



August 2024

**Sunrise Corridor Community Visioning  
DRAFT Economic Competitiveness  
Report**

Clackamas County

**ECOnorthwest**

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# Executive Summary

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- The Sunrise Corridor has 272 vacant or underutilized parcels larger than a quarter acre, with the majority over 1 acre in size, providing a diverse mix of development opportunities.
- However, many parcels face significant development constraints, including environmental limitations, sloped terrain, and ownership complexities, which impact site readiness. Nearly half of the vacant and underutilized parcels have a slope greater than 10%, limiting their feasibility of large-scale industrial uses such as warehousing and manufacturing.
- Environmental considerations, particularly near the Clackamas River, pose additional challenges for site development due to wetlands and floodplain designations.
- Target industries for the area include advanced manufacturing (metals, machinery, and high-tech), logistics, food systems, and health systems due to their growth potential and alignment with existing workforce skills. Legacy industries, such as transportation, warehousing, wholesale trade, and construction, remain strong anchors for employment but face competition from the target sectors for space and resources.
- Key factors for site selection by target industries include access to transportation networks, appropriate zoning, and proximity to supply chains and workforce training programs. The corridor's regional location connectivity, particularly to Portland, is an advantage, though traffic congestion and the limited availability of large, flat parcels can present challenges for some industries.
- By 2032, the area is projected to add around 1,399 jobs, with the greatest demand for industrial space (59%) followed by business parks (25%) and office spaces (12%). This growth translates to over 880,000 square feet of space.
- Strategies to enhance economic competitiveness should focus on increasing site readiness, aligning development standards with industry needs, supporting workforce training, building the amenity base, and creating partnerships between industry and education.
- Structural challenges to the area's economic competitiveness include Oregon's limited statewide economic incentives and aging properties. However, with nearly half of commercial and industrial buildings over 25 years old, the study area has potential for repositioning of underutilized assets.



# 1. Introduction

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This economic competitiveness assessment evaluates the economic assets, challenges, and available tools that impact the current and future economic landscape for the Sunrise Corridor Community. The analysis considers locational factors and market trends that drive demand for various industries and land uses in the Sunrise Corridor area. It identifies economic development strategies to advance the goals and vision for the Sunrise Corridor Community. Key issues and strategies are informed by past plans, an analysis of existing conditions, and insights from community engagement and outreach.

## Purpose/ Goals

The economic development goals for the Sunrise Corridor Visioning project aim to support the growth of economic development opportunities in the community through:

- ◆ Assessing and monitoring existing facilities and buildings to support changing business and community needs.
- ◆ Creating a financially sustainable community where public investment has direct benefits to job opportunities.
- ◆ Supporting or expanding workforce opportunities in industries that provide livable wages to improve self-sufficiency of individuals and families.
- ◆ Attracting medium-sized businesses that offer livable wages.
- ◆ Supporting a healthy balance of jobs and housing to reduce barriers to accessing high-quality jobs.

## Policy Levers to Implement Goals

Through economic development, communities can gain more resources and provide a better quality of life for workers and residents. A key component of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Thus, key questions for economic development policy are: What are the factors that influence business and job growth, what is the relative importance of each, and how can local policy changes improve conditions for business and job growth?

In reality, many strategies available to local governments have only a modest effect on the level and type of economic development in the community. This is because the key factors that determine the location decisions of businesses—the availability and cost of labor, transportation, raw materials, and capital—are usually similar or shared within a region. At the local level, governments can most easily affect tax rates, investment in placemaking, infrastructure and public services, and regulatory policies. These factors can and do affect



economic development, by reducing costs, encouraging synergistic relationships between economic actors, and creating amenity value. For example, the County can directly influence public policy (through its land use regulations) and availability of land (through zoning, density, planning for new land needed for economic development, redevelopment, and infrastructure planning). The County can also have a limited influence on market feasibility (through policies that reduce costs like tax abatements or fee incentives) and on the labor force, through programs that support workforce development. Exhibit 1 highlights variables the County can influence to support the economic development goals for the Sunrise Corridor Community.

**Exhibit 1. Sunrise Corridor Community Economic Development Goals and Variables that Influence these Goals**

GOAL	VARIABLES THAT MAY INFLUENCE THIS GOAL
Assess and monitor existing facilities and buildings to support changing business and community needs and remove barriers to development, improvement, and repositioning.	<ul style="list-style-type: none"> <li>• Supply of buildings, space, and design regulations</li> <li>• Land use regulations</li> <li>• Market factors</li> </ul>
Create a financially sustainable community where public investment has direct benefits to job opportunities and economic resiliency	<ul style="list-style-type: none"> <li>• Funding mechanisms</li> <li>• Diversity of use mix</li> <li>• Needed investments</li> </ul>
Support workforce training opportunities in industries that provide livable wages to improve self-sufficiency of individuals, students, and families	<ul style="list-style-type: none"> <li>• Workforce development investments and partnerships</li> <li>• Efficient uses that include jobs with higher wages</li> </ul>
Attract medium-sized businesses that offer livable wages.	<ul style="list-style-type: none"> <li>• Workforce development</li> <li>• Land availability and readiness</li> <li>• Industrial reuse and redevelopment</li> <li>• Land use regulations</li> </ul>
Support a healthy balance of jobs and housing to reduce barriers to accessing high-quality jobs.	<ul style="list-style-type: none"> <li>• Use mix</li> <li>• Jobs-housing balance</li> </ul>



# 2. Regional Competitiveness Assessment

## Opportunities and Challenges

### Key Issues

- ◆ **Industry Concentrations and Diversifying Economic Base.** The study area has diverse industrial concentration of manufacturing, wholesaling, warehousing, and transportation uses. However, the local employment mix is trending toward more service-oriented users in health care and professional services.
- ◆ **Conflicting Land Uses and Isolation.** On one hand, residential uses including mobile home parks are integrated within the industrial area and not buffered. On the other hand, retail and commercial services are isolated to the west and not integrated within the Sunrise Corridor Community as amenities. Conflicting land uses can be a barrier to industrial recruitment where non-complementary uses without appropriate buffering deter from amenity premiums or limit more intensive scale and/or economic uses on sites that otherwise could accommodate a more intensive use.
- ◆ **Vacant Opportunity Areas.** The study area has large vacant and underrealized sites, including the Rock Creek Employment Area. However, site readiness is mixed, and many sites are encumbered by one or more development constraints that will limit use profiles.
- ◆ **Limited Development Activity.** Despite strong market conditions, the area has seen limited new commercial or industrial development in recent years. The lack of established market precedents could further limit investment interest.
- ◆ **Aging Properties.** Over 45 percent of commercial and industrial properties are over 25 years old. Roughly 25 percent are over 40 years old. On one hand, this may create intermediate-term redevelopment opportunities on underutilized parcels with depreciated improvement values. On the other hand, this also limits the stock of near-term competitive properties to attract high value users.
- ◆ **Infrastructure and Land Readiness.** While the area has vacant and underutilized assets, land characteristics and readiness may be misaligned with the needs of performing industry sectors. Site size, scale, available infrastructure, wetlands, slope, and other factors contribute to barriers to competitive readiness.
- ◆ **Major Employers.** The Sunrise Corridor Community is anchored by 20 larger employers (150 employees or more) that employ over 5,100 workers (36 percent of all workers in the area). This provides a stable employment base that anchors the area.

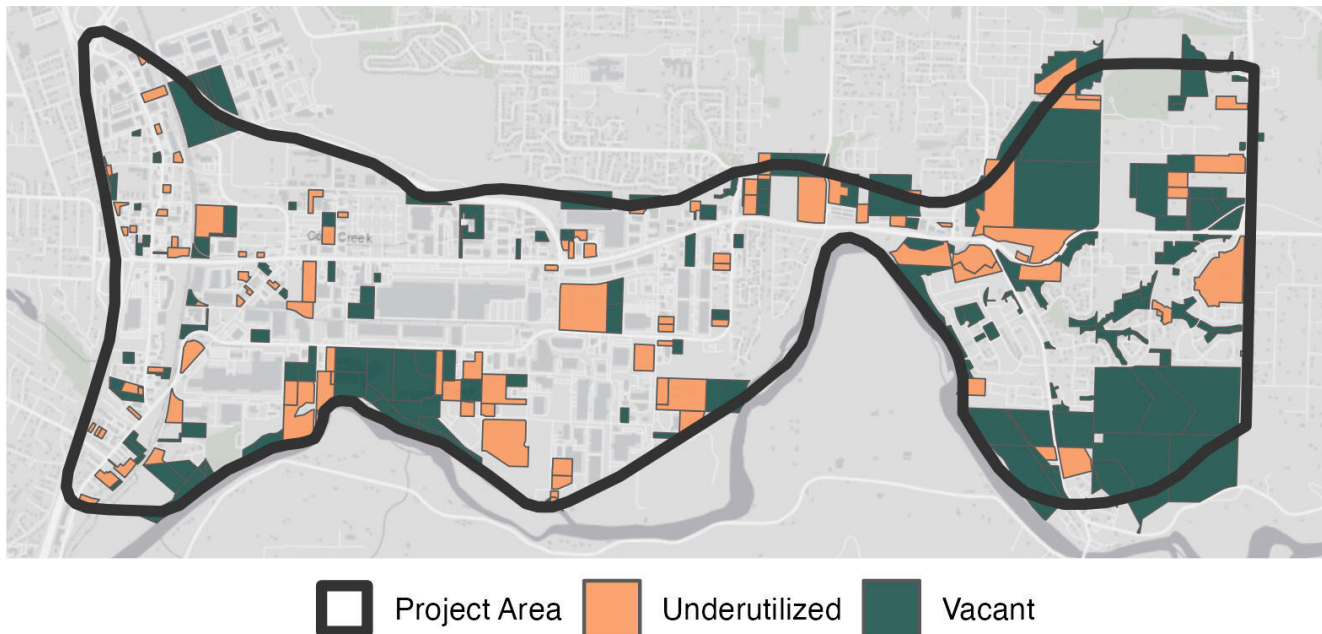


- ◆ **Limited Statewide Incentives.** Non-local tools including incentives and infrastructure funding is limited in Oregon, constraining the region’s ability to proactively invest in site readiness and create attractive incentive packages that are competitive with other regions across the country. Absent other “outlier” positive attributes, this is a competitive disadvantage.

## Area-Specific Geographic Characteristics

The specific characteristics of the vacant and redevelopable parcels **within the study area** will influence the types of industries that are drawn to the area. In this section, we review some of the geographic characteristics and constraints that will influence economic competitiveness for a variety of uses. Not all parcels identified here may be suitable for development or redevelopment based on varying development constraints considered below.

**Exhibit 2: Vacant and Underutilized Parcels in the Sunrise Corridor<sup>1</sup>**



Source: ECONorthwest

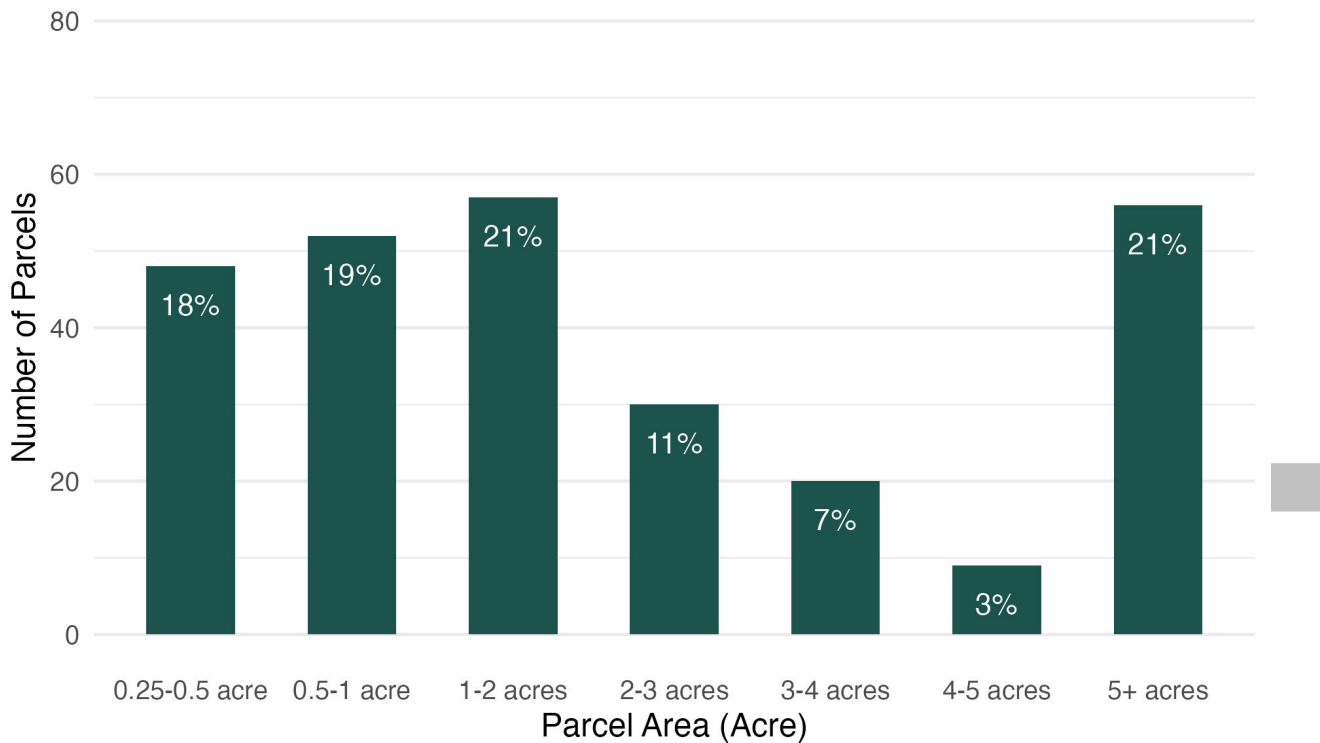
## Parcel Size and Ownership Patterns

The Sunrise Corridor has 272 parcels that are vacant or underutilized and are larger than a quarter acre, making them potential prospects for development. The presence of large adjacent vacant sites with potential for assemblage is a clear advantage for the area if ownership agreements can be achieved, and development constraints like environmentally sensitive areas and slopes can be overcome (see below for more on constraints). Existing ownership patterns are also an advantage in some cases. Several large parcels, including

<sup>1</sup> Parcels are defined as underutilized if the assessed land value is at least twice the assessed value of the building on the parcel. This metric helps identify parcels with redevelopment potential.

high value sites in the Rock Creek Industrial Area, are being land-banked by large institutions with potential for intermediate-term development.

**Exhibit 3: Size of Vacant and Underutilized Parcels in the Sunrise Corridor Community**



Most parcels in the Sunrise Corridor (63%) are larger than one acre. Site size is not a constraining factor for development of most use types on these parcels. Some smaller parcels along OR212 and Southeast Evelyn Street could benefit from assemblage if developers want larger parcels in those areas.

### Development Constraints

Despite opportunities for larger development and redevelopment sites, many locations—particularly near the Clackamas River and on the eastern end of the Sunrise Corridor Community—face significant development constraints that limit marketability and readiness, as outlined below.

#### SLOPES

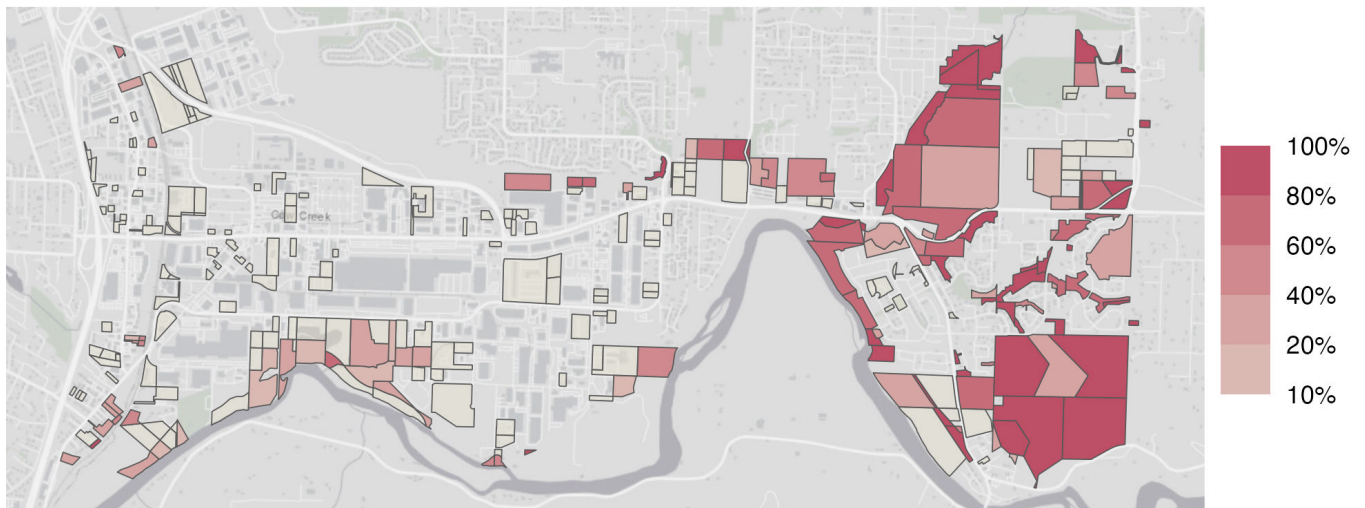
The most considerable development constraint in the area is sloped lands. Slopes greater than five percent make it challenging to develop larger buildings, while slopes exceeding 10 percent are particularly difficult, increasing costs and limiting building size. This naturally impacts use profile and prohibits users that require larger buildings like warehousing, wholesaling, and advanced manufacturing, among others. Vacant and underutilized parcels in the eastern end of the Corridor consistently have a 10 percent gradient on more than 40 percent of their land area. In total, 120 vacant and underutilized parcels, or 44 percent of





these parcels in the Sunrise Corridor Community, have sloped area on more than 10 percent of the parcel land.

**Exhibit 4: Share of Parcel Area with at least 10 Percent Gradient (Vacant and Underutilized Parcels)**



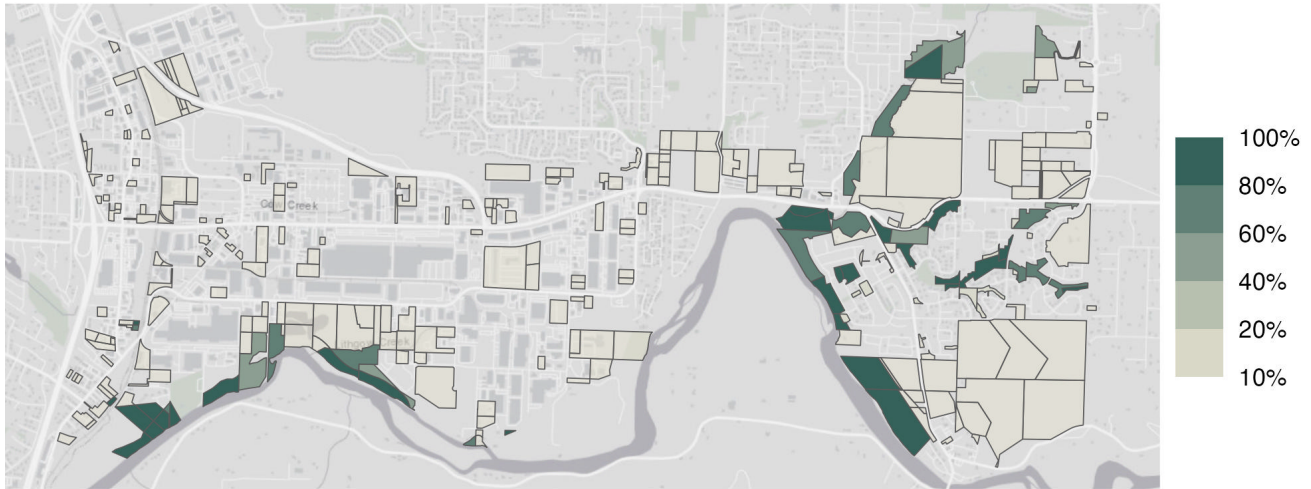
Source: ECONorthwest, Metro RLIS 2023 (10% Slope).

**ENVIRONMENTAL CONSTRAINTS**

Environmental constraints are another key category that could influence development outcomes in the Sunrise Corridor Community. Potential wetlands and areas designated to have moderate to high habitat conservation value can be identified using Metro’s Title 13 land inventory. The environmental value of riparian and wetland habitats near the Clackamas River means that several parcels along the waterway have some share of the parcel area fall under Title 13 designation. These environmental protections limit what developments can be permitted on these parcels. Further, in the case of wetlands, permitting processes for mitigation can be prohibitively lengthy, limiting the marketability of sites for users that need development-ready sites.



### Exhibit 5: Share of Parcel Area under Title 13 Classification (Vacant and Underutilized Parcels)

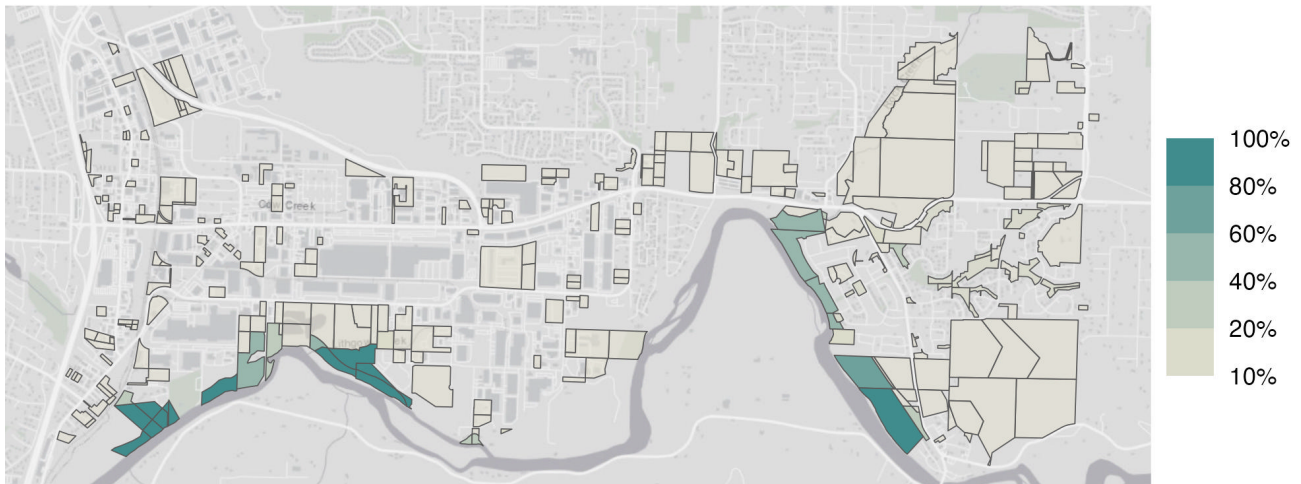


Source: ECONorthwest, Metro RLIS 2023 (Title 13).

### FLOODPLAINS

The overlap of parcels with FEMA floodplains can have considerable impacts on property insurance affecting the capitalization rate and thus the feasibility of projects. Unsurprisingly, there is strong overlap between parcels including FEMA floodplains and those with Title 13 lands, as both are tied to the riparian system. Fifty parcels (18 percent of all vacant and underutilized parcels) have Title 13 lands on more than 10 percent of the parcel area, and 31 of those parcels also intersect with the FEMA floodplain along the Clackamas River.

### Exhibit 6: Share of Parcel Area within the FEMA Floodplain (Vacant and Underutilized Parcels)



Source: ECONorthwest, FEMA Flood map



## Target Industry Assessment

The Sunrise Corridor Community Economic Existing Conditions report identified established industry sectors in the community, with a high concentration of employment in the sectors (see Exhibit 7 also). These “legacy industries” in the Sunrise Corridor Community include:

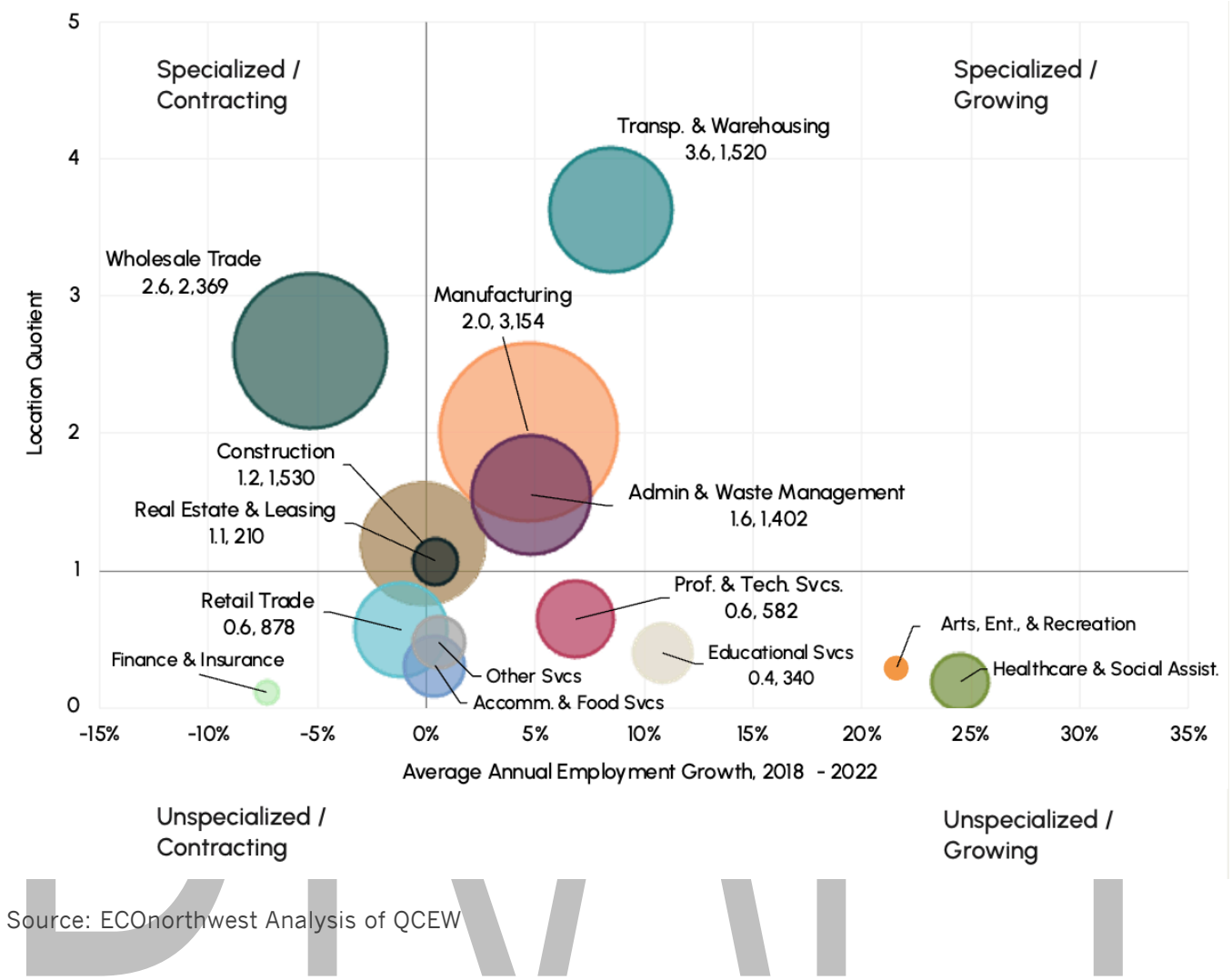
- ◆ Transportation and Warehousing
- ◆ Wholesale Trade
- ◆ Manufacturing
- ◆ Construction

The Economic Existing Conditions report also identified several fast-growing and/or high average wage industries, which in some cases align well with the key industry clusters identified in the Draft Clackamas County Economic Landscape. This report refers to these industries as “target industries” for their growth potential in the area and their ability to support living-wage jobs. These industries include:

- ◆ Food Systems
- ◆ Health Systems
- ◆ Advanced Manufacturing (metals and machinery)
- ◆ Advanced Manufacturing (high-tech)
- ◆ Logistics



**Exhibit 7. Sunrise Corridor Location Quotients and Average Annual Employment Growth, 2018-2022**



## Locational Factors and Site Selection

Exhibit 8 summarizes typical site selection decision criteria for the target industries.

**Exhibit 8. Target Industries Site Selection Criteria**

SECTOR	LAND USE PROFILE	AMENITIES	TRANSPORTATION ACCESS	SURROUNDING USES
<b>Food Systems (Food &amp; Beverage Manufacturing, Crop Production)</b>	Designated industrial zones, zoning regulations support of manufacturing, competition for land with other sectors. Land gradient >10% constrains large facilities.	Access to quality water sources, proximity to agricultural areas, educational institutions with agriculture-centered programs.	Connectivity for distribution, proximity to Portland market, congestion during peak hours.	Presence of other manufacturing facilities, proximity to suppliers and related industries, potential natural and residential restrictions.
<b>Health Systems (Health Care and Medical Products)</b>	Strategic locations with appropriate zoning for medical use, urban sprawl encroaching, and commercial development pressures. Health care facilities could be well placed to take advantage of high slope land that cannot support large manufacturing or warehousing facilities.	Strong talent pool for health care practice and R&D in the Portland Metro, state-of-the-art medical facilities research institutions across the region, housing in the price range of working professionals.	Adequate locational and regional accessibility, traffic congestion, limited transport options for employees and customers with limited car access.	Proximity to residential areas with a mix of quality housing and a demographic mix to support medical demand, surrounding commercial establishments.
<b>Advanced Manufacturing (High-Tech)</b>	Zoning regulations favor industrial land, equipped with necessary infrastructure, environmental regulations, and land availability. Land gradient constrains large facilities.	Regional access to skilled workforce, pathway accessible and close to Clackamas Community College specialized training programs.	Adequate transportation network (highways, rail connections), regional infrastructure, maintenance needs, limited air cargo access.	Industrial parks, technology clusters, environmental and residential constraints for large facilities.
<b>Advanced Manufacturing (Metals and Machinery)</b>	Industrial zones with ample space and necessary utilities, competition for industrial land with other sectors. Land gradient constrains large facilities.	Access to raw materials, specialized training programs, robust supply chain networks, supportive business services.	Transportation infrastructure supports heavy goods movement.	Network of suppliers and customers from surrounding industries, potential restrictions from nearby residential and commercial developments.
<b>Logistics</b>	Designated areas for warehousing and distribution centers, finite availability of land, urban expansion encroaching. Land gradient constrains large facilities.	Warehousing facilities, distribution centers, advanced IT infrastructure for supply chain management.	Connectivity through highways, railroads, proximity to major ports, traffic congestion, aging infrastructure.	Proximity to industrial and commercial centers, potential conflicts with residential areas over noise and traffic.





## Market Support Analysis

### MARKET SUPPORT FOR EMPLOYMENT USES

The Sunrise Corridor functions in a regional market, attracting a share of regional economic growth based on the competitiveness factors presented above and through future strategies. In the analysis below, we provide a high-level assessment of potential future market potential for employment space by use type. Employment space is disaggregated by use-type, including office, institutional, business park, and industrial types. Retail space is evaluated separately because household growth and spending patterns are better predictors for retail and restaurant space.

The outlook for future employment need relies on industry growth and can be estimated utilizing the projected employment growth by industry. To estimate square footage demanded by each industry, we utilize industry-specific shares of space use based on observed patterns in the region using data from CoStar, a national database of commercial and industrial space. For example, more than half of space demanded by the professional service industry is in office, while manufacturing industries requires a larger share of industrial space.

Based on Oregon Employment Department projections of employment, we estimated the growth in employment by industry. The State's forecast for these sectors follows the observed recent local trend. Based on macroeconomic growth patterns, by 2032, the Sunrise Corridor is projected to add 1,399 employees with the largest growth in information, leisure & hospitality, educational services, construction, and healthcare industries (excluding natural resources and retail). Notably, these industries are not particularly concentrated in the Sunrise Corridor, unlike manufacturing, wholesale trade, transportation and warehousing, and professional services which are most represented.

#### Exhibit 9. Current Employment and 10-year Growth Projection, Sunrise Corridor

INDUSTRY	BASE YEAR (2022)	AVERAGE ANNUAL GROWTH (2022-2032)	2022-2032 GROWTH
Construction	1,530	1.6%	265
Manufacturing	3,154	0.2%	70
Wholesale Trade	2,369	0.9%	230
Transportation, Warehousing, Utilities	1,520	1.2%	196
Information	32	2.1%	7
Financial Activities	265	0.3%	8
Professional Services	2,525	1.3%	353
Education & Health	651	1.6%	115
Leisure & Hospitality	425	1.9%	88
Other Services	263	1.2%	34
Public Administration	402	0.8%	33
<b>Total</b>	<b>13,136</b>	<b>1.0%</b>	<b>1,399</b>

Source: Oregon Employment Department, QCEW, 2022; Oregon Employment Department Industry Employment Projections, 2022-2032



To project physical space demand, we utilize employees per square foot for different use forms based on how the industry commonly demands different space types. We project that the Sunrise Corridor Community has the potential to need almost 880,000 square feet of net-new space by 2032, if suitable and financially feasible sites can be organized. Exhibit 10 presents the estimated employment growth by industry space projections associated with that growth in employment, excluding the retail space type. Unsurprisingly, most projected space demanded will be for industrial use (59 percent), followed by space in business parks (25 percent) and office (12 percent). Health care uses are considered institutional uses (3 percent).

### Exhibit 10. Projected Commercial Space Demand, 2032

INDUSTRY	OFFICE	INSTITUTIONAL	BUSINESS PARK	INDUSTRIAL	TOTAL
<b>New employees 2022-2032</b>					
Construction	40	0	53	159	252
Manufacturing	7	0	18	46	70
Wholesale Trade	23	0	58	127	207
Transportation, Warehousing, Utilities	29	0	29	137	196
Information	1	2	3	1	7
Financial Activities	6	0	1	0	7
Professional Services	247	0	53	18	317
Education & Health	29	75	6	0	109
Leisure & Hospitality	18	0	9	0	26
Other Services	19	0	3	5	27
Public Administration	13	13	2	3	31
<b>TOTAL</b>	<b>431</b>	<b>90</b>	<b>234</b>	<b>495</b>	<b>1,250</b>
<i>Sq. Feet/Employee</i>	225	300	850	950	699
<b>Sq. Feet of Demand</b>	<b>106,709</b>	<b>29,812</b>	<b>218,495</b>	<b>517,579</b>	<b>872,595</b>
<b>Share of Total Sq. Feet</b>	<b>12%</b>	<b>3%</b>	<b>25%</b>	<b>59%</b>	<b>100%</b>

This analysis should be considered a baseline trended analysis based on market factors and macroeconomic forecasts. It is entirely possible, and perhaps likely, that a single or group of catalytic projects or uses result in a deviation from a trended forecast. For example, much of the land in Rock Creek is owned by a single user with unknown future plans. Similarly, Clackamas County social service facilities would likely result in more institutional space than represented by a trended forecast.

### COMMERCIAL RETAIL DEMAND

Demand for commercial retail space is driven by four primary inputs:



- 1) **Resident Households.** The number of rooftops within a competitive trade area to a retail establishment. Trade area distance varies broadly by retail type.
- 2) **Daytime Employees.** Employees in the area that spend on convenience goods, restaurants, and other products as convenient to their commute patterns.
- 3) **Pass Through Traffic.** Non-residents that patron local retailers when they are driving through or nearby the area for an undedicated trip.
- 4) **Non-resident Visitors.** Visitors to the area or the resident trade area dedicated trips for business, leisure, or draw to a specific destination.

Today, commercial services in the study area are not particularly diverse. They are generally limited to food stores (Fred Meyer, Cash & Carry), fast food and coffee shops, low- to medium scale full-service restaurants, banks, and convenience stores. The study area has two major commercial nodes: one along 82<sup>nd</sup> Drive, with visibility and access from I-205, and a smaller cluster at the intersection of Highway 212 and SE 135<sup>th</sup> Avenue. The concentration along 82<sup>nd</sup> avenue is positioned to serve a broad trade area, with the Fred Meyer serving households well beyond the study area.

In terms of demand drivers for commercial space on the margin, daytime employees likely have the greatest market support. New household growth on the margin within the area is not likely to trigger the need for neighborhood or community anchored commercial services, although it may support some small-scale re-tenanting. Marginal growth in Happy Valley will likely continue to gravitate to commercial concentrations there. There are only a few economy hotels in the area, with limited tourism attractions or other uses that would attract dedicated trips from non-residents. This would leave marginal growth and greater market capture of daytime employment spending as the most likely path to supporting future commercial growth.

The most effective path to expanding commercial services is to support broadening the quality of daytime commercial retailers and services, which includes restaurants, convenience retail, and personal services. These services would bring synergies in creating a higher amenity value for the existing employment centers. Small-scale "pocket" retail, anchored by limited-service restaurants and integrated into employment zones rather than concentrated along 82<sup>nd</sup> Drive, offers the greatest opportunity for growth in the intermediate term.

## Existing County Economic Development Resources

Economic development resources offered by public agencies typically aim to attract, retain, and grow businesses within the community. These activities range from financial assistance and investments in infrastructure to marketing, data support, and workforce development. In many cases, such as in Clackamas County, the agency plays a facilitation or convening role in bringing a broad range of partners together—including municipal economic development agencies, private firms, state government, educational institutions, and non-profit organizations, among others. The table below outlines some of the typical “tools” available to





regional governments alongside an assessment of their availability in Clackamas County specifically.

RESOURCE	CLACKAMAS ACCESS	COMMENTS
<b>Business Attraction and Retention</b>		
Financial Incentives	Moderate-Low	Enterprise Zone and Urban Renewal. State programs are under-funded and less competitive with other states.
Site Selection Assistance	Moderate	Staff participates in site tours, maintains knowledge and information on available sites, responds to RFI's as applicable.
Regional Coordination	Mod-High	County staff maintains coordination with regional and state economic development organizations including Business Oregon and Greater Portland, Inc.
Workforce Development & Training	Moderate	County does not have direct programs but acts as a convener with regional institutions and resources including Worksystems, Mt. Hood Community College, Clackamas Community College, and the Clackamas Workforce Partnership.
<b>Infrastructure and Land Use</b>		
Infrastructure Investment	Low	Lack of funding for proactive infrastructure investment to improve site readiness and competitiveness.
Planning and Land Use Transparency	Moderate	The County can improve systems to communicate county land use regulations and serve as a clearinghouse of information for land use data on representative municipalities.
<b>Small Business Support</b>		
Access to Capital	Low-Moderate	Other than Urban Renewal the County has limited direct programs. The Economic Development Office provides information on exogenous programs including loans, grants, and venture capital.
Mentorship and Networking	Mod-High	The Economic Development Office hosts or attends regular community partner meetings with economic development practitioners throughout the region.
Regulatory Guidance	High	The Economic Development Office assists small businesses in navigating local and state regulations.
<b>Marketing and Data</b>		
Industry Information	High	The County publishes an annual report on the regional economy and information about industry clusters.
Economic Impact and Market Data	Low	The County does not directly support businesses in providing economic impact analysis or market information in support of grant or loan applications.
Promotional Materials	Mod-High	The County had previously completed the "stake your claim" marketing campaign aimed at attracting businesses and communicating the County's value proposition.



# 3. Demand Implications

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Different economic uses come with varied economic output, and by extension, economic benefits and opportunities for economic mobility. From an economic development perspective, practitioners and policy makers should consider the trade-offs of the likelihood and/or ease of marginal impacts against the magnitude of economic and fiscal impacts of varying uses. In some instances, it may be prudent to be patient in encouraging a higher impact use. In other cases, a low hanging win can be effective in snowballing synergy. In the matrix below we highlight some metrics associated with industries that have historically located in the Sunrise Corridor Community, alongside broader regional industry targets and those that are showing accelerated growth locally.

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Industry		Occupational Profile	Average Wage	Property Tax	Likelihood of Locating within the Sunrise Corridor
Legacy Industry	Transportation and Warehousing	70% transportation and movers, 14% office and admin.	\$67,900	Lower	High. Growing sector with site suitability fit.
	Wholesale Trade	24% transportation and movers, 22% salespersons, 16% office and admin, 10% management, 6% business and financial operations,	\$93,189	Lower	Moderate-High. Greatest fit due to proximity to users and transportation access.
	Manufacturing (e.g., Food and Beverage)	50% production occupations, 18% transportation and movers, 6% office and admin.	\$76,713	Moderate	High. Existing industry cluster and similar uses.
	Construction	48% construction & trade, 8% management, 6% business & financial.	\$76,663	Lower	Moderate-Low. Likely to get outbid by other industrial sectors.
Target Industry	Food Systems (Food and Beverage Manufacturing, Crop Production)	50% production occupations, 18% transportation and movers, 6% office and admin.	\$68,090	Moderate	High. Existing industry cluster and similar uses. Demand for water infrastructure.
	Health Systems (Health Care and Medical Products)	33% healthcare practitioners, 29% healthcare support practitioners, 13% office and administrative, 6% community and social service, 4% management.	\$92,139	Higher	Moderate-High. Existing use cluster and proximity to major institutions. High volume traffic needs.
	Advanced Manufacturing (High Tech)	29% production occupations, 19% architecture and engineering, 13% computer and math occupations, 11% management, 9% business and financial, 7% office and admin.	\$97,141	Higher	Low-Moderate. Limited for high-tech due to potential power and water infrastructure demands. Requires large sites with buffering. Possible in Rock Creek.
	Advanced Manufacturing (Metals and Machinery)	59% production occupations, 6% transportation and material movers, 6% management, 4% business and financial.	\$79,957	Moderate	Low-Moderate. Flat growth industry outlook.
	Logistics	70% transportation and movers, 14% office and admin.	\$87,927	Moderate	High. Competitive location, large sites if constraints can be mitigated.



# 4. Strategy and Tool Recommendations

Strategies to improve economic development include things like aligning development standards with modern industrial facilities, scaling parcels to accommodate site sizes to meet market demand, focusing on retention of firms in key sectors, and forming partnerships between industry and higher education.

The following list of recommended land use and economic development recommendations is based on existing conditions, public feedback, and project goals.

## Explore code and zoning amendments to reach goals around mixed use, economic development, anti-displacement, and access.

Best in class businesses need to deploy unique and compelling features in the design of their facilities. The tight labor market in the region is changing how employers will interface with their employees and vice versa. What employers need in a workplace has been significantly impacted by the need to attract and retain today's knowledge workers. "Industrial Amenities" has emerged as a unique driver in the industrial sector, which is at times directly connected to design of the workplace and the site. These amenities also include actions to improve social and environmental responsibility. Some of the commonly accepted amenities in the industrial sector include:

- ◆ Access to public transportation
- ◆ Food options on-site or within walking distance
- ◆ Natural amenities, walking trails and outdoor seating
- ◆ Windows and natural lighting
- ◆ Childcare
- ◆ Building/facility features such as fitness centers, improved breakrooms, temperature control, and games
- ◆ Efforts to reduce GHG emissions including incentives for mechanical retrofits, zoning bonuses for sustainable building practices. GHG reduction fees, exploring place-based strategies like green employment zones or eco-districts.

### Vision Objectives

- ✓ Promote public health, safe movement, and active lifestyles through infrastructure, open space and programming
- ✓ Enhance health, well-being, and sustainability



In the near term, market demand is greatest for medium (5-15 acres) and large (15-25 acres) parcels. Developing a diverse inventory of flexible sites will provide opportunities for recruitment as well as places for firms to scale in-place and move into successively larger sites with less business disruption. To create more opportunities for advanced manufacturing jobs and to foster a rich and vibrant community, the County can explore strategies to support this new market driver for industrial amenities. These strategies may include updating development codes to remove barriers and encourage projects that integrate residential, commercial, and recreational spaces.

### ACTIONS:

- ◆ Promote a separation of land use to avoid conflicting uses and negative impacts of heavy industrial uses on higher value commercial and light industrial uses with adjacent residential uses.
- ◆ Promote integration of placemaking and amenities in employment areas to improve value and marketability.
- ◆ Explore public/private partnerships, incentives, subsidies, and opportunities for streamlined permitting processes to encourage installation of electric vehicle charging stations as a benefit/amenity for employers and employees.
- ◆ Endeavor to identify opportunity sites to designate fleet priority areas and charging hubs for the distribution/logistics sector.
- ◆ Scale development parcels to accommodate a diverse range of site sizes to meet market demand.
- ◆ Protect existing residential areas that are susceptible to displacement pressure.

### Vision Objectives

- ✓ Assess and monitor existing facilities and buildings to determine how to best support changing business and community needs and remove development barriers
- ✓ Create a financially sustainable community where public investment has direct benefits to job opportunities
- ✓ Attract medium-sized businesses that offer livable wages

### Ensure that development and design standards are aligned with modern industrial facilities.

A growing demand for industrial amenities translates into developer and lender requirements for high quality industrial assets. Institutional investors and capital partners are now dictating enhanced design, and facility features to their buildings to assure long term value and to create an asset class that can trade multiple times. The County can review and potentially amend standards related to site and building design to ensure that standards are calibrated to the needs of modern facilities and users.



## ACTIONS:

- ◆ **Building Coverage:** Review and potentially increase allowable coverage to increase density and opportunity. Landscape buffers and associated requirements are maintained to protect adjacencies and key pathways.
- ◆ **Floor Area Ratio (FAR):** For non-industrial employment uses, ensure that allowed FAR's are consistent with trends in suburban-scale office and business park development forms.
- ◆ **Building Height:** Review and potentially increase allowable height. Over the last decade industrial building heights have increased due to construction changes and users demands. Clear heights inside warehouses have gone from 24 ft to 30 ft to 36 ft to 40 ft. in many cases.
- ◆ **Diversity of Uses:** One of the keys to creating vibrant business areas is a diversity of uses. In the past, uses were separated rather than integrated. This was most visible in the industrial sector for some clear and obvious reasons. Some industrial uses—such as those that are loud, noxious, or operate 24/7—are incompatible with residential areas. These uses still need to be shielded from some areas, but allowing for a rich diversity of uses in the manufacturing and logistics areas will foster the development of employment centers that cater to the full needs of employees and employers. To achieve this, it is essential to review and ensure a broad diversity of appropriate uses are allowed outright in the Sunrise Corridor Community.
- ◆ **Support space for small scale users:** Smaller scale industrial has emerged as a “missing” segment that struggles to attract institutional capital. However, this is a vital segment of the industrial and business community. These uses often directly foster or connect to other large-scale employers in communities and play an important role in the incubation of businesses that create a sustainable pipeline of growth. This is strongly apparent in other communities across the country where specific districts are targeted as “maker space zones” or “incubator/accelerator space” to directly support innovation in their communities. Increasing the ease of development or redevelopment of sites for these uses could support the economic goals for the Sunrise Corridor Community.

### Vision Objectives

- ✓ Create a financially sustainable community where public investment has direct benefits to job opportunities
- ✓ Attract medium-sized businesses that offer livable wages

## Attract, Retain, and Cultivate Firms in Key Sectors

The economic existing conditions analysis identified several fast-growing and/or high average wage industries, which align with the key industry clusters prevalent in Clackamas County, which include:

- ◆ Professional business services



- ◆ Wholesale trade, transportation, and distribution
- ◆ Healthcare
- ◆ Food and Beverage Manufacturing
- ◆ Advanced manufacturing

The County, in coordination with partners and other stakeholders, should develop focused actions to attract, retain, and cultivate firms in these sectors. The County should be deliberate about considering the economic and community development benefits of different uses that create jobs and promote economic mobility for historically marginalized populations. The County should develop and implement a strategic plan to attract firms in these sectors and remove barriers.

### ACTIONS:

- ◆ Build staff knowledge and expertise in these sectors to better understand site selection criteria and unique business needs.
- ◆ Develop a local and national database of firms in these sectors and their expansion/growth outlook.
- ◆ Make targeted investments in infrastructure that aligns with site needs and improves site readiness.
- ◆ Seek state and federal funding for infrastructure improvements and site readiness. Identify opportunities to promote designation of shovel ready or Regionally Significant Industrial Sites.
- ◆ Promote site assembly and site aggregation.
- ◆ Develop targeted marketing strategies.
- ◆ Leverage existing business networks including industry associations, major employers and business leaders to advocate for the plan area.
- ◆ Design a package of financial and nonfinancial incentives for targeted businesses.
- ◆ Develop collateral on available sites and establish a site selection assistance program.

### Vision Objectives

- ✓ Support workforce training opportunities in industries that provide livable wages to improve self-sufficiency of individuals, students, and families.
- ✓ Create public-private partnerships to develop and advance coordinated strategies to improve the community.

## Partnerships between industry and higher education to bolster the workforce pipeline in STEM and tradesperson occupations

The County should create a strategic plan to identify and partner with community-based organizations, educational institutions, and private firms to improve the workforce pipeline in targeted sectors and facilitate the formation or participation in an industrial collaborative. For example, the Columbia-Willamette Workforce Collaborative currently serves industries that align with targeted sectors to provide. Promoting professional certification programs,





apprenticeships, on-the-job training, and basic skills programs are most effective in workforce diversification and mobility.

The industrial and employment areas would be served by industry-led and community-supported partnerships to build initiatives to remain competitive and attract a range of quality jobs. Examples of collaborative objectives include developing and finding talent, providing feedback on policies and regulations, and advancing infrastructure investments.

## ACTIONS

- ◆ Create a strategic plan to identify and bring together partner organizations and private firms
- ◆ Enhance coordination and partnerships between industry and higher education to bolster the STEM workforce pipeline and explore opportunities to develop an Industrial Collaborative.

## Vision Objectives

- ✓ Assess and monitor existing facilities and buildings to determine how to best support changing business and community needs and remove development barriers.
- ✓ Create a financially sustainable community where public investment has direct benefits to job opportunities

## Support Development Readiness through Infrastructure Improvements

Advancing public sector improvements can facilitate site and development readiness in key areas, which increase feasibility of private development. By advancing key transportation improvements as public projects, the County could help unlock additional development by reducing development timelines and risk for private development projects. This would contribute to achieving the vision for the area, while continuing to rely on development for many incremental contributions.

Using the findings from the Sunrise Corridor Community Visioning analysis and community engagement, the County should develop a priority list of infrastructure projects, focusing on those that will have the greatest impact on economic growth and community well-being. The County should work to complete planning work and secure funding for projects that improve road safety, reduce traffic congestion, advance site development readiness, and enhance connectivity between key commercial and residential areas.

## ACTIONS

- ◆ Designate key infrastructure projects as capital improvement projects.
- ◆ Make targeted investments in infrastructure that aligns with site needs.





# 5. Metrics of Success

## Performance Metrics

OBJECTIVE	MEASURE	METHODOLOGY	DATA SOURCE
Assess and monitor existing facilities and buildings to support changing business and community needs and remove barriers to development, improvement, and repositioning.	Average building age and condition; additions to commercial and industrial inventory.	Update building information with annual development assessment.	Bundling assessments, development applications, CoStar (if applicable).
Create a financially sustainable community where public investment has direct benefits to job opportunities and economic resiliency.	Job change by industry sector and industrial mix.	Summarize year-over-year change in jobs, business count, and employment distribution by industry sector.	Local QCEW employment data (Oregon Employment Department).
Support workforce training opportunities in industries that provide livable wages to improve self-sufficiency of individuals, students, and families.	Investment level in workforce training opportunities.	Assess planning-level estimates of County investment or partnerships in workforce training.	Project or program data.
Attract medium-sized businesses that offer livable wages.	Average commercial and industrial occupancy rate trend in relation to the region. Growth in real wages in the study area.	Calculate /update building occupancy data and wage levels.	Market data from commercial brokers or CoStar. Wage data from QCEW.
Support a healthy balance of jobs and housing to reduce barriers to accessing high-quality jobs.	Share of workers that commute from within 10 miles of the study area.	Report on commute trends annually.	U.S. Census Bureau LEHD Data.

