

RESOLUTION NO. 2376

A RESOLUTION OF THE WILSONVILLE CITY COUNCIL, ADOPTING THE WILSONVILLE ECONOMIC DEVELOPMENT STRATEGY OF 2012

WHEREAS, the City of Wilsonville has a successful history of recruiting and retaining businesses that support the community in a variety of ways and add to the overall quality of life; and

WHEREAS, the City Council, having recognized the importance of continued economic vitality, supported the recommendation of the City Manager to hire consulting economists to update the City's 2008 Economic Opportunity Analysis (EOA) and to prepare an Economic Development Strategy to guide the City's efforts to improve the local economy; and

WHEREAS, an Economic Development Advisory Committee (EDAC) drawn from volunteers of the business and residential communities worked with the staff and consultants in preparing the Economic Development Strategy; and

WHEREAS, the EDAC met five times over the course of six months and also sponsored focus group meetings and a community-wide Economic Development Summit; and

WHEREAS, the City undertook a thorough public involvement process including public meetings, a community-wide survey, and an electronic survey to seek public input in this process; and

WHEREAS, after considering the public input and advice of consultants, the EDAC recommended that the City Council adopt and implement the Economic Development Strategy; and

WHEREAS, the implementation of the Economic Development Strategy will, to a certain extent, be an iterative process that will occur over time, requiring the staff and numerous citizen volunteers to coordinate their continuing efforts; and

WHEREAS, one or more citizen task forces will need to be appointed, as envisioned in the Economic Development Strategy, to define the characteristics of businesses that will be of greatest community benefit; and to determine what sorts of incentives, and under what

circumstances, the community would be willing to provide to support and encourage the retention, expansion or recruitment of such businesses through incentives; and

WHEREAS, the City's Planning Commission, being well-versed on the City's Comprehensive Plan and implementing ordinances is the appropriate body to take up potential amendments to the Comprehensive Plan and Ordinances; and

WHEREAS, the Economic Opportunity Analysis is a required subset of the Comprehensive Plan, a review will be needed to determine whether any parts of the new EOA update will need to be formally adopted as amendments to the Comprehensive Plan; and

WHEREAS, the staff recommends that the City Council approve this Resolution to begin implementing the Economic Development Strategy of 2012.

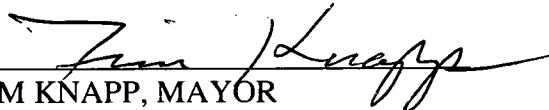
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

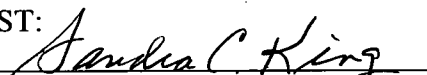
1. Based on the above recitals, which are incorporated herein, the City Council, thanks and commends the members and alternate members of the Economic Development Advisory Committee for their work on the Economic Development Strategy; and
2. The City Manager is directed to establish one or more task forces as necessary to examine in greater detail and make recommendations to the City Council on two issues identified, but unresolved, during the Economic Development Advisory Committee's creation of the Economic Development Strategy, including:
 - a. Should the City identify specific business sectors for retention/expansion or recruitment to Wilsonville; and if so, which business sectors? The task force should define the characteristics of businesses that will be of greatest community benefit and identify those business sectors matching the desire characteristics.
 - b. "Inducement Incentives": Should the City utilize financial incentives to retain or recruit specific business sectors as identified for "Targeted Retention and Recruitment." The task force should decide if incentives are recommended for

“Targeted Retention and Recruitment,” and if so, what funding source(s) would be most appropriate and why? and

3. The City Planning Commission is hereby requested to work with the Planning Director in preparing a work plan for the implementation of any parts of the Economic Development Strategy involving changes to the City's Comprehensive Plan and implementing ordinances, including provisions of the Economic Opportunity Analysis; and
4. The City Manager is directed to return to the City Council at the Manager's earliest reasonable opportunity with a draft work plan for the full implementation of the Economic Development Strategy; and
5. This Resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting on August 20, 2012 and filed with the Wilsonville City Recorder this date.


TIM KNAPP, MAYOR

ATTEST:

Sandra C. King, City Recorder, MMC

SUMMARY OF VOTES:

Mayor Knapp – Yes

Council President Núñez - Yes

Councilor Goddard - Yes

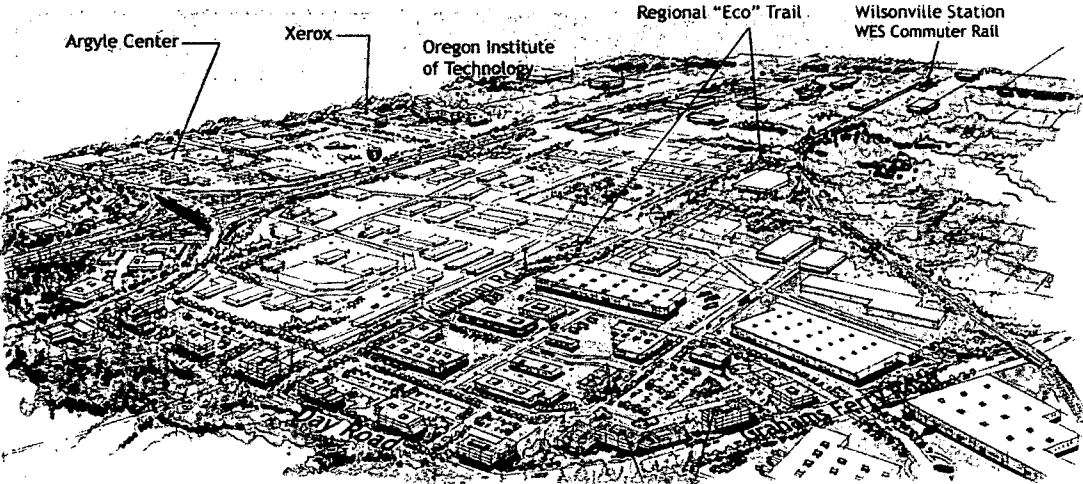
Councilor Starr - Yes

Adopted August 20, 2012 by
Resolution No. 2376



City of
WILSONVILLE
OREGON

Final Draft
ECONOMIC OPPORTUNITIES ANALYSIS (EOA)
UPDATE



July 2012

ACKNOWLEDGEMENTS

This report was led by the City of Wilsonville, with technical support by FCS GROUP. We sincerely appreciate all the valuable input provided by City staff, city officials, planning commissioners, and local community and business stakeholders.

Wilsonville Mayor and City Councilors

- ◆ Mayor Tim Knapp
- ◆ Council President Celia Nunez
- ◆ Councilor Scott Starr (EDAC Co-Chair)
- ◆ Councilor Richard Goddard
- ◆ Former Councilor Steve Hurst (EDAC Co-Chair)

Wilsonville Planning Commission

- ◆ Ben Altman – Chair
- ◆ Eric Postma – Vice Chair
- ◆ Al Levit – Committee for Citizen Involvement (CCI) Chair
- ◆ Marta McGuire – CCI Vice Chair
- ◆ Amy Dvorak
- ◆ Peter Hurley
- ◆ Ray Phelps

Wilsonville Economic Development Advisory Committee (EDAC)

- ◆ Amy Dvorak, Planning Commission member
- ◆ Ben Altman, Past President, Wilsonville Chamber of Commerce
- ◆ Brenner Daniels, Investment Advisor, Holland Partners Group
- ◆ Clyde Holland, CEO, Holland Partners Group
- ◆ Crag Olson, Sr. Director/Site Manager, Rockwell Collins
- ◆ Dr. Chris Maples, President, Oregon Institute of Technology
- ◆ Gale Lasko, General Manager, Lamb's Wilsonville Thriftway
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- ◆ Lonnie Gieber, Budget Committee member
- ◆ Nancy Sage, V.P./Sales, Xzeres Wind Corporation
- ◆ Patrick Croasdaile, Marketing Specialist, Xzeres Wind Corporation
- ◆ Marta McGuire, Planning Commission & Committee for Citizen Involvement member
- ◆ Ray Phelps, Past-President, Wilsonville Chamber of Commerce
- ◆ Thomas Garnier, President, SSI Shredding Systems

Wilsonville Economic Development staff

- ◆ Bryan Cosgrove, City Manager
- ◆ Mark Ottenad, Public/Government Affairs Director
- ◆ Kristen Retherford, Urban Renewal Manager
- ◆ Stephan Lashbrook, Transit Director
- ◆ Chris Neamtzu, Planning Director
- ◆ Daniel Stark, GIS Manager

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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:

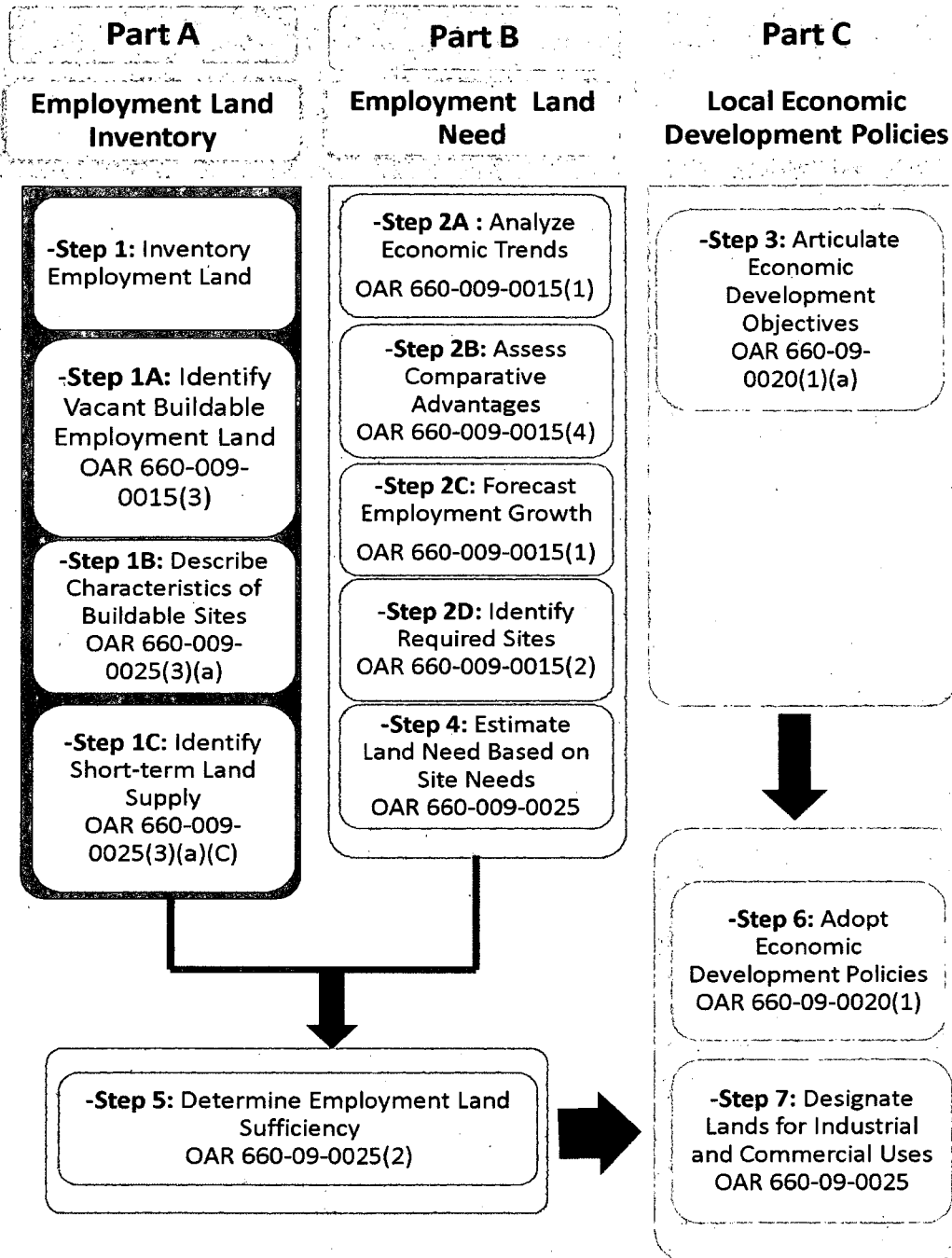
- A current analysis of vacant and part-vacant buildable lands zoned or planned to accommodate job growth;
- Adjustments to land needs that take into account current vacant building floor area;
- Analysis of long-term growth trends using Metro's latest growth forecasts;
- Current evaluation of emerging 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 Economies¹	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 Economies¹	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 as 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.

Exhibit 7. 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 contracts, 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).

Exhibit 8. 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.

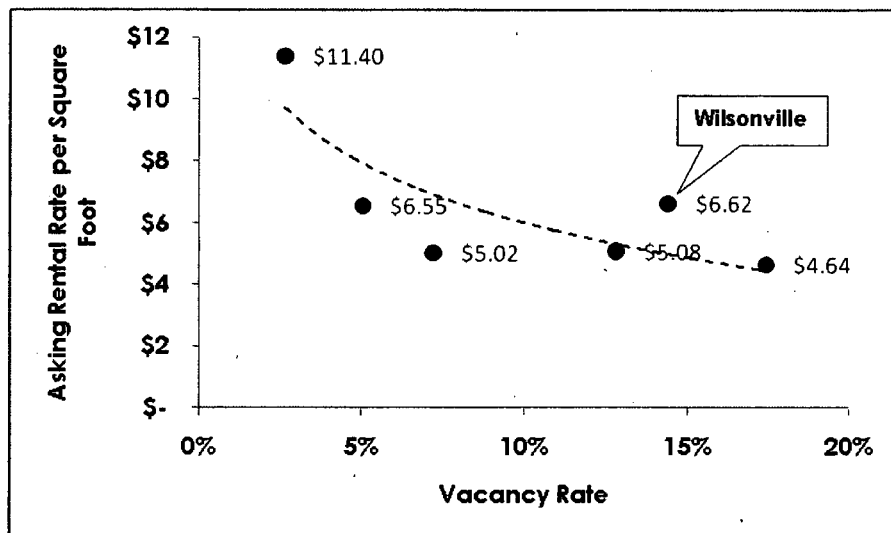
Wilsonville continues to attract new industrial tenants from around the region and the world. New tenants include SAM Medical Products (18 employees) and XZERES Wind Corporation (34 employees).

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

Submarket	Rentable Area	Vacant Area	Vacancy Rate	2011 Net Absorption	Area 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

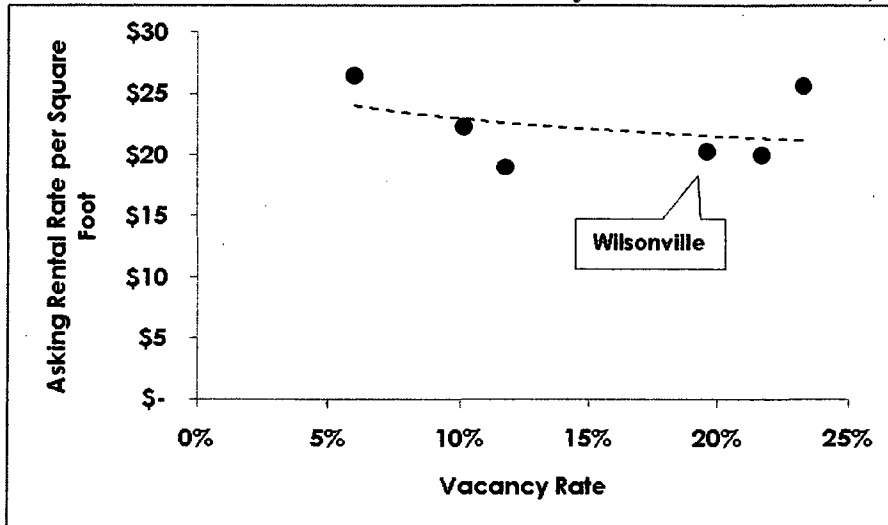
⁴ Development costs associated with 2-level parking plazas or above-ground parking structures are typically \$5,000 to \$15,000 higher per space than surface parking; and hence must generate about \$2.00 to \$6.50 more per square foot in annual rents to remain viable (or less with increases in building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

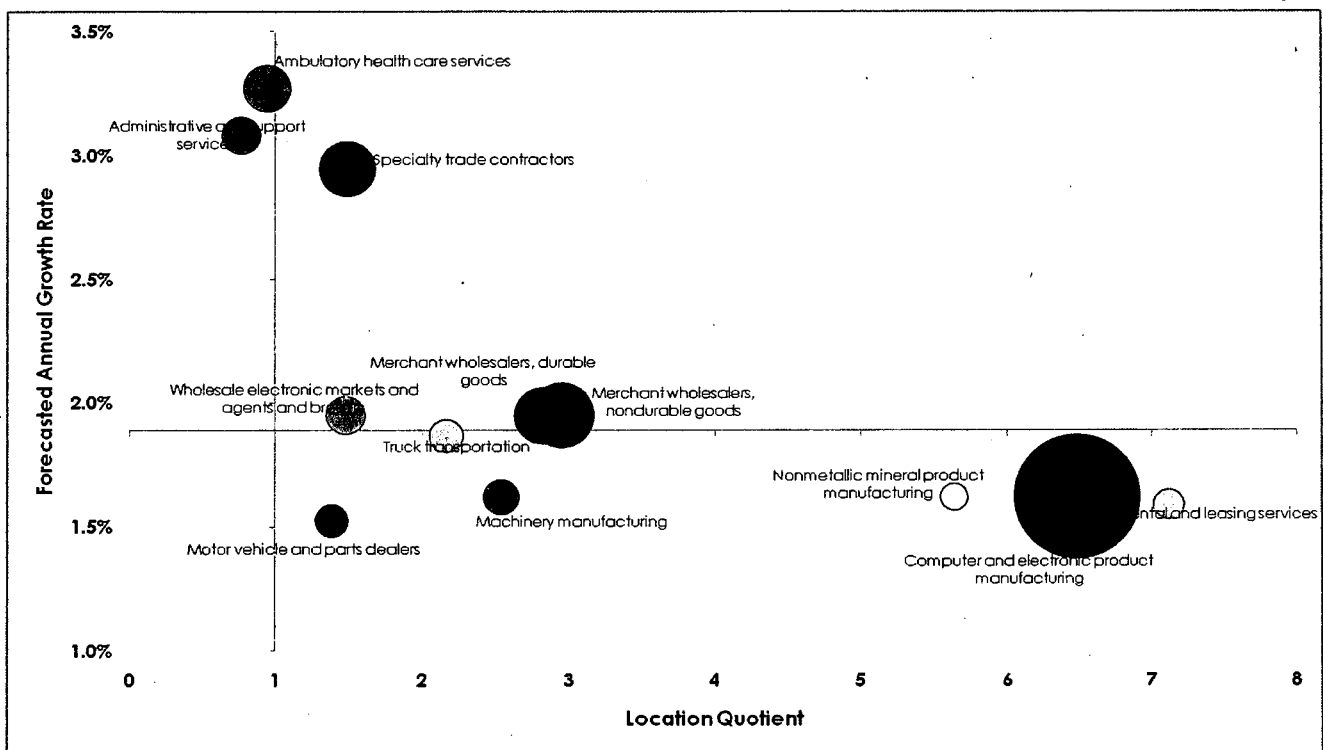
In addition to evaluating existing *local* business clusters, the City may also consider the expected *regional* growth in business sectors and emerging clusters. According to the Oregon Employment Department, the job sectors with the highest potential for new growth in the greater Portland metropolitan 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.

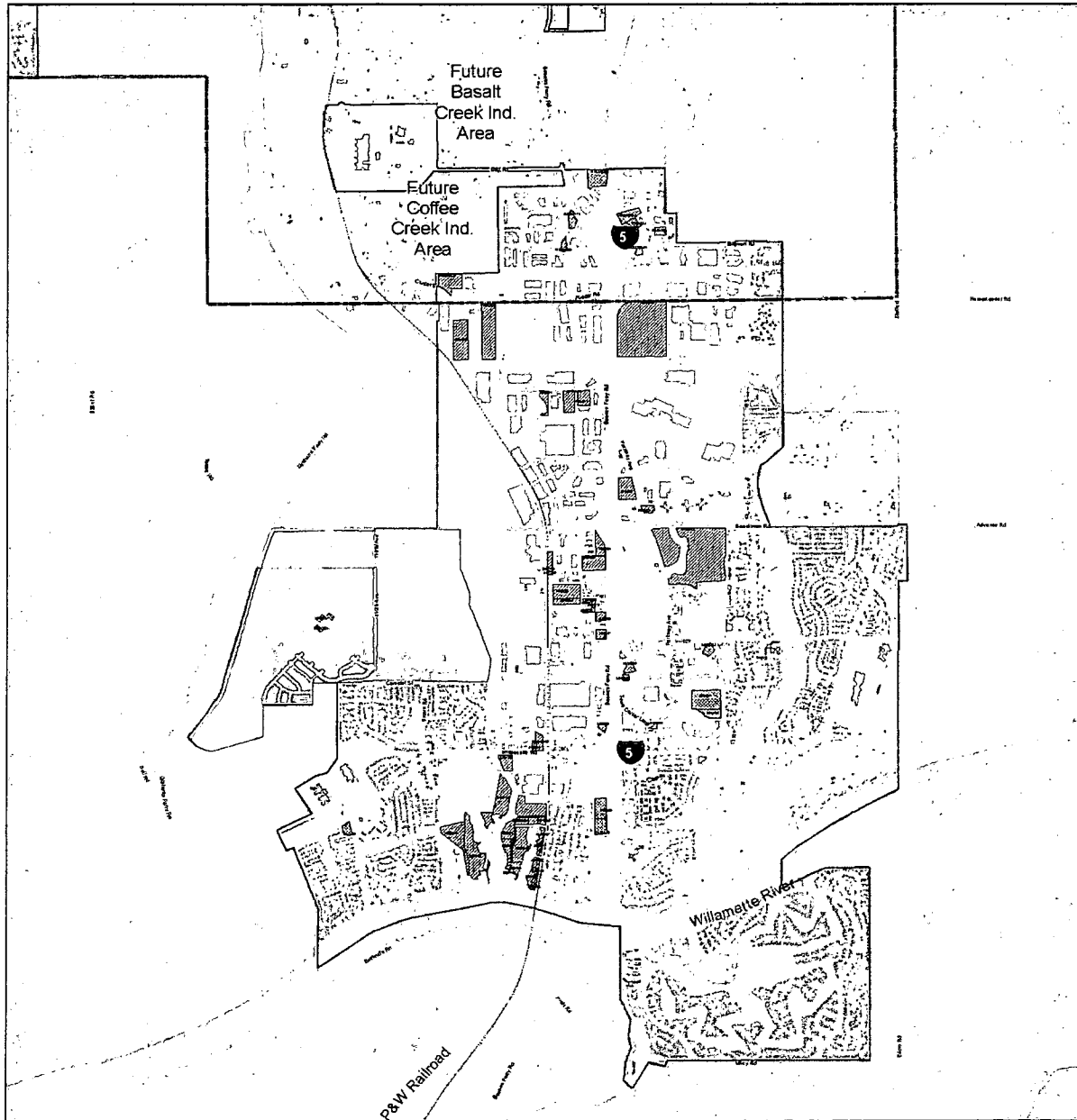
B. WILSONVILLE ECONOMIC DEVELOPMENT OBJECTIVES

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> <p> Vacant (165.83 Acres)</p> <p> Stage II Committed (4.43 Acres)</p> <p>Commercial Lands</p> <p> Vacant (27.54 Acres)</p> <p> Stage II Committed (2.43 Acres)</p>	<p>Comprehensive Plan</p> <p> Commercial</p> <p> Industrial</p> <p> Village</p> <p><small>Notes</small> 1) Acres do not include Coffee Creek and Basalt Creek areas. 2) SROZ areas have been removed from acreage calculations.</p>	<p>Boundaries</p> <p> City Limit</p> <p> UGB</p> <p> County Boundary</p>	<p>The City of Wilsonville, Oregon Clackamas and Washington Counties</p> <p></p> <p>February, 2012</p> <p></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)	-15%
Drinking Places - Alcoholic Beverages	7224	\$2,030,544	\$882,665	(\$1,147,879)	-130%

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 [Source: Esri and Infogroup](#)

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 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

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Wilsonville Economic Development Strategy Summary, July 2012



The Process

Why care about economic development?

Anyone following the news can see that governments at all levels are concerned about the health and development of their economies. For most households, jobs and income—the common objectives for local economic development—are quality of life, and things like high-quality, effective government services and environmental quality have indirect effects on business attraction and growth, and thus are important to economic development.

The private sector is the major driver of economic innovation and prosperity, but it relies on local governments for things like roads, other public facilities, and community services. Its success improves if it has local governments as willing and able partners in development.

Why create an economic development strategy?

Actions taken now affect future conditions; thoughtful actions will, on average, lead to more desirable consequences. The City's objective is to get multiple parties and interests to agree on an Economic Development Strategy to guide both (1) City investments and regulations, and (2) private supporting efforts. Agreement on a vision and key actions will make development more efficient and less contentious.

How was the Strategy developed?

With **people** and with **information**. An Economic Development Strategy Advisory Committee of residents, business people, and other stakeholders developed and reviewed comments on the vision, potential actions, and priority actions. It considered input from focus groups, interviews with business leaders, and Economic Summit, and surveys. It considered many reports and opinions to inform its conclusions (see sidebar).

What is special about the Strategy?

Wilsonville's development and fiscal problems are minor relative to those of most cities in Oregon (see sidebar on "factors"). The Advisory Committee believes the City can and should take a long view. Its actions in economic development should be *deliberative* (wait for businesses that fit the plan), *balanced* (economic development and quality of life are both important—the City can have both), *efficient* (the City's first priority should be to provide the land-use plan, infrastructure, and public services that are expected of it) and *fair* (do not make incentives for new business a standard practice—treat all businesses equally).

As the City implements the strategy, decision-makers must consider uncertainty and the need for flexibility in the Strategy. Wilsonville has many of the fundamentals necessary for it to do well economically relative to its regional neighbors. But the City has to make careful decisions that allow it to adapt its choices to changing circumstances.

Technical Basis for Recommended Actions

In thinking about Wilsonville's opportunities and constraints for economic growth over the next one to five years the Advisory Committee considered (1) the City's updated Economic Opportunity Analysis, (2) input from stakeholders in Wilsonville via focus groups, interviews, surveys, and the public Economic Summit (May 2012), and (3) staff and Committee knowledge of the economy in the Portland metropolitan region. The main factors that affect Wilsonville's economy include:

- Regional/Interstate accessibility
- Vacant land base (especially Coffee Creek and Basalt Creek)
- Vacant commercial and industrial built space
- Existing businesses, including national and international employers
- Established and emerging business clusters
- New Oregon Tech campus
- Similar number of residents and jobs
- Tourism
- Commuting patterns
- High quality housing, but a need for more affordable housing

Vision Statement

Wilsonville's sustained economic strength is fostered by a spirit of innovation and collaboration. Our residents and businesses have wisely invested the time, energy, and money to assure that Wilsonville retains the quality of life we value. We have leveraged our excellent location, ample land supply, top quality infrastructure and transit system to deliver desired economic benefits.

For more information, contact:
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Actions

The City of Wilsonville will achieve its vision through actions that address *six categories of factors* that influence the expansion and location decisions of businesses:

1. Agreement on amount, type, location and pattern of development

Action 1.1. Describe business attributes and impacts that are supportive of Wilsonville's economic and community development goals. A task force is formed to consider, make recommendations, and deliver a report to City officials and staff on the desired community impacts of businesses, without singling out the specific types of businesses that the City should try to attract to Wilsonville. (Immediately in Year 1)

2. Land and buildings

Action 2.1. Promote reuse of vacant buildings, infill development, and redevelopment. City staff members make recommendations to City Council on policies and locations to promote reuse of vacant buildings, infill development on underutilized properties, and redevelopment of underutilized properties or obsolete buildings. (Years 1- 5)

Action 2.2. Establish and master plan development districts. The City will establish development districts with buildable land in places with a high priority for development, including developing land use policies to support the desired development forms. (Years 2 to 5 and beyond)

3. Transportation and other Infrastructure

Action 3.1. Coordinate capital improvement planning to ensure infrastructure availability on employment land. City staff will continue coordinating capital improvement planning and funding with land use, transportation and other infrastructure planning to ensure that infrastructure is available for employment land, especially areas identified as having a high priority for development. City staff will investigate and recommend a funding plan for the capital improvements. (Year 1, on-going)

Action 3.2. Expand the hours of operation for SMART. SMART will expand hours of operation, as funds become available, in order to provide improved access to public transit. This will enable workers to get to and from their jobs and students to get to and from their place of education using public transit. (Year 1, on-going)

4. Workforce development

Action 4.1. Connect businesses with organizations involved in workforce training and education. City staff will help businesses make connections with organizations that provide workforce training and education. (Year 1, on-going)

Action 4.2. Adopt a policy demonstrating support for Oregon Tech. The City Council will adopt a policy that expresses the City's willingness to collaborate with Oregon Tech to help it succeed in its mission of training and education and also supporting other institutions of higher education. (Year 1)

5. Quality of life and public service

Action 5.1. Ensure that regulations support quality of life. City staff will continue to review building and development policies and procedures to (1) ensure that regulations that guide economic development will lead to a better quality of life in a cost-effective manner, and (2) evaluate whether there are actions that the City should take to maintain and enhance the quality of life. (Year 1, continue in Years 2 to 5)

6. Business communication and services

Action 6.1. Develop a marketing plan. City staff will work with local partners in economic development to develop a marketing plan, including materials that document Wilsonville's advantages and amenities that are attractive to businesses. (Year 2)

Action 6.2. Develop criteria to guide the use of incentives to attract or retain businesses. Create a task force that will recommend criteria for the use of incentives to attract or retain businesses. The criteria should describe (1) where incentives would be used, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives. (Year 1, immediately)

Action 6.3. Develop a program to assist existing businesses. City staff will develop a program to assist existing businesses. The program will include an outreach strategy to assess what assistance businesses want and need from the City and will evaluate the need for an economic development director at the City. (Year 2)

Action 6.4. Streamline development code and permitting process. City staff will evaluate opportunities to streamline the development code and permitting process and will also identify changes in processes that can be made without revising the code. (Years 2 to 5)



**City of Wilsonville:
Economic Development
Strategy**

July 2012

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This document is the Economic Development Strategy of the City of Wilsonville. As a strategy, it focuses on a direction (a vision) and actions the City can take (policies) to move in that direction. Other documents provide technical information in support of the actions described here.¹

1.1 WHAT IS AN ECONOMIC DEVELOPMENT STRATEGY?

Economic information, on its own, is not an economic strategy. An economic *strategy* for a city or region is typically a document that describes what *actions* the public sector and business-interest organizations intend to take to improve economic activity.

Such a strategy builds from an understanding of past, current, and potential future economic conditions, but goes further. It considers, among other things: (1) existing legal requirements and policies; (2) values that different decision-makers, interest groups, and other stakeholders place on different possible policy outcomes; and (3) other aspects of City policy regarding quality of life, including land use, infrastructure, environmental quality, equity, and more.

1.2 WHAT IS THE FOCUS OF WILSONVILLE'S STRATEGY?

This project focused on:

People. Getting City decision-makers (members of the City Council and Planning Commission) and private sector representatives of economic development and business interests to agree on the product.

Product. An Economic Development Strategy that can:

Guide Actions. City investments and regulations, and private supporting efforts

Aimed at...Improving the efficiency of the City's efforts in recruiting, retaining, and expanding businesses within the City, in both the short run and the longer run.

¹ Appendices to this document provide greater detail about the process by which it was developed, information received from stakeholder groups and the public, and a longer list of actions considered. Concurrent with this project, the City updated its Economic Opportunity Analysis (EOA), which provides information about its economic conditions and prospects.

1.3 HOW WAS WILSONVILLE'S STRATEGY DEVELOPED?

To develop its strategy the City created an **Economic Development Advisory Committee**, composed of residents, business people, and other stakeholders involved in economic development in Wilsonville. The Advisory Committee met five times over a four-month-long period, from March through June 2012. The Committee developed and reviewed comments on the vision for economic development, potential actions, and priority actions.

The Advisory Committee considered input from the community that came from several sources:

- **Focus Groups.** More than 40 stakeholders participated, including business owners and managers, staff with Wilsonville's partner organizations in economic development, staff with public agencies, and other interested stakeholders.
- **Interviews with Business Leaders.** Primarily for large businesses that were unable to participate in the focus groups.
- **Economic Summit.** Wilsonville's public was invited to participate in conversations about the issues identified in the process of developing the economic development strategy. Over 60 attendees participated in the Summit event.
- **Public Comments.** The public has had opportunities comment throughout development of the Strategy, at the Economic Summit, during Advisory Committee meetings, and through giving input to City staff via email or the City's website.
- **City staff and decision-makers .** They provided insight into City policies and activities and helped develop the strategy.
- **Community survey.** The City recently completed a community survey, which asked questions about economic development issues.

2.1 WHAT IS ECONOMIC DEVELOPMENT?

The *traditional view* of economic development is that it is about retention and creation of jobs that offer competitive wages, meaningful and secure labor, and opportunity for advancement. The *emerging view* of economic development is that it is a process of improving a community's well-being through not only job creation, business growth, and income growth, but also improvements to the wider social and natural environment that strengthen the economy. These latter "quality of life" factors are important not only to the well-being of residents and workers. They also contribute to attractiveness of a place for businesses – in that sense, maintaining and improving these factors can legitimately be considered a strategy for business retention and attraction.

Every economic development strategy, including this one, has at its core the traditional focus on jobs and income. But this strategy is broader; it considers factors relating to quality of life for residents and employees that affect Wilsonville's ability to retain and expand existing businesses and attract new businesses.

Though economic development could be defined broadly to consider most activities of local government (e.g., including the provision of quality infrastructure, education, and recreation facilities and programs), *job growth and business growth are generally the primary objective of local government economic development efforts*. This growth comes from the creation of new firms, expansion of existing firms, and attraction of new firms or retention of existing firms. If economic development is about accommodating, creating, and expanding businesses, then it makes sense to think of how local economic development policies will affect factors that matter to business decisions about location and expansion. In the jargon of economics, any policy or action must affect a factor of production that influences business locations and expansion.² The typical *direct factors of production* are:

- **Natural resources and supplies.** Businesses producing goods and some services need access to materials to develop products that they can sell. The quality, quantity, and cost of locally available natural

² The information in this section is summarized from the American Planning Association's Planning Advisory Service Report "An Economic Development Toolbox: Strategies and Methods," 2006.

resources and supplies are all relevant. Historically access to forests, water, and cheap electrical power have drawn several industry sectors to Oregon. For Wilsonville today, the natural resource issues are relatively unimportant; the access to suppliers remains important, however, and Wilsonville's access in the Portland region is relatively good.

- **Land and built space.** Businesses need land that is entitled, buildable, and development-ready. Land and buildings must be in the right locations, sizes, and configurations.
- **Labor.** The relative productivity and cost of labor is often the single most important factor for businesses, especially service businesses. Businesses want a trained and educated workforce that is reliable and, if possible, available at relatively lower costs. An important part of labor is entrepreneurship, which includes trained, creative, and effective management.
- **Access to markets and materials.** Businesses need to bring their supplies and labor to and from other locations. Business look for proximity to markets and connections to transportation systems to access markets and materials.
- **Local Infrastructure.** An important role of government is to increase economic capacity by improving the quality and efficiency of infrastructure (e.g., roads, water and sewer systems, or airports).
- **Business clusters.** One way for businesses to reduce their costs is to choose a location where there are other similar businesses or other businesses that share a common supply chain, constituting a business cluster.

Businesses locate in a city or region not only because of the quality and cost of these direct factors of production, but also because of the presence of factors that can have indirect but important effects on the costs and profitability of doing business:

- **Quality of life.** "Quality of life" includes all the factors and amenities that attract people to a community because it is a nice place to be: good schools, a clean environment, affordable housing, nice parks, and an exciting culture. Quality of life can affect costs for businesses. The wage and salary costs of attracting and retaining both management and labor can be reduced if they have a larger "second paycheck" from the amenities and quality of life factors in the community.
- **Government policies.** Government policies can affect the supply, cost, and quality of the factors above. Businesses want the public

sector's help with most of the items above, but they would like the costs of that assistance (e.g., taxes and fees) to be low.

Not all factors are equally important to businesses in general, and their importance differs by type of business. The *location* decisions of businesses are primarily based on the availability and cost of labor, transportation, raw materials, and capital. In the words of professional site selectors, businesses typically do a *regional* screening first ("Which are the two or three best regions for our business?") and then work down to sites in the region as part of the final selection process. The availability and cost of these production factors are broadly similar within a region. Most economic development strategies available to local governments affect the cost and quality of these primary location factors only indirectly.

Local governments can most directly affect the other factors in the list above – for example, tax rates (within the bounds of Measures 5 and 50), land supply and permitting, the quality of public facilities and services and their costs to businesses and their employees, and workforce training.

Wilsonville's economic development strategy is organized around these factors of production: factors that businesses care about when making decisions about where and how to grow.

2.2 WHAT FACTORS AFFECT WILSONVILLE'S ECONOMY?

Developing an economic development strategy for Wilsonville requires an understanding of the community's comparative advantages and disadvantages in the context of the larger regional economy. Some key considerations:³

- **Regional and Interstate Accessibility.** One of Wilsonville's primary competitive advantages for economic development is the City's proximity to and visibility from Interstate 5. I-5 interchange improvements at Wilsonville Road will be complete in 2012, expanding capacity to improve traffic flow and safety. The primary limitation for I-5 access in Wilsonville for most businesses is that the city has three connections to I-5, providing access to the highway from the city's industrial and employment areas, with two of the connections located north of the Willamette River.

The I-205 connection to I-5 is located just two miles north of Wilsonville. With the combination of I-5 and I-205, the City also has excellent access to I-84 and Highway 217, which in turn connects with Highway 26.

Other transportation-related economic development advantages for Wilsonville include:

The City's public transit system (SMART), which provides local cross-town bus service and commuter linkages to Portland in the north, Salem in the south, and Canby in the east.

TriMet's Westside Express Service (WES) commuter rail system, which provides inter-city transit service to Beaverton (via Tualatin and Tigard). SMART uses the local WES station as a hub for operations, delivering commuters from the train to local businesses within 10 minutes during morning and evening commute times.

Aurora Airport, owned and operated by the Oregon Department of Aviation, provides hangars, fueling and transient aircraft services and maintenance operations for general aviation, charters, and corporate aircraft. In this regard, the Aurora Airport

³ The charge to the Advisory Committee process did not include the collection, analysis, and reporting of economic data or a formal environmental scan of Wilsonville's economy. The overview in this section of Wilsonville's opportunities and constraints for economic growth over the next one to five years derives from the City's updated EOA, input from stakeholders in Wilsonville (Section 1.3), and staff and Committee knowledge of the economy in the Portland metropolitan region.

provides valuable support to local businesses and to corporate executives.

- **Vacant land base.** The City has opportunities for development of vacant land in the next one to five years in the Coffee Creek area and over the next 20 years in the Basalt Creek area.

Portions of the Coffee Creek Master Plan Area have municipal services available, but larger portions of the area will require the extension of services (e.g., water and sewer lines). The total cost of building out the Coffee Creek Master Plan Area is not yet estimated, and the timing of service extensions is unspecified, making developers hesitant to make investments in the area. There is no adopted concept plan for development of the Basalt Creek Master Plan Area, but the cities of Tualatin and Wilsonville have agreed to cooperatively develop a concept plan for that area.

The City has an advantage within the Portland region in that it has a vacant land base to build on. The disadvantage is that the City does not have specific funding plans for servicing the remainder of the Coffee Creek and all of Basalt Creek areas.

- **Vacant built space.** The City has a substantial stock of vacant commercial and industrial built space, which can provide opportunities for growth of new businesses. Vacant buildings, however, detract from the sense of place in Wilsonville and can contribute to a lower property-tax base due to lower assessments that are often applied to vacant structures.
- **Existing businesses.** Wilsonville's existing business base is an advantage for economic development. The City's mix of businesses includes established international and regional employers. Five businesses have 500 or more employees. In addition, Wilsonville has a large base of small businesses, in a wide range of industries including: computer and electronic product manufacturing; professional and technical services; wholesalers; health care; specialty trade contractors; retail; and food services.
- **Business clusters.** Wilsonville has established business clusters in wholesale trade, specialty trade contractors, computer and electronic manufacturing, non-metal mineral manufacturing, machinery manufacturing, medical products manufacturing and distribution, transportation and warehousing, and motor vehicle and parts dealers. Emerging business clusters in Wilsonville are: health care services and professional and business services.

- **New Oregon Tech campus.** Oregon Tech (or Oregon Institute of Technology (OIT)) is consolidating its regional campuses in Wilsonville. This relocation and consolidation will provide opportunities for enhanced workforce training and partnerships between OIT and businesses, and will be a catalyst for growth of technology businesses in Wilsonville.
- **Tourism.** Wilsonville has a growing tourism cluster, anchored by local motels with over 900 rooms and the third largest full-service hotel/conference center in Washington County, and supported by local restaurants. The Wilsonville Area Chamber of Commerce operates a Regional Visitor Information Center, which provides gateway directory information to the traveling public.
- **Similar number of residents and jobs.** Historically, Wilsonville has had more employees than residents. In 2006, prior to the recent recession, Wilsonville had about 16,900 residents and 19,935 workers, about 1.18 jobs per persons. By 2010, Wilsonville had about 19,500 residents and about 18,500 employees, about 0.95 jobs per persons. These ratios are about twice the average for the tri-county Portland metropolitan area (about 0.5 jobs per person). The relatively high number of jobs in Wilsonville suggest the City advantages of a relatively large and diverse economy, which contributes to a broad tax base.
- **Commuting patterns.** Businesses in Wilsonville are able to attract workers from across the Portland metropolitan region and from the Willamette Valley to the south. The U.S. Census' American Community Surveys show that over 90% of employees who work in Wilsonville commute from other locations. In addition, many residents of Wilsonville commute out of the City for work. While the ability of workers to commute into and out of Wilsonville is an advantage for businesses and residents, the large amount of commuting means that commuters use a large share of the capacity on Wilsonville's transportation system and I-5 interchanges.
- **Housing.** According to stakeholder input, Wilsonville's housing stock is generally high-quality, which is an advantage for attracting businesses that want access to high-quality housing for their workers. Stakeholders report that Wilsonville's housing is not affordable to lower- and some middle-income households. The need for more affordable housing may contribute to the City's large amount of commuting.

The basis for the Economic Development Strategy is the community's vision for economic growth. The vision is that Wilsonville will have sustained economic growth based on the City's competitive advantages in the Portland metropolitan region.

3.1 WHAT IS A VISION STATEMENT?

A vision is a broad statement about a desired future, usually expressed in a few sentences. The vision is made more specific with goals, though they are still relatively broad statements about desired outcomes. A broad vision for the future development of Wilsonville could address many topics: not just jobs and land for employment, but also housing options and quality, transportation and infrastructure development, and quality of life (e.g., a high-quality K-12 education system or great parks).

The following vision was prepared by members of the Advisory Committee with input from participants at the public Summit. The criteria for the vision, established by the Advisory Committee and participants in the Summit, were that it should:

- Be short, inspiring, and motivating
- Emphasize Wilsonville's advantages and focus on the unique qualities of Wilsonville
- Focus on outcomes and the end-results of the Strategy
- Support the values of maintaining and enhancing the City's quality of life, cultural values, and amenities
- Be inclusive of all businesses, not limited to selected industries
- Emphasize a variety of job opportunities through sustained growth.

3.2 WHAT IS WILSONVILLE'S VISION FOR ECONOMIC DEVELOPMENT

Wilsonville's sustained economic strength is fostered by a spirit of innovation and collaboration. Our residents and businesses wisely invest the time, energy, and money to assure that Wilsonville retains the quality of life we value. We leverage our excellent location, ample land supply, top quality infrastructure and transit system to deliver desired economic benefits.

3.3 WHAT ARE THE DIRECTIONS FOR ACHIEVING THE VISION

The City of Wilsonville will seek to achieve its vision through actions that address six categories of factors that influence the location and expansion decisions of businesses:

1. **Agreement on amount, type, location, and pattern of development.** The City supports and facilitates communication and cooperation among the many parties with an interest in these issues.
2. **Land and buildings.** The City strives to use land effectively, carefully planning for long-term economic development, urban development (including housing and civic spaces), and the protection and enhancement of natural areas and open space.
3. **Transportation and other infrastructure.** The City provides public facilities to efficiently service land and buildings within the City. Where the City is not the principal provider, it shall advocate for full and efficient service of properties within its boundaries.
4. **Workforce development.** The City supports education and workforce development that leads to opportunities for jobs, advancement, entrepreneurship, and increased income for residents, by collaborating with organizations whose mission is to provide workforce training and education.
5. **Quality of life and public services.** The City supports and welcomes the growth of existing businesses and new businesses that share the community's values and enhance Wilsonville's livability.
6. **Business communication and services.** The City supports business development through open communication, coordinating among stakeholders, and fostering a positive business climate.

3.4 WHAT IS DIFFERENT ABOUT THIS VISION AND STRATEGY

Wilsonville's fiscal problems are smaller relative to those of most cities in Oregon (see Section 2.2). The Advisory Committee believes *the City can and should take a long view*. The City's actions in economic development should be *deliberative* (wait for businesses that fit the plan), *balanced* (economic development and quality of life are both important – the City can have both), *efficient* (the City's priority should be to provide the land-use plan, and to provide adequate infrastructure and public services when needed) and *fair* (do not make incentives for new business a standard practice).

The economic development vision is achieved through a series of actions, which are organized by the factors that the location and expansion decisions of businesses. Each of the six factors has at least one action that the City will accomplish during the five year period.

4.1 SUMMARY OF ACTIONS

The Advisory Committee considered dozens of potential actions in the six categories described in Section 3.3 (see Appendix C, for a longer list of actions considered). Noting that strategies with a large number of actions are hard to explain and implement, the Advisory Committee set itself the task of pruning the many actions to about 10: ones that needed immediate attention, were necessary for other actions to occur, were specific, and could generally be accomplished in a year or two (certainly less than five years). Table 4-1 summarizes the Advisory Committee's recommendations for high-priority actions. The rest of the chapter gives more details.

Table 4-1. Summary of Actions

Action	Description	Timing
1. Agreement on amount, type, location, and pattern of development		
Action 1.1. Describe business attributes and impacts that are supportive of Wilsonville's economic and community development goals	A task force is formed to consider, make recommendations, and deliver a report to City officials and staff on the desired community impacts of businesses, without singling out the specific types of businesses that the City should try to attract to Wilsonville.	Immediately in Year 1
2. Land and buildings		
Action 2.1. Promote reuse of vacant buildings, infill development, and redevelopment	City staff members make recommendations to City Council on policies and locations to promote reuse of vacant buildings, infill development on underutilized properties, and redevelopment of underutilized properties or obsolete buildings.	In Year 1, continuing through Year 5
Action 2.2. Establish and master plan key development districts	The City will establish development districts with buildable land in places with a high priority for development, including developing land use policies to support the desired development forms.	Years 2 to 5 and continue beyond
3. Transportation and other infrastructure		
Action 3.1. Coordinate capital improvement planning to ensure infrastructure availability on employment land	City staff will continue coordinating capital improvement planning and funding with land use, transportation and other infrastructure planning to ensure that infrastructure is available for employment land, especially areas identified as having a high priority for development. City staff will investigate and recommend a funding plan for the capital improvements.	Year 1, on-going
Action 3.2. Expand the hours of operation for SMART	SMART will expand hours of operation, as funds become available, in order to provide improved access to public transit. This will enable workers to get to and from their jobs and students to get to and from their place of education using public transit.	Year 1, on-going
4. Workforce development		
Action 4.1. Connect businesses with organizations involved in workforce training and education	City staff will help businesses make connections with organizations that provide workforce training and education.	Year 1, on-going
Action 4.2. Adopt a policy demonstrating support for Oregon Tech	The City Council will adopt a policy that expresses the City's willingness to collaborate with Oregon Tech to help it succeed in its mission of training and education and also supporting other institutions of higher education.	Year 1
5. Quality of life and public services		

Action	Description	Timing
Action 5.1. Ensure that regulations support quality of life	City staff will continue to review building and development policies and procedures to (1) ensure that regulations that guide economic development will lead to a better quality of life in a cost-effective manner, and (2) evaluate whether there are actions that the City should take to maintain and enhance the quality of life.	Year 1, continue in Years 2 to 5
6. Business communication and services		
Action 6.1. Develop a marketing plan	City staff will work with local partners in economic development to develop a marketing plan, including materials that document Wilsonville's advantages and amenities that are attractive to businesses.	Year 2
Action 6.2. Develop criteria to guide the use of incentives to attract or retain businesses	Create a task force that will recommend criteria for the use of incentives to attract or retain businesses. The criteria should describe (1) where incentives would be used, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.	Immediately in Year 1
Action 6.3. Develop a program to assist existing businesses	City staff will develop a program to assist existing businesses. The program will include an outreach strategy to assess what assistance businesses want and need from the City and will evaluate the need for an economic development director at the City.	Year 2
Action 6.4. Streamline development code and permitting process	City staff will evaluate opportunities to streamline the development code and permitting process and will also identify changes in processes that can be made without revising the code.	Years 2 to 5

4.2 ACTIONS

1. LOCAL AGREEMENT ON AMOUNT, TYPE, LOCATION, AND PATTERN OF DEVELOPMENT

Action 1.1. Describe business attributes and impacts that are supportive of Wilsonville's economic and community development goals

What is the action?	A task force is formed to consider, make recommendations, and deliver a report to City officials and staff on the desired community impacts of businesses, without singling out the specific types of businesses that the City should try to attract to Wilsonville.
Why is the City doing it?	Wilsonville is in the rare position of being able to be selective about the types of businesses that locate in the City. It wants economic growth to enhance and maintain the high quality of life in Wilsonville. But what, exactly, does that mean? The Economic Development Advisory Committee concluded that the City should not pick specific industry sectors or clusters for special treatment. It believed, however, that the City would occasionally need to make decisions about land use designation, infrastructure investment, or fees and incentives that might have the effect of supporting some types of development over others. Thus, the City would benefit from drafting a description of what kind of attributes <u>any</u> business would have to be compatible with a general objective of "supporting community goals."
When will work begin?	Immediately in Year 1
How does it work?	City staff and elected officials will work with stakeholder groups to identify membership for the task force. The task force will identify and prioritize the kinds of attributes and impacts that businesses would have if they were to fit well into the economic and community development objectives of the City. The task force should coordinate with the work of the task force in Action 6.2 (criteria for incentives; the two task forces could be combined into one).
Who will implement?	City Economic Development Team
How will the action be funded?	Volunteer task force; existing budgets for staff time; no dedicated funding source
How will the City know when it is done?	At a minimum, the task force will deliver a report to City Council. The Council may simply accept the report as guidance to staff, or it may take more detailed action.

2. LAND AND BUILDINGS

Action 2.1. Promote reuse of vacant buildings, infill development, and redevelopment

What is the action?	City staff members make recommendations to City Council on policies and locations to promote reuse of vacant buildings, infill development on underutilized properties, and redevelopment of underutilized properties or obsolete buildings.
Why is the City doing it?	There are opportunities for making better use of areas with existing buildings in Wilsonville. Vacancies in buildings, especially those that have been long vacant, can be used by new or expanding businesses. Land with existing development can be more efficiently used by infilling or redeveloping underutilized space.
When will work begin?	Year 1, continuing through Year 5
How does it work?	City staff will identify high priority underutilized sites to target for reuse. The highest priority sites might be large or highly visible buildings and land. Working with local real estate professionals and property owners, City staff will evaluate the reasons that land is underutilized or buildings are vacant or underutilized. Staff will work with property owners to identify opportunities for reuse of the site.
Who will implement?	City Community Development Department; support from the City Economic Development Team
How will the action be funded?	Existing budgets for staff time; no dedicated funding source for developing the policies Additional budget may be needed to fund reuse or redevelopment, depending on recommended policies,
How will the City know when it is done?	At a minimum, City staff will deliver a report with recommendations to City Council. Council will adopt some of those recommendations with a commitment to fund any policies that require funding.

Action 2.2. Establish and master plan key development districts

What is the action?	The City will establish development districts with buildable land in places with a high priority for development, including developing land use policies to support the desired development forms.
Why is the City doing it?	<p>The majority of buildable employment land available for Wilsonville's growth is in the Coffee Creek and Basalt Creek areas, which are outside of the City limits. The City plans to develop the Coffee Creek area for employment, with development happening over the next few years.</p> <p>The City's long-term plans for accommodating employment growth focus on the Basalt Creek area, which contains at least a 20-year supply of employment land for the City, based on results of the EOA.</p>
When will work begin?	Years 2 to 5 and continue beyond
How does it work?	<p>The City has a master plan for the Coffee Creek area, which includes land use and essential infrastructure, but which lacks explicit strategies for annexation and consolidation of ownerships. Much of the Coffee Creek area still lacks infrastructure necessary to support the development of employment areas. City staff will need to identify areas with highest priority for development and then plan to provide infrastructure to those areas, as part of Action 3.1. Additionally, development in the Basalt Creek area will be partially dependent on infrastructure that will come through the Coffee Creek area.</p> <p>The City will need to complete a master plan for the Basalt Creek Area, in cooperation with the City of Tualatin. The City will then need to identify areas with highest priority for development and then plan to provide infrastructure to those areas, as part of Action 3.1</p> <p>The staff's work will be guided by the Planning Commission and City Council, with input from stakeholders and the public as needed.</p>
Who will implement?	Community Development Department
How will the action be funded?	The City will need to identify funds to pay for the implementation of both the Coffee Creek and Basalt Creek Master Plan.
How will the City know when it is done?	<p>City staff complete an implementation strategy for the Coffee Creek Master Plan and a Basalt Creek Master Plan and take them through the review process with stakeholders, affected agencies, and the public.</p> <p>The City Council approves the Plan as amended.</p>

3. TRANSPORTATION AND OTHER INFRASTRUCTURE

Action 3.1. Coordinate capital improvement planning to ensure infrastructure availability on employment land

What is the action?	<p>City staff will continue coordinating capital improvement planning and funding with land use, transportation and other infrastructure planning to ensure that infrastructure is available for employment land, especially areas identified as having a high priority for development.</p> <p>City staff will investigate and recommend a funding plan for the capital improvements.</p>
Why is the City doing it?	<p>The City wants to provide the necessary services to accommodate growth both within the City limits and in areas identified for growth through annexation to the city limits. The majority of Wilsonville's potential vacant land for employment is in the Coffee Creek or Basalt Creek areas, which largely lack the infrastructure necessary to support employment uses. Providing infrastructure to these areas requires identifying one or more funding sources.</p>
When will work begin?	<p>Year 1, on-going</p>
How does it work?	<p>City staff will work with decision-makers to identify and prioritize areas within the City with highest priority for capital improvements. These areas may include places within the City where improvements are necessary. Other areas where capital improvement planning is necessary are Coffee Creek and, in the long-term, Basalt Creek. City staff will balance needs for improvements to existing facilities that serve existing businesses and residents with needs to provide infrastructure to vacant land to allow for new growth.</p> <p>City staff will identify funding sources to pay for capital improvements in the areas identified as high priorities. One tool the City is considering in the Coffee Creek area is urban renewal. The process for deciding whether to use urban renewal will be a transparent, public process that is led by the City Council.</p>
Who will implement?	<p>Community Development Department</p>
How will the action be funded?	<p>Existing budgets for staff time; no dedicated funding source</p>
How will the City know when it is done?	<p>City staff will prepare a capital improvement plan for infrastructure, including a funding plan. Staff will present it to City Council, and the Council will adopt some or all of those recommendations with a commitment to fund any items that require funding.</p>

Action 3.2. Expand the hours of operation for SMART

What is the action?	SMART will expand hours of operation, as funds become available, in order to provide improved access to public transit. This will enable workers to get to and from their jobs and students to get to and from their place of education using public transit.
Why is the City doing it?	Use of transit addresses some of the City's transportation concerns: (1) automotive congestion, especially from commuting and (2) providing transportation opportunities for households in a range of income groups.
When will work begin?	Year 1, on-going
How does it work?	SMART will maintain the established level-of-service standards for existing routes. SMART will identify opportunities to provide more service (e.g., new routes or buses at different times) to meet the needs of employers and educational institutions. The biggest challenge in expanding hours of operation is identifying a funding source to pay for more service without reducing existing levels of service.
Who will implement?	SMART
How will the action be funded?	SMART will evaluate potential funding sources to provide expanded hours of operation.
How will the City know when it is done?	SMART will identify additional funding sources and expand hours of operation.

4. WORKFORCE DEVELOPMENT

Action 4.1. Connect businesses with organizations involved in workforce training and education

What is the action?	City staff will help businesses make connections with organizations that provide workforce training and education.
Why is the City doing it?	The City recognizes the importance of workforce training and education in having a skilled workforce that can meet the needs of businesses. City staff have established working relationships with businesses and with workforce development and educational organizations, including the Art/Tech High School, Wilsonville High School, Clackamas Community College, Pioneer Pacific College, and Oregon Tech.
When will work on the action begin?	Year 1, on-going
How does it work?	City staff maintain relationships with people involved in workforce training and education, as well as with businesses. City staff can initiate outreach with stakeholders to strengthen existing relationships and build new relationships. This outreach could take the form of periodic meetings with stakeholders and informal opportunities to build relationships.
Who will implement?	City Economic Development Team
How will the action be funded?	Existing budgets for staff time; no dedicated funding source
How will the City know when it is done?	City staff will have periodic meetings about relationship building with workforce training and education organizations and businesses.

Action 4.2. Adopt a policy demonstrating support for Oregon Tech and other institutions of higher education

What is the action?	The City Council will adopt a policy that expresses the City's willingness to collaborate with Oregon Tech to help it succeed in its mission of training and education and also supporting other institutions of higher education.
Why is the City doing it?	The City recognizes the importance of having local opportunities for workforce training and higher education within the City. The City recognizes the significant opportunities that result from having a highly regarded university (Oregon Tech) consolidating its metropolitan campuses in Wilsonville. Oregon Tech's specialized technical training will be a valuable economic development tool, giving Wilsonville one more competitive advantage. The City is committed to making Oregon Tech's relocation successful and to helping businesses in Wilsonville benefit from the opportunities resulting from having Oregon Tech and other institutions of higher education in the community.
When will work begin?	Year 1
How does it work?	City staff will work with decision-makers to craft and adopt a policy in support of Oregon Tech.
Who will implement?	City's Economic Development Team will craft the policy, with input from Oregon Tech. The City Council will adopt the policy.
How will the action be funded?	Existing budgets for staff time; no dedicated funding source
How will the City know when it is done?	The City Council will adopt a policy demonstrating support for Oregon Tech.

5. QUALITY OF LIFE AND PUBLIC SERVICES

Action 5.1. Ensure that regulations support quality of life

What is the action?	City staff will continue to review building and development policies and procedures to (1) ensure that regulations that guide economic development will lead to a better quality of life in a cost-effective manner, and (2) evaluate whether there are actions that the City should take to maintain and enhance the quality of life.
Why is the City doing it?	Residents and workers in Wilsonville value the high quality of life in the community. The National Citizen Survey of Wilsonville in 2012 showed that more than 90% of people think that Wilsonville is a good or excellent place to live and 75% think that the City is a good or excellent place to work. A key finding from the public process is that stakeholders want the City to make deliberate decisions to guide economic growth in ways that are compatible with community values and quality of life. City policies and regulations should balance growth with maintaining and enhancing Wilsonville's quality of life. The types of policies that City staff should review relate to public safety, environmental quality, aesthetics, parks, opportunities for live/work situations, and building forms. This evaluation is forward-looking, anticipating issues that may arise as Wilsonville grows.
When will work begin?	Year 1, continue in Years 2 to 5
How does it work?	This action is a continuation and extension of what City staff currently do, in concert with the Planning Commission. Staff will work with existing committees to (1) identify building and development business and economic development policies that directly affect quality of life for review, (2) identify potential changes to the policy to improve quality of life, (3) evaluate options for policy changes, and (4) decide what changes (if any) to recommend to decision-makers. In doing these evaluations, staff should cross-reference actions to streamline policies (Action 6.4). Streamlining regulations to make them faster or less expensive for businesses to comply with may have impacts on quality of life. These trade-offs should be considered when making changes to policies.
Who will implement?	Community Development Department; support from the City administration, Planning Commission, and City Council
How will the action be funded?	Existing budgets for staff time; no dedicated funding source
How will the City know when it is done?	City staff will complete the evaluations and make recommendations to the Planning Commission regarding changes in regulations to maintain and enhance quality of life. The Planning Commission will decide which, if any, of the recommendations to forward to the City Council, who will adopt some or all of the recommendations.

6. BUSINESS COMMUNICATION AND SERVICES

Action 6.1. Develop a marketing plan

What is the action?	City staff will work with local partners in economic development to develop a marketing plan, including materials that document Wilsonville's advantages and amenities that are attractive to businesses.
Why is the City doing it?	<p>The City can better meet its economic development goals if the City has a strategic marketing plan that describes the advantages businesses would have in locating in Wilsonville.</p> <p>Wilsonville's residents generally support encouraging economic growth. In response to the National Citizen Survey of Wilsonville in 2012, more than 90% of people support or strongly support actively recruiting businesses to Wilsonville and marketing the City to attract new businesses.</p>
When will work begin?	Year 2
How does it work?	City staff would develop the marketing plan through working with the following partners: the Wilsonville Area Chamber of Commerce, Greater Portland Inc., Clackamas County Economic Development, and Business Oregon.
Who will implement?	City's Economic Development Team
How will the action be funded?	The City will need to identify a funding source to support developing the marketing plan.
How will the City know when it is done?	City staff will have a completed marketing plan.

Action 6.2. Develop criteria to guide the use of incentives to attract or retain businesses

What is the action?	Create a task force that will recommend criteria for the use of incentives to attract or retain businesses. The criteria should describe (1) where incentives would be used, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.
Why is the City doing it?	<p>The City has not used incentives to attract businesses and recently had a controversy over the proposed use of incentives. City staff and decision-makers recognize the importance of having clear policies to guide the use of incentives to attract or retain businesses. If the City is clear in advance about when incentives are acceptable and not acceptable, staff can respond better and faster to the opportunities for economic development that arise.</p> <p>In response to the National Citizen Survey of Wilsonville in 2012, 76% of residents support or strongly support providing financial incentives to help expand existing businesses and 69% support or strongly support providing financial incentives to attract new businesses. However, 24% or more of respondents opposed providing financial incentives to attract new businesses or retain existing businesses.</p>
When will work begin?	Immediately in Year 1
How does it work?	City staff and elected officials will work with stakeholder groups to identify membership for this task force. The task force will develop and recommend the criteria for making decisions about the use of incentives. The task force should coordinate with the work of the task force in Action 1.1 that addresses business attributes and impacts (the two task forces also could be combined into one). The City Council will review the recommended criteria and make a decision about adopting the criteria
Who will implement?	City Economic Development Team; support from the Community Development Department, City Manager's Office, and City Council
How will the action be funded?	Volunteer task force; existing budgets for staff time; no dedicated funding source. Additional budget may be needed to fund incentives
How will the City know when it is done?	At a minimum, the task force will deliver a report to the City Council. The Council may simply accept the report as guidance to staff or it may take more detailed action.

Action 6.3. Develop a program to assist existing businesses

What is the action?	City staff will develop a program to assist existing businesses. The program will include an outreach strategy to assess what assistance businesses want and need from the City and will evaluate the need for an economic development director at the City.
Why is the City doing it?	A key part of the City's approach to economic development is retention and expansion of existing businesses. The City can play a role in business retention through helping businesses through the City's development process and providing other assistance to businesses.
When will work begin?	Year 2
How does it work?	<p>City staff will work with community partners, such as the Wilsonville Area Chamber of Commerce, Greater Portland Inc., Clackamas County Economic Development, Business Oregon and others to develop the business assistance program. The basis for the program is outreach to existing businesses to assess how the City could assist businesses. This outreach may take the form of a survey or interviews with business owners and managers.</p> <p>One outcome of the evaluation may be that the City requires an economic development director to implement the program.</p>
Who will implement?	City Economic Development Team; support from the City Manager's Office and City Council
How will the action be funded?	<p>Existing budgets for staff time; no dedicated funding source for developing the program</p> <p>Additional budget may be needed depending on the recommendations to fund elements of the program</p>
How will the City know when it is done?	At a minimum, staff will develop a program, with recommendations to the City Council. The Council will accept, and if necessary, fund the recommendations.

Action 6.4. Streamline development code and permitting process

What is the action?	City staff will evaluate opportunities to streamline the development code and permitting process and will also identify changes in processes that can be made without revising the code.
Why is the City doing it?	The City recognizes the importance in helping businesses successfully complete the permitting process quickly. In response to the National Citizen Survey of Wilsonville in 2012, more than 80% of respondents supported or strongly supported streamlining the permitting process.
When will work begin?	Years 2 to 5
How does it work?	This action is a continuation and extension of what City staff currently do, working with the Planning Commission. Staff will work with existing committees to: (1) identify opportunities to streamline the development code and permitting process, (2) evaluate options for policy changes and whether changes will require changes to the code, and (3) decide what changes (if any) to recommend to decision-makers. In doing these evaluations, staff should understand the connections with actions to ensuring that regulations support quality of life (Action 5.1) and streamlining regulations. Policies that ensure quality of life may result in a slower or more costly development process. The City should consider these trade-offs when making changes to policies.
Who will implement?	Community Development Department, working with the Planning Commission
How will the action be funded?	Existing budgets for staff time; no dedicated funding source for the evaluation Additional budget may be needed depending on the recommendations to fund changes to policies
How will the City know when it is done?	At a minimum, City staff will deliver a report with recommendations to the Planning Commission. Planning Commission will decide which, if any, of the recommendations to forward to the City Council, who will adopt some (or all) of the recommendations.

4.3 NEXT STEPS

After the City Council adopts this Economic Development Strategy, the actions to complete first are Action 1.1 (Evaluating benefits to the community from attracting businesses) and Action 6.2 (Developing criteria for use of business incentives). These actions are essential to furthering implementation of the Strategy. The City must be clear on the desired community impacts of businesses and the incentives (if any) that the City will use to attract or retain businesses before it can fully implement any programs that have the goal of attraction or retention.

These actions should be completed within six months of adoption of this strategy. Once those actions are complete, the City should revisit the Strategy to evaluate whether the Strategy needs modifications. It would be appropriate and relatively straightforward to amend this document if necessary to reflect any changes to other actions in the Strategy. If its members were willing, the City could reconvene the Economic Development Advisory Committee to oversee and approve this task.⁴

In addition to the City's role of monitoring and updating the Strategy, the City must consider uncertainty and the need for flexibility in the Strategy. Information technology and globalization have increasingly made economies both more efficient and less predictable. Wilsonville has many of the fundamentals necessary for it to do well economically relative to its regional neighbors. But it has to choose carefully and adapt its choices to changing circumstances.

For example, there is now a broad technical and political consensus that Wilsonville's logical path for the development of new employment space is the Coffee Creek Area and, farther off, the Basalt Creek Area. But the cost of that development, the sources of funding, and the fiscal impacts on the City are not yet estimated.

Moreover, all the estimates of the need for that land come from an assumption that the U.S. and Portland economies will continue to grow and will demand the kind of space and locations that the Coffee Creek and Basalt Creek areas provide. Those assumptions are not unreasonable, but they will almost certainly have to be refined as events unfold.

⁴ Any revisions to the Strategy would include revisions to the section on *Next Steps* since those next steps will be different (or at least more specific) after Actions 1.1 and 6.2 are complete.

In that vein, the Economic Development Advisory Committee also noted that even though its process got to conclusions about a group of actions that seemed more important than others (i.e., those in Chapter 4 versus all those in Appendix C), it did not have time to dig into the details of the prioritization and funding of the actions in Chapter 4. There will inevitably be tradeoffs. For example, if the task force that addresses Action 6.2 on business incentives decides that incentives are merited under certain conditions. Will funding for those incentives come from taxes or an increase in fees, or will some other facility or service improvements be postponed? These decisions fall appropriately to the City Council. The Committee recognizes that the broad Strategy it has proposed must be flexible and implemented incrementally by City Council decisions about budget priorities.

The last row of each Action table in Section 4.2 asks "How will the City know when the action is done?" This Strategy has taken a short-run interpretation of that question and looks for a product and event that is clear and can be checked-off unambiguously. But the City should also consider a longer-run monitoring program that moves (in the language of performance measurement) from *outputs* to *outcomes*. Outputs are the intermediate products and actions (e.g., the adoption of plans and policies; the creation of programs and coordinating groups) that the City and its partners ultimately hope to will deliver desired outcomes: more economic development, building, jobs, tax revenue, community facilities and services, et cetera.

Thus, an additional action that the City should consider is creating a relatively simple set of performance measures and tracking them over time. Then, when the Strategy gets revisited and revised, the next Economic Development Advisory Committee will have direct information to help answer the question, Are the policies we are following getting us to the outcomes we desire?

Appendix A **List of Community Participants**

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEMBERS AND ALTERNATES

Amy Dvorak, Planning Commission member
Ben Altman, Past-President, Wilsonville Chamber of Commerce; 2012
Chair, City Planning Commission
Brenner Daniels, Investment Advisor, Holland Partners Group
Clyde Holland, CEO, Holland Partners Group
Craig Olson, Sr. Director/Site Manager, Rockwell Collins
Dr. Chris Maples, President, Oregon Institute of Technology
Gale Lasko, General Manager, Lamb's Wilsonville Thriftway
Lita Colligan, Assoc. Vice President/Strategic Partnerships, Oregon
Institute of Technology
Lonnie Gieber, Wilsonville resident and Budget Committee member
Nancy Sage, VP/Sales, Xzeres Wind Corporation
Patrick Croasdaile, Marketing Specialist, Xzeres Wind Corporation
Marta McGuire, Wilsonville resident who serves on the Planning
Commission and Committee for Citizen Involvement
Ray Phelps, Past-President, Wilsonville Chamber of Commerce;
Commissioner, City Planning Commission; Commissioner, Clackamas
County Economic Development Commission
Scott Starr, Wilsonville City Council, Committee Co-Chair (ex-officio)
Steve Hurst, former Wilsonville City Council, Committee Co-Chair (ex-
officio)
Thomas Garnier, President, SSI Shredding Systems

BUSINESS LEADERS INTERVIEWED

Alan Kirk, Sr. VP/CFO, OrePac Building Products
Bill Sundermeier, President, FLIR Systems, Inc.
John Ludlow, Principal Broker, John Ludlow Realty Inc.
Jonathan Hill, Site Operations & Process Improvement Manager, Xerox
Corporation
Larry Gardner, Director of Worldwide Facilities, and Ry Schwark, Director
of Investor and Public Relations, Mentor Graphics Corporation

ECONOMIC DEVELOPMENT SUMMIT PARTICIPANTS

Alan Steiger, City Budget Committee
Amy Dvorak, City Planning Commission
Anne Easterly, Key Bank / City Budget Committee

Anthony Calcagno, T. Y. Lin International
Ben Altman, SFA Design Group LLC
Boyd Westover, Eaton Corp.
Brennar Daniels, Holland Partner Group
Brittany Miles, Oregon Tech / OIT
Bruce Bennett, Aurora Aviation
Carl Hosticka, Metro Council
Carolyn Hagemeyer, Costco
Catherine Comer, Clackamas County Economic Development
Cindy Hagen, Clackamas County Economic Development
Charlotte Lehan, Clackamas County Board of Commissioners
Richard Goddard, Wilsonville City Council
Dan Griffin, TVFR
Danielle Cowan, Clackamas County Tourism & Cultural Affairs
Dave Murray, Convergence
David Stead, Langdon Farms Golf Club
Doris Wehler, Cookies By Design
Elizabeth Peters, Oregon Veterans Foundation
Eric Postma, City Planning Commission
Jennifer Johnson, Wilsonville Chamber/Visitor Center, Oregon Horse
 Country
Jim Bernard, Clackamas County Board of Commissioners
Jim Crowell, Clackamas County Economic Development Commission; e-
 Tech
John Ludlow, John Ludlow Realty
Jonathan Schlueter, Westside Economic Alliance
Lindsay Berschauer, Oregon Transformation Project
Mary Swanson, Swanson Partners LLC
Maureen Showalter, CCCF-Coffee Creek Correctional Facility, Oregon
 Dept. of Corrections
Melody Heuer, Windfield Village
Monica Keenan, Old Town Rep /City Development Review Board
Mychelle Ashlok, NW Rugs
Nancy Sage, Xzeres Wind
Pat Johnson, Wilsonville Chamber of Commerce
Paul Savas, Clackamas County Board of Commissioners
Peter Hurley, City Planning Commission
PK Melethil, Melethil Acupuncture Services
Rick Peters, Oregon Veterans Foundation
Sandra Suran, The Suran Group
Sorin Garber, T. Y. Lin International
Steve Gilmore, Wilsonville Chamber of Commerce
Steve Wheeler, Clackamas County Administration Dept.
Susan Myers, Capital Realty

Suzy Sivyver, Friends of the Library
Ted Millar, Southend Corporate Airpark
Theresa Taaffe, PGE
Tony Holt, Charbonneau Country Club
Vern Wise, Retired
Wendy Buck, PGE; Wilsonville Chamber of Commerce; City Budget
Committee

FOCUS GROUPS PARTICIPANTS

Adrian Polliack, PhD, President, Sam Medical Products
Al Levit, Member, City Planning Commission
Andrew Karr, Member, City Development Review Board
Anne Easterly, Member, City Budget Committee; Small Business
Relationship Manager, KeyBank Business Banking; Board Director,
Strategic Economic Development Corp. (SEDOR)
Bob Oleson, Principal, Oleson Consulting
Boyd Westover, Plant Manager, Eaton Corporation
Brad Hansen, President, Wilsonville Rotary Club Foundation; Mortgage
Consultant, Guild Mortgage Company
Carol White, Past-Vice-President, Charbonneau Country Club
Chad Freeman, Business Development Officer, Oregon Business
Development Department
Cindy Hagen, Recruitment Specialist, Clackamas County Economic
Development
Cindy Tyree, Member, City Parks & Recreation Advisory Board
Dale Hoogestraat, Board Chair, West Linn-Wilsonville School District
Danielle Cowan, Executive Director, Clackamas County Tourism &
Cultural Affairs (CCTCA)
Dave Bernert, CEO, Wilsonville Concrete Products
Dave Jachter, GM/Owner, Wilsonville Toyota
David Brandstaetter, Director of Operations, Pioneer Pacific College
Donna Bane, President, Wilsonville Kiwanis
Fred Osborn, Education Director, Pioneer Pacific College
Gary Barth, Deputy Director, Economic Development, Clackamas County
Economic Development
Jeff Brown, General Manager, Holiday Inn - South Portland/Wilsonville
Jennifer Johnson, Tourism Director/Visitor Center Manager, Wilsonville
Chamber of Commerce / Clackamas County Regional Visitor Center
John Schenk, Member, City Development Review Board
Jonathan Schlueter, Executive Director, Westside Economic Alliance
Ken Rice, Member, City Parks & Recreation Advisory Board

Kim Parker, Executive Director, Clackamas County Business Alliance (CCBA); Executive Director, Workforce Investment Council of Clackamas County (WICCO)

Laura LaJoie, Principal, Joy of Life Chiropractic Clinic

Lenka Keith, Member, City Development Review Board

Mary Furrow, President, Furrow Pump, Inc.; former Board Chair, West Linn-Wilsonville School District

Melinda Merrill, Director of Public Affairs, Fred Meyer Stores

Michelle Labrie-Ripple, Principal, NW Automation & Control; Former Wilsonville City Councilor; Former Chair, City Advisory Committee on Master Planning

Mick Scott, Historian, Wilsonville-Boones Ferry Historical Society

Monica Keenan, Member, City Development Review Board

Peter Hurley, Member, City Planning Commission

Ryan Gillett, VP/Operations, SYSCO Food Services of Portland

Shelly Parini, Dean of College Advancement, Clackamas Community College Foundation

Shelly Tracy, Director, Wilsonville Training Center, Clackamas Community College

Stacey Rungay, Principal Broker, Wilsonville Realty

Susan Myers, General Manager, Capital Realty Corp.

Teresa Portner, Store Director, Albertsons

Theresa Decker, Administrator, Marquis Care at Wilsonville

Theresa Taaffe, Economic Development Manager, PGE - Economic Development

Tony Holt, Member, City Budget Committee

Summary of Focus Groups and Summit

This appendix presents brief summaries of key findings from discussion with stakeholders at the focus groups and summit.

FOCUS GROUP SUMMARY

ECONorthwest conducted four focus groups with stakeholders in Wilsonville on April 12, 2012 to discuss economic development issues in Wilsonville. The results of those discussions are summarized in the memorandum "Summary from Economic Development Focus Groups," which is available from the City. This section briefly discusses the implications of the focus group discussions for Wilsonville's economic development strategy.

Issues identified in the focus groups that will require consideration in the economic development strategy are:

- **Deliberate economic growth.** The focus group participants all supported economic growth in Wilsonville, with no participants advocating no-growth. Participants indicated that growth should be "deliberate." The City should not chase just anything; instead it should go after businesses that fit into a larger strategy of economic development and livability. A foundational assumption for the economic development strategy is that Wilsonville should plan for growth but make deliberate decisions about trade-offs between promoting growth and maintaining (or increasing) livability.
- **City identity.** The discussion in each focus group touched on the perception that Wilsonville does not have a clearly articulated city identity. The economic development strategy should contribute to the discussion of the City's identity by addressing questions about: (1) the sort of community Wilsonville wants to be in the future, (2) the City's priorities for economic development, (3) who the City's policies will serve (e.g., residents, businesses, employees, or others), and (4) the policies to serve each group.
- **Types of businesses to attract.** Participants generally agreed that Wilsonville's advantages for economic development are so great that the City can attract the growth that the City wants. There have been recent disagreements about the types of business that the City should attract. For example, should the City choose to attract

Cabela's because it would bring jobs and attract shoppers from across the Portland region and beyond? A business like Cabela's will use resources (e.g., land and transportation capacity) that will not be available for other businesses. Some of these resources may be unique and difficult to replace, such as serviced land suitable for industrial uses. The economic development strategy should provide guidance about the types of businesses that the City wants to attract.

- **Incentives for attracting businesses.** Several of the focus groups discussed the use of incentives for attracting new businesses (e.g., reductions in systems development charges, property tax reductions, provision of infrastructure). The discussions did not come to agreement about whether incentives should be used and, if so, which incentives are appropriate. The economic development strategy should articulate the City's policies about use of incentives. If incentives are used, the strategy should give guidance on: (1) the types of businesses that are eligible for incentives, (2) the conditions under which incentives would be offered, and (3) the incentives available to businesses in specific conditions.
- **Workforce development.** Each focus group discussed the importance of workforce development for: (1) existing businesses with workers who need new training, (2) existing businesses who have difficulty finding qualified workers, and (3) attracting businesses that consider locating in Wilsonville but will need specially trained workers. The economic development strategy should guide coordination on workforce development efforts with education and training organizations and the City.
- **Jobs and housing balance.** Discussions in the focus groups emphasized the importance of increasing the jobs and housing balance through creating opportunities for affordable workforce housing. Jobs and housing balance is related to workforce development because residents of Wilsonville have (and will have greater) access to workforce training in Wilsonville. The economic development strategy should address the jobs and housing imbalance.
- **Coordination with the Chamber.** Participants discussed the need for greater coordination with the Chamber on economic development planning. The economic development strategy should clarify roles within the community for economic development and increase coordination between the City and the Chamber.

SUMMIT SUMMARY

The City of Wilsonville held a public summit to discuss ideas for the economic development strategy on May 31, 2012. Approximately 60 people participated in the summit. This section summarizes discussions of small-group discussions at the summit. A more detailed summary of feedback from the summit is presented in the memorandum "Notes: Wilsonville economic development summit" dated June 1, 2012, which is available from the City.

Summit participants discussed and provided feedback on at least one of the following eight-breakout discussion topics:

- **Vision statement.** Participants provided comments about the draft vision statement. In general, they found it too long, wordy, and vague. They suggested that the vision statement should be more inspiring, motivating, and exciting for the community. They wanted the statement to focus on what Wilsonville offers that is unique for economic development.
- **Desired type of development.** Participants discussed a range of topics: land available for economic development in Wilsonville, issues related to the regional urban growth boundary, types and characteristics of businesses that may be appropriate for Wilsonville, the City's role in attracting and retaining businesses, the imbalance of jobs and housing, and issues related to quality of life. Participants suggested that the City should be clear about what types of development it wants and pay close attention to providing infrastructure and protecting the land base.
- **Land and buildings.** Participants provided ideas about the efficient use of land, such as infill and redevelopment strategies. Participants discussed what would be necessary to accommodate employment growth in the Coffee Creek and Basalt Creek areas, such as development policies or financing options for providing public infrastructure. Participants discussed long-term strategies for accommodating growth, after the Basalt Creek area is developed.
- **Transportation and infrastructure.** Discussion focused on the role of transportation in economic development. Participants discussed the need for better north-south automotive infrastructure within Wilsonville and potential capacity issues at the Boone Bridge on I-5. Participants discussed Wilsonville's opportunities related to the Aurora Airport, SMART, rail lines, and bike paths. Participants discussed infrastructure funding issues and the need to coordinate

infrastructure development with stakeholders internal to the City and external stakeholders (e.g., ODOT).

- **Workforce development.** Comments in this group focused on how the City can work with Oregon Tech, such as including Oregon Tech in the City's discussions about economic development. In addition, Oregon Tech is hopeful that the City will expand SMART service to provide evening and weekend students with options for transportation.
- **Quality of life and public services.** Discussion in this group focused on the desire to balance economic development with maintaining and enhancing the existing quality of life for residents and workers in Wilsonville.
- **Business services, process, and communication.** This group discussed business communication with the City. Suggestions for improving the business climate in Wilsonville included: streamlining the permitting and development process, improving communication between the City and existing businesses, and improving Wilsonville's marketing efforts to prospective businesses. Participants advised the City to maintain high standards and to protect the high quality of life in the City.
- **Potential business incentives.** The group discussed the tension between a targeted approach to economic development that attracts and incents specific types of businesses and an approach that focuses on ensuring that the fundamentals that support any business are in place. If the City offers business incentives, participants generally agreed that the City should establish a set of criteria by which incentives might be distributed. They that the criteria should not give incentives to businesses based on job classification or income, but rather should focus on evaluating the degree to which potential incentive recipients participate in community-building activities. The criteria should answer questions such as: Will the business be a good civic partner? What is its track record of community contributions?

List of Actions Considered

This appendix summarizes a longer the actions considered by the Advisory Committee and its initial assessment. From this longer list, the Advisory Committee selected the Actions in Chapter 4 as the top priorities for immediate implementation.

Action	Assessment and Priority
Goal 1: Local agreement on amount, type, location, and pattern of development	
Use the economic opportunities analysis as the guide for planning the amount of employment growth	Important, 1st Year
Work with stakeholders to develop criteria to identify the types of businesses that Wilsonville wants to attract based on the impacts on the community, use of existing infrastructure, and other characteristics identified as important (e.g., high wage jobs, benefits of the business for existing residents, new or existing businesses, or size of business)	Important, 1st Year
Develop amenities and assets that encourage the growth of particular industries (e.g., retail, tourism, business services, or manufacturing)	Not included in strategy
Goal 2: Land and buildings	
Engage the public in a dialogue about potential changes in land use, such as proposed zoning amendments, annexations, and policies to promote infill and redevelopment	Important, 1st Year
Develop policies to promote reuse of vacant industrial buildings, such as inventorying vacant built space	Important, 1st Year
Develop policies to promote infill and redevelopment in specific areas, such as Town Center, or with specific sites, such as sites with vacant warehouses	Important, Years 2 to 5
Establish development districts with buildable land in places with a high priority for development, including developing land use policies to support the desired development forms	Important, Years 2 to 5
Develop policies to provide a supply of prime industrial land in the Coffee Creek Master Plan Area	Important, Years 2 to 5
Develop policies to provide a supply of employment land in the Basalt Creek Area	Long-term
Provide an adequate supply of buildable land in varying locations and sizes to accommodate growth (the EOA has addressed this issue)	Not included in strategy
Provide municipal services to unserved industrial land	Not included in strategy
Work with property owners to ensure that prime employment development sites throughout the City are preserved for future employment needs and are not subdivided or used for non-employment uses	Not included in strategy
Work with property owners to ensure that prime development sites throughout the City are known, aggregated, ready to develop, and marketed	Not included in strategy

Action	Assessment and Priority
Encourage development of energy efficient building codes, practices, and operations	Not included in strategy
Provide an adequate supply of land that can be developed within one-year (the EOA has addressed this issue)	Not included in strategy
Adopt policies that preserve regionally significant industrial areas to discourage or prohibit land divisions	Not included in strategy
Goal 3: Transportation and other infrastructure	
Coordinate capital improvement planning and funding with land use, transportation and other infrastructure planning to ensure that infrastructure is available for employment land, especially areas identified as having a high priority for development	Important, 1st Year
Work with ODOT and regional partners to plan for major Interstate-5 transportation projects and provide access and connections	Not Directly Economic Development
Improve connectivity within the local street system to minimize barriers created by I-5, the Willamette River, and other barriers	Not Directly Economic Development
Provide adequate public transit to support employment for a range of income groups and students at educational institutions, with expanded hours of operation to provide service throughout the weekday and on weekends	Not Directly Economic Development
Identify funding options for wastewater and municipal water system expansion and incorporate the new information into the Capital Improvement Plan (CIP)	Not Directly Economic Development
Address parking issues in areas with insufficient parking	Not Directly Economic Development
Study the feasibility of building the proposed French Prairie Bridge over the Willamette River for bicycle, pedestrian, and emergency vehicle access and to promote bicycle-tourism	Not included in strategy
Goal 4: Workforce development	
Develop a program to coordinate the connections between businesses with organizations that do workforce training, including identifying key stakeholders and working with businesses to understand training needs	Important, 1st Year
Adopt a policy that expresses the City's willingness to collaborate with Oregon Tech to help it succeed in its mission of training and education and the City's	Important, 1st Year
Make changes to SMART schedules to provide bus service to Oregon Tech students who take classes on evenings and weekends	Not Directly Economic Development
Attract businesses that Oregon Tech can provide workforce training for Note: There is disagreement in Wilsonville about the idea of targeting attraction of specific types of businesses. We need more input about whether to include this in the strategy as an action	Not included in strategy
Assist the school district with funding under specific conditions	Not included in strategy

Action	Assessment and Priority
Provide coordination to identify and encourage "spin-off" ventures from OIT through technology-transfer and other tools	Not included in strategy
Goal 5: Quality of life and public services	
Develop policies to ensure that economic growth does not outpace growth of public services and infrastructure capacity, so that livability is not compromised	Important, 1st Year
Balance maintaining the high quality of life and livability in Wilsonville with economic development aspirations by being selective of the types of businesses that Wilsonville allows Note: There is disagreement in Wilsonville on this idea. We need more input about whether to include this in the strategy as an action	Not included in strategy
Evaluate the diversity of housing options to meet needs of changing demographics	Not included in strategy
Encourage development of affordable workforce housing to increase the balance of jobs and housing	Not included in strategy
Inventory cultural resources and amenities that enhance the community's quality of life.	Not included in strategy
Encourage participation in City events by the business community	Not included in strategy Development
Provide public services that help residents facing "situational poverty"	Not included in strategy
Goal 6: Business communication and services	
Work with local partners in economic development to develop a marketing plan, including materials that document Wilsonville's advantages and amenities that are attractive to businesses	Important, 1st Year
Develop criteria for making decisions about the use of incentives to describe where incentives would be used, what businesses would qualify for incentives, and expectations of businesses given incentives	Important, 1st Year
Create an ombudsman position to assist businesses, connect businesses to other organizations (e.g., workforce development agencies), and advocate for economic development	Important, Years 2 to 5
Streamline the sign code and permitting process, including evaluating barriers to development in the development code	Important, Years 2 to 5
Develop and implement an outreach strategy to determine how the City can assist existing businesses	Long-Term
Assess the needs of existing businesses to identify actions the City can take to keep businesses in the City	Important, Years 2 to 5
Leverage social media use in the City's branding and marketing efforts. Several actions in the May survey encouraged increased communication and coordination among the City and stakeholder groups. This idea is incorporated into the actions, throughout the categories of actions	Not included in strategy