



*Where Life is Sweet*

Members of the Planning Commission  
**STAFF REPORT**  
For the Meeting of August 14, 2024

**Title/Subject**

Economic Opportunities Analysis Update

**Summary and Background**

The city is working towards a potential urban growth boundary (UGB) expansion to accommodate industrial development. In order to adequately demonstrate industrial demand, the city has partnered with Johnson Economics to look at the city's economic opportunities analysis (EOA). The EOA is required by Goal 9 of the statewide planning goals as part of the city's comprehensive plan.

Johnson Economics prepared this document in consultation with city staff, State of Oregon staff at DLCD and Business Oregon, as well as Winterbrook and McKenzie consulting firms who are working on the UGB amendment process. The EOA team has referred the document to DLCD for review both in draft and final forms during the development process. Representatives from DLCD attended the public roundtable on the draft document in May of this year.

The EOA looks at broad national trends in employment, earnings, industrial sector growth, and other factors and then distills that information into a locally applicable set of data which can be used for comprehensive planning and land inventory management. Since Hermiston has the largest population in the region and the highest employment level, Hermiston is likely to see continued employment growth based on current trends, especially factoring in ready access to sufficient utilities and flat topography.

Regionally, agriculture and information sectors are outgrowing their predicted growth rate based on national trends. This has broad implications for Hermiston. Value added agriculture and information services in the form of data centers, both require large lot development. As an example, there are two large scale data centers approved or under construction within the Hermiston city limits. Both of these sites are at least 100 acres. Given the rapid pace of construction for data centers in the Columbia Basin, it is reasonable to conclude that the demand for data centers will continue to grow as this is a young industry quite far from maturity. The EOA and supporting buildable land inventory (BLI) demonstrate that Hermiston is unable to provide any sites over 100 acres to accommodate additional data centers. Since this is a high growth cluster industry, it is necessary for the city to provide additional lands necessary for future information sector sites. Hermiston has already exceeded prior growth forecasts for information sector jobs because the sector is very rapidly developing in the region.

The findings of the report show that Hermiston anticipates an employment increase of 5,081 jobs between 2024 and 2044 with 2,018 of those jobs in the information sector. Accommodating this employment increase requires a total acreage of 1,468 acres. Of the needed 1,468 acres, 1,200 is estimated to be needed in very large parcels to accommodate large scale information and industrial development.

Based on the highly specific requirements of the growing industry sector, the EOA and BLI demonstrate that Hermiston has a specific need for additional land within the UGB.

As a legislative comprehensive plan text amendment, specific findings of fact are not necessary for adoption by the planning commission. The report itself functions as specific findings addressing Goal 9 and Policies 17, 18, 19, and 20 of the Hermiston Comprehensive Plan.

### **Tie-In to Council Goals**

This document directly addresses council goal 1.1 Examine the expansion of the Urban Growth Boundary (UGB) for commercial and industrial lands

### **Fiscal Information**

There is no fiscal impact as a result of adoption of this document.

### **Alternatives and Recommendation**

#### **Alternatives**

The planning commission may choose to recommend the city council approve, amend, or reject the draft EOA.

#### **Recommended Action/Motion**

Staff recommends the planning commission recommend adoption of the EOA to the city council.

### **Submitted By:**

C.F. Spencer, Planning Director