



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: June 2, 2025		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: Provide requested input about planned land uses for the Basalt Creek industrial area.			
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 (2023-2025 Council Goal)	<input checked="" type="checkbox"/> Adopted Master Plan(s): Basalt Creek Concept Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Staff seeks input on policy direction for the Basalt Creek Planning Area to inform the Master Plan which is expected to be adopted at the end of the year.

EXECUTIVE SUMMARY:

During the May 19 work session, staff provided the Council with background on the Basalt Creek Planning Area—an unincorporated area within the urban growth boundary, located on the northwest edge of the City adjacent to Tualatin. That work session also included a review of the Guiding Principles for the Basalt Creek Planning area (Attachment 1). This work session will build on that background by presenting additional information and seeking the Council’s guidance on key aspects of the project.

Since adoption of the Basalt Creek Concept Plan in 2018, prepared jointly with the City of Tualatin, both Cities have individually advanced implementation efforts. However, Wilsonville has yet to complete certain steps, including master planning, amending the Development Code for appropriate zoning, and preparing an infrastructure funding plan. Consequently, in 2023, the City initiated the Wilsonville Industrial Land Readiness (WILR) project, funded by grants from Business Oregon and Metro, to update technical information and calibrate the Basalt Creek Concept Plan's assumptions with current conditions, including market conditions in order to develop a Master Plan and prepare the area for development.

In this work session, staff will present key findings from recent market and land use studies. The discussion will address the continued viability of proposed land uses in today’s economic climate and over the 20-year master planning horizon, ensuring alignment with the City’s vision of balancing industrial demand with the creation of a distinctive industrial business community that complements Wilsonville’s unique identity.

Key findings from recent studies indicate continued strong demand for industrial space, suitability of the Basalt Creek area for development, and challenges posed by parcelization and existing contractor establishments. Based on these findings, the Planning Commission recommends implementing the Concept Plan's land use types for the Basalt Creek area, excluding the West Railroad area, which is still under study and will be discussed at future work sessions. Additional information on the Concept Plan and WILR project findings, to date, is provided below.

Basalt Creek Concept Plan Land Use Types

The Basalt Creek Concept Plan (BCCP) designates properties for High-Tech Employment, Light Industrial, and Craft Industrial as shown in the attached map (Attachment 2). These designations support a mix of employment types, complement adjacent industrial areas, and respond to market demands. A synopsis of the land use types prepared by staff provides background information about scenario planning that shaped the Concept Plan map and land use types and incorporates new information from the recent analyses to inform refinement of land uses in the Master Plan (Attachment 3).

Due to natural resource constraints, fragmented ownership, and inadequate infrastructure, planning for the West Railroad area was postponed during concept planning and it was not assigned a land use type. The project team is still preparing information for West Railroad for Planning Commission and City Council consideration in coming months.

Recent studies, in particular the Economic Inventory and Site Suitability Analysis, confirm the appropriateness of the designated land use types in the Concept Plan. Further study of the West Railroad area is needed to determine the best way to balance industrial development with community priorities and to assign an appropriate land use type for the area. In addition, as recommended in the Concept Plan, northern extension of the Industrial Design Overlay District (form-based Code), adopted in 2018 for the Coffee Creek Industrial Area, to include all or a portion of Basalt Creek should be considered.

Findings of Key Studies and Analyses

Recently completed studies and analyses include:

Study	Purpose
Economic Inventory and Land Use Analysis	Evaluates current market trends and identifies suitable industries for Basalt Creek
Updated Buildable Lands Inventory (BLI)	Reflects recent land developments, adjusted natural resource constraints, and revised capacity estimates
Site Suitability Analysis	Evaluates three key opportunity sites for potential to support target industries based on attributes like size, location, and constraints
Redevelopment Feasibility of Contractor Establishments	Discusses redevelopment potential of contractor establishments given prevailing market conditions
Transportation System Plan (TSP) Evaluation	Reviews City's current list of TSP projects for Basalt Creek to ensure land use assumptions and identified transportation projects are still applicable, and identifies any new transportation improvement projects that might be needed to further support development
Updated Local Street Concept Map	Identifies likely connection points and alignments for future local streets in Basalt Creek
Updated Natural Resources Inventory	Inventories wetlands, upland tree groves, and riparian areas in compliance with Statewide Planning Goal 5 to identify resources to include in City's Significant Resource Overlay Zone (SROZ)

The complete package of economic and land use studies, which will inform the master planning process, is compiled in the Basalt Creek Recommendations Report (Attachment 4) with key findings highlighted below:

- Basalt Creek's vision as an industrial area aligns with current market trends, showing strong demand for industrial space nationally and in the Portland metro region.
- Despite limited development in Wilsonville relative to nearby cities, rising rents and low vacancy rates indicate a robust industrial market, attractive for new development, especially speculative development.

- The City’s Planned Development Industrial (PDI) zone, which supports a wide range of industrial and office uses, could be applied to Basalt Creek to facilitate a balance between market forces and prioritizing industrial use aligned with the Concept Plan Guiding Principles. Potential additions to the PDI zoning for this area to maintain the desired balance include:
 - Evaluating zoning limitations on low-intensity uses, such as contractor establishments, that do not meet long-term employment density goals, and determining appropriate regulatory strategies to encourage existing uses to transition to higher intensity urban industrial uses.
 - Considering the creation of a new zoning designation to apply to properties in the Craft Industrial land use type to expand the range of permitted uses consistent with the Concept Plan’s intent, while maximizing opportunity for future transition to higher-intensity urban industrial use.
 - Exploring zoning limitations on certain large-scale uses that may consume land in the High-Tech Employment land use type, prematurely precluding use of the properties for other desired employment-generating development.

Conclusion and Questions for City Council

Recent studies, reports, and Planning Commission discussions indicate the Guiding Principles remain valid and the land use types are viable in today’s economic conditions as well as over the 20-year master planning horizon, with some caveats as noted. Following Staff’s presentation, the City Council’s guidance is requested on the following:

- Does the City Council concur with Staff and the Planning Commission that the High-Tech Employment, Light Industrial, and Craft Industrial land use types continue to align with the City’s vision for Basalt Creek as reflected in the Guiding Principles and Concept Plan?
- Does the City Council have additional guidance that would help inform Development Code and economic development actions for the different industrial land use types in the Basalt Creek Concept Plan area?

Attachments and How they Can Assist City Council

While references to the various attachments are provided in the narrative above, the information below can help guide the Council in review of each attachment:

Attachment No.	Purpose
1. Basalt Creek Concept Plan Guiding Principles (Adapted for Wilsonville)	Provide Council, for reference, the Guiding Principles adapted for Wilsonville and categorized into market-driven, balanced, and aspirational types.
2. Basalt Creek Concept Plan Map	Refresh Council about the geography of the Basalt Creek area and where the different land use areas are located.

3. Synopsis of Basalt Creek Land Use Types	Provide a summary of each land use type considered in the Concept Plan and how it relates to recent studies.
4. Wilsonville Industrial Land Readiness Phase 1: Basalt Creek Recommendations Report	Provide Council, for reference, the complete package of studies and recommendations from Phase 1 of the Wilsonville Industrial Land Readiness project.

EXPECTED RESULTS:

Feedback from City Council will guide implementation items for the Basalt Creek planning area, including drafting a master plan and package of proposed Development Code amendments, formulating economic development strategies, and preparing an infrastructure funding plan.

TIMELINE:

Additional work sessions with the City Council and Planning Commission are anticipated in coming months. Work on the infrastructure funding plan will occur throughout 2025. Public hearings on related Development Code amendments are expected at the end of this year.

CURRENT YEAR BUDGET IMPACTS:

Funding for the first phase of the Wilsonville Industrial Land Readiness project is allocated in the fiscal year (FY) 2024-25 Planning Division budget and, for the second phase, will be allocated in the FY 2025-26 budget. The first phase was primarily funded by a \$100,000 grant from Business Oregon, with additional funding available, if needed, from a \$290,000 Metro grant, which is also funding the second project phase.

COMMUNITY INVOLVEMENT PROCESS:

The Basalt Creek Concept Plan review process involved extensive community engagement to gather input. In the first phase of the WILR project, ECONorthwest collected feedback from Business Oregon, Greater Portland Inc., property owners, and developers, to assess the demand for industrial land in Wilsonville and understand property owners' current and future plans. This information guided preparation of studies and reports and will be considered in determining appropriate zoning standards and preparing necessary Code amendments.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Adopting appropriate zoning standards, creating an infrastructure funding plan, and pursuing economic development strategies will facilitate implementation of the Basalt Creek Concept Plan. This development will generate jobs, enhance the income and property tax base, support economic mobility through family-wage employment, and enable the industrial area to achieve its full economic potential, benefiting the greater Wilsonville community.

ALTERNATIVES:

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

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Basalt Creek Concept Plan Guiding Principles (Adapted for Wilsonville)
2. Basalt Creek Concept Plan Map
3. Synopsis of Basalt Creek Concept Plan Land Use Types
4. Wilsonville Industrial Land Readiness Phase 1: Basalt Creek Recommendations Report
5. Basalt Creek Concept Plan-access at the following link to the City's website: [Basalt Creek Concept Plan](#)