

ECONOMIC DEVELOPMENT PRIMER CITY OF WEST LINN

WEST LINN ECONOMIC DEVELOPMENT COMMITTEE

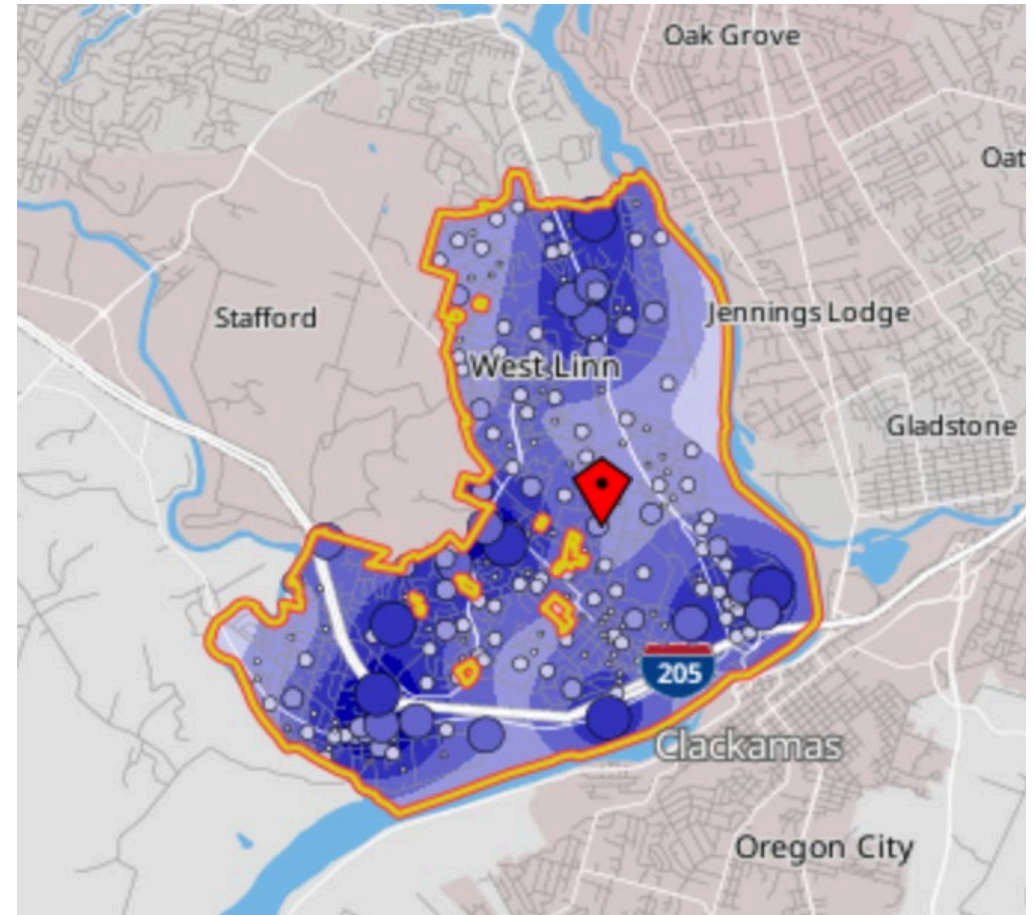
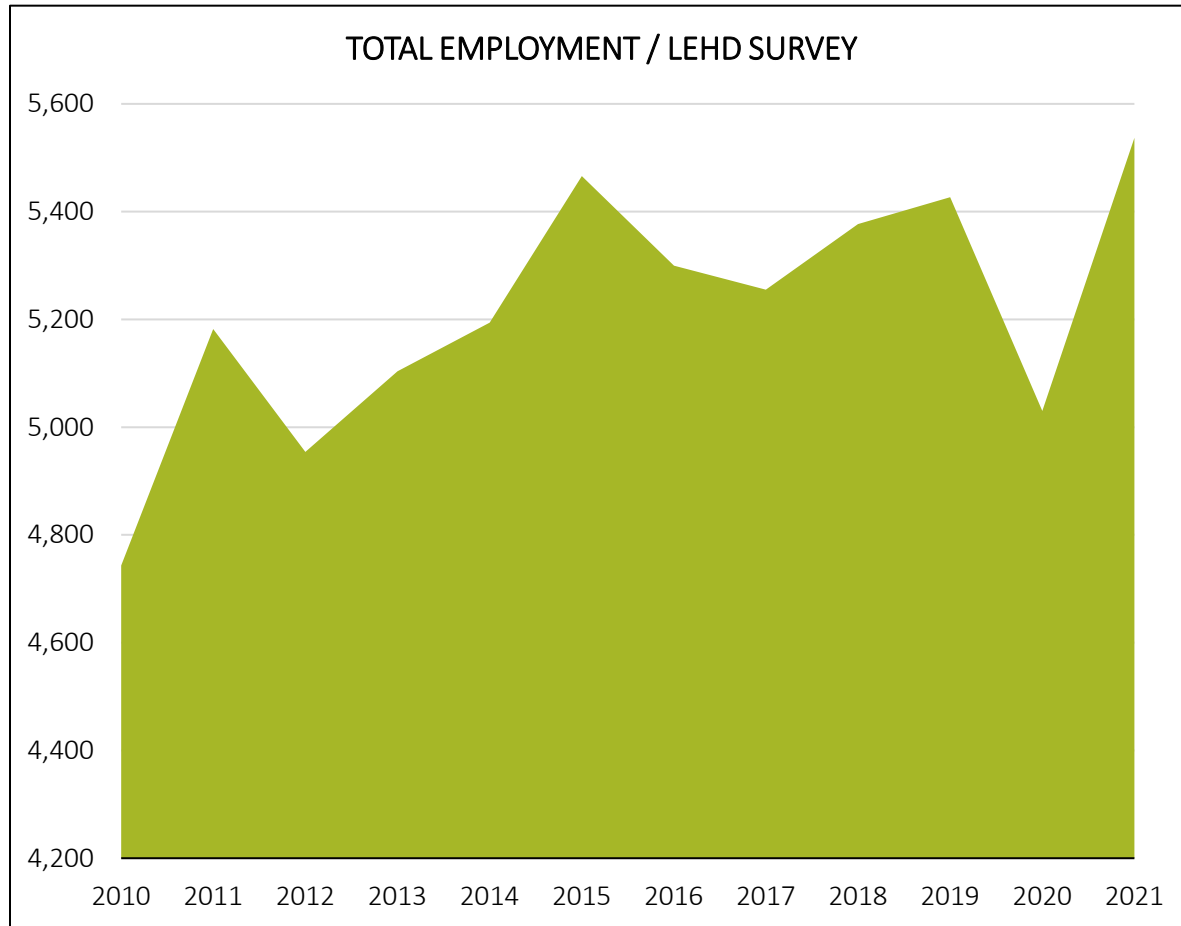
October 10, 2024

AGENDA

- 1. The City's role in economic development*
- 2. Coordination with regional efforts*
- 3. City's engagement in the regional economy*
- 4. Examples of success from similar cities*
- 5. Tourism as a tool for economic development.*
- 6. Next steps for the City to pursue.*

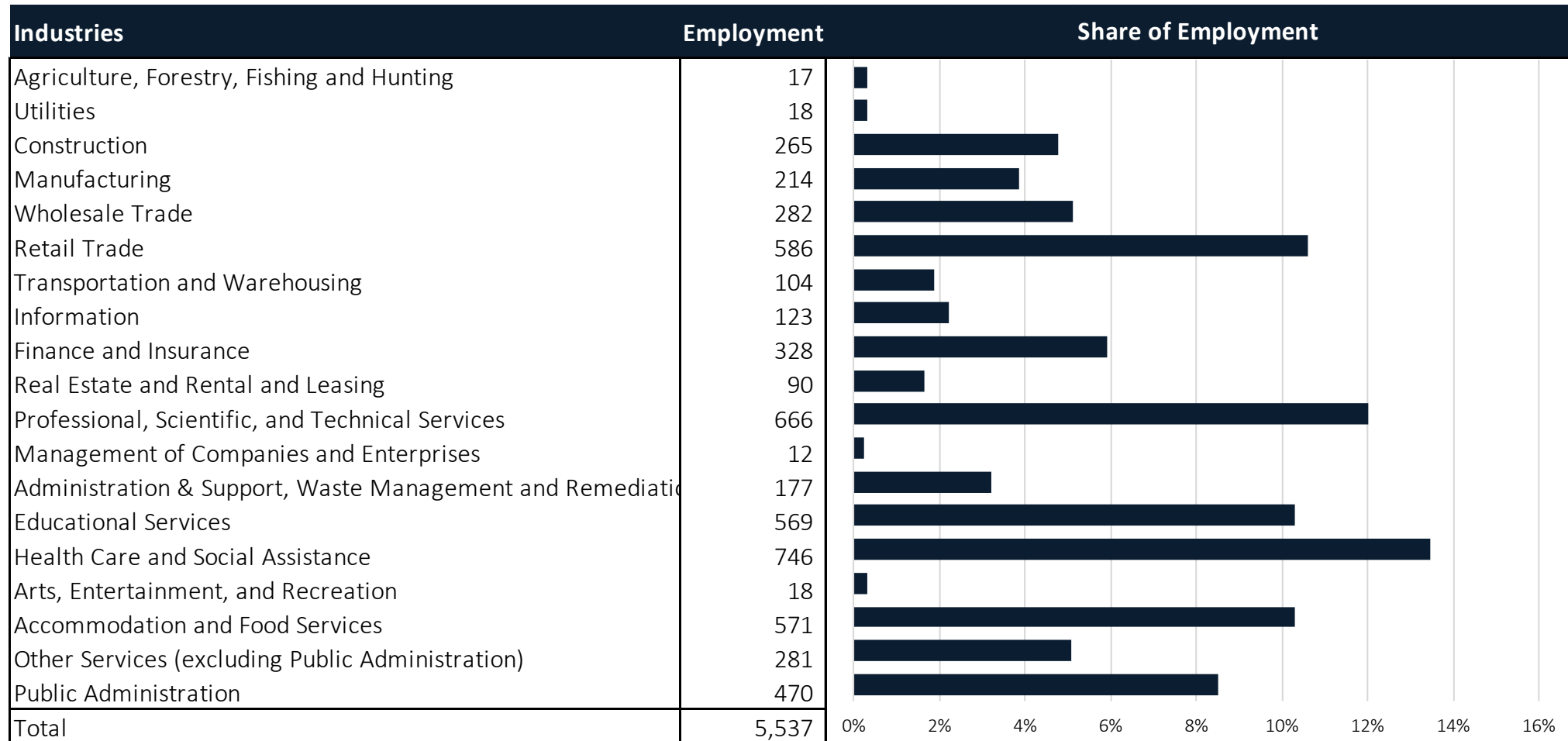
EMPLOYMENT GROWTH

City of West Linn



EMPLOYMENT BY INDUSTRY

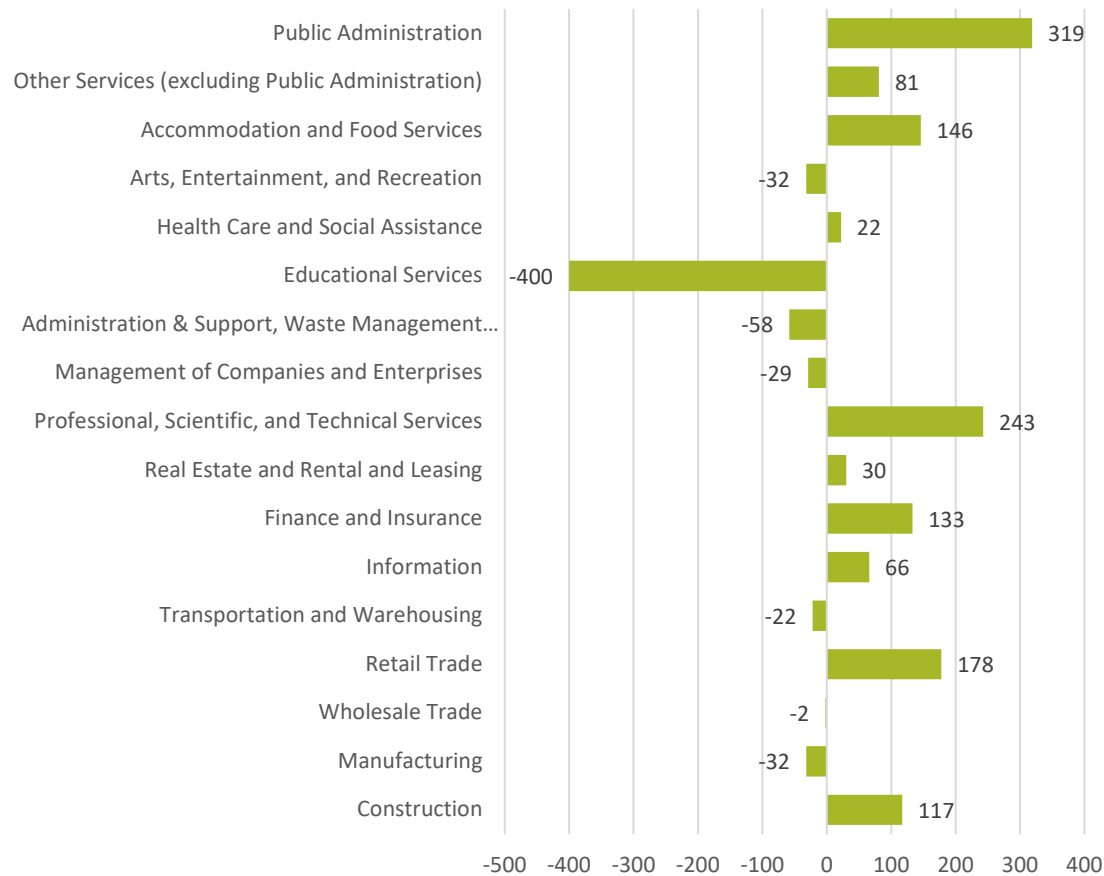
City of West Linn (2021, LEHD DATA)



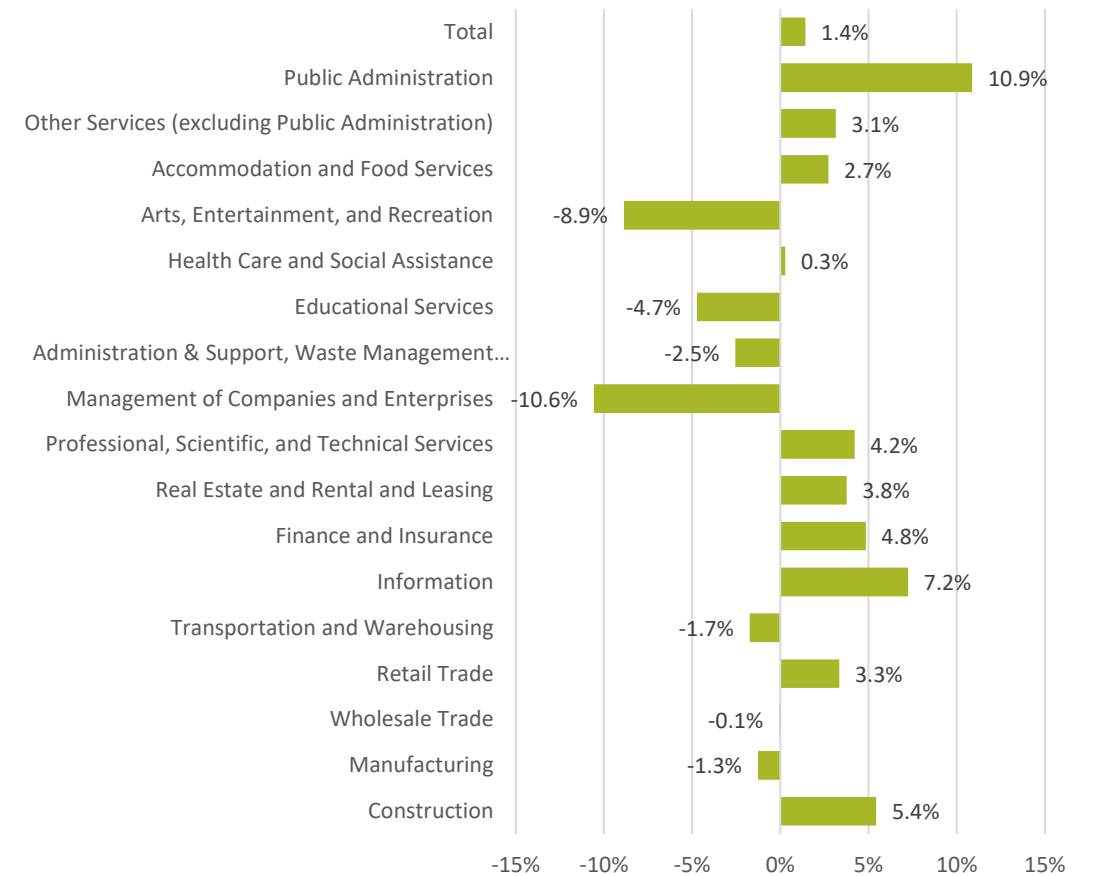
EMPLOYMENT BY INDUSTRY TRENDS

City of West Linn (2010-21, LEHD DATA)

NET CHANGE 2010-21

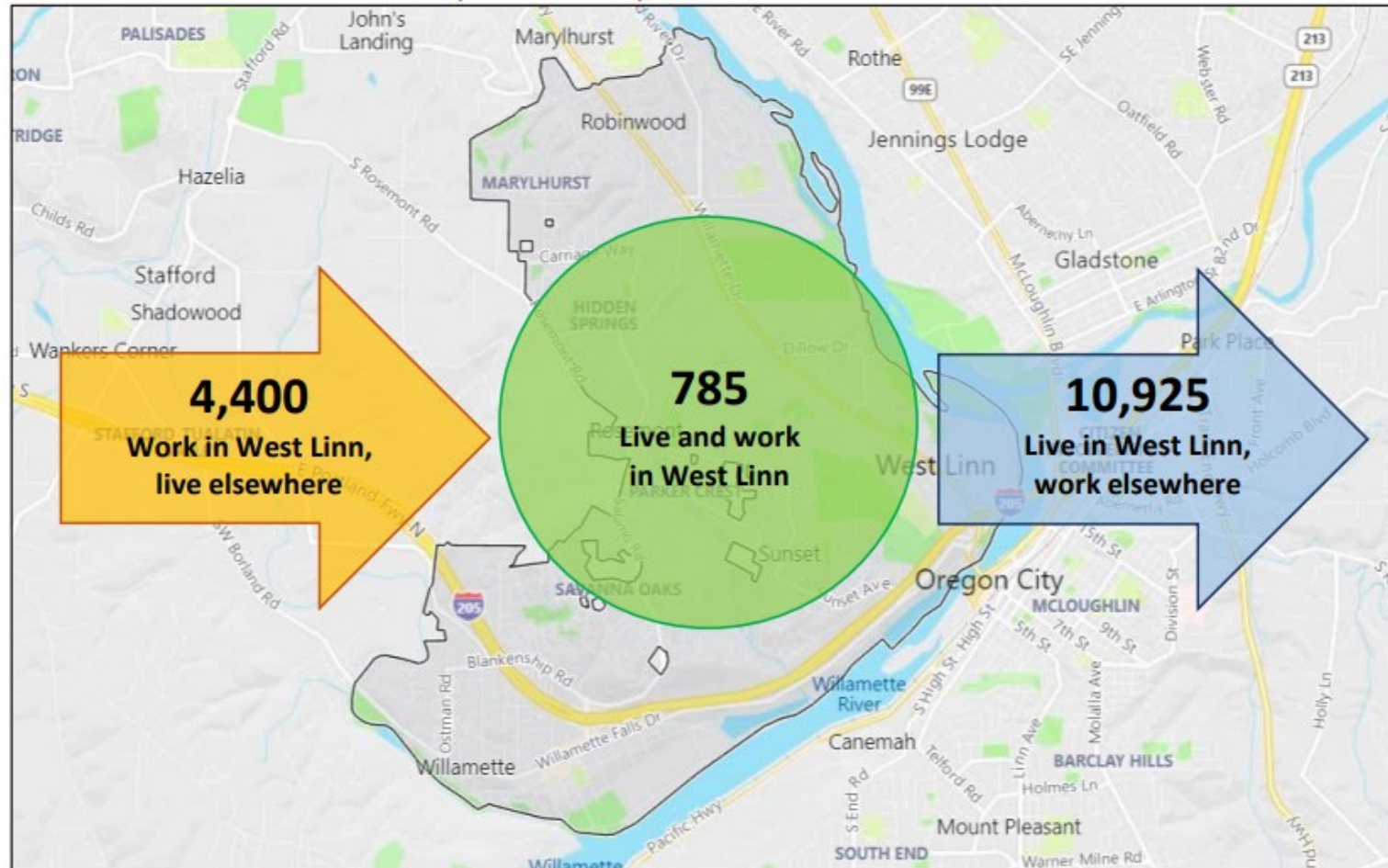


AAGR



COMMUTING PATTERNS

City of West Linn (2021)

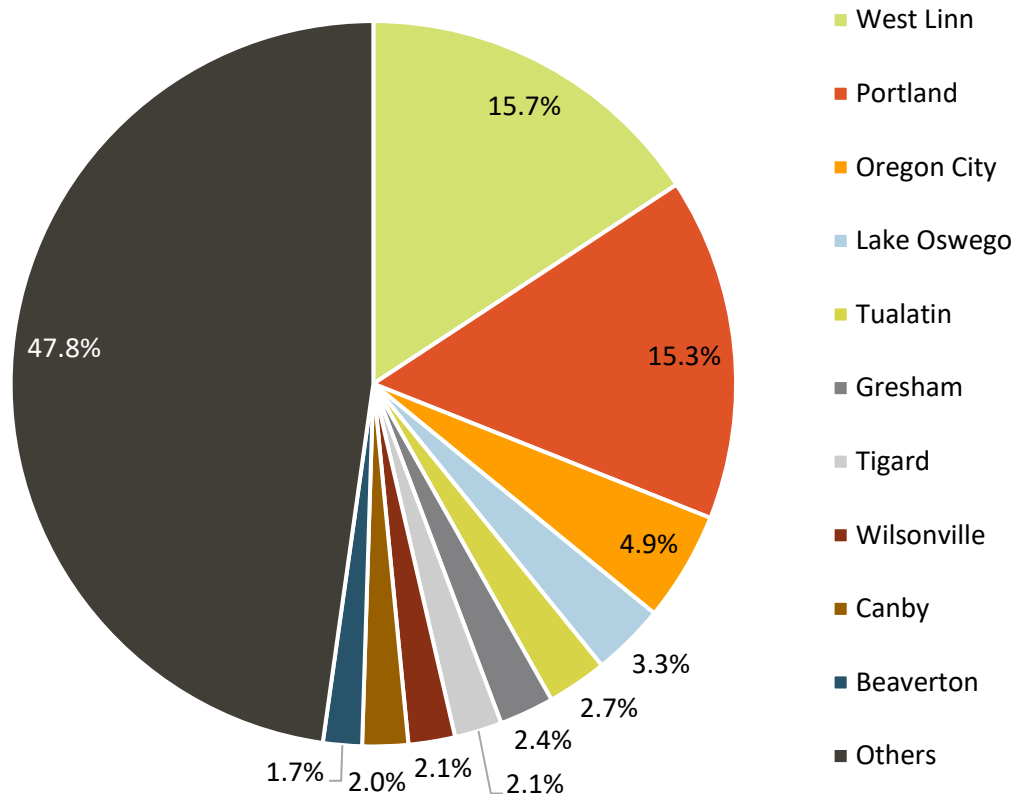


Source: US Census Longitudinal Employer-Household Dynamics

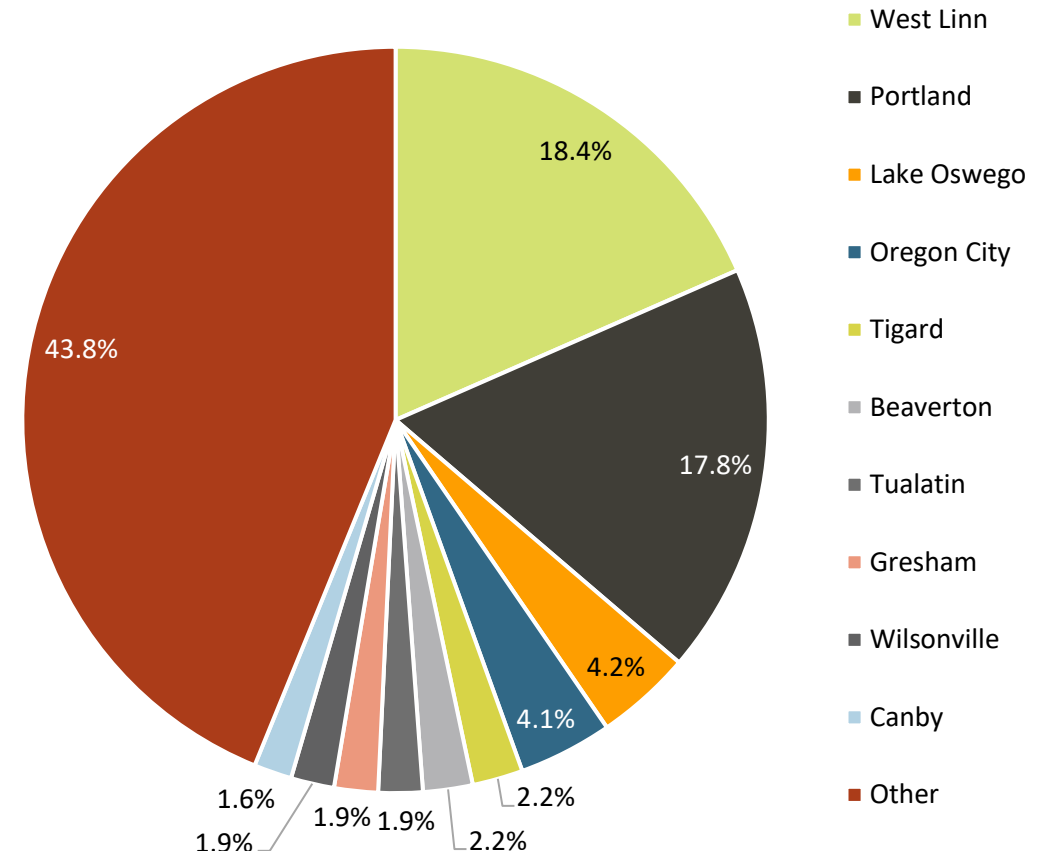
COMMUTING PATTERNS

City of West Linn (2021)

WHERE LOCAL WORK FORCE WORK

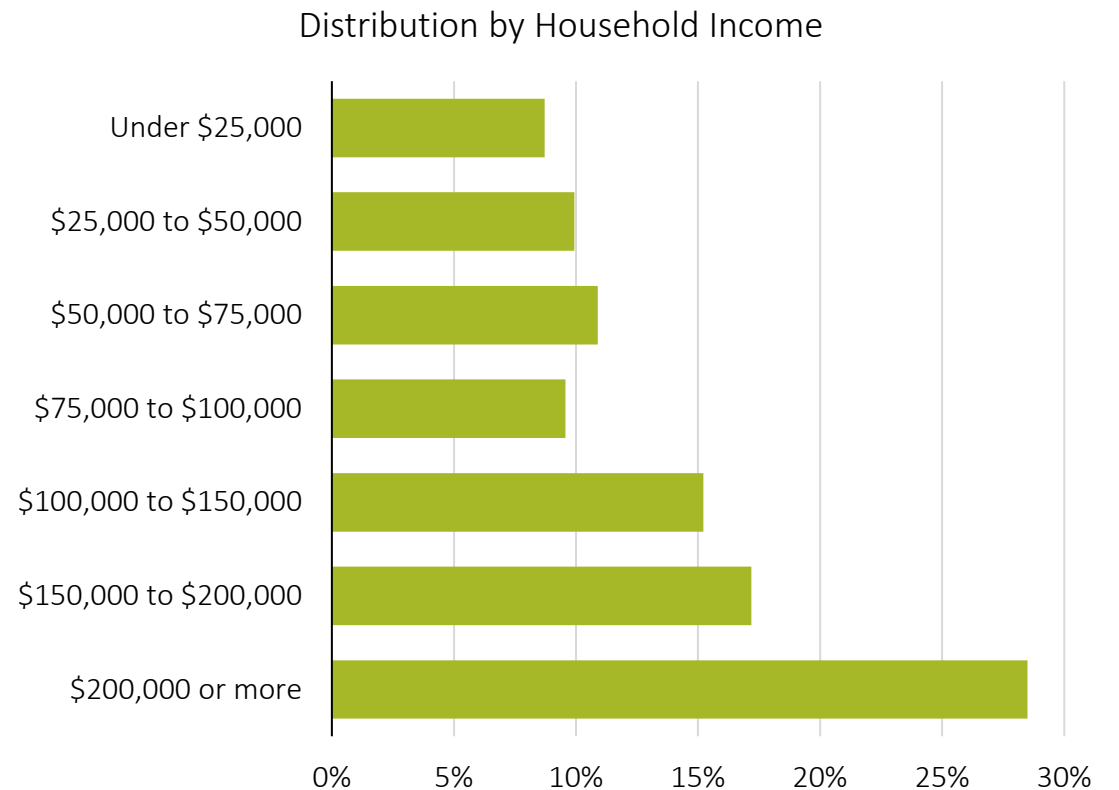
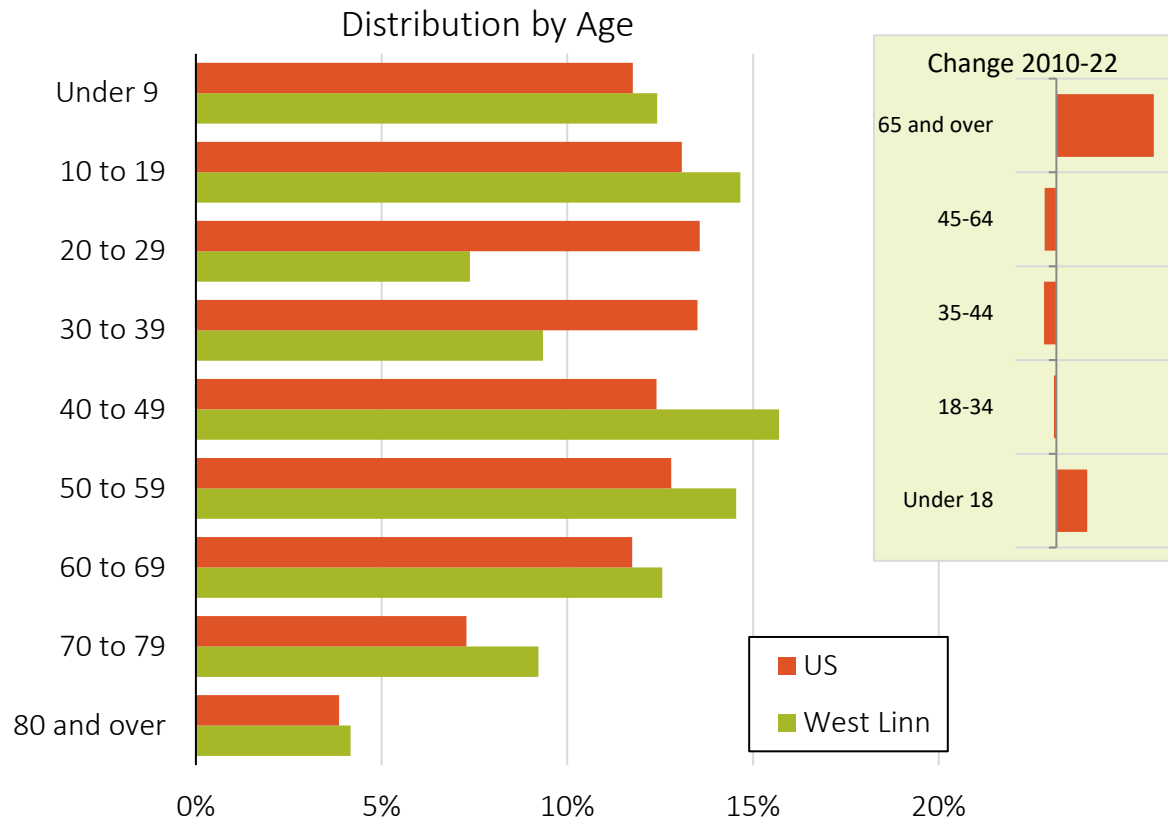


WHERE LOCALLY EMPLOYED LIVE



CHARACTERISTICS OF THE POPULATION

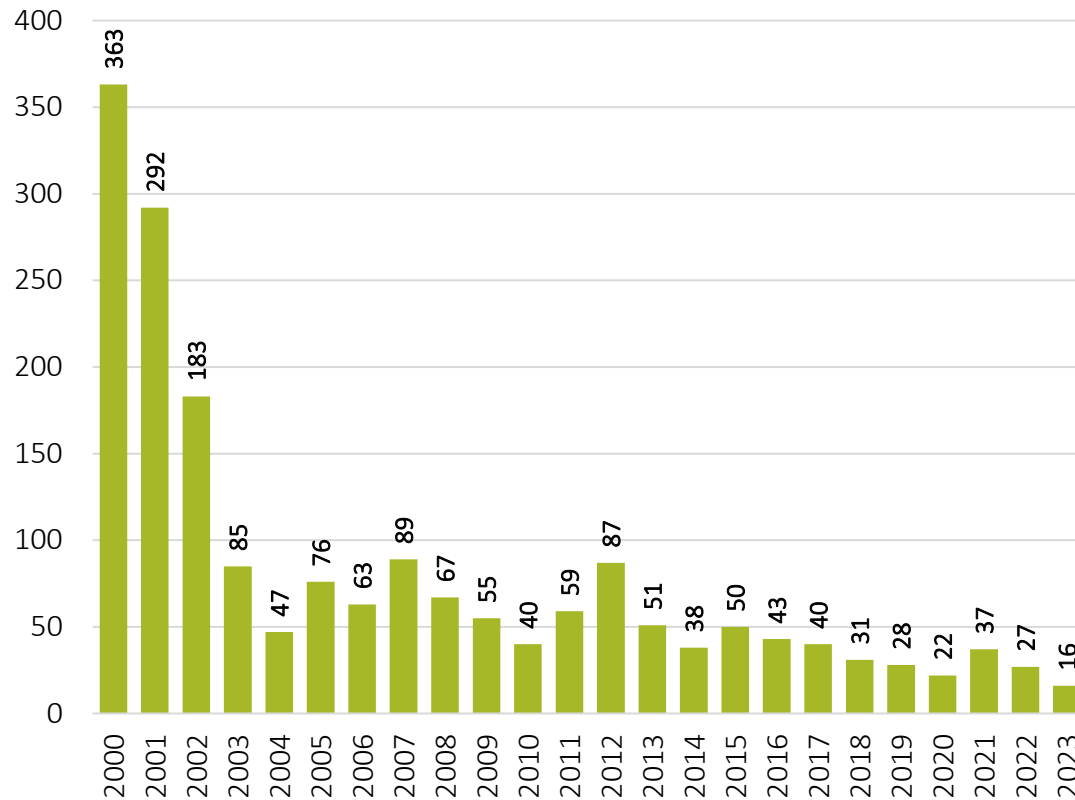
City of West Linn (2022)



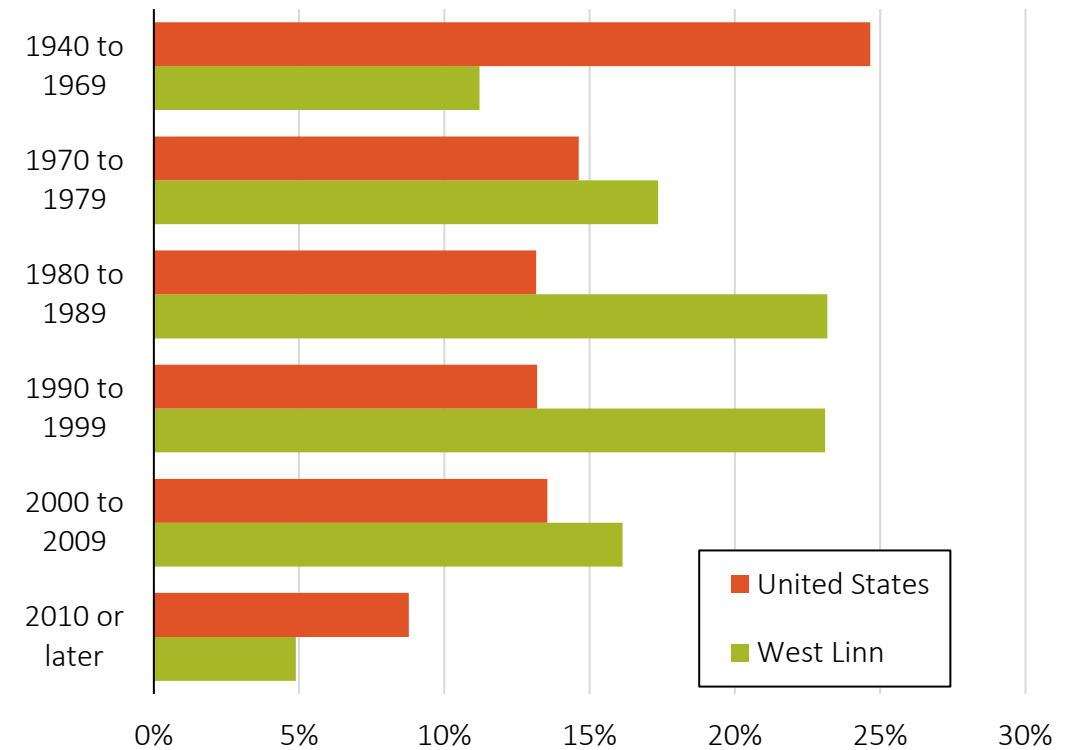
HOUSING PRODUCTION

City of West Linn

West Linn Housing Permits (2000-2023)



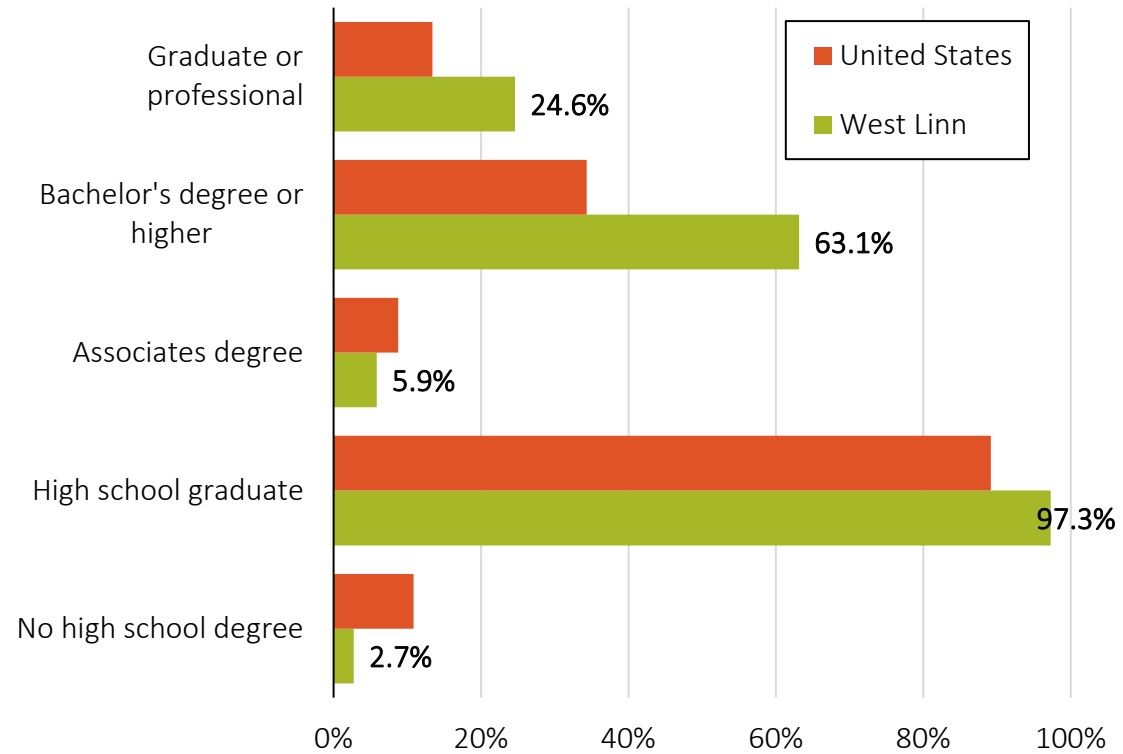
Housing Year Built



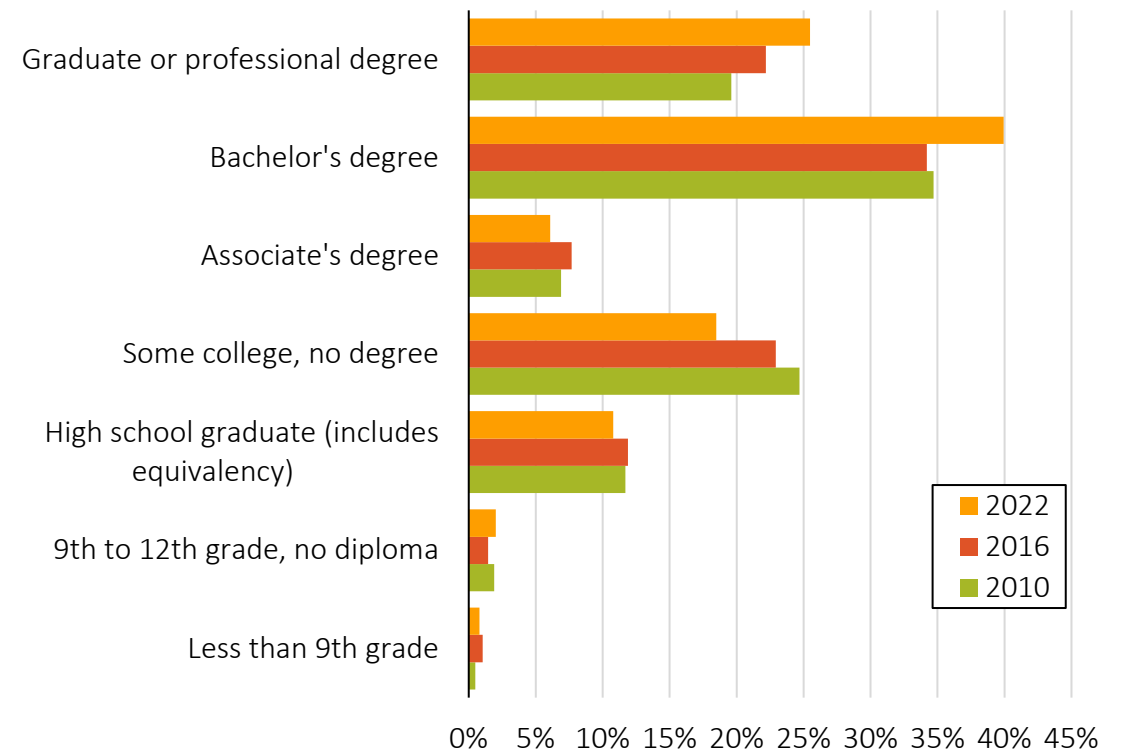
EDUCATIONAL ATTAINMENT

City of West Linn

Educational Attainment (2022)



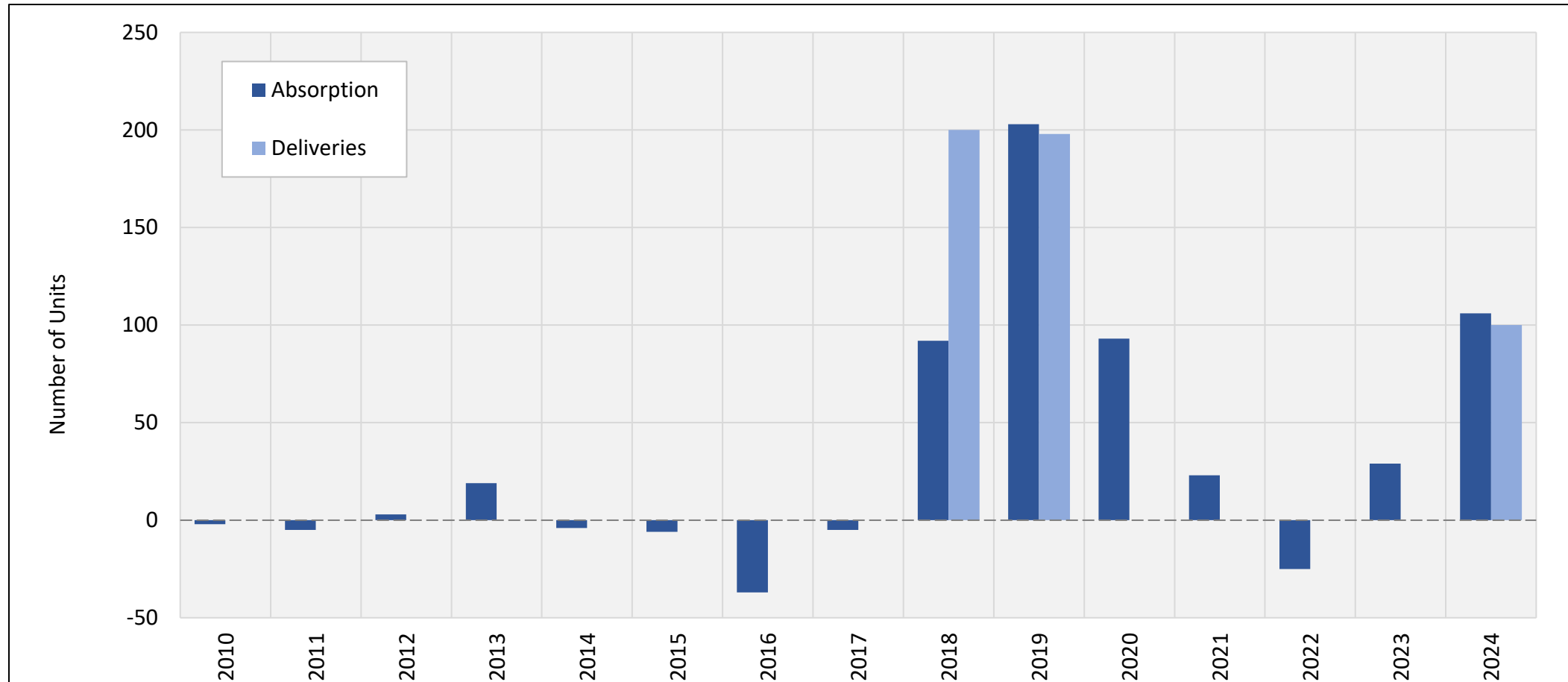
Educational Attainment (2010-2022)



MARKET TRENDS

MARKET TRENDS – DELIVERIES & ABSORPTION

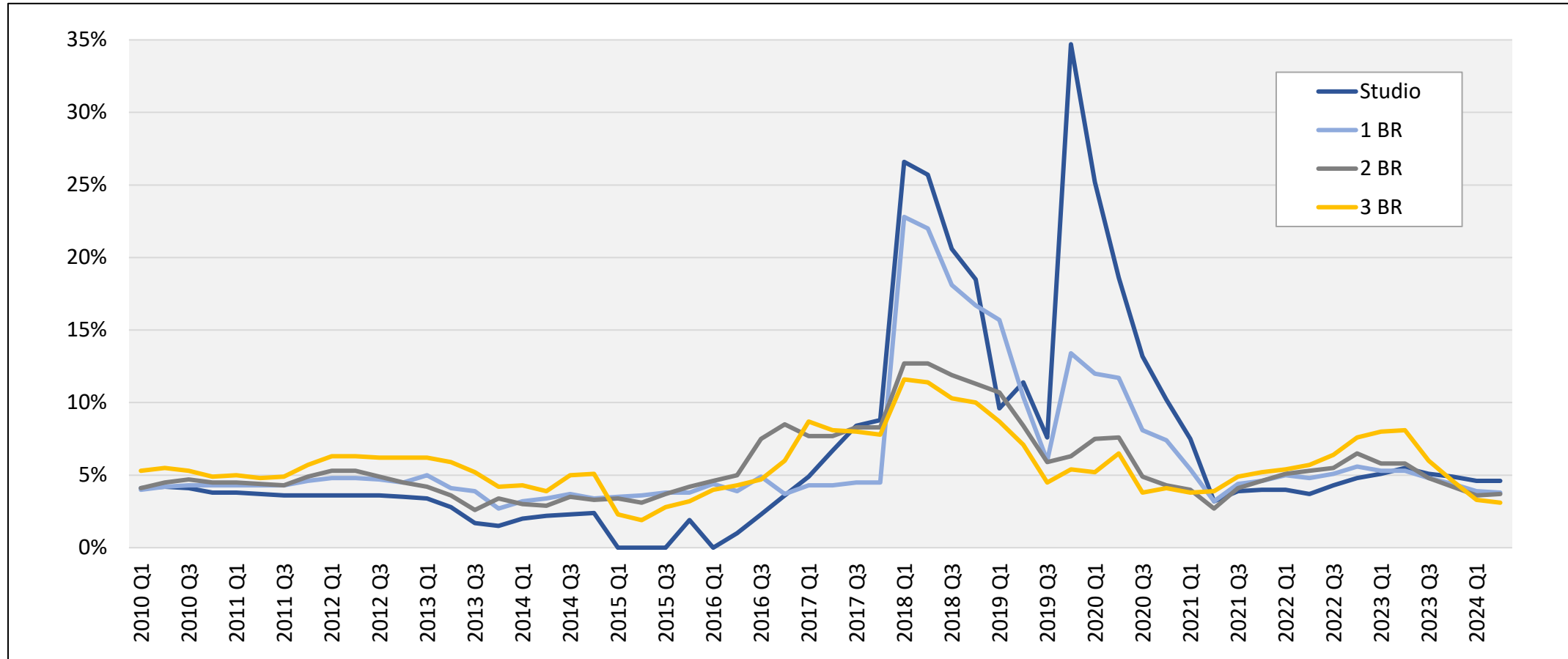
Rental Apartment Market



SOURCE: CoStar and Johnson Economics

MARKET TRENDS - VACANCY

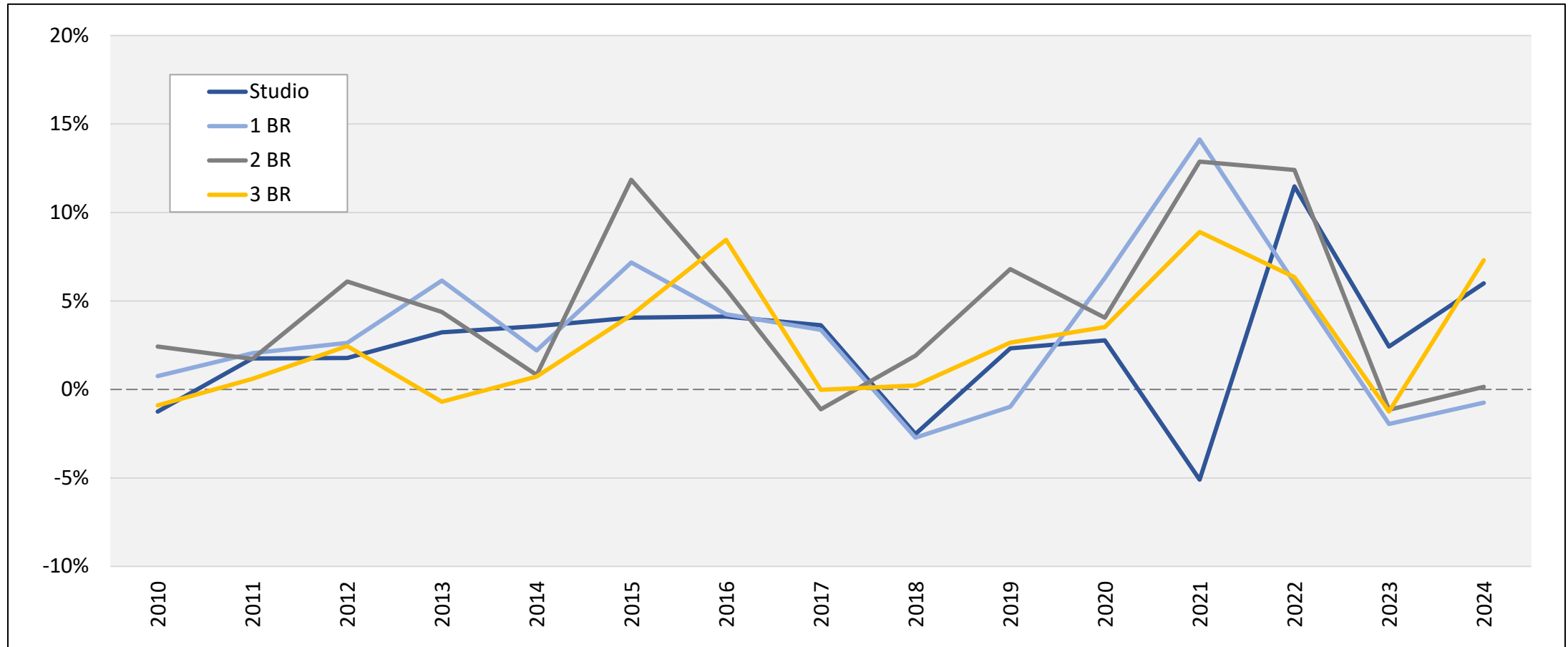
Rental Apartment Market



SOURCE: CoStar and Johnson Economics

MARKET TRENDS – RENT GROWTH

Rental Apartment Market

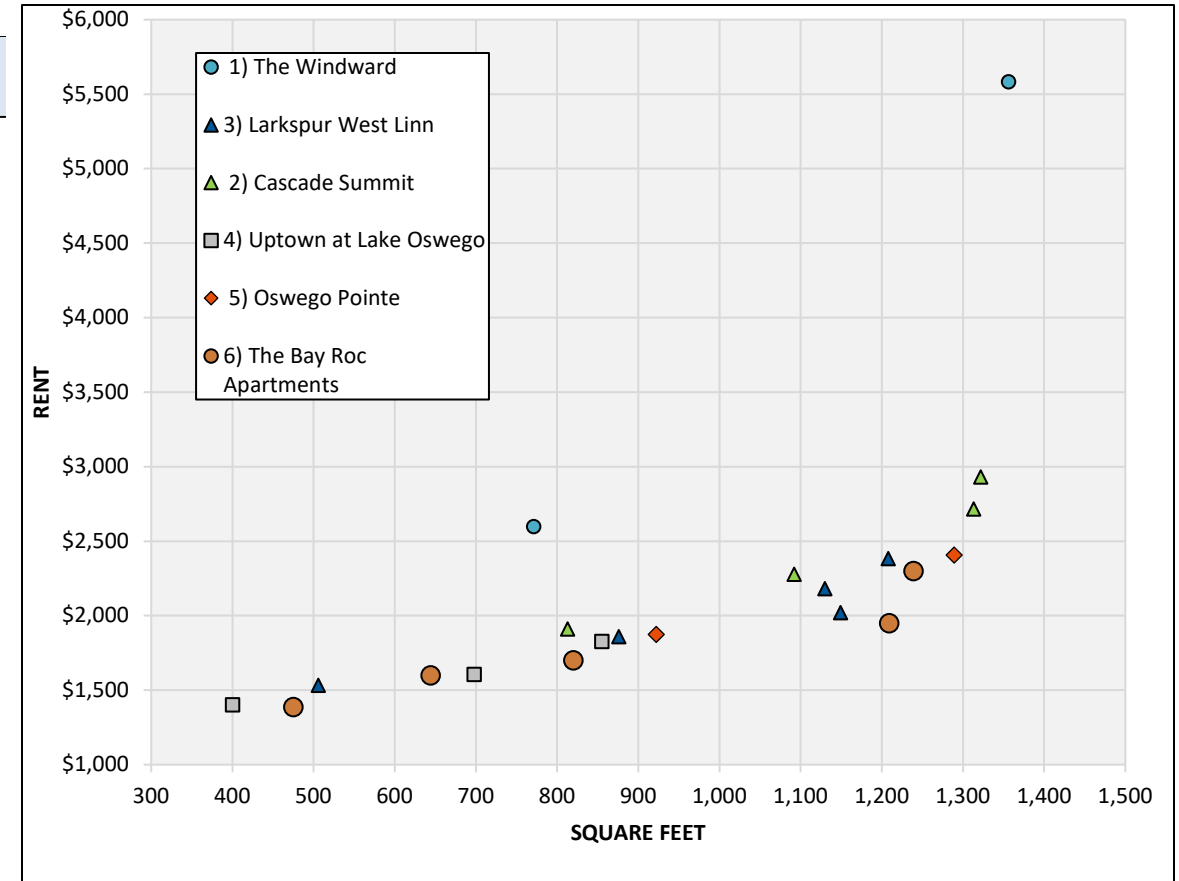


SOURCE: CoStar and Johnson Economics

MARKET TRENDS – COMPARABLES

Rental Apartment Market

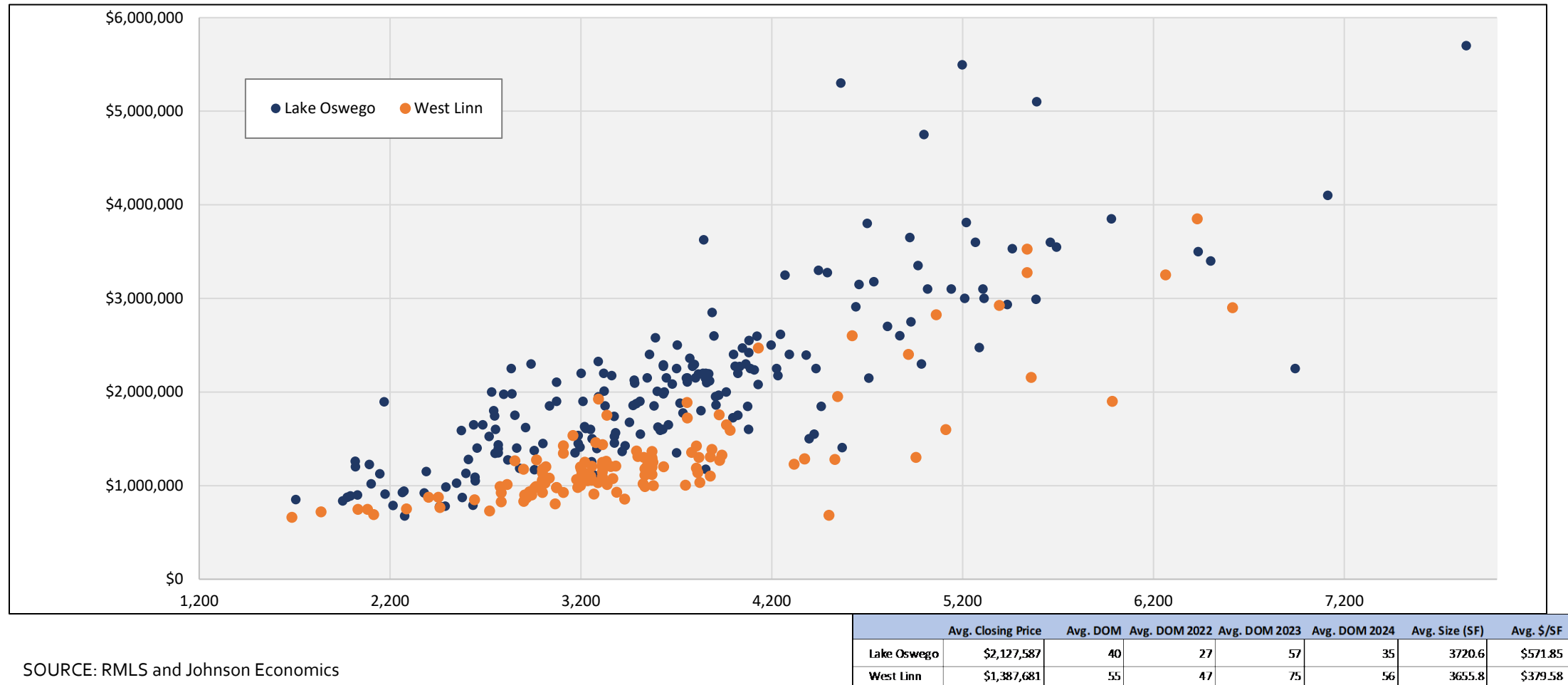
Project Name/ Location	Year	Occupancy	Type	Unit Characteristics				Rent Characteristics			
				Units	Mix	Sq. Ft.	Vacant	Low Rent	High Rent	Avg. Rent	Avg. Rent Per SF.
1) The Windward 130 A Avenue Lake Oswego, OR	2018	95.5%	Studio	14	7%	771	1 7%	\$2,597 -	\$2,597	\$2,597	\$3.37
			2B/2b	36	18%	1356	2 6%	\$4,071 -	\$7,095	\$5,583	\$4.12
			3B/2.5b	3	2%	1904	1 33%	\$5,601 -	\$6,906	\$6,254	\$3.28
			3B/3.5b	1	1%	2208	0 0%	\$6,346 -	\$6,346	\$6,346	\$2.87
			Tot./Avg:	200	100%	1057	9 5%	\$2,319 -	\$7,095	\$3,599	\$3.40
2) Cascade Summit 22100 Horizon Drive West Linn, OR	1997	96.3%	1B/1b	62	21%	813	2 3%	\$1,840 -	\$1,980	\$1,910	\$2.35
			2B/2b	160	54%	1092	9 6%	\$2,260 -	\$2,295	\$2,278	\$2.09
			2B/2.5b	22	7%	1313	0 0%	\$2,715 -	\$2,715	\$2,715	\$2.07
			3B/2b	50	17%	1322	0 0%	\$2,830 -	\$3,030	\$2,930	\$2.22
			Tot./Avg:	294	100%	1089	11 4%	\$1,840 -	\$3,030	\$2,344	\$2.15
3) Larkspur West Linn 19500 Hidden Springs Road West Linn, OR	1978/2019	95.3%	Studio	2	5%	506	0 0%	\$1,532 -	\$1,532	\$1,532	\$3.03
			2B/1b	11	26%	876	0 0%	\$1,859 -	\$1,859	\$1,859	\$2.12
			2B/1.5b	12	28%	1149	1 8%	\$2,020 -	\$2,020	\$2,020	\$1.76
			2B/2b	14	33%	1130	1 7%	\$2,182 -	\$2,182	\$2,182	\$1.93
			3B/2b	4	9%	1208	0 0%	\$2,383 -	\$2,383	\$2,383	\$1.97
			Tot./Avg:	43	100%	1049	2 5%	\$1,532 -	\$2,383	\$2,043	\$1.95
4) Uptown at Lake Oswego 295 3rd Street Lake Oswego, OR	1955/2015	100.0%	Studio	5	7%	400	0 0%	\$1,402 -	\$1,402	\$1,402	\$3.51
			1B/1b	42	59%	698	0 0%	\$1,545 -	\$1,668	\$1,607	\$2.30
			2B/1b	24	34%	855	0 0%	\$1,826 -	\$1,826	\$1,826	\$2.14
			Tot./Avg:	71	100%	730	0 0%	\$1,402 -	\$1,826	\$1,666	\$2.28
5) Oswego Pointe 5033 Foothills Road Lake Oswego, OR	1989	96.9%	1B/1b	126	30%	922	7 6%	\$1,874 -	\$1,874	\$1,874	\$2.03
			2B/2b	296	70%	1289	6 2%	\$2,406 -	\$2,406	\$2,406	\$1.87
			Tot./Avg:	422	100%	1179	13 3%	\$1,874 -	\$2,406	\$2,140	\$1.81
6) The Bay Roc Apartments 667 McVey Avenue Lake Oswego, OR	1978/2019	100.0%	Studio	10	20%	475	0 0%	\$1,387 -	\$1,387	\$1,387	\$2.92
			1B/1b	21	42%	644	0 0%	\$1,599 -	\$1,599	\$1,599	\$2.48
			2B/1b	14	28%	820	0 0%	\$1,699 -	\$1,699	\$1,699	\$2.07
			2B/1.5b	4	8%	1209	0 0%	\$1,949 -	\$1,949	\$1,949	\$1.61
			3B/1.5b	1	2%	1239	0 0%	\$2,299 -	\$2,299	\$2,299	\$1.86
			Tot./Avg:	50	100%	717	0 0%	\$1,387 -	\$2,299	\$1,627	\$2.27



SOURCE: Johnson Economics

MARKET TRENDS – HOME SALES

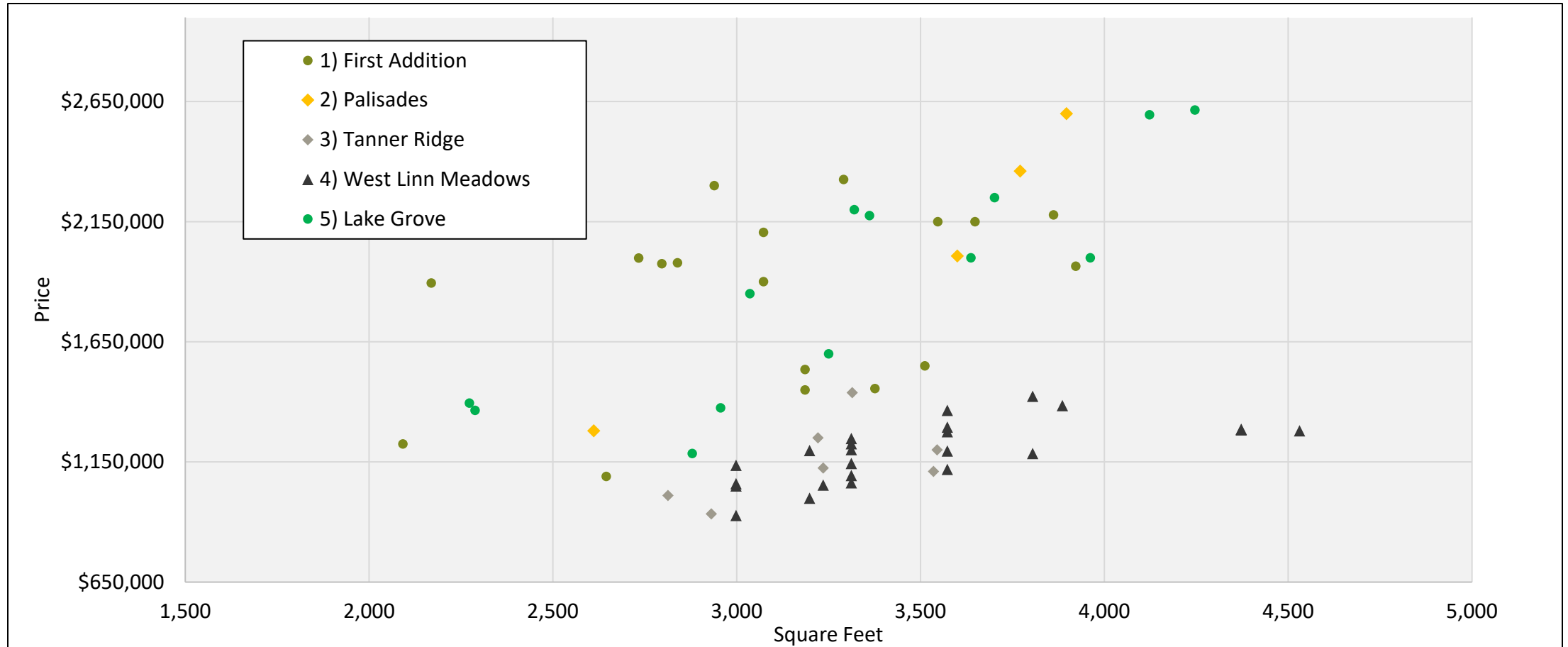
Ownership Residential Market



SOURCE: RMLS and Johnson Economics

MARKET TRENDS – COMPARABLES

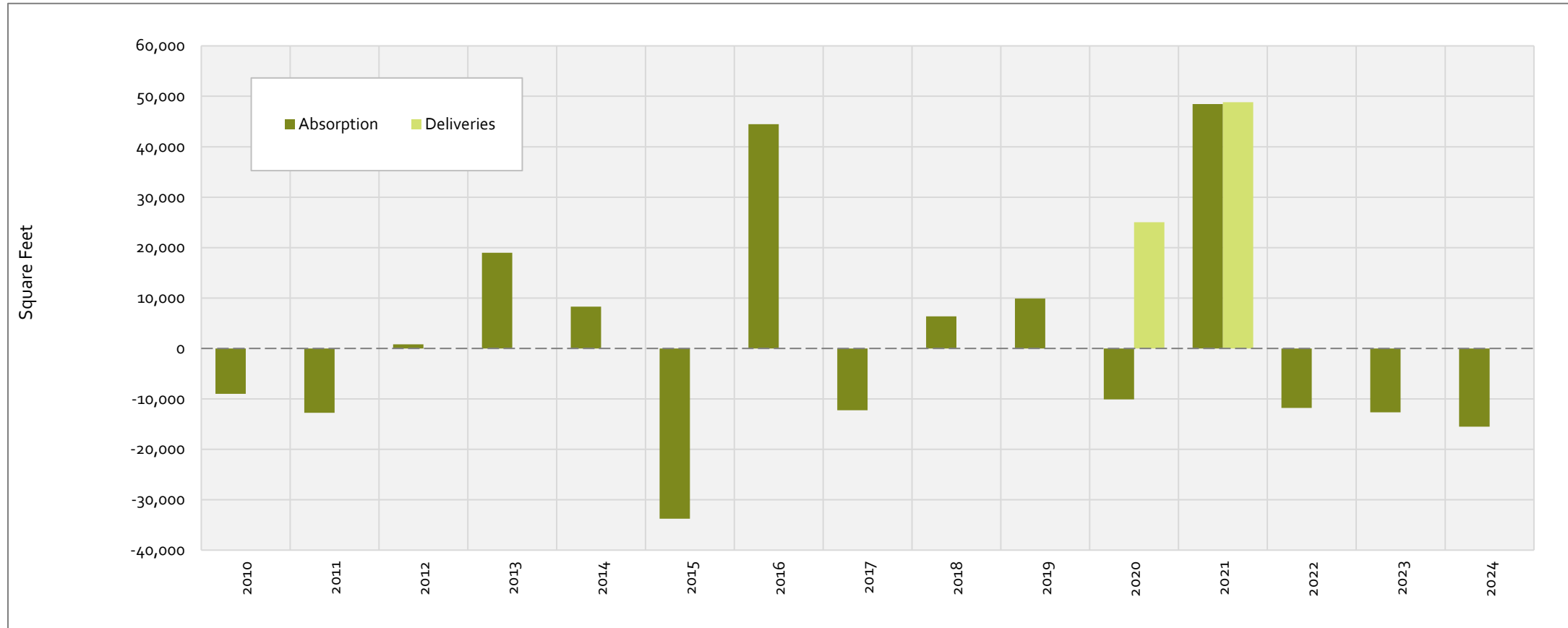
Ownership Residential Market



SOURCE: RMLS and Johnson Economics

MARKET TRENDS – DELIVERIES & ABSORPTION

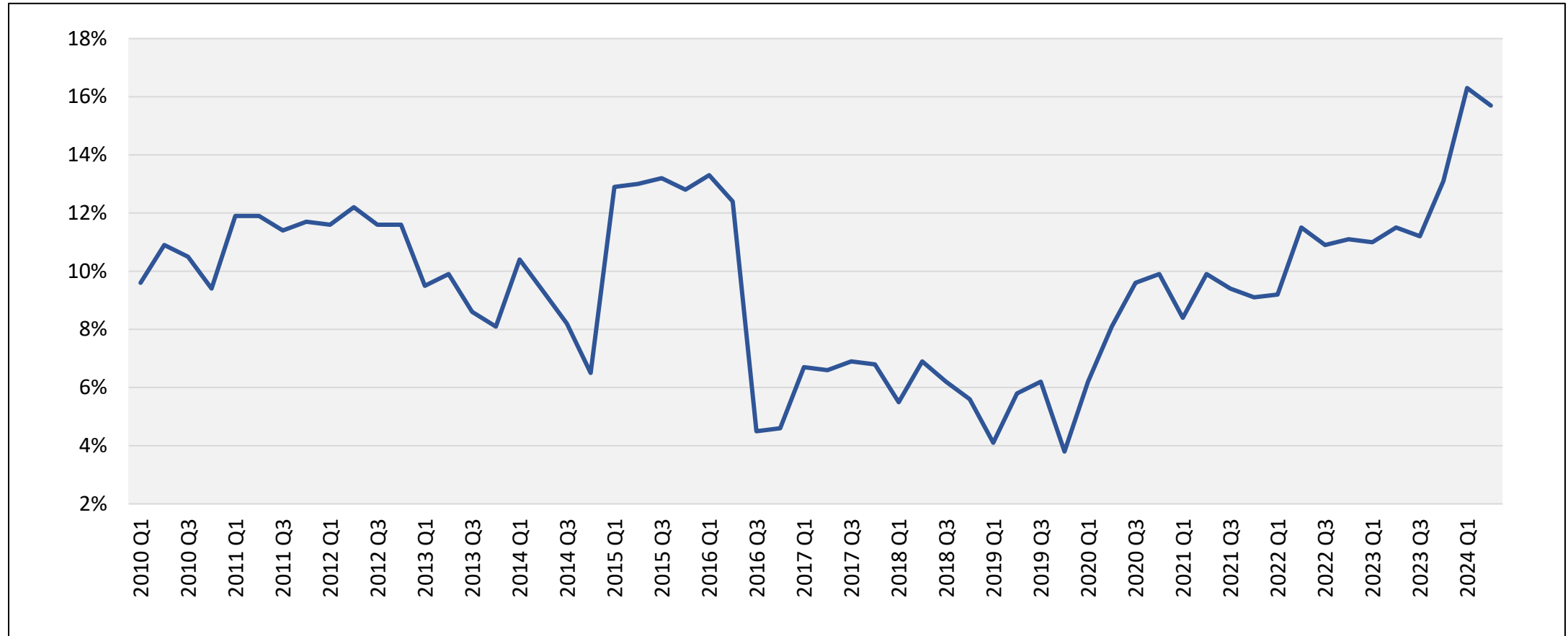
Retail



SOURCE: CoStar and Johnson Economics

MARKET TRENDS – VACANCY

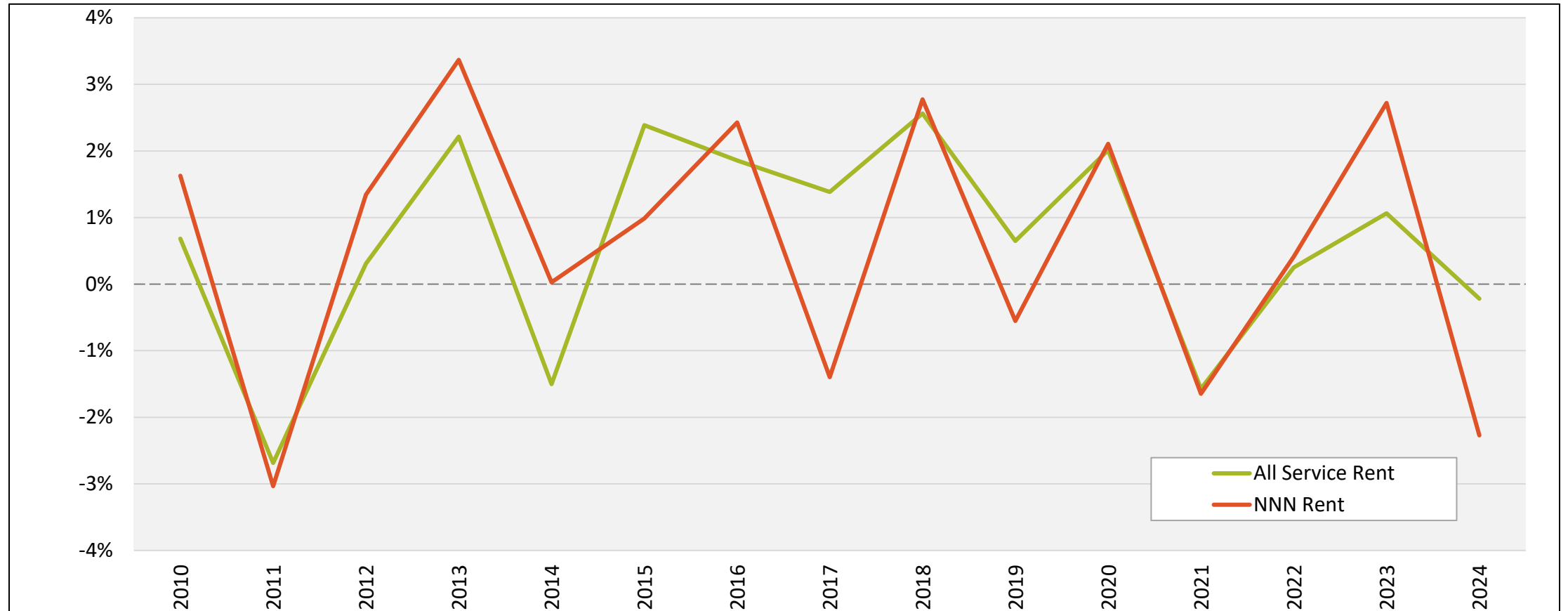
Retail Market



SOURCE: RMLS and Johnson Economics

MARKET TRENDS – LEASE RATES

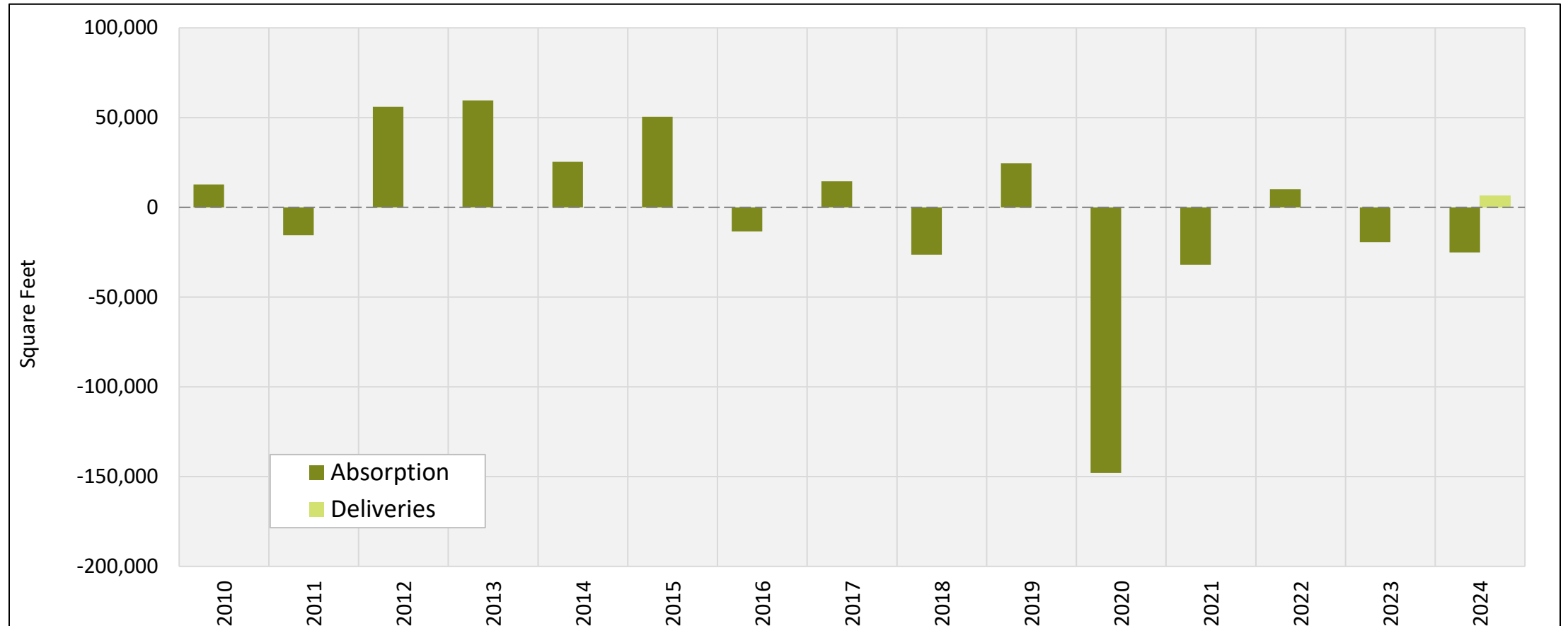
Retail Market



SOURCE: RMLS and Johnson Economics

MARKET TRENDS – DELIVERIES & ABSORPTION

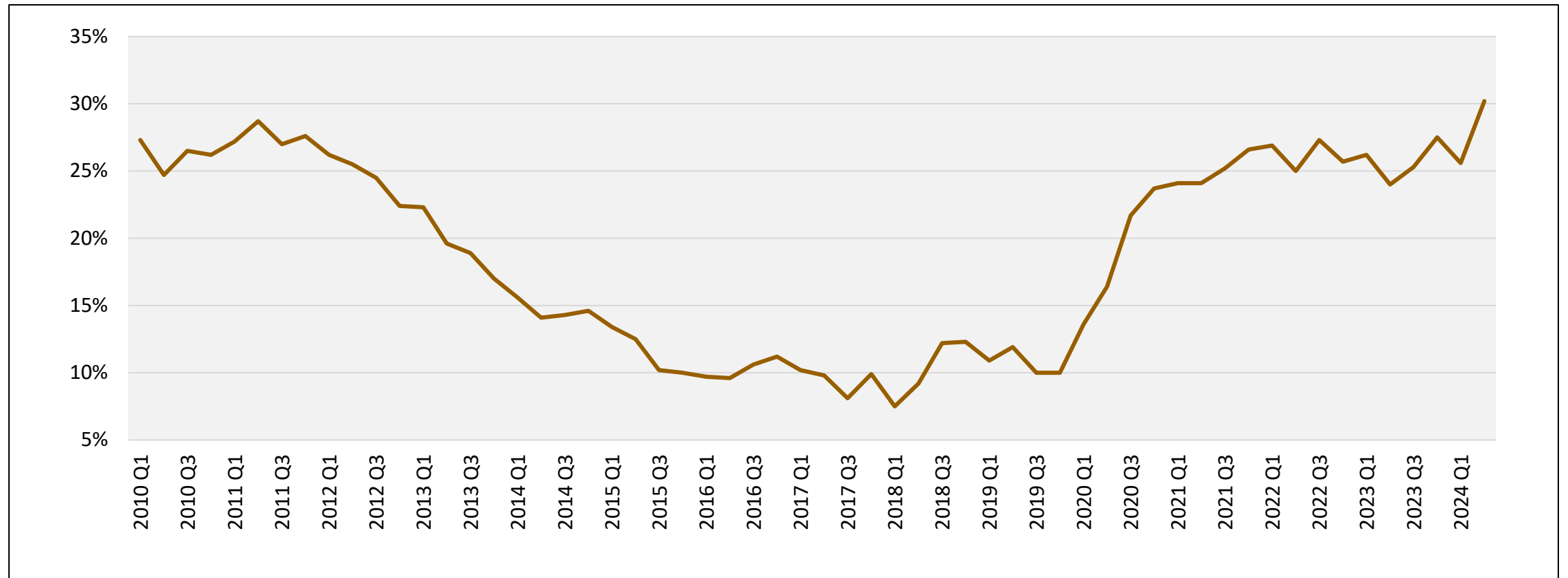
Office Market



SOURCE: CoStar and Johnson Economics

MARKET TRENDS – VACANCY

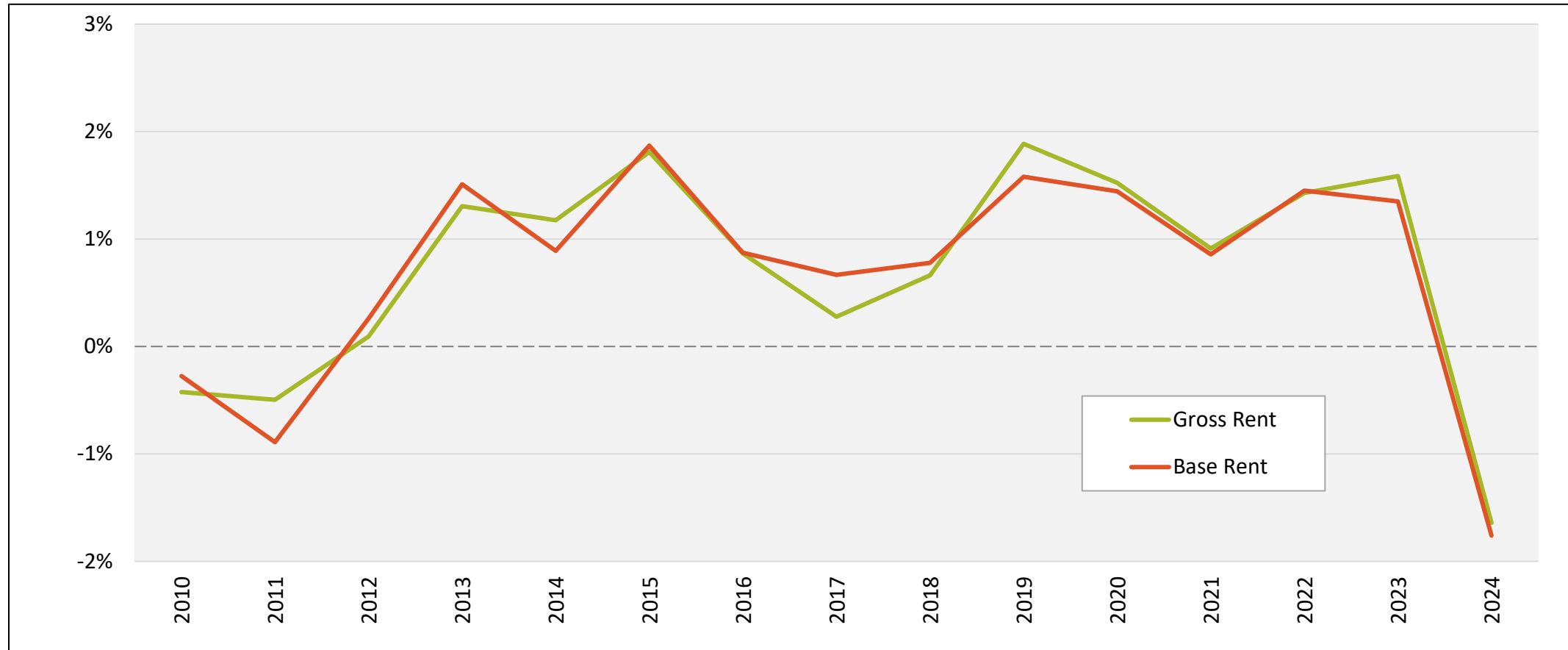
Office Market



SOURCE: RMLS and Johnson Economics

MARKET TRENDS – LEASE RATES

Office Market



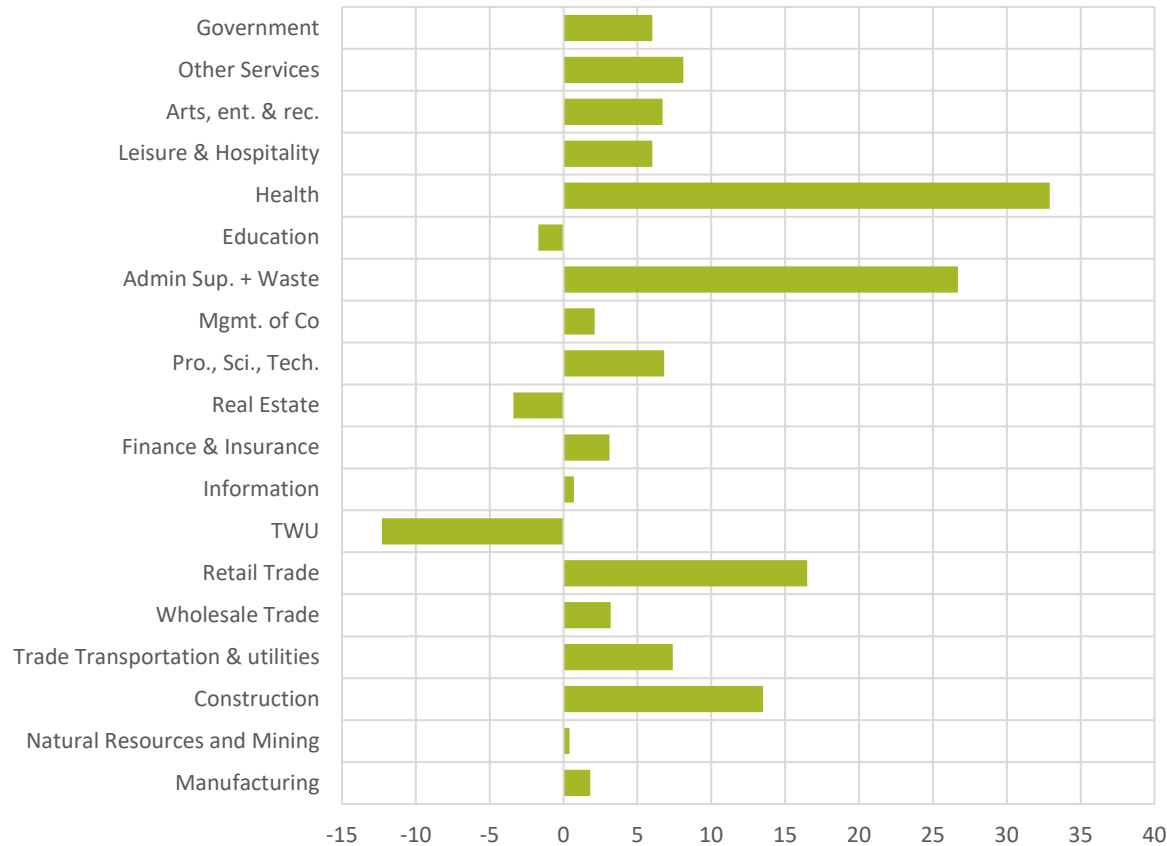
SOURCE: RMLS and Johnson Economics

REGIONAL ASSESSMENT

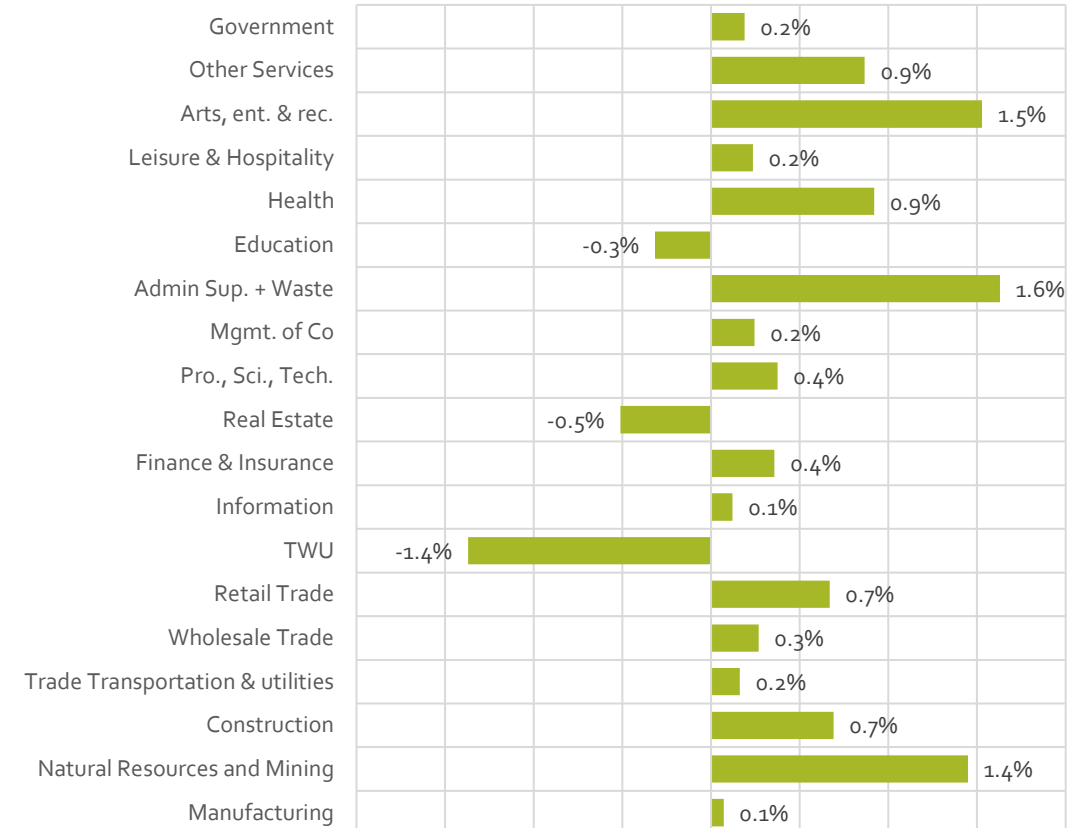
REGIONAL FORECAST - EMPLOYMENT

Metro Urban Growth Report (Draft)

NET CHANGE 2024-44 (000s)

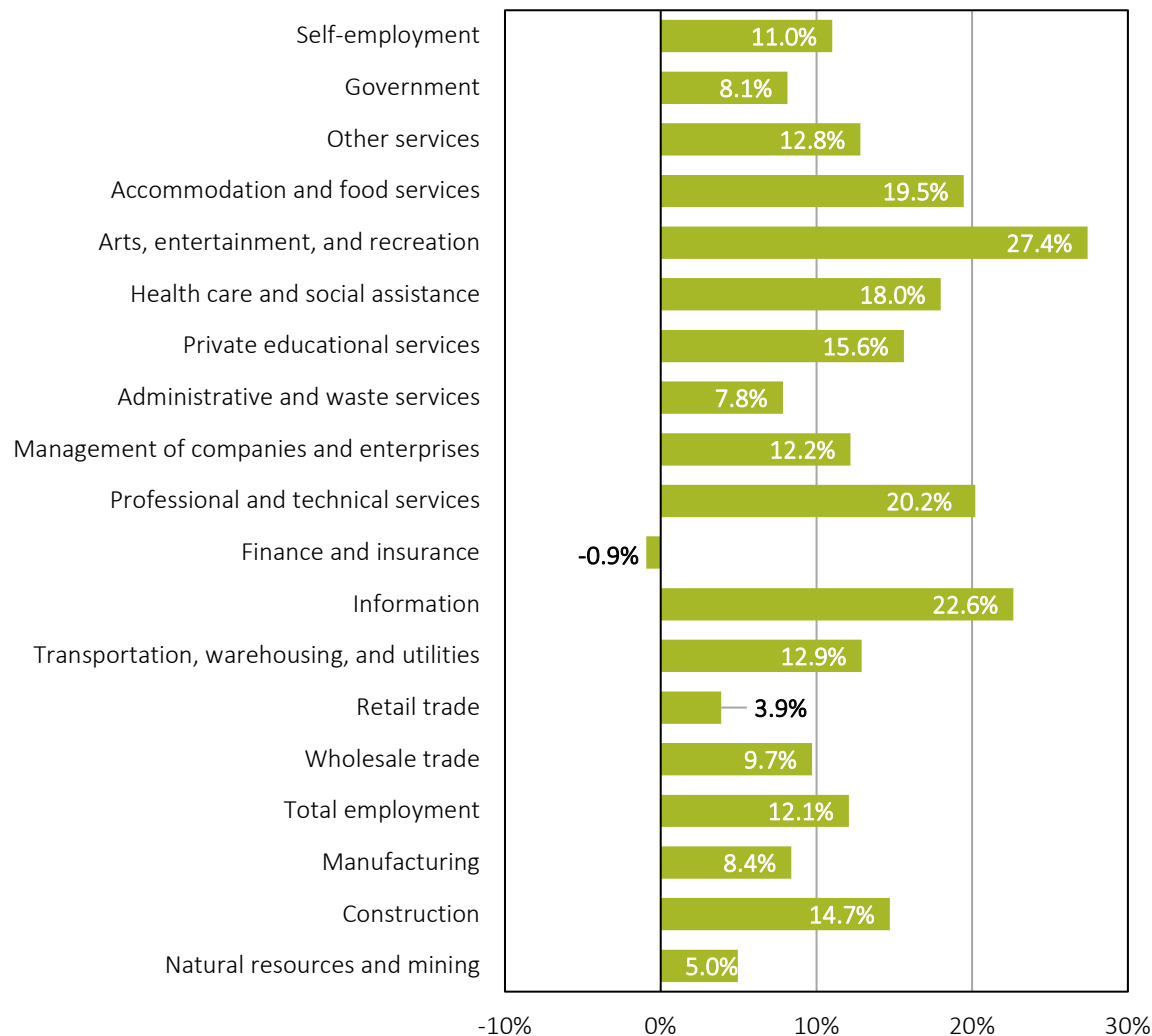


AAGR 2024-44



REGIONAL FORECAST

Clackamas, Multnomah and Washington Counties



	2022	2032	Change	% Change
Total employment	1,055,100	1,182,600	127,500	12%
Total payroll employment	992,400	1,113,000	120,600	12%
Total private	878,200	989,500	111,300	13%
Natural resources and mining	10,100	10,600	500	5%
Construction	59,100	67,800	8,700	15%
Manufacturing	101,300	109,800	8,500	8%
Durable goods	79,000	86,300	7,300	9%
Nondurable goods	22,300	23,500	1,200	5%
Wholesale trade	47,300	51,900	4,600	10%
Retail trade	90,000	93,500	3,500	4%
Transportation, warehousing, and utilities	46,500	52,500	6,000	13%
Information	23,400	28,700	5,300	23%
Finance and insurance	32,800	32,500	-300	-1%
Real estate and rental and leasing	27,800	30,000	2,200	8%
Professional and technical services	70,800	85,100	14,300	20%
Management of companies and enterprises	36,900	41,400	4,500	12%
Administrative and waste services	59,900	64,600	4,700	8%
Private educational services	20,500	23,700	3,200	16%
Health care and social assistance	122,900	145,000	22,100	18%
Arts, entertainment, and recreation	13,500	17,200	3,700	27%
Accommodation and food services	77,100	92,100	15,000	19%
Other services	38,200	43,100	4,900	13%
Government	114,200	123,500	9,300	8%
Federal government	13,700	13,800	100	1%
State government	8,400	8,900	500	6%
Local government	92,100	100,800	8,700	9%
Local government education	44,900	45,900	1,000	2%
Self-employment	62,700	69,600	6,900	11%

REGIONAL FORECAST

Metro Urban Growth Report (Draft)

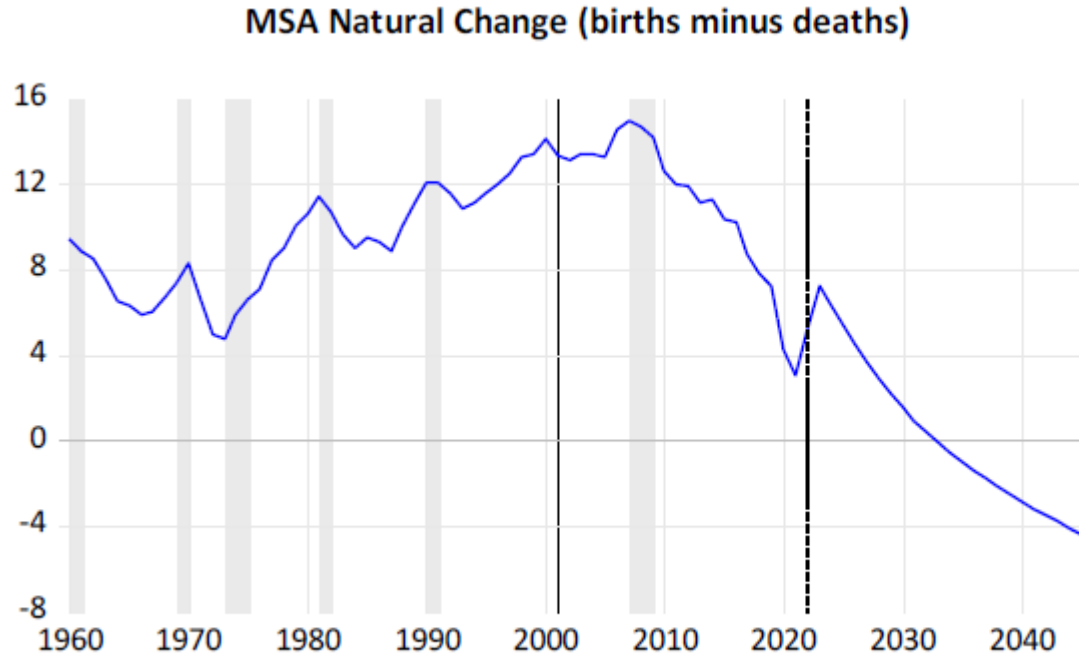


Figure 3: MSA natural change (births minus deaths). Natural change in resident population will turn negative in the next decade and absent positive net migration, the region's total population will start to decline.

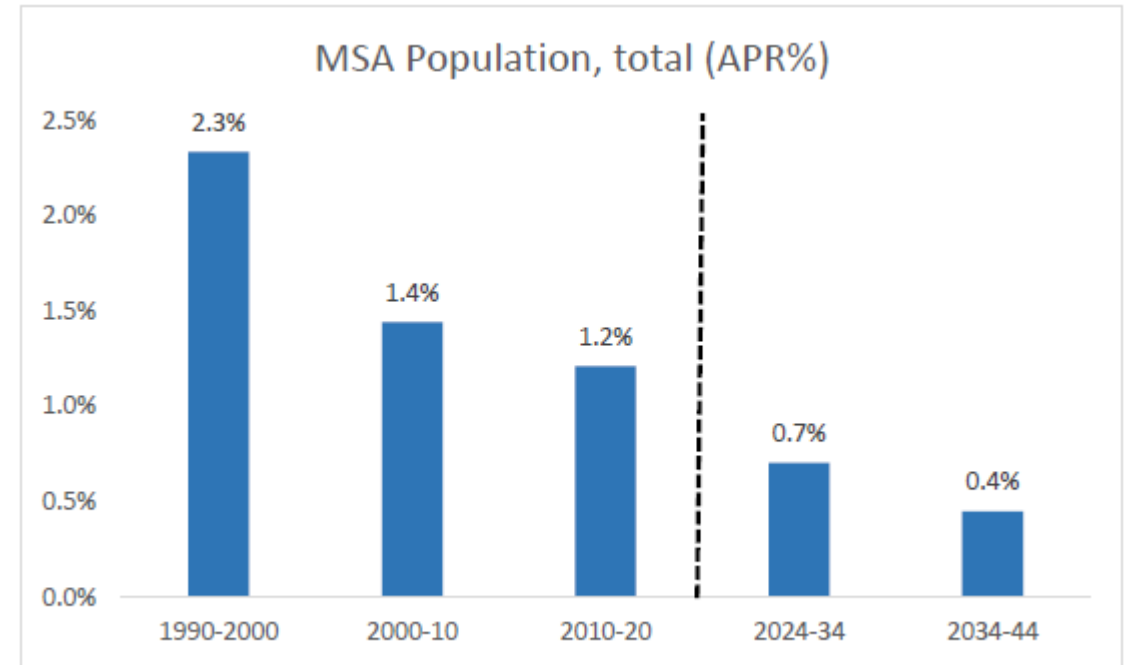


Figure 5: MSA total population, annualized growth rates by decade

REGIONAL FORECAST

Metro Urban Growth Report (Draft)

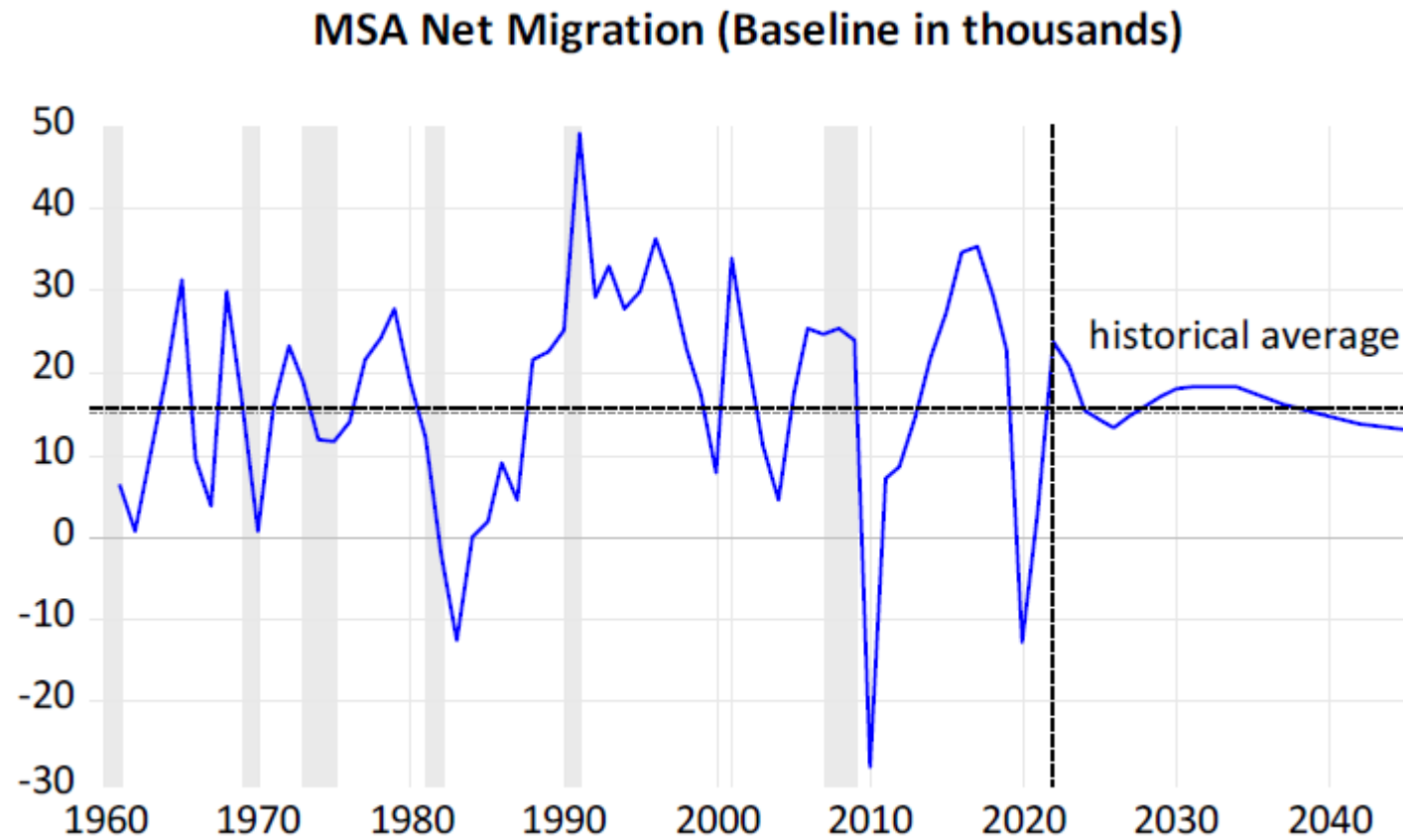


Figure 7: MSA net in-migration

REGIONAL FORECAST

Metro Urban Growth Report (Draft)

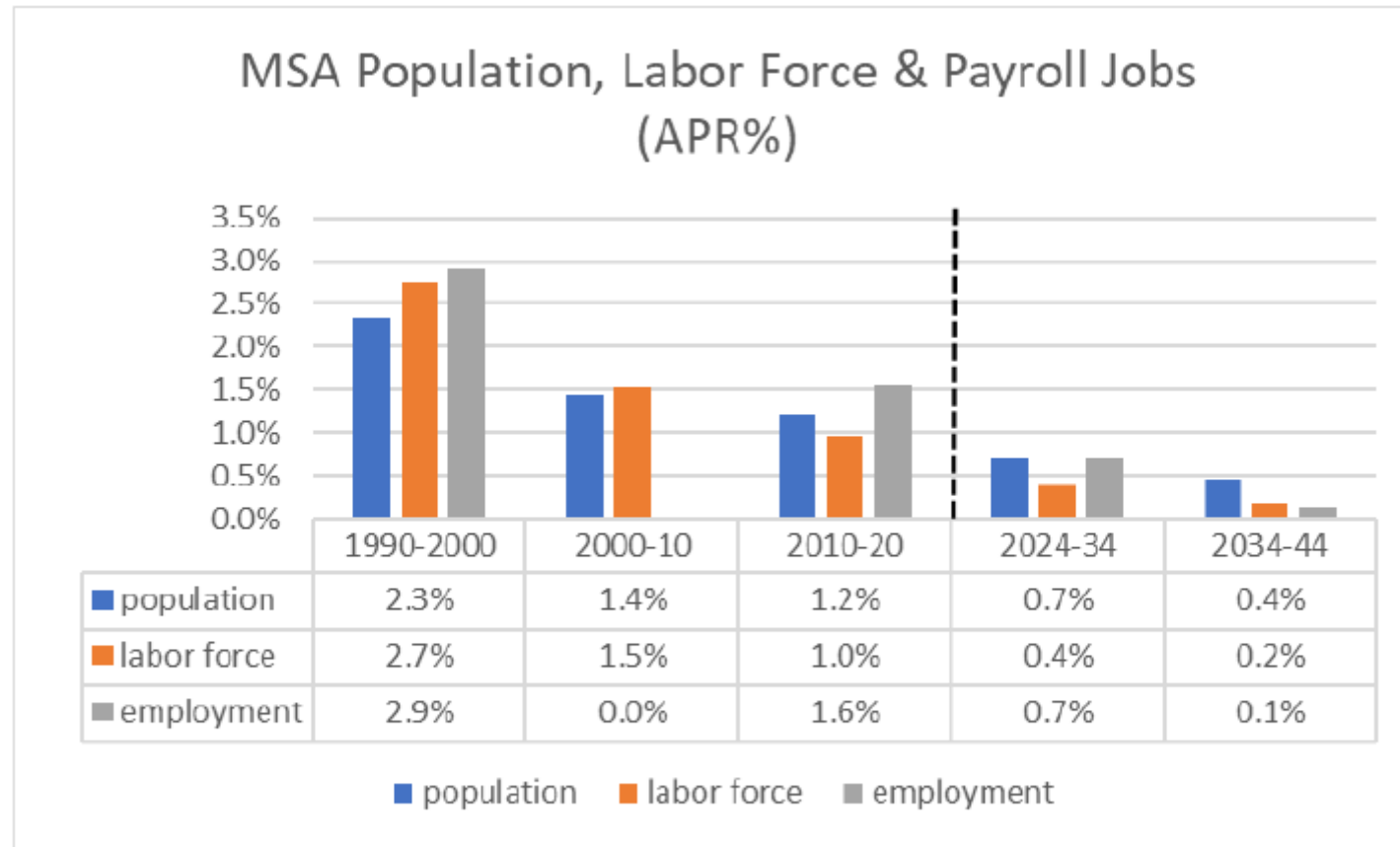


Figure 8: MSA annual percentage rates for population, labor force supply, employment demand

REGIONAL FORECAST

Metro Urban Growth Report (Draft)

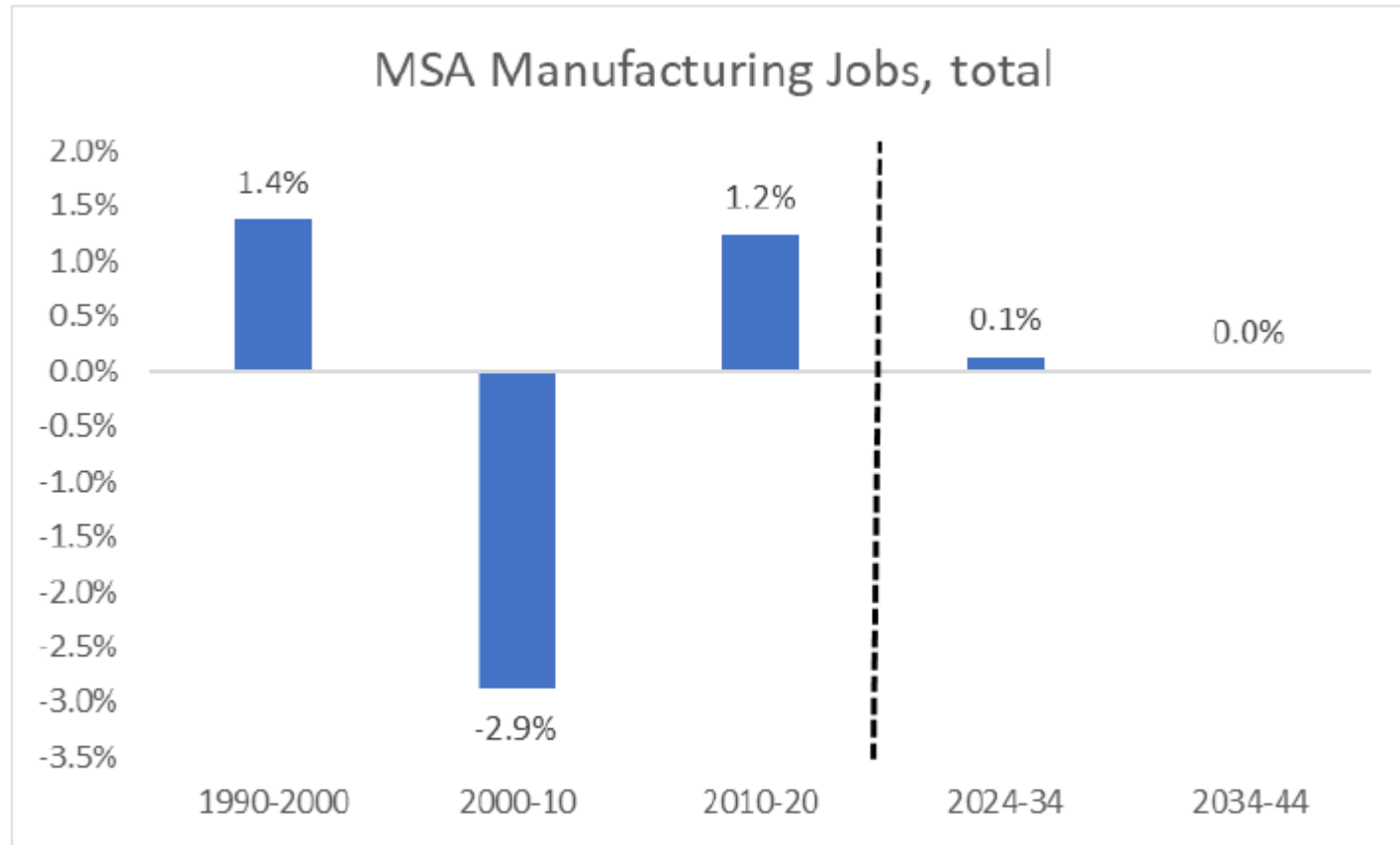
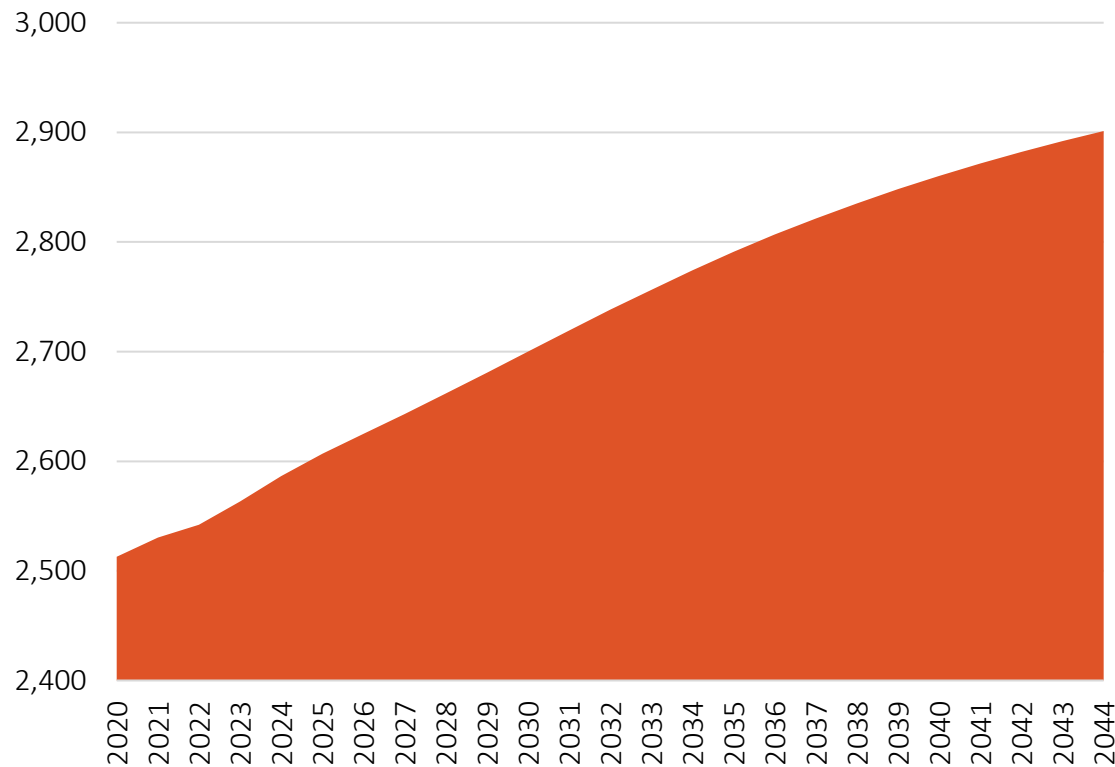


Figure 10: MSA total manufacturing job growth, APR%

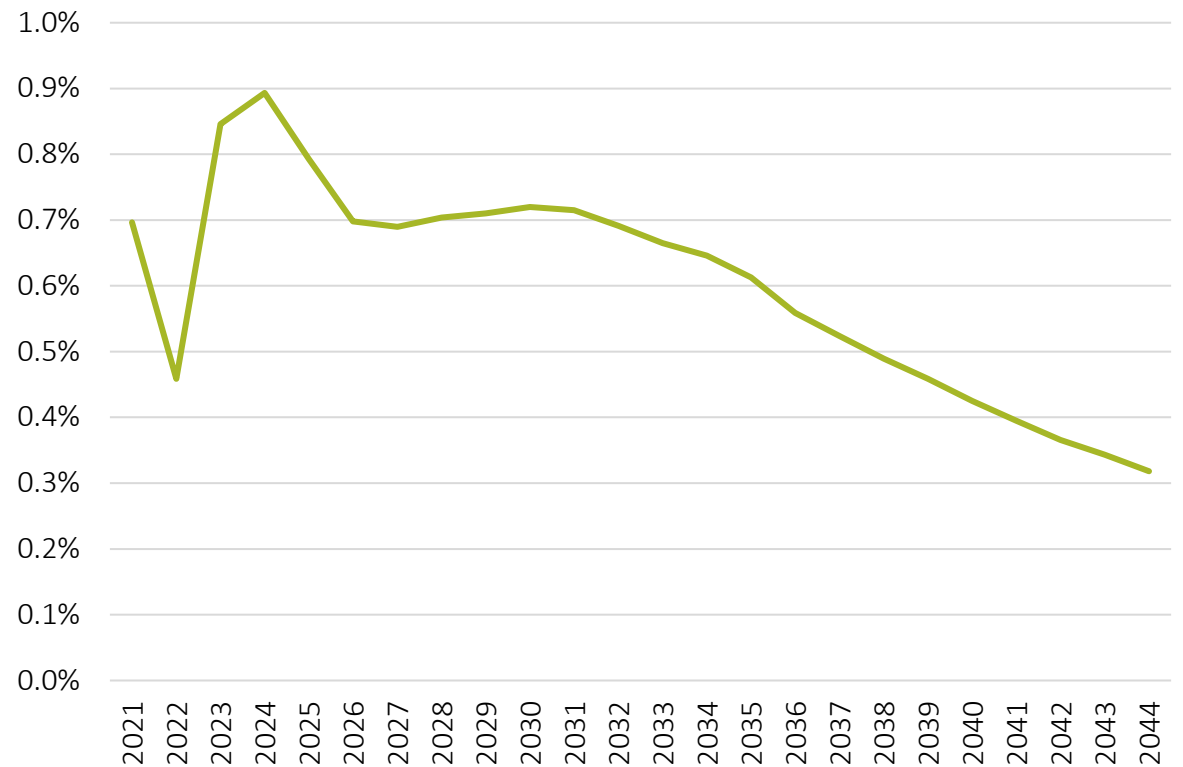
REGIONAL FORECAST

Metro Urban Growth Report (Draft)

Projected Population Growth (2020-2044)



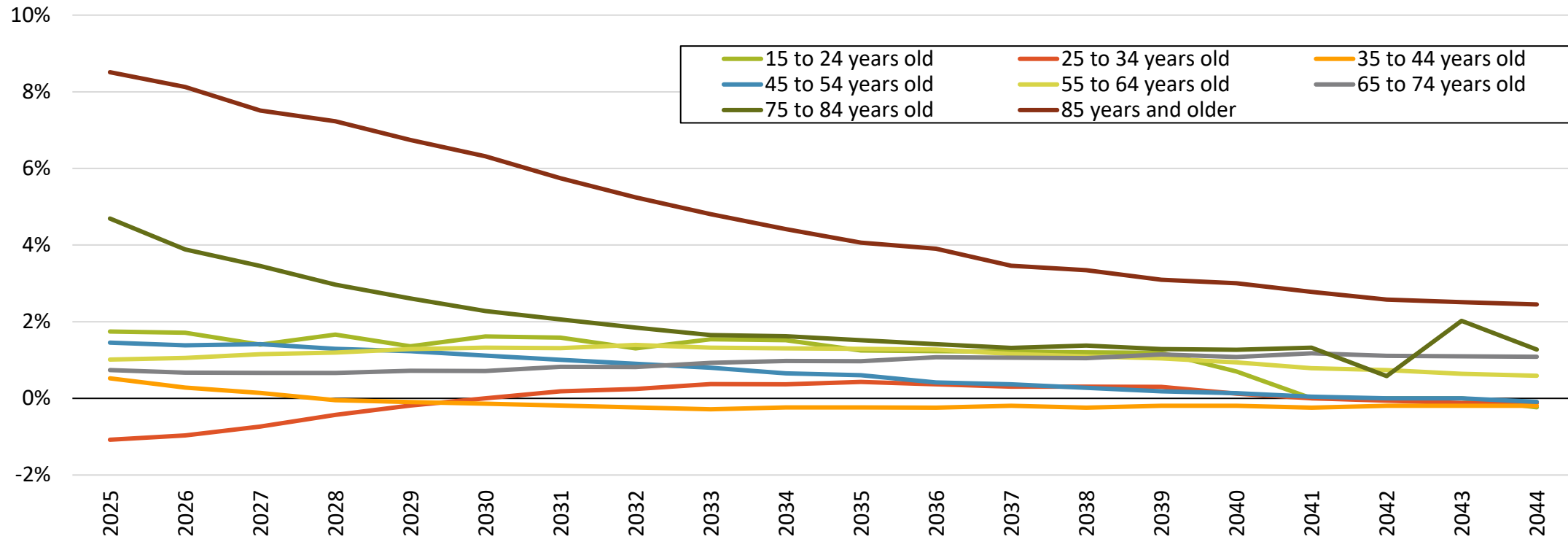
Projected Population Growth Rate (2021-2044)



REGIONAL FORECAST

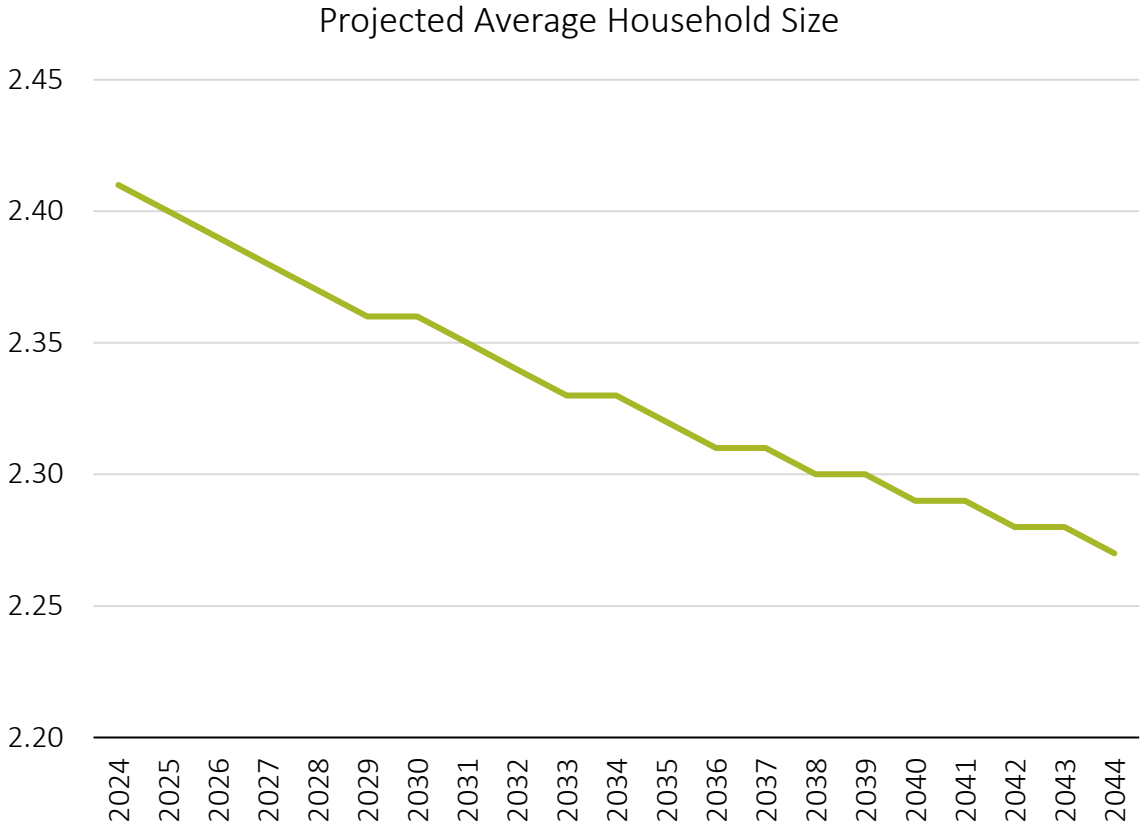
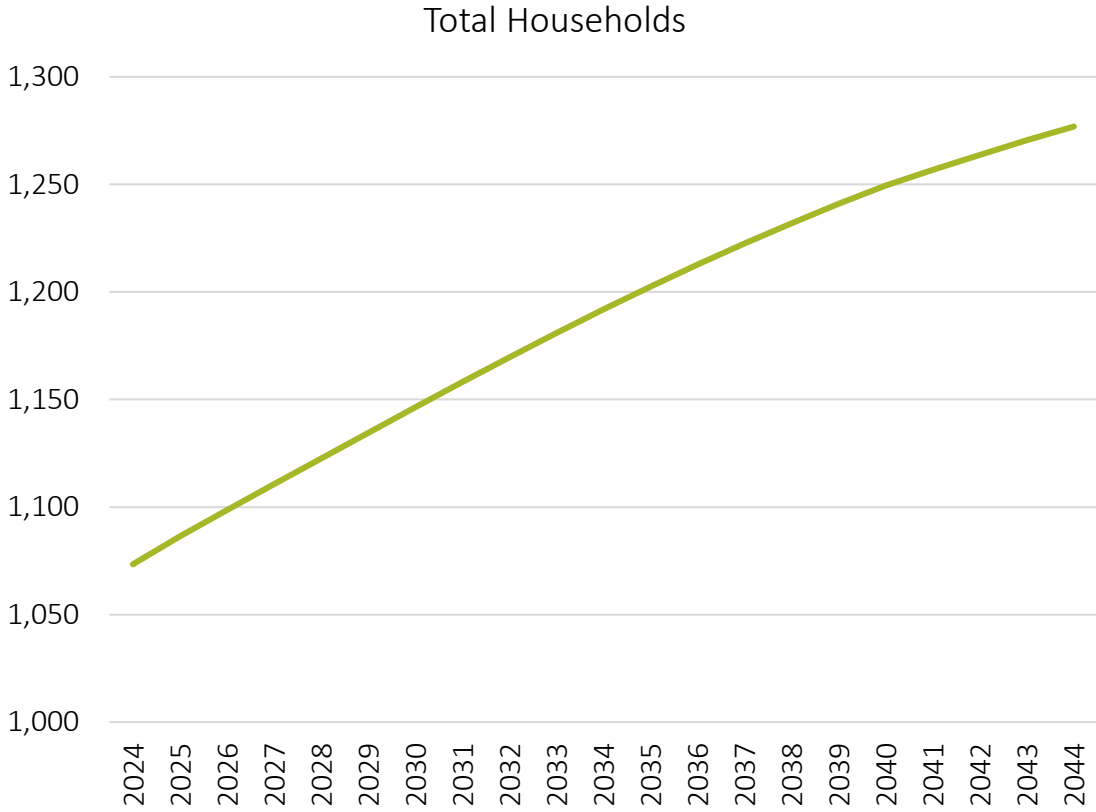
Metro Urban Growth Report (Draft)

Projected Growth Rate of Age Groups



REGIONAL FORECAST

Metro Urban Growth Report (Draft)



RESIDENTIAL FORECAST

Metro DSP – 20-Year

Jurisdiction	Forecasted Net New Units by Scenario			
	Base-Dev	Base-Vac	Scen-1	Scen-2
BEAVERTON	1,587	7,343	2,324	852
CORNELIUS	261	1,120	406	141
DURHAM	39	47	63	13
FAIRVIEW	54	741	155	-7
FOREST GROVE	707	3,274	1,233	328
GLADSTONE	19	85	36	-4
GRESHAM	3,299	7,520	4,916	1,782
HAPPY VALLEY	2,783	10,112	4,164	1,542
HILLSBORO	2,697	7,709	3,811	1,676
JOHNSON CITY	0	0	24	0
KING CITY	-3	11	-1	0
LAKE OSWEGO	3,170	839	3,760	2,442
MAYWOOD PARK	0	0	0	0
MILWAUKIE	1,066	794	1,435	728
OREGON CITY	1,294	5,013	1,963	621
PORTLAND	17,947	10,512	29,053	10,025
RIVERGROVE	4	3	12	-2
SHERWOOD	1,419	1,187	1,662	1,162
TIGARD	966	3,001	1,471	615
TROUTDALE	19	953	61	0
TUALATIN	416	133	583	296
UNIN-CLACK	4,435	8,442	6,617	2,841
UNIN-WASH	3,121	9,335	5,469	1,459
UNIN-MULT	1,490	1,005	1,679	1,354
WEST LINN	766	1,040	1,131	456
WILSONVILLE	225	963	324	123
WOOD VILLAGE	20	1,062	75	0
UNCLASSIFIED	-1	1	4	10
TOTAL	47,800	82,245	72,430	28,453

Baseline - Developed

BASELINE ASSUMPTIONS ON DEVELOPED PROPERTIES

- *Redevelopment rate set at 0% at extreme*

Baseline - Vacant

BASELINE ASSUMPTIONS ON VACANT PROPERTIES

- *Redevelopment rate set at 100%*

Scenario 1 - Developed

OPTIMISTIC, ELEVATED PRICING AND HIGH REDEV RATES

- *Residential pricing elevated 5% for all parcels*

Scenario 2 - Developed

MARKET EROSION

- *Residential pricing decreased 5% for all parcels*

EMPLOYMENT ACRES

Metro 2024 BLI

- COMMERCIAL

- 0.4 Acres Vacant (MUR)
- 0.1 Acres Redevelopment
- 0.5 Acres Total
- Regional Total 513.6 Acres

- INDUSTRIAL

- 3.7 Acres Vacant
- 1.2 Acres Infill
- 1.0 Acres Redevelopment
- 6.0 Acres Total
- Regional Total 5,942.8 Acres

CURRENT HOUSING PROFILE

City's Housing Needs Analysis

CURRENT HOUSING CONDITIONS (2020)			SOURCE
Total 2020 Population:	25,995		PSU Pop. Research Center
- Estimated group housing population:	131	(0.5% of Total)	US Census
Estimated Non-Group 2020 Population:	25,864	(Total - Group)	
Avg. HH Size:	2.60		US Census
Estimated Non-Group 2020 Households:	9,948	(Pop/HH Size)	
Total Housing Units:	10,476	(Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	9,948	(= # of HH)	
Vacant Housing Units:	528	(Total HH - Occupied)	
Current Vacancy Rate:	5.0%	(Vacant units/ Total units)	

Sources: Johnson Economics, City of West Linn, PSU Population Research Center, U.S. Census

PROJECTED NEED FOR NEW HOUSING

City's Housing Needs Analysis

Income Range	Current Need (no vacancy)	Future Need (no vacancy)	New Need (with vacancy)	Share of Units
Less than \$15,000	380	416	43	4%
\$15,000 - \$24,999	370	406	44	4%
\$25,000 - \$34,999	372	408	43	4%
\$35,000 - \$49,999	607	665	66	7%
\$50,000 - \$74,999	1,279	1,402	140	14%
\$75,000 - \$99,999	1,034	1,133	101	10%
\$100,000 - \$124,999	941	1,032	94	9%
\$125,000 - \$149,999	872	956	86	9%
\$150,000 - \$199,999	1,303	1,429	124	12%
\$200,000+	2,790	3,059	265	26%
Total:	9,948	10,907	1,005	

Sources: PSU, City of West Linn, Census, Environics Analytics, JOHNSON ECONOMICS

TOURISM –DRIVEN ECONOMIC DEVELOPMENT

KEY ADVANTAGES AND DISADVANTAGES OF TOURISM

- Advantages:

1. Job creation
2. Increased local revenue
3. Infrastructure development
4. Diversification of the local economy
5. Functions as a “basic industry”
6. Supports amenities valued by residents

- Disadvantages:

1. Seasonal employment and income fluctuations
2. Disproportionately low wage employment
3. Overcrowding and strain on local resources

FISCAL IMPACTS OF TOURISM

- **TAX REVENUE INCREASES:**
 - Less pronounced in Oregon due to a lack of sales tax
 - Increased property tax revenue from new hotels and attractions
 - Possible hotel occupancy taxes
- **PUBLIC EXPENDITURE REQUIREMENTS:**
 - Infrastructure investments
 - Increased spending on public services (police, fire, sanitation)
 - Marketing and promotion costs for the tourism industry
- **BUDGETARY CONSIDERATIONS:**
 - Possible need for tax incentives or subsidies to attract tourism investments
 - Allocation of funds for tourism development and management
- **LONG-TERM FISCAL PLANNING:**
 - Balancing tourism revenue with costs of maintaining attractions and infrastructure
 - Managing potential boom-bust cycles in tourism-dependent economies
- **INDIRECT FISCAL IMPACTS:**
 - Multiplier effects leading to increased economic activity and tax revenue
 - Potential increase in property values and associated tax revenue
- **OPPORTUNITY COSTS:**
 - Consideration of alternative uses for public funds and resources

NORTH OREGON COAST

- Advantages
 - Scenic/Outdoor Activities
 - Proximate to major population centers
 - Amenity support
 - Tax base
- Issues
 - Seasonality
 - Second homes
 - Housing affordability
 - Traffic



BEND, OREGON

- Advantages
 - Outdoor activities (summer and winter)
 - Scenic
 - Multiple seasons
 - Relatively dry weather
 - Proximate to major population centers
 - Amenity support
 - Tax base
- Issues
 - Housing affordability
 - Second homes
 - Remote work
 - Seasonality (shoulders)



MCMINNVILLE/DUNDEE/CARLTON/ NEWBERG/DAYTON

- Advantages
 - Locational advantages for production
 - Proximate to major population centers
 - Amenity support
 - Tax base
- Issues
 - Housing affordability
 - Seasonality
 - Traffic



HOOD RIVER/WHITE SALMON

- Advantages
 - Scenic/Outdoor Activities
 - Development of related businesses
 - Proximate to major population centers
 - Amenity support
 - Tax base
- Issues
 - Seasonality
 - Primary and Second homes
 - Housing affordability



ASHLAND, OREGON

- Advantages
 - Outdoor activities
 - Scenic
 - Multiple seasons
 - Dry weather
 - University
 - Amenity support
 - Tax base
- Issues
 - Housing affordability
 - Second homes/Retirement
 - Remote work
 - Seasonality (shoulders)



HILLSBORO, OREGON

- Advantages
 - Large local business base
 - Regional airport
 - Brings regional dollars into community
 - Requires significant public investment
 - Site available for sports facility development
 - Supplements business support for local hotels
- Issues
 - Seasonality
 - Allocation of scarce resources



REGIONAL ENGAGEMENT

POTENTIAL CITY ROLES IN REGIONAL CONTEXT

- SUPPORT REGIONAL ECONOMIC DEVELOPMENT EFFORTS
- ADDRESS WEST LINN'S COMPETITIVE POSITION WITHIN REGION
 - Ability to Accommodate Employment
 - Labor Force
 - Executive Housing
 - Understand SWOT
 - Regulatory Environment
 - Tools Available
- ACTIVE ROLE IN REGIONAL AND STATEWIDE EFFORTS
 - Metro
 - Business Oregon
 - Greater Portland Inc.
- WORKFORCE DEVELOPMENT
- INFRASTRUCTURE

NEXT STEPS

NEXT STEPS

- IDENTIFY OPPORTUNITIES AND CONSTRAINTS
 - Updated Economic Opportunities Analysis (EOA)
 - Economic Development Strategy?
 - Identify resources and constraints
- IDENTIFY YOUR GOALS AND OBJECTIVES
 - Community Outreach
- IDENTIFY AVAILABLE TOOLS
 - Tax Increment
 - Tax Incentives
 - Infrastructure Investments
- CLARIFY INTERNAL RESPONSIBILITIES
- REGIONAL COORDINATION
 - Business Oregon
 - Greater Portland Inc.
 - Metro
- DON'T FORGET BASIC STRATEGIES
 - Business retention and support
 - Workforce development
 - Small Business Support