



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: October 21, 2024		Subject: Wilsonville Industrial Land Readiness – Basalt Creek	
		Staff Members: Cindy Luxhoj AICP, Associate Planner, and Dan Pauly AICP, Planning Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable	
		Comments: N/A	
Staff Recommendation: Staff recommends Council provide requested input in response to information provided about the Wilsonville Industrial Land Readiness project.			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: Attract high-quality industry and support economic opportunity for all in Wilsonville	<input checked="" type="checkbox"/> Adopted Master Plan(s): Basalt Creek Concept Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Staff is seeking input from the City Council on the draft Economic Inventory and Land Use Analysis for the first phase of the Wilsonville Industrial Land Readiness (WILR) project.

EXECUTIVE SUMMARY:

The Wilsonville Industrial Land Readiness (WILR) project has two phases, which together will support attracting high-quality industry and economic opportunity to Wilsonville.

The first phase of the project, currently underway, is focused on the Basalt Creek and West Railroad planning areas located north and west of current City limits (Attachment 1). These two future industrial areas are the subject of the Basalt Creek Concept Plan, jointly prepared with the City of Tualatin and adopted by the City of Wilsonville in 2018. This first phase of the WILR project lays the foundation for moving the Concept Plan area to a development ready status, thus enabling the City to accept development applications for industrial projects and realizing the area's economic development potential.

The first phase includes conducting a focused economic inventory and market analysis to inform the drafting of zoning standards and creating an infrastructure funding plan. Zoning Code amendments will focus on refinements to the City's Planned Development Industrial (PDI) zone, as well as evaluate whether to incorporate design elements of the Coffee Creek Industrial Design Overlay District and, if so, how it could best be applied to the area, to enable implementation of the High Tech Employment, Light Industrial, and Craft Industrial land use categories envisioned in the Concept Plan (Attachment 2).

ECONorthwest has prepared a draft Economic Inventory and Land Use Analysis that provides area-specific foundational information about economic activities in the Concept Plan area in the context of local and regional markets and what industries may be expected to locate in the planning area in the future. Preliminary key findings of the analysis are listed below and the draft report is included as Attachment 3.

Key Findings of Economic Inventory/Land Use Analysis include:

- Basalt Creek is strategically positioned for industrial development, with the potential to attract a variety of users. Industries that may be particularly attracted to Basalt Creek include:
 - Semiconductor supply chain businesses
 - Clean tech, including those involved in battery storage
 - Alternative energy technologies
- Realizing this potential, however, presents several challenges, particularly related to contractor establishments, which can hinder or complicate redevelopment efforts, availability of infrastructure, lot sizes and property aggregation, natural features including the Basalt Creek canyon, and growing power demands for industrial users.
- The City must navigate these challenges while working towards its vision for Basalt Creek: a diverse mix of industrial uses, higher employment density, high-wage jobs, an enhanced tax base, and increased community prosperity.

The analysis and related findings are preliminary and will be refined through further analysis, stakeholder engagement, and additional discussion with the Planning Commission and City

Council. Upcoming tasks include completing a buildable lands inventory, conducting site suitability analyses for key locations, and assessing the feasibility of redeveloping properties occupied by contractor establishments. All these elements will ultimately be synthesized into a comprehensive final report outlining key findings and recommendations.

The Planning Commission was briefed at their September 11, 2024 meeting and provided input on the draft Economic Inventory and Land Use Analysis at their October 9, 2024 meeting. Feedback provided by Planning Commission will be summarized in staff's presentation to City Council at the October 21 Work Session.

The second phase of the WILR project is an update to the City's Economic Opportunities Analysis (EOA), which will expand the project's scope citywide to include such actions as reviewing market trends, inventorying and developing an economic strategy for all of Wilsonville's industrial lands over a 20-year planning horizon, and recommending citywide Development Code refinements to support anticipated economic activity in industrial areas throughout the City. This will serve as the companion to the City's Housing Capacity Analysis to help inform both future residential and job growth decisions. A Request for Proposals for the second phase of the project was issued in mid-September and work is expected to begin this fall, continuing to the end of 2025.

Following presentation by staff, input is requested from the City Council in response to the questions below:

- What questions or comments does the City Council have about the Economic Inventory and Land Use Analysis report and related preliminary findings?
- Is there anything about the information presented that the City Council finds surprising or that changes your view of how the City should be thinking of the Basalt Creek planning area and implementation of the Concept Plan?

EXPECTED RESULTS:

Feedback from City Council about this first phase of the WILR project will guide completion of the implementation items in the Concept Plan for the Basalt Creek and West Railroad planning areas, including drafting a package of proposed Code amendments, developing economic development strategies, and preparing an infrastructure funding plan. In addition, work products from this first phase of the project will help inform the citywide EOA and economic development strategy in the second project phase.

TIMELINE:

Additional work sessions with the City Council and Planning Commission are anticipated in November and December this year. Public hearings on Code amendments are expected in early to mid-2025 with the infrastructure funding plan work occurring throughout 2025. Work on the second citywide phase of the WILR project is expected to begin this fall and continue to the end of 2025.

CURRENT YEAR BUDGET IMPACTS:

Funding for the first phase of the WILR project is allocated in the fiscal year (FY) 2024-2025 and for the second phase will be allocated in the FY 2025-2026 Planning Division budget. The first phase is primarily funded by a \$100,000 grant from Business Oregon, with additional funding available, if needed, from a \$290,000 Metro grant, which also will fund the second project phase.

COMMUNITY INVOLVEMENT PROCESS:

The Basalt Creek Concept Plan review process included comprehensive community involvement to gather input. For the first phase of the WILR project, ECONorthwest has focused on gathering input from Business Oregon, Greater Portland Inc., property owners, and developers, to understand demand for industrial land in Wilsonville as well as property owners' current and future plans for their property, to inform the market and site suitability analyses. This information also will be considered in determining appropriate zoning standards to apply and preparing needed Code amendments. The second phase of the WILR project will engage similar stakeholders but will extend the information gathering citywide.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Adoption of appropriate zoning standards, creating an infrastructure funding plan, and identifying and pursuing economic development strategies will remove barriers to development and enable implementation of the Basalt Creek Concept Plan. When developed, the Basalt Creek and West Railroad areas will create jobs, thus contributing to the income and property tax base, support economic mobility for residents through family-wage employment in a highly livable, full-service City, and enable this industrial area to reach its full economic potential, resulting in positive impacts on the greater Wilsonville community.

ALTERNATIVES:

As zoning standards and an infrastructure funding plan are developed, a number of alternatives will be explored and developed with the City Council and Planning Commission.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Aerial Photograph (2023) of Basalt Creek and West Railroad Planning Areas
2. Basalt Creek Concept Plan Area Map
3. Draft Economic Inventory and Land Use Analysis (September 26, 2024)