

## GOAL 9 - ECONOMY OF THE STATE

### A. Introduction:

1. Settlement Pattern and Economic History: The present settlement pattern within the Mid-Columbia region reflects the early dependence upon the Columbia River and the agricultural economy of the hinterland. When the first settlers arrived in the region, they found Indian settlements located in close proximity to fishing sites. Some of the settlements remained until they were inundated by dam projects in the 1930's and 1950's.

The white culture's interest in the river evolved around the trade and transportation, rather than as a source of food. Settlements were located where natural obstacles in the river, such as rapids and/or falls, necessitated a bulk-breaking operation. Thus "portage" towns were established.

Other towns were founded as hinterland support centers. These towns were located on the river at points where it was convenient to bring trade, and to reload products for transport elsewhere.

Hood River is the administrative center for Hood River County. It was founded as a hinterland service center for Hood River Valley. Hood River has provided highway support and retail trade functions which rely, in part, on the tax advantage over Washington merchants. In addition, the town has attracted labor and light manufacturing industries.

2. Background: The present economy of the Central Valley area is centered around agriculture and forestry. Fruit and orchards, fruit packing, cold storage and three wood products mills are the area's largest employers. The Central Valley is not an island, rather it is interrelated with the economy of the City of Hood River and other areas. Many people living in the Central Valley commute to jobs outside of the area. Also many people commute into the Central Valley for work.

It is important to keep in mind that economic well-being is not the only component to the quality of life. Such considerations as energy conservation, clean air and water, adequate opportunities for recreation and personal development (e.g., education and cultural activities) are among the many important indicators of the overall quality of life. The community should, therefore, refrain from considering economic goals to the exclusion of other considerations.

Local agriculture and forestry industries are quite stable, and do not expect great future expansion. They are characterized by seasonal employment fluctuations which cause the County to have a high unemployment rate. The background information on the agricultural and forestry goal has more detailed information on these two items.

At this time, there are no commercial or industrial land uses in the Columbia Gorge area. The scenic and recreational attributes of the Gorge attract many tourists and recreationalists to the area. Though these visitors do not spend money inside the commercial establishments, other portions of the County benefit from their trade. The unspoiled scenic beauty is the Columbia Gorge's drawing card. Jeopardizing this quality for short-term profit may likely have negative effects on the long-term economy of the area and its adjacent commercial centers.

B. Inventory Commercial/Industrial Lands:

1. Background: Hood River County has updated the Goal 9 portion of the County Plan to resolve inconsistencies in the factual base and to establish clear and consistent countywide information on and analysis of economic factors, including the supply of and need for commercial and industrial lands. The inventory of commercial and industrial lands includes an analysis of the following: (a) Industrial uses that can be accommodated under Farm and Forest plan designations and zones; (b) Availability of and need for commercial and industrial lands in the Cascade Locks and Hood River Urban Growth Areas; (c) Projected growth of County's population to year 2000; and (d) Suitability of lands planned and zoned for commercial and industrial uses (Goal 9 issue).

Various tables are included to assist in addressing the above concerns. Table 1 provides a summary of lands designated and zoned Commercial and Industrial in the County (excluding cities) and Table 2 provides figures for the County and the City of Hood River. (Cascade Locks has an acknowledged Plan and the City indicates that information is not available.) Tables 3 through 8 provide acreages and land uses for commercially and industrially designated lands by area and summarizes lands vacant and available for commercial and industrial uses. Tables 9 and 10 provide projection figures for commercial and industrial lands to the year 2000.

Information for the above tables was taken from: County Comprehensive Plan and Zoning Maps; field checks, discussions with property owners, assessor records, etc. The Oregon Economic Development Department's Industrial Land Inventory Sheets were utilized to evaluate sites. Copies can be reviewed in the Hood River County Planning Department. (Copies have been sent to the Department of Economic Development.)

Commercial and industrial sites were also inventoried and drawn on reduced Assessor Maps and show in general land use and vacant and committed lands. These are available for review in the Hood River County Planning Department.

2. Industrial Uses that can be accommodated under Farm and Forest Plan Designations: The majority of lands designated or zoned for industrial uses in areas outside the Urban Growth Areas of Hood River and Cascade Locks are in agricultural and forestry related uses. The EFU Zone, according to ORS

215.213(2)(a) permits commercial activities in conjunction with a farm use and according to DLCDC Staff, this includes industrial uses also. The County's EFU Zone currently only permits commercial activities in conjunction with an on-premise farm use. This more stringent requirement would not permit many of the commercial and industrial type uses that are permitted by state statute.

Goal 4 defines forest uses as “the production of trees and the processing of forest products” which could include lumber mills that do primary processing (but not secondary processing, according to DLCDC Staff). The Zoning Ordinance permits “accepted timber practice” which is defined as “the propagation, growing and harvesting of trees for commercial or non-commercial uses; the use of equipment customarily utilized in conjunction with these uses and the maintenance of renewable forest resource production, retention of watershed productivity.” The Ordinance also permits plants for the storage or processing of a forest product as a conditional use (Section 6.40 (H)). Although no definition is given in the Ordinance that would specify the scale of operation that this permits (primary or secondary processing), the Forest Zone generally allows those uses permitted by Goal 4 and could accommodate any primary processing facilities on lands that are currently designated as Industrial.

According to the DLCDC Staff, the types of commercial and industrial uses that can be accommodated in the resource (farm and forest) zones include primary timber processing, cold fruit storage, and even fruit packing plants. Some of these uses would possibly be considered commercial or industrial activities in conjunction with a farm use as permitted by ORS 215.213(2)(a). If these types of uses can be allowed in the resource zones and can in fact be designated as Farm and Forest, the amount of industrially designated land outside the Urban Growth Boundary of Hood River and Cascade Locks could be sharply reduced. However, amending the designation on existing mills and plants could remove the possibility of expansion to, for example, a secondary lumber processing operation.

Goal 2 Exception Process (OAR 660-04-000 Division 4) discusses exceptions to allow industrial development on resource land outside the Urban Growth Boundary (See County Exceptions Document).

The County has taken exception to all commercially and industrially designated lands outside the Urban Growth Boundary that are on resource lands, using the above mentioned criteria and others mentioned in the OAR. Existing activities would classify developed land as committed and adjacent lands in the same ownership that are vacant could be allowed for expansion (according to Mitch Rohse, DLCDC Staff).

The County has taken the above information into consideration when establishing the need for commercial and industrial lands outside the Urban Growth Boundaries. Additional land designated for commercial and industrial use is only

needed for uses that cannot be accommodated in the Farm or Forest Zones. Goal 9 and County policy supports diversification of the County's economy and there must be enough vacant land designated to allow for other commercial and industrial uses not permitted in the resource zones.

3. Availability and need for Commercial and Industrial Lands in the Cascade Locks and Hood River Urban Growth Areas: Totals and percentages of commercially and industrially designated land in the Cascade Locks and Hood River Urban Growth Boundaries are shown in Table 1. The Cascade Locks Urban Growth Boundary, which has been acknowledged, contains approximately 35% of all industrial zoned lands in the County outside City Limits and no commercial lands. Conversely, the Hood River Urban Growth Area contains 30% of all commercial land in the County (outside City Limits) and less than 1% of industrial.

The Cascade Locks Plan should be consulted regarding need for commercial lands. There are many tourist related commercial businesses in the City that also serve the local resident population. The Cascade Locks Comprehensive Plan has specifically designated commercial areas in the downtown area as opposed to the UGA in order to maintain the viability of the core area and enhance the tourist related types of commercial activities.

The small amount of land (0.75 acre) that has been designated for industrial use in the Hood River UGA is merely the reflection of existing industrial uses. It is apparent from the lack of existing industrial development in the Hood River UGA that the majority of all industrial activity in the County outside the City Limits is dependent on the agricultural and forest practices carried on in the rural areas. The non-resource based industries have located primarily within the City Limits and the Cascade Locks UGA presumably due to the more suitable transportation and public facility capabilities of these urban areas. If the County wishes to diversify its economy, the industrial zones must be retained in the rural areas.

4. Population Projections: Population projections were used to determine need for additional industrial and commercial acreages (see Tables 9 and 10). See Goal 2: Population Projection, Background Report, which presents an in-depth population analysis.
5. Suitability of Lands Planned and Zoned for Commercial and Industrial Uses: The majority of lands planned and zoned for commercial and industrial uses are already committed to such uses. The necessary services are available. Some areas are not currently in commercial and industrial uses and services are not currently available at the site, but could be made available when needed. Areas are discussed in more detail below:
  - a. Vacant commercial lands are generally in small lots and interspersed among committed commercial lands. They are generally located along major transportation routes (I-84, Highway 35, Odell Highway, Tucker

Road, Highway 281) or in rural center areas and have rural services available (Rockford, Oak Grove). These lands are well suited for either small local businesses or transportation/tourist oriented facilities.

- b. Vacant industrial lands over 5 acres in size are generally located in Cascade Locks UGB, Hood River Airport, in or near the Odell area, Guignard area, Dee and Parkdale. Most of the industrial parcels are built upon and vacant lands are being reserved for expansion of that particular industry. However, various committed parcels do have lands available for industrial uses, particularly: (1) Hood River Airport which has 24 acres available to lease, that would be well suited to a variety of airport related light industrial uses; (2) Guignard which has 15± acres available in parcels over 5 acres that have fairly close access to the airport and Highway I-84, and would be suited for a variety of light industrial uses. This area has an abundance of available manpower to draw from the Hood River area; (3) Odell area has large and small partially developed acreages available that would be well suited for agricultural or agricultural-related industries. Public sewer and water service is available to most parcels. Versatility is somewhat limited by distance to major transportation facilities (i.e., railroad, river, I-84); (4) Cascade Locks has several partially developed acreages available and is suited for most types of industrial uses, due to close proximity to the Port, Interstate 84, and railroad access; (5) Hanel Mill and Dee Hardboard Plants have vacant lands that are suitable for expansion of these industries.

Two of the three totally vacant usable industrial parcels over 5 acres are currently in orchard use in Odell (22 acres) and Parkdale (9 acres). Both are in sewer districts and have access to the Port area, airports and I-84. They would be best suited for agricultural, forest or related industries. The third parcel is the 25 acre industrial park in the Cascade Locks UGB. Services are available and the site has railroad, highway and nearby water access. It would be well suited to any type of industry.

## 6. Analysis of Commercial and Industrial Lands:

- a. Commercial Lands: County figures excluding cities of Cascade Locks and Hood River shows that under current designation and zoning there are 430 acres of commercial land and 269 acres will be needed by the year 2000 - excess of 161 acres (149 usable). (See figures in Table 9).<sup>1</sup> Table 9 gives the breakdown by Cities, Urban Growth Areas and the remainder of the County. These figures show that the City of Hood River has only a slight

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<sup>1</sup> One hundred and fifty-eight (158) acres considered commercial in this report are designated and zoned "Country Club". This designation permits only commercial activities which are golf course related and residential housing is only allowed through a Conditional Use Permit and a Planned Unit Development and overlay. Due to the restrictive nature of this designation and zone, 158 acres could be removed from the figures in Table 9. "County Total" with CC lands removed would show an excess of 83 acres of commercial land, 71 acres of which is usable.

excess, and the Hood River Urban Growth Area has an excess of 53 acres of commercially zoned lands. Cascade Locks Urban Growth Area has no commercial land and any need that arises there will have to be met by the City of Cascade Locks or other areas of Hood River or Washington. The remainder of the County has an excess of 108± acres planned for commercial use. Some of this acreage will fulfill the needs of the Cascade Locks Urban Growth Area. Most of the land is currently committed or interspersed among commercial lands. The remainder will provide choices for potential commercial developers as to lot size, shape and location. When developed, they will assist in gathering dollars spent in other areas. According to the Pacific Economica Study, many of the commercial trade dollars in Hood River are spent in The Dalles and Portland.

Additional commercial lands in Hood River County will provide an opportunity for development that could recapture some of those dollars that are being spent elsewhere. Recommend that current Plan designations be maintained and discrepancies be amended as shown in exceptions for these areas.

- b. Industrial Lands: Current figures for lands planned for industrial development outside the cities of Cascade Locks and Hood River show that there are 917 acres total and that the need to the year 2000 is 697, which gives an excess of 220 acres, only 65 acres of which is usable. (See figures in Table 10.) Table 10 indicates that this excess mainly occurs in the Central Valley, Mt. Hood, and City/Westside (outside Urban Growth Area), area while there is a need for 54 acres shown in Cascade Locks Urban Growth Area. (This UGA has been acknowledged.) This need will have to be met by other areas of Hood River County if those industrial uses are to establish themselves here and not elsewhere. There is no land (less than 1 acre) planned for industrial use in the Urban Growth Area of Hood River. The airport nearby (Airport Development Zone) permits only those uses in connection with airport operation, Guignard area is nearby and is zoned industrial and the need exists for such zoning to be maintained. Generally the industrial uses that exist in the rural areas are those in conjunction with resource use - timber processing, fruit packing, cold storage, etc. Goals and Policies of the County require diversification of the County economy (industrial base) and only by having additional vacant industrially zoned lands can this diversification take place. Recommend that current designations be maintained and discrepancies be amended as shown in exceptions for these areas.

7. Background Document: Adopt the following document as background information only regarding future economic development in Hood River County: "Hood River County, An Analysis of Alternative Economic Futures, November, 1981"; prepared by Pacific Economica, Inc.; and prepared for Hood River County

Resource Advisory Committee and the Mid-Columbia Economic Development District.

8. Locational Criteria: Locational criteria for proposed commercial and industrial designations and zones have been established and are applicable to all areas of the County. They are found in the Policies Document under Goal 9. The Zoning Ordinance is being updated to include the locational criteria.

Whenever a Comprehensive Plan and/or Zone Change request is made, it is evaluated in accordance with all pertinent Goals, Policies, and Strategies. The above criteria and the other Goals, Policies and Strategies are used by the Planning Commission to determine if an area is suitable for commercial or industrial development. Recommendation: Prior to approving a Zone or Plan change to Industrial, Light Industrial, or Commercial, the Planning Commission be presented with affirmative findings through documentation by the applicant that the locational criteria as presented in the County Policy Document under Goal 9, Economy of the State, are met.

9. Additional Concerns Include: (a) The Countywide Policy Document under Goal 9 - Economy of the State, states under Strategies that...new commercial and industrial establishment(s) or center(s) shall meet...locational criteria. Obviously the County Policy Document will be reviewed prior to allowing any Plan or Zone changes; (b) the County Policy Document also states that the locational criteria will be used in designating the industrial and commercial areas on the Comprehensive Plan Map; and (c) under Goal 9, Land Use Designations and Standards, it is stated that “new industrial or commercial Comprehensive Plan designations or zones shall meet...(stated) locational criteria”.

C. County Exception Document:

The County Exception Document further identifies lands available for commercial and industrial use and provides data that lands are committed to such uses or that a need exists for future expansion to accommodate additional commercial and industrial uses.

D. Plan Designations:

The following Plan Designation Definitions will be noted in the Comprehensive Plan and are part of the Comprehensive Plan Introduction:

1. Rural Center: Applied to lands to maintain rural communities as rural service centers. Rural Centers provide limited housing, business, cultural and governmental services to the surrounding rural areas.

Lands designated Rural Center include: (a) areas justified as being built upon or committed and where limited additional infilling can occur; (b) the Rural Centers of Oak Grove, Rockford, Van Horn, and Windmaster Corner; (c) lands where

smaller parcelization (½ acre lot sizes or less) has occurred; (d) areas that will not conflict with resource lands (farm and forest); and (e) areas that have historically served rural areas of the County.

The minimum lot size for a new parcel or lot shall be ½ acre and development standard provisions must be met.

The Rural Center plan designation is implemented with the Rural Center Zone (RC).

2. Commercial: Applied to lands to maintain and provide retail, business and service establishments for residents and visitors.

Lands designated commercial include: (a) lands justified as being built upon or committed to commercial uses, where additional infilling can be accommodated; (b) isolated existing commercial uses that serve a rural trade area (c) where urban services (e.g., public sanitary sewer and water) or rural services (e.g., septic tank/drainfield; rural water and fire districts) exist or can accommodate additional development; (d) communities of Odell and Parkdale; (e) areas that will not conflict with resource lands (farm, forest, scenic, etc.) and (f) areas within the City of Hood River UGA.

The minimum size for a new parcel or lot is not specified, however applicants must adhere to lot coverage requirements and development standards noted in the Commercial Zone.

The Commercial plan designation is implemented with the Commercial Zone (C-1).

3. Light Industrial: Applied to lands to provide for manufacturing and other uses that are in close proximity to residential, commercial and farm uses.

Lands designated Light Industrial include: (a) areas justified as built upon or committed to industrial use; where additional infilling can be accommodated; (b) community of Odell and areas within the City of Hood River UGA; (c) areas where space for high density uses is needed; and (d) areas where either urban services (e.g., rural water and fire districts, etc.) are in place and can accommodate future development.

The minimum size for a new parcel or lot is not specified however development standard provisions outlined in the Light Industrial Zone must be met.

The Light Industrial plan designation is implemented with the Light Industrial Zone (M-2).

4. Industrial: Applied to lands to provide and maintain areas for heavier industrial uses that are generally not in close proximity to residential or commercial uses.

Lands designated Industrial include: (a) areas justified as built upon or committed to industrial use, where additional infilling (development) can be accommodated; (b) areas where heavier industrial uses (e.g., log mills, log storage yards, motor pools, etc.) exist and can be accommodated; (c) areas that are more compatible with residential or commercial uses; (d) areas within the communities of Odell and Parkdale and along Highway 35; and (e) areas within close proximity to natural resources.

The minimum size for a new parcel or lot is not specified, however development standard provisions outlined in the Industrial Zone must be met.

The Industrial plan designation is implemented with the Industrial Zone (M-1).

5. Airport: Applied to lands to recognize and maintain the existing airport and its related uses and to allow future expansion.

Lands designated Airport include: (a) areas justified as being built upon or committed to airport and related uses including additional areas to allow expansion or infilling; and (b) in or adjacent to areas where surrounding lands are resource lands lacking high density development.

The minimum size for a new parcel or lot is not specified, however development standard provisions outlined in the Airport Development Zone must be met.

The Airport plan designation is implemented with the Airport Development Zone (AD).

E. Labor Market Factors:

As seen in Table 1, seasonal employment is an important economic trait of Hood River County. Forest and agricultural workers are largely unemployed during the winter and spring months. This occurrence in turn, affects the retail and service trade industries. While many of the agricultural workers migrate to southern employment markets during slow months, an increasing number are staying in the area throughout the year (State Employment Division, Hood River Office, 8/16/78). Because the 12.9% unemployment rate figure (see Table 11) does not account for the monthly fluctuation, it is somewhat misleading. Major employers such as lumber manufacturers and construction companies have declined since the early 1960's, and not enough new industries have located in the area to reemploy those displaced by declining industries. As manufacturing industries (Western Power Products, Jantzen, etc.) increase in number, the generally untrained labor force of the area will become more dependent on vocational training programs. Presently, these programs are in short supply.

TABLE 11

HOOD RIVER COUNTY EMPLOYMENT TRENDS<sup>2</sup>

	1975-77				1975 Total Labor Force	1975 Percent Unemployed
	Total Force	1976 Employed	1976 Unemployed	1976 Percent Unemployed		
January	6,500	5,510	990	15.2	6,440	13.4
February	6,840	5,500	1,340	19.6	6,770	18.2
March	6,890	5,640	1,250	18.1	7,000	16.4
April	6,940	5,850	1,090	15.7	6,720	16.2
May	6,770	5,540	1,130	13.9	6,400	16.4
June	6,970	5,820	1,150	16.5	6,630	17.8
July	8,400	7,420	980	11.7	7,550	13.5
August	6,960	5,920	1,040	14.3	6,440	15.1
September	8,720	8,190	530	6.1	7,580	9.6
October	9,240	8,710	530	5.7	9,110	5.7
November	7,550	7,010	540	7.1	7,080	7.8
December	7,200	6,600	600	8.3	6,820	8.8
<u>1977</u>						
January	6,820	5,840	980	14.4	6,460	15.8

Source: State of Oregon, Employment Division, Research and Statistics.

By and large, there is an ample supply of labor in major need areas. Only a few short-term shortages of farm laborers have occurred during busy harvest months. However, many types of skilled laborers must be recruited from outside the County. This at least partially accounts for the high migration rate (see Table 13). This is largely due to the lack of vocational training within commuting distance. In fact, Hood River High School provides the only substantial training programs.

Employment trends seem to be quite stable. The three largest private employers in the Central Valley (the Dee and Neal Creek Champion International Mills and the Hanel Lumber Mill) have increased their labor force since 1970. Year to year fluctuation in both forestry and agriculture is minimal. Forestry jobs will probably decrease in the future, due to increased mechanization. This situation could be offset, however, by using current under-utilized resources. Because local forest and agricultural facilities are now being utilized near-capacity, no substantial long-term increases are expected in the agricultural and wood products industries (assuming production methods do not become more labor-intensive). Therefore, diversification of the economy is probably desirable in order to provide more employment opportunities for local residents.

<sup>2</sup> Hood River County Economic Information, Mid-Columbia Economic Development District, 1976.

TABLE 12  
Unemployment Rates as a Percent of Labor Force  
1970-75

	<u>Annual Average</u>						1970-1975 Percentage Point Change
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	
Oregon	7.1%	7.6%	6.8%	6.2%	7.5%	10.6%	3.5%
Hood River	9.3%	9.8%	9.7%	8.2%	9.1%	12.9%	3.6%

Source: State of Oregon, Employment Division, Research and Statistics.

TABLE 13  
Components of Change for Total Population  
1970-1975

<u>County</u>	<u>Change</u>		<u>Change</u>		Net Natural Increase	<u>Net Migration</u>	
	<u>1970</u> <u>Population</u>	<u>1975</u> <u>Population</u>	<u>Number</u>	<u>Percentage</u>		<u>Number</u>	<u>Percentage</u>
Hood River	13,187	14,500	1,300	10.0%	300	1000	7.6%

Source: U.S. Bureau of the Census, Population Estimates, Series P-26.

The foundation of the Central Valley economy is based upon agriculture and forestry. Both are vulnerable to different market forces.

Weather, both local, and national, is the dominant force controlling markets for fruit. In the past few years, for example, California's drought and the Valley's relatively advantageous weather provided an excellent market condition for apples and pears. Also important are land prices, the cost and availability of pesticides, the cost of machinery and transportation.

Government regulations have strong influence on the market for forestry products. Some people fear, for instance, that a ban on the brush killer 2-4-5-T would create a negative production situation by the year 2025 (more trees would be cut than would be growing). Without such a ban, cuts are expected to remain stable in the foreseeable future.

When considering new forms of industry, one must take into account the Central Valley's distance from market places and materials. The manufacturing of bulky products is

generally uneconomical due to high transportation costs. Likely industries that will be attracted to the area might make use of local resources and materials (fruit, wood products, etc.). It is important to not allow agricultural land to be lost from production, when considering locating new industries in the County.

As local and global resources get more scarce and technologies change in the future, methods of production and resource use may change. For example, forest slash, now considered waste, may become a marketable energy source. Likewise, as electric power becomes more expensive, some of what is now machines' work may become peoples' work. Such future market forces are difficult to predict, but could significantly alter the economy of the Central Valley.

Though the Columbia Gorge has virtually no labor force available for new economic activities, other portions of Hood River County do. Because the Gorge is within commuting distance from the labor pool centers of the Hood River Valley and Cascade Locks, supplying potential Gorge employers with workers from other areas in the County presents no serious problems.

TABLE 14  
Major Employers  
Hood River County  
1976

<u>Firm and County</u>	<u>Number of Employees</u>	<u>Industry</u>
<u>HOOD RIVER COUNTY:</u>		
Mt. Hood Meadows	23-135	Service
Jantzen, Inc.	250	Manufacturing
Luhr Jensen & Sons	186	Manufacturing
United Telephone Co.	170	Utility
Western Power Products	42	Manufacturing
Pacific Power & Light	41	Utility
Government (including public schools)	860	Government
Hood River Distillers	18	Manufacturing
Nichols Boat Work	25	Manufacturing
Diamond Fruit Growers	250-1400	Food Processing
Duckwall-Pooley Fruit Co.	25-69	Food Processing & Shipping
U.S. Plywood (Dee)	94	Lumber & Wood Products
Stadelman Fruit Co.	15-150	Fruit Packing & Shipping
U.S. Plywood (Neal Creek)	126	Lumber & Wood Products
Hanel Lumber, Inc.	85	Lumber & Wood Products
Hood River Electric Co-op	15	Utility
U.S. Forest Service (included in government)	150	Government
B & D Paving	30	Construction
Hood River Sand and Gravel	24	Construction
Cascade Locks Lumber Co	150	Lumber & Wood Products
Hood River Inn	112	Service

F. Current Market Forces, Transportation and Energy Availability:

The Columbia Gorge is geographically separated from the population centers which will generate any economic activity. Thus, the economy of the Gorge is heavily dependent on a transportation system which can be used by people from these centers. With the depleting supply and increasing cost of gasoline, private automobiles may not be utilized as much as in the past for luxury trips such as sightseeing excursions through the Gorge. Unless alternative transportation modes are utilized, the economic viability of the Gorge may diminish.

G. Underutilized Human Resources:

The labor force in Hood River County is largely dependent upon seasonal forestry and agricultural-related employment opportunities. Much of the underutilized labor force consists of persons unemployed for 7 or 8 months out of the year. As long as agriculture is the dominant industry in the County these seasonal fluctuations will continue. If agriculture is to remain the dominant industry, the big challenge would be to supplement these seasonal jobs with suitable employment in the off season.

One way of course to lessen the impact would be to diversify the economy with job opportunities which offer year around employment. It seems prudent then to encourage those industries which offer and provide year around employment opportunities to locate in Hood River. The Port of Hood River has done much to accomplish this goal and should be encouraged to seek out more industries, particularly light manufacturing types, to locate in Hood River. These industries can do the most good for Hood River if they can employ local people who have the skills to fill the job requirements. Hiring people from outside the County having these skills doesn't really meet the overall needs of the local economy. For these reasons it is important to establish a skilled labor force to fill these job requirements.

H. Environmental Controls for Industry/Pollution Control Requirements

(See Goal 6 for further discussion relative to Air and Water):

1. Air: Under present State and Federal regulations, the County is classified as a class II or "prevention of significant deterioration area". Specific numerical "ambient increments" of net air pollution increases are permitted under each class up to a level considered to be significant for that area. Class II increments permit moderate air quality deterioration, but in no case beyond the national air quality standards. The area classification scheme is administered and enforced through a preconstruction and premodification permit program for specific types of stationary sources. No such air pollution sources can begin construction or modification unless EPA and DEQ issues approval.

At present, the air quality in the Central and Upper Valley is good according to DEQ. Major sources of air pollution are from smudging activities occurring in

the spring, and forest slash burning occurring in the fall. Air pollution sources must obtain preconstruction and premodification permits from the Federal Environmental Protection Agency (EPA) and the State Department of Environmental Quality (DEQ).

2. Water: Several water quality factors affect economic development:

- a. Availability and efficiency of on-site sewage disposal systems and waste discharge capabilities.
- b. Carrying capacity of existing water bodies.
- c. Quality and quantity of effluents being discharged.

Industry type determines the impact upon water quality. Obviously, the water supply and discharge needs of a pulp and paper mill will contrast greatly with the needs of a small electronic component assembly plant. As water requirements increase for industry, so will the need for greater storage capacities and the need for greater treatment facilities.

The Odell treatment plant will need to be expanded if additional growth is to be accommodated in the Odell area. The Odell sewer district has an application to DEQ for expansion of the facility. Preliminary studies will probably begin in 1979 with a \$10,000 planning and engineering grant. A contract grant from DEQ for expansion could be issued as early as 1981 if bond approval is given by voters in the sewer district.

Industrial and commercial land uses all require some form of water treatment in order to minimize the deterioration of the quality of water which they use. For small-scale commercial uses, as well as some light industrial uses, a septic tank/drainfield system will suffice. The Gorge's soils are quite rocky, however, and thus cause severe limitations to septic tank use.

Any large-scale commercial facility and most industrial activities require more complex and costly water treatment systems. If the State DEQ determines that a septic tank/ drainfield will not be adequate for a proposed development, a secondary or tertiary sewer system will be required. Regulations regarding sewage systems are designed to protect public health and environmental quality by preventing degradation of water.

I. Economic Aspects of Transportation:

Transportation networks have shaped land use patterns within the Hood River area since the arrival of the first white settlers. Initially, river transportation was the area's only major link with the outside world. The river's primary function is now the export of bulk agricultural and timber commodities.

As the area grew, roads were constructed parallel to the river on both shores. These roads have been under continuous stages of development up to the present. Interstate 84 on the Oregon side of the Columbia River is the primary route connecting the east with the Pacific Ports.

Cities have formed where north-south transportation systems meet the river and their spheres of influence are based on the extent the highway network reaches into the hinterland. The major influence areas of the City of Hood River are the Hood River Valley and because of Highway 141, the White Salmon Valley. The community influence areas of Hood River Valley and White Salmon Valley are joined at the Hood River Port District Bridge. The following Hood River-White Salmon toll volumes indicate the amount of traffic that flows across this part of the north-south corridor:

TABLE 15  
HOOD RIVER PORT DISTRICT BRIDGE TOLL VOLUMES<sup>3</sup>  
1965-75

<u>Year</u>	<u>Cars</u>	<u>Trucks</u>	<u>Other</u>	<u>Total</u>
1965	427,773	28,065	5,456	461,294
1966	462,235	28,164	6,188	496,586
1967	507,648	29,725	6,742	544,115
1968	545,107	32,618	6,320	584,045
1969	558,744	39,682	6,979	605,405
1970	608,414	40,217	8,189	656,820
1971	714,670	49,149	8,744	772,563
1972	797,416	53,397	4,402	855,215
1973	833,448	62,097	3,653	899,198
1974	857,087	57,185	4,215	913,487
1975	813,818	39,682	3,936	852,436

Because of the available transportation system to the Portland-Vancouver area, the Hood River-White Salmon communities fall under the sphere of influence of that metropolitan area.

If high speed transportation systems develop over the next two decades, the urban influence of the Portland-Vancouver metropolitan area will be increasingly felt within the two communities. The resulting condition could be that the western part of the Mid-Columbia area could become a suburb of Portland.

J. Resources and Facilities:

For detailed information pertaining to inventories of Commercial and Industrial lands in Hood River County, see Section B above (Inventory, Commercial/Industrial Lands). This information is more specific than the following general information.

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<sup>3</sup> Hood River Port District, 1976.

1. Agriculture: Agriculture is the major economic base for the Central Valley area. Hood River fruits are known throughout the world for their excellent quality. The major fruits grown are pears, cherries and apples. The major cost of production is labor, which accounts for approximately 35% of the total costs.

Because the fruit markets are both national and international, total United States production and prices will affect the area's prices and incomes.

Because fresh fruits cannot be stored for long periods, all of one year's production must be either processed or sold immediately on the fresh market. Therefore, when productions are high and not all fruit fit for fresh markets can be sold on the fresh market, then fruit is sold to processors. Processed fruits can be stocked and held until more favorable marketing conditions occur in low-production and relatively high selling-price years.

Markets for fruit are world-wide. Around one-third of the area's fruit is exported to foreign markets. Most of the remaining fresh fruit is sold on the eastern United States market.

2. Forest Products: There is a small amount of commercial timber land in the City/Westside area and as a result, timber production is minimal. However, the timber that is harvested in the area goes to lumber mills in other parts of the County and the Mid-Columbia region.
3. Tourism and Recreation: Oregon is currently experiencing a growth of tourism. In fact, the tourist "industry" is now rated as the State's third largest employer (behind forestry and agriculture).

The Central Valley area is, in many ways, ideal for tourism. Located within an easy one and one-half hour drive from Portland, the area offers scenic views of Mt. Hood and Mt. Adams, picturesque orchards and forests and easy access to camping, hunting, fishing, water sports and skiing. Highway 35 carries many sightseers through the area on the Mt. Hood Loop.

Currently, the Central Valley provides a few activities which take advantage of the tourist potential. A number of fruit stands sell fresh local fruit along Highway 35. Gas stations and grocery stores supplement their local revenue with tourist trade. The new Mt. Hood Winery's tasting room attracts many vacationers.

In an effort to diversify the Central Valley economy, residents may choose to expand their tourist facilities. Below are two alternatives. They by no means cover all the possibilities.

Future tourist expansion could focus on making use of what is already in the Valley, thus minimizing its impact. Such development would be relatively decentralized and small. Few people would be employed. This approach has

been the thrust of past development. An example is the Mt. Hood Country Store, an aging grocery store which was renovated in the old west motif, which attracts passersby. Fruit stands and the Mt. Hood Winery also make use of the existing agricultural character of the Valley without significantly altering it. Some U-Pick orchards and juice stands are examples of the types of new facilities that could be added.

Alternately, the Central Valley could expand tourist land uses to a much greater extent. Larger scale recreational subdivisions, dude ranches, restaurants, craft shop centers, and/or a tourist passenger train along the Mt. Hood Railroad (discussed in Tourist Development Potential in the Mid-Columbia River Gorge, Archisystems, 1977) are among the possibilities. A larger number of people would be employed in this alternative. Impact on the area would be extensive, although LCDC Goals prevent such development from hindering agricultural and forestry production. The on-going controversy over the Mt. Hood Meadows development indicates that there is strong opposition to this type of facility.

Tourism, as a means of diversifying a local economy, has both positive and negative aspects. On the positive side, tourism is generally regarded as a "clean industry". It often provides construction opportunities for the building trades and offers later permanent employment opportunities for people. Tourism does have negative aspects. It is a highly elastic industry which tends to expand greatly when the economy is growing but contracts just as rapidly when the economy is doing poorly.

Often tourism is seasonal and does not provide year around employment. Adding more seasonal type industry to an already seasonal based economy has inherent limitations which will not significantly diversify an economy. Tourism does provide low paying employment opportunities for largely unskilled labor and undoubtedly keeps people off the unemployment rolls.

At the present time, the Columbia Gorge offers many passive recreational opportunities such as sightseeing, hiking, boating.

Recreational development is currently limited to picnic areas, small campgrounds, trails, trail head parking lots, and boat ramps. All are publicly owned. There are no hotels, large campgrounds, marinas, developed roadside attractions, or recreational housing subdivisions.

An estimated eight million people visit the Columbia Gorge each year (State Highway Division Traffic Count Data Sheet). Although many pass through only to utilize the transportation facilities, others visit merely to enjoy the scenic open space.

Though no commercial institutions survive from the tourist trade; many motels, restaurants, and other establishments adjacent to the Columbia Gorge area depend on the Gorge traffic for their livelihood.

The United States Forest Service has a land-use plan for the Gorge that includes two designations: A Wilderness Study area in the higher elevation portion of the Gorge, and a Special Interest Zone-Scenic designation in the lower elevations. In the Wilderness Study designation, no timber cutting is permitted. In the Special Interest Zone-Scenic designation, timber cutting is limited to developing new viewpoints, developing campgrounds and helispots, and in some cases timber salvage after forest fires or insect damage. The primary objective of these designations is scenic protection for recreation and tourism (United States Department of Agriculture, Eagle Creek Planning Unit Final Environmental Statement, 1975). (See further discussion under Goal 8 - Recreational Needs which includes a Table showing recreation sites in the Gorge.)

Tourism in the Hood River area is becoming more popular. The increasing demand for services will stimulate the local economy during peak tourist seasons. The potential for additional recreation and tourist facilities is good. Future developments will take advantage of the area's proximity to urban centers and the tourists they generate.

4. Solid Waste: A County transfer site has been provided on Guignard Road in the City/Westside area. It is privately operated and provides service to the entire County. Hood River Garbage Service provides solid waste disposal service to the Columbia Gorge from Hood River to an including Viento and Starvation Creek Parks and Wyeth.<sup>4</sup> Garbage is collected once a week and taken to the transfer site on Guignard Road, then to the Northern Wasco County Sanitary Landfill located just south of The Dalles. Hood River County entered into an agreement with the owner of the landfill in 1981 to allow Hood River to dispose of its solid waste for 10 years with the option of extending it to 20 years. This was the method of solid waste disposal recommended in the "Evaluation of Solid Waste Disposal Alternatives for Hood River County, Oregon - Draft Final Report".<sup>5</sup> The landfill in Wasco County had a planned life expectancy of 15 years in 1973.<sup>6</sup> Talking with Art Braun, the operator of the service, shows that taking into account the additional 17 acres that have been recently purchased for use as landfill, the current planned life span is between 20-30 years.<sup>7</sup> Because the development is limited in the Gorge, and much of the land is in federal ownership, the solid waste disposal needs in this area will increase very little in the next 20 years. As the areas in Cascade Locks Urban Growth Boundary are annexed to the City, solid

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<sup>4</sup> Hood River Garbage Service, conversation, 12/6/82.

<sup>5</sup> Systems Technology Corporation, (August 1, 1979) page 3.

<sup>6</sup> Mid-Columbia Economic Development District, "Mid-Columbia Solid Waste Plan: Generation, Disposal and management for Wasco, Hood River and Sherman Counties", (November, 1975) page 38.

<sup>7</sup> The Dalles Disposal, conversation 12/16/82.

waste collection and disposal will be transferred from Hood River Garbage Service to the Portland based service the City now contracts with.<sup>8</sup>

5. Availability of Land Renewable and Non-Renewable Resources and Materials and Energy: There are about 1,100 acres of private land in the Columbia Gorge. Approximately 350 acres of this land is owned by a timber company, the railroad company and utilities and should thus be considered unavailable for development.

Road access and slope are the chief limiting factors for most of the remaining 950 acres. Only 101 acres of private land are both visible from the freeway and within one-quarter mile from a freeway interchange, and thus potentially viable for commercial development. All of this land is in the Wyeth area. Land with services for industrial development (i.e., sanitary sewer systems, industrial collector roads, etc.) is non-existent.

The Columbia Gorge area has an abundant supply of domestic water from underground wells and springs. Though wood products and some rock (chiefly basalt) are present, their use has been low due to aesthetic and environmental considerations. Because rail and roadway transportation is good, other resources may be imported without serious obstacles.

The Central Valley is fortunate to have an abundance of selected resources. Water, both for drinking and irrigation, is plentiful. The local area also provides wood, some mineral (chiefly basalt) and aggregate supplies and excellent soil. Because of rail and roadway transportation, other resources may be imported without serious obstacles. For a more thorough account of local resources, please consult the following sections. Water Areas and Watersheds, Mineral and Aggregate Resources, and Air, Water and Land Resources Quality located in Background Reports on Goals 5 and 6.

The existing economic activities within the Central Valley do not require excessive amounts of energy. Energy supplies are ample to allow for the short-term maintenance and expansion of industry, forestry and agriculture (Pacific Power and Light, 8/18/78). However, due to the global energy problem, conservation measures should be taken now in order to avoid unnecessary hardships in the future.

Good rail and highway access allow easy receipt of both indigenous and imported materials. Although the cost of materials is subject to high inflation, no crucial materials have become so unaffordable that economic activities have been forced to fold. For a more complete view of the energy picture, see the Energy Sources section of this report.

6. Geographic Location of Manufacturing: The City/Westside area has advantageous industrial locational factors such as: good transportation access, a

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<sup>8</sup> City of Cascade Locks, conversation 12/16/82.

large unskilled labor force (training programs are available), proximity and accessibility to major northwest and foreign markets, and a favorable property tax rate.

7. Industrial Site Evaluation (Central Valley): For additional detailed industrial site information regarding sites throughout Hood River County, see Section B above, Inventory, Commercial/Industrial Lands, TABLES 1 through 10 attached to this entire report and the County Exception Document.

The following general information analyzes some sites within the Central Valley area.

- a. Odell: The present industrial site at Odell currently gives support to the agriculture and logging economy in the Central and Upper Valley area. The site presently has a lumber mill operation, fruit processing and cold storage facilities. Room for physical expansion is considerable. The site has rail and highway access as well as secondary sewage treatment facilities. The Odell treatment plant is near capacity, however, and will have to be enlarged if additional residential, commercial and industrial growth is to be accommodated in this area. Another limitation of the Odell site is that it is located on Wy'East soil which is a somewhat poorly drained silt loam soil having a high water table from December to April. It is probable the present industrial activities on the site will be expanding as the general outlook for fruit production will most likely be expanding as more intensive orchard plantings begin to bear fruit. The County Exception Document discusses the Odell area under Map #22. The Exception justified Industrial and Commercial zoning within areas of Odell.
- b. Dee: A hardboard plant presently occupies much of the Dee industrial site. This site has access to rail transportation. Roads to the area are poor, however. Water from the East Fork of the Hood River might be available if minimum river flows are maintained. Sewage and effluent treatment would have to be taken care of by the user. The site has considerable room for expansion for both the existing operations and possibly for some new ones. The site, however, is not readily accessible to nearby residential areas. Additional facilities might also add to the water and air quality problems currently being experienced at the site. The County Exception Document discusses the Dee Hardboard Plant under Map #36. The Exception justifies industrial development at this location and allows for expansion.
- c. Hanel: The Hanel site is occupied by a lumber mill and is conveniently located close to timber sources. This industrial site basically serves the existing mill operations. On-site effluent treatment is required. Soils are good in terms of drainage and bearing capacity. Additional expansion of

the plant is not indicated at this time. Transportation to the site is poor - restricted to highway access only. The County Exception Document discusses the Hanel Mill Industrial Area under Map #37. The Exception justifies the area as being committed to industrial use and the area is zoned M-1, Industrial.

- d. Van Horn: The industrial site at Pine Grove and Van Horn has fruit packaging and storage facilities presently. The site has excellent access to rail and highway transportation. Soil type is Oak Grove loam which has excellent bearing and drainage capacity. On-site sewage disposal would be required as sewage treatment plants are not available at this time. Room for expansion is excellent, physically, however adjacent orchards would have to be removed from production if expansion took place. It seems likely that future industrial activity in this area should be directly related to agriculture.

8. Industrial/Commercial Activities (Columbia Gorge and Central Valley Areas):

- a. There are presently no industrial activities in the Columbia Gorge area. A recent Mid-Columbia Economic Development District inventory of existing and potential industrial sites in the region identified no desirable industrial sites within the Columbia Gorge. There are presently no public facilities to serve industrial activities.
- b. Though there are presently no commercial activities in the area, Wyeth was once the home of a small commercial center. There are currently no public facilities to serve commercial uses.

Because of slope, soils, ownership patterns, and transportation, it appears that the parcels directly south of the freeway interchange at Wyeth are the only sites which could become viable commercial sites. This land is highly visible from the highway and river corridors. Development, especially that which detracts from the visual qualities of the area may be viewed as being undesirable. Those involved in the planning process should pay close attention to this land.

- c. Because of the Central Valley area's proximity to the regional commercial center of Hood River, the area has few commercial activities. Those that are located in the Central Valley tend to be retail grocery, auto, service stations, stores (about 2/3 of total) and various convenience service outlets (about 1/3 of total).

There are good railroad and highway transportation facilities adjacent or in close proximity to most of the commercial and industrial economic activity in the Central Valley area. With the planned improvement of State Highway 35, industrial and commercial expansion that may be

desired in the Upper Valley could be facilitated. The Odell, Van Horn and Dee industrial sites are served with natural gas. Odell has sewage treatment facilities.

9. City of Hood River/Westside Area: For details regarding commercial and industrial lands within the City, contact the City Planning Department. Also see TABLES 1 through 10 which identify commercial and industrial lands within the UGB. The following are general comments relative to commercial and industrial land within the City and City/Westside area.

a. The City of Hood River presently uses 120 acres of land within the City Limits for commercial activities. There are 151 acres of land within the City zoned for commercial use. There are 102.5 acres used for commercial activities within the Hood River/Westside area and 200 total acres of land zoned for commercial land use, although some of it might not be suitable for commercial use.

A detailed inventory of commercial and industrial land is presented in Section B above. Also see TABLES 1 through 10.

b. The City of Hood River presently has 146 acres of land zoned for industrial use. This does not include submerged lands. This amounts to less than 1% of the City/Westside area. There are 186 acres of land zoned Industrial by the County in the unincorporated Westside area, or 1% of the area. There are 332 acres of land zoned for industrial use within the total area or 1.79%. The City of Hood River presently uses 110 acres of land or .60% of the Westside area for industrial purposes. There are 50 acres (.27%) within the unincorporated portion of the area used for industrial purposes. This includes quarry operations that have lands zoned Industrial. There are approximately 160 acres or .86% of the entire 18,500 acre Westside area used for industrial purposes.

K. Public Attitude:

In a mailed questionnaire sent to all households in the Central Valley in June, 1978, the County Planning Department asked residents, "What kinds of employment and manufacturing activities should be encouraged for Hood River County?" Nearly 10% of the residents responded. The results are as follows.

TABLE 16  
PUBLIC ATTITUDES

(a)	agricultural	81%
(b)	forestry and wood products	77%
(c)	light manufacturing	71%

(d)	heavy manufacturing	8%
(e)	service industries	31%
(f)	tourism	39%
(g)	none	5 %

In summary, it appears that the vast majority of residents who responded to the questionnaire favor expansion of agriculture, forestry and light industry. An increase of service industries and the introduction of heavy manufacturing is generally seen as undesirable. Encouragement of additional tourist facilities is supported by more than 1/3 of those surveyed, but is strongly opposed by an unknown number of individuals.

L. Needs:

The following is a general discussion regarding future needs. It is not exclusive. Specific needs to the year 2000 are noted in TABLES 9 and 10. For additional information also see the County Exception Document and the Comprehensive Plan and Zoning.

1. The industrial acreage which will be needed by 2000 is a function of population, family size, employment trends, expansion capacity of current industries, the nature of new industries, and the advance of technology and automation.

In 1960, there was one person employed for every 2.71 people residing in the County, but by 1973, one employed person was required to support only 2.32 residents. Smaller families, scarcity of goods, and the rising cost of living will result in more per capita persons working to support the population at their expected standard of living.

Between 1960 and 1973, one basic manufacturing or agricultural job supported between 1.27 and 1.79 jobs in the non-manufacturing services, self-employed, unpaid family members, or domestic categories. As an area develops, the non-manufacturing and services occupations tend to increase faster than manufacturing jobs. This is because an increase in the number of manufacturing positions causes a demand for increased services and service-related employment. However, the newly employed service worker demands additional services and so the non-manufacturing employment builds upon the original manufacturing job and upon itself. An example is the introduction of the Jantzen plant in 1973, which was followed by record retail sales and rapid retail expansion which showed in the growth and modernization of the downtown business district. A look at several developing counties in Western Oregon confirms this trend (see Table 17).

TABLE 17  
1973 OCCUPATIONAL RATIOS FOR SELECTED OREGON COUNTIES

<u>COUNTY</u>	<u>AGRICULTURE &amp; MANUFACTURING</u>	<u>NON- MANUFACTURING</u>	<u>PERCENT NON- MANUFACTURING</u>
Hood River	2,540	4,190	62%
Yamhill	5,460	9,340	63%
Lane	25,200	70,950	74%
Marion/Polk	18,500	61,600	77%

Given the national economic and apparent local trends toward more non-basic service and governmental occupations, it is reasonable to expect that by 2000 the ratio in Hood River County may be one basic job to 1.9 non-basic jobs, or 66% of the employment will be in non-manufacturing services.

Agriculture, lumbering, wood products, and food processing employment remained static between 1960 and 1973, and is expected to remain stable or decline in the future.

As of December, 1974, there were four sites in the Hood River Port Industrial Park which were fully occupied. Under Table 18 below, it is computed that there were approximately 14 jobs per acre.

TABLE 18  
1974 Jobs Per Acre  
HOOD RIVER INDUSTRIAL PARK<sup>9</sup>

<u>EMPLOYER</u>	<u>ESTIMATED OCCUPIED ACRES</u>	<u>EMPLOYEES</u>	<u>JOBS/ACRE</u>
Jantzen, Inc.	7.0	220	31
Hood River Distillers	3.3	18	5
United Telephone System	4.5	30	7
Nichols Boat Works	<u>6.0</u>	<u>20</u>	<u>3</u>
TOTAL	20.8	288	14

Similar computations for other areas show that using 14 jobs per acre to project needed industrial land will result in estimates favorable to increased industrial zoning. The following are jobs per acre for selected cities: Cincinnati, 30; Copenhagen, 20; British New Towns, 30; Philadelphia intensive, 50; intermediate, 18; extensive, 6.

<sup>9</sup> Hood River Port District, 1975.

Service industries and businesses are dependent upon the level of population for their welfare and generally are a result of population expansion. Manufacturing and agricultural industries market their goods outside of the area and are, therefore, not dependent upon the population of the valley. Instead, they cause or permit population growth through their expansion. Manufacturing development by the Port of Hood River is instrumental in determining how many people will live in the Valley. Provision of industrial lands should have a substantial relationship to the desirable future population numbers. Planned development of new manufacturing lands in excess of 100 acres at a rate of 14 jobs per acre would be a marked departure from the moderate growth policy implied by the County Board of Commissioners. Since private industrial expansion will account for a portion of new manufacturing development, the Port should modify its development schedule from time to time if controlled population growth is to be maintained.

2. The City of Hood River and Hood River County's demand for commercial land is derived from the volume of retail sales that take place in the trade center. Washington residents who make purchases in Hood River increase the level of retail sales that take place in the trade center above that which would be expected by the purchases of Hood River County residents alone.

By using a market capture analysis technique it is possible to obtain an approximation of the amounts and sources of retail sales activity within the trade area. The Effective Buying Income (EFB) for Hood River County is estimated at \$52,964,000.<sup>10</sup> The EFB available for retail sales is generally estimated to be 75% of the EFB. For Hood River County this would be \$39,723,000. By subtracting the amount of the actual retail sales (39,203,000) from the EFB available for retail sales figure, you may obtain the amount of retail sales that are not spent in the trade area. In Hood River County, this market capture loss is \$520,090, or one percent of the EFB available for retail sales. The retail market capture loss for the Mid-Columbia area to areas outside of the region is approximately 20% of the EFB available for retail sales. If Hood River County should lose 20% of its retail sales to the Portland metropolitan area, then approximately 19% of the expected loss is being replaced by retail sales generated by Washington residents. This assumption is confirmed when the market capture loss information for Klickitat County, Washington is examined. The retail sales loss for Klickitat County is \$18,068,750, or 52%. The amount of retail sales generated in 1963 was \$15,386,000. In 1972, the amount of retail sales generated was \$23,390,000, or an increase of 4% per year.

M. Conclusions and Observations: Findings:  
Inventory - Commercial and Industrial Lands:

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<sup>10</sup> Sales Management Magazine.

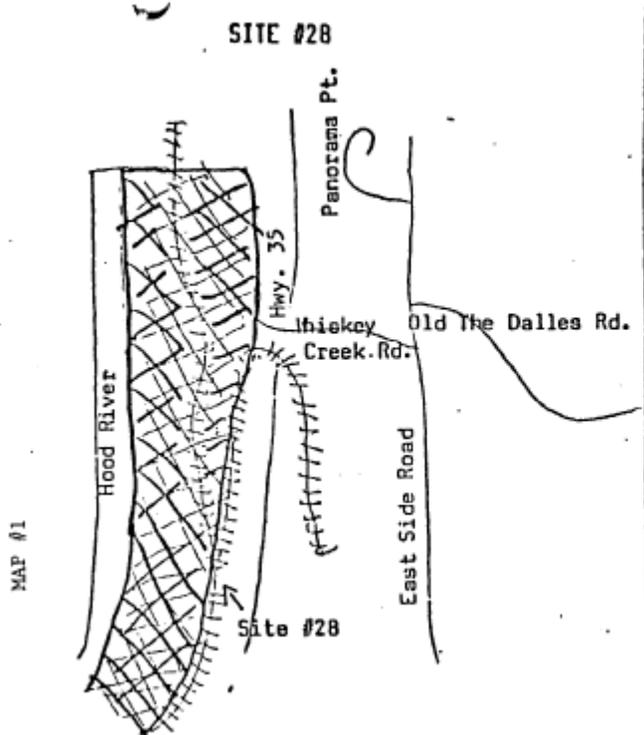
1. TABLES 1 through 10 provide updated information regarding commercial and industrial lands throughout the County and project needs to the year 2000 (TABLE 10).
2. The County Exceptions Document provides additional justification for commercial and industrial lands in Hood River County.
3. The County Comprehensive Plan has been updated to provide definitions of Commercial and Industrial plan designations.

General:

1. The area experiences economic problems because of an economic base which is heavily dependent upon seasonal employment associated with the agricultural and forestry industries, and tourism.
2. The unemployment rate within the County has in recent years ranged between 5 and 17% annually.
3. The labor force is expanding to include more youth and women.
4. Diversification will help to stabilize the economy should one segment (agriculture) have a "bad" year.
5. A stable and growing economy creates jobs and public revenues, and offsets the effects of inflation for consumers and government.
6. There are land use conflicts between commercial, industrial and residential activities where effective buffers are not present.
7. Some commercial establishments lack adequate parking, loading, and landscaping provisions.
8. Encroachment of housing into industrial areas has divided some industrial land into smaller, less economic parcels.
9. The employment base is not diversified.
10. At some sites there is a lack of buffers between industrial and residential areas.
11. Available land area will be a limiting factor for expansion of existing as well as for future industries.
12. There is a need to provide incentives to encourage new firms to locate here and existing firms to expand.

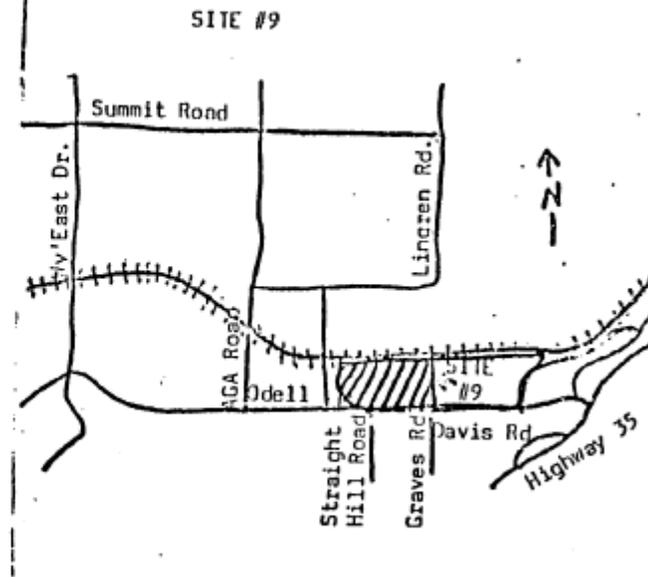
13. There is a large suitable area at the airport which would provide an additional 60 acres for light industrial development.
14. There is a need to establish alternative industrial truck routes which do not traverse the CBD, as is presently the case.
15. There is a need to provide for an additional access to and from the West Port area.
16. There are no commercial/industrial land uses in the Columbia Gorge.
17. The Wyeth area could be a valuable commercial or recreational site. Due to its exposure to the river and freeway, and its present undeveloped character, the desirability of developing the Wyeth area should be examined by those involved in the planning process.
18. Present recreational activities include sightseeing, hiking, boating, picnicking, and a very limited amount of camping. There are no large campgrounds, marinas, developed roadside attractions and recreational housing subdivisions (Columbia Gorge area).
19. Though the Columbia Gorge has virtually no labor force available for new economic activities, other portions of Hood River County do.
20. The Columbia Gorge area is geographically separated from the population centers of the region. Therefore, economic activity is heavily dependent on a transportation system which is affordable and usable for people from the centers.
21. Only about 100 acres of private land is both visible from the freeway and close to a freeway interchange. This land is in Wyeth (Columbia Gorge area).
22. The economy of the Central Valley is interrelated with the City of Hood River, other portions of the County, and other areas.
23. The Central Valley is currently very dependent economically on agriculture and forestry. Future expansion of these sectors will probably occur at a rate less than the population increase. If citizens desire to have available jobs for all employable future residents, diversification of the County's economy is needed. This diversification would be best suited for the incorporated areas in the County and their respective Urban Growth Areas.
24. Residents indicated in a recent survey that they favored encouragement of agriculture, forestry, and light industry in Hood River County. Although more than a third of those surveyed felt tourism should be expanded, many residents strongly opposed such land use. Heavy manufacturing is not seen as appropriate to the Central Valley.

25. Seasonal fluctuation is an important characteristic of the Central Valley economy. Many agriculture and forestry workers are unemployed during winter and spring months.
26. Because the Central Valley is relatively inaccessible from many raw materials, vast labor pools, and major market places, extensive industrial expansion will not likely occur. Smaller "cottage industries" that make use of fruit and wood products may be the most appropriate for the area.
27. The Central Valley has considerable under-utilized human resources.
28. Air and water quality is good and could accommodate additional light industry without significant loss of quality (Central Valley).
29. The following three areas have been identified by the Citizen Advisory Group as having potential as industrial sites (See Maps #1 and #2).
  - a. Site 9: The updated County Exception Document identifies this site as being located in Map #22 and further supports the site and area as being committed to non-resource use and the site is currently zoned M-2, Light Industrial.
  - b. Site 27: The updated County Exception Document identifies this site as being located in Map #36 - Dee Hardboard Exception, and further supports the site and area as primarily committed and remaining lands will allow expansion, and the site is zoned M-1, Industrial.
  - c. Site 28: Site 28 is currently planned for Environmental Protection which will assist in keeping development from occurring as stated in original analysis.



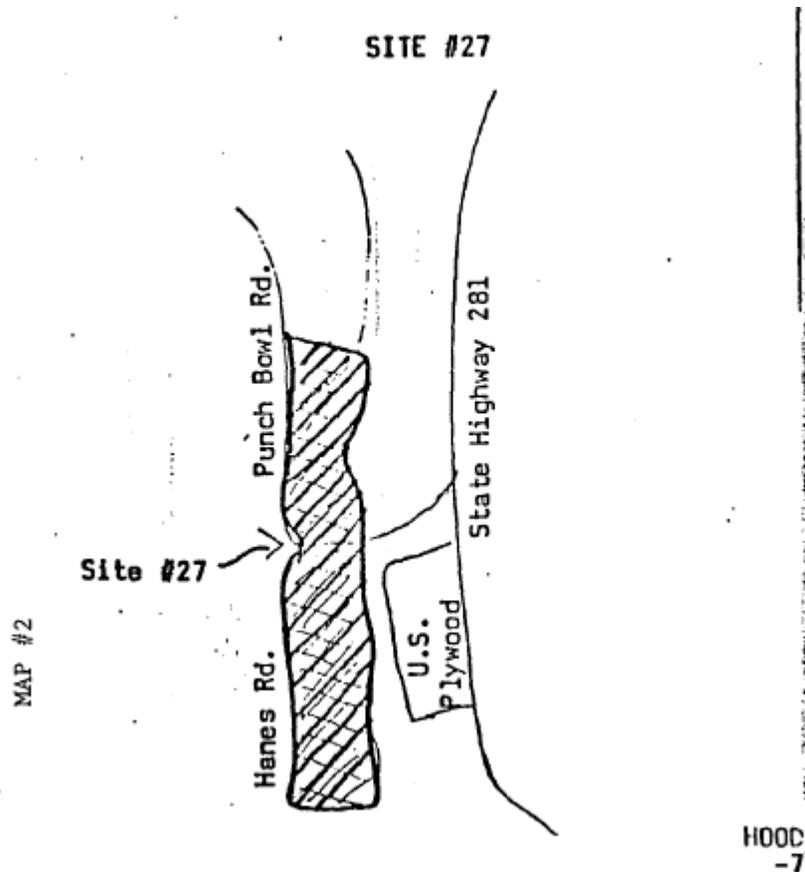
#28. 316 acres North powerdale dam, West boundary Hood River. Poor access road; rail spur possible; 3/4" water line on south property line; Hood River offers limited water supply, no sewer; 6" gas line on East Side Road. Zoning industrial, but land is vacant. Pressure exists to hold these lands as a greenway and to keep this area from being developed. Area has great potential once the sewer, water and access roads are completed. Offers large land area, with excellent wind pattern to allow natural management of air effluent and a location removed from immediate.

See clarifying notes under Conclusions and Observations: Findings



#9. 24.15 acres located in Odell. South boundary is Davis Road. East boundary is Graves Road. Minor grading needed. Rail possible. 8" water main on Davis Road, sewer also along Davis Road. 4" gas line along Davis Road. Zoned industrial/adjacent to Diamond Fruit Central Plant. Open Grazing is current use. This site has good access, available utilities and would have reasonable development costs.

See clarifying notes under Conclusions and Observations: Findings.



#27. 45 acres site located at Lost Lake Road and Dee Junction Access road fair to good; rail spur presently on west side to Champion. Hood River offers limited supply, no sewer. 4: gas line SW of Odell on Summit Road. Zoned industrial. Present use is parking and storage for Champion mill. Beautiful site although utilities are not readily available. Champion are the owners and may be reserving land for possible expansion. See additional clarifying comments in Conclusions and Observations: Findings, and Map #36, County Exception Document.

**TABLE 1**  
**LANDS DESIGNATED AND/OR ZONED COMMERCIAL AND INDUSTRIAL**  
**OUTSIDE CITY LIMITS**

	<u>COMMERCIAL</u>		<u>INDUSTRIAL</u>	
	Acres	%	Acres	%
City/Westside in UGA	130.11	30%	0.75	<1%
City/Westside outside UGA	228.38*	53%	185.21	20%
Cascade Locks in UGA	-		321.23	35%
Central Valley	57.03	13%	368.46	40%
Mt. Hood	14.08	4%	41.02	5%
Columbia Gorge	-		-	
<b>COUNTY TOTALS</b>	<b>429.60</b>	<b>10%</b>	<b>916.67</b>	<b>100%</b>

Source: Hood River County Planning Department, 1983

\* 158 acres designated Country Club which is not an outright commercial designation. Only commercial uses in connection with the golf course are permitted, and residential housing is only conditionally allowed through a Conditional Use Permit and a Planned Unit Development Overlay.

**TABLE 2**  
**LAND DESIGNATED AND/OR ZONED COMMERCIAL AND INDUSTRIAL**  
**TOTAL COUNTY - INCLUDING LANDS WITHIN CITY LIMITS**

	<u>COMMERCIAL</u>		<u>INDUSTRIAL</u>	
	Acres	%	Acres	%
City of Hood River	151.00	26%	146.00	14%
City of Cascade Locks	*		*	
City/Westside in UGA	130.11	22%	0.75	<1%
City/Westside outside UGA	228.38**	39%	185.21	17%
Cascade Locks – UGA	-		321.23	30%
Central Valley	57.03	10%	368.46	35%
Mt. Hood	14.08	3%	41.02	4%
Columbia Gorge	-		-	
<b>COUNTY TOTALS</b>	<b>580.60</b>	<b>100%</b>	<b>1,062.67</b>	<b>100%</b>

\* Figure for Cascade Locks unavailable.

\*\* 158 acres designated Country Club.

TABLE 3  
COMMERCIALY DESIGNATED &/OR ZONED LANDS

<u>Location</u>	Area – Use	<u># Acres</u>
<u>CITY/WESTSIDE – INSIDE UGB</u>		
1. 3N 10E 26CC, 27C, 27D, & 28	I-84 commercial area, retail service	108.9
2. 3N 10E 35DA, 35DD, & 36CC	Tucker Road – retail, service	<u>21.2</u>
		130.1
<u>CITY/WESTSIDE – OUTSIDE UGB</u>		
1. 2N 10E 1B, 2A, 2D	Tucker Road – retail, service	19.5
2. 2N 10E 3C, 4D, 9 & 10	Rockford – retail, service	12.4
3. 2N 10E 8	Country Club – retail, service	158.0
4. 2N 10E 10	Windmaster Corner – retail, service	3.3
5. 2N 10E 16 & 17	Oak Grove – retail, industrial	11.6
6. 3N 10E 25DD	East of Hood River – retail, industrial	15.6
3N 11E 30		
7. 3N 10E 33D	Murray’s Auction Center – retail	<u>7.9</u>
		228.3
<u>CASCADE LOCKS</u>		
		-0-
<u>CENTRAL VALLEY</u>		
1. 1N 10E 19	Jim’s Market – retail	0.9
2. 1N 10E 27 & 28	Mt. Hood – retail, mobile home park, service	33.9
3. 2N 10E 13D	Pine Grove-Van Horn – retail, residential, service	1.8
4. 2N 10E 22DD, 23, 26B	Odell – retail, service	6.6
5. 2N 10E 26C	Odell – retail, service	<u>13.85</u>
		57.05
<u>MOUNT HOOD</u>		
1. 1N 10E 32	Parkdale – retail, service	11.2
1S 10E 6		
2. 2S 10E 6	Dillard – retail, service	<u>2.9</u>
		14.1
<u>COLUMBIA GORGE</u>		
		-0-
	TOTAL	<u>429.6</u>

TABLE 4  
SUMMARY - COMMERCIAL DESIGNATED/ZONED LANDS

	Acres in C-1 Use	Acres in Res. Use	Total Lands Committed	Vacant	Total
City/Westside (inside UGB)	37.9	17.1	55.0	75.1	130.1
City/Westside (outside UGB)	91.7	13.8	105.5	122.8	228.3*
Cascade Locks	-0-	-0-	-0-	-0-	-0
Central Valley	17.1	7.2	24.3	32.7	57.0
Mount Hood	7.3	2.7	10.0	4.1	14.1
Columbia Gorge	-0-	-0-	-0-	-0-	-0
	154.0 (35%)	40.8 (10%)	194.8 (45%)	234.7 (55%)	429.5

	Vacant Area Currently Unusable	Vacant Area Currently Usable	Total Vacant Area
City/Westside (inside UGB)	7.03	68.1	75.1
City/Westside (outside UGB)	3.86	118.9	122.8
Cascade Locks	-0-	-0-	-0-
Central Valley	1.25 (FP)	31.5	32.7
Mount Hood	-0-	4.1	4.1
Columbia Gorge	-0-	-0-	-0-
	12.14	222.6	234.7

\*Includes acreages for Country Club designation (58 acres in restricted. commercial use, 100 acres vacant).

**TABLE 5**  
**INDUSTRIALLY DESIGNATED AND ZONED LANDS OVER 5 ACRES IN SIZE INCLUDES I/M-1,**  
**LI/M-2 & AD/AD DESIGNATION & ZONING**

<u>Location</u>	<u>Owner</u>	<u># Acres</u>	<u># Vacant Acres</u>
<b><u>CITY/WESTSIDE - OUTSIDE UGB</u></b>			
1. 2N 10E 2D #4606, 4607, 4700	Reinig (retail and vacant)	12.48	9
2. 2N 10E 2D #4800	Benson (orchard & residential)	7.05	6
3. 2N 10D 3D #1500	Diamond Fruit (cold storage)	9.26	7
4. 2N 10E 11A #2200	Port of Hood River (airport)	94.18	57
5. 2N 10E 11B #2501, 2503, 2600			
5. 3N 10E 34D #501	Krieg Millworks (retail and wood processing)	6.46	0
6. 3N 11E 30 #700, 800, 900, 1001	Hood River Sand & Gravel (surface mining)	28.10	27
		<u>157.53</u>	<u>108</u>
<b><u>CASCADE LOCKS</u></b>			
1. 2N 8E 5 #100	Bohemia (vacant)	37.40	37
2. 2N 8E 5 #300, 400	Port of Cascade Locks (wood processing)	196.21	26
2N 8E 6 #300, 500			
3. 2N 8E 5 #300	Port of Cascade Locks – Industrial Park (vacant)	25.00	25
4. 2N 8E 5 #405	Pyramid Metals (metal foundry)	6.50	5
2N 8E 6 #200	H.S. Houston (gravel pit)	30.00	26
2N 8E 6 #301	Cascade Wood Components (lumber yard)	8.59	0
2N 8E 6 #400	State Hatchery (fish hatchery)	10.75	4
		<u>314.45</u>	<u>123</u>
<b><u>CENTRAL VALLEY</u></b>			
1. 1N 10E 7 #200	Champion International – Dee Hardboard (lumber)	97.30	65
2. 1N 10E 10 #1000, 1100	Hanel Lumber Company (lumber processing)	60.27	21
1N 10E 10D #100, 200			
1N 10E 11 #300, 400, 601, 1200, 1302			
3. 2N 10E 25B #1000, 1200, 1300, 1400, 1500	U.S. Fir Inc. (lumber processing)	59.24	7
4. 2N 10E 26 #1001	Broom (trucking for Hanel Mill)	9.88	9
5. 2N 10E 26 #1500	Hood River Box & Veneer (fruit packing)	6.41	5
6. 2N 10E 26 #2500	Stadelman Fruit Company (fruit packing)	8.95	0
7. 2N 10E 26 #2600	Hanel Lumber Company (lumber storage)	15.15	8
B. 2N 10E 26 #2700, 2800, 2901	Duckwall Brothers (fruit packing)	10.44	0
9. 2N 10E 26C #100, 300, 500	Diamond Fruit (fruit packing)	46.20	0
10. 2N 10E 26C #6000	D&P Orchards (vacant - orchard)	21.65	<22
		<u>335.49</u>	<u>137</u>
<b><u>MOUNT HOOD</u></b>			
1. 1N 10E 32DC #100	Elliot (orchard)	9.35	9
2. 1N 10E 32DC #200, 400, 1000, 1700, 1800	Diamond Fruit (fruit cold storage and packing)	13.47	0
3. 1N 10E 32DD #200	Middle Fork Irrigation (storage and old lumber mill site)	5.29	0
		<u>28.11</u>	<u>9</u>

TABLE 6

SUMMARY: INDUSTRIAL LANDS

The following is a summary of industrially designated and zoned lands over 5 acres in the county outside City Limits. Total acreage and vacant acreages were derived by using Assessment Office records and maps, 1979 aerial photographs, and field checks.

	<u>ACRES COMMITTED</u>	<u>ACRES VACANT</u>	<u>TOTAL ACRES</u>
City/Westside (outside UGB)	50	108	158
Cascade Locks	191	123	314
Central Valley	198	137	335
Mt. Hood	19	9	28
	<hr/> 458 (55%)	<hr/> 377 (45%)	<hr/> 835 (100%)

	VACANT AREA CURRENTLY UNUSABLE <sup>1</sup>	VACANT AREA CURRENTLY USABLE <sup>2</sup>	TOTAL VACANT AREA
<u>City/Westside</u>	33 acres total	75	108
Port of Hood River (airport)	33 acres leased		
<u>Cascade Locks</u>	83 acres total	40	123
a) Bohemia	37 acres under water		
b) Port of Cascade Locks	26 acres leased		
c) H.S. Houston	20 acres under water or in floodplain		
<u>Central Valley</u>	39 acre total	98	137
Champion International – Dee Hardboard	39 acres in flood plain		
	155 (41%)	222 (59%)	377 (100%)

<sup>1</sup> Unusable lands include those areas not currently available for development due to presence of floodplain, high groundwater, or prior leasing commitments.

<sup>2</sup> Some areas that are considered usable may require more difficult site preparation and development such as large amounts of fill dirt (to level and make stable) or landscaping (to meet requirements of Columbia Gorge Overlay Zone). Also, some properties considered vacant and usable may in fact not be available due to owner unwillingness to sell or divide.

**TABLE 7**  
**INDUSTRIALLY DESIGNATED AND/OR ZONED PARCELS UNDER 5 ACRES –**  
**OUTSIDE CITY LIMITS**

	Committed	Vacant	Total
City/Westside (in UGA)	-0-	0.75	0.75
City/Westside	16.85	10.36	27.21
Cascade Locks	1.95	5.28	7.23
Central Valley	16.80	16.66	33.46
Mt. Hood	<u>11.70</u>	<u>1.32</u>	<u>13.02</u>
	47.30	34.37 <sup>1</sup>	81.67
	(58%)	(42%)	(100%)

**TABLE 8**  
**TOTAL FOR INDUSTRIAL LANDS (Both greater than and less than 5 acres in size)**

	<u>Committed</u>	<u>Vacant</u>	<u>Total</u>
City of Hood River	110.0	36.0	146.0
City of Cascade Locks <sup>2</sup>			
City/Westside (in UGA)	0	0.75	0.75
City/Westside (outside UGA)	66.85	118.36	185.21
Cascade Locks (in UGA)	192.95	128.28	321.23
Central Valley	214.80	153.66	368.46
Mt. Hood	<u>30.70</u>	<u>10.32</u>	<u>41.02</u>
	615.30	447.37	1,062.67 <sup>3</sup>
	(58%)	(42%)	(100%)

<sup>1</sup> All these vacant lands are usable.

<sup>2</sup> Information not available.

<sup>3</sup> Discrepancy between this figure and total in Table 1 is due to discrepancy between Plan designation & zoning figures in Mt. Hood Unit; greatest amount of acreage covered by designation or zone or both used.

TABLE 9

COMMERCIAL

	1980	2000	Amount of Com. Acres needed in year 2000	Current acres in Com. Designation &/or zoning	# Acres Excess or Deficit
City of Hood River	$\frac{120^1}{4,329^2} = .02772003^3$	$.02772003 \times 5,148^4 =$	143	151	8 Excess
City of Cascade Locks	$\frac{N/A}{838} = N/A$	$N/A \times 1,621 =$	N/A	N/A	N/A
UGA – Hood River	$\frac{55}{1,950} = .02820513$	$.02820513 \times 2,732 =$	77	130	53 Excess
UGA – Cascade Locks	$\frac{0}{195} = 0$	$0 \times 379 =$	0	0	
County Remainder	$\frac{140}{8,523} = .01642614$	$.01642614 \times 11,620 =$	191	299	108 Excess
COUNTY TOTAL <sup>6</sup> (Minus Cities of Hood River & Cascade Locks)	$\frac{195}{10,668} = .01827897$	$.01827897 \times 14,731 =$	269	430	161 Excess <sup>5</sup> <u>-12 Unusable</u> 149 Acres Excess Usable Land

<sup>1</sup> Committed acres commercial land.

<sup>2</sup> 1980 Population.

<sup>3</sup> Resulting fraction when (1) is divided by (2).

<sup>4</sup> 2000 Population.

<sup>5</sup> Columns do not add up because different ratios are used in each calculation and ratios cannot be summed. The breakdown by area is only an indication of where the excess lands are and where additional lands are needed for commercial development.

<sup>6</sup> 158 acres is designated Country Club which is not an outright commercial designation. Only commercial uses in connection with the golf course are permitted and residential housing is only conditionally allowed through a Conditional Use Permit and a Planned Unit Development Overlay. If lands designated “Country Club” are removed from the calculations for “County Total”, there is an excess of 83 acres zoned commercial, 71 acres of which is considered usable.

TABLE 10  
INDUSTRIAL

	1980	2000	Amount of Ind. Acres needed in year 2000	Current acres in Ind. Designation &/or zoning	# Acres Excess or Deficit
City of Hood River	$\frac{110^1}{4,329^2} = .02541003^3$	$.02541003 \times 5,148^4$	131	146	15 Excess
City of Cascade Locks	$\frac{N/A}{838} = N/A$	$N/A \times 1,621$	N/A	N/A	N/A
UGA – Hood River	$\frac{0}{1,950}$	$0 \times 2,732$	0	1	1 Excess
UGA – Cascade Locks	$\frac{193}{195} = .98974359$	$.98974359 \times 379 =$	375	321	54 Deficit
County Remainder	$\frac{312}{8,523} = .03660683$	$.03660683 \times 11,620 =$	425	624	199 Excess
COUNTY TOTAL <sup>6</sup> (Minus Cities of Hood River & Cascade Locks)	$\frac{505}{10,668} = .04733783$	$.04733783 \times 14,731$	697	946	249 Excess <sup>6</sup> <u>-155 Unusable</u> 94 Acres Excess Usable Land

<sup>1</sup> Committed acres industrial land.

<sup>2</sup> 1980 Population.

<sup>3</sup> Resulting fraction when (1) is divided by (2).

<sup>4</sup> Population in year 2000.

<sup>5</sup> Acres of industrial land needed by the year 2000.

<sup>6</sup> Columns do not add up because different ratios are used in each calculation and ratios cannot be summed. The breakdown by area is only an indication of where the excess lands are and where additional lands are needed for industrial development.