

BEFORE THE MORROW COUNTY COURT
OF MORROW COUNTY

AN ORDINANCE AMENDING THE MORROW
COUNTY COMPREHENSIVE PLAN,
SPECIFICALLY REPLACING THE ECONOMIC
ELEMENT.

COUNTY ORDINANCE

NO. ORD-2016-2

WHEREAS, ORS 203.035 authorizes Morrow County to exercise authority within the County over matters of County concern; and

WHEREAS, Morrow County adopted a Comprehensive Land Use Plan which was acknowledged by the Land Conservation and Development Commission on January 15, 1986; and

WHEREAS, the Morrow County Planning Commission determined in late 2014 to begin a process to update the Morrow County Comprehensive Plan beginning with the Economic Element; and

WHEREAS, the Morrow County Planning Commission approved a work plan that included various workshops and panels that would provide information and insight into various economic sectors in Morrow County; and

WHEREAS, the Morrow County Court supported this process and took action to identify funds in the 2015-2016 budget for costs associated with the Comprehensive Plan update; and

WHEREAS, the Morrow County Planning Commission held five work sessions in late 2014 and throughout 2015 to learn about the Morrow County economy generally, Port of Morrow activities now and into the future, agriculture and value added production, the energy sector, and tourism in Morrow County; and

WHEREAS, the Morrow County Planning Commission, working with Planning staff, reviewed multiple drafts of the Economic Element over the last half of 2015; and

WHEREAS, the Morrow County Planning Commission held two public hearings to consider the Comprehensive Plan Economic Element, the first on January 19, 2016, at the Port of Morrow Riverfront Center in Boardman, Oregon, and the second one on February 23, 2016, at the Bartholomew Building in Heppner, Oregon; and

WHEREAS, the Morrow County Planning Commission considered the request and, after deliberation, adopted Planning Commission Final Findings of Fact with a 'do adopt' recommendation to the Morrow County Court; and

WHEREAS, the Morrow County Court held a public hearing to consider the recommendation of the Morrow County Planning Commission on March 23, 2016, which was continued to April 6, 2016, both at the Bartholomew Building in Heppner, Oregon; and

WHEREAS, the Morrow County Court heard testimony from Melissa Lindsay in support of the Economic Element, requested two language changes, and discussed including new language concerning economic impacts relating to the Boardman Bombing Range.

WHEREAS, the Morrow County Court did deliberate on issues related to military activity in Morrow County and agreed to postpone including military impacts as a part of the Comprehensive Plan at this time.

WHEREAS, the Morrow County Court did accept the Planning Commission recommendation and deliberated to a final decision taking action to replace the 1986 acknowledged Economic Element with this updated version with a unanimous vote.

NOW THEREFORE THE COUNTY COURT OF MORROW COUNTY ORDAINS AS FOLLOWS:

Section 1 Title of Ordinance:

This Ordinance shall be known, and may be cited, as the 2016 Comprehensive Plan Economic Element amendment.

Section 2 Affected Document:

Morrow County Comprehensive Plan - Economic Element.

Section 3 Attached Document:

Morrow County Comprehensive Plan Economic Element. Repeal the 1980 adopted and 1986 acknowledged Economic Element and replace with the attached Economic Element.

Section 4 Effective Date:

The Morrow County Court declares the effective date for this Ordinance to be at least 90 days after its Second Reading, or July 31, 2016.

Date of First Reading: April 13, 2016

Date of Second Reading: April 27, 2016

DONE AND ADOPTED BY THE MORROW COUNTY COURT THIS 27th DAY OF APRIL, 2016

MORROW COUNTY COURT:

ATTEST:

Bobbi Childers
Cherise Crawford
Bobbi Childers
County Clerk
Deputy Clerk



Terry K. Tallman
Terry K. Tallman, Judge

Leann Rea
Leann Rea, Commissioner

Don Russell
Don Russell, Commissioner

**Final Findings of Fact
Comprehensive Plan Update
Economic Element
AC-096-16**

REQUEST: To replace the Economic Element. This is the first of many amendments to the Comprehensive Plan as part of an undertaking to update the Comprehensive Plan, Zoning Ordinance and Transportation System Plan over the next several years.

APPLICANT: Morrow County Planning Department
P.O. Box 40
Irrigon, OR 97844

LOCATION: Morrow County

I SUMMARY OF APPLICATION AND PROCESS:

The Morrow County Comprehensive Plan was originally adopted in 1980 and finally acknowledged in January of 1986. The Economic Element, as is the case with most of the original Comprehensive Plan, is based upon inputs from the 1970s and is woefully out of date. Over the 30 plus years since the Comprehensive Plan was first adopted and acknowledged there have been a number of changes that should be further vetted within the Comprehensive Plan, and appropriate Goals and Policies should be adopted to support regulation that is in place and regulation that should be considered.

II SUMMARY OF APPLICABLE CRITERIA

MORROW COUNTY COMPREHENSIVE PLAN: CRITERIA. The following criteria must be considered before approval of an amendment to the Comprehensive Plan is given:

1. **Address the Criteria found in the Morrow County Zoning Ordinance Article 8 Amendments; and**
2. **Show how the request complies with the relevant statewide land use planning Goals. Include evidence of coordination and compliance with State agencies regarding the statewide planning Goals.**

The Morrow County Zoning Ordinance criteria follow with the necessary analysis.

In late 2014 Planning staff, working with the Planning Commission and with the support of the County Court, initiated what will hopefully conclude as a complete update of the Morrow County Comprehensive Plan along with major updates to the Zoning Ordinance and the Transportation System Plan. The Planning Commission agreed to a work plan that would review the Economic Element throughout 2015 with adoption in early 2016. When developing the work plan the Planning Commission expressed interest in pursuing information for inclusion in the Economic Element concerning four specific economic sectors: agriculture and related value added activities or industries, industrial activities predominately under the purview of the Port of Morrow, the energy sector and tourism. Over the course of 2015 several guest panels were held to solicit input from individuals identified to be knowledgeable in those economic sectors within Morrow County. During that time the following three primary source documents were also identified:

- Regional Economic Opportunities Analysis: Morrow and Umatilla Counties
- Port of Morrow Strategic Business Plan Strategy and Economic Impact Analysis
- Greater Eastern Oregon Development Corporation (GEODC) Comprehensive Economic Development Strategy (CEDS)

During 2015 representatives from the Department of Land Conservation and Development (DLCD) also visited with the Planning Commission and discussed various aspects of support that the Department could provide. Over the course of the year Planning staff have engaged DLCD staff on various topics related to this update and other planning projects. Discussion of other Statewide Planning Goals and their relationship to Goal 9 has occurred, and outreach in support of Goal 1 has happened relative to this Economic Element throughout the past year.

MORROW COUNTY ZONING ORDINANCE: SECTION 8.040. The proponent of the application or permit has the burden of proving justification for its approval. The more drastic the request or the greater the impact of the application or permit on the neighborhood, area, or county, the greater is the burden on the applicant. The following criteria shall be considered by the Planning Commission in preparing a recommendation and by the County Court in reaching their decision.

A. The local conditions have changed and would warrant a change in the zoning of the subject property(ies).

No changes in zoning are proposed. This update to the Economic Element is the first of a larger update to the Comprehensive Plan, Zoning Ordinance and Transportation System Plan that will hopefully take place over the next several years. As stated above the Planning Commission identified the Economic Element as being an appropriate starting place as most decisions have a basis in the economy.

Local conditions have changed, but mostly because the current Comprehensive Plan Economic Element was written in the late 1970s, adopted in 1980 and acknowledged in 1986. That acknowledgment was 30 years ago, and the element was written over 35 years ago. Much has changed in Morrow County and the economy, while still based on the agricultural sector, has grown and diversified. The Port of Morrow has become the second largest Port in Oregon, behind only the Port of Portland. And the population in Morrow County has nearly doubled in that time. All valid reasons to take a look at where we are and where we want to go during the next planning horizon.

B. The public services and facilities are sufficient to support a change in designation including, but not limited to, water availability relevant to both quantity and quality, waste and storm water management, other public services, and streets and roads.

1. Amendments to the zoning ordinance or zone changes which significantly affect a transportation facility shall assure that land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:

a. Limiting allowed land uses to be consistent with the planned function of the transportation facility or roadway;

- b. **Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule; or,**
- c. **Altering land use designations, densities, or design requirements to reduce demand for automobile travel to meet needs through other modes.**

No land use designations are changing and this amendment will not directly affect any transportation system. Planning staff would find these criteria not applicable to this action.

- 2. **A plan or land use regulation amendment significantly affects a transportation facility if it:**
 - a. **Changes the functional classification of an existing or planned transportation facility;**
 - b. **Changes standards implementing a functional classification;**
 - c. **Allows types or levels of land use that would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility; or**
 - d. **Would reduce the level of service of the facility below the minimal acceptable level identified in the Transportation System Plan.**

See above analysis.

- C. **That the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports goals and policies of the Comprehensive Plan, that there is a public need for the proposal, and that the need will be best served by allowing the request. If other areas in the county are designated for a use as requested in the application, then a showing of the necessity for introducing that use into an area not now so zoned and why the owners there should bear the burden, if any, of introducing that zone into their area.**

This amendment is part of a larger overarching update and amendment of the Comprehensive Plan. When completed the entire Comprehensive Plan will be reviewed and updated as deemed necessary and appropriate. No specific zone changes or amendments are proposed with this Comprehensive Plan amendment.

- D. **The request addresses issues concerned with public health and welfare, if any.** This entire planning process can, in one way or another, directly or indirectly impact public health and welfare, however there are no specific provisions that are called out in this update. There are portions of the discussion that do address various environmental concerns that can and do touch upon public health and welfare concerns.

III	DLCD 35 DAY NOTICE:	December 15, 2015
IV	PROPERTY OWNER NOTICE:	Not applicable as no maps are being adopted and no regulations are being put in place.
V	LEGAL NOTICE:	Heppner Gazette Times and East-Oregonian December 30, 2015 February 3, 2016

VI AGENCIES NOTIFIED: Angela Houck, Tom Houge and Grant Young, Department of Land Conservation and Development; Gary Neal and Lisa Mittelsdorf, Port of Morrow; Karen Pettigrew, City of Boardman; Aaron Palmquist, City of Irrigon; Kim Cutsforth, City of Heppner; Kevin McCabe, Town of Lexington; Linda LaRue, City of Ione

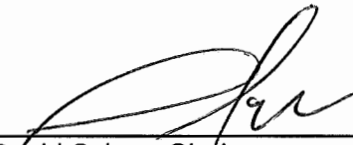
VII HEARING DATES:

Planning Commission
January 19, 2016
Port of Morrow Riverfront Center
Boardman, Oregon

February 23, 2016
Bartholomew Building
Heppner, Oregon

County Court (tentative)
March 23, 2016
Bartholomew Building
Heppner, Oregon

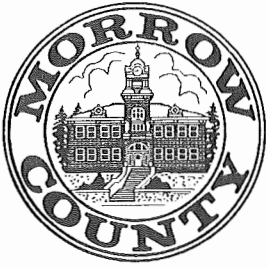
IX RECOMMENDATION: The Planning Department recommends that the Planning Commission forward the amended Comprehensive Plan Economic Element with a do adopt recommendation to the Morrow County Court.



David Sykes, Chair

2-24-2016
Date

Attachments:
Oregon's Goal 9
Economic Element FINAL PC DRAFT
Economic Element FINAL PC CLEAN DRAFT



PLANNING DEPARTMENT

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NOTICE OF DECISION

April 29, 2016

AC-096-16
Morrow County Comprehensive Plan
Economic Element

This notice is to inform you that on April 27, 2016, the Morrow County Court adopted Ordinance Number ORD-2016-2 amending the Morrow County Comprehensive Plan. Specifically the amendment updates the Economic Element, replacing the original Economic Element in its entirety. Enclosed is the adopted ordinance and other support documents.

The requirements for filing an appeal of the decision to the Land Use Board of Appeals (LUBA) are set forth in ORS 197.830 to 197.845. State law and associated administrative rules promulgated by LUBA describe the period within which any appeal must be filed and the manner in which such an appeal must be commenced. Presently, ORS 197.830(9) requires that a notice of intent to appeal plan or land use regulation amendments adopted pursuant to ORS 197.610 to 197.625 "shall be filed not later than 21 days after notice of the decision sought to be reviewed is mailed or otherwise submitted to parties entitled to notice under ORS 197.615." Notice of this decision was emailed on April 29, 2016. The deadline to appeal is May 20, 2016.

Cordially,

A handwritten signature in cursive script that reads "Carla McLane".

Carla McLane
Planning Director

I certify that on April 29, 2016, I will email a copy of this Notice of Decision to all persons entitled to notice of this decision.

 4/29/16
Signature Date

ECONOMIC ELEMENT

Introduction

Upon undertaking a substantial update to the Comprehensive Plan (Plan) in 2015 the Planning Commission opined that “economics” is something that should play a role throughout the Plan. The Planning Commission determined that to best understand the role of economics the best place to begin an update was with the Economic Element. Through discussion the Planning Commission hypothesized that four economic sectors should be evaluated - the large industrial sector, agriculture and food processing, energy, and tourism. This Economic Element will provide the foundation for the economic situation in Morrow County in 2015 and will design a program and set forth policies for land use purposes for the next 20 years and beyond.

Over the past couple of years three studies have been completed that will serve as the basis for this Economic Element. They are:

1. Regional Economic Opportunities Analysis: Morrow and Umatilla Counties (Prepared for the Umatilla Army Depot Reuse Authority by Johnson Reid LLC and Angelo Planning Group July 2013)
2. Port of Morrow Strategic Business Plan Strategy and Economic Impact Analysis (Prepared for the Port of Morrow by Berger ABAM and FCS Group October and June 2013)
3. Greater Eastern Oregon Development Corporation (GEODC) Comprehensive Economic Development Strategy (Prepared by staff at GEODC 2014)

These economic studies can assist the Planning Commission and County Court understand the current economic climate and provide insight and opportunity for growth and investment, further informing the Comprehensive Plan.

Another source document assisting the Planning Commission and County Court is Oregon's Statewide Planning Goals and Guidelines, specifically Goal 9 Economic Development. The Goal states the following: “To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's Citizens.” It is further supported with the following concerning Comprehensive Plans and Policies: “Comprehensive Plans and policies shall contribute to a stable and healthy economy in all regions of the state. Such plans shall be based on inventories of areas suitable for increased economic growth and activity after taking into consideration the health of the current economic base; materials and energy availability and cost; labor market factors; educational and technical training programs; availability of key public facilities; necessary support facilities; current market forces; location relative to markets; availability of renewable and non-renewable resources; availability of land; and pollution control requirements.” These factors will be further addressed throughout this Economic Element.

General Discussion of the Economy

Since Morrow County's first Comprehensive Plan was adopted and acknowledged in the 1980s Morrow County has seen growth and experienced a setback or two. But overall the Morrow County economy has grown and new industries have brought diversification. At the time of acknowledgment by the Land Conservation and Development Commission the Port of Morrow

had a vision and had started implementing that vision, but the economic impact of the Port and its businesses was not yet regionally felt. That is different in 2015 with the Port of Morrow now being the second largest Port in Oregon, behind only the Port of Portland. It serves as a main point for freight distribution, export and value-added production of agricultural products that are primarily grown in Oregon, Washington, Idaho, Montana and Wyoming.

The sawmill just outside of Heppner has closed, creating economic hardship. The Umatilla Army Depot has gone through the Base Realignment and Closure (BRAC) process adding over 1,800 acres of (soon to be) available industrial land for future development. A major motor speedway has been planned and zoned for at the Tower Road interchange adjacent to the Boardman Airport, although the economic downturn of 2007 through 2009 halted development. Technology has brought data centers to the Port of Morrow. The Columbia River Enterprise Zone (a State of Oregon tax abatement program) has provided discretionary financial resources to the community. These represent just some of the changes that have occurred in Morrow County since acknowledgment. All have had an impact on the economy of Morrow County.

Resource Base, Historical Development and Local Perceptions

Morrow County's history is based in agriculture with many early settlers being shepherds. The agricultural sector grew and today, as in decades past, Morrow County continues to rank in the top one-third of Oregon counties for many crops and often rank in the top five counties for select crops. The continuing innovation of crop irrigation and new technologies continue to provide opportunity for new types of crops and the ability to grow multiple crops in a single year. Along with a thriving beef industry, Morrow County has a burgeoning dairy industry as well, which has brought new processing plants to the Port of Morrow.

The timber industry is not what it once was in Morrow County with the closure of the Heppner mill in the late 1990s, but harvest and forest health activities continue in the Blue Mountains of Morrow County. The Greater Eastern Oregon Development Corporation (GEODC) discusses in the 2014 Comprehensive Economic Development Strategy (CEDS) the Forest Sector, outlining differences in the approach from the U.S. Forest Service and the timber industry. With the Blue Mountain National Forest Lands Management Plan still under revision at the time of this update it is unclear what potential outcomes there might be that would be beneficial to Morrow County. If the timber industries harvest plan was implemented both direct and indirect jobs could be added to total Morrow County jobs. Should the U.S. Forest Service harvest plan be implemented there would be little or no change to jobs in Morrow County or the region. During both the development of the CEDS and the ongoing updates to the Forest Lands Management Plan, the County continues to advocate for and participate in forest management and other forest collaborative activities.

Focused Economic Sectors

As stated previously when the Planning Commission undertook this 2015 endeavor the focus was on four specific economic sectors, understanding that the Economic Element needed to address those and the economy in general. Those four sectors are further discussed here.

Large Industrial Activity

Industrial activities or areas are located throughout Morrow County and include the Boardman

Industrial Park, the East Beach Industrial Park, the Airport Industrial Park and the South Morrow Industrial Park. Much of the early development at the Boardman Industrial Park was focused on potato storage and processing, with later investment in energy production. Recently the Sustainable Agriculture and Energy (SAGE) Center was built and just to the north of that location a Recreation Center and Workforce Training Center are being planned and built.

Development of the East Beach Industrial Park began in 2005 with the installation of the first rail loop. Since then a rail siding has been added and plans include additional rail infrastructure. Development of the transportation network includes several new roads and the County's first round-about. Industries siting in this area are diverse and include food processing, ethanol production, reclamation activities, data centers, and warehouse and transfer activities.

Both the Boardman and East Beach Industrial Parks are located at the intersection of three transportation opportunities - Interstate 84 and the nearby Interstate 82, the Columbia River with barge opportunities to the Port of Portland and the Pacific Ocean, and the Union Pacific Railroad connecting the Port to the Pacific Coast and to the east. According to the Regional Economic Opportunities Analysis (July 2013) these "transportation linkages are arguably the region's best asset" and have served the Port of Morrow well.

The Airport Industrial Park is home to the Boardman Airport, owned and managed by the Port, servicing the local agricultural community, charter flights and military activities. There are farm and farm related activities that have historically taken place and will continue into the foreseeable future. A speedway and speedway associated uses has been given land use approval for a portion of this site, but the economic downturn in 2007-2008 idled plans. As the Port sees increased development in the East Beach Industrial Park and management looks to the future the land resource at the Boardman Airport is a site that has been identified for future industrial development investment. Future development could include food processing, light manufacturing and renewable energy development.

Land across Tower Road from the Airport Industrial Park is owned by the City of Boardman and development includes a truck stop near the interchange and agricultural activity south of Kunze Lane. Agricultural activity has moved closer to the interchange with new circle irrigation investment and the development of additional potato storage.

The South Morrow Industrial Park sits mostly idle since the closure of the Kinzua mill in the late 1990s. Flood concerns along the Willow Creek and its upriver tributaries place the lions share of this Industrial Park in the floodplain, hampering development opportunities. Miller Manufacturing remains active and the mill office building on the east side of Highway 207 is occupied by multiple state agencies and the Oregon State University Extension Service. Before additional development can be undertaken at this site issues with the floodplain will need to be addressed. The limitations of this property raise questions as to the viability of this as industrial land to serve south Morrow County. Should other lands be identified to fill the need for industrial lands?

Added to the industrial land inventory in 2013 was approximately 1,800 acres at the Umatilla Army Depot in the southwest corner. The Army Depot was listed both in 1988 and again in 2005 in the Department of Defense Base Realignment and Closure process, first to be realigned for disposal of chemical weapons and then to be closed. Once the property transfers, or is included in a master lease, to the Columbia Development Authority (CDA) these additional acres will be available to the CDA and the Port of Morrow for development. All 1,800 acres are

designated for industrial development and zoned Port Industrial; approximately half of the land has an overlay protecting habitat assets.

Agriculture and Food Processing

The following comes from the 2014-2019 Comprehensive Economic Development Strategy published by the Greater Eastern Oregon Development Corporation: "Morrow County contains more than one million acres of gently rolling plains and broad plateaus. This rich agricultural land can be roughly divided into three occupational zones - increasing amounts of irrigation farming in the north, vast fields of wheat yielding to cattle ranches in the center, and timber products in the south. With the advent of center pivot irrigation technology, Morrow County became one of Oregon's fastest growing areas in terms of population, personal income, and agricultural and industrial development."

The variety of crops grown in Morrow County has changed from the once staple of wheat and, with the advent of irrigation, potatoes and watermelon, to include the following as a sample: alfalfa, beans - lima and green, blue berries, carrots, corn - field and sweet, grass seed, onions and peas. And while the first livestock in the County was sheep, today there are sheep, beef cattle and a growing dairy industry.

An important input to agriculture is water which needs to be mentioned here in the economic element as well as discussed in relation to both Goal 5 Natural Resources and Goal 6 Air, Water and Land Resources Quality. Water quantity and quality have been discussed in the Umatilla Basin for more than five decades with farmers and residents living with designations for both. Cattle ranching and dry land production, taking place mostly in central and southern Morrow County, have smaller water components or needs. Irrigated agriculture in the northern third of the County relies on groundwater and Columbia River water to facilitate the growing and processing of value added products. While an acre foot of water can produce alfalfa, with two or three acre feet of available water crops with a higher value can be grown such as corn, potatoes, various varieties of beans or blueberries.

The Port of Morrow Boardman and East Beach Industrial Parks are home to a number of food processing facilities processing primarily potatoes, onions and milk respectively into hashbrowns and french fries, chopped dehydrated onion and cheese. The various crops that are grown in Morrow County are processed and distributed throughout Oregon, the Pacific Northwest and the world.

Energy Sector

The first Comprehensive Plan identified the vast opportunity available in and to Morrow County relative to energy - it's development, movement and consumption. Installed energy development in Morrow County in 2016 includes the Boardman Coal Fired Power Plant (slated for closure or repurposing in 2020), two gas fired power plants - Coyote Springs and Carty Generating, and wind energy development on both the western and eastern boundaries of the County with numerous other wind and solar projects being proposed. Portland General Electric, with interests in several of these power production facilities, is one of the County's largest employer and largest taxpayer as of this update. The Columbia River on the northern boundary of the County is home to several dams, both east and west of the County, operated by the Bonneville Power Administration (BPA) which supplies reasonably priced hydro power throughout the Pacific Northwest.

The BPA and PacifiCorp both own and operate major bulk market transmission lines with another proposed by Idaho Power Company. Gas Transmission Northwest operates a large interstate gas line that traverses Morrow County with two lateral lines that serve Coyote Springs and Carty Generating. There are also a number of small energy developments that include small scale hydro and conversion of methane to electricity, an ethanol processing facility, a demonstration facility designed to process cellulosic ethanol, and two small scale power facilities currently not operational (Port of Morrow and Kinzua Mill Site).

Agriculture and food processing are consumers of energy. And with the growth of personal electronic devices the need for data storage has seen the development of data centers in Morrow County which are large consumers of energy. As these industries continue to grow in Morrow County the need to deliver energy within the local service delivery areas of both the Umatilla Electric and Columbia Basin Electric Cooperatives will also grow as is evidenced by the continuing installation of larger voltage service delivery lines.

For purposes of land use planning energy may best be considered in four major categories: generation and related transmission, bulk market transmission, local service delivery and consumption. Comprehensive Plan Goals and Policies, found later in this element, need to outline the benefits of the energy sector and provide mechanisms to maintain and improve energy generation and movement in and through Morrow County.

Tourism Sector

Morrow County, along with Umatilla County, makes up Oregon's Rugged Country, a tourism marketing moniker. Working through the Eastern Oregon Visitor's Association (EOVA) the Boardman and Heppner Chambers work diligently to market Morrow County's variety of tourist opportunities such as the SAGE Center, Heritage Trail, parks along the Columbia River and in the Blue Mountains, various hunting and fishing opportunities, and experiences along the Historic Oregon Trail to name just few.

Morrow County has three parks in the Blue Mountains serving hunters, backpackers, and riders of off highway and all terrain vehicles. The Morrow County Off Highway Vehicle Park, which opened in 2003, has grown to over 9,500 acres with additional land added in Grant County in 2005. Also in the southern portion of the county are several hunting preserves offering both bird and big game hunting opportunities. Bicycling and bicycling tours are an emerging offering with the City of Heppner hosting an annual ride through the Blues. The Blue Mountain Scenic Byway traverses Highway 74 from Interstate 84 to Heppner, then continues on to Ukiah through the Blue Mountains along Willow Creek Road and then the Forest Service Highway also known as the 53 Road. Along the Columbia River two marina parks serve boaters, fishermen and campers. Agriculture and energy in Morrow County are explained and celebrated at the SAGE Center. The United States Forest Service has staff and activities based out of Heppner, serving recreational users and contributing to the employment base of the County.

Tourism was not discussed in the 1980 Comprehensive Plan, but is more fully discussed in this version with the intention of supporting the emerging tourism industry in Morrow County and will include Goals and Policies designed to support current tourism activities and to assure that future tourism development is supported and encouraged. The Recreation Element, most recently updated in 2011, focuses mostly on the Morrow County parks and has been most recently used to support the Parks Master Plan.

Other County Sectors

Other County sectors are important sources of employment and most have realized significant growth in response to increased County population. The largest sectors include construction, government (county, schools and the Forest Service), health care and manufacturing. Forest lands in the County and the timber industry also contribute to County revenues through payments in lieu of taxes (federal payments on the basis of timber sales). Transportation, trade, finance and service employment have all increased in recent years and improved service in each of these support sectors has in turn benefitted the County's basic industries.

The following table provides the various industrial and commercial use zones and their acreage, including a geographical reference to their location. This is also repeated and then represented graphically on the Industrial Lands Map adopted as part of this Economic Element. It should be noted that there are industrial and commercial lands available within the County near every community. A rezone of land in the Lexington Urban Growth Boundary in 2015 added 20 acres to the available land supply for industrial uses.

Industrial and Commercial Lands Table

	Industrial Lands						Commercial Lands		
	MG	PI	RLI	SAI	AI	RRI*	CG	RSC	TC
Tower Road	7455.3			13839.7	4232.2				50.1
Boardman/Port	629.1	2955.1							
Irrigon	118.6						9.0	8.3	
I-84 South of Irrigon	63.9	1773.3	11.0			48.2			
Ione							1.3		
Lexington			20.5						
Heppner	138.4								
Hardman/Ruggs*								54.5	
Total Acres	8405.3	4728.4	31.5	13839.7	4232.2	48.2	10.3	62.8	50.1
	Industrial Acres: 31,285.3						Commercial Acres: 123.2		

* While identified as Industrial Land no Goal 3 or other exceptions have been taken for this property.

Problems and Opportunities

Water: Mark Twain is attributed with saying that whiskey is for drinking and water is for fighting; there is some truth to that. Here in Morrow County, along with our neighbor Umatilla County, there have been designations affecting water from the perspective of both quantity and quality. There are four Critical Groundwater Areas (CGWA) based on quantity affecting agriculture and other activities in the central and northern portions of Morrow County. Oregon Water Resources Department manages the following CGWAs: Buttercreek, Ordnance, Ordnance Basalt and Ella Butte (more can be found on the Oregon Water Resources website). Northern Morrow County is also part of the Lower Umatilla Basin Groundwater Management Area (LUB GWMA), a designation by the Oregon Department of Environmental Quality based upon groundwater quality concerns around nitrite and nitrate (more can be found on the Oregon

Department of Environmental Quality website). Morrow County has been engaged with many activities over the past 20 or more years with both quantity and quality water concerns.

From 2010 until early 2015 the County was a member of the Umatilla Basin Water Commission working to improve water supplies, but the Commission disbanded. The County is now supporting efforts of the Northeast Oregon Water Association working to develop Columbia River water resources and promoting wise, sustainable water and related natural resource-based economic development in Eastern Oregon. Water depletion of the regions aquifer's is documented, but the efforts of some are showing that we can recover those aquifers if best practices continue, access to Columbia River water is made available, and adequate water storage is developed.

In the early 1990s the Oregon Department of Environmental Quality began the process to quantify the level of nitrite and nitrate in groundwater in the Lower Umatilla Basin. In 1995 the northern portion of Morrow County was designated as part of the LUB GWMA and the County has participated with the Citizen's Advisory Committee since then. The first Action Plan has been completed and a second Action Plan is being developed. Significant changes to agricultural practices have changed based upon the findings of the LUB GWMA, but also based upon the cost of doing business. At this time the trend lines are mostly inconclusive, so work continues with a focus on the following areas identified as potential contributors: agriculture; confined animal feeding operations; small farming and livestock operations under 40 acres; land application of food processing waste water; and management of residential, open and green spaces relative to on-site waste water, application of fertilizers, and pasture management. This work will continue into the foreseeable future.

Both water quantity and quality will be further addressed in Goal 5 Natural Resources, Scenic and Historic Areas, and Open Spaces and Goal 6 Air, Water, and Land Resources Quality.

Industrial Diversification: In the 1980 Comprehensive Plan concern was outlined that the opportunity for growth and development should become more diversified. While that has taken time diversification away from just an agricultural economic base has been happening. More energy generation projects have been sited in Morrow County and the use of personal computing and other devices has created the need for electronic data storage, or data centers. Two new developments at the Port of Morrow are driven from the need to create cleaner fuels and do less harm to the environment. While diversification has been taking place, it should continue as new opportunities emerge.

Industrial Sites and Port Planning: A concern raised in the 1980 Comprehensive Plan was about the need to assure adequate industrial land into the future and a request that the Port of Morrow complete a master plan. Over the intervening years the Port of Morrow has acquired additional land at the Tower Road interchange, both south and north of Interstate 84; acquired the Kinzua Mill Site just north of Heppner; and will soon have available to them 1,800 acres of industrially zoned land on the former Umatilla Army Depot. All of these locations, along with expansion of the East Beach Industrial Area, assures an adequate supply of industrial land for the current planning time frame. Planning and infrastructure work will need to continue to ensure that these industrial sites have adequate transportation, energy and utility investment. Floodplain concerns will also need to be addressed at the Kinzua Mill Site north of Heppner to facilitate development opportunities.

As to the request that the Port of Morrow complete a master plan, the Planning Department recognizes that through a variety of planning processes the Port of Morrow has met this requirement, although not directly. The recently updated Port of Morrow Strategic Plan, rail planning activities, and various transportation system planning processes provide the Port of Morrow, along with the City of Boardman and Morrow County, significant information to accomplish the necessary planning to support future growth and development at various Port of Morrow facilities and locations.

Transportation Planning: Since adoption of the 1980 Comprehensive Plan the Oregon Department of Land Conservation, working cooperatively with the Oregon Department of Transportation, have further defined the requirements of cities and counties relative to planning for transportation infrastructure with a guiding principle to maintain functionality of state investment. In 1998 Morrow County adopted its first Transportation System Plan which has had two major updates and a number of minor updates. The County has also adopted a Corridor Refinement Plan for the portion of Highway 730 from Irrigon to the Umatilla County line; and Interchange Area Management Plans for four interchanges: the Port of Morrow Interchange, the Interstate 84/Highway 730 Interchange, the Patterson Ferry Interchange, and the Army Depot Interchange as the access location for the Army Depot industrial land in Morrow County. See the Transportation System Plan and support plans for more information.

It should be noted that in Morrow County there are 922 miles of roads with 593 miles being gravel. Funding to maintain the current road system is limited and those limitations are expected to continue. The Morrow County Public Works Department works with a Road Committee to review potential projects that are then forwarded through the Planning Department for adoption first by the Planning Commission and then the County Court as part of the Transportation System Plan. This process of public involvement assures that those impacted by county decisions concerning roads have multiple opportunities to have their voice heard.

Labor Market Factors: Agriculture has seen many changes as technology and cost saving advancements originally shrunk the necessary work force. But in 2015 the emergence of the organic market is changing workforce needs once again, increasing the need for more farm workers. As the County continues to diversify, additional work force diversity will be needed, such as high skilled employees for work within data centers. Morrow County voters supported a bond in 2014 for a new workforce training center to be owned and operated by Blue Mountain Community College located in Boardman and serving the needs of various industries. A continuum of work force needs is emerging, from unskilled workers, to more skilled workers, culminating in a growing need for highly skilled and professional workers. A major finding of Port management and the Columbia River Enterprise Zone Board is that current residents make better long-term employees than importing new workers. This is also advantageous in keeping the next generation of Morrow County residents close to home.

Needed Housing: Housing will be further discussed in Goal 10 Housing, but for this discussion in the Economic Element it needs to be stated that without adequate housing the County will not experience needed population growth. Specifically there is a need for additions to the housing inventory for both affordable and workforce housing. There is also a desire to increase housing that would be attractive to those at higher income levels. In the Regional Economic Opportunities Analysis for Morrow and Umatilla Counties (2013) comment from the Industrial

Land Forum was summarized as “lack of housing and housing diversity is a threat to regional economic development success.”

Efforts are underway to encourage and fund housing opportunities throughout the County. Using discretionary funds from the Columbia River Enterprise Zone grants are available for purchasers of homes, and the City of Boardman has a gap financing program for housing development. During the first year of implementation increases in home ownership have been realized, and new home development is underway.

Most conversations with state agencies or housing advocates often focus on affordable housing, which to some means low income housing. The need in Morrow County, and across eastern Oregon, is for what might be called market housing or workforce housing. While housing needs to be affordable what is needed is housing that is not specifically tied to income levels or poverty guidelines. Needed housing that is affordable is being realized in the community of Lone within the Emert subdivision as the community has worked together to find economic opportunity when developing the infrastructure for the subdivision.

Commute Patterns: Various studies done and reports written between 2005 and 2015 discussing workforce needs, housing and transportation have a common theme - many of the workers in Morrow County live elsewhere. Hermiston and Kennewick, Washington appear to be the communities of choice for these workers. The Regional Economic Opportunities Analysis for Morrow and Umatilla Counties (2013) discusses commute patterns and found linkages, but at a lower rate than initially thought. An interesting conclusion of the analysis is that “communities with greater housing diversity tend to have lower commuting rates.”

Poverty: According to the Greater Eastern Oregon Development Corporations 2014 Comprehensive Economic Development Strategy the poverty rate in Morrow County in 2012 was 15.5 percent. This represents the percentage of all people with an income below poverty level for the previous 12 months. The highest rate at 35.4 percent was among families with a single female household with children under the age of 18. This is in contrast to personal income which in Morrow County exceeds the statewide average. Credit is given to recent success at the Port of Morrow, which has placed workers employed in Morrow County as being the fifth highest paid workers in Oregon, a statistic tracked by Business Oregon influencing Enterprise Zone activities.

Another input to poverty is educational attainment, an area that Morrow County could improve in. The 2013 Regional Economic Opportunities Analysis for Umatilla and Morrow Counties discusses the need for an appropriately trained workforce being among the most critical input to successful economic development. Educational attainment is also an important determinate of wage levels. Morrow County needs to increase high school graduation achievement, but most importantly needs to encourage further educational opportunities including college and technical training opportunities.

Communication: In a world where connectivity is becoming a necessity, Morrow County often finds itself lagging. Making a call on a cell phone along Interstate 84, or in Boardman doesn't pose any challenges. But when traveling other regional highways or county roads achieving connectivity can be problematic. This can be a safety problem for travelers, but also of concern is that business and economic development in the highly technical world of 2016 requires a certain level of connectivity. Without that connectivity businesses cannot reach potential customers. Enhancement of current installations and new installations are needed to provide

better cell phone and internet connectivity throughout Morrow County.

Summary

In 1980 the Comprehensive Plan identified that Morrow County's economy has been, is and will continue to be based on its agricultural potential. Thirty five years later that still holds true. Expansion of the County's base economy, diversification in agri-business, new energy generation and new industrial opportunities have and will continue to influence the economy through increased population and through increased trade and services.

Interestingly the 1980 version of the Comprehensive Plan foretold of the growth of the Port of Morrow, starting with a single food processing plant and growing to a major food processing park. Other development has securely placed the Port of Morrow as the second largest port in Oregon and has seen the statement "place the County as one of the most important shipping, processing, manufacturing and distribution centers on the Columbia River" to come to fruition.

Economic Element Goals and Policies

Goal 1: To provide adequate, economical housing facilities, utilities, and services to meet the needs of permanent residents and temporary populations.

Policy 1A: To encourage and facilitate the continued cooperation between those public and private sources who provide funding assistance for such services and utilities.

Policy 1B: To encourage the continued support of educational and other local amenities that make Morrow County a desirable place to live.

Policy 1C: To encourage and facilitate the siting of the necessary infrastructure to increase the availability of the most current communication technologies to residents.

Goal 2: To expand job opportunities and reduce unemployment, reduce out-migration of youth, and accommodate the growth of the County work force.

Policy 2A: To maximize the utilization of the local work force as job opportunities increase.

Policy 2B: To increase the income level of County residents by providing good job training and educational programs in response to employer needs and by encouraging the location of industries in the County which will hire local residents.

Policy 2C: To facilitate and encourage communications and coordination between industry and education to assist in the development and maintenance of a quality work force.

Goal 3: To diversify local businesses, industries and commercial activities and to promote the economic growth and stability of the County.

Policy 3A: To encourage local producers to new markets for local products and to seek out new products that are in demand in the market place and that can be produced locally.

Policy 3B: To develop, maintain and encourage private investment in recreational and tourism activities and facilities.

Goal 4: To encourage the development of compatible land uses throughout the County and to protect areas suitable for industrial development from encroachment of incompatible land uses.

Policy 4A: To limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with industrial and commercial development.

Policy 4B: To utilize appropriate mechanisms in implementing regulations to ensure that any development adjacent to or in the vicinity of the Boardman Airport is a compatible use and will not impede future growth of the airport.

Goal 5: To minimize high noise levels, heavy traffic volumes, and other undesirable effects of heavy commercial and industrial developments.

Policy 5A: To utilize appropriate mechanisms in implementing regulations to reduce undesirable impacts from industrial and commercial developments, including the establishment of buffer zones or other mitigation measures if determined to be necessary.

Policy 5B: To cluster commercial uses intended to meet the business needs of the County residents and highway travelers only in designated areas to prevent the undesirable effects of spot zoning.

Goal 6: To maintain an economic-environmental balance in all resource management and allocation decisions.

Policy 6A: To coordinate all planning programs and decisions concerning economic base resources in the County.

Policy 6B: Participate and collaborate with federal land management agencies, particularly the US Forest Service and Bureau of Land Management in decisions affecting the County's timber resource base.

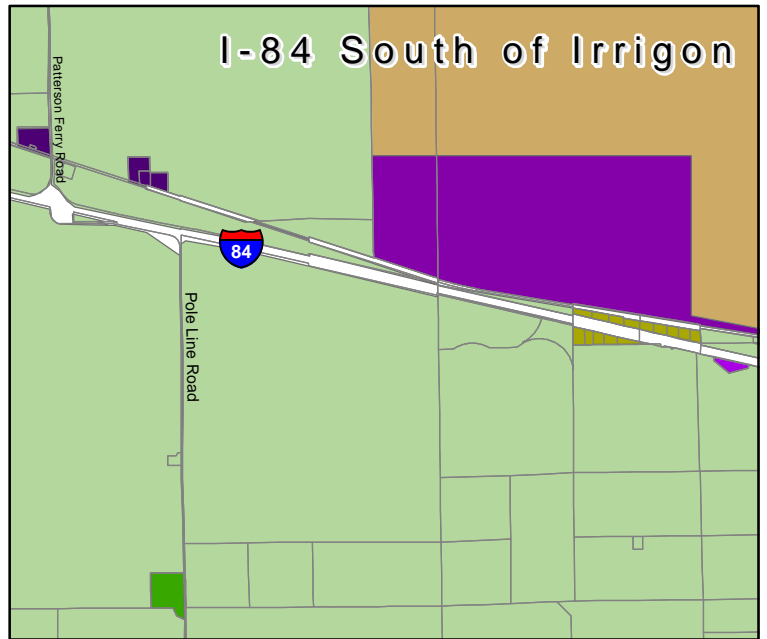
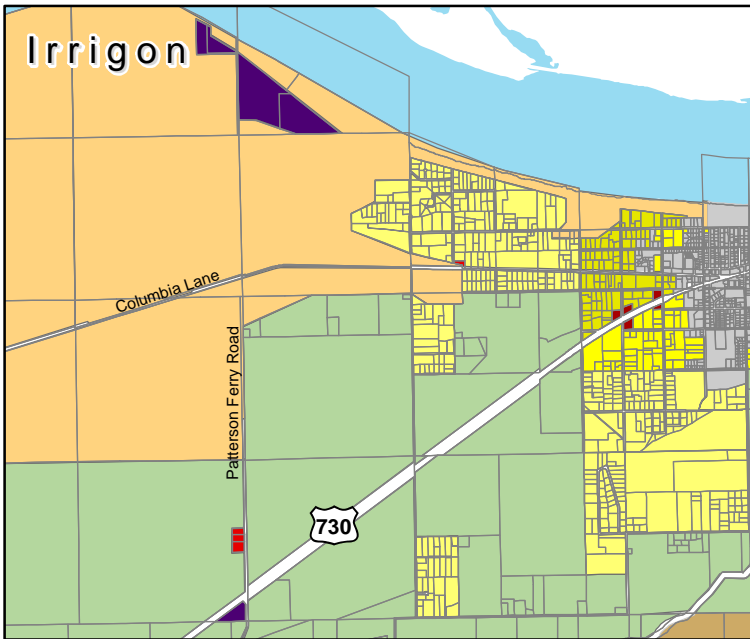
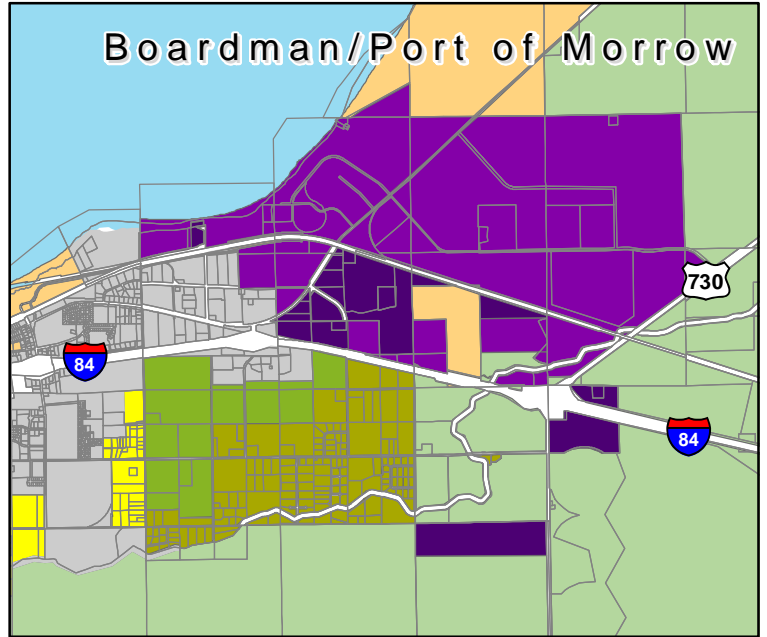
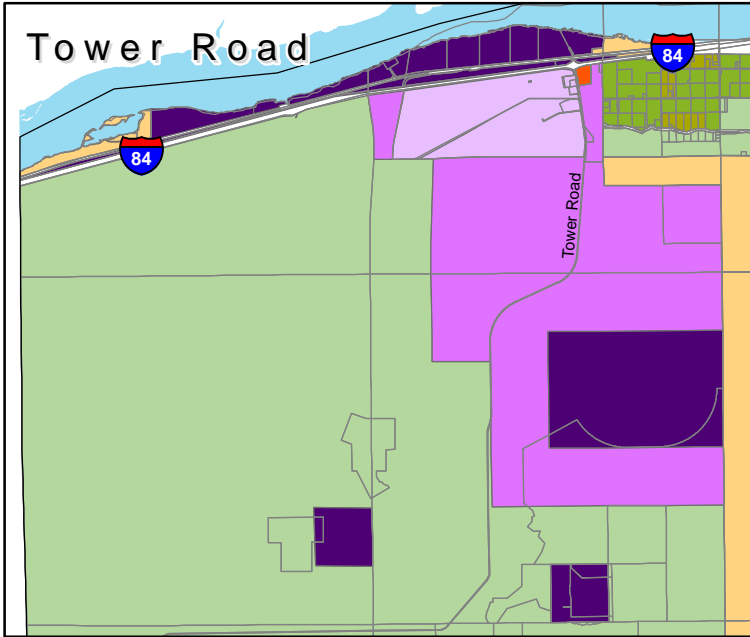
Policy 6C: To require that development plans be based on the best economic information available, comply with applicable environmental standards, and take into account the effects of the development on the existing economy and available resources, including transportation and work force.

Goal 7: To ensure that the County receives adequate water supplies to meet the needs of all domestic, agricultural, industrial, power and natural resource interests.

Policy 7A: To participate and collaborate with public and private agencies promoting wise, sustainable water use in Eastern Oregon.

Policy 7B: To ensure implementing regulations require the use of best management practices to protect surface and groundwater supplies.

Industrial and Commercial Zoning - North



Other	SR1A - Suburban Residential outside UGB	CG - General Commercial
EFU - Exclusive Farm Use	FR2 - Farm Residential	RSC - Rural Service Center
SF40 - Small Farm 40	MG - General Industrial	TC - Tourist Commercial
RRI - Resource Related Industrial	PI - Port Industrial	PUB - Public
FU - Forest Use	RLI - Rural Light Industrial	UADM - Umatilla Army Depot Military
RR - Rural Residential	SAI - Space Age Industrial	UDHW - Umatilla Depot Wildlife Habitat
SR1 - Suburban Residential w/in UGB	AI - Air Industrial	

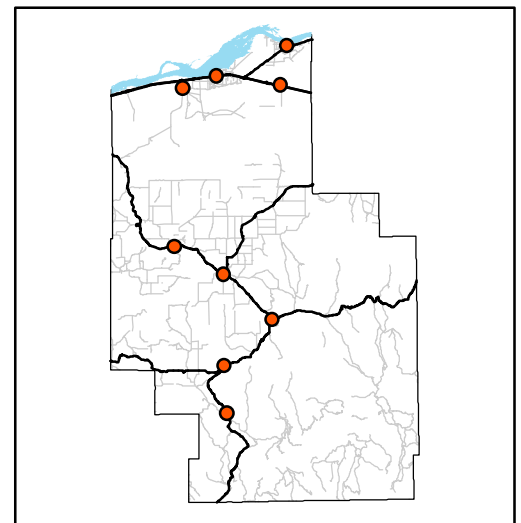
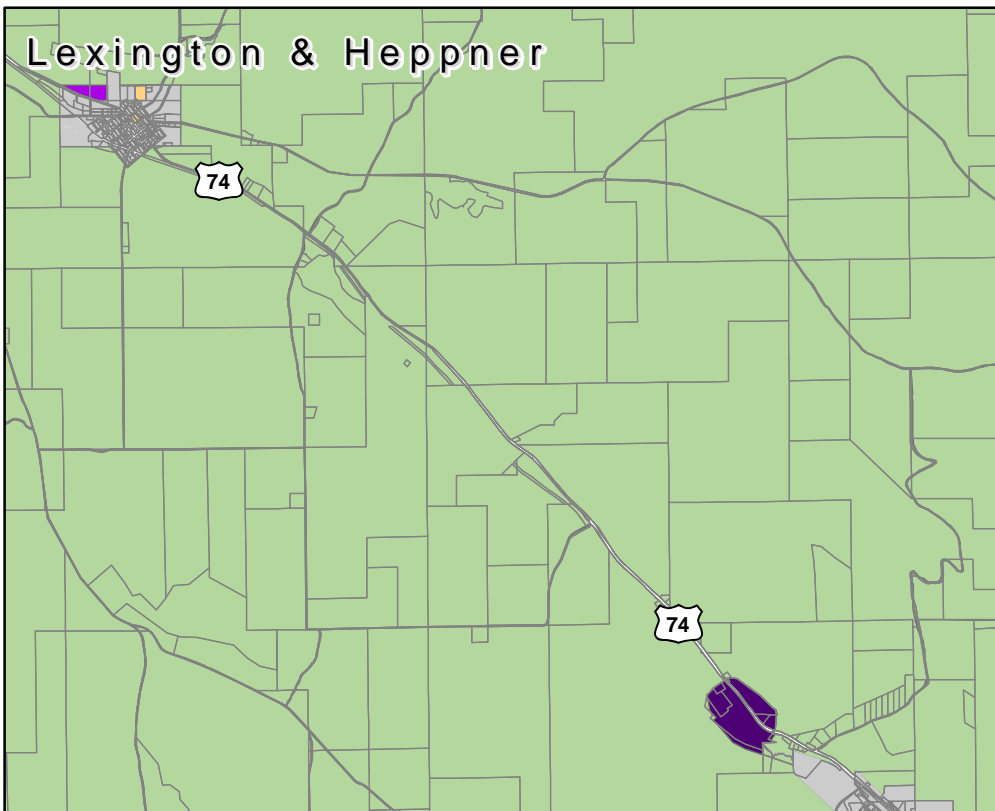
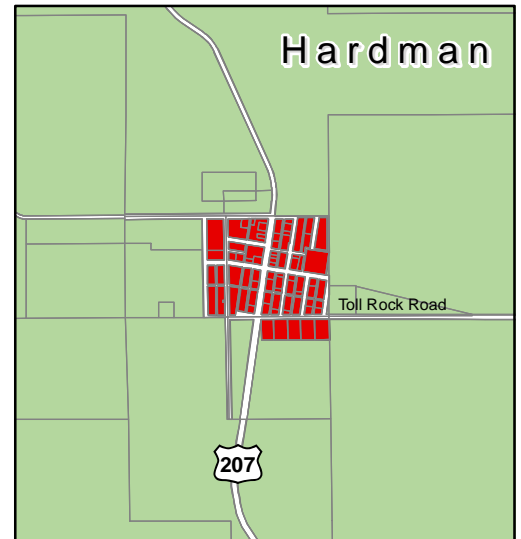
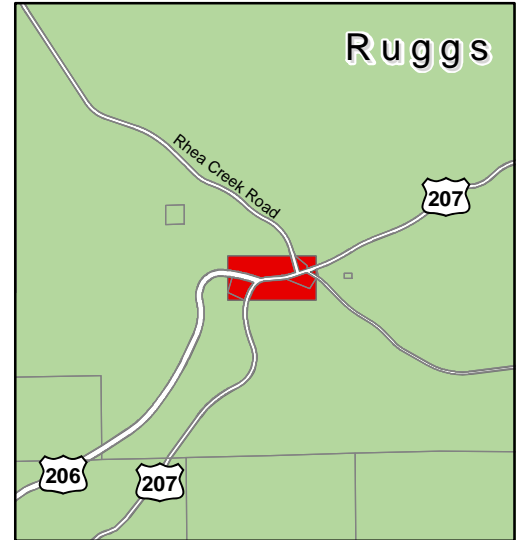
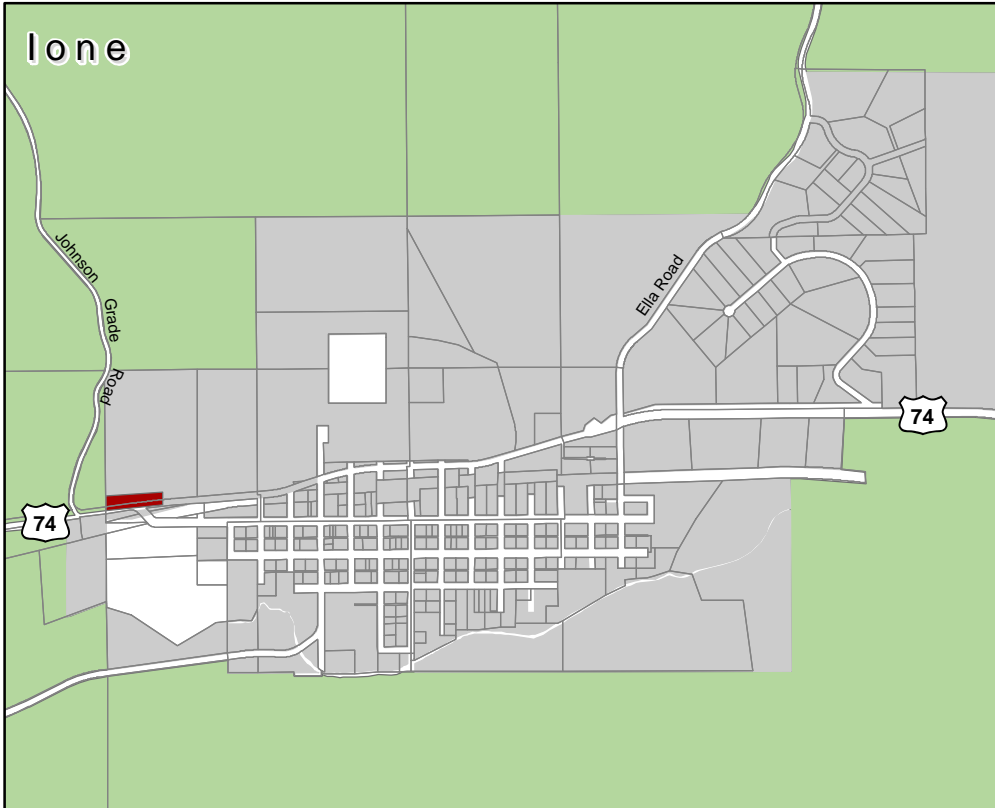
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Morrow County Planning Department
 March 2016
 Map for reference use only.



Industrial and Commercial Zoning - South



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March 2016
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