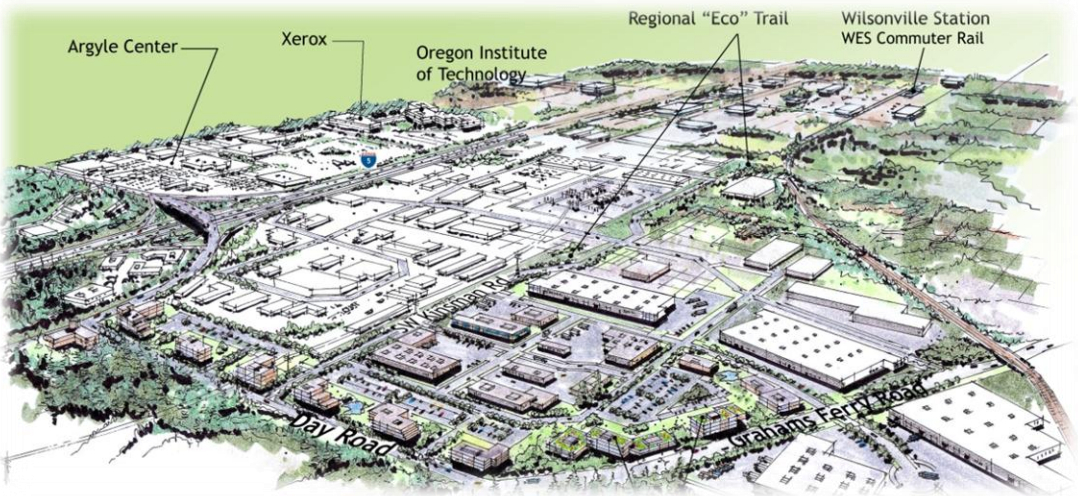


Final Draft ECONOMIC OPPORTUNITIES ANALYSIS (EOA) UPDATE



July 2012

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SECTION I: INTRODUCTION

The Wilsonville Economic Opportunities Analysis (EOA) provides a basis for the City of Wilsonville (City) to document current trends and adopt local policies and actions for the future. The overall intent of this 2012 EOA update and the local Economic Development Strategy is to refine the city’s economic vision and development objectives in a manner that optimizes desired short- and long-term development for Wilsonville’s citizens, workers, employers and visitors.

A. EOA REQUIREMENTS

The City of Wilsonville’s current EOA was prepared in 2007 and adopted in early 2008, and remains in effect for compliance with Oregon Statewide Planning Goal 9. The 2008 EOA was based on market trends and statistics (population and job growth projections, market demands, land supply, etc.) that existed prior to the recent “Great Recession.” The City Council initiated this 2012 EOA update in recognition that national and regional economic environments have dramatically changed, and local economic conditions are being impacted by major business closures (Joe’s Sporting Goods, Hollywood Video, etc.) and reductions in vacant land from new developments (Fred Meyer and Old Town Square, Coca Cola bottling plant, Mentor Graphics data center, etc.).

This EOA update provides Wilsonville with the opportunity to address the requirements of Goal 9 (Economic Development, Oregon Administrative Rules [OAR] 660-009) that mandates cities periodically review and update the following:

- ◆ Local vision for strengthening local economies through the adoption of local economic policies that include community economic development objectives (CEDOs).
- ◆ Local urban growth requirements (land needs) for providing adequate land needed to accommodate 20-year employment growth forecasts.

More specifically, this EOA includes an analysis of the following:

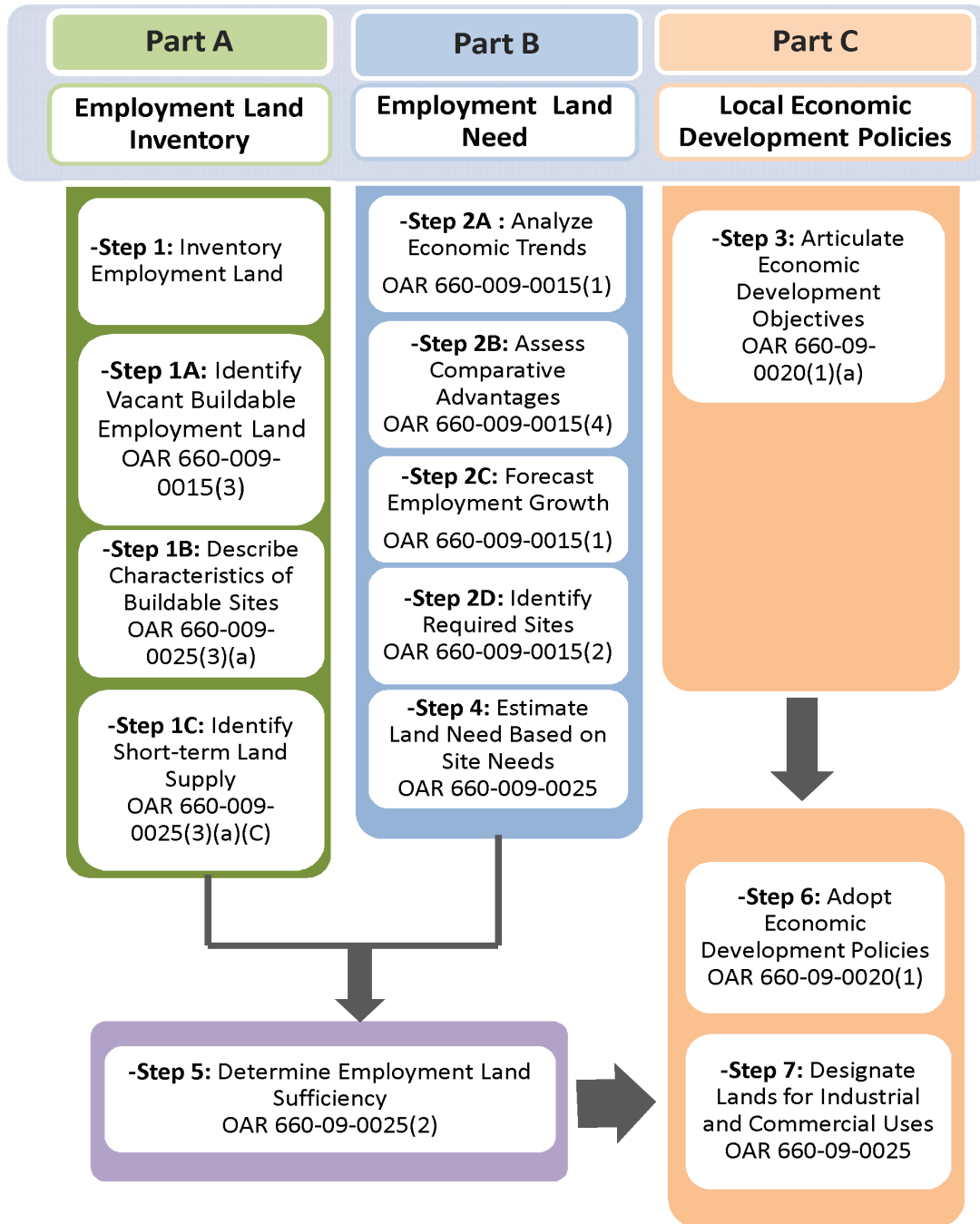
- A current analysis of vacant and part-vacant buildable lands zoned or planned to accommodate job growth;
- Adjustments to land needs that take into account current vacant building floor area;
- Analysis of long-term growth trends using Metro’s latest growth forecasts;
- Current evaluation of emerging market trends;
- Summary of potential economic development policies and actions that should be considered as the City prepares a more detailed Economic Development Strategy (now underway).

B. METHODOLOGY AND APPROACH

Exhibit 1 illustrates the technical and political approach used for the Wilsonville EOA and related steps. This approach adheres to the Department of Land Conservation and Development (DLCD)

Goal 9 administrative rule, and the supporting OAR 660 guidance, and other supporting guidance provided by the *DLCD Industrial & Other Employment Lands Analysis Guidebook (2005)*, and the *Economic Development and Employment Land Planning Guidebook (July 2010)*.

Exhibit 1. Wilsonville EOA Methodology and Approach



SECTION II: BUILDABLE LAND ANALYSIS

Wilsonville planning and GIS staff members provided an inventory and evaluation of the existing supply of vacant and part-vacant buildable employment zoned land within the Wilsonville city limits and surrounding unincorporated portions of Washington County and Clackamas County. In accordance with OAR 660-009-0015(3) and OAR 660-009-0025(3)(a)(C), the Wilsonville EOA includes a current buildable land inventory with current land use development characteristics.

Appendix A contains a map of the current vacant and part-vacant land inventory within the City of Wilsonville.

A. BUILDABLE LAND INVENTORY (BLI) METHODOLOGY

The buildable land inventory (BLI) analysis focused on the land use classifications that support employment uses, including commercial, employment, industrial, and mixed-use zones. The subsequent BLI analysis includes the zone classifications listed in **Exhibit 2**, and the EOA includes an aggregate analysis of land needs for three general land use classifications: commercial, employment/mixed-use, and industrial/institutional/other.

Exhibit 2. Existing Employment Zone Classifications in Wilsonville Area

Zoning Classification	General Classification Assignment
V – Village Commercial	Commercial (retail/office)
PDCTC – Planned Commercial Town Center	Commercial (retail/office)
PDC – Planned Commercial	Commercial (retail/office)
PDI – Planned Industrial Development	Industrial
RAHI – Rural Area Holding – Industrial	Industrial

The BLI analysis includes existing vacant and part vacant (sub-dividable) tax lots with adjustments made to deduct any current building and related parking development. The GIS analysis contains all significant environmental constraints to estimate buildable land area within the Wilsonville area. The buildable land area was derived by deducting environmental features that would constrain the amount of potential site development on vacant and part vacant areas. This analysis calculated the environmental constraints for each site using estimates based on the following:

- ◆ Environmentally constrained areas (waterways, wetlands, riparian buffers);
- ◆ Slopes over 10 percent for industrial zones;
- ◆ Slopes over 25 percent for other land use zones; and
- ◆ Other known site development constraints identified by City or Others (i.e., market pricing constraints and lack of road, water or sewer infrastructure).
- ◆ Existing buildings and parking areas were removed from the part-vacant land inventory (and only sites with over 0.5 acres in net buildable land areas are reflected as part-vacant lands.

The City’s community development and public works staff conducted an additional infrastructure analysis to ascertain known infrastructure conditions and related capacity constraints (if any) to providing adequate transportation, water, sewer, and stormwater requirements associated with future development. In accordance with OAR 660-009-025(3)(a)(C), City staff also provided estimated time frames and preliminary capital cost estimates for planned infrastructure improvements.

B. LONG-TERM EMPLOYMENT LAND INVENTORY

The existing vacant and part vacant land inventory for Wilsonville includes 53 tax lots with a total buildable land area of 194.7 buildable acres, as indicated in **Exhibit 3**. The City’s vacant land supply consists of 10 very small (less than 1 acre) tax lots, and 21 tax lots between 1 to 5 acres in size. The larger tax lots include 10 lots between 5 to 10 acres (66.2 acres total) and 2 tax lots over 10 acres in size (60.3 acres total). All of the land area within the City of Wilsonville is considered to be “development ready” with the exception of the 32-acre Elligsen parcel, which may be subject to market pricing constraints (where the owner is reported to be asking a land sales price that is higher than what the RAHI zone would likely support for many years).¹

Exhibit 3. Existing Vacant and Part-Vacant Lands by Parcel Size and General Zone Classification, Within City of Wilsonville

General Land Use Classification	0.5 to 1 acre		1 to 2 acres		2 to 5 acres		5 to 10 acres		10 or more acres		Total Gross Buildable	
	Tax lots	acres	Tax lots	acres	Tax lots	acres	Tax lots	acres	Tax lots	acres	Tax lots	acres
Commercial (V, PDCTC, PDC)	5	3.4	6	7.6	4	11.6	1	6.7	0	0	16	29.3
Industrial (PDI, RAHI)	5	3.5	13	16.7	8	24.9	9	59.5	2	60.8	37	165.4
Total	10	7.7	19	24.3	12	36.5	10	66.2	2	60.8	53	194.7

Source: City of Wilsonville estimates as of April 4, 2012.

In addition to the land area inside the City of Wilsonville, the City plans to provide urban services to the Coffee Creek Master Plan Area (located adjacent to the NW portion of the city), as well as a large portion of the Basalt Creek Plan Area (located north of the Coffee Creek Master Plan Area).

According to the Coffee Creek Master Plan and a follow-up study conducted by FCS GROUP and city staff, the Coffee Creek Master Plan Area contains approximately 187 gross acres of land area (174 net acres), of which 52 acres are considered buildable within the short-term (1-4 years) and 134.8 acres is deemed to be in the long-term (5-20 year land supply) category, based on the general timing and expectation for providing adequate public infrastructure (roads, water, sewer, and storm water facilities).

Preliminary estimates by Metro indicate that the southern portion of the Basalt Creek Plan Area contains approximately 349 acres, and is to be planned to accommodate a mix of employment and housing development over the long-term (4-20 year land supply). The concept plan for the Basalt Creek Plan Area is likely to be conducted over the next few years. Once complete, the concept plan will provide better estimates of potential buildable acres, development/land uses, and the public infrastructure facilities and costs required to serve this area.

¹ This conclusion is based on findings presented in a draft report titled *Regional Industrial Lands Inventory Findings*, October 27, 2011, prepared by Group McKenzie et. al.

C. SHORT-TERM EMPLOYMENT LAND INVENTORY

In addition to the long-term land supply, OAR 660-009-0005 also requires the identification of a short-term supply of land that is ready for construction within one year of an application of a building permit or request for a service extension.” OAR 660-009-0025 also requires that cities must provide “at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.”

This EOA considers all vacant land to be within the “short-term” land inventory if: adequate public facilities are currently in place or are adjacent to a site; or the site can be annexed and provided within adequate public facilities within 4 years (by end of year 2016); and no other development constraints are known to exist.

In Wilsonville’s case, all of the land supply currently included within the City limits, with the possible exception of the 32-acre “Elligsen parcel” is considered to be within the short-term supply category. Therefore, the City has existing roads, water, sewer, and other infrastructure facilities appropriately sized to handle about 133 acres of industrial development, and 29 acres of commercial (retail and office) development on the vacant (and part vacant) tax lots in Wilsonville, excluding the Elligsen parcel and the adjacent Coffee Creek Mater Plan Area (which likely has about 52 acres of land area that could be utilized for industrial development within 4 years if adequate public infrastructure is provided).

With approximately 162 vacant unconstrained acres of buildable industrial, employment, and commercial land area in the City, the commercial and industrial properties clearly meet the statutory requirements for short-term land supply. However, the fact that over 42% of Wilsonville’s remaining unconstrained land supply is contained in tax lots smaller than 5 acres, there may be limited opportunities for major industrial employers to locate into Wilsonville in the future.

In addition to documenting existing vacant and buildable land area within the Wilsonville area, the City also considered the development potential within the adjacent Coffee Creek Master Plan Area. This area contains approximately 174 developable acres of industrial land area, and is expected to accommodate about 1,800 jobs at build-out. A preliminary phasing plan for the Coffee Creek Master Plan Area includes approximately 50+/- acres of land area that could be served with adequate public facilities over the next 4 years.²

² *Analysis of Coffee Creek land supply based on City of Wilsonville public works staff estimates of land area contained in phases 1A, 1B, and 1C of the Coffee Creek Master Plan Area, as documented in the Coffee Creek Funding and Marketing Plan Memorandum from FCS GROUP to City of Wilsonville, dated April 5, 2011.*

SECTION III: EMPLOYMENT TRENDS

This section includes an analysis of economic trends and local competitive advantages to prepare employment growth forecasts for the Wilsonville city limits in accordance with OAR 660-009-0015(1-4). Local economic development visions, goals, and objectives were also considered in this process to inform the growth forecast scenarios.

A. EMPLOYMENT TRENDS ANALYSIS

FCS GROUP conducted an economic overview and real estate market analysis of office, commercial retail, industrial, and public government space development for the Wilsonville area. This analysis focused on the expected level of demand for new commercial, industrial, and public development, and related gross buildable land needs over the next 20 years (2012 to 2032).

The U.S. and Oregon economy are currently recovering from an 18-month economic recession that began in December 2007 and officially ended in June 2008, according to the National Bureau of Economic Research. The recent “Great Recession” is the longest on record since 1939 and has resulted in an economic slowdown across the U.S.

As of 2012, moderate economic expansion is occurring nationally and in Oregon. According to the U.S. Bureau of Economic Analysis, real Gross Domestic Product (GDP is the measure of the value of all goods and services produced annually) increased in 2011 at an annual rate of 1.7%; and increased at an annual rate of 3.0% in 2010.

The future GDP outlook is more promising. According to January 2012 projections by the Federal Reserve Bank, national GDP is expected to grow by over 2.2% in 2012, and by over 2.8% in 2013 and 2014. A comparison of GDP and Consumer Price Index (CPI) trends and a 2013 forecast for global developing and developed counties is provided in **Exhibit 4**.

Oregon’s economic growth is tempered by relatively high rates of unemployment and under-employment. Oregon posted a year-over-year overall job gain of 17,800 between December 2010 and December 2011. At the same time, the state’s seasonally adjusted unemployment rate fell from 10.6% in December 2010 to 8.9% in December 2011 (compared to 8.5% for the U.S.). Overall unemployment rates the greater Portland Region have been higher than the state average with 9.9% unemployment in December 2011, which was more favorable than 11.8% recorded one year prior. It should be noted that Oregon is also experiencing a high level of “under-employment” which is not reflected in these data trends. Fortunately, it appears that the Oregon and the Portland MSA economies are now undergoing a slow economic recovery.

Exhibit 4. GDP and CPI Comparisons, Year-over-Year Change

	GDP			CPI		
	2011	2012	2013	2011	2012	2013
Global (PPP weights)	3.5%	3.2%	3.7%	5.4%	4.2%	4.1%
Global (Market Exchange Rates)	2.4%	2.0%	2.5%	n/a	n/a	n/a
Advanced Economies ¹	1.5%	1.5%	2.1%	2.9%	1.7%	1.5%
United States	1.7%	2.0%	1.9%	3.2%	2.0%	2.0%
Eurozone	1.5%	-0.1%	1.8%	2.7%	1.7%	1.2%
United Kingdom	0.9%	0.8%	1.7%	4.5%	2.1%	1.6%
Japan	-0.2%	2.0%	1.5%	-0.2%	-0.1%	0.1%
Korea	3.6%	3.7%	3.7%	4.0%	3.4%	3.1%
Canada	2.3%	2.3%	3.0%	2.9%	2.2%	2.1%
Developing Economies ¹	5.9%	5.3%	5.7%	8.3%	7.0%	7.1%
China	9.2%	8.2%	8.6%	5.5%	3.6%	3.7%
India	7.3%	7.1%	7.7%	9.0%	7.7%	7.9%
Mexico	4.1%	4.3%	4.5%	3.3%	4.9%	5.3%
Brazil	3.0%	3.3%	4.0%	6.6%	5.5%	5.2%
Russia	4.1%	3.2%	3.0%	8.6%	6.7%	6.6%

Forecast as of: December 7, 2011

¹Aggregated Using PPP Weights

Source: Wells Fargo Bank.

In Oregon, state economists are predicting a continued upturn in the short term, although the Oregon Office of Economic Analysis calls it “a relatively ‘jobless’ recovery” with employment growing slowly at about 2.0 percent in 2012. The Oregon economy should experience more rapid growth than the nation as a whole, but this is not expected to generate a corresponding rise in per capita personal income before 2017, since any income gains will be largely offset by increases in the state population.

Population levels continue to increase in both Oregon and Wilsonville due to population migration patterns, increases in immigrant population levels, and natural population increases. Population in Wilsonville increased to 19,509 residents in 2010, up from 13,991 residents in 2000 (U.S. Census). The average annual growth rate (AAGR) for population exceeded that of the county, state, or nation with a 3.4 percent average annual growth between 2000 and 2010 (see **Exhibit 5**).

For comparison, the population of the Portland-Beaverton-Vancouver Primary Metropolitan Statistical Area (PMSA) increased from 1,928,000 to 2,185,000 between 2000 and 2008, a 1.58 percent annual growth rate. According to Metro, the regional government, PMSA population is forecast to add between 346,500 and 467,300 people over the next 10 years.³

³ The Portland-Beaverton-Vancouver Primary Metropolitan Statistical Area (PMSA) consists of seven counties, including: Clackamas, Columbia, Multnomah, Washington and Yamhill (Oregon), and Clark and Skamania Counties (Washington).

Exhibit 5. Population Estimates, 2000 and 2010

Area	April 1, 2000	April 1, 2010	Compound Annual Growth Rate
Wilsonville			
Population	13,991	19,509	3.4%
Occupied housing units	5,891	7,859	2.9%
Average household size	2.4	2.5	0.4%
Clackamas County			
Population	338,391	375,992	1.1%
Occupied housing units	127,054	145,790	1.4%
Average household size	2.7	2.6	-0.3%
Washington County			
Population	445,342	529,710	1.8%
Occupied housing units	168,100	200,934	1.8%
Average household size	2.6	2.6	0.0%
Oregon			
Population	3,421,399	3,831,074	1.1%
Occupied housing units	1,333,723	1,518,938	1.3%
Average household size	2.6	2.5	-0.2%
U. S. A.			
Population	281,421,906	308,745,538	0.9%
Occupied housing units	105,480,101	116,716,292	1.0%
Average household size	2.7	2.6	-0.1%

Source: U.S. Census Bureau.

Employment levels (as measured by workers covered by unemployment insurance) within the City of Wilsonville increased measurably between 2002 and 2006 then dipped slightly. As of 2010, the Oregon Employment Department estimated that there were 18,478 “covered workers” in Wilsonville down from 19,935 workers in 2006. **While the number of “industrial” jobs in Wilsonville declined over the 2002 to 2010 time frame, jobs in other sectors, particularly retail and services, have been increasing in recent years** (see Exhibit 6).

Exhibit 6. Employment Trends, City of Wilsonville, 2002 to 2010

Employment Classification	2002	2006	2010	2002 to 2010 change	
				Number	Percent
Retail/Commercial	2,201	4,648	2,440	239	11%
Services	5,347	4,447	6,065	718	13%
Industrial	9,265	9,288	8,789	(476)	-5%
Government/Education	541	1,552	1,184	643	119%
Total	17,354	19,935	18,478	1,124	6%

Source: Oregon Employment Dept., Quarterly Covered Employment and Wages statistics.

At the end of 2010, the top private employers in Wilsonville included several large high tech companies (e.g., Xerox, Mentor Graphics, Tyco Electronics, Rockwell Collins, FLIR Systems), as well wholesale trade companies (Sysco) and health services companies (Infinity Rehab and

Avamere). As indicated in **Exhibit 7**, there have been several recent developments that have positively and negatively impacted job growth in the City of Wilsonville, which are discussed in Section III-C.

Exhibit7. Top Employers in Wilsonville, 2010

Employer	Industry Based on 3-Digit NAICS	Employees
Xerox Corporation	Computer and electronic product manufacturing	1,001-2,000
Mentor Graphics	Professional, scientific, and technical services	1,001-2,000
Coffee Creek Correctional Facility	Justice, public order, and safety activities	501-1,000
Tyco Electronics Corporation	Computer and electronic product manufacturing	501-1,000
Sysco	Merchant wholesalers, nondurable goods	501-1,000
Rockwell Collins Aerospace	Computer and electronic product manufacturing	251-500
Infinity Rehab	Ambulatory health care services	251-500
Flir Systems, Inc.	Computer and electronic product manufacturing	251-500
Avamere	Ambulatory health care services	251-500

Source: Oregon Employment Department.

Given the presence of Xerox, Mentor Graphics and other high tech firms, the top industry sectors (sorted by 3-digit North American Industrial Classification) in Wilsonville include: computer product manufacturing; and professional, scientific and technical services. Wholesale trade makes up the next leading sector, followed by health services, specialty trade contractors, and food services. As indicated in **Exhibit 8**, other leading sectors in Wilsonville include: administrative and support services; justice and public order (includes Coffee Creek Correctional Facility); and educational services (dominated by local public school district employees).

Exhibit8. Top Industry Sector Classifications in Wilsonville, 2010

3-Digit NAICS	Industry	Employees
334	Computer and electronic product manufacturing	2,914
541	Professional, scientific, and technical services	1,525
424	Merchant wholesalers, nondurable goods	1,125
423	Merchant wholesalers, durable goods	1,106
621	Ambulatory health care services	845
238	Specialty trade contractors	795
722	Food services and drinking places	772
561	Administrative and support services	748
922	Justice, public order, and safety activities	541
611	Educational services	512

Source: Oregon Employment Department.

Current employment estimates for Wilsonville were derived using the December 2010 Quarterly Census of Employment and Wage (QCEW) estimates by the Oregon Employment Department combined with Metro estimates of employment for areas immediately adjacent to the City. Current 2012 employment estimates were derived based on trends in growth for employment sectors in Washington and Clackamas counties between December 2010 and January 2012. FCS GROUP applied these growth rates to 2010 job estimates and adjusted the estimates to account for recent developments, including the Old Town Center to reflect local trends. As indicated in **Exhibit 9**, it is estimated that there were approximately 19,123 jobs in Wilsonville as of January 2012. Most of the job growth since 2010 has been in the retail/commercial and industrial sectors.

Exhibit 9. Estimated Employment in Wilsonville, January 2012

General Job Classification	2010 Est. by Metro ¹	2010 Est. by Oregon Emp. Dept. ²	2010-2012 Est. Change in Jobs ³	2012 Estimate ³
Retail/Commercial	2,489	2,440	265	2,705
Service/Office	6,105	6,065	122	6,187
Industrial	8,847	8,789	266	9,055
Government/Education	1,192	1,184	(8)	1,176
Total	18,632	18,478	645	19,123

Notes:

¹ Estimate derived from Metro gamma forecast with allocations among job classifications based on Oregon Emp. Dept. covered workforce estimates for Wilsonville.

² Estimate based on QCEW statistics provided by Oregon Employment Department.

³ Estimate derived from changes in current employment statistics for WA and Clackamas Counties between Dec. 2010 and Jan. 2012.

B. WILSONVILLE EMPLOYMENT GROWTH FORECASTS

Metro prepares forecasts for households and employment for all local jurisdictions in the Metro Urban Growth Planning Area. The most recently *adopted* Metro 2025 growth forecast (referred to as the Metroscope Generation 2.3 model), included a forecast period from 2005 to 2025. Those forecasts were used as a basis for the current 2008 Wilsonville EOA.

This 2012 EOA update utilizes the preliminary Metro “*gamma*” forecast for year 2025 (with year 2040 capacity forecasts). This Metro forecast is now being reviewed by local jurisdictions and is to be refined and adopted later this year by the Metro Council. As indicated in **Exhibit 10**, the current 2010 to 2025 Metro forecast anticipates that Wilsonville will add approximately 4,747 households and 9,105 jobs over the next 20-years. The Metro job growth forecast indicates that Wilsonville’s ratio of jobs to households will decline slightly from 2.11 jobs per household in 2010 to 2.04 by year 2025.

To assist the City of Wilsonville in evaluating the current Metro forecast, three employment growth forecast scenarios have been formulated for the Wilsonville EOA update:

- ◆ **Scenario A (Low Growth Scenario):** Assumes that the Metro 2025 job growth forecast will not be realized by year 2035 since the city may not have adequate funding to extend required public infrastructure (e.g., roads, water, and sewer main lines) to all portions of Coffee Creek and Basalt Creek planning areas for many years.
- ◆ **Scenario B (Medium Growth Scenario):** This scenario is generally consistent with the overall job growth forecast by Metro. The scenario job growth forecasts are consistent with Scenario A (low growth) for industrial and government/education sectors; and Scenario C (high growth) for retail and service sectors.
- ◆ **Scenario C (High Growth Scenario):** Assumes job growth is greater than the current Metro 2035 (extrapolated) growth forecast; and assumes build-out of Coffee Creek Master Plan area, and a portion of Basalt Creek Plan Area by year 2035.

Exhibit 10. Metro Household and Employment Forecast, 2010 to 2025

	2010 Metro Est.	2025 Metro Forecast	2010-2025 Change
Households			
Wilsonville City	7,407	9,190	1,783
Other City limits, East Emp. Area	557	582	25
Other City limits plus E. Coffee Ck.	18	18	0
Coffee Creek West	16	35	19
Basalt Creek Area	141	1,326	1,185
Other Adjacent Locations	711	2,446	1,735
Subtotal Wilsonville Area	8,850	13,597	4,747
Employment			
City of Wilsonville	11,296	16,869	5,573
Other City limits, East Emp. Area	3,999	4,455	456
Other City limits plus E. Coffee Ck.	1,778	2,822	1,044
Coffee Creek West	1,035	1,646	611
Basalt Creek Area	255	1,556	1,301
Other Adjacent Locations	269	389	120
Subtotal Wilsonville Area	18,632	27,737	9,105
Ratio of Jobs to Households			
Clackamas County	0.94	0.98	
Washington County	1.14	1.27	
Sub-region (2 counties)	1.06	1.15	
Wilsonville Area	2.11	2.04	

Source: preliminary MetroScope gamma forecast, February 2012.

The three job growth scenarios translate into net new employment growth forecasts over the 2012 to 2035 timeframe ranging from 8,614 jobs in the Low Growth Scenario; 10,669 jobs in the Medium Growth Scenario, and 13,398 jobs in the High Growth Scenario (see **Exhibit 11**).

Exhibit 11. Wilsonville Service Area Draft Employment Growth Forecasts, 2012 to 2035

General Job Classification	Low	Medium	High
Retail	554	958	958
Service/Office	3,038	4,688	4,688
Industrial	4,446	4,446	6,861
Government/Education	577	577	891
Total	8,614	10,669	13,398

Source: Low Forecast assumes Metro 2025 draft “gamma forecast” is realized by year 2035; High Forecast assumes growth assumes build-out of Wilsonville portion of Basalt Creek and Coffee Creek plan areas and other trends consistent with Metro “gamma forecast” assumptions; Medium Forecast is consistent with “High Forecast” for retail and service/office job growth, and assumes industrial and government/education growth consistent with the “Low Forecast.”

C. OPPORTUNITIES AND CONSTRAINTS ANALYSIS

Current market trends regarding retail, office and industrial tenant absorption levels, existing vacancy rates, retail inflow/outflow, and input from state and regional economic development organizations are important factors to consider when evaluating the ability to achieve the low, medium, and high growth employment forecasts.

C1. Industrial Market Considerations

According to *CoStar*, the Portland region recorded positive overall industrial absorption levels during 2011, as average vacancy rates continued downward since 2010. Net absorption for the 4th quarter of 2011 totaled 1,054,869 SF for the 4-county market region (includes portions of Washington, Multnomah, Clackamas and Clark counties). Average industrial rental rates ended the year at \$5.92, and increase over the prior quarter.

Industrial market activity within the I-5 Corridor was positive with an overall absorption of 761,540 SF during 2011, of which Wilsonville accounted for over half of that amount with 419,354 SF of net absorption. As indicated in **Exhibits 12 and 13**, industrial vacancy rates remained relatively high in Wilsonville at 14.4% with about 1.15 million SF of floor area on the market, and over 90,000 SF was delivered or under construction by year end. Recent industrial projects in Wilsonville include 3 new buildings within the Wilsonville Road Business Park.

Recent developments since 2008 also include expansion at Rockwell Collins, a new Coca-Cola Bottling Plant and Georgia Pacific lease of the 275,000 SF former Joe’s Warehouse. Mentor Graphics is also constructing a new North American Data Center.

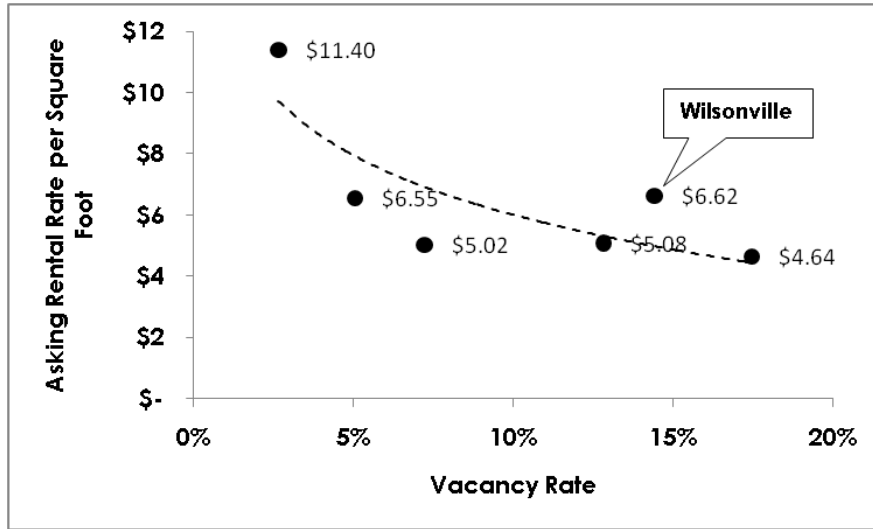
Wilsonville continues to attract new industrial tenants from around the region and the world. New tenants include SAM Medical Products (18 employees) and XZERES Wind Corporation (34 employees).

Exhibit 12. Industrial Market Activity in I-5 Corridor, 2011 (end of year)

Submarket	Rentable Area	Vacant Area	Vacancy Rate	2011 Net Absorption Area	Area Under Construction	Asking Rental Rate per Square Foot
Kruse Way	428,442	11,326	2.6%	-3,028	0	\$ 11.40
Lake Oswego/West Linn	1,206,869	154,686	12.8%	-6,798	0	\$ 5.08
Sherwood	1,512,830	264,054	17.5%	6,441	59,625	\$ 4.64
Tigard	6,686,720	336,856	5.0%	109,551	0	\$ 6.55
Tualatin	9,243,605	666,656	7.2%	236,020	165,400	\$ 5.02
Wilsonville	8,008,619	1,154,073	14.4%	419,354	90,798	\$ 6.62
	<u>27,087,085</u>	<u>2,587,651</u>	<u>9.6%</u>	<u>761,540</u>	<u>315,823</u>	

Sources: *CoStar Industrial Report, 2011, Portland Industrial Market*

Exhibit 13. Comparison of Industrial Lease and Vacancy Levels in I-5 Corridor, 2011 (end of year)



C2. Office Market Considerations

The office market in the Portland region also showed some improvement during 2011, after poor performance between 3rd quarter of 2008 and 2nd quarter of 2010. Average office vacant rates for the region fell to 10.4% at the end of 2011, and net absorption and rental rates increased over the preceding year.

As indicated in **Exhibits 14 and 15**, office market activity within the I-5 Corridor experienced a net absorption level of 126,687 SF during 2011, of which almost all was within the Wilsonville submarket. However, average vacancy rates within the I-5 Corridor remained relatively high at 17%, and Wilsonville was at 19.6% vacancy at year end.

Recent office development activity in Wilsonville included a new 2-level office building at 30485 SW Boones Ferry Road with 19,480 SF. Quoted rents at this new building are \$26.00 per SF, which is generally consistent with rent levels that support surface parking or a mix of surface and 2-level plaza parking configurations.⁴

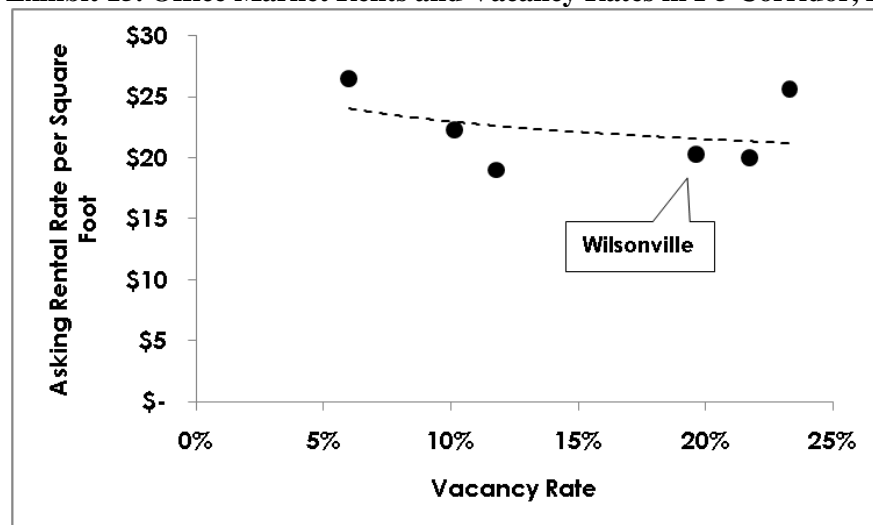
⁴ Development costs associated with 2-level parking plazas or above-ground parking structures are typically \$5,000 to \$15,000 higher per space than surface parking; and hence must generate about \$2.00 to \$6.50 more per square foot in annual rents to remain viable (or less with increases in building densities or reductions in parking demand).

Exhibit 14. Office Market Activity in I-5 Corridor, 2011 (end of year)

Submarket	Rentable Area	Vacant Area	Vacancy Rate	2011 Net Absorption Area	Area Under Construction	Asking Rental Rate per Square Foot
Kruse Way	2,757,943	642,991	23.3%	-72,464	0	\$ 25.62
Lake Oswego/West Linn	1,091,606	110,730	10.1%	13,859	0	\$ 22.30
Sherwood	158,223	9,485	6.0%	-35	20,594	\$ 26.48
Tigard	3,333,149	392,842	11.8%	65,210	11,500	\$ 19.00
Tualatin	1,238,607	269,236	21.7%	-3,654	24,000	\$ 20.01
Wilsonville	1,130,249	222,058	19.6%	123,771	19,480	\$ 20.31
	<u>9,709,777</u>	<u>1,647,342</u>	<u>17.0%</u>	<u>126,687</u>	<u>75,574</u>	

Sources: CoStar Office Report, 2011, Portland Office Market

Exhibit 15. Office Market Rents and Vacancy Rates in I-5 Corridor, 2011 (end of year)



C3. Retail Market Considerations

Wilsonville experienced significant retail growth during 2010 with the grand opening of the \$70 million, 262,000 SF Fred Meyer Old Town Square. This includes a new 145,000 SF Fred Meyer and 117,000 SF in other stores and mixed-use retail/multifamily housing. The commercial component is now almost 100% occupied (within 6 months of opening) and added approximately 350-400 permanent jobs (full and part-time jobs) and over 500 temporary construction-related jobs.

Prior to construction of the Fred Meyer Old Town Square, an analysis of retail sales inflow/outflow conditions within the City of Wilsonville, indicated that approximately 49% of the total retail sales in Wilsonville are derived from sales inflow (people living outside the City) and 51% of the retail sales are from local residents. Appendix B includes an analysis of retail sales inflow/outflow by store group type in 2010 (before Old Town Square opened). At that time, estimates by ESRI indicated that there was also nearly \$17 million in retail outflow (from local residents that purchase goods and services outside the city). A large portion of the retail sales outflow that existed in 2010 has likely been “captured” by the Fred Meyer Old Town Square.

In the future, as Wilsonville adds additional residents and aggregate income levels increase, new local-serving “neighborhood retail centers” could be supported within a short drive or convenient walk from emerging neighborhoods.

C4. Market Opportunities and Constraints

The overall preliminary findings from an opportunities and constraints analysis are summarized below.

Market Opportunities

- Proximity/visibility to I-5
- New I-5/Wilsonville Road Interchange with enhanced access
- Presence of established mix of international and regional employers
- Market success of recent industrial, office and retail developments
- Continued strong pace of housing development and increasing aggregate household income levels
- Planned employment center at Coffee Creek
- Employment site development opportunities (Coffee Creek, Basalt Creek, Elligsen parcel)
- Master planned industrial area (Coffee Creek)
- Large level of retail sales inflow
- Vacant industrial and office space (ready to accommodate new small and medium tenants)
- Rent levels for industrial and commercial buildings is rising
- New OIT campus planned
- Excellent local and regional transit service provided by SMART and WES Commuter Rail
- Adequate water capacity
- Planned sewer capacity

Market Constraints

- Limited I-5 connections (2 primary connections)
- Large lot industrial constraints (lacking infrastructure and/or pricing above market rates for sites over 10 acres in size).
- Very limited commercial zoned vacant land supply (with 16 tax lots less than 5 acres in size and one remaining vacant site between 6-7 acres in size).
- Corporate land banking by major employers.
- Limited established class A office locations.
- Lacking infrastructure (sewer and water main lines) to serve first phase of Coffee Creek Master Plan Area.
- Unknown cost to developers for future investments in Coffee Creek Master Plan Area. Need specific funding plan adopted to allay concerns over private and public return on investment.
- No adopted concept plan for Basalt Creek Master Plan area.
- Rent levels for office and retail do not currently support structured parking facilities.

It is recommended that this listing of market opportunities and constraints be refined with input from stakeholder groups during the development of the Wilsonville Economic Strategy.

D. TARGET BUSINESS CLUSTERS ANALYSIS

The business cluster analysis summarized in **Exhibit 16** identifies existing and emerging business sectors within the City of Wilsonville by their size and growth potential using 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 used for the clusters analyses were derived from the OED wage and salary employment statistics for the year ending in 2010. The size of the bubbles in the following charts provides a relative comparison within each jurisdiction of the current location quotients (LQ) and the total direct wages paid to workers within each industry sector. LQs represent the propensity of an industry to locate in Wilsonville.

Exhibit 17 lists the top 20 existing business clusters within Wilsonville.

The clusters analysis classifies the existing business sectors in Wilsonville area into four general categories:

Industry Sectors with Large LQ/High Growth Potential (“Stars”)

- ◆ Wholesale Trade (durable and non-durable goods distributors)
- ◆ Wholesale Trade (agents and brokers)
- ◆ Specialty Trade Contractors

Industry Sectors with Small LQ/High Growth Potential (“Emerging”)

- ◆ Health Care Services
- ◆ Professional and Business Services
- ◆ Miscellaneous Services

Industry Sectors with Large LQ/Low Growth Potential (“Mature”)

- ◆ Computer and Electronic Component Manufacturing
- ◆ Non-metal Mineral Product Manufacturing
- ◆ Machinery Manufacturing
- ◆ Transportation & Warehousing
- ◆ Motor Vehicle & Parts Dealers

Industry Sectors with Small LQ/Low Growth Potential (“Challenged”)

- ◆ Government

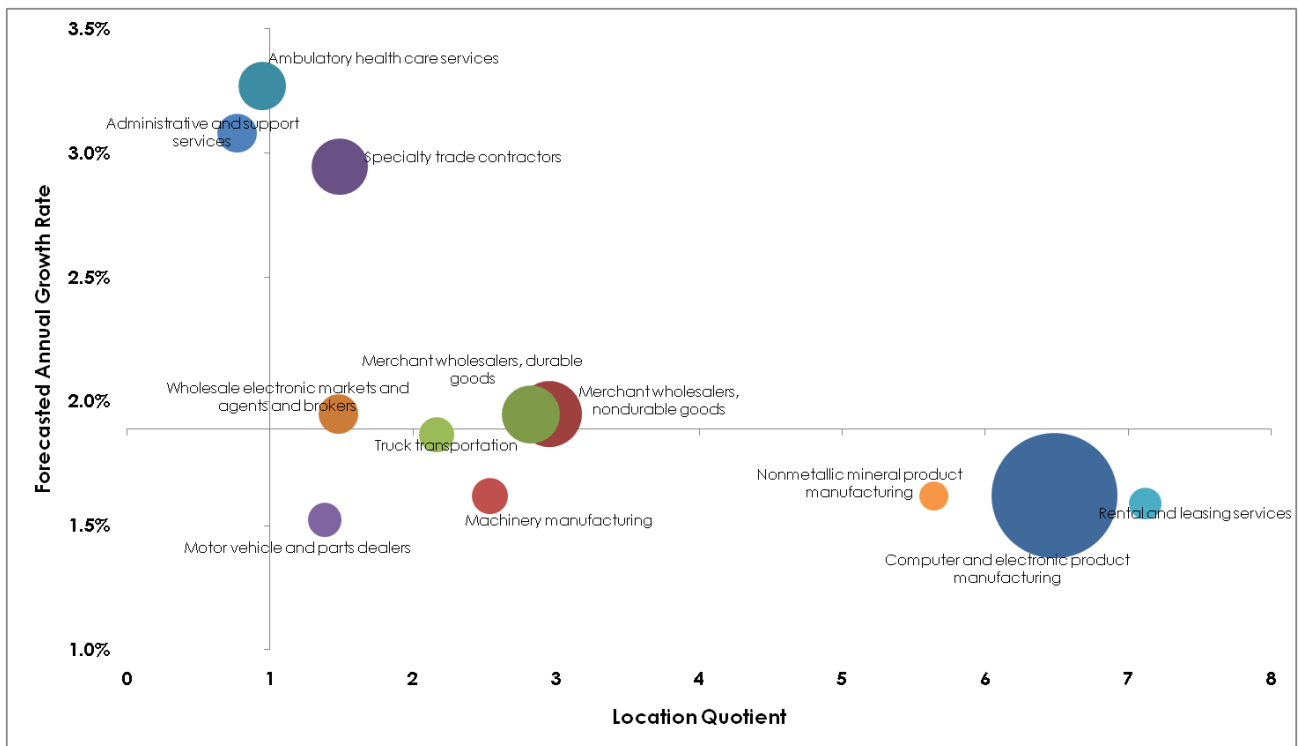
In addition to evaluating existing *local* business clusters, the City may also consider the expected *regional* growth in business sectors and emerging clusters. According to the Oregon Employment Department, the job sectors with the highest potential for new growth in the greater Portland metropolitan region include: health care; hotel/motel accommodations and food services; business administration and waste management; professional; scientific and technical service (such as computer science and engineering); state and local government; wholesale trade; finance and

insurance; retail trade; transportation; and utilities (includes warehousing, distribution and energy research, and private utilities).⁵

The manufacturing sectors with the greatest net new job growth potential in the greater Portland metropolitan region include: computer-related parts manufacturing; transportation equipment; other miscellaneous durable goods (such as solar panels); and miscellaneous non-durable goods (such as apparel research and design). Health-related medical devices and biomedical research, and organic food and beverage processing are also growing business sectors within the broader economy.

Focused marketing and business recruitment efforts are being made by the State of Oregon and regional economic development stakeholders to attract certain established and emerging business clusters. The business and industry clusters currently targeted by the Oregon Business Development Department, Portland Business Alliance, and the Portland Development Commission include advanced manufacturing; clean technology (with sustainability sub-clusters in green building, solar, and wind power); active wear/outdoor gear; and software.

Exhibit 16. Major Existing Clusters in Wilsonville, 2010



⁵ These emerging business clusters are documented in the regional WIRED (Workforce Innovation and Regional Economic Development, Global Development Strategy, prepared by FCS GROUP et.al, 2008.

Exhibit 17. Top 20 Clusters in Wilsonville, 2010

Rank	NAICS	Industry	Wilsonville Payroll	Location Quotient
1	491	Postal Services	\$ 1,481,809	18.60
2	532	Rental and leasing services	\$ 16,106,490	7.12
3	334	Computer and electronic product manufacturing	\$ 242,382,801	6.49
4	327	Nonmetallic mineral product manufacturing	\$ 13,162,171	5.64
5	533	Leassors of Nonfinancial Assets	\$ 1,091,813	5.22
6	443	Retail, electronics and appliances	\$ 7,900,039	3.24
7	326	Plastic materials and packaging manufacturing	\$ 6,375,437	3.09
8	424	Merchant wholesalers, nondurable goods	\$ 66,740,116	2.95
9	493	Warehousing and storage	\$ 11,249,911	2.87
10	423	Merchant wholesalers, durable goods	\$ 51,984,810	2.82
11	333	Machinery manufacturing	\$ 19,818,783	2.53
12	335	Appliance manufacturing	\$ 4,155,103	2.45
13	519	Information services	\$ 651,500	2.20
14	484	Truck transportation	\$ 18,745,219	2.16
15	221	Energy/power distribution	\$ 8,832,129	2.12
16	238	Specialty trade contractors	\$ 48,802,865	1.48
17	332	Hardware manufacturing	\$ 10,572,526	1.48
18	425	Wholesale electronic markets and agents and brokers	\$ 24,356,352	1.48
19	315	Apparel manufacturing	\$ 347,469	1.42
20	441	Motor vehicle and parts dealers	\$ 17,706,695	1.38

Recommended Target Clusters

In light of these findings, we recommend that Wilsonville focus on retaining and attracting a mix of existing and emerging business clusters that offer diverse employment opportunities. The current list of target industries that was adopted as part of the 2007 Wilsonville EOA includes:

- ◆ Light Manufacturing and Warehouse/Showroom Operations
- ◆ High-tech Manufacturing and Software Development
- ◆ Specialty Contractors and Construction Firms
- ◆ Creative Services (such as transportation logistics, legal services, management consulting, accounting, etc.).
- ◆ Sustainable Product Manufacturing and Distribution
- ◆ Health Care
- ◆ Secondary Education and Training (possibly in combination with OIT campus programs)

All of these clusters remain relatively strong or are beginning to emerge within the Wilsonville Area.

Potential additions or changes to the list of target clusters should be considered during the development of Wilsonville’s economic strategy and could include clusters that focus on tourism, veterinary medicine, sports medicine and/or recreation, among others.

SECTION IV: EMPLOYMENT LAND NEEDS

OAR 660-009-0025 requires an analysis of 20-year land needs for employment growth in the Wilsonville service boundary along with attention to unique site needs based on the identified employment types. This analysis is intended to serve as a baseline preliminary forecast for the 2012 to 2035 time frame.

A. EMPLOYMENT SPACE NEEDS ANALYSIS

In order to forecast the demand for vacant employment land, the consultant first determined the amount of building floor area that would be required given the three job growth forecast scenarios described previously. Attention was given to actual recent development experience within the City of Wilsonville regarding approved and constructed commercial, office and industrial developments. The consultant utilized input from the City of Wilsonville's planning staff along with industry standards and Metro Urban Growth Report (December 2009) density assumptions to determine assumptions for converting employment growth into building types, and associated land needs by general zone classification (please refer to **Appendix C** for more detail).

Potential job growth in Wilsonville translates into new construction as well as opportunities to lease up existing vacant floor area, as well as redevelopment opportunities for outdated buildings. As indicated in **Exhibit 18**, the preliminary analysis indicates that the City of Wilsonville will require between 3,062,000 (low) and 4,767,000 (high) square feet of floor area in new construction on vacant lands to meet job growth expectations. In addition, we would expect a combination of refill and redevelopment to accommodate between 1,648,000 and 2,557,000 square feet of floor area demand over the 2012 to 2035 time frame.

After accounting for the level of expected redevelopment activity, the amount of vacant land demand in the Wilsonville service boundary for employment uses between 2012 and 2035 is expected to range from 234 acres (Low Scenario), 271 acres (Medium Scenario), and 364 acres (High Scenario). Preliminary estimates for vacant lands needs in Wilsonville service boundary by general land use zone classification are provided in **Exhibit 19**. Please refer to the **Appendix C** for more detailed methodology and supporting assumptions.

The actual amount and timing of new development will vary from year to year. The range in development forecasts reflects several issues:

- ◆ The ability to provide adequate infrastructure to service the Coffee Creek and Basalt Creek Planning areas.
- ◆ The ability to work with ODOT to fund and construct required transportation and infrastructure improvements (particularly within the North Wilsonville interchange area) that can accommodate new commercial and industrial development on vacant lands, particularly in the Basalt Creek Plan Area.

- ◆ The willingness of local property owners in areas adjacent to the city to opt for annexation or to pursue sale or development of their land holdings.

Exhibit 18. Wilsonville New Construction and Refill/Redevelopment Forecast by Building Type (floor area in square feet): 2012 to 2035

Wilsonville New Construction Forecast, 2012 to 2035*			
Building Type	Low	Medium	High
Office/Service	345,000	522,000	533,000
Government/Other	311,000	311,000	480,000
Flex/Business Park	781,000	899,000	1,212,000
General Industrial	1,050,000	1,033,000	1,623,000
Warehouse	192,000	208,000	301,000
Retail	383,000	618,000	618,000
Total SF Floor Area	3,062,000	3,591,000	4,767,000

Wilsonville Redevelopment/Refill Forecast, 2012 to 2035*			
Building Type	Low	Medium	High
Office/Service	230,000	348,000	356,000
Government/Other	35,000	35,000	53,000
Flex/Business Park	639,000	736,000	991,000
General Industrial	566,000	556,000	874,000
Warehouse	82,000	89,000	129,000
Retail	96,000	154,000	154,000
Total SF Floor Area	1,648,000	1,918,000	2,557,000

Source: forecast of building area requirements in floor area square feet based on analysis provided in Appendix C.

Exhibit 19. Wilsonville Vacant Land Need by General Land Use Zone Classification, 2012 to 2035 Forecast (buildable acres)

General Land Use Classification	Low	Medium	High
Commercial (primarily retail)	28	44	45
Office (primarily services)	21	33	34
Industrial/Other *	159	167	246
Government*	26	26	40
Total Acres (net buildable)	234	271	364

Assumptions based on job growth shown in Exhibit 11, and local development density observations described in Appendix C; compiled by FCS GROUP. * Note, other excludes special sites for large uses, such as schools and parks.

B. OVERALL EMPLOYMENT LAND NEED REQUIREMENTS

This EOA indicates that the existing Wilsonville service area contains an adequate short-term industrial and employment land supply to accommodate the forecasted level of employment growth that is expected to occur under all of the growth scenarios. However, long-term business demand and job growth will require new local land use policies and strategies to accommodate new industrial, office and commercial developments.

Commercial and Office Land Need Requirements

As indicated in **Exhibit 20**, with a long-term land demand forecast of 49 to 79 acres for commercial retail and office land needs, and an existing land supply of 29 acres of commercial (retail and office zoned land) inside the existing city limits, Wilsonville should explore new strategies to plan and annex appropriate locations for office and retail development.

The short-term supply should be adequate in meeting market demand. However, over the long-term, the City may need approximately 41 to 65 acres of additional land area for commercial and office development. This includes approximately 23 to 37 acres of land required for commercial (primarily retail development) and 18 to 28 acres required for office development.

Possible long-term strategies include completing master planning on adjacent planning areas, such as the southern portion of the Basalt Creek planning area for a combination of office, commercial and housing development. A portion of the Basalt Creek planning area will be needed to address Wilsonville’s long-term employment land need.

Long-term annexation requirements could also be tempered with more proactive redevelopment strategies inside the existing city limits in locations well-served by transit, such as around the WES Commuter Rail Station, and in the Wilsonville Town Center.

In light of the fact that the remaining land supply within the City of Wilsonville is primarily comprised of smaller tax lots (only one vacant commercial tax lot exists over 6 acres), **the Economic Strategy for the City of Wilsonville should explore whether the city desires to pursue strategies that support “special site” preferences for strategic uses, such as health care or corporate campuses or recreational uses that require sites greater than 6 acres in size.**

Exhibit 20. Commercial and Office Land Demand Forecast and Vacant Land Supply: 2012 to 2035

	Short-term (1-4 yrs)	Additional Long-term (5-23 yrs)	Total
Land Demand			
Commercial (primarily retail)	5 to 8	23 to 37	28 to 45
Office (primarily services)	4 to 6	18 to 28	21 to 34
Subtotal Demand	9 to 14	41 to 65	49 to 79
Land Supply			
Existing City Limits	29	--	29
Coffee Creek MP Area	0	0	0
Basalt Creek MP Area	0	41 to 65	41 to 65
Subtotal Supply	29	41 to 65	71 to 94
Prelim. Net Annexation Requirement	none	41 to 65	41 to 65

* primary locations for office include vacant parcels and redevelopment areas within Town Center as well portions of the 349-acre Basalt Creek Plan Area.

Industrial and Other Land Need Requirements

As indicated in **Exhibit 21**, this EOA update indicates that the total long-term demand for industrial, government and other employment uses is expected to range from 185 to 286 acres. While the City appears to have a more than adequate short-term industrial/other land supply to meet demand, the long-term needs under a medium or high-growth scenario would require the City to fully serve all of the Coffee Creek Master Plan Area with adequate public facilities, which is consistent with the adopted Coffee Creek Master Plan.

It is recommended that the Economic Strategy for the City of Wilsonville consider whether special site requirements are needed over the long-term that would require additional land area to be annexed in locations such as a portion of the Basalt Creek Master Plan Area to accommodate large industrial uses that cannot be located on existing or planned industrial areas.

Exhibit 21. Industrial/Other Non-Commercial Land Demand Forecast and Vacant Land Supply: 2012 to 2035 (buildable acres)

	Short-term (1-4 yrs)	Additional Long-term (5-23 yrs)	Total
Land Demand			
Industrial/Other	28 to 43	131 to 203	159 to 246
Government	5 to 7	22 to 33	26 to 40
Subtotal Demand	33 to 50	153 to 236	185 to 286
Land Supply			
Existing City Limits	135	--	135
Coffee Creek MP Area	52	135	187
Basalt Creek MP Area	--	tbd	tbd
Subtotal Supply	187	135	322
Prelim. Net Annexation Requirement	52	135	187

*Source: Analysis by FCS GROUP based on land demand and supply findings. * reflects planned industrial land area within city and includes Coffee Creek Master Plan Area.*

C. SITE REQUIREMENTS

Wilsonville’s existing vacant commercial and industrial land supply is now primarily comprised of smaller sites (less than 5 acres in size). While existing vacancy levels and smaller parcels are likely to attract small to medium size employers in the short-term, the ability to recruit larger employers will require the City to consider strategies aimed at preserving and adding larger sites (10+ acres).

Small to medium businesses can locate within existing professional office or industrial buildings, or within new office or flex/industrial buildings developed on vacant sites with less than 5 acres in size.

Most small and medium business establishments (less than 100 workers) prefer to initially lease space in office or industrial/flex buildings, and/or could locate into redevelopment sites in near Town Center locations or in master planned employment centers (e.g., Coffee Creek Master Plan Area). No special vacant land requirements are identified for future small or medium businesses. However, the City could pursue more proactive policies and investments aimed at incubating and growing self-employed and small business establishments locally.

The City can also provide a variety of medium and large sites (5 to 10+ acres) that meet the targeted business and industrial requirements. As the region’s remaining land supply of large contiguous industrial and employment sites over 10 acres diminishes, these sites will be especially needed and highly valuable for retaining and attracting large businesses.

Once the remaining larger vacant sites are developed or acquired by businesses for future expansion (likely to occur within 20 years), large business establishments (over 100 employees) will have site size and infrastructure service requirements that cannot be easily met within the Wilsonville Town Center or the Coffee Creek Master Plan Area.

It is recommended that the Wilsonville Economic Strategy identify unique site requirements for large targeted employers, including special consideration regarding site access and infrastructure needs, site size, and zoning preference.

SECTION VI: POLICY CONSIDERATIONS

OAR 660-009-0020(1)(a) and OAR 660-09-0025 require adoption of local economic development objectives and policies with special attention to designating lands for industrial and commercial use.

A. POLICY ACTIONS

Consistent with EOA documentation requirements, the economic trends analysis, stakeholder input, and the target industry clusters analyses, the City of Wilsonville will need to undertake proactive steps (adopt new policies) to mitigate the following risks:

- ◆ Risk of Losing Large Regionally Significant Industrial Areas (large sites over 10 acres in size) or not providing replacement sites if rezoning occurs.
- ◆ Risk of Not Adequately Preparing for targeted commercial redevelopment in designated locations, such as the Town Center.
- ◆ Planning, permitting and transportation funding risks (particularly with regard to ODOT Interchange Area Management Plan requirements) from annexation and development within areas such as Coffee Creek and Basalt Creek.

These and other risk factors should be identified and discussed during the Wilsonville Economic Strategy.

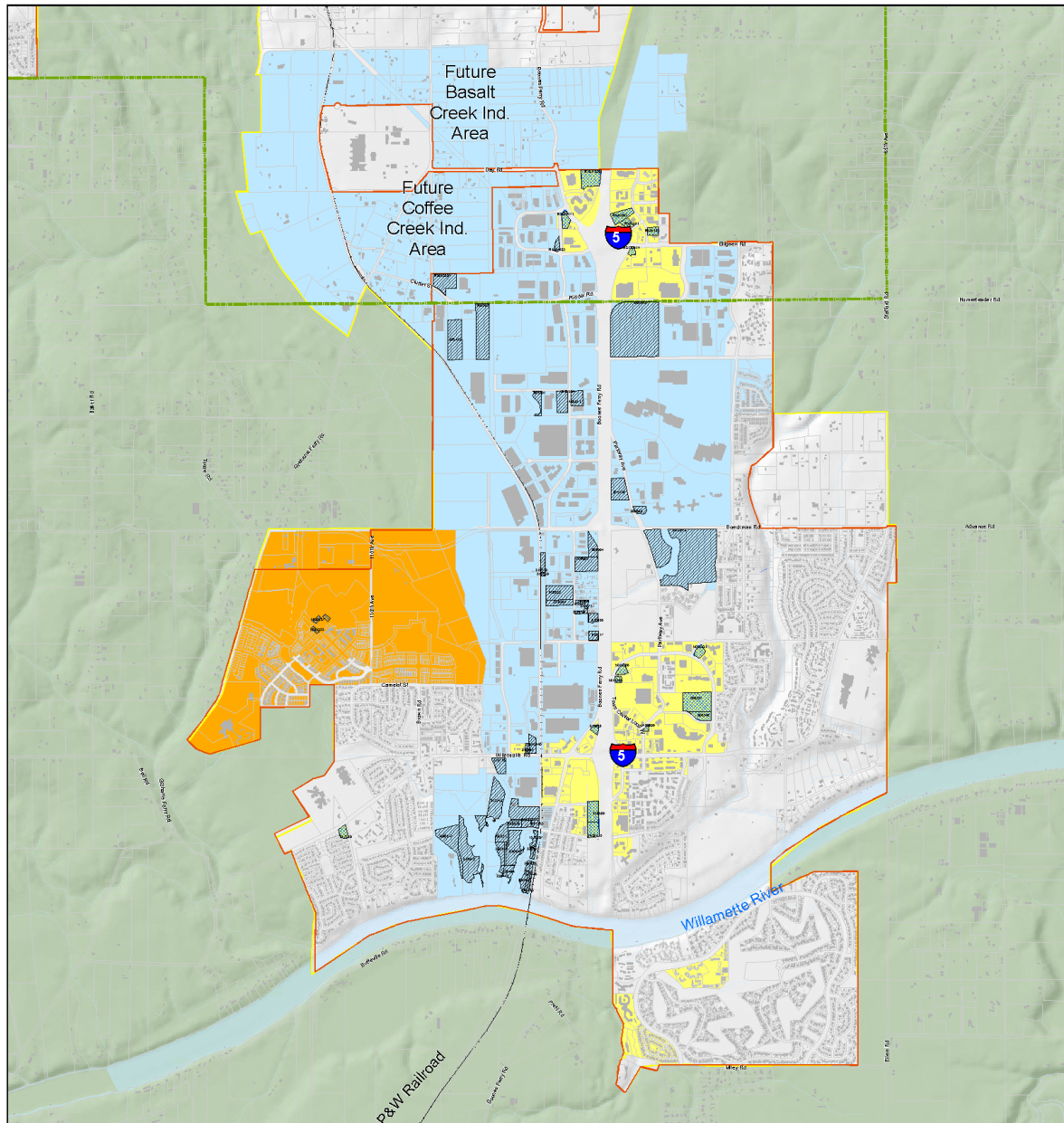
B. WILSONVILLE ECONOMIC DEVELOPMENT OBJECTIVES

OAR 660-009-0020 stipulates requirements for industrial and other economic development policies. Local comprehensive plans are required to provide community economic development objectives, a commitment to providing a competitive short-term land supply, and commitment to providing adequate sites and public facilities to serve new development. **The current Wilsonville Economic Strategy should revisit prior existing adopted economic goals and consider new objectives that address:**

- ◆ Commitment to Provide a Short-Term Land Employment Supply.
- ◆ Commitment to Provide Adequate Sites and Public Facilities.
- ◆ Commitment to Provide “No Net Loss” of existing RSIA Land Supply.
- ◆ Policies that Provide for Prime Industrial Land Development in Coffee Creek Master Plan Area.
 - This could include policies to assist property owners with obtaining Oregon Industrial Site Certification Process requirements, or assisting with land assembly.
- ◆ Policies that Promote Targeted Redevelopment in the Town Center and Other Areas.
- ◆ Policies that Work with ODOT, Washington and Clackamas Counties, and Metro on planning major I-5 transportation access connections.
- ◆ Policies that Provide Proactive Economic Development Marketing and Incentives Directed Towards Strategic Clusters.

APPENDIX

Appendix A. Vacant Employment Land Inventory Map



Vacant Commercial and Industrial Land

<p>Industrial Lands</p> <ul style="list-style-type: none"> Vacant (165.83 Acres) Stage II Committed (4.43 Acres) <p>Commercial Lands</p> <ul style="list-style-type: none"> Vacant (27.54 Acres) Stage II Committed (2.43 Acres) 	<p>Comprehensive Plan</p> <ul style="list-style-type: none"> Commercial Industrial Village <p>Notes</p> <p>1) Acreages do not include Coffee Creek and Basalt Creek areas. 2) SROZ areas have been removed from acreage calculations.</p>	<p>Boundaries</p> <ul style="list-style-type: none"> City Limit UGB County Boundary 	<p>The City of Wilsonville, Oregon Clackamas and Washington Counties</p> <p>February, 2012</p>
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Appendix B. Wilsonville Retail Sales Inflow/Outflow Analysis, 2010

Retail Industry Summary						
	NAICS	Demand (Local Area)	Supply (Sales)	Retail Gap Inflow or (Outflow)	Inflow or Outflow as % of Sales	
Total Retail Trade and Food & Drink	44-45,722	\$218,488,072	\$425,138,720	\$206,650,648	49%	
Total Retail Trade	44-45	\$186,797,978	\$382,441,627	\$195,643,649	51%	
Total Food & Drink	722	\$31,690,094	\$42,697,093	\$11,006,999	26%	
Retail Industry Detail						
Motor Vehicle & Parts Dealers	441	\$45,262,436	\$118,151,187	\$72,888,751	62%	
Automobile Dealers	4411	\$38,338,937	\$104,927,084	\$66,588,147	63%	
Other Motor Vehicle Dealers	4412	\$3,471,960	\$6,820,375	\$3,348,415	49%	
Auto Parts, Accessories & Tire Stores	4413	\$3,451,539	\$6,403,728	\$2,952,189	46%	
Furniture & Home Furnishings Stores	442	\$5,047,442	\$7,600,472	\$2,553,030	34%	
Furniture Stores	4421	\$3,187,864	\$4,563,568	\$1,375,704	30%	
Home Furnishings Stores	4422	\$1,859,578	\$3,036,904	\$1,177,326	39%	
Electronics & Appliance Stores	4431	\$6,029,034	\$32,269,040	\$26,240,006	81%	
Bldg Materials, Garden Equip. & Supply	444	\$8,153,480	\$14,435,022	\$6,281,542	44%	
Bldg Material & Supplies Dealers	4441	\$6,390,109	\$5,497,836	(\$892,273)	-16%	
Lawn & Garden Equip & Supply Stores	4442	\$1,763,371	\$8,937,186	\$7,173,815	80%	
Food & Beverage Stores	445	\$40,003,053	\$68,808,921	\$28,805,868	42%	
Grocery Stores	4451	\$38,477,798	\$66,790,499	\$28,312,701	42%	
Specialty Food Stores	4452	\$749,843	\$86,1894	\$12,051	13%	
Beer, Wine & Liquor Stores	4453	\$775,412	\$1,156,528	\$381,116	33%	
Health & Personal Care Stores	446,4461	\$4,520,743	\$3,976,187	(\$544,556)	-14%	
Gasoline Stations	447,4471	\$25,447,140	\$22,079,879	(\$3,367,261)	-15%	
Clothing & Clothing Accessories Stores	448	\$7,867,664	\$852,053	(\$7,015,611)	-823%	
Clothing Stores	4481	\$5,898,672	\$78,185	(\$5,820,487)	-7445%	
Shoe Stores	4482	\$905,183	\$293,506	(\$611,677)	-208%	
Jewelry, Luggage & Leather Goods	4483	\$1,063,809	\$480,362	(\$583,447)	-121%	
Sporting Goods, Hobby, Book & Music	451	\$2,709,385	\$6,360,470	\$3,651,085	57%	
Sporting Goods/Hobby/Musical Instr	4511	\$1,724,594	\$6,360,470	\$4,635,876	73%	
Book, Periodical & Music Stores	4512	\$984,791	\$0	(\$984,791)	--	
General Merchandise Stores	452	\$30,974,627	\$93,476,360	\$62,501,733	67%	
Department Stores Excluding Leased	4521	\$12,162,710	\$11,034,760	(\$1,127,950)	-10%	
Other General Merchandise Stores	4529	\$18,811,917	\$82,441,600	\$63,629,683	77%	
Miscellaneous Store Retailers	453	\$2,790,836	\$5,537,715	\$2,746,879	50%	
Florists	4531	\$103,150	\$216,840	\$113,690	52%	
Office Supplies, Stationery & Gift Stores	4532	\$589,376	\$735,183	\$145,807	20%	
Used Merchandise Stores	4533	\$292,546	\$0	(\$292,546)	--	
Other Miscellaneous Store Retailers	4539	\$1,805,764	\$4,585,692	\$2,779,928	61%	
Nonstore Retailers	454	\$7,992,138	\$8,894,321	\$902,183	10%	
Electronic Shopping & Mail-Order	4541	\$5,891,294	\$7,894,462	\$2,003,168	25%	
Vending Machine Operators	4542	\$125,384	\$999,859	\$874,475	87%	
Direct Selling Establishments	4543	\$1,975,460	\$0	(\$1,975,460)	--	
Food Services & Drinking Places	722	\$31,690,094	\$42,697,093	\$11,006,999	26%	
Full-Service Restaurants	7221	\$12,794,956	\$15,205,596	\$2,410,640	16%	
Limited-Service Eating Places	7222	\$16,177,207	\$26,334,885	\$10,157,678	39%	
Special Food Services	7223	\$687,387	\$273,947	(\$413,440)	-151%	
Drinking Places - Alcoholic Beverages	7224	\$2,030,544	\$882,665	(\$1,147,879)	-130%	
<p>Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the</p>						
<p>Source: Esri and Infogroup</p>						
					February 09, 2012	
Made with Esri Business Analyst						

Appendix C. Wilsonville Employment Growth and Vacant Land Needs Assumptions: 2012 to 2035

Net New Average Annual Employment Forecast (1 Year Forecast)

Employment Type	Scenario A - Low	Scenario B - Medium	Scenario C - High
Retail	24	42	42
Services	132	204	204
Industrial/Other	193	193	298
Government/Education	25	25	39
Total	375	464	583

Source: based on MetroScope Prelim. 2025 Gamma Forecast, 1/27/2012.

Net New Employment Forecast: 2012-2035

	Scenario A - Low	Scenario B - Medium	Scenario C - High
Retail	554	958	958
Services	3,038	4,688	4,688
Industrial/Other	4,446	4,446	6,861
Government/Education	577	577	891
Total	8,614	10,669	13,398

Source: based on MetroScope Prelim. 2025 Gamma Forecast, 1/27/2012.

Job Sectors and Building Type Assumptions

Employment Sectors	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Retail	5%	0%	20%	5%	5%	65%	100%
Services	60%	0%	20%	0%	0%	20%	100%
Industrial/Other	0%	0%	45%	50%	5%	0%	100%
Government/Education	20%	100%	0%	10%	0%	0%	130%

Source: based on Metro Draft Urban Growth Report, 2009; and local observations.

Projected Net New Employment Forecast by Building Type, Low

Employment Sectors	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Retail	28	-	111	28	28	360	554
Services	1,823	-	608	-	-	608	3,038
Industrial/Other	-	-	2,001	2,223	222	-	4,446
Government/Education	115	577	-	58	-	-	751
Total	1,966	577	2,719	2,308	250	967	8,787

Projected Net New 20-Year Employment Forecast by Building Type, Medium

Employment Sectors	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Retail	48	-	192	48	48	623	958
Services	2,813	-	938	-	-	938	4,688
Industrial/Other	-	-	2,001	2,223	222	-	4,446
Government/Education	115	577	-	-	-	-	693
Total	2,976	577	3,130	2,271	270	1,560	10,784

Projected Net New 20-Year Employment Forecast by Building Type, High

Employment Sectors	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Retail	48	-	192	48	48	623	958
Services	2,813	-	938	-	-	938	4,688
Industrial/Other	-	-	3,087	3,430	343	-	6,861
Government/Education	178	891	-	89	-	-	1,158
Total	3,039	891	4,217	3,567	391	1,560	13,665

Source: FCS GROUP based on Metro Draft 2009-2030 Urban Growth Report; modified to reflect local observations.

Appendix C (continued)

Building Type to Land Needs Assumptions*						
	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail
Refill/Redevelopment Rate ¹	40%	10%	45%	35%	30%	20%
Jobs Needing Vacant Land Rate ²	60%	90%	55%	65%	70%	80%
Building SF Per Job ²	325	630	550	700	1,100	510
Floor-Area-Ratio ²	0.40	0.30	0.35	0.30	0.35	0.35
Public Facility Net:Gross Adjustment ³	1.10	1.10	1.10	1.10	1.10	1.10
Work at Home Adjustment ⁴	0.10	0.05	0.05	-	-	0.03

* assumptions are intended to reflect a long-term average over 23 years.

1/ Adjusts for building refill & vacancy allowances.

2/ Building density derived from regional and local development observations.

3/ Allowances take into account land dedicated to public/utility easements.

4/ Allowance based on national statistics by US Dept. of Labor, Bureau of of Labor Statistics, Technical information: "Work at Home in 2004."

Source: assumptions are generally consistent with Metro Urban Growth Report, Dec. 2009 and local observations.

Projected Net New Refill & Redevelopment Building Space Needs (Floor Area)							
	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Low	230,000	35,000	639,000	566,000	82,000	96,000	1,648,000
Medium	348,000	35,000	736,000	556,000	89,000	154,000	1,918,000
High	356,000	53,000	991,000	874,000	129,000	154,000	2,557,000

Projected Net New Building Floor Area on Vacant Lands (Floor Area)							
	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Low	345,000	311,000	781,000	1,050,000	192,000	383,000	3,062,000
Medium	522,000	311,000	899,000	1,033,000	208,000	618,000	3,591,000
High	533,000	480,000	1,212,000	1,623,000	301,000	618,000	4,767,000

Projected Vacant Lands (gross buildable acres)							
	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Low	22	26	56	88	14	28	234
Medium	33	26	65	87	15	45	271
High	34	40	87	137	22	45	364

Appendix C (continued)

Land Use Assignment Assumptions						
Local Zoning Classification	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail
Commercial	40%	0%	0%	0%	0%	70%
Office/Services	60%	0%	0%	0%	0%	30%
Industrial/Other	0%	100%	100%	100%	100%	0%
Other Zone Types	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Assumptions by FCS GROUP based on local observations.

Projected Vacant Land Needs Forecast by Zoning Classification, Low

Land Use Classification	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Commercial	9	-	-	-	-	19	28
Office/Services	13	-	-	-	-	8	21
Industrial/Other	-	26	56	88	14	-	185
Total	22	26	56	88	14	28	234

Projected Vacant Land Needs Forecast by Zoning Classification, Medium

Land Use Classification	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Commercial	13	-	-	-	-	31	44
Office/Services	20	-	-	-	-	13	33
Industrial/Other	-	26	65	87	15	-	193
Total	33	26	65	87	15	45	271

Projected Vacant Land Needs Forecast by Zoning Classification, High

Land Use Classification	Office	Government/ Other	Flex/Bus. Park	Gen. Industrial	Warehouse	Retail	Total
Commercial	13	-	-	-	-	31	45
Office/Services	20	-	-	-	-	13	34
Industrial/Other	-	40	87	137	22	-	286
Total	34	40	87	137	22	45	364

For comments or more information regarding this document, please contact:

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