

# Economic Development Overview

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Training Session 2 – October 10, 2024

Session 2 provided a comprehensive review of economic development challenges and opportunities for West Linn, focusing on housing needs, the impact of tourism, and collaboration with regional partners. Key insights were shared by Jerry Johnson from Johnson Economics, who discussed both public and private sector development dynamics.

## Employment Trends:

In 2021, 5,185 people worked in West Linn. Healthcare and social assistance dominate West Linn's employment sectors, followed professional services and retail trade and food services.

## Housing Needs:

West Linn future housing needs projection shows a need for 1,005 new housing units by 2040, which is less than the estimated total housing capacity of 1,205 units. Of the new units needed, roughly 68% are projected to be ownership units, while 32% are projected to be rental units.

Click [here](#) to review documents about West Linn housing needs.

## Retail Development:

West Linn's retail sector faces geographical fragmentation and challenges in catering to diverse community needs. Rising lease rates coupled with stagnant rents impact new investment and development.

## Construction Costs:

Increasing construction costs over the last decade are a barrier to new projects. Careful consideration must be given to incentives for development, as they can distort the market and create unintended consequences.

## Economic and Population Forecasts:

Metro forecasts show limited growth in transportation, warehousing, and utilities.

## Tourism:

Tourism is a small but beneficial part of West Lid's economy, not the dominant factor. Communities with sales tax benefit more from tourism in terms of tax revenue. Property tax revenues from new hotels and attractions are straightforward and beneficial. Tourism introduces challenges such as seasonal employment, housing affordability, and traffic. Remote work and second homes also influence housing prices.

## Land and Redevelopment:

Limited land availability requires a focus on redevelopment and intensified use of existing spaces.

## Collaboration:

Partnerships with regional economic groups are essential for land supply and maximizing business opportunities.

Collaboration with the community can lead to successful development projects that align with community desires. Careful planning is necessary to ensure that developers have a profitable path while still meeting city expectations.

## Action Items:

### 1. Investigate Economic Factors:

- Decline in educational services employment
- Impact of multi-generational homes on economic growth
- Feasibility of high-density urban development

### 2. Evaluate Real Estate and Development Needs:

- Code requirements and construction costs
- Office space potential over the next five years
- Pricing and vacancy trends in West Linn's market

### 3. Analyze Retail and Hospitality Sectors:

- Challenges of retail geography
- Demand for different hotel types and locations

### 4. Assess Impacts of Tourism and Short-Term Rentals:

- Effects of Airbnb and second homes on housing
- Determine how to allocate hotel and sales taxes for promotion of tourism

### 5. Address Environmental and Infrastructure Challenges:

- Climate change implications on migration and planning
- Infrastructure and traffic in resort and high-tourism communities

### 6. Basic Strategies

- Business retention and support
- Workforce development
- Small business support

### 7. Enhance Economic Planning:

- Conduct an economic opportunities analysis to gather updated data on the current economic situation and resources of the city.
- Identify the resources and constraints of the city to better understand its current situation.
- Determine the goals and desired outcomes of economic development for the city.
- Identify available tools and clarify internal responsibilities.
- Update zoning codes to align with community values and prevent conflicts
- Prepare an Economic development plan

### 8. Develop Marketing Strategies:

- Consider branding initiatives to highlight West Linn's strengths and attract investments