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Economy

Prineville’s Comprehensive Plan	
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Chapter 5 Economy

Purpose and Intent

Goal 9 of Oregon’s Statewide Planning Goals and Guidelines pertains to economic development. This goal calls for diversification and improvement of the economy. It requires communities to inventory commercial and industrial lands, project future needs for such lands, and plan and zone enough land to meet those needs. Thus, the City of Prineville is required, by law, to provide at least a 20-year supply of commercial and industrial land and commensurate infrastructure. [In conformance with Goal 9, the City has conducted an Economic opportunities Analysis \(EOA\) with a Buildable Lands Inventory. The complete analysis prepared by ECONorthwest in conjunction with 3J Consulting in January of 2025 and is titled “City of Prineville Economic opportunities Analysis”. This analysis is adopted by reference and considered a part of this chapter. The following is the “Executive Summary” of the EOA.](#)

[2025 Economic Opportunities Analysis Executive Summary](#) ~~The goal also requires that comprehensive plans shall “include an analysis of the community’s economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends.”~~

~~There is no dispute that successful commercial and industrial activity requires sufficient and suitable land inventories. Careful attention to the necessary space requirements and locational considerations of potential commercial and industrial uses is necessary to promote, maintain, and encourage a variety of local economic activities on lands that are competitively priced. It is generally understood that when the supply of economic lands are constrained, land prices unnecessarily increase and this could reduce Prineville’s chances at attracting business.~~

~~In conformance with Goal 9, the City conducted and updated a Buildable Lands Analysis⁺ in order to evaluate land availability and examined market trends. Other studies were also used to determine land supply and long term land needs and together with the updated buildable lands inventory, are good data sets from which to derive assumptions about economic land needs. Local and regional experts have also supplied the city with information about other economic factors that affect Prineville. The findings derived from the Buildable Lands Analysis and other studies were used to address the key factors of Goal 9 identified above. The bulk of these data sets are located in the appendix.~~

~~Understanding the City’s economic assets will also be a key task in analyzing the existing and future economy. Land use planning, permitting processes, infrastructure development and related efforts of the City will influence future business development. Coordination with local business groups such as the Chamber of Commerce and Economic development For Central Oregon will be essential to identifying what type of development enhancement and infrastructure is necessary to support desired industries. The City and private groups will need to work together and implement programs as necessary to help companies and new businesses easily locate in Prineville, expand, and stay competitive in the local and regional markets.~~

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~~The analysis has been updated as needed to reflect actual land absorption, City Council policy, and other relevant inventory monitoring factors.~~

Issues, Goals, Policies, and Programs

Assumptions and Trends

The City of Prineville can play an active role in helping to support the local economy by continuing to enhance existing businesses and generate new activity. The local economy of Prineville is directly tied to land zoning and available supply, historical land uses, local and regional demographics, labor pool, suitable housing, public services and transportation facilities. City regulations have a direct impact on the ability of existing business to expand and attraction of new business.

Private and public economic development efforts should focus on strategies that increase the opportunities for existing businesses. Likewise, efforts should also focus on expanding the possibilities for future workers and entrepreneurs by offering opportunities for local citizens to stay in the community and obtain nationally competitive jobs.

The national economy, society, and environment are key factors that will influence the local economic climate of Prineville. This chapter illustrates Prineville's existing economic patterns and potential economic opportunities. The analysis begins with a review of the current economic state of economic development in Prineville and Crook County. It also is necessary to identify any obstacles to future enterprise. This type of analysis approach can strengthen the community's position as a unique, established, and attractive place to work, live, shop, and recreate.

Access and Location

The City of Prineville is a small community approximately 17 miles outside of the Highway 97 corridor, which is a vital link to the Willamette Valley and other metropolitan areas. The location of the community and proximity/distance from Highway 97 will continue to be somewhat of an obstacle for new businesses and industries that rely on speedy shipping and proximity to support services in Bend, Redmond, Portland Metro and the I-5 Corridor. However, the charm of the area, quality of life, good development climate, Enterprise Zone, City owned railway, volume of available land and lower land costs will continue to be elements that can help overcome the distance to regional highway issues. The recent development of the Millican Highway connection from Highway 20 (Burns) to Highway 126 at the industrial park will be an advantage for trucks looking to avoid the congestion in Bend and Redmond. Even though the community is removed for the Highway 97 corridor, the time savings gained from the Millican Highway connection will help to compensate for the loss in direct or origination trips. The addition of truck stop services near the intersection of the Millican Highway and Highway 126 will help to serve the industry while reducing the negative impact of the truck traffic upon the rest of the community at the City center.

Alternatives to Access Difficulties—A Focus on Technology

Difficulty in reaching convenient access to regional transportation corridors can be partially overcome by transitioning to a technology and knowledge based economy. Jobs that rely upon the development of technology and the transfer of knowledge products do not necessarily rely upon large amounts of truck shipping necessitating regional highway access. Information and technology markets influence and support all types of industries from retail to wholesale to manufacturing and service firms. Such industry is changing the speed and efficiency of business

operations, the skills of workers, and the expectations of consumers. As a result, business owners and employees in the technology industries do not need to solely rely on ground shipping to deliver products to customers. Linking economic development strategies to a technological based economy is a trend that will be critical to enhancing the local job market.

Downtown Prineville – The “Core” Commercial Area

Prineville has a viable downtown area, which serves as a central feature in the community. Various studies have shown that this is where the maximum effort should be expended to improve the retail business climate. The downtown area could benefit from the addition of commercially zoned lands as necessary to deepen lots and broaden redevelopment opportunities.

Other Commercial Areas

The existing development patterns and commercial zoning designations have given rise to commercial development adjacent to the primary roadways in a “strip” configuration. The negative effects of such strip development include:

- poor access control, conflict with ODOT, and undesirable access for commercial developments;
- shallow lot depth limiting future business or center-type development;
- poor sign control and limited aesthetic options;
- longer vehicle trips to reach needed shopping services; and,
- reduced opportunities for buffering between land uses.

Strip commercial areas on the edges of the community force shoppers to travel by cars along the primary access ways. Pedestrian and alternate mode opportunities are lost when commercial zones are located great distances from population centers and neighborhoods. In addition, sole reliance upon vehicle travel to reach strip shopping areas can lead to unnecessary vehicle travel and expensive widening improvements along major roads. The synergy of commercial activities is lessened when commercial uses are not located in centers or downtown. Mixed use zoning and rezoning of certain parcels to provide enough land in sizes necessary to accommodate commercial centers rather than a continuation of additional shallow depth strip commercial will be necessary to provide a better balance of commercial development and reduce unnecessary vehicle trips.

Industrial Areas

The community also has a major industrial area near the Prineville Airport and a railroad dependant industrial area in the NW quadrant. These industrial areas are top priorities for local decision makers concerning infrastructure planning and economic expansion incentives.

There are various older, industrial areas scattered around the city, but these tend to create incompatibility issues with adjacent residential and mixed use areas as well as disrupt natural drainage ways and riparian areas. Some of these older industrial areas have been developed with residential uses and suffer from incompatible Plan designations. The City intends to rezone the undeveloped portions of these industrial areas to mixed use areas and residential zones without negatively affecting the industrial land inventory. The trend to incorporate mixed uses on lands that are incompatible with established residential uses will enhance the ability of the community to

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add more mixed-use zones throughout the urban growth boundary. The properties slated for proposed rezoning are shown on Map No. 3 in the appendix.

Critical Drivers of Prineville's Economy

Many factors drive an economy. Some are influenced by the global economy, others by federal and state policies, and still others by regional elements. Some factors are in the control of the community and others are not, yet they all interrelate. One of the first steps in developing sound economic development plans is to understand what drives the local economy. The factors identified as those most directly affecting Prineville's economy included:

Types of Businesses:

- Traditional manufacturing businesses: products, components, machines, farm and construction equipment, woods, metals, glass, stone, fertilizer and chemicals, and composite materials.
- Emerging businesses: high tech, Internet, e-commerce, creative services, and mixed-use developments providing jobs and workforce housing to reduce employee commute time/highway congestion.
- Support businesses: Suppliers, retail, services and repair, personal and business services. A variety of company sizes: from small to large—commensurate with growth trends.

Business Operations:

- Skilled workers
- Workforce housing
- Telecommunications capacity
- Access to support services
- Access to capital

Regional Development Factors:

- Infrastructure & transportation
- Land availability and cost factors
- Affordable housing
- Access to post secondary education system

Business Climate Factors:

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- Public policies, fees, land use restrictions
- Tax structure and Strong stable government
- Transportation options

Livability & Image:

- Small town charm, arts & culture, access to services
- Growth management
- Overall quality of life
- K-12 education system
- Access to health care
- Access to quality shopping and recreation

It is essential that Prineville's community leaders examine how these drivers, whether they are strengths or weaknesses, affect economic development planning. Businesses, industry groups, the Chamber of Commerce, city staff, community development representatives and others involved in the adoption of the Plan identified the following as *key issues* that will likely influence the future economy.

- 1.—The ability to capture the growth in emerging industries such as high tech, software, bioscience, and e-commerce.
- 2.—The ability to redevelop areas to meet density and employment goals while keeping a sense of place.
- 3.—The need to consider small business and local services as part of the overall economic picture.
- 4.—How to develop an image for Prineville that will support and retain existing businesses and attract new ones.
- 5.—The link between Prineville's economy and that of the broader Central Oregon region.
- 6.—How to identify, improve, and pay for the basic transportation and infrastructure needs necessary to facilitate business development.
- 7.—How to develop and retain quality workforce housing.

**Existing Economic Conditions –
*National, State, and Local Trends***

The community will need to monitor and consider the importance of local and national trends and related economic activities as part of local growth management. For example, the 2000 Census, Economic Development for Central Oregon (EDCO) and other local experts have provided data used to forecast certain features of the local economy. This data is utilized in the subsequent economic evaluation detailed below.

Labor Statistics and Trends

The unemployment rate in Crook County was at 4.4% in 2000, which was slightly lower than Central Oregon (Crook, Deschutes, & Jefferson County) at 4.9% but higher than the nation at 4.0% for the same year. The primary means of transportation for the local workforce was private vehicles where 69.3% of the workers drove alone while commuting to their jobs. Interestingly, 23.6% of Prineville’s commuters carpooled to places of employment and only 3.3% walked to work.

	Central Oregon	Oregon	U.S.
1996	8.7%	5.9%	5.4%
1997	8.1%	5.8%	4.7%
1998	7.2%	5.6%	4.5%
1999	6.7%	5.7%	4.2%
2000	6.5%	4.9%	4.0%
2001	6.9%	5.9%	4.8%
2002	8.0%	7.3%	5.8%
2003	8.0%	8.2%	6.0%
2004	7.9%	8.5%	5.5%
2005	6.1%	6.9%	5.1%
2006	5.4%	6.0%	4.6%

Local Unemployment Rates as Compared to State and Nation

Crook, Deschutes and Jefferson Counties vs. Oregon and U.S.
 Sources: U.S. data from January 2007 Employment and Earnings (BLS),
 Oregon and regional data from Oregon Employment Department.

Car commuting in Crook County is higher than other places in Central Oregon. This is expected because of the rural setting and distance from other employment areas in Bend and Redmond contributing to a higher commute rate. This situation will not change until the local population can support more industry, service and retail choices in the Prineville community.

	Central Oregon**	Oregon*	WA*	CA*
TRADE				
Plumber	\$23.52	\$24.40	\$23.58	\$20.36
Receptionist	\$10.82	\$10.50	\$10.93	\$11.20
Secretary	\$12.65	\$12.64	\$14.06	\$14.25
Truck Driver, Heavy	\$16.34	\$15.83	\$17.03	\$16.75
PROFESSIONAL				
Industrial Production Manager	\$34.54	\$33.63	\$35.66	\$36.07
Marketing Manager	\$37.21	\$38.03	\$41.30	\$42.47
Electrical Engineer	\$32.49	\$33.12	\$33.96	\$36.01

Average Wages Offered for Selected Occupations

*Bureau of Labor Statistics (2001 most recent stats) **Oregon Employment Department (2002 stats)

Income Level Comparisons

Income Levels										
	Median Income (family of 4)*					Per Capita**				
	2004	2003	2002	2001	2000	2002	2001	2000	1999	1998
Crook	\$47,900	\$45,400	\$35,300	\$34,700	\$34,400	\$21,859	\$21,070	\$20,225	\$21,168	\$19,905
Deschutes	\$57,800	\$54,200	\$45,000	\$44,200	\$41,600	\$28,193	\$27,585	\$26,469	\$26,077	\$24,784
Jefferson	\$45,200	\$43,800	\$36,700	\$36,500	\$35,900	\$20,530	\$17,867	\$17,716	\$18,806	\$18,328
Oregon	\$58,600	\$56,300	\$48,000	\$47,800	\$46,000	\$28,792	\$28,222	\$27,660	\$26,261	\$25,416

*U.S. Department of Housing and Urban Development

**U.S. Bureau of Economic Analysis

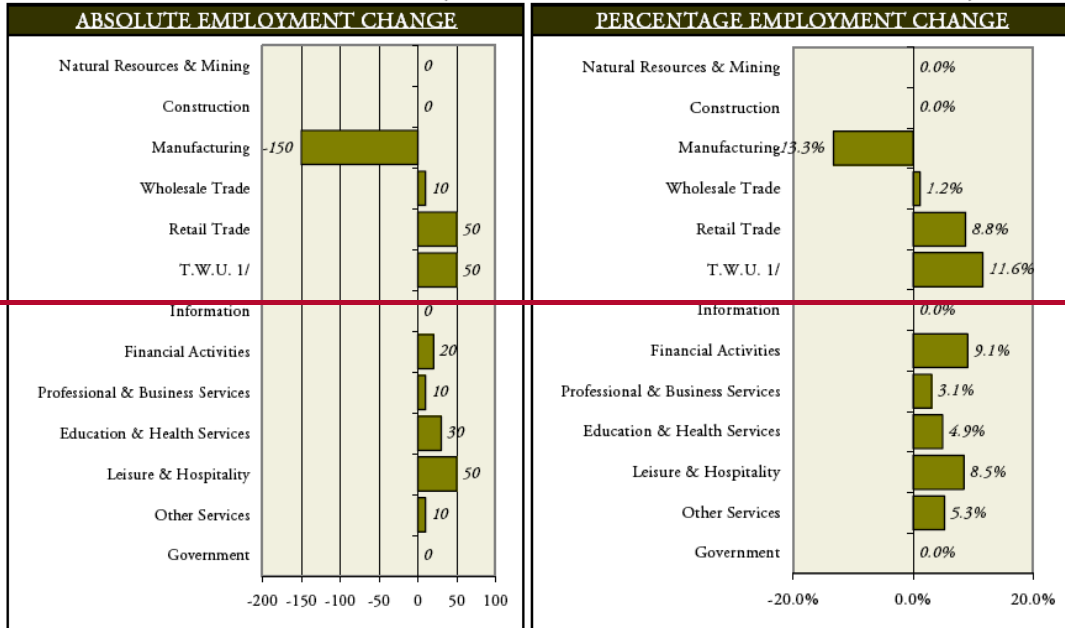
Sources: U.S. data from January 2001 Employment and Earnings (BLS), Oregon and regional data from Oregon Employment Department.

Availability of Products and Services

Competition for products and services currently provided by Bend and Redmond will typically continue until there is an adequate demographic base in Prineville to support additional shopping, employment and service needs of the community. The large commute has certain disadvantages in that it tends to over-utilize existing road capacities at peak hours and this creates a high subsidy for City and State transportation projects, etc. However, the ability for

business owners to draw from a wide labor pool is an advantage and helps to broaden job choices for residents. As the community diversifies and moves further away from a farm and forest based economy the opportunities for more variety in employment and shopping choices is expected to increase.

EMPLOYMENT CHANGE BY MAJOR NAICS CLASS
CROOK COUNTY, OREGON (OCTOBER 2005 THROUGH OCTOBER 2006)



SOURCE: Oregon Employment Department

Employment Changes

Industry growth was led by Transportation and Warehouse (11.6%), Financial Activities (9.1%), Retail Trade (8.8%), and Leisure and Hospitality (8.5%). Manufacturing was the only industry that had a net loss of jobs between October 2005 and 2006. The manufacturing industry lost 150 jobs for a decrease of 13.3%. This decrease is attributable to a decrease in wood product manufacturing. The Oregon Employment Department releases updated ten year employment forecasts every two years at the regional level. The most recent forecast (2004-2014) indicates an anticipated 17,520 job increase for Region 10. Future employment gains are expected to be realized largely through service sector growth. Roughly 50.3% of anticipated employment growth is projected to originate from Professional & Business Services, Education & Health Services, Leisure & Hospitality Services, and Other Services. Prineville and Crook County lie within State of Oregon Assessment Region 10. The Region 10 data indicate that non-farm income is dramatically increasing. These regional reports show that manufacturing, lumber remanufacturing production and service sectors are expanding as population growth occurs.

Primary Industries and Employers

The primary industries in Crook County and Central Oregon are listed in the table below.

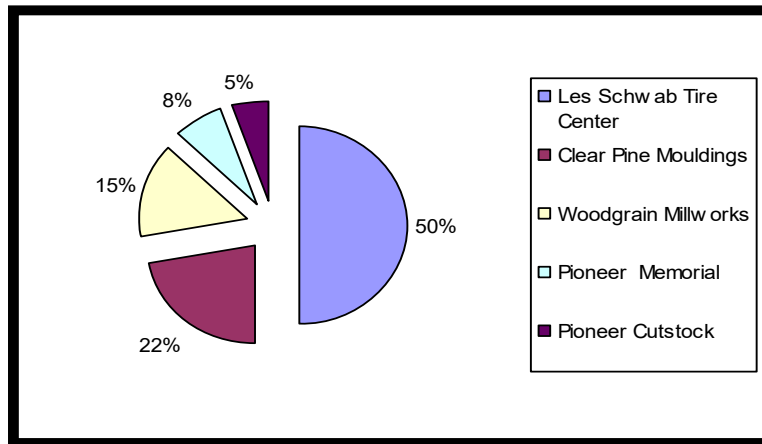
PRIMARY INDUSTRIES IN CENTRAL OREGON

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County	Industry	Total Employment
Crook	Agriculture	400
	Distribution & Warehousing	1,402
	Education & Health Services	559
	Tourism	425
	Wood Product Manufacturing	1,084
Deschutes	Computer & Electronic Manufacturing	362
	Distribution & Warehousing	862
	Health & Social Assistance	5,908
	Professional, Scientific & Technical Services	1,889
	Recreational & Transportation Equipment	1,110
	Tourism	7,652
Jefferson	Wood Product Manufacturing	1,920
	Agriculture	630
	Health & Social Assistance	198
	Manufacturing & Fabrication (includes Wood Product Manuf.)	1,264
	Recreational Equipment Manufacturing	250
	Tourism	556

Local occupations are distributed among several areas and are consistent with the recent Census data. Management, professional, and related occupations cover about 21% of the employed individuals in Prineville; 26.7% in production, transportation, and material moving; while another 37% work in the sales, service and offices occupations. Farming accounts for only 2.5% of city occupations and less than 1% of total revenue generated in Crook County.

Top Private Largest Employers in Prineville

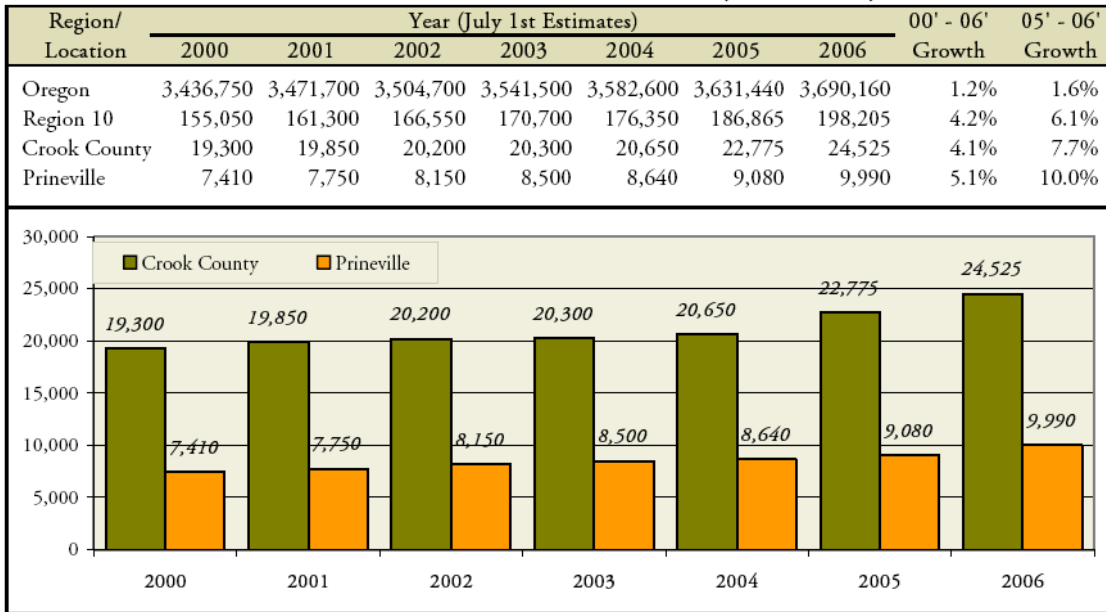


Prineville has the highest per capita jobs in the demand wood and

has the highest of manufacturing state. The for remanufactured secondary wood

~~products, high number of ground transportation companies (7), and the Les Schwab distribution plant are the primary reasons for this situation.~~

ANNUAL POPULATION ESTIMATES
STATE, REGIONAL, & LOCAL TRENDS (2000-2006)



SOURCE: Oregon Population Research Center

~~Despite healthy population increase over each of the last six years, a significant population influx occurred in 2005 which displayed 10.3% growth in a single year. It is predicted that inflation in housing prices in competing markets, namely Bend and Redmond, is largely responsible for Crook County's recent popularity. Over the next twenty years, the Oregon Office of Economic Analysis fully expects regional and County level population to continue a healthy growth pattern. Through 2025, State forecasts estimate an additional 91,382 individuals are expected to permanently reside within Region 10, 9,090 of which to be captured by Crook County, a capture of roughly 9.94%. Additionally, roughly 82.3% of anticipated Crook County population growth will be realized through net immigration.~~

~~Over time, and as the population increases, the trend will be for more diversification in job choices. According to the Oregon Employment Department report, Employment Projections by Occupation 2002-2012² the community can expect to see the greatest job growth in the following occupational areas:~~

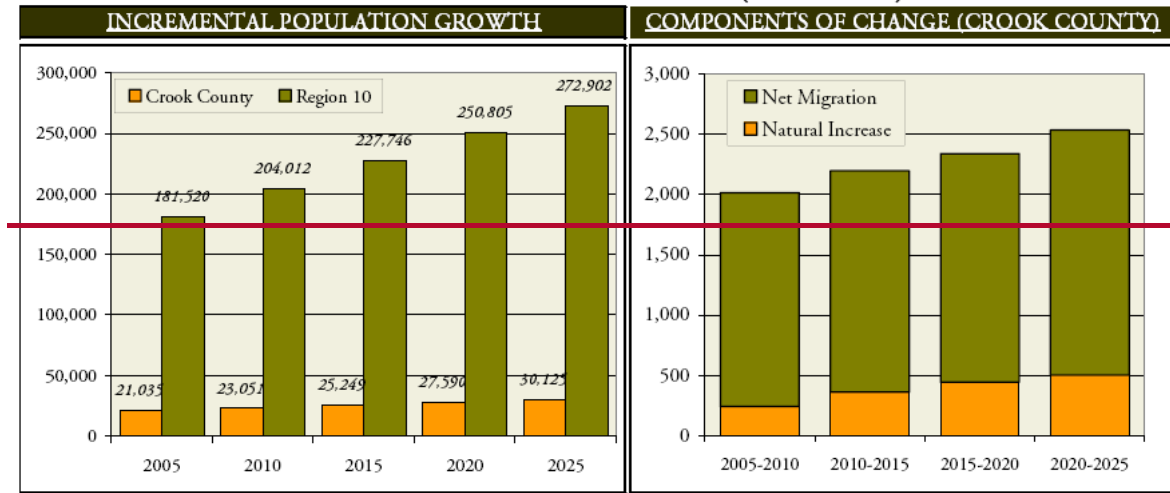
- ~~Health Care~~
- ~~Professional and Technical~~
- ~~Service and Retail including hospitality services~~

~~The increase in health care jobs is much different from the current local situation and is primarily due to an expected increase in young families with children, and an older population~~

~~Generally, the current ordinances are adequate, although a few modifications are needed to better support desired outcomes.~~

made up of retirees and baby boomers. As the older population and general population increases so does the need for more choices in medical services. Health care professionals are in current demand and this is expected to continue as the largest growth area. The City will need to provide the proper amount of developable and adequately zoned lands to accommodate the expected increase in healthcare businesses and medical services. Prineville's small town charm and high level of livability will continue to attract young professionals and entrepreneurs. The retail and service markets will need to respond to this influx in order to meet demands of the growing population, particularly as housing choices increase. The City will need to provide the proper amount of developable and adequately zoned lands to accommodate the expected increase in professional, technical, service, and retail professions.

20-YEAR POPULATION PROJECTION
REGION 10 AND CROOK COUNTY (2005-2025)



SOURCE: Oregon Office of Economic Analysis

Specific Employment and Industry Projections

The 'snapshot' of data tables below provide a more precise projection detail for a period of 10 years beginning in 2004. This data is derived from the 2000 Census and information prepared

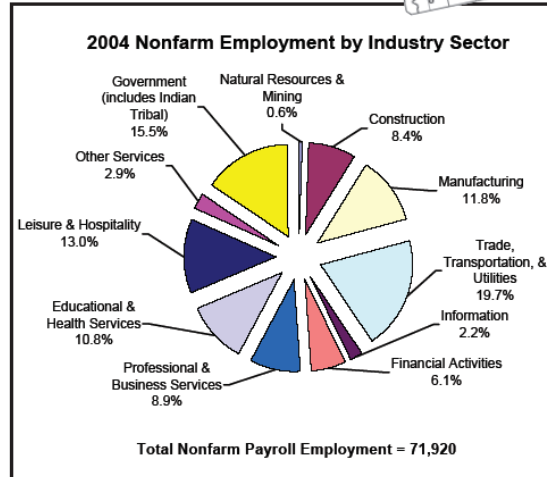
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~~by the Oregon Employment Department (OED). This type of projection is useful for analyzing the current land use ordinances to make sure the community can adapt to the projected needs.~~

Region 10 Industries At A Glance ...



Industry	2004	2014	Change	Percent Change
Total Nonfarm Payroll Employment	71,920	89,440	17,520	24.4%
Natural Resources & Mining	450	480	30	6.7%
Construction	6,030	7,640	1,610	26.7%
Manufacturing	8,510	8,910	400	4.7%
Trade, Transportation, & Utilities	14,150	17,750	3,600	25.4%
Information	1,560	1,880	320	20.5%
Financial Activities	4,370	5,120	750	17.2%
Professional & Business Services	6,400	8,810	2,410	37.7%
Educational & Health Services	7,800	10,170	2,370	30.4%
Leisure & Hospitality	9,370	13,060	3,690	39.4%
Other Services	2,120	2,480	360	17.0%
Government (Includes Indian Tribal)	11,150	13,160	2,010	18.0%

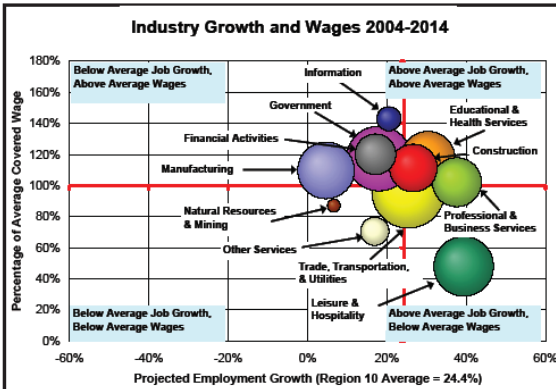


Industries With the Most Jobs	2004 Employment	2014 Employment	Projected Change	Percent Change
Food Services & Drinking Places	5,507	7,325	1,818	33.0%
Wood Product Manufacturing	4,020	3,898	-122	-3.0%
Specialty Trade Contractors	3,812	4,840	1,028	27.0%
Administrative & Support Services	3,504	5,126	1,622	46.3%
Ambulatory Health Care Services	2,772	3,638	866	31.2%

Industry	2004 Employment	2014 Employment	Projected Change	Percent Change
Food Services & Drinking Places	5,507	7,325	1,818	33.0%
Administrative & Support Services	3,504	5,126	1,622	46.3%
Accommodation	2,340	3,703	1,363	58.2%
Specialty Trade Contractors	3,812	4,840	1,028	27.0%
General Merchandise Stores	2,167	3,134	967	44.6%

Industry	2004 Employment	2014 Employment	Projected Change	Percent Change
Electronics & Appliance Stores	169	301	132	78.1%
Accommodation	2,340	3,703	1,363	58.2%
Museums; Parks & Historical Sites	71	111	40	56.3%
Motion Picture & Sound Recording Ind	89	134	45	50.6%
Administrative & Support Services	3,504	5,126	1,622	46.3%

*Limited to industries with a minimum 2004 employment of 40 and that satisfy Employment Department confidentiality criteria.



For additional information, contact Steve Williams at Stephen.C.Williams@state.or.us or (541) 388-6442

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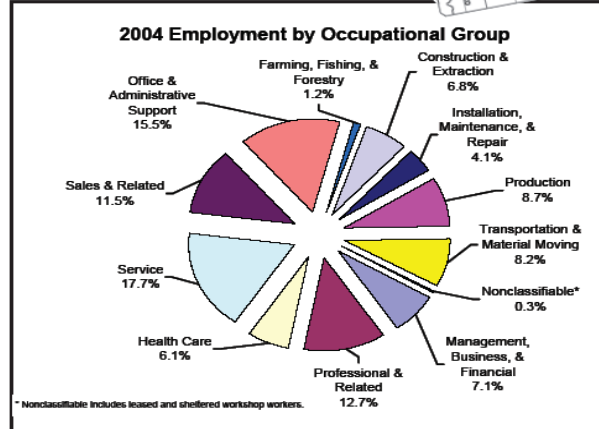


Region 10 Occupations At A Glance ...



Occupational Group	2004 Employment	Percent Of Total	Statewide % of Total
Total Payroll Employment	72,598	100%	100%
Management, Business, & Financial	5,182	7.1%	8.7%
Professional & Related	9,219	12.7%	15.5%
Health Care	4,458	6.1%	6.4%
Service	12,874	17.7%	15.2%
Sales & Related	8,340	11.5%	10.6%
Office & Administrative Support	11,254	15.5%	16.6%
Farming, Fishing, & Forestry	895	1.2%	2.4%
Construction & Extraction	4,930	6.8%	4.3%
Installation, Maintenance, & Repair	3,001	4.1%	4.0%
Production	6,292	8.7%	7.9%
Transportation & Material Moving	5,927	8.2%	7.6%
Nonclassifiable*	226	0.3%	0.7%

*Nonclassifiable includes leased and sheltered workshop workers.



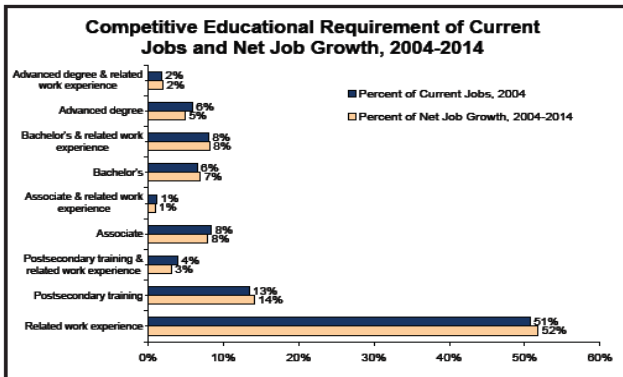
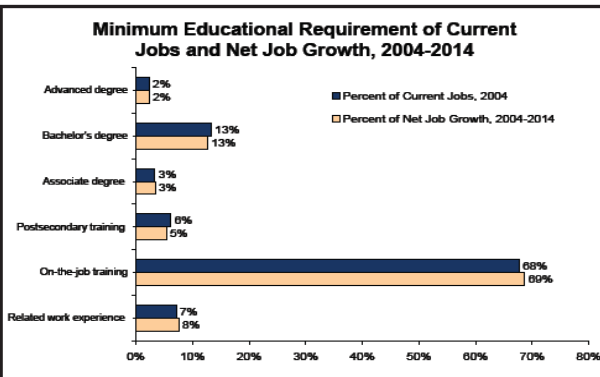
Top Performing Occupations

Occupations With the Most Jobs	2004 Employment	2014 Employment	2004-2014 Percent Growth	2004-2014 Growth Openings	2004-2014 Total Openings*
Retail Salespersons	2,756	3,721	35.0%	965	2,091
Waiters & Waitresses	1,571	2,236	42.3%	665	1,591
Cashiers	1,448	1,874	29.4%	426	1,128
Office Clerks, General	1,414	1,751	23.8%	337	687
Laborers & Freight, Stock, & Material Movers, Hand	1,372	1,551	13.0%	179	628

Occupations Adding the Most Jobs, 2004-2014	2004 Employment	2014 Employment	2004-2014 Percent Growth	2004-2014 Growth Openings	2004-2014 Total Openings*
Retail Salespersons	2,756	3,721	35.0%	965	2,091
Waiters & Waitresses	1,571	2,236	42.3%	665	1,591
Customer Service Representatives	911	1,366	49.9%	455	626
Cashiers	1,448	1,874	29.4%	426	1,128
Registered Nurses	1,247	1,616	29.6%	369	682

Occupations Growing the Fastest**, 2004-2014	2004 Employment	2014 Employment	2004-2014 Percent Growth	2004-2014 Growth Openings	2004-2014 Total Openings*
Correctional Officers	62	328	429.0%	266	307
Aircraft Structure, Surfaces, Rigging, & Systems Assemblers	42	92	119.0%	50	69
Amusement & Recreation Attendants	239	423	77.0%	184	269
Hotel, Motel, & Resort Desk Clerks	129	203	57.4%	74	145
Entertainment Attendants & Related Workers, All Other	52	80	53.8%	28	45

*Total Openings include openings resulting from growth and from workers leaving the occupation. ** Limited to occupations with a minimum 2004 employment of 40.



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The predictions for commerce and industry growth do not show a large increase in the type of high employment, large industrial development that Prineville and EDCO hope to attract to the community and region. However, the current economic incentives, limited land supply in other nearby communities, and the level of commitment shown by local leaders may dispel the predicted trend and lure additional large manufacturing, industrial, and technologically-based businesses to the community.

The OED predictions do not take into account the current lack of desirable industrial land in Bend and Redmond. This factor alone has proven to be valid with the recent development of several new industrial parks near the Prineville Airport and brisk 2004-2006 land sales in adjacent industrial areas. Developers are keen to focus on Prineville now that there is a better selection of industrial parcels to choose from in the UGB. The selection has been enhanced by the recent UGB expansion, which added over 540 acres of industrial land to the UGB.

Existing Economic Conditions Conclusion

Prineville's local leaders encourage quality development and job creation. While retail, service, and the health care industry will continue to grow and expand, community leaders have aggressively focused efforts on attracting large industrial development. It is anticipated that these efforts will bring forth industries that rely on a large number of employees and create additional family-wage jobs in the community. Community leaders have made it clear that large industrial development is needed in addition to the sectors identified in the predicted trend data. Likewise, there is a companion goal to reduce the daily commute for local residents by the creation of additional family-wage jobs within the community.

According to Economic Development for Central Oregon—EDCO staff—

“Central Oregon has steadily diversified its employment and economic base. For the past decade, Deschutes County has lead Oregon in high technology growth (over 270%). Numerous companies from the Silicon Valley, Portland-Vancouver Metro, and Puget Sound have relocated or expanded here - escaping skyrocketing costs, electricity shortages and tight labor markets. Many of these firms are small but extremely innovative, producing niche-market products from semiconductors to software, medical instruments to recreational equipment.”

wages
lower
and high
features

Competitive
relatively
housing costs,
quality of life
will continue

to attract businesses and companies to the region. Prineville will need to supply adequate levels of skilled labor force, developable lands and increased housing choices to continue to be attractive to new business development as a way to compensate for less-than-perfect access to key highways.

Overall, Central Oregon is a desirable place to locate businesses and while the region is not on the I-5 corridor there are certain advantages to the area given the labor rate comparisons and

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~~other positive demographic features. Oregon's largest School-to-Work program operates in Prineville, through a partnership with the Chamber of Commerce.~~

~~*Existing and Proposed Industrial Opportunities—Industrial Land Site Requirements*~~

~~Prineville has a variety of industrial areas spread throughout the community. A few industrially zoned lands suffer from a lack of performance standards, which can lead to compatibility issues with adjacent residential neighborhoods. The transition from a lumber-based economy to tourism and locational factors have rendered some industrial parcels ripe for redevelopment into other less intensive or mixed uses. As older industrial areas transition to mixed uses and new industrial areas are created, the City will need to explore alternatives to incompatibility issues including but not limited to rezoning, mixed-use development techniques and additional setback and compatibility standards.~~

~~*THE OCHOCO LUMBER MILL PROPERTY—A REDEVELOPMENT SITE*~~

A few industrial areas such as the former Ochoco Lumber Mill site lie adjacent to the UGB and along Highway 126. The redevelopment of these types of sites will require careful planning and use of mixed-use development techniques as a way to avoid the negative effects of additional strip commercial development patterns. The Ochoco Lumber Mill site is too close to residential uses to continue as heavy manufacturing. Thus, a new type of zone, one that is compatible with adjacent development patterns, is more appropriate.

Numerous discussions with the owner of the Ochoco Lumber Mill property have revealed that they wish to potentially develop a mixed-use project on the site. This would include commercial, industrial, open space and housing activities. The owners have stated that they also intend to enhance the alignment of Ochoco Creek and its floodplain where it crosses the site and develop suitable buffers and separation from the nearby existing neighborhoods. This type of redevelopment is consistent with Plan objectives and helps to diversify the economy as it further transitions from lumber to other needed business types.

~~The recommended "complete neighborhood and commercial/industrial area standards" contain good compatibility requirements and will help to buffer industrial uses from other activities. The industrial areas that are close in and near the higher population areas contain the largest variety of industrial uses. It is expected that as land prices and population increase the existing heavier industrial uses will transfer to other less populated outlying areas. Traditionally, the smaller industrial uses such as service and repair or contractor services have located close to the~~

~~to preserve large parcels for industrial campus uses needing large site requirements.~~

~~Tom McCall Expansion – Prineville Industrial Park~~



~~The Tom McCall Expansion, known as the Prineville Industrial Park is 118 acres in size and privately owned. The property abuts the County industrial lands and wraps around the Oregon Youth Association – OYA facility. This facility will be converted to Oregon National Guard uses. A variety of lot sizes are available ranging from .5 to 50 acres in size. Airport access to taxi ways may be available at the southern end of the property. There is an increasing need for additional access to the airport form adjacent lands. The FAA has traditionally discouraged such access but the viability of the airport depends upon such services.~~

Prineville Airport Business/Industrial Park

~~The Prineville/Crook County Airport includes two runways with the largest offering a 5,000-foot runway capable of handling jet traffic at an elevation of 3,246 feet above sea level. Pilot activated runway lighting and fixed base operator (FBO) services are available. The~~



airport has several sites available for industrial and commercial development but is for lease only.

Local Efforts to Target Desired Industries

Economic Development for Central Oregon (EDCO) has focused their efforts in attracting new business and industry by targeting specific types of development. These include:

General Industry Cluster Targets

Aerospace and Aviation

High Technology (includes software, hardware and biotechnology)

Light Industrial and Manufacturing (Plastics, assembly, printing, misc.)

Recreational Equipment Manufacturing

Research and Development Firms

Secondary Wood Products

Headquarter Firms

Within these broad categories, 21 of the nearly 1,000 SIC (Standard Industry Classification)

Codes have been chosen by EDCO as specific targets for growth and recruitment. They include:

Specific Targets

~~2396 Automotive Trimmings, Apparel Findings & Related Products~~

~~2542 Store and Office Fixtures (except wood)~~

~~2732 Book Printing~~

~~3751 Motorcycles, Bicycles & Parts~~

~~3792 Travel Trailers and Campers~~

~~3799 Transportation Equipment, NEC~~

~~3845 Electro medical & Electrotherapeutic Apparatus~~

~~3721 Aircraft~~

~~3728 Aircraft Parts & Engine Parts~~

~~7371 Software Development, Custom~~

~~7372 Software Development, Prepackaged~~

~~3082 Plastics Profile Shapes, Unsupported~~

~~3089 Plastic Products, NEC~~

~~3672 Printed Circuit Boards~~

~~5099 Durable Goods, Wholesale, NEC~~

~~2541 Store and Office Fixtures, Wood~~

~~2674 Bags, Uncoated Paper & Multiwall~~

~~3086 Plastics Foam Products~~

~~3087 Plastics Resins, Custom Compounding~~

~~3674 Semiconductors & Related Devices~~

~~3949 Sporting & Athletic Goods, NEC~~

All of the above targets are suitable uses in the Prineville community. However, the City wants to attract clean industries and avoid those that can cause harm to the environment or create potential City subsidy. This goal may mean that some industries may need to be carefully examined for potential community pollution. The City will need to make sure that the industrial

and commercial zoning regulations can accommodate the future development industries identified above.

As mentioned above, the identified target industries do not necessarily match the forecasted local trends. However, this does not mean the desired industries are unsuitable for Prineville. On the contrary, the local desires, and State/National trends are all to be considered when developing the assumptions used to support this economic opportunities analysis.

Industrial Land Inventory Needs Analysis

Prineville is the only incorporated city within Crook County's sizeable 2,291 square acres. Prineville would like to provide jobs in the community for all of it's' citizens and not suffer the negative impacts of the daily commute to other cities. The City of Prineville cannot meet this goal at present. Efforts to induce additional job creation are underway and were given a boost by the 2004 UGB expansion that took in an additional 540 acres of land for industrial purposes. The responsibility to maintain a supply of adequate industrial lands, and provide a sound industrial climate to support additional job creation is a continuing responsibility of the City as part of the Goal 9 requirements and City Council policy.

The development trend in Prineville is primarily a product of reaction to a changing lumber and agricultural base. Lands that were devoted to primary lumber manufacturing have either ceased operation or transformed to respond to market needs and available lumber supply.

From the mid-1980's until 2003, some industrial lands were permitted to allow development of non-industrial and/or commercial uses. These decisions were part of an effort to retain business and help provide jobs in the community. Higher land prices and limited supply of commercial land exacerbated this situation. However, this technique created problems with compatibility to primary industrial uses and tended to underutilize valuable industrial land resources. Better efforts at coordinated economic development strategies, appropriate mixed-use land development, and incentives to encourage commercial development in appropriate locations will reverse this negative trend.

The City intends to preserve industrial areas for predominantly industrial uses. This may be difficult in light of M37⁴, but development of incentive programs such as the Enterprise Zone

⁴M37 is a measure approved by Oregon voters to protect property rights for those who have owned property prior to restrictive land use regulations that limit allowed uses of property. M37 is being re-examined and it is unknown whether the measure will be sustained over the years

and the City's required M37 waiver as a condition of annexation will be helpful to preserving industrial lands for future economic development.

Numerous parcels of land in the UGB are inappropriately designated industrial. The zoning of these parcels will need to be corrected and appropriately zoned. The largest of these parcels are known as the Ochoco, Smith, Carpenter, and Rhoden sites. These were not considered prime industrial lands in the Benkendorf report and/or in related City studies. Other parcels of land containing residential homes have an inappropriate designation as "industrial" and need to be rezoned. See attached map showing proposed rezone areas. The 2004 UGB expansion industrial lands need analysis was based on a combination of factors. These factors continue to be useful for future land need forecasts.

The recent Benkendorf Report, as modified, other studies, and the recent UGB Expansion Report are the source of the current industrial inventory data. Modifications were completed using local and regional data and development trends combined with regional and statewide efforts to attract commerce and industry to the region. Thus, the forecasted land needs are a product of various technical sources in addition to the data listed above.

The appendix of this Plan shows that the bulk of serviceable and available industrial lands were essentially depleted as of 2004. The industrial inventory was replenished with the addition of 540 acres of industrial land in the UGB expansion approved by the State of Oregon in late 2004. This amount of land was thought to be more than adequate for at least the planning period, or 20 years. However, no amount of data or model can accurately predict the future economic land needs of a community or the exact amount of land needed in each category. Therefore, a variety of factors must be used to estimate the amount of developable land needed. Moreover, because it is not prudent to use absorption rates alone, the City has chosen to use the 11 forecasting factors described above. The result is an "estimate" of needed lands for the future beyond the

11 Industrial Land Forecasting Factors

Historical development trends

Availability of infrastructure and transportation access

Physical features that enable easy development; including infrastructure supply

Features that restrict or limit development – open space, natural resource protection

Location and proximity to labor force

Growth management goals and compliance with State law

Community employment needs, niche development, emerging markets

Complete neighborhood development techniques

Private or public ownership

Proximity to airport and glide path restrictions

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~~recent UGB expansion. These estimates are used as a basis for making land use decisions and as new data or new predictive models become available, the estimates will be revised.~~

~~Revisions to the Plan can occur at any time, once supporting evidence shows a need for a change or update. Thus, the community can be assured that careful monitoring of all predictive data will be the best method for addressing the economic land needs of the community.~~

~~The 11 forecasting factors can be used to formulate assumptions about economic trends and determine industrial land needs. These factors form assumptions and when combined with local planning and economic development goals, are intended to provide a foundation for assessing any changes in the Plan. As of the date of approval of this plan, the basic assumptions are as follows:~~

~~The National, State and Local trend shows that the highest economic growth will be in Health, Retail, Service and Professional fields.~~

~~The goals of the community and those of local economic development experts focus on high technology, manufacturing, and production as desired industries. These goals may conflict with the predicted trends.~~

~~Public facilities that serve industrial lands must be complete and adequate to support community economic development goal. The most recent geological data shows the Deschutes Aquifer serves the industrial lands near the airport. This is in contrast to existing industrial sites (and other zones for that matter) located at lower elevations. Water supplies near the airport are more readily available and reliable than water sources at the center of the City.~~

~~Lands that have appropriate infrastructure in place and are competitively priced will be easier to market to prospective developers. Lease-only lands are more difficult to market because of bank financing conditions.~~

~~Industrial lands must be attractive and include support services and workforce housing for employees.~~

~~The 2004 UGB expansion included lands specifically reserved for:~~

~~Railroad, and/or railroad supportive uses~~

~~Sewer Treatment Plant Expansion~~

~~Large acreages for campus-like manufacturing or technical companies—publicly and privately owned~~

~~Industrial lands that have historically supported lumber mills may need to redevelop in response to the economic changes and lack of raw timber supplies.~~

~~Industrially designated lands near the core of the community will need to be reclassified to other zones to improve compatibility with abutting uses, encourage more mixed-use zoning, and to encourage innovative land use techniques that improve and broaden the labor pool. This~~

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~~conversion in combination with a need for additional industrial lands that are situated at the near the airport will require a future UGB expansion.~~

~~Airport lands are a valuable industrial resource requiring special management, planning, and development techniques. The Airport Master Plan deals with the specifics of airport development.~~

~~The 2003 revised Benkendorf Report provides valuable data that must be combined with other studies/data and the above 11 factors to accurately represent the land needs of the community.~~

~~Industrial lands that contain natural resource areas and other areas that require special protection will reduce the overall inventory of developable industrial land.~~

~~The above assumptions can be combined to make certain quantitative determinations about needed industrial land supplies over the 20-year period. As previously mentioned above, the City had added 540 acres of industrial land to its inventories in 2004 as shown on Exhibit I-1. Each portion of added industrial land area was given a label and a 25-30% non-buildable factor was applied to the various acreages in each area. In addition, some of the lands were slated for specific development purposes, which were not speculative. The sewer treatment plant and the lands reserved for railroad uses are examples of non-speculative development proposals. The charts shown below give the acreage details for vacant and developable industrial lands.~~

~~Before UGB Expansion~~

Industrial Lands Available prior to UGB Expansion	Airport-publicly owned—lease only	Other—private and publicly owned
	305.0 acres	5.0 acres

~~After UGB Expansion~~

Industrial Lands Available after UGB Expansion	Airport-publicly owned—lease only	Other—private and publicly owned
	305.0 acres	824.0 acres

~~The Prineville community had very little privately owned, developable, industrial land available before the 2004 UGB expansion. After expansion, development activity/absorption,~~

development restrictions, and reservation for special uses reduced the number of developable acres to the amounts shown below.

Reductions to Industrial Land Acreages after 2004 UGB Expansion

Area or Area Number	Total Acres Without Reduction	Developable Acres With Reduction
Airport	305.0	210.0
UGB Area 6	160.0	120.0
UGB Area 6a	80.0	36.0
UGB Area 6b	160.0	150.0
UGB Area 7	313.0	219.0+
UGB Area 8	77.0	0.0—sewer treatment plant only
UGB Area 9	34.0	14.7—reserved for railroad uses
Totals	824.0	750.0

Some of the above acreage reductions are estimates based upon average percentage of developable lands that contain constrained areas such as rock outcrops, steep slope, future ROW areas, buffer areas, public facility needs, airport glide paths, and other obstructions to development. Modern engineering techniques and other development strategies may be able to increase the actual and final amount of developable land.

Original Industrial Land Need Forecast

The Benkendorf Report utilized a combination of forecasting techniques based upon future population estimates and employees per acre data. The 2003 revisions to this report show that additional amounts of non-lease industrial land are required for the needs planning period in addition to other industrial land types. The City originally thought it took in more land than it needed for industrial purposes because of the assumptions made in 2003. The amount of 824.0 acres reduced to 750.0 acres was a result of incorporating the variety of City preferred techniques and assumptions described above. For example: it was assumed that the railroad uses anticipated in UGB Expansion Area 9 will not develop as quickly as other industrial uses given historical demand. In addition, the development restrictions (lease only, etc.) for lands at the airport create an obstacle for certain types of desired development. Because the airport and railroad are long-term community features that will take many years (more than 20) to fully develop, these areas should be reserved and not included in the total net need for the purposes of this planning period.

Existing Industrial Lands Located Near Incompatible Uses

The City has also continued analysis of the potential negative impacts of retaining heavy manufacturing and other industrial land designations currently located near the older parts of the city. In-depth review of these areas indicates the industrial areas are located in areas with

limited water supply, adjacent to sensitive wetlands, steep slopes, and long established low-density residential development.

Existing Residential Development on Industrial Lands

The City has numerous residential homes built on industrially zoned lands. This situation needs to be corrected. The City has proposed a legislative fix to this situation and in combination with UGB expansion will serve to correct long standing zoning errors. A demonstrated need for additional developable residential lands (as described in following chapters) and to develop within the guidelines of a “framework plan” supports the rezoning of poorly located industrial areas to other uses. Map # 3 shows these areas.

Additional Reductions to Industrial Land Acreages after 2004 UGB Expansion Due to Needed Rezonings*

Land Area By Historic Ownership Name, etc.	Total Current Industrial Acres Requiring Rezoning to Other Uses
Carpenter	100.0
Rhoden	120.0
Ochoco	120.0
Smith	60.0
Northridge	115.0
Other Areas	20.0
UGB Area 9	34.0
Totals	569.0 ⁵

*See Error and Potential Rezoning Map at Appendix.

Properly Located Industrial Land

A future UGB expansion will add additional areas for industrial development near the airport and will help Prineville address the current jobs/housing imbalance. Redmond and Bend currently have a greater number of employment opportunities, which results in a significant number of Prineville’s residents commuting to other cities on a daily basis. Such commutes have the effect of over utilizing limited energy and natural resources, creating unnecessary business expenses, and increased infrastructure costs for community.

Commuting has been found to reduce effectiveness of business operations due to increased employee travel time and increased absences related to weather and road conditions. Likewise, Prineville has lower housing prices, which attract employees who cannot afford to live in Bend or Redmond⁶. Additional supplies of appropriately located industrial land will help to provide

⁵ Acreages estimate until verified with GIS and survey data

⁶ This is discussed further in the Housing section of the Plan.

quality jobs in the Prineville community thus, reducing the need for citizens to seek employment in other cities.

Current Industrial Land Prices—Supply and Demand

The price of industrial land near the airport has increased from \$1.25 per square foot in 2004/05 to over \$4.50 a square foot in 2006. The increase is a direct result of limited supply of available industrial land and the effect of land prices in Redmond and Bend which are over \$9.00 per square foot. See attached Exhibit I-2.

Adding more industrial land to the UGB, in appropriate locations, will help to stabilize land costs and keep Prineville in top position with lower priced and larger sized lands ready for development.

The Baldwin Industrial Park and other newly developed industrial areas near the airport have experienced brisk development since the 2004 UGB expansion. This trend will continue and the proposed expansion of the UGB to add additional industrial lands near the airport, especially in an area with reliable water supply, will help broaden Prineville’s ability to attract and maintain business.

Restricting the ability to expand the UGB to include more industrial land will have a harmful effect on Prineville’s economy. The community needs to expand the UGB to remedy the loss of industrial land that should be rezoned to more appropriate uses. Thus, once the total amount of industrial land to be rezoned to other uses is removed from inventory and added to the previously identified need for a long-term supply of industrial lands the long term need now totals 1393 acres. This need in comparison to industrial land inventory shows that the UGB should be expanded to supply needed new industrial lands.

Industrial Land Need Post-2004 UGB Expansion

Industrial Acres Added to UGB In 2004 And As Reduced By Constraints	Identified Industrial Acres That Should be Rezoned to Other Uses	New Total Industrial Acreage Need
824.0 acres reduced to 750.0 acres	569.0	824.0 + 569.0 = 1393.0 acres

Large Acreages Needed

The community supports targeting of specific industrial uses that can provide many jobs at one location. These industries tend to require large acreages from 50 to 120 acres to support large buildings in a “campus” arrangement. Good examples of such developments are Les Schwab,

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Lanecair, call centers, truck stops, workforce housing/industrial developments, and airports. The community intends to provide for and reserve large tracts for these types of development. The existing Enterprise Zone was created to entice large industrial developments to Prineville.

It is anticipated that there should be an inventory of large “for purchase” industrial lots appropriately located in industrial areas near the airport area. The City has determined that approximately 250 acres above the Benkendorf Report recommendation is appropriate. This allows for a variety of industrial development on the lands required for industrial development per the Benkendorf Report and related studies to provide for up to 5, 50-acre parcels, or combinations thereof, for large industrial development over the 20-year planning period. This assumption is based upon local data and the demonstrated goal of targeting specific industries beyond the current trends. It is important to do this since the trend information does not necessarily reflect the needs of a growing community like Prineville, where supporting a broader range of employment and industrial choices to reduce historical jobs/housing imbalances is a community goal.

Estimated 20-year Industrial Land Absorption Over the Planning Period 2005-2025

Type of Industrial Lands	Years 2005-2010	Years 2010-2015	Years 2015-2020	Years 2020-2025	Total Acres ²
Airport—Leased Only	Varies	Varies	Varies	Varies	210.0
Typical Industrial Lands	75-acres dev./year	50-acres dev./year	50-acres dev./year	50-acres dev./year	1125.0
Large Industrial Parcels	50-acres	50-acres	100-acres	50-acres	250.0
Railroad Lands	Varies	Varies	Varies	Varies	15.0
					1600

Industrial service, contractor operations, assembly, and repair businesses look to Prineville’s available industrial lands for development opportunities. This trend has resulted in a vast amount of industrial development activity in Prineville over the past 5 years, which has continued through 2006.

This trend is expected to continue as commercial lands increase in cost and pressure to accommodate growth continues. It is appropriate to assume that industrial uses requiring less than 15 acres of land each will develop the quickest during the planning period. The evidence to support this conclusion includes the past historical data showing that industrial development has been occurring on parcels less than 15 acres in size. Development in Baldwin and Murphy

~~Industrial Parks specifically focus their marketing efforts on attracting smaller industrial developments.~~

~~Existing/Proposed Industrial Opportunities—Industrial Land Site Requirements~~

~~The lack of easy-to-develop industrial lands in both Bend and Redmond will attract industrial uses to Prineville where land is plentiful and available at a competitive cost. Likewise, the demand for low-cost developable residential land in Bend and Redmond will attract more people to Prineville where such lands are available and UGB expansion potentially supportable.~~

~~Both Bend and Redmond have had delays in getting their UGB expansion plans completed. This situation will encourage more people to locate homes and support businesses near or in Prineville. This eventuality is reflected in the table above where the first 5-year projection of typical industrial land absorption is estimated at 75 acres per year and then tapers off as Bend and Redmond resolve their inventory and UGB expansion issues.~~

~~The Prineville community needs additional industrial lands for the 20-year planning period as described above. The amount of land necessary to sustain the needs of planning period includes the acreages of those inappropriately located industrial lands that will be rezoned to mixed-uses as part of the Plan update mapping process. The programs listed below require regular review of the industrial lands inventory and recommend when and how future changes to industrial land inventories should be made.~~

~~Existing and Proposed Commercial Opportunities—Commercial Lands Site Requirements~~

~~The City of Prineville contains five commercial zones located throughout the community. The 2004 UGB expansion plan did not include additional commercial lands even though there is a demonstrated need for an additional 100 acres of commercial land within the UGB. This is because the opportunity to rezone and revitalize various areas with mixed-use development techniques will satisfy the need. Therefore, no additional commercial land is needed at the periphery of the community. New commercial lands will occur as a result of the following actions:~~

~~Addition of new commercial lands abutting the Downtown Core Area~~

~~Addition of commercial land to serve neighborhoods and employment areas~~

~~Addition of commercial and rezoned industrial land along the existing strip to deepen existing commercial lots for redevelopment to support commercial “centers.”~~

~~The City will need to encourage the additional of new commercial centers to areas near expanding residential areas and avoid lengthening the existing 3rd Street strip. This is sound land-use planning and allows for flexibility to respond to market forces while recognizing that mixed-use planning and the “complete neighborhood” concept can meet the future economic development demand for any needed commercial development in the urban area.~~

~~The downtown core of the community is desired to be the focus of continued revitalization efforts. Several studies have been completed to provide guidelines for improved aesthetics and~~

~~other development strategies intended to attract and retain businesses to the downtown area. However, this has been made difficult by the commercial “strip” that runs east-west along 3rd Street, also known as Highway 126 and Highway 26. Newer commercial stores have located along the strip and this has caused congestion by allowing direct access to the highway. The strip can also detract shoppers from the downtown area, which can create excess vehicle trips for citizens and reduce viability of the downtown core. Nonetheless, the newer franchises on the strip are desired commercial uses and help to address citizen needs for goods and services.~~

~~The opportunity for “center-type” rather than “strip” development is possible if the anticipated commercial rezonings occur over time. A new technique that builds on an old concept – “Main Street” type development, is a successful land use technique that can correct and improve commercial vitality by encouraging pedestrian access. “Main Street” development techniques provide for a more walkable shopping experience without excessive vehicle trips. The storefronts face a local access street that is perpendicular to the primary access street. Revisions to the development codes may be required to enable this development technique.~~

~~The 2004 UGB expansion took in additional new residential and industrial lands. The local topography necessitates that these new areas project “out” from the urban core to avoid steep rimrock and other topographical obstacles. The result is that the City, as a whole, is forced to grow in a less-than-compact form. However, the development pattern *within* the new areas can be compact and designed to serve as many citizen needs as possible. This means that mixed-uses, including convenience commercial service centers, open space, and some employment areas will be required to develop in new neighborhoods so as to reduce vehicle miles traveled and improve efficiency for all residents. The community will benefit from adding small commercial areas to new and revitalized neighborhoods as the community grows. Citizens have expressed a need for additional neighborhood and local shopping opportunities that do not require excessive vehicle trips or vehicle trips to other communities.~~

~~Commercial Land Inventory Needs Analysis~~

~~The City conducted various inventory and land need analyses. The Benkendorf Report as revised states that approximately 100 acres of additional commercial land should be added to the existing commercial inventory. The original Benkendorf study advised that only 80 acres would be needed and this should be allocated to supply only two, 40-acre parcels for large “big-box” development.~~

~~There is a significant obstacle with the original Benkendorf recommendation. Big-box stores typify strip development unless they are located in centers or mixed-use areas. In addition, the community would not benefit from applying new commercial designations to only two areas of the community. This is because the community has diverse commercial needs and supports new commercial lands to be strategically placed throughout the community. Efforts to deepen the~~

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~~commercial designations in the downtown core and rezone redevelopment lands in other areas are a higher priority than only focusing on big-box development in a few areas.~~

~~Moreover, it is necessary to recognize that the Prineville community is made up of various neighborhoods separated by topography or other barriers. Some of these neighborhoods are located in areas that are not served with adequate commercial services. The broadly applied mixed-use and/or improved land-use development practices advocated in other parts of this Plan could not be achieved if the new commercial lands were limited to just two areas.~~

~~It could be detrimental to the community to limit new commercial areas to just two large businesses and not allow other areas to redevelop or respond to certain market forces in combination with mixed-use development techniques. Thus, Prineville's economy will be~~

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benefited by being flexible with the placement of new commercial land needs over the 20-year period rather than restrict itself to 2 parcels limited to big-box developers.

The commercial inventory data below is derived from the Benkendorf Report, as revised.

Existing Developed Commercial Lands in the Prineville Urban Area

Zone	Parcels within the UGB		# of Parcels	Non-Vacant (Developed) Acreage	# of Parcels	Total Acreage	# of Parcels
	Code	Vacant Acreage					
Central Commercial	C-1	5.10	29	53.10	258	58.20	287
General Commercial	C-2	13.05	10	121.15	198	134.20	208
Professional Commercial	C-3	0.0	0	5.70	30	5.70	30
Neighborhood Commercial	C-4	-	-	-	-	-	-
Recreation Commercial	C-5	0.0	0	2.70	3	2.70	3
Total Commercial – City		18.15	39	182.65	489	200.80	528

Commercial Land Need by Development Type, Prineville Urban Area

	Unadjusted Net Buildable Acreage Needed	Unadjusted Gross Buildable Acreage Needed	Additional Gross Acreage Needed	Total Adjusted Gross Buildable Acreage Needed	Net Buildable Acreage Available	Gross Buildable Acreage Available	2023 Net Need (or Surplus) – Gross Acreage
Commercial – non- lease only	112.8	141.0	100.0	221.0	33.57	41.9	199.1
Commercial – lease- only – Airport	12.5	15.6	0.0	15.6	18.8	23.5	(7.9)

The above tables include land within the airport facility that permits commercial uses. This public land is lease-only and not as desirable as private land that can be purchased. This is due to the financing difficulties presented by lease-only land and the development restrictions in place at the Prineville Airport.

It should be noted that the primary growth industry and target areas described earlier in this chapter also apply to the commercial analysis. Again, as the trend information suggests, the primary growth sectors will be health care and commercial activities, particularly service, and

retail. The EDCO target areas are mostly industrial but could have a retail/commercial component that would be a secondary use to the primary industrial development.

Existing and Proposed Commercial Opportunities—Commercial Lands Site Requirements Conclusion

The community is poised to respond to the need for additional commercial designations. The current UGB contains adequate lands upon which to develop needed commercial uses as long as the needed rezonings are timely and planned to respond to mixed-use and other development techniques that can enhance the urban community. Performance standards and the planned unit development (PUD) section of the implementing land-use ordinances can help provide for a more integrated and balanced development pattern, particularly with new commercial areas. For now, the 100-acre commercial land need should be a starting point and not a limiting factor, especially if there is a demonstrated public need and benefit for additional commercial lands beyond the City recommendation. Thus, the City has developed a firm position that UGB expansion is not needed for adding lands solely for commercial development. Rather, new commercial areas should be the product of rezoning existing lands within the current UGB and/or when necessary to support mixed-use development strategies.

Goal # 1: Land Supply.

Provide adequate industrial and commercial land inventories to satisfy the urban development needs of Prineville for ~~at least~~ the 20 year planning horizon.

Economic ~~Values and~~ Policies

1. Update buildable land inventories and analysis of needed commercial and industrial land as needed for the 20-year planning horizon. Amendments may be needed in response to rapid growth, redevelopment, zone changes, mixed use development or planned unit developments. When new lands are needed the City should work with partners to authorize expansion of the UGB to maintain inventories. ~~Updates to inventories and analysis of needed industrial and commercial land types, existing land supplies, and economic development strategies for meeting the requirements of the community are essential. It is necessary to provide adequate buildable industrial and commercial land for at least 20 years.~~
2. The City should focus on the preservation of large lot industrial parcels of 20 acres and larger to attract target industries and new manufacturing businesses. Available land should be replenished on a periodic basis to maintain supply.
3. The City should continue to coordinate with the Central Oregon Intergovernmental Council (COIC) on the Regional Large Lot Industrial Site Program. The City supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon. The City recognizes the importance of maintaining a large-lot industrial land supply that is readily developable in Central Oregon.
4. The City should consider amendments to the Comprehensive Plan and Map, when expanding the UGB to add employment lands with specific locational requirements. Amendments should be evaluated in relation to all applicable policies of the Comprehensive Plan.
4. ~~Updates to the inventories may be required in response to redevelopment, proposed zone changes, mixed use development techniques and planned unit developments that enable “complete neighborhood” concepts and economic development opportunities.~~
5. State, local, and nationwide trends are not adequate to properly estimate needed industrial and commercial lands. Other local information and economic development opportunities ~~targeting goals~~ must be used to properly evaluate future land needs.
6. To ensure Adequate public facilities for the planning horizon, ~~the City shall develop and maintain Facility Plans (Master Plans) to adequately serve the transportation, water and wastewater needs of industrial and commercial areas. must be planned, funded, and installed to serve industrial sites and commercial areas.~~
7. ~~Preservation of large industrial parcels over 20 acres in size will attract target industries and new manufacturing businesses.~~
- 8.7. Housing affordability is also key to attracting commercial and industrial businesses. Reasonable regulations supporting development of housing affordable to people who live

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~~and work in Prineville should be explored and implemented if deemed beneficial to the community. Preservation of lands for workforce housing will also attract target industries.~~

~~9. Urban reserve planning will be needed to project growth beyond the 20-year period imposed by the State of Oregon.~~

~~10. Additional land is needed to support commercial and industrial uses. Where there are particular locational requirements for certain activities, amendments to the Comprehensive Plan may be necessary. Amendments should be evaluated in relation to all applicable policies of the Comprehensive Plan.~~

Programs:

The City shall:

- ~~1. Regularly monitor and analyze commercial and industrial land inventories. When new lands are needed, the City Council shall authorize expansion of the UGB or other methods to ensure that at least a 20-year inventory of land for each category is available within the urban area.~~
- ~~2. Update and manage all public facilities planning to meet community and economic development goals while encouraging additional public and private investment in the community.~~
- ~~3. Explore and initiate methods for preserving large industrial parcels to meet projected demand.~~
- ~~4. Complete urban reserve planning consistent with the other provisions previously listed in this Plan. See attached Urban Reserve Area Map No. 4~~
- ~~5. Any correction amendments and needed legislative changes for rezoning shall be processed immediately upon City Council directive.~~
- ~~6. Develop a community entrance plan that fosters improved aesthetic treatments and buffering along the western entrances to the community.~~

Goal # 2: Promote Economic Development.

Support diversification of Prineville's economic base, while maintaining community identity and supporting a high quality of life.

~~Develop an "Economic Development Strategic Plan" and other mechanisms necessary for supporting and enhancing the local economy.~~

Economic ~~Values and Policies~~

- ~~Successful economic development strategies require cooperation~~ The City should coordinate with a variety of agencies groups and ~~other groups~~ local organizations when

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- developing plans, to ~~to develop a plan that~~ best meets the requirements of a growing community.
- ~~2. Successful economic opportunities rely upon the communities' ability to support and connect various elements of the economic development into an integrated framework.~~
- 3.2. The City should promote a business-friendly environment that supports retention and expansion of existing businesses, growth and creation of entrepreneurial business, and attraction of new businesses. ~~Promoting an entrepreneurial climate for existing and new businesses is a key factor in strategic planning.~~
- ~~4. Providing a strong public partnership with local businesses is key to successful economic development.~~
3. The City should focus on providing its citizens with amenities that provide a high quality of life while also ensuring the City maintain its identity and small-town atmosphere. ~~Ensuring a high quality of life and the small town atmosphere is essential to addressing citizen concerns about growth and economic development.~~
- 5.4. Provide adequate infrastructure efficiently and fairly to support business and employment growth.
- 6.5. The City's fees and system development SDC charges (SDCs) must be carefully monitored and evaluated to ensure that development pays its own way while not creating obstacles to desired development.
- 7.6. The City should focus on ~~The~~ adoption and implementation of a Downtown Enhancement Plan will help to ensure the long-term success of the urban core area. This plan should include a long-term strategy for enhancing development opportunities in the urban core and creating a destination and sense of place for citizens and visitor alike.
7. The City should modify development codes when necessary to navigate a changing economic environment or to address economic development objectives.
8. The City should encourage the development of businesses that utilize the Prineville Rail line.
- ~~8. The State of Oregon transportation system (ODOT) has a significant effect upon the local community. Local groups and City decisions makers will need to establish good working relationships with ODOT to ensure coordination and quality development.~~

Programs:

The City shall:

- ~~1. Organize and staff an economic development committee whose purpose is to monitor and recommend needed changes to the City economic opportunities analysis and develop an "Economic Development Strategic Plan." The committee shall include three members of the City Council, 2 members of the Planning Commission, and two ad hoc members of the~~

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- community experienced in economic development and any staff members deemed appropriate by the City Manager.
- 2.—Continue to refine which commercial and industrial activities are lacking in the community. The City shall identify needed commercial and industrial areas on an overlay map. The overlay map is a general framework plan that represents where certain areas of the community could benefit from additional commercial or industrial designations.
 - 3.—Develop strategies to capture the opportunities of a technology and knowledge-based economy.
 - 4.—Modify the land use development codes to better address economic development objectives and encourage appropriate mixed uses in commercial and industrial zones.
 - 5.—Update and monitor the SDC methodology to assure appropriate charges to new development.
 - 6.—Adopt a Downtown Plan that includes a long-term strategy for enhancing development opportunities in the urban core and creates a “sense of place” for local residents and visitors alike