

3.11 SOCIOECONOMICS

In 2001, PG&E National Energy Group expects to pay approximately \$2.7 million in county property taxes on the Gas Transmission Northwest natural gas pipeline system and its 50 percent ownership share in the existing Hermiston Generating Plant. If built, annual tax payments for the Umatilla Generating Project alone would be approximately \$4.3 million. The company's combined \$7.0 million annual payment would be used for the County's general fund, County bond levies, the County Educational Service District, Blue Mountain Community College and its associated bond levy, the Port of Umatilla, Hermiston School District and associated bonds, the Hermiston Fire District, the Hermiston Cemetery District, the West Vector Control District, and the Umatilla County Special Library.

Construction of the Umatilla Generating Project would have a positive impact on employment in the Hermiston-Umatilla area. Incoming construction workers would have a potentially negative effect on housing. The average construction work force would be approximately 270 workers, with a peak of about 400 workers. Of the total construction work force, the Umatilla Generating Company, L.P. expects that 90 to 215 workers would be attracted from outside the region. The remaining 185 to 310 would be recruited from the regional labor pool. The Umatilla Generating Company, L.P. would work with local community officials to alleviate potential housing problems associated with introducing workers into a local rental housing market that has a low vacancy rate.

3.11.1 Affected Environment

A relatively large area around the proposed power plant site was identified as the project area to assess potential socioeconomic impacts. The project area encompasses portions of Umatilla and Morrow Counties and includes the communities of Hermiston, Umatilla, Stanfield, Pendleton, Echo, Irrigon, and Boardman.

3.11.1.1 *Population*

The Umatilla County population in 1999 was 68,000. The populations of the five project area cities in Umatilla County are Hermiston (12,165), Umatilla (3,625), Stanfield (1,875), Echo (675), and Pendleton (17,175). The Morrow County population in 1999 was 9,550. Irrigon had a population of 1,540 and Boardman had a population of 3,070 (Center for Population Research and Census, 2000). The region's population is growing slowly, less than one percent annually for the past several years, three-fifths Oregon's rate overall (Ayre 2000).

3.11.1.2 *Employment*

During the late 1970s, employment in Morrow and Umatilla Counties expanded rapidly. In the 1980s, this growth slowed down, leveled off, and declined. The labor force grew rapidly in the 1970s to keep pace with the new jobs. Labor force growth continued during the early 1980s even though employment opportunities were diminishing. In 1981, employment peaked at 31,360 jobs while the labor force did not peak until 1986 at 34,900 people. The most recent data available from the Oregon Employment Department are the 1999 estimates based on a County population of 68,000. Total employment for Umatilla County in 1999 was 33,963.

Since 1981, Morrow-Umatilla has been a high unemployment area. Jobs in eastern Oregon don't pay as well as those in other areas. People in this region earn about three-fourths the statewide average salary (Ayre 2000). The unemployment rate for December 2000 in Umatilla County was 6.4 percent and in Morrow County, 10.4 percent (OLMIS, 2001).

Comparing the average employment for January through October of 2000 with the same period for 1999, Umatilla County saw a gain of 800 jobs (2.9 percent) for the period. In contrast, Morrow County saw 90 fewer jobs for the period in 2000 than in the same period in 1999 (Ayre, 2001).

3.11.1.3 *Housing*

According to the Oregon Blue Book, there are 13,082 housing units in the project area. The average vacancy rate for communities in the project area is 6.6 percent which indicates that the permanent housing supply is somewhat limited. Housing availability and supply in the project area are described in Table 3.11.1.

According to the Oregon Lodging Association, Umatilla County has 1,726 rooms in hotels, motels, bed & breakfasts, and resorts in the area. There are 453 RV park spaces in Umatilla County, as well. Between the cities of Irrigon and Boardman in Morrow County, there are 110 rooms and 67 RV Park spaces (Groskopf 2000).

3.11.1.4 *Tax Base*

Umatilla County is largely an agricultural area. The Oregon Employment Department reported that the net real market value of property (or tax base) in Umatilla County was \$3.6 billion in 1999. The school district lost a portion of its tax base due to Oregon's tax reduction Measure 5, which limited funding for local school districts to a maximum of \$5 per \$1,000 of valuation from tax year 1995/96 to today (Brookshier 1994a).

3.11.2 Environmental Consequences and Mitigation Measures

The average construction work force would be approximately 270 workers, with a peak of about 400 workers over the two-year construction period. Of the total construction work force, it is expected that between 90 to 215 workers would be attracted from outside the region. The remaining 185 to 310 would be recruited from the regional labor pool in an effort to reduce demands on housing and public services. Umatilla Generating Company, L.P. would work with the local community and local businesses to find housing for the workers that would come from outside the project area. Upon completion of the project, approximately 10 workers would be responsible for operating the facility. Payrolls and taxes paid during construction and operation of the project would have positive effects on socioeconomic conditions.

Impact 3.11.1 Project will result in some short-term and long-term population increase.

Limited in-migration is expected to occur as a result of operation of the proposed project. The Umatilla Generating Company, L.P. expects to fill most of the approximately 10 full-time plant operations jobs with local residents. New full-time jobs would be limited in number as a result of a plan that the Hermiston Generating Plant and the Umatilla Generating Project would share staff and plant operational duties. Because new employees hired to operate the proposed power plant would be, for the most part, existing residents of the local communities, the project would result in minimal direct population increases.

As previously discussed, the construction work force would be recruited from the regional labor pool and in part attracted from outside the region. Umatilla Generating Company, L.P. anticipates that 25 percent of the construction work force would relocate to the project area during the development of the project. The remaining 75 percent are anticipated to reside locally and commute to the project site daily. Construction workers that would relocate to the area for development of the project are not likely to bring their families with them, because most would remain on the project site for only a matter of months.

Recommended Mitigation Measures No measures beyond those included in the proposed project are recommended.

Impacts 3.11.2 Proposed project would increase short-term and long-term employment opportunities in the area.

The proposed Umatilla Generating Project would result in the creation of approximately 10 full-time jobs. Five employees would work in the office from 7:00 a.m. to 3:30 p.m., and two employees would cover each of the two 12-hour plant operation shifts. Residents of the local community would be hired to fill these jobs if practicable.

The number of new full-time jobs created as a result of the project is considered to be moderate and would not significantly increase demand on local services. The new jobs would provide a positive impact to the local economy, and the proposed project would contribute to the local tax base.

Construction is expected to last approximately two years and create an average of 270 jobs over that time, with a peak of about 400 short-term jobs. Umatilla Generating Company, L.P. would make a good-faith effort to hire as many construction workers from the local area and the Tri-Cities area, as possible.

The temporary construction jobs created by the proposed project would contribute to the local economy through the purchase of goods and services by the temporary construction work force during their stay in the area.

The relatively high-wage construction jobs that would be created by the project might result in a temporary employee shortage for some local small businesses. Employees could conceivably leave their current jobs for better paying project-related jobs and create a temporary shortage of workers for some local businesses during construction of the project.

Recommended Mitigation Measures No measures beyond those included in the proposed project are recommended.

Impact 3.11.3 Proposed project may have short-term and long-term impacts to housing availability.

The demand for permanent housing in the project area is not anticipated to increase significantly, because the proposed project would require very few full-time employees (approximately 10). These employees would be hired from the local community as practicable.

The local area would offer adequate short-term accommodations for construction workers (Groskopf 2000).

Umatilla Generating Company, L.P. would work with local housing authorities to ensure adequate housing accommodations are available with the increase in demand for short-term housing during the 20- to 24-month construction period. As possible, construction workers would be bused to the project site daily rather than staying locally.

Recommended Mitigation Measures No measures beyond those included in the proposed project are recommended.

Impact 3.11.4 Proposed project would result in an increase in tax base.

Property taxes generated by the project would be \$4.3 million annually. This tax payment by PG&E National Energy Group, combined with taxes paid for its ownership share of the Hermiston Generating Plant, would be used for payments to the County's general fund, County bond levies, the County Educational Service District, Blue Mountain Community College and its associated bond levy, the Port of Umatilla, Hermiston School District and associated bonds, the Hermiston Fire District, the Hermiston Cemetery District, the West Vector Control District, and the Umatilla County Special Library.

Recommended Mitigation Measures None are recommended.

3.11.3 Cumulative Impacts

The proposed project would create approximately 10 full-time jobs that could cause a very small in-migration of skilled workers and a small increase in local population. The cumulative effect of the proposed project and other similar projects would be to contribute to the current moderate population and economic growth rate in Umatilla County.

**Table 3.11.1:
Permanent Housing Supply and Availability in the Project area**

City	Total Housing Units	Vacancy Rate
Hermiston	4,110	6.00 percent
Umatilla	1,026	5.00 percent
Stanfield	582	12.70 percent
Echo	229	3.05 percent
Pendleton	6,174	7.50 percent
Irrigon	311	9.30 percent
Boardman	650	2.80 percent

Source: Community Profiles at <http://www.econ.state.or.us/>.