

DATE: July 7, 2025
TO: City of Wilsonville
FROM: Nicole Underwood and Beth Goodman, ECONorthwest
SUBJECT: Wilsonville EOA: Economic Inventory and Potential Growth Forecasts
DRAFT

The City of Wilsonville is undertaking an Economic Opportunities Analysis (EOA) to assess whether the City's existing supply of employment land is sufficient to support anticipated business and job growth between 2026 and 2046. The technical analysis in the EOA will inform the creation of an Economic Development Strategy, which will offer targeted policy recommendations and implementation steps to advance economic growth aligned with local priorities.

This memorandum presents the **Economic Inventory** component of the EOA, which summarizes key factors driving economic growth in Wilsonville. It places the City's economy within national, state, and regional contexts and examines the local employment base and real estate market. It also identifies Wilsonville's strengths and challenges in supporting business growth and broader economic development.

The memo also presents four **employment forecast options**, which are essential for estimating future land needs. These forecasts aim to strike a realistic balance by considering broader trends such as slower statewide population and job growth, changes in national policy (e.g., tariffs, immigration), and ongoing regional demand for employment land (commercial and industrial). They also take into account local factors, including Wilsonville's competitive assets and development constraints, to assess the City's potential to capture future employment growth.

The four different forecasts lead to four different land need estimates and choosing a forecast scenario will shape the City's long-term policy direction. The forecast (yet to be selected) must be grounded in realistic assumptions and informed by local priorities. Ultimately, selecting a forecast is both an art and a science, and City Council will be asked to weigh in on which forecast to use.

The content of this memorandum will ultimately be included as part of the EOA. The full EOA will include the following chapters:

- ◆ Introduction
- ◆ Economic Trends Shaping Wilsonville's Future (Economic Inventory)
- ◆ Employment Growth and Site Needs (includes employment forecast)
- ◆ Buildable Lands Inventory



- ◆ Land Sufficiency and Conclusions

Contents of this memorandum:

- 1. Economic Inventory:** Summarizes key trends shaping Wilsonville’s economic growth, including national, state, regional, and local factors. Reviews the City’s employment base, real estate markets, and strengths and weaknesses for supporting business development.
- 2. Employment Forecast Options:** Presents four potential employment growth scenarios for Wilsonville to consider.
- 3. Appendix A – National, State, Regional, and Local Economic Trends:** Provides supporting data on national, state, and regional economic trends relevant to Wilsonville’s future economic growth.



1. Economic Inventory

Wilsonville is centrally located in the southern portion of the Portland region, which includes Clackamas, Multnomah, and Washington counties. This strategic location gives Wilsonville residents access to a broad job market, both within the Portland region and extending south to Salem. It also enables local employers to draw from a larger and more diverse workforce.

The City has a strong industrial employment base. Manufacturing, wholesale trade, and construction account for over 40% of local jobs. This large industrial presence sets Wilsonville apart from many other communities in the Portland region, underscoring its distinct role in the broader regional economy.

This chapter explains the main factors driving economic growth in Wilsonville. It places the City's economy in the context of national, state, and regional trends. It also reviews Wilsonville's employment base and real estate market. Finally, it highlights Wilsonville's strengths in supporting business growth and broader economic development, as well as the obstacles that may inhibit those same outcomes.

UNDERSTANDING ECONOMIC DEVELOPMENT

What is Economic Development? Economic development refers to efforts that strengthen a community's economy by attracting investment, creating jobs, and supporting business growth. In Oregon, cities often focus on stimulating real estate development and capital investment because property tax is their primary source of revenue to fund public services. With no sales tax in Oregon, and income taxes going to the State, cities like Wilsonville prioritize facilitating new property development that grows the local tax base. Wages and jobs are important too because local payroll taxes fund public transit (SMART).

Why Do Firms Choose Certain Locations?

Businesses consider multiple factors when selecting a location, including availability of skilled labor, infrastructure availability (roads, utilities, etc.), proximity to customers and suppliers, and cost factors including land, wages, taxes and the regulatory climate. Entrepreneurial environments, industry clusters, and quality of life also play a role in attracting new businesses.

Public Policy's Role in Economic Development:

Government policies—including zoning, incentives, and infrastructure investments—directly impact a city's ability to attract and retain businesses.



Summary of the Effect of National, State, and Regional Trends on Economic Development in Wilsonville

This section summarizes how national, state, and regional economic trends (detailed in Appendix A) are expected to influence economic growth in Wilsonville.

- ◆ **Slowing employment growth.** Oregon is expected to continue adding jobs, although the pace of growth is projected to slow compared to previous decades. Between 2007 and 2023, Wilsonville added 3,500 jobs, representing an 18% increase. This growth rate was similar to the 20% increase seen across the Portland region.¹ Wilsonville's population is relatively young and well-educated, creating a strong base for future workforce needs. This foundation supports both ongoing industry growth and the replacement of retiring workers. However, broader demographic trends, including an aging population and slower statewide labor force growth, may lead to a tighter labor market over time.
- ◆ **Remote work and office real estate market shifts.** Remote and hybrid work have reduced demand for traditional office space nationally and regionally, leading to higher office vacancy rates. In Wilsonville, where vacancies had historically been low, rates rose above 12% in 2024—likely due to lease expirations.² Despite this, rents have remained steady, indicating some resilience in the suburban office market. As companies adjust to long-term hybrid work, demand is shifting toward smaller, more flexible office spaces. Peak attendance for workers is expected to stabilize at 60-70% of pre-pandemic levels, with overall occupancy leveling off by late 2025.³ Nationwide, investor interest in traditional office buildings remains weak. In Wilsonville, this may reduce demand for conventional office development and increase interest in adaptable or mixed-use formats, especially over the five-to-ten-year timeframe.
- ◆ **Retail realignment.** Retail real estate markets across the country continue to shift toward experiential uses and categories less affected by e-commerce, including food service, entertainment, and essential goods. While retail construction has slowed nationwide, strong consumer spending has helped stabilize vacancy rates and rents. Wilsonville reflects these national patterns, with little new retail development in recent years. Although vacancy rates have increased, they remained below 5% in 2024.

¹ See Exhibit 1 and Exhibit 3; Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.

² CoStar Office Market Trends, 2024

³ Cushman & Wakefield, [U.S. Office Marketbeat Q2 2024](#)



(similar to regional averages).⁴ Retail vacancy could be explained by large anomaly vacancies, such as the former Fry's on Town Center Loop West and former Albertson's near the intersection of Wilsonville Road and Boones Ferry Road. As consumer preferences evolve, Wilsonville's high quality of life and regional accessibility may attract retail that blends experience and convenience. Much of Wilsonville's potential to support retail growth may stem from opportunities for redevelopment in Town Center, not only because of limited vacant commercial land elsewhere, but also because Town Center may offer the kind of experiential, mixed-use environment that aligns with evolving consumer and retailer preferences.

- ◆ **Industrial market strengths and constraints.** National and state trends indicate continued growth in sectors such as advanced manufacturing, logistics, and food and beverage manufacturing and warehousing. Wilsonville's industrial sector remains a core economic strength, with low vacancy rates and rising rents. However, the City faces a significant constraint: limited availability of development-ready industrial land.⁵ Only 1.7% of Wilsonville's industrial space has been built in the past 10 years, compared to roughly 13% across the broader Portland region.⁶ These figures highlight a relative lack of new supply of industrial space. Wilsonville is well-positioned to benefit from emerging opportunities, including semiconductor-related investments and broader reshoring trends. However, without tools and strategies that facilitate land sales and the installation of infrastructure, the City may struggle to accommodate this demand and fully capitalize on its competitive advantages.
- ◆ **Shifts in manufacturing trends.** Manufacturing employment in Oregon declined by 6% between early 2019 and 2023, even as employment in manufacturing increased by 1% nationally.⁷ This reflects a broader shift in the state toward productivity gains and capital investment, rather than labor-driven expansion. While manufacturing remains a vital component of Oregon's economy, its potential to drive near-term job growth may be limited. Rising costs—particularly in housing and taxes—alongside recent policy changes may be diminishing Oregon's historic appeal to manufacturers. Additionally, the shortage of development-ready industrial

⁴ CoStar Retail Market Trends, 2024

⁵ Development-ready land is land that is vacant with public infrastructure (e.g., water, sanitary sewer, and roads) and private infrastructure (e.g., electricity, natural gas, and internet service) sufficient to support immediate (or near-term) construction.

⁶ CoStar Industrial Market Trends, 2024

⁷ Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.



land is frequently cited as a major barrier to expansion or relocation, prompting some businesses to consider other states.⁸

While manufacturing growth across the state may be more limited, Wilsonville is well-positioned to support future growth in the sector. Its central location in the southwest Portland region, availability of industrial land (but much of this land is not development-ready), presence of established manufacturers, and access to a skilled workforce create a strong foundation for manufacturing business growth. However, unlocking this potential will require efforts to make industrial land development ready. As of 2023, manufacturing accounted for about 15% of Wilsonville's covered employment, with an average wage of \$88,333, above the Citywide average of \$77,904.⁹

- ◆ **Increases in automation.** Automation continues to reshape employment across sectors, reducing demand for routine tasks while increasing the need for higher-skilled roles. In manufacturing, processes like assembly and quality control are increasingly automated, while in the service sector, tools such as self-checkout and automated ordering systems are becoming more common. Emerging applications of artificial intelligence (AI) are also extending automation into cognitive and administrative functions once considered resistant to change.

For Wilsonville, these shifts present both challenges and opportunities. Routine roles may decline, but demand will grow for technical, supervisory, and analytical positions that complement automation. Wilsonville's location, access to I-5, and proximity to tech-driven firms in the Portland region support the City's ability to attract and retain businesses adapting to automation. Its educated workforce and regional talent pipelines further position the City to compete for the types of industries and jobs likely to grow in an increasingly automated economy.

- ◆ **Aging population and replacement needs.** Oregon's aging population mirrors national trends, with growing demand for replacement workers as older employees retire. While Wilsonville has a younger median age (38.7) than the state overall (40.1), its senior population is increasing.¹⁰

Clackamas County's population is expected to continue aging, with people 60 years and older increasing from 27% of the population in 2024 to 30%

⁸ Oregon Business & Industry. *The Condition of Oregon's Manufacturing Sector*. October 2024. <https://oregonbusinessindustry.com/wp-content/uploads/The-Condition-of-Oregons-Manufacturing-Sector-October-2024.pdf>.

⁹ See Exhibit 5; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023

¹⁰ See Exhibit 25 and Exhibit 26; U.S. Census Bureau



of the population in 2044, consistent with statewide trends.¹¹ As workers retire, businesses need to replace them with new workers. With a comparatively young workforce, Wilsonville could be in a good position to replace retiring workers if workforce skills match job openings.

- ◆ **Growth of entrepreneurship and small business.** The creation of new businesses is vital to Oregon's (and Wilsonville's) economy as their formations generate new jobs and bring innovations into markets. High inflation, rising interest rates, and recession risks, along with tighter access to venture capital and banking lending conditions, have slowed new business formation. However, several favorable factors could mitigate these impacts going forward and support continued strength in entrepreneurship and small business formation in Oregon. These include increased personal savings and home equity levels, which are common funding sources for new businesses, along with the shift toward remote work opportunities and the large millennial generation entering their prime entrepreneurial years (late 30s and early 40s, according to Census Bureau research).¹² Wilsonville's access to a relatively young, well-educated workforce both within the City and from across the Portland region presents opportunities for small businesses to grow in the City.
- ◆ **Continued increase in demand for energy.** Rising fuel prices and state-level pushes toward electric vehicle adoption may alter commuting behavior and increase demand for EV infrastructure. As energy costs climb, proximity to job centers and transportation-efficient development will become increasingly important. Wilsonville's location near I-5 and regional employment centers is a long-term advantage.

Demand for electricity by businesses like data centers and energy-consumptive manufacturing processes are increasing demand and competition for electricity across the state. The availability of electricity is a challenge for development of businesses with large energy needs. Development of new energy sources and transmission infrastructure will be key to development of some businesses, including in the Portland region and Wilsonville.
- ◆ **Trade exposure and tariff vulnerability.** Oregon's economy is highly dependent on exports, with more than half of the state's goods shipped to just three countries—Mexico, China, and Canada. As a result, the state is particularly vulnerable to shifts in national trade policy and global market

¹¹ See Exhibit 28; Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2024

¹² Josh Lehner. "Strong Startup Activity Continues" Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>



disruptions. During the 2018–19 trade war, Oregon’s GDP growth fell by 2.5 percentage points, underscoring the potential impacts of tariff escalations.¹³ Wilsonville is home to manufacturing businesses, high-tech suppliers, and logistics firms. Future trade tensions could impact export-oriented businesses and reduce demand for industrial space.

- ◆ **Labor supply and immigration policy.** Stricter immigration policies initiated by the Trump Administration are expected to reduce labor availability in several key sectors that rely heavily on foreign-born workers, including construction, agriculture, food processing, and hospitality. Given Oregon's reliance on net in-migration for workforce growth, federal immigration restrictions may exacerbate hiring challenges, limit productivity, and increase wage inflation in affected sectors. In Wilsonville, these impacts are particularly relevant given its industrial employment base in construction (3,192 covered jobs as of 2023).¹⁴ More broadly, a shortage of construction workers may slow project timelines, raise costs, and make it harder for development to pencil financially. This will be particularly relevant to the continued development of Coffee Creek and Basalt Creek, as well as redevelopment of Town Center.
- ◆ **Inflation.** For the last several decades, inflation rates have generally stayed below 3% in the United States. Inflation started to increase in 2021, reaching 9.1% in June 2022 year-over-year, the highest level in about 40 years.¹⁵ In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.¹⁶ Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession. Consumers may start decreasing spending on nonessentials, which could particularly influence retail development and investment decisions. Recent tariff policies and trade tensions may lead to new increases in inflation in 2025 and beyond.
- ◆ **Potential impacts of global climate change on Wilsonville’s economy.** Climate change is manifesting in the Pacific Northwest through more frequent and severe weather events, alongside long-term climatic shifts. Increased average temperatures, heightened wildfire risks, and more extreme weather conditions such as heat waves and droughts are becoming

¹³ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2025. Vol. XLV, No. 1. Release date February 2025, <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0325.pdf>

¹⁴ See Exhibit 5; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023

¹⁵ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer prices up 9.1% over the year ended June 2022, largest increase in 40 years at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm> (visited July 25, 2022).

¹⁶ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer Price Index: 2023 in Review, <https://www.bls.gov/opub/ted/2024/consumer-price-index-2023-in-review.htm>



more common. These changes are disrupting ecosystems, reducing snowpack and water availability, and affecting air quality due to increased wildfire smoke.

For Wilsonville, the effects of climate change could strain infrastructure, energy systems, and certain sectors of the local economy. Increased wildfire smoke and rising temperatures may impact worker health and reduce outdoor labor productivity. Reduced snowpack and water availability could affect reliability of industrial water supplies. The City's proximity to agricultural and forestry areas means disruptions in those sectors—due to drought, pests, or fire—could ripple through related industries such as manufacturing and logistics.

Employment Trends in Wilsonville and the Portland Region

The City of Wilsonville last updated its Economic Opportunities Analysis (EOA) in 2012. Since then, the local economy experienced significant changes, influenced by events such as the COVID-19 pandemic. This section examines how broader economic trends over the past decade have affected Wilsonville and the Portland region.

Employment Trends in Portland Region

Exhibit 1 shows covered employment in the Portland region (Clackamas, Multnomah, and Washington counties) for 2007 and 2023.¹⁷ Over this period, covered employment increased by 162,232, a 20% gain. The largest increases were in healthcare and social assistance (up 46,483 jobs) and professional and business services (up 26,980 jobs). In 2023, the average annual wage across the region was \$75,421.¹⁸

¹⁷ **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

¹⁸ Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023.



Exhibit 1. Covered Employment by Industry, Portland Region, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting and Construction	10,231	9,446	(785)	(0.5%)
Manufacturing	46,926	59,673	12,747	1.5%
Wholesale Trade	101,845	102,004	159	0.0%
Retail Trade	49,370	46,382	(2,988)	(0.4%)
Transportation and Warehousing and Utilities	85,796	90,561	4,765	0.3%
Information	31,361	45,388	14,027	2.3%
Finance and Insurance	21,064	21,361	297	0.1%
Real Estate and Rental and Leasing	36,875	29,474	(7,401)	(1.4%)
Professional, Scientific, and Technical Services	14,478	17,150	2,672	1.1%
Management of Companies and Enterprises	42,533	69,513	26,980	3.1%
Administrative, Support, Waste Management, and Private Education	21,468	37,690	16,222	3.6%
Health Care and Social Assistance	50,450	57,639	7,189	0.8%
Arts, Entertainment, and Recreation	14,945	19,199	4,254	1.6%
Accommodation and Food Services	82,259	128,742	46,483	2.8%
Other Services and Public Administration	10,943	14,952	4,009	2.0%
Government	66,538	81,488	14,950	1.3%
	31,288	37,565	6,277	1.1%
	100,375	112,750	12,375	0.7%
Total	818,745	980,977	162,232	1.1%

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.

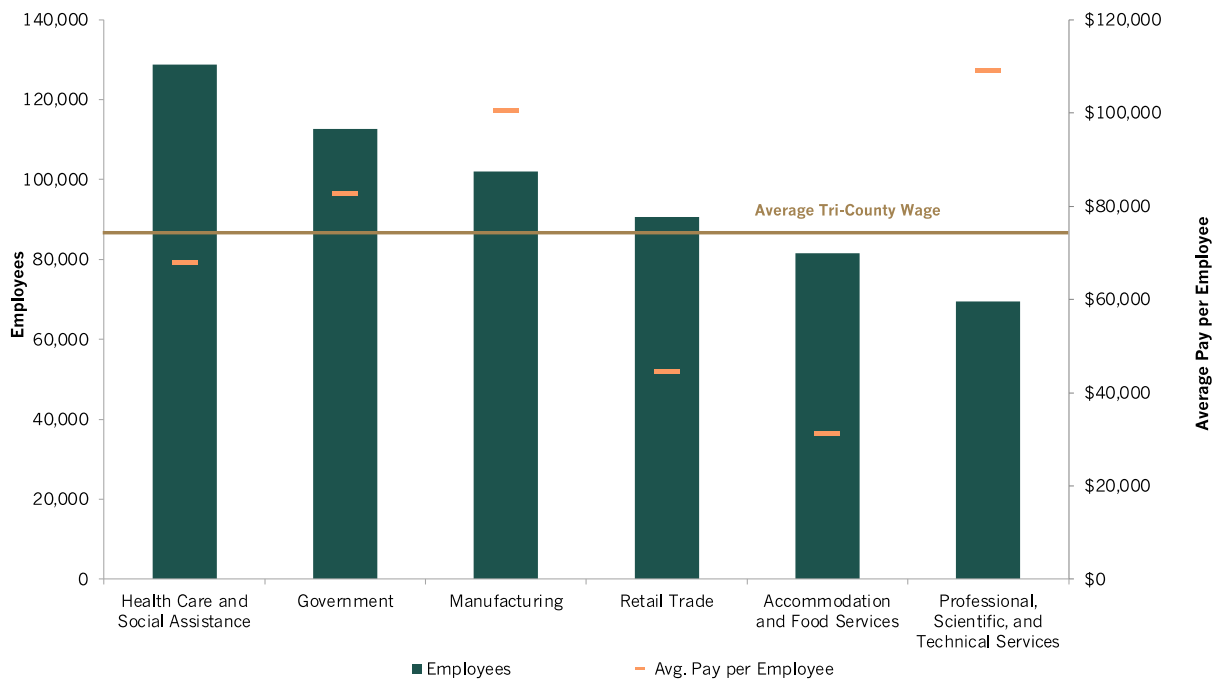
*AAGR = Average Annual Growth Rate

Exhibit 2 shows covered employment and average wage for the six largest sectors in the Portland region. Together these six sectors made up 60% of covered employment.

Among these six largest sectors, professional services, manufacturing, and government paid above-average wages. Other sectors such as construction, wholesale trade, management of companies and enterprises, finance and insurance, and information also had higher-than-average wages but made up a smaller share of covered employment.



**Exhibit 2. Covered Employment and Average Pay by Sector, 6 Largest Sectors
Portland Region, 2023**



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.



Employment in Wilsonville

Between 2007 and 2023, covered employment in Wilsonville increased by 3,502 positions, representing a 18% total increase at an average annual growth rate of 1%, shown in Exhibit 3. This growth is similar to the Portland region's 20% growth and 1.1% annual rate.

Exhibit 3. Change in Covered Employment, Wilsonville, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting	19	19	0	0.0%
Construction	984	3,192	2,208	7.6%
Manufacturing	4,201	3,725	(476)	(0.7%)
Wholesale Trade	2,381	3,337	956	2.1%
Retail Trade	1,638	2,130	492	1.7%
Transportation, Warehousing, and Utilities	1,492	868	(624)	(3.3%)
Information	124	79	(45)	(2.8%)
Finance and Insurance	277	177	(100)	(2.8%)
Real Estate and Rental and Leasing	328	237	(91)	(2.0%)
Professional, Scientific, and Technical Services	1,669	2,340	671	2.1%
Management of Companies and Enterprises	1,166	478	(688)	(5.4%)
Administrative, Support, Waste Management and Remediation	1,452	2,030	578	2.1%
Private Education	155	105	(50)	(2.4%)
Health Care and Social Assistance	1,014	1,061	47	0.3%
Arts, Entertainment, and Recreation	198	189	(9)	(0.3%)
Accommodation and Food Services	1,050	1,361	311	1.6%
Other Services and Public Administration	357	496	139	2.1%
Government	1,121	1,304	183	0.9%
Total	19,626	23,128	3,502	1.0%

Sectors highlighted in blue have wages higher than the City average.

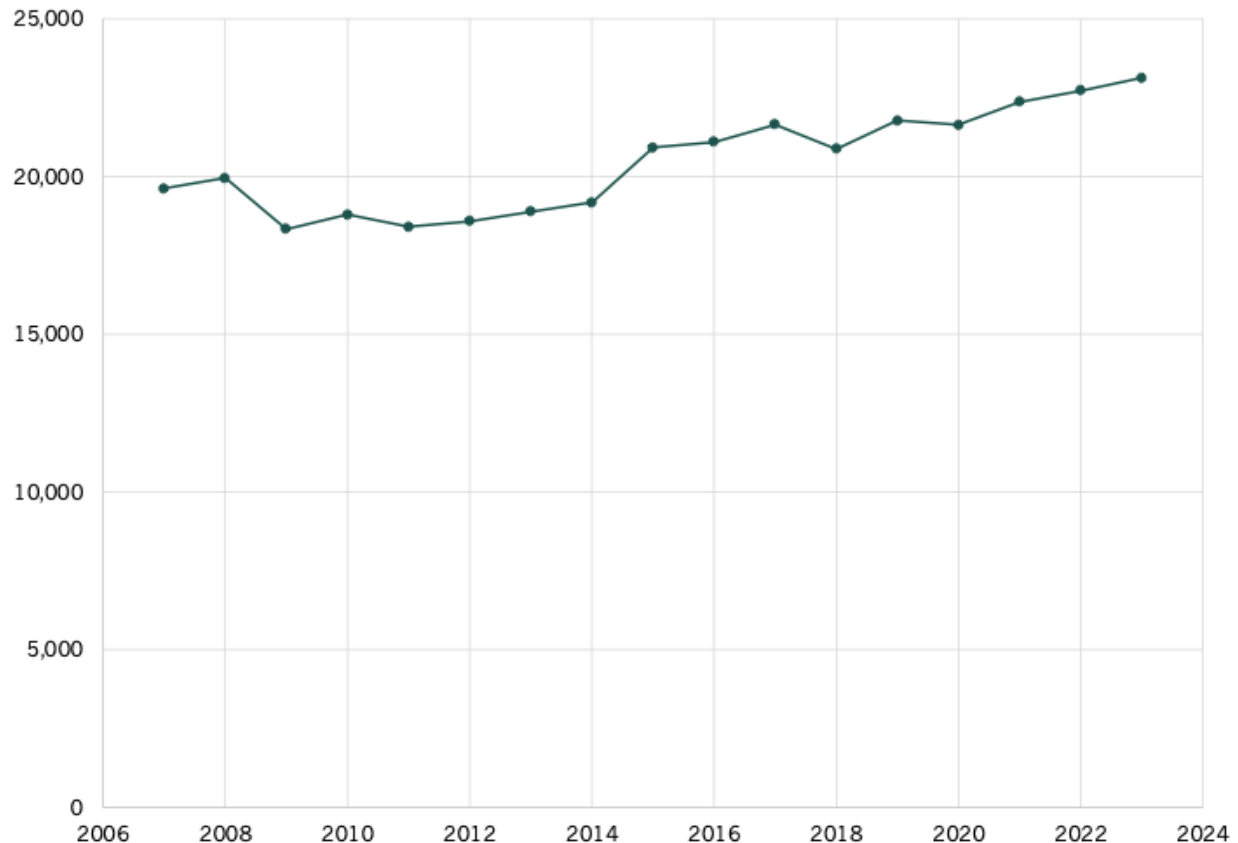
*Average Annual Growth Rate

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 and 2023.



Wilsonville's net covered employment growth between 2007 and 2023 generally reflects steady annual changes, with most years showing gains or losses between 1% and 4%. One notable exception was in 2009, when covered employment declined by 8% as a result of the Great Recession that impacted the entire nation. The strongest year for growth was 2015, when Wilsonville added 1,744 covered positions (9% increase). Much of that growth was due to the relocation of Stream Global Services to Wilsonville.¹⁹

Exhibit 4. Change in Covered Employment, Wilsonville, 2007 – 2023



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.

¹⁹ https://www.oregonlive.com/wilsonville/2013/03/stream_global_services_to_relo.html



Exhibit 5 summarizes covered employment in Wilsonville in 2023. The largest employment sectors were manufacturing (16% of employees), wholesale trade (14%), construction (14%), professional and technical services (10%), retail trade (9%), and administrative and support services (9%). The average annual wage across all employees was \$77,904, slightly higher than the regional average. Private businesses in Wilsonville averaged 16.5 employees, compared to the state average of 9.2 employees per business.

Exhibit 5. Covered Employment and Average Pay by Sector, Wilsonville, 2023²⁰

Sector	Employees	Payroll	Average Pay per Employee
Agriculture, Forestry, Fishing, and Hunting	19	\$638,130	\$33,586
Construction	3,192	\$286,999,197	\$89,912
Manufacturing	3,725	\$329,042,183	\$88,333
Wholesale Trade	3,337	\$289,964,453	\$86,894
Retail Trade	2,130	\$127,268,312	\$59,750
Transportation and Warehousing and Utilities	868	\$58,697,240	\$67,624
Information	79	\$9,229,837	\$116,833
Finance and Insurance	177	\$12,913,872	\$72,960
Real Estate and Rental and Leasing	237	\$16,391,812	\$69,164
Professional, Scientific, and Technical Services	2,340	\$286,627,135	\$122,490
Management of Companies and Enterprises	478	\$46,709,942	\$97,720
Admin, Support, Waste Mgt, and Remed	2,030	\$108,797,915	\$53,595
Private Education	105	\$3,300,611	\$31,434
Health Care and Social Assistance	1,061	\$49,570,550	\$46,721
Arts, Entertainment, and Recreation	189	\$4,158,088	\$22,000
Accommodation and Food Services	1,361	\$39,253,401	\$28,842
Other Services and Public Administration	496	\$29,221,792	\$58,915
Government	1,304	\$102,969,634	\$78,964
Total	23,128	\$1,801,754,104	\$77,904

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.

²⁰ The following sectors were combined due to confidentiality of QCEW data: utilities and agriculture; other services and public administration.



Exhibit 6 shows covered employment and average pay per employee for the six largest sectors in Wilsonville. These six sectors account for 74% of covered employment. Of these sectors, manufacturing, wholesale trade, construction, and professional services had above-average wages, with wages for professional services considerably above the wages of other sectors. Retail trade and administrative and support services had below average wages.

Exhibit 6. Covered Employment and Average Pay for Six Largest Sectors, Wilsonville, 2023



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.



Outlook for Growth in the Portland Region

Exhibit 7 shows the Oregon Employment Department's forecast for employment growth by industry in the Portland region (Multnomah, Clackamas, and Washington Counties). Between 2023 and 2033, employment in the region is expected to grow at an average annual growth rate of 0.9%.

The sectors projected to add the most jobs are professional and business services (17,500 jobs), health care and social assistance (17,400 jobs), accommodation and food services (9,600 jobs), and construction (8,300 jobs). These four sectors are expected to add a total of 52,800 jobs, or about 56% of the region's employment growth. Wilsonville accounts for about 3% of the Portland region's employment.

Exhibit 7. Regional Employment Projections, 2023–2033, Portland Region (Multnomah, Clackamas, Washington Counties)

Industry Sector	2023	2033	Change 2023-2033		
			Number	Percent	AAGR
Total Private Payroll Employment	886,600	970,700	84,100	9%	0.9%
Natural resources and mining	9,700	10,000	300	3%	0.3%
Construction	60,300	68,600	8,300	14%	1.3%
Manufacturing	101,500	108,800	7,300	7%	0.7%
Wholesale trade	48,200	51,600	3,400	7%	0.7%
Retail trade	90,200	92,300	2,100	2%	0.2%
Transportation, warehousing, and utilities	46,100	51,700	5,600	12%	1.2%
Information	21,900	25,100	3,200	15%	1.4%
Financial activities	59,200	60,600	1,400	2%	0.2%
Professional and business services	166,600	184,100	17,500	11%	1.0%
Private educational services	21,300	24,000	2,700	13%	1.2%
Health care and social assistance	128,100	145,500	17,400	14%	1.3%
Arts, entertainment, and recreation	14,700	17,000	2,300	16%	1.5%
Accommodation and food services	81,200	90,800	9,600	12%	1.1%
Other services	37,500	40,700	3,200	9%	0.8%
Government	119,200	124,700	5,500	5%	0.5%
Self-employment	65,200	70,200	5,000	8%	0.7%
Total Employment	1,070,900	1,165,700	94,800	9%	0.9%

Note: AAGR is the Annual Average Growth Rate

Source: Oregon Employment Department. Employment Projections by Industry 2023-2033.



Real Estate Market Trends in Wilsonville and the Broader Portland Region

The real estate market trends in Wilsonville largely reflect broader regional and national trends (outlined in Appendix A), though local conditions, especially land availability, play a significant role in shaping development outcomes. The following trends are based on data from CoStar, a commercial real estate platform that tracks property listings, transactions, and market metrics nationwide. While CoStar offers valuable, up-to-date insights, its coverage is more limited in smaller markets and at the individual property level. It does not capture the entire market and should be viewed as a general indicator of market conditions rather than a complete inventory.

Office: Office demand in Wilsonville is expected to remain limited in the near term. High vacancy rates, ongoing negative absorption²¹, and weak investor interest continue to affect both Wilsonville and the broader market. Although Wilsonville's office rents have recovered since 2020, they still lag behind those in the I-5 South submarket (see Exhibit 8) and the Portland region (see Exhibit 9), despite briefly matching regional rates in 2024. Over the longer term, demand may grow as the market adjusts to hybrid work and as business formation and headcount increase. However, limited vacant land for commercial use (as shown in the Wilsonville Economic Opportunities Analysis: Buildable Lands Inventory memorandum) could constrain new office development.

Retail: Demand for existing retail space remains steady in both the broader Portland region and Wilsonville. Relatively low vacancy rates and stable, modest rent growth suggest that Wilsonville could see new retail development in the coming years. However, while consumer demand holds, rising interest rates and higher operating costs have made retailers more cautious about expanding. Combined with Wilsonville's limited supply of vacant commercial land, retail growth is likely to remain modest near-term. Wilsonville has opportunities for retail development in areas like Town Center and other vacant large commercial buildings within the city.

Industrial: Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of *development-ready* industrial land and large sites. While regional interest in industrial space remains high—particularly in sectors like manufacturing and warehousing—most new development in the I-5 South submarket has occurred in neighboring cities like Sherwood and Tualatin. Without more development-ready land, Wilsonville is likely to continue seeing peer

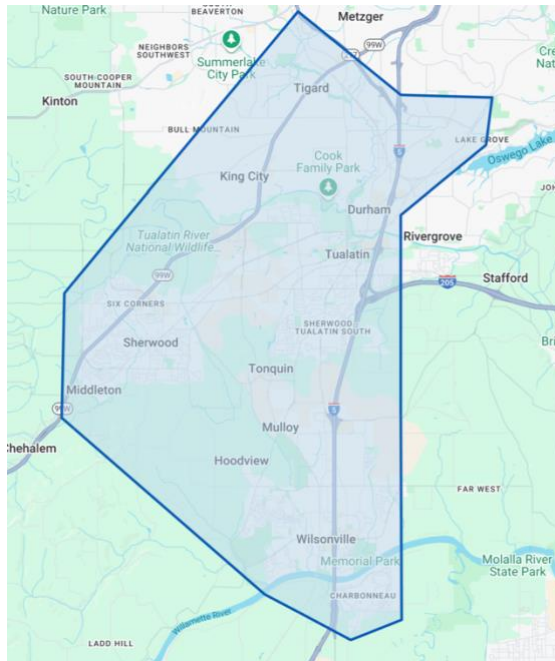
²¹ Absorption occurs when vacant space is leased up and/or businesses take over existing leases. Negative net absorption means that more space was vacated than leased over a given period.



communities capture new industrial investment where there are viable development sites.

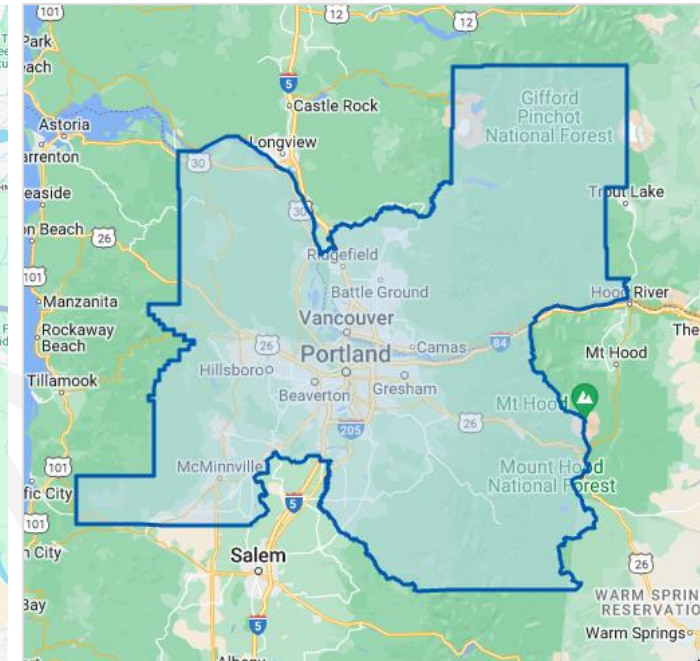
The remainder of this section provides detailed analysis of real estate trends in Wilsonville, the I-5 South submarket (Exhibit 8) and the broader Portland region (Exhibit 9).

Exhibit 8: I-5 South Submarket Boundary



Source: CoStar

Exhibit 9: Broader Portland Region CoStar Boundary



Source: CoStar



Commercial Market Trends

Note to reviewers: This section (and the following sections) will be further informed through discussions with economic development stakeholders and decision makers and will be revised in a later draft of the EOA.

Broader Portland Regional Trends²²

Similar to national trends presented in Appendix A, office spaces in the broader Portland region are experiencing high vacancy rates and lower leasing activity. Work-from-home policies and corporate downsizing have decreased the demand for office space, leading many companies to reassess the long-term space needs. Despite a small uptick in net absorption in Q4, the overall 2024 market posted another year of negative demand. With a limited construction pipeline and companies continuing to shrink footprints, vacancy rates are expected to increase, and growth in rent is projected to remain flat into 2025.

- ◆ **Vacancy rates:** Direct vacancy climbed to a record high of 13.5% in Q4 2024, continuing a steady upward trend over the past eight quarters.
- ◆ **Absorption:** While Q4 posted positive net absorption of 282,000 square feet, total net absorption for 2024 was negative 964,000 square feet, marking the fifth consecutive year of annual negative absorption in Portland's office market.
- ◆ **Leasing activity:** Q4 2024 leasing activity fell to a low of 524,000 square feet, nearly 50% lower year-over-year. Annual leasing volume totaled 3.4 million square feet, an 8.6% decline from 2023.

While the overall market remains soft, performance varies across submarkets. Portland's Central Business District continues to struggle, with a direct vacancy rate of 24%. In contrast, suburban markets are generally outperforming the core, with notably lower vacancy rates, ranging from 3% to 17%. These patterns reflect a broader tenant shift toward decentralized, cost-effective, and flexible office space options outside the downtown core.

Wilsonville Office Market

Wilsonville currently has roughly 1.4 million square feet of office space, representing roughly 15% of office space in the I-5 South submarket and 1% in the broader Portland region. According to CoStar, over the past decade, one office building was added to Wilsonville's market in 2020, located at 29250 Southwest Town Center

²² Portland Metro Regional trends based on Kidder Matthews, [Portland Office Market Report Q4 2024](#)



Loop West.²³ This office building was about 30,000 square feet or roughly 2% of Wilsonville's total office space. Over the same time period, the broader Portland region added a greater share (9%) of space to its office market.

Exhibit 10: Office Space Development Trends, 2015 to 2024

GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL OFFICE DEVELOPMENT			
Broader Portland Region	6,268	120,279,588	19,199
I-5 South Submarket	484	8,975,567	18,545
Wilsonville	63	1,369,151	21,733
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	159	10,765,783	67,710
I-5 South Submarket	8	74,590	9,320
Wilsonville	1	30,000	30,000

Source: CoStar, pulled February 2025

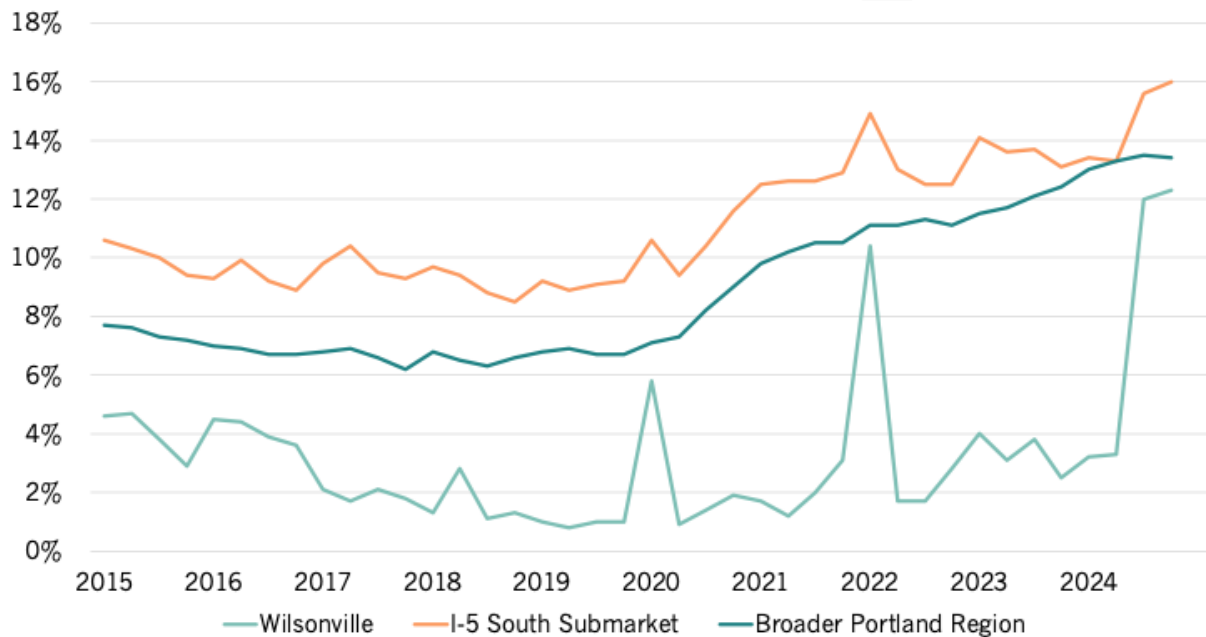
*Does not account for removal of office space from the market

²³ The building was for Eye Health Northwest.



Per CoStar, the I-5 South submarket office vacancy rates have been higher than the broader Portland region's vacancy rates since 2015. Both had vacancy rates above 13% at the end of 2024. While Wilsonville office vacancy rates have generally remained much lower, the end of a few leases are reflected in vacancy rate spikes in 2020, 2022, and 2024, when the vacancy rate spiked closer to the broader Portland regional average.

Exhibit 11: Office Vacancy Rate Trends, 2015-2024

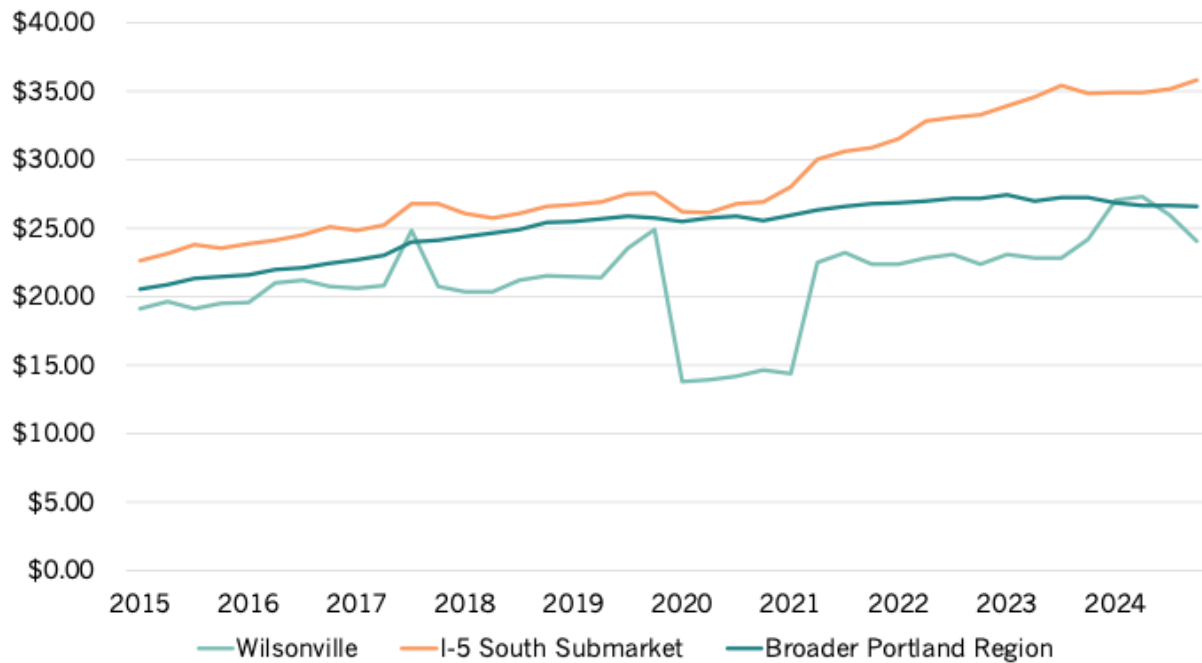


Source: CoStar, pulled February 2025

Office rents have increased in the I-5 South submarket despite high vacancies and have been substantially above the broader Portland region's average since 2021, according to CoStar. Historically, office rents in Wilsonville have been lower than in the broader Portland region. Wilsonville's rents have recovered from the pandemic-related drop in 2020 and rents have been on par with the broader Portland region's rents at various points throughout 2024.



Exhibit 12: Office Lease Rate Trends, 2015-2024



Source: CoStar, accessed February 2025

Net absorption and delivery trends also indicate a relatively slow office market. From 2020 to 2024, net absorption was negative in all three areas: negative 4.5 million square feet in the broader Portland region, negative 555,000 square feet in the I-5 South submarket, and negative 124,000 square feet in Wilsonville.

This section suggests that near-term demand for traditional office space in Wilsonville will remain limited. High vacancy rates, ongoing negative absorption, and weak investor interest continue to affect both Wilsonville and the broader market. Although Wilsonville's office rents have recovered since 2020, they still lag behind those in the I-5 South submarket and the Portland region, despite briefly matching regional rates in 2024. Over the longer term, demand may grow as the market adjusts to hybrid work and as business formation and headcount increase. However, while there is redevelopment potential in Town Center, there is limited vacant land for commercial use (as shown in the Wilsonville Economic Opportunities Analysis: Buildable Lands Inventory memorandum) which could constrain new office development in Wilsonville.



Broader Portland Regional Retail Trends²⁴

Similar to national trends, development of new retail space in the broader Portland region remains limited. While consumer demand remains relatively stable, economic pressures including rising interest rates, higher operating costs, and concerns about tariffs, have led retailers to adopt more cautious expansion strategies. Vacancy rates have edged up and leasing activity has slowed, which will place more pressure on landlords moving forward to stay competitive with lease terms, pricing and concessions. Despite these challenges, market rents continued to grow modestly, rising 3.5% year-over-year.

- ◆ **Rising vacancy rates:** The retail vacancy rate rose slightly to 3.9% in Q4 2024, up from 3.5% a year earlier.
- ◆ **Negative net absorption:** The Portland market had negative net absorption of 437,757 square feet in 2024, a reversal from the positive net absorption of 188,607 square feet in 2023.
- ◆ **Slower construction activity:** The under-construction pipeline shrank by nearly 30% year-over-year from Q4 2024.

Wilsonville Retail Market

Wilsonville currently has 2.2 million square feet of retail space, representing 32% of all retail space in the I-5 South submarket and 2% of retail space in the broader Portland region. On average, Wilsonville's retail developments are larger with an average of 19,330 square feet, compared to 14,220 square feet in the I-5 South submarket and 10,450 square feet in the broader Portland region.

Exhibit 13: Retail Space Development Trends, 2015 - 2024

GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL RETAIL DEVELOPMENT			
Broader Portland Region	12,132	126,767,807	10,450
I-5 South Submarket	478	6,797,343	14,220
Wilsonville	112	2,165,439	19,330
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	441	5,186,720	11,760
I-5 South Submarket	23	229,939	10,000
Wilsonville	2	91,495	45,750

²⁴ Broader Portland regional trends based on Kidder Matthews, [Portland Retail Market Report Q4 2024](#)



Source: CoStar, pulled February 2025 *Does not account for removal of retail space from the market

According to CoStar, Wilsonville's retail vacancy rates have been lower than the I-5 South Submarket and the broader Portland region since 2021. However, over the course of 2024, Wilsonville's vacancy rate has risen, reaching 4.2% by the end of 2024 similar to the broader Portland region's retail vacancy rate.

Exhibit 14: Retail Vacancy Rate Trends, 2015 - 2024

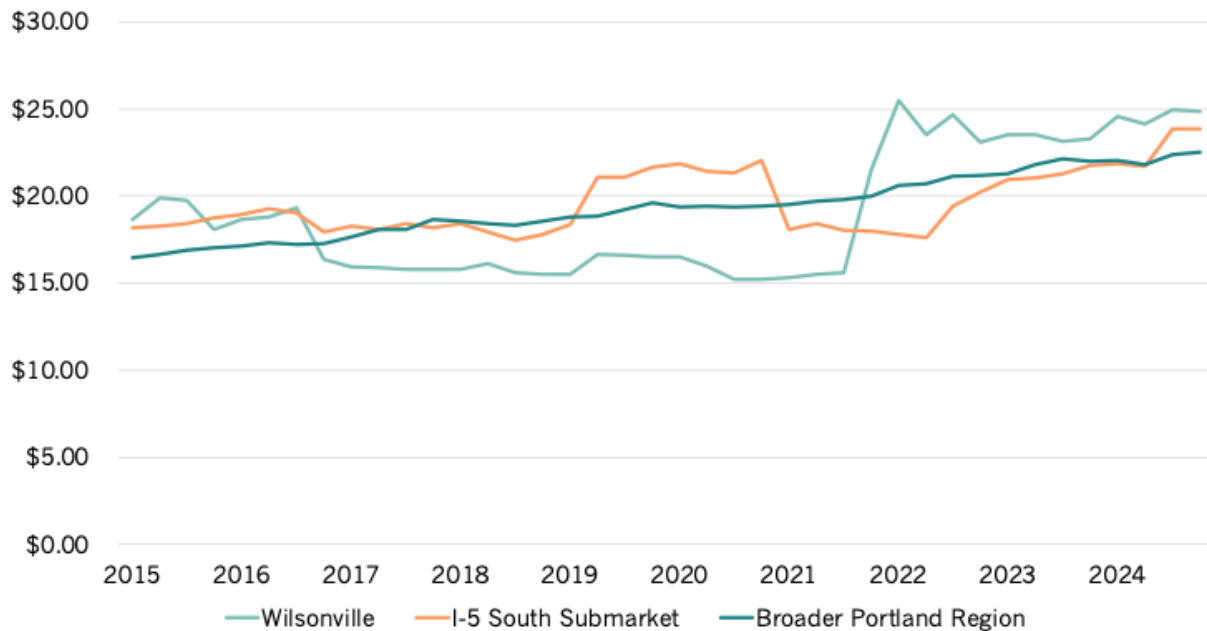


Source: CoStar, pulled February 2025



Retail rents are steadily increasing across the region, including within the submarket, and Wilsonville specifically. Wilsonville's rents surpassed and have remained slightly higher than the other markets since 2022. The low vacancy rate during this time period likely contributed to the growing lease rates. Wilsonville's rents were about \$24.90 by the end of 2024.

Exhibit 15: Retail Lease Rate Trends, 2015 - 2024



Source: CoStar, pulled February 2025

Despite low vacancies and rising rents in Wilsonville, there has been limited new retail development in Wilsonville in the past 10 years and net absorption of vacant retail space has been negative for the past two years.

The relatively low vacancy rates and stable, modest rent growth suggest that Wilsonville could see new retail development in the coming years. However, while consumer demand holds, rising interest rates and higher operating costs will make retailers more cautious about expanding. While there is limited vacant land for retail development, infill and redevelopment in Town Center provide an opportunity for the new, modest square footage of retail development the market is demanding.

Wilsonville's Comprehensive Plan policy has for decades focused major retail development in commercial centers near the I-5 interchanges rather than in mixed-use centers and corridors. This focus reinforces the expectation of a very limited supply of land for retail growth. Besides the existing commercial centers, only small-scale neighborhood retail is planned within the City's Urban Growth Boundary and adjacent Urban Reserves. Retail growth is designed to occur through redevelopment



of existing commercial uses or underutilized parking areas, thus continuing to mostly limit retail to its current footprint in the City. The highest opportunity for new retail, particularly experience-based smaller scale retail and food and beverage establishments, is anticipated through redevelopment in Town Center. This would appear to support broader trends in retail where a number of larger-format national retailers are reducing footprints or being cautious about expansion, while support for more local experience-based retail and food and beverage establishments is increasing.

Industrial Market

Note to reviewers: This section (and the following sections) will be further informed through discussions with economic development stakeholders and decision makers and will be revised in a later draft of the EOA.

Broader Portland Regional Trends

Like the national industrial market overall, the broader Portland region industrial market has been strong in recent years, particularly from 2021 to 2023. However, similar to national trends, a few metrics indicate that demand for industrial space is decelerating in the region:

- ◆ **Increasing vacancy rates:** Vacancy for industrial space in the broader Portland region has risen steadily since early 2023, and net absorption was negative in 2023 and 2024. While overall leasing activity for industrial space in the area remained higher than the area's 10-year average, 2024 saw the lowest year-end leasing since 2018. A few large companies downsizing or exiting the market contributed to negative net absorption and vacancy trends.²⁵
- ◆ **Slow lease-up for new construction:** In 2024, 1.9 million square feet of new industrial space was added to the market, increasing the region's vacant supply. As of year-end, 73% of that new space remained unleased, indicating slower-than-expected tenant demand.²⁶
- ◆ **Rising unemployment rates:** In 2024, Portland's unemployment rate increased to 4.1% matching and surpassing the national unemployment rate at various points through the year. Layoffs, including the shutdown of a large UPS location in North Portland, which impacted 300 sorting and distribution jobs are impacting the local unemployment rates.²⁷

²⁵ CBRE, Q4 2024 Portland Industrial Market Update

²⁶ CBRE, Q4 2024 Portland Industrial Market Update

²⁷ CBRE, Q4 2024 Portland Industrial Market Update



However, investors and leasing professionals are confident in the regional market's long-term health, particularly due to significant investments in the region's semiconductor manufacturing sector.²⁸ Market strengths include:

- ◆ **CHIPS Act:** In 2023, the federal government allocated \$50 billion as a part of the CHIPS Act to bolster U.S. semiconductor manufacturing, which is expected to create thousands of regional manufacturing and construction jobs.²⁹ The expansion of the semiconductor industry could also have a ripple effect, creating demand for industrial space for equipment suppliers, supply chain materials manufacturers, and testing facilities.
- ◆ **Strong submarkets:** According to market reports from Cushman & Wakefield and CBRE, other strong industrial submarkets include food and beverage warehousing, tech warehousing, and auto part manufacturing.³⁰ These are some of the most common types of tenants seeking space in the market, although deals are taking longer on average to reach completion.³¹ As reported by CBRE, investors and leasing professionals are confident that the Portland market has additional room for growth.

²⁸ Cushman & Wakefield, [Industrial Marketbeat Q2 2024 Portland Industrial Report](#)

²⁹ Cushman & Wakefield, [Industrial Marketbeat Q2 2024 Portland Industrial Report](#)

³⁰ Cushman & Wakefield, [Industrial Marketbeat Q2 2024 Portland Industrial Report](#)

³¹ CBRE, [Q2 2024 Portland Industrial Market Update](#)



Wilsonville Industrial Market

Wilsonville has about 8.6 million square feet of industrial and flex space, representing roughly 38% of the I-5 South submarket and 3% of the broader Portland region's industrial space. The average size of Wilsonville's industrial building is roughly 63,000 square feet, almost twice as large as the average industrial building in the broader Portland region (34,000 square feet).

Wilsonville has had limited industrial development in the past decade. Only 1.7% percent of Wilsonville's total industrial space was built in the last 10 years, compared to roughly 9% of the I-5 South submarket industrial space and 13% of the broader Portland region's industrial space. This slow pace of development makes sense given the limited supply of developable industrial land in the City, and more precisely, the development constraints that exist on those lands.

Exhibit 16: Industrial & Flex Space Development Trends, 2015 to 2024

GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL INDUSTRIAL DEVELOPMENT			
Broader Portland Region	7,581	259,657,430	34,250
I-5 South Submarket	671	22,831,304	34,030
Wilsonville	136	8,592,887	63,180
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	403	33,736,304	83,710
I-5 South Submarket	40	2,096,708	52,420
Wilsonville	2 ³²	145,611	72,810

Source: CoStar, pulled February 2025

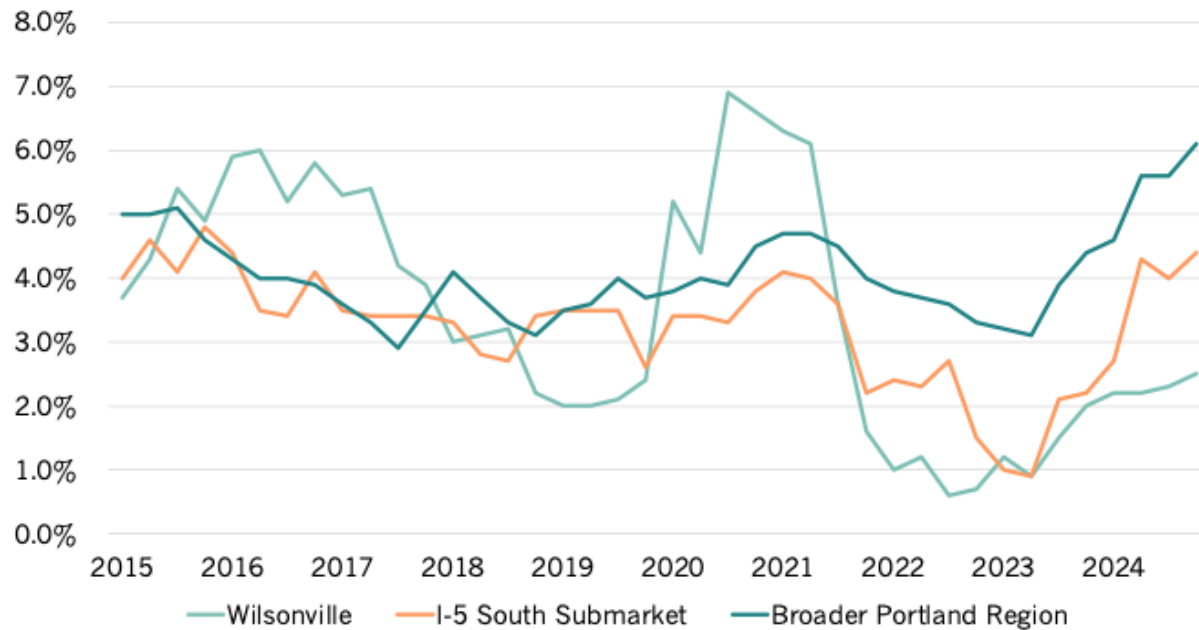
*Does not account for removal of industrial/flex space from the market

³² The two buildings listed in CoStar are located at 96500 SW Parkway Ave (2025) and 10680 SW Clutter Road (2023). However, city staff noted three others: the Black Creek development in the Coffee Creek industrial area and two SSI Shredding facilities.



Wilsonville's industrial vacancy rate remained below 6% for most of the past decade. In 2020 and 2021 Wilsonville saw a brief spike in vacancy, likely driven by the COVID-19 pandemic, which quickly dropped to just over 1% in 2023. As of Q4 2024, Wilsonville's combined industrial and flex space vacancy rate was 2.5% (Exhibit 18). Wilsonville's industrial vacancy rate has been below the broader Portland region since 2021. As of Q4 2024, the broader Portland region had a vacancy rate of 6.1% and I-5 South submarket had a vacancy rate of 4.4%.

Exhibit 17: Industrial & Flex Vacancy Rate Trends, 2015-2024

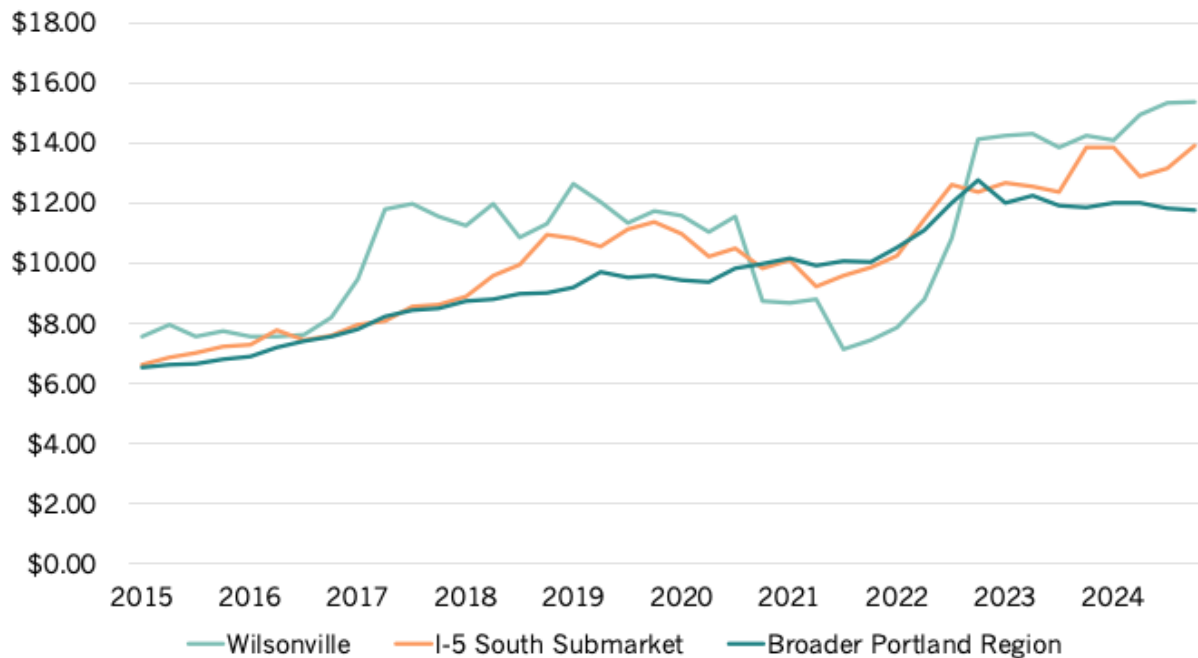


Source: CoStar, pulled February 2025



Industrial/flex rents in Wilsonville increased from 2015 to 2020 and were generally higher than the broader Portland region over the period.³³ Wilsonville shows a drop in lease rates between 2020 and 2021, likely due to COVID-19 impacts. However, rates rebounded in 2023, reaching \$15.38 per square foot in Q4 2024, higher than the broader Portland region (\$11.77) and I-5 South submarket (\$13.93). The combination of rising rents and very low vacancy rates suggests a robust industrial market in Wilsonville, potentially attracting new development, especially speculative development.

Exhibit 18: Industrial & Flex Rents Trends, 2015-2024



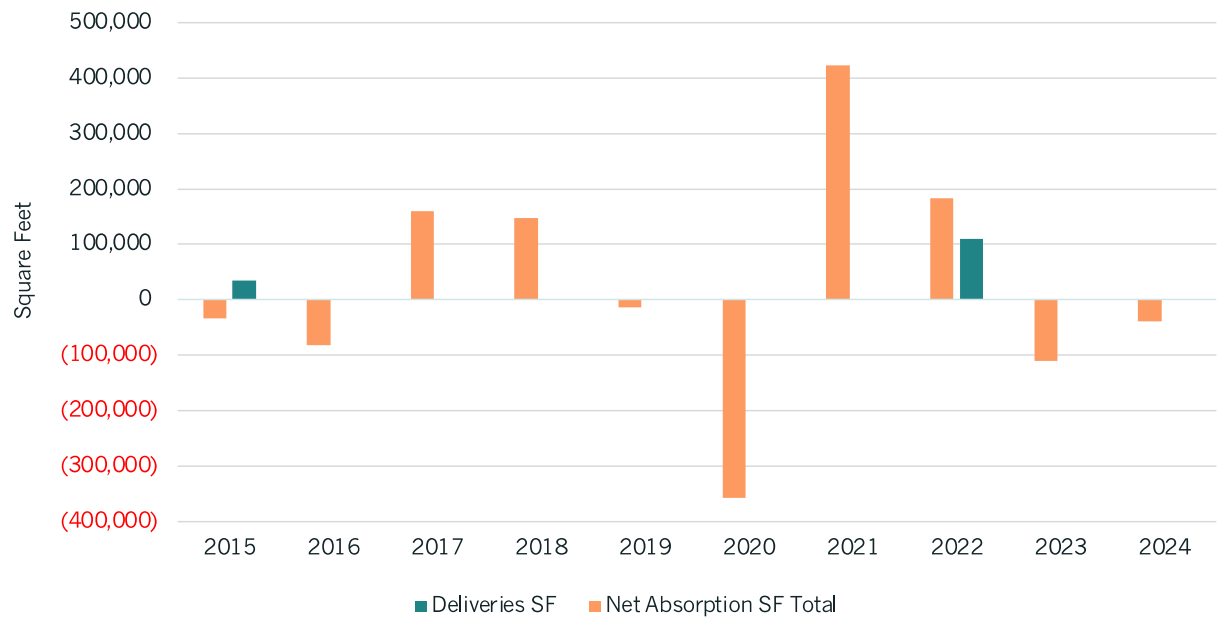
Source: CoStar, pulled February 2025

³³ Triple-Net (NNN) rents are annual rents on a per square foot basis. In a NNN lease, expenses such as taxes, insurance, and any utilities or maintenance costs, are also passed on to the tenant and paid separately from rent.



Net absorption has been generally positive for industrial properties over the past decade, with a large vacancy in 2020; however, it was followed by high positive net absorption the following year. Net absorption was negative in 2023 and through 2024 but at a smaller magnitude than in 2020.

Exhibit 19: Net Absorption for Industrial & Flex Space in Wilsonville, 2014 to 2024



Source: CoStar, pulled February 2025



TYPE OF INDUSTRIAL PRODUCT BUILT SINCE 2014

Within the industrial product type, CoStar delineates the properties into a secondary type based on their use, size, and amenities to industrial users. CoStar utilizes the following definitions for the secondary types of industrial space:

- ◆ **Distribution:** Spaces used for warehousing and distribution of inventory, that are typically 200,000 square feet or more, have clear heights of at least 28 feet, are less than 5% office space, and have site coverage that can be up to 40%.
- ◆ **Warehouse:** Buildings that are 25,000 square feet or greater, are up to 20 percent office area, have clear heights of 22 feet or greater, and have site coverage up to 50%.
- ◆ **Manufacturing:** Buildings that are typically 300,000 square feet or greater with an office area up to 50%.
- ◆ **R&D:** Flex space (see below) specifically used for research and development.
- ◆ **Flex/Other/Misc.:** A versatile building that may be used with office (corporate headquarters), research and development, mixed-use industrial and retail sales, and includes but is not limited to industrial, warehouse, and distribution uses. At least half of the rentable area of the building must be used as office space. Flex buildings typically have ceiling heights under 18 feet, with light industrial zoning. Flex buildings have also been called Incubator, Tech and Showroom buildings in markets nationwide.



Exhibit 20 shows industrial development by submarket and secondary industrial space types. Historically, the I-5 South submarket has made up about 10.2% of all industrial space in the Portland region. Over the past decade, the I-5 South submarket's share of new construction has been a bit lower. Since 2014, 8.7% of new industrial development in the region occurred in the I-5 South submarket.

The types of industrial space being built in the I-5 South submarket have also shifted:

- ◆ Warehouse and R&D space have grown in this area. While the I-5 South submarket holds about 27% of the region's total warehouse and R&D space, it captured around 35% of the new development in these categories over the past decade.
- ◆ In contrast, I-5 South has seen less manufacturing and distribution development. It holds 27% of the region's total space for these types but only accounted for 19% of new space built in the past 10 years.



Exhibit 20: Industrial Development Trends by Secondary Market Type, Broader Portland Region and I-5 South Submarket, 2014 to 2024

	ALL DEVELOPMENT		PAST 10 YEARS		I-5 CAPTURE RATES	
	BROADER PORTLAND REGION	I-5 SOUTH	BROADER PORTLAND REGION	I-5 SOUTH	ALL DEV'T	2014-2024
Distribution	49,002,646	5,677,113	16,716,663	1,222,159	11.6%	7.3%
Manufacturing	43,382,806	6,661,789	5,802,456	700,301	15.4%	12.1%
R&D	4,036,770	409,055	514,319	87,476	10.1%	17.0%
Warehouse	116,255,396	19,920,386	11,999,179	2,178,085	17.1%	18.2%
Flex/Other/Misc	156,220,367	4,831,339	24,957,511	1,053,586	3.1%	4.2%
Total	368,897,985	37,499,682	59,990,128	5,241,607	10.2%	8.7%

Source: CoStar, pulled August 2024

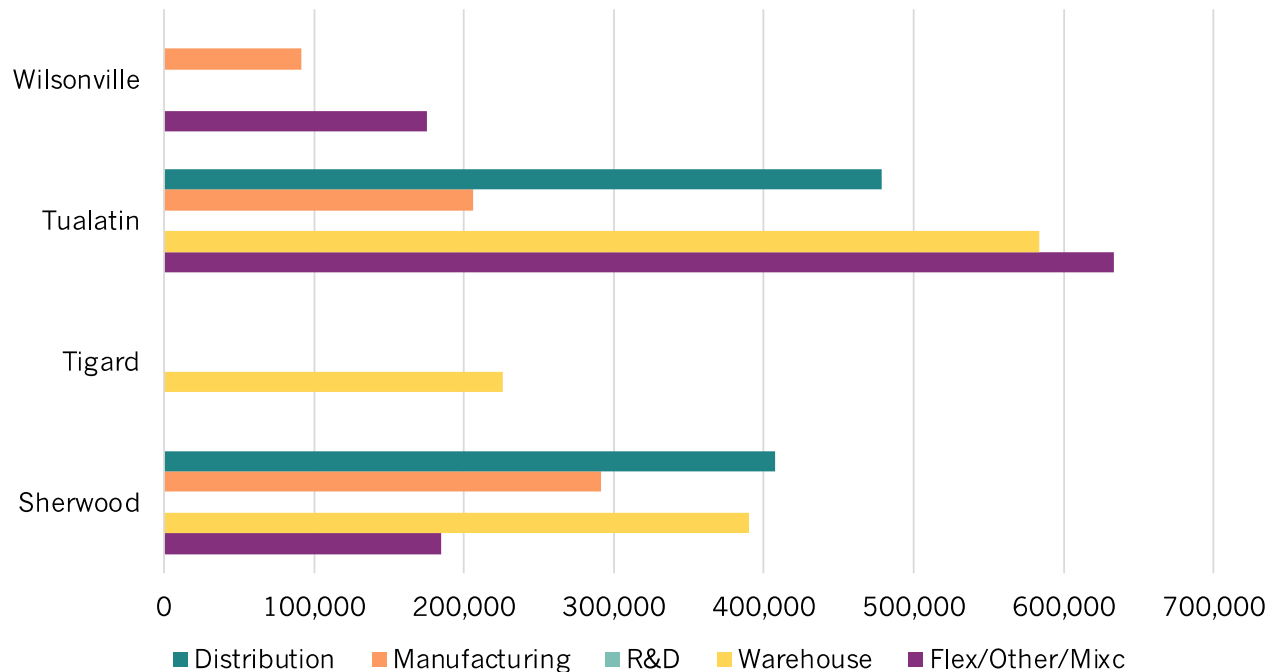
Industrial development along the I-5 South submarket has recently concentrated in Tualatin and Sherwood. This trend is likely due to Wilsonville's shortage of development-ready industrial land and large parcels, a view supported by interviews with local developers, brokers, and economic development organizations.

Many speculative industrial developers are seeking large sites, as demonstrated by recent developments in Sherwood and Tualatin on parcels exceeding 10 acres. Notable examples include the recently completed Sherwood Commerce Center on a 30+ acre site and the proposed Rock Creek industrial site development on 25 acres in Sherwood. In Tualatin, the Tualatin Sherwood Corporate Park was completed in 2023 on over 40 acres, while the Hedges Creek Industrial Park is expected to be completed in 2025 on a 20-acre site.

Local developers report that most of the industrial demand is coming from existing regional businesses rather than out-of-state companies. These local industrial users are primarily looking to expand or upgrade their current facilities within the area. Many express a desire to be outside the City of Portland and Multnomah County, citing concerns about public safety and higher rates of taxation.



Exhibit 21. Secondary Industrial Space Recently Built or Proposed in I-5 South Submarket by City, 2019-2026



Source: CoStar, pulled August 2024

Real estate leasing and development data suggest that Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of development-ready industrial land and large sites. While regional interest in industrial space remains high—particularly in sectors like manufacturing and warehousing—most new development in the I-5 South submarket has occurred in neighboring cities like Sherwood and Tualatin. Without more development-ready land that is ready for construction, Wilsonville is likely to continue to miss out on capturing new industrial investment.

This section provides information about common industrial development types that are tracked by CoStar. They do not include other types of development that commonly occur on industrial land, such as indoor recreation, medical buildings, religious institutions, and government uses.



Wilsonville's Competitive Advantages and Disadvantages

Note to reviewers: This section will be further informed through discussions with economic development stakeholders and decision makers and will be revised in a later draft of the EOA.

Wilsonville's economic development potential is influenced by both local factors and the broader state and national economic trends. Economic conditions in Wilsonville relative to these conditions in other portions of the Portland region form Wilsonville's competitive advantage for economic development. Wilsonville's key competitive advantages include its strategic location in the southern Portland region, positioned between Portland and Salem; access to a well-educated workforce from both the Portland region and Mid-Valley labor sheds; and a supply of industrial land for employment growth, including sites near expanding job centers in Tualatin and Sherwood. The City also benefits from strong transportation connections via I-5, I-205, and Highway 217, as well as transit services. These attributes make Wilsonville an attractive choice for businesses and residents seeking a connected, high-quality place to live and work. How the City capitalizes on these strengths will be central to its future economic development.

Wilsonville's advantages for economic development include:

- ◆ **Location.** Wilsonville is strategically located at the southern edge of the Portland region, providing excellent access to both Portland and Salem job centers and consumer markets. Its location along the I-5 corridor allows businesses to efficiently serve a broad geographic area that spans the Portland region, Mid-Willamette Valley, and Pacific Northwest. Its proximity to both urban and rural amenities add to its appeal.
- ◆ **Transportation Infrastructure.** Wilsonville has strong regional transportation access with I-5, I-205, and Highway 217 facilitating efficient freight and commuter movement. Additional transportation strengths include existing and planned arterial roads as well as local and regional transit service provided by TriMet, WES Commuter Rail, and the South Metro Area Regional Transit (SMART).³⁴

Wilsonville is also 30 miles from the Portland International Airport and 20 from Port of Portland terminal providing connection to air and marine networks supporting container transport.
- ◆ **Foreign Trade Zone (FTZ) Access.** Wilsonville is located within Foreign Trade Zone 45 managed by the Port of Portland. Access to FTZ benefits

³⁴ Existing major arterials include SW Grahams Ferry Road, SW Boones Ferry Road, and SW Day Road; the City is also planning the extension of Basalt Creek Parkway.



- provides advantages for firms engaged in global trade by enabling tariff deferral, duty elimination on re-exports, and logistical efficiencies. This makes Wilsonville particularly competitive for advanced manufacturing, semiconductor-related industries, and firms with complex international supply chains.
- ◆ **Availability of Industrial Land.** Wilsonville has 353 acres of vacant, buildable industrial land to accommodate employment growth. Much of this land is concentrated in two key employment areas:
 - **Coffee Creek:** Coffee Creek is supported by an active Urban Renewal District that funds critical infrastructure improvements. Coffee Creek's location near I-5 and other industrial areas makes it particularly attractive for industrial development.
 - **Basalt Creek:** Wilsonville's portion of Basalt Creek has a range of parcel sizes suitable for manufacturing, logistics, and supply chain uses.
 - ◆ **Strong Industrial Base of Employment.** Wilsonville has a diverse and established industrial base. Manufacturing, wholesale trade, and construction account for 43% of total employment in the City, which is double the Portland region average. The City's manufacturing cluster includes high-tech, cleantech, electronics, materials, and food and beverage processing businesses. Wilsonville's industrial sectors support strong wage growth and contribute to economic resilience.
 - ◆ **Proximity to other Growing Industrial Areas.** Wilsonville's industrial lands are a part of a larger cluster of industrial employment areas extending into Tualatin and Sherwood, offering supply chain efficiencies and complementary industry clustering.
 - ◆ **Sustainable Water Supply.** Wilsonville has a sustainable water supply sourced from the Willamette River. This provides reliable capacity for industrial users with large water demands, including advanced manufacturing, semiconductor supply chains, cleantech, and food and beverage processors.
 - ◆ **Business Support Services.** Wilsonville takes an active role in facilitating economic development, with dedicated programs and financing mechanisms that help reduce barriers to development, accelerate project readiness, and support job creation.
 - **Urban Renewal in Coffee Creek:** The Urban Renewal District plays a pivotal role in advancing infrastructure readiness and supporting new industrial development in Coffee Creek. Urban Renewal funds may be used to finance key infrastructure improvements in the Coffee Creek



Industrial Area including roads, sewer, water, and stormwater systems helping make sites more marketable and development ready. To date, one infrastructure project has been completed: the construction of Garden Acres Road to urban industrial standards. The Urban Renewal Plan also authorizes the purchase of land from willing sellers. The potential to buy, aggregate, and prepare land for development is a strategy that will be explored further in the EOA and Economic Development Strategy, and which merits discussion and consideration by policymakers.

- **WIN Program (Wilsonville Investment Now).** The WIN Program is a citywide business incentive tool that provides a limited-duration, partial property tax rebate to attract and retain traded-sector employers. The program offers flexible eligibility criteria that align with the City's economic development and industrial land strategies.
- ◆ **Proactive City Planning and Policy Alignment.** Wilsonville demonstrates strong leadership in aligning land use, infrastructure, housing, and economic development policy. The City has proactively advanced the Wilsonville Industrial Land Readiness Study, Housing Needs and Capacity Analysis, Housing Production Strategy, and several area-wide master plans, among others. This coordinated planning framework helps provide a predictable environment for business investment. Wilsonville also collaborates closely with regional and statewide partners—including Business Oregon, Greater Portland Inc., Metro, and the Wilsonville Chamber of Commerce—to support economic development and local businesses.
- ◆ **Redevelopment Potential in Town Center.** Wilsonville's Town Center offers strong potential for redevelopment into a vibrant mixed-use district. The Town Center Plan envisions a walkable, transit-accessible hub with expanded retail, services, housing, and employment uses. Public realm investments, flexible zoning, and catalytic projects can help drive momentum for redevelopment and create a more active community commercial center. Placemaking is considered one of the best strategies for driving local economic development in the 21st century. The redevelopment of Town Center represents one of the best opportunities the City has for creating a magnetic force that draws in traded sector and local businesses, as well as talent.
- ◆ **Labor Market.** Wilsonville draws from both the Portland region and Mid-Valley labor sheds, providing access to a large, skilled, and diverse workforce. Thriving residential growth continues to expand the City's labor pool and supports talent retention. The City also benefits from proximity to major higher education institutions that strengthen its workforce pipeline,



including local campuses of Clackamas Community College and Oregon Institute of Technology, as well as regional colleges and universities such as Portland Community College, Portland State University, and Willamette University.

- ◆ **Quality of Life.** Wilsonville's high quality of life is a key factor in attracting and retaining both businesses and talent. The City offers a balanced living environment with well-planned neighborhoods, a variety of housing options, high-performing K-12 schools, environmental stewardship, high quality urban amenities like its parks and library, and access to outdoor recreation. Its strategic location provides convenient access to both urban amenities in the Portland region and rural amenities in the Willamette Valley and surrounding areas.

Wilsonville's disadvantages for economic development include:

- ◆ **Limited Supply of Development-Ready Industrial Sites.** Wilsonville has over 350 acres of vacant industrial land, but much of it in Coffee Creek and Basalt Creek is not ready for development due to the absence of urban-level infrastructure. Ongoing investment is needed to support future industrial growth. In Basalt Creek in particular—especially the West Railroad area—major infrastructure gaps remain. Physical access is also constrained by limited vehicular routes and a low railroad undercrossing. Addressing these constraints will require substantial investment and coordination.
- ◆ **Small Lot Sizes and Fragmented Ownership Patterns.** The City has a limited inventory of large, contiguous, buildable parcels, which are attractive to large industrial owner-users, as well as speculative developers who need the efficiencies of a large project in order to make the development financially feasible. Fragmented ownership, small lot sizes, and lack of coordinated property aggregation in key areas create barriers to assembling larger sites suitable for modern industrial uses.
- ◆ **Lower-Intensity Existing Uses on Industrial Land.** Many parcels in Coffee Creek and Basalt Creek are used for low-density contractor establishments and outdoor storage. These uses do not align with Wilsonville's vision for higher-intensity, urban-style employment development. Because they generate steady income for property owners, there is little incentive to sell and/or redevelop. This phenomenon has limited industrial growth and development, and will continue to do so without intervention.
- ◆ **Power Supply Issues.** Some future industrial users may need more than 5 megawatts of power. Meeting this demand will require additional investment in power infrastructure. Close coordination with Portland General Electric will be essential to ensure capacity is available.



- ♦ **Traffic and Congestion.** Key arterials and the I-5 corridor experience congestion, particularly during peak hours. Planned transportation improvements will help but may be years in coming. Ongoing growth may continue to pressure transportation infrastructure and increase travel times for both freight and commuters.
- ♦ **Regional Housing Affordability Challenges.** Like many parts of the Portland region, Wilsonville faces regional housing affordability pressures that can affect workforce attraction and retention. Although the City has pursued strategies to expand housing options, affordability remains a key issue for both lower- and middle-income workers.
- ♦ **Limited Urban Amenities.** Wilsonville's suburban character and limited urban-scale amenities may pose challenges in attracting workers, particularly younger workers in technology, creative, and knowledge sectors. Enhancing live-work-play environments, such as those envisioned in Town Center, will be important to maintain talent competitiveness.

Public Facilities and Services

Provision and costs of public facilities and services can impact a firm's decision about expanding or locating in a City. One of the primary considerations about developing a site is whether it has infrastructure to or near the site, including water, wastewater, stormwater, and roads. If infrastructure is not developed to or near the site, the consideration becomes whether infrastructure can be extended in a timely manner and at a financially feasible cost.

This section discusses Wilsonville's water system, storm system, and wastewater system infrastructure. It answers the question of whether Wilsonville has or is planning to have sufficient capacity to support the amount and types of development proposed in the EOA.

Note to reviewers: This section will be completed in a later draft of the EOA.

WATER
WASTEWATER
STORMWATER
TRANSPORTATION



2. Employment Forecast Options

Note to reviewers: This section will be completed in a later draft. For now, we've included a summary of the forecast options to guide our upcoming discussion with the Planning Commission and City Council. The final draft will identify the selected forecast, which will then inform land needs for the rest of the EOA.

Statewide Planning Goal 9 requires cities to estimate how much land is needed for commercial and industrial development over a 20-year period. In Wilsonville, that means identifying how much employment growth is expected by 2046 and what kinds of businesses are likely to locate here. This section presents employment forecast options for the City to consider as part of the EOA.

Employment Base for Projection

To estimate future employment land needs, ECONorthwest first developed a baseline of current employment in Wilsonville. This baseline provides the foundation for forecasting job growth and associated land needs through 2046.

ECONorthwest began with covered employment³⁵ data from the Oregon Employment Department's confidential Quarterly Census of Employment and Wages (QCEW), which includes most wage and salary employment. According to this data, Wilsonville had approximately 23,128 covered employees in 2023 (see Exhibit 5 and Exhibit 22). This is the best and most currently available data for Wilsonville and reflects changes in employment post-COVID.

However, covered employment does not account for all workers in the economy, notably excluding sole proprietors. An analysis of the data shows that *covered* employment reported by the Oregon Employment Department for Clackamas County represents only about 68% of *total* employment reported by the U.S. Department of Commerce.³⁶ This ratio was evaluated for each employment sector in Clackamas County and the resulting figures were used to estimate the number of noncovered employees.

³⁵ Covered employment includes employment covered by unemployment insurance.

³⁷ We consider this growth rate because some types of employment, such as commercial services, typically grow at the rate of population growth. Between 2010 and 2023, the historical growth rate of households was 2.5% per year.



Based on this methodology, ECONorthwest estimates that Wilsonville had approximately **32,822 total jobs** in 2023 (Exhibit 22). This estimate serves as the starting point for evaluating future employment growth and land needs.

Exhibit 22. Estimated Total Employment by Sector, Wilsonville Planning Area, 2023

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, Fishing, and Hunting	19	34	56%
Construction	3,192	4,154	77%
Manufacturing	3,725	4,050	92%
Wholesale Trade	3,337	4,000	83%
Retail Trade	2,130	2,841	75%
Transportation and Warehousing and Utilities	868	1,974	44%
Information	79	119	66%
Finance and Insurance	177	451	39%
Real Estate and Rental and Leasing	237	1,778	13%
Professional, Scientific, and Technical Services	2,340	4,344	54%
Management of Companies and Enterprises	478	568	84%
Admin, Support, Waste Mgt, and Remed	2,030	2,772	73%
Private Education	105	201	52%
Health Care and Social Assistance	1,061	1,273	83%
Arts, Entertainment, and Recreation	189	443	43%
Accommodation and Food Services	1,361	1,513	90%
Other Services and Public Administration	496	922	54%
Government	1,304	1,385	94%
Total	23,128	32,822	70%

Source: 2023 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) provided by the Oregon Employment Department. ECONorthwest estimate for total employment.



Employment Forecast Options

The employment forecast covers the 2026 to 2046 period. Accounting for the fact that some employment is not covered, we estimate that Wilsonville has about 32,822 total employees in 2023, shown in Exhibit 22. This is the basis for the employment forecast.

Exhibit 23 shows the forecast rate options:

- ◆ **Urban Growth Report:** This option is based on the rate of growth that Metro used to forecast employment growth across the Portland region in the most recent Urban Growth Report, which is 0.42% growth per year. Using this growth rate will result in growth of 2,910 new employees in Wilsonville between 2026 and 2046.
- ◆ **Oregon Employment Department (OED) Regional Employment Growth Rate:** This option is based on the rate of growth that the OED forecasts for the three-county Portland region in the most recent regional employment projection (for 2023-2033), which is 0.85% growth per year. Using this growth rate will result in growth of 6,225 new employees in Wilsonville between 2026 and 2046.
- ◆ **Historic Employment Growth Rate in Wilsonville:** This option is based on the rate of growth of employment in Wilsonville for the 2007 to 2023 period (see Exhibit 7), which is 1.03% growth per year. Using this growth rate will result in growth of 7,711 new employees in Wilsonville between 2026 and 2046.
- ◆ **Housing Needs and Capacity Analysis (HNCA) Household Growth Rate:** This option is based on the rate of growth of households forecast in the recently adopted HNCA, which is 1.20% growth per year.³⁷ Using this growth rate will result in growth of 9,166 new employees in Wilsonville between 2026 and 2046.

³⁷ We consider this growth rate because some types of employment, such as commercial services, typically grow at the rate of population growth. Between 2010 and 2023, the historical growth rate of households was 2.5% per year.



Exhibit 23. Forecast Rate Options for Employment Growth in Wilsonville, 2026-2046

Year	Jobs grow at the rate of...			
	Urban Growth Report (0.42%)	OED Regional Employment Growth (0.85%)	Historic Employment Growth in Wilsonville (2007-23) (1.03%)	HNCA Household Growth Rate (1.20%)
2026	33,238	33,668	33,848	34,018
2046	36,148	39,893	41,559	43,184
Change 2026 to 2046				
Employees	2,910	6,225	7,711	9,166
Percent	9%	18%	23%	27%
Growth Rate	0.42%	0.85%	1.03%	1.20%

Source: ECONorthwest

Each employment forecast option results in a different estimate of how much land Wilsonville may need to support job growth over the next 20 years. There is no “correct” forecast. Selecting a forecast will shape the City’s long-term economic development and land use policies, so it is important that the forecast is based on realistic assumptions and reflects local priorities.

Each forecast considers information about how the regional economy is expected to grow (such as the Urban Growth Report forecast and the OED Regional Employment Growth forecast). The issue is how Wilsonville will grow in the context of the Portland region. Key considerations include: availability of land for development and redevelopment in Wilsonville, when development may occur, Wilsonville’s economic development advantages and disadvantages, and the City’s economic development policies that may encourage development to occur faster in the city than the region.

City Council will ultimately decide which forecast to adopt. All the growth rates presented are reasonable and supported by available data. ECONorthwest recommends the City Council consider these forecasts alongside the economic trends discussed earlier in this memo. ECONorthwest’s observations about each of these forecasts include the following:

- ♦ **Urban Growth Report:** This forecast seems low, given Wilsonville’s historical employment growth (which was much faster than the growth rate Metro is forecasting for the region), Wilsonville’s economic development advantages, the supply of buildable (if not currently development-ready) industrial land in the city, the types of employment located in Wilsonville currently, and the forecast of growth of population (as it relates to demand for commercial service businesses).
- ♦ **Oregon Employment Department (OED) Regional Employment Growth Rate:** This forecast seems reasonable, given the factors discussed in the



bullet above. It shows a somewhat slower growth rate than Wilsonville's rate of growth in the past but that may be consistent with state and national trends for slower employment growth. In addition, it may be reasonable to expect that Wilsonville will grow at a slower pace over the next five to 10 years. Much of Wilsonville's industrial land is not development-ready and will take time and investments to make development-ready. Growth of commercial businesses will depend on redevelopment of Town Center and other larger vacant commercial buildings (such as the Albertsons, Rite Aid, and Home Depot buildings), as well as policy changes like re-zoning underutilized land to allow more commercial uses.

- ◆ **Historic Employment Growth Rate in Wilsonville:** This forecast also seems reasonable based on the reasons in the bullet above. Achieving this growth rate will likely require the City to make policy changes to support economic development sooner, such as actions that support redevelopment of Town Center and infrastructure investments to make land development-ready.
- ◆ **Housing Needs and Capacity Analysis (HNCA) Household Growth Rate:** For the reasons in the bullets above, this forecast growth rate may be overly optimistic. Achieving employment growth this fast will require faster policy changes and more actions that support development and redevelopment sooner. These actions may require more resources than are currently available to the City currently.



Appendix A. National, State, Regional, and Local Economic Trends

The economic trends discussed in this appendix are based on long-term trends that are generally expected to continue on national, state, and regional scales.

National and State Trends

Economic development in Wilsonville over the next 20 years will occur in the context of long-run national and state trends. The most important of these trends are as follows:

- ♦ **Slower labor force growth will be offset by increased productivity gains.**

According to the Oregon Office of Economic Analysis (OEA), long-term economic growth is shaped by two primary factors: the number of workers and their productivity. Oregon's labor force growth is slowing due to persistently low birth rates and ongoing shifts in migration trends—factors that have led to downward revisions in the state's population growth outlook. OEA anticipates that economic growth will be increasingly driven by gains in productivity as employers adapt to a tight labor market.

Employment is still expected to grow, but at a slower pace than previously forecast. Total nonfarm employment is projected to grow at an average annual rate of 0.6% through 2034, down from higher rates seen in prior decades. Productivity, meanwhile, is expected to rebound, supported by rising capital investment and the adoption of technologies like generative artificial intelligence (AI). These forces are expected to help businesses operate more efficiently and maintain economic momentum despite a slower-growing workforce.³⁸

- ♦ **Manufacturing remains vital to Oregon's economy but faces near-term employment declines.** Manufacturing accounts for a slightly larger share of employment in Oregon compared to the national average, with 9.9% of jobs in the sector versus 8.4% nationally.³⁹ Over the long term, Oregon's

³⁸ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2025. Vol. XLV, No. 1. Release date February 2025, <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0325.pdf>

³⁹ Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.



manufacturing sector has experienced stronger growth than the nation. Since reaching its lowest employment level in 2010, manufacturing employment in Oregon increased by 15% through 2023, compared to 13% nationally.⁴⁰

Despite this long-term growth, recent trends have been less favorable. While most of the jobs lost during the pandemic were recovered, manufacturing employment in Oregon remains below 2019 levels and declined throughout much of 2023. Since January 2019, Oregon's manufacturing employment has decreased by 6%, while national manufacturing employment has increased by 1%.⁴¹ Rising costs, particularly in housing and taxes, coupled with recent policy shifts, may be outweighing Oregon's traditional quality-of-life benefits for manufacturers. The lack of development-ready land is also frequently cited as a primary obstacle for manufacturers looking to expand in or relocate to Oregon, potentially driving businesses to other states.⁴²

These recent setbacks are notable given the state's historical strength in manufacturing and stand in contrast to national trends, where the sector has been more resilient. Although federal investments like the CHIPS Act may offer long-term opportunities, their impacts have yet to materialize in job growth.⁴³ Overall, Oregon's manufacturing sector continues to reflect a broader statewide shift toward increased productivity and capital investment, rather than labor-driven expansion. It remains an essential part of the economy, but its contribution to short-term job growth is likely to be limited.⁴⁴

- ◆ **Rising trade tensions increase risks to Oregon's export-dependent economy.** Oregon's economy is particularly sensitive to changes in national trade policy due to its high reliance on exports and manufacturing, which together account for a significant share of the state's GDP.⁴⁵ Core export sectors, including semiconductors, machinery, transportation equipment, and agricultural products, are especially vulnerable to global market disruptions.

⁴⁰ Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.

⁴¹ Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.

⁴² Oregon Business & Industry. *The Condition of Oregon's Manufacturing Sector*. October 2024. <https://oregonbusinessindustry.com/wp-content/uploads/The-Condition-of-Oregons-Manufacturing-Sector-October-2024.pdf>.

⁴³ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2025. Vol. XLV, No. 1. Release date February 2025, <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0325.pdf>

⁴⁴ Ibid

⁴⁵ Ibid



The state's exposure is further heightened by the concentration of its exports. More than 50% are destined for just three countries: Mexico, China, and Canada.⁴⁶ This creates a heightened risk that disruptions with any one trading partner could have broad economic impacts. Recent tariff policies introduced by the Trump Administration in early 2025 have added to these concerns.

Oregon's elevated export share of GDP places the state in a vulnerable position should trade tensions escalate. Policymakers often reference the 2018–2019 trade war as a cautionary example. During that period, rising tariffs and retaliatory measures contributed to a 2.5 percentage point decline in state economic growth.⁴⁷ A similar slowdown remains a risk if current disputes continue to intensify.

- ♦ **Tighter immigration policies may constrain Oregon's labor supply in key industries.** Stricter immigration policies initiated by the Trump Administration are expected to reduce labor availability in several key sectors that rely heavily on foreign-born workers, including construction, agriculture, food processing, and hospitality. The Oregon Office of Economic Analysis notes that immigration policies will remain a critical variable shaping the state's labor market flexibility and long-term growth prospects. Given Oregon's reliance on net in-migration for workforce growth, federal immigration restrictions may exacerbate hiring challenges, limit productivity, and increase wage inflation in affected sectors.⁴⁸
- ♦ **Increases in automation across sectors reshapes workforce demands.** Automation has been a long-running trend in employment, leading to productivity gains across sectors. Additionally, the enhancement of artificial intelligence (AI) is expanding automation possibilities beyond routine tasks to jobs previously thought impervious, such as office and cognitive roles. However, complete job replacement due to AI is expected to be minimal with task efficiencies and shifting tasks within jobs as more likely outcomes.^{49,50} The U.S. Government Accountability Office (GAO) reports

⁴⁶ Ibid

⁴⁷ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2025. Vol. XLV, No. 1. Release date February 2025, <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0325.pdf>

⁴⁸ Ibid

⁴⁹ BLS, Growth Trends for Selected Occupations Considered at Risk from Automation, July 2023, <https://www.bls.gov/opub/mlr/2023/article/growth-trends-for-selected-occupations-considered-at-risk-from-automation.htm>

⁵⁰ Manhattan Strategy Group, Job Automation Risk and the Future of Skills: Skills and Competency Change in the U.S. Workforce, May 2023, <https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/FutureofSkillsLitScan-20230515.pdf>



that automation could be widespread, with anywhere from 9% to 47% of jobs being automated in the future according to academic research.⁵¹

The GAO identified that jobs requiring a blend of soft skills (management, interpersonal), process skills, and technical expertise face lower automation risks. Most of the top 20 in-demand jobs share this mixed skill set trait, including nurse practitioners, statisticians, occupational therapy assistants, home health aides, physical therapist assistants, medical managers, physician assistants, information security analysts, and data scientists, among others.⁵² Lower-wage jobs are the most likely to be automated. The GAO reported that over 80% of jobs paying less than \$20 per hour are susceptible to automation over the next two decades. About 30% of jobs paying \$20 to \$40 per hour and 4% of jobs paying \$40 or more per hour were also identified as at risk.⁵³

Oregon's automation trajectory mirrors national trends, with lower and middle-wage jobs facing higher automation potential. The state's tight labor market may further drive productivity and efficiency gains bolstered by AI's transformative potential.

◆ **Shifts in the national commercial and industrial real estate markets:**

Following the COVID-19 pandemic, commercial and industrial real estate markets continue to face challenging development conditions. The increased cost of capital has made many projects economically infeasible, especially speculative projects that rely on debt financing and those with longer loan payback periods.⁵⁴ Higher interest rates have also reduced property valuations, complicating the ability of developers to secure construction financing and attract equity investments.⁵⁵ Additionally, rising construction costs—driven by inflation and supply chain disruptions—have further complicated development efforts across these sectors.

- **Demand for office space remains soft.** The U.S. office market is in decline, driven largely by the shift to remote and hybrid work. The share of employees working from home rose from 24% in 2019 to 33% in 2024.⁵⁶ This trend has contributed to ten consecutive quarters of negative net absorption and a national reduction of 18.2 million square

⁵¹ Government Accountability Office, Workforce Automation, August 2023, <https://www.gao.gov/assets/gao-22-105159.pdf>

⁵² Government Accountability Office, Workforce Automation, August 2023.

⁵³ Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.

⁵⁴ If developers take on debt to finance a project, the longer they take to repay the loan, the more interest will accrue.

⁵⁵ In addition to loans, developers will typically finance projects in part with equity investments, in which investors become shareholders in the project.

⁵⁶ BLS, [American Time Use Survey](#), 2025; does not differentiate between part- and full-time workers



feet in occupied office space.⁵⁷ Office construction has slowed substantially with the development pipeline down 67% since early 2020.⁵⁸ While high-quality office spaces in prime locations continue to attract tenants, older and mid-tier properties face uncertainty, with some being repurposed.

The office sector continues to recalibrate to hybrid work with attendance stabilizing in the 60-70% range on peak attendance days, setting a new baseline for space requirements. Cushman & Wakefield projects that overall occupancy will begin to stabilize in late 2025 as demand gradually returns, supported by headcount growth and new business formation.⁵⁹ Investment interest in traditional office properties remains weak, though medical office space shows strong prospects.⁶⁰

- **Demand for retail space remains stable:** The U.S. retail market ended 2024 on a strong note, with 1.4 million square feet of net absorption in Q4 (the highest quarterly total of the year) and a steady shopping center vacancy rate of 5.4%. While total annual absorption declined substantially from 2023, and store closures reached their highest level since 2020, retail fundamentals remain resilient. Limited new construction and solid consumer spending have helped keep vacancy rates and rents stable. Looking ahead, retail growth is expected to continue at a slower, more strategic pace, with demand increasingly concentrated among top-performing brands.⁶¹
- **Strong and sustained demand for industrial space.** The industrial real estate market experienced strong growth over the past decade, with investment prospects improving significantly between 2014 and 2021. Historically, fulfillment and warehouse space have been the most attractive investment options, outperforming research and development, manufacturing, and flex space. However, in recent years, these distinctions have blurred, with all industrial subtypes now holding similar investment ratings just below "good."⁶²

While the market remained strong in 2022 and 2023, 2024 has seen signs of a slowdown. Vacancy rates have risen to 6.1% but remain below historical averages, with a peak of 6.7% expected in early 2025 before declining.⁶³ Despite slowing, rent growth continues at 3.7% year-over-

⁵⁷ Cushman & Wakefield, [U.S. Office Marketbeat Q2 2024](#)

⁵⁸ Ibid

⁵⁹ Cushman & Wakefield, [U.S. Office Marketbeat Q2 2024](#)

⁶⁰ Urban Land Institute [2024 Emerging Trends in Real Estate, United States and Canada](#)

⁶¹ Cushman & Wakefield Q4 2024 U.S. Retail MarketBeat report

⁶² Urban Land Institute [2024 Emerging Trends in Real Estate, United States and Canada](#)

⁶³ Cushman & Wakefield, Industrial [Marketbeat Q2 2024 U.S. National Industrial Report](#)



year.⁶⁴ An increase in new supply (1.2 billion square feet in 2022-2023) has contributed to rising vacancies, but construction has since dropped 46%, tightening future inventory.⁶⁵ Looking ahead, the sector is expected to stabilize, with sustained demand driven by reshoring, e-commerce, and evolving supply chain strategies.⁶⁶ The impact of recent trade policies and tariffs on industrial real estate demand remains uncertain, as they can both stimulate reshoring and new investment while also increasing costs and risking business contraction.

- ♦ **The aging of the baby boomer generation and the need for replacement workers.** As the baby boomer generation continues to retire, the number of Social Security recipients is expected to increase from over 65 million in 2023 to over 86 million in 2045, a 32% increase. In 2023, there were 36 Social Security beneficiaries per 100 covered workers, but by 2045, there is expected to be 45 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.⁶⁷

While the Bureau of Labor Statistics projects total U.S. employment to grow by 4.7 million jobs from 2023 to 2032, this job growth is unlikely to be sufficient to replace all the baby boomer retirees leaving the workforce during that period. The BLS estimates there will be 18.6 million annual job openings arising from the need to replace retiring workers and workers changing occupations, in addition to openings from newly created positions.⁶⁸ The sectors expected to grow the fastest are healthcare support, computer and mathematical occupations, healthcare practitioners, and community and social service.⁶⁹

- ♦ **Growth of entrepreneurship and small businesses.** The creation of new businesses plays a vital role in driving Oregon's economic growth. Start-ups generate employment opportunities, introduce innovative products and services, and help better serve local communities. According to the 2023 Small Business Profile from the U.S. Small Business Administration Office of Advocacy, small businesses (defined as having between zero and 500 employees) account for 99.9% of total businesses in the United States and employ 46% of the American workforce. Oregon's performance in early-

⁶⁴ Ibid

⁶⁵ Ibid

⁶⁶ JLL, [Q1 2024 Industrial Outlook](#)

⁶⁷ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2023 <https://www.ssa.gov/oact/TR/2023/tr2023.pdf>

⁶⁸ Bureau of Labor Force Occupational Separations and Openings, 2023-2032 <https://www.bls.gov/emp/tables/occupational-separations-and-openings.htm>

⁶⁹ Bureau of Labor Statistics Employment Projections – 2023-2032, September 2023 <https://www.bls.gov/news.release/pdf/ecopro.pdf>



stage entrepreneurship activity, as measured by the Kauffman Early-Stage Entrepreneurship (KESE) Index, ranked 25th in the country in 2020.^{70,71}

Start-up activity had been trending down for decades in Oregon and across the nation leading up to the pandemic, but since the pandemic, new business formation has increased and appears to be maintaining this higher rate.⁷² In terms of outlook for start-ups, several key factors are at play. High inflation, rising interest rates, and recession risks, along with tighter venture capital and banking lending conditions, will likely slow new business formation. However, several favorable factors could mitigate these impacts and support continued strength in entrepreneurship and small business formation in Oregon. These include increased personal savings and home equity levels, which are common funding sources for new businesses, along with the shift toward remote work opportunities and the large millennial generation entering their prime entrepreneurial years (late 30s and early 40s, according to Census Bureau research).⁷³

- ◆ **Continued transformation of retail.** In the last two decades, retail sales by e-commerce and warehouse clubs/supercenters (a lower-cost model to the traditional department store) have increased steadily. Online retail purchases increased from about 6% of all retail purchases in 2014 to about 16% of retail purchases in 2023.⁷⁴ Ultimately, the growth in online shopping and the increasing dominance of large supercenters has made it difficult for small and medium-sized retail firms (offering a narrower selection of goods) to compete. Declining net profits and increased competitive pressures have led many well-known retailers (e.g., JCPenney, Macy's, Sears) to declare bankruptcy or to scale back their operations.

In the future, the importance of e-commerce will likely continue to grow. However, despite the highly publicized closures of brick-and-mortar stores, physical retail is likely to remain an important part of the retail sector as well. Since modern consumers are increasingly price sensitive, less brand loyal, and (since the advent of internet) able to substitute between retailers easily, retailers must be nimble and able to adjust to the changing needs of their customers if they are to remain competitive.

⁷⁰ Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. <https://indicators.kauffman.org/>.

⁷¹ This index comprises four statistics: the rate of new entrepreneurs, the opportunity share of new entrepreneurs, start-up density, and start-up early survival rate.

⁷² Josh Lehner. "Strong Startup Activity Continues" Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>

⁷³ Josh Lehner. "Strong Startup Activity Continues" Oregon Office of Economic Analysis, May 3, 2023. Retrieved from <https://oregoneconomicanalysis.com/2023/05/03/strong-start-up-activity-continues/>

⁷⁴ U.S. Census Bureau News, Quarterly Retail E-Commerce Sales, 4th Quarter 2023 https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf



The types of brick-and-mortar retail and related services that are likely to remain viable are those offering goods that consumers prefer to purchase in person or goods that are difficult to ship and return, such as large furniture items. Additionally, retailers specializing in groceries, personal goods that are needed immediately, restaurants, and experiential offerings like entertainment or social activities are expected to maintain their presence. According to the Urban Land Institute, large retailers such as Macy's, Nordstrom, Kohl's, and Ikea are experimenting with downsizing storefronts to operate spaces that can be flexible to changing consumer needs. These locally scaled shops feature in-person merchandise and services that are in demand for modern consumers: curated inventory, tailored services, and e-commerce fulfillment.⁷⁵

- ◆ **Changing places where work is being done.** The COVID-19 pandemic accelerated the shift to remote work, with the share of employees working from home increasing from 24% in 2019 to 33% in 2024, according to the Bureau of Labor Statistics' American Time Use Survey.⁷⁶ However, the ability to work remotely is not equally distributed. Those most likely to have remote work opportunities tend to have higher educational attainment, be white or Asian, and be over 25 years old.⁷⁷ This uneven access to remote work raises equity concerns, as certain demographic groups may be disadvantaged in accessing these flexible work arrangements.

Remote work trends have consequences for downtown health and recovery. OEA found that downtown recoveries are not driven by regional economic changes but rather are impacted by the strength of three components: workers, residents, and visitors.⁷⁸ If a significant portion of previous downtown workers are now working remotely from other locations, downtowns need to capture or bolster resident and visitor spending to counteract this shift.

In 2025, major employers like Amazon, Dell, Walmart, and federal agencies have issued full-time return-to-office (RTO) mandates to justify office costs, boost perceived productivity, and reassert control—often in response to stock declines. Yet remote work remains far more common than before the pandemic, with over one in four U.S. workdays in 2024 done from home, up

⁷⁵ Holly Dutton. "More Retailers Are Rolling out Small-Format Stores" *Urban Land Institute*, January 8, 2024. <https://urbanland.uli.org/economy-markets-trends/more-retailers-are-rolling-out-small-format-stores>

⁷⁶ BLS, [American Time Use Survey](#), 2025; does not differentiate between part- and full-time workers

⁷⁷ Ben Casselman, Emma Goldberg, and Ella Koeze. "Who still works from home?" *New York Times*, March 8, 2024.

⁷⁸ Oregon Office of Economic Analysis, Downtown Recoveries 2023 Update, <https://oregoneconomicanalysis.com/2023/07/18/downtown-recoveries-2023-update/>



from one in fourteen pre-pandemic. Remote job postings are down, but demand remains high: just 20% of LinkedIn listings are remote or hybrid, yet they attract 60% of applications. While the current labor market favors employers, experts expect that retirements and an aging workforce will tighten labor supply, prompting a renewed need for flexibility. Smaller firms are already using remote options to attract talent, pointing to a future where workplace flexibility is a competitive necessity.⁷⁹

- ◆ **Continued increase in demand for energy even as the sources supplying that energy shifts.** The 2023 Inflation Reduction Act aimed to drive increased investments in climate and energy projects across the United States.⁸⁰ As a result of the renewable energy investments and subsidies, the nation's energy consumption pattern is anticipated to undergo a shift over the coming years. There is an expected move away from traditional fossil fuels like crude oil and natural gas toward renewable energy sources.⁸¹

However, this shift is not expected to reduce overall energy consumption. From 2023 to 2050, the U.S. Energy Information Administration (EIA) estimates that total energy consumption will rise due to population growth and economic expansion outpacing efficiency gains. This increasing demand is anticipated to be driven primarily by the industrial sector and, to a lesser extent, transportation.

- ◆ **Impact of rising energy prices on commuting patterns.** As energy prices increase over the planning period, transportation energy consumption is expected to shift to electric or fuel-efficient vehicles.⁸² The share of electric vehicles is expected to grow from less than 6% in 2023 to 19% in 2050.⁸³ The Energy Information Administration estimates an 8% increase in transportation energy consumption, partially attributable to increasing vehicle miles traveled (VMT) that offset efficiency upgrades. With expected increases in fuel economy, people may commute farther while consuming less energy. VMT for passenger vehicles is forecasted to increase between 12% and 33% through 2050. Lower-income households may face financial barriers to efficiency upgrades and tend to have longer commutes, which may force them to face the brunt of rising energy prices.

⁷⁹ Jennifer Liu, "5 Years into the Remote Work Boom, the Return-to-Office Push Is Stronger than Ever—Here's Why," CNBC, March 23, 2025. <https://www.cnbc.com/2025/03/23/5-years-into-the-remote-work-boom-the-return-to-office-push-is-stronger-than-everheres-why.html>.

⁸⁰ Energy Information Administration, Inflation Reduction Act of 2023

⁸¹ Energy Information Administration, Inflation Reduction Act of 2023

⁸² Energy Information Administration, 2023, *Annual Energy Outlook 2023 with Projections to 2050*, U.S. Department of Energy, March 2023.

⁸³ Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019.



- ◆ **High rates of inflation.** For the last several decades, inflation rates have generally stayed below 3% in the United States. Inflation started to increase in 2021, reaching 9.1% in June 2022 year-over-year, the largest annual increase in about 40 years.⁸⁴ In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.⁸⁵ Continued high rates of inflation may slow economic growth, further erode purchasing power, discourage savings, and lead to a national recession. Recent tariff policies and trade tensions may lead to new increases in inflation in 2025 and beyond.
- ◆ **Income gains in Oregon.** Oregon's economic growth in the past decade has led to improvements in the state's income and wage levels relative to the rest of the nation. Notably, Oregon's median household income has surpassed the national level for the first time in over 50 years.⁸⁶ Higher incomes can have positive impacts on an economy through improved standards of living and higher consumer spending, increased tax revenue potential, and talent attraction and retention, among others.
- ◆ **Potential impacts of global climate change.** Oregon and the Pacific Northwest have been experiencing the impacts of global climate change over the past 30 years, exacerbated by extreme events such as the 2020 Labor Day fires that burned over 840,000 acres in Oregon and the June 2021 heat dome that caused temperatures to soar to 111°F in Eugene and 116°F in Portland.⁸⁷ According to the National Oceanic and Atmospheric Administration (NOAA), between 1980 and 2023, the U.S. experienced an average of 8.5 weather-related disasters per year where overall damages/costs reached or exceeded \$1 billion (adjusted for inflation). However, the number of such events has increased in the last five years, with an average of 20.4 events per year.⁸⁸ The Pacific Northwest is not only experiencing an increased frequency and severity of extreme weather events but also long-term climatic changes. These long-term changes include:
 - **Increased average annual day and nighttime temperatures.** If greenhouse gas (GHG) emissions continue at the current rate,

⁸⁴ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer prices up 9.1% over the year ended June 2023, largest increase in 40 years at <https://www.bls.gov/opub/ted/2023/consumer-prices-up-9-1-percent-over-the-year-ended-june-2023-largest-increase-in-40-years.htm> (visited July 25, 2023).

⁸⁵ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Consumer Price Index: 2024 in Review, <https://www.bls.gov/opub/ted/2025/consumer-price-index-2024-in-review.htm>

⁸⁶ Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.

⁸⁷ <https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6>.

⁸⁸ <https://www.ncei.noaa.gov/access/billions/#:~:text=Menu-Overview,376%20events%20exceeds%20%242.655%20trillion.>



temperatures in Oregon are projected to rise approximately 5°F by the 2050s and 8.2°F by the 2080s.⁸⁹ These higher overall temperatures can have consequences, including increased mortality rates, the spread of diseases, and the forced migration of plants and animals as ecosystems undergo changes. Vegetation may become stressed and die, leading to an accumulation of fuel loads that heighten the risk of wildfires. Some areas that were once forestlands are transitioning into shrublands after being affected by forest fires.

- **Reduced snowpack and increased drought conditions.** As temperatures increase, snowpack is anticipated to decrease, reducing stream levels and water availability in the summer months.⁹⁰ Drought conditions can reduce surface water availability, reduce hydropower generation, and reduce recreational activities.⁹¹
- **Increased risk of high heat events.** Climate change increases the likelihood of experiencing high heat events like the June 2021 extreme heat wave that resulted in temperatures ranging from 110°F to 120°F in Oregon and Washington. This heat event caused approximately 159 deaths in Washington and more than 100 deaths in Oregon.^{92,93}
- **Increased risk of wildfire.** Changing precipitation patterns and drought conditions are increasing fuel loads in wildland areas, increasing the risk of wildfires throughout the Pacific Northwest. Wildfire intensity, duration, and size has increased.
- **More days of poor air quality from wildfire smoke.** In 2021, people in Deschutes County, Klamath County, and Jackson County experienced 83 days of air quality at or above unhealthy levels for sensitive groups due to wildfire smoke.⁹⁴

⁸⁹ Fleishman, E., editor. 2023. Sixth Oregon Climate Assessment. Oregon Climate Change Research Institute, Oregon State University, Corvallis, Oregon. <https://blogs.oregonstate.edu/occri/oregon-climate-assessments>.

⁹⁰ WASHINGTON Assessment work. TBD.

⁹¹ Bumbaco, K.A., C.L. Raymond, L.W. O'Neill, A. Mehta, D.J. Hoekema. 2023. *2023 Pacific Northwest Water Year Impacts Assessment*. A collaboration between the Office of the Washington State Climatologist, Climate Impacts Group, Oregon State Climatologist, Idaho Department of Water Resources, and NOAA National Integrated Drought Information System. <https://doi.org/10.6069/T5Q5-TT59>

⁹² Joan A. Casey, Robbie M. Parks, Tim A. Bruckner, Alison Gemmill, and Ralph Catalano, 2023: *Excess Injury Mortality in Washington State During the 2021 Heat Wave*. American Journal of Public Health 113, 657_660, <https://doi.org/10.2105/AJPH.2023.307269>

⁹³ Vital Statistics Report. Oregon: Oregon Health Authority, Public Health Division, Center for Health Statistics. Prepared September 2021; data are preliminary and subject to change.

⁹⁴ Barnack, A. Wildfire Smoke Trends and the Air Quality Index. Oregon: Department of Environmental Quality, Laboratory and Environmental Assessment Division [cited 2023 May 5]. 24 p. Available from: <https://www.oregon.gov/deq/wildfires/Documents/WildfireSmokeTrendsReport.pdf>.



- **More floods and atmospheric rivers.** The University of Washington's Climate Impact Group forecasts that the Pacific Northwest will experience slightly more precipitation in the fall, winter, and spring and less in the summer.⁹⁵ Extreme precipitation events are more likely to produce flooding, erosion, and landslides. These changes can threaten salmon and other species. Adaptation to extreme events could require expensive upgrades to stormwater systems.

Climate change will have a wide range of impacts on industries and communities throughout the Pacific Northwest. While some industries are more resilient to climate change, others that require predictable delivery of water, such as agriculture and hydropower, are more vulnerable to climate change. Climate change and extreme weather events also impact human health and disrupt travel. Land use decisions, in part, determine the risk that homes, businesses, schools, hospitals, and other buildings face from climate change. Development patterns in at-risk areas like tsunami zones, floodplains, wetlands, wildland-urban interfaces, and other hazardous locations will impact the economic vitality and resilience of communities as climate change accelerates.

- **Agriculture.** Climate change impacts the quality and quantity of agricultural products. For example, exposure to cold weather during dormancy is important for fruit set and quality in many perennial crops. Exposure to cold weather may increase in northern areas of the Pacific Northwest and decrease in southern areas.⁹⁶ A study by the Washington State Department of Agriculture found that a drought in 2015 caused \$633 to \$773 million in agricultural losses.⁹⁷ Drought and shifting precipitation patterns represent major threats, as drought reduces feed on rangelands for livestock and decreases water available for irrigation.
- **Aquatic/Fishing.** Marine heat waves impact fresh and saltwater habitats and species. In 2021, algal blooms exacerbated by increased temperatures resulted in a \$641.1 million (in 2023 dollars) loss of commercial fishing revenue.⁹⁸ Tribes are often disproportionately

⁹⁵ <https://express.adobe.com/page/C5CQaxjHUmGQ7/>

⁹⁶ Noorazar, H., L. Kalcsits, V.P. Jones, M.S. Jones, and K. Rajagopalan, 2023: Climate change and chill accumulation: Implications for tree fruit production in cold-winter regions. *Climatic Change*, **171** (3), 34. <https://doi.org/10.1007/s10584-022-03339-6>

⁹⁷ Raymond, C.L, T.P. Nadreau, M. Rogers, Z. Kearl. 2023. Biophysical Climate Risks and Economic Impacts for Washington State. Report prepared for the Washington State legislature. Climate Impacts Group, University of Washington, Seattle.

⁹⁸ Bellquist, L., V. Saccomanno, B.X. Semmens, M. Gleason, and J. Wilson, 2021: *The rise in climate change-induced federal fishery disasters in the United States*. *PeerJ*, 9, e11186. <https://doi.org/10.7717/peerj.11186>



impacted, accounting for half of fishery loss requests and experiencing losses from Dungeness crab fisheries.^{99,100}

- **Forestry.** Forest plants and animals vulnerable to temperature and drought stresses are undergoing climate-induced die-offs. Five fir species in Oregon, Washington, and Northern California are experiencing severe mortality dubbed "Firmageddon."¹⁰¹ Species at the edges of their ranges are expected to succumb first and may shift to higher elevations or northward. Die-offs include Douglas fir, a primary commercial timber species. Die-offs and stressed trees face higher risks of pest infestations and increase the risk of wildfires.
- **Human health.** With many Pacific Northwest households lacking air conditioning, higher summer temperatures and extreme heat events endanger vulnerable groups like older adults, low-income residents, those with disabilities, and individuals living alone who face heightened risks of heat stroke and death.
- **Tourism, Recreation, and Service Industries.** The Northwest tourism and recreation industry employs about 588,000 people and supports almost \$60 billion (in 2023 dollars) in annual expenditures.¹⁰² Climate impacts will vary as decreased snowpack will make trails and camping accessible later in the fall and earlier in the spring, but increased extreme events from atmospheric rivers may increase maintenance costs due to flooding and erosion. Higher temperatures will increase demand for water-based recreation; however, droughts may decrease lake, reservoir, and river levels during peak recreation season.
- **Infrastructure.** Water, sewer, roads, utilities, and other infrastructure face risks if not designed to withstand climate change and extreme events. During the June 2021 heat dome, roads buckled near Everett,

⁹⁹ Bellquist, L., V. Saccomanno, B.X. Semmens, M. Gleason, and J. Wilson, 2021: *The rise in climate change-induced federal fishery disasters in the United States*. PeerJ, 9, e11186. <https://doi.org/10.7717/peerj.11186>

¹⁰⁰ Schlinger, C., O. Conroy-Ben, C. Cooley, N. Cooley, M. Cruz, D. Dotson, J. Doyle, M.J. Eggers, P. Hardison, M. Hatch, C. Hogue, K. Jacobson Hedin, C. Jones, K. Lanphier, D. Marks-Marino, D. Mosley, F. Olsen Jr., and M. Peacock, 2021: Ch. 4.2. Water. In: *Status of Tribes and Climate Change Report*. Marks-Marino, D., Ed. Institute for Tribal Environmental Professionals, Flagstaff, AZ, 98–141. <http://nau.edu/stacc2021>

¹⁰¹ <https://www.seattletimes.com/seattle-news/climate-change-is-hastening-the-demise-of-pacific-northwest-forests/>

¹⁰² Mojica, J., K. Cousins, and T. Madsen, 2021: Economic Analysis of Outdoor Recreation in Oregon. Earth Economics, Tacoma, WA. https://static1.squarespace.com/static/561dcdc6e4b039470e9afc00/t/5ffe3084ce56a6552b7a3c71/1610494115376/EconomicAnalysisofOutdoorRecreationinOregon_OTC-EarthEconomics_SmallRes.pdf



Washington, and a Portland streetcar cable melted.¹⁰³ Damaged power lines can lead to wildfires (a problem utility companies have started to mitigate by preemptively shutting down power when windy and dry conditions occur).¹⁰⁴ Rural communities relying on single water sources may be in jeopardy as droughts reduce groundwater aquifers or surface water availability. Sea level rise and flooding also threaten septic wastewater treatment systems. Atmospheric rivers and flooding can damage highways and streets through inundation and landslides, temporarily halting travel access to jobs, schools, healthcare, grocery stores, etc., necessitating expensive repairs and long detours. Additionally, the Pacific Northwest's hydropower dependency means the region may see fluctuations in electricity availability and costs as altered snowpack and precipitation patterns make the water supply less predictable.

¹⁰³ <https://www.npr.org/2021/06/29/1011269025/photos-the-pacific-northwest-heatwave-is-melting-power-cables-and-buckling-roads>

¹⁰⁴ EPI, 2023: Wildfire-Grid Risk, Power Talk. Boise State University, Energy Policy Institute. <https://www.boisestate.edu/epi/upcomingevents/>



Regional and Local Trends

Throughout this section, Wilsonville is compared to the Portland region and the State of Oregon. These comparisons are meant to provide context for changes in Wilsonville’s socioeconomic characteristics. Additionally, information based on the 2019-2023 ACS is described as 2023 to enhance readability.

Availability of Labor

The availability of trained workers in Wilsonville will impact the development of its economy over the planning period. A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in Wilsonville over the next 20 years include its growth in its overall population, growth in the senior population, and commuting trends.

POPULATION CHANGE

Population growth in Oregon tends to follow economic cycles. Oregon’s population grew from 3.4 million people in 2000 to 4.3 million people in 2023, an increase of 830,000 people or 0.9% each year. Between 2000 and 2023, Wilsonville’s population increased by 12,457 people at an average annual rate of 2.8% (Exhibit 24), exceeding both the Portland region’s and Oregon’s growth rates during the same time (1.0% and 0.9%, respectively).

Exhibit 24. Population Growth, Wilsonville, Portland Region, and Oregon, 2000–2023

	Population			Change, 2000 - 2023		
	2000	2010	2023	Number	Percent	AAGR*
Wilsonville	14,365	18,095	26,822	12,457	87%	2.8%
Portland Region	1,444,219	1,644,535	1,830,731	386,512	27%	1.0%
Oregon	3,421,399	3,831,074	4,250,027	828,628	24%	0.9%

Source: U.S. Census Bureau, 2000, and 2010. Portland State University Population Estimates, 2023.

AGE DISTRIBUTION

The number of people ages 65 and older in the United States is projected to increase from 58 million in 2023 to 82 million by 2050 (a 47% increase).¹⁰⁵ The economic effects of this demographic change include a slowdown of labor force growth, the need for workers to replace retirees, an aging workforce as seniors continue working

¹⁰⁵ Mather, M. & Scommegna, P. (2024). Fact Sheet: Aging in the United States.
<https://www.prb.org/aging-unitedstates-fact-sheet/>



after age 65, an increased demand for healthcare services, and a larger portion of the federal budget dedicated to Social Security and Medicare.¹⁰⁶

Exhibit 25 through Exhibit 28 show the following trends:

- ◆ Wilsonville has a higher proportion of residents aged 20 – 39 compared to the Portland region and the state. While Wilsonville is growing across all age groups 5 years and older, the older age groups are experiencing much faster growth. This growth rate and the 2.5-year increase in median age between 2000 and 2023 suggests that Wilsonville is attracting or retaining older adults.
- ◆ Clackamas County's population is aging, with the population aged 60 and over projected to increase from 27% in 2024 to 30% in 2044. Clackamas County may continue to attract those in their late adult years (i.e., 60 years and older) over the planning period. While the share of retirees in these respective areas may increase over the next 20 years, the share of youth (i.e., under 20 years old) or people in their early adult lives (i.e., 20 to 39 years old) is likely to decrease. While this demographic shift can provide a valuable source of skilled labor and experienced mentorship for younger generations entering the workforce, it also raises concerns about a potential labor shortage as a significant portion of the workforce approaches retirement age.

Wilsonville saw an increase in median age between 2010 and 2023.

Wilsonville’s median age was 38.7 in 2023, 1.4 years younger than the median age in Oregon and 3.4 years younger than the median age in Clackamas County

Exhibit 25. Median Age, Wilsonville, Clackamas County, Washington County and Oregon, 2010 to 2019–2023

2010	36.2	40.6	38.4
	Wilsonville	Clackamas County	Oregon
2023	38.7	42.1	40.1
	Wilsonville	Clackamas County	Oregon

Source: U.S. Census Bureau, 2010 Decennial Census, Table P12; American Community Survey 2019–2023 5-Year Estimates, Table B01002.

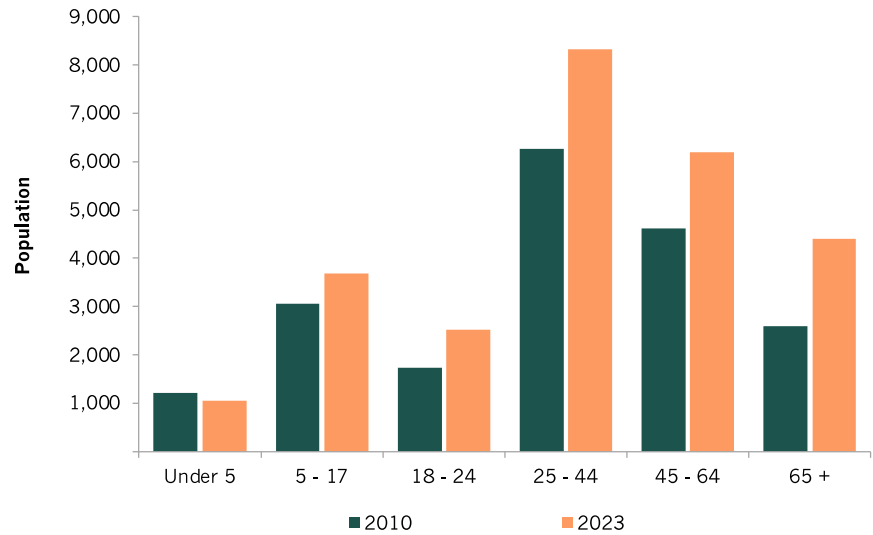
¹⁰⁶ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2023. The Budget and Economic Outlook: Fiscal Years 2024 to 2034, February 2024.



Wilsonville saw substantial growth across all age groups between 2010 and 2023 except for children under 5.

The age group between 25 and 44 remains the largest age group overall.

Exhibit 26. Wilsonville Population Change by Age Group, 2010 to 2019–2023



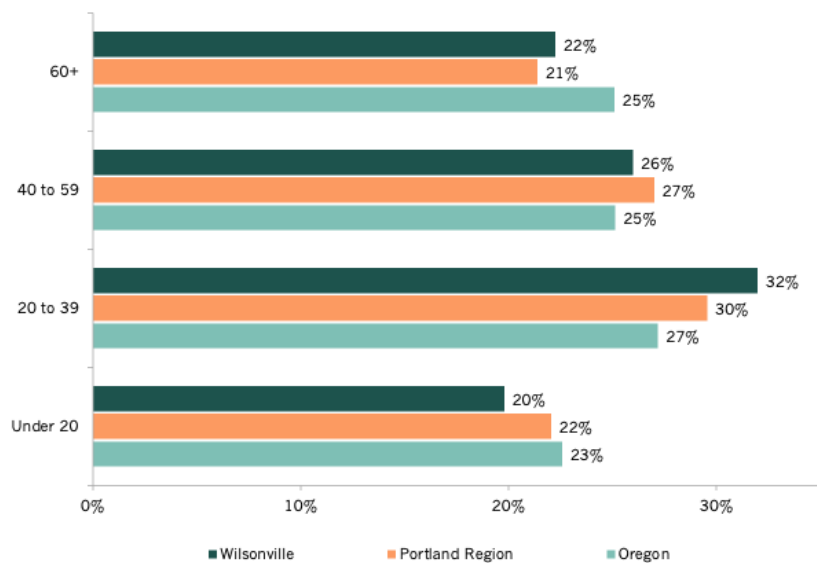
Source: U.S. Census Bureau, 2010 Summary File P12; American Community Survey 2019-2023 5-Year Estimates, Table B01001.

Nearly one-third of Wilsonville residents were between 20 and 39 years of age.

The proportion of Wilsonville's younger adults was higher than that of both the state and the Portland region.

Conversely, the proportion of Wilsonville residents under 20 years of age was lower relative to the Portland region and Oregon.

Exhibit 27. Population Distribution by Age, Wilsonville, Portland Region, and Oregon, 2019–2023

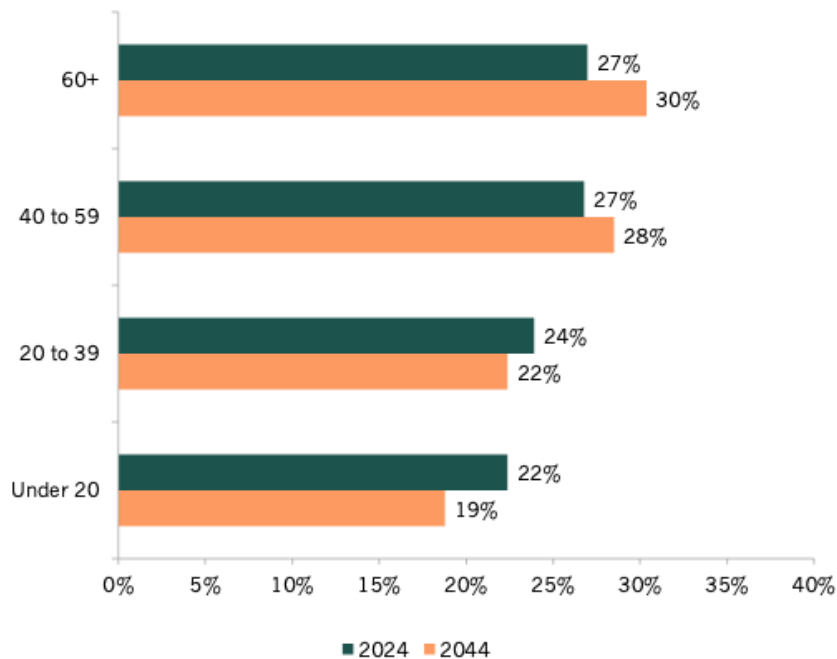


Source: U.S. Census Bureau, American Community Survey, 2019–2023 5-Year Estimates, Table B01001.



By 2044, Clackamas County residents age 40 and older will make up 58% of the county's total population, a 4% increase in share from 2024.

Exhibit 28. Population Share by Age Group, Clackamas County, 2024–2044



Source: Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2024.



RACE AND ETHNICITY

Wilsonville is becoming more racially and ethnically diverse. From 2000 to 2023, the share of the Hispanic/Latino population in Wilsonville grew from 12% to 16% of the total population, and the share of people of color increased from 15% to 25%. In the Portland region, the share of the Hispanic/Latino population rose from 12% to 14% of the total population, while the share of people of color grew from 21% to 29%.

Statewide, Hispanic and Latino Oregonians have employment rates that are average or slightly above average compared to the overall population in recent decades. However, their higher employment rates are primarily concentrated in low- and middle-wage occupations such as agriculture, building maintenance, production, construction, food preparation, and transportation and material moving.¹⁰⁷ Providing culturally specific services, particularly for Spanish speakers, can help improve workforce participation and economic contribution from these growing demographic groups. Such services may also facilitate the entry of Hispanic and Latino workers into higher-wage industries, enabling greater economic opportunities for these communities (if they wish to pursue them).

The population of people of color is defined as the share of the population that identifies as another race other than “white alone” according to Census definitions. The small population in Wilsonville results in small sample sizes, and thus people of color are combined into one category rather than showing individual races. The margin of error is considerable for the estimate of these populations.

Exhibit 29 and Exhibit 30 show the change in the share of Hispanic and Latino and people of color in Wilsonville compared to the Portland region and Oregon between 2010 and 2023. The group with the largest share of people of color in 2023 is two or more races, representing 15% and 11% of Wilsonville’s and the Portland region’s total populations, respectively.

¹⁰⁷ Lehner, Josh. “Oregon’s Growing Hispanic and Latino Population.” Oregon Office of Economic Analysis, 21 June 2023. <https://oregoneconomicanalysis.com/2023/06/21/oregons-growing-hispanic-and-latino-population/>



The share of Wilsonville residents that identified as Hispanic/Latino increased between 2010 and 2023 from 12% to 16%.

Wilsonville's growth in residents with Hispanic or Latino ethnicity outpaced the Portland region and Oregon.

Exhibit 29. Hispanic or Latino Population as a Percentage of the Total Population, Wilsonville, Portland Region, and Oregon, 2010, 2019–2023

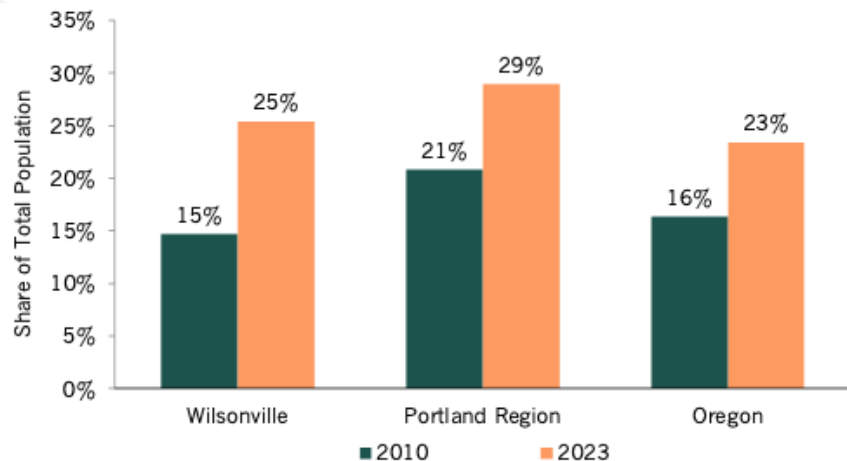


Source: U.S. Census Bureau, 2010 Decennial Census, Table P0008; 2019–2023 American Community Survey, 5-Year Estimates, Table B03002.

The share of people of color in Wilsonville increased between 2010 and 2023 from 15% to 25%.

Although Wilsonville's racial diversity increased at the fastest rate, it remains slightly less racially diverse than the Portland region.

Exhibit 30. Population of People of Color as a Percentage of the Total Population, Wilsonville, Portland Region, and Oregon, 2010, 2019–2023



Source: U.S. Census Bureau, 2010 Decennial Census Table P8; 2019–2023 American Community Survey, 5-Year Estimates, Table B02001.



INCOME AND WAGES

Income and wage levels can influence where businesses choose to locate. Industries that depend on lower-wage labor may be less likely to locate in areas with higher wages. In 2023, Wilsonville’s median household income was \$87,371—lower than Clackamas County’s median but higher than the state median.

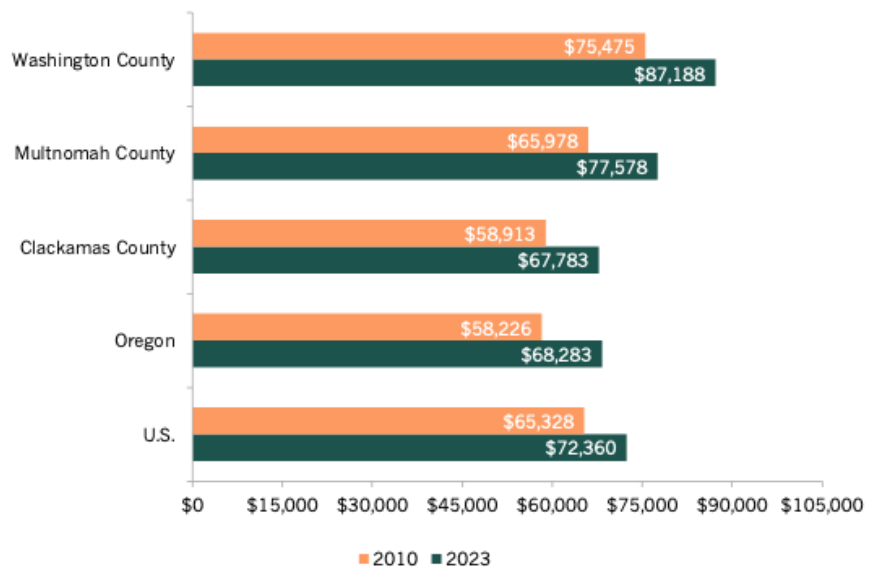
Average wages at businesses in Washington and Multnomah counties exceeded the Oregon average of \$68,283, while Clackamas County’s average wage was roughly in line with the state average.

From 2010 to 2023, average annual wages in Oregon and the Portland region grew faster than the national rate.

Oregon’s wages rose by 17%, outpacing the 11% growth nationally. Still, Oregon’s average wage in 2023 was \$68,283, which remained below the U.S. average of \$72,360.

Within the Portland region, average wages ranged from \$67,783 in Clackamas County to \$87,188 in Washington County.

Exhibit 31. Average Annual Wage, Covered Employment, Portland Region, Oregon, and U.S., 2010 to 2023, Inflation-Adjusted 2023 Dollars



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; State of Oregon Employment Department, Employment and Wages by Industry (QCEW).

The median household income in Wilsonville was lower than Clackamas County but higher than the state.

Exhibit 32. Median Household Income (MHI),¹⁰⁸ 2019–2023

\$87,371	\$100,360	\$80,426
Wilsonville	Clackamas County	Oregon

Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B19013.

¹⁰⁸ The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they were related or not.



Wilsonville’s median family income was similar to Clackamas County and higher than the state overall.

Exhibit 33. Median Family Income,¹⁰⁹ 2019–2023

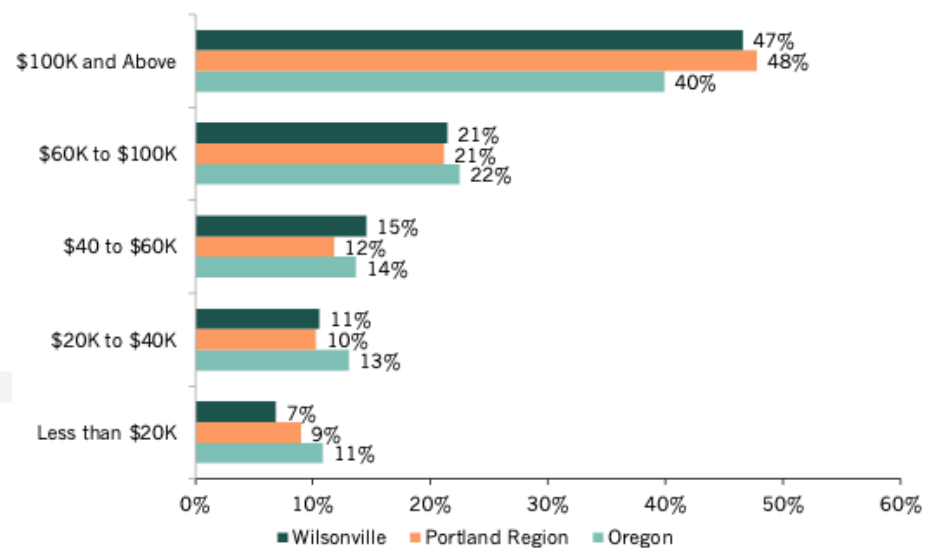
\$115,941	\$119,052	\$98,832
Wilsonville	Clackamas County	Oregon

Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B19113.

Nearly half of Wilsonville households earned more than \$100,000 annually, consistent with Portland region trends.

About 18% of Wilsonville households earned less than \$40,000 annually.

Exhibit 34. Household Income by Income Group, Wilsonville, Portland Region, and Oregon, 2019–2023, Inflation-Adjusted 2023 Dollars



Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B19001.

¹⁰⁹ The Census calculated family income based on the income of the head of household, as identified in the response to the Census forms, and income of all individuals 15 years old and over in the household who were related to the head of household by birth, marriage, or adoption.



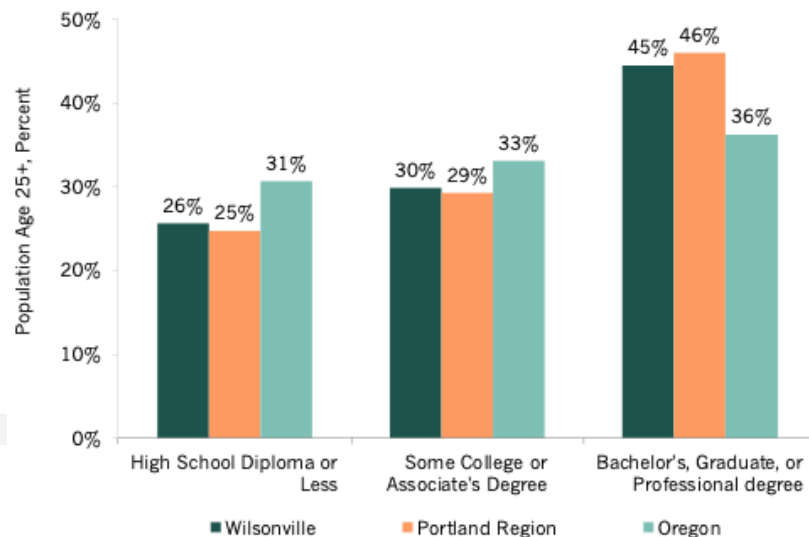
EDUCATIONAL ATTAINMENT

The educational level of a community's workforce is a crucial factor that influences the quality of labor available. Many businesses require access to employees with relevant education and training to meet their staffing needs. A community with a highly educated population is better positioned to attract and retain companies seeking skilled workers.

Wilsonville's educational attainment is higher than the state average and consistent with Portland region trends.

About 45% of Wilsonville residents hold a bachelor's, graduate, or professional degree, compared to 36% of Oregon residents statewide.

Exhibit 35. Educational Attainment for the Population 25 Years and Over, Wilsonville, Portland Region, and Oregon, 2019–2023



Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B15003.

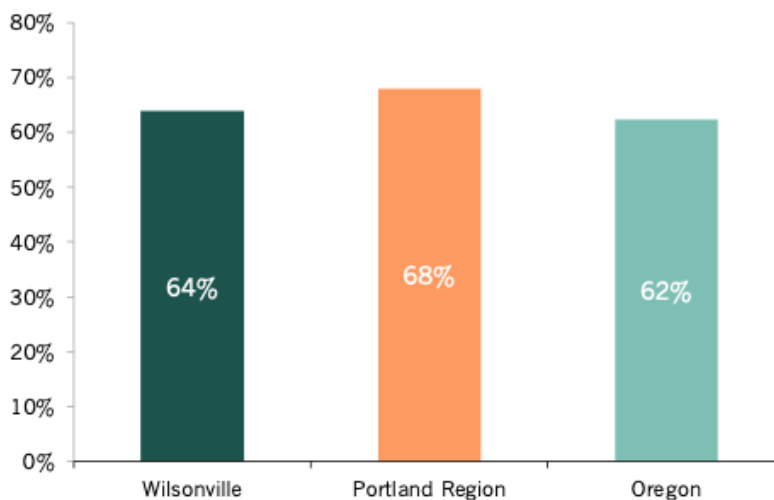


LABOR FORCE PARTICIPATION AND UNEMPLOYMENT

Labor force participation is a key factor in assessing workforce availability. The labor force includes adults aged 16 and older who are either employed or actively seeking work. It does not include children, retirees, students, or others not currently looking for work. According to the 2019–2023 American Community Survey, the labor force included 1,505,127 people in the Portland region and 21,997 people in Wilsonville.

Wilsonville has a slightly lower labor force participation rate (64%) relative to the Portland region (68%).

Exhibit 36. Labor Force Participation Rate, Wilsonville, Portland Region, and Oregon, 2019–2023

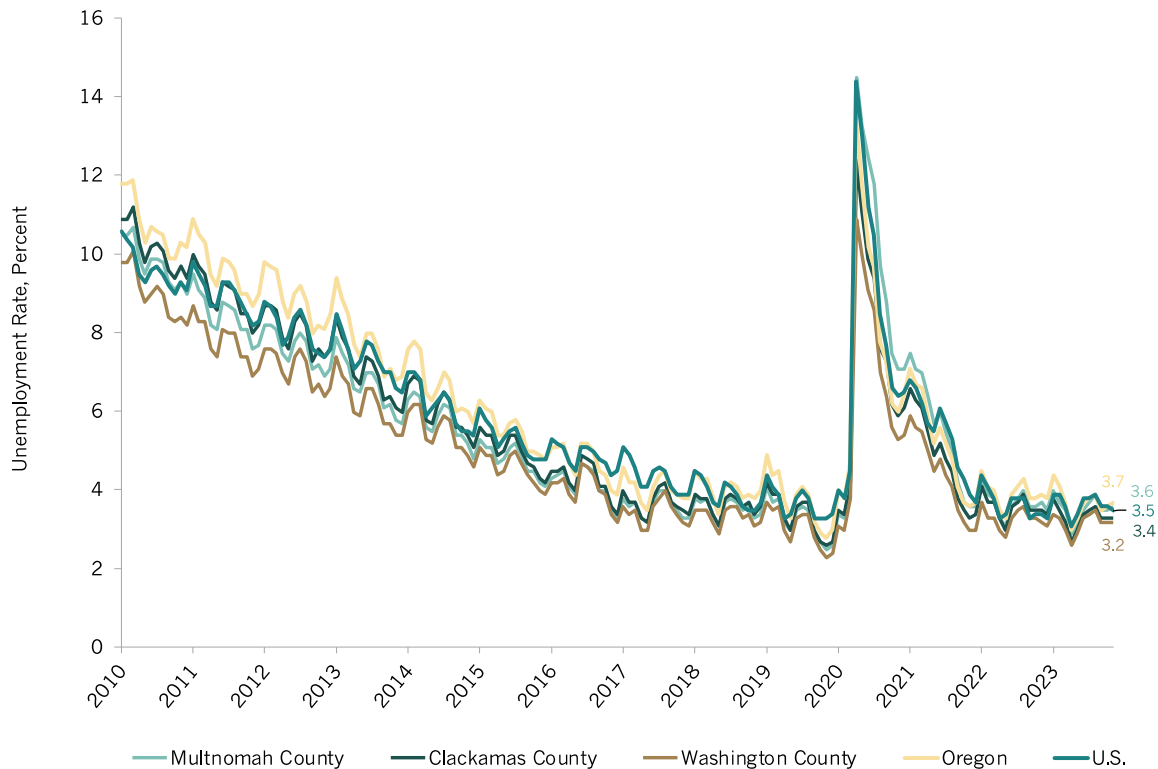


Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B23001.



In 2023, unemployment rates in the Portland region were similar to state and national averages, in Exhibit 37. Rates ranged from 3.2% in Washington County to 3.6% in Multnomah County, compared to 3.7% for Oregon and 3.6% nationally.

Exhibit 37. Unemployment Rate, Multnomah County, Washington County, Clackamas County, Oregon, and the U.S., 2000–2023



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, and Labor Force Statistics. Not seasonally adjusted.



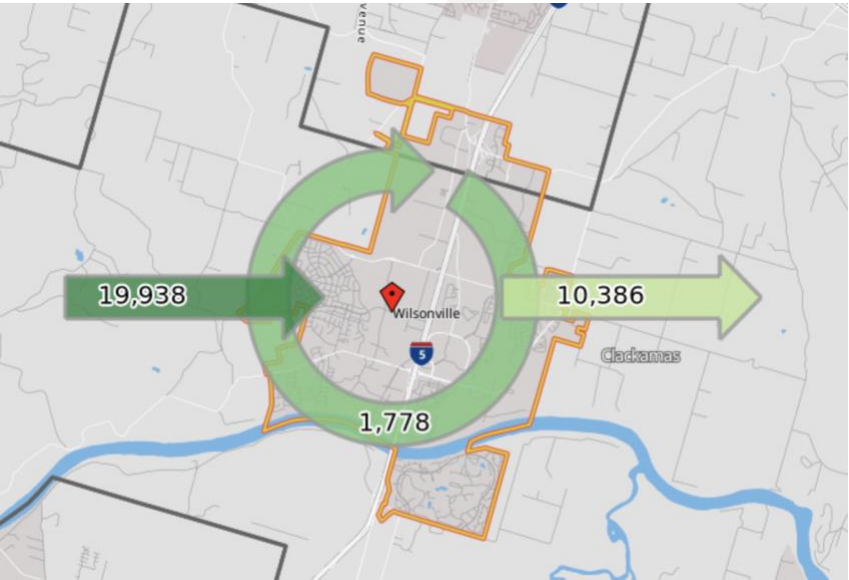
COMMUTING PATTERNS

Employers in Wilsonville benefit significantly from access to a labor pool that extends beyond city limits into neighboring areas of the Portland region, as well as Marion County. This access to a broader workforce through commuting allows businesses in Wilsonville to find suitable candidates for available positions, even if the local population alone may not provide enough qualified workers.

Wilsonville is part of an interconnected regional economy.

Nearly 20,000 people commuted into Wilsonville for work while just over 10,000 commuted out of Wilsonville for work. About 1,800 people both lived and worked in Wilsonville.

Exhibit 38. Commuting Flows, Wilsonville, 2022



Source: U.S. Census Bureau, Census On the Map.

Eight percent of all people who were employed at businesses in Wilsonville also lived in Wilsonville.

Ten percent of workers commute into Wilsonville from Portland and 5% commute from Salem.

Exhibit 39. Top Places Where Wilsonville Workers Lived, 2022



Source: U.S. Census Bureau, Census On the Map.



About 15% of residents who lived in Wilsonville also worked in Wilsonville.

Twenty-two percent of Wilsonville residents commuted

Exhibit 40. Top Places Where Wilsonville Residents Were Employed, 2022

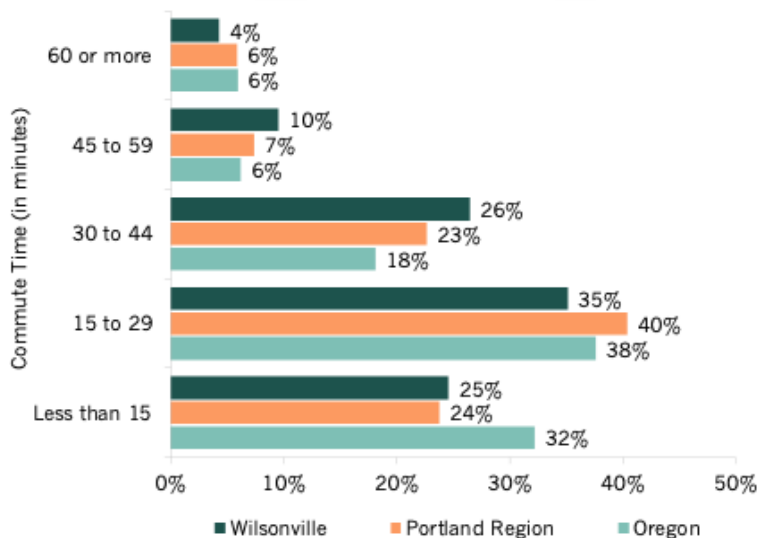


Source: U.S. Census Bureau, Census On the Map.

About 60% of Wilsonville residents had a commute time of less than 30 minutes.

About 26% of Wilsonville residents commute 30 to 44 minutes to work, with 14% commuting longer than 45 minutes. This distribution is similar to the broader Portland region.

Exhibit 41. Commute Time by Place of Residence, Wilsonville, Portland Region, and Oregon, 2019–2023



Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B08303.



Tourism in Clackamas County and the Portland Region

Tourism plays a crucial role in local economies by supporting businesses, creating jobs, and generating tax revenue. Dean Runyan Associates, a travel industry research firm, provides tourism data through Travel Oregon's TravelStats dashboard.¹¹⁰ According to the dashboard, the Clackamas County welcomed about 3.5 million overnight visitors in 2023, representing 28% of overnight travel to the Portland region. Visitors to Clackamas County contributed over \$551 million in direct travel spending in 2023, with the largest expenditures in food services, retail, and accommodations.

Direct travel spending in the Portland Region increased 21% from 2014 to 2023.

Clackamas County's tourism spending increased by 8% over the same period.

Exhibit 42. Direct Travel Spending (\$ millions), 2014 and 2023 (not inflation adjusted)

2014	\$4,417.9 Portland Region	\$551.6 Clackamas County
2023	\$5,365.9 Portland Region	\$597.6 Clackamas County

Source: Dean Runyan Associates, Oregon Travel Impacts, 2014-2023.

In 2023, the category that saw the highest level of visitor spending in Clackamas County was food services, which includes restaurants, cafés, and other establishments that provide prepared meals and beverages.

Exhibit 43. Largest Visitor Spending Categories (\$ millions), Clackamas County, 2023

\$174.6	\$99.6	\$92.5
Food Services	Retail Sales	Accommodations

Source: Dean Runyan Associates, Oregon Travel Impacts, 2023

¹¹⁰ Travel Oregon. "Oregon Travel Impacts dashboard" Dean Runyan Associates. Retrieved March 27, 2024, from <https://www.travelstats.com/impacts/oregon>



The industry with the most employment generated by travel spending in the Clackamas County in 2023 was accommodations and food services.

Exhibit 44. Largest Industry Employment Generated by Travel Spending, Clackamas County, 2023

5,500 jobs	1,300 jobs	543 jobs
Accommodations & Food Services	Arts, Entertainment & Recreation	Retail

Source: Dean Runyan Associates, Oregon Travel Impacts. 2023

DRAFT

