



## Goal 9 Target Industries Approach Rulemaking

Amendments to Oregon Administrative Rules 660-009 (Goal 9: Economic Development) to clarify the use of the Target Industries Approach within Economic Opportunities Analyses.

### Background

#### What is an Economic Opportunities Analysis (EOA)?

An EOA is the method cities use to assess if they have enough land for businesses and jobs to grow over the next 20 years. It is a planning step required by the state to make sure there is enough space available for local economic growth and development. Cities rely on their EOA to provide justification for an urban growth boundary expansion. Although the EOA has required elements, cities have flexibility in how they analyze employment land need.

#### What is the Target Industries Approach?

The Target Industries Approach is a common method of estimating land need within an EOA. Cities that use this approach rely on the desired (target) industry's site needs to inform land demand, rather than estimating land demand based on forecasted employment growth. The Target Industries Approach can be used to identify a need that is small (1 to 5 acres) or large (up to 1,000 acres). The Target Industries Approach is commonly applied in EOAs but was not defined in Oregon Administrative Rules.

#### What are some examples of target industries?

Common examples include manufacturing, health sciences and medical services, data centers, and warehousing and distribution. Past target industry applications have also noted the need for grocery stores, government and public services, and other industrial and employment uses.

#### Why was there a Target Industries Approach Rulemaking?

The Land Conservation and Development Commission (LCDC) initiated this rulemaking process to clarify areas of ambiguity in using a Target Industries Approach within an EOA.

Recent applications of the Target Industries Approach exposed cities to preventable legal challenges. By clarifying how and under which circumstances a city may apply the Target Industries Approach, these revisions will reduce the potential for land use decision appeals. This rulemaking focused on defining what a city can identify as a target industry, protections for sites designated for target industry development, and other related clarifications.



*Figure 1. Target industries can represent a wide range of local economic development priorities.*



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## Rulemaking Summary

### **Where will these rules be applied?**

OAR 660-009 applies to all areas within urban growth boundaries across Oregon.

### **When will these rules be in place?**

The amended rule will go into effect January 2025.

### **Do the impacts of potential future development on the surrounding community need to be addressed in an EOA?**

No, community impact does not need to be addressed within an Economic Opportunity Analysis. Rather, community impact will be considered as a part of the urban growth boundary expansion process.

### **How do the amended rules protect land for target industries?**

The amended rules require that cities identifying land need through the Target Industries Approach also provide development protections for those sites.

### **Will the new rules encourage industrial development in communities?**

While the rule provides a clearer and more certain path for additional land need identified by a city, and protection of that land for use by a target industry, many market factors play into when and where the economic development goals of a city are realized. The amended rules do not encourage or discourage industrial development.

### **Will the rulemaking affect previously adopted EOAs?**

No, Economic Opportunities Analyses that have already been adopted will not be subject to the rule amendments.

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