



**MARKET AND LAND NEED ANALYSIS
FOR A PROPOSED COMPREHENSIVE PLAN AMENDMENT
AND ZONE CHANGE REQUEST
IN CAMAS, WASHINGTON**

PREPARED FOR
MACKAY FAMILY PROPERTIES
DECEMBER 2022

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I. INTRODUCTION

JOHNSON ECONOMICS was retained by MACKAY FAMILY PROPERTIES to conduct a land need analysis in support of an application for a comprehensive plan amendment and zone change for five tax parcels in northwest Camas (parcel #: 127372000, 127367000, 125185000, 125193000, 986055381). The parcels in question are currently designated for commercial and industrial uses, with Regional Commercial (RC) and Business Park (BP) zoning. This report assesses the appropriateness of redesignating and rezoning the parcels to residential land with Multi-Family High designation and Multi-Family 18 zoning (MF-18).

The analysis evaluates the impact of the proposed changes to the supply of residential, commercial, and industrial land in the Camas UGA. The analysis also surveys current trends in these respective markets, and estimates future demand in Camas based on current market trajectories. Moreover, the analysis evaluates the suitability and likelihood of development for each of these uses on the subject sites, based on market and planning criteria.

The main tasks completed as part of this analysis are the following:

- Review of the City of Camas' current relevant planning documents and evaluate, update, and/or modify forecasts and capacity estimates based on current information. These include current comprehensive plan and zoning maps, the Camas 2035 Comprehensive Plan, the 2021 Housing Action Plan, and the Clark County 2021 Buildable Lands Report (June 2022).
- Physical inspection of the subject sites and evaluation of their suitability for residential, commercial, and industrial uses.
- Land capacity analysis, reconciling the current land supply in the Camas UGA according to the Buildable Lands Report and to the land need projects adopted in the 2035 Comprehensive Plan.
- Analysis of ongoing market trends and future market demand for residential, commercial, and industrial uses in Camas.
- Reconciliation of findings from the above tasks to determine the need and suitability for additional multifamily vs. commercial and industrial land at the subject site, in light of city-wide land capacity and needs.



II. SITE ANALYSIS

THE SUBJECT SITES

The two subject sites are both flag-shaped, made up of two and three tax parcels, respectively. The north site is the largest, measuring 24.4 acres across three parcels – all with industrial comp plan designation and Business Park (BP) zoning. Most of the acreage is open fields, while some is forested. The site has frontage along NW 18th Avenue, 16th Avenue, and Brady Road/Parker Street. The site slopes to the north and east, with the south portion being steepest.

The south site is 6.6 acres in size, across two tax parcels, with commercial comp plan designation and Regional Commercial (RC) zoning. The site was previously used for a nursery, but most of it is currently vacant. It has frontage along NW 16th Avenue, Tidland Street, and Brady Road. The highest point is at the southwest corner, as the site slopes to the northeast. The steepest part is the east portion, sloping down to Brady Road.

The area surrounding the sites is mostly residential, though the former Sharp campus is located to the west, currently occupied in part by the headquarters of nLight, as well as Odyssey Middle School and Discovery High School. The conversion of business park space to other uses observed at the Sharp campus is part of a broader trend, also seen at the former HP campus in East Vancouver. Prune Hill Elementary and Prune Hill Sports Park are located to the south of the sites. The land between the two sites is occupied by a water tower and attached housing. The area to the north and west is zoned for business park, while the small site located at the northwest corner of NW 16th Avenue and Brady Road is zoned Community Commercial (CC).

FIGURE 2.1: MAP OF SUBJECT SITES



SOURCE: Clark County, Google, Johnson Economics



The following map displays the sites in their local context, showing their situation at the boundary of residential and employment neighborhoods. Areas to the south and east are predominantly residential, while areas to the west and north – much of which is vacant – are zoned for industrial and commercial uses. An overview of development in this area to the west and north is included on the next page.

FIGURE 2.2: LOCAL CONTEXT



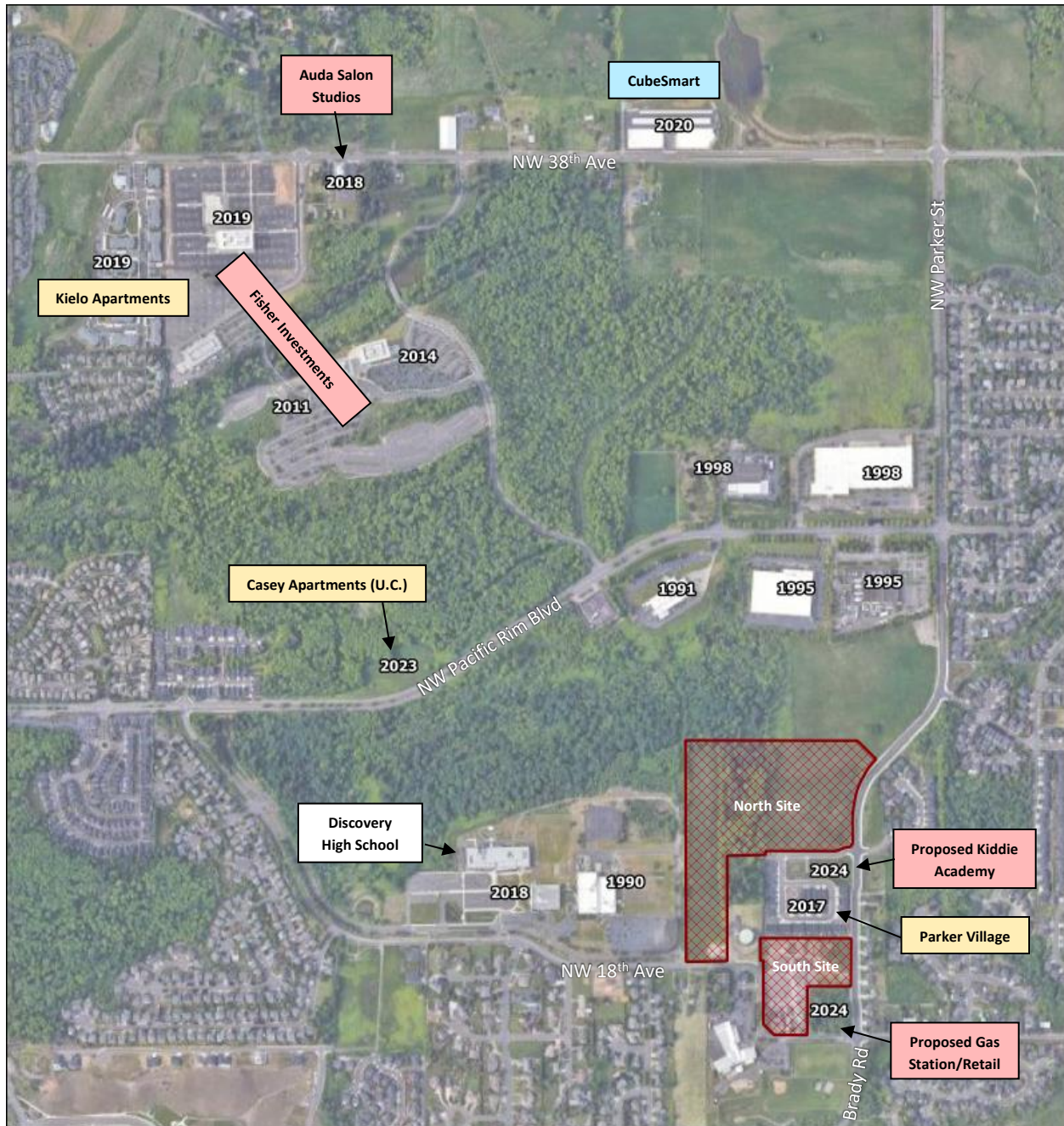
SOURCE: Clark County, Google, Johnson Economics

The following map shows recent and proposed development in the Grass Valley commercial/industrial area north and west of the sites. Building years for previously constructed commercial and industrial buildings are also included. Most of the industrial buildings in this area were built in the 1990s, predominantly along NW Pacific Rim Boulevard. The Sharp campus directly west of the subject sites is also in this category. The only project of recent date that can be classified as industrial is CubeSmart Self Storage on NW 38th Avenue (blue fill), representing very little employment.



Commercial development (pink fill) has also been limited. The Fisher Investments campus, representing 375,000 square feet built out over a 10-year period, is the only large project. A 15,000-square-foot medical/personal service building (Auda Salon Studios) on NW 38th Avenue is the only other commercial project in recent years. However, two projects of smaller scale along Brady Road near the subject sites are proposed, including a daycare (Kiddie Academy, 11,000 SF) and a convenience/retail project (Camas Station, 14,000 SF). Two mid/high-density residential projects have also been built in this area: Kielo Apartments (276 units, completed 2020-21) and Parker Village (60 units, completed 2017-18). Additionally, the Casey Apartments (125 units) is currently under construction.

FIGURE 2.3: DEVELOPMENT IN THE GRASS VALLEY AREA



SOURCE: Clark County, Google, Johnson Economics



PROPOSED ALTERNATIVE USES

The north site currently has Industrial comp plan designation and Business Park zoning, while the south site has Commercial designation and Regional Commercial zoning. The proposed comp plan amendment and zone change would give both sites a Multifamily High designation and Multifamily-18 zoning (MF-18). As noted, the sites sit at the boundary of employment and residential zones.

BUSINESS PARK (BP)

The purpose of the Business Park (BP) zone according to the Camas Municipal Code is:

This zone provides for employment growth in the city by protecting industrial areas for future employment. Design of business park facilities in this district will be campus-style, with landscaped buffers, and architectural features compatible with surrounding areas. (Chapter 18.05.050)

As discussed on the previous page, there has been no new development of this format in Business Park or other industrial zones north and west of the subject sites in recent years. The industrial land in this area that has been developed in recent years has been built out with a high school and a self storage facility, with very limited industrial employment.

REGIONAL COMMERCIAL (RC)

The purpose of the Regional Commercial (RC) zone according to the Code is:

This zone provides apparel, home furnishings, and general merchandise in depth and variety, as well as providing services for food clusters and some recreational activities. Regional commercial is the largest of the commercial zones and is designed to serve the region or a significant portion of the region's population. (Chapter 18.05.050)

As with the Business Park zone, there has been no new development of the intended Regional Commercial format in the area north and west of the subject sites in recent years. There has, however, been a successful and important office project of a headquarter/campus format (Fisher Investments) as well as a smaller office project with a service format. Additionally, a proposed daycare (Kiddie Academy) and a retail project with a neighborhood/convenience format and a fueling station (Camas Station) have been approved adjacent to the sites, in a CC (Community Commercial) zone.

MULTIFAMILY-18 (MF-18)

The purpose of the Multifamily-18 (MF-18) zone according to the Code is:

These zones are intended to provide for dwellings such as rowhouses and apartment complexes. It is desirable for these zones to be adjacent to parks and multi-modal transportation systems. These zones also serve as a transition between commercial and residential zones. (Chapter 18.05.040)

Three developments of this format have taken place in the Grass Valley area over the past five years, representing both rowhouses (Parker Village) and apartments, with mid-rise (the Casey) as well as a low-rise (Kielo) formats in the apartment category.



SITE SUITABILITY FOR ALTERNATIVE USES

The following is a general discussion of the suitability of the two sites for the alternative uses based on market considerations, physical characteristics, and access.

NORTH SITE: BUSINESS PARK (BP)

The Business Park (BP) zone allows for a wide range of commercial and industrial uses, many of which could technically be accommodated on the north site. However, the site's physical and locational attributes render many of these uses infeasible, while other uses are unrealistic due to weak market conditions.

- Compatibility:** Some industrial uses dependent on frequent or heavy inbound or outbound freight may not be compatible with the surrounding residential and educational uses, due to congestion in the morning and afternoon. This is most problematic at the beginning and the end of the school day, when students arriving or departing by foot are crossing roads, and parents are delivering or picking up students by car. Moreover, the visual compatibility with industrial buildings, as well as large office buildings, may be an issue on the main (north) portion of the site, which is in the view of homes along NW Brady Road. Deep setbacks and landscaping might improve the visual compatibility to some extent, though this would also reduce the usable portion of the site.
- Scale/Configuration:** In terms of acreage, the site has adequate scale for most business park uses. However, the configuration renders the narrow south portion of the site unusable for the campus-style projects envisioned in this zone, though smaller commercial buildings could be accommodated. As such, only the northern portion of the site is suitable for industrial business park use from a configuration standpoint.
- Topography:** The sloping topography makes industrial development of the narrow south portion of the site difficult from an economic standpoint. It might also be an obstacle to large industrial users on parts of the north portion, as it makes it more costly to accommodate large buildings. As industrial users pay the least of the major uses for land and buildings, narrow buildings (higher construction costs per square foot) in a terraced development (higher development costs) are generally infeasible. Moreover, slopes are generally viewed negatively from a freight standpoint, while also being seen as unattractive for employee parking. The topography would present less of a challenge to a business park offering more standard office space, though user demand for such space is currently concentrated in areas with extensive commercial amenities (see below).
- Traffic/Access:** The site's regional access via Highway 14, 192nd Avenue and Brady Road is likely adequate for most business park uses. Local arterial access via Payne Road/18th Avenue, 16th Avenue, and Parker Street/Brady Road is also likely adequate. However, these arterials are two-lane roads, and congestion around the schools during the beginning and end of the school day effectively reduces the access, especially from 18th Avenue. Steep elevation change further complicates the access from 18th Avenue. Brady Road is thus the best access point.
- Market Conditions:** The industrial market is currently dominated by demand for distribution and e-commerce fulfillment space, concentrated in areas with good inter-regional freeway access. Outside these areas, much of the demand is for heavy/durable goods manufacturing spaces and construction storage. Apart from the Intel campus in Hillsboro, there has been very limited demand for flex buildings of a tech/R&D format, like the buildings from the 1990s north and west of the site. Suburban business park users with more of a professional/office format generally seek locations near commercial amenities (e.g., Columbia Tech Center).



In Camas, absorption of industrial space has averaged 25,000 square feet, or roughly 1.7 acres, annually in recent years (see Market Analysis section). Office space absorption has averaged 15,000 square feet, or 1.4 acres annually. Given the site's lack of suitability (and entitlement) for heavy manufacturing, and its lack of proximity to commercial areas, only a small portion of the current industrial and office space demand can realistically be captured on the site, representing absorption of less than one acre annually on average.

SOUTH SITE: REGIONAL COMMERCIAL (RC)

The Regional Commercial (RC) zone is intended for establishments with regional trade areas, but allows for a wide range of commercial uses. The most suitable uses at the subject site are those with small footprints and a neighborhood orientation, though the development of a convenience center for this specific segment on an adjacent site (Camas Station) will make it difficult to find adequate support for similar establishments on the subject site.

- **Compatibility:** The regional establishments intended for the Regional Commercial (RC) zone include many “big-box” stores dependent on large scale in order to attract demand from a regional trade area. The traffic generated by such stores would not be compatible with the residential and educational uses around the site. However, the RC zone also allows for many smaller business formats with a neighborhood or community orientation. These would in general be compatible with surrounding uses.
- **Scale/Configuration:** At 6.6 acres, the site does not have adequate scale for a regional commercial center. The flag-shaped configuration of the site makes it difficult to accommodate even a smaller grocery-anchored community center. The most likely commercial format is a non-grocer neighborhood center.
- **Topography:** The east portion of the site has a relatively steep slope to the east (Brady Road), which requires significant, costly site work in order to be usable. Buildings will sit well above the road, which will reduce the signage effect, making this part of the site less marketable for commercial users. Steep uphill access from Brady Road might also be a challenge. The west portion is adequately flat for commercial development.
- **Traffic/Access:** From a capacity standpoint, the two-lane roads to the site are inadequate for the type of shopping traffic associated with regional commercial centers. As discussed, there is already congestion on the roads around the site at the beginning and end of the school day. From a demand standpoint, the roads around the site do not currently have the traffic volume required to sustain most types of commercial activity. Johnson Economics has conducted extensive research on commercial development in the Portland Metro Area over the past decade, and found very few examples of suburban development along roads with a daily traffic volume below 15,000. The current volume is 7,600 on Brady Road and 2,800 at 16th Avenue/Tidland Street, according to TrafficMetrix. The adjacent site at the corner of 16th and Brady, where Camas Station has been proposed, has the additional exposure to traffic on the east leg of 16th Avenue (6,100), which puts it close to the threshold for neighborhood/convenience centers.
- **Market Conditions:** In general, the market for commercial space has been weak in recent years, due to the shift to online retail. Most new development is taking place in areas with substantial population growth. In Camas, absorption of retail space has averaged 3,600 square feet, or 0.3 acres, annually since 2016. Much of the resident demand flows out of the city to the large commercial area around the Columbia Tech Center. Some of this demand can likely be captured in neighborhood centers with a convenience format, like the proposed Camas Station project. However, with this center providing 14,000 square feet of convenience, gas, coffee, and additional retail and service, we regard the potential for additional establishments at this location to be very limited – especially taking into account the limited traffic exposure.



BOTH SITES: MULTIFAMILY 18 (MF-18)

The MF-18 zone is intended for multifamily and attached single-family housing. The two sites are suitable for these housing formats, as indicated by the adjacent Parker Village. The sites are located at the transition between employment and residential areas – where this type of housing is encouraged – and possess strong residential qualities, including good views and pedestrian access to schools and parks.

- **Compatibility:** Multifamily and attached single-family housing on the sites are generally compatible with surrounding housing, schools, and park. The only possible exception is tall mid-rise buildings located across from detached single-family homes along 18th Avenue and Brady Road. Without adequate setbacks, such buildings might feel too massive near detached homes. However, the most likely development format on these sites in the current market are two- and three-story structures (four-story structures are typically only feasible closer to commercial amenities, where pricing is higher). We also regard the residential uses to be compatible with the nLight building west of the north site, as this building is set back quite far from the property line, and screened by a row of trees. We therefore find the proposed residential use on both sites to be fully compatible with surrounding uses.
- **Topography:** Multi-family and attached-home development is typically feasible on uneven topography due to the ability to locate buildings and parking areas at different elevations. The relatively small footprints of the buildings also allow for terraced development, which is an advantage in terms of capturing pricing premiums for views. No portion of the sites appears to steep for this type of development.
- **Traffic/Access:** The sites have adequate access for the proposed residential uses, and the pedestrian access to schools, park, and commercial amenities at the proposed Camas Station enhances the residential marketability of the sites. Though the traffic will increase compared to the current undeveloped state, the uses represent lower intensity and peak-hour traffic than typical commercial and industrial uses. Moreover, the adjacent schools and proposed commercial center within walking distance will allow for trip reductions at these sites. Given the many Camas residents who commute to the west, the sites would also offer shorter commutes and reduced traffic compared to other buildable multifamily land in the city.
- **Market Conditions:** The market for affordable housing forms, including rental apartments and attached homes, is strong all across the region, and the recent increase in mortgage rates is likely to shift additional housing demand to these housing formats. Though Camas has traditionally been a low-density housing market, its residential appeal – created by good schools, safe neighborhoods, outdoor recreation opportunities, and a quaint, vibrant downtown – extends into attached-home and multifamily markets as well. This was recently demonstrated by the rapid absorption of the 276-unit Kielo at Grass Valley apartment project, which leased up at a rate of 31 units per month, representing roughly 20 acres annually.

Our modeling of residential demand over the coming five years in Camas indicate a need for nearly 400 additional multifamily units and around 150 additional attached homes. We regard the subject sites to be well positioned to capture this demand, due to their views, access to schools and park, and relative proximity to employment and commercial areas to the west and in Downtown Camas.



III. LAND CAPACITY ANALYSIS

2015-35 COMPREHENSIVE PLAN

The following figure presents the estimated buildable acres of commercial, industrial and residential land in Camas as identified in the City's most recently adopted Camas 2035 Comprehensive Plan. Camas 2035 was adopted in 2016 and generally reflects the land demand and capacity estimates from 2015. The original source of the buildable land inventory was the 2015 Vacant Buildable Lands Model (VBLM) of Clark County.

The adopted Comp Plan estimated 464 net acres of buildable commercial land, and an estimated 660 net acres of buildable industrial land. There was an estimated supply of 876 net buildable acres of residential land.

After the projected land need over 20 years was factored, the analysis adopted in the Comp Plan finds that there is a surplus of land for all three land uses. The Comp Plan finds the narrowest 20-year surplus of commercial land (127 acres), with a larger surplus of industrial lands (167 acres), and the largest surplus of residential land (231 acres).

FIGURE 3.1: ESTIMATED LAND NEED AND CAPACITY, CITY OF CAMAS COMPREHENSIVE PLAN (2015-35)

Land Use Category	Density	Land Need (2015-35)			Land Supply / Capacity		Surplus Supply / Capacity	
		Jobs	Units	Acres	Net Acres (CP) ¹	Capacity (jobs/units)	Net Acres (CP)	Capacity (jobs/units)
Commercial	20.0 jobs/ac	6,744		337	464	9,280	127	2,536
Industrial	9.0 jobs/ac	4,438		493	660	5,940	167	1,502
<i>Employment</i>	<i>13.5 jobs/ac</i>	<i>11,182</i>		<i>830</i>	<i>1,124</i>	<i>15,220</i>	<i>294</i>	<i>4,038</i>
Residential	6.0 units/ac		3,868	645	876	5,256	231	1,388

¹ Acreage based on VBLM, but further refined by City. Finding of more net acres than in VBLM.

SOURCE: Camas 2035, Table 1-1; Clark County Vacant Buildable Lands Model (2015)

2021 CLARK COUNTY BUILDABLE LANDS REPORT

CURRENT LAND SUPPLY

The most up-to-date land capacity estimates for Camas are found in the 2021 Clark County Buildable Lands Report, which was finalized in June 2022. This updated VBLM found a diminished supply of net buildable lands in the commercial and residential categories, but a slight increase in the industrial category:

- 296 acres of Commercial Land (down from 464 ac. in 2015)
- 667 acres of Industrial Land (up from 660 ac.)
- 710 acres of Residential Land (down from 876 ac.)

CURRENT LAND CAPACITY VS. RECENT ABSORPTION

The Buildable Lands Report provides estimates of development pace from the 2016-2020 period. According to the report, land absorption in Camas over the 2016-20 period represented 60 acres of residential land annually, 6 acres of commercial land annually, and 1.6 acres of industrial land annually. At this pace, the residential category is the most likely to exhaust its supply of land by 2035. The current land supply represents:

- Over 50 years of Commercial Land (5.8 acres/year)
- Over 400 years of Industrial Land (1.6 acres/year)
- 12 years of Residential Land (59.6 acres/year)



ABILITY TO MEET COMP PLAN TARGETS WITH CURRENT LAND CAPACITY

The Camas 2035 Comp Plan adopted an employment growth target of 11,182 jobs over the 20-year period. In 2015, the total employment land (commercial and industrial) had capacity for 15,220 jobs, at the assumed employment densities of 20 jobs per commercial acre and 9 jobs per industrial acre (13 jobs/ac. weighted average). The current supply of employment land (963 ac. total) has capacity for 11,923 jobs at these densities, thus exceeding the original 20-year target.

The growth target of 11,182 jobs adopted in 2015 was very high compared to actual employment at the time (7,469 in 2015). This was likely because it was erroneously based on the number of employed workers residing in the city (9,093 in 2013) rather than the number of jobs in the city. Between 2015 and mid-2022, 2,058 jobs were created in Camas, according to the Washington Employment Security Department (June 2022 estimates used for 2022). This represents only 18% of the target, requiring the current buildable land to accommodate the remaining 82%. Still, the current capacity for 11,923 jobs is more than adequate to accommodate the 9,124 jobs that remain of the 2035 target, representing a surplus of 286 acres.

For residential use, the Comp Plan has a target population growth of 11,255, or 3,868 new households. Over the 2015-22 period, 1,996 new housing units were completed in Camas, according to the Washington Office of Financial Management, representing 52% of the growth target, while 1,872 units remain to reach the 2035 target. In 2015, the residential land capacity in Camas could accommodate 5,256 units at the assumed six units per acre. As of the 2021 Buildable Lands Report, the 710 acres of net buildable residential land can accommodate 4,260 units at the same density. In other words, the current residential capacity is more than enough to accommodate the entire 20-year growth target, and more than twice the needed amount to accommodate the 1,872 units remaining of the 2035 target. The current residential surplus is roughly 400 acres.

FIGURE 3.2: CURRENT LAND CAPACITY VS. REMAINING GROWTH TARGETS

	Target Growth 2015-35	Actual Growth 2015-22 ¹	Remaining Growth			Current Capacity 2022-35	Surplus Capacity 2022-35
			Target 2022-35	Density 2022-35	Land Need 2022-35		
Employment	11,182 jobs	2,058 jobs	9,124 jobs	13.5 jobs/ac. ²	677 ac.	963 ac.	286 ac.
Population/Housing ³	3,868 units	1,996 units	1,872 units	6.0 units/ac.	312 ac.	710 ac.	398 ac.

¹ Using June 2022 employment data; ² Weighted average density (20.0 jobs/ac for commercial and 9.0 for industrial); ³ 11,255 population target.

SOURCE: Camas 2035; 2021 Clark County Buildable Lands Report, WA ESD, WA OFM, Johnson Economics

ABILITY TO MEET COMP PLAN TARGETS WITH PROPOSED AMENDMENT

The proposed comp plan amendment will reduce the amount of employment land by 31 acres (24 ac. industrial and 7 ac. commercial). This will only have a minor impact on the surplus capacity of employment land, which will be reduced from 286 to 255 acres. Conversely, the residential capacity will increase by 31 acres, to 429 acres.

FIGURE 3.3: PROPOSED LAND CAPACITY VS. REMAINING GROWTH TARGETS

	Remaining Growth	Current Capacity	Proposed Capacity		Surplus Capacity Net of Change
	Land Need		Change	New Capacity	
Employment	677 ac.	963 ac.	-31 ac.	932 ac.	255 ac.
Population/Housing	312 ac.	710 ac.	31 ac.	741 ac.	429 ac.

SOURCE: Camas 2035; 2021 Clark County Buildable Lands Report, WA ESD, WA OFM, Johnson Economics



IMPACT OF THE PROPOSED AMENDMENT ON LAND SUPPLY

Relative to the adopted growth targets, the proposed comp plan amendment will increase the imbalance in the surplus of residential vs. employment land. However, the actual absorption pace presented in the Buildable Lands Report indicates that the residential category will exhaust its supply of land first. Thus, relative to actual development patterns and community needs, the proposed amendment will contribute to greater balance in the land supply. As mentioned, the adopted growth target for employment was based on modeling workers residing in, rather than working in, Camas in 2013. Instead of the intended 3.7% annual growth rate, the adopted target effectively assumes 4.2% annual growth. In comparison, employment growth over the 2015-21 period has averaged 3.0% annually. Thus, the comp plan's unrealistic employment growth assumptions result in artificially low estimates of surplus employment land currently. In other words, the current actual surplus of employment land is likely much greater than the indicated 286 acres.

CAMAS HOUSING ACTION PLAN (2021)

The Housing Action Plan (HAP) completed for the City of Camas in 2021 includes a thorough analysis of housing availability and needs in the city. The plan identifies a need for additional multifamily and attached single-family housing, and recommends strategies that can encourage additional development in these categories. These strategies include rezoning employment land to multifamily residential land. Again, though this would increase the imbalance of surplus land relative to adopted growth targets, it would help reduce the imbalance in the actual development patterns and needs in the city.

According to the HAP report, there is only around 70 acres of developable multifamily-zoned land within the Camas UGA after the City recently acquired 24 buildable acres for a park. At the achieved densities assumed for future buildout of high-density residential land in Camas in the Buildable Lands Report, this represents 600 housing units. Some of this land is located in the North Shore area, without current access to infrastructure. These sites are unlikely to develop over the near term, as they are dependent on other sites developing first and bringing the infrastructure closer (some of these sites also have significant topographical challenges). Thus, the near-term capacity for this type of housing is likely well below this figure. The proposed comp plan amendment and zone change would contribute additional multifamily land with near-term development potential.

The HAP report also includes an analysis of commute times for residents in the city. Camas has a large share of commuters, most of whom commute to the west via Highway 14. The location of the subject sites means that they would provide housing closer to this employment than the other major tracts of buildable multifamily land in the city. Moreover, the sites would also provide housing close to new employment in the Grass Valley area. Thus, with residential use, the sites would contribute less new traffic and shorter commutes than the other buildable multifamily sites in the city.



IV. MARKET ANALYSIS

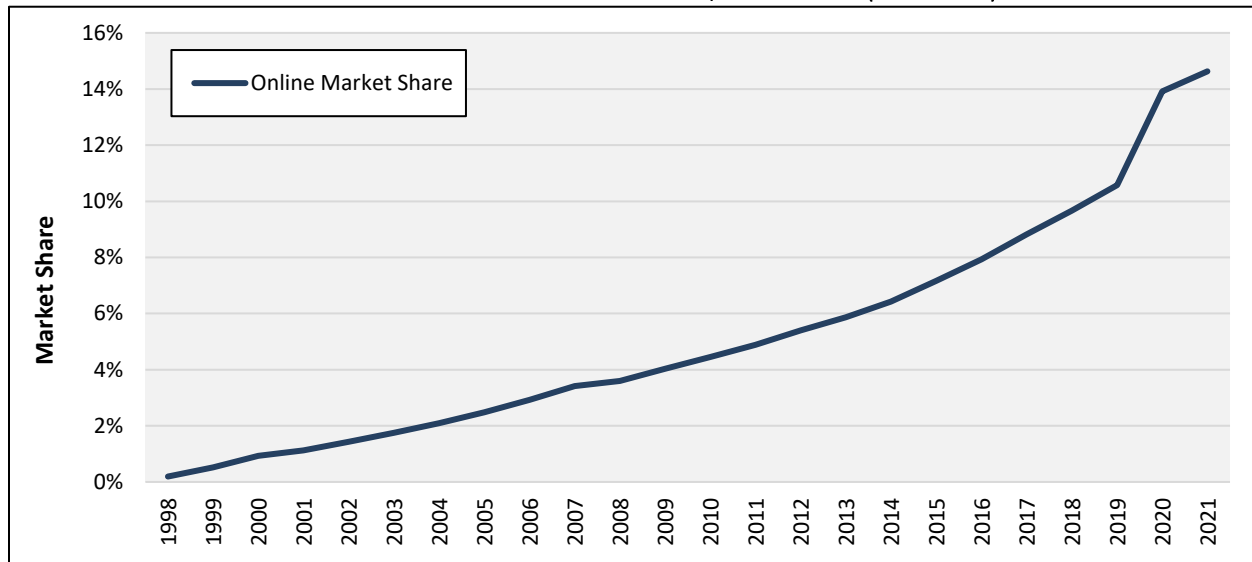
In this section, we evaluate market trends and future demand prospects for commercial, industrial, and residential uses in Camas. For context, we include broader trends of importance observed on the national or regional level.

COMMERCIAL

RETAIL TRENDS

The commercial real estate market has undergone dramatic changes over the past decade. Within the retail segment, the shift to online shopping has reduced the need for brick-and-mortar space, especially from retailers selling physical goods. Pre-COVID, online retailing accounted for around 10% of all retail spending – after gaining roughly one percentage point per year over the last few years. During COVID, the online market share jumped to 15%.

FIGURE 4.1: E-COMMERCE SHARE OF ALL RETAIL, UNITED STATES (1998-2021)



SOURCE: U.S. Dept. of Commerce, JOHNSON ECONOMICS

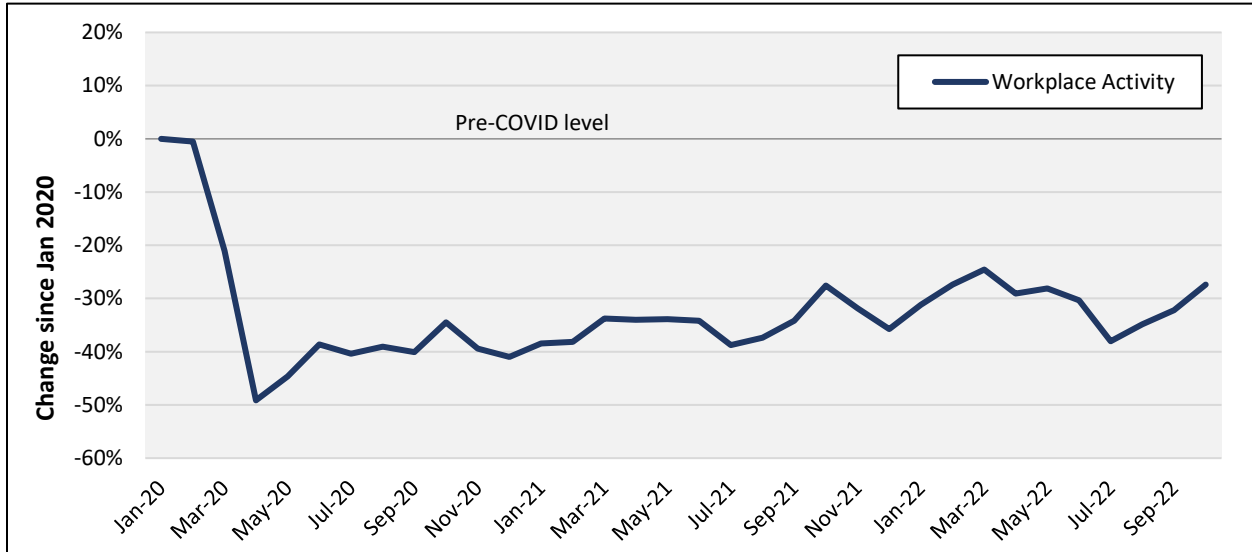
An older trend, which continues to change the retail market, is the shift from goods to services. Since the middle of the last century, the share of personal spending on physical goods has declined from over 60% to around 30%. Commercial tenants that benefit from this shift include restaurants, coffee shops, healthcare providers, beauty salons, and financial advisors. This has led to increased demand for smaller spaces while demand for large spaces has declined due to online competition. Over the past decade, only one-fifth of the net absorption of retail space has been driven by physical goods retailers, as service providers and eating/drinking places have dominated.

OFFICE TRENDS

Within the office segment, there already was a declining trend in the use of space per worker during the past decade, reflecting the increasing use of open floor plans without individual offices. COVID-19 led to further reductions as many workers began working from home. Though many have returned to the office as the pandemic has subsided, high rates of remote work are expected to continue going forward, as the systems are now in place and many workers show a preference for this arrangement. In Clark County, the number of workers at workplaces (mon-fri) remains 27% below the pre-COVID level as of October 2022 (see next page, workplaces are places of employment identified by Google, not including residences). The activity level has hovered around the current level over the past year, and thus does not indicate a return to pre-COVID levels any time soon.



FIGURE 4.2: WORKPLACE ACTIVITY COMPARED TO PRE-COVID (JANUARY 2020) LEVELS, CLARK COUNTY

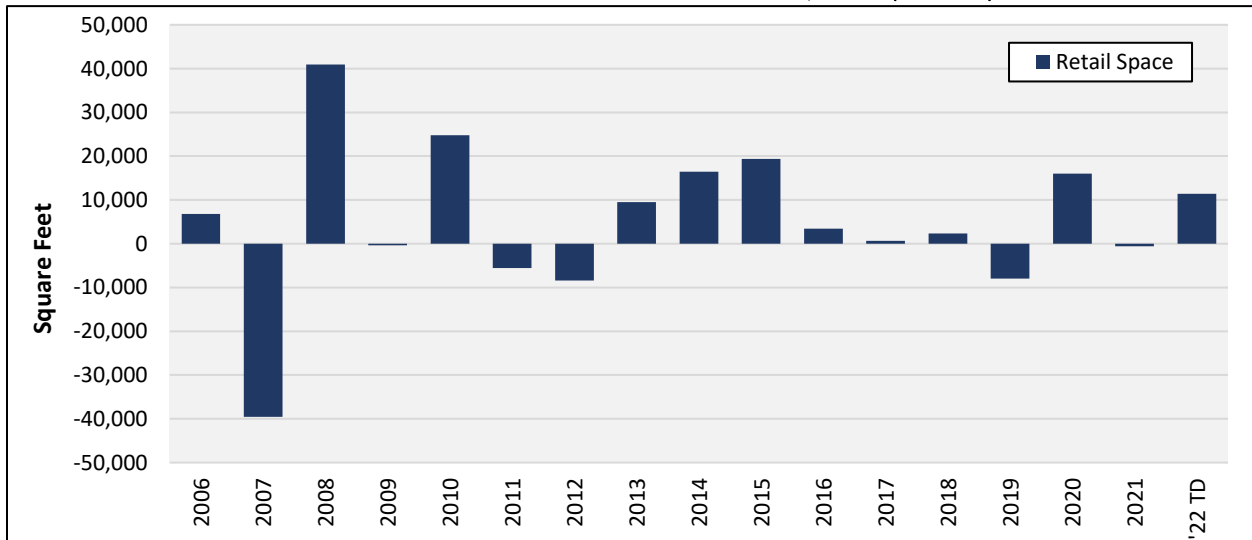


SOURCE: Google, JOHNSON ECONOMICS

HISTORICAL RETAIL SPACE ABSORPTION

The recent weakness in the retail market has been evident in Camas as well. Since 2016, only 22,000 square feet of retail space has been absorbed in the city on a net basis, including food/beverage space. This represents 3,600 square feet annually, or 0.3 acres assuming a typical suburban floor area ratio (FAR). In Clark County, retail space absorption has averaged 127,000 square feet annually over the same period, down from 285,000 per year over the prior 10 years.

FIGURE 4.3: HISTORICAL NET ABSORPTION OF RETAIL SPACE, CAMAS (2006-22)



SOURCE: CoStar

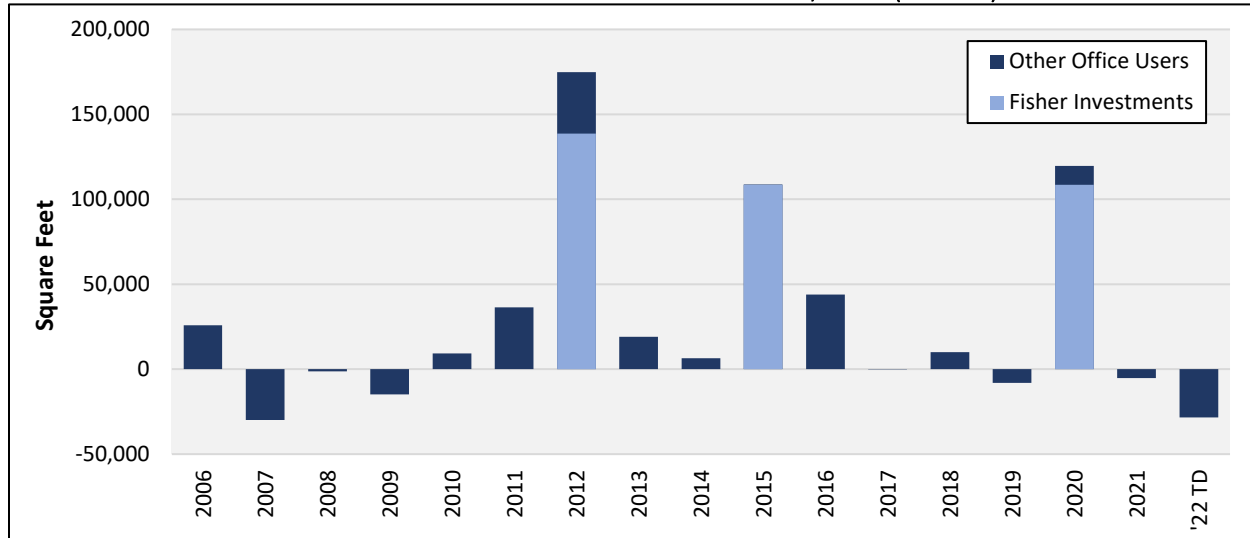
HISTORICAL OFFICE SPACE ABSORPTION

The office market in Camas has also shown a weak trend in recent years, at least if we ignore the 2020 expansion at Fisher Investments, which represented 108,000 square feet. With the latter included, the city has averaged 15,000 square feet of net absorption annually since 2016, representing just over one acre per year with typical FARs.



Combined with the retail absorption, this indicates 1.3 acres of annual absorption. With the Fisher expansion excluded, the office market has seen negative absorption (loss of occupied space), representing -3,400 square feet (-0.2 ac) annually. Note that the CoStar data does not capture all owner-user activity. The following chart includes manual adjustments to correct the absorption years for Fisher Investments in 2012, 2015, and 2020.

FIGURE 4.4: HISTORICAL NET ABSORPTION OF OFFICE SPACE, CAMAS (2006-22)



SOURCE: CoStar

FUTURE RETAIL SPACE DEMAND

Due to the large retail concentrations west of Camas, much of the retail demand from Camas residents is met by establishments outside the city. According to Environics, retail sales (including food/beverage) in Camas is only 48% of resident demand in 2022. The sales leakage is greatest for big-ticket items. The following table compares estimates of sales inside the city to demand from households residing within the city. The demand estimates are based on local demographics and the Census Bureau's Consumer Expenditures Survey. Sales estimates are derived from the Census Bureau's Retail Sales Survey.

FIGURE 4.5: RETAIL SUPPLY AND DEMAND, CAMAS (2022)

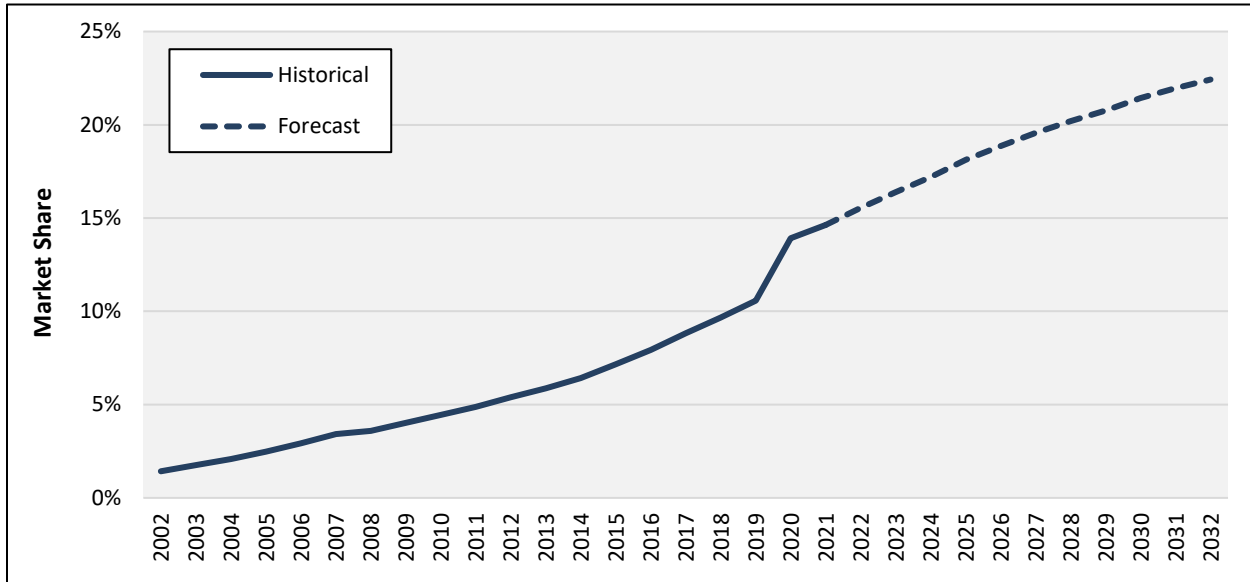
RETAIL SUPPLY-DEMAND, CAMAS 2022		2022 Demand	2022 Supply	Demand Gain/Leakage	
Retail Category (NAICS)	(Consumer Spending)	(Retail Sales)	(Total \$)	(%)	
Motor Vehicle and Parts Dealers-441	\$133,212,543	\$33,842,041	(\$99,370,502)	-75%	
Furniture and Home Furnishings Stores-442	\$13,585,021	\$3,370,938	(\$10,214,083)	-75%	
Electronics and Appliance Stores-443	\$7,937,200	\$1,821,572	(\$6,115,628)	-77%	
Building Material, Garden Equip Stores -444	\$45,983,770	\$17,248,741	(\$28,735,029)	-62%	
Food and Beverage Stores-445	\$85,886,445	\$49,136,544	(\$36,749,901)	-43%	
Health and Personal Care Stores-446	\$33,224,227	\$12,125,205	(\$21,099,022)	-64%	
Gasoline Stations-447	\$42,803,167	\$19,146,114	(\$23,657,053)	-55%	
Clothing and Clothing Accessories Stores-448	\$24,739,059	\$7,644,275	(\$17,094,784)	-69%	
Sporting Goods, Hobby, Book, Music Stores-451	\$9,731,411	\$5,055,633	(\$4,675,778)	-48%	
General Merchandise Stores-452	\$75,026,228	\$63,287,650	(\$11,738,578)	-16%	
Miscellaneous Store Retailers-453	\$13,180,762	\$10,366,955	(\$2,813,807)	-21%	
Foodservice and Drinking Places-722	\$72,981,794	\$43,197,835	(\$29,783,959)	-41%	
Total Including Food/Drinking Places	\$558,291,627	\$266,243,503	(\$292,048,124)	-52%	

SOURCE: Environics/Claritas, JOHNSON ECONOMICS



JOHNSON ECONOMICS models future retail sales via population forecasts, net of the anticipated continued shift to online shopping. Current demand from Camas residents is escalated assuming the residential forecast presented later in this section, which estimates 2.5% annual growth over the next years. Loss in demand to online retail is estimated using a nationwide forecast of market share by FTI Consulting. The forecast for all retail, including vehicles and gasoline, but excluding food and drinking places, is displayed below. The forecast indicates an online market share of 22% by 2032.

FIGURE 4.6: ONLINE RETAIL MARKET SHARE FORECAST, UNITED STATES



SOURCE: FTI Consulting, JOHNSON ECONOMICS

When modeling future retail space demand, we combine sales estimates for food/drinking places and true retailers, with online retail subtracted from the latter. Given the assumed shift to online retail, the modeled household growth is only expected to generate an increase of \$2.6 million in physical retail sales in Camas over the 2022-27 period. However, the food/drinking places are projected to see a sales increase of \$5.6 million. At a typical \$325 per square foot (annual average, according to CoStar) the total sales growth represents an increase in retail space demand of 26,000 square feet, or 2.4 acres at a standard 0.25 FAR. This reflects roughly 5,000 square feet and 0.5 acres on an annual basis, which is 40% greater than the average annual absorption since 2016 reported by CoStar.

FIGURE 4.7: FORECAST OF RETAIL SPACE DEMAND, CAMAS (2022-27, 2022 DOLLARS)

CHANGE IN RETAIL LAND NEED, 2022-27		CAMAS SALES				
		2022 Sales		2027 Sales		2022-27 Change
at 2.5% annual household growth			Share		Share	
2022	Retail, Physical Stores	\$223,045,668	84.4%	\$225,728,024	75.6%	\$2,682,356
	Retail, Online Stores	\$41,070,160	15.6%	\$72,893,795	24.4%	\$31,823,636
	Food/Drinking Places	\$43,197,835	100.0%	\$48,841,511	100.0%	\$5,643,676
2022-27	Physical Retail + Food/Drinking Places	\$266,243,503		\$274,569,534		\$8,326,031
	Change in Occupied Space (at \$325/SF)					25,619 sqft.
	Change in Land Need (at 0.25 FAR)					2.4 Ac.

SOURCE: JOHNSON ECONOMICS



FUTURE OFFICE SPACE DEMAND

We model demand for office space in Camas via employment projections in the typical office industries. We then apply industry-specific rates of office utilization to this job growth. Our job growth assumptions are in part based on pre-COVID growth in Camas (2015-19) and projections from the Washington Employment Security Department (ESD) for Southwest Washington. The ESD forecasts are conservative in nature and underestimated the growth pre-COVID. On the other hand, the historical growth rates from the 2015-19 period likely overestimate the long-term future growth potential, as this was a period of strong suburban expansion after weakness following the 2008-09 recession. When establishing future assumptions for Camas, we therefore reconcile these data sources and also consider our regional industry expectations. We also consider specifics in the Camas market, for instance the impact of Fisher Investments in the financial sector. The annual growth rates assumed in our forecast are displayed in column C below.

FIGURE 4.8: ASSUMED ANNUAL EMPLOYMENT GROWTH RATES, CAMAS (2022-27)

Growth Assumptions		Annual Growth Rates		
NAICS	Industry	A) Historical AAGR, 2015-19	B) Projected AAGR (ESD), Long-Term	C) Assumed AAGR (JE), 2022-27
51	Information	13.0%	3.2%	4.1%
52-53	Financial Activities	12.1%	1.4%	3.4%
54-56	Prof./Biz Services	2.6%	2.3%	2.5%
61-62	Education & Health	4.4%	2.3%	3.3%
81	Other Services	4.7%	2.3%	3.2%
92	Public Administration	0.3%	1.2%	0.7%

SOURCE: WA ESD, U.S. Census Bureau, JOHNSON ECONOMICS (JE)

After projecting employment in 2022 and 2027, we apply typical rates of office utilization within each industry. For this, we rely on figures from E. D. Hovee & Co., used in the 2014 Urban Growth Report for the Portland Metro region. However, we apply an upward adjustment to the financial sector due to Fisher Investments' large share of this sector. Finally, we apply square footage factors per employee to the projected office employment, generally assuming averages of 200-300 square feet, depending on industry. For this determination, we rely on several employment density analyses conducted by JOHNSON ECONOMICS over the past decade. However, we make a downward adjustment to the financial sector reflecting the higher density of Fisher Investments.

With the outlined assumptions, the model indicates growth in office employment of roughly 100 workers annually over the next five years. This represents around 20,000 square feet of space, or 100,000 over a five-year period. With an FAR or 0.33, this translates into land demand of 6.9 acres over five years, or 1.4 acres annually. Combining this with the modeled retail demand, we arrive at an estimated need for 1.9 acres of commercial land annually. This represents 9.5 acres over five years and 38 acres over a 20-year planning period.

FIGURE 4.9: FORECAST OF OFFICE SPACE DEMAND, CAMAS (2022-27)

Office Space Demand	Total Jobs		Office Share	Office Jobs			Avg. SqFt. Per Job	Office Space Demand		
	2022	2027		2022	2027	2022-27		2022	2027	2022-27
Information	128	156	25%	32	39	7	200	6,400	7,824	1,424
Financial Activities	2,234	2,640	87%	1,944	2,297	354	175	340,127	402,016	61,889
Prof./Biz Services	1,186	1,342	76%	895	1,013	118	225	201,472	227,947	26,475
Education & Health	569	669	30%	171	201	30	275	46,943	55,216	8,274
Other Services	89	104	32%	28	33	5	300	8,544	10,001	1,457
Government	208	215	43%	89	93	3	250	22,360	23,154	794
Total, Office Sectors	4,414	5,128		3,160	3,676	517		625,845	726,158	100,313

SOURCE: WA Employment Security Department, U.S. Census Bureau, Hovee & Co., JOHNSON ECONOMICS



INDUSTRIAL

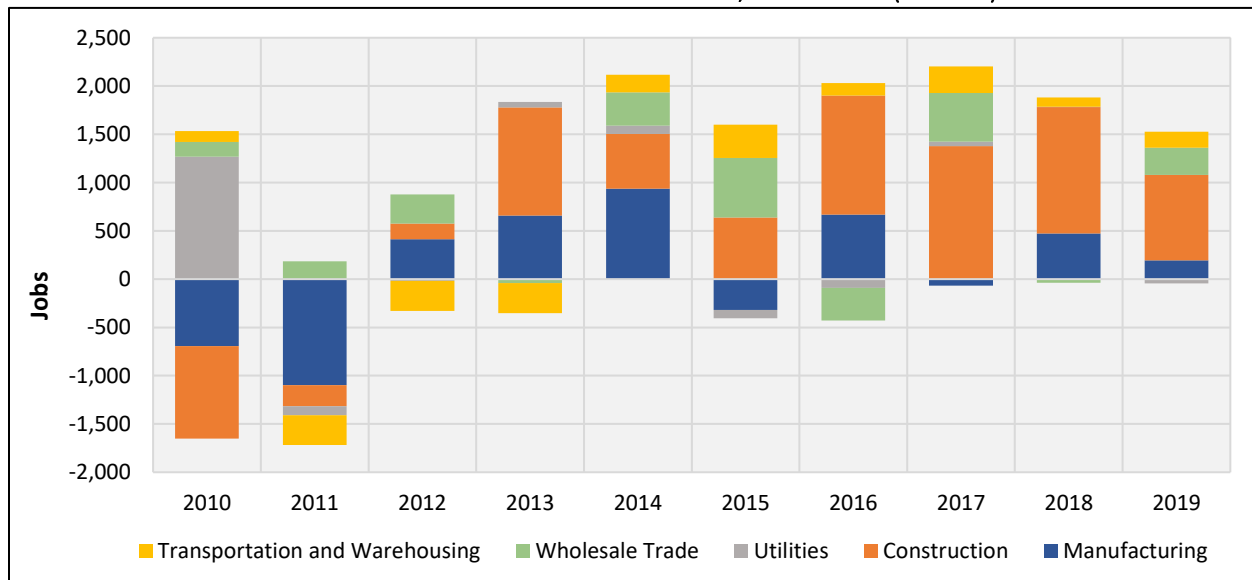
BROAD INDUSTRIAL TRENDS

The market for industrial space has also undergone major changes in recent years, reflecting technological advances and shifts in the economy. Demand for warehouse and distribution space has been boosted by e-commerce, which has moved storage needs from retail stores to warehouses. At the same time, the growth of high-tech supply chain management systems that require investments and expertise have caused a consolidation within the warehousing and distribution industry, with increasing reliance on larger third-party operators. New and large buildings that can more efficiently accommodate modern logistics operations have therefore been in high demand. With distribution driving much of the demand, there has been a particular need for sites with good freeway access.

Manufacturing has seen some improvement over the past decade, after a long period of declines. High-tech manufacturing was a major driver of growth in the Portland Metro Area in the 1990s, led by Intel, but experienced stagnation and declines over the next decades due to competition from locations in the southern states and Asia. The industry has seen modest growth in Clark County over the past decade. Stronger gains have been seen in other durable goods categories.

In Clark County, these shifts have led to development of large distribution centers at the Port of Vancouver and in Ridgefield. New manufacturing buildings have also been built, but in smaller numbers and sizes, mostly on port properties. Clark County has also seen an increase in the demand for smaller warehouses due to rapid growth in the construction industry. The following chart shows Clark County job growth in the sectors that dominate the industrial market. In the last five year before COVID, construction accounted for two-thirds of the job growth, while manufacturing represented 12%.

FIGURE 4.10: JOB GROWTH IN INDUSTRIAL SECTORS, CLARK COUNTY (2010-19)



SOURCE: U.S. Dept. of Commerce, JOHNSON ECONOMICS

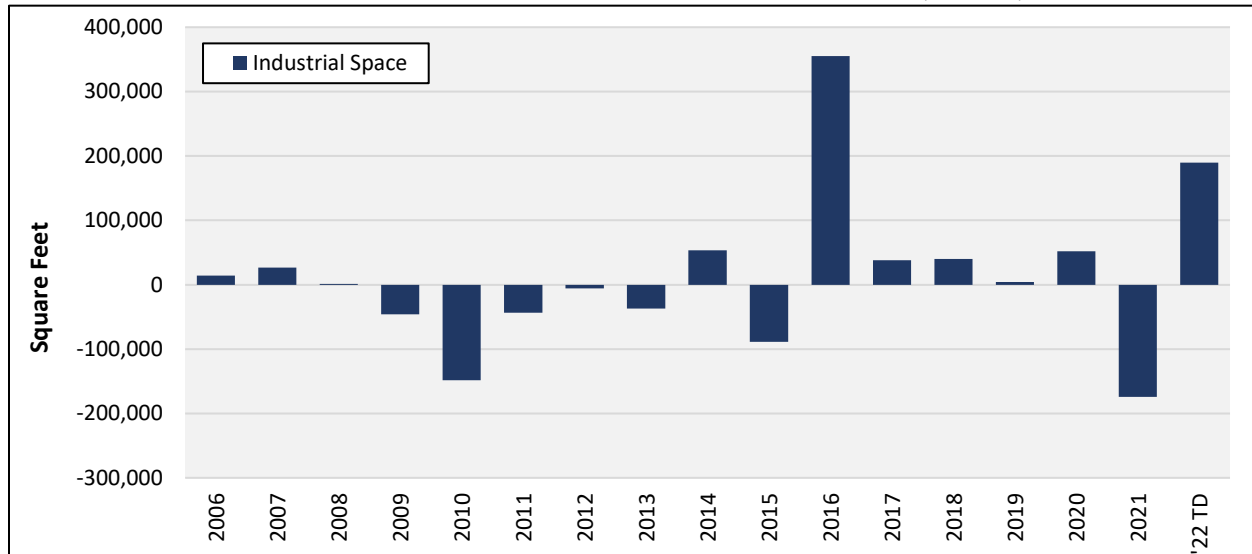
HISTORICAL INDUSTRIAL SPACE DEMAND

In Camas, occupancy of industrial space, including flex and specialty buildings, declined by 320,000 square feet between the 2008-09 recession and 2015. According to CoStar, much of the space was re-occupied in 2016, when the net absorption was 350,000 square feet, with WaferTech being the main contributor. Since then, the market has



averaged 25,000 square feet (~1.4 ac.) of positive absorption annually. More than half of this was CubeSmart Self Storage on 38th Avenue. The market lost industrial occupancy in 2021, when Karcher moved out of its building on Pacific Rim Boulevard, but regained most of this in 2022 as Northwest Paper Box moved in. Note that the Mill property is considered fully occupied.

FIGURE 4.11: HISTORICAL NET ABSORPTION OF INDUSTRIAL SPACE, CAMAS (2006-22)



SOURCE: CoStar

FUTURE INDUSTRIAL DEMAND

For estimating future industrial demand, we use the same approach as for office space, by modeling employment growth. However, we use the growth rates achieved over the 2017-22 period for historical reference points, rather than the pre-COVID 2015-19 period, as the industrial sectors have been less impacted by remote work than the office sectors in the wake of COVID. As with the office industries, our assumptions for future growth are generally between the conservative ESD regional forecasts and the recent averages from Camas. In the manufacturing industry, we assume moderate growth in coming years, after winddown of Mill operations caused declines in recent years (preliminary 2022 data indicates positive growth). The strongest growth is anticipated in the transportation and warehousing industry, which is benefitting from e-commerce growth.

FIGURE 4.12: ASSUMED ANNUAL EMPLOYMENT GROWTH RATES, CAMAS (2022-27)

Growth Assumptions		Annual Growth Rates		
NAICS	Industry	A) Historical AAGR, 2017-22	B) Projected AAGR (ESD), Long-Term	C) Assumed AAGR (JE), 2022-27
23	Construction	9.4%	2.0%	3.6%
31-33	Manufacturing	-1.0%	0.8%	0.2%
42	Wholesale Trade	3.3%	0.7%	2.2%
22,48-49	Transp., Wareh., Utilities	24.8%	0.1%	11.0%

SOURCE: WA ESD, U.S. Census Bureau, JOHNSON ECONOMICS

Assumptions for space utilization are again largely derived the Portland Metro 2014 Urban Growth Report, with per-employee floor areas of 600-1,850 square feet. With the projected growth of roughly 20 new jobs annually taking



place in industrial buildings, this results in a projected need for 93,000 square feet over five years, or nearly 20,000 square feet annually. At an FAR of 0.4, this represents 1.1 acres annually. Note that these are expectations for annual averages. Industrial development typically takes place in few large projects rather than small annual increments. Moreover, certain storage or warehousing projects can be realized with limited associated job growth. At 1.1 acres annually, the modeled demand growth represents 5.5 acres over five years and 22 acres over 20 years.

FIGURE 4.13: FORECAST OF INDUSTRIAL SPACE DEMAND, CAMAS (2022-27)

Industrial Space Demand Employment Sector	Total Jobs		Industrial Share	Industrial Jobs			Avg. SqFt. Per Job	Industrial Space Demand		
	2022	2027		2022	2027	2022-27		2022	2027	2022-27
Construction	369	440	58%	214	255	41	600	128,412	153,251	24,839
Manufacturing	2,074	2,095	68%	1,410	1,424	14	600	846,192	854,688	8,496
Wholesale Trade	457	510	64%	292	326	34	800	233,984	260,880	26,896
Transport., Wareh., Util.	34	57	78%	27	45	18	1,850	49,062	82,672	33,610
Total, Ind. Sectors	7,749	8,605		1,943	2,051	107		1,257,650	1,351,491	93,841

SOURCE: WA Employment Security Department, U.S. Census Bureau, Hovee & Co., JOHNSON ECONOMICS

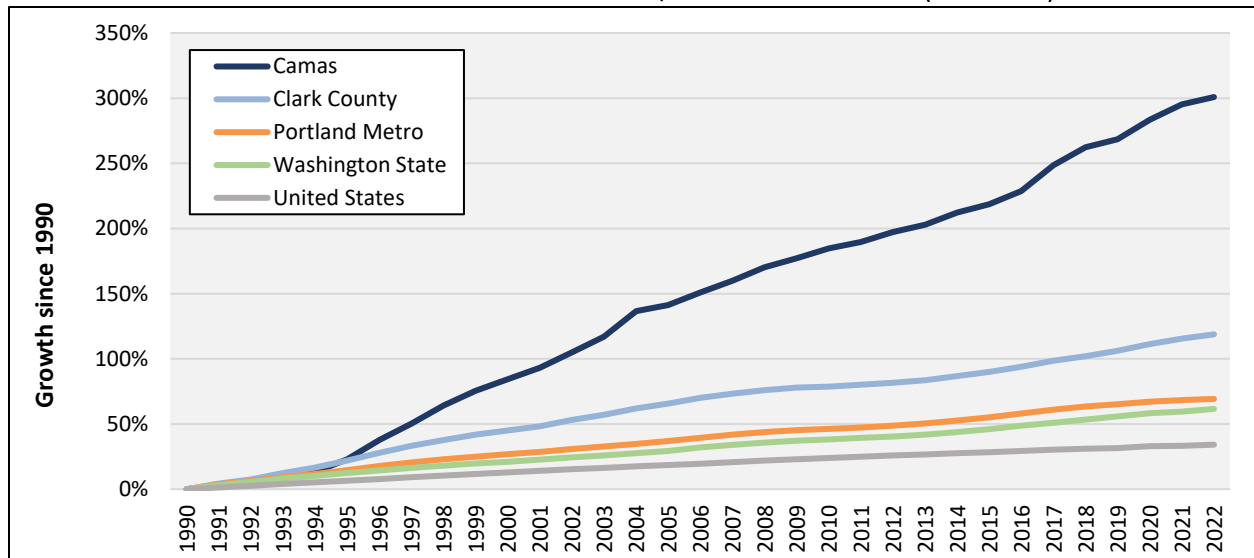
RESIDENTIAL

BROAD RESIDENTIAL TRENDS

Clark County has experienced strong population growth in recent decades, outpacing the other counties in the region. Since 1990, the population has grown by 119%, which is nearly twice as fast as the Portland Metro Area (+69%) and 3.5 times as fast as the nation as a whole. Financial and quality of life considerations have been among the factors often cited by new residents, including housing affordability, the lack of a state income tax, good schools, and outdoor recreation opportunities. The in-migration accelerated during COVID, as people moved out of Portland and other large cities.

Camas has been among the fastest growing cities in the County, tripling in size since 1990, growing at more than twice the Clark County rate. Between 2010 and 2022, the city grew from 19,400 to 27,300, adding 7,900 residents. This represents an increase of 41%, or 2.9% per year on average.

FIGURE 4.14: POPULATION GROWTH SINCE 1990, GEOGRAPHIC COMPARISON (1990-2022)

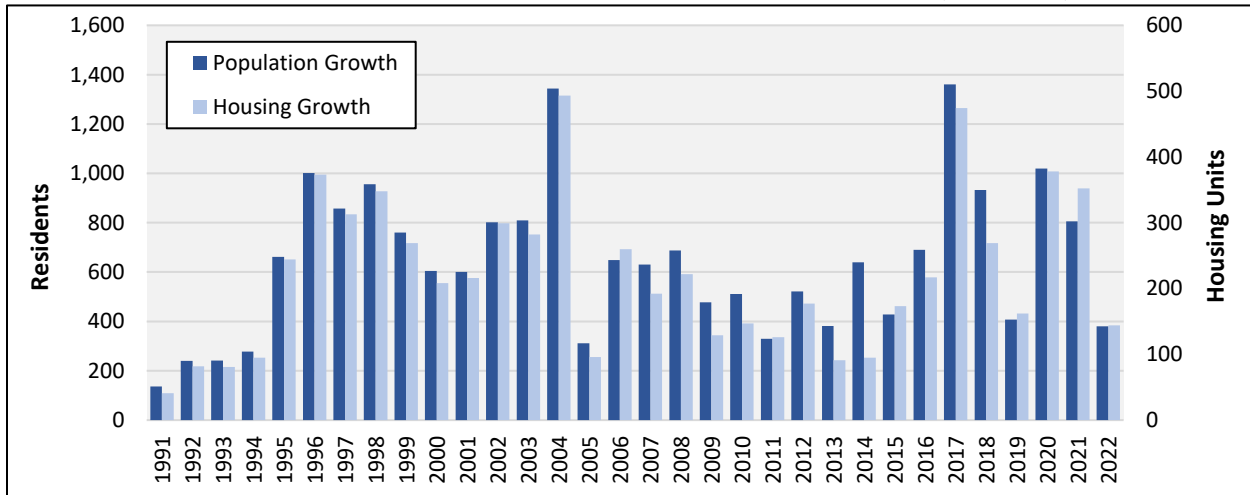


SOURCE: WA OFM, PSU PRC, JOHNSON ECONOMICS



The city’s growth was strongest in the late 1990s, when the annual growth rate averaged roughly 10.0% per year. The weakest growth was after the 2008-09 recession, when the rate hovered around 2.0% per year. This is still strong – the long-term regional growth rate is 1.2% – and indicates considerable demand pressures. The growth gained momentum over the last decade, averaging 3.8% per year over the 2017-2021 period, when the city added 4,500 residents. This increase was accommodated by increased housing supply, which totaled 1,600 units over the five years.

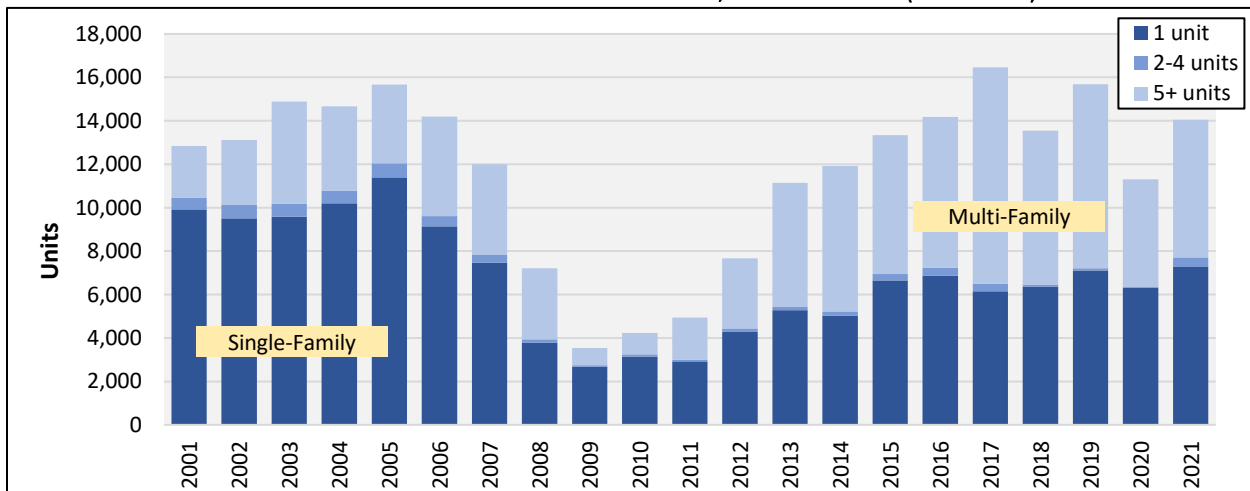
FIGURE 4.15: POPULATION GROWTH AND HOUSING INVENTORY GROWTH, CAMAS (1991-2022)



SOURCE: WA OFM, JOHNSON ECONOMICS

Regionally, there has been a shift in demand over the past two decades, from single-family ownership homes to multi-family rental units. The shift was catalyzed by the foreclosure crisis and ensuing recession at the end of the 2000s, which led to stricter credit requirements for homebuyers. The recession also caused an increase in college enrollment, at rapidly growing tuition costs, something that in tandem with rapidly rising rent levels made it difficult to save up for downpayments. Rental apartments became the only viable housing form for many young households, which in turn led to a shift in housing construction, from single- to multi-family units. Rapid price gains in the single-family market has continued to sustain demand for the more affordable multi-family homes in recent years.

FIGURE 4.15: RESIDENTIAL BUILDING PERMITS BY TYPE, PORTLAND METRO (2001-2022)

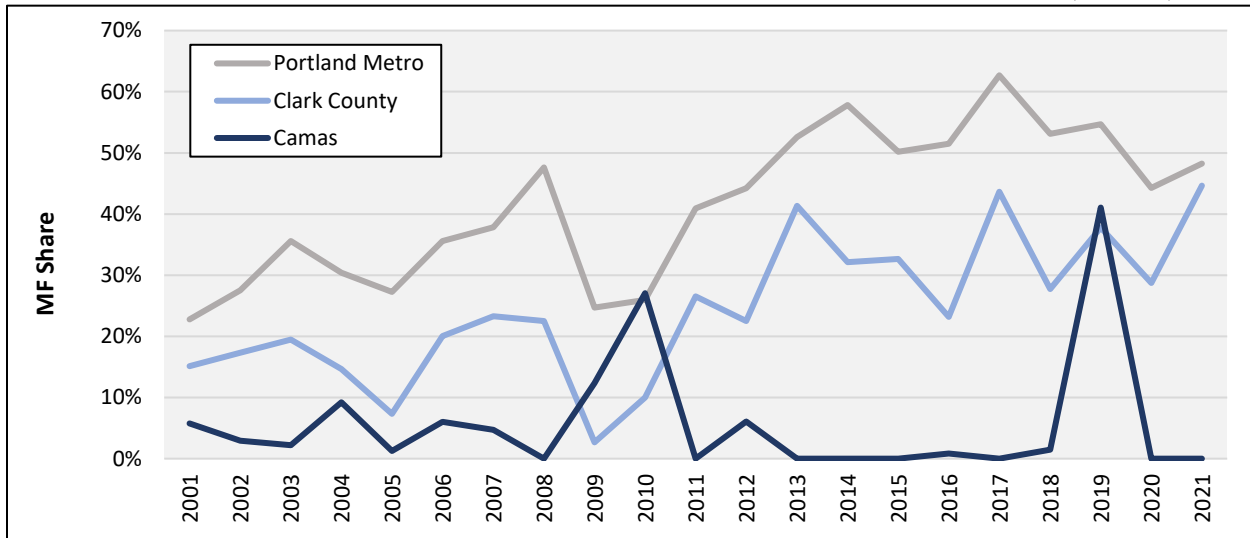


SOURCE: U.S. Census Bureau, Johnson Economics



The same shift has taken place in Clark County, where the multi-family share of new housing production went from 15% in the early 2000s to 45% by 2021. Camas has not participated in this shift to the same degree. If we exclude the 276-unit Kielo at Grass Valley in 2019 (and the Casey in 2022), the share of issued multifamily building permits has remained around 0% over the past 10 years.

FIGURE 4.16: MULTI-FAMILY SHARE OF ISSUED RESIDENTIAL BUILDING PERMITS, GEOGRAPHIC COMPARISON (2001-21)

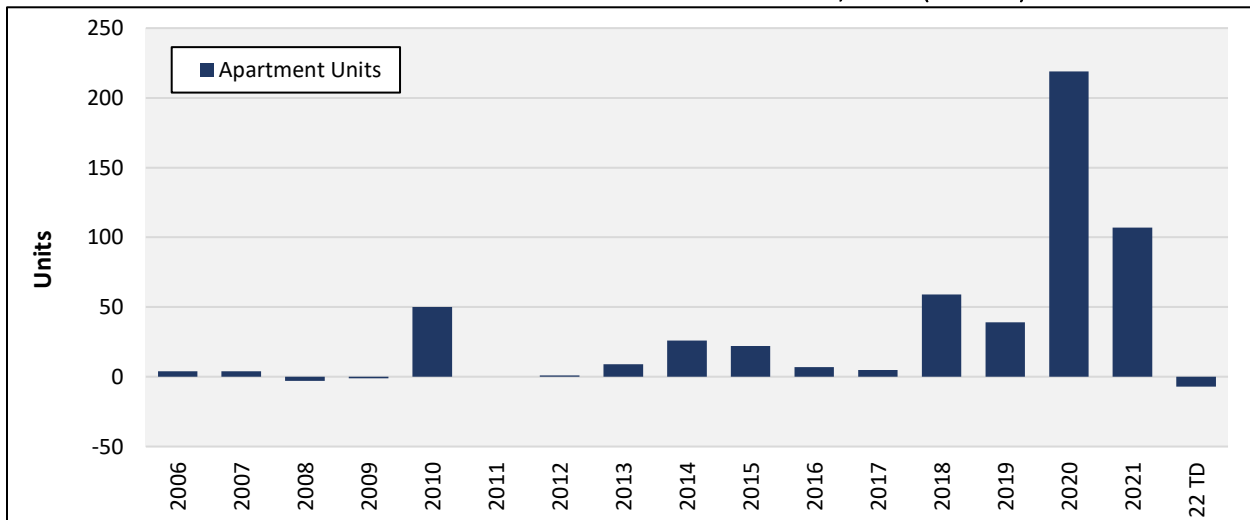


SOURCE: HUD, JOHNSON ECONOMICS

HISTORICAL MULTI-FAMILY DEMAND

Reflecting the very limited supply of new units, market absorption of apartments in Camas was very modest until 2018-19, when roughly 50 units were absorbed annually, and 2020-21, when the absorption averaged more than 160 units annually due to lease-up of Kielo at Grass Valley. In isolation, Kielo achieved absorption of 31 units per month on average (~20 ac./yr). This is unusually high, indicating strong demand. Thus, Camas would likely have absorbed many more units with additional supply.

FIGURE 4.17: HISTORICAL NET ABSORPTION OF APARTMENT UNITS, CAMAS (2006-22)



SOURCE: CoStar



RESIDENTIAL DEMAND FORECAST – HOUSEHOLD GROWTH

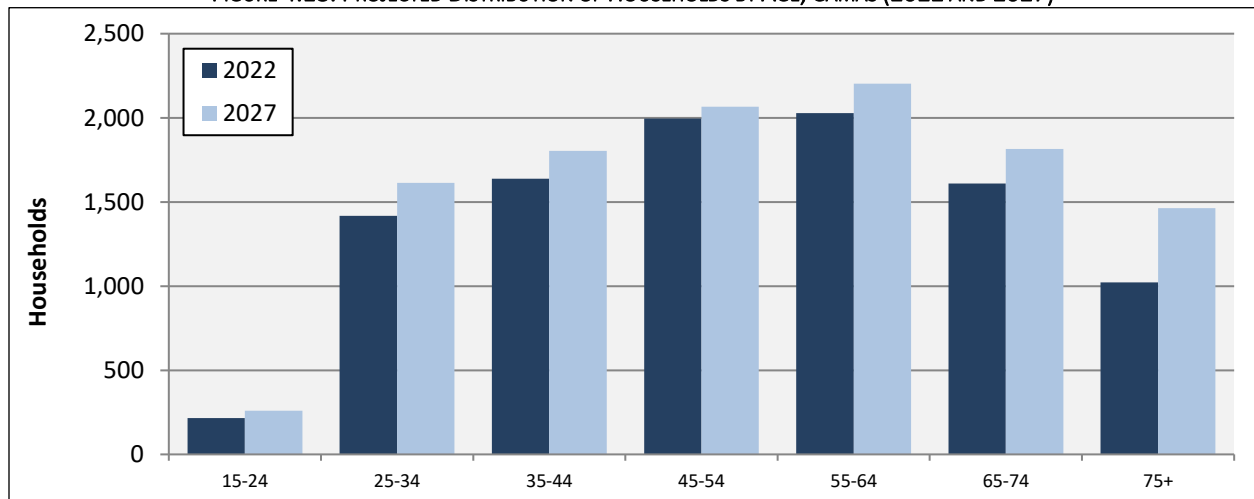
Since 2010, the population growth in Camas has averaged 2.9% per year. Over the same period, the housing inventory has increased 2.7% per year on average. The latter serves as a proxy for household growth, and is in line with extrapolated household estimates from the Census Bureau. These growth rates correlate well with the pre-COVID job growth in the areas where Camas residents work.¹ The weighted average job growth for these areas (weighted by number of Camas residents working in each area) over the last decade was 2.9% – identical to the population growth in Camas. Applying Johnson Economics’ expectations for annual job growth in the same areas over the next five years (3.1% weighted average) indicates growth in housing demand of 2.9% per year in Camas, or 1,500 new households over five years. Taking into account the impact of the current slowdown in the housing market due to high interest rates, we would assume 1,300 new households over the five-year period, for an annual growth rate of 2.5%. Note that this projection is based on the historical relationship between housing absorption and surrounding job growth. The underlying demand (preference) for housing in Camas regardless of financial ability is likely much higher.

PROJECTED HOUSING DEMAND

Johnson Economics has developed a housing demand model that allocates anticipated household growth into demand for housing of different forms. Our model begins with a segmentation of the existing household base by age and income, as these are the variables that best predict housing preferences. The model accounts for aging and mortality, as well as migration patterns related to surrounding job growth (by age and wage) and retiree migration. For this segmentation, we rely in part on trended census estimates provided by Neustar. Local, segment-specific propensity rates calculated from census microdata are used to allocate the new growth to different types of housing. Some adjustments are made to account for financing hurdles in the ownership market (e.g., the high mortgage rates anticipated over the near term are modeled to result in a 17% shift from ownership to rental demand).

The following chart displays the anticipated distribution of housing demand across age segments over the forecast period. The projections indicate growth across many age groups, including at the early family stage (millennials, age 25-44), among empty nesters (age 55-64) and among seniors (baby boomers, 65+). The growth among seniors is primarily due to aging-in-place, while the growth among millennials is more reflective of in-migration.

FIGURE 4.18: PROJECTED DISTRIBUTION OF HOUSEHOLDS BY AGE, CAMAS (2022 AND 2027)



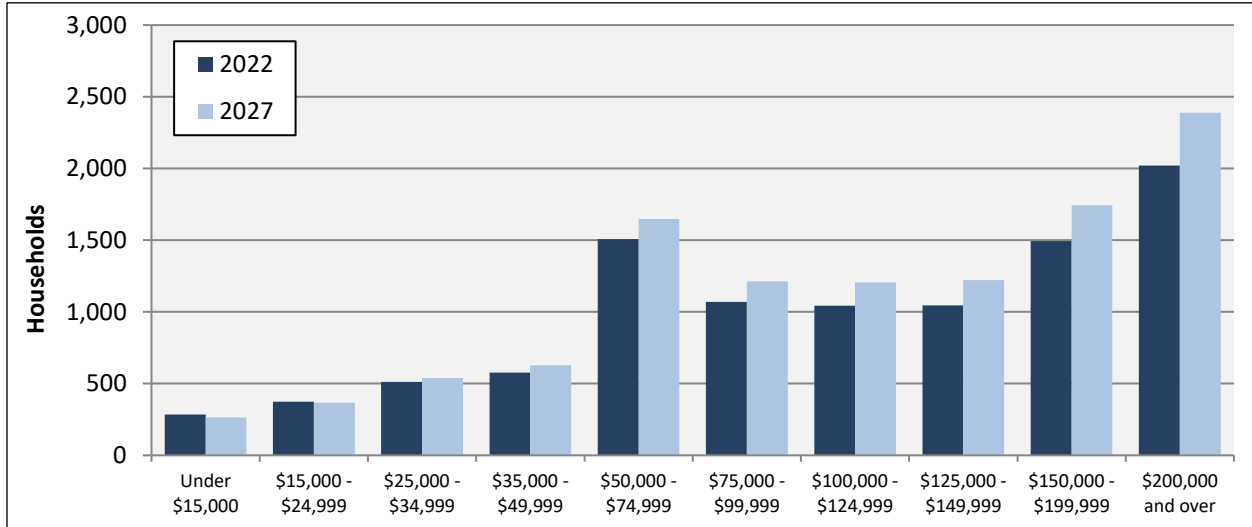
SOURCE: Neustar, Johnson Economics

¹ In 2019: 16.9% in Camas; 45.2% in other parts of Clark County; 36% in other parts of Portland Metro. Excludes tele-commuters. Data from U.S. Census Bureau.



With respect to income, the demand growth is anticipated to be concentrated among middle- and upper-income segments, with declines at the lowest income levels. This is in keeping with recent trends, reflecting the appeal of Camas to affluent households.

FIGURE 4.9: PROJECTED DISTRIBUTION OF HOUSEHOLDS BY INCOME, CAMAS (2022 AND 2027)



SOURCE: Neustar, Johnson Economics

The following table summarizes our estimates of demand growth by housing type, both for the five years and annually. Detached single-family ownership homes dominate the projected demand, representing a net increase of roughly 700 units over five years. If we include detached rental homes, which typically come from the existing housing stock, there is an estimated net need for 760 new detached homes. Attached homes are projected to represent a total need for roughly 150 homes. Rental apartments are projected to see the strongest demand growth in relative terms, for an estimated 365 units. If we include condominiums, the net need for new multifamily units is estimated to 385.

At an assumed density of 18 units per acre, the multifamily demand represents land absorption of 4.3 acres annually. Assuming 10 units per acre for the attached single-family homes, these represent 3.1 acres of annual absorption. Together the multifamily and attached homes represent 7.4 acres of projected annual absorption, or 37 acres over five years and 148 acres over a 20-year planning period.

Again, this forecast is based on the historical job/housing relationship and existing single-/multifamily splits in the city. It may underestimate the preference for housing among low- and middle-income households, who are currently underrepresented. Additional housing at appropriate price points would thus likely accommodate additional growth.

FIGURE 4.20: RESIDENTIAL DEMAND FORECAST, CAMAS (2022-27)

RES. DEMAND 2022-27	5-YEAR DEMAND GROWTH			ANNUAL DEMAND GROWTH		
	Owners	Renters	Total	Owners	Renters	Total
Single-family detached	688	70	758	138	14	152
Single-family attached	129	25	154	26	5	31
Multi-family	20	365	385	4	73	77
Total	836	461	1,297	167	92	259

SOURCE: JOHNSON ECONOMICS



V. CONCLUSIONS

LAND CAPACITY

The City of Camas currently has adequate land capacity to accommodate the population and employment growth assumed in the 2015-2035 Comprehensive Plan. There is a surplus of 398 acres of residential land and 286 acres of employment land. The proposed comprehensive plan amendment will only have minor impact on the land capacity, increasing the residential surplus to 429 acres and reducing the employment surplus to 255 acres.

The actual growth that has taken place in the city since the comp plan was adopted has been stronger than assumed for residential growth, but weaker than assumed for employment growth. The residential growth over the 2015-22 period represents 52% of the adopted 20-year growth target, while the employment growth represents 18%.

According to the 2021 Clark County Buildable Lands Report, land absorption in Camas over the 2016-20 period represented absorption of 60 acres of residential land per year on average, 6 acres of commercial land annually, and 1.6 acres of industrial land annually. At these rates, the current land supply represents over 50 years of commercial land and over 400 years of industrial land, while the residential land represents only 12 years of absorption. From a land capacity standpoint, the proposed re-allocation of commercial and industrial land to residential land would thus improve the balance in the land supply.

MARKET TRENDS

Part of the reason for the weaker than expected employment growth in Camas in recent years is the relative weakness of the high-tech manufacturing sector, which expanded rapidly in Camas in the 1990s. The winddown of operations at the Mill has also played a part. Recent industrial development in Clark County has been concentrated at the ports (especially heavy industries) and along interstate freeways (distribution). Development of new office space has been concentrated in locations with extensive commercial amenities (e.g., Columbia Tech Ctr.), though with recent headwinds from increased at-home work in the wake of COVID. Commercial development continues to be slowed by the ongoing shift to online retail.

Residential growth has been stronger than expected in Camas, reflecting strong county-wide in-migration. Much of the growth in Camas can be attributed to job growth in Camas and East Vancouver. The increased demand for safe and attractive suburban housing during COVID has also played a role.

All across the region, there has been a shift in demand from single- to multifamily housing in recent years, as single-family homes have become financially unattainable for a growing share of the population. While the housing production in Clark County has evolved to match the new pattern, Camas has only to a limited degree shifted its housing production, and thus likely has some pent-up demand for multifamily housing. This is corroborated by the Camas Housing Action Plan (2021), which includes a detailed analysis of current and future housing needs in the city. The analysis finds a particular need for additional multi-family and attached single-family homes that can accommodate low- and middle-income households. Additional housing in these categories will likely help employment growth in the city by providing workforce housing that brings needed labor closer to Camas employment.

The most recent large-scale apartment project in Camas (Kielo, 2020-21) also appears to confirm the strong demand for multifamily housing. It leased up at an average rate of 31 units per month, which represents land absorption of roughly 20 acres per year. Our demand forecast for the next five years indicates absorption of 7.4 acres annually, including attached homes. This represents 37 acres over five years and 148 acres over 20 years. However, the forecast is partly based on existing single-/multi-family splits in the city, and may thus underestimate multifamily demand.



The markets for commercial and industrial space have seen moderate demand in recent years, averaging floor area absorption typically equivalent to 1.3 acres annually in the commercial segment and 1.4 acres annually in the industrial segment. Our forecasts for the next five years, based on anticipated employment and population growth, indicate absorption of 1.9 acres of commercial land annually and 1.1 acres of industrial land annually.

Given the limited need for employment land reflected in these market-based forecasts, the proposed re-allocation of industrial and commercial land to residential land is unlikely to have negative impact on employment growth, while it can alleviate pressures in the residential market. By accommodating needed workforce housing in the city, the re-allocation may in fact have a positive impact on employment growth.

SUITABILITY FOR DEVELOPMENT

The north site, which is currently zoned for business park use (BP), faces several obstacles to business park development, and we regard only the north portion of the site to be suitable for the campus-style format this zone is intended for. However, there is limited demand for buildings of this format in locations without extensive commercial amenities, as indicated by the lack of campus development around the site since the 1990s. There are also issues related to compatibility and congestion, especially around the beginning and end of the school day. The south portion of the site is both too narrow and has too much slope to be feasible for campus projects or other industrial developments of some scale.

The south site is zoned for regional commercial use (RC), intended for larger commercial establishments with regional trade areas. This is a segment of the retail market with excess capacity currently, and very little new development due to the rise of e-commerce. The site does not have the scale, configuration, or access needed to accommodate a retail center of this format. The most suitable commercial format on the site is a neighborhood/ convenience center with smaller buildings. However, the site does not have the traffic exposure typically needed to make this type of development feasible. Moreover, we expect demand for this type of space to be met by the retail center proposed on the adjacent site (Camas Station), which enjoys stronger traffic exposure. Additionally, the topography makes the eastern (Brady Rd) portion of the site difficult/costly to utilize, while access from the south or west raises questions of safety, congestion, and compatibility with the adjacent elementary school.

We regard both sites to be suitable for the proposed multifamily residential (MF-18) zoning, which is intended for multifamily and attached single-family housing. The sites are located at the transition between residential and employment land, where these housing forms are encouraged. Moreover, these uses are compatible with surrounding housing and schools, and do not face the issues related to scale, configuration, or topography that would complicate commercial or industrial development. On the contrary, the sloping topography represents an amenity in the form of views. Furthermore, the sites would provide housing within walking distance of schools, parks, and the proposed Camas Station commercial center, thus generating limited auto traffic. Given the many Camas residents who commute to the west, the sites would also offer shorter commutes and relatively less traffic compared to other buildable multifamily land in the city. A strong indication of the suitability for the proposed residential use is provided by Parker Village, a recent attached-home development located between the subject sites.

In conclusion, we regard the subject sites to represent desirable locations for housing, both from a community standpoint and from the perspective of renters, buyers, and developers. The sites are less suitable for employment uses, and less likely to be developed in light of current and anticipated market conditions. These findings are supportive of the proposed comp plan amendment and zone change.