

CITY OF SILVERTON  
ECONOMIC OPPORTUNITY ANALYSIS



FEBRUARY 25, 2011

**FCS GROUP**



## ACKNOWLEDGEMENTS

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## SECTION I: INTRODUCTION

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The City of Silverton has grown significantly over the past few decades in both population and housing, and currently functions primarily as a “bedroom community” and regional visitor destination within the greater Salem region as well as the larger Portland-Vancouver-Beaverton Primary Metropolitan Statistical Area.<sup>1</sup> The Silverton Economic Opportunities Analysis (EOA) is intended to serve as a basis for the City of Silverton to explore and document new information regarding the City’s buildable land inventory (BLI) and employment trends; and includes policies and community economic development objectives (CEDOs) aimed at strengthening the local economy.

The Silverton EOA will serve as a basis for the City of Silverton to document and adopt local policies and actions that help make Silverton a “more economically viable” community for residents, businesses and workers.

### A. OREGON REGULATORY REQUIREMENTS

The City of Silverton is undergoing a periodic review of its Comprehensive Plan per Oregon requirements. As part of the Comprehensive Plan update, the City must address the requirements of Goal 9 (Economic Development, OAR 660-009). Goal 9 requires cities to periodically review and update the following:

- ◆ Local vision for strengthening local economies through the adoption of local economic policies that include community economic development objectives (CEDOs);
- ◆ Local urban growth requirements (land needs) for providing an adequate land needed to accommodate 20-year employment growth forecasts. Land needs are to be based upon:
  - Current analysis of vacant and part-vacant buildable lands that are zoned or planned to accommodate job growth
  - Forecast land needs based on an Economic Opportunities Analysis that considers global, national and local trends, and is generally consistent with regional growth forecasts or coordinated population growth forecasts

### B. METHODOLOGY AND APPROACH

The technical and political approach used for the Silverton EOA and related steps are illustrated in **Figure 1**. This approach has been deemed to be consistent with the DLCDC Goal 9 administrative rule, and the supporting OAR 660 guidance, as well as other supporting guidance provided per the

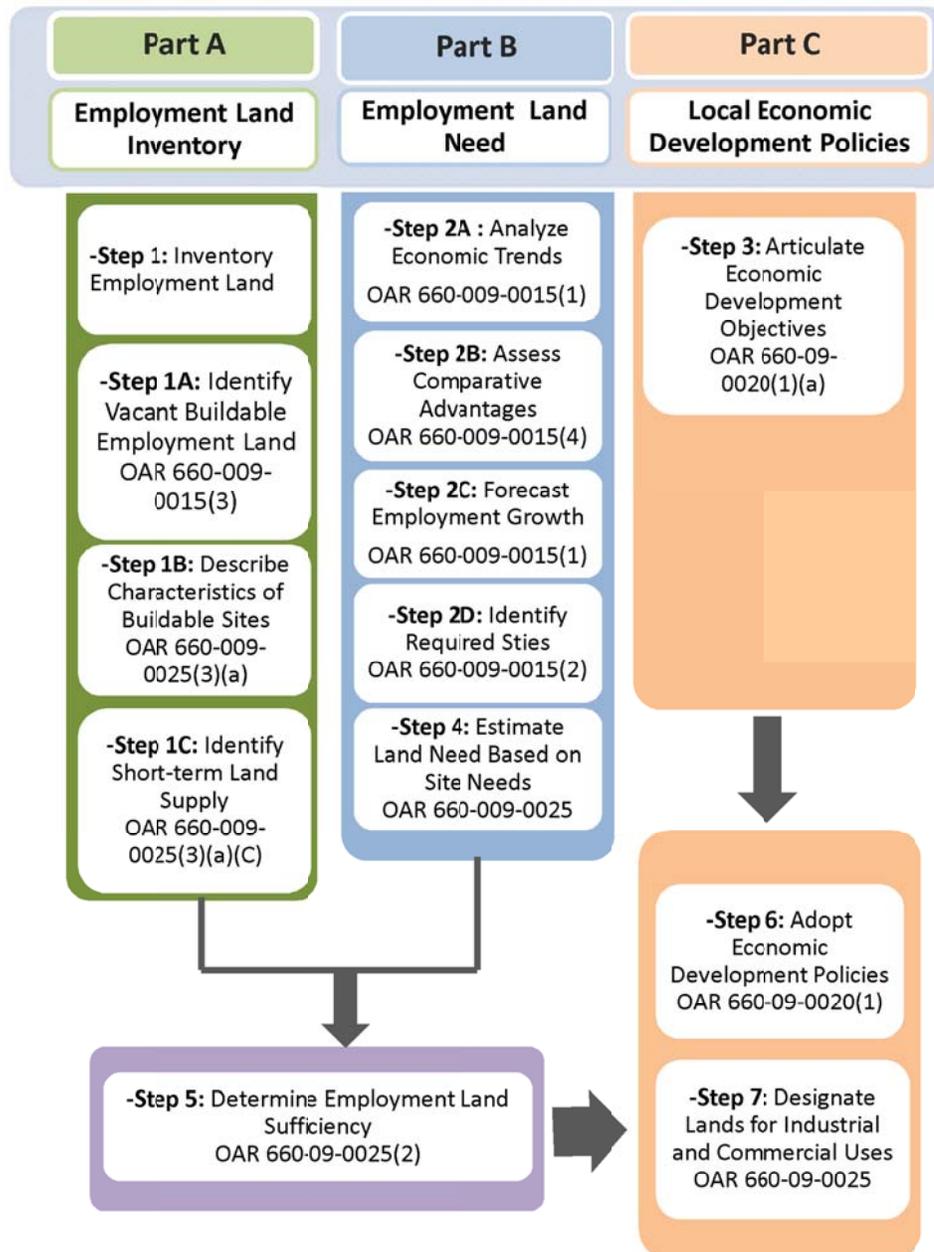
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<sup>1</sup> The Portland-Vancouver-Beaverton Primary Metropolitan Statistical Area (PMSA) consists of seven counties: Multnomah (OR), Washington (OR), Clackamas (OR), Columbia (OR), Yamhill (OR), Clark (WA) and Skamania (WA). The Salem Region includes Marion and Polk counties.

*DLCD Industrial & Other Employment Lands Analysis Guidebook (2005), and the Economic Development and Employment Land Planning Guidebook (July 2010).*

To assist the City and consultant team with creating the EOA and refining key assumptions, the City formed a local Silverton EOA Technical Advisory Committee (TAC) comprised of leading community members. The EOA also included a cross-section of city, county, regional agencies, and private business and citizen representatives. During the preparation of the EOA, the TAC met on three separate occasions. TAC meeting notes and community survey input are provided in **Silverton EOA Technical Appendix A**.

**Figure 1. Silverton EOA Methodology and Approach**



## SECTION II: BUILDABLE LAND ANALYSIS

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In accordance with OAR 660-009-0015(3) and OAR 660-009-0025(3)(a)(C), the existing supply of buildable employment zoned land within the Silverton UGB was inventoried and evaluated as part of the EOA. The Silverton EOA includes a recent buildable land inventory completed by the City of Silverton Planning Department staff using Geographic Information Systems (GIS) data that is consistent with current land use development characteristics, as of February 20, 2011.

### A. BUILDABLE LAND INVENTORY METHODOLOGY

The BLI analysis included existing vacant and part vacant (sub-dividable) tax lots with adjustments made to deduct any current building and related parking development. The GIS analysis included all significant environmental constraints to estimate buildable land area within the Silverton EOA. The buildable land area was derived by deducting environmental features that would constrain the amount of potential site development on vacant and part vacant areas. For purposes of this analysis, the environmental constraints were calculated for each tax lot using estimates for land area that is constrained by the following: environmentally constrained areas (waterways, wetlands, riparian buffers); slopes over 25 percent; and other known site development constraints identified by City staff.

An additional infrastructure analysis was conducted by Silverton community development, planning and engineering staff to ascertain known infrastructure conditions and related capacity constraints (if any) to providing adequate transportation, water, sewer and stormwater requirements associated with future development. In accordance with OAR 660-009-025(3)(a)(C), City staff also provided estimated time frames and preliminary capital cost estimates for planned infrastructure improvements.

### B. LONG-TERM EMPLOYMENT LAND INVENTORY

The existing vacant and part vacant land inventory for the Silverton includes 33 tax lots with a total buildable land area of 92.3 buildable acres, as indicated in **Table 1**. Silverton's vacant land supply consists of 10 small (less than 1 acre) tax lots, 20 tax lots between 1 to 5 acres, one lot with 5.5 acres, and two tax lots over 10 acres in size (34.6 acres total). Please refer to **Silverton EOA Technical Appendix A** for additional detail.

**Table 1. Summary of Vacant and Part Vacant Employment Lands, Silverton UGB (buildable acres)**

Land Use Class	.5 to 1 ac.		1 to 2 ac.		2 to 5 ac.		5 to 10 ac.		10 + ac.		Total Gross Buildable (less 25% slopes)	
	tax lots	acres	tax lots	acres	tax lots	acres	tax lots	acres	tax lots	acres	tax lots	acres
Commercial (GC)	7	5.5			1	2.1					8	7.6
Industrial Park	2	1.6	9	12.6	7	23.1	1	5.5			19	42.8
Light Industrial/Industrial	1	0.6	2	2.7	1	4.0			2	34.6	6	41.9
<b>Total</b>	<b>10</b>	<b>7.7</b>	<b>11</b>	<b>15.3</b>	<b>9</b>	<b>29.2</b>	<b>1</b>	<b>5.5</b>	<b>2</b>	<b>34.6</b>	<b>33</b>	<b>92.3</b>

Source: City of Silverton, September 2010.

In addition to the vacant land inventory, the City also identified tax lots that are likely to be redeveloped over the next 20 years. The redevelopment threshold took into account current county assessor estimates for building and land values. Parcels were deemed to have a medium to high redevelopment likelihood when the land values were at least equal or greater than building improvement values. The results indicate that there are 26 tax lots with a total of 45.9 gross acres of employment zoned land area that appears to have medium to high redevelopment potential within the next 20 years, as shown in **Table 2**.

**Table 2. Summary of Potential Redevelopment Lands, Silverton UGB\* (buildable acres)**

Land Use Classification	Tax lots	Gross Acres
Commercial (DC, DCF, GC)	8	6.5
Industrial Park	6	25.5
Light Industrial/Industrial	12	13.9
<b>Total</b>	<b>26</b>	<b>45.9</b>

\* Reflects Medium and High Redevelopment Opportunities, Silverton UGB

Source: City of Silverton, November 2010; based on Marion County Assessor data depicting tax lots with improvement value less than land value. Compiled by City of Silverton and FCS GROUP.

## C. SHORT-TERM EMPLOYMENT LAND INVENTORY

In addition to the long-term land supply, OAR 660-009-0005 also requires the identification of a short-term supply of land meaning “suitable land that is ready for construction within one year of an application of a building permit or request for a service extension.” OAR 660-009-0025 also requires that cities must provide “at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.”

In Silverton’s case all of the land supply currently included within the Silverton city limits is considered to be served with adequate public facilities and within the short-term land supply. The portion of the vacant employment land area within the city limits includes 60.9 acres, which accounts for 62 percent of the total vacant buildable land area for employment lands within the Silverton

UGB. Hence, Silverton far exceeds the State of Oregon's 25 percent requirement for meeting the short-term land needs requirements for accommodating new employment development on vacant tax lots.

Please refer to **Silverton EOA Technical Appendix B** for additional detail on the BLI method used to determine the BLI.

## D. REGIONAL EMPLOYMENT LAND CONSIDERATIONS

In addition to documenting existing vacant and buildable land area within the Silverton UGB, consultant team members also evaluated current listings for commercial and industrial vacant lands and buildings within the mid-Willamette Valley region. The regional analysis of competitive land and buildings was based primarily on website listings, broker listings, and interviews with regional economic development managers in Marion, Polk, and Yamhill counties. The regional land and building inventory findings reflect a total of 542 acres of industrial land area being currently available within the mid-Willamette Valley region, and a vacant commercial and industrial building inventory of over 2.1 million square feet of competitive vacant floor area, as indicated in the **Silverton EOA Technical Appendix A**.

## SECTION III: EMPLOYMENT TRENDS

In accordance with OAR 660-009-0015(1-4), an analysis of economic trends, and local competitive advantages was conducted to prepare employment growth forecast for the Silverton UGB. Local economic development visions, goals and objectives were also considered in this process to inform the growth forecast scenarios.

### A. TRENDS ANALYSIS

Population levels continue to increase in both Oregon and Silverton due to population migration patterns, increases in immigrant population levels, and natural population increases. As indicated in **Table 3**, according to the Portland State University Population Research Center, the population in Silverton increased to 9,655 residents in 2010 (July 1), an increase from 7,414 residents in 2000. The population growth rate in Silverton was over two times higher than Marion County and the Salem MSA growth rate, and almost three times higher than the state or national population growth rate between 2000 and 2010.

**Table 3. Population Trends, 2000 to 2010**

	2000	2010	Percent Change 2000-2010
<b>Silverton</b>	<b>7,414</b>	<b>9,655</b>	<b>30.2%</b>
Marion County	284,834	320,640	12.6%
Salem MSA*	347,214	389,785	12.3%
Oregon	3,421,399	3,844,195	11.9%
USA	282,171,957	310,924,000	10.2%

Source: Portland State University, Population Research Center; and US Census.

\* Salem Metropolitan Statistical Area (MSA) includes Marion and Polk counties.

Silverton's local economy will continue to be influenced by the growth in the nearby Portland-Vancouver-Beaverton PMSA region. Population of the greater Portland-Vancouver-Beaverton PMSA is forecasted to add between 346,500 and 467,300 people over the next 10 years, and continue to grow thereafter.<sup>2</sup>

Increasing population levels within the greater Portland Region will also result in an expanding labor force. In 2009, population within the Portland-Vancouver-Beaverton PMSA (seven-county region) expanded by nearly 40,000 residents, while employment declined by over 38,000 jobs, according to HIS Global Insight. The influx of population into the greater Portland Region during a time of economic recession and job layoffs is creating persistently high levels of unemployment for the region.

<sup>2</sup> The Portland-Vancouver-Beaverton Primary Metropolitan Statistical Area (PMSA) consists of seven counties: Multnomah (OR), Washington (OR), Clackamas (OR), Columbia (OR), Yamhill (OR), Clark (WA) and Skamania (WA). Growth forecasts for the PMSA are derived from the draft Metro Urban Growth Report, December 2009 (by Metro).

According to the Oregon Employment Department (OED), there were approximately 3,155 “covered workers” that were listed as people employed at local businesses within the Silverton Urban Growth Boundary (UGB) in 2010. As indicated in **Table 4**, these workers reflect an estimate of the nonfarm “covered employment” only, which tends to exclude workers that are self-employed and/or part-time workers that do not pay unemployment insurance to the State of Oregon.

**Table 4. Employment in Silverton UGB, 2003, 2008 and estimated 2010**

Sector	2003	2008	2010 Est.	Change: 2003 to 2010
Natural Resources and Mining	28	27	20	(8)
Construction	75	182	142	67
Manufacturing	545	387	367	(178)
Durable Goods	198	99	76	(122)
Non Durable Goods	347	288	292	(55)
Wholesale	54	68	58	4
Retail	343	373	325	(18)
Transportation, Warehousing & Utilities	46	73	69	23
Information	47	34	29	(18)
Financial Services	94	147	137	43
Professional & Business Services	69	110	107	38
Education	332	341	352	20
Health Services	668	852	906	238
Leisure & Hospitality*	346	389	352	6
Other Services	181	212	208	27
Government	61	82	81	20
<b>Total</b>	<b>2,889</b>	<b>3,277</b>	<b>3,155</b>	<b>266</b>

Source: OED, with 2010 estimates by FCS GROUP. \* Leisure and hospitality sector includes lodging and restaurants.

Most new job growth within Marion County and the Silverton UGB is occurring among self-employed and *Stage 1* business entities with 2 to 9 workers per establishment. According to data estimated compiled by Dunn and Bradstreet Corporation, OED, and FCS GROUP, there were approximately 338 self-employed entities and 448 *Stage 1* entities (with 2 to 9 employees) in Silverton during 2008, which was about two times the number of self employed and *Stage 1* entities recorded in 2003.

Silverton added an estimated 292 net new entities between 2003 and 2008. Over 9 out of 10 new entities added in Silverton between 2003 and 2008 had less than 10 employees. Silverton also added 8 net new *Stage 2* entities (10 to 99 workers each), but there was no net gain in entities with over 100 workers.

Positive employment growth is forecasted to continue to occur within the Mid-Willamette Valley region. The 10-year job growth forecasts for OED Region 3 (includes Marion, Yamhill and Polk counties) portend a positive trend towards job growth for all industry sectors, except mining/logging, wood product manufacturing, information and federal government sectors. The OED expects the number of jobs in Region 3 to increase by 2,450 jobs over the next 10 years, increasing from 25,740 jobs in 2008 to 28,190 jobs by 2018. The sectors that are expected to grow the fastest include: healthcare and social services; leisure and hospitality; professional and business services; retail; wholesale trade; and state government.

Tourism has also been a driving economic force in the Mid-Willamette Valley over the past few decades. In addition to recreational visitation, tourism has increased due to the increase number of people traveling to the Oregon Garden, Woodburn Tulip farms, Silver Falls State Park, and several commercial vineyards/wineries in the region. According to the Oregon Department of Tourism, visitation in the Mid-Willamette Valley region (consisting of Marion, Yamhill and Polk counties) generated nearly \$538 million in direct spending in 2009 and supported over 6,790 jobs. Total direct visitor spending in the Mid-Willamette Valley region has increased 43 percent since 2001.

The farms and nurseries located in the fertile Mid-Willamette Valley (consisting of Marion, Yamhill and Polk counties) provide important commodities for value-added business activities in the greater Salem metropolitan region, which tend to be reflected in the non-durable goods manufacturing and wholesale trade service sectors. According to the 2007 Census of Agriculture, the Mid-Willamette Valley had 6,037 farms that produced over \$1 billion in agricultural products (mostly grains, berries, nuts, and nursery products). Marion County farms accounted for 58 percent of the total farm commodities in the Mid-Willamette Valley region.

## B. SILVERTON EMPLOYMENT GROWTH FORECASTS

To estimate future development potential for Silverton employment, FCS GROUP evaluated the 10-year employment growth forecasts prepared by the OED for Region 3, and extrapolated the growth rates for each sector for an additional 10 years. According to the long-range job forecast prepared by the OED, it is apparent that long-run job growth is expected to occur in Region 3. Over the planning period, the Region 3 growth rates prepared by the Oregon Department of Economic Development reflect positive job growth forecasts for each sector (excluding information).

FCS GROUP prepared a range in employment forecasts for the Silverton UGB that is intended to coincide with Oregon Administrative Rules and Goal 9 requirements. Three employment growth forecast scenarios were formulated for the Silverton UGB, and are presented in **Table 5**, and include a range of adding between 605 jobs (low), 886 jobs (medium) and 1,086 jobs (high) based on the following scenario assumptions.

- ◆ **Scenario A** – Applies OED Annual Average Growth Rate (AAGR) Forecast to current estimated of nonfarm employment within the Silverton UGB. This scenario results in relatively low potential employment growth.
- ◆ **Scenario B** – Applies the upper-end of UGB Capture of Marion County Growth (using OED AAGR). This scenario results in medium growth potential. Please refer to **Silverton EOA Technical Appendix D** for detailed assumptions.
- ◆ **Scenario C** – Modified version of Scenario B, with the addition of new industrial or research & development employer(s) on the former Champion/Redmond mill site in the Silverton Industrial Park. This scenario includes 200 industrial jobs added over and above what would be expected to occur in Scenario B.

**Table 5. Silverton UGB Employment Growth Forecast Scenarios, 2010 to 2031**

Sector	Estimated Existing 2010 Jobs in Silverton UGB <sup>1</sup>	Job Growth Forecast Scenarios (Net New Jobs forecasted during 2010 to 2031)		
		A (low)	B (medium)	C (high)
		Based on OED Region 3 Growth Rates Applied to Silverton Job Sectors 1	Based on High end of UGB Capture of County & Region 3 Growth Forecast <sup>1</sup>	Modified Forecast, Based on Scenario B with former Mill Site Redevelopment <sup>2</sup>
Natural Resources	20	1	9	9
Retail & Commercial Trades	677	116	166	166
Services	1,740	460	649	649
Industrial/Other	-	-	-	-
Industrial/Other	636	21	42	242
Government	81	7	19	19
<b>Total</b>	<b>3,155</b>	<b>605</b>	<b>886</b>	<b>1,086</b>

Notes:

1 Derived from **Silverton EOA Technical Appendix A**.

2 Assumes 200 additional jobs added at former Champion/Redmond Homes mill site.

Compiled by FCS GROUP.

## C. OPPORTUNITIES AND CONSTRAINTS ANALYSIS

Input from the TAC and local stakeholder interviews was considered to help evaluate the local desire and ability to achieve the low, medium and high growth employment forecasts and to ascertain potential issues regarding meeting unique site requirements for small, medium and large employers. The overall findings from a opportunities and constraints analysis are summarized in **Silverton EOA Technical Appendix A**.

## D. TARGET BUSINESS CLUSTERS ANALYSIS

The business cluster analysis summarized in **Figure 2** identifies the business sectors within the Silverton by their size and growth potential. Each sector has been analyzed by their North American Industrial Classification System (NAICS) code. The NAICS is used by the federal government to classify types of businesses for tax accounting and economic research purposes. The data used for the clusters analyses were derived from the OED wage and salary employment statistics for the year ending in 2008. The size the bubbles in the following charts provide a relative comparison within each jurisdiction of the total direct wages paid to workers within each industry sector.

The City of Silverton may target businesses that generally offer above-average wages and provide health care and retirement benefits that support families. According to the U.S. Bureau of Labor Statistics, the occupations that had the fastest growth and highest pay over the past 10 years nationally included: computer systems analysts, registered nurses, computer support specialists, teachers, social workers, college faculty, computer programmers, engineering sciences, police officers, securities and financial services, physicians, advertising, marketing, management analysts,

electrical engineers, paralegals, writers/editors, commercial artists, medical and health service managers.<sup>3</sup>

Focused marketing and business recruitment efforts are being made by local organizations such as the Salem Chamber of Commerce, SEDCOR, BusinessOregon and other entities to attract established and emerging business clusters to the region and state. The five workforce investment boards (WIBs) that participate in the WIRED Region have each identified targeted industry sectors within the advanced manufacturing cluster, with focus on metals, wood products, food processing, bioscience, high tech, renewable energy, pulp and paper, plastics, defense contractors, and aerospace. Within these sectors, the most significant net new job growth is forecasted to occur in the metals, general manufacturing, bioscience and food processing sectors.<sup>4</sup>

In light of these findings, it is recommended that Silverton focus on retaining and attracting a mix of existing and emerging business clusters that pay above average wages. **This includes a mix of existing established and emerging clusters**, including:

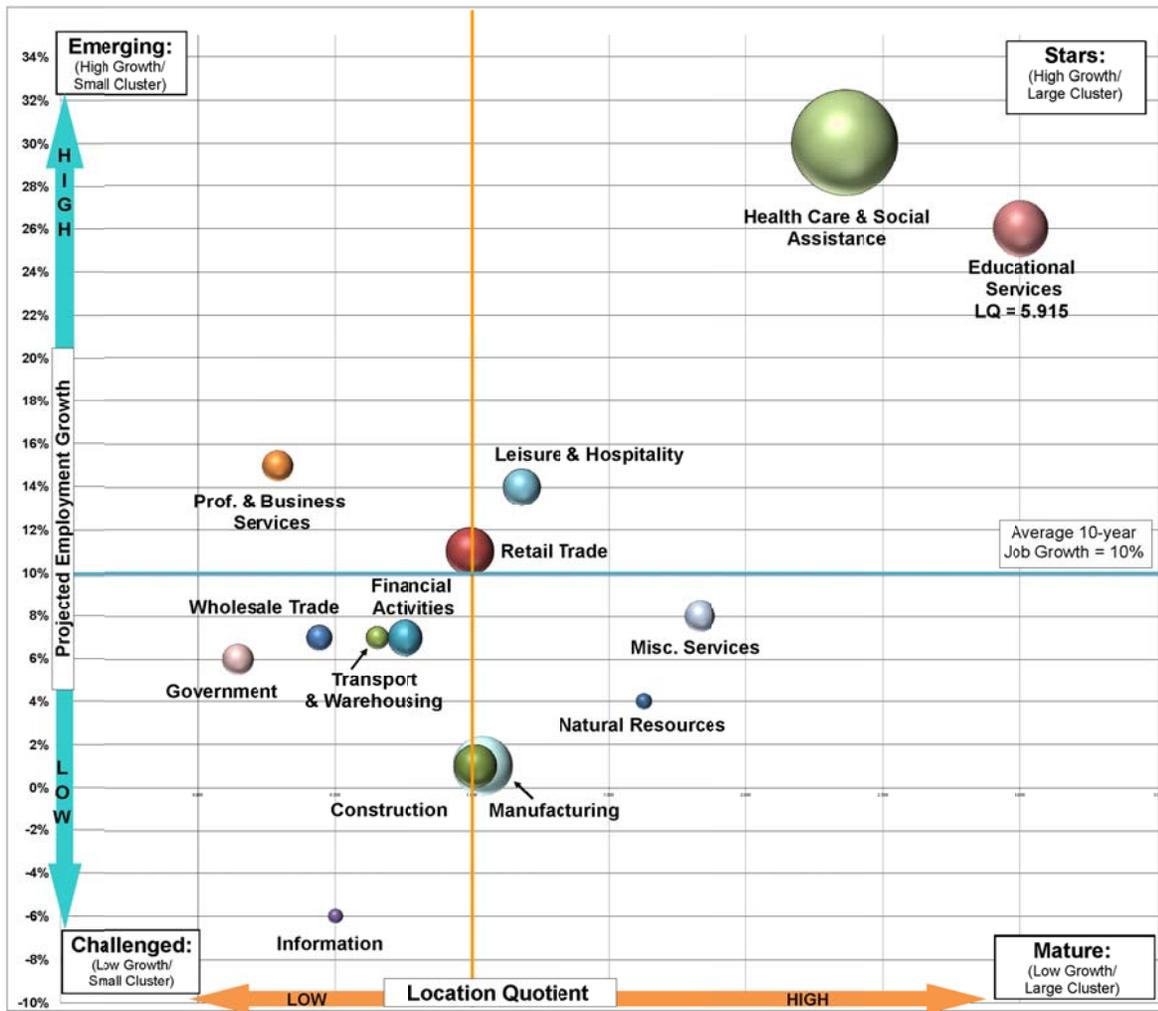
- ◆ Health services
- ◆ Food and beverage processing (e.g., fruit juice, wine, organic supplements, etc.)
- ◆ Creative services (computer software, electronic publishing, etc.)
- ◆ Professional business services (including consultants that work outside the region)
- ◆ Advanced education/training
- ◆ Tourism (leisure and hospitality)

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<sup>3</sup> *These findings are based on publications provided by JIST Works, including the Occupational Outlook Handbook, 2008-2009; and America's Fastest Growing Jobs by Michael Farr.*

<sup>4</sup> *The WIRED Region in the Portland area includes nine counties spanning from SW Washington to the greater Portland and Mid-Willamette Valley Regions. WIRED is an acronym for the national Workforce Innovation for Regional Economic Development.*

**Figure 2. Existing Business Clusters in Silverton UGB, 2008**



## SECTION IV: EMPLOYMENT LAND NEEDS

In accordance with OAR 660-009-0025, an analysis of 20-year land needs for employment growth in the Silverton UGB is required along with attention to unique site needs based on the identified employment types.

### A. EMPLOYMENT DEVELOPMENT FORECAST

The findings from the employment trends analysis indicated that the City of Silverton could expect to attract positive employment growth over the next 20 years. The job forecast scenarios identified in Task 3 reflect a range in potential employment growth of 605 jobs to 1,086 jobs within the Silverton UGB over the 2010 to 2031 time frame.

As indicated in **Table 6**, this level of potential job growth over the next 20 years is expected to require between 90,000 and 170,000 square feet of redevelopment floor area, which would not deduct from the buildable land supply. Please refer to **Silverton EOA Technical Appendix B** for supporting assumptions.

**Table 6. Redevelopment Building Floor Area Requirements, Silverton UGB, 2010 to 2031**

Building Type	Scenario A	Scenario B	Scenario C
Office/Service	34,000	48,000	48,000
Government/Other	1,000	2,000	2,000
Flex/Business Park	5,000	8,000	17,000
General Industrial	3,000	7,000	35,000
Warehouse	-	-	1,000
Retail	47,000	67,000	67,000
<b>Total SF Floor Area</b>	<b>90,000</b>	<b>132,000</b>	<b>170,000</b>

Source: derived from assumptions shown in **Silverton EOA Technical Appendix A**.

An additional 148,000 to 310,000 square feet of building floor area would need to be constructed on vacant lands to accommodate the forecasted job growth in Silverton over the next 20 years, as indicated in **Table 7**.

**Table 7. New Construction Building Floor Area Requirements for Vacant Lands, Silverton UGB, 2010 to 2031**

<b>Building Type</b>	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
Office/Service	51,000	72,000	72,000
Government/Other	2,000	6,000	6,000
Flex/Business Park	19,000	30,000	68,000
General Industrial	5,000	10,000	52,000
Warehouse	1,000	2,000	12,000
Retail	70,000	100,000	100,000
<b>Total SF Floor Area</b>	<b>148,000</b>	<b>220,000</b>	<b>310,000</b>

Source: derived from assumptions shown in **Silverton EOA Technical Appendix A**.

## B. OVERALL EMPLOYMENT LAND NEED REQUIREMENTS

The upper-end of the employment growth and land need scenario assumes 11 acres of net new industrial vacant land demand, which is below the estimated vacant industrial land supply of 84.7 acres. Hence, Silverton can easily accommodate the high industrial job growth scenario without expanding its Urban Growth Boundary.

A preliminary expected forecast of demand by parcel size is also provided in **Table 8**, and assumes that the existing vacant industrial sites can provide an adequate vacant land supply within the Silverton UGB over the next 20 years under the high-growth scenario. These growth forecasts illustrate the vacant land demand only, and do not reflect the additional employment growth this is expected to occur in existing underutilized building and tax lots not reflected in the vacant land inventory.

### Commercial Land Need and Parcel Requirements

As indicated in **Table 9**, with a remaining existing vacant commercial land supply of only 7.6 acres, Silverton appears to have a somewhat limited existing vacant commercial land supply to meet the commercial/retail land demand forecasts under the medium and high land need scenarios. The medium/ and high land need scenarios assumes 10 acres of net new commercial land demand, which would result in a 3 acre deficit of commercially-zoned vacant land supply. The parcel-based analysis indicates a net land need for parcels of 1 to 5 acre in size, and a surplus of smaller parcels less than one acre in size. It is recommended that the City continue to pursue land use plan and development code provisions that create new commercial office and mixed-use (housing) development site opportunities within the West-Side area before it becomes annexed into the City.

**Table 8. Reconciliation of Vacant Industrial Land Demand and Supply, Silverton UGB, 2010 to 2031**

Land Demand and Supply	Scenario A Low Growth	Scenario B Medium Growth	Scenario C High Growth
Demand (acres)	2	4	11
Supply (acres)	84.7	84.7	84.7
<b>Land Surplus in Acres</b>	<b>83</b>	<b>81</b>	<b>73</b>
Preliminary Parcel Distribution, High Growth Scenario	Existing Supply (tax lots)	Forecast of Parcel Demand (tax lots) 1/	Surplus (tax lots)
Less Than 1 acre	3	0	3
1 to 2 acres	11	0	11
2 to 5 acres	8	1	7
5 to 10 acres	1	1	0
10+ acres	2	1	1
<b>Total Parcels or Tax Lots</b>	<b>25</b>	<b>3</b>	<b>22</b>

**Table 9. Reconciliation of Vacant Commercial Land Demand and Supply, Silverton UGB, 2010 to 2031**

Land Demand and Supply	Scenario A Low Growth	Scenario B Medium Growth	Scenario C High Growth
Demand	7	10	10
Supply	7.6	7.6	7.6
<b>Land Surplus or Deficit in Acres</b>	<b>1</b>	<b>(3)</b>	<b>(3)</b>
Preliminary Parcel Distribution, High Growth Scenario	Existing Supply (tax lots)	Forecast of Parcel Demand (tax lots)	Surplus (tax lots)
Less Than 1 acre	7	1	6
1 to 2 acres	0	2	(2)
2 to 5 acres	1	2	(1)
5 to 10 acres	0	0	0
10+ acres	0	0	0
<b>Total Parcels or Tax Lots</b>	<b>8</b>	<b>5</b>	<b>3</b>

Source: FCS GROUP, based upon findings included in demand and supply analysis.

### C. SITE REQUIREMENTS

In light of support for more local business investment and local family wage job creation (based on public input and TAC input), and existing supply of already-serviced vacant industrial development

sites within Silverton, the City can target a high growth employment forecast (Scenario C) without needing to amend its UGB at this time.

The majority of the targeted businesses that consider expanding or relocating into Silverton will consist of small business operations (less than 10 employees) that can locate within existing professional office or industrial buildings, or within new office or flex/industrial buildings that are developed on vacant sites with less than five acres in size.

Silverton should also provide a variety of medium size sites (3-10 acres) that meet the targeted business and industrial requirements. The existing and potential businesses within Silverton can generally be grouped into three general land use categories: industrial, commercial and office.

Most small and medium business establishments (less than 100 workers) prefer to initially lease space in office or industrial/flex buildings, and/or could locate into redevelopment sites in downtown, the Industrial Park, or in selected redevelopment locations (e.g., West-Side area). No special vacant land requirements are identified for future small or medium businesses. However, the City could pursue more proactive policies and investments aimed at incubating and growing self-employed and small business establishments locally.

Typical site requirements for the larger targeted business types are described in **Silverton EOA Technical Appendix B**.

## SECTION VI: POLICY ACTIONS

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In accordance with OAR 660-009-0020(1)(a) and OAR 660-09-0025, local economic development objectives and policies are to be adopted with special attention to designating lands for industrial and commercial use.

### A. POLICY ACTIONS

Consistent with EOA documentation requirements, the economic trends analysis, stakeholder interviews, Technical Advisory Committee input, and the target industry clusters analyses, the City of Silverton is uniquely positioned within the mid-Willamette Valley region to experience continued success in retaining and attracting businesses and economic development. The ability to accommodate the level of employment growth expected under forecast Scenario C (high job growth) requires the City to undertake proactive steps through adoption of policies, including amendments to the Silverton Comprehensive Plan to provide community economic development objectives, a commitment to providing a competitive short-term land supply, and commitment to providing adequate sites and public facilities to serve new development.

The outline of implementation policies that are to be adopted as part of the Silverton EOA is provided below.

1. Community Economic Development Objectives
2. Commitment to Provide a Short-Term Land Supply
3. Commitment to Provide Adequate Sites and Facilities
4. Policies that Provide for Prime Industrial Land Development on Large Lots
  - ◆ Provisions to assist local property owners with industrial site certification.
5. Policies that Promote Targeted Redevelopment in the West-Side area
6. Policies that Provide Proactive Economic Development Marketing and Incentives Directed Towards Strategic Clusters
7. Land Use Development Code amendments that enable the City of Silverton to accommodate expected growth in office, commercial and industrial employment consistent with the medium growth scenario.

### B. COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

The following narrative describes a draft economic development mission and community economic development objectives needed to support the City of Silverton's new strategic plan for economic development.

## **Vision Statement:**

*In order to enhance local quality of life and community livability to its fullest potential, the City of Silverton will work with local, regional and state economic development entities to create a business-friendly environment that supports: existing and new downtown businesses, compatible commercial and industrial uses, and increases “living wage” job opportunities.<sup>5</sup> The City will accomplish this through policies that promote job creation through strategic economic development marketing and infrastructure.*

## **Community Economic Development Objectives**

### **Goal 1: Actively Increase Economic Vitality of Silverton**

Objective 1.1: Increase marketing exposure of shovel-ready development sites, including a mix of site sizes (i.e., 5-acre to 10-acre) to meet business expansion requirements.

#### *Strategies:*

- ◆ Work with Marion County and Business Oregon to provide web-based links that provide information pertaining to the Silverton Industrial Park. This would include marketing in the *Oregonprospector* website ([www.oregonprospector.com](http://www.oregonprospector.com)).
- ◆ Assist property owners with obtaining Oregon Industrial Site Certification for designated areas in the Silverton Industrial Park. Appropriate industry profiles may include: General Manufacturing, Food Processing, High-Tech Manufacturing and Processing, and Call Center/Business Services designations.

Objective 1.2: Recruit businesses that offer “living wages” which are higher than the state-wide average for all private business establishments.<sup>1</sup>

#### *Strategies:*

- ◆ Focus on targeted business clusters for more proactive marketing outreach efforts. The targeted business clusters identified in the Silverton EOA include: health services; food and beverage processing; and professional business services (including creative service consultants, engineers, etc.).
- ◆ Market the Silverton Industrial Park to targeted business sectors that provide wages equal to or better than state-wide average.

Objective 1.3: Pursue special investment zone for the Silverton Industrial Park.

#### *Strategies:*

- ◆ Work with Marion County, SEDCOR, and BusinessOregon officials to designate the Silverton Industrial Park as a “rural strategic investment zone” to provide private investment tax abatement for up to 5 years on taxable capital investment in excess of \$25 million.

Objective 1.4: Evaluate Small Business Incubator Development Potential

#### *Strategies:*

- ◆ Work with local businesses, local residents, Chemeketa Community College, SEDCOR, and BusinessOregon to conduct a feasibility study for creating and

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<sup>5</sup> In 2007, living wages were defined as equal or greater to the county’s average wage rate, or at least \$31,793 for Marion County.

maintaining a virtual small business incubator website targeted to local businesses.

- ◆ Explore niche development opportunities regarding commercial kitchen, value-added agriculture, food processing, and beverage processing industries.

**Goal 2: Become a Visible Economic Development Leader within the Willamette Valley Region**

Objective 2.1: Support local, county, regional, state, and federal land use, environmental, and transportation projects and initiatives that may positively impact or influence business development in Silverton.

*Strategies:*

- ◆ Use available City staff and/or a designated non-profit (e.g., SEDCOR and local Chamber of Commerce) to attend key land use, transportation and economic development forums, meetings and hearings; and/or provide local resolutions of support for specific initiatives.
- ◆ Monitor projects and networks to decide which venues are most important to staff/attend.

Objective 2.2: Maintain and improve the working relationship with secondary education establishments, and local training networks.

*Strategies:*

- ◆ Strive to improve outreach and partnership opportunities with other agencies, such as Chemeketa Community College.
- ◆ Expand community outreach, including regular communications to ensure the City's economic development mission, activities and operations are conveyed through press releases, public forums, and one-on-one communications.

Objective 2.3: Establish a "business friendly" relationship with local businesses and residents.

*Strategies:*

- ◆ Continue to provide a local process for reviewing and approving development applications within 45 days or less;
- ◆ Remain active participant in local Chamber of Commerce;
- ◆ Strive to retain and attract new businesses. Recognize new business formations, investment and "family wage" employers.

**Goal 3: Facilitate Economic Development within the Downtown Area**

Objective 3.1: Facilitate Downtown Reinvestment and Vitalization

*Strategies:*

- ◆ Promote public and private reinvestment in the downtown in accordance with Silverton Downtown Plan.
- ◆ Implement zoning amendments that allow more flexible mixed-use development types that are compatible with adjacent commercial and housing areas.

**Goal 4: Facilitate Development within the Silverton Industrial Park and other Emerging Commercial and Industrial Areas**

Objective 4.1: Facilitate Job Creation in the Silverton Industrial Park

*Strategies:*

- ◆ Revisit marketing strategy and land use code for the Silverton Industrial Park.
- ◆ Continue to implement clear and objective design standards, including identification of key design elements, and permitted and conditional uses allowed.
- ◆ Include energy efficient design standards that are obtainable and include controls on night sky light pollution.
- ◆ Include aesthetically pleasing low-maintenance landscaping buffers, signage, and site amenities.
- ◆ Ensure that new sources of operating revenues are established to cover appropriate O&M expenses.

Objective 4.2: Work with Marion County and local residents and businesses to solidify a vision and preliminary design plan for the West-Side Area of Silverton

*Strategies:*

- ◆ Conduct planning sessions, public workshops, and/or joint meetings with the City of Silverton Planning Commission and City Council to identify appropriate building scale and use orientation as a basis for a vision and preliminary design guidelines.
- ◆ Reach out to potential tenants to fully understand any potential interest in locating business operations into the West-Side Area and other emerging commercial and industrial areas of Silverton, and what types of buildings and site layouts, amenities, and infrastructure are desired.

Objective 4.3: Work with Marion County, ODOT and potential site tenants to obtain full funding commitments for the on and off-site infrastructure in West-Side Area.

*Strategies:*

- ◆ Identify local, state, and federal grant and loan funding programs, and designated amounts of local funding match from designated City and county resources.
- ◆ Identify prospective tenants that may consider locating into the West-Side Area. Obtain letters of intent from tenant prospects.
- ◆ Work with county to apply jointly for regional, state and federal grant and loan programs to leverage designated local funding amounts.
- ◆ Update the City and county capital facilities plans to reflect the capital cost outlays and funding resources to be dedicated to the project.
- ◆ Ensure that adequate funding reserves are designated by City and county to ensure project completion within desired time frame.

**Goal 5: Establish Silverton as a Unique Destination for Day-Trip and Overnight Tourism**

Objective 5.1: Prepare and Implement a Tourism & Visitation Marketing Action Plan

- ◆ Prepare a 5-year Tourism & Visitation Marketing Action Plan that identifies local and state marketing roles, investment priorities, and funding resources.
- ◆ Work closely with local businesses and Chamber of Commerce to prepare new website that describes unique local attractions, events, shopping, and recreational activities that are available year round in the Silverton area.
- ◆ Work towards long-term development of creek-side area trails and access points to enhance local recreation and visitation in downtown and emerging West-Side area. Amend Silverton Parks and Recreation Plan, as appropriate.

Objective 5.2: Support agricultural and environmental tourism efforts within Silverton, as appropriate.

*Strategies:*

- ◆ Continue to work with the Oregon Garden Resort, Silver Falls State Park and local private enterprises to expand local use of these resources to provide off-peak visitation and related business spending impacts and to improve the quality of life for local residents and employees.
- ◆ Involve local farms, wineries, farmer's market and resort, lodging and tourism business representatives in the marketing of Silverton.

**Goal 6: Monitor Performance and Periodically Adjust Goals and Objectives**

Objective 6.1: Monitor the overall completion and cost and benefits attributed to these aforementioned economic goals and objectives.

*Strategies:*

- ◆ Prepare annual review of local success in achieving each of the aforementioned goals and objectives. Indicate whether the goal has been initiated, level of staff resources and budget expended, percent completion, and anticipated completion date.
- ◆ Identify direct investments leveraged by City resources, including amounts of public and private investment leveraged, direct jobs retained or created, and other measures of public benefit.
- ◆ Revise economic development mission, goals, and objectives annually, as appropriate to reflect ongoing success, and fiscal issues, constraints, and new opportunities.

Please refer to **Silverton EOA Technical Appendix C** for a summary of Draft land use amendments.