CITY OF WOODBURN, OREGON
ECONOMIC OPPORTUNITIES ANALYSIS

Prepared For:

City of Woodburn, Oregon

[Adopted January 2024]

Acknowledgments

Johnson Economics prepared this report for the City of Woodburn. Johnson Economics and the City of Woodburn thank the many people who helped to develop this document.

City of Woodburn	**Johnson Economics**
270 Montgomery St.	621 SW Alder Street
Woodburn, OR 97071	Suite 605
(503) 982-5222	Portland, OR 97205
	(503) 295-7832

Table of Contents

I.   INTRODUCTION

This report introduces analytical research presenting an Economic Opportunities Analysis (EOA) for the City of Woodburn, Oregon.

Cities are required to reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within their Urban Growth Boundary (UGB). The principal purpose of the analysis is to provide an adequate land supply for economic development and employment growth. This is intended to be conducted through a linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into six primary sections:

- **Economic Trends:** Provides an overview of national, state, and local economic trends affecting Marion County and the City of Woodburn, including population projections, employment growth and a demographic profile.

- **Economic Development Potential:** A discussion of the comparative advantages of the local community and work force.

- **Target Industries:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.

- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.

- **Capacity:** Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within City of Woodburn's UGB.

- **Reconciliation:** Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.

- **Conclusions and Recommendations:** Summary of findings and policy implications.

II. WOODBURN ECONOMIC TRENDS

This section summarizes employment and workforce trends at the local level that will influence economic conditions in the City of Woodburn over the 20-year planning period. This section is intended to provide the economic context for growth projections and establish a socioeconomic profile of the community.

A. WOODBURN EMPLOYMENT AND FIRMS

As of 2023, the City of Woodburn is home to nearly 1,000 businesses with roughly 12,000 employees.[1] The largest industries by employment are retail, agriculture, and health care, followed closely by tourism and manufacturing. Woodburn has the lowest employment representation in professional and administrative sectors. (Industry sectors are discussed in more detail in Section IV of this report.)

FIGURE 2.1: ESTIMATED EMPLOYMENT BY INDUSTRY SECTOR, CITY OF WOODBURN 2023

Major Industry Sector	Estimated Employment 2023	Share of Employment
Agriculture, forestry, fish/hunt	1,366	11%
Construction	875	7%
Manufacturing	1,059	9%
Wholesale Trade	858	7%
Retail Trade	2,469	21%
Transportation, Warehouse, Utilities	910	8%
Information	147	1%
Finance & Insurance	129	1%
Real Estate	81	1%
Professional & Tech. Services	113	1%
Administration Services	267	2%
Education	771	6%
Health Care/Social Assistance	1,366	11%
Leisure & Hospitality	1,077	9%
Other Services	294	2%
Government	183	2%
TOTAL	**11,965**	

SOURCE: Oregon Employment Department, 2021 QCEW data, Johnson Economics

The local employment base is largely dominated by relatively small firms, with roughly 68% of businesses having fewer than 20 employees (Figure 2.2). This trend is in keeping with the national average. (This is based on the most

---

[1] 2023 figures have been estimated from 2021 data on firms and employment provided by the Oregon Employment Departments (the most recent year available.) The countywide growth rate experienced by industry sector between 2021 and 2023 was applied to estimate figures in 2023. OED provided historical Quarterly Census of Employment and Wages (QCEW) data through 2021, for the City of Woodburn.

recent 2021 QCEW data for covered employment, and therefore doesn't cover all self-employment owner/operator businesses.) Just 2.1% of firms have more than 100 employees. This is again, in keeping with national trends.

As of 2021, there were approximately 850 firms in Woodburn with covered employees. When employment growth and sole-proprietorship businesses are considered, the number of individual businesses in Woodburn is likely close to 1,000.

FIGURE 2.2: DISTRIBUTION OF FIRMS BY SIZE, CITY OF WOODBURN - 2021

| NAICS Code	Industry	Size of Firm/Employees								Total
		< 5	5-9	10-19	20-49	50-99	100-249	250-499	> 500	
11	Agriculture, forestry, fishing, and hunting	5	1	4	2	1	3	0	0	16
21	Mining	0	0	2	0	0	0	0	0	2
23	Construction	90	20	6	0	3	1	0	0	120
31-32	Manufacturing	7	3	5	5	6	2	0	0	28
22	Utilities	0	0	0	2	0	0	0	0	2
42	Wholesale trade	14	7	5	3	0	1	1	0	31
44-45	Retail trade	52	39	39	22	1	3	1	0	157
48	Transportation	7	2	0	4	0	0	0	0	13
49	Delivery and warehousing	0	0	2	1	0	0	0	1	4
51	Information	4	1	0	0	0	1	0	0	6
52	Finance and Insurance	20	10	1	0	0	0	0	0	31
53	Real Estate and Rental	24	3	1	0	0	0	0	0	28
54	Professional, Scientific, and Technical Services	25	3	2	0	0	0	0	0	30
55	Management of Companies and Enterprises	1	1	0	1	0	0	0	0	3
56	Administrative and Wast Management	20	10	2	3	0	0	0	0	35
61	Educational services	4	1	1	4	6	1	0	0	17
62	Health care and social assistance	108	17	12	12	2	3	0	0	154
71	Arts, Entertainment, and Recreation	1	1	4	0	0	0	0	0	6
72	Accommodation and Food Services	16	13	16	19	1	0	0	0	65
81	Other services	43	11	5	1	0	0	0	0	60
92	Government	1	0	2	5	0	0	0	0	8
99	Unclassified	38	0	0	0	0	0	0	0	38
	TOTAL	**480**	**143**	**109**	**84**	**20**	**15**	**2**	**1**	**854**

DISTRIBUTION OF FIRMS BY SIZE
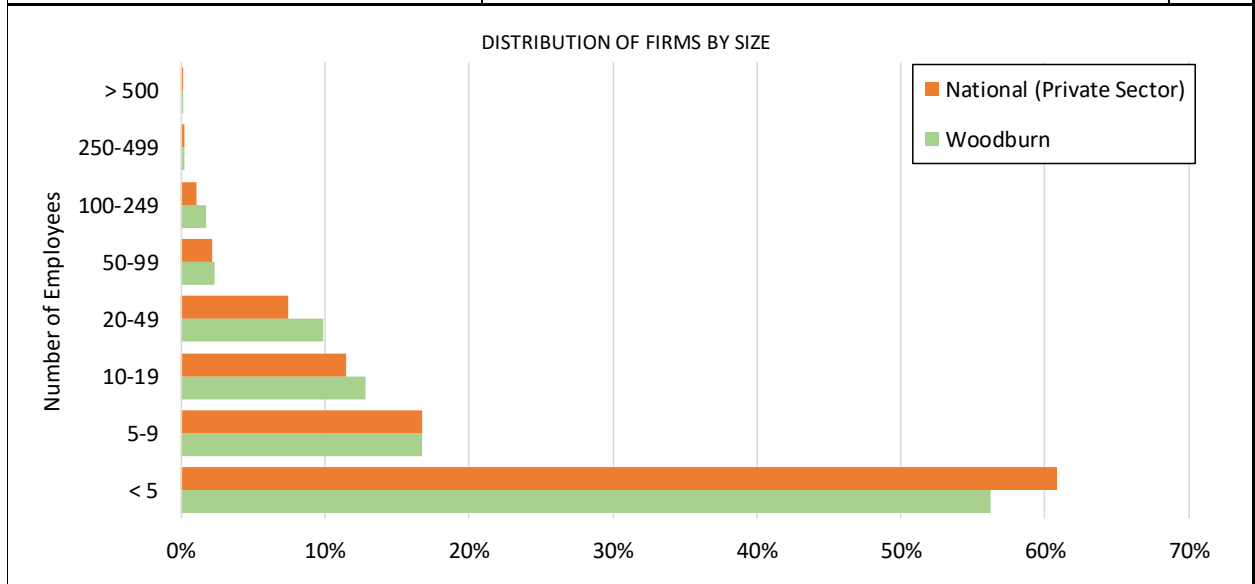
Source: Oregon Employment Department, QCEW data

B. LOCAL POPULATION AND WORKFORCE TRENDS

Population: With a population of roughly 26,500 people in 2022, the City of Woodburn represents 8% of Marion County's population. The city has grown at an estimated rate of 0.8% per year, in keeping with the growth rate of the county and state. The city has grown by 2,400 residents since 2010, which was 7% of the county's growth.

FIGURE 2.3: SHARE OF TOTAL POPULATION IN MARION COUNTY
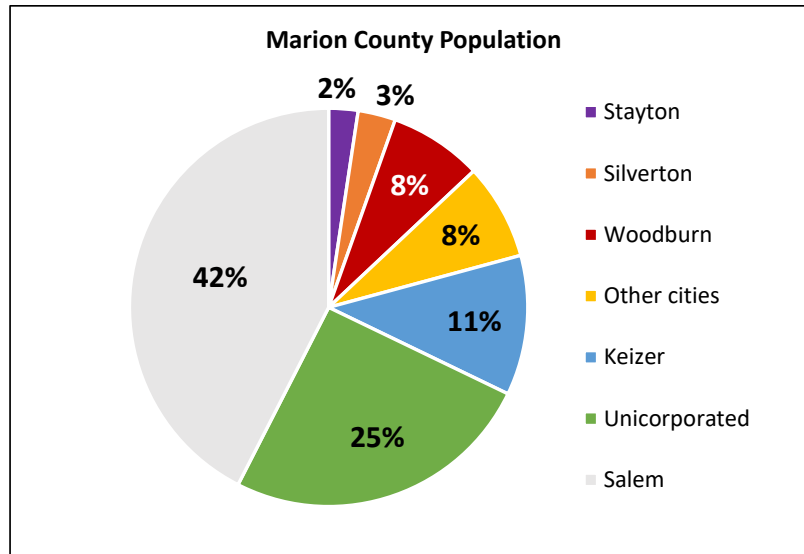
SOURCE: Population Research Center, Portland State University

When compared to the rest of the state, Marion County has a larger proportion of children, and around 2% fewer people aged 18-64, and around 3% fewer people aged 65 and older, thus having a proportionally smaller work force than the state. The trend towards an older population is a national trend due to the aging of the large Baby Boom generation. The first half of this generation is now past the traditional retirement age, while much of the younger half will be retiring over the coming decade.

FIGURE 2.4: BROAD AGE DISTRIBUTION, WOODBURN, AND MARION COUNTY
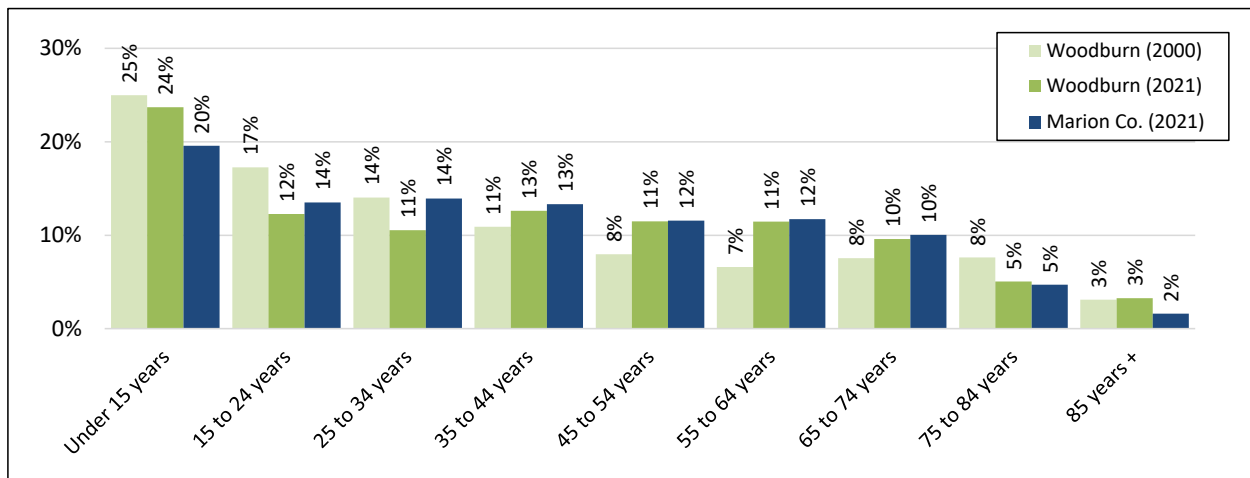
SOURCE: Population Research Center, Portland State University

Woodburn has a younger population than the county, with nearly a quarter of the population being younger than 15 years according to the Census (Figure 2.4). Between 2000 and 2021, those aged 45 to 74 years grew the most as a share of the population.

Employment and Population Concentrations: The distribution of employment in Marion County is concentrated around the cities of Salem and Keizer, with most of the remainder in cities near the north of Marion County such as Woodburn. The distribution of population is somewhat more evenly distributed across the western side of the county (Figure 2.5).

FIGURE 2.5: DISTRIBUTION OF EMPLOYMENT AND WORKFORCE, MARION COUNTY, 2020
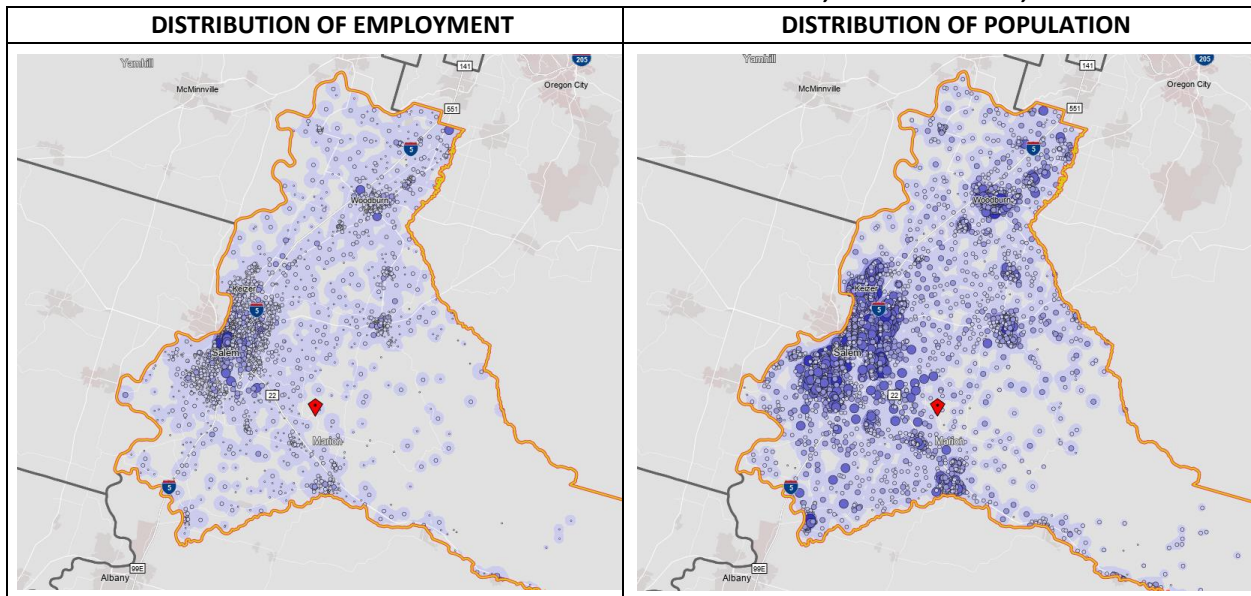
SOURCE: Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Data

FIGURE 2.6: NET INFLOW-OUTFLOW OF EMPLOYEES, WOODBURN, AND MARION COUNTY, 2020
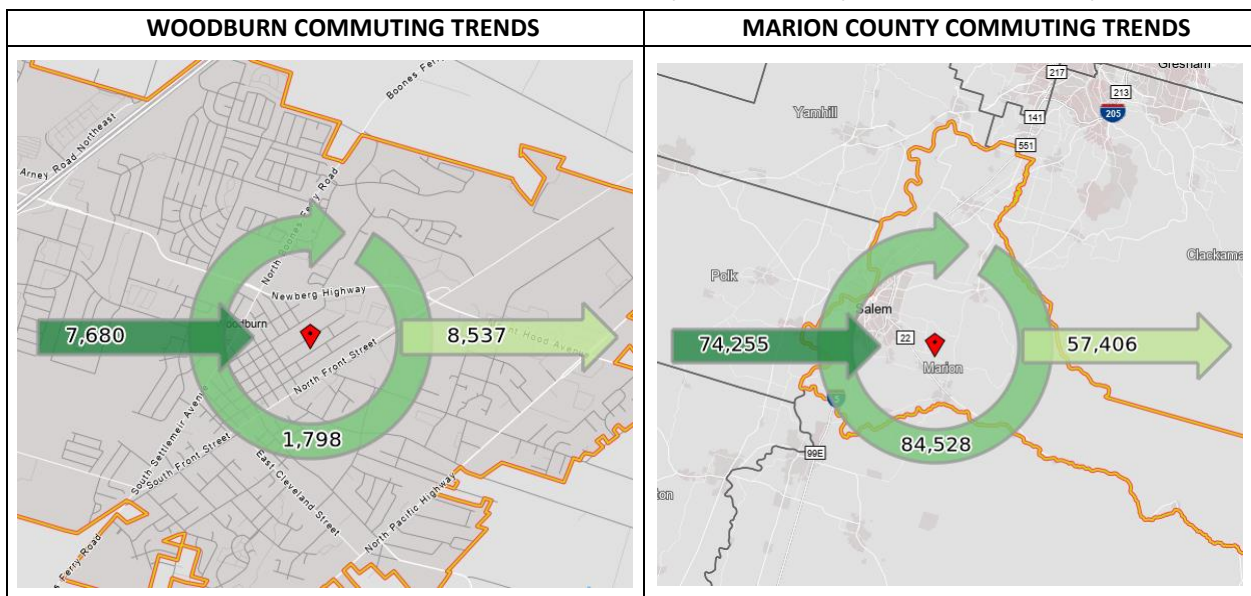
SOURCE: Census Bureau, LEHD Data

Commuting Trends: In 2020 (the most recent data available), the city of Woodburn was estimated to have 7.7k people commuting in for work, while 8.5k people commuted out; 1.8k residents both lived and worked in the city. These figures reflect "covered employment" as of 2020, the most recent year available. Covered employment refers to those jobs where the employee is covered by federal unemployment insurance. This category does not include many contract employees and the self-employed and therefore is not a complete picture of local employment. The figure discussed here is best understood as indicators of the general pattern of commuting and not exact figures.

Of those residents who work outside of the city, the most common commute destinations are Portland, Salem, Wilsonville, and Tualatin. For local employees who commute in from outside of Woodburn, most live in Salem, Keizer, and Portland.

Workforce Characteristics: Woodburn has a greater share of the less-educated adult population than the county or state (Figure 2.7).

FIGURE 2.7: EDUCATIONAL ATTAINMENT PROFILE, 2021

Population 25 years and older	Woodburn		Marion County		State of Oregon	
	Count	%	Count	%	Count	%
Less Than High School Graduate	5,052	30.5%	31,449	13.5%	252,602	8.5%
High school graduate (includes equivalency)	4,443	26.8%	58,173	25.1%	668,083	22.5%
Some college, no degree	3,230	19.5%	60,710	26.1%	739,245	24.9%
Associate's degree	1,179	7.1%	23,210	10.0%	270,372	9.1%
Bachelors Degree	1,845	11.1%	38,232	16.5%	644,813	21.7%
Graduate or professional degree	818	4.9%	20,447	8.8%	396,281	13.3%
Total	16,567		232,221		2,971,396	
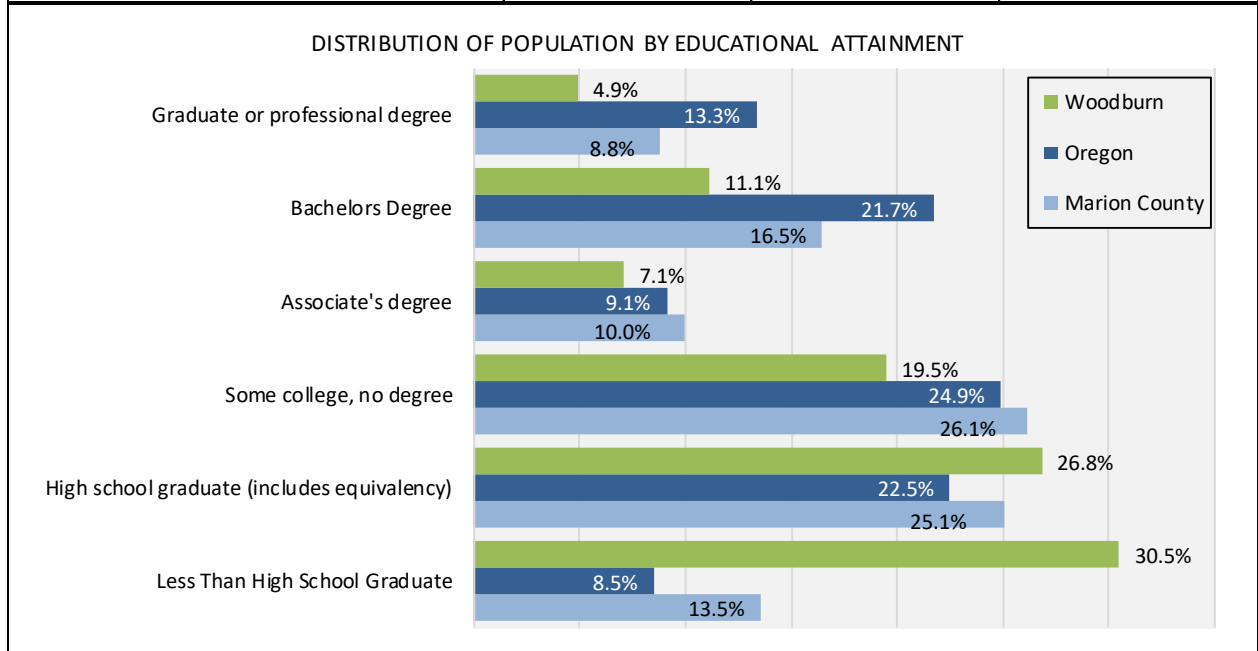
SOURCE: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

- Nearly a third of the local population has not completed high school, as compared to 8.5% statewide.

- An additional 27% have a high school education.

- 43% of the adult population has some education beyond high school, compared to 61% countywide, and 69% statewide.

- 23% of local adults have completed a post-secondary degree, compared to 35% of the county population, and 44% of the state population.

The lower education level in the local workforce points to good capacity to fill blue collar service and production jobs, as well as potential to benefit from increased opportunities for training and education on and off the job.

- Woodburn has a higher share working in trade, transportation, and utilities (37%) and goods producing industries than the county (Figure 2.8). This includes retail, wholesale, warehousing, and shipping industries.

- Woodburn has a younger workforce than the county, with 29% of workers less than 30 years of age, compared to 21%.

- Working residents of Woodburn are more likely to be in lower income groups than the county. 38% of working Woodburn residents earn over $40k, while 47% of workers in the county do. This includes those working part-time jobs.

FIGURE 2.8: CHARACTERISTICS OF LOCAL WORKFORCE, CITY OF WOODBURN AND MARION COUNTY, 2020

DISTRIBUTION OF WORKERS BY AGE

Workers Aged 55 or older
- Marion County: 25.4%
- Woodburn, OR: 22.5%

Workers Aged 30 to 54
- Marion County: 53.7%
- Woodburn, OR: 48.3%

Workers Aged 29 or younger
- Marion County: 20.9%
- Woodburn, OR: 29.2%

■ Marion County   ■ Woodburn, OR

DISTRIBUTION OF WORKERS BY INCOME

Workers Earning More than $40k annually
- Marion County: 47.3%
- Woodburn, OR: 37.9%

Workers Earning $15k to $40k annually
- Marion County: 29.7%
- Woodburn, OR: 34.2%

Workers Earning $15k annually or less
- Marion County: 23.1%
- Woodburn, OR: 27.9%

■ Marion County   ■ Woodburn, OR

LOCAL EMPLOYMENT BY TYPE

Workers in the "All Other Services" Industry Class
- Marion County: 63.7%
- Woodburn, OR: 41.5%

Workers in the "Trade, Transportation, and Utilities" Industry Class
- Marion County: 17.0%
- Woodburn, OR: 36.6%

Workers in the "Goods Producing" Industry Class
- Marion County: 19.3%
- Woodburn, OR: 21.9%

■ Marion County   ■ Woodburn, OR

SOURCE: Census Bureau, LEHD Data

III. COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL

The economic climate of a community helps foster growth of existing firms and industry clusters and make the area attractive for new businesses. The City of Woodburn has several advantages that boost its potential as a location for current and future business.

Location: Woodburn enjoys a central location between the Portland Metro area 15 miles to the north, and the Salem Metro roughly 15 miles to the south, via the I-5 freeway. The location puts the city's businesses in the middle of a large addressable market area and region which is home to a majority of the state's population and labor force. At the same time, the location separate from the major metro areas has allowed the city to maintain a small town identity and establish a strong base of agricultural and wood products industries based in the surrounding area.

The agglomeration of retail businesses located near the freeway, anchored by the popular Woodburn Premium Outlets mall and Walmart Supercenter ensure that the city will remain a well-trafficked destination, with a market area far larger than the city itself. The central location also has made the community popular with warehousing and distribution businesses that take advantage of the transportation connections.

Transportation Connectivity: Woodburn has strong transportation access via the I-5 freeway, multiple highways, and heavy rail service. The freeway access is served by the recently upgraded interchange, meant to accommodate the large amount of incoming and outgoing traffic of residents, work force, visitors, and freight. Businesses in the immediate area are served by quick access and high visibility from the freeway.

In addition to I-5, businesses in Woodburn have access to the north/south Highway 99, and east/west Highway 214 which connect Woodburn to other parts of Marion and Clackamas Counties. These corridors serve as additional commercial corridors in older sections of the City.

The historic downtown of Woodburn was oriented towards the Union Pacific Railroad mainline. The rail passes through central Woodburn and the Northeast Industrial Area, providing freight service to local businesses. Currently, no passenger service stops in Woodburn but that may become a possibility as the community and local economy grows.

Portland International Airport is located approximately forty-five minutes to the north providing global air connections. The Salem Municipal Airport has recently been in discussions to provide some commercial service to a limited number of southwest states, which would provide nearer access to residents and businesses in Woodburn.

Labor Market: The availability of ample and skilled labor is a key factor in economic development potential. Beyond the talent pool of Woodburn residents, the city's central location and freeway access give local businesses the ability to draw on a larger labor pool from the region. An estimated 81% of the local workforce commutes to Woodburn, with many coming from the Portland Metro region. While ideally these workers may eventually choose to relocate to the community, in the meantime businesses know they can attract workers with a full range of skills and experience from a broader area if necessary.

The "Mid-Willamette Valley Supply and Target Industry Growth Recommendations for Marion, Polk and Yamhill Counties" (2014) report identified workforce issues as a need in Marion, Polk, and Yamhill counties. These issues included finding qualified workers with the proper basic and technical skills, training entry-level workers effectively,

and successfully employing contractors from staffing agencies. The report recommends establishing a Manufacturing Sector Partnership to address workforce development needs and other common issues.

With the imminent opening and staffing of the large Amazon facility, along with other known employment developments, plus forecasted growth, drawing sufficient blue-collar workers to the area may remain a challenge for the foreseeable future, while attracting white-collar workers may be less difficult. The continued population growth in Woodburn and ready access to the Salem metro area, and the southern communities of the Portland metro area (Wilsonville, Tualatin) will help this effort. New and existing local businesses will also assist in developing the specific skills and education they will need from their workforce.

Quality of Life: Woodburn offers a high quality of life and urban amenities to attract new workers and businesses to the city. The city offers a mixture of small-town lifestyle, diverse cultural activities, with access to nature and rural amenities, while also being a quick trip away from larger metro areas with additional urban amenities. The community features relatively affordable housing in comparison to other parts of the region, good schools, parks, and ample shopping and local services.

Woodburn's location in the central Willamette Valley offers ready access to a full range of mountain recreation to the east, and Oregon's wine country to the west.

Economic Development Partnerships: Woodburn has several partners in economic development, including the Woodburn Chamber of Commerce, SEDCOR, Portland General Electric (PGE), the Mid-Willamette Valley Council of Governments, Marion County, and Business Oregon. Woodburn features local outposts of Pacific University and Chemeketa Community College to offer ongoing education and training to the local workforce. The Willamette Workforce Partnership offers workforce training programs and employer matching in the mid-Willamette Valley area.

Local and regional employers are also key partners in promoting and growing their industries. Woodburn works with these and other regional partners to provide the infrastructure and services needed to retain and attract businesses to the city.

Economic Development Tools: Woodburn features an Enterprise Zone and Opportunity Zones which allow for tax abatements to incentivize new business development across the city. Woodburn also maintains an Urban Renewal area that covers the downtown area, the Highway 99 corridor, and the commercial area on the east side of the freeway, among other corridors. The urban renewal agency can offer incentives for development, secure key economic development sites, among other projects.

IV. INDUSTRY DIFFERENTIATION ANALYSIS

This element of the Economic Opportunities Analysis utilizes analytical tools to assess the economic landscape in Marion County and the City of Woodburn. The objective of this process is to identify a range of industry types that can be considered targeted economic opportunities over the planning period.

A range of analytical tools to assess the local and regional economic landscape are used to determine the industry typologies the county and individual cities should consider targeting over the planning period. Where possible, we look to identify the sectors that are likely to drive growth in current and subsequent cycles.

HIGHLY REPRESENTED
- Location Quotient
- Basic or Export Employment

GAINING SHARE OVER TIME
- Shift Share
- Momentum

HIGH EXPECTED RATE OF GROWTH
- OR Emp. Dept
- Rate and Magnitude

PRIOR ECONOMIC DEVELOPMENT PLANS
- City of Woodburn
- Business Oregon

ECONOMIC SPECIALIZATION (MARION COUNTY)

The most common analytical tool to evaluate economic specialization is location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. All industry categories are assumed to have a quotient of 1.0 on the national level, and a locality's quotient indicates if the local share of employment in each industry is greater or less than the share seen nationwide. For instance, a quotient of 2.0 indicates that locally, that industry represents twice the share of total employment as seen nationwide. A quotient of 0.5 indicates that the local industry has half the expected employment.

A location quotient analysis was completed for Marion County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry (Figure 4.01). The industries that are well-represented countywide are good candidates for growth in localities such as Woodburn. The City has the ability to tap into regional advantages to grow locally.

FIGURE 4.01: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, MARION COUNTY, 2021

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
10 Total, all industries	11,557	121,585	$6,105,541,487	$50,216	0.91
102 Service-providing	9,132	90,738	$4,461,154,907	$49,165	0.82
101 Goods-producing	2,425	30,847	$1,644,386,580	$53,308	1.32
1011 Natural resources and mining	534	9,862	$405,700,188	$41,136	5.13
1012 Construction	1,477	11,099	$720,762,208	$64,941	1.37
1013 Manufacturing	414	9,886	$517,924,184	$52,391	0.74
1021 Trade, transportation, and utilities	1,741	27,484	$1,263,760,738	$45,982	0.91
1022 Information	175	1,319	$106,478,987	$80,712	0.43
1023 Financial activities	938	5,298	$347,957,298	$65,673	0.58
1024 Professional and business services	1,670	14,020	$791,232,220	$56,435	0.6
1025 Education and health services	2,331	25,891	$1,502,268,872	$58,022	1.05
1026 Leisure and hospitality	903	11,799	$267,637,960	$22,684	0.77
1027 Other services	973	4,749	$173,169,193	$36,464	1.05
1029 Unclassified	401	177	$8,649,639	$48,799	0.84
Total	34,671	364,754	$18,316,624,461	$50,216	

SOURCE: U.S. Bureau of Labor Statistics

Among major industries, the natural resources and mining industry was the most strongly represented, with construction being the next. Information and financial activities were the most under-represented major industries. The information sector provided the highest average wages among these industries, while the leisure and hospitality industry (tourism) has the lowest average wages.

A more detailed industry analysis shows that the industries with the highest LQ in the county are fruit & vegetable preserving and manufacturing, support activities for agriculture & forestry, and crop production. Despite being the most over-represented industries relative to national averages, they still employ far fewer people than health care & social assistance, retail trade, or state government. The most under-represented industries are utilities, information, federal government, and professional & technical services.

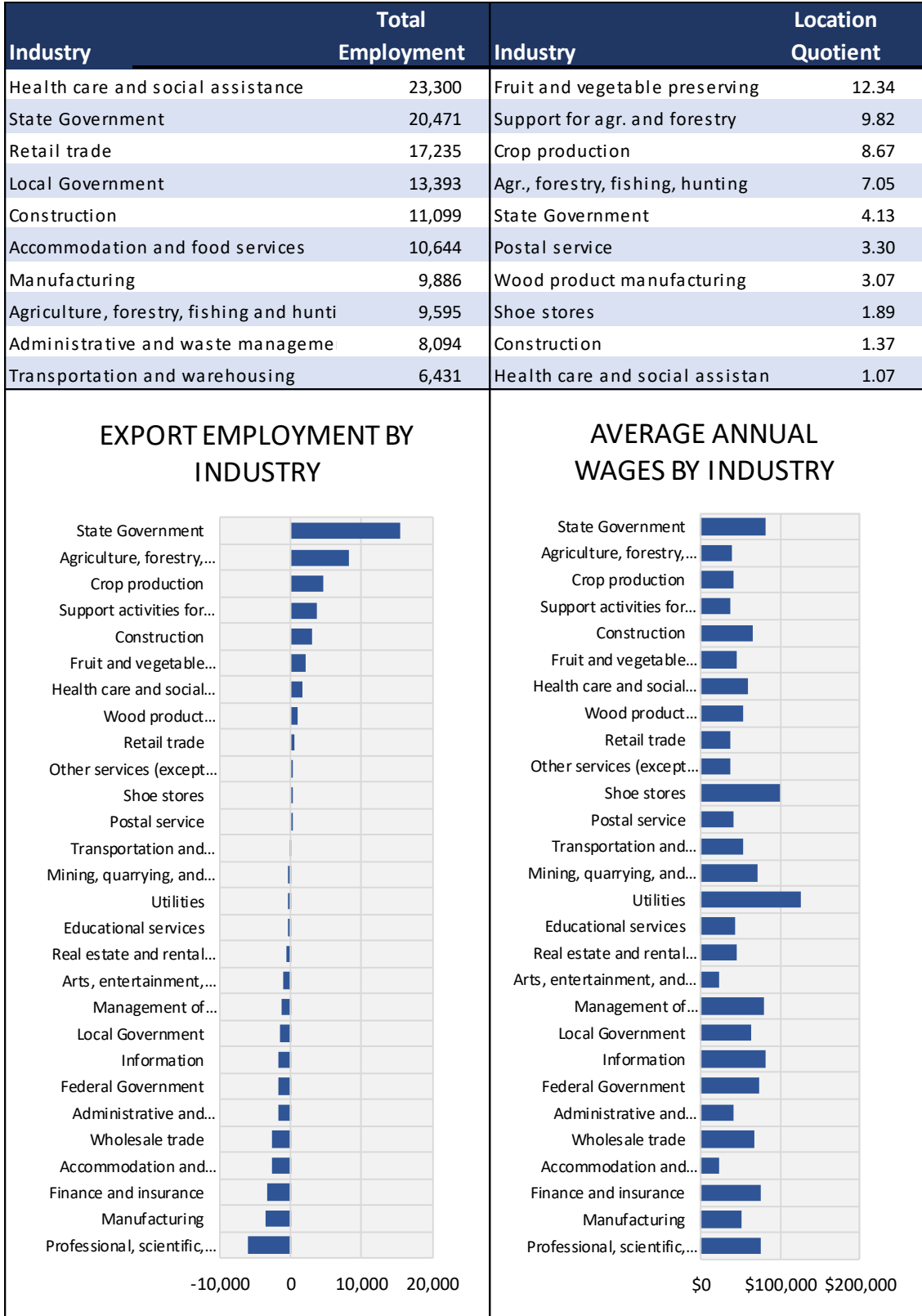**FIGURE 4.02: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, MARION COUNTY, 2021**

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
NAICS 11 Agriculture, forestry, fishing and hunting	523	9,595	$386,399,348	$40,270	7.05
NAICS 115 Support activities for agriculture and forestry	152	4,058	$153,048,602	$37,713	9.82
NAICS 111 Crop production	317	5,161	$215,609,008	$41,778	8.67
NAICS 21 Mining, quarrying, and oil and gas extraction	11	267	$19,300,840	$72,265	0.48
NAICS 22 Utilities	9	209	$26,212,327	$125,268	0.35
NAICS 23 Construction	1477	11,099	$720,762,208	$64,941	1.37
NAICS 31-33 Manufacturing	414	9,886	$517,924,184	$52,391	0.74
NAICS 321 Wood product manufacturing	29	1,370	$73,068,886	$53,345	3.07
NAICS 3114 Fruit and vegetable preserving and specialty food manufacturing	23	2,354	$105,287,630	$44,722	12.34
NAICS 42 Wholesale trade	441	3,608	$241,027,679	$66,801	0.58
NAICS 44-45 Retail trade	1,066	17,235	$656,682,257	$38,101	1.03
NAICS17 4482 Shoe stores	24	341	$34,310,689	$100,520	1.89
NAICS 48-49 Transportation and warehousing	226	6,431	$339,838,475	$52,844	0.99
NAICS 491 Postal service	4	27	$1,120,717	$40,877	3.30
NAICS 51 Information	175	1,319	$106,478,987	$80,712	0.43
NAICS 52 Finance and insurance	481	3,411	$260,397,011	$76,339	0.51
NAICS 53 Real estate and rental and leasing	456	1,887	$87,560,287	$46,396	0.78
NAICS 54 Professional, scientific, and technical services	937	4,770	$359,650,100	$75,396	0.44
NAICS 55 Management of companies and enterprises	84	1,156	$91,852,592	$79,463	0.45
NAICS 56 Administrative and support and waste management and remediation services	649	8,094	$339,729,528	$41,972	0.82
NAICS 61 Educational services	135	2,592	$113,274,384	$43,709	0.84
NAICS 62 Health care and social assistance	2197	23,300	$1,388,994,488	$59,614	1.07
NAICS 71 Arts, entertainment, and recreation	126	1,155	$27,785,440	$24,064	0.54
NAICS 72 Accommodation and food services	777	10,644	$239,852,520	$22,534	0.80
NAICS 81 Other services (except public administration)	973	4,749	$173,169,193	$36,464	1.05
Federal Government	51	1,374	$100,599,789	$73,212	0.44
State Government	169	20,471	$1,666,372,369	$81,404	4.13
Local Government	326	13,393	$852,622,300	$63,661	0.90
Total	12,252	169,956	$9,298,931,838	$54,714	

SOURCE: U.S. Bureau of Labor Statistics

The level of indicated export employment is estimated by sector by combining the location quotients and overall employment levels. Export industries are important in that they grow the overall size of the local economy by bringing in dollars from outside the community, rather than recirculating internal spending. The industries with the highest level of export employment are wood product manufacturing, retail trade, and agriculture and forestry.

The industries with the highest total employment in Marion County are state government, agriculture; forestry; fishing; and hunting, crop production, support activities for agriculture & forestry, and construction.

Industry	Total Employment	Industry	Location Quotient
Health care and social assistance	23,300	Fruit and vegetable preserving	12.34
State Government	20,471	Support for agr. and forestry	9.82
Retail trade	17,235	Crop production	8.67
Local Government	13,393	Agr., forestry, fishing, hunting	7.05
Construction	11,099	State Government	4.13
Accommodation and food services	10,644	Postal service	3.30
Manufacturing	9,886	Wood product manufacturing	3.07
Agriculture, forestry, fishing and hunti	9,595	Shoe stores	1.89
Administrative and waste manageme	8,094	Construction	1.37
Transportation and warehousing	6,431	Health care and social assistan	1.07

EXPORT EMPLOYMENT BY INDUSTRY

AVERAGE ANNUAL WAGES BY INDUSTRY

SOURCE: U.S. Bureau of Labor Statistics

ECONOMIC SPECIALIZATION (CITY OF WOODBURN)

The same analysis for the City of Woodburn reveals high levels of employment concentration in industries such as agriculture, educational services, delivery and warehousing, wood and food product manufacturing, and retail.

FIGURE 4.04: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, CITY OF WOODBURN, 2021

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
Agriculture, forestry, fishing, and hunting	16	595	$11,773,508	$19,787	6.61
Mining	2	25	$1,967,323	$78,693	0.68
Construction	120	685	$43,333,614	$63,261	1.28
Food Manufacturing	7	275	$11,849,012	$43,087	1.70
Wood Manufacturing	11	572	$35,476,128	$62,021	2.46
Metals Manufacturing	10	178	$11,819,452	$66,401	0.36
Utilities	2	58	$5,155,964	$88,896	1.48
Wholesale trade	31	826	$56,117,302	$67,939	2.01
Retail trade	157	2,295	$90,847,361	$39,585	2.07
Transportation	13	157	$10,573,002	$67,344	0.68
Delivery and warehousing	4	591	$36,914,180	$62,461	2.94
Information	6	133	$9,458,990	$71,120	0.65
Finance and Insurance	31	116	$5,780,955	$49,836	0.26
Real Estate and Rental	28	73	$2,658,234	$36,414	0.46
Professional, Scientific, and Technical Srvs	30	97	$4,219,592	$43,501	0.14
Management of Companies and Enterprises	3	56	$6,909,500	$123,384	0.33
Administrative and Waste Management	35	230	$8,697,493	$37,815	0.35
Educational services	17	722	$43,323,323	$60,005	3.54
Health care and social assistance	154	1,280	$56,570,018	$44,195	0.89
Arts, Entertainment, and Recreation	6	66	$2,072,958	$31,408	0.46
Accommodation and Food Services	65	916	$19,974,752	$21,806	1.04
Other services	60	238	$8,216,912	$34,525	0.79
Government	8	180	$13,547,362	$75,263	0.12
Total	816	10,364	$497,256,935	$47,979	

SOURCE: Oregon Employment Department

The top sectors in terms of overall employment were retail trade, health care & social assistance, manufacturing, and accommodation & food services. There were ten industries with positive export employment, the largest being retail trade, educational services, and agriculture, forestry, fishing, and hunting. The large concentration of retail trade employment is located around the Woodburn Premium Outlets that employ roughly 950 people across 111 stores.

FIGURE 4.05: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, CITY OF WOODBURN (2021)

Industry	Total Employment	Industry	Location Quotient
Retail trade	2295	Agr., forestry, fishing, hunting	6.61
Health care and social assistance	1280	Educational services	3.54
Accommodation and Food Service	916	Delivery and warehousing	2.94
Wholesale trade	826	Wood Manufacturing	2.46
Educational services	722	Retail trade	2.07
Construction	685	Wholesale trade	2.01
Agr., forestry, fishing, hunting	595	Food Manufacturing	1.70
Delivery and warehousing	591	Utilities	1.48
Wood Manufacturing	572	Construction	1.28
Food Manufacturing	275	Accommodation and Food Service	1.04

EXPORT EMPLOYMENT BY INDUSTRY
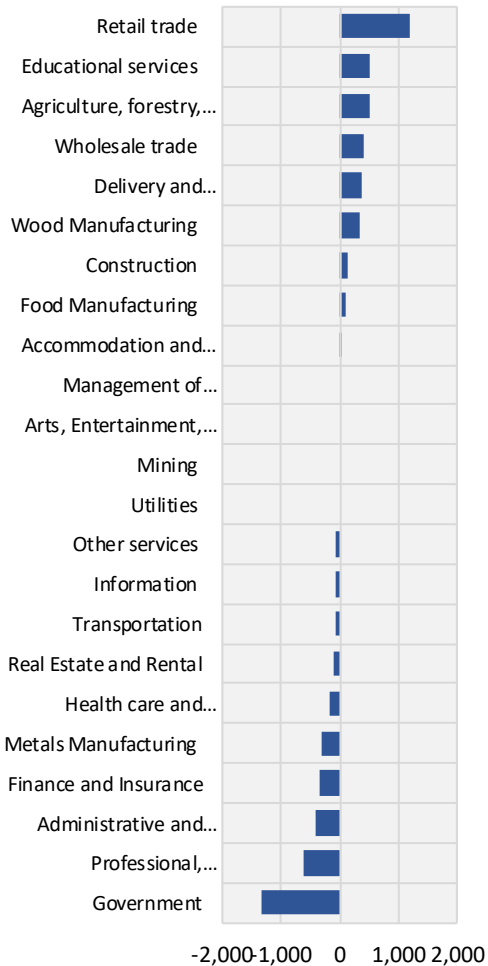
AVERAGE ANNUAL WAGES BY INDUSTRY
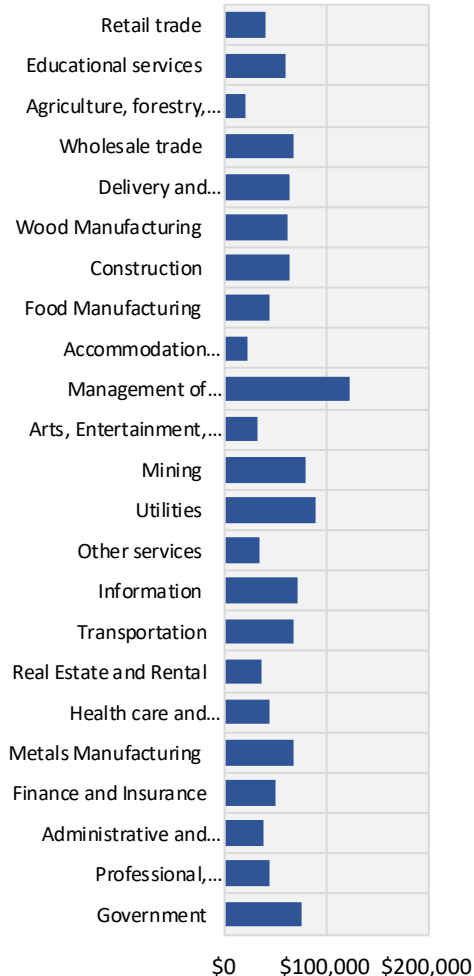
SOURCE: Oregon Employment Department and Bureau of Labor Statistics

ECONOMIC DRIVERS

The identification of the economic drivers of a local or regional economy is critical in informing the character and nature of future employment, and by extension land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the latter half of the recent expansion cycle[2].

A shift-share analysis is an analytical procedure that measures the local effect of economic performance within a particular industry or occupation. The process considers local economic performance in the context of national economic trends—indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends. For example, consider that Widget Manufacturing is growing at a 1.5% rate locally, about the same rate as the local economy. On the surface we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust 4% annually. In this context, local widget manufacturers are struggling, and some local or regional conditions are stifling economic opportunities.

We can generally classify industries, groups of industries, or clusters into four groups:

Growing, Outperforming: Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.

Growing, Underperforming: Industries that are growing locally but slower than the national average. These industries generally have a sound foundation, but some local factors are limiting growth.

Contracting, Outperforming: Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.

Contracting, Underperforming: Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factors are making it increasingly tough on local firms.

The average annual growth rate by industry from 2011 to 2021 in Marion County was compared to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry.

As shown in Figure 4.06, most county industries grew at a slower rate than the rest of the country. Sectors that did experience a notable positive regional shift in employment during this period were construction, administrative & waste services, retail trade, health care & social assistance, and state government. The sectors that outperformed expectations the most were construction, administrative & waste services, and state government. Sectors with the greatest negative regional shift in employment were finance & insurance, real estate, and rental and leasing, and educational services.

---

[2]   Measured from 2011 through 2021

FIGURE 4.06: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, MARION COUNTY (2011 – 2021)

Industry	Average Employment		Net Change		Standardized Level - 2021*	Regional Shift
	2011	2021	Total	AAGR		
Farm Employment	8,011	8,025	14	0.0%	7,856	169
Forestry, Fishing, and Related Activities	3,217	2,943	(274)	-0.9%	3,484	(541)
Mining	446	447	1	0.0%	331	116
Construction	7,765	14,295	6,530	6.3%	10,365	3,930
Manufacturing	10,468	10,818	350	0.3%	11,064	(246)
Wholesale Trade	3,967	4,310	343	0.8%	4,067	243
Retail Trade	18,234	21,398	3,164	1.6%	19,448	1,950
Information	1,534	1,795	261	1.6%	1,622	173
Finance and Insurance	6,729	6,591	(138)	-0.2%	8,092	(1,501)
Real Estate and Rental and Leasing	7,283	8,541	1,258	1.6%	9,279	(738)
Professional, Scientific, and Technical Services	6,910	8,250	1,340	1.8%	8,557	(307)
Management of Companies and Enterprises	1,037	1,306	269	2.3%	1,373	(67)
Administrative and Waste Services	7,288	10,940	3,652	4.1%	8,428	2,512
Educational Services	4,091	4,259	168	0.4%	4,642	(383)
Health Care and Social Assistance	20,656	26,318	5,662	2.5%	24,355	1,963
Arts, Entertainment, and Recreation	2,738	2,782	44	0.2%	2,941	(159)
Accommodation and Food Services	10,172	11,790	1,618	1.5%	11,183	607
Other Services (except Public Administration)	8,229	8,808	579	0.7%	8,855	(47)
Federal Civilian	1,413	1,390	(23)	-0.2%	1,423	(33)
Military	889	788	(101)	-1.2%	824	(36)
State Government	18,375	20,850	2,475	1.3%	18,413	2,437
Local Government	14,067	13,652	(415)	-0.3%	13,945	(293)
TOTAL	163,519	190,296	26,777	1.5%	180,547	9,749
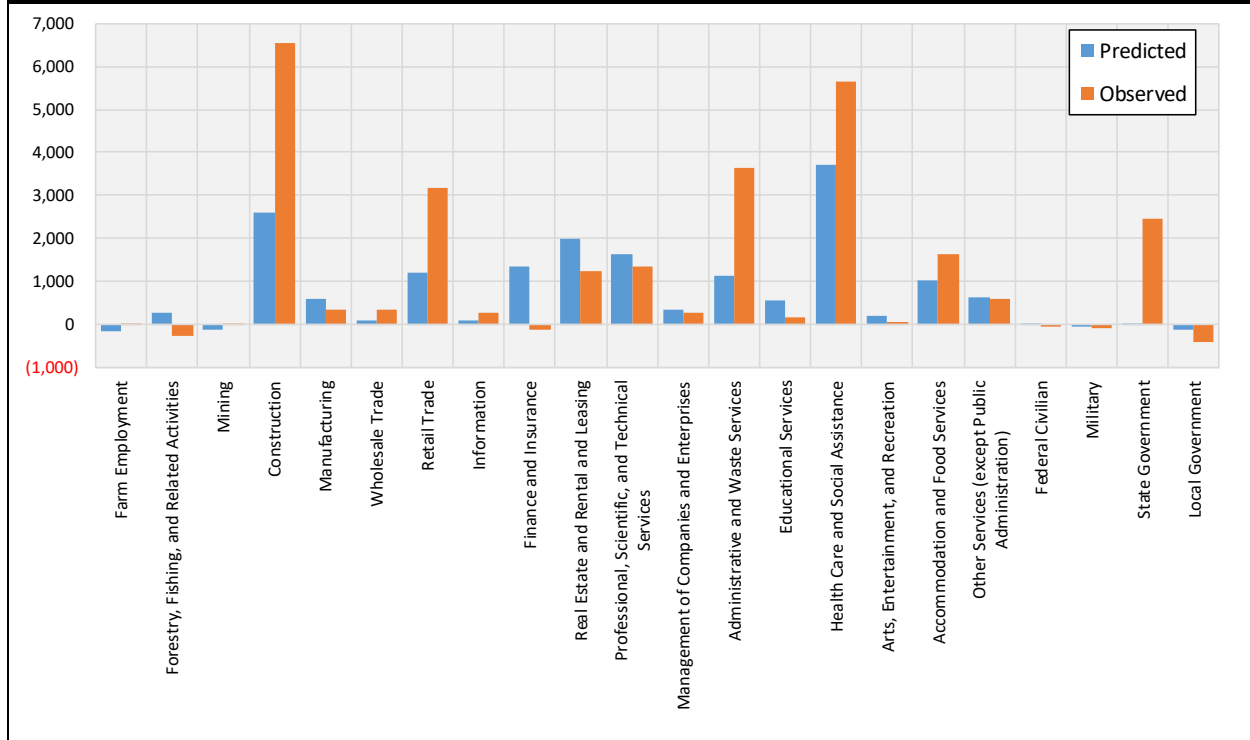
* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

When the same analysis is done for the city of Woodburn, the city's growth outperformed the rest of the country in additional industries. The best performing sectors on this measure in the local economy were agriculture and forestry, manufacturing, construction, and health care & social services. These sectors grew faster than expected based on the national pace.

FIGURE 4.07: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, CITY OF WOODBURN (2011 – 2021)

| Industry	Average Employment		Net Change		Standardized	Regional Shift
	2011	2021	Total	AAGR	Level - 2021*	Shift
Agriculture, forestry, fishing, and hunting	56	595	539	26.7%	57	538
Mining	9	25	16	0.0%	7	18
Construction	289	685	396	9.0%	386	299
Manufacturing	611	1,025	414	5.3%	646	379
Utilities	24	58	34	0.0%	25	33
Wholesale trade	716	826	110	1.4%	764	62
Retail trade	2,079	2,295	216	1.0%	2,217	78
Transportation	66	157	91	9.1%	67	90
Delivery and warehousing	533	591	58	1.0%	537	54
Information	99	133	34	3.0%	105	28
Finance and Insurance	149	116	(33)	-2.5%	179	(63)
Real Estate and Rental	146	73	(73)	-6.7%	186	(113)
Professional, Scientific, and Technical Srvs	125	97	(28)	-2.5%	155	(58)
Management of Companies and Enterprises	63	56	(7)	0.0%	83	(27)
Administrative and Wast Management	260	230	(30)	-1.2%	301	(71)
Educational services	788	722	(66)	-0.9%	894	(172)
Health care and social assistance	934	1,280	346	3.2%	1,101	179
Arts, Entertainment, and Recreation	80	66	(14)	-1.9%	86	(20)
Accommodation and Food Services	704	916	212	2.7%	774	142
Other services	209	238	29	1.3%	225	13
Government	317	180	(137)	-5.5%	294	(114)
TOTAL	8,257	10,364	2,107	2.3%	9,087	1,277
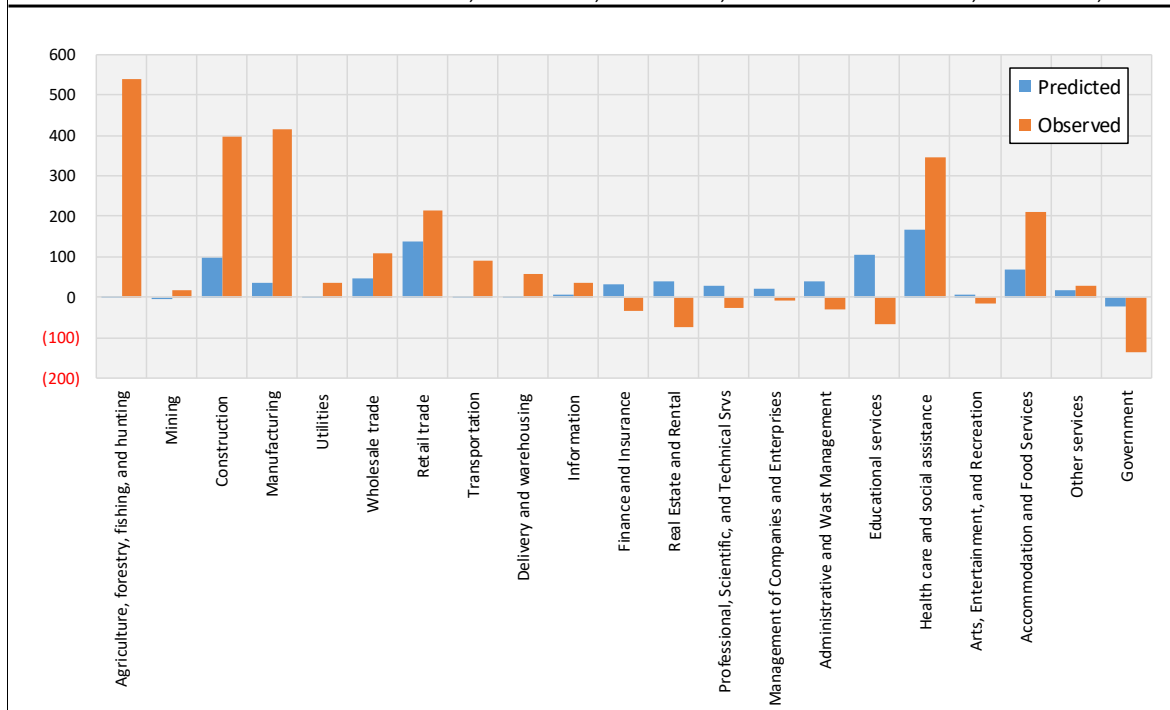
* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

PROJECTED EMPLOYMENT GROWTH (OED)

The State of Oregon produces employment forecasts by sector at the broader regional level, which groups Linn, Marion, Polk, and Yamhill Counties together into one Mid-Willamette Valley region. The most recent forecast anticipates a gain of 35,000 jobs from 2021 through 2031, reflecting an average annual growth rate of about 1.2% during the period. This area has historically seen strong growth, and recovery from the COVID pandemic has been promising.

In this region, the industries with the fastest growth rates are projected to be transportation, warehousing, & utilities (T.W.U) followed by accommodation & food services, and leisure & hospitality. Furthermore, none of the industries are projected to experience negative growth in the coming years. The projected large increase in the T.W.U industry is in part due to the large Amazon distribution facility currently under construction in Woodburn.

FIGURE 4.08: PROJECTED EMPLOYMENT GROWTH BY SECTOR, MID-VALLEY COUNTIES (2021 – 2031)

Sector	Growth
Total employment	12%
Total payroll employment	13%
Total private	15%
Natural resources and mining	7%
Mining and logging	0%
Construction	16%
Manufacturing	9%
Durable goods	10%
Wood product manufacturing	5%
Nondurable goods	8%
Wholesale trade	6%
Retail trade	7%
Transportation, warehousing, and utilities	44%
Information	5%
Financial activities	2%
Professional and business services	15%
Private educational and health services	14%
Health care and social assistance	14%
Leisure and hospitality	36%
Accommodation and food services	36%
Other services	13%
Government	6%
Federal government	0%
State government	6%
Local government	6%
Local education	2%
Self-employment	2%

SOURCE: Oregon Employment Department, Workforce and Economic Research Division

V. WOODBURN TARGET INDUSTRIES ANALYSIS

The preceding analysis provides a basis for narrowing of target industries for the City of Woodburn. These indicators point to sectors of past and potential growth, as well as locally expressed economic development vision for the community. The following is a summary of targeted sectors and indicators for Woodburn, and the broader mid-Willamette Valley region.

Woodburn Targets and Indicators

CITY OF WOODBURN Target Industry Analysis (2016)	CITY OF WOODBURN Current Largest Employers
Manufacturing	Retail Trade
Machinery and Production Equipment	Health Care
Plastics Manufacturing	Agriculture
Metal Products	Tourism
Food Products	Manufacturing
Apparel	Transportation and Distribution
Auto Transport Equipment	Construction
Warehousing and Distribution	Wholesale
Information Technology	Educational Services

STRONG LOCATION QUOTIENT	STRONG SHIFT SHARE INDICATOR
Agriculture and Forestry	Agriculture and Forestry
Educational Services	Manufacturing
Wood Products	Construction
Food Products	Health Care and Social Services
Retail Trade	Accommodation and Food Service
Wholesale Trade	
Construction	

Regional and Statewide Targets

BUSINESS OREGON - Statewide Targets	MWV COMMUNITY DEV. PARTNERSHIP Sectors with Comparative Advantage
Outdoor Gear and Apparel	Advanced Manufacturing
Forestry & Wood Products	Agricultural and Food Processing
Advanced Manufacturing	Wood Products and Forestry
Business Services	Transportation and Distribution
Food & Beverage	Government (Salem-focused)
Bioscience	
Metals & Machinery	
High Technology	

SEDCOR - Areas of Focus	WILLAMETTE WORKFORCE PARTNERSHIP Workforce Investment Focus Areas
NW Agriculture Innovation Hub	Transport, Warehousing, Distribution
STEM Workforce in Ag and Food Ind.	Manufacturing
Regional Recruitment	Health Care
	Construction

These broader analyses arrived at similar conclusions of the advantageous industries for Woodburn and the Marion County region in general, including wood product, food product and other manufacturing, transportation and distribution, agriculture, and support industries including health care, education, and construction.

CITY OF WOODBURN TARGET INDUSTRIES

The preceding analysis of industry strengths and regional priorities provided a foundation for the discussion of local target industries for the City of Woodburn. Through the EOA planning process, the advisory committee of local stakeholders reviewed the economic goals, priorities, and target industries from the prior adopted plans, and agreed upon the following list of priority sectors to help meet the community's economic development goals.
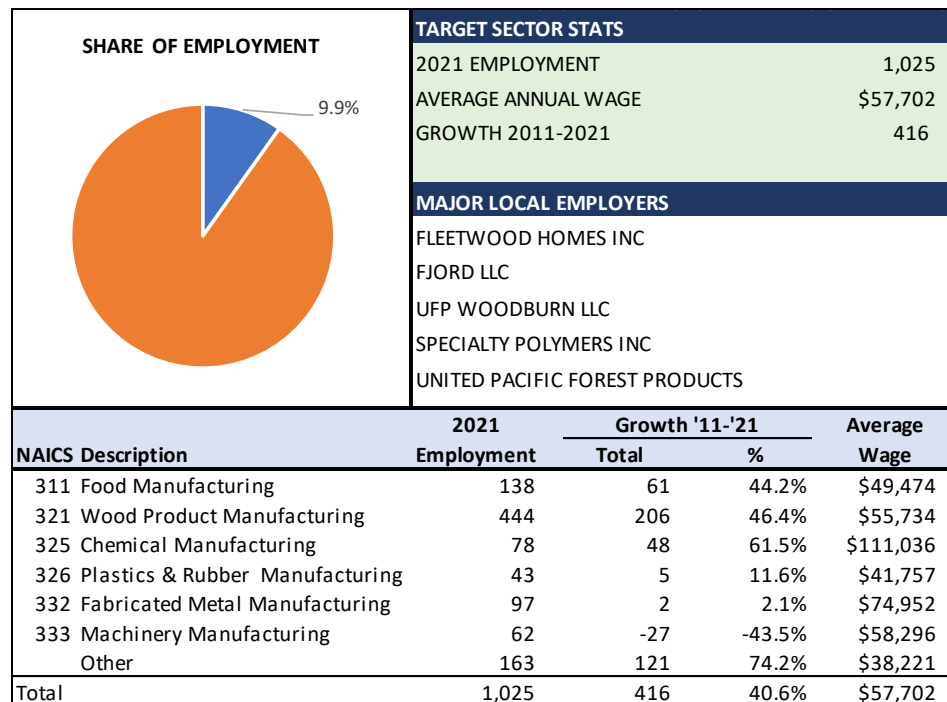
The selected industries reflect the community's historical strengths and advantages, regional trends, and local goals and objectives. These are discussed in more detail in the following pages:

- Manufacturing
- Health Care and Social Assistance
- Tourism (Accommodation and Dining)
- Education

- Transportation, Warehousing, Utilities
- Construction
- Agricultural Support Businesses

Note: The following discussion of target sectors relies on the most recent QCEW data from the Oregon Employment Department, dating to 2021. Total employment figures are updated to an estimate for 2023 in the following section of this report.

A. MANUFACTURING

Manufacturing has been a long-standing target sector for the City of Woodburn, and the sector is well represented among current businesses. Local employers manufacture products from wood, metals, plastics and food inputs, at all levels of complexity from basic supply inputs to other industries, to manufactured housing. Targets are high-technology manufacturing, including in support of the region's semiconductor and data center clusters, machinery and automation tech for other industries, and transportation equipment manufacturing, including emergin electric vehicle tech and infrastructure.

SHARE OF EMPLOYMENT

9.9%

TARGET SECTOR STATS	
2021 EMPLOYMENT	1,025
AVERAGE ANNUAL WAGE	$57,702
GROWTH 2011-2021	416

MAJOR LOCAL EMPLOYERS
FLEETWOOD HOMES INC
FJORD LLC
UFP WOODBURN LLC
SPECIALTY POLYMERS INC
UNITED PACIFIC FOREST PRODUCTS

	2021	Growth '11-'21		Average
NAICS Description	Employment	Total	%	Wage
311 Food Manufacturing	138	61	44.2%	$49,474
321 Wood Product Manufacturing	444	206	46.4%	$55,734
325 Chemical Manufacturing	78	48	61.5%	$111,036
326 Plastics & Rubber Manufacturing	43	5	11.6%	$41,757
332 Fabricated Metal Manufacturing	97	2	2.1%	$74,952
333 Machinery Manufacturing	62	-27	-43.5%	$58,296
Other	163	121	74.2%	$38,221
Total	1,025	416	40.6%	$57,702

This sector has good location quotient and shift share indicators in Woodburn. Manufacturing provides good average incomes and skill building opportunities to blue-collar workers. The covered employment level in this sector was 1,025 in 2021, representing roughly 10% of the local employment base. Employment levels in the sector increased by 40% from 2011 through 2021. The average annual wage was approximately $57,700 per year in 2021.

Cluster Strengths
- Good foundation of existing manufacturing businesses and recent growth.
- Diversified inputs and product types.
- Experienced manufacturing work force, and training opportunities.
- Solid wages in many manufacturing subsectors.

Cluster Challenges
- Scaling up the skilled workforce quickly.
- Increasing shortage of appropriate industrial land.

While manufacturing has experienced secular decline nationwide over many decades, there are still many opportunities for producers that benefit from proximity to inputs and the intended market, advanced production techniques and skills. Woodburn has demonstrated the ability to foster and grow this sector.

B. TRANSPORTATION, WAREHOUSING, & UTILITIES

Increasingly, Woodburn will be a major location of warehousing and distribution employment in the region. With the imminent completion of the Amazon distribution facility, along with other planned distribution developments, this sector is poised to become one of the largest employers, if not the largest, in Woodburn in the very near future. The benefits of Woodburn for the distribution industry are clear, given industrial lands available near a freeway interchange, and between the Portland and Salem markets. Other opportunities include additional "last mile" distribution facilities, which are smaller in scale.

Other targets in this broad sector are new utility infrastructure, including build out of power and water capacity to serve new industry. Support for trucking terminals and charging stations will be increasingly important as the shipping industry shifts to electric vehicles. Data centers and related telecom infrastructure have been one of the fastest growing needs nationwide to support online activity, and this growth is expected to be sustained into the foreseeable future. Innovation in the data center industry allows for the use of smaller sites and facilities in more locations.

Cluster Strengths
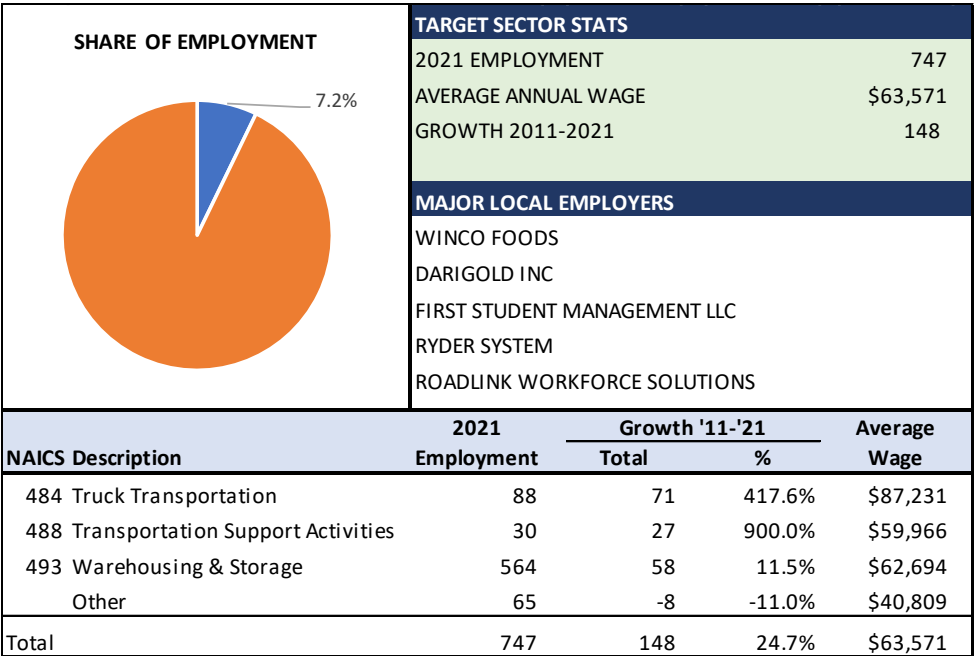- Freeway and rail access and exposure.
- Central location to Oregon's largest population centers and markets.
- Large new employers in this sector will bolster the cluster.

Cluster Challenges
- Finding sufficient workforce regionally, given the size of the new facility.
- May face temporary shortage of affordable workforce housing.
- Eventual potential to overburden freeway interchange capacity.

SHARE OF EMPLOYMENT

7.2%

TARGET SECTOR STATS	
2021 EMPLOYMENT	747
AVERAGE ANNUAL WAGE	$63,571
GROWTH 2011-2021	148
MAJOR LOCAL EMPLOYERS	
WINCO FOODS	
DARIGOLD INC	
FIRST STUDENT MANAGEMENT LLC	
RYDER SYSTEM	
ROADLINK WORKFORCE SOLUTIONS	

NAICS Description	2021 Employment	Growth '11-'21 Total	%	Average Wage
484 Truck Transportation	88	71	417.6%	$87,231
488 Transportation Support Activities	30	27	900.0%	$59,966
493 Warehousing & Storage	564	58	11.5%	$62,694
Other	65	-8	-11.0%	$40,809
Total	747	148	24.7%	$63,571

The overall employment level in this sector was 750 in 2021, representing roughly 7% of the local employment base, but this is set to increase substantially in the next year. The average annual wage was approximately $63,500 per year in 2021. Employment levels in the sector increased by 25% from 2011 through 2021.

This sector will have a major impact on the local economy and is likely to grow. Additional businesses in this sector are likely to be smaller in size, with many supporting "last mile" logistics.

C. HEALTH CARE AND SOCIAL SERVICES

Like most communities, Woodburn will increasingly face growing health care needs from a growing and aging population. The health care needs of the Baby Boom generation, the oldest of which are approaching 80 years old and the youngest approaching 60, are expected to increase the need for health care facilities and workforce over the next 20 years.

The community has expressed an economic development goal of attracting a medical center or hospital to Woodburn to meet local needs as the city continues to grow quickly. Currently, residents must travel to the Salem area to access more advanced health care and specialists.
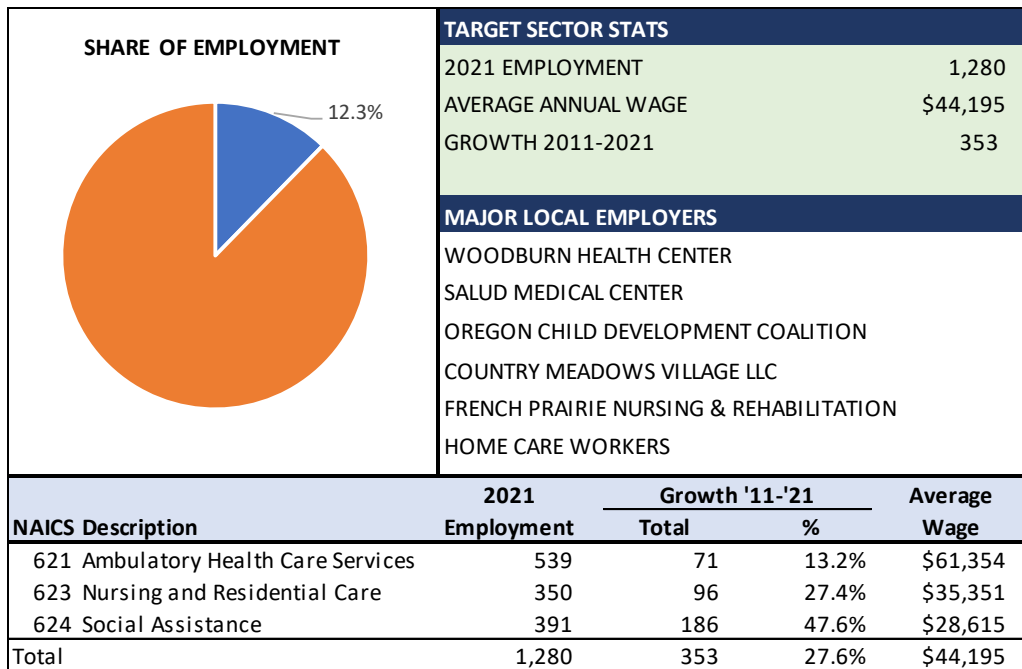
The overall employment level in this sector was 1,280 in 2021, representing roughly 12% of the local employment base. The average annual wage was approximately $44,200 per year in 2021, with a significant range between wages for social workers and health care workers. Employment levels in the sector increased by 28% from 2011 to 2021.

Cluster Strengths
- Growing and aging population base.
- Low local competition for many specialties and more advanced healthcare.
- Ability to serve larger market of north Marion County and rural Clackamas County.
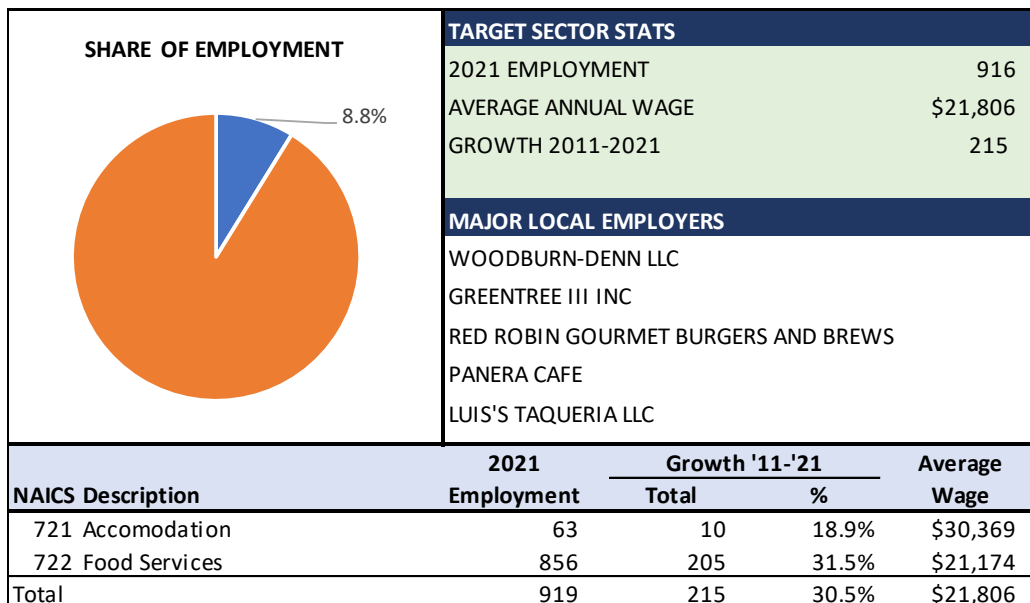
Cluster Challenges
- Attracting a major medical group.
- Potential competition with Keizer/Salem market.

SHARE OF EMPLOYMENT	TARGET SECTOR STATS		
12.3%	2021 EMPLOYMENT		1,280
	AVERAGE ANNUAL WAGE		$44,195
	GROWTH 2011-2021		353
	MAJOR LOCAL EMPLOYERS		
	WOODBURN HEALTH CENTER		
	SALUD MEDICAL CENTER		
	OREGON CHILD DEVELOPMENT COALITION		
	COUNTRY MEADOWS VILLAGE LLC		
	FRENCH PRAIRIE NURSING & REHABILITATION		
	HOME CARE WORKERS		

	2021	Growth '11-'21		Average
NAICS Description	**Employment**	**Total**	**%**	**Wage**
621 Ambulatory Health Care Services	539	71	13.2%	$61,354
623 Nursing and Residential Care	350	96	27.4%	$35,351
624 Social Assistance	391	186	47.6%	$28,615
Total	1,280	353	27.6%	$44,195

D. ACCOMMODATION & FOOD SERVICES

Woodburn features a strong accommodation and food services sector that can continue to grow. The dining sector benefits from the strong draw of the freeway-oriented commercial areas, as well as organic growth in residents and local businesses. The accommodation sector benefits from local tourism draws, as well as being a central freeway stop for travelers. As large new distribution and other industrial businesses locate in the area, the spending on dining can be expected to increase significantly, which will support business growth and new entrants.

The overall employment level in this sector was 916 in 2021, representing roughly 9% of the local employment base. The average annual wage was approximately $21,800 per year in 2021, making it one of the lower-wage service industries. This reflects the fact that many of these jobs are part-time. Employment levels in the sector increased by 31% from 2011 through 2021.

SHARE OF EMPLOYMENT	TARGET SECTOR STATS		
8.8%	2021 EMPLOYMENT		916
	AVERAGE ANNUAL WAGE		$21,806
	GROWTH 2011-2021		215
	MAJOR LOCAL EMPLOYERS		
	WOODBURN-DENN LLC		
	GREENTREE III INC		
	RED ROBIN GOURMET BURGERS AND BREWS		
	PANERA CAFE		
	LUIS'S TAQUERIA LLC		

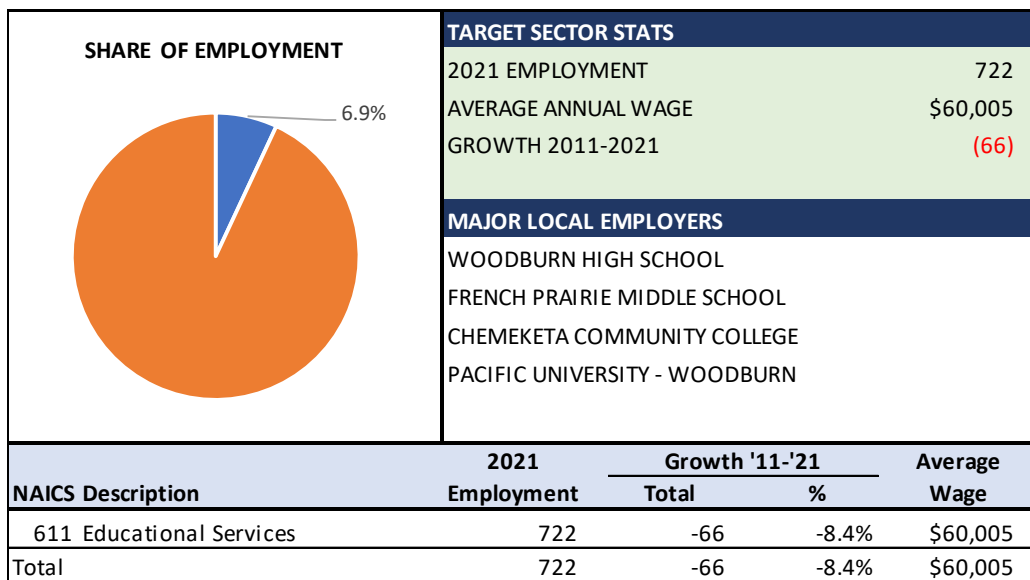|	2021	Growth '11-'21		Average
NAICS Description	**Employment**	**Total**	**%**	**Wage**
721 Accomodation	63	10	18.9%	$30,369
722 Food Services	856	205	31.5%	$21,174
Total	919	215	30.5%	$21,806

Cluster Strengths
- Freeway access and exposure to travelers and visitors to local shopping and attractions.
- Expected growth in spending from new employment and households.
- Central location.

Cluster Challenges
- Few challenges.
- Diminishing buildable commercial sites near the freeway interchange.

E. EDUCATION

Most local education employment is in the public school system however the community has identified the potential to increase adult education and training opportunities for the local workforce. This might be pursued through partnerships with local resources like Chemeketa Community College, Pacific University, and the Willamette Workforce Partnership, or a new Regional Innovation Hub focused on thriving local sectors.

SHARE OF EMPLOYMENT

6.9%

TARGET SECTOR STATS	
2021 EMPLOYMENT	722
AVERAGE ANNUAL WAGE	$60,005
GROWTH 2011-2021	(66)

MAJOR LOCAL EMPLOYERS
WOODBURN HIGH SCHOOL
FRENCH PRAIRIE MIDDLE SCHOOL
CHEMEKETA COMMUNITY COLLEGE
PACIFIC UNIVERSITY - WOODBURN

NAICS Description	2021 Employment	Growth '11-'21 Total	Growth '11-'21 %	Average Wage
611 Educational Services	722	-66	-8.4%	$60,005
Total	722	-66	-8.4%	$60,005

The overall employment level in this sector was 722 in 2021, representing roughly 7% of the local employment base. The average annual wage was approximately $60,000. Employment levels in the sector fell by over 8% from 2011 through 2021.

Cluster Strengths
- Growing unmet market for local on-going education and workforce training
- Available public and private sector partnerships
- Potential additional capital investments in Woodburn by higher-education partners, including a planned bond measure for Chemeketa Community College.
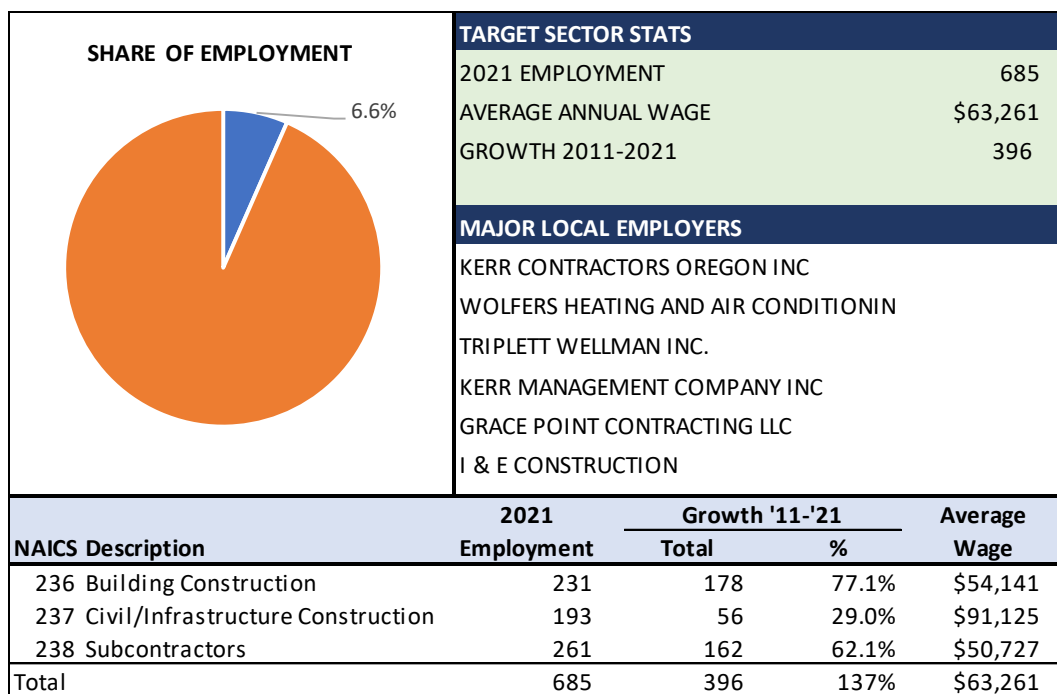
Cluster Challenges
- Few challenges.

F. CONSTRUCTION

Construction is well-represented in Woodburn, with many large contracting companies located in the community. Construction firms offer generally well-paying blue-collar jobs with excelling on-the-job training and transferrable skills development. The sector has a strong location quotient and shift share indicators in Woodburn. Construction firms benefit from the same centralized location in the mid-Willamette Valley as many other sectors, with contractors able to access job sites across a large region with their equipment and workforce.

The overall employment level in this sector was 685 in 2021, representing roughly 7% of the local employment base. The average annual wage was approximately $63,300 per year in 2021. Employment levels in the sector increased by 137% from 2011 to 2021.

SHARE OF EMPLOYMENT

6.6%

TARGET SECTOR STATS	
2021 EMPLOYMENT	685
AVERAGE ANNUAL WAGE	$63,261
GROWTH 2011-2021	396

MAJOR LOCAL EMPLOYERS
KERR CONTRACTORS OREGON INC
WOLFERS HEATING AND AIR CONDITIONIN
TRIPLETT WELLMAN INC.
KERR MANAGEMENT COMPANY INC
GRACE POINT CONTRACTING LLC
I & E CONSTRUCTION

NAICS Description	2021 Employment	Growth '11-'21 Total	Growth '11-'21 %	Average Wage
236 Building Construction	231	178	77.1%	$54,141
237 Civil/Infrastructure Construction	193	56	29.0%	$91,125
238 Subcontractors	261	162	62.1%	$50,727
Total	685	396	137%	$63,261

Cluster Strengths
- Ongoing demand for construction firms in a growing city and region.
- Centralized location with access for equipment and workforce to regional market.
- Experienced construction work force, and training opportunities.
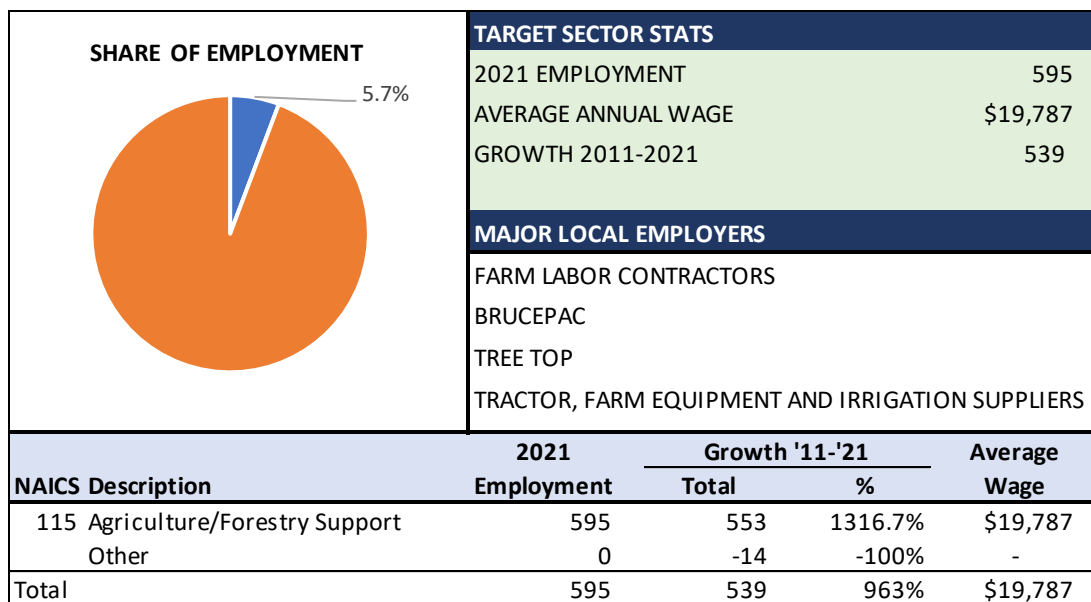- Generally high blue-collar wages.

Cluster Challenges
- Increasing shortage of appropriate industrial land.

Construction is generally a resilient sector in areas that continue to experience organic growth in population and jobs such as Oregon. Even as broader economic trends may depress some aspects of real estate development, other sectors are often healthy or growing, and specialties such as public infrastructure development are resistant to economic cycles. This sector is a good industry for a relatively young, diverse, and less educated workforce like Woodburn's.

G. AGRICULTURE/AGRICULTURAL SUPPORT BUSINESSES

This sector remains an important one in Woodburn, representing a good share of local employment and featuring a high location quotient and shift share rating. Many of these firms supply labor for rural operations, so the need for commercial or industrial real estate in the community is limited. However, given the size and strong performance of this sector it is included here as a continuing target industry. The thriving agricultural economy in the mid-Willamette Valley will ensure that businesses that support these operations will continue to be an opportunity.

The overall covered (i.e., QCEW) employment level in this sector was roughly 600 in 2021, representing roughly 6% of the local employment base. However, when non-covered employment is estimated, this sector is estimated to employ over 1,300 workers and represents 11% of local employment (see following section of this report for total employment estimates as of 2023). The average annual wage is low at approximately $20,000 per year in 2021, but this remains an important sector for Woodburn's highly diverse population.

SHARE OF EMPLOYMENT

5.7%

TARGET SECTOR STATS	
2021 EMPLOYMENT	595
AVERAGE ANNUAL WAGE	$19,787
GROWTH 2011-2021	539

MAJOR LOCAL EMPLOYERS
FARM LABOR CONTRACTORS
BRUCEPAC
TREE TOP
TRACTOR, FARM EQUIPMENT AND IRRIGATION SUPPLIERS

NAICS Description	2021 Employment	Growth '11-'21 Total	Growth '11-'21 %	Average Wage
115 Agriculture/Forestry Support	595	553	1316.7%	$19,787
Other	0	-14	-100%	-
Total	595	539	963%	$19,787

Cluster Strengths
- Location among high value farmlands.
- Experienced labor force.
- Supports many other local industries, such as food product manufacturing.
- Though much of the employment activity takes place outside of the City, wages, and spending return to the community.

Cluster Challenges
- Low paying employment.

VI.   FORECAST OF EMPLOYMENT AND LAND NEED

CITY OF WOODBURN EMPLOYMENT FORECAST

Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typically begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those trends into estimates of employment growth by broad industry. Forecasts are produced at the sector or subsector level (depending on available information), and subsequently aggregated into two-digit North American Industry Classification System (NAICS) sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or respond to business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2023, the commencement year for the planning period. Employment growth will come as the result of net-expansion of existing businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. The forecast does not consider the impact of a significant exogenous shift in employment such as recruitment of an unforeseen major employer.

OVERVIEW OF EMPLOYMENT FORECAST METHODOLOGY

Our methodology starts with employment forecasts for major commercial and industrial sectors. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

FIGURE 6.01: UPDATE TO 2020 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT

The first analytical step of the analysis is to update covered employment to the 2023 base year. The Quarterly Census of Employment and Wages (QCEW) data was used to determine the City of Woodburn's covered employment by industry through 2021, the latest year available. To update these estimates, we use observed industry specific growth rates for Marion County between 2021 and 2023.

The second step in the analysis is to convert "covered"[3] employment to "total" employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or commissioned workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2014 through 2021. The differential is the most significant in administration services, professional & technical services, and other services. The adjusted 2023 total employment base for the city of Woodburn is 11,965 jobs.

FIGURE 6.02: UPDATE TO 2023 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT, CITY OF WOODBURN (2021 – 2023)

| Major Industry Sector | QCEW Employment | | | Total Emp. Conversion[2] | 2023 Estimate |
	2021 Employment	'21-'23 County Δ[1]	2023 Estimate		
Agriculture, forestry, fishing, hunting	595	1.0%	601	44%	1,366
Construction	685	3.8%	711	81%	875
Manufacturing	1,025	1.0%	1,036	98%	1,059
Wholesale Trade	826	1.3%	837	98%	858
Retail Trade	2,295	2.4%	2,349	95%	2,469
T.W.U.[3]	806	2.1%	823	91%	910
Information	133	4.3%	139	95%	147
Finance & Insurance	116	1.1%	117	91%	129
Real Estate	73	1.1%	74	91%	81
Professional & Technical Services	97	5.5%	102	91%	113
Administration Services	230	5.5%	243	91%	267
Education	722	1.8%	735	95%	771
Health Care/Social Assistance	1,280	1.8%	1,304	95%	1,366
Leisure & Hospitality	982	3.9%	1,020	95%	1,077
Other Services	238	4.7%	249	85%	294
Government	180	1.8%	183	100%	183
TOTAL	**10,283**	**2.3%**	**10,524**	**88%**	**11,965**

Source: Johnson Economics

1) Growth rate calculated using CES data for Marion & Polk County

2) Bureau of Economic Analysis (2021 National Averages)

3) T.W.U. = Transportation, Warehousing, and Utilities

SCENARIO 1: BASELINE "SAFE HARBOR" FORECAST

The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions a methodological approach that will not be challenged. The recommended approach for the City of Woodburn is 660-024-0040(9)(a)(A), which allows reliance on the most recent regional forecast published by the Oregon Employment Department (see Figure 4.08).[4] This method applies industry specific growth rates for the Mid-Valley Oregon Workforce Region (Linn, Marion, Polk, & Yamhill counties) to the City of Woodburn's 2023 base employment. This method results in an average annual growth rate of 1.4%, with a total growth of 3,853 jobs over the forecast period.

---

[3] The Department of Labor's Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are "covered" by unemployment insurance.

[4] The second safe harbor method described under OAR 660-024-0040(9)(B) allows using the most recently forecasted population growth rate for the City from the PSU Population Research Center. The employment growth rate may be assumed to match the population growth rate. This option was reviewed by the Technical Advisory Group but ultimately declined.
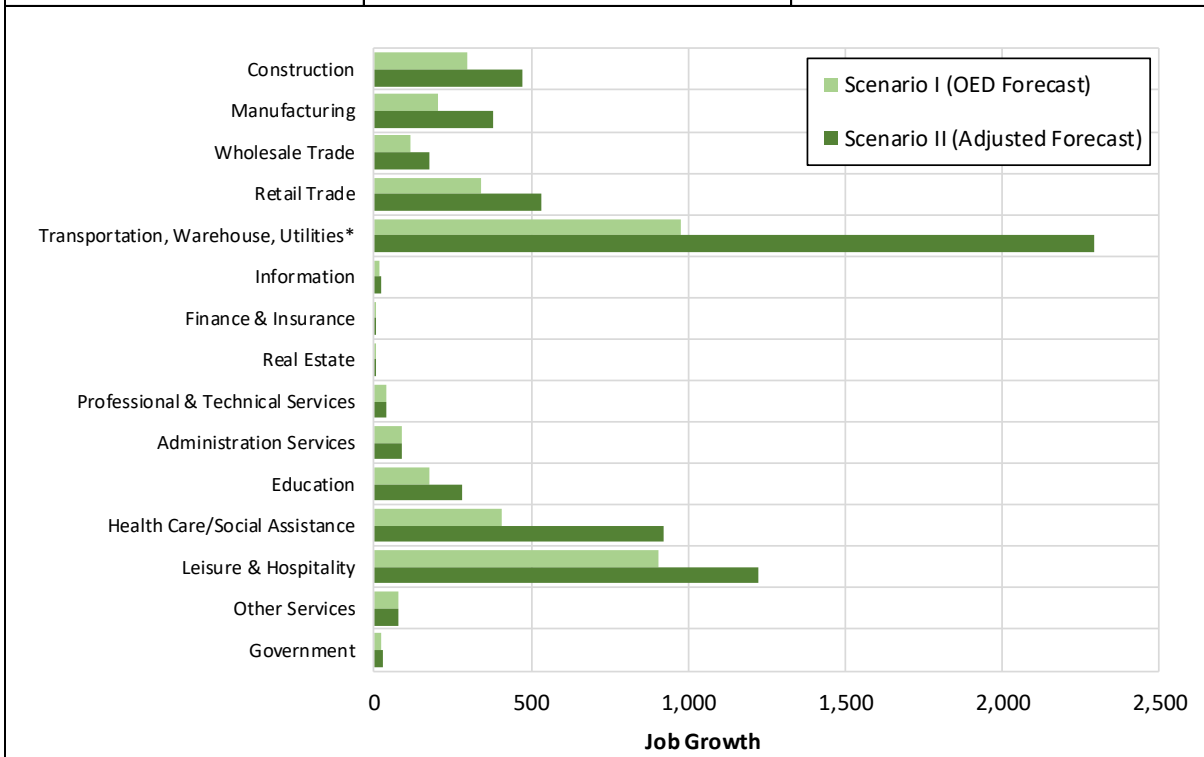
SCENARIO 2: ADJUSTED EMPLOYMENT FORECAST

A second adjusted forecast scenario was influenced by the research and analysis conducted in the EOA. This scenario formulates an employment growth trajectory based on identified trends, a more optimistic growth outlook for targeted industries, and input from the project technical advisory group. Further, the alternative scenario recognizes that economic development efforts and public policy can influence realized growth in targeted sectors.

FIGURE 6.03: COMPARISON OF ALTERNATE FORECASTS, CITY OF WOODBURN (2023 - 2043)

Industry	SCENARIO I (OED Regional Forecast)				SCENARIO II (Adjusted)			
	2023	2043	Chg.	AAGR	2023	2043	Chg.	AAGR
Agriculture, Forestry, etc.	1,366	1,551	185	0.6%	1,366	1,653	286	1.0%
Construction	875	1,169	294	1.5%	875	1,350	475	2.2%
Manufacturing	1,059	1,262	204	0.9%	1,059	1,439	380	1.5%
Wholesale Trade	858	973	114	0.6%	858	1,035	177	0.9%
Retail Trade	2,469	2,811	343	0.7%	2,469	2,999	530	1.0%
Transportation, Warehouse, Utilities*	910	1,885	976	3.7%	910	3,202	2,293	6.5%
Information	147	163	16	0.5%	147	167	20	0.6%
Finance & Insurance	129	134	5	0.2%	129	134	5	0.2%
Real Estate	81	84	3	0.2%	81	84	3	0.2%
Professional & Technical Services	113	150	37	1.4%	113	150	37	1.4%
Administration Services	267	356	89	1.4%	267	356	89	1.4%
Education	771	947	176	1.0%	771	1,049	278	1.6%
Health Care/Social Assistance	1,366	1,772	406	1.3%	1,366	2,291	924	2.6%
Leisure & Hospitality	1,077	1,981	904	3.1%	1,077	2,301	1,223	3.9%
Other Services	294	373	79	1.2%	294	373	79	1.2%
Government	183	205	22	0.6%	183	211	27	0.7%
TOTAL:	**11,965**	**15,818**	**3,853**	**1.4%**	**11,965**	**18,793**	**6,828**	**2.3%**

Source: Oregon Employment Department, Johnson Economics

The adjusted scenario considers the influence of known or anticipated development over the near- and medium-term horizon, and local economic development goals. This scenario forecasts an average annual growth rate of 2.3% for the period, for a total addition of 6,828 new jobs. The forecasted rate of 2.3% is in keeping with the realized employment growth rate since 2010 of 2.2% per year, (source: Oregon Employment Department, QCEW data).

SUMMARY OF EMPLOYMENT FORECAST SCENARIOS

The two forecast scenarios in this analysis range from 1.4% to 2.3% average annual growth. Job growth estimates range from 3,850 to 6,830 jobs over the 20-year period. Forecasts grounded in broad based economic variables cannot account for all the realities of local businesses and trends among evolving industries. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information. This is particularly true in a smaller jurisdiction such as Woodburn, in which a single large firm's location and/or operational decision may substantively impact the rate of growth.

FIGURE 6.04: SUMMARY OF PROJECTION SCENARIOS, CITY OF WOODBURN

Industry	Overall Employment					Net Change by Period				Total
	2023	2028	2033	2038	2043	23-28	28-33	33-38	38-43	23-43
BASELINE SCENARIO										
Agriculture, forestry, fishing, hunting	1,366	1,410	1,456	1,503	1,551	44	46	47	48	185
Construction	875	941	1,011	1,087	1,169	66	71	76	82	294
Manufacturing	1,059	1,106	1,156	1,208	1,262	48	50	52	54	204
Wholesale Trade	858	886	914	943	973	27	28	29	30	114
Retail Trade	2,469	2,550	2,635	2,722	2,811	82	84	87	90	343
T.W.U.	910	1,092	1,310	1,571	1,885	182	218	262	314	976
Information	147	151	154	158	163	4	4	4	4	16
Finance & Insurance	129	130	131	133	134	1	1	1	1	5
Real Estate	81	82	83	84	84	1	1	1	1	3
Professional & Technical Services	113	121	130	140	150	8	9	10	10	37
Administration Services	267	287	308	331	356	20	21	23	25	89
Education	771	811	854	899	947	41	43	45	47	176
Health Care/Social Assistance	1,366	1,458	1,556	1,661	1,772	92	98	105	112	406
Leisure & Hospitality	1,077	1,255	1,461	1,702	1,981	177	206	240	280	904
Other Services	294	312	331	351	373	18	19	20	22	79
Government	183	188	194	199	205	5	5	5	6	22
TOTAL:	**11,965**	**12,780**	**13,685**	**14,692**	**15,818**	**815**	**905**	**1,007**	**1,126**	**3,853**
SCENARIO 2 (Modified)										
Agriculture, forestry, fishing, hunting	1,366	1,433	1,503	1,576	1,653	67	70	73	77	286
Construction	875	975	1,087	1,211	1,350	100	112	124	139	475
Manufacturing	1,059	1,185	1,264	1,349	1,439	127	79	84	90	380
Wholesale Trade	858	900	943	988	1,035	41	43	45	47	177
Retail Trade	2,469	2,592	2,721	2,857	2,999	123	129	136	142	530
T.W.U.	910	1,246	1,707	2,338	3,202	336	461	631	864	2,293
Information	147	151	156	162	167	5	5	5	5	20
Finance & Insurance	129	130	131	133	134	1	1	1	1	5
Real Estate	81	82	83	84	84	1	1	1	1	3
Professional & Technical Services	113	121	130	140	150	8	9	10	10	37
Administration Services	267	287	308	331	356	20	21	23	25	89
Education	771	832	899	971	1,049	62	67	72	78	278
Health Care/Social Assistance	1,366	1,555	1,769	2,013	2,291	188	214	244	278	924
Leisure & Hospitality	1,077	1,302	1,575	1,903	2,301	225	272	329	398	1,223
Other Services	294	312	331	351	373	18	19	20	22	79
Government	183	190	196	203	211	6	7	7	7	27
TOTAL:	**11,965**	**13,294**	**14,804**	**16,609**	**18,793**	**1,329**	**1,510**	**1,806**	**2,184**	**6,828**

Source: Oregon Employment Department, Johnson Economics

The forecasts were further broken down into four five-year increments, assuming a consistent rate of growth over the period. We would expect that a twenty-year forecast will include multiple business cycles, and that growth will be variable.

EMPLOYMENT LAND FORECAST

The next analytical step in our analysis is to convert projections of employment into forecasts of land demand over the planning period. The generally accepted methodology for this conversion begins by allocating employment by sector into a distribution of building typologies those economic activities typically use. As an example, insurance agents typically locate in traditional office space, often along commercial corridors. However, a percentage of these firms are also located in commercial retail space adjacent to retail anchors. Cross tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for market average vacancy we arrive at an estimate of total space demand for each building type.

Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a "floor area ratio" or FAR. For example, assume a 25,000-square foot general industrial building requires roughly a site of roughly 100k square feet to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.25. Demand for space is then converted to net acres using a standard floor area ratio FAR for each development form.

LAND DEMAND ANALYSIS – ADJUSTED FORECAST

In this analytical step we allocate employment growth to the standard building typologies. The building typology matrix represents the share of sectoral employment that is located across various building types. (Note that only a fraction of employment in the agricultural sector is assumed to need urban real estate, as many of these companies operate in unincorporated areas in the region around the city. Food processing operations are captured under "manufacturing.")

FIGURE 6.05: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, CITY OF WOODBURN (ADJUSTED FORECAST)

Industry Sector	20-year Job Forecast		BUILDING TYPE MATRIX					
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. ind.	Warehouse	Retail
Agriculture, forestry, etc.	286	0.6%	10%	0%	0%	0%	15%	0%
Construction	475	2.2%	14%	0%	18%	40%	18%	10%
Manufacturing	380	1.5%	8%	0%	24%	60%	8%	0%
Wholesale Trade	177	0.9%	8%	0%	22%	20%	40%	10%
Retail Trade	530	1.0%	5%	1%	6%	0%	12%	76%
T.W.U.	2,293	6.5%	10%	0%	12%	18%	55%	5%
Information	20	0.6%	25%	0%	25%	40%	0%	10%
Finance & Insurance	5	0.2%	72%	1%	5%	1%	1%	20%
Real Estate	3	0.2%	72%	1%	5%	1%	1%	20%
Professional & Technical Services	37	1.4%	72%	1%	5%	1%	1%	20%
Administration Services	89	1.4%	72%	1%	5%	1%	1%	20%
Education	278	1.6%	30%	53%	5%	1%	1%	10%
Health Care	924	2.6%	30%	53%	2%	0%	0%	15%
Leisure & Hospitality	1,223	3.9%	20%	1%	7%	1%	1%	70%
Other Services	79	1.2%	72%	1%	5%	1%	1%	20%
Government	27	0.7%	43%	35%	5%	1%	1%	15%
TOTAL	**6,828**	**2.3%**	**17%**	**10%**	**10%**	**13%**	**23%**	**24%**

Source: Johnson Economics

FIGURE 6.06: ASSUMED DISTRIBUTION OF SPACE BY TYPE AND INDUSTRY SECTOR, CITY OF WOODBURN
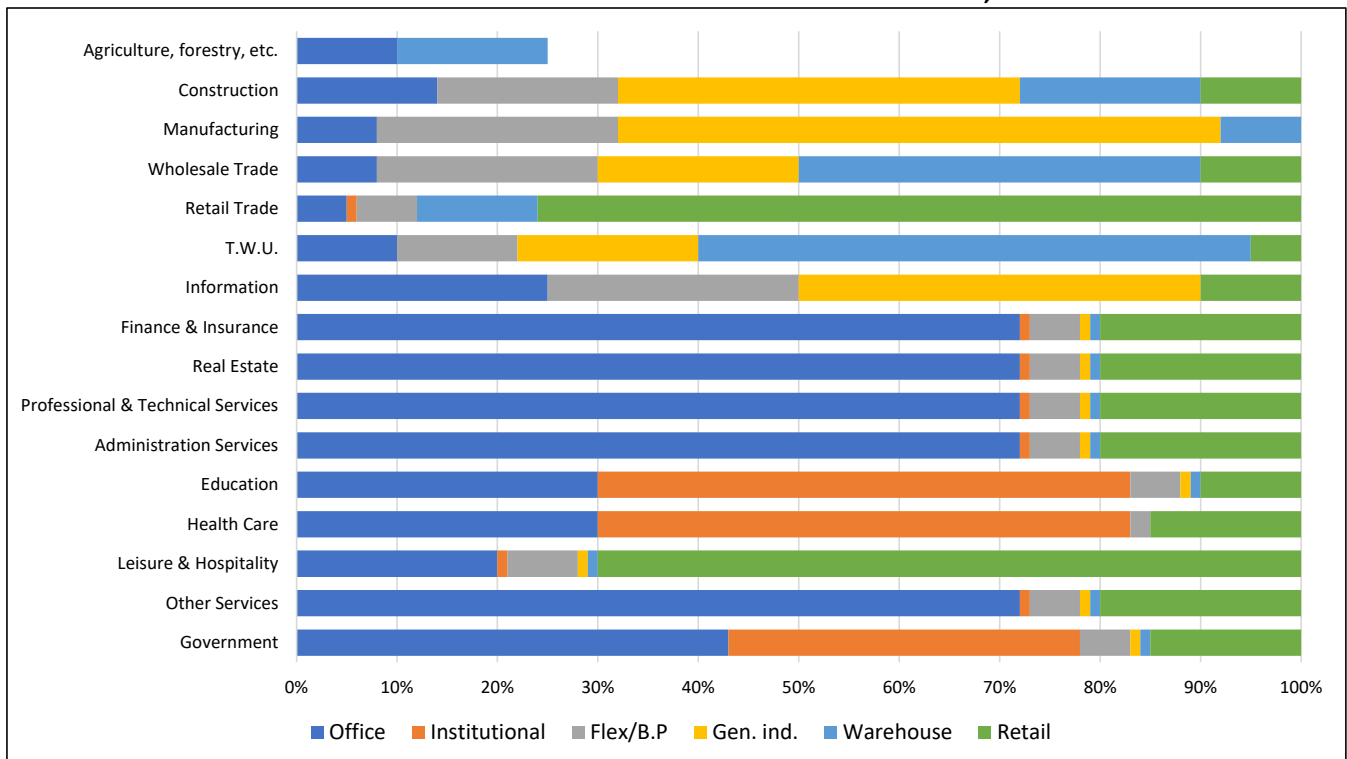
Source: Johnson Economics

Under the employment forecast scenario, employment housed in retail space accounts for the greatest share of growth, followed by employment housed in warehouse and office space. The combined employment forecast in commercially zoned space (~3,600 jobs) is somewhat greater than that forecast for industrially zoned space (~3,000 jobs). Note that the 6,613 total jobs shown here is less than the total employment in the adjusted forecast (6,838 jobs) because not all agricultural jobs require commercial real estate space.

FIGURE 6.07: NET GROWTH IN EMPLOYMENT BY BUILDING TYPE, CITY OF WOODBURN (ADJUSTED FORECAST) 2023-2043

Industry Sector	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2023-2043						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Agriculture, forestry, etc.	29	0	0	0	43	0	72
Construction	66	0	85	190	85	47	475
Manufacturing	30	0	91	228	30	0	380
Wholesale Trade	14	0	39	35	71	18	177
Retail Trade	27	5	32	0	64	403	530
T.W.U.	229	0	275	413	1,261	115	2,293
Information	5	0	5	8	0	2	20
Finance & Insurance	4	0	0	0	0	1	5
Real Estate	2	0	0	0	0	1	3
Professional & Technical Services	27	0	2	0	0	7	37
Administration Services	64	1	4	1	1	18	89
Education	83	147	14	3	3	28	278
Health Care	277	490	18	0	0	139	924
Leisure & Hospitality	245	12	86	12	12	856	1,223
Other Services	57	1	4	1	1	16	79
Government	12	10	1	0	0	4	27
TOTAL	**1,171**	**666**	**658**	**892**	**1,572**	**1,655**	**6,613**

Source: Johnson Economics

Employment growth estimates by building type are then converted to demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes a market average vacancy rate, acknowledging that equilibrium in real estate markets is not 0% vacancy. We assume a 10% vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A 5% rate is used for general industrial and warehouse—these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses are assumed to have no vacancy, as they are typically purpose-built for healthcare, nonprofit, government, or related users.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR), based upon the observed FAR in existing Woodburn commercial and industrial properties. The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a per net-developable acre basis.

FIGURE 6.08: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF WOODBURN (ADJUSTED FORECAST) – 20-YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2023-2043						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	1,171	666	658	892	1,572	1,655	6,613
Avg. SF Per Employee	350	350	990	600	1,800	500	829
Demand for Space (SF)	410,000	233,200	651,100	534,900	2,828,800	827,300	5,485,300
Floor Area Ratio (FAR)	0.30	0.30	0.25	0.25	0.25	0.25	0.26
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.5%
Implied Density (Jobs/Acre)	33.6	37.3	9.9	17.2	5.7	19.6	12.5
Net Acres Required	34.9	17.8	66.4	51.7	273.4	84.4	528.7
Share for infrastructure (Net-to-Gross	20%	20%	15%	15%	15%	20%	16%
Gross Acres Required	43.6	22.3	78.2	60.8	321.7	105.5	632.1

Source: Johnson Economics

Commercial office and retail densities are 33 and 20 jobs per acre, respectively. Industrial uses range from 17 for general industrial to less than 6 jobs per acre for warehouse/distribution. The overall weighted employment density is 13 jobs per acre, with the projected 6,600-job expansion in the local employment base through 2043 requiring an estimated 529 net acres, and 632 gross acres, of employment land. An estimated 73% of this forecasted need is industrial land, and 27% commercial land. A major reason for this is the lower average employment density typically seen in industrial land use.

There is a significant distinction between bulk land capacity and readily available site supply. To be considered readily available, land must currently have appropriate entitlements and be served by adequate infrastructure capacity to accommodate short-term development. Some of the land inventory will be in sites and locations that may be harder to serve quickly and efficiently and

VII. RECONCILIATION OF EMPLOYMENT LAND NEED AND INVENTORY

The inventory of buildable employment land provides a snapshot of the current local capacity to accommodate more businesses and jobs over the planning period. This current available land is compared to the forecasted need for new land over the 20-year planning period, presented in Section VI.

SUMMARY OF LAND DEMAND (ACRES)
The estimate of future land need is re-presented below. A total need for 632 gross acres was identified across a range of land use and building types, based on the adjusted growth forecast.

FIGURE 7.01: SUMMARY OF FORECASTED 20-YEAR LAND NEED BY BUILDING TYPOLOGY (WOODBURN)

	DEMAND BY GENERAL USE TYPOLOGY, 2023-2043						
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	Total
Employment Growth	1,171	666	658	892	1,572	1,655	6,613
Avg. SF Per Employee	350	350	990	600	1,800	500	829
Demand for Space (SF)	410,000	233,200	651,100	534,900	2,828,800	827,300	5,485,300
Floor Area Ratio (FAR)	0.30	0.30	0.25	0.25	0.25	0.25	0.26
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.5%
Implied Density (Jobs/Acre)	33.6	37.3	9.9	17.2	5.7	19.6	12.5
Net Acres Required	34.9	17.8	66.4	51.7	273.4	84.4	528.7
Share for infrastructure (Net-to-Gross	20%	20%	15%	15%	15%	20%	16%
Gross Acres Required	43.6	22.3	78.2	60.8	321.7	105.5	632.1

Source: Oregon Employment Department, City of Woodburn, Johnson Economics LLC

An estimated 73% of this forecasted need is industrial land (business park, general industrial, warehouse), and 27% commercial land (office, retail, institutional). There is a forecasted need for a total of 391 net (461 gross) acres of industrial land, and 137 net (171 gross) acres of commercial land.

SUMMARY OF LAND SUPPLY (ACRES)
To assess the remaining supply of buildable employment land suitable to accommodate the 20-year land need, an inventory of land with the proper zoning was conducted. The following is a summary of the results on that inventory. A more detailed explanation of the methodology and findings of the Buildable Land Inventory (BLI) is presented as Appendix C of this report.

The BLI filtered all of the zoned employment land in Woodburn by Commercial or Industrial zoning category, environmental constraints that will limit development, and whether the parcel is already developed, vacant, or partially vacant (see Appendix C for more detail). The inventory was vetted to address development projects in the pipeline and known limitations on specific sites that will prevent development on all or a portion of the site.

The following figure presents the estimated net developable acres of land by zone. There are an estimated 65 net acres of buildable Commercial land and an estimated 77 net acres of buildable Industrial land.

FIGURE 7.02: BUILDABLE LAND INVENTORY, NET DEVELOPABLE ACRES BY ZONE (WOODBURN)

	Vacant	Partially Vacant	Total
Commercial General (CG)	34.1	4.1	38.2
Commercial Office (CO)	3.3	1.1	4.4
Downtown Development & Conservation (DDC)	0.6	0.2	0.8
Mixed Use Village (MUV)	0.4	0.1	0.5
UGB Commercial	7.0	14.0	21.0
Commercial/Mixed use Subtotal	**45.3**	**19.5**	**64.8**
Light Industrial (IL)	27.4	9.2	36.6
Industrial Park (IP)	1.8	18.6	20.4
UGB Industrial	20.2	0.0	20.2
Industrial Subtotal	**49.4**	**27.9**	**77.3**
Total	**94.7**	**47.4**	**142.1**

Source: City of Woodburn, MIG

FIGURE 7.03: BUILDABLE LAND INVENTORY, EMPLOYMENT LAND BY DEVELOPMENT STATUS (WOODBURN)
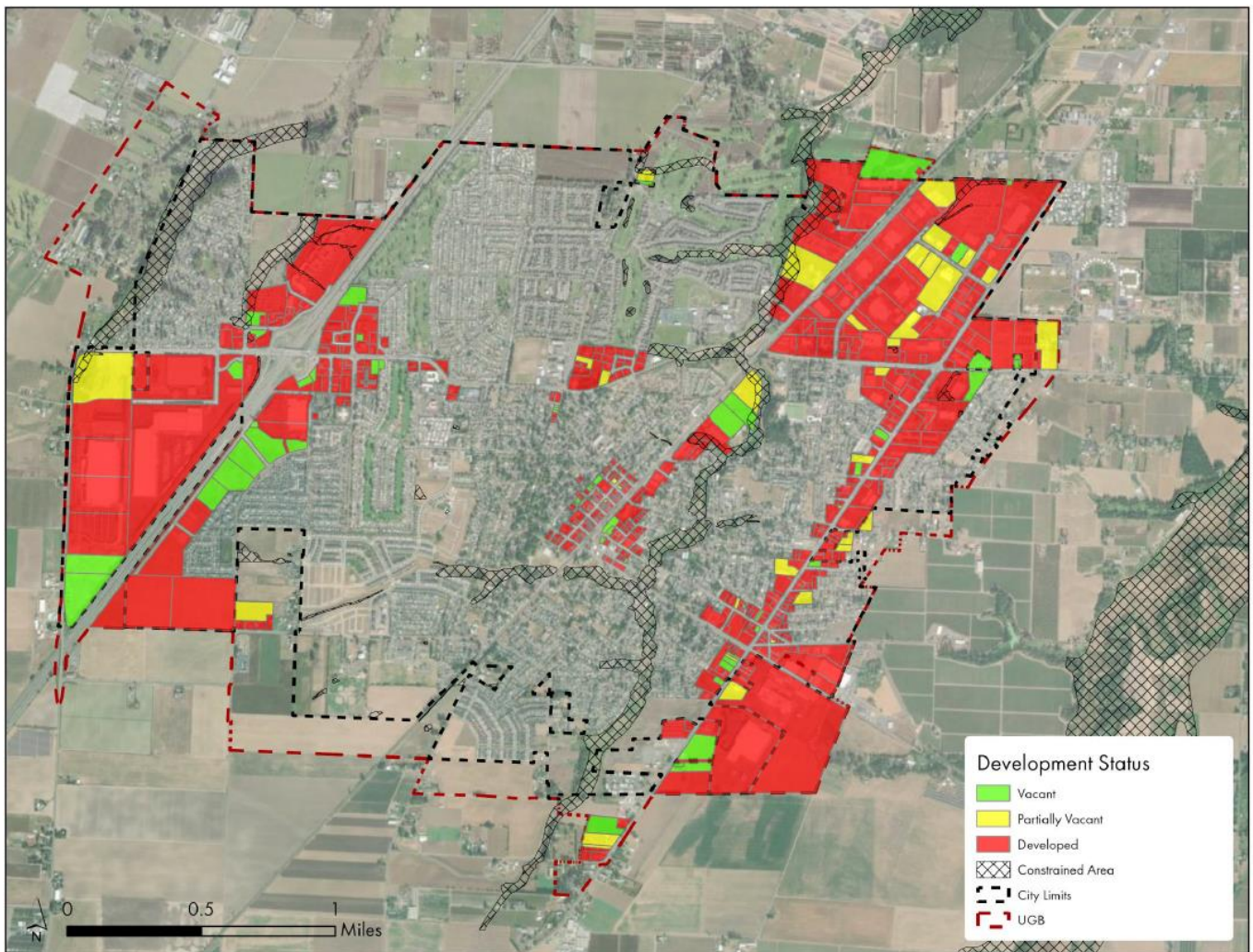
Source: City of Woodburn, MIG

KNOWN EMPLOYMENT SITES IN ADDITION TO THE BUILDABLE LAND INVENTORY

Two known sites are currently permitted or under construction for new industrial space that will house future employment. Because of the advanced development status of these sites, they were not counted among the inventory of remaining buildable land. However, these sites do not yet house their future employment and *therefore are counted with the BLI* as providing estimated capacity to hold a share of the projected jobs over the next 20 years.

These sites are the Amazon distribution facility (81.3 acres), near completion at the time of this analysis. The other site is a planned and permitted multi-tenant industrial development (29.6 acres) also located in the Southwest Industrial Reserve. In total these two known sites are 110.8 acres of industrial land as shown in Figure 7.04, which is added to the BLI as additional effective employment land capacity.

COMPARING RECONCILIATION OF 20-YEAR LAND SUPPLY AND DEMAND

Comparing the Buildable Land Inventory (including known sites under development) to the 20-year forecast of employment land need indicates that the City of Woodburn faces a deficit of employment land over the planning period in both the Commercial and Industrial categories. A summary of the comparison of land supply and demand is presented below.

FIGURE 7.04: RECONCILIATION OF LAND SUPPLY AND 20-YEAR DEMAND (WOODBURN)

EMPLOYMENT ZONING DESIGNATION	20 YR. DEMAND (Gross Acres)	BUILDABLE LAND (Acres)	Plus Known Future Emp. Sites (Acres)[1]	TOTAL BLI + Known Sites (Acres)	SURPLUS OR (DEFICIT) (Gross Acres)
COMMERCIAL (RETAIL AND OFFICE)	171.4	64.8	0.0	64.8	(106.6)
Commercial General (CG)		38.2			
Commercial Office (CO)		4.4			
Downtown Dev. & Conservation (DDC)		0.8			
Mixed Use Village (MUV)		0.5			
UGB Commercial		21.0			
INDUSTRIAL (INDUSTRIAL AND OFFICE)	460.7	77.3	110.8	188.1	(272.6)
Light Industrial (IL)		36.6	110.8	147.4	
Industrial Park (IP)		20.4		0	
UGB Industrial		20.2		0	
TOTAL:	632.1	142.1	110.8	252.9	(379.2)

[1] Two known sites are currently permitted or under construction for new industrial space that will house future employment. Because of the development status of these sites, they were not counted among the inventory of remaining buildable land. However, these sites do not yet house their future employment and therefore are counted here as providing estimated capacity to hold a share of projected jobs over the next 20 years. These sites are the Amazon distribution facility (81.3 acres), near completion at the time of this analysis. The other site is a planned and permitted multi-tenant industrial development (29.6 acres) also located in the Southwest Industrial Reserve.

Source: Johnson Economics, MIG

- This analysis indicates that Woodburn faces a deficit of 107 gross Commercial acres, and 273 gross Industrial acres, for a **total employment land deficit of 380 gross acres**.

- It is important to note that some of the forecasted growth will include employers who may have specific site needs and preferences that are not reflected in the available buildable inventory. (See Appendix A for more details on site preferences for certain key industries.) In particular, there is forecasted demand for more suitable large-lot industrial sites while relatively few of these sites were found in the inventory that are unconstrained.

VIII. CONCLUSIONS

The EOA report points to several key conclusions regarding economic development goals and target industries in Woodburn over the next 20 years. It also quantifies projected employment growth and land need within the UGB, and the adequacy of the current supply of employment land to meet that need.

A number of local advantages were identified that help enhance Woodburn's economic development potential Some main themes are:

- The **centralized location** between the Portland and Salem metro areas makes Woodburn a good place to live and do business for those seeking to serve the regional market.
- The network of the I-5 freeway and highways serving the mid-valley provides **excellent transportation connectivity** for local businesses. The freeway interchange provides quick access and excellent visibility.
- The city can draw on a **regional labor market** to support growing businesses and attract new industries.
- Woodburn offers a high **quality of life** for those who live and work locally.
- The City can leverage regional **economic development partnerships** with local employers, business organizations, other government and non-profit agencies, and educators.
- Woodburn has established **economic development tools** including an Enterprise Zone, Opportunity Zone, and Urban Renewal incentives.

Employment Growth

Woodburn is home to an estimated 11,965 jobs as of 2023. The largest sectors by number of jobs are retail trade, health care and social assistance, agriculture support industries, leisure and hospitality, and manufacturing.

Based on a forecasted annual growth rate of 2.3%, the city is expected to add roughly 6,830 jobs by 2043. The greatest growth in number of jobs is projected to be in many of the same strong sectors, along with transportation and warehousing, construction, and education.

Broken down into broad categories of employment that tends to use commercial office/retail space, or that tends to use industrial space, the analysis forecasts that the 20-year demand for new employment land will be somewhat more weighted towards industrial land (73%) than commercial land (27%).

Expanding & Target Industries
The city has current advantages in several key industries including manufacturing of a wide range of product types, construction, retail, shipping and transportation, tourism. However, in keeping with the identified economic objectives, a range of potential target industries for growth were identified through this process.

The target industries reflect industries where the area has shown historic strength, as well as sectors with robust growth potential and consistency with the locally expressed vision for the community:

1) Manufacturing
2) Transportation, Warehousing, Utilities
3) Health Care and Social Assistance
4) Construction
5) Tourism (Accommodation and Dining)

6) Agricultural Support Businesses
7) Education

Supporting growth in a range of industries will help the community build a more diverse and sustainable employment and tax base for the future and be more resilient to economic impacts on the traditional local industries.

Employment Land Need

The EOA analysis finds that the forecasted 20-year job growth by industry will translate to a need for 529 total net acres (632 gross acres) of land zoned for employment uses. The distribution of land need between commercial uses (Office, Institutional, Retail) and industrial uses (Industrial, Warehouse, Business Park) leans towards industrial (73% vs. 27%).

A range of site sizes will be needed, ranging from small to large, to accommodate the projected business expansion. Different commercial and industrial users have different site requirements driven by the specific nature of their business operations, firm size, location and infrastructure requirements, and other factors.

Adequacy of Employment Land Supply

The Buildable Land Inventory (BLI) of employment lands completed in conjunction with the EOA found a total of 143 net buildable acres in Commercial and Industrial zones.

- The projected 20-year need for Commercial land trails the supply significantly, with an estimated 65 acres of commercial land remaining to meet a projected need for 171 gross acres. This indicates a deficit of 107 gross acres of Commercial land.

- There is a projected supply of 77 net acres of Industrial land to meet the forecasted need of 461 gross acres. There are also two known employment sites under development which will have a total of 110 gross acres of industrial land in addition to the BLI. This leaves a deficit of 273 gross acres of Industrial land.

- The total estimated deficit of employment land is 379.2 gross acres.

- The largest remaining contiguous development sites in Woodburn are under 20 acres in size, with most being five acres or less. In addition, roughly one third of the remaining buildable land is found in partially vacant parcels where the decision to add further development is subject to the desires of current property owners and/or tenants. The land for large-lot industrial or large commercial employers is very limited.

FIGURE 8.01: SIZE OF REMAINING BUILDABLE SITES, BY ACRES, BUILDABLE LAND INVENTORY, (WOODBURN)

	Number of lots	Share
Commercial/Mixed use		
0 – 5 acres	69	97.2%
5 – 10 acres	2	2.8%
>10 acres	0	0%
Commercial/Mixed use Subtotal	**71**	
Industrial		
0 – 5 acres	17	73.9%
5 – 20 acres	6	26.1%
>20 acres	0	0
Industrial Subtotal	**23**	
Total	**94**	

APPENDIX A: INDUSTRY SITE REQUIREMENTS

This section presents a series of tables that summarize key site requirements for a range of prospective tenant types.[5] This is followed by further discussion of needs for some industry sectors relevant to the local market.

The 14 site requirements listed on the matrix provide a basis for establishing a profile of the physical and other site needs of the identified industry. The site requirements are intended to address the typical needs of each of the industry categories, and it is recognized that there will likely be unique or non-typical needs of a specific user that will need to be evaluated on a case-by-case basis.

The following describes a few general requirements that apply to *all* industry type categories under consideration and then an overview of the 14 site requirements listed on the matrix.

GENERAL REQUIREMENTS:

- The underlying zoning on the site must allow the use outright within the identified category. For example, no zone change, conditional use and/or similar land use review is necessary. Many jurisdictions typically require a design or development review which is acceptable, since the timeframe for obtaining such design-related approvals will be addressed in the State's rating system.

- The site under consideration must be located geographically within a UGB.

- The site is not located within a 100-year floodplain as mapped by FEMA, although sites with approved FEMA map amendments (e.g., LOMA & LOMR) are acceptable.

- The net contiguous developable area (NCDA) of the site does not include hazardous contaminants as verified by a Level 1 Environmental Report, or a Level 2 Report that has received a No Further Action approval from DEQ; or existing wetlands or other natural features which are regulated at the State, Federal or local level; or federally endangered species.

- The NCDA does not contain any cultural or historical resources that have been identified for protection at the State, Federal or local level.

- The NCDA does not have mitigation plans that can be implemented in 180 days or less.

SITE REQUIREMENTS:

1. **Total Site Size:** The site size is taken to mean the size of the building footprint and includes buffers, setbacks, parking, mitigation, and expansion space.

2. **Competitive Slope:** Most industrial uses require relatively large building footprints that do not accommodate steps in floor slabs, and sloping topography

---

5   Business Oregon, Mackenzie.

will require extensive excavation and retaining systems that increase development cost over flat sites. The figures given are the preferred maximum average slope across the developable portion of the site, recognizing that sites with additional area outside the building, or developments with multiple building pads, generally will have lower slope earthwork costs than sites with limited space outside the building footprint.

3. **Trip Generation:** Sites are frequently limited by a jurisdiction to a specified total number of vehicle trips entering and exiting the site. This site requirement is an estimate of the minimum number of average daily trips per acre (based on the range of building coverage) that should be available for each of the industrial categories based on the Institute of Traffic Engineers (ITE) Manual-Ninth Edition. The following table lists the ITE codes used to estimate average trips for the industry profiles represented in the matrix.

4. **Miles to Interstate or Freight Route:** With few exceptions, access to major freeways or freight routes is critical for the movement of goods. This site requirement indicates the typical maximum range of distance, in miles, from the site to the freeway or highway access. The roadways/intersections between the site and freeway/highway must generally operate at a level of service 'D' or better in accordance with the Highway Capacity Manual methodologies and general engineering standards.

5. **Miles to Frequent Transit Service:** Businesses located walking distance (within one-quarter of a mile) to a bus stop that is serviced by a frequent bus line enjoy a competitive advantage over others that are more limited in transportation access options.[6]

6. **Railroad Access:** The need for access to railroad for the movement of goods within each industrial category is dependent upon individual users, so the site requirements are identified as either "Preferred," "Not Required," or "Avoid" in some cases where the presence of rail may be considered a deterrent to business.

7. **Proximity to Marine Port:** The need for access to a marine port for the movement of goods within each industrial category is dependent upon individual users.

8. **Proximity to International/Regional Airport:** The need for access to a regional airport for the movement of goods or business travel within each industrial category is dependent upon individual users.

9. **Availability of Water:** This requirement indicates the minimum sizes of domestic water and fire lines immediately available to the site. In certain rural cases, a comparable supply from an on-site water system (i.e., well or reservoir with available water rights) may be acceptable. In addition to lines sizes, preference for high-pressure water capabilities and average flow demand in gallons per day is specified for each industry type.

10. **Availability of Sanitary Sewer:** This requirement indicates the minimum size of public sanitary sewer service line immediately available to the site. In certain rural cases, an on-site subsurface system providing a comparable level of service may be acceptable. Sewer flow requirements were determined by calculating a percentage of the water flow for each industry type.

11. **Natural Gas:** This requirement indicates the minimum size natural gas line that is immediately available to the site. It is assumed that the pressure demand for all industry categories is 40-60 psi.

12. **Electricity:** This requirement indicates the minimum electrical demand readily available to each industry and where proximity to a substation and redundancy dependency rank on the continuum of less critical to more critical. Estimated demand is based on review of existing usage from local utility

---

6   We have defined "frequent bus line" as one with service occurring in no longer than 15 minute intervals.

providers, referencing industrial NAICS codes for the various profiles.

13. **Telecommunications:** This requirement indicates whether the availability of telecommunication systems are readily available, and where major commercial capacity, route diversity and fiber optic lines rank on the continuum of less critical to more critical. All sites are assumed to have a T-1 line readily available.

14. **Special Considerations:** Notes on industry-specific factors.

PROFILE		A	B	C	D	E	F	G	H	I	J
CRITERIA		Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.									
	PHYSICAL SITE										
1	TOTAL SITE SIZE*	Competitive Acreage**	5 - 100+	5 - 15	5 - 20	5 - 25+	5 - 50+	20 - 100+	10 - 100+	5 - 20	10 - 100+	5 - 25+
2	COMPETITIVE SLOPE:	Maximum Slope	0 - 5%	0 - 7%	0 - 7%	0 - 5%	0 - 5%	0 - 7%	0 - 3%	0 - 7%	0 - 7%	0 - 5%
	TRANSPORTATION										
3	TRIP GENERATION:	Average Daily Trips per Acre	40 - 60	80 - 200$_1$	120 - 240$_2$	50 - 60	40 - 50	60 - 150	50 - 60$_3$	400 - 500$_4$	20 - 30	40 - 50
4	MILES TO INTERSTATE OR FREIGHT ROUTE:	Miles	w/in 10	w/in 5	w/in 5	w/in 30	w/in 20	w/in 5	w/in 5	w/in 5	w/in 30	N/A
5	MILES TO FREQUENT TRANSIT SERVICE (15 MIN OR LESS)	Miles	0.6	0.5	0.8	< 0.1	0.2	0.1	0.3	< 0.1	0.1	< 0.1
6	RAILROAD ACCESS:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Avoid	Avoid	N/A
7	PROXIMITY TO MARINE PORT:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Not Required	Not Required	N/A
8	PROXIMITY TO INTERNATIONAL/ REGIONAL AIRPORT:	Dependency	Competitive	Required	Preferred	Preferred	Preferred	Required	Not Required	Not Required	Competitive	N/A
		Distance (Miles)	This criteria cannot be met in Eastern Oregon									

		PROFILE	A	B	C	D	E	F	G	H	I	J
CRITERIA			Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
		UTILITIES										
9	WATER:	Min. Line Size (Inches/Dmtr)	12" - 16"	6" - 8"	8" - 10"	12" - 16"	6" - 10"	8" - 12"	6" - 10"	8" - 12"	16"	4" - 8"
		Min. Fire Line Size (Inches/Dmtr)	12" - 18"	8" - 10"	8" - 12"	10" - 12"	8" - 10"	8" - 12"	8" - 10"	8" - 12"	10"-12"	6" (or alternate source)
		High Pressure Water Dependency	Required	Not Required	Not Required	Required	Not Required	Preferred	Not Required	Not Required	Required	Not Required
		Flow (Gallons per Day per Acre)	5,200	1,200	1,500	3,150	1,850	2,450	1,200	1,800₅	50 - 200†	1,200
10	SEWER:	Min. Service Line Size (Inches/Dmtr)	12" - 18"	6" - 8"	8" - 10"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	6" - 10"	8"- 10"	4" - 6" (or on-site source)
		Flow (Gallons per Day per Acre)	4,700	1,000	2,000	2,600	1,700	2,000	1,000	1,500₅	1,000‡	1,000
11	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Dmtr)	6"	4"	4"	4"	4"	6"	4"	4" - 6"	4"	N/A
		On Site	Competitive	Preferred	Competitive	Preferred	Competitive	Competitive	Preferred	Competitive	Preferred	Preferred
12	ELECTRICITY:	Minimum Service Demand	4 - 6 MW	1 - 2 MW	0.5 - 1 MW	2 - 6 MW	0.5 MW	2 - 6 MW	0.5 MW	0.5 - 1 MW	5 - 25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Preferred	Not Required	Preferred	Competitive	Not Required	Preferred	Required, could be on site	Not Required
		Redundancy Dependency	Preferred	Preferred	Preferred	Not Required	Not Required	Competitive	Not Required	Preferred	Required	Not Required
13	TELECOMMUNICATIONS:	Major Communications Dependency	Required	Required	Required	Preferred	Required	Required	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Required	Required	Required	Not Required	Not Required	Required	Preferred	Preferred	Required	Not Required
		Fiber Optic Dependency	Required	Required	Required	Preferred	Preferred	Required	Competitive	Preferred	Required	Not Required

PROFILE	A	B	C	D	E	F	G	H	I	J
CRITERIA	Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
14 **SPECIAL CONSIDERATIONS:**	Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.	₁: Research & Development @ 80 ADTs per acre on the low end, estimated 200 ADTs per acre for general office on the high end. Location specific.	₂: Range represents FAR 0.25 - 0.5 of office uses. Location to other cluster industries.	May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.	Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.	High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.	₃: General warehousing rates	₄: Based on discount warehouse @ 0.25 FAR. ₅: Dependent on use, i.e., brewery vs. restaurant. Location to cluster industries.	Site size differs due to land cost and availability. Urban-area centers may require 10-20 acres, while E. Oregon centers will typically use larger sites. Also the trend is towards increasing site size as cloud storage needs continue to increase. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.	Often established by municipalities and have symbiotic relationships with colleges and/or universities.

Terms:

More Critical ↑ Less Critical	**'Required'** factors are seen as mandatory in a vast majority of cases and have become industry standards.
	'Competitive' significantly increases marketability and is _highly recommended by Business Oregon_. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.
	'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.
	'Not Required' does not apply for this industry and/or criteria.
	'Avoid' factors act as deterrents to businesses in these industries because of negative impacts.
	*Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.
	**Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.
	† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).
	‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.

Source: Business Oregon, Mackenzie

# APPENDIX B: NATIONAL, STATE, AND COUNTY ECONOMIC TRENDS

This section summarizes long and intermediate-term trends at the national, state, and county level that will influence economic conditions in the City of Woodburn over the 20-year planning period. This section is intended to provide the economic context for growth projections and establish a socioeconomic profile of the community. This report's national evaluation has a focus on potential changes in structural socioeconomic conditions both nationally and globally. Our localized analysis considers local growth trends, demographics, and economic performance.

A.   NATIONAL TRENDS

After a decade of sustained economic expansion in the 2010's, the national economy has been significantly impacted in the last few years by the COVID-19 pandemic, which led to a sharp decrease in employment and economic and lifestyle disruptions in 2020 and 2021. During this period, workforce patterns changed as many workplaces were shut and employees transitioned to working from home, while others were laid off. Many other frontline or service workers continued to work in person as their jobs were essential or necessary to maintain shopping and other service needs.

Employment: In the first months of the pandemic, the nation lost nearly 22 million jobs, or 14% of total employment. But the recovery has been remarkable swift. As of mid-2022, employment had returned to pre-pandemic levels nationwide, and as of Spring 2023 is 2% higher than the prior peak of early 2020 (Figure 1.1).

FIGURE 1.01: NATIONAL EMPLOYMENT (1990 – 2023)
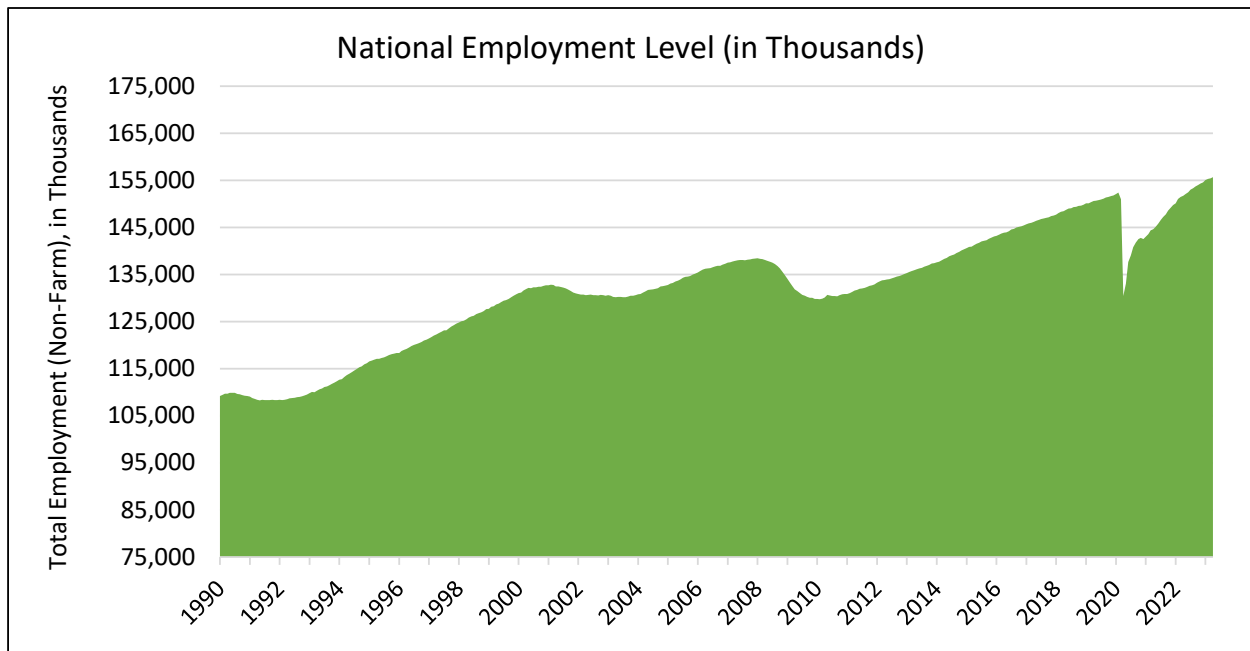
Source: U.S. Federal Reserve Bank of St. Louis

Unemployment Rate: The national unemployment rate spiked to nearly 15% in 2020 as many businesses paused operations or closed permanently in the first months of the pandemic. However, the unemployment rate began to decline almost immediately, and by mid-2022 had fallen back to roughly 3.5%. As of Spring 2023, the seasonally adjusted unemployment rate is 3.4%, the lowest levels seen in decades (Figure 1.2).

FIGURE 1.02: NATIONAL UNEMPLOYMENT RATE (1990 – 2023)

Source: U.S. Federal Reserve Bank of St. Louis

Inflation: The counter story to this strong positive rebound in employment has been a rising rate of inflation coming out of the pandemic. Various stimulus measures, combined with supply shortages, led to rising prices for many consumer products, energy, and food. The rate of inflation accelerated in 2021 and began moderating towards the end of 2022, though the rate remains elevated (Figure 1.3).

FIGURE 1.03: MEDIAN EARNINGS INDEX VS. INFLATION INDEX (2010 – 2023)
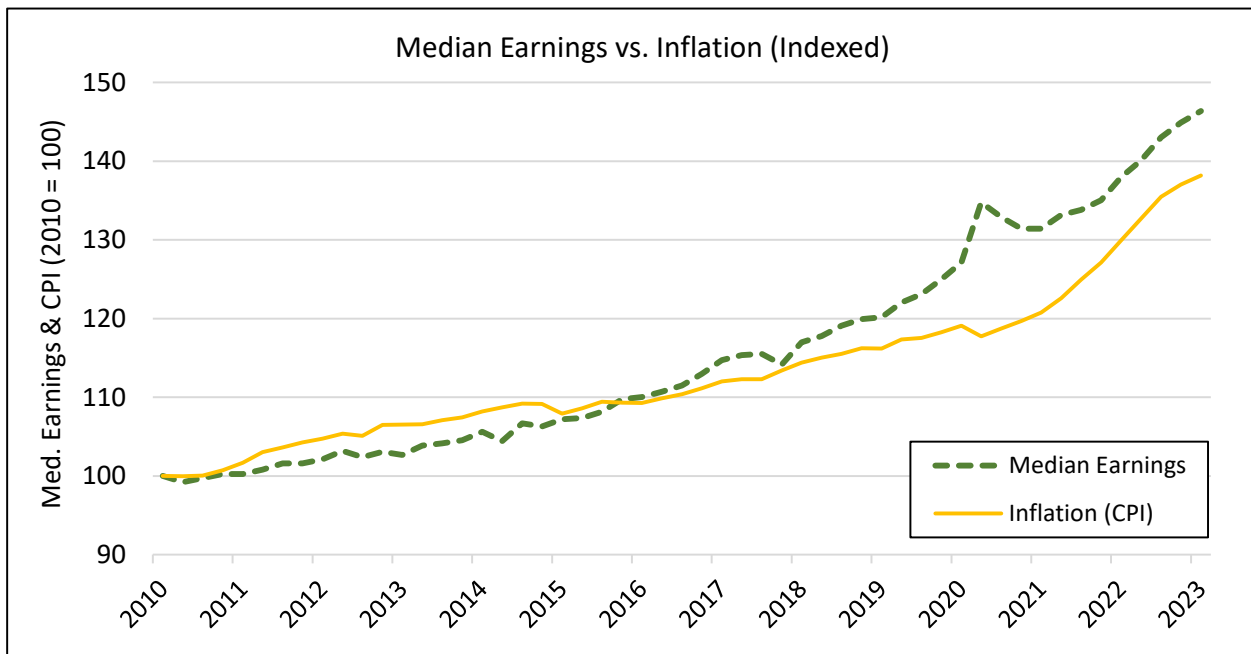
Source: U.S. Federal Reserve Bank of St. Louis; Consumer Price Index for Urban Consumers (US); Median Earnings for Full-Time Employees, Seasonally Adjusted.

Wages: On a positive note, average household earning levels have also enjoyed growth coming out of the recession and have largely kept pace with inflation in recent years. Earnings also spiked in 2020 when government stimulus payments were added to earned wages (Figure 1.3).

Industry Sector Employment: At a national level healthcare & social assistance is projected to account for the largest share of new employment growth, followed by professional & business services, and leisure & hospitality. The aging of the population is expected to drive the healthcare sector over the next few decades.

FIGURE 1.04: NATIONAL EMPLOYMENT GROWTH BY SECTOR, HISTORIC AND PROJECTED
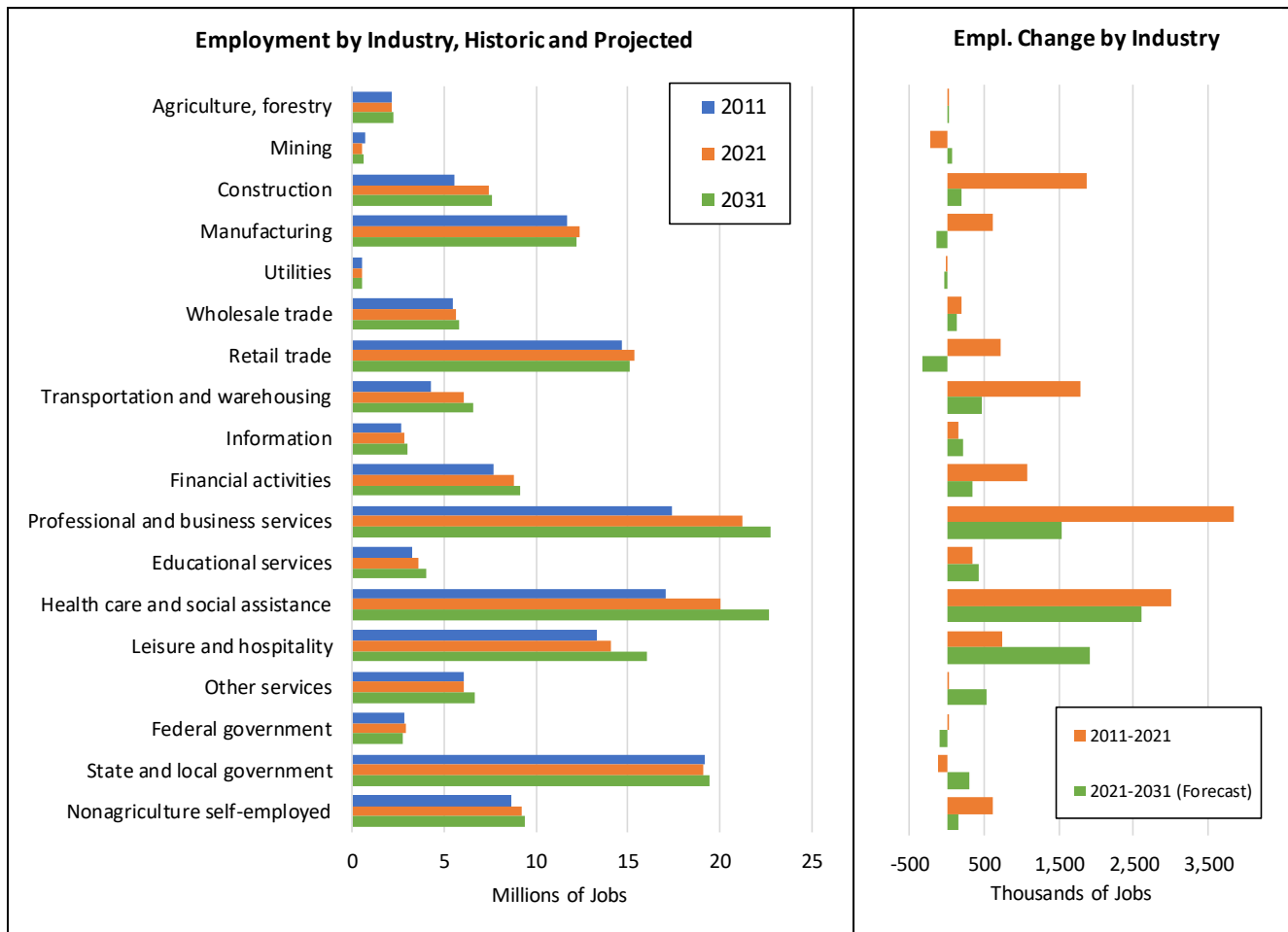
SOURCE: US Bureau of Labor Statistics

Recent trends and current forecasts reflect a shift from a goods economy, featuring manufacturing and natural resources, towards a service economy, which emphasizes technological innovation, research, and design.

The most dramatic spending shift in the context of real estate in recent times is the growth in online shopping, which has reduced the overall need for brick-and-mortar space, especially from retailers selling physical goods. While the share of sales accounted for by e-commerce has grown at a steady pace over the last decade, the pandemic greatly accelerated this trend. In 2020, the share of sales taking place online jumped from 12% of total retail spending to 16%. It has since settled to 14.5% of spending, which is well above the pre-pandemic share (Figure 1.05).

FIGURE 1.05: E-COMMERCE AS A PERCENT OF TOTAL RETAIL SALES, UNITED STATES
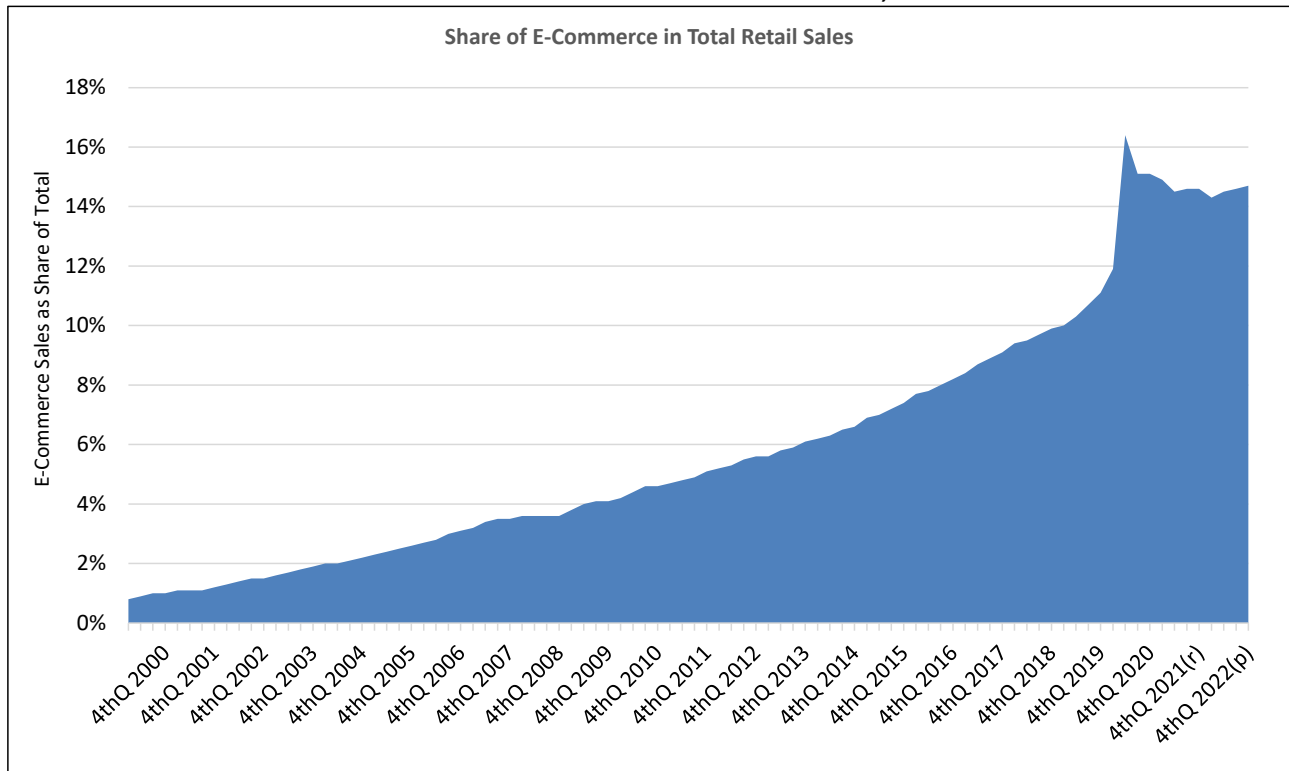
SOURCE: Retail Indicators Branch, U.S. Census Bureau, JOHNSON ECONOMICS

The growth in e-commerce has accelerated a shift in storage needs from retail stores to warehouses and distribution centers. At the same time, automation is causing a consolidation within the warehousing and distribution industry, leading to increasing reliance on larger third-party operators able to make heavy investments in capital and expertise. Finally, changes in the use of electronic devices and growth in online services are causing a shift in the tech sector, from hardware manufacturing to software development.

This pattern has also been reflected in the State of Oregon, with e-commerce employment increasing at the expense of brick-and-mortar retail employment. This is causing a shift in storage needs from retail stores to warehouses and distribution centers.

B.   MARION COUNTY ECONOMIC TRENDS

Following the housing- and banking-led recession of 2008/9, Marion County experienced low to negative economic growth from 2010 to 2013. Positive GDP growth returned in 2014 and remained steady up until the negative shock of the pandemic in 2020. However, the rebound of 2021 was the strongest year of GDP growth experienced in Marion County in 20 years[7]. (2021 is the most recent year available for this data set.)

[7] U.S. Bureau of Economic Analysis (www.bls.gov/data/), March 2023

FIGURE 1.06: ANNUAL CHANGE IN GDP, MARION COUNTY (2002 – 2021)
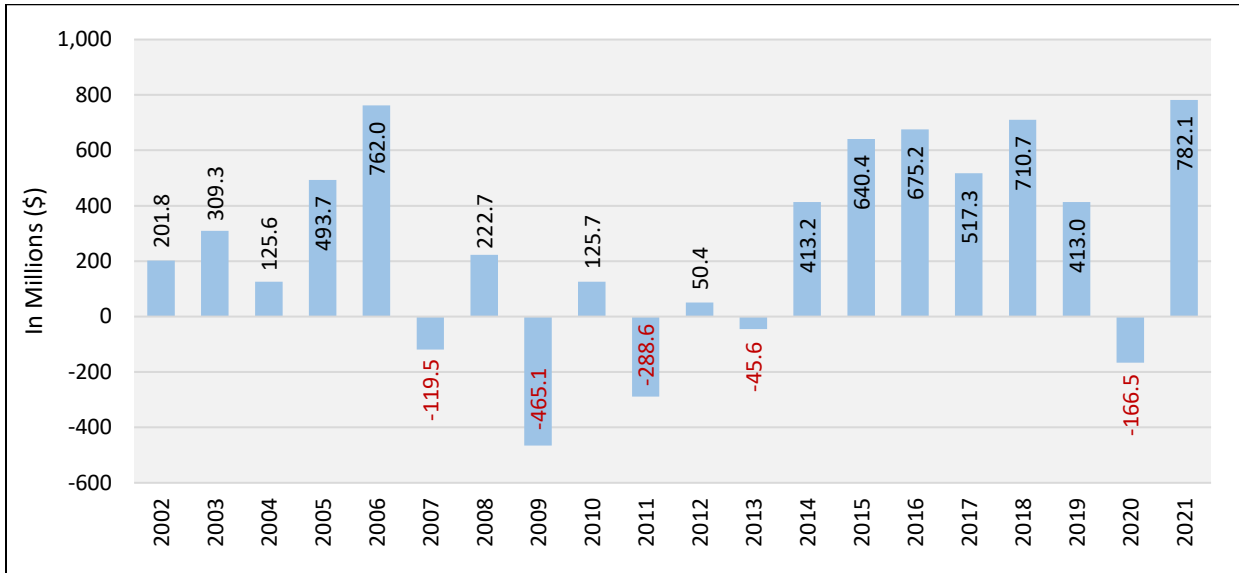
SOURCE: U.S. Bureau of Economic Analysis

Both the county and state have consistently outperformed the national employment growth rate over the last decade. During 2020, Marion County experienced a milder decrease in employment than the nation or state. Additionally, Marion County's recovery was the strongest of the three. From March 2020 to April 2021, employment growth in Marion County averaged nearly two percentage points higher than the state or nation.

FIGURE 1.07: COMPARISON OF ANNUAL EMPLOYMENT GROWTH RATES (2002 – 2022)
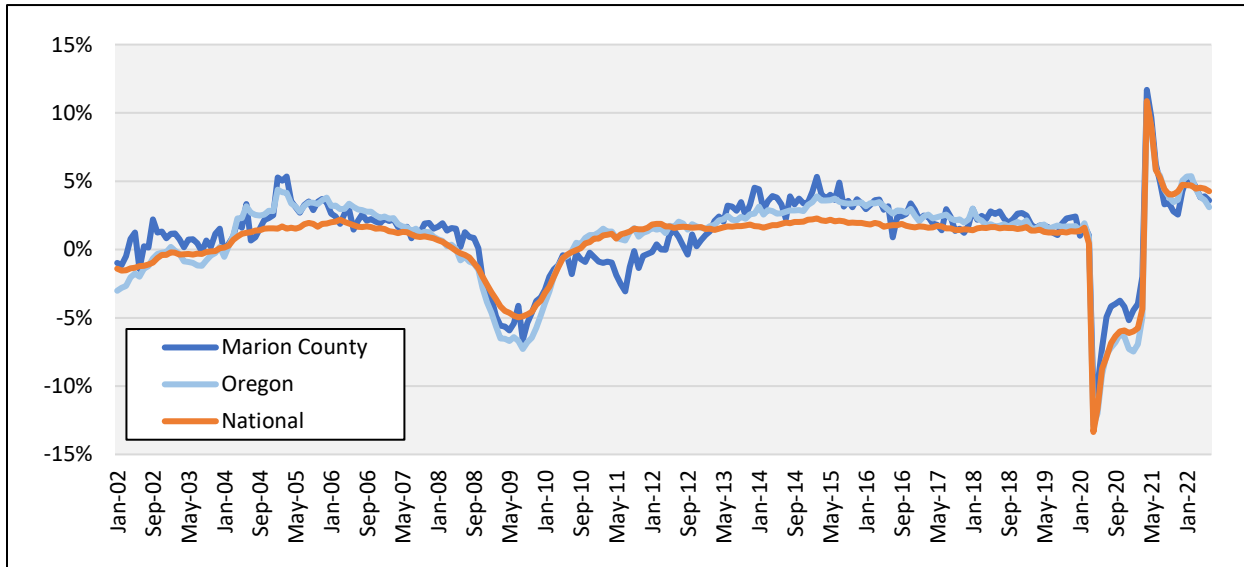
SOURCE: U.S. Bureau of Labor Statistics, Oregon Employment Department, JOHNSON ECONOMICS

Annual employment growth in Marion County peaked in 2015 with roughly 5,400 jobs added. Following 2015, employment growth decelerated but remained positive, before shedding roughly 6,700 jobs in 2020 due to the pandemic. As of 2022, all the jobs lost in 2020 have been recovered, while the state had only recovered roughly 80% of the jobs lost by the end of 2022.

FIGURE 1.08: NET CHANGE IN EMPLOYMENT, MARION COUNTY (2012 – 2022)
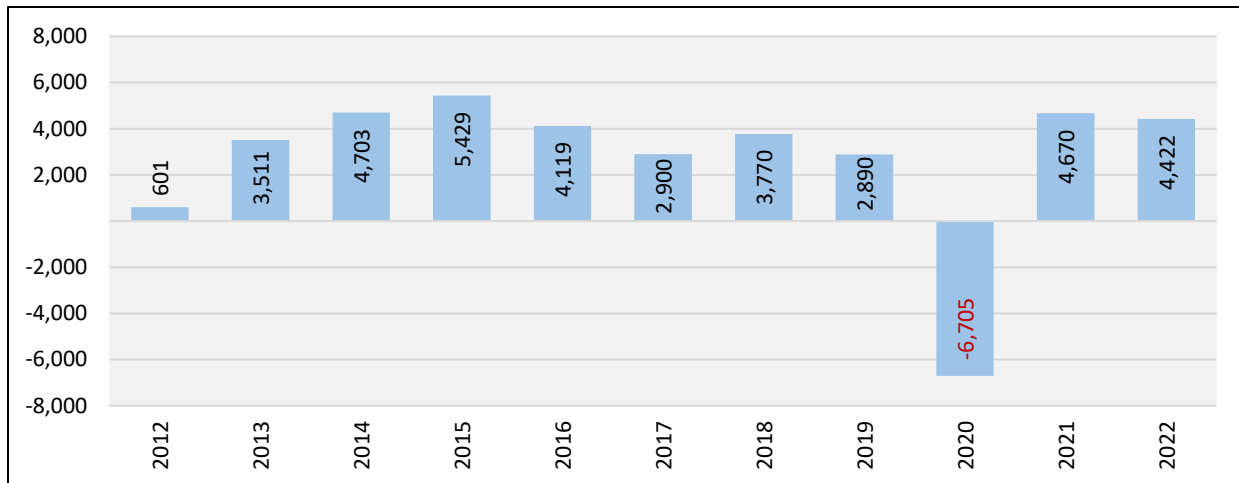
SOURCE: Oregon Employment Department, JOHNSON ECONOMICS

Marion County's employment level per month reveals that employment cyclically drops during winter months. Employment levels typically peak anywhere between May to September. This implies that seasonal employment is an important component of the county's overall economy, in particular agriculture and tourism-related businesses. The broader trend shows that the total employment level has been consistently increasing in the last decade. In 2012, the average employment level hovered around 125,000 to 135,000 and as of 2022, the employment level averaged 163,000 jobs.

**FIGURE 1.09: MARION COUNTY EMPLOYMENT LEVEL BY MONTH (JAN. 2012 – DEC. 2022)**
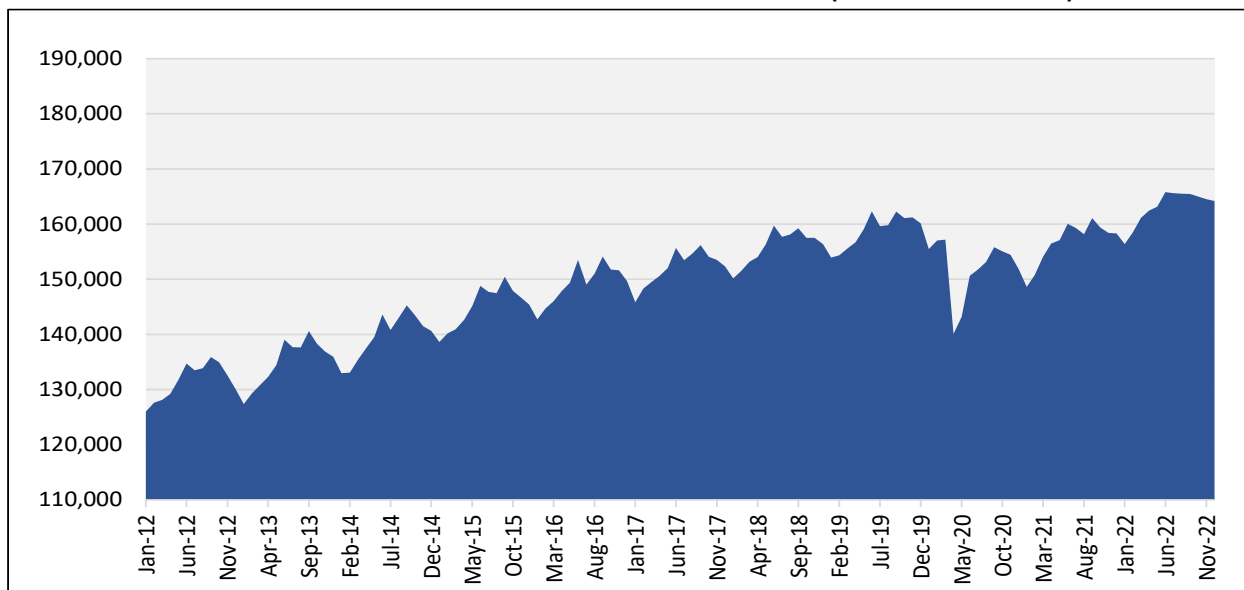
SOURCE: Oregon Employment Department, JOHNSON ECONOMICS

The Marion County unemployment rate has historically been in-line with Oregon's, but higher than the nation's. Towards the latter half of the 2010's, the unemployment rate between the three geographies was largely in sync, falling from 5% in 2016 to under 4% prior to the pandemic. In early 2020, Marion County experienced an unemployment rate of roughly 12%, while the nation's unemployment rate was nearly 15%. As of 2022, Marion

County and Oregon have seen a slight uptick in unemployment rates following the recovery from COVID, although unemployment remains at 4.3%.

FIGURE 1.10: COMPARISON OF UNEMPLOYMENT RATE TRENDS (JANUARY 2000 – JULY 2022)
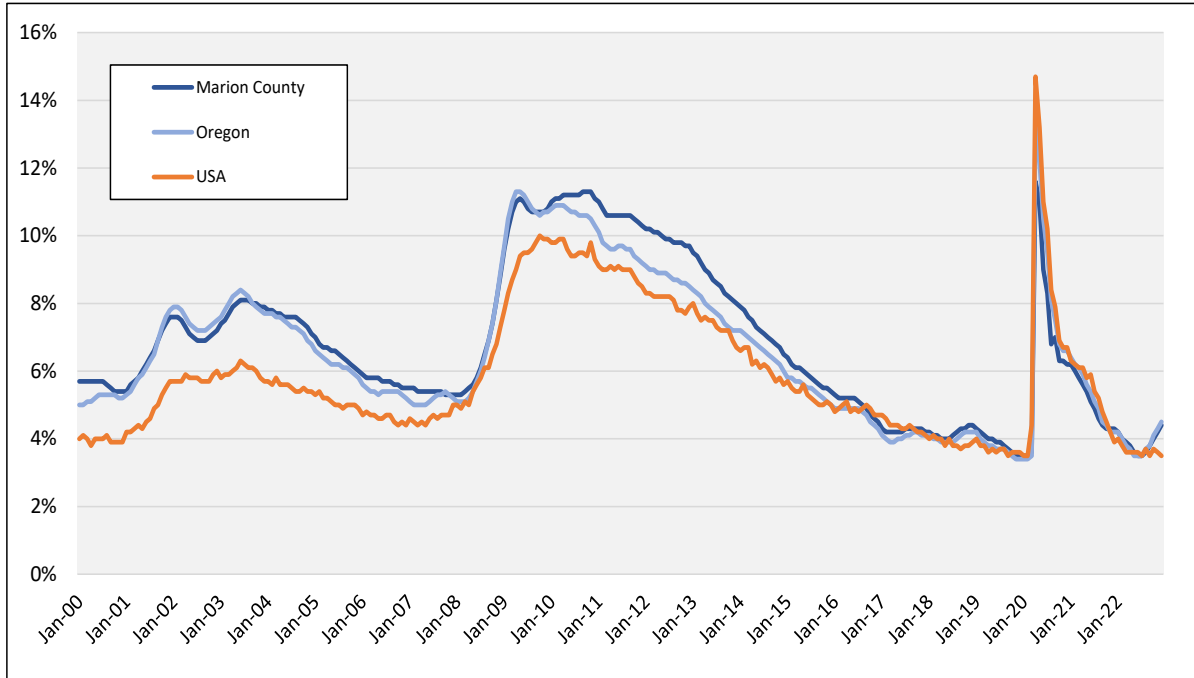
SOURCE: St. Louis Federal Reserve, JOHNSON ECONOMICS