



AGENDA

JOINT MEETING

Wasco County Commission, Port of The Dalles and City Council

September 3, 2020

Noon

VIA ZOOM

<https://zoom.us/j/96689586203?pwd=Z2dlRDhxWXRhK29HeVBCZWRQYi9SQT09>

Meeting ID: 966 8958 6203

Passcode: 741650

Dial:

+1 253 215 8782 US (Tacoma)

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1. CALL TO ORDER
2. ROLL CALL
4. PRESENTATION Employment Buildable Lands Inventory
4. DISCUSSION
5. ADJOURNMENT

This meeting conducted in a handicap accessible room, and is live streamed.

Prepared by/
Izetta Grossman, CMC
City Clerk



MEMORANDUM

Employment Buildable Lands Inventory – Transmittal Memo City of The Dalles Employment Opportunities Analysis

DATE July 23, 2020
TO Steve Harris and Dawn Hert, City of The Dalles
FROM Andrew Parish, Clinton “CJ” Doxsee, and Matt Hastie, APG
CC Alisa Pyszka and, Bridge Economic Development

Our firm has completed an updated series of memos summarizing the results of the 2020 Employment Buildable Lands Inventory (BLI). The four memos, all dated July 2, 2020, include:

- Employment Buildable Lands Inventory – Final Draft (overall summary of results)
- Inventory Update Status Report (summary of revisions to the original analysis reflecting previous comments from Stakeholder Advisory Committee and resulting changes)
- Google Sites Capacity Assessment (analysis of the projected capacity of Google sites to accommodate future employment)
- Site Analysis Needs (assessment of the need for industrial sites in specific size ranges – prepared by Bridge Economic Development)

All of these memos have undergone extensive review and refinements based on coordination and review by City staff, the Stakeholder Advisory Committee, and representatives of the Port of The Dalles, Wasco County, Google, and the Oregon Department of Land Conservation and Development. Each memo has gone through multiple iterations based on this process. Highlights of the resulting analysis and conclusions include:

- The analysis conducted to date is consistent with state requirements, including applicable Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR); this is essential in order to ensure acknowledgement by the State or Oregon and avoid appeal by third parties.
- In the aggregate, the City has enough land within its urban growth boundary (UGB) to accommodate projected 20-year employment needs.
- The analysis likely will not provide the factual basis to support an expansion of the City’s UGB to accommodate long-term overall employment needs.
- It may be possible for the City to make the case for a future UGB expansion to accommodate a specific use if the City can document that there are no existing sites in the UGB that have the characteristics needed to support such a use. More analysis towards that end would be needed and is outside the scope of the current effort.

- The inventory documents the supply of land within the City of The Dalles that is theoretically “buildable” pursuant to Oregon statutes and administrative rules and which represents the capacity for additional projected employment during the next 20 years. However, there is no guarantee that all of this land is currently available for sale, lease, or development to employers or that all sites will be available during the planning period.
- Because some of the City’s larger vacant, partially vacant, and redevelopable employment sites are owned by companies that have acquired properties for development but do not have immediate plans for development and do not plan to sell or lease these properties, there is a lesser supply of properties that are more traditionally “available” for development in the short term. For example, all of the larger sites in the inventory (greater than 12 acres in size) are owned by Google or a subsidiary. As a result, they are not anticipated to be available to other users but they are appropriately included in the City’s 20-year supply of buildable employment land because they represent capacity for future employment during that period.
- Regionally, there is a larger supply of buildable employment land, including property within the Dallesport Airport area jointly owned by the City of The Dalles and Klickitat County. However, this land cannot be included in the BLI because it is not within The Dalles UGB.



MEMORANDUM

Employment Buildable Lands Inventory – FINAL DRAFT

City of The Dalles Employment Opportunities Analysis

DATE July 2, 2020
TO Steve Harris and Dawn Hert, City of The Dalles
FROM Andrew Parish, Clinton “CJ” Doxsee, and Matt Hastie, APG
CC Alisa Pyszka and, Bridge Economic Development

INTRODUCTION

This memorandum describes the methodology of and updated results of the 2020 Employment Buildable Lands Inventory (BLI). The BLI represents the second phase of an Economic Opportunities Analysis (EOA) for the City. The first phase of the EOA, conducted by Bridge Economic Development, identified employment conditions and trends, target industries, employment land needs, and draft strategies and actions to achieve the City’s economic objectives.

This memo has been revised from a previous draft based on comments provided by members of the project’s Stakeholder Advisory Committee (SAC), the Planning Commission, and City Council. It also reflects additional analysis by the consulting team in response to the received comments, as well as a continued emphasis on consistency with state requirements and standards and direct consultation with staff from the Oregon Department of Land Conservation and Development (DLCD). The memorandum in Attachment A provides a more in-depth summary of revisions that were considered and/or incorporated. Changes to the analysis and resulting assessment included:

- Clarifying how certain types of property constraints are addressed in the inventory.
- Reclassifying, adding, or removing a number of inventory properties based on SAC feedback.
- Comparing the BLI with employment land needs identified in the Phase 1 EOA.
- Assessing and describing the need for industrial sites of specific sizes.

Once the BLI has been further refined as needed, it will be used to update the City’s recommended economic development strategies and actions. The BLI also will be used to inform the upcoming Westside Planning process.

This inventory covers land within the City’s urban growth boundary (UGB), consistent with Oregon statutory and administrative rule requirements. It does not cover land within the community of Dallesport, Washington although that area is considered part of a larger regional employment area

from an economic development perspective. As an example, the City of The Dalles co-owns the Dallesport Airport and markets land there for economic development purposes.

Regulatory Basis

The BLI is conducted consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009).

1. **Economic Opportunities Analysis (OAR 660-009-0015).** The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area.
2. **Industrial and commercial development policies (OAR 660-009-0020).** Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. **Designation of lands for industrial and commercial uses (OAR 660-009-0025).** Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

As noted above, the City of The Dalles has already developed an economic development strategy that incorporates two distinct elements. First is a long-term evaluation of the city's 20-year projected employment growth and corresponding amount of land necessary to accommodate that growth. Second is a short-term 5-year action plan for immediate programs and projects that the city and its economic development partners can implement to grow the existing economic base. This analysis builds on the first element – the EOA – through developing the BLI.

BLI Methodology

Consistent with OAR 660-009-0015, the BLI is conducted in several steps, described below.

- **Step 1: Determine Land Type** – This step identifies all land within the UGB as either residential, employment, or other, based on zoning and other characteristics.
- **Step 2: Identify and Calculate Constraints** – This step identifies development constraints and removes them from the inventory to get an accurate measurement of the amount of developable land within the UGB.
- **Step 3: Classify Land by Development Status** – This step classifies land into categories of Vacant, Partially Vacant, Developed, and Committed, based on a series of filters using available data.
- **Step 4: Inventory Results** – This step reports the results of the analysis in various ways, and accounts for land needed for right-of-way and other public uses to arrive at total developable net acreage within the UGB.
- **Step 5: Comparison of Need and Supply** – This step compares the supply of buildable land identified in the inventory with the land needs projected in Phase 1 of the EOA and describes the need for parcels of different sizes zoned for industrial uses.

The remainder of this memorandum addresses each of the above steps in turn.

STEP 1: DETERMINE LAND TYPE

Land in the City of The Dalles is categorized into Residential, Employment, and Other. This classification is made primarily by zoning designation as shown in Figure 1. Exceptions were made for cases based on existing land use, property ownership, or other circumstances. This categorization is broadly consistent with the 2016 residential BLI conducted by the City and APG, with the following general changes:

- Changes in zoning (i.e. change from residential to employment zones or vice versa).
- Limitations due to available access (i.e. slope constraints).
- Reductions to amount of unconstrained land to reflect portion of sites within UGB.
- Some properties owned by the Port of The Dalles are located just outside the floodplain, but near the riparian zone along the Columbia River, including one with a trail. These properties were removed from the inventory as constrained or committed to natural resources and/or recreational use.
- The Amerities Plant property, which is located outside of assessed tax lot records, was categorized as Employment.¹

¹ Because the site is located outside of assessed tax lot record data, there are no tax assessor records that would typically be used to determine if the site is vacant, developed, or redevelopable. The site is largely developed based on visual inspection from aerial photos and confirmation from local stakeholder input, including property owner representatives.

Figure 1: The Dalles Zoning Designations

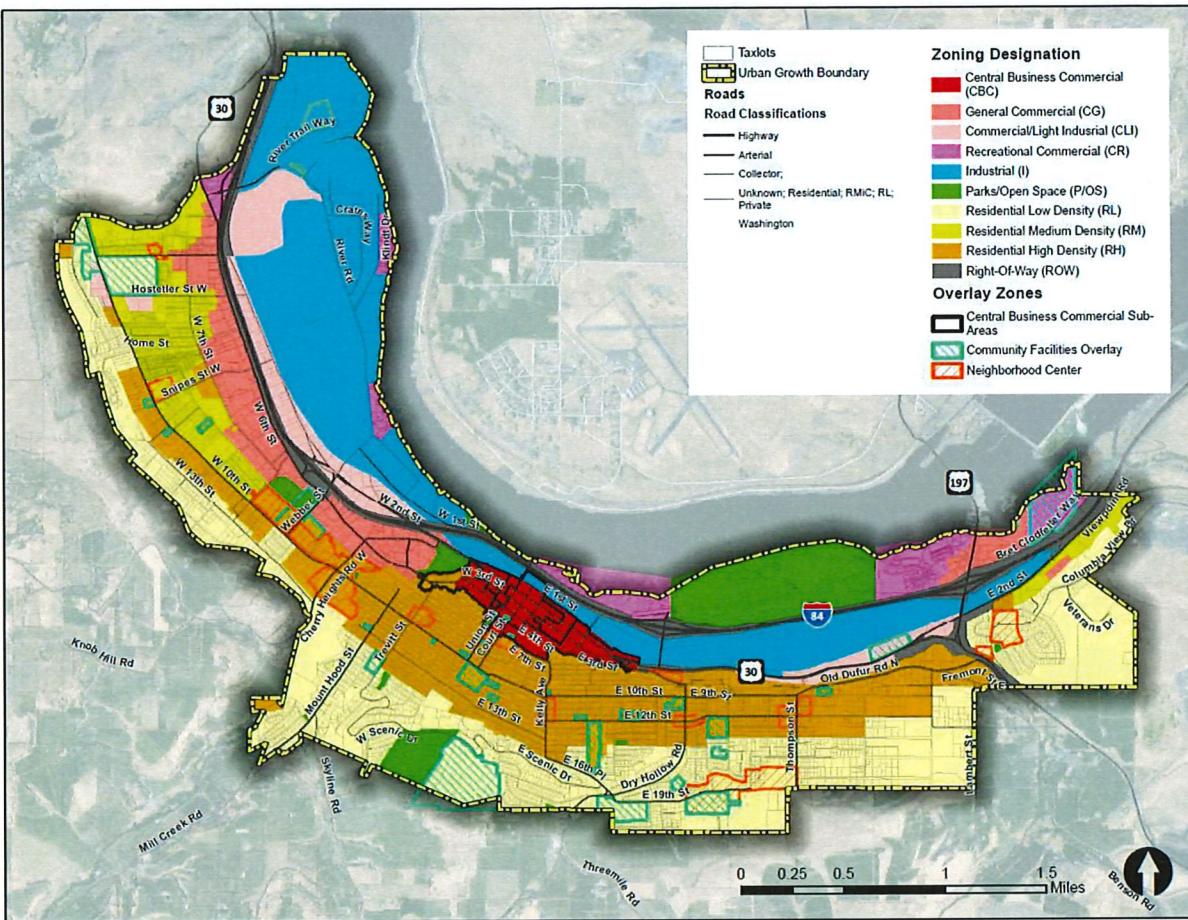


Figure 2: The Dalles Land Types

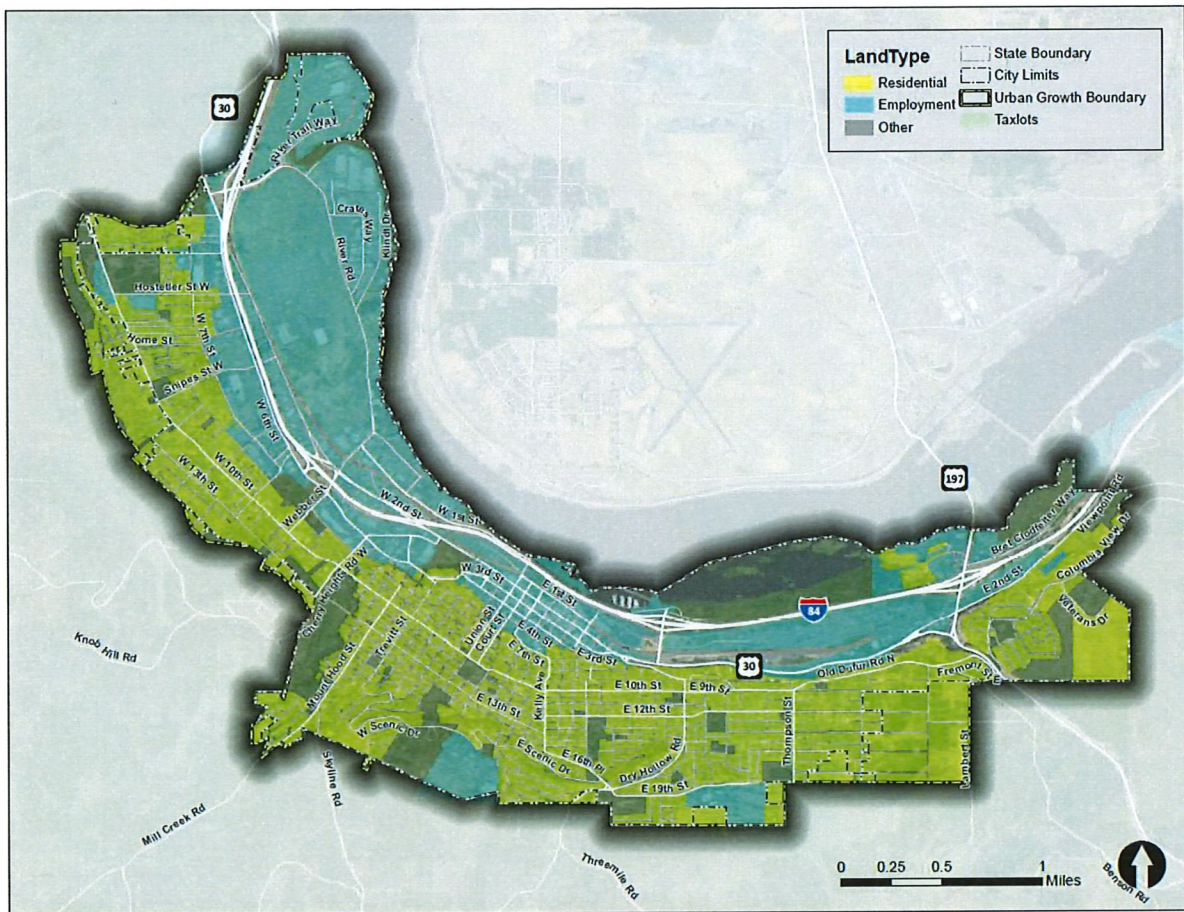


Table 1: The Dalles Land Type

	Number of Tax Lots	Gross Acres ²
Employment	885	1,518
Residential	5,690	1,724
Other	129	1,109
Total³	6,704	4,352

² Acres rounded down to whole number

³ Gross acreage includes a limited number of tax lots that are partially located inside The Dalles UGB.

STEP 2: CALCULATE CONSTRAINTS

As defined in OAR 660-009-005, “Development Constraints” are factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, slope, topography, infrastructure deficiencies, parcel fragmentation, or natural hazard areas. The constraints used for this analysis include:

- Slopes greater than 25% (Source: Oregon Department of Geologic and Mineral Industries)
- FEMA Flood Hazard Area (Source: FEMA)
- Wetlands (Source: US Fish and Wildlife Service National Wetlands Inventory)
- Area within 50’ of Chenoweth Creek (Source: Oregon Geospatial Enterprise Office)
- The superfund site is considered an environmental constraint and removed
- Bonneville Power Administration (BPA) Right-of-Way Easements⁴

Land affected by these constraints is removed from the inventory. Figure 3 shows the location of these constraints.

Some land within the study area are subject to additional cost constraints such as cultural/archeological sites or areas within the City’s geohazard overlay. Cultural/archeological sites may be protected or prohibited from development or may require additional documentation or protection of resources found on the site.⁵ Regulations for sites within the geohazard overlay require studies by qualified geologic specialists to be prepared prior to developing the site and that structures be designed and built to withstand geologic conditions.

Although these cost constraints pose a limitation to site developability, they are still considered to be “buildable” over the planning horizon and have not been removed from the inventory. Cost constraints represent an added cost to development, making its developability less attractive or feasible relative to other sites. However, it does not prohibit the site from developing within the planning horizon. Sites that encounter some form of cost constraint would require additional investment in the form of time or money to be developed.

To the extent that property owners can provide additional information that shows that development is prohibited on all or a portion of these sites within the planning horizon, that acreage can be deducted from the total inventory.

⁴ The BPA administers an application process for development within its easements. Although certain types of development are allowed in these areas, BPA staff and applicants note that no structures are allowed within the easement areas and non-structural development (i.e. parking lots) is extremely limited and site-dependent. In addition, accommodating development on a site with an easement typically requires relocating easements and facilities at the owners expense. Such relocation processes are very costly and can take years to complete. As a result, all land within BPA easements is considered constrained from development for the purposes of the inventory.

⁵ Locations of cultural/archeological sites are not publicly available to protect the resource. A site is considered developable until this information is known, at which point appropriate mitigation measures would be identified and implemented.

Figure 3: The Dalles Development Constraints

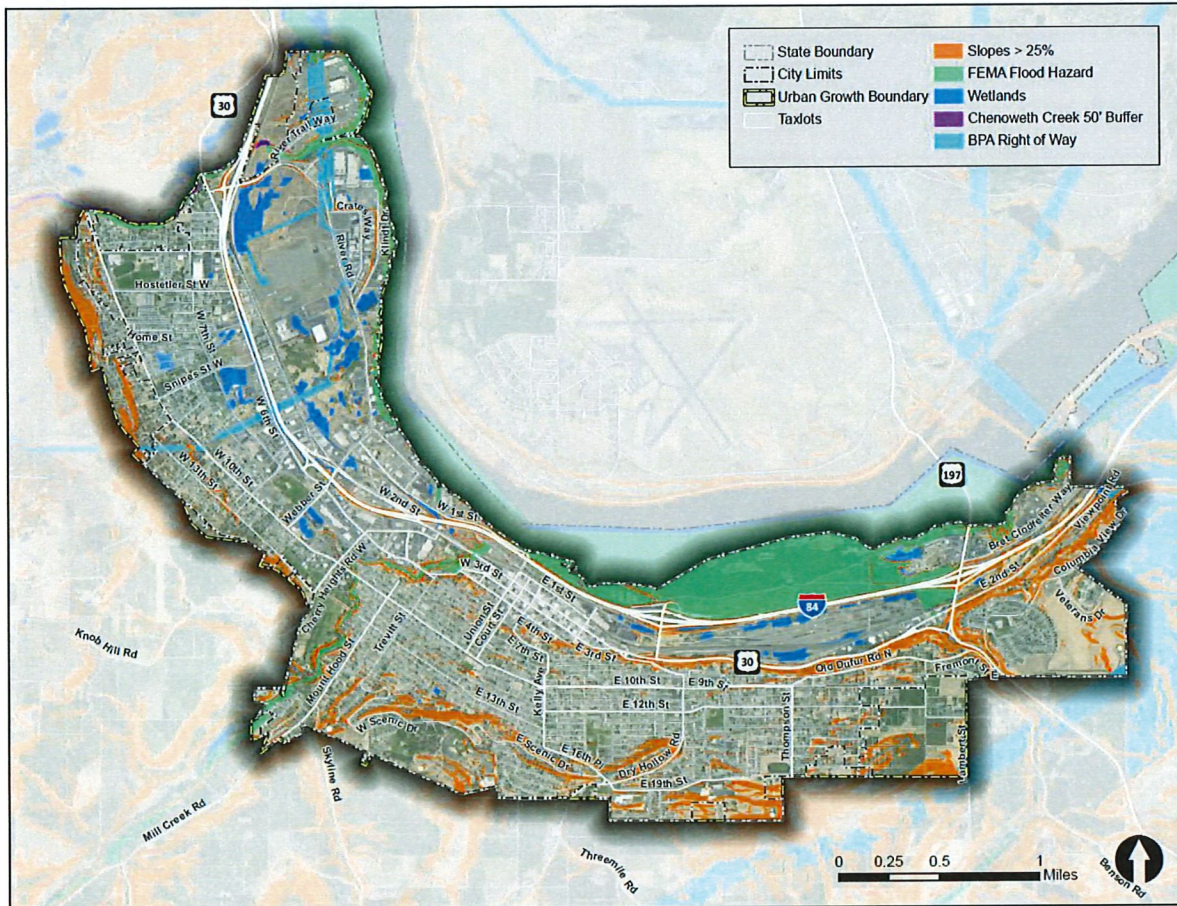


Table 2: The Dalles Development Constraints

Category ⁶	Gross Acres Within Tax Lots	Gross Constrained Acres	Gross Buildable Acres
Employment	1,518	407	1,110
Residential	1,724	314	1,410
Other	1,109	403	706
Total	4,352	1,125	3,226

⁶ Acres rounded down to whole number

STEP 3: CLASSIFY EMPLOYMENT LAND BY DEVELOPMENT STATUS

Employment land within the study area was classified by development status, as follows:

- **“Vacant”** land meets one or more of the following criteria:
 - equal to or larger than ½ acre and not currently containing permanent improvements ⁷
 - equal to or larger than 5 acres where less than ½ acre is occupied by permanent buildings or improvements
 - improvement value is less than \$5,000 or less than 5% of the property’s land value.
- **“Partially Vacant”** land has an improvement value of between 5% and 40% of the land value, or is greater than one acre in size with at least ½ acre not improved (based on aerial photo). This land will assume that 50% is vacant/50% is developed unless aerial photos or other information shows otherwise.
- **“Developed”** land has an improvement value greater than 40% of the land value and does not meet the definition of vacant or partially vacant.
- **“Committed”** land is either vacant or partially vacant but has been removed from inventory as being developable because the property is committed to a non-employment use or cannot be developed for an employment use during the planning period. Committed land does not include properties planned for some type of employment use by the existing owner, but not necessarily available to other businesses for sale or lease. The following areas are not anticipated to develop over the planning horizon based on input from local stakeholders.
 - The Port of The Dalles owns several commercial and industrial properties within the study area. Many of these properties currently do not have improvements on them (\$0 improvements value according to tax assessor data). The Port identified several of these properties that would not be developable within the study horizon. These properties were categorized as committed.
 - Several properties are owned by the federal government.⁸ There are no known plans for these sites to develop or redevelop within planning horizon. These properties are classified as committed and removed from available land inventory.

⁷ Improvements include anything with an “improvement value” as defined by the Wasco County tax assessor, consistent with state administrative rule and statutory definitions. Examples typically include buildings or other permanent structures, associated equipment or machinery, and utility facilities located on the site. Improvements for taxation purposes are further defined in Oregon Administrative Rule (OAR) 150-037-0010.

⁸ Oregon Administrative Rules allow for federally owned properties to be removed from a BLI.

Table 3: Summary of Employment Land Gross Acreage by Development Status⁹

Employment Zone ¹⁰	Developed	Committed	Partially Vacant	Vacant	Total Gross Acres
CBC	55	2	3	3	65
CG	165	0	3	22	191
CLI	92	0	1	48	142
CR	101	0	1	28	130
I	260	58	6	233	558
RL	22	0	0	0	22
Total	697	60	15	336	1,110

The gross acreage of buildable land summarized in Table 3 was reduced further to account for undeveloped sites owned by Google that are subject to non-disclosure agreements which comprise approximately 215 (gross) acres of unconstrained land. The amount of available land at undeveloped Google sites was estimated based on current approximate employment estimates for developed sites in The Dalles. (see Attachment B for methodology). The ratio of projected employment at the existing Google sites, compared to other industrial land in The Dalles, is approximately 0.85. In other words, employment estimates at undeveloped Google sites is anticipated to be approximately 85% of what would typically be assumed for average employment density on other sites in the inventory. This ratio was developed based on employment estimate discussions with Google representatives and Enterprise Zone employment estimates. This analysis is described in more detail in a separate memo. Applying this ratio to undeveloped Google sites results in a reduction of approximately 32 gross acres of vacant Industrial zoned land in the inventory due to these estimated low employment densities.

Figure 4 shows the classification of employment land within the UGB.

⁹ Source: Wasco County Tax Assessment data; Angelo Planning Group; Stakeholder Advisory Committee input

¹⁰ Acres rounded down to whole number

STEP 4: PRELIMINARY RESULTS

There is an estimated 319 gross acres of vacant or partially vacant employment land in The Dalles. The gross acreage accounts for the reduction in 32 acres of available land on sites owned by Google based on lower assumed employment densities on those sites. The following assumptions were used to determine the net acreage of land within the City. The assumptions are consistent with those used in Phase 1 of the EOA.

- 50% of all employment land identified as partially vacant will not be developable to account for existing development and infrastructure.
- 15% of industrial employment land (I zone) will be set aside to account for infrastructure, setbacks, etc.
- 20% of commercial employment land (CBC, CG, CLI, and CR zones) and residential land (RL zone) will be set aside to account for infrastructure, setbacks, etc.

There is an estimated 261 acres available for employment land after accounting for existing development on partially vacant land and set asides for infrastructure-related and other needs on vacant land. Table 4 below provides a summary for each zone.

Table 4: Gross & Net Developable Acres of Employment Land

Employment Zone ¹¹	Partially Vacant Land		Vacant Land		Total Buildable Land
	Gross	Net	Gross	Net	
CBC	3	1	3	2	3
CG	3	1	22	18	19
CLI	1	0	48	38	38
CR	1	0	28	22	22
I	6	3	201	171	175
Total	15	7	304	253	261

Phase 1 of the City’s EOA conducted three analysis scenarios that estimated the projected need for employment land. The scenarios incorporate different growth projections and employment assumptions. Figure 5 provides a summary of the land demand forecast for each scenario. Based on the scenarios, the total need for net buildable acres ranges between 134 to 179 acres.

¹¹ Acres rounded down to whole number.

Figure 5: The Dalles Land Demand Forecast, 2018-2038 (Source: The Dalles Economic Opportunities Analysis & Action Plan, 2019)

Scenario 1	Employment Land	New	Sq.Ft./	Total SF	Floor Area	Gross Acres	Net Buildable
		Employment	Employee	Needed	Ratio*	Needed	Acres
	Industrial	672	750	503,967	0.15	81.7	69.4
	Office	350	250	87,530	0.30	7.1	5.7
	Retail	235	350	82,166	0.25	6.1	4.9
	Accommodation/Food	351	300	105,263	0.50	3.9	3.1
	Institutional	1,057	750	792,795	0.30	64.5	51.6
	Total	2,665		1,571,722		163.3	134.7

Scenario 2	Employment Land	New	Sq.Ft./	Total SF	Floor Area	Gross Acres	Net Buildable
		Employment	Employee	Needed	Ratio*	Needed	Acres
	Industrial	929	750	697,042	0.15	113.0	96.0
	Office	459	250	114,711	0.30	9.3	7.5
	Retail	180	350	63,077	0.25	4.7	3.8
	Accommodation/Food	576	300	172,883	0.50	6.4	5.2
	Institutional	1,182	750	886,259	0.30	72.1	57.6
	Total	3,326		1,933,973		205.5	170.0

Scenario 3	Employment Land	New	Sq.Ft./	Total SF	Floor Area	Gross Acres	Net Buildable
		Employment	Employee	Needed	Ratio*	Needed	Acres
	Industrial	985	750	739,090	0.15	119.8	101.8
	Office	468	250	116,963	0.30	9.5	7.6
	Retail	418	350	146,228	0.25	10.9	8.7
	Accommodation/Food	418	300	125,459	0.50	4.7	3.7
	Institutional	1,186	750	889,446	0.30	72.3	57.9
	Total	3,475		2,017,186		217.2	179.7

*Floor Area Ratio (FAR) is the ratio of total usable building area relative to the total area of the site. It allows a consideration of the entire floor area of a building as opposed to its footprint.

Source: OED QCEW and Bridge ED

For comparison purposes, this memorandum generalizes the net buildable land zoning from this land inventory into two categories: commercial (CBC, CG, CLI, CR, and RL zones) and industrial (I zone). The land inventory is based on the City’s zoning, each which allow for a range of employment uses. Commercial uses are allowed in most employment zones. By contrast and with few exceptions, industrial uses are limited to the I zone.

A similar generalization is done for employment land categories in the EOA: commercial (Office, Retail, Accommodation/Food, and Institutional) and industrial (Industrial). This comparison generalizes all EOA employment categories as commercial, except for the industrial employment category.

The following table includes a preliminary comparison of the total net buildable land from this inventory with the projected need for employment land based on Phase 1 of the City’s Economic Opportunities Analysis. As summarized in the table, The Dalles has a total surplus of between 82 and 127 net acres of land.

Most of the employment demand is needed for industrial employment (demand for 69 to 101 net acres). Based on the land inventory, the City can accommodate that demand within the planning horizon with a supply of approximately 175 net acres of buildable land zoned for industrial use.

The need for commercial employment is lower, with approximately 65 to 78 net acres needed. According to the BLI, The Dalles has an estimated available supply of 86 net acres of buildable land.

Table 5: Land Demand Acreage and Buildable Land Inventory Comparison Summary

Employment Zone¹²	Estimated Net Land Demand (acres)	Net Buildable Land (acres)	Surplus/ Deficit (acres)
Commercial	65 – 78	86	8 – 21
Industrial	69 – 101	175	74 – 106
Total	134 - 179	261	82 – 127

In addition to estimating an overall land need, Bridge Economic Development (Bridge) has assessed the need for sites of different sizes to meet typical industrial employment needs of target industries in The Dalles (see accompanying April memorandum). The purpose of this analysis is to summarize initial information about the market for certain size properties and to elicit feedback from the project Stakeholder Advisory Committee about these observations, including opinions about the ability of available industrial sites to accommodate the type of future projected users identified in the memo.

In their assessment, Bridge identified the need for a combination of both smaller sites (2-5 acres) and larger sites (12-18 acres). Smaller sites typically are needed for office and warehouse space with buildings that range from 3,000 to 16,000 square feet for various tenants and which come with dock and grade loading. Larger sites generally accommodate one large or a few larger manufacturing facilities. These building types have different loading and parking requirements than the smaller multi-tenanted buildings and therefore have a more efficient site layout or higher floor area ratio (FAR) than the buildings on smaller sites. This information is described in more detail in the separate memo prepared by Bridge, including examples of these types of sites in The Dalles and other comparable communities.

The following table summarizes the number of vacant or partially vacant sites identified in the BLI in these and other size categories in the Industrial zone. Only sites in the Industrial Zone were counted. The number of sites for all categories are based on the number of unconstrained acres, the 50% deduction of developable land for partially vacant properties, and 15% set aside deduction for right-of-way for properties over five acres in size. The number of sites does not reflect the deductions associated with Google sites

As summarized in the table, the City has buildable sites available in all categories. There are nine smaller (2-5 acre) sites and one larger (12-18) acre site available within the study area. Several of

¹² Acres rounded down to whole number.

the sites in the 0-2 acre category include just under two acres of unconstrained land (e.g., 1.84 acres).

Table 6: Industrial Site Size Category Summary, Industrial Zone

	0-2 acres	2-5 acres	5-12 acres	12-18 acres	18+ acres
Partially Vacant					
Number of Sites	7	0	0	0	0
Acres	3	0	0	0	0
Vacant					
Number of Sites	24	9	1	1*	3*
Acres	13	27	9	12	141
Total Number of Sites	31	9	2	1	3
Total Acres	16	27	19	12	141

* Sites under Google’s ownership

There is limited potential for site consolidation among industrial sites that are under five acres in size. Most sites do not have common ownership and share a contiguous tax lot boundary.

The sites that do have consolidation potential are primarily located on River Trail Way and owned by the Port of The Dalles. Several of the sites share contiguous tax lot boundaries and could be combined into larger sites if sold to or developed by the same owner in the future. The unconstrained acreage among these sites ranges from a half-acre to just under three acres in size.

Additional Observations

- This inventory documents the supply of land within the City of The Dalles that is theoretically “buildable” pursuant to Oregon statutes and administrative rules and which represents the capacity for additional projected employment during the next 20 years. However, there is no guarantee that all of this land is currently available for sale, lease, or development to employers or that all sites will be available during the planning period.
- Because some of the City’s larger vacant, partially vacant, and redevelopable employment sites are owned by companies that have acquired properties for development but do not have immediate plans for development and do not plan to sell or lease these properties, there is a lesser supply of properties that are more traditionally “available” for development in the short term. For example, all of the larger sites (greater than 12 acres in size) are owned by Google. As a result, they are not anticipated to be available to other users but are appropriately included in the City’s 20-year supply of buildable employment land.

- Regionally, there is a larger supply of buildable employment land, including property within the Dallesport Airport area. However, this land cannot be included in the BLI because it is not within The Dalles UGB.



MEMORANDUM

DATE July 2, 2020 (Revised/Final)
TO The Dalles Employment BLI Project Management Team
FROM Matt Hastie & Clinton "CJ" Doxsee
RE **Inventory Update Status Report**
CC File

Our overarching goal in this process is to ensure that we provide the City with an employment Buildable Lands Inventory (BLI) that is accurate, consistent with state requirements and guidelines, incorporates local knowledge and recommendations, and provides the factual basis to withstand a future appeal by third parties. We must balance these objectives. However, adhering to state requirements and avoiding an appeal are our highest priorities to ensure we meet our professional obligations and do our best to help the city avoid costly legal actions.

We have already made significant revisions to the draft BLI that we initially prepared for the City. The initial draft was prepared within a compressed timeframe and with information that was readily available from the City, County GIS and state databases. At that time, we clearly noted that we expected to revise the inventory based on review by our Stakeholder Advisory Committee (SAC) and other community members. We made a number of revisions to the inventory based on the first round of review with the SAC, including but not limited to the following changes:

- **Riparian area and trail sites** – We identified and removed several properties just outside of the floodplain but in close proximity to the riparian zone along the Columbia River, including one with a trail.
- **Federal ownership** – Per state guidelines, we identified and eliminated federally owned properties from the inventory. These properties initially showed up as vacant because the assessors data had no improvement value for them.
- **Amerities site** – The Amerities site is owned by the railroad. Assessors data did not indicate improvement values for these properties and as a result, they were identified as vacant or not shown in the initial inventory. Based on consultation with the SAC, we updated the inventory to consider the Amerities site as developed.
- **Port of The Dalles properties generally** – The Port provided comments about a number of additional properties they own, with suggestions about how to update their development status in the inventory. Many of these properties initially showed up as vacant because they are exempt from taxation and the assessor data that was used to assess development status implied that they were vacant (\$0 improvement value). We used the information from the Port to update the status of many of these properties.
- **Munsen Paving properties** – Some SAC members recommended that we consider these sites as fully developed, given that they are used for storage of paving materials and have been owned and used by the same business for several decades. We agree that it makes sense to consider these sites as partially developed. However, considering them as fully developed would not be

consistent with state requirements, given that they have no structures or other improvements and in that respect could be considered completely vacant. We have updated the status of these sites to “partially vacant” and have assumed that a portion of them could be utilized for employment purposes in the long-term (20 years).

During and subsequent to our second round of review with the SAC, we received additional recommendations from the members of the SAC and representatives of the Port of The Dalles, Wasco County, and the City of the Dalles. A number of these changes represent relatively unique situations that are not common to most BLIs conducted for other communities in Oregon. As a result, we conferred with City planning and Oregon Department of Land Conservation and Development staff regarding recommended approaches to address these comments, with a goal of meeting the overarching objectives noted above. Following is a summary of the outcome of that discussion and the approach we plan to use to address these site-specific issues.

- **Superfund Site** (2N 13E 33 100). This site was shown as developed/unavailable in the previous BLI. It's currently shown as vacant in the version we shared most recently. Note, there are two sites that form a near complete perimeter around the superfund site that are not owned by Lockheed Martin. The owner is shown as “The Dalles Industrial Group LLC” on the tax roll.
 - o **Approach:** The team recommends removing this property from the inventory based on OAR provisions that indicate that constraints can include environmental contamination and based on documentation we now have received from the Port of The Dalles and Lockheed Martin. DLCD staff support this approach.
- **Google Sites** (2N 13E 28 B 700, 2N 13E 28 101, 2N 13E 21 C 1100, 2N 13E 28 700, 2N 13E 28 B 100, 2N 13E 28 701, 2N 13E 21 600). There are eight (8) sites owned by Google that we know of based on the name of the owner (Design LLC and Moraine Industries, LLC). Three sites are shown in the BLI as developed. One is shown as partially vacant. The remaining four are shown as vacant. A site visit confirmed that two of these were indeed vacant. The third vacant site doesn't have access to a street which indirectly confirms it is vacant. The fourth site is also referred to as the Rodeo Grounds site. The City has confidential non-disclosure agreements (NDAs) regarding future development of some of these vacant sites and a number of SAC and City Council members have recommended removing these sites from the inventory. It is our understanding that the NDAs do not completely preclude future development within the 20-year planning period, but that they assume a certain type or level of development. More information cannot be disclosed by the City regarding the agreements. While these sites may not be “available” to other property owners or businesses for purchase or development during the planning period, they do represent capacity for future employment during the next 20 years and have been acquired by Google for that general purpose, similar to the company's existing facilities in The Dalles. Furthermore, Google representatives indicate that it is reasonable to assume that these sites may be developed within the planning horizon.
 - o **Approach:** The consultant team and DLCD agreed that we do not have a factual basis to eliminate these sites from the inventory. However, we generally agreed that we have the factual basis to assume a lower employment density/capacity for these sites, in comparison to the average employees per acre that we are assuming for other similarly zoned sites in the inventory. We will examine employment and acreage numbers for other Google sites in The Dalles for comparison and identify an appropriate set of capacity assumptions for this site.

- **Community College Site** (1N 13E 9 100, 1N 13E 9 200). The site is mostly vacant but also heavily constrained by slopes. The College’s Master Plan for the site shows future development of four additional buildings to the campus with minimal site work. It shows a small amount of the overall site being developed. Construction on the expansion is set to begin later this year and building permits have been obtained. Originally this site was not included in the BLI since its base zoning designation is residential, rather than employment. We added the site to the inventory based on feedback from our SAC, consistent with the master plan assumptions. Currently, the site is shown as partially vacant in the inventory. Some SAC members are now recommending that we drop this site from the inventory.
 - o **Approach:** Given residential designation and fact that College is at the building permits stage, DLCD recommends, and we concur, that we should remove this site the inventory.
- **Walmart Site** (2N 13E 28 702). The site was confirmed to be vacant during the site visit. It’s shown as vacant in the inventory. A portion of the site previously received land use approval for a Walmart facility. However, that decision was appealed and is still enmeshed in the legal appeals process. Members of our SAC have recommended removing this site from the inventory due to the questions about how/when it will be developed and uncertainty associated with the previous land use decision and subsequent legal proceedings.
 - o **Approach:** Current DLCD procedures do not allow removing a site from a BLI under these conditions. While the site was previously approved for development, it was not granted any building permit approvals and the land use approval itself does not guarantee or provide the factual basis to remove the site from the inventory. We will continue to consider it as vacant. DLCD supports this approach.

Google Sites Capacity Assessment

This document provides a summary of the analysis used for reducing The Dalles Employment Buildable Land Inventory (BLI). The BLI reduction analysis is intended to account for Google's current employment estimates and translate the estimates to undeveloped sites owned by Google and located elsewhere in The Dalles.

There are currently three developed Google sites located in Enterprise Zones in The Dalles. The sites are developed as data centers. The Enterprise Zone agreements for the sites required Google to employ a minimum of 55 employees.¹ Based on the Enterprise Zone minimum employment requirement, the Google sites would average less than one employee per acre (1.4 employees per unconstrained acre).

Site	Tax Lot	Acres	Unconstrained Acres	EZ Min. Employees
TOTAL		60.0	40.2	55
Google North Site	2N 13E 21 C 1100	26.6	19.1	10
Google South Site		33.5	21.2	45
Google South 1of2	2N 13E 28 101	31.1	19.1	35
Google South 2of2	2N 13E 28 B 700	2.5	2.1	10

The table below summarizes the calculations used to estimate how many employees each site would typically support were they not developed. The assumptions are based on those used for Industrial uses in Bridge Economic Development's Phase 1 Economic Opportunities Analysis (EOA). That analysis assumes that typical industrial development will have a floor-to-area (FAR) ratio of 0.15 and that the average industrial use employee requires 750 square feet of area. This equates to about 5.8 employees per acre (8.7 employees per unconstrained acre), a relatively low to moderate employment density for industrial development.

Site	Acres	Unconstrained Acres	FAR Acres	FAR Sq. Ft.	Employees
TOTAL	60.0	40.2	6.0	262,960	351
Google North Site	26.6	19.1	2.9	124,473	166
Google South Site	33.5	21.2	3.2	138,487	185
Google South 1of2	31.1	19.1	2.9	125,077	167
Google South 2of2	2.5	2.1	0.3	13,410	18

Based on discussions with representatives from Google, the current approximate employment at the sites are much higher than what is required by the Enterprise Zone agreements. Current employment at the Google sites as shared in the 2019 enterprise zone reporting requirements is approximately 610 employees. The total employment at the sites include full-time Google employees, full-time on-site contract employees (i.e. security, cleaning, etc.) and full-time construction staff. The breakdown of employees is generally as follows:

- Full-time Google employees: 110

¹ The Enterprise Zone agreements apply to individual sites and range between 10 to 35 per site.

- Full-time on-site support staff under contract: 250
- Full-time construction staff: 250

The full-time on-site employment for Google and contractual employees is approximately 360 employees. This is generally consistent with what would typically be estimated for industrial sites in The Dalles. Typically, employment in the construction sector is temporary in nature and required for limited durations; hence the 360 employee estimate comparison. However, the construction staff at the Google sites seems to be unique to data centers as they require ongoing maintenance and occasional building reconfigurations to accommodate the server equipment.

For comparison purposes this analysis assumes a 38% reduction to the on-site contractual staff and construction staff. The reduction accounts for a portion of contractual and construction employees being based out of other locations. **The reduction results in an estimated 300 employees at the Google sites. Based on this, the sites would have an average 5.0 employees per acre (7.5 employees per unconstrained acre).**

The ratio of the Google employee estimate compared to what would typically be assumed for the sites is 0.85. In other words, employment at the Google sites is approximately 15% less than what would typically be assumed at these or other sites in the inventory of employment land.

There are five undeveloped or partially vacant sites in The Dalles and owned by Google. The five undeveloped sites have an estimated 215.9 acres altogether. Portions of the site have some form of constraints which result in approximately 182.1 acres actually being buildable.

Tax Lot	Development Status	Acres	Unconstrained Acres
TOTAL		215.9	182.1
2N 13E 28 B 100	Partially Vacant	3.3	0
2N 13E 33 200	Vacant	72.5	57.4
2N 13E 28 700	Vacant	96.8	89.7
2N 13E 28 701	Vacant	20.6	15.2
2N 13E 21 600	Vacant	22.8	19.9

The table below provides a summary of the reduced capacity of vacant and partially vacant Google sites based on the Enterprise Zone and actual employment estimates. The reduction factors a 0.85 ratio from the analysis above. **The reduction results in approximately 32 gross acres and 27 unconstrained acres being removed from the inventory.**

Developed	Typical	Enterprise Zone Ratio (0.16)	Reported Employment Reduced (0.85)
GIS Acres	215.9	215.9	215.9
GIS Acres (Reduced)	215.9	33.9	183.5
Unconstrained Acres	182.1	182.1	182.1
Unconstrained Acres (Reduced)	182.1	28.6	154.8



Bridge Economic Development

Memorandum

Date July 2, 2020
To Matt Hastie, Angelo Planning Group
From Alisa Pyszka, Bridge Economic Development
Ayreann Colombo, Bridge Economic Development
Subject Site Analysis
Project The Dalles Buildable Land Inventory (BLI)

OVERVIEW

The City of The Dalles recently completed the first phase of an Economic Opportunities Analysis (EOA), which evaluated the city's 20-year projected employment growth and corresponding amount of land necessary to accommodate that growth. The city is now completing phase two of the Analysis, which is a Buildable Land Inventory (BLI), to determine if there is adequate existing employment land available to meet the needs of the anticipated growth. The following information outlines specific types of industrial sites that should be considered with the overall BLI.

The intent of this memo is to provide a summary of industrial real estate market trends and observations to gather feedback from the advisory committee. Once they provided feedback based on local insights regarding industrial development demand, we can finalize our recommendations for the amount and size of future sites needed.

INDUSTRIAL SITE CONSIDERATIONS

As part of the BLI there should be a consideration of the types of sites that are desired by the private market for various employment uses. This level of analysis provides a more realistic evaluation of the existing land supply to determine if demand can be met. The following information summarizes the types of industrial uses and site needs currently in demand.

In summary, there are two types of industrial sites for the City of The Dalles to consider. The first consists of sites that are 2-5 acres and accommodate a smaller building footprint that is appropriate for a small manufacturer or can be divided for multiple tenants only requiring 3,000 – 7,000 square feet. The larger industrial sites are 12-20 acres and accommodate more significant manufacturing production.

Small New Industrial Development

The following set of typical sites pertains to the Portland region and western US, which is an active market with a substantial amount of new construction. If new industrial construction occurs in The Dalles, it is anticipated that it would follow these same trends. Pacific NW Properties, based in the

Portland region, owns and manages approximately 100 buildings and markets their land and buildings for similar types of uses as those envisioned in The Dalles employment areas. Based on this experience, they are designing office and warehouse space with options that ranging from 3,000 to 16,000 square feet for various tenants that comes with dock and grade loading. At the same time, a small but high value manufacturer could utilize these smaller sites and buildings. For example, digital manufacturing (3D printing) can be accommodated in 25,000 sf. A summary of this type of industrial site development is provided in Table 1 and shown in the following figures.

Smaller sites are being developed in The Dalles area as well. Specifically, Pacific Coast Cherry Packers constructed a hydro cooling and cold storage facility on a 1.20-acre site in the Columbia Gorge Regional Airport Business Park (located in Dallesport, Washington)¹. The concrete tilt-up building is about 7,800SF in size. Their water usage and discharge rates during cherry harvest season (approx. May-June) would be max usage 20,000 gal/day and max discharge 15,000 gal/day. A detailed site layout of the storage facility is provided in Figure 3. As indicated in the following table, the cold storage facility has a lower FAR than other sites. It may be that the facility requires more truck maneuvering/loading/or outside storage space that utilizes more site area, thereby reducing the FAR. Finally, within The Port of the Dalles, a 17,000 square foot Columbia Veterinary Hospital was recently constructed on a 2.65-acre site.

Table 1: Small New Industrial Site Development

	Salem	Tualatin	Vancouver, WA	Columbia Gorge Regional Airport Business Park	Port of The Dalles Lots 8 & 9	Average
Site SF	253,084	189,486	119,790	52,272	115,434	153,658
Site Acres	5.81	4.35	2.75	1.2	2.65	3.35
Building SF	70,000	60,000	40,000	7,800	17,000	38,960
FAR	0.28	0.32	0.33	0.15	0.15	0.27
Use	Ligth Industrial	Light Industrial	Industrial & Retail	Cold Storage	Veterinary Hospital	
Developer	Pacific NW Properties	Pacific NW Properties	Pacific NW Properties	Business Owner	Business Owner	

Source: Bridge Economic Development

¹ The Dalles Regional Airport is co-owned by Klickitat County, Washington and the City of The Dalles.

Figure 1: South Salem Business Park – Salem, OR



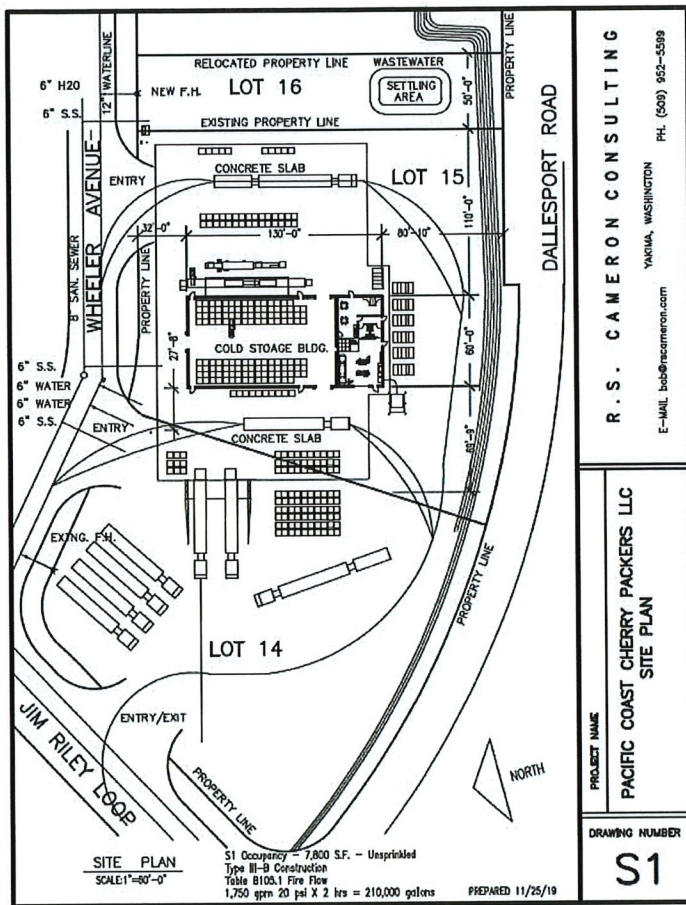
Source: Pacific NW Properties

Figure 2: Fourth Plain Business Park - Vancouver, WA



Source: Pacific NW Properties

Figure 3: Cold Storage Facility – Dallesport, WA



Source: City of The Dalles

Available Industrial Sites in the Port of The Dalles

As indicated on their website, The Port of The Dalles sells land for the purposes of economic development and job creation and therefore understands market needs for site development. As indicated on the following graphics pulled from the Port’s website, the Port has several sites currently available for sale or lease. The average site size of available property at the Port is 2.30 acres. It is assumed that the Port created the lots at this size because that is what past demand has been. If correct, it is reasonable to assume that 2-5 acre lots are appropriate for future industrial needs in The Dalles.

Figure 4: Map of Vacant Employment Lands and Corresponding Acres



Lot	Acres	Lot	Acres	Lot	Acres	Lot	Acres
1	2.16	5	1.84	9	1.48 (leased)	25	2.48
2	2.07	6	1.84	10	3.05 (leased)	26	3.78
3	SOLD	7	SOLD	11-23	SOLD		
4	1.84	8	1.17	24	2.79	Total	24.5

Source: Port of The Dalles website

Because these parcels are under the control of one owner willing to engage in the sale of the property, there is an opportunity to consolidate some of the Port parcels into a larger site. As shown in the following figure, this will likely be necessary to facilitate the development of lots 4, 5, and 6. As individual parcels, they have a limited footprint for development due to the environmental overlay. However, if consolidated, they provide a viable area for development.

Figure 5: Port of The Dalles Developable Property Area



Source: Angelo Planning Group

Large New Industrial Sites

Larger industrial buildings typically accommodate one large or a few larger manufacturing facilities. These building types have different loading and parking requirements than the smaller multi-tenanted buildings and therefore have a more efficient site layout or higher floor area ratio (FAR) than the buildings on smaller sites. The following information provides a summary of new construction within the west coast and an existing agriculture production facility in Donald, Oregon. It is anticipated that this size of facility may locate within The Dalles.

Table 2: Large Industrial Sites

	Ogden, UT	Donald, OR	Los Angeles, CA	Port of Vancouver, WA	Average
Site SF	296,208	535,788	784,080	816,750	608,207
Site Acres	6.8	12.3	18	18.75	13.96
Building SF	120,000	240,000	370,000	352,560	270,640
FAR	0.41	0.45	0.47	0.43	0.44
Use	Aerospace	Agriculture Production	Clean Tech Manufacturing	Industrial	
Developer	Atwater Infrastructure Partners	Pacific NW Properties	Trammel Crow	Specht	

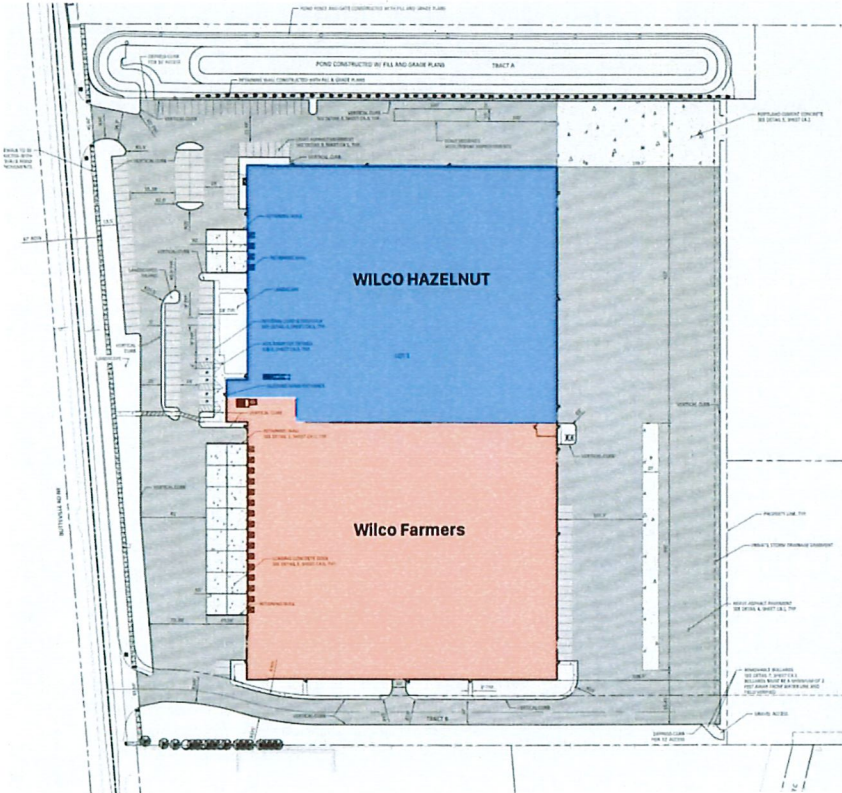
Source: Bridge Economic Development

Figure 4: Clean Tech Industrial - Los Angeles, CA



Source: Trammell Crow

Figure 5: Agriculture Production – Donald, OR



Source: Pacific NW Properties

Significant Industrial Sites

Significant industrial sites that are 40-80 acres would accommodate a substantial manufacturer or distribution facility. It is not anticipated that the The Dalles would be considered for a large manufacturing facility due to the limited size of skilled workforce available in the region. For context regarding workforce needs, LAM Research in Tualatin, Oregon is a computer and electronics manufacturing firm on a 52-acre site. As of January 2019, they had 3,000 employees and 250 open positions, thereby requiring a total of 3,250 employees². The entire region for The Dalles, which includes Gilliam, Wasco, Hood River, Sherman, and Wheeler counties, has an existing workforce of 4,660 employees within manufacturing, information and profession and business services, which are currently serving existing businesses. Furthermore, based on employment projections between 2017-2027 by Oregon Employment Department (OED) for there will be an additional 610 employees with skills pertaining to these three industries combined within all counties listed above. Based on these projections, an advanced manufacturing facility requiring a site that is over 50 acres will not likely locate in the area due to limited workforce availability currently and in the future. Pending information from Business Oregon regarding past business recruitment inquiries, this assumption can be verified.

The following information pertains to large site distribution centers that have been recently developed in the Portland region. These facilities require a significant amount of loading space and parking for employees and therefore are developed at a lower density or lower FAR. This information is provided for context; however, we do not anticipate that this size of development will occur in The Dalles as these facilities locate in or near densely populated regions to maximize efficiencies in delivery time for a significant customer base. Furthermore, the conclusions of this memo are consistent with those of the City's most recent previous Economic Opportunities Analysis update. That study was conducted by ECONorthwest in 2007 and amended by the City in 2010. At that time, the City Council directed Winterbrook Associates to amend the EOA to exclude the need for employment sites of 50 acres or greater – based on the Port of The Dalles view that there is unlikely to be demand for sites of more than 20 acres.

Table 3: Significant Industrial Sites

	Canby, OR	Troutdale, OR	Average
Site SF	1,873,080	3,005,640	2,439,360
Site Acres	43	69	56
Building SF	530,000	855,000	692,500
FAR	0.28	0.28	0.28
Use	Columbia Distributing	Amazon Distribution	
Developer	Trammel Crow	Trammel Crow	

Source: Bridge Economic Development

² Lam Research plays long game, nurturing innovation at Tualatin site that employs thousands, Oregonian, January 2019