

**GOAL IX**  
**ECONOMIC DEVELOPMENT**

**BAKER COUNTY**  
**COMPREHENSIVE PLAN**



**GOAL IX  
ECONOMIC DEVELOPMENT**

**ECONOMIC DEVELOPMENT GOAL:** To diversify and improve the economy of the County.

**I. ECONOMIC STATISTICS FOR BAKER COUNTY**

The Baker County Comprehensive Plan serves as a coordinating document for the county's economic development strategy. Strategic Plans are developed through input from private business and industry, county, regional and state economic development offices, and other entities interested in fostering a healthy local economy. A number of different programs, foundations, and private individuals invest resources in the community to achieve goals within the plans. The Baker County Economic Development Strategic Plan recognizes the importance of the private sector investment for continued economic growth in the County. The County is linked to Baker City economic development efforts through a shared economic development director and program. Specific economic development projects may be found in documents located in the Economic Development office. Background economic information may be found in the following Technical Information and Inventory Data for Land Use Planning in Baker County (1983, rev. 1994).

**A. Labor Force - Employment - Unemployment (Baker County Annual Average)**

|                      | 1978  | 1980  | 1981  | 1986  | 1990  | 1994  |
|----------------------|-------|-------|-------|-------|-------|-------|
| Civilian Labor Force | 6,860 | 7,450 | 7,390 | 6,650 | 6,950 | 7,250 |
| Unemployment Rates   | 6.6%  | 13.2% | 11.9% | 13.6% | 8.2%  | 8.2%  |
| Total Employed       | 6,410 | 6,470 | 6,510 | 5,730 | 6,380 | 6,560 |
| Total Unemployed     | 450   | 980   | 880   | 900   | 570   | 690   |

**B. Non-agricultural Labor Force**

|                   | 1978  | 1980  | 1981  | 1986  | 1990  | 1994  |
|-------------------|-------|-------|-------|-------|-------|-------|
| Manufacturing     | 710   | 550   | 450   | 500   | 670   | 620   |
| Non manufacturing | 2,790 | 2,740 | 2,810 | 3,550 | 4,100 | 4,240 |
| Government        | 1,230 | 1,270 | 1,190 | 1,140 | 1,300 | 1,350 |

Note: Government is a component of non-manufacturing.

Note: 1992 Annual Average: 71.2% of manufacturing employment is in the wood products industry.



C. **Agricultural Labor Force**

|             |             |
|-------------|-------------|
| <b>1978</b> | <b>1981</b> |
| 1,830       | 800         |

D. **Public Assistance**

1. **Aid to Families with Dependent Children**

|                          | June 1979 | June 1982 |
|--------------------------|-----------|-----------|
| ADC - 1 parent household | 161       | 107       |
| ADC - 2 parent household | 5         | 6         |
| <b>Totals</b>            | 166 cases | 113 cases |

Note: A case represents 3.5 people.

2. **Food Stamp Program**

|  | March 1979 | March 1982 |
|--|------------|------------|
| Households   | 437        | 695        |
| People   | 1,211      | 1,903      |
| Households not otherwise receiving public assistance | 206        | 522        |
| Cost   | \$33,127   | \$83,365*  |

\* No way of separating food stamp programs; now combined into 1 program.

3. **Supplemental Security Income**

|  | June 1978 | June 1982 |
|--|-----------|-----------|
| SSI Beneficiaries:<br>(Includes old age pensioners, blind, and disabled) | 102       | 112       |
| Nursing Home Assistance  | 90        | 78        |
| General Assistance   | 15        | 14        |
| Adult Group Foster Care  |           | 2         |
| Non-related ADC Child Care   |           | 18        |

**E. Social Security Beneficiaries: June, 1979**

|                                   |           |
|-----------------------------------|-----------|
| Baker and surrounding area        | 2,477     |
| Durkee and surrounding area       | 39        |
| Haines and surrounding area       | 172       |
| Halfway and surrounding area      | 330       |
| Huntington and surrounding area   | 160       |
| Richland and surrounding area     | 38        |
| Sumpter and surrounding area      | 72        |
| <u>Unity and surrounding area</u> | <u>35</u> |
| Totals                            | 3,323     |

Note: The Social Security Administration is no longer giving breakdowns by cities.

**F. Median Family Income**

This figure represents the point at which half of all incomes are below and half are above. State-wide median family income is \$21,066 (1981). Baker ranked 35th out of the 36 Oregon counties at that time.

|      |          |
|------|----------|
| 1974 | \$ 9,393 |
| 1976 | \$10,950 |
| 1977 | \$12,893 |
| 1978 | \$13,885 |
| 1981 | \$15,432 |

**G. Other Economic Indicators**

|                                      | <u>Oregon</u> | <u>Baker County</u> |
|--------------------------------------|---------------|---------------------|
| 1. Employment Rate (1981-82)         | 8.2%          | 12.2%               |
| Annual Employment Growth (1993-94)   |               | 2-3%                |
| " " " Malheur County                 |               | 1-2%                |
| Unemployment (1% below 1993 figures) |               |                     |

2. Per Capita Income

|        | 1979    | 1983     | 1986     | 1990     | 1992     |
|--------|---------|----------|----------|----------|----------|
| Baker  | \$7,201 | \$ 9,448 | \$10,196 | \$14,114 | \$15,210 |
| Oregon | \$8,887 | \$11,363 | \$13,906 | \$17,201 | \$18,716 |

\* Current state rank: 30th of 36 counties  
 1985 rank: 34 out of 36 counties



## II. GOAL IX ECONOMIC DEVELOPMENT FINDINGS and POLICIES

### A. Goal IX Economic Development Findings

The County governing body finds that:

1. The County benefits from an aggressive economic development department which fosters new business transactions and business expansions. Baker County has also benefitted from the overall economic upswing in the Pacific Northwest. Projections indicate Baker County's economy is expected to grow at a slow to moderate rate during the 1990s. However, compared to other areas of the state<sup>1</sup>, the County is an area of the state that has underutilized human and natural resources capabilities and should be able to accommodate increased economic growth and activity, if care is taken to ensure adequate infrastructural support.
2. Potential for diversification and improvement of the economy exists primarily in diversification and improvement of agricultural land production, including food processing or warehousing; forest land production, including value-added wood products manufacturing; mining and processing of mineral and aggregate resources; light manufacturing, and tourist and recreation facilities and services.
3. There are several public and quasi-public groups at work in the County promoting urban and rural economic development. Among them are the Baker County Chamber of Commerce, the Hells Canyon Chamber of Commerce, the Huntington Chamber of Commerce, the Baker County Visitor and Convention Bureau, the Baker Malheur Counties Regional Strategies Board, the Northeast Oregon Economic Development District, the Burnt River Economic Development Council and the Baker City Industrial Development Commission.
4. Segments of areas zoned for industrial or commercial development have been analyzed and are described in a Baker County Industrial and Recreational Fact Book which has been adopted by the County Court.
5. These specific development sites as well as the larger, more comprehensive industrial and commercial zones are described and justified in the Exceptions portions of this Plan.
6. Those industries dependent upon developed public facilities and services have 400 acres of appropriately zoned land within the City of Baker or its Urban Growth Boundary. Each of the other smaller incorporated cities of the County has land zoned for

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<sup>1</sup> See, population and economic comparisons in the Technical Information and Inventory Data for Land Use Planning in Baker County (1984, rev. 1994)



commercial development. Their needs can be satisfied by low levels of public facilities. Service can be accommodated by 1136 acres of zoned lands that are either on the Interstate Freeway, the mainline of the Union Pacific Railroad, or adjacent to the municipal airport. Appropriate zoning and policies encourage development at an abandoned sawmill site near Halfway and four unincorporated communities that support limited commercial activities. All of these development zones are fully described in the Exception portion of the document.

7. Economic activities in the farm zone are regulated by state law (ORS 215.283.) In the timber zone, economic development is encouraged to the degree of its compatibility with forest uses. In agricultural and timbered areas certain other economic activities would be encouraged to the degree they satisfy justification for a Goal 3 or 4 exception. Home occupations, which are limited commercial ventures, are an allowed conditional use in both the farm and timber zones.
8. Residential construction in rural areas which admittedly generates short-term economic activity, cannot substitute for the local economic base of agriculture, timber, tourism, and mining. Residential construction in areas not designated for resource management still offers positive economic impact if the necessary public facilities and services are already in place.
9. As described in the Goal 5 portion of this document, mining holds continued promise for the economic future of Baker County. Mining in an appropriate zone (Mineral Extraction Zone, Sumpter Valley Overlay Zone) shall be permitted as an outright use. Other mining of private land shall be considered as a conditional use. Mining in the Airport Overlay Zone shall comply with the provisions of that zone. In either event, mining and reclamation of mineralized areas shall be in compliance with the Department of Geology and Mineral Industries' regulations.
10. As described in the Goal 8 portion of this document, recreational use of our land and water is an increasingly important component of the County's economic base. The County's beauty and natural resources are attractive to visitors. Specifically, larger scale attractions such as the National Historic Oregon Trail Interpretive Center, Sumpter Valley State Park, Anthony Lakes Ski Resort, are encouraging examples of responsible and viable avenues for economic diversification.
11. Most businesses are shifting away from rail use toward ground transport (trucking). Twenty years ago 70% of freight was moved by rail, and 30% by truck. For many industries, these numbers have reversed.
12. Air freight and commercial transportation by air are necessary to retain communication and connection to major economic hubs. Often the existence of an airport will create spin-off businesses which need to be in close proximity to the facility to remain



competitive.

13. The commercial property inventory in the county is extremely limited.
14. High water tables in many parts of the Baker, Burnt River, and Pine Valleys require special on-site sewage disposal, thereby adding to development and maintenance costs.
15. Economic Development opportunities include:
  - a. Wood Products Opportunities - significant opportunity exists in the secondary wood products industry which has experienced moderate-to-high growth the past 8 years. Local manufacturers within the county expect 10-20% growth rates in employment and gross sales.<sup>2</sup>
  - b. Agriculture - Agriculture, mainly cattle ranching, alfalfa hay, grain and potatoes will continue to play a large role in the Baker County economy. Due to a shortage of unappropriated water, and a relatively short growing season however, additional, value-added agricultural industries are less likely to develop locally.
  - c. Mining - Substantial deposits of gold, and silver, limestone and other industrial minerals remain in the county. Recent mine development and reclamation has proven viable. Mineral and aggregate development are expected to have good future potential for employment and to contribute to tax revenues.
  - d. Tourism - Upon the establishment of the National Historic Oregon Trail Interpretive Center outside Baker City, the tourism industry in the county has shown great promise. Currently, efforts are underway to complete Oregon's newest State Park at the Sumpter Dredge in Sumpter. Additional attractions and potential destinations are also being developed throughout the area.
  - e. Light Industrial Manufacturing/Assembly - A high quality of life, hard-working labor force, and excellent Interstate access are factors that present favorable opportunities for this type of industry development.
  - f. Environmental Services - New technology is spawning enterprises and products that will help businesses and individuals meet increasingly stringent state and federal environmental regulations. Baker County is targeting this diverse growth industry group through the Regional Strategies Program.

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<sup>2</sup> Interviews with Marvin Wood Products, Orchard Wood Products and Elkhorn Wood Products



- g. Retail and Commercial - Significant potential exists in these sectors due to substantial consumer leakage outside of the county. Estimated annual retail leakage was valued at \$10.1 million in 1991. [E.D. Hovee and Company, Vancouver, WA, 1991.]
16. The changing technological and transportation needs of businesses require a new analysis of the feasibility of certain industrially zoned land. The Baker City/County Economic Development Department identified the following areas for specific review:
- a. The need for industrially zoned land along frontage road directly north of the airport. There exists no commercial or industrially-zoned property adjacent to the airport. FAA regulations and current development have limited available land within the airport boundary. Property to the north of the airport boundary should be considered for rezoning to make land available for airport related industry.
  - b. The designation of industrially zoned property approximately 5 miles southeast of Baker City.
  - c. The desirability of an exchange of industrially zoned land containing high value soils for other agricultural land within the Baker City urban growth boundary. Other lands of similar size and quality may be available for industrial development.
  - d. The creation of an industrial park on land located partially in the Baker City limits, and partially in the unincorporated county. Currently, some parcels in this configuration lying outside the Baker City limits would require a zoning change.

**B. Goal IX Economic Development Policies**

The County governing body declares that:

- 1. The overall economic policy of the county shall be as provided by law in ORS Chapter 184.
- 2. The agricultural land use economy can be improved and diversified by, among other things:
  - a. Developing small watersheds and water impoundments to increase irrigation water availability. This can be aided by encouraging the reservation of water for economic development activities.



- b. Improving the conservation and the primary distribution of water to include potentially productive unirrigated lands.
  - c. Improving the primary distribution facilities for irrigation water, including but not limited to pumps, pipelines, and canals.
  - d. Establishing drainage areas or districts to improve areas of high alkalinity or salinity.
  - e. Improving irrigation practices to reduce water waste and soil erosion.
  - f. Improving and expanding noxious weed eradication and control.
  - g. Improving crop diversification within the constraints imposed by soil and climate conditions.
  - h. Expanding and importing the facilities for processing and marketing of locally grown agricultural products.
  - i. Using and reclaiming allowable commercial mineral and aggregate sites.
  - j. Allowing commercial processing activities and recreational activities in conjunction with farm use.
  - k. Encouraging the state to continue to use tax incentives to encourage the retention of land for farm use and tax disincentives to discourage the change from farm use.
  - l. Improving range management practices to increase forage production.
  - m. Discouraging encroachments of conflicting land uses into farmlands.
3. The forest land use economy can be improved and diversified by, among other things:
- a. Managing and harvesting forest tree species on a sustained yield basis, including periodic reforestation of the most productive forest lands with improved species.
  - b. Increasing use of commercial wood fiber, including logging and mill wastes.
  - c. Increasing harvest and use of diseased and fire killed trees.
  - d. Using and reclaiming allowable commercial mineral and aggregate sites.



- e. Using allowable commercial processing activities and recreational activities in conjunction with forest use.
  - f. Encouraging the state to continue to use tax incentives to encourage the retention of land in land for forest use and tax disincentives to discourage the change from forest use.
4. Other land use in the County, other than farm or forest lands, can be diversified and improved by:
- a. Expansion of tourist and recreational facilities particularly in support of but not limited to the Hells Canyon National Recreational Area, Anthony Lakes Ski Area, and the Sumpter Valley Recreational Railroad.
  - b. Expansion of secondary processing facilities for commercial wood fiber and agricultural products.
  - c. Utilization and reclamation of commercial mineral and aggregate sites.
  - d. Expansion of secondary processing facilities for mineral and aggregate resources.
  - e. Expansion of facilities for industrial fabrication or assembly.
5. Although rail access must still be considered an important transportation asset, interstate access is more desirable for new commercial and industrial development which need road access to distant markets. Industrially-zoned property within the county, which meets this transportation criteria is extremely limited. The County shall re-evaluate its industrial inventory to consider different modes of transportation. New sites shall ensure compatibility with Goal 12. As new industries develop, the cities and the county need to address local access opportunities.