

Backgrounder on Data Center Land Use Activity in Eastern Oregon

Updated February 24, 2026

Department of Land Conservation and Development (DLCD or department) staff are closely tracking data center industry land use plans in Eastern Oregon. The department receives information from local governments about development plans in several ways. Local planners or elected officials generally contact DLCD staff with inquiries regarding initiation of land use planning processes for industrial development. These inquiries sometimes identify a specific land need. Local governments also regularly provide draft economic opportunities analyses (EOAs) to DLCD staff for department review and technical assistance. Finally, the department reviews post-acknowledgement plan amendments for adoption of EOAs or urban growth boundary expansions to accommodate data center development.

While rapid growth of the data center industry also affects other regions of the state, the most intense development activity is concentrated in Morrow, Umatilla, and to a lesser extent, Gilliam counties. The total aggregate land demand for new data centers recently expressed by local governments in the three-county region is approximately 6,850 acres. This figure includes land currently available inside an urban growth boundary (UGB) as well as demand to be satisfied by UGB expansion or rural goal exceptions. Of that 6,850-acre figure, 5,672 acres would be newly urbanizable land provided through UGB expansion or on rural land. The following local governments have recently expressed interest in, are pursuing, or completed land use actions that would provide additional sites for data center development:

Morrow County:

- Percheron Data Center Site (County): This land use decision rezoned 274 acres from exclusive farm use (EFU) to general industrial to allow data center development, while rezoning “Space Age Industrial” zoned land (a rural land use category in Morrow County which is not protected as farm land under Statewide Planning Goal 3) to EFU. (September 2023)
- Three Acre Farms “Exascale” Data Center Site (County): This plan amendment rezoned 1,278 acres of rural land zoned EFU to light industrial in order to allow data center development. The county simultaneously rezoned 1,605 acres of land from “Space Age Industrial” to EFU. (September 2025)
- City of Boardman: Boardman’s draft EOA identifies 625 acres of needed sites for data centers. (Adoption hearings planned for January 2026.)

Umatilla County:

- City of Hermiston: The city’s adopted EOA identified need for 1,210 acres for data center sites (November 2024). Hermiston has expanded its UGB by 824 acres, satisfying a portion of overall need. (October 2025)
- City of Umatilla: The city recently adopted its second EOA in three years to accommodate additional data centers (October 2025). Its current EOA identifies a total

need of 1,058 acres for data centers, 578 of which the city will accommodate by UGB expansion.

Several additional local governments in the Umatilla Basin have expressed interest in pursuing urban growth boundary expansions related to data centers, but have not yet provided a draft EOA to the department. In aggregate, the total identified land need for this category of local governments is approximately 2,000 acres.

While DLCD staff are able track future data center development through long-range land use plans, the pace of development creates challenges for state agencies interested in mapping existing data centers. The department has been asked to help support the recently-appointed Data Center Advisory Committee and is working to develop baseline land use trends for existing and planned data centers in key regional markets.¹ Please see “Data Centers and Land Use in Oregon” on the following page for more information provided to the committee. This document is intended to orient committee members to land use and data center siting in Oregon, and includes estimates of development activity in the Washington County and Central Oregon regional markets.

¹ The Oregon Department of Energy is hosting Data Center Advisory Committee meeting information here: <https://www.oregon.gov/energy/Get-Involved/Pages/Oregon-Data-Center-Advisory-Committee.aspx>



Data Centers & Land Use in Oregon

The Department of Land Conservation and Development (DLCD or department) is tracking a surge in local plans for data center development. DLCD implements Oregon’s statewide land use planning program. The department is responsible for helping local governments comply with laws and rules that inform how communities grow and change, while protecting important resources. The department provides funding and technical assistance to local governments to assist their local comprehensive planning efforts. DLCD also receives and reviews land use plans from local governments related to economic development, including plans for new data center sites.

Statewide Land Use Planning Goal 9: Economic Development

Local governments in Oregon are directed to plan for economic development in accordance with state land use planning goals. Statewide Land Use Planning Goal 9, Economic Development, instructs local governments to “provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.” Local comprehensive plans must provide “an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses.”

Although state agencies have various regulatory authorities pertaining to industrial activities, the statewide land use planning program does not endorse, permit, or prescribe types of local economic and employment growth. DLCD supports local governments to grow efficiently, while deferring to local governments on the type of economic opportunities they pursue. Oregon encourages development in areas defined by urban growth boundaries because it is less expensive to provide public services in a concentrated location. This has the added benefit of preserving rural lands for nature, recreation, farming, and timber. Oregon law allows economic activities like data centers to operate inside of urban growth boundaries (UGBs) because they require higher levels of urban infrastructure. Conversely, the state’s land use program generally discourages those uses from developing on rural land outside of UGBs.

Local Government Role

Under Goal 9, local governments are responsible for providing an adequate supply of sites for industrial use. Cities that wish to pursue the economic development opportunities provided by the data center industry must plan to provide appropriate sites. Because data center sites are comparatively large in contrast to other urban industrial uses, many cities pursue expansion of urban growth boundaries to provide suitable sites. Cities that anticipate a shortage of sites for data center development are directed by rule to determine local growth potential through an economic opportunities analysis (EOA). EOAs forecast local economic growth for a 20-year planning horizon and may identify “target” industries, such as data centers, as economic



development priorities. Land demand projected in the EOA is compared with available land supply inside the city's UGB.

If a city has a shortage of sites that are suitable for its targeted industries or other expected employment growth, the EOA provides the rationale for expansion of the city's urban growth boundary. Local economic development plans and UGB expansion decisions are made by local officials who adopt comprehensive plan amendments in public hearings. City councils and county commissions both must agree to expansion of the UGB. Plan amendments are acknowledged by DLCD after department staff review local government plans for consistency with administrative rules and state law.

Data Center Siting

Data centers require large, flat sites zoned for industrial use, typically ranging in size from 50-200 acres or more. Facilities require abundant water for cooling, as well as proximity to high-capacity electrical transmission lines. Although data centers do not employ many workers compared to other industries, the industry's significant infrastructure requirements classify data centers as an urban use under Oregon's land use planning program. This means that accelerating growth in this sector is presumed to be primarily accommodated by UGB expansions.

In addition to the physical site requirements listed above, data centers tend to be developed in locations where:

- The local government is actively supportive or permissive
- Property tax subsidies are offered through local Enterprise Zones
- Relatively inexpensive large parcels of land are available for development
- The local government has capacity to engage in planning activities to site and serve data centers

Industry Development Trends and Impacts

Data centers provide significant economic benefit to local governments through increased property tax revenue. The industry creates some new permanent direct jobs, but the overwhelming majority of jobs generated by data centers are in the construction sector. Indirect and induced job creation also benefits local economies. Data center development activity is most concentrated in three regions in Oregon. The Umatilla Basin in Eastern Oregon (Morrow, Umatilla, and Gilliam counties), Central Oregon (primarily in Crook County), and Washington County (focused in the City of Hillsboro) are the fastest growing data center markets in Oregon. DLCD is tracking both recent overall industry land demand, as indicated in adopted or proposed EOAs, and the amount of that demand that is likely to translate into UGB expansions or developable rural land. The below tables represent the department's best estimates of data



center development activity in key regions of the state based on various sources.¹ Table 1 displays the total industry land demand identified by local government plans or inquiries to department staff from 2021 – 2026.

Table 1: Land demand identified by local governments in key data center markets, 2021-2026

	<i>Total land demand</i>	<i>To be satisfied by UGB expansion or rural upzoning</i>
Eastern Oregon/ Umatilla Basin	7,273	5,672
Central Oregon	1,298	318
Total acres	8,571	5,990

Market activity in Hillsboro is driven by technology firm co-location and connectivity access to the region’s critical subsea cable, rather than inexpensive land value. Washington County figures in the table below reflect existing and planned data center development in Hillsboro, rather than demonstrated projected future land demand.

Table 2: Existing and planned data center development in Hillsboro (February 2026)

	<i>Existing/ operational</i>	<i>Planned/ under construction</i>	<i>Total acres</i>
Washington County/ Hillsboro	436	50	486

The magnitude of urban growth boundary expansions for data center development is without modern precedent under Oregon’s statewide land use planning program. Cities normally forecast and plan to provide a 20-year supply of industrial sites. However, the rate of development by data centers is necessitating more frequent UGB expansions as local governments attempt to match the accelerating pace of industry demand. Development activity in impacted regions of the state has been gathering speed for at least six years. Trends point to a continuing and rapidly increasing rate of demand for large industrial sites, now driven by generative AI computing requirements. In the Umatilla Basin, the land use outcome of this trend is rapid conversion of farmland to industrial development. In the Portland Metro region, data centers compete with other industrial users, reducing the limited supply of large industrial sites and increasing land cost.

¹ DLCD relied on a combination of local government plan amendments, inquiries and other communication from local governments, aerial imagery, and private data products to develop these estimates.