-quality farmland and significant livestock and crop production.
- Proximity to timber production.
- Range of value-add processes that are currently done outside the area.

Cluster Challenges

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

Potential Opportunities

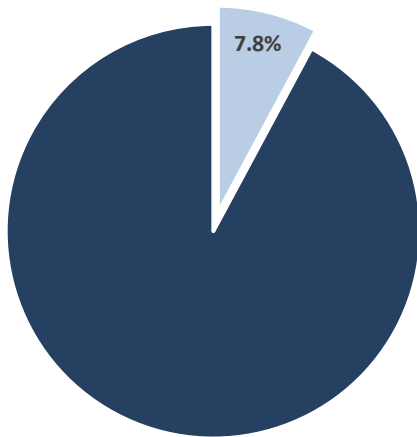
- Development of a livestock processing facility that can serve the regional need.
- Increased food product manufacturing, packaging, branding.

TOURISM: AMENITY RETAIL, RECREATION, AND HOSPITALITY

Grant County has physical and locational attributes that make recreation and hospitality an attractive target sector. The John Day Valley is surrounded by the Blue and Ochoco Mountains and the Strawberry Range, national forest lands, it provides the nearest services and lodging to the Fossil Beds National Monument. Regional outdoor recreation includes camping, hiking, hunting, fishing, and rafting. The local recreational amenities are supplemented by a rich history that is shared by the many towns in Grant County.

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

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS

2017 EMPLOYMENT	286
AVERAGE ANNUAL WAGE (2017)	\$15,189
PROJECTED GROWTH	75
% OF PROJECTED GROWTH	10.0%

MAJOR EMPLOYERS

- OUTPOST TRADING COMPANY INC
- JOHN DAY DAIRY QUEEN INC
- SILVIES RETREAT LLC
- NATIONAL PARK SERVICE
- SQUEEZE IN RESTAURANT LLC
- MAULIN INC
- PATEL INC
- SUBWAY OF JOHN DAY
- CLYDE HOLIDAY STATE PARK
- GRUBSTEAK MINING CO.

This sector accounted for 286 jobs in 2017, with average annual wages of \$15,189. The sector is expected to add 75 new jobs over the next twenty years, accounting for 10.0% of projected growth in the county.

Cluster Strengths

- Recreational amenities
- Historical context throughout the county
- Natural areas and National Monument
- Historic Downtown area attractive for tourists

Cluster Weakness

- A limited labor force for staffing, and workforce housing.

HEALTH SERVICES

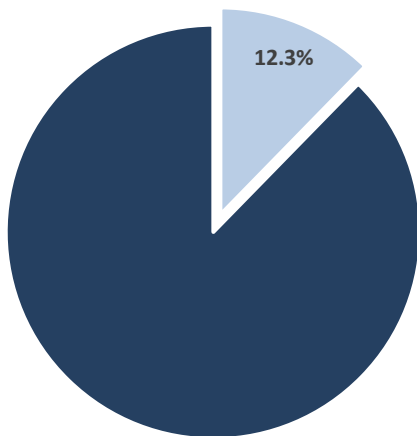
The health services sector account for 12.3% of all employment in Grant County. Demand for these services tends to follow demographic trends, and the aging of the local population base is expected to support a growing demand for health services, specifically continuing care. The following are key industry trends:

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

The Blue Mountain Hospital district, based in John Day is the center of the health care industry in the county, and the county’s largest employer. The facility offers general medical and surgical services and some specialized care.

This sector accounted for 449 jobs in 2017, with average annual wages of \$35,136. The sector is expected to add 118 new jobs over the next twenty years, accounting for 15.8% of projected growth.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS

2017 EMPLOYMENT	449
AVERAGE ANNUAL WAGE (2017)	\$35,136
PROJECTED GROWTH	118
% OF PROJECTED GROWTH	15.8%

MAJOR EMPLOYERS

- BLUE MOUNTAIN HOSPITAL DISTRICT
- COMMUNITY COUNSELING SOLUTIONS
- VALLEY VIEW ASSISTED LIVING
- JOHN DAY MSO (SD)
- VALUE ADDED INC
- STEP FORWARD ACTIVITIES, INC.
- COMMUNITY COUNSELING SOLUTIONS
- STEP FORWARD ACTIVITIES, INC.
- MICHAEL B DESJARDIN DENTISTRY PC

Cluster Strengths

- Aging of population will support health services
- Dedicated service area

Cluster Weakness

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

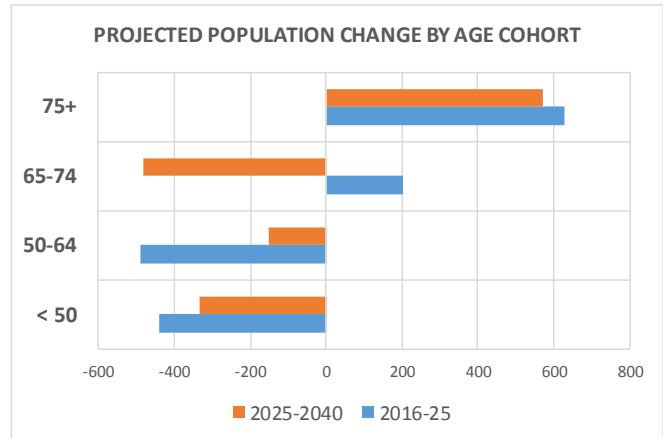
Cluster Opportunities

- Development of expanded and/or new medical facilities
- Expansion of training offerings for nurses and other medical professionals

RETIREMENT SERVICES

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

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



In addition to direct retirement care services, over 53% of the County’s population is aged 55 and older. These households provide broad support for leisure and financial activities in the local economy. Over the next five years, the retirement age household population is expected to continue to grow in Grant County as the large Baby Boomer generation continues to reach retirement. Communities within the county provide attractive physical settings, an approachable size, and relatively low cost of living that will continue to make them attractive to retirees.

Cluster Strengths

- Livability, recreation and leisure activities.
- Favorable demographics.
- Relatively low cost of living.
- National growth in retirement segments, met by insufficient facilities.

Cluster Weakness

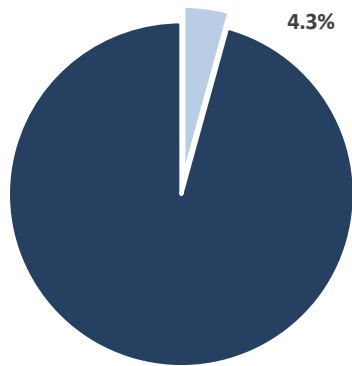
- Locally available health care options.
- A limited labor force for staffing.

MANUFACTURING

The manufacturing sector is typically a highly desirable sector, which creates considerable value and often exports the bulk of its output. The manufacturing sector accounts for only 4.3% of the current employment base in Grant County, with 156 jobs at an average annual wage of \$24,936 in 2017. The sector is projected to grow by 24 jobs over the next twenty years, accounting for only 3.1% of the future growth in the county.

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

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS

2017 EMPLOYMENT	156
AVERAGE ANNUAL WAGE (2017)	\$24,936
PROJECTED GROWTH	24
% OF PROJECTED GROWTH	3.1%

MAJOR EMPLOYERS

- OCHOCO LUMBER COMPANY
- 1188 BREWING COMPANY
- PRAIRIE WOOD PRODUCTS
- HUMAN ENERGY CONCEALMENT SYSTEMS LL
- GREAT BASIN ART

Cluster Strengths

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

Cluster Challenges

- Awareness of Grant County is limited outside of region.
- Limited available labor workforce, and workforce housing.
- Geographic distance to outside markets.

Potential Opportunities

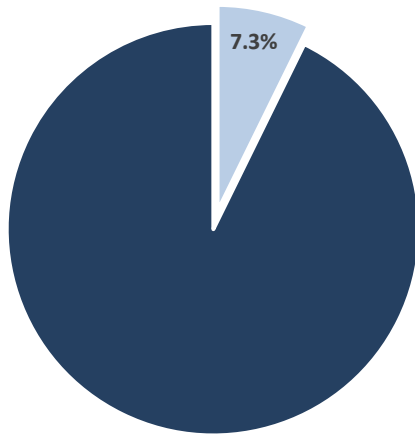
- Specialty manufacturing for recreation equipment.
- Specialty agricultural and forestry equipment.
- Increased food product and processing manufacturing.

RETAIL TRADE

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

The overall employment level in this sector was 265 in 2017. This represents 7.3% of the employment base in Grant County. The sector is projected to add 21 jobs over the next twenty years, accounting for 2.8% of projected employment growth in Grant County during that period. The average annual wage was \$25,041 per year in 2017.

SHARE OF LOCAL ECONOMY



TARGET SECTOR STATS

2017 EMPLOYMENT	265.0
AVERAGE ANNUAL WAGE (2017)	\$25,041
PROJECTED GROWTH	21
% OF PROJECTED GROWTH	2.8%

MAJOR EMPLOYERS

- CHESTERS THRIFTWAY
- NELSON'S CITY DRUG INC
- JOHN DAY SHELL
- LES SCHWAB TIRE CENTER
- TRIANGLE OIL INC
- NYDAM'S HARDWARE INC
- JOHN DAY AUTO PARTS, INC
- HUFFMANS MARKET INC

Cluster Strengths

- Central cluster of shopping and commercial services (particularly in John Day).
- No competitive retail markets in proximity.
- Seasonal tourism traffic.

Cluster Challenges

- Limited available labor workforce.
- Limited spending power of some households.

SELF-EMPLOYMENT

Self-employment accounts for an estimated 14% of the total employment base in Grant County. Technological advances have reduced the geographic requirements in many industries, allowing workers to interact collaboratively and effectively through multiple mediums from a remote location. This has allowed workers to become more footloose when choosing a location to live and work.

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

Cluster Strengths

- Relatively affordable cost of living
- Broadband connectivity in most communities for online businesses and/or remote working

Cluster Weakness

- Accessibility to a major airport, larger markets

COMPARISON OF TARGET INDUSTRIES

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

- In terms of total job creation, the natural resources and agriculture sectors gained the most employment during this time and is forecasted to continue growing at a modest rate.
- The health services sector also gained significant employment during this time and is forecasted to continue growing in the region. Wages in this category are lower than in manufacturing, but higher than tourism-related jobs. Given the aging of the population, it is forecasted that health care and retirement communities will continue to be a strong growth industry for many decades.
- The wholesale and retail trade sectors have lost employment since 2007 but are projected to return to growth in coming years.
- The travel, recreation, and tourism sectors have remained stable over the last decade, but are projected to return to growth. Tourism-related jobs are generally relatively low-paying but provide an important base of opportunity for part-time workers, low-skilled and first-time workers.
- The manufacturing sectors have not yet recovered their pre-recession employment levels but are projected to add significant new employment over the next twenty years.

RECENT AND PROJECTED PERFORMANCE OF TARGET INDUSTRY SECTORS

TARGET INDUSTRY Component	Employment			Projected Growth		Average Wage
	2007	2017	Net Change	Adjusted	AAGR	
MANUFACTURING	182	156	(26)	24	0.7%	\$24,936
Metals	116	53	(63)	10	0.9%	\$24,936
Food Manufacturing	6	69	63	13	0.9%	\$24,936
Wood Manufacturing	60	34	(26)	1	0.1%	\$24,936
AGRICULTURAL & FORESTRY SUPPORT	138	494	356	58	0.6%	\$37,752
Agriculture, forestry, fishing, and hunting	132	485	353	56	0.6%	\$37,990
Food Manufacturing	6	9	3	2	0.9%	\$24,936
WHOLESALE & RETAIL TRADE	366	265	(101)	21	0.4%	\$25,041
0	53	0	(53)	0	#NUM!	\$0
Retail trade - Stores	268	224	(44)	18	0.4%	\$25,041
Retail trade - Other	45	41	(4)	3	0.4%	\$25,041
TRAVEL, RECREATION, TOURISM	277	286	9	75	1.2%	\$15,189
Arts, Entertainment, and Recreation	43	48	5	13	1.2%	\$18,001
Accommodation and Food Services	234	238	4	63	1.2%	\$14,622
EDUCATION, HEALTH SERVICES	618	740	122	118	0.7%	\$35,136
0	283	291	8	0	0.0%	\$0
Health care and social assistance	335	449	114	118	1.2%	\$35,136
Total/Weighted Average	1,581	1,941	360	297	0.7%	\$28,031

Source: Oregon Employment Department, Johnson Economics

IV. FORECAST OF EMPLOYMENT AND LAND NEED (COUNTY)

GRANT COUNTY EMPLOYMENT FORECASTS

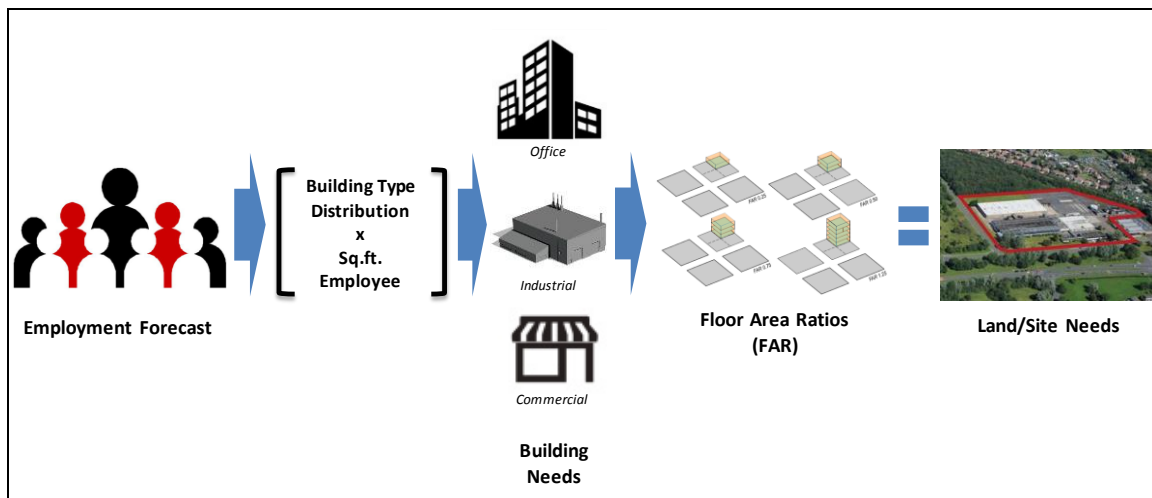
Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typical begin with a forecast of employment growth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

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

Overview of Employment Forecast Methodology

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

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



Due to the relatively small existing employment base in some individual cities in Grant County, for this analysis we have started with a county-wide forecast, from which the cities are projected to draw a share of new employment.

The first analytical step of the analysis is to update covered³ employment to the 2018 base year. Our Grant County QCEW dataset provides covered employment by industry through 2017. To update these estimates, we use the observed industry-specific annual growth rates for the region between 2016 and 2017.

The second step in the analysis is to convert “covered”⁴ employment to “total” employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors (including many farms) or commissioned workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2010 through 2017. The differential is the most significant in construction, professional, and administrative services. The adjusted 2018 total employment base for Grant County is 3,766 jobs.

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

Major Industry Sector	QCEW Employment			Total Emp. Conversion ²	2018 Estimate
	2017 Employment	'17-'18 County Δ ¹	2018 Estimate		
Agriculture, forestry, fishing/hunt	485	3.8%	503	59%	852
Construction	105	2.0%	107	79%	136
Manufacturing	134	0.5%	135	98%	138
Wholesale Trade	35	1.8%	36	97%	37
Retail Trade	328	6.6%	350	95%	369
T.W.U.	87	0.0%	87	92%	95
Information	57	7.3%	61	95%	64
Finance & Insurance	114	0.9%	115	92%	125
Real Estate	9	-7.1%	8	92%	9
Professional & Technical Services	59	5.6%	62	90%	69
Administration Services	175	20.5%	211	90%	235
Education	287	0.1%	287	95%	303
Health Care	606	2.0%	618	95%	652
Leisure & Hospitality	236	-7.3%	219	95%	231
Other Services	114	10.9%	126	85%	148
Government	299	1.5%	304	100%	304
TOTAL	3,130	3.2%	3,229	86%	3,766

1 AAGR from 2012-2017 for Grant County

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

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

Scenario 1: Safe Harbor Forecast

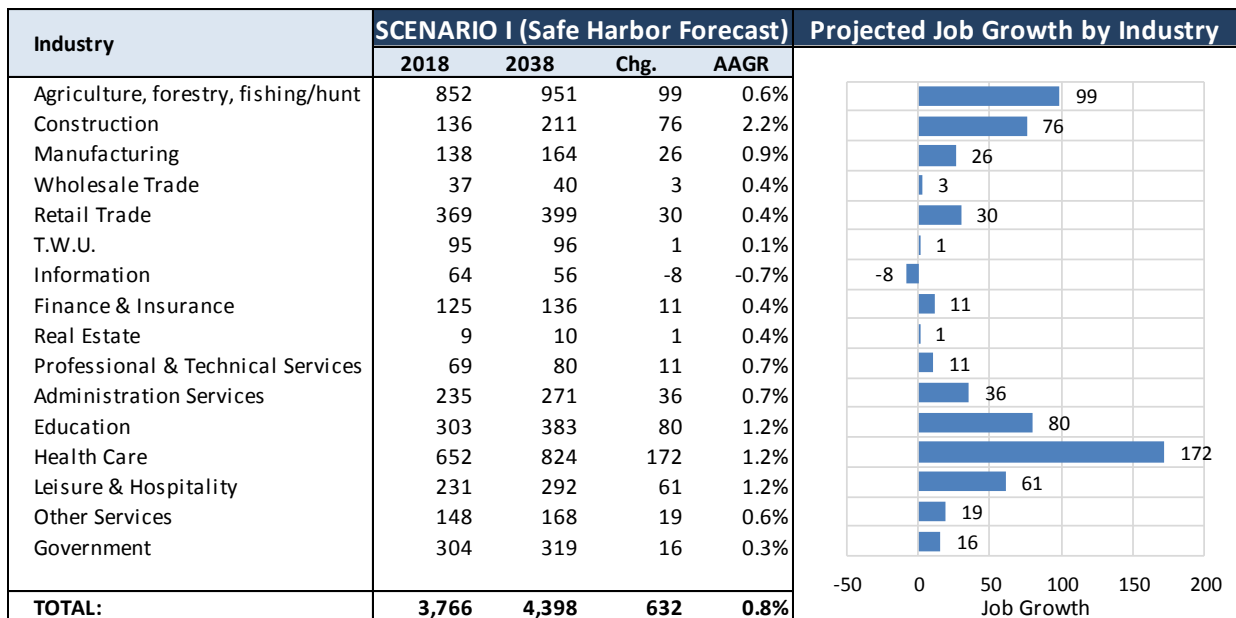
The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions a

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

methodological approach that will not be challenged. The most applicable for Grant County jurisdictions is 660-024-0040(9)(a)(A), which recommends reliance on the most recent regional forecast published by the Oregon Employment Department. This method applies industry specific growth rates for the Eastern Oregon Workforce Region (Baker, Grant, Harney, Malheur, Union, and Grant Counties) to the 2018 Grant County base. This method results in an average annual growth rate of 0.8%, with total job growth of 632 jobs over the forecast period.

[An alternative safe harbor approach is to apply the projected population growth rate from the PSU Population Forecast Program to employment, with the assumption that employment will keep pace with population growth. Unfortunately, the most recently adopted population forecast predicts declining population in the county and most of its cities (with the exception of Canyon City.) For this reason, we have not used this population method in this analysis, as it would result in negative economic growth assumptions. As shown in following sections of this report, there is still surplus employment land in the communities. This bottom-line finding would not change with a forecast of negative growth.]

FIGURE 4.03: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, GRANT COUNTY



SOURCE: Oregon Employment Department, Johnson Economics

Summary of Baseline Employment Forecast

The baseline “safe harbor” forecast projects a total of 632 new jobs in the county, with particular growth in health care, natural resources (forestry and agriculture), education, construction and leisure and hospitality (i.e. tourism related). At 172 new jobs, health care would represent 27% of the new employment. There is a slight projected decline in information technology employment.

The estimates in the preceding analysis are useful in creating a baseline understanding of macroeconomic growth prospects. These are common and broadly accepted approaches when looking at large geographic regions. Forecasts grounded in broad based economic variables may not account for the realities of local businesses and trends among evolving industries. Industries continually evolve and new opportunities arise.

Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information.

The following graphic summarizes the baseline forecast in five year increments over the 20-year planning period. (The agriculture and forestry sectors are removed from the forecasts of employment land need because these uses typically do not use a large amount of employment land. Wood processing and sales are included under manufacturing or wholesale trade categories, and back-office functions are included under services. Excluding this category, there are a projected 533 new jobs.)

FIGURE 4.04: SUMMARY OF PROJECTED GROWTH, GRANT COUNTY

Industry	Overall Employment					Net Change by Period				Total 18-38
	2018	2023	2028	2033	2038	18-23	23-28	28-33	33-38	
SCENARIO I (State of Oregon)										
Construction	136	151	169	189	211	16	18	20	22	76
Manufacturing	138	144	150	157	164	6	6	7	7	26
Wholesale Trade	37	37	38	39	40	1	1	1	1	3
Retail Trade	369	376	384	391	399	7	7	7	8	30
T.W.U.	95	95	95	96	96	0	0	0	0	1
Information	64	62	60	58	56	-2	-2	-2	-2	-8
Finance & Insurance	125	127	130	133	136	3	3	3	3	11
Real Estate	9	9	9	10	10	0	0	0	0	1
Professional & Technical Services	69	72	75	77	80	3	3	3	3	11
Administration Services	235	244	252	261	271	8	9	9	9	36
Education	303	321	341	361	383	18	19	21	22	80
Health Care	652	691	733	777	824	39	42	44	47	172
Leisure & Hospitality	231	245	260	275	292	14	15	16	17	61
Other Services	148	153	158	162	168	5	5	5	5	19
Government	304	307	311	315	319	4	4	4	4	16
TOTAL:	2,914	3,036	3,165	3,302	3,448	122	129	137	145	533

SOURCE: Oregon Employment Department, Johnson Economics

EMPLOYMENT LAND FORECAST – GRANT COUNTY

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

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

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

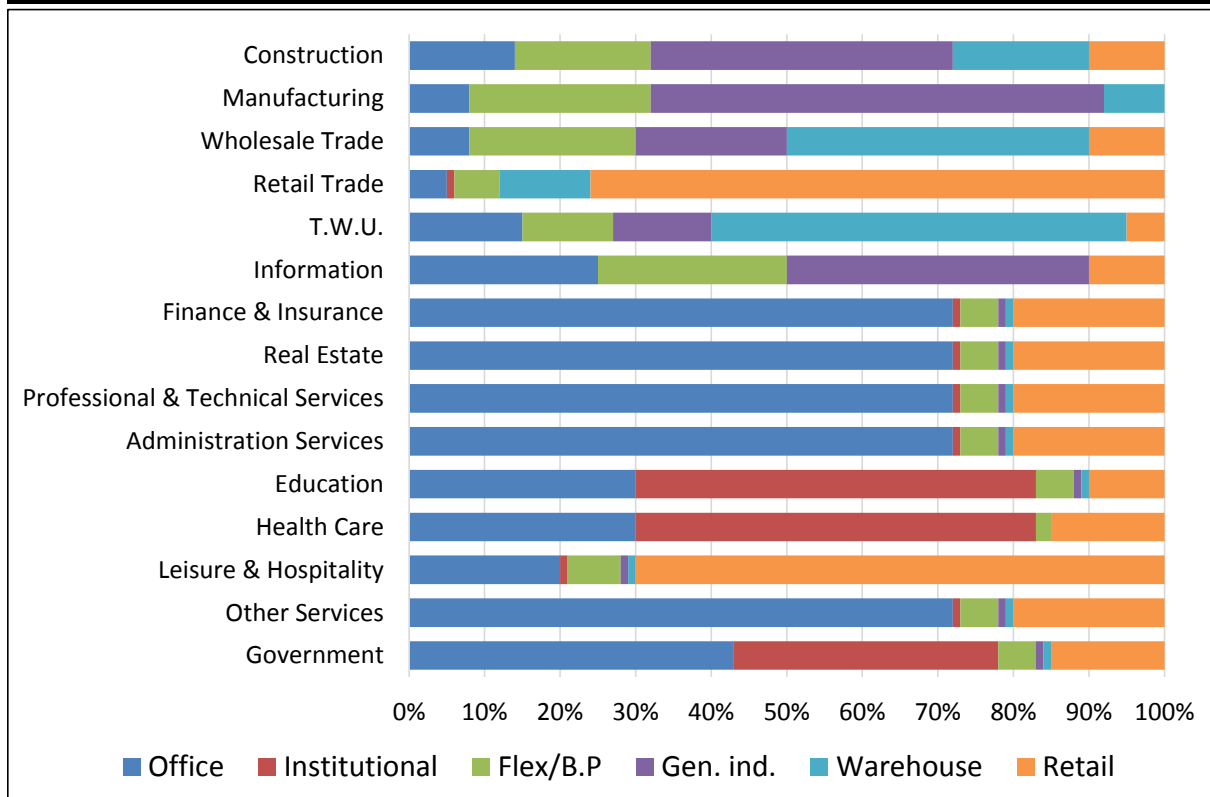
Baseline Land Demand Analysis

To demonstrate the methodological process used and underlying assumptions, this report will develop land need estimates in a step-by-step process, presenting underlying assumptions.

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

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

Industry Sector	20-year Job Forecast		BUILDING TYPE MATRIX					
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. ind.	Warehouse	Retail
Construction	76	2.2%	14%	0%	18%	40%	18%	10%
Manufacturing	26	0.9%	8%	0%	24%	60%	8%	0%
Wholesale Trade	3	0.4%	8%	0%	22%	20%	40%	10%
Retail Trade	30	0.4%	5%	1%	6%	0%	12%	76%
T.W.U.	1	0.1%	15%	0%	12%	13%	55%	5%
Information	-8	-0.7%	25%	0%	25%	40%	0%	10%
Finance & Insurance	11	0.4%	72%	1%	5%	1%	1%	20%
Real Estate	1	0.4%	72%	1%	5%	1%	1%	20%
Professional & Technical Services	11	0.7%	72%	1%	5%	1%	1%	20%
Administration Services	36	0.7%	72%	1%	5%	1%	1%	20%
Education	80	1.2%	30%	53%	5%	1%	1%	10%
Health Care	172	1.2%	30%	53%	2%	0%	0%	15%
Leisure & Hospitality	61	1.2%	20%	1%	7%	1%	1%	70%
Other Services	19	0.6%	72%	1%	5%	1%	1%	20%
Government	16	0.3%	43%	35%	5%	1%	1%	15%
TOTAL	533	0.8%	31%	26%	7%	9%	4%	23%



SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

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

FIGURE 4.06: NET CHANGE IN EMPLOYMENT ALLOCATED BY BUILDING TYPE, GRANT COUNTY – 2018-2038

Industry Sector	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Construction	11	0	14	30	14	8	76
Manufacturing	2	0	6	16	2	0	26
Wholesale Trade	0	0	1	1	1	0	3
Retail Trade	1	0	2	0	4	23	30
T.W.U.	0	0	0	0	1	0	1
Information	-2	0	-2	-3	0	-1	-8
Finance & Insurance	8	0	1	0	0	2	11
Real Estate	1	0	0	0	0	0	1
Professional & Technical Services	8	0	1	0	0	2	11
Administration Services	26	0	2	0	0	7	36
Education	24	42	4	1	1	8	80
Health Care	52	91	3	0	0	26	172
Leisure & Hospitality	12	1	4	1	1	43	61
Other Services	14	0	1	0	0	4	19
Government	7	6	1	0	0	2	16
TOTAL	163	141	37	46	24	124	533

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

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

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

FIGURE 4.07: NET ACRES REQUIRED BY BUILDING TYPOLOGY

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	163	141	37	46	24	124	533
Avg. SF Per Employee	350	600	990	600	1,850	500	582
Demand for Space (SF)	56,900	84,300	36,300	27,400	43,600	61,900	310,400
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.7	7.8	19.6	22.4
Net Acres Required	4.1	4.3	3.1	2.2	3.0	6.3	23.8

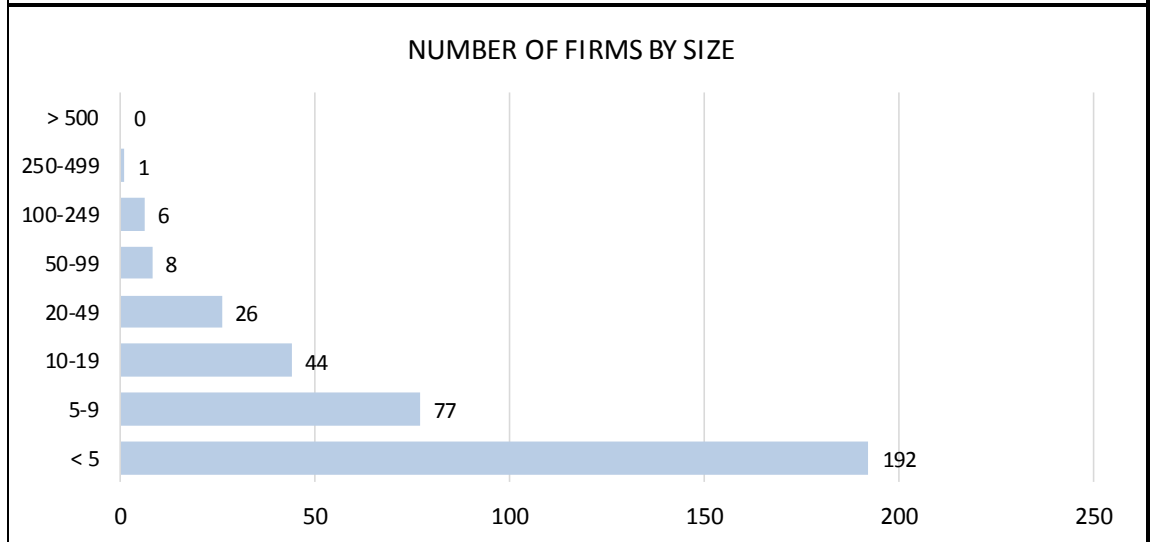
SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

Commercial office and retail densities are 39 and 20 jobs per acre, respectively. Industrial uses range from 21 for general industrial to 8 jobs per acre for warehouse/distribution. The overall weighted employment density is 22 jobs per acre, with the projected 533 expansion in the local employment base requiring an estimated 24 net acres of employment land under the baseline scenario.

The local employment base is largely dominated by relatively small firms, with six firms currently accounting for more than 100 employees and none accounting for more than 250.

FIGURE 4.08: DISTRIBUTION OF FIRMS BY SIZE, GRANT COUNTY

Industry	Size of Firm/Employees								Total
	< 5	5-9	10-19	20-49	50-99	100-249	250-499	> 500	
Agriculture, forestry, fishing, and hunting	26	7	4	1	3	1	0	0	42
Mining	0	0	0	0	0	0	0	0	0
Construction	23	8	2	1	0	0	0	0	34
Food Manufacturing	na	na	na	na	na	na	na	na	na
Wood Manufacturing	0	1	0	0	0	1	0	0	2
Metals Manufacturing	1	1	0	0	0	0	0	0	2
Utilities	0	0	2	0	0	0	0	0	2
Wholesale trade	6	1	2	0	0	0	0	0	9
Retail trade	10	10	7	1	2	0	0	0	30
Retail trade	5	1	1	0	0	0	0	0	7
Transportation	4	1	1	0	0	0	0	0	6
Delivery and warehousing	10	1	1	0	0	0	0	0	12
Information	6	1	1	1	0	0	0	0	9
Finance and Insurance	4	3	0	1	1	0	0	0	9
Real Estate and Rental	7	0	0	0	0	0	0	0	7
Professional, Scientific, and Technical Service	12	3	3	0	0	0	0	0	18
Management of Companies and Enterprises	na	na	na	na	na	na	na	na	na
Administrative and Waste Management	7	1	0	1	0	1	0	0	10
Educational services	5	1	0	7	0	1	0	0	14
Health care and social assistance	10	11	5	4	0	2	1	0	33
Arts, Entertainment, and Recreation	6	2	2	2	0	0	0	0	12
Accommodation and Food Services	10	9	5	2	0	0	0	0	26
Other services	33	8	2	1	0	0	0	0	44
Government	7	6	5	4	2	0	0	0	24
TOTAL	192	77	44	26	8	6	1	0	352



SOURCE: Oregon Employment Department, Johnson Economics

Additional Considerations in Land Demand

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

- Industrial buildings are generally more susceptible to slope constraints due to larger building footprints. For a site to be competitive for most industrial uses, a 5% slope is the maximum for development sites. Office and commercial uses are generally smaller and more vertical, allowing for slopes up to 15%.
- Most industries require some direct access to a major transportation route, particularly manufacturing and distribution industries that move goods throughout the region and beyond. A distance of 10 to 20 miles to a major interstate is generally acceptable for most manufacturing activities, but distribution activities require 5 miles or less and generally prefer a direct interstate linkage. Visibility and access is highly important to most commercial activities and site location with both of these attributes from a major commercial arterial is commonly required.
- Access and capacity for water, power, gas, and sewer infrastructure is more important to industrial than commercial operations. Water/sewer lines of up to 10" are commonly required for large manufacturers. Appendix A details utility infrastructure requirements by typology.
- Advanced telecommunications networks are likely to be increasingly required in site selection criteria for many commercial office and manufacturing industries. Medical, high-tech, creative office, research & development, and most professional service industries will prefer or require fiber optics access in the coming business cycles.

V. FORECAST OF EMPLOYMENT AND LAND NEED (CITIES)

EMPLOYMENT & LAND FORECAST – CITIES

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

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

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

A summary of baseline forecast results are presented on the following pages for all participating cities. These Cities are:

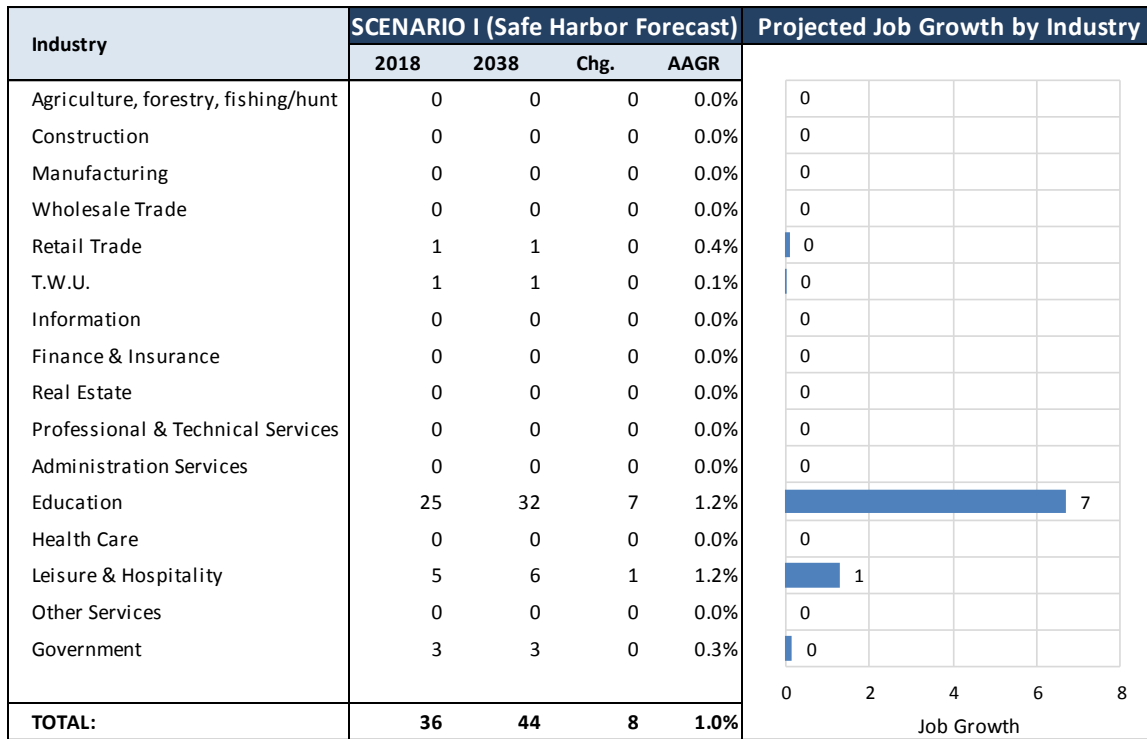
Participating Cities

1. Dayville
2. John Day
3. Monument
4. Mt. Vernon
5. Prairie City
6. Seneca

1) DAYVILLE – SUMMARY OF FORECASTS

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

FIGURE 5.01: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, DAYVILLE



SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.02: NET ACRES REQUIRED BY BUILDING TYPOLOGY, DAYVILLE

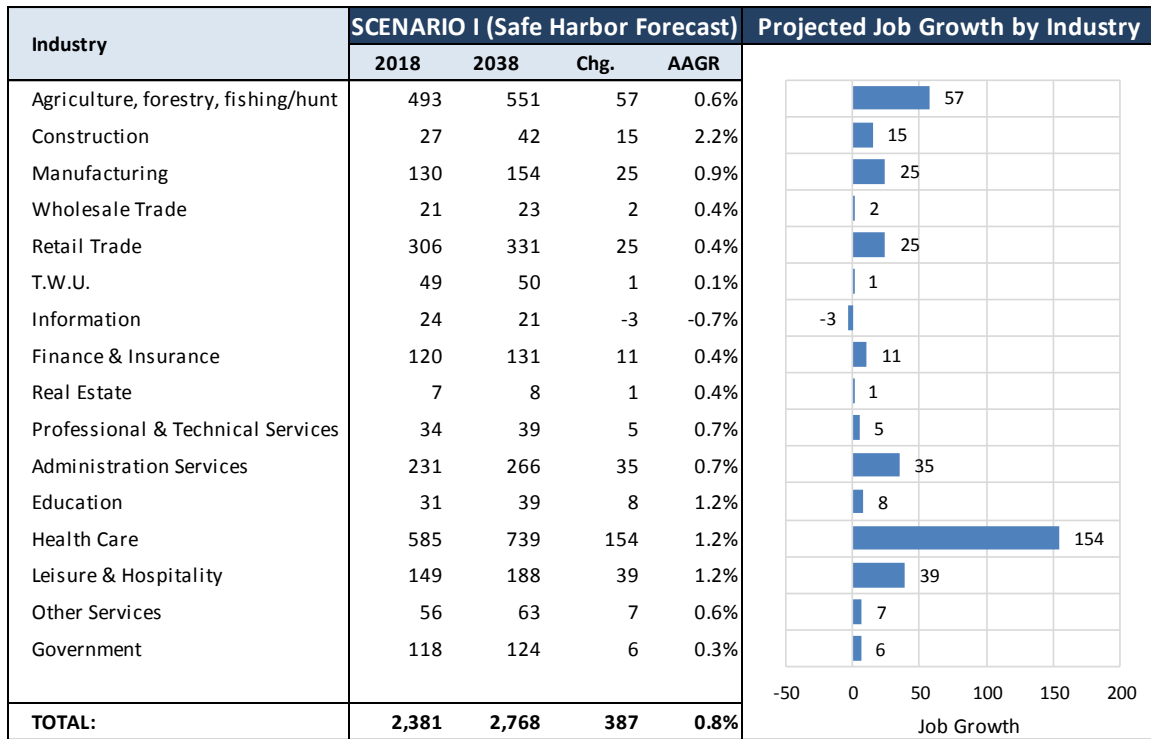
	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	2	4	0	0	0	2	8
Avg. SF Per Employee	350	600	990	600	1,850	500	486
Demand for Space (SF)	800	2,200	400	100	200	800	4,500
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.35
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Net Acres Required	0.1	0.1	0.0	0.0	0.0	0.1	0.3
Implied Density (Jobs/Acre)	40.1	32.2	12.9	10.4	7.3	20.4	25.4

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

2) JOHN DAY – SUMMARY OF FORECASTS

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

FIGURE 5.03: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, JOHN DAY



SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.04: NET ACRES REQUIRED BY BUILDING TYPOLOGY, JOHN DAY

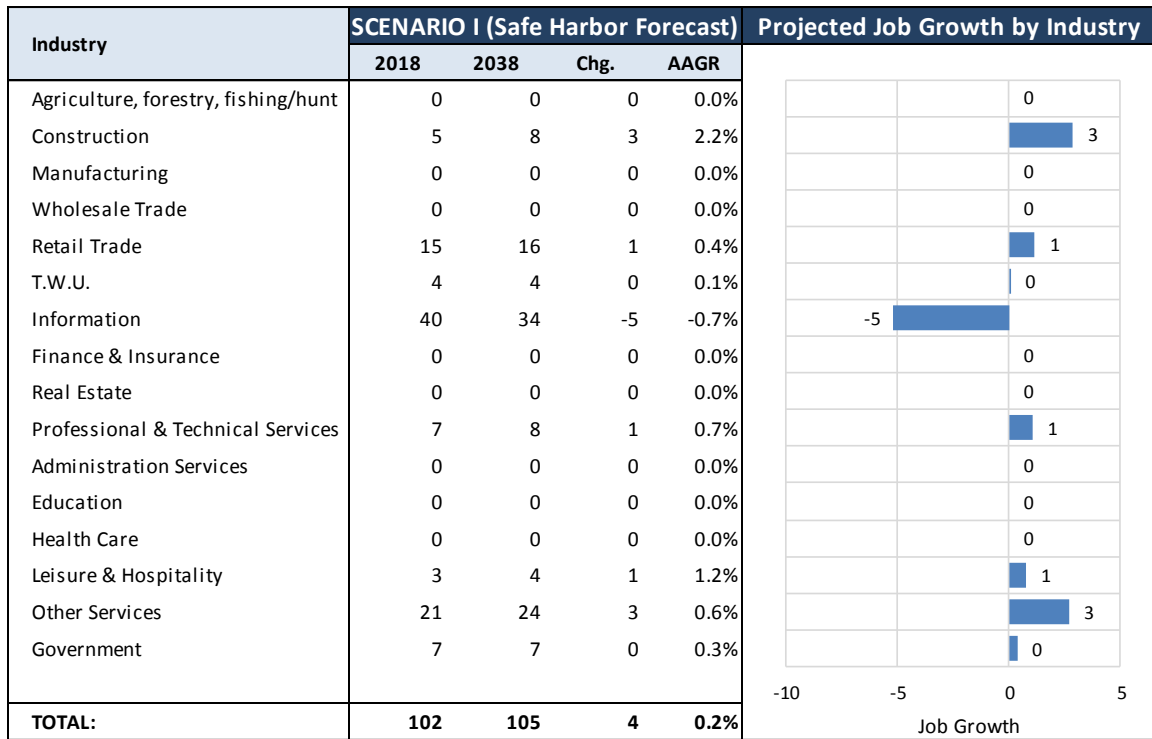
	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	106	89	19	21	10	84	330
Avg. SF Per Employee	350	600	990	600	1,850	500	554
Demand for Space (SF)	37,200	53,600	19,100	12,700	18,200	42,100	182,900
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Net Acres Required	2.7	2.7	1.6	1.0	1.3	4.3	14.1
Implied Density (Jobs/Acre)	39.2	32.7	11.9	20.6	7.8	19.6	23.5

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

3) MONUMENT – SUMMARY OF FORECASTS

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

FIGURE 5.05: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, MONUMENT



SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.06: NET ACRES REQUIRED BY BUILDING TYPOLOGY, MONUMENT

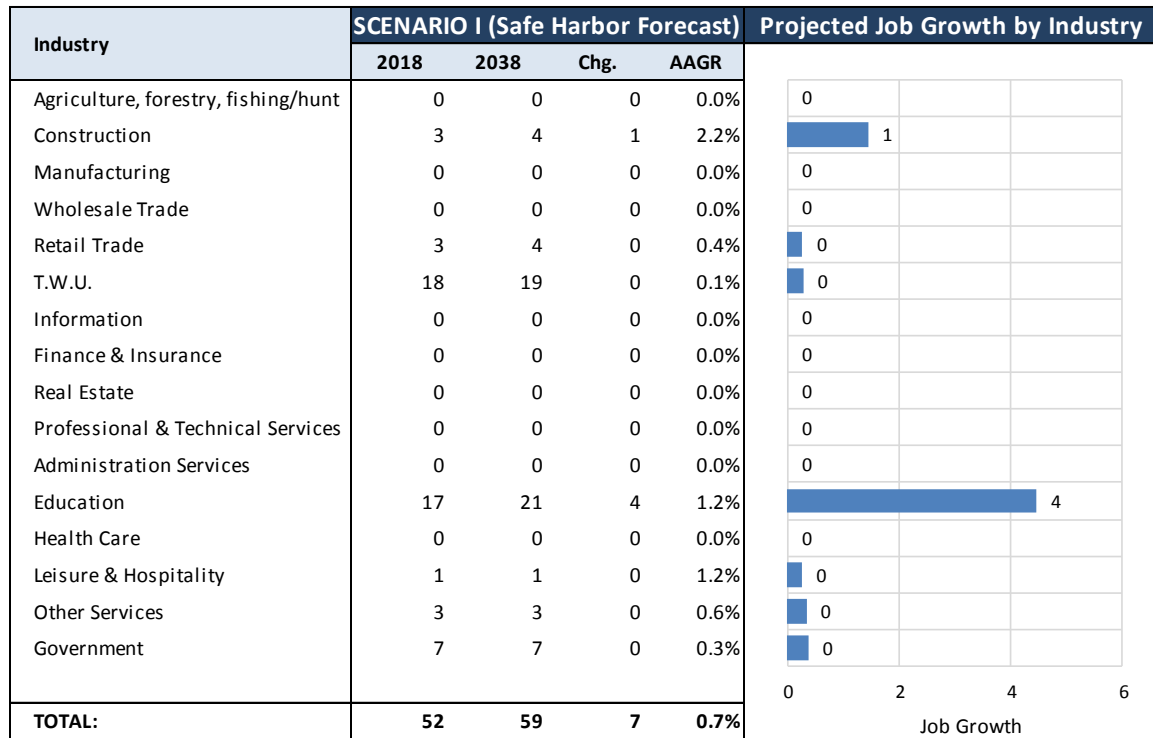
	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	2	0	0	-1	1	2	4
Avg. SF Per Employee	350	600	990	600	1,850	500	522
Demand for Space (SF)	800	100	-400	-500	1,400	1,000	2,400
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.31
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Net Acres Required	0.1	0.0	0.0	0.0	0.1	0.1	0.2
Implied Density (Jobs/Acre)	37.8	36.6	13.1	21.7	7.7	19.8	19.6

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

4) MT. VERNON – SUMMARY OF FORECASTS

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

FIGURE 5.07: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, MT. VERNON



SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.08: NET ACRES REQUIRED BY BUILDING TYPOLOGY, MT. VERNON

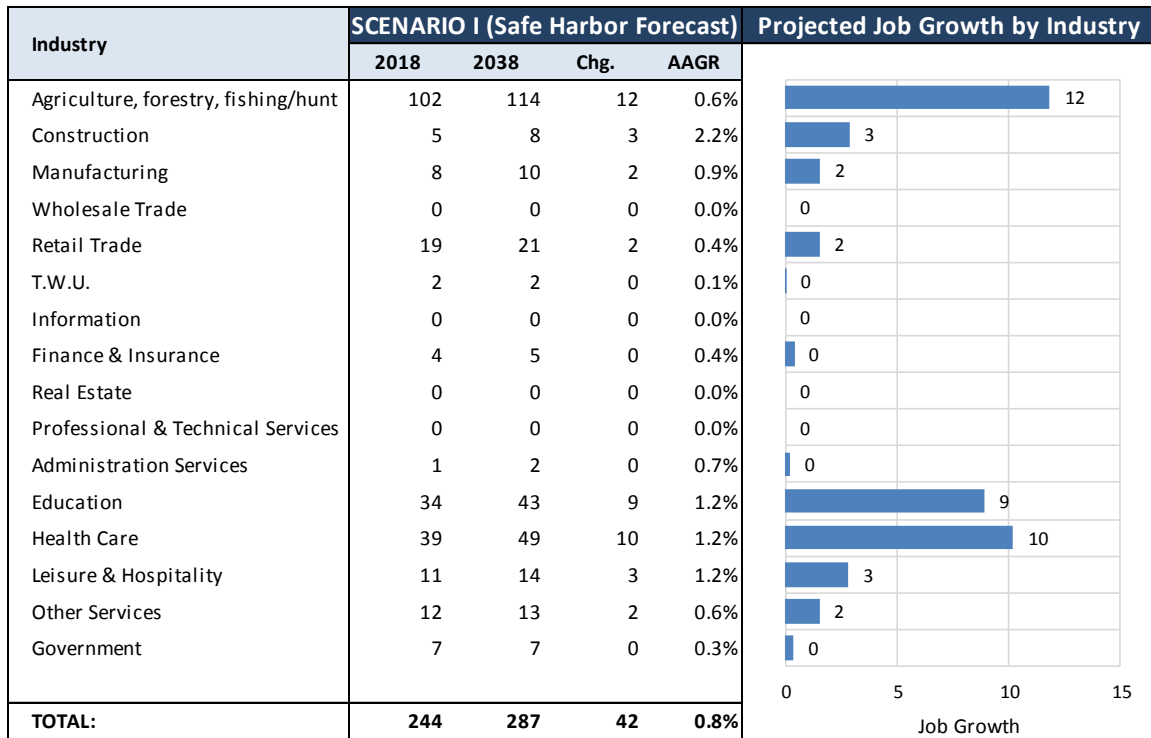
	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	2	2	1	1	0	1	7
Avg. SF Per Employee	350	600	990	600	1,850	500	675
Demand for Space (SF)	700	1,500	600	400	900	600	4,700
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.33
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Net Acres Required	0.1	0.1	0.1	0.0	0.1	0.1	0.4
Implied Density (Jobs/Acre)	40.1	32.7	11.5	20.7	8.0	18.2	20.2

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

5) PRAIRIE CITY – SUMMARY OF FORECASTS

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

FIGURE 5.09: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, PRAIRIE CITY



SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.10: NET ACRES REQUIRED BY BUILDING TYPOLOGY, PRAIRIE CITY

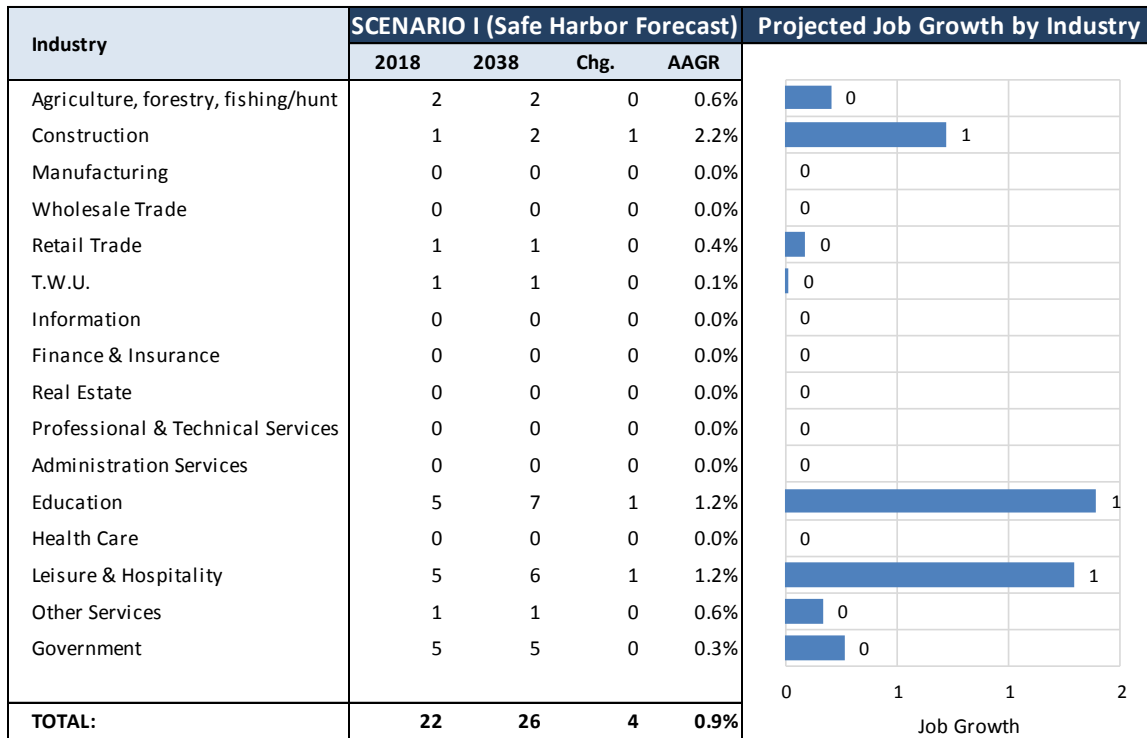
	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	9	10	2	2	1	6	30
Avg. SF Per Employee	350	600	990	600	1,850	500	558
Demand for Space (SF)	3,000	6,200	1,900	1,300	1,800	3,200	17,400
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.34
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Net Acres Required	0.2	0.3	0.2	0.1	0.1	0.3	1.3
Implied Density (Jobs/Acre)	39.3	32.6	12.1	21.3	7.9	19.4	23.5

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

6) SENECA – SUMMARY OF FORECASTS

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

FIGURE 5.11: 20-YEAR INDUSTRY EMPLOYMENT FORECAST, SENECA



SOURCE: Oregon Employment Department, Johnson Economics

FIGURE 5.12: NET ACRES REQUIRED BY BUILDING TYPOLOGY, SENECA

	DEMAND BY GENERAL USE TYPOLOGY, 2018-2038						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	1	1	0	0	0	1	4
Avg. SF Per Employee	350	600	990	600	1,850	500	507
Demand for Space (SF)	400	500	300	200	300	600	2,300
Floor Area Ratio (FAR)	0.35	0.45	0.30	0.30	0.35	0.25	0.32
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	10.0%
Net Acres Required	0.0	0.0	0.0	0.0	0.0	0.1	0.2
Implied Density (Jobs/Acre)	34.9	33.2	12.5	19.9	8.7	20.5	21.6

SOURCE: Oregon Employment Department, Johnson Economics, Mackenzie

VI. FORECASTED EMPLOYMENT LAND NEED VS. CURRENT SUPPLY

BUILDABLE LAND INVENTORY

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

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

Methodology

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

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

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

SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY METHODOLOGY



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

1) DAYVILLE BUILDABLE LANDS INVENTORY (SUMMARY)

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

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	8	1.5	2	1.6	10	3.1
Totals:	8	1.5	2	1.6	10	3.1

Source: Grant County, DLCD, City, Johnson Economics LLC

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

ZONE	0 to .99 acres		1 to 10 acers		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	10	3.1	0	0.0	0	0.0	0	0.0
Totals:	10	3.1	0	0.0	0	0.0	0	0.0

Source: Grant County, DLCD, City, Johnson Economics LLC

2) JOHN DAY BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.03: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (JOHN DAY)

ZONE	Total Vacant		Outside Floodplain	
	# of Parcels	Acreage	# of Parcels	Acreage
Downtown Commercial	7	1.3	6	1.1
General Commercial	12	33.2	8	10.1
General Industrial	10	89.1	4	47.5
Airport Industrial Park	28	120.1	28	120.1
Residential Commercial	3	4.1	0	0.0
Totals:	60	247.9	46	178.7

Source: Grant County, DLCD, City, Johnson Economics LLC

FIGURE 6.04: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (JOHN DAY)

ZONE	0 to .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Downtown Commercial	7	1.3	0	0.0	0	0.0	0	0.0	0	0.0
General Commercial	9	2.1	1	1.3	1	8.5	0	0.0	1	21.4
General Industrial	0	0.0	3	9.4	4	21.9	2	32.3	1	25.6
Airport Industrial Park	14	14.0	10	11.6	1	7.2	1	12.8	2	74.6
Residential Commercial	1	0.4	2	3.7	0	0.0	0	0.0	0	0.0
Totals:	31	17.8	16	25.9	6	37.6	3	45.0	4	121.5

Source: Grant County, DLCD, City, Johnson Economics LLC

3) MONUMENT BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.05: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (MONUMENT)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	5	1.8	0	0.0	5	1.8
Totals:	5	1.8	0	0.0	5	1.8

Source: Grant County, DLCD, City, Johnson Economics LLC

FIGURE 6.06: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (MONUMENT)

ZONE	0 to .99 acres		1 to 10 acres		10 to 19.99 acres		5 to 9.99 acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	4	0.8	1	1.0	0	0.0	0	0.0
Totals:	4	0.8	1	1.0	0	0.0	0	0.0

Source: Grant County, DLCD, City, Johnson Economics LLC

4) MT. VERNON BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.07: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (MT. VERNON)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	1	0.4	0	0.0	1	0.4
Industrial	3	22.6	2	17.9	5	40.6
Totals:	4	23.1	2	17.9	6	41.0

Source: Grant County, DLCD, City, Johnson Economics LLC

FIGURE 6.08: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (MT. VERNON)

ZONE	0 TO .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	1	0.4	0	0	0	0	0	0	0	0
Industrial	0	0.0	1	1.9	1	8.0	2	30.7	0	0.0
Totals:	1	0.4	1	1.9	1	8.0	2	30.7	0	0.0

Source: Grant County, DLCD, City, Johnson Economics LLC

5) PRAIRIE CITY BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.09: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (PRAIRIE CITY)

ZONE	Vacant		Redevelopable		Total	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Central Commercial	3	2.3	0	0.0	3	2.3
General Commercial	5	3.5	0	0.0	5	3.5
Totals:	8	5.8	0	0.0	8	5.8

Source: Grant County, DLCD, City, Johnson Economics LLC

FIGURE 6.10: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (PRAIRIE CITY)

ZONE	0 to .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Central Commercial	2	0.4	1	1.9	0	0.0	0	0.0	0	0.0
General Commercial	3	0.5	2	3.0	0	0.0	0	0.0	0	0.0
Totals:	5	0.9	3	4.9	0	0.0	0	0.0	0	0.0

Source: Grant County, DLCD, City, Johnson Economics LLC

6) SENECA BUILDABLE LANDS INVENTORY (SUMMARY)

FIGURE 6.11: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY (SENECA)

ZONE	Total Vacant		Outside Floodplain	
	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	8	6.0	6	3.5
Industrial	19	36.0	19	36.0
Totals:	27	42.1	25	39.6

Source: Grant County, DLCD, City, Johnson Economics LLC

FIGURE 6.12: SUMMARY OF EMPLOYMENT BUILDABLE LAND INVENTORY, BY PARCEL SIZE (SENECA)

ZONE	0 to .99 acres		1 to 4.99 acres		5 to 9.99 acres		10 to 19.99 acres		20+ acres	
	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage	# of Parcels	Acreage
Commercial	5	2.0	3	4.0	0	0.0	0	0.0	0	0.0
Industrial	1	0.7	17	28.9	1	6.4	0	0.0	0	0.0
Totals:	6	2.8	20	32.9	1	6.4	0	0.0	0	0.0

Source: Grant County, DLCD, City, Johnson Economics LLC

FORECASTED LAND NEED VS. BUILDABLE LAND INVENTORY

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

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

FIGURE 6.13: COMPARISON OF FORECASTED NEED TO LAND INVENTORY (GRANT COUNTY CITIES)

CITY	Buildable Inventory		20-Year Demand Forecast		Inventory minus Demand (Surplus or Need)		
	Commercial Acreage	Industrial Acreage	Commercial Acreage	Industrial Acreage	Commercial Acreage	Industrial Acreage	TOTAL
Dayville	3.1	0	0.3	0	2.8	0	2.8
John Day	38.6	209.2	9.7	4.4	28.9	204.8	233.7
Monument	1.8	0	0.2	0	1.6	0	1.6
Mt. Vernon	0.4	40.6	0.3	0.2	0.1	40.4	40.5
Prairie City	5.8	0	0.8	0.5	5	-0.5	4.5
Seneca	6.0	36.0	0.1	0	5.9	36	41.9
TOTAL:	55.7	285.8	11.4	5.1	44.3	280.7	325.0

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

VII. ECONOMIC DEVELOPMENT POTENTIAL

COMMUNITY ECONOMIC PROFILE

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

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

COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL

CITY	Dayville	John Day	Monument	Mt. Vernon	Prairie City	Seneca
Market Area	Dayville is a town of roughly 150 residents located on Hwy 26, roughly 30 miles west of John Day. The John Day Fossil Beds National Monument lies roughly 7 miles to the west. The market area of Dayville is best considered the town itself and those parts of unincorporated Grant and Wheeler counties to which it is the closest point for services such as gas and small general store. More intensive needs are likely to be served in John Day as the largest population and service center in the county. Tourism traffic along the highway is another important market segment. Tourism is seasonal, peaking in summer months and extending into the fall for hunting season.	John Day is the largest city in Grant County at roughly 1,750 residents. It is located near the center of the county at the hub of Hwy 26 and Hwy 395 which provide access to most other cities in the county. As the geographic and population center of the county, John Day serves many of the needs of county residents that are not met by local businesses in the smaller towns, such as groceries, hardware and housewares, and employment opportunities. John Day is contiguous with Canyon City to the south and the two share a common market/labor shed. John Day serves many of the residents, businesses, and visitors to Grant County at least to some extent.	Monument is a small town of an estimated 130 residents in northwest Grant County. It is located in the center of state highway 402 between the towns of Kimberly and Long Creek. This highway is not a main through-way in the area which limits the market area that Monument serves. The town has limited services and businesses, but does experience seasonal traffic in the summer and hunting seasons. The prospective market area for businesses in Monument will likely be limited to local residents and those who are located closer to Monument than to Spray to the west, and Long Creek to the east, unless it is a "destination" business.	Mt. Vernon is a town of 525 people located on Hwy 26, 10 miles to the west of John Day. The town is also at the junction of Hwy 395 from the north. The town is separated from the John Day/Canyon City area, but is close enough to share a general market area. To the extent that Mt. Vernon can offer options similar to John Day, these will serve the immediate market and areas to the west. For many categories of shopping and services, John Day will continue to exert greater commercial "gravity" due to its cluster of options. But Mt. Vernon provides nearer access to outdoor recreation opportunities in this part of the county.	Prairie City is a town of roughly 900 residents in eastern central Grant County. John Day is located roughly 13 miles to the west. Prairie City is well situated to provide limited services to the eastern end of the John Day valley, which sits within a ring of mountains and forest land. Surrounding Prairie City, the valley contains mostly agricultural land.	Seneca is a city of roughly 160 people at the southern end of the county on Hwy 395. The city is at significantly higher elevation than those in valley. John Day is roughly 25 minutes to the north, the slightly larger town of Burns is located 45 minutes to the south. Seneca is surrounded by forest land and mountain ranges, and the timber industry and ranching is central to the town. It is situated to serve basic needs of the surrounding area, but most services must be met in the John Day/Canyon City area.
Services	Dayville offers many local-scale services to serve the surrounding area, including gas station, merchantile store, and café. There is also some lodging.	John Day offers full services including full-service grocery store, general merchandise, dining, entertainment, and lodging options. There are also a full range of personal and professional services for residents, and serving the agricultural and recreation sectors in the area.	The town has limited services and businesses which include a small general store and a café. There have been other service businesses in the past and some proposals for new ones in recent years.	Mt. Vernon offers a fairly complete set of local services for everyday needs including small market, dining, gas, gift shops, and outdoor recreation shops. There are many services, including full service grocery store, for which residents must visit John Day.	Prairie City offers a fairly complete set of local services for everyday needs of local residents and the surrounding area. The town offers small supermarket, dining, lodging, gas and general merchandise.	Seneca offers limited local services including a general store and some dining.
Public Services	Dayville is the seat of public services for the local and surrounding area including K-12 school, fire department and post office.	John Day features full public services, including K-12 schools, public safety and emergency. There are also federal and state facilities in the city, mostly addressing regional forestry and natural resources.	Monument offers some public services including K-12 school, and post office. Public safety services are operated from the surrounding region of Grant County and not located in the town itself. The speed and availability of emergency ambulance service is a concern.	Mt. Vernon contracts with nearby John Day for many of its public services, including public safety. Families attend schools in John Day and Canyon City.	The city is the seat of public services for the local and surrounding area including K-12 school, fire department and post office. Emergency services are coordinated with John Day.	Seneca features an elementary school and post office. The town contracts for emergency services.

COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL (CONT.)

CITY	Dayville	John Day	Monument	Mt. Vernon	Prairie City	Seneca
Transportation	Dayville is located on Highway 26 which is the main road transportation spine through Grant County. It has the most ready access to the John Day Fossil Beds Sheep Rock unit. The highway provides adequate access for local commerce, industry and shipping, but is mostly two-lane road through the county. Access to any market larger than John Day is hours away.	John Day is located at the junction of the major north/south and east/west highways through the county. These highways provide adequate access for local commerce, industry and shipping, but are mostly two-lane routes through the county. Access to other markets larger than John Day is generally hours away. These highways pass through scenic but sparsely populated areas, and are not the most high-traffic routes between Oregon and Idaho. John Day is home to a regional airport serving transient and local general aviation. The airport is adjacent to a large industrial park.	Monument faces some challenges to easy transportation access for employers and business. It is located on a secondary highway, between two other relatively small destinations. The location is likely to remain a challenge for businesses heavily reliant on shipping and freight.	The city enjoys many of the same transportation benefits as John Day, being located at the junction of the major north/south and east/west highways through the county. These highways provide adequate access for local commerce, industry and shipping, but are mostly two-lane routes through the county. Access to other markets larger than John Day is generally hours away. These highways pass through scenic but sparsely populated areas, and are not the most high-traffic routes between Oregon and Idaho. Nearby John Day is home to a regional airport.	The city is located on Highway 26 which is the main road transportation spine through Grant County. The highway provides adequate access for local commerce, industry and shipping, but is mostly two-lane road through the county. Access to any market larger than John Day is hours away. Prairie City is located at the eastern end of the valley, which serves as the route through the national forest and mountain pass into Baker County, but is not highly trafficked by freight which can take the I-84 freeway from Baker County rather than traveling through the central counties.	The city is located on Highway 395 which runs north/south through the county and connects the towns of John Day to the north and Burns in Harney County to the south. This route does not lay between any larger cities or population centers. The location is likely to remain a challenge for businesses heavily reliant on shipping and freight.
Labor Market	Dayville is home to roughly 40 jobs, 70% of which are in the education sector. Smaller shares of employment are in the tourism, government, and retail sectors. Many local working residents work outside of the city.	John Day is the greatest concentration of employment in Grant County offering an estimated over 2,400 in a range of sectors. (The adjacent Canyon City offers an additional 500 jobs.) The greatest share of employment is in the health care, forestry & agriculture, retail, and professional services sectors.	The town is home to roughly 50 jobs, a large majority of which are in education or utilities. There are a few jobs in the government, retail, construction and other sectors.	Mt. Vernon is estimated to be home to just over 100 jobs. Many working residents work outside of the city. Many of the local jobs are in retail/dining, information, government, and other services.	Prairie City offers roughly 250 jobs, with large concentrations in the forestry and ag sector, the education and health care sectors. There are also jobs in retail, tourism and other services.	Seneca offers an estimated 25 jobs across a range of industries, including forestry education, tourism and government.
Suppliers	Access to suppliers in Grant County is limited due to geographical isolation. Most products are materials are imported from outside the area.	Access to suppliers in Grant County is limited due to geographical isolation. Most products are materials are imported from outside the area.	Access to suppliers in Grant County is limited due to geographical isolation. Most products are materials are imported from outside the area. Monument is one of the towns most impacted by this obstacle.	Access to suppliers in Grant County is limited due to geographical isolation. Most products are materials are imported from outside the area. With nearer access to John Day, Mt. Vernon has more ready access to greater materials and supplies than most smaller towns in the county.	Access to suppliers in Grant County is limited due to geographical isolation. Most products are materials are imported from outside the area. With nearer access to John Day, the town has more ready access to greater materials and supplies than most smaller towns in the county.	Access to suppliers in Grant County is limited due to geographical isolation. Most products are materials are imported from outside the area. Seneca is one of the towns most impacted by this obstacle.
Environmental Constraints	The central area of Dayville features some constraints due to waterway, wetland areas and the 100-year floodplain. Slope constraints constrain some commercially zoned land in the northwest corner of the city.	John Day's commercial and industrial land feature some constraint, most significantly from the floodplain and wetland areas along the John Day River. These areas include many parcels that are already developed however. Steep slopes constrain some commercial parcels south of Highway 26, and also complicate access to the airport industrial park, which is located on the hilltop above the city.	Monument features some employment land that is constrained by waterways and the flood plain. These areas are on the eastern side of the central city, along the river.	Some commercial or industrial lands in Mt. Vernon are impacted by wetlands and the 100-year floodplain, along the north/south Beech Creek and the John Day River to the south. Slopes are not a significant barrier. The large former school site, which is available for industrial, sits on a hill above the main street, though the site itself is fairly level.	Prairie City has little zoned commercial and industrial land constrained by wetlands, but there are some vacant parcels that are constrained by steep slopes and unlikely to develop for employment uses.	There are significant wetlands located on the industrial lands on the western side of town. Most of this land is owned by the city and planned for uses other than private employment. Private industrial and commercial lands are not constrained.

COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL (CONT.)

CITY	Dayville	John Day	Monument	Mt. Vernon	Prairie City	Seneca
Educ. & Tech. Training Programs	There are limited educational and training programs available in the county. Blue Mountain Community College offers some community enrichment programs in John Day, including training for nursing assistants, and GED education.	There are limited educational and training programs available in the county. Blue Mountain Community College offers some community enrichment programs in John Day, including training for nursing assistants, and GED education.	There are limited educational and training programs available in the county. Blue Mountain Community College offers some community enrichment programs in John Day, including training for nursing assistants, and GED education.	There are limited educational and training programs available in the county. Blue Mountain Community College offers some community enrichment programs in John Day, including training for nursing assistants, and GED education.	There are limited educational and training programs available in the county. Blue Mountain Community College offers some community enrichment programs in John Day, including training for nursing assistants, and GED education.	There are limited educational and training programs available in the county. Blue Mountain Community College offers some community enrichment programs in John Day, including training for nursing assistants, and GED education.
Utilities	Water	Adequate	Good	Good/ built for additional residents.	Good/ New water master plan in future	Adequate
	Sewer	Adequate	Good/ Soon to be improved	Good/ built for additional residents.	Good	Adequate
	Power	Adequate (not for largest power users)	Good	Adequate (not for large power users)	Adequate (not for large power users)	Adequate
	Data	Good/fiber	Good/fiber	Poor/None	Good/fiber	Good/fiber
Identified Challenges	Housing availability; Aging workforce/difficulty in retaining younger residents; Slow population growth; Low visibility/awareness of the area (positive and negative); Currently, there is no signage at Fossil Beds directing visitors to Dayville for services	Housing availability; Aging workforce/difficulty in retaining younger residents; No positive population growth; Low visibility/awareness of the area (positive and negative); Over-reliance on government employment	Secluded location off of main routes; Housing availability; Aging workforce/difficulty in retaining younger residents; No positive population growth; Low visibility/awareness of the area (positive and negative)	Housing availability; Aging workforce/difficulty in retaining younger residents; No positive population growth; Low visibility/awareness of the area (positive and negative); John Day is the nearby center of gravity for business and employment	Housing availability; Aging workforce/difficulty in retaining younger residents; No positive population growth; Low visibility/awareness of the area (positive and negative); John Day is the nearby center of gravity for business and employment; Unusual street grid, logistical issues with servicing certain areas	Secluded location off of main routes; Housing availability; Aging workforce/difficulty in retaining younger residents; No positive population growth; Low visibility/awareness of the area (positive and negative)
Potential Opportunities	Proximity to Fossil Beds while offering services; Natural beauty; Lifestyle amenities; Recreation opportunities; Spillover growth from Deschutes County, retirees	Gateway to recreation in area; Natural beauty; Lifestyle amenities; Spillover growth from Deschutes County, retirees; recent growth in retail, dining/brewing, health care; new transit service	Location for river and hunting recreation; Some recent business growth; Lifestyle amenities, retirees; Land and locations for employment growth; Potential for greater summer tourism with events; Potential as rafting pull-out/camping location	Gateway to recreation in area; Natural beauty; Lifestyle amenities; Spillover growth from Deschutes County, retirees; Location at highway junction; Can benefit from somewhat combined market area with John Day/Canyon City	Gateway to recreation in eastern end of the valley; Natural beauty; Lifestyle amenities; Spillover growth from Deschutes County, retirees; Potential new industrial part at west end of town; stable population after some decline	Location for mountain and hunting recreation; Central location for timber industry; Some recent business growth; Lifestyle amenities, retirees; Land and locations for employment growth; Population growth has been stable to slightly positive

Source: Cities, Johnson Economics

VIII. ECONOMIC DEVELOPMENT: POTENTIAL NEXT STEPS

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

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

- 1) **Identify local economic development point person:** Each city should select a point person to ensure that the agreed upon next steps stemming from this EOA study are implemented. This person should be responsible for ensuring that the EOA report is introduced to the Planning Commission and City Council for consideration. This local point person may coordinate with regional partners to facilitate broader economic development efforts (see below).
- 2) **Adoption or formal acknowledgement of the EOA report and findings:** The City Council should consider formally recognizing this EOA report and its findings. This establishes the analysis as the underpinning of the Economic Chapter of the local Comprehensive Plan. Typically, at the time of adoption, the contents of the Economic Chapter will also be updated with an overview of findings from this analysis, and also revised goals and policies (if any) stemming from the findings.

In assessing applicants, many state and federal programs and funding sources look to see that local plans support the proposed project. This is one reason that it is important to periodically update the Comp Plan to ensure that it supports the community's current goals and priorities.

- 3) **Updated Goal 10 Housing Needs Analysis:** An important challenge to economic development identified in many parts of Grant County is the availability of appropriate housing, at affordable price points to the workforce that the area would like to attract. In some cases, employment may be available, but the potential workforce finds it difficult to find attractive housing options. This situation leads to difficulty in recruiting and maintaining staffing levels, and tends to encourage longer-distance commuting. The cities should review the status of their latest Goal 10 Housing Needs Analysis (HNA), which forecasts 20-year housing needs and inventories residential land. An updated HNA and Housing Chapter to the Comp Plan can help identify and remedy gaps in the local housing inventory.
- 4) **Continue regional economic development coordination:** Economic development efforts, including promotion and marketing campaigns, can be coordinated at the county or even multi-county level to take some burden off of scarce local resources. The Grant County Economic Development Department provides community contacts, business advising and resources, marketing and promotion, and tracks available commercial real estate. The agency is the natural

lead for many of the economic development steps that can be implemented regionally. Smaller cities should engage regularly with Grant County Economic Development to coordinate programs and activities and ensure that all parts of the county are actively involved.

Many of the target industries can benefit from regional approach to marketing and recruitment, but growing the tourism industry in particular would benefit from promoting the area as a whole as visitors generally would like to see multiple attractions and destinations on a trip through the county. Developing recommended one-day and multi-day itineraries for visitors is one good approach.

Local and regional economic development staff should continue to partner and meet regularly with other partners including the Chamber of Commerce, Business Oregon, GEODC, Training and Employment Consortium, WorkSource Oregon, Eastern Oregon Small Business Development Center, OSU Extension Service, and others. Coordination ensures that agencies are leveraging others' efforts and not duplicating services or investments. It also means that they are aware of the services and strengths of each agency in order to direct outside contacts to the right place.

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

The Greater Eastern Oregon Development Corporation (GEODC) Comprehensive Economic Development Strategy (CEDs) for central eastern Oregon is also a good resource to build off of. Grant County and the cities should ensure that they actively participate in creating these five-year strategy plans as well.

- 6) **Identify short-term and long-term areas of focus:** In conjunction with strategic planning for economic development, the city should consider subareas and/or zones of the city where efforts might best be focused in the near- and longer term. Such zones might be a town center, industrial area, main commercial strip, or similar subarea. This effort might include identifying priorities for the next 5 year, 10 year, or 20 year periods. This exercise can help focus economic development efforts and investment rather than spreading limiting resources too thinly.
- 7) **Ensure that available employment lands are listed on Oregon Prospector:** Business Oregon provides the Oregon Prospector tool which provides open, free data on available employment lands across the state, including both industrial and commercial properties. Buildings and development sites can be listed with extensive detail and pricing for prospective businesses. Economic development staff should ensure that key sites and buildings in the county and cities are included, and use the tool to track land transactions in their area. It also helps keep Business Oregon informed of available local properties, to guide prospective businesses.

- 8) **New Market Tax Credits:** Much of the county, including John Day, is not eligible for New Market Tax Credit projects, however many northern portions of the county are eligible. This program provides a tax incentive for investment in disadvantaged areas. Economic development staff and Business Oregon can help identify projects which may be eligible and bridge developers with the Community Development Entities (CDE's) that administer the program.

- 9) **Continue to grow workforce development opportunities:** The County, the cities, and partners should look for opportunities to grow workforce development, particularly in the trades, and around the target industries identified in this report. Local economic development partners can work with businesses and with the Training and Employment Consortium (TEC), WorkSource Oregon, Blue Mountain Community College, and OSU and EOU extension services to identify the greatest needs in skills and specialties.

- 10) **Provide incubator opportunities and small business services:** There are many agencies offering small business services in Oregon, including Business Oregon, the SBA, the USDA, Grant County Economic Development and others. On-going coordination and communication can ensure that agencies are leveraging each other's resources and not duplicating services. Business Oregon tracks many examples of business incubator and accelerator programs across the state that can serve as a model for local efforts. There are examples in Baker City and Bend that can serve as models for incubator or subsidized shared work space.

The following table presents actions that the cities might pursue locally in the short-term (as opposed to regional actions).

LOCAL NEXT STEPS: ECONOMIC DEVELOPMENT

CITY	Partners	Grant County	Dayville	John Day	Monument	Mt. Vernon	Prairie City	Seneca
Adopt EOA report; Update economic chapter of the Comp Plan	City officials; DLCDC		X	X	X	X	X	X
Conduct Goal 10 Housing Needs Analysis, or similar housing study	City; DLCDC		X	X	X	X	X	X
Coordinate on regional tourism marketing, and other economic development initiatives	City official or local point person; County Econ. Dev.	X	X	X	X	X	X	X
County Economic Development Strategic Plan	County, Cities, GEODC, Chamber, Others	Lead	X	Local project underway; Can integrate with regional	X	X	X	X
Maintain and periodically update short-term local economic development goals; can be derived from regional strategic planning	Cities		X	Will have detailed strategic plan	X	X	X	X

APPENDIX A: SITE REQUIREMENTS

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

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

⁵ Business Oregon, Mackenzie.

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

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

Terms:

<p>More Critical</p> <p>↑</p> <p>Less Critical</p>	<p>'Required' factors are seen as mandatory in a vast majority of cases and have become industry standards.</p>
	<p>'Competitive' significantly increases marketability and is <i>highly recommended by Business Oregon</i>. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.</p>
	<p>'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.</p>
	<p>'Not Required' does not apply for this industry and/or criteria.</p>
	<p>'Avoid' factors act as deterrents to businesses in these industries because of negative impacts.</p>
<p>*Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.</p>	
<p>**Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.</p>	
<p>† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).</p>	
<p>‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.</p>	

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

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

General Requirements:

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

Site Requirements:

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

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

INDUSTRY PROFILES

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

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

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

A: Food Processing

a) Description:

Generally, this category includes industries that manufacture or process foods and beverages for human or animal consumption. Although this category has similar siting characteristics as Other Manufacturing, the unique needs associated with food processing, such as high volume water and/or pressure demand, warrant this separate category. Broadly, there are two types of food processing categories:

- (1) raw materials; and
- (2) assembling.

Additionally, there is a packaging and warehousing component to these facilities.

b) Representative Industry Types:

- Production foods/goods (e.g., bakeries)
- Fruits and vegetables
- Breweries and wineries
- Dairy
- Bottling/beverages

c) Representative Companies:

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

B: Other Manufacturing

a) Description:

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

b) Representative Industry Types:

- Electronic assembly support

- Wood products
 - Automobile products
 - Steel/metals
 - Building materials fabrication and processing
- c) *Representative Companies:*
- Warn Industries (Clackamas)
 - JV Northwest (Canby)
 - Hartung Glass (Wilsonville)
 - Oregon Iron Works (Clackamas)
 - Daimler Trucks North America (Portland)
 - Maxim Integrated (Beaverton and Hillsboro)
 - Oregon Steel Mills (Portland)

C: Wholesaling

- a) *Description:*
 The wholesale industry comprises companies involved in wholesaling merchandise and other goods such as mining, agriculture, manufacturing, and certain information industries. This industry typically represents an intermediate step in the production and distribution of goods and merchandise, as wholesalers generally sell goods intended for resale by a retailer. In some cases, users and customers may purchase these goods directly from a wholesaler with a retailer.
- b) *Representative Industry Types:*
- Automobile and Other Motor Vehicle Merchant Wholesalers
 - Furniture Merchant Wholesalers
 - Office Equipment Merchant Wholesalers
 - Hardware Merchant Wholesalers
 - Farm and Garden Machinery and Equipment Merchant Wholesalers
 - Sporting and Recreational Goods and Supplies Merchant Wholesalers
- c) *Representative Companies:*
- Cascade Wholesale Hardware
 - Costco Wholesale
 - Pearlier Auto Wholesale

D: Retail

- b) *Description:*
 This industry contains businesses that sell merchandise, largely without any transformation of the good, with services largely being ancillary to the sale of said merchandise. The businesses usually receive goods from wholesalers, and typically do not transform the good before its final sale to the user or customer. There are sixty-nine subsectors of retail trade, some of which are reflected in the bulleted list below.
- c) *Representative Industry Types:*
- Specialty food/grocery
 - Coffee shops/cafes
 - Theater/recreation/entertainment
 - Brew pub/wine or bottle shops
 - Full service local restaurants
 - Food car pods
 - Bookstores and boutiques
 - Wellness and spa services
 - Hotel & hospitality
 - Niche manufacturing (bike, bakery, outdoor, etc.)

d) *Representative Companies:*

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

E: Incubator

a) *Description:*

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

b) *Representative Industry Types:*

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

c) *Representative Examples:*

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