PLANNING COMMISSION

WEDNESDAY, FEBRUARY 11, 2026

PUBLIC HEARING

1. Wilsonville Industrial Land Readiness (Citywide EOA & EDS) (Myers/Lorenzen)(60 minutes)

PLANNING COMMISSION

RESOLUTION NO. LP26-0001

A RESOLUTION OF THE CITY OF WILSONVILLE PLANNING COMMISSION RECOMMENDING ADOPTION OF THE CITYWIDE ECONOMIC OPPORTUNITIES ANALYSIS WITH THE ACCOMPANYING ECONOMIC DEVELOPMENT STRATEGY AS A SUB-ELEMENT OF THE COMPREHENSIVE PLAN.

WHEREAS, the City of Wilsonville is required under Oregon Statewide Planning Goal 9 (Economic Development) and applicable Oregon Administrative Rules to maintain an adequate supply of land to accommodate projected employment needs; and

WHEREAS, the City of Wilsonville last undertook an Economic Opportunities Analysis in 2007, adopting the Statewide Planning Goal 9 Economic Opportunities Analysis as a sub-element of the Comprehensive Plan via Wilsonville Ordinance No. 638; and

WHEREAS, the City prepared a 2026-2046 Citywide Economic Opportunities Analysis (EOA) to update its employment land inventory, assess future employment demand, and evaluate the adequacy of existing employment land within the Wilsonville Urban Growth Boundary (UGB) to meet long-term economic needs and it will replace the 2007 EOA; and

WHEREAS, the EOA includes a buildable lands inventory and finds that the City's supply of vacant industrial land and the supply of vacant and redevelopable commercial land are adequate to meet both the short term (1-5 Year) and the long-term (20 year) need; and

WHEREAS, the Economic Development Strategy (EDS) was prepared as an exhibit to the EOA to provide policy guidance and implementation strategies to support economic development and industrial land readiness; and

WHEREAS, the EOA and EDS were prepared as part of the Wilsonville Industrial Land Readiness (WILR) project to support coordinated land use, infrastructure, and economic development planning; and

WHEREAS, the City conducted stakeholder engagement to inform the EOA and EDS, including three meetings with a Technical Advisory Committee and interviews with local businesses and economic development partners, to validate employment land needs, assess

redevelopment opportunities and constraints, and inform policy direction and implementation strategies; and

WHEREAS**,** the Planning Commission and City Council have conducted public review of the EOA, including two work sessions before the Planning Commission and two work sessions before the City Council to evaluate employment land needs, economic trends, and policy direction over the 2026–2046 planning horizon; and

WHEREAS, interested parties have been afforded the opportunity to participate and inform the development of the EOA and EDS; and

WHEREAS, required notice of a public hearing has been provided to a list of interested parties and interested agencies, published in the Wilsonville Spokesman, posted on the City's website, and posted in a variety of public areas in City buildings, all in accordance with the public hearing and notice procedures that are set forth in Sections 4.012 and 4.198 of the Wilsonville Code; and

WHEREAS, the Planning Commission held a duly noticed public hearing on February 11, 2026, to consider the EOA and accompanying Staff Report, gathered additional testimony, and reviewed the applicable findings and recommendations; and

WHEREAS, the Commission afforded all interested parties an opportunity to be heard on this subject and has entered all available evidence and testimony into the public record of their proceeding; and

WHEREAS, the Planning Commission has duly considered the subject, including the staff recommendations and all the exhibits and testimony introduced and offered by all interested parties; and

WHEREAS, the Planning Commission finds that the EOA and EDS are consistent with Statewide Planning Goals, applicable Oregon Administrative Rules, and the Wilsonville Comprehensive Plan; and

WHEREAS, the Planning Commission finds that adoption of the EOA and EDS will support the City's long-term economic vitality and provide a framework for future land use and infrastructure planning.

NOW, THEREFORE, THE CITY OF WILSONVILLE PLANNING COMMISSION RESOLVES AS FOLLOWS:

Section 1. The Wilsonville Planning Commission does hereby adopt the Planning Staff Report (attached hereto as Exhibit A), as presented at the public hearing, including the findings and recommendations contained therein.

Section 2. The Planning Commission does hereby recommend that the Wilsonville City Council adopt the proposed 2026-2046 Citywide Economic Opportunities Analysis as a sub-element of the Comprehensive Plan(Attachment 1 to Exhibit A) including the accompanying Economic Development Strategy.

Section 3. Effective Date. This Resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 11th day of February, 2026, and filed with the Planning Administrative Assistant on this date.

_____

PLANNING COMMISSION CHAIR HENDRIX

ATTEST:

_____

Mandi Simmons, Administrative Assistant III

SUMMARY OF VOTES:

Nicole Hendrix, Chair

Rob Candrian

Matt Constantine

Andrew Karr

Yana Semenova

Tabi Traughber

Jeff Zundel

EXHIBITS:

A. LP26-0001 Staff Report and Attachments

PLANNING COMMISSION MEETING
STAFF REPORT

Meeting Date: February 11, 2026	**Subject: Wilsonville Industrial Land Readiness – Citywide Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS)** **Staff Member:** Chris Myers, Senior Planner; Matt Lorenzen, Economic Development Manager **Department:** Community Development
Action Required	**Advisory Board/Commission Recommendation**
☒ Motion ☒ Public Hearing Date: 2/11/26 ☐ Ordinance 1st Reading Date: 3/2/26 ☐ Ordinance 2nd Reading Date: 3/16/26 ☒ Resolution: LP26-0001 ☐ Information or Direction ☐ Information Only ☐ Council Direction ☐ Consent Agenda	☐ Approval ☐ Denial ☐ None Forwarded ☐ Not Applicable **Comments:**

Staff Recommendation: Recommend for approval the Citywide EOA and EDS.

Recommended Language for Motion: Move to approve Resolution LP26-0001 recommending to City Council the adoption of the Economic Opportunities Analysis (EOA) and accompanying Economic Development Strategy (EDS), as presented.

Project / Issue Relates To:

☒Council Goals/Priorities: Attract high-quality industry and support economic opportunity for all in Wilsonville	☒Adopted Master Plan(s): Wilsonville Comprehensive Plan; Wilsonville Economic Development Strategy; Basalt Creek Concept Plan; Coffee Creek Master Plan; Town Center Plan	☐Not Applicable

ISSUE BEFORE COMMISSION:
Staff seeks Planning Commission approval of the Citywide Economic Opportunities Analysis (EOA) and accompanying Economic Development Strategy (EDS) and recommendation to City Council for adoption as a sub-element to the Wilsonville Comprehensive Plan.

EXECUTIVE SUMMARY:
The Wilsonville Industrial Land Readiness (WILR) project includes two coordinated efforts: (1) a Basalt Creek focused analysis and (2) a Citywide update to the City's Economic Opportunities Analysis (EOA) and accompanying Economic Development Strategy (EDS). The Citywide EOA replaces the prior 2012 analysis and satisfies Statewide Planning Goal 9 requirements related to employment land supply and economic development planning.

The EOA provides the technical foundation for understanding Wilsonville's employment base, land supply, and projected growth over a 20-year planning horizon. The EDS builds upon these findings by identifying desired economic outcomes and a set of actionable strategies to guide City investment, policy, and partnerships over the next decade.

Together, the EOA and EDS position Wilsonville to remain competitive for high-value employment while balancing land use, infrastructure, and community livability objectives.

BACKGROUND:
Relationship Between the EOA and EDS
The EOA provides the technical foundation for understanding Wilsonville's employment land supply and long-term growth potential. The EDS, developed alongside the EOA as a supporting document, translates these findings into practical steps for advancing the City's economic goals. While the EOA identifies land capacity, site readiness, and target industries, the EDS provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base by outlining goals, policies, and actions to help the City act on the EOA findings. Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the opportunities; the EDS details how to achieve them.

Principal Outcomes
Economic Opportunities Analysis (Attachment 1):

- Wilsonville contains approximately 2,396 acres designated for industrial and commercial use within City limits and the UGB.
- Roughly 366 acres are vacant, unconstrained, and buildable; approximately 96% of this vacant land is designated for industrial use.
- Employment is projected to grow from approximately 33,000 jobs in 2026 to nearly 39,300 jobs by 2046, an increase of about 6,100 jobs.
- Projected growth generates demand for approximately 321 gross acres of industrial land and 110 gross acres of commercial land.
- While overall industrial land supply is sufficient, near-term development is constrained by site size, infrastructure availability, and readiness.
- Vacant commercial land is limited; however, redevelopment opportunities, particularly

in Town Center and along commercial key corridors, provide substantial capacity.

The EOA concludes that Wilsonville is well-positioned for continued industrial growth but will require strategic infrastructure investment, site preparation, and redevelopment facilitation to fully realize its employment potential.

The Economic Development Strategy (Attachment 1, Appendix C) defines six desired long-term economic outcomes:

- Substantial progress toward build-out of Basalt Creek and Coffee Creek with high-quality employment.
- Town Center redevelopment with active retail and mixed-use environments.
- Infrastructure and zoning support both industry and community livability.
- Expanded retail and dining options, including locally owned and experiential businesses.
- Increased opportunities to high-wage employment.
- Regional recognition for economic competitiveness and customer-focused service delivery.

To achieve these outcomes, the EDS outlines specific actions to address six strategic focus areas:

1. Limited readiness of undeveloped industrial land.
2. Constraints on City funding outside urban renewal areas.
3. Scarcity of vacant commercial land.
4. Gaps in unique retail and dining experiences.
5. Workforce availability challenges.
6. Limited perceived support for small businesses.

Each focus area includes targeted actions, identified partners, and an assessment of whether implementation can occur with existing resources or will require additional funding and/or staff capacity.

Discussion Question

1. Are there any clarifications Commissioners would like before considering a recommendation to City Council to adopt the EOA and EDS?

EXPECTED RESULTS:

Staff anticipate the outcome of the public hearing will be Planning Commission adoption of Resolution LP26-0001, recommending adoption of the Economic Opportunities Analysis (EOA) and accompanying Economic Development Strategy (EDS) to City Council.

TIMELINE:

City Council will consider adoption of the Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS) at a public hearing on March 2, 2026. Staff anticipate City Council consideration of the Basalt Creek Master Plan for adoption later in 2026.

CURRENT YEAR BUDGET IMPACTS:

Preparation of the EOA and EDS was funded through the FY 2025-26 Planning Division budget and a Metro grant. Implementation actions identified in the EDS may have future budget implications, which would be evaluated through separate Council actions as needed.

COMMUNITY INVOLVEMENT PROCESS:
Public and stakeholder engagement included Advisory Committee meetings, interviews, and coordination with City boards and commissions. Input informed both the technical analysis and the strategic direction of the EDS.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:
The Citywide EOA and EDS provide an integrated, data-driven framework to guide Wilsonville's economic growth over the next 10 to 20 years. Adoption will update the City's Comprehensive Plan and employment land analysis, meet state planning requirements, and position the City to strategically advance high-quality economic development.

ALTERNATIVES:
Planning Commission may approve Resolution LP26-0001 as presented or with amendments. The Commission may also continue the hearing to a date certain for additional time to consider the matter or choose not to make a recommendation to the City Council.

ATTACHMENTS:
1. Wilsonville 2026-2046 Economic Opportunities Analysis (EOA) (January 2026)
2. EOA Findings Report (January 30, 2026)
3. LP26-0001 WILR EOA Record (electronic only)

ECOnorthwest

January 2026

City of Wilsonville
Economic Opportunities Analysis

Prepared for: City of Wilsonville

ECOnorthwest
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Acknowledgments

ECOnorthwest prepared this report with support from the guidance and input of several partners, including members, staff, and leadership of the City of Wilsonville. This work was funded by Metro. The contents of this report do not necessarily reflect the views or policies of Metro.

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Executive Summary

The City of Wilsonville last completed an Economic Opportunities Analysis (EOA) in 2012. Since then, the City and the broader region have experienced significant economic changes driven by changes in the businesses located and growing in Wilsonville, evolving real estate market conditions, the COVID-19 pandemic, and shifts in national and state policies and priorities. One of Wilsonville's most important opportunities for future economic growth is the continued industrial development of the Coffee Creek area and Basalt Creek area (which includes West Railroad) which together form a key part of the Portland region's southern industrial land inventory.

This updated EOA aligns with Statewide Planning Goal 9 and the Goal 9 Administrative Rule (OAR 660-009). It provides an updated forecast of employment growth from 2026 to 2046, evaluates the City's available commercial and industrial land supply, and assesses whether it is sufficient to meet expected demand. The report also identifies the City's competitive advantages and target industries. Together, these findings form the technical foundation for the Economic Development Strategy (EDS), which offers recommendations to help Wilsonville maintain its position as a strong regional employment center.

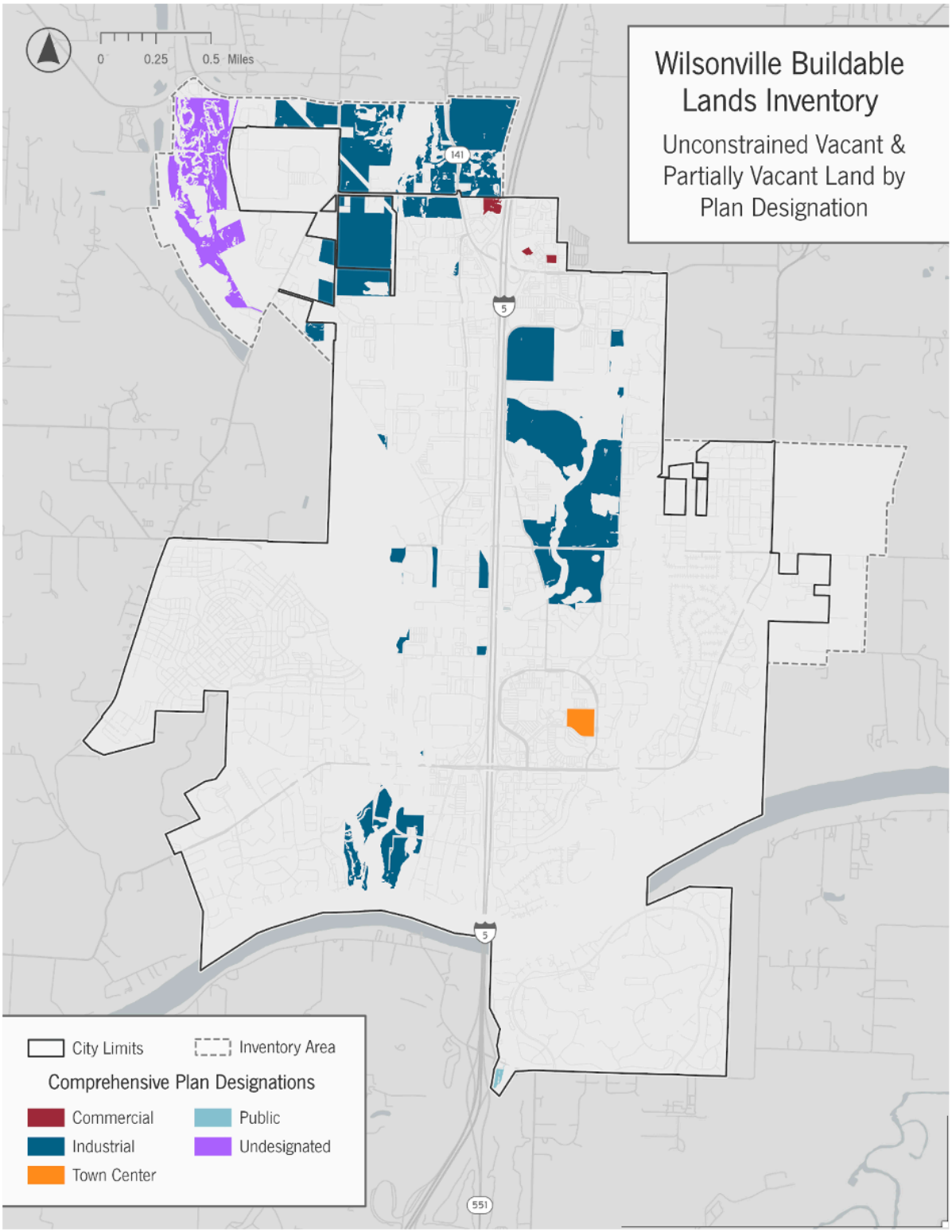
PURPOSE OF THIS ECONOMIC OPPORTUNITY ANALYSIS

- **Forecast the amount of land needed to accommodate the future employment growth within Wilsonville between 2026 and 2046.**
- **Evaluate the existing employment land supply within the City to determine if it is adequate to meet that need.**
- **Help the City understand its economic opportunities in the context of Wilsonville's competitive advantages and disadvantages.**
- **Fulfill state planning requirements for a twenty-year supply of employment land.**

How much buildable employment land does Wilsonville currently have?

Wilsonville has 2,396 acres designated for commercial or industrial use within City limits and urban growth area (UGB). Of these, approximately 366 acres (15%) are vacant, unconstrained and buildable as shown in **Exhibit 1.** Of the buildable land, 353 acres (96%) are designated for industrial development, and 13 acres (4%) are set aside for commercial uses.

Exhibit 1. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Much of Wilsonville's vacant industrial land is located within the Coffee Creek and Basalt Creek planning areas which are in the northern portion of the City. Some of Coffee Creek has been annexed into the City but most is still unincorporated. The area benefits from an established Urban Renewal District that can help fund infrastructure improvements and support land assembly. Basalt Creek, which is also currently outside City limits, is in the process of having zoning established in preparation for future annexation, which would happen in conjunction with proposed development. The area faces challenges related to fragmented ownership, the presence of existing contractor establishments that provide economic activity but at lower assessed values and lower employment densities than typical urban industrial areas, and limited infrastructure to support new development.

How much growth is Wilsonville planning for?

Wilsonville's employment base is projected to grow from 33,165 employees in 2026 to 39,297 employees by 2046, an increase of about 6,132 jobs over the 20-year planning period. *(See Chapter 3, "Employment Growth and Site Needs," for methodology and additional details.)*

How much land will be required for employment?

Employment growth over the 2026-2046 period is expected to create demand for about 321 gross acres of industrial land and 110 gross acres of commercial land. *(See Chapter 3, "Employment Growth and Site Needs," for methodology and additional details.)*

Does Wilsonville have enough land to accommodate employment growth?

Wilsonville has a sufficient supply of vacant industrial land to accommodate projected growth, with a modest surplus of about 32 acres. However, many vacant industrial sites are small and/or lack urban-level infrastructure, which limits short-term development potential. Assembling larger contiguous sites and investing in infrastructure will be important to meeting long-term industrial needs.

In contrast, the City has a limited supply of vacant commercial land to accommodate forecasted employment growth but considerable redevelopment potential. Wilsonville currently has about 13 acres of vacant commercial land, compared to an estimated need of roughly 110 acres. The City can address this shortfall primarily through the redevelopment and reuse of existing properties, particularly within the Town Center and along established commercial corridors such as Wilsonville Road. Several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment. Together, these

known sites account for about 50 acres of redevelopment potential. The City may also consider allowing limited commercial uses in select industrial areas to support employment growth and help balance future land needs. *(See Chapter 4, "Buildable Lands Inventory," and Chapter 5, "Land Sufficiency and Conclusions," for detailed findings.)*

What are Wilsonville's key growth opportunities?

Wilsonville's economy is shaped by several strengths and challenges that influence its ability to attract and retain businesses.

(See Chapter 2, "Factors Affecting Future Economic Growth," for detailed discussion of regional trends and competitive position. See Chapter 3, "Employment Growth and Site Needs," for details on Wilsonville's target industries.)

KEY COMPETITIVE ADVANTAGES

- **Opportune Location:** Wilsonville's position at the southern edge of the Portland region along the I-5 corridor provides access to major transportation routes, regional labor markets, and nearby industrial employment centers in Tualatin and Sherwood. Its proximity to both urban and rural amenities enhance its appeal to employers and residents.
- **Industrial Land Supply:** The City has a substantial inventory of industrial land, with much of the vacant land located in Coffee Creek and Basalt Creek. These areas can support manufacturing, logistics, and other traded-sector businesses.
- **Established Industrial Base.** Wilsonville has a strong foundation of existing industrial and traded-sector employers, creating a stable economic base and opportunities for supply chain growth.
- **Labor Market.** Wilsonville benefits from a large and well-educated workforce drawn from both the Portland metropolitan area and the Mid-Valley labor sheds.
- **Redevelopment Potential.** Town Center and several large vacant commercial buildings, such as the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics sites, offer near-term opportunities for adaptive reuse and reinvestment in retail and service uses.

KEY CHALLENGES

- **Limited Supply of Development-Ready Industrial Sites.** Much of Wilsonville's vacant industrial land lacks urban-level infrastructure.

Fragmented ownership and small lot sizes compound this issue and create barriers to assembling larger sites more suitable for modern industrial uses.

- **Lower-Intensity Existing Uses on Industrial Land.** Contractor establishments and outdoor storage on industrial land provide some economic benefit but limit higher-intensity, higher-value development.
- **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 and long lead times.
- **Traffic and Congestion.** The I-5 corridor experiences congestion, particularly during peak hours, which can impact key arterials in the City and delay freight movement.
- **Housing and amenities.** High regional housing costs, combined with a limited range of local services and amenities such as restaurants, shopping, and entertainment options in Wilsonville, may hinder the City's ability to attract and retain workers.

TARGET INDUSTRIES

The EOA identifies a mix of industries that are expected to drive Wilsonville's future growth:

- **Manufacturing.** Manufacturing is a cornerstone of Wilsonville's economy, supported by the region's strong workforce, established industrial employers, and proximity to suppliers and markets along I-5. Growth opportunities in this sector include advanced manufacturing, clean technology, and specialized production that build on regional strengths, the City's skilled labor force and available industrial land.
- **Wholesale Trade and Logistics.** This sector benefits from Wilsonville's central location and convenient access to both the Portland and Mid-Valley markets. Wholesale and logistics firms play a key role in regional supply chains and rely on available industrial land with strong highway access to support efficient goods movement.
- **Professional, Scientific, and Technical Services.** This diverse sector includes professional consulting, engineering, research and development, and life-science-related services that support the City's industrial and traded-sector base. Future growth is expected in smaller, flexible office or lab-flex spaces near industrial clusters or in mixed-use areas such as Town Center.
- **Local Services and Retail.** This sector includes retail, dining, healthcare, and personal service businesses that meet community needs, support local employment, and enhance Wilsonville's livability.

These industry strengths and opportunities position Wilsonville to support a balanced and diverse economy that includes both traded sector and local serving businesses.

What is the relationship between the Economic Opportunities Analysis (EOA) and the Economic Development Strategy (EDS)?

The EOA provides the technical foundation for understanding Wilsonville's employment land supply and long-term growth potential. The EDS, developed alongside this report, translates these findings into practical steps for implementation.

While the EOA identifies land capacity, site readiness, and target industries, the EDS outlines goals, policies, and actions to help the City act on those findings. The Strategy focuses on improving site readiness in Coffee Creek and Basalt Creek, addressing the commercial land deficit through redevelopment, and supporting small business and workforce development.

Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the opportunities; the EDS details how to achieve them. The EDS is included in Appendix C of this document.

1. Introduction

The City of Wilsonville last completed an Economic Opportunities Analysis (EOA) in 2012. Since that time, the City and the broader region have experienced major economic shifts influenced by changes in the businesses located and growing in Wilsonville, evolving market conditions, the COVID-19 pandemic, and shifts in state and national policy priorities. These changes highlight the need for an updated EOA that reflects Wilsonville's current economic position and identifies opportunities and challenges for supporting employment growth over the next 20 years.

Wilsonville's economic future will be greatly affected by development of key employment areas, particularly Coffee Creek and Basalt Creek. These areas are part of the Portland region's southern industrial corridor, located along I-5 with access to major freight routes, regional labor markets, and nearby employment areas in Tualatin and Sherwood. Continued buildout of these areas is important to Wilsonville's long-term competitiveness but will require addressing challenges such as fragmented land ownership, existing contractor establishments, and limited urban infrastructure, particularly in parts of Basalt Creek.

Although the majority of Coffee Creek remains outside of City limits, it benefits from an established Urban Renewal District that supports infrastructure investment and helps prepare sites for development. Basalt Creek, which also remains outside City limits, has greater challenges related to fragmented ownership, existing contractor establishments, and limited urban infrastructure. Coordinated planning and investment will be necessary to improve site readiness in both areas and to position Wilsonville to capture future regional industrial growth.

Beyond industrial growth, Wilsonville's holistic economic health also depends on redevelopment within Town Center and within established commercial corridors. With limited vacant commercial land, future growth will rely on reinvestment and reuse of existing commercial properties, including large vacant buildings such as the former Albertsons, Rite Aid, Regal Cinemas, and Fry's Electronics sites.

Updating the EOA allows the City to reassess its employment land needs and realign economic development policies with emerging opportunities. The EOA projects employment growth from 2026 to 2046 and identifies the types and amounts of land needed to support that growth. It also outlines recommendations to strengthen Wilsonville's economic foundation. The EOA provides the foundation for updates to the Comprehensive Plan and the Wilsonville Economic Development Strategy (EDS), which was prepared concurrently and presented in Appendix C of this document. Together,

these efforts ensure that land use policies, infrastructure planning, and economic priorities remain aligned.

The EOA draws on data from the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, the U.S. Census Bureau and Costar[1] along with coordination from regional and local partners. Collectively, these sources provide a detailed understanding of Wilsonville's economic trends, industry composition, and land readiness, forming the foundation for a strategic, data-driven approach to the City's economic planning.

Framework for an Economic Opportunities Analysis

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an EOA in OAR 660-009.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county, or local trends; identify the number of sites by type that are reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning process or some other public input–based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the City or county to designate an adequate number of employment sites of suitable sizes, types,

[1] Costar is a commercial real estate platform that tracks property listings, transactions, and market metrics nationwide.

and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025).* Cities and counties must adopt measures to implement policies pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.

Stakeholder Engagement Process

The development of the EOA was informed by a Technical Advisory Committee (TAC) comprised of City staff and regional economic development professionals. The TAC met three times during the project to review key findings, provide feedback, and help shape the direction of the analysis.

The first TAC meeting focused on foundational elements of the EOA, including the buildable lands inventory, employment forecast, and analysis of Wilsonville's competitive advantages and target industries. Feedback from this meeting informed refinements to the employment forecast and buildable lands inventory. The second and third TAC meetings focused on developing and refining economic development goals, policies, and actions that will guide the City's future efforts. These discussions helped ensure consistency between the EOA, the City's Comprehensive Plan, and the EDS, which was developed concurrently and is presented in Appendix C of this document.

In addition to TAC engagement, ECOnorthwest also interviewed five business and property owners between August and October 2025. These one-on-one interviews, focused on both the industrial and commercial sectors, provided insight into local challenges and opportunities. The feedback helped assess Wilsonville's competitive position and shape recommended economic actions.

The project also included two work sessions with the Planning Commission and two work sessions with the City Council at key milestones. These public meetings provided opportunities for decision-makers to review findings, discuss economic development objectives, and ensure the analysis and recommendations aligned with Wilsonville's broader community priorities.

Organization of This Report

This report is organized as follows:

- **Chapter 2. Economic Trends Shaping Wilsonville's Future** summarizes historic economic trends that affect current and future economic conditions in Wilsonville, as well as Wilsonville's competitive advantages for economic development.
- **Chapter 3. Employment Growth and Site Needs** presents a forecast for employment growth in Wilsonville and describes potential growth industries and site needs.
- **Chapter 4. Buildable Lands Inventory** presents a summary of the inventory of employment lands.
- **Chapter 5. Land Sufficiency and Conclusions** compares the supply of employment land with the future need for land and presents conclusions.

This report also includes three appendices:

- **Appendix A. National, State, and Local Trends**
- **Appendix B. Buildable Lands Inventory Methodology**
- **Appendix C. Economic Development Strategy**

2. Economic Trends Shaping Wilsonville's Future

Wilsonville is centrally located in the southern portion of the Portland region, which includes Clackamas, Multnomah, and Washington counties. This opportune 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 2,900 jobs, representing a 15% increase. This growth rate was similar to the 16% increase seen across the Portland region.[2] 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.[3] 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.[4] 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 (similar to regional

[2] See Exhibit 2 and Exhibit 4; Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.
[3] CoStar Office Market Trends, 2024
[4] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024

averages).[5] 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.[6] 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.[7] 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, concentrated in Washington County, 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.[8] 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

[5] CoStar Retail Market Trends, 2024
[6] 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.
[7] CoStar Industrial Market Trends, 2024
[8] 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.[9]

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 16% of Wilsonville's covered employment, with an average wage of $88,469, above the Citywide average of $78,235.[10]

- **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.[11]

  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% of

[9] 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.
[10] See Exhibit 7; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023
[11] See Exhibit 43 and Exhibit 44; U.S. Census Bureau

the population in 2044, consistent with statewide trends.[12] 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 essential to the economies of both Oregon and Wilsonville, driving job growth and introducing innovations to the marketplace. 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).[13] 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 automated 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

[12] See Exhibit 46; Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2024

[13] 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.[14] 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).[15] 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. [16] In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.[17] 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 more

[14] 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
[15] See Exhibit 7; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023
[16] 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*).
[17] 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

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 2 shows covered employment in the Portland region (Clackamas, Multnomah, and Washington counties) for 2007 and 2023.[18] Over this period, covered employment increased by 132,382, a 16% gain. The largest increases were in healthcare and social assistance (up 37,194 jobs) and professional and business services (up 24,516 jobs). In 2023, the average annual wage across the region was $76,066.[19]

Exhibit 2. Covered Employment by Industry, Portland Region, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, Hunting & Mining	10,434	9,396	(1,038)	(0.7%)
Construction	48,646	59,114	10,468	1.2%
Manufacturing	102,778	101,508	(1,270)	(0.1%)
Wholesale Trade	50,097	46,013	(4,084)	(0.5%)
Retail Trade	87,545	90,202	2,657	0.2%
Transportation & Warehousing & Utilities	31,609	45,318	13,709	2.3%
Information	21,156	21,149	(7)	(0.0%)
Finance & Insurance	37,606	29,212	(8,394)	(1.6%)
Real Estate and Rental and Leasing	15,078	16,863	1,785	0.7%
Professional, Scientific, & Technical Services	43,880	68,396	24,516	2.8%
Management of Companies and Enterprises	21,623	37,487	15,864	3.5%
Admin, Support, Waste Management, & Remediation	51,221	55,221	4,000	0.5%
Private Education	15,201	19,126	3,925	1.4%
Health Care & Social Assistance	83,749	120,943	37,194	2.3%
Arts, Entertainment, & Recreation	11,152	14,884	3,732	1.8%
Accommodation & Food Services	68,206	81,081	12,875	1.1%
Other Services & Public Administration	31,743	36,347	4,604	0.9%
Government	100,832	112,678	11,846	0.7%
Total	**832,556**	**964,938**	**132,382**	**0.9%**

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.
*AAGR = Average Annual Growth Rate

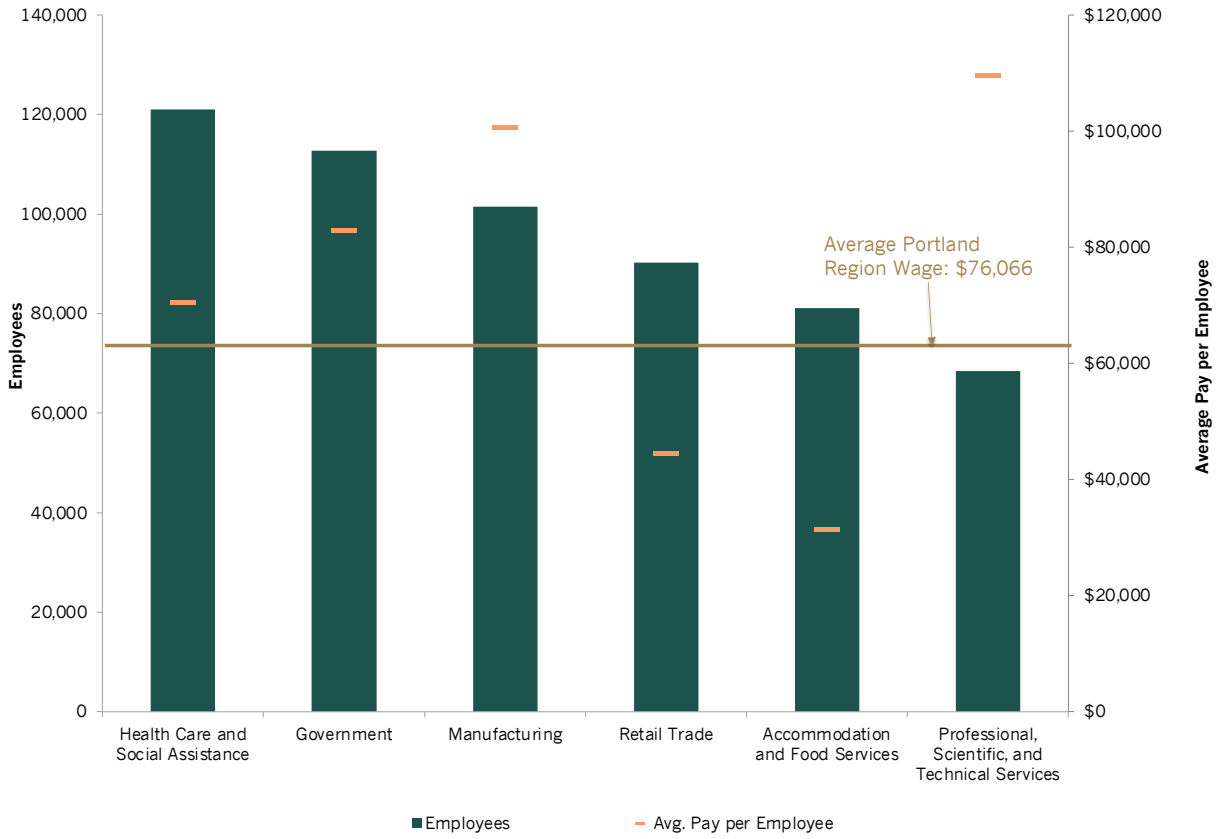
[18] **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment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

[19] Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023.

Exhibit 3 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 3. 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 2,901 positions, representing a 15% total increase at an average annual growth rate of 0.9%, shown in **Exhibit 3.** This growth is similar to the Portland region's 16% growth and 0.9% annual rate.

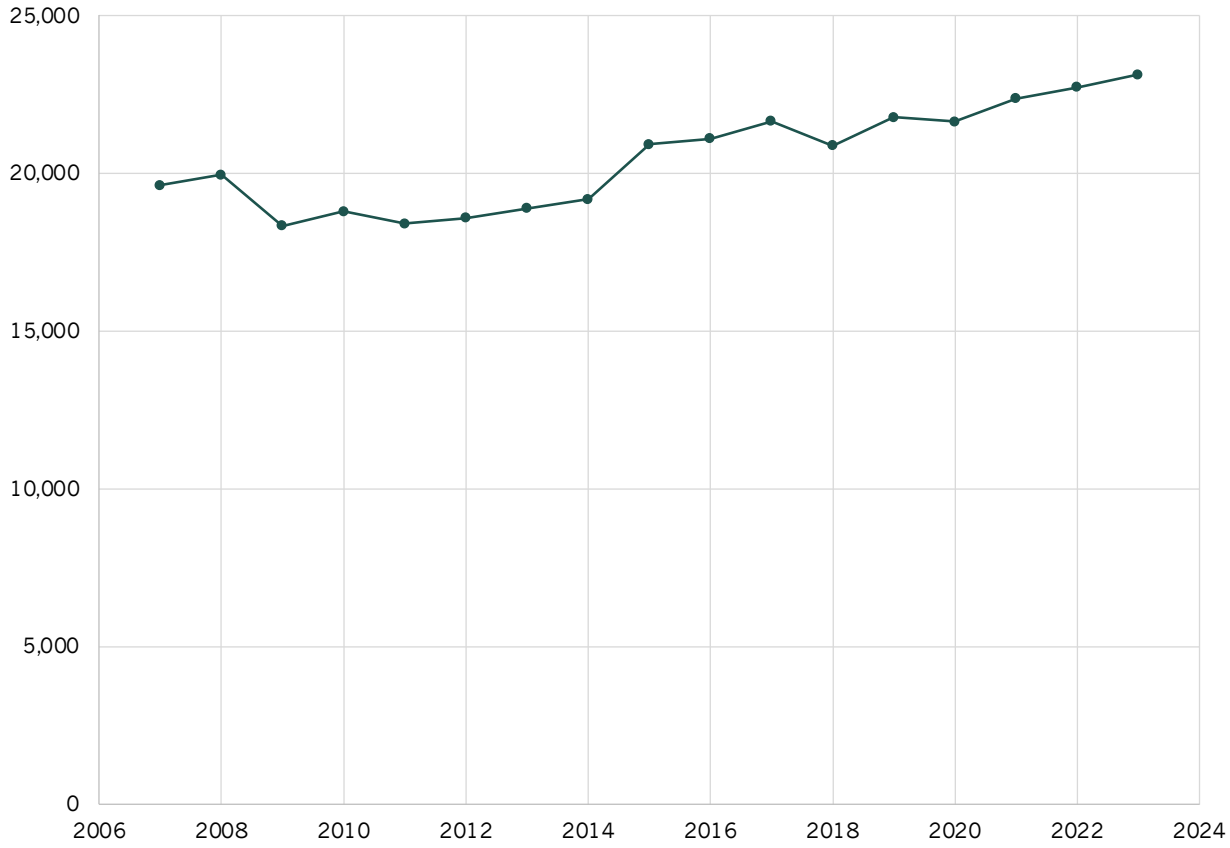
Exhibit 4. Change in Covered Employment, Wilsonville, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting	19	17	(2)	(0.7%)
Construction	1,008	3,010	2,002	7.1%
Manufacturing	4,225	3,719	(506)	(0.8%)
Wholesale Trade	2,424	3,318	894	2.0%
Retail Trade	1,663	2,125	462	1.5%
Transportation, Warehousing, and Utilities	1,501	864	(637)	(3.4%)
Information	130	78	(52)	(3.1%)
Finance and Insurance	297	172	(125)	(3.4%)
Real Estate and Rental and Leasing	304	233	(71)	(1.6%)
Professional, Scientific, and Technical Services	1,686	2,330	644	2.0%
Management of Companies and Enterprises	1,170	474	(696)	(5.5%)
Administrative, Support, Waste Management and Remediation	1,468	2,023	555	2.0%
Private Education	158	102	(56)	(2.7%)
Health Care and Social Assistance	1,029	989	(40)	(0.2%)
Arts, Entertainment, and Recreation	200	188	(12)	(0.4%)
Accommodation and Food Services	1,087	1,352	265	1.4%
Other Services and Public Administration	381	483	102	1.5%
Government	1,127	1,301	174	0.9%
Total	**19,877**	**22,778**	**2,901**	**0.9%**

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.[20]

Exhibit 5. Change in Covered Employment, Wilsonville, 2007 – 2023

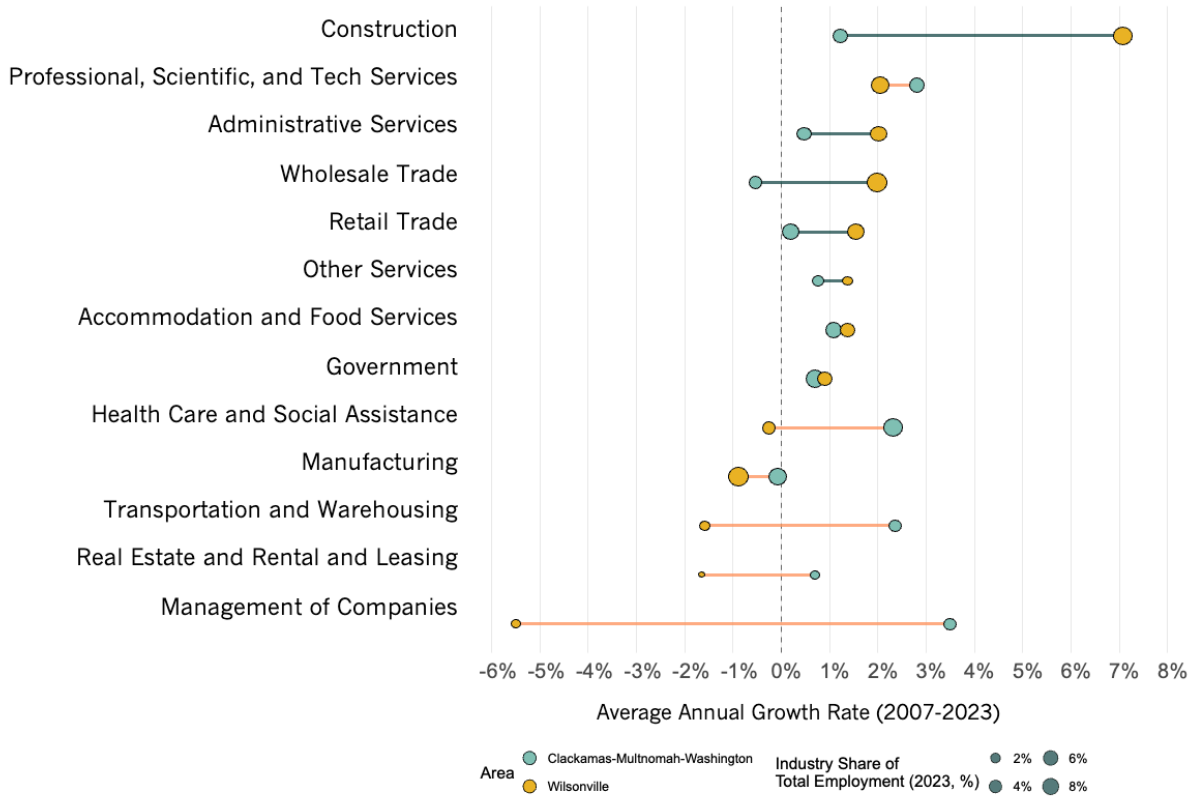


Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.

[20] Michael Bamesberger, "Stream Global Services to Relocate from Beaverton to Wilsonville," *The Oregonian/OregonLive*, March 26, 2013, https://www.oregonlive.com/wilsonville/2013/03/stream_global_services_to_relo.html.

Since 2007, Wilsonville's employment has grown at a pace similar to the broader Portland region. **Exhibit 6** shows that the composition of that growth, however, differs by industry. Construction jobs in Wilsonville more than tripled over this period, far outpacing the region's growth in the same sector. The City also saw notable gains in professional services, administrative services, and wholesale trade. Notably, while wholesale trade employment rose in Wilsonville, it declined across the broader Portland region. At the same time, several sectors that expanded across the Portland region, such as management of companies, transportation and warehousing, health care and social assistance, and real estate experienced declines within Wilsonville.

Exhibit 6. Change in Covered Employment, Wilsonville compared to the Portland Region, 2007 – 2023*



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.
*Exhibit only shows industries with greater than 200 employees in Wilsonville

Exhibit 7 summarizes covered employment in Wilsonville in 2023. The largest employment sectors were manufacturing (16% of employees), wholesale trade (15%), construction (13%), professional and technical services (10%), retail trade (9%), and administrative and support services (9%). The average annual wage across all employees was $78,235, slightly higher than the regional average.

Exhibit 7. Covered Employment and Average Pay by Sector, Wilsonville, 2023[21]

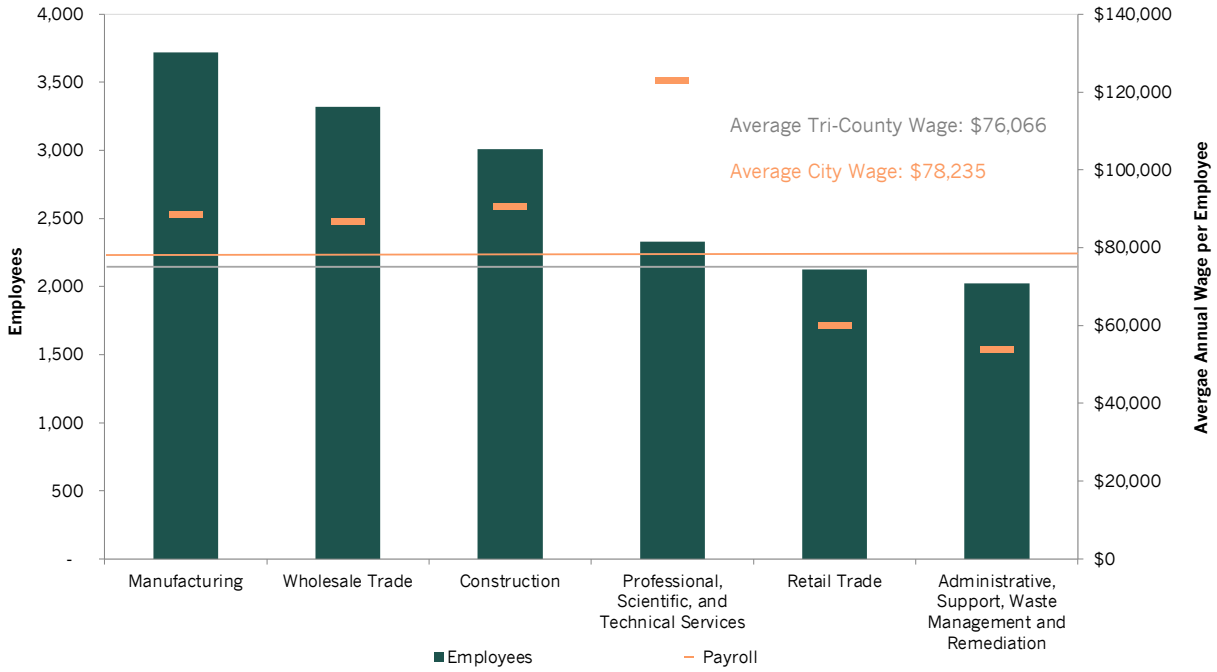
Sector	Employees	Payroll	Average Pay per Employee
Agriculture, Forestry, Fishing, and Hunting	17	$638,130	$37,537
Construction	3,010	$272,634,357	$90,576
Manufacturing	3,719	$329,017,787	$88,469
Wholesale Trade	3,318	$287,443,786	$86,632
Retail Trade	2,125	$127,210,907	$59,864
Transportation, Warehousing, and Utilities	864	$58,684,874	$67,922
Information	78	$9,193,644	$117,867
Finance and Insurance	172	$12,687,158	$73,763
Real Estate and Rental and Leasing	233	$16,287,329	$69,903
Professional, Scientific, and Technical Services	2,330	$286,426,416	$122,930
Management of Companies and Enterprises	474	$46,709,942	$98,544
Administrative, Support, Waste Management and Remediation	2,023	$108,715,935	$53,740
Private Education	102	$3,284,611	$32,202
Health Care and Social Assistance	989	$47,878,787	$48,411
Arts, Entertainment, and Recreation	188	$4,139,588	$22,019
Accommodation and Food Services	1,352	$39,210,617	$29,002
Other Services and Public Administration	483	$28,903,857	$59,842
Government	1,301	$102,958,420	$78,964
Total	**22,778**	**$1,782,026,145**	**$78,235**

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

[21] The following sectors were combined due to confidentiality of QCEW data: transportation and warehousing and utilities; other services and public administration

Exhibit 8 shows covered employment and average pay per employee for the six largest sectors in Wilsonville. These six sectors account for 73% 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 8. 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 9 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 9. 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%
Accomodation 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%**	**0.85%**

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.

This section provides a summary of market conditions in Wilsonville, which is described in detail in the subsequent sections.

Office: Office demand in Wilsonville is expected to remain limited in the near term. High vacancy rates, ongoing negative absorption[22], 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 10**) and the Portland region (see **Exhibit 11)**, 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 Chapter 4. Buildable Lands Inventory) 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.

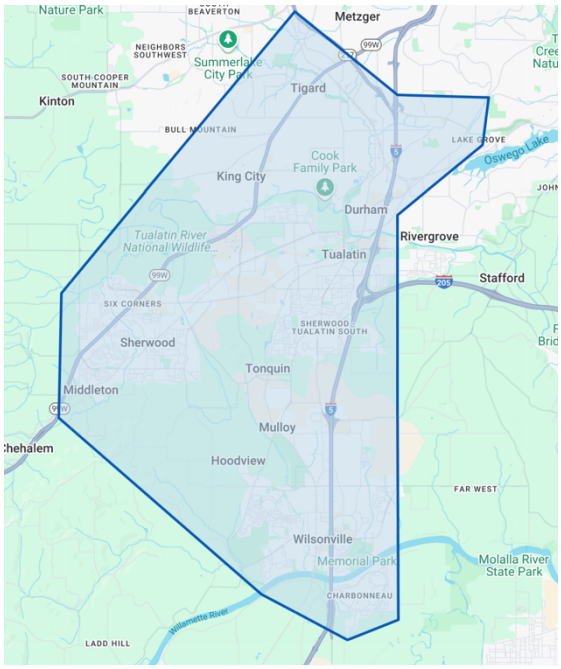
Industrial: Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of *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

[22] 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.

submarket has occurred in neighboring cities like Sherwood and Tualatin. Without more development-ready land, Wilsonville is likely to continue seeing new industrial investment occur where there are viable development sites.

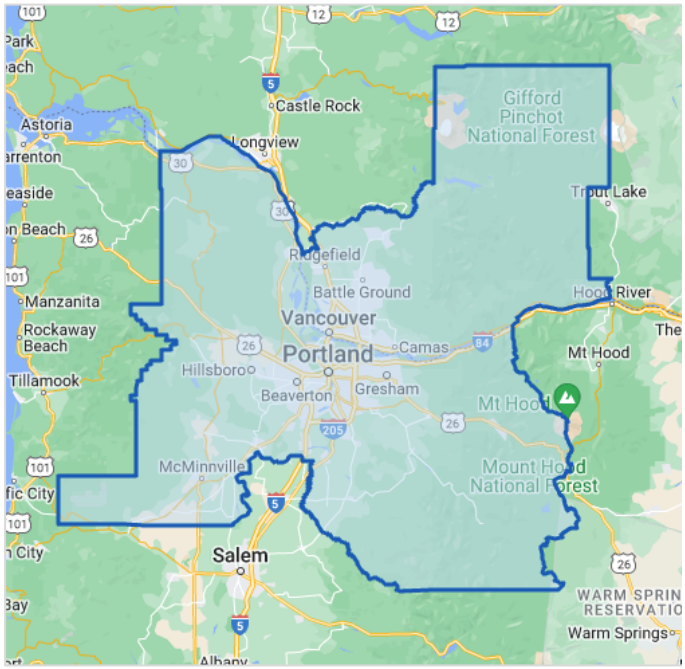
The remainder of this section provides detailed analysis of real estate trends in Wilsonville, the I-5 South submarket (**Exhibit 10)** and the broader Portland region (**Exhibit 11).**

Exhibit 10: I-5 South Submarket Boundary



Source: CoStar

Exhibit 11: Broader Portland Region CoStar Boundary



Source: CoStar

Commercial Market Trends

Broader Portland Regional Trends[23]

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.

[23] Portland Metro Regional trends based on Kidder Matthews, Portland Office Market Report Q4 2024

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, Eye Health Northwest, located at 29250 Southwest Town Center Loop West. This office building was about 30,000 square feet or roughly 2% of Wilsonville's total office space. Over the same time, the broader Portland region added a greater share (9%) of space to its office market.

Exhibit 12:Office Space Development Trends, 2015 to 2024

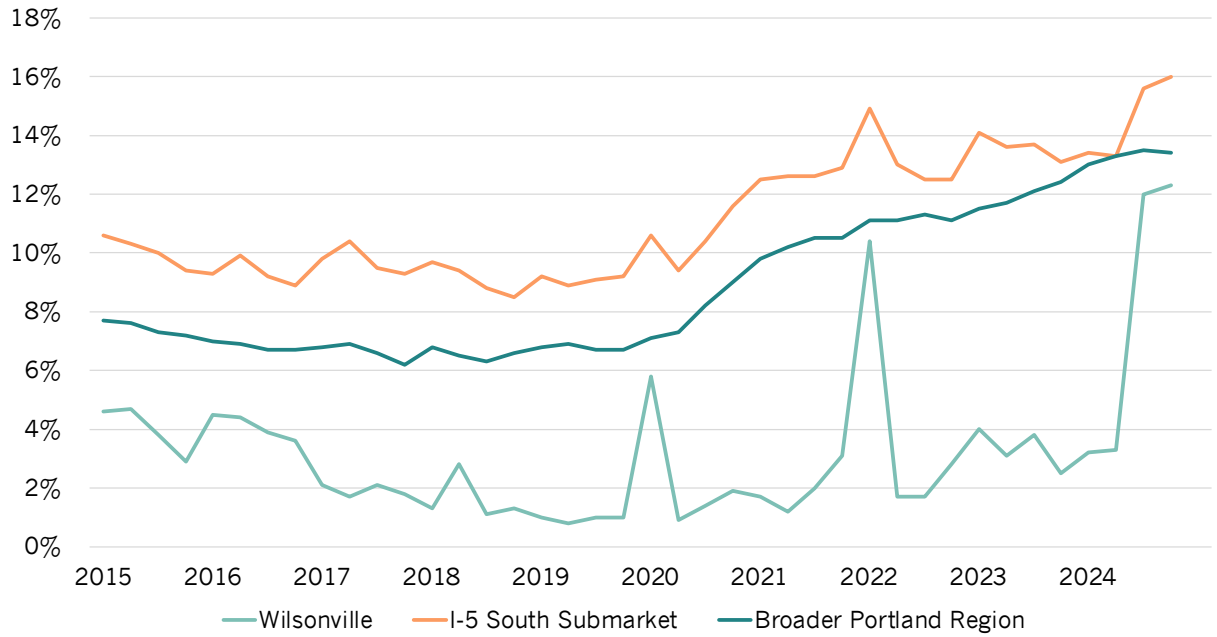
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL OFFICE DEVELOPMENT			
Broader Portland Region	6,268	120,279,588	19,199
I-5 South Submarket	484	8,975,567	18,545
Wilsonville	63	1,369,151	21,733
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	159	10,765,783	67,710
I-5 South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

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 is reflected in vacancy rate spikes in 2020, 2022, and 2024, when the vacancy rate spiked closer to the broader Portland regional average.

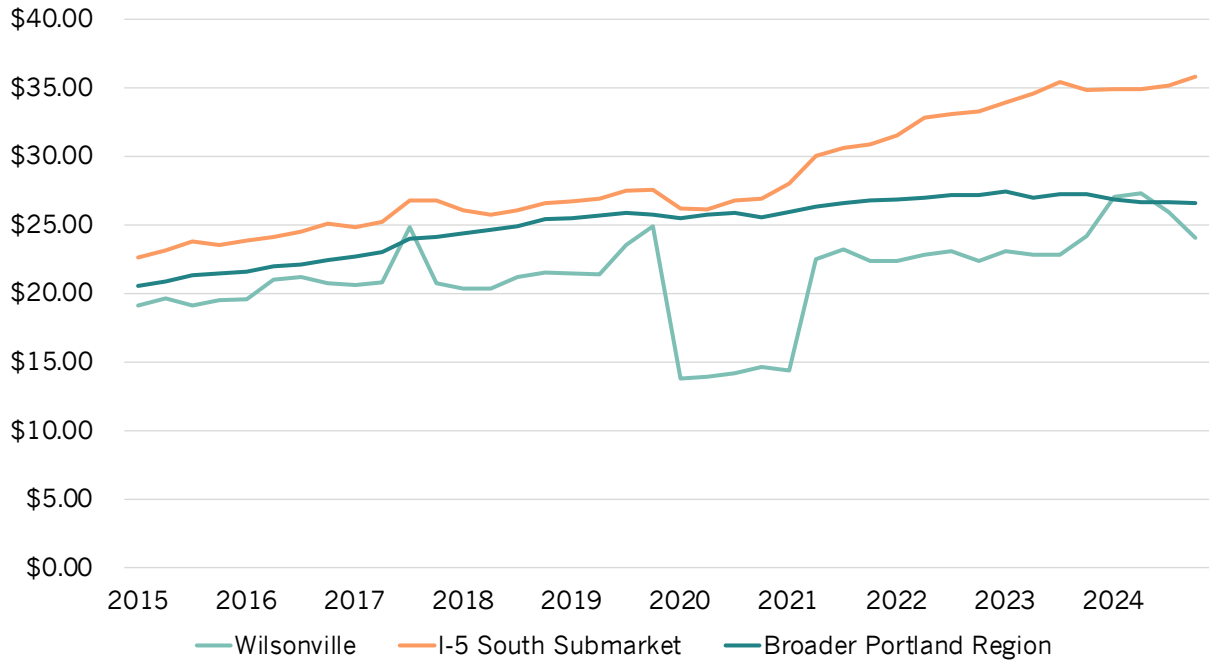
Exhibit 13: Office Vacancy Rate Trends, 2015-2024



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 14: 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 analysis 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 Chapter 4. Buildable Lands Inventory). Those spaces

currently vacant may fill in time but limited commercial land supply could constrain new office development in Wilsonville in the long term.

Broader Portland Regional Retail Trends[24]

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.

[24] Broader Portland regional trends based on Kidder Matthews, Portland Retail Market Report 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.

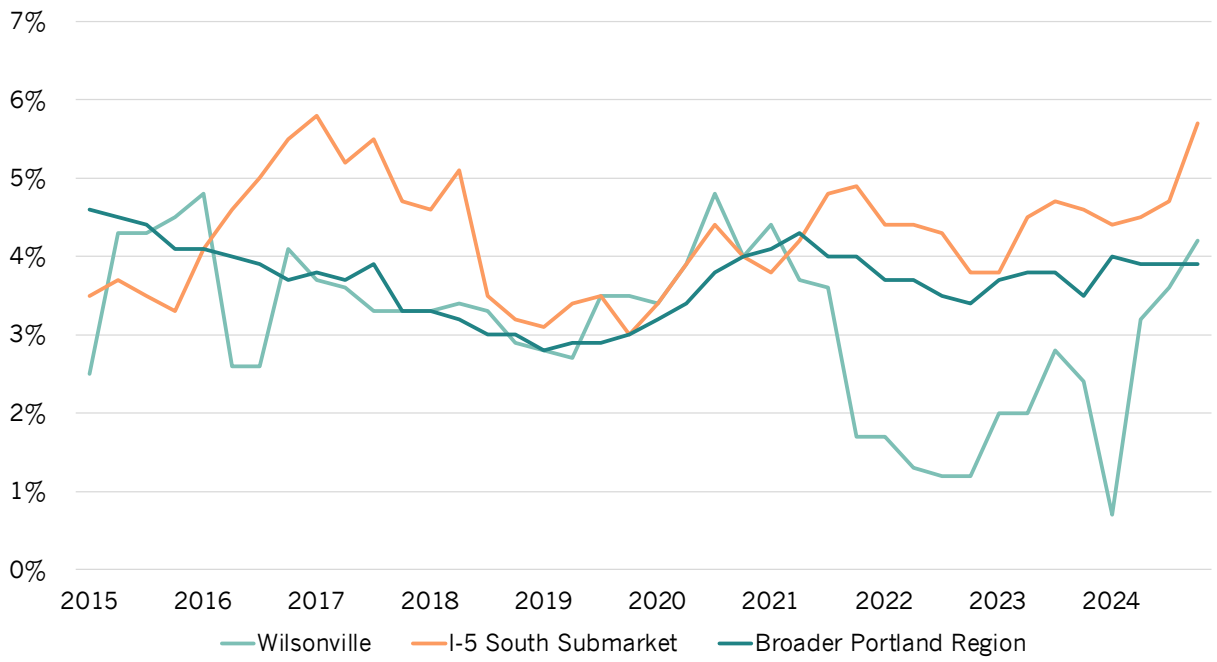
Exhibit 15: Retail Space Development Trends, 2015 - 2024

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

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.

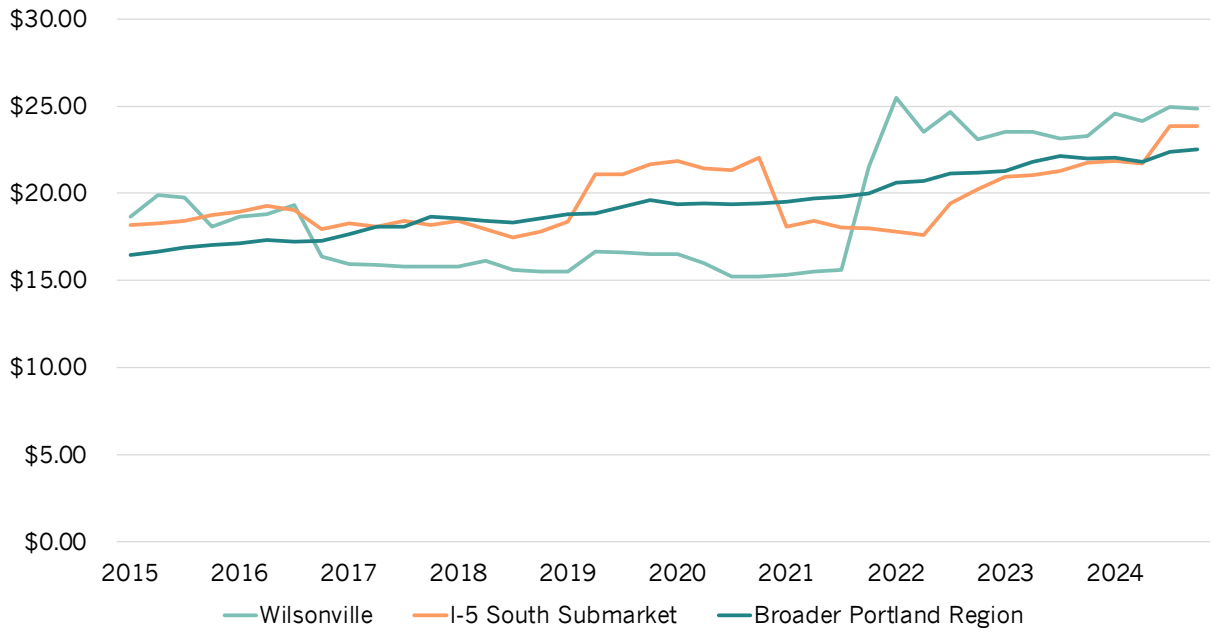
Exhibit 16: Retail Vacancy Rate Trends, 2015 - 2024



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 likely contributed to the growing lease rates. Wilsonville's rents were about $24.90 by the end of 2024.

Exhibit 17: 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 several 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

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]

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:

[25] CBRE, Q4 2024 Portland Industrial Market Update
[26] CBRE, Q4 2024 Portland Industrial Market Update
[27] CBRE, Q4 2024 Portland Industrial Market Update
[28] Cushman & Wakefield, Industrial Marketbeat Q2 2024 Portland Industrial Report

- **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.

[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% 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 development-ready industrial land in the City.

Exhibit 18: 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

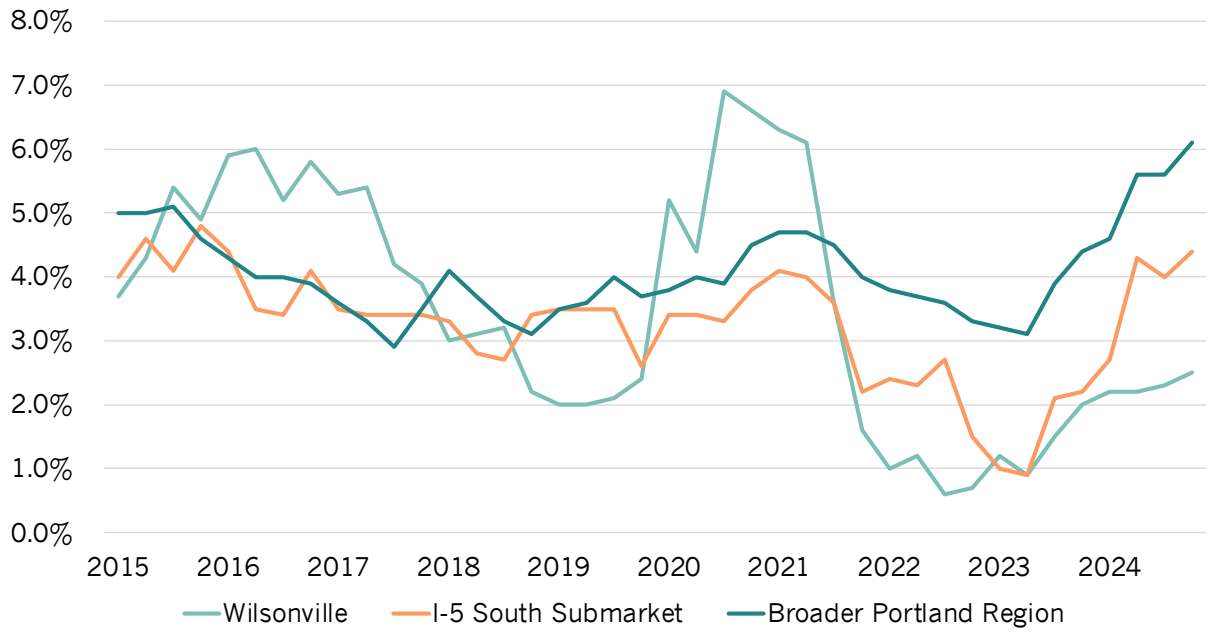
Source: CoStar, pulled February 2025

*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 20).** 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%.

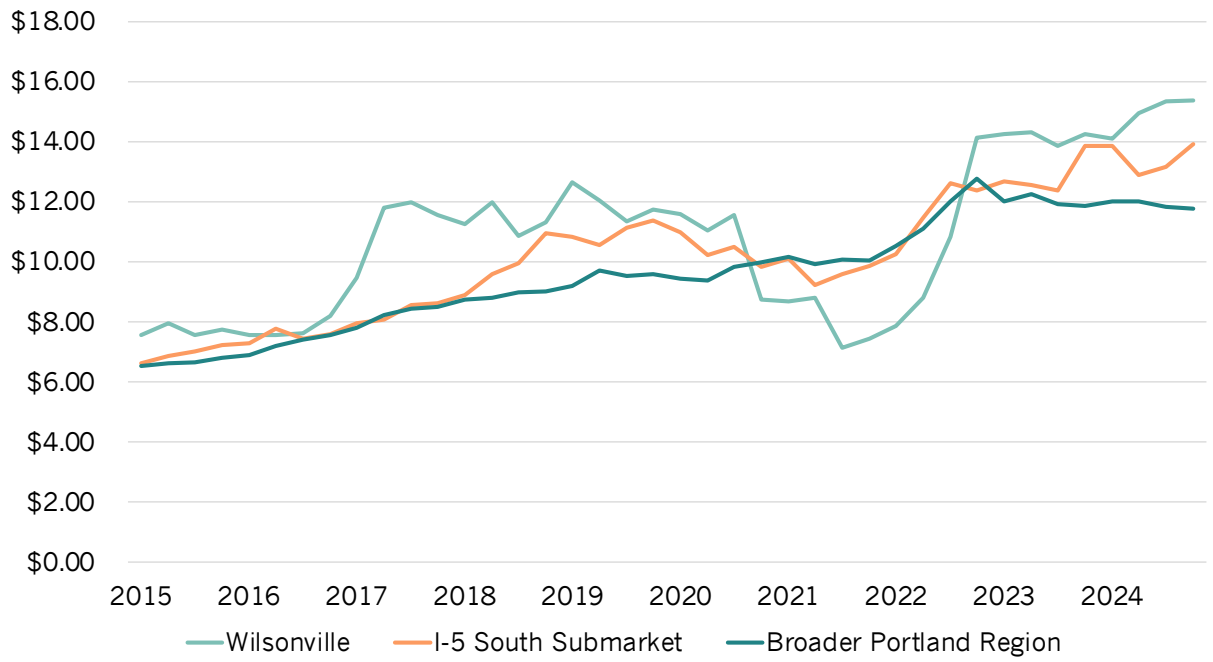
Exhibit 19: Industrial & Flex Vacancy Rate Trends, 2015-2024



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 20: Industrial & Flex Rents Trends, 2015-2024

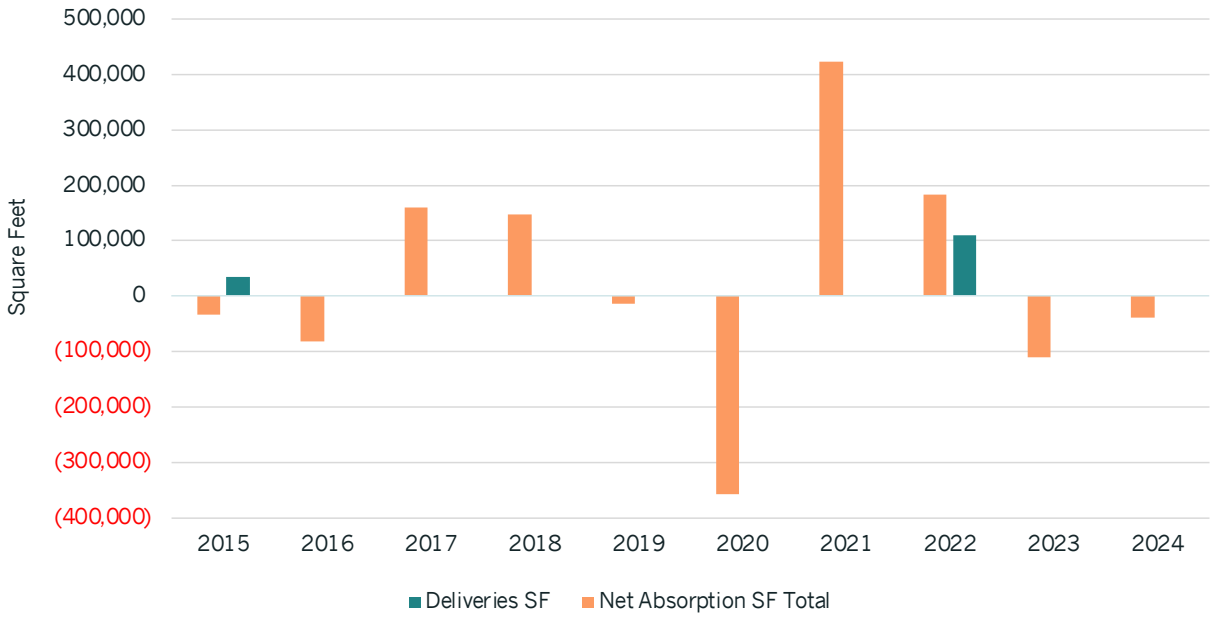


Source: CoStar, pulled February 2025

[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 21: 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% 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 22 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 22: 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%**

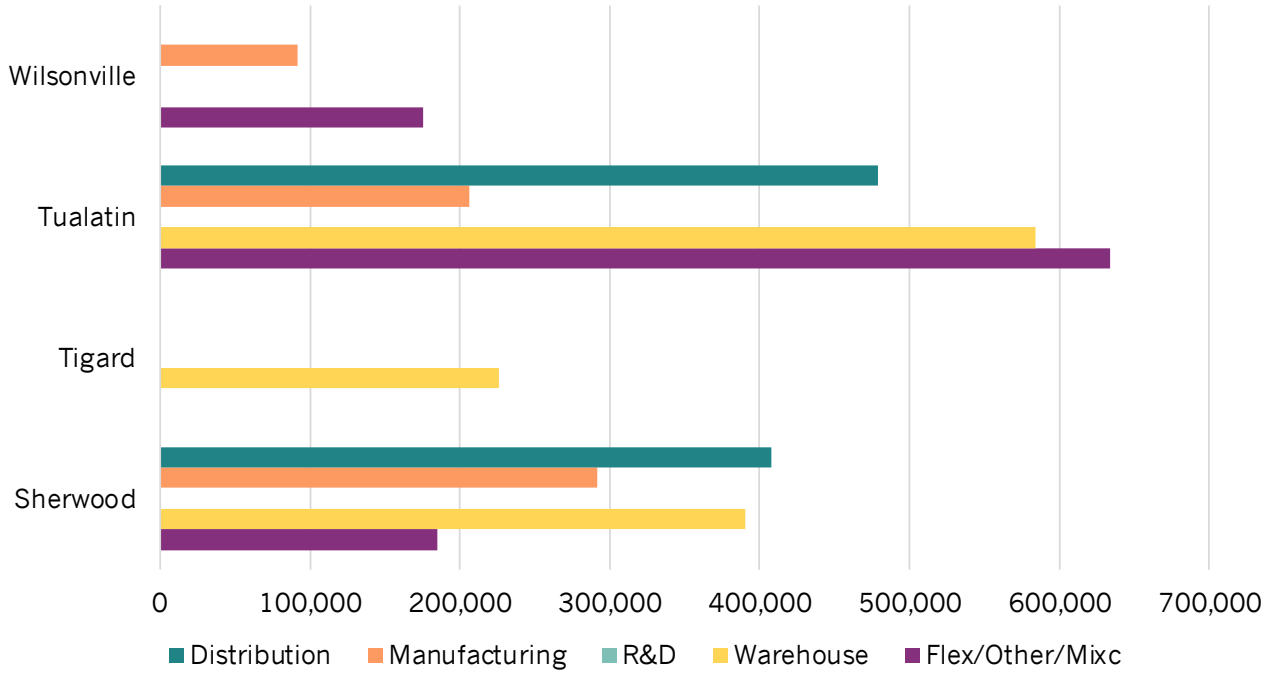
Source: CoStar, pulled August 2024

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 23. 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 in on industrial land, such as indoor recreation, medical buildings, religious institutions, and government uses.

Wilsonville's Competitive Advantages and Disadvantages

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 opportune 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 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 provides advantages for firms engaged in global trade by enabling tariff deferral, duty elimination on re-exports, and logistical efficiencies. This makes Wilsonville

[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.

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, Chemeketa Community College, Portland State University, **University of Portland**, 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 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 on Grahams Ferry Road. 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 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, as well as long lead times. Close coordination with Portland General Electric will be essential to ensure capacity is available.

- **Traffic and Congestion.** The I-5 corridor through Wilsonville experiences congestion from regional traffic, particularly during peak hours, which then backs up onto Wilsonville key arterials. Planned transportation improvements will help but may be years in coming. Ongoing regional 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 setting and limited mix of local amenities such as restaurants, shopping, and entertainment may make it harder to attract workers, particularly younger professionals in technology, creative, and knowledge-based fields. Strengthening live-work-play environments, like those envisioned in Town Center, will be key to maintaining the City's competitiveness for talent.

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 describes Wilsonville's water system, storm system, wastewater system, and transportation 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.

WATER

Wilsonville's primary drinking water source is treated water from the Willamette River. The Willamette River Water Treatment Plant has a total treatment capacity of 20 million gallons per day (mgd). Of that capacity, 13.3 mgd (two-thirds) is owned by the City of Wilsonville, and 6.7 mgd (one-third) is owned by the City of Sherwood. The City of Wilsonville also has eight groundwater wells that serve as a backup supply.

Wilsonville currently has sufficient water supply and treatment capacity to meet existing and future employment needs. The Water Distribution System Master Plan is

being updated to evaluate capacity and distribution improvements that will support continued growth within the Wilsonville. The next major expansion of the treatment plant, which will increase total capacity to 30 mgd, is planned for the 2035 to 2040 timeframe. This expansion will ensure long-term adequacy of the water system to serve both residential and employment growth.

There are no known water capacity limitations that would restrict new industrial or commercial development in the City over the 2026 to 2046 period.

WASTEWATER

Wilsonville's Wastewater Treatment Plant has a total treatment capacity of 4 mgd. The 2023 Wastewater Treatment Plant Master Plan evaluated the capacity of individual unit processes and identified those that may exceed capacity at buildout. Upgrades to those unit processes have been incorporated into the City's capital improvement program. The first phase, improvements to the aeration basins, is currently under design.

The City recently updated its System Development Charges (SDCs) to provide funding for these capacity improvements. A Wastewater Collection System Master Plan update is scheduled for completion by 2028, which will identify additional system improvements needed to serve future development.

There are currently no known wastewater capacity limitations that would prevent new industrial or commercial development. Planned improvements will ensure the system can support anticipated employment growth through 2046.

STORMWATER

The City updated its Stormwater Master Plan in 2024. The plan provides guidance for stormwater management and identifies system improvements to address capacity and conveyance needs. There are no known stormwater capacity issues that would limit employment growth.

TRANSPORTATION

Traffic congestion on the I-5, specifically the Boone Bridge, remains the most significant transportation challenge affecting Wilsonville. The bridge serves as a critical north–south connection between the Portland and Salem metropolitan areas, carrying regional commuter and freight traffic through the City. Peak-hour congestion creates recurring delays that impact both residents and businesses.

The Oregon Department of Transportation (ODOT) is leading the I-5 Boone Bridge Replacement Project to address these issues. The project will replace the existing bridge with a new, seismically resilient structure, add a southbound auxiliary lane

between the Wilsonville Road entrance and the OR 551 exit, make safety improvements at the Charbonneau interchange, and provide new walking and biking connections across the Willamette River. The project has completed the Planning and Environmental Linkages (PEL) study phase, positioning it to move forward once funding becomes available. Because the Boone Bridge is part of the state highway system, project implementation and timing are under ODOT's jurisdiction rather than the City's direct control.

Beyond the Boone Bridge corridor, Wilsonville's local transportation network is functioning well. The City actively monitors system performance and publishes a transportation performance monitoring report every three years to track progress toward its goals. Local facilities identified in the City's Transportation System Plan have adequate capacity to support planned employment and population growth, and improvements are being implemented as needed.

There are no additional transportation limitations currently identified that would restrict employment growth over the planning period.

3. Employment Growth and Site Needs

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 chapter presents an employment forecast and analysis of potential growth industries that build from recent economic trends.

Forecast of Employment Growth and Land Demand

Demand for industrial and commercial land in Wilsonville will be shaped by the expansion and relocation of existing businesses as well as the establishment of new ones. The employment projections in this section build on Wilsonville's current employment base and assume that future growth will align with the Oregon Employment Department's (OED) regional forecasts for the 2026–2046 period.

The employment forecast does not account for a major shift in employment that could occur if one or more large employers were to locate in Wilsonville during the planning period. Such a change would exceed the growth anticipated in the City's employment forecast and the associated land needs. This would be true not only for employment uses but also for housing, parks, and other community needs. While major economic events, such as the successful recruitment of a very larger employer, are difficult to incorporate into an Economic Opportunities Analysis, their implications are relatively predictable: increased demand for land (of all types) and for public services.

ECOnorthwest's approach to projecting demand for industrial and commercial land includes four steps:

1. **Establish base employment** – Begin with the estimate of covered employment in Wilsonville, as shown in **Exhibit 7.** Since covered employment does not include all workers, this number is adjusted to reflect total employment in the City.
2. **Project total employment** – Consider forecasts and other factors that may influence employment growth in Wilsonville over the 20-year planning horizon.
3. **Allocate employment** – Assign projected employment to various land use categories.

4. **Estimate land demand** – Calculate employment land demand based on projected growth and assumptions about future employment densities.

This methodology follows administrative rule requirements and incorporates input the Technical Advisory Committee (TAC) that guided this project.

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 employment[35] 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 22,778 covered employees in 2023 (see Exhibit 6 and Exhibit 24). 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. Bureau of Economic Analysis. This ratio was evaluated for each employment sector in Clackamas County, and the resulting figures were used to estimate the number of noncovered employees.

Based on this methodology, ECOnorthwest estimates that Wilsonville had approximately **32,332 total jobs** in 2023 **(Exhibit 24).** This estimate serves as the starting point for evaluating future employment growth and land needs.

[35] Covered employment includes employment covered by unemployment insurance.

Exhibit 24. Estimated Total Employment by Sector, Wilsonville City Limits and UGB Area*, 2023

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, Fishing, and Hunting	17	30	56%
Construction	3,010	3,917	77%
Manufacturing	3,719	4,043	92%
Wholesale Trade	3,318	3,977	83%
Retail Trade	2,125	2,834	75%
Transportation, Warehousing, and Utilities	864	1,965	44%
Information	78	118	66%
Finance and Insurance	172	438	39%
Real Estate and Rental and Leasing	233	1,748	13%
Professional, Scientific, and Technical Services	2,330	4,325	54%
Management of Companies and Enterprises	474	563	84%
Administrative, Support, Waste Management an	2,023	2,763	73%
Private Education	102	196	52%
Health Care and Social Assistance	989	1,187	83%
Arts, Entertainment, and Recreation	188	441	43%
Accommodation and Food Services	1,352	1,503	90%
Other Services and Public Administration	483	902	54%
Government	1,301	1,381	94%
Total	**22,778**	**32,332**	**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.
*See Exhibit 37 for a map of the planning area.

Employment Projection

The employment forecast covers the 2026 to 2046 period, requiring an estimate of total employment for Wilsonville in 2026. The base employment starts with the estimate of 32,332 total jobs in Wilsonville in 2023, shown in **Exhibit 24.**

Wilsonville does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9)(a) sets out some optional "safe harbors" that allow a City to determine employment land need.

Exhibit 25 presents four employment growth rate scenarios:

- Metro Urban Growth Report regional growth rate: 0.42% annual employment growth.
- Oregon Employment Department's (OED) regional growth rate: 0.85% annual employment growth.
- Wilsonville's historic employment growth rate (2007-2023): 0.86% annual employment growth.
- Wilsonville's Housing Needs and Capacity Analysis projected household growth rate (2024-2044): 1.2% annual growth.

The OED regional growth rate (0.85%) is the safe harbor option identified in OAR 660-024-0040(9)(a)(A).

Exhibit 25. 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) (0.86%)	HNCA Household Growth Rate (1.20%)
2026	32,741	33,165	33,168	33,509
2046	35,607	39,297	39,326	42,537
Change 2026 to 2046				
Employees	2,866	6,132	6,158	9,028
Percent	9%	18%	19%	27%
Growth Rate	0.42%	0.85%	0.86%	1.20%

Source: ECOnorthwest

The City selected a forecast based on the regional employment growth rate of 0.85% average annual growth, consistent with the safe harbor in OAR 660-024-0040(9)(a). This safe harbor allows the City to assume that the current number of jobs in Wilsonville will grow at the same rate as the regional employment growth rate from the most recent Oregon Employment Department forecast.[36]

Exhibit 26 shows projected employment growth in Wilsonville from 2026 to 2046, assuming an average annual growth rate of 0.85%. By 2046, Wilsonville is expected to have 39,297 employees which is an increase of 6,132 employees, or 18%, over the 20-year period.

This forecast assumes employment growth is also consistent with Wilsonville's historical rate. It is faster than the regional growth rate in Metro's Urban Growth Report but slower than the City's projected household growth rate. The projection represents a modest and realistic pace of expansion that aligns with statewide and national trends of slower employment growth. It also reflects Wilsonville's role as a regional employment center that may grow faster than the broader Portland region because of its concentration of industrial land.

In the near term, growth over the next five to ten years is expected to occur more gradually as much of Wilsonville's industrial land is not yet development-ready and will require additional infrastructure investment. Commercial growth will depend on redevelopment opportunities in Town Center and the reuse of large vacant commercial properties such as the former Albertsons and Regal Cinema sites. It may also depend on future policy changes that allow underutilized industrial land to support a broader mix of commercial uses.

Exhibit 26. Employment Growth in Wilsonville, 2026-2046

Year	Total Employment
2026	33,165
2046	39,297
Change 2025 to 2045	
Employees	6,132
Percent	18%
Growth Rate	0.85%

Source: ECOnorthwest

[36] During the EOA process, ECOnorthwest used the OED forecast rates for the 2023-2033 period.

Allocate Employment to Different Land Use Types

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in Wilsonville will look for a variety of site characteristics, depending on the industry and circumstances. ECOnorthwest grouped employment into four broad categories of land use based on the North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.[37]

Exhibit 27 shows the expected share of employment by land use type in 2026 and the forecast of employment growth by land use type in 2046 in Wilsonville. The results assume that the share of employment in each category will remain the same.

Exhibit 27. Forecast of Employment Growth by Land Use Type, Wilsonville UGB, 2026–2046

Land Use Type	2026		2046		Change
	Employment	% of Total	Employment	% of Total	2026 to 2046
Industrial	14,292	43%	16,934	43%	2,642
Retail Commercial	2,907	9%	3,445	9%	538
Office & Commercial Services	14,549	44%	17,239	44%	2,690
Government	1,417	4%	1,679	4%	262
Total	**33,165**	**100%**	**39,297**	**100%**	**6,132**

Source: ECOnorthwest
Note: The shaded percentages denote an assumption about the future share of employment (as a percent of total) by land use type.

Estimate of Demand for Commercial and Industrial Land

This section shows demand for vacant (including partially vacant) land in Wilsonville over the 20-year period. The assumptions used in this analysis are:

- **Employment density**. Employment density, measured as employees per net acre, reflects the ratio of the number of employees to the amount of developed employment land.

  Based on an empirical evaluation of commercial and industrial zones in the City that are at or near buildout, this study assumes an average of 8.9 employees per acre for industrial land and 33.1 employees per acre for commercial land **(Exhibit 28).** Actual densities vary by specific use; for

[37] Industrial employment includes construction and agriculture; manufacturing; transportation and warehousing; and wholesale trade. Retail commercial is retail trade. Office and commercial includes information; finance and insurance; real estate; professional services; management of companies; administrative support and waste management; educational services; healthcare and social assistance; recreation; accommodation and food services; and other services. Government includes all employment at federal, state, local, and other governmental agencies.

example, a two-story commercial building may have a higher density, while a convenience store with a large parking lot may have a lower density. Using an average helps account for these variations.

- **Conversion from net to gross acres**. Employment density data is expressed in *net* acres, which exclude land for public rights-of-way. Future employment land needs should include both the land within tax lots for employment use and the land required for public rights-of-way. One way to estimate this total is to convert *net* acres to *gross* acres based on assumptions about the share of land dedicated to rights-of-way. [38] This conversion is expressed as the percentage of gross acres occupied by rights-of-way.

  Based on an empirical evaluation of Wilsonville's existing net-to-gross ratios in areas designated for and developed with industrial and commercial uses, ECOnorthwest applied a net-to-gross conversion factor of 8% for industrial land and 13% for commercial land.

Using these assumptions, the forecasted growth of 6,132 new employees will result in the following demand for vacant (and partially vacant) employment land: 321 gross acres of industrial land and 110 gross acres of commercial land.[39]

Exhibit 28. Demand for Vacant Land to Accommodate Employment Growth, Wilsonville, 2026–2046

Land Use Type	New Employment	Employees per Net Acre	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	2,642	8.9	297	321
Commercial and Retail	3,228	33.1	97.5	110
Total	**5,870**	**-**	**395**	**431**

Source: ECOnorthwest

[38] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

[39] Government employment is not included when discussing employment land demand since growth in government employment does not result directly in need for more land for public uses. For instance, schools require land based on expected growth of students in the school district or replacement of existing schools, rather than as a result of growth in government employment. Local or regional governments may grow and continue to occupy existing built space or may need land based on factors other than employment growth. In addition, government employment locates in a range of zones, including commercial, residential, public, and other zones.

Target Industries

Wilsonville's economy benefits from several advantages that help attract and support a diverse mix of industries. The City's location along I-5 at the southern edge of the Portland metro area provides easy access to the broader region, Oregon's Mid-Valley, and national and international markets through nearby highway, rail, port, and air connections. Employers can draw from a large and skilled labor force across both regions, offering a strong pool of educated workers.

Wilsonville also has vacant industrial land, including potentially large sites (if aggregated) in Basalt Creek and Coffee Creek that are recognized regionally as key areas for future employment growth. These assets, combined with the City's high quality of life, well-planned neighborhoods, parks, and community amenities, help attract and retain businesses and workers.

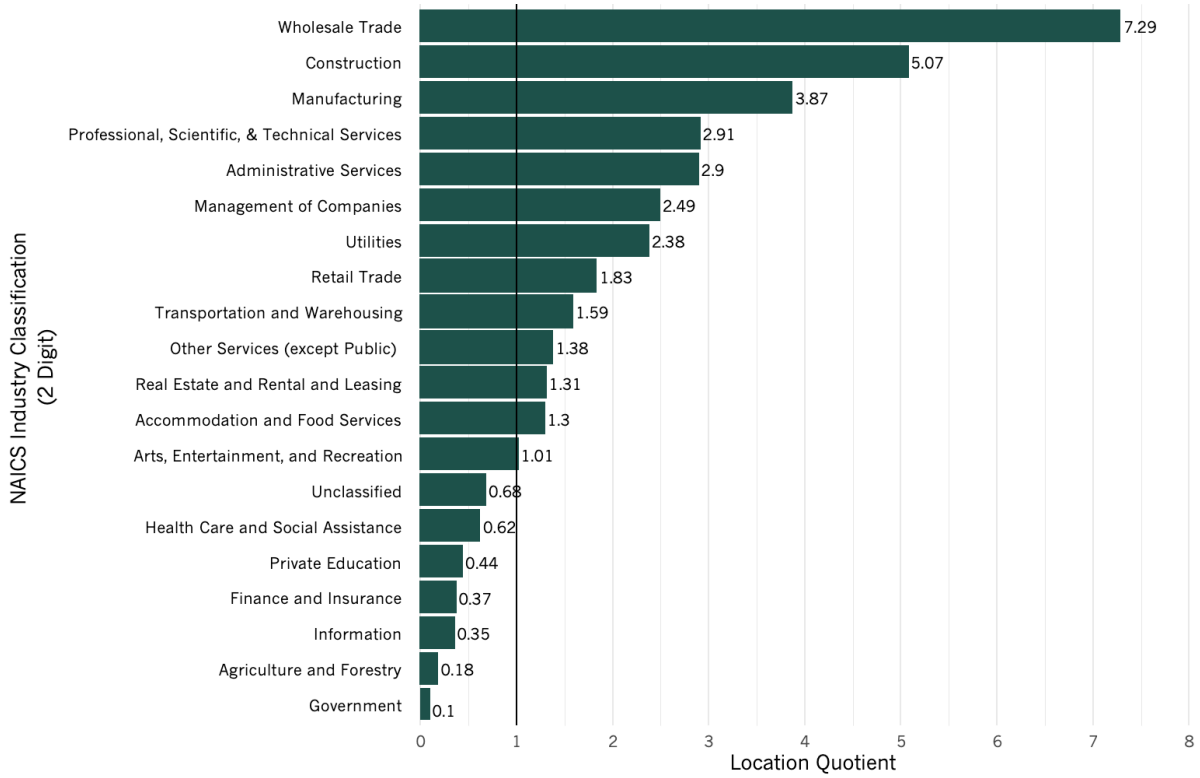
Together, these advantages have shaped an employment base with strong concentrations in wholesale trade (LQ 7.29), construction (LQ 5.07), and manufacturing (LQ 3.87), which are industries that provide higher-than-average wages.[40] For example, an LQ of 7.29 indicates that wholesale trade employment in Wilsonville is more than seven times higher than the national average. The City also shows notable specialization in professional services, administrative services, and management services, each with an LQ greater than 2.0.

By contrast, sectors such as healthcare and social assistance (LQ 0.62), educational services (LQ 0.44), finance and insurance (LQ 0.37), and information (LQ 0.35) have much lower concentrations, indicating these sectors are underrepresented in Wilsonville compared to the national average.

Exhibit 29 shows employment concentration by broad industry (2-digit NAICS) in Wilsonville compared with the United States in 2023. **Exhibit 30** provides additional detail at the 3-digit NAICS level, highlighting industries with above-average wages (light green), strong employment levels, and high location quotients that signal competitive advantage. Specialized industries in manufacturing, wholesale trade, and construction stand out as core drivers of the City's economy.

[40] A location quotient (LQ) of 1.0 indicates that the industry's share of local employment matches the U.S. average. Industries with higher concentration have more employment in Wilsonville than the national average, indicating a strength in employment in that industry. Typically, a LQ of 1.25 or greater indicates a specialization within that industry.

Exhibit 29. Employment Concentration by Industry, Wilsonville Compared to the U.S., 2023



Source: Oregon Employment Department and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023

Exhibit 30. Concentration of Industries and Employment, Wilsonville, 2023

	High Employment (250 employees or more)	Low Employment (at least 50 employees)
▪ High Location Quotient	▪ Computer and Electronic Product Manufacturing ▪ Nonmetallic Mineral Product Manufacturing ▪ Merchant Wholesalers, Nondurable Goods ▪ Electrical Equipment, Appliance, and Component Manufacturing ▪ Machinery Manufacturing ▪ Specialty Trade Contractors ▪ Heavy and Civil Engineering Construction ▪ Motor Vehicle and Parts Dealers ▪ Merchant Wholesalers, Durable Goods ▪ Fabricated Metal Product Manufacturing ▪ Construction of Buildings ▪ Truck Transportation ▪ General Merchandise Retailers ▪ Profession, Scientific, and Technical Services ▪ Administrative and Support Services ▪ Management of Companies and Enterprises ▪ Nursing and Residential Care Facilities ▪ Accommodation	▪ Wholesale Trade Agents and Brokers ▪ Waste Management and Remediation Services ▪ Transit and Ground Passenger Transportation ▪ Plastics and Rubber Products Manufacturing ▪ Utilities ▪ Paper Manufacturing ▪ Rental and Leasing Services ▪ Religious, Grantmaking, Civic, Professional, and Similar Organizations ▪ Miscellaneous Manufacturing ▪ Support Activities for Transportation ▪ Amusement, Gambling, and Recreation Industries ▪ Repair and Maintenance ▪ Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers
Low Location Quotient	▪ Food Services and Drinking Places ▪ Ambulatory Health Care Services	▪ Warehousing and Storage ▪ Food Manufacturing ▪ Real Estate ▪ Health and Personal Care Retailers ▪ Personal and Laundry Services ▪ Food and Beverage Retailers ▪ Gasoline Stations and Fuel =Dealers ▪ Credit Intermediation and Related Activities ▪ Educational Services ▪ Social Assistance

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.
Note: Green highlighting indicates higher than Wilsonville's average wage.

Potential Growth Industries

An analysis of potential growth industries in Wilsonville considers two core questions: (1) *Which industries are most likely to be attracted to Wilsonville?* and (2) *Which industries best support Wilsonville's economic development goals?* The selection of growth industries is informed by the City's economic development objectives, current economic conditions in Wilsonville and the broader Portland Metro region, and Wilsonville's competitive position.

The industries identified as having potential for growth in Wilsonville are:

- **Manufacturing.** Manufacturing is a cornerstone of Wilsonville's economy, accounting for roughly **16% of total covered employment in 2023**, with average annual wages well above the citywide average. The City's location along I-5, access to a skilled regional workforce, and proximity to existing industrial areas create advantages for manufacturers seeking efficient supply chain and distribution connections. Existing manufacturing industries with strong concentrations and high levels of employment include:
  - Computer and electronic products manufacturing
  - Nonmetallic mineral products manufacturing
  - Electrical equipment and components manufacturing
  - Machinery manufacturing
  - Fabricated metal product manufacturing

  Demand for manufacturing is expected to remain strong over the next two decades, driven by national and regional trends such as reshoring of production, growth in advanced manufacturing technologies, and public and private investments in sectors like semiconductors and clean technology. Rising transportation costs, the desire for supply chain resilience, Wilsonville's location at the southern part of the Portland region, Wilsonville's supply of industrial land, and Oregon's skilled labor pool further position Wilsonville to capture a share of this growth.

  The ability to sustain and grow this sector will depend on the City's capacity to assemble large, contiguous parcels and to provide the necessary infrastructure, particularly transportation, water, wastewater, and power, to support high-intensity manufacturing operations. Phase 1 of the Wilsonville Industrial Land Readiness project identified specific growth opportunities in semiconductor supply chain industries, clean technology (cleantech) such as renewable energy and sustainable manufacturing solutions, and other advanced manufacturing niches. These industries align with national and

regional investment trends and can build on Wilsonville's existing industrial base to deliver high-wage, traded-sector jobs.

- **Wholesale Trade.** Wilsonville has an established concentration of wholesale trade businesses, including both durable and nondurable goods. These firms benefit from the City's location along I-5 and its central position between the Portland metro and Mid-Valley regions, allowing efficient service to multiple markets. Wholesale trade in Wilsonville is closely tied to the City's manufacturing base, supplying inputs and moving finished products to market. While population growth in the region may be more limited in the future, demand for wholesale activity is expected to remain stable, supported by business-to-business transactions and regional supply chain needs. Continued success in this sector will depend on the availability of sites that can accommodate operational needs while managing the challenges of congestion on I-5, which affects the efficiency of freight movement.
- **Professional, Scientific, and Technical Services.** Although the office market is adjusting to hybrid work trends, there is ongoing demand for specialized professional and technical services, particularly those that support the City's industrial and traded-sector base. This category encompasses a wide range of activities, including professional consulting, engineering, scientific research, testing, and advanced technology services. In Wilsonville, it includes both traditional office-based firms and innovation-oriented businesses such as life sciences and R&D operations that often locate near industrial clusters. Future growth is most likely in flexible, smaller-scale office or lab-flex spaces located near industrial areas or in mixed-use environments such as Town Center.
- **Local Services and Retail.** As Wilsonville's population and employment base grow, demand will increase for a variety of resident-serving businesses. These include retail stores, restaurants, medical and dental offices, childcare providers, personal services, and other neighborhood-oriented establishments. Such services contribute to quality of life, provide everyday convenience, and support the City's attractiveness as a place to live and work.

  Services for residents also present opportunities for entrepreneurship and small business development. The City has expressed particular interest in attracting small-scale, distinctive retailers and restaurants that can help differentiate Wilsonville's commercial areas, especially in Town Center, from those in surrounding communities. While many of these businesses are locally serving and offer lower average wages than traded-sector industries, they play a vital role in meeting community needs and fostering a vibrant local economy.

Site Needs for Potential Growth Industries

OAR 660-009-0015(2) requires the EOA to "identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses." The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

OAR 660-009-0015(2) does state that "industrial or other employment uses with compatible site characteristics may be grouped together into common site categories." The rule suggests, but does not require, that the City "examine existing firms in the planning area to identify the types of sites that may be needed." For example, site types can be described by (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Wilsonville groups its future employment uses into categories based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

The potential growth industries described in the prior section are a mixture of business sizes, which will require a mixture of site sizes. **Exhibit 31** shows the typical site needs for industrial businesses in Oregon.

Exhibit 31. Industrial Development Competitiveness Matrix, Business Oregon

INDUSTRY SECTOR	SITE SIZE (ACRES)	SITE TOPOGRAPHY (SLOPE)	TRIP GENERATION (ADT/ACRE)	SITE ACCESS (MAX DISTANCE IN MILES TO INTERSTATE OR MAJOR ARTERIAL)	RAILROAD OR PORT ACCESS	ELECTRICITY REQUIREMENTS
Clean-Tech Manufacturing	5-100+	0-5%	40 to 80	w/in 10	Preferred	4-6 MW
Heavy Industrial/Manufacturing	10-100+	0-5%	40 to 60	w/in 10	Preferred	2 MW
Food Processing	5-25+	0-5%	50 to 65	w/in 30	Preferred	2-6 MW
Advanced Manufacturing & Assembly	5-25+	0-7%	30 to 60	w/in 15	Not Required	1-2 MW
General Manufacturing	5-15+	0-5%	30 to 50	w/in 20	Preferred	0.5 MW
Business Park and R&D Campus	20-100+	0-7%	60 to 150	N/A	Preferred	0.5-1.5 MW
Business Admin Services	5-15+	0-12%	170 to 180	N/A	Not Required	0.5 MW
Regional Warehouse/Distribution	20-100+	0-5%	20 to 80	w/in 5 (only interstate or equivalent)	Preferred	1 MW
Local Warehouse / Distribution	10-25+	0-5%	20 to 80	w/in 5 (only interstate or equivalent)	Preferred	1 MW
UAV Manufacturing/Research	10-25+	0-7%	30 to 50	N/A	Not Required	0.5 MW
Data Center	10-50+	0-7%	20 to 30	w/in 30	Avoid / Not Required	5-100 MW
Rural Industrial	10-50+	0-5%	30 to 50	w/in 60	Preferred	1 MW

Source: Business Oregon, Infrastructure Finance Authority, "Industrial Development Competitiveness Matrix." Note: Items identified as "preferred" are those that increase the feasibility of the subject property and its future reuse. Items identified as "required" are factors seen as mandatory in many cases and have become industry standards.

Potential growth industries in Wilsonville will require a variety of building and site types depending on their operational needs, ranging from existing multi-tenant industrial space to large, development-ready sites for single users or business parks. Manufacturing and other industrial businesses likely to locate in Wilsonville will have diverse space needs, ranging from:

- **Existing industrial and flex space.** Most of the demand is for space in existing industrial or flex buildings that can accommodate immediate occupancy. These spaces typically serve small and mid-sized businesses, such as suppliers, logistics firms, manufacturers, and service providers, that benefit from shared facilities, lower upfront costs, and proximity to arterial corridors and other industrial users.
- **Small-scale development sites (1 to 5 acres).** Small-scale sites are typically occupied by contractors, specialized manufacturers, and service-oriented businesses that want ownership of their building and yard space. Development is usually owner-driven or by small developers constructing single buildings. These projects often feature limited office space with outdoor storage or yard areas and need convenient access to major roads and utilities.
- **Mid-sized development sites (5 to 25 acres).** Mid-sized sites accommodate larger industrial users or single-tenant buildings developed for manufacturing, assembly, or distribution. These sites can also support smaller industrial parks with multiple buildings and tenants. These sites generally require strong highway access and high-capacity infrastructure such as water, wastewater, and power to support a range of business operations.
- **Large industrial or manufacturing sites (25 acres or more).** Large-scale users, including manufacturers, logistics centers, or industrial business park and research campuses, require sites of 25 acres or more that are fully serviced and have direct access to the regional transportation network. These properties are typically developed as single-user, build-to-suit projects or as master-planned business parks designed to accommodate multiple large users. They require substantial infrastructure capacity and strong highway access. Given infrastructure and land-readiness constraints, these sites are limited in Wilsonville and throughout the region.

Commercial development in Wilsonville includes a broad mix of uses such as retail stores, restaurants, entertainment venues, offices, personal and professional services, and hospitality establishments. These businesses depend on locations with convenient access to customers, nearby neighborhoods, and other businesses. Much of Wilsonville's opportunity for new commercial development lies in the redevelopment and reuse of existing commercial properties.

- **Space in existing buildings (multi-tenant and standalone).** Many retail, restaurant, office, and service-oriented businesses prefer space in existing shopping centers, mixed-use developments, or other multi-tenant buildings. Some users, such as grocery stores, fitness centers, offices, and larger restaurants, occupy standalone buildings developed on individual sites or as part of larger centers.
- **Land for custom development (1 to 5 acres).** A smaller number of businesses, including hotels, larger retailers, larger restaurants, medical or professional offices, and auto-related services, require land for a purpose-built facility. These users typically seek one- to five-acre sites in areas with strong transportation access and available infrastructure to support higher customer traffic.

4. Buildable Lands Inventory

The **Buildable Lands Inventory (BLI)** identifies commercial and industrial lands available for employment-related development within the Wilsonville area. This area includes the City limits and Wilsonville's City limits and Wilsonville's portion of the Metro UGB.[41]

The inventory is sometimes characterized as the *supply* of land available to support future employment growth. The amount of land needed to accommodate anticipated growth, often referred to as *demand* for land, depends on the type of employment-related development and other factors.

This section summarizes the results of the commercial and industrial buildable lands inventory for the Wilsonville City limits and UGB area. The analysis, conducted by ECOnorthwest, is based on GIS data from the City of Wilsonville, Metro, and the State of Oregon. City staff reviewed the findings.

The BLI process includes the following steps:

1. Generate Study Area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify the inventory results
5. Tabulate and map results

The remainder of this section presents the results of the BLI in both tabular and map formats. Appendix A provides a detailed explanation of the inventory methodology.

[41] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the City.

Land Base

The land base for the BLI includes all tax lots within the Wilsonville City limits and UGB area that fall under comprehensive plan designations that allow for employment. **Exhibit 32** provides a breakdown of the land base by Wilsonville Comprehensive Plan designation within Wilsonville.

Exhibit 32. Employment Land Base by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
Commercial	297	32%	224	8%
Industrial	526	56%	1,819	63%
Town Center	57	6%	136	5%
Public	33	4%	480	17%
Undesignated	24	3%	216	8%
Total	**937**	**100%**	**2,876**	**100%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis because several tax lots have multiple plan designations on the tax lot.

Buildable Area Status

Exhibit 33 summarizes the total acres of commercial and industrial tax lots, classified by buildable area status. ECOnorthwest used a rule-based classification (described in Appendix B) to determine the initial development status. These classifications were then confirmed through a series of reviews by ECOnorthwest and City staff, based on local knowledge and review of aerial maps.

Exhibit 33. Employment Acres by Classification and Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Acres	Developed Acres	Constrained Acres	Buildable Acres
Commercial	224	194	25	4
Industrial	1,819	1,005	506	308
Town Center	136	125	2	9
Public	480	336	144	0.1
Undesignated	216	67	104	45
Total	**2,876**	**1,729**	**782**	**366**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Development Constraints

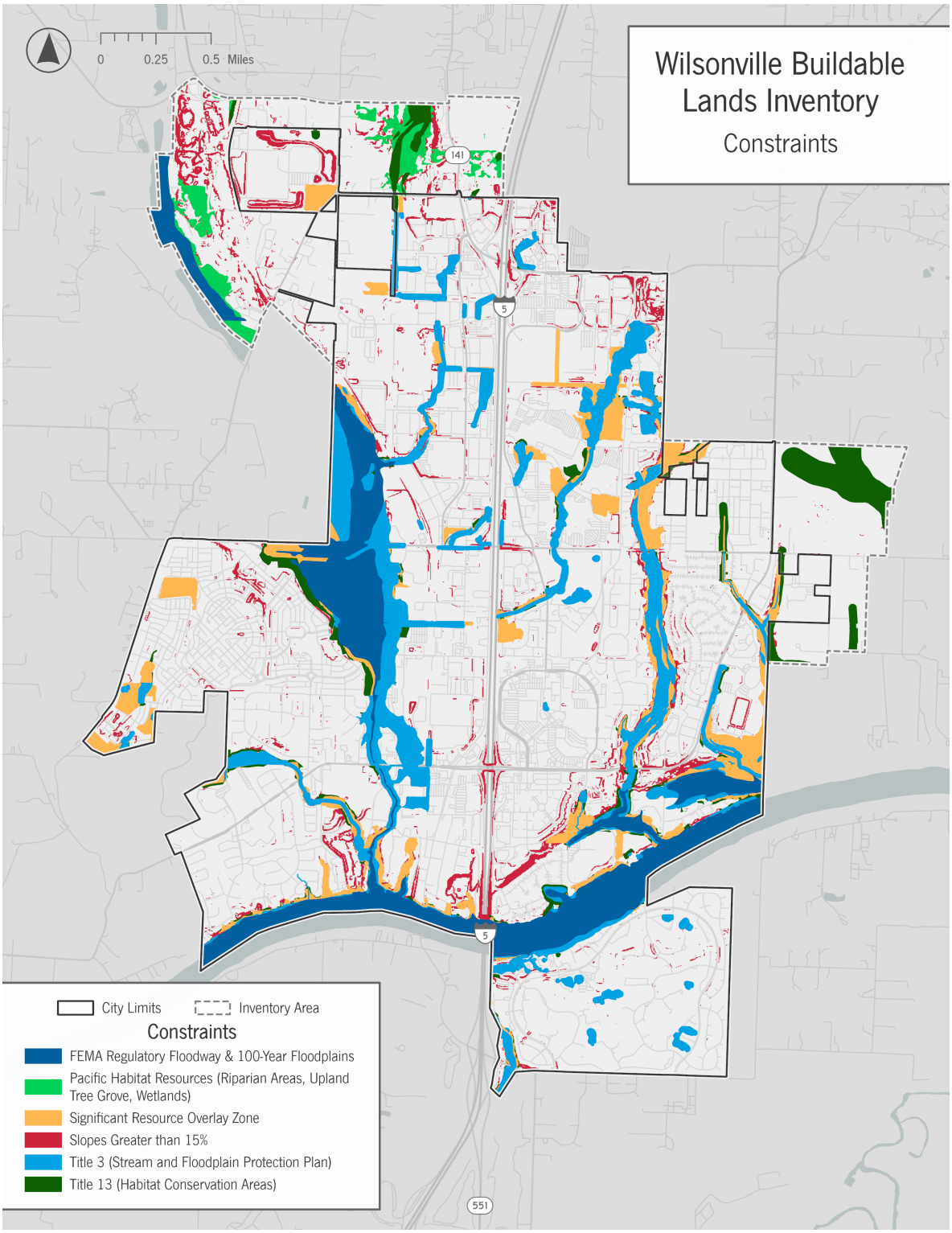
The BLI identifies the following conditions as constraints that prohibit development. These constraints are shown in Figure 1:

- FEMA 100-Year Floodplains and Regulatory Floodway
- High or very high landslide susceptibility
- Slopes greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)
- Significant Resource Overlay Zone (SROZ)
- Natural Resource Areas (riparian areas, upload tree groves, or wetlands) identified by Pacific Habitat Services in the Basalt Creek area

Figure 2 shows buildable area status with constraints applied, resulting in buildable acres. Land classified as vacant or partially vacant and affected by these constraints is deemed unavailable for development and has been excluded from the inventory of buildable land.

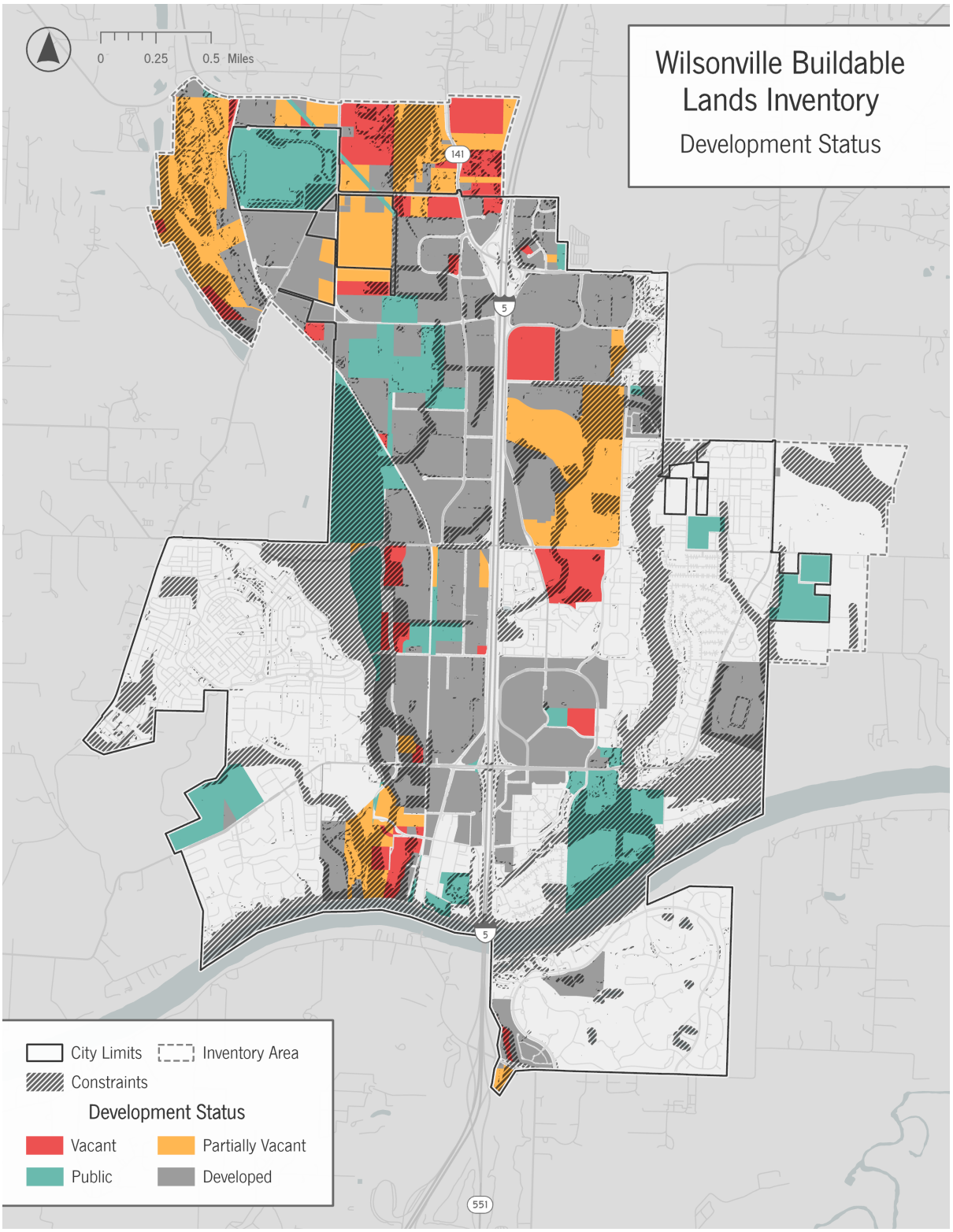
It is important to note that tax lots shown as partially vacant in the map do not distinguish the part of the tax lot that is unavailable for development. However, the buildable lands inventory database accounts for these distinctions.

Exhibit 34. Development Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Exhibit 35. Buildable Area Status with Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Vacant Buildable Land

The next step in the BLI involved removing portions of vacant and partially vacant tax lots deemed unsuitable for development. Unsuitable areas fall into two categories:

1. Developed portions of partially vacant tax lots.
2. Areas affected by physical constraints (i.e., areas within wetlands, floodplains, steep slopes, etc.).

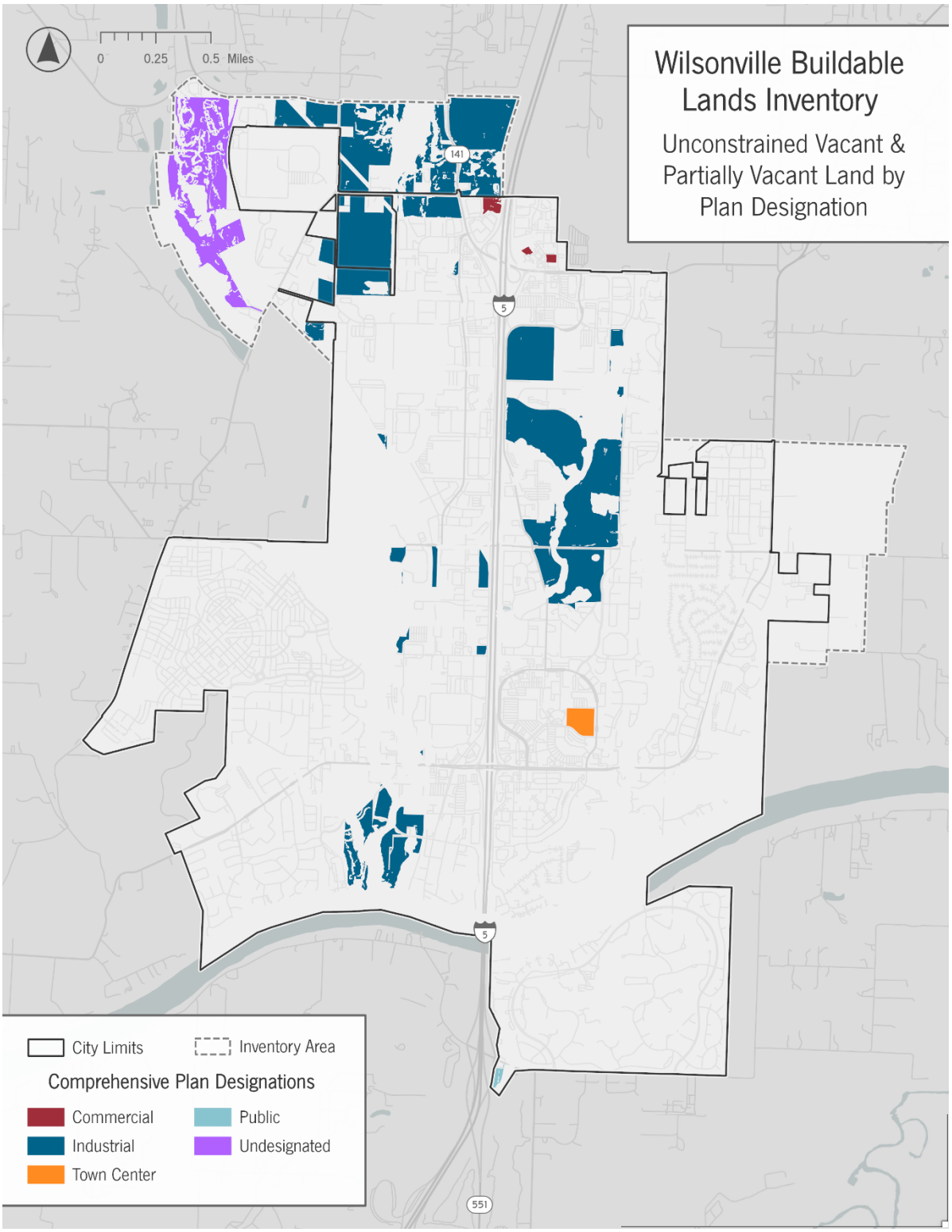
Exhibit 36 presents the total buildable acres by Comprehensive Plan designation after these constraints have been deducted. This includes both vacant and partially vacant lands in the Wilsonville City limits and UGB area. Figure 3 shows a map of the buildable commercial and industrial lands within the Wilsonville City limits and UGB area, also categorized by Comprehensive Plan designation. Overall, the Wilsonville City limits and UGB area contains 366 total buildable acres available for future development.

Exhibit 36. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 37. Buildable Employment Land by Plan Designation, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 38 shows the size of lots by plan designations for buildable employment land.

Exhibit 38. Acres of Land and Number of Tax Lots by Plan Designation, Buildable Acres, Wilsonville City limits and UGB area, 2025

Plan Designation	Buildable Sites Size						
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres
	Acres of Land by Plan Designation						
Commercial	0.3	1	-	3	-	-	-
Industrial	4	9	23	90	118	-	64
Town Center	-	-	2	-	7	-	-
Public	0.1	-	-	-	-	-	-
Undesignated	-	1	2	3	26	13	-
Acreage Total	**5**	**11**	**26**	**97**	**151**	**13**	**64**
	Number of Tax lots by Plan Designation						
Commercial	1	1	-	1	-	-	-
Industrial	16	12	15	28	16	-	2
Town Center	-	-	1	-	1	-	-
Public	1	-	-	-	-	-	-
Undesignated	-	2	1	1	3	1	-
Tax Lot Total	**18**	**15**	**17**	**30**	**20**	**1**	**2**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Short-term Land Supply

This section reviews Wilsonville's short-term supply of employment land within the context of state policy requirements.

Policy Context

The Goal 9 Administrative Rule (OAR 660-009) includes provisions that require certain cities to ensure an adequate short-term supply of industrial and other employment lands. OAR 660-009- 005(10) defines short term supply as follows:

> "...means suitable land that is ready for construction within one year of an application for a building permit or request for service extension. Engineering feasibility is sufficient to qualify land for the short-term supply of land. Funding availability is not required. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses." ∂

The Goal 9 rule also requires cities in a Metropolitan Planning Organization (MPO, which includes Wilsonville) to make a commitment to provide a competitive short-term

supply of land and establishes targets for the short-term supply of land. Specifically, OAR 660-009-0020(1)(b) states:

> "Cities and counties within a Metropolitan Planning Organization must adopt a policy stating that a competitive short-term supply of land as a community economic development objective for the industrial and other employment uses selected through the economic opportunities analysis pursuant to OAR 660-009-0015."

The rule goes on to clarify short-term land supply targets for cities in an MPO (OAR 660-009- 0025):

> (3) Short-Term Supply of Land. Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. Cities and counties may maintain the short-term supply of land according to the strategies adopted pursuant to OAR 660-009-0020(2).
>
> (a) Except as provided for in subsections (b) and (c), cities and counties subject to this section must provide at least 25% of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.
>
> (b) Affected cities and counties that are unable to achieve the target in subsection (a) above may set an alternative target based on their economic opportunities analysis. ECONorthwest Chapter 2: Buildable Lands Inventory 2–21
>
> (c) A planning area with 10% or more of the total land supply enrolled in Oregon's industrial site certification program pursuant to ORS 284.565 satisfies the requirements of this section.

In summary, the rule requires Wilsonville to assess the short-term supply of employment land based on the criteria that land can be ready for construction within one year. The determination is based on "engineering feasibility."

Analysis of Short-term Supply of Land

City of Wilsonville staff used the results of the buildable lands inventory to identify commercial and industrial sites that meet the definition of short-term supply. Short-term land supply includes all sites within Coffee Creek and all lands located south of SW Day Road and/or within City limits.

In Basalt Creek, the area along and immediately south of SW Day Road represents the primary corridor for near-term development. These properties are considered part of the short-term supply because of their access to existing utilities and proximity to City limits. Sites in the northern portion of Basalt Creek were excluded due to utility constraints that may take longer to address, meaning development could extend beyond one year from the time a building permit is submitted. The West Railroad area of Basalt Creek is not considered short-term.

Overall, Wilsonville has 13 acres of commercial land (across 7 sites) and 200 acres of industrial land (across 59 sites) in the short-term supply. In comparison to all unconstrained vacant and partially vacant commercial and industrial land (from **Exhibit 36**) 100% of Wilsonville's commercial land (including Town Center) is in the short-term supply and 57% of industrial land (including land identified as undesignated) is in the short-term supply.

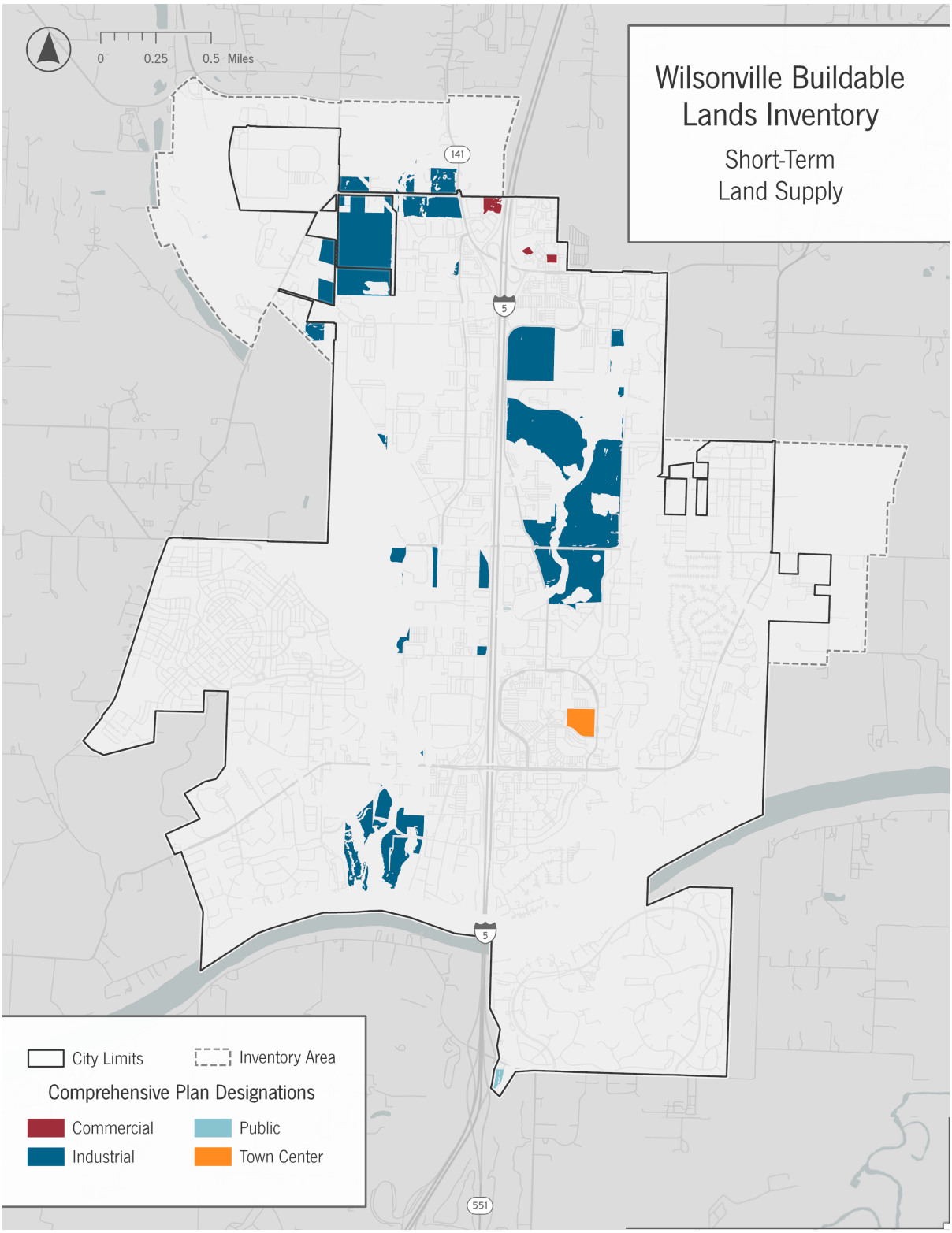
Exhibit 39 shows the short-term supply of employment land by plan designation. **Exhibit 40** shows a map of Wilsonville's short-term land supply.

Exhibit 39. Short-term Supply of Employment Land, Wilsonville City Limits and UGB Area, 2025

Plan Designation	Unconstrained Land		Short-Term Land Supply		
	Acres	Sites	Acres	Sites	Share of Unconstrained Acres
Commercial	**13**	**7**	**13**	**7**	**100%**
Commercial	4	5	4	5	100%
Town Center	9	2	9	2	100%
Industrial	**353**	**113**	**200**	**59**	**57%**
Industrial	308	98	200	59	65%
Undesignated	45	15	-	-	0%
Total	**366**	**120**	**213**	**66**	**58%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 40. Short-term Supply of Employment Land, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

5. Land Sufficiency and Conclusions

This chapter presents conclusions about Wilsonville's employment land sufficiency for the 2026–2046 period, as well as recommendations for the City to consider for meeting its economic growth needs throughout the planning period.

Land Sufficiency

Exhibit 41 shows commercial and industrial land sufficiency within Wilsonville. It shows:

- **Vacant unconstrained land within Wilsonville's Planning Area**. This land is identified and discussed in detail in the Vacant Buildable Land section of this report. Using data from that section, **Exhibit 41** shows that Wilsonville has 353 gross acres of vacant industrial land and 13 gross acres of vacant commercial land available for development.
- **Demand for commercial and industrial land.** The Estimate of Demand for Commercial and Industrial Land section of this report describes the methodology used to identify demand. Based on assumptions described in that section, Wilsonville will need a total of 321 gross acres for industrial uses and 110 gross acres for commercial uses over the 2026-2046 period (**Exhibit 28**).
- **Land sufficiency.** When subtracting the demand for land from the supply of vacant unconstrained land, **Exhibit 41** shows that Wilsonville has:
  - A 32-acre surplus of industrial land, and
  - A 47-acre deficit of vacant unconstrained commercial land after accounting for near-term redevelopment and reuse opportunities.

  As described below, Wilsonville has several opportunities to increase the efficiency and intensity of development on existing commercial land, which will help meet the City's projected commercial land needs during the planning period.

Exhibit 41. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Wilsonville, 2026-2046

Comprehensive Plan Designation	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Redevelopment & Reuse Potential (Gross Acres)	Land Sufficiency (Gross Acres)
Industrial & Undesignated	353	321	N/A	32
Commercial & Town Center	13	110	50	(47)

Source: ECOnorthwest

Note: Redevelopment and reuse potential reflect known near-term opportunities in Town Center and reuse of large vacant sites such as the former Rite Aid, Albertsons, Regal Cinema, and Fry's Electronics properties. ECO did not model redevelopment of industrial sites, as the City has a surplus of industrial land within the planning period.

The target industries identified for Wilsonville include a mix of manufacturing, wholesale trade, and construction businesses, along with retail and commercial services that serve residents and employees (see *Potential Growth Industries*). Site needs for these industries range from space in existing buildings and redevelopment opportunities to large industrial sites of 25 acres or more for manufacturing and distribution (see *Site Needs for Potential Growth Industries*).

Exhibit 38 shows the following characteristics of Wilsonville's vacant, buildable employment land supply:

- **80 sites** smaller than 5 acres, including four in the commercial or Town Center designation and the remainder designated for industrial use
- **21 sites** ranging from 5 to 25 acres, with one in the Town Center designation and the rest industrial
- **2 industrial sites** between 25 and 50 acres, totaling 64 acres

Meeting future commercial land needs will depend primarily on redevelopment, particularly within Town Center. Based on this information and the analysis in **Exhibit 41**, Wilsonville has sufficient land to accommodate projected industrial growth but faces a limited supply of vacant commercial land. The City can address this gap through redevelopment, reuse of existing buildings, and targeted policy changes.

Town Center is a key redevelopment area, particularly for smaller, experience-based retail and food and beverage businesses. Several large vacant buildings, including the former Rite Aid, Albertsons, Regal Cinema, and Fry's Electronics, also offer opportunities for reuse to meet commercial needs. In addition, the City is evaluating whether certain industrial areas could support more commercial activity through zoning or policy adjustments.

Although Wilsonville has sufficient industrial land overall, much of it consists of small parcels under five acres. Assembling larger sites, either by the City or by the private sector will be important to meeting the needs of future industrial users and supporting long-term employment growth.

Conclusions

- **Wilsonville is forecasted to grow in both the commercial and industrial employment sectors.** Wilsonville is planning for growth of 6,132 new jobs in the City over the 2026 to 2046 period. About 2,642 of the jobs will be industrial, 2,690 of the jobs will be in office and commercial services, and 538 in retail. Growth of these jobs will result in demand for about 321 gross acres of industrial land and 110 gross acres of commercial land.
- **Wilsonville has a sufficient supply of industrial land to accommodate projected employment growth.** The City has approximately 353 acres of vacant, buildable industrial land compared with a forecasted demand of 321 acres, resulting in a small surplus of 32 acres.
- **Much of Wilsonville's industrial land is not development ready.** Most of the City's industrial supply is concentrated in the Coffee Creek and Basalt Creek planning areas. Coffee Creek benefits from an established Urban Renewal District that funds infrastructure improvements and enhances site readiness. In contrast, Basalt Creek faces similar challenges, including fragmented ownership, smaller parcel sizes, existing contractor establishments, and limited urban infrastructure such as water, sewer, and improved road access, but without the benefit of urban renewal. Wilsonville has about 80 vacant industrial sites that are smaller than five acres, totaling roughly 140 acres. Assembling larger, contiguous parcels and continuing infrastructure investment will be essential to unlocking Wilsonville's full industrial potential and supporting higher-intensity employment uses.
- **Wilsonville has limited vacant commercial land but strong redevelopment potential.** The City currently has about 13 acres of vacant, buildable commercial land compared to a forecasted need of 110 acres, creating a shortfall of about 97 acres. However, much of this future demand can be met through redevelopment and targeted policy adjustments. Town Center is the City's primary opportunity for new commercial and mixed-use growth, particularly for experience-based retail, food, and beverage businesses. Several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment. Together, these known sites account for about 50 acres of redevelopment potential. The City is also exploring whether certain industrial

areas could accommodate commercial uses through zoning or policy updates. These strategies will be important for maintaining a balanced employment land supply and supporting Wilsonville's long-term economic growth.

- **Wilsonville's average wages are higher than the regional average.** Wilsonville's average annual wage is approximately $78,235 compared with $76,066 for the Portland region. The City's employment base includes a concentration of higher-wage sectors such as manufacturing, wholesale trade, and construction. This distinguishes Wilsonville from nearby communities, where average wages tend to be lower. Potential growth industries in Wilsonville generally provide above-average wages, except for resident- and visitor-oriented services such as retail, food services, and accommodation.
- **Wilsonville's economic outlook is strong.** The City's opportune location along the I-5 corridor, access to regional labor markets, and industrial land supply provide a solid foundation for continued economic growth. Ongoing investment in site readiness, infrastructure, and redevelopment will be essential to maintaining Wilsonville's position as a leading employment center in the Portland metro region.

Recommendations

1. **Implement the Economic Development Strategy (EDS) as the City's primary action plan for responding to the EOA.** The EDS translates the EOA's findings into coordinated near-term and longer-term actions, including steps to improve industrial site readiness, address infrastructure constraints, and support commercial growth through redevelopment and reuse. Implementing the EDS will help the City prioritize investments and partnerships, track progress over time, and maintain a competitive short-term supply of market-ready employment land.

2. **Update the Comprehensive Plan to align with Goal 9 requirements for maintaining a competitive short-term supply of employment land.** OAR 660-009 requires jurisdictions to translate EOA findings into Comprehensive Plan policies and implementing measures (OAR 660-009-0020 and OAR 660-009-0025). The City is planning a broad update of the Comprehensive Plan in the future. Through that, the City should include a policy (required by Goal 9) to maintain a competitive short-term supply of employment land and adopt implementing measures to maintain and replenish that supply as it is developed.

EOA AND THE EDS: HOW THEY WORK TOGETHER

The EOA provides the required technical foundation for employment land planning, including employment forecasts, land demand, site needs, and an inventory of employment land supply and constraints. The companion EDS builds on the EOA by identifying implementation actions the City can pursue to address key issues such as industrial site readiness and the reliance on redevelopment to meet commercial needs. The EDS is presented in Appendix C.

Appendix A. National, State, 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.[42]
- **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.[43] Over the long term, Oregon's manufacturing sector has experienced stronger growth than the nation. Since

[42] 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
[43] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.

reaching its lowest employment level in 2010, manufacturing employment in Oregon increased by 15% through 2023, compared to 13% nationally.[44]

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%.[45] 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.[46]

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.[47] 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.[48]

- **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.[49] Core export sectors, including semiconductors, machinery, transportation equipment, and agricultural products, are especially vulnerable to global market disruptions.

  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.[50] This creates a heightened risk that disruptions with any one

[44] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.
[45] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.
[46] 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.
[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] Ibid
[50] Ibid

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.[51] 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.[52]
- **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.[53,54] The U.S. Government Accountability Office (GAO) reports that automation could be widespread, with anywhere from 9% to 47% of jobs being automated in the future according to academic research.[55]

  The GAO identified that jobs requiring a blend of soft skills (management, interpersonal), process skills, and technical expertise face lower automation

[51] 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
[52] Ibid
[53] 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
[54] 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
[55] Government Accountability Office, Workforce Automation, August 2023, https://www.gao.gov/assets/gao-22-105159.pdf

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.[56] 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.[57]

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.[58] Higher interest rates have also reduced property valuations, complicating the ability of developers to secure construction financing and attract equity investments.[59] 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.[60] This trend has contributed to ten consecutive quarters of negative net absorption and a national reduction of 18.2 million square feet in occupied office space.[61] Office construction has slowed substantially with the development pipeline down 67% since early 2020.[62] While high-quality office spaces in prime locations continue to

[56] Government Accountability Office, Workforce Automation, August 2023.
[57] Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.
[58] If developers take on debt to finance a project, the longer they take to repay the loan, the more interest will accrue.
[59] In addition to loans, developers will typically finance projects in part with equity investments, in which investors become shareholders in the project.
[60] BLS, American Time Use Survey, 2025; does not differentiate between part- and full-time workers
[61] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024
[62] Ibid

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.[63] Investment interest in traditional office properties remains weak, though medical office space shows strong prospects.[64]

- **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.[65]
- **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."[66]

  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.[67] Despite slowing, rent growth continues at 3.7% year-over-year.[68] 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.[69] Looking ahead, the sector is expected

[63] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024
[64] Urban Land Institute 2024 Emerging Trends in Real Estate, United States and Canada
[65] Cushman & Wakefield Q4 2024 U.S. Retail MarketBeat report
[66] Urban Land Institute 2024 Emerging Trends in Real Estate, United States and Canada
[67] Cushman & Wakefield, Industrial Marketbeat Q2 2024 U.S. National Industrial Report
[68] Ibid
[69] Ibid

to stabilize, with sustained demand driven by reshoring, e-commerce, and evolving supply chain strategies.[70] 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.[71]

  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.[72] The sectors expected to grow the fastest are healthcare support, computer and mathematical occupations, healthcare practitioners, and community and social service.[73]

- **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-stage

[70] JLL, Q1 2024 Industrial Outlook
[71] 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
[72] Bureau of Labor Force Occupational Separations and Openings, 2023-2032 https://www.bls.gov/emp/tables/occupational-separations-and-openings.htm
[73] Bureau of Labor Statistics Employment Projections – 2023-2032, September 2023 https://www.bls.gov/news.release/pdf/ecopro.pdf

entrepreneurship activity, as measured by the Kauffman Early-Stage Entrepreneurship (KESE) Index, ranked 25th in the country in 2020. [74,75]

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.[76] 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).[77]

- **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.[78] 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

[74] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. https://indicators.kauffman.org/.
[75] 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.
[76] 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/
[77] 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/
[78] 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

easily, retailers must be nimble and able to adjust to the changing needs of their customers if they are to remain competitive.

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.[79]

- **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.[80] 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.[81] 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.[82] 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

[79] 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

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

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

[82] Oregon Office of Economic Analysis, Downtown Recoveries 2023 Update, https://oregoneconomicanalysis.com/2023/07/18/downtown-recoveries-2023-update/

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 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.[83]

- **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.[84] 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.[85]

  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.[86] The share of electric vehicles is expected to grow from less than 6% in 2023 to 19% in 2050.[87] 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

[83] 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.

[84] Energy Information Administration, Inflation Reduction Act of 2023

[85] Energy Information Administration, Inflation Reduction Act of 2023

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

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

barriers to efficiency upgrades and tend to have longer commutes, which may force them to face the brunt of rising energy prices.

- **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.[88] In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.[89] 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.[90] 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.[91] 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.[92] 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:

[88] 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*).
[89] 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
[90] Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.
[91] https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6.
[92] https://www.ncei.noaa.gov/access/billions/#:~:text=Menu-,Overview,376%20events%20exceeds%20%242.655%20trillion.

- **Increased average annual day and nighttime temperatures.** If greenhouse gas (GHG) emissions continue at the current rate, temperatures in Oregon are projected to rise approximately 5°F by the 2050s and 8.2°F by the 2080s.[93] 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.[94] Drought conditions can reduce surface water availability, reduce hydropower generation, and reduce recreational activities.[95]
- **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.[96,97]
- **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 have increased.
- **More days of poor air quality from wildfire smoke.** In 2021, people in Deschutes County, Klamath County, and Jackson County experienced 83

[93] 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.

[94] WASHINGTON Assessment work. TBD.

[95] 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

[96] 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

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

days of air quality at or above unhealthy levels for sensitive groups due to wildfire smoke.[98]

- **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.[99] 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.[100] A study by the Washington State Department of Agriculture found that a drought in 2015 caused $633 to $773 million in agricultural losses.[101] 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

[98] 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.

[99] https://express.adobe.com/page/C5CQaxjHUmGQ7/

[100] 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

[101] 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.

commercial fishing revenue.[102] Tribes are often disproportionately impacted, accounting for half of fishery loss requests and experiencing losses from Dungeness crab fisheries. [103,104]

- **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."[105] 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.[106] 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.

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[102] 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

[103] 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

[104] 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

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

[106] 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

- **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, Washington, and a Portland streetcar cable melted.[107] 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).[108] 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.

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

[108] 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 42**), exceeding both the Portland region's and Oregon's growth rates during the same time (1.0% and 0.9%, respectively).

Exhibit 42. 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).[109] 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 after

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

age 65, an increased demand for healthcare services, and a larger portion of the federal budget dedicated to Social Security and Medicare.[110]

Exhibit 43 through **Exhibit 46** 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 43. Median Age, Wilsonville, Clackamas County, Washington County and Oregon, 2010 to 2019–2023

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

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

[110] 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 44. Wilsonville Population Change by Age Group, 2010 to 2019–2023

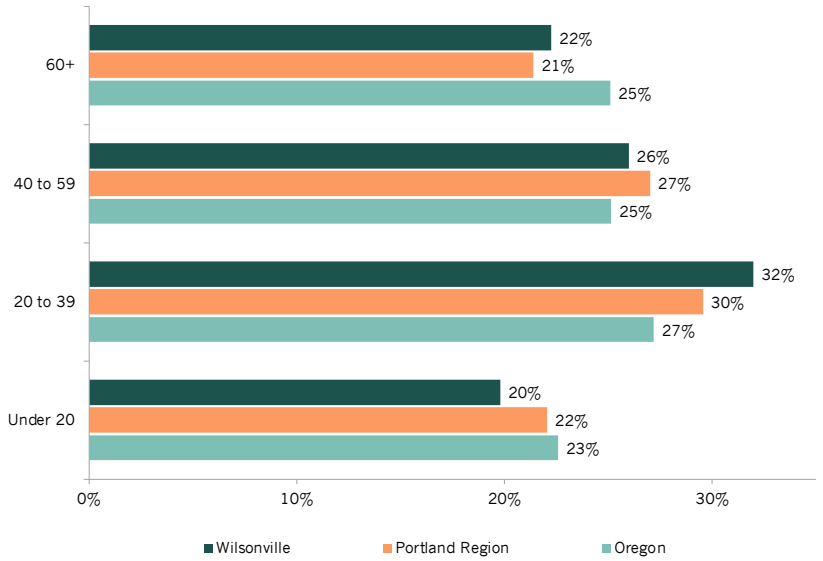
Source: U.S. Census Bureau, 2010 Summary File P12; American Community Survey 2019-2023 5-Year Estimates, Table B01001.

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.

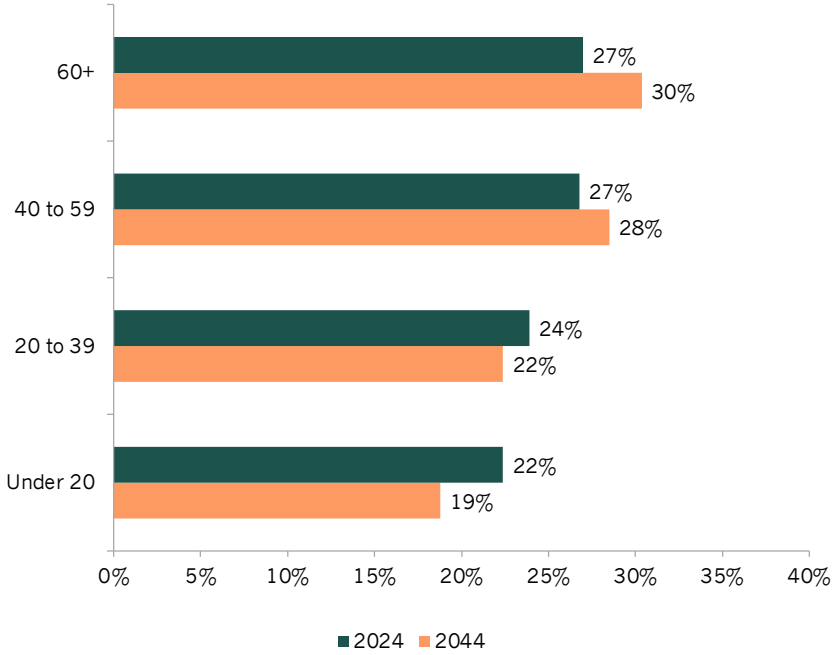
Exhibit 45. Population Distribution by Age, Wilsonville, Portland Region, and Oregon, 2019–2023



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 46. 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.[111] 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.

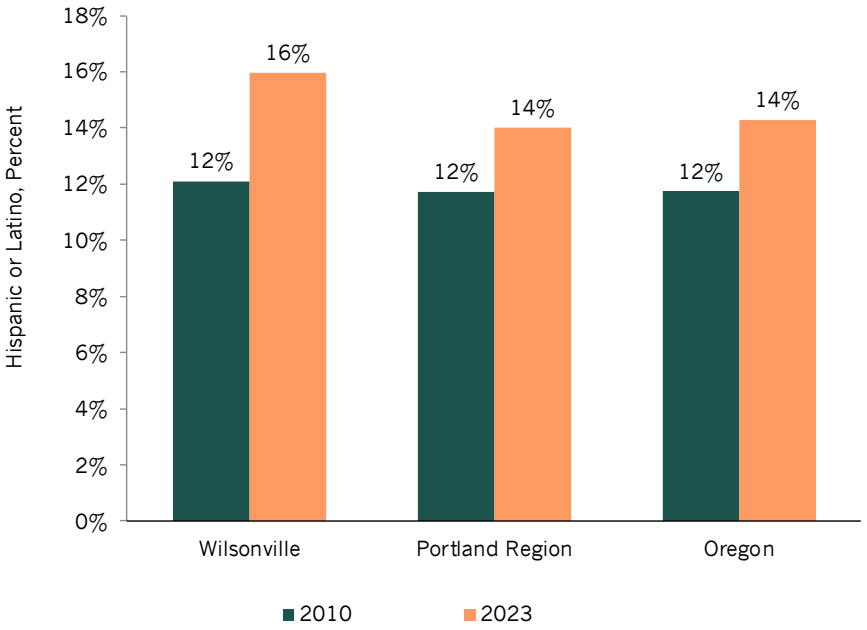
Exhibit 47 and **Exhibit 48** show the change in the share of Hispanic and Latino and people of color in Wilsonville compared to the Portland region and Oregon between 2010 and 2023. The group with the largest share of people of color in 2023 is two or more races, representing 15% and 11% of Wilsonville's and the Portland region's total populations, respectively.

[111] 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 47. Hispanic or Latino Population as a Percentage of the Total Population, Wilsonville, Portland Region, and Oregon, 2010, 2019–2023

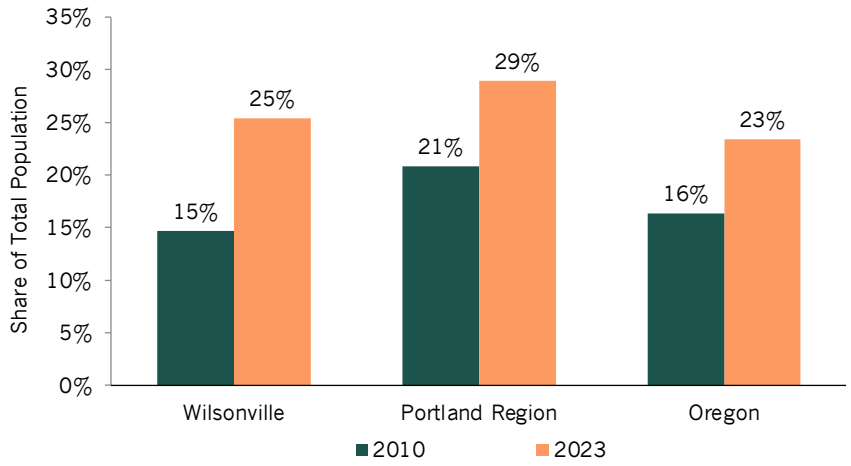


Source: U.S. Census Bureau, 2010 Decennial Census, Table P0008; 2019–2023 American Community Survey, 5-Year Estimates, Table B03002.

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 48. 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.

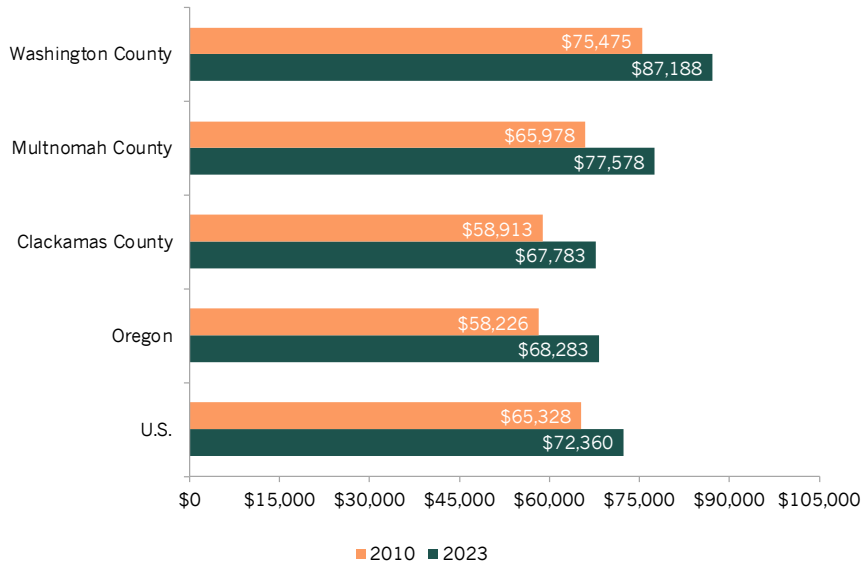
Average wages at businesses in Washington and Multnomah counties exceeded the Oregon average of $68,283, while Clackamas County's average wage was roughly in line with the state average.

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 49. 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 50. Median Household Income (MHI),[112] 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.

[112] 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 51. Median Family Income,[113] 2019–2023

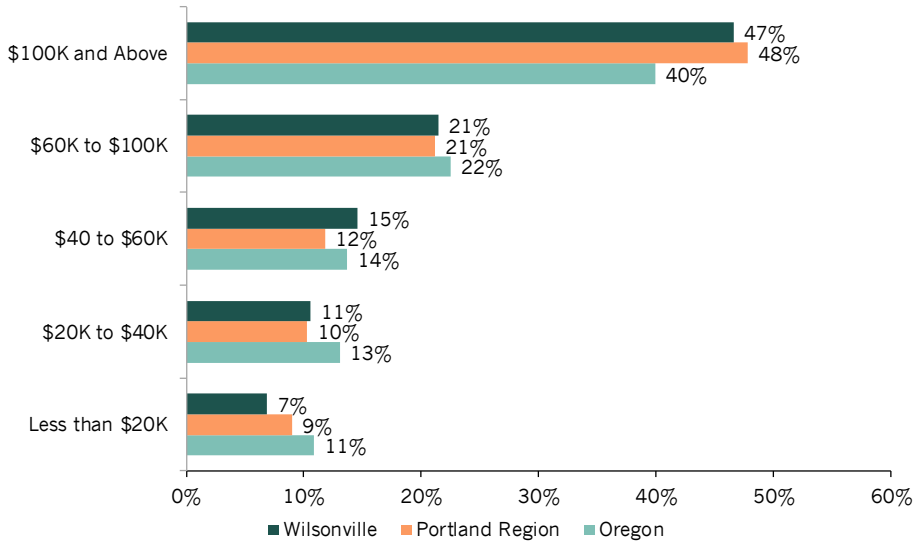
$115,941	$119,052	$98,832
Wilsonville	Clackamas County	Oregon

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 52. 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.

[113] 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.

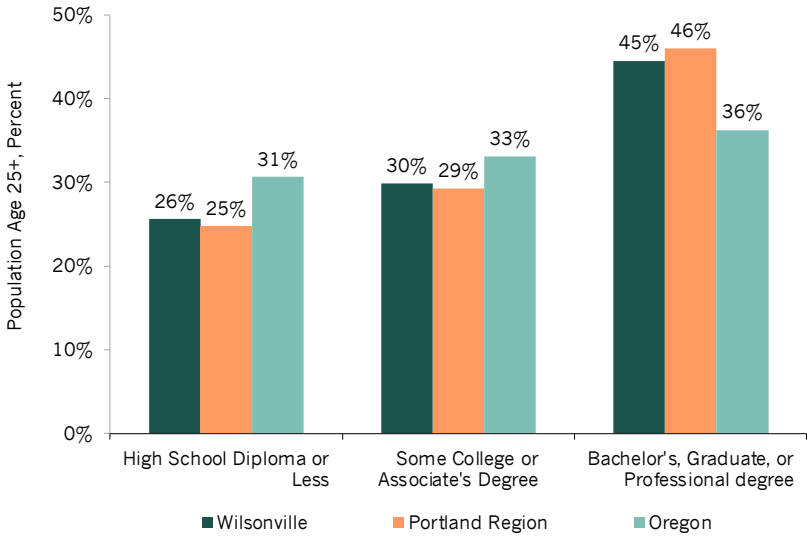
EDUCATIONAL ATTAINMENT

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



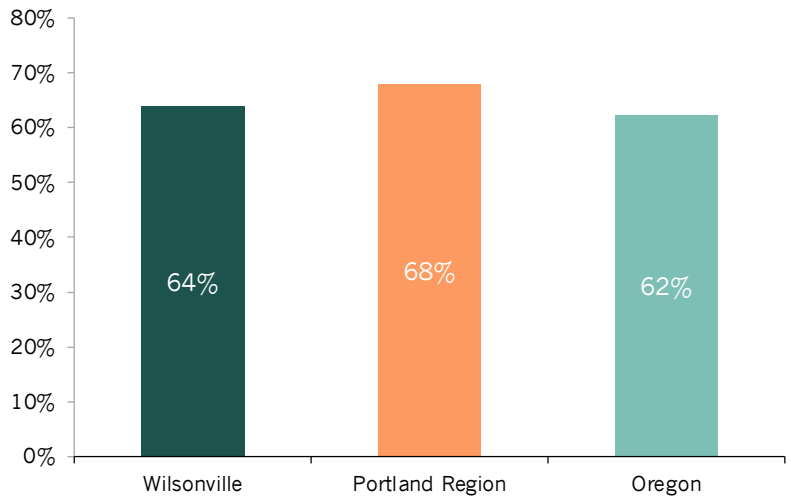
Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B15003.

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%).

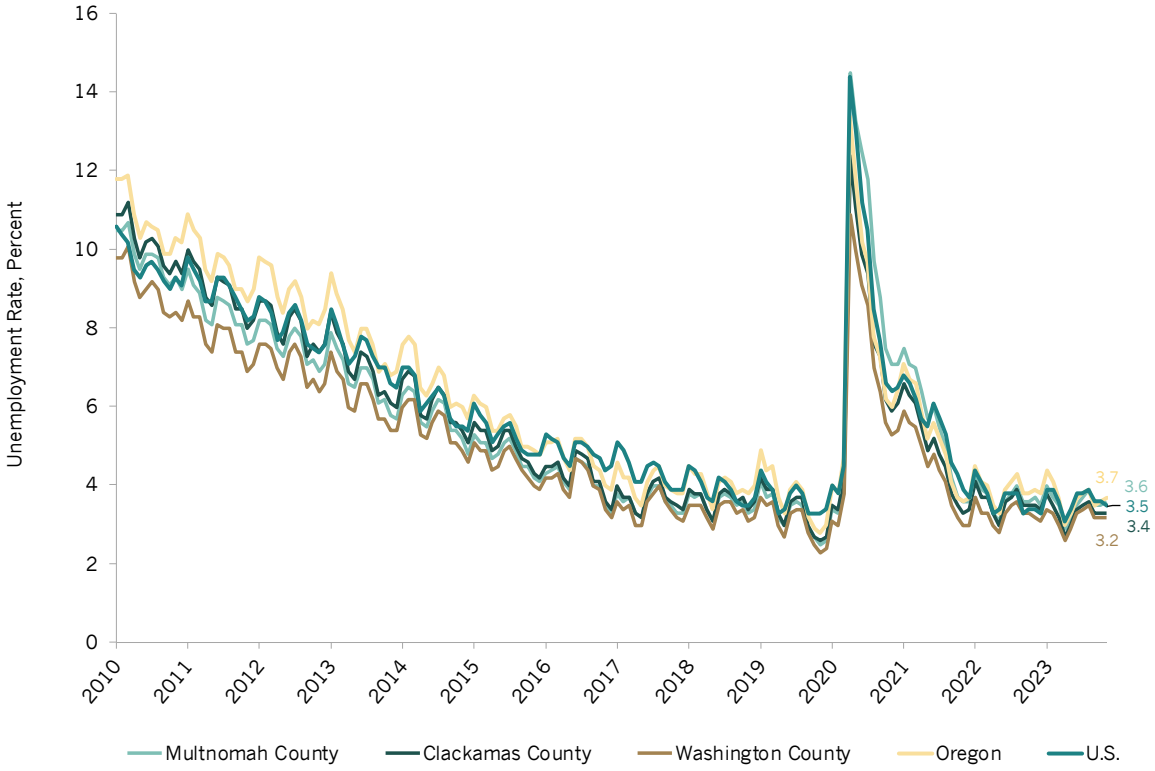
Exhibit 54. Labor Force Participation Rate, Wilsonville, Portland Region, and Oregon, 2019–2023



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 55.** 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 55. 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.

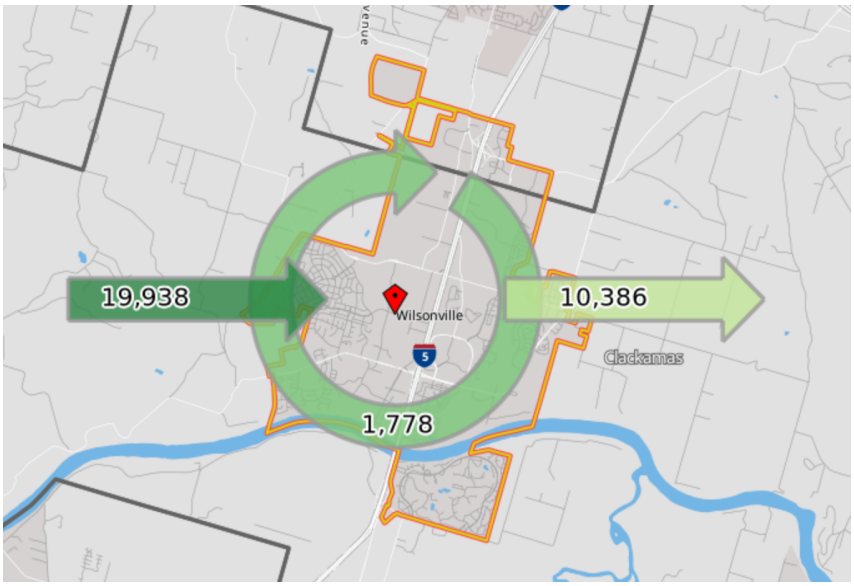
COMMUTING PATTERNS

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 56. 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 57. Top Places Where Wilsonville Workers Lived, 2022

10%	8%	5%	3%
Portland	Wilsonville	Salem	Beaverton

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 to Portland for work.

Exhibit 58. Top Places Where Wilsonville Residents Were Employed, 2022

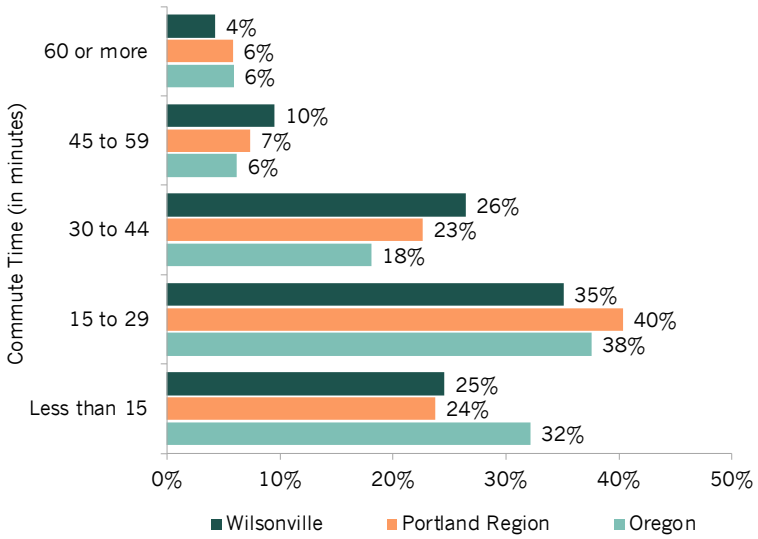
22%	15%	7%	5%
Portland	Wilsonville	Tualatin	Tigard

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 59. 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.[114] 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 60. 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 61. Largest Visitor Spending Categories ($ millions), Clackamas County, 2023

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

Source: Dean Runyan Associates, Oregon Travel Impacts, 2023

[114] 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 62. 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

Appendix B. Buildable Lands Inventory Methodology

The Buildable Lands Inventory (BLI) identifies commercial and industrial lands that are available for development for employment uses within Wilsonville. This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for Wilsonville.

Methods and Definitions

The BLI for Wilsonville includes all land that allows commercial and industrial uses within the Wilsonville City limits and Wilsonville's portion of the Metro UGB.[115] From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Wilsonville City limits and UGB area
2. It is inside a tax lot (as defined by Metro), and
3. Its current zoning/comprehensive plan designation allows employment uses. *Note that tax lots do not generally include roads, railroad rights-of-ways, or water.*

The inventory then builds from the tax lot–level database to estimate buildable land by Comprehensive Plan designation.

Inventory Steps

The five steps in the BLI are:

1. Generate the study area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

[115] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the City.

Step 1: Generate Study Area "Land Base"

The commercial and industrial inventory used all tax lots within the Wilsonville City limits and UGB area with the appropriate types of comprehensive plan designations that fall under those land use categories:

- Commercial (C)
- Industrial (I)
- Town Center (TC)
- Public (P)
- Undesignated

Figure 4 (on page 15) shows a map of these designations used in the BLI.

Step 2: Classify Lands by Buildable Area Status

In this step, ECOnorthwest classified each tax lot with an employment plan designation (based on the definitions in Table 5) into one of four mutually exclusive categories based on buildable area status:

- Vacant land
- Partially vacant land
- Public land
- Developed land

ECOnorthwest identified buildable land and classified buildable area status using a rule-based methodology, which identifies that that is buildable (vacant and partially vacant land). The rules are described in Table 5. The buildable area status classifications of the BLI land base are visualized in map format below in Figure 5.

Exhibit 63. Rules for Buildable Area Status Classification

BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	Tax lots designated as vacant by Metro based on the following criteria: 1. Fully vacant based on Metro aerial photos 2. Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3. Lots 95% or more vacant from GIS vacant land inventory.	OAR 660-009-0005(5); Oregon Metro BLI Methodology (2024)[116]
Partially Vacant Land	A tax lot: 1) Between one and five acres occupied by a use that could still be further developed based on zoning; or 2) Equal to or larger than five acres where one half-acre or more is occupied by permanent buildings or improvements where excess land that could be further developed is present. This determination was based on a visual assessment and City staff verification.	No statutory definition
Public	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	No statutory definition
Developed Land	Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI.	OAR 660-009-0005(1)

[116] https://www.oregonmetro.gov/sites/default/files/2024/10/25/2024-UGR-Appendix-2-with-attachments.pdf

Step 3: Identify Constraints

As shown in Table 6, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2) and Metro's 2024 BLI methodology.

Exhibit 64. Constraints Included in BLI

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
Goal 5 Natural Resource Constraints			
Title 3 (Stream and Floodplain Protection Plan)	OAR 660-009-0005(2)	Lands within Metro-defined Title 3 areas	Metro
Title 13 (Habitat Conservation Areas)	OAR 660-009-0005(2)	Lands within Conservation Areas identified as "High" or "Very High"	Metro
Significant Resource Overlay Zone	OAR 660-009-0005(2)	Lands within the Wilsonville-defined Significant Resource Overlay Zone	City of Wilsonville
Pacific Habitat Services in Basalt Creek	OAR 660-009-0005(2)	Lands within riparian areas, upland tree groves, or wetlands, as identified by Pacific Habitat Services in the Basalt Creek area.	Pacific Habitat Resources
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA–defined regulatory floodway or 100-year floodplains	FEMA via National Flood Hazard Layer Interactive Viewer
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Figure 6 (page 17) shows a map of the individual constraints.

Step 4: Verify Inventory Results

ECOnorthwest used a multistep verification process. The first verification step involved a "visual assessment" of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECOnorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECOnorthwest amended the BLI based on City staff review and a discussion of staff's comments. The final verification included review by stakeholders, including by members of the Technical Advisory Committee.

Step 5: Tabulate and Map Results

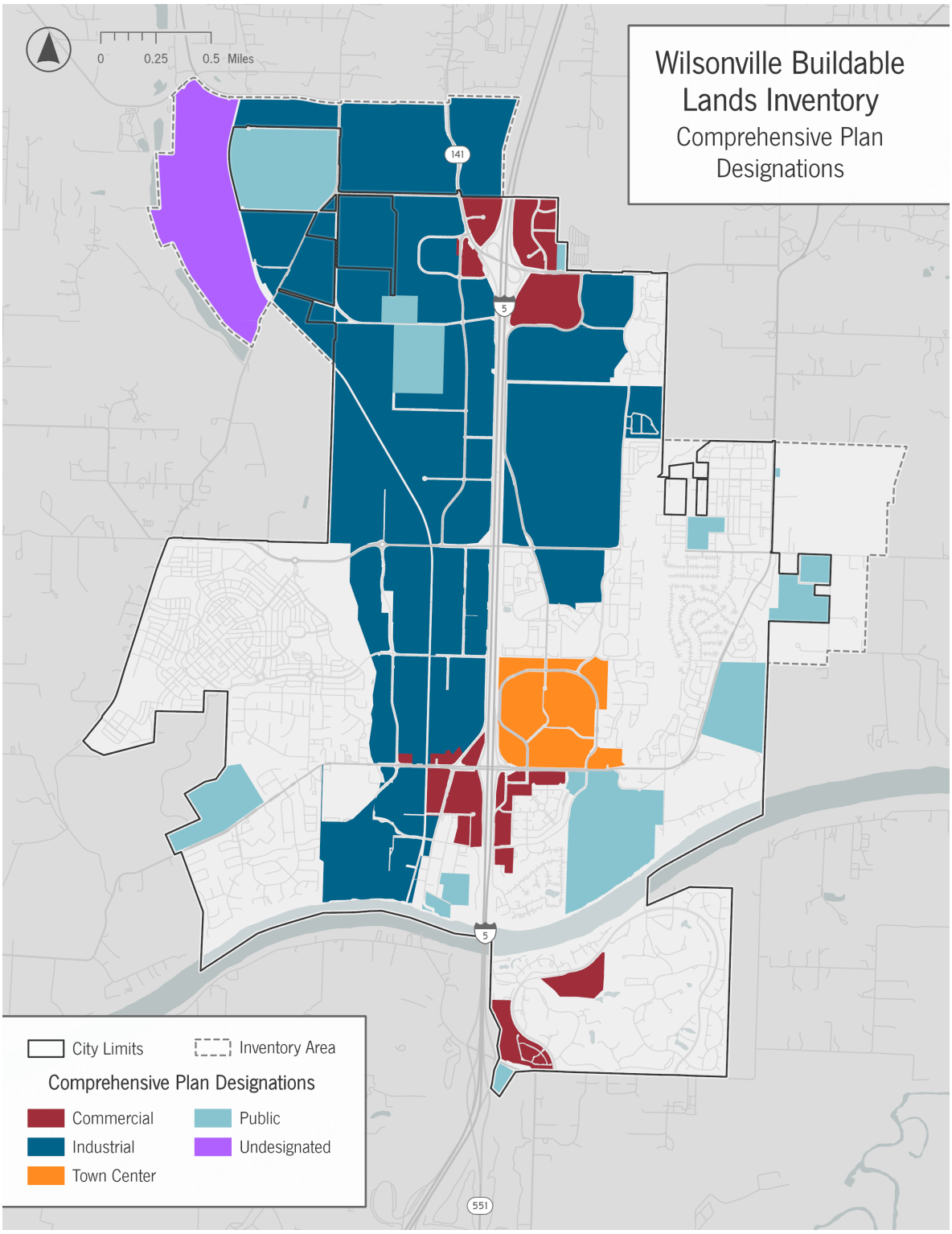
The results of the commercial and industrial BLI are presented in tabular form and maps in the remainder of this Appendix. These maps separately show the existing Comprehensive Plan designations, individual constraints used, the land base by buildable area status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by Comprehensive Plan designation.

Exhibit 65. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

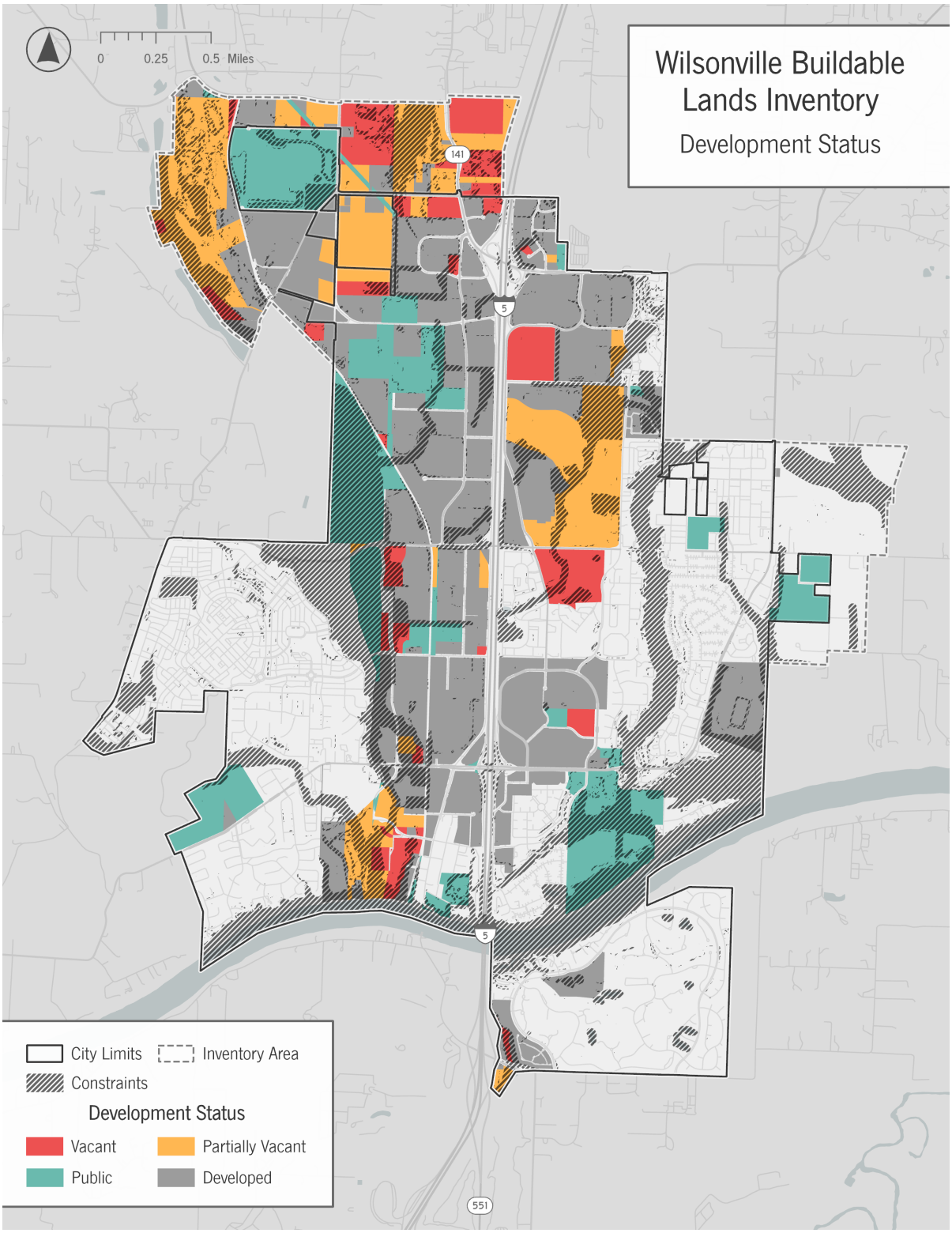
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 66. Comprehensive Plan Designations Included in the Employment Land Base, Wilsonville City Limits and UGB Area, 2025



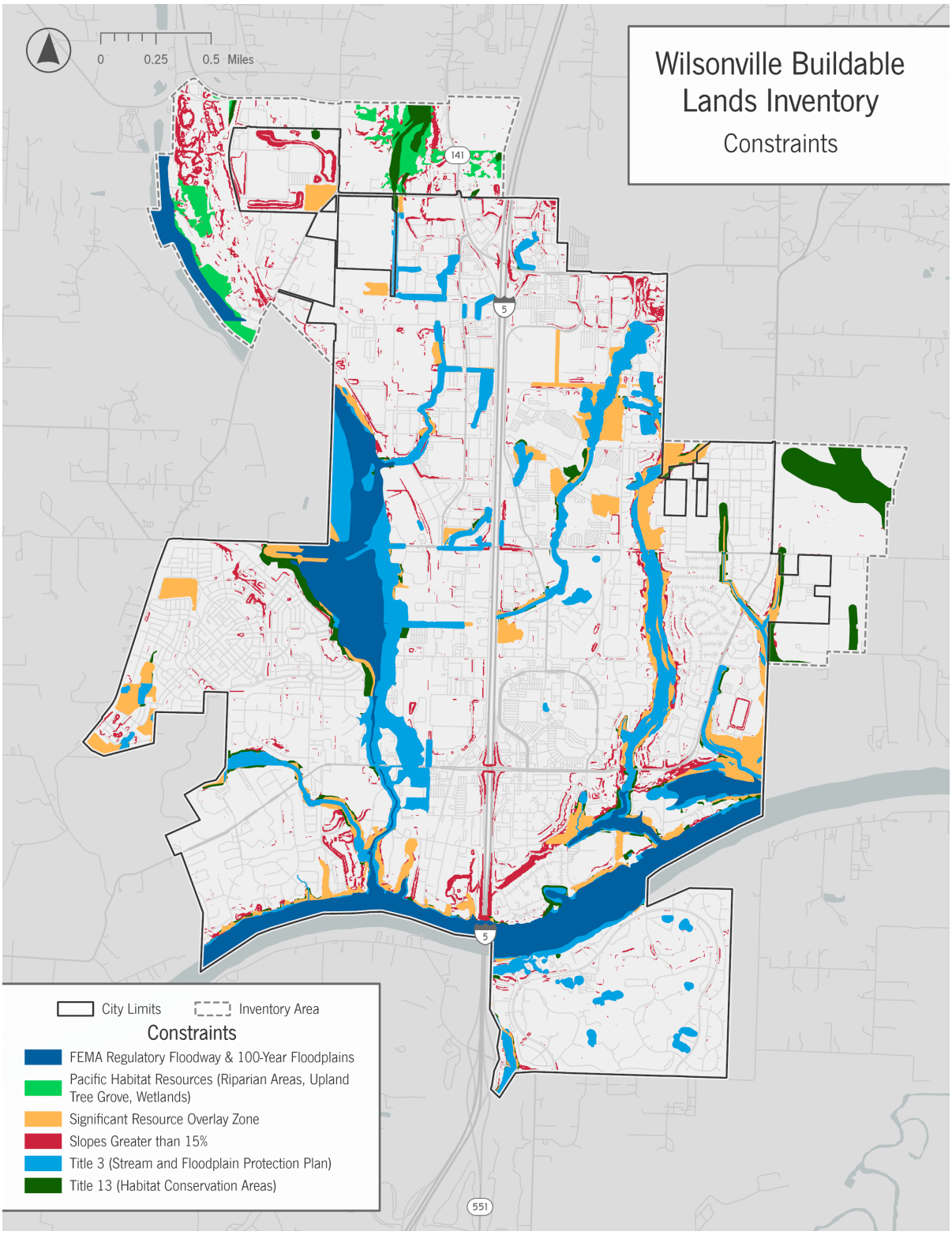
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 67. Buildable Area Status with Constraints, Wilsonville City Limits and UGB Area, 2025



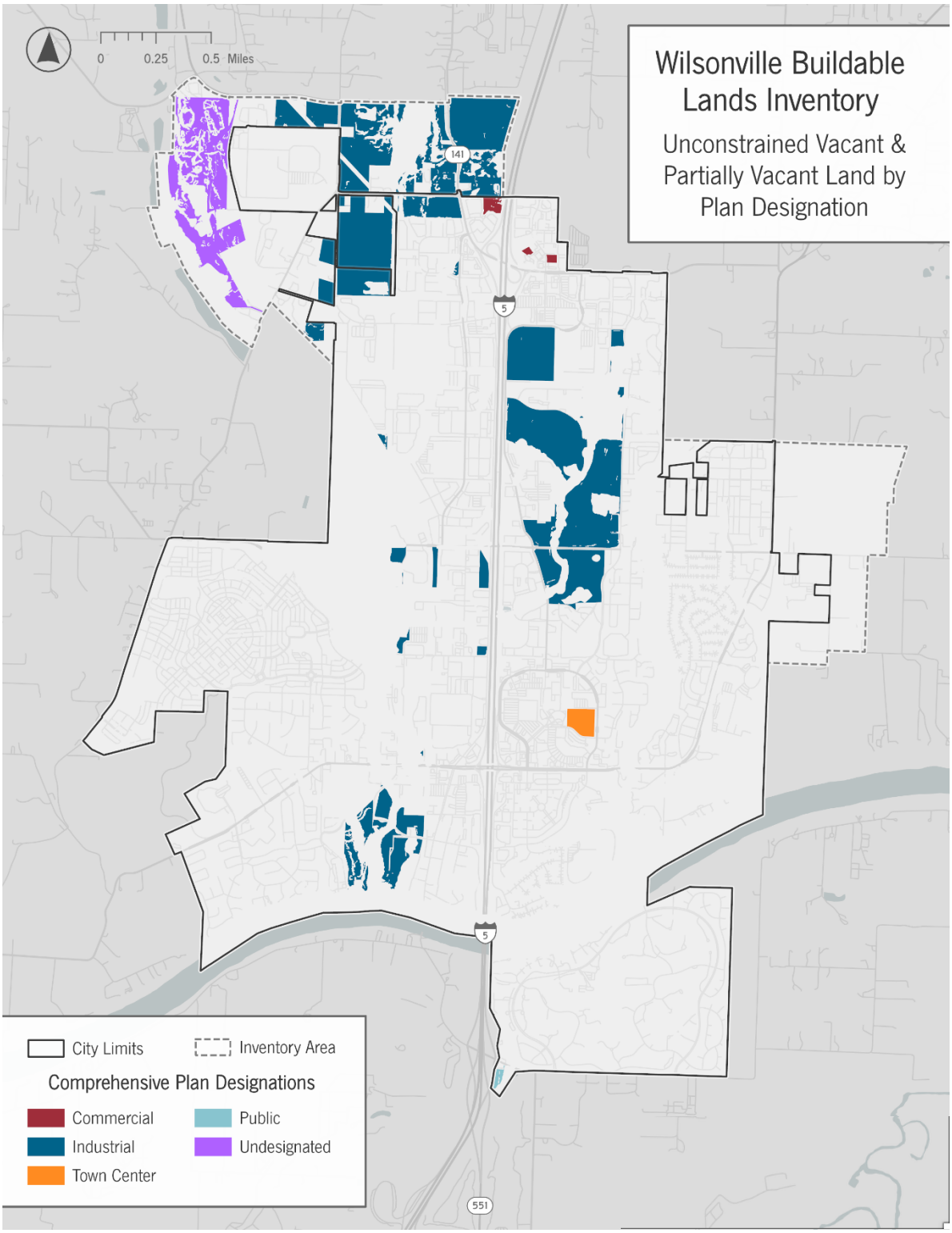
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 68. Development Constraints, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Exhibit 69. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Appendix C. Economic Development Strategy

The City of Wilsonville is a leading employment center in the southern Portland metro area. Its location along I-5 and concentration of advanced manufacturing, wholesale trade, and construction industries distinguish it from other communities in the region. Employers located in Wilsonville benefit from access to a large, skilled labor force that extends north into the Portland area and south into Oregon's Mid-Valley.

Looking ahead, Wilsonville faces key decisions about how to sustain economic growth and strengthen its role as a regional employment hub. Industrial development in Coffee Creek and Basalt Creek is constrained by small parcels, fragmented land ownership, existing contractor establishments, and limited urban-level infrastructure. At the same time, limited vacant commercial land means most new commercial growth will rely on redevelopment and reuse of existing buildings. This is particularly relevant in Town Center and within established commercial corridors where large vacant buildings present both challenges and opportunities.

These same conditions affect small businesses across the city. Rising rents and limited access to financial and technical resources make it difficult for some to remain competitive and for others to expand. Many are unaware of existing programs or find it challenging to navigate state and regional systems to access them. Across industries, mismatches between available workforce skills and employer needs also remain a persistent concern for businesses of all sizes.

This **Economic Development Strategy (EDS** or **Strategy)** provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base. It builds on the findings of the Wilsonville Industrial Land Readiness (WILR) project. This work focused on industrial site readiness in Basalt Creek and included the 2025 Economic Opportunities Analysis (EOA), which assessed land capacity, employment trends, and industry strengths. The Strategy also reflects input from local businesses, property owners, developers, and regional economic development partners. It aligns with other key initiatives, such as the Town Center Plan and Tourism Development Strategy, to create a coordinated framework for advancing the City's economic goals.

Desired Outcomes

The Strategy identifies six desired outcomes that define long-term economic success for Wilsonville over the next 10-years:

- **Basalt Creek and Coffee Creek show considerable momentum,** building out with high-quality, high-value development and are home to employers that provide higher-than-average-wage job opportunities.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance** the needs of residents and target industries, supporting both community livability and economic growth.
- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities with higher-than-average wages have expanded,** providing more career options for Wilsonville residents.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

Achieving these outcomes will require coordinated and sustained effort as well as public and private investment.

Summary of Actions

The Strategy organizes implementation work into six focus areas, each with a small set of actions the City can lead, coordinate, or support with partners. Together, the actions address priorities identified through the WILR work and stakeholder engagement, including industrial site readiness, commercial and mixed-use redevelopment, workforce connections, and support for existing and new businesses. Exhibit 70 provides a high-level summary of the actions by focus area. The Timing column indicates whether an action is expected to occur in the near term (1 to 5 years) or the longer term (6 to 10 years). The Resources column indicates whether an action can be advanced with existing staff capacity and funding or will require more staff capacity or a new funding source.

Exhibit 70. Summary of Actions

Focus Areas	Actions	Timing	Resources
Issue #1: Much of Wilsonville's undeveloped industrial land is not development ready	1.1 Launch a land aggregation and resale program in Coffee Creek	Near-term	Existing
	1.2 Conduct a feasibility study for a Basalt Creek URA	Near-term	Existing
	1.3 Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation	Near-term	Existing
	1.4 Develop a coordinated package of financial and policy tools for overcoming infrastructure barriers	Near-term (design) Longer-term (expand)	May require new funding source
	1.5 Promote Wilsonville's industrial sites for development	Longer-term	Existing
Issue #2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	2.1 Explore a dedicated funding source to support commercial and mixed-use redevelopment	Near-term	Exploration with existing staff
Issue #3: Vacant commercial land is limited	3.1 Explore expansion of allowable non-retail commercial uses in select industrial areas	Near-term	Existing
	3.2 Coordinate with other City departments to deliver on Town Center and tourism priorities	Near-term	Some priorities will require new funding source(s)
	3.3 Catalyze redevelopment of key sites in Town Center	Longer-term	New
Issue #4: Lack of unique retail and dining experiences	4.1 Incentivize local dining and retail in Town Center	Near-term (explore) Longer-term (implement)	New *if* providing financial incentives
	4.2 Explore the creation of a food cart incubation program in Town Center	Near-term (explore) Longer-term (implement)	New *if* providing seed funding
	4.3 Explore affordable commercial space models and partnerships	Near-term (explore) Longer-term (implement)	New *if* subsidizing commercial space
	4.4 Recruit unique restaurants and shops to Town Center	Longer-term	New *if* providing financial incentives or placemaking investments
Issue #5: Businesses struggle to find qualified workers	5.1 Facilitate workforce connections and support partner initiatives	Near-term	Existing
Issue #6: Perceived limited supports for small businesses	6.1 Strengthen business communication, customer service, and resource connections	Near-term	Existing
	6.2 Provide small business assistance grants for upgrades	Longer-term	New

Organization of the Economic Development Strategy

This strategy is organized as follows:

- **Framework for Action.** Presents the Strategy's implementation approach and how the City will advance the actions over time.
  - **Implementation Leadership and Partnerships.** Describes City departments' roles and the external partners needed to support delivery.
  - **Strategic Focus Areas and Actions.** Describes each focus area, the underlying issue, and the actions identified to address it.
  - **Resource Needs.** Summarizes staffing and funding considerations and identifies which actions can proceed with existing resources versus those requiring new resources.
  - **Sequencing of Actions.** Outlines near-term priorities (1-5 years) and longer-term steps (6–10 years), including actions that start with exploration and scale later.
- **Detailed Action Sheets.** Provides action-by-action implementation details, including rationale, roles, and implementation steps.

Framework for Action

The Framework for Action translates Wilsonville's desired economic outcomes into a clear plan for implementation. It defines who will lead the work, what actions the City will take and why, and when those actions will occur. This section presents actions to guide the City in managing growth, strengthening its business environment, and promoting long-term economic resilience.

Implementation Leadership and Partnerships

Implementation of the EDS will be led by the City of Wilsonville's Economic Development and Planning departments, with support from Engineering, Parks, and other City departments as needed. Close coordination among departments will be essential to align land use, infrastructure, and economic development priorities.

Success will also depend on collaboration with external partners that bring technical expertise, funding, and regional connections. Key partners include:

- **Business Oregon:** Provides state programs and resources that support infrastructure investment, industrial site development, and business investment and recruitment.
- **Greater Portland Inc. (GPI):** Supports business recruitment, foreign direct investment (FDI), marketing, and traded-sector growth in the region.
- **Metro and Washington County:** Supports coordination of infrastructure, transportation, and land-use planning.
- **Chambers of Commerce:** Provide local business support, networking, and convening to strengthen the business community.
- **Educational and workforce partners** (Clackamas Community College, Oregon Tech, Oregon Manufacturing Extension Partnership, Clackamas Workforce Partnership, Worksystems): Offers workforce training, industry engagement, and alignment of education programs with employer needs.

Note: These partners represent core collaborators but not the full list of organizations that may support implementation of the EDS actions.

Strategic Focus Areas and Actions

The Strategy focuses on six key focus areas that most influence Wilsonville's ability to achieve its desired economic outcomes. Each represents a point of leverage where the City can make measurable progress through investment, policy, and partnership.

Each focus area includes a description of the issue, followed by the specific actions identified to address it. Collectively, these actions provide a framework for the City to manage growth, strengthen its business environment, and promote long-term economic resilience.

Note: Several actions are drawn from the Town Center Plan (TCP) and Tourism Development Strategy (TDS). These existing plans include initiatives that directly advance the outcomes and focus areas identified through the WILR and engagement process. Incorporating them here ensures consistency across adopted plans and avoids duplicating existing work. When an action originates in the TCP or TDS, it is noted for reference.

FOCUS AREA 1: MUCH OF WILSONVILLE'S UNDEVELOPED INDUSTRIAL LAND IS NOT DEVELOPMENT READY

Wilsonville has more than 350 acres of vacant industrial land across the city. However, much of this land is not development ready, with the greatest readiness challenges concentrated in Coffee Creek and Basalt Creek. Many of the sites in these areas are unavailable for development of higher-intensity industrial uses because of infrastructure gaps (e.g., lack of sufficient sewer and water capacity), small parcel sizes and fragmented ownership, and existing low-intensity uses that hinder private investment.

Actions

1.1 Launch a land aggregation and resale program in Coffee Creek

Use Urban Renewal funds to acquire parcels from willing sellers in Coffee Creek, consolidate them into marketable sites, and resell them through an RFP process to industrial developers or owner-users. Land may be sold below acquisition cost (at Fair Reuse Value, as defined by ORS 457) to overcome barriers created by land fragmentation and gaps between seller price expectations and buyers' ability to pay. The price gap would be reimbursed through the Business Oregon Regionally Significant Industrial Site (RSIS) program once job thresholds are met.[117] This approach directly reduces land fragmentation and creates larger, development-ready industrial parcels.

[117] The RSIS program, administered by Business Oregon, helps local governments prepare large industrial sites for traded-sector employers. The program reimburses eligible site-readiness costs, such as land assembly, infrastructure, and environmental mitigation. Local governments fund the initial

City role: Use Urban Renewal funds to acquire and consolidate parcels, manage resale through an RFP and Disposition & Development Agreement (DDA), and pursue RSIS reimbursement for eligible costs once job performance criteria are met.

1.2 Conduct a feasibility study for a Basalt Creek Urban Renewal Area (URA)

Evaluate whether expanding the Coffee Creek URA to include Basalt Creek, or establishing a new URA for Basalt Creek, could generate sufficient tax increment to fund needed infrastructure and site readiness. The study will assess the potential to fund roads, utilities, and other urban infrastructure, as well as opportunities to support land aggregation. It will provide City Council with options and recommendations. This action directly addresses the lack of infrastructure and fragmented sites that currently limit development in Basalt Creek.

City role: Lead the feasibility study, engage with affected taxing districts, and prepare City Council for a decision on whether to expand the Coffee Creek URA or establish a new URA for Basalt Creek

1.3 Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation

Coordinate with Washington County to review development applications in the Basalt Creek area and advocate for uses that align with the Basalt Creek Concept Plan (BCCP) and the City's long-term industrial goals. Although Washington County maintains permitting authority until annexation, the City should be closely involved in pre-application meetings and development review to encourage land use decisions that support the BCCP. As an alternative approach, the City could work with Washington County to update the Urban Planning Area Agreement (UPAA) to transfer planning authority for Basalt Creek to the City, which would help ensure development approved under Washington County zoning includes required off-site improvements.

If properties are annexed, require new uses and development to comply with the City's Development Code and support the area's intended industrial character. For properties that remain under Washington County jurisdiction, prioritize clear communication with owners and transition planning. Encourage interim site and design improvements that fit the surrounding urban industrial context until such time that annexation and development occur.

City role: Coordinate with Washington County on development review in Basalt Creek, communicate expectations for BCCP-consistent development, lead any discussions about

improvements and receive reimbursement after the site meets job and wage thresholds based on new employment created.

updating the UPAA, and, after annexation, manage City Development Code compliance and provide guidance to property owners on needed changes.

1.4 Develop a coordinated package of financial and policy tools for overcoming infrastructure barriers

Identify, evaluate, and refine a coordinated package of financial and policy tools that reduce high infrastructure costs and support industrial land development in Wilsonville. The work will clarify funding mechanisms, incentives, and partnerships that can help offset or share upfront costs of site readiness and infrastructure delivery, and package them in a way that is predictable and easy for staff and developers to use. The package could include:

- New funding mechanisms, such as Local Improvement Districts (LIDs) or latecomer agreements.
- Promotion and potential refinements to the Wilsonville Investment Now (WIN) program to better support site readiness in areas outside Coffee Creek.
- Public cost-sharing and site preparation support, including development agreements that share infrastructure or site preparation costs on strategic sites. The RSIS program could reimburse qualifying investments in areas such as Coffee Creek, Basalt Creek, and select sites east of I-5.
- State and federal funding through Business Oregon, Metro, and federal/state infrastructure programs to reduce the local funding burden.
- Regional collaboration and advocacy to align Wilsonville's needs with broader regional industrial land readiness goals and increase visibility of local infrastructure challenges in state funding discussions.

City role: Evaluate and, where appropriate, implement new funding tools, pursue state and federal grants to offset infrastructure costs, coordinate advocacy with regional partners, and maintain a clear summary of available tools for use in City discussions with property owners and developers.

1.5 Promote Wilsonville's industrial sites for development

Increase the City's promotion of Wilsonville's industrial sites by clearly communicating site readiness status, available incentives (such as the WIN program), tools developed under Action 1.4, and the City's support for traded-sector employers. Strengthen targeted outreach through regional partnerships and consistent engagement with site selectors, developers, and employers, using tools such as the developer and site selector newsletter with a regular schedule and proactive, site-specific messaging.

City role: Lead marketing of industrial sites through direct communication and outreach, maintain up-to-date information on sites and incentives, and collaborate with Greater

Portland Inc. and Business Oregon to increase the visibility of Wilsonville's opportunities in regional and state recruitment.

FOCUS AREA 2: LIMITED CITY FUNDS TO SUPPORT ECONOMIC DEVELOPMENT OUTSIDE OF COFFEE CREEK URBAN RENEWAL AREA

Wilsonville's capacity to support infrastructure, redevelopment, and business investment is constrained by a limited set of local funding tools. The Coffee Creek Urban Renewal Area (URA) provides dedicated resources for site improvements and infrastructure, but other priority areas, including Basalt Creek and Town Center, do not have comparable funding sources. This gap limits the City's ability to provide infrastructure to support the development and/or redevelopment of priority sites, attract employers, and act on other City priorities.

Actions

2.1 Explore a dedicated funding source to support commercial and mixed-use redevelopment *(Refer to Town Center Plan & Tourism Development Strategy)*

Evaluate options for creating a dedicated funding source to support commercial and mixed-use redevelopment, particularly in Town Center and along key commercial corridors. Potential tools include a Town Center Urban Renewal Area (URA), a Business Improvement District (BID), a Local Improvement District (LID), and adjustments to the Transient Lodging Tax (TLT). This action will assess feasibility, tradeoffs, and community support for these options and identify how a funding package could provide sustained resources for infrastructure, amenities, and redevelopment projects that strengthen Wilsonville as a hub for retail, dining, and tourism.

City role: Lead policy design, financial analysis, and public and stakeholder engagement; coordinate with overlapping taxing districts; and, if a tool is adopted, administer the chosen funding mechanism.

1.2. Conduct a feasibility study for a Basalt Creek URA (See Focus Area 1)

1.4. Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers (See Focus Area 1)

FOCUS AREA 3: VACANT COMMERCIAL LAND IS LIMITED

Wilsonville has a limited supply of vacant commercial land to accommodate future growth. The EOA highlighted that redevelopment and policy changes, such as allowing certain commercial uses in select industrial areas, will be essential to meeting future commercial needs. Town Center represents Wilsonville's primary opportunity for new commercial and mixed-use growth. Several large vacant commercial buildings,

including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, also offer near-term opportunities for reuse.

Actions

3.1 Explore expansion of allowable non-retail commercial uses in select industrial areas

Explore targeted updates to the Wilsonville Development Code to allow a limited range of non-retail commercial uses in carefully selected industrial areas. Potential uses could include commercial recreation (for example, gyms, climbing facilities, or indoor entertainment) and offices or coworking spaces that are not directly tied to an industrial operation but are compatible with industrial activity. This action is explicitly framed as an exploration exercise and will focus on where and how such uses might be appropriate, whether they should be allowed as conditional uses, and what safeguards are needed to protect traded-sector industrial land.

City role: Lead the exploratory analysis and stakeholder conversations, and, if appropriate, manage the Development Code amendment process.

3.2 Coordinate with other City departments to deliver on Town Center and tourism priorities *(Refer to Town Center Plan & Tourism Development Strategy)*

Work across departments so that Economic Development helps advance key actions from the Town Center Plan and Tourism Development Strategy that align with the desired outcomes identified in this Economic Development Strategy. This includes supporting parking management, shared parking strategies, placemaking, and streetscape or public space improvements that make redevelopment more attractive and feasible.

City role: Coordinate across departments to align Economic Development, Planning, Parks and Recreation, Engineering and Public Works with Town Center and tourism strategies.

3.3 Catalyze redevelopment of key sites in Town Center *(Refer to Town Center Plan)*

Partner on select priority sites where City support could spark reinvestment and create new commercial space on underutilized land. The City could collaborate with property owners and potential developers to facilitate site readiness, assist with predevelopment analysis, and coordinate infrastructure or amenity improvements needed to attract investment. If a Town Center URA is adopted, URA-funded acquisition and disposition, SDC transfer programs, or predevelopment grants (e.g., feasibility studies, site development analysis) could be used to help catalyze projects.

City Role: Facilitate partnerships with property owners and developers, provide technical and policy support for site redevelopment, and coordinate needed infrastructure and public improvements. Offer regulatory or financial incentives, marketing support, or infrastructure cost-sharing; recruit development partners.

FOCUS AREA 4: LACK OF UNIQUE RETAIL AND DINING EXPERIENCES

Wilsonville has few distinctive, locally owned shops and restaurants that help create a strong sense of place and attract workers and visitors. Most retail centers are anchored by national chains, and smaller experience-oriented businesses face barriers such as high rents, limited appropriately sized spaces, and costly tenant improvements. These challenges make it difficult for locally owned restaurants, shops, and personal service businesses to establish and grow. Expanding opportunities for locally owned and experience-driven businesses, particularly in Town Center, would strengthen Wilsonville's identity and support local entrepreneurs. This work also offers an opportunity to broaden access for business owners from all backgrounds, including those from historically underrepresented communities, by reducing barriers to entry and increasing access to space, visibility, and customers.

Actions

4.1 Incentivize local dining and retail in Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Design and implement an incentives program to encourage local and experience-oriented dining and retail businesses to locate in Town Center. Incentives may include tenant improvement grants, limited fee reductions, or lease subsidies designed to attract small, locally owned businesses that contribute to Town Center's identity as a vibrant community destination. These incentives are intended to support businesses and entrepreneurs both in and outside of Wilsonville that are seeking to establish or expand in Town Center. This program will be coordinated with the Town Center Plan and Tourism Development Strategy to ensure alignment.

City role: Design and administer incentive programs, coordinate with property owners and tenants, and monitor outcomes to refine the program over time.

4.2 Explore the creation of a food cart incubation program in Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Explore the feasibility of a food cart incubation program in Town Center to support small-scale entrepreneurs, activate underused sites, and test market demand. The concept could draw on Tigard's Launch Pod model, which pairs lower rents withs business advising and coaching. Initial rent is low and increases over time. Business advising includes coaching and a defined "graduation" period, after which successful businesses move to other locations. The program would be open to entrepreneurs both in and outside of Wilsonville who are looking for an accessible way to launch or test a concept.

City role: Lead exploration of the concept by identifying potential sites, evaluating feasibility, and defining partner roles. If a viable model and funding source are identified, help secure resources and promote the program.

4.3 Explore affordable commercial space models and partnerships

Evaluate strategies and partnerships to increase the supply of affordable or below-market commercial space for small and locally owned businesses in Town Center and other key commercial areas, and to preserve existing affordable commercial spaces. Potential approaches include City master leasing, where the City leases ground-floor space from a property owner and subleases it to local businesses at reduced rates, and partnerships with developers that reserve a portion of new projects for local tenants. The City could also explore shared incubator spaces or micro-suites that offer low-cost entry points for start-ups. These approaches support small businesses and entrepreneurs operating in Wilsonville, including minority-owned businesses, whether they start here or relocate from elsewhere.

City role: Lead evaluation of options to support affordable commercial space; identify pilot sites and engage property owners.

4.4 Recruit unique restaurants and shops to Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Actively recruit distinctive dining and retail tenants to strengthen Town Center as a destination district. Focus recruitment on concepts that fit the Town Center Plan vision and Tourism Development Strategy, using targeted marketing materials, coordination with property owners and brokers, and direct outreach to operators whose offerings match the desired character and tenant mix. Recruitment could be paired with catalytic redevelopment efforts (Action 3.1) to ensure new businesses locate in highly visible, high-impact sites. Recruitment efforts could include outreach to both existing Wilsonville businesses that may want to expand into Town Center, and businesses from outside the city that offer concepts not currently available in Wilsonville. Recruitment should aim to bring a diversity of business types that broaden the mix of experiences, cuisines, and services available in Town Center.

City role: Market Town Center opportunity sites, lead or support outreach to targeted tenants, and coordinate with property owners, brokers, and tourism partners so recruitment is explicitly aligned with the Town Center Plan and Tourism Development Strategy and connected to City incentive tools.

FOCUS AREA 5: BUSINESSES STRUGGLE TO FIND QUALIFIED WORKERS

Employers in Wilsonville face challenges finding and retaining workers with the skills needed for manufacturing and other key industries. During the EOA engagement

process, employers and regional economic development partners also raised concerns about how artificial intelligence (AI) may affect local jobs and emphasized the importance of upskilling workers to meet evolving job requirements. These issues are particularly challenging for smaller employers that have limited resources to dedicate to in-house training. Stronger coordination between businesses, schools, and workforce partners is needed to align training programs with both current and emerging industry needs.

Actions

5.1 Facilitate workforce connections and support partner initiatives

Take a more active coordinating role in workforce efforts by working with employers, education providers, and workforce organizations so Wilsonville's needs are clearly reflected in regional programs and funding decisions. This means not only connecting partners, but also advocating for training, partnerships, and resources that align with local industry priorities.

City role: Facilitate communication between employers and workforce training partners, support partner-led initiatives that address workforce challenges, and elevate Wilsonville's workforce needs with state and regional agencies.

FOCUS AREA 6: PERCEIVED LIMITED SUPPORT FOR SMALL BUSINESSES

During the EOA engagement process, business owners and economic development partners identified several key challenges: difficulty accessing financing for small businesses, limited awareness of available business support resources, and a shortage of affordable space for startups and growing companies. Participants emphasized that developers and business owners value a proactive, service-oriented approach from the City that helps them navigate permitting and regulatory processes, connect with funding or technical assistance, and work collaboratively with staff to find solutions. This work is intended to support the needs of existing Wilsonville businesses as well as new businesses evaluating locations in the city. As part of this work, the City can use inclusive outreach strategies that ensure small businesses and entrepreneurs from a wide range of backgrounds are aware of available resources and able to access support.

Actions

6.1 Strengthen business communication, customer service, and resource connections

Continue and strengthen the City's direct engagement with local businesses by expanding outreach, improving communication, and addressing barriers identified by businesses. By coordinating across departments and maintaining regular contact with

both industrial and commercial businesses, the City can identify challenges early, connect businesses to assistance, and make City processes easier to navigate.

City role: Proactively engage businesses, identify barriers early, provide clear permitting guidance, and connect businesses to resources.

6.2 Provide small business assistance grants for upgrades

Offer small business grants to help industrial and commercial businesses make key investments that support long-term viability. Eligible activities could include energy efficiency and building systems upgrades, technology adoption, tenant improvements and façade enhancements, and technology or equipment investments tied to productivity and job retention. The grants could prioritize small businesses with limited access to capital and those in areas experiencing or anticipating redevelopment such as Town Center.

City role: Design and administer the grant offerings and use outreach from Action 6.1 to build a pipeline of businesses that could benefit.

Resource Needs

The resource needs to implement each action will depend on Council priorities and the desired level of effort. Maintaining current programs may be possible within existing capacity, while expanded outreach, new incentives, or redevelopment programs will require additional funding or staff support. Some actions, such as creating new funding tools or expanding urban renewal areas, are foundational steps that enable broader implementation.

Exhibit 71 summarizes the actions, organized by focus area, and indicates whether they can be advanced with existing staff and funding or will require additional resources.

Exhibit 71. Summary of Focus Areas, Supporting Actions, and Resource Needs

Focus Areas	Actions		Existing or New Resources
Issue #1: Much of Wilsonville's undeveloped industrial land is not development ready	1.1	Launch a land aggregation and resale program in Coffee Creek	Existing
	1.2	Conduct a feasibility study for a Basalt Creek URA	Existing
	1.3	Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation	Existing

	1.4	Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers	Exploration with existing staff; *may* require establishing new funding source(s)
	1.5	Promote Wilsonville's industrial sites for development	Existing
Issue #2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	2.1	Explore a dedicated funding source to support commercial and mixed-use redevelopment *(TCP/TDS)*	Exploration with existing staff
		Conduct a feasibility study for a Basalt Creek URA **(see 1.2)**	
		Create a package of incentives for overcoming infrastructure barriers **(see 1.4)**	
Issue #3: Vacant commercial land is limited	3.1	Explore expansion of allowable non-retail commercial uses in select industrial areas	Existing
	3.2	Coordinate with other City departments to deliver on Town Center and tourism priorities *(TCP/TDS)*	*Some* priorities will require new funding source(s)
	3.3	Catalyze redevelopment of key sites in Town Center (*TCP)*	Requires new funding source
Issue #4: Lack of unique retail and dining experiences	4.1	Incentivize local dining and retail in Town Center *(TCP/ TDS)*	New funding source needed *if* providing financial incentives
	4.2	Explore the creation of a food cart incubation program in Town Center *(TCP/ TDS)*	New funding source needed *if* providing seed funding
	4.3	Explore affordable commercial space models and partnerships	New funding source needed *if* subsidizing commercial space
	4.4	Recruit unique restaurants and shops to Town Center *(TCP/ TDS)*	New funding source needed *if* providing financial incentives or placemaking investments
Issue #5: Businesses struggle to find qualified workers	5.1	Facilitate workforce connections and support partner initiatives	Existing
Issue #6: Perceived limited supports for small businesses	6.1	Strengthen business communication, customer service, and resource connections	Existing
	6.2	Provide small business assistance grants for upgrades	Requires new funding source

Sequencing of Actions

Implementation of the actions will advance in stages based on available resources, partnerships, and logical sequencing rather than fixed timelines. Some actions can begin immediately using existing capacity, while others depend on funding, feasibility studies, or enabling steps.

Dependencies between actions are a key feature of this strategy. For example:

- Developing a **dedicated funding source (2.1)** could enable future redevelopment incentives, retail activation, and small-business grants.
- Completing the **Basalt Creek URA study (1.2)** and launching the **land aggregation program (1.1)** lays the groundwork for infrastructure development and the marketing of industrial land.
- Launching **retail incentive** and **activation programs (4.1, 4.2, 4.3)** can start small with current tools and scale once funding is secured.
- **Business outreach (6.1) and Town Center coordination (3.2)** can proceed now and shape later investment decisions.

The City Council's direction on which actions to elevate (such as prioritizing industrial readiness or small-business support) will guide how staff allocate resources through work plans and budgets.

Exhibit 72 separates actions by near-term priorities, which can be initiated with existing resources, and longer-term priorities that depend on new funding or enabling actions.

Exhibit 72. Sequencing and Dependencies

Focus Area	Near-Term Priorities (Years 1 to 5)	Longer-Term Priorities (Years 6 to 10)
Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready	**1.1** Launch land aggregation and resale program in Coffee Creek **1.2** Conduct feasibility study for a Basalt Creek URA **1.3** Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation **1.4** Evaluate and design a coordinated set of financial and polity tools for overcoming infrastructure barriers	**1.4** Expand the financial tools for overcoming infrastructure barriers if new funding mechanisms are pursued **1.5** Promote Wilsonville's industrial sites for development once incentive package and funding tools are in place
Focus Area 2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	**2.1** Explore a dedicated funding source to support commercial and mixed-use redevelopment	—
Focus Area 3: Vacant commercial land is limited	**3.1** Explore expansion of allowable non-retail commercial uses in select industrial areas **3.2** Coordinate with other City departments to deliver on Town Center and tourism priorities	**3.3** Catalyze redevelopment of key Town Center sites once funding and partnerships are secured (such as through funding from 2.1)
Focus Area 4: Lack of unique retail and dining experiences	**4.1** Pursue targeted incentives for local dining and retail in Town Center within existing resources **4.2** Explore creation of a food cart incubation program (may begin with low-cost site prep or partnerships) **4.3** Explore affordable commercial space models and partnerships	**4.1** Expand incentives for local dining and retail in Town Center, supported by new funding source from 2.1 **4.2** and **4.3** Implement full programs once additional funding or partnerships are in place **4.4** Recruit unique restaurants and shops, supported by new funding source from 2.1
Focus Area 5: Businesses struggle to find qualified workers	**5.1** Facilitate workforce connections and support partner initiatives	—
Focus Area 6: Perceived limited supports for small businesses	**6.1** Strengthen business communication, customer service, and resource connections	**6.2** Provide small business assistance grants, enabled by new funding sources such as from 2.1 or 1.2

Detailed Action Sheets

This section includes detailed action sheets for each of the actions laid out in the previous section. These sheets consolidate information on rationale, timeline, City and partner roles, resource considerations and implementation steps. These action sheets are intended to serve as working tools for City staff to guide annual work programs and inform interdepartmental coordination.

1.1 Launch a land aggregation and resale program in Coffee Creek

Description	Timeline
Use Urban Renewal funds to acquire parcels from willing sellers in Coffee Creek, consolidate them into marketable sites, and resell them through an RFP process to industrial developers or owner-users. Land may be sold below acquisition cost (at Fair Reuse Value, as defined by ORS 457) to overcome barriers created by land fragmentation and gaps between seller price expectations and buyers' ability to pay. The price gap would be reimbursed through the Business Oregon Regionally Significant Industrial Site (RSIS) program once job thresholds are met.[118]	**Near-term**

Rationale

Industrial redevelopment in Coffee Creek has been slowed by three related challenges:

- **Parcelization.** Many small, irregularly shaped lots are held by different owners, which makes it difficult to assemble sites large enough for modern industrial buildings, truck circulation, and required buffering.
- **Contractor Establishments.** Many properties are in contractor establishment uses (sites cleared of vegetation and used as outdoor laydown yards for heavy equipment, materials, and other storage) that provide strong returns with minimal management but do not align with the long-term vision for the area.
- **Land Value Discrepancies.** There is also a gap between what current owners expect for their land, often based on income-producing value, and what industrial developers can afford to pay based on project economics.

A City-led aggregation and resale effort addresses these constraints by assembling and repositioning land so that industrial projects can move forward. Similar models in Hillsboro and at the Port of Portland have successfully attracted traded-sector employers, grown the tax base, and leveraged public infrastructure investments.

City Role	Use Urban Renewal funds to acquire and consolidate parcels, manage resale through an RFP and Disposition & Development Agreement (DDA), and pursue RSIS reimbursement for eligible costs once job performance criteria are met. **Department Lead(s):** Economic Development (lead); City Attorney's Office (support)
Partners	Business Oregon; Coffee Creek property owners; industrial brokers; industrial developers and owner-users
Funding/Resource Considerations	Urban Renewal funds will cover initial acquisition and holding costs. RSIS reimbursement can offset the gap between acquisition and resale prices, and

[118] The RSIS program, administered by Business Oregon, helps local governments prepare large industrial sites for traded-sector employers. The program reimburses eligible site-readiness costs, such as land assembly, infrastructure, and environmental mitigation. Local governments fund the initial improvements and receive reimbursement after the site meets job and wage thresholds based on new employment created.

1.1 Launch a land aggregation and resale program in Coffee Creek	
	other eligible costs, once employment thresholds and program requirements are met.
Implementation Steps	• Request and finalize an amendment to the City's RSIS agreement to make land assembly a reimbursable cost. • Draft and adopt an amendment to the Coffee Creek Urban Renewal Plan to add property acquisition and aggregation as eligible projects. • Conduct outreach with brokers and property owners to identify willing sellers and potential assemblies; use mapping and engagement to identify parcels of desirable size and configuration, such as several adjacent parcels. • Option or acquire land using URA funds, with City Council approval. • Issue an RFP and enter into a DDA with a qualified developer, including development standards and use requirements that align with the Coffee Creek Master Plan. • Seek RSIS reimbursement for eligible costs once job thresholds and other program criteria are met.

1.2 Conduct a feasibility study for a Basalt Creek Urban Renewal Area (URA)

Description	Timeline
Evaluate whether expanding the Coffee Creek URA to include Basalt Creek, or establishing a new URA for Basalt Creek, could generate sufficient tax increment to fund needed infrastructure and site readiness. The study will assess the potential to fund roads, utilities, and other urban infrastructure, as well as opportunities to support land aggregation. It will provide City Council with options and recommendations.	**Near-term**

Rationale

Baseline financial analysis provided by Tiberius Solutions indicates that system development charge (SDC) revenues in Basalt Creek are unlikely to cover the full cost of required infrastructure improvements to support industrial development, particularly in the early years, and in certain SDC categories. Without an additional funding tool, the area may remain partially served and less attractive for large-scale industrial development. A URA feasibility study will clarify whether tax increment financing can help close these gaps and, if so, whether that is best achieved by expanding the Coffee Creek URA or by creating a new URA tailored to Basalt Creek.

City Role	Lead the feasibility study, engage with affected taxing districts, and prepare City Council for a decision on whether to expand the Coffee Creek URA or establish a new URA for Basalt Creek **Department Lead(s):** Economic Development (lead); Finance (support)
Partners	Overlapping taxing districts; Urban Renewal Task Force
Funding/Resource Considerations	City General Fund or other one-time funds are needed to cover study costs. If the study supports creation or expansion of a URA, tax increment financing could provide long-term resources to support infrastructure and site readiness in Basalt Creek.
Implementation Steps	• Confirm and document infrastructure funding gaps based on the financial analysis completed by Tiberius Solutions. • Define and test potential URA boundary options, including expansion of the Coffee Creek URA and a standalone Basalt Creek URA. • Prepare revenue projections and assess tax increment potential for each option, including estimated funding capacity for infrastructure and land assembly. • Engage overlapping taxing districts to review findings, evaluate impacts, and identify preferred approach. • Prepare a draft feasibility report summarizing options, tradeoffs, and recommended next steps, and present it to City Council for direction. • If Council determines that a URA is viable, proceed to an advisory vote (if Council so directs) to URA plan development and adoption in coordination with taxing districts. • Engage the Urban Renewal Task Force throughout the steps noted above.

1.3 Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation

Description	Timeline
Coordinate with Washington County to review development applications in the Basalt Creek area and advocate for uses that align with the Basalt Creek Concept Plan (BCCP) and the City's long-term industrial goals. Although Washington County maintains permitting authority until annexation, the City should be closely involved in pre-application meetings and development review to encourage land use decisions that support the BCCP. As an alternative approach, the City could work with Washington County to update the Urban Planning Area Agreement (UPAA) to transfer planning authority for Basalt Creek to the City, which would help ensure development approved under Washington County zoning includes required off-site improvements. If properties are annexed, require new uses and development to comply with the City's Development Code and support the area's intended industrial character. For properties that remain under Washington County jurisdiction, prioritize clear communication with owners and transition planning. Encourage interim site and design improvements that fit the surrounding urban industrial context until such time that annexation and development occur.	**Near-term**

Rationale

Contractor establishments provide stable jobs, but many occupy parcels intended for higher-intensity industrial development under the BCCP. If new or expanded uses are approved without close coordination, it becomes harder to transition these sites to the long-term industrial vision and may increase pressure to expand the urban growth boundary in the future. Proactively working with Washington County during the application process and clearly communicating expectations before annexation will help ensure that new investment is consistent with the BCCP and make the transition into the City smoother for businesses and property owners.

City Role	Coordinate with Washington County on development review in Basalt Creek, communicate expectations for BCCP-consistent development, lead any discussions about updating the UPAA, and, after annexation, manage City Development Code compliance and provide guidance to property owners on needed changes. **Department Lead(s):** Planning
Partners	Washington County; Basalt Creek property owners; developers; business tenants
Funding/Resource Considerations	Staff time will be required to coordinate with the County, review applications, and manage compliance after annexation. No new funding source is required at this time.

1.3	Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation
Implementation Steps	• Continue to review and provide comments on all development proposals if processed by Washington County, within the Basalt Creek planning area, and participate in pre-application meetings where possible. • Evaluate whether updating the UPAA to transfer planning authority for Basalt Creek to the City is feasible and mutually beneficial; initiate discussions with Washington County if appropriate. (example: Troutdale has an Intergovernmental Agreement with Multnomah County that transfers planning authority to the City for areas within its UGB). • Regularly communicate the BCCP vision and City expectations for future industrial development with County staff and property owners. • Prior to annexation, communicate annexation and development standards to property owners and business tenants. • Conduct code compliance reviews and provide technical guidance to property owners on required site or building changes.

1.4	Develop a coordinated package of financial and policy tools for overcoming infrastructure barriers

Description	Timeline
Identify, evaluate, and refine a coordinated package of financial and policy tools that reduce high infrastructure costs and support industrial land development in Wilsonville. The work will clarify funding mechanisms, incentives, and partnerships that can help offset or share upfront costs of site readiness and infrastructure delivery, and package them in a way that is predictable and easy for staff and developers to use.	**Near-term**

Rationale

Infrastructure costs remain a barrier to industrial site development and can make otherwise suitable lands financially infeasible to develop. A clear, coordinated package of financial and policy tools will give the City and developers predictable options for addressing financing gaps, improve alignment between public and private investments, and encourage development on industrial sites.

City Role	Evaluate and, where appropriate, implement new funding tools, pursue state and federal grants to offset infrastructure costs, coordinate advocacy with regional partners, and maintain a clear summary of available tools for use in City discussions with property owners and developers. **Department Lead(s):** Economic Development (lead); Finance (support)
Partners	Developers; industrial brokers property owners; Metro, Business Oregon, and other state agencies (grant opportunities)
Funding/Resource Considerations	Initial exploration can occur with existing staff. Some tools may require establishing new funding sources or making long-term financial commitments, which will require City Council direction.

Implementation Steps	• Explore and evaluate potential tools to address high infrastructure costs that limit development, including:
	  ○ New funding mechanisms, such as Local Improvement Districts (LIDs) or latecomer agreements.
	  ○ Promotion and potential refinements to the Wilsonville Investment Now (WIN) program to better support development and redevelopment in areas outside Coffee Creek.
	  ○ Public cost-sharing and site preparation support, including development agreements that share infrastructure or site preparation costs on strategic sites. The RSIS program could reimburse qualifying investments in areas such as Coffee Creek, Basalt Creek, and select sites east of I-5.
	  ○ State and federal funding through Business Oregon, Metro, and federal/state infrastructure programs to reduce the local funding burden.

1.4	Develop a coordinated package of financial and policy tools for overcoming infrastructure barriers
	○ Regional collaboration and advocacy to align Wilsonville's needs with broader regional industrial land readiness goals and increase visibility of local infrastructure challenges in state funding discussions. • Seek City Council direction if implementation of any new tool requires a financial commitment, policy amendment, or adjustment to existing funding programs. • Compile and document recommended tools into a coordinated package that can be shared internally and with developers, brokers, and property owners to improve awareness of available resources and how they can be used together on specific sites.

1.5 Promote Wilsonville's industrial sites for development

Description	Timeline
Increase the City's promotion of Wilsonville's industrial sites by clearly communicating site readiness status, available incentives (such as the WIN program), tools developed under Action 1.4, and the City's support for traded-sector employers. Strengthen targeted outreach through regional partnerships and consistent engagement with site selectors, developers, and employers, using tools such as the developer and site selector newsletter with a regular schedule and proactive, site-specific messaging.	**Longer-term**: After coordinated package of financial and policy tools is in place

Rationale

Wilsonville's strategic location and supply of industrial land position the City to attract traded-sector employers, but these advantages are not always visible in regional marketing and recruitment efforts. A marketing effort that showcases potential development sites, incentives, and readiness can help Wilsonville compete for high-quality projects and increase employment on its industrial lands.

City Role	Lead marketing of industrial sites through direct communication and outreach, maintain up-to-date information on sites and incentives, and collaborate with Greater Portland Inc. and Business Oregon to increase the visibility of Wilsonville's opportunities in regional and state recruitment. **Department Lead(s):** Economic Development
Partners	Greater Portland Inc.; Business Oregon; industrial brokers; developers; site selectors; property owners; traded-sector employers
Funding/Resource Considerations	Primarily staff time for outreach and materials development, supported by existing communications and technology resources. No new funding source is required at this time.
Implementation Steps	• Develop and maintain a marketing toolkit and inventory of available industrial sites, including GIS mapping, photos, zoning details, development-readiness, infrastructure, and incentive information for Coffee Creek and Basalt Creek. The toolkit should include ready-to-use materials such as one-page site sheets, maps, and standard talking points for staff and partners. • Strengthen direct outreach by maintaining a regular developer, broker, and site selector newsletter, update real estate and program information on the City's website, and regularly connect with local brokers, developers, and employers. • Share updated information and promotional materials with Greater Portland Inc. and Business Oregon so Wilsonville's opportunities are visible in regional and state recruitment efforts. • Track leads, site tours, and responses to evaluate the effectiveness of outreach and adjust messaging and tactics as needed.

2.1 Explore a dedicated funding source to support commercial and mixed-use redevelopment

Description	Timeline
Evaluate options for creating a dedicated funding source to support commercial and mixed-use redevelopment, particularly in Town Center and along key commercial corridors. Potential tools include a Town Center Urban Renewal Area (URA), a Business Improvement District (BID), a Local Improvement District (LID), and adjustments to the Transient Lodging Tax (TLT). This action will assess feasibility, tradeoffs, and community support for these options and identify how a funding package could provide sustained resources for infrastructure, amenities, and redevelopment projects that strengthen Wilsonville as a hub for retail, dining, and tourism.	**Near-term**

Rationale

The City has limited discretionary funds for commercial revitalization, which constrains its ability to implement the Town Center Plan and Tourism Development Strategy. Key projects such as streetscape improvements, public space investments, and redevelopment partnerships require a predictable local funding source to be competitive for outside grants and private investment. Establishing one or more dedicated funding tools would allow the City to make more strategic, long-term investments in Town Center and other commercial nodes. Without this, the scope and pace of City support for redevelopment in commercial areas will remain highly constrained and progress on adopted plans will depend on scattered, one-time funding.

The need for dedicated funding sources was elevated in the Town Center Plan and Tourism Development Strategy.

City Role	Lead policy design, financial analysis, and public and stakeholder engagement; coordinate with overlapping taxing districts; and, if a tool is adopted, administer the chosen funding mechanism. **Department Lead(s):** Economic Development with support from Finance
Partners	Town Center and commercial corridor property owners; business owners and tenants; residents; Chambers of Commerce; tourism partners (e.g., regional destination marketing organizations); overlapping taxing districts
Funding/Resource Considerations	Initial exploration can begin with existing staff time and may require consultant support for financial feasibility, revenue projections, and public process design. If Council adopts a tool such as a URA, BID, LID, or TLT adjustment, it will create an ongoing revenue source for Town Center and commercial corridor projects but will also require sustained staff and legal capacity to administer.
Implementation Steps	• Evaluate potential funding mechanisms, which could include:

2.1	Explore a dedicated funding source to support commercial and mixed-use redevelopment

    - A Town Center URA, which could provide the largest and most flexible funding source for a range of Town Center projects.
    - TLT adjustments, which could provide additional resources for amenity and tourism-related investments.
    - A BID, which could create a special assessment to fund ongoing services and small-scale improvements in a defined district.
    - A LID, which could provide a time-limited assessment to help fund specific infrastructure or streetscape projects.
- Engage property owners, business owners, residents, and overlapping taxing districts to gauge interest, concerns, and feasibility for each option.
- Prepare a comparative financial and policy analysis of preferred options.
- Present findings and a recommended path, which may include a preferred tool or a phased combination of tools, to City Council for direction.
- If directed by Council, initiate the formal process to create the preferred mechanism or mechanisms, such as URA plan development, BID or LID formation, or TLT code changes, including required public hearings and outreach.

3.1 Explore expansion of allowable non-retail commercial uses in select industrial areas

Description	Timeline
Explore targeted updates to the Wilsonville Development Code to allow a limited range of non-retail commercial uses in carefully selected industrial areas. Potential uses could include commercial recreation (for example, gyms, climbing facilities, or indoor entertainment) and offices or coworking spaces that are not directly tied to an industrial operation but are compatible with industrial activity. This action is explicitly framed as an exploration exercise and will focus on where and how such uses might be appropriate, whether they should be allowed as conditional uses, and what safeguards are needed to protect prime industrial land.	**Near-term**

Rationale

Wilsonville has a limited supply of vacant commercial land, and the 2025 Economic Opportunities Analysis found that most future commercial growth will depend on redevelopment and reuse rather than new greenfield sites. At the same time, some uses, such as certain commercial recreation or indoor entertainment, are not a good fit for Town Center or neighborhood commercial locations but can function well in certain industrial settings without conflicting with industrial activity. Carefully exploring expanded allowances in select industrial areas can relieve pressure on scarce commercial sites, activate underutilized industrial property, and support a more diverse employment base while preserving industrial competitiveness.

City Role	Lead the exploratory analysis and stakeholder conversations and, if appropriate, manage the Development Code amendment process **Department Lead(s):** Planning (lead); Economic Development (support)
Partners	**Industrial property owners; developers; businesses**
Funding/Resource Considerations	This action can be implemented with existing staff resources.
Implementation Steps	• Identify “candidate” areas where additional non-retail uses might be appropriate based on existing and planned industrial uses; access, visibility, and potential for conflicts (traffic, noise, parking); and long-term industrial land readiness goals. • Evaluate whether additional uses should be allowed outright, allowed as conditional uses, or limited to specific sub-areas to preserve core industrial districts. • Conduct stakeholder outreach to test these options, understand potential benefits and concerns, and refine location and approval criteria. • If warranted, draft Development Code amendments and bring them through Planning Commission and City Council for consideration. • Monitor development patterns to ensure that expanded uses complement, rather than displace, industrial employment.

3.2	Coordinate with other City departments to deliver on Town Center and tourism priorities

Description	Timeline
Work across departments so that Economic Development helps advance key actions from the Town Center Plan and Tourism Development Strategy that align with the desired outcomes identified in this Economic Development Strategy. This includes supporting parking management, shared parking strategies, placemaking, and streetscape or public space improvements that make redevelopment more attractive and feasible.	**Near-term**

Rationale

The Town Center Plan and Tourism Development Strategy already identify projects and policy changes to support business activity and visitor spending. Whether those benefits are realized will depend on future City decisions about capital investments, street design, public space programming, parking, and signage. More fully integrating Economic Development into these decisions helps ensure that project scoping and prioritization reflect business and property-owner perspectives and that Town Center and tourism investments advance the City's broader economic development strategy.

City Role	Coordinate across departments to align Economic Development, Planning, Parks and Recreation, Engineering and Public Works with Town Center and tourism strategies. **Department Lead(s):** Economic Development as it relates to priorities that overlap with this Strategy
Partners	**Refer to Town Center Plan and Tourism Development Strategy**
Funding/Resource Considerations	Some priorities will require new funding source(s) and/or additional staff capacity. Refer to Town Center Plan and Tourism Development Strategy for actions and funding needs.
Implementation Steps	**Refer to Town Center Plan and Tourism Development Strategy**

3.3 Catalyze redevelopment of key sites in Town Center

Description	Timeline
Partner on select priority sites where City support could spark reinvestment and create new commercial space on underutilized land. The City could collaborate with property owners and potential developers to facilitate site readiness, assist with predevelopment analysis, and coordinate infrastructure or amenity improvements needed to attract investment. If a Town Center URA is adopted, URA-funded acquisition and disposition, SDC transfer programs, or predevelopment grants (e.g., feasibility studies, site development analysis) could be used to help catalyze projects.	**Longer-term**: Once funding and partnerships are secured

Rationale

Town Center provides a strong opportunity for higher-intensity mixed-use and commercial redevelopment, but property owners may face feasibility challenges, high infrastructure costs, or limited capacity to move projects forward. Concentrating effort on a small number of catalyst sites can create momentum, demonstrate visible progress on the Town Center vision, and deliver benefits such as public space, housing, and small-business opportunities. Without a new funding source, the City's role will remain limited to coordination and light-touch support; with a Town Center URA or similar tool, the City will have more ability to move priority projects forward.

City Role	Establish and maintain partnerships with property owners and developers, provide technical and policy support for site redevelopment, and coordinate needed infrastructure and public improvements. Offer regulatory or financial incentives, marketing support, or infrastructure cost-sharing; recruit development partners. **Department Lead(s):** Economic Development and Planning
Partners	Town Center property owners; developers; brokers; Chambers of Commerce; tourism partners; residents and neighborhood representatives
Funding/Resource Considerations	Requires a new funding source to move beyond light-touch predevelopment support. If a Town Center URA or similar tool is adopted through Action 2.1, URA-funded land acquisition and disposition, SDC transfer programs, or predevelopment grants could be used to help advance projects.
Implementation Steps	• Identify potential priority catalyst sites for redevelopment consistent with the Town Center Plan. • Engage property owners and potential development partners to assess interest, constraints, and redevelopment potential. • Identify financial and policy tools, including those implemented in Action 2.1, that the City can utilize to support site redevelopment. • Develop site-specific implementation strategies and bring them to City Council for direction, including any proposed public-private partnership structures and funding commitments. See Town Center Plan for ideas. • Apply the Town Center Plan's business retention and location strategies when advancing catalyst projects to support existing businesses.

4.1 Incentivize local dining and retail in Town Center

Description	Timeline
Design and implement an incentives program to encourage local and experience-oriented dining and retail businesses to locate in Town Center. Incentives may include tenant improvement grants, limited fee reductions, or lease subsidies designed to attract small, locally owned businesses that contribute to Town Center's identity as a vibrant community destination. These incentives are intended to support businesses and entrepreneurs both in and outside of Wilsonville that are seeking to establish or expand in Town Center. This program will be coordinated with the Town Center Plan and Tourism Development Strategy to ensure alignment.	**Near-term:** Pursue targeted incentives within existing resources **Longer-term:** Expand incentives, dependent on new funding

Rationale

Town Center does not have enough unique, locally owned restaurants and shops to draw regular foot traffic or create a strong sense of place. National chains add stability, but small local businesses bring character and reinforce community identity. Because high startup costs and rising rents make it hard for smaller businesses to locate here, the City can use targeted incentives to help close modest feasibility gaps. A clear, predictable incentives program would support tenants that advance Town Center and tourism goals, improve the local business mix, and keep more spending in Wilsonville.

City Role	Design and administer the incentives program, coordinate with property owners and tenants, and monitor outcomes to refine the program over time. **Department Lead(s):** Economic Development
Partners	Chambers of Commerce; property owners; business owners and tenants; business support organizations, including those serving minority-owned businesses
Funding/Resource Considerations	Program design and limited incentives could move forward with existing resources. Full-scale incentives will depend on creation of a sustainable funding mechanism through Action 2.1.
Implementation Steps	• Define program goals and target tenants focusing on locally-owned restaurants and specialty retail that align with Town Center and tourism priorities • Select a small set of tools to support the desired types of business growth and set clear eligibility and evaluation criteria. • Promote the incentives program widely, including outreach to minority-owned businesses and business support organizations as well as existing Wilsonville businesses who may want to locate in Town Center. • Track funded projects and early outcomes, and refine the program based on what works. • As funding tools from Action 2.1 are clarified, decide how to scale and sustain the program and coordinate it with other Town Center investments.

4.2 Explore the creation of a food cart incubation program in Town Center

Description	Timeline
Explore the feasibility of a food cart incubation program in Town Center to support small-scale entrepreneurs, activate underused sites, and test market demand. The concept could draw on Tigard's Launch Pod model, which pairs lower rents with business advising and coaching. Initial rent is low and increases over time. Business advising includes coaching and a defined "graduation" period, after which successful businesses move to other locations. The program would be open to entrepreneurs both within and outside of Wilsonville who are looking for an accessible way to launch or test a concept.	**Near-term**: Concept development, site and regulatory analysis **Longer-term:** Implementation, dependent on funding and capacity

Rationale

Food carts can lower the cost-of-entry for new food businesses, generate immediate activity, and provide a pathway for restaurants to brick-and-mortar locations. A well-located pod in Town Center could complement existing businesses, support diverse and minority-owned entrepreneurs, and help establish Town Center as a dining destination.

City Role	Lead exploration of the concept by identifying potential sites, evaluating feasibility, and defining partner roles. If a viable model and funding source are identified, help secure resources and promote the program. **Department Lead(s):** Economic Development
Partners	Property owners of strategic, underutilized sites; Chambers of Commerce; Small Business Development Center and other business support providers; lenders and potential grant funders; food entrepreneurs.
Funding/Resource Considerations	Staff can complete planning and coordination with existing resources. Any direct City investment in site improvements, food carts, or business services would require a dedicated funding source (e.g., URA funds or grants).
Implementation Steps	• Review Tigard's Launch Pod and similar food-business accelerator models to identify key elements that could work in Wilsonville (cohort size, rent structure, term length, coaching model, equity goals). • Identify one or more candidate sites in Town Center focusing on visibility, access, utilities, and consistency with the Town Center Plan and Tourism Development Strategy. • Assess zoning and other requirements for a pod and determine whether any code updates or clarifications are needed. • Engage property owners, business support partners and entrepreneurs to gauge interest. • Outline a preferred concept including target entrepreneurs, rent and "graduation" structure, expected costs, and basic partner roles. • Identify potential funding pathways and partner contributions and, if feasibility looks promising, prepare a concept package for City Council.

4.3 Explore affordable commercial space models and partnerships

Description	Timeline
Evaluate strategies and partnerships to increase the supply of affordable or below-market commercial space for small and locally owned businesses in Town Center and other key commercial areas, and to preserve existing affordable commercial spaces. Potential approaches include City master leasing, where the City leases ground-floor space from a property owner and subleases it to local businesses at reduced rates, and partnerships with developers that reserve a portion of new projects for local tenants. The City could also explore shared incubator spaces or micro-suites that offer low-cost entry points for start-ups. These approaches support small businesses and entrepreneurs operating in Wilsonville, including minority-owned businesses, whether they start here or relocate from elsewhere.	**Near term:** Concept development and partnership discussions **Longer term:** Implementation as funding and opportunities arise

Rationale

High rents and limited availability of small, flexible commercial spaces create barriers for small, local, and startup businesses. Increasing access to more affordable space would support entrepreneurship, strengthen the local retail and dining scene, and reinforce Town Center's role as a vibrant, experience-driven destination. This strategy aligns with the Town Center Plan's and Tourism Development Strategy's goals to increase local business diversity and help retain businesses that contribute to Wilsonville's identity and economy.

City Role	Lead evaluation of options to support affordable commercial space; identify pilot sites and engage property owners. **Department Lead(s):** Economic Development
Partners	Property owners and developers; business support organizations; lenders and potential grant funders; prospective small businesses and entrepreneurs
Funding/Resource Considerations	Initial exploration and partner outreach can occur with existing staff resources. Implementing a pilot that includes rent subsidies, buildout support, or master leasing will require a new funding source and could be coordinated with tools developed under Action 2.1.
Implementation Steps	• Assess demand and space needs for small and locally-owned businesses. • Review affordable commercial space models from other communities, including incubators, shared spaces, master leases, and set-aside agreements, and identify which are most applicable in Wilsonville. • Identify candidate sites and partners. • Outline pilot concepts, including roles, eligibility, lease terms, and how affordability would be maintained. • Evaluate potential funding tools, including those developed through Action 2.1, to support any required public contribution. • If a viable pilot emerges, prepare a concept and funding strategy for City Council review and direction on whether/how the City should participate.

4.4 Recruit unique restaurants and shops to Town Center

Description	Timeline
Actively recruit distinctive dining and retail tenants to strengthen Town Center as a destination district. Focus recruitment on concepts that fit the Town Center Plan vision and Tourism Development Strategy, using targeted marketing materials, coordination with property owners and brokers, and direct outreach to operators whose offerings match the desired character and tenant mix. Recruitment could be paired with catalytic redevelopment efforts (Action 3.1) to ensure new businesses locate in highly visible, high-impact sites. Recruitment efforts could include outreach to both existing Wilsonville businesses that may want to expand into Town Center, and businesses from outside the city that offer concepts not currently available in Wilsonville. Recruitment should aim to bring a diversity of business types that broaden the mix of experiences, cuisines, and services available in Town Center.	**Longer-term**: Enabled by new funding source from 2.1

Rationale

The Town Center Plan calls for a stronger cluster of destination dining and retail, active storefronts, and a mix of local and regional tenants. The Tourism Development Strategy emphasizes experiences that give residents and visitors a reason to choose Wilsonville and stay longer. A focused, plan-driven recruitment effort can strengthen Town Center as Wilsonville's primary dining and activity hub, complement planned public investments, and create opportunities for local and minority-owned businesses that reinforce the City's identity and visitor appeal.

City Role	Market Town Center opportunity sites, lead or support outreach to targeted tenants, and coordinate with property owners, brokers, and tourism partners so recruitment is explicitly aligned with the Town Center Plan and Tourism Development Strategy and connected to City incentive tools. **Department Lead(s):** Economic Development
Partners	Town Center property owners and brokers; developers; Chambers of Commerce; tourism partners; business support organizations; prospective tenants, including local and minority-owned businesses
Funding/Resource Considerations	Primarily staff time for outreach and marketing. Recruitment efforts will be more effective if paired with incentives, which could be supported by funding tools identified in Action 2.1.
Implementation Steps	• Develop concise recruitment materials that summarize the Town Center vision, highlight tourism-related strengths, and showcase opportunity sites and available incentives. • Coordinate with property owners and brokers to identify current and future spaces best suited for destination dining and retail. • Maintain a list of priority tenant types and target operators (local, regional, and minority-owned) and conduct proactive outreach to them.

4.4 Recruit unique restaurants and shops to Town Center

- Use recruitment conversations to understand what tenants need to make a Town Center location feasible and coordinate that information with Actions 3.1 and 4.1.
- Integrate recruitment with Town Center and tourism activation efforts, such as events and promotions (see Town Center Plan and Tourism Development Strategy), so prospective tenants can see how the district is evolving.
- Track leads, new leases, and openings influenced by City outreach and periodically report progress to City Council.

5.1 Facilitate workforce connections and support partner initiatives

Description	Timeline
Take a more active coordinating role in workforce efforts by working with employers, education providers, and workforce organizations so Wilsonville's needs are clearly reflected in regional programs and funding decisions. This means not only connecting partners, but also advocating for training, partnerships, and resources that align with local industry priorities.	**Near-term**

Rationale

Through engagement, businesses reported difficulty finding qualified workers, a problem that is not unique to Wilsonville. City Council has emphasized workforce support as a priority, while recognizing that workforce funding and program design are largely controlled by regional and state entities. The City cannot close workforce gaps on its own, but the City can *add value* by convening employers and partners, communicating local needs, and advocating for programs that fit Wilsonville's key sectors (for example, advanced manufacturing and construction). A more deliberate coordination role will help partners tailor programs to local needs and give Wilsonville a stronger voice in regional workforce conversations and funding decisions.

City Role	Facilitate communication between employers and workforce partners, support partner-led initiatives that address workforce challenges, and elevate Wilsonville's workforce needs with regional and state agencies. **Department Lead(s):** Economic Development
Partners	Clackamas Workforce Partnership; Worksystems; Clackamas Community College; Oregon Tech; OMEP; Chambers of Commerce; major employers; small and locally owned businesses
Funding/Resource Considerations	Primarily staff time for outreach, coordination, and communication. Staff could spend more time on this work if it remains a City Council priority.
Implementation Steps	Work with employers and partners to identify what level of workforce coordination makes sense for Wilsonville and execute on that approach. This could include: • Developing an employer listening framework (e.g., annual survey, sector roundtables, or one-on-one visits) to ensure the City understands the workforce development needs of businesses. Make sure to engage a range of business sizes and owners, including minority-owned businesses. • Creating and maintaining a directory of workforce partners and programs relevant to Wilsonville employers. • Convening sector-focused conversations (e.g., advanced manufacturing) with employers and training providers to identify shared priorities. • Sharing employer feedback with partners and tracking follow-up where feasible (e.g., new course offerings, apprenticeships). • Coordinating with workforce partners to elevate Wilsonville-specific needs in regional workforce plans and funding proposals.

6.1 Strengthen business communication, customer service, and resource connections

Description	Timeline
Continue and strengthen the City's direct engagement with local businesses by expanding outreach, improving communication, and addressing barriers identified by businesses. By coordinating across departments and maintaining regular contact with both industrial and commercial businesses, the City can identify challenges early, connect businesses to assistance, and make City processes easier to navigate.	**Near-term**

Rationale

Businesses and developers consistently asked for a more proactive partnership with the City, especially around navigating regulations, accessing resources, and finding a clear path to "yes." Wilsonville already connects with a variety of businesses, but it is not always systematic. Clarifying priorities, ensuring small and minority-owned businesses are included, and establishing a feedback loop from business outreach to process and policy changes will help the City respond more consistently and make it easier to do business in Wilsonville.

City Role	Proactively engage businesses, identify barriers early, provide clear permitting guidance, and connect businesses to resources. **Department Lead(s):** Economic Development
Partners	Chambers of Commerce; Small Business Development Center and other business support organizations; workforce development partners; capital providers and lenders; property owners and brokers
Funding/Resource Considerations	Primarily existing staff time. The City could place more emphasis on this work if it remains a Council priority.
Implementation Steps	Develop an Economic Development business engagement workplan that: • Sets a cadence for proactive outreach (for example, business visits, roundtables, and/or surveys), with intentional outreach to small and minority-owned businesses. • Assigns responsibility for keeping the City's business resource hub (primarily the website and any printed materials) current and easy to use, consolidating key City and partner programs in one place. • Establishes basic coordination practices between Economic Development, Planning, and other departments (for example, warm hand-offs, shared notes, and internal check-ins on active projects). • Specifies how recurring issues raised by businesses and by developers will be tracked and fed into process or policy review. • Includes a simple reporting schedule to City Council on outreach activities, common themes, and resulting changes or follow-up actions. • Review and update the workplan annually based on what staff are hearing from businesses, available capacity, and City Council priorities.

6.2 Provide small business assistance grants for upgrades

Description	Timeline
Offer small business grants to help industrial and commercial businesses make key investments that support long-term viability. Eligible activities could include energy efficiency and building systems upgrades, technology adoption, tenant improvements and façade enhancements, and technology or equipment investments tied to productivity and job retention. The grants could prioritize small businesses with limited access to capital and those in areas experiencing or anticipating redevelopment such as Town Center.	**Longer-term**: Once funding is secured

Rationale

Many small businesses struggle to pay for modest but critical upgrades, especially in older industrial and commercial buildings or when owners have limited access to traditional financing. This can make it harder for them to stay competitive or remain in place as nearby investment occurs. Targeted grants for building or facility upgrades would build on the City's outreach and problem-solving (Action 6.1) by filling specific capital gaps for firms the City wants to retain and grow. Well-designed grants can stabilize and modernize existing businesses, support visible improvements that complement public investments, and advance equity by prioritizing businesses that struggle to access to capital and City incentives, including minority-owned businesses.

City Role	Design and administer the grant offerings and use outreach from Action 6.1 to build a pipeline of businesses that could benefit. **Department Lead(s):** Economic Development
Partners	Chambers of Commerce; Small Business Development Center and other business support organizations (including minority-business organizations); property owners
Funding/Resource Considerations	Implementation will require a **dedicated funding source to support grants**, potentially through a Town Center URA or other mechanisms evaluated under Actions 2.1 and 1.4.
Implementation Steps	• Identify and secure a funding source (for example, URA revenues, state or federal grants, or other local tools) and set an overall budget and timeline for grant offerings. • Define clear goals, eligibility criteria, and basic grant structure, including typical award size, eligible upgrade types, and any match expectations. • Prepare simple program guidelines and an application process. • Use existing business outreach (Action 6.1) and partner networks—including the Chamber, Small Business Development Center, minority business organizations, and property owners—to identify candidate businesses and invite them to apply. • Collect light follow-up information from recipients on key outcomes and periodically summarize results for presentation to decision makers.

ECOnorthwest

DATE:	January 30, 2026
TO:	City of Wilsonville
FROM:	Nicole Underwood and Beth Goodman, ECOnorthwest
SUBJECT:	Findings for the adoption of the Wilsonville Economic Opportunity Analysis

Introduction

This Findings Report documents how the City of Wilsonville's proposed amendment related to the Wilsonville Economic Opportunity Analysis (EOA) comply with applicable City, Metro, and State policies and regulations. The EOA report and the full project record provide the supporting analysis and evidence for these findings. The proposed amendment would adopt the Wilsonville EOA as a sub-element of the Comprehensive Plan, giving it the same legal and policy standing as the Plan's other elements.

Statewide Planning Goals

Goal 9, Economic Development

Goal 9 requires that local governments have enough land available to realize economic growth and development opportunities. Commercial and industrial development takes a variety of shapes and leads to economic activities that are vital to the health, welfare and prosperity of Oregon's citizens. To be ready for these opportunities, Goal 9 requires that local governments conduct Economic Opportunity Analyses based on a 20-year forecast of population and job growth.

Response: The proposed amendment adopts an updated EOA as a supporting document to the Wilsonville Comprehensive Plan, providing an updated factual basis for decisions related to employment growth and employment land. The City's previous EOA was completed in 2012. The updated EOA assesses employment growth and land needs for the 2026–2046 planning period and includes an updated buildable lands inventory, a land sufficiency analysis, and a discussion of Wilsonville's competitive advantages, challenges, and target industries.

Based on the EOA's assessment of the City's buildable employment lands and forecasted employment growth, the EOA includes the following findings and conclusions:

- Wilsonville's employment base is projected to grow from 33,165 jobs (2026) to 39,297 jobs (2046), an increase of about 6,132 jobs. This growth is expected to generate demand for 321 gross acres of industrial land and 110 gross acres of commercial land over the planning period.

- Wilsonville has 2,396 acres of land designated for commercial or industrial use, including 366 acres that are vacant, unconstrained, and buildable. Of that buildable land, 353 acres (96%) are designated for industrial development, and 13 acres (4%) are designated for commercial uses.
- The EOA finds Wilsonville has a modest industrial surplus (about 32 acres) beyond the forecast of industrial land demand.
- The EOA finds the City has limited vacant commercial land compared to projected need. Wilsonville has 13 acres of vacant unconstrained buildable commercial land and 50 acres of potentially redevelopable land, primarily in Town Center. The result is a deficit of 47 acres of buildable commercial land. The City anticipates meeting commercial needs primarily through redevelopment and reuse, particularly in Town Center and along established corridors such as Wilsonville Road, including reuse/redevelopment opportunities at large vacant sites.
- The EOA provides information about Wilsonville's competitive advantages, including its supply of industrial land, access to I-5, and a diverse workforce, and identifies target industries expected to drive growth, including manufacturing, wholesale trade/logistics, professional services, and local services/retail; these considerations inform the assumptions used to estimate employment land needs.

This goal is met.

Oregon Administrative Rules

OAR 660-009-0015, ECONOMIC OPPORTUNITIES ANALYSIS

Cities and counties must review and, as necessary, amend their comprehensive plans to provide an economic opportunities analysis (EOA) that compares demand for industrial and other employment land to the existing supply. The EOA must include (1) review of national, state, regional, county, and local trends, (2) identification of site types needed, (3) an inventory of industrial and other employment lands and (4) an assessment of the planning area's economic development potential.

Response: The proposed comprehensive plan amendment adopts the updated EOA as a supporting document to the Comprehensive Plan. The EOA provides an updated employment forecast and land demand analysis and inventories the City's employment land supply and development potential consistent with OAR 660-009-0015.

> **OAR 660-009-0015(1): Review of National, State, Regional, County, and Local Trends.** The EOA must identify major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county, or local trends.
> **Response:** The EOA includes a trends review in Chapter 2 and Appendix A and uses

those trends to inform expected employment growth and major categories of employment uses (target industries) likely to locate or expand in Wilsonville in Chapter 3. **This standard is met.**

OAR 660-009-0015(2): Identification of Required Site Types. The EOA must identify the number of sites by type reasonably expected to be needed to accommodate expected employment growth based on site characteristics typical of expected uses. The EOA must demonstrate how expected employment growth is expected to be accommodated on the identified sites. **Response:** The EOA addresses site types in Chapter 3, in the section titled "Site Needs for Potential Growth Industries." The EOA organizes expected employment growth into site categories based on (1) plan designation (industrial versus commercial) and (2) site size. The site size categories reflect typical site needs for the target/potential growth industries identified in the EOA and are then compared to Wilsonville's buildable land inventory using the lot size distribution shown in Exhibit 38 of the EOA. In Chapter 5, the EOA summarizes the buildable employment land supply and explains how projected growth can be accommodated through a combination of smaller sites, redevelopment and reuse opportunities, and (for industrial uses) assembly of larger sites over time. **This standard is met.**

OAR 660-009-0015(3): Inventory of Industrial and Other Employment Lands. The EOA must include an inventory of vacant and developed employment lands that describes site characteristics and development constraints within each plan or zone designation. For jurisdictions within a Metropolitan Planning Organization (MPO), the EOA must also identify the "short-term supply" of employment land—suitable sites that are ready for construction within one year of a building permit application or a request for extension of urban services. **Response:** Chapter 4 of the EOA includes a buildable employment lands inventory that describes employment sites by plan designation and accounts for key development constraints. The inventory identifies approximately 366 acres of vacant, unconstrained buildable employment land, including 353 acres designated industrial and 13 acres designated commercial. The EOA also identifies Wilsonville's short-term supply consistent with MPO requirements: 200 industrial acres across 59 sites and 13 commercial acres across 7 sites. Compared to the City's unconstrained vacant and partially vacant employment land, the EOA indicates that 100% of commercial land is in the short-term supply and 57% of industrial land is in the short-term supply. **This standard is met.**

OAR 660-009-0015(4): Assessment of Community Economic Development Potential. The EOA must estimate the types and amounts of industrial and other employment uses likely to occur in the planning area based on elements (1)–(3) and consider economic advantages and disadvantages. **Response:** The EOA identifies Wilsonville's economic advantages and disadvantages and reviews relevant trends in Chapter 2, and uses that information to inform the selected employment forecast

and target industries in Chapter 3. The EOA then estimates employment growth and the associated demand for industrial and commercial land over the planning period, and compares that demand to the employment land inventory in Chapter 4 to evaluate land sufficiency in Chapter 5. **This standard is met.**

Based on the findings above, OAR 660-009-0015 is met.

OAR 660-009-0020, INDUSTRIAL AND OTHER EMPLOYMENT DEVELOPMENT POLICIES

Comprehensive plans must include industrial and other employment development policies based on the EOA. The policies must state the jurisdiction's economic development objectives and the types of industrial and other employment uses it plans to accommodate. The plan must also commit the City to provide an adequate supply of suitable employment sites and the public facilities and transportation needed to support planned employment growth. For MPO jurisdictions, the plan must include a commitment to maintain a competitive short-term supply of employment land and identify strategies to prepare the overall supply for development and replenish the short-term supply as it is used.

Response: The proposed amendment adopts the updated EOA as a supporting document to the Comprehensive Plan. The Comprehensive Plan already includes economic development objectives and policies addressing industrial and commercial development, protection of employment lands, and coordination of public facilities and transportation to support employment growth. The EOA provides the updated factual foundation for Goal 9 and OAR 660-009 planning and is intended to inform future Comprehensive Plan policies and implementation updates. As Wilsonville's employment land supply has historically exceeded projected demand, prior policy emphasis has focused on protecting and managing an ample inventory. As supply and demand are becoming more closely aligned, the City may choose to revisit its Comprehensive Plan policies in a future update cycle to ensure they continue to support a competitive short-term supply of employment land, consistent with OAR 660-009-0020. Adoption of the EOA does not require Comprehensive Plan policy amendments at this time. **This rule is met.**

OAR 660-009-0025, DESIGNATION OF LANDS AND IMPLEMENTING MEASURES

Cities and counties must adopt measures adequate to implement policies adopted pursuant to OAR 660-009-0020. Implementing measures may include plan and zoning map designations, land use regulations, public facility plans, and transportation system plans.

Response: The proposed amendment adopts the updated EOA as a supporting document to the Comprehensive Plan and does not amend the Comprehensive Plan map, zoning map, or development code. The City's existing Comprehensive Plan designations and implementing

measures, including its land use regulations and adopted public facility and transportation plans, provide the framework for implementing Wilsonville's employment land policies. The updated EOA strengthens the factual basis for evaluating whether future refinements to these implementing measures are needed. **This rule is met.**

Metro Urban Growth Management Functional Plan

Title 4: Industrial and Other Employment Areas

Title 4 supports a strong regional economy by protecting a supply of industrial and other employment sites, limiting the type and scale of non-industrial uses in designated industrial and employment areas, supporting industry clustering, and protecting freight mobility. It also directs most non-industrial uses to urban centers, corridors, and areas near transit rather than on industrial lands.

Response: The City's EOA provides the updated technical basis for employment land planning by evaluating Wilsonville's employment land supply and the land needed to accommodate projected growth. The EOA concludes Wilsonville has sufficient vacant industrial land to accommodate projected growth. It also finds that commercial needs are expected to be met primarily through redevelopment and reuse in Town Center and along corridors, consistent with Title 4's direction to focus non-industrial uses in centers and corridors rather than on industrial lands. Metro's 2024 Compliance Report finds Wilsonville "In compliance" with Title 4. Adoption of the EOA as a supporting document does not amend the Comprehensive Plan map, Development Code, or Metro Title 4 map designations. Rather it provides an updated factual foundation to support continued planning for, and protection of, industrial and other employment land. **This title is met.**

Wilsonville Comprehensive Plan

LAND USE AND DEVELOPMENT

Economic Development

The Economic Development section of the Comprehensive Plan describes Wilsonville's long-standing economic development context and objectives, including maintaining a high-quality and diversified industrial base, protecting industrial lands from incompatible uses, focusing commercial development in centers rather than strip development, and planning for employment growth in relation to housing and transportation access, consistent with Statewide Planning Goal 9.

Response: The proposed amendment adopts the updated EOA as a supporting document to the Comprehensive Plan and does not amend the Comprehensive Plan land use designations or implementing regulations. The updated EOA is aligned with the Comprehensive Plan's economic development direction by providing the current factual foundation for Goal 9 planning, including employment trends, an employment forecast, estimates of industrial and commercial land demand, and an inventory of the City's employment land supply and constraints. Consistency with the Comprehensive Plan's specific Land Use and Development policies and implementation measures is addressed in the findings that follow for Commercial Development, Town Center Development, and Industrial Development. **This criterion is met.**

Commercial Development

Policy 4.1.2: The City of Wilsonville shall encourage commercial growth primarily to serve local needs as well as adjacent rural and agricultural lands.

Implementation Measures 4.1.2.a–d and f. *Commercial growth focus, mix, and location*

Response: The EOA updates the City's factual basis for planning commercial land to meet local needs and for directing commercial growth to appropriate locations. The EOA identifies a limited supply of vacant commercial land and anticipates that commercial needs will be met primarily through redevelopment and reuse—particularly in Town Center and along established corridors—rather than through conversion of industrial land. This supports the Plan's direction to cluster commercial activity and to allow limited supportive retail in Employment and Industrial areas consistent with Metro Title 4. **These criteria are met.**

Implementation Measures 4.1.2.h, j, and k. *Mixed-use opportunities, neighborhood commercial, and limits on large retail in industrial areas*

Response: The EOA's conclusion that commercial needs should be accommodated primarily through redevelopment and reuse supports continued implementation of these measures by reinforcing that non-industrial commercial activity should be concentrated in designated centers/corridors and should not displace industrial development potential. **These criteria are met.**

Town Center Development

Town Center policies direct mixed-use redevelopment and reinvestment in the Town Center area, supported by multimodal access and public facilities, to accommodate a share of the City's future commercial, employment, and residential activity in a compact, walkable center.

Response: The EOA identifies a limited supply of vacant commercial land and anticipates that commercial needs will be met primarily through redevelopment and reuse, particularly in Town Center. Adoption of the EOA as a supporting document to the Comprehensive Plan

does not amend Town Center policies or the Town Center plan, but it strengthens the factual basis for implementing those policies. **This criterion is met.**

Industrial Development

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measures 4.1.3.a–g. Quality industrial development, diversification, environmental performance, and siting

Response: The updated EOA provides the City's current factual basis for planning and supporting industrial development and maintaining a diversified employment base. The EOA concludes Wilsonville has a sufficient vacant industrial land supply to accommodate forecast demand, while identifying constraints that affect near-term competitiveness, including site readiness, infrastructure gaps, and the need to assemble larger sites. These findings inform future City decisions about where industrial growth is most feasible and what investments may be needed to support high-quality industrial development over time. **These criteria are met.**

Implementation Measures 4.1.3.h–j. Supportive retail limits and protecting industrial development potential

Response: These measures are implemented primarily through the Comprehensive Plan and Development Code, including limits on large retail in industrial areas and standards ensuring non-industrial uses do not limit industrial development potential. Adoption of the EOA does not amend these policies or standards; it strengthens the factual basis for applying them by documenting industrial land sufficiency and commercial land limitations, reinforcing the City's approach of meeting commercial needs primarily through redevelopment and reuse in Town Center and corridors rather than conversion of industrial lands. **These criteria are met.**

Implementation Measures 4.1.3.k–m. Target industries and job-dense employment districts

Response: The updated EOA supports these measures by identifying the types of industries that are likely to locate or expand in Wilsonville and by evaluating the site types and locations needed to accommodate employment growth. This information provides an updated factual foundation to support strategies to attract and retain high-growth sectors and to encourage employment areas that offer a range of job opportunities and higher job densities over time. Adoption of the EOA does not itself amend zoning or create new incentive programs, but it informs future implementation decisions. **These criteria are met.**

Areas of Special Concern (Areas E, G, M, N, and 12)

The Comprehensive Plan identifies "Areas of Special Concern" with location-specific objectives to address transitions between industrial and other uses, site coordination challenges (e.g., small lots and fragmented ownership), mobility and freight access, and infrastructure coordination, to ensure development occurs in an orderly, compatible, and high-quality manner.

Response: The proposed amendment adopts the updated EOA as a supporting document to the Comprehensive Plan and does not change Comprehensive Plan map designations or the Areas of Special Concern framework. The EOA provides the factual basis for implementing the Comprehensive Plan objectives by providing updated information on employment land supply and site constraints. Areas of Special Concern most likely to be informed by the updated EOA include:

- **Area E:** Planned for industrial use and characterized by small lots and proximity to the Walnut Park mobile home park; objectives emphasize lot consolidation, buffering, and minimizing truck/residential conflicts. The EOA supports implementation of these objectives by updating the City's employment land inventory and identifying site size patterns and readiness constraints that can inform future decisions about coordinated development, site assembly, access management, and compatibility measures in this Area.
- **Area G (Wilsonville Concrete):** Includes an aggregate-related operation and a mix of surrounding uses; guidance emphasizes conflict management and transportation access as urbanization occurs. The EOA provides an updated employment land baseline and highlights constraints relevant to continued industrial operations and freight access in this Area.
- **Area M (Basalt Creek):** Identified as a long-term industrial area with objectives focused on promoting a high-quality business district, avoiding incompatible uses, and coordinating access and infrastructure. The EOA identifies Basalt Creek as a major location of vacant industrial land and describes infrastructure, access, and ownership constraints affecting development readiness in the Area.
- **Area N (West Railroad/Basalt Creek):** An industrial area where extension of urban services and coordinated planning are central to development. The EOA's buildable lands inventory can inform future annexation and infrastructure planning discussions for this Area.
- **Area 12 (Mentor Graphics):** The Comprehensive Plan outlines specific development objectives and standards, and emphasizes that coordinated utilities and street alignments require cooperation among property owners and City coordination. The EOA documents constraints that can only be addressed through coordinated planning and investment (e.g., infrastructure gaps and site readiness barriers) or future Plan Amendments for this Area to better align with current market conditions.

These criteria are met.

LP26-0001
Wilsonville Industrial Land Readiness (Citywide EOA & EDS)
Planning Commission Public Hearing Record Index
February 11, 2026

PLANNING COMMISSION AND CITY COUNCIL MEETINGS

February 11, 2026 - Planning Commission Public Hearing
- Resolution LP26-0001 w/Staff Report and Attachments (as approved, see above)
- Presentation *(will be available after hearing)*
- Affidavit of Notice of Hearing

December 1, 2025 - City Council Work Session
- Staff Report and Attachments
- Presentation
- Action Minutes

November 12, 2025 - Planning Commission Work Session
- Staff Report and Attachments
- Presentation
- Minutes Excerpt

August 4, 2025 - City Council Work Session
- Staff Report and Attachments
- Presentation
- Action Minutes

July 9, 2025 - Planning Commission Work Session
- Staff Report and Attachments
- Presentation
- Minutes Excerpt

PUBLIC ENGAGEMENT

Technical Advisory Committee (TAC)
- Meeting #1, May 6, 2025
- Meeting #2, June 25, 2025
- Meeting #3, October 1, 2025

Stakeholder Interviews (Summer-Fall 2025)

ARTICLES

None

PUBLIC COMMENTS

None

PLANNING COMMISSION

WEDNESDAY, FEBRUARY 11, 2026

PUBLIC HEARING

1. Wilsonville Industrial Land Readiness (Citywide EOA & EDS) (Myers/Lorenzen)(60 minutes)

AFFIDAVIT OF MAILING AND POSTING NOTICE OF PUBLIC HEARING IN THE CITY OF WILSONVILLE

STATE OF OREGON)

COUNTIES OF CLACKAMAS)
AND WASHINGTON)

CITY OF WILSONVILLE)

I, Mandi Simmons, do hereby certify that I am Administrative Assistant for the City of Wilsonville, Counties of Clackamas and Washington, State of Oregon, that the attached copy of Notice of Public Hearing is a true copy of the originals of the following that I did cause to be mailed/displayed copies of said public hearing in the exact form hereto attached:

- Single-paged notice was emailed on January 21, 2026 to the attached list of affected agencies
- The content of the notice was sent to the Wilsonville Spokesman for publication in the January 28, 2026 newspaper issue
- The content of the notice was posted on January 21, 2026 on the City's website
- Single-paged notice was posted at physical locations listed below on January 21, 2026
  - City Hall, 29799 SW Town Center Loop, East, Wilsonville OR 97070
  - Wilsonville Community Center, 7965 SW Wilsonville Road, Wilsonville, OR 97070
  - Library, 8200 SW Wilsonville Road, Wilsonville OR 97070

Witness my hand this 2nd **day of February 2026**

Mandi Simmons, Administrative Assistant

Acknowledged before me this 2nd **day of February 2026, in Clackamas County, Oregon**

Noelle Colleen Edwards
Signature of Oregon Notary

Noelle Colleen Edwards
Printed Notary Name

OFFICIAL STAMP
NOELLE COLLEEN EDWARDS
NOTARY PUBLIC - OREGON
COMMISSION NO. 1036468
MY COMMISSION EXPIRES MAY 01, 2027

NOTARY PUBLIC

My Commission Expires 5-1-27

NOTICE OF LEGISLATIVE PUBLIC HEARING BEFORE THE PLANNING COMMISSION AND CITY COUNCIL: WILSONVILLE INDUSTRIAL LAND READINESS (CITYWIDE EOA & EDS) CASE FILE LP26-0001

PLANNING COMMISSION

On **Wednesday, February 11, 2026, beginning at 6 pm,** the Planning Commission will hold a public hearing regarding the **Wilsonville Industrial Land Readiness (Citywide EOA & EDS),** and will consider whether to recommend to City Council adoption of the Plan.

You will not receive another notice unless you: submit a request in writing or by phone, or submit testimony or sign-in at the hearing.

CITY COUNCIL

On **Monday, March 2, 2026, beginning at 7 pm,** the City Council will hold a public hearing regarding the **Wilsonville Industrial Land Readiness (Citywide EOA & EDS),** after which it may make the final decision.

The hearings will take place at **Wilsonville City Hall**, 29799 SW Town Center Loop East. A complete copy of the project record, including staff report, findings, and recommendations, will be available online and at City Hall for viewing seven (7) days prior to each public hearing.

SUMMARY OF PROPOSAL

The City of Wilsonville last completed an **Economic Opportunities Analysis (EOA)** in 2012. Since then, the City and the broader region have experienced significant economic changes driven by changes in the businesses located and growing in Wilsonville, evolving real estate market conditions, the COVID-19 pandemic, and shifts in national and state policies and priorities. One of Wilsonville's most important opportunities for future economic growth is the continued industrial development of the Coffee Creek area and Basalt Creek area (which includes West Railroad) which together form a key part of the Portland region's southern industrial land inventory.

This updated EOA aligns with Statewide Planning Goal 9 and the Goal 9 Administrative Rule (OAR 660-009). It provides an updated forecast of employment growth from 2026 to 2046, evaluates the City's available commercial and industrial land supply, and assesses whether it is sufficient to meet expected demand. The report also identifies the City's competitive advantages and target industries. Together, these findings form the technical foundation for the **Economic Development Strategy (EDS)**, which offers recommendations to help Wilsonville maintain its position as a strong regional employment center.

This **Economic Development Strategy (EDS)** provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base. It builds on the findings of the Wilsonville Industrial Land Readiness (WILR) project. This work focused on industrial site readiness in Basalt Creek and included the 2025 Economic Opportunities Analysis (EOA), which assessed land capacity, employment trends, and industry strengths. The Strategy also reflects input from local businesses, property owners, developers, and regional economic development partners. It aligns with other key initiatives, such as the Town Center Plan and Tourism Development Strategy, to create a coordinated framework for advancing the City's economic goals.

HOW TO COMMENT: Oral or written testimony may be presented at the public hearings. Written comment on the proposal is also welcome prior to the public hearings. To have your written comments or testimony distributed to the Planning Commission before the meeting, it must be received no later than 2 pm on February 3, 2026. Otherwise, written comments must be received no later than 2 pm the day of the hearing to be considered. Any written testimony received after the deadline will be rejected. **Direct written comments to** Mandi Simmons, Administrative Assistant, 29799 SW Town Center Loop East, Wilsonville, Oregon, 97070 or msimmons@wilsonvilleoregon.gov

Note: Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting. ***The City will endeavor to provide qualified sign language interpreters and/or bilingual interpreters, without cost, if requested at least 48 hours prior to the meeting.*** *To obtain such services, please call Mandi Simmons, Administrative Assistant at (503) 682-4960.*

DLCD List of Affected Agencies – e-mail distribution list 04.2025

Pat McGough West Linn/Wilsonville School District	mcgoughp@wlwv.k12.or.us
Erin Wardell, Planning and Development Services Manager Washington County	Erin_Wardell@washingtoncountyor.gov
Steve Koper City of Tualatin	skoper@tualatin.gov
Attn: Development Review ODOT Region 1	ODOT_R1_DevRev@odot.oregon.gov
Ben Baldwin Tri-Met Project Planning Dept.	DevelopmentReview@trimet.org
Mike McCord, NW Region Manager Oregon Water Resources Department	Mike.L.MCCORD@water.oregon.gov
Dr. Kathy Ludwig West Linn/Wilsonville School District 3J	ludwigk@wlwv.k12.or.us
Portland General Electric: David Underwood Dumitri Ilioi Tod Shattuck	 david.underwood@pgn.com Dumitru.Ilioi@pgn.com Tod.Shattuck@pgn.com
Land Use Contact, Planning Department METRO	landusenotifications@oregonmetro.gov
Nina Carlson NW Natural Gas	nina.carlson@nwnatural.com
Matt Ketchem, Operations Manager Republic Services of Clackamas & Washington Counties	mketchem@republicservices.com
Planning Director City of Canby	planningapps@canbyoregon.gov
Diane Taniguchi-Dennis Clean Water Services	Dennisd@cleanwaterservices.org
Department of Corrections	DOCRealPropertyManager@doc.oregon.gov

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Department of State Lands:	Support.SERVICES@dsl.oregon.gov
Isaac Ambruso, Government Relations Director Home Builders Associations	isaaca@hbapdx.org
Brady Strutz, Interim Chief Operations Officer Sherwood School District Admin Office	bstrutz@sherwood.k12.or.us
Martha Fritzie Clackamas County Principal Planner	MFritzie@Clackamas.us
Christine Svetkovich Oregon Department of Environmental Quality	christine.svetkovich@deq.oregon.gov
Sam Kaufmann Tualatin Valley Water District	Sam.Kaufmann@tvwd.org
Planning Director City of Sherwood	planning@sherwoodoregon.gov
Darin Smith BPA, Realty Department	dxsmith@bpa.gov
Heidi Hicks (Contact for both stations per Alexander McGladrey) Tualatin Valley Fire and Rescue (Kinsman) Tualatin Valley Fire and Rescue (Elligsen)	Heidi.Hicks@tvfr.com

Your Local News Source
CMGOregon

-Ad Proof-

This is the proof of your ad, scheduled to run on the dates indicated below. Please proofread carefully, and if changes are needed, please contact Bren Swogger prior to deadline at or Bren.Swogger@youroregonnews.com.

Date:	01/21/26
Account #:	108863
File #:	LP26-0001
Company Name:	WILSONVILLE, CITY OF
Contact:	
Address:	29799 SW TOWN CENTER LOOP E WILSONVILLE
Telephone:	(503) 570-1510
Fax:	(503) 682-1015

Ad ID:	378456
Start:	01/28/26
Stop:	01/28/26
Total Cost:	$225.63
Columns Wide:	1
Ad Class:	1202
Phone #	
Email:	Bren.Swogger@youroregonnews.com
Amount Due:	$225.63

Run Dates

Wilsonville Spokesman 01/28/26

NOTICE OF LEGISLATIVE PUBLIC HEARING BEFORE THE WILSONVILLE PLANNING COMMISSION AND CITY COUNCIL: WILSONVILLE INDUSTRIAL LAND READINESS (CITYWIDE EOA & EDS) CASE FILE LP26-0001

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This **Economic Development Strategy (EDS)** provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base. It builds on the findings of the Wilsonville Industrial Land Readiness (WILR) project. This work focused on industrial site readiness in Basalt Creek and included the 2025 Economic Opportunities Analysis (EOA), which assessed land capacity, employment trends, and industry strengths. The Strategy also reflects input from local businesses, property owners, developers, and regional economic development partners. It aligns with other key initiatives, such as the Town Center Plan and Tourism Development Strategy, to create a coordinated framework for advancing the City's economic goals.

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Published January 28, 2026 WS378456

CITY COUNCIL

MONDAY, DECEMBER 1, 2025

WORK SESSION

Wilsonville Industrial Land Readiness (Citywide EOA & EDS)
(Luxhoj/Lorenzen)

WILSONVILLE
OREGON

CITY COUNCIL MEETING
STAFF REPORT

Meeting Date: December 1, 2025	**Subject:** Wilsonville Industrial Land Readiness – Citywide Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS) **Staff Members:** Cindy Luxhoj, AICP, Associate Planner; Matt Lorenzen, Economic Development Manager **Department:** Community Development
Action Required	**Advisory Board/Commission Recommendation**
☐ Motion ☐ Public Hearing Date: ☐ Ordinance 1st Reading Date: ☐ Ordinance 2nd Reading Date: ☐ Resolution ☒ Information or Direction ☐ Information Only ☐ Council Direction ☐ Consent Agenda	☐ Approval ☐ Denial ☐ None Forwarded ☒ Not Applicable **Comments:** N/A
Staff Recommendation: Provide input on the Citywide EOA and EDS.	
Recommended Language for Motion: N/A	
Project / Issue Relates To:	

☒Council Goals/Priorities: 2023–2025 Goal: Attract high-quality industry and support economic opportunity for all in Wilsonville	☒Adopted Master Plan(s): Wilsonville Economic Development Strategy; Wilsonville Comprehensive Plan; Basalt Creek Concept Plan; Coffee Creek Master Plan; Town Center Plan	☐Not Applicable

ISSUE BEFORE COUNCIL: Staff seeks feedback from the City Council on the draft Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS) for the Citywide portion of the Wilsonville Industrial Land Readiness (WILR) project.

EXECUTIVE SUMMARY:

The Wilsonville Industrial Land Readiness (WILR) project includes two parts: one focused on the industrial area northwest of the City covered by the Basalt Creek Concept Plan ("Basalt Creek") and the other focused "Citywide." Both parts of the project aim to attract high-quality industry and expand economic opportunities in Wilsonville.

The Citywide portion of the project updates Wilsonville's Economic Opportunities Analysis (EOA), which was last updated in 2012. Key tasks of the Citywide work are detailed in the table below:

Task/Work Product	Purpose
Buildable Lands Inventory Memo	Identify the amount and characteristics of land available to support future development of industrial and commercial uses.
Economic Inventory and Potential Growth Forecasts Memo	Develop a foundational understanding of Wilsonville's industrial and other employment landscape—the basis of the employment forecast that will be used to determine the City's employment land need.
Site Suitability Analysis	Assess potential for development of industrial and other employment uses on select vacant industrial properties in the City.
Economic Opportunities Analysis	Synthesize knowledge gained from prior tasks to describe the City's opportunities for economic growth. Determines industrial and other employment land need over the next 20 years.
Stakeholder Engagement	Engage decision-makers, an Advisory Committee, stakeholder interviews/focus groups, and the broader public in meaningful discussion of the City's economic opportunities.
Economic Development Strategy	Develop strategies that focus on advancing key strategic projects with actionable implementation steps, integrating coordination and collaboration with community partners and critical stakeholders, to cultivate sustainable economic growth.

At the August 4, 2025 City Council work session, staff and ECOnorthwest presented preliminary findings from two key work products including the Buildable Lands Inventory (BLI) Memo; and Economic Inventory and Potential Growth Forecasts Memo.

At this work session, the City Council will be presented with preliminary findings from the remaining four key work products, with the focus of discussion on the draft Economic Opportunities Analysis (Attachment 1) and Economic Development Strategy (EDS; Attachment 2).

Relationship Between the EOA and EDS

The EOA provides the technical foundation for understanding Wilsonville's employment land supply and long-term growth potential. The EDS, developed alongside the EOA, translates these findings into practical steps for advancing the City's economic goals. While the EOA identifies land capacity, site readiness, and target industries, the EDS provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base by outlining goals, policies, and actions

to help the City act on the EOA findings. Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the opportunities; the EDS details how to achieve them.

Preliminary Findings of Key Work Products

Economic Opportunities Analysis (Attachment 1)

Key preliminary findings of the EOA include:

- Wilsonville has 2,396 acres designated for commercial or industrial use within City limits and urban growth boundary (UGB) area.
    - Approximately 366 acres (15%) are vacant, unconstrained and buildable, of which 353 acres (96%) are designated for industrial development and 13 acres (4%) are set aside for commercial uses.
- The City's employment base is projected to grow from 33,165 employees in 2026 to 39,297 employees in 2046, an increase of about 6,132 jobs over the 20-year planning period.
    - This growth is expected to create demand for about 321 gross acres of industrial land and 110 gross acres of commercial land.
- Wilsonville has sufficient vacant industrial land to accommodate projected growth, with a modest surplus; however, short-term development potential is limited by the small size of vacant industrial sites and/or lack of urban-level infrastructure.
- The City has a limited supply of vacant commercial land due, in part, to prioritizing industrial lands in new urban growth boundary (UGB) areas north of the City while emphasizing commercial redevelopment in the City center and at I-5 interchanges. The limited supply of vacant commercial land is offset by considerable redevelopment potential, particularly within the Town Center and along established commercial corridors such as Wilsonville Road. In addition, several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment.

Economic Development Strategy (Attachment 2)

The EDS identifies six desired outcomes that define long-term economic success for Wilsonville over the next 10 years including:

- **Basalt and Coffee Creeks show considerable momentum**, building out with high-quality, high-value development and are home to employers that provide strong job opportunities.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance the needs of** residents and target industries, supporting both community livability and economic growth.
- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities and wages have increased**, particularly in high-value sectors.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

The EDS focuses on six key focus areas (Attachment 2; starting on page 3 of the PDF) that most influence Wilsonville's ability to achieve its desired economic outcomes:

- Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready
- Focus Area 2: Limited City funds are available to support economic development outside of Coffee Creek Urban Renewal Area
- Focus Area 3: Vacant commercial land is limited
- Focus Area 4: Lack of unique retail and dining experiences
- Focus Area 5: Businesses struggle to find qualified workers
- Focus Area 6: Perceived limited support (resources) for small businesses

The EDS Framework for Action centers on these six focus areas, each of which represents an opportunity and a leverage point where the City can drive measurable progress through targeted investment, policy action, and partnerships. The Framework for Action is described in detail in the EDS with related actions and an indication of whether they can be advanced with existing staff and funding or will require additional resources.

Staff is seeking the City Council's input on the preliminary findings and conclusions of the EOA (Attachment 1; conclusions start on page 80 of the PDF) as well as the EDS desired economic outcomes and Framework for Action (Attachment 2; starting on page 3 of the PDF).

Planning Commission Feedback

At their November 12, 2025 meeting, the Planning Commission provided feedback on the EOA and EDS, suggesting some minor revisions to the economic outcomes and actions (summarized in Attachment 3). In addition, the Planning Commission identified two items to be elevated for City Council discussion and direction. Related to Action 3.1, which addresses allowing non-retail commercial uses in select industrial areas, the Planning Commission suggested that limiting recreational commercial uses and placing greater emphasis on employment-oriented uses, such as office, might be more appropriate. The Commission also suggested that top EDS priorities should be advancing actions that help get land development ready and identifying dedicated funding sources needed for implementation.

Discussion Questions

The City Council is invited to provide input in response to the questions below:

- <u>Economic Opportunities Analysis</u>
  - What feedback does the Council have about the EOA?
  - Are there specific areas that need clarification or further analysis?
- <u>Economic Development Strategy</u>
  - Are the desired economic outcomes the right ones to focus on in the EDS?
  - Does the EDS include the right mix of actions to address the challenges and achieve the desired outcomes? Are there any actions missing?
  - Given limited resources, should any actions be elevated or deprioritized?
  - Does the Council concur with the Planning Commission's suggested top EDS priorities?

EXPECTED RESULTS:
Feedback from City Council at this work session will inform completion of the EOA and EDS to cultivate sustainable economic growth in Wilsonville.

TIMELINE:
Adoption hearings at Planning Commission and City Council are expected in early to mid-2026.

CURRENT YEAR BUDGET IMPACTS:
Funding for the current work is allocated in the fiscal year (FY) 2025-26 Planning Division budget. The project is primarily funded by a $290,000 Metro grant.

COMMUNITY INVOLVEMENT PROCESS:
Public engagement in the Citywide portion of the WILR project focuses on involving decision-makers, an Advisory Committee, and stakeholder interviews/focus groups in meaningful discussion of the City's economic opportunities. This information helped inform the EDS and will be considered when preparing needed Comprehensive Plan and Code amendments.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:
By identifying and implementing targeted economic development strategies, the City can eliminate key barriers to business growth and advance its economic vision. These efforts will generate new jobs, expand the income and property tax base, and promote economic mobility by supporting access to family-wage employment. Ultimately, this will enhance the City's livability and ensure it remains a full-service community for all residents.

ALTERNATIVES:
A range of alternative Citywide economic development strategies is being explored in collaboration with the City Council.

CITY MANAGER COMMENT:
N/A

ATTACHMENTS:
1. Draft Wilsonville Economic Opportunities Analysis (EOA)
2. Draft Wilsonville Economic Development Strategy (EDS) with Revisions based on Planning Commission Feedback
3. Summary of Revisions to EDS following Planning Commission November 12, 2025 Work Session

ECOnorthwest

November 2025

City of Wilsonville
Economic Opportunities Analysis

DRAFT

Prepared for: City of Wilsonville

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Executive Summary

The City of Wilsonville last completed an Economic Opportunities Analysis (EOA) in 2012. Since then, the City and the broader region have experienced significant economic changes driven by changes in the businesses located and growing in Wilsonville, evolving real estate market conditions, the COVID-19 pandemic, and shifts in national and state policies and priorities. One of Wilsonville's most important opportunities for future economic growth is the continued industrial development of the Coffee Creek area and Basalt Creek area (which includes West Railroad) which together form a key part of the Portland region's southern industrial land inventory.

This updated EOA aligns with Statewide Planning Goal 9 and the Goal 9 Administrative Rule (OAR 660-009). It provides an updated forecast of employment growth from 2026 to 2046, evaluates the City's available commercial and industrial land supply, and assesses whether it is sufficient to meet expected demand. The report also identifies the City's competitive advantages and target industries. Together, these findings form the technical foundation for the Economic Development Strategy (EDS), which offers recommendations to help Wilsonville maintain its position as a strong regional employment center.

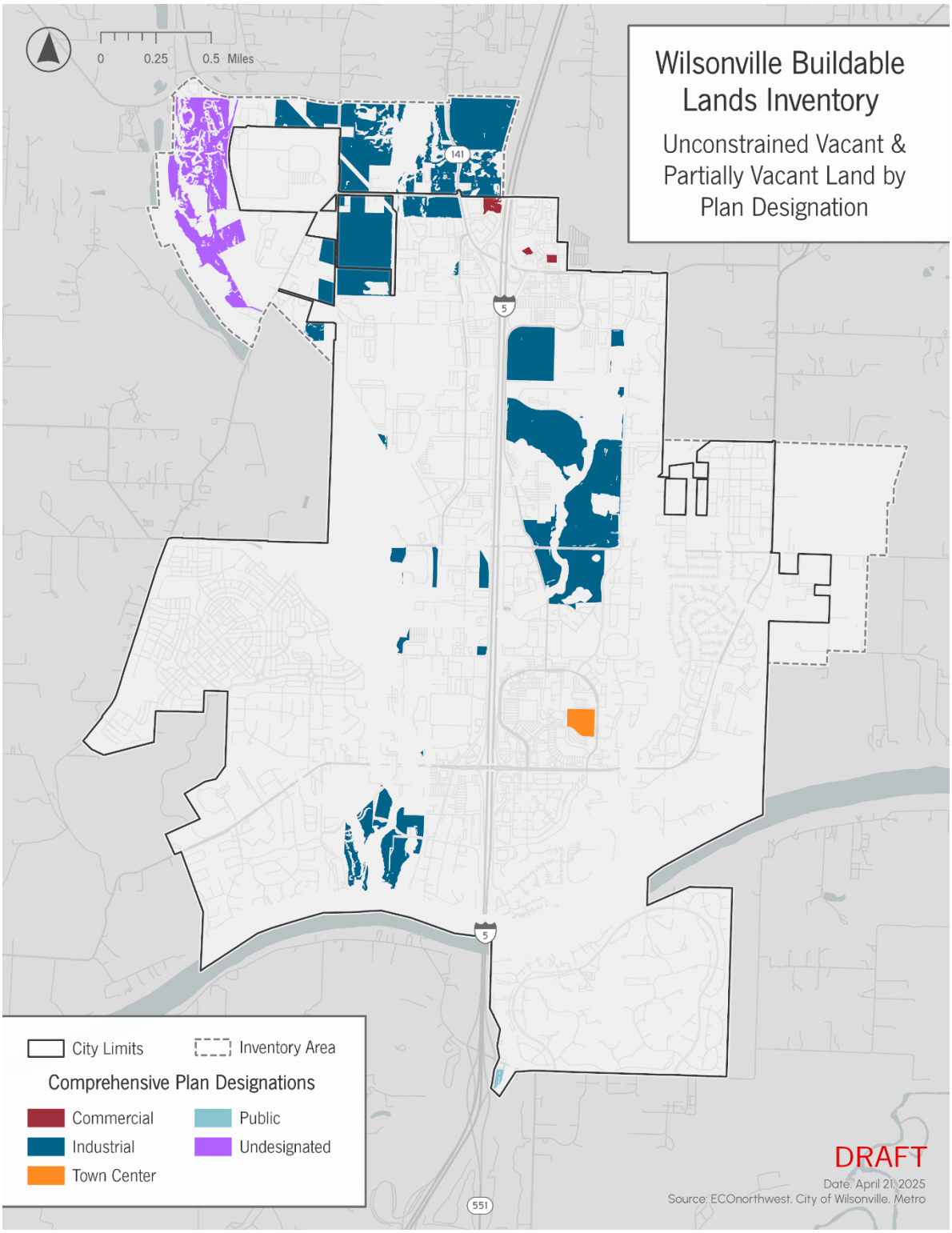
PURPOSE OF THIS ECONOMIC OPPORTUNITY ANALYSIS

- **Forecast the amount of land needed to accommodate the future employment growth within Wilsonville between 2026 and 2046.**
- **Evaluate the existing employment land supply within the City to determine if it is adequate to meet that need.**
- **Help the City understand its economic opportunities in the context of Wilsonville's competitive advantages and disadvantages.**
- **Fulfill state planning requirements for a twenty-year supply of employment land.**

How much buildable employment land does Wilsonville currently have?

Wilsonville has 2,396 acres designated for commercial or industrial use within City limits and urban growth area (UGB). Of these, approximately 366 acres (15%) are vacant, unconstrained and buildable as shown in **Exhibit 1.** Of the buildable land, 353 acres (96%) are designated for industrial development, and 13 acres (4%) are set aside for commercial uses.

Exhibit 1. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Much of Wilsonville's vacant industrial land is located within the Coffee Creek and Basalt Creek planning areas which are in the northern portion of the City. Some of Coffee Creek has been annexed into the City but most is still unincorporated. The area benefits from an established Urban Renewal District that can help fund infrastructure improvements and support land assembly. Basalt Creek, which is also currently outside City limits, is in the process of having zoning established in preparation for future annexation, which would happen in conjunction with proposed development. The area faces challenges related to fragmented ownership, the presence of existing contractor establishments that provide economic activity but at lower assessed values and lower employment densities than typical urban industrial areas, and limited infrastructure to support new development.

How much growth is Wilsonville planning for?

Wilsonville's employment base is projected to grow from 33,165 employees in 2026 to 39,297 employees by 2046, an increase of about 6,132 jobs over the 20-year planning period. *(See Chapter 3, "Employment Growth and Site Needs," for methodology and additional details.)*

How much land will be required for employment?

Employment growth over the 2026-2046 period is expected to create demand for about 321 gross acres of industrial land and 110 gross acres of commercial land. *(See Chapter 3, "Employment Growth and Site Needs," for methodology and additional details.)*

Does Wilsonville have enough land to accommodate employment growth?

Wilsonville has a sufficient supply of vacant industrial land to accommodate projected growth, with a modest surplus of about 32 acres. However, many vacant industrial sites are small and/or lack urban-level infrastructure, which limits short-term development potential. Assembling larger contiguous sites and investing in infrastructure will be important to meeting long-term industrial needs.

In contrast, the City has a limited supply of vacant commercial land to accommodate forecasted employment growth but considerable redevelopment potential. Wilsonville currently has about 13 acres of vacant commercial land, compared to an estimated need of roughly 110 acres. The City can address this shortfall primarily through the redevelopment and reuse of existing properties, particularly within the Town Center and along established commercial corridors such as Wilsonville Road. Several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment. Together, these

known sites account for about 50 acres of redevelopment potential. The City may also consider allowing limited commercial uses in select industrial areas to support employment growth and help balance future land needs. *(See Chapter 4, "Buildable Lands Inventory," and Chapter 5, "Land Sufficiency and Conclusions," for detailed findings.)*

What are Wilsonville's key growth opportunities?

Wilsonville's economy is shaped by several strengths and challenges that influence its ability to attract and retain businesses.

(See Chapter 2, "Factors Affecting Future Economic Growth," for detailed discussion of regional trends and competitive position. See Chapter 3, "Employment Growth and Site Needs," for details on Wilsonville's target industries.)

KEY COMPETITIVE ADVANTAGES

- **Opportune Location:** Wilsonville's position at the southern edge of the Portland region along the I-5 corridor provides access to major transportation routes, regional labor markets, and nearby industrial employment centers in Tualatin and Sherwood. Its proximity to both urban and rural amenities enhance its appeal to employers and residents.
- **Industrial Land Supply:** The City has a substantial inventory of industrial land, with much of the vacant land located in Coffee Creek and Basalt Creek. These areas can support manufacturing, logistics, and other traded-sector businesses.
- **Established Industrial Base.** Wilsonville has a strong foundation of existing industrial and traded-sector employers, creating a stable economic base and opportunities for supply chain growth.
- **Labor Market.** Wilsonville benefits from a large and well-educated workforce drawn from both the Portland metropolitan area and the Mid-Valley labor sheds.
- **Redevelopment Potential.** Town Center and several large vacant commercial buildings, such as the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics sites, offer near-term opportunities for adaptive reuse and reinvestment in retail and service uses.

KEY CHALLENGES

- **Limited Supply of Development-Ready Industrial Sites.** Much of Wilsonville's vacant industrial land lacks urban-level infrastructure.

Fragmented ownership and small lot sizes compound this issue and create barriers to assembling larger sites more suitable for modern industrial uses.

- **Lower-Intensity Existing Uses on Industrial Land.** Contractor establishments and outdoor storage on industrial land provide some economic benefit but limit higher-intensity, higher-value development.
- **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 and long lead times.
- **Traffic and Congestion.** The I-5 corridor experiences congestion, particularly during peak hours, which can impact key arterials in the City and delay freight movement.
- **Housing and amenities.** High regional housing costs, combined with a limited range of local services and amenities such as restaurants, shopping, and entertainment options in Wilsonville, may hinder the City's ability to attract and retain workers.

TARGET INDUSTRIES

The EOA identifies a mix of industries that are expected to drive Wilsonville's future growth:

- **Manufacturing.** Manufacturing is a cornerstone of Wilsonville's economy, supported by the region's strong workforce, established industrial employers, and proximity to suppliers and markets along I-5. Growth opportunities in this sector include advanced manufacturing, clean technology, and specialized production that build on regional strengths, the City's skilled labor force and available industrial land.
- **Wholesale Trade and Logistics.** This sector benefits from Wilsonville's central location and convenient access to both the Portland and Mid-Valley markets. Wholesale and logistics firms play a key role in regional supply chains and rely on available industrial land with strong highway access to support efficient goods movement.
- **Professional, Scientific, and Technical Services.** This diverse sector includes professional consulting, engineering, research and development, and life-science-related services that support the City's industrial and traded-sector base. Future growth is expected in smaller, flexible office or lab-flex spaces near industrial clusters or in mixed-use areas such as Town Center.
- **Local Services and Retail.** This sector includes retail, dining, healthcare, and personal service businesses that meet community needs, support local employment, and enhance Wilsonville's livability.

These industry strengths and opportunities position Wilsonville to support a balanced and diverse economy that includes both traded sector and local serving businesses.

What is the relationship between the Economic Opportunities Analysis (EOA) and the Economic Development Strategy (EDS)?

The EOA provides the technical foundation for understanding Wilsonville's employment land supply and long-term growth potential. The EDS, developed alongside this report, translates these findings into practical steps for implementation.

While the EOA identifies land capacity, site readiness, and target industries, the EDS outlines goals, policies, and actions to help the City act on those findings. The Strategy focuses on improving site readiness in Coffee Creek and Basalt Creek, addressing the commercial land deficit through redevelopment, and supporting small business and workforce development.

Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the opportunities; the EDS details how to achieve them. The EDS is presented as a separate companion document.

1. Introduction

The City of Wilsonville last completed an Economic Opportunities Analysis (EOA) in 2012. Since that time, the City and the broader region have experienced major economic shifts influenced by changes in the businesses located and growing in Wilsonville, evolving market conditions, the COVID-19 pandemic, and shifts in state and national policy priorities. These changes highlight the need for an updated EOA that reflects Wilsonville's current economic position and identifies opportunities and challenges for supporting employment growth over the next 20 years.

Wilsonville's economic future will be greatly affected by development of key employment areas, particularly Coffee Creek and Basalt Creek. These areas are part of the Portland region's southern industrial corridor, located along I-5 with access to major freight routes, regional labor markets, and nearby employment areas in Tualatin and Sherwood. Continued buildout of these areas is important to Wilsonville's long-term competitiveness but will require addressing challenges such as fragmented land ownership, existing contractor establishments, and limited urban infrastructure, particularly in parts of Basalt Creek.

Although the majority of Coffee Creek remains outside of City limits, it benefits from an established Urban Renewal District that supports infrastructure investment and helps prepare sites for development. Basalt Creek, which also remains outside City limits, has greater challenges related to fragmented ownership, existing contractor establishments, and limited urban infrastructure. Coordinated planning and investment will be necessary to improve site readiness in both areas and to position Wilsonville to capture future regional industrial growth.

Beyond industrial growth, Wilsonville's holistic economic health also depends on redevelopment within Town Center and within established commercial corridors. With limited vacant commercial land, future growth will rely on reinvestment and reuse of existing commercial properties, including large vacant buildings such as the former Albertsons, Rite Aid, Regal Cinemas, and Fry's Electronics sites.

Updating the EOA allows the City to reassess its employment land needs and realign economic development policies with emerging opportunities. The EOA projects employment growth from 2026 to 2046 and identifies the types and amounts of land needed to support that growth. It also outlines recommendations to strengthen Wilsonville's economic foundation. The EOA provides the foundation for updates to the Comprehensive Plan and the Wilsonville Economic Development Strategy (EDS), which was prepared concurrently and presented as a separate document. Together, these

efforts ensure that land use policies, infrastructure planning, and economic priorities remain aligned.

The EOA draws on data from the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, the U.S. Census Bureau and Costar[1] along with coordination from regional and local partners. Collectively, these sources provide a detailed understanding of Wilsonville's economic trends, industry composition, and land readiness, forming the foundation for a strategic, data-driven approach to the City's economic planning.

Framework for an Economic Opportunities Analysis

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an EOA in OAR 660-009.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county, or local trends; identify the number of sites by type that are reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning process or some other public input–based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the City or county to designate an adequate number of employment sites of suitable sizes, types,

[1] Costar is a commercial real estate platform that tracks property listings, transactions, and market metrics nationwide.

and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025).* Cities and counties must adopt measures to implement policies pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.

Stakeholder Engagement Process

The development of the EOA was informed by a Technical Advisory Committee (TAC) comprised of City staff and regional economic development professionals. The TAC met three times during the project to review key findings, provide feedback, and help shape the direction of the analysis.

The first TAC meeting focused on foundational elements of the EOA, including the buildable lands inventory, employment forecast, and analysis of Wilsonville's competitive advantages and target industries. Feedback from this meeting informed refinements to the employment forecast and buildable lands inventory. The second and third TAC meetings focused on developing and refining economic development goals, policies, and actions that will guide the City's future efforts. These discussions helped ensure consistency between the EOA, the City's Comprehensive Plan, and the EDS, which was developed concurrently and is presented in a separate document.

In addition to TAC engagement, ECOnorthwest also interviewed five business and property owners between August and October 2025. These one-on-one interviews, focused on both the industrial and commercial sectors, provided insight into local challenges and opportunities. The feedback helped assess Wilsonville's competitive position and shape recommended economic actions.

The project also included two work sessions with the Planning Commission and two work sessions with the City Council at key milestones. These public meetings provided opportunities for decision-makers to review findings, discuss economic development objectives, and ensure the analysis and recommendations aligned with Wilsonville's broader community priorities.

Organization of This Report

This report is organized as follows:

- **Chapter 2. Economic Trends Shaping Wilsonville's Future** summarizes historic economic trends that affect current and future economic conditions in Wilsonville, as well as Wilsonville's competitive advantages for economic development.
- **Chapter 3. Employment Growth and Site Needs** presents a forecast for employment growth in Wilsonville and describes potential growth industries and site needs.
- **Chapter 4. Buildable Lands Inventory** presents a summary of the inventory of employment lands.
- **Chapter 5. Land Sufficiency and Conclusions** compares the supply of employment land with the future need for land and presents conclusions.

This report also includes two appendices:

- **Appendix A. National, State, and Local Trends**
- **Appendix B. Buildable Lands Inventory Methodology**

2. Economic Trends Shaping Wilsonville's Future

Wilsonville is centrally located in the southern portion of the Portland region, which includes Clackamas, Multnomah, and Washington counties. This opportune 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 2,900 jobs, representing a 15% increase. This growth rate was similar to the 16% increase seen across the Portland region.[2] 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.[3] 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.[4] 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 (similar to regional

[2] See Exhibit 2 and Exhibit 4; Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.
[3] CoStar Office Market Trends, 2024
[4] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024

averages).[5] 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.[6] 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.[7] 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, concentrated in Washington County, 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.[8] 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

[5] CoStar Retail Market Trends, 2024
[6] 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.
[7] CoStar Industrial Market Trends, 2024
[8] 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.[9]

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 16% of Wilsonville's covered employment, with an average wage of $88,469, above the Citywide average of $78,235.[10]

- **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.[11]

  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% of

[9] 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.
[10] See Exhibit 7; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023
[11] See Exhibit 43 and Exhibit 44; U.S. Census Bureau

the population in 2044, consistent with statewide trends.[12] 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 essential to the economies of both Oregon and Wilsonville, driving job growth and introducing innovations to the marketplace. 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).[13] 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 automated 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

[12] See Exhibit 46; Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2024

[13] 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.[14] 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).[15] 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. [16] In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.[17] 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 more

[14] 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
[15] See Exhibit 7; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023
[16] 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*).
[17] 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

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 2 shows covered employment in the Portland region (Clackamas, Multnomah, and Washington counties) for 2007 and 2023.[18] Over this period, covered employment increased by 132,382, a 16% gain. The largest increases were in healthcare and social assistance (up 37,194 jobs) and professional and business services (up 24,516 jobs). In 2023, the average annual wage across the region was $76,066.[19]

Exhibit 2. Covered Employment by Industry, Portland Region, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, Hunting & Mining	10,434	9,396	(1,038)	(0.7%)
Construction	48,646	59,114	10,468	1.2%
Manufacturing	102,778	101,508	(1,270)	(0.1%)
Wholesale Trade	50,097	46,013	(4,084)	(0.5%)
Retail Trade	87,545	90,202	2,657	0.2%
Transportation & Warehousing & Utilities	31,609	45,318	13,709	2.3%
Information	21,156	21,149	(7)	(0.0%)
Finance & Insurance	37,606	29,212	(8,394)	(1.6%)
Real Estate and Rental and Leasing	15,078	16,863	1,785	0.7%
Professional, Scientific, & Technical Services	43,880	68,396	24,516	2.8%
Management of Companies and Enterprises	21,623	37,487	15,864	3.5%
Admin, Support, Waste Management, & Remediation	51,221	55,221	4,000	0.5%
Private Education	15,201	19,126	3,925	1.4%
Health Care & Social Assistance	83,749	120,943	37,194	2.3%
Arts, Entertainment, & Recreation	11,152	14,884	3,732	1.8%
Accommodation & Food Services	68,206	81,081	12,875	1.1%
Other Services & Public Administration	31,743	36,347	4,604	0.9%
Government	100,832	112,678	11,846	0.7%
Total	**832,556**	**964,938**	**132,382**	**0.9%**

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.
*AAGR = Average Annual Growth Rate

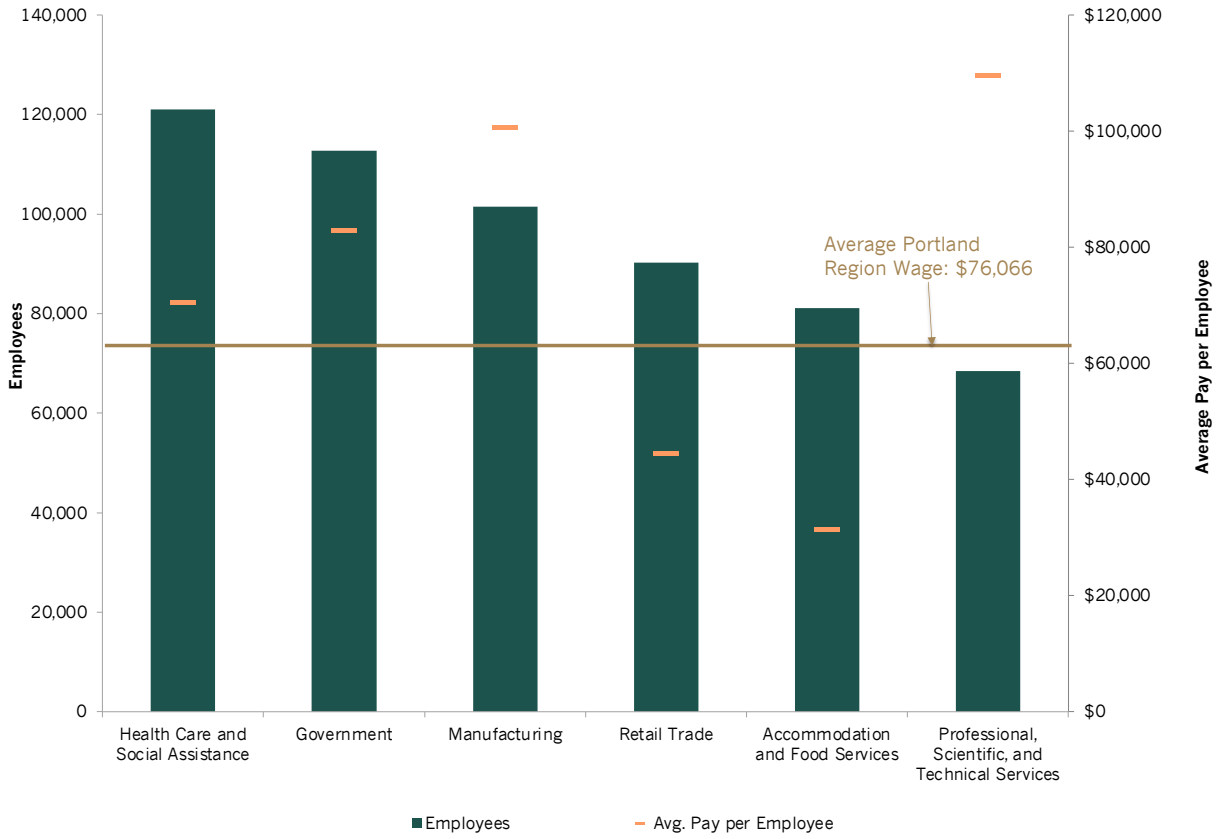
[18] **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment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

[19] Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023.

Exhibit 3 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 3. 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 2,901 positions, representing a 15% total increase at an average annual growth rate of 0.9%, shown in **Exhibit 3.** This growth is similar to the Portland region's 16% growth and 0.9% annual rate.

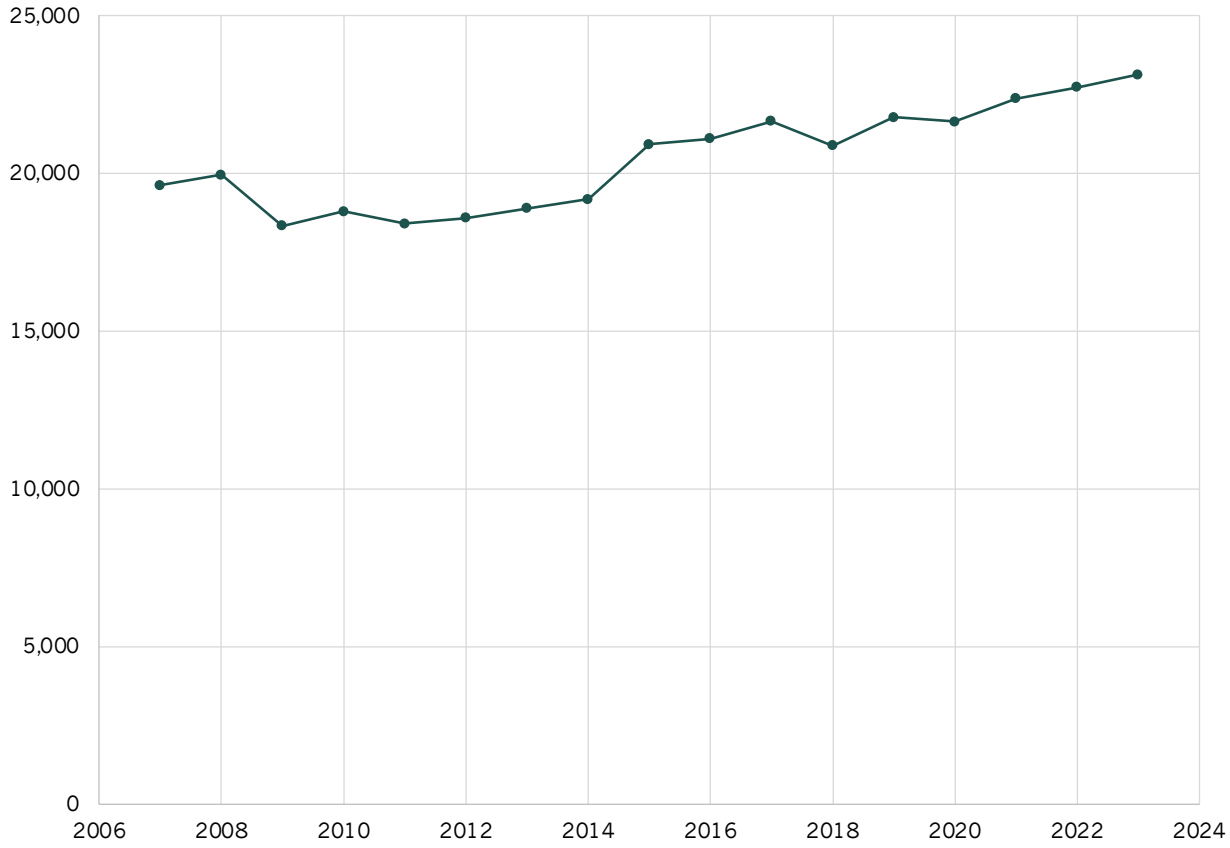
Exhibit 4. Change in Covered Employment, Wilsonville, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting	19	17	(2)	(0.7%)
Construction	1,008	3,010	2,002	7.1%
Manufacturing	4,225	3,719	(506)	(0.8%)
Wholesale Trade	2,424	3,318	894	2.0%
Retail Trade	1,663	2,125	462	1.5%
Transportation, Warehousing, and Utilities	1,501	864	(637)	(3.4%)
Information	130	78	(52)	(3.1%)
Finance and Insurance	297	172	(125)	(3.4%)
Real Estate and Rental and Leasing	304	233	(71)	(1.6%)
Professional, Scientific, and Technical Services	1,686	2,330	644	2.0%
Management of Companies and Enterprises	1,170	474	(696)	(5.5%)
Administrative, Support, Waste Management and Remediation	1,468	2,023	555	2.0%
Private Education	158	102	(56)	(2.7%)
Health Care and Social Assistance	1,029	989	(40)	(0.2%)
Arts, Entertainment, and Recreation	200	188	(12)	(0.4%)
Accommodation and Food Services	1,087	1,352	265	1.4%
Other Services and Public Administration	381	483	102	1.5%
Government	1,127	1,301	174	0.9%
Total	**19,877**	**22,778**	**2,901**	**0.9%**

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.[20]

Exhibit 5. Change in Covered Employment, Wilsonville, 2007 – 2023

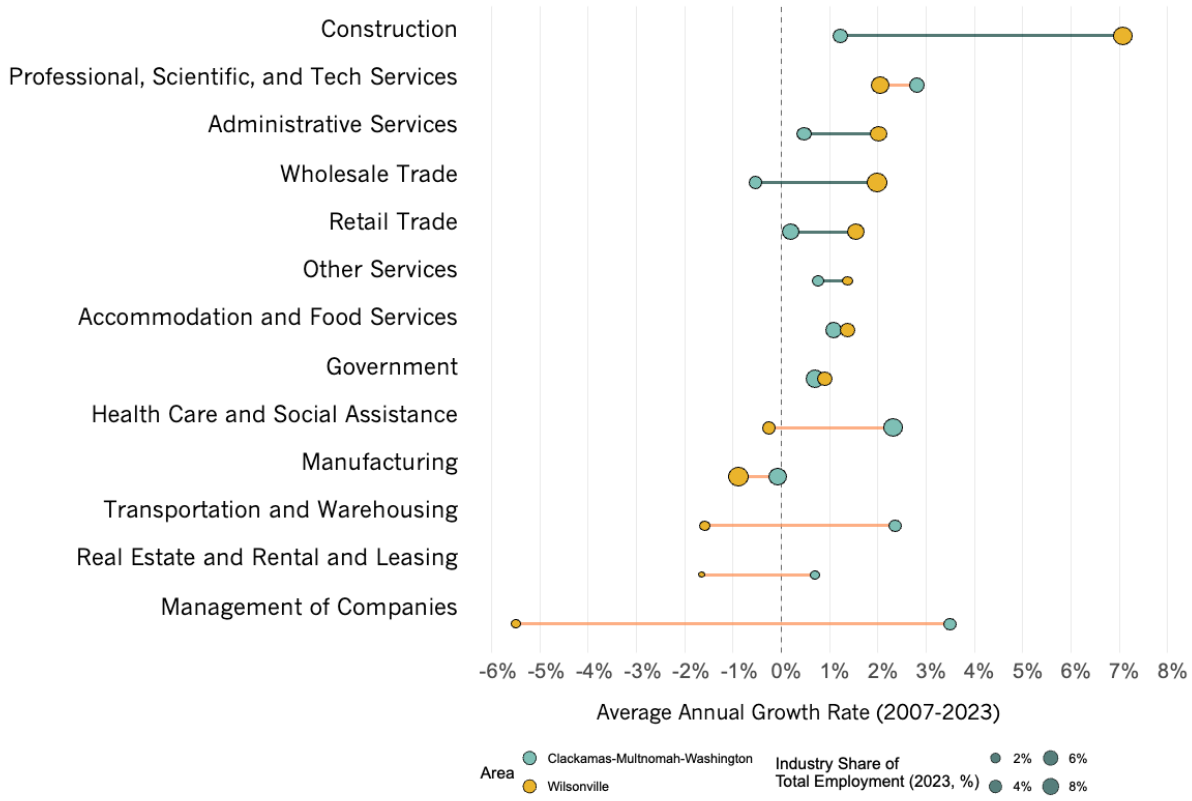


Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.

[20] Michael Bamesberger, "Stream Global Services to Relocate from Beaverton to Wilsonville," *The Oregonian/OregonLive*, March 26, 2013, https://www.oregonlive.com/wilsonville/2013/03/stream_global_services_to_relo.html.

Since 2007, Wilsonville's employment has grown at a pace similar to the broader Portland region. **Exhibit 6** shows that the composition of that growth, however, differs by industry. Construction jobs in Wilsonville more than tripled over this period, far outpacing the region's growth in the same sector. The City also saw notable gains in professional services, administrative services, and wholesale trade. Notably, while wholesale trade employment rose in Wilsonville, it declined across the broader Portland region. At the same time, several sectors that expanded across the Portland region, such as management of companies, transportation and warehousing, health care and social assistance, and real estate experienced declines within Wilsonville.

Exhibit 6. Change in Covered Employment, Wilsonville compared to the Portland Region, 2007 – 2023*



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.
*Exhibit only shows industries with greater than 200 employees in Wilsonville

Exhibit 7 summarizes covered employment in Wilsonville in 2023. The largest employment sectors were manufacturing (16% of employees), wholesale trade (15%), construction (13%), professional and technical services (10%), retail trade (9%), and administrative and support services (9%). The average annual wage across all employees was $78,235, slightly higher than the regional average.

Exhibit 7. Covered Employment and Average Pay by Sector, Wilsonville, 2023[21]

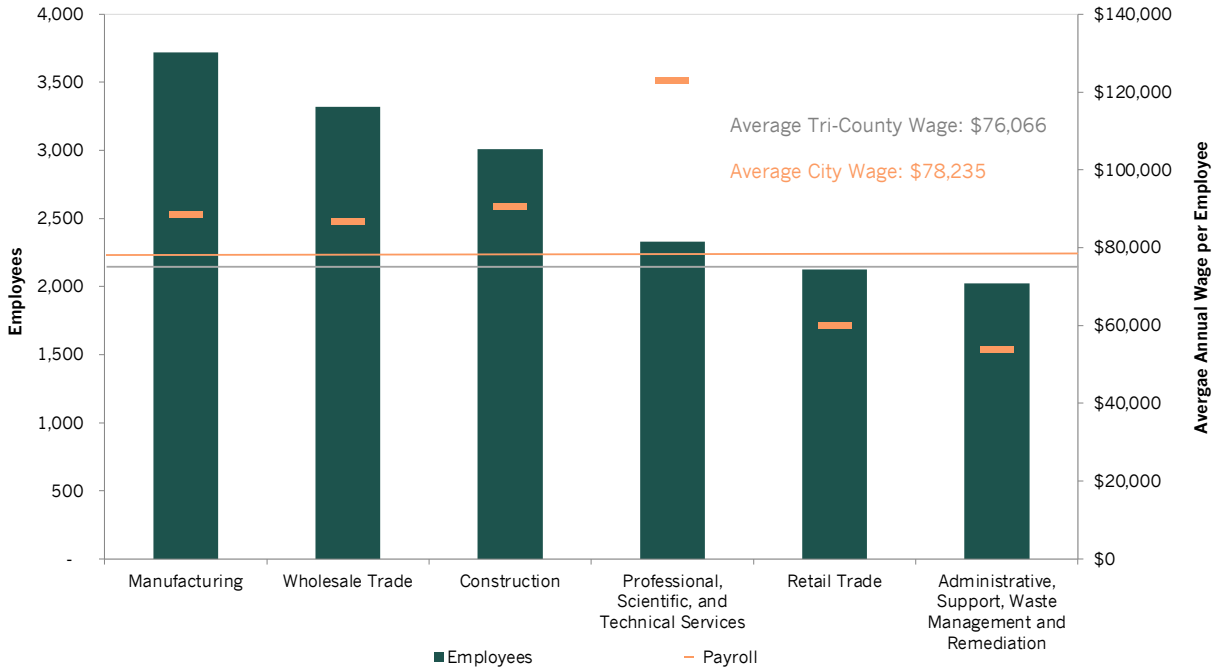
Sector	Employees	Payroll	Average Pay per Employee
Agriculture, Forestry, Fishing, and Hunting	17	$638,130	$37,537
Construction	3,010	$272,634,357	$90,576
Manufacturing	3,719	$329,017,787	$88,469
Wholesale Trade	3,318	$287,443,786	$86,632
Retail Trade	2,125	$127,210,907	$59,864
Transportation, Warehousing, and Utilities	864	$58,684,874	$67,922
Information	78	$9,193,644	$117,867
Finance and Insurance	172	$12,687,158	$73,763
Real Estate and Rental and Leasing	233	$16,287,329	$69,903
Professional, Scientific, and Technical Services	2,330	$286,426,416	$122,930
Management of Companies and Enterprises	474	$46,709,942	$98,544
Administrative, Support, Waste Management and Remediation	2,023	$108,715,935	$53,740
Private Education	102	$3,284,611	$32,202
Health Care and Social Assistance	989	$47,878,787	$48,411
Arts, Entertainment, and Recreation	188	$4,139,588	$22,019
Accommodation and Food Services	1,352	$39,210,617	$29,002
Other Services and Public Administration	483	$28,903,857	$59,842
Government	1,301	$102,958,420	$78,964
Total	**22,778**	**$1,782,026,145**	**$78,235**

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

[21] The following sectors were combined due to confidentiality of QCEW data: transportation and warehousing and utilities; other services and public administration

Exhibit 8 shows covered employment and average pay per employee for the six largest sectors in Wilsonville. These six sectors account for 73% 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 8. 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 9 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 9. 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%
Accomodation 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%**	**0.85%**

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.

This section provides a summary of market conditions in Wilsonville, which is described in detail in the subsequent sections.

Office: Office demand in Wilsonville is expected to remain limited in the near term. High vacancy rates, ongoing negative absorption[22], 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 10**) and the Portland region (see **Exhibit 11)**, 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 Chapter 4. Buildable Lands Inventory) 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.

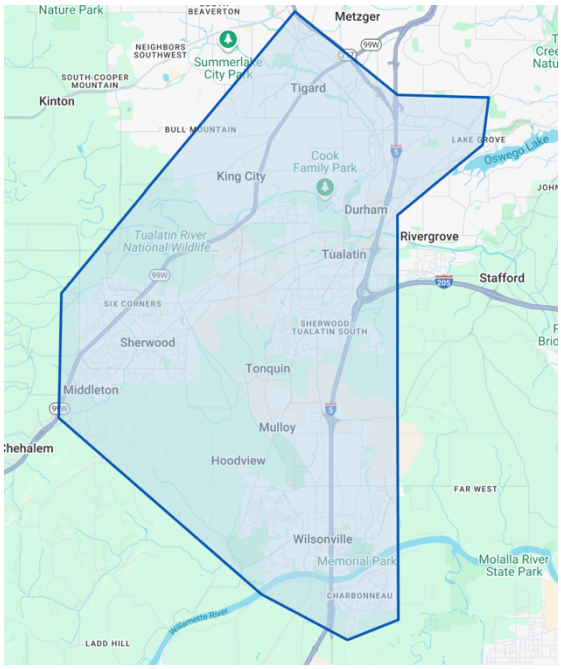
Industrial: Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of *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

[22] 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.

submarket has occurred in neighboring cities like Sherwood and Tualatin. Without more development-ready land, Wilsonville is likely to continue seeing new industrial investment occur where there are viable development sites.

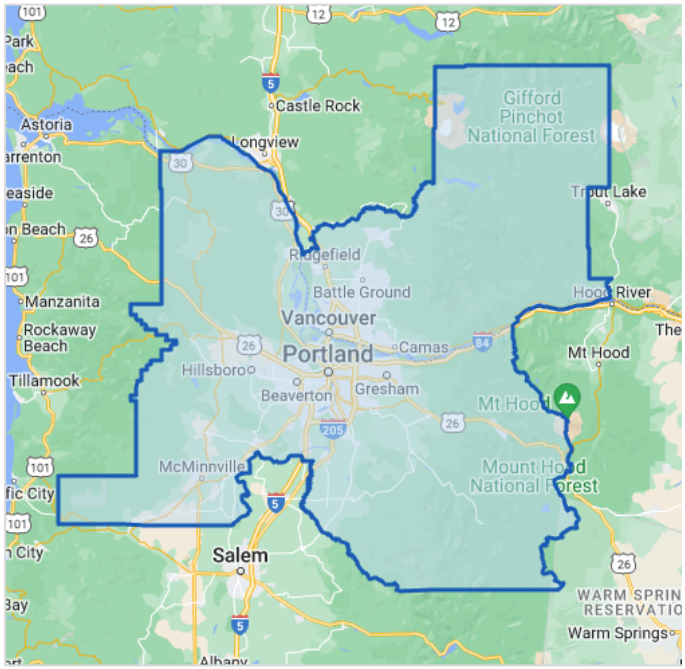
The remainder of this section provides detailed analysis of real estate trends in Wilsonville, the I-5 South submarket (**Exhibit 10)** and the broader Portland region (**Exhibit 11).**

Exhibit 10: I-5 South Submarket Boundary



Source: CoStar

Exhibit 11: Broader Portland Region CoStar Boundary



Source: CoStar

Commercial Market Trends

Broader Portland Regional Trends[23]

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.

[23] Portland Metro Regional trends based on Kidder Matthews, Portland Office Market Report Q4 2024

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, Eye Health Northwest, located at 29250 Southwest Town Center Loop West. 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 12:Office Space Development Trends, 2015 to 2024

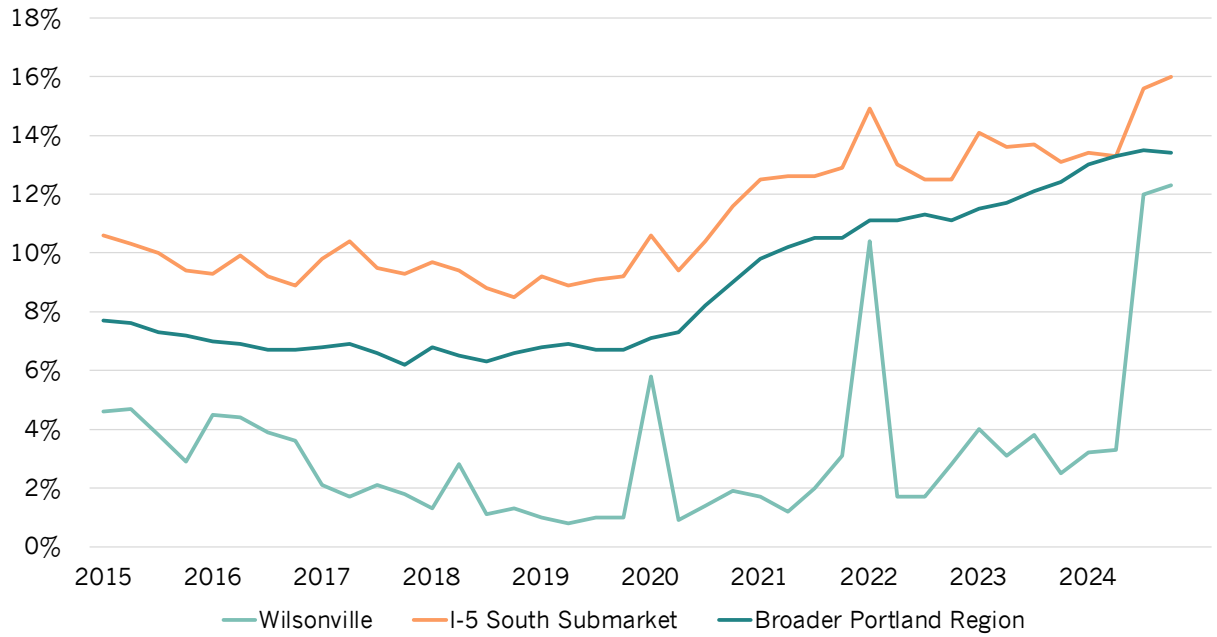
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL OFFICE DEVELOPMENT			
Broader Portland Region	6,268	120,279,588	19,199
I-5 South Submarket	484	8,975,567	18,545
Wilsonville	63	1,369,151	21,733
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	159	10,765,783	67,710
I-5 South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

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.

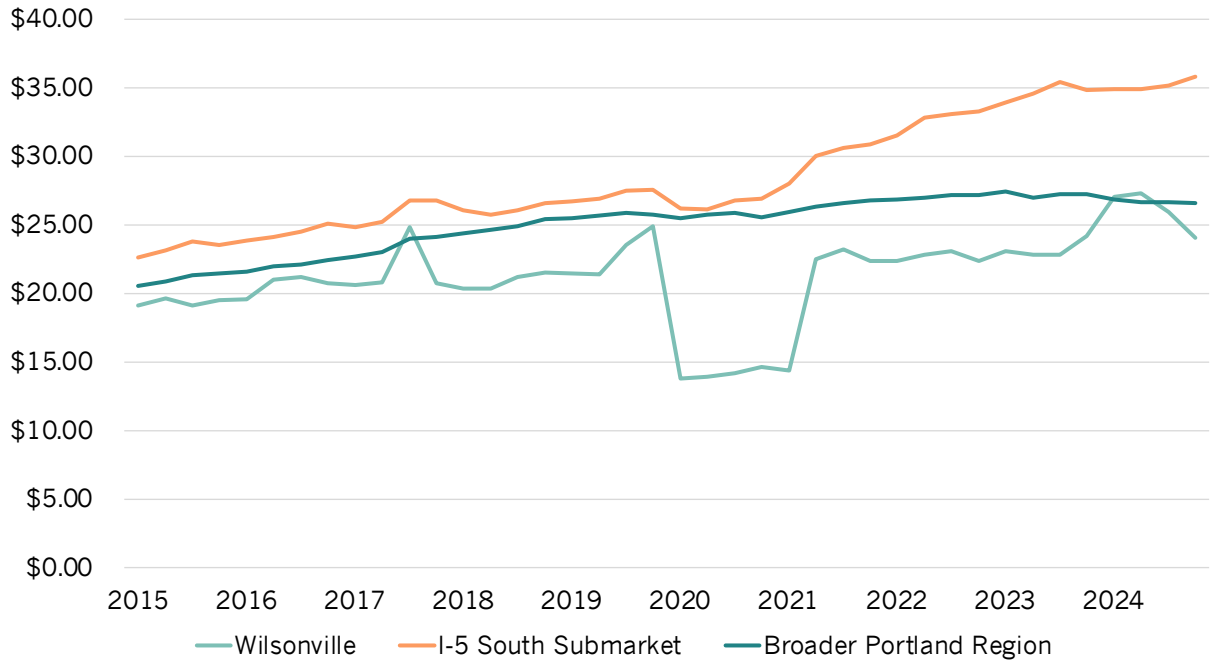
Exhibit 13: Office Vacancy Rate Trends, 2015-2024



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 14: 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 analysis 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 Chapter 4. Buildable Lands Inventory). Those spaces

currently vacant may fill in time but limited commercial land supply could constrain new office development in Wilsonville in the long term.

Broader Portland Regional Retail Trends[24]

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.

[24] Broader Portland regional trends based on Kidder Matthews, Portland Retail Market Report 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.

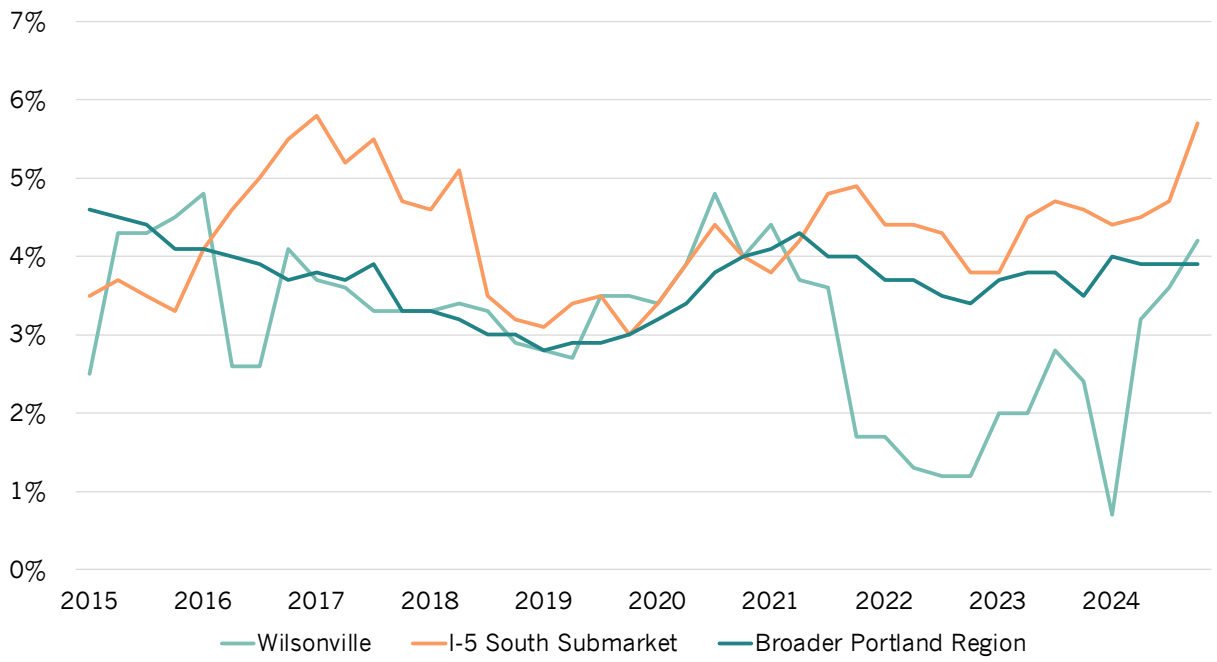
Exhibit 15: Retail Space Development Trends, 2015 - 2024

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

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.

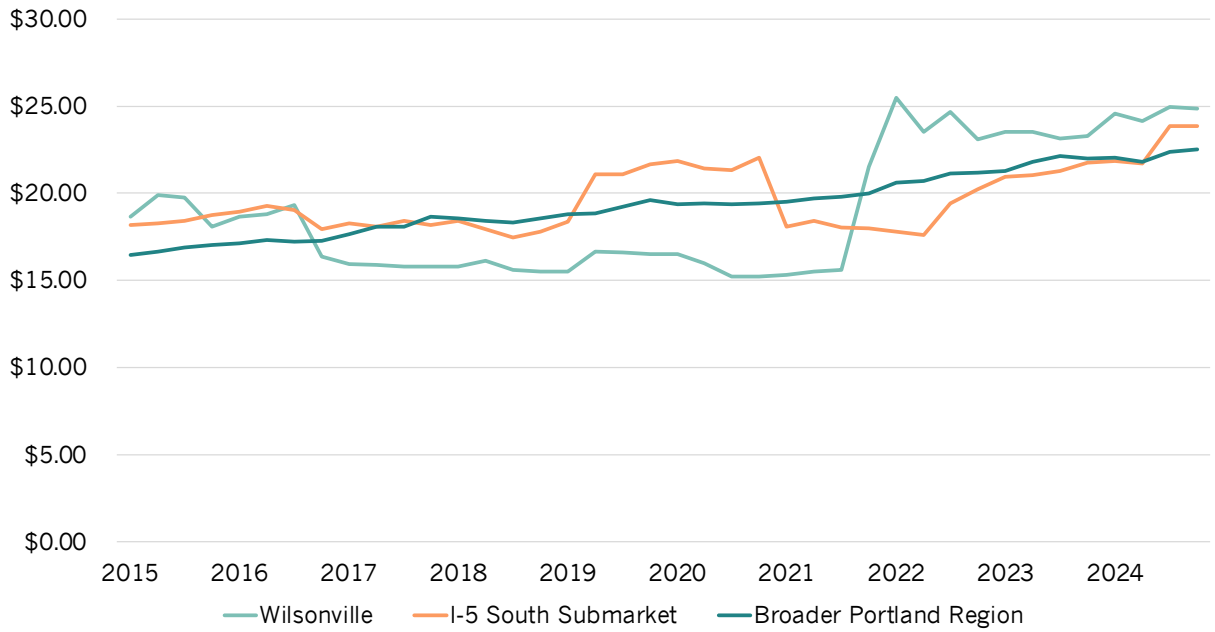
Exhibit 16: Retail Vacancy Rate Trends, 2015 - 2024



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 17: 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

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]

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:

[25] CBRE, Q4 2024 Portland Industrial Market Update
[26] CBRE, Q4 2024 Portland Industrial Market Update
[27] CBRE, Q4 2024 Portland Industrial Market Update
[28] Cushman & Wakefield, Industrial Marketbeat Q2 2024 Portland Industrial Report

- **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.

[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 development-ready industrial land in the City.

Exhibit 18: Industrial & Flex Space Development Trends, 2015 to 2024

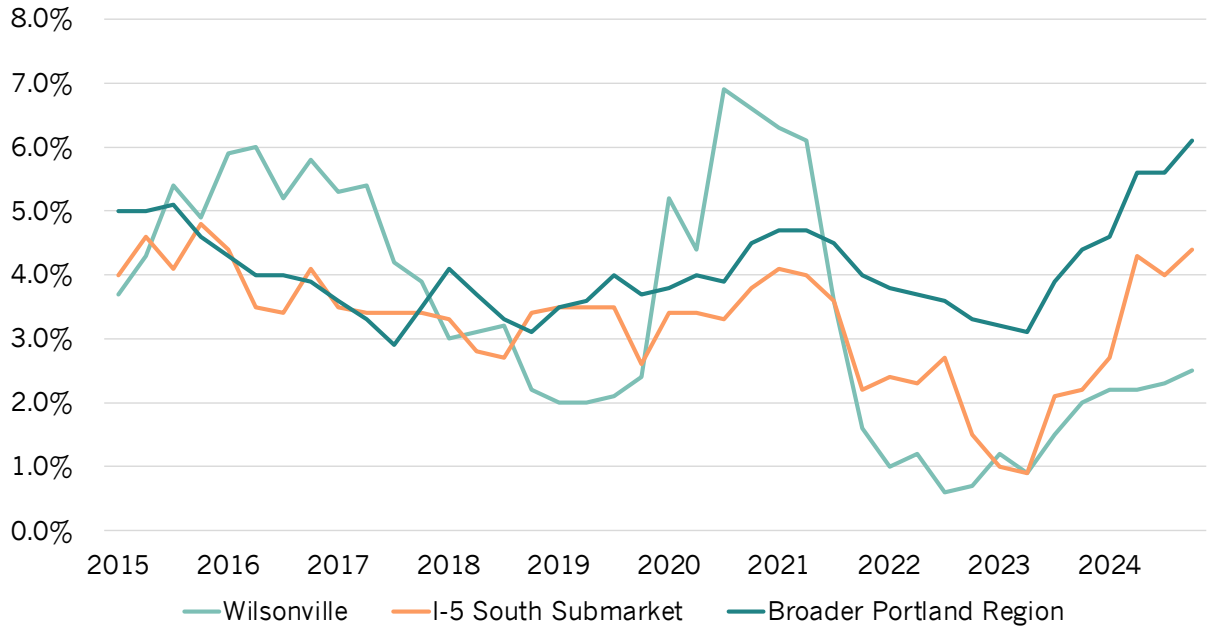
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL INDUSTRIAL DEVELOPMENT			
Broader Portland Region	7,581	259,657,430	34,250
I-5 South Submarket	671	22,831,304	34,030
Wilsonville	136	8,592,887	63,180
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	403	33,736,304	83,710
I-5 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 20).** 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%.

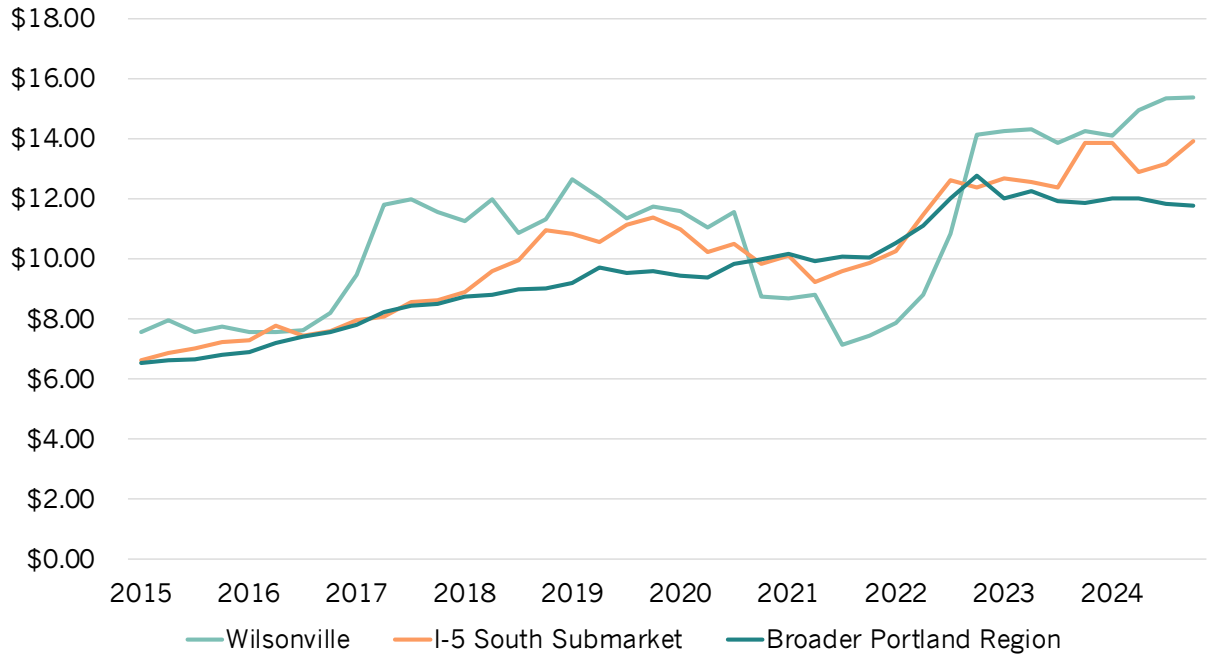
Exhibit 19: Industrial & Flex Vacancy Rate Trends, 2015-2024



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 20: Industrial & Flex Rents Trends, 2015-2024

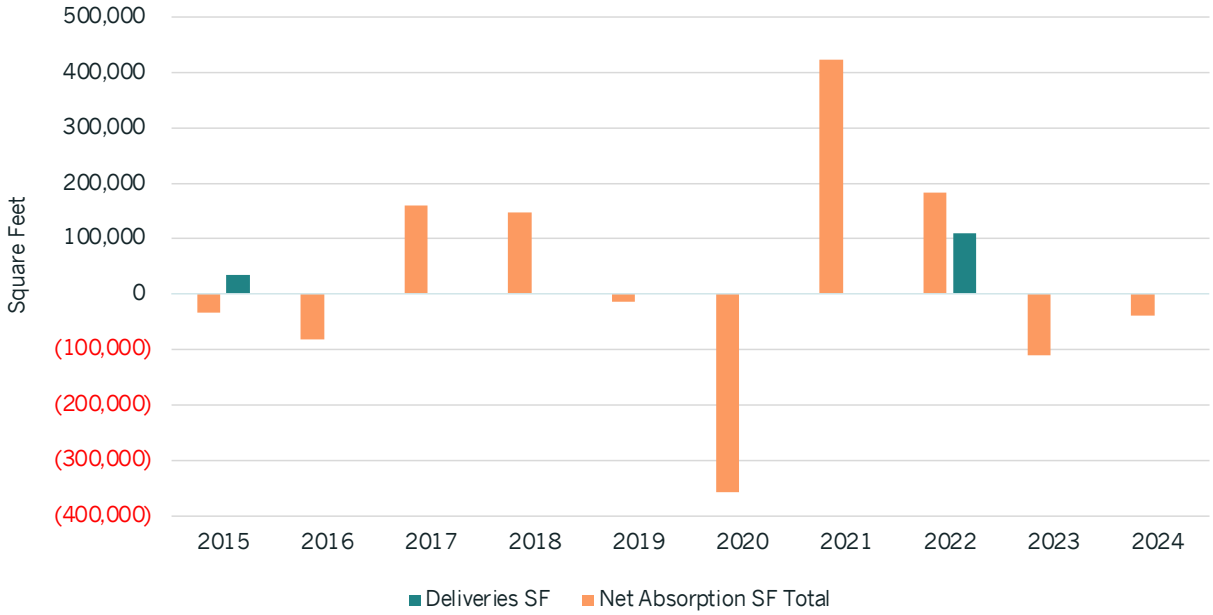


Source: CoStar, pulled February 2025

[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 21: 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 22 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 22: 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%**

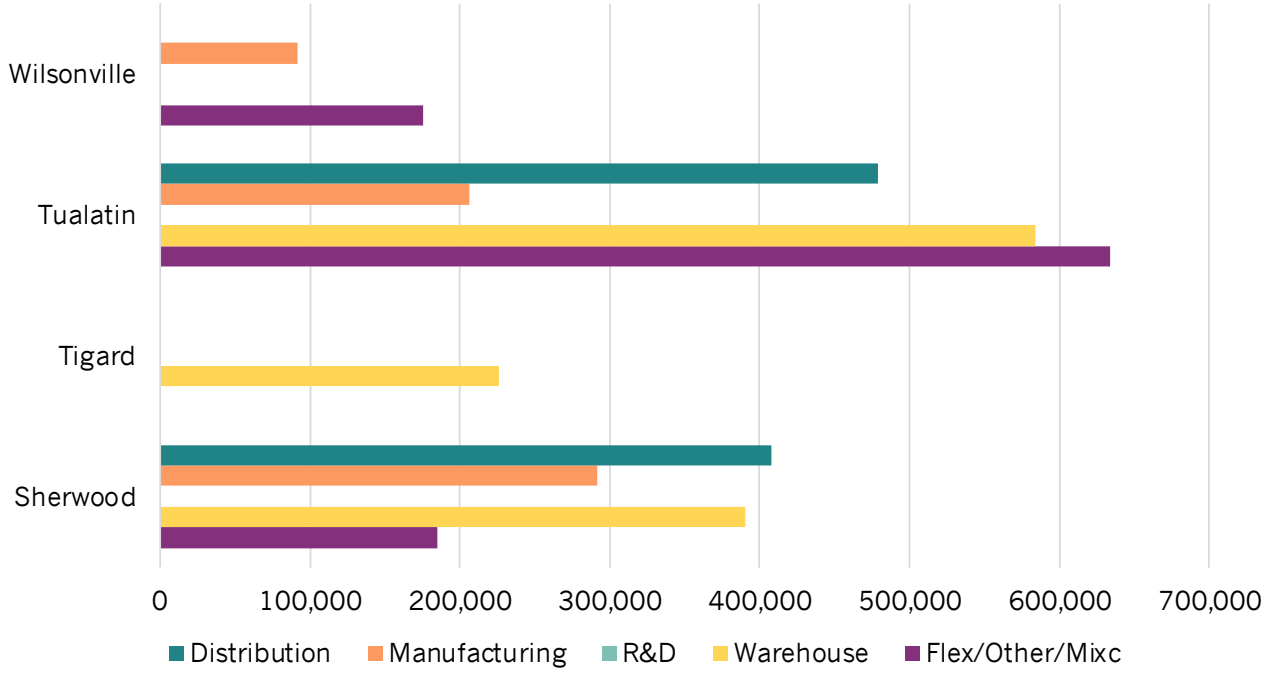
Source: CoStar, pulled August 2024

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 23. 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 in on industrial land, such as indoor recreation, medical buildings, religious institutions, and government uses.

Wilsonville's Competitive Advantages and Disadvantages

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 opportune 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 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 provides advantages for firms engaged in global trade by enabling tariff deferral, duty elimination on re-exports, and logistical efficiencies. This makes Wilsonville

[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.

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, Chemeketa Community College, Portland State University, **University of Portland**, 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 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 on Grahams Ferry Road. 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, as well as long lead times. Close coordination with Portland General Electric will be essential to ensure capacity is available.

- **Traffic and Congestion.** The I-5 corridor through Wilsonville experiences congestion from regional traffic, particularly during peak hours, which then backs up onto Wilsonville key arterials. Planned transportation improvements will help but may be years in coming. Ongoing regional 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 setting and limited mix of local amenities such as restaurants, shopping, and entertainment may make it harder to attract workers, particularly younger professionals in technology, creative, and knowledge-based fields. Strengthening live-work-play environments, like those envisioned in Town Center, will be key to maintaining the City's competitiveness for talent.

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 describes Wilsonville's water system, storm system, wastewater system, and transportation 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.

WATER

Wilsonville's primary drinking water source is treated water from the Willamette River. The Willamette River Water Treatment Plant has a total treatment capacity of 20 million gallons per day (mgd). Of that capacity, 13.3 mgd (two-thirds) is owned by the City of Wilsonville, and 6.7 mgd (one-third) is owned by the City of Sherwood. The City of Wilsonville also has eight groundwater wells that serve as a backup supply.

Wilsonville currently has sufficient water supply and treatment capacity to meet existing and future employment needs. The Water Distribution System Master Plan is

being updated to evaluate capacity and distribution improvements that will support continued growth within the Wilsonville. The next major expansion of the treatment plant, which will increase total capacity to 30 mgd, is planned for the 2035 to 2040 timeframe. This expansion will ensure long-term adequacy of the water system to serve both residential and employment growth.

There are no known water capacity limitations that would restrict new industrial or commercial development in the City over the 2026 to 2046 time period.

WASTEWATER

Wilsonville's Wastewater Treatment Plant has a total treatment capacity of 4 mgd. The 2023 Wastewater Treatment Plant Master Plan evaluated the capacity of individual unit processes and identified those that may exceed capacity at buildout. Upgrades to those unit processes have been incorporated into the City's capital improvement program. The first phase, improvements to the aeration basins, is currently under design.

The City recently updated its System Development Charges (SDCs) to provide funding for these capacity improvements. A Wastewater Collection System Master Plan update is scheduled for completion by 2028, which will identify additional system improvements needed to serve future development.

There are currently no known wastewater capacity limitations that would prevent new industrial or commercial development. Planned improvements will ensure the system can support anticipated employment growth through 2046.

STORMWATER

The City updated its Stormwater Master Plan in 2024. The plan provides guidance for stormwater management and identifies system improvements to address capacity and conveyance needs. There are no known stormwater capacity issues that would limit employment growth.

TRANSPORTATION

Traffic congestion on the I-5, specifically the Boone Bridge, remains the most significant transportation challenge affecting Wilsonville. The bridge serves as a critical north–south connection between the Portland and Salem metropolitan areas, carrying regional commuter and freight traffic through the City. Peak-hour congestion creates recurring delays that impact both residents and businesses.

The Oregon Department of Transportation (ODOT) is leading the I-5 Boone Bridge Replacement Project to address these issues. The project will replace the existing bridge with a new, seismically resilient structure, add a southbound auxiliary lane

between the Wilsonville Road entrance and the OR 551 exit, make safety improvements at the Charbonneau interchange, and provide new walking and biking connections across the Willamette River. The project has completed the Planning and Environmental Linkages (PEL) study phase, positioning it to move forward once funding becomes available. Because the Boone Bridge is part of the state highway system, project implementation and timing are under ODOT's jurisdiction rather than the City's direct control.

Beyond the Boone Bridge corridor, Wilsonville's local transportation network is functioning well. The City actively monitors system performance and publishes a transportation performance monitoring report every three years to track progress toward its goals. Local facilities identified in the City's Transportation System Plan have adequate capacity to support planned employment and population growth, and improvements are being implemented as needed.

There are no additional transportation limitations currently identified that would restrict employment growth over the planning period.

3. Employment Growth and Site Needs

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 chapter presents an employment forecast and analysis of potential growth industries that build from recent economic trends.

Forecast of Employment Growth and Land Demand

Demand for industrial and commercial land in Wilsonville will be shaped by the expansion and relocation of existing businesses as well as the establishment of new ones. The employment projections in this section build on Wilsonville's current employment base and assume that future growth will align with the Oregon Employment Department's (OED) regional forecasts for the 2026–2046 period.

The employment forecast does not account for a major shift in employment that could occur if one or more large employers were to locate in Wilsonville during the planning period. Such a change would exceed the growth anticipated in the City's employment forecast and the associated land needs. This would be true not only for employment uses but also for housing, parks, and other community needs. While major economic events, such as the successful recruitment of a very larger employer, are difficult to incorporate into an Economic Opportunities Analysis, their implications are relatively predictable: increased demand for land (of all types) and for public services.

ECOnorthwest's approach to projecting demand for industrial and commercial land includes four steps:

1. **Establish base employment** – Begin with the estimate of covered employment in Wilsonville, as shown in **Exhibit 7.** Since covered employment does not include all workers, this number is adjusted to reflect total employment in the City.
2. **Project total employment** – Consider forecasts and other factors that may influence employment growth in Wilsonville over the 20-year planning horizon.
3. **Allocate employment** – Assign projected employment to various land use categories.

4. **Estimate land demand** – Calculate employment land demand based on projected growth and assumptions about future employment densities.

This methodology follows administrative rule requirements and incorporates input the Technical Advisory Committee (TAC) that guided this project.

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 employment[35] 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 22,778 covered employees in 2023 (see Exhibit 6 and Exhibit 24). 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. Bureau of Economic Analysis. This ratio was evaluated for each employment sector in Clackamas County, and the resulting figures were used to estimate the number of noncovered employees.

Based on this methodology, ECOnorthwest estimates that Wilsonville had approximately **32,332 total jobs** in 2023 **(Exhibit 24).** This estimate serves as the starting point for evaluating future employment growth and land needs.

[35] Covered employment includes employment covered by unemployment insurance.

Exhibit 24. Estimated Total Employment by Sector, Wilsonville City Limits and UGB Area*, 2023

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, Fishing, and Hunting	17	30	56%
Construction	3,010	3,917	77%
Manufacturing	3,719	4,043	92%
Wholesale Trade	3,318	3,977	83%
Retail Trade	2,125	2,834	75%
Transportation, Warehousing, and Utilities	864	1,965	44%
Information	78	118	66%
Finance and Insurance	172	438	39%
Real Estate and Rental and Leasing	233	1,748	13%
Professional, Scientific, and Technical Services	2,330	4,325	54%
Management of Companies and Enterprises	474	563	84%
Administrative, Support, Waste Management an	2,023	2,763	73%
Private Education	102	196	52%
Health Care and Social Assistance	989	1,187	83%
Arts, Entertainment, and Recreation	188	441	43%
Accommodation and Food Services	1,352	1,503	90%
Other Services and Public Administration	483	902	54%
Government	1,301	1,381	94%
Total	**22,778**	**32,332**	**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.
*See Exhibit 37 for a map of the planning area.

Employment Projection

The employment forecast covers the 2026 to 2046 period, requiring an estimate of total employment for Wilsonville in 2026. The base employment starts with the estimate of 32,332 total jobs in Wilsonville in 2023, shown in **Exhibit 24.**

Wilsonville does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9)(a) sets out some optional "safe harbors" that allow a City to determine employment land need.

Exhibit 25 presents four employment growth rate scenarios:

- Metro Urban Growth Report regional growth rate: 0.42% annual employment growth.
- Oregon Employment Department's (OED) regional growth rate: 0.85% annual employment growth.
- Wilsonville's historic employment growth rate (2007-2023): 0.86% annual employment growth.
- Wilsonville's Housing Needs and Capacity Analysis projected household growth rate (2024-2044): 1.2% annual growth.

The OED regional growth rate (0.85%) is the safe harbor option identified in OAR 660-024-0040(9)(a)(A).

Exhibit 25. 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) (0.86%)	HNCA Household Growth Rate (1.20%)
2026	32,741	33,165	33,168	33,509
2046	35,607	39,297	39,326	42,537
Change 2026 to 2046				
Employees	2,866	6,132	6,158	9,028
Percent	9%	18%	19%	27%
Growth Rate	0.42%	0.85%	0.86%	1.20%

Source: ECOnorthwest

The City selected a forecast based on the regional employment growth rate of 0.85% average annual growth, consistent with the safe harbor in OAR 660-024-0040(9)(a). This safe harbor allows the City to assume that the current number of jobs in Wilsonville will grow at the same rate as the regional employment growth rate from the most recent Oregon Employment Department forecast.[36]

Exhibit 26 shows projected employment growth in Wilsonville from 2026 to 2046, assuming an average annual growth rate of 0.85%. By 2046, Wilsonville is expected to have 39,297 employees which is an increase of 6,132 employees, or 18%, over the 20-year period.

This forecast assumes employment growth is also fairly consistent with Wilsonville's historical rate. It is faster than the regional growth rate in Metro's Urban Growth Report but slower than the City's projected household growth rate. The projection represents a modest and realistic pace of expansion that aligns with statewide and national trends of slower employment growth. It also reflects Wilsonville's role as a regional employment center that may grow faster than the broader Portland region because of its concentration of industrial land.

In the near term, growth over the next five to ten years is expected to occur more gradually as much of Wilsonville's industrial land is not yet development-ready and will require additional infrastructure investment. Commercial growth will depend on redevelopment opportunities in Town Center and the reuse of large vacant commercial properties such as the former Albertsons and Regal Cinema sites. It may also depend on future policy changes that allow underutilized industrial land to support a broader mix of commercial uses.

Exhibit 26. Employment Growth in Wilsonville, 2026-2046

Year	Total Employment
2026	33,165
2046	39,297
Change 2025 to 2045	
Employees	6,132
Percent	18%
Growth Rate	0.85%

Source: ECOnorthwest

[36] During the EOA process, ECOnorthwest used the OED forecast rates for the 2023-2033 period.

Allocate Employment to Different Land Use Types

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in Wilsonville will look for a variety of site characteristics, depending on the industry and circumstances. ECOnorthwest grouped employment into four broad categories of land use based on the North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.[37]

Exhibit 27 shows the expected share of employment by land use type in 2026 and the forecast of employment growth by land use type in 2046 in Wilsonville. The results assume that the share of employment in each category will remain the same.

Exhibit 27. Forecast of Employment Growth by Land Use Type, Wilsonville UGB, 2026–2046

Land Use Type	2026		2046		Change
	Employment	% of Total	Employment	% of Total	2026 to 2046
Industrial	14,292	43%	16,934	43%	2,642
Retail Commercial	2,907	9%	3,445	9%	538
Office & Commercial Services	14,549	44%	17,239	44%	2,690
Government	1,417	4%	1,679	4%	262
Total	**33,165**	**100%**	**39,297**	**100%**	**6,132**

Source: ECOnorthwest
Note: The shaded percentages denote an assumption about the future share of employment (as a percent of total) by land use type.

Estimate of Demand for Commercial and Industrial Land

This section shows demand for vacant (including partially vacant) land in Wilsonville over the 20-year period. The assumptions used in this analysis are:

- **Employment density**. Employment density, measured as employees per net acre, reflects the ratio of the number of employees to the amount of developed employment land.

  Based on an empirical evaluation of commercial and industrial zones in the City that are at or near buildout, this study assumes an average of 8.9 employees per acre for industrial land and 33.1 employees per acre for commercial land **(Exhibit 28).** Actual densities vary by specific use; for

[37] Industrial employment includes construction and agriculture; manufacturing; transportation and warehousing; and wholesale trade. Retail commercial is retail trade. Office and commercial includes information; finance and insurance; real estate; professional services; management of companies; administrative support and waste management; educational services; healthcare and social assistance; recreation; accommodation and food services; and other services. Government includes all employment at federal, state, local, and other governmental agencies.

example, a two-story commercial building may have a higher density, while a convenience store with a large parking lot may have a lower density. Using an average helps account for these variations.

- **Conversion from net to gross acres**. Employment density data is expressed in *net* acres, which exclude land for public rights-of-way. Future employment land needs should include both the land within tax lots for employment use and the land required for public rights-of-way. One way to estimate this total is to convert *net* acres to *gross* acres based on assumptions about the share of land dedicated to rights-of-way. [38] This conversion is expressed as the percentage of gross acres occupied by rights-of-way.

  Based on an empirical evaluation of Wilsonville's existing net-to-gross ratios in areas designated for and developed with industrial and commercial uses, ECOnorthwest applied a net-to-gross conversion factor of 8% for industrial land and 13% for commercial land.

Using these assumptions, the forecasted growth of 6,132 new employees will result in the following demand for vacant (and partially vacant) employment land: 321 gross acres of industrial land and 110 gross acres of commercial land.[39]

Exhibit 28. Demand for Vacant Land to Accommodate Employment Growth, Wilsonville, 2026–2046

Land Use Type	New Employment	Employees per Net Acre	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	2,642	8.9	297	321
Commercial and Retail	3,228	33.1	97.5	110
Total	**5,870**	**-**	**395**	**431**

Source: ECOnorthwest

[38] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

[39] Government employment is not included when discussing employment land demand since growth in government employment does not result directly in need for more land for public uses. For instance, schools require land based on expected growth of students in the school district or replacement of existing schools, rather than as a result of growth in government employment. Local or regional governments may grow and continue to occupy existing built space or may need land based on factors other than employment growth. In addition, government employment locates in a range of zones, including commercial, residential, public, and other zones.

Target Industries

Wilsonville's economy benefits from several advantages that help attract and support a diverse mix of industries. The City's location along I-5 at the southern edge of the Portland metro area provides easy access to the broader region, Oregon's Mid-Valley, and national and international markets through nearby highway, rail, port, and air connections. Employers can draw from a large and skilled labor force across both regions, offering a strong pool of educated workers.

Wilsonville also has vacant industrial land, including potentially large sites (if aggregated) in Basalt Creek and Coffee Creek that are recognized regionally as key areas for future employment growth. These assets, combined with the City's high quality of life, well-planned neighborhoods, parks, and community amenities, help attract and retain businesses and workers.

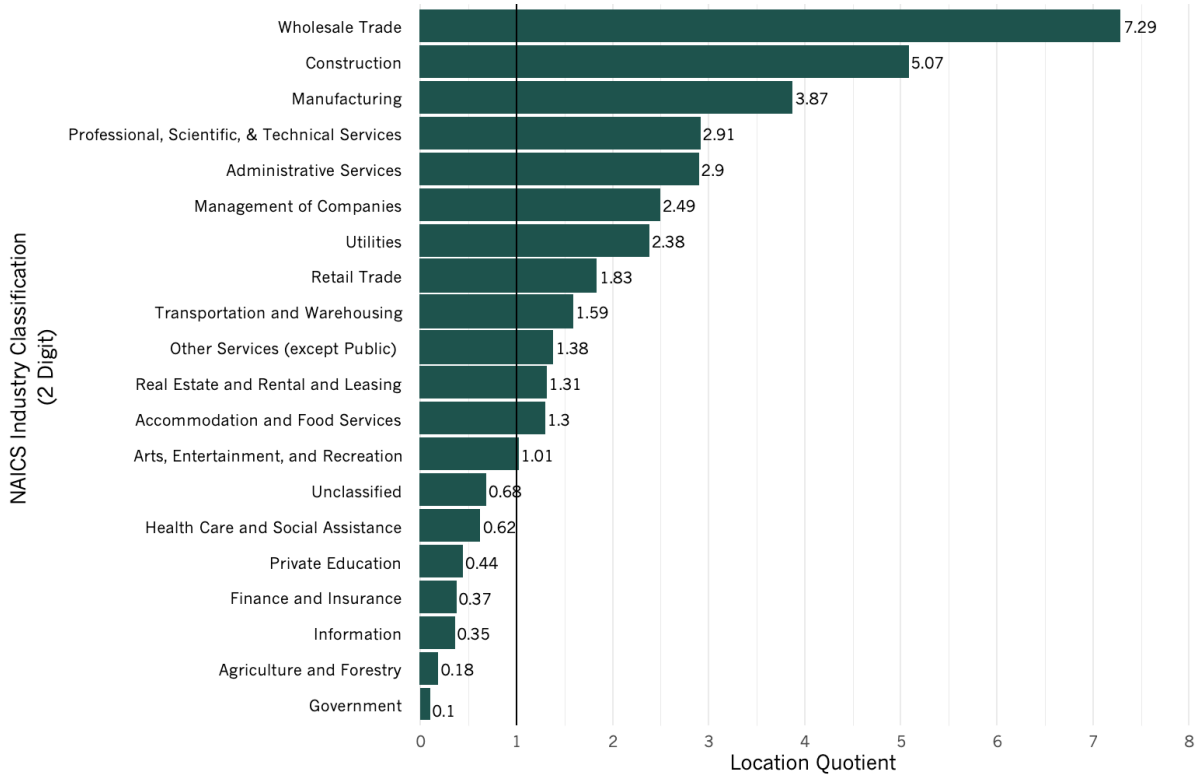
Together, these advantages have shaped an employment base with strong concentrations in wholesale trade (LQ 7.29), construction (LQ 5.07), and manufacturing (LQ 3.87) which are industries that provide higher-than-average wages.[40] For example, an LQ of 7.29 indicates that wholesale trade employment in Wilsonville is more than seven times higher than the national average. The City also shows notable specialization in professional services, administrative services, and management services, each with an LQ greater than 2.0.

By contrast, sectors such as healthcare and social assistance (LQ 0.62), educational services (LQ 0.44), finance and insurance (LQ 0.37), and information (LQ 0.35) have much lower concentrations, indicating these sectors are underrepresented in Wilsonville compared to the national average.

Exhibit 29 shows employment concentration by broad industry (2-digit NAICS) in Wilsonville compared with the United States in 2023. **Exhibit 30** provides additional detail at the 3-digit NAICS level, highlighting industries with above-average wages (light green), strong employment levels, and high location quotients that signal competitive advantage. Specialized industries in manufacturing, wholesale trade, and construction stand out as core drivers of the City's economy.

[40] A location quotient (LQ) of 1.0 indicates that the industry's share of local employment matches the U.S. average. Industries with higher concentration have more employment in Wilsonville than the national average, indicating a strength in employment in that industry. Typically, a LQ of 1.25 or greater indicates a specialization within that industry.

Exhibit 29. Employment Concentration by Industry, Wilsonville Compared to the U.S., 2023



Source: Oregon Employment Department and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023

Exhibit 30. Concentration of Industries and Employment, Wilsonville, 2023

	High Employment (250 employees or more)	Low Employment (at least 50 employees)
▪ High Location Quotient	▪ Computer and Electronic Product Manufacturing ▪ Nonmetallic Mineral Product Manufacturing ▪ Merchant Wholesalers, Nondurable Goods ▪ Electrical Equipment, Appliance, and Component Manufacturing ▪ Machinery Manufacturing ▪ Specialty Trade Contractors ▪ Heavy and Civil Engineering Construction ▪ Motor Vehicle and Parts Dealers ▪ Merchant Wholesalers, Durable Goods ▪ Fabricated Metal Product Manufacturing ▪ Construction of Buildings ▪ Truck Transportation ▪ General Merchandise Retailers ▪ Profession, Scientific, and Technical Services ▪ Administrative and Support Services ▪ Management of Companies and Enterprises ▪ Nursing and Residential Care Facilities ▪ Accommodation	▪ Wholesale Trade Agents and Brokers ▪ Waste Management and Remediation Services ▪ Transit and Ground Passenger Transportation ▪ Plastics and Rubber Products Manufacturing ▪ Utilities ▪ Paper Manufacturing ▪ Rental and Leasing Services ▪ Religious, Grantmaking, Civic, Professional, and Similar Organizations ▪ Miscellaneous Manufacturing ▪ Support Activities for Transportation ▪ Amusement, Gambling, and Recreation Industries ▪ Repair and Maintenance ▪ Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers
Low Location Quotient	▪ Food Services and Drinking Places ▪ Ambulatory Health Care Services	▪ Warehousing and Storage ▪ Food Manufacturing ▪ Real Estate ▪ Health and Personal Care Retailers ▪ Personal and Laundry Services ▪ Food and Beverage Retailers ▪ Gasoline Stations and Fuel =Dealers ▪ Credit Intermediation and Related Activities ▪ Educational Services ▪ Social Assistance

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.
Note: Green highlighting indicates higher than Wilsonville's average wage.

Potential Growth Industries

An analysis of potential growth industries in Wilsonville considers two core questions: (1) Which industries are most likely to be attracted to Wilsonville? and (2) Which industries best support Wilsonville's economic development goals? The selection of growth industries is informed by the City's economic development objectives, current economic conditions in Wilsonville and the broader Portland Metro region, and Wilsonville's competitive position.

The industries identified as having potential for growth in Wilsonville are:

- **Manufacturing.** Manufacturing is a cornerstone of Wilsonville's economy, accounting for roughly **16% of total covered employment in 2023**, with average annual wages well above the citywide average. The City's location along I-5, access to a skilled regional workforce, and proximity to existing industrial areas create advantages for manufacturers seeking efficient supply chain and distribution connections. Existing manufacturing industries with strong concentrations and high levels of employment include:
  - Computer and electronic products manufacturing
  - Nonmetallic mineral products manufacturing
  - Electrical equipment and components manufacturing
  - Machinery manufacturing
  - Fabricated metal product manufacturing

  Demand for manufacturing is expected to remain strong over the next two decades, driven by national and regional trends such as reshoring of production, growth in advanced manufacturing technologies, and public and private investments in sectors like semiconductors and clean technology. Rising transportation costs, the desire for supply chain resilience, Wilsonville's location at the southern part of the Portland region, Wilsonville's supply of industrial land, and Oregon's skilled labor pool further position Wilsonville to capture a share of this growth.

  The ability to sustain and grow this sector will depend on the City's capacity to assemble large, contiguous parcels and to provide the necessary infrastructure, particularly transportation, water, wastewater, and power, to support high-intensity manufacturing operations. Phase 1 of the Wilsonville Industrial Land Readiness project identified specific growth opportunities in semiconductor supply chain industries, clean technology (cleantech) such as renewable energy and sustainable manufacturing solutions, and other advanced manufacturing niches. These industries align with national and

regional investment trends and can build on Wilsonville's existing industrial base to deliver high-wage, traded-sector jobs.

- **Wholesale Trade.** Wilsonville has an established concentration of wholesale trade businesses, including both durable and nondurable goods. These firms benefit from the City's location along I-5 and its central position between the Portland metro and Mid-Valley regions, allowing efficient service to multiple markets. Wholesale trade in Wilsonville is closely tied to the City's manufacturing base, supplying inputs and moving finished products to market. While population growth in the region may be more limited in the future, demand for wholesale activity is expected to remain stable, supported by business-to-business transactions and regional supply chain needs. Continued success in this sector will depend on the availability of sites that can accommodate operational needs while managing the challenges of congestion on I-5, which affects the efficiency of freight movement.
- **Professional, Scientific, and Technical Services.** Although the office market is adjusting to hybrid work trends, there is ongoing demand for specialized professional and technical services, particularly those that support the City's industrial and traded-sector base. This category encompasses a wide range of activities, including professional consulting, engineering, scientific research, testing, and advanced technology services. In Wilsonville, it includes both traditional office-based firms and innovation-oriented businesses such as life sciences and R&D operations that often locate near industrial clusters. Future growth is most likely in flexible, smaller-scale office or lab-flex spaces located near industrial areas or in mixed-use environments such as Town Center.
- **Local Services and Retail.** As Wilsonville's population and employment base grow, demand will increase for a variety of resident-serving businesses. These include retail stores, restaurants, medical and dental offices, childcare providers, personal services, and other neighborhood-oriented establishments. Such services contribute to quality of life, provide everyday convenience, and support the City's attractiveness as a place to live and work.

  Services for residents also present opportunities for entrepreneurship and small business development. The City has expressed particular interest in attracting small-scale, distinctive retailers and restaurants that can help differentiate Wilsonville's commercial areas, especially in Town Center, from those in surrounding communities. While many of these businesses are locally serving and offer lower average wages than traded-sector industries, they play a vital role in meeting community needs and fostering a vibrant local economy.

Site Needs for Potential Growth Industries

OAR 660-009-0015(2) requires the EOA to "identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses." The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

OAR 660-009-0015(2) does state that "industrial or other employment uses with compatible site characteristics may be grouped together into common site categories." The rule suggests, but does not require, that the City "examine existing firms in the planning area to identify the types of sites that may be needed." For example, site types can be described by (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Wilsonville groups its future employment uses into categories based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

The potential growth industries described in the prior section are a mixture of business sizes, which will require a mixture of site sizes. **Exhibit 31** shows the typical site needs for industrial businesses in Oregon.

Exhibit 31. Industrial Development Competitiveness Matrix, Business Oregon

INDUSTRY SECTOR	SITE SIZE (ACRES)	SITE TOPOGRAPHY (SLOPE)	TRIP GENERATION (ADT/ACRE)	SITE ACCESS (MAX DISTANCE IN MILES TO INTERSTATE OR MAJOR ARTERIAL)	RAILROAD OR PORT ACCESS	ELECTRICITY REQUIREMENTS
Clean-Tech Manufacturing	5-100+	0-5%	40 to 80	w/in 10	Preferred	4-6 MW
Heavy Industrial/Manufacturing	10-100+	0-5%	40 to 60	w/in 10	Preferred	2 MW
Food Processing	5-25+	0-5%	50 to 65	w/in 30	Preferred	2-6 MW
Advanced Manufacturing & Assembly	5-25+	0-7%	30 to 60	w/in 15	Not Required	1-2 MW
General Manufacturing	5-15+	0-5%	30 to 50	w/in 20	Preferred	0.5 MW
Business Park and R&D Campus	20-100+	0-7%	60 to 150	N/A	Preferred	0.5-1.5 MW
Business Admin Services	5-15+	0-12%	170 to 180	N/A	Not Required	0.5 MW
Regional Warehouse/Distribution	20-100+	0-5%	20 to 80	w/in 5 (only interstate or equivalent)	Preferred	1 MW
Local Warehouse / Distribution	10-25+	0-5%	20 to 80	w/in 5 (only interstate or equivalent)	Preferred	1 MW
UAV Manufacturing/Research	10-25+	0-7%	30 to 50	N/A	Not Required	0.5 MW
Data Center	10-50+	0-7%	20 to 30	w/in 30	Avoid / Not Required	5-100 MW
Rural Industrial	10-50+	0-5%	30 to 50	w/in 60	Preferred	1 MW

Source: Business Oregon, Infrastructure Finance Authority, "Industrial Development Competitiveness Matrix." Note: Items identified as "preferred" are those that increase the feasibility of the subject property and its future reuse. Items identified as "required" are factors seen as mandatory in a majority of cases and have become industry standards.

Potential growth industries in Wilsonville will require a variety of building and site types depending on their operational needs, ranging from existing multi-tenant industrial space to large, development-ready sites for single users or business parks. Manufacturing and other industrial businesses likely to locate in Wilsonville will have diverse space needs, ranging from:

- **Existing industrial and flex space.** The majority of demand is for space in existing industrial or flex buildings that can accommodate immediate occupancy. These spaces typically serve small and mid-sized businesses, such as suppliers, logistics firms, manufacturers, and service providers, that benefit from shared facilities, lower upfront costs, and proximity to arterial corridors and other industrial users.
- **Small-scale development sites (1 to 5 acres).** Small-scale sites are typically occupied by contractors, specialized manufacturers, and service-oriented businesses that want ownership of their building and yard space. Development is usually owner-driven or by small developers constructing single buildings. These projects often feature limited office space with outdoor storage or yard areas and need convenient access to major roads and utilities.
- **Mid-sized development sites (5 to 25 acres).** Mid-sized sites accommodate larger industrial users or single-tenant buildings developed for manufacturing, assembly, or distribution. These sites can also support smaller industrial parks with multiple buildings and tenants. These sites generally require strong highway access and high-capacity infrastructure such as water, wastewater, and power to support a range of business operations.
- **Large industrial or manufacturing sites (25 acres or more).** Large-scale users, including manufacturers, logistics centers, or industrial business park and research campuses, require sites of 25 acres or more that are fully serviced and have direct access to the regional transportation network. These properties are typically developed as single-user, build-to-suit projects or as master-planned business parks designed to accommodate multiple large users. They require substantial infrastructure capacity and strong highway access. Given infrastructure and land-readiness constraints, these sites are limited in Wilsonville and throughout the region.

Commercial development in Wilsonville includes a broad mix of uses such as retail stores, restaurants, entertainment venues, offices, personal and professional services, and hospitality establishments. These businesses depend on locations with convenient access to customers, nearby neighborhoods, and other businesses. Much of Wilsonville's opportunity for new commercial development lies in the redevelopment and reuse of existing commercial properties.

- **Space in existing buildings (multi-tenant and standalone).** Many retail, restaurant, office, and service-oriented businesses prefer space in existing shopping centers, mixed-use developments, or other multi-tenant buildings. Some users, such as grocery stores, fitness centers, offices, and larger restaurants, occupy standalone buildings developed on individual sites or as part of larger centers.
- **Land for custom development (1 to 5 acres).** A smaller number of businesses, including hotels, larger retailers, larger restaurants, medical or professional offices, and auto-related services, require land for a purpose-built facility. These users typically seek one- to five-acre sites in areas with strong transportation access and available infrastructure to support higher customer traffic.

4. Buildable Lands Inventory

The **Buildable Lands Inventory (BLI)** identifies commercial and industrial lands available for employment-related development within the Wilsonville area. This area includes the City limits and Wilsonville's City limits and Wilsonville's portion of the Metro UGB.[41]

The inventory is sometimes characterized as the *supply* of land available to support future employment growth. The amount of land needed to accommodate anticipated growth, often referred to as *demand* for land, depends on the type of employment-related development and other factors.

This section summarizes the results of the commercial and industrial buildable lands inventory for the Wilsonville City limits and UGB area. The analysis, conducted by ECOnorthwest, is based on GIS data from the City of Wilsonville, Metro, and the State of Oregon. City staff reviewed the findings.

The BLI process includes the following steps:

1. Generate Study Area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify the inventory results
5. Tabulate and map results

The remainder of this section presents the results of the BLI in both tabular and map formats. Appendix A provides a detailed explanation of the inventory methodology.

[41] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the City.

Land Base

The land base for the BLI includes all tax lots within the Wilsonville City limits and UGB area that fall under comprehensive plan designations that allow for employment. **Exhibit 32** provides a breakdown of the land base by Wilsonville Comprehensive Plan designation within Wilsonville.

Exhibit 32. Employment Land Base by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
Commercial	297	32%	224	8%
Industrial	526	56%	1,819	63%
Town Center	57	6%	136	5%
Public	33	4%	480	17%
Undesignated	24	3%	216	8%
Total	**937**	**100%**	**2,876**	**100%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis because several tax lots have multiple plan designations on the tax lot.

Buildable Area Status

Exhibit 33 summarizes the total acres of commercial and industrial tax lots, classified by buildable area status. ECOnorthwest used a rule-based classification (described in Appendix B) to determine the initial development status. These classifications were then confirmed through a series of reviews by ECOnorthwest and City staff, based on local knowledge and review of aerial maps.

Exhibit 33. Employment Acres by Classification and Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Acres	Developed Acres	Constrained Acres	Buildable Acres
Commercial	224	194	25	4
Industrial	1,819	1,005	506	308
Town Center	136	125	2	9
Public	480	336	144	0.1
Undesignated	216	67	104	45
Total	**2,876**	**1,729**	**782**	**366**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Development Constraints

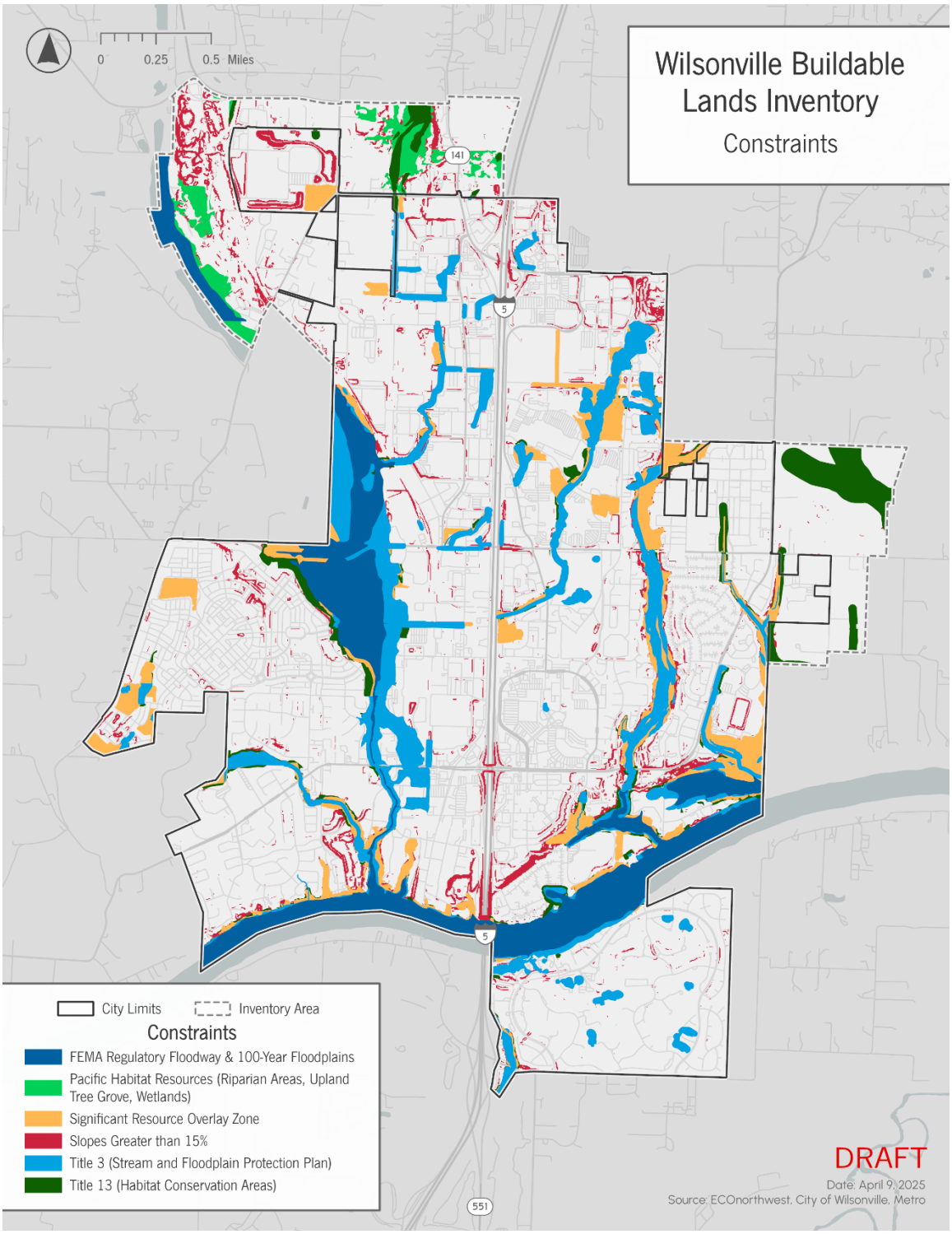
The BLI identifies the following conditions as constraints that prohibit development. These constraints are shown in Figure 1:

- FEMA 100-Year Floodplains and Regulatory Floodway
- High or very high landslide susceptibility
- Slopes greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)
- Significant Resource Overlay Zone (SROZ)
- Natural Resource Areas (riparian areas, upload tree groves, or wetlands) identified by Pacific Habitat Services in the Basalt Creek area

Figure 2 shows buildable area status with constraints applied, resulting in buildable acres. Land classified as vacant or partially vacant and affected by these constraints is deemed unavailable for development and has been excluded from the inventory of buildable land.

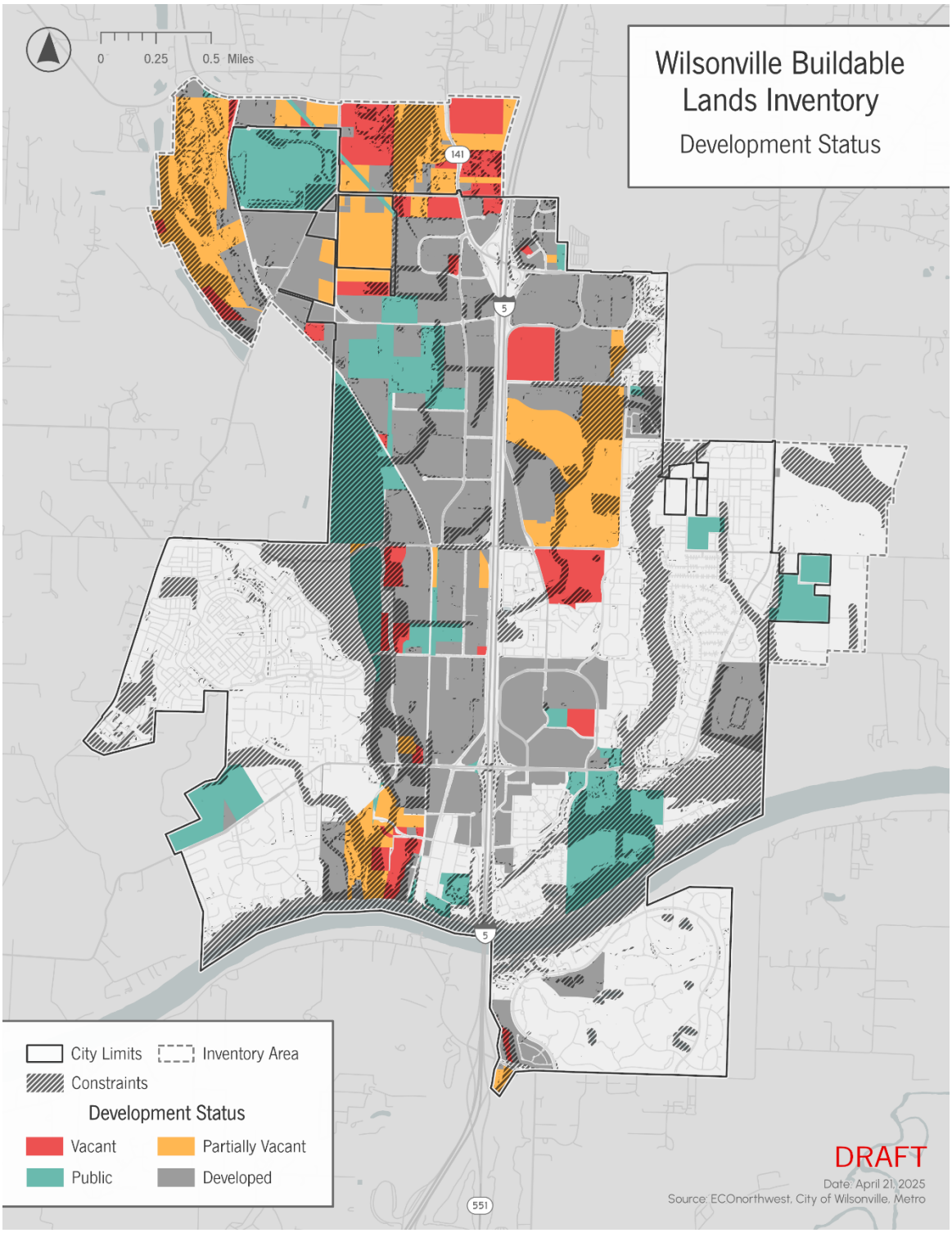
It is important to note that tax lots shown as partially vacant in the map do not distinguish the part of the tax lot that is unavailable for development. However, the buildable lands inventory database accounts for these distinctions.

Exhibit 34. Development Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Exhibit 35. Buildable Area Status with Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Vacant Buildable Land

The next step in the BLI involved removing portions of vacant and partially vacant tax lots deemed unsuitable for development. Unsuitable areas fall into two categories:

1. Developed portions of partially vacant tax lots.
2. Areas affected by physical constraints (i.e., areas within wetlands, floodplains, steep slopes, etc.).

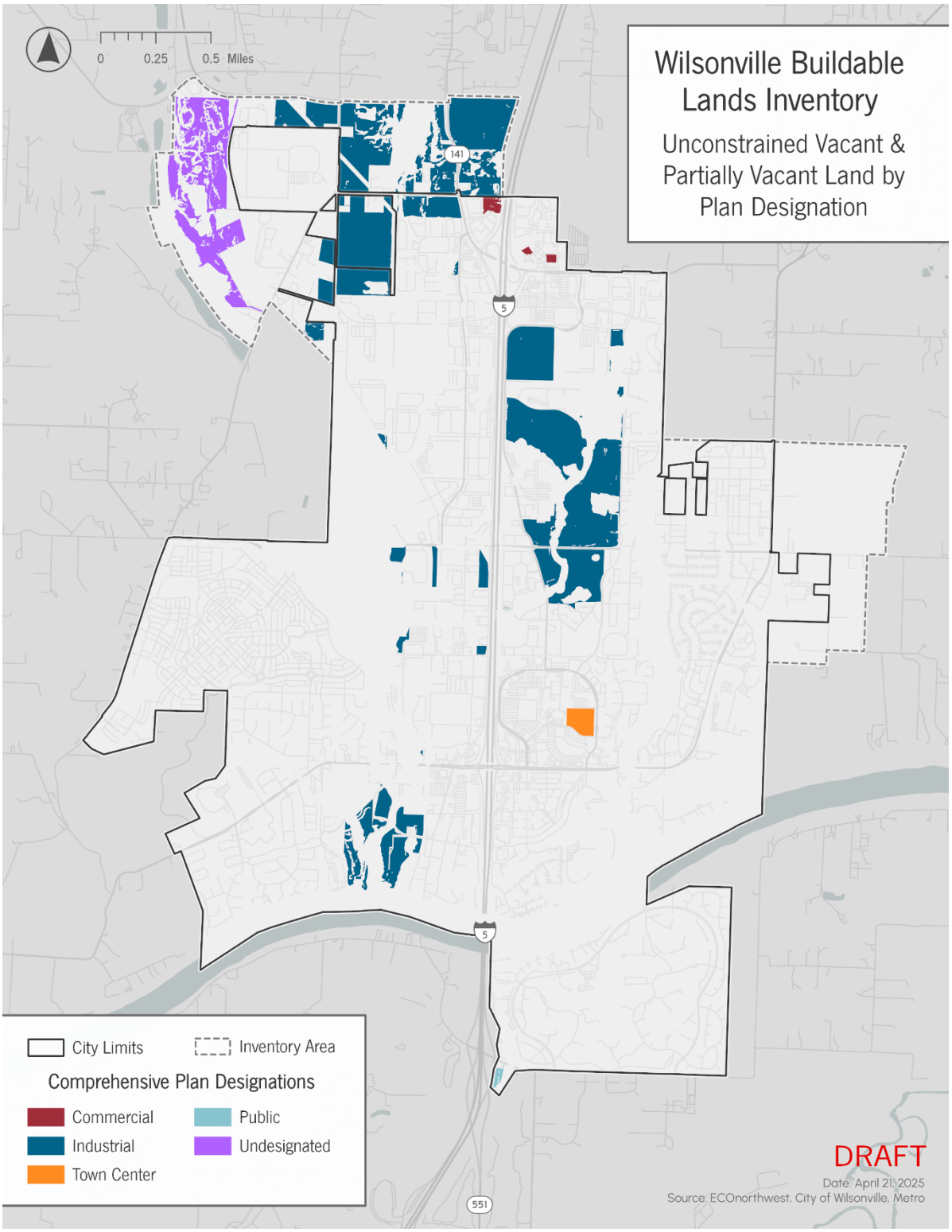
Exhibit 36 presents the total buildable acres by Comprehensive Plan designation after these constraints have been deducted. This includes both vacant and partially vacant lands in the Wilsonville City limits and UGB area. Figure 3 shows a map of the buildable commercial and industrial lands within the Wilsonville City limits and UGB area, also categorized by Comprehensive Plan designation. Overall, the Wilsonville City limits and UGB area contains 366 total buildable acres available for future development.

Exhibit 36. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 37. Buildable Employment Land by Plan Designation, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 38 shows the size of lots by plan designations for buildable employment land.

Exhibit 38. Acres of Land and Number of Tax Lots by Plan Designation, Buildable Acres, Wilsonville City limits and UGB area, 2025

Plan Designation	Buildable Sites Size						
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres
	Acres of Land by Plan Designation						
Commercial	0.3	1	-	3	-	-	-
Industrial	4	9	23	90	118	-	64
Town Center	-	-	2	-	7	-	-
Public	0.1	-	-	-	-	-	-
Undesignated	-	1	2	3	26	13	-
Acreage Total	**5**	**11**	**26**	**97**	**151**	**13**	**64**
	Number of Tax lots by Plan Designation						
Commercial	1	1	-	1	-	-	-
Industrial	16	12	15	28	16	-	2
Town Center	-	-	1	-	1	-	-
Public	1	-	-	-	-	-	-
Undesignated	-	2	1	1	3	1	-
Tax Lot Total	**18**	**15**	**17**	**30**	**20**	**1**	**2**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Short-term Land Supply

This section reviews Wilsonville's short-term supply of employment land within the context of state policy requirements.

Policy Context

The Goal 9 Administrative Rule (OAR 660-009) includes provisions that require certain cities to ensure an adequate short-term supply of industrial and other employment lands. OAR 660-009- 005(10) defines short term supply as follows:

> "...means suitable land that is ready for construction within one year of an application for a building permit or request for service extension. Engineering feasibility is sufficient to qualify land for the short-term supply of land. Funding availability is not required. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses." ∂

The Goal 9 rule also requires cities in a Metropolitan Planning Organization (MPO, which includes Wilsonville) to make a commitment to provide a competitive short-term

supply of land and establishes targets for the short-term supply of land. Specifically, OAR 660-009-0020(1)(b) states:

> "Cities and counties within a Metropolitan Planning Organization must adopt a policy stating that a competitive short-term supply of land as a community economic development objective for the industrial and other employment uses selected through the economic opportunities analysis pursuant to OAR 660-009-0015."

The rule goes on to clarify short-term land supply targets for cities in an MPO (OAR 660-009- 0025):

> (3) Short-Term Supply of Land. Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. Cities and counties may maintain the short-term supply of land according to the strategies adopted pursuant to OAR 660-009-0020(2).
>
> (a) Except as provided for in subsections (b) and (c), cities and counties subject to this section must provide at least 25% of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.
>
> (b) Affected cities and counties that are unable to achieve the target in subsection (a) above may set an alternative target based on their economic opportunities analysis. ECONorthwest Chapter 2: Buildable Lands Inventory 2–21
>
> (c) A planning area with 10 percent or more of the total land supply enrolled in Oregon's industrial site certification program pursuant to ORS 284.565 satisfies the requirements of this section.

In summary, the rule requires Wilsonville to assess the short-term supply of employment land based on the criteria that land can be ready for construction within one year. The determination is based on "engineering feasibility."

Analysis of Short-term Supply of Land

City of Wilsonville staff used the results of the buildable lands inventory to identify commercial and industrial sites that meet the definition of short-term supply. Short-term land supply includes all sites within Coffee Creek and all lands located south of SW Day Road and/or within City limits.

In Basalt Creek, the area along and immediately south of SW Day Road represents the primary corridor for near-term development. These properties are considered part of the short-term supply because of their access to existing utilities and proximity to City limits. Sites in the northern portion of Basalt Creek were excluded due to utility constraints that may take longer to address, meaning development could extend beyond one year from the time a building permit is submitted. The West Railroad area of Basalt Creek is not considered short-term.

Overall, Wilsonville has 13 acres of commercial land (across 7 sites) and 200 acres of industrial land (across 59 sites) in the short-term supply. In comparison to all unconstrained vacant and partially vacant commercial and industrial land (from **Exhibit 36**) 100% of Wilsonville's commercial land (including Town Center) is in the short-term supply and 57% of industrial land (including land identified as undesignated) is in the short-term supply.

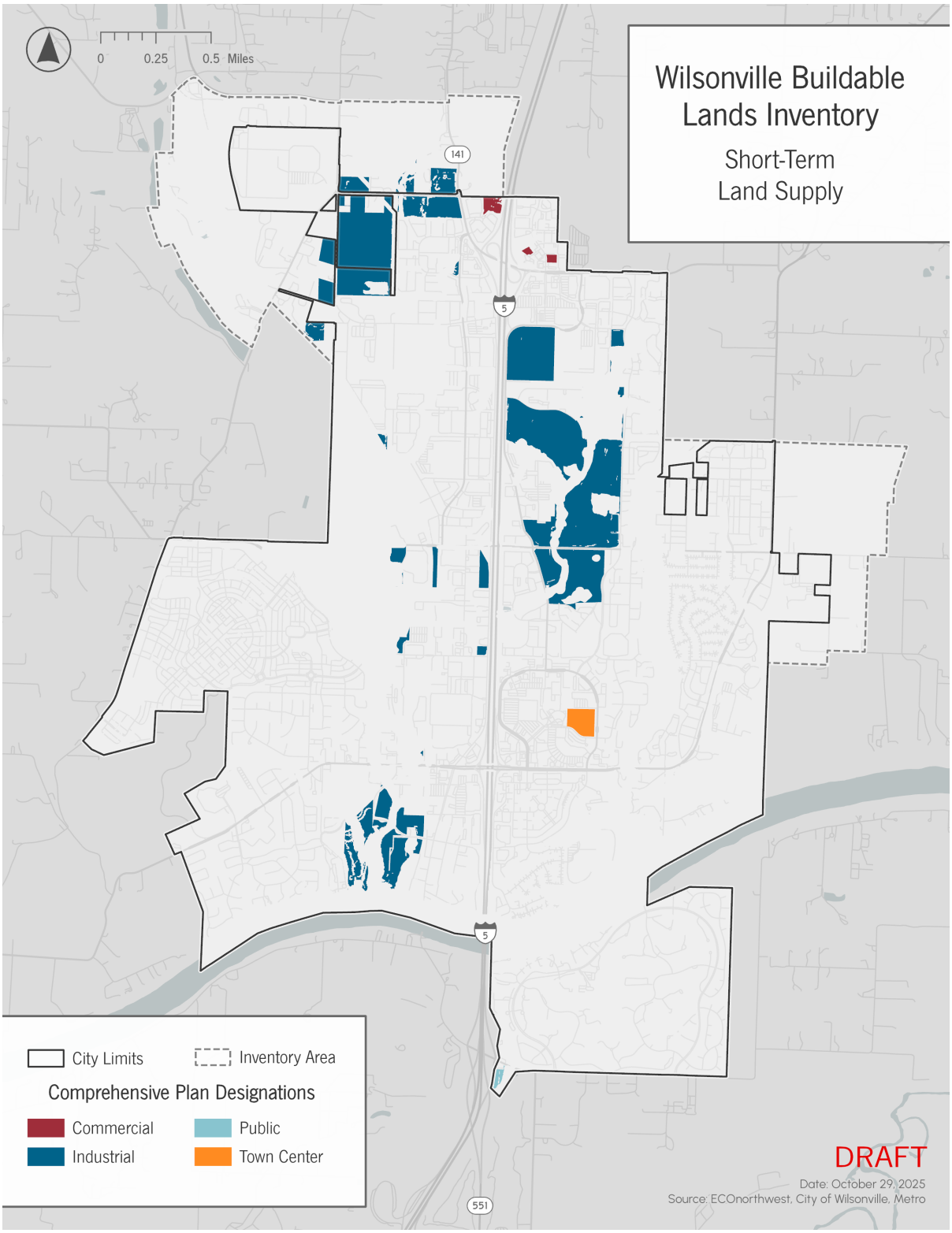
Exhibit 39 shows the short-term supply of employment land by plan designation. **Exhibit 40** shows a map of Wilsonville's short-term land supply.

Exhibit 39. Short-term Supply of Employment Land, Wilsonville City Limits and UGB Area, 2025

Plan Designation	Unconstrained Land		Short-Term Land Supply		
	Acres	Sites	Acres	Sites	Share of Unconstrained Acres
Commercial	**13**	**7**	**13**	**7**	**100%**
Commercial	4	5	4	5	100%
Town Center	9	2	9	2	100%
Industrial	**353**	**113**	**200**	**59**	**57%**
Industrial	308	98	200	59	65%
Undesignated	45	15	-	-	0%
Total	**366**	**120**	**213**	**66**	**58%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 40. Short-term Supply of Employment Land, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

5. Land Sufficiency and Conclusions

This chapter presents conclusions about Wilsonville's employment land sufficiency for the 2026–2046 period, as well as recommendations for the City to consider for meeting its economic growth needs throughout the planning period.

Land Sufficiency

Exhibit 41 shows commercial and industrial land sufficiency within Wilsonville. It shows:

- **Vacant unconstrained land within Wilsonville's Planning Area**. This land is identified and discussed in detail in the Vacant Buildable Land section of this report. Using data from that section, **Exhibit 41** shows that Wilsonville has 353 gross acres of vacant industrial land and 13 gross acres of vacant commercial land available for development.
- **Demand for commercial and industrial land.** The Estimate of Demand for Commercial and Industrial Land section of this report describes the methodology used to identify demand. Based on assumptions described in that section, Wilsonville will need a total of 321 gross acres for industrial uses and 110 gross acres for commercial uses over the 2026-2046 period (**Exhibit 28**).
- **Land sufficiency.** When subtracting the demand for land from the supply of vacant unconstrained land, **Exhibit 41** shows that Wilsonville has:
  - A 32-acre surplus of industrial land, and
  - A 47-acre deficit of vacant unconstrained commercial land after accounting for near-term redevelopment and reuse opportunities.

  As described below, Wilsonville has several opportunities to increase the efficiency and intensity of development on existing commercial land, which will help meet the City's projected commercial land needs during the planning period.

Exhibit 41. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Wilsonville, 2026-2046

Comprehensive Plan Designation	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Redevelopment & Reuse Potential (Gross Acres)	Land Sufficiency (Gross Acres)
Industrial & Undesignated	353	321	N/A	32
Commercial & Town Center	13	110	50	(47)

Source: ECOnorthwest
Note: Redevelopment and reuse potential reflect known near-term opportunities in Town Center and reuse of large vacant sites such as the former Rite Aid, Albertsons, Regal Cinema, and Fry's Electronics properties. ECO did not model redevelopment of industrial sites, as the City has a surplus of industrial land within the planning period.

The target industries identified for Wilsonville include a mix of manufacturing, wholesale trade, and construction businesses, along with retail and commercial services that serve residents and employees (see *Potential Growth Industries*). Site needs for these industries range from space in existing buildings and redevelopment opportunities to large industrial sites of 25 acres or more for manufacturing and distribution (see *Site Needs for Potential Growth Industries*).

Exhibit 38 shows the following characteristics of Wilsonville's vacant, buildable employment land supply:

- **80 sites** smaller than 5 acres, including four in the commercial or Town Center designation and the remainder designated for industrial use
- **21 sites** ranging from 5 to 25 acres, with one in the Town Center designation and the rest industrial
- **2 industrial sites** between 25 and 50 acres, totaling 64 acres

Meeting future commercial land needs will depend primarily on redevelopment, particularly within Town Center. Based on this information and the analysis in **Exhibit 41**, Wilsonville has sufficient land to accommodate projected industrial growth but faces a limited supply of vacant commercial land. The City can address this gap through redevelopment, reuse of existing buildings, and targeted policy changes.

Town Center is a key redevelopment area, particularly for smaller, experience-based retail and food and beverage businesses. Several large vacant buildings, including the former Rite Aid, Albertsons, Regal Cinema, and Fry's Electronics, also offer opportunities for reuse to meet commercial needs. In addition, the City is evaluating whether certain industrial areas could support more commercial activity through zoning or policy adjustments.

Although Wilsonville has sufficient industrial land overall, much of it consists of small parcels under five acres. Assembling larger sites, either by the City or by the private sector will be important to meeting the needs of future industrial users and supporting long-term employment growth.

Conclusions

- **Wilsonville is forecasted to grow in both the commercial and industrial employment sectors.** Wilsonville is planning for growth of 6,132 new jobs in the City over the 2026 to 2046 period. About 2,642 of the jobs will be industrial, 2,690 of the jobs will be in office and commercial services, and 538 in retail. Growth of these jobs will result in demand for about 321 gross acres of industrial land and 110 gross acres of commercial land.
- **Wilsonville has a sufficient supply of industrial land to accommodate projected employment growth.** The City has approximately 353 acres of vacant, buildable industrial land compared with a forecasted demand of 321 acres, resulting in a small surplus of 32 acres.
- **Much of Wilsonville's industrial land is not development ready.** Most of the City's industrial supply is concentrated in the Coffee Creek and Basalt Creek planning areas. Coffee Creek benefits from an established Urban Renewal District that funds infrastructure improvements and enhances site readiness. In contrast, Basalt Creek faces similar challenges, including fragmented ownership, smaller parcel sizes, existing contractor establishments, and limited urban infrastructure such as water, sewer, and improved road access, but without the benefit of urban renewal. Wilsonville has about 80 vacant industrial sites that are smaller than five acres, totaling roughly 140 acres. Assembling larger, contiguous parcels and continuing infrastructure investment will be essential to unlocking Wilsonville's full industrial potential and supporting higher-intensity employment uses.
- **Wilsonville has limited vacant commercial land but strong redevelopment potential.** The City currently has about 13 acres of vacant, buildable commercial land compared to a forecasted need of 110 acres, creating a shortfall of about 97 acres. However, much of this future demand can be met through redevelopment and targeted policy adjustments. Town Center is the City's primary opportunity for new commercial and mixed-use growth, particularly for experience-based retail, food, and beverage businesses. Several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment. Together, these known sites account for about 50 acres of redevelopment potential. The City is also exploring whether certain industrial

areas could accommodate commercial uses through zoning or policy updates. These strategies will be important for maintaining a balanced employment land supply and supporting Wilsonville's long-term economic growth.

- **Wilsonville's average wages are higher than the regional average.** Wilsonville's average annual wage is approximately $78,235 compared with $76,066 for the Portland region. The City's employment base includes a concentration of higher-wage sectors such as manufacturing, wholesale trade, and construction. This distinguishes Wilsonville from nearby communities, where average wages tend to be lower. Potential growth industries in Wilsonville generally provide above-average wages, with the exception of resident- and visitor-oriented services such as retail, food services, and accommodation.
- **Wilsonville's economic outlook is strong.** The City's opportune location along the I-5 corridor, access to regional labor markets, and industrial land supply provide a solid foundation for continued economic growth. Ongoing investment in site readiness, infrastructure, and redevelopment will be essential to maintaining Wilsonville's position as a leading employment center in the Portland metro region.

Relationship to the Economic Development Strategy

The EOA establishes the technical foundation for understanding Wilsonville's employment land capacity and economic growth potential. The accompanying Wilsonville EDS builds on these findings to identify how the City can act on them.

While the EOA evaluates land supply, site readiness, and industry trends, the EDS focuses on implementation. It translates these findings into goals, policies, and actions that address key challenges such as limited development-ready industrial land and the need for redevelopment in Town Center.

Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the City's land needs and economic opportunities, and the EDS outlines the steps necessary to achieve them through targeted investment, policy updates, and partnerships. The EDS is presented as a separate companion document.

Appendix A. National, State, 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.[42]

- **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.[43] Over the long term, Oregon's manufacturing sector has experienced stronger growth than the nation. Since

[42] 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
[43] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.

reaching its lowest employment level in 2010, manufacturing employment in Oregon increased by 15% through 2023, compared to 13% nationally.[44]

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%.[45] 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.[46]

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.[47] 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.[48]

- **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.[49] Core export sectors, including semiconductors, machinery, transportation equipment, and agricultural products, are especially vulnerable to global market disruptions.

  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.[50] This creates a heightened risk that disruptions with any one

[44] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.
[45] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.
[46] 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.
[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] Ibid
[50] Ibid

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.[51] 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.[52]
- **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.[53,54] The U.S. Government Accountability Office (GAO) reports that automation could be widespread, with anywhere from 9% to 47% of jobs being automated in the future according to academic research.[55]

  The GAO identified that jobs requiring a blend of soft skills (management, interpersonal), process skills, and technical expertise face lower automation

[51] 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
[52] Ibid
[53] 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
[54] 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
[55] Government Accountability Office, Workforce Automation, August 2023, https://www.gao.gov/assets/gao-22-105159.pdf

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.[56] 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.[57]

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.[58] Higher interest rates have also reduced property valuations, complicating the ability of developers to secure construction financing and attract equity investments.[59] 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.[60] This trend has contributed to ten consecutive quarters of negative net absorption and a national reduction of 18.2 million square feet in occupied office space.[61] Office construction has slowed substantially with the development pipeline down 67% since early 2020.[62] While high-quality office spaces in prime locations continue to

[56] Government Accountability Office, Workforce Automation, August 2023.
[57] Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.
[58] If developers take on debt to finance a project, the longer they take to repay the loan, the more interest will accrue.
[59] In addition to loans, developers will typically finance projects in part with equity investments, in which investors become shareholders in the project.
[60] BLS, American Time Use Survey, 2025; does not differentiate between part- and full-time workers
[61] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024
[62] Ibid

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.[63] Investment interest in traditional office properties remains weak, though medical office space shows strong prospects.[64]

- **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.[65]
- **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."[66]

  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.[67] Despite slowing, rent growth continues at 3.7% year-over-year.[68] 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.[69] Looking ahead, the sector is expected

[63] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024
[64] Urban Land Institute 2024 Emerging Trends in Real Estate, United States and Canada
[65] Cushman & Wakefield Q4 2024 U.S. Retail MarketBeat report
[66] Urban Land Institute 2024 Emerging Trends in Real Estate, United States and Canada
[67] Cushman & Wakefield, Industrial Marketbeat Q2 2024 U.S. National Industrial Report
[68] Ibid
[69] Ibid

to stabilize, with sustained demand driven by reshoring, e-commerce, and evolving supply chain strategies.[70] 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.[71]

  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.[72] The sectors expected to grow the fastest are healthcare support, computer and mathematical occupations, healthcare practitioners, and community and social service.[73]

- **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-stage

[70] JLL, Q1 2024 Industrial Outlook
[71] 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
[72] Bureau of Labor Force Occupational Separations and Openings, 2023-2032 https://www.bls.gov/emp/tables/occupational-separations-and-openings.htm
[73] Bureau of Labor Statistics Employment Projections – 2023-2032, September 2023 https://www.bls.gov/news.release/pdf/ecopro.pdf

entrepreneurship activity, as measured by the Kauffman Early-Stage Entrepreneurship (KESE) Index, ranked 25th in the country in 2020.[74,75]

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.[76] 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).[77]

- **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.[78] 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

[74] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. https://indicators.kauffman.org/.
[75] 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.
[76] 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/
[77] 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/
[78] 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

easily, retailers must be nimble and able to adjust to the changing needs of their customers if they are to remain competitive.

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.[79]

- **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.[80] 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.[81] 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.[82] 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

[79] 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
[80] BLS, American Time Use Survey, 2025; does not differentiate between part- and full-time workers
[81] Ben Casselman, Emma Goldberg, and Ella Koeze. "Who still works from home?" *New York Times,* March 8, 2024.
[82] Oregon Office of Economic Analysis, Downtown Recoveries 2023 Update, https://oregoneconomicanalysis.com/2023/07/18/downtown-recoveries-2023-update/

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 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.[83]

- **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.[84] 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.[85]

  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.[86] The share of electric vehicles is expected to grow from less than 6% in 2023 to 19% in 2050.[87] 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

[83] 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.

[84] Energy Information Administration, Inflation Reduction Act of 2023

[85] Energy Information Administration, Inflation Reduction Act of 2023

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

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

barriers to efficiency upgrades and tend to have longer commutes, which may force them to face the brunt of rising energy prices.

- **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.[88] In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.[89] 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.[90] 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.[91] 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.[92] 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:

[88] 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*).
[89] 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
[90] Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.
[91] https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6.
[92] https://www.ncei.noaa.gov/access/billions/#:~:text=Menu-,Overview,376%20events%20exceeds%20%242.655%20trillion.

- **Increased average annual day and nighttime temperatures.** If greenhouse gas (GHG) emissions continue at the current rate, temperatures in Oregon are projected to rise approximately 5°F by the 2050s and 8.2°F by the 2080s.[93] 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.[94] Drought conditions can reduce surface water availability, reduce hydropower generation, and reduce recreational activities.[95]
- **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.[96,97]
- **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 have increased.
- **More days of poor air quality from wildfire smoke.** In 2021, people in Deschutes County, Klamath County, and Jackson County experienced 83

[93] 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.

[94] WASHINGTON Assessment work. TBD.

[95] 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

[96] 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

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

days of air quality at or above unhealthy levels for sensitive groups due to wildfire smoke.[98]

- **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.[99] 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.[100] A study by the Washington State Department of Agriculture found that a drought in 2015 caused $633 to $773 million in agricultural losses.[101] 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

[98] 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.
[99] https://express.adobe.com/page/C5CQaxjHUmGQ7/
[100] 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
[101] 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.

commercial fishing revenue.[102] Tribes are often disproportionately impacted, accounting for half of fishery loss requests and experiencing losses from Dungeness crab fisheries. [103,104]

- **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."[105] 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.[106] 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.

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[102] 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

[103] 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

[104] 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

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

[106] 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

- **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, Washington, and a Portland streetcar cable melted.[107] 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).[108] 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.

[107] https://www.npr.org/2021/06/29/1011269025/photos-the-pacific-northwest-heatwave-is-melting-power-cables-and-buckling-roads
[108] 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 42**), exceeding both the Portland region's and Oregon's growth rates during the same time (1.0% and 0.9%, respectively).

Exhibit 42. 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).[109] 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 after

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

age 65, an increased demand for healthcare services, and a larger portion of the federal budget dedicated to Social Security and Medicare.[110]

Exhibit 43 through **Exhibit 46** 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 43. Median Age, Wilsonville, Clackamas County, Washington County and Oregon, 2010 to 2019–2023

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

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

[110] 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 44. Wilsonville Population Change by Age Group, 2010 to 2019–2023

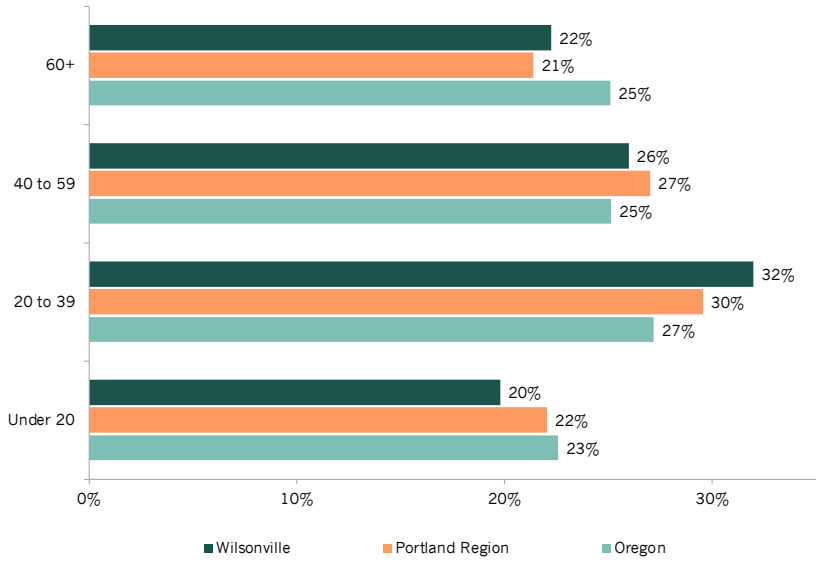
Source: U.S. Census Bureau, 2010 Summary File P12; American Community Survey 2019-2023 5-Year Estimates, Table B01001.

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.

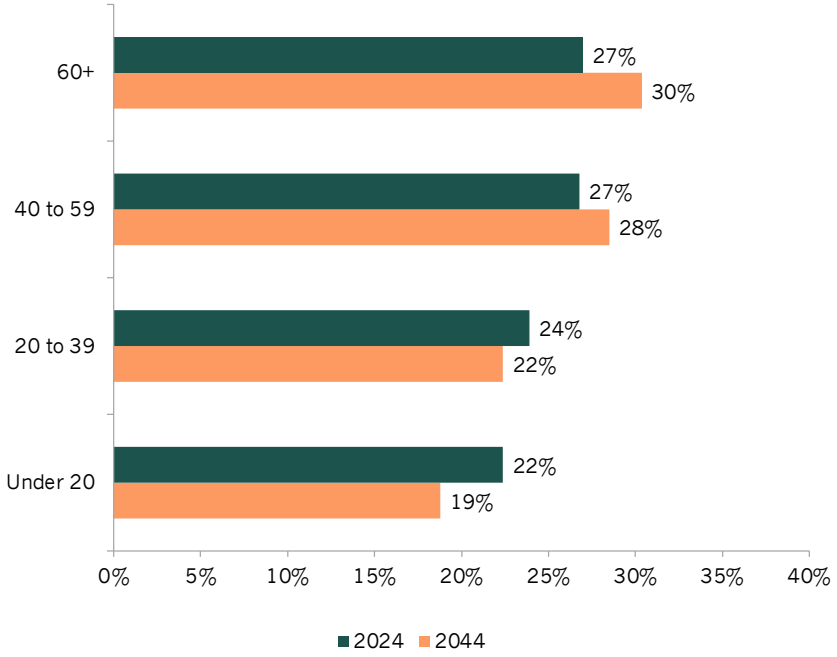
Exhibit 45. Population Distribution by Age, Wilsonville, Portland Region, and Oregon, 2019–2023



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 46. 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.[111] 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.

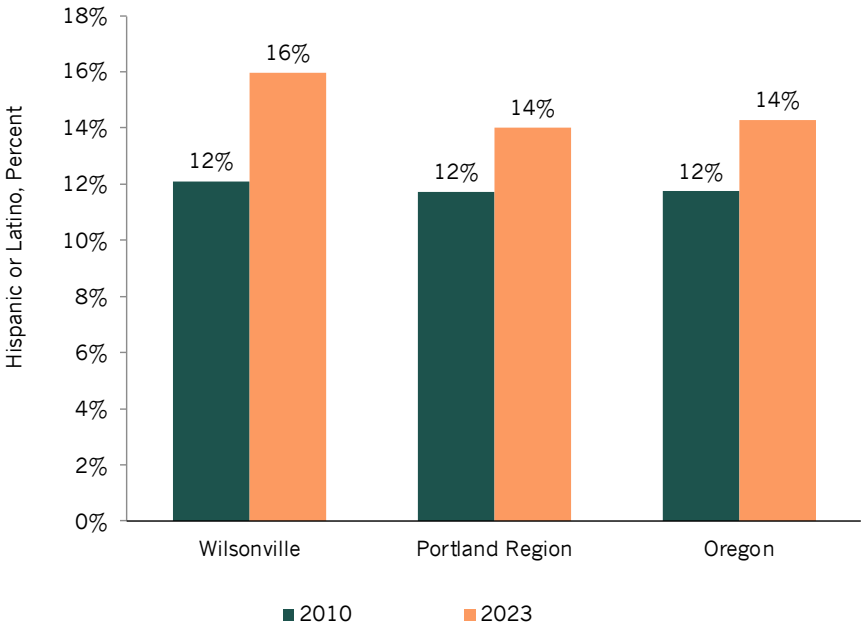
Exhibit 47 and **Exhibit 48** show the change in the share of Hispanic and Latino and people of color in Wilsonville compared to the Portland region and Oregon between 2010 and 2023. The group with the largest share of people of color in 2023 is two or more races, representing 15% and 11% of Wilsonville's and the Portland region's total populations, respectively.

[111] 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 47. Hispanic or Latino Population as a Percentage of the Total Population, Wilsonville, Portland Region, and Oregon, 2010, 2019–2023

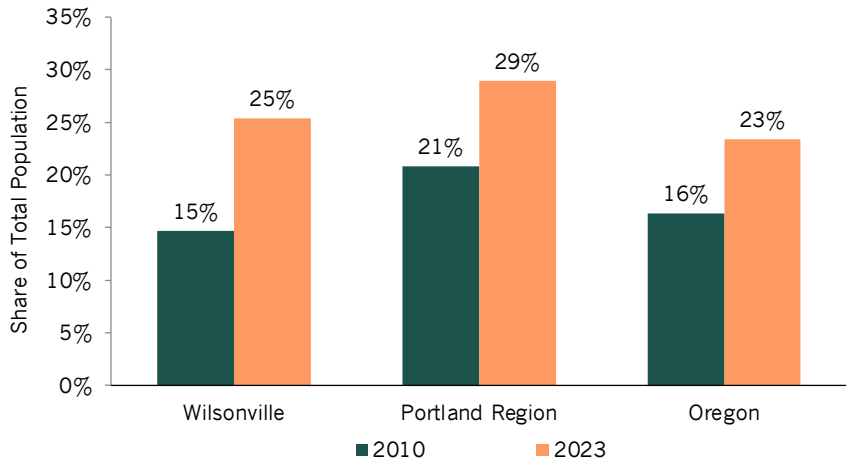


Source: U.S. Census Bureau, 2010 Decennial Census, Table P0008; 2019–2023 American Community Survey, 5-Year Estimates, Table B03002.

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 48. 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.

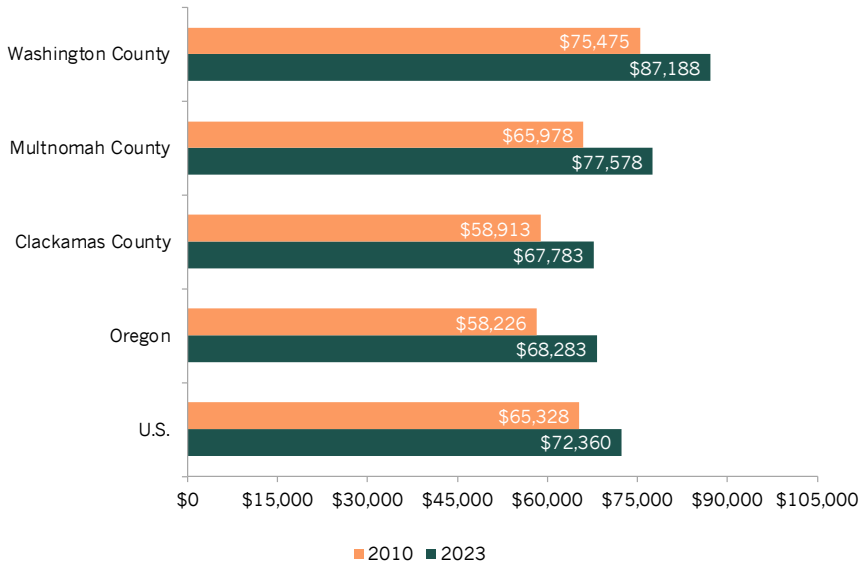
Average wages at businesses in Washington and Multnomah counties exceeded the Oregon average of $68,283, while Clackamas County's average wage was roughly in line with the state average.

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 49. 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 50. Median Household Income (MHI),[112] 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.

[112] 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 51. Median Family Income,[113] 2019–2023

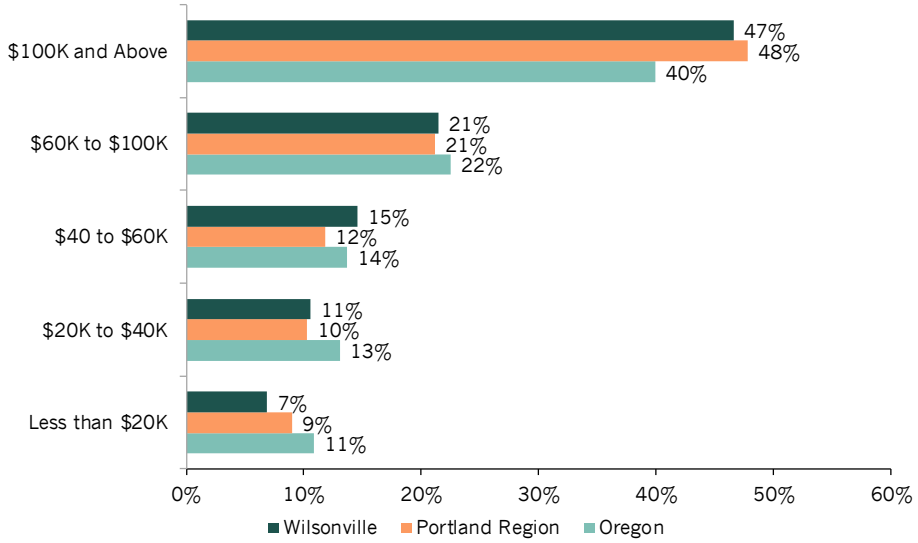
$115,941	$119,052	$98,832
Wilsonville	Clackamas County	Oregon

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 52. 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.

[113] 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.

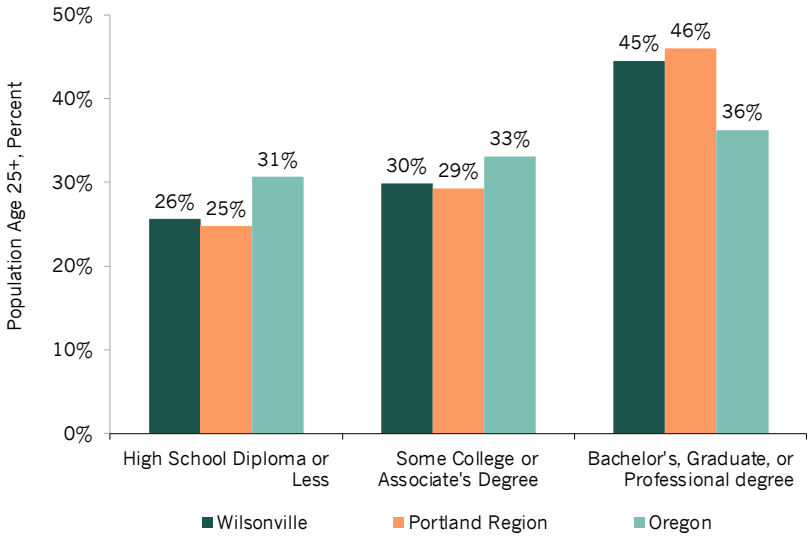
EDUCATIONAL ATTAINMENT

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



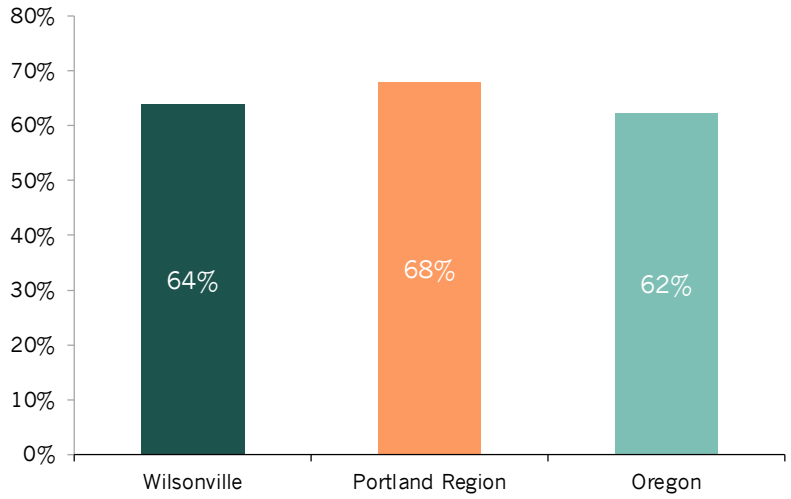
Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B15003.

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%).

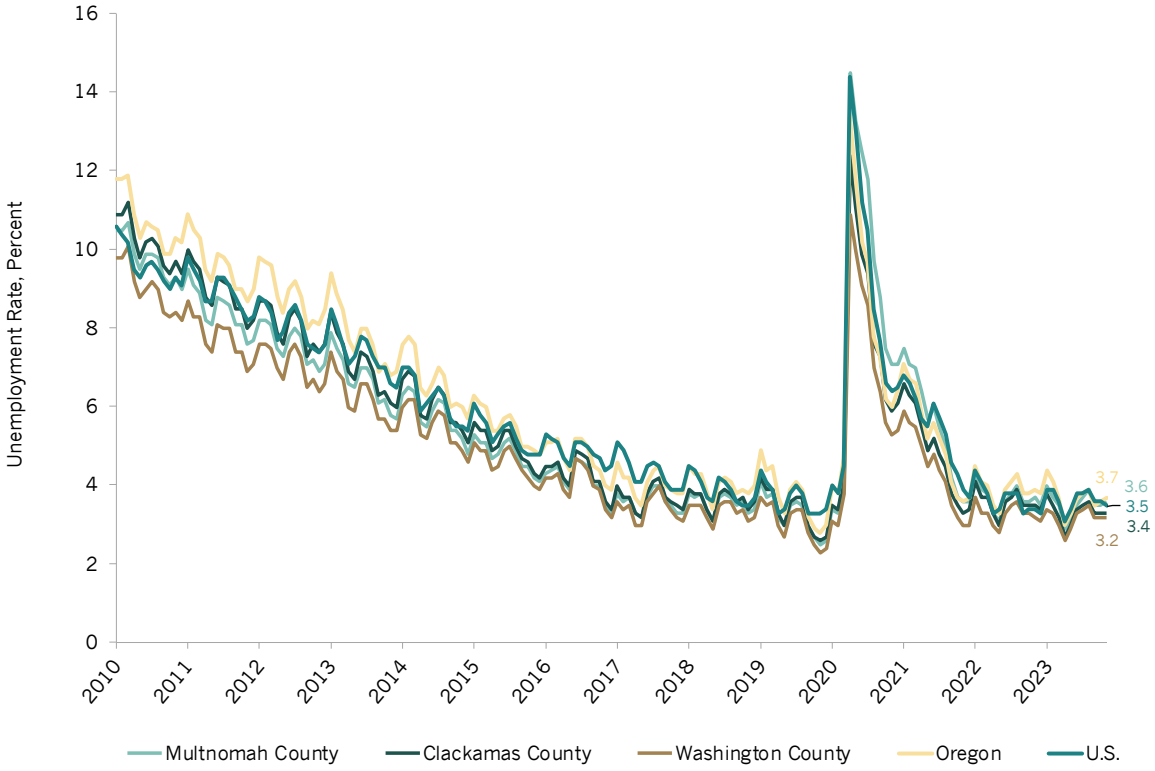
Exhibit 54. Labor Force Participation Rate, Wilsonville, Portland Region, and Oregon, 2019–2023



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 55.** 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 55. 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.

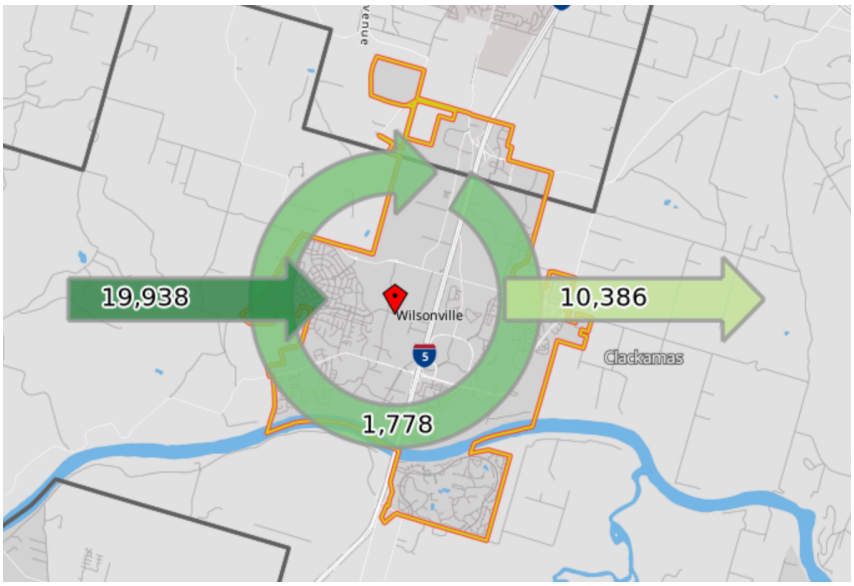
COMMUTING PATTERNS

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 56. 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 57. Top Places Where Wilsonville Workers Lived, 2022

10%	8%	5%	3%
Portland	Wilsonville	Salem	Beaverton

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 to Portland for work.

Exhibit 58. Top Places Where Wilsonville Residents Were Employed, 2022

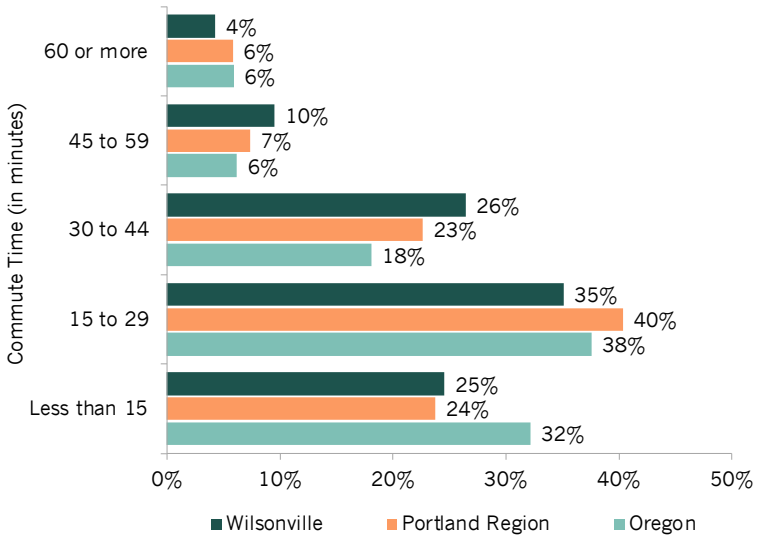
22%	15%	7%	5%
Portland	Wilsonville	Tualatin	Tigard

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 59. 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.[114] 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 60. 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 61. Largest Visitor Spending Categories ($ millions), Clackamas County, 2023

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

Source: Dean Runyan Associates, Oregon Travel Impacts, 2023

[114] 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 62. 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

Appendix B. Buildable Lands Inventory Methodology

The Buildable Lands Inventory (BLI) identifies commercial and industrial lands that are available for development for employment uses within Wilsonville. This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for Wilsonville.

Methods and Definitions

The BLI for Wilsonville includes all land that allows commercial and industrial uses within the Wilsonville City limits and Wilsonville's portion of the Metro UGB.[115] From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Wilsonville City limits and UGB area
2. It is inside a tax lot (as defined by Metro), and
3. Its current zoning/comprehensive plan designation allows employment uses. *Note that tax lots do not generally include roads, railroad rights-of-ways, or water.*

The inventory then builds from the tax lot–level database to estimate buildable land by Comprehensive Plan designation.

Inventory Steps

The five steps in the BLI are:

1. Generate the study area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

[115] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the City.

Step 1: Generate Study Area "Land Base"

The commercial and industrial inventory used all tax lots within the Wilsonville City limits and UGB area with the appropriate types of comprehensive plan designations that fall under those land use categories:

- Commercial (C)
- Industrial (I)
- Town Center (TC)
- Public (P)
- Undesignated

Figure 4 (on page 15) shows a map of these designations used in the BLI.

Step 2: Classify Lands by Buildable Area Status

In this step, ECOnorthwest classified each tax lot with an employment plan designation (based on the definitions in Table 5) into one of four mutually exclusive categories based on buildable area status:

- Vacant land
- Partially vacant land
- Public land
- Developed land

ECOnorthwest identified buildable land and classified buildable area status using a rule-based methodology, which identifies that that is buildable (vacant and partially vacant land). The rules are described in Table 5. The buildable area status classifications of the BLI land base are visualized in map format below in Figure 5.

Exhibit 63. Rules for Buildable Area Status Classification

BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	Tax lots designated as vacant by Metro based on the following criteria: 1. Fully vacant based on Metro aerial photos 2. Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3. Lots 95% or more vacant from GIS vacant land inventory.	OAR 660-009-0005(5); Oregon Metro BLI Methodology (2024)[116]
Partially Vacant Land	A tax lot: 1) Between one and five acres occupied by a use that could still be further developed based on zoning; or 2) Equal to or larger than five acres where one half-acre or more is occupied by permanent buildings or improvements where excess land that could be further developed is present. This determination was based on a visual assessment and City staff verification.	No statutory definition
Public	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	No statutory definition
Developed Land	Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI.	OAR 660-009-0005(1)

[116] https://www.oregonmetro.gov/sites/default/files/2024/10/25/2024-UGR-Appendix-2-with-attachments.pdf

Step 3: Identify Constraints

As shown in Table 6, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2) and Metro's 2024 BLI methodology.

Exhibit 64. Constraints Included in BLI

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
Goal 5 Natural Resource Constraints			
Title 3 (Stream and Floodplain Protection Plan)	OAR 660-009-0005(2)	Lands within Metro-defined Title 3 areas	Metro
Title 13 (Habitat Conservation Areas)	OAR 660-009-0005(2)	Lands within Conservation Areas identified as "High" or "Very High"	Metro
Significant Resource Overlay Zone	OAR 660-009-0005(2)	Lands within the Wilsonville-defined Significant Resource Overlay Zone	City of Wilsonville
Pacific Habitat Services in Basalt Creek	OAR 660-009-0005(2)	Lands within riparian areas, upland tree groves, or wetlands, as identified by Pacific Habitat Services in the Basalt Creek area.	Pacific Habitat Resources
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA–defined regulatory floodway or 100-year floodplains	FEMA via National Flood Hazard Layer Interactive Viewer
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Figure 6 (page 17) shows a map of the individual constraints.

Step 4: Verify Inventory Results

ECOnorthwest used a multistep verification process. The first verification step involved a "visual assessment" of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECOnorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECOnorthwest amended the BLI based on City staff review and a discussion of staff's comments. The final verification included review by stakeholders, including by members of the Technical Advisory Committee.

Step 5: Tabulate and Map Results

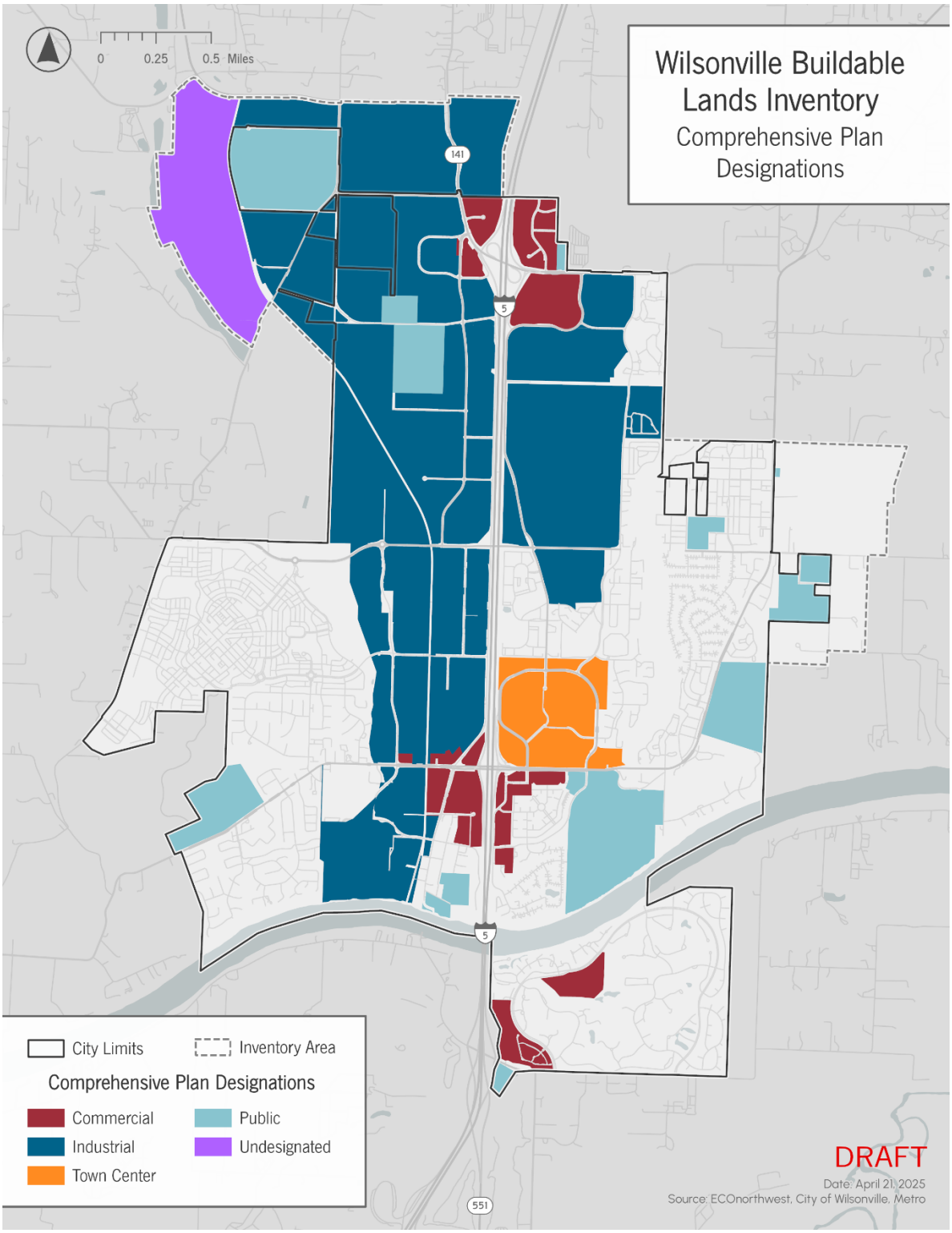
The results of the commercial and industrial BLI are presented in tabular form and maps in the remainder of this Appendix. These maps separately show the existing Comprehensive Plan designations, individual constraints used, the land base by buildable area status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by Comprehensive Plan designation.

Exhibit 65. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

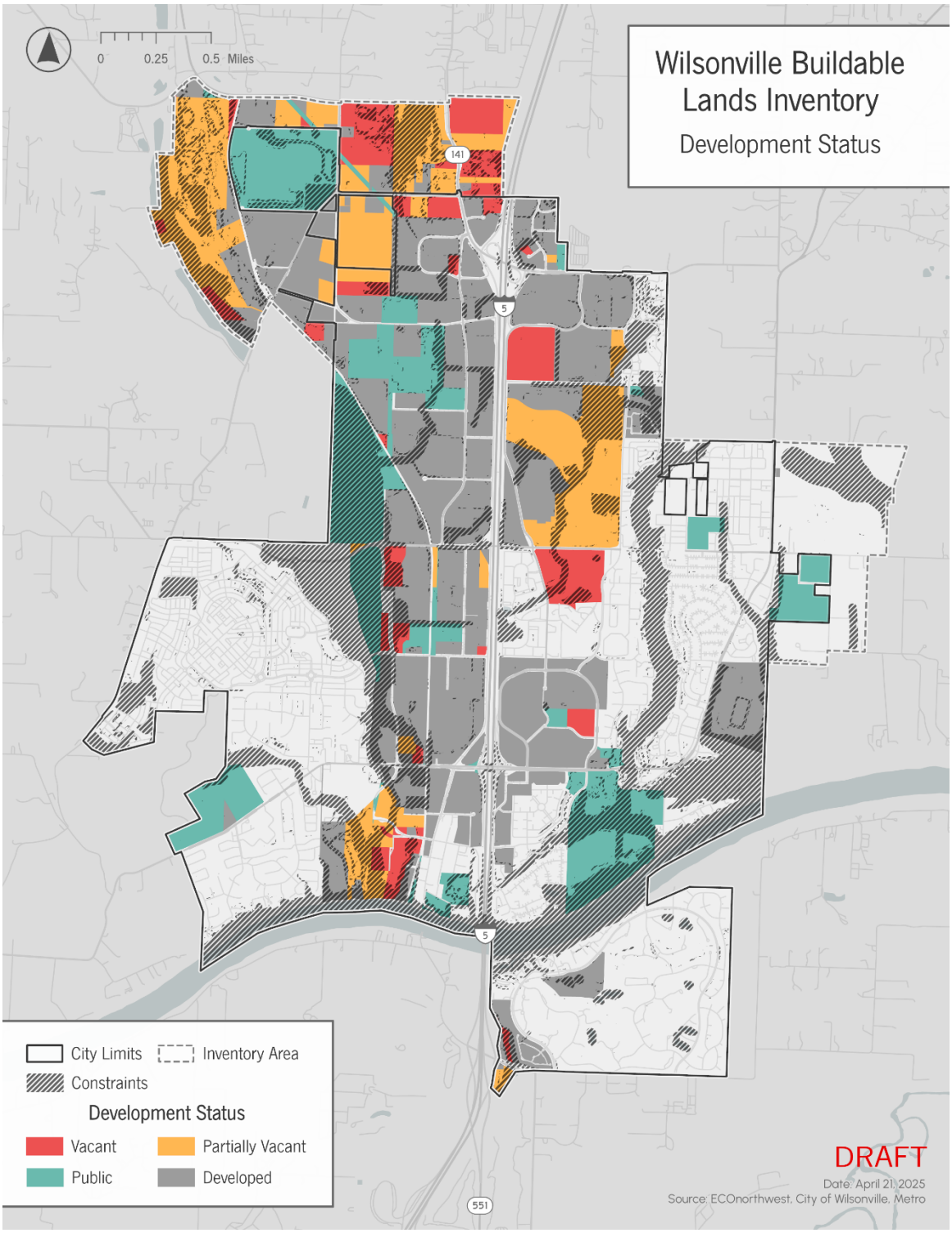
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 66. Comprehensive Plan Designations Included in the Employment Land Base, Wilsonville City limits and UGB area, 2025



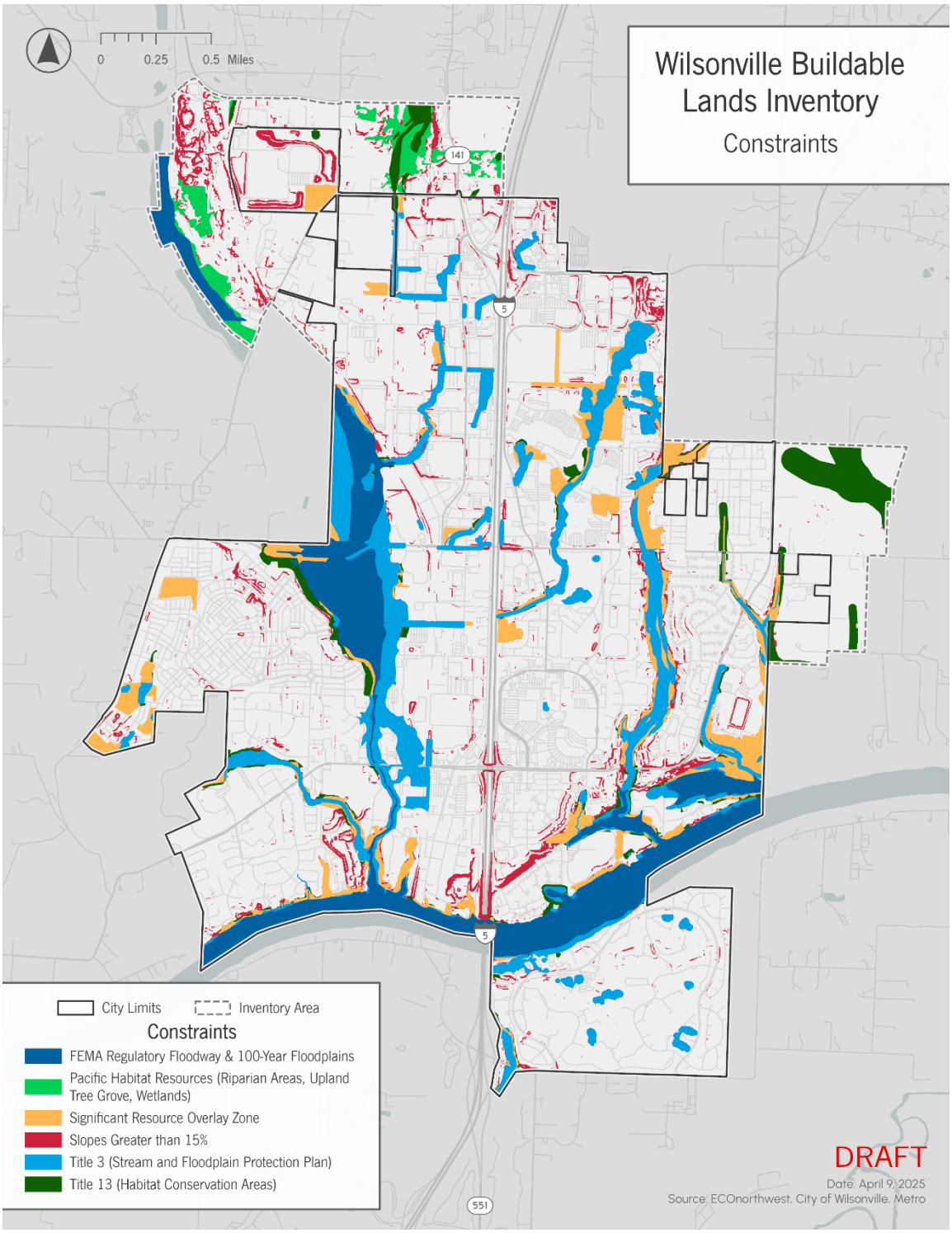
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 67. Buildable Area Status with Constraints, Wilsonville City limits and UGB area, 2025



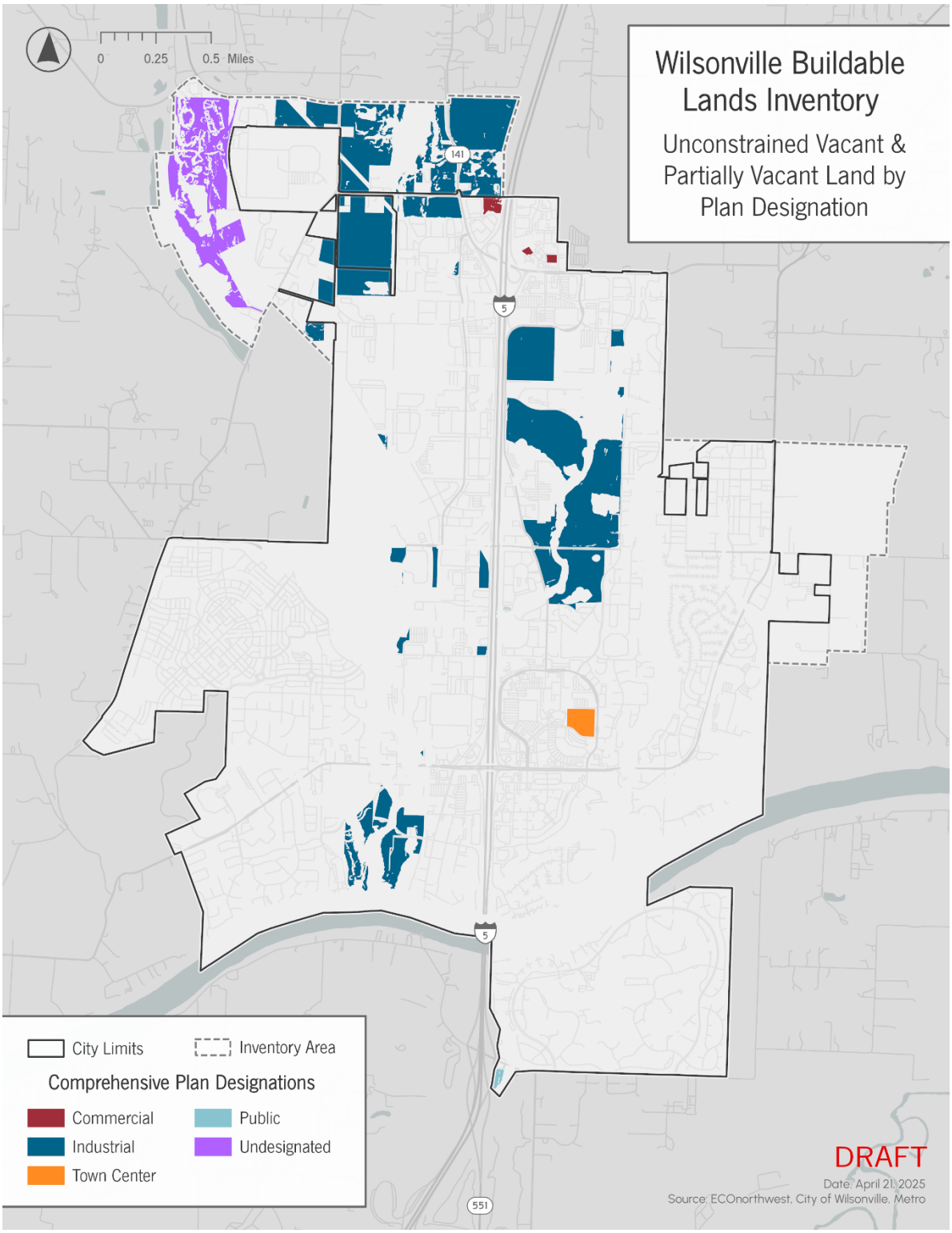
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 68. Development Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Exhibit 69. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

ECOnorthwest

DATE:	November 17, 2025
TO:	City of Wilsonville
FROM:	ECOnorthwest: Nicole Underwood and Beth Goodman
SUBJECT:	Wilsonville Economic Development Strategy - DRAFT

The City of Wilsonville is a leading employment center in the southern Portland metro area. Its location along I-5 and concentration of advanced manufacturing, wholesale trade, and construction industries distinguish it from other communities in the region. Employers located in Wilsonville benefit from access to a large, skilled labor force that extends north into the Portland area and south into Oregon's Mid-Valley.

Looking ahead, Wilsonville faces key decisions about how to sustain economic growth and strengthen its role as a regional employment hub. Industrial development in Coffee Creek and Basalt Creek is constrained by small parcels, fragmented land ownership, existing contractor establishments, and limited urban-level infrastructure. At the same time, limited vacant commercial land means most new commercial growth will rely on redevelopment and reuse of existing buildings, particularly in Town Center and within established areas where large vacant buildings present both challenges and opportunities.

These same conditions affect small businesses across the city. Rising rents and limited access to financial and technical resources make it difficult for some to remain competitive and for others to expand. Many are unaware of existing programs or find it challenging to navigate state and regional systems to access them. Across industries, mismatches between available workforce skills and employer needs also remain a persistent concern for businesses of all sizes.

This **Economic Development Strategy (EDS** or **Strategy)** provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base. It builds on the findings of the 2025 Wilsonville Industrial Land Readiness (WILR) project, including work focused on industrial site readiness in Basalt Creek, and the 2025 Economic Opportunities Analysis (EOA), which assessed land capacity, employment trends, and industry strengths. The Strategy also reflects input from local businesses, property owners, developers, and regional economic development partners, and aligns with other key initiatives such as the Town Center Plan and Tourism Development Strategy to create a coordinated framework for advancing the City's economic goals.

Desired Outcomes

The Strategy identifies six desired outcomes that define long-term economic success for Wilsonville over the next 10-years:

- **Basalt and Coffee Creeks show considerable momentum,** building out with high-quality, high-value development and are home to employers that provide strong job opportunities.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance** the needs of residents and target industries, supporting both community livability and economic growth.
- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities and wages have increased**, particularly in high-value sectors.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

Achieving these outcomes will require coordinated and sustained effort as well as public and private investments. The EDS focuses on implementation, defining actions the City can lead, coordinate, or support in partnership with the private sector and regional stakeholders. Some actions can be advanced with existing capacity, while others will depend on additional staff resources or funding and represent key decision points for the City. The Strategy balances near-term initiatives that deliver visible progress with long-term investments that ensure Wilsonville's continued economic success while maintaining its high quality of life and community character.

Framework for Action

The Framework for Action translates Wilsonville's desired economic outcomes into a clear plan for implementation. It defines who will lead the work, what actions the City will take and why, and when those actions will occur.

Implementation Leadership and Partnerships

Implementation of the EDS will be led by the City of Wilsonville's Economic Development and Planning departments, with support from Engineering, Parks, and other City departments as needed. Close coordination among departments will be essential to align land use, infrastructure, and economic development priorities.

Success will also depend on collaboration with external partners that bring technical expertise, funding, and regional connections. Key partners include:

- **Business Oregon:** Provides state programs and resources that support infrastructure investment, industrial site development, and business investment and recruitment.
- **Greater Portland Inc. (GPI):** Supports business recruitment, foreign direct investment (FDI), marketing, and traded-sector growth in the region.
- **Metro and Washington County:** Coordination of infrastructure, transportation, and land-use planning.
- **Wilsonville Chamber of Commerce:** Provides local business support, networking, and convening to strengthen the business community.
- **Educational and workforce partners** (Clackamas Community College, Oregon Tech, Oregon Manufacturing Extension Partnership, Clackamas Workforce Partnership, Worksystems): Offer workforce training, industry engagement, and alignment of education programs with employer needs.

Note: These partners represent core collaborators but not the full list of organizations that may support implementation.

Strategic Focus Areas and Actions

The Strategy focuses on six key focus areas that most influence Wilsonville's ability to achieve its desired economic outcomes. Each represents a point of leverage where the City can make measurable progress through investment, policy, and partnership.

Each focus area below includes a description of the issue, followed by the specific actions identified to address it. Collectively, these actions provide a framework for the City to manage growth, strengthen its business environment, and promote long-term economic resilience.

Note: Several actions are also drawn from the Town Center Plan (TCP) and Tourism Development Strategy (TDS). These existing plans include initiatives that directly advance the outcomes and focus areas identified through the EOA and engagement process. Incorporating them here ensures consistency across adopted plans and avoids duplicating existing work. When an action originates in the TCP or TDS, it is noted for reference.

Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready

Wilsonville has more than 350 acres of vacant industrial land across the city. However, much of this land is not development ready, with the greatest readiness challenges concentrated in Coffee Creek and Basalt Creek. Many of the sites in these areas are unavailable for development of higher-intensity industrial uses because of infrastructure gaps (e.g., lack of sufficient sewer and water capacity), small parcel sizes and fragmented ownership, and existing low-intensity uses that hinder private investment.

ACTIONS

1.1 Launch a land aggregation and resale program in Coffee Creek

The City will acquire parcels from willing sellers using Urban Renewal funds, consolidate sites into marketable configurations, and resell them through an RFP process to industrial developers or owner/users. Land may be sold at below-acquisition prices (Fair Reuse Value, as defined by ORS 457), with reimbursement of the price gap through the Business Oregon Regionally Significant Industrial Site (RSIS) program once job thresholds are met.[1] This directly addresses land fragmentation, creating larger, development-ready industrial parcels.

City role: Use Urban Renewal tools and Business Oregon's RSIS program to finance acquisitions, consolidate parcels, and manage resale through an RFP process.

1.2 Conduct a feasibility study for a Basalt Creek Urban Renewal Area (URA)

Evaluate whether expanding the Coffee Creek URA to include Basalt Creek, or creating a new URA for Basalt Creek, could generate sufficient funding to support infrastructure and site readiness. The study would assess the potential to finance roads, utilities, and other urban services needed to make Basalt Creek sites developable, as well as opportunities for land aggregation. This action directly addresses the lack of infrastructure and fragmented sites that currently limit development in Basalt Creek.

City role: Lead the feasibility study, engage with affected taxing districts, and prepare Council for a decision on whether to expand the Coffee Creek URA or establish a new URA.

1.3 Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation

Work proactively with Washington County to review development applications in the Basalt Creek area and advocate for uses that align with the Basalt Creek Concept Plan (BCCP) vision. Although Washington County maintains permitting authority until annexation, the City should continue to seek close coordination with County staff and property owners to encourage land use decisions and development outcomes that support the BCCP and the City's long-term industrial goals.

As an alternative approach, the City could work with Washington County to update the Urban Planning Area Agreement (UPAA) to transfer planning authority for Basalt Creek to the City. This would ensure consistency with Wilsonville's long-term vision, reduce the risk of continued low intensity uses, alleviate staffing burdens at the County level, and minimize future pressure to expand the urban growth boundary (UGB).

[1] The RSIS program, administered by Business Oregon, helps local governments prepare large industrial sites for traded-sector employers. The program reimburses eligible site-readiness costs, such as land assembly, infrastructure, and environmental mitigation. Local governments fund the initial improvements and receive reimbursement after the site meets job and wage thresholds based on new employment created.

Once properties are annexed, the City will assume compliance and enforcement responsibilities to ensure that all uses meet City Development Code standards and reinforce the intended industrial character of the area. The focus should be on clear communication and transition planning, giving property owners time to make necessary site or design improvements to come into compliance.

City Role: Review development applications in coordination with Washington County, communicate expectations for BCCP-consistent development, provide clear timelines for compliance following annexation, and enforce City Development Code standards once properties are within City limits.

1.4 Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers

Develop a coordinated set of financial and policy tools to reduce the high infrastructure costs that limit industrial land development in Wilsonville. The package could include:

- ***New funding mechanisms.*** Explore options such as Local Improvement Districts (LIDs) or latecomer agreements.
- ***Promotion and/or refinements to the WIN program.*** Evaluate whether adjustments to the WIN structure, could better support site readiness in areas outside Coffee Creek.
- ***Public cost-sharing and site preparation support.*** Use development agreements to share infrastructure or site preparation costs on strategic sites. The RSIS program could reimburse qualifying investments in areas such as Coffee Creek, Basalt Creek, and select sites east of I-5.
- ***State and federal funding.*** Pursue grants and partnerships through Business Oregon, Metro, and federal infrastructure programs to reduce the local funding burden.
- ***Regional collaboration and advocacy.*** Strengthen partnerships with regional agencies and legislators to align Wilsonville's needs with broader regional industrial land readiness goals and increase visibility of local infrastructure challenges in state funding discussions.

City role: Evaluate and implement new funding tools and pursue state/federal grants to offset infrastructure costs; coordinate advocacy with regional partners.

1.5 Promote Wilsonville's industrial sites for development

Strengthen the City's efforts to promote available industrial sites and highlight the supports Wilsonville can offer, such as the WIN program, to traded-sector employers, brokers, and developers through targeted outreach and regional partnerships. City staff already share a newsletter with the developer and site selection community, but it is not on a consistent schedule. This action will make a more targeted effort to be proactive in marketing Wilsonville's sites and available incentives.

City role: Lead site marketing through direct communication and outreach, maintain up-to-date site information, and collaborate with GPI and Business Oregon to amplify visibility of Wilsonville's sites.

Focus Area 2: Limited City funds to support economic development outside of Coffee Creek Urban Renewal Area

Wilsonville's capacity to support infrastructure, redevelopment, and business investment is constrained by a limited set of local funding tools. The Coffee Creek Urban Renewal Area (URA) provides dedicated resources for site improvements and infrastructure, but other priority areas, including Basalt Creek and Town Center, do not have comparable funding sources. This gap limits the City's ability to provide infrastructure to support the development and/or redevelopment of priority sites, attract employers, and act on other City priorities.

ACTIONS

2.1 Explore a dedicated funding source to support commercial and mixed-use redevelopment *(Refer to Town Center Plan & Tourism Development Strategy)*

Explore options for a dedicated funding source to support commercial and mixed-use redevelopment, particularly in Town Center and along key corridors. Potential tools include a new Urban Renewal Area in Town Center or Business Improvement District (BID). These tools would provide sustained resources for infrastructure, amenities, and redevelopment projects that strengthen Town Center as a hub for retail, dining, and tourism.

City role: Lead policy design, stakeholder outreach, and administration.

1.2. Conduct a feasibility study for a Basalt Creek URA (See Focus Area 1)

1.4. Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers (See Focus Area 1)

Focus Area 3: Vacant commercial land is limited

Wilsonville has a limited supply of vacant commercial land to accommodate future growth. The EOA highlighted that redevelopment and policy changes, such as allowing certain commercial uses in select industrial areas, will be essential to meeting future commercial needs. Town Center represents Wilsonville's primary opportunity for new commercial and mixed-use growth. Several large vacant commercial buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, also offer near-term opportunities for reuse.

ACTIONS

3.1 Consider expansion of allowable non-retail commercial uses in select industrial areas

The Wilsonville Development Code could be updated to allow a broader range of non-retail commercial uses in select industrial areas. These may include uses such as commercial recreation (e.g., gyms, climbing facilities, or entertainment venues) and offices or coworking spaces that are not directly tied to an industrial operation but are compatible with industrial activity. This action will identify suitable industrial areas across the city for such uses while preserving capacity for target traded-sector industries

City Role: Lead Development Code amendment process

3.2 Coordinate with other City departments to deliver on Town Center and tourism priorities *(Refer to Town Center Plan & Tourism Development Strategy)*

Work across departments to ensure Economic Development helps advance key actions from the Town Center Plan and Tourism Development Strategy. This includes supporting parking management, shared parking strategies, placemaking, and streetscape or public space improvements that make redevelopment more attractive and feasible.

City role: Coordinate across departments to align Economic Development, Planning, Parks, and Engineering with Town Center and tourism strategies.

3.3 Catalyze redevelopment of key sites in Town Center *(Refer to Town Center Plan)*

Partner on select priority sites where City support could spark reinvestment and create new commercial space on underutilized land. The City could collaborate with property owners and potential developers to facilitate site readiness, assist with predevelopment analysis, and coordinate infrastructure or amenity improvements needed to attract investment. If a Town Center URA is adopted, URA-funded acquisition and disposition, SDC transfer programs, or predevelopment grants (e.g., feasibility studies, site development analysis) could be used to help catalyze projects.

City Role: Facilitate partnerships with property owners and developers, provide technical and policy support for site redevelopment, and coordinate needed infrastructure and public improvements. Offer regulatory or financial incentives, marketing support, or infrastructure cost-sharing; recruit development partners.

Focus Area 4: Lack of unique retail and dining experiences

Wilsonville has few distinctive, locally owned shops and restaurants that help create a strong sense of place and attract workers and visitors. Most retail centers are anchored by national chains, and smaller experience-oriented businesses face barriers such as high rents, limited appropriately sized spaces, and costly tenant improvements. These challenges make it difficult for locally owned restaurants, shops, and personal service businesses to establish

and grow. Expanding opportunities for locally owned and experience-driven businesses, particularly in Town Center, would strengthen Wilsonville's identity and support local entrepreneurs. This work also offers an opportunity to broaden access for business owners from all backgrounds, including those from historically underrepresented communities, by reducing barriers to entry and increasing access to space, visibility, and customers.

ACTIONS

4.1 Incentivize local dining and retail in Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Encourage more local and experience-oriented dining and retail businesses to locate in Town Center by developing a mix of incentive tools. Incentives may include grants, reduced fees, or tenant improvement assistance designed to attract small, locally owned businesses that contribute to Town Center's identity as a vibrant community destination. These incentives are intended to support businesses and entrepreneurs both in and outside of Wilsonville who are seeking to establish or expand in Town Center.

City role: Design and administer incentive programs, coordinate funding, and monitor outcomes.

4.2 Explore the creation of a food cart incubation program in Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Support small-scale entrepreneurs and bring energy to Town Center by incubating food cart businesses in Town Center, potentially mirroring the launch pod program in Tigard. This could provide affordable entry points for new businesses, test market demand, and attract customers to underused spaces. The program would be open to entrepreneurs both in and outside of Wilsonville who are looking for an accessible way to launch or test a concept.

City role: Identify sites, adjust regulations, and facilitate partnerships for food carts; provide permitting flexibility, seed funding, and promotion in collaboration with Parks and Economic Development.

Example in Tigard – City bought 3 food carts to use as business incubators.

4.3 Explore and/or partner on affordable commercial space models

Explore strategies and partnerships to increase the availability of affordable or below-market commercial space for small and locally owned businesses. Potential approaches include City master leasing, where the City leases ground-floor space from a property owner and subleases it to local businesses at below-market rates, or developer partnerships that reserve a portion of new projects for local tenants. The City could also explore shared incubator spaces or micro-suites that provide low-cost entry points for start-up businesses. These approaches can support small businesses and entrepreneurs both in and outside of Wilsonville who need accessible, affordable space to start or grow.

City role: Lead evaluation of options to support affordable commercial space; identify pilot sites and engage property owners.

4.4 Recruit unique restaurants and shops to Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Actively recruit distinctive dining and retail tenants to strengthen Town Center as a destination. Recruitment could be paired with catalytic redevelopment efforts (Action 3.1) to ensure new businesses locate in highly visible, high-impact sites. Recruitment efforts could include outreach to both existing Wilsonville businesses that may want to expand and businesses from outside the city that offer concepts not currently available in Wilsonville. Recruitment should also aim to bring a diversity of business types that broaden the mix of experiences, cuisines, and services available in Town Center.

City role: Market available sites, partner with brokers and developers, and coordinate outreach to targeted tenants.

Focus Area 5: Businesses struggle to find qualified workers

Employers in Wilsonville face challenges finding and retaining workers with the skills needed for manufacturing and other key industries. During the EOA engagement process, employers and regional economic development partners also raised concerns about how artificial intelligence (AI) may affect local jobs and emphasized the importance of upskilling workers to meet evolving job requirements. These issues are particularly challenging for smaller employers that have limited resources to dedicate to in-house training. Stronger coordination between businesses, schools, and workforce partners is needed to align training programs with both current and emerging industry needs.

ACTIONS

5.1 Facilitate workforce connections and support partner initiatives

Take a more active role in shaping workforce initiatives by working with employers, education providers, and workforce development organizations to ensure Wilsonville's needs are represented in regional discussions and programs. This means not only connecting partners but also advocating for the types of training, partnerships, and resources that reflect local industry priorities. This role focuses on active participation and partnership with organizations such as the Chamber, Oregon Tech, OMEP, Clackamas Workforce Partnership, Worksystems, and Clackamas Community College.

This could include:

- Gathering employer feedback (through discussions, surveys, roundtables) and sharing insights with workforce and education partners.

- Convening employers and training providers together to discuss needs and align programs (e.g., sector partnerships, advisory groups)
- Elevating Wilsonville's workforce needs with state and regional agencies to strengthen alignment of funding programs with local demand.

City role: Facilitate communication between employers and workforce partners, maintain relationships with training providers, and provide support for partner-led initiatives; elevate Wilsonville's workforce needs with state and regional agencies.

Focus Area 6: Perceived limited support for small businesses

During the EOA engagement process, business owners and economic development partners identified several key challenges: difficulty accessing financing for small businesses, limited awareness of available business support resources, and a shortage of affordable space for startups and growing companies. Participants emphasized that developers and business owners value a proactive, service-oriented approach from the City that helps them navigate permitting and regulatory processes, connect with funding or technical assistance, and work collaboratively with staff to find solutions. This work is intended to support the needs of existing Wilsonville businesses as well as new businesses evaluating locations in the city. As part of this work, the City can use inclusive outreach strategies that ensure small businesses and entrepreneurs from a wide range of backgrounds are aware of available resources and able to access support.

ACTIONS

6.1 Strengthen business communication, customer service, and resource connections

Enhance the City's direct engagement with local businesses by expanding outreach, improving communication, and addressing barriers identified by businesses. By coordinating across departments and maintaining regular contact with both industrial and commercial businesses, the City can identify challenges early, connect businesses to assistance, and make City processes easier to navigate.

This may include:

- Increasing proactive outreach through business visits, roundtables, or surveys to better understand local challenges and share upcoming opportunities.
- Acting as a concierge for local businesses, connecting them with programs and partners that offer financing, technical support, or workforce training.
- Maintaining and promoting a central hub that consolidates City and partner resources in one accessible location.
- Tracking common issues raised by businesses and developers of commercial and industrial space and using that feedback to inform process or policy adjustments.

As the City refines its economic development priorities, the level of focus on each of these activities will depend on Council direction and available capacity.

City role: Proactively engage businesses, identify barriers early, provide clear permitting guidance, and connect businesses to resources.

6.2 Provide small business assistance for upgrades (industrial and commercial businesses)

Offer targeted support to help small businesses invest in improvements such as energy efficiency, technology adoption, interior or façade upgrades, and equipment modernization. These upgrades can be cost-prohibitive but are critical for business competitiveness and retention.

City Role: Design and administer assistance program.

Resource Needs

The resource needs to implement each action will depend on Council priorities and the desired level of effort. Maintaining current programs may be possible within existing capacity, while expanded outreach, new incentives, or redevelopment programs will require additional funding or staff support. Some actions, such as creating new funding tools or expanding urban renewal areas, are foundational steps that enable broader implementation. **Exhibit 1** summarizes the actions, organized by focus area, and indicates whether they can be advanced with existing staff and funding or will require additional resources.

Exhibit 1. Summary of Focus Areas, Supporting Actions, and Resource Needs

Focus Areas	Potential Actions		Existing or New Resources
Issue #1: Much of Wilsonville's undeveloped industrial land is not development ready	1.1	Launch a land aggregation and resale program in Coffee Creek using Urban Renewal and RSIS	Existing
	1.2	Conduct a feasibility study for a Basalt Creek URA	Existing
	1.3	Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation	Existing
	1.4	Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers	Exploration with existing staff; *may* require establishing new funding source(s)
	1.5	Promote Wilsonville's industrial sites for development	Existing

Issue #2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	2.1	Explore a dedicated funding source to support commercial and mixed-use redevelopment *(TCP/TDS)*	Exploration with existing staff
		Conduct a feasibility study for a Basalt Creek URA **(see 1.2)**	
		Create a package of incentives for overcoming infrastructure barriers ***(see 1.4)***	
Issue #3: Vacant commercial land is limited	3.1	Consider expansion of allowable non-retail commercial uses in select industrial areas	Existing
	3.2	Coordinate with other City departments to deliver on Town Center and tourism priorities *(TCP/TDS)*	*Some* priorities will require new funding source(s)
	3.3	Catalyze redevelopment of key sites in Town Center (*TCP)*	**Requires** new funding source
Issue #4: Lack of unique retail and dining experiences	4.1	Incentivize local dining and retail in Town Center *(TCP/ TDS)*	New funding source needed *if* providing financial incentives
	4.2	Explore the creation of a food cart incubation program in Town Center *(TCP/ TDS)*	New funding source needed *if* providing seed funding
	4.3	Explore and/or partner on affordable commercial space models	New funding source needed *if* subsidizing commercial space
	4.4	Recruit unique restaurants and shops to Town Center *(TCP/ TDS)*	New funding source needed *if* providing financial incentives or placemaking investments
Issue #5: Businesses struggle to find qualified workers	5.1	Facilitate workforce connections and support partner initiatives	Existing
Issue #6: Perceived limited supports for small businesses	6.1	Strengthen business communication, customer service, and resource connections	Existing
	6.2	Provide small business assistance for upgrades (industrial and commercial businesses)	**Requires** new funding source

Sequencing of Actions

Implementation of the actions will advance in stages based on available resources, partnerships, and logical sequencing rather than fixed timelines. Some actions can begin immediately using existing capacity, while others depend on funding, feasibility studies, or enabling steps.

Dependencies between actions are a key feature of this strategy. For example:

- Developing a **dedicated funding source (2.1)** could enable future redevelopment incentives, retail activation, and small-business grants.
- Completing the **Basalt Creek URA study (1.2)** and launching the **land aggregation program (1.1)** lays the groundwork for infrastructure development and the marketing of industrial land.
- Launching **retail incentive** and **activation programs (4.1, 4.2, 4.3)** can start small with current tools and scale once funding is secured.
- **Business outreach (6.1)** and **Town Center coordination (3.2)** can proceed now and shape later investment decisions.

The City Council's direction on which actions to elevate (such as prioritizing industrial readiness or small-business support) will guide how staff allocate resources through work plans and budgets. **Exhibit 2** separates actions by near-term priorities, which can be initiated with existing resources, and longer-term priorities that depend on new funding or enabling actions.

Exhibit 2. Sequencing and Dependencies

Focus Area	Near-Term Priorities (Years 1 to 5)	Longer-Term Priorities (Years 6 to 10)
Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready	**1.1** Launch land aggregation and resale program in Coffee Creek **1.2** Conduct feasibility study for a Basalt Creek URA **1.3** Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation **1.4** Evaluate and design a coordinated set of financial and polity tools for overcoming infrastructure barriers	**1.4** Expand the financial tools for overcoming infrastructure barriers if new funding mechanisms are pursued **1.5** Promote Wilsonville's industrial sites for development once incentive package and funding tools are in place
Focus Area 2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	**2.1** Explore a dedicated funding source to support commercial and mixed-use redevelopment	—
Focus Area 3: Vacant commercial land is limited	**3.1** Consider the expansion of allowable non-retail commercial uses in select industrial areas **3.2** Coordinate on Town Center and tourism priorities (ongoing)	**3.3** Catalyze redevelopment of key Town Center sites once funding and partnerships are secured (such as through funding from 2.1)
Focus Area 4: Lack of unique retail and dining experiences	**4.1** Pursue targeted incentives for local dining and retail in Town Center within existing resources **4.2** Explore creation of a food cart incubation program (may begin with low-cost site prep or partnerships) **4.3** Explore affordable commercial space models and partnerships	**4.1** Expand incentives for local dining and retail in Town Center, supported by new funding source from 2.1 **4.2** and **4.3** Implement full programs once additional funding or partnerships are in place **4.4** Recruit unique restaurants and shops, supported by new funding source from 2.1
Focus Area 5: Businesses struggle to find qualified workers	**5.1** Facilitate workforce connections	—
Focus Area 6: Perceived limited supports for small businesses	**6.1** Strengthen business communication, customer service, and resource connections	**6.2** Provide small business assistance grants, enabled by new funding sources such as from 2.1 or 1.2

ECOnorthwest

DATE:	Wilsonville City Council
TO:	November 17, 2025
FROM:	Nicole Underwood and Beth Goodman, ECOnorthwest
SUBJECT:	Revisions to the Economic Development Strategy Based on Planning Commission Feedback

This memorandum summarizes key revisions made to the draft Economic Development Strategy (EDS) in response to Planning Commission (PC) feedback provided at the November 12, 2025, work session. The purpose of this memo is to outline how the draft EDS has been updated based on that direction and to identify items the Commission requested be elevated to City Council for further discussion.

Revisions to Economic Outcomes

- **PC Comment:** Residents should be listed first when discussing zoning and infrastructure.
  - **Original Language:** *"Zoning and infrastructure investments balance the needs of target industries and residents, supporting both economic growth and community livability."*
  - **Revised Language:** *"Zoning and infrastructure investments balance the needs of residents and target industries, supporting both community livability and economic growth."*
- **PC Comment:** Revise references to "major regional employers"; focus on the quality and impact of employers, not their size.
  - **Original Language:** *"Basalt and Coffee Creeks show considerable momentum, building out with high-quality, high-value development and are home to major regional employers."*
  - **Revised Language:** *"Basalt and Coffee Creeks show considerable momentum, building out with high-quality, high-value development and are home to employers that provide strong job opportunities."*

Revisions to Actions

- **PC Comment:** Consider adding an action in Focus Area 4 to support minority-owned or underrepresented entrepreneurs.
  - **ECO Response:** Rather than creating a standalone action, ECO will incorporate this concept into implementation guidance, particularly as it relates to outreach. ECO updated the language in Focus Areas 4 and 6 descriptions to

emphasize inclusive outreach and reducing barriers so businesses from all backgrounds are aware of and able to access opportunities.

- **PC Comment:** Clarify that Focus Area 4 actions support existing Wilsonville businesses, not only businesses from outside the City.
  - **ECO Response:** The Focus Area 4 description and related actions now explicitly state that programs and resources can support both existing Wilsonville businesses and businesses seeking to enter the market.

Comments for Discussion with City Council

The following items reflect Planning Commission feedback to be elevated for City Council discussion and direction.

- **PC Comment:** For Action 3.1, the Commission expressed concern about allowing additional commercial uses in industrial areas given the amount of underutilized commercial space in the city. They asked if limiting recreational commercial uses and placing greater emphasis on employment-oriented uses, such as office, might be more appropriate.
  - **ECO Response:** ECO clarified that Action 3.1 is intended to allow only non-retail commercial uses. ECO acknowledged the Commission's concern and agreed to elevate this issue for further discussion with City Council.
- **PC Comment:** The Commission suggested that the following be the top priorities for the EDS:
  - Advancing actions that help get land development ready.
  - Identifying dedicated funding sources needed for implementation.

Wilsonville Industrial Land Readiness – Citywide EOA and EDS

City Council Work Session
December 01, 2025
Presented by: Cindy Luxhoj AICP, Associate Planner
Matt Lorenzen, Economic Development Manager
Nicole Underwood, ECOnorthwest
Beth Goodman, ECOnorthwest

Wilsonville's Examination of Employment Lands

Wilsonville Industrial Land Readiness

Basalt Creek

Study of industrial land potential and development readiness in Basalt Creek, including zoning designation and infrastructure planning

Citywide

- Economic Opportunity Analysis
- Economic Development Strategy

- **Potential changes to Comprehensive Plan**
- **Potential changes to Zoning Code**
- **Potential changes to Zoning Map**

Other City projects informing the broader conversation around land needs:

Housing Our Future

- Housing Needs and Capacity Analysis (HNCA)
- Housing Production Strategy (HPS)

Project Schedule

We are here

Focus of Work Session

- Economic Opportunity Analysis
  - Share conclusions and gather feedback
- Economic Development Strategy
  - Review and discuss desired outcomes and proposed actions

EOA Conclusions

- Wilsonville has sufficient industrial land for growth but getting that land development ready will require focused effort.
- Wilsonville has limited vacant commercial land but substantial redevelopment potential.

What feedback does the Council have about the EOA? Are there specific areas that need clarification or further analysis?

Economic Development Strategy

Key Questions

- Are the desired economic outcomes the right ones to focus on in the EDS?
- Does the EDS include the right mix of actions to address the challenges and achieve the desired outcomes? Are there any actions missing?
- Given limited resources, should any actions be elevated or deprioritized?

10-Year Desired Outcomes

- **Basalt and Coffee Creeks show considerable momentum,** building out with high-quality, high-value development and home to employers that provide strong job opportunities.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance** the needs of residents and target industries, supporting both community livability and economic growth.

8

10-Year Desired Outcomes

- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities and wages have increased**, particularly in high-value sectors.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

Engagement Feedback

Workforce Challenges: Difficulty finding and retaining skilled workers. Concerns with upskilling with AI.

Space & Land Constraints: Limited availability of developed space and land drives high rents and restricts opportunities for new and growing businesses.

High Costs: High rents and upgrade expenses create barriers to starting or expanding small business.

Retail Market Gaps: There are not enough local services and businesses co-located to meet demand, prompting people to shop and seek services outside of Wilsonville.

City-Business Relationship:

- Businesses want proactive, customer-focused support, with the City being supportive in “finding a path to yes.”
- Desire for support connecting to resources (business planning, access to capital)

Focus Areas to Achieve Outcomes

1. Much of Wilsonville's undeveloped industrial land is not development-ready
2. Limited City funds to support economic development outside Coffee Creek Urban Renewal
3. Vacant commercial land is limited
4. Lack of unique retail and dining experiences
5. Businesses struggle to find qualified workers
6. Perceived limited supports for small businesses

Focus Area #1: Much of Wilsonville's undeveloped industrial land is not development ready

Existing Resources

Action 1.1
Launch land aggregation and resale program in Coffee Creek using Urban Renewal and RSIS

Action 1.2
Conduct a feasibility study for a Basalt Creek URA

Action 1.3
Coordinate with Washington County on development application review in Basalt Creek

Action 1.4
Evaluate and design a coordinated set of financial and policy tools for overcoming infrastructure barriers

New Resources

Action 1.4
Expand the financial tools for overcoming infrastructure barriers if new funding mechanism established

Action 1.5
Promote Wilsonville's industrial sites for development

Focas Area #2: Limited City funds to support economic development outside of Coffee Creek Urban Renewal

Existing Resources

Action 2.1
Explore a dedicated funding source to support commercial and mixed-use redevelopment

Conduct feasibility study for Basalt Creek URA (see **Action 1.2)**

Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers (see **Action 1.4)**

New Resources

Focus Area #3: Vacant commercial land is limited

Existing Resources

Action 3.1
Consider expansion of allowable non-retail uses in select industrial areas

Action 3.2
Coordinate with other City departments to deliver on Town Center and tourism priorities

New Resources

Action 3.3
Catalyze redevelopment of key sites in Town Center

This action could leverage the funding source(s) established in Action 2.1

Focus Area #4: Lack of unique retail and dining experiences

Existing Resources

Action 4.1
Pursue targeted incentives for local dining and retail in Town Center **within existing resources**

Action 4.2
Explore creation of a food cart incubation program in Town Center

Action 4.3
Explore affordable commercial space models and partnerships

New Resources

Action 4.1
Expand incentives, supported by new funding source

Action 4.2
Implement program once funding or partnerships are in place

Action 4.3
Implement program once funding or partnerships are in place

Action 4.4
Recruit unique restaurants and shops to Town Center

These actions could leverage the funding source(s) established in Action 2.1

Focus Area #5: Businesses struggle to find qualified workers

Focus Area #6: Perceived limited supports for small businesses

Existing Resources

Action 5.1
Facilitate workforce connections and support partner initiatives

Action 6.1
Strengthen business communication, customer service, and resource connections

New Resources

Action 6.2
Provide small business assistance grants (industrial and commercial businesses)

This action could leverage the funding source(s) established in Action 1.2 and 2.1

Planning Commission Feedback

- Planning Commission Priorities
  - Actions that make land development-ready
  - Identify dedicated funding sources for implementation
- Comment on Action 3.1
  - Allowing non-retail commercial uses in industrial zones may consume valuable industrial land, especially given underutilized commercial space elsewhere in the city.

DISCUSSION: Key Questions

- Are the desired economic outcomes the right ones to focus on in the EDS?
- Does the EDS include the right mix of actions to address the challenges and achieve the desired outcomes? Are there any actions missing?
  - **From PC regarding 3.1:** Should the City allow non-retail commercial uses in select industrial areas, such as commercial recreation or standalone office, to help address the limited supply of vacant commercial land?
- Given limited resources, should any actions be elevated or deprioritized?

Next Steps

- Finalize Economic Development Strategy
- Finalize Economic Opportunity Analysis
- Planning Commission Hearing: February 11, 2026
- City Council Hearing: March 2, 2026

ACTION MINUTES

December 01, 2025, at 5:00 PM

Wilsonville City Hall & Remote Video Conferencing

PRESENT:
Mayor O'Neil
Councilor President Berry
Councilor Cunningham
Councilor Shevlin
Councilor Scull

STAFF PRESENT:
Amanda Guile-Hinman, City Attorney
Andrea Villagrana, Human Resource Manager
Bryan Cosgrove, City Manager
Cindy Luxhoj, Associate Planner
Jeanna Troha, Assistant City Manager
Kimberly Veliz, City Recorder
Everett Wild, Government Affairs Manager
Hannah Young, Law Clerk
Jed Wilson, Chief of Police (incoming)
Matt Lorenzen, Economic Development Manager
Miranda Bateschell, Planning Director
Robert Wurpes, Chief of Police (outgoing)
Zoe Mombert, Assistant to the City Manager

WORK SESSION [5:00 PM]

REVIEW OF AGENDA AND ITEMS ON CONSENT

There was none.

COUNCILORS' CONCERNS

There was none.

PRE-COUNCIL WORK SESSION

1. Wilsonville Industrial Land Readiness (Citywide EOA and EDS)

Staff sought Council feedback on the draft Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS) for the Citywide portion of the Wilsonville Industrial Land Readiness (WILR) project.

2. 2025 Solid Waste Rate Review & 2026 Rate Schedule

Council provided feedback to staff on whether to apply a cost-of-service rate adjustment or a rate-spread adjustment for solid waste collection and disposal services provided by Republic Services in response to the extraordinary rate increase request from Republic Services.

3. Public Safety Project Update – Updating Wilsonville Code Enforcement Provisions

Council discussed and provided input on (1) code enforcement provisions within the Wilsonville Code, including review of separate enforcement processes throughout the Wilsonville Code; and (2) alternatives analysis comparing other jurisdictions' code enforcement processes and recommendations for future Code updates.

ADJOURN [6:12 PM]

There was a brief break to clear the room and move into Executive Session.

EXECUTIVE SESSION [6:20 PM]

- ORS 192.660(2)(f) Exempt Public Records
  To consider information or records that are exempt by law from public inspection.

- ORS 192.660(2)(h) Legal Counsel/Litigation
  To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

ADJOURN [7:08 PM]

CITY COUNCIL MEETING [7:30 PM]

CALL TO ORDER

1. Roll Call

2. Pledge of Allegiance

3. Motion to approve the following order of the agenda.

Approved 5-0.

MAYOR'S BUSINESS

4. Upcoming Meetings *(Link to City Calendar: https://www.wilsonvilleoregon.gov/calendar)*

The Mayor also announced past and future meetings and events.

COMMUNICATIONS

5. Police Department Update

Outgoing Chief of Police Rob Wurpes who was set to retire at the end of 2025 introduced Jed Wilson incoming Chief of Police. Chief Wurpes was appreciated by staff, Council, and the Sheriff's office for his service to Clackamas County and the City of Wilsonville.

6. Community Enhancement Project Update - Heart of the City (HOC) Project Report

It was noted that this presentation was to be rescheduled for a date to be determined.

7. Town Center / Urban Renewal Communication Council Goal Update

Consultants summarized the sentiment of community stakeholders who participated in focus groups and other outreach to gather public feedback on the 2019 Wilsonville Town Center Plan and the potential use of Urban Renewal to fund new infrastructure.

CITIZEN INPUT AND COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on any matter concerning City's Business or any matter over which the Council has control. It is also the time to address items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizen input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

COUNCILOR COMMENTS, LIAISON REPORTS AND MEETING ANNOUNCEMENTS

Councilors provided comments, announced prior and anticipated meetings and events.

CONSENT AGENDA

8. **Resolution No. 3223**
   A Resolution Of The City Of Wilsonville Authorizing Acquisition Of Property Related To Construction Of The Boeckman Creek Flow Mitigation Project (CIP #7068) And Amending Resolution No. 3167.

9. **Resolution No. 3225**
   A Resolution Of The City Of Wilsonville Adopting The South Metro Area Regional Transit Public Transportation Agency Safety Plan.

10. **Resolution No. 3227**
    A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Construction Contract With R.A. Gray Construction To Construct The Elligsen Reservoir & Level C Reservoir Fall Protection & Security Improvement Projects (CIP 1152 & 1153).

11. Minutes of November 17, 2025, City Council Meeting.

The Consent Agenda was adopted 5-0.

NEW BUSINESS

There was none.

CONTINUING BUSINESS

12. **Ordinance No. 900** *-2nd Reading (Legislative Non-Land Use)*
    An Ordinance Of The City Of Wilsonville Implementing An Administrative Warrants Process By Amending Chapter 1 Of The Wilsonville Code To Add Sections 1.100 Through 1.180.

Ordinance No. 900 was adopted 5-0, on second reading.

PUBLIC HEARING

There was none.

CITY MANAGER'S BUSINESS

There was none.

LEGAL BUSINESS

There was none.

ADJOURN [9:23 PM]

PLANNING COMMISSION

WEDNESDAY, NOVEMBER 12, 2025

WORK SESSION

2. Wilsonville Industrial Land Readiness (Citywide EOA & EDS) (Luxhoj/Lorenzen)(60 Minutes)

PLANNING COMMISSION MEETING
STAFF REPORT

Meeting Date: November 12, 2025	**Subject: Wilsonville Industrial Land Readiness – Citywide Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS)** **Staff Members:** Cindy Luxhoj AICP, Associate Planner; Matt Lorenzen, Economic Development Manager **Department:** Community Development
Action Required	**Advisory Board/Commission Recommendation**
☐ Motion ☐ Public Hearing Date: ☐ Ordinance 1st Reading Date: ☐ Ordinance 2nd Reading Date: ☐ Resolution ☒ Information or Direction ☐ Information Only ☐ Council Direction ☐ Consent Agenda	☐ Approval ☐ Denial ☐ None Forwarded ☒ Not Applicable **Comments:**
Staff Recommendation: Provide input on the Citywide EOA and EDS.	
Recommended Language for Motion: N/A	
Project / Issue Relates To:	

☒Council Goals/Priorities: Attract high-quality industry and support economic opportunity for all in Wilsonville	☒Adopted Master Plan(s): Wilsonville Economic Development Strategy; Wilsonville Comprehensive Plan; Basalt Creek Concept Plan; Coffee Creek Master Plan; Town Center Plan	☐Not Applicable

ISSUE BEFORE COMMISSION

Staff seeks feedback from the Planning Commission on the draft Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS) for the Citywide portion of the Wilsonville Industrial Land Readiness (WILR) project.

EXECUTIVE SUMMARY:

The Wilsonville Industrial Land Readiness (WILR) project includes two parts: one focused on the industrial area northwest of the City covered by the Basalt Creek Concept Plan ("Basalt Creek") and the other focused "Citywide." Both parts of the project aim to attract high-quality industry and expand economic opportunities in Wilsonville.

The Citywide portion of the project updates Wilsonville's Economic Opportunities Analysis (EOA), which was last updated in 2012. Key tasks of the Citywide work are detailed in the table below:

Task/Work Product	Purpose
Buildable Lands Inventory Memo	Identify the amount and characteristics of land available to support future development of industrial and commercial uses.
Economic Inventory and Potential Growth Forecasts Memo	Develop a foundational understanding of Wilsonville's industrial and other employment landscape—the basis of the employment forecast that will be used to determine the City's employment land need.
Site Suitability Analysis	Assess potential for development of industrial and other employment uses on select vacant industrial properties in the City
Economic Opportunities Analysis	Synthesize knowledge gained from prior tasks to describe the City's opportunities for economic growth. Determines industrial and other employment land need over the next 20 years.
Stakeholder Engagement	Engage decision-makers, an Advisory Committee, stakeholder interviews/focus groups, and the broader public in meaningful discussion of the City's economic opportunities.
Economic Development Strategy	Develop strategies that focus on advancing key strategic projects with actionable implementation steps, integrating coordination and collaboration with community partners and critical stakeholders, to cultivate sustainable economic growth.

At the July 9, 2025 Planning Commission work session, staff and ECOnorthwest presented preliminary findings from two key work products including the Buildable Lands Inventory (BLI) Memo; and Economic Inventory and Potential Growth Forecasts Memo.

At this work session, the Planning Commission will be presented with preliminary findings from the remaining four key work products, with the focus of discussion on the draft EOA (Attachment 1) and Economic Development Strategy (EDS; Attachment 2).

Relationship Between the EOA and EDS

The EOA provides the technical foundation for understanding Wilsonville's employment land supply and long-term growth potential. The EDS, developed alongside the EOA, translates these findings into practical steps for advancing the City's economic goals. While the EOA identifies land capacity, site readiness, and target industries, the EDS provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base by outlining goals, policies, and actions to help the City act on the EOA findings. Together, the EOA and EDS provide a coordinated

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Wilsonville Industrial Land Readiness (Citywide EOA & EDS)

framework for guiding Wilsonville's economic growth. The EOA defines the opportunities; the EDS details how to achieve them.

Preliminary Findings of Key Work Products

Economic Opportunities Analysis (Attachment 1)

Key preliminary findings of the EOA include:

- Wilsonville has 2,396 acres designated for commercial or industrial use within City limits and urban growth boundary (UGB) area.
    - Approximately 366 acres (15%) are vacant, unconstrained and buildable, of which 353 acres (96%) are designated for industrial development and 13 acres (4%) are set aside for commercial uses.
- The City's employment base is projected to grow from 33,165 employees in 2026 to 39,297 employees in 2046, an increase of about 6,132 jobs over the 20-year planning period.
    - This growth is expected to create demand for about 321 gross acres of industrial land and 110 gross acres of commercial land.
- Wilsonville has sufficient vacant industrial land to accommodate projected growth, with a modest surplus; however, short-term development potential is limited by the small size of vacant industrial sites and/or lack of urban-level infrastructure.
- The City has a limited supply of vacant commercial land due, in part, to prioritizing industrial lands in new UGB areas north of the City while emphasizing commercial redevelopment in the City center and at I-5 interchanges. The limited supply of vacant commercial land is offset by considerable redevelopment potential, particularly within the Town Center and along established commercial corridors such as Wilsonville Road. In addition, several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment.

Economic Development Strategy (Attachment 2)

The EDS identifies six desired outcomes that define long-term economic success for Wilsonville over the next 10 years including:

- **Basalt and Coffee Creeks show considerable momentum**, building out with high-quality, high-value development and home to major regional employers.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance the needs of** target industries and residents, supporting both economic growth and community livability.
- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities and wages have increased**, particularly in high-value sectors.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

The EDS focuses on six key focus areas (Attachment 2; starting on page 3 of the PDF) that most influence Wilsonville's ability to achieve its desired economic outcomes:

- Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready
- Focus Area 2: Limited City funds are available to support economic development outside of Coffee Creek Urban Renewal Area
- Focus Area 3: Vacant commercial land is limited
- Focus Area 4: Lack of unique retail and dining experiences
- Focus Area 5: Businesses struggle to find qualified workers
- Focus Area 6: Perceived limited support (resources) for small businesses

The EDS Framework for Action centers on these six focus areas, each of which represents an opportunity and a leverage point where the City can drive measurable progress through targeted investment, policy action, and partnerships. The Framework for Action is described in detail in the EDS with related actions and an indication of whether they can be advanced with existing staff and funding or will require additional resources.

Staff is seeking the Planning Commission's input on the preliminary findings and conclusions of the EOA (Attachment 1; conclusions start on page 80 of the PDF) as well as the EDS desired economic outcomes and Framework for Action (Attachment 2; starting on page 3 of the PDF).

Discussion Questions
The Planning Commission is invited to provide input in response to the questions below:

- Economic Opportunities Analysis
  - What feedback does the Commission have about the EOA?
  - Are there specific areas that need clarification or further analysis?
- Economic Development Strategy
  - Are the desired economic outcomes the right ones to focus on in the EDS?
  - Does the EDS include the right mix of actions to address the challenges and achieve the desired outcomes? Are there any actions missing?
  - Given limited resources, should any actions be elevated or deprioritized?

EXPECTED RESULTS:
Feedback from Planning Commission at this work session will inform completion of the EOA and EDS to cultivate sustainable economic growth in Wilsonville.

TIMELINE:
The City Council will review the EOA and EDS at their December 1, 2025 work session. Adoption hearings at Planning Commission and City Council are expected in early to mid-2026.

CURRENT YEAR BUDGET IMPACTS:
Funding for the current work is allocated in the FY2025-26 Planning Division budget. The project is primarily funded by a $290,000 Metro grant.

COMMUNITY INVOLVEMENT PROCESS:
Public engagement in the Citywide portion of the WILR project focuses on involving decision-

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makers, an Advisory Committee, and stakeholder interviews/focus groups in meaningful discussion of the City's economic opportunities. This information helped inform the EDS and will be considered when preparing needed Comprehensive Plan and Code amendments.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:
By identifying and implementing targeted economic development strategies, the City can eliminate key barriers to business growth and advance its economic vision. These efforts will generate new jobs, expand the income and property tax base, and promote economic mobility by supporting access to family-wage employment. Ultimately, this will enhance the City's livability and ensure it remains a full-service community for all residents.

ALTERNATIVES:
A range of alternative Citywide economic development strategies is being explored in collaboration with the Planning Commission.

ATTACHMENTS:
1. Draft Wilsonville Economic Opportunities Analysis (EOA)
2. Draft Wilsonville Economic Development Strategy (EDS)

Planning Commission Meeting - February 11, 2026
Wilsonville Industrial Land Readiness (Citywide EOA & EDS)

ECOnorthwest

November 2025

City of Wilsonville
Economic Opportunities Analysis

DRAFT

Prepared for: City of Wilsonville

ECOnorthwest
920 SW 6th Ave · Suite 1400 · Portland, OR 97204 · 503-222-6060

Acknowledgments

ECOnorthwest prepared this report with support from the guidance and input of several partners, including members, staff, and leadership of the City of Wilsonville. This work was funded by Metro. The contents of this report do not necessarily reflect the views or policies of Metro.

Technical Advisory Committee
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Jeff Hampton, Business Oregon
Kevin Ferrasci O'Malley, Wilsonville Chamber of Commerce
David Tetrick, Metro
Amy Pepper, City of Wilsonville
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City of Wilsonville
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Executive Summary

The City of Wilsonville last completed an Economic Opportunities Analysis (EOA) in 2012. Since then, the City and the broader region have experienced significant economic changes driven by changes in the businesses located and growing in Wilsonville, evolving real estate market conditions, the COVID-19 pandemic, and shifts in national and state policies and priorities. One of Wilsonville's most important opportunities for future economic growth is the continued industrial development of the Coffee Creek area and Basalt Creek area (which includes West Railroad) which together form a key part of the Portland region's southern industrial land inventory.

This updated EOA aligns with Statewide Planning Goal 9 and the Goal 9 Administrative Rule (OAR 660-009). It provides an updated forecast of employment growth from 2026 to 2046, evaluates the City's available commercial and industrial land supply, and assesses whether it is sufficient to meet expected demand. The report also identifies the City's competitive advantages and target industries. Together, these findings form the technical foundation for the Economic Development Strategy (EDS), which offers recommendations to help Wilsonville maintain its position as a strong regional employment center.

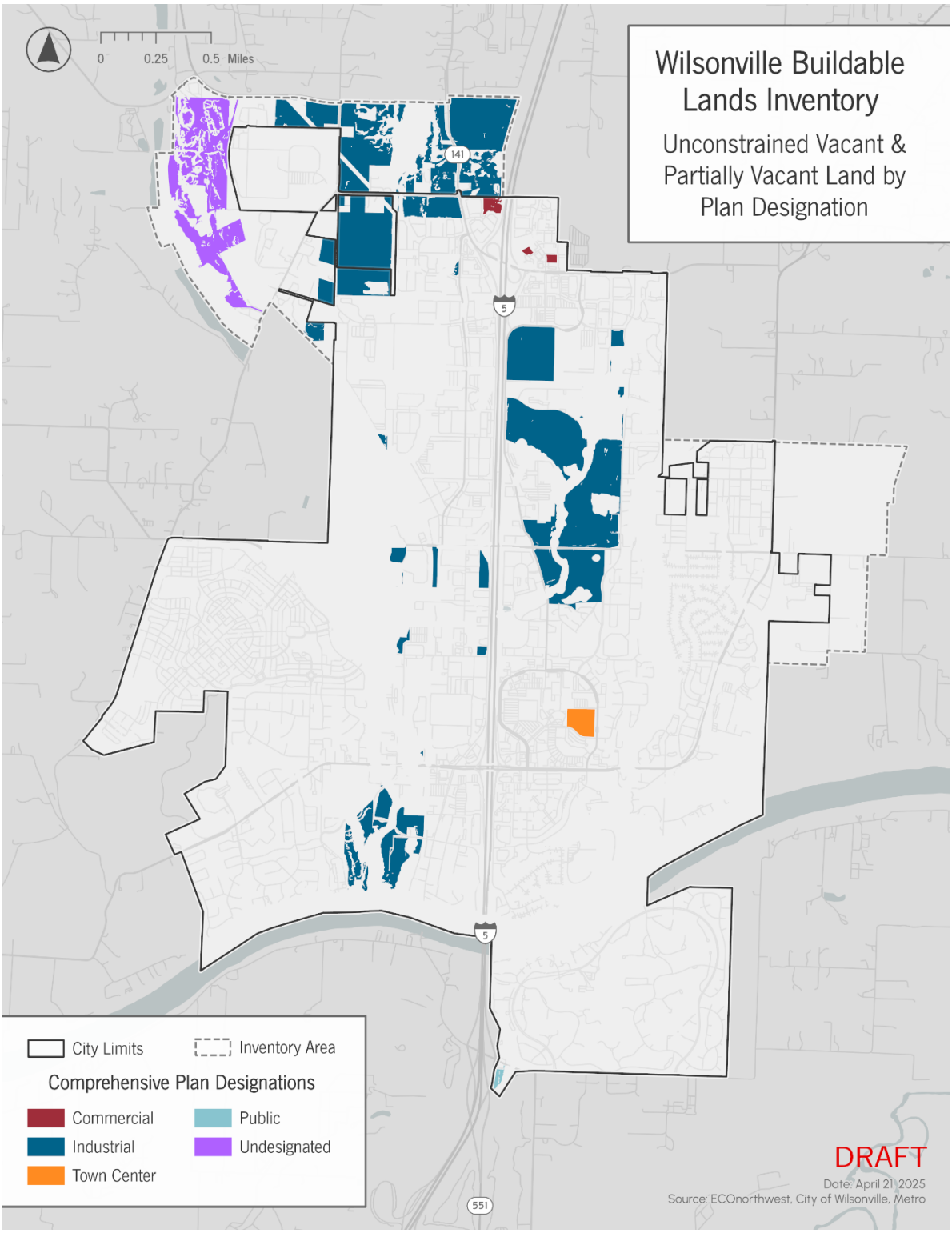
PURPOSE OF THIS ECONOMIC OPPORTUNITY ANALYSIS

- **Forecast the amount of land needed to accommodate the future employment growth within Wilsonville between 2026 and 2046.**
- **Evaluate the existing employment land supply within the City to determine if it is adequate to meet that need.**
- **Help the City understand its economic opportunities in the context of Wilsonville's competitive advantages and disadvantages.**
- **Fulfill state planning requirements for a twenty-year supply of employment land.**

How much buildable employment land does Wilsonville currently have?

Wilsonville has 2,396 acres designated for commercial or industrial use within City limits and urban growth area (UGB). Of these, approximately 366 acres (15%) are vacant, unconstrained and buildable as shown in **Exhibit 1.** Of the buildable land, 353 acres (96%) are designated for industrial development, and 13 acres (4%) are set aside for commercial uses.

Exhibit 1. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Much of Wilsonville's vacant industrial land is located within the Coffee Creek and Basalt Creek planning areas which are in the northern portion of the City. Some of Coffee Creek has been annexed into the City but most is still unincorporated. The area benefits from an established Urban Renewal District that can help fund infrastructure improvements and support land assembly. Basalt Creek, which is also currently outside City limits, is in the process of having zoning established in preparation for future annexation, which would happen in conjunction with proposed development. The area faces challenges related to fragmented ownership, the presence of existing contractor establishments that provide economic activity but at lower assessed values and lower employment densities than typical urban industrial areas, and limited infrastructure to support new development.

How much growth is Wilsonville planning for?

Wilsonville's employment base is projected to grow from 33,165 employees in 2026 to 39,297 employees by 2046, an increase of about 6,132 jobs over the 20-year planning period. *(See Chapter 3, "Employment Growth and Site Needs," for methodology and additional details.)*

How much land will be required for employment?

Employment growth over the 2026-2046 period is expected to create demand for about 321 gross acres of industrial land and 110 gross acres of commercial land. *(See Chapter 3, "Employment Growth and Site Needs," for methodology and additional details.)*

Does Wilsonville have enough land to accommodate employment growth?

Wilsonville has a sufficient supply of vacant industrial land to accommodate projected growth, with a modest surplus of about 32 acres. However, many vacant industrial sites are small and/or lack urban-level infrastructure, which limits short-term development potential. Assembling larger contiguous sites and investing in infrastructure will be important to meeting long-term industrial needs.

In contrast, the City has a limited supply of vacant commercial land to accommodate forecasted employment growth but considerable redevelopment potential. Wilsonville currently has about 13 acres of vacant commercial land, compared to an estimated need of roughly 110 acres. The City can address this shortfall primarily through the redevelopment and reuse of existing properties, particularly within the Town Center and along established commercial corridors such as Wilsonville Road. Several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment. Together, these

known sites account for about 50 acres of redevelopment potential. The City may also consider allowing limited commercial uses in select industrial areas to support employment growth and help balance future land needs. *(See Chapter 4, "Buildable Lands Inventory," and Chapter 5, "Land Sufficiency and Conclusions," for detailed findings.)*

What are Wilsonville's key growth opportunities?

Wilsonville's economy is shaped by several strengths and challenges that influence its ability to attract and retain businesses.

(See Chapter 2, "Factors Affecting Future Economic Growth," for detailed discussion of regional trends and competitive position. See Chapter 3, "Employment Growth and Site Needs," for details on Wilsonville's target industries.)

KEY COMPETITIVE ADVANTAGES

- **Opportune Location:** Wilsonville's position at the southern edge of the Portland region along the I-5 corridor provides access to major transportation routes, regional labor markets, and nearby industrial employment centers in Tualatin and Sherwood. Its proximity to both urban and rural amenities enhance its appeal to employers and residents.
- **Industrial Land Supply:** The City has a substantial inventory of industrial land, with much of the vacant land located in Coffee Creek and Basalt Creek. These areas can support manufacturing, logistics, and other traded-sector businesses.
- **Established Industrial Base.** Wilsonville has a strong foundation of existing industrial and traded-sector employers, creating a stable economic base and opportunities for supply chain growth.
- **Labor Market.** Wilsonville benefits from a large and well-educated workforce drawn from both the Portland metropolitan area and the Mid-Valley labor sheds.
- **Redevelopment Potential.** Town Center and several large vacant commercial buildings, such as the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics sites, offer near-term opportunities for adaptive reuse and reinvestment in retail and service uses.

KEY CHALLENGES

- **Limited Supply of Development-Ready Industrial Sites.** Much of Wilsonville's vacant industrial land lacks urban-level infrastructure.

Fragmented ownership and small lot sizes compound this issue and create barriers to assembling larger sites more suitable for modern industrial uses.

- **Lower-Intensity Existing Uses on Industrial Land.** Contractor establishments and outdoor storage on industrial land provide some economic benefit but limit higher-intensity, higher-value development.
- **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 and long lead times.
- **Traffic and Congestion.** The I-5 corridor experiences congestion, particularly during peak hours, which can impact key arterials in the City and delay freight movement.
- **Housing and amenities.** High regional housing costs, combined with a limited range of local services and amenities such as restaurants, shopping, and entertainment options in Wilsonville, may hinder the City's ability to attract and retain workers.

TARGET INDUSTRIES

The EOA identifies a mix of industries that are expected to drive Wilsonville's future growth:

- **Manufacturing.** Manufacturing is a cornerstone of Wilsonville's economy, supported by the region's strong workforce, established industrial employers, and proximity to suppliers and markets along I-5. Growth opportunities in this sector include advanced manufacturing, clean technology, and specialized production that build on regional strengths, the City's skilled labor force and available industrial land.
- **Wholesale Trade and Logistics.** This sector benefits from Wilsonville's central location and convenient access to both the Portland and Mid-Valley markets. Wholesale and logistics firms play a key role in regional supply chains and rely on available industrial land with strong highway access to support efficient goods movement.
- **Professional, Scientific, and Technical Services.** This diverse sector includes professional consulting, engineering, research and development, and life-science-related services that support the City's industrial and traded-sector base. Future growth is expected in smaller, flexible office or lab-flex spaces near industrial clusters or in mixed-use areas such as Town Center.
- **Local Services and Retail.** This sector includes retail, dining, healthcare, and personal service businesses that meet community needs, support local employment, and enhance Wilsonville's livability.

These industry strengths and opportunities position Wilsonville to support a balanced and diverse economy that includes both traded sector and local serving businesses.

What is the relationship between the Economic Opportunities Analysis (EOA) and the Economic Development Strategy (EDS)?

The EOA provides the technical foundation for understanding Wilsonville's employment land supply and long-term growth potential. The EDS, developed alongside this report, translates these findings into practical steps for implementation.

While the EOA identifies land capacity, site readiness, and target industries, the EDS outlines goals, policies, and actions to help the City act on those findings. The Strategy focuses on improving site readiness in Coffee Creek and Basalt Creek, addressing the commercial land deficit through redevelopment, and supporting small business and workforce development.

Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the opportunities; the EDS details how to achieve them. The EDS is presented as a separate companion document.

1. Introduction

The City of Wilsonville last completed an Economic Opportunities Analysis (EOA) in 2012. Since that time, the City and the broader region have experienced major economic shifts influenced by changes in the businesses located and growing in Wilsonville, evolving market conditions, the COVID-19 pandemic, and shifts in state and national policy priorities. These changes highlight the need for an updated EOA that reflects Wilsonville's current economic position and identifies opportunities and challenges for supporting employment growth over the next 20 years.

Wilsonville's economic future will be greatly affected by development of key employment areas, particularly Coffee Creek and Basalt Creek. These areas are part of the Portland region's southern industrial corridor, located along I-5 with access to major freight routes, regional labor markets, and nearby employment areas in Tualatin and Sherwood. Continued buildout of these areas is important to Wilsonville's long-term competitiveness but will require addressing challenges such as fragmented land ownership, existing contractor establishments, and limited urban infrastructure, particularly in parts of Basalt Creek.

Although the majority of Coffee Creek remains outside of City limits, it benefits from an established Urban Renewal District that supports infrastructure investment and helps prepare sites for development. Basalt Creek, which also remains outside City limits, has greater challenges related to fragmented ownership, existing contractor establishments, and limited urban infrastructure. Coordinated planning and investment will be necessary to improve site readiness in both areas and to position Wilsonville to capture future regional industrial growth.

Beyond industrial growth, Wilsonville's holistic economic health also depends on redevelopment within Town Center and within established commercial corridors. With limited vacant commercial land, future growth will rely on reinvestment and reuse of existing commercial properties, including large vacant buildings such as the former Albertsons, Rite Aid, Regal Cinemas, and Fry's Electronics sites.

Updating the EOA allows the City to reassess its employment land needs and realign economic development policies with emerging opportunities. The EOA projects employment growth from 2026 to 2046 and identifies the types and amounts of land needed to support that growth. It also outlines recommendations to strengthen Wilsonville's economic foundation. The EOA provides the foundation for updates to the Comprehensive Plan and the Wilsonville Economic Development Strategy (EDS), which was prepared concurrently and presented as a separate document. Together, these

efforts ensure that land use policies, infrastructure planning, and economic priorities remain aligned.

The EOA draws on data from the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, the U.S. Census Bureau and Costar[1] along with coordination from regional and local partners. Collectively, these sources provide a detailed understanding of Wilsonville's economic trends, industry composition, and land readiness, forming the foundation for a strategic, data-driven approach to the City's economic planning.

Framework for an Economic Opportunities Analysis

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an EOA in OAR 660-009.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county, or local trends; identify the number of sites by type that are reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning process or some other public input–based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the City or county to designate an adequate number of employment sites of suitable sizes, types,

[1] Costar is a commercial real estate platform that tracks property listings, transactions, and market metrics nationwide.

and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025).* Cities and counties must adopt measures to implement policies pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage, and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.

Stakeholder Engagement Process

The development of the EOA was informed by a Technical Advisory Committee (TAC) comprised of City staff and regional economic development professionals. The TAC met three times during the project to review key findings, provide feedback, and help shape the direction of the analysis.

The first TAC meeting focused on foundational elements of the EOA, including the buildable lands inventory, employment forecast, and analysis of Wilsonville's competitive advantages and target industries. Feedback from this meeting informed refinements to the employment forecast and buildable lands inventory. The second and third TAC meetings focused on developing and refining economic development goals, policies, and actions that will guide the City's future efforts. These discussions helped ensure consistency between the EOA, the City's Comprehensive Plan, and the EDS, which was developed concurrently and is presented in a separate document.

In addition to TAC engagement, ECOnorthwest also interviewed five business and property owners between August and October 2025. These one-on-one interviews, focused on both the industrial and commercial sectors, provided insight into local challenges and opportunities. The feedback helped assess Wilsonville's competitive position and shape recommended economic actions.

The project also included two work sessions with the Planning Commission and two work sessions with the City Council at key milestones. These public meetings provided opportunities for decision-makers to review findings, discuss economic development objectives, and ensure the analysis and recommendations aligned with Wilsonville's broader community priorities.

Organization of This Report

This report is organized as follows:

- **Chapter 2. Economic Trends Shaping Wilsonville's Future** summarizes historic economic trends that affect current and future economic conditions in Wilsonville, as well as Wilsonville's competitive advantages for economic development.
- **Chapter 3. Employment Growth and Site Needs** presents a forecast for employment growth in Wilsonville and describes potential growth industries and site needs.
- **Chapter 4. Buildable Lands Inventory** presents a summary of the inventory of employment lands.
- **Chapter 5. Land Sufficiency and Conclusions** compares the supply of employment land with the future need for land and presents conclusions.

This report also includes two appendices:

- **Appendix A. National, State, and Local Trends**
- **Appendix B. Buildable Lands Inventory Methodology**

2. Economic Trends Shaping Wilsonville's Future

Wilsonville is centrally located in the southern portion of the Portland region, which includes Clackamas, Multnomah, and Washington counties. This opportune 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 2,900 jobs, representing a 15% increase. This growth rate was similar to the 16% increase seen across the Portland region.[2] 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.[3] 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.[4] 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 (similar to regional

[2] See Exhibit 2 and Exhibit 4; Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.
[3] CoStar Office Market Trends, 2024
[4] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024

averages).[5] 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.[6] 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.[7] 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, concentrated in Washington County, 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.[8] 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

[5] CoStar Retail Market Trends, 2024
[6] 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.
[7] CoStar Industrial Market Trends, 2024
[8] 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.[9]

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 16% of Wilsonville's covered employment, with an average wage of $88,469, above the Citywide average of $78,235.[10]

- **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.[11]

  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% of

[9] 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.
[10] See Exhibit 7; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023
[11] See Exhibit 43 and Exhibit 44; U.S. Census Bureau

the population in 2044, consistent with statewide trends.[12] 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 essential to the economies of both Oregon and Wilsonville, driving job growth and introducing innovations to the marketplace. 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).[13] 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 automated 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

[12] See Exhibit 46; Portland State University, College of Urban & Public Affairs: Population Research Center, Population Forecast, 2024

[13] 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.[14] 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).[15] 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. [16] In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.[17] 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 more

[14] 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
[15] See Exhibit 7; Oregon Employment Department, Quarterly Census of Employment and Wages, 2023
[16] 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*).
[17] 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

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 2 shows covered employment in the Portland region (Clackamas, Multnomah, and Washington counties) for 2007 and 2023.[18] Over this period, covered employment increased by 132,382, a 16% gain. The largest increases were in healthcare and social assistance (up 37,194 jobs) and professional and business services (up 24,516 jobs). In 2023, the average annual wage across the region was $76,066.[19]

Exhibit 2. Covered Employment by Industry, Portland Region, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, Hunting & Mining	10,434	9,396	(1,038)	(0.7%)
Construction	48,646	59,114	10,468	1.2%
Manufacturing	102,778	101,508	(1,270)	(0.1%)
Wholesale Trade	50,097	46,013	(4,084)	(0.5%)
Retail Trade	87,545	90,202	2,657	0.2%
Transportation & Warehousing & Utilities	31,609	45,318	13,709	2.3%
Information	21,156	21,149	(7)	(0.0%)
Finance & Insurance	37,606	29,212	(8,394)	(1.6%)
Real Estate and Rental and Leasing	15,078	16,863	1,785	0.7%
Professional, Scientific, & Technical Services	43,880	68,396	24,516	2.8%
Management of Companies and Enterprises	21,623	37,487	15,864	3.5%
Admin, Support, Waste Management, & Remediation	51,221	55,221	4,000	0.5%
Private Education	15,201	19,126	3,925	1.4%
Health Care & Social Assistance	83,749	120,943	37,194	2.3%
Arts, Entertainment, & Recreation	11,152	14,884	3,732	1.8%
Accommodation & Food Services	68,206	81,081	12,875	1.1%
Other Services & Public Administration	31,743	36,347	4,604	0.9%
Government	100,832	112,678	11,846	0.7%
Total	**832,556**	**964,938**	**132,382**	**0.9%**

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007–2023.
*AAGR = Average Annual Growth Rate

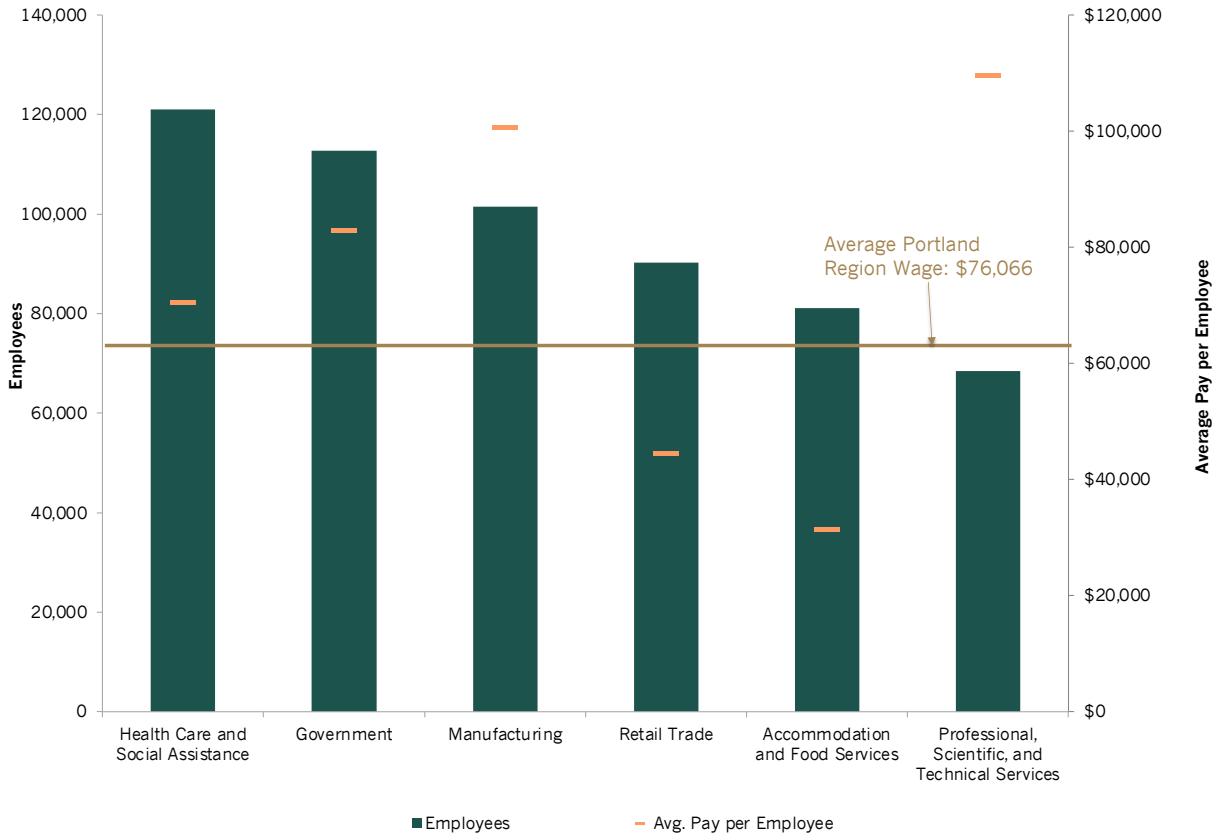
[18] **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment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

[19] Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023.

Exhibit 3 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 3. 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 2,901 positions, representing a 15% total increase at an average annual growth rate of 0.9%, shown in **Exhibit 3.** This growth is similar to the Portland region's 16% growth and 0.9% annual rate.

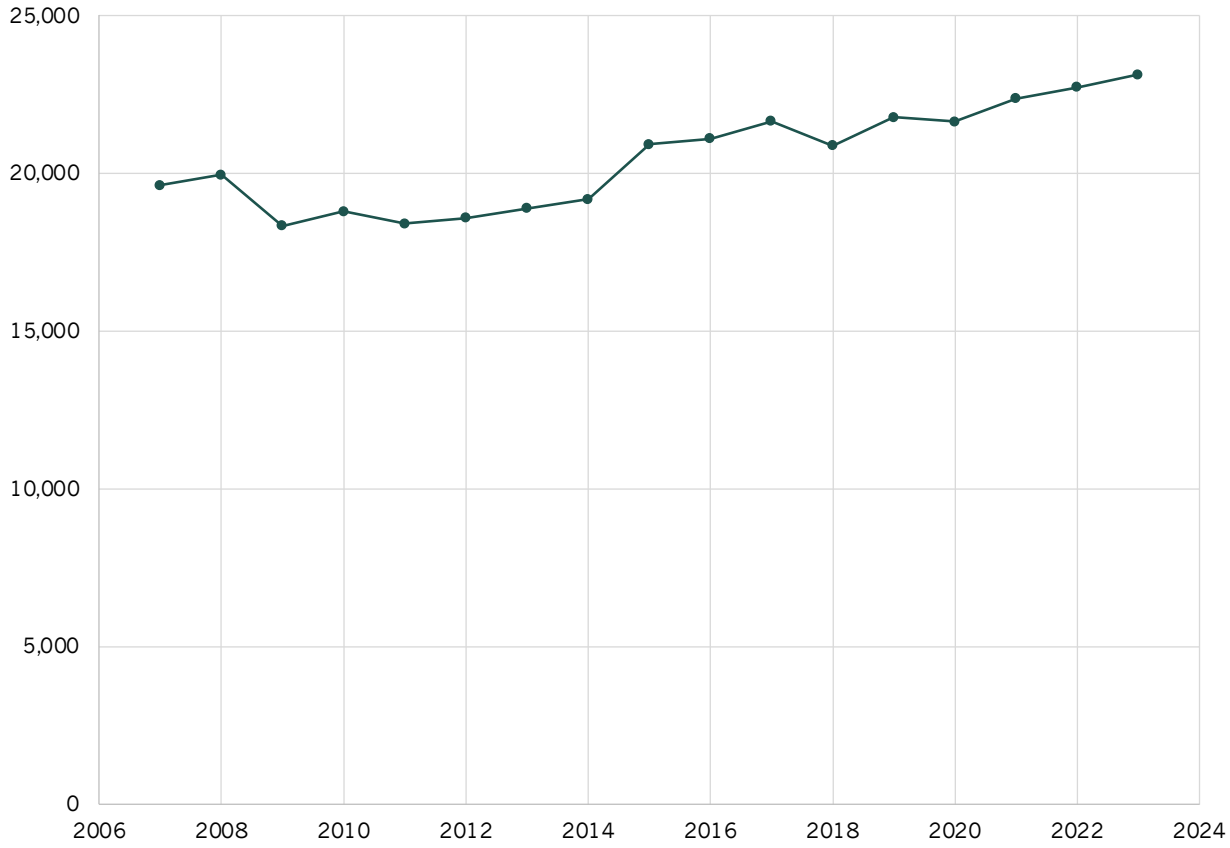
Exhibit 4. Change in Covered Employment, Wilsonville, 2007–2023

Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting	19	17	(2)	(0.7%)
Construction	1,008	3,010	2,002	7.1%
Manufacturing	4,225	3,719	(506)	(0.8%)
Wholesale Trade	2,424	3,318	894	2.0%
Retail Trade	1,663	2,125	462	1.5%
Transportation, Warehousing, and Utilities	1,501	864	(637)	(3.4%)
Information	130	78	(52)	(3.1%)
Finance and Insurance	297	172	(125)	(3.4%)
Real Estate and Rental and Leasing	304	233	(71)	(1.6%)
Professional, Scientific, and Technical Services	1,686	2,330	644	2.0%
Management of Companies and Enterprises	1,170	474	(696)	(5.5%)
Administrative, Support, Waste Management and Remediation	1,468	2,023	555	2.0%
Private Education	158	102	(56)	(2.7%)
Health Care and Social Assistance	1,029	989	(40)	(0.2%)
Arts, Entertainment, and Recreation	200	188	(12)	(0.4%)
Accommodation and Food Services	1,087	1,352	265	1.4%
Other Services and Public Administration	381	483	102	1.5%
Government	1,127	1,301	174	0.9%
Total	**19,877**	**22,778**	**2,901**	**0.9%**

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.[20]

Exhibit 5. Change in Covered Employment, Wilsonville, 2007 – 2023

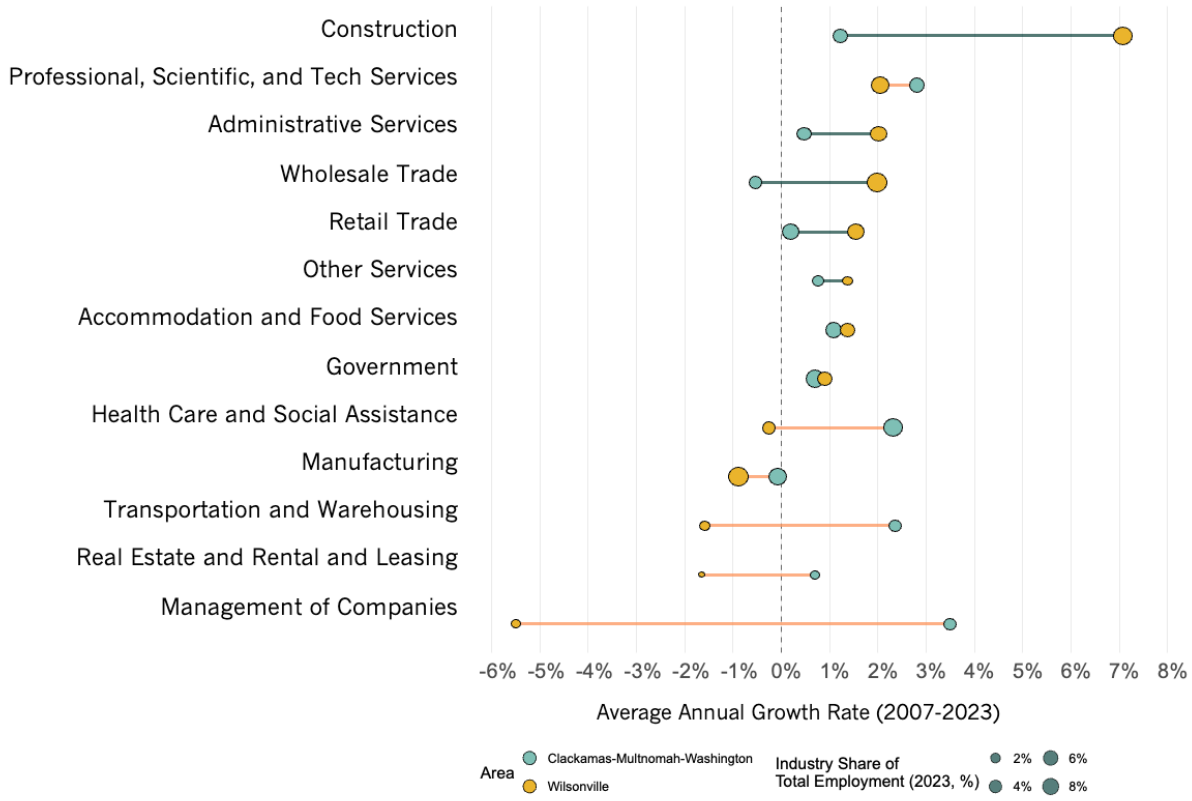


Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.

[20] Michael Bamesberger, "Stream Global Services to Relocate from Beaverton to Wilsonville," *The Oregonian/OregonLive*, March 26, 2013, https://www.oregonlive.com/wilsonville/2013/03/stream_global_services_to_relo.html.

Since 2007, Wilsonville's employment has grown at a pace similar to the broader Portland region. **Exhibit 6** shows that the composition of that growth, however, differs by industry. Construction jobs in Wilsonville more than tripled over this period, far outpacing the region's growth in the same sector. The City also saw notable gains in professional services, administrative services, and wholesale trade. Notably, while wholesale trade employment rose in Wilsonville, it declined across the broader Portland region. At the same time, several sectors that expanded across the Portland region, such as management of companies, transportation and warehousing, health care and social assistance, and real estate experienced declines within Wilsonville.

Exhibit 6. Change in Covered Employment, Wilsonville compared to the Portland Region, 2007 – 2023*



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 to 2023.
*Exhibit only shows industries with greater than 200 employees in Wilsonville

Exhibit 7 summarizes covered employment in Wilsonville in 2023. The largest employment sectors were manufacturing (16% of employees), wholesale trade (15%), construction (13%), professional and technical services (10%), retail trade (9%), and administrative and support services (9%). The average annual wage across all employees was $78,235, slightly higher than the regional average.

Exhibit 7. Covered Employment and Average Pay by Sector, Wilsonville, 2023[21]

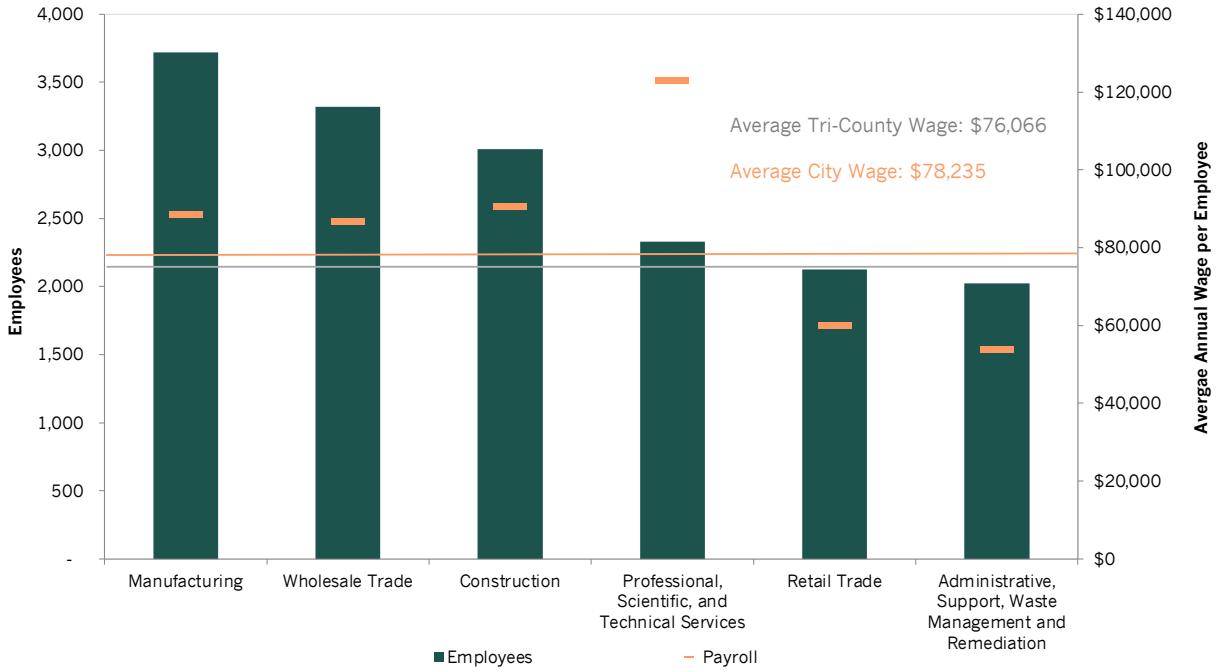
Sector	Employees	Payroll	Average Pay per Employee
Agriculture, Forestry, Fishing, and Hunting	17	$638,130	$37,537
Construction	3,010	$272,634,357	$90,576
Manufacturing	3,719	$329,017,787	$88,469
Wholesale Trade	3,318	$287,443,786	$86,632
Retail Trade	2,125	$127,210,907	$59,864
Transportation, Warehousing, and Utilities	864	$58,684,874	$67,922
Information	78	$9,193,644	$117,867
Finance and Insurance	172	$12,687,158	$73,763
Real Estate and Rental and Leasing	233	$16,287,329	$69,903
Professional, Scientific, and Technical Services	2,330	$286,426,416	$122,930
Management of Companies and Enterprises	474	$46,709,942	$98,544
Administrative, Support, Waste Management and Remediation	2,023	$108,715,935	$53,740
Private Education	102	$3,284,611	$32,202
Health Care and Social Assistance	989	$47,878,787	$48,411
Arts, Entertainment, and Recreation	188	$4,139,588	$22,019
Accommodation and Food Services	1,352	$39,210,617	$29,002
Other Services and Public Administration	483	$28,903,857	$59,842
Government	1,301	$102,958,420	$78,964
Total	**22,778**	**$1,782,026,145**	**$78,235**

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

[21] The following sectors were combined due to confidentiality of QCEW data: transportation and warehousing and utilities; other services and public administration

Exhibit 8 shows covered employment and average pay per employee for the six largest sectors in Wilsonville. These six sectors account for 73% 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 8. 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 9 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 9. 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%
Accomodation 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%**	**0.85%**

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.

This section provides a summary of market conditions in Wilsonville, which is described in detail in the subsequent sections.

Office: Office demand in Wilsonville is expected to remain limited in the near term. High vacancy rates, ongoing negative absorption[22], 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 10**) and the Portland region (see **Exhibit 11)**, 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 Chapter 4. Buildable Lands Inventory) 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.

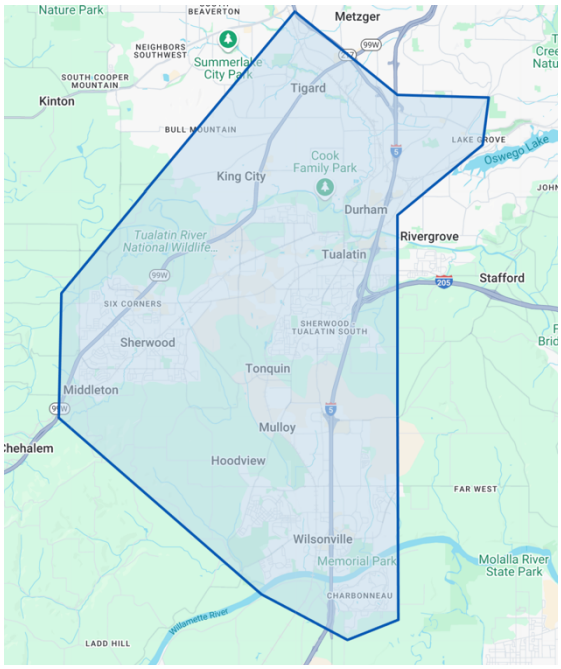
Industrial: Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of *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

[22] 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.

submarket has occurred in neighboring cities like Sherwood and Tualatin. Without more development-ready land, Wilsonville is likely to continue seeing new industrial investment occur where there are viable development sites.

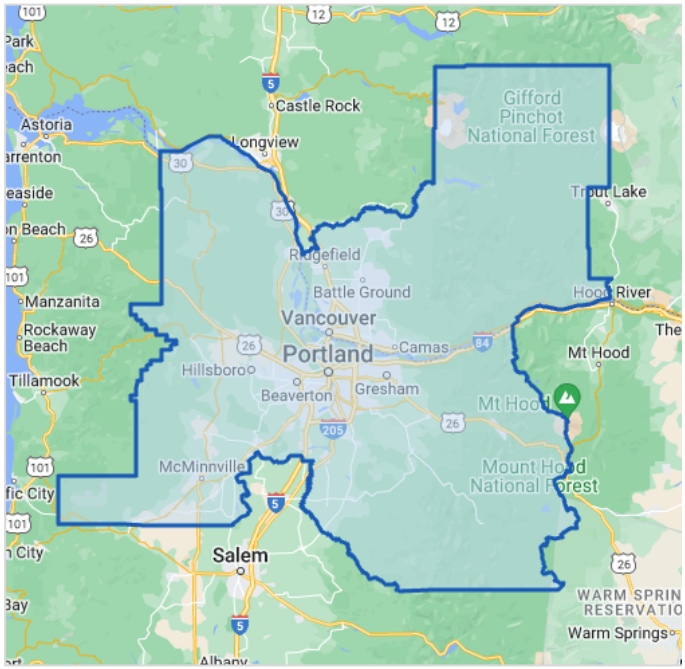
The remainder of this section provides detailed analysis of real estate trends in Wilsonville, the I-5 South submarket (**Exhibit 10)** and the broader Portland region (**Exhibit 11).**

Exhibit 10: I-5 South Submarket Boundary



Source: CoStar

Exhibit 11: Broader Portland Region CoStar Boundary



Source: CoStar

Commercial Market Trends

Broader Portland Regional Trends[23]

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.

[23] Portland Metro Regional trends based on Kidder Matthews, Portland Office Market Report Q4 2024

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, Eye Health Northwest, located at 29250 Southwest Town Center Loop West. 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 12:Office Space Development Trends, 2015 to 2024

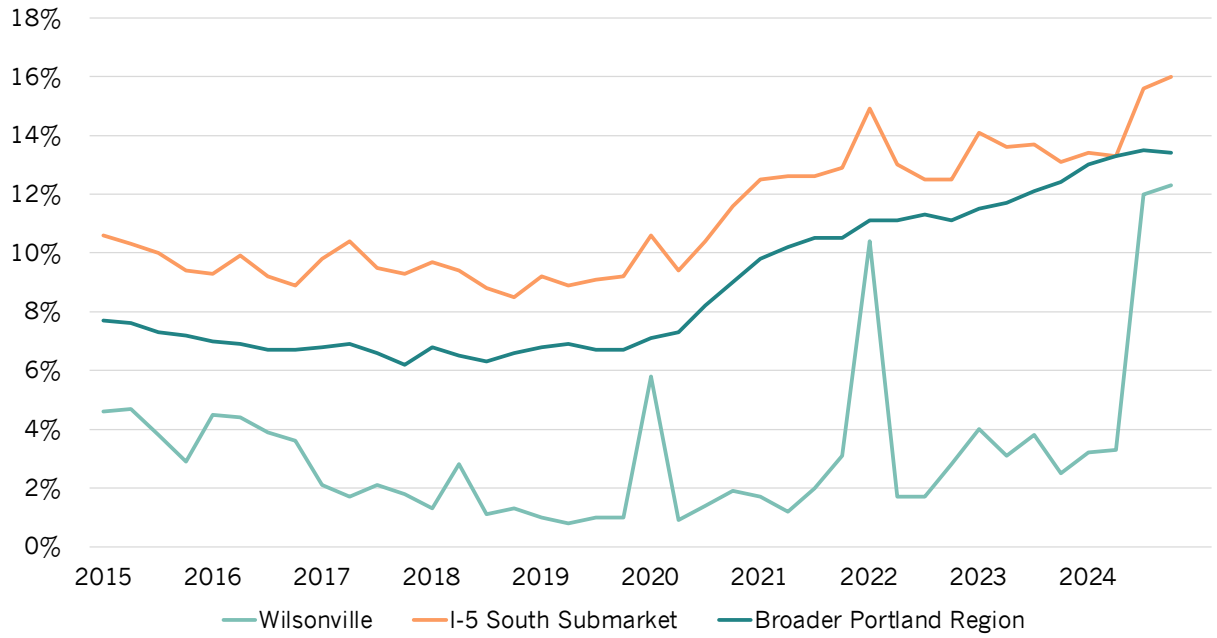
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL OFFICE DEVELOPMENT			
Broader Portland Region	6,268	120,279,588	19,199
I-5 South Submarket	484	8,975,567	18,545
Wilsonville	63	1,369,151	21,733
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	159	10,765,783	67,710
I-5 South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

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.

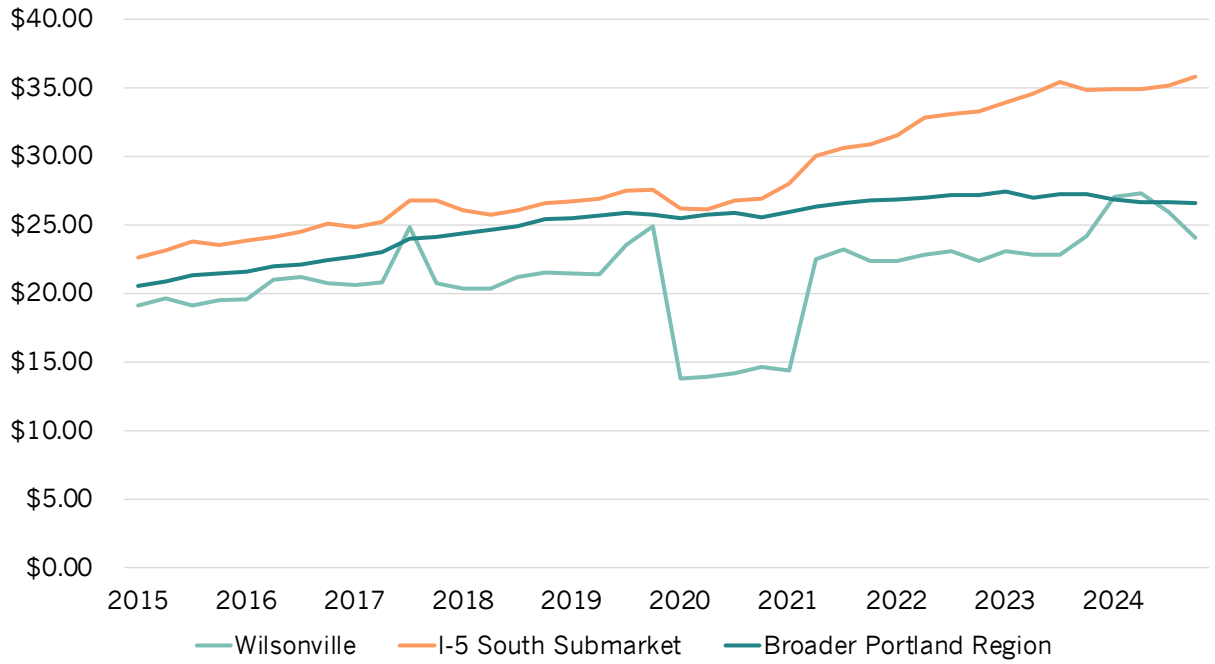
Exhibit 13: Office Vacancy Rate Trends, 2015-2024



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 14: 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 analysis 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 Chapter 4. Buildable Lands Inventory). Those spaces

currently vacant may fill in time but limited commercial land supply could constrain new office development in Wilsonville in the long term.

Broader Portland Regional Retail Trends[24]

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.

[24] Broader Portland regional trends based on Kidder Matthews, Portland Retail Market Report 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 15: Retail Space Development Trends, 2015 - 2024

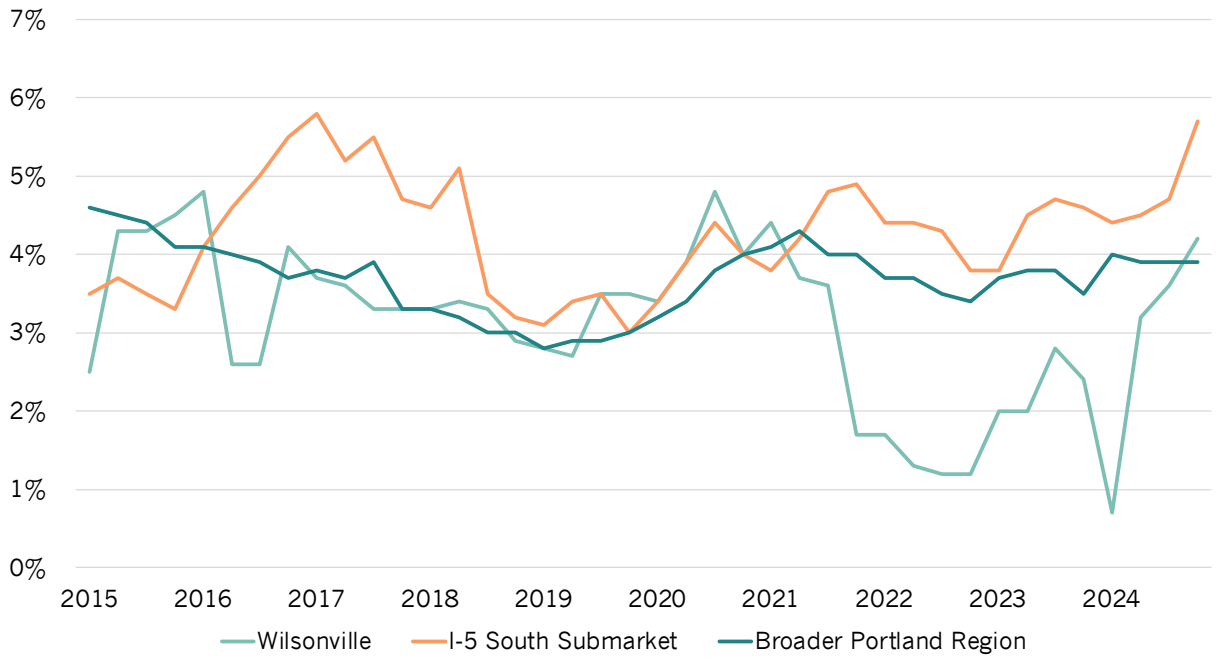
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL RETAIL DEVELOPMENT			
Broader Portland Region	12,132	126,767,807	10,450
I-5 South Submarket	478	6,797,343	14,220
Wilsonville	112	2,165,439	19,330
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	441	5,186,720	11,760
I-5 South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

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

Planning Commission Meeting - February 11, 2026
Wilsonville Industrial Land Readiness (Citywide EOA & EDS)

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.

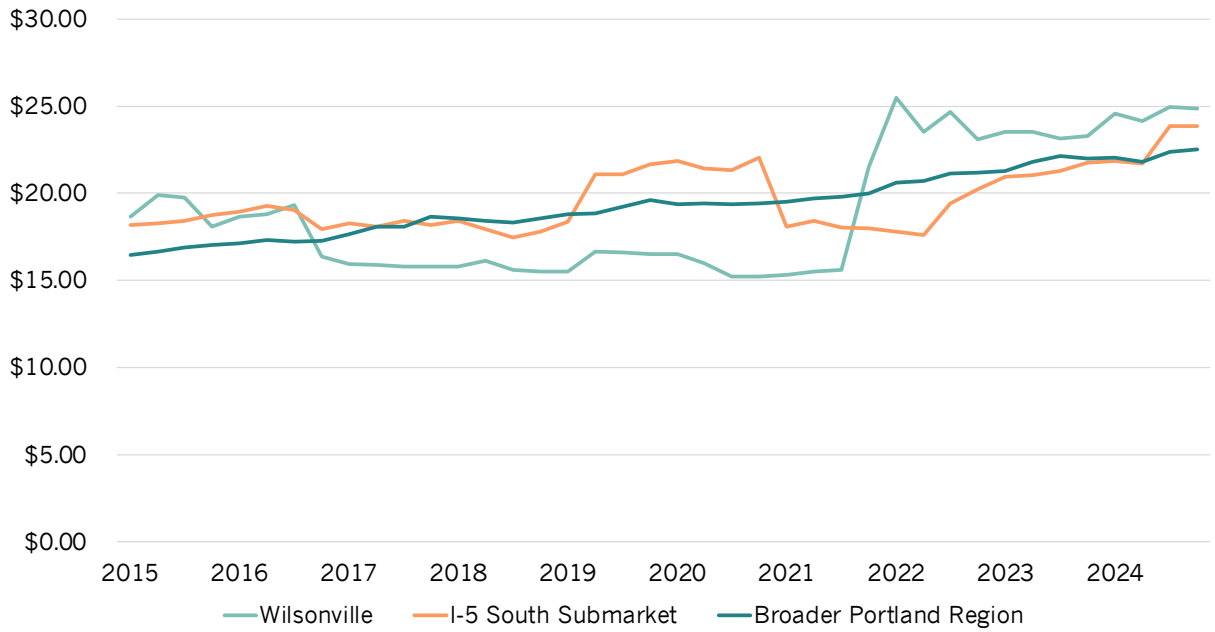
Exhibit 16: Retail Vacancy Rate Trends, 2015 - 2024



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 17: 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

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]

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:

[25] CBRE, Q4 2024 Portland Industrial Market Update
[26] CBRE, Q4 2024 Portland Industrial Market Update
[27] CBRE, Q4 2024 Portland Industrial Market Update
[28] Cushman & Wakefield, Industrial Marketbeat Q2 2024 Portland Industrial Report

- **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.

[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 development-ready industrial land in the City.

Exhibit 18: Industrial & Flex Space Development Trends, 2015 to 2024

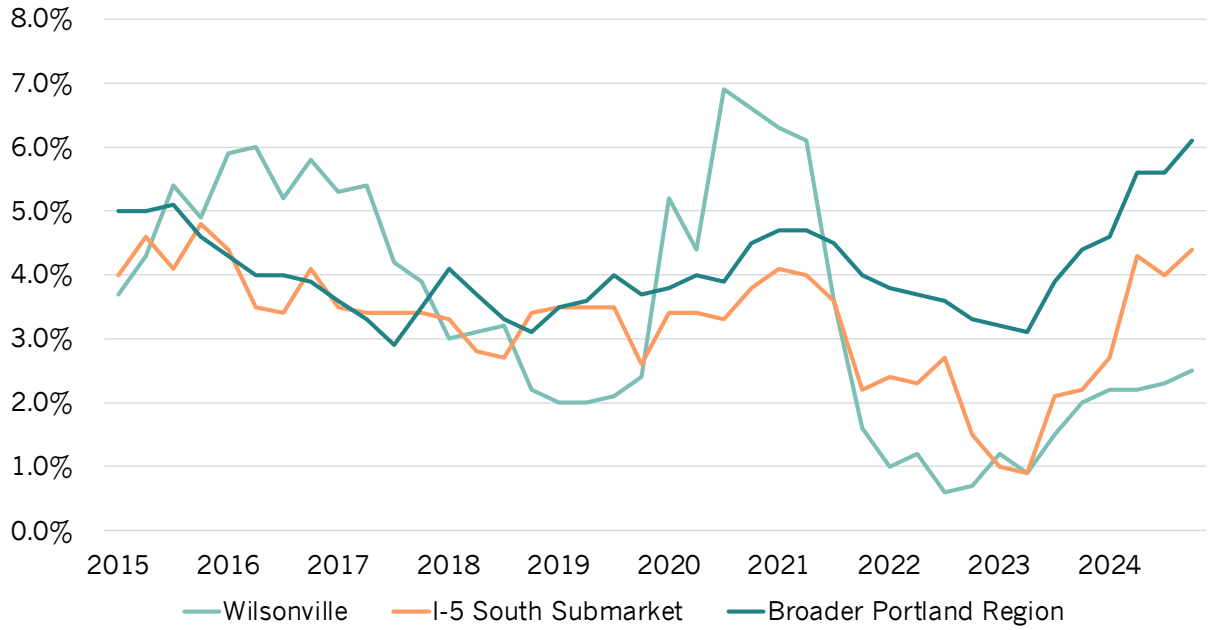
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL INDUSTRIAL DEVELOPMENT			
Broader Portland Region	7,581	259,657,430	34,250
I-5 South Submarket	671	22,831,304	34,030
Wilsonville	136	8,592,887	63,180
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	403	33,736,304	83,710
I-5 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 20).** 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%.

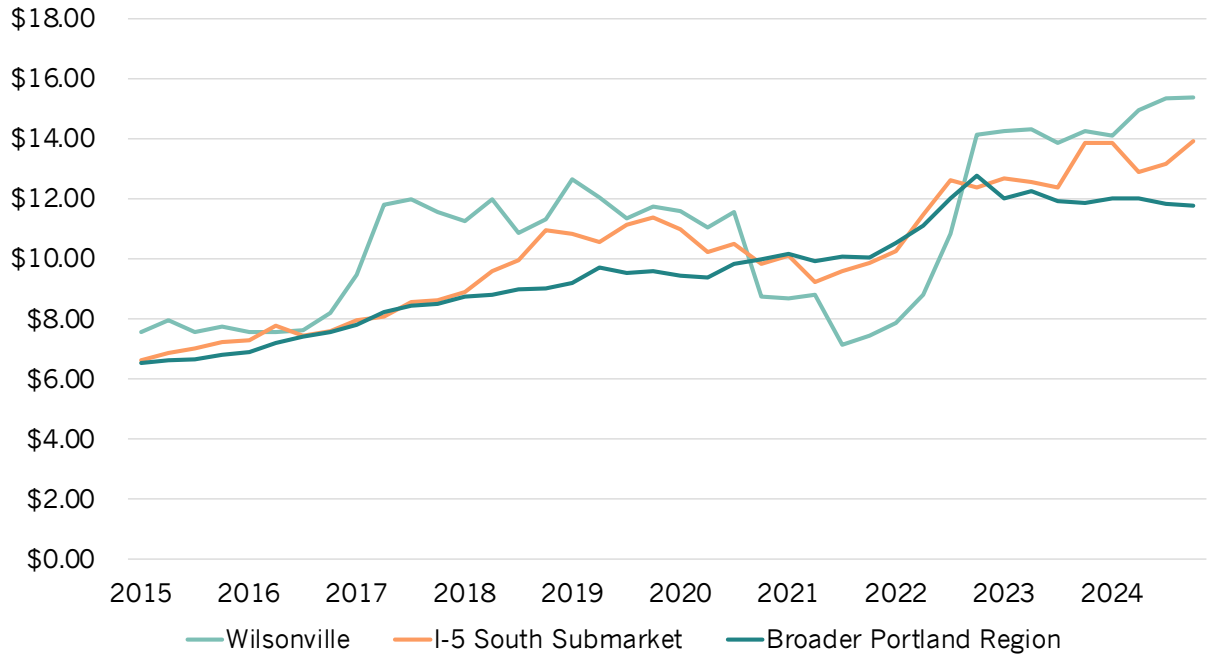
Exhibit 19: Industrial & Flex Vacancy Rate Trends, 2015-2024



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 20: Industrial & Flex Rents Trends, 2015-2024

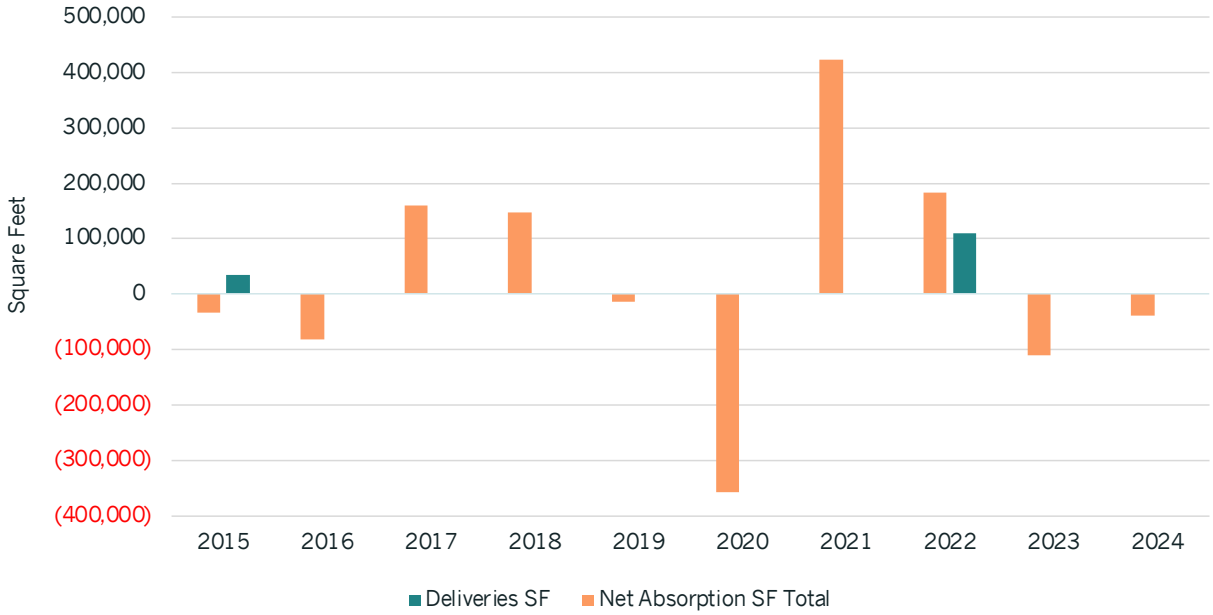


Source: CoStar, pulled February 2025

[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 21: 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 22 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 22: 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%**

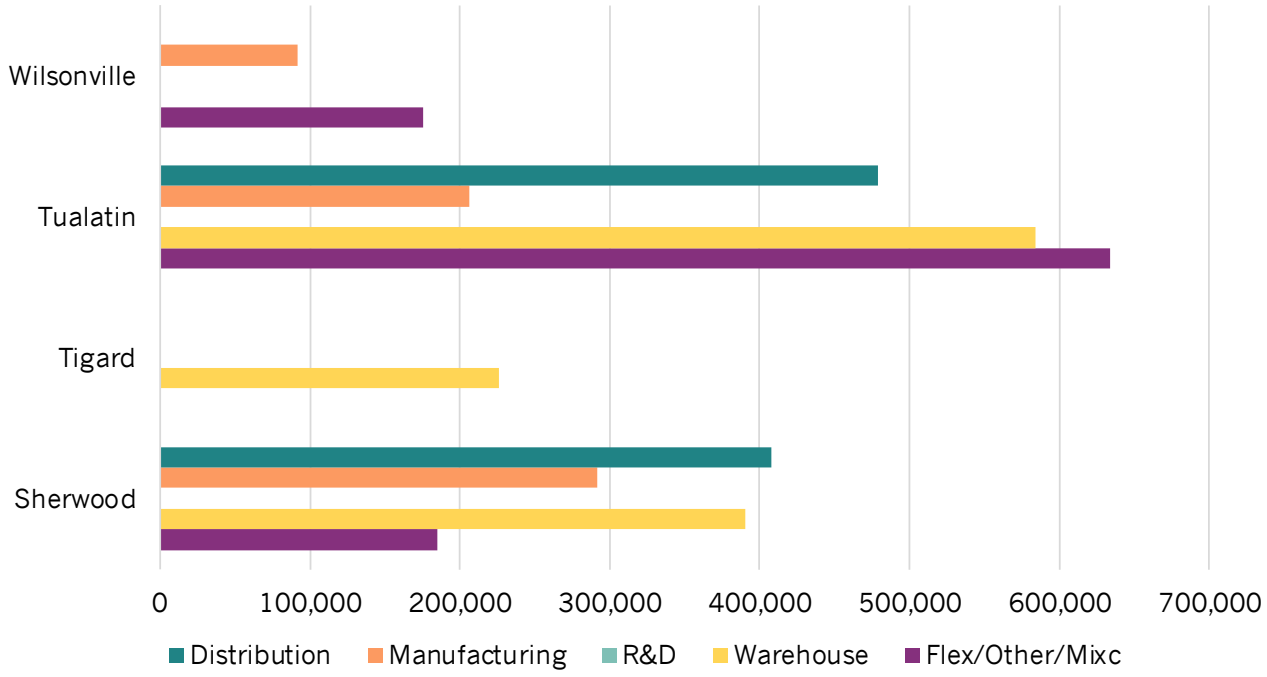
Source: CoStar, pulled August 2024

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 23. 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 in on industrial land, such as indoor recreation, medical buildings, religious institutions, and government uses.

Wilsonville's Competitive Advantages and Disadvantages

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 opportune 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 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 provides advantages for firms engaged in global trade by enabling tariff deferral, duty elimination on re-exports, and logistical efficiencies. This makes Wilsonville

[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.

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, Chemeketa Community College, Portland State University, **University of Portland**, 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 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 on Grahams Ferry Road. 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, as well as long lead times. Close coordination with Portland General Electric will be essential to ensure capacity is available.

- **Traffic and Congestion.** The I-5 corridor through Wilsonville experiences congestion from regional traffic, particularly during peak hours, which then backs up onto Wilsonville key arterials. Planned transportation improvements will help but may be years in coming. Ongoing regional 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 setting and limited mix of local amenities such as restaurants, shopping, and entertainment may make it harder to attract workers, particularly younger professionals in technology, creative, and knowledge-based fields. Strengthening live-work-play environments, like those envisioned in Town Center, will be key to maintaining the City's competitiveness for talent.

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 describes Wilsonville's water system, storm system, wastewater system, and transportation 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.

WATER

Wilsonville's primary drinking water source is treated water from the Willamette River. The Willamette River Water Treatment Plant has a total treatment capacity of 20 million gallons per day (mgd). Of that capacity, 13.3 mgd (two-thirds) is owned by the City of Wilsonville, and 6.7 mgd (one-third) is owned by the City of Sherwood. The City of Wilsonville also has eight groundwater wells that serve as a backup supply.

Wilsonville currently has sufficient water supply and treatment capacity to meet existing and future employment needs. The Water Distribution System Master Plan is

being updated to evaluate capacity and distribution improvements that will support continued growth within the Wilsonville. The next major expansion of the treatment plant, which will increase total capacity to 30 mgd, is planned for the 2035 to 2040 timeframe. This expansion will ensure long-term adequacy of the water system to serve both residential and employment growth.

There are no known water capacity limitations that would restrict new industrial or commercial development in the City over the 2026 to 2046 time period.

WASTEWATER

Wilsonville's Wastewater Treatment Plant has a total treatment capacity of 4 mgd. The 2023 Wastewater Treatment Plant Master Plan evaluated the capacity of individual unit processes and identified those that may exceed capacity at buildout. Upgrades to those unit processes have been incorporated into the City's capital improvement program. The first phase, improvements to the aeration basins, is currently under design.

The City recently updated its System Development Charges (SDCs) to provide funding for these capacity improvements. A Wastewater Collection System Master Plan update is scheduled for completion by 2028, which will identify additional system improvements needed to serve future development.

There are currently no known wastewater capacity limitations that would prevent new industrial or commercial development. Planned improvements will ensure the system can support anticipated employment growth through 2046.

STORMWATER

The City updated its Stormwater Master Plan in 2024. The plan provides guidance for stormwater management and identifies system improvements to address capacity and conveyance needs. There are no known stormwater capacity issues that would limit employment growth.

TRANSPORTATION

Traffic congestion on the I-5, specifically the Boone Bridge, remains the most significant transportation challenge affecting Wilsonville. The bridge serves as a critical north–south connection between the Portland and Salem metropolitan areas, carrying regional commuter and freight traffic through the City. Peak-hour congestion creates recurring delays that impact both residents and businesses.

The Oregon Department of Transportation (ODOT) is leading the I-5 Boone Bridge Replacement Project to address these issues. The project will replace the existing bridge with a new, seismically resilient structure, add a southbound auxiliary lane

between the Wilsonville Road entrance and the OR 551 exit, make safety improvements at the Charbonneau interchange, and provide new walking and biking connections across the Willamette River. The project has completed the Planning and Environmental Linkages (PEL) study phase, positioning it to move forward once funding becomes available. Because the Boone Bridge is part of the state highway system, project implementation and timing are under ODOT's jurisdiction rather than the City's direct control.

Beyond the Boone Bridge corridor, Wilsonville's local transportation network is functioning well. The City actively monitors system performance and publishes a transportation performance monitoring report every three years to track progress toward its goals. Local facilities identified in the City's Transportation System Plan have adequate capacity to support planned employment and population growth, and improvements are being implemented as needed.

There are no additional transportation limitations currently identified that would restrict employment growth over the planning period.

3. Employment Growth and Site Needs

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 chapter presents an employment forecast and analysis of potential growth industries that build from recent economic trends.

Forecast of Employment Growth and Land Demand

Demand for industrial and commercial land in Wilsonville will be shaped by the expansion and relocation of existing businesses as well as the establishment of new ones. The employment projections in this section build on Wilsonville's current employment base and assume that future growth will align with the Oregon Employment Department's (OED) regional forecasts for the 2026–2046 period.

The employment forecast does not account for a major shift in employment that could occur if one or more large employers were to locate in Wilsonville during the planning period. Such a change would exceed the growth anticipated in the City's employment forecast and the associated land needs. This would be true not only for employment uses but also for housing, parks, and other community needs. While major economic events, such as the successful recruitment of a very larger employer, are difficult to incorporate into an Economic Opportunities Analysis, their implications are relatively predictable: increased demand for land (of all types) and for public services.

ECOnorthwest's approach to projecting demand for industrial and commercial land includes four steps:

1. **Establish base employment** – Begin with the estimate of covered employment in Wilsonville, as shown in **Exhibit 7.** Since covered employment does not include all workers, this number is adjusted to reflect total employment in the City.
2. **Project total employment** – Consider forecasts and other factors that may influence employment growth in Wilsonville over the 20-year planning horizon.
3. **Allocate employment** – Assign projected employment to various land use categories.

4. **Estimate land demand** – Calculate employment land demand based on projected growth and assumptions about future employment densities.

This methodology follows administrative rule requirements and incorporates input the Technical Advisory Committee (TAC) that guided this project.

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 employment[35] 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 22,778 covered employees in 2023 (see Exhibit 6 and Exhibit 24). 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. Bureau of Economic Analysis. This ratio was evaluated for each employment sector in Clackamas County, and the resulting figures were used to estimate the number of noncovered employees.

Based on this methodology, ECOnorthwest estimates that Wilsonville had approximately **32,332 total jobs** in 2023 **(Exhibit 24).** This estimate serves as the starting point for evaluating future employment growth and land needs.

[35] Covered employment includes employment covered by unemployment insurance.

Exhibit 24. Estimated Total Employment by Sector, Wilsonville City Limits and UGB Area*, 2023

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, Fishing, and Hunting	17	30	56%
Construction	3,010	3,917	77%
Manufacturing	3,719	4,043	92%
Wholesale Trade	3,318	3,977	83%
Retail Trade	2,125	2,834	75%
Transportation, Warehousing, and Utilities	864	1,965	44%
Information	78	118	66%
Finance and Insurance	172	438	39%
Real Estate and Rental and Leasing	233	1,748	13%
Professional, Scientific, and Technical Services	2,330	4,325	54%
Management of Companies and Enterprises	474	563	84%
Administrative, Support, Waste Management an	2,023	2,763	73%
Private Education	102	196	52%
Health Care and Social Assistance	989	1,187	83%
Arts, Entertainment, and Recreation	188	441	43%
Accommodation and Food Services	1,352	1,503	90%
Other Services and Public Administration	483	902	54%
Government	1,301	1,381	94%
Total	**22,778**	**32,332**	**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.
*See Exhibit 37 for a map of the planning area.

Employment Projection

The employment forecast covers the 2026 to 2046 period, requiring an estimate of total employment for Wilsonville in 2026. The base employment starts with the estimate of 32,332 total jobs in Wilsonville in 2023, shown in **Exhibit 24.**

Wilsonville does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9)(a) sets out some optional "safe harbors" that allow a City to determine employment land need.

Exhibit 25 presents four employment growth rate scenarios:

- Metro Urban Growth Report regional growth rate: 0.42% annual employment growth.
- Oregon Employment Department's (OED) regional growth rate: 0.85% annual employment growth.
- Wilsonville's historic employment growth rate (2007-2023): 0.86% annual employment growth.
- Wilsonville's Housing Needs and Capacity Analysis projected household growth rate (2024-2044): 1.2% annual growth.

The OED regional growth rate (0.85%) is the safe harbor option identified in OAR 660-024-0040(9)(a)(A).

Exhibit 25. 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) (0.86%)	HNCA Household Growth Rate (1.20%)
2026	32,741	33,165	33,168	33,509
2046	35,607	39,297	39,326	42,537
Change 2026 to 2046				
Employees	2,866	6,132	6,158	9,028
Percent	9%	18%	19%	27%
Growth Rate	0.42%	0.85%	0.86%	1.20%

Source: ECOnorthwest

The City selected a forecast based on the regional employment growth rate of 0.85% average annual growth, consistent with the safe harbor in OAR 660-024-0040(9)(a). This safe harbor allows the City to assume that the current number of jobs in Wilsonville will grow at the same rate as the regional employment growth rate from the most recent Oregon Employment Department forecast.[36]

Exhibit 26 shows projected employment growth in Wilsonville from 2026 to 2046, assuming an average annual growth rate of 0.85%. By 2046, Wilsonville is expected to have 39,297 employees which is an increase of 6,132 employees, or 18%, over the 20-year period.

This forecast assumes employment growth is also fairly consistent with Wilsonville's historical rate. It is faster than the regional growth rate in Metro's Urban Growth Report but slower than the City's projected household growth rate. The projection represents a modest and realistic pace of expansion that aligns with statewide and national trends of slower employment growth. It also reflects Wilsonville's role as a regional employment center that may grow faster than the broader Portland region because of its concentration of industrial land.

In the near term, growth over the next five to ten years is expected to occur more gradually as much of Wilsonville's industrial land is not yet development-ready and will require additional infrastructure investment. Commercial growth will depend on redevelopment opportunities in Town Center and the reuse of large vacant commercial properties such as the former Albertsons and Regal Cinema sites. It may also depend on future policy changes that allow underutilized industrial land to support a broader mix of commercial uses.

Exhibit 26. Employment Growth in Wilsonville, 2026-2046

Year	Total Employment
2026	33,165
2046	39,297
Change 2025 to 2045	
Employees	6,132
Percent	18%
Growth Rate	0.85%

Source: ECOnorthwest

[36] During the EOA process, ECOnorthwest used the OED forecast rates for the 2023-2033 period.

Allocate Employment to Different Land Use Types

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in Wilsonville will look for a variety of site characteristics, depending on the industry and circumstances. ECOnorthwest grouped employment into four broad categories of land use based on the North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.[37]

Exhibit 27 shows the expected share of employment by land use type in 2026 and the forecast of employment growth by land use type in 2046 in Wilsonville. The results assume that the share of employment in each category will remain the same.

Exhibit 27. Forecast of Employment Growth by Land Use Type, Wilsonville UGB, 2026–2046

Land Use Type	2026		2046		Change
	Employment	% of Total	Employment	% of Total	2026 to 2046
Industrial	14,292	43%	16,934	43%	2,642
Retail Commercial	2,907	9%	3,445	9%	538
Office & Commercial Services	14,549	44%	17,239	44%	2,690
Government	1,417	4%	1,679	4%	262
Total	**33,165**	**100%**	**39,297**	**100%**	**6,132**

Source: ECOnorthwest
Note: The shaded percentages denote an assumption about the future share of employment (as a percent of total) by land use type.

Estimate of Demand for Commercial and Industrial Land

This section shows demand for vacant (including partially vacant) land in Wilsonville over the 20-year period. The assumptions used in this analysis are:

- **Employment density**. Employment density, measured as employees per net acre, reflects the ratio of the number of employees to the amount of developed employment land.

  Based on an empirical evaluation of commercial and industrial zones in the City that are at or near buildout, this study assumes an average of 8.9 employees per acre for industrial land and 33.1 employees per acre for commercial land **(Exhibit 28).** Actual densities vary by specific use; for

[37] Industrial employment includes construction and agriculture; manufacturing; transportation and warehousing; and wholesale trade. Retail commercial is retail trade. Office and commercial includes information; finance and insurance; real estate; professional services; management of companies; administrative support and waste management; educational services; healthcare and social assistance; recreation; accommodation and food services; and other services. Government includes all employment at federal, state, local, and other governmental agencies.

example, a two-story commercial building may have a higher density, while a convenience store with a large parking lot may have a lower density. Using an average helps account for these variations.

- **Conversion from net to gross acres**. Employment density data is expressed in *net* acres, which exclude land for public rights-of-way. Future employment land needs should include both the land within tax lots for employment use and the land required for public rights-of-way. One way to estimate this total is to convert *net* acres to *gross* acres based on assumptions about the share of land dedicated to rights-of-way. [38] This conversion is expressed as the percentage of gross acres occupied by rights-of-way.

  Based on an empirical evaluation of Wilsonville's existing net-to-gross ratios in areas designated for and developed with industrial and commercial uses, ECOnorthwest applied a net-to-gross conversion factor of 8% for industrial land and 13% for commercial land.

Using these assumptions, the forecasted growth of 6,132 new employees will result in the following demand for vacant (and partially vacant) employment land: 321 gross acres of industrial land and 110 gross acres of commercial land.[39]

Exhibit 28. Demand for Vacant Land to Accommodate Employment Growth, Wilsonville, 2026–2046

Land Use Type	New Employment	Employees per Net Acre	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	2,642	8.9	297	321
Commercial and Retail	3,228	33.1	97.5	110
Total	**5,870**	**-**	**395**	**431**

Source: ECOnorthwest

[38] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

[39] Government employment is not included when discussing employment land demand since growth in government employment does not result directly in need for more land for public uses. For instance, schools require land based on expected growth of students in the school district or replacement of existing schools, rather than as a result of growth in government employment. Local or regional governments may grow and continue to occupy existing built space or may need land based on factors other than employment growth. In addition, government employment locates in a range of zones, including commercial, residential, public, and other zones.

Target Industries

Wilsonville's economy benefits from several advantages that help attract and support a diverse mix of industries. The City's location along I-5 at the southern edge of the Portland metro area provides easy access to the broader region, Oregon's Mid-Valley, and national and international markets through nearby highway, rail, port, and air connections. Employers can draw from a large and skilled labor force across both regions, offering a strong pool of educated workers.

Wilsonville also has vacant industrial land, including potentially large sites (if aggregated) in Basalt Creek and Coffee Creek that are recognized regionally as key areas for future employment growth. These assets, combined with the City's high quality of life, well-planned neighborhoods, parks, and community amenities, help attract and retain businesses and workers.

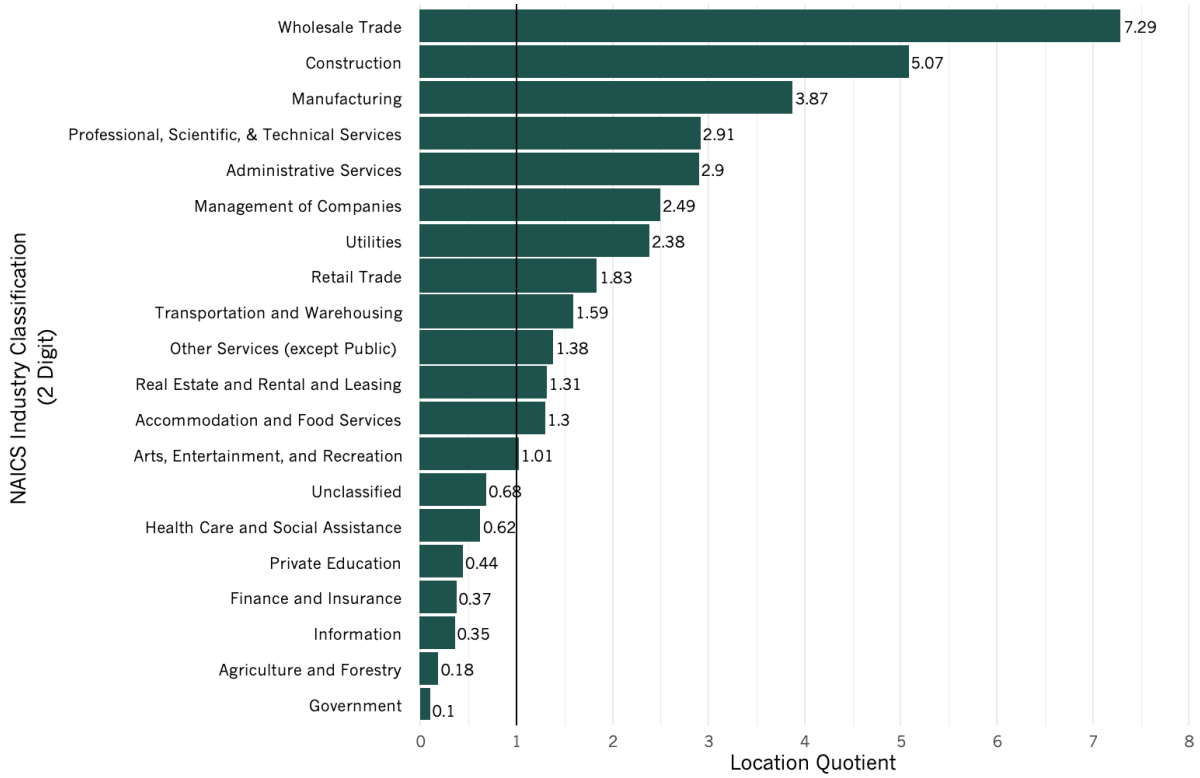
Together, these advantages have shaped an employment base with strong concentrations in wholesale trade (LQ 7.29), construction (LQ 5.07), and manufacturing (LQ 3.87) which are industries that provide higher-than-average wages.[40] For example, an LQ of 7.29 indicates that wholesale trade employment in Wilsonville is more than seven times higher than the national average. The City also shows notable specialization in professional services, administrative services, and management services, each with an LQ greater than 2.0.

By contrast, sectors such as healthcare and social assistance (LQ 0.62), educational services (LQ 0.44), finance and insurance (LQ 0.37), and information (LQ 0.35) have much lower concentrations, indicating these sectors are underrepresented in Wilsonville compared to the national average.

Exhibit 29 shows employment concentration by broad industry (2-digit NAICS) in Wilsonville compared with the United States in 2023. **Exhibit 30** provides additional detail at the 3-digit NAICS level, highlighting industries with above-average wages (light green), strong employment levels, and high location quotients that signal competitive advantage. Specialized industries in manufacturing, wholesale trade, and construction stand out as core drivers of the City's economy.

[40] A location quotient (LQ) of 1.0 indicates that the industry's share of local employment matches the U.S. average. Industries with higher concentration have more employment in Wilsonville than the national average, indicating a strength in employment in that industry. Typically, a LQ of 1.25 or greater indicates a specialization within that industry.

Exhibit 29. Employment Concentration by Industry, Wilsonville Compared to the U.S., 2023



Source: Oregon Employment Department and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2023

Exhibit 30. Concentration of Industries and Employment, Wilsonville, 2023

	High Employment (250 employees or more)	Low Employment (at least 50 employees)
▪ High Location Quotient	▪ Computer and Electronic Product Manufacturing ▪ Nonmetallic Mineral Product Manufacturing ▪ Merchant Wholesalers, Nondurable Goods ▪ Electrical Equipment, Appliance, and Component Manufacturing ▪ Machinery Manufacturing ▪ Specialty Trade Contractors ▪ Heavy and Civil Engineering Construction ▪ Motor Vehicle and Parts Dealers ▪ Merchant Wholesalers, Durable Goods ▪ Fabricated Metal Product Manufacturing ▪ Construction of Buildings ▪ Truck Transportation ▪ General Merchandise Retailers ▪ Profession, Scientific, and Technical Services ▪ Administrative and Support Services ▪ Management of Companies and Enterprises ▪ Nursing and Residential Care Facilities ▪ Accommodation	▪ Wholesale Trade Agents and Brokers ▪ Waste Management and Remediation Services ▪ Transit and Ground Passenger Transportation ▪ Plastics and Rubber Products Manufacturing ▪ Utilities ▪ Paper Manufacturing ▪ Rental and Leasing Services ▪ Religious, Grantmaking, Civic, Professional, and Similar Organizations ▪ Miscellaneous Manufacturing ▪ Support Activities for Transportation ▪ Amusement, Gambling, and Recreation Industries ▪ Repair and Maintenance ▪ Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers
Low Location Quotient	▪ Food Services and Drinking Places ▪ Ambulatory Health Care Services	▪ Warehousing and Storage ▪ Food Manufacturing ▪ Real Estate ▪ Health and Personal Care Retailers ▪ Personal and Laundry Services ▪ Food and Beverage Retailers ▪ Gasoline Stations and Fuel =Dealers ▪ Credit Intermediation and Related Activities ▪ Educational Services ▪ Social Assistance

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2023.
Note: Green highlighting indicates higher than Wilsonville's average wage.

Potential Growth Industries

An analysis of potential growth industries in Wilsonville considers two core questions: (1) Which industries are most likely to be attracted to Wilsonville? and (2) Which industries best support Wilsonville's economic development goals? The selection of growth industries is informed by the City's economic development objectives, current economic conditions in Wilsonville and the broader Portland Metro region, and Wilsonville's competitive position.

The industries identified as having potential for growth in Wilsonville are:

- **Manufacturing.** Manufacturing is a cornerstone of Wilsonville's economy, accounting for roughly **16% of total covered employment in 2023**, with average annual wages well above the citywide average. The City's location along I-5, access to a skilled regional workforce, and proximity to existing industrial areas create advantages for manufacturers seeking efficient supply chain and distribution connections. Existing manufacturing industries with strong concentrations and high levels of employment include:
  - Computer and electronic products manufacturing
  - Nonmetallic mineral products manufacturing
  - Electrical equipment and components manufacturing
  - Machinery manufacturing
  - Fabricated metal product manufacturing

  Demand for manufacturing is expected to remain strong over the next two decades, driven by national and regional trends such as reshoring of production, growth in advanced manufacturing technologies, and public and private investments in sectors like semiconductors and clean technology. Rising transportation costs, the desire for supply chain resilience, Wilsonville's location at the southern part of the Portland region, Wilsonville's supply of industrial land, and Oregon's skilled labor pool further position Wilsonville to capture a share of this growth.

  The ability to sustain and grow this sector will depend on the City's capacity to assemble large, contiguous parcels and to provide the necessary infrastructure, particularly transportation, water, wastewater, and power, to support high-intensity manufacturing operations. Phase 1 of the Wilsonville Industrial Land Readiness project identified specific growth opportunities in semiconductor supply chain industries, clean technology (cleantech) such as renewable energy and sustainable manufacturing solutions, and other advanced manufacturing niches. These industries align with national and

regional investment trends and can build on Wilsonville's existing industrial base to deliver high-wage, traded-sector jobs.

- **Wholesale Trade.** Wilsonville has an established concentration of wholesale trade businesses, including both durable and nondurable goods. These firms benefit from the City's location along I-5 and its central position between the Portland metro and Mid-Valley regions, allowing efficient service to multiple markets. Wholesale trade in Wilsonville is closely tied to the City's manufacturing base, supplying inputs and moving finished products to market. While population growth in the region may be more limited in the future, demand for wholesale activity is expected to remain stable, supported by business-to-business transactions and regional supply chain needs. Continued success in this sector will depend on the availability of sites that can accommodate operational needs while managing the challenges of congestion on I-5, which affects the efficiency of freight movement.
- **Professional, Scientific, and Technical Services.** Although the office market is adjusting to hybrid work trends, there is ongoing demand for specialized professional and technical services, particularly those that support the City's industrial and traded-sector base. This category encompasses a wide range of activities, including professional consulting, engineering, scientific research, testing, and advanced technology services. In Wilsonville, it includes both traditional office-based firms and innovation-oriented businesses such as life sciences and R&D operations that often locate near industrial clusters. Future growth is most likely in flexible, smaller-scale office or lab-flex spaces located near industrial areas or in mixed-use environments such as Town Center.
- **Local Services and Retail.** As Wilsonville's population and employment base grow, demand will increase for a variety of resident-serving businesses. These include retail stores, restaurants, medical and dental offices, childcare providers, personal services, and other neighborhood-oriented establishments. Such services contribute to quality of life, provide everyday convenience, and support the City's attractiveness as a place to live and work.

  Services for residents also present opportunities for entrepreneurship and small business development. The City has expressed particular interest in attracting small-scale, distinctive retailers and restaurants that can help differentiate Wilsonville's commercial areas, especially in Town Center, from those in surrounding communities. While many of these businesses are locally serving and offer lower average wages than traded-sector industries, they play a vital role in meeting community needs and fostering a vibrant local economy.

Site Needs for Potential Growth Industries

OAR 660-009-0015(2) requires the EOA to "identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses." The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

OAR 660-009-0015(2) does state that "industrial or other employment uses with compatible site characteristics may be grouped together into common site categories." The rule suggests, but does not require, that the City "examine existing firms in the planning area to identify the types of sites that may be needed." For example, site types can be described by (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Wilsonville groups its future employment uses into categories based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

The potential growth industries described in the prior section are a mixture of business sizes, which will require a mixture of site sizes. **Exhibit 31** shows the typical site needs for industrial businesses in Oregon.

Exhibit 31. Industrial Development Competitiveness Matrix, Business Oregon

INDUSTRY SECTOR	SITE SIZE (ACRES)	SITE TOPOGRAPHY (SLOPE)	TRIP GENERATION (ADT/ACRE)	SITE ACCESS (MAX DISTANCE IN MILES TO INTERSTATE OR MAJOR ARTERIAL)	RAILROAD OR PORT ACCESS	ELECTRICITY REQUIREMENTS
Clean-Tech Manufacturing	5-100+	0-5%	40 to 80	w/in 10	Preferred	4-6 MW
Heavy Industrial/Manufacturing	10-100+	0-5%	40 to 60	w/in 10	Preferred	2 MW
Food Processing	5-25+	0-5%	50 to 65	w/in 30	Preferred	2-6 MW
Advanced Manufacturing & Assembly	5-25+	0-7%	30 to 60	w/in 15	Not Required	1-2 MW
General Manufacturing	5-15+	0-5%	30 to 50	w/in 20	Preferred	0.5 MW
Business Park and R&D Campus	20-100+	0-7%	60 to 150	N/A	Preferred	0.5-1.5 MW
Business Admin Services	5-15+	0-12%	170 to 180	N/A	Not Required	0.5 MW
Regional Warehouse/Distribution	20-100+	0-5%	20 to 80	w/in 5 (only interstate or equivalent)	Preferred	1 MW
Local Warehouse / Distribution	10-25+	0-5%	20 to 80	w/in 5 (only interstate or equivalent)	Preferred	1 MW
UAV Manufacturing/Research	10-25+	0-7%	30 to 50	N/A	Not Required	0.5 MW
Data Center	10-50+	0-7%	20 to 30	w/in 30	Avoid / Not Required	5-100 MW
Rural Industrial	10-50+	0-5%	30 to 50	w/in 60	Preferred	1 MW

Source: Business Oregon, Infrastructure Finance Authority, "Industrial Development Competitiveness Matrix." Note: Items identified as "preferred" are those that increase the feasibility of the subject property and its future reuse. Items identified as "required" are factors seen as mandatory in a majority of cases and have become industry standards.

Potential growth industries in Wilsonville will require a variety of building and site types depending on their operational needs, ranging from existing multi-tenant industrial space to large, development-ready sites for single users or business parks. Manufacturing and other industrial businesses likely to locate in Wilsonville will have diverse space needs, ranging from:

- **Existing industrial and flex space.** The majority of demand is for space in existing industrial or flex buildings that can accommodate immediate occupancy. These spaces typically serve small and mid-sized businesses, such as suppliers, logistics firms, manufacturers, and service providers, that benefit from shared facilities, lower upfront costs, and proximity to arterial corridors and other industrial users.
- **Small-scale development sites (1 to 5 acres).** Small-scale sites are typically occupied by contractors, specialized manufacturers, and service-oriented businesses that want ownership of their building and yard space. Development is usually owner-driven or by small developers constructing single buildings. These projects often feature limited office space with outdoor storage or yard areas and need convenient access to major roads and utilities.
- **Mid-sized development sites (5 to 25 acres).** Mid-sized sites accommodate larger industrial users or single-tenant buildings developed for manufacturing, assembly, or distribution. These sites can also support smaller industrial parks with multiple buildings and tenants. These sites generally require strong highway access and high-capacity infrastructure such as water, wastewater, and power to support a range of business operations.
- **Large industrial or manufacturing sites (25 acres or more).** Large-scale users, including manufacturers, logistics centers, or industrial business park and research campuses, require sites of 25 acres or more that are fully serviced and have direct access to the regional transportation network. These properties are typically developed as single-user, build-to-suit projects or as master-planned business parks designed to accommodate multiple large users. They require substantial infrastructure capacity and strong highway access. Given infrastructure and land-readiness constraints, these sites are limited in Wilsonville and throughout the region.

Commercial development in Wilsonville includes a broad mix of uses such as retail stores, restaurants, entertainment venues, offices, personal and professional services, and hospitality establishments. These businesses depend on locations with convenient access to customers, nearby neighborhoods, and other businesses. Much of Wilsonville's opportunity for new commercial development lies in the redevelopment and reuse of existing commercial properties.

- **Space in existing buildings (multi-tenant and standalone).** Many retail, restaurant, office, and service-oriented businesses prefer space in existing shopping centers, mixed-use developments, or other multi-tenant buildings. Some users, such as grocery stores, fitness centers, offices, and larger restaurants, occupy standalone buildings developed on individual sites or as part of larger centers.
- **Land for custom development (1 to 5 acres).** A smaller number of businesses, including hotels, larger retailers, larger restaurants, medical or professional offices, and auto-related services, require land for a purpose-built facility. These users typically seek one- to five-acre sites in areas with strong transportation access and available infrastructure to support higher customer traffic.

4. Buildable Lands Inventory

The **Buildable Lands Inventory (BLI)** identifies commercial and industrial lands available for employment-related development within the Wilsonville area. This area includes the City limits and Wilsonville's City limits and Wilsonville's portion of the Metro UGB.[41]

The inventory is sometimes characterized as the *supply* of land available to support future employment growth. The amount of land needed to accommodate anticipated growth, often referred to as *demand* for land, depends on the type of employment-related development and other factors.

This section summarizes the results of the commercial and industrial buildable lands inventory for the Wilsonville City limits and UGB area. The analysis, conducted by ECOnorthwest, is based on GIS data from the City of Wilsonville, Metro, and the State of Oregon. City staff reviewed the findings.

The BLI process includes the following steps:

1. Generate Study Area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify the inventory results
5. Tabulate and map results

The remainder of this section presents the results of the BLI in both tabular and map formats. Appendix A provides a detailed explanation of the inventory methodology.

[41] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the City.

Land Base

The land base for the BLI includes all tax lots within the Wilsonville City limits and UGB area that fall under comprehensive plan designations that allow for employment. **Exhibit 32** provides a breakdown of the land base by Wilsonville Comprehensive Plan designation within Wilsonville.

Exhibit 32. Employment Land Base by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
Commercial	297	32%	224	8%
Industrial	526	56%	1,819	63%
Town Center	57	6%	136	5%
Public	33	4%	480	17%
Undesignated	24	3%	216	8%
Total	**937**	**100%**	**2,876**	**100%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis because several tax lots have multiple plan designations on the tax lot.

Buildable Area Status

Exhibit 33 summarizes the total acres of commercial and industrial tax lots, classified by buildable area status. ECOnorthwest used a rule-based classification (described in Appendix B) to determine the initial development status. These classifications were then confirmed through a series of reviews by ECOnorthwest and City staff, based on local knowledge and review of aerial maps.

Exhibit 33. Employment Acres by Classification and Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Acres	Developed Acres	Constrained Acres	Buildable Acres
Commercial	224	194	25	4
Industrial	1,819	1,005	506	308
Town Center	136	125	2	9
Public	480	336	144	0.1
Undesignated	216	67	104	45
Total	**2,876**	**1,729**	**782**	**366**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Development Constraints

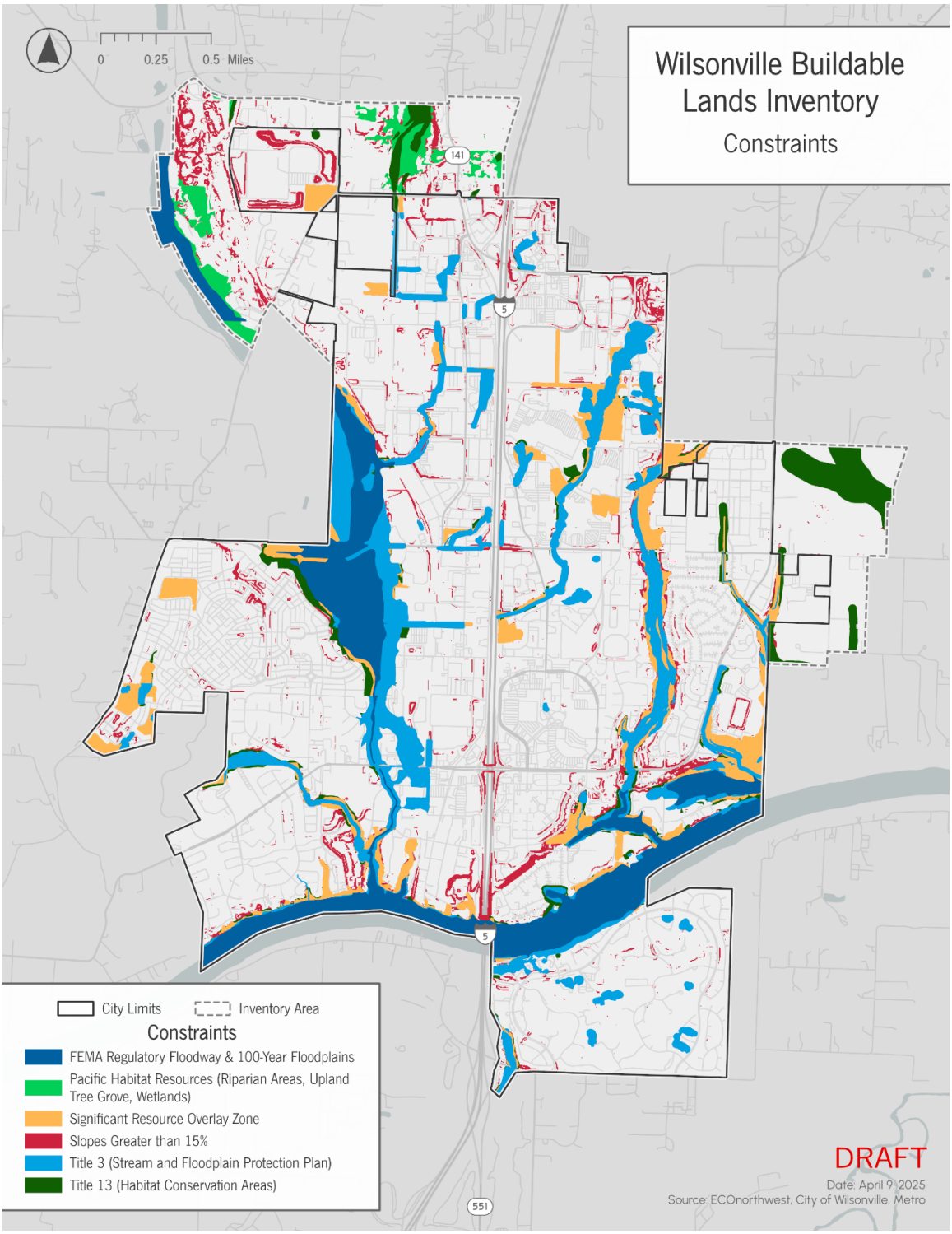
The BLI identifies the following conditions as constraints that prohibit development. These constraints are shown in Figure 1:

- FEMA 100-Year Floodplains and Regulatory Floodway
- High or very high landslide susceptibility
- Slopes greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)
- Significant Resource Overlay Zone (SROZ)
- Natural Resource Areas (riparian areas, upload tree groves, or wetlands) identified by Pacific Habitat Services in the Basalt Creek area

Figure 2 shows buildable area status with constraints applied, resulting in buildable acres. Land classified as vacant or partially vacant and affected by these constraints is deemed unavailable for development and has been excluded from the inventory of buildable land.

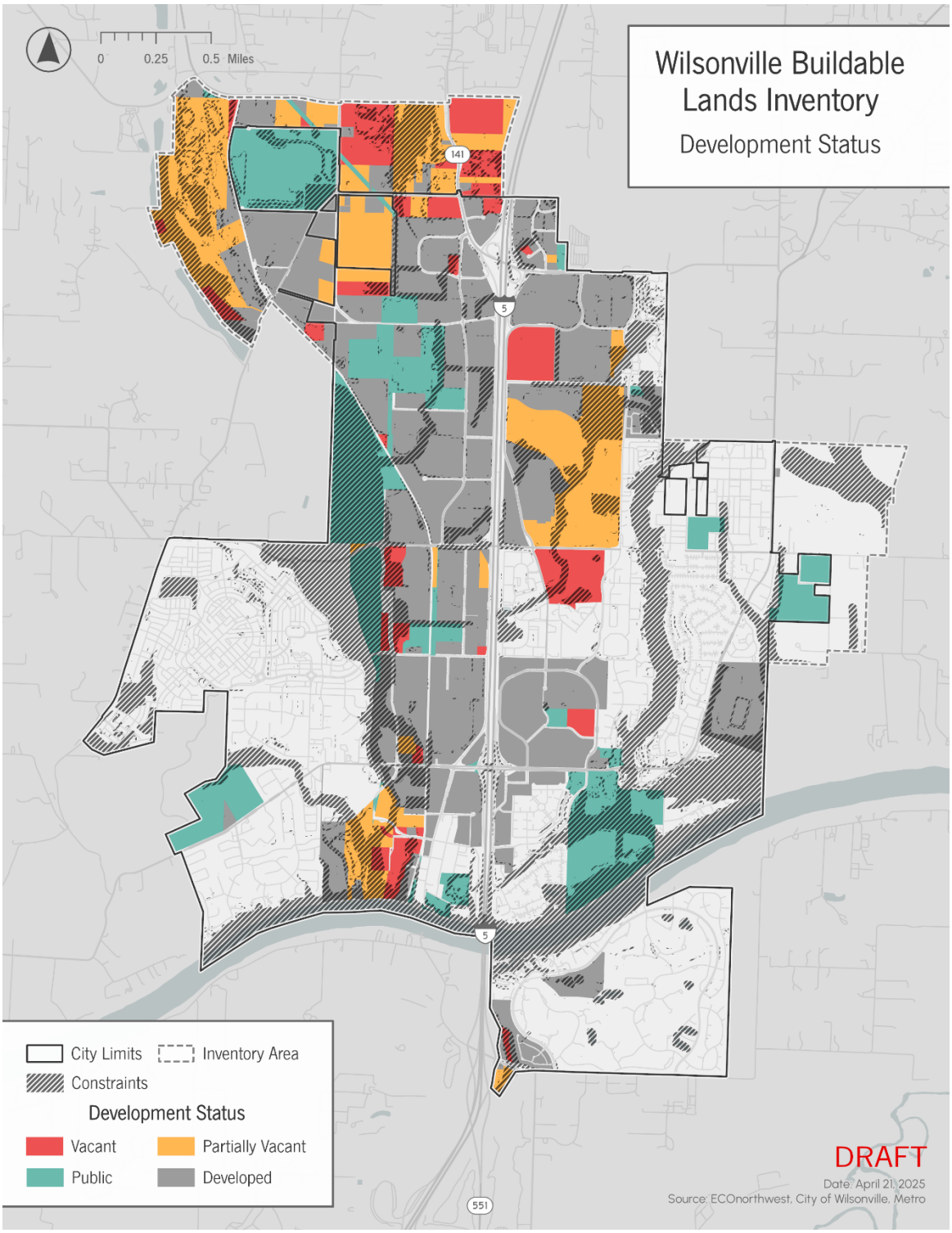
It is important to note that tax lots shown as partially vacant in the map do not distinguish the part of the tax lot that is unavailable for development. However, the buildable lands inventory database accounts for these distinctions.

Exhibit 34. Development Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Exhibit 35. Buildable Area Status with Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Vacant Buildable Land

The next step in the BLI involved removing portions of vacant and partially vacant tax lots deemed unsuitable for development. Unsuitable areas fall into two categories:

1. Developed portions of partially vacant tax lots.
2. Areas affected by physical constraints (i.e., areas within wetlands, floodplains, steep slopes, etc.).

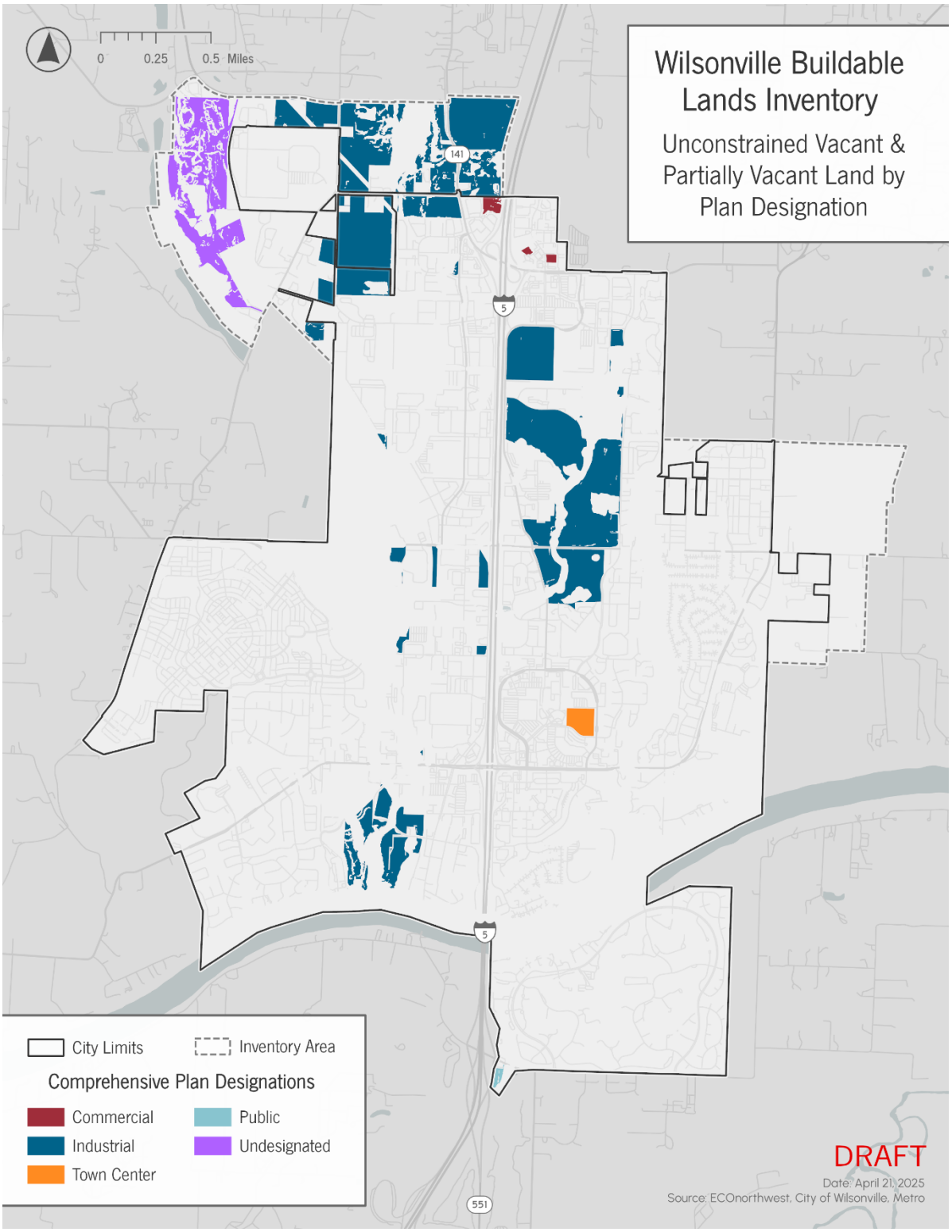
Exhibit 36 presents the total buildable acres by Comprehensive Plan designation after these constraints have been deducted. This includes both vacant and partially vacant lands in the Wilsonville City limits and UGB area. Figure 3 shows a map of the buildable commercial and industrial lands within the Wilsonville City limits and UGB area, also categorized by Comprehensive Plan designation. Overall, the Wilsonville City limits and UGB area contains 366 total buildable acres available for future development.

Exhibit 36. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 37. Buildable Employment Land by Plan Designation, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 38 shows the size of lots by plan designations for buildable employment land.

Exhibit 38. Acres of Land and Number of Tax Lots by Plan Designation, Buildable Acres, Wilsonville City limits and UGB area, 2025

Plan Designation	Buildable Sites Size						
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres
	Acres of Land by Plan Designation						
Commercial	0.3	1	-	3	-	-	-
Industrial	4	9	23	90	118	-	64
Town Center	-	-	2	-	7	-	-
Public	0.1	-	-	-	-	-	-
Undesignated	-	1	2	3	26	13	-
Acreage Total	**5**	**11**	**26**	**97**	**151**	**13**	**64**
	Number of Tax lots by Plan Designation						
Commercial	1	1	-	1	-	-	-
Industrial	16	12	15	28	16	-	2
Town Center	-	-	1	-	1	-	-
Public	1	-	-	-	-	-	-
Undesignated	-	2	1	1	3	1	-
Tax Lot Total	**18**	**15**	**17**	**30**	**20**	**1**	**2**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Short-term Land Supply

This section reviews Wilsonville's short-term supply of employment land within the context of state policy requirements.

Policy Context

The Goal 9 Administrative Rule (OAR 660-009) includes provisions that require certain cities to ensure an adequate short-term supply of industrial and other employment lands. OAR 660-009- 005(10) defines short term supply as follows:

> "...means suitable land that is ready for construction within one year of an application for a building permit or request for service extension. Engineering feasibility is sufficient to qualify land for the short-term supply of land. Funding availability is not required. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses." ∂

The Goal 9 rule also requires cities in a Metropolitan Planning Organization (MPO, which includes Wilsonville) to make a commitment to provide a competitive short-term

supply of land and establishes targets for the short-term supply of land. Specifically, OAR 660-009-0020(1)(b) states:

> "Cities and counties within a Metropolitan Planning Organization must adopt a policy stating that a competitive short-term supply of land as a community economic development objective for the industrial and other employment uses selected through the economic opportunities analysis pursuant to OAR 660-009-0015."

The rule goes on to clarify short-term land supply targets for cities in an MPO (OAR 660-009- 0025):

> (3) Short-Term Supply of Land. Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. Cities and counties may maintain the short-term supply of land according to the strategies adopted pursuant to OAR 660-009-0020(2).
>
> (a) Except as provided for in subsections (b) and (c), cities and counties subject to this section must provide at least 25% of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.
>
> (b) Affected cities and counties that are unable to achieve the target in subsection (a) above may set an alternative target based on their economic opportunities analysis. ECONorthwest Chapter 2: Buildable Lands Inventory 2–21
>
> (c) A planning area with 10 percent or more of the total land supply enrolled in Oregon's industrial site certification program pursuant to ORS 284.565 satisfies the requirements of this section.

In summary, the rule requires Wilsonville to assess the short-term supply of employment land based on the criteria that land can be ready for construction within one year. The determination is based on "engineering feasibility."

Analysis of Short-term Supply of Land

City of Wilsonville staff used the results of the buildable lands inventory to identify commercial and industrial sites that meet the definition of short-term supply. Short-term land supply includes all sites within Coffee Creek and all lands located south of SW Day Road and/or within City limits.

In Basalt Creek, the area along and immediately south of SW Day Road represents the primary corridor for near-term development. These properties are considered part of the short-term supply because of their access to existing utilities and proximity to City limits. Sites in the northern portion of Basalt Creek were excluded due to utility constraints that may take longer to address, meaning development could extend beyond one year from the time a building permit is submitted. The West Railroad area of Basalt Creek is not considered short-term.

Overall, Wilsonville has 13 acres of commercial land (across 7 sites) and 200 acres of industrial land (across 59 sites) in the short-term supply. In comparison to all unconstrained vacant and partially vacant commercial and industrial land (from **Exhibit 36**) 100% of Wilsonville's commercial land (including Town Center) is in the short-term supply and 57% of industrial land (including land identified as undesignated) is in the short-term supply.

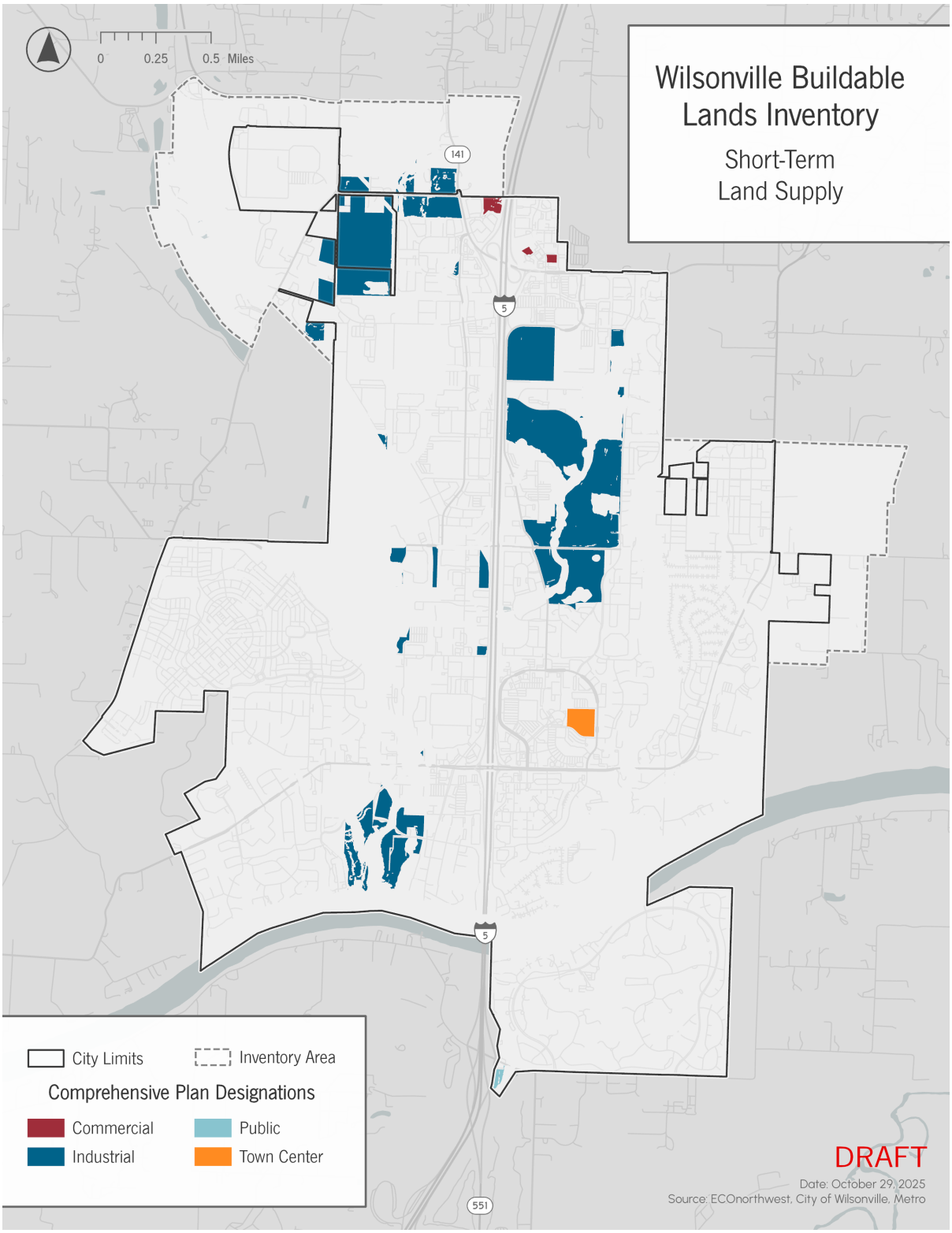
Exhibit 39 shows the short-term supply of employment land by plan designation. **Exhibit 40** shows a map of Wilsonville's short-term land supply.

Exhibit 39. Short-term Supply of Employment Land, Wilsonville City Limits and UGB Area, 2025

Plan Designation	Unconstrained Land		Short-Term Land Supply		
	Acres	Sites	Acres	Sites	Share of Unconstrained Acres
Commercial	**13**	**7**	**13**	**7**	**100%**
Commercial	4	5	4	5	100%
Town Center	9	2	9	2	100%
Industrial	**353**	**113**	**200**	**59**	**57%**
Industrial	308	98	200	59	65%
Undesignated	45	15	-	-	0%
Total	**366**	**120**	**213**	**66**	**58%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 40. Short-term Supply of Employment Land, Wilsonville City Limits and UGB Area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

5. Land Sufficiency and Conclusions

This chapter presents conclusions about Wilsonville's employment land sufficiency for the 2026–2046 period, as well as recommendations for the City to consider for meeting its economic growth needs throughout the planning period.

Land Sufficiency

Exhibit 41 shows commercial and industrial land sufficiency within Wilsonville. It shows:

- **Vacant unconstrained land within Wilsonville's Planning Area**. This land is identified and discussed in detail in the Vacant Buildable Land section of this report. Using data from that section, **Exhibit 41** shows that Wilsonville has 353 gross acres of vacant industrial land and 13 gross acres of vacant commercial land available for development.
- **Demand for commercial and industrial land.** The Estimate of Demand for Commercial and Industrial Land section of this report describes the methodology used to identify demand. Based on assumptions described in that section, Wilsonville will need a total of 321 gross acres for industrial uses and 110 gross acres for commercial uses over the 2026-2046 period (**Exhibit 28**).
- **Land sufficiency.** When subtracting the demand for land from the supply of vacant unconstrained land, **Exhibit 41** shows that Wilsonville has:
  - A 32-acre surplus of industrial land, and
  - A 47-acre deficit of vacant unconstrained commercial land after accounting for near-term redevelopment and reuse opportunities.

  As described below, Wilsonville has several opportunities to increase the efficiency and intensity of development on existing commercial land, which will help meet the City's projected commercial land needs during the planning period.

Exhibit 41. Comparison of the Capacity of Unconstrained Vacant Land with Employment Land Demand by Land Use Type, Wilsonville, 2026-2046

Comprehensive Plan Designation	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Redevelopment & Reuse Potential (Gross Acres)	Land Sufficiency (Gross Acres)
Industrial & Undesignated	353	321	N/A	32
Commercial & Town Center	13	110	50	(47)

Source: ECOnorthwest
Note: Redevelopment and reuse potential reflect known near-term opportunities in Town Center and reuse of large vacant sites such as the former Rite Aid, Albertsons, Regal Cinema, and Fry's Electronics properties. ECO did not model redevelopment of industrial sites, as the City has a surplus of industrial land within the planning period.

The target industries identified for Wilsonville include a mix of manufacturing, wholesale trade, and construction businesses, along with retail and commercial services that serve residents and employees (see *Potential Growth Industries*). Site needs for these industries range from space in existing buildings and redevelopment opportunities to large industrial sites of 25 acres or more for manufacturing and distribution (see *Site Needs for Potential Growth Industries*).

Exhibit 38 shows the following characteristics of Wilsonville's vacant, buildable employment land supply:

- **80 sites** smaller than 5 acres, including four in the commercial or Town Center designation and the remainder designated for industrial use
- **21 sites** ranging from 5 to 25 acres, with one in the Town Center designation and the rest industrial
- **2 industrial sites** between 25 and 50 acres, totaling 64 acres

Meeting future commercial land needs will depend primarily on redevelopment, particularly within Town Center. Based on this information and the analysis in **Exhibit 41**, Wilsonville has sufficient land to accommodate projected industrial growth but faces a limited supply of vacant commercial land. The City can address this gap through redevelopment, reuse of existing buildings, and targeted policy changes.

Town Center is a key redevelopment area, particularly for smaller, experience-based retail and food and beverage businesses. Several large vacant buildings, including the former Rite Aid, Albertsons, Regal Cinema, and Fry's Electronics, also offer opportunities for reuse to meet commercial needs. In addition, the City is evaluating whether certain industrial areas could support more commercial activity through zoning or policy adjustments.

Although Wilsonville has sufficient industrial land overall, much of it consists of small parcels under five acres. Assembling larger sites, either by the City or by the private sector will be important to meeting the needs of future industrial users and supporting long-term employment growth.

Conclusions

- **Wilsonville is forecasted to grow in both the commercial and industrial employment sectors.** Wilsonville is planning for growth of 6,132 new jobs in the City over the 2026 to 2046 period. About 2,642 of the jobs will be industrial, 2,690 of the jobs will be in office and commercial services, and 538 in retail. Growth of these jobs will result in demand for about 321 gross acres of industrial land and 110 gross acres of commercial land.
- **Wilsonville has a sufficient supply of industrial land to accommodate projected employment growth.** The City has approximately 353 acres of vacant, buildable industrial land compared with a forecasted demand of 321 acres, resulting in a small surplus of 32 acres.
- **Much of Wilsonville's industrial land is not development ready.** Most of the City's industrial supply is concentrated in the Coffee Creek and Basalt Creek planning areas. Coffee Creek benefits from an established Urban Renewal District that funds infrastructure improvements and enhances site readiness. In contrast, Basalt Creek faces similar challenges, including fragmented ownership, smaller parcel sizes, existing contractor establishments, and limited urban infrastructure such as water, sewer, and improved road access, but without the benefit of urban renewal. Wilsonville has about 80 vacant industrial sites that are smaller than five acres, totaling roughly 140 acres. Assembling larger, contiguous parcels and continuing infrastructure investment will be essential to unlocking Wilsonville's full industrial potential and supporting higher-intensity employment uses.
- **Wilsonville has limited vacant commercial land but strong redevelopment potential.** The City currently has about 13 acres of vacant, buildable commercial land compared to a forecasted need of 110 acres, creating a shortfall of about 97 acres. However, much of this future demand can be met through redevelopment and targeted policy adjustments. Town Center is the City's primary opportunity for new commercial and mixed-use growth, particularly for experience-based retail, food, and beverage businesses. Several large vacant buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, offer near-term opportunities for reuse or redevelopment. Together, these known sites account for about 50 acres of redevelopment potential. The City is also exploring whether certain industrial

areas could accommodate commercial uses through zoning or policy updates. These strategies will be important for maintaining a balanced employment land supply and supporting Wilsonville's long-term economic growth.

- **Wilsonville's average wages are higher than the regional average.** Wilsonville's average annual wage is approximately $78,235 compared with $76,066 for the Portland region. The City's employment base includes a concentration of higher-wage sectors such as manufacturing, wholesale trade, and construction. This distinguishes Wilsonville from nearby communities, where average wages tend to be lower. Potential growth industries in Wilsonville generally provide above-average wages, with the exception of resident- and visitor-oriented services such as retail, food services, and accommodation.
- **Wilsonville's economic outlook is strong.** The City's opportune location along the I-5 corridor, access to regional labor markets, and industrial land supply provide a solid foundation for continued economic growth. Ongoing investment in site readiness, infrastructure, and redevelopment will be essential to maintaining Wilsonville's position as a leading employment center in the Portland metro region.

Relationship to the Economic Development Strategy

The EOA establishes the technical foundation for understanding Wilsonville's employment land capacity and economic growth potential. The accompanying Wilsonville EDS builds on these findings to identify how the City can act on them.

While the EOA evaluates land supply, site readiness, and industry trends, the EDS focuses on implementation. It translates these findings into goals, policies, and actions that address key challenges such as limited development-ready industrial land and the need for redevelopment in Town Center.

Together, the EOA and EDS provide a coordinated framework for guiding Wilsonville's economic growth. The EOA defines the City's land needs and economic opportunities, and the EDS outlines the steps necessary to achieve them through targeted investment, policy updates, and partnerships. The EDS is presented as a separate companion document.

Appendix A. National, State, 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.[42]

- **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. [43] Over the long term, Oregon's manufacturing sector has experienced stronger growth than the nation. Since

[42] 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
[43] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.

reaching its lowest employment level in 2010, manufacturing employment in Oregon increased by 15% through 2023, compared to 13% nationally.[44]

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%.[45] 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.[46]

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.[47] 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.[48]

- **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.[49] Core export sectors, including semiconductors, machinery, transportation equipment, and agricultural products, are especially vulnerable to global market disruptions.

  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.[50] This creates a heightened risk that disruptions with any one

[44] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.
[45] Oregon Employment Department, Made in Oregon: A profile of the State's Manufacturing Sector, May 2024.
[46] 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.
[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] Ibid
[50] Ibid

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.[51] 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.[52]
- **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.[53,54] The U.S. Government Accountability Office (GAO) reports that automation could be widespread, with anywhere from 9% to 47% of jobs being automated in the future according to academic research.[55]

  The GAO identified that jobs requiring a blend of soft skills (management, interpersonal), process skills, and technical expertise face lower automation

[51] 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
[52] Ibid
[53] 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
[54] 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
[55] Government Accountability Office, Workforce Automation, August 2023, https://www.gao.gov/assets/gao-22-105159.pdf

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.[56] 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.[57]

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.[58] Higher interest rates have also reduced property valuations, complicating the ability of developers to secure construction financing and attract equity investments.[59] 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.[60] This trend has contributed to ten consecutive quarters of negative net absorption and a national reduction of 18.2 million square feet in occupied office space.[61] Office construction has slowed substantially with the development pipeline down 67% since early 2020.[62] While high-quality office spaces in prime locations continue to

[56] Government Accountability Office, Workforce Automation, August 2023.
[57] Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.
[58] If developers take on debt to finance a project, the longer they take to repay the loan, the more interest will accrue.
[59] In addition to loans, developers will typically finance projects in part with equity investments, in which investors become shareholders in the project.
[60] BLS, American Time Use Survey, 2025; does not differentiate between part- and full-time workers
[61] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024
[62] Ibid

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.[63] Investment interest in traditional office properties remains weak, though medical office space shows strong prospects.[64]

- **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.[65]
- **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."[66]

  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.[67] Despite slowing, rent growth continues at 3.7% year-over-year.[68] 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.[69] Looking ahead, the sector is expected

[63] Cushman & Wakefield, U.S. Office Marketbeat Q2 2024
[64] Urban Land Institute 2024 Emerging Trends in Real Estate, United States and Canada
[65] Cushman & Wakefield Q4 2024 U.S. Retail MarketBeat report
[66] Urban Land Institute 2024 Emerging Trends in Real Estate, United States and Canada
[67] Cushman & Wakefield, Industrial Marketbeat Q2 2024 U.S. National Industrial Report
[68] Ibid
[69] Ibid

to stabilize, with sustained demand driven by reshoring, e-commerce, and evolving supply chain strategies.[70] 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.[71]

  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.[72] The sectors expected to grow the fastest are healthcare support, computer and mathematical occupations, healthcare practitioners, and community and social service.[73]

- **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-stage

[70] JLL, Q1 2024 Industrial Outlook
[71] 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
[72] Bureau of Labor Force Occupational Separations and Openings, 2023-2032 https://www.bls.gov/emp/tables/occupational-separations-and-openings.htm
[73] Bureau of Labor Statistics Employment Projections – 2023-2032, September 2023 https://www.bls.gov/news.release/pdf/ecopro.pdf

entrepreneurship activity, as measured by the Kauffman Early-Stage Entrepreneurship (KESE) Index, ranked 25th in the country in 2020. [74,75]

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.[76] 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).[77]

- **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.[78] 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

[74] Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Early-Stage Entrepreneurship. The Kauffman Index, Oregon. https://indicators.kauffman.org/.
[75] 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.
[76] 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/
[77] 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/
[78] 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

easily, retailers must be nimble and able to adjust to the changing needs of their customers if they are to remain competitive.

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.[79]

- **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.[80] 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.[81] 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.[82] 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

[79] 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

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

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

[82] Oregon Office of Economic Analysis, Downtown Recoveries 2023 Update, https://oregoneconomicanalysis.com/2023/07/18/downtown-recoveries-2023-update/

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 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.[83]

- **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.[84] 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.[85]

  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.[86] The share of electric vehicles is expected to grow from less than 6% in 2023 to 19% in 2050.[87] 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

[83] 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.

[84] Energy Information Administration, Inflation Reduction Act of 2023

[85] Energy Information Administration, Inflation Reduction Act of 2023

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

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

barriers to efficiency upgrades and tend to have longer commutes, which may force them to face the brunt of rising energy prices.

- **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.[88] In December 2024 the annual inflation rate was 2.9%, a marked reduction from the 2022 inflation rate.[89] 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.[90] 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.[91] 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.[92] 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:

[88] 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*).
[89] 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
[90] Oregon Economic Analysis, Oregon Economic and Revenue Forecast, March 2024. Vol. XLIV, No. 1.
[91] https://www.ncei.noaa.gov/access/monitoring/monthly-report/national/202106/supplemental/page-6.
[92] https://www.ncei.noaa.gov/access/billions/#:~:text=Menu-,Overview,376%20events%20exceeds%20%242.655%20trillion.

- **Increased average annual day and nighttime temperatures.** If greenhouse gas (GHG) emissions continue at the current rate, temperatures in Oregon are projected to rise approximately 5°F by the 2050s and 8.2°F by the 2080s.[93] 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.[94] Drought conditions can reduce surface water availability, reduce hydropower generation, and reduce recreational activities.[95]
- **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.[96,97]
- **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 have increased.
- **More days of poor air quality from wildfire smoke.** In 2021, people in Deschutes County, Klamath County, and Jackson County experienced 83

[93] 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.

[94] WASHINGTON Assessment work. TBD.

[95] 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

[96] 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

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

days of air quality at or above unhealthy levels for sensitive groups due to wildfire smoke.[98]

- **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.[99] 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.[100] A study by the Washington State Department of Agriculture found that a drought in 2015 caused $633 to $773 million in agricultural losses.[101] 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

[98] 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.

[99] https://express.adobe.com/page/C5CQaxjHUmGQ7/

[100] 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

[101] 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.

commercial fishing revenue.[102] Tribes are often disproportionately impacted, accounting for half of fishery loss requests and experiencing losses from Dungeness crab fisheries. [103,104]

- **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."[105] 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.[106] 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.

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[102] 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

[103] 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

[104] 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

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

[106] 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

- **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, Washington, and a Portland streetcar cable melted.[107] 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).[108] 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.

[107] https://www.npr.org/2021/06/29/1011269025/photos-the-pacific-northwest-heatwave-is-melting-power-cables-and-buckling-roads
[108] 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 42**), exceeding both the Portland region's and Oregon's growth rates during the same time (1.0% and 0.9%, respectively).

Exhibit 42. 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).[109] 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 after

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

age 65, an increased demand for healthcare services, and a larger portion of the federal budget dedicated to Social Security and Medicare.[110]

Exhibit 43 through **Exhibit 46** 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 43. Median Age, Wilsonville, Clackamas County, Washington County and Oregon, 2010 to 2019–2023

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

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

[110] 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 44. Wilsonville Population Change by Age Group, 2010 to 2019–2023

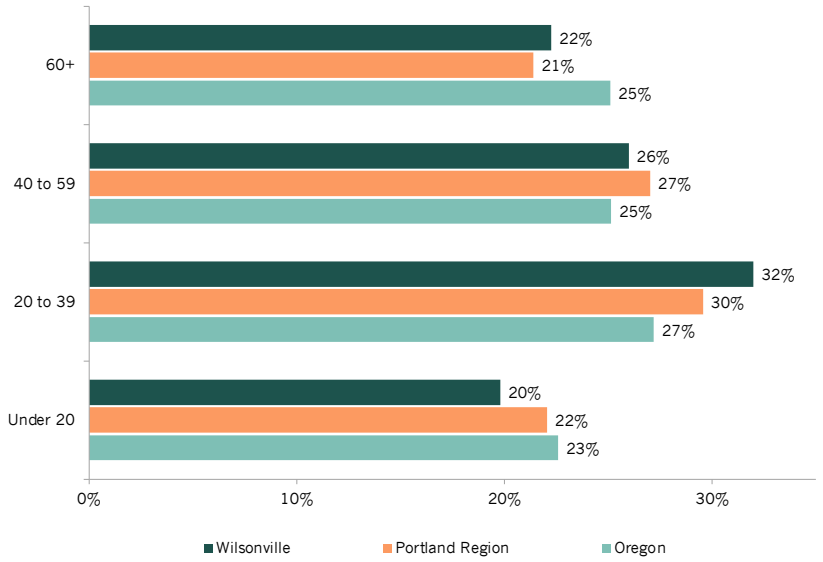
Source: U.S. Census Bureau, 2010 Summary File P12; American Community Survey 2019-2023 5-Year Estimates, Table B01001.

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.

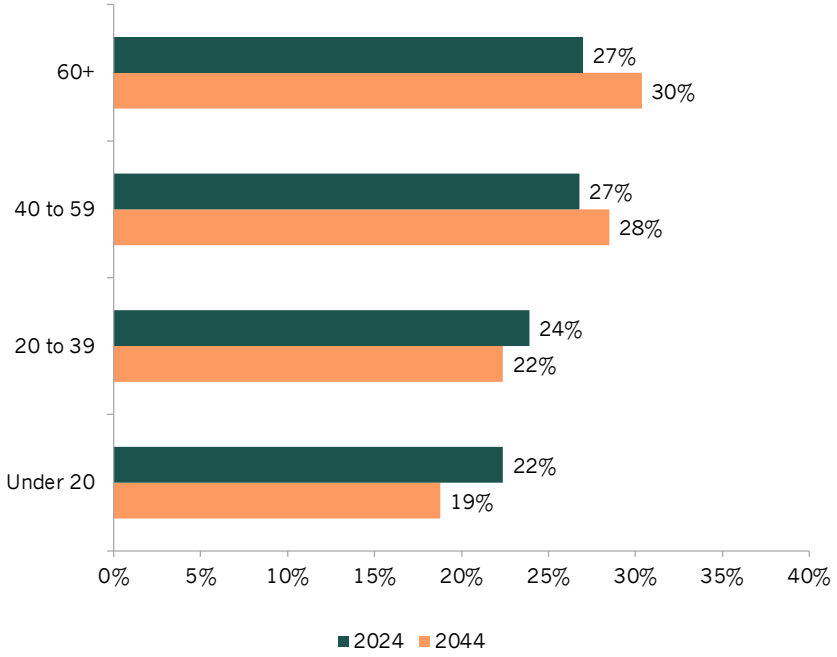
Exhibit 45. Population Distribution by Age, Wilsonville, Portland Region, and Oregon, 2019–2023



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 46. 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.[111] 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.

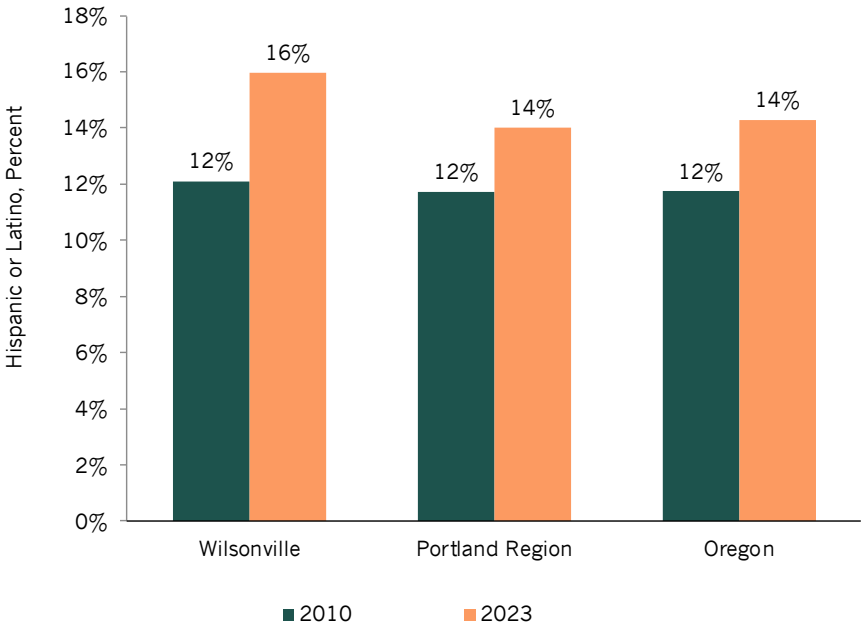
Exhibit 47 and **Exhibit 48** show the change in the share of Hispanic and Latino and people of color in Wilsonville compared to the Portland region and Oregon between 2010 and 2023. The group with the largest share of people of color in 2023 is two or more races, representing 15% and 11% of Wilsonville's and the Portland region's total populations, respectively.

[111] 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 47. Hispanic or Latino Population as a Percentage of the Total Population, Wilsonville, Portland Region, and Oregon, 2010, 2019–2023

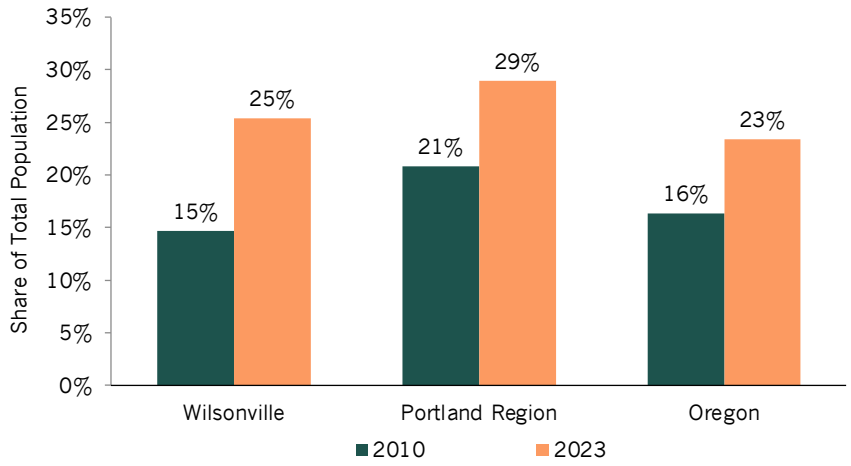


Source: U.S. Census Bureau, 2010 Decennial Census, Table P0008; 2019–2023 American Community Survey, 5-Year Estimates, Table B03002.

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 48. 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.

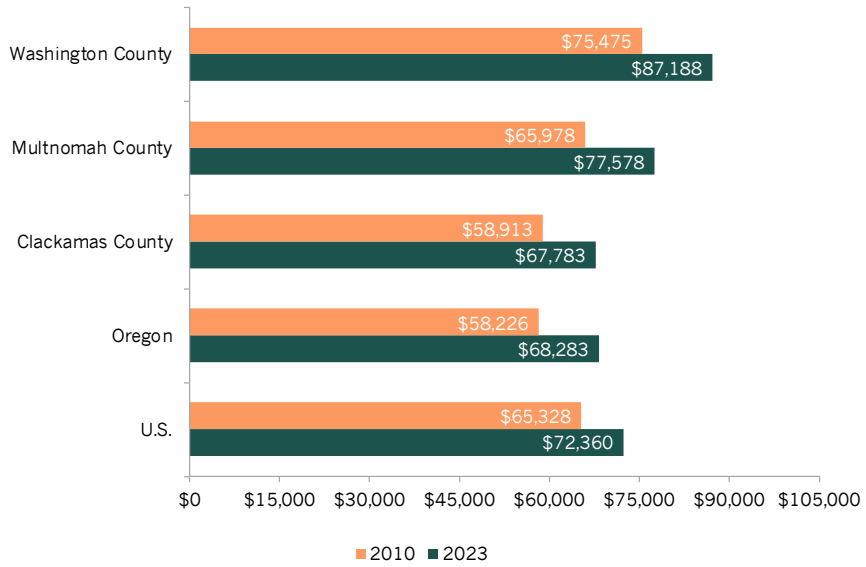
Average wages at businesses in Washington and Multnomah counties exceeded the Oregon average of $68,283, while Clackamas County's average wage was roughly in line with the state average.

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 49. 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 50. Median Household Income (MHI),[112] 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.

[112] 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 51. Median Family Income,[113] 2019–2023

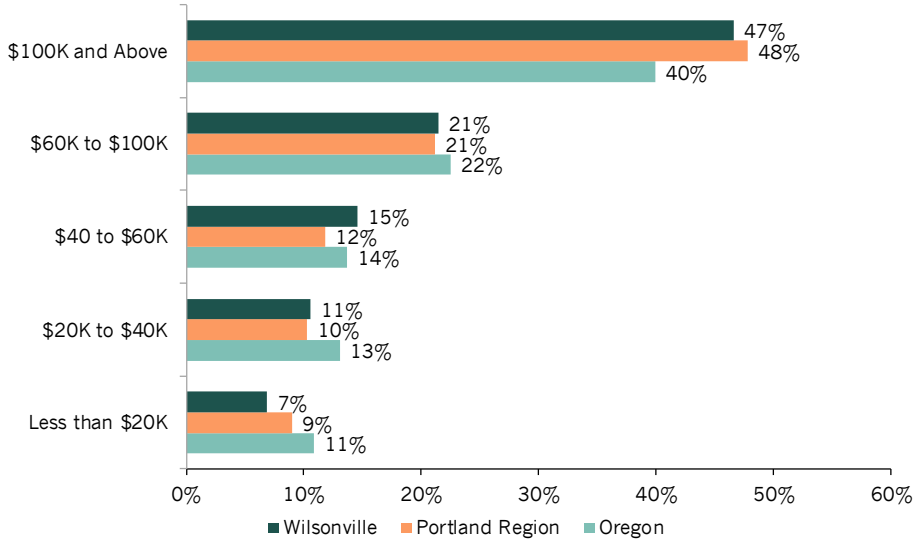
$115,941	$119,052	$98,832
Wilsonville	Clackamas County	Oregon

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 52. 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.

[113] 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.

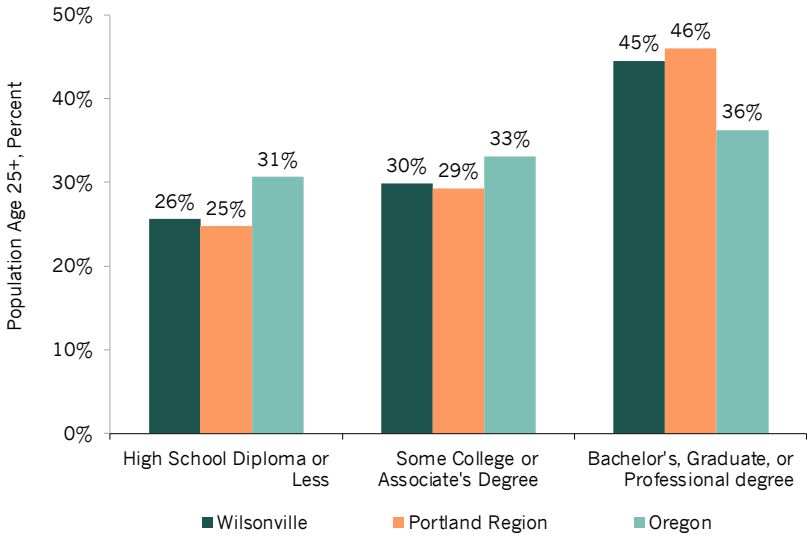
EDUCATIONAL ATTAINMENT

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



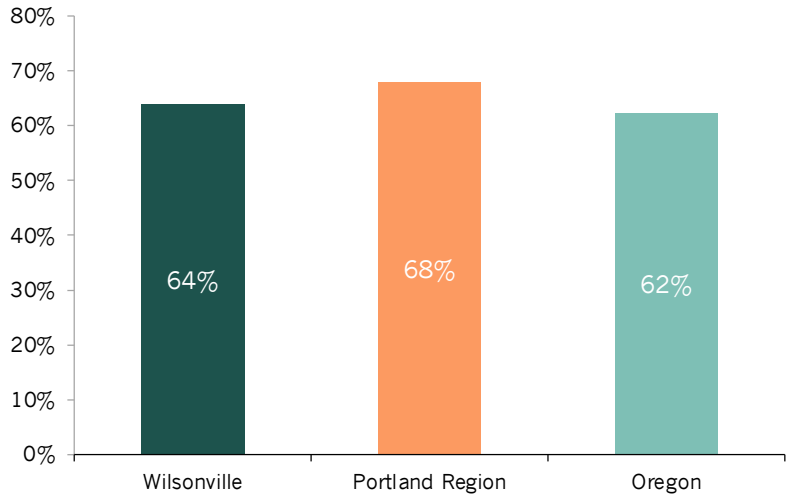
Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B15003.

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%).

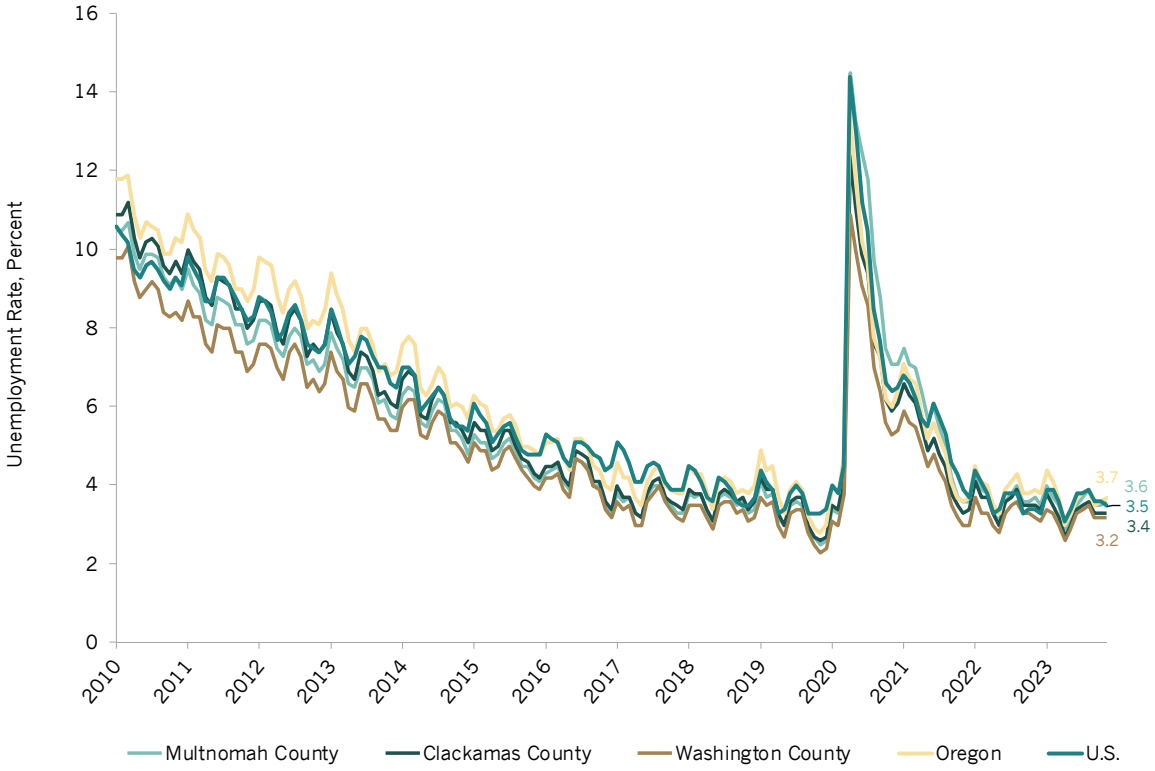
Exhibit 54. Labor Force Participation Rate, Wilsonville, Portland Region, and Oregon, 2019–2023



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 55.** 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 55. 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.

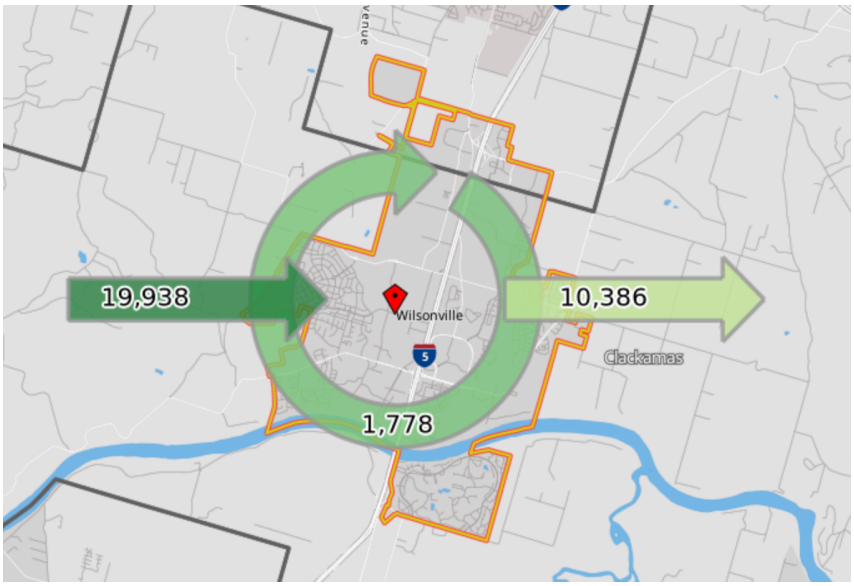
COMMUTING PATTERNS

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 56. 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 57. Top Places Where Wilsonville Workers Lived, 2022

10%	8%	5%	3%
Portland	Wilsonville	Salem	Beaverton

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 to Portland for work.

Exhibit 58. Top Places Where Wilsonville Residents Were Employed, 2022

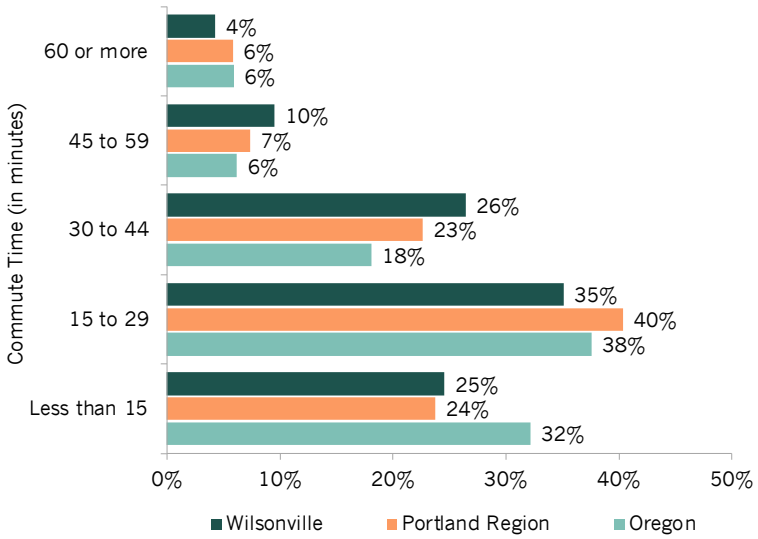
22%	15%	7%	5%
Portland	Wilsonville	Tualatin	Tigard

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 59. 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.[114] 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 60. 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 61. Largest Visitor Spending Categories ($ millions), Clackamas County, 2023

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

Source: Dean Runyan Associates, Oregon Travel Impacts, 2023

[114] 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 62. 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

Appendix B. Buildable Lands Inventory Methodology

The Buildable Lands Inventory (BLI) identifies commercial and industrial lands that are available for development for employment uses within Wilsonville. This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for Wilsonville.

Methods and Definitions

The BLI for Wilsonville includes all land that allows commercial and industrial uses within the Wilsonville City limits and Wilsonville's portion of the Metro UGB.[115] From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Wilsonville City limits and UGB area
2. It is inside a tax lot (as defined by Metro), and
3. Its current zoning/comprehensive plan designation allows employment uses. *Note that tax lots do not generally include roads, railroad rights-of-ways, or water.*

The inventory then builds from the tax lot–level database to estimate buildable land by Comprehensive Plan designation.

Inventory Steps

The five steps in the BLI are:

1. Generate the study area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

[115] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the City.

Step 1: Generate Study Area "Land Base"

The commercial and industrial inventory used all tax lots within the Wilsonville City limits and UGB area with the appropriate types of comprehensive plan designations that fall under those land use categories:

- Commercial (C)
- Industrial (I)
- Town Center (TC)
- Public (P)
- Undesignated

Figure 4 (on page 15) shows a map of these designations used in the BLI.

Step 2: Classify Lands by Buildable Area Status

In this step, ECOnorthwest classified each tax lot with an employment plan designation (based on the definitions in Table 5) into one of four mutually exclusive categories based on buildable area status:

- Vacant land
- Partially vacant land
- Public land
- Developed land

ECOnorthwest identified buildable land and classified buildable area status using a rule-based methodology, which identifies that that is buildable (vacant and partially vacant land). The rules are described in Table 5. The buildable area status classifications of the BLI land base are visualized in map format below in Figure 5.

Exhibit 63. Rules for Buildable Area Status Classification

BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	Tax lots designated as vacant by Metro based on the following criteria: 1. Fully vacant based on Metro aerial photos 2. Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3. Lots 95% or more vacant from GIS vacant land inventory.	OAR 660-009-0005(5); Oregon Metro BLI Methodology (2024)[116]
Partially Vacant Land	A tax lot: 1) Between one and five acres occupied by a use that could still be further developed based on zoning; or 2) Equal to or larger than five acres where one half-acre or more is occupied by permanent buildings or improvements where excess land that could be further developed is present. This determination was based on a visual assessment and City staff verification.	No statutory definition
Public	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	No statutory definition
Developed Land	Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI.	OAR 660-009-0005(1)

[116] https://www.oregonmetro.gov/sites/default/files/2024/10/25/2024-UGR-Appendix-2-with-attachments.pdf

Step 3: Identify Constraints

As shown in Table 6, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2) and Metro's 2024 BLI methodology.

Exhibit 64. Constraints Included in BLI

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
Goal 5 Natural Resource Constraints			
Title 3 (Stream and Floodplain Protection Plan)	OAR 660-009-0005(2)	Lands within Metro-defined Title 3 areas	Metro
Title 13 (Habitat Conservation Areas)	OAR 660-009-0005(2)	Lands within Conservation Areas identified as "High" or "Very High"	Metro
Significant Resource Overlay Zone	OAR 660-009-0005(2)	Lands within the Wilsonville-defined Significant Resource Overlay Zone	City of Wilsonville
Pacific Habitat Services in Basalt Creek	OAR 660-009-0005(2)	Lands within riparian areas, upland tree groves, or wetlands, as identified by Pacific Habitat Services in the Basalt Creek area.	Pacific Habitat Resources
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA–defined regulatory floodway or 100-year floodplains	FEMA via National Flood Hazard Layer Interactive Viewer
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Figure 6 (page 17) shows a map of the individual constraints.

Step 4: Verify Inventory Results

ECOnorthwest used a multistep verification process. The first verification step involved a "visual assessment" of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECOnorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECOnorthwest amended the BLI based on City staff review and a discussion of staff's comments. The final verification included review by stakeholders, including by members of the Technical Advisory Committee.

Step 5: Tabulate and Map Results

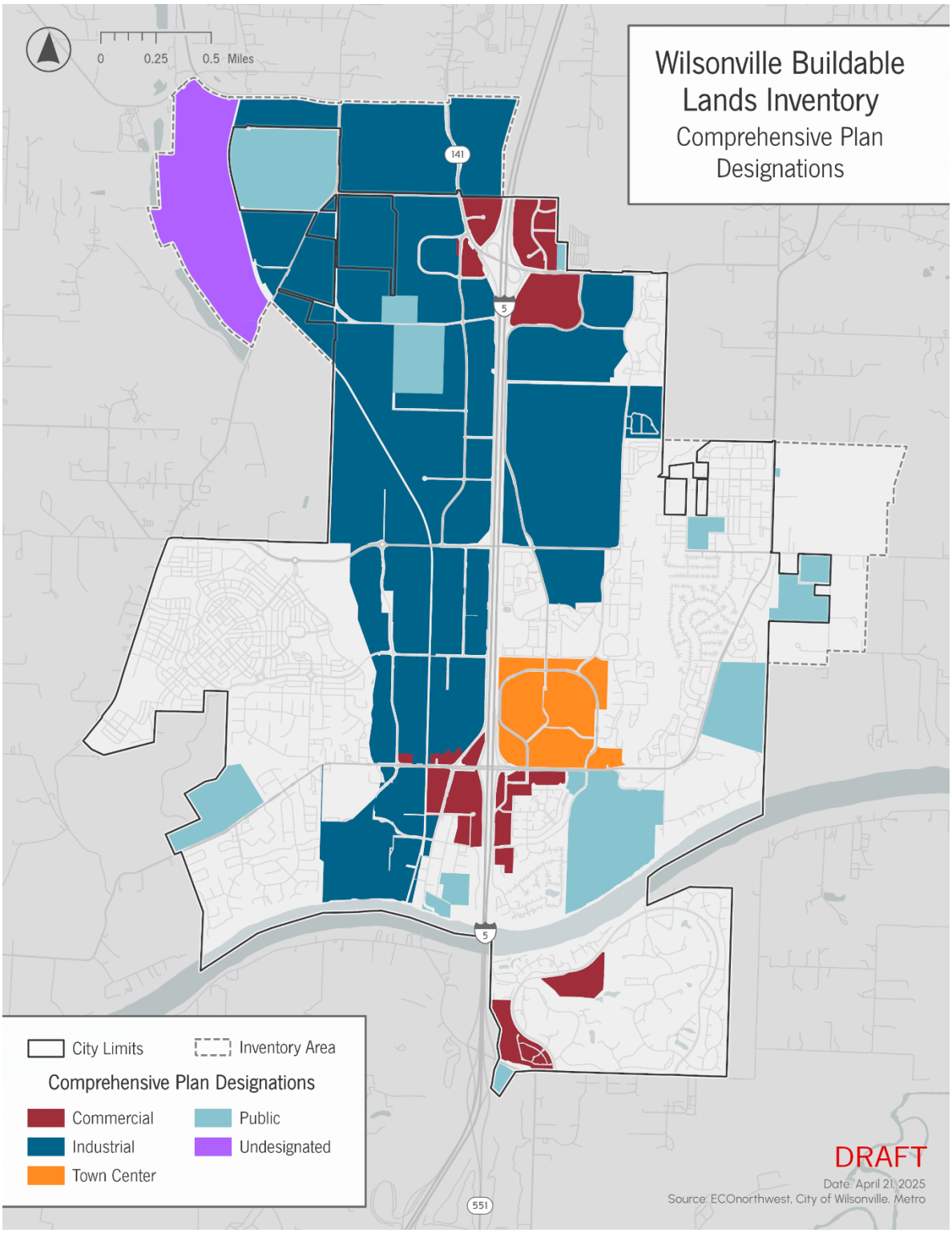
The results of the commercial and industrial BLI are presented in tabular form and maps in the remainder of this Appendix. These maps separately show the existing Comprehensive Plan designations, individual constraints used, the land base by buildable area status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by Comprehensive Plan designation.

Exhibit 65. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

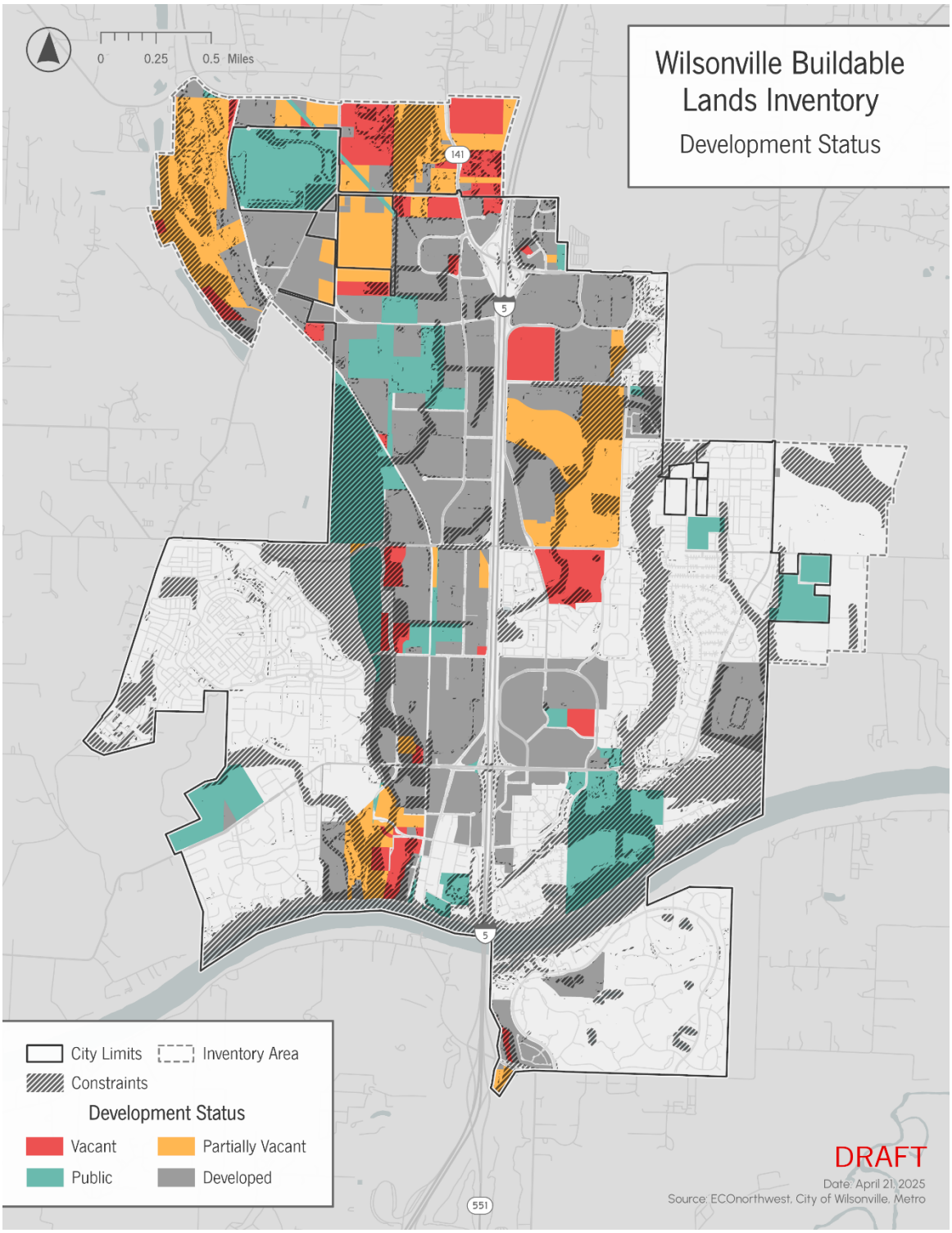
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 66. Comprehensive Plan Designations Included in the Employment Land Base, Wilsonville City limits and UGB area, 2025



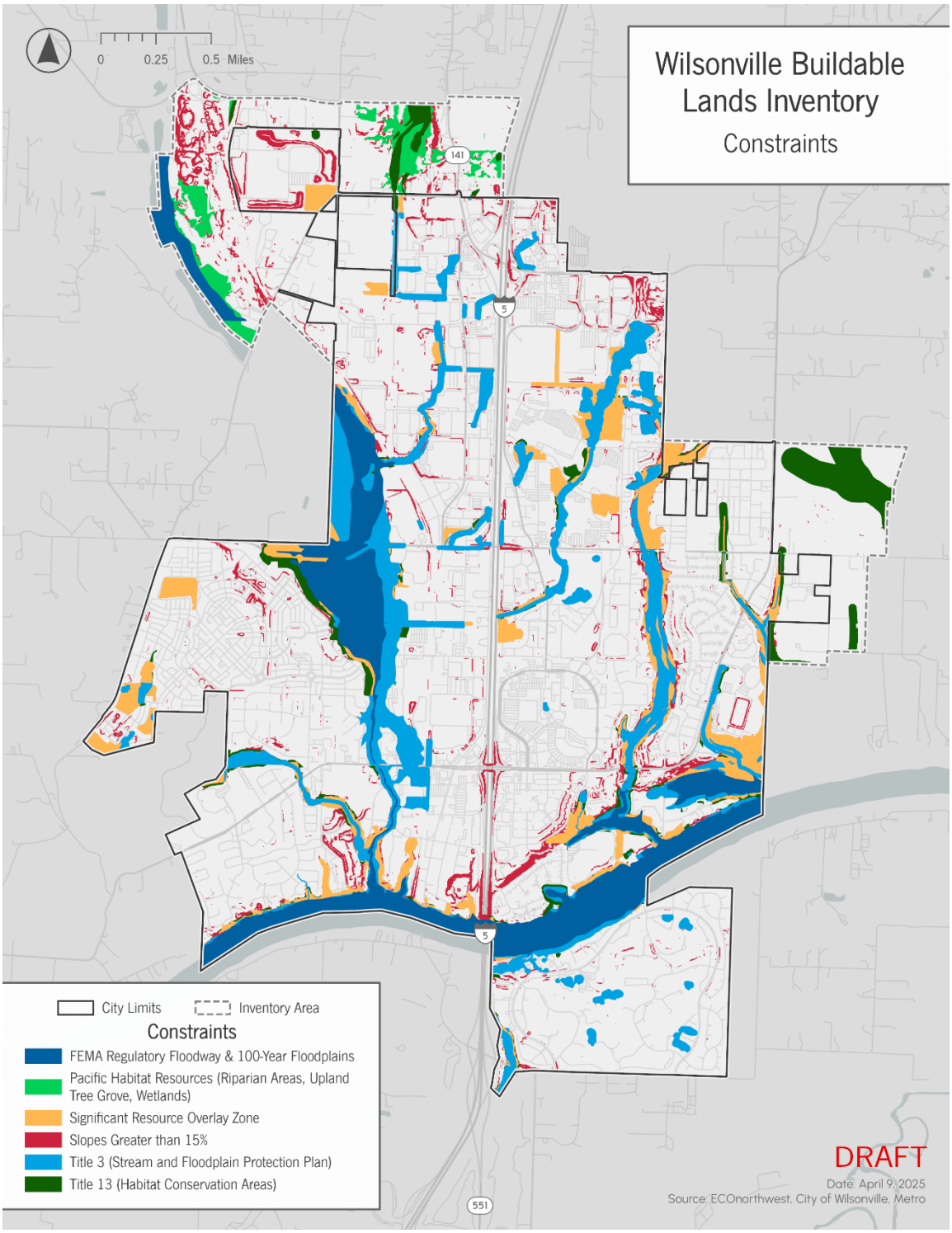
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 67. Buildable Area Status with Constraints, Wilsonville City limits and UGB area, 2025



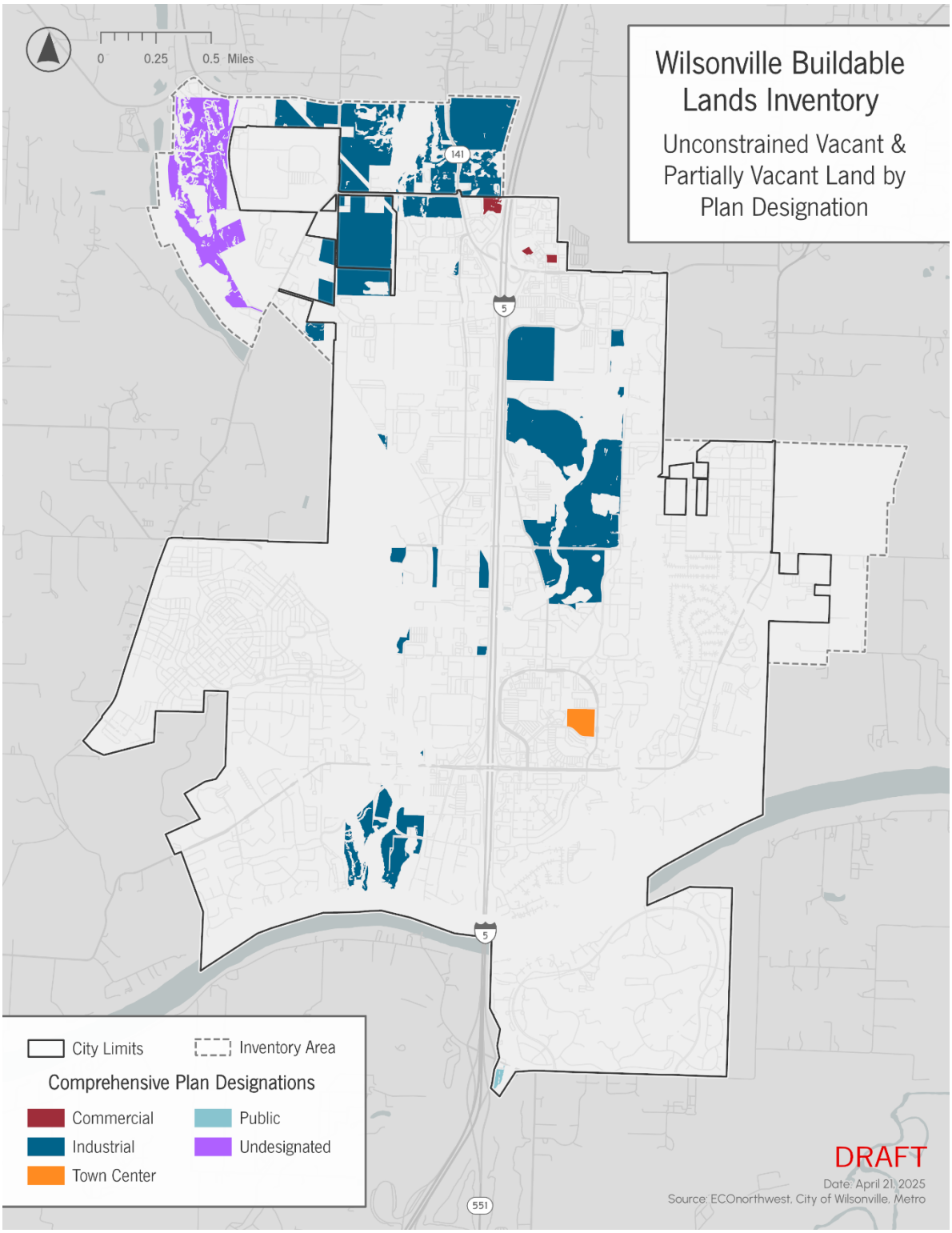
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Exhibit 68. Development Constraints, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Exhibit 69. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville City limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

ECOnorthwest

DATE:	November 3, 2025
TO:	City of Wilsonville
FROM:	ECOnorthwest: Nicole Underwood and Beth Goodman
SUBJECT:	Wilsonville Economic Development Strategy - DRAFT

The City of Wilsonville is a leading employment center in the southern Portland metro area. Its location along I-5 and concentration of advanced manufacturing, wholesale trade, and construction industries distinguish it from other communities in the region. Employers located in Wilsonville benefit from access to a large, skilled labor force that extends north into the Portland area and south into Oregon's Mid-Valley.

Looking ahead, Wilsonville faces key decisions about how to sustain economic growth and strengthen its role as a regional employment hub. Industrial development in Coffee Creek and Basalt Creek is constrained by small parcels, fragmented land ownership, existing contractor establishments, and limited urban-level infrastructure. At the same time, limited vacant commercial land means most new commercial growth will rely on redevelopment and reuse of existing buildings, particularly in Town Center and within established areas where large vacant buildings present both challenges and opportunities.

These same conditions affect small businesses across the city. Rising rents and limited access to financial and technical resources make it difficult for some to remain competitive and for others to expand. Many are unaware of existing programs or find it challenging to navigate state and regional systems to access them. Across industries, mismatches between available workforce skills and employer needs also remain a persistent concern for businesses of all sizes.

This **Economic Development Strategy (EDS** or **Strategy)** provides a 10-year roadmap for maintaining and expanding Wilsonville's economic base. It builds on the findings of the 2025 Wilsonville Industrial Land Readiness (WILR) project, including work focused on industrial site readiness in Basalt Creek, and the 2025 Economic Opportunities Analysis (EOA), which assessed land capacity, employment trends, and industry strengths. The Strategy also reflects input from local businesses, property owners, developers, and regional economic development partners, and aligns with other key initiatives such as the Town Center Plan and Tourism Development Strategy to create a coordinated framework for advancing the City's economic goals.

Desired Outcomes

The Strategy identifies six desired outcomes that define long-term economic success for Wilsonville over the next 10-years:

- **Basalt and Coffee Creeks show considerable momentum,** building out with high-quality, high-value development and home to major regional employers.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance** the needs of target industries and residents, supporting both economic growth and community livability.
- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities and wages have increased**, particularly in high-value sectors.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

Achieving these outcomes will require coordinated and sustained effort as well as public and private investments. The EDS focuses on implementation, defining actions the City can lead, coordinate, or support in partnership with the private sector and regional stakeholders. Some actions can be advanced with existing capacity, while others will depend on additional staff resources or funding and represent key decision points for the City. The Strategy balances near-term initiatives that deliver visible progress with long-term investments that ensure Wilsonville's continued economic success while maintaining its high quality of life and community character.

Framework for Action

The Framework for Action translates Wilsonville's desired economic outcomes into a clear plan for implementation. It defines who will lead the work, what actions the City will take and why, and when those actions will occur.

Implementation Leadership and Partnerships

Implementation of the EDS will be led by the City of Wilsonville's Economic Development and Planning departments, with support from Engineering, Parks, and other City departments as needed. Close coordination among departments will be essential to align land use, infrastructure, and economic development priorities.

Success will also depend on collaboration with external partners that bring technical expertise, funding, and regional connections. Key partners include:

- **Business Oregon:** Provides state programs and resources that support infrastructure investment, industrial site development, and business investment and recruitment.
- **Greater Portland Inc. (GPI):** Supports business recruitment, foreign direct investment (FDI), marketing, and traded-sector growth in the region.
- **Metro and Washington County:** Coordination of infrastructure, transportation, and land-use planning.
- **Wilsonville Chamber of Commerce:** Provides local business support, networking, and convening to strengthen the business community.
- **Educational and workforce partners** (Clackamas Community College, Oregon Tech, Oregon Manufacturing Extension Partnership, Clackamas Workforce Partnership, Worksystems): Offer workforce training, industry engagement, and alignment of education programs with employer needs.

Note: These partners represent core collaborators but not the full list of organizations that may support implementation.

Strategic Focus Areas and Actions

The Strategy focuses on six key focus areas that most influence Wilsonville's ability to achieve its desired economic outcomes. Each represents a point of leverage where the City can make measurable progress through investment, policy, and partnership.

Each focus area below includes a description of the issue, followed by the specific actions identified to address it. Collectively, these actions provide a framework for the City to manage growth, strengthen its business environment, and promote long-term economic resilience.

Note: Several actions are also drawn from the Town Center Plan (TCP) and Tourism Development Strategy (TDS). These existing plans include initiatives that directly advance the outcomes and focus areas identified through the EOA and engagement process. Incorporating them here ensures consistency across adopted plans and avoids duplicating existing work. When an action originates in the TCP or TDS, it is noted for reference.

Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready

Wilsonville has more than 350 acres of vacant industrial land across the city. However, much of this land is not development ready, with the greatest readiness challenges concentrated in Coffee Creek and Basalt Creek. Many of the sites in these areas are unavailable for development of higher-intensity industrial uses because of infrastructure gaps (e.g., lack of sufficient sewer and water capacity), small parcel sizes and fragmented ownership, and existing low-intensity uses that hinder private investment.

ACTIONS

1.1 Launch a land aggregation and resale program in Coffee Creek

The City will acquire parcels from willing sellers using Urban Renewal funds, consolidate sites into marketable configurations, and resell them through an RFP process to industrial developers or owner/users. Land may be sold at below-acquisition prices (Fair Reuse Value, as defined by ORS 457), with reimbursement of the price gap through the Business Oregon Regionally Significant Industrial Site (RSIS) program once job thresholds are met.[1] This directly addresses land fragmentation, creating larger, development-ready industrial parcels.

City role: Use Urban Renewal tools and Business Oregon's RSIS program to finance acquisitions, consolidate parcels, and manage resale through an RFP process.

1.2 Conduct a feasibility study for a Basalt Creek Urban Renewal Area (URA)

Evaluate whether expanding the Coffee Creek URA to include Basalt Creek, or creating a new URA for Basalt Creek, could generate sufficient funding to support infrastructure and site readiness. The study would assess the potential to finance roads, utilities, and other urban services needed to make Basalt Creek sites developable, as well as opportunities for land aggregation. This action directly addresses the lack of infrastructure and fragmented sites that currently limit development in Basalt Creek.

City role: Lead the feasibility study, engage with affected taxing districts, and prepare Council for a decision on whether to expand the Coffee Creek URA or establish a new URA.

1.3 Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation

Work proactively with Washington County to review development applications in the Basalt Creek area and advocate for uses that align with the Basalt Creek Concept Plan (BCCP) vision. Although Washington County maintains permitting authority until annexation, the City should continue to seek close coordination with County staff and property owners to encourage land use decisions and development outcomes that support the BCCP and the City's long-term industrial goals.

As an alternative approach, the City could work with Washington County to update the Urban Planning Area Agreement (UPAA) to transfer planning authority for Basalt Creek to the City. This would ensure consistency with Wilsonville's long-term vision, reduce the risk of continued low intensity uses, alleviate staffing burdens at the County level, and minimize future pressure to expand the urban growth boundary (UGB).

[1] The RSIS program, administered by Business Oregon, helps local governments prepare large industrial sites for traded-sector employers. The program reimburses eligible site-readiness costs, such as land assembly, infrastructure, and environmental mitigation. Local governments fund the initial improvements and receive reimbursement after the site meets job and wage thresholds based on new employment created.

Once properties are annexed, the City will assume compliance and enforcement responsibilities to ensure that all uses meet City Development Code standards and reinforce the intended industrial character of the area. The focus should be on clear communication and transition planning, giving property owners time to make necessary site or design improvements to come into compliance.

City Role: Review development applications in coordination with Washington County, communicate expectations for BCCP-consistent development, provide clear timelines for compliance following annexation, and enforce City Development Code standards once properties are within City limits.

1.4 Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers

Develop a coordinated set of financial and policy tools to reduce the high infrastructure costs that limit industrial land development in Wilsonville. The package could include:

- ***New funding mechanisms.*** Explore options such as Local Improvement Districts (LIDs) or latecomer agreements.
- ***Promotion and/or refinements to the WIN program.*** Evaluate whether adjustments to the WIN structure, could better support site readiness in areas outside Coffee Creek.
- ***Public cost-sharing and site preparation support.*** Use development agreements to share infrastructure or site preparation costs on strategic sites. The RSIS program could reimburse qualifying investments in areas such as Coffee Creek, Basalt Creek, and select sites east of I-5.
- ***State and federal funding.*** Pursue grants and partnerships through Business Oregon, Metro, and federal infrastructure programs to reduce the local funding burden.
- ***Regional collaboration and advocacy.*** Strengthen partnerships with regional agencies and legislators to align Wilsonville's needs with broader regional industrial land readiness goals and increase visibility of local infrastructure challenges in state funding discussions.

City role: Evaluate and implement new funding tools and pursue state/federal grants to offset infrastructure costs; coordinate advocacy with regional partners.

1.5 Promote Wilsonville's industrial sites for development

Strengthen the City's efforts to promote available industrial sites and highlight the supports Wilsonville can offer, such as the WIN program, to traded-sector employers, brokers, and developers through targeted outreach and regional partnerships. City staff already share a newsletter with the developer and site selection community, but it is not on a consistent schedule. This action will make a more targeted effort to be proactive in marketing Wilsonville's sites and available incentives.

City role: Lead site marketing through direct communication and outreach, maintain up-to-date site information, and collaborate with GPI and Business Oregon to amplify visibility of Wilsonville's sites.

Focus Area 2: Limited City funds to support economic development outside of Coffee Creek Urban Renewal Area

Wilsonville's capacity to support infrastructure, redevelopment, and business investment is constrained by a limited set of local funding tools. The Coffee Creek Urban Renewal Area (URA) provides dedicated resources for site improvements and infrastructure, but other priority areas, including Basalt Creek and Town Center, do not have comparable funding sources. This gap limits the City's ability to provide infrastructure to support the development and/or redevelopment of priority sites, attract employers, and act on other City priorities.

ACTIONS

2.1 Explore a dedicated funding source to support commercial and mixed-use redevelopment *(Refer to Town Center Plan & Tourism Development Strategy)*

Explore options for a dedicated funding source to support commercial and mixed-use redevelopment, particularly in Town Center and along key corridors. Potential tools include a new Urban Renewal Area in Town Center or Business Improvement District (BID). These tools would provide sustained resources for infrastructure, amenities, and redevelopment projects that strengthen Town Center as a hub for retail, dining, and tourism.

City role: Lead policy design, stakeholder outreach, and administration.

1.2. Conduct a feasibility study for a Basalt Creek URA (See Focus Area 1)

1.4. Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers (See Focus Area 1)

Focus Area 3: Vacant commercial land is limited

Wilsonville has a limited supply of vacant commercial land to accommodate future growth. The EOA highlighted that redevelopment and policy changes, such as allowing certain commercial uses in select industrial areas, will be essential to meeting future commercial needs. Town Center represents Wilsonville's primary opportunity for new commercial and mixed-use growth. Several large vacant commercial buildings, including the former Albertsons, Rite Aid, Regal Cinema, and Fry's Electronics, also offer near-term opportunities for reuse.

ACTIONS

3.1 Consider expansion of allowable non-retail commercial uses in select industrial areas

The Wilsonville Development Code could be updated to allow a broader range of non-retail commercial uses in select industrial areas. These may include uses such as commercial recreation (e.g., gyms, climbing facilities, or entertainment venues) and offices or coworking spaces that are not directly tied to an industrial operation but are compatible with industrial activity. This action will identify suitable industrial areas across the city for such uses while preserving capacity for target traded-sector industries

City Role: Lead Development Code amendment process

3.2 Coordinate with other City departments to deliver on Town Center and tourism priorities *(Refer to Town Center Plan & Tourism Development Strategy)*

Work across departments to ensure Economic Development helps advance key actions from the Town Center Plan and Tourism Development Strategy. This includes supporting parking management, shared parking strategies, placemaking, and streetscape or public space improvements that make redevelopment more attractive and feasible.

City role: Coordinate across departments to align Economic Development, Planning, Parks, and Engineering with Town Center and tourism strategies.

3.3 Catalyze redevelopment of key sites in Town Center *(Refer to Town Center Plan)*

Partner on select priority sites where City support could spark reinvestment and create new commercial space on underutilized land. The City could collaborate with property owners and potential developers to facilitate site readiness, assist with predevelopment analysis, and coordinate infrastructure or amenity improvements needed to attract investment. If a Town Center URA is adopted, URA-funded acquisition and disposition, SDC transfer programs, or predevelopment grants (e.g., feasibility studies, site development analysis) could be used to help catalyze projects.

City Role: Facilitate partnerships with property owners and developers, provide technical and policy support for site redevelopment, and coordinate needed infrastructure and public improvements. Offer regulatory or financial incentives, marketing support, or infrastructure cost-sharing; recruit development partners.

Focus Area 4: Lack of unique retail and dining experiences

Wilsonville has few distinctive, locally owned shops and restaurants that contribute to a strong sense of place and help attract workers and visitors. Most retail centers are anchored by national chains, while smaller, experience-oriented businesses face barriers such as high rents, limited appropriately sized spaces, and costly tenant improvements. These challenges make it difficult for new restaurants, shops, and personal service businesses to establish and grow. Expanding opportunities for locally owned and experience-driven businesses,

particularly in Town Center, would strengthen Wilsonville's identity, create more opportunities for local entrepreneurs, and enhance the city's attractiveness to employers and workers.

ACTIONS

4.1 Incentivize local dining and retail in Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Encourage more local and experience-oriented dining and retail businesses to locate in Town Center by developing a mix of incentive tools. Incentives may include grants, reduced fees, or tenant improvement assistance designed to attract small, locally owned businesses that contribute to Town Center's identity as a vibrant community destination.

City role: Design and administer incentive programs, coordinate funding, and monitor outcomes.

4.2 Explore the creation of a food cart incubation program in Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Support small-scale entrepreneurs and bring energy to Town Center by incubating food cart businesses in Town Center, potentially mirroring the launch pod program in Tigard. This could provide affordable entry points for new businesses, test market demand, and attract customers to underused spaces.

City role: Identify sites, adjust regulations, and facilitate partnerships for food carts; provide permitting flexibility, seed funding, and promotion in collaboration with Parks and Economic Development.

Example in Tigard – City bought 3 food carts to use as business incubators.

4.3 Explore and/or partner on affordable commercial space models

Explore strategies and partnerships to increase the availability of affordable or below-market commercial space for small and locally owned businesses. Potential approaches include City master leasing**,** where the City leases ground-floor space from a property owner and subleases it to local businesses at below-market rates, or developer partnerships that reserve a portion of new projects for local tenants. The City could also explore shared incubator spaces or micro-suites that provide low-cost entry points for start-up businesses.

City role: Lead evaluation of options to support affordable commercial space; identify pilot sites and engage property owners.

4.4 Recruit unique restaurants and shops to Town Center *(Refer to Town Center Plan & Tourism Development Strategy)*

Actively recruit distinctive dining and retail tenants to strengthen Town Center as a destination. Recruitment could be paired with catalytic redevelopment efforts (Action 3.1) to ensure new businesses locate in highly visible, high-impact sites.

City role: Market available sites, partner with brokers and developers, and coordinate outreach to targeted tenants.

Focus Area 5: Businesses struggle to find qualified workers

Employers in Wilsonville face challenges finding and retaining workers with the skills needed for manufacturing and other key industries. During the EOA engagement process, employers and regional economic development partners also raised concerns about how artificial intelligence (AI) may affect local jobs and emphasized the importance of upskilling workers to meet evolving job requirements. These issues are particularly challenging for smaller employers that have limited resources to dedicate to in-house training. Stronger coordination between businesses, schools, and workforce partners is needed to align training programs with both current and emerging industry needs.

5.1 Facilitate workforce connections and support partner initiatives

Take a more active role in shaping workforce initiatives by working with employers, education providers, and workforce development organizations to ensure Wilsonville's needs are represented in regional discussions and programs. This means not only connecting partners but also advocating for the types of training, partnerships, and resources that reflect local industry priorities. This role focuses on active participation and partnership with organizations such as the Chamber, Oregon Tech, OMEP, Clackamas Workforce Partnership, Worksystems, and Clackamas Community College.

This could include:

- Gathering employer feedback (through discussions, surveys, roundtables) and sharing insights with workforce and education partners.
- Convening employers and training providers together to discuss needs and align programs (e.g., sector partnerships, advisory groups)
- Elevating Wilsonville's workforce needs with state and regional agencies to strengthen alignment of funding programs with local demand.

City role: Facilitate communication between employers and workforce partners, maintain relationships with training providers, and provide support for partner-led initiatives; elevate Wilsonville's workforce needs with state and regional agencies.

Focus Area 6: Perceived limited support for small businesses

During the EOA engagement process, business owners and economic development partners identified several key challenges: difficulty accessing financing for small businesses, limited awareness of available business support resources, and a shortage of affordable space for startups and growing companies. Participants emphasized that developers and business owners value a proactive, service-oriented approach from the City that helps them navigate

permitting and regulatory processes, connect with funding or technical assistance, and work collaboratively with staff to find solutions.

6.1 Strengthen business communication, customer service, and resource connections

Enhance the City's direct engagement with local businesses by expanding outreach, improving communication, and addressing barriers identified by businesses. By coordinating across departments and maintaining regular contact with both industrial and commercial businesses, the City can identify challenges early, connect businesses to assistance, and make City processes easier to navigate.

This may include:

- Increasing proactive outreach through business visits, roundtables, or surveys to better understand local challenges and share upcoming opportunities.
- Acting as a concierge for local businesses, connecting them with programs and partners that offer financing, technical support, or workforce training.
- Maintaining and promoting a central hub that consolidates City and partner resources in one accessible location.
- Tracking common issues raised by businesses and developers of commercial and industrial space and using that feedback to inform process or policy adjustments.

As the City refines its economic development priorities, the level of focus on each of these activities will depend on Council direction and available capacity.

City role: Proactively engage businesses, identify barriers early, provide clear permitting guidance, and connect businesses to resources.

6.2 Provide small business assistance for upgrades (industrial and commercial businesses)

Offer targeted support to help small businesses invest in improvements such as energy efficiency, technology adoption, interior or façade upgrades, and equipment modernization. These upgrades can be cost-prohibitive but are critical for business competitiveness and retention.

City Role: Design and administer assistance program.

Resource Needs

The resource needs to implement each action will depend on Council priorities and the desired level of effort. Maintaining current programs may be possible within existing capacity, while expanded outreach, new incentives, or redevelopment programs will require additional funding or staff support. Some actions, such as creating new funding tools or expanding urban renewal areas, are foundational steps that enable broader implementation.

Exhibit 1 summarizes the actions, organized by focus area, and indicates whether they can be advanced with existing staff and funding or will require additional resources.

Exhibit 1. Summary of Focus Areas, Supporting Actions, and Resource Needs

Focus Areas	Potential Actions		Existing or New Resources
Issue #1: Much of Wilsonville's undeveloped industrial land is not development ready	1.1	Launch a land aggregation and resale program in Coffee Creek using Urban Renewal and RSIS	Existing
	1.2	Conduct a feasibility study for a Basalt Creek URA	Existing
	1.3	Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation	Existing
	1.4	Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers	Exploration with existing staff; *may* require establishing new funding source(s)
	1.5	Promote Wilsonville's industrial sites for development	Existing
Issue #2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	2.1	Explore a dedicated funding source to support commercial and mixed-use redevelopment *(TCP/TDS)*	Exploration with existing staff
		Conduct a feasibility study for a Basalt Creek URA **(see 1.2)**	
		Create a package of incentives for overcoming infrastructure barriers ***(see 1.4)***	
Issue #3: Vacant commercial land is limited	3.1	Consider expansion of allowable non-retail commercial uses in select industrial areas	Existing
	3.2	Coordinate with other City departments to deliver on Town Center and tourism priorities *(TCP/TDS)*	*Some* priorities will require new funding source(s)
	3.3	Catalyze redevelopment of key sites in Town Center *(TCP)*	**Requires** new funding source
Issue #4: Lack of unique retail and dining experiences	4.1	Incentivize local dining and retail in Town Center *(TCP/ TDS)*	New funding source needed *if* providing financial incentives
	4.2	Explore the creation of a food cart incubation program in Town Center *(TCP/ TDS)*	New funding source needed *if* providing seed funding
	4.3	Explore and/or partner on affordable commercial space models	New funding source needed *if* subsidizing commercial space
	4.4	Recruit unique restaurants and shops to Town Center *(TCP/ TDS)*	New funding source needed *if* providing financial incentives or placemaking investments

Issue #5: Businesses struggle to find qualified workers	5.1	Facilitate workforce connections and support partner initiatives	Existing
Issue #6: Perceived limited supports for small businesses	6.1	Strengthen business communication, customer service, and resource connections	Existing
	6.2	Provide small business assistance for upgrades (industrial and commercial businesses)	**Requires** new funding source

Sequencing of Actions

Implementation of the actions will advance in stages based on available resources, partnerships, and logical sequencing rather than fixed timelines. Some actions can begin immediately using existing capacity, while others depend on funding, feasibility studies, or enabling steps.

Dependencies between actions are a key feature of this strategy. For example:

- Developing a **dedicated funding source (2.1)** could enable future redevelopment incentives, retail activation, and small-business grants.
- Completing the **Basalt Creek URA study (1.2)** and launching the **land aggregation program (1.1)** lays the groundwork for infrastructure development and the marketing of industrial land.
- Launching **retail incentive** and **activation programs (4.1, 4.2, 4.3)** can start small with current tools and scale once funding is secured.
- **Business outreach (6.1)** and **Town Center coordination (3.2)** can proceed now and shape later investment decisions.

The City Council's direction on which actions to elevate (such as prioritizing industrial readiness or small-business support) will guide how staff allocate resources through work plans and budgets. **Exhibit 2** separates actions by near-term priorities, which can be initiated with existing resources, and longer-term priorities that depend on new funding or enabling actions.

Exhibit 2. Sequencing and Dependencies

Focus Area	Near-Term Priorities (Years 1 to 5)	Longer-Term Priorities (Years 6 to 10)
Focus Area 1: Much of Wilsonville's undeveloped industrial land is not development ready	**1.1** Launch land aggregation and resale program in Coffee Creek **1.2** Conduct feasibility study for a Basalt Creek URA **1.3** Coordinate with Washington County on development application review in Basalt Creek and ensure compliance with City Development Code after property annexation **1.4** Evaluate and design a coordinated set of financial and polity tools for overcoming infrastructure barriers	**1.4** Expand the financial tools for overcoming infrastructure barriers if new funding mechanisms are pursued **1.5** Promote Wilsonville's industrial sites for development once incentive package and funding tools are in place
Focus Area 2: Limited City funds to support economic development outside Coffee Creek Urban Renewal Area	**2.1** Explore a dedicated funding source to support commercial and mixed-use redevelopment	—
Focus Area 3: Vacant commercial land is limited	**3.1** Consider the expansion of allowable non-retail commercial uses in select industrial areas **3.2** Coordinate on Town Center and tourism priorities (ongoing)	**3.3** Catalyze redevelopment of key Town Center sites once funding and partnerships are secured (such as through funding from 2.1)
Focus Area 4: Lack of unique retail and dining experiences	**4.1** Pursue targeted incentives for local dining and retail in Town Center within existing resources **4.2** Explore creation of a food cart incubation program (may begin with low-cost site prep or partnerships) **4.3** Explore affordable commercial space models and partnerships	**4.1** Expand incentives for local dining and retail in Town Center, supported by new funding source from 2.1 **4.2** and **4.3** Implement full programs once additional funding or partnerships are in place **4.4** Recruit unique restaurants and shops, supported by new funding source from 2.1
Focus Area 5: Businesses struggle to find qualified workers	**5.1** Facilitate workforce connections	—
Focus Area 6: Perceived limited supports for small businesses	**6.1** Strengthen business communication, customer service, and resource connections	**6.2** Provide small business assistance grants, enabled by new funding sources such as from 2.1 or 1.2

Wilsonville Industrial Land Readiness – Citywide EOA and EDS

Planning Commission Work Session
November 12, 2025
Presented by: Cindy Luxhoj AICP, Associate Planner
Matt Lorenzen, Economic Development Manager
Nicole Underwood, ECOnorthwest
Beth Goodman, ECOnorthwest

Wilsonville's Examination of Employment Lands

Wilsonville Industrial Land Readiness

Basalt Creek

Study of industrial land potential and development readiness in Basalt Creek, including zoning designation and infrastructure planning

Citywide

- Economic Opportunity Analysis
- Economic Development Strategy

- **Potential changes to Comprehensive Plan**
- **Potential changes to Zoning Code**
- **Potential changes to Zoning Map**

Other City projects informing the broader conversation around land needs:

Housing Our Future

- Housing Needs and Capacity Analysis (HNCA)
- Housing Production Strategy (HPS)

Project Schedule

We are here

Focus of Work Session

- Economic Opportunity Analysis
  - Share conclusions and gather feedback
- Economic Development Strategy
  - Review and discuss desired outcomes and proposed actions

EOA Conclusions

- Wilsonville has sufficient industrial land for growth but getting that land development ready will require focused effort.
- Wilsonville has limited vacant commercial land but substantial redevelopment potential.

What feedback does the Commission have about the EOA? Are there specific areas that need clarification or further analysis?

Economic Development Strategy

Key Questions

- Are the desired economic outcomes the right ones to focus on in the EDS?
- Does the EDS include the right mix of actions to address the challenges and achieve the desired outcomes? Are there any actions missing?
- Given limited resources, should any actions be elevated or deprioritized?

10-Year Desired Outcomes

- **Basalt and Coffee Creeks show considerable momentum,** building out with high-quality, high-value development and home to major regional employers.
- **Town Center is redeveloping** with active retail, housing, and civic spaces.
- **Zoning and infrastructure investments balance** the needs of target industries and residents, supporting both economic growth and community livability.

8

10-Year Desired Outcomes

- **Retail and restaurant offerings are expanded**, including more locally owned and experience-oriented businesses.
- **Employment opportunities and wages have increased**, particularly in high-value sectors.
- **Wilsonville is recognized regionally** for its advanced industrial employment, quality of life, and high-caliber customer service.

Engagement Feedback

Workforce Challenges: Difficulty finding and retaining skilled workers. Concerns with upskilling with AI.

Space & Land Constraints: Limited availability of developed space and land drives high rents and restricts opportunities for new and growing businesses.

High Costs: High rents and upgrade expenses create barriers to starting or expanding small business.

Retail Market Gaps: There are not enough local services and businesses co-located to meet demand, prompting people to shop and seek services outside of Wilsonville.

City-Business Relationship:

- Businesses want proactive, customer-focused support, with the City being supportive in “finding a path to yes.”
- Desire for support connecting to resources (business planning, access to capital)

Focus Areas to Achieve Outcomes

1. Much of Wilsonville's undeveloped industrial land is not development-ready
2. Limited City funds to support economic development outside Coffee Creek Urban Renewal
3. Vacant commercial land is limited
4. Lack of unique retail and dining experiences
5. Businesses struggle to find qualified workers
6. Perceived limited supports for small businesses

Focus Area #1: Much of Wilsonville's undeveloped industrial land is not development ready

Existing Resources

Action 1.1
Launch land aggregation and resale program in Coffee Creek using Urban Renewal and RSIS

Action 1.2
Conduct a feasibility study for a Basalt Creek URA

Action 1.3
Coordinate with Washington County on development application review in Basalt Creek

Action 1.4
Evaluate and design a coordinated set of financial and policy tools for overcoming infrastructure barriers

New Resources

Action 1.4
Expand the financial tools for overcoming infrastructure barriers if new funding mechanism established

Action 1.5
Promote Wilsonville's industrial sites for development

Focas Area #2: Limited City funds to support economic development outside of Coffee Creek Urban Renewal

Existing Resources

Action 2.1
Explore a dedicated funding source to support commercial and mixed-use redevelopment

Conduct feasibility study for Basalt Creek URA (see **Action 1.2)**

Develop a coordinated set of financial and policy tools for overcoming infrastructure barriers (see **Action 1.4)**

New Resources

Focus Area #3: Vacant commercial land is limited

Existing Resources

Action 3.1
Consider expansion of allowable non-retail uses in select industrial areas

Action 3.2
Coordinate with other City departments to deliver on Town Center and tourism priorities

New Resources

Action 3.3
Catalyze redevelopment of key sites in Town Center

This action could leverage the funding source(s) established in Action 2.1

Focus Area #4: Lack of unique retail and dining experiences

Existing Resources

Action 4.1
Pursue targeted incentives for local dining and retail in Town Center **within existing resources**

Action 4.2
Explore creation of a food cart incubation program in Town Center

Action 4.3
Explore affordable commercial space models and partnerships

New Resources

Action 4.1
Expand incentives, supported by new funding source

Action 4.2
Implement program once funding or partnerships are in place

Action 4.3
Implement program once funding or partnerships are in place

Action 4.4
Recruit unique restaurants and shops to Town Center

These actions could leverage the funding source(s) established in Action 2.1

Focus Area #5: Businesses struggle to find qualified workers

Focus Area #6: Perceived limited supports for small businesses

Existing Resources

Action 5.1
Facilitate workforce connections and support partner initiatives

Action 6.1
Strengthen business communication, customer service, and resource connections

New Resources

Action 6.2
Provide small business assistance grants (industrial and commercial businesses)

This action could leverage the funding source(s) established in Action 1.2 and 2.1

DISCUSSION: Key Questions

- Are the desired economic outcomes the right ones to focus on in the EDS?
- Does the EDS include the right mix of actions to address the challenges and achieve the desired outcomes? Are there any actions missing?
- Given limited resources, should any actions be elevated or deprioritized?

Next Steps

- City Council Meeting: December 1, 2025
- Finalize Economic Development Strategy
- Finalize Economic Opportunity Analysis
- Planning Commission Hearing: February 11, 2026
- City Council Hearing: March 2, 2026

Draft PC Minutes were reviewed and approved at the December 10, 2025 PC Meeting.

Wilsonville Planning Commission
Regular Meeting Minutes
November 12, 2025
Wilsonville City Hall & Remote Video Conferencing
https://www.ci.wilsonville.or.us/meetings/pc

CALL TO ORDER - ROLL CALL
Chair Hendrix called the meeting to order at 6:30 pm.

Present: Nicole Hendrix, Ron Heberlein, Jennifer Willard, Yana Semenova, and Matt Constantine

Excused: Andrew Karr

Staff Present: Jeanna Troha, Cindy Luxhoj, Matt Lorenzen, and Mandi Simmons

PLEDGE OF ALLEGIANCE
The Pledge of Allegiance was recited.

CITIZEN INPUT
There was none.

ADMINISTRATIVE MATTERS
1. Consideration of the October 6 & 8, 2025, Planning Commission Minutes
The October 6, 2025, Joint Planning Commission/City Council minutes were accepted as presented.
The October 8, 2025, Planning Commission minutes were accepted as amended.

Commissioner Semenova moved to approve the October 6, 2025 meeting minutes as presented and approve the October 8, 2025 Planning Commission minutes, amending her comments on Page 6 to reflect that citizens, not PGE, have control by voting. Commissioner Heberlein seconded the motion. The motion passed by a 5 to 0 vote. (Ayes: Hendrix, Willard, Heberlein, Semenova, Constantine. Nays: None.)

WORK SESSION
2. Wilsonville Industrial Land Readiness (Citywide EOA & EDS) (Luxhoj/Lorenzen)

Nicole Underwood, ECOnorthwest, presented the Wilsonville Industrial Land Readiness (WILR) Citywide Economic Opportunities Analysis (EOA) and Economic Development Strategy (EDS) via PowerPoint, first explaining that WILR had both a Basalt Creek and citywide track and highlighting the project schedule and EOA conclusions, noting Wilsonville has enough industrial

land to support growth, but unlocking it would take focused effort and that while vacant commercial land is limited, substantial redevelopment potential exists. (Slides 2-5)
Commissioner comments regarding the EOA were as follows with the project team addressing questions as noted:

- Is there a percentage to identify how much of the city's approximately 2,000 acres of developed industrial land is underdeveloped? One discussion around the Basalt Creek and Coffee Creek areas was the lack of infrastructure and those associated costs. However, if underdeveloped industrial land was available within the city limits already, then that same cost constraint would not exist.
    - **Beth Goodman, ECOnorthwest,** explained that some underdeveloped land could be considered as what the project team classified as partially vacant land, which was land parcels between two and five acres that had some development on it and could reasonably have more development. About 130 acres of the city's 308 acres of buildable industrial land was partially vacant. (Exhibit 36, Page 100 of the Agenda packet) Additionally, some industrial lands have more infill potential for higher and better uses but that amount was not quantified because that analysis would be on a site-by-site basis and depend on how the land was being used. Aside from the Buildable Lands Inventory (BLI), she understood some Basalt Creek land had been underutilized.
    - **Economic Development Manager Lorenzen** added he would not say there was a general trend of underdevelopment but select properties, such as the Peyton Building, which fronts I-5 and used to be the Hollywood Video headquarters and Payless, had a massive parking field that could likely accommodate another building, but for all intents and purposes, the project team considered the site fully developed.
- The Mentor Graphic campus was other property that the City would probably consider being fully developed but had space available that could be utilized in a different way.
    - **Ms. Goodman** noted the answer would be different for commercial land, where a lot of land was underutilized.

Ms. Underwood continued the PowerPoint, presenting the Economic Development Strategy (EDS), six desired outcomes over the next ten years, feedback from engagement, and six key focus areas with specific actions using existing and new resources so the City progressed toward the desired outcomes. She reviewed key questions the project team sought the Commission's feedback on (Slide 17) and highlighted next steps.
Comments and feedback from the Commission regarding the EDS and the questions provided by the project team (Slide 17) were as follows with responses to Commissioner questions as noted:

- **Ms. Underwood** explained the EDS was not a required strategy by the State, like the Housing Production Strategy. She confirmed the City wants to grow, clarifying that growth was driven by the State.
- **Economic Development Manager Lorenzen** clarified the City was required by State law to maintain a 20-year buildable land inventory for both employment and residential use. The purpose of an EOA was to look at that inventory within that 20-year horizon, but while there was a State mandated dimension to the EOA, the City initiated the EOA and EDS

development process at this time because it made sense, not because the City was up against a deadline that the State had mandated.

- Was any funding coming from the State as both the Housing Production Strategy (HPS) and EDS projects run parallel, or was that on the City to figure out?
  - **Ms. Underwood** said for industrial lands, the Regionally Significant Industrial Sites (RSIS) Program through Business Oregon had funding available.
  - **Ms. Goodman** stated that sometimes infrastructure was more likely to be State funded. The recommended actions in the EDS were geared toward what Wilsonville wanted to do, not on how to meet some State mandate. Some of the bigger pieces regarded infrastructure costs, but other pieces were more local, addressing local desires, such as a wider bank of commercial uses to have more restaurants and commercial businesses local to Wilsonville. Some of that funding might come regionally, but probably not much from the State unless there was a special program.
  - **Economic Development Manager Lorenzen** added there was a remote possibility that City Council would commit General Fund dollars to some of these efforts, but because those dollars were in high demand, that was not something to count on. The other piece mentioned a couple of times in the context of Town Center and Basalt Creek was urban renewal. Tax Increment Finance (TIF) did not require the City's General Fund. TIF was a reallocation of existing and future tax revenues to take a slice of existing tax revenues to grow the overall pie. He confirmed that essentially, capital investments would be financed with the hope that more tax income would be generated in the future to cover the investment.
    - Generally, system development charges (SDCs) were collected for infrastructure construction. At the time of new development, redevelopment, or a change of use greater in intensity than the previous use within a property or building, the City charges SDCs for water, sewer, parks, transportation, and streets which are put into special SDC funds to build new roads, water lines, sewer lines, etc. SDCs were an expense to development at the time of development application and not an expense to Wilsonville taxpayers.
- Rather than being concerned whether a business was a major regional employer, it was important that they were a size appropriate for the development in the area to make a meaningful difference. Did major regional employer really mean anything? If the City has 10 small employers that net the same result as a major regional employer, should the City care?
  - **Economic Development Manager Lorenzen** agreed that 10 employers employing 20 people could be equivalent to a 200-employee establishment, noting the only critical difference was that larger employers generally tend to offer better wages and benefits. The language could be wordsmithed to provide an equal look at all business sizes.
- **Ms. Underwood** confirmed that the order of the words, placing business before residents, was not intentional but simply reflected this being an economic development strategy. She was amenable to prioritizing residents in the desired outcome language. (Slide 8)
  - She confirmed that the actions were not ordered by importance, but rather by how quickly they could be started with actions using existing resources listed first, followed

by those requiring new resources. The project team sought to understand the priorities of both the Commission and City Council in ordering the actions. (Slide 12-16)

- There was a sequenced proposal for how the actions are implemented in the plan. Currently, the Focus Areas show "Existing Resources" and "New Resources" which aligns with the sequencing. For example, the exploration and starting of Actions 4.1, 4.2, and 4.3 could start immediately. How far along the City gets in the implementation may require additional resources, so that piece would come later. Some actions were a bit less discreet, while others were much more. (Slide 15)
- **Ms. Goodman** noted Actions 4.2 and 4.3 could also be said to be supplements to 4.1.
- **Ms. Underwood** agreed, adding that she went back and forth on that; however, it seemed Action 4.1 could be a broader action that applied to more businesses, whereas 4.2 was really more targeted towards the food cart program and the affordable commercial space.

- How has Action 3.1 been implemented so far since the city already has commercial uses in select industrial areas. How did developers get approval to put a cross-fit gym in an industrial area or were they all in commercial areas? (Slide 14)
  - **Associate Planner Luxhoj** explained that current restrictions limit non-industrial uses in industrial areas to 5,000 square feet within a building or 20,000 square feet within multiple buildings on a site, which generally includes all the indoor/outdoor retail functions of a particular business.
- Action 3.1 was the most concerning because the industrial areas were meant to be industrial areas and given that the city already had a lot of underutilized commercial land, caution should be taken about allowing more commercial use in an industrial area because it might be easier to partition a big building for commercial use. Expanding commercial use might lead to the permanent loss of industrial land.
    - **Ms. Goodman** agreed that was a valid concern, having watched some cities turn all their industrial land to commercial uses. It was important to note the discussion regarded non-retail uses, such as flex uses because sometimes, the line between light industrial and heavy commercial was pretty blurry. For example, architects often like to locate in old industrial spaces, not Class A office space; businesses that were not necessarily manufacturing and not quite a traditional office use; not a grocery store or even a hair salon, but other employment uses that were happy enough to locate in an industrial area where space was less expensive.
  - The Action 3.1 section states, "commercial recreation, gyms, climbing facilities, entertainment venues, and offices or co-working spaces that are not directly tied to an industrial operation."
    - **Ms. Goodman** suggested limiting the uses more to the type of employment the Commission believed would be more helpful to see in industrial areas or less threatening to industrial areas.
  - The benefits of the commercial recreation side were understood, but the uses were not large employers or provide high wage jobs. The City would not be getting many of the benefits the Commission was looking for from industrial land by allowing those uses, so was it really something to focus on?

    - **Ms. Underwood** replied the project team would consider that feedback and bring it to Council as well.
- The EDS was helpful. Having the focus areas were appreciated, including how the actions were tethered directly toward the focus areas, which seemed to make logical sense. Action 3.1 regarding the expansion of allowable non-retail uses did say "consider" which was a broad term. (Slide 14)
- Adding language was suggested to support minority-owned businesses or put an emphasis on how to bring in people with different identities that could bring unique opportunities to the city. Maybe an action could be added to Focus Area #4 Lack of unique retail and dining experiences or perhaps the topic was just something to be mindful of. (Slide 15)
    - **Ms. Underwood** believed it could live within some of the actions as an area for the City to focus. It could be also an action or part of the implementation.
    - Perhaps language could be added in Action 4.4 to be more explicit around diverse restaurants and shops. The goal was to identify a couple areas that would be unique.
    - The project team was asked to consider opportunities to include more of the suggested language.
    - **Economic Development Manager Lorenzen** suggested Staff consult with the City's Legal Department about how to execute the concept without being preferential or discriminatory.
    - **Ms. Underwood** clarified that Action 4.4 called out Town Center because it was from the Town Center Plan, which was where the City was most likely to have additional funding if an urban renewal area (URA) were to function.
- Does the City have data on the kind of unique retail or dining experiences people were leaving Wilsonville for?
    - **Ms. Underwood** noted that interviews and the Town Center Plan indicated a desire for more non-chain restaurants and specialty items like food carts.
    - **Economic Development Manager Lorenzen** confirmed food carts was definitely a recurring theme, which was reflected in the EDS. As far as what people were leaving for, whatever reasons the Commissioners would leave for was probably aligned with the general population.
- Having more concrete goals for Focus Area #4 about what specific things the City wants to develop in the future Town Center would be helpful to make sure the public is aligned on the goals or provide feedback otherwise.
    - **Economic Development Manager Lorenzen** agreed Action 4.4 was stated in pretty broad terms but it would be fine-tuned if the City implemented a program to accomplish the goal with input from the Planning Commission, City Council, and other committees to tailor the program to the community's desires.
    - Hearing what the community wants might spark somebody to start that unique opportunity.
- There was a lot of talk about recruiting or attracting, but some beloved local businesses have gone out of business. Does the EDS include support for retaining existing restaurants, retail and other local businesses that were struggling?

  - **Ms. Underwood** clarified that Actions 4.1, 4.2, and 4.3 (Slide 15) could support local businesses. The project team heard that high rents were the major cause of local businesses closing. Exploring commercial space models (Action 4.3) could be for local residents who have a business idea and want to grow or are already established in Wilsonville. If that was not clear in the EDS, she would be sure to clarify the language.
- Could the City act as a resource connector to outside programs, such as the County's vocational rehab program, for businesses struggling to find qualified workers?
  - **Ms. Underwood** stated Actions 5.1 and 6.1 were intended for the City to act as a connector/convener role or one stop shop to existing resources and programs. (Slide 16)
- Some nearby communities have new restaurants and grocery stores. Has the City benchmarked with other metro cities' policies regarding successful economic development plans and incentives?
    - **Ms. Underwood** confirmed the project team generated ideas from other cities, including Hillsboro for workforce connections, Gresham for business communication elements, and Tigard for food cart launch programs, but did not do specific benchmarking. Some ideas could live under these Actions to refer back to what other cities are doing successfully.
    - **Economic Development Manager Lorenzen** added Hillsboro and Portland had executed land aggregation in their industrial areas successfully.
  - Retail, industrial, and dining came to mind when thinking of Sherwood, which had a lot of industrial development and fresh new restaurants that did not seem to be struggling.
    - **Economic Development Manager Lorenzen** noted a big factor in Wilsonville was the lack of affordable space, which the City had little control over. A good piece of Town Center and almost all of Old Town Square was owned by one real estate investment trust, which changes how market dynamics work as one major player was setting the bar. The City was not powerless to do anything, but some complicating factors exist. The fact that Wilsonville was on I-5 is both a blessing and a curse. Landowners in the city could wait for a credit tenant, which was not usually a mom-and-pop establishment, but a national brand that will pay reliably month after month. It was great that the city's commercial property was in high demand, but that did cause a degree of turnover and more national brands than the small unique businesses everyone wanted.
- Perhaps some language could be added around business retention to be very clear about that intent.
  - The desired outcomes included discussion around employment opportunities and increasing wages but perhaps the desired outcomes or some of the strategies could emphasize the importance of maintaining and growing existing Wilsonville businesses, which was a gap in the EDS, as well as recruiting additional businesses.
- Priority actions should include anything related to helping land get ready to be developed, as well as any dedicated funding sources for making things happen. The Commission had multiple conversations about not being in a place to bring on opportunities.

Chair Hendrix confirmed there was no public comment.

CITY COUNCIL

MONDAY, AUGUST 4, 2025

WORK SESSION

Wilsonville Industrial Land Readiness (Citywide EOA)
(Pauly/Luxhoj)

CITY COUNCIL MEETING
STAFF REPORT

Meeting Date: August 4, 2025	**Subject:** Wilsonville Industrial Land Readiness – Citywide Economic Opportunities Analysis **Staff Members:** Cindy Luxhoj AICP, Associate Planner; Dan Pauly AICP, Planning Manager; Matt Lorenzen, Economic Development Manager **Department:** Community Development
Action Required	**Advisory Board/Commission Recommendation**
☐ Motion ☐ Public Hearing Date: ☐ Ordinance 1st Reading Date: ☐ Ordinance 2nd Reading Date: ☐ Resolution ☒ Information or Direction ☐ Information Only ☐ Council Direction ☐ Consent Agenda	☐ Approval ☐ Denial ☐ None Forwarded ☒ Not Applicable **Comments:** N/A
Staff Recommendation: Provide input on the Citywide Economic Opportunities Analysis.	
Recommended Language for Motion: N/A	
Project / Issue Relates To:	

☒Council Goals/Priorities: Attract high-quality industry and support economic opportunity for all in Wilsonville (*2023-2025 City Council Goal)*	☒Adopted Master Plan(s): Wilsonville Economic Development Strategy; Wilsonville Comprehensive Plan; Basalt Creek Concept Plan; Coffee Creek Master Plan; Town Center Plan	☐Not Applicable

ISSUE BEFORE COUNCIL:

Staff seeks input from the City Council on two key work products that inform the Economic Opportunities Analysis (EOA) for the Citywide portion of the Wilsonville Industrial Land Readiness (WILR) project to be adopted at the end of this year or in early 2026.

EXECUTIVE SUMMARY:

The Wilsonville Industrial Land Readiness (WILR) project includes two parts: one focused on the industrial area northwest of the City covered by the Basalt Creek Concept Plan ("Basalt Creek") and the other focused "Citywide." Both parts of the project aim to attract high-quality industry and expand economic opportunities in Wilsonville by establishing a regulatory, policy, and strategic framework.

The Citywide portion of the project is a broad review of development opportunities and challenges for the City's industrial and commercial lands and updates Wilsonville's Economic Opportunities Analysis (EOA), which was last revised in 2012. This EOA update provides Wilsonville with the opportunity to address the requirements of Goal 9 (Economic Development) of Oregon's Statewide Land Use Planning Goals (Oregon Administrative Rules [OAR] 660-009) while updating the City's vision for strengthening the local economy and providing adequate land to accommodate the next 20 years of employment growth.

Key tasks of the Citywide work, as further detailed in the table below, include analyzing market trends, inventorying employment lands, developing a long-term Economic Development Strategy for a 20-year planning horizon, and recommending refinements to the City's Development Code to support anticipated economic activity. This updated EOA will serve as a companion to the City's Housing Needs and Capacity Analysis, providing a comprehensive foundation for future decisions related to both residential and employment growth.

Key tasks and their purpose:

Task/Work Product	Purpose
Buildable Lands Inventory Memo	Identify the amount and characteristics of land available to support future development of industrial and commercial uses.
Economic Inventory and Potential Growth Forecasts Memo	Develop a foundational understanding of Wilsonville's industrial and other employment landscape—the basis of the employment forecast that will be used to determine the City's employment land need.
Site Suitability Analysis	Assess potential for development of industrial and other employment uses on select vacant industrial properties in the City.
Economic Opportunities Analysis	Synthesize knowledge gained from prior tasks to describe the City's opportunities for economic growth. Determines industrial and other employment land need over the next 20 years.
Stakeholder Engagement	Engage decision-makers, an Advisory Committee, stakeholder interviews/focus groups, and the broader public in meaningful discussion of the City's economic opportunities.
Economic Development Strategy	Develop strategies that focus on advancing key strategic projects with actionable implementation steps, integrating coordination and collaboration with community partners and critical stakeholders, to cultivate sustainable economic growth.

At this City Council work session, staff and ECOnorthwest will present preliminary findings from two key work products:

- Buildable Lands Inventory (BLI) Memo; and
- Economic Inventory and Potential Growth Forecasts Memo.

Preliminary Findings

Buildable Lands Inventory Memo

The analysis found 366 acres of unconstrained buildable land available to support job growth within Wilsonville's City limits and the City's portion of the Metro urban growth boundary (UGB). The land includes 303 acres designated for industrial use, 45 acres undesignated but intended for industrial use, and 13 acres designated for commercial use (Attachment 1). In total, 96% of this land is either designated or intended for industrial development. After forecasting employment growth using the preferred rate (detailed in the next section), job numbers are converted to land demand based on employees per acre. This demand is then compared to the BLI's land supply to determine how much land is needed for future employment growth.

Economic Inventory and Potential Growth Forecasts Memo

Key findings of this analysis (Attachment 2) include:

- Commuting patterns: Based on commuting patterns of roughly 30,000 workers in 2022, nearly 20,000 commute into Wilsonville for work, while just over 10,000 commute out to work elsewhere; about 1,800 people both live and work in Wilsonville.
- Job growth: Wilsonville had about 23,100 covered jobs in 2023, with roughly 3,500 added since 2007 (1.0% average annual growth).
- High-wage sectors: In 2023, wages above the City average of $77,904 were found in construction; manufacturing; wholesale trade; information; professional, scientific, and technical services; management of companies and enterprises; and government.
- Some economic development factors in Wilsonville (full list in Attachment 2):
    - Advantages: strategic location, proximity to growing industrial areas, access to a skilled and educated workforce, City-wide Wilsonville Investment Now (WIN) program, redevelopment potential, high quality of life
    - Challenges: limited supply of development-ready industrial land, presence of contractor establishments that complicate urban development, regional housing affordability challenges

EcoNorthwest identified four growth rates that could be used for the employment forecast for the 20-year planning horizon (2026-2046) including the following:

- Metro's Urban Growth Report 2024 (0.42%)
    - The rate that Metro is forecasting for employment growth across the region
- Oregon Employment Department (OED) Regional Employment Growth (0.85%)
    - The rate the State used to forecast employment growth for Clackamas, Washington, and Multnomah counties for the 2023-2033 period
- Historic Employment Growth in Wilsonville (2007-2023) (1.03%)
    - The rate for employment growth in Wilsonville between 2007-2023

- Housing Needs and Capacity Analysis (HNCA) Growth Rate (1.20%)
    - The rate from the Housing Needs and Capacity Analysis for growth of Wilsonville's households over the 2025-2035 period; Households in Wilsonville grew by 2.5% per year between 2010-2023

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 and vision. All the growth rates presented are reasonable and supported by available data. Considerations associated with each of these growth rates are included in the Economic Inventory and Potential Growth Forecasts Memo (Attachment 2) and will be discussed in more detail during the work session presentation.

Planning Commission Feedback

During discussion at their July 9 meeting, the Planning Commission indicated that they find the Buildable Lands Inventory methodology and preliminary findings reasonable and well-grounded. Further, their discussions support using the Oregon Employment Department (OED) Regional Employment Growth Rate of 0.85% for the employment forecast in the EOA to calculate land sufficiency. The Planning Commission finds the projection reasonable based on market analysis and employment trends. While Wilsonville has historically grown quickly, that pace is slowing as the city nears buildout. Significant investment is needed to develop remaining industrial land, so slower growth is expected over the next 5–10 years, with more development anticipated later in the 20-year planning period. Commercial growth will rely on redeveloping the Town Center and repurposing large vacant buildings. Hence, while the OED Employment Growth Rate is slower than Wilsonville's historical average, it aligns with state and national trends and remains aspirational yet realistic. Staff is seeking the City Council's input on whether they concur with the Planning Commission's support of the OED Growth Rate or think a different growth rate better reflects Wilsonville's employment growth vision.

Questions for City Council:

Following staff's presentation, the City Council's guidance is requested on the following:

- Buildable Lands Inventory (BLI)
    - Does the City Council concur with staff and the Planning Commission that the BLI methodology and preliminary findings are reasonable?

- Economic Inventory and Potential Growth Forecasts Memo
    - Does the City Council agree that using the OED Growth Rate of 0.85% to guide land need planning, as recommended by staff and the Planning Commission, is the best choice given the market analysis and employment trends anticipated for the 20-year planning horizon?

EXPECTED RESULTS:
Feedback from City Council at this work session will inform completion of the employment forecast and land sufficiency analysis, both key components of the EOA. This input will also help shape the Economic Development Strategy to cultivate sustainable economic growth in Wilsonville.

TIMELINE:
Work sessions with the City Council on the EOA and Economic Development Strategy are anticipated to occur throughout the rest of this year. EOA adoption hearings are expected at the end of this year or in early 2026.

CURRENT YEAR BUDGET IMPACTS:
Funding for the current work is allocated in the fiscal year 2025-26 Planning Division budget. The project is primarily funded by a $290,000 Metro grant.

COMMUNITY INVOLVEMENT PROCESS:
Public engagement in this Citywide part of the WILR project focuses on involving decision-makers, an Advisory Committee, stakeholder interviews/focus groups, and the broader public in meaningful discussion of the City's economic opportunities. This information will be considered in formulating economic development strategies and preparing needed Comprehensive Plan and Code amendments.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:
By identifying and implementing targeted economic development strategies, the City can eliminate key barriers to growth and advance its economic vision. These efforts will generate new jobs, expand the income and property tax base, and promote economic mobility by supporting access to family-wage employment. Ultimately, this will enhance the City's livability and ensure it remains a full-service community for all residents.

ALTERNATIVES:
As key strategic projects with actionable steps are identified and Citywide economic development strategies take shape, a range of alternatives will be explored in collaboration with the City Council.

CITY MANAGER COMMENT:
N/A

ATTACHMENTS:
1. Draft Buildable Lands Inventory Memo and Appendix (Methods and Definitions)
2. Draft Economic Inventory and Potential Growth Forecasts Memo

DATE:	July 1, 2025
TO:	City of Wilsonville
FROM:	Nicole Underwood, Barrett Lewis, and Beth Goodman, ECOnorthwest
SUBJECT:	Wilsonville Economic Opportunity Analysis: Buildable Lands Inventory

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. This technical assessment will be paired with the development of an Economic Development Strategy, which will offer targeted policy recommendations and implementation steps to advance economic growth that aligns with local priorities.

This memorandum presents the findings of the Buildable Lands Inventory (BLI) for land designated for employment in Wilsonville. Specifically, it identifies the amount and characteristics of land available to support future *commercial* and *industrial* development. Ultimately, this memorandum will be incorporated as a chapter into Wilsonville's EOA and will inform the Economic Development Strategy.

Contents of This Memorandum:

- **Buildable Lands Inventory:** Summarizes the results of the commercial and industrial BLI for Wilsonville.
- **Appendix A – Methods and Definitions:** Describes the methodology and key definitions used in compiling the BLI for Wilsonville.

Buildable Lands Inventory

The **Buildable Lands Inventory (BLI)** identifies commercial and industrial lands available for employment-related development within the Wilsonville area. This area includes the city limits and Wilsonville's city limits and Wilsonville's portion of the Metro UGB.[1]

The inventory is sometimes characterized as the *supply* of land available to support future employment growth. The amount of land needed to accommodate anticipated growth, often referred to as *demand* for land, depends on the type of employment-related development and other factors.

This section summarizes the results of the commercial and industrial buildable lands inventory for the Wilsonville city limits and UGB area. The analysis, conducted by ECOnorthwest, is based on GIS data from the City of Wilsonville, Metro, and the State of Oregon. City staff reviewed the findings.

The BLI process includes the following steps:

1. Generate Study Area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify the inventory results
5. Tabulate and map results

The remainder of this section presents the results of the BLI in both tabular and map formats. Appendix A provides a detailed explanation of the inventory methodology.

[1] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the city.

Land Base

The land base for the BLI includes all tax lots within the Wilsonville city limits and UGB area that fall under comprehensive plan designations that allow for employment. Table 1 provides a breakdown of the land base by Wilsonville Comprehensive Plan designation within Wilsonville.

Table 1. Employment Land Base by Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
Commercial	297	32%	224	8%
Industrial	526	56%	1,819	63%
Town Center	57	6%	136	5%
Public	33	4%	480	17%
Undesignated	24	3%	216	8%
Total	**937**	**100%**	**2,876**	**100%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis because several tax lots have multiple plan designations on the tax lot.

Buildable Area Status

Table 2 summarizes the total acres of commercial and industrial tax lots, classified by buildable area status. ECOnorthwest used a rule-based classification (described in Appendix B) to determine the initial development status. These classifications were then confirmed through a series of reviews by ECOnorthwest and City staff, based on local knowledge and review of aerial maps.

Table 2. Employment Acres by Classification and Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Total Acres	Developed Acres	Constrained Acres	Buildable Acres
Commercial	224	194	25	4
Industrial	1,819	1,005	506	308
Town Center	136	125	2	9
Public	480	336	144	0.1
Undesignated	216	67	104	45
Total	**2,876**	**1,729**	**782**	**366**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Development Constraints

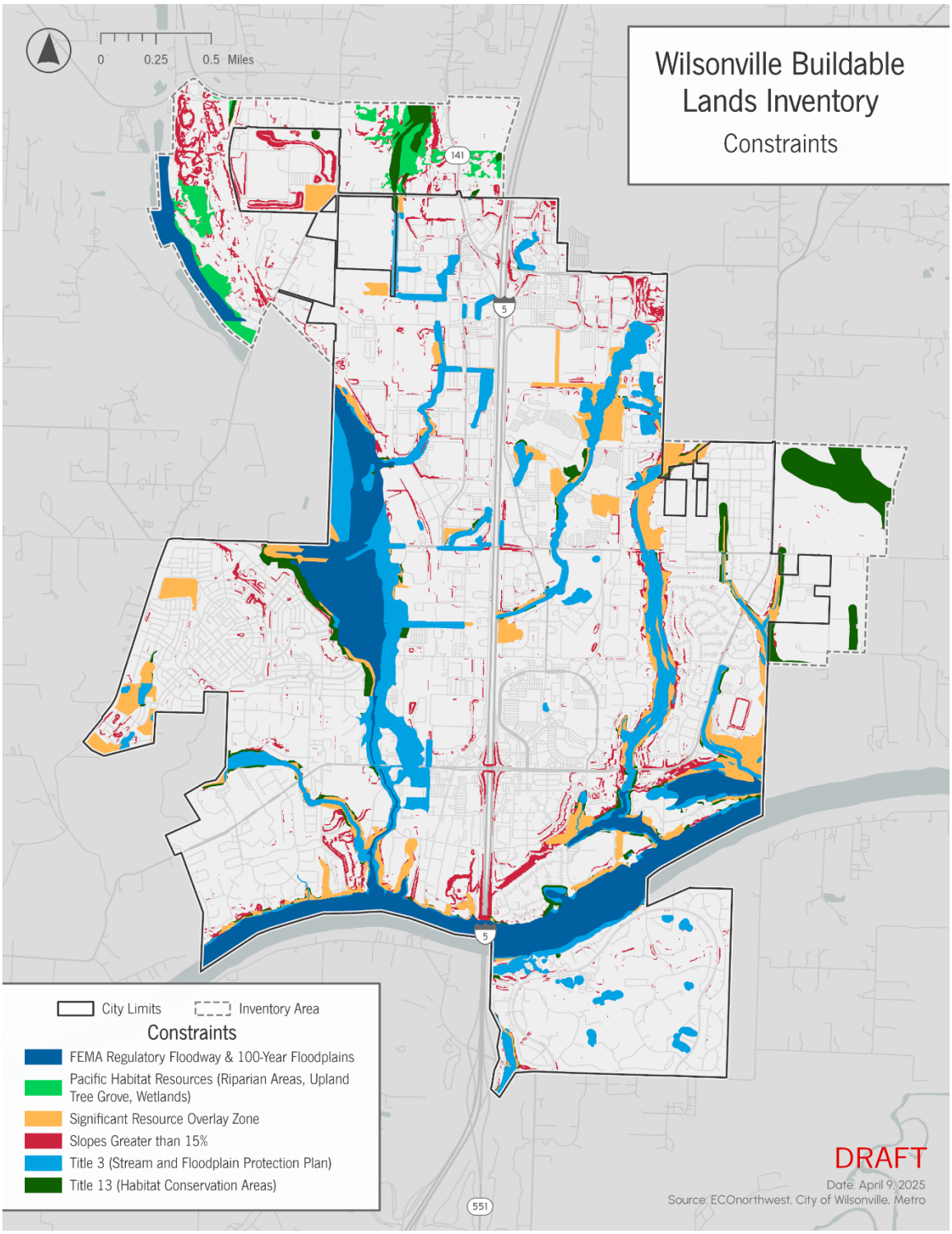
The BLI identifies the following conditions as constraints that prohibit development. These constraints are shown in Figure 1:

- FEMA 100-Year Floodplains and Regulatory Floodway
- High or very high landslide susceptibility
- Slopes greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)
- Significant Resource Overlay Zone (SROZ)
- Pacific Habitat Services (riparian areas, upload tree groves, or wetlands) in the Basalt Creek area

Figure 2 shows buildable area status with constraints applied, resulting in buildable acres. Land classified as vacant or partially vacant and affected by these constraints is deemed unavailable for development and has been excluded from the inventory of buildable land.

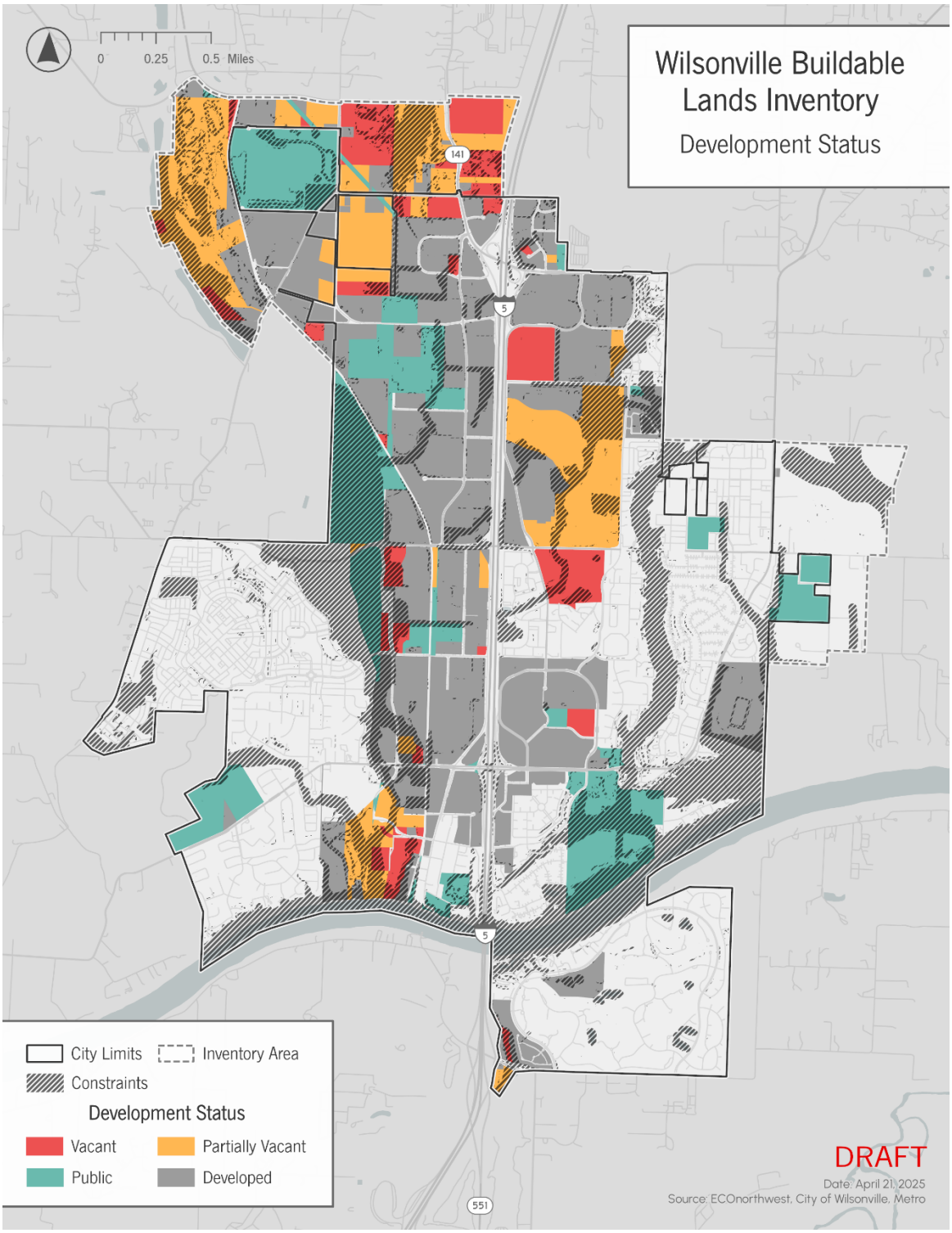
It is important to note that tax lots shown as partially vacant in the map do not distinguish the part of the tax lot that is unavailable for development. However, the buildable lands inventory database accounts for these distinctions.

Figure 1. Development Constraints, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Figure 2. Buildable Area Status with Constraints, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Vacant Buildable Land

The next step in the BLI involved removing portions of vacant and partially vacant tax lots deemed unsuitable for development. Unsuitable areas fall into two categories:

1. Developed portions of partially vacant tax lots.
2. Areas affected by physical constraints (i.e., areas within wetlands, floodplains, steep slopes, etc.).

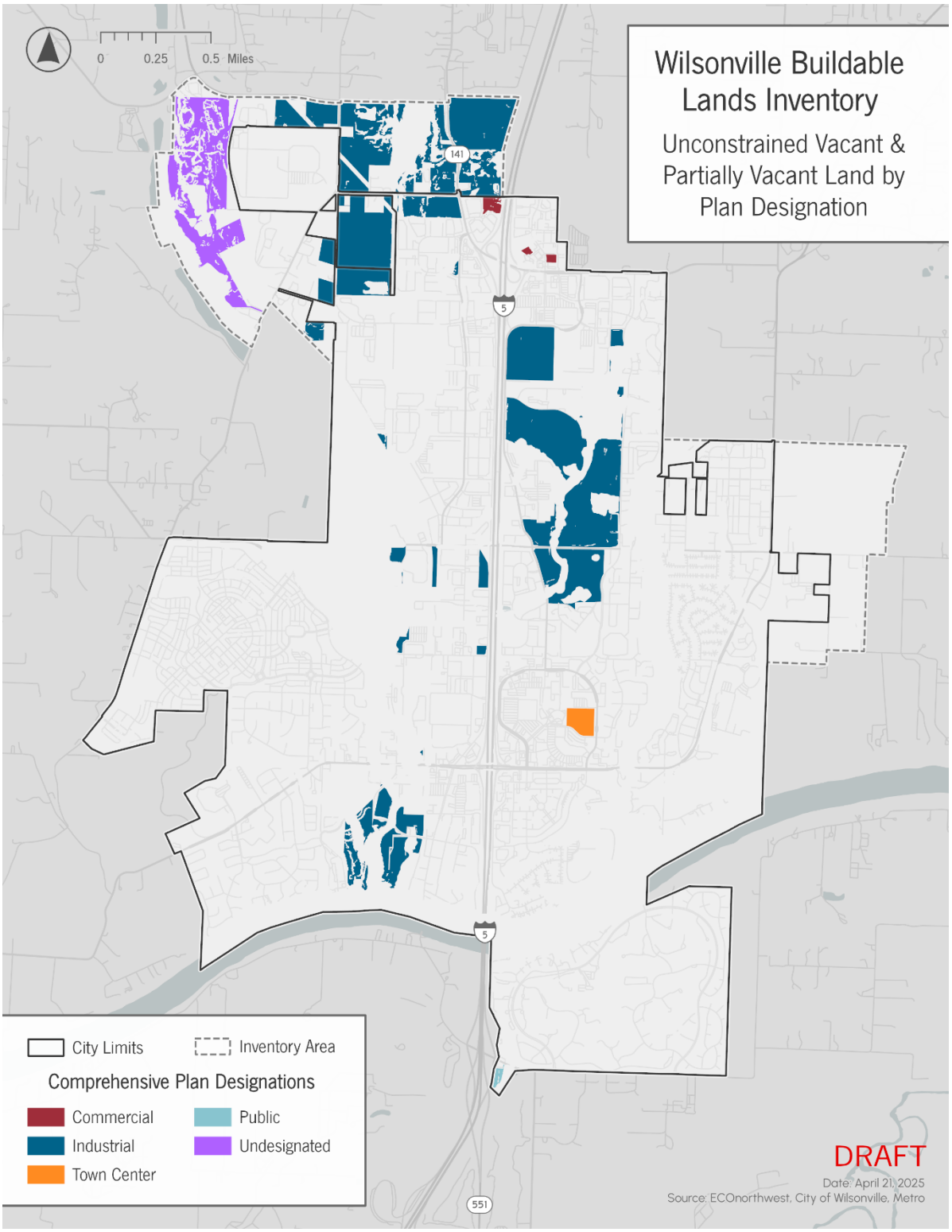
Table 3 presents the total buildable acres by Comprehensive Plan designation after these constraints have been deducted. This includes both vacant and partially vacant lands in the Wilsonville city limits and UGB area. Figure 3 shows a map of the buildable commercial and industrial lands within the Wilsonville city limits and UGB area, also categorized by Comprehensive Plan designation. Overall, the Wilsonville city limits and UGB area contains 366 total buildable acres available for future development.

Table 3. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 3. Buildable Employment Land by Plan Designation, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Table 4 shows the size of lots by plan designations for buildable employment land.

Table 4. Acres of Land and Number of Tax Lots by Plan Designation, Buildable Acres, Wilsonville city limits and UGB area, 2025

Plan Designation	Buildable Sites Size						
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres
	Acres of Land by Plan Designation						
Commercial	0.3	1	-	3	-	-	-
Industrial	4	9	23	90	118	-	64
Town Center	-	-	2	-	7	-	-
Public	0.1	-	-	-	-	-	-
Undesignated	-	1	2	3	26	13	-
Acreage Total	**5**	**11**	**26**	**97**	**151**	**13**	**64**
	Number of Tax lots by Plan Designation						
Commercial	1	1	-	1	-	-	-
Industrial	16	12	15	28	16	-	2
Town Center	-	-	1	-	1	-	-
Public	1	-	-	-	-	-	-
Undesignated	-	2	1	1	3	1	-
Tax Lot Total	**18**	**15**	**17**	**30**	**20**	**1**	**2**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Appendix A – Methods and Definitions

The Buildable Lands Inventory (BLI) identifies commercial and industrial lands that are available for development for employment uses within Wilsonville. This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for Wilsonville.

Methods and Definitions

The BLI for Wilsonville includes all land that allows commercial and industrial uses within the Wilsonville city limits and Wilsonville's portion of the Metro UGB.[2] From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Wilsonville city limits and UGB area
2. It is inside a tax lot (as defined by Metro), and
3. Its current zoning/comprehensive plan designation allows employment uses. *Note that tax lots do not generally include roads, railroad rights-of-ways, or water.*

The inventory then builds from the tax lot–level database to estimate buildable land by Comprehensive Plan designation.

Inventory Steps

The five steps in the BLI are:

1. Generate the study area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

[2] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the city.

Step 1: Generate Study Area "Land Base"

The commercial and industrial inventory used all tax lots within the Wilsonville city limits and UGB area with the appropriate types of comprehensive plan designations that fall under those land use categories:

- Commercial (C)
- Industrial (I)
- Town Center (TC)
- Public (P)
- Undesignated

Figure 4 (on page 15) shows a map of these designations used in the BLI.

Step 2: Classify Lands by Buildable Area Status

In this step, ECOnorthwest classified each tax lot with an employment plan designation (based on the definitions in Table 5) into one of four mutually exclusive categories based on buildable area status:

- Vacant land
- Partially vacant land
- Public land
- Developed land

ECOnorthwest identified buildable land and classified buildable area status using a rule-based methodology, which identifies that that is buildable (vacant and partially vacant land). The rules are described in Table 5. The buildable area status classifications of the BLI land base are visualized in map format below in Figure 5.

Table 5. Rules for Buildable Area Status Classification

BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	Tax lots designated as vacant by Metro based on the following criteria: 1. Fully vacant based on Metro aerial photos 2. Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3. Lots 95% or more vacant from GIS vacant land inventory.	OAR 660-009-0005(5); Oregon Metro BLI Methodology (2024)[3]
Partially Vacant Land	A tax lot: 1) Between one and five acres occupied by a use that could still be further developed based on zoning; or 2) Equal to or larger than five acres where one half-acre or more is occupied by permanent buildings or improvements where excess land that could be further developed is present. This determination was based on a visual assessment and City staff verification.	No statutory definition
Public	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	No statutory definition
Developed Land	Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI.	OAR 660-009-0005(1)

[3] https://www.oregonmetro.gov/sites/default/files/2024/10/25/2024-UGR-Appendix-2-with-attachments.pdf

Step 3: Identify Constraints

As shown in Table 6, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2) and Metro's 2024 BLI methodology.

Table 6. Constraints Included in BLI

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
Goal 5 Natural Resource Constraints			
Title 3 (Stream and Floodplain Protection Plan)	OAR 660-009-0005(2)	Lands within Metro-defined Title 3 areas	Metro
Title 13 (Habitat Conservation Areas)	OAR 660-009-0005(2)	Lands within Conservation Areas identified as "High" or "Very High"	Metro
Significant Resource Overlay Zone	OAR 660-009-0005(2)	Lands within the Wilsonville-defined Significant Resource Overlay Zone	City of Wilsonville
Pacific Habitat Services in Basalt Creek	OAR 660-009-0005(2)	Lands within riparian areas, upland tree groves, or wetlands, as identified by Pacific Habitat Services in the Basalt Creek area.	Pacific Habitat Resources
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA–defined regulatory floodway or 100-year floodplains	FEMA via National Flood Hazard Layer Interactive Viewer
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Figure 6 (page 17) shows a map of the individual constraints.

Step 4: Verify Inventory Results

ECOnorthwest used a multistep verification process. The first verification step involved a "visual assessment" of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECOnorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECOnorthwest amended the BLI based on City staff review and a discussion of staff's comments. The final verification included review by stakeholders, including by members of the Technical Advisory Committee.

Step 5: Tabulate and Map Results

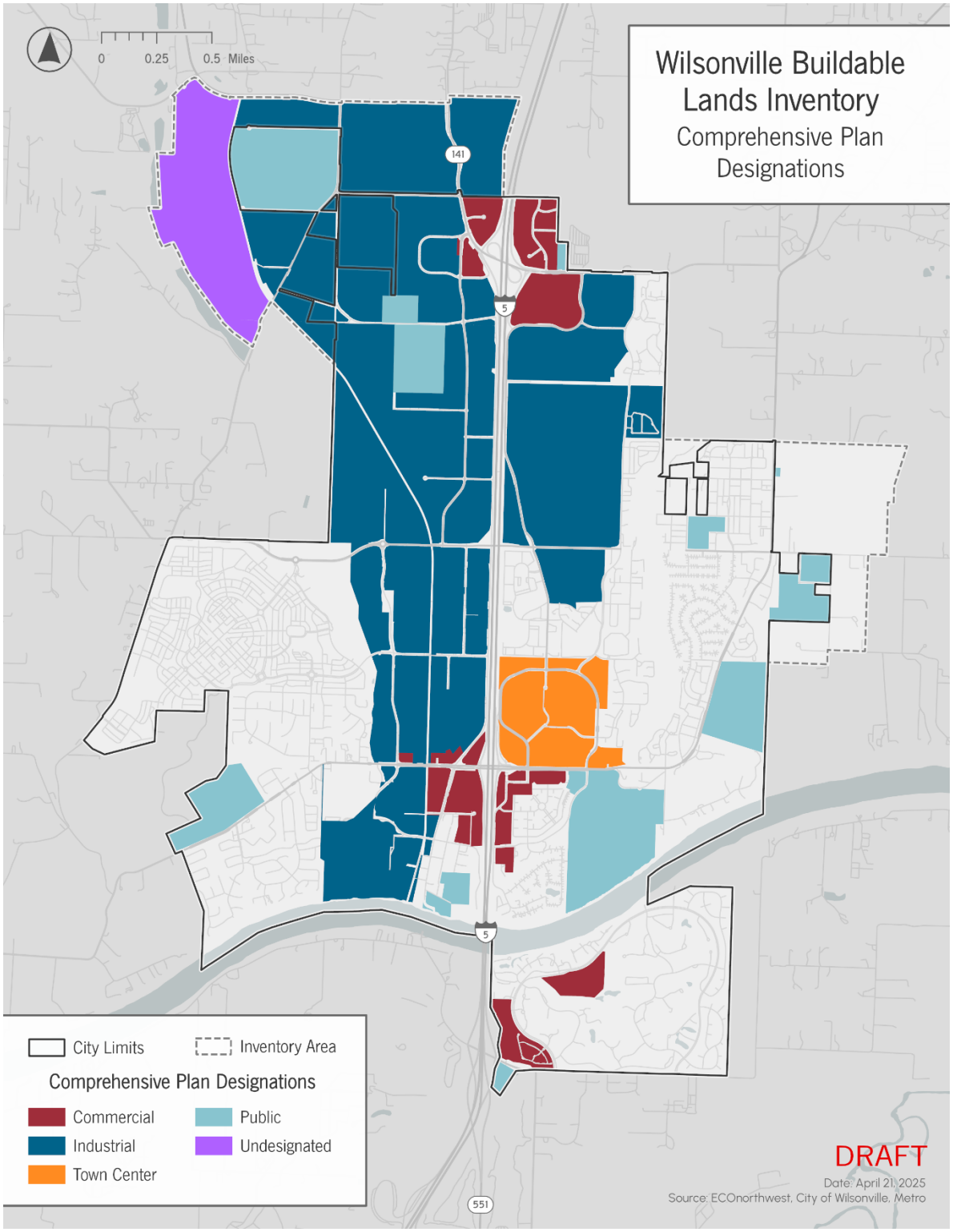
The results of the commercial and industrial BLI are presented in tabular form and maps in the remainder of this Appendix. These maps separately show the existing Comprehensive Plan designations, individual constraints used, the land base by buildable area status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by Comprehensive Plan designation.

Table 7. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

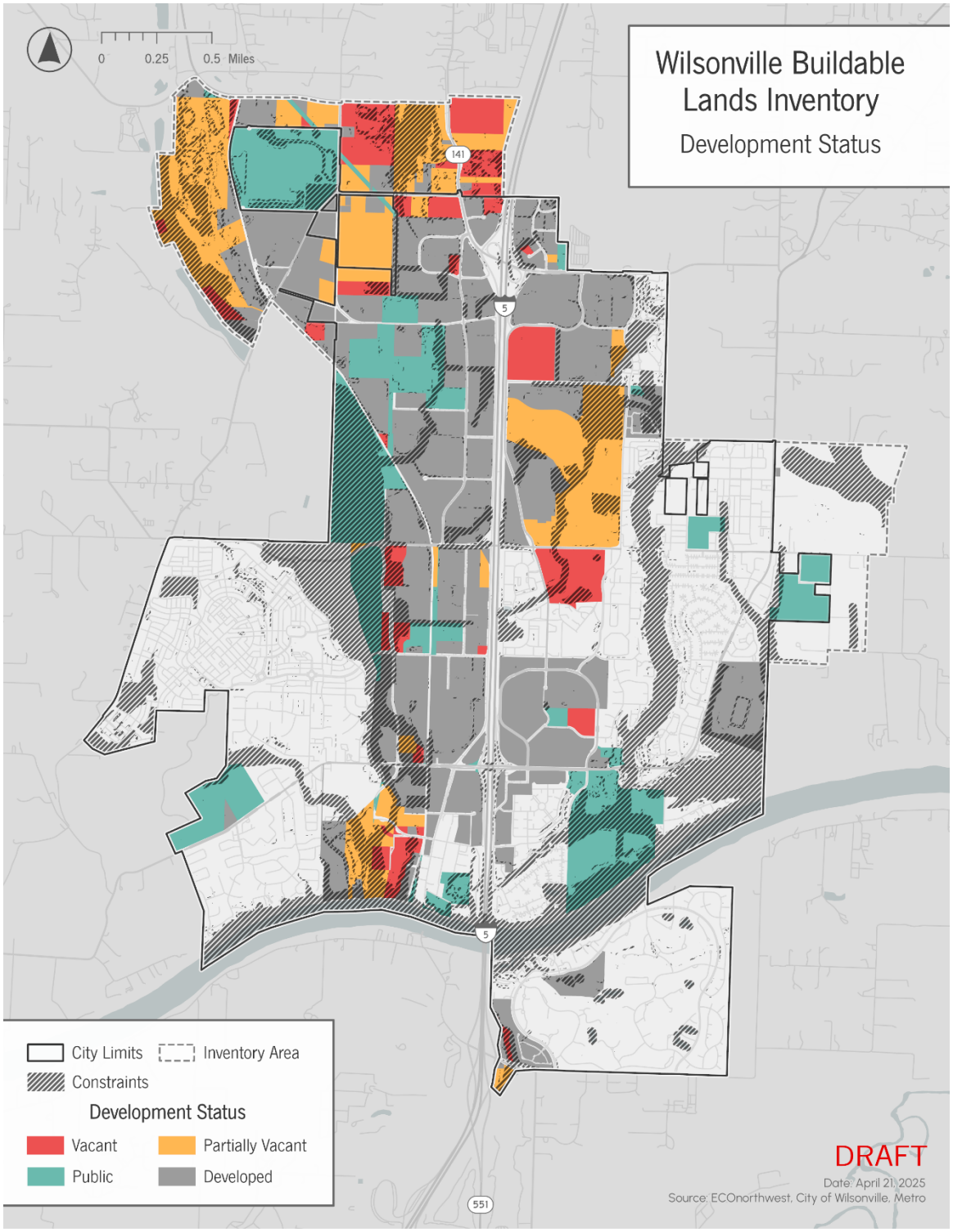
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 4. Comprehensive Plan Designations Included in the Employment Land Base, Wilsonville city limits and UGB area, 2025



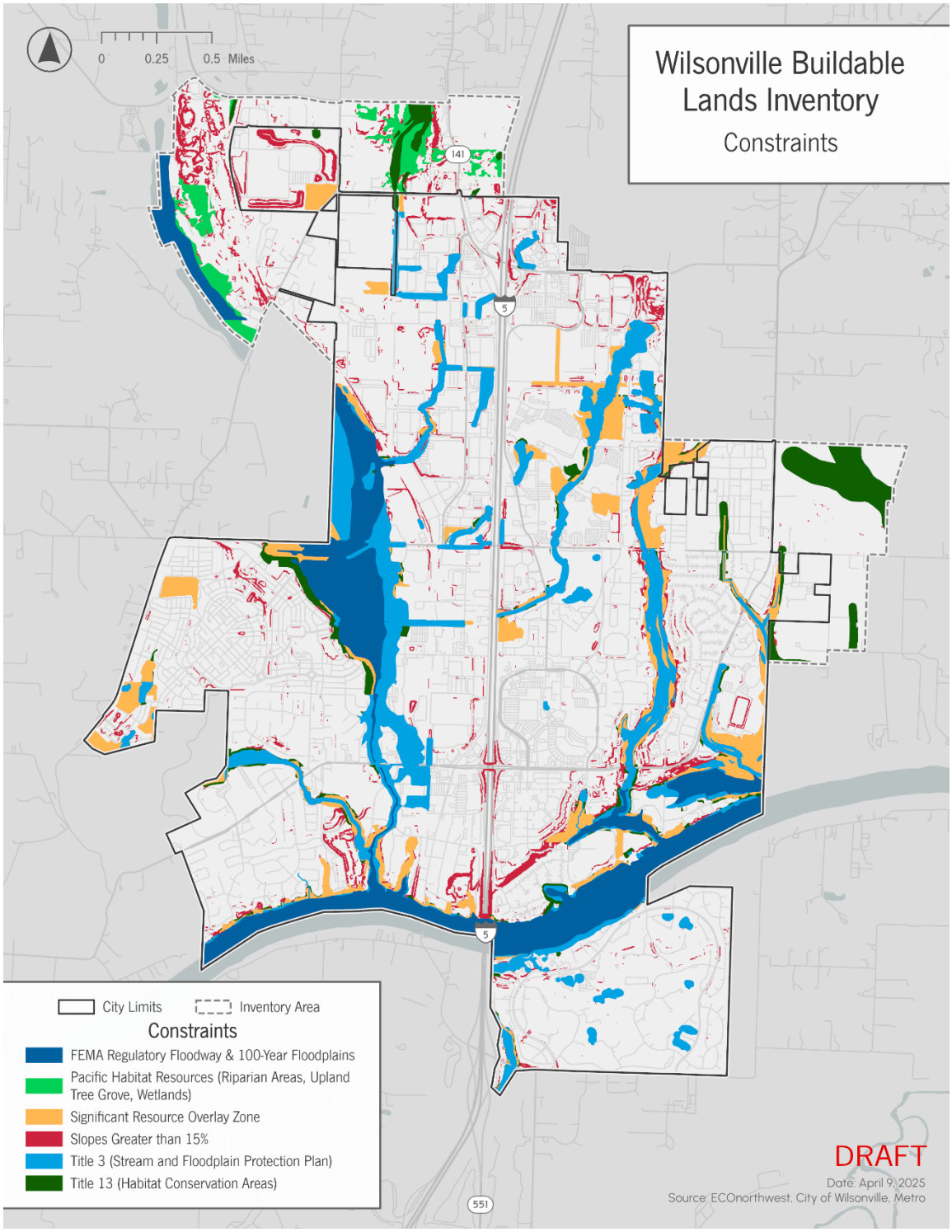
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 5. Buildable Area Status with Constraints, Wilsonville city limits and UGB area, 2025



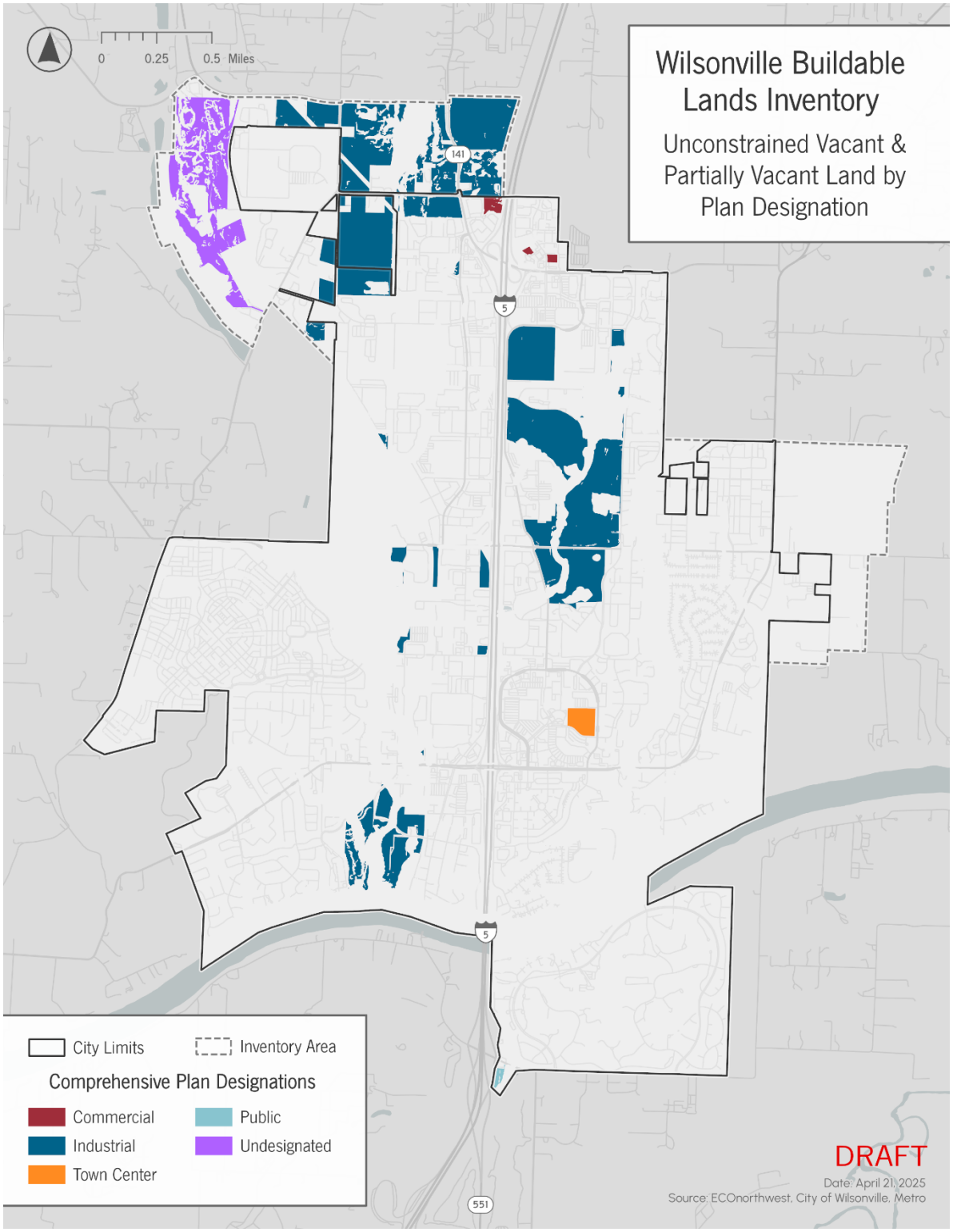
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 6. Development Constraints, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Figure 7. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

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.

DRAFT

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

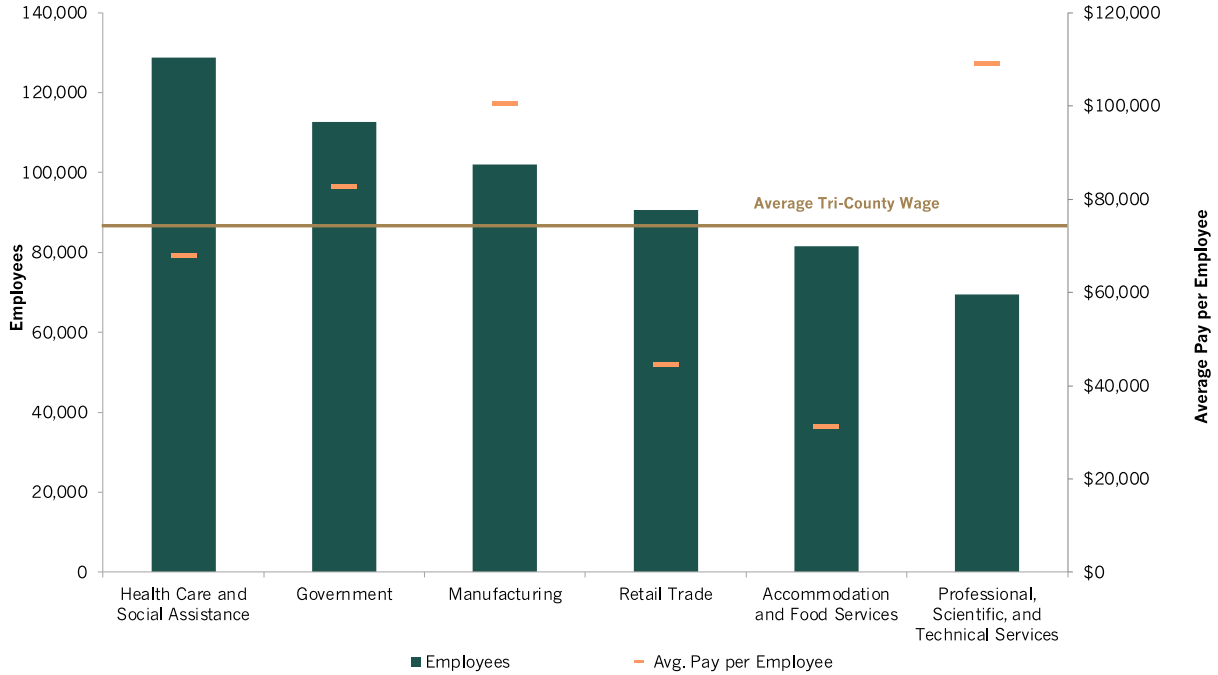
Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting and	10,231	9,446	(785)	(0.5%)
Construction	46,926	59,673	12,747	1.5%
Manufacturing	101,845	102,004	159	0.0%
Wholesale Trade	49,370	46,382	(2,988)	(0.4%)
Retail Trade	85,796	90,561	4,765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

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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.

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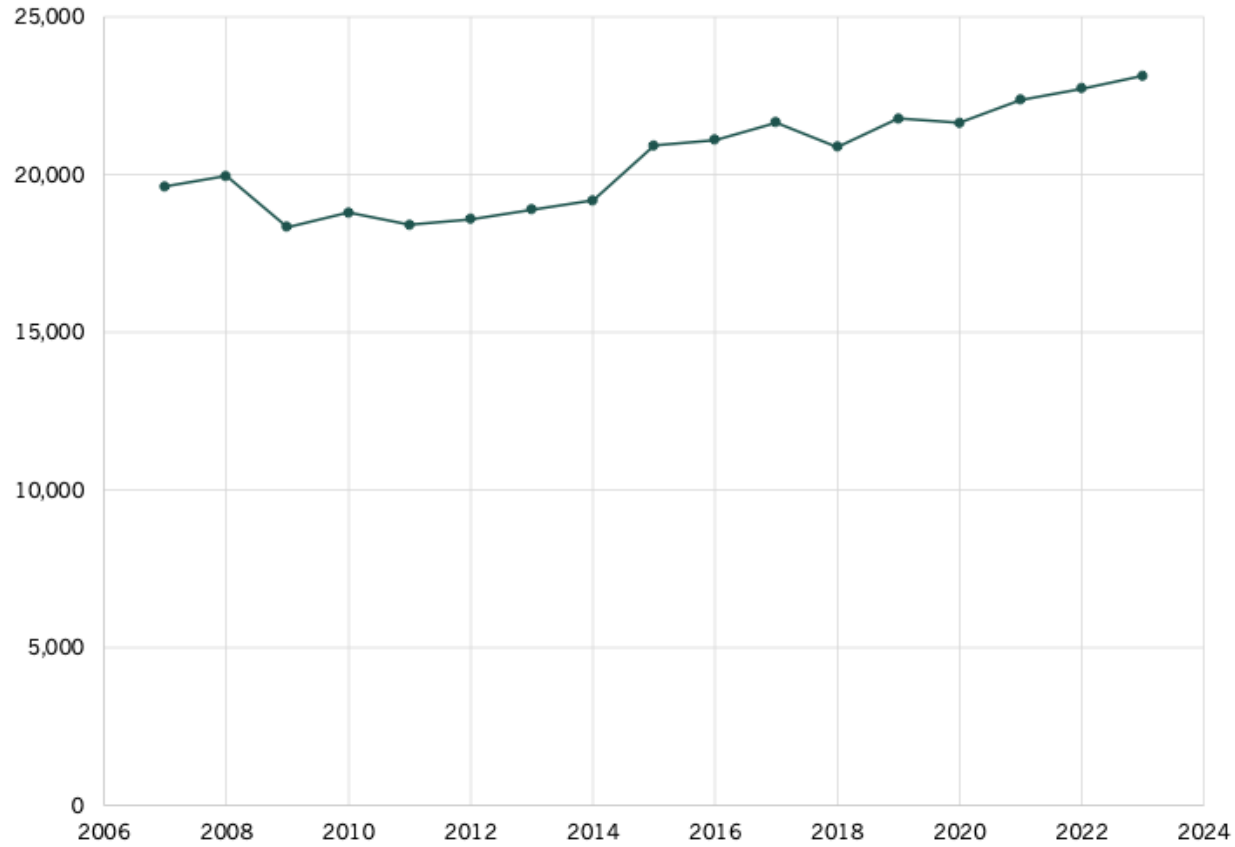
Wilsonville's net covered employment growth between 2007 and 2023 generally reflects steady annual changes, with most years showing gains or losses between 1% and 4%. One notable exception was in 2009, when covered employment declined by 8% as a result of the Great Recession that impacted the entire 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, 2023[20]

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%
Accomodation 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 absorption[21], 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.

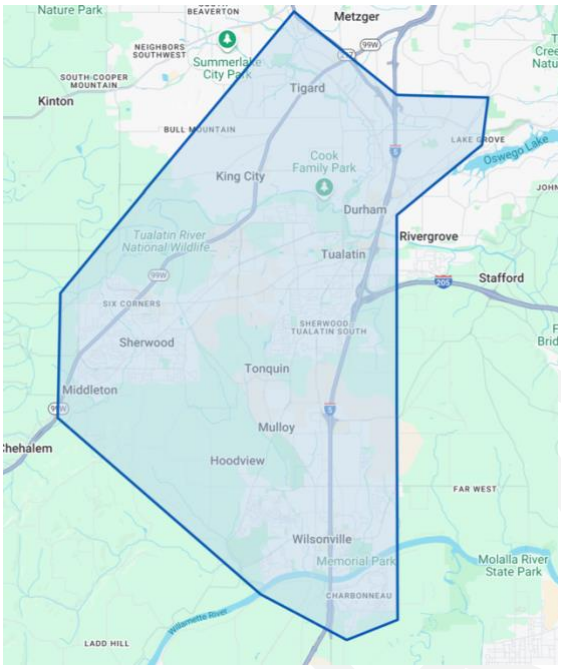
Industrial: Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of *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.

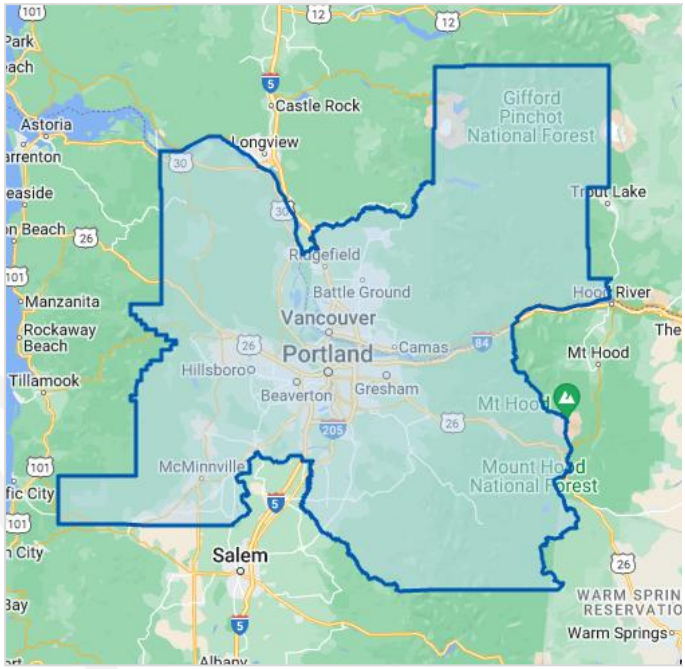
The remainder of this section provides detailed analysis of real estate trends in Wilsonville, the I-5 South submarket (Exhibit 8) and the broader Portland region (Exhibit 9).

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 Trends[22]

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

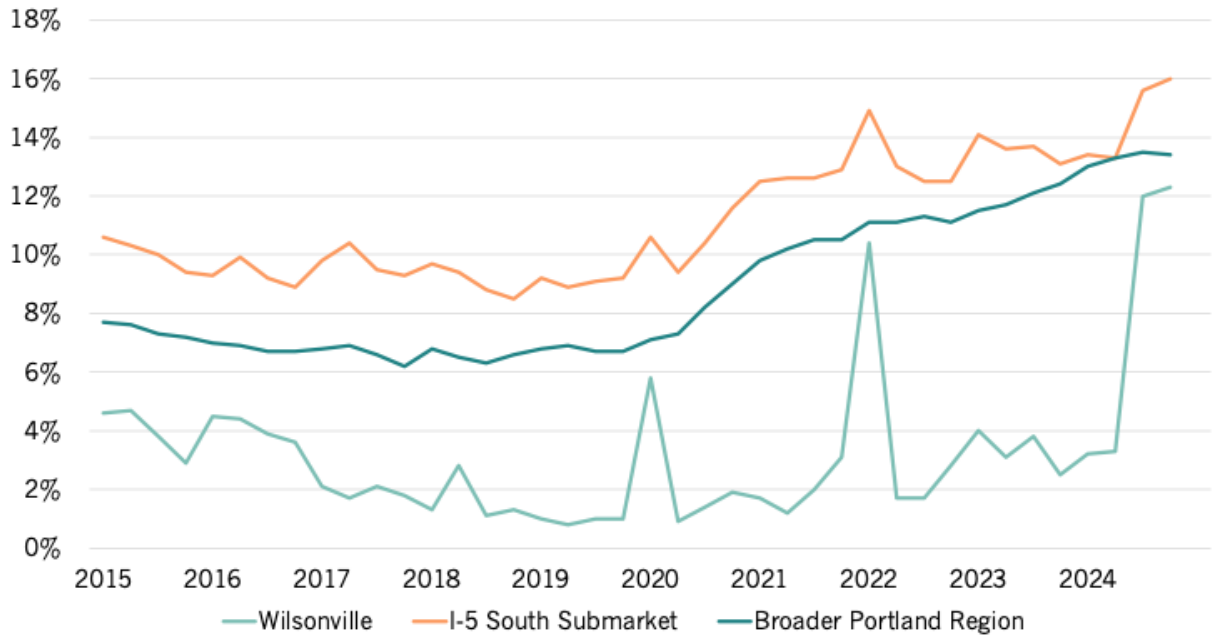
Source: CoStar, pulled February 2025

*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.

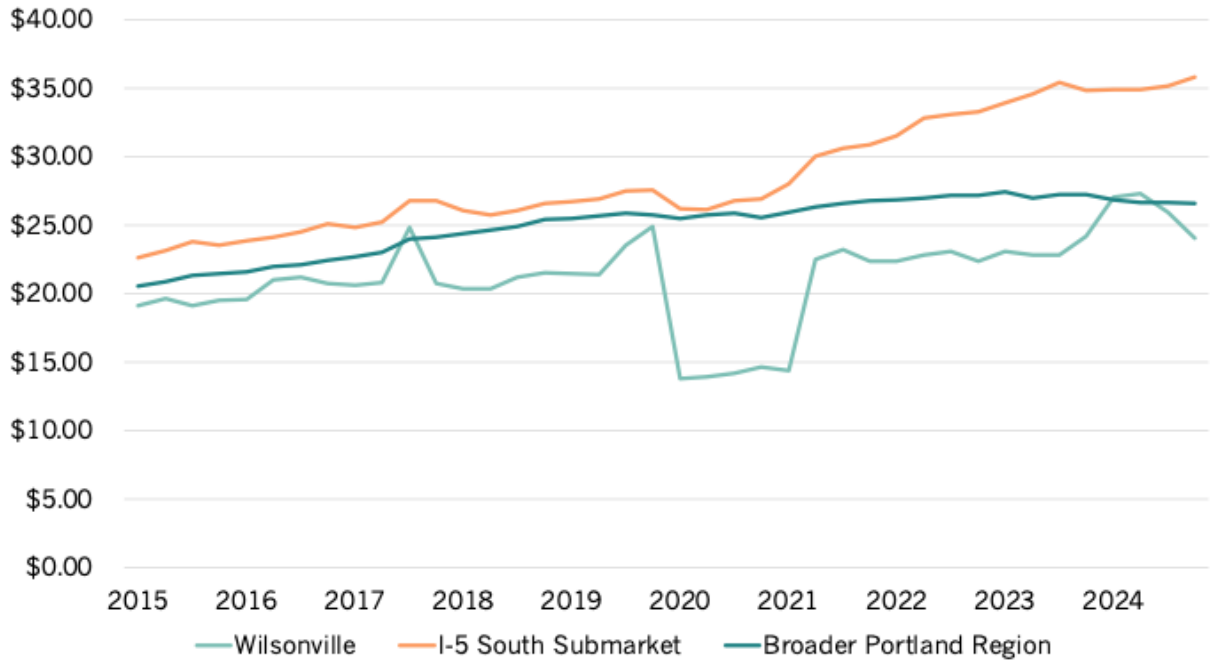
Exhibit 11: Office Vacancy Rate Trends, 2015-2024



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 Trends[24]

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

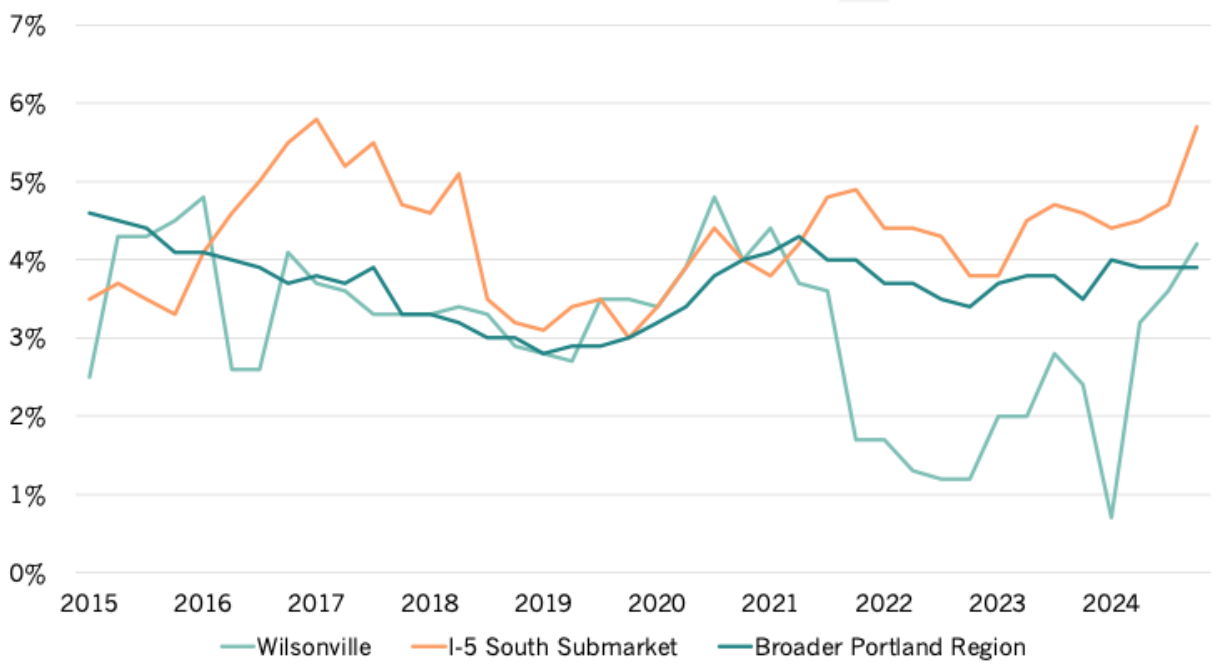
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL RETAIL DEVELOPMENT			
Broader Portland Region	12,132	126,767,807	10,450
I-5 South Submarket	478	6,797,343	14,220
Wilsonville	112	2,165,439	19,330
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	441	5,186,720	11,760
I-5 South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

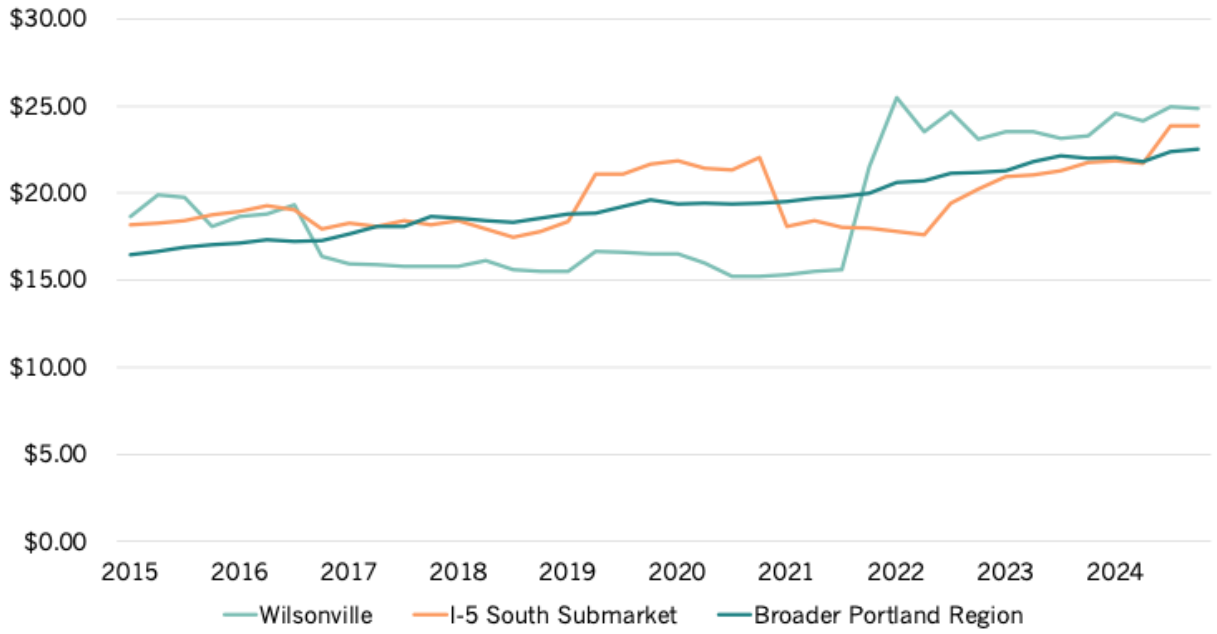
Exhibit 14: Retail Vacancy Rate Trends, 2015 - 2024



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.

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[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

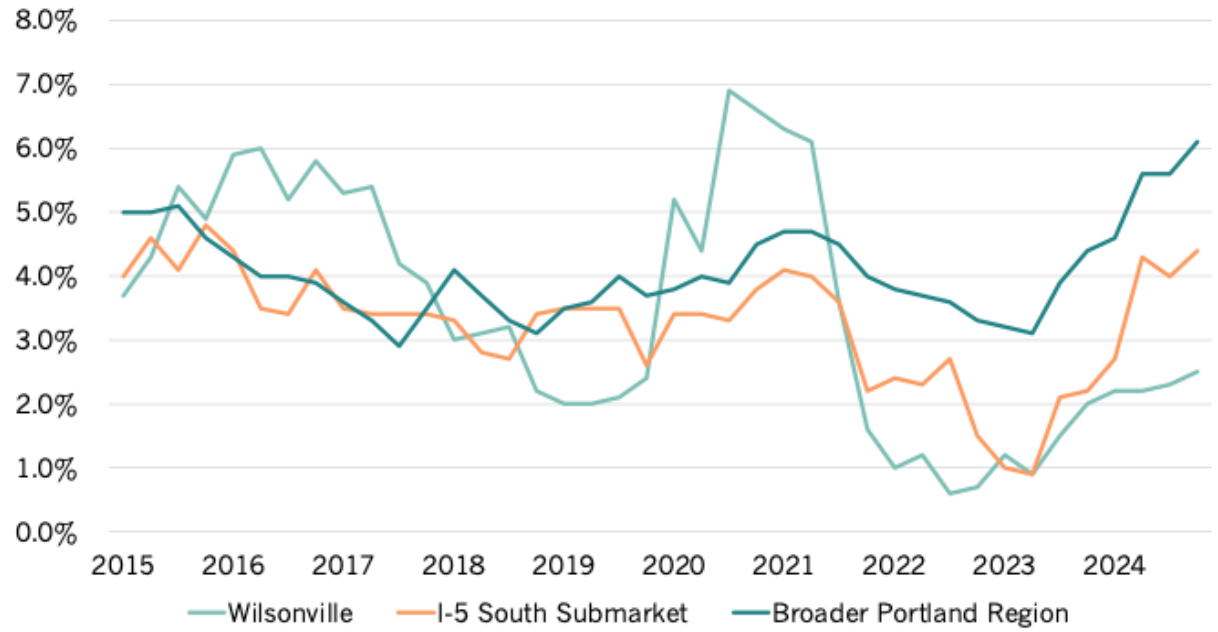
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL INDUSTRIAL DEVELOPMENT			
Broader Portland Region	7,581	259,657,430	34,250
I-5 South Submarket	671	22,831,304	34,030
Wilsonville	136	8,592,887	63,180
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	403	33,736,304	83,710
I-5 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%.

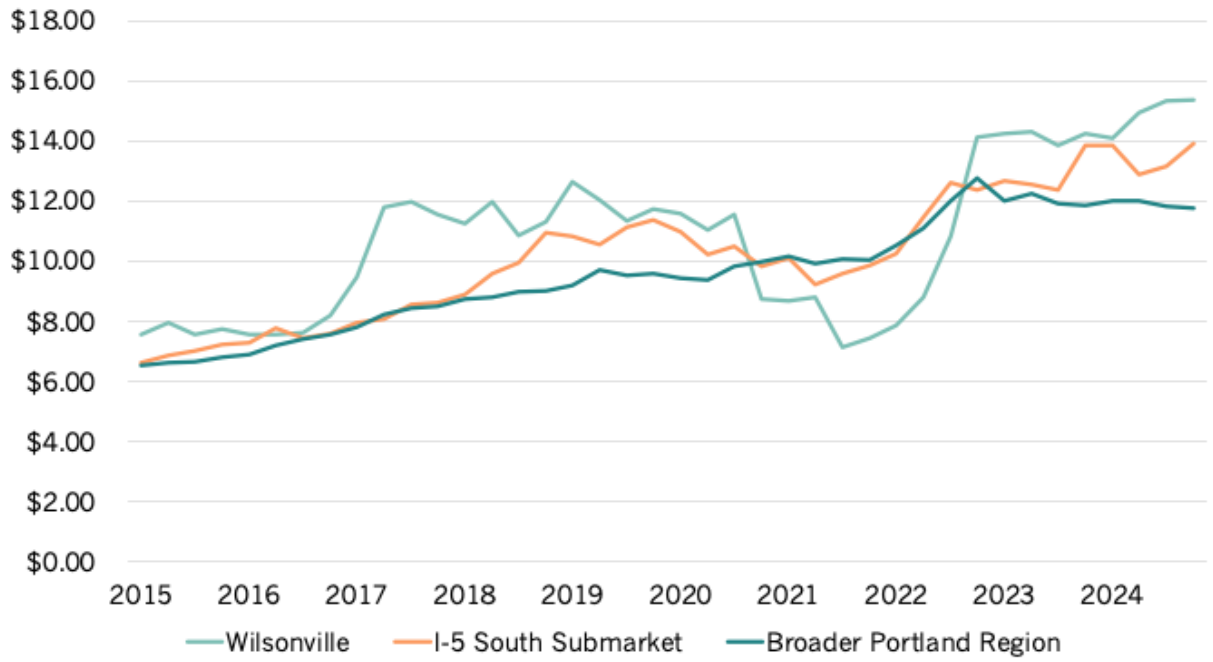
Exhibit 17: Industrial & Flex Vacancy Rate Trends, 2015-2024



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

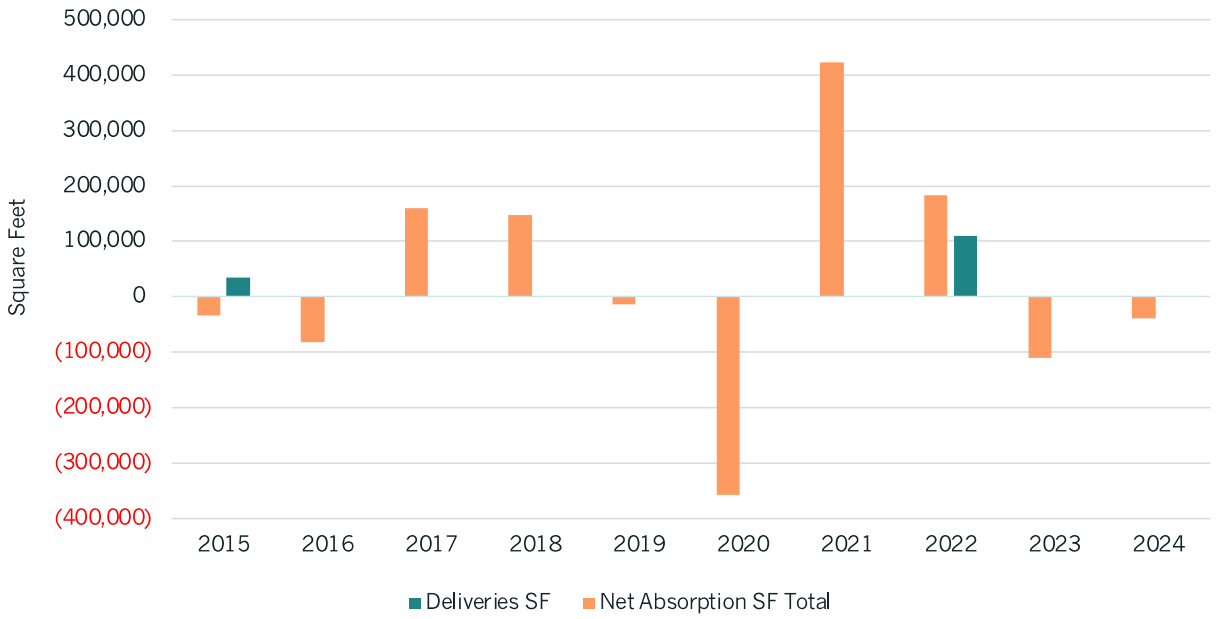


Source: CoStar, pulled February 2025

[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.

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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.

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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%**

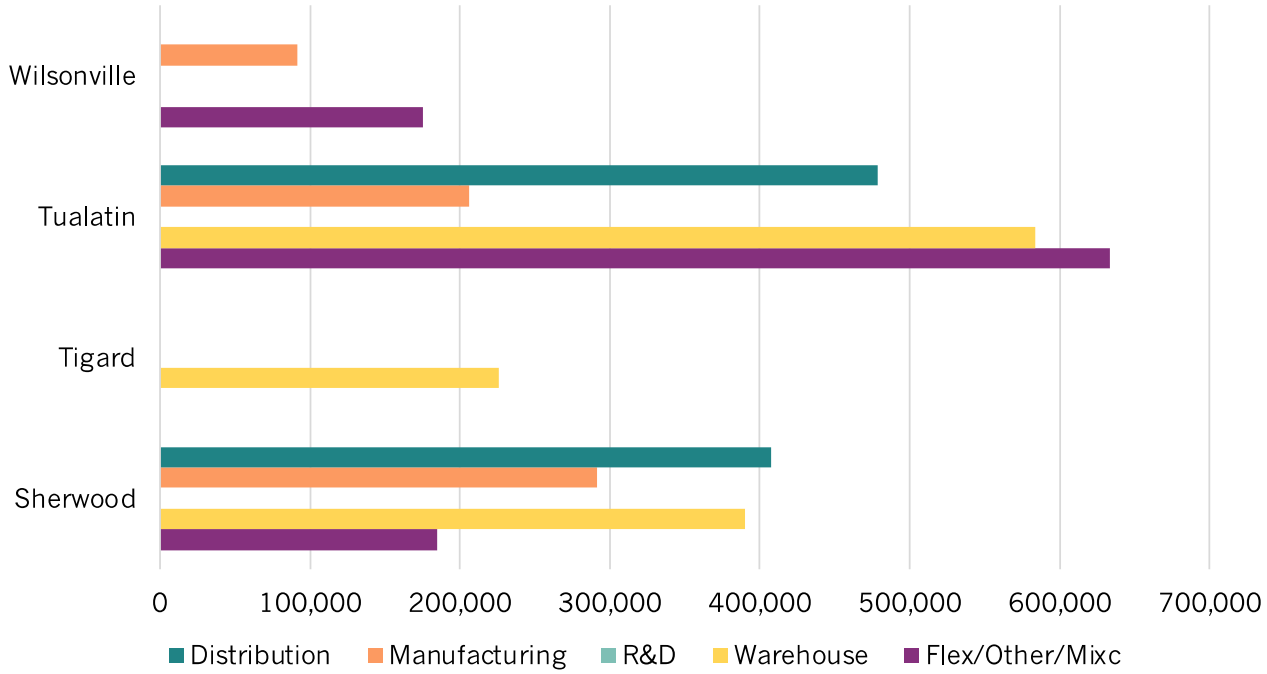
Source: CoStar, pulled August 2024

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 in 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 employment[35] 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	3725	4,050	92%
Wholesale Trade	3337	4,000	83%
Retail Trade	2130	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.

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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.

DRAFT

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.

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[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 Wilsonville	40.6 Clackamas County	38.4 Oregon
2023	38.7 Wilsonville	42.1 Clackamas County	40.1 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

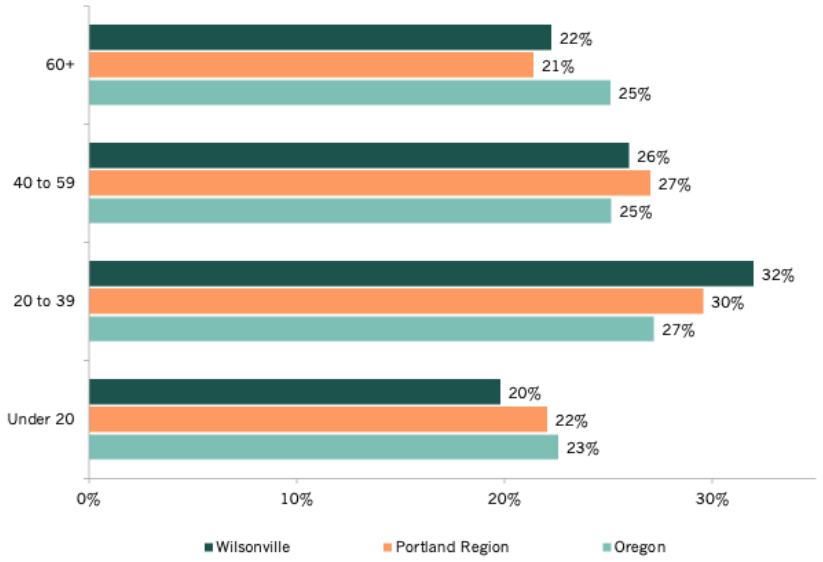
Source: U.S. Census Bureau, 2010 Summary File P12; American Community Survey 2019-2023 5-Year Estimates, Table B01001.

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.

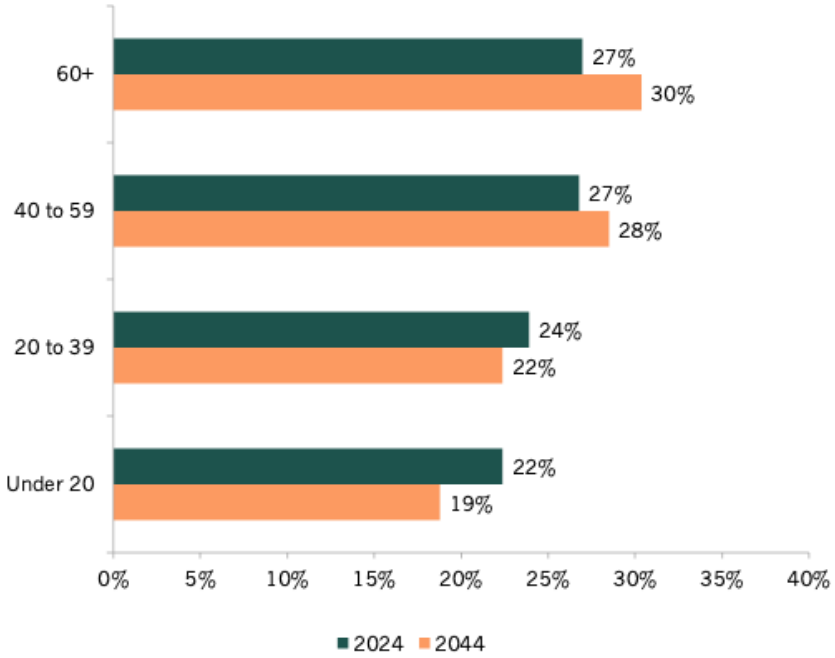
Exhibit 27. Population Distribution by Age, Wilsonville, Portland Region, and Oregon, 2019–2023



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.

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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.

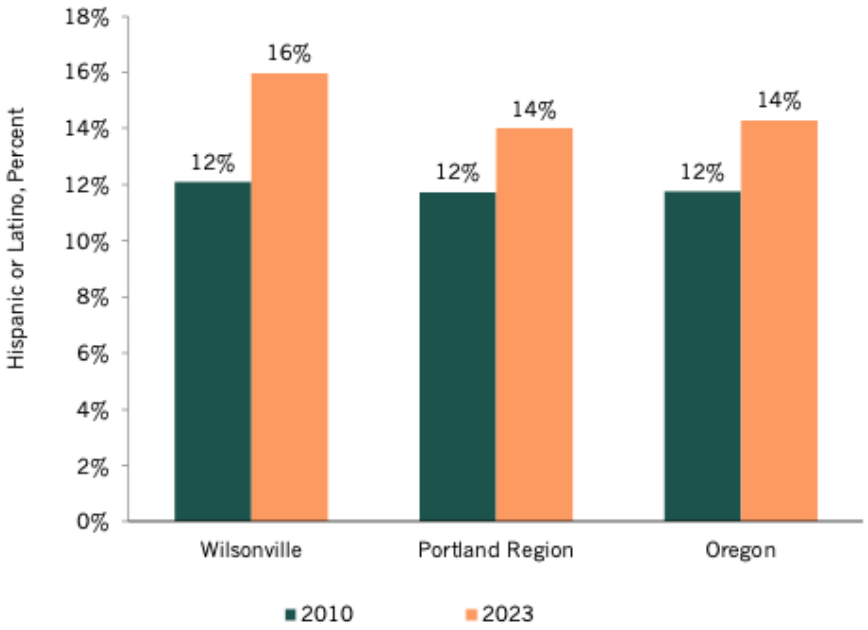
Exhibit 29 and Exhibit 30 show the change in the share of Hispanic and Latino and people of color in Wilsonville compared to the Portland region and Oregon between 2010 and 2023. The group with the largest share of people of color in 2023 is two or more races, representing 15% and 11% of Wilsonville's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

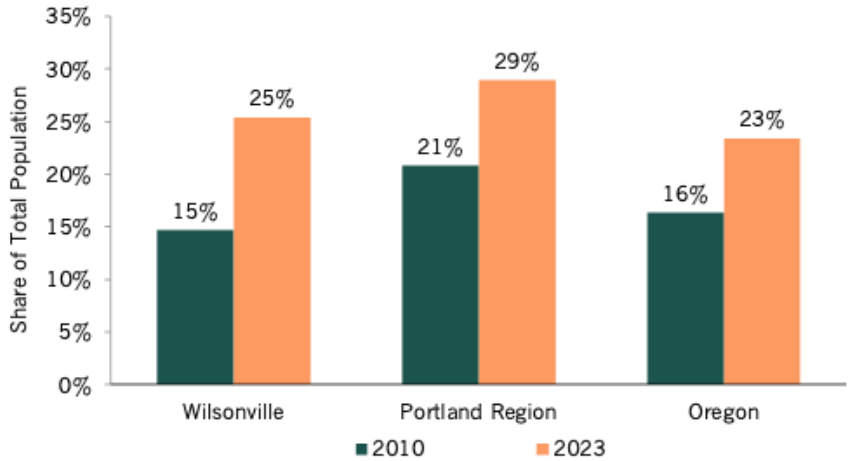


Source: U.S. Census Bureau, 2010 Decennial Census, Table P0008; 2019–2023 American Community Survey, 5-Year Estimates, Table B03002.

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.

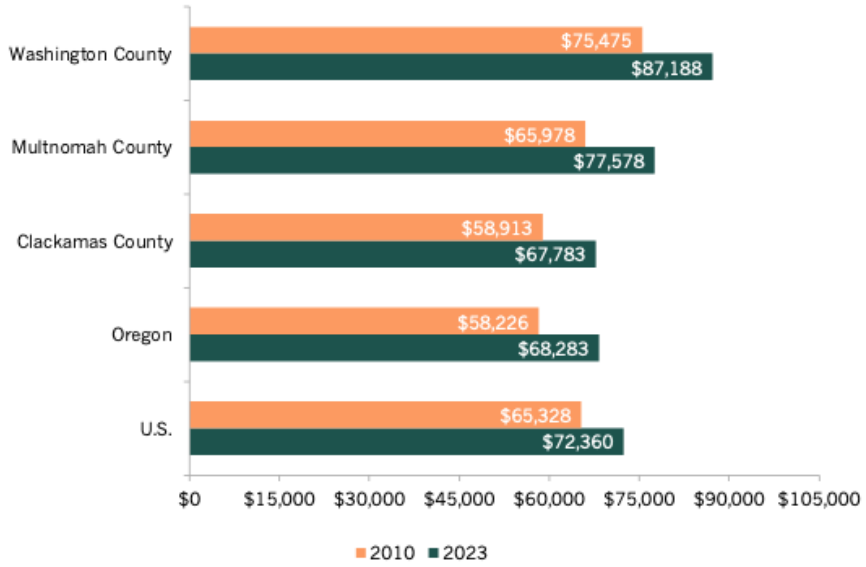
Average wages at businesses in Washington and Multnomah counties exceeded the Oregon average of $68,283, while Clackamas County's average wage was roughly in line with the state average.

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

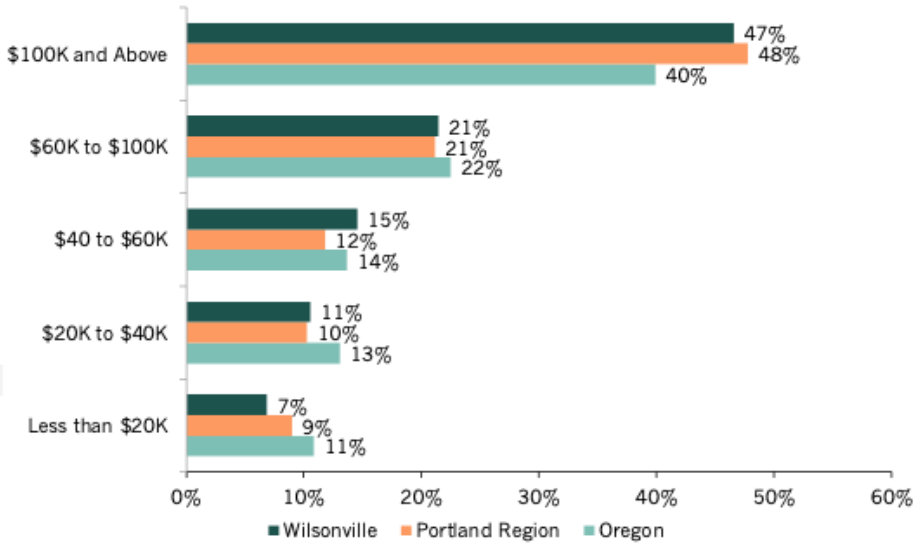
$115,941	$119,052	$98,832
Wilsonville	Clackamas County	Oregon

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.

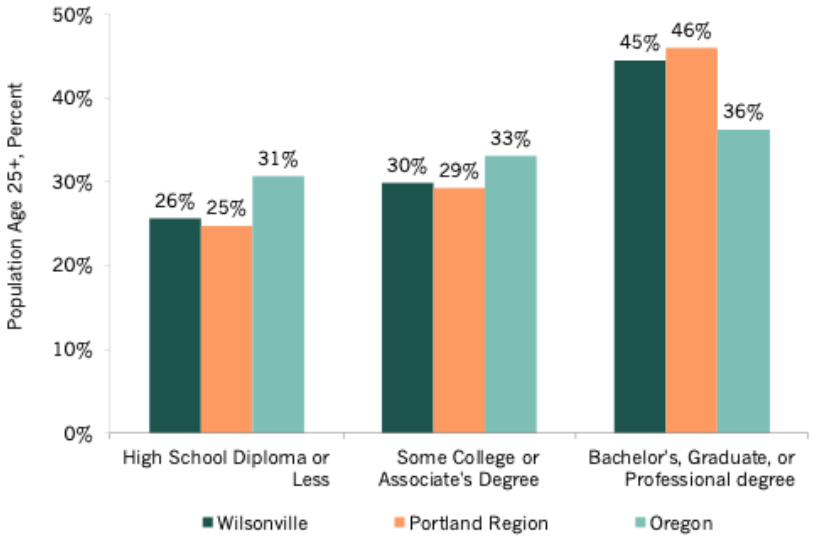
EDUCATIONAL ATTAINMENT

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



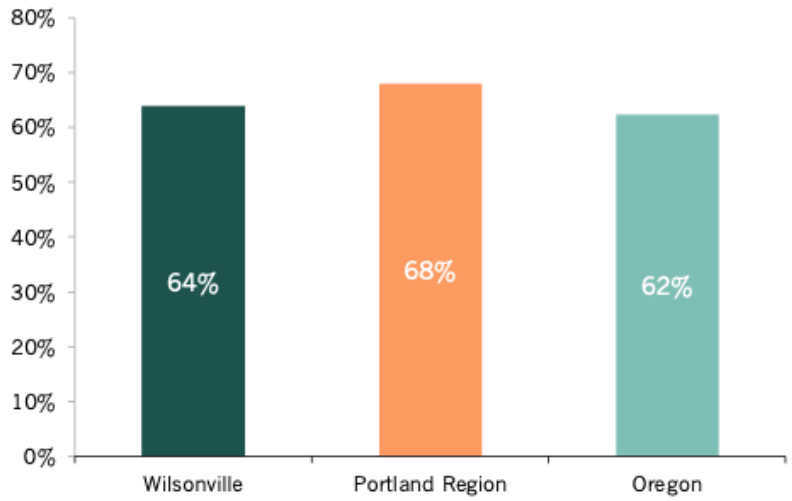
Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B15003.

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.

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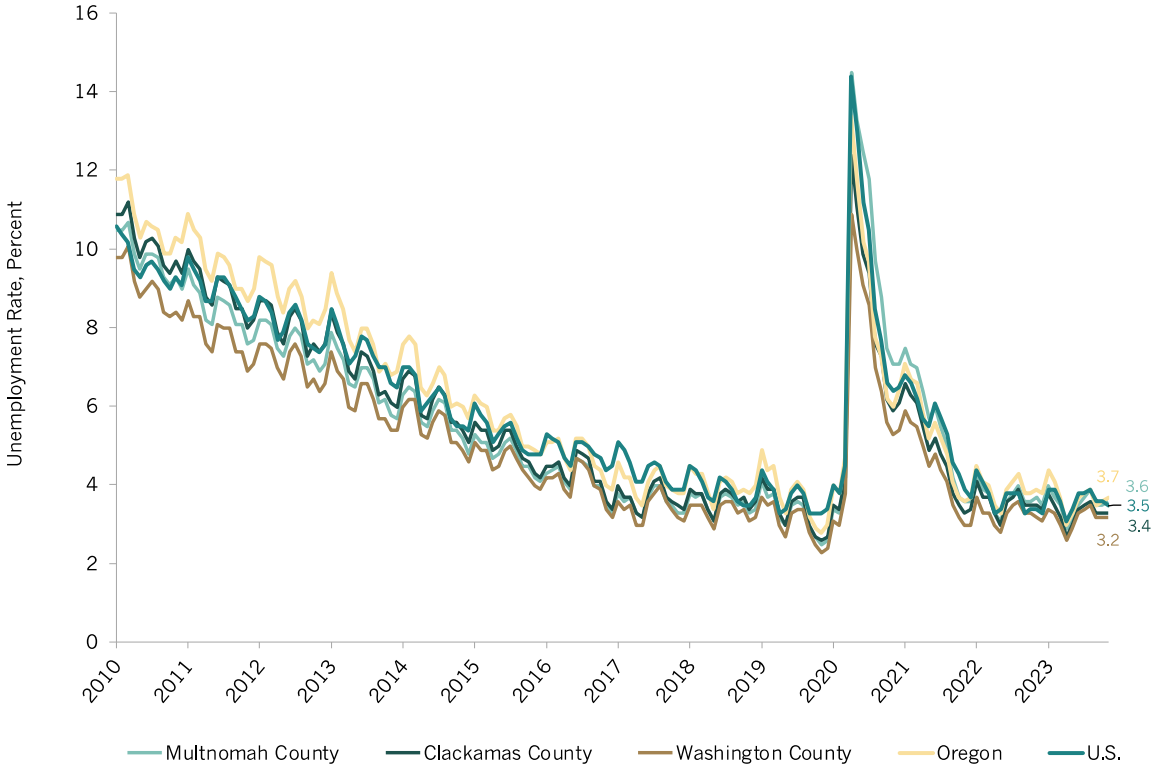
In 2023, unemployment rates in the Portland region were similar to state and national averages, in Exhibit 37. Rates ranged from 3.2% in Washington County to 3.6% in Multnomah County, compared to 3.7% for Oregon and 3.6% nationally.

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.

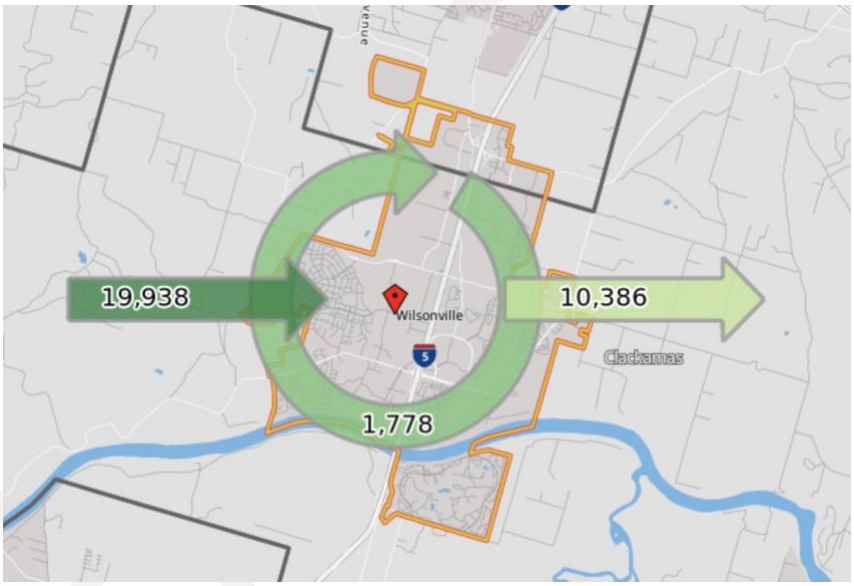
COMMUTING PATTERNS

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

10%	8%	5%	3%
Portland	Wilsonville	Salem	Beaverton

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

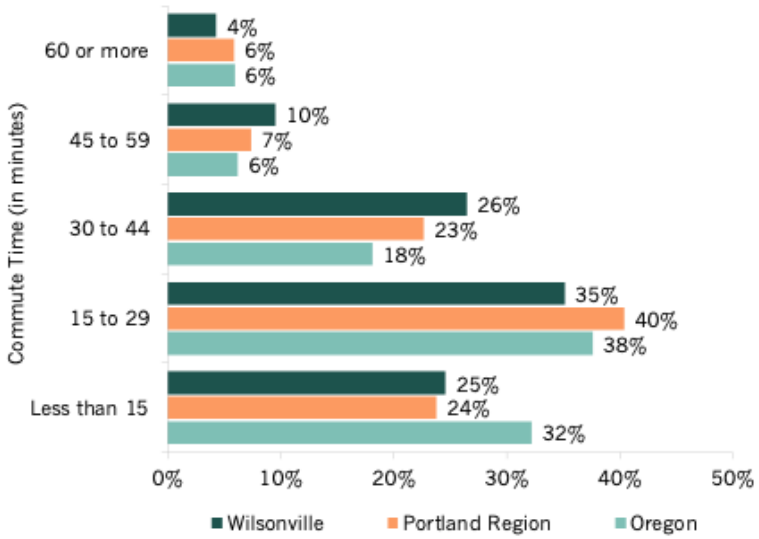
22%	15%	7%	5%
Portland	Wilsonville	Tualatin	Tigard

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 Food Services	**$99.6** Retail Sales	**$92.5** 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

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Wilsonville Industrial Land Readiness – Citywide EOA

City Council Work Session
August 4, 2025

Presented by: Cindy Luxhoj AICP, Associate Planner
Dan Pauly AICP, Planning Manager
Matt Lorenzen, Economic Development Manager
Nicole Underwood, ECOnorthwest

Wilsonville's Examination of Employment Lands

Wilsonville Industrial Land Readiness

Basalt Creek

Study of industrial land potential and development readiness in Basalt Creek, including zoning designation and infrastructure planning

Citywide

- Economic Opportunity Analysis
- Economic Development Strategy

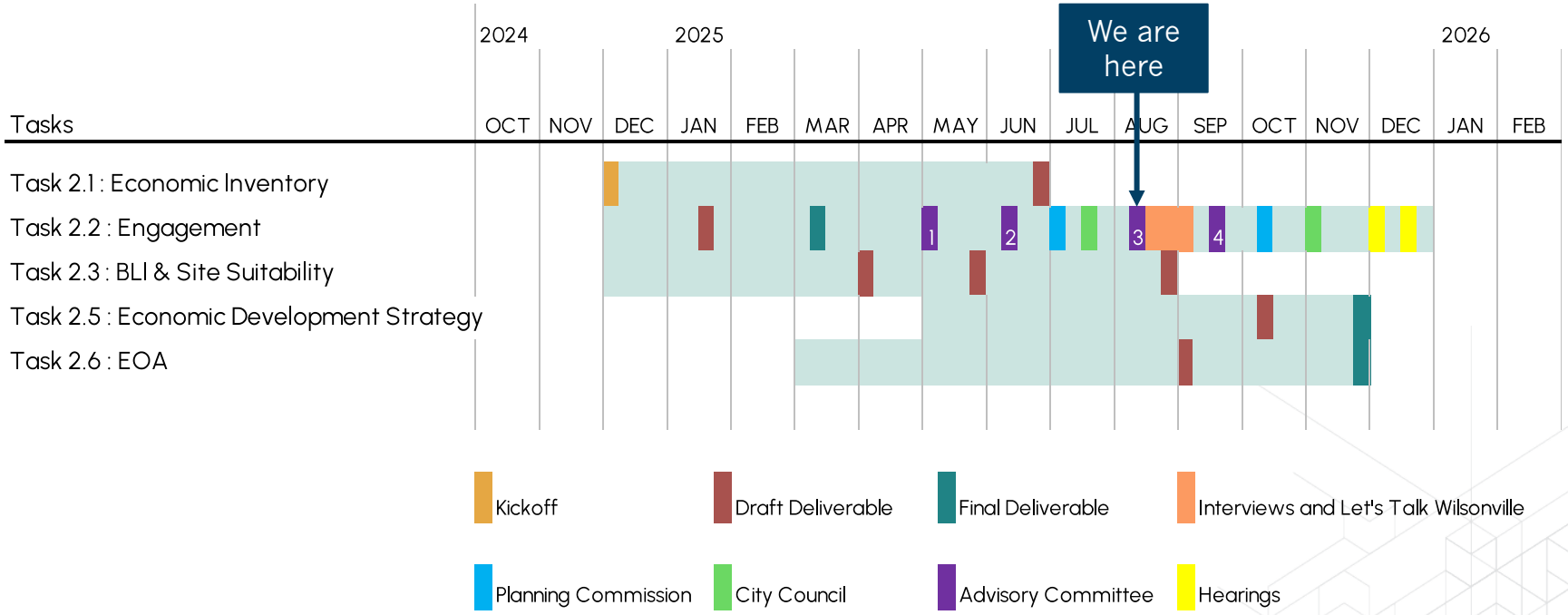
- **Revised Comprehensive Plan**
- **Potential changes to Zoning Code**
- **Potential changes to Zoning Map**

Other City projects informing the broader conversation around land needs:

Housing Our Future

- Housing Needs and Capacity Analysis (HNCA)
- Housing Production Strategy (HPS)

Project Schedule



Focus of Work Session

- Buildable Lands Inventory:
  - Share draft results and gather feedback
- Economic Inventory/Growth Forecast:
  - Overview of current economic conditions
  - Options for employment growth forecasts
  - Discuss preference for which forecast to use in the EOA

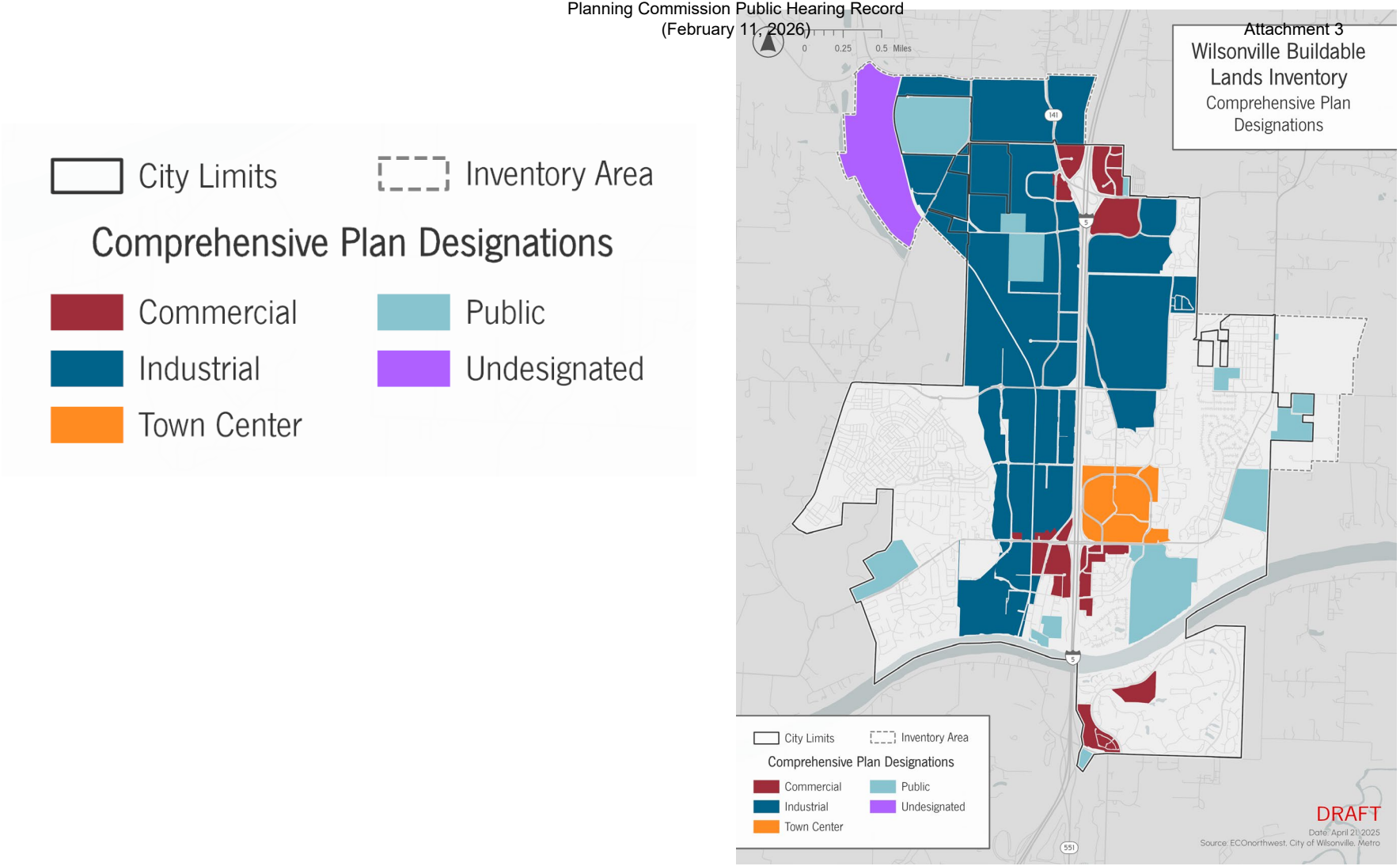
Buildable Lands Inventory (BLI)

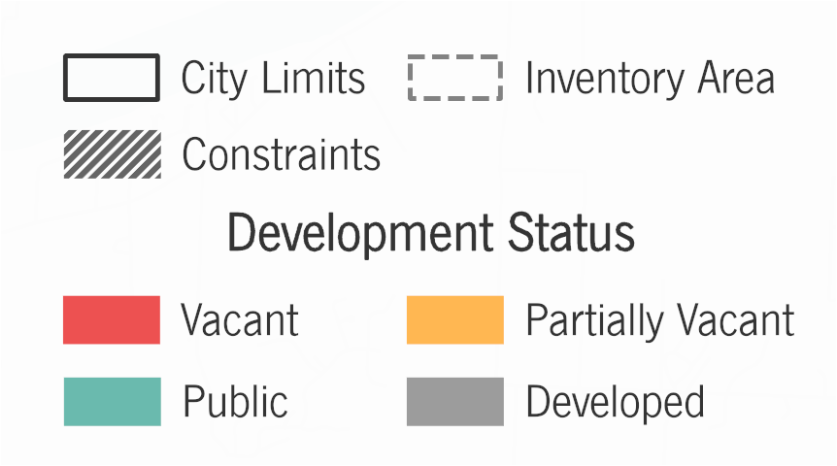
ECOnorthwest

Methodology

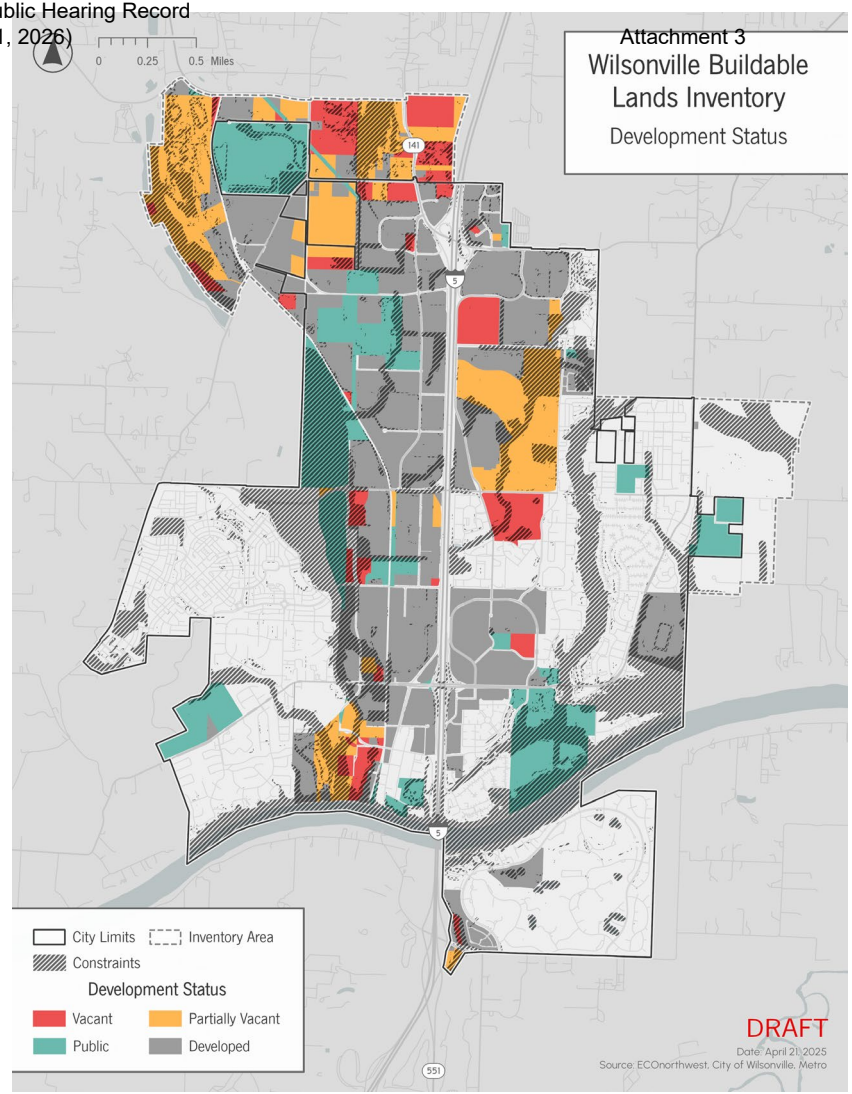
1. Gather and Assemble Data
2. Classify Land
3. Identify and Remove Constraints
4. Verification
5. Summarize Results

Attachment 3





Attachment 3

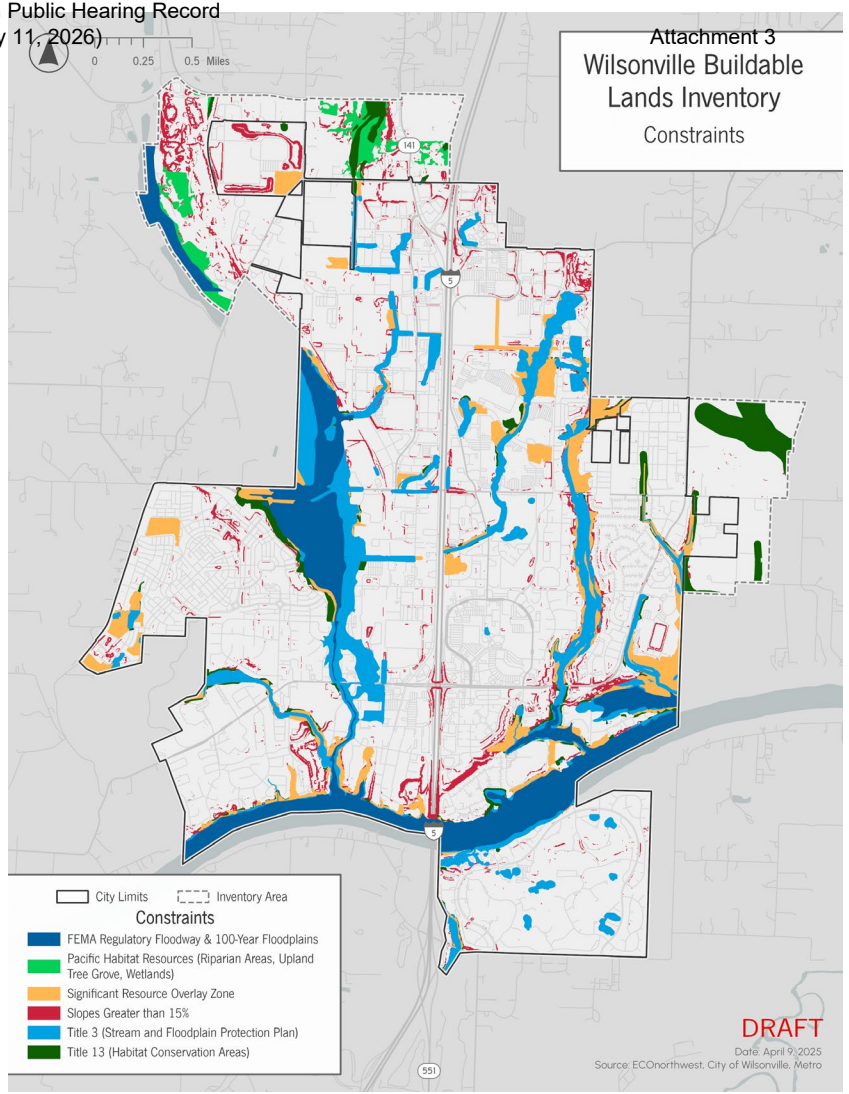


City Limits Inventory Area

Constraints

- FEMA Regulatory Floodway & 100-Year Floodplains
- Pacific Habitat Resources (Riparian Areas, Upland Tree Grove, Wetlands)
- Significant Resource Overlay Zone
- Slopes Greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)

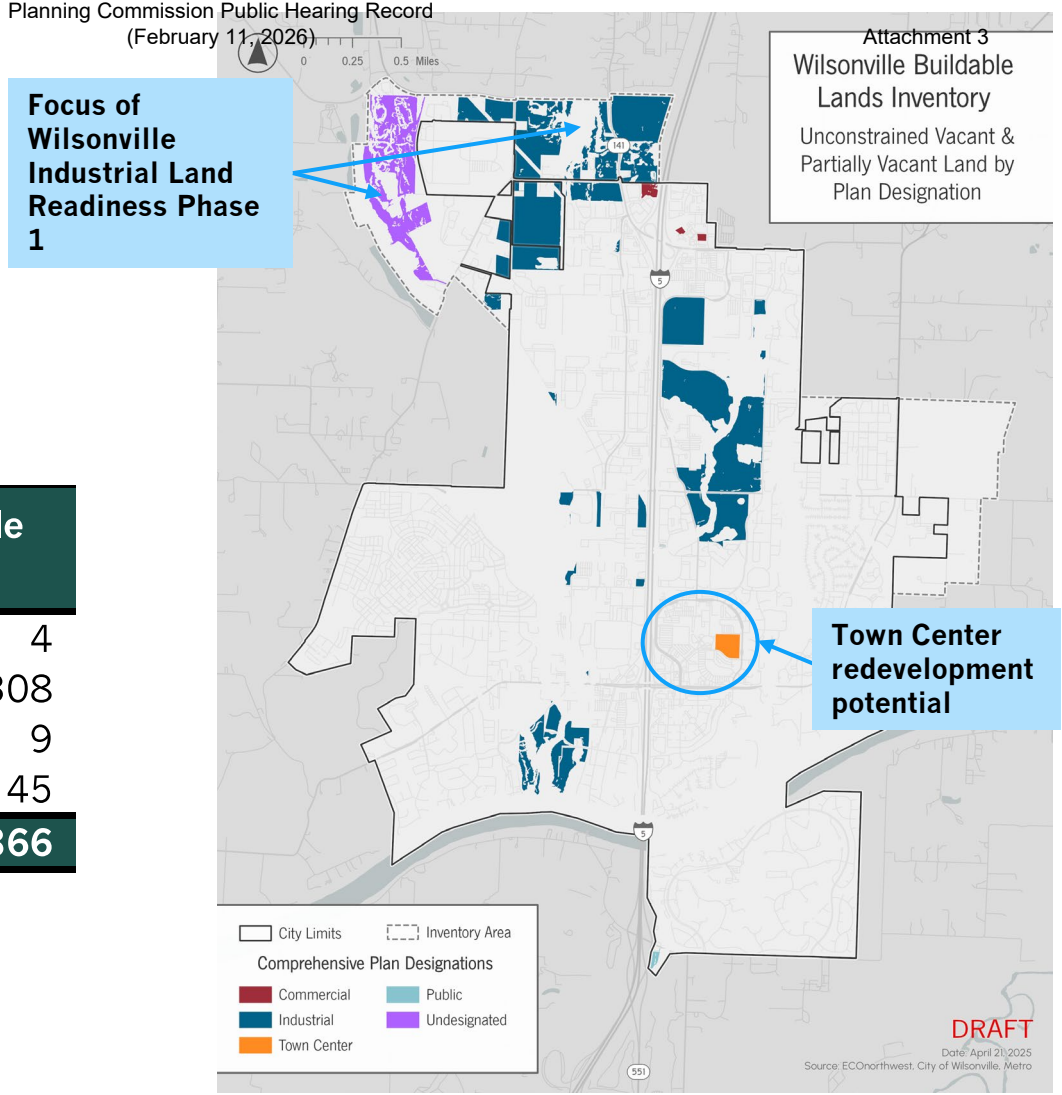
Attachment 3



Total Unconstrained Buildable Acres: 366

96% of buildable land is Industrial or Undesignated (West Railroad)

Plan Designation	Total Buildable Acres
Commercial	4
Industrial	308
Town Center	9
Undesignated	45
Total	**366**

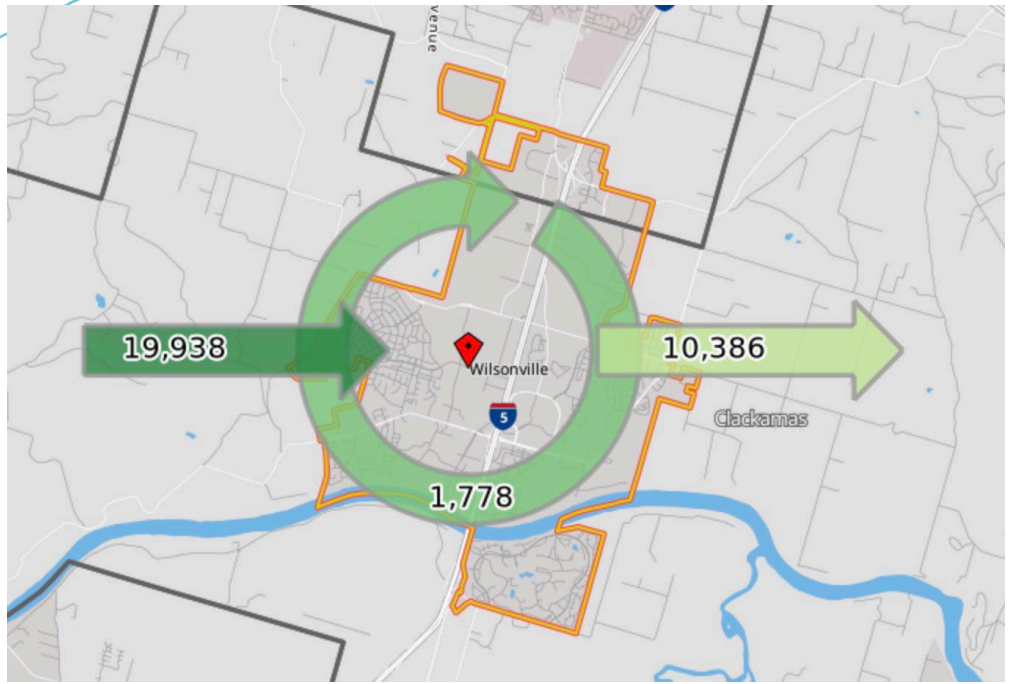


Employment Growth Opportunities and Forecast

National and State Economic Trends

- Slowing labor force growth offset by increased productivity gains
- Increases in automation across sectors
- Inflation, tariffs, immigration reform, and economic uncertainty
  - Oregon is trade-sensitive, with over 50% of exports to Mexico, China, and Canada in key sectors like semiconductors, machinery, and agriculture.
- Aging population driving the need for replacement workers
- Shifts in commercial and industrial real estate markets
  - High interest rates and construction costs reducing development feasibility
  - Office demand shifts and hybrid work arrangements
  - Strong but slowing industrial market
- Potential impacts of climate change

Commuting Trends



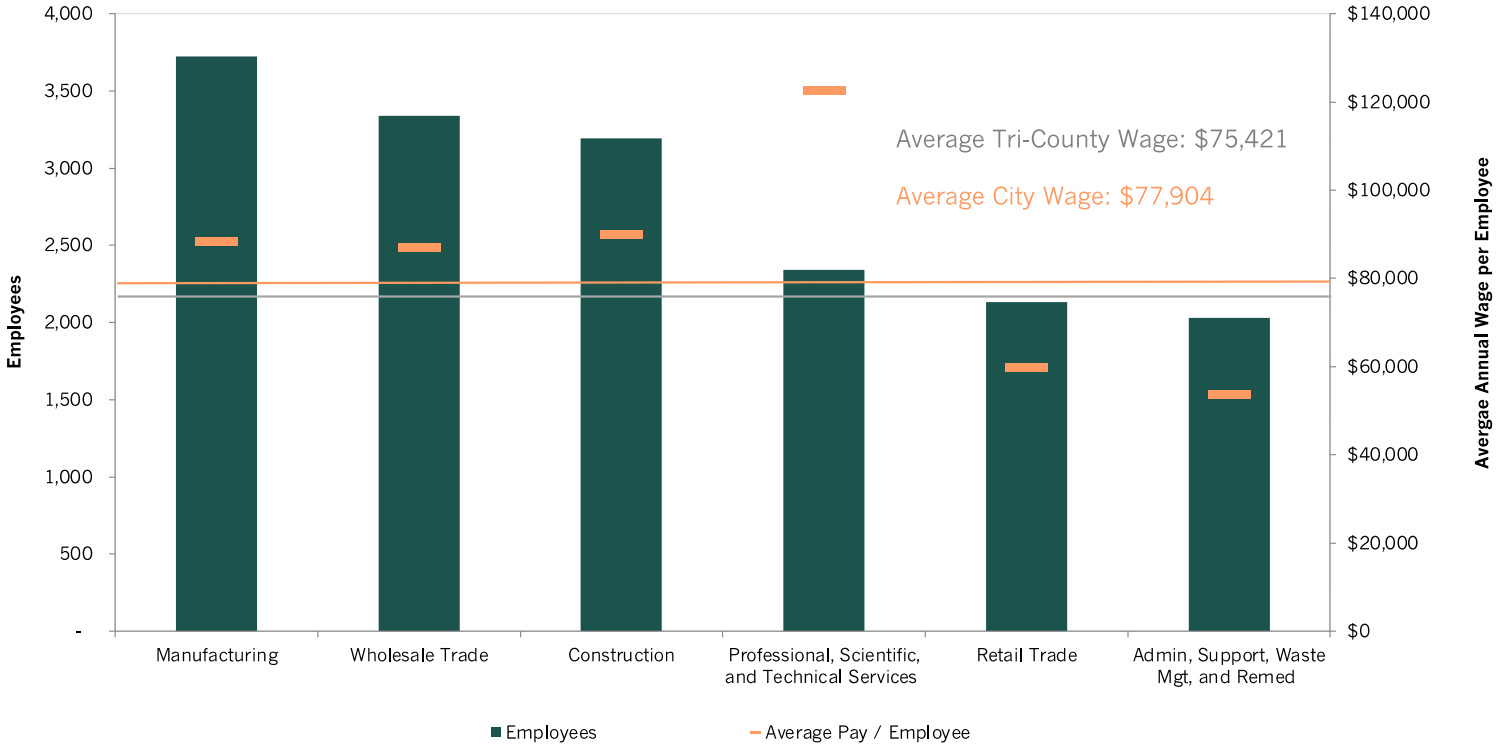
Source: Census OnTheMap, 2022

Wilsonville is part of an interconnected economy

- 8% of jobs in Wilsonville are held by people who live and work in Wilsonville
- 92% of people who work at businesses in Wilsonville live elsewhere
  - Portland
  - Salem
  - Beaverton
- Of the employed residents in Wilsonville, 15% work within the city limits. Common work destinations for Wilsonville residents include:
  - Portland
  - Tualatin
  - Tigard

Employment in Wilsonville

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



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

Wilsonville had 23,128 covered jobs in 2023.

Growth in Employment in Wilsonville: 2007-2023

- Wilsonville added 3,502 jobs at an average annual growth rate of 1.0% between 2007 and 2023.
- The sectors with the largest growth were...
  - Construction: 2,208 new jobs
  - Wholesale Trade: 956 new jobs
  - Administrative Support: 578 new jobs
- The sectors with the largest decrease in jobs were...
  - Management of Companies: 688 job decrease
  - Transportation and Warehousing: 624 jobs decrease
  - Manufacturing: 476 jobs decrease

Employment Growth Rates

- Urban Growth Report (0.42% per year)
  - The growth rate that Metro is forecasting for employment growth across the region
- Oregon Employment Department Regional Employment Growth (0.85% per year)
  - The growth rate the State used to forecast employment growth for Clackamas, Washington, and Multnomah counties for the 2023-2033 period
- Historical Employment Growth in Wilsonville (1.03% per year)
  - The growth rate for Wilsonville between 2007-2023.
- HNCA Household Growth Rate (1.20% per year)
  - The growth rate from the Housing Needs and Capacity Analysis for growth of Wilsonville's households over the 2025-2035 period.
  - Households grew by 2.5% per year between 2010-2023 in Wilsonville.

Example 1: Preliminary Land Need

If Wilsonville grows at the **OED regional employment growth rate** (0.85% per year)...

Future Mix of Employment

Future Land Need

Additional consideration is needed to the future mix of employment and employment densities based on policy discussions and further analysis. These changes are likely to change the estimate of employment, mix, and land need.

Example 2: Preliminary Land Need

If Wilsonville grows at **the same rate as between 2007 and 2023** (1.03% per year)....

Future Mix of Employment

Future Land Need

Additional consideration is needed to the future mix of employment and employment densities based on policy discussions and further analysis. These changes are likely to change the estimate of employment, mix, and land need.

Conclusion and Next Steps

Next Steps

- Finalize employment forecast and land sufficiency
- Develop site suitability analysis
- Meeting with TAC
- Stakeholder interviews and focus groups to inform draft strategies

Planning Commission Input:

- Buildable Lands Inventory:
  - Methodology and preliminary findings are reasonable and well-grounded
- Employment Growth Forecast:
  - Support using the Oregon Employment Department Regional Employment Growth Rate of 0.85% in the EOA

Discussion:

- Buildable Lands Inventory:
  - Does the City Council concur that the BLI methodology and preliminary findings are reasonable?
- Economic Inventory & Growth Forecast:
  - Does the City Council agree that using the OED Growth Rate of 0.85% is the best choice for the 20-year planning horizon?

ACTION MINUTES

August 04, 2025, at 7:00 PM

Wilsonville City Hall

PRESENT:
Mayor O'Neil
Councilor President Berry
Councilor Dunwell – Only Attended Executive Session
Councilor Cunningham
Councilor Shevlin

STAFF PRESENT:
Amanda Guile-Hinman, City Attorney
Andrew Barrett, Capital Projects Engineering Manager
Arush Goswami, Admin Intern
Bryan Cosgrove, City Manager
Bill Evans, Communications & Marketing Manager
Cindy Luxhoj, Associate Planner
Dan Pauly, Planning Manager
Jeanna Troha, Assistant City Manager
Kimberly Veliz, City Recorder
Everett Wild, Government Affairs Manager
Marissa Rauthause, Civil Engineer
Zach Weigel, City Engineer
Zoe Mombert, Assistant to the City Manager

EXECUTIVE SESSION [5:00 PM]

- ORS 192.660(2)(h) Legal Counsel/Litigation

ADJOURN [5:41 PM]

There was a brief break to switch Zoom accounts.

WORK SESSION [5:47 PM]

REVIEW OF AGENDA AND ITEMS ON CONSENT

There was none.

COUNCILORS' CONCERNS

There was none.

PRE-COUNCIL WORK SESSION

1. Parks Amenity Update

The Administration Student Intern detailed work to inventory park assets for the purpose of updating the City's website with more detailed information about each park's amenities, including accessibility features, parking, seating areas, restrooms, trails, and other information.

2. Wilsonville Industrial Land Readiness – Citywide Economic Opportunities Analysis

Staff sought input from the Council on two key work products that informed the Economic Opportunities Analysis (EOA) for the Citywide portion of the Wilsonville Industrial Land Readiness (WILR) project.

3. Special Legislative Session Update

The Government Affairs Manager informed Council of outcomes of the Special Legislative Session.

ADJOURN [6:34 PM]

CITY COUNCIL MEETING [7:00 PM]

CALL TO ORDER

1. Roll Call

2. Pledge of Allegiance

3. Motion to approve the following order of the agenda.

Passed 4-0.

MAYOR'S BUSINESS

4. Transportation Package Legislative Advocacy

The Council moved to direct staff to work with the League of Oregon Cities and the State Legislature to support a transportation package that retains local revenue sharing, eliminates the threat of tolls on the Boone Bridge, and includes accountability measures to minimize financial burden on Wilsonville residents and businesses. Passed 3-1.

5. Board/Commission Appointments

Arts, Culture, and Heritage Commission – Appointment
Appointment of Creed Harmon to the Arts, Culture, and Heritage Commission for a term beginning 8/4/2025 to 6/30/2027. Passed 4-0.

Diversity, Equity and Inclusion Committee – Appointment
Appointment of Jason Smith to the Diversity, Equity and Inclusion Committee for a term beginning 8/4/2025 to 12/31/2026. Passed 4-0.

Kitakata Sister City Advisory Board – Appointment
Appointment of Devan Olmstead to the Kitakata Sister City Advisory Board for a term beginning 8/4/2025 to 12/31/2025. Passed 4-0.

6. Upcoming Meetings

Upcoming meetings were announced by the Mayor as well as the regional meetings he attended on behalf of the City.

COMMUNICATIONS

7. Civics Academy Project Presentation & Graduation

A representative from the Civics Academy presented to City Council on their interest to reboot and relaunch the Boones Ferry Days Event.

Certificates and street signs were awarded to the graduates of the Civics Academy, Class of 2025.

8. Recess for Photos & Refreshments

The Council recessed to celebrate the Civics Academy graduates.

CITIZEN INPUT AND COMMUNITY ANNOUNCEMENTS
This is an opportunity for visitors to address the City Council on any matter concerning City's Business or any matter over which the Council has control. It is also the time to address items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizen input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

COUNCILOR COMMENTS, LIAISON REPORTS AND MEETING ANNOUNCEMENTS

Councilors announced prior and upcoming meetings and events.

CONSENT AGENDA

9. **Resolution No. 3208**
   A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Professional Services Agreement With Water Systems Consultants, Inc. To Provide Engineering Consulting Services For The Water Distribution System Master Plan Project (Capital Improvement Project #1154).

10. Minutes of the July 21, 2025, City Council Meeting.

The Consent Agenda was approved 4-0.

NEW BUSINESS

11. **Resolution No. 3205**
    A Resolution Of The City Of Wilsonville Authorizing Acquisition Of Property And Property Interests Related To Construction Of The Brown Road Improvements Project, Capital Improvements Project (CIP) #4216.

Resolution No. 3205 was adopted 4-0.

CONTINUING BUSINESS

12. **Ordinance No. 899** - *2nd Reading (Legislative Land Use)*
    An Ordinance Of The City Of Wilsonville Adopting The Climate Friendly And Equitable Communities (CFEC) Parking Compliance Development Code Amendments.

Ordinance No. 899 was adopted 4-0, on second reading.

PUBLIC HEARING

There was none.

CITY MANAGER'S BUSINESS

The City Manager reported that the City has been awarded $6 million to fund construction of the Boeckman Trail underneath the new Boeckman Bridge. Updated the Council on the City's work to identify executive recruitment agencies to guide the City's search for a new City Manager and discussed preliminary strategies to gauge the sentiment of the Council and the community on how to proceed with the Wilsonville Town Center Plan in the community's best interest.

LEGAL BUSINESS

There was none.

ADJOURN [8:37 PM]

URBAN RENEWAL AGENCY MEETING [8:37 PM]

CALL TO ORDER

1. Roll Call

2. Motion to approve the following order of the agenda.

Passed 4-0.

CITIZEN INPUT
This is an opportunity for visitors to address the Urban Renewal Agency on any matter concerning City's Business or any matter over which the Agency has control. It is also the time to address items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the Urban Renewal Agency will make every effort to respond to questions raised during citizen input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

There was none.

CONSENT AGENDA

3. Minutes of the June 2, 2025, Urban Renewal Agency Meeting.

The URA Consent Agenda was approved 4-0.

NEW BUSINESS

4. **URA Resolution No. 354**
   A Resolution Of The Urban Renewal Agency Of The City Of Wilsonville Authorizing Acquisition Of Property And Property Interests Related To Construction Of The Brown Road Improvements Project, Capital Improvements Project (CIP) #4216.

URA Resolution No. 354 was adopted 4-0.

CONTINUING BUSINESS

There was none.

PUBLIC HEARING

There was none.

ADJOURN [8:40 PM]

PLANNING COMMISSION

WEDNESDAY, JULY 9, 2025

WORK SESSION

2. Wilsonville Industrial Land Readiness (Citywide) (Luxhoj)(60 Minutes)

PLANNING COMMISSION MEETING
STAFF REPORT

Meeting Date: July 9, 2025	**Subject: Wilsonville Industrial Land Readiness – Citywide Economic Opportunities Analysis** **Staff Members:** Cindy Luxhoj AICP, Associate Planner; Dan Pauly AICP, Planning Manager; Matt Lorenzen, Economic Development Manager **Department:** Community Development
Action Required	**Advisory Board/Commission Recommendation**
☐ Motion ☐ Public Hearing Date: ☐ Ordinance 1st Reading Date: ☐ Ordinance 2nd Reading Date: ☐ Resolution ☒ Information or Direction ☐ Information Only ☐ Council Direction ☐ Consent Agenda	☐ Approval ☐ Denial ☐ None Forwarded ☒ Not Applicable **Comments:**
Staff Recommendation: Provide input on the Citywide Economic Opportunities Analysis.	
Recommended Language for Motion: N/A	
Project / Issue Relates To:	

☒Council Goals/Priorities:	☒Adopted Master Plan(s):	☐Not Applicable
Attract high-quality industry and support economic opportunity for all in Wilsonville	Wilsonville Economic Development Strategy; Wilsonville Comprehensive Plan; Basalt Creek Concept Plan; Coffee Creek Master Plan; Town Center Plan	

ISSUE BEFORE COMMISSION

Staff seeks feedback from the Planning Commission on two key work products that inform the Economic Opportunities Analysis (EOA) for the Citywide portion of the WILR project.

EXECUTIVE SUMMARY:

The Wilsonville Industrial Land Readiness (WILR) project includes two parts: one focused on the industrial area northwest of the City covered by the Basalt Creek Concept Plan ("Basalt Creek") and the other focused "Citywide." Both parts of the project aim to attract high-quality industry and expand economic opportunities in Wilsonville. In earlier Planning Commission work sessions, staff presented background information and gathered input on Basalt Creek. This Basalt Creek work established the groundwork for advancing the planning area to a development-ready status—enabling the City to begin accepting industrial development applications and expanding the area's economic development potential.

The Citywide portion of the project updates Wilsonville's Economic Opportunities Analysis (EOA), which was last updated in 2012. This EOA update provides Wilsonville with the opportunity to address the requirements of Goal 9 (Economic Development, Oregon Administrative Rules [OAR] 660-009) that mandates cities periodically review and update their local vision for strengthening the local economy and identifying local urban growth requirements for providing adequate land needed to accommodate 20-year employment growth forecasts.

Key tasks of the Citywide work, as further detailed in the table below, include analyzing market trends, inventorying employment lands, developing a long-term economic development strategy for a 20-year planning horizon, and recommending refinements to the City's Development Code to support anticipated economic activity. This updated EOA will serve as a companion to the City's Housing Needs and Capacity Analysis, providing a comprehensive foundation for future decisions related to both residential and employment growth.

Key tasks and their purpose:

Task/Work Product	**Purpose**
Buildable Lands Inventory Memo	Identify the amount and characteristics of land available to support future development of industrial and commercial uses.
Economic Inventory and Potential Growth Forecasts Memo	Develop a foundational understanding of Wilsonville's industrial and other employment landscape—the basis of the employment forecast that will be used to determine the City's employment land need.
Site Suitability Analysis	Assess potential for development of industrial and other employment uses on select vacant industrial properties in the City
Economic Opportunities Analysis	Synthesize knowledge gained from prior tasks to describe the City's opportunities for economic growth. Determines industrial and other employment land need over the next 20 years.
Stakeholder Engagement	Engage decision-makers, an Advisory Committee, stakeholder interviews/focus groups, and the broader public in meaningful discussion of the City's economic opportunities.
Economic Development Strategy	Develop strategies that focus on advancing key strategic projects with actionable implementation steps, integrating coordination and collaboration with community partners and critical stakeholders, to cultivate sustainable economic growth.

At this Planning Commission work session, staff and ECOnorthwest will present preliminary findings from two key work products:

- Buildable Lands Inventory (BLI) Memo; and
- Economic Inventory and Potential Growth Forecasts Memo.

Preliminary Findings of Key Work Products

Buildable Lands Inventory Memo

The analysis found 366 acres of unconstrained buildable land, including 303 acres designated for industrial use, 45 acres undesignated but intended for industrial use, and 13 acres designated for commercial use (Attachment 1). In total, 96% of this land is either designated or intended for industrial development. The land supply results of the BLI will be used to calculate the amount of land needed to support future development based on the preferred growth forecast rate, discussed in more detail in the following section of this staff report.

Economic Inventory and Potential Growth Forecasts Memo

Key findings of this analysis (Attachment 2) include:

- Commuting patterns: 92% of workers commute into Wilsonville; only 15% of employed residents work within the City.
- Job growth: 23,128 covered jobs in 2023, with 3,502 added since 2007 (1.0% average annual growth).
- High-wage sectors: In 2023, wages above the City average of $77,904 were found in construction; manufacturing; wholesale trade; information; professional, scientific, and technical services; management of companies and enterprises; and government.
- Some economic development factors in Wilsonville (full list in Attachment 2):
    - Advantages: strategic location, proximity to growing industrial areas, access to a skilled and educated workforce, City-wide WIN program, redevelopment potential, and high quality of life
    - Disadvantages: limited supply of development-ready industrial land, presence of contractor establishments that complicate urban development, and regional housing affordability challenges

Four growth rates are being considered for the employment forecast for the 20-year planning horizon (2026-2046) including the following:

- Metro's Urban Growth Report 2024 (0.42%)
- Oregon Employment Division (OED) Regional Employment Growth (0.85%)
- Historic Employment Growth in Wilsonville (2007-2023) (1.03%)
- Housing Needs and Capacity Analysis (HNCA) Growth Rate (1.20%)

Considerations associated with each of these growth rates are included in the Economic Inventory and Potential Growth Forecasts Memo (Attachment 2) and will be discussed in more detail during the Work Session presentation. Staff is seeking the Planning Commission's preference for which growth rate to use in the EOA to guide land need planning.

Discussion Questions

The Planning Commission is invited to provide input in response to the questions below:

- Buildable Lands Inventory (BLI)
  - Does the Commission have any feedback about the methodology or preliminary findings of the BLI?
  - Are there specific areas that need clarification or further analysis?
- Economic Inventory and Potential Growth Forecasts Memo
  - Does the Commission have input about the Economic Inventory preliminary findings?
  - Are there clarifying questions about the employment forecast growth rates?
  - Which growth rate, if any, does the Commission prefer to use in the EOA to guide land need planning?

EXPECTED RESULTS:

Feedback from Planning Commission at this work session will inform completion of the employment forecast and land sufficiency analysis, both key components of the EOA. This input will also help shape the Economic Development Strategy to cultivate sustainable economic growth in Wilsonville.

TIMELINE:

Work sessions with the Planning Commission and City Council on the EOA and Economic Development Strategy are anticipated to occur throughout the rest of this year. EOA adoption hearings at Planning Commission and City Council are expected at the end of this year or in early 2026.

CURRENT YEAR BUDGET IMPACTS:

Funding for the current work is allocated in the FY2025-26 Planning Division budget. The project is primarily funded by a $290,000 Metro grant.

COMMUNITY INVOLVEMENT PROCESS:

Public engagement in the second phase of the WILR project focuses on involving decision-makers, an Advisory Committee, stakeholder interviews/focus groups, and the broader public in meaningful discussion of the City's economic opportunities. This information will be considered in formulating economic development strategies and preparing needed Comprehensive Plan and Code amendments.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

By identifying and implementing targeted economic development strategies, the City can eliminate key barriers to growth and advance its economic vision. These efforts will generate new jobs, expand the income and property tax base, and promote economic mobility by supporting access to family-wage employment. Ultimately, this will enhance the City's livability and ensure it remains a full-service community for all residents.

ALTERNATIVES:
As key strategic projects with actionable steps are identified and Citywide economic development strategies take shape, a range of alternatives will be explored in collaboration with the Planning Commission.

ATTACHMENTS:
1. Draft Buildable Lands Inventory Memo and Appendix (Methods and Definitions)
2. Draft Economic Inventory and Potential Growth Forecasts Memo (Not in Packet, but will be provided prior to Work Session)

DATE:	July 1, 2025
TO:	City of Wilsonville
FROM:	Nicole Underwood, Barrett Lewis, and Beth Goodman, ECOnorthwest
SUBJECT:	Wilsonville Economic Opportunity Analysis: Buildable Lands Inventory

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. This technical assessment will be paired with the development of an Economic Development Strategy, which will offer targeted policy recommendations and implementation steps to advance economic growth that aligns with local priorities.

This memorandum presents the findings of the Buildable Lands Inventory (BLI) for land designated for employment in Wilsonville. Specifically, it identifies the amount and characteristics of land available to support future *commercial* and *industrial* development. Ultimately, this memorandum will be incorporated as a chapter into Wilsonville's EOA and will inform the Economic Development Strategy.

Contents of This Memorandum:

- **Buildable Lands Inventory:** Summarizes the results of the commercial and industrial BLI for Wilsonville.
- **Appendix A – Methods and Definitions:** Describes the methodology and key definitions used in compiling the BLI for Wilsonville.

Buildable Lands Inventory

The **Buildable Lands Inventory (BLI)** identifies commercial and industrial lands available for employment-related development within the Wilsonville area. This area includes the city limits and Wilsonville's city limits and Wilsonville's portion of the Metro UGB.[1]

The inventory is sometimes characterized as the *supply* of land available to support future employment growth. The amount of land needed to accommodate anticipated growth, often referred to as *demand* for land, depends on the type of employment-related development and other factors.

This section summarizes the results of the commercial and industrial buildable lands inventory for the Wilsonville city limits and UGB area. The analysis, conducted by ECOnorthwest, is based on GIS data from the City of Wilsonville, Metro, and the State of Oregon. City staff reviewed the findings.

The BLI process includes the following steps:

1. Generate Study Area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify the inventory results
5. Tabulate and map results

The remainder of this section presents the results of the BLI in both tabular and map formats. Appendix A provides a detailed explanation of the inventory methodology.

[1] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the city.

Land Base

The land base for the BLI includes all tax lots within the Wilsonville city limits and UGB area that fall under comprehensive plan designations that allow for employment. Table 1 provides a breakdown of the land base by Wilsonville Comprehensive Plan designation within Wilsonville.

Table 1. Employment Land Base by Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Number of Tax Lots	Percent	Total Tax Lot Acreage	Percent (Total Acreage)
Commercial	297	32%	224	8%
Industrial	526	56%	1,819	63%
Town Center	57	6%	136	5%
Public	33	4%	480	17%
Undesignated	24	3%	216	8%
Total	**937**	**100%**	**2,876**	**100%**

Source: ECOnorthwest analysis, City of Wilsonville, Metro
Note: The number of tax lots represented is greater than the actual total number of tax lots in the analysis because several tax lots have multiple plan designations on the tax lot.

Buildable Area Status

Table 2 summarizes the total acres of commercial and industrial tax lots, classified by buildable area status. ECOnorthwest used a rule-based classification (described in Appendix B) to determine the initial development status. These classifications were then confirmed through a series of reviews by ECOnorthwest and City staff, based on local knowledge and review of aerial maps.

Table 2. Employment Acres by Classification and Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Development Constraints

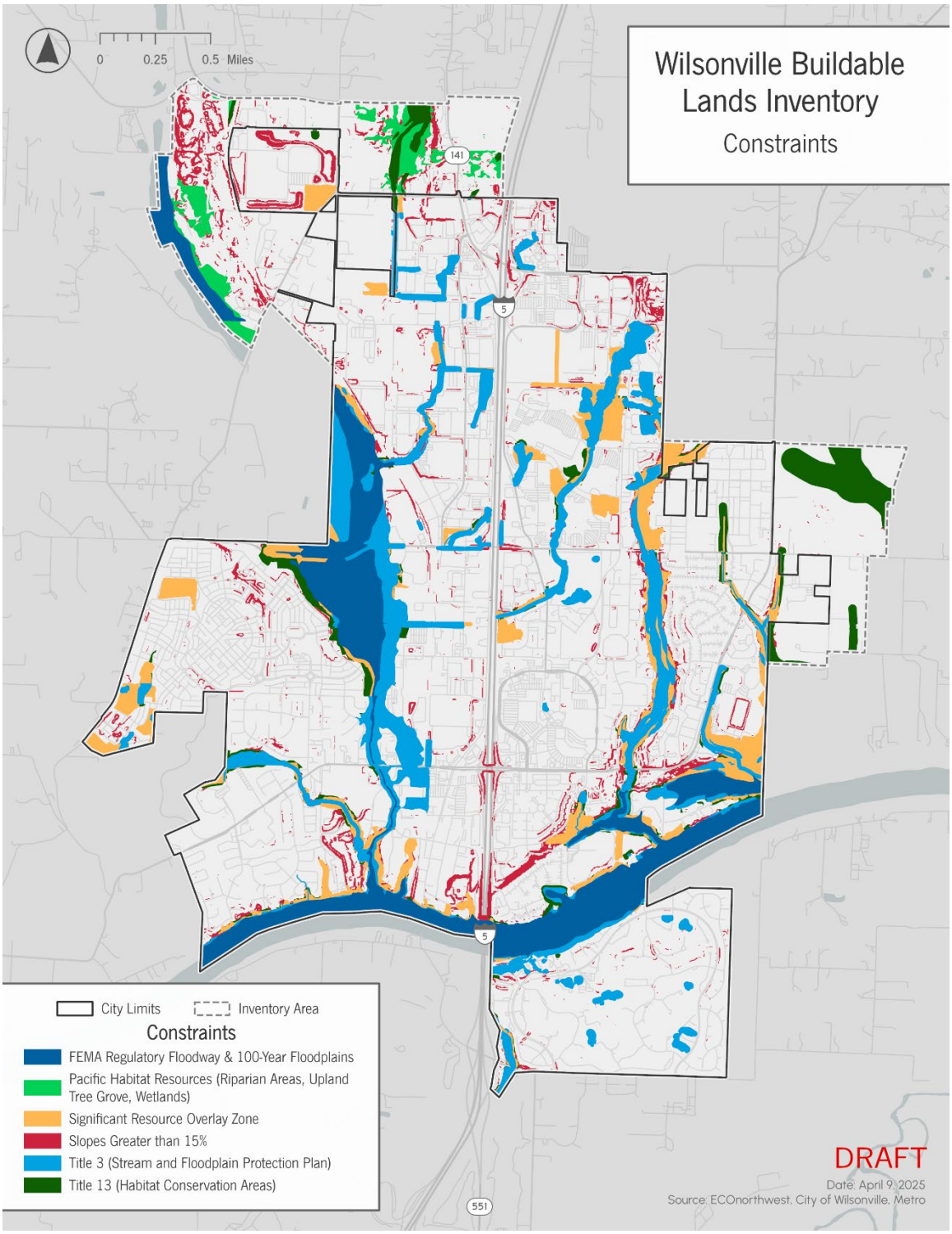
The BLI identifies the following conditions as constraints that prohibit development. These constraints are shown in Figure 1:

- FEMA 100-Year Floodplains and Regulatory Floodway
- High or very high landslide susceptibility
- Slopes greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)
- Significant Resource Overlay Zone (SROZ)
- Pacific Habitat Services (riparian areas, upload tree groves, or wetlands) in the Basalt Creek area

Figure 2 shows buildable area status with constraints applied, resulting in buildable acres. Land classified as vacant or partially vacant and affected by these constraints is deemed unavailable for development and has been excluded from the inventory of buildable land.

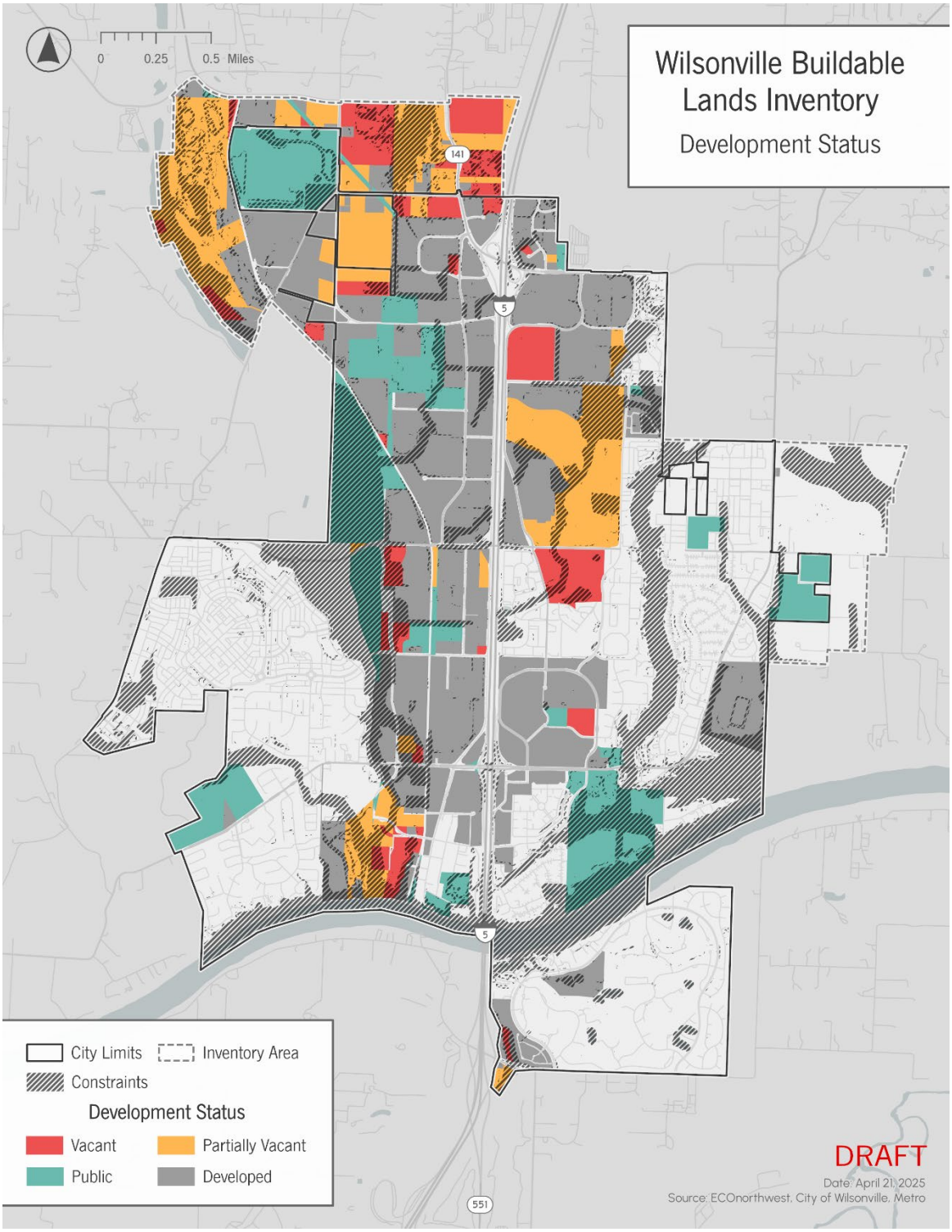
It is important to note that tax lots shown as partially vacant in the map do not distinguish the part of the tax lot that is unavailable for development. However, the buildable lands inventory database accounts for these distinctions.

Figure 1. Development Constraints, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Figure 2. Buildable Area Status with Constraints, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Vacant Buildable Land

The next step in the BLI involved removing portions of vacant and partially vacant tax lots deemed unsuitable for development. Unsuitable areas fall into two categories:

1. Developed portions of partially vacant tax lots.
2. Areas affected by physical constraints (i.e., areas within wetlands, floodplains, steep slopes, etc.).

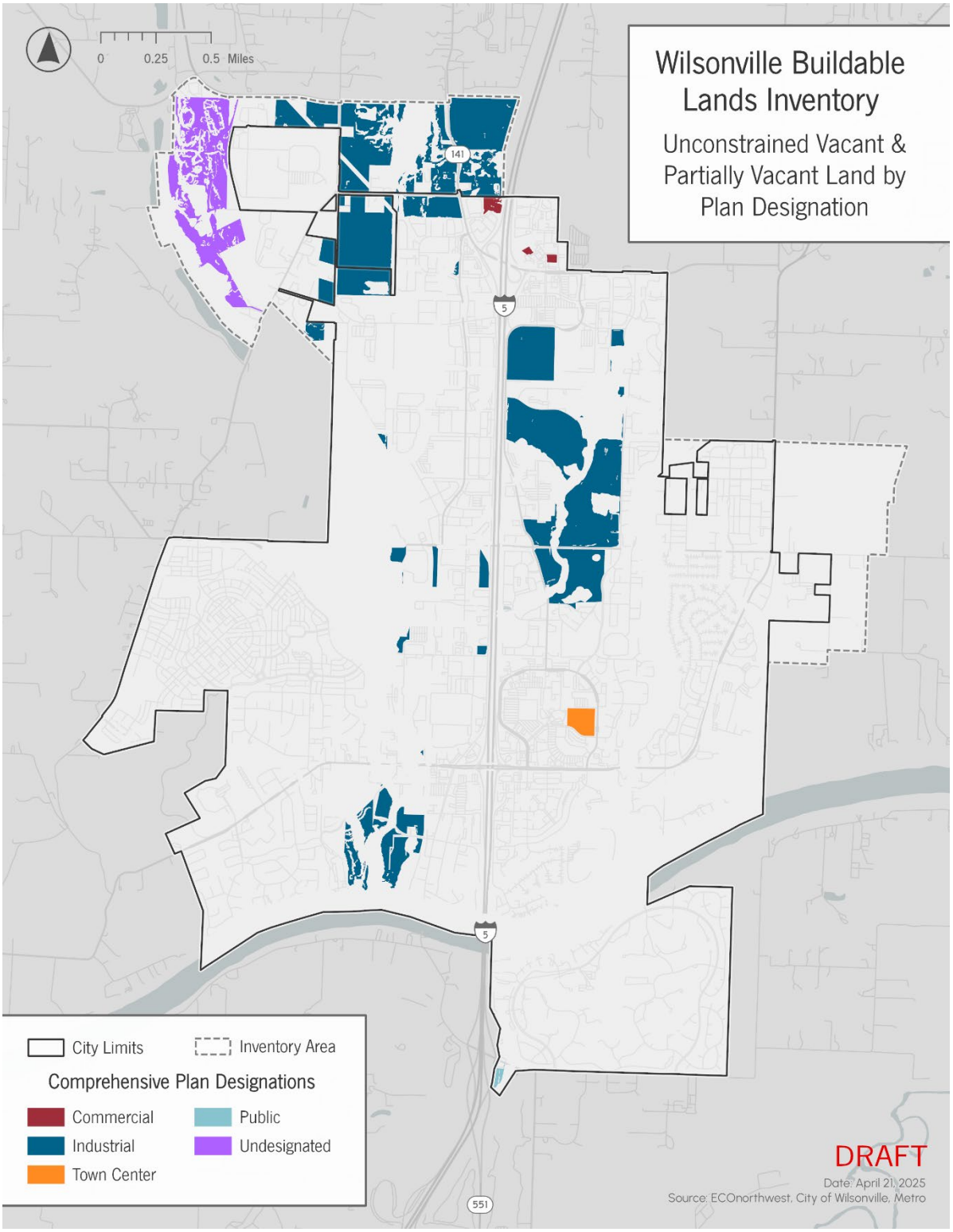
Table 3 presents the total buildable acres by Comprehensive Plan designation after these constraints have been deducted. This includes both vacant and partially vacant lands in the Wilsonville city limits and UGB area. Figure 3 shows a map of the buildable commercial and industrial lands within the Wilsonville city limits and UGB area, also categorized by Comprehensive Plan designation. Overall, the Wilsonville city limits and UGB area contains 366 total buildable acres available for future development.

Table 3. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 3. Buildable Employment Land by Plan Designation, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

Table 4 shows the size of lots by plan designations for buildable employment land.

Table 4. Acres of Land and Number of Tax Lots by Plan Designation, Buildable Acres, Wilsonville city limits and UGB area, 2025

Plan Designation	Buildable Sites Size						
	0 - 0.5 Acres	0.5 - 1 Acres	1 - 2 Acres	2 - 5 Acres	5 - 10 Acres	10 - 25 Acres	25 - 50 Acres
	Acres of Land by Plan Designation						
Commercial	0.3	1	-	3	-	-	-
Industrial	4	9	23	90	118	-	64
Town Center	-	-	2	-	7	-	-
Public	0.1	-	-	-	-	-	-
Undesignated	-	1	2	3	26	13	-
Acreage Total	**5**	**11**	**26**	**97**	**151**	**13**	**64**
	Number of Tax lots by Plan Designation						
Commercial	1	1	-	1	-	-	-
Industrial	16	12	15	28	16	-	2
Town Center	-	-	1	-	1	-	-
Public	1	-	-	-	-	-	-
Undesignated	-	2	1	1	3	1	-
Tax Lot Total	**18**	**15**	**17**	**30**	**20**	**1**	**2**

Source: ECOnorthwest analysis, City of Wilsonville, Metro

Appendix A – Methods and Definitions

The Buildable Lands Inventory (BLI) identifies commercial and industrial lands that are available for development for employment uses within Wilsonville. This appendix presents methods and definitions used to develop the commercial and industrial buildable lands inventory for Wilsonville.

Methods and Definitions

The BLI for Wilsonville includes all land that allows commercial and industrial uses within the Wilsonville city limits and Wilsonville's portion of the Metro UGB.[2] From a practical perspective, land was included in the BLI if it met all the following criteria:

1. It is inside the Wilsonville city limits and UGB area
2. It is inside a tax lot (as defined by Metro), and
3. Its current zoning/comprehensive plan designation allows employment uses. *Note that tax lots do not generally include roads, railroad rights-of-ways, or water.*

The inventory then builds from the tax lot–level database to estimate buildable land by Comprehensive Plan designation.

Inventory Steps

The five steps in the BLI are:

1. Generate the study area "land base"
2. Classify lands by buildable area status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

[2] This area includes the Wilsonville portion of the Basalt Creek Planning Area in the northwest quadrant of the city.

Step 1: Generate Study Area "Land Base"

The commercial and industrial inventory used all tax lots within the Wilsonville city limits and UGB area with the appropriate types of comprehensive plan designations that fall under those land use categories:

- Commercial (C)
- Industrial (I)
- Town Center (TC)
- Public (P)
- Undesignated

Figure 4 (on page 15) shows a map of these designations used in the BLI.

Step 2: Classify Lands by Buildable Area Status

In this step, ECOnorthwest classified each tax lot with an employment plan designation (based on the definitions in Table 5) into one of four mutually exclusive categories based on buildable area status:

- Vacant land
- Partially vacant land
- Public land
- Developed land

ECOnorthwest identified buildable land and classified buildable area status using a rule-based methodology, which identifies that that is buildable (vacant and partially vacant land). The rules are described in Table 5. The buildable area status classifications of the BLI land base are visualized in map format below in Figure 5.

Table 5. Rules for Buildable Area Status Classification

BUILDABLE AREA STATUS	DEFINITION	STATUTORY AUTHORITY
Vacant Land	Tax lots designated as vacant by Metro based on the following criteria: 1. Fully vacant based on Metro aerial photos 2. Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3. Lots 95% or more vacant from GIS vacant land inventory.	OAR 660-009-0005(5); Oregon Metro BLI Methodology (2024)[3]
Partially Vacant Land	A tax lot: 1) Between one and five acres occupied by a use that could still be further developed based on zoning; or 2) Equal to or larger than five acres where one half-acre or more is occupied by permanent buildings or improvements where excess land that could be further developed is present. This determination was based on a visual assessment and City staff verification.	No statutory definition
Public	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	No statutory definition
Developed Land	Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI.	OAR 660-009-0005(1)

[3] https://www.oregonmetro.gov/sites/default/files/2024/10/25/2024-UGR-Appendix-2-with-attachments.pdf

Step 3: Identify Constraints

As shown in Table 6, the BLI included development constraints consistent with guidance in OAR 660-009-0005(2) and Metro's 2024 BLI methodology.

Table 6. Constraints Included in BLI

DEVELOPMENT STATUS	STATUTORY AUTHORITY	THRESHOLD	SOURCE
Goal 5 Natural Resource Constraints			
Title 3 (Stream and Floodplain Protection Plan)	OAR 660-009-0005(2)	Lands within Metro-defined Title 3 areas	Metro
Title 13 (Habitat Conservation Areas)	OAR 660-009-0005(2)	Lands within Conservation Areas identified as "High" or "Very High"	Metro
Significant Resource Overlay Zone	OAR 660-009-0005(2)	Lands within the Wilsonville-defined Significant Resource Overlay Zone	City of Wilsonville
Pacific Habitat Services in Basalt Creek	OAR 660-009-0005(2)	Lands within riparian areas, upland tree groves, or wetlands, as identified by Pacific Habitat Services in the Basalt Creek area.	Pacific Habitat Resources
Natural Hazard Constraints			
FEMA Regulatory Floodway and 100-Year Floodplains	OAR 660-009-0005(2)	Lands within FEMA–defined regulatory floodway or 100-year floodplains	FEMA via National Flood Hazard Layer Interactive Viewer
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	Oregon Department of Geology and Mining Industries

These areas were evaluated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands identified as vacant or partially vacant. Figure 6 (page 17) shows a map of the individual constraints.

Step 4: Verify Inventory Results

ECOnorthwest used a multistep verification process. The first verification step involved a "visual assessment" of land classifications using GIS and recent aerial photos. The visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECOnorthwest reviewed all tax lots included in the inventory using the visual assessment methodology. The second round of verification involved City staff verifying the visual assessment output. ECOnorthwest amended the BLI based on City staff review and a discussion of staff's comments. The final verification included review by stakeholders, including by members of the Technical Advisory Committee.

Step 5: Tabulate and Map Results

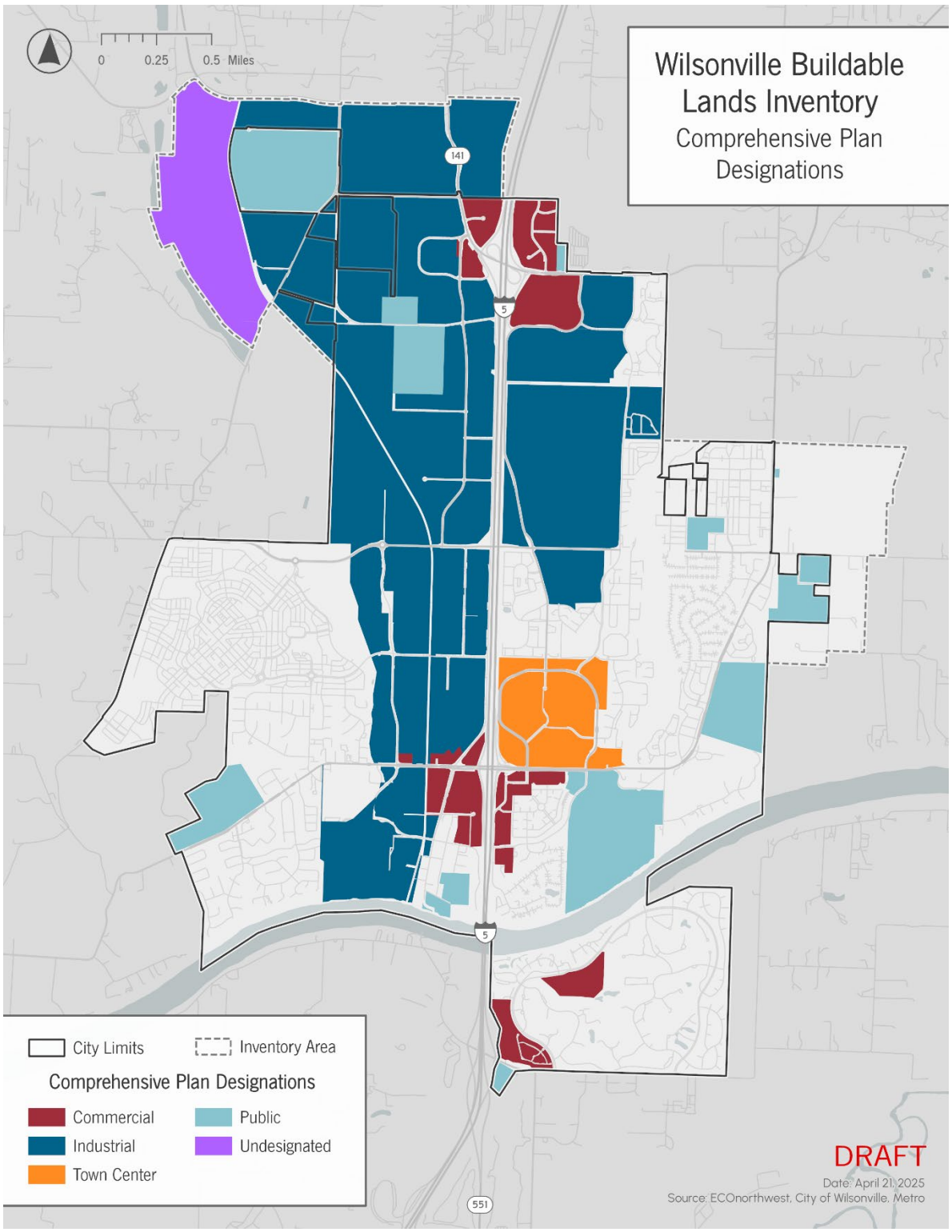
The results of the commercial and industrial BLI are presented in tabular form and maps in the remainder of this Appendix. These maps separately show the existing Comprehensive Plan designations, individual constraints used, the land base by buildable area status with aggregated constraints represented, and unconstrained vacant and partially vacant lands by Comprehensive Plan designation.

Table 7. Buildable Acres in Vacant/Partially Vacant Tax Lots by Wilsonville Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025

Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	4	4	0.3
Industrial	308	178	130
Town Center	9	9	-
Undesignated	45	1	44
Total	**366**	**191**	**175**

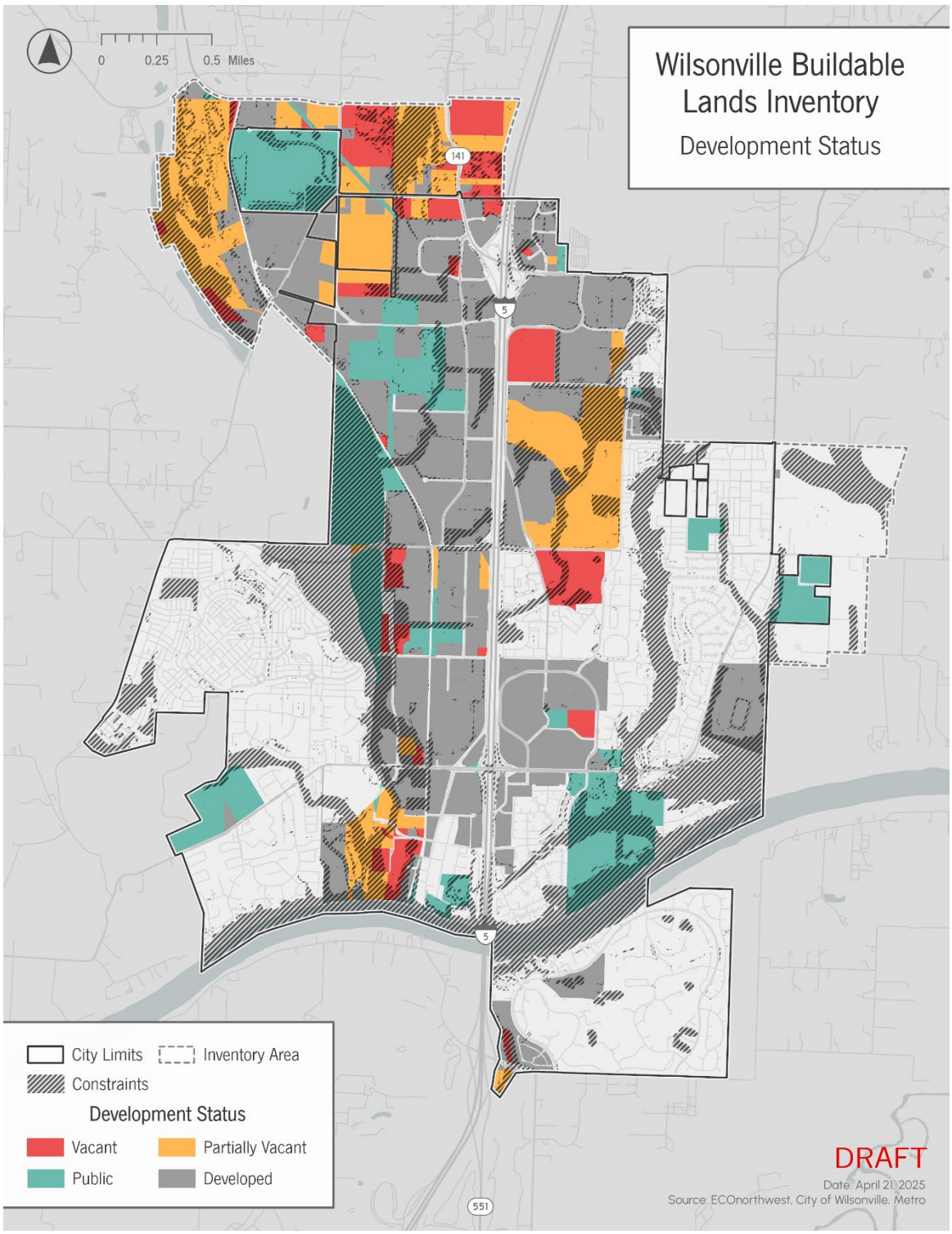
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 4. Comprehensive Plan Designations Included in the Employment Land Base, Wilsonville city limits and UGB area, 2025



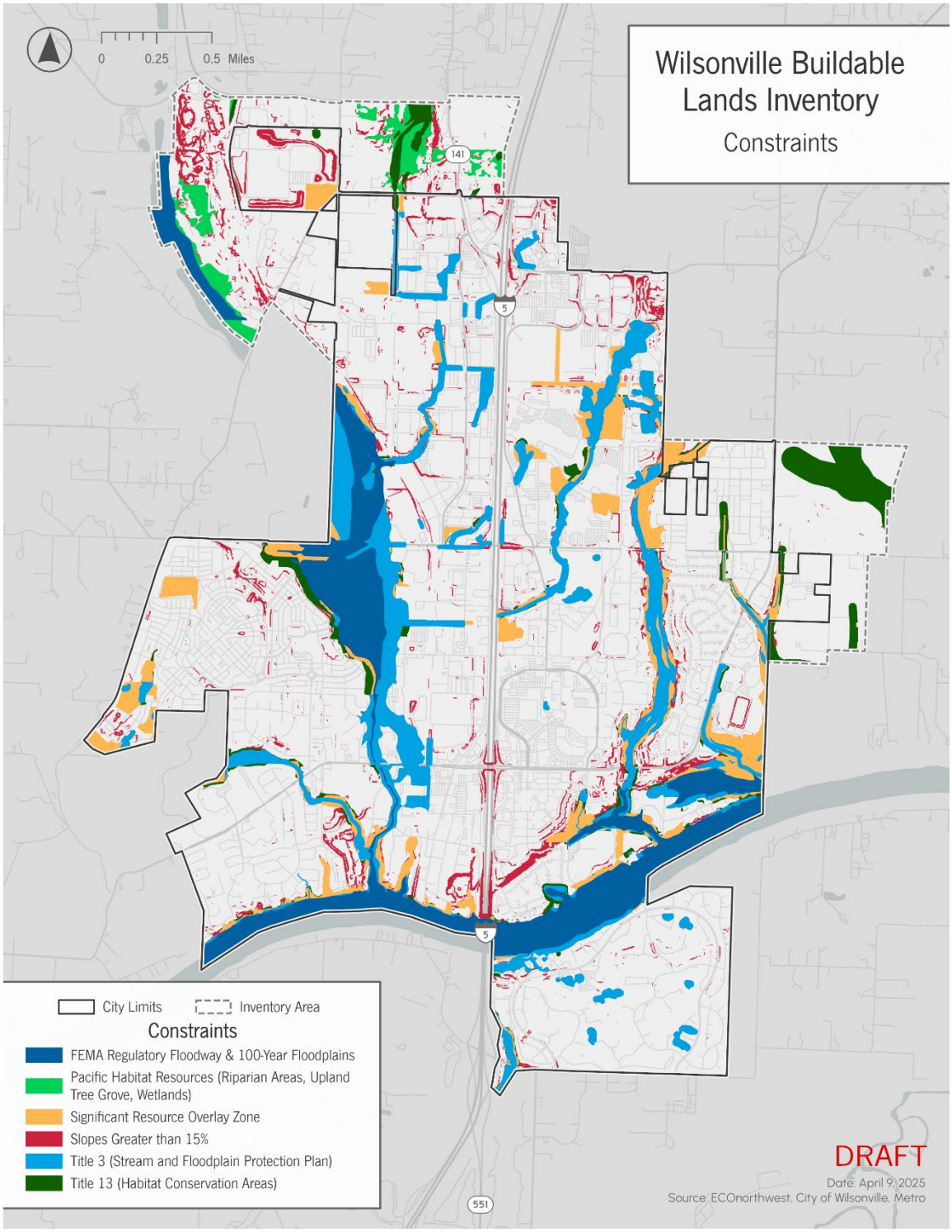
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 5. Buildable Area Status with Constraints, Wilsonville city limits and UGB area, 2025



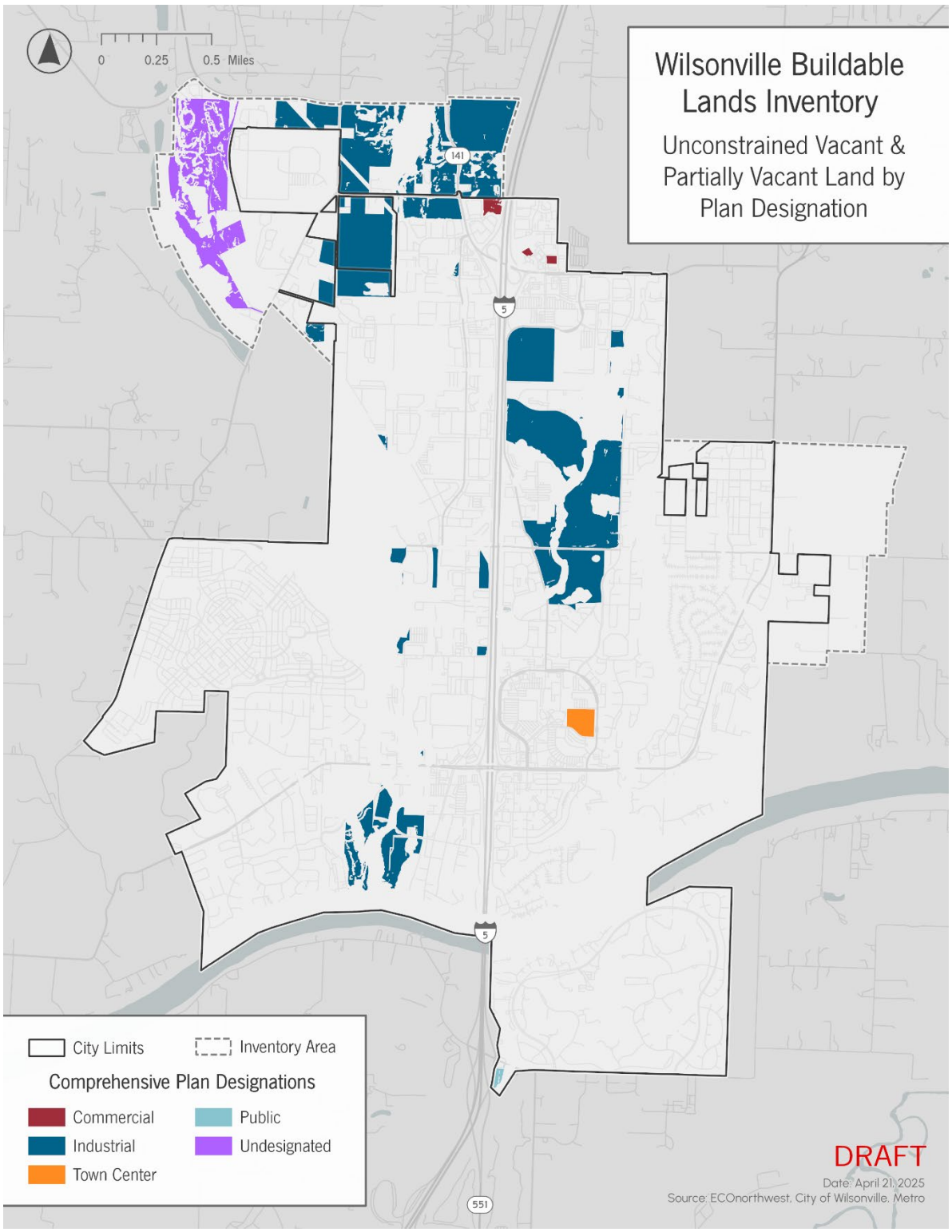
Source: ECOnorthwest analysis, City of Wilsonville, Metro

Figure 6. Development Constraints, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro, Pacific Habitat Services, USGS

Figure 7. Buildable Employment Land by Comprehensive Plan Designation, Wilsonville city limits and UGB area, 2025



Source: ECOnorthwest analysis, City of Wilsonville, Metro

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.

DRAFT

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

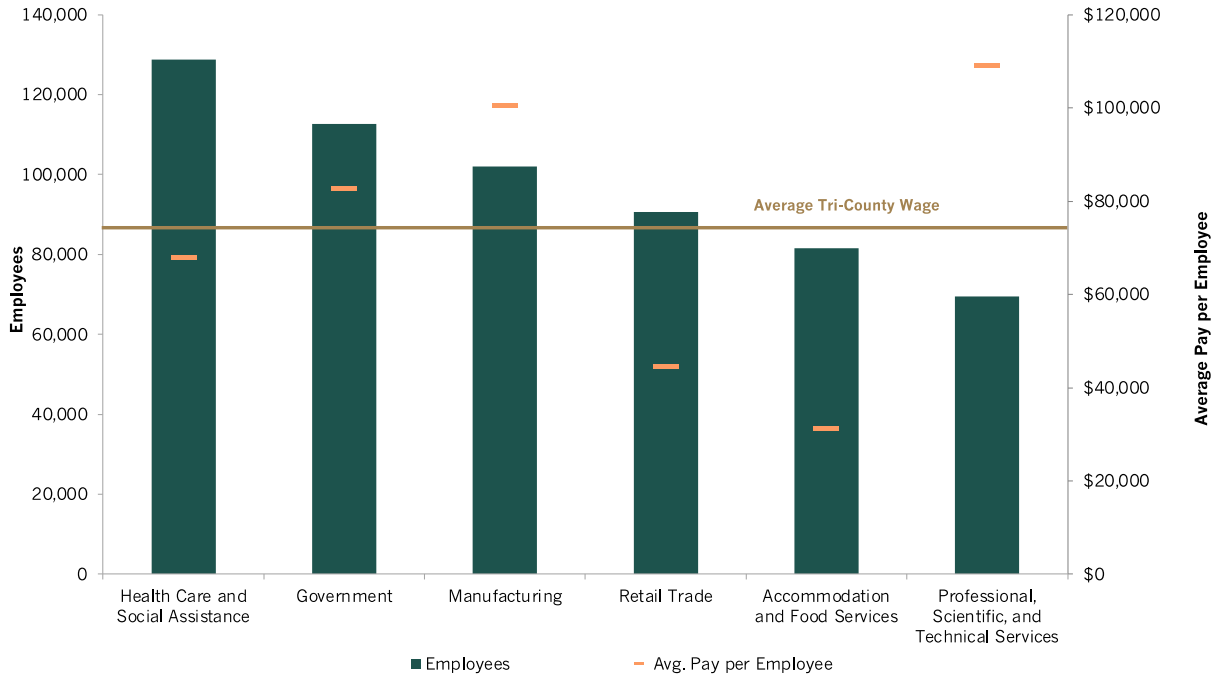
Sector	Employees		Change in Employment 2007-2023	
	2007	2023	Number	AAGR*
Agriculture, Forestry, Fishing, and Hunting and	10,231	9,446	(785)	(0.5%)
Construction	46,926	59,673	12,747	1.5%
Manufacturing	101,845	102,004	159	0.0%
Wholesale Trade	49,370	46,382	(2,988)	(0.4%)
Retail Trade	85,796	90,561	4,765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

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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.

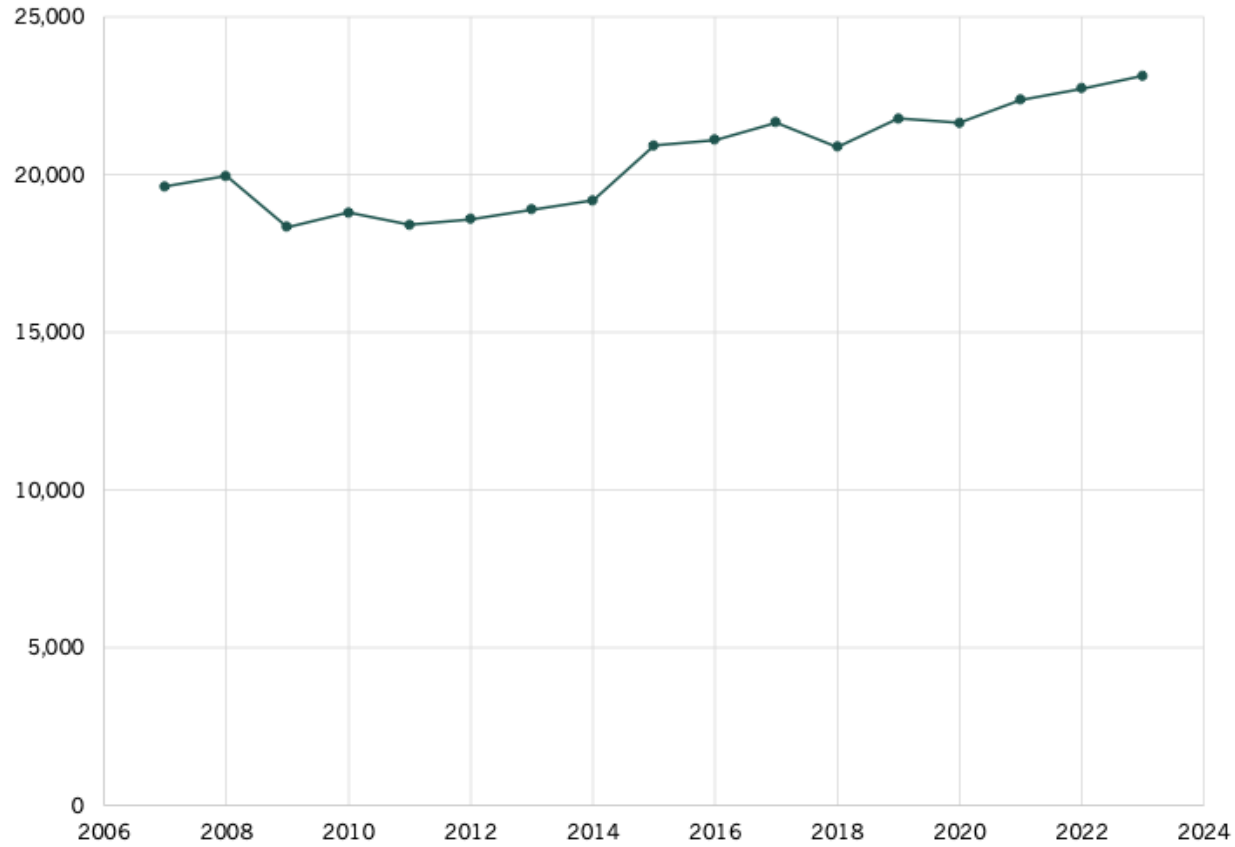
Exhibit 3. Change in Covered Employment, Wilsonville, 2007–2023

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, 2023[20]

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%
Accomodation 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 absorption[21], 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.

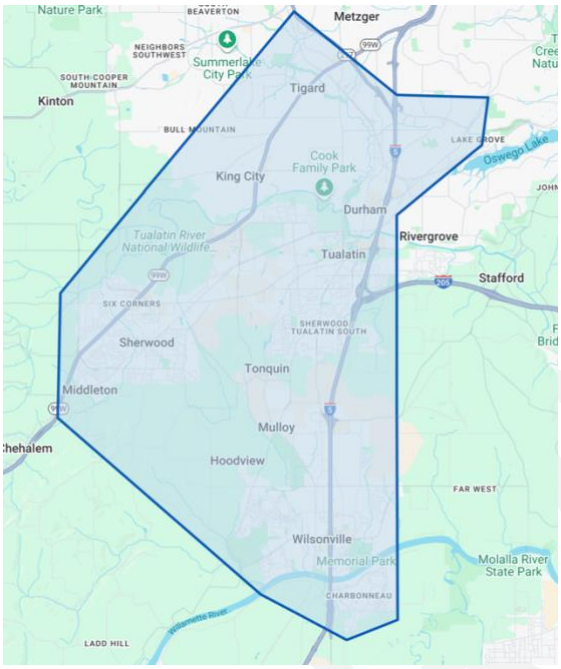
Industrial: Wilsonville's industrial market is strong but faces significant limitations to future growth. The City has very low industrial vacancy rates and higher-than-average rents, showing steady demand. However, very little new space has been built in the past decade, largely due to a shortage of *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.

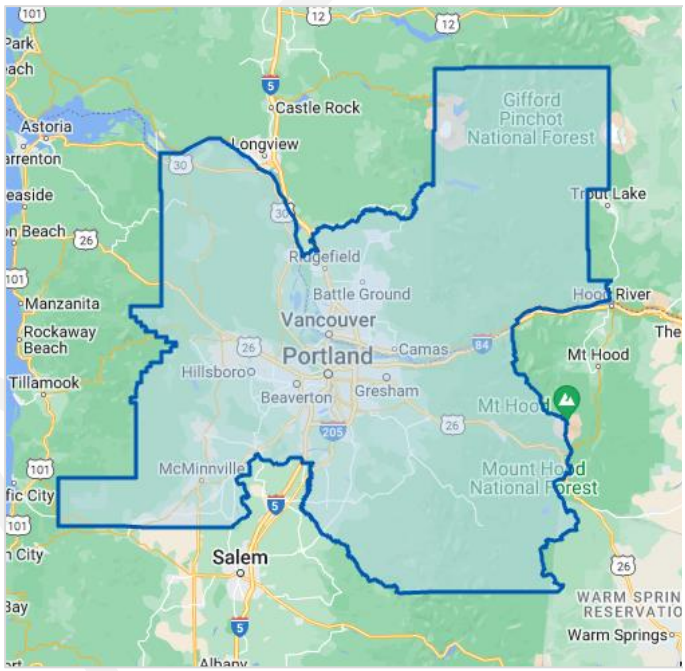
The remainder of this section provides detailed analysis of real estate trends in Wilsonville, the I-5 South submarket (Exhibit 8) and the broader Portland region (Exhibit 9).

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 Trends[22]

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

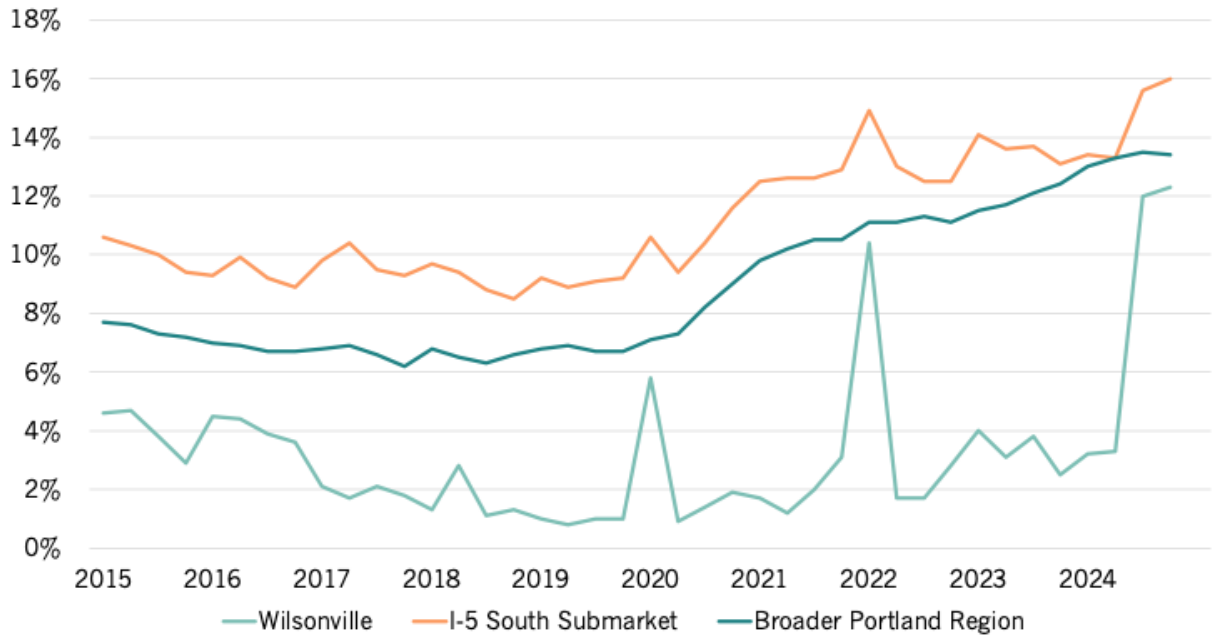
Source: CoStar, pulled February 2025

*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.

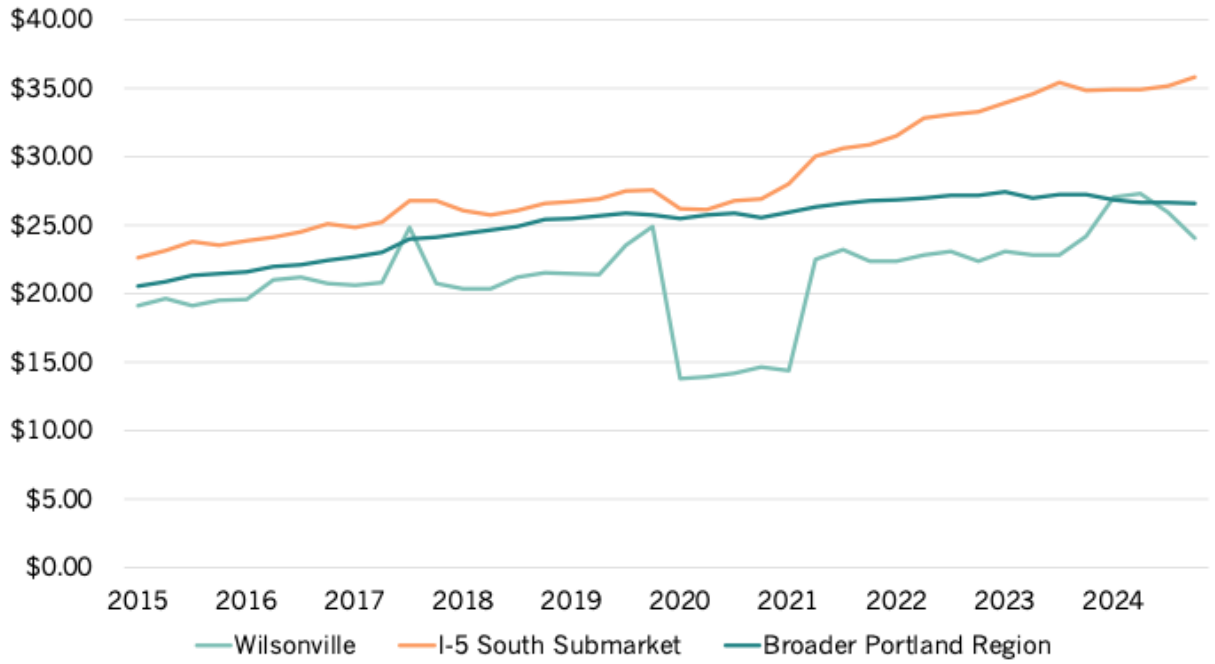
Exhibit 11: Office Vacancy Rate Trends, 2015-2024



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 Trends[24]

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

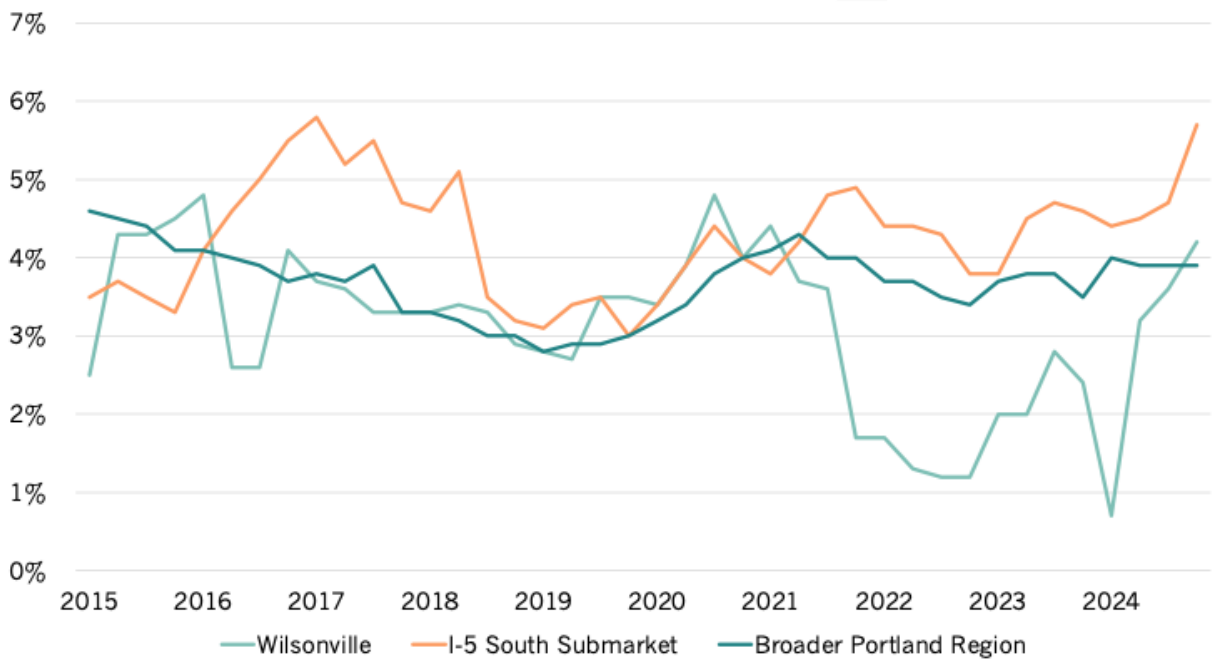
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL RETAIL DEVELOPMENT			
Broader Portland Region	12,132	126,767,807	10,450
I-5 South Submarket	478	6,797,343	14,220
Wilsonville	112	2,165,439	19,330
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	441	5,186,720	11,760
I-5 South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

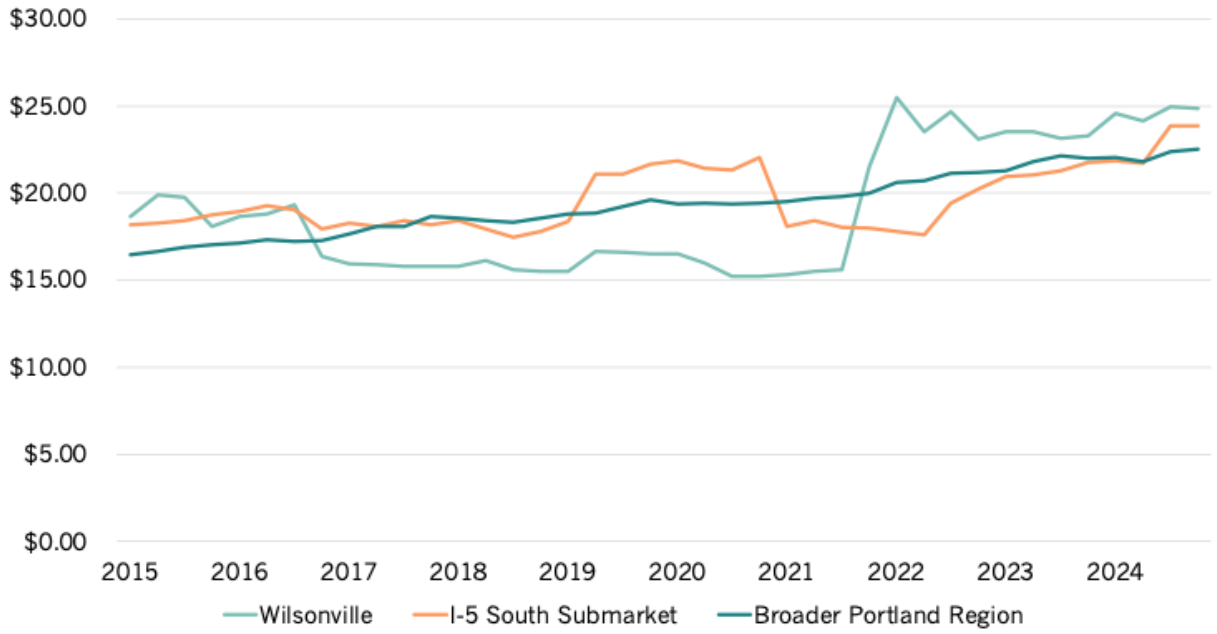
Exhibit 14: Retail Vacancy Rate Trends, 2015 - 2024



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.

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[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

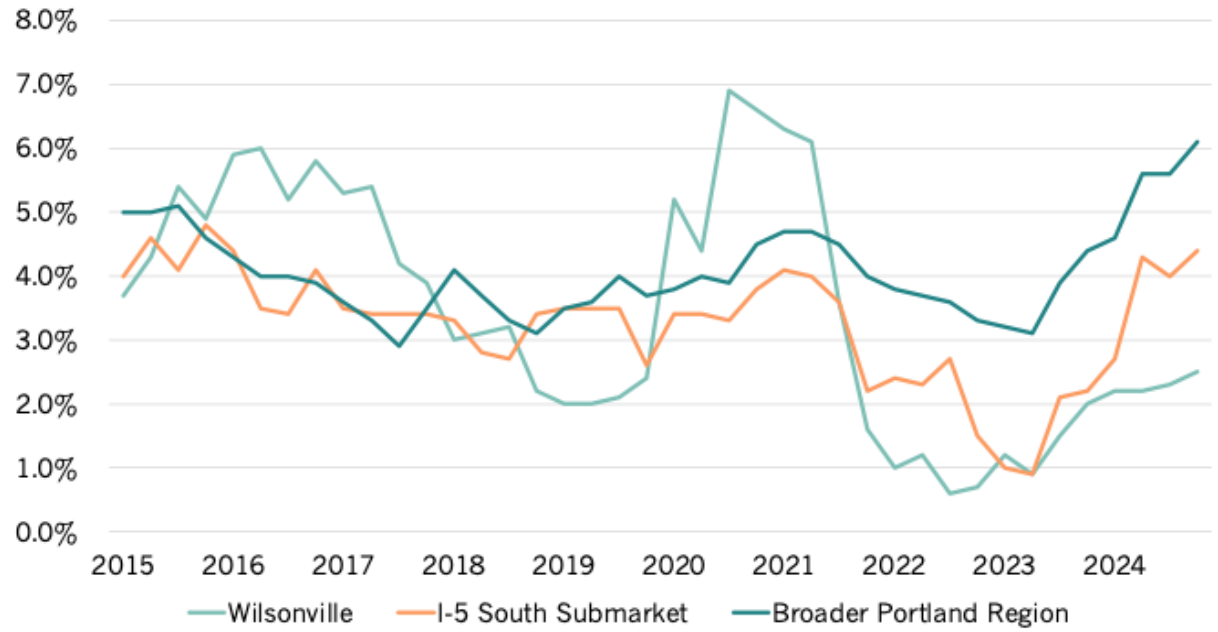
GEOGRAPHY	TOTAL BUILDINGS	TOTAL SQUARE FEET	AVERAGE BUILDING SIZE
ALL INDUSTRIAL DEVELOPMENT			
Broader Portland Region	7,581	259,657,430	34,250
I-5 South Submarket	671	22,831,304	34,030
Wilsonville	136	8,592,887	63,180
BUILT IN THE LAST 10 YEARS*			
Broader Portland Region	403	33,736,304	83,710
I-5 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%.

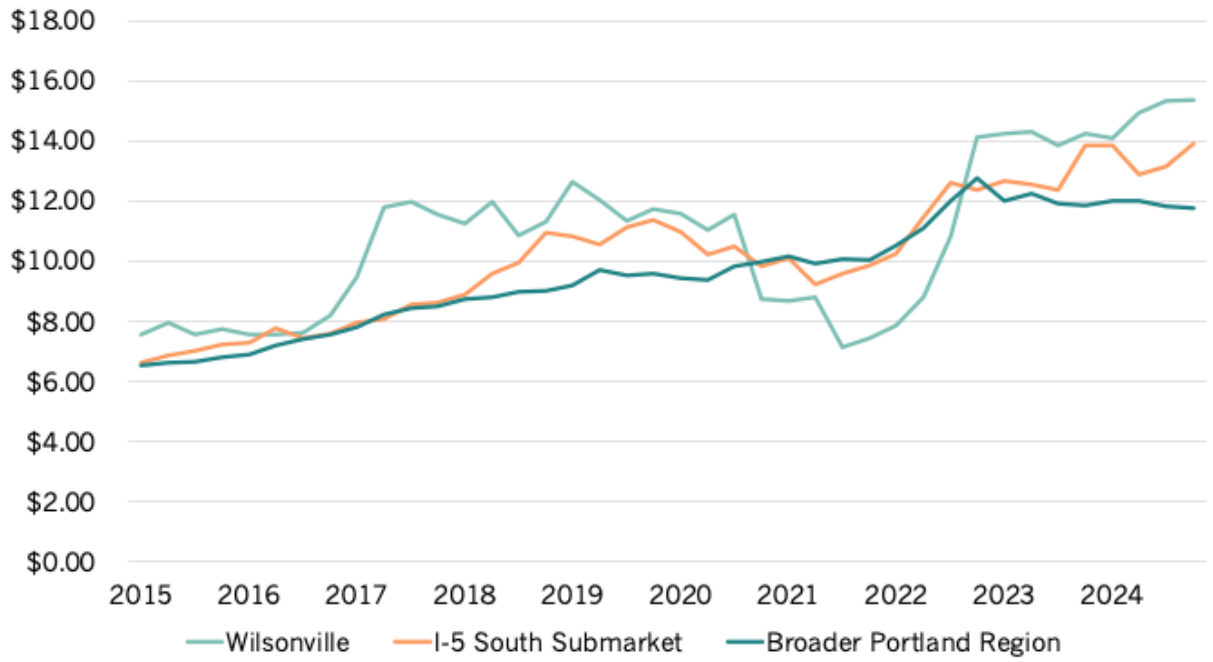
Exhibit 17: Industrial & Flex Vacancy Rate Trends, 2015-2024



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

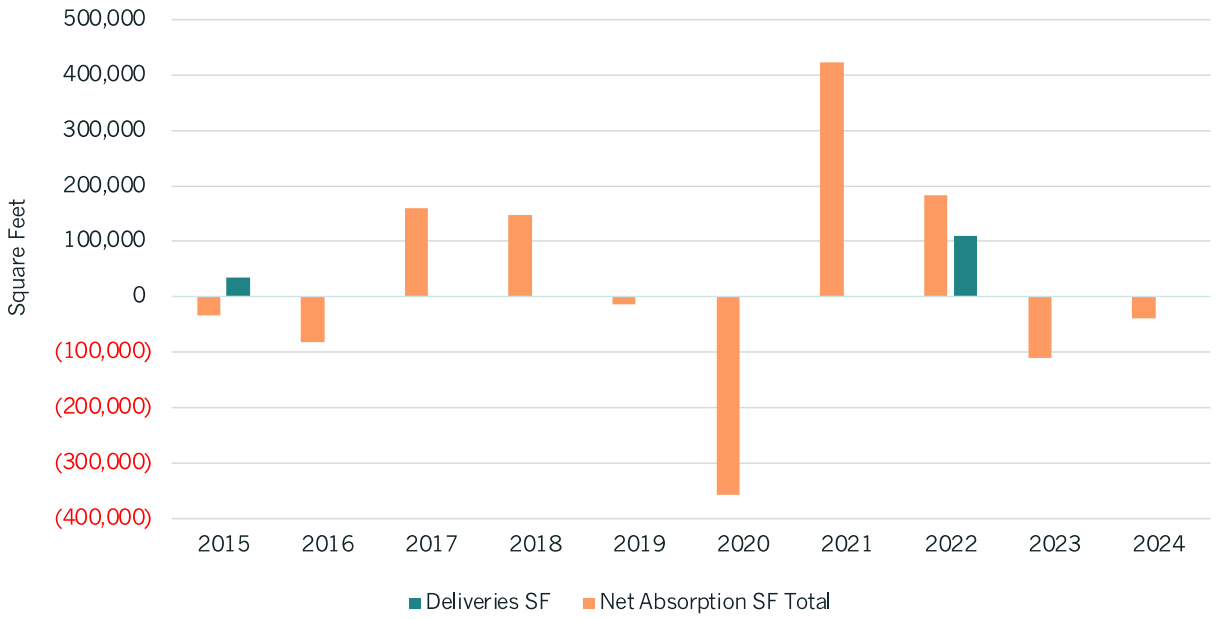


Source: CoStar, pulled February 2025

[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.

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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.

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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%**

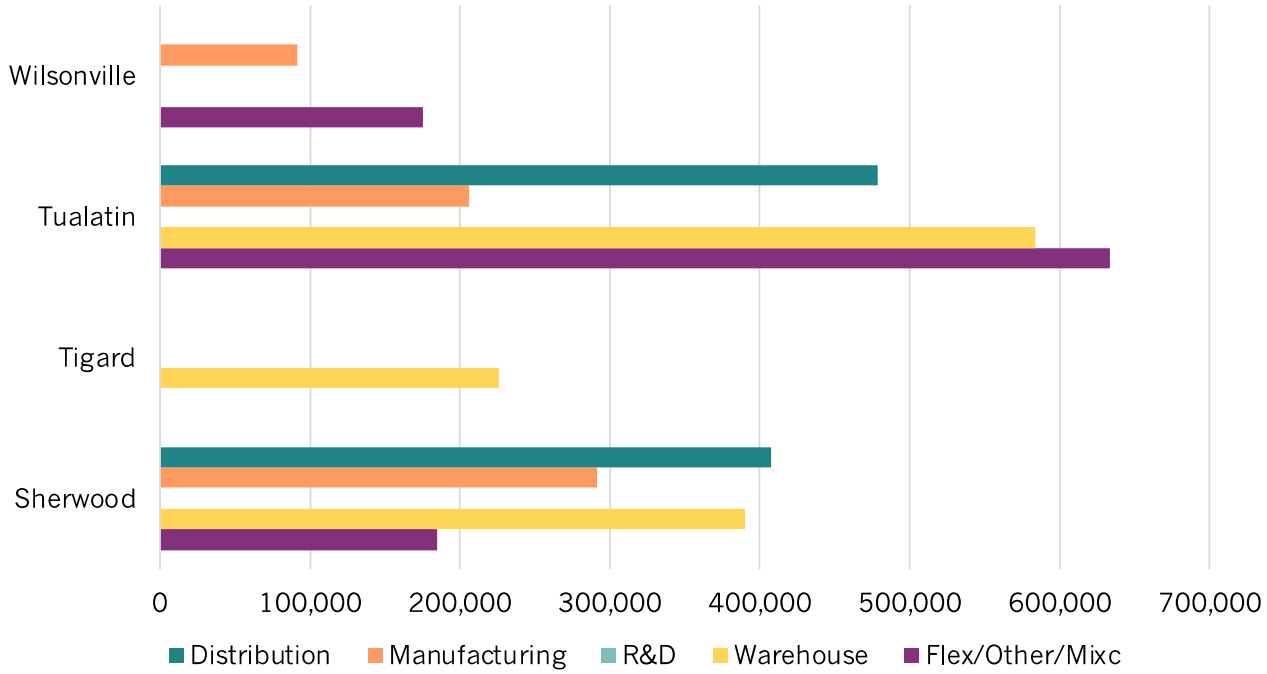
Source: CoStar, pulled August 2024

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 in 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 employment[35] 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	3725	4,050	92%
Wholesale Trade	3337	4,000	83%
Retail Trade	2130	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.

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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.

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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.

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[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 Wilsonville	40.6 Clackamas County	38.4 Oregon
2023	38.7 Wilsonville	42.1 Clackamas County	40.1 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

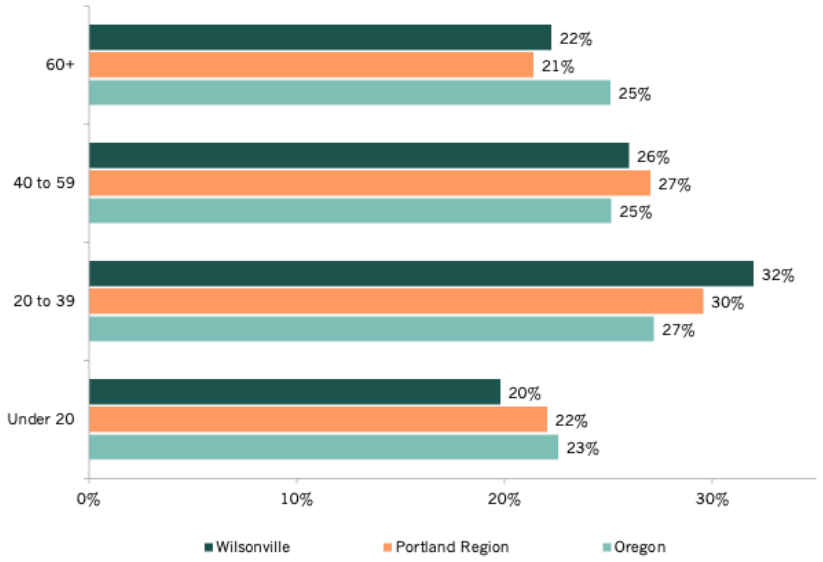
Source: U.S. Census Bureau, 2010 Summary File P12; American Community Survey 2019-2023 5-Year Estimates, Table B01001.

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.

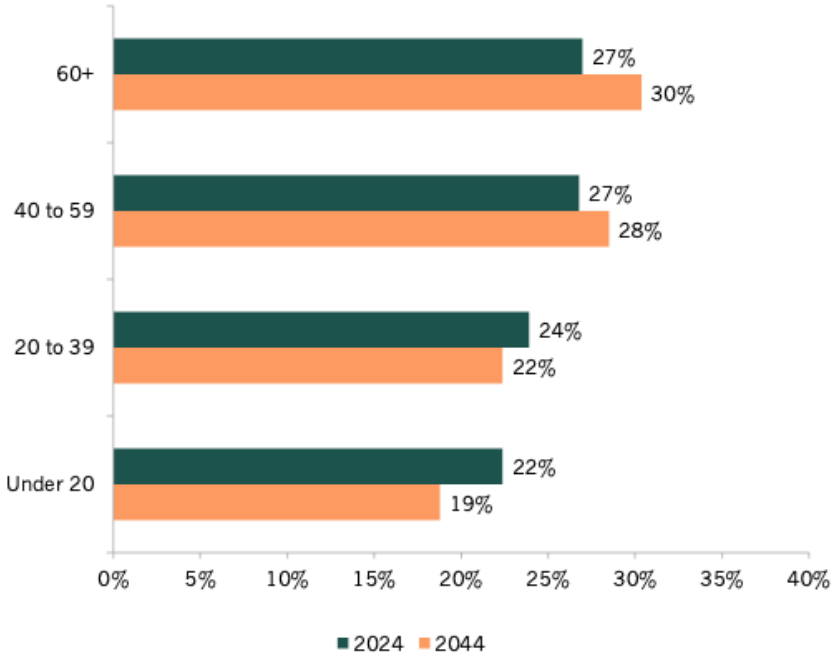
Exhibit 27. Population Distribution by Age, Wilsonville, Portland Region, and Oregon, 2019–2023



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.

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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.

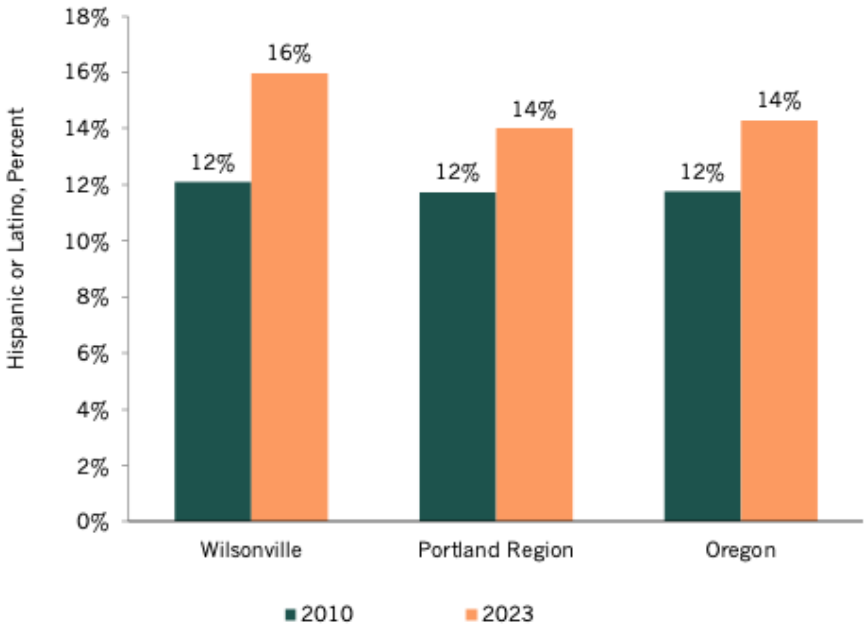
Exhibit 29 and Exhibit 30 show the change in the share of Hispanic and Latino and people of color in Wilsonville compared to the Portland region and Oregon between 2010 and 2023. The group with the largest share of people of color in 2023 is two or more races, representing 15% and 11% of Wilsonville's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

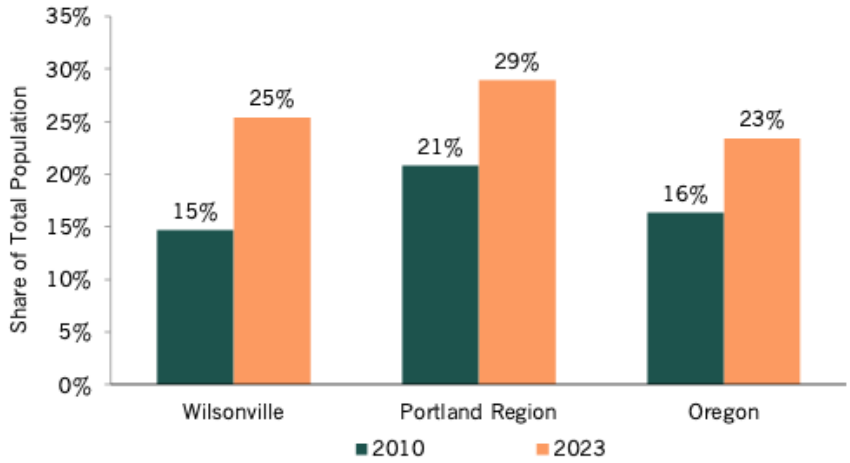


Source: U.S. Census Bureau, 2010 Decennial Census, Table P0008; 2019–2023 American Community Survey, 5-Year Estimates, Table B03002.

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.

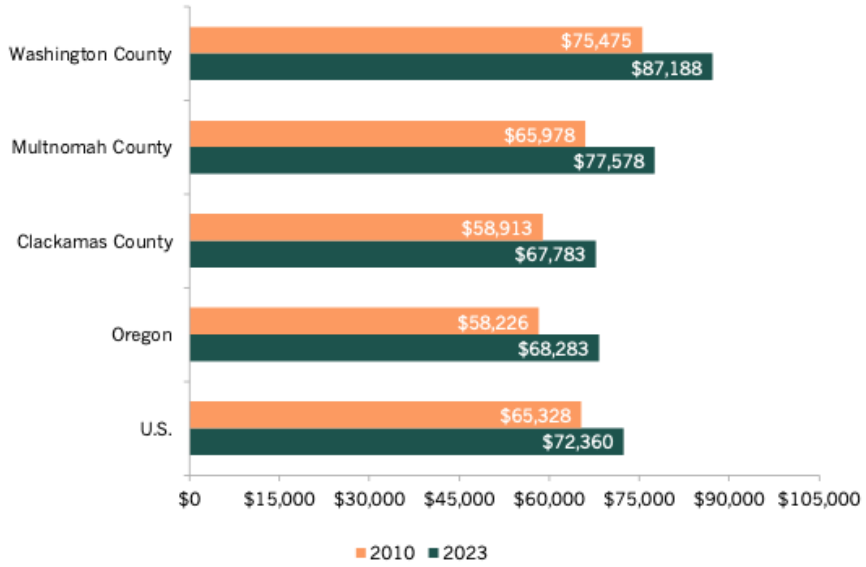
Average wages at businesses in Washington and Multnomah counties exceeded the Oregon average of $68,283, while Clackamas County's average wage was roughly in line with the state average.

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

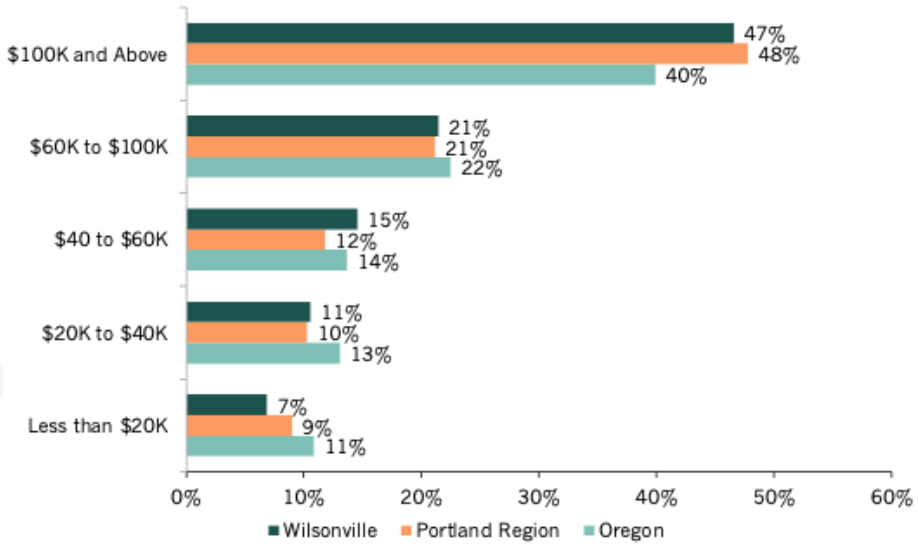
$115,941	$119,052	$98,832
Wilsonville	Clackamas County	Oregon

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.

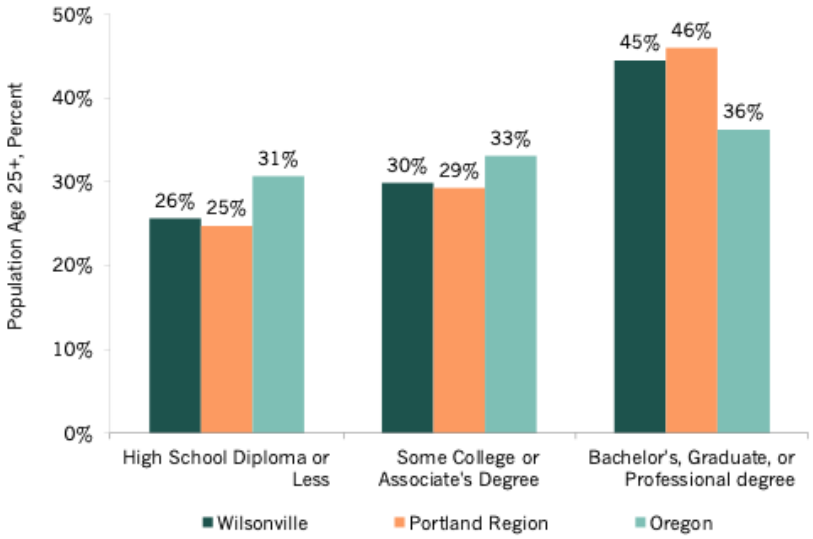
EDUCATIONAL ATTAINMENT

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



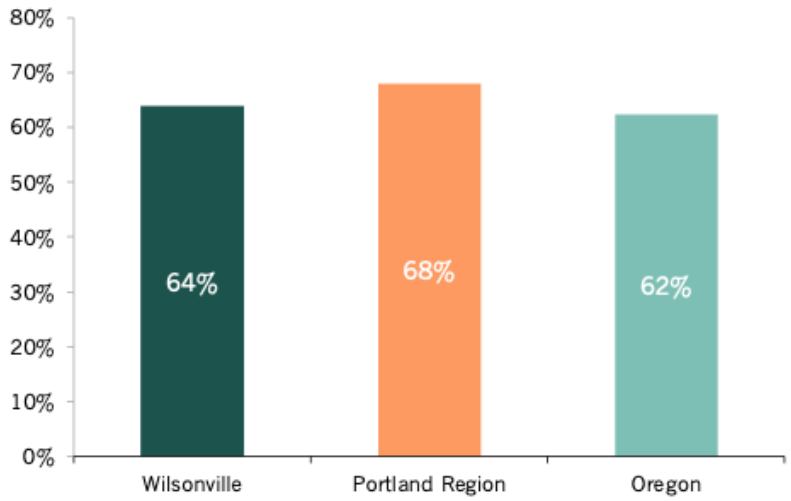
Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B15003.

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

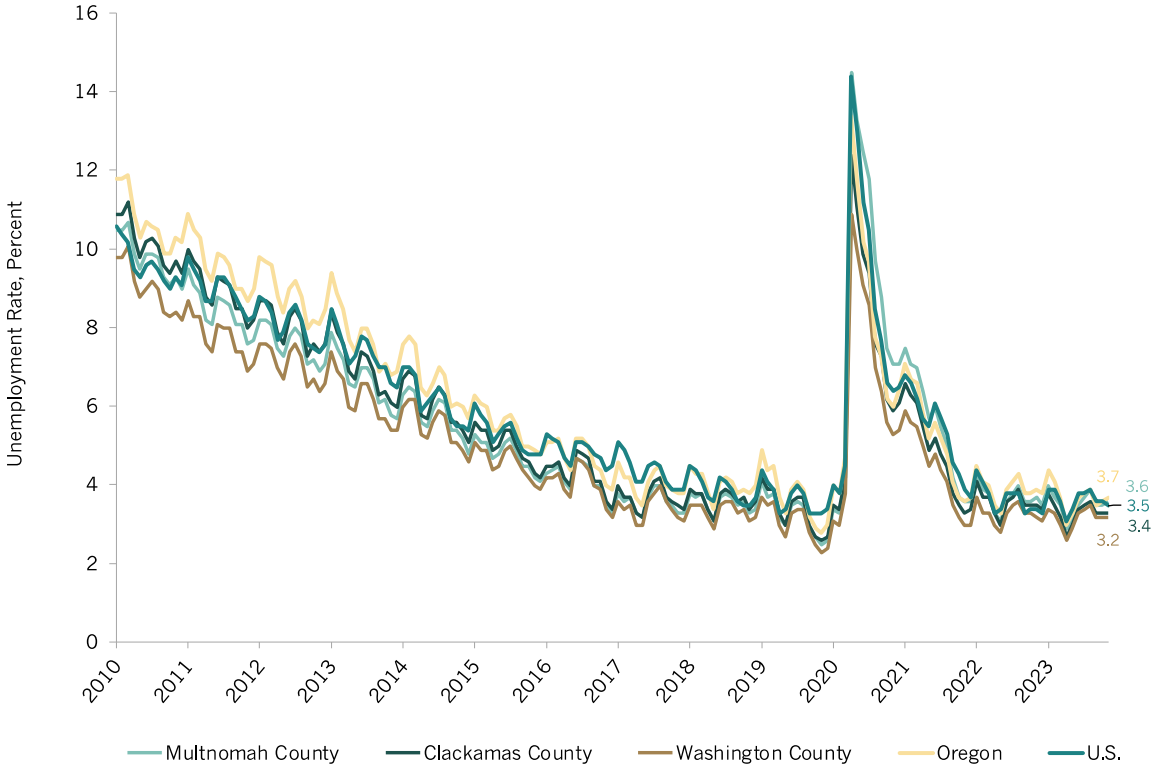


Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates, Table B23001.

DRAFT

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.

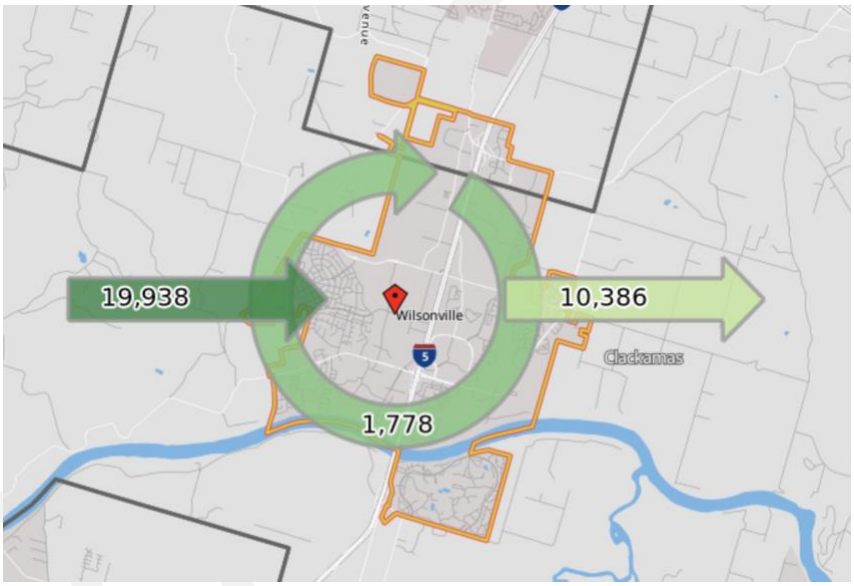
COMMUTING PATTERNS

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

10%	8%	5%	3%
Portland	Wilsonville	Salem	Beaverton

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

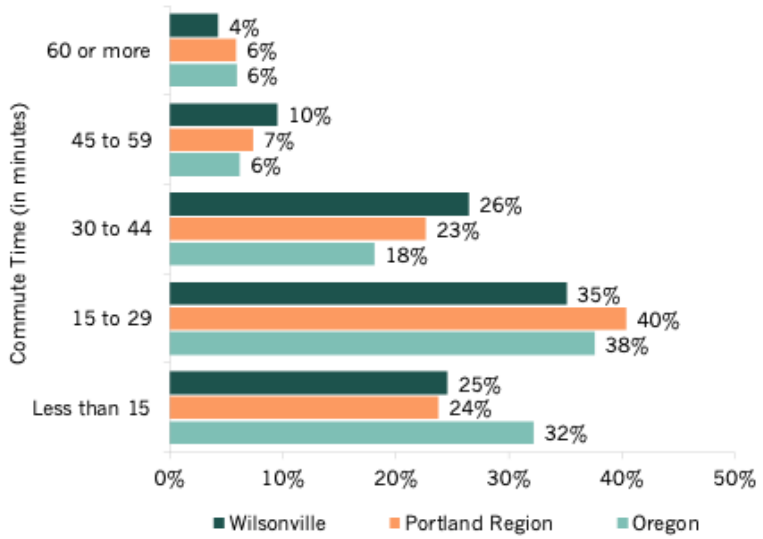
22%	15%	7%	5%
Portland	Wilsonville	Tualatin	Tigard

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 Food Services	**$99.6** Retail Sales	**$92.5** 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

Wilsonville Industrial Land Readiness – Citywide EOA

Planning Commission Work Session
July 9, 2025
Presented by: Cindy Luxhoj AICP, Associate Planner
Dan Pauly AICP, Planning Manager
Matt Lorenzen, Economic Development Manager
Nicole Underwood, ECOnorthwest

Wilsonville's Examination of Employment Lands

Wilsonville Industrial Land Readiness

Basalt Creek

Study of industrial land potential and development readiness in Basalt Creek, including zoning designation and infrastructure planning

Citywide

- Economic Opportunity Analysis
- Economic Development Strategy

- **Revised Comprehensive Plan**
- **Potential changes to Zoning Code**
- **Potential changes to Zoning Map**

Other City projects informing the broader conversation around land needs:

Housing Our Future

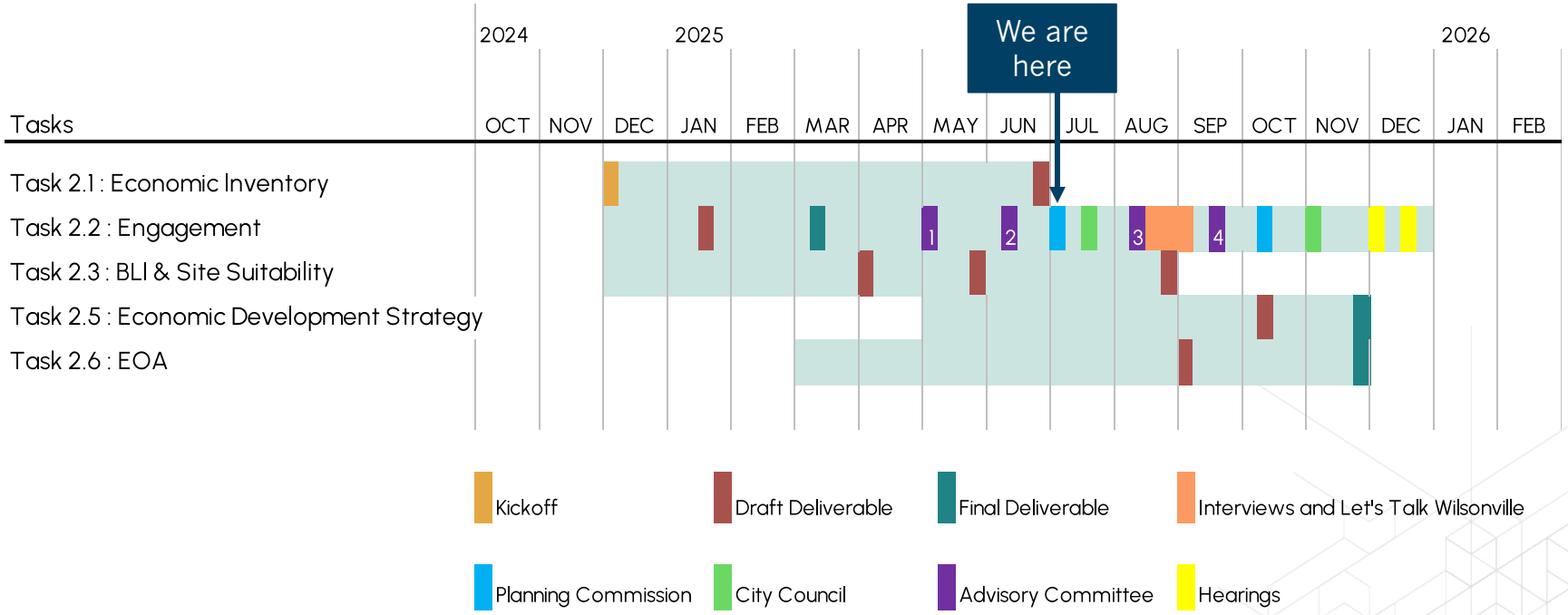
- Housing Needs and Capacity Analysis (HNCA)
- Housing Production Strategy (HPS)

Project Overview

Why do an EOA?

- Understand existing conditions and forecast future conditions to inform:
  - Economic development strategy
  - Land use policy
  - Coordination
- Plan for long-term growth
  - Next 20 years
- Legal requirements (Goal 9: Economy)

Project Schedule



Focus of Work Session

- Buildable Lands Inventory:
  - Share draft results and gather feedback
- Economic Inventory/Growth Forecast:
  - Overview of current economic conditions
  - Options for employment growth forecasts
  - Discuss preference for which forecast to use in the EOA

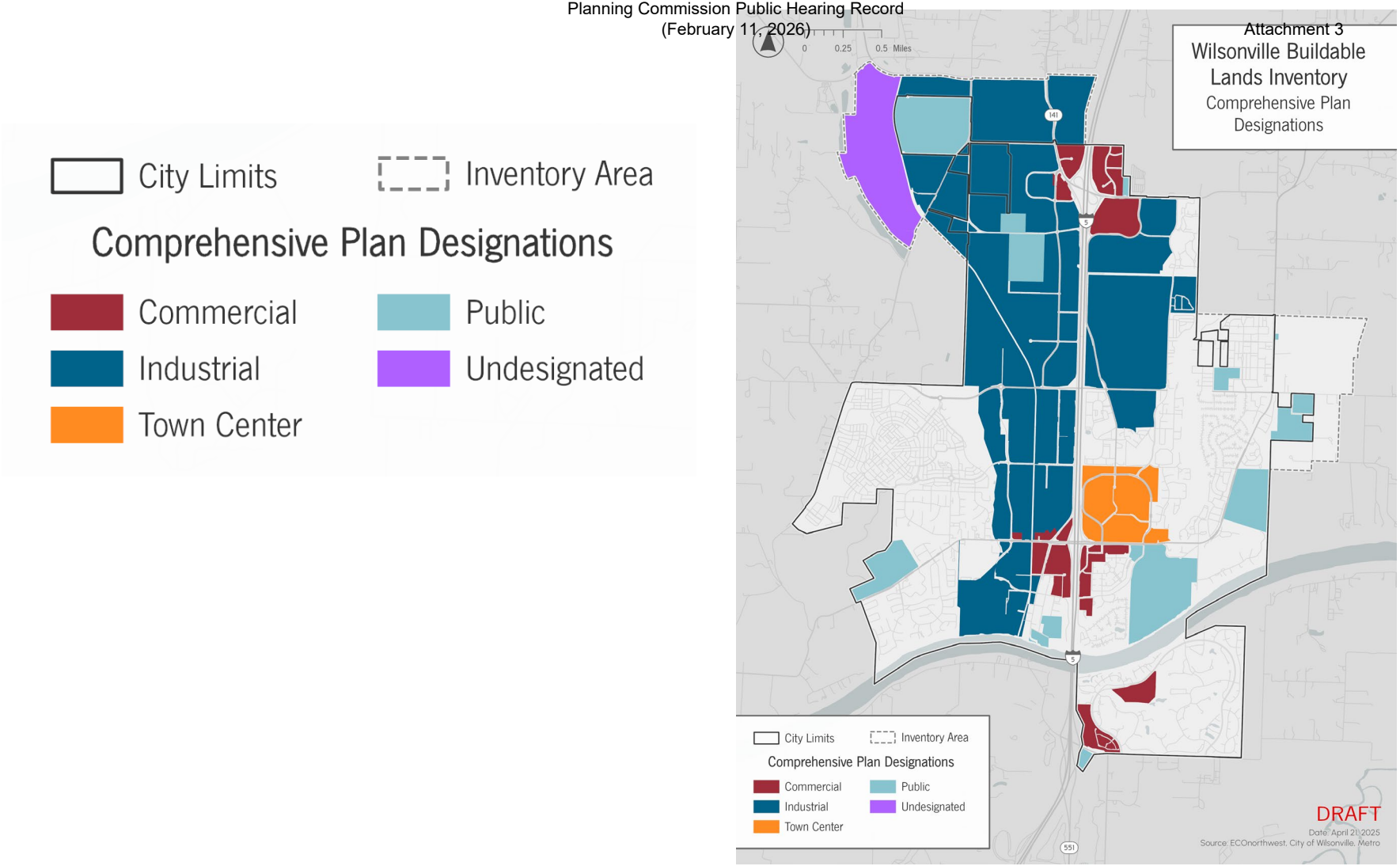
Buildable Lands Inventory (BLI)

ECOnorthwest

Methodology

1. Gather and Assemble Data
2. Classify Land
3. Identify and Remove Constraints
4. Verification
5. Summarize Results

Attachment 3

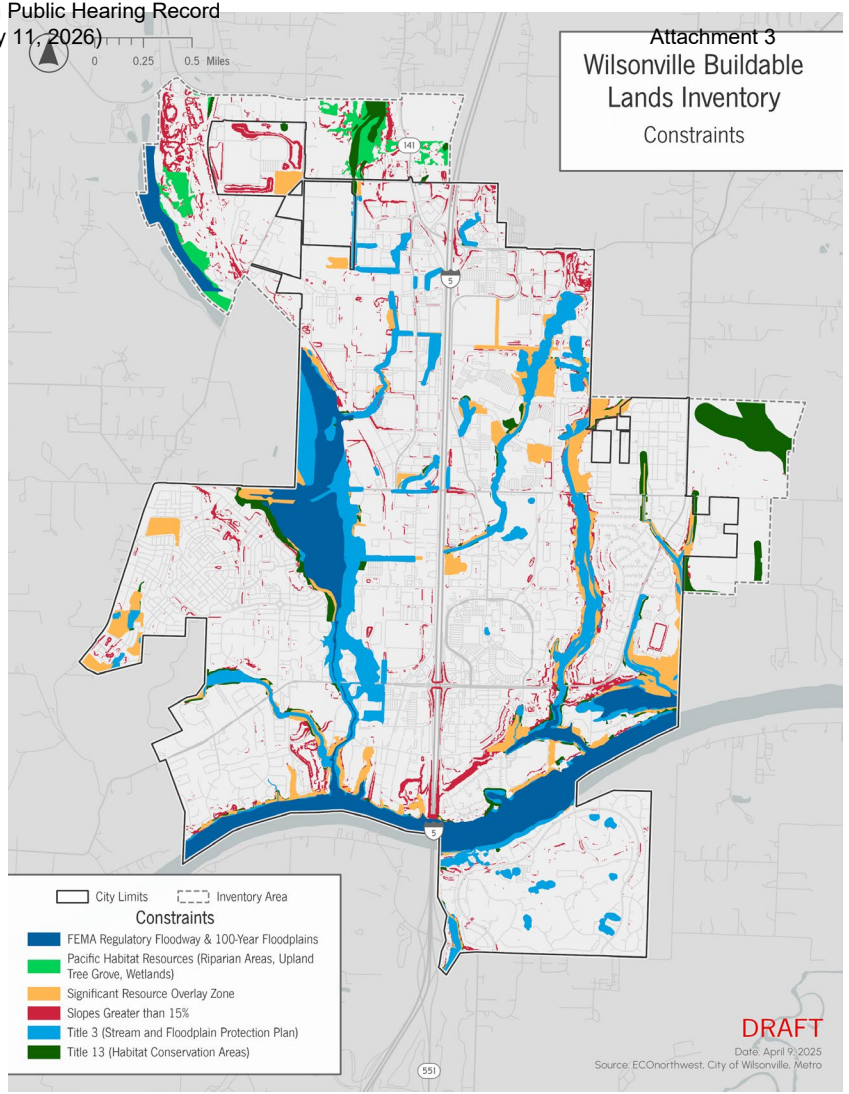


City Limits Inventory Area

Constraints

- FEMA Regulatory Floodway & 100-Year Floodplains
- Pacific Habitat Resources (Riparian Areas, Upland Tree Grove, Wetlands)
- Significant Resource Overlay Zone
- Slopes Greater than 15%
- Title 3 (Stream and Floodplain Protection Plan)
- Title 13 (Habitat Conservation Areas)

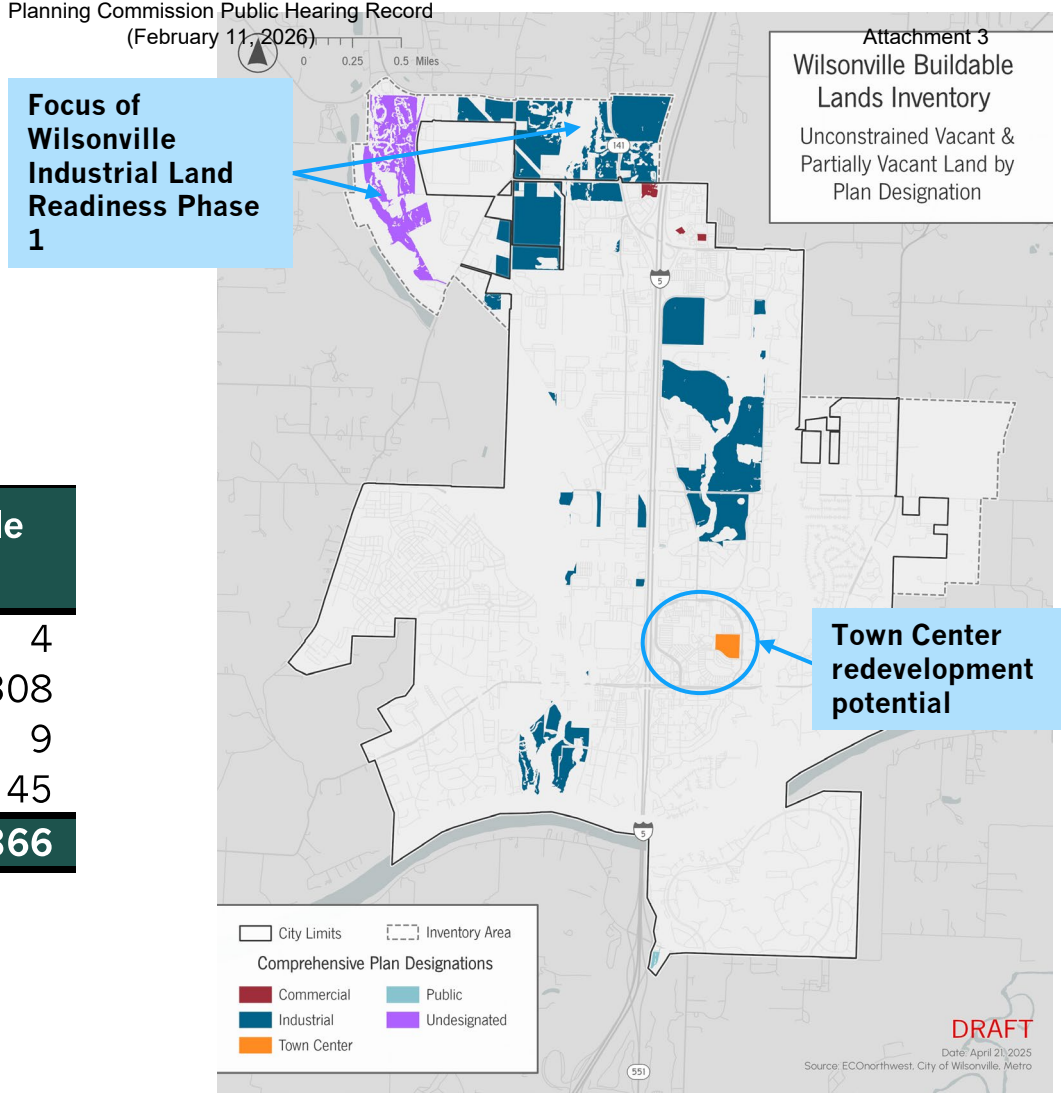
Attachment 3



Total Unconstrained Buildable Acres: 366

96% of buildable land is Industrial or Undesignated (West Railroad)

Plan Designation	Total Buildable Acres
Commercial	4
Industrial	308
Town Center	9
Undesignated	45
Total	**366**



Discussion: BLI

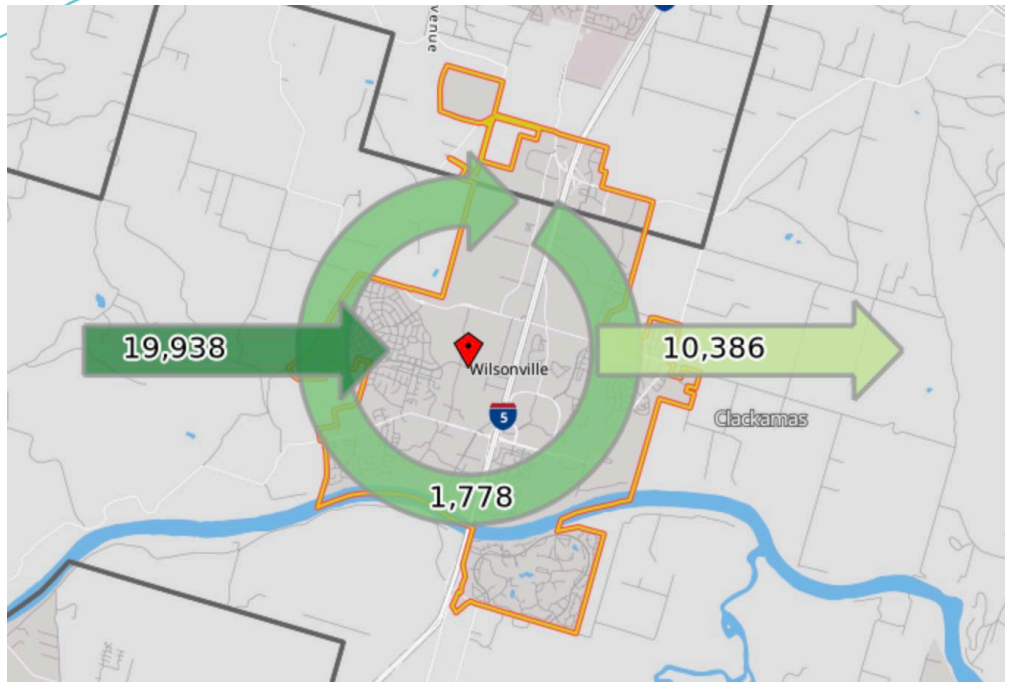
- Does the Commission have any feedback about the methodology or preliminary findings of the BLI?
- Are there specific areas that need clarification or further analysis?

Employment Growth Opportunities and Forecast

National and State Economic Trends

- Slowing labor force growth offset by increased productivity gains
- Increases in automation across sectors
- Inflation, tariffs, immigration reform, and economic uncertainty
  - Oregon is trade-sensitive, with over 50% of exports to Mexico, China, and Canada in key sectors like semiconductors, machinery, and agriculture.
- Aging population driving the need for replacement workers
- Shifts in commercial and industrial real estate markets
  - High interest rates and construction costs reducing development feasibility
  - Office demand shifts and hybrid work arrangements
  - Strong but slowing industrial market
- Potential impacts of climate change

Commuting Trends



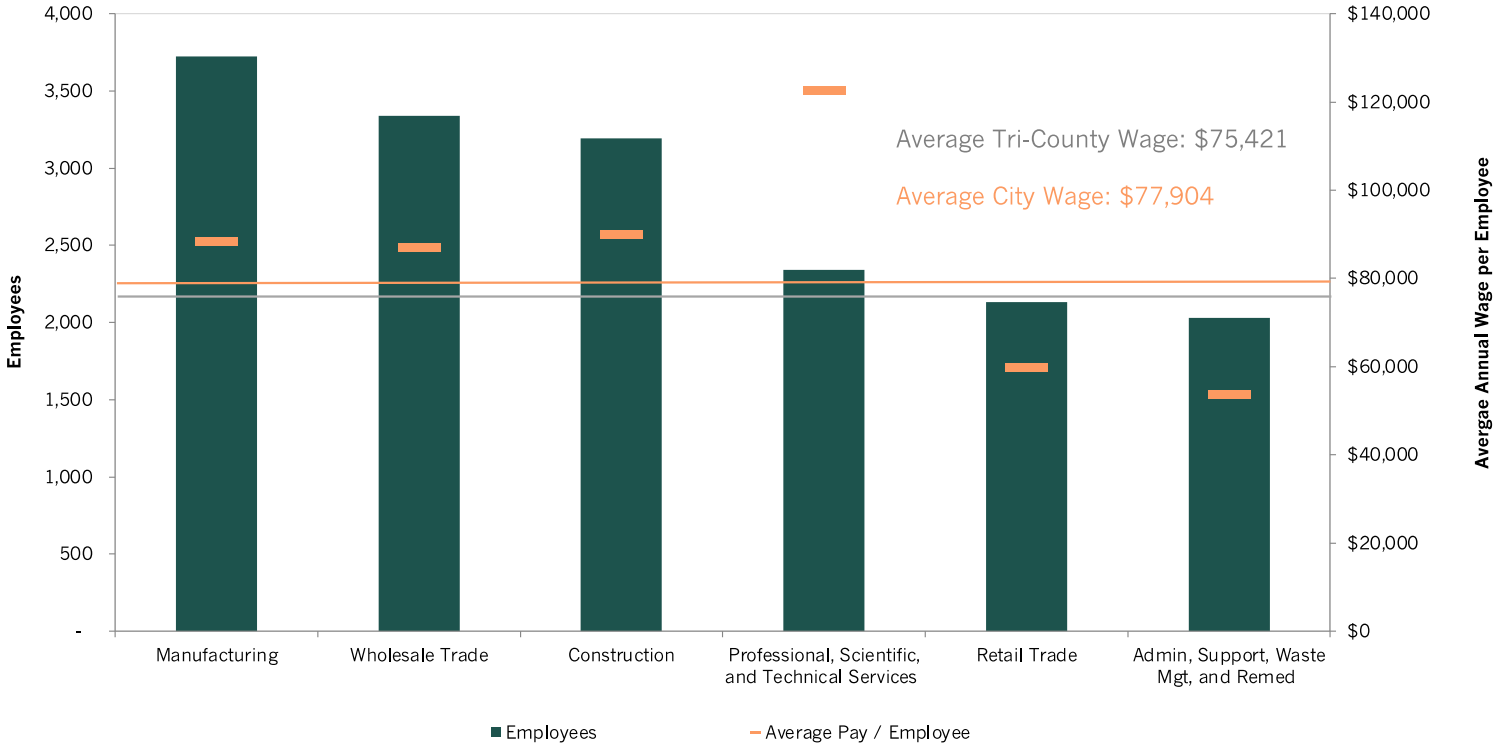
Source: Census OnTheMap, 2022

Wilsonville is part of an interconnected economy

- 8% of jobs in Wilsonville are held by people who live and work in Wilsonville
- 92% of people who work at businesses in Wilsonville live elsewhere
  - Portland
  - Salem
  - Beaverton
- Of the employed residents in Wilsonville, 15% work within the city limits. Common work destinations for Wilsonville residents include:
  - Portland
  - Tualatin
  - Tigard

Employment in Wilsonville

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



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

Wilsonville had 23,128 covered jobs in 2023.

Growth in Employment in Wilsonville: 2007-2023

- Wilsonville added 3,502 jobs at an average annual growth rate of 1.0% between 2007 and 2023.
- The sectors with the largest growth were...
  - Construction: 2,208 new jobs
  - Wholesale Trade: 956 new jobs
  - Administrative Support: 578 new jobs
- The sectors with the largest decrease in jobs were...
  - Management of Companies: 688 job decrease
  - Transportation and Warehousing: 624 jobs decrease
  - Manufacturing: 476 jobs decrease

Wilsonville Advantages

- Strategically located in the southwest metro region with excellent access to I-5, I-205, and Highway 217
- Availability of industrial land and proximity to growing industrial areas
- Presence of high tech and manufacturing businesses
- Proximity to Portland International Airport
- Access to a skilled and educated workforce
- Urban Renewal in Coffee Creek; WIN Program city-wide
- Redevelopment potential in Town Center
- High quality of life with access to schools, parks, and recreational amenities

Wilsonville Challenges

- Limited supply of development-ready industrial land
  - Lack of urban level infrastructure in Basalt Creek
  - Small lot sizes and fragmented ownership
- Contractor establishments in Coffee Creek and Basalt Creek complicate urban development
- I-5/I-205 traffic and congestion
- Regional housing affordability challenges

Employment Forecast, Wilsonville, 2026-2046

Employment Base: Estimate 2023 Total
In 2023 there were about 32,822 jobs in Wilsonville

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%
Avg Annual Growth Rate	0.42%	0.85%	1.03%	1.20%

Employment Growth Rates

- Urban Growth Report (0.42% per year)
  - The growth rate that Metro is forecasting for employment growth across the region
- Oregon Employment Department Regional Employment Growth (0.85% per year)
  - The growth rate the State used to forecast employment growth for Clackamas, Washington, and Multnomah counties for the 2023-2033 period
- Historical Employment Growth in Wilsonville (1.03% per year)
  - The growth rate for Wilsonville between 2007-2023.
- HNCA Household Growth Rate (1.20% per year)
  - The growth rate from the Housing Needs and Capacity Analysis for growth of Wilsonville's households over the 2025-2035 period.
  - Households grew by 2.5% per year between 2010-2023 in Wilsonville.

Example 1: Preliminary Land Need

If Wilsonville grows at the **OED regional employment growth rate** (0.85% per year)...

Future Mix of Employment

Future Land Need

Additional consideration is needed to the future mix of employment and employment densities based on policy discussions and further analysis. These changes are likely to change the estimate of employment, mix, and land need.

Example 2: Preliminary Land Need

If Wilsonville grows at **the same rate as between 2007 and 2023** (1.03% per year)....

Future Mix of Employment

Future Land Need

Additional consideration is needed to the future mix of employment and employment densities based on policy discussions and further analysis. These changes are likely to change the estimate of employment, mix, and land need.

Preliminary Conclusions

- Industrial Land
  - Wilsonville has enough industrial land to accommodate growth if the City grows at the OED growth rate or slower.
  - Wilsonville may not have enough industrial land to accommodate growth if Wilsonville grows at its Historical growth rate or faster.
- Commercial land
  - Wilsonville has a limited supply of vacant commercial land (13 acres).
  - Wilsonville will need to take advantage of existing underutilized commercial assets, such as Town Center and developed but underutilized sites such as reuse of vacant buildings like the Albertsons, Rite Aid, and Office Depot.

Conclusion and Next Steps

Next Steps

- City Council meeting: August 4, 2025
- Finalize employment forecast and land sufficiency
- Develop site suitability analysis
- Meeting with TAC
- Stakeholder interviews and focus groups to inform draft strategies

Discussion: Employment Growth

- Does the Commission have input about the Economic Inventory preliminary findings?
- Are there clarifying questions about the employment forecast growth rates?
- Which growth rate, if any, does the Commission prefer to use in the EOA to guide land need planning?

Wilsonville Planning Commission
Regular Meeting Minutes
July 9, 2025
Wilsonville City Hall & Remote Video Conferencing
https://www.ci.wilsonville.or.us/meetings/pc

CALL TO ORDER - ROLL CALL
Vice Chair Willard called the meeting to order at 6:00 pm.

Present:	Matt Constantine, Ron Heberlein, Andrew Karr, Sam Scull, Yana Semenova, and Jennifer Willard.
Excused:	Nicole Hendrix
Staff Present:	Daniel Pauly, Miranda Bateschell, Cindy Luxhoj, Matt Lorenzen, Mandi Simmons

PLEDGE OF ALLEGIANCE
The Pledge of Allegiance was recited.

CITIZEN INPUT
There was none.

ADMINISTRATIVE MATTERS
1. Consideration of the June 11, 2025 Planning Commission Minutes
The June 11, 2025 Planning Commission minutes were accepted as presented.

WORK SESSION
2. Wilsonville Industrial Land Readiness (Citywide) (Luxhoj)

Associate Planner Luxhoj initiated the Wilsonville Industrial Land Readiness project (WILR) Citywide EOA presentation via PowerPoint, noting WILR aimed to attract high-quality industry and expand economic opportunities in the city. While previous work sessions focused on the Basalt Creek portion of the project, the citywide portion would update the City's 2012 Economic Opportunities Analysis (EOA), which would inform the Economic Development Strategy, maintain compliance with Goal 9 Economic Development and lay the groundwork for strategic planning, infrastructure coordination, and economic development policy for the 20-year planning horizon. (Slides 1-5)

Nicole Underwood, Project Manager, ECONorthwest, continued the presentation, summarizing the methodology and draft results of the Buildable Lands Inventory (BLI). (Attachment 1) (Slides 6-11)

Discussion and feedback regarding the project team's questions (Slide 11) was as follows with Commissioner questions addressed as noted:

- **Beth Goodman, ECONorthwest,** explained a map showing the difference between unconstrained vacant and partially vacant land had been created and the actual developable acreage could be provided. In the area north of Boeckman Road, Industrial lands that were partially vacant were still considered as having capacity; the entire tax lot was shown in blue as being potentially developable, even though only the undeveloped portions were counted toward development capacity. (Slide 10)
  - Figure 2. Buildable Area Status with Constraints, Wilsonville city limits and UGB area, 2025 on Page 20 of the meeting packet displayed the Wilsonville BLI Development Status and differentiated between vacant land (red) and partially vacant land (orange). The partially vacant designation in Figure 2 was still shown as applying to entire tax lots, not just their undeveloped portions.
  - Table 3 on Page 21 of the packet provided additional detail and differentiated between buildable land on vacant lots and partially vacant lots with a significant share of capacity available on the latter.
- **Ms. Underwood** and **Ms. Goodman** clarified a 15 percent slope was not considered unbuildable, but was viewed as less desirable, particularly for industrial uses. That threshold was commonly used across the state, though it was not a Metro standard. Industrial uses typically favored flatter land, often preferring slopes of less than 5 or 10 percent. Land with 10 to 15 percent slope was more likely to attract commercial rather than industrial development. The 15 percent figure was a little permissive for industrial and a little conservative for commercial. In Wilsonville, steeper slopes were uncommon and generally located near other constrained areas like stream banks.
- **Ms. Luxhoj** confirmed the area around Wilsonville Concrete was designated Industrial in the Comprehensive Plan and included the properties extending to the east to Old Town. The northern portion included the OrePac site which had a section south of the existing buildings that were currently unoccupied and considered vacant.

Ms. Underwood continued the PowerPoint, presenting the Economic Growth Opportunities and Forecast (Attachment 2), highlighting key economic and commuting trends; Wilsonville employment growth and forecast for 2026-2046; the city's economic advantages and disadvantages; the two forecasting options and each option's impact on preliminary land needs; and ECONorthwest's preliminary conclusions. **Ms. Luxhoj** reviewed next steps on the project. (Slides 12-24)

Discussion and feedback in response to the project team's questions (Slide 25) was as follows with Commissioner questions addressed as noted:

- **Ms. Goodman** explained that Metro's Urban Growth Report was done for the ~~full~~ entire Metro Urban Growth Boundary (UGB) Region and resulted from a complicated and sophisticated analysis, looking at a variety of different dynamics. (Slide 20)

  - Wilsonville had historically experienced faster employment growth than the Metro region overall because while small, the city served as a significant employment center. The Oregon Employment Department (OED) employment growth rate was less transparent, issued every two years, and based on historic data. The OED had good economists looking at the trends and some were countervailing trends. In looking over a long-term period, forecasts were often influenced by the state of the economy at that moment in time, rather than looking out over the next five years, which should frame the City's policy choices, but not help to know what would happen over the longer term.
  - The historical employment growth rate assumed Wilsonville would continue growing as it had in the past, which was a bit optimistic because less land was development-ready currently. The Housing Needs and Capacity Analysis (HNCA) assumed employment growth would mirror household growth, which had not historically occurred in Wilsonville. Employment growth had been slower, partly due to the city's land base, which included a lot of industrial and less commercial development. If the city had more commercial land, commercial growth would be expected to follow population growth, since commercial uses were essentially locally serving.
  - ECONorthwest set some reasonable sidebars as each forecast provided a plausible scenario ranging from slow to fast growth depending on policy choices, but none accounted for disruptive variables like artificial intelligence.
- Concerns and uncertainty were expressed about how unknowns and the changing relationships at various government levels fit into the growth rate calculations.
  - **Ms. Goodman** replied that she considers the relative risks and potential policy consequences of getting the forecast wrong. If the household growth forecast was highly overestimated beyond the 1.2% growth, the City might oversize its water and wastewater infrastructure, for example, increasing costs and reducing how competitive Wilsonville would be in the region. If vastly underestimated, the City might not take the policy steps needed to get development land, which would slow growth. A mid-range forecast might result in a land supply that was a bit too small or too big, but there was time to make corrections as needed and without having risked major infrastructure investments with little or no return short-term.
    - The question was whether Wilsonville was willing and able to do to support economic development in terms of infrastructure investments, etc.
- **Economic Development Manager Lorenzen** added that besides the consequences, he also considers what conditions would be necessary to grow at such an ambitious rate. The City could not forecast aggressive growth until it figured out how to unlock the highly parceled and constrained lands in Coffee Creek and Basalt Creek. Once unlocked, the growth forecasts could be reassessed in five to ten years.
  - He confirmed the WILR strategy document would identify what was needed to unlock the land, adding that later this month he would present a proposal to City Council for using urban renewal funds in Coffee Creek to proactively purchase and aggregate properties, and position them for development by the private sector. The urban renewal dollars would be used to facilitate development in a meaningful, hands-on way because

infrastructure alone was not doing it. This proven model was used by the City of Hillsboro to successfully attract Intel.
    - The goal was to make larger parcels through aggregation. Contiguous areas existed in Coffee Creek and Basalt Creek, but they were highly parcelized and in many cases partially developed. Some income properties had greater value under the current use than developers were willing to pay, maintaining the status quo. He proposed using Business Oregon programming to allow the City to purchase land at a motivating price for sellers, reduce the value to what a developer could pay, and then seek reimbursement of the difference from Business Oregon, the State's economic development agency. Though conceptually sound, this model had not yet been executed in Wilsonville.
- The OED forecast seemed to make the most sense. There were challenges to maintaining the city's current growth rates, especially as the city grew. The 20-year forecast horizon would allow for any required corrections if the program with Business Oregon was successful.
- What assumptions were made about the current and forecasted numbers of employees doing hybrid work? In previous years, that number was increasing, which no longer seemed to be the case given the current employers market. Hybrid work numbers drive office space needs.
    - **Ms. Underwood** stated the hybrid work percentage had stabilized at approximately 30 percent. Office demand was expected to level off at about 70 percent of pre-pandemic needs. While some employers had recalled staff to the office, others had not. Over the next 10 to 20 years, hybrid flexibility could become a competitive advantage for employers. Traditional office space demand was likely to remain limited for the next five to ten years, and existing office space could be utilized.
- **Ms. Underwood** explained the net absorption data in Exhibit 19 of Attachment 2 was based on CoStar data which did not capture the entire market and only reflected leases, not necessarily new space being constructed. The 1 percent historic employment growth and limited deliveries of new Industrial and Flex space, occurring only in 2015 and 2022, indicated that Wilsonville had been using existing space more efficiently.
    - Some employment growth came from sectors not captured in Industrial buildings, such as contractor establishments, which was not captured as development in Exhibit 19 of the Economic Inventory, nor would redevelopment or a more efficient use of space.
    - **Ms. Goodman** noted the employment growth and delivery of space data were very different from each other. CoStar was a sample dataset, tracking some but not all buildings. Additionally, hybrid workers could be a factor; for example, ECONorthwest had more employees but had downsized considerably to a smaller office space since most were hybrid workers. Reuse of vacant spaces and some new buildings also contributed to the trend, making employment growth less dependent on new construction.
- How much of the employment growth would need new development, which would drive the need for acreage versus a more efficient use of the existing space or vacant land, etc.? If

25 percent of employment growth came from more efficient use of existing space, then only 75 percent would require available land for development.
    - **Ms. Goodman** replied the assumption made around commercial land was that a lot of Wilsonville's commercial growth would happen in either existing built space or through redevelopment, which was harder for less flexible Industrial uses.
        - ECONorthwest did not try to guess how much employment needs more space vs existing space because it could not be grounded in data.
- How Wilsonville had achieved consistent 1 percent annual employment growth without significant new development?
    - **Ms. Underwood** noted three developments were not captured in the CoStar dataset, though CoStar was still the best available tool for tracking vacancy and rent trends.
    - **Ms. Goodman** added CoStar's real value was in showing Wilsonville's trends relative to the broader region, but it was not 100 percent accurate.
- The OED forecast was the right forecast to use. However, HNCA should not be included as an option going forward, given that neither local nor state indicators suggested the city would build anywhere near the rate needed to support the HNCA.
- **Ms. Underwood** confirmed the Historical Employment Growth rate (Slide 20) was based on the net change in covered employment. Most years showed a 1 to 4 percent change in growth, except for 2009 when it declined by 8 percent, which made sense after the Great Recession, and 2015 when growth increased by 9 percent with the arrival of Stream Global Services, a big employer.
- **Ms. Goodman** confirmed that OED's regional employment growth rate was refreshed every two to three years.
- The OED forecast was the safest forecast option and positioned Wilsonville to pursue economic opportunities aggressively given the unpredictability of what might happen.
- **Ms. Luxhoj** confirmed the same presentation would be given to City Council along with the Commission's recommendation for Council to decide which forecast to use.
- While the OED option made sense, Industrial land availability in the region had decreased. Hillsboro was out of land and Tigard and Tualatin were land locked, so Wilsonville might be positioned to receive a greater share of Industrial growth.
    - **Mr. Lorenzen** agreed, adding capital investment typically flowed where barriers were lowest. While some peer suburban cities had land-locked issues, Sherwood and Tualatin also had capacity like Wilsonville. Wilsonville was economically interconnected with its neighbors, so jobs created in nearby cities would benefit everyone locally. However, Wilsonville must remain competitive with neighboring communities with opportunities.
- If the City did not take deliberate action to attract economic growth, there was no point being overly optimistic because growth would not naturally happen without City incentives and clearing the obstacles.

The Planning Commission expressed unanimous support for using the OED regional employment growth rate to guide the EOA. (Slide 21)

Staff confirmed there was no public comment regarding the citywide EOA.

Planning Commission Record

Public Engagement

ECOnorthwest

DATE:	January 30, 2026
TO:	City of Wilsonville
FROM:	Nicole Underwood, ECOnorthwest
SUBJECT:	WILR Phase 2: Engagement Summary

The City of Wilsonville recently completed an Economic Opportunities Analysis (EOA) to evaluate whether the City's existing supply of employment land is sufficient to support anticipated business and job growth between 2026 and 2046. This technical work was paired with development of an Economic Development Strategy (EDS), which identified targeted strategies and actions to advance economic growth aligned with local priorities.

To ensure the EOA and EDS reflected Wilsonville's on-the-ground economic conditions, the City engaged stakeholders, including traded-sector employers, small business owners, property owners, and economic development partners. This outreach complemented the technical analysis and helped shape actionable, inclusive economic development strategies.

This memorandum summarizes engagement completed for the EOA and EDS, including three Technical Advisory Committee (TAC) meetings. The TAC included representatives from:

- City of Wilsonville
- Business Oregon
- Greater Portland Inc (GPI)
- Oregon Metro
- Wilsonville Chamber of Commerce

Engagement also included four stakeholder interviews, representing: personal service small businesses, a small manufacturing business, a business-support organization, and a Town Center-area redevelopment stakeholder. The project team also invited property owners of key industrial sites to participate in interviews; however, those property owners declined to be interviewed.

TAC Meeting #1 (May 6, 2025)

Meeting Purpose: Introduce the TAC to the EOA process, share early results, and gather input on buildable lands, employment trends, and future growth opportunities.

Attendees:

- Kevin Ferrasci O'Malley – Wilsonville Chamber
- David Tetrick – Metro
- Sam Thomas and Jeff Hampton – Business Oregon

- Nick Triska – GPI
- Amy Pepper, Keith Katko, Daniel Pauly, Matt Lorenzen, Cindy Luxhoj – City of Wilsonville
- Nicole Underwood and Beth Goodman – ECOnorthwest

Key Topics Discussed

Overview of the EOA and Role of the TAC
The group reviewed the EOA's purpose (identifying employment land needs over a 20-year horizon) and the TAC's advisory role in shaping analysis and strategies.

Buildable Lands Inventory (BLI)

- Question about the exclusion of a 10% slope constraint for industrial lands
- Clarified that the BLI constraints do include significant wetlands as part of the Significant Resource Overlay Zone (SROZ).
- Noted that this project can help set Wilsonville up for discussions with Metro about UGB expansion in the future
- Request to share BLI maps with TAC after meeting
- Discussion of commercially used properties within or near industrial zones raised questions about land use compatibility and long-term strategy.
- Recognition that commercial uses often locate on industrial land, more so than the reverse.
- Acknowledged the challenge of protecting industrial land while meeting commercial and retail needs.

Employment Data and Metro's Regional Context

- TAC suggested the project team review Metro's Urban Growth Report for data on regional economic advantages and disadvantages.

Economic Development Advantages and Industry Growth Opportunities

NOTE: The group completed a zoom whiteboard activity to identify advantages and disadvantages for economic development in Wilsonville. A picture of that whiteboard activity is included at the end of the TAC Meeting #1 summary.

- Brainstormed sectors where Wilsonville could be competitive:
    - Bioscience and life sciences (potential for clustering)
    - Modular housing and mass timber as innovative industries worth exploring further.

- Contractor establishments were highlighted for their higher wages, though most workers operate at external job sites, limiting local economic impact.
- Matt noted a lack of unique retail and restaurant options (currently mostly chains), and a need for more diverse commercial offerings.
- Challenges to more boutique retail development include:
    - Historical zoning focused on freeway interchanges.
    - Young age of the city, compared to older areas with more affordable space.
    - Limited commercial land availability.
    - Dominance of large REIT landlords who prioritize national credit tenants.

Land Use Dynamics and Constraints

- Discussion of how commercial activity is occupying land zoned for industrial use.
- Beth suggested ECO review how much commercial NAICS activity occurs on industrial parcels.
- Matt and Dan discussed the potential for more flexible land uses in industrial zones, including medical office and indoor recreation
- City staff noted that the Planned Development Industrial (PDI) zone had allowed broader uses in the past but was scaled back due to car dealership proliferation.
- Town Center map flagged as inaccurate and in need of correction.

Fiscal Considerations

- Kevin emphasized the importance of industrial lands for payroll generation.
- Matt discussed property tax revenue per acre, comparing commercial strips to industrial uses, and highlighted the city's fiscal reliance on property tax generation.

Emerging Trends and Long-Term Planning

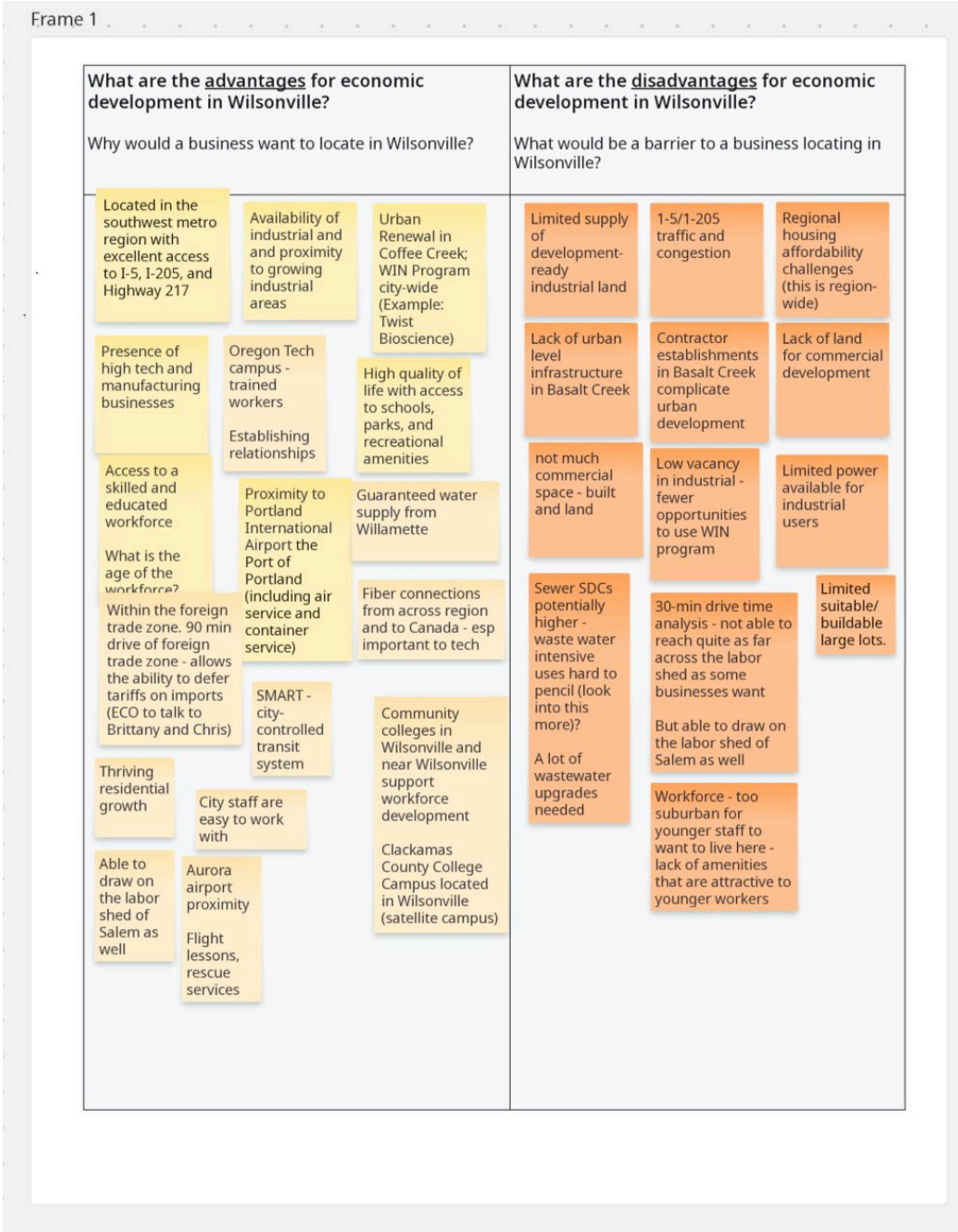
- Kevin raised a forward-looking question about the impact of AI on employment in the region.
- Nick noted recent layoffs in tech and encouraged continued dialogue on how AI may augment or displace workers.
- Suggested reaching out to Chris and Mike at ECO for further insights on AI's implications.

Next Steps

- The next TAC meeting will focus on policy development.
- Members were encouraged to come prepared with ideas about stakeholders or organizations the City should engage with.

- Follow-up items include:
  - Sharing BLI maps with the TAC
  - Looking into commercial uses on industrial land using NAICS codes
  - Updating the Town Center map
  - Further examining impact of AI on industry

Figure 1. Zoom Whiteboard Activity: Advantages and Disadvantages for Economic Development in Wilsonville



TAC Meeting #2 (June 25, 2025)

Meeting Purpose: Review updated EOA results, discuss redevelopment potential in Town Center, assess site suitability considerations, and provide feedback on the draft Economic Development Strategy.

Attendees:

- Kevin Ferrasci O'Malley – Wilsonville Chamber
- David Tetrick – Metro
- Jeff Hampton – Business Oregon
- Nick Triska – GPI
- Amy Pepper, Matt Lorenzen, Cindy Luxhoj – City of Wilsonville
- Nicole Underwood and Beth Goodman – ECOnorthwest

Key Topics Discussed

Takeaways from the EOA

- Jeff thinks the OED forecast is a reasonable way to go given Wilsonville's historical growth rate and current trends
- Metro cities show a wide range of growth assumptions
- Matt emphasized the value of the EOA in helping the City determine how it wants to position itself for future growth.
- Amy - For the wastewater forecast, the City assumed a much higher population growth rate than the official population growth. With leveling out later in the 20-period because they would near build out.

Town Center Redevelopment and Site Suitability

- Need to reconnect with Kevin (Wilsonville Chamber) for feedback on Town Center redevelopment.
- Include a map with better geographic context in the PC presentation.
- **Arrowhead Site**
    - Nick noted the need for a clear pathway to land aggregation to make the area more developable for an industrial land users. Less desirable as a site for industrial development as it is. The shape of the site is awkward. Roadway alignments are also awkward. Need more rectilinear site. Is it possible to aggregate into 3 or 4 sites, rather than 1 big site?

- Matt stated that there is no formal tool for property aggregation right now
- Amy mentioned Kinsmen Street is complete - the aerial image is outdated.
- Matt asked whether Industrial Way is vacated; Amy responded it is not, but status is unclear and needs follow-up.
- Cindy highlighted the presence of constraints: residential uses, the treatment plant, park, and SROZ watershed areas. The question is whether industrial use is obsolete in this location. Is it more appropriate to consider commercial, "craft industrial" (a new zone under development), or some residential?
- Jeff agreed that this area doesn't make a lot of sense for large scale industrial, especially given the SROZ and planned high-density residential.

- **Boeckman Site**
  - Cindy provided context: the site is owned by Siemens (Mentor Graphics) and was intended to develop as a campus, similar to the site to the north. Access is an issue to get to I-5 (freight should not go through Town Center). Close proximity to residential. Also has SROZ in it.
  - Matt noted that Siemens is considering selling the site. The current zoning is essentially a placeholder, with policies requiring campus-style development similar to Mentor Graphics.
  - This development model may no longer be market viable.

Economic Development Strategy Goals and Policies

The team reviewed the draft goals and policies. Overall, the group agreed with the initial direction of the goals and policies. These will be discussed further in a future meeting along with actions to implement these goals/policies.

Next Steps

- Incorporate improved map orientation in PC presentation.
- Reconnect with Kevin to gather feedback on Town Center redevelopment.
- Follow up on the status of Industrial Way.
- Consider how to address policy direction for Boeckman and Arrowhead in light of market realities and site constraints.
- Prepare for upcoming policy-focused TAC discussion and refine EOA narrative for PC and CC presentations.

TAC Meeting #3 (October 1, 2025)

Meeting Purpose: Review the draft Economic Development Strategy desired outcomes and potential actions.

Attendees:

- Kevin Ferrasci O'Malley – Wilsonville Chamber
- Jeff Hampton – Business Oregon
- Nick Triska – GPI
- Matt Lorenzen, Cindy Luxhoj, and Keith Katko – City of Wilsonville
- Nicole Underwood and Beth Goodman – ECOnorthwest

Key Topics Discussed

EDS Desired Outcomes

- TAC members generally supported the direction of desired outcomes, while emphasizing the need to ensure outcomes are feasible given staffing and implementation capacity.
- Members discussed whether some desired outcomes may be too ambitious or potentially in tension with one another, particularly where actions span both Town Center and employment areas.
- Members noted that major redevelopment and ecosystem-building efforts can take many years (sometimes a decade or more), with different sites moving at different speeds.

Discussion of Draft Actions

- **Action 1: Development-ready land**
    - Business Oregon discussed infrastructure funding approaches that can support bringing infrastructure to the property line and the possibility of creative agreements for ownership and maintenance, along with loan programs.
    - The group discussed challenges with the City being on the hook for upfront funds (e.g., for programs like RISIS), and the cost of borrowing compared to potentially more affordable funding sources.
    - A new ~$10 million loan fund through Business Oregon was discussed as a potential risk-mitigation tool for upfront funding.

- Wilsonville may be in line to receive a ~$250,000 loan for sewer infrastructure related to Coffee Creek/Basalt Creek, with discussion of relevant programs (including semiconductor-related tools).
- Participants discussed constraints around borrowing and repayment, including concerns if borrowing is backed by the General Fund. Urban renewal tools were discussed, along with practical constraints about which entities are eligible to borrow and how City/URA coordination would need to work.
- TAC members cautioned against assuming SDC deferrals without early discussions with City engineers.
- The team raised the need for an action focused on the City's ability to be flexible and solution-oriented with applicants—supporting development outcomes by reducing rigidity and helping projects find a path to compliance and feasibility.

- **Action 2: Limited city funds outside of Coffee Creek URA**
  - None
- **Action 3: Limited commercial land**
  - Participants noted it can be a tough sell to argue for more commercial land when prominent vacancies remain (e.g., Fry's, Albertson's).
  - TAC members suggested framing the question as "If the vision for TC shifts, there is a much clearer need for commercial land."
- **Action 4: Lack of unique retail and restaurants**
  - Discussion focused on whether the City wants to be "serious" about small business support and what level of resourcing that implies.
  - Members emphasized broadening incentives beyond writing grant checks, including tools that reduce risk and improve feasibility.
  - Mixed-use feasibility was raised repeatedly: developers report ground-floor commercial often does not pencil without an incentive or risk-reduction tool.
  - A potential tool discussed was a URA lease guarantee (or similar) to increase developer confidence in leasing to local restaurants/retail rather than national chains.
  - Members discussed food-cart incubator concepts, including examples such as Tigard Launch Pod (City-owned carts leased at low rates to incubate local restaurants), noting both potential benefits and community concerns.
  - Participants also raised concerns that subsidized incubators can be perceived as subsidizing competition; non-financial or longer-term supports may be more broadly acceptable.
- **Action 5: Workforce**

- Members discussed the value of coalition-building models, including Hillsboro's advanced manufacturing partnership approach, and emphasized that these efforts can take years.
- Participants suggested the City role could be more proactive than a connector/concierge—acting as an advocate that carries employer needs forward to partners.
- Members discussed employer engagement, convening larger employers, and partnering with colleges/training providers (including examples such as Mt. Hood Community College's employer partnerships).
- Kevin noted a regional initiative underway and offered to share information (Willamette Collective).

- **Action 6: Limited supports for small businesses**
  - Members discussed how to increase visibility and traction for existing supports and strengthen the City's "welcome mat" role for small businesses, even without major new funding.
  - Participants raised the idea of City/Chamber coordination to avoid duplication while improving responsiveness.
  - Emerging needs included small business adaptation to AI and whether the City can play a role in facilitating training or partnerships that help businesses respond to change.
- **Overall feedback on the action package**
  - TAC members emphasized that one desired outcome is buildout of Basalt Creek and Coffee Creek, while many actions focus on Town Center. The action package should more clearly reconcile how Town Center and employment land strategies support each other.
  - Members noted Town Center and employment lands likely need to advance simultaneously: Town Center amenities support employment areas, and retail needs customers and activity to succeed.

Stakeholder Interviews (Summer – Fall 2025)

Engagement purpose: Gather perspectives from businesses and property owners to ensure the EOA and EDS reflected the realities of Wilsonville's economy. This outreach helped ground-truth the team's understanding of local business opportunities and constraints and informed the economic development strategies and actions recommended for City consideration.

Stakeholder categories represented: Interviews included a small set of stakeholders representing (1) a Town Center-area redevelopment stakeholder/property owner, (2) a local personal service small business, (3) a small industrial/manufacturing business, and (4) a representative of the Wilsonville Chamber of Commerce

Key Themes

- **Workforce challenges (including upskilling and AI).** Interviewees described difficulty finding and retaining skilled workers, particularly for manufacturing and specialized roles, and noted that smaller employers often lack capacity to upskill their employees when new technology becomes available (like AI). The Chamber raised the importance of considering how AI may affect workforce needs. Interviewees expressed interest in stronger coordination across employers, education/training partners, and workforce programs.
- **Space and land constraints limit business options and growth.** Stakeholders emphasized that limited availability of developed space constrains business choices and expansion. The small industrial/manufacturing perspective highlighted limited opportunities to purchase smaller industrial buildings, with ownership viewed as important for long-term stability.
- **High costs create barriers, especially for small businesses.** Interviewees noted that high rents and tenant improvement/upgrade costs can make it difficult to start, sustain, or expand small businesses. Limited supply of business space can amplify pricing pressures and reduce the ability to find spaces that match business size and financial constraints.
- **Retail market gaps and unmet demand for local-serving businesses.** Participants described gaps in locally serving retail and services, prompting residents to shop or seek services outside Wilsonville. Several linked this challenge to the inability for small business to find affordable space to provide these local-serving businesses
- **City–business relationship: "path to yes" and proactive support.** A recurring message was that businesses value a City approach that is proactive and solutions-oriented—supportive in "finding a path to yes." Interviewees highlighted the importance of clear points of contact, predictable processes, and support connecting to resources (e.g., access to capital, technical assistance, and workforce supports).

Several also emphasized that implementation flexibility can be essential to enabling redevelopment and investment while still meeting City goals.