




2020-2021

ECONOMIC SNAP SHOT & PROSPERITY PLANNING



FOREWORD

The 2021 Economic Snapshot and Prosperity Planning Report includes the latest data from the year 2020 and 2021, the onset and height of the COVID-19 Pandemic. While our economy is still recovering from the pandemic, the economic landscape has improved. As we move forward, we will continue to update our economic snapshots with the most relevant data when available.

CONTENTS

ECONOMIC DEVELOPMENT MESSAGE	1
TUALATIN REAL ESTATE MARKET	3
CLUSTER UPDATE	5
PROSPERITY PLANNING	13
REGIONAL RECOVERY	21

ECONOMIC DEVELOPMENT MESSAGE

The last few years have challenged us all in different ways. For the City of Tualatin, the mission across all departments has been to take action to mitigate the economic impacts of the COVID-19 Pandemic to the best degree possible.

From the start of the crisis, the Economic Development Division's mission shifted to developing and implementing actions to address the immediate needs of our businesses - the most important being The Economic Stabilization Fund Program to help businesses affected by the COVID-19 Pandemic. To date, the City of Tualatin has distributed \$1.2 million dollars to over 120 businesses - 90% of those assisted are still in operation.

The City has begun to pivot from economic stabilization to economic recovery - one that benefits all Tualatin residents. In 2021, the City of Tualatin established its first investment area since 1989. This year, the City will consider an enhanced opportunity and investment area in our core with the purpose of securing our community's economic success over the next 30 years.

As we continue on this journey, the community can count on our unwavering commitment to making economic prosperity for all a top priority.



Jonathan Taylor
Economic Development
Manager

MISSION

To retain and cultivate growth of existing business, attract new industry, while creating and maintaining a positive business climate within our community.

Economic Strategic Plan

VISION

A thriving and diversified economy that includes living wage jobs, increased tourism, and sustained financial stability for the whole community.

Tualatin City Council 2030 Vision

TUALATIN REAL ESTATE

Despite the two year impact of the COVID-19 Pandemic, Tualatin's industrial, commercial, and retail markets continue to be strong. Over the last year, Tualatin added 232K sq/ft of industrial space, providing more options to local industries for relocation and expansion.

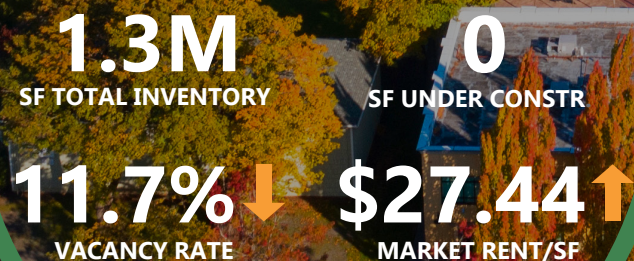
INDUSTRIAL MARKET



RETAIL MARKET



OFFICE MARKET



SOURCE: COSTAR Q4 2022

↑ Denotes increase since 2019 ↓ Denotes decrease since 2019

BUSINESS SURVEY

In 2021, the Economic Development division surveyed our small businesses that received financial assistance in 2020.

93% of businesses are operational.

63% of businesses reported revenue has increased or remained stable since 2019.

89% of businesses are still impacted by COVID-19

68% of businesses have a positive economic outlook.

QUICK NUMBERS

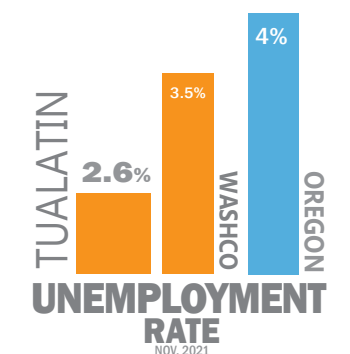
148
NEW BUSINESS LICENSES

Total new business licenses filed with the City of Tualatin in 2021.

985
EMPLOYMENT

Total employment as a result of new business licenses filed in 2021.

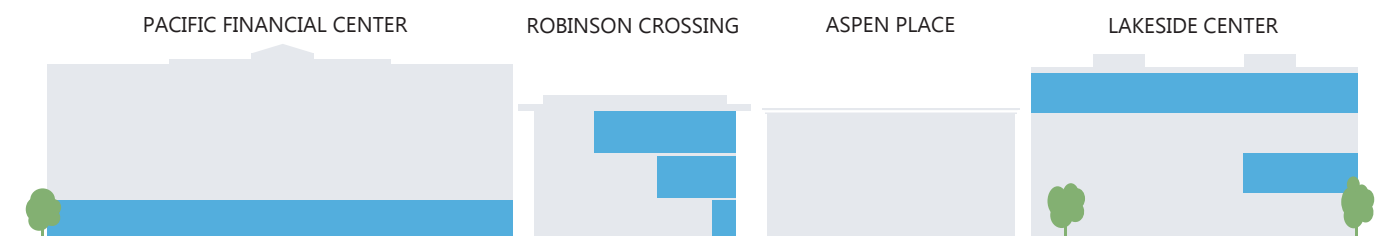
NEW DEVELOPMENT



Source: Tualatin Business Licenses 2021

MAJOR BUILDING VACANCY

■ DENOTES VACANCY



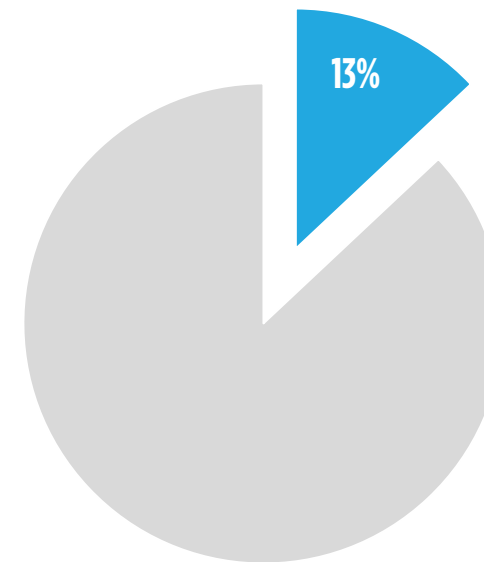
SOFTWARE & TECHNOLOGY



INDUSTRY OVERVIEW

Software and technology enterprises are high-knowledge, human-capital-based businesses that are expanding globally. This cluster includes companies that may develop, produce, or provide software, hardware, data management, internet-based services, and other information services. This industry is also involved with development of off-the-shelf software products to consumer programming, computer facilities management, computer systems design, and data processing. This cluster is Tualatin's **largest** employment sector.

INDUSTRY CLUSTER EMPLOYMENT



QUICK FACTS

Total Employment: 3,991
Average Salary: \$111,000
Number of Firms: 78

Largest Employers:

- Lam Research
- TacPro
- Ichor Systems
- Dealer Spike
- JAE Oregon

CLUSTER UPDATE

Of the five identified 2017 Industry Clusters, this cluster has seen the most growth in employment and average annual salary. Between 2016 and 2020, software and technology employment grew at a **tremendous rate of 40%**. Corresponding with that growth, average **annual salary increased by 18%**. The sector lost 11% of its firms since 2017. Reasons for this decrease could include limited industrial space for growth, acquisitions, and smaller firms unable to compete in the overall economy.

INDUSTRY CLUSTER UPDATE





TRANSPORTATION & LOGISTICS

Distribution

INDUSTRY OVERVIEW

Tualatin's transportation and logistics sector is an integral part of Tualatin's and the Portland Metro's area economy, supporting all sectors. This sector includes a variety of industries: logistics, transportation, warehousing, aviation, and other related services. The sector is responsible for managing the flow of goods, services, and information between a point of origin and destination to meet customer demand.

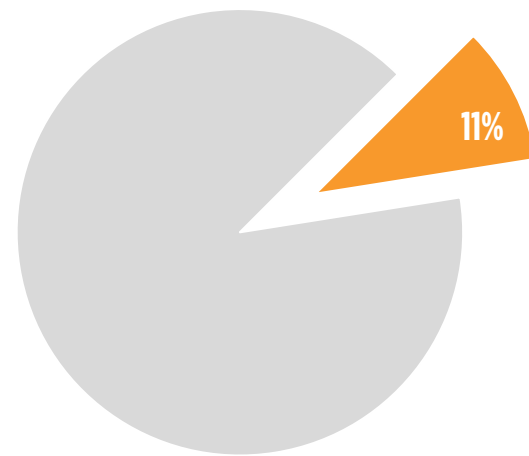
QUICK FACTS

Total Employment: 3,486
Average Salary: \$63,000
Number of Firms: 213

Largest Employers:

- United Parcel Service
- DPI Specialty Foods
- Columbia Corrugated Box
- Mclane Food Service
- FedEX

INDUSTRY CLUSTER EMPLOYMENT



CLUSTER UPDATE

This sector has continued to experience growth as suburban communities fulfill demand for warehousing and logistics to support the broader Portland Metro area. Tualatin's transportation and logistics cluster employment base grew 5% since 2017 with an **average salary increase of 7%**. As with most clusters, the total number of firms within this cluster decreased by 2%.

ADVANCED MANUFACTURING

INDUSTRY OVERVIEW

Advanced manufacturing is the integration of high-tech processes, machinery and materials, and includes companies that may utilize or develop innovative processes. A vital component to advanced manufacturing is a skilled workforce, where skills required of workers are often more advanced and broad than those in other industries. Examples of advanced manufacturing tools and techniques include computer aided design, simulations, robotics, laser and enhanced prototyping. Tualatin's advanced manufacturing super-cluster includes chemical and plastic materials, food processing, medical equipment, and metal products.

INDUSTRY CLUSTER EMPLOYMENT



QUICK FACTS

Total Employment: 3,940
Average Salary: \$60,000
Number of Firms: 93

Largest Employers:

- CES Group
- Campbell Soup Supply
- Pacific Motion
- Milgard Manufacturing
- KAI USA

CLUSTER UPDATE

Advanced manufacturing has been a pillar of the Portland Metro and Tualatin's economies for decades. As technologies change, so do the definitions and outputs for "advanced manufacturing." Over the last four years, the cluster has seen a decrease in employment of 11%. Major closures, company acquisitions, and expansions outside the city have led to this reduction. **The average annual salary increased 15%**. Food processing is the fastest growing industry in Tualatin.





CORPORATE & FINANCIAL

INDUSTRY OVERVIEW

Corporate and financial (business services) provide the top-tier management for local, regional, national, and international commerce. This sector represents the full spectrum of businesses focused on management of businesses, consulting services, securities and brokers, and marketing services.

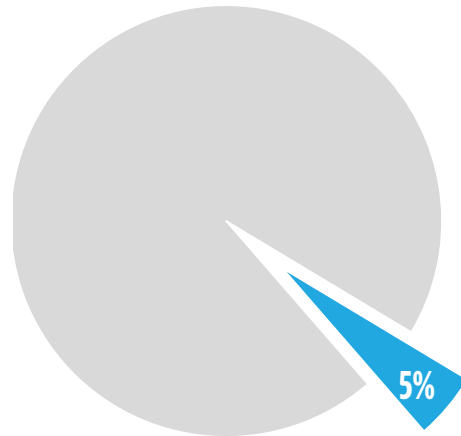
QUICK FACTS

Total Employment: 1,502
Average Salary: \$84,000
Number of Firms: 196

Largest Employers:

- AKS Engineering
- Portland General Electric
- Enterprise Rent-A-Car
- Xenium Resources

INDUSTRY CLUSTER EMPLOYMENT



CLUSTER UPDATE

As an emerging cluster, the corporate and financial sector is a non-concentrated industry in the region but is growing quickly. This sector has increased the number of firms by 15% but has lost 36% of its workforce since 2016. Yet, the average annual salary has **increased by 49%, the largest of any industry cluster**. The employment decrease can be attributed to workforce reductions by several firms within this cluster.

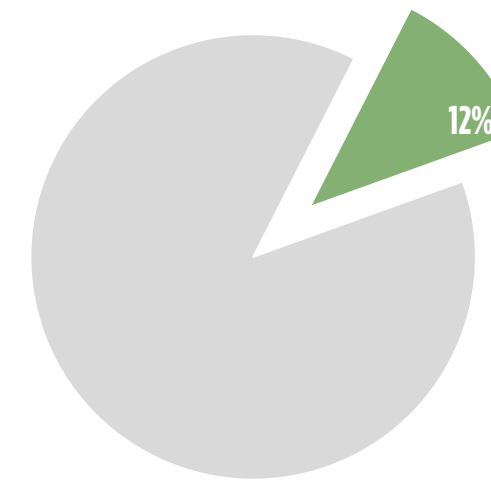


HEALTH & WELLNESS

INDUSTRY OVERVIEW

Extending beyond local healthcare delivery, this sector represents a continuum of businesses ranging from treating diseases to a multidimensional and holistic approach that focuses on complete physical and mental health, social well being, and disease prevention. Companies in this industry include physicians, dentists, chiropractors, optometrists, mental health practitioners, physical and speech therapists, and other health professionals. The industry also includes home health, wellness centers, fitness clubs, and medical labs.

INDUSTRY CLUSTER EMPLOYMENT



QUICK FACTS

Total Employment: 3,676
Average Salary: \$66,000
Number of Firms: 190

Largest Employers:

- Legacy Meridian
- Center for Autism
- Bay Club
- Kaiser

CLUSTER UPDATE

The City of Tualatin wants to **thank and acknowledge our healthcare workers** for their tireless efforts to treat individuals with COVID-19, and for continuing their normal course of care for thousands of existing patients.

This cluster has remained relatively unchanged since 2016. Unemployment has remained stable and the number of firms has increased by 8%. The average annual salary increased 14%.

INVESTMENT AREAS

Tualatin's Investment Areas

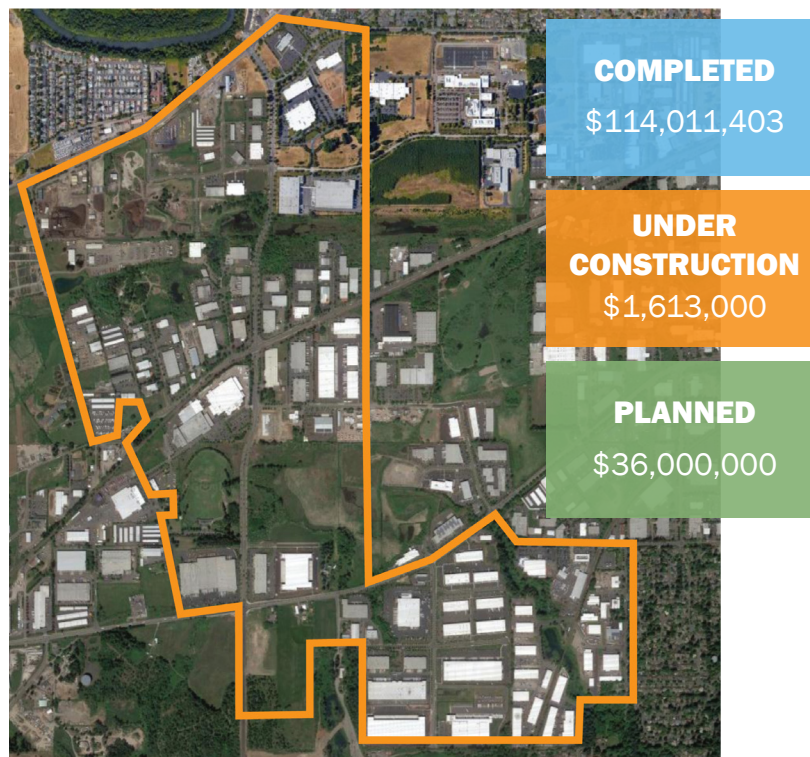
The following investment maps represent employment areas in Tualatin that are defined by a unifying marker of transportation or zoning with projects over \$250,000.

Each of these areas contain a diverse industry sector that provides located firms with direct access to the international airports and seaports, retail amenities, quality transportation systems, and a skilled workforce of nearly one million within a 30 minute commute.

124TH CORRIDOR

PRIVATE INVESTMENT: \$151,624,403
PUBLIC INVESTMENT \$0

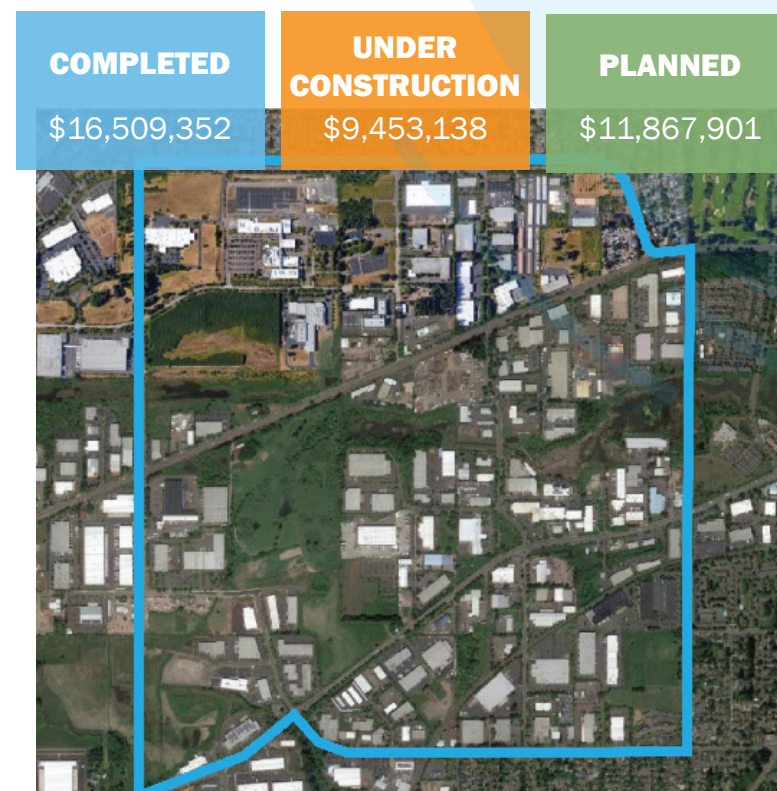
Centered around the newly expanded 124th Ave, the 124th Corridor extends along the western border of Tualatin, adjacent to the City of Sherwood. The area is exclusively zoned manufacturing with light, general, and park designations. Total employment in this area is estimated 5,000.



CENTRAL INDUSTRIAL

PRIVATE INVESTMENT: \$31,980,391
PUBLIC INVESTMENT \$5,850,000

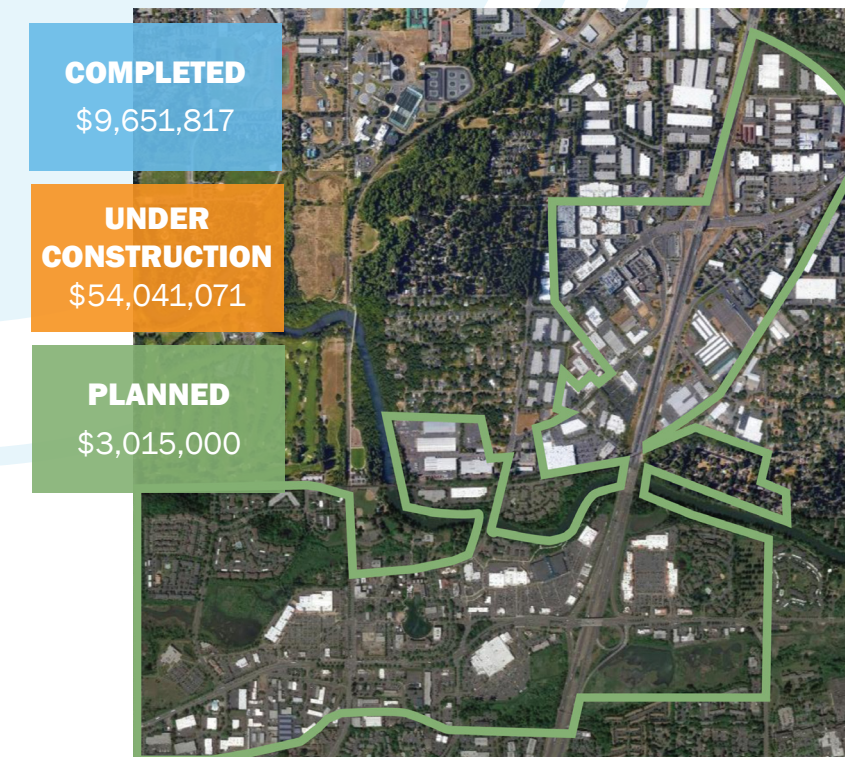
The primary employment area for the City of Tualatin, the central industrial area. Primarily zoned manufacturing with light, general, and park uses, the area also contains limited commercial and retail operations. Total employment in this area is estimated 15,000.



I-5 CORRIDOR

PRIVATE INVESTMENT: \$65,750,285
PUBLIC INVESTMENT \$957,603

Anchored by Interstate-5, this employment area provides Tualatin with direct access to interstate commerce. Primarily zoned commercial, The I-5 Corridor provides high-end retail destinations, notable parks spaces, and outdoor recreation. The total employment in this area is estimated 6,000.





CITY OF TUALATIN PROSPERITY PLANNING



An effort to securely position our community for long-term economic prosperity post the COVID-19 Pandemic.



ABOUT

The Southwest and Basalt Creek Development Area is a 717-acre investment area almost exclusively zoned commercial and industrial. The area encompasses major industrial lands along Tualatin-Sherwood Road, 124th Avenue, and Boones Ferry Road.

PROSPERITY FOCUS

The Tualatin Development Commission has dedicated up to \$55.5 million dollars to identified infrastructure projects to encourage and promote greenfield land development.

TIMELINE

The City of Tualatin intends to complete all identified projects by 2051.

\$55
MILLION

30
YEARS

717
ACRES

AREAS OF INVESTMENT



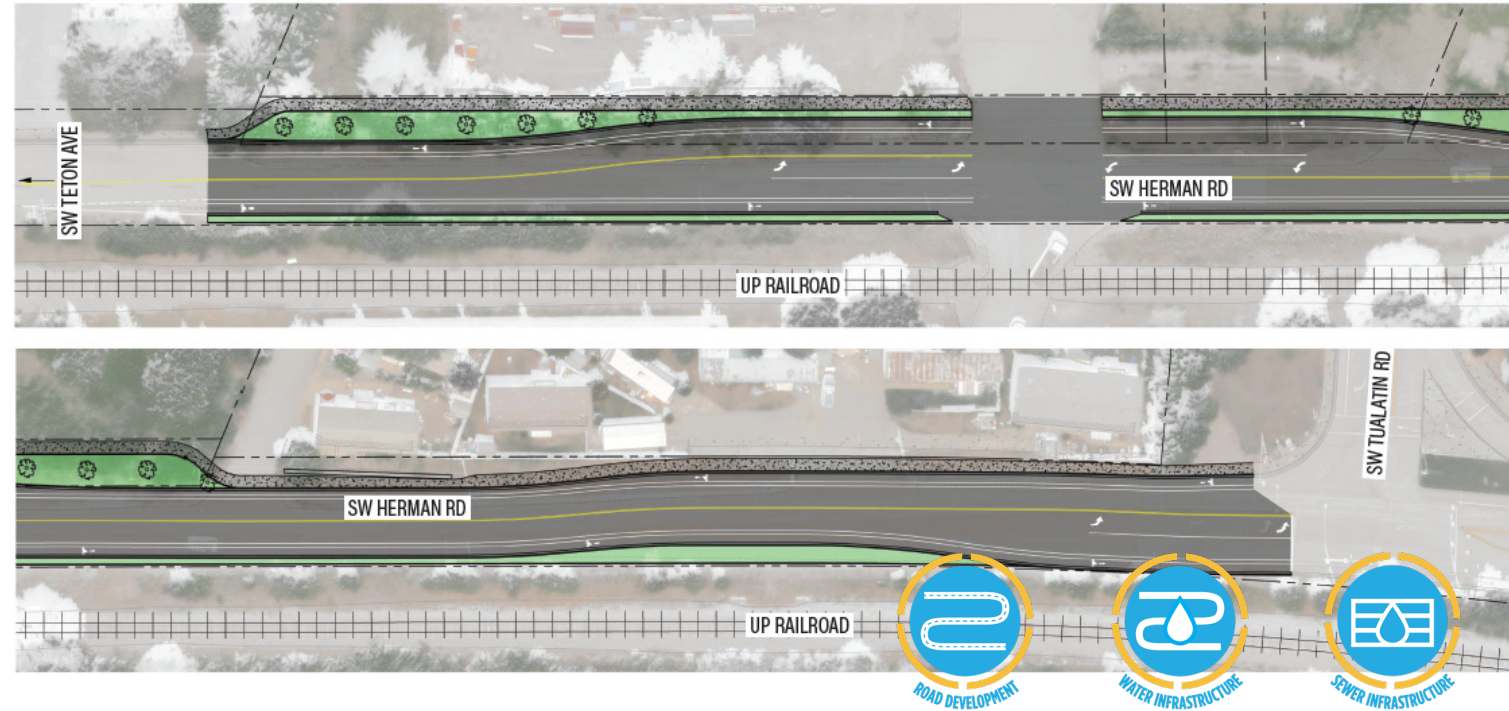
THE SOUTHWEST BASALT CREEK DEVELOPMENT AREA



THE LEVETON TAX INCREMENT DISTRICT



HERMAN ROAD IMPROVEMENTS CONCEPT PLAN



THE DISTRICT

Established in 1982, the Leveton Tax Increment Finance District is a successful 380-acre industrial development area home to advanced manufacturing. Through City efforts, the assessed value increased over \$255 million since 1982.

THE PROJECT

A multi-year project to expand Herman Road to add pedestrian access, bike lanes, remedy drainage issues, and add a center-turn lane at the industrial driveway of Herman Road. The anticipated project cost is \$3 million.

TIMELINE

2020

Conceptual design and planning.

FALL 2020 - PRESENT

Complex design and stakeholder/property owner negotiations.

SPRING 2023

Estimated construction to begin.

FALL 2023

Estimated completion date.



THE NEED

As our community continues to grow, the available land to accommodate demand is limited. From housing to commercial development, the area contains a select number of small greenfield parcels for development.

THE PURPOSE

To utilize a variety of funding tools to meet the needs of the area in alignment with the community vision.

EXAMPLE INVESTMENTS



Lake Oswego

Beautifully designed mixed-use development that expands housing options and affordability with quality of life amenities.



Minneapolis

Enhancing multi-modal and pedestrian access with integrated community design standards to enliven the entire area.

TIMELINE

<p>2018-2021</p> <p>Extensive work has been completed through various planning sessions.</p>	<p>JANUARY - FEBRUARY</p> <p>During this portion, City Staff will work to establish the final proposed boundary, financial modeling, and proposed life of the plan.</p>	<p>JANUARY -JULY</p> <p>Led by City Council, City Staff to propose area projects and bucket list concerns for opportunity.</p> <p>Outreach efforts may include advisory groups and a taskforce of property owners and vested stakeholders.</p>	<p>AUGUST - DECEMBER</p> <p>The City will consult with all regional partners in the preparation for the final adoption of this plan. The plan will be presented to the Tualatin Development Commission, the Tualatin Planning Commission, and the Tualatin City Council with a public hearing. Anticipated adoption date is December 2022.</p>
---	--	---	---



THE CORE OPPORTUNITY
 REINVESTMENT AREA





ABOUT

In April 2020, the region came together to draft a broad economic recovery plan for the post-COVID-19 economy under the leadership of Greater Portland Inc. and Metro Oregon.

Greater Portland
ECONOMIC RECOVERY PLAN



- 1 HELP SMALL BUSINESSES RECOVER & GROW
- 2 ADVANCE ECONOMIC MOBILITY FOR INDIVIDUALS
- 3 SUPPORT FAMILIES & CHILDREN

REGION-FOCUSED ADAPTABLE FRAMEWORK
SUPPORTS SMALL BUSINESS RECOVERY AND
EMPLOYMENT IN RESPONSE TO COVID-19

OUR VISION

As a community, the Greater Portland region will recover from the COVID-19 pandemic stronger, more resilient, and more equitable with an urgent focus on building opportunities for Black, Indigenous, and People of Color (BIPOC) and their businesses, as they have been hit hardest.

The guiding values set the foundation for how the region will implement the vision of the Greater Portland Economic Recovery Plan.

GUIDING VALUES

-  **REMOVE BARRIERS AND BUILD TRUST**
To advance racial equity for underserved and under-resourced populations
-  **WORK TOGETHER**
Through regional collaboration and communication to strengthen all of our communities
-  **TAKE URGENT ACTION**
For businesses and people in need
-  **LEAD WITH HEALTH**
Prioritize public health
-  **INVEST STRATEGICALLY**
Data will inform priorities for action

TARGET IMPACT AREAS

- 1 Help small businesses recover and grow
- 2 Advance economic mobility for individuals
- 3 Support families and children

*Images are from the Economic Recovery Plan Report

