

Northeast Oregon Economic Development District

Serving

Baker, Union and Wallowa Counties

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY UPDATE

2007-2012

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LEGAL STRUCTURE

The Northeast Oregon Economic Development District is a public organization established in 1985 by an Intergovernmental Agreement between Baker, Union and Wallowa Counties. The District has its own Bylaws and operates as an independent legal entity.

The Board of Directors is representative of the private economic interests of the District, the unemployed/underemployed and elected officials from the county courts and city councils in the tri-county area. The 19 member Board of Directors (six from each county plus one at-large member) meets once each quarter to conduct the affairs of the District. The six member Executive Committee (two from each county) conducts all personnel functions.

There are other organizations actively involved in economic development in Northeast Oregon. The District has formed partnerships with these organizations and is involved in all District-wide economic development activities.

PROGRAMS

The District offers three main programs: business assistance, technical assistance and planning.

Business Finance Assistance

The District provides business loans through the District's Revolving Loan Fund, Microloan Program and Northeast Oregon Business Development's Intermediary Relending Program. The District also offers loan packaging services and makes recommendations on financing structures or strategies. The District also provides information on other business incentives.

Technical Assistance

NEOEDD provides a variety of business development services through workshops, classes and one-on-one assistance. Services include business plan development and critique; market plan development; financial analysis; business idea critique; referrals for specialized services; business management education.

NEOEDD also provides services to local governments and non-profits including grant research, writing and administration; accounting and financial management; consultation on funding strategies and administration of economic development programs and projects. We provide procurement and management of consultants, media and public relations, and research and technical writing. The District also serves as a data source for researchers and provides referrals to other technical assistance providers. NEOEDD assists with organizational development issues such as budget and finance, board development, policy development and writing. NEOEDD staff can conduct team building activities and provide facilitation for public input, meetings and conflict management.

Planning

NEOEDD develops the Comprehensive Economic Development Strategy for the tri-county area and participates in infrastructure planning, industrial site inventory, strategic planning and policy development.

2007-2013 STRATEGY COMMITTEE MEMBERS

<u>Member</u>	<u>Representation</u>
Jim Henson	Private Sector, Agriculture; Community Leader
Beverly Calder	Private Sector, Retail, Tourism; Public Official
Ed Hibbard	Private Sector, Engineering; Community Leader
Steven Votaw	Private Sector, Low Income Housing
Paul York	Private Sector, Telecommunications
Deborah Beeson	Private Sector, Finance
Howard Perry	Private Sector, Engineering
Jeff Harman	Private Sector, Manufacturing
Carl Stiff, MD	Public Official
Michele Young	Community Leader
Colleen MacLeod	Public Official
Colleen Johnson	Higher Education, Public Official
Steve McClure	Public Official
Dan DeBoie	Public Official
Bob Nelson	Private Sector; Agriculture
Ron Gay	Private Sector, Retail; Public Official
Tim Kerns	Private Sector, Agriculture; Public Official
Mike Hayward	Public Official
Phil Zurbrick	Private Sector, Agriculture
Peter Ellingson	Private Sector, Forest Products; Community Leader
Gordon Kaesemeyer	Private Sector, Service; Chamber of Comm., Public Official
Joe McCormack	Tribal Government, Minority
Jake Jacobs	Private Sector, High Tech; Small Business Development
Steve White	Private Individual, Community Leader
Georgene Henson	Private Sector, Agriculture, Forest Products
Nichole Winn	Private Sector, Manufacturing
Sara Miller	Region 13 WorkSource Board, Community Leader
Sue Briggs	Chamber of Commerce, Tourism; Community Leader
Andrew Bryan	Private Sector; Professional Services & Retail; Public Official
Annette Johnson	Higher Education

MISSION STATEMENT

NEOEDD's mission is to access and provide resources and facilitate quality decision making for the benefit of entrepreneurs, businesses and communities in Northeast Oregon.

PAST YEAR'S DEVELOPMENT ACTIVITIES

NEOEDD staff members were involved with a variety of projects and activities during the past year. The program areas reported below include activities funded by the Economic Development Administration, activities funded through administrative or service contracts, activities funded by grant funds awarded directly to NEOEDD, and business lending activities.

Planning Grant Activities and EDA Projects

Eastern Oregon University (EOU) Science Center

EDA awarded \$2,000,000 to EOU for purchase of equipment which will support biotechnology/biomedical research and nursing programs on EOU's campus.

Telecommunications

NEOEDD staff is involved in telecommunications committees in Union and Wallowa counties and the Eastern Oregon Telecommunications Consortium. Verizon is installing fiber optic cable into Wallowa County which has the potential to provide redundancy and expanded service.

Union and Wallowa County Contact Committees, Baker County Economic Development Committee

The Union County Contact Committee continues to work as a partnership on business attraction, retention, and expansion activities. Staff has been attending Baker Economic Development Committee meetings and participating as a resource for the Business and Resource Assistance Teams. Staff coordinated a response for a warehouse/distribution center relocation request in Wallowa County.

Economic Gardening

A multi-District pilot economic gardening program was funded by Rural Oregon Institute. Eastern Oregon University purchased database subscriptions and provided marketing information to businesses within eastern Oregon on a trial basis. NEOEDD has provided market information to a number of companies through this pilot program. Union County is using the program to identify companies to target for recruitment purposes.

Public Relations

A display was installed at the NEOEDD Enterprise location, featuring information on current programs and services. News releases on the business networking, business development and peer consulting marketing workshops, studio tours - arts marketing,

and youth entrepreneurship activities were published by regional and statewide media. Staff used an e-mail list for distribution of the periodic newsletter.

The new lending brochure and “rack card” for NEOEDD services were distributed at networking events and business development workshops.

Staff gave presentations and provided information about NEOEDD programs to Leadership Wallowa County; Ford Institute for Leadership Development; Wallowa County Chamber of Commerce; PubTalks in all three counties; Hands on Lands; Wallowa County Economic Action Team.

Collaboration

Staff served on the Workforce Response Team for Region 13 of WorkSource Oregon in Union, Baker and Wallowa counties in support of the program which provides current worker training funds.

Staff collaborated in the activities of the Wallowa County Economic Action Team and hosted a national Rural Design Assistance Team in October. The Rural Design Assistance Team analyzed the county’s resources (physical, social, political, etc.) and prepared a report of recommended actions to create family wage jobs. Staff provided information on past development efforts, current and potential strategies, met with RDAT members, facilitated public meetings and focus groups, and provided input for the final report.

Staff continues to collaborate with the model Hands on Lands Watershed Stewardship Work Program which aims to use public funds targeted for welfare support to fund training and employment of unemployed and underemployed adults in public service projects on public lands.

Staff collaborated with the Wallowa County Local Food Group and assisted with promotion of local foods and development of venues for the Community Farmers Market.

Staff collaborated with the Small Business Development Centers, Baker Enterprise Growth Initiative and Wallowa County Business Facilitation to provide referrals for entrepreneurs starting and expanding businesses.

Administrative Contracts

Eastern Oregon University

Staff worked with University administration and development staff to design and deliver two activities for the University’s strategic planning process. A day-long process involving more than 40 representatives of University departments and student groups was used to provide information for the University’s SWOT analysis. Staff used the Appreciative Inquiry and Community Clues processes to generate input and discussion for the SWOT. Staff designed and lead a half day of team-building and strategic planning activities for the Executive Cabinet.

Northeast Oregon Alliance

Staff worked with the Northeast Oregon Alliance board to identify and select job creation projects to receive financial assistance. The Northeast Oregon Alliance region's goals are to create one job for every \$5,000 that is awarded and leverage an investment of \$5 of matching funds for every \$1 awarded. The board made investments in a number of projects in 2006-2007 including Earl Brown and Sons Cidery, Eastern Oregon Machine and Blue Mountain Growers. The \$505,000 investment by the region is expected to create 568 jobs and leverage over \$26 million.

Region 13 of WorkSource Oregon

The Region 13 Board is interested in fostering entrepreneurial education in the K-12 system and offered to work with any school district that wants to move into youth entrepreneurship training and/or school-based enterprises. As part of the CORE project, a teacher training workshop was held to provide training and curriculum for teaching entrepreneurship at the high school level.

The Workforce Response Team submitted an investment plan for the 07-08 funds (approximately \$103,618 and a 17% reduction from last year) for training current workers. Current projects supported by investments from the Team will leverage \$132,704 and are anticipated to retain 505 jobs. Investments were made in the industries of biomedical health, professional services, metals, and recreation.

A business retention and expansion program was completed in Union County in January and results were distributed to partner organizations and the general public.

Wallowa County Strategic Plan

NEOEDD assisted the County in completing an update to their Strategic Plan. The update included current information on the economy and demographics, status of strategies under implementation, a new vision for the County generated through a widespread public participation process and recommendations from the Rural Design Assistance Team for future activities to meet the County's goals.

Wallowa Union Railroad Authority

NEOEDD provided payroll processing and HUD grant administrative services for the Authority. Staff also provided grantwriting services.

North Powder Waste Water Project CDBG

NEOEDD provided grant management services for this project, preparing drawdown requests and conducting wage and hour interviews and monitoring wages paid to workers. Final drawdowns and reports for the project were submitted in December.

Needs and Issues Inventory

NEOEDD conducted a simplified version of the inventory process and collected project information from cities, counties and non-profits.

Wallowa County Business Facilitation Fund-Raising

NEOEDD provided grant-writing services for Wallowa County Business Facilitation (WCBF) through October of 2006. Several successful grants were written and submitted on behalf of WCBF. NEOEDD staff also participated on the fund-raising committee and in the annual fund-raising campaign and celebration. Staff provided program information and referrals to numerous entrepreneurs.

Friends of the Wallowa County Museum

Staff continues to provide grant writing and administration and project management services for the Wallowa County Museum expansion project.

Crow's Shadow Institute

NEOEDD provided organizational development services to this non-profit. Services included facilitating the review, amendment and adoption of organizational documents such as By-Laws, Articles of Incorporation, Financial Management Policies, Strategic Plan and Employee Handbook.

Building Healthy Families

NEOEDD contracted to provide grant-writing services to this non-profit.

NEOEDD Grants

Rural Community Development Initiative

This USDA-funded initiative was completed in December. The grant funded capacity building services for projects in Baker and Wallowa counties. Assistance was provided to the Granite Peaks Assisted Living project in Halfway and the Wallowa Band Nez Perce Trail Interpretive Center longhouse building in Wallowa. The longhouse final design was completed in December.

Connecting Oregon for Rural Entrepreneurship

NEOEDD has spent the last year implementing the Connecting Oregon for Rural Entrepreneurship (CORE) project. NEOEDD has hosted workshops in Food Innovation, Cooperative Business Development, Marketing, Social Enterprise, and teaching Youth Entrepreneurship. NEOEDD has completed three courses (one in each county) on business planning. NEOEDD partnered with the Oregon Entrepreneurs Network to bring networking events to Baker, Union, and Wallowa Counties and to increase the access to capital. Through CORE funding, NEOEDD has supported technical assistance for entrepreneurs in Baker and Wallowa Counties. NEOEDD conducted a 10 week Youth Entrepreneurship Program in Wallowa County last fall, and is working with the schools to help implement courses in entrepreneurship. NEOEDD continues to benefit from the work of Resource Assistance for Rural Environments volunteers in the implementation of the project.

Oregon Economic and Community Development Department/OMEN Grant

As part of the CORE project, NEOEDD was included in the Oregon Microenterprise Network grant from Oregon Economic and Community Development Department to fund technical assistance services to entrepreneurs. We have provided marketing services to over 15 entrepreneurs including marketing information from the MarketLink Program and Marketing Plan Development.

Rural Business Enterprise Grant

NEOEDD received a \$7,500 USDA Rural Business Enterprise Grant for arts-tourism market development in Wallowa County. NEOEDD conducted several focus groups with artists and art-related businesses to determine which activities should be implemented. A studio tours page at the josephoregonartists.com website was developed and promoted as a year-round self-guided activity for visitors. Tours began June 2nd with fourteen artists participating in offering tours for visitors. Results will be collected in December. Staff facilitated a peer consulting group of six artists who worked on improving their biographies, marketing strategies and materials.

Business Lending

NEOEDD directly operates a Revolving Loan Fund and a Microlending program and contracts with Northeast Oregon Business Development to operate their Intermediary Relending Program. There was a significant amount of activity in the three programs during the year. A significant number of new loans were made for business start-ups or expansions to borrowers located in Baker and Union Counties.

ANALYSIS OF ECONOMIC AND COMMUNITY DEVELOPMENT PROBLEMS AND OPPORTUNITIES

Overview

Staff reviewed information on the region's economy and demographics with the region's 29 member CEDS committee. The CEDS committee discussed the Socio Economic Profiles from the Sonoran Institute for Baker, Union and Wallowa counties as well as information presented by regional economist, Jason Yohannon, of the Oregon Employment Department.

Committee members worked in small groups to identify economic development successes and the qualities and resources which led to those successes. The committee members also identified and discussed the region's weaknesses, threats and opportunities. These were incorporated into an analysis of the region's economic development potential and challenges.

Strategies selected by Region 13 of WorkSource Oregon from the State Workforce Development plan were reviewed and found to be consistent with the CEDS. The strategies are:

Invest workforce system funds to support High School completion and attainment of diploma, GED or equivalent and to prepare youth for a successful entry into the workforce.

Continue to pursue additional resources to increase investments in rural communities, workforce and businesses.

Initiatives from the Oregon Business Plan were reviewed and found to be consistent with the CEDS. The initiatives which are consistent are:

Build capital support and managerial capacity for Oregon's businesses.

Strengthen education at all levels to develop a knowledge-based workforce for a wide range of industries.

Increase high quality university research and commercial applications of that research.

Strengths, Weaknesses, Threats and Opportunities Analysis

Strengths
Access to capital, including Northeast Oregon Alliance/ Baker-Morrow Partnership/ Northeast Oregon Economic Development District and Oregon State, variety of financial institutions in region including Community Bank - headquarters
Northeast Oregon Economic Development District as technical assistance provider, grantwriter and administrator, convener, facilitator, lending resource, entrepreneurial development resource
Dedicated leadership, visionaries, positive elected officials, champions, leadership development programs- county, chamber and Ford Institute
Community organizations that support economic and community development - Baker Enterprise Growth Initiative, Wallowa County Business Facilitation, downtown associations, farmers markets, Wallowa Resources, Baker Economic Development Commission, Union County Economic Development Corporation, county contact committees
Private and social entrepreneurs and programs to promote entrepreneurship- Connecting Oregon for Rural Entrepreneurship
Partnerships, general community support, common goals that unite people and organizations, shared vision
Community pride and committed individuals - willing to make sacrifices
Industrial parks in Union & Baker counties
College graduates from Eastern Oregon University (EOU)
Tourism partnerships - public & private
Work ethic of employees and volunteers
Planning activities - Rural Design Assistance Team in Wallowa County, county and city based economic development plans, Comprehensive Economic Development Strategy
New and expanding manufacturing businesses
Intact downtowns - main street projects
Strong arts community
Scenery & recreational opportunities- quality of life
Good schools through High School and presence of higher education institutions
Baker County Library
Local providers of internet services in Union and Wallowa counties

Weaknesses
Low wages and per capita income--lack of equitable and adequate wages
Lack of affordable housing for median income households and workers
Demographics--aging population means fewer workers
Lack of careers--entry level with path to higher skills and wages
Negative attitudes by general public
Distance to decision making centers (state/federal) and expense of travel
Level of medical care not high enough--have to transport and use life flight which is costly
Lack of high speed telecommunications fiber throughout region, unable to compete with modern/urban infrastructure
Lack of capacity--human resources, knowledge & finances to meet regulations & requirements, effective support organization for economic growth
Lack of population base needed to attract large private investment necessary for development
Lack of local internet service providers in Baker County
Accessibility to education/knowledge--Wallowa County & Baker County lack access strong alliances and partnerships with higher education; weak link between high school and 4 year university; Union and Wallowa counties are not in the Blue Mtn. Community College taxing district, services are available by contract out of district
No holistic integrated strategic approach to economic development--especially in rural areas - focus limited by those in power--no sharing of the pieces by the many groups trying to do things; lack of ideas and knowledge about what will work for economic development
Emphasis on community projects, not economic development projects in Union County
Mindset of population in Wallowa County - still hoping for return of timber jobs, don't want change
Lack of education about reality of tension between development and status quo
Public transportation between counties lacking--plan needed
Distance from markets
Lack of commercial air service

Opportunities
Increase cooperation among cities and counties for economic development
Expand Ford Family Leadership and local leadership development programs
Use internet and technology to support variety of businesses--online/virtual, professional services, marketing opportunities, etc.
Establish supportive entrepreneurial environment--through activities that have common benefit, include young people, incubators, youth entrepreneurship, mentoring
Get young population involved, get the 25-30 year olds involved in planning
Integrate community growth/projects & economic growth
Draw people into cooperative model for buy-in and assistance (target old wealth) strengthen communication & relationships, involve new participants
Recruit businesses regionally--establish development group, identify business needs and provide training in how-to recruit
Become leaders/pioneers in rural development
Identify common challenges to solidify region, bring stakeholders together, identify business needs
Create local taxing districts to support economic development activities/programs
Hold public forums, celebrate successes, strengths of business climate--discussion to identify problems and solutions; communicate local buy-in for development strategies and link to benefits
Make better/fuller use of assets - examples science center at EOU, Wallowa Union Railroad Authority, agriculture
Find ways to keep EOU grads here
Establish new financing--venture, equity, investment clubs
Support visionaries, encourage sharing of new ideas
Expand community college
Add more senior housing and services – dietary, certified nurses assistants, etc.
Capitalize more on recreation opportunities
Improve/expand Baker airport infrastructure and utilization
Utilize education as economic development strategy
Re-orient the focus on economic development, initiate a research effort to identify ideas that will work
Explore opportunities for alternative energy development and bio-mass conversion
Support Community Connections efforts to create public transportation in and between counties

Threats
Demographics showing an increasing shortage of trained workers
Growing elderly population and need to prepare for aging population
Reduction of lottery money & changed requirements/priorities of other public funding making it a difficult fit for rural areas
Lack of match for USDA grants and other public funding programs
Reduction of staff at NEOEDD reduces capacity to benefit businesses and communities, put our skills to use
Education funding crisis eroding quality of life and workforce development
Brain drain - difficulty attracting/retaining talent
Federal land holdings and cumulative regulations and proposed additional restrictions on public lands ie. Wilderness Areas, access plans
Retirees and vacation homes are rapidly driving up real estate prices
Tax limitations in Oregon State
Health insurance and health care costs
Transition from a resource based economy

THE AREA AND ITS ECONOMY

Geography

The Northeast Oregon Economic Development District is comprised of three distinct and unique counties. Baker County is located on the Oregon-Idaho border. It is linked to larger trade centers by Interstate 84. The county contains or is adjacent to wilderness and back country areas, the Hells Canyon National Recreation Area, thousands of acres of national forest, rangelands, numerous streams, lakes and impoundments, and high alpine mountains.

Union County is located in the heart of Northeast Oregon, nestled among the Blue and Wallowa Mountain ranges. It is located on Interstate 84 and most of the population and industry of the county is located in the Grande Ronde Valley. The valley is covered with the rich silt of an old lake bed which provides fertile soils for farming and grazing. The county is primarily mountains and valleys with timber, grassland, and farmland.

Wallowa County is located in the extreme northeastern corner of the state and borders both Washington and Idaho. Highway 82 connects the area with Interstate 84 and Highway 3 connects the county to Lewiston, Idaho and Clarkston, Washington. Wallowa County is characterized by spectacular land formations, including the rugged snow-capped peaks of the Wallowa Mountains, the redrock rims of Hells Canyon of the Snake River, lush valleys and numerous lakes, rivers and streams. The glacial moraines located at Wallowa Lake are some of the world's finest examples of this geologic feature.

The county is also home to the Eagle Cap and Hells Canyon Wilderness areas and the Hells Canyon National Recreation Area.

Economic Base

Natural Resources

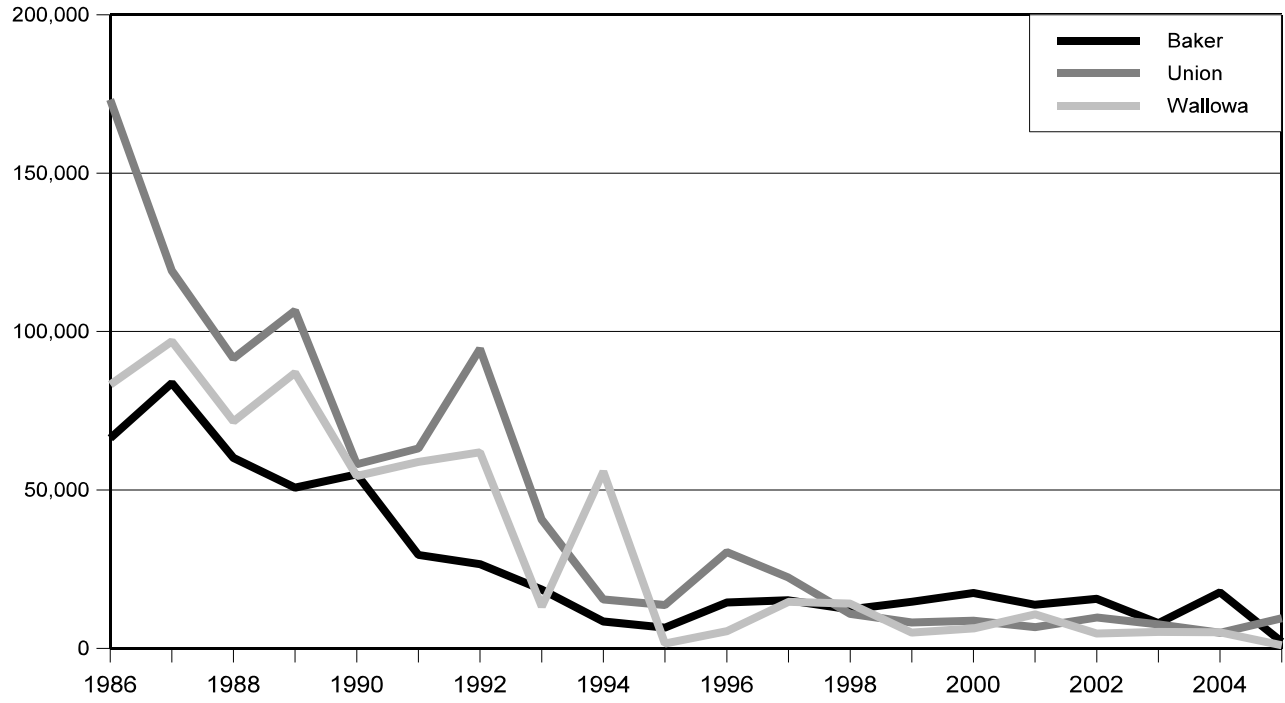
Baker, Union and Wallowa Counties continue to be natural resource-based economies. Timber and agricultural issues are very important to the region. Cattle are the single largest commodity in the region, with hay, grain, small woodlots, grass seed and peppermint also being important to the region. Compared to 1990 levels, by 2005 timber harvest on public lands had declined by more than 80% in Baker County and by more than 90% in Wallowa and Union counties. Private land timber harvests in Baker County decreased by 73% while harvest increased by 13% in Wallowa County and 2% in Union County over the same period.

The overall social and economic impact of timber harvest reductions has been more pronounced in Wallowa County than in Baker and Union counties due to Wallowa County's smaller and less diversified economy. Only one of Wallowa County's three mills is currently still operating. The only mill in Baker County has closed and three mills in Union County have closed or reduced employment levels. There are currently two sawmills, one plywood plant and one particle board plant operating in Union County.

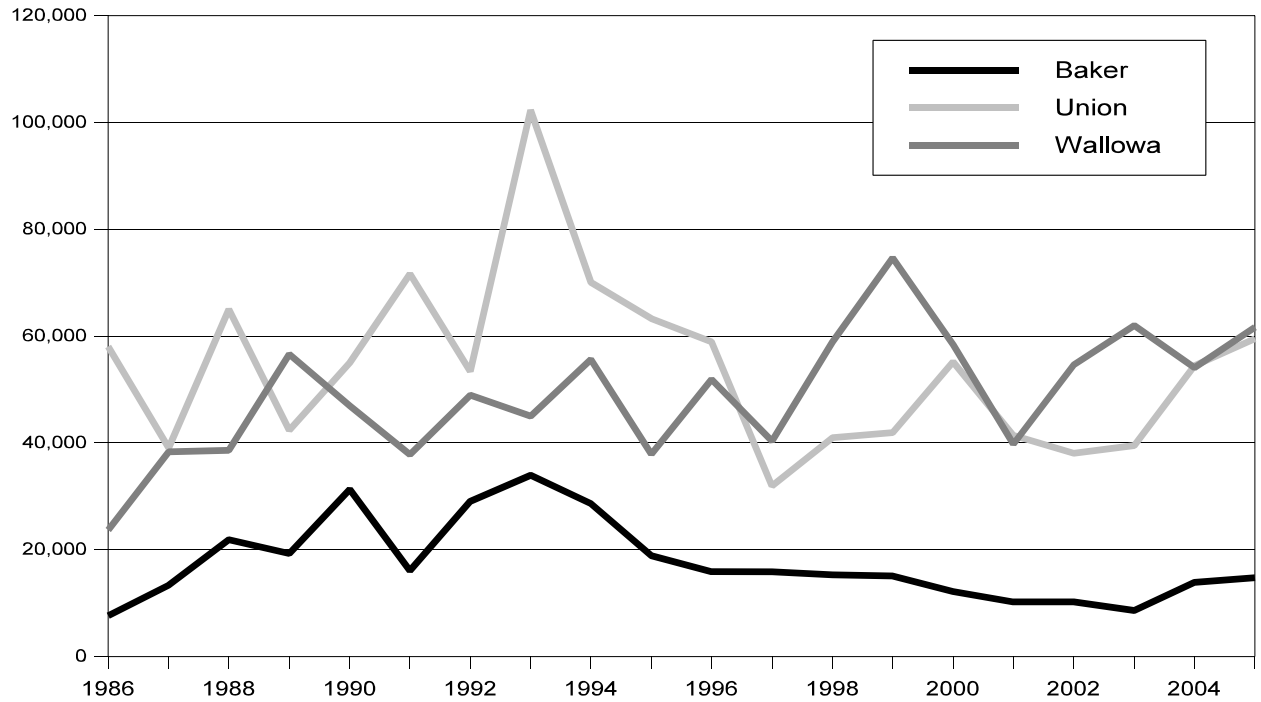
Timber Harvest Data								
1000s Board Feet harvested per county on private and public lands								
County	1990	1990	1995	1995	2005	2005	%Change 1990- 2005	% Change 1990-2005
	Private	Public	Private	Public	Private	Public	Private	Public
Baker	31,316	54,967	18,880	6,568	14,791	2,136	-73%	-93%
Union	55,037	58,116	63,306	13,862	59,533	9,555	2%	-83%
Wallowa	46,963	54,437	37,885	1,571	61,670	996	13%	-98%
All Eastern Oregon	634,308	1,057,971	600,399	340,748	410,998	158,797	-61%	-75%

Source: Oregon Department of Forestry. Private includes Forest Industry, other, and Indian Lands. Public includes State, BLM, USFS and other. Eastern Oregon includes Baker, Crook, Deschutes, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Umatilla, Union, Wallowa, Wasco, and Wheeler.

Timber Harvest Data from Public Lands 1986-2005 (1000s of Board Feet)

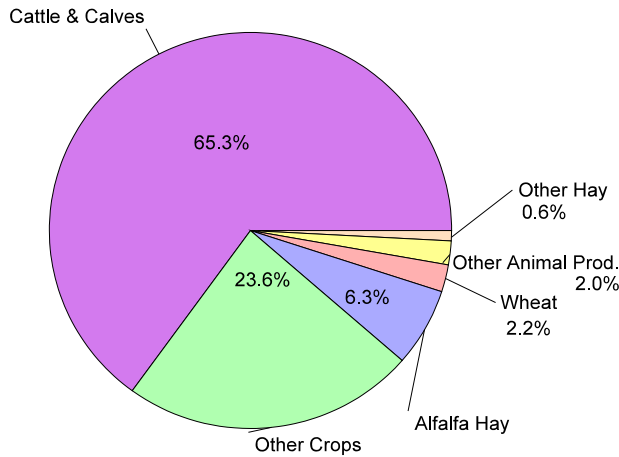


Timber Harvest Data from Private Lands, 1986 - 2005 (1000s of Board Feet)



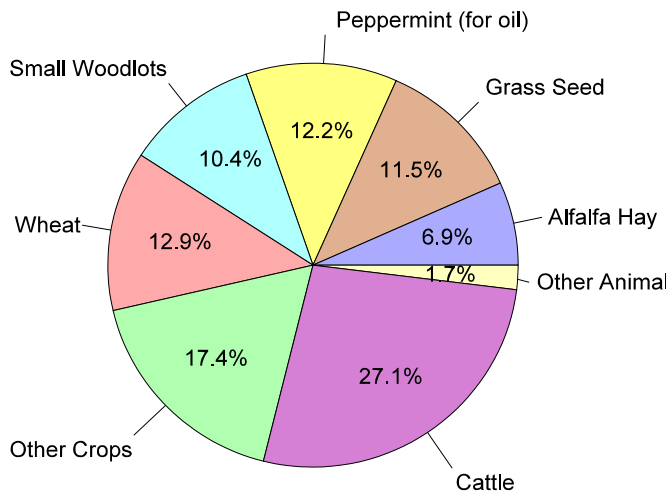
Commodity Sales in Baker, Union, and Wallowa Counties in 2006

Baker County



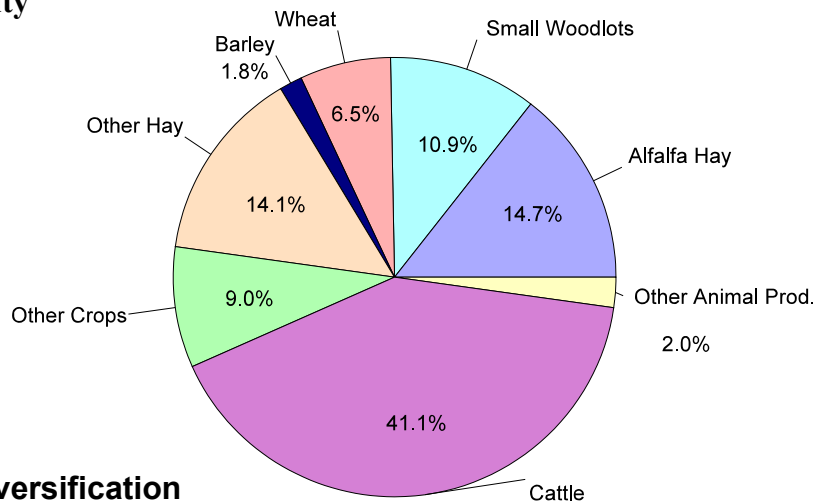
Total Sales, Baker County, 2006 (Preliminary): \$65,657,000

Union County



Total Sales, Union County, 2006 (Preliminary): \$57,232,000

Wallowa County



Economic Diversification

Total Sales, Wallowa County, 2006 (Preliminary): \$43,314,000

Tourism

Tourism continues to be one of the primary diversifications of an otherwise resource-dependent economy. Visitor spending is on the rise. Use of the new convention center in Union County, continued investment in downtown revitalization, visitor accommodations and recreational opportunities, and coordinated marketing efforts will help contribute to this trend. Tourism jobs grew at a much faster rate for Baker and Wallowa Counties in the last half of the 1990s compared to the early 1990s. Second home development has increased dramatically as a component of the tourist industry. High fuel prices may have a negative impact on tourism in the coming years.

Travel Impacts by County

County	Travel Expenditures (\$million)	Earnings (\$million)	Employment (Jobs)	Tax Receipts	
				Local (\$million)	State(\$million)
Union - 1998	22.9	6.7	440	0.3	1.0
Union - 2000	26.4	7.0	440	0.3	1.2
Union - 2003	27.7	7.2	430	0.3	1.2
Union - 2004	29.4	7.3	430	0.3	1.3
Union - 2005	30.4	6.9	400	0.3	1.3
Wallowa - 1998	20.7	6.6	520	0.1	0.3
Wallowa - 2000	23.0	7.3	570	0.2	0.4
Wallowa - 2003	24.8	7.9	590	0.2	0.4
Wallowa - 2004	22.7	7.1	500	0.2	0.4
Wallowa - 2005	23.7	7.5	470	0.2	0.5
Baker - 1998	31.5	8.0	630	0.2	1.0
Baker - 2000	34.3	8.2	640	0.2	1.1
Baker - 2003	38.2	9.2	710	0.3	1.1
Baker - 2004	38.5	9.0	630	0.3	1.3
Baker - 2005	41.1	9.3	620	0.3	1.3
Oregon - 1998	5,256	1,400	78,000	60	134
Oregon - 2000	6,178	1,600	83,600	72	152
Oregon - 2003	6,527	1,700	86,500	77	156
Oregon - 2004	6,902.9	1,727.5	87,210	83.3	184.8
Oregon - 2005	7,367.2	1,793.9	87,590	89.2	192.5

Source: Oregon Travel Impacts, 2005

Business Development

The quality of life in the three counties has been identified by residents as one of the major assets of the area and is part of the attraction for new businesses. All three counties receive and respond to business recruitment leads generated by the Oregon Economic and Community Development Department.

In Baker and Wallowa Counties entrepreneurial development programs provide free, confidential, one-on-one business counseling services based on Ernesto Sirolli's Enterprise Facilitation™ model. The Eastern Oregon University library has a pilot economic gardening program to provide marketing information to businesses. The region is implementing activities to build an entrepreneurial development system as part of a multi-region project funded by a \$2 million grant from the Kellogg Foundation.

The number of business establishments in the region continues to increase, with Wallowa County nearly matching the state rate of business creation.

Number of Covered Employers (establishments with employees)							
Area	1990	1995	2000	2002	2005	2006	% Change 1990-2005
Oregon	82,632	98,813	108,432	113,092	122,649	128,422	55.41%
Baker	487	565	599	599	642	661	35.73%
Union	724	757	809	824	881	902	24.59%
Wallowa	280	328	356	369	408	420	50.00%

Source: Oregon Employment Department

Industrial Development

Union County has increased the size of the La Grande/Union County Airport Industrial Park and has planned for the development of industrial parks within the smaller towns in the county. La Grande and Union County Economic Development Corporation have acquired land and are now planning infrastructure improvements for a high-technology park. Elgin established a 33.5 acre industrial park. Three businesses have located in the developed portion of the park and a fourth business is negotiating the purchase of a site. Infrastructure investments continue to be made at the Elkhorn Industrial Park which are paying off in company relocations to the industrial park. Enterprise Zones exist in all three counties. Wallowa County has inventoried and analyzed county and city industrial lands and has developed recommendations for policy and zoning changes to encourage industrial development. Wallowa County purchased one industrial site which they operate as an incubator for small and emerging businesses. Information on some of the region's industrial sites can be found at oregonprospector.com.

Employment Level/Work Force

Wage Gaps and the Urban/Rural Divide

According to the Southern Rural Development Center at Mississippi State University, the national wage gap between those with/without college degrees doubled between 1980 and 2000. This is consistent with recent findings by the Oregon Employment Department that wage inequality has increased for year-round workers in Oregon since 1990. This gap is most noticeable between urban and rural areas nationwide where 28.9% of urban workers and only 19% of rural workers had college degrees in 2000.

Compared to the state, the educational attainment numbers for the District show a higher percentage of individuals who complete their education with a high school diploma and a lower percentage of individuals who complete higher education degrees. According to the 2005 Oregon Progress Board report, Wallowa County ranks 1st in the state for the lowest high school dropout rate while Baker is ranked 5th and Union 11th of Oregon's 36 counties.

Education Attainment Level, 2000					
	Less than 9 th grade	High School Diploma or GED	Associate Degree	Bachelor's Degree	Graduate or Professional Degree
Baker	5.8%	31.4%	5.2%	11.6%	4.8%
Union	4.3%	31.0%	6.0%	14.5%	7.3%
Wallowa	3.7%	36.7%	6.6%	13.6%	6.7%
Oregon	5.0%	26.3%	6.6%	16.4%	8.7%

Source: U.S. Census Bureau Census Data 2000

Small Businesses and Self-Employment

Small (zero to four employees) and medium sized (five to 49 employees) private sector employers account for more than half the region's employment and payroll. In Wallowa County the small and mid sized businesses employ 70% of the county's workforce.

The Oregon Employment Department found that although large private sector businesses comprise only a small portion of employers in the region (1% in Baker and 3% in Union County) their economic impact is significant given the proportionately higher contribution they make to the region's payroll. The large private sector businesses pay their employees up to 70% better than the small establishments.

Self-employment rates in the region are higher than the state average. This is particularly true for Baker and Wallowa Counties. Self employment rates in 2000 were 43.4% in Wallowa, 36.9% in Baker and 27.7% in Union County as a share of the total

workforce. This compares with a national rate of 17.7% and the state rate of 20.7% (Source: Bureau of Economic Analysis).

Private Non-farm Establishments, First Quarter 2006

County/Size of Establishment	Number of Establishments	Employment	Payroll (Thousands)
Baker			
Small (0-4 employees)	365	581	\$2,710
Medium (5-49 employees)	205	2,421	\$12,969
Large (50+ employees)	7	897	\$7,723
Union			
Small	495	865	\$4,271
Medium	296	3,632	\$20,132
Large	21	2,690	\$22,888
Wallowa			
Small	266	410	\$2,027
Medium	105	1,139	\$6,261
Large	NA	NA	NA

Source: Oregon Employment Department

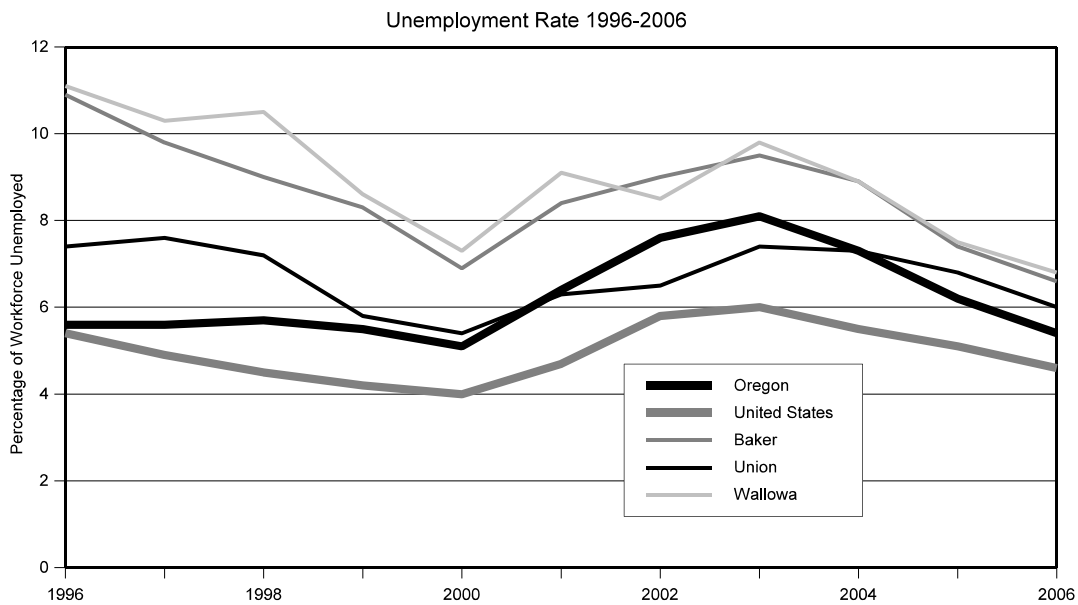
Unemployment

Since 1980, Baker and Wallowa Counties have had average annual unemployment rates consistently higher than the state's, however both counties showed significant improvement in unemployment rates from 2004 to 2006. In terms of wage and job growth, Baker and Union Counties have generally fared better than Wallowa County. Baker and Union have enjoyed steady wage and job growth since 1980. While Wallowa experienced a higher overall percentage of job growth from 1995-2005, wage rate gains lagged behind the other two counties.

Average Annual Unemployment Rate

Area	1995	2000	2003	2004	2005	2006	%Change 1995-2006
Baker	8.0%	7.3%	9.5%	9.1%	7.5%	6.6%	-1.4%
Union	6.3%	5.2%	6.5%	7.4%	6.9%	6.0%	-0.3%
Wallowa	10.6%	8.6%	10.9%	9.1%	7.6%	6.8%	-3.8%
Oregon	4.8%	4.9%	8.2 %	7.4%	6.1%	5.4%	0.6%
US	5.6%	4.0%	6.0 %	5.5%	5.1%	4.6%	-1.0%

Source: Oregon Employment Department

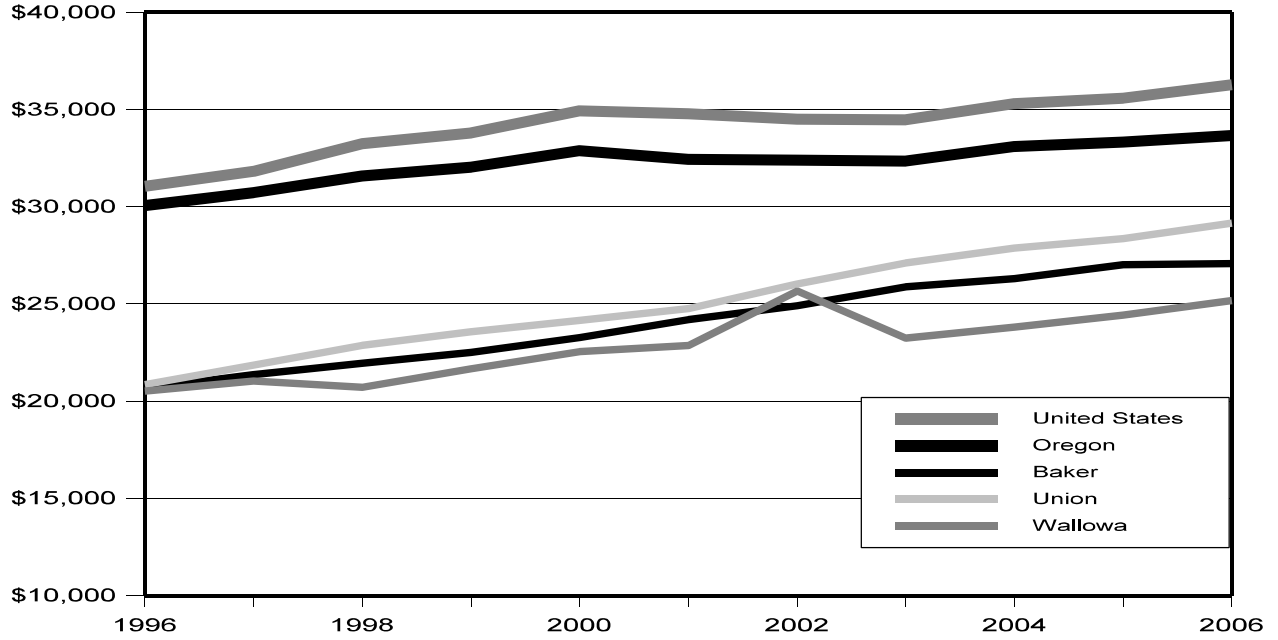


Average Pay Per Job and Total Annual Covered Employment

Area	Wage 1995	Number Employ. 1995 (1000s)	Wage 2002	Number Employ. 2002 (1000s)	Wage 2004	Number Employ. 2004 (1000s)	Wage 2006(a)	Number Employ. 2006 (1000s)	Change total wage 1995-2006	Change in number Employ. 1995-2006
Baker	\$20,036	4.9	\$24,915	5.09	\$26,279	5.06	\$27,075	5.31	35%	8.3%
Union	\$20,331	8.9	\$26,033	9.63	\$27,883	9.55	\$29,158	10.32	43%	16%
Wallowa	\$19,685	2.11	\$25,669	2.33	\$23,808	2.27	\$25,178	2.45	28%	16%
Oregon	\$25,837	1,412	\$33,685	1,573	\$35,621	1,596	\$38,058	1,702.2	47%	21%
US	\$27,846	107,455	\$36,038	137,416	\$39,348	131,475	N/A	N/A	N/A	N/A

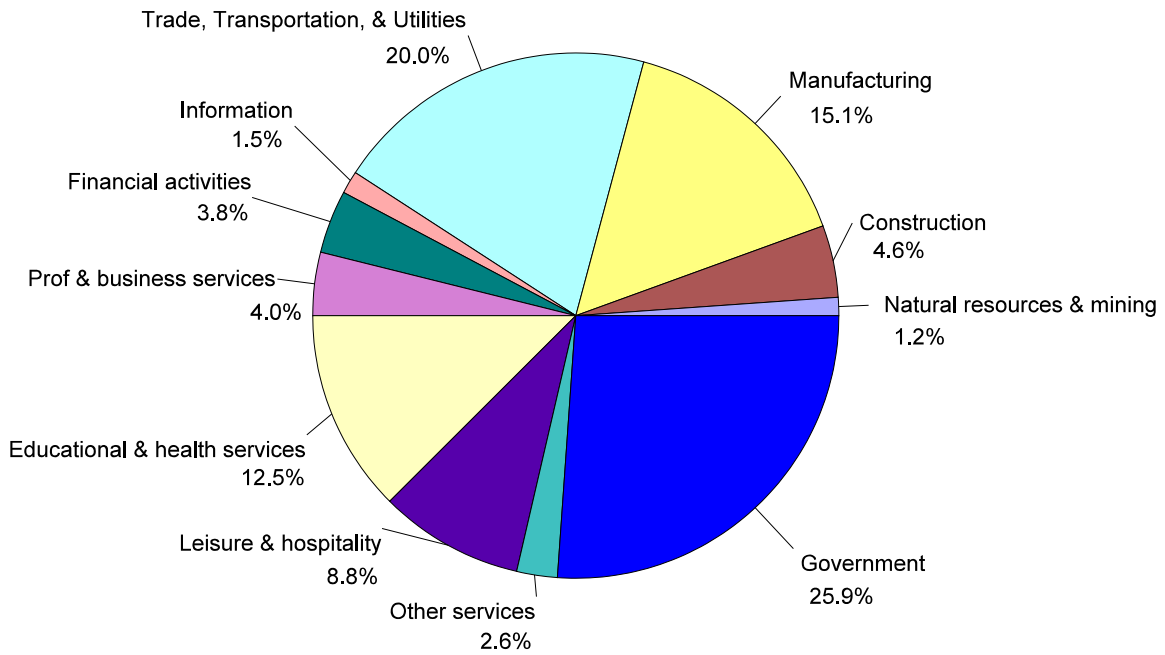
Source: Oregon Employment Department, U.S. Department of Labor; (a) Preliminary data

Average Wage, 1996-2006

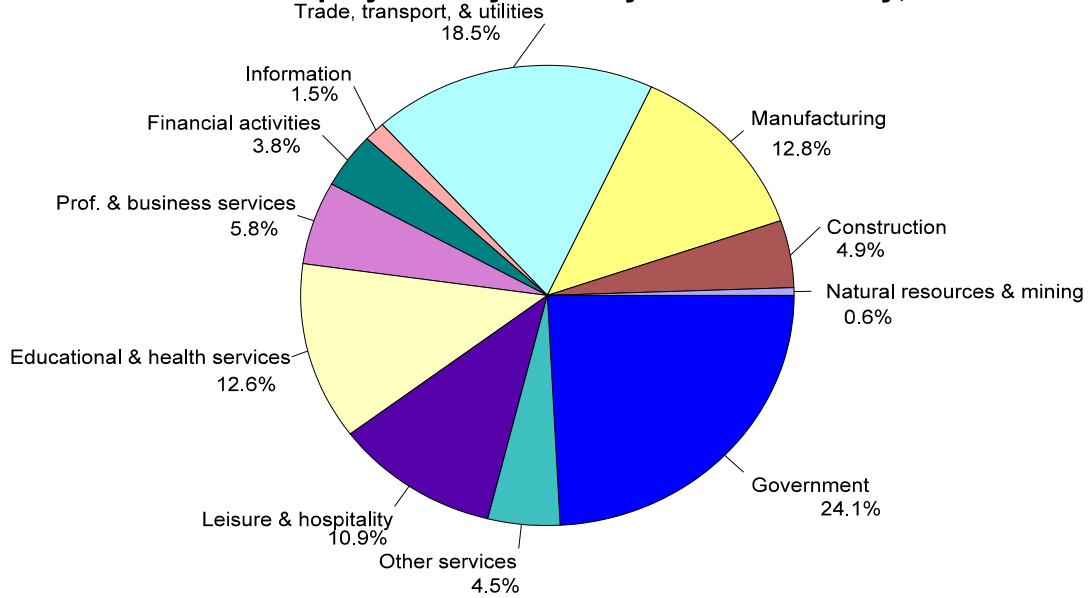


Employment by Industry

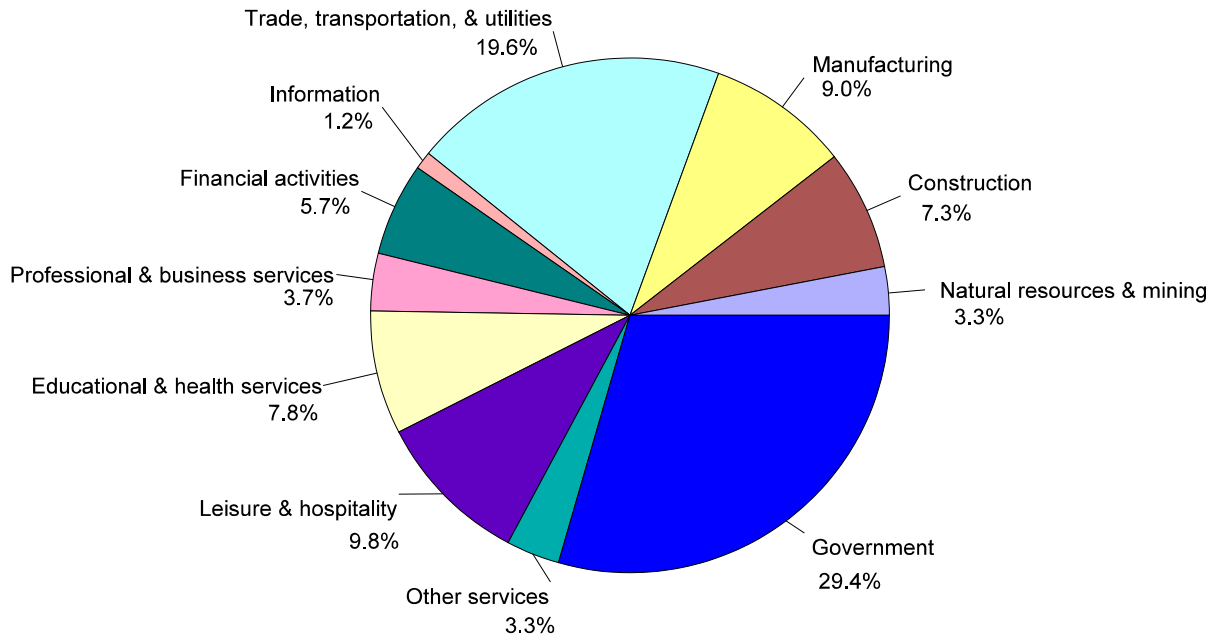
Non-Farm Employment by Industry in Union County, 2006



Non-Farm Employment by Industry in Baker County, 2006



Non-Farm Employment by Industry in Wallowa County, 2006



Employment Projections

The Region 13 Local Unified Workforce Plan contains projections of jobs that are expected to increase or decrease within the District. The first table shows job change over the next ten years. The second shows areas of the greatest increases in jobs over the ten year period. Due to an aging population (and low overall population growth), the health services industry is forecast to contribute an additional 209 jobs in the region over the next ten years. The third shows occupations with the fastest rate of growth.

**Employment Projections by Occupation
Region 13: Baker, Union & Wallowa counties
2002 - 2012**

	2002	2012	Change	% Change
Total All Occupations	18,167	19,682	1,515	8.3%
Management, Business, and Financial	1289	1,405	116	9.0%
Management Occupations	837	906	69	8.2%
Business and Financial Operations	452	499	47	10.4%
Professional and Related	2,938	3,135	197	6.7%
Computer and Mathematical Science	131	144	13	9.9%
Architecture and Engineering	183	199	16	8.7%
Life, Physical, and Social Science	497	527	30	6.0%
Community and Social Service	454	506	52	11.5%
Legal Occupations	92	101	9	9.8%
Education, Training, and Library	1,423	1,483	60	4.2%
Arts, Design, Entertainment, Sports & Media	158	175	17	10.8%
Health Care	1,154	1,363	209	18.1%
Healthcare Practitioner and Technical	713	853	140	19.6%
Healthcare Support	441	510	69	15.6%
Service	2,951	3,268	317	10.7%
Protective Service	367	403	36	9.8%
Food Preparation and Serving Related	1,641	1,813	172	10.5%
Building and Grounds Cleaning and Maintenance Workers	588	651	63	10.7%
Personal Care and Service	355	401	46	13.0%
Sales and Related	1,631	1,787	156	9.6%
Office and Administrative Support	2,952	3,180	228	7.7%
Farming, Fishing, and Forestry	516	561	45	8.7%
Construction and Extraction	707	755	48	6.8%
Installation, Maintenance, and Repair	777	833	56	7.2%
Production	1,610	1,704	94	5.8%
Transportation and Material Moving	1,428	1,503	75	5.3%
Nonclassifiable	214	188	-26	-12.1%

Projected Employment Change by Occupation - Region 13 Baker, Union, Wallowa 2004-2014	
Occupation	Total New Positions
Retail Salespersons	112
Waiters And Waitresses	72
Cashiers	70
Office Clerks, General	56
Assemblers, Multi-Task Or Team	54
Registered Nurses	50
Home Health Aides, Orderlies & Attendants	42
Janitors And Cleaners	42
Customer Service Representatives	37
Supervisors & Managers of Retail Sales Workers	31
Occupations with the Fastest Rate of Growth 2002 - 2012	
Occupation	Rate of Growth
Funeral Service Workers	50.0%
Health Diagnosing and Treating Practitioners	20.9%
Textile, Apparel, and Furnishings Workers	20.6%
Supervisors, Personal Care and Service Workers	18.2%
Health Technologists and Technicians	17.8%
Art and Design Workers	16.1%
Other Healthcare Support Occupations	15.7%
Sales Managers	15.4%
Financial Specialists	15.1%
Religious Workers	13.8%

Employment Projections by Industry
Region 13: Baker, Union & Wallowa counties
2004 - 2014

Industry	2004	2014	Change	% Change
Total nonfarm employment	17,470	19,260	1,790	10.2%
Total private	12,750	14,370	1,620	12.7%
Natural resources and mining	210	200	-10	-4.8%
Construction	770	880	110	14.3%
Manufacturing	2,370	2,440	70	3.0%
Trade, transportation, and utilities	3,380	3,800	420	12.4%
Wholesale and retail trade	2,720	3,110	390	14.3%
Transportation, warehousing, and utilities	660	690	30	4.5%
Information	260	290	30	11.5%
Financial activities	730	820	90	12.3%
Professional and business services	720	870	150	20.8%
Educational and health services	2,000	2,440	440	22.0%
Leisure and hospitality	1,700	1,960	260	15.3%
Other services	610	670	60	9.8%
Government	4,720	4,890	170	3.6%
Federal government	640	610	-30	-4.7%
State government	1,420	1,490	70	4.9%
Local government	2,660	2,790	130	4.9%

Major Employers

The following employment numbers are provided by employers, with the exception of state and federal government employment information, which is provided by the Oregon Employment Department. Numbers reflect full time equivalent jobs for private employers, and all jobs (not necessarily full time) for state and federal government. State government employment includes home health care workers after 2005.

Baker County Employers	1993	1998	2001	2002	2003	2005	2006	% Change 2005-2006
Baker County School Districts	355	403	315	497	493	323.5	322.9	0.0%
State Government	188	220	230	200	202	280	280	0%
Federal Government	459	300	320	300	297	270	240	-11%
Marvin Wood Products	113	240	220	201	220	260	240	-8%
Saint Elizabeth Hospital and Nursing Home	237	230	198	195	146	175	186	6%
Baker County Government	200	150	146	138	121	143	112	-22.0%
Ash Grove Cement West, Inc.	205	131	113	114	117	114	116	2%
Powder River Corrections	NA	75	49	70	98	98	98	0%
Oregon Trail Electric Coop	NA	83	84	88	91	85	90	6%
Behlen Manufacturing	NA	NA	86	75	73	80	87	9%
City of Baker City	NA	NA	72	66	68	70	63	-10%
Albertson's	NA	NA	40	65	87	70	60.5	-14%
Sunridge Inn	NA	78	62	39	50	45	53.25	18%
Safeway	NA	80	57	37	46	61.3	49	-20.0%
Natural Structures	N/A	N/A	N/A	N/A	N/A	N/A	37	N/A
Step Forward	N/A	58	30	33	31	30	36	20%
Bi-Mart	N/A	N/A	35	33	33	27	31	16%
First Bank/Sterling Bank*	NA	NA	63	110	51	51	15.55	-70%

* Due to the merger of Sterling and First Bank, the most recent FTE data available is from June, 2007. Sterling closed the corporate office in Baker City and is no longer a major employer in Baker County.

Union County Employers	1993	1998	2001	2002	2003	2005	2006	% Change 2005 - 2006
State Government*	213	1060	1,060	1,200	1,140	1270	1260	-0.8%
Boise Cascade	745	800	747	739	800	730	696	-4.7%
Union County Schools	529	546	710	588	485	462	477.6	3.4%
Nash Industries	NA	258	229	291	305	342	334.5	-2.2%
Fleetwood Industries (Terry)	255	251	180	260	260	296	280	-5.4%
Grande Ronde Hospital	356	283	317	302	244	296	287.7	-2.8%
Union Pacific Railroad	360	350	145	125	200	235	226	-3.8%
Federal Government	NA	220	230	200	214	220	230	4.5%
Wal-mart	NA	152	202	138	136	141	200	41.8%
Union County	NA	140	115	99	103	127	123.5	-2.8%
City of La Grande	NA	101	123	119	133	111.5	115	3.1%
New Day Enterprises	NA	NA	NA	NA	NA	NA	95	NA
Evergreen Healthcare Inc.	NA	NA	NA	NA	NA	NA	85.5	NA
Safeway	NA	NA	51	68	82	95.5	62.5	-34.6%
Center for Human Development	NA	NA	72	70	68	65	59	-9.2%
Oregon Dental Service	NA	NA	51	43	47	55.5	56.5	1.8%
Baretto Manufacturing	NA	NA	NA	NA	NA	NA	55.5	NA
The Observer	NA	NA	NA	40	40	36	38	5.6%
Albertson's	NA	NA	41	44	48	45	37.5	-16.7%

*includes student employment at Eastern Oregon University

Wallowa County Employers	1993	1998	2001	2002	2003	2005	2006	% Change 2005 - 2006
Wallowa County Schools	158	219	177	139	102	129.5	187	44.4%
State Government	79	90	90	70	79	120	120	0%
Federal Government	188	140	140	110	122	120	110	-8.3%
Wallowa Valley Health Care District	101	135	102	99	128	100	108	8%
Wallowa County	NA	70	72	71	84	67.3	68	1%
Wallowa Forest Products (Rogge Wood Products)	98	70	50	60	60	57	50	-12.3%
Valley Bronze, Inc.	74	45	40	51	50	49	48	-2%
Community Bank	NA	31	39	41	37	36	36	0%
Safeway	NA	65	44	34	36	31	32.5	4.8%
Wallowa County Grain Growers	NA	38	35	27	32	27	30	11.1%
Joseph Bronze	NA	NA	30	38	23	23	23	0%
Terminal Gravity Brewing Co.	NA	NA	NA	NA	NA	NA	21.5	NA

Per Capita Income

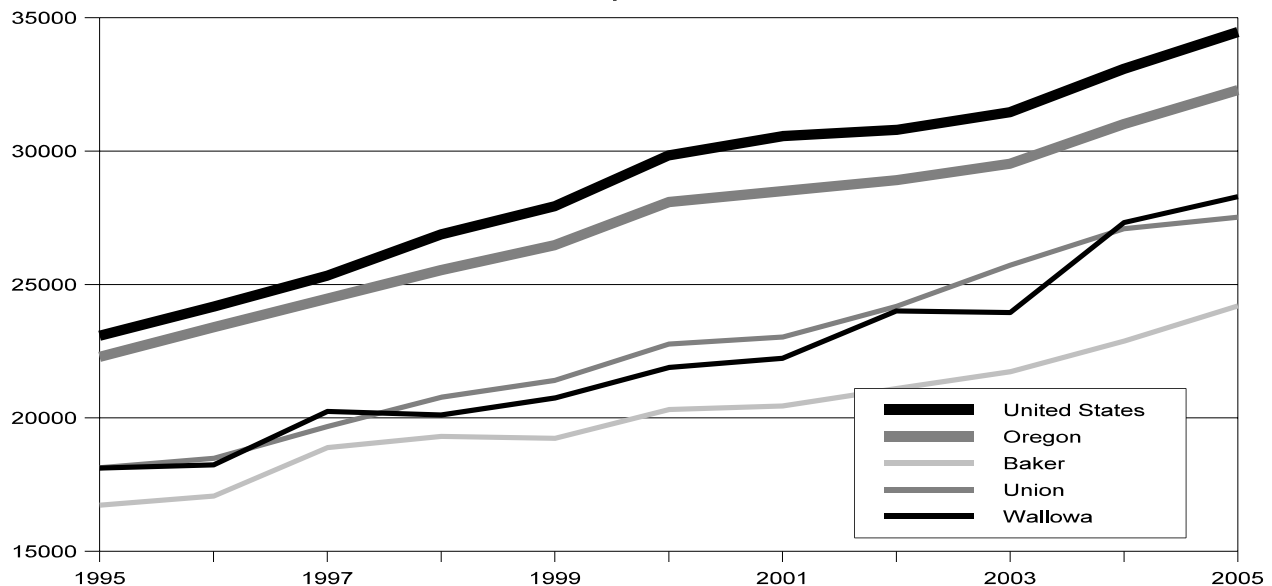
Per capita income in the area has persistently been below state and national averages. In 1980, per capita income in the District's counties ranged between 86% and 92% of the national average. By 2005 per capita income had fallen to 70% to 82% of the national average. Baker County consistently experiences the lowest per capita income of the three counties. Wallowa County showed the most significant gain in per capita income in the past year, due to the in-migration of wealthier residents who do not rely on local wages for income.

Per Capita Personal Income*							
AREA	1995	2000	2002	2003	2004	2005	% Change 1995 - 2005
US	\$23,076	\$29,843	\$30,795	\$31,466	\$33,090	\$34,471	49%
Oregon	\$22,293	\$28,093	\$28,915	\$29,530	\$31,017	\$32,289	45%
Baker	\$16,731	\$20,314	\$21,100	\$21,734	\$22,884	\$24,199	45%
Union	\$18,129	\$23,031	\$24,183	\$25,723	\$27,092	\$27,522	52%
Wallowa	\$18,121	\$22,232	\$24,005	\$23,951	\$27,326	\$28,300	56%

* Chart not adjusted for inflation.

Source: Oregon Employment Dept, Oregon Labor Market Information System

1995-2005 Per Capita Personal Income



Source: Oregon Employment Dept, Oregon Labor Market Information System

The following table reflects five sources of per capita income (wage and salary, proprietor's income, investment income, public assistance and other transfer payments). Public Assistance income is comprised of unemployment insurance and income maintenance. Other Transfer Payments include retirement income, social security, medicaid, veteran's benefits and other government payments to individuals and businesses. Not all sources of income are included in the table. The income indicators can be used to consider levels of economic prosperity. Compared to 2004, wage and salary income decreased in all jurisdictions. Proprietor income increased in Wallowa County and Oregon and decreased in Baker and Union counties. Investment income increased in all three counties and decreased at the state level. Public assistance increased slightly in Union and Wallowa counties, and held steady in Baker and the state. Other transfer payments decreased in all the jurisdictions shown.

Income Indicators 2005						
County	Per capita income	Wage & Salary	*Proprietor Income	**Invest. Income	*** Public Assist.	****Other Transfer Payments
Baker	\$24,199	38.7%	3.0%	25.2%	11.0%	14.2%
Union	\$27,522	46.1%	5.2%	18.7%	9.4%	11.8%
Wallowa	\$28,300	32.9%	14.3%	25.6%	8.3%	13.4%
Oregon	\$32,289	54.0%	8.5%	18.2%	6.7%	8.2%

Source: Bureau of Economic Analysis

*Proprietor income includes farm and non farm, **dividends, interest, and rent, *** Income maintenance benefits and medical benefits, ****all other personal transfer receipts.

The following table depicts the rate of home ownership and home values relative to median household and family incomes. The 2000 census confirmed a relatively high rate of home ownership and affordable housing compared to the state and national averages. However, home values have increased significantly since 2000, while median household incomes have risen only slightly. Median household income is defined as all income from those residing in a housing unit occupied by any person(s) either single, roommates or family members.

Home Ownership and Income Indicators

County	Home-ownership Rate, 2000	Median Home Value, 2000	Median Home Price, 2006	Median Household Income 2000	Median Family Income 2005
Baker	64.3 %	\$ 84,700	\$144,105	\$30,367	\$37,069
Union	66.5 %	\$ 93,600	\$153,355	\$33,738	\$31,737
Wallowa	71.8 %	\$ 111,300	\$192,951	\$32,129	\$34,769
Oregon	65%	\$ 152,100	\$236,000	\$40,916	\$41,794
U.S.	67 %	\$ 119,600	\$221,900	\$41,944	\$44,684

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development; and Housing, Vacancies and Homeownership Annual Statistics: 2003, Oregon Housing Alliance, Realtor.org

Population Trends

The overall population in the District is growing much more slowly than the rest of the state. Some residents are concerned that the population growth rate needs to increase in order to maintain viable communities, while others are concerned about potential future growth management issues. In Wallowa County, residential development is occurring, but most new housing is being built for vacation and seasonal use.

Population					
County	2000 Census	2002 (estimate)	2004 (estimate)	2006 (estimate)	% Change 2000-2005
U.S.	281,421,906	287,973,924	293,655,404	299,398,484	6.4%
Oregon	3,421,399	3,504,700	3,582,600	3,690,505	7.9%
Baker	16,741	16,700	16,550	16,485	-1.5%
Union	24,530	24,600	24,850	25,030	2%
Wallowa	7,226	7,150	7,150	7,135	-1.3%

Source: PSU Center for Population Studies, Oregon Office of Economic Analysis population estimates

Minority Population 2000 Census					
County	Population	Minorities	%	Hispanics	%
U.S.	281,421,906	69,961,280	25.0	35,305,818	12.5
Oregon	3,421,399	459,776	13.4	275,314	8
Baker	16,741	723	4.3	392	2.3
Union	24,530	1,401	5.7	600	2.4
Wallowa	7,226	253	3.5	125	1.7

Source: 2000 Census

Environment

Social Environment

The following table shows crime rates as broken down by person, property and behavioral crimes. Crimes against persons are defined as murder, homicide, robbery, sex crimes, DUI's, kidnaping and simple assault. Property crimes are offenses involving theft or deception involving things of value or destruction of property. Behavior crimes are offenses relating to personal conduct and public order such as drug/alcohol offenses, weapons and fish and game offenses. The total reported index crime rate is an index of selected crimes used for comparison purposes, and consists mostly (about 90%) of property crimes. The rate of reported index crimes reflects the relative risk of becoming a victim of these crimes. The rate consists of the number of crimes divided by the population.

Crime Rates of Reported Offenses Per 1,000 Residents, 2005					
County	Person	Property	Behavior	Index Crime Rate	% Change in Index Crime Rate (1995-2005)
Baker	7.5	38.3	40.3	22.3	-60.6%
Union	10.7	38.7	49.6	23.7	-21.8%
Wallowa	6.3	24.4	45.4	17.8	-10.6%
Oregon	11.4	64.4	47.7	49.1	-25.2%

Source: Oregon Criminal Justice Center, 2005

The Oregon Progress Board provides the data contained in the following table. The table depicts high school drop out rates, voter participation rates in biennial primary elections, teen pregnancy rates per thousand females 10-17 years of age, number of children abused per 1,000 persons under 18, percent of residents with incomes below 100% of the federal poverty rates and juvenile arrest rate per 1,000 juveniles. These social indicators depict a strong social environment in the District compared with other areas of the State.

Oregon Benchmarks - County Data

County	H. S. Drop out 2004	Voter Part. 2004	Teen Preg. 2003	Child Abuse 2004	Persons Below Poverty 2002	Juvenile Arrest 2003
Baker	0.5%	91.6%	6.9	20.8	14.5%	24.7
Union	1.8%	89.0%	12.8	16.5	12.0%	11.9
Wallowa	0.0%	92.3%	4.2	7.7	11.8%	11.9
Oregon	4.6%	71.2%	26.4	6.3	11.7%	16.6

Source: Oregon Benchmarks, County Data 2005

Physical Environment

Environmental issues are important to any community. Information on endangered species, air quality, solid waste, sewer, water and wastewater facilities within the region are described below. All cities and counties of the District are regulated by the Oregon Department of Environmental Quality (DEQ). At this time, other than Haines & Huntington wastewater systems, none of the District's communities are in violation of their permits.

ENDANGERED SPECIES: The presence of species federally listed as endangered, threatened or sensitive can have significant impacts on the use and development of specific areas within the region. The following species are included in lists of endangered, threatened, proposed threatened and candidate species by the US Fish & Wildlife Service and the National Marine Fisheries Service for lands managed by the USDA Wallowa-Whitman National Forest. The Candidate species have no legal status

under the Endangered Species Act, but the species and their habitats should be considered in project planning and review.

Listed Threatened and Endangered Species

- Gray wolf (*Canis lupus*)
- Canada lynx (*Lynx canadensis*)
- Bull trout (*Salvelinus confluentus*)
- Steelhead (Middle Columbia River) (*Oncorhynchus mykiss*)
- Ute ladies'-tresses (*Spiranthes diluvialis*)
- Water howellia (*Howellia aquatilis*)
- Howell's spectacular thelypody (*Thelypodium howellii* ssp. *spectabilis*)

Proposed Threatened Species

- Spalding's catchfly (*Silene spaldingii*)

Candidate Species

- Columbia spotted frog (*Rana luteiventris*)
- Slender Moonwort (*Botrychium lineare*)
- Yellow-billed cuckoo (*Coccyzus americanus*)

AIR QUALITY: The District's air quality continues to be good and is better than most areas of the state. The most common air pollutants in the District are carbon monoxide, ammonia and acrolein (produced by forest and wildfires, open burns, structure fires, and combustion of gasoline and diesel). There has been some controversy over grass seed field burning in Union County. The combination of field burning and inversions can reduce air quality for short periods of time. The local newspaper gives daily air quality reports for Union County. Air quality is also impacted by forest fires. There are often forest fires during the late summer months.

WATER/WASTEWATER/SOLID WASTE: The District conducted a survey updating the inventory of public sewer systems, public water systems, and landfill systems. The results of the survey follow. Most drinking water is from sub-surface sources throughout the three counties. Most cities have an adequate existing water source. Many cities are upgrading their water storage capacity given increased vulnerability to forest fires. The Fox Hill Landfill in Union County has been closed and converted to a transfer station with solid waste hauled to Baker Valley Landfill.

Landfill	County Serviced	Estimated Useful Life
Baker Valley	Baker	2018
Fox Hill	Union	Closed (Transferred to Baker Valley)
Ant Flat	Wallowa	2050

The following table depicts the pounds of municipal solid waste land filled or incinerated per capita for the District and how it compares with averages for rural Oregon and the state.

Pounds of Municipal Solid Waste Landfilled or Incinerated Per Capita					
County	1996	2000	2004	% Change in 4 yrs.	3 - Year Average
Wallowa	1,119.4	1,284.1	1,436	12.4%	1,404.1
Union	1,215.4	1,491.7	1,602	7.4%	1,578.3
Baker	1,345.2	1,506.5	1,465	-2.7%	1,517.8
Rural Oregon	1,504.3	1,570.0	1,688	7.5%	1,665.1
Statewide Average	1,577.2	1,617.0	1,639	1.4%	1,594.6

Source: Oregon Progress Board

Baker County				
Community	Drinking Water Source	Daily Capacity	Peak Use Capacity	Storage
Baker City	Watershed -2 Wells	7,500,000 gl	9,500,000 gl	210,000,000 gl
Haines	Private Wells	2,180,000 gl	n/a	53,000gl
Halfway	2 Deep Wells	350,000 gl	500,000 gl	347,000 gl
Huntington	Deep Well	300,000 gl	400,000 gl	300,000 gl
Richland	Infiltration Gallery	576,000 gl	371,520 gl	300,000 gl
Sumpter	Surface	300,000 gl	250,000 gl	475,000 gl
Unity	Wells	1,300,000 gl	1,700,000 gl	50,000 gl

Union County				
Community	Drinking Water Source	Daily Capacity	Peak Use Capacity	Storage
Cove	Wells	576,000 gl	1,870,000 gl	200,000 gl
Elgin	Wells (3)	300,000 gl	3,000,000 gl	1,650,000 gl
Imbler	Artesian Well	2,400,000 gl	3,600,000 gl	None
Island City	Wells (2)	100,000 gl	1,100,000 gl	855,000 gl
La Grande	Wells (5)	2,310,000 gl	2,654,040 gl	12,000,000 gl
North Powder	500' Deep Wells	150,000 gl	1,000,000 gl	202,000 gl
Summerville	Private Wells	n/a	n/a	n/a
Union	Wells (2)	440,000 gl	1,200,000 gl	668,000 gl

Wallowa County				
Community	Drinking Water Source	Daily Capacity	Peak Use Capacity	Storage
Enterprise	Springs(2), Well	480,000 gl	930,000	1,000,000 gl
Joseph	Well and Wallowa Lake	500,000 gl	1,793,000 gl	1,300,000 gl
Lostine	Watershed	200,000 gl	200,000 gl	n/a
Wallowa	Well	250,000 gld	1,700,000 gld	270,000 gl

Baker County			
Community	Sewer Treatment Type	Daily Capacity	Normal Daily Use
Baker City	Lagoon	2,000,000 gld	1,600,000 gld
Haines	Lagoon	1,600,000 gld	100,000 or 290,000 gld
Halfway	Lagoon (3 cell)	1,000,000 gld	250,000 gld
Huntington	Lagoon	950,000 gld	45,000 gld
Richland	Lagoon (2) evaporated	36,000 gld	32,000 gld
Sumpter	Step/steg Lagoon	35,000 gld	3,670 gld
Unity	Lagoon	35,000 gld	11,000 gld

Union County			
Community	Sewer Treatment Type	Daily Capacity	Normal Daily Use
Cove	Lagoon	130,000 gld	63,000 gld
Elgin	Lagoon	300,000 gld	200,000 gld
Imbler	Septic Tanks	n/a	n/a
Island City	La Grande's Lagoon	2,700,000 gld	210,000 gld
La Grande	Lagoon Chemical/Physical	2,700,000 gld	2,100,000 gld
North Powder	Lagoon (2-cell)	100,000 gld	50,000 gld
Summerville	Septic Tanks	n/a	n/a
Union	Class 2 Mechanical Treatment Plant	365,000 gld	160,000 gld

Wallowa County			
Community	Sewer Treatment Type	Daily Capacity	Normal Daily Use
Enterprise	Trickling Filter	750,000 gld	50,000 gld
Joseph	Lagoon	444,000 gld	230,000 gld
Lostine	Septic Tanks	n/a	n/a
Wallowa	Lagoon	250,000 gld	150,000 gld

COMMUNITY PARTICIPATION

Overview

The District solicited private sector representation on the Comprehensive Economic Development Strategy Committee. The Local Advisory Board of Connecting Oregon for Rural Entrepreneurship provided input on entrepreneurial development needs. NEOEDD also contacted cities, counties, development organizations and project proponents for information on economic development opportunities and priorities.

Private Sector Participation on the CEDS Committee

In the fall of 2006 newsletters, regional media, board outreach and email solicitation were used to encourage additional private sector representatives to volunteer to serve on the Strategy Committee. Nine private business representatives were appointed to the committee along with a representative from the Rural Oregon Institute. The committee included 29 individuals of which 24 were private sector and 5 were public officials. Private sector members represented: agriculture, tourism, retail, engineering, low income housing, telecommunications, finance, manufacturing, forest products, services, higher education, workforce development, community leaders and private individuals. Public officials represented city and county government.

The committee met in December to review economic and community data and trends and to identify the region's strengths, weaknesses, opportunities and threats. In February the committee reviewed the list of high priority projects submitted for the CEDS. The committee also developed a vision, goals, objectives and actions for the region.

Call for Economic Development Projects

In January, NEOEDD issued a call for information on high priority projects to be included in the CEDS. Staff contacted non-profits and government bodies to submit a list of prioritized projects with job creation estimates and budgets. Newsletters and regional media were also used to inform the general public and other project proponents of the opportunity to submit project information.

CORE Input

The Local Advisory board for Connecting Oregon for Rural Entrepreneurship (CORE) provided input regarding the region's current entrepreneurial assets and needs. The CORE Local Advisory board is made up of 37 entrepreneurs, technical assistance providers, and representatives of workforce, economic development and higher education from within Baker, Union and Wallowa counties. After surveying the region's entrepreneurs, the Local Advisory Board identified activities needed to create an Entrepreneurial Development System for the region. Input from the CORE board was used for the region's SWOT analysis and in development of goals and strategies. Activities recommended by the CORE board include adult and youth education, training, technical assistance, access to capital, networks and a social, cultural and policy environment that supports entrepreneurs.

VISION, GOALS AND STRATEGIES

Regional Vision

Employ a coordinated regional effort involving entrepreneurs, youth and profitable economic activity to create jobs, sustainable communities and a high quality of life.

Goals, Objectives, Implementation Resources and Plan of Action

Based on the collaborative participation of private and public sectors and analysis of the regional economy, the District has adopted the following goals and objectives to address the needs of the Region.

GOAL 1 - COLLABORATIVE PLANNING, PARTNERSHIPS, LEADERSHIP

Objective: Participate in region-wide collaboration, facilitation and cooperation to plan and implement community growth & sustainability

Actions:

1. Prepare and disseminate a region-wide comprehensive economic development strategy focused on achieving shared goals and priorities
2. Share information on economic development resources, activities, and lessons learned
3. Promote and encourage leadership development opportunities throughout the region
4. Consolidate and focus economic development forces and examine priorities for land use
5. Support tourism development partnerships

GOAL 2 - ADEQUATE FUNDING AND OTHER RESOURCES

Objective: Enhance access to and effective utilization of financial and other resources to strategically and opportunistically advance community development

Actions:

1. Identify new resources and maximize existing resources to provide for needed infrastructure and services
2. Support efforts to access, evaluate and build knowledge of funding solutions and serve as a regional repository for that knowledge
3. Communicate to partners the value of funding for rural economic development
4. Capture a portion of the value of appreciated assets for reinvestment in local community development priorities.

GOAL 3 - ECONOMIC OPPORTUNITY

Objective: Increase per capita income to achieve statewide equity

Actions:

1. Support regional investments in job creation projects that provide above average wages
2. Support entrepreneurial development efforts to improve proprietor income and success

GOAL 4 - INFRASTRUCTURE, TRANSPORTATION AND TECHNOLOGY

Objective: Build on and utilize existing infrastructure in transportation and telecommunications, railroads, airports, fiber/telecom and the connectivity of local, state and federal highways

Actions:

1. Support and encourage development and marketing of industrial and commercial sites
2. Support and encourage access to quality affordable high speed telecommunications service in all communities
3. Support actions to expand and improve capacity and usage of the local airports
4. Support actions to provide inter-county transportation
5. Support efforts to improve and maintain infrastructure for transportation, education and technology
6. Support efforts to develop alternative energy

GOAL 5 - QUALITY OF LIFE, ENVIRONMENTS

Objective: As economic development occurs the preservation and development of the quality of life must be a major consideration, including enhancing and protecting the environment

Actions:

1. Preserve cultural and spatial resources and provide economic benefits through ecotourism in Wallowa, Baker, Union counties
2. Consider community needs, goals and citizens' well-being when undertaking economic development
3. Support vibrant communities and downtowns with a variety of retail goods and services
4. Support initiatives to create workforce housing opportunities for median income workers

GOAL 6 - EDUCATION & WORKFORCE

Objective: Develop a diversified educational system that meets the needs of the emerging high tech world as well as providing an opportunity for everyone to participate to their fullest in our economy.

Actions:

1. Bring statewide attention to lack of education funding as it impacts NE Oregon and make education accessible
2. Support expansion of the Baker County Blue Mountain Community College presence to a full campus
3. Support expanded educational/training opportunities, including community schools, vocational technical, and higher educational opportunities after high school
4. Integrate regional educational strategies to leverage knowledge and develop a better trained work force

GOAL 7 - YOUTH INVOLVEMENT & OPPORTUNITIES

Objective: Retain and attract youth

Actions:

1. Involve youth in economic activity, development, planning and community decision-making
2. Promote advantages of "Home" to youth

GOAL 8 - ENTREPRENEURSHIP

Objective: Provide a strong business environment through entrepreneurship and business opportunity

Actions:

1. Support expansion of existing businesses and start-up of new businesses with increased success and profitability
2. Nurture a vibrant entrepreneurial environment through adult and youth entrepreneurial education, training, technical assistance, access to capital, networks, culture
3. Reach out to traditional and natural resource based industries to provide support for value-added development and innovation

Implementation

The implementation of goals and priorities is based upon the ability of the region to make the best use of available resources including funding for potential future investments. Public and private partnerships must be utilized to remain aware of and act on opportunities to enhance the region's economic diversity, entrepreneurship and niche markets in order to realize the long term goals of the Comprehensive Economic Development Strategy.

Economic Development Partners

LOCAL AND REGIONAL PARTNERS

The region contains a variety of economic and community development groups. These include county and city chambers of commerce, the Union County Economic Development Corporation, the Northeast Oregon Alliance, the Baker-Morrow Partnership, county and city governments, Eastern Oregon Telecommunications Consortium, Region 13 of WorkSource Oregon, Wallowa Resources, Wallowa County Economic Action Team, Eastern Oregon Visitors Association, Confederated Tribes of the Umatilla Indian Reservation, Nez Perce Tribe of Idaho, Wallowa County Business Facilitation, Wallowa County Strengthening Rural Families Team, Baker Enterprise Growth Initiative, the La Grande Downtown Development Association, Wallowa Band Nez Perce Trail Interpretive Center, Inc., the Joseph and Enterprise Merchant groups, Historic Baker City, the Baker Progress Board, Re: Union, Elgin EDGE, Baker County Economic Development Commission, Baker County Business Assistance Team and Resource Assistance Team.

FEDERAL AND STATE PARTNERS

Other partners include federal agencies such as the USDA Forest Service and Rural Business Cooperative Services, the Economic Development Administration, the Small Business Development Centers, the Bureau of Land Management, and the National Park Service, among others. State partners include the five agencies represented by the Governor's Economic Revitalization Team for the eastern region, Dept. of Environmental Quality, Department of Land Conservation and Development, Economic and Community Development Department, Oregon Housing and Community

Development, and Department of Transportation, as well as Emergency Management, Employment Department and others.

OTHER PARTNERS

Private sector partners include the finance community, consultants, and local business and industry. Additional partners include Eastern Oregon University, Blue Mountain Community College, local schools and education service districts, social service agencies and non-profit organizations serving the aged, minorities and those with disabilities. Other partners include Livable Oregon, the Oregon Downtown Development Association, Rural Oregon Institute, Rural Development Initiatives, Eastern Oregon Rural Alliance and the Oregon Rural Development Council.

Resources for Economic Development

Resources for economic development come from both public and private sector sources. The following section is meant to identify a number of the primary resources accessed by the region for economic and community development activities. The resources mentioned have often contributed both financial and technical assistance. There are many other resources available which may have made investments in the region's activities.

PRIVATE PHILANTHROPIC RESOURCES

Private foundations and non-profits have supported a variety of community and economic development activities ranging from downtown renovation to sustainable forestry initiatives to community capacity building to cultural resource interpretation, enhancement and preservation. In some instances, private companies also provide support by serving on boards and committees and by offering pro-bono services. A number of private foundations have made repeated investments in the region including the Leo Adler Foundation, Oregon Community Foundation, Meyer Memorial Trust, Murdock Charitable Trust, and the Ford Family Foundation. The Confederated Tribes of the Umatilla Indian Reservation and Nez Perce Tribe of Idaho have made investments supported by revenue from the Wildhorse and Clearwater casinos.

PUBLIC SECTOR RESOURCES

The following economic development resources are in use or have the potential to be used by communities in Northeast Oregon for successful implementation of economic development programs. Only a brief description is provided. More detailed information on statewide programs is available from the Oregon Economic and Community Development Department.

RURAL AND REGIONAL INVESTMENT PROGRAMS

Oregon Lottery funds for job creation projects in NE Oregon. These grant and loan funds may be available through the Baker-Morrow Regional Partnership and the Northeast Oregon Alliance. More information is available from the Greater Eastern Oregon Development Corporation and the Northeast Oregon Economic Development District.

REVOLVING LOAN FUNDS

Revolving loan and intermediary relending loan funds are available for higher risk businesses in the region through the Northeast Oregon Economic Development District, Northeast Oregon Business Development and others.

BUSINESS FACILITATION PROGRAMS

Confidential, free-of-charge business counseling services are available to entrepreneurs in Baker and Wallowa counties. Anyone interested in starting or expanding a business is eligible for services. More information is available from the Baker Enterprise Growth Initiative and Wallowa County Business Facilitation.

INDIVIDUAL DEVELOPMENT ACCOUNTS

Matching funds for business asset purchases may be available to low-income entrepreneurs through an Individual Development Account savings plan with the Northeast Oregon Economic Development District.

E- ZONE INCENTIVES

Enhanced enterprise zone program with up to 15 years of tax abatements.

E-COMMERCE ENTERPRISE ZONES

A special enterprise zone designations that include income tax credits too.

OREGON INVESTMENT ADVANTAGE TAX EXEMPTION

A new program that helps businesses start or locate in most Oregon counties with a 10 year income tax holiday.

STRATEGIC INVESTMENT PROGRAM (SIP)

Exempts a major portion of large capital investments (more than \$25 or \$100 million) from property taxes anywhere in Oregon.

CONSTRUCTION-IN-PROGRESS

Exempts new commercial facilities from property taxes for a period of time anywhere in Oregon.

FOOD PROCESSOR EXEMPTION

Processors of raw or fresh fruits, vegetables, legumes, nuts or seafood receive new machinery and equipment exemption from property taxes for five years.

VERTICAL HOUSING PROGRAM

Program encourages mixed-use commercial/residential developments in areas designated by communities through a partial property tax exemption.

BUSINESS ENERGY TAX CREDIT (BETC)

Investments in energy conservation, recycling, renewable resources and less-polluting transportation fuels.

RURAL RENEWABLE ENERGY DEVELOPMENT ZONES

An enterprise zone-type exemption from property taxes on wind farms and other eligible projects anywhere in a designated county.

POLLUTION CONTROL TAX CREDITS

Tax credit for facilities that prevent, reduce or control one of the following, air, water, noise pollution; solid waste, hazardous waste, used oil, by recycling or providing for appropriate disposal for projects completed by December 2007.

RESEARCH TAX CREDITS

Corporate tax credit for qualified research and basic research conducted in Oregon.

DEPENDENT CARE TAX CREDIT

Employers who provide dependent care assistance to their employees may claim one of two credits - the Information and Referral Services Credit or the Employer-paid Dependent Care Credit.

FILM PRODUCTION

The Oregon Production Investment Fund rebates 10% of Oregon-based production expenses (including labor) and the Greenlight Labor Rebate offers qualifying productions an additional cash payment of up to 6.2% of wages paid to production personnel.

BROWNFIELDS REDEVELOPMENT FUND

Direct loan and grant program to conduct environmental actions on brownfields.

OREGON BUSINESS DEVELOPMENT FUND (OBDF)

Direct loans to businesses for expansion and capital investments.

OREGON BUSINESS RETENTION PROGRAM

Designed to help private sector companies facing critical issues. Program provides multi-industry expertise in finance, marketing, operations, turnarounds, restructuring, feasibility studies, etc.

OREGON CAPITAL ACCESS PROGRAM (CAP)

Program helps lenders make more commercial loans to small businesses.

OREGON CREDIT ENHANCEMENT FUND (CEF)

Loan insurance tool that lenders can use to help businesses needing extra security to obtain financing.

ENTREPRENEURIAL DEVELOPMENT LOAN FUND (EDLF)

Initial, direct loan to help companies get started in Oregon.

INDUSTRIAL DEVELOPMENT REVENUE BONDS/EXPRESS BONDS

Designed to help Oregon manufacturers grow. These are tax-exempt bonds, issued by the state of Oregon. They provide long-term financing for land, buildings and equipment.

GOVERNOR'S STRATEGIC TRAINING FUND

Fund supports the retention and growth of living-wage jobs, a skilled workforce and competitive businesses in Oregon. It is a flexible, responsive and time-sensitive resource for training Oregon's private-sector workforce. The emphasis is to upgrade skills of the workforce in order to increase productivity, keep Oregon businesses viable and competitive, and offer new skills and opportunities to Oregon's workers.

US SMALL BUSINESS ADMINISTRATION

504 Loan Program and the US Small Business Administration 7(a) Loan Guarantee Program

Small Business Development Centers

SBDCs provide free one-on-one counseling. Also provide assistance with business plan preparation, financial management, personnel management and marketing to proposed, start-up and existing businesses, including those trading internationally.

OREGON DEPARTMENT OF TRANSPORTATION

State Transportation Improvement Program funds, Bicycle-Pedestrian funds, Connect Oregon and Transportation Enhancement funds

Oregon Parks, Oregon Tourism Commission, Oregon Arts Commission funds for projects relating to economic and community development.

USDA RURAL DEVELOPMENT

Rural Business, Rural Utilities and Rural Housing Services loan programs, Rural Business Opportunity Grant, Rural Business Enterprise Grant programs, Value-Added Producer Grants, Renewable Energy and Energy Efficiency Program, Rural Community Development Initiatives programs and others.

OREGON ASSOCIATION OF MINORITY ENTREPRENEURS (OAME);

The association was formed to promote and develop entrepreneurship and economic development for ethnic minorities in Oregon and southwest Washington. Se Habla Español-Spanish language services.

ORGANIZATION FOR ECONOMIC INITIATIVES, INC. (OEI/GCAP)

Through their Government Contract Assistance Program (GCAP), the organization delivers procurement technical assistance to women-owned, minority-owned, rural-and distressed-area businesses throughout Oregon.

OREGON MICROENTERPRISE NETWORK (OMEN)

Provides training and offers lending and marketing expertise to enhance members' personal effectiveness, economic literacy and business skills. It educates the public about microenterprise development and promotes the use of cooperative strategies to combat poverty. Spanish language services

OREGON NATIVE AMERICAN BUSINESS NETWORK (ONABEN)

ONABEN is a non-profit, public-benefit organization created by northwest tribes to increase the success of private businesses owned by Native Americans. They offer

training and support focused on developing entrepreneurship in Native American communities.

WORKDRUGFREE

Program focused on assisting Oregon business owners (public and private) with drug prevention and intervention strategies. The program works to reduce workforce substance abuse and reach currently employed workers, those unemployed or dislocated from their job and the emerging workforce (high school students). A key resource for business and a support for employers, including access to legal and drug testing experts, and referrals to qualified employee assistance programs.

Economic Clusters

The Northeast Oregon region is part of a statewide effort to promote economic development in the state through a cluster-based strategy. This efforts involves an alliance of public, business and not-for-profit entities and has two primary aims:

1. To understand traded industry clusters that are important sources of innovation, entrepreneurship and employment growth in the state; and
2. Develop policy initiatives to promote collaboration among businesses, facilitate the development of public-private partnerships and create effective incentives to support the growth of traded industry clusters.

Oregon's Traded Clusters: Major Industries & Trends

In 2005, twelve major traded industry clusters were identified by the Oregon Economic & Community Development Department through an analysis of past clusters studies of the Oregon economy and related industries using the NAICS at detailed levels. The analysis sought to develop a list of major traded industries that could form the basis of a cluster-based economic development strategy. The following table provides 2005 employment, payroll and average wage data for the clusters.

Oregon's Traded Clusters			
Oregon's Major Traded Industry Clusters	Oregon Average Wage	Baker, Union, Wallowa	
		Employment	Average Wage
Business Services	\$38,422	471	\$27,914
Wood and Other Forest Products	\$41,772	1,749	\$39,986
Electronic and Advanced Materials	\$78,485	23	\$45,101
Logistics and Distribution	\$38,812	244	\$30,895
Processed Food and Beverage Products	\$34,101	164	\$23,267
Agricultural Products	\$21,046	491	\$22,014
Metals	\$49,273	269	\$26,524
Transportation Equipment and Parts	\$39,163	706	\$36,540
Information Technology	\$65,128	123	\$34,932
Apparel and Sporting Goods Design	\$79,512	50	\$26,628
Communication Equipment	\$68,076	Confidential	Confidential
Medical Products	\$41,766	Confidential	Confidential

Source: Bureau of Labor Statistics, 2005 QCEW; Oregon Employment Department; OECDD. Data is confidential for industries with too few of employers in the region.

Analysis of the twelve clusters highlights the following statewide features and trends:

- 1) The clusters cover all major sectors of the Oregon economy, namely, manufacturing, nature resources and services.
- 2) All except transportation equipment and parts cluster have enjoyed significant growth in their average wages.
- 3) Most clusters have increased employment since 2003. Notably transportation equipment and business services have led in employment growth rate.
- 4) As a group, the clusters average wages exceed the state's private sector wage by about \$10,000.
- 5) The clusters account for about a third of all private jobs and 40% of private payroll.
- 6) All but two clusters have average wages that are higher than the state's private sector average wage.

The analysis used the following two studies as guides: "Profile of the Oregon Economy" prepared by Michael Porter in 2001; and "Oregon's Traded Industry Clusters" prepared by Impresa Consulting in 2004.

**NORTHEAST OREGON ECONOMIC DEVELOPMENT DISTRICT
PROJECT PRIORITIES FOR FISCAL YEAR 2007-2008**

**NEOEDD Priority Project List
Infrastructure**

Project Name	Project Description	Job Creation	Budget	Funding Sources	Time frame	Sponsor & CEDS Priority
Elkhorn Industrial Park Road and Rail Spur	Certified "project ready" industrial site. Road development will provide two points of ingress and egress. Rail spur would provide access to UP. Company has just purchased land for new investment.	10-15 direct	Road 920,073 Rail 300,000	Road 740,000 Rail 200,000 ODOT \$ for both projects	2007	Baker City 1
Buffalo Peak Golf Course	Financial stabilization of golf course and treated effluent dispersal system for city of Union.		4,700,000	2,150,000 federal request	2007	Union County 2 Tie
Baker City Airport Infrastructure	100 acres of industrial land are located at the airport. Infrastructure is needed.		4,718,940-14,463,386		2009 - 2012	Baker City 2 Tie
Wallowa Lake Dam Retrofit	Reconstruction of Wallowa Lake Dam	Job retention	5,000,000 - 17,000,000			Assoc. Ditch Co. 3
La Grande Revitalization Program	Implement Downtown Design Plan for La Grande's Central Business District. Develop public spaces and amenities. Promote industrial and commercial development. Street reconstruction, sidewalk improvements. Streetscape improvements such as lighting, planters, benches and bike racks.		3,927,260		Five years from start to finish	La Grande 4
Resort Street Improvement Project	Bicycle and pedestrian path, off-street downtown parking & streetscape improvements. Streetscape improvements include sidewalks, lighting, trees, benches and placement of utilities underground.	50 indirect	2,795,213	Bike-Ped grant for \$500,000. LID for a portion of the costs.	2007 - 2009	Baker City 5-Tie
Enterprise Medical Parkway Extension	Construction of a street to the new hospital from Golf Course Road. This will open up access to the northwest part of the city and link the commercial area on Golf Course Road to Highway 3.		500,000	320,000 committed	2007 - 2009	Enterprise 5- Tie
South Baker Truck Route	Connecting road from Highway 7 to I-84. Will provide easier truck access to city's southern industrial area.		4,000,000		2009 - 2011	Baker City 6- Tie

Mason Dam Hydroelectric Project	Installation of two small turbines at the base of Mason Dam. Renewable energy would be sold to Idaho Power. County in the midst of the Integrated Licensing Process with FERC and others	1 direct	4,128,000	State loan, tax credits for \$3,000,000.	2006 -	Baker County 26 6-Tie
Brownfields Clean-Up	Activities to clean up brownfields in North Powder, Alicel, Elgin and Joseph. Potential for restoration as industrial sites.					NEOEDD 6-Tie

Community Facilities

Project Name	Project Description	Job Creation	Budget	Funding Sources	Time frame	Sponsor & Priority
Alicel Intermodal Transportation Project	Purchase 2 acres of land. Construct 1/4 mile extension of rail spur. Construct 755,000 bushel grain storage facility.	4 direct 1 indirect	2,700,000		2008	UCEDC 1
Elgin Depot Construction	Establish Elgin Railroad Depot with gift shop and natural history museum		350000			Elgin 2
Renewable Energy Small Sawmill Project	Construct small sawmill to produce posts, poles and lumber from small diameter logs. Utilize woody biomass material to fuel a boiler for the plant. Potentially convert biomass to diesel.	7	1,075,250	\$500,000 EDA earmark	2006 - 2010	Baker County 3-Tie
EM&M Building Restoration	The Enterprise Mercantile and Milling Company building restoration project is a mixed-use development. It includes construction of a 250-300 seat performing arts facility. This venue will be surrounded by quality retail spaces. The 2 nd and 3 rd floors will accommodate live/work townhouses and single story residential condominiums. The alley behind the building will be developed for artisan use.	19	9,000,000	7,000,000 loans 2,000,000 grants donors, public investments	2002 - 2010	Bowlby Group 3-Tie
Elgin RFPD Emergency Services Center			300,000			Elgin 4

Technical Assistance

Project Name	Project Description	Job Creation	Budget	Funding Sources	Time frame	Sponsor & Priority
Biofuels Project Development	Numerous organizations, businesses, communities and projects within the District are considering biofuels projects. NEOEDD supports the development of feasible projects throughout the District.					NEOEDD 1-Tie
Eagle Cap Excursion Train Business/ Marketing Plan	Hire a professional railroad tourism/marketing consultant to develop and provide a comprehensive 5 year business/financial, marketing and implementation plan for the Eagle Cap Excursion train.	3	30,000	OECDD and RBEG	2007 - 2012	WURA 1- Tie
Entrepreneurial Development	Establish an environment that inspires individuals to create and grow successful businesses. Adult and youth entrepreneurial education, training, technical assistance, access to capital, networks, culture and environment that supports entrepreneurs.	20+	150,000	Kellogg Foundation, USDA Rural Development OECDD	2007 - 2010	NEOEDD 2
Technical Assistance to Communities	Provide professional assistance for community and economic development projects - board organization and/or development, fund-raising, grant-writing, project development, project implementation, grant management, etc.				2007 - 2010	NEOEDD 3
United Community Partners	Develop and obtain funding for projects prioritized at the vision and action rallies in March 2007 in Halfway.					Halfway 4
Community Endowment	Organize and begin grass-roots fund-raising activities to establish a community endowment in Wallowa and Union Counties to support local priority projects.		50,000+		2007 - 2010	NEOEDD 5-Tie

Hands on Lands Watershed Stewardship	The Hands on Lands project would invest in watershed stewardship activities through contracting with existing local professional contractors who are willing to employ, train and supervise local workers who are currently unemployed or underemployed. The program will initially focus on hazardous fuel reduction programs in priority areas and trail system maintenance withing the Hells Canyon NRA and the Eagle Cap Wilderness area.	2-9	514,950		2007	5-Tie
Baker City Historic Preservation & Renovation	Matching fund for property owners renovations to bring historic properties up to code. Create more viable commercial space.	20			2007 - 2010	Baker City 6

Non prioritized Projects

Infrastructure

Project Name	Project Description	Job Creation	Budget	Funding Sources	Time frame	Sponsor & Local Priority
Halfway Water System Improvement	Replace water line, install meters. Reconstruct well house with new wiring, new control panel, reroute valves, with new service connection to mainline under street.	1	1,100,000	OECDD CDBG	2007 - 2010	Halfway 1
Halfway Waste Water Collection & Treatment System Update	The city needs to complete and infiltration/inflow reduction plan and then implement improvements. The city also has problems with algae collecting on their treatment ponds.	1			2007 - 2010	Halfway 2 DEQ
Halfway Security Gate & Fencing	Installation of electric security gate at sewer lagoons. Installation of security fencing and gates to enclose #3 pump house and well head.		13,750			Halfway 4
Elgin Main Street Update						Elgin 6
Sewer System Extension to Union Co. Fairgrounds	Extend the sewer system from La Grande to the Union County Fairgrounds in north La Grande.	Indirect	400-500,000			UC Fair Board 1
North Powder Water Meters	Installation of water meters.	1 temp.			2006 - 2007	North Powder 1

Imbler Waste Water System Improvement	Individual septic systems in the city may be contaminating the groundwater. North Powder would like to establish a city-wide waste water system.	5-10	2,800,000		2008 - 2011	Imbler 1
Joseph Wastewater Facilities Plan	Facilities plan to update existing plan and evaluate what is needed for wastewater system to serve current and future residents & businesses.			45,000		A&P
Joseph - Hillock Property Development	Sewer lines need to be extended to the site and roadwork is needed to this privately-owned industrial site in Joseph.			28,000 for sewer		A&P
Wallowa Water System Improvements	Improvements needed include a new well, constructing a new reservoir and completing distribution system improvements.		1,800,000	City not currently pursuing funding		A&P
Wallowa Industrial Property Infrastructure	Study needed prior to extending infrastructure to industrial area in the city of Wallowa					A&P
Cove Wastewater System Improvements	Creation of a wetland facility for disposal of treated wastewater. Anderson & Perry are pursuing funding sources for this project.		1,600,000			A&P
North Powder Water System Improvements	New water meters, some new distribution main lines, treatment for their current wells to help with iron and other quality issues. Additional storage also needed.		800,000 - 1,400,000			A&P
North Powder Interchange Infrastructure	Study needed to evaluate infrastructure needs and provide cost estimates to develop the area.					A&P
Elgin Wastewater System Improvements	Improvements needed include treatment updates and infiltration/inflow work.		1,500,000			A&P
Elgin Water System Improvements	A master plan is under-way for this project. Needs identified include distribution system improvements and relocation of existing reservoir. The city has not yet selected improvements projects needed.		700,000 - 1,200,000			A&P

Union Water System Improvements	Distribution system improvements to upgrade undersized main lines, improve distribution system circulation and water quality, as well as fire flow capacities.		650,000 - 1,000,000			A&P
Union Infrastructure to Industrial Property	Study needed to determine what is needed to serve industrial property in the city.					A&P
Haines Wastewater System Improvements	Expanded storage and irrigation and lift station upgrade are needed.		1,100,000	CDBG potential funder		A&P
Richland Wastewater Lift Station Upgrade	The city needs to upgrade their lift station.					A&P
Huntington Water System Improvements	Water system improvements include a new reservoir, new well, distribution system improvements and system meters.		1,000,000			A&P
Huntington Wastewater Facilities Plan	A wastewater facilities plan is needed. The city has frequent violations of their wastewater treatment permit.		45,000			A&P
Baker City Wastewater Improvements	The city is making improvements to the headworks of their wastewater treatment plant.					DEQ

Community Facilities

Project Name	Project Description	Job Creation	Budget	Funding Sources	Time frame	Sponsor & Local Priority
Baker Food Coop Relocation/ Expansion	Purchase a larger facility on Baker City main street for expansion of food cooperative.	1-2			2006 - 2008	Baker Food Coop 1
Elgin Family Health Center	Construct new clinic facility		200-300,000			Elgin 3
Elgin Post Office	Lease/Build new post office facility		200,000			Elgin 4
Elgin Opera House Restoration			100,000			Elgin 5
Elgin Incubator	Establish incubator facility		100,000			Elgin 7

North Powder Community Library	Combining city and school libraries to use existing resources more efficiently and effectively.	1 part-time			2006 - 2009	North Powder 2
North Powder Community Center	Construct facility for senior services, city hall and the community.				2007 - 2010	North Powder 4
Pine Valley RFD Station Improvements	Cement floor and doors for fire station.		50,000			Halfway 5
Enterprise Fire Hall	Construction of a new fire hall.		550,000		2008 - 2009	Enterprise 1-Tie
Enterprise Library Handicap Access	Meet needs of handicapped citizens by facilitating access to the public library				2009	Enterprise 2
Enterprise Public Restroom & Info Center	Construction of a public restroom for general public and visitors. To be constructed in conjunction with city park expansion.		200,000		2009	Enterprise 3
Enterprise City Hall	New city hall - construction, purchase or rental.				2009	Enterprise 4

Technical Assistance

Project Name	Project Description	Job Creation	Budget	Funding Sources	Time frame	Sponsor & Local Priority
North Powder Business Recruitment Study	North Powder has 16 buildings that would qualify for the National Historic Register. The city would pursue this opportunity in conjunction with a plan to use these assets to attract businesses to town.			USDA RBEG applied for	2006 - 2009	North Powder 2

**DISTRICT WORKPLAN
2007-2008**

Northeast Oregon Economic Development District Scope of Work

Items in italics will be paid for with the EDA Planning Grant. Other activities will be funded through existing and potential service contracts or grants as funding is available.

<u>COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY</u>	<u>Time Frame</u>
<i>Disseminate the proposed CEDS for public input</i>	<i>July 9, 2007</i>
<i>Adopt the revised CEDS</i>	<i>September 6, 2007</i>
<i>Work closely with the Seattle Regional Office staff to develop projects</i>	<i>Throughout the Year</i>
<i>Supply SRO staff with timely information on plant closures or prospective plant closures, as well as the number of employees affected by these actions</i>	<i>Throughout the Year</i>
 <u>MICRO-LENDING PROGRAM</u>	
<i>Network with social service, employment, non-profit and training agencies regarding potential partnerships and funding sources</i>	<i>Throughout the Year</i>
<i>Plan for the future of the micro-lending program and consider implementation of entrepreneurial training services</i>	<i>Throughout the Year</i>
 <u>WALLOWA UNION RAILROAD AUTHORITY CONTRACT</u>	
Provide financial analysis and business planning services to WURA	As Requested
 <u>REVOLVING LOAN FUNDS AND NORTHEAST OREGON BUSINESS DEVELOPMENT INTERMEDIARY RELENDING PROGRAM</u>	
Aggressively market IRP, RLF and Micro loan programs to bankers, economic development partners and the public	Throughout the Year
Meet with potential loan clients at their place of business when they express sincere interest in public loan programs	Throughout the Year
Refer businesses and individuals seeking information on financial assistance, employment assistance, dislocated timber worker programs, and management assistance to appropriate service providers	Throughout the Year
Make loans to qualified applicants	Throughout the Year
Provide fiscal administration and management services for Northeast Oregon Business Development	Throughout the Year

Market and package Oregon Business Development Fund loans when our loan funds are unavailable or inappropriate Throughout the Year

ENTREPRENEURIAL DEVELOPMENT

Organize meetings of Entrepreneurial Advisory Board Throughout the Year

Implement entrepreneurial support activities such as business and entrepreneurial development classes & workshops, form entrepreneurial networks, and other activities to support the Entrepreneurial Development System Throughout the Year

Explore opportunities to increase capital availability in region Throughout the Year

Explore opportunities to collaborate and/or deliver youth entrepreneurship classes Throughout the Year

Establish microentrepreneur training and support programs Throughout the Year

Establish Individual Development Account program for Business asset investment Throughout the Year

Participate in activities to support the Oregon Entrepreneurs Network pilot expansion into northeast Oregon Throughout the Year

TELECOMMUNICATIONS

Participate in the Eastern Oregon Telecommunications Consortium for activities to improve telecommunications access throughout eastern Oregon As Needed

NORTHEAST OREGON ALLIANCE

Solicit project applications As Funding is Available

Prepare grant contracts As Needed

Disburse funds Throughout the Year

Organize and facilitate meetings Throughout the Year

Prepare semi-annual reports to the state July and January

BIO-MEDICAL AND HIGH-TECHNOLOGY INITIATIVE

Assist City of La Grande to develop and finance bio-med/high-tech business park Throughout the Year

WORKFORCE RESPONSE TEAM

Serve as member of Workforce Response Team. Provide outreach to employees and evaluate grant requests for training grants to improve productivity and earning potential of current workforce Throughout the Year

OTHER CONTRACTED SERVICES

Provide grant writing, grant administration, project development and board facilitation services to cities, counties and non-profits As Requested

PUBLIC RELATIONS AND MARKETING

Update District web site Throughout the Year

Prepare & distribute press releases As needed

LONE EAGLE RECRUITMENT AND RETENTION GRANT

Implement recruitment and retention activities As Funding is Available

COMMUNITY FOUNDATION ESTABLISHMENT

Organize advisory group and provide technical assistance to establish a community foundation in Wallowa County Throughout the Year

Conduct research & interviews in Baker and Union Counties to explore potential for establishing local community foundations As Funding is Available

ECONOMIC ACTION TEAM IMPLEMENTATION ASSISTANCE

Support activities of Wallowa County Economic Action Team and collaborating partners to implement economic and community development activities As Funding is Available

WORKFORCE INVESTMENT BOARD

Provide staffing and organizational assistance to Regional Workforce Investment Board As Requested

Administer workforce related funds As Requested

INFORMATION

Make referrals and suggestions to people or organizations requesting help with project development and financing As Requested

Add grant-writing and small business resource books and/or videos to lending library Throughout the Year

COLLABORATIVE PARTICIPATION

<i>Collaborate with the county, city, chambers and other partners to address business recruitment, industrial development, brownfields redevelopment, tourism development and strategic planning</i>	<i>Throughout the Year</i>
<i>Serve on Eastern Oregon University's Rural Oregon Institute Executive Committee</i>	<i>Throughout the Year</i>
<i>Serve as a member of the Union and Wallowa County Contact Committees to assist in responding to business recruitment and retention activities</i>	<i>Throughout the Year</i>
<i>Participate in Baker and Union County Mayors' meetings and provide information about state and District programs to the cities and obtain updates regarding projects in the cities</i>	<i>Throughout the Year</i>
<i>Participate in Baker County Business Assistance Team and Resource Assistance Team meetings</i>	<i>As Requested</i>
<i>Provide technical assistance to non-profits and local governments</i>	<i>As Requested</i>
<i>Participate in the Oregon Association of Economic Development Districts conference calls, meetings and listserv</i>	<i>Throughout the Year</i>
<i>Participate in the National Association of Development Organization's board and training meetings either in-person or via conference call</i>	<i>Throughout the Year</i>