



AGENDA

Technical Advisory Committee (TAC) Meeting #1

Sherwood Economic Opportunities Analysis (EOA) Update

MEETING DATE: August 30, 2022

MEETING TIME: 2- 4 PM

LOCATION: VIRTUAL – ZOOM Platform.

How to Provide Citizen Comments: Citizen comments may be provided in writing, or by telephone. Written comments must be submitted at least 24 hours in advance of the scheduled meeting start time by e-mail to reschc@sherwoodoregon.gov and must clearly state that it is intended as a general Citizen Comment for this meeting. To provide comment by phone during the live meeting, please e-mail or call Colleen Resch at ReschC@Sherwoodoregon.gov or 503-625-4223 at least 24 hours in advance of the meeting start time in order to receive the phone dial-in instructions. Per Council Rules Ch. 2 Section (V)(D)(5), Citizen Comments, “Speakers shall identify themselves by their names and by their city of residence.” Anonymous comments will not be accepted into the meeting record.

MEETING PURPOSE:

- Introductions and getting to know each other.
- Learn about project overview, including purpose of the project and identifying project scope and schedule, potential project impacts and outcomes, coordination with partner organizations and agencies, and work status to date
- Role of the TAC
- Review Trends Data
- Discuss Statement of Community Economic Development Objectives

AGENDA

2:00 PM **Welcome and Introductions** - Bruce Coleman - Economic Development Manager

- Let’s get to know each other. Introduce yourself including your name, your organization and your favorite interest/hobby.

2:15 PM **Community Comments**

2:20 PM **Project Overview** – Bruce Coleman, Erika Palmer-Planning Manager & Jerry Johnson-Johnson Economics

- A Brief Presentation on City's Economic Development Goals and Activities - Bruce Coleman
- Status of Sherwood West Concept Plan & Description of Current UGB/Expansion Initiatives– Erika Palmer
- Brief History of City's Previous Economic Opportunities Analysis Work– Erika Palmer/Jerry Johnson
- Reasons for Update to EOA – Erika Palmer/Jerry Johnson
- Role of TAC – Bruce Coleman

2:45 PM **Sherwood UGB Data Analysis** – Jerry Johnson

3:10 PM **Discuss Statement of Community Economic Development Objectives** – Jerry Johnson

3:50 PM **Next Steps**



City of
Sherwood
Oregon

2023 Economic Opportunities Analysis (EOA)
Technical Advisory Committee (TAC)
Meeting #1

August 30, 2022

Agenda

1. Introductions
2. Community Comments
3. Project Overview
4. Trends Analysis
5. Community Economic Development Objectives Discussion
6. Next Steps
7. Adjourn



TAC Roles and Responsibilities

- Attend meetings regularly
- Advise on local economic conditions, issues, and objectives
- Review and provide feedback on work products and recommendations
- Inform other community members and partners about the project

Economic Opportunities Analysis

What is an “EOA”?

- Identify local economic goals and target industries
- Forecast economic trends and job growth
- Inventory and evaluate land for employment
- Formulate new policies and action items
- Update the Comprehensive Plan, address “Goal 9”

Economic Goals (Current EOA Text)

- Prioritize and promote economic development to increase the city tax base by providing and managing a supply of land to target growth industries and support Sherwood's desired economic growth
- Plan and provide adequate infrastructure efficiently and timely to support employment growth
- Support the growth of local businesses and attract new businesses that increase the City's tax base, provide stable, high wage jobs and capitalize on Sherwood's location and high quality of life to create destinations and experiences for both residents and visitors of Sherwood

Overview of ED Goals & Activities

- **Provide Update on City's Economic Development Goals/Activities relating to work on the 2023 EOA**
- **Update on growth of advanced manufacturing/industrial projects in Tonquin Employment Area ("TEA") & "Sherwood East" Industrial Corridor.**
- **Importance of planning now to identify sites for new employment growth in Sherwood to meet City's objectives.**
- **Provide update on Sherwood West Concept Plan program, including opportunities for new Light Industrial development in Sherwood West.**

Current Economic Development Goals

- **Economic Development is one of City Council’s highest priorities**
- **City Council Vision: Thriving and diversified economy; Self-sustaining local economy**
- **Sherwood Comprehensive Plan (Adopted December 2021):**

“In 2040, the Sherwood economy has grown to include a variety of businesses big and small that offer stable employment opportunities, higher wage jobs and expanded tax base to protect and maintain Sherwood’s quality of life. Sherwood provides a great destination for both residents and businesses.”

What is Local Economic Development

Economic Development

- Encourages the creation of new wealth in the community and increased economic mobility which comes from the establishment of new quality jobs through business creation and investments.
- Encompasses programs, policies, and activities that seek to improve the economic well-being and quality of life in the community by creating and retaining jobs and providing for a growing municipal tax base for city services.

Reasons for Sherwood's Economic Development Focus

- **Attract More Businesses and Higher Paying Jobs**
- **Improve Jobs/Housing Balance**
Sherwood – Approximately 18% of AV is Commercial/Industrial; Wilsonville – Approximately 39% of Tax Base is Commercial/Industrial
- **Large daily exodus of skilled workforce-Only 8% of Sherwood residents work in Sherwood; Create more diversified economic base/local tax base.**
- **Sherwood has highly skilled workforce that seeks to work closer to home**
- **Opportunities to reduce commuting from Sherwood; creating more balanced community and improve family life**
- **Need for more “shovel-ready” Industrial/ Advanced Manufacturing Land to serve Sherwood and Metro Region.**
- **Help implement Oregon Semiconductor Competitiveness Report “*Seizing Opportunity*” recommendation:” To attract and retain semiconductor R&D and manufacturers, we need more buildable industrial land proximate to infrastructure, talented workers and specialized suppliers. Oregon’s land use system and infrastructure investment programs need urgent legislative attention and investment to address this need.”**

How the City Works to Facilitate Economic Development

- **Focus on infrastructure construction needed to spur economic development/diversified local economy.**
- **Ensure strong public safety.**
- **Enhance the business climate for job retention/creation: More “certainty” for business investment**
- **Work with state/regional/local & development partners to facilitate retention and growth of traded-sector businesses & skilled workforce.**
- **Work to create “shovel-ready” sites to meet strong market demand**
- **Work with existing and new businesses to link to business resources (financing, technical assistance/business support services, etc.)**
- **Market Sherwood regionally/nationally/internationally as location for business growth**

- **City of Sherwood seeks to facilitate growth of both Traded-Sector and Local-Serving Businesses.**
- **Traded-Sector companies sell their goods and services in competition with businesses in other states and countries.**
- **Local-Sector companies sell their goods and services primarily in the local market.**
- **Traded-sector companies bring new money into the community, whereas local-sector companies keep local money at home.**
- **In general, adding one additional skilled job in the traded-sector generates 2.5 jobs in local goods and services.**
- **Support growth of both Small Businesses and Larger Businesses**

Sherwood's Economic Development Initiatives

The City works with many partners to facilitate:

- Existing Business Retention & Expansion (BRE)
- New Business Attraction
- New Business Creation/Entrepreneurial “Eco-System”/Tech Startups
- Workforce/Talent Development
- Town Center/Old Town Development (“Placemaking”)
- Visitor Destination Development

Today's Presentation will focus mostly on Traded-Sector Business Growth

Sherwood's Key Target Industries

- **High Technology/Computers & Electronics/Semiconductors**
- **Light Manufacturing/Advanced Manufacturing**
- **Cleantech**
- **Life Sciences/Biosciences**
- **R&D**
- **Software/Media Design**
- **Aerospace/Unmanned Vehicles/Robotics/Defense**
- **Professional/Business Services**
- **Food Product Manufacturing**
- **Outdoor/Athletic Wear Design**
- **Healthcare**
- **Foreign Direct Investment (FDI) & Export-Driven Firms**
- **Hospitality/Food & Beverage/Wine Country "Gateway" Destination Projects/Un-Met Retail & Other Local-Serving Businesses**



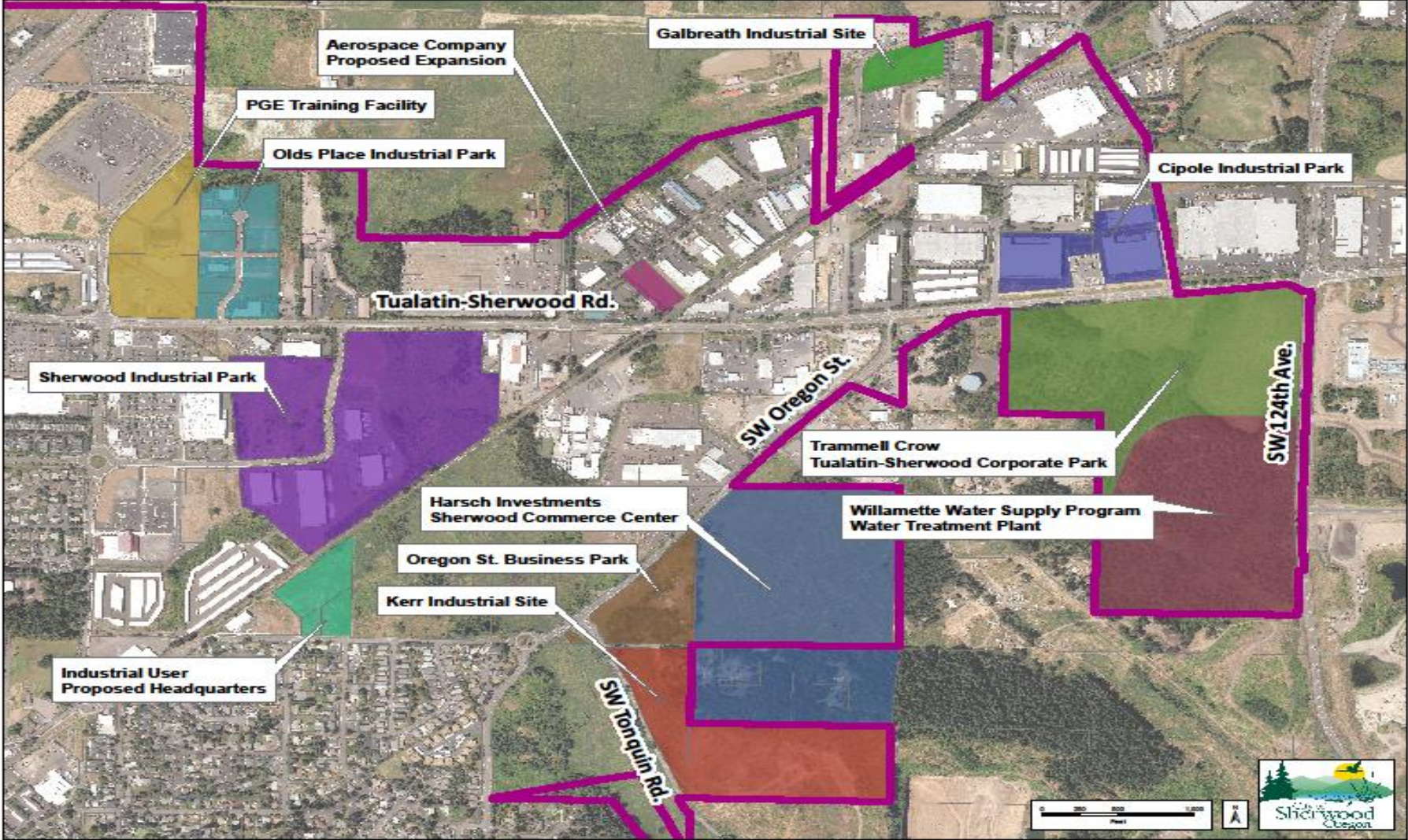
Current Major Employment/Industrial Development Projects in Sherwood

“Sherwood East” is city’s primary industrial area. Numerous projects

currently in the works:

- **Tonquin Employment Area (TEA)**
- **Other Sherwood East Infill Industrial Projects**

“Sherwood East” Extensive Industrial Activity



Tonquin Employment Area (TEA)

- Bounded by SW Tualatin-Sherwood Road, SW 124th Avenue, SW Oregon Street and SW Tonquin Road and UGB Boundary
- 200+ Acres (potentially developable); Currently underdeveloped/developing.
- TEA Planning began 2010 with Concept Plan.
- Located in “Sherwood East” Industrial Area – Tualatin-Sherwood Road
- Prime industrial area within Southwest Greater Portland/I-5 Corridor in Metro
- 180 acres annexed to City since Mid-2019
- Attracting strong national and regional industrial park developers/business “occupier” /”end-user” companies/ major corporate investment activity
- Plans well underway for new East/West industrial collector road (SW Oregon Street to SW 124th) –”SW Ice Age Drive” – 30% Design nearing completion.
- Widening of SW Tualatin-Sherwood Road started in 2021 – 5 lanes between Hwy 99 and Teton in Tualatin– will accelerate market demand for industrial space considering lack of larger usable Industrial Park sites in region.
 - Anticipated completion - 2025

Trammell Crow/Tualatin-Sherwood Corporate Park

- Southwest corner of SW Tualatin-Sherwood Road and SW 124th
- Direct access to I-5 via T-S Road and new 124th Avenue
- 47 Acres
- Annexed by unanimous City Council vote – Late 2019
- Fully entitled by City; Building construction near completion
- 3 new “spec” buildings – 478,300 SF
- Buildings available - 2022
- Per Brokers/Developer: More leasing activity/interest than building space available
- Successful recruitments and on-going negotiations will completely fill project even before completion:
 - 63,000 SF – NSI/Nuance Systems - Global semiconductor/solar advanced manufacturing company (FDI/Parent Company in Germany);
 - 80,000 SF – DW Fritz Automation: Global precision automation/advanced manufacturing company (FDI- Parent company in Sweden)
 - 64,000 SF – Lease negotiations underway with company.
 - 272,000 SF – Lease negotiations underway with global company



Willamette Water Supply Project

- **New Water Treatment Plant for Willamette Water Supply System**
- **Tonquin Employment Area**
- **West side of SW 124th, south of SW Tualatin-Sherwood Road**
- **Approximately 46 acres**
- **Approved by City of Sherwood/Employment-Industrial (E-I) Zoning**
- **Project will build eastern portion of SW Ice Age Drive to SW 124th Avenue**
- **Construction 2022-2025**

Sherwood Commerce Center



- East Side of SW Oregon Street, Just South of Tualatin-Sherwood Rd
- 60 Acre Site – One of few large contiguous industrial sites (under single ownership) remaining in region – All spec development.
- At build-out: Nearly 1 Million SF – 6 buildings currently proposed – multi-tenant development – 2 Phase project
- Annexed by City – Mid 2019 (Approx. 40 of 60 acres) Employment-Industrial (E-I) zoning; Council approved 20 acre annexation for expansion - March 2022
- Schnitzer Properties Phase 1 Land Use Application approved 2022 by Planning Commission - 440,000 SF in 3 shell buildings – all spec. project. Grading Underway
- Schnitzer working to submit Land Use Application for Phase II in 2022 – due to strong market demand.

**PROJECT IS ONE OF LARGEST NEW MULTI-TENANT INDUSTRIAL PROJECTS IN OREGON
ACCORDING TO SCHNITZER PROPERTIES**

Kerr Industrial Site/Tonquin Industrial Park

- **Located in Tonquin Employment Area**
- **Annexed into City in 2020**
- **Approximately 30 acres; Zoned Employment-Industrial (E-I)**
- **Easterly side of SW Tonquin Road, immediately south of SW Oregon Street**
- **Grading/Site Plan application approved; grading started recently**
- **Kerr selected JLL to market property to development partner. Schnitzer to construct “Tonquin Court” which will provide permanent access to site.**
- **Potential for development of 400,000 square feet of new industrial buildings.**

Oregon Street Business Park/Polley Property

- **Located in Tonquin Employment Area: Corner of Oregon Street/Tonquin Road**
- **Approximately 10 acres.**
- **Annexed into City in 2020**
- **Zoned Employment-Industrial (E-I) – City of Sherwood**
- **Planning Commission recently approved Land Use Application: Will build 115,000 square feet of multi-tenant industrial incubator space.**

Other Tonquin Employment Area Opportunities: Dahlke Lane Corridor

- Once Ice Age Drive is constructed, City expects to see other areas of TEA develop with new industrial parks
- Dahlke Lane Corridor
- Challenging sites: multiple smaller properties hard to assemble/multiple ownership/PGE
- BPA power lines limit development opportunities/lack of existing infrastructure; “scab lands”.
- Nevertheless...early annexation and development inquiries
- As Ice Age Drive gets built, there will be increased development interest in the interior areas of TEA due to market demand for space.

Cipole Industrial Park – Sherwood East

- Phelan Development – Newport Beach CA
- 12 Acre in-fill site/General-Industrial Zoning
- NWC of SW Tualatin-Sherwood Rd and SW Cipole Rd
- 236,000 SF – 3 new spec industrial buildings
- Shell buildings completed Fall 2020/Winter 2021; All buildings immediately leased/sold to end-user companies. Reflecting strong industrial space demand in Sherwood & Greater Portland/lack of available space in burgeoning I-5 South Industrial submarket within Metro boundary.
- **Lam Research** expansion into Sherwood- 45,000 sq. feet- Advanced Manufacturing- 300 employees. First Silicon Valley global tech company to locate in Sherwood.
- **IronMan America, Hardwood Industries expansion; FedEx**



Other Sherwood East Infill Industrial Development Projects

Century Drive Industrial Park

- **Located on SW Tualatin-Sherwood Road at SW Century Drive (East of Walmart)**
- **Existing industrial park/Zoned Light Industrial**
- **Owner to submit land use application in Spring 2023 due to wetlands issue.**
- **Small 14.5 acre in-fill site.**

Olds Place Industrial Park

- **Existing small in-fill industrial park – SW Tualatin-Sherwood Road at SW Olds Place**
- **Remaining vacant parcels recently purchased by individual businesses/various new buildings projects underway. One small parcel will remain.**

Other Sherwood East Industrial Projects

PGE Training Center

- Light industrial zoned land at SW Tualatin-Sherwood Road and SW Langer Farms
- Developed by PGE as powerline crew training facility. PGE – remainder of industrially-zoned sites needed for PGE’s electrical infrastructure development; not available for private industrial park development.

SW Oregon Street Industrial Site

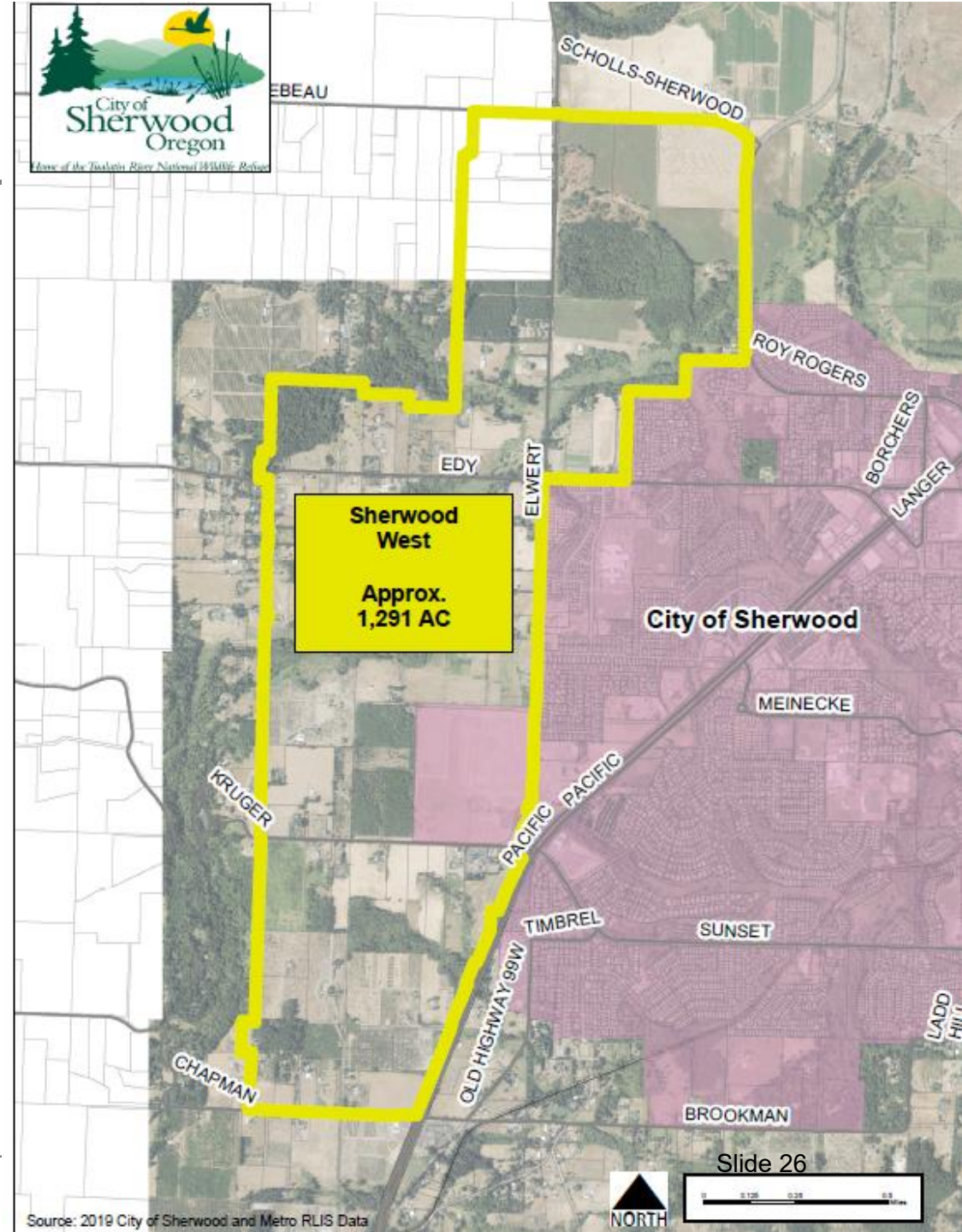
- Currently vacant 6 acre in-fill industrial site recently acquired by expanding company for HQ & industrial. Plan to develop two new industrial buildings on property (Oregon Street across from Lower Roy). Land Use application submitted to City.

Galbreath Industrial Park

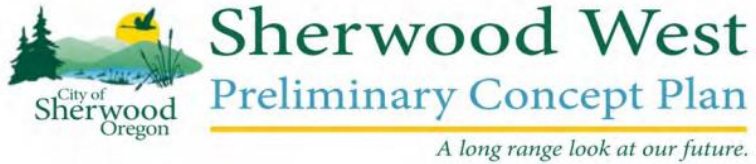
- Developed industrial park – with two remaining small undeveloped in-fill parcels.
- One parcel recently acquired by Treske Precision engineering company for expansion with new 35,000 SF new construction. Recent Planning Commission approval. Example of City’s BRE Program. Other parcel in planning stage for new BTS industrial building. Completes Galbreath infill development sites.

Sherwood West Relook

- Located West of SW Roy Rogers Rd., South of SW Scholls-Sherwood Rd, West of SW Elwert, West of 99W, North of SW Chapman
- 1,291 Acres – Urban Reserve
- New Sherwood High School – First anchor on +/- 70 acres
- Logical location for expansion of Sherwood's UGB/Adjacent to existing development and utilities.
- Key Location for Sherwood's prosperous future/growth of diversified tax base.
- Major New Area for master planned development – Opportunities for mix of housing, jobs and greenspace – consistent with Council economic development goals



Current Sherwood West Concept Plan



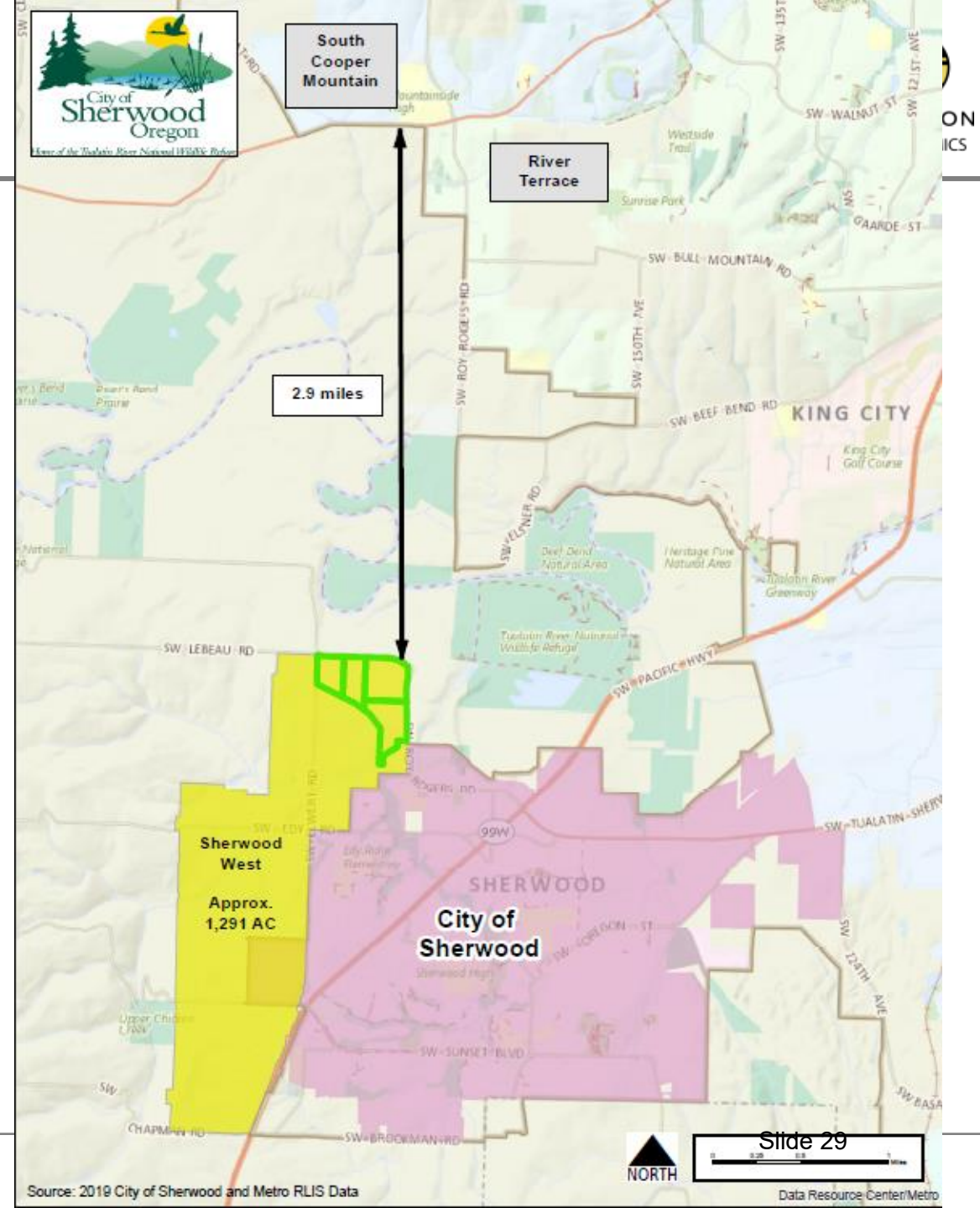
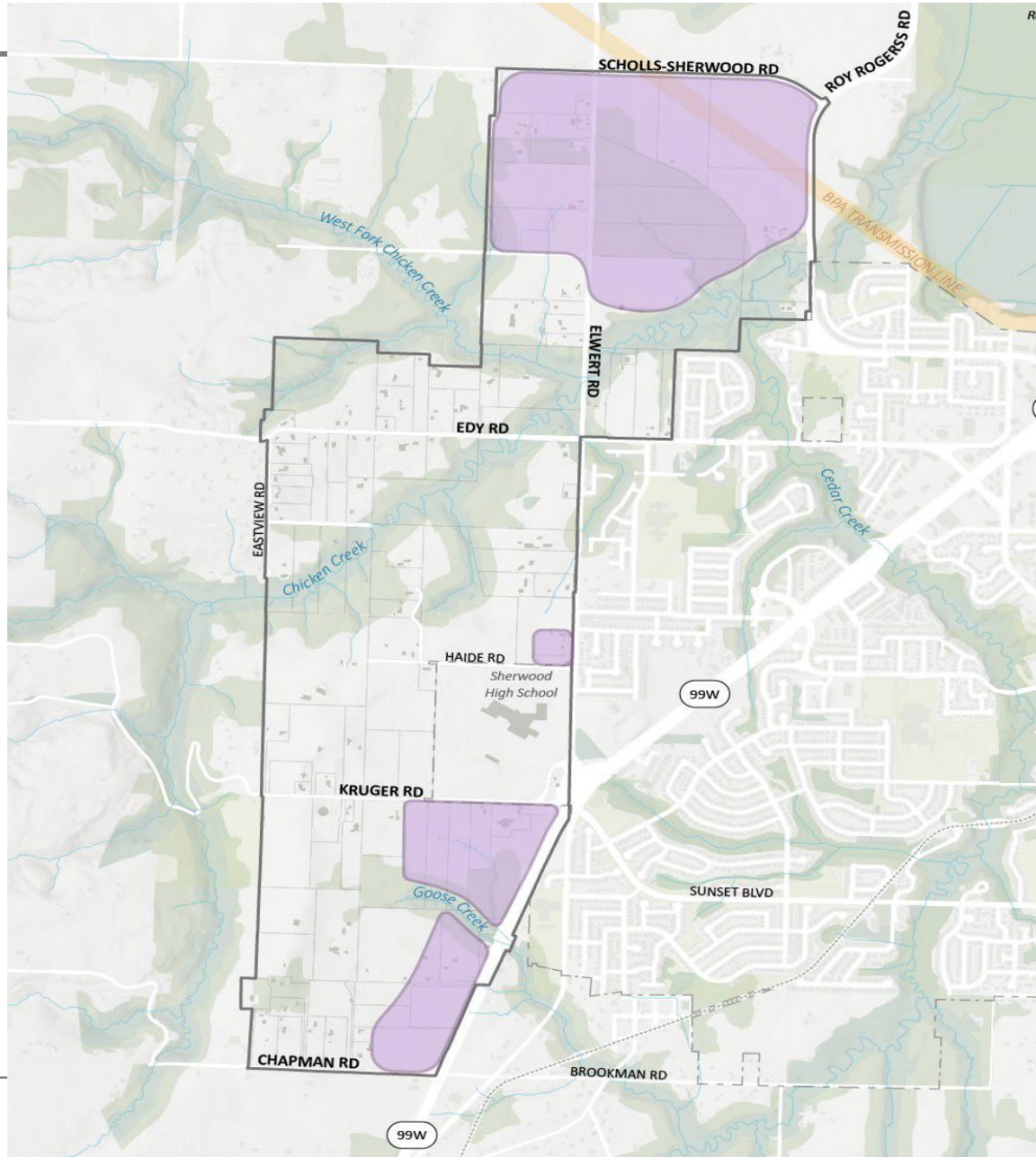
- Original/Current Sherwood West Preliminary Concept Plan completed – 2016
- 2016 Sherwood West Concept Plan – Proposed primarily residential neighborhoods
- Current City Council has broader vision for Sherwood West for Industrial/Commercial Employment projects – Triggered Relook – along with new housing/parks/natural/greenway areas.

Interviewed key stakeholders: region’s economic developers, industrial/office park developers, commercial brokers, health care, wine industry reps

Key takeaways

- Very “hot” light industrial market in Sherwood area – unlikely to cool/strong demand during planning period
- Tonquin Employment Area pace of development indicative of regional industrial market demand
- Very limited supply of Employment Land in Region – very difficult to find larger, flatter industrial sites under single ownership in Greater Portland – as expressed by national corporate site selectors
- Sherwood is planning now for substantial industrial-focused employment growth over next 20 years.
- Demand could absorb several 100 acre campus sites in Sherwood West
- A single 100 acre site would be “drop in the bucket” per consultant analysis
- Opportunity for development of commerce park in **“North Sherwood West”** due to: 1) Proximity to existing tech clusters Beaverton-Hillsboro; (2) Roy Rogers widening; (3) Thousands of new housing units planned along Roy Rogers Corridor in South Cooper Mt/Beaverton, RiverTerrace/Tigard; & King City West. Site would be separated from proposed residential areas by Chicken Creek Greenway.
- Sherwood West - Centrally located between Sunset Hwy and Wilsonville High-Tech Clusters
- Opportunity exists to attract tech companies, semiconductors, light/advanced manufacturing, life sciences, R&D, software & other target industries to Sherwood West
- Opportunity for Mixed Employment Land along **Highway 99W** between Elwert and Chapman.

Mixed Employment



Sherwood West – Located Close to Numerous Tech Companies Clusters in “Silicon Forest”



Other City Economic Development Initiatives

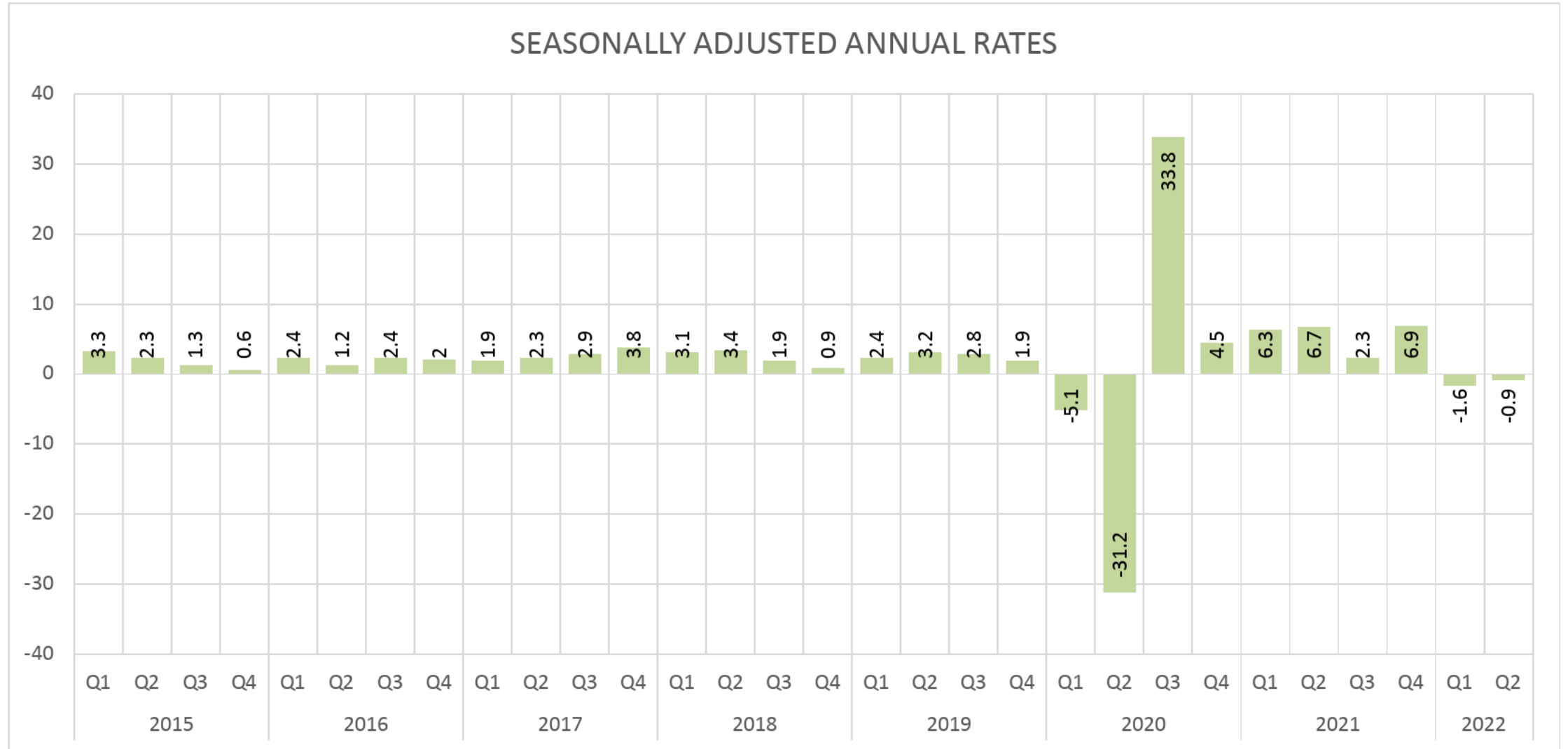
- **Existing Business Retention and Expansion**
- **Business Recruitment/Marketing Activities- Extensive Industry Outreach.**
- **Talent/Entrepreneurship Development**
 - CTE Outreach to Businesses Program/Workforce Development with Sherwood Schools.
 - Kauffman Foundation Partnership with City of Sherwood/Chamber/PCC
 - Job Fairs
 - Washington County “Fast Pitch” on Entrepreneurs
- **Visitor Destination Development-Gateway to Oregon Wine Country**



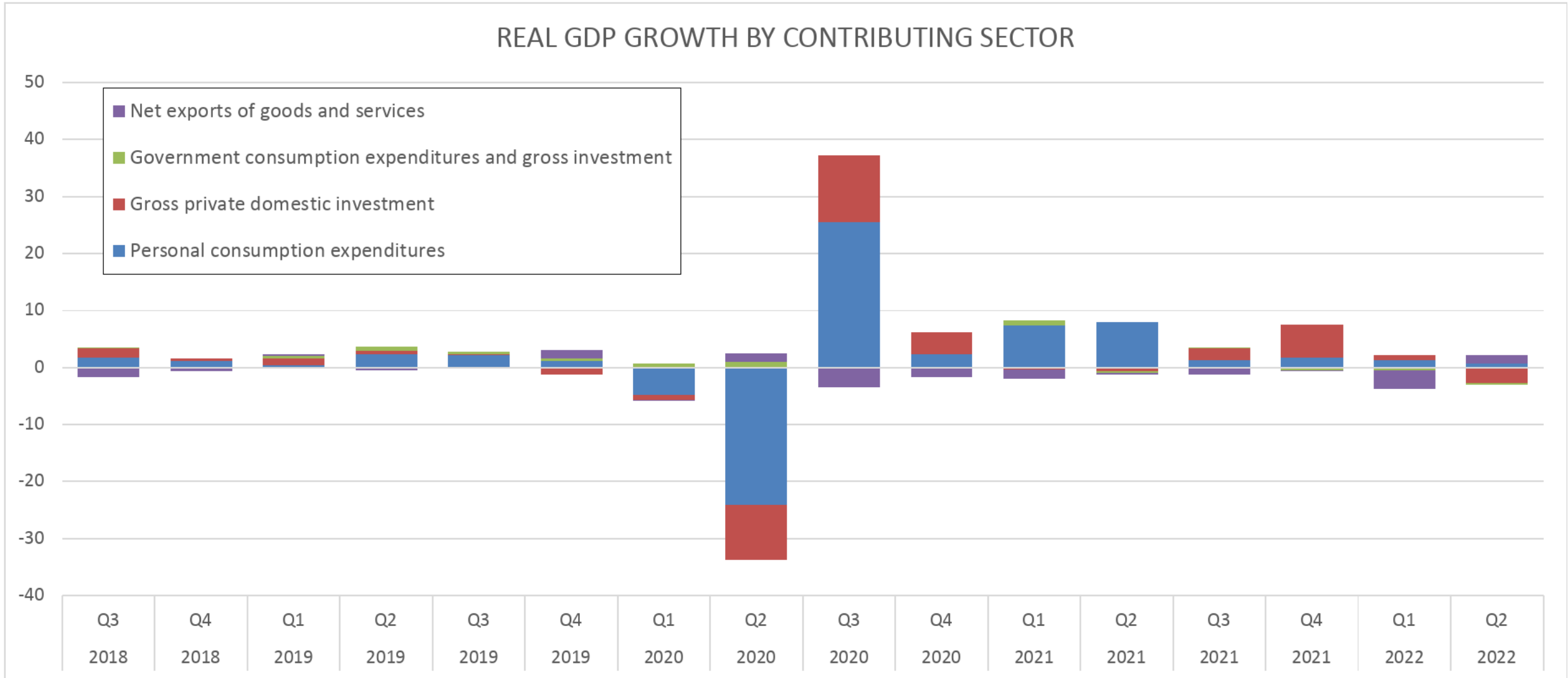


TREND ANALYSIS

Real GDP, Percent Change from Previous Year



Real GDP Growth by Contributing Sector



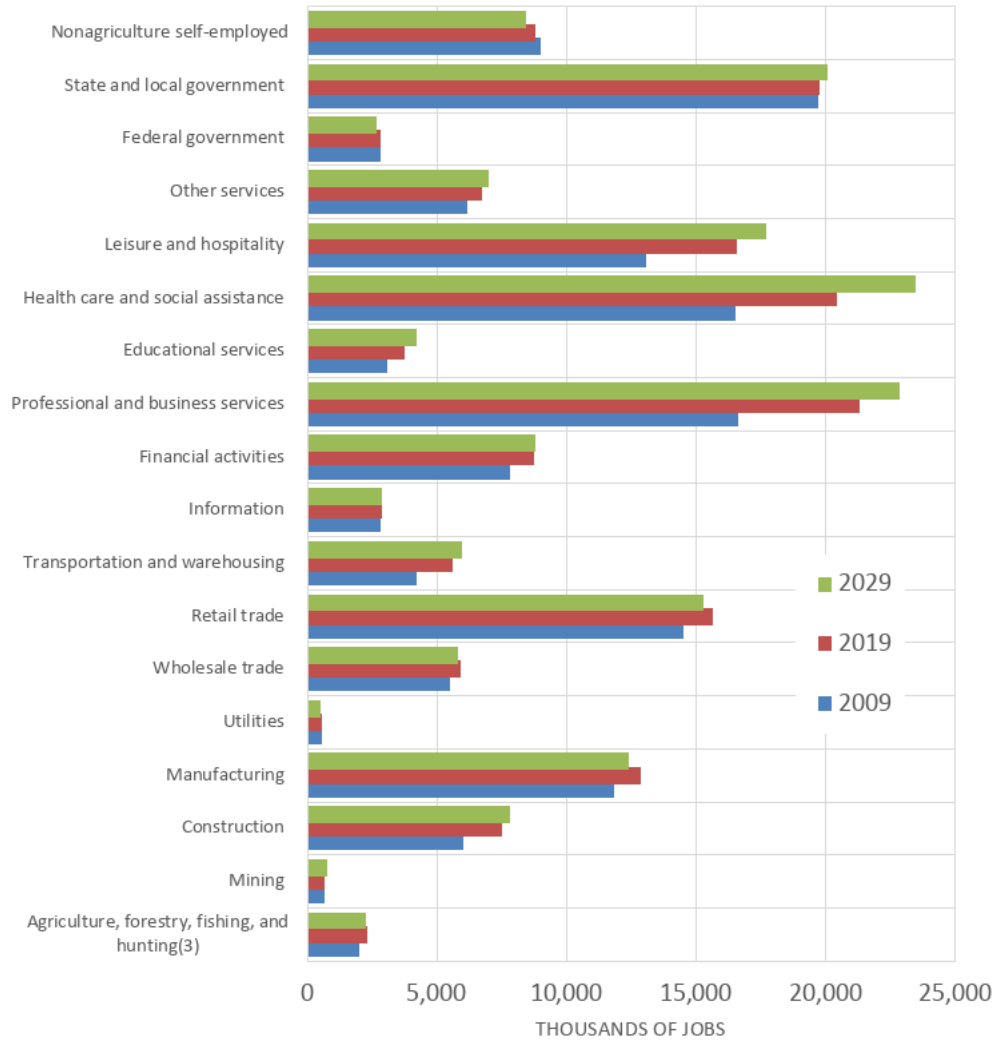
Consumer Price Index

CPI INDEX, URBAN CONSUMERS, PERCENT CHANGE FROM YEAR AGO, SEASONALLY ADJUSTED

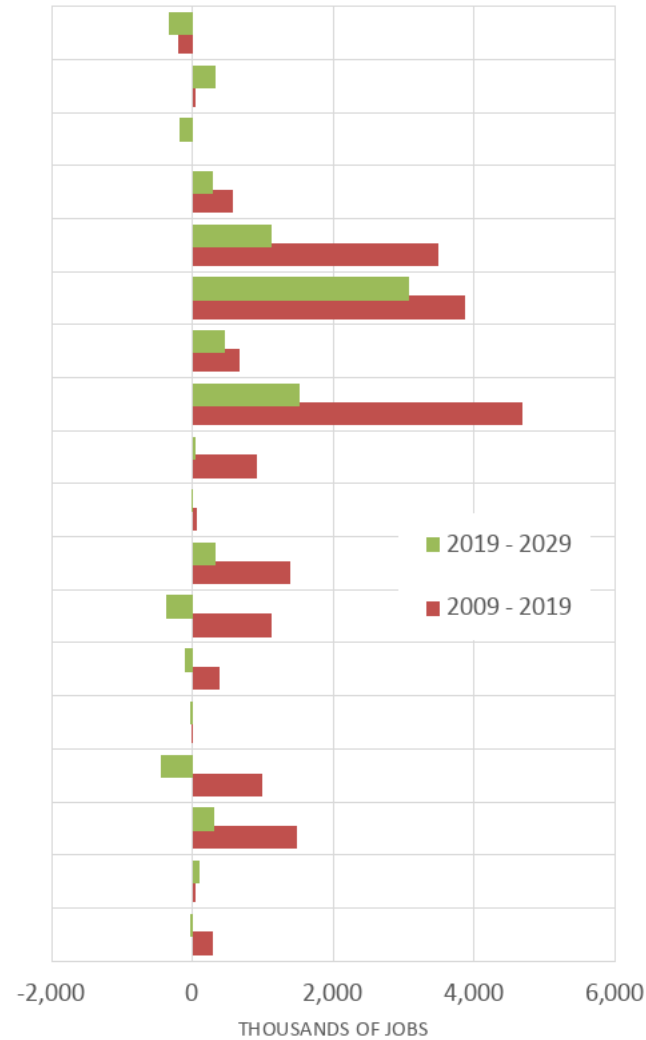


Employment Growth by Sector, National

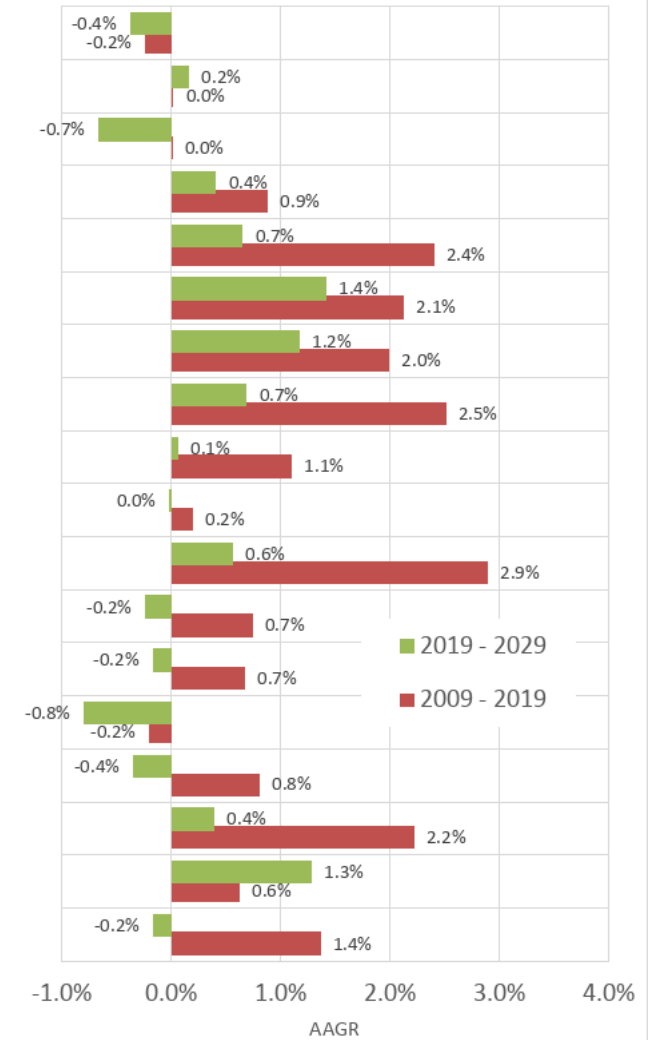
EMPLOYMENT BY INDUSTRY, HISTORIC AND PROJECTED



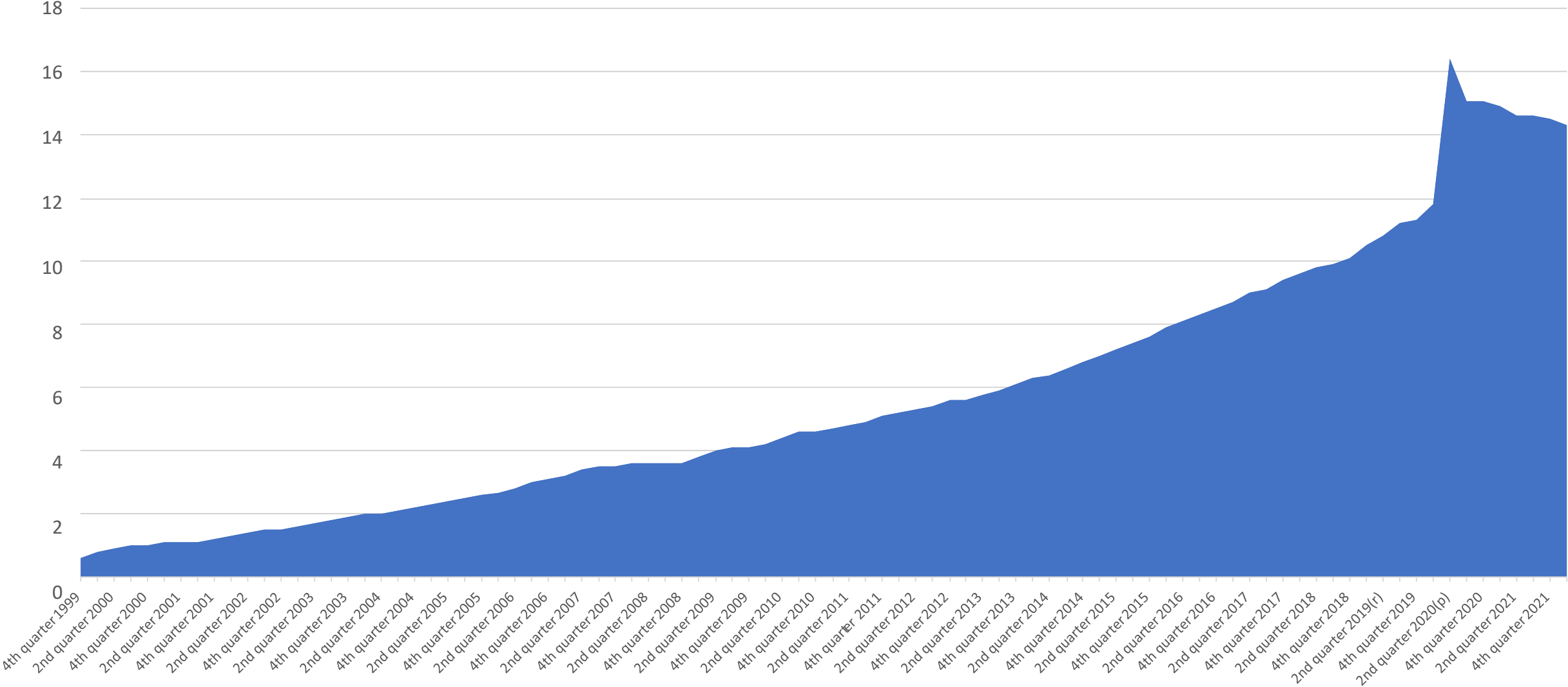
EMPLOYMENT CHANGE BY INDUSTRY



AVERAGE ANNUAL GROWTH RATE



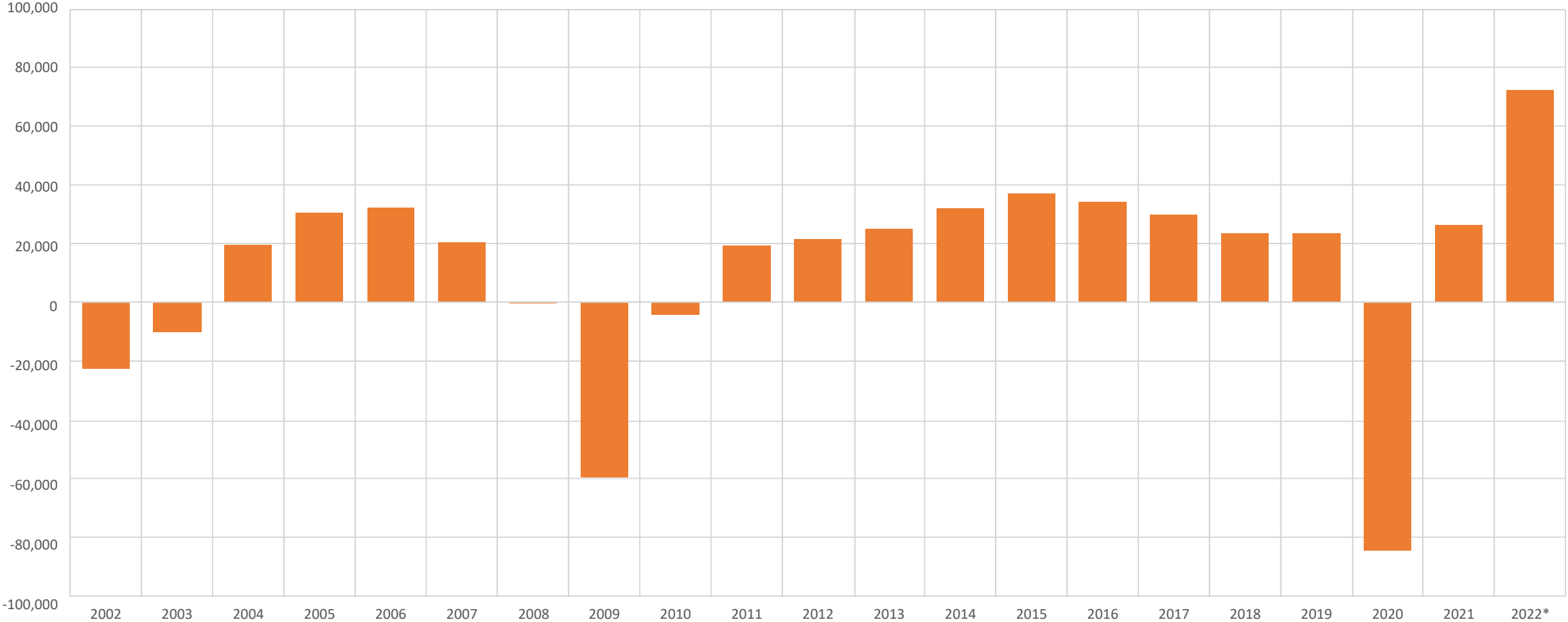
E-Commerce as a Percent of All Retail



Net Change in Employment, Portland Metro Area

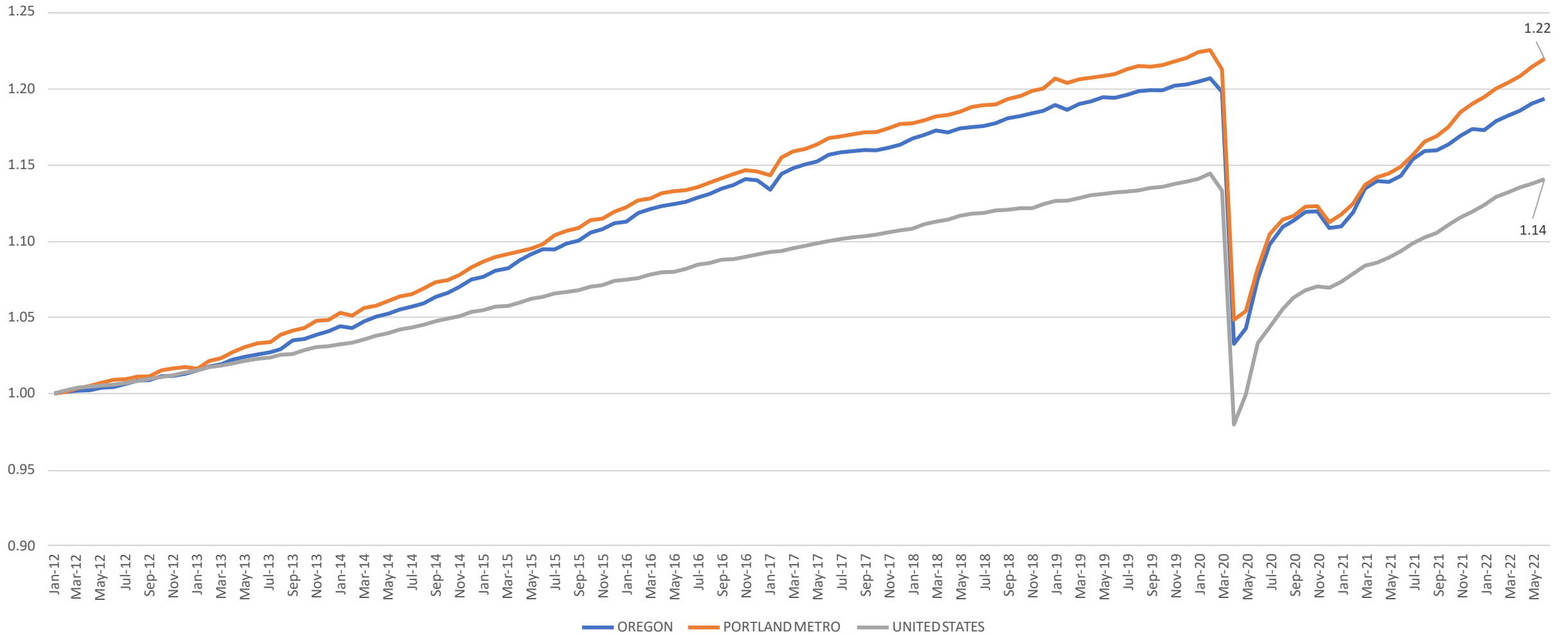


AVERAGE EMPLOYMENT CHANGE BY YEAR - PORTLAND METRO



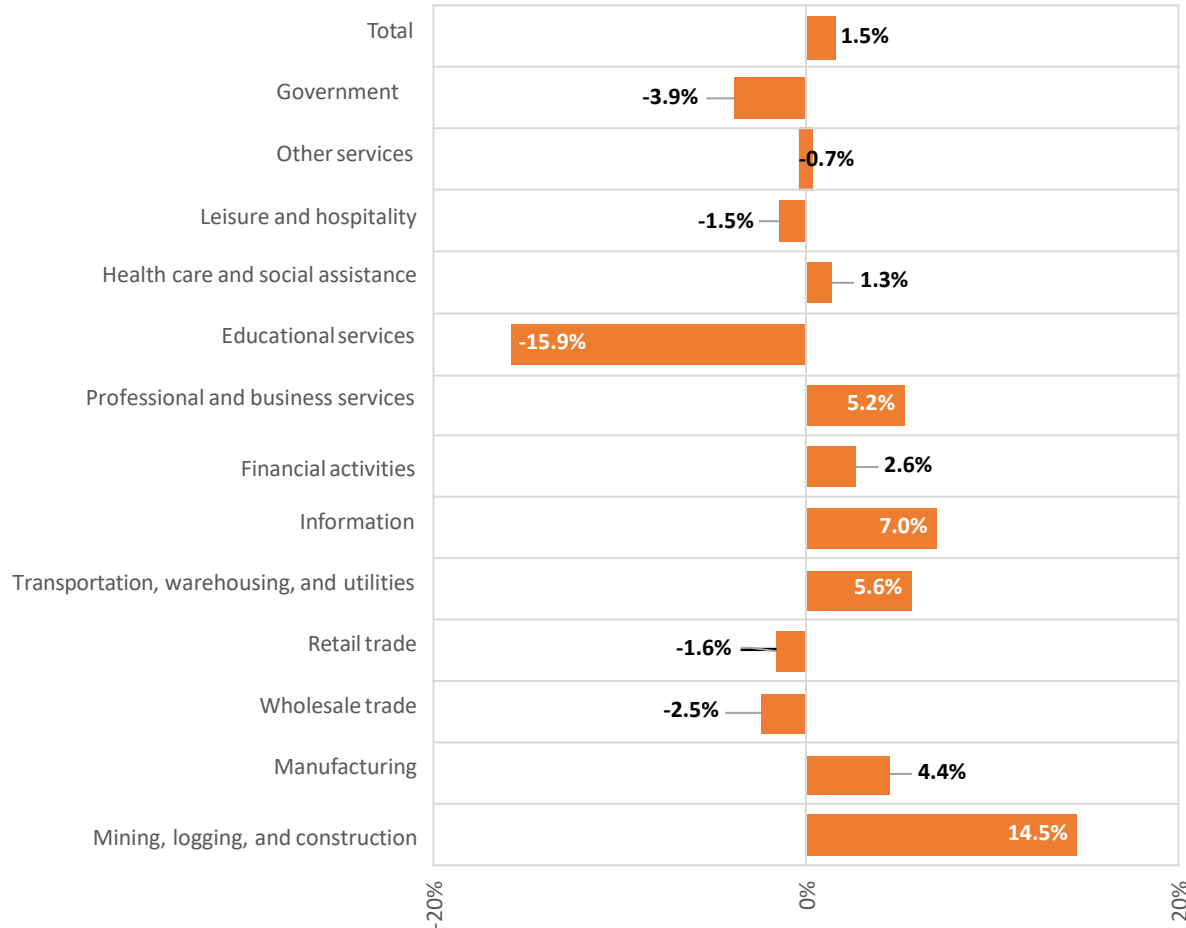
Relative Employment Change, Jan 2012 = 100

CES EMPLOYMENT INDEX (Jan-12 = 0)



Employment Since Pandemic, Portland Metro

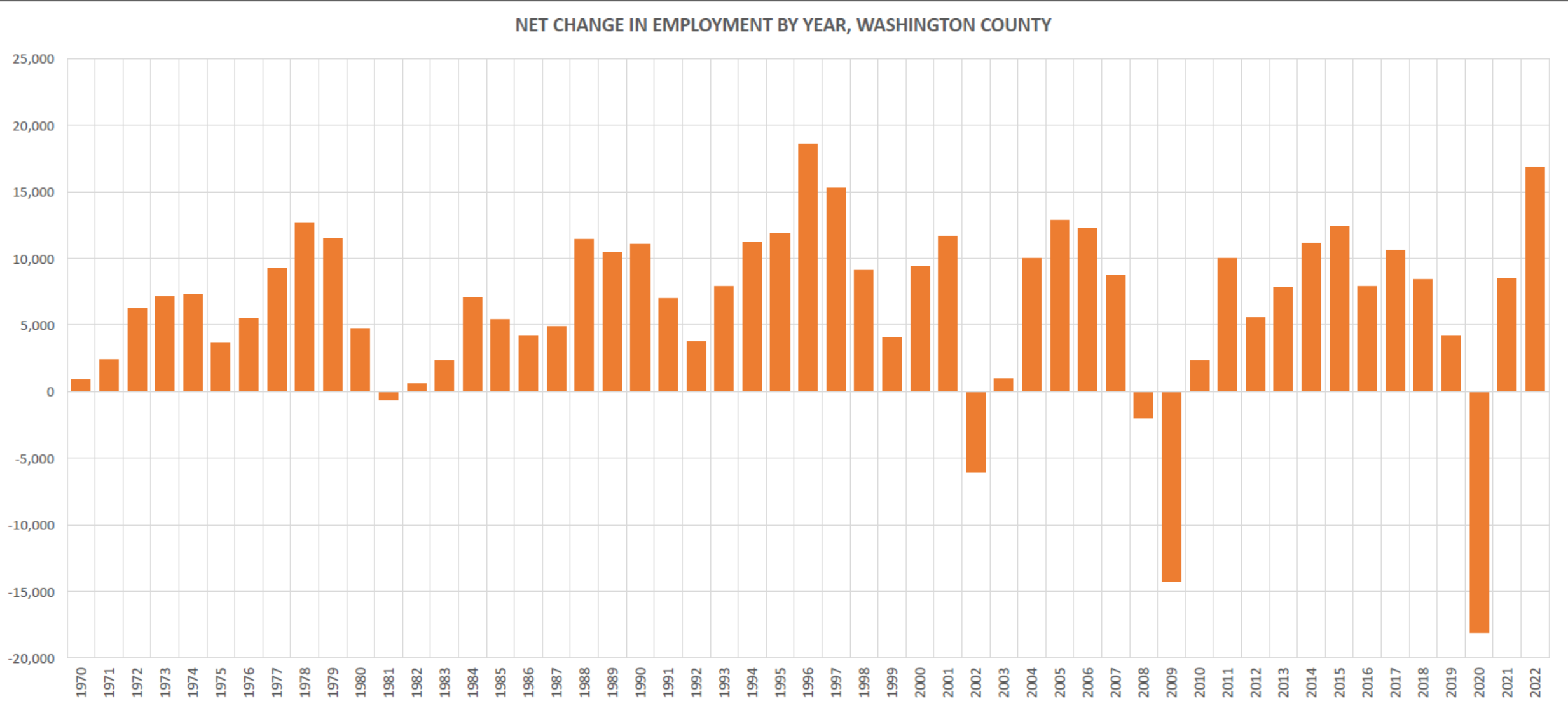
PERCENT EMPLOYMENT CHANGE
FEB-2020 to JUNE-2022 - PORTLAND METRO



EMPLOYMENT CHANGE
FEB-2020 to JUNE-2022 - PORTLAND METRO

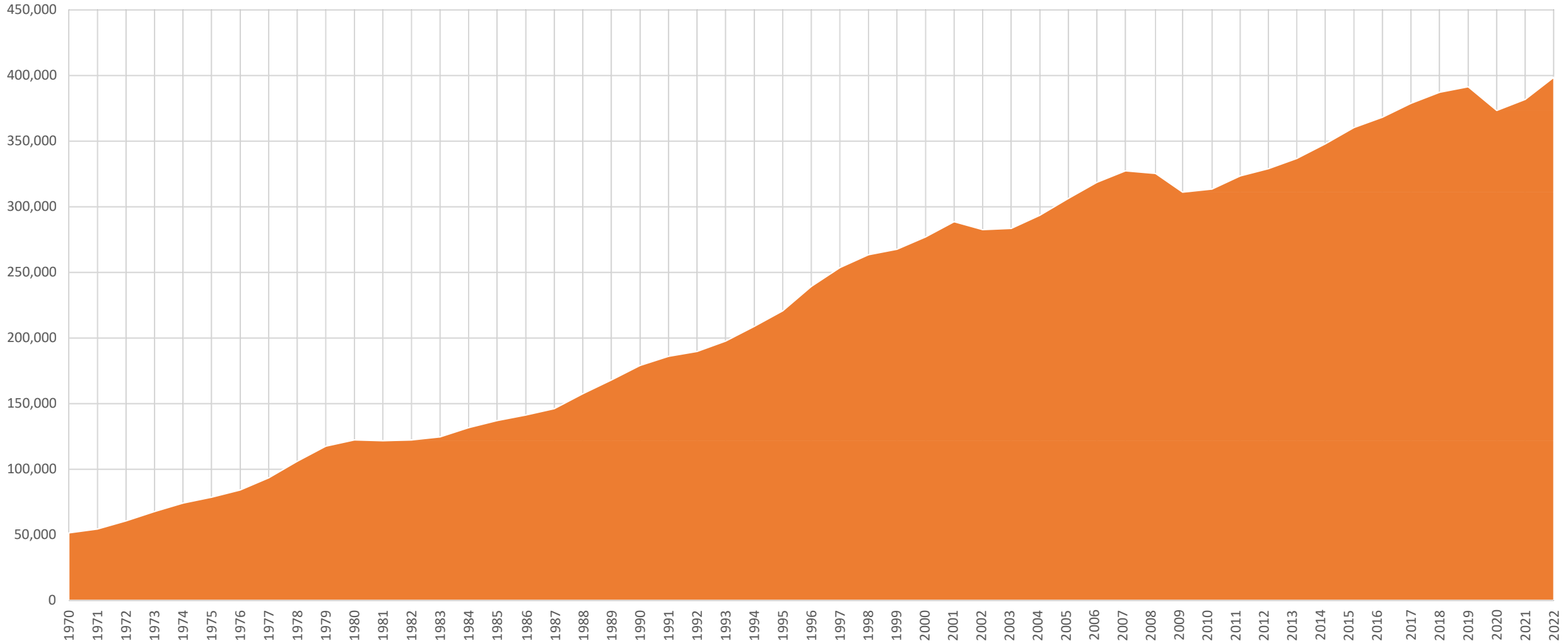


Net Change in Employment, Washington County



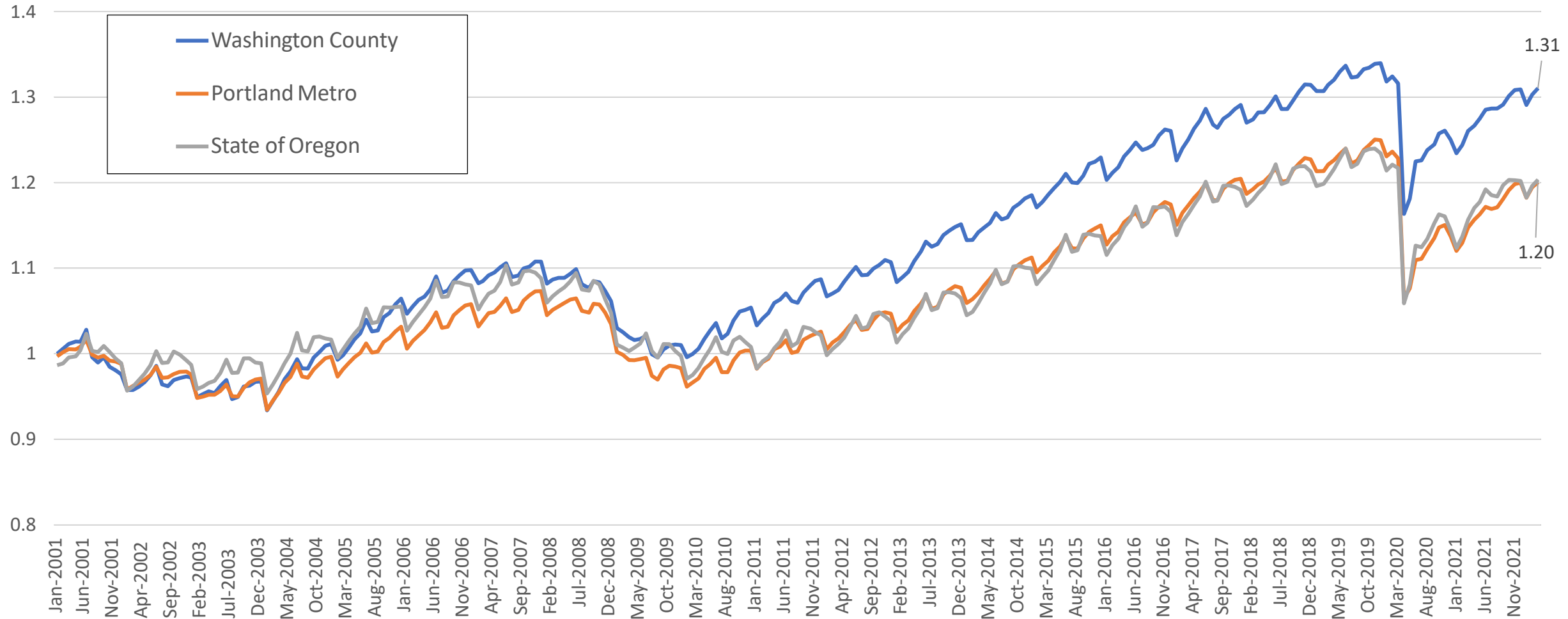
Total Employment Level, Washington County

TOTAL EMPLOYMENT, WASHINGTON COUNTY



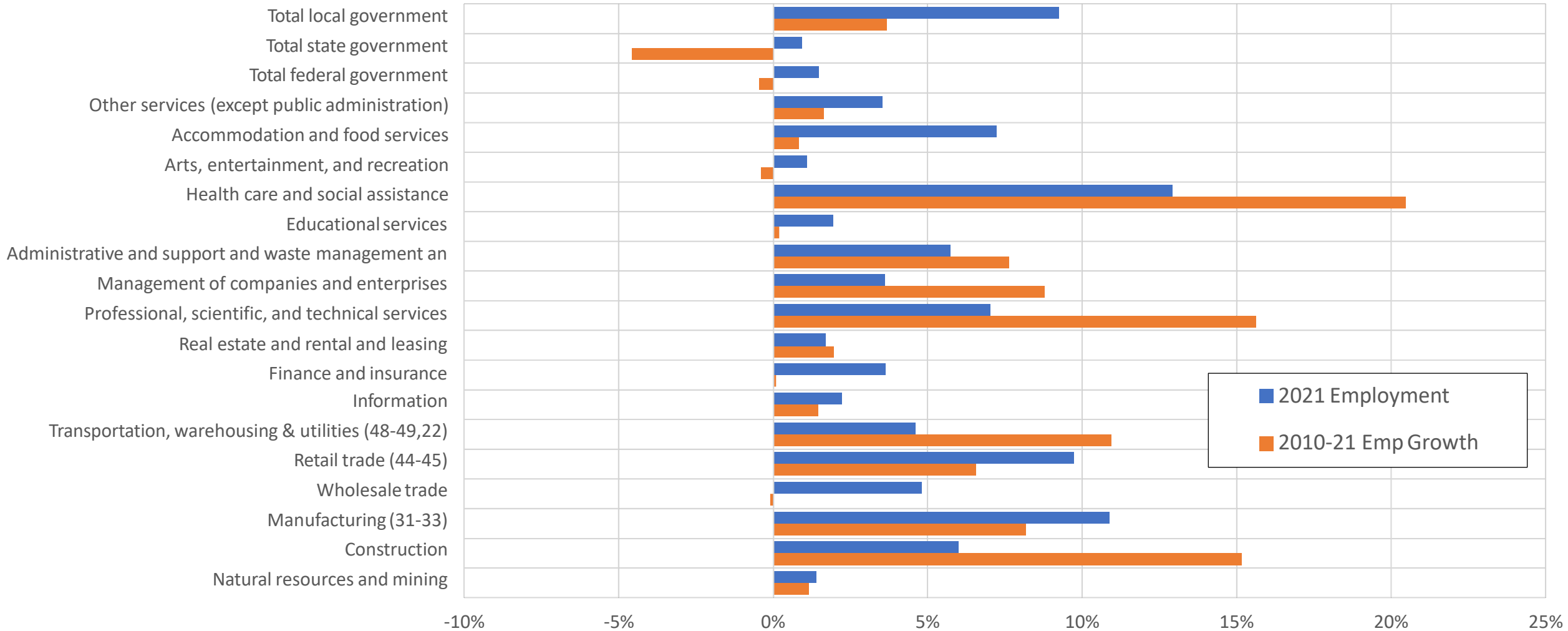
Cumulative Change in Employment (2001=100)

COMPARATIVE EMPLOYMENT GROWTH INDEX (2001 = 100)



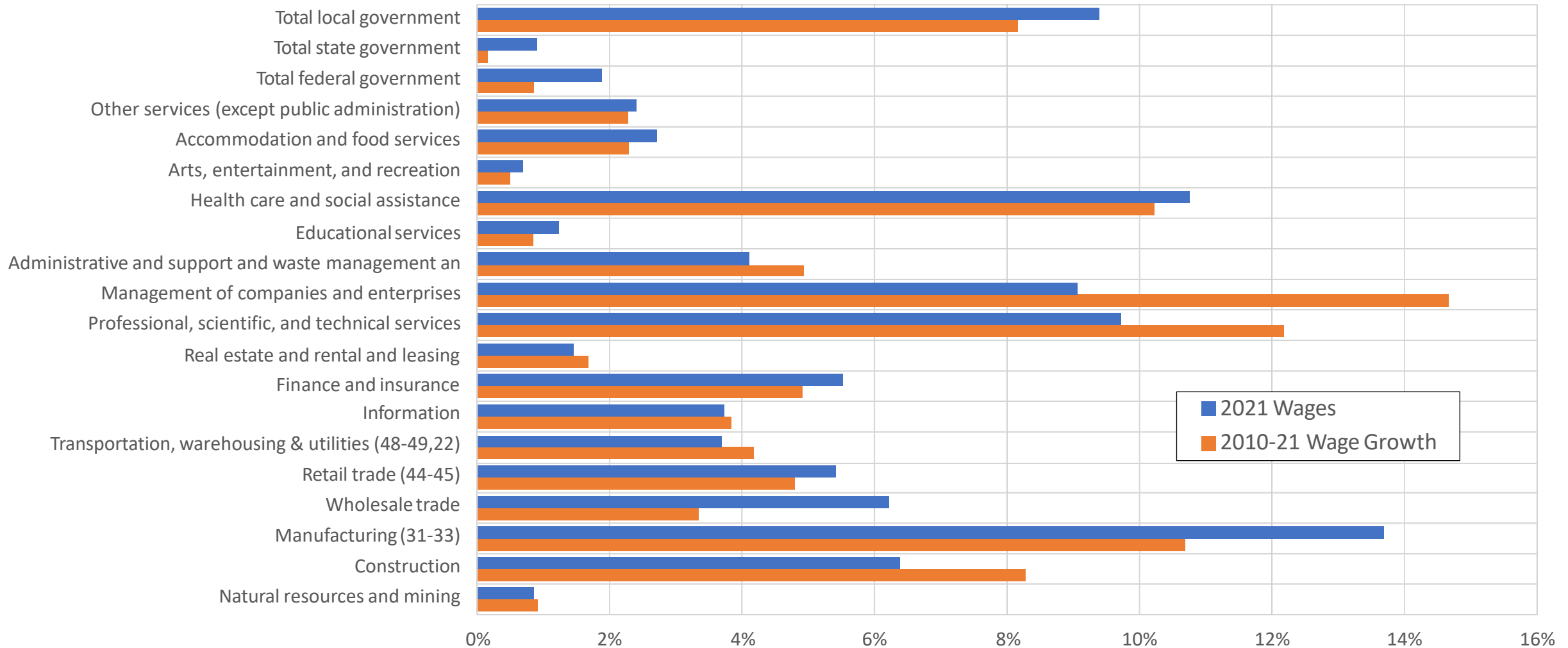
Share of Employment and Growth

SHARE OF EMPLOYMENT AND GROWTH, METRO AREA - OREGON PORTION

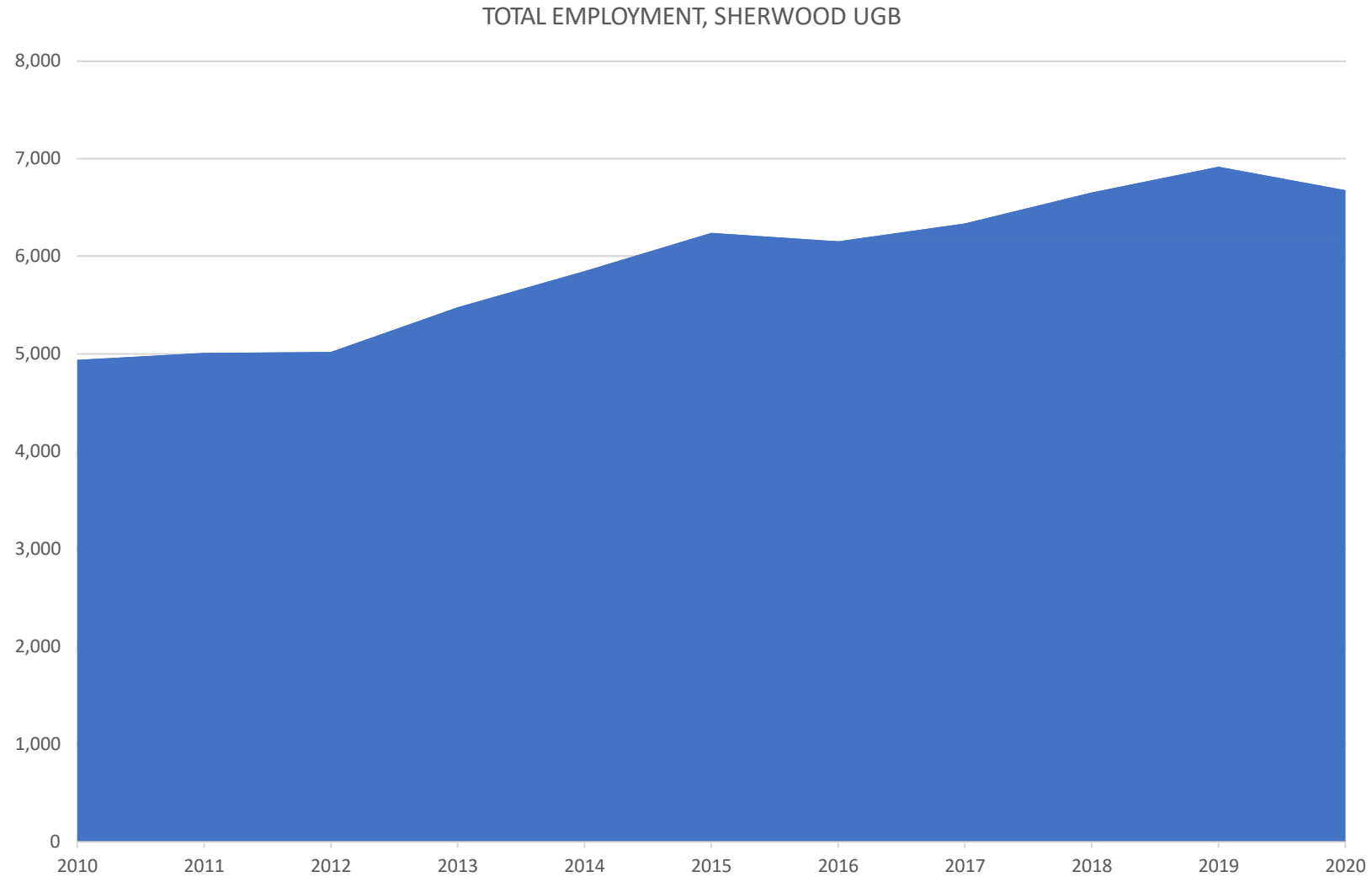


Share of Wages and Wage Growth

SHARE OF WAGES AND WAGE GROWTH, METRO AREA - OREGON PORTION

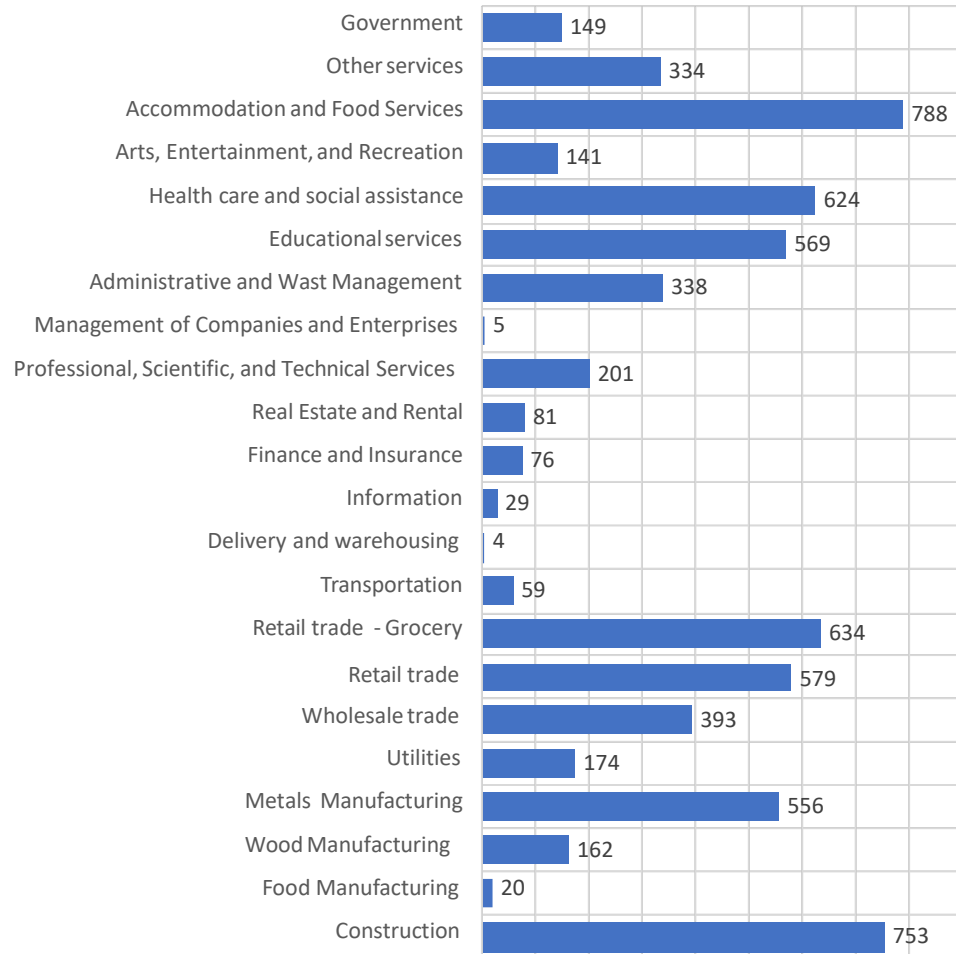


Average Employment Levels, Sherwood UGB

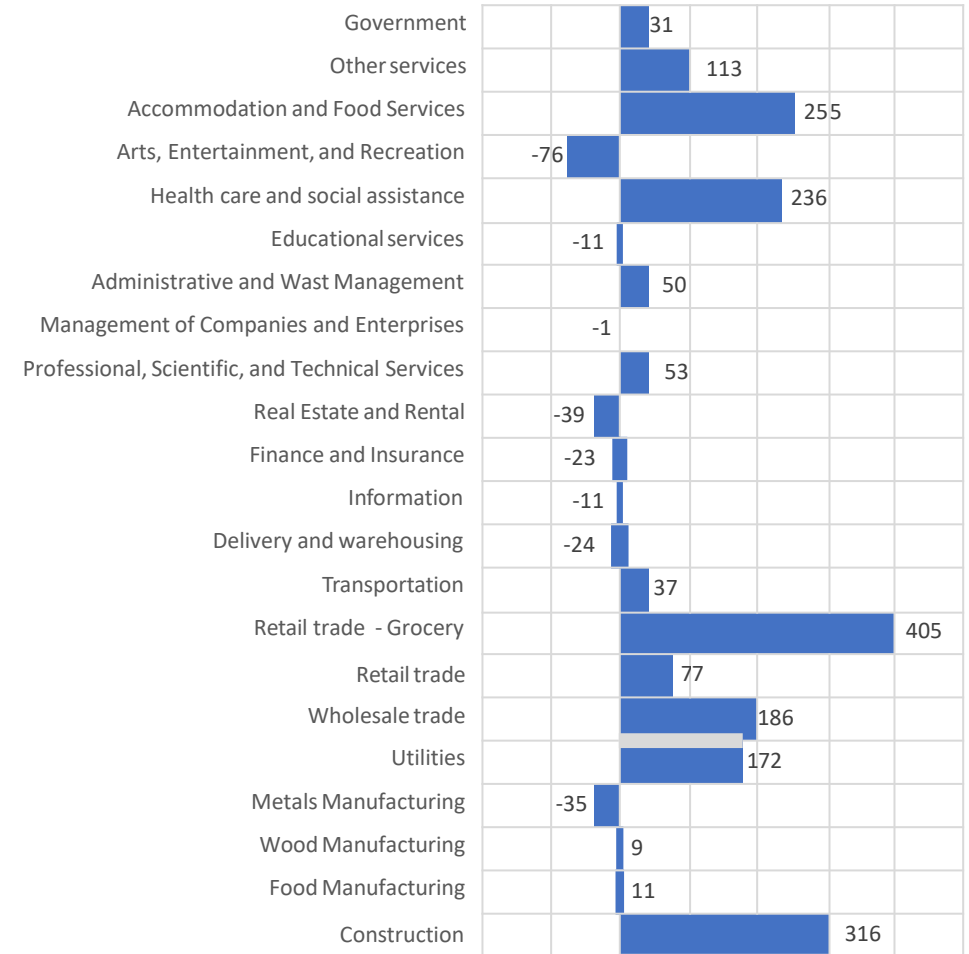


Employment by Sector – Sherwood UGB

2020 EMPLOYMENT BY SECTOR

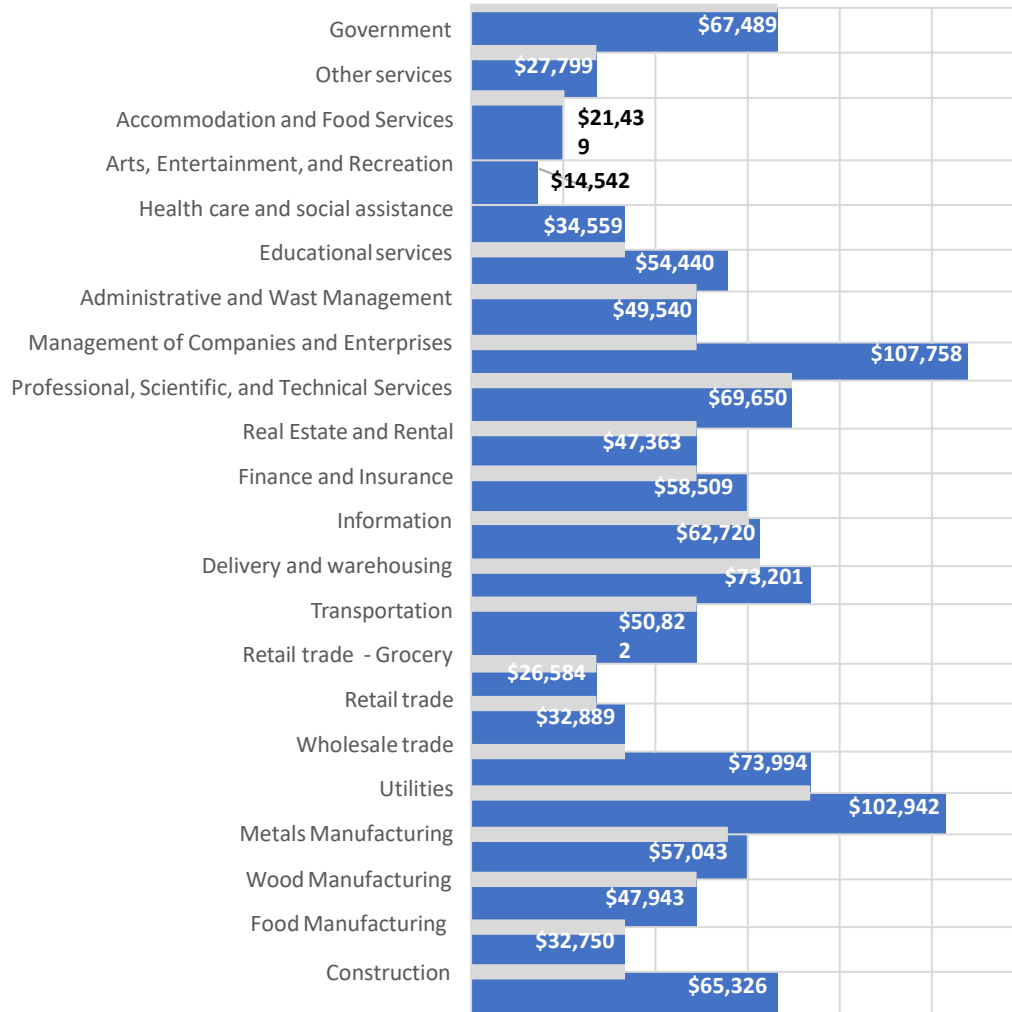


EMPLOYMENT CHANGE BY SECTOR/2010-20

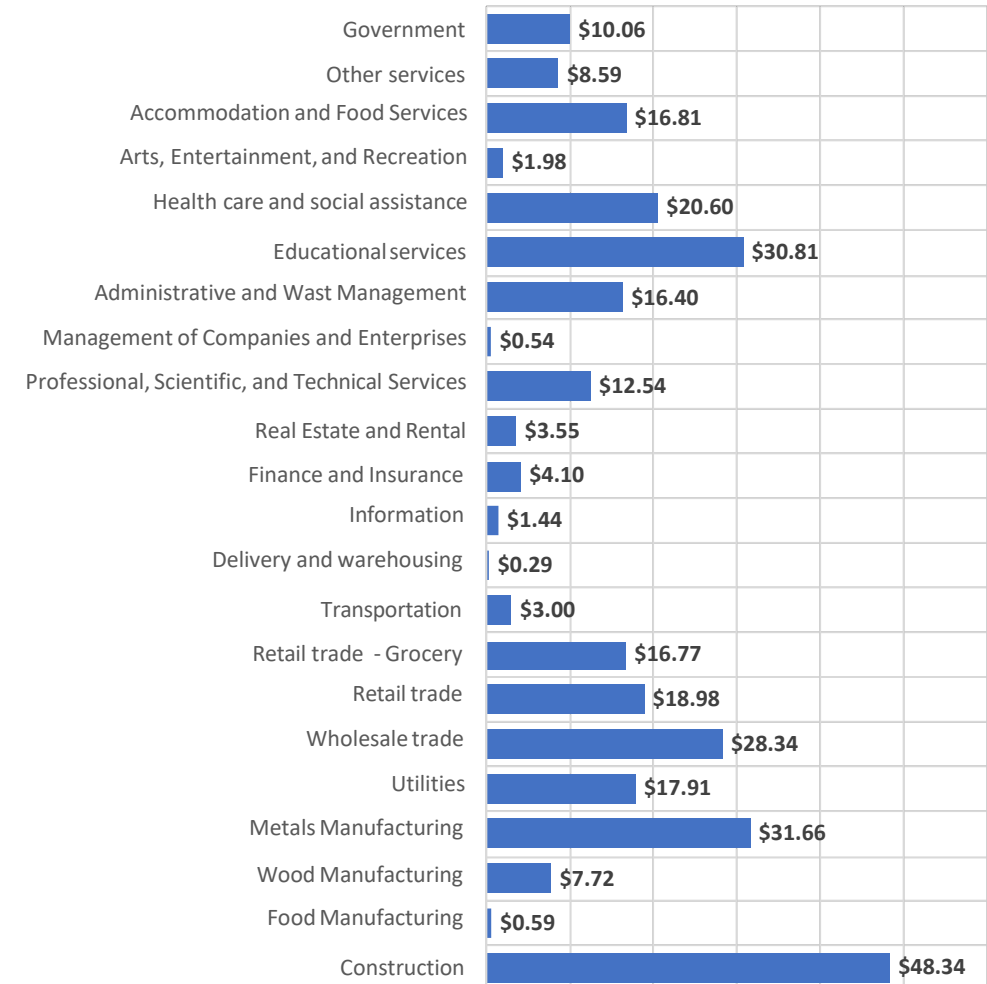


Payroll by Sector – Sherwood UGB, 2020 \$s

AVERAGE PAYROLL BY SECTOR

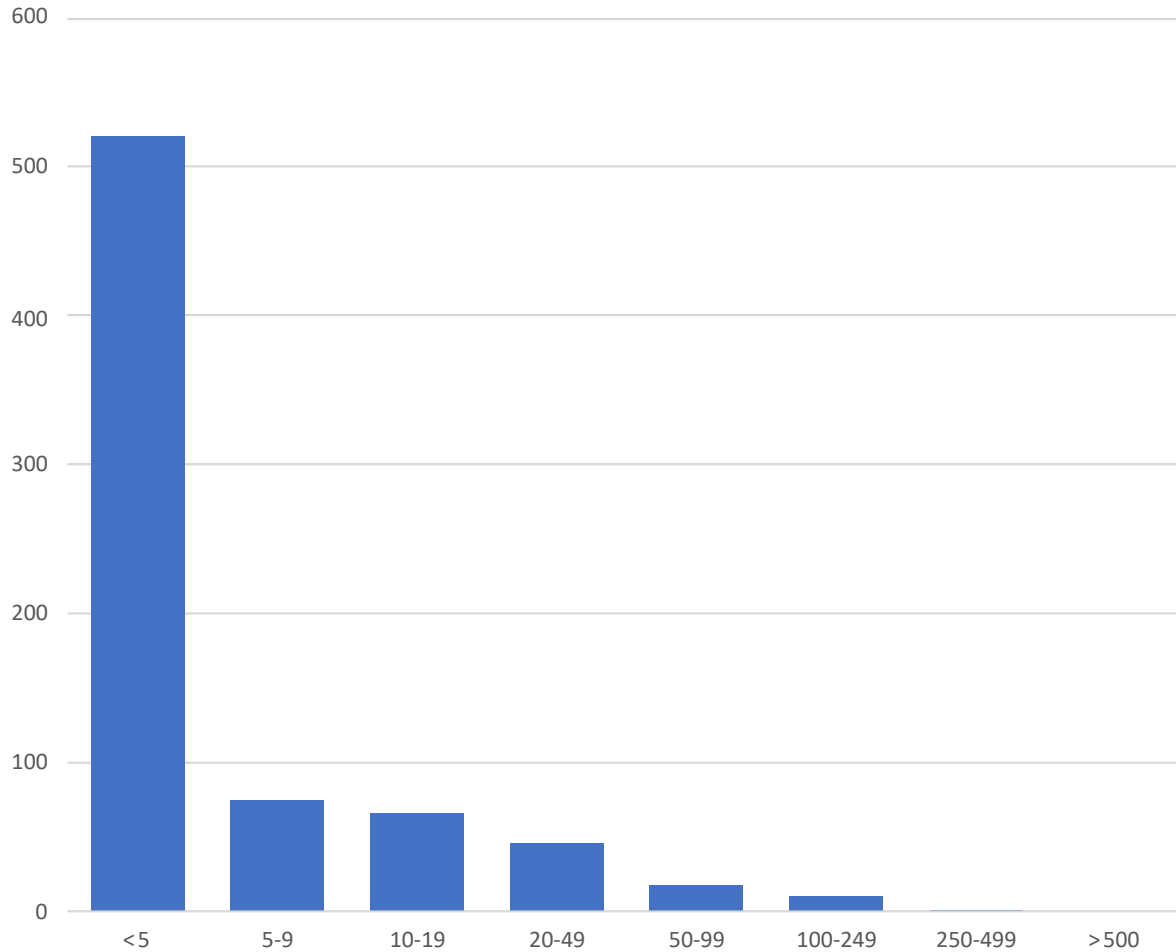


TOTAL PAYROLL BY SECTOR (\$MILLIONS)

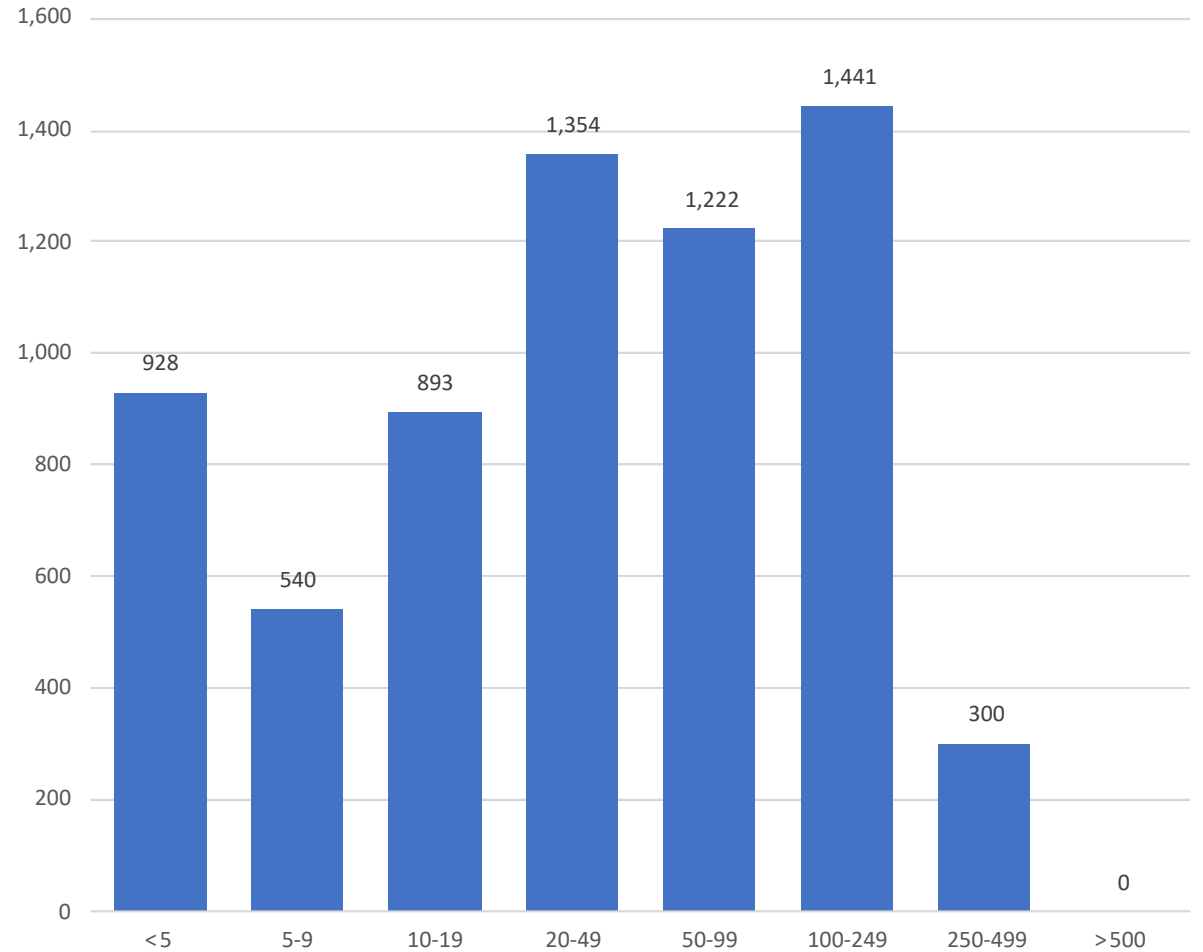


Distribution of Firms by Size – Sherwood UGB, 2020

DISTRIBUTION OF FIRMS BY SIZE, 2020



EMPLOYMENT BY FIRM SIZE, 2020

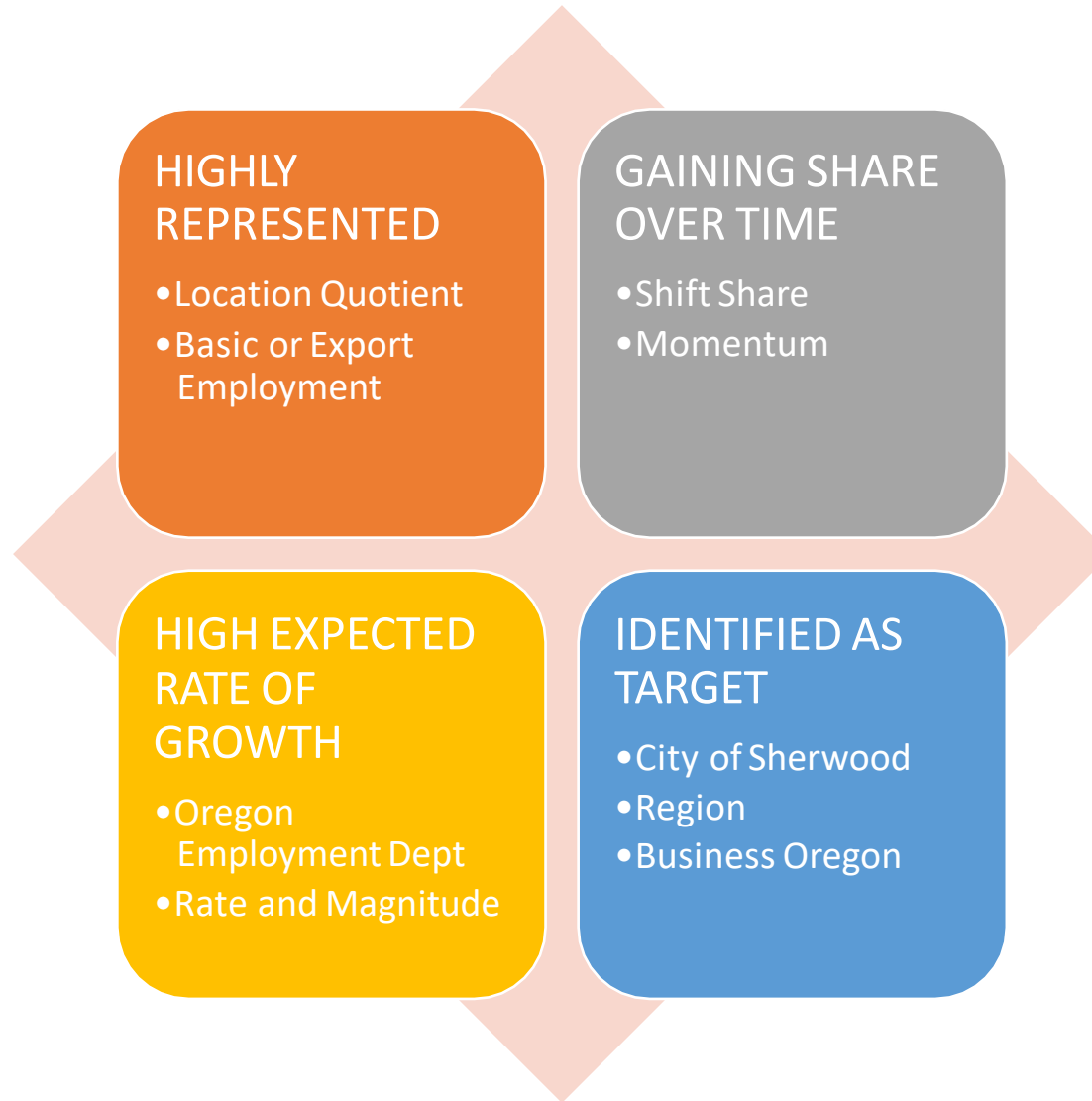


Net Inflow and Outflow of Employees - Sherwood



	2019	
	Count	Share
LIVE IN SHERWOOD, COMMUTE TO:		
Portland city, OR	2,137	21.3%
Sherwood city, OR	824	8.2%
Hillsboro city, OR	801	8.0%
Tualatin city, OR	801	8.0%
Tigard city, OR	737	7.4%
Beaverton city, OR	711	7.1%
Wilsonville city, OR	428	4.3%
Lake Oswego city, OR	324	3.2%
Newberg city, OR	265	2.6%
Salem city, OR	234	2.3%
All Other Locations	2,764	27.6%
WORK IN SHERWOOD, COMMUTE FROM:		
Sherwood city, OR	824	12.7%
Portland city, OR	583	9.0%
Beaverton city, OR	321	4.9%
Tigard city, OR	297	4.6%
Hillsboro city, OR	285	4.4%
Newberg city, OR	244	3.8%
Tualatin city, OR	199	3.1%
Aloha CDP, OR	186	2.9%
Salem city, OR	154	2.4%
Wilsonville city, OR	147	2.3%
All Other Locations	3,245	50.0%

Target Industries, Considerations



Identified Target Industries – Current EOA

- Manufacturing
 - Technology and Advanced Manufacturing
 - Machinery Manufacturing
 - Clean Tech
- Professional and Business Services
 - Software and Media
 - Clean Tech
 - Athletics and Outdoors
 - Other Services
- Wholesale
- Services for Visitors
- Services for Residents
 - Medical Services
 - Legal Services
 - Financial Services,
 - Retail
 - Personal Services
 - Restaurants



Discussion on Creating Statement of Economic Development Objectives

2040 Sherwood Comprehensive Plan Economic Development Vision

Vision: Thriving and Diversified Economy:

“In 2040 , the Sherwood economy has grown to include a variety of businesses big and small that offer stable employment opportunities, higher-wage jobs, and balance the tax base to protect and maintain Sherwood’s quality of life. Sherwood provides great destinations and experiences for both residents and visitors.”

- **Per Comprehensive Plan, despite highly skilled and educated population, Sherwood is met with economic development-related constraints such as infrastructure development and land which has limited the viable development of employment land.**
- **As a result, the City struggles with an unbalanced tax base.**
- **Projected City budget shortfalls create concerns that City will not be able to maintain or increase level of services to citizens and businesses in future.**
- **City tax base needs to expand supply & development of revenue-generating employment land – which is one of the greater contributors to City’s tax base.**
- **Expanding existing/attracting new businesses in Sherwood – particularly right kind of jobs in right places – will provide opportunities for higher wage jobs and help balance City’s tax base.**

Goal 1: Accelerate the growth of local businesses and attract new businesses that balance City's tax base, provide stable higher wage jobs and capitalize on Sherwood's location and enhance the high quality of life.

Goal 2: Prioritize and promote economic development to balance City's tax base by maintaining a supply of land to target growth industries and accelerate Sherwood's desired economic growth.

- Policy 2.1: The City will provide a 20-year supply of suitable commercial and industrial land on sites with a variety of characteristics (e.g. site sizes, locations, visibility) and manage supply of employment land to make efficient use of commercial and industrial land.

- **Policy 2.2**: Provide an adequate supply of commercial and industrial land to accommodate the types and amount of economic development and growth anticipated in the future, as described in the City's most recent Economic Opportunities Analysis.
- **Policy 2.3**: Provide a range of site sizes and locations to accommodate market needs of a variety of office-commercial, retail commercial and industrial employment uses.
- **Policy 2.4**: Maintain an adequate short-term supply of suitable office-commercial, retail commercial and industrial land to respond to economic development opportunities.

SHERWOOD

EOA Preliminary Schedule

2022-2023

