



Oregon

Kate Brown, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: (503) 373-0050

Fax: (503) 378-5518

www.oregon.gov/LCD



July 7, 2016

TO: Land Conservation and Development Commission

FROM: Jim Rue, Director
Grant Young, Eastern Oregon Regional Representative

SUBJECT: **Agenda Item 7, July 21-22, 2016, LCDC Meeting**

NORTHEAST OREGON AND GREATER EASTERN OREGON REGIONAL SOLUTIONS TEAM UPDATE

I. AGENDA ITEM SUMMARY

The Land Conversation and Development Commission (commission or LCDC) will receive a briefing from Northeast Oregon and Greater Eastern Oregon Regional Solutions Team (RST) members, including coordinator Scott Fairley, Business Oregon representative Melisa Drugge, and Department of Land Conservation and Development (DLCD) representative Grant Young, on team projects with a land use connection. The briefing is intended to bring the commission up-to-date on the activities of the Regional Solutions Team in this part of Oregon. This item is an information briefing and discussion opportunity. No commission action is requested.

For further information, please contact Grant Young, Eastern Oregon Regional Representative, at 541-325-6924 or grant.s.young@state.or.us.

II. BACKGROUND

A. Team Members and Geographical Area

The Northeast Oregon and Greater Eastern Oregon Regional Solutions Teams are comprised of the same members. The teams cover Wallowa, Union, Baker, Malheur, Harney, Grant, Umatilla, Morrow, Gilliam and Wheeler counties. The team members are coordinator Scott Fairley, Grant Young from DLCD, Randy Jones from the Oregon Department of Environmental Quality, Melisa Drugge from Business Oregon, new Oregon Department of Transportation Region 5 Area Manager Ken Patterson, and Tawni Bean and Shanna Bailey of the Infrastructure Authority.

B. Team Priorities and Projects

Team members will address new priorities set this year by the two regional advisory committees, Regional Infrastructure Fund priority projects, and some success stories for projects with a land use connection.

The regional advisory committees reviewed and updated the priorities for RST projects this past year. While many of the priorities remained on the list, there were additions, deletions and re-prioritization. The advisory committees based the amendments on input from team members and information from WorkSource Oregon regional economists on the strengths, weaknesses and opportunities for the regional economy. These priorities dictate RST efforts on projects that are not a response to an emergency situation. The team considers suggestions brought forth by members and determines what can best be done as team or individual agency projects. Scott Fairley will discuss the new priorities and the projects that are utilizing Regional Infrastructure funding allocated in the 2015 legislative session. Team members also pursue individual projects that address the region's priorities.

Grant will discuss projects that DLCD has led: farmworker housing near Boardman, Project Capacity in Baker County, and Fry Foods in Malheur County.

Threemile Farms, near Boardman, operates a large dairy, primarily for Tillamook-brand products, and multiple other agricultural enterprises on over 90,000 acres. In the recent past, the farm has entered into growing organic products and has significantly expanded acreage with plans based on success for additional expansion. Organic farming is much more labor-intensive than traditional modern agriculture. Plans for expansion led to Threemile Farm planning for 200 to 800 additional seasonal farmworkers in an area where there was no housing. Statute and administrative rules permit counties to allow farmworker housing with provisions for accessory farm dwellings in exclusive farm use zones. However, in the department's experience there had never been a proposal for accessory farm dwellings for up to 800 workers. The RST was involved with the project at an early stage thanks to Morrow County.

Project Capacity is an ongoing project that aims to increase the capacity of small cities in their land use program; improving capacity is one of the RST top priorities. The project involves three parts:

1. Conversion of all written planning program documents into digital format;
2. Construction of basic GIS shapefiles and digital Comprehensive Plan, Zoning and Flood Hazard Maps; and,
3. Adoption of a new Flood Hazard Ordinance.

DLCD provides a small amount of funding through a Technical Assistance grant dedicated to the project, and the cities must agree to provide the Planning Assistance grant funds they receive from DLCD. This biennium's budget is \$5,000 and the communities are Halfway (grantee), Haines, and Huntington, all are communities under 1,000 population in Baker County. DLCD may be the lead on this project, but the effort addresses one of the team's top priorities and team members do provide direct assistance.

In the early part of the decade a farm owner-operator built a large, cold-pack onion processing facility on his farm approximately one mile northwest of the Ontario urban growth boundary. This facility, Select Onion, employed up to 400 people from the local area, but went into receivership and closed. Business Oregon received inquiries on reworking the site for a privately owned food processor – **Fry Foods** – who had a facility in Weiser, Idaho and wished to expand using this site. The company, however, needed only the processing facility. The RST became involved under the lead of Melisa Drugge, Business Development Officer for Business Oregon together with the DLCD regional representative.

Additional information about Fry Foods includes:

- Breaded appetizer company – onion rings, zucchini sticks and other specialty foods
- Company's original investment - \$25 million
- Additional investment after purchase - \$1.2 million
- Currently employing 160 with an additional 60 by year-end
- Projected employment by Dec. 2018 – 330
- Additional benefits to the community include employing a local farmer to grow the zucchini needed as transportation for the needed raw material in the first year was over \$40,000
- Using the Weiser plant to train new employees and then transfer to the Ontario plant

The department became involved because of zoning issues being negatively portrayed in an appraisal of the facility necessary for the financing. The regional representative, in coordination with Malheur County, was able to resolve the issues to the lender's satisfaction and the project moved forward.