

**LA GRANDE/ISLAND CITY CASE STUDY:  
INDIRECT LAND USE AND GROWTH IMPACTS  
OF HIGHWAY IMPROVEMENTS**

**Final Report**

**SPR Project 327**

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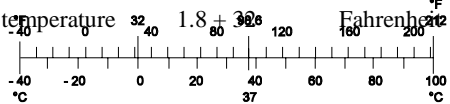
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16. Abstract  To improve environmental analysis of indirect land use impacts of highway capacity improvements, this study analyzed the land use and growth patterns of 20 Oregon communities over 20 years. Using a Geographic Information System and aerial photos, growth patterns were categorized and mapped. Factors related to land use and transportation were evaluated for their relationships to resulting growth patterns. These relationships were further investigated in six in-depth case studies of development prior to, during, and after construction of a highway capacity improvement.  A guidebook was produced to provide guidance to ODOT staff for completing environmental analysis and documentation on indirect land use impacts of highway improvements, based on the findings of the study. One finding was that most highway capacity increases do not cause development to be dramatically different from local land use plan guidance, or from what would have occurred in the absence of the highway improvement. In Oregon, local governments hold the tools to determine development patterns, using zoning and public utilities such as water, sewer and roads.  The guidebook is not a directive but a compilation of recommendations for a systematic look and consistent approach to predicting the indirect land use impacts of highway improvements. Appendices A-F of this report provide background on the study findings, including the literature review, growth trends analysis and six in-depth case studies. Also included in the appendices are a discussion of population and employment forecasting issues and a summary of ODOT processes for project evaluation. This report is the full case study report for one community – La Grande/Island City.			
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\* SI is the symbol for the International System of Measurement

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# LA GRANDE/ISLAND CITY CASE STUDY INDIRECT LAND USE AND GROWTH IMPACTS

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## 1.0 INTRODUCTION

### 1.1 PURPOSE OF THIS REPORT

This case study is part of a larger study sponsored by the Oregon Department of Transportation (ODOT) to help it assess the land use impacts of future highway projects. Significant highway improvement projects that ODOT undertakes require Environmental Impact Statements, which in turn require an assessment of the improvements on land use, in addition to other environmental and socioeconomic impacts. The study consists of three research components and a final report. The three research components are:

- *Literature Review.* Review of state and national studies to summarize empirical estimates of the relationship between highway and land use change, especially at the urban fringe.
- *20-Site Analysis.* Analysis of historical aerial photographs and highway maps to show the association between highway improvements and land use changes over 20 years in 20 Oregon cities.
- *Case Study Analysis.* More detailed analysis of highway projects in Oregon cities to try to explain the reasons for the observed change in land use and highways.

**This report is the case study analysis for the La Grande/Island City project only.** It does not try to generalize to other situations, or to integrate this case study with the other research. Two other reports in this study draw on the results of this case study to make those generalizations: (1) the interim *Case Study Report* assembles all six of the case study reports prepared as part of this project under a single cover, and includes a summary and interpretation of their results; and (2) the *Final Report and Appendices*, “A Guidebook for Evaluating the Indirect Land Use and Growth Impacts of Highway Improvements,” combines information from the literature review, the 20-site analysis, and the Case Study Report to prepare a guidebook for ODOT on how evaluate the potential impacts of its highway improvements on land use. The case study reports are written as a stand-alone reports, so they repeat information in the Purpose, Methods, and Organization sections.

### 1.2 DESCRIPTION OF THE CASE STUDY HIGHWAY PROJECT

This case study evaluates the land use impacts of improvements to a 1.42 mile section of Oregon Highway 82 (the Wallowa Lake Highway) from approximately ¼ mile east of the Interstate 84 (I-84) interchange (M.P. 1.20) to the Grande Ronde River bridge at the northern city limits of Island City (M.P. 2.62). Highway 82 is the major link between La Grande and the agriculturally rich Grande Ronde Valley, including the outlying communities of Elgin, Imbler-Summerville, Cove, and Island City. Figure 1.1 shows the project’s location in Oregon.<sup>1</sup>

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<sup>1</sup> Figure 1.1 and 1.2 maps: Oregon Department of Transportation and Federal Highway Administration. 1986. Environmental Assessment: Old Oregon Trail to Island City Unit Two, Wallowa Lake Highway Milepoints 1.3 to 2.62, Union County.

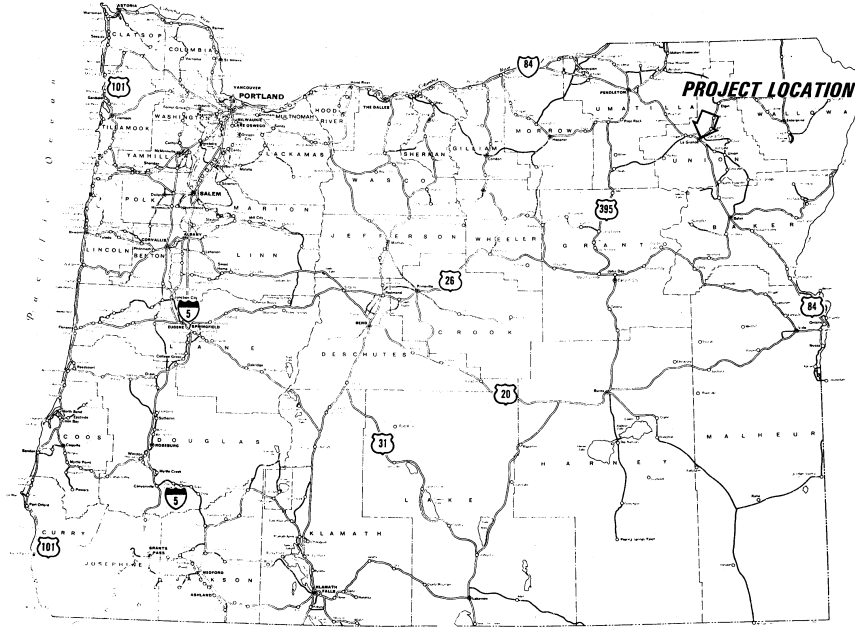


Figure 1.1: Project Location

The project widened an existing two-lane highway to five lanes from the beginning of the project (near the I-84 interchange) to the intersection with the Cove Highway (Oregon Route 237) in downtown Island City, and to a three-lane roadway from that point to the Grande Ronde bridge. An at-grade railroad crossing was maintained and bicycle lanes were included on the shoulders of the roadway over the entire length of the project. Figure 1.2 shows the project location in detail, and indicates the location of the 5-lane and 3-lane portions of the project.

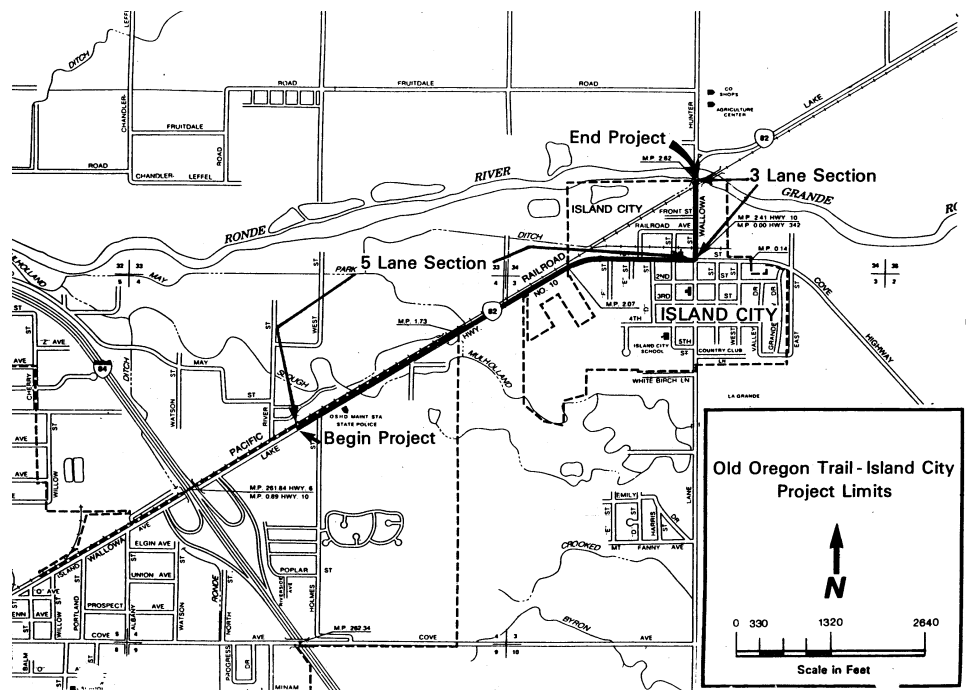


Figure 1.2: Project Location in Detail

The five-lane section of the project provided four 12-foot travel lanes, a 16-foot turn median, and 10-foot shoulders which accommodate bicycles, curbs, gutters, and sidewalks on the south side of the highway. Sidewalks were constructed on both sides of the highway within the city limits of Island City to the intersection with Cove Highway. The three-lane section of the project provides three 12-foot travel lanes (two southbound, one northbound), with 10-foot and 6-foot shoulders, and a sidewalk on the west side. The Environmental Assessment estimated the project cost as \$2.3 million in 1986.

This project was the second part of a larger 2.4-mile long highway project originally proposed in 1970. That larger project proposed to widen the Wallowa Lake Highway from Adams Avenue in La Grande to the Cove Highway intersection in Island City. This larger project proposed three realignments of Highway 82 northeast of the I-84 interchange that would have made the highway continuous without the “jog” through downtown Island City. Each of these realignments would have required a new river crossing and significant amounts of additional right-of-way, and two would have bypassed Island City. Due to financial constraints and the controversy concerning route alternatives, the Island City portion of the project was postponed. The La Grande portion of the project (1.3 miles) was completed in 1972.

An Environmental Assessment (EA) for the Island City portion of the project was completed in 1986, and a Revised Environmental Assessment (REA) was issued in 1987. Project construction was completed in 1992. According to the EA, the purpose of the project was to provide a safer and more efficient highway, by widening the existing two-lane facility to four travel lanes with a left turn median. Average daily traffic volume on the existing highway had exceeded design capacity and was approaching 10,000 average daily traffic (ADT) in 1984, with a Level of Service rating “D.” Average daily traffic volume was projected to increase by 50% by 2004. Commercial activity, heavy commuter traffic between growing fringe communities, and traffic from three lumber and wood product plants near Island City were cited as sources of growing levels of traffic congestion. Merging conflicts between this section and the previously widened La Grande section were also cited as a purpose and need for the project. This project was expected to reduce localized congestion, enhance traffic movements, and promote overall safety.

### 1.3 METHODS

As with most policy research, the intent of this case study is to be able to isolate the impacts (the effects) that are uniquely attributable to a change in public policy. Figure 1.3 illustrates the concept. The shaded box represents a world that does not exist but one that an analyst must somehow describe. It is a world that *would have* existed but for the introduction of the new policy. As it relates to this case study, the improvement to Highway 82 is the policy. The case study can document, to the extent the data allow, what happened after that policy (box on bottom right). Describing what *would have happened* without the improvement (the shaded box) is more speculative. As applied to this case study, the method does not formally define a hypothetical world and compare it to an actual one. Rather, it relies on expert opinion about the contribution of the project to the changes observed between “Existing Conditions” (1987) and the “Actual World” (2000).

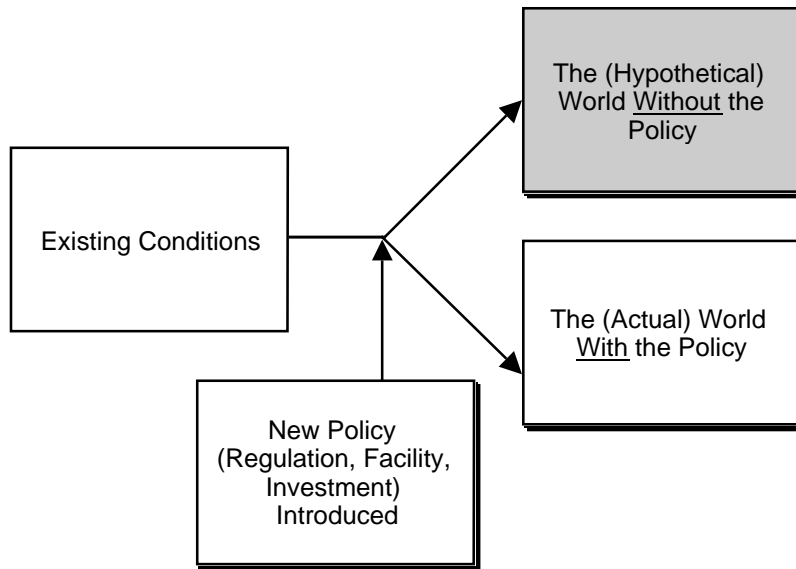


Figure 1.3: Case Study Method, in Concept

The REA, issued in 1987, states that the project was located partially within the Urban Growth Boundary (UGB) of La Grande (25%) and Island City (75%), and within the city limits of La Grande (25%) and Island City (50%).

Land north of Highway 82, from milepoint 1.73 to 2.07, was unincorporated and under the jurisdiction of Union County. Access to this area is limited by a railroad track that runs parallel to the highway. Except for two private roads to farm residences, there are no crossings to this area off of the improved portion of Highway 82. Riddle Road, which is approximately 500 feet west of the beginning of the project, crosses the railroad tracks to provide access to the area north of the highway.

The analysis in this case study focused on land use impacts within the Island City UGB and the portion of La Grande east of I-84 and north of Cove Avenue. The analysis describes land use actions in all of La Grande and Island City to establish the context for evaluating impacts in the study area. Including unincorporated areas of Union County would have meant adding a third jurisdiction to the process of data collection, coordination, and analysis, which was beyond the research budget for a single case study. Instead, this case study considers land use impacts in unincorporated areas of Union County to the extent that they could be documented with available data and comments by focus group participants.

The analysis in this report is both quantitative and qualitative. Sources for the description of existing conditions before the highway improvement include:

- The Environmental Assessment and Revised Environmental Assessment for the project
- The Comprehensive Land Use Plans for the City of La Grande and Island City
- Transportation System Plans (historic and current) for La Grande and Island City
- The Island City Strip Detailed Corridor Plan

- Interviews with staff at the City of Island City and City of La Grande
- Other planning-related documents.

This report uses the following sources to describe changes in land use:

- County property tax assessment data to identify the location, timing and value of residential development.
- Building permit and development data provided by city staff.
- Maps showing city limits, urban growth boundaries, and zoning/land use designations at various times.
- City planning documents that show changes in land use and identify public policy.

A focus group was used to assist with a qualitative assessment of changes caused by the transportation project. The group consisted of staff from Island City and the City of La Grande, current and former ODOT staff, and a Wal-Mart representative. The purpose of the focus group session was to get comments on the preliminary conclusions made from review of secondary data sources, and to gain insights into the public policy decisions and market factors that contributed to the observed development patterns.

## 1.4 ORGANIZATION

This report is organized as follows:

- **Chapter 2: Conditions before the project** describes socioeconomic, land use, infrastructure and transportation patterns in La Grande and Island City at the time the project's Revised Environmental Assessment was issued in 1987.
- **Chapter 3: Changes after the Environmental Assessment** describes socioeconomic, land use, infrastructure and transportation changes in the study area after the project's Revised Environmental Assessment was issued in 1987.
- **Chapter 4: Conclusions** presents conclusions about the impact of the highway project on land use based on the data reviewed in Chapters 2 and 3.

## 2.0 CONDITIONS BEFORE THE PROJECT

This chapter describes existing conditions in the case study area when the project's REA was issued in 1987. The description of existing conditions relies primarily on data in the REA and EA documents. Secondary sources include the Comprehensive Land Use Plans for Island City and La Grande, the cities' Transportation System Plans, associated ODOT research reports, and interviews with city staff.

### 2.1 SOCIOECONOMIC CONDITIONS

Table 2.1 shows population estimates for Island City, La Grande, and Union County between 1970 and 1987. Average annual growth rates reported in Table 2.1 show population in Island City grew much faster than in La Grande or Union County in the 1970-1987 period. Population in Island City *quadrupled* in the 1970s and nearly *doubled* between 1980 and 1987. Island City gained population in the 1980-1987 period when population growth in La Grande was flat and Union County actually lost over 1,000 residents. The portion of Union County's population in Island City increased from 1% in 1970 to 4% in 1987, while the portion in La Grande remained around 50% in the same period.

**Table 2.1: Population in Island City, La Grande, and Union County, 1970–1987**

	Population		
	Island City	La Grande	Union County
1970	202	9,691	19,377
1980	480	11,425	24,050
1987	930	11,475	23,000
Population Growth			
1970-80	278	1,734	4,673
1980-87	450	50	-1,050
Average Annual Growth Rate			
1970-80	9.04%	1.66%	2.18%
1980-87	9.91%	0.06%	-0.64%

Source: Center for Population Research and Census, Portland State University. Annual. Population Estimates for Oregon.

### 2.2 LAND USE PATTERNS AND PLANS

#### 2.2.1 Existing Land Use Patterns

Development in La Grande was centered around U.S. Highway 30 and the Union Pacific Railroad, which run parallel through downtown. Development was constrained by steep slopes to the north and west, so La Grande spread east and south as it grew. Island City historically developed as a separate town about one mile northeast of downtown La Grande, but the two cities grew to the point that their city limits meet in the area immediately south of the case study project. Much of the commercial growth in the area has occurred along Highway 82 which links La Grande and Island City, and the stretch of Highway 82 between downtown La Grande and downtown Island City is known locally as the “Island City Strip.”

The existing land use pattern in the project area was heavily influenced by the I-84/Highway 82 interchange, which is about ¼ mile east of the beginning of the project. This interchange is the primary interstate access point in the La Grande/Island City area, because it is located between downtown La Grande and Island City and it is the only full-access interchange in La Grande. The other freeway accesses in the area are the limited-access U.S. 30 interchange immediately northwest of La Grande, and a full-access interchange about 1.5 miles southeast of downtown La Grande. Development around the U.S. 30 interchange is constrained by steep slopes; the interchange feeds into the street grid of downtown La Grande. The interchange southeast of downtown is in a rural area outside of the Urban Growth Boundary.

Highway 82 has substantially higher traffic levels than other roadways in La Grande except I-84, partially due to the interchange and also because Highway 82 connects La Grande to the Grande Ronde and Wallowa Lake valleys. La Grande is the agricultural, industrial, and commercial-service center of Union County and Wallowa County. Thus, traffic in the study area is generated in part by land uses in areas served by the Highway 82. Truck and commuter traffic from lumber and wood products firms in La Grande, Island City, Elgin, and Wallowa County communities were identified as generating a major component of traffic in the project area.

The 15 years before the project was a period of commercial development along Highway 82 between La Grande and Island City. The completion of I-84 and the Wallowa Lake Highway interchange in 1972 was the major impetus for that growth. Highway-related services clustered near the interchange. The study area had experienced significant urbanization over the decade before project construction, moving from rural and residential uses to commercial activities. Island City's *1984 Comprehensive Land Use Plan* (comp plan) states that growth had been limited due to a lack of adequate public facilities, but this limitation was removed with installation of a centralized sewer system in 1982. The combination of freeway access, high traffic levels, and the availability of buildable land helps explain why commercial development has focused on the Island City Strip.

In terms of acreage, the bulk of land use conversions occurred around the Island City and La Grande ends of the project. The EA states that commercial developments in the area were led by farm supply and implement dealers, a car dealer, a steel distributor, a recreation vehicle service business, a truck repair firm, an irrigation pipe company, a wholesale grocer, and a safety equipment outlet. Remaining undeveloped land was generally unused or occasionally used as pasture. Figure 2.1 shows existing land uses in 1986.

The EA describes the project as occurring in the urban-rural fringes of La Grande and Island City. According to the EA, land use in the project area was predominately commercial (70%), with some residential (20%) and unused or public uses (10%). Island City's 1984 comp plan states that there were 130 acres in the city's UGB designated for commercial use, and that 30 of these acres were vacant and available for development. A comparison of Figure 2.1 with Figure 2.2 on page 9 (the 1986 zoning map) shows that most of the available commercial land in Island City was along the Wallowa Lake Highway corridor.

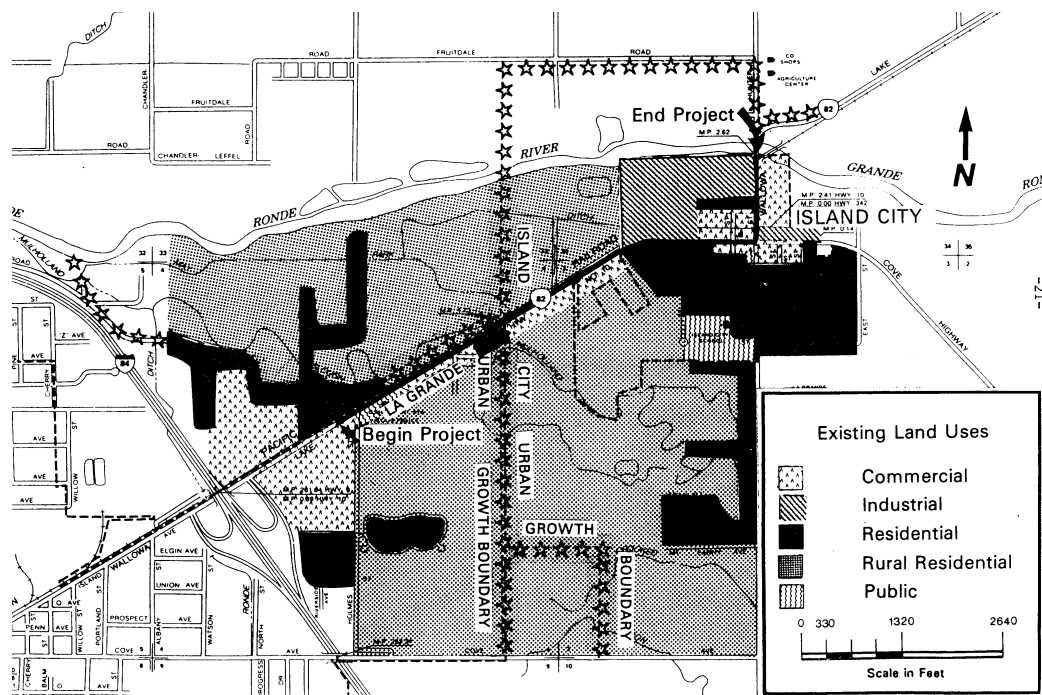


Figure 2.1: Existing Land Uses in the Project Area, 1986

Table 2.2 shows the acres of developed and vacant land by type in La Grande and Island City. This data represents land in the UGB areas of both cities in 1983 for La Grande and 1984 for Island City. Land data for 1987 is not available, so the data in the table is the best measure of developed/vacant land before the project. Table 2.2 shows La Grande had substantially more developed and vacant land than Island City.

**Table 2.2: Acres of Land in La Grande (1983) and Island City (1984) UGB Areas by Use**

<b>La Grande</b>	<b>Occupied</b>	<b>Vacant</b>	<b>Total</b>	
Commercial	210.0	116.0	326.0	
Industrial	219.0	205.0	424.0	
Medium-Density Residential	1,385.0	316.0	1,701.0	
High-Density Residential	179.0	54.0	233.0	
Total	1,993.0	691.0	2,684.0	
<b>Island City</b>	<b>Developed</b>	<b>Buildable</b>	<b>Total</b>	<b>Gross Acres</b>
Commercial	120.6	6.5	127.1	127.1
Industrial	7.3	0.0	7.3	7.3
Surface Mining	46.7	0.0	46.7	46.7
Low-Density Residential	64.9	66.0	130.9	205.1
Medium-Density Residential	23.1	27.1	50.2	74.8
Public	101.3	0.0	101.3	101.3
Right-of-Way	79.0	0.0	79.0	79.0
Urban Reserve	2.0	77.4	79.4	120.0
Total	444.9	177.0	621.9	761.3

Source: McKeever/Morris & David Evans Associates. 1999. Final La Grande/Island City TSP Volume II, pp. B-18 and B-20.

Note: Total gross acres in Island City exceed the sum of developed and vacant acres by 139.4 acres. The reason for this difference is not documented in the source. The difference may include land constrained by environmental conditions (floodway, wetlands) or land planned for use as right-of-way.

## 2.3 LAND USE DESIGNATIONS

Figure 7 in the EA (reproduced as Figure 2.1) indicates that approximately 30% of the project was within the UGB of La Grande and 70% was within the UGB for Island City. The portion of the project within the La Grande UGB was also within La Grande's city limits. The portion of the project within the Island City UGB was mostly within Island City's city limits, except for a 0.2-mile segment west of the city limits. The project area was predominantly zoned for commercial uses. Only the area between the La Grande and Island City city limits, north of the highway and across the railroad, was zoned as rural residential and farm residential. This area, however, had no access to the highway except for two private roads to farm residences. Zoning at the time of the EA is shown in Figure 2.2.

Island City's 1984 comp plan found that about 176.5 acres of residential land were needed for anticipated population growth. 36.6 vacant acres of residential land were identified within the city limits; the remaining 140 vacant acres needed were in the city's 120-acre Urban Reserve area (see Figure 2.2) and other areas within the UGB but outside of the city limits.

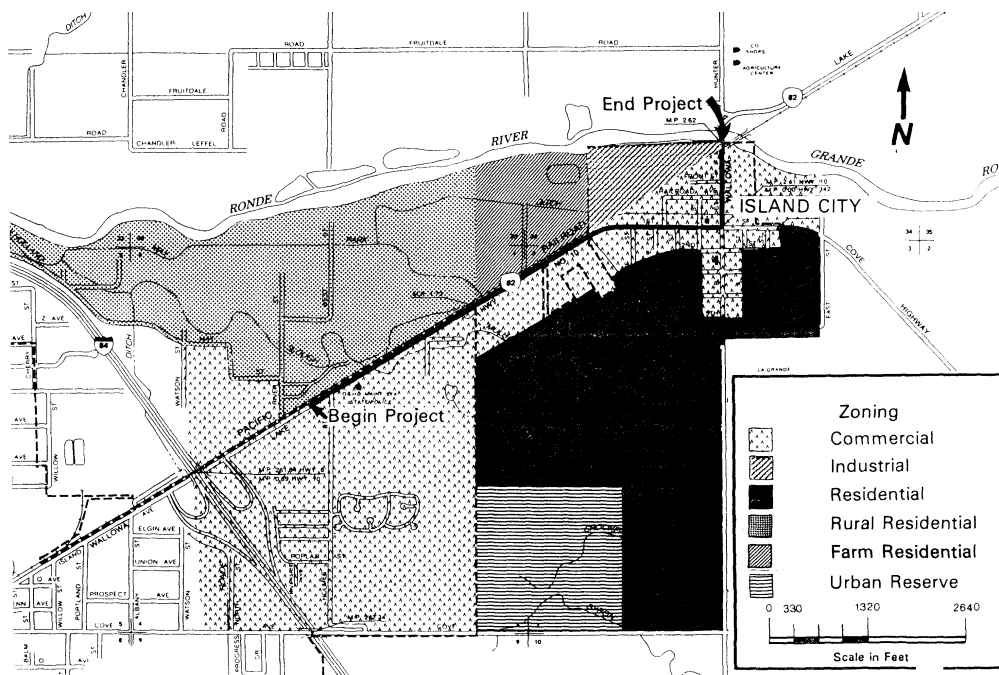


Figure 2.2: Zoning in the Project Area, 1986

## 2.4 TRANSPORTATION SYSTEM CHARACTERISTICS

The Wallowa Lake Highway is the major link between La Grande and communities in the Grande Ronde Valley, including Elgin, Imbler-Summerville, Cove, and Island City.

The EA states that traffic volumes in the project area had exceeded design capacity of the two-lane highway. Commercial activity, heavy commuter traffic between growing fringe communities, and traffic from three lumber and wood product plants near Island City were cited as sources of growing traffic congestion. Truck and commuter traffic generated by lumber and

wood products firms in La Grande, Island City, Elgin, and Wallowa County were a major component of traffic in the project area. Merging conflicts where the previously-widened five-lane section met the two-lane section were also cited as a need for the project.

Between 1982 and 1984, 17 accidents were reported along Highway 82 in the project area, with 53% resulting in personal injury. The EA states that the accidents were largely attributable to congestion tied to turning movements (29%) and rear-end collisions (41%). More than one-half of the accidents occurred at intersections as motorists attempted to turn onto or off of the highway. The resulting accident rate was 2.13 accidents per million vehicle miles traveled (MVMT), compared to a statewide rate of 1.24 accidents per MVMT for similar highways.

The EA did not report historic traffic volumes on the Wallowa Lake Highway. Historical data from ODOT in Table 2.3 for the project area shows average daily traffic volumes grew between 1980 and 1987 at every measurement point except 0.1 mile northeast of I-84. Positive average annual growth rates range from 0.2% to 3.6%, with the highest growth rates in the section north of the Cove Highway intersection. Table 2.3 also shows that traffic volumes generally decline from west to east, with a significant drop after the intersection with Hunter Lane. This drop in traffic volume suggests that the area served by Hunter Lane generates a significant amount of traffic in the project area.

**Table 2.3: Traffic volume on the Wallowa Lake Highway, 1980–1987**

Milepoint	Description	Average Daily Traffic		Average Annual Growth Rate, 1980-1987
		1980	1987	
0.99	0.1 mile northeast of Old Oregon Trail (I-84)	11,800	10,600	-1.5%
1.17	0.01 mile northeast of Riddle Road	9,600	11,300	2.4%
2.07	West city limits of Island City	8,400	9,100	1.2%
2.29	0.01 mile west of “D” Street	8,300	9,700	2.3%
2.40	0.01 mile west of Cove Highway (ORE 237)	8,100	8,200	0.2%
2.42	0.01 mile north of Cove Highway (ORE 237)	6,100	7,800	3.6%
2.62	North city limits of Island City	5,700	7,200	3.4%
2.70	0.01 mile east of Hunter Lane	4,200	4,850	2.1%

Source: Oregon Department of Transportation. Annual. Traffic Volume Tables. Data provided by Stacy Shetler, [stacy.a.shetler@odot.state.or.us](mailto:stacy.a.shetler@odot.state.or.us).

Table 2.4 shows traffic data reported in the EA. This table shows that average daily traffic volume was expected to grow by 50% between 1984 and 2004, which is an average annual growth rate of 2.05%. Traffic volume in 2004 was expected to be the same under the no-build and build alternatives. Under the no-build alternative, increased traffic volumes would cause level of service to decline from D to E,<sup>2</sup> and average speeds would decline from 40 to 33 in the western portion and 30 to 23 in the eastern portion of the project area. Under the build alternative, level of service would improve from D in 1984 to C in 2004, and average speeds would be maintained at 1984 levels.

<sup>2</sup> Level of service indicates traffic flow conditions. For urban arterials, C indicates desired urban design level (stable flow), D indicates acceptable urban design level (approaching unstable flow), and E indicates conditions that are acceptable only if they exist for short periods of peak traffic (unstable flow).

**Table 2.4: Traffic Data Reported in the EA**

Section/Alternative	Year	Average Daily Traffic			Levels of Service
		Volume	Trucks	Speed	
M.P. 1.30 to 2.07					
No-Build	1984	9,100	610	40	D
	2004	13,650	915	33	E
Build	2004	13,650	915	40	C
M.P. 2.07 to 2.40					
No Build	1984	9,100	610	30	D
	2004	13,650	915	23	E
Build	2004	13,650	915	30	C

Source: Oregon Department of Transportation and Federal Highway Administration. 1986. Environmental Assessment: Old Oregon Trail to Island City Unit Two, Wallowa Lake Highway Milepoints 1.3 to 2.62, Union County. Page 15, Table 1.

## 2.5 PUBLIC SERVICES AND UTILITIES

The EA states that portions of the project area were served by the La Grande or Island City sewer systems as of 1986. La Grande's *1983 Comprehensive Plan* states that the city's sanitary sewer system served the area within city limits and that property outside the city limits but inside the UGB may hook up with certain requirements. The City of La Grande operates a treatment facility that was designed as a regional facility to serve La Grande, Island City, the Baum Industrial Park, and surrounding unincorporated areas.

According to Island City's 1984 comp plan, the Island City Area Sanitation District completed construction and installation of a sewer system in 1982. The system was designed to serve all land within Island City's UGB plus the Island City Industrial Park. The District purchased enough treatment capacity from the City of La Grande to accommodate anticipated population growth and commercial development, and recent expansions at the La Grande sewage treatment facility were designed to handle both La Grande and Island City's projected growth.

According to the EA, improvements to Wallowa Lake Highway required relocation of 6-inch, 8-inch, and 18-inch sewer lines at various locations. A storm sewer system adjacent to the western one-quarter of the project was extended to serve the entire length of the project. Improvements also required relocation of a natural gas line on the south side of the highway, and relocation of poles and lines carrying electric, cable television, and phone service (General Telephone was expected to bury their relocated lines).

The EA states that the project would also affect police, ambulance, and fire service. Under the no-build alternative, worsening congestion was expected to slow emergency response times and create additional traffic hazards for both emergency vehicles and standard highway traffic. The proposed improvements were expected to reduce response times and improve safety by reducing congestion levels in the project area.

## 2.6 PUBLIC POLICY

The project EA states that improvement of the Wallowa Lake Highway in the project area had been a long-standing priority of local government and citizens. Active interest in promoting the project by La Grande, Island City and Union County representatives dated back to before 1970. At a Highway Division corridor-design public hearing in 1970, the public and government agencies supported improving Highway 82 in Island City, but controversy about corridor

alternatives and financial constraints delayed design approval. Strong support for the alleviating traffic congestion and safety problems in the project area was expressed by local government and citizens at periodic Six Year Highway Improvement Program public meetings.

Another formal public hearing on the proposed project was held in January 1987. Seven people testified orally at the public hearing and eight letters were received. The majority of those who testified or submitted letters supported the project but voiced concerns about specific aspects of the project and its construction. Comments in opposition to the project questioned the need for a five-lane facility and expressed concern about the effect of the project on the livability of Island City. Three letters were received from public agencies or jurisdictions, and two comments were received as part of the project's Intergovernmental Review Process. The REA stated that all comments and letters were considered and addressed, and that ODOT would coordinate with local jurisdictions that submitted comments throughout project development and construction.

Both the La Grande and Island City comprehensive land use plans had been completed, adopted, and approved by the State Land Conservation and Development Commission at the time of the EA. La Grande's 1983 comp plan specifically identified the project as needed, with a policy stating "that the city support and encourage the improvement and widening of the State Highway #82 from La Grande to Island City." Island City's 1984 comp plan does not specifically refer to the project, but the *Island City Street Plan* (an official part of the *Island City Comprehensive Plan*) showed the project on its future street development map.<sup>3</sup>

Island City's 1984 comp plan states that "Island City anticipates substantial commercial and residential growth during the planning period (1984 to 2000). Testimony presented during public meetings has expressed a general willingness to accommodate anticipated growth and plan for expansion of urban level of services." This statement was supported by several findings, including:

- Island City anticipates attracting new residents who would work in La Grande and the Island City Industrial Park.
- The Island City Industrial Park has approximately 160 acres of vacant, available, industrially-zoned land with public sewer and water services. Island City is the closest community to this industrial park, which is in an unincorporated area of Union County.
- The City of La Grande identified a need for medium density residential land beyond their current city limits. Several factors support the assumption that Island City will receive new residents who will be employed in La Grande:
- Land in the Island City urban growth area (UGA) is essentially flat, predominantly outside of flood hazard areas, and in large blocks of undeveloped property. These physical characteristics make Island City well-suited for urban development.
- The Island City Sanitation District was designed to service and includes within its boundaries the Island City UGA and its projection population.
- Island City offers a lower tax rate.

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<sup>3</sup> Oregon Department of Transportation and Federal Highway Administration. 1986. *Environmental Assessment: Old Oregon Trail to Island City Unit Two, Wallowa Lake Highway Milepoints 1.3 to 2.62, Union County*. Page 23.

- Island City allows mobile homes as an outright use on individual lots established according to development standards.
- Many County residents or residents of outlying communities, i.e. Elgin, Cove, and Union, are migrating closer to their places of employment.
- Commercial development along the Island City strip (the south side of Oregon Highway 82 from Adams Avenue in La Grande to McAlister Lane in Island City) has been extensive over the past 15 years. With anticipated in-filling of vacant parcels and the ability to hook up to public utilities substantial growth is expected.

La Grande's 1983 comp plan stated that Union County had been classified by the State of Oregon as an economically distressed community. The unemployment rate was higher than the state average and per capita income was lower. The comp plan presents extensive evidence of economic problems in Union County, including a lack of industrial diversification, a lack of secondary processing for wood and agricultural products, and a lack of job opportunities for county residents. Based on this evidence, the comp plan states, "Therefore La Grande, being ten times the largest city in Union County, is making every effort to accommodate both commercial and industrial needs while at the same time measuring these growth considerations against resource considerations."

La Grande's plan also states that "the City strongly believes in destination-commercial development as opposed to strip development. There are several large acreages within the commercially designated areas which will probably not develop until a major commercial business takes the initial step to acquire and develop the site. ...With La Grande serving as the retail trade center for two counties, it is reasonable and prudent to maintain the availability of these few large blocks of commercial property."

The existing development pattern along the Wallowa Lake Highway was explicitly acknowledged by La Grande's comp plan: "The development along the Island City Strip is strip development to a degree, however it is very important to note that this "strip" has a beginning and an end in that it connects La Grande to Island City."

## **2.7 ANTICIPATED PROJECT IMPACTS**

The EA and REA did not report historic population or population forecasts, but statements in these documents show that ODOT expected population growth and development in the project area to continue. The findings in the EA that support the build alternative clearly show this:

During the last decade, the majority of new developments in the La Grande area have occurred along the "Island City Strip", centering on the I-84 Interchange in the vicinity of the proposed project. A shopping center, other retail businesses, and numerous highway-related developments have combined with growing industrial/agricultural truck traffic and local commuter traffic, to generate significant increases in traffic volumes. Such developments are anticipated to continue in the future (particularly in the project area), further aggravating traffic congestion and reducing safety.

The project was not expected to result in unplanned land use changes in the project area. Project construction was expected to stimulate commercial development in the project area, but this

would be a continuation of existing trends. Local land use controls, particularly comprehensive plans, were cited as the “chief ingredient” in controlling or mitigating the potential for future land use and economic impacts as a result of the highway project.

Increased capacity from the project was expected to reduce traffic congestion and enhance traffic movements, which would improve highway user safety. The reduced congestion and increased safety was expected to improve the economy of the area by facilitating both local and regional transportation functions of Highway 82. Increased circulation from the project would improve economic conditions in the project area by giving the area a competitive edge over other areas in La Grande for future development growth. The project would also have regional economic impacts by providing an improved link for commuters, timber, agricultural products, and other commodities between La Grande and its rural areas to the northeast.

The EA states that construction of the project would require 4.48 acres of additional right-of-way involving approximately 45 properties fronting the Wallowa Lake Highway. Four residential and 3 business structures would be displaced by right-of-way acquisition for the project. Residential displacements would affect a total of 12 individuals, and the EA states that there is plenty of comparable replacement housing available in La Grande and Island City for tenants and owners. Two of the four businesses structures displaced were vacant or not operating, and the EA states that sites to reestablish businesses are available in both towns. Figure 2.3 shows the location of residential and businesses displacements from right-of-way acquisition.

In addition to the displacement impacts, three businesses lost parking through right-of-way acquisition. The EA states that the loss of parking would not significantly affect the businesses since sufficient parking would be available even with the loss.

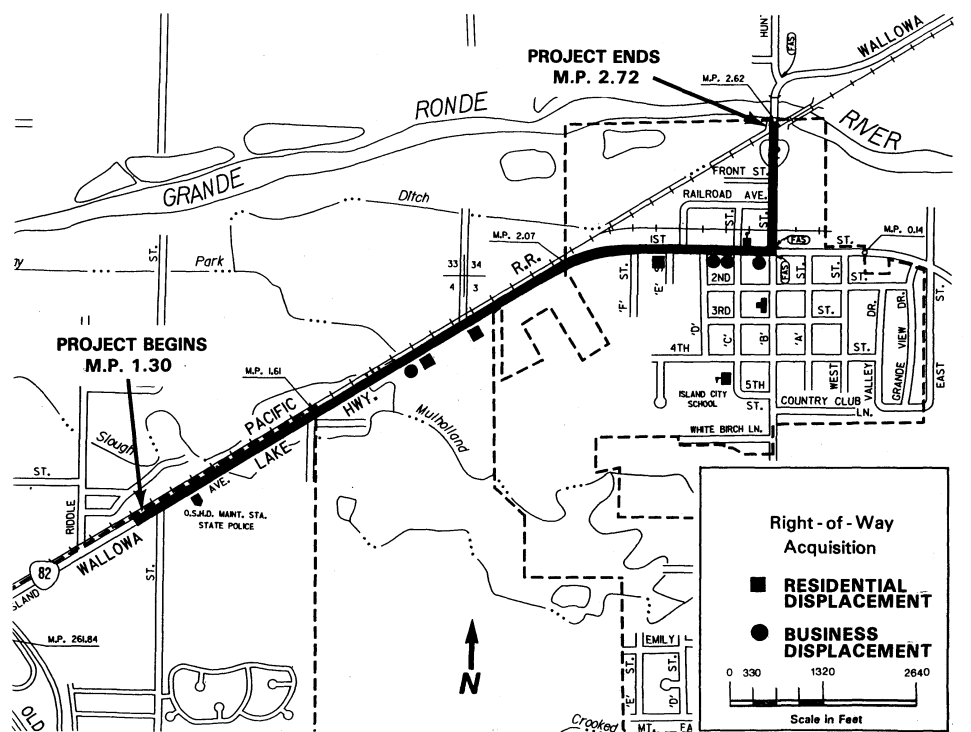


Figure 2.3: Location of Residential and Business Displacements

### 3.0 CHANGES AFTER THE ANALYSIS WAS COMPLETED

This chapter discusses changes in land use, and in the variables that influence those changes, in the period following issuance of the REA in 1987. The improvements to Wallowa Lake Highway were completed in 1992. Organization of this chapter is identical to that of Chapter 2: it begins with a discussion of socioeconomic conditions, then discusses land use patterns, transportation systems, capital improvements, and changes in public policy.

#### 3.1 SOCIOECONOMIC CONDITIONS

The EA states that population growth was expected to continue, but a population forecast was not included in the analysis. Table 3.1 shows actual population growth in Island City, La Grande, and Union County in the 1970-1998 period. This table shows that population grew rapidly in Island City between 1980 and 1987, but this rapid growth did not continue after project inception. The average annual population growth rate in Island City was over 9% prior to 1987 but was -0.1% in the 1987-1998 period (as the population declined by 10 persons). Population growth in La Grande and Union County increased over the low (or negative) levels in the 1980-1987 period, but did not approach the growth rates experienced in the 1970s. Table 3.1 shows that most of the net population growth in Union County occurred in La Grande.

**Table 3.1: Population in Island City, La Grande, and Union County, 1970–1998**

	Island City	La Grande	Union County
	Population		
1970	202	9,691	19,377
1980	480	11,425	24,050
1987	930	11,475	23,000
1998	920	12,795	24,400
	Population Growth		
1970-1980	278	1,734	4,673
1980-1987	450	50	-1,050
1987-1998	-10	1,320	1,400
	Average Annual Growth Rate		
1970-1980	9.04%	1.66%	2.18%
1980-1987	9.91%	0.06%	-0.64%
1987-1998	-0.10%	0.99%	0.54%

Source: Center for Population Research and Census, Portland State University. Annual. *Population Estimates for Oregon*.

#### 3.2 LAND USE PATTERNS

One of the key objectives of this analysis was to document land use changes in the study area (and more broadly, in the cities of La Grande and Island City) during two periods: between issuance of the FEIS and completion of the project (1987-1992), and after the project (1992-present). To determine changes in land use, a number of indicators were reviewed: (1) UGB expansions and annexations, (2) zone and plan designation changes, (3) residential development project approvals and recorded improvements, and (4) location of new development.

### 3.2.1 UGB Expansions

Ordinances amending La Grande's 1983 Comprehensive Plan show three additions to the City's UGB since 1987, totaling 12.9 acres, with 3.8 acres zoned Medium-Density Residential and 9.1 acres zoned Rural Residential. In 1989, the City removed approximately 78 acres of land designated for Industrial use from the City's UGB. None of these changes to La Grande's UGB occurred within the study area.

Island City added five areas to its UGB since 1984:<sup>4</sup> UGB expansions are shown in Figure 3.1.

- a 48.4 acre area at the northwest corner of the UGB, north of the Grande Ronde River and south of Fruitdale Lane;
- a 27.7 acre area west of the UGB, north of the Wallowa Lake Highway and south of the Grande Ronde River;
- a 31.3 acre area at the southeast corner of the UGB, east of McAlister Road and north of Buchanan Lane;
- the 120 acre area at the southwest corner of the UGB, designated as an Urban Reserve area in the 1984 Comprehensive Land Use Plan; and
- a small area east of Quail Road and north of the Cove Highway.

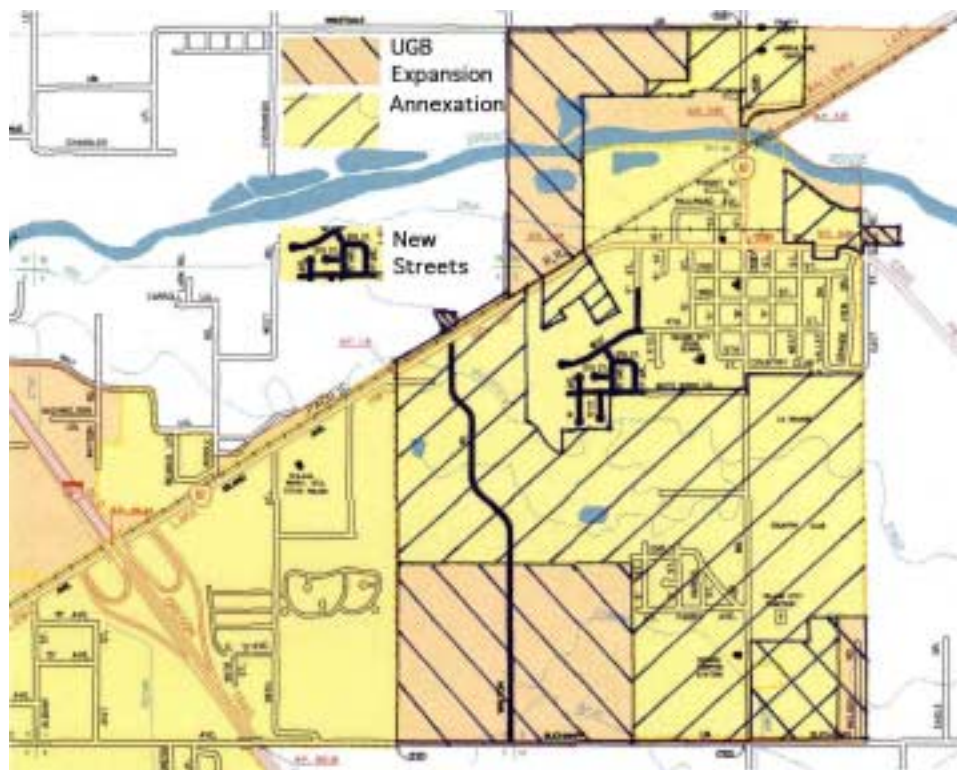


Figure 3.1: UGB Expansions and City Annexations in Study Area, 1984 to 1999

<sup>4</sup> UGB expansion and annexations in Island City identified by comparison of UGB and city limit on maps in Island City's 1984 *Comprehensive Plan* and the current ODOT map of Island City. Acreages from Island City's 1995 *Comprehensive Plan*, 1995 Plan Amendment Findings and Urban Growth Boundary Justification.

### 3.2.2 Annexations

Island City has annexed substantial areas within their city's UGB since 1987. In 1993 the City completed the "Four Area" annexation which included:

- the commercial area north of the Grande Ronde River along Hunter Road;
- an area at the southeast corner of the UGB, east of McAlister Road and north of Cove Highway;
- the Island City Cemetery and adjacent areas west of McAlister Road; and
- all of the area west of downtown Island City, south of the Wallowa Lake Highway, and north of the former Urban Reserve area. This area includes the area around the Wal-Mart development.

In addition, Island City annexed the La Grande Country Club property at their request in 1996.

Figure 3.1 shows UGB expansions, annexations, and new street construction in Island City since 1987. Staff at the City of La Grande said that La Grande has had only one small annexation since 1987 and that annexation is currently under appeal.

### 3.2.3 Zone and Plan Designation Changes

A comparison of zoning as shown in the EA (see Figure 2-2) and Island City's comp plan to current zoning information from La Grande, Island City, and Union County shows that zoning in the study area has remained substantially the same, with the following exceptions:

- *Commercial to High-Density Residential:* the City of La Grande re-zoned approximately 55.3 acres from Commercial to High-Density Residential (R-3). The rezoned area is south of the commercial strip along Island Avenue, on both sides of 26<sup>th</sup> Street, primarily north of E. Q Avenue, and bounded by I-84 to the west and the city limits to the east. Thirty-five of these acres were rezoned to reflect their use as a trailer court.
- *Residential to Commercial, Neighborhood Commercial, and Business Park:* The City of Island City extended the commercial zone along the Hwy 82 corridor southward along both sides of Walton Road, re-zoning land that was formally zoned for residential use. The commercial zone in this area was formally a strip extending 600' south of Island Ave. The commercially-zoned area around Walton Road now extends 1,200' to 2,400' south of Island Avenue. This rezoning was necessary to accommodate Wal-Mart, which is located south of the former 600' commercial strip on Island Avenue.
- *Residential to Medium-Density Residential:* Several parcels on or near Walton Road, south of the commercially-zoned area, were rezoned from Residential to Medium-Density Residential.
- *Rural Residential to Industrial and Surface Mining:* the area within Island City north of the railroad tracks and west of McAlister Lane/Hunter Lane was rezoned from Industrial to Surface Mining, reflecting its use as a gravel pit.
- *Urban Reserve to Residential and Commercial.* The former Urban Reserve Area in the southwest portion of Island City is primarily zoned for Low-Density Residential, with

portions in the northwest and southwest of this area zoned Business Park and Commercial and the portion between these two corners zoned for Medium-Density Residential.

Current zoning in the study area is shown in Figure 3.2. This Geographic Information System data was provided by the City of La Grande.

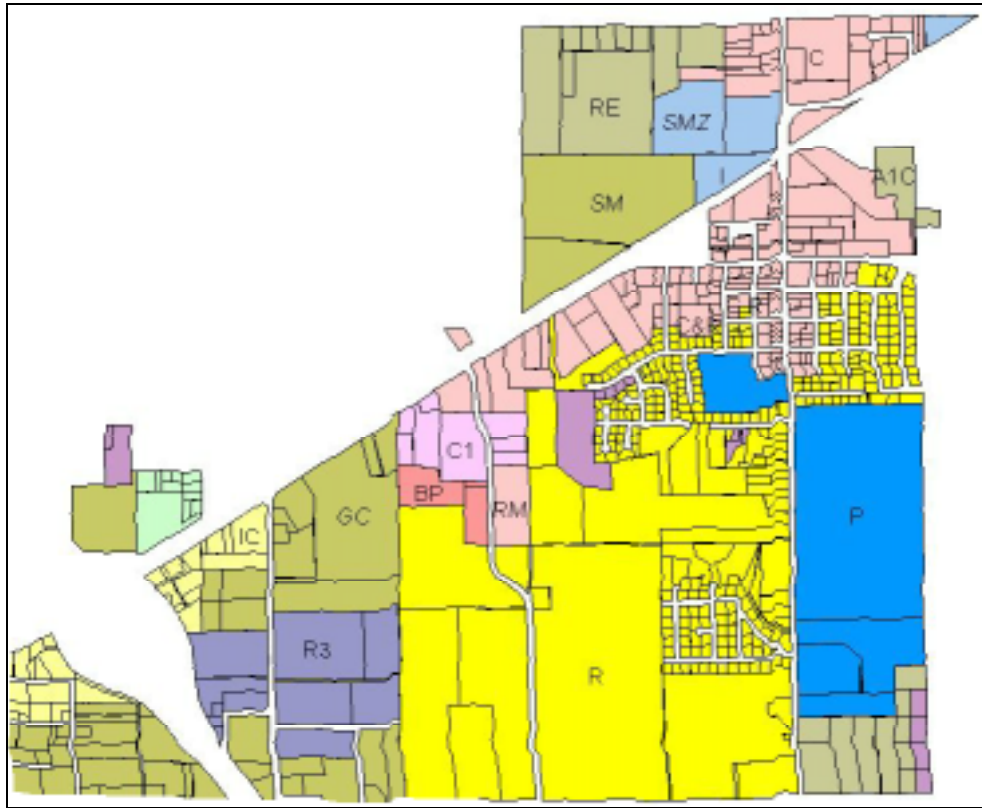


Figure 3.2: Current Zoning in the Study Area

### 3.2.4 Development in the Study Area

Table 3.2 shows developed acres within the combined La Grande/Island City UGB and in the study area for this report. Time periods for development were determined using the Year Built reported in Union County assessment data. The Year Built data is not entirely reliable but provides the best indicator of the timing of development that could be obtained for this study.

A lull in development activity in the 1987-1992 period between release of the EA and completion of the project can also be seen in Table 3.2. Only 59 acres were developed in this period, compared to 228 after 1992. Total development in the study area was 29% of development in the combined UGB area before 1987; this fell to 20% in the 1987-1992 period and increased to 35% after 1992.

Further, Table 3.2 shows that the share of Industrial and Single-Family acres developed in the study area increased after 1992 over the level before 1987, increasing from 43% to 51% for Industrial development and from 20% to 38% for Single-Family Residential.

The assessment data in Table 3.2 indicates that Commercial acres in the study area comprised 73% of all Commercial acres in the urban area after 1992. This seems plausible from a field check of the study area – it appears that a substantial portion of recent commercial development in the La Grande/Island City has occurred in the study area. However, the assessment data shows that 76% of commercial acres developed before 1987 are in the study area, and this does not seem plausible given the amount of commercial development in downtown La Grande. This measure could reflect large-lot commercial development in the study area and may be higher than the actual level of commercial development in the study area because assessment records for commercial development outside of the study area lack data on use or year built.

**Table 3.2: Summary of Developed Acres by Location, La Grande/ Island City UGB, and Study Area, 1999**

Area/Period	No Use Data	Commercial	Industrial	Multiple Family Residential	Single-Family Residential	Total
<b>UGB</b>						
No Year	730	14	60	0	93	898
Before 1987	134	139	190	39	1,020	1,522
1987-1992	18	7	11	10	12	59
After 1992	56	21	31	1	119	228
<b>Total UGB</b>	<b>939</b>	<b>181</b>	<b>293</b>	<b>50</b>	<b>1,244</b>	<b>2,706</b>
<b>Study Area</b>						
No Year	354	4	39	0	5	402
Before 1987	39	106	83	0	207	434
1987-1992	8	0	2	0	2	12
After 1992	4	15	16	0	45	80
<b>Total Study Area</b>	<b>404</b>	<b>125</b>	<b>140</b>	<b>0</b>	<b>260</b>	<b>928</b>
<b>Percent in study area</b>						
No Year	49%	27%	65%	0%	5%	45%
Before 1987	29%	76%	43%	0%	20%	29%
1987-1992	41%	0%	20%	0%	17%	20%
After 1992	7%	73%	51%	0%	38%	35%
<b>Total</b>	<b>43%</b>	<b>69%</b>	<b>48%</b>	<b>0%</b>	<b>21%</b>	<b>34%</b>

Source: Union County Assessment Data, 1999

The number of single family residences by year built in the combined La Grande/Island City UGB area and the study area can be seen in Table 3.3. The data indicate that the study area accounted for approximately 8% of all single-family residences in La Grande/Island City before 1987, but increased to 20% in the 1987-1992 and to 23% after 1992. The table shows a lull in residential development in the 1987-1992 period and a substantially higher level of residential development after 1992. Residential units after 1992 increased by 8% in La Grande/Island City and by 24% in the study area.

**Table 3.3: Number of Single-Family Dwellings by Time Period, LaGrande/Island City UGB and Study Area**

Period	UGB	Study Area	Percent in Study Area
No year	238	15	6%
Before 1987	3,488	271	8%
1987-1992	45	9	20%
After 1992	317	72	23%
<b>Total</b>	<b>4,088</b>	<b>367</b>	<b>9%</b>

Source: Union County Assessment Data, 1999

Table 3.4 shows the tax lots, floor area, and acres of commercial and industrial development by area and time period. For commercial development, this table shows the share of tax lots and floor area in the study area after 1992 was substantially higher than the level before 1987, while the share of commercial acres was about the same. The increase in share of tax lots is probably due to the addition of a large number of small commercial lots in Island City through annexation and UGB expansion, and the increase in the share of floor area probably reflects the development of Wal-Mart (which has a large floor area) in Island City.

For industrial development, Table 3.4 shows the share of tax lots in the study area increased substantially after 1992, while the share of floor area remained roughly the same and the share of acres increased slightly.

**Table 3.4: Commercial and Industrial Development by Time Period, La Grande/ Island City UGB and Study Area**

Land use/Year Built	LaGrande/Island City UGB			Study Area			Percent in Study Area		
	Tax Lots	Floor Area	Acres	Tax Lots	Floor Area	Acres	Tax Lots	Floor Area	Acres
<b>Commercial</b>									
No Year	14	16,982	14				0%	0%	0%
Before 1987	73	286,381	139	13	38,669	106	18%	14%	76%
1987-1992	7	68,761	7				0%	0%	0%
After 1992	12	67,725	21	5	50,400	15	42%	74%	73%
<b>Total</b>	<b>106</b>	<b>439,849</b>	<b>181</b>	<b>18</b>	<b>89,069</b>	<b>121</b>	<b>17%</b>	<b>20%</b>	<b>67%</b>
<b>Industrial</b>									
No Year	56	243,890	60	20	170,741	39	36%	70%	65%
Before 1987	321	1,684,067	190	58	302,537	83	18%	18%	43%
1987-1992	11	53,832	11	5	7,060	2	45%	13%	20%
After 1992	23	173,770	31	11	35,089	16	48%	20%	51%
<b>Total</b>	<b>411</b>	<b>2,155,559</b>	<b>293</b>	<b>94</b>	<b>515,427</b>	<b>140</b>	<b>23%</b>	<b>24%</b>	<b>48%</b>

Source: Union County Assessment Data, 1999.

Table 3.5 shows specific development activity in the study area since 1987 from information provided by the City of La Grande and Island City staff. This table shows a considerable amount of commercial development activity in the study area. Most of the commercial development is located in the Island City part of the study area, primarily along Highway 82 and Walton Road.

A field survey of the study area indicates that Wal-Mart is the largest development in Table 3.5. Wal-Mart is located on Walton Road approximately 600 feet south of Island Avenue. About nine commercial developments are located near Wal-Mart on Island Avenue and Walton Road. These development occurred concurrent with or after the development of Wal-Mart, and include Shop-n-Kart, Taco Bell, Quiznos, Payless Shoes, Sears, Sea-Brite Dental, AC Power Sports, Walton Road Storage, and Perfect Look Hair Salon.

According to focus group participants, Wal-Mart considered several other sites in the area including a site south of downtown La Grande on US 30, a site at 26<sup>th</sup> & Cove, and sites east of Island City. A key consideration for Wal-Mart was the parcel size, and visibility from I-5 may have also been an issue. A focus group participant suggested that there are limited sites within the UGB that met Wal-Mart's size criteria, and that access was less important than the size of the site. All of the focus group participants speculated that Wal-Mart would have selected that site in the absence of the Highway 82 improvements.

**Table 3.5: Development Activity in the Study Area since 1987**

<b>City/Date</b>	<b>Development Type/Business Name</b>	<b>Location</b>
<b>La Grande New Development</b>		
10/30/96	Earl Wells	3113 Cove Ave
9/23/98	La Grande Automotive	1505 26 <sup>th</sup> Street
6/1/99	Larry Colozzi Commercial Storage Buildings	3107 Cove Ave
9/14/99	Les Thurber Commercial Storage Buildings	1506 26 <sup>th</sup> Street
?	Jehovah's Witnesses Church	North of 1505 26 <sup>th</sup> Street
<b>La Grande Expansion</b>		
3/16/88	Buggy Bath Car Wash	
4/27/93	Eagle Truck	2106 26 <sup>th</sup> Street
2/23/94	Eagle Truck	2106 26 <sup>th</sup> Street
1/24/95	Sundowner MH Park	2813 East "Q" Ave
3/10/97	Robert's FORD	2906 Island Ave
5/5/97	Sundowner MH Park	2813 East "Q" Ave
<b>La Grande Partition/Subdivision</b>		
2/12/97	Roger Goodman	10100 Cove Ave
6/2/97	Roger Goodman	26 <sup>th</sup> and Cove Ave
3/18/98	Northeast Oregon Housing	East of 26 <sup>th</sup> Street at East "Q" Ave
<b>Island City New Development</b>		
4/92	La Grande Rural Fire Protection District Station	10206 S. McAlister Road
9/92	Wal-Mart	11619 Island Ave
9/92	Shop-n-Kart	11623 Island Ave
9/92	Payless Shoes	11621 Island Ave
3/93	Northwood Homes	11001 Island Ave
6/95	Sears	10601 S. Walton Road
10/95	Island City Well #4	10809 S. Walton Road
7/96	Island City Express Lube	10603 Island Ave
7/96	Island City Express Car Wash	10603 Island Ave
8/96	Frontier Motors	10705 Island Ave
11/96	City Hall	10605 Island Ave
2/98	Palermos Restaurant	10303 W. First Street
10/98	Taco Bell	11625 Island Ave
11/98	AC Power Sports	10701 S. Walton Road
3/99	Walton Road Storage	10704 S. Walton Road
5/99	Public Works facility	10202 S. "E" Street
9/99	Sea-Brite Dental	11609 S. Walton Road
10/99	Quiznos	11621 Island Ave.
11/99	Hudson's Transmissions	10105 Fruitdale Lane
<b>Island City Expansion</b>		
3/92	D&B Supply	10101 E. First Street
3/97	Bronson Lumber – Truss Plant	10503 N. McAlister Road
9/97	Agriculture Service Center	10507 N. McAlister Road
<b>Island City New Business or Renovation</b>		
1/92	Logger Supply	10210 Wallowa Lake Highway
12/92	Bills Quik Mart	10101 W. First Street
4/93	Bowman Trucking	61999 Quail Road
8/93	Animal Health Center	10302 Wallowa Lake Highway
6/95	Burger King	10102 N. McAlister Road
7/95	Idaho Northern & Pacific Railroad Office	10102 N. "E" Street
6/97	The Barn	10206 W. First Street
10/97	Certified Personnel	10101 N. McAlister Road
11/98	Trotter's Industrial Supply	10304 W. First Street
4/99	Union ESD Student Center and Day Care	10214 Wallowa Lake Highway
5/99	Island City Auto Brokers	10204 W. First Street
5/99	Gas Connection	10502 W. First Street
5/99	Pendleton Grain Growers	10406 W. First Street
7/99	Eves Alterations	10207 W. First Street
11/99	Garden Market	10400 W. First Street
5/00	Perfect Look Hair Salon	11621 Island Ave

Source: Provided by Michael Boquist, City of La Grande, and Judy Rygg, City of Island City.

About 15 of the commercial and industrial businesses listed in Table 3.5 are clustered in downtown Island City on First Street and N. McAlister Road (also referred to as Wallowa Lake Highway in addresses shown in the table). From a field survey of the study area it appears that these businesses are primarily located in buildings that were developed before 1987 – the listings in Table 3.5 are primarily for expansions of existing businesses or renovations for existing or new businesses. Another cluster of commercial development that occurred after 1987 in Island City is located around the Island City Hall, on Island Avenue between the development around Wal-Mart and downtown Island City. The Island City Hall shares access from Island Avenue with the Island City Express Lube and Car Wash, and Frontier Motors is immediately adjacent to these uses.

Table 3.5 shows the only commercial development in the La Grande portion of Island Avenue since 1987 was the expansion of Robert’s Ford. A field survey of the study area indicates that there is little or no vacant land on the La Grande portion of Island Avenue, and that all of the commercial growth in the area probably occurred before 1987. Other commercial development in the La Grande portion of the study area occurred south of Island Avenue on 26<sup>th</sup> Street and on Cove Avenue. Commercial storage buildings are the only new developments in this area. In addition to the development listed in Table 3.5, ODOT moved their office and maintenance facilities to the La Grande portion of the study area in the early 1990s.

The only residential development activity in the study area since 1987 is located in La Grande around 26<sup>th</sup> Street and E. Q Avenue, and on Cove Avenue. This activity includes expansion of the Sundowner Mobile Home Park. Two partitions of residential parcels and a subdivision were approved but have not developed.

### 3.2.5 Value of Land and Improvements

Table 3.6 shows the value of single-family residential lots sold in La Grande/Island City and the study area. This data, from Union County assessment records, shows that the average sales price in the study area was substantially below that of the La Grande/Island City average before 1988. Average sales values in the study area were substantially higher than the La Grande/Island City area in 1992 and 1994, and slightly less in 1996 (the only years for which there is sales data in the study area). Average sales price data can be affected by the size and other characteristics of the lots included in the data – higher values in the study area may reflect larger lot sizes.

**Table 3.6: Value of Developed Single-Family Residential Lots, La Grande/Island City UGB and Study Area**

Year	UGB		Study Area	
	Number	Average Sales Price	Number	Average Sales Price
Before 1987	169	\$40,035	5	\$25,000
1988	2	\$10,400		
1989	4	\$24,250		
1990	6	\$53,742		
1991	1	\$74,500		
1992	6	\$34,250	1	\$77,500
1993	17	\$29,601		
1994	17	\$21,825	2	\$37,415
1995	6	\$14,867		
1996	12	\$15,775	1	\$13,500
1997	8	\$12,514		
1998	1	\$5,000		

### 3.3 TRANSPORTATION SYSTEM CHARACTERISTICS

Table 3.7 shows average daily traffic volumes on the portion of the Wallowa Lake Highway in the study area for 1980, 1987, and 1998. The data show traffic volume increased substantially between 1987 and 1998. Averaging the traffic volumes shown in Table 3.7 shows traffic increased from 8,594 in 1987 to 11,625 in 1998, an increase of 3,031 or 35%. This increase translates to an average annual growth rate of 2.8%. The EA predicted traffic volume in the corridor would increase from 9,100 in 1984 to 13,650 in 2004, a 50% increase and an average annual rate of 2.05% (see Table 2.2).<sup>5</sup> Based on the average annual growth rate it appears that actual growth traffic volume is slightly ahead of predicted growth in the EA.

**Table 3.7: Traffic volume on the Wallowa Lake Highway, 1980–1998**

Mile-point	Description	Average Daily Traffic			Increase	
		1980	1987	1998	80-87	87-98
0.99	0.1 mile northeast of Old Oregon Trail (I-84)	11,800	10,600	17,300	-1,200	6,700
1.17	0.01 mile northeast of Riddle Road	9,600	11,300	16,200	1,700	4,900
2.07	West city limits of Island City	8,400	9,100	12,100	700	3,000
2.29	0.01 mile west of “D” Street	8,300	9,700	11,100	1,400	1,400
2.40	0.01 mile west of Cove Highway (ORE 237)	8,100	8,200	11,600	100	3,400
2.42	0.01 mile north of Cove Highway (ORE 237)	6,100	7,800	9,500	1,700	1,700
2.62	North city limits of Island City	5,700	7,200	9,400	1,500	2,200
2.70	0.01 mile east of Hunter Lane	4,200	4,850	5,800	650	950
	<i>Average for milepoint 0.99 to 2.70</i>	<i>7,775</i>	<i>8,594</i>	<i>11,625</i>	<i>819</i>	<i>3,031</i>

Source: ODOT Annual. Traffic Volume Tables. 1980 & 1987 data provided by Stacy Shetler, ODOT (stacy.a.shetler@odot.state.or.us). 1998 data downloaded from [www.odot.state.or.us/tdb/traffic\\_monitoring](http://www.odot.state.or.us/tdb/traffic_monitoring), 12/21/99.

Annual traffic volume data shows Average Daily Traffic (ADT) on the Wallowa Lake Highway varies from year to year, but volumes on the study area portion of the highway stepped up in 1992 and remained higher than in previous years. Average ADT was 9,280 in the 1987–1991 period and increased to 12,257 in the 1992–1998 period.

Development and increased traffic in the corridor led ODOT to commission the *Island City Strip Detailed Corridor Plan*.<sup>6</sup> This plan found that the Wallowa Lake Highway was operating at Level of Service C–F between the I-84 westbound ramp and Walton Road. The Plan found that current traffic volumes on the highway were above the standards set for access management as set forth in the 1991 Highway Plan. Table 3-8 shows the Level of Service reported at intersections east of I-84.

**Table 3.8: Level of Service and Traffic Volume at Wallowa Lake Highway Intersections, 1992**

	Traffic Volume	Level of Service
I-84 Westbound Ramps	15,800	F
Riddle Road	15,800	E
26 <sup>th</sup> Street	14,800	E
Wal-Mart’s West Driveway	Nr	E
Walton Road	Nr	C

Source: Kittelson & Associates. 1993. *Island City Strip Detailed Corridor Plan, La Grande, Oregon*. Prepared for the ODOT. December.

<sup>5</sup> The Environmental Assessment did not indicate which milepoint or portion of the project corridor was used to measure or forecast traffic volume.

<sup>6</sup> Kittelson & Associates. 1993. *Island City Strip Detailed Corridor Plan, La Grande, Oregon*. Prepared for the Oregon Department of Transportation. December.

The *Corridor Plan* developed a forecast of transportation conditions in 2015 based on full build-out of land in the study area,<sup>7</sup> which included most of the Island City UGB area as well as the portions of La Grande centered around the I-84/Wallowa Lake Highway interchange. Based on this forecast, the Plan concluded that several transportation system improvements would be required in the study area:

- Development of local street improvements to minimize traffic conflicts and offer alternative routes in the study area. Recommended improvements include:
- Aligning the Riddle Road (May Lane) intersection on the highway with 26<sup>th</sup> Street to eliminate “dog legging” of local traffic.
- Extension of May Lane east to Walton Road.
- Extension of Walton Road south to Cove Avenue. (Note: this project was completed in 1993.)
- Development of new east-west roads parallel to the Wallowa Lake Highway, between Walton Road and 4<sup>th</sup> Street and between 26<sup>th</sup> Street and McAlister Road (with specific street alignments to be determined in the future).
- Median access control on Wallowa Lake Highway between Albany Street and 26<sup>th</sup> Street.
- Limit turns from Riddle Road onto the Wallowa Lake Highway to right turns only.

Statewide Planning Goal 12 requires all communities with populations over 2,500 to complete a transportation systems plan (TSP). A TSP identifies key transportation issues and transportation improvements to address those issues. The cities of La Grande and Island City adopted a Transportation System Plan (TSP) for the two cities in 1999.<sup>8</sup> This TSP includes transportation planning goals relevant to this study, including

- Improving the local circulation system to reduce the community’s reliance on U.S. 30 (Adams Avenue) and Oregon State Highway 82 (Island Avenue).
- Protecting the function of existing and planned roadways as identified in the TSP through the application of appropriate access management techniques. (Island Avenue is identified as an Access Management Area in the TSP.)

Table 3.9 shows the roadway projects recommended in the La Grande/Island City TSP in the vicinity of the Wallowa Lake Highway. These projects are designed to improve circulation as development occurs in the study area. Most of the projects in Table 3.9 are in the Island City UGB and are designated for construction as development occurs. Only three projects in the table are recommended for construction in a specific portion of the planning period: the extension of May Lane to align with 26<sup>th</sup> Street/Island Avenue intersection and the reconstruction of Cove Avenue/Buchanan Lane in years 1-5, and the signalization of intersections on Island Avenue in years 6-10. Figure 3.3 shows the location of recommended projects in Table 3.9, as well as the Island Avenue Access Management Area.

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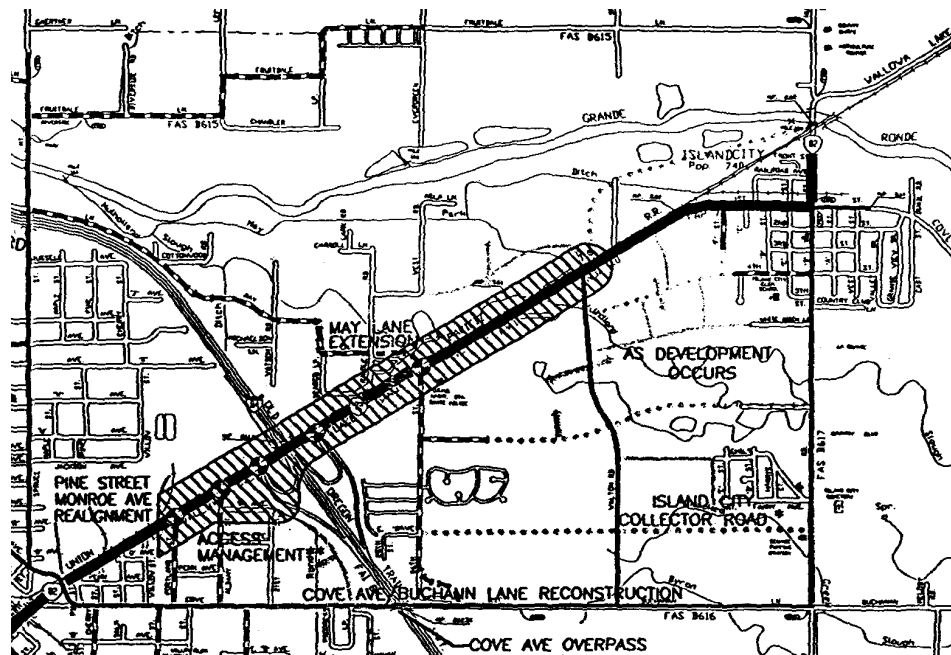
<sup>7</sup> The Plan assumed full build-out as the basis for forecasting travel demand; this does not mean the Plan expects the area to be fully developed by 2015.

<sup>8</sup> McKeever/Morris and David Evans and Associates. 1999. *Final La Grande/Island City Transportation System Plan*. Adopted September 1999.

**Table 3.9: Recommended Roadway Projects in the La Grande/Island City TSP, 1999**

Street/Project Name	Location	Functional Classification	Funding Priority
<b>New Roadways</b>			
Extend May Ln. to 26 <sup>th</sup> St/Island Ave. intersection	La Grande	Local Street	Years 1-5
Extend Fourth St. from Walton Rd. to "F" Ave.	Island City	Minor Collector	As development occurs
Construct new road from Walton Rd. to McAlister Rd.	Island City	Minor Collector	As development occurs
Construct new road from 26 <sup>th</sup> St. to Walton Rd.	Island City	Minor Collector	As development occurs
Construct new road from May Ln. to McAlister Rd. on the north side of Island Ave.	Island City	Minor Collector	As development occurs
<b>Improvement of Existing Facilities</b>			
Reconstruct Cove Ave./Buchanan Ln. from Cherry St. to McAlister Rd.	LaGrande & Island City	Major Collector	Years 1-5
<b>Intersection Improvements</b>			
Island Ave intersection signalization Portland St. to 26 <sup>th</sup> St.	La Grande	Arterial	Years 6-10

Source for table and map: McKeever/Morris and David Evans and Associates. 1999. *Final La Grande/Island City Transportation System Plan*. Adopted September 1999. Table 3.



- \* Exact location to be determined.
- \*\* ODOT and local land owners will develop an access management and street circulation plan.

**Figure 3.3: Recommended Transportation Projects in the La Grande/Island City TSP, 1999**

The TSP also recommends pedestrian and bicycle projects in the study area, which includes providing sidewalks on every arterial and collector street and bike lanes on all arterial and most collector streets. The TSP states that the projected population of the La Grande/Island City urban area is not expected to support the implementation of a fixed-route local transit system.

The TSP included the results of interviews with stakeholders in the La Grande/Island City area. These interviews identified several concerns with transportation conditions in the study area, including:

- Island Avenue was mentioned as one of the most congested points in the two cities. Conflicts between different users (local vs. through traffic) was identified as a major problem on Island Avenue.
- Respondents expressed concern about increasing traffic congestion due to commercial development along Island Avenue.
- The railroad tracks create access problems for areas north and west of Island Avenue.
- Northern La Grande needs better arterial access and access from Highway 82.
- Island Avenue provides the only eastbound access point to Interstate 84 in La Grande.

Figure 3.1 showed roads constructed in the study area since 1987. Walton Road was constructed in 1992, in part to serve the adjacent Wal-Mart development. According to focus group participants, Wal-Mart funded construction of Walton Road from Island Avenue to the southern boundary of their property and the signal at the Island Avenue intersection. Remaining portions of Walton Road were funded from TEA-21 and County funds, and ODOT funded the railroad crossing to the north of the intersection. City of Island City staff indicated that ODOT funded the signal and railroad crossing in exchange for future City funding of east-west roadways that will provide alternative routes to Island Avenue. The railroad crossing at Walton Road and Island Avenue is intended to serve future development north of the railroad tracks.

Walton Road was not included in the existing land use or transportation plans reviewed for this study. Focus group participants indicated that ODOT and local jurisdictions recognized the long-term need for access to land in the area and for an alternative route between Island Avenue and Buchanan Lane. Wal-Mart was required to complete a traffic impact analysis, and focus group participants indicated that Wal-Mart was required to partially fund construction of Walton Road as a requirement for development. Island City staff reported that Walton Road was given its name at the request of Wal-Mart.

### **3.4 PUBLIC SERVICES**

The City of La Grande operates a sewage treatment plant that was designed as a regional facility, serving La Grande, Island City, the Island City Industrial Park, and surrounding unincorporated areas. The Island City Area Sanitation District completed construction and installation of a sewer system in 1982. The system was designed to serve all land within Island City's UGB area, including the Urban Reserve area, plus the Baum Industrial Park. The District purchased enough treatment capacity from the City of La Grande to accommodate anticipated population growth and commercial development, and recent and planned expansions at the La Grande sewage treatment facility are designed to handle both La Grande and Island City's projected growth.

Island City operates a centralized water system which provides service inside the city's UGB area. According to the city's 1998 *Water Management and Conservation Plan*, current water needs are primarily met by well #4 and an adjacent 750,000 gallon storage tank. Well #1 and an adjacent 106,000 gallon tank also provide capacity to the City's water system, with two other

wells kept in backup status for emergencies.<sup>9</sup> Island City has made substantial investments in its water system to ensure sufficient water pressure and volume to meet anticipated growth needs. The 120-acre former Urban Reserve area (which is now within the Island City UGB) is particularly well-served as a result of development of well #4 and the storage tank at the future intersection of Walton Road and Emily Drive. The plan identifies Island City's water accounts showing the largest users. The large accounts are Wal-Mart (irrigation only), Wal-Mart (all uses except irrigation), Palermo's Restaurant, Shop-n-Kart, Island City Express Car Wash, and Taco Bell. All of these commercial accounts are recent developments in the Island City Strip.

According to focus group participants, Island City made a number of other infrastructure improvements to accommodate Wal-Mart. Improvements were made to the sewer system to serve the site, but participants could not be more specific about the types of sewer improvements that were made. Participants reported that Island City did not have sufficient water system capacity to serve the site when construction began, so Island City entered into an agreement with the City of La Grande for an intertie to La Grande's system to provide service during construction. Apparently, La Grande provided water service to the site for about a year before Island City completed water improvements including well #4 and an adjacent water storage tank about 1/3 of a mile south of the Wal-Mart site on Walton Lane.

### **3.5 PUBLIC POLICY**

The City of Island City adopted an updated Comprehensive Plan in 1995. The city's 1995 *Comprehensive Plan* included findings and justification for the UGB expansions documented earlier in this chapter. The plan also adopted plan classifications that are more refined than the Residential, Commercial, Industrial, and Public classifications included in the 1984 Plan. New classifications are Low-Density Residential, Medium-Density Residential, Business Park, Commercial, Neighborhood Commercial, Industrial, Surface Mining, Public/Greenway, and a Riparian Overlay for stream corridors, sloughs, and wetlands.

#### **3.5.1 Island City Land Use**

The Land Use Planning element of Island City's 1995 *Comprehensive Plan* contains several statements and policies relevant to this study:

- Island City anticipates substantial commercial, light industrial, and residential growth during the planning period (1994 to 2014). The community has expressed a general willingness to accommodate anticipated growth and plan for expansion of urban levels of service. (p. 4)
- Commercial development will be concentrated to strengthen existing commercial activities. (p. 6)
- Commercial and medium density residential development will be located in areas where access, service, and related facilities can best accommodate such development. (p. 6)
- Medium Density Residential, retail, and service commercial uses shall be allowed in the General Commercial classification because of the existing mixture of uses.

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<sup>9</sup> Anderson-Perry & Associates, Inc. 1998. *Water Management and Conservation Plan—Draft*. Prepared for the City of Island City. December.

### 3.5.2 Island City Economy

The Economy element of Island City's 1995 comp plan contains the City's rationale for the rezoning of Residential and Urban Reserve areas to commercial designations, which is paraphrased in the following points:

- The 1984 Comprehensive Plan projected the City's population would grow to 2,127 by 2000. While it is unlikely the City's population will reach that level by 2000, that forecast is reasonable for 2014. The City has made the planning and financial commitments to support this population growth, including water, sewer, and street services for urban areas including the 120-acre Urban Reserve. The City's estimated population was 750 in 1993.
- The City would like to maintain a job to resident ratio of 1:2 as a benchmark to ensure a sound economy and tax base. In 1989, the City had a job to resident ratio of 1:1.9. This ratio is likely to decrease because Union County is likely to attract more retired residents. This ratio should not be allowed to decrease significantly or Island City will become more of a bedroom community to La Grande.
- Due to recent increases in retail and service employment, Island City's employment has increased significantly since 1989 and there is a need to provide additional buildable commercial land.
- To attract employment in sufficient numbers to maintain a 1:2 job to resident ratio, Island City needs to allocate sufficient land to accommodate a total (existing and new) of 1,564 jobs, or about four times the current employment level. Much of this need can be met through redevelopment of existing commercial and industrial land. However, since redevelopment is uncertain, Island City should allocate an additional 60 acres of business park and commercial property to meet long-term employment needs. At an average of 13 employees per acre, 60 acres would accommodate 780 new employees.
- Island City currently has about 9 acres of vacant commercially-zoned land. This is insufficient to meet current commercial growth needs, especially considering the potential impact of the Wal-Mart. Therefore, the City is allocating about 11 additional acres of vacant, buildable land for commercial development. The commercially zoned areas are located along main transportation arterials between Island City and La Grande, or along Walton Road.
- Land identified for industrial development in Island City and the Baum Industrial Park, combined with approximately 20 acres of Business Park land, is anticipated to meet industrial needs for Island City.<sup>10</sup> The new Business Park designation is targeted to meet the needs for Union County's probable growth sectors: Construction, Wholesale Trade, Retail Trade, Fire, Services, and Government.

Based on this rationale, Island City adopted policies to support further commercial and industrial development in the City, including:

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<sup>10</sup> The Plan does not explicitly state that the 20 acres of Business Park land is an additional allocation from land formally zoned for residential development, but comparisons of zoning maps indicates this is so. Land zoned as Business Park is located south of the Wal-Mart development along Walton Road.

- Island City's economic objective is to maintain the current ration of 1 job for every 2 residents and will allocate sufficient buildable land to meet this objective.
- Public services shall be planned and made available to those areas zoned industrial and commercial.
- The City will encourage additional industrial and commercial employment which is compatible with existing uses by zoning land for those purposes.
- Commercial and industrial uses will be concentrated in those areas already committed to those types of uses.
- Island City [will] work with the Island City Area Sanitation District to plan extension of sewer facilities to encourage commercial and industrial development.
- Island City will make water system improvements to handle anticipated industrial and commercial growth.

### **3.5.3 Island City Housing**

The Housing element of Island City's 1995 Comprehensive Plan states that the City has allocated sufficient buildable land to meet it projected housing mix of 85% single family (including manufactured dwellings) and 15% multiple family (including duplexes). While no multiple-family housing existed in the City when the plan was adopted, increased in the cost of housing were expected to increase demand for multi-family housing in the future. The 1995 Comprehensive Plan included adoption of a R-E residential zone with a minimum lot size of ½ acre for areas affected by Mulholland Slough.

### **3.5.4 La Grande Central Business Zone Plan**

The City of La Grande is still using their 1983 *Comprehensive Plan*, but the City has made several significant amendments to the *Comprehensive Plan*. In 1998 the City adopted a Central Business Zone Master Plan that encourages a compact downtown of intensified uses with additional retail and high density residential uses. Specific policies included in this Master Plan include:

- Adoption of a Parking Overlay Zone that makes parking standards in the downtown and surrounding areas equal and that removes parking requirements where space does not allow private lots.
- Adoption of a Residential Use Overlay that removes barriers to mixed residential and commercial uses and increased residential densities near service and related facilities by permitting vertical mixed use in several areas of the General Commercial Zoning District near downtown.
- Formation of a Historic District and implementation of historic preservation measures.
- Providing pedestrian facilities and promoting bicycling, and increasing residential densities near services and goods, to potentially reduce automobile trips and increase air quality.

## **4.0 CONCLUSIONS**

Chapter 2 describes the socioeconomic conditions, land use patterns and plans, transportation system characteristics, public services, and public policy at and before the time the REA was issued in 1987. Chapter 3 describes the changes to these characteristics in the study area that occurred since the REA was issued. Chapter 1 notes, however, that the fact that changes occurred in the project corridor does not mean that the improvement of the Wallowa Lake Highway caused or even contributed to those changes. This chapter addresses that question: what role did expansion of the highway play in the land use and other changes that occurred in the study area?

### **4.1 CHANGES: 1987 TO PRESENT**

#### **4.1.1 Socioeconomic Conditions**

The EA states that population growth was expected to continue, but a population forecast was not included in the analysis. Population grew rapidly in Island City between 1980 and 1987, but this rapid growth did not continue after project construction.

#### **4.1.2 UGB Expansions**

Ordinances amending La Grande's 1983 Comprehensive Plan show three additions to the city's UGB since 1987, totaling 12.9 acres. The city removed approximately 78 acres of land designated for industrial use from the UGB in 1989. None of these changes to La Grande's UGB occurred in the study area.

Island City added five areas to its UGB since 1984, totaling over 220 acres. These areas are now primarily designated for low-density residential uses, with some of these areas designated for commercial and industrial uses.

#### **4.1.3 Annexations**

In 1993, Island City completed the "Four Area" annexation which included the area west of downtown along Island Avenue (including the area around Wal-Mart), both sides of McAlister Road north of Buchanan Lane, and the commercial area north of the Grande Ronde River along Hunter Road. The city also annexed the La Grande Country Club at their request in 1996. These annexations more than doubled the size of Island City.

Staff at the City of La Grande said that the city had only one small annexation since 1987 and that annexation is currently under appeal.

#### **4.1.4 Zone and Plan Designation Changes**

Several areas adjacent or south of the case study project were rezoned concurrent with or after project construction:

- The Commercial zone along Island Avenue in Island City was extended south along both sides of Walton Road in 1992. The rezoned area was formally designated for Residential use. This area is now the location of Wal-Mart and several other nearby businesses.
- Areas designated for Residential use along Walton Road, south of the commercial area, were zoned for Medium-Density Residential.
- A 55-acre commercially-zoned area in the La Grande portion of the study area was changed to High-Density Residential.
- Most of the former Urban Reserve Area, which is bisected by Walton Road, is designated for Low-Density Residential, with portions designated for Commercial and Medium-Density Residential.

#### 4.1.5 Development in the Study Area

Union County assessment data shows a lull in development activity in the La Grande/Island City urban area during the 1987-1992 period, between release of the EA and completion of the project. Only 59 acres were developed in this period, compared to 228 after 1992. City of La Grande and Island City staff provided information on development activity in the study area since 1987. It shows a considerable amount of commercial development activity in the study area, primarily in the Island City portion of the study area along Island Avenue and Walton Road. Table 4.1 summarizes key developments in the study area.

**Table 4.1: Timeline of Events**

Date	Event
1970	2.4-mile long widening of the Wallowa Lake Highway from two lanes to five lanes proposed from Adams Avenue in La Grande to the Cove Highway in Island City.
1972	La Grande portion of proposed improvement (Adams avenue to Holmes Street) completed.
1972	Completion of the I-84/Island Avenue interchange.
1982	Island City Area Sanitation District completed sewage collection system serving Island City and Baum Industrial Park.
1983	La Grande's Comprehensive Plan identifies case study project as needed.
1986	Environmental Assessment for case study project issued.
1987	Revised Environmental Assessment for case study project issued.
1992	Project construction completed.
1992	Development of Wal-Mart, Payless Shoes and Shop-n-Kart.
1993	Island City completes "Four Area" annexation.
1993	Walton Road completed.
1995	Development of Sears and Island City Well #4 on S. Walton Road.
1996	Development of Island City Hall, Island City Express Lube/Car Wash, and Frontier Motors.
1999	Development of AC Power Sports, Walton Road Storage, and Sea Brite Dental on S. Walton Road.

A field survey of the study area indicates that Wal-Mart is the largest development in the study area since 1987. Wal-Mart is located on Walton Road approximately 600 feet south of Island Avenue. Nine commercial developments are located near Wal-Mart on Island Avenue and Walton Road; these development occurred concurrent with or after the completion of Wal-Mart. These developments include Shop-n-Kart, Taco Bell, Quiznos, Payless Shoes, Sears, Sea-Brite Dental, AC Power Sports, Walton Road Storage, and Perfect Look Hair Salon.

Another cluster of commercial development occurred after 1987 around the new Island City Hall, located on Island Avenue between the Wal-Mart development and downtown Island City. This cluster includes the City Hall, the Island City Express Lube and Car Wash, and Frontier Motors. Around 15 of the commercial and industrial developments listed by city staff are clustered in downtown Island City on First Street and N. McAlister Road. From a field survey of the study area it appears that these businesses are primarily located in buildings that were developed before 1987. The listings are primarily for expansions of existing businesses or renovations for existing or new businesses.

There was only one commercial development in the La Grande portion of Island Avenue after 1987. Commercial storage buildings were developed south of Island Avenue on 26<sup>th</sup> Street and on Cove Avenue. A field survey indicates that there is little or no vacant land on the La Grande portion of Island Avenue, and existing buildings appear to have been built before 1987.

The only residential development activity in the study area since 1987 was the expansion of the Sundowner Mobile Home Park. Two partitions and a subdivision were approved but have not developed. These activities have occurred along 26<sup>th</sup> Street and Cove Avenue in the southeastern portion of the study area.

#### **4.1.6 Transportation System Characteristics**

Average daily traffic volumes on Wallowa Lake Highway increased by 35% between 1987 and 1998, an average annual growth rate of 2.8%. The EA predicted traffic volume in the corridor would increase at an average annual rate of 2.05%. Actual growth traffic volume is slightly ahead of predicted growth. Average daily traffic volumes on the Wallowa Lake Highway in the study area stepped up at the time of project completion and the opening of Wal-Mart, from around 9,000 ADT before 1992 to around 12,000 ADT after 1992

In 1992, Walton Road was constructed, in part to serve the adjacent Wal-Mart development. Walton Road was not included in existing land use or transportation plans, but focus group participants reported that ODOT and local jurisdictions recognized the eventual need for access to land in the area. The road was primarily funded by Wal-Mart and Union County, with ODOT subsidizing the signal at the Walton Road/Island Avenue intersection and the railroad crossing to the north of the intersection. The railroad crossing at Walton Road and Island Avenue is intended to serve future development north of the railroad tracks.

Interviews with stakeholders for the 1999 La Grande/Island City Transportation System Plan identified Island Avenue as one of the most congested points in the two cities. Respondents expressed concern about increasing traffic congestion due to commercial development along Island Avenue.

#### **4.1.7 Public Services**

According to focus group participants, Island City extended water and sewer infrastructure to provide service to Wal-Mart and the surrounding area. Island City developed a water well and reservoir (#4) on S. Walton Road in 1994. This well and reservoir is now the primary supply source for Island City.

Focus group participants reported that Island City did not have sufficient water system capacity to serve the site so the city entered into an agreement for an intertie to the City of La Grande's system for service during construction. About a year later, Island City completed improvements to provide water to the site, including well #4 and the adjacent water storage tank.

#### **4.1.8 Public Policy**

The City of Island City adopted an updated Comprehensive Plan in 1995. The city's 1995 *Comprehensive Plan* included findings and justification for the UGB expansions documented earlier in this chapter. According to the Plan, Island City anticipates substantial commercial, light industrial, and residential growth during the planning period (1994 to 2014). The community has expressed a general willingness to accommodate anticipated growth and plan for expansion of urban levels of service. The Plan states that Island City's economic objective is to maintain the current ratio of 1 job for every 2 residents, and Island City will allocate sufficient buildable land to meet this objective. Island City adopted goals and policies to support further commercial and industrial development within their UGB and at the Baum Industrial Park northeast of the city.

### **4.2 INTERPRETATION**

The Island City case study is an analysis of one project and its impacts. The narrow focus of the analysis, and the methods used to conduct the analysis, imply inherent limitations in the conclusions. The conclusions that we draw from this analysis are unique to Island City and the Wallowa Lake Highway project and should not be construed as universal – analysis of other highway projects in other communities may lead to a different set of conclusions.

While the data in this report shows a significant increase in development activity after the completion of the highway project, there is evidence that ODOT's expansion of the Wallowa Lake Highway was not the only factor to affect the type or rate of development in the study area and in the La Grande/Island City urban area. The evidence suggests that the development pattern observed in the study area today would be substantially the same without the highway project. This conclusion is based on several findings from our research:

- All of the development activity that occurred in the study area is located within the UGB of La Grande and Island City.
- Prior to the highway widening, Island Avenue was already developing into a commercial strip, with auto-oriented uses such as a shopping center, fast-food restaurants, and service stations from Adams Avenue east to the area around the I-84 interchange. La Grande's 1983 Comprehensive Plan acknowledged the strip development pattern between downtown La Grande and Island City.
- The existing strip development pattern on Island Avenue was primarily due to the I-84/Island Avenue interchange, high traffic levels on Island Avenue, and adjacent vacant land designated for commercial development. Island Avenue was the most likely location in the La Grande/Island City urban area for auto-oriented commercial development because the I-84/Island Avenue interchange is the only full-access interchange in the urban area, the Avenue had higher traffic counts than other major arterials, and the area had available vacant land designated for commercial development. This mix of conditions did not exist anywhere else in the La Grande/Island City urban area.

- The most significant development in the study area was Wal-Mart. Focus group participants indicated that Wal-Mart's primary reason for locating along Island Avenue was their need for a large parcel, access, and visibility from I-84. No other sites in the La Grande/Island City urban area met these criteria. All focus group participants speculated that Wal-Mart would have selected the site in the absence of the improvements to Island Avenue.
- The construction of Walton Road, the rezoning of surrounding land for commercial uses, and the extension of water and sewer services to the area allowed the development clustered around Wal-Mart. This development may be located to take advantage of the traffic and visibility generated by Wal-Mart, but there is no evidence that the highway widening was the sole factor, or even a major factor, in these businesses' location decision.
- Land use and public service plans did not explicitly foresee retail development at the scale of Wal-Mart and did not specifically include Walton Road or the extension of water and sewer service to the area. However, the area where Wal-Mart located was within Island City's UGB. Focus group participants indicated that local jurisdictions recognized the long-term need for new roads to provide access to the area, and for extension of water and sewer service to serve future development in the area. Focus group participants indicated that Wal-Mart's decision to locate in the study area created the need for local jurisdictions to engage in more detailed planning for the surrounding area.
- According to the Environmental Assessment for the case study project, construction was expected to stimulate commercial development in the project area, but this would be a continuation of existing trends. Local land use controls, particularly local comprehensive plans, were cited as the "chief ingredient" in controlling or mitigating the potential for future land use and economic impacts as a result of the highway project.
- The public policies of La Grande and Island City encouraged commercial development in the study area, and both cities worked to facilitate the development of Wal-Mart in the study area. According to focus group participants, little resistance to the development was encountered in either community.
- The widening of Highway 82 was justified by deteriorating level of service and safety conditions on the existing roadway, and the expectation that these conditions would worsen over time with additional development in the study area. While the plans for this project did not explicitly foresee retail development on the scale of Wal-Mart, they did recognize that future development would occur in the study area that would create the need for additional roadway capacity to maintain an adequate level of service and to reduce accident rates.
- Focus group participants agreed that Wal-Mart would likely have located in its current site even if the highway widening had not occurred. However, without the highway project, Wal-Mart may have needed to make improvements to the highway, such as turn lanes, to mitigate traffic impacts. According to focus group participants, there is no evidence that, in the absence of the highway widening, increased traffic generated by Wal-Mart would have altered the development or prevented the development from locating near Island Avenue. Planning for the Wal-Mart development did not need to comply with the Transportation Planning Rule (TPR) because Island City has a population of less than 25,000.

- Increased traffic in the study area, whether from the highway widening or the development of Wal-Mart, may have spurred renovation and new business location in downtown Island City. However, this activity occurred in structures that were developed before completion of the highway project, so this activity did not alter the pattern of development in the study area.