

**Woodburn Economic  
Opportunities Analysis  
Phase I Report**

Prepared for

City of Woodburn

by

**ECONorthwest**

99 W. Tenth, Suite 400  
Eugene, OR 97401  
(541) 687-0051

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## BACKGROUND

This report is part of a project to improve the chances that Woodburn will get the type and quality of economic development its citizens desire by describing (1) what kind of development has happened, is likely, and is possible; and (2) existing policies and future policy options. By describing the economic information about those issues, the project also allows the City to meet requirements of the Land Conservation and Development Commission regarding economic development planning (Goal 9).

The project is divided into two phases, each ending in a report. This report, the *Economic Opportunity Analysis*, is the product for the first phase, which focuses on describing past economic conditions, and likely and possible economic futures. It provides the base of information for a more detailed discussion of policy and implementation that will occur in the second phase, which will end with a second report: *Development Strategies*.

## METHODS

The data and methods used in this report derive from three related types of requirements: requirements of state policy, requirements of the scope of work for this project, and standards for sound policy analysis. We began work by reviewing Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009) to make sure the required elements of a Goal 9 analysis are addressed in this report.

The theory underlying the analytical techniques used in this report is explained in Chapter 2. The methods used in the economic analysis are explained in more detail in Chapters 3, 4, and 5. In general, the methods include:

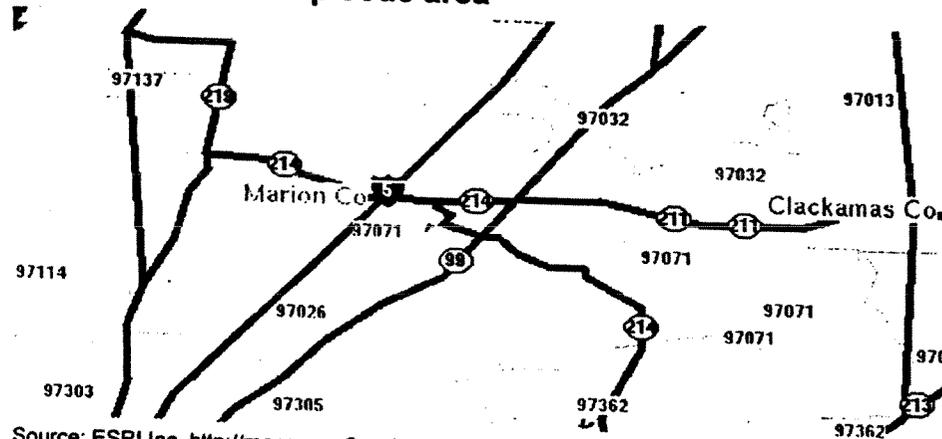
- Review of the literature on economic development
- Review of local policies regarding economic development and buildable land, including the:
  - *City of Woodburn Comprehensive Plan* (as amended October 1999)
  - *Downtown Development Plan*
  - *Woodburn Buildable Lands and Urbanization Project* (2000)
  - *Woodburn Transportation System Plan* (1996)
  - *Highway 214 Alternatives Study* (1999)
  - *I-5/Highway 214 Interchange Refinement Plan Study* (2000)
- Use of existing data sources for socioeconomic and demographic information, including the US Census, the employment data from the

Oregon Employment Department, state economic forecasts, and Claritas (a private purveyor of marketing and demographic data)

- Interviews with realtors, property managers, and economic development specialists to document the land and location needs of target industries

Several data sources in this report, including ES-202 data from the Oregon Employment Department and demographic data from Claritas, are for the 97071 zip code area, which includes Woodburn and the surrounding rural area that gets mail with a Woodburn address. Figure 1-1 shows that the 97071 zip code area extends east into Clackamas County, west almost to the Willamette River, and north and south of Woodburn's city limits, but does not include Gervais (which is in the 97026 zip code area).

Figure 1-1. 97071 zip code area



Source: ESRI Inc. <http://mapserver2.esri.com/adol/work/maps/greenmap26129.gif>

This report frequently uses the terms *sector* and *industry* when referring to data and economic conditions. Sectors are groups of industries, as defined by the Standard Industrial Classification (SIC) system. For example, the Lumber & Wood Products *industry* is part of the Manufacturing *sector*. Sectors (in bold) and selected industries are illustrated in Figure 1-2.

Figure 1-2. Sectors and selected industries

<b>Agricultural Services, Forestry, &amp; Fisheries</b>	<b>Transportation, Utilities, &amp; Communication</b>
<b>Mining</b>	<b>Wholesale Trade</b>
<b>Construction</b>	<b>Retail Trade</b>
<b>Manufacturing</b>	Food Stores
Food Processing	Eating & Drinking Places
Lumber & Wood Products	<b>Finance, Insurance, and Real Estate (F.I.R.E.)</b>
Paper & Allied Products	<b>Services</b>
Primary Metal	Business Services
Industrial Machinery	Health Services
Electrical & Electronic Equipment	<b>Government</b>
Transportation Equipment	

While this study addresses issues of buildable land and housing in the context of economic development, it is neither a buildable lands study nor a

housing analysis (as defined by Goal 10 or ORS 197.296). It relies on information from other City studies to address these issues.

## FRAMEWORK FOR ECONOMIC DEVELOPMENT

The framework for economic development is defined by OAR 660-009. The administrative rules pertaining to Goal 9 require three key elements:

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The economic opportunities analysis (EOA) requires communities to review national and state trends, identify target industries, and identify site requirements of industries that may locate or expand in the jurisdiction. The EOA must also include an inventory of lands available for commercial and industrial development.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop policies based on the EOA. The policies must include community development objectives that describe the overall objectives for economic development in the planning area and identify categories or particular types of industrial and commercial uses desired by the community. Consistent with the community development objectives, cities must adopt policies to designate an adequate number of sites of suitable sizes, types and locations and ensure necessary public facilities through the public facilities plan for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities must adopt appropriate implementing measures including: (1) identification of needed sites; (2) assessment of the long-term supply of land available for commercial and industrial uses; and (3) evaluation of the short-term supply of serviceable sites.

## WHAT DRIVES LONG-RUN ECONOMIC DEVELOPMENT?

Though there are compelling reasons for setting goals at the beginning of a project, doing so is not without problems. Germane to the issues we are dealing with is the fact that goals, and to even a greater extent the more specific objectives that derive from them, are (or should be influenced) by a pragmatic understanding of the relationships between cause and effect in the system of interest. Without that understanding one risks pursuing goals that are unattainable, or actions that are inefficient in achieving them. Some rudimentary understanding of the relationships is essential to developing defensible answers to the overarching policy question: what happens when I pull this policy lever?

Even with sweeping simplifying assumptions, a regional economic system is still a complex one that is difficult to model, much less to predict without the benefits of models, on the basis of intuition alone. Nonetheless, that is how the large majority of economic development policies get adopted. In light of that reality, the purpose of this section and the following figures is to

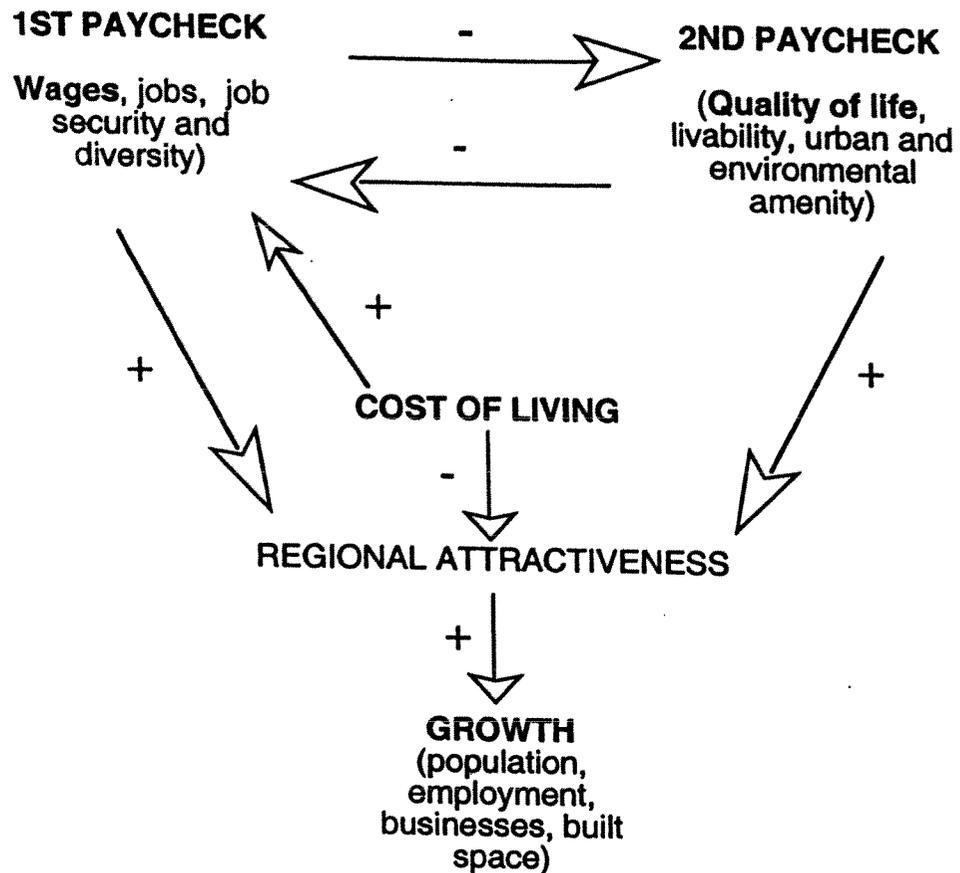
provide a framework for thinking about causes and effects that will make the intuitions more informed.

Figure 1-3 shows the primary drivers of urban growth as generally accepted by urban and regional economists. It illustrates that households are attracted to different regions based on their estimation (explicit or implicit, accurate or not) of the tradeoffs among three categories of variables: availability of jobs, wages, cost of living, and everything else (which is a broad definition of quality of life). The phrase *2nd paycheck* refers to all those other things that households want. The arrows and signs illustrate the tradeoffs.

For example, if wages increase, other things equal, a region becomes more attractive and growth is stimulated (migration occurs, and ultimately the residential and commercial development to accommodate that growth). Other things, of course, are not equal. That growth can cause the cost of living to increase, which decreases regional attractiveness (but also creates pressure to increase wages). To the extent that households believe that a region offers natural and cultural amenities (quality of life) that are valuable, they will be willing to pay more (cost of living) or accept less (the first paycheck) to live in the region.

Figure 1-3 greatly oversimplifies the dynamics of growth. Each of its elements could be expanded into another diagram. For example, there is a feedback from growth to wages: more growth usually means more demand for labor, which means higher wages to ration an increasingly scarce supply.

**Figure 1-3: Drivers of urban growth**

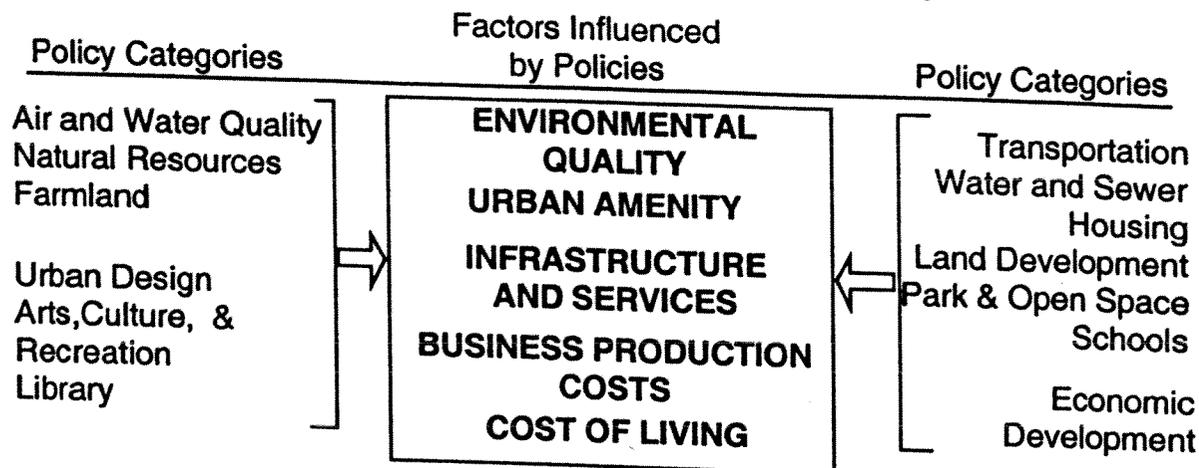


As another example, if one were to expand the element labeled *2nd paycheck*, one would find that regional economic growth does not have unambiguous effects on the second-paycheck components of quality of life. Business growth affects components of quality of life either directly or indirectly through its impact on population growth. If a generalization is required, urban growth probably tends to increase urban amenities (shopping, entertainment, and organized recreational opportunities) and decrease the environmental quality and the capacity of infrastructure.

Figure 1-4 shows that there are many policies a region can adopt to influence the factors affect economic development. Taking just one example, if a region decided it wanted to affect urban form (for example, because of supposed beneficial effects on the cost of infrastructure and quality of life) there are many categories of policies (e.g., land use, transportation, other public facilities) and many subcategories (e.g., for land use: traditional zoning, minimum-density zoning, design standards, etc.; for public facilities: design standards, concurrency requirements, financial incentives, system development charges and exactions, etc.).

**Figure 1-4: The role of public policy**

**Categories of public policy and key factors they influence**



To summarize the conclusions:

- At a regional level, three categories of variables interact to make a region grow: wages, quality of life, and cost of living.
- This simple categorization quickly gets complex: many sub-categories exist, which interact in complicated ways not only within categories, but also across them.
- Quality-of-life factors have been demonstrated empirically to influence residential and business location decisions.
- Thus, public policymakers must consider a multitude of factors as they try to adopt optimal economic development policies. It is no longer as simple as just recruiting big industries.

## **CITY GOALS FOR ECONOMIC DEVELOPMENT**

Overall, Woodburn's Comprehensive Plan goals and policies are supportive of economic development. They seek to ensure that sufficient land is available for economic growth, that development occurs in an orderly fashion that is coordinated with public service provision, and that the traffic and pollution impacts of growth are mitigated. A list of Comprehensive Plan goals relevant to economic development is presented in Appendix A.

While being generally supportive, changes to these goals and policies may be needed if Woodburn seeks to adopt new economic development strategies. Potential amendments to the Comprehensive Plan will be addressed briefly in this report and in detail in the Development Strategy report that will follow this Economic Opportunities Analysis.

# ORGANIZATION OF THIS REPORT

This report is organized as follows:

**Chapter 1: Introduction** describes the theoretical background for the methods and analysis in this report in terms of building quality communities and the economics of location decisions by households and firms. This chapter also summarizes key City goals and policies related to economic development.

**Chapter 2: The Woodburn Economy** contains an overview of the Woodburn economy, a review of national and statewide trends and forecasts as the context for economic growth in Woodburn, and previous forecasts of population and employment growth developed for Woodburn.

**Chapter 3: Factors Affecting Economic Development in Woodburn** discusses the condition of these factors in Woodburn and how this compares with other locations in the North Willamette Valley. The factors included in this chapter are location, buildable land, labor force, housing, public services, transportation, renewable and non-renewable resources, and quality of life.

**Chapter 4: Target Industries** identifies criteria for selecting target industries, applies these criteria to employment data for Woodburn and the North Valley region to select target industries, and discusses the locational needs of these target industries.

**Chapter 5: Conclusions** summarizes key points from the previous chapters and makes a preliminary identification of potential economic development policies.

This report also includes two appendices. **Appendix A: City Goals for Economic Development** lists Comprehensive Plan goals that are related to economic development, and **Appendix B: Descriptions of Target Industries** provides a description of the target industries discussed in Chapter 4.

## OVERVIEW OF WOODBURN ECONOMY

Table 2-1 shows population has grown faster in Woodburn than in Marion County, the North Valley region, and Oregon as a whole over the 1980–2000 period. In the 1980s Woodburn grew at an average annual rate of 1.8%, while other areas in Table 2-1 grew at an average annual rate of only 0.8%–1.1%.

The 2000 Census placed Woodburn's population at 20,100—a figure 2,260 persons higher than the 2000 PSU estimate of 17,840. In the 1990s Woodburn grew at an average annual rate of 4.1% compared to 1.9%–2.2% in other areas. Woodburn's share of Marion County's population has increased from 5.5% in 1980 to 7.1% in 2000.

**Table 2-1. Population in Oregon, the Portland area, Marion County, and Woodburn, 1980–2000**

	1980	1990	2000	AAGR	
				1980-1990	1990-2000
Oregon	2,633,156	2,842,321	3,421,399	0.8%	1.9%
North Valley	1,355,645	1,517,866	1,876,425	1.1%	2.1%
Marion County	204,692	228,483	284,834	1.1%	2.2%
Woodburn	11,196	13,404	20,100	1.8%	4.1%

Source: Population Research Center, Portland State University. "Oregon's Population Increases by More than One-half Million in the 1990s" (Press Release of December 13, 2000); 1998 Oregon Population Report; U.S. Census of Population and Housing, 2000. Data for the North Valley region summarized by ECONorthwest. Notes: AAGR is Average Annual Growth Rate. The North Valley region consists of Clackamas, Marion, Multnomah, Polk, Washington, and Yamhill Counties.

Table 2-2 shows covered employment<sup>1</sup> in the 97071 zip code area, which consists of Woodburn and the surrounding area by sector and industry.<sup>2</sup> Table 2-2 does not report employment in industries where there are fewer than three firms in order to maintain the confidentiality of individual employers. The industries with the largest level of 1999 employment in the Woodburn area are Lumber & Wood Products (1,013), Food Stores (880), Local Government (841), Food & Kindred Products (776), Agricultural Production-Crops (775), and Eating & Drinking Places (548). Together these industries account for 4,833 jobs or 55% of total employment in the Woodburn area. The data in Table 2-2 is based on confidential records for individual employers

<sup>1</sup> Oregon covered employment and payroll information is based on tax reports submitted quarterly by employers subject to Unemployment Insurance (UI) law and by the program of Unemployment Compensation for Federal Employees (UCFE). Thus, 'covered' employment and payroll refers to workers and wages that are covered by unemployment insurance. Most agricultural employment is not covered. Because Woodburn is in an area with a lot of farm employment, the covered employment estimates underestimate total employment.

<sup>2</sup> This report will make frequent use of the terms *sector* and *industry*. *Sectors* are groups of *industries*, as defined in the Standard Industrial Classification system used for economic statistics. For example, the Manufacturing sector contains the Lumber & Wood Products, Primary Metal, and other manufacturing industries.

from the Oregon Employment Department. A review of these records allows a more detailed description of the large employment industries:

- Over half of the Lumber & Wood Products employment in the Woodburn area is in two firms, Fleetwood Homes and Silvercrest, that manufacture mobile homes.
- Most of the employment in Food Stores is with Winco Foods, and most of these employees are probably engaged in warehousing and distribution rather than in operating a grocery store. Most of the remaining employment in this industry is in three grocery/convenience stores with 50–100 employees.
- About 70% of Local Government employment is in education.
- Most of the employment in Food Processing is in firms that process frozen fruits and vegetables.<sup>3</sup>
- Employment in Crop Production is in a large number of small farms growing hops, berries, vegetables, bulbs, and nursery stock. The only employers in Crop Production with over 100 employees are in the Nursery Products industry.
- Eating & Drinking Place employment is spread among 35 employers with an average of 15 employees; none of these employers have over 50 employees.

Total covered employment in the Woodburn area grew from 5,552 in 1990 to 8,714 in 1999, an increase of 3,162 or 57%. Table 2-3 shows employment growth in the Woodburn area by sector and industry between 1990 and 1999. Employment growth was led by Food Stores (which added 606 jobs), Local Government (370), Agricultural Services (333), Lumber & Wood Products (246), and General Merchandise stores (235). Together these industries added 1,790 jobs or 57% of covered employment growth in the Woodburn area.

Several industries had percentage growth rates far exceeding the 57% average growth rate for the Woodburn area in the 1990–1999 period. These industries include Social Services (which grew by 671%), Agricultural Services (476%), General Merchandise stores (326%), Apparel (281%), Food Stores (221%), and both Durable and Nondurable Wholesale Trade (181–198%). Of these industries, all but Apparel stores and Nondurable Wholesale Trade added more than 100 jobs over the 1990–1999 period.

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<sup>3</sup> AgriFrozen foods announced the closure of their Woodburn plant in January 2001. Vegetable processing will continue through April 2001 and some administrative jobs will last through June 2001. The closing of this plant will lay off 440 year-round workers. AgriFrozen will also close plants in Walla Walla and Grandview, Washington.

The closure of these plants is indicative of trends in the food processing industry, which include overproduction, consolidation of customers (grocery stores and food service suppliers), a strong dollar that makes US goods relatively more expensive for foreign purchasers, and competition from low-cost markets. Given these trends, it is unlikely that another firm will reopen the Woodburn plant or that other major food processors will locate in the Woodburn area in the near future.

Of the 39 individual industries shown in Table 2-3, 22 of them added fewer than 50 jobs in the 1990–1999 period. Industries that lost jobs over this period include Forestry (-54), Building Materials stores (-16), and Heavy Construction (-10).

**Table 2-2. Covered employment and payroll in the 97071 zip code area, 1990 and 1999**

Sector / Industry	SIC 2	1990			1999		
		Units	Emp	Payroll	Units	Emp	Payroll
<b>Agriculture, Forestry, Fishing</b>		<b>69</b>	<b>949</b>	<b>\$13,466,736</b>	<b>57</b>	<b>1,321</b>	<b>\$23,372,828</b>
Agricultural Production - Crops	01	36	678	\$9,196,086	35	775	\$15,397,605
Agricultural Services	07	14	70	\$1,010,654	17	403	\$4,859,483
Forestry	08	17	90	\$844,724	4	36	\$508,995
Mining		0	0	\$0	0	0	\$0
<b>Construction</b>		<b>65</b>	<b>203</b>	<b>\$4,894,530</b>	<b>88</b>	<b>383</b>	<b>\$11,096,132</b>
General Building Contractors	15	20	63	\$1,979,043	28	172	\$5,006,499
Heavy Construction	16	3	23	\$481,216	3	13	\$466,973
Special Trade Contractors	17	32	117	\$2,434,271	57	198	\$5,621,660
<b>Manufacturing</b>		<b>35</b>	<b>1,734</b>	<b>\$34,467,820</b>	<b>36</b>	<b>2,113</b>	<b>\$66,636,160</b>
Food & Kindred Products	20	5	693	\$12,012,491	7	776	\$18,147,293
Lumber & Wood Products	24	12	767	\$15,669,328	11	1,013	\$25,990,873
Printing & Publishing	27	7	32	\$508,198	4	27	\$629,528
Industrial Machinery & Equipment	35	3	79	\$2,115,220	3	129	\$4,181,930
Transportation & Utilities		<b>22</b>	<b>179</b>	<b>\$4,071,066</b>	<b>24</b>	<b>288</b>	<b>\$8,799,996</b>
Trucking & Warehousing	42	12	64	\$1,451,818	12	123	\$3,881,292
Communications	48	3	16	\$272,567	5	23	\$697,287
<b>Wholesale Trade</b>		<b>20</b>	<b>102</b>	<b>\$2,229,820</b>	<b>22</b>	<b>294</b>	<b>\$8,396,088</b>
Durable Goods	50	10	59	\$1,328,499	10	166	\$4,949,320
Nondurable Goods	51	10	43	\$901,321	12	128	\$3,446,768
<b>Retail Trade</b>		<b>109</b>	<b>1,166</b>	<b>\$16,782,983</b>	<b>146</b>	<b>2,340</b>	<b>\$64,993,656</b>
Building Materials	52	12	160	\$4,188,413	11	144	\$4,234,232
General Merchandise	53	2	72	\$842,788	5	307	\$5,062,822
Food Stores	54	16	274	\$3,639,548	17	880	\$27,848,473
Automotive Dealers & Service	55	22	195	\$3,448,543	19	274	\$8,644,059
Apparel	56	8	16	\$171,914	17	61	\$828,853
Furniture	57	8	16	\$246,322	14	42	\$723,056
Eating & Drinking	58	25	396	\$2,722,883	37	548	\$6,353,271
Miscellaneous Retail	59	16	47	\$522,572	26	84	\$1,298,889
Finance, Insurance, & Real Estate		<b>26</b>	<b>149</b>	<b>\$3,226,183</b>	<b>53</b>	<b>223</b>	<b>\$6,764,001</b>
Depository Institutions	60	4	73	\$2,279,960	14	76	\$2,472,876
Insurance Agents	64	9	24	\$462,612	9	24	\$673,383
Real Estate	65	11	50	\$457,258	25	111	\$1,910,099
<b>Services</b>		<b>125</b>	<b>597</b>	<b>\$7,460,169</b>	<b>157</b>	<b>906</b>	<b>\$16,526,274</b>
Hotels & Lodging Places	70	3	33	\$251,334	6	58	\$647,896
Personal Services	72	12	51	\$612,328	11	49	\$979,574
Business Services	73	10	39	\$510,182	16	88	\$1,146,371
Auto Repair & Services	75	9	56	\$918,196	13	59	\$1,614,526
Miscellaneous Repair	76	4	5	\$82,788	7	7	\$173,212
Amusement & Recreation	79	4	37	\$279,751	8	65	\$714,622
Health Services	80	29	216	\$2,965,182	26	212	\$4,777,740
Legal Services	81	5	15	\$293,641	9	16	\$427,066
Educational Services	82	2	23	\$232,099	4	29	\$477,842
Social Services	83	13	24	\$266,748	14	185	\$3,495,529
Membership Organizations	86	19	66	\$554,415	23	87	\$1,190,291
Engineering & Management	87	10	23	\$418,003	11	20	\$645,501
Private Households	88	4	5	\$41,107	6	3	\$105,885
<b>Nonclassifiable</b>		<b>99</b>	<b>10</b>	<b>\$86,959</b>	<b>5</b>	<b>5</b>	<b>\$77,262</b>
<b>Government</b>		<b>4</b>	<b>471</b>	<b>\$9,803,993</b>	<b>5</b>	<b>842</b>	<b>\$20,916,041</b>
Local		3	471	\$9,802,259	4	841	\$20,869,365
<b>Total Covered Employment</b>		<b>476</b>	<b>5,552</b>	<b>\$96,480,258</b>	<b>593</b>	<b>8,714</b>	<b>\$206,676,427</b>

Source: Oregon Employment Department. Confidential ES-202 Employment Data provided to ECONorthwest.  
Notes: Woodburn area employment summarized by ECONorthwest; Covered employment does not include most farm employment, thus the table underestimates total employment.

**Table 2-3. Covered employment growth and average payroll per employee in the 97071 zip code area**

Sector / Industry	Emp Growth		Pay/Emp 99
	1990-1999		
<b>Agriculture, Forestry, Fishing</b>	<b>372</b>	<b>39%</b>	<b>\$17,693</b>
Agricultural Production - Crops	97	14%	\$19,868
Agricultural Services	333	476%	\$12,058
Forestry	-54	-60%	\$14,139
Mining	0	0%	n/a
<b>Construction</b>	<b>180</b>	<b>89%</b>	<b>\$28,969</b>
General Building Contractors	109	173%	\$29,108
Heavy Construction	-10	-43%	\$35,921
Special Trade Contractors	81	69%	\$28,392
<b>Manufacturing</b>	<b>379</b>	<b>22%</b>	<b>\$26,330</b>
Food & Kindred Products	83	12%	\$23,386
Lumber & Wood Products	246	32%	\$25,657
Printing & Publishing	-5	-16%	\$23,316
Industrial Machinery & Equipment	50	63%	\$32,418
<b>Transportation &amp; Utilities</b>	<b>109</b>	<b>61%</b>	<b>\$30,556</b>
Trucking & Warehousing	59	92%	\$31,555
Communications	7	44%	\$30,317
<b>Wholesale Trade</b>	<b>192</b>	<b>188%</b>	<b>\$28,558</b>
Durable Goods	107	181%	\$29,815
Nondurable Goods	85	198%	\$26,926
<b>Retail Trade</b>	<b>1,174</b>	<b>101%</b>	<b>\$23,502</b>
Building Materials	-16	-10%	\$29,404
General Merchandise	235	326%	\$16,491
Food Stores	606	221%	\$31,646
Automotive Dealers & Service	79	41%	\$31,548
Apparel	45	281%	\$13,588
Furniture	26	163%	\$17,216
Eating & Drinking	162	42%	\$11,594
Miscellaneous Retail	37	79%	\$15,463
<b>Finance, Insurance, &amp; Real Estate</b>	<b>74</b>	<b>50%</b>	<b>\$25,848</b>
Depository Institutions	3	4%	\$32,538
Insurance Agents	0	0%	\$28,058
Real Estate	61	122%	\$17,208
<b>Services</b>	<b>308</b>	<b>52%</b>	<b>\$18,281</b>
Hotels & Lodging Places	25	76%	\$11,171
Personal Services	-2	-4%	\$19,991
Business Services	49	126%	\$13,027
Auto Repair & Services	3	5%	\$27,365
Miscellaneous Repair	2	40%	\$24,745
Amusement & Recreation	28	76%	\$10,994
Health Services	-4	-2%	\$22,537
Legal Services	1	7%	\$26,692
Educational Services	6	26%	\$16,477
Social Services	161	671%	\$18,895
Membership Organizations	21	32%	\$13,682
Engineering & Management	-3	-13%	\$32,275
Private Households	-2	-40%	\$35,295
<b>Nonclassifiable</b>	<b>3</b>	<b>150%</b>	<b>\$15,450</b>
<b>Government</b>	<b>371</b>	<b>79%</b>	<b>\$24,840</b>
Local	370	79%	\$24,815
<b>Total Employment</b>	<b>3,162</b>	<b>67%</b>	<b>\$23,592</b>

Source: Oregon Employment Department. Confidential ES-202  
Employment Data provided to ECONorthwest. Growth and pay per employee calculated by ECONorthwest.

## CONTEXT FOR ECONOMIC GROWTH IN WOODBURN

Economic development in Woodburn over the next twenty years will occur in the context of long-term national trends. The most important of these trends includes:

- Continued westward migration of the U.S. population, and the increasing role of amenities and other non-wage factors as determinants of the location decisions of households and firms.
- Growth in Pacific Rim trade.
- The growing importance of education as a determinant of wages and household income.
- The decline of employment in resource-intensive industries and the increase in employment in service-oriented and high-tech manufacturing sectors of the economy.
- The increasing integration of non-metropolitan and metropolitan areas.

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the downturn in Asian economies, which caused Oregon's exports to Pacific Rim countries to decline. This in turn led to layoffs in the Lumber & Wood Products and high-tech Manufacturing industries. The Asian economies, however, have substantially recovered, and Pacific Rim trade will continue to play a significant role in the national, state, and local economy. This report takes a long-run perspective on the Woodburn economy (as the Goal 9 requirements intend) and does not attempt to predict short-run business cycles.

Economic development in Woodburn will also be affected by long-run economic trends in Oregon and the Willamette Valley. The

following section describes recent trends in population, income, and employment growth in Oregon, the Portland area, Marion County, and Woodburn. This is followed by the economic outlook for Oregon. Recent economic trends and the economic outlook for Oregon form a primary basis for our expectations of future trends and development patterns in Woodburn. We will use these trends to develop a preliminary forecast of growth in Woodburn that will reflect likely growth in the absence of public policy to affect economic development. Opportunities and constraints affecting future economic development in Woodburn, potential economic development policies, and the outlook for growth in Woodburn are addressed later in this report.

## ECONOMIC TRENDS IN OREGON

### POPULATION

Oregon's economy is generally more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. This pattern is shown in Table 2-4, which presents data on population in the U.S., Oregon, and selected areas in Oregon over the 1970–2000 period. Table 2-4 shows Oregon grew more rapidly than the U.S. in the 1970s and 1990s (which were generally expansionary periods) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. Oregon's population growth regained momentum in 1987, growing at annual rates of 1.4%–2.9% between 1988 and 1996. The Willamette Valley received over 70% of the state's population growth during this period.

Population growth for Oregon and its regions slowed in 1997, to 1.1% statewide, the slowest rate since 1987. Net migration into Oregon, which is the largest component of population growth, dropped from 35,000 in 1996 to 18,000 in 1999. The reasons most often cited for this slowing of population growth are the recovery of the California economy, the combination of a high cost of living (especially housing) and low wages in Oregon, and a perceived decline in the quality of Oregon's schools.

The Willamette Valley has always been the center of growth in Oregon. The population growth rate in the Willamette Valley has exceeded that of the state in every decade except during the 1970s. Almost 70% of Oregon's population is located in the Willamette Valley, which contains only 14% of the state's land area. Most of the Willamette Valley's population is concentrated in the metropolitan areas of Portland, Salem, and Eugene.<sup>4</sup>

Woodburn and Marion County have grown faster than other areas in Table 2-4 throughout the 1970–2000 period. Marion County's share of Oregon's population has increased from 7.2% in 1970 to 8.3% in 2000.

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<sup>4</sup> The Willamette Valley is composed of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill counties.

Woodburn's share of Marion County's population has increased from 5.0% in 1970 to 7.1% in 2000.

**Table 2-4. Population in the U.S., Oregon, Willamette Valley, Portland Area, Marion County, and Woodburn, 1970–2000**

Area	1970	1980	1990	2000	Avg. Ann. Growth Rate		
					70-80	80-90	90-00
U.S.	203,211,926	226,545,805	248,709,873	281,421,906	1.1%	0.9%	1.2%
Oregon	2,091,385	2,633,156	2,842,321	3,421,399	2.3%	0.8%	1.9%
Willamette Valley	1,446,594	1,788,577	1,962,816	2,380,606	2.1%	0.9%	1.9%
North Valley	1,107,546	1,355,645	1,517,866	1,876,425	2.0%	1.1%	2.1%
Marion County	151,309	204,692	228,483	284,834	3.1%	1.1%	2.2%
Woodburn	7,495	11,196	13,404	20,100	4.1%	1.8%	4.1%

Sources: U.S. Census and Center for Population Research and Census, Portland State University. Average annual growth rates calculated by ECONorthwest.

Notes: The Willamette Valley consists of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill Counties. The North Valley consists of Clackamas, Marion, Multnomah, Polk, Washington, and Yamhill Counties.

Between 1990 and 1999, almost 70% of Oregon's total population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths). Migrants to Oregon tend to have the same characteristics as existing residents, with some differences—recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon's existing population. The race and ethnicity of in-migrants generally mirrors Oregon's established pattern, with one exception: Hispanics make up more than 7% of in-migrants but only 3% of the state's population. The number-one reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment.<sup>5</sup>

Net migration accounted for about 63% of population growth in Marion County in the 1990–1999 period. A review of the *1999 Oregon In-migration Study* shows the characteristics of migrants to Oregon that located in Region 3 (Marion, Polk, and Yamhill Counties) vary from the characteristics for migrants to all of Oregon in several ways:

- A larger share of migrants to Region 3 came moved to Oregon for a job (47.4% in Region 3 vs. 36.3% in Oregon) or family and friends (51.4% vs. 45.1%). Fewer migrants to Region 3 moved to Oregon for quality of life (36.7% vs. 43.8%).
- Of migrants who worked before moving to Oregon, a larger share of those who located in Region 3 worked in Construction/Maintenance (13.4% vs. 5.9%) and Clerical / Administrative Support (21.0% vs. 13.7%). A smaller share of migrants to Region 3 worked in Professional Technical occupations (17.9% vs. 34.9%) before moving to Oregon.

<sup>5</sup> State of Oregon, Employment Department. 1999. *1999 Oregon In-migration Study*.

- A larger share of migrants to Region 3 had annual household incomes less than \$15,000 before moving to Oregon (29.5% vs. 22.9%) and a smaller share of migrants to Region 3 had annual household incomes greater than \$55,000 before moving to Oregon (20.6% vs. 28.2%).
- A larger share of migrants in Region 3 are doing different work than they were before they moved to Oregon (46.8% vs. 39.2%). Of migrants doing different work, a larger share are now in Professional/Technical positions (40.9% vs. 22.5%).
- The current hourly wage of migrants in Region 3 is \$13.50, compared to \$15.19 in all of Oregon.

Data on the number and characteristics of migrants to Woodburn are not available.

## PERSONAL INCOME

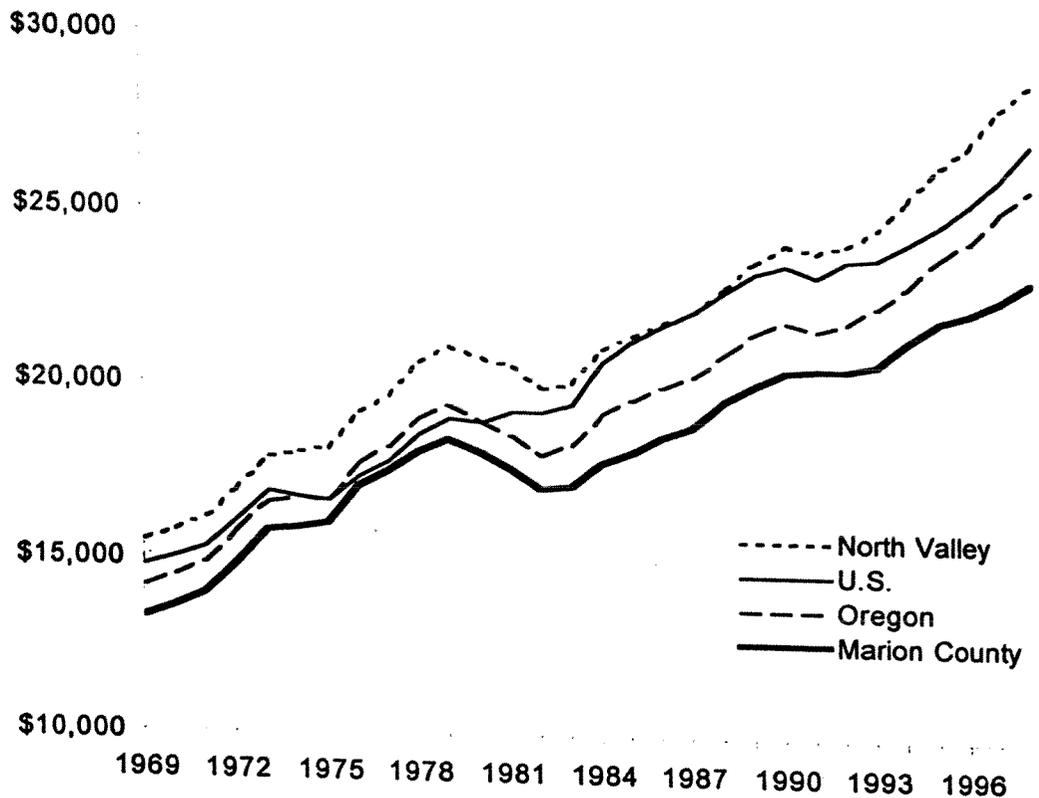
Figure 2-1 shows the level of per capita income in the U.S., Oregon, the North Valley region, and Marion County over the 1969–1998 period.

Before the early-80s recession, per capita income in Oregon was close to the U.S. level, ranging from 96%–102% of the U.S. average between 1969 and 1981. Oregon's per capita income began to fall in 1980, dropping as low as 92% of the U.S. average during 1985–1988 before climbing back to 96% of the U.S. average by 1995. Per capita income in the North Valley region, which includes Portland and its suburbs, has exceeded the U.S. and Oregon average over the 1969–1998 period, ranging from 100%–111% of the U.S. average over this period.

Per capita income in Marion County has been below the U.S. and Oregon average throughout the 1969–1998 period shown in Figure 2-1. Marion County's per capita income peaked at 98% the U.S. average in 1976 but declined, along with the Oregon average, in the recession of the early 1980s. Per capita income in Marion County fell to 85% of the U.S. average by 1985 and has not exceeded 89% of the U.S. average since that time.

These differences of a few percentage points may seem insignificant: they are not. They indicate that average incomes in Marion County are below those of most other counties in Oregon, and suggest Woodburn residents have a different occupational composition, lower wages, higher unemployment rates, or a larger percentage of non-workers (e.g., children and retired).

**Figure 2-1. Per capita income in U.S., Oregon, the North Valley region, and Marion County, 1969–1998 (in 1998 dollars)**



Source: U.S. Department of Commerce, Bureau of Economic Analysis. 2000. *Regional Economic Information System (REIS)*. RCN-0250.

## EMPLOYMENT

Employment growth has generally followed the trend of population growth, but employment growth varies more because employment is more closely tied to economic conditions. As for population, over 70% of Oregon's employment is located in the Willamette Valley. The Valley also experienced the largest loss of employment in the recession of the early 1980s.

The composition of Oregon's employment has changed since 1969. Employment growth has been led by the Finance, Insurance and Real Estate (F.I.R.E.) and Services sectors. The share of total employment in these sectors increased from 25% to 35% between 1969 and 1995. Slow growth in Manufacturing caused its share of total employment to decline from 20% to 13% over this period, while other sectors grew at rates close to the statewide average.

In the last 20 years Oregon's economy has made a transition away from reliance on traditional resource-extraction industries, with the growth of high-tech manufacturing, services, and trade. A significant indicator of this transition is the decline of employment in the Lumber & Wood Products industry and the concurrent growth of employment in high-technology

manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments). Employment in Lumber & Wood Products has declined from its 1979 peak, while employment in high-tech industries surpassed that in Lumber & Wood Products 1995.

While this transition has increased the diversity of employment within Oregon, it has not significantly improved Oregon's diversity relative to the national economy. Oregon's relative diversity has historically ranked low among states, primarily due to dependence on the timber industry. Oregon ranked 35<sup>th</sup> in diversity (1<sup>st</sup> = most diversified) based on Gross State Product data for 1963–1986, and 32<sup>nd</sup> based on data for the 1977–1996 period. While Oregon's economy has diversified, it is still heavily dependent on several industries—Oregon's diversity ranking remains low due to disproportionately large timber, high tech, and agricultural industries. Relatively low economic diversity increases the risk of economic volatility as measured by changes in output or employment. For example, while Oregon has enjoyed the upside of increasing concentration in high-tech manufacturing, the 1999 Asian banking crisis has indicated the risk of Oregon's reliance on the high-tech manufacturing industry.\*

The changing composition of employment has not affected all regions of Oregon evenly. Growth in high-tech and Services employment has been concentrated in urban areas of the Willamette Valley and Southern Oregon, particularly in Washington, Benton, and Josephine Counties. The brunt of the decline in Lumber & Wood Products employment was felt in rural Oregon, where these jobs represented a larger share of total employment and an even larger share of high-paying jobs than in urban areas.

## **PUBLIC POLICY**

Changing economic conditions in Oregon have not only been affected by national and international trends, but also by government action in Oregon. State policy made a concerted effort to attract industries with tax policy (e.g., no unitary tax, which would tax world-wide corporate income of businesses operating in Oregon), changes in corporation codes, reforms to reduce the costs of workers' compensation, investments in infrastructure, and other incentives (e.g., enterprise zones and the Strategic Investment Program, which attempts to stimulate capital-intensive industries through property tax abatement). The State has encouraged international trade and investments with missions and offices in Japan, Taiwan, and other Pacific Rim countries. State policy on land use and environmental quality aim at preserving the natural and cultural amenities that make Oregon attractive to its current and potential residents and businesses—but their effects, however, is not unambiguous, since they may also raise taxes, fees, and land development costs.

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\* LeBre, Jon. 1999. "Diversification and the Oregon Economy: An Update." *Oregon Labor Trends*. February.

## OUTLOOK FOR GROWTH IN OREGON

The State's long-term forecast of population and employment in Oregon, the Portland area, and Marion County is shown in Table 2-5 (a long-term forecast for cities is not available). Table 2-5 shows population and employment in Marion County is expected to grow at a faster annual average rate than in the Portland area or in Oregon as a whole over the twenty-year forecast period. Marion County is expected to add over 92,000 people and 36,000 jobs between 2000 and 2020.

**Table 2-5. Population and employment forecast for Oregon, the Portland area, and Marion County, 2000–2020**

	2000	2010	2020	AAGR 2000-2020
<b>Population</b>				
Oregon	3,406,000	3,857,000	4,326,000	1.2%
North Valley	1,850,740	2,110,655	2,387,993	1.3%
Marion County	285,975	331,025	378,208	1.4%
<b>Employment</b>				
Oregon	1,601,718	1,814,276	1,947,702	1.0%
North Valley	981,332	1,112,609	1,198,658	1.0%
Marion County	131,622	153,015	167,821	1.2%

Source: State of Oregon, Office of Economic Analysis. 1997. Long-Term Population and Employment Forecasts for Oregon. Salem: Department of Administrative Services. January.

Note: Employment is non-agricultural wage and salary employment only. The North Valley region consists of Clackamas, Marion, Multnomah, Polk, Washington, and Yamhill Counties.

Table 2-6 shows the Oregon Employment Department's ten-year forecast for employment by industry for the Portland Area (Clackamas, Clark, Columbia, Multnomah, and Washington Counties) and Workforce Region 3 (Marion, Polk, and Yamhill Counties). The level of industry detail in this forecast varies by area, with larger areas having more detail. The data in Table 2-6 has been summarized at the level of detail available for Region 3, because this level of detail is available for all areas.

Table 2-6 shows that employment growth in Region 3, which includes Woodburn, should be led by the Services, Retail Trade, and Government sectors, which together are expected to add 22,300 jobs or 77% of total employment growth in the region. High-growth industries within these sectors include Other Services, Local Government, Business Services, Health Services, and Eating & Drinking Places. Manufacturing is expected to add 2,300 jobs or 8% of total employment growth in Region 3, primarily in Other Durable Goods industries.

Employment growth in the Portland area is expected to be led by the Services, Retail Trade, and Manufacturing sectors, which together will add 134,700 jobs or 70% of total employment growth in the area. High-growth industries in these sectors include Business Services (which is projected to add 32,600 jobs), Eating & Drinking Places (13,300), Health Services (12,500), Social Services (10,100), and Electronic & Other Electrical Equipment (9,000). Manufacturing employment growth in the Portland area

is expected to increase by 12.2% in the ten-year projection period, compared to 9.5% in Region 3.

**Table 2-6. Forecast nonfarm payroll employment growth in the Portland Area and Workforce Region 3, 1998–2008**

Sector / Industry	Portland Area		Region 3		Portland + Region 3	
	Growth	% Change	Growth	% Change	Growth	% Change
<b>Mining &amp; Quarrying</b>	<b>300</b>	<b>27.3%</b>	<b>100</b>	<b>25.0%</b>	<b>400</b>	<b>26.7%</b>
<b>Construction</b>	<b>9,000</b>	<b>16.7%</b>	<b>1,400</b>	<b>14.7%</b>	<b>10,400</b>	<b>16.4%</b>
<b>Manufacturing</b>	<b>18,300</b>	<b>12.2%</b>	<b>2,300</b>	<b>9.5%</b>	<b>20,600</b>	<b>11.8%</b>
Durable Goods	16,900	15.4%	1,800	12.6%	18,700	15.1%
Lumber & Wood Products	-500	-5.7%	100	2.0%	-400	-2.9%
Other Durable Goods	17,400	17.2%	1,700	18.5%	19,100	17.5%
Nondurable Goods	1,400	3.5%	500	5.1%	1,900	3.8%
Food & Kindred Products	-400	-4.1%	100	1.6%	-300	-1.9%
Other Nondurable Goods	1,800	5.9%	400	10.5%	2,200	6.4%
<b>Trans., Comm., &amp; Utilities</b>	<b>9,500</b>	<b>17.8%</b>	<b>900</b>	<b>19.1%</b>	<b>10,400</b>	<b>17.9%</b>
Transportation	8,100	21.5%	700	20.6%	8,800	21.4%
Communications & Utilities	1,400	8.9%	200	15.4%	1,600	9.4%
<b>Wholesale Trade</b>	<b>13,800</b>	<b>19.7%</b>	<b>1,100</b>	<b>21.2%</b>	<b>14,900</b>	<b>19.8%</b>
<b>Retail Trade</b>	<b>31,600</b>	<b>19.5%</b>	<b>5,700</b>	<b>19.5%</b>	<b>37,300</b>	<b>19.5%</b>
General Merchandise Stores	3,800	19.5%	1,100	27.5%	4,900	20.9%
Food Stores	3,400	15.0%	800	16.7%	4,200	15.3%
* Eating & Drinking Places	13,300	22.0%	2,100	19.4%	15,400	21.6%
Other Retail Trade	11,100	18.6%	1,700	17.5%	12,800	18.4%
<b>Fin., Ins., and Real Estate</b>	<b>9,800</b>	<b>14.7%</b>	<b>1,000</b>	<b>12.8%</b>	<b>10,800</b>	<b>14.5%</b>
<b>Services</b>	<b>84,800</b>	<b>32.8%</b>	<b>11,700</b>	<b>29.8%</b>	<b>96,500</b>	<b>32.4%</b>
Business Services	32,600	51.0%	2,900	38.2%	35,500	49.7%
Health Services	12,500	20.3%	2,200	18.8%	14,700	20.1%
Other Services	39,700	29.9%	6,600	33.2%	46,300	30.3%
<b>Government</b>	<b>15,700</b>	<b>13.6%</b>	<b>4,900</b>	<b>11.8%</b>	<b>20,600</b>	<b>13.1%</b>
Federal Government	300	1.6%	100	4.5%	400	2.0%
State Government	1,700	13.5%	1,600	8.3%	3,300	10.4%
Local Government	13,700	16.2%	3,200	15.8%	16,900	16.1%
<b>Total</b>	<b>192,800</b>	<b>20.7%</b>	<b>29,100</b>	<b>18.0%</b>	<b>221,900</b>	<b>20.3%</b>

Source: State of Oregon Employment Department, Workforce Analysis. 1999. Employment Projections by Industry 1998–2008. Portland Area projections summarized by sector/industry by ECONorthwest.

Notes: the Portland area consists of Clackamas, Columbia, Multnomah, Washington, Yamhill, and Clark Counties. Workforce Region 3 consists of Marion, Polk, and Yamhill Counties.

Table 2-6 shows the employment growth rate in Region 3 is expected to lag behind other areas, with total employment growing by 18% compared to 18.5% in Oregon and 20.7% in the Portland area. The employment growth rate in Region 3 exceeds that of the Portland area for only Transportation, Communications, & Utilities and Wholesale Trade sectors.

# PREVIOUS FORECASTS OF ECONOMIC GROWTH IN WOODBURN

The county coordinated 2020 population forecast for Woodburn is 26,290. This forecast is based on a population allocation that was completed prior to the 2000 Census count.

Portland State University published a July 1, 2000 population estimate of 17,840 for the City of Woodburn. The 2000 Census count placed the City's population at 20,100 as of April 1, 2000; a figure 2,230 persons higher than the PSU estimate.

The differences between the two population forecasts present somewhat of a dilemma for Woodburn. If one accepts the 2020 population forecast of 26,290, and the 2000 Census count of 20,100, Woodburn has already consumed a significant portion of its population forecast. This assertion, however, has problems. Between 1990 and 2000, Woodburn grew by nearly 7,000 persons, or at an annual rate of 4.1%. The population forecast based on the PSU 2000 population of 17,840 the coordinated forecast translates into an average annual growth rate of 2.0% over the 2000–2020 period. This rate is significantly lower than the 1990-2000 trend. If one accepts the 2000 Census, the average annual growth rate decreases to 1.4%.

Given historical trends, the City's population forecast may prove to underestimate future growth in Woodburn.

To our knowledge a coordinated forecast of employment in Woodburn has not been developed. To estimate future travel demand, the *Woodburn Transportation System Plan* (June 1996) estimated employment growth of 3,221 over the 1991–2020 period. With a 1991 employment level of 5,045 this translates into a 2020 employment level of 8,266 or an average annual growth rate of 1.7%. This rate exceeds the forecast annual average employment growth rate in Marion County (1.2%), the North Valley region (1.0%) and Oregon (1.0%) shown in Table 2-5.

# Factors Affecting Future Economic Development in Woodburn

The preliminary growth forecast in the previous section implicitly assumes that the economic factors that influenced growth in Woodburn in the past will behave in a similar way in the future. However, that forecast represents only one possible future and actual growth could be more or less depending on national and regional economic conditions and the economic attributes of Woodburn. National and regional economic conditions were addressed in Chapter 2, and there is little that Woodburn can do to affect these conditions. Woodburn, however, can influence local attributes that affect economic development. This chapter reviews local factors affecting economic development in Woodburn and the advantages, opportunities, disadvantages, and constraints these factors present. This review, and the target industry analysis that follows, will form the basis for developing economic development strategies for Woodburn.

## WHAT IS COMPARATIVE ADVANTAGE?

Each economic region has different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all areas have these factors to some degree, the mix and condition of these factors vary. The mix and condition of productive factors may allow firms in a region to produce goods and services more cheaply than firms in other regions.

By affecting the cost of production, comparative advantages affect the pattern of economic development in a region relative to other regions. Goal 9 recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production. An analysis of comparative advantage depends on the geographic areas being compared—this chapter focuses on the comparative advantages of Woodburn relative to the Northern Willamette Valley.

## LOCATION

Woodburn's location on I-5 and proximity to the Portland and Salem metropolitan areas is the primary factor that will affect its future development. Being located on I-5 near Portland and Salem creates several advantages and opportunities. Retail businesses located along the I-5 corridor may benefit from increased visibility. The Factory Outlet Mall and Wal-Mart are examples of businesses that benefit from visibility from I-5. All businesses in Woodburn may benefit from increased accessibility to potential customers, suppliers, and employees. Proximity to I-5 and the Portland and Salem areas may also benefit residents of Woodburn by providing convenient

access to jobs, shopping, education, cultural events, and other urban amenities.

Both the Portland and Salem metropolitan areas are expected to grow over the twenty-year planning period. Population and employment growth in Portland and Salem will also create opportunities for economic development in Woodburn. Employment growth in these urban areas will increase the job opportunities for residents of Woodburn. As these urban areas become physically larger and commute times increase, Woodburn may become more attractive as a residential location for people who work in Portland or Salem. Urban growth may also make Woodburn a more attractive location for businesses who need to be near Portland or Salem.

## BUILDABLE LAND

An analysis of buildable land was recently completed for the City of Woodburn.<sup>1</sup> This analysis included an inventory of vacant, partially vacant, and redevelopable land in Woodburn, an estimate of demand for buildable land, and potential policies that could affect land supply or demand. Table 3-1 summarizes the supply and demand conditions for buildable land in Woodburn over the 1999–2020 period.

**Table 3-1. Buildable land supply and demand conditions in the Woodburn UGB, 1999–2020**

Comprehensive Plan Designation	Supply	Demand	Surplus (Deficit)
Low-Density Residential	535.0	340.3	194.7
High-Density Residential	121.1	117.3	3.8
Commercial	146.0	146.0	0.0
Industrial	107.9	440.0	(332.1)
School Facilities (Public or Residential)	n/a	71.7	n/a
<b>Total</b>	<b>910.0</b>	<b>1,115.3</b>	<b>(205.3)</b>

Source: McKeever/Morris Inc., W&H Pacific, E.D. Hovee & Company, Gabriele Development Services, and Manda Beckett Design. 2000. *Woodburn Buildable Lands and Urbanization Project*. Final report issued February 7. Table 5.

Note: The Woodburn Buildable Lands and Urbanization Project findings had not been adopted by the City at the time this report was completed. The City had not adopted land use efficiency measures as required by ORS 197.296 at the time this report was completed.

Table 3-1 shows that Woodburn is expected to have an overall deficit of 205.3 acres over the 1999–2020 period. Estimates by comprehensive plan designation show a 194.7 acre surplus for low-density residential land and a 332.1 acre deficit for industrial land. Since the McKeever/Morris report was completed in 2000, additional development has occurred on industrial land in the northern parts of Woodburn. The development consumed about 34 acres off of NE front. This development increases the deficit of industrial land to 364 acres.

<sup>1</sup> McKeever/Morris Inc., W&H Pacific, E.D. Hovee & Company, Gabriele Development Services, and Manda Beckett Design. 2000. *Woodburn Buildable Lands and Urbanization Project*. Final report issued February 7.

The buildable lands analysis shows supply and demand for high-density residential and commercial land is evenly matched, but the report does not state whether the available land is in the right location to accommodate expected growth. The City does not have a separate plan designation for schools, so there is no land supply shown for the 71.1 acres needed for school construction over the 1999–2020 period. The buildable lands report states that low-density residential land will probably be used for schools.

The Recommended Alternative in the buildable lands analysis contains several suggested policy changes that could affect the supply of or demand for buildable land over the 1999–2020 period:<sup>2</sup>

- **Change specified parcels designated for Commercial, Low-Density Residential, and High-Density Residential to Mixed Use Campus.** This change would apply to three sites in the Woodburn UGB:
  - A 38.4 net acre site south of Wal-Mart, adjacent to I-5 and west of Evergreen Drive. This site is currently designated for commercial use.
  - A 22.5 net acre site located on the north side of Highway 211, abutting the MacLaren State Correctional Facility. This site is currently designated for commercial use.
  - An 11.6 net acre site in the southern portion of Woodburn adjacent to the Union Pacific railroad tracks on the west property line and Boones Ferry Road on the east property line. This site is currently designated for low-density residential use.

The Mixed Use Campus (MUC) designation would be a new plan designation in Woodburn, and is intended to create a "campus like" environment with industrial and commercial uses that are compatible with each other. Assuming that 50% of MUC land is developed with commercial uses and 50% is developed with industrial uses, this change would change the supply of buildable land by a decrease of 11.6 Low-Density Residential acres, a decrease of 24.6 Commercial acres, and an increase of 33.2 Industrial acres.

- **Increase density range and minimum density for low-density residential uses.** This change would increase the minimum lot size for single-family dwellings from 6,000 to 8,000 sq. ft. for residential land annexed into the city, retain the current 6,000 sq. ft. minimum for residential property currently within the city, allow a minimum lot size of 6,000 sq. ft. in planned unit developments, and allow duplexes outright on corner residential lots with a minimum lot size of 3,500 sq.

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<sup>2</sup> These changes are discussed as part of the Recommended Alternative on pages 10–27 of the *Woodburn Buildable Lands and Urbanization Project* report (McKeever/Morris Inc. et. al. 2000). The City had not adopted these changes at the time this report was completed.

ft. per unit. This change would result in higher-density residential development, effectively decreasing demand for low-density residential land by 8.9 acres.

- **Reduce off-street parking standards for retail development by changing the current minimum standard to a maximum standard.** This will increase the lot coverage of retail development, effectively reducing the demand for commercial land by 17.5 acres.
- **Allow accessory dwelling units in residential zones.** This change would allow accessory dwelling units in residential zones that are within the primary residential structure. Assuming 20 accessory units replace multi-family units effectively reduces the demand for high-density residential land by 1 acre.
- **Expand the UGB to offset the shortage of industrial land and to include all of the Tukwila residential development.** This action would add four areas to Woodburn's UGB to add 207.8 acres of industrial land and 28.7 acres of low-density residential land:
  - 97.5 net acres of industrial land located west of the Winco Foods property west of I-5.
  - 48.8 net acres of industrial land located northwest of the I-5 interchange.
  - 61.5 net acres of industrial land located adjacent to other industrial uses in the southeast corner of Woodburn.
  - 28.7 net acres of low-density residential land located adjacent to the northern city limit.

Other changes included in the Recommended Alternative would have a negligible affect on the supply or demand for buildable land, or have impacts that are too complex to estimate reliably. Table 3-2 summarizes the changes to the supply and demand of buildable land associated with the policy actions included in the Recommended Alternative of the buildable lands analysis. Table 3-2 shows that the adjustments included in the Recommended Alternative result in an overall surplus of 58.6 acres, rather than the 205.3-acre deficit shown in Table 3-1. Even with the adjustments included in the Recommended Alternative, Woodburn is estimated to have a 7.1-acre deficit of Commercial land and an 88.1-acre deficit of Industrial land. Demand for School Facilities (71.7 acres) is expected to be met by Low-Density Residential land, leaving a surplus of 149 acres.

**Table 3-2. Recommended adjustments to buildable land supply and demand in Woodburn, 1999–2020 (in acres)**

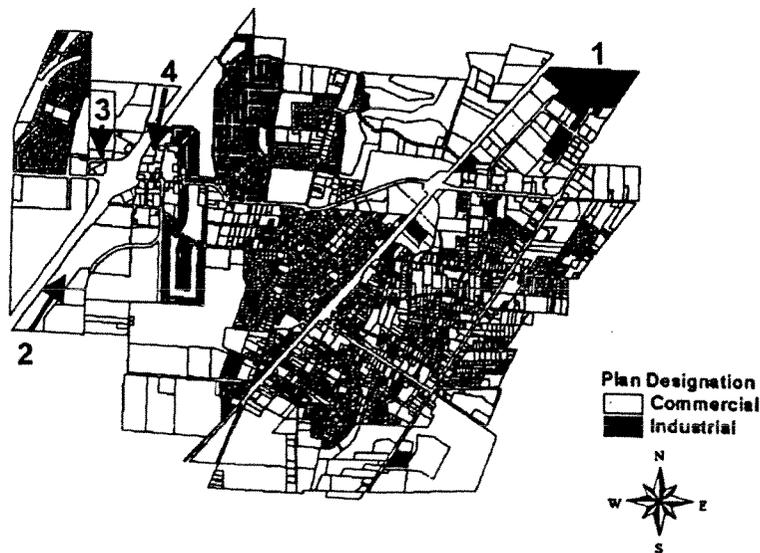
	Comprehensive Plan Designation					Total
	Low-Density Residential	High-Density Residential	Commercial	Industrial	School Facilities	
Current Land Supply	535.0	121.1	146.0	107.9	n/a	910.0
Change designated use to MUC	(11.6)	0.0	(24.6)	36.2	0.0	0.0
Expand the UGB	28.7	0.0	0.0	207.8	0.0	236.5
<b>Adjusted Land Supply</b>	<b>552.1</b>	<b>121.1</b>	<b>121.4</b>	<b>351.9</b>	<b>0.0</b>	<b>1,146.5</b>
Estimated Land Demand	340.3	117.3	146.0	440.0	71.7	1,115.3
Increase residential density	(8.9)	0.0	0.0	0.0	0.0	(8.9)
Reduce off-street parking standards	0.0	0.0	(17.5)	0.0	0.0	(17.5)
Allow accessory dwelling units	0.0	(1.0)	0.0	0.0	0.0	(1.0)
<b>Adjusted Land Demand</b>	<b>331.4</b>	<b>116.3</b>	<b>128.5</b>	<b>440.0</b>	<b>71.7</b>	<b>1,087.9</b>
<b>Total Land Surplus (Deficit)</b>	<b>220.7</b>	<b>4.8</b>	<b>(7.1)</b>	<b>(88.1)</b>	<b>(71.7)</b>	<b>58.6</b>

Source: ECONorthwest, summarized from McKeever/Morris Inc., W&H Pacific, E.D. Hovee & Company, Gabriele Development Services, and Manda Beckett Design. 2000. *Woodburn Buildable Lands and Urbanization Project*. Final report issued February 7. Pages 10–27.

Note: The Woodburn Buildable Lands and Urbanization Project findings had not been adopted by the City at the time this report was completed. The City had not adopted land use efficiency measures as required by ORS 197.296 at the time this report was completed.

Figure 3-1 shows vacant and partially-vacant parcels in Woodburn's UGB. Analysis of the inventory of vacant and partially-vacant parcels over five net buildable acres shows that Woodburn has only two vacant and three partially-vacant commercial parcels, and only four vacant and four partially-vacant industrial parcels, that meet this criteria. Woodburn has only no fully vacant parcels and one partially-vacant industrial parcel larger than 10 net buildable acres. Net buildable acres for each vacant and partially-vacant parcel was calculated in the *Woodburn Buildable Lands and Urbanization Project* report, and equals gross acres minus areas identified as wetlands and land that will be needed for public facilities.

**Figure 3-1. Vacant and partially-vacant commercial and industrial sites in Woodburn**



Note: Numbers identify potential development sites where contiguous parcels total more than 5 buildable acres.

OAR 660-009-0015 (3) requires an inventory of commercial and industrial sites. The rule allows contiguous parcels of one to five areas to be inventoried together. We identified sites with contiguous vacant or partially-vacant tax lots that together totaled over five net buildable acres. We identified four sites that met this criteria in Woodburn: two industrial sites, and three commercial sites.

**Table 3-3. Contiguous commercial and industrial sites of more than five acres**

Location/Tax Lot	Status	Total Acres	Gross Buildable Acres
<b>Industrial Sites</b>			
<b>Site 1: NE Front</b>			
051W05D 01800	Vacant	7.1	7.1
051W04C 03100	Partially-Vacant	20.9	6.9
051W05D 03500	Partially-Vacant	30.1	6.2
<b>Subtotal</b>		<b>58.1</b>	<b>20.1</b>
<b>Commercial Sites</b>			
<b>Site 3: SE of 214/I-5 Interchange</b>			
052W13 00200	Vacant	43.0	43.0
052W14 00100	Vacant	21.1	21.1
<b>Subtotal</b>		<b>64.0</b>	<b>64.0</b>
<b>Site 4: NE of 214/I-5 Interchange</b>			
052W12B 00600	Vacant	2.33	1.86
052W12B 00601	Vacant	1.83	1.83
052W12B 01000	Vacant	1.76	1.76
052W12B 01101	Vacant	1.30	0.93
<b>Subtotal</b>		<b>7.22</b>	<b>6.38</b>
<b>Site 5: NW of 214/I-5 Interchange</b>			
052W12AC04301	Vacant	2.43	2.43
052W12AC04303	Vacant	2.10	2.10
052W12AC04302	Vacant	2.01	2.01
052W12AC05100	Vacant	0.37	0.37
<b>Subtotal</b>		<b>6.91</b>	<b>6.91</b>

Source: Woodburn Buildable Lands Inventory, McKeever-Morris; analysis by ECONorthwest

Part of the rationale for conducting such an analysis is that Woodburn does not have many large commercial and industrial parcels. This analysis identified locations tax lots might be assembled into larger sites that could accommodate larger developments. Figure 3-1 shows the location of vacant and partially-vacant commercial and industrial parcels, and identifies sites where contiguous vacant or partially-vacant parcels total five or more net buildable acres or more.

Table 3-3 summarizes data for the sites identified in Figure 3-1. Site 1 includes three tax lots designated for industrial use with 16.9 net buildable acres. The three tax lots listed in site one are all in separate ownership.

The largest commercial site is adjacent to Interstate 5 and contains 64 net buildable acres. The site consists of two tax lots with the same owner. This site is currently designated for commercial use but would be designated for Mixed Use Campus under the Recommended Alternative in the buildable lands analysis. Two smaller commercial sites exist: one northwest of the I-5/Hwy 214 interchange, and one northeast of the I-5/Hwy 214 interchange. These sites have 6.4–6.9 net buildable acres, and both sites have four tax lots with three different owners.

In addition to the sites shown in Figure 3-1, Table 3-3 shows Site 5, which has 21.2 net buildable acres located on Molalla Road NE, just south of the MacLaren State Correctional Facility. This site consists of four parcels, each with different owners. This site is currently designated for commercial use but would be designated for Mixed Use Campus under the Recommended Alternative in the buildable lands analysis.

Remaining buildable commercial and industrial sites in Woodburn's UGB are scattered in relatively small lots. In addition to commercial and industrial sites currently in Woodburn's buildable lands analysis, the Recommended Alternative of the buildable lands analysis would change the land use designation of a parcel from residential to Mixed Use Campus, and expand the UGB to add three industrial development sites to the UGB (the UGB expansion sites are included as Industrial in the buildable lands analysis but may be designated Mixed Use Campus). These sites are:

- 11.6 net buildable acres on a triangular-shaped parcel in the southern portion of Woodburn, with the Union Pacific railroad tracks on the west property line and Boones Ferry Road on the east property line. This site is currently designated for low-density residential use but would be designated for Mixed Use Campus under the Recommended Alternative in the buildable lands analysis.
- 97.5 buildable net acres of land located west of the Winco Foods property along I-5 and on the east side of Butteville Road. This site has direct access to Butteville Road and Woodland Avenue, which connect to Highway 219 near the I-5 interchange. Water, sewer, and storm lines, as well as Woodland Avenue, are stubbed to the west property line of this site.
- 48.8 buildable net acres of land along Arney Road, north of the Factory Outlet northwest of the I-5 interchange. This site has access to Arney Road, an arterial, and public services about the site.
- 61.5 net buildable acres of land located adjacent to other industrial uses in the southeast corner of Woodburn, south of Highway 214 and straddling the railroad spur to Molalla. This site has access to

Highway 214 and the railroad, but the buildable lands analysis does not state the availability of public services at this site.

## LABOR FORCE

The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. The labor force in Woodburn is not limited to local residents; firms in Woodburn could attract workers from surrounding communities, and residents of Woodburn may work in other communities. Table 3-4 shows the number of Woodburn residents who commuted to other areas to work in 1996. Almost all of the commuters work in the Portland or Salem metropolitan areas. Data on the number of workers who commuted to Woodburn to work is not available.

**Table 3-4. Commuters from Woodburn, 1996**

<u>Workplace</u>	<u>Commuters</u>
Southeast Metro	1,069
West Metro	957
Portland	892
Salem-Keizer	816
Albany	26
Gresham	20
McMinnville	10
Eugene-Springfield	6
Corvallis	0
<u>Total Commuters</u>	<u>3,796</u>

Source: Oregon Department of Transportation, 1998. *Commuting in the Willamette Valley*. Salem: Transportation Planning Section, May.

The availability of labor is critical for economic development. A recent statewide survey in Oregon found that over one-third of Oregon's recently hiring employers had difficulty filling positions.<sup>3</sup> Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. 1997 data from Claritas shows unemployment in the 97071 zip code area (Woodburn) was 6.3% of the labor force, compared to 6.1% in Marion County, 4.9% in the North Valley region, and 6.1% in Oregon. These unemployment rates are relatively low and indicate a tight labor market exists in the region. While the higher unemployment rate in Woodburn may indicate that labor is relatively more available, it also may be higher there because the skills of available workers do not match up to the available jobs.

Direct information on the quality of the workforce is not readily available—it would require an extensive survey about worker's level of education, work experience, and an assessment of cognitive and physical skills. Demographic characteristics that are typically used to indicate the quality of the labor force include age distribution, educational attainment, employment by occupation or industry, and race/ethnicity.

<sup>3</sup> Oregon Employment Department, 2000. *Workforce 2000: An Oregon Employer Perspective*. Salem: Research Section, Workforce Analysis Unit, September.

**Table 3-5. Percent of population by age, 1997**

Source: Claritas. REZIDE 1996. Percentages calculated by ECONorthwest.

Age	Oregon	North Valley	Marion County	Woodburn
Under 18	26%	26%	27%	31%
18-34	22%	23%	23%	23%
35-49	24%	25%	23%	18%
50-64	14%	14%	14%	11%
65+	14%	13%	14%	17%
Total	100%	100%	100%	100%

Table 3-5 shows the share of population by age in Woodburn, Marion County, the North Valley region, and Oregon. This table shows that compared to other areas, Woodburn has a higher share of population in the under 18 and 65+ age groups. These age groups are generally outside the labor force, indicating that Woodburn has a smaller supply of labor than it would if its age distribution was closer to the Oregon average. Woodburn also has a

smaller share of population in the 35-49 and 50-64 age groups, which are the groups most likely to hold managerial or professional positions and be in the peak earning period of their career.

Table 3-6 shows the percent of population by the number of years of education completed. This table shows that Woodburn has a substantially higher share of population that completed only elementary school—20% in Woodburn compared to 6%-9% in other areas. Woodburn has a correspondingly lower share of population that completed 1-3 or 4+ years of college.

**Table 3-6. Percent of population by education completed, 1997**

Area	College 4+ Years	College 1-3 Years	High School 4 Years	High School 1-3 Years	Elementary 0-8 Years	Total Population
Oregon	21%	32%	29%	12%	6%	100%
North Valley	24%	34%	26%	11%	6%	100%
Marion Co.	18%	32%	29%	13%	9%	100%
Woodburn	11%	25%	29%	15%	20%	100%

Source: Claritas. REZIDE 1996. Percentages calculated by ECONorthwest.

The percent of population by race/ethnicity is shown in Table 3-7. This table shows that Woodburn has a substantially higher share of Hispanic population. The 2000 Census indicated that 50% of Woodburn's population is Hispanic; a figure considerably higher than the Claritas estimates. In 1997,

**Table 3-7. Percent of population by race/ethnicity, 1997**

Area	White	Black	Hispanic	Other	Total
Oregon	89%	2%	5%	4%	100%
North Valley	87%	3%	5%	5%	100%
Marion Co.	87%	3%	5%	5%	100%
Woodburn	66%	1%	32%	2%	100%

Source: Claritas. REZIDE 1996. Percents calculated by ECONorthwest.

Hispanics had a higher labor force participation rate (77%) than the overall state population (68%).<sup>4</sup> Hispanics also had a higher rate of unemployment in 1998 (8.5%) than the overall population (5.8%). The Oregon Employment Department identified skills mismatches, language, lack of transportation, and education as factors that may hinder Hispanics'

<sup>4</sup> *Hispanics in Oregon's Workforce, 1998*. Oregon Employment Department.

ability to compete well in the job market. A much higher percentage of Hispanics are in Farm, Forestry, and Agricultural occupations than the statewide population as a whole. Moreover, far fewer Hispanics are in professional occupations. This suggests that Hispanics earn less than other groups. According to the Oregon Employment Department, "there is little doubt that in Oregon, income levels are lower than those for all Oregonians."

Table 3-8 shows the percent of population by occupation. This table shows that a larger share of Woodburn residents are in the Farm/Forest/Fishing, Laborer & Handler, and Machine & Transportation Operators occupations, which are generally low-skill and low-wage occupations. Woodburn has a correspondingly low share of population in Executive/Administrative/Managerial and Professional occupations, which are generally high-skill and high-wage occupations.

**Table 3-8. Percent of population by occupation, 1997**

Occupation	Oregon	North Valley	Marion County	Woodburn
Execs, Admin, Mgrs	12%	13%	12%	9%
Professional	14%	15%	13%	9%
Technical	3%	3%	3%	2%
Sales	12%	12%	11%	9%
Admin & Clerical	15%	16%	16%	11%
HH Services	0%	0%	0%	0%
Other Services	13%	12%	15%	14%
Craft & Precision Prod.	11%	11%	11%	12%
Machine & Trans Operators	11%	10%	10%	14%
Laborer & Handler	4%	4%	4%	6%
Farm, Forest, Fishing	4%	3%	6%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Claritas. REZIDE 1996. Percents calculated by ECONorthwest.

The data in this section suggests that the labor force in Woodburn may lack the skills needed in industries with high-skill and high-wage occupations. If Woodburn wants to attract high-skill and high-wage industries it will need to rely on workers who reside outside of Woodburn, attract higher-skilled residents, or improve the education and training of existing residents.

## HOUSING

Housing is an important component of any economic development strategy. Goal 10 requires cities to develop strategies to provide housing affordable to households at all income levels. In addition to concerns about availability of housing affordable to lower income households, issues of providing higher quality housing for managers need to be considered in both housing and economic development strategies.

Moreover, ORS 197.296 requires communities to inventory buildable residential lands and conduct a housing needs analysis. Woodburn completed

such an analysis in February, 2000.<sup>5</sup> The analysis of housing in the section relies largely on information in the Woodburn buildable lands report. We also conducted interviews with local realtors and brokers to develop a broader understanding of the local housing market.

Table 3-9 shows building permits issued for new residential construction in Woodburn between 1988 and 1997. The data show about 1,280 permits were issued during this period. About 70% of residential building permits were issued for single-family dwellings; 38% of all residential permits were issued for manufactured or mobile homes.

**Table 3-9. Building permits issued for new residential construction, Woodburn UGB, 1988-1997**

Housing Type	Units	Percent of Units
Single-family	394	31%
Manufactured/Mobile Home	308	24%
Manufactured/Mobile Home Park	179	14%
Duplex	22	2%
Multiplex (3-6 DU)	91	7%
Multi-family (7+ DU)	286	22%
Total	1,280	100%

Source: *Woodburn Buildable Lands and Urbanization Project, Final Report*. McKeever/Morris, Inc., February 7, 2000.

Demographics are an important component of determining housing demand and need. The buildable lands study found several demographic trends relevant to discussions of future growth include population and household size:

- Sometime after 1980, the average household size in Woodburn started to increase, running counter to the regional and national trend of decreasing household sizes. This may be attributable, in part, to an increasing proportion of Hispanic families, which census data indicates have larger average household sizes.
- Of particular interest for housing are the results of the 1994 Woodburn Population Enumeration conducted by Portland State University that indicate larger households are concentrated in rental and multiplex units.
- Between 1990 and 1998, annual household income rose in the Woodburn zip code area (some employment and income data is only available by zip code). As of 1998, the proportion of households in the lower income brackets of under \$15,000 and \$15,000 to \$24,999 per year are approximately half their 1990 levels. The proportion of

<sup>5</sup> *Woodburn Buildable Lands and Urbanization Project, Final Report*. McKeever/Morris, Inc., February 7, 2000.

Woodburn area households with incomes between \$50,000 and \$99,999 doubled during the same period.

The buildable lands study also addressed concerns about jobs/housing balance. Table 3-10 shows that in 1990 there were 0.65 jobs available in the Woodburn zip code for every household. However, at the same time there were 1.06 employed persons per household, suggesting a jobs/housing imbalance. A job/housing imbalance may force residents to seek employment outside the community. Due to significant job growth, between 1990 and 1997, there were approximately 1.01 jobs available in the Woodburn zip code for every household.

**Table 3-10. Woodburn zip code (97071)  
jobs/household balance**

<b>Variable</b>	<b>1990</b>	<b>1997/98</b>
Average Employment	3,924	7,834
Peak Employment	5,009	9,794
Employment Low	3,023	6,710
Households	6,011	7,743
Jobs/Household	0.65	1.01

Source: *Woodburn Buildable Lands and Urbanization Project, Final Report*.  
McKeever/Morris, Inc., February 7, 2000.

Housing affordability was also a key issue addressed in the buildable lands study. Since 1990, single-family housing in Woodburn has been consistently more affordable than housing in surrounding communities. In 1998, the average sales price of a home in Woodburn was \$121,000, compared to \$133,500 in Mt. Angel, and \$161,700 in Silverton.

According to a housing needs analysis completed for Woodburn by E.D. Hovee & Company, empty nesters are buying the most expensive Woodburn homes—those located in new subdivisions around the Tukwila golf course. The homes were reportedly valued at \$200,000 and up.

The E.D. Hovee report estimates Woodburn will need an additional 3,052 dwelling units to accommodate population growth between 1998 and 2020. Hovee estimates about 73% of new housing will be single-family and about 27% will be multi-family.

The relationship between job creation, wages, and housing affordability is an important one. The data on employment trends in Woodburn area suggest that (1) incomes are less than county averages, and (2) that many of the jobs forecast in the area will be lower wage jobs. While housing in Woodburn is relatively affordable compared to other nearby communities, the structure of new job creation could lead to a greater affordability gap than exists today.

Data from the Oregon Employment Department conclusively show that Hispanics earn less than the statewide average at all education levels. Moreover, Hispanics have a lower percentage in professional occupations than the state as a whole.

The Department of Housing and Community Services (HCS) with DLCD developed a template to estimate housing needs consistent with the ORS 196.296 requirements. The template does not estimate needed units by housing type, but does estimate needed units by tenure and cost categories. The results for Woodburn, provided by HCS show a need for about 2,348 dwelling units between 2000 and 2020—a figure considerably less than the 3,052 new dwelling units between 1998 and 2020 estimated by E.D. Hovee & Company. The HCS model assumes a tenure split of 67% owner-occupied and 33% renter-occupied.

Table 3-11 shows needed rental units in 2000 and 2020 by rent cost. The results indicate an additional 782 new rental units are needed at all rental values between 2000 and 2020.

**Table 3-11. Needed rental units by rental value, 2000 and 2020, Woodburn UGB**

Rental Value	2000 DU	2020 DU	New Units Needed	Annual Wage Requirement
0-199	404	552	148	<10k
200 - 429	533	727	195	10k <20k
430 -664	437	596	160	20k <30k
665 -909	321	438	117	30k <40k
910 - 1149	305	417	112	40k <50k
1150 +	141	192	52	50k +
<b>Total</b>	<b>2,140</b>	<b>2,923</b>	<b>782</b>	

Source: Oregon Department of Housing and Community Services, February 2001  
 Note: rental values in 2000 dollars

Table 3-12 shows needed owner-occupied units in 2000 and 2020 by rent cost. The results indicate an additional 1,566 new owner-occupied units are needed at all rental values between 2000 and 2020.

**Table 3-12. Needed owner-occupied units by rental value, 2000 and 2020, Woodburn UGB**

Price	2000 DU	2020 DU	New Units Needed	Annual Wage Requirement
<60k	1,157	1,580	423	<10k
50k <90k	824	1,126	301	10k <20k
75k <120k	670	915	245	20k <30k
100k <150k	625	853	228	30k <40k
125k <225k	749	1,023	274	40k <50k
187.5k+	258	353	94	50K +
<b>Total</b>	<b>4,284</b>	<b>5,849</b>	<b>1,566</b>	

Source: Oregon Department of Housing and Community Services, February 2001  
 Note: price in 2000 dollars

The results of the OHCS model suggest that a substantial number of lower cost units will be needed. For example, 1,067 dwelling units will be needed for households with incomes under \$20,000. This is 45% of the City's total estimated housing need. While cost savings are possible, it is difficult to significantly decrease the cost of construction. Increasing wages is another strategy to bringing housing costs more in line with wages.

Economic development strategies pursued by the City could change the distribution of housing need. For example, successfully recruiting a high-wage manufacturing plant could create additional need for owner-occupied dwelling units in the \$187,000 and over category. The HCS model allows analysis of affordability gaps by comparing the implied distribution of needed housing units based on income and age, with the actual distribution. The results provided to ECONorthwest by HCS, however, did not include an evaluation of unmet housing need.\*

## **PUBLIC SERVICES**

The City of Woodburn's Comprehensive Plan contains goals and policies related to the provision of public services. Among these goals and policies are the following:

- The goal is to limit the amount of vacant land within the City in order to enjoy the benefits of an orderly development pattern, that reduces the rate that farm land is converted to urban use and the optimum use of public service and utility capacity.
- To insure the growth is orderly and efficient, the City shall phase the needed public services in accordance with the expected rate of growth. The extensions of public services should be in accordance with the master plans in this Comprehensive Plan.
- To insure that the City's growth does not exceed its ability to provide public services, the City shall adopt a growth control ordinance, similar to the Limited Growth Ordinance now in Effect. When and if the growth control is used, the City shall reexamine the public facilities plan and determine at that time if it is in the public interest to expand facilities to accommodate the additional growth.

These goal and policy statements make it clear that the City of Woodburn wants growth to occur in such a way that facilitates orderly expansion of public services, and that it does not want growth that will exceed the City's ability to provide public services. Thus, public service capacity is critical for economic development in Woodburn.

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\* This evaluation requires the current distribution of housing values and rent. Conducting a rent survey was not included in ECONorthwest's work program for this project.

According to City staff, no water or sewer capacity constraints exist at this time that would preclude development of lands designated for commercial and industrial uses. Moreover, staff indicated that there are no areas in the City that cannot be serviced with water and sewer. Some of the larger parcels in the Southern areas of Woodburn would require extensions that increase development costs, however, these parcels could still be serviced. Staff indicated that no major water or effluent quality problems exist.

In the longer term, the City will need to drill new wells. Staff indicated that the City has sufficient water rights at this time to accommodate forecast population and employment growth. The City has also planned ahead for development in some areas. For example, when the City extended Woodland road on the west side, the sewer line was developed in a manner that would increase the long-term capacity of that area.

The City is in the process of completing a stormwater management plan that will include new development standards. Staff indicated that any new facility will probably be required to construct detention ponds to reduce flow rate to pre-development, and to provide pre-treatment oil/water or vein type separator reduce oils or biological oxygen demand (BOD). Staff also indicated that the Pudding River has been designated as water quality limited by the Department of Environmental quality and that total maximum daily load (TMDL) standards may be slightly different in Woodburn than other nearby communities. Staff, however, were of the opinion that stormwater requirements in Woodburn would be comparable to other cities in the area.

## TRANSPORTATION

Several studies of Woodburn's transportation system have been recently completed, including the *Woodburn Transportation System Plan* (1996), *Highway 214 Alternatives Analysis Study* (1999), and the *I-5/Highway 214 Interchange Refinement Plan Study* (2000), as well as several traffic impact studies at key sites. This section will draw from these reports to summarize transportation conditions in Woodburn.<sup>7</sup>

Both the *Interchange Refinement Plan Study* and *Highway 214 Alternatives Analysis Study* used traffic projections based on population and employment projections for the Urban Growth Boundary area developed by City of Woodburn Community Development Staff. These projections were developed prior to the completion of the *Woodburn Buildable Lands and Utilization Project* (2000). The employment projection used to forecast traffic conditions indicated an increase in employment of 3,221 or 64% over the 1991–2020 period. The expected employment increase by area is shown in Table 3-13.

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<sup>7</sup> Key points from these documents were summarized by Kittelson & Associates in "Transportation Issues Associated With Economic Development Opportunities In Woodburn." Technical memorandum to Terry Moore from Phill Worth, Julia Kuhn, and Alan Danaher, February 26, 2001.

**Table 3-13. Employment increases built into 2020 traffic projections, 1991–2020**

	Retail & Service	Government/ Education	Industrial	Other	Total
West of I-5	485	0	616	20	1,121
South of Hwy 214 between I-5 and Boones Ferry Rd	790	0	0	0	790
East of Hwy 99E	340	0	361	0	701
North of Hwy 214 between Boones Ferry Rd and Hwy 99E	65	0	473	0	538
South of Hwy 214 between Boones Ferry Rd and Hwy 99E	73	0	0	0	73
North of Hwy 214 between I-5 and Boones Ferry Rd	39	-71	0	30	-2
<b>Total</b>	<b>1,792</b>	<b>-71</b>	<b>1,450</b>	<b>50</b>	<b>3,221</b>

Source: Interchange Refinement Plan (2000) and Highway 214 Alternatives Analysis, as summarized by Kittelson & Associates, "Transportation Issues Associated With Economic Development Opportunities In Woodburn," February 26, 2001.

To facilitate both local and regional growth, the plans identified several transportation system improvements that will be necessary, including:

- Improvement of the I-5 / Highway 214 interchange or construction of an additional I-5 interchange to serve Woodburn.
- Widening of Highway 214 to four lanes east of I-5 and improvements to the Highway 214 / Boones Ferry Road intersection.
- Improved access management on Highway 99E and development of a future two-lane roadway behind the existing businesses on the east of Highway 99E between Highway 211 and Highway 214.
- Extension of Crosby Road to connect with Highway 99E.
- Development of a southside arterial.
- Improved public transportation service.

## I-5 ACCESS

I-5 is the major roadway serving the Woodburn area with a focus on interstate commerce, including trucking and tourism, and is therefore critical to the economic vitality of the City of Woodburn. Transportation plans have found that the single interchange at I-5 at Highway 214 serving Woodburn is inadequate in its current configuration to serve future development in the City, both in terms of capacity and geometry. The *Woodburn Transportation System Plan* (TSP) identified three alternatives for improving I-5 access to be addressed in a subsequent interchange refinement study:

- Improve the existing Highway 214 interchange.

- Extend the existing Highway 214 interchange to the south to create a split diamond interchange with the south ramps, integrated with an extension of Highland Avenue that would cross I-5 and tie into a new Southside Arterial.
- Construct a new interchange at Butteville Road.

Subsequent to the Woodburn TSP, a new truck-fueling depot associated with the Winco Distribution Center west of I-5 was approved and constructed, along the original alignment identified for the extension of Highland Avenue over I-5. This placed a significant constraint on the future ability of tying an extension of Highland Avenue over I-5 to a Southside Arterial.

The 2000 *Interchange Refinement Plan* recommended improving the existing Highway 214 interchange with either a standard diamond or partial cloverleaf configuration. The traffic operations analysis of the partial cloverleaf interchange improvement (including four through lanes on Highway 214 across the interchange) revealed a reserve capacity in 2020 of about 630 vehicle trips during the weekday PM peak hour. This reserve capacity translates into about an added 1,230 employees of general light industrial development, or 1,370 employees of general office development, over and above the employment increases assumed in the 2020 Interchange Refinement Plan analysis.

It is important to note that in order for improvements to the existing interchange to be successful, the improvements to Highway 214 identified in the 2000 *Interchange Refinement Plan* and called for in the *Highway 214 Alternatives Analysis* between Oregon Way and Woodland Avenue must be completed. The improvements identified for each facility (the interchange and Highway 214) are inter-dependent. Doing one set of improvements without the other will not solve either problem.

## HIGHWAY 214

The *Highway 214 Alternatives Analysis* documented the need to widen Highway 214 to four through lanes east of the I-5 interchange. West of I-5, Highway 219 can be widened to four through lanes if needed in the longer term to serve added development on the west side of the interchange.

The 2020 corridor traffic operations analysis conducted along Highway 214 as part of the follow up *Interchange Refinement Plan* revealed that the Highway 214 / Boones Ferry Road interchange will be the future capacity constraint in the corridor, with a volume to capacity ratio during the weekday PM peak hour of 0.98. Boones Ferry Road will need to be widened to five lanes through the Highway 214 intersection, and added through and and/or turn lanes on Highway 214 will be required to serve 2020 traffic projections at an acceptable volume to capacity ratio.

With the recommended improvements to the I-5 / Highway 214 interchange, traffic accessing the undeveloped land east of I-5 and south of Highway 214 will have to access this property off Evergreen Road. This is also the major access to Highway 214 for the existing residential area south of Highway 214. With improvements, this intersection is projected to have a volume to capacity ratio of 0.73 during the 2020 weekday PM peak hour, thus having a reserve capacity of about 485 vehicles during the weekday PM peak hour. This translates into about 950 employees of general light industrial development or 1,050 employees of general office development, in addition to the employee increases previously reflected in the 2020 travel demand projections.

It is again important to note that in order for improvements to the existing interchange to be successful, the improvements to Highway 214 identified in the 2000 *Interchange Refinement Plan* and called for in the *Highway 214 Alternatives Analysis* between Oregon Way and Woodland Avenue must be completed. The improvements identified for each facility (the interchange and Highway 214) are inter-dependent. Doing one set of improvements without the other will not solve either problem.

## **HIGHWAY 99E**

There is the potential for new industrial development along Highway 99E north of Highway 214/211, as well as the potential for infill commercial/office/industrial development along this roadway between Highways 214/211 and south of the Highway 214 intersection. Improved access management through raised median development and driveway consolidation along Highway 99E is critical, as the roadway in the central section cannot be widened without major right-of-way impacts. The Woodburn TSP identifies the development of a future two-lane roadway behind the existing businesses on the east of Highway 99E between Highway 211 and Highway 214, which would open up access to the undeveloped industrial-zoned property in that area.

## **OTHER ROADWAY IMPROVEMENTS**

Extending Crosby Road to intersect Highway 214 would improve access to the undeveloped industrially zoned property on the northeast side of the City, and divert some traffic off Highway 214 from Highway 99E. Also, increased use of Crosby Road to access the Woodburn Factory Outlet Stores would reduce traffic on Highway 214 across I-5.

Development of a Southside Arterial would provide access to the undeveloped south west side of Woodburn, but the benefits would be limited unless it were tied to a second interchange on I-5 south of Highway 214, or it extended west across I-5. The section of the Southside Arterial between Highway 99E and Boones Ferry Road would primarily benefit new residential development emerging in that area.

## **WOODBURN TRANSIT SYSTEM**

There is a large transit-dependent and transit-supportive population living in Woodburn. An expansion of the City transit system to provide improved transit service to new employment centers will be required to assure that adequate access to jobs in the area is provided. The Woodburn TSP identified the expansion of bus service through converting the existing bus route to two-way operation, and expanding service coverage on both the north and south sides of Highway 214. A potential future transportation center was also identified to be developed in downtown Woodburn.

## **LOCAL RAIL SERVICE**

The existing Union Pacific Railroad mainline through Woodburn provides an opportunity for new industrial development in the City to use this facility for local rail service. Many undeveloped parcels are identified for such development along the railroad. The provision of added spur tracks could extend east and west of the rail mainline, though caution must be taken to limit the number of new rail/highway rail crossings.

Use of this rail corridor for higher speed passenger service in the Cascadia corridor from Eugene to Vancouver, British Columbia may increase pressure to avoid or reduce the number of at-grade crossings of the railroad, thus limiting the east-west connectivity in Woodburn.

Passenger rail service through Woodburn may present a long-run opportunity for economic development, particularly the revitalization of downtown Woodburn. Currently the Cascadia and Coast Starlight passenger trains do not stop in Woodburn. According to Bob Krebs, Passenger Rail specialist with the Oregon Department of Transportation, the City may be able to get passenger service in Woodburn if it can show that the stop would generate sufficient passenger traffic. The City would also need to fund construction of a passenger rail station.

Demonstrating sufficient demand for passenger rail service is the primary obstacle to getting a stop in Woodburn, as the city has historically produced low ridership when it was served by passenger rail or throughway bus service. It may be difficult for the City to show the potential ridership before the service is available in Woodburn, as having the service would be necessary to attract the type of development that would support ridership. Woodburn would also need to compete with other cities in the corridor that may want passenger service, and the number of stops the train can make is limited because of the impact on travel time, schedule, and other rail traffic.

Planned passenger rail service from Woodburn to the Oregon Gardens in Silverton may present an opportunity to get Cascadia service. A Cascadia stop in Woodburn would allow some travelers to connect to the Oregon Gardens service without driving on I-5.

While the potential for Cascadia service in Woodburn may seem unlikely in the near future, the City may want to preserve the long-run opportunity by protecting a site for a station and the parking and access that would be necessary for the station to function.

## **RENEWABLE AND NON-RENEWABLE RESOURCES**

Goal 9 requires economic development plans to be based on a consideration of the availability of renewable and non-renewable resources and pollution control requirements in the planning jurisdiction. Goal 9 goes on to state that economic projections should take into account the availability of natural resources to support the expanded development, and that plans to improve the economy should consider as a major determinant the carrying capacity of the air, land, and water resources of the planning area.

Agricultural land and regulations to protect threatened and endangered species are two resource issues with potential to affect economic development planning in Woodburn. The availability of buildable land and water supply issues are addressed elsewhere in this chapter.

Woodburn is located in the fertile French Prairie portion of the Willamette Valley, and it has traditionally served as an agricultural service center for northern Marion County. Agricultural production in the area has supported employment in Woodburn, both directly as in the Food Processing industry, and indirectly in the Retail Trade and Services sectors.

While employment in agricultural production and food processing is not expected to grow substantially in the forecast period, it should continue to play an important role in Woodburn's economy. Agriculture in Oregon is less constrained by regulation and environmental issues compared to other states, especially the water supply issues that are reducing the capacity of California farmers to supply fruit and vegetables. This may open an opportunity for Willamette Valley farmers and processors to boost production and market share in fresh and processed foods. A threat to agricultural activity in Woodburn and the surrounding area is population growth in the Willamette Valley, may reduce the amount of land in production by converting agricultural land to urban and rural residential uses.

The listing of the upper Willamette Spring Chinook and Steelhead may have widespread effects in the Willamette Valley because these fish swim and spawn in the Willamette River and its tributaries. Because these species were only recently listed as threatened, specific regulations to protect these species have not been adopted. However, it is widely anticipated that regulations will impact economic activity by restricting some agricultural practices, increased standards for storm and sanitary sewer discharges into waterways, and further limiting development near streams and rivers.

Regulations to protect salmon will be imposed throughout the Willamette River basin. Regulations to protect salmon should have less of an impact in Woodburn than in many other Willamette Valley communities, because

Woodburn is not located on the Willamette River or one of its tributaries, and Woodburn's Comprehensive Plan identifies only Senecal Creek and Mill Creek as potential fish habitat. In this context the implementation of regulations to protect salmon may create a comparative advantage for development sites in Woodburn. While these measures may impose significant costs to specific activities at specific sites, overall they are unlikely to significantly affect the overall level of income or employment in the Willamette Valley.

## QUALITY OF LIFE

Quality of life is difficult to assess because it is subjective—different people will have different opinions about factors affect quality of life, desirable characteristics of those factors, and the overall quality of life in any community. Economic factors such as income, job security, and housing cost are often cited as important to quality of life. These economic factors and overall economic conditions are the focus of this report, so this section will focus on non-economic factors that affect quality of life.

Quality of life can be important for economic development in Woodburn because it affects the relative attractiveness of the city to migrants. Net migration is expected to make up about 70% of the Oregon's population growth over the next twenty years.<sup>•</sup> A relatively desirable quality of life may help Woodburn attract more migrants than it otherwise would. Most migrants bring work skills that will help increase availability of labor in the region and support economic activity in the construction, retail trade, and services sectors. Some migrants may be highly-skilled and can help generate further economic development by adding their skills to existing businesses or by attracting new businesses to the area.

The developed portions of Woodburn contribute to quality of life by providing schools, public safety, shopping, parks, and cultural activities, and Woodburn's location near Portland allows its residents to enjoy the cultural opportunities of a larger urban area. Woodburn's size and location allow its residents to enjoy these urban amenities while maintaining a small-town or rural lifestyle and having access to outdoor recreational opportunities. While Woodburn shares these quality of life attributes with other communities in the Willamette Valley, the combination of proximity to larger cities with a small-town or rural lifestyle will become increasingly scarce as population growth continues. A challenge for Woodburn will be maintaining the qualities of a small town while accommodating population and employment growth. To the extent that Woodburn becomes more like other suburban communities it will lose the advantage of having small-town character with proximity to larger urban areas.

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<sup>•</sup> State of Oregon, Office of Economic Analysis. January 1997. *Long-Term Population and Employment Forecasts for Oregon*. Salem: Department of Administrative Services.

This chapter builds on Woodburn's opportunities and constraints as well as our analysis of national, state and regional economic trends to identify target industries.

## CRITERIA FOR SELECTING TARGET INDUSTRIES

Selecting target industries is not an easy task. First, there is the issue of deciding how many industries to target. This depends on the purpose of the targeting. For the purpose of the Economic Opportunity Analysis, we believe that targeting 10-15 industries will provide potential for more focused analysis of site needs and for coordinated efforts to attract good jobs to Woodburn.

Both the attractiveness of the industry to Woodburn and the attractiveness of Woodburn to the industry must be considered when selecting target industries. These considerations are embodied in the criteria used to select target industries in this chapter. These criteria are:

- **1999 employment in Woodburn and the North Valley region.** Industries with significant existing employment in the North Valley Region are the industries most likely to have significant growth opportunities. Small industries are unlikely to add great numbers of employees or have an impact on Woodburn's economy, even if their expected employment growth rate and average payroll are high.
- **Employment growth 1990–1999 in Woodburn and the North Valley region.** Past employment growth can be an indicator of the potential for future employment growth. Industries that have been growing in the community in recent times may continue to grow in the future.
- **Expected employment growth 1998–2008 in Workforce Region 3 and the Portland Area.** Employment forecasts indicate whether an industry is going to gain or shed jobs in the area. For the target industry analysis we use 1998–2008 employment forecasts from the Oregon Employment Department for Workforce Region 3 (Marion, Polk, and Yamhill Counties) and the Portland Area (Clackamas, Clark, Columbia, Multnomah, Washington, and Yamhill Counties).
- **Regional average payroll per employee.** Average wages vary quite a bit. Retail and service industries tend to have lower wages, while manufacturing industries tend to have higher wages.

These criteria were used to identify potential target industries for further analysis. High-wage industries with the best prospects for growth were then further evaluated using the following criteria:

- **Local and regional location quotient.** A location quotient is the ratio of the percentage share of an industry's employment in the local economy to the percentage share of that industry's employment in a larger area. Thus it reflects the relative concentration of an industry in a particular area. For example, if mitten manufacturing accounts for 5% of employment in Woodburn but 10% of employment in the North Valley region, the local location quotient for mitten manufacturing is 0.5. A location quotient can have opposite interpretations depending on circumstances. A location quotient less than one suggests that the local economy may be able to attract its share of regional employment in that industry, or that the local economy has a comparative disadvantage for firms in that industry. A location quotient greater than one suggest that the local economy may not be able to attract more employment in that industry because it already has more than its regional share, or that the local economy has comparative and competitive advantages for firms in that industry that may lead to further growth.

Location quotients were calculated for Woodburn and the North Valley region. Comparing location quotients essentially compares one mixed message with another, but in general:

- When both are lower than one it suggests that the region is not attractive to firms in that industry, although in some cases there may be an opportunity to attract firms in that industry.
- High location quotients in both Woodburn and the North Valley suggests that the region has a comparative advantage for firms in that industry, but growth prospects depend on national economic conditions and industry trends.
- A high location quotient in the North Valley but low in Woodburn suggests the region has comparative advantages for firms in that industry and Woodburn may be able to attract a larger share of employment in that industry.
- A low location quotient in the North Valley but high location quotient in Woodburn suggests that the region does not have a comparative advantage in that industry, and the local prospect for growth is low.
- **Environmental characteristics.** For some industries, air or water emissions, noise, vibration, or traffic congestion might be an issue of concern to Woodburn.
- **Compatibility with public utilities.** In some cases, an industry's expected use of water, sewer, drainage, or electricity infrastructure might be higher than normal. This is not necessarily negative, unless Woodburn's public utilities could not efficiently provide the needed capacity.

- **Other factors.** These include consideration of whether the industry is a primary one that is likely to attract outside dollars and have high spin-off effects, and whether the location is one that makes sense for industries in terms of proximity to markets and suppliers.

## POTENTIAL TARGET INDUSTRIES FOR WOODBURN

### FIRST-ROUND EVALUATION

ECO narrowed the list of nearly 70 industries to 24 *potential* target industries through the application of the first set of criteria described above. In applying the criteria, ECO separated the industries into two groups to reflect their different nature. The first group includes industries commonly referred to as **Industrial**—those in the Construction, Manufacturing, Transportation/Communication/Utilities, and Wholesale Trade sectors. The second group includes **Non-Industrial** industries—those in the Agriculture, Mining, Retail Trade, Finance/Insurance/Real Estate, Services and Government sectors.

Standards for each criteria were set to identify target industries. While the criteria are the same for Industrial and Non-Industrial industries, the standards vary to reflect different conditions in each set of industries.

- **1999 employment:** over 1,000 for industries in the North Valley region. Industries below these thresholds may be too small to generate significant opportunities for employment growth in Woodburn.
- **Employment growth 1990–1999:** over 10% for Industrial firms and over 20% for Non-Industrial firms because of a higher average growth rate in Non-Industrial industries.
- **Expected employment growth 1998–2008:** over 0% for Industrial industries and over 10% for Non-Industrial industries, again because of a higher average growth rate in Non-Industrial industries.
- **Regional average payroll per employee:** over \$35,000 for Industrial industries and over \$30,000 for Non-Industrial industries, because of the higher average payroll per employee levels in Industrial industries.

These criteria and standards were used to make a first pass at identifying potential target industries for Woodburn. To make it to the second round of evaluation, industries had to meet the standards for all criteria. The results of applying the criteria to Industrial and Non-Industrial industries are shown in Tables 4-1 and 4-2. The shading in the table represents criteria on which the industries failed the standards listed. The 24 industries that are shaded are those that were not selected as potential target industries for a second round of evaluation.

**Table 4-1. First-round criteria for selecting potential industrial target industries**

INDUSTRIAL CONSTRUCTION, MANUFACTURING, TCU, WHOLESALE								
SIC	CRITERIA-->	1999 Employment		Employment Growth 90-99		Employment Growth 98-08		Regional Average Payroll per Employee
		97071 Zip Code Area	North Valley Region	97071 Zip Code Area	North Valley Region	Region 3	Portland Area	
C	STANDARD-->	none	>1,000	Either >10%		Either >0% (if data available)		>\$35K
15	General Building Contractors	172	12,011	173%	44%			\$39,892
16	Heavy Construction	13	4,873	-43%	31%			\$45,209
17	Special Trade Contractors	198	33,527	69%	53%			\$37,381
20	Food & Kindred Products	776	13,401	12%	2%	2%	-4%	\$29,139
22	Textiles		1,014		-34%		-18%	\$33,533
23	Apparel		2,053		-10%		-7%	\$21,496
24	Lumber & Wood Products	1,013	10,823	32%	-8%	2%	-6%	\$34,982
25	Furniture		2,759		29%		8%	\$30,241
26	Paper & Allied Products		3,791		-9%		0%	\$47,712
27	Printing & Publishing	27	11,224	-16%	22%		8%	\$37,068
28	Chemicals		1,963		36%		8%	\$43,100
29	Petroleum & Coal		334		-43%			\$46,687
30	Rubber & Plastics		5,297		51%		20%	\$30,476
31	Leather		329		-18%		-7%	\$25,595
32	Stone, Clay, & Glass		3,391		29%		17%	\$36,253
33	Primary Metal		8,282		-1%		7%	\$44,561
34	Fabricated Metal		11,979		26%		14%	\$35,095
35	Industrial Machinery & Equipment	129	15,372	63%	20%		9%	\$50,087
36	Electronic & Electric Equipment		27,049		102%		30%	\$70,421
37	Transportation Equipment		12,719		25%		23%	\$46,794
38	Instruments		8,489		-22%		5%	\$55,428
39	Miscellaneous Manufacturing		2,462		-10%		11%	\$31,830
40	Railroad							\$17,645
41	Passenger Transit		3,337		37%			\$18,841
42	Trucking & Warehousing	123	16,341	92%	4%	21%	22%	\$35,280
44	Water Transportation		1,954		67%			\$50,295
45	Air Transportation		10,593		156%			\$34,502
46	Pipelines							
47	Transportation Services		3,906		25%	21%	22%	\$33,488
48	Communications	23	8,426	44%	10%	15%	4%	\$52,649
49	Electric, Gas, Sanitary		6,270		21%		16%	\$62,150
50	Wholesale Trade: Durables	166	37,840	181%	10%		19%	\$46,682
51	Wholesale Trade: Nondurables	128	28,589	198%	29%		20%	\$45,596

Source: Oregon Employment Department, confidential ES-202 data provided to ECONorthwest, and Industry Projections 1998-2008. Calculations and summary by ECONorthwest.

Notes: Shaded cells indicate that the industry failed under the listed criteria.

**Table 4-2. First-round criteria for selecting potential non-industrial target industries**

NON-INDUSTRIAL: AGRICULTURAL SERVICES, RETAIL, FIRE, SERVICES, GOVERNMENT							
CRITERIA-->	1999 Employment		Employment Growth 90-99		Employment Growth 98-08		Regional Average Payroll per Employee
	97071 Zip Code Area	North Valley Region	97071 Zip Code Area	North Valley Region	Region 3	Portland Area	
STANDARD-->	none	>1,000	Either >20%		Either >10% (if data available)		>\$30K
01 Agricultural Production - Crops	775	15,152	14%	23%			\$18,104
02 Agricultural Production - Livestock		846		-6%			\$23,364
07 Agricultural Services	403	9,142	476%	89%			\$20,815
08 Forestry	36	1,470	-60%	-18%			\$22,167
09 Fishing, Hunting, Trapping		18		64%			\$40,381
52 Building Materials	144	6,912	-10%	60%		24%	\$26,597
53 General Merchandise	307	22,075	326%	20%	28%	20%	\$23,904
54 Food Stores	880	21,283	221%	-2%	17%	15%	\$20,741
55 Automotive Dealers & Service	274	18,896	41%	29%		18%	\$32,423
56 Apparel	61	9,626	281%	40%		15%	\$19,131
57 Furniture	42	8,914	163%	50%		18%	\$27,192
58 Eating & Drinking	548	61,201	42%	31%	19%	22%	\$12,444
59 Miscellaneous Retail	84	18,264	79%	29%		20%	\$18,863
60 Depository Institutions	76	14,676	4%	5%		18%	\$34,885
61 Nondepository Institutions		6,937		136%		18%	\$46,419
62 Security & Commodity Brokers		3,016		83%		18%	\$94,926
63 Insurance Carriers		14,314		23%		9%	\$42,024
64 Insurance Agents	24	6,033	0%	34%		9%	\$39,821
65 Real Estate	111	14,543	122%	46%		15%	\$27,425
67 Holding & Investment Offices		1,407		-13%		18%	\$85,491
70 Hotels & Lodging Places	58	10,216	76%	27%		20%	\$16,499
72 Personal Services	49	8,051	-4%	13%		14%	\$18,843
73 Business Services	88	68,241	126%	82%	38%	51%	\$31,253
75 Auto Repair & Services	59	10,009	5%	42%		30%	\$25,886
76 Miscellaneous Repair	7	2,620	40%	-27%			\$31,091
78 Motion Pictures		4,910		104%		36%	\$24,175
79 Amusement & Recreation	65	11,640	76%	91%		36%	\$22,387
80 Health Services	212	63,475	-2%	24%	19%	20%	\$36,003
81 Legal Services	16	7,228	7%	13%		13%	\$48,353
82 Educational Services	29	13,357	26%	50%		40%	\$25,073
83 Social Services	185	24,879	671%	75%		43%	\$16,716
84 Museums	0	668		12%			\$21,780
86 Membership Organizations	87	14,388	32%	40%			\$19,130
87 Engineering & Management	20	20,042	-13%	39%	38%	30%	\$45,272
88 Private Households		1,583	-40%	68%			\$15,234
89 Services NEC	0	287		23%			\$45,249
Local Government	841	86,691	79%	40%	16%	16%	\$33,404
State Government		27,331		-13%	8%	14%	\$35,765
Federal Government		16,857		-5%	5%	2%	\$44,412

Source: Oregon Employment Department, confidential ES-202 data provided to ECONorthwest, and Industry Projections 1998-2008. Calculations and summary by ECONorthwest.

Notes: Shaded cells indicate that the industry failed under the listed criteria.

## SECOND-ROUND EVALUATION

The 24 industries identified as potential target industries in the first round of evaluation were further evaluated based on a second set of criteria, including location quotients, environmental characteristics, compatibility with public infrastructure, and other factors. This evaluation is more qualitative than the measurable criteria used in the first round of identifying target industries. Table 4-3 provides our evaluation of these industries. As with the first round of evaluation, shading means that the industry failed according to the criteria listed. Shaded industries were not selected as target industries.

**Table 4-3. Second-round criteria for selecting target industries**

SIC Industry	Location Quotient		Comments on Location Quotients	Environmental Characteristics	Compatibility with Infrastructure	Other Comments
	Local Relative to Region	Regional Relative to U.S.				
15 General Building Contractors	1.58	1.11				Ancillary to other industrial and residential growth
16 Heavy Construction	0.29	0.78	Low regional and local shares; unlikely that industry finds comparative advantage in region or Woodburn			Ancillary to other industrial and residential growth
17 Special Trade Contractors	0.85	1.12				Ancillary to other industrial and residential growth
27 Printing & Publishing	0.28	1.01	Potential for growth in Woodburn as regional share is not too low			
28 Chemicals	2.64	0.27	High local share of small regional share	Potential source of water and air pollution and toxic wastes		
32 Stone, Clay, & Glass	0.28	0.85				
34 Fabricated Metal	0.45	1.12				
35 Industrial Machinery & Equipment	0.92	1.02				
36 Electronic & Electric Equipment	0.00	2.31	Potential for growth in Woodburn due to high regional share		Some firms require large quantities of clean water	
37 Transportation Equipment	0.00	0.96	Potential for growth in Woodburn as regional share is not too low			
42 Trucking & Warehousing	0.83	1.26			Places high demand on transportation system	
44 Water Transportation	0.00	1.49				Not practical in Woodburn, which lacks navigable waterways
48 Communications	0.30	0.77	Low regional and local shares; unlikely that industry finds comparative advantage in region or Woodburn			
49 Electric, Gas, Sanitary	0.72	1.03				Ancillary to other industrial and residential growth
50 Wholesale Trade: Durables	0.48	n/a	Potential for growth in Woodburn if regional share is not too low		Places high demand on transportation system	
51 Wholesale Trade: Nondurables	0.49	n/a	Potential for growth in Woodburn if regional share is not too low		Places high demand on transportation system	
55 Automotive Dealers & Service	1.60	1.10				Ancillary to other industrial and residential growth
61 Nondepository Institutions	0.05	n/a	Potential for growth in Woodburn if regional share is not too low			Primarily located in central city/suburban locations, but may be opportunity for back office operations
62 Security & Commodity Brokers	0.11	0.59	Low regional and local shares; unlikely that industry finds comparative advantage in region or Woodburn			
73 Business Services	0.14	1.03	Potential for growth in Woodburn as regional share is not too low			Primarily located in central city/suburban locations, but may be opportunity for back office operations
78 Miscellaneous Repair	0.29	0.95	Potential for growth in Woodburn as regional share is not too low			Ancillary to other industrial and residential growth
80 Health Services	0.37	0.87	Potential for growth in Woodburn as regional share is not too low			Major hospitals located in regional centers (Portland & Salem), but may be opportunity for clinical services
87 Engineering & Management	0.11	0.82	Potential for growth in Woodburn as regional share is not too low			
Local Government	1.07	0.99				Ancillary to other industrial and residential growth

Source: Oregon Employment Department ES-202 data, ECONorthwest.  
 Notes: Shaded cells indicate that the industry failed under the listed criteria.

## LOCATION QUOTIENTS

As we mentioned earlier, location quotients are difficult to interpret despite their quantitative nature. In general, we believe that regardless of the *local* location quotient in Woodburn, a high *regional* location quotient means the region has a significant share of employment, and Woodburn could possibly take advantage of the region's comparative advantage. The converse of this is that low regional location quotients are negative; they provide an unfavorable assessment about the region's comparative advantage, which may not be altered by Woodburn's economic development strategies.

Even if the local location quotient for Woodburn is high, meaning that Woodburn has a comparative advantage in that industry within the region, the *region* must have some minimum location quotient in that industry, otherwise Woodburn's high share of regional employment represents a high share of something fairly insubstantial.

Because of the difficulty in interpreting these location quotients, we only used them to eliminate three industries (heavy construction, communications, and security and commodity brokers). We did so where both the local and the regional location quotients were less than 0.8, indicating that neither the region nor Woodburn has a comparative advantage in these industries.

## ENVIRONMENTAL CHARACTERISTICS

Though many industries are potentially detrimental to the environment, we considered only the chemicals industry to have serious enough issues in this regard to warrant its exclusion from the target industries list.

## COMPATIBILITY WITH INFRASTRUCTURE

Though several industries place a high demand on the transportation system, and electronic fabrication industries can use high quantities of water, without detailed modeling we cannot justify the conclusion that Woodburn is incapable of supporting these industries.

## OTHER FACTORS

Six industries, including construction industries, automotive dealers, repair services, and local government, were eliminated from the target industry list because they are ancillary in nature. Because they are dependent on growth in other industries and the residential population, they are difficult to target.

## FINAL TARGET INDUSTRIES

Table 4-4 lists the 13 target industries that were selected after the first-round and second-round evaluations.

**Table 4-4. Target industries for Woodburn**

SIC Industrial Industries		SIC Non-Industrial Industries	
27	Printing and Publishing	61	Nondepository Institutions
32	Stone, Clay, & Glass	73	Business Services
34	Fabricated Metal	80	Health Services
35	Industrial Machinery & Equipment	87	Engineering & Management
36	Electronic and Electric Equipment		
37	Transportation Equipment		
42	Trucking & Warehousing		
50	Wholesale Trade: Durables		
51	Wholesale Trade: Nondurables		

Source: ECONorthwest.

The types of firms included in each target industry category are described in Appendix B of this report.

## **LOCATIONAL AND SITE NEEDS OF FIRMS IN TARGET INDUSTRIES**

The required site and building characteristics for the target industries range widely. As such, a variety of parcel sizes, building types and land use designations are required to attract target industries.

There are generally four types of site classifications for the target industries: large lot industrial sites (40-80+ acre parcels); campus research and development (R&D) and smaller manufacturing sites (20 to 40 acre parcels); smaller light industrial/office sites (4-20 acre parcels); and speculative space within office/flex and mixed-use developments. This section describes some of the locational and site needs of typical firms in target industries.

Large lot target industries include Electronic and Electric Equipment manufacturing (i.e., silicon chip fabrication plants). These users are generally more land intensive (typical site requirements exceed 100 acres) and have a relatively high level of environmental and water system impacts.

Industries with firms that may locate in campus research and development (R&D) and manufacturing sites include Electronic and Electric Equipment and the rest of the manufacturing industries may fall into this category.

Smaller light industrial/office sites (4-20 acre parcels) and speculative space within office/flex and mixed-use developments could accommodate smaller manufacturing firms, firms in Wholesale Trade and all of the Non-Industrial target industries.

Table 4-5 summarizes the lot sizes needed for firms in target industries for which data is available at this time.

**Table 4-5. Typical lot size requirements for firms in target industries**

Industry	Lot Size (acres)	Site Needs
Printing & Publishing	5 – 10	
Stone, Clay & Glass	10 – 20	Flat
Fabricated Metals	10 – 20	Flat
Industrial Machinery	10 – 20	Flat
Electronics – Fab Plants	40 – 80+	Suitable soil
Electronics – Other	10 – 30	
Transportation Equipment	10 – 20	Flat
Trucking & Warehousing	varies	
Wholesale Trade	varies	
Non-Depository Institutions	1 – 5	
Business Services	1 – 5	
Health Services	1 – 10	
Engineering & Management	1 – 5	

Source: ECONorthwest.

More specific locational issues for firms in target industries include the following issues:<sup>1</sup>

- **Land use buffers:** According to the public officials and developers/brokers ECO has interviewed, industrial areas have operational characteristics that do not blend as well with residential land uses as they do with office and mixed-use areas. Generally, as the function of industrial use intensifies (e.g., heavy manufacturing) so too does the importance of buffering to mitigate impacts of noise, odors, traffic, and 24-hour 7-day week operations. Adequate buffers may consist of vegetation, landscaped swales, roadways, and public use parks/recreation areas. Depending upon the industrial use and site topography, site buffers range from approximately 50 to 100 feet. Selected commercial office, retail, lodging and mixed-use (e.g., apartments or office over retail) activities are becoming acceptable adjacent uses to light industrial areas.
- **Flat sites:** Flat topography (slopes with grades below 10%) is needed for manufacturing firms, particularly large electronic fabrication plants and 10+ acre fabricated metals and industrial machinery manufacturing facilities.
- **Parcel configuration and parking:** Industrial users are attracted to sites that offer adequate flexibility in site circulation and building layout. Sites must also provide adequate parking, vehicular

<sup>1</sup> Fortune 500 companies appear to be trending towards suburban locations for corporate campus facilities. Relatively low cost land, flexibility for future growth, and proximity to labor force are typical reasons for locating facilities such as Nike, Intel, In-Focus, and Tektronix in suburban locations. Given the relatively high cost of land in California and Washington, and short supply of sites over 20 acres throughout the western United States, there is an emerging opportunity for the Woodburn area. Woodburn is close enough to the high-tech areas of Wilsonville and Washington County to be a viable option for a corporate campus. Firms in Electronic and Electric Equipment and Business Services have potential in this regard.

circulation and open space. Parking ratios of 1.5 to 2.5 spaces per 1,000 square feet are typical design requirements. In general rectangular sites are preferred with parcel width of at least 200-feet and length that is at least two times the width for build-to-suit sites. Parcel width of at least 400 feet is desired for flex/business park developments.

- **Soil type:** Soils stability and ground vibration are fairly important considerations for special high precision manufacturing processes, such as assembling 650 megahertz or higher speed microchips.
- **Building density:** Today's industrial buildings are designed to accommodate materials shipments, goods storage, manufacturing processes, and administrative and customer-support functions. In addition to solid foundations to accommodate the weights of fork lifts moving heavy goods as well as machinery, interior ceiling heights of 18 to 28 feet are expected for manufacturing facilities. Even higher ceiling heights (of up to 45 feet) are expected for warehousing facilities. The ratio of building floor area to site area (FAR) typically ranges from 0.35 for industrial/flex buildings to 0.5 for office buildings. Building depth for industrial and flex buildings is often 100 to 120 feet, while width varies significantly.
- **Air transportation:** Proximity to air transportation is also key for high technology manufacturing industries, particularly those in the Electronic and Electric Equipment and Industrial Machinery industries. The distance of Woodburn to a major airport could be a drawback in attracting the target industries.
- **Fiber optics and telephone:** In the near future, most if not all industries shall expect access to high-speed internet communications. Some industries, such as internet hotels (a subset of SIC 73—Business Services), require the largest fiber optic telecommunications system available, while others need only redundant T-1 capacity.
- **Potable water:** Potable water needs range from domestic levels to 300 kgpd (thousands of gallons per day). Significantly higher levels of water demand are associated with selected industries in SIC 36 (i.e., silicon chip fabrication plants). However, emerging technologies are allowing these industries to rely on recycled water with limited on-site water storage and filter treatment. The demand for water for fire suppression also varies.
- **Power requirements:** Electricity power requirements range from redundant 115 kva to 230 kva. Average daily power demand (as measured in kilowatt hours) generally ranges from approximately 5,000 kwh for small business service operations to 30,000 kwh for very large manufacturing operations. The highest power requirements are associated with SICs 34, 36 and telecom hotels (within SIC 73). For comparison, the typical household requires 2,500 kwh per day.

- **Transportation:** All of the target industries with the possible exception of business services are heavily dependent upon surface transportation for efficient movement of goods, commodities and their workers. Proximity to I-5 is a key attribute to Woodburn and would be acceptable to most of the target industries. An adequate highway and arterial roadway network would be needed for all industries (including business services).
- **Transit:** Transit access is most important to the target industries with the greatest jobs density and consumer activity, particularly SIC 73.
- **Pedestrian and bicycle facilities:** The ability for workers to access amenities and support services such as retail, banking, and recreation areas by foot or bike is increasingly important to employers. Very large employers (with over 500 employees) tend to provide on site amenities such as food service, day care, dry cleaning and banking. However, the majority of job growth is in small to medium sized employers who rely on off site amenities. The need for safe and efficient bicycle and pedestrian networks will prove their importance overtime as support services and neighborhoods are developed adjacent to employment centers.
- **Employee training:** It is important for firms in high-tech and other industries to have nearby facilities where employees can conveniently receive training on latest technologies and skills.

In summary, there is a wide range of site requirements for the potential target industries. While all of the industries rely on efficient transportation access and basic water, sewer and power infrastructure, they have varying need for parcel size, slope, configuration, and buffer treatments. Transit, pedestrian and bicycle access are needed for commuting, recreation and access to support amenities.

All the preceding technical work contained in this report has been structured to comply with the Goal 9 requirements for an "Economic Opportunity Analysis." That information and structure is useful to the City for procedural reasons: it allows the City to demonstrate to state agencies that it has met state planning requirements.

Equally, if not more, important from the City's perspective is that the information is a base from which possible futures and policy options can be generated and evaluated. That evaluation will, in turn, lead to changes in policy that the City believes will increase its possibilities for achieving the future it decides to pursue.

Since the beginning of this project, the City has been clear about the direction it wants to head. In short, City staff have represented that they, the City Council, and the voters the Council represents are in favor of economic growth; would like to see higher-paying, non-polluting jobs to Woodburn; and would like to see the development of more higher-end housing consistent with the incomes that employees in such industries will be paid.

Thus, in this study we have tried to adjust the standard requirements of an Economic Opportunity analysis to address the specific economic development issues of interest to the City. The study has tried to:

- Determine Woodburn's comparative advantages and constraints in the regional economic market place (this report)
- Identify potential appropriate industrial and commercial firms with higher paying jobs, and the demographic, locational, site and infrastructure characteristics desired by these firms (this report)
- Evaluating what it would take (in terms of investment, City policy changes, plan and code amendments and state approvals) to move in the direction of desired changes (following report on *Development Strategies*).

This chapter draws conclusions from the information presented in previous chapters and addresses the first two issues listed above: determining Woodburn's comparative advantage, and identifying target industries. The third issue, evaluating steps to move in the direction of desired changes, will be addressed in the subsequent *Development Strategies* report. The *Development Strategies* report will describe a vision for Woodburn's future economic development, founded on factual information, that simultaneously meets state planning requirements.

The following conclusions are intended to raise issues for consideration in the in the next phase of this project. Some conclusions address economic development opportunities; others economic development constraints. While the conclusions ultimately relate to each other in diverse ways ways, we structure them around several key topics for the purpose of discussion.

# TARGET INDUSTRIES

Economic growth in the northern Willamette Valley region presents an opportunity for Woodburn to attract firms in relatively high-wage industries. Chapter 5 identifies target industries and their locational needs. Table 5-1 lists the 13 target industries identified as potential targets after the first-round and second-round evaluations.

**Table 5-1. Target industries for Woodburn**

SIC Industrial Industries		SIC Non-Industrial Industries	
27	Printing and Publishing	61	Nondepository Institutions
32	Stone, Clay, & Glass	73	Business Services
34	Fabricated Metal	80	Health Services
35	Industrial Machinery & Equipment	87	Engineering & Management
36	Electronic and Electric Equipment		
37	Transportation Equipment		
42	Trucking & Warehousing		
50	Wholesale Trade: Durables		
51	Wholesale Trade: Nondurables		

Source: ECONorthwest.

A comparison of the locational needs of target industries to the locations that Woodburn can offer leads to several conclusions:

- Different industries have different site-size requirements. Depending on the type of industry, site requirements could range anywhere from 1-100 acres. The parcel size for a single moderate-sized employer may not be great. For example, 100 employees in a firm that is primarily office based may require a building of 25,000 to 40,000 square feet. At two stories, the footprint of that building would be 12,000 to 20,000 square feet. Given typical parking and landscaping requirements, such a building could be accommodated on a parcel of 12 to 2 acres.

But the story is not that simple. The business may want room for expansion; it may require one-story for its operation; it may be concerned about image and want to make sure that it is part of a larger campus environment. Campus research and development parks may require sites ranging from 20 to 40 acres, while smaller business parks may require sites of 5-20 acres.

- Industrial users are attracted to sites that offer adequate flexibility in site circulation and building layout. Sites must also provide adequate parking, vehicular circulation and open space. In general rectangular sites are preferred with parcel width of at least 200-feet and length that is at least two times the width for build-to-suit sites. Parcel width of at least 400 feet is desired for flex/business park developments.
- Larger firms appear to be trending towards suburban locations for corporate campus facilities. Relatively low cost land, flexibility for future growth, and proximity to labor force are typical reasons for locating facilities in suburban locations. Given the relatively high cost

of land in California and Washington, and short supply of sites over 20 acres throughout the western United States, there is an emerging opportunity for the Woodburn area. Woodburn is close enough to the high-tech areas of Wilsonville and Washington County to be a viable option for a corporate campus. Firms in Electronic and Electric Equipment and Business Services have potential in this regard.

- The flat topography of Woodburn is consistent with the site needs of target industries. Flat topography (slopes with grades below 10%) is needed for manufacturing firms, particularly large electronic fabrication plants and 10+ acre fabricated metals and industrial machinery manufacturing facilities.
- Soils stability and ground vibration are fairly important considerations for special high precision manufacturing processes, such as assembling 650 megahertz or higher speed microchips. Sites close to the railroad will be unacceptable for these types of manufacturing uses.
- All of these target industries require basic water, sewer and power infrastructure. Fiber optic connections are probably a requirement for these industries. Most of them demand good access to the interstate system. Some prefer proximity to a major airport.

In summary, all of the industries rely on efficient transportation access and basic services, but they have varying need for parcel size, slope, configuration, and buffer treatments.

## **BUILDABLE LANDS**

Buildable lands appear to be a potential constraint to economic development in Woodburn. The City is expected to have an overall deficit of 205 acres over the 1999–2020 period—not including an estimated 71 acres of land needed for schools. Supply and demand for high-density residential and commercial land is evenly matched. Other conclusions from our review of the buildable land analysis:

- The *Woodburn Buildable Lands and Urbanization Project* (henceforth, the Buildable Lands Analysis) shows a 332 acre deficit for industrial land. Moreover, none of the vacant tax lots are over 15 acres in area, and no aggregates of tax lots (contiguous, but independent of ownership) exceed an area of 35 acres. Because all of the parcels are in different ownerships, it is unclear whether a developer could assemble these parcels into a single site. Moreover, the two key vacant industrial areas are distant from I-5 which may limit the types of businesses that might locate there.
- The configuration and location of buildable industrial sites does not provide a good match to the site needs of targeted industries described in the previous section. The Buildable Lands Analysis recommended

amending Woodburn's UGB to add 207 industrial acres. The location and configuration of any industrial land added to the UGB is an important consideration.

- The Buildable Lands Analysis shows a 195-acre surplus for low-density residential land. Available residential sites should provide for a variety of housing to be built at a range of values. The Buildable Lands Analysis recommends expanding the UGB to include all of the Tukwila residential development. This action would add 28.7 acres of low-density residential land that would probably be built in higher-value single-family residences.

## HOUSING

Housing is an important component of any economic development strategy. The availability of housing for households at all income levels is a necessity for Woodburn to achieve its economic vision. Following are conclusions on the relationship of housing to economic development:

- Planners and policymakers sometimes refer to a "jobs/housing balance," and measure the extent of the imbalance by calculating the ratio of jobs to housing units or households (on the assumption that every household has a dwelling unit). The jobs/housing ratio in Woodburn is improving. In 1990 there were 0.65 jobs available in the Woodburn zip code for every household. At the same time there were 1.06 employed persons per household, meaning that some people in Woodburn had to be going outside of Woodburn for work. That may force residents to seek employment outside the community. Due to significant job growth, between 1990 and 1997, there were approximately 1.01 jobs available in the Woodburn zip code for every household.
- Woodburn is one of the more affordable communities in the region. Since 1990, single-family housing in Woodburn has been consistently more affordable than housing in surrounding communities. In 1998, the average sales price of a home in Woodburn was \$121,000, compared to \$133,500 in Mt. Angel, and \$161,700 in Silverton.
- Demand for higher-end housing appears to be primarily from empty-nesters at this time. The present housing mix may not provide enough higher-end housing to accommodate professional employees from the types of businesses it hopes to attract. That shortcoming is not fatal: housing markets will respond to demand if serviced land is available.
- Hispanic workers tend to earn lower wages than workers statewide. The 2000 Census indicates that 50% of Woodburn's population was Hispanic. Hispanic households also tend to have larger household sizes.

- The relationship between job creation, wages, and housing affordability is an important one. The data on employment trends in Woodburn area suggest that (1) incomes are less than county averages, and (2) that many of the jobs forecast in the area will be lower wage jobs. While housing in Woodburn is relatively affordable compared to other nearby communities, the structure of new job creation could lead to a greater affordability gap than exists today.
- The results of the OHCS model suggest that a substantial number of lower cost units will be needed. For example, 1,067 dwelling units will be needed for households with incomes under \$20,000. This is 45% of the City's total estimated housing need. While cost savings are possible, it is difficult to significantly decrease the cost of construction. Increasing wages is another strategy to bringing housing costs more in line with wages.
- Economic development strategies pursued by the City could change the distribution of housing need. For example, successfully recruiting a high-wage manufacturing plant could create additional need for owner-occupied dwelling units in the \$187,000 and over category.

## TRANSPORTATION

Improved I-5 access to and from potential development sites is critical for economic development in Woodburn. Transportation plans have found that the single interchange at I-5 / Highway 214 serving Woodburn is inadequate in its current configuration to serve future development in the City, both in terms of capacity and geometry. With its location in the northwest portion of the City, the current interchange is not positioned to provide adequate access to the undeveloped land in the southern portion of Woodburn. Moreover, the distance to the nearest I-5 interchanges is substantial: 8 miles to the south, and 7 miles to the north. Thus, other interchanges probably do not provide viable transportation alternatives for the types of businesses likely to locate in Woodburn.

It appears unlikely that a second interchange on I-5 near Woodburn will be built in the 20-year planning horizon. In the absence of a second interchange, the best alternative for improved access to I-5 is to improve or develop roadways to cross I-5 north or south of the existing interchange. These roadways would connect with Butteville Road (which may also need improvement) to access the I-5 interchange from the west, which is far less congested than approaching the interchange from the east.

Woodburn's TSP identifies several alternatives for a proposed South Arterial that would proceed west from Hwy 99E to cross I-5 and connect with Butteville Road or Hwy 214. On the north, Crosby Road could be improved and extended to cross the railroad tracks and connect with Hwy 99E, providing a north connection from Hwy 99E across I-5 to connect with Butteville Road and the I-5 interchange. With both of these options,

connection to Hwy 99E is critical to provide the connectivity and access necessary to support development in Woodburn.

The Woodburn TSP factored employment increases into transportation modeling. The TSP forecasts about 1,100 new employees west of I-5 and about 2,100 east of I-5. Designation of future lands available for employment should consider these figures.

Improvements to the I-5/214 interchange, in conjunction with improvements to Highway 214 between Oregon Way and Woodland Avenue, may provide additional employment capacity over the planning horizon. The traffic operations analysis of the partial cloverleaf interchange improvement (including four through lanes on Highway 214 across the interchange) revealed a reserve capacity in 2020 of about 630 vehicle trips during the weekday PM peak hour. This reserve capacity translates into about an added 1,230 employees of general light industrial development, or 1,370 employees of general office development, over and above the employment increases assumed in the 2020 Interchange Refinement Plan analysis.

## **LABOR FORCE**

Average levels of workforce education and training are below state averages and those of the Portland and Salem urban areas. The age distribution, years of education completed, and occupational mix of Woodburn's population suggest that the local labor force may lack the skills required by high-wage target industries. If firms identified in the target industries analysis locate in Woodburn, the data suggest that these firms will need to look outside of Woodburn for skilled labor (at least in the short run), that Woodburn will need to attract more highly-skilled residents, or improve the education and training of existing residents.

Labor supply is an obstacle to the type of development Woodburn hopes to attract, but probably not an insurmountable one. The industries in the target groups we identified vary substantially in size and labor requirements. Many bring a substantial portion of their labor with them (e.g., managers and engineers), which means that public policy to encourage a good supply of housing can also be an economic development policy.

## **GOALS AND POLICIES RELATED TO ECONOMIC DEVELOPMENT**

Adoption of an economic development strategy to attract high-wage employers may require several changes to Woodburn's Comprehensive Plan. Depending on the economic development strategy the City agrees on, policy changes may take the form of revisions to existing policies that define where and what types of commercial and industrial development may occur, or new policies intended to attract specific types of industries or to focus public investments in key areas. Given the results of buildable land analysis, combined with the site requirements of the types of industries the City may

want to attract, changes to plan designations and a UGB expansion are also possible. Access issues at I-5 are critical, so policies and specific actions to address transportation problems will also be required (which may mean simply having economic development policies reinforce commitment to the policies and investments specified in the City's Transportation System Plan).

Policies will be examined in detail in the next phase of the study (economic vision and development strategies).

## **QUALITY OF LIFE**

Many households want the combination of proximity to larger cities and a small-town or rural lifestyle. Though Woodburn shares these quality of life attributes with other communities in the Willamette Valley, that combination will probably become increasingly scarce as population growth continues. A challenge for Woodburn will be maintaining the qualities of a small town while accommodating population and employment growth.

# City Goals for Economic Development

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The City of Woodburn's Comprehensive Plan contains many goals and policies that relate to economic development. This Appendix lists the key goals and policies in the Comprehensive Plan, with the goal or policy number shown for cross-referencing.

Overall, Woodburn's Comprehensive Plan goals and policies are supportive of economic development. They seek to ensure that sufficient land is available for economic growth, that development occurs in an orderly fashion that is coordinated with public service provision, and that the traffic and pollution impacts of growth are mitigated. While being generally supportive, changes to these goals and policies may be needed if Woodburn seeks to adopt new economic development strategies. Potential amendments to the Comprehensive Plan will be addressed briefly in Chapter 6 and in detail in the Development Strategy report that will follow this Economic Opportunities Analysis.

## Commercial land development

- B-1. The City should at all time have sufficient land to accommodate the retail needs of the City and the surrounding market area. The City presently has four major commercial areas: 99E, I-5 Interchange, the downtown area, and the 214/211/99E four corners intersection area. No new areas should be established.
- B-2. Lands for high traffic generating uses (shopping centers, malls, restaurants, etc.) should be located on well improved arterials.
- B-3. Strip zoning should be discouraged as a most unproductive form of commercial land development. ... Commercial developments or commercial development patterns which require the use of the private automobile shall be discouraged.
- B.5 ...Downtown redevelopment should be emphasized and the City should encourage property owners to form a local improvement district to help finance downtown improvements.

## Industrial land use

- C-1. It is the policy of the City to provide for developments that, whenever possible, will allow residents of the City of Woodburn to work in Woodburn and not have to seek employment in other areas.
- C-5. Industries which, through their operating nature, would contribute to a deterioration of the environmental quality of air, land,

or water resources of the City should be forbidden to locate within the city limits.

- C-6. The industrial park concept is one which the City deems is the most desirable form of industrial development. Whenever possible the industrial park concept will be encouraged in an attractive and functional design.
- C-8. Industrial lands should be protected from encroachment by commercial or other uses...
- C-9. The industries attracted and encouraged by the City to locate in Woodburn should generate jobs that would upgrade the skills of the local labor pool.

### **Growth**

- L-1. The City's goal is to grow to a population of approximately 26,000 by the year 2020. This growth shall be orderly and accompanied by the necessary public services...
- L-4. The goal is to limit the amount of vacant land within the City in order to enjoy the benefits of an orderly development pattern, that reduces the rate that farm land is converted to urban use and the optimum use of public service and utility capacity.
- L-11. The goal is to accommodate industrial and commercial development that provides local employment but does not require special community financial incentives.

### **Downtown design and conservation (DDCD)**

- P-1-2. Encourage a balanced financing plan to assist property owners in the repair and rehabilitation of structures. The Plan may include establishment of the following:
  - Provide on-going investment in downtown improvements.
  - Economic Improvement District—a designated area, within which all properties are taxed at a set rate applied to the value of the property with the tax monies used in a revolving loan fund for building maintenance, and improvement.
  - Local, State, and National Historic District—a designated district within which resources, and properties are inventoried and identified for historic preservation.
  - Establish a "501 C-3" tax exempt organization for the purpose of qualifying for grants.

- **Analyze the feasibility of establishing an urban renewal district as a long-term funding source for Downtown improvements.**
- **Adopt a capital improvement program and funding strategy for Downtown improvements.**

# Descriptions of Target Industries

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This appendix provides a description of the industries identified as target industries in Chapter 4, specifically in Table 4-4. These descriptions are from the Standard Industrial Classification manual, as reproduced on the internet by the Occupational Safety and Health Administration of the U.S. Department of Labor at <http://www.osha.gov/cgi-bin/sic/sicsr5>.

## **INDUSTRY 27: PRINTING, PUBLISHING, AND ALLIED INDUSTRIES**

This industry includes establishments engaged in printing by one or more common processes, such as letterpress; lithography (including offset), gravure, or screen; and those establishments which perform services for the printing trade, such as bookbinding and platemaking. This industry also includes establishments engaged in publishing newspapers, books, and periodicals, regardless of whether or not they do their own printing. News syndicates are classified in Services, Industry 7383. Establishments primarily engaged in textile printing and finishing fabrics are classified in Industry 22, and those engaged in printing and stamping on fabric articles are classified in Industry 2396. Establishments manufacturing products that contain incidental printing, such as advertising or instructions, are classified according to the nature of the products for example, as cartons, bags, plastics film, or paper.

## **INDUSTRY 32: STONE, CLAY, GLASS, AND CONCRETE PRODUCTS**

This industry includes establishments engaged in manufacturing flat glass and other glass products, cement, structural clay products, pottery, concrete and gypsum products, cut stone, abrasive and asbestos products, and other products from materials taken principally from the earth in the form of stone, clay, and sand. When separate reports are available for mines and quarries operated by manufacturing establishments classified in this industry, the mining and quarrying activities are classified in Division B, Mining. When separate reports are not available, the mining and quarrying activities, other than those of Industry 3295, are classified herein with the manufacturing operations.

If separate reports are not available for crushing, grinding, and other preparation activities of Industry 3295, these establishments are classified in Division B, Mining.

## **INDUSTRY 34: FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT**

This industry includes establishments engaged in fabricating ferrous and nonferrous metal products, such as metal cans, tinware, handtools, cutlery, general hardware, nonelectric heating apparatus, fabricated structural metal products, metal forgings, metal stampings, ordnance (except vehicles and guided missiles), and a variety of metal and wire products, not elsewhere classified. Certain important segments of the metal fabricating industries are classified in other industries, such as machinery in Industries 35 and 36; transportation equipment, including tanks, in Industry 37; professional scientific and controlling instruments, watches, and clocks in Industry 38; and jewelry and silverware in Industry 39. Establishments primarily engaged in producing ferrous and nonferrous metals and their alloys are classified in Industry 33.

## **INDUSTRY 35: INDUSTRIAL AND COMMERCIAL MACHINERY AND COMPUTER EQUIPMENT**

This industry includes establishments engaged in manufacturing industrial and commercial machinery and equipment and computers. Included are the manufacture of engines and turbines; farm and garden machinery; construction, mining, and oil field machinery; elevators and conveying equipment; hoists, cranes, monorails, and industrial trucks and tractors; metalworking machinery; special industry machinery; general industrial machinery; computer and peripheral equipment and office machinery; and refrigeration and service industry machinery. Machines powered by built-in or detachable motors ordinarily are included in this industry, with the exception of electrical household appliances. Power-driven handtools are included in this industry, whether electric or otherwise driven. Establishments primarily engaged in manufacturing electrical equipment are classified in Industry 36, and those manufacturing handtools, except powered, are classified in Industry 34.

## **INDUSTRY 36: ELECTRONIC AND OTHER ELECTRICAL EQUIPMENT AND COMPONENTS, EXCEPT COMPUTER EQUIPMENT**

This industry includes establishments engaged in manufacturing machinery, apparatus, and supplies for the generation, storage, transmission, transformation, and utilization of electrical energy. Included are the manufacturing of electricity distribution equipment; electrical industrial apparatus; household appliances; electrical lighting and wiring equipment; radio and television receiving equipment; communications equipment; electronic components and accessories; and other electrical equipment and supplies. The manufacture of household appliances is included in this group, but industrial machinery and equipment powered by built-in or detachable electric motors is classified in Industry 35. Establishments primarily engaged in manufacturing instruments are classified in Industry 38.

## **INDUSTRY 37: TRANSPORTATION EQUIPMENT**

This industry includes establishments engaged in manufacturing equipment for transportation of passengers and cargo by land, air, and water. Important products produced by establishments classified in this industry include motor vehicles, aircraft, guided missiles and space vehicles, ships, boats, railroad equipment, and miscellaneous transportation equipment, such as motorcycles, bicycles, and snowmobiles. Establishments primarily engaged in manufacturing mobile homes are classified in Industry 2451. Establishments primarily engaged in manufacturing equipment used for moving materials on farms; in mines and on construction sites; in individual plants; in airports; or on other locations off the highway are classified in Industry 35.

## **INDUSTRY 42: MOTOR FREIGHT TRANSPORTATION AND WAREHOUSING**

This industry includes establishments furnishing local or long-distance trucking or transfer services, or those engaged in the storage of farm products, furniture and other household goods, or commercial goods of any nature. The operation of terminal facilities for handling freight, with or without maintenance facilities, is also included. Establishments primarily engaged in the storage of natural gas are classified in Industry 4922. Field warehousing is classified in Services, Industry 7389. Establishments of the United States Postal Service are classified in Industry 43.

## **INDUSTRY 50: WHOLESALE TRADE—DURABLE GOODS**

This industry includes establishments primarily engaged in the wholesale distribution of durable goods.

## **INDUSTRY 51: WHOLESALE TRADE—NON-DURABLE GOODS**

This industry includes establishments primarily engaged in the wholesale distribution of non-durable goods.

## **INDUSTRY 61: NON-DEPOSITORY CREDIT INSTITUTIONS**

This industry includes establishments engaged in extending credit in the form of loans, but not engaged in deposit banking.

## **INDUSTRY 73: BUSINESS SERVICES**

This industry includes establishments primarily engaged in rendering services, not elsewhere classified, to business establishments on a contract or fee basis, such as advertising, credit reporting, collection of claims, mailing, reproduction, stenographic, news syndicates, computer programming, photocopying, duplicating, data processing, services to buildings, and help supply services. Establishments primarily engaged in providing engineering,

accounting, research, management, and related services are classified in Industry 87. Establishments which provide specialized services closely allied to activities covered in other divisions are classified in such divisions.

## **INDUSTRY 80: HEALTH SERVICES**

This industry includes establishments primarily engaged in furnishing medical, surgical, and other health services to persons. Establishments of associations or groups, such as Health Maintenance Organizations (HMOs), primarily engaged in providing medical or other health services to members are included, but those which limit their services to the provision of insurance against hospitalization or medical costs are classified in Insurance, Industry 63. Hospices are also included in this industry and are classified according to the primary service provided.

Industry groups 801 through 804 includes individual practitioners, group clinics in which a group of practitioners is associated for the purpose of carrying on their profession, and clinics which provide the same services through practitioners that are employees.

## **INDUSTRY 87: ENGINEERING, ACCOUNTING, RESEARCH, MANAGEMENT, AND RELATED SERVICES**

This industry includes establishments primarily engaged in providing engineering, architectural, and surveying services; accounting, auditing, and bookkeeping services; research, development, and testing services; and management and public relations services.