

ORDINANCE NO. 638

AN ORDINANCE OF THE CITY OF WILSONVILLE ADOPTING A STATEWIDE PLANNING GOAL 9 ECONOMIC OPPORTUNITIES ANALYSIS (EOA) AS A SUPPORTING DOCUMENT TO THE COMPREHENSIVE PLAN AS REQUIRED BY PERIODIC REVIEW

WHEREAS, the City of Wilsonville is in periodic review of its Comprehensive Plan as required by the Department of Land Conservation and Development (DLCD); and

WHEREAS, the City has submitted and has had adopted a periodic review work program that includes the completion of a Statewide Planning Goal 9 Economic Opportunities Analysis; and

WHEREAS, the Statewide Planning Goal 9 Economic Opportunities Analysis is being adopted as a supporting document to the City's Comprehensive Plan; and

WHEREAS, the Economic Opportunity Analysis is intended to identify existing and emerging economic opportunities within the Wilsonville Urban Growth Boundary (UGB); and

WHEREAS, the document includes a buildable lands inventory and an Economic Opportunities Analysis consistent with the rules and requirements of Statewide Planning Goal 9 (Economy of the State), OAR 660-009-000 through 660-009-0030, and the "*Industrial and Other Employment Lands Analysis Guidebook*" (2005).

WHEREAS, the goal of the report is to establish a clear economic development direction for Wilsonville that is consistent with local, regional, and state market trends and planning policies; and

WHEREAS, the City's Planning Commission was designated as the official project steering committee for the EOA; and

WHEREAS, in February, 2007, as part of the development of the EOA, the City invited 100 local businesses to complete an on-line business outreach survey developed by the consulting team; and

WHEREAS, a total of 29 surveys were received between February 23, 2007 and March 9, 2007. A summary of the survey results can be found in Exhibit E titled *City of Wilsonville Economic Opportunities Analysis/Goal 9 update Business Outreach Web Based Survey Summary*; and

WHEREAS, in addition to the web-based survey, the consultant team conducted 16 detailed stakeholder interviews. The findings of the interviews are contained in Exhibit F titled *City of Wilsonville Economic Opportunities Analysis/Goal 9 Update Stakeholder Interview Summary* and in Exhibit G *City of Wilsonville Economic opportunities Analysis/Goal 9 Update Stakeholder Outreach Summary*; and

WHEREAS, the Planning Commission and City Council support the efficient land demand scenario which makes efficient use of existing and planned infrastructure and transportation networks; and

WHEREAS, an economic development strategy based on the efficient land demand scenario will result in long-term cost savings to the community, a focus on strategic public facilities in a more concentrated manner, optimization of development and re-development within the existing city limits and encouragement of a more compact development pattern that reinforces the existing transportation, transit, sewer, water and stormwater networks; and

WHEREAS, the EOA finds that the City's supply of vacant industrial land, with the addition of lands to the UGB in 2002 and 2004 by Metro in the Coffee Creek I and II, and area north of Day Road, are adequate to meet both the short term (1-5 Year) and the long-term (20-year) need; and

WHEREAS, for commercial lands, the vacant supply is adequate for the short term and for a period of approximately 10 years, and beyond that the recommendation is that as the City grows, additional commercial lands will be necessary to meet local and nearby area needs; and

WHEREAS, the EOA contains a vision and goals statement in the Executive Summary that will be the basis for future amendments to the economics section of the Comprehensive Plan; and

WHEREAS, a stepwise approach to compliance and implementation of Goal 9 is being taken; and

WHEREAS, the City Council will adopt the EOA as a supporting document to the Comprehensive Plan and recognize the vision and goals that have been developed for the project. Staff will then follow with specific text changes to the land use and development/economics section of the Comprehensive Plan as well as revisions to other city documents/master plans such

as facilities master plans and the development code to reference, incorporate and implement the vision and goals consistent with the EOA; and

WHEREAS, The Planning Commission conducted a worksession on the draft Goal 9 EOA at their regularly scheduled meeting of May 9, 2007 and conducted a public hearing on June 13, 2007 and then conducted a follow up worksession on July 11, 2007; and

WHEREAS, the City Council conducted worksessions on July 2, 2007 and October 1, 2007 as well as public hearings on October 15, 2007 and November 5, 2007; and

WHEREAS, the appropriate public hearing notices have been provided and the public has been afforded numerous opportunities to comment on the EOA.

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

Findings and Conclusions:

Section 1. The recitals set forth above are findings and conclusions of the City Council and are incorporated as if fully set forth herein; and staff report and conclusionary findings dated October 8, 2007 are hereby adopted as findings, attached as Exhibit A, and incorporated as if set forth fully herein.

Order:

Section 2. City Council hereby adopts the Statewide Planning Goal 9 Economic Opportunities Analysis, attached as Exhibit B, as a supporting document to the City's Comprehensive Plan.

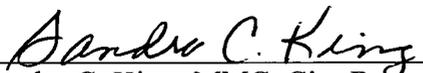
SUBMITTED to the Wilsonville City Council and read the first time at a regular meeting thereof on the 15th day of October, 2007, and scheduled for second reading at a regular meeting thereof on the 3rd day of December, 2007, commencing at the hour of 7 p.m. at the Wilsonville City Hall.


Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the 3rd day of December 2007 by the following votes:

YEAS: -4-

NAYS: -0-


Sandra C. King, MMC, City Recorder

DATED and signed by the City Council President this ^{6th} day of December 2007.


Alan Kirk, City Council President

SUMMARY OF VOTES:

Mayor Lehan – Excused

Council President Kirk - Yes

Councilor Knapp - Yes

Councilor Ripple - Yes

Councilor Núñez - Yes

PLANNING DIVISION
STAFF REPORT AND RECOMMENDATION

Date: November 26, 2007

To: Honorable Mayor and City Councilors

From: Sandi Young, Planning Director

Subject: Final Revisions: Goal 9 EOA Report and Detailed Land Allocation Report

Attachments: Economic Opportunities Analysis, 11-19-07
Detailed Commercial and Industrial Supply and Demand Allocation Report, 11-26-07

EOA Revisions:

1. References to local retail/office locations as “the Town Center” have been replaced with Eastside and Westside Commercial areas or other appropriate language.
2. Discussion of Comprehensive Plan Area K as a potential area for meeting local commercial, service and office needs in the 10 – 20 year horizon has been added.
3. Explanation of the land/building value ratio used to determine the category of redevelopable or underutilized land is found on page 40 and has been added to the map legends for Maps E-1 and E-2.
4. The Vacant Lands Map and both Redevelopable/Underutilized Maps (E1 and E2) can be monitored on an annual basis to show absorption of available lands if the Council so directs.

Detailed Land Allocation Report

1. The numbers are very difficult to reconcile in the industrial sections. The 11-26-07 draft includes jobs capacity for the entire land supply, not just the vacant lands. The totals are close enough for a 20-year projection. Please note that the numbers include the jobs generated by the proportions of retail and office uses projected in the EOA for both industrial categories.
2. The local commercial/service/office numbers are reconciled.

Siting requirements: Requires road network designed and constructed to carry trucks, wide turning radii, larger, flat parcels, easy access to I-5.

Number of new employees 3072 warehousing/distribution jobs
1312 retail (5%)
3473 office/service (25%)

Target industries: Transport and warehousing
Utilities
Specialty trade contractors
Specialty manufacturing (i.e. Utility Vault)
Beverage production/distribution (wholesale)
Manufacture/distribution of durable and non-durable goods

Land supply: (Does not include redevelopable lands)
83.5 vacant acres in city limits
14.5 acres in Stage II committed projects
226.0 acres in Coffee Creek I
156.0 acres in Concept Plan area north of Day Road
Total supply: 479.0 acres

Vacant Land need (cumulative)
1 year 17 buildable acres @ 9 employees/ac) 156 jobs
5 year 87 buildable acres @ 9 employees/ac) 782 jobs
10 year 174 buildable acres @ 9 employees/ac. 1,564 jobs
20 year 348 buildable acres @ 9 employees/ac) 3,128 jobs

General locations: West of I-5 (North Wilsonville Interchange)
Coffee Creek Industrial Area: South of Day Road,
North of Day Road, west of Basalt Creek

- Implementation measures necessary to meet need:
- Resolve issues with Washington County, including a new UPAAs as necessary
 - Amend Comprehensive Plan Map to designate sites as RSIA consistent with Metro 2040 Plan (Coffee Creek I, Elligsen, Mentor south of Boeckman)
 - Review and revise RSIA zone to make it more focused on desired uses
 - Design, fund and construct the necessary improvements to the 95th/Commerce Circle/Boones Ferry intersections
 - Revise CIP to schedule design and construction of Kinsman within Coffee Creek I, and improvements to Graham’s Ferry Road south to the railroad underpass
 - Determine needed signal improvements, design, fund and install.
 - Determine the solutions for the storm drainage issues north and south of Day Road, design and implement facilities to correct the situation.
 - Complete Certified Sites application as necessary.

- Work with realtors and industry experts to determine the best ways to promote/support increased employment/use density for more efficient use of land.
- Consider designating “Special Siting” land needs regarding additional 100+/- acres of warehousing/distribution development west of the Correctional Facility. Evaluate potential development opportunities and access/circulation issues with ODOT, RR and other parties.

2. **High-Density Employment.**

Characteristics: Multi-story buildings. Save space by concentrating parking in garages. Business conducted mostly inside the main structure. Some warehousing, distribution. May have showrooms. May be institutional.

Siting requirements: Need for transit and other non-SOV transportation facilities. Locate near housing.

Number of Employees: 2856 High Tech/Corp. Headquarters jobs
 314 Retail (5%)
 830 Office/service (25%)

Target industries: Management of companies
 Professional and technical services
 Health care
 Education
 FIRE, regional office and larger
 Computer and electronic manufacturing
 Small component manufacturing
 Corporate headquarters

Land supply: (Does not include redevelopable acreage)
106.0 vacant acres in city limits
8.5 acres in Stage II committed lands

Total land supply: **114.5 acres**

Vacant Land need:

| | | |
|----------------|---|------------|
| 1 year | 3 buildable acres (@ 35 employees/ac) | 104 jobs |
| 5 year | 15 buildable acres (@ 35 employees/ac) | 521 jobs |
| 10 year | 30 buildable acres @ 35 employees/ac | 1,043 jobs |
| 20 year | 60 buildable acres @ 35 employees/ac) | 2,085 jobs |

General locations: East of I-5, and other locations with visibility from I-5.
 North of Parkway, north of Mercedes
 North of Day Road, east of Basalt Creek

Divide commercial land supply and demand into four categories:

- Regional retail
- Local office/flex centers.
- Local retail/services
- Neighborhood retail/service centers

1. Regional Retail:

Land supply: None

Target businesses: N/A

Land need: 1 year 0
 5 year 0
 20 year 0

The following regional centers exist within a reasonable shopping distance of Wilsonville:

| | | |
|---------------------|-----------------|------------|
| Argyle Square | 376,000 sq. ft. | 0.0 miles |
| Bridgeport Village | 465,000 | 7.5 |
| Nyberg Woods | 213,000 | 6.2 |
| Clackamas Town Ctr. | 1,435,000 | 19.2 |
| Washington Square | 1,454,000 | 11.7 |
| The Woodburn Stores | 323,700 | 14.2 miles |
| Keizer Station | 450,000 | 25.4 miles |

2. Local Employment/Office Centers.

Characteristics: Small regional offices or local ‘for lease’ office/flex space.
Examples: Cluster of three-story, 44,000 sq. foot office in Town Center or Sequoia Homes office in Lowrie’s Marketplace.

Siting Requirements: Generally on infill pads in approved PUDs, or as part of a small mixed use development plan.

Number of New Employees: 2085 jobs (estimate includes 40% of total service jobs and 5% of total retail jobs)

Target industries: Local and/or sub-regional office/employment centers, neighborhood office centers

Land supply: **20.75** acres of vacant land
 (20.0 acres of redevelopable acres)
 8.0 acres in Stage II committed projects
 28.75 acres

Note: The Westside Master Plan includes an implementation measure for Area K on the Comprehensive Plan Map (approximately 42 acres) as follows:

Allow development in the river-focused mixed-use area to include residential and commercial uses, with a focus on the unique features of the Willamette River. Assure that pedestrian access is maintained to the river, and the top of the bank. Require all development to meet the standards of the Willamette River Greenway.

If implemented, additional capacity for local commercial and office uses may be available to meet the 10 – 20 year demand.

| | | | |
|--------------------------|-----------------|----------------------------------|------------|
| <u>Vacant land need:</u> | 1 year | 3.5 acres @ 29 jobs/acre | 102 jobs |
| | 5 year: | 17.0 acres @ 29 jobs/acre | 493 jobs |
| | 10 year: | 35.0 acres @ 29 jobs/acre | 1,015 jobs |
| | 20 year: | 69.0 acres @ 29 jobs/acre | 2085 jobs |

General locations: Adjacent to Wilsonville Road, east of Industrial Way/Seeley Ditch, Town Center, Boones Ferry Road quads, Parkway north of Elligsen Road.

Implementation measures necessary to meet need:

- Use design standards to encourage office development (e.g., require two or more-story development, zero line setbacks, and landscaping.)
- Promote redevelopment of underutilized parcels.

3. Local Retail/Services (Does Not Include Local Employment/Office Clusters)

Characteristics: Retail and service businesses serving the local population within approximately a 5 mile radius.

Siting requirements: Developed space or pads with services and transportation network. Proximity to local arterials and major collectors.

Total Number of New Employees: 7178 jobs (90% of total retail jobs and 55% of total service jobs). Local refill rate of 50% results in need for new development on vacant and to accommodate 3,589 jobs.

Target businesses: Business and personal services.
Community Shopping Center(s) with food/drug stores,
General merchandise
Restaurants

Number of employees: 480+/- jobs (includes 5% of total retail jobs and 5% of total service jobs)

Target businesses: Neighborhood supporting retail/services (e.g., deli, coffee shop, day care center, copy shop, small incubator spaces, professional offices, creative live/work opportunities, etc.)

Land supply: +/- 10 acres

Vacant Land need: **1 year – 0.5 acres @ 54.8 jobs/acre 24 jobs**
5 year – 2 acres @ 54.8 jobs/acre 120 jobs
20 year - 9 acres @ 54.8 jobs/acre 480 jobs

General locations: Old Town
Villebois
Frog Pond
Charbonneau
Commuter Rail Station

Implementation measures necessary to meet need:

- Encourage provision of neighborhood commercial/service opportunities as part of master plans.
- Utilize Main street concepts and green infrastructure in design of these neighborhood centers.

WILSONVILLE GOAL 9 ECONOMIC OPPORTUNITIES ANALYSIS

Prepared for:



City of
WILSONVILLE

Revised Draft

Prepared by:

Otak, Inc.

Cogan Owens Cogan

Planning Commission Recommended Draft

November 19, 2007

This project was made possible in part by financial assistance provided by the Oregon Department of Land Conservation and Development

Acknowledgements

This project was made possible in part by financial assistance provided by the Oregon Department of Land Conservation and Development.

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Celia Nunez

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Executive Summary

This Economic Opportunity Analysis (EOA) is consistent with the rules and requirements of Oregon Land Use Planning Goal 9 (Economy), OAR 660-009-0015, and the “Industrial and Other Employment Lands Analysis Guidebook” (2005) and is intended to establish a clear economic development direction for Wilsonville consistent with local, regional, and state market trends and planning policies.

Demographic and Employment Trends

Wilsonville’s location along the I-5 corridor within the greater Portland-Vancouver Metro Region and rapid transformation from a small farming community to the strategic “gateway city” for the greater Portland-Vancouver region continues to create economic development opportunities and challenges.

Wilsonville has been increasing in population at a much faster rate than Washington and Clackamas Counties, Oregon, and the nation. Wilsonville’s population is estimated at 16,885 as of July 1, 2006. The City added about 480 people annually from 2000 to 2006 and now has a population of nearly 17,000 residents.

Wilsonville has a jobs-resident ratio of approximately 1.03 jobs per person, compared to 0.49 jobs per population in the combined Washington and Clackamas County areas. According to Metro’s projections, Wilsonville is expected to add over 20,000 new jobs over the next 20 years—with 5,333 new retail jobs, 4,323 new service jobs, 10,425 new industrial/other jobs. Total employment within Wilsonville is forecasted to increase from approximately 17,986 in 2007 to 33,647 by year 2027.

Target Industries

The following target industries reflect a combination of the community’s stated visions and goals, its current mix of employment, and the economic strengths and weaknesses identified through research, stakeholder interviews and the process of developing the EOA:

- High tech manufacturing and software
- Specialty contractors and construction firms
- Light manufacturing and warehouse/showroom operations
- Creative services
- Sustainable product manufacturing and distribution
- Health care supportive services and post-secondary education

Future Employment Site Requirements

Future industrial and commercial employment growth in Wilsonville will likely require a variety of sites and locations, including:

- New business parks with “flex” buildings for warehousing, light manufacturing and showrooms.
- Master planned research and development campuses with parcels ranging in size from one to 20 acres
- Professional office and/or mixed-use center, preferably in or near downtown.
- A mix of retail, service and housing, preferably located within walking distance of the existing commercial corridor.
- Lodging site(s) preferably in or near downtown.
- A variety of sites for health care and educational facilities.
- Sites for neighborhood and sub-regional shopping centers to serve a growing population base.

Wilsonville’s Land Demand and Supply

Oregon’s land use planning Goal 9 enables each jurisdiction to cultivate their own unique economic development strategy consistent with emerging economic opportunities, market trends, and local vision. The consulting team has prepared a range of land need forecasts including: efficient, medium, and high land needs scenarios. These scenarios all take into account the Metro employment forecasts, but assume varying levels of industrial development and redevelopment. In accordance with the proposed vision and goals, the consulting team and staff recommend the “efficient land demand scenario”. An economic development strategy based on this scenario will enable the City to focus on strategic public facilities in a more concentrated manner, optimize development and redevelopment within the existing city limits, and encourage a more compact development pattern that reinforces the existing transportation, transit, and water/sewer network.

Short-term (1-Year)

The projected vacant land demand over the next year under the efficient land use scenario assumes 3 acres of commercial (retail/office) development, and 23 acres of industrial/other development. No UGB expansion is required to accommodate the short-term commercial or industrial demand since the existing land inventory within the Wilsonville city limits includes unconstrained vacant land areas of approximately 11 acres for commercial use and 100 acres for industrial use.

Reconciliation of Short-term (1-Year) Commercial and Industrial Vacant Land Demand and Supply for Wilsonville (gross buildable acres)

| | Efficient Land Demand Scenario | Medium Land Demand Scenario | High Land Demand Scenario |
|---|---------------------------------------|------------------------------------|----------------------------------|
| Land Demand and Supply | | | |
| Commercial Land Demand | 3 | 5 | 7 |
| Commercial Land Supply | 11 | 11 | 11 |
| Commercial Land Surplus or (Deficit) | 8 | 6 | 4 |
| Industrial Demand | 23 | 29 | 37 |
| Industrial Supply | 100 | 100 | 100 |
| Industrial Land Surplus or (Deficit) | 77 | 71 | 64 |

Source: Otak, based upon findings included in demand and supply analysis.

Long-Term (20-Years)

The projected vacant land demand over the next 20 years under the efficient land use scenario requires 67 acres of commercial (retail/office) development, and 467 acres of industrial/other development. The vacant land supply inside the existing city limits of Wilsonville includes 56 acres of commercial-zoned land area plus several redevelopment and mixed-use development opportunities. After adjusting for redevelopment and mixed-use in the city, and commercial uses permitted on industrial zoned land, it appears that the long-term commercial land supply and demand can be accommodated by allowing some mixed-employment development north of Day Road in the Coffee Creek Industrial area once the city limits are expanded to accommodate projected industrial and commercial development needs.

An estimated 252 acres of additional urban land would be required under the 20-year efficient land use scenario for industrial development. Nearly all of this demand could be accommodated in the Coffee Creek industrial area northwest of the existing Wilsonville city limits. The City should pursue Oregon Industrial Site Certification for a portion of the Coffee Creek I industrial area.

Reconciliation of Long-term (20-Year) Commercial and Industrial Vacant Land Demand and Supply for Wilsonville (gross buildable acres)

| | Efficient Land Demand Scenario | Medium Land Demand Scenario | High Land Demand Scenario |
|---|--------------------------------|-----------------------------|---------------------------|
| Land Demand and Supply | | | |
| Commercial Demand | 67 | 102 | 150 |
| Commercial Supply | 56 | 56 | 56 |
| Commercial Land Surplus or (Deficit) | (11) | (46) | (94) |
| Industrial Demand | 467 | 586 | 732 |
| Industrial Supply | 215 | 215 | 215 |
| Industrial Land Surplus or (Deficit) | (252) | (371) | (517) |

Source: Otak, based upon findings included in demand and supply analysis.

Recommendations

Key short-term economic development recommendations include:

- Working with existing businesses to help them expand, as appropriate, on site in Wilsonville
- Continuing to invest in the local commercial centers located east and west of I-5 on Wilsonville Road by enhancing amenities (such as parks with wireless internet access)
- Undertaking a proactive marketing strategy aimed at further defining, enhancing, and attracting existing high-growth industry clusters
- Completing and adopting the Master Plan for Coffee Creek I (south of Day Road) and Concept Plan for Coffee Creek II (north of Day Road). The team also has identified potential areas within Coffee Creek I that are potential industrial site certification candidates under the Oregon Economic and Community Development Department’s Industrial Site Certification Program.

Long-term strategies should include planning for new industrial sites within future master-planned employment districts in the Coffee Creek Industrial Master Plan Area, and additional urban expansion for industrial and mixed-employment development in the Metro-designated industrial areas to the north of Day Road.

Vision

The City of Wilsonville actively supports economic development and employment opportunities by providing a business and community climate that encourages economic growth and diversity. Economic development efforts will preserve livability, the natural environment, our transportation network and the overall health of the community. In the context of the metropolitan region, Wilsonville will continue to be a vibrant, attractive and economically prosperous place to live, work and play.

Introduction

This Economic Opportunity Analysis (EOA) is intended to identify existing and emerging economic opportunities within the Wilsonville Urban Growth Boundary (UGB). This work includes a buildable lands inventory and an Economic Opportunities Analysis consistent with the rules and requirements of Oregon Land Use Planning Goal 9 (Economy), OAR 660-009-0015, and the “Industrial and Other Employment Lands Analysis Guidebook” (2005).¹ A goal of this report is to establish a clear economic development direction for Wilsonville that is consistent with local, regional, and state market trends and planning policies.

Much of the existing and planned development within the greater Portland-Vancouver Region is concentrated along the I-5 corridor. Business within the I-5 corridor has been holding steady or expanding for several years. According to the *Oregon Industrial & Business Parks Guide 2005*, the I-5 corridor, which extends from Highway 217 to Wilsonville (seems short) is expected to experience an upturn in the near future with increasing absorption and declining vacancies. Factors that are contributing to this growth include:

- Diverse mix of commercial and industrial land sizes and building types, including flex, distribution, office, manufacturing, and multi-tenant industrial properties.
- Relatively favorable access to I-5 and I-205.
- Accessibility to public facilities, regional labor force and market centers.
- Good schools and reputation for high quality of life.
- Relatively lower costs of doing business than in neighboring Multnomah County.

Wilsonville’s location within the greater Portland-Vancouver Metro Region and rapid transformation from a small farming community to the strategic “gateway city” for the greater Portland-Vancouver region continues to create economic development opportunities and challenges.

¹ Oregon Department of Land Conservation and Development, Goal 9 Industrial and Other Employment Lands Guidebook, by Cogan Owens Cogan and Otak, Inc., 2005.

Methodology

Oregon's land use planning system requires Wilsonville to periodically update its comprehensive plan every seven years, in a manner that is generally consistent with state planning goals and the Metro Regional Framework Plan (Metro RFP).

Metro's 2002-2022 Urban Growth Report: An Employment Land Need Analysis (adopted per Ordinance 02-969B) identified long term regional commercial and industrial land needs, and helped justify the 2004 Metro 2040 Growth Concept amendments to add industrial designated land in vicinity of Wilsonville among other locations in the Region. The Metro RFP identifies future urban areas as part of the 2040 Growth Concept map, and allows cities to annex these future urban areas per the Metro RFP provisions, particularly Title 11: Planning for New Urban Areas. Any new comprehensive plan provisions allowing Wilsonville to annex future urban areas shall be "fully coordinated with all other applicable plans."

Wilsonville must now determine how much land, if any, is needed to accommodate future employment growth within its service district. The analysis of employment growth and related land needs must be consistent with state and Metro regional urban planning requirements. State policies regarding commercial and industrial land needs analyses are described in Oregon's land use planning Goal 9: Economy.

The method used to conduct this Goal 9 assessment complies with the Oregon Department of Land Conservation and Development's *Industrial & Other Employment Lands Analysis Guidebook*.² Additional guidance for completing Goal 9 findings is also provided in the Oregon Land Conservation and Development Commission's Goal 9 administrative rule amendments.³

The steps used to complete this work are described below.

1. Review historical population and employment trends data.
2. Describe national, state, and local economic trends.
3. Review information from City regarding expansion plans by major employers.
4. Compile ES 202 wage and salary employment data for the City of Wilsonville and conduct industry clusters analysis to ascertain emerging economic development characteristics.
5. Describe site requirements for industrial and commercial users that are likely to locate in the planning area.
6. Review inventory of buildable land and availability of public services.
7. Prepare growth rate forecasts, under low, medium, and high land need forecasts, depending upon alternative public policies aimed at encouraging redevelopment versus relying on "green field" development to meet future job growth requirements.

² Oregon DLCD Industrial & Other Employment Lands Analysis Guidebook, prepared by Cogan Owens Cogan and Otak, December 2005.

³ Goal 9 Rule amendments were made to OAR Chapter 660, Division 9 by the Oregon Land Conservation and Development Commission in January 2006.

Economic Growth Trends

International and National Overview

The economic fortunes of the greater Portland-Vancouver Metropolitan Region and the City of Wilsonville are linked with economic expansion of the United States and the global marketplace. World-wide economic expansion (as measured by gross national product) is forecasted to increase at a rate of 3.5% over the next 10 years according to the International Monetary Fund. This long range forecast is lower than the 4.9% expansion in world wide growth that occurred over the 2005-2006 period.

Economic growth within the United States is tracked by the Bureau of Labor Statistics (BLS), which also prepares 10-year growth forecasts. BLS economic forecasts are based on a general view of the national economy, labor force growth rates, unemployment assumptions, exports and imports, consumer spending, and other economic variables. Their job growth forecasts are made for 700 occupations and 250 industries and take into account changes in technology and employers' staffing patterns and business practices.

According to the BLS, major trends for the U.S. economy include:

- Gross domestic product (GDP), which measures the output of goods and services in the economy, is projected to grow by an annual average rate of 3.4%.
- Public and private investment is expected to grow by 5.2% annually, more than 1 ½ times the rate of economic growth in the GDP.
- Employment over the next 10 years is expected to expand by about 1.5% annually, down from 1.7% over the past decade.
- The services and retail sectors are expected to account for over three quarters of all job growth. Most of this growth will be concentrated in health services, business services, educational services, and engineering and management services.
- Within the goods producing sector, construction and manufacturing are expected to add about 1.4 million jobs, which is 6.3% of the total job growth.
- The aging "baby boom" population (those born between 1946 and 1964) will lead to an increase in workforce over the age of 55. Socioeconomic and demographic factors are expected to favor greater labor force participation rates by women and minorities.

Regional and Local Development Overview

As a participant in the global and national market place, the Portland-Vancouver CMSA includes seven counties in Oregon and Washington that comprise the regional economy.⁴ Within the CMSA, the Metro Regional Government is responsible for land use planning, growth management, and to a lesser degree economic development within the Metro Planning Area, which consists of portions of Washington, Multnomah and Clackamas Counties. The Oregon Employment Department also has identified a subset of this region as Region 2 (Washington and Multnomah Counties) and Region 15 (Clackamas County) for 10-

⁴ The MSA consists of Oregon Counties: Washington, Multnomah, Clackamas, Yamhill, Columbia; and Washington Counties: Clark and Skamania.

year employment growth forecasting. Wilsonville is situated within both Washington and Clackamas Counties.

The Portland-Vancouver CMSA is the largest economy situated between San Francisco and Seattle and ranks 5th in the Western United States in terms of population (**Figure 1**). The Portland-Vancouver Region had more than 1.58 million residents in year 2000. There are more than 946,000 workers in the Portland-Vancouver Region with a total payroll in excess of \$33 billion. Steady positive growth has been occurring within the greater Portland-Vancouver Region for more than a decade, with employment and payroll increases in each year except between 2000-2001, during the national recession.

Figure 1 Population within West Coast Urbanized Regions, 2000 Census



Much of the existing and planned development within the greater Portland-Vancouver Region is concentrated along the I-5 corridor. Business within the I-5 corridor has been holding steady or expanding in recent years. According to the *Oregon Industrial & Business Parks Guide 2005*, the I-5 corridor, which extends from the Tigard Triangle and Kruse Way Area near Highway 217 to Wilsonville, is expected to experience an upturn in the near future with increasing absorption and declining vacancies. Factors that are contributing to this growth include:

- Diverse mix of commercial and industrial land sizes and building types, including flex, distribution, office, manufacturing, and multi-tenant industrial properties.
- Relatively favorable access to I-5 and I-205.
- Accessibility to public facilities, regional labor force and market centers.
- Good schools and reputation for high quality of life.
- Relatively lower costs of doing business than in neighboring Multnomah County.

Wilsonville's location within the greater Portland-Vancouver Metro Region and rapid transformation from a small farming community to the strategic "gateway city" for the greater Portland-Vancouver region continues to create economic development opportunities and challenges.

These factors combined with favorable private investment markets have led to several private real estate investments for various types of commercial, industrial, and institutional projects. Selected recent developments in the I-5 corridor submarket include:

- Wilsonville Distribution Center, located adjacent to the North Wilsonville I-5 interchange, was completed with 250,000 square feet of warehouse space.
- Several new industrial/flex buildings, automobile showroom/distribution center, and retail centers (including Target, Costco, Albertsons shopping centers) have been constructed in Wilsonville over the past few years.
- Villebois Village, a European inspired mixed use development is now being constructed on a 500-acre site in southwest Wilsonville. Upon completion this new village will include 2,300 homes, a village commercial center, and recreational amenities. It is anticipated that this development could increase Wilsonville's population by nearly 50% (up from 14,000 currently).
- Another major planned development is occurring in the Frog Pond area in northeast Wilsonville. This area includes approximately 120 acres and could support 1,200 housing units.
- A few miles north of Wilsonville in Tualatin, La-Z-Boy Furniture warehouse/showroom was completed along Tualatin-Sherwood Road, and
- Laika Entertainment announced plans to build a 30-acre campus to house Phil Knight's animation studio in Tualatin with a planned opening in 2008. The company plans to grow to 600 workers by that time. The site is located near SW 118th Street and Leveton Drive.

Within the Wilsonville area, there are also some major public developments that were constructed or underway. Public projects include federal, state, and local efforts, such as:

- The City of Wilsonville recently completed a new City Hall building within Town Center, and has completed major park improvements.
- TriMet, the regional transit agency, is working with Wilsonville and several other local governments to complete a 14.7 mile Commuter Rail line that links Wilsonville with Beaverton. This is the first commuter rail project in Oregon and one of the only suburban commuter rail projects in the USA. Total cost of the project is \$117.3 million, and opening is scheduled for September 2008.
- The Metro regional government recently received voter approval for a new \$227.4 million bond measure that will be used to acquire and preserve natural areas and fund new trails and park improvements. It is anticipated that new projects will include regional trails that connect Wilsonville with the Tualatin Wildlife Refuge, a few miles northwest in Sherwood. Metro is also planning to construct a new regional park—Grahams Oak Natural Area on the west side of Wilsonville.
- Washington County and its partners are evaluating a new major arterial roadway connection between I-5 and Highway 99W. Roadway Several corridors being considered including potential connections to I-5 in or near Wilsonville.

Wilsonville's retail, industrial, and office markets remain relatively strong relative to other submarkets within the Greater Portland Metro Region. As indicated in Table 1, Wilsonville is often characterized by real estate brokers as being located within the "I-5 Corridor" or "Southwest" submarkets. Findings compiled for the year ending in 2006 revealed the following:

- Retail leasing performance was slightly higher in Wilsonville and the "I-5 Corridor" submarket than the Greater Portland Region on average. Retail vacancy rates were lower in the I-5 submarket (3.4%) and lease rates higher (\$19.32) than the region average.
- Industrial leasing performance showed significant activity in the Southwest Market Region, accounting for nearly half of the entire regional absorption in 2006.
- This surge in industrial absorption has resulted in an escalation in industrial and business park vacancy rates that were higher in the Southwest submarket than for the entire Portland region average. Despite higher relative vacancy rates for the Southwest submarket, the average lease rates were slightly higher in the Southwest submarket than the region.

Table 1 Commercial and Industrial Market Activity in Greater Portland Metro Region

| Retail Inventory and Leasing Status | | | | | |
|--|----------------------|-----------------------|--------------------------|------------------------------|--|
| Market | Rentable Area | Vacancy Rate % | Net Absorption SF | Under Construction SF | *Average Asking Lease Rate \$ SF/YR |
| I-5 Corridor | 3,668,138 | 3.43% | 31,266 | 14,900 | \$19.32 |
| Portland Market | | | | | |
| Total | 41,542,950 | 5.12% | 179,046 | 1,142,181 | \$17.37 |
| Industrial Inventory and Leasing Status | | | | | |
| Market | Rentable Area | Vacancy Rate % | Net Absorption SF | Under Construction SF | Average Asking Shell Rate \$ SF/MTH/NNN |
| Southwest Market | 58,435,758 | 7.93% | 561,566 | 28,586 | \$0.36 |
| Portland Market | | | | | |
| Total | 184,913,815 | 6.12% | 1,194,378 | 830,673 | \$0.34 |
| Industrial Business Park Leasing Status | | | | | |
| Market | Rentable Area | Vacancy Rate % | Net Absorption SF | Under Construction SF | Average Asking Shell Rate \$ SF/MTH/NNN |
| Southwest Market | 20,841,272 | 14.77% | 248,085 | 28,586 | \$0.37 |
| Portland Market | | | | | |
| Total | 53,051,294 | 11.94% | 573,551 | 457,046 | \$0.35 |

Source: CB Richard Ellis, CBRE Torto Wheaton Research, Portland Retail, MarketView 2006.

* Average asking rates; subject to negotiation.

Wilsonville's office leasing performance is a standout in the Portland Metro Region. As indicated in Table 2, the Wilsonville office submarket recorded the lowest office vacancy rate (3.16%) within the Region in 2006. Office lease rates in Wilsonville in 2006 were slightly above the regional average at a \$19.77 per month asking rate.

Table 2 Office Market Leasing Activity, Greater Portland Metro Region

| Market | Rentable Area | Vacancy Rate % | Net Absorption SF | Under Construction SF | *Average Asking Lease Rate \$ SF/YR |
|--------------------|----------------|----------------|-------------------|-----------------------|-------------------------------------|
| Downtown Portland | 19,735,183 | 9.49% | 116,615 | 0 | \$19.23 |
| Barbur Blvd. | 494,897 | 15.74% | (31,501) | 0 | \$17.48 |
| Kruse Way | 2,041,774 | 3.60% | 12,034 | 107,490 | \$25.27 |
| Lake Oswego | 496,981 | 9.10% | 1,790 | 65,000 | \$22.49 |
| Tigard | 1,511,245 | 9.50% | (38,454) | 128,621 | \$18.77 |
| Washington Square | 1,123,686 | 13.88% | 12,616 | 0 | \$21.32 |
| Beaverton | 3,118,278 | 18.91% | 52,632 | 0 | \$19.49 |
| Clackamas | 1,094,095 | 10.88% | 15,502 | 0 | \$19.66 |
| Tualatin | 773,985 | 13.94% | (2,491) | 0 | \$20.92 |
| Wilsonville | 301,558 | 3.16% | 7,163 | 0 | \$19.77 |

Source: CB Richard Ellis, CBRE Torto Wheaton Research, Portland Retail, MarketView 2006.

* Average asking rates; subject to negotiation.

Emerging Regional Planning Issues

There are important challenges to effective long-term planning in Wilsonville that are now playing out in Oregon and the region.

One recent planning challenge is the impact of Ballot Measure 37, which was approved by Oregon voters in November 2004, and upheld by a higher court ruling in Spring 2006. This measure dictates that governments either pay compensation to property owners if zoning regulations reduce property values or allow waivers to be granted to exempt property owners from current zoning restrictions. Ramifications of Measure 37 are not yet known with regard to Wilsonville's commercial and industrial land supply or demand.

Another challenging issue that may increase institutional land demand in Wilsonville is the perceived lack of workforce training and higher education institutions that can meet the hiring needs of larger employers. The perception is that in-migration of labor into the Portland Metro Region will continue to fill the perceived "gap" in providing a well educated work force. The Portland Metro Region could fill this void with the development of world class institutions, such as Oregon Health Science University (OHSU). New or expanded satellite campuses for higher education that offer both two and four-year college degree programs will be needed over the 20-year planning horizon. Wilsonville has an advance start on this with Pioneer Pacific College and Clackamas Community College's Wilsonville Training Center. Transportation system facilities provide access to educational institutions in the greater Metro area.

Effective economic development strategies must also confront challenges regarding cost effective delivery of adequate project-ready sites.

“Project-ready” industrial land is defined as vacant land that is able to accommodate new development/construction within a period of one year or less.

At issue is the additional industrial land supply that was brought into the Portland Metro UGB in 2002 and 2004. While the majority of the new industrial land added by Metro to the UGB does not yet have adequate public roads, sewer, and water lines, the land supply increase will likely create a near-term industrial land surplus. Hence, Wilsonville must carefully evaluate prospective land absorption and return on public investment before making major fiscal expenditures aimed at increasing its project-ready industrial land base.

Business and Stakeholder Outreach Survey Results

As part of the EOA planning effort, the city used two methods to reach out to various stakeholders to gain their input on current and future economic development needs:

- Fifteen local business leaders, brokers/developers, and economic development experts were interviewed by phone.
- An online business outreach survey was completed by 29 local businesses.

Results of the stakeholder outreach efforts will be incorporated into the EOA recommendations and implementation strategies. The following is a brief summary of these results.

Wilsonville’s Role in the Region

When asked to define Wilsonville’s current role in the region, interviewees defined the City as a warehouse/distribution center, citing its proximity to I-5.

- 50% of surveyed businesses identified themselves as part of a warehousing/distribution cluster.

Advantages and Disadvantages

Interviewees perceive Wilsonville’s location along I-5 and between Portland and Salem is a market advantage. Additional strengths include quality of life and access to local markets and customers. Respondents also noted that Wilsonville is a good place to do business. Traffic congestion and development regulations were listed as challenges.

- All survey respondents stated that Wilsonville’s location near I-5 is a primary strength of doing business. The general business climate (42.3%), access to markets and customers (34.6%), and infrastructure capacity (30.8%) also were identified as primary strengths.
- With a score of 1 being least important and 5 being most important, businesses surveyed identified proximity to highways (3.36), property taxes (3.28), and energy costs (3.26) as the most important factors for locating their businesses in Wilsonville. In a related survey question, proximity to highways (55%), proximity to customers (37.9%), and availability of skilled labor (31.0%) also were listed as important factors influencing the current location of businesses.

- Survey respondents listed land costs/rents (56%), local business regulations (44%), and traffic congestion (32%) as challenges to doing business.
- 84% of businesses surveyed plan to stay or expand at their current location in Wilsonville.
- Businesses surveyed identified city regulations/constraints on development, the cost of doing business, and traffic congestion as negative trends in the Wilsonville area that constrain their growth and investment.

Future Needs

When asked what local actions Wilsonville can take to compliment the regional and state economy, interviewees said the City should work to maintain its industrial base while pursuing a balance of additional uses, including office and flex space and a mix of housing affordable to all income levels. They believe the City has an adequate retail base. Amenities such as parks and trails will make Wilsonville a more desirable place to live.

- Survey respondents stated that well-planned growth and the development of new homes and businesses are positive trends contributing to their businesses' growth and success.

Wilsonville's Economic Strengths and Weaknesses

Wilsonville's physical, economic, demographic, and cultural characteristics set the framework within which businesses can establish themselves and grow. Depending on the industry, a certain characteristic can be both an opportunity and a constraint to job creation. An analysis of Wilsonville's context can help narrow down the list of target industries as well as identify where policies could be adjusted to help remove barriers to job creation.

Physical and Social Attributes

Location and Geography

Wilsonville is located within the southern end of the greater Portland-Vancouver Region, in the upper Willamette Valley, on the I-5 corridor. Wilsonville's terrain is relatively flat, with some moderate hills and wetlands near drainage basins and ponds. Its reputation as a small community with excellent quality of life, schools, transportation access, and centralized location for labor market access has made it an ideal location for both businesses and residents.

Transportation

Wilsonville is located along Highway I-5. Rapid growth within the southern portion of the greater Portland-Vancouver Region has created transportation bottlenecks during peak travel periods along I-5 and along I-205 a few miles north. Hence, the Oregon Department of Transportation is in the early stages of considering a new limited-access roadway connection between Highway 99 West and I-5, within a corridor to be located in or near Wilsonville city limits.

State highway improvements have not kept up with growth in Wilsonville. Existing peak hour traffic congestion in south Wilsonville (south of Boeckman Road) is now a constraint to any new commercial or industrial development in this portion of the city. Until state/local plans are adopted for adequate improvements to the south Wilsonville interchange and/or a new Boeckman Road interchange with I-5,

traffic congestion will constrain any ability to attract new commercial or industrial development south of Boeckman Road.

Manufacturing and distribution users usually seek out sites that have good truck transportation access to interstate freeways. Notwithstanding south Wilsonville I-5 access issues discussed above, Wilsonville's proximity to I-5 and centralized location within the mid-Willamette Valley makes it a likely destination for large-scale industrial, warehousing/distribution, and corporate headquarters operations.

South Metro Area Rapid Transit (SMART) offers a variety of services to meet the needs of Wilsonville's citizens and visitors. A service of the City of Wilsonville, SMART routes inside the City of Wilsonville are free to ride. The service is funded by Wilsonville businesses through the transit tax.

Utilities

There are no known natural gas or telecommunications limitations within the City of Wilsonville that would curtail long-term growth. Recent completion of the Willamette River Water Treatment Plant will provide a long-term water source. However, additional water reservoirs will be needed to provide adequate potable water and fire protection water for emerging industrial areas. Waste water treatment capacity is also reported to have adequate capacity, but sewer lines (in vicinity of the Coffee Creek Drainage basin) may need to be increased to handle significant increases in industrial wastewater flows. Existing public facility plans are now in the process of being updated, and the results may change these general findings.

Quality of Life

Excellent schools, parks, recreational amenities, centralized location, and small-town charm makes Wilsonville a desirable place to live. Wilsonville has a variety of housing options, ranging from affordable choices for seniors to executive housing choices. There is also a correlation between the location of a business and the proximity to the owner's home. Therefore, by being an attractive community for business owners to live in, Wilsonville can attract jobs from employers who want to set up their business close to home. A strong local Chamber of Commerce assists with business and employment related services and training.

Recent investments in higher education in Wilsonville by the Oregon State University and Clackamas Community College are important for local quality of life and workforce training. These investments in higher education will be necessary to help maintain a well trained local labor pool.

Opportunities and Constraints Summary

Currently, Wilsonville is a net jobs importer. The transportation constraints in Wilsonville will likely have the greatest impact on the types of industries that will locate, expand and invest until transportation access issues in south Wilsonville are resolved. Similarly, the relative proximity of emerging "green field" industrial sites in Tualatin and Salem will increase the competitive inventory of sites with good I-5 access. Small, medium and large size businesses engaged in warehousing, manufacturing, transportation logistics, high tech electronics, sustainable products, and creative services appear to have the greatest industrial development potential within Wilsonville in both the near- and long-term. While there appears to be an adequate supply of commercial shopping opportunities, ongoing housing developments will spur additional demand for neighborhood commercial centers, and eventually create a local submarket for additional professional business offices and personal services.

Population and Employment Trends

Population and employment often drive the demand for new buildings, land development, and the need for public roads and other infrastructure, including schools and public facilities. Population growth and corresponding household formations lead to increases in consumer buying power, which in turn strengthens the local market for commercial retail development. Population growth also increases the local labor force, which feeds local employment expansion.

Table 3. Population Trends

| | 1990 | 2000 | 2006* | Annual % Change 1990-2000 (AAGR) | Annual % Change 2000-06 (AAGR) |
|----------------|-------------|-------------|-------------|---|---|
| Wilsonville | 7,109 | 13,991 | 16,885 | 7.0% | 3.2% |
| Clackamas Co. | 278,850 | 338,391 | 367,040 | 2.0% | 1.4% |
| Washington Co. | 311,554 | 445,342 | 500,585 | 3.6% | 2.0% |
| Oregon | 2,842,321 | 3,421,399 | 3,690,505 | 1.9% | 1.3% |
| USA | 248,709,873 | 281,421,906 | 299,502,569 | 1.2% | 1.0% |

Source: US Census for 1990 and 2000 and Portland State University for 2005 and 2006.

*Center for Population Research, Portland State University, July 1 estimate.

As indicated in **Table 3**, the City of Wilsonville has been increasing in population at a much faster rate than Washington and Clackamas Counties, Oregon, and the nation. Wilsonville population is estimated at 16,885 as of July 1, 2006. Growth in Wilsonville has slowed somewhat since the decade of the 1990s, but still added about 480 people per year, which is a considerable amount for a city of nearly 17,000 residents.

Increases in population levels and household growth, will put additional pressure on Wilsonville to expand its housing inventory. While a detailed housing needs analysis is not part of this Goal 9 evaluation, input received during interviews with key stakeholders indicated the need for Wilsonville to continue to pursue a more balanced jobs-housing mix, with the need to accommodate all types of housing, including: affordable housing, market rate housing, senior care housing, and executive housing.

New residents moving into Wilsonville have relatively high income levels, which is important factor for supporting new commercial retail development. As shown in Table 4, median family income levels in Wilsonville reached \$65,172 during the 2000 Census, up 69% from the level reported a decade earlier. At the start of the 1990s, income level in Wilsonville was slightly above overall average income levels recorded for Washington County, Clackamas County, Oregon, and the nation. By the year 2000, Wilsonville's median income level exceeded the state and nation. In 2000, Wilsonville residents made around \$5,000 more per capita than residents in Clackamas and Washington Counties.

Table 4. Income Trends, 1990 & 2000

| | 1990 Median Household Income | 2000 Median Household Income | % Change 1990-2000 |
|----------------|------------------------------|------------------------------|--------------------|
| Wilsonville | \$38,456 | \$65,172 | 69% |
| Clackamas Co. | \$35,419 | \$60,791 | 72% |
| Washington Co. | \$35,554 | \$52,122 | 47% |
| Oregon | \$27,250 | \$40,916 | 50% |
| USA | \$30,056 | \$41,994 | 40% |
| | 1990 Per Capita Income | 2000 Per Capita Income | % Change 1990-2000 |
| Wilsonville | \$21,278 | \$29,786 | 40% |
| Clackamas Co. | \$16,360 | \$25,973 | 59% |
| Washington Co. | \$16,351 | \$24,969 | 52% |
| Oregon | \$13,418 | \$20,940 | 56% |
| USA | \$14,420 | \$21,587 | 50% |

Source: US Census for 1990 and 2000, reflects income earned in years 1989 and 1999.

Other interesting findings from the 2000 U.S. Census include:

- The median age of Wilsonville's residents was 31.4 years, which is less than the Region's median age of 34 years, but on par with the state and national median age.
- Educational attainment by local residents is higher in Wilsonville than the regional or state average. Over 94% of the Wilsonville population, over the age of 25, had earned a high school degree and nearly 36% had earned a college bachelor's degree or higher. State wide educational attainment was 85% for high school degrees, and 25% for bachelor's degrees.
- As to be expected in light of the rapid population growth, nearly 75% of Wilsonville's population resided in a different house in 1995 than they did in year 2000.
- Wilsonville residents have a very high labor force participation rate (over the age of 16 that is actively working or seeking work) of almost 80%. The unemployment rate among the City's labor force was only 2.6% in year 2000, which is much lower than the region and the state (4.2%).
- Residents in Wilsonville primarily commute to work by driving alone (83%) or carpooling (7%), or use public transportation (4%).
- There is a relatively high level of people that work from their homes in Wilsonville (5.2%) compared to about 4.5% for the Region and 5.0% for the State of Oregon.
- Given the relatively high income levels in Wilsonville, the poverty status is very low at 1.5% of local residents. The percent of families below the official poverty level was about 5.0% for the Region and 7.9% for the State of Oregon.

The expanding population and income base within Wilsonville, and the relatively well educated populace, are appealing factors for retaining and attracting new commercial retail, office, light industrial and institutional (particularly public educational facilities) and other economic development types over the foreseeable future.

Employment growth is attributed to existing local businesses that are expanding and in need of adding workers. Most new job growth is attributed to the expansion of existing businesses, which are estimated to account for 80% or more of total job growth.⁵ Business relocations and expansion of new facilities are other generators of employment growth.

According to the Oregon Employment Department, there were a total of 784,370 workers within the Clackamas/Washington/Multnomah County Region in 2004. The Oregon Employment Department anticipates a 1.5% annual expansion of the regional job base, to 911,150 workers by year 2014. Please refer to **Table 5**.

Table 5:
Regional Employment Forecast (Multnomah, Washington, Clackamas County)

| Employment Sector | 2004 | 2014 | Change | Annual Percent Change (AAGR) |
|-------------------------------------|----------------|----------------|----------------|-------------------------------------|
| Professional & Business Services | 105,550 | 136,230 | 30,680 | 2.6% |
| Educational & Health Services | 94,150 | 114,790 | 20,640 | 2.0% |
| Leisure & Hospitality | 71,600 | 84,610 | 13,010 | 1.7% |
| Construction | 40,820 | 48,130 | 7,310 | 1.7% |
| Information | 19,390 | 22,430 | 3,040 | 1.5% |
| Other Services | 29,040 | 33,180 | 4,140 | 1.3% |
| Trade, Transportation and Utilities | 164,330 | 188,650 | 24,320 | 1.4% |
| Financial Activities | 57,940 | 65,900 | 7,960 | 1.3% |
| Government | 102,260 | 113,190 | 10,930 | 1.0% |
| Manufacturing | 98,500 | 103,250 | 4,750 | 0.5% |
| Natural Resources & Mining | 790 | 790 | 0 | 0.0% |
| Total Nonfarm Payroll | 784,370 | 911,150 | 126,780 | 1.5% |

Source: Oregon Employment Department

The employment sectors that are expected to generate the most job growth over the next 10 years in the Clackamas/Washington/Multnomah County Region are shown in **Figure 2** and include:

- Professional and Business Services (30,680 jobs)
- Trade, Transportation, and Utilities (24,320 jobs)
- Educational & Health Services (20,640 jobs)
- Leisure & Hospitality (13,010 jobs)
- Government (10,930 jobs)
- Financial Activities (7,960 jobs)

⁵ This finding is referenced in the Greater Portland-Vancouver Regional Industrial Land Study, Phase 3 Report, 2001 by Otak.

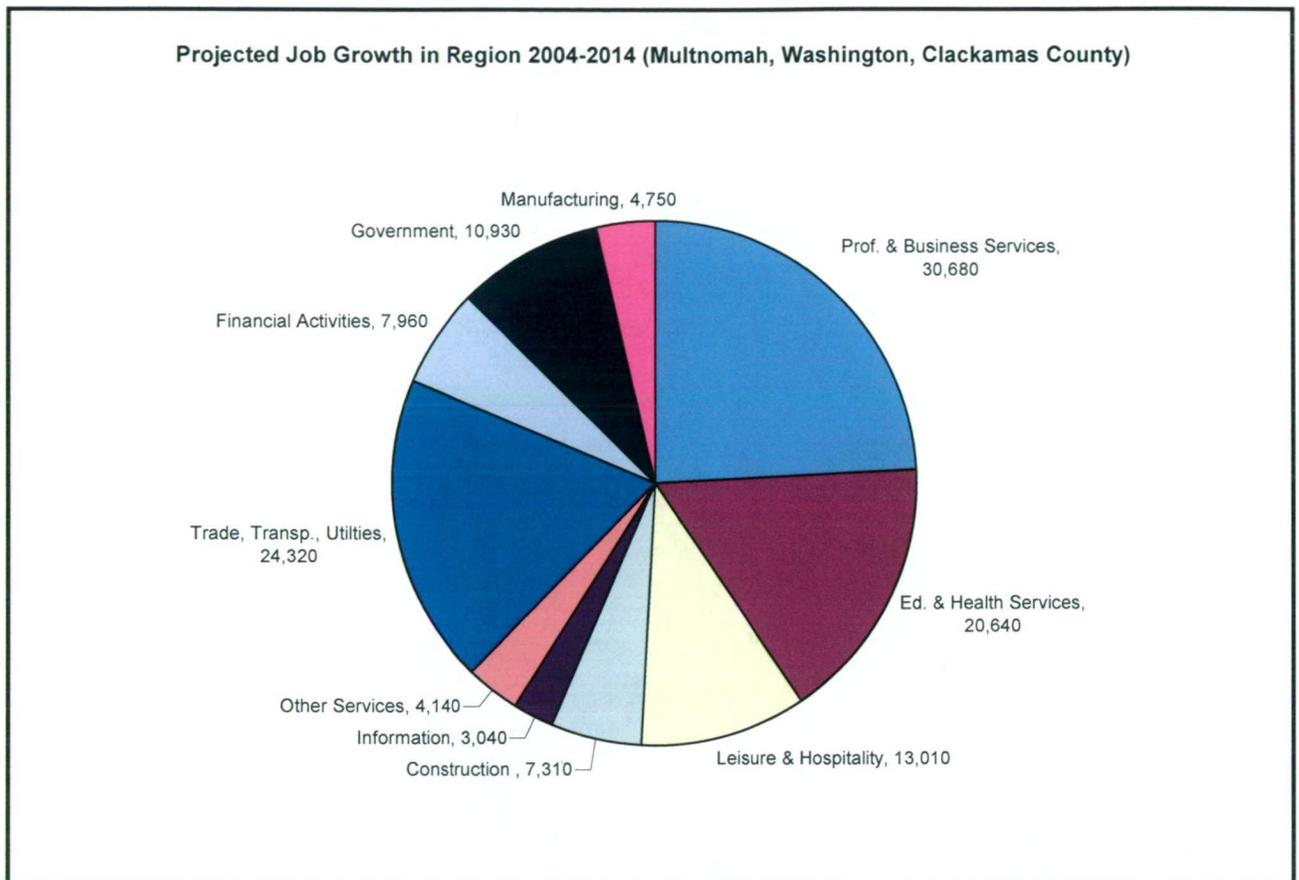


Figure 2. Projected Job Growth in Multnomah, Washington, and Clackamas Counties: 2004-14

According to the Oregon Employment Department, there were approximately 725 business establishments in the City of Wilsonville with 16,042 workers “covered” by unemployment insurance in 2005. It should be noted that these estimates of employment often have a very high margin of error as the geography gets smaller. Hence, these data are considered to be a rough approximation of employment within the Wilsonville vicinity. These data tend to exclude small home-based workers, which are estimated to account for about 5.0% of the local labor force or 800 additional jobs.

The largest local employers in Wilsonville are summarized in **Table 6**.

Table 6. Major Local Employers

| Location | Product/Service | Employees |
|-------------------------|--------------------------------|-----------|
| Xerox | Printers, solid ink | 1594 |
| Mentor Graphics | Software systems | 1100 |
| Hollywood Entertainment | Video rental distribution | 811 |
| Precision Interconnect | Electronic machinery | 653 |
| Sysco Food Services | Warehouse and distribution | 439 |
| InFocus/Clarity Visual | Projectors and display systems | 375 |
| Fry's Electronics | Retail | 316 |
| Adecco USA | Personnel supply services | 305 |
| Rite Aid | Warehouse distribution | 264 |
| Oregon Glass Co. | Glass products manufacturing | 235 |

Source: City of Wilsonville, 2006.

High Tech and Information Technology Business Trends

After the longest post World War II expansion in the history of the United States, a major economic recession hit in November 2000 and lasted approximately one year, according to the U.S. Bureau of Economic Analysis. Businesses engaged in manufacturing and Information Technology (IT) took the hardest hit as the technology bubble finally burst. The Pacific Northwest was hit harder than most of the nation given its heavy reliance on manufacturing, distribution, warehousing and technology production. This impact is evidenced by the persistently high unemployment rates in both Oregon and Washington that are well above the national average.

As business orders begin to stabilize and business income rises, companies are beginning to invest in labor and capital. Unfortunately, U.S. labor costs continue to rise even as wage rates remain due in part to rising health care costs. Somehow, productivity gains must continue to be realized for U.S.-based companies to remain competitive in the global market place. This is usually accomplished through more effective business management and more efficient delivery of products and services—accomplished in large part from high tech and information technology investments.

Areas across the U.S., including the greater Portland-Vancouver Metropolitan Region, jurisdictions are now faced with the challenge of growing their economies in a sustainable manner. International business competition is rising with the proliferation of faster more affordable computers, and cutting edge software and productivity enhancement tools such as voice over internet, and video conferencing. These tools proliferate the global work place allowing countries such as India and China to provide low-cost services in 24-hour a day “real time” environments that transcend geospatial separations and differences in time zones. On the other hand, environmental and product standards in Europe have been rising.

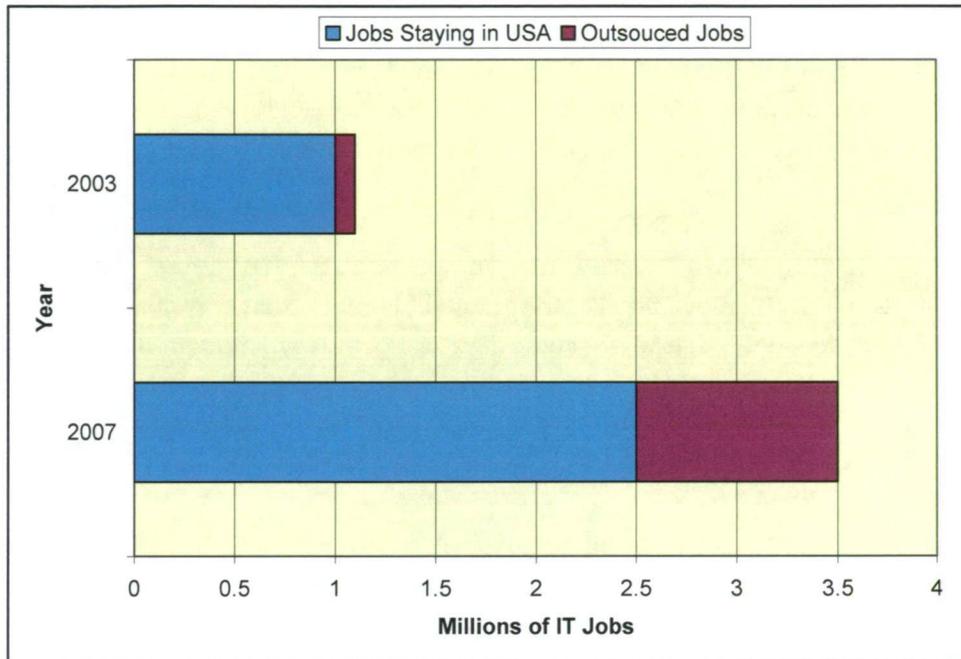
In the aftermath of the U.S. recession, there are two recent evident information technology trends that are impacting business growth and investment. The first is the rising trend towards outsourcing of U.S. jobs to foreign countries. The other is the increasing ubiquity of high tech hardware, software and related services.

With regard to high tech jobs and outsourcing, there is both “good” and “bad” news for existing high tech industries in the United States. The good news is that the total number of high tech jobs is rapidly increasing. According to *Wired* magazine, the total number of jobs in information technology is projected to more than triple over the next few years, increasing from 1.1 million jobs in 2000 to 3.5 million jobs this year, as shown on **Figure 3**.

Additional good news pertains to the increase in high tech jobs in the U.S. The number of high tech jobs in the U.S. is projected to double from current levels, increasing from approximately 1 million in 2000 to 2.5 million this year. (see **Figure 4**).

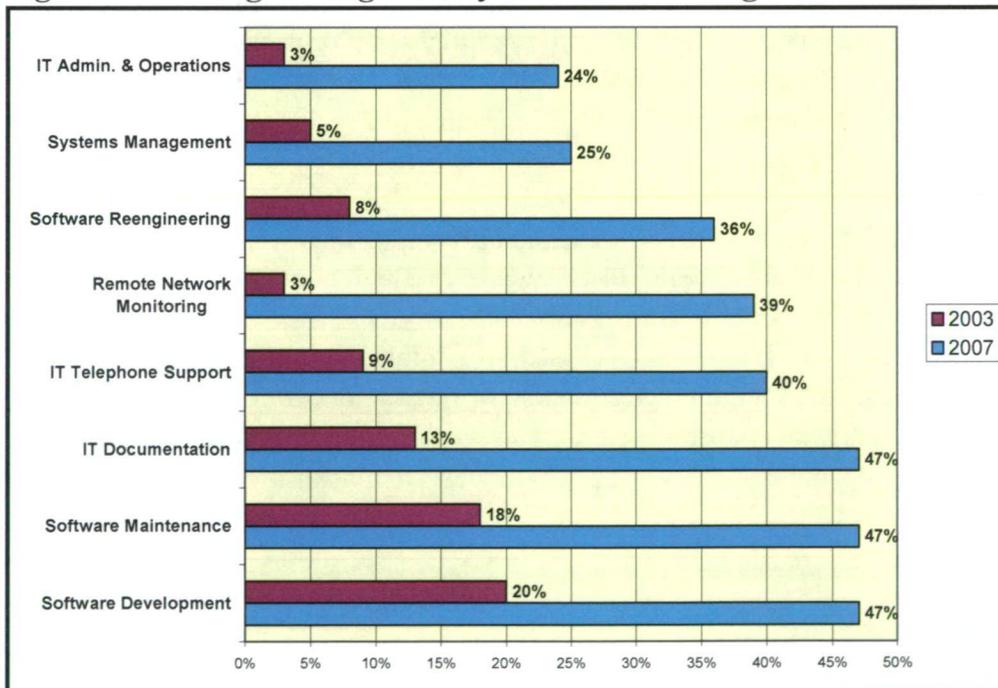
The bad news for U.S. based high tech workers pertains to the rapid rise in outsourcing of U.S. jobs. According to *Wired* magazine, the percentage of high tech and information technology jobs in the U.S. being outsourced over the next few years will be 2-3 times more than are being outsourced today.

Figure 3 High Tech Job Trends in the United States



Source: Wired magazine, March 2004

Figure 4 Percentage of High Tech Jobs in the US being Sent Overseas



Source: Wired Magazine, March 2004

The second major high tech business trend acknowledge in this memorandum has been well documented by Harvard Business Review (HBR) editor Nicholas Carr in an article published in the HBR called "IT Doesn't Matter". This article, which is now being expanded into a book by the same name and author, is shaking the foundation of intelligent technology business development beliefs. Mr. Carr argues that Information Technology does matter, but in a way that is different than the past few decades. He concludes that information technology resembles other great inventions such as the steam engine, the railway, electricity, the telephone and the highway system.

At first those inventions were novel, exciting, revolutionary and proprietary. Later they became an infrastructure—ubiquitous for all to enjoy and take for granted. He feels that computer hardware and software are now becoming that way—and prices and profits will remain flatter than ever.

The Emerging Creative Class

A less traditional and somewhat innovative economic theory has recently surfaced regarding why firms like to cluster in specific locations. The conclusion points towards the preferences of employees and the role of "creative employment classes." Creative classes of workers are now accredited with leveraging economic growth and transforming, work, leisure, community and everyday life. Places that are able to attract and retain creative workers are now most competitive in their ability to compete in the high technology sectors in the international market place.

According to best selling author and urban planning professor Richard Florida, there is a direct correlation between economic development growth and factors including high technology jobs, social tolerance (as measured by diversity of ethnic groups and gay/lesbian population) and wage inequality (the variation between pay rates for technology works versus all other workers).⁶

Mr. Florida contends that modern workers can be classified into employment categories based on the amount of creativity involved in their daily work. Places that have a high concentration of creative workers, a solid technology infrastructure, and are tolerant towards social diversity will eventually grow faster than places that lack these attributes. Florida's research is based on a combination of statistical data and anecdotal interviews and focus groups with high technology workers across America. His conclusion is that members of the Creative Class "do not desire strong ties and long-term commitments to a community but prefer a more flexible, quasi-anonymous community - where they can quickly plug in, pursue opportunities and build a wide range of relationships."

⁶ Florida, Richard. The Rise of the Creative Class; Basic Books, 2002; Cambridge, Massachusetts.

An Alternative Way to Classify Employment

| | |
|------------------------|--|
| Super Creative Core | <p><i>Includes workers in:</i></p> <ul style="list-style-type: none"> • <i>Computer and mathematical occupations</i> • <i>Architecture and engineering occupations</i> • <i>Life, physical, and social science occupations</i> • <i>Education, training and library occupations (private sector)</i> • <i>Arts, design, entertainment, sports, and media occupations</i> |
| Creative Professionals | <p><i>Includes workers in:</i></p> <ul style="list-style-type: none"> • <i>Management occupations</i> • <i>Business and financial occupations</i> • <i>Legal occupations</i> • <i>Healthcare practitioners and technical occupations</i> • <i>High-end sales and sales management</i> |
| Working Class | <p><i>Includes workers in:</i></p> <ul style="list-style-type: none"> • <i>Construction and extraction occupations</i> • <i>Installation, maintenance, and repair occupations</i> • <i>Production occupations</i> • <i>Transportation and material moving occupations</i> |
| Service Class | <p><i>Includes workers in:</i></p> <ul style="list-style-type: none"> • <i>Health care support occupations</i> • <i>Food preparation and food-service</i> • <i>Building and grounds cleaning and maintenance</i> • <i>Personal care and service occupations</i> • <i>Low-end sales and related occupations</i> • <i>Office and administrative support occupations</i> • <i>Community and social services</i> • <i>Protective service occupations</i> |
| Agriculture | <p><i>Includes workers in:</i></p> <ul style="list-style-type: none"> • <i>Farming, fishing and forestry occupations</i> |
| Government | <p><i>Includes workers in:</i></p> <ul style="list-style-type: none"> • <i>Federal, state and local government occupations</i> |

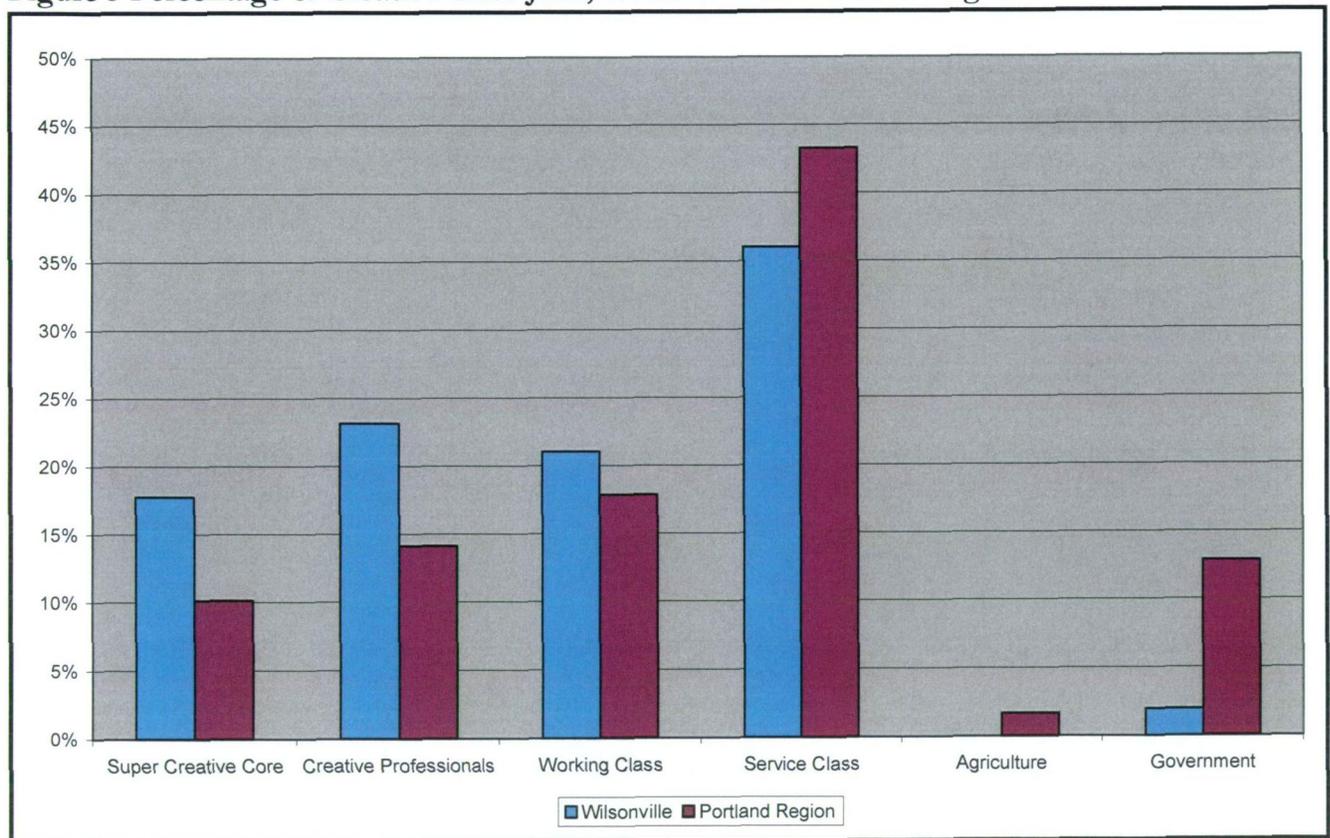
If Mr. Florida’s predictions hold true, the City of Wilsonville can benefit from its proximity to the Portland-Vancouver PMSA and the fact that there is already a solid cluster of creative professionals working in Wilsonville. As shown in Table 7 and Figure 5, approximately 41% percent of the workers in the Wilsonville can be classified as being in the Creative Class, with 18% in the Super Creative Core and 23% classified as Creative Professionals. This share of Creative Class workers in Wilsonville is significantly higher

than the State of Oregon (24% Creative Class). Since Creative Class jobs pay above average wage rates they are important for both direct and indirect income generation.

Table 7 Summary of Jobs by Employment Category

| | Wilsonville | | Portland Region | |
|------------------------|---------------|-------------|-----------------|-------------|
| | Jobs | Percent | Jobs | Percent |
| Super Creative Core | 2,763 | 18% | 81,555 | 10% |
| Creative Professionals | 3,601 | 23% | 113,392 | 14% |
| Working Class | 3,274 | 21% | 143,198 | 18% |
| Service Class | 5,606 | 36% | 347,422 | 43% |
| Agriculture | 0 | 0% | 13,466 | 2% |
| Government | 305 | 2% | 103,433 | 13% |
| Total | 15,549 | 100% | 802,466 | 100% |

Figure 5 Percentage of Creative Class Jobs, Wilsonville vs. Portland Region



Industry Clusters Analysis

Otak prepared an employment clusters analysis for the City of Wilsonville to identify existing and emerging industry market opportunities. It is a widely accepted theory among economic development professionals that “employment clusters” are the primary force driving local economic currents and business location decisions. Clusters of economic activity go well beyond mere concentrations of industry or employment types. They represent unique competitive market advantages with regard to employment, work force, creativity, entrepreneurship, business costs, and supporting natural resources.

The employment clusters analysis helped identify potential industry sector candidates for subsequent interviews. The process entailed:

1. Obtaining Employment Security (ES202) wage and salary employment data from the Oregon Employment Department (OED) for Clackamas and Washington County and the State of Oregon for the year of 2005.
2. Conducting a location-quotient (LQ) analysis to evaluate business and industrial clusters in the City relative to the State of Oregon.
3. Evaluating business clusters within the City of Wilsonville with regard to the LQ, projected growth rates, economic size of each cluster, and average wage rates.
4. Classifying each business cluster with regard to one of four classifications, including:
 - I. Businesses with high LQ (propensity to locate in City) and higher than average projected growth rate compared to other locations in Oregon.
 - II. Businesses with low LQ and high average growth rate (possible pent up demand or competitive market disadvantage relative to other locations).
 - III. Businesses with high LQ but lower than average growth rate.
 - IV. Businesses with low LQ and lower than average growth rate.

Otak identified potential target sectors based on the above mentioned LQ analysis and business sector evaluation, and indicated existing business contacts that fall into these target market categories. Target clusters are often used to develop specific economic development marketing materials, and to enhance local networking groups. Preferred target sectors are often located in Sector I (high LQ/high growth) or Sector II (low LQ/high growth).

The employment cluster analysis summarized in Figure 6 identifies the business and industrial sectors within the City of Wilsonville by their LQ, size and growth potential. Each sector has been analyzed by their North American Industrial Classification System (NAICS) code. This code is used by the federal government to classify types of businesses for tax accounting and economic research purposes. The data was derived from the OED ES202 wage and salary employment statistics for the year ending in 2005.

The result is a clusters analysis that classifies sectors in four types of classifications:

Industry Sectors with High LQ/High Growth Potential (Sector I)

- Management of Companies
- Transport & Warehousing
- Professional & Technical Services
- Utilities
- Specialty Trade Contractors

Industry Sectors with Low LQ/High Growth Potential (Sector II)

- Health Care
- Education

Industry Sectors with High LQ/Low Growth Potential (Sector III)

- Computer & Electronic Manufacturing
- Beverage Manufacturing
- Wholesale Trade- Durable Goods
- Wholesale Trade- Non-Durable Goods
- Machinery Manufacturing
- Electronic Parts Agents

Industry Sectors with Low LQ/Low Growth Potential (Sector IV)

- Civil Engineering and Construction
- Publishing
- Food Manufacturing

The other industry sectors in the City of Wilsonville are currently smaller than the above mentioned sectors in terms of economic payroll and have not been evaluated with regard to their individual location quotient or growth potential.

Target Industries

Identifying the target industries that Wilsonville should plan for over the next 20 years should reflect a combination of the community's stated visions and goals, its current mix of employment, and the economic strengths and weaknesses. From the issues described above, several industries emerge that Wilsonville is well poised to see future growth in:

- **Light manufacturing and warehouse/showroom operations** with on-site warehousing and distribution activities can thrive in communities such as Wilsonville. Prospective manufacturers could include high tech electronics parts, machinery, furniture makers, metal fabricators, and specialty building materials.
- **High tech manufacturing and software.** With its already established high tech operations in computer peripherals, software development, and related testing equipment, Wilsonville is positioned to further develop this cluster. Maintaining existing operations will be a challenge in light of increasing outsourcing and competition. However, strategic partnerships between existing employers with overseas contract manufactures could lead to additional high tech start ups, as well as new jobs in global product management, marketing and research functions.
- **Specialty contractors and construction firms** that serve the southern Portland–Vancouver PMSA. These operations may require on-site materials warehousing, light assembly, and wholesale distribution of a variety of construction products and equipment. Given the need for both full and seasonal (part time) employment, the impacts on transportation systems are not as extensive as with other industrial operations.
- **Creative services** such as transportation logistics, legal services, management consulting and accounting are generally high-paying jobs that tend to locate close to residential customers. With its significant base of existing employers, Wilsonville can position itself as a regional location for creative business and professional services, and transportation logistics.
- **Sustainable product manufacturing and distribution.** Wilsonville can capitalize on its location within the region and the west coast to develop and distribute sustainable products for transportation and building construction industries.
- **Health Care and Secondary Education.** As the regional hub with excellent local quality of life and small town atmosphere, Wilsonville has an excellent opportunity to provide expanded health services and additional two-year and four-year advanced degree programs for the local and regional population. Both of these sectors are currently under-represented job sectors in Wilsonville, but appear to have excellent long-term growth potential.

Site Requirements

Future industrial and commercial employment growth in Wilsonville will likely require a variety of sites and locations, including:

- New business parks with “flex” buildings for warehousing, light manufacturing and showrooms.
- Master planned research and development campuses with parcels ranging in size from 1 to 20 acres
- Professional office and/or mixed-use center, preferably in or near downtown
- Lodging site(s) preferably in or near downtown
- A variety of sites for health care and educational facilities
- Sites for neighborhood and sub-regional shopping centers to serve a growing population base

Smaller industrial businesses typically locate in business parks or “flex” buildings, which can be utilized for a variety of uses ranging from light manufacturing, recreational businesses, specialty contractors, technical services, and even limited offices. Thus, the most important factor to preparing land for Wilsonville’s future employers is to target not a specific industry, but the flexible land and buildings where a variety of employers could locate.

Wilsonville’s existing industrial users are good examples of how flexibility can be gained on a large scale, where small, medium and large-sized parcels can be made available to users on a build-to-suit basis. Very small users and startup companies often do not have the capital or desire to build their own buildings and instead seek out existing leasable space. These flex buildings can include anywhere from two to ten or more individual businesses. This flexibility allows a tenant to perform a wide variety of activities and it allows the landlord the ability to subdivide a larger building into a range of spaces depending on tenant needs.

Typically, multi-tenant flex buildings could have anywhere from two to 20 tenants per building, depending on the amount of space that each tenant requires. Given the existing transportation constraints attributed to the Wilsonville market area, short-term demand is likely to consist primarily of smaller users and sites. Most tenants have space needs of between 5,000 and 15,000 square feet⁷ of building floor area. Common characteristics of this building type include:

- Floor area ratio (FAR): 0.25 – 0.40.
- Employment density: approximately 10 employees per acre.
- Building size: one story, 60 to 100 feet deep, up to 200 feet long (6,000 to 20,000 square feet total).
- Site size: 1 to 10 acres.
- Parking: two to three spaces per 1,000 square feet.

Master planned research and development campuses in the United States are emerging as a preferred 21st Century location for major employers and their ancillary business and personal support services, especially when they include a variety of residential housing options, and lodging for extended stay visitors. Wilsonville’s Coffee Creek Industrial Area could serve this purpose by providing a mix of medium and large light industrial parcels.

⁷ Source: *Guide to Classifying Industrial Property*, Urban Land Institute, 2003.

Several locations for new neighborhood and sub-regional shopping centers will likely be needed as Wilsonville’s population base grows. Appropriate parcel sizes generally range in size from 2-5 acres for neighborhood centers to 5-15 acres for sub-regional shopping centers.

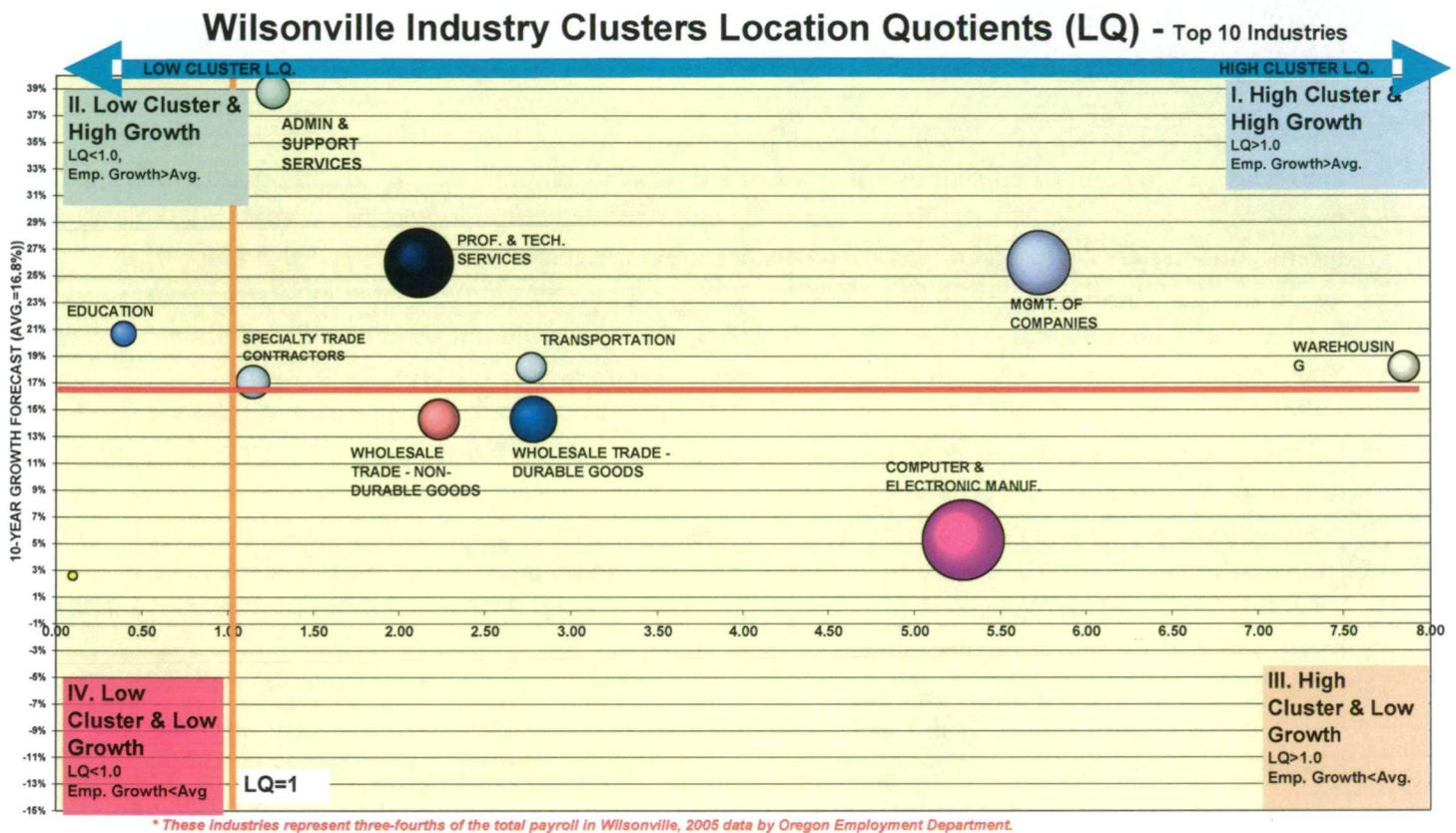


Figure 6. Wilsonville’s Existing Industry Clusters Location Quotients (LQ)

The “bubbles” on the chart (Figure 6) represent current NAICS codes (business sectors) in the City of Wilsonville as of 2005. The chart only reflects sectors that pay higher than average wage rates, which was \$32,000 per job in 2005. The size of the bubble represents the size of that sector in total wages. The horizontal axis represents location quotients (sector employment in the county divided by the corresponding state-sector employment), and the vertical axis represents 10-year employment sector growth rates, prepared by the Oregon Employment Department.

Wilsonville Employment Forecast

Given Wilsonville’s strong existing cluster of industrial establishments, Wilsonville would likely compete within the region and the state for expansion and attraction of industrial development. However, transportation access and congestion issues, if allowed to worsen, could hamper some growth potential and even lead to industrial out migration of certain transportation-dependent industries. The potential availability of land, access to well educated labor force, and relatively high quality of life in Wilsonville, will help retain and attract certain manufacturing and industry sectors.

Future commercial development in the City of Wilsonville would likely be driven by increasing household buying power and an emerging office sector attributed largely to the increase in demand for business professional services. Office development often follows housing expansion, after new local residents eventually search for employment options closer to home or decide to invest in start-up small business enterprises. The types of office tenants that are common in emerging small cities include: health-related, legal, professional, and business services like lawyers, accountants, and financial specialists.

The real question is not “if” Wilsonville can attract new industries, but “when” and “where” can these industries be accommodated. Significant levels of industrial land and building projects are now entering the market in Tualatin (over 300 acres are planned for industrial expansion in Southwest Tualatin). Hillsboro recently added over 100 acres of regionally significant industrial land to its project ready vacant land inventory.⁸ Significant warehousing and distribution sites are now being marketed in Salem, Oregon and Clark County, Washington. These industrial supply additions should not be overlooked, and could lower land demand absorption in Wilsonville over the next several years.

Once the short-term market supply/demand for industrial land begins to stabilize and questions regarding the location for the planned Hwy 99W/I-5 Connector are resolved, Wilsonville would be in a much better position to actively market and develop a large amount of industrial land. Hence, Wilsonville’s immediate industrial strategy should be geared towards retaining and expanding existing employers and developing existing parcels, and limiting strategic industrial expansion to areas that can be readily served with adequate roads, water, sewer and storm water drainage facilities.

Local and sub-regional job growth forecasts are prepared by Metro Data Resource Center for regional growth management and transportation/land use planning purposes. The latest Metro demographic and employment forecasts were prepared based on their *Metroscope* model in the winter of 2005. While this data has not yet been adopted by the Metro Council, it is considered suitable for comparison when conducting local economic development (Goal 9) assessments.

As indicated in **Table 8**, Metro’s preliminary employment growth forecasts for Wilsonville assume an existing employment level of 16,510 jobs in 2005. It should be noted that Metro’s job estimates are intended to include all jobs, including covered and non-covered (small home-based business) establishments.

After comparing the Metro job estimates (16,510 “total” workers) to estimates derived from the Oregon Employment Department (16,042 “covered” workers), we have determined the Metro job forecasts are appropriate existing and future job forecasting “control totals.” The estimated job counts derived from the Oregon Employment Department are slightly lower than the Metro job estimates since OED estimates do not take into account workers that are not “covered” by unemployment insurance, including most home based businesses.

⁸ “Regionally significant industrial land” is a land use designation determined by Metro and the City of Wilsonville that limits the type of development to primarily “light industrial” employment classifications.

Wilsonville is unique in that it is “jobs rich” with more jobs than population. As indicated in **Table 8**, in 2005 there were approximately 1.03 jobs per population in Wilsonville, compared to only 0.49 jobs per population in the combined Washington and Clackamas County subregion. Metro expects the rate of job growth in Wilsonville to exceed population growth over the next two decade. According to Metro, Wilsonville is expected to add 17,085 new jobs by year 2030—reaching a day time employment level of 36,978 workers.

Metro forecasts also include employment sector job growth projections, which can be interpolated into a 20-year planning period that spans from 2007 to 2027. As indicated in **Table 9**, Metro estimates Wilsonville’s existing job base to include 3,570 retail jobs, 4,422 service jobs, and 9,994 industrial jobs. This equates to a total sum of 17,986 jobs, which is about 4.2 percent of the two-county subregion.

Table 8 Population and Employment Forecast Control Totals

| Population ^{1/} | 2005 | 2030 | Change | Average Annual Growth Rate |
|---------------------------------|---------------|---------------|---------------|-----------------------------------|
| Clackamas County | 365,723 | 556,188 | 190,465 | 1.7% |
| Washington County | 489,785 | 627,895 | 138,110 | 1.0% |
| Subregion (2 County) | 855,508 | 1,184,084 | 328,576 | 1.3% |
| City of Wilsonville | 16,510 | 33,595 | 17,085 | 2.3% |
| Employment ^{2/} | | | | |
| Clackamas County | 145,587 | 251,284 | 105,697 | 2.2% |
| Washington County | 269,649 | 450,986 | 181,337 | 2.1% |
| Subregion (2 County) | 415,236 | 702,270 | 287,034 | 2.1% |
| City of Wilsonville | 16,899 | 36,978 | 20,079 | 3.2% |
| Ratio of Jobs to Pop | | | | |
| Clackamas County | 0.40 | 0.45 | | |
| Washington County | 0.55 | 0.72 | | |
| Subregion (2 County) | 0.49 | 0.59 | | |
| City of Wilsonville | 1.02 | 1.10 | | |

Notes: 1/ 2005 population estimates by Portland State University; 2030 forecast for Washington County based on MetroScope model assumptions for households and Oregon Office of Economic Analysis population factors. City of Wilsonville forecasts reflect assumptions from the Population projections by ECONorthwest, 2025 medium forecast extrapolated at 2% annually to year 2030.

2/ 2005 employment estimates by Metro, winter 2005 MetroScope model assumptions (not officially adopted).

Compiled by Otak, Inc.

Over the next 20 years, Metro anticipates growth in each of the three main employment sectors in Wilsonville and the surrounding region. Metro expects Wilsonville's job share within the subregion to increase to 5.1 percent, with the most rapid growth occurring in the retail sector. By year 2027, Wilsonville's employment is assumed to reach 33,647 total jobs, including 7,698 retail jobs, 7,806 non-retail jobs, and 18,142 industrial/other jobs. (Please refer to **Table 9**).

Table 9 Employment Projections by Industry , Metro Growth Forecast

Washington and Clackamas Counties Combined Forecast

| Employment Sector | 2007 est. | 2027 | 2007-2027 Change | Annual Percent Change |
|-------------------|----------------|----------------|------------------|-----------------------|
| *Retail | 81,725 | 122,985 | 52,308 | 2.1% |
| Service | 123,058 | 235,827 | 144,687 | 3.3% |
| Industrial/Other | 223,283 | 298,261 | 94,589 | 1.5% |
| Total | 428,066 | 657,073 | 291,584 | 2.2% |

City of Wilsonville Job Forecast (Metro Growth Forecast)

| Employment Sector | 2007 est. | 2027 | 2007-2027 Change | Annual Percent Change |
|-------------------|---------------|---------------|------------------|-----------------------|
| *Retail | 3,570 | 7,698 | 5,333 | 3.9% |
| Service | 4,422 | 7,806 | 4,323 | 2.9% |
| Industrial/Other | 9,994 | 18,142 | 10,425 | 3.0% |
| Total | 17,986 | 33,647 | 20,081 | 3.2% |

City of Wilsonville Capture Rate of County (Metro Growth Forecast)

| Employment Sector | 2007 est. | 2027 | 2007-2027 Change |
|-------------------|-------------|-------------|------------------|
| *Retail | 4.4% | 6.3% | 10.2% |
| Service | 3.6% | 3.3% | 3.0% |
| Industrial/Other | 4.5% | 6.1% | 11.0% |
| Total | 4.2% | 5.1% | 6.9% |

Source: Metro data resource center, Metroscope model, Spring 2005; 2007 forecast interpolated by Otak.

*Retail employment includes both full-time and part-time employees.

Wilsonville Land Demand

The analysis utilized for this Economic Opportunities Analysis assumes that the City of Wilsonville will continue to play a significant role in regional job growth. For planning purposes we have grouped the potential job growth into three general classifications: industrial/other (includes construction, information, portion of Transportation, Communication and Utilities (TCU), manufacturing, government, and natural resources/mining); retail; and services (includes professional & business services, educational & health services, leisure & hospitality, other services, and financial activities). In light of the existing Euclidian zoning code in the City, our comparison of land supply and demand is subsequently grouped into two main classifications: industrial and commercial (includes retail and services).

Long-term population and employment growth forecast assumptions have been prepared based on efficient (low), medium, and high land demand forecast scenarios for the City of Wilsonville. As mentioned previously, the Metro job growth forecasts have been utilized for the development of each of these land needs forecasts. New job growth has been allocated to land use classifications and acres using the detailed assumptions for the vacant and redevelopment land need forecasts provided in Appendix A.

Metro's employment forecasts for the City of Wilsonville translate into a projected land demand. As shown in **Table 10**, the land demand forecasts vary depending upon the amount of total refill, redevelopment and development of underutilized buildings and sites, and the extent to which the city can provide incentives for existing and future developers to increase building density.

Metro's most recent Employment Land Study found that industrial land is unlike commercial land in that it poses a wide range in refill/redevelopment potential.⁹ Metro findings imply that the demand for industrial sites can exceed the growth in industrial employment given the rapid conversion of former industrial sites to non-industrial uses. It should be noted that Metro's past industrial refill rate assumptions for industrial have varied widely from a positive 35% to a negative 45%, and that the current regional assumption that assumes there to be a negative industrial refill/redevelopment rate (on average for the entire region) is based largely on the conversion of large former industrial areas in Portland and Troutdale to non-industrial use (such as the River District and Reynolds Aluminum Plant site). Recent studies by Metro indicate there is a positive refill rate of nearly 50% for commercial-retail uses, and a wide range in refill/redevelopment rates for industrial buildings, ranging from negative 50% to positive 40% depending upon the age and type of industrial building/site.¹⁰

⁹ According to Metro's 2002-2022 Urban Growth Report: An Employment Land Need Analysis, industrial refill/redevelopment rates were assumed to range from a negative 50% to positive 40% depending upon location and type of building. An overall regional average refill/redevelopment rate was assumed to be negative 45%—reflecting conversion of older industrial sites (such as the Reynolds Aluminum Plant in Troutdale) to non-industrial uses. The refill/redevelopment rate is denominated by the number of projected industrial employment. Hence, the negative refill rate is a measure indicating that the projected industrial site demand will exceed job growth forecasts.

¹⁰ Findings are based on communication between Todd Chase of Otak and Dennis Yee, Metro Senior Economist on June 6, 2007.

In addition to the refill/redevelopment, Metro also assumes that a portion of total job growth is accommodated through subdivisions or minor partitions on underutilized sites, which are considered to be partially vacant. Given the fact that most industrial sites/buildings in Wilsonville are fairly new and not likely to convert to non-industrial use, and the fact that there is a significant amount of corporate land ownership with plans for on-site industrial expansion (please refer to the land supply section), this EOA assumes that the average refill/redevelopment/subdivision activity in Wilsonville can accommodate 45% to 65% of all retail jobs, 40% to 60% for all service jobs, and 30% to 40% of all industrial jobs.

The corresponding findings from the refill rate assumptions assume that between 7,260 and 10,230 new jobs in Wilsonville are accommodated through refill and redevelopment (**Appendix A1**). The amount of vacant land required to accommodate the employment growth ranges from 150+ acres for industrial jobs and 72+ acres for commercial (retail and service) jobs (efficient land demand scenario). These land forecasts take into account job density and assumptions regarding the portion of jobs that will be allocated to “refill and redevelopment buildings” and “under-utilized (part vacant) sites” (**Appendix A2**).

The step-wise approach used in this analysis starts with translating Metro’s 20-year employment projections for Wilsonville into net land requirements by job sector (see **Table 10, Row A**).

The next step requires assumptions regarding how the land demand is allocated to zoned land based on Wilsonville’s current land use regulations. The assumptions within this EOA are based on existing City policy that strictly limits the amount of commercial development that is allowed to occur on industrial land. The existing Wilsonville development code limits retail and office development on industrial zoned land to 5% of total floor areas for retail and 25-30% of total floor area for office, but has no limit on corporate office headquarters.¹¹ While the amount of non-industrial uses will vary depending upon the actual zoning that applies to each site, the assumptions utilized by this EOA are considered to be long-term averages that are appropriate for planning purposes (see **Table 10, Row B**).

This EOA assumes a portion of the vacant land requirements must also accommodate public roads, utilities, easements, and other types of public open space (such as parks or pathways). This analysis converts net acres to gross buildable acres by assuming 15% of total gross buildable land area is allotted to public facilities, including collector and arterial road right-of-ways, parks and utilities.¹² The actual calculation used for this analysis is [net acres/1.15 = gross buildable acres]. It should be noted that additional land area may also be required to account for environmental constraints such as steep slopes and environmentally sensitive areas (see **Table 10, Row C**).

After the 20-year demand forecasts have been determined, interim demand forecasts are generated for 5-year and 1-year time periods by interpolating the 20-year forecast (see **Table 10, Rows D and E**).

¹¹ The assumptions regarding non-industrial use of industrial zoned land are consistent with the findings contained in the *Portland-Vancouver Regional Industrial Land Study, Phase 3 report, October 2001*. It is assumed that no more than 40% of future industrial areas will be occupied by service (office) users, and 5% of the industrial areas will be occupied by retail users.

¹² The Metro Urban Growth Report Addendum, 1998 assumed a 27% factor to account for public facilities on vacant industrial parcels, and a 15% factor for refill/redevelopment parcels.

**Table 10 , Vacant Land Needs for Wilsonville UGB
20-Year, 5-Year and 1-Year Demand Forecast**

| | Efficient Land Need Scenario | Medium Land Need Scenario | High Land Need Scenario |
|---|---|--|--|
| A. Vacant Land Needs by Job Sector 1/ | | | |
| Commercial Retail | 43 | 65 | 96 |
| Office/Services | 26 | 40 | 60 |
| Industrial/Other | 385 | 479 | 593 |
| Total Net Acres | 454 | 584 | 749 |
| B. Vacant Land Needs by Zone Classification 2/ | | | |
| Commercial Retail | 41 | 62 | 91 |
| Office/Services | 16 | 24 | 36 |
| Industrial/Other | 397 | 498 | 622 |
| Total Net Acres | 454 | 584 | 749 |
| C. 20-Year Vacant Land Needs by Zone Classification 3/ | | | |
| Commercial Retail | 48 | 73 | 108 |
| Office/Services | 19 | 28 | 42 |
| Industrial/Other | 467 | 586 | 732 |
| Total Gross Buildable Acres | 534 | 688 | 881 |
| D. 5-Year Vacant Land Needs by Zone Classification 4/ | | | |
| Commercial Retail | 12 | 18 | 27 |
| Office/Services | 5 | 7 | 11 |
| Industrial/Other | 117 | 146 | 183 |
| Total Gross Buildable Acres | 134 | 172 | 220 |
| E. One-Year Vacant Land Needs by Zone Classification | | | |
| Commercial Retail | 2 | 4 | 5 |
| Office/Services | 1 | 1 | 2 |
| Industrial/Other | 23 | 29 | 37 |
| Total Gross Buildable Acres | 27 | 34 | 44 |

Notes:

1/ Vacant land needs carried over from Appendix A1.

2/ Assumes 5% of industrial land is allotted to retail development, and 40% of industrial land is allotted to service (office) development within industrial zones.

3/ Assumes 15% of site area is dedicated to public right-of-way or easements.

4/ Assumes one quarter of 20-year land demand occurs within first five years.

Source: Otak, Inc. based on Metro job forecasts for Wilsonville.

Wilsonville's Existing Land Supply

According to recent findings summarized in **Table 11**, and illustrated in **Appendix D**, there were approximately 56 vacant buildable acres within 33 commercial-zoned tax lots inside the existing Wilsonville city limits, as of January 2007¹³. There are also approximately 215 gross buildable industrial-zoned acres within 42 vacant parcels according to the City's Geographic Information Systems (GIS) database. The difference between the gross acres and buildable acre estimates take into account potential long-term land development constraints, including properties encumbered by locally designated Significant Resource Overlay Zones (natural areas), and allow for 15% of the site area to be dedicated to public right-of-way or easements.

**Table 11 Vacant Commercial and Industrial Land within Wilsonville City Limits
Existing Long-term Vacant Unconstrained Land Supply (acres and parcels/tax lots)**

| | All Vacant Tax Lots | Tax Lot Size Distribution (buildable acres) | | | | | | |
|---|------------------------------|---|-----------|------------|-------------|-------------|-------------|-------------|
| | | < 1 | 1 to 5 | 5 to 10 | 10 to 20 | 10 to 20 | 20 to 30 | 30 to 40 |
| Commercial (retail and service)* | | | | | | | | |
| Parcels | 33 | 16 | 14 | 3 | 0 | 0 | 0 | 0 |
| Gross Acres | 59 | 9 | 31 | 19 | 0 | 0 | 0 | 0 |
| Gross Buildable Acres** | 56 | 7 | 31 | 19 | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| Industrial | | | | | | | | |
| Parcels | 42 | 13 | 16 | 6 | 0 | 4 | 0 | 3 |
| Gross Acres | 358 | 22 | 109 | 48 | 0 | 62 | 0 | 117 |
| Gross Buildable Acres** | 215 | 7 | 44 | 41 | 0 | 48 | 0 | 74 |

* Fred Meyer currently owns 11 separate vacant parcels with a total of 16+/- acres.

** Excludes land constrained by city as designated "significant resource overlay zones" except for 10% of land in "large lot exception" areas.

Source: City of Wilsonville, GIS Analysis, Winter/Spring 2007, prepared by Otak, Inc.

¹³ Land inventory in existing Wilsonville City Limits does not account for new Metro UGB expansion areas that were added to the Metro UGB in 2002 and 2004.

In addition to the vacant land supply, there are approximately 80 commercial tax lots and 68 industrial tax lots inside the Wilsonville city limits that are likely to experience development through building expansion and/or subdivision activity over the next 20 years. According to the findings summarized in **Table 12** and illustrated in **Appendix E**, there are approximately 100 acres of commercial redevelopment land area, and 174 acres of industrial redevelopment land area, according to the county assessor’s database for year 2006. The difference between the gross acres and buildable acre estimates take into account potential long-term land development constraints, including existing buildings and natural areas.

Table 12 Potential Long-term Redevelopment and Underutilized Commercial and Industrial Land Supply within Wilsonville City Limits*

| | All Vacant Tax Lots | Tax Lot Size Distribution (buildable acres) | | | | | | |
|--|---------------------|---|--------|---------|----------|----------|----------|----------|
| | | < 1 | 1 to 5 | 5 to 10 | 10 to 20 | 10 to 20 | 20 to 30 | 30 to 40 |
| Commercial (retail and service) | | | | | | | | |
| Parcels | 80 | 44 | 30 | 5 | 1 | 0 | 0 | 0 |
| Gross Acres | 117 | 17 | 54 | 35 | 11 | 0 | 0 | 0 |
| Buildable Acres** | 100 | 14 | 46 | 30 | 9 | 0 | 0 | 0 |
| Industrial | | | | | | | | |
| Parcels | 68 | 27 | 34 | 4 | 1 | 1 | 1 | 0 |
| Gross Acres | 205 | 10 | 82 | 27 | 19 | 25 | 40 | 0 |
| Buildable Acres** | 174 | 9 | 70 | 23 | 16 | 21 | 34 | 0 |

* Includes property that has a land use classification other than vacant; and has a building value that is less than 1.5 times land value for industrial zoned land, or an improvement to land value ratio of less than 2.0 for commercial zoned land

** Assumes approximately 85% of redevelopment land supply is subdivided/developed within 20 years.

Source: Washington and Clackamas County Assessor database 2006, prepared by Otak, Inc.

Notwithstanding economic development factors such as development fees, adequacy of labor force, and market access, attracting and retaining jobs can be enhanced by having an adequate supply of buildable land inventory and/or vacant buildings. The City of Wilsonville has determined that there are several project-ready industrial development parcels inside the existing City limits. Appendix C provides a tabular summary of Wilsonville’s 5-year vacant unconstrained commercial and industrial land supply given the existing and anticipated condition of public roads, sewer and water facilities.

The unconstrained short-term (1-year) commercial vacant land inventory includes 6 tax lots totaling 11.5 gross buildable acres in size. Hence, there is an abundant short-term industrial supply within the City of Wilsonville today.

The City of Wilsonville has also determined that there are several short-term unconstrained vacant industrial sites within the existing City limits. Table 13 indicates that the unconstrained short-term land supply includes 12 tax lots with 100.4 acres of buildable land.

The methodologies for determining vacant, constrained, developed and redevelopable land designations are described below

Wilsonville's Land Supply Definitions

| | |
|---|--|
| Vacant Land | Property that is classified by Metro's RLIS data as "VAC" and no building permits have been issued for the property in the past year. |
| Long term Constraints | Property that is encumbered by wetlands or other natural feature per the City of Wilsonville Goal 5 Significant Resource Overlay Zone, and predominantly covered by local wetlands and/or floodplains. |
| Short term Constraints | Property that is encumbered by public ownership. |
| Redevelopable and/or Underutilized Land | Includes tax lots that have a land use classification other than vacant; and possess a building value that is less than 1.5 times land value for industrial zoned land, or an improvement to land value ratio of less than 2.0 for commercial zoned land. Also includes partially vacant tax lots that have potential to add commercial or industrial buildings. |
| Short Term, Unconstrained Vacant Land | Tax lots that have adequate roads, water, and sewer infrastructure available and are able to accommodate new development within a period of 1-year or less. |

Table 13 Summary of Vacant Industrial Land within Wilsonville City Limits Existing One-Year Unconstrained Vacant Land Supply

| | Vacant Tax Lots | Tax Lot Size Distribution (gross buildable acres) | | | | | |
|-------------------------|-----------------|---|--------|---------|----------|----------|----------|
| | | < 1 | 1 to 5 | 5 to 10 | 10 to 20 | 20 to 30 | 30 to 40 |
| Commercial* | | | | | | | |
| Parcels | 6 | 2 | 3 | 1 | 0 | 0 | 0 |
| Gross Acres | 14.5 | 3.5 | 5.7 | 5.3 | 0.0 | 0.0 | 0.0 |
| Gross Buildable Acres** | 11.5 | 0.5 | 5.7 | 5.3 | 0.0 | 0.0 | 0.0 |
| Industrial | | | | | | | |
| Parcels | 12 | 1 | 5 | 3 | 2 | 0 | 1 |
| Gross Acres | 121.3 | 3.0 | 32.7 | 25.3 | 28.0 | 0.0 | 32.3 |
| Gross Buildable Acres** | 100.4 | 0.8 | 18.6 | 22.7 | 26.1 | 0.0 | 32.2 |

* reflects demand by retail and service sectors.

** Excludes land constrained by city as designated "significant resource overlay zones" except for 10% of land in "large lot exception" areas; and land subject to transportation concurrency measures (south of Boeckman Road).

Source: City of Wilsonville, GIS Analysis, Winter/Spring 2007, prepared by Otak, Inc.

Reconciliation of Land Demand and Supply

This section summarizes the findings presented in earlier sections regarding long-term (20-year) and short-term (less than year) land demand, and compares this need to the existing vacant land supply. Since refill and redevelopment adjustments were made to the employment forecasts, this section focuses on vacant land needs for the Wilsonville UGB.

Industrial Land Needs

The demand analysis summarized earlier in this EOA and in **Table 15A** indicates that short-term (1 year) industrial land demand in Wilsonville is expected to range from 23 acres in the efficient land demand scenario, 29 acres in the medium scenario, and 37 acres under the high scenario. In light of the fact that there are approximately 100 gross buildable acres that are in the short-term unconstrained land supply, there is no short-term (1 year) land deficiency in Wilsonville today.

The demand analysis summarized in **Table 15B** indicates that the long-term vacant industrial land demand in Wilsonville is expected to range from 467 acres in the efficient land demand forecast, to 586 acres under the medium forecast, and up to 732 acres under the high land needs forecast.

The existing 215 gross buildable acres of vacant industrial land supply within the city limits is expected to partially meet the needs of long-term industrial land demand under the low growth scenario. However, additional vacant industrial land would need to be added to the Wilsonville UGB to accommodate future long-term industrial land demand. The amount of additional required industrial land area ranges from 252 acres in the efficient land demand scenario, 371 acres in the medium scenario, and 517 acres in the high scenario. Preliminary recommended parcel (tax lot) configurations are summarized in **Table 15B**.

Recommended strategies for meeting long-term industrial land needs include adoption of the Master Plan for Coffee Creek I (south of Day Road) and continuing to coordinate with affected local and state jurisdictions regarding the Concept Plan for Coffee Creek II (north of Day Road). Otak has also identified potential areas within Coffee Creek I that are potential industrial site certification candidates under the Oregon Economic and Community Development Department's Industrial Site Certification Program (see **Appendix F**).

**Table 15A Reconciliation of Project Ready Land Demand and Supply
Industrial 1-Year Land Use Forecast (gross buildable acres)
Wilsonville UGB**

| | Efficient Land Use Scenario | Medium Land Use Scenario | High Land Use Scenario |
|--|---|---|---|
| Land Demand and Supply | | | |
| Demand for Vacant Industrial Land | 23 | 29 | 37 |
| Supply of Vacant Industrial Land | 100 | 100 | 100 |
| Land Surplus or (Deficit) | 77 | 71 | 63 |
| Preliminary Parcel Distribution, Efficient Land Need Forecast ^{2/} | | | |
| | Existing Uncon- strained Supply (tax lots) | Forecast of Demand (tax lots) 1/ | Forecast of Net Land Demand (tax lots) |
| Less Than 1 acre | 1 | 12 | (11) |
| 1 to 5 acres | 5 | 2 | 3 |
| 5 to 10 acres | 3 | 1 | 2 |
| 10 to 20 acres | 2 | 0 | 2 |
| 20-30 acres | 0 | 0 | 0 |
| 30+ acres | 1 | 0 | 1 |
| Total | 12 | 15 | (3) |

1/ Tax lot demand forecast is generally consistent with Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.
Source: Otak, based upon findings included in demand and supply analysis.

**Table 15B Reconciliation of Long-term Land Demand and Supply
Industrial 20-Year Land Use Forecast (gross buildable acres)
Wilsonville UGB**

| | Efficient Land Use Scenario | Medium Land Use Scenario | High Land Use Scenario |
|--|--|---|---|
| Land Demand and Supply | | | |
| Demand for Vacant Industrial Land | 467 | 586 | 732 |
| Supply of Vacant Industrial Land | 215 | 215 | 215 |
| Land Surplus or (Deficit) | (252) | (371) | (517) |
| Preliminary Parcel Distribution, Efficient Land Need Forecast ^{2/} | | | |
| | Existing Supply (tax lots) | Forecast of Demand (tax lots) 1/ | Forecast of Net Land Demand (tax lots) |
| Less Than 1 acre | 13 | 38 | (25) |
| 1 to 5 acres | 16 | 22 | (6) |
| 5 to 10 acres | 6 | 20 | (14) |
| 10 to 20 acres | 4 | 6 | (2) |
| 20-30 acres | 0 | 3 | (3) |
| 30+ acres | 3 | 2 | 1 |
| Total | 42 | 91 | (49) |

1/ Tax lot demand forecast is generally consistent with Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.
Source: Otak, based upon findings included in demand and supply analysis.

Commercial Land Needs

The commercial land demand analysis indicates that the short-term (1 year) vacant commercial land demand in Wilsonville is expected to range from 3 acres in the efficient land demand scenario, to 5 acres under the medium scenario, and up to 7 acres under the high scenario. As indicated in **Table 16A**, in light of the fact that there are 11 acres of project-ready short term commercial tax lots within the existing city limits, the City has an adequate supply of commercial land for the short term.

In most instances the market will adjust to development pressure by subdividing larger parcels into smaller ones, but cannot always be counted on to aggregate tax lots to create large contiguous development opportunities. In Wilsonville's case there appears to be an abundance of small parcels that are controlled by Fred Meyer that would likely be combined into one large commercial site—but this would not likely occur until the I-5/South Wilsonville Interchange concurrency issues are resolved (this is likely to require 2-5 years).

The demand analysis based on Metro job growth forecasts which are summarized earlier in this EOA indicates that the long-term vacant commercial land demand in Wilsonville is expected to range from 67 acres in the efficient land demand scenario, 102 acres under the medium scenario, and up to 150 acres under the high scenario (please refer to **Table 16B**).

As a means to verify the commercial retail land needs conclusions, Otak conducted an analysis of retail land demand based on forecasted population growth, income levels, and retail sales inflow/outflow estimates for the Wilsonville UGB. The retail inflow/outflow analysis included in **Appendix G** assumes a year 2027 population forecast of 30,850 within the Wilsonville UGB. The resulting increases in real income levels, consumer expenditures, retail sales capture rates, and sales per square feet of retail floor area indicates there will be potential to add approximately 981,000 square feet of new retail floor area over the next 20 years within the Wilsonville UGB. This amount of additional retail space would likely require 56 acres of gross buildable land area—which is between the retail land demand forecast for the “efficient land demand scenario” and the “medium land demand scenario.” Hence, the efficient land demand scenario is an accurate indicator of the amount of commercial retail land needed to accommodate local population growth.

Wilsonville has an existing vacant commercial land supply of approximately 56 acres and a projected 20-year commercial land demand of 65 acres. Potential areas for the needed 11 acres are Area K in the City's Comprehensive Plan, a 42-acre area designated for mixed-use and river-oriented uses. As well as the Coffee Creek Industrial Area, particularly the area north of Day Road, if a mixed-employment planned urban development is allowed. This approach should be further considered as the Concept Plan for Coffee Creek Industrial Area north of Day Road is developed.

**Table 16A Reconciliation of Short-term Land Demand and Supply
Commercial (Office/Service and Retail) 1-Year Land Use Forecast (gross
buildable acres)
Wilsonville UGB**

| | Efficient Land Use Scenario | Medium Land Use Scenario | High Land Use Scenario |
|--|--------------------------------------|--|--|
| Land Demand and Supply | | | |
| Demand for Vacant Commercial Land ^{1/} | | | |
| Demand by Retail Sector | 2 | 4 | 5 |
| Demand by Office/Service Sector | 1 | 1 | 2 |
| Demand for Commercial Land Total | 3 | 5 | 7 |
| Supply of Vacant Commercial Land | 11 | 11 | 11 |
| Land Surplus or (Deficit) | 8 | 6 | 4 |
| Preliminary Parcel Distribution, Efficient Land Need Forecast ^{2/} | | | |
| | Existing Supply (tax lots) | Forecast of Demand (tax lots) | Forecast of Net Land Demand (tax lots) |
| Less Than 1 acre | 2 | 1 | 1 |
| 1 to 5 acres | 3 | 1 | 2 |
| 5 to 10 acres | 1 | 0 | 1 |
| 10 to 20 acres | 0 | 0 | 0 |
| 20-30 acres | 0 | 0 | 0 |
| 30+ acres | 0 | 0 | 0 |
| Total | 6 | 2 | 4 |

1/ Tax lot demand forecast assumes more large medium commercial developments than is assumed by the Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.

Source: Otak, based upon findings included in demand and supply analysis.

**Table 16B Reconciliation of Long-term Land Demand and Supply
Commercial (Office/Service and Retail) 20-Year Land Use Forecast
(gross buildable acres)
Wilsonville UGB**

| | Efficient Land Use Scenario | Medium Land Use Scenario | High Land Use Scenario |
|--|--|--|---|
| Land Demand and Supply | | | |
| Demand for Vacant Commercial Land ^{1/} | | | |
| Demand by Retail Sector | 48 | 73 | 108 |
| Demand by Office/Service Sector | 19 | 28 | 42 |
| Demand for Commercial Land Total | 67 | 102 | 150 |
| Supply of Vacant Commercial Land | 56 | 56 | 56 |
| Land Surplus or (Deficit) | (11) | (46) | (94) |
| Preliminary Parcel Distribution, Efficient Land Need Forecast ^{2/} | | | |
| | Existing Supply (tax lots) | Forecast of Demand (tax lots) | Forecast of Net Land Demand (tax lots) |
| Less Than 1 acre | 16 | 21 | (5) |
| 1 to 5 acres | 14 | 9 | 5 |
| 5 to 10 acres | 3 | 4 | (1) |
| 10 to 20 acres | 0 | 0 | 0 |
| 20-30 acres | 0 | 0 | 0 |
| 30+ acres | 0 | 0 | 0 |
| Total | 33 | 34 | (1) |

1/ Assumes 30% of commercial land need is met on industrial zoned land.

2/ Tax lot demand forecast assumes more large lot commercial developments than is assumed by the Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.

Source: Otak, based upon findings included in demand and supply analysis.

Special Siting Requirements

In accordance with the Goal 9 land use rule (adopted by LCDC and put into effect January 2006), jurisdictions may plan for the designation of lands for industrial and other employment uses that require special siting characteristics (OAR 660-009-0020 (8)). This special site ruling is a characteristic of Oregon land use planning Goal 9 and can apply to users that require “large acreage sites, special site configurations, direct access to transportation facilities, prime industrial lands, and sensitivity to adjacent land uses...”

At this time it is assumed that the baseline employment demand forecasts described previously take into account the land needs likely to be generated by existing and future employers within the Wilsonville UGB. Unless policymakers identify specific user groups with special needs in a new economic development strategy, no special siting allocation is needed other than what is anticipated for public facilities, such as schools and prisons.

At this time, no special siting requirements for public facilities have been identified.

Appendix

Table A1 , Net Vacant Land Needs, Wilsonville UGB, 20-Year Demand

| | Efficient Land Need Scenario | Medium Land Need Scenario | High Land Need Scenario |
|--|---|--|--|
| Employment Growth Forecast 1/ | | | |
| Retail | 5,333 | 5,333 | 5,333 |
| Services | 4,323 | 4,323 | 4,323 |
| Industrial/Other | 10,425 | 10,425 | 10,425 |
| Total Non-farm Payroll | 20,081 | 20,081 | 20,081 |
| Refill/Redevelopment/Underutilized Land Allocation Assumption | | | |
| Retail | 65% | 55% | 45% |
| Services | 60% | 50% | 40% |
| Industrial/Other | 40% | 35% | 30% |
| Jobs Allotted to Refill/Redevelopment/Underutilized Lands | | | |
| Retail | 3,466 | 2,933 | 2,400 |
| Services | 2,594 | 2,162 | 1,729 |
| Industrial/Other | 4,170 | 3,649 | 3,128 |
| Total Non-farm Payroll | 10,230 | 8,743 | 7,257 |
| Jobs Allotted to Vacant Lands | | | |
| Retail | 1,867 | 2,400 | 2,933 |
| Services | 1,729 | 2,162 | 2,594 |
| Industrial/Other | 6,255 | 6,776 | 7,298 |
| Total Non-farm Payroll | 9,851 | 11,338 | 12,824 |
| Vacant Land Needs Factors (SF Per Job) 2/ | | | |
| Retail | 450 | 475 | 500 |
| Services | 300 | 325 | 350 |
| Industrial/Other | 750 | 800 | 850 |
| Vacant Land Needs Factors (Floor Area Ratio) 2/ | | | |
| Retail | 0.45 | 0.4 | 0.35 |
| Services | 0.45 | 0.4 | 0.35 |
| Industrial/Other | 0.28 | 0.26 | 0.24 |
| Vacant Land Needs by Sector (Net) | | | |
| Retail | 43 | 65 | 96 |
| Services | 26 | 40 | 60 |
| Industrial/Other | 385 | 479 | 593 |
| Total | 454 | 584 | 749 |

Notes:

1/ All employment forecasts are based on MetroScope allocations, July 2005.

2/ Derived from Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.

Table A2. Net Redevelopment Land Needs, Wilsonville UGB, 20-Year Demand

| | Efficient Land Need Scenario | Medium Land Need Scenario | High Land Need Scenario |
|---|---|--|--|
| Employment Growth Forecast 1/ | | | |
| Retail | 5,333 | 5,333 | 5,333 |
| Services | 4,323 | 4,323 | 4,323 |
| Industrial/Other | 10,425 | 10,425 | 10,425 |
| Total Nonfarm Payroll | 20,081 | 20,081 | 20,081 |
| Refill/Redevelopment/Underutilized Land Allocation Assumption | | | |
| Retail | 65% | 55% | 45% |
| Services | 60% | 50% | 40% |
| Industrial/Other | 40% | 35% | 30% |
| Jobs Allotted to Refill/Redevelopment/Underutilized Lands | | | |
| Retail | 3,466 | 2,933 | 2,400 |
| Services | 2,594 | 2,162 | 1,729 |
| Industrial/Other | 4,170 | 3,649 | 3,128 |
| Total Nonfarm Payroll | 10,230 | 8,743 | 7,257 |
| Percent of Refill/Redevelopment Jobs Allotted to Refill | | | |
| Retail | 40% | 35% | 30% |
| Services | 40% | 35% | 30% |
| Industrial/Other | 40% | 35% | 30% |
| Percent of Refill/Redevelopment Jobs Allotted to Redevelopment/Underutilized Parcels | | | |
| Retail | 60% | 65% | 70% |
| Services | 60% | 65% | 70% |
| Industrial/Other | 60% | 65% | 70% |
| Jobs Allotted to Redevelopment/Underutilized Lands | | | |
| Retail | 2,080 | 1,907 | 1,680 |
| Services | 1,556 | 1,405 | 1,210 |
| Industrial/Other | 2,502 | 2,372 | 2,189 |
| Total Nonfarm Payroll | 6,138 | 5,683 | 5,080 |
| Redevelopment Land Needs Factors (SF Per Job) 2/ | | | |
| Retail | 450 | 475 | 500 |
| Services | 300 | 325 | 350 |
| Industrial/Other | 750 | 800 | 850 |
| Redevelopment Land Needs Factors (Floor Area Ratio) 2/ | | | |
| Retail | 0.45 | 0.4 | 0.35 |
| Services | 0.45 | 0.4 | 0.35 |
| Industrial/Other | 0.28 | 0.26 | 0.24 |
| Redevelopment Land Needs by Sector (Net) | | | |
| Retail | 48 | 52 | 55 |
| Services | 24 | 26 | 28 |

| | | | |
|------------------|------------|------------|------------|
| Industrial/Other | 154 | 168 | 178 |
| Total | 225 | 246 | 261 |

Notes:

1/ All employment forecasts are based on Metroscope allocations, July 2005.

2/ Derived from Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.

Appendix B
Metro Regional Land Need Forecast by Parcel Size

Metro has also identified 20-year land needs for the tri-county Metro region in their Urban Growth Report for commercial and industrial land uses. As shown in **Table B-1**, almost all of the net new commercial land needs forecasted by Metro are expected to be in the small (less than 1 acre) lot size, as larger lots are subdivided for smaller commercial developments.

Metro forecasts a wider range in industrial land needs, with 81% of the land demand being in the small (less than one acre) parcel size, 13% in the 1-4 acre parcel size, 5% in the 5-9 acre size category, and 2% in the 10-25 acre size category. Metro also forecasts the need for nine large industrial parcels in the 50+ acre category.

Table B-1. Portland Metro Region Land Needs, 2002-2022* (Tri-County Metro Region)

| | Acres | Tax Lots | Number of Tax Lots by Size | | | | | |
|--------------------------------------|-------|-------------|----------------------------|------------------|------------------|--------------------|-----------------|---------------|
| | | | <1 acre lots | 1 to 4 acre lots | 5 to 9 acre lots | 10 to 25 acre lots | 25-49 acre lots | 50+ acre lots |
| Commercial Land | | | | | | | | |
| All Parcels/Acres | -759 | 1,828 | 2,658 | -659 | -121 | -41 | -7 | -2 |
| <i>Distribution of New Land Need</i> | | 100% | 100% | 0% | 0% | 0% | 0% | 0% |
| Industrial Land | | | | | | | | |
| All Parcels/Acres | 5,293 | 3,095 | 2,503 | 389 | 144 | 57 | -7 | 9 |
| <i>Distribution of New Land Need</i> | | 100% | 81% | 13% | 5% | 2% | 0% | 0.3% |

* Source: Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.

Appendix C
Wilsonville's existing 5-Year Vacant Land Inventory by Parcel Size

**Table C1 Summary of Vacant Commercial Land within Wilsonville City Limits
Existing Near-term (5 Year) Land Supply**

| | All Vacant Tax Lots | Tax Lot Size Distribution (buildable acres) | | | | | | |
|------------------------------------|---------------------|---|-----------|-----------|----------|----------|----------|----------|
| | | < 1 | 1 to 5 | 5 to 10 | 10 to 20 | 10 to 20 | 20 to 30 | 30 to 40 |
| Commercial* | | | | | | | | |
| Tax Lots | 33 | 16 | 14 | 3 | 0 | 0 | 0 | 0 |
| Gross Acres | 59 | 9 | 31 | 19 | 0 | 0 | 0 | 0 |
| Buildable Acres** | 56 | 7 | 31 | 19 | 0 | 0 | 0 | 0 |
| Constrained Tax Lots | | | | | | | | |
| Public Ownership | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Constrained Acres | | | | | | | | |
| Public Ownership | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Available Short Term Supply | | | | | | | | |
| Tax Lots | 33 | 16 | 14 | 3 | 0 | 0 | 0 | 0 |
| Adjusted Buildable Acres** | 56 | 7 | 31 | 19 | 0 | 0 | 0 | 0 |

* Fred Meyer currently owns 11 separate vacant parcels with a total of 16+/- acres (land banking). Parcels counted in transportation constrained category.

** Excludes land constrained by city as designated "significant resource overlay zones" except for 10% of land in "large lot exception" areas. Includes 18 tax lots (44 acres) south of Boeckman Road, that are pending a South Wilsonville interchange "concurrency determination" by ODOT and the City.

Source: City of Wilsonville, GIS Analysis, Winter/Spring 2007, prepared by Otak, Inc.

**Table C2 Summary of Vacant Industrial Land within Wilsonville City Limits
Existing Near-term (5-Year) Land Supply**

| | All Vacant Tax Lots | Tax Lot Size Distribution (buildable acres) | | | | | | |
|------------------------------------|------------------------------|--|-----------|------------|-------------|-------------|-------------|-------------|
| | | < 1 | 1 to 5 | 5 to 10 | 10 to 20 | 10 to 20 | 20 to 30 | 30 to 40 |
| Industrial | | | | | | | | |
| Tax Lots | 42 | 13 | 16 | 6 | 0 | 4 | 0 | 3 |
| Gross Acres | 358 | 22 | 109 | 48 | 0 | 62 | 0 | 117 |
| Buildable Acres** | 215 | 7 | 44 | 41 | 0 | 48 | 0 | 74 |
| Constrained Tax Lots | | | | | | | | |
| Public Ownership | 8 | 3 | 3 | 2 | 0 | 0 | 0 | 0 |
| Constrained Acres | | | | | | | | |
| Public Ownership | 24 | 2 | 11 | 11 | 0 | 0 | 0 | 0 |
| Available Short Term Supply | | | | | | | | |
| Tax Lots | 34 | 10 | 13 | 4 | 0 | 4 | 0 | 3 |
| Adjusted Buildable Acres* | 191 | 6 | 33 | 30 | 0 | 48 | 0 | 74 |

* Excludes land constrained by city as designated "significant resource overlay zones" except for 10% of land in "large lot exception" areas. Includes 28 tax lots (47 acres) south of Boeckman Road, that are pending a South Wilsonville interchange "concurrency determination" by ODOT and the City.

Source: City of Wilsonville, GIS Analysis, Winter/Spring 2007, prepared by Otak, Inc.

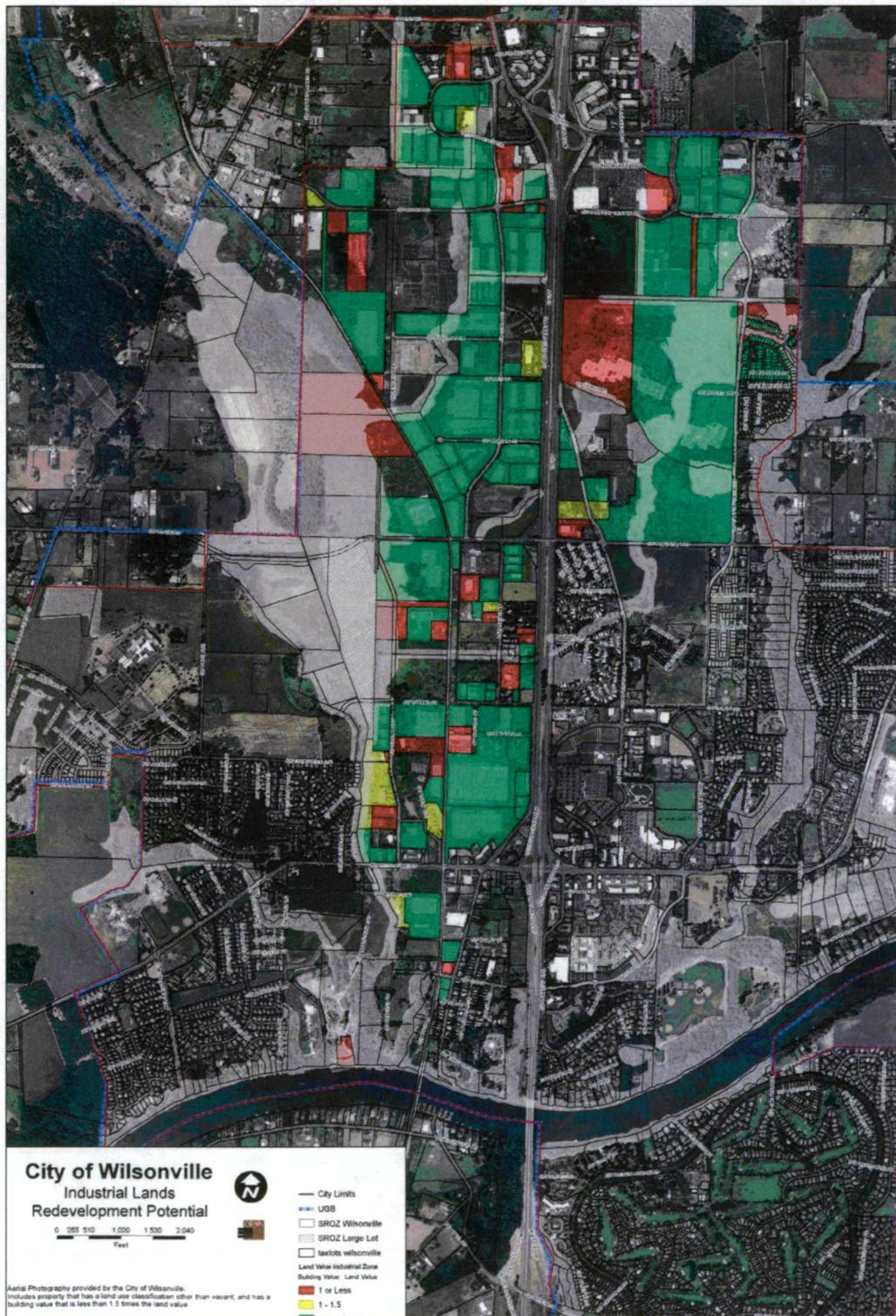
Appendix D Wilsonville Commercial and Industrial Vacant Land Map



Appendix E1 Commercial Redevelopment and Underutilized (Partially Vacant) Land Map



Appendix E2 Industrial Redevelopment and Underutilized (Partially Vacant) Land Map



Appendix G
Analysis of Retail Development Potential
Wilsonville UGB
2007 - 2027

| | |
|--|--------------------|
| Est. 2007 Population | 17,475 |
| Proj. 2027 Population | 30,850 |
| Analysis of Effective Buying Income (EBI) | |
| Est. 2007 Per Capita EBI 1/ | \$37,732 |
| Proj. 2027 Per Capita EBI 1/ | \$41,690 |
| Est. 2007 Aggregate EBI (000) | \$659,385 |
| Proj. 2027 Aggregate EBI (000) | <u>\$1,286,122</u> |
| Change in Aggregate EBI (000) | \$626,737 |

| Store Group | Analysis of Existing & Future Retail Sales | | | | Future 2027 Supportable Retail Development Potential | | | | |
|---|--|---|---|-------------------------------------|--|--|--------------------------------------|---|--|
| | Distribution of Local Income by Store Group 2/ | 2007 Retail Buying Power from City Residents (000) 2/ | 2027 Retail Buying Power from City Residents (000) 2/ | Change in Retail Buying Power (000) | Sales Attributed to Local Residents (000) | Sales Attributed to Retail Inflow (000) 4/ | Total Supportable Retail Sales (000) | Supportable Sq.Ft. of New Retail Development 5/ | Supportable Acres of New Retail Development 5/ |
| Food Stores | 8.3% | \$54,729 | \$106,748 | \$52,019 | \$46,817 | \$11,704 | \$58,522 | 190,000 | 11 |
| Eating & Drinking | 5.0% | \$32,969 | \$64,306 | \$31,337 | \$28,203 | \$7,051 | \$35,254 | 114,000 | 7 |
| Gen. Merchandise Furniture, Fixtures & Appliances | 5.5% | \$36,266 | \$70,737 | \$34,471 | \$31,023 | \$31,023 | \$62,047 | 201,000 | 12 |
| Automotive Services | 2.2% | \$14,506 | \$28,295 | \$13,788 | \$12,409 | \$12,409 | \$24,819 | 80,000 | 5 |
| Other/Miscellaneous | 9.6% | \$63,301 | \$123,468 | \$60,167 | \$48,133 | \$12,033 | \$60,167 | 195,000 | 11 |
| | 11.3% | \$74,511 | \$145,332 | \$70,821 | \$49,575 | \$12,394 | \$61,969 | 201,000 | 12 |
| Total | 41.9% | \$276,282 | \$538,885 | \$262,603 | \$216,162 | \$86,615 | \$302,777 | 981,000 | 56 |

Notes:

1/ Derived from Metro, PSU, and US Census estimates, and Sales & Marketing Management, Survey of Buying Power; assumes .05% annual real income growth.

2/ Store group sales allocations from U.S. Bureau of Economic Analysis, Consumer Expenditure Survey, Western United States.

3/ Based upon employment estimates: assumes 500 sq.ft. per job, 5% vacancy allowance, and avg. sales of \$325/sq.ft.

4/ Future retail inflow assumed to account for 20% to 50%, depending upon store group.

5/ Building area assumes \$325/per sq. ft. annual sales, 0.4 FAR, and 5% vacancy allowance.

Source: tabulated by Otak, Inc based on the above mentioned data sources and assumptions.