Wood Village Town Center Market Analysis

Town Center Master Plan and Transportation System Plan Update

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1 INTRODUCTION

The Wood Village Town Center is Wood Village's largest undeveloped asset and currently the City of Wood Village is in the process of revising its Town Center Master Plan (TCMP) and updating the Street Element of its Transportation System Plan (TSP). The TCMP focuses on the Town Center and will select appropriate transportation solutions and land uses to create a conceptual master plan for a healthy and vibrant Town Center that includes economically viable residential and employment opportunities. The Street Element of the TSP will establish a long-term vision for streets within the City of Wood Village and will incorporate any needed transportation elements to support the TCMP.

This market analysis provides an overview of the demographic, employment, and market trends influencing redevelopment of the Town Center, and it evaluates the economic viability of a variety of potential land uses in this area. It is based on analysis of previous planning and policy documents, census data, national research, regional projections and stakeholder interviews, which are summarized in the Wood Village Stakeholder Interview Summary.

Key findings are summarized here and explored in further detail in the following pages.

1. Demographic changes and market conditions strongly support a range of housing types, especially multifamily, in Wood Village, including apartments, cottage clusters, and townhomes.
2. Additional demand for large-scale retail is limited, although remaining pad sites in the Town Center are likely to be built over time.
3. Small service retail is also possible as part of a residential community.
4. Industrial or office development is unlikely, as there are ample sites nearby such as at Vista Business Park.

2 PLANNING CONTEXT

Wood Village is located 12 miles east of Portland, nestled between the cities of Troutdale, Fairview, and Gresham along I-84. Today, Wood Village has a population of around 3,900 people and hosts a variety of commercial and industrial businesses.

The Town Center is 104 acres and approximately half is developed with single family detached residential homes, Lowe's, Fred Meyer, Kohl's, Buffalo Wild Wings, and a number of other tenants. Total building square footage constructed to date is just over 404,000 square feet, with the Fred Meyer, Kohl's, and Lowe's stores occupying the majority of the area. The Town Center also includes the site of the former Multnomah Greyhound Track. Adjacent to the Town Center is a mobile home park, open space, a single-family residential neighborhood, the city boundaries shared with Fairview and Gresham, and the Port of Portland's Vista Business Park.

In 2008, the City updated its Vision Statement for 2030. The following excerpt is particularly relevant to the Town Center's development.

> *The economy is thriving with a vibrant mix of services, restaurants and large and small scale retail businesses, strategically located throughout the City. Several small manufacturing businesses are established here and a clean, high-value industry has located in the Columbia Cascade River*

District providing a higher density of family wage jobs with benefits. The Wood Village Town Center provides a variety of services, retail shops, office space, entertainment and residences with a public gathering place that serves as a main attraction and draws regional shoppers and tourists.

Figure 1: Town Center Site

Source: City of Wood Village, 2015

The initial Town Center development in the 1990s included significant investment in public infrastructure including roadway improvements, water, wastewater and storm water management systems. These investments are currently underutilized and the site could accommodate significant development with little additional investment. The revised TCMP will help attract future development in line with community values to create a healthy and vibrant town center.

Portions of the Town Center are included in Wood Village's 2010 Urban Renewal Plan, specifically, the abandoned greyhound track, wetlands and some vacant but developable land. The purpose of the plan is to "improve specific areas of a city that are poorly developed or underdeveloped." The following specific projects are relevant to the master plan update:

- Infrastructure Improvements: Construct streetscape improvements to Arata Road and Halsey Street that may include sidewalks, lighting, furniture, planting beds, art, signage, historic heritage information, undergrounding of utilities and other streetscape features as designated.

- The URA provides for both a business assistance toolbox and for assistance for redevelopment in the Urban Renewal Area. The Multnomah Greyhound Park and other parcels are specifically designated as opportunity sites.

The Town Center is zoned TC, which is a mixed use designation designed to "encourage convenient living, working and shopping through a well-designed mixture of commercial, residential and employment uses." The many uses that are allowed outright within this zone include retail and office, parks and open space, medical, and light industrial uses. Entertainment and lodging uses such as hotels and theaters are also allowed in the zone. Types of uses that are specifically prohibited include vehicle related uses, heavier industrial and manufacturing, marijuana dispensaries and religious services.

The zoning code is written such that the development constructed within the zone is of high quality and visually interesting, and provides for community plazas or public facilities. The code establishes minimum and maximum standards for lot size, building heights, setbacks and landscaping. Within the TC Zone, the City requires that a Master Plan be prepared that meets the code requirements, is subject to approval by the Planning Commission and will amend the code.

3 EXISTING CONDITIONS

Figure 2: Existing Land Uses

	Acres
Open/wooded/creek	14.65
Vacant	38.89
Possible wetland	7.3
Residential	5.07
Retail	45.32
Developed	40.63
Undeveloped	4.69
Total Acres	103.93
Total Developable Acres	36.28

*all acreage is net of roads

Source: Multnomah County Assessor, 2015

The Town Center is currently occupied by residential and commercial uses with a small amount of unbuildable natural areas. The middle of the Town Center is comprised of a 39 acre, five-parcel tract of undeveloped land. More than half of this consists of the vacant Multnomah Greyhound Track, an estimated 7 acres of which contains wetlands. Most of the southern half of the Town Center is filled

with nearly 45 acres of retail use, of which, approximately 5 acres are still undeveloped. In the northeast corner, residential uses comprise about 5 acres.

Table 1: Inventory of Retail Square Feet

	Square Feet
Kohl's	112,668
Fred Meyer	103,756
Lowe's	119,932
Misc. smaller pads	46,298
Total	382,654

Source: Multnomah County Assessor, 2015

4 Emerging Economic and Demographic Trends

Although Wood Village is the primary study area, understanding broader regional and national demographic trends will inform the types of development and uses that are most likely to succeed in the Town Center.

4.1 Boomers and Millennials

Nationally, the United States is experiencing a renaissance of urban living, led primarily by the lifestyles of Baby Boomers (approximately 75 million people born between approximately 1946 and 1964) and Millennials (approximately 83 million people born between approximately 1982 and 2000), America's two largest population cohorts (US Census, 2015). Baby Boomers are aging and creating new and powerful demands on both residential and medical markets. Many Boomers are retiring later and downsizing in home size, if not lifestyle. Boomers are typically living longer and more independently than previous generations, requiring communities that support their mobility and interests. Millennials, one quarter of the US population, are often burdened by student debt and a tight employment market, and, as a result, are typically achieving life milestones later in life than previous generations. They are living with their parents longer, delaying family creation, and investing in experiences instead of property. Furthermore, they are more likely to rent their homes and to use transit instead of driving cars.

Both groups tend to be drawn to walkable, mixed-use neighborhoods that have a variety of basic daily services and housing types within easy walking distance. They value quality over quantity and desire a sense of community and place in their neighborhoods. Research suggests that these two groups will drive demand for infill development in areas that are walkable and proximate to commercial and community amenities, and they will significantly increase demand for multifamily housing (JCHS, 2015).

4.2 Diversity

At the national level, the United States is becoming more diverse. By 2043, America's population will achieve minority majority status (Brookings Institute, 2012), meaning the total non-white population will be greater than the white population. This is the result of a variety of demographic trends and will be reflected in nearly every metropolitan area, including Portland Metro. Growing diversity introduces new

tastes and expectations to a market depending on which minority groups are strongly represented in any given community.

4.3 Household Size

In 2013, the United States crossed a housing threshold; today, there are more single person households (28%) than households of married couples with minor children (19%)[1]. (Households of married couples without minor children make up 29% of all US households.) Single-person households are made up of people from all age groups, from Millennials just starting out to elderly living alone and 54% of single person households are women. Like changes in diversity, this is the result of a variety of social and economic trends and has significant impacts on future residential development. According to the Harvard Joint Center for Housing Studies (JCHS), "aging Boomers will drive the share of over-65 year olds living in single-person households even higher over the next two decades."

What kinds of housing, transportation and services will smaller households prefer? This depends largely on their disposable income, but generally, smaller households will want smaller housing units and will be more open to multifamily developments. For example, among single person households under the age of 45, two thirds are renters (HJCHS, 2015).

4.4 How this plays out in Wood Village

- Wood Village is adding population slowly, but its average household size (2.88) remains slightly higher than the regional average, indicating a need for not only additional residential development, but also for 2-3 bedroom units.
- Wood Village's share of Millennials and younger age groups is growing, while its Boomer population is shrinking, indicating an immediate market opportunity to appeal to the growing Millennial population, but also that Wood Village is, perhaps, missing an opportunity to serve Boomers, who may be leaving Wood Village to find more suitable housing in other cities
- Wood Village has a remarkable amount of diversity.

[1] *"The Rise of the Single-Person Household," Harvard Joint Center for Housing Studies' (JCHS) Housing Perspectives Blog (May 20, 2015)*

Table 2: Population Demographics of Wood Village, East Metro and Portland Metro

	Wood Village		East Metro		Portland Metro	
	2010	2040	2010	2040	2010	2040
Population	3,878	4,838	134,354	164,811	1,481,118	2,041,684
Household Size	3.16	2.88	2.8	2.6	2.49	2.3
Population by Age	**2015**		**2015**		**2015**	
0-24	40.9%		36.7%		32.4%	
25 - 34	16.1%		15.2%		15.1%	
35 - 44	13.8%		13.1%		14.6%	
45 - 54	11.9%		13.7%		14.3%	
55 - 64	9.7%		11.1%		12.3%	
65+	7.4%		10.2%		11.3%	
Population by Race						
White	60.1%		75.2%		79.5%	
Black	3.1%		3.3%		2.9%	
American Indian Alone	2.2%		1.2%		0.9%	
Asian Alone	4.4%		4.9%		6.4%	
Pacific Islander Alone	0.5%		0.7%		0.5%	
Some other Race Alone	25%		9.9%		5.3%	
Two or More Races	4.8%		4.8%		4.5%	
Hispanic Origin	37.4%		19.0%		11.7%	
Diversity Index[2]	80.6		60.6		49.5	
Education						
No Diploma	24.5%		14.3%		8.9%	
High School Diploma/GED	27.4%		27.5%		21.6%	
Some College/Associates	33.9%		37.4%		33.2%	
Bachelor's Degree or Higher	14.3%		20.8%		36.2%	
Median Household Income	$47,539		$52,423		$59,764	
Households by Income						
<$25,000	23%		24%		20%	
$25,000 - $49,999	29%		23%		22%	
$50,000 - $74,999	18%		18%		18%	
$75,000 - $99,999	11%		15%		14%	
$100,000-$149,999	17%		15%		16%	
$150,000+	3%		5%		11%	

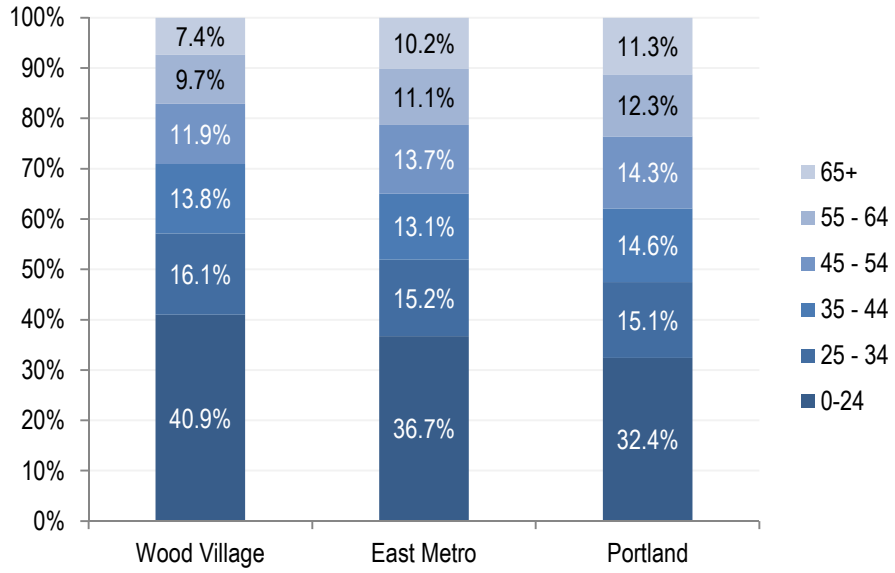
Source: Metro 2015 and ESRI 2015

[2] The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

In Wood Village, these national trends are playing out at a much smaller scale and with some surprises. **Wood Village is growing, albeit at a slower rate than the region.** While the region expects to grow by about 38%, Wood Village will grow by 25%, adding approximately 960 people between 2010 and 2040 (Metro, 2015). As a sub-region, Fairview, Troutdale, and Wood Village are anticipated to add approximately 3,400 people and Gresham is projected to add an estimated 27,000 people of its own in the same timeframe.

Household size in Wood Village and the sub-region will remain comparable to the Portland Metro, though higher in Wood Village. An additional 960 people at an average household size of 2.88 people would require an additional 334 housing units by 2040, or 14 units per year, which is quite a boom considering Wood Village has seen no multifamily residential development since the 1970s.

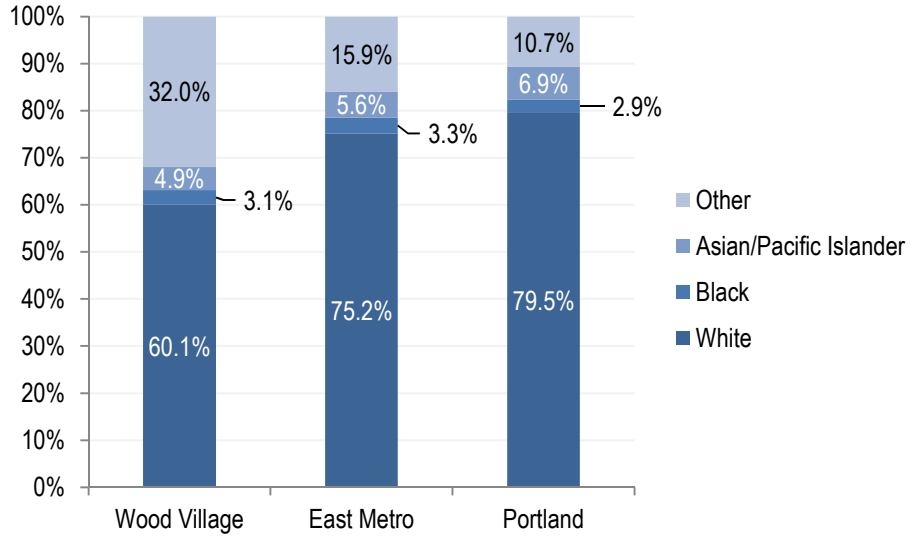
Figure 3: Population by Age, 2015



Source: ESRI, 2015

Wood Village's population is slightly younger than that of the rest of the metropolitan region. While 32% of Portland population is under the age of 24, 41% of Wood Village's population is younger than 24 and 16% of the population is aged 25 to 34 years, meaning slightly more than half of Wood Village is under the age of 34. This may indicate a concentration of Millennials who are perhaps living with their parents or are drawn to the city's inexpensive housing. Only 7% of the population is of retirement age (65+). The percent of people under the age of 24 and over the age of 65 will likely increase slightly over the next decade. However, compared to the Portland Metro region, Wood Village will continue to have a greater percentage of young people and a smaller percentage of elders.

Figure 4: Population by Race, 2015



Source: ESRI, 2015

Wood Village is the most diverse city in the region. Wood Village has nearly reached majority minority status. A remarkable 40% of Wood Village identifies as non-white, compared to 21% of Portland and 25% of East Metro. Of that, very few residents identify as black, Asian, or Pacific Islander (8%), and 32 identify as "other." In addition, 37% of Wood Village identifies as Latino, and may be of any race. Overall, Wood Village has a diversity index[3] of 81 compared to Portland's 50 and East Metro's 61.

4.5 Tapestry Segments

Tapestry segments can give a more nuanced understanding of Wood Village's unique demographic characteristics. Tapestry segments are a series of demographic categories developed by ESRI, a national third-party demographic information provider. The categories describe groups of people based on their lifestyles, attitudes, purchasing patterns, and interests. The benefit of Tapestry segments is that they go beyond raw numbers to describe groups of people in everyday language. On the flip side, tapestry segments run the risk of being over simplistic and because they are created at the national level, some aspects of each segment may not apply locally. ESRI uses information from the U.S. Census, Bureau of Labor, and other private sector data sources to create tapestry segments. Figure 5 provides a brief overview of the top three segments in Wood Village by percentage of households. While settled, multigenerational families comprise half of Wood Village's population, nearly as many households are young, hard-working families and singles who are just starting out.

[3] The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Figure 5. Wood Village Top Three Tapestry Segments

American Dreamers (49%)

More likely to own their homes, this segment lives further out from the city where housing is more affordable. Uniquely, this segment has many multi-generational households and small families.

Metro Fusion (28%)

This young, diverse segment is highly mobile and mostly renters. Often single-parent households, they have young children, often do not speak English fluently and live in mid-size apartment buildings.

Bright Young Professionals (15%)

These young, well-educated workers tend to be employed in white-collar jobs. This segment is slightly dominated by diverse couples and more likely to rent than own their homes.

Source: ESRI, 2015

5 Market Conditions

5.1 Employment, Retail, Office & Housing

Viewed independently of its context, an analysis of Wood Village alone only tells half the story of what's really going on in the East Metro sub-region. Therefore, this section of the report evaluates Troutdale, Wood Village, Fairview, and Gresham as a whole, highlighting Wood Village data where it stands out.

Employment – Employment data influences the demand for commercial (as opposed to residential) land and the types of structures to be built (e.g., industrial or retail). According to 2013 Longitudinal Employer-Household Dynamics (LEHD) data, the sub-region provides nearly 42,000 jobs, 1,800 of which are in Wood Village. Wood Village peaked at 1,933 jobs in 2008, losing 144 jobs during the Great Recession. While nearly half (48.8%) of jobs in Wood Village are retail, the sub-region overall displays no such large concentration. The largest employment sectors in the sub-region are manufacturing (15.5%), retail (14%), and health care (13.6%).

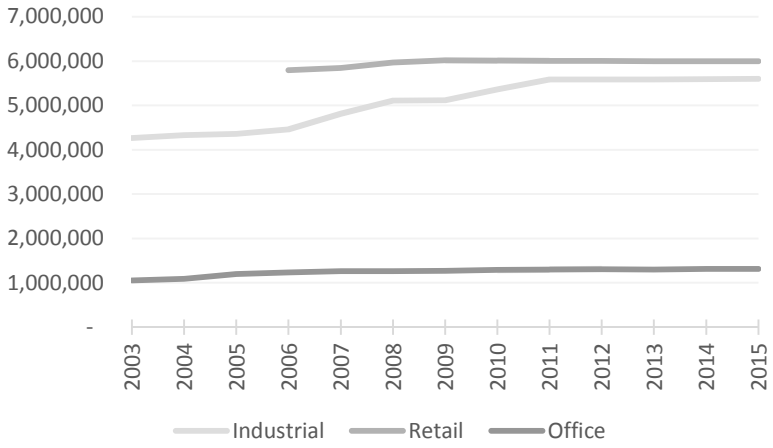
Table 3: Change in Number and Types of Jobs

	Retail		Service		Other		Total	
	2010	2040	2010	2040	2010	2040	2010	2040
Fairview	236	613	497	3,655	1,878	4,045	2,611	8,313
Troutdale	1,272	2,161	493	2,643	2,361	6,179	4,126	10,983
Wood Village	1,261	1,870	242	1,298	531	1,607	2,034	4,775
Gresham	7,353	13,134	8,871	21,734	16,408	27,326	32,632	62,194
Total	10,122	17,778	10,103	29,330	21,178	39,157	41,403	86,265

Source: Metro, 2015

Jobs in East Metro are fairly evenly shared among people who have a variety of educational attainment; however, in Wood Village, jobs are mostly held by people with relatively low educational attainment. While Wood Village does not host the most jobs of the four cities in this sub-region, it does boast some of the highest concentrations of jobs, primarily in the Town Center, indicating that, for East Metro, Wood Village is an employment draw. According to Metro forecasts (2015), the number of jobs in the East Metro sub-region will more than double between 2010 and 2040 from approximately 41,000 jobs to 86,000 jobs. For East Metro, the "other" category, which includes industrial, will create 17,979 new jobs, the "service" category, which includes office, will add 19,337 new jobs and retail will add 7,656 new jobs. This translates to a need for approximately 17 acres of retail and office space[4].While large back office uses will likely be captured by the Vista Business Park, the Town Center is well situated to carry its share of the demand for smaller-scale, neighborhood-serving retail and office. Figure 6 shows the growth of rentable building area, which is currently leveling off.

Figure 6: Rentable Building Area by square feet



Source: CoStar, 2015

Retail – Retail space demand is driven by household incomes, age, gender, and population size, tastes, and preferences. The most recent data for the second quarter of 2015 indicates that East Metro has nearly six million square feet of retail rentable building area (RBA) with a 6% vacancy rate, leaving 362,659 square feet empty. As of September 2015, zero new buildings are under construction. The last construction boom for the area was in 2008, when eight buildings were added. A couple of these were on the Town Center site, where retail was first to go in before development stalled with the Great Recession. The sub-region peaked at slightly *more* than six million square feet of retail RBA in 2010 and has declined slightly since then to 5,995,435 square feet today. The vacancy rate dropped from 7.5% in 2009 to 5.9% in 2013 and remains at 6.0% today. Rents dipped in 2009 and again in 2012, but have steadily climbed since, currently at $15.49 per square foot per year.

Retail being Wood Village's strongest employment sector, we would expect to see regional anchors and, indeed, Wood Village is home to Lowe's, Kohl's, a Fred Meyer with a fuel station, and a Wal-Mart supercenter. Just outside the city limits, Troutdale and Fairview host Target, Safeway, a local grocery market, and the Columbia Gorge Premium Outlets. As noted by several interviewees, the area may be at capacity for big box retail, but growth could go to smaller businesses, such as a locally owned coffee shop, which would be part of a more walkable, pedestrian-friendly environment for the Town Center. Much of this growth is likely to be met on vacant sites in the existing Town Center shopping center.

In our stakeholder interviews, several community members indicated that movie theaters, family style restaurants, athletic clubs, and community facilities would be valuable additions to the Town Center.

[4] At an estimated 333 square feet per employee, the estimated amount of retail land needed in the region by 2040 in order to meet Metro's projections is 17 acres.

Additionally, research shows that Millennials and Boomers want amenities such as these in proximity to where they live and work. Wood Village lacks these regional leisure facilities. Currently, the Gresham Cinema & Wunderland provides group entertainment such as movies, laser tag, and arcades. Tiki Putt, also in Gresham, provides similar activities. The specialized nature of entertainment uses, combined with the growing trend of streaming movies on the internet, makes these types of uses difficult to forecast. While there is potential for such uses at the Town Center, there is no data to show whether or not there is a market for it.

Entertainment with a regional draw is less-dependent on local demographics and might be viable in the Town Center, but the market is difficult to measure since each potential use (theater, hotel, golf, water park) is going to have its own very specific market demand indicators. Uses like these are riskier investments because they are dependent upon more variable economic conditions such as disposable income, which is usually the first to be cut when money gets tight. As noted in Table 2, the median household income of Wood Village is about $5,000 less than East Metro's and about $12,000 below the region's, meaning that discretionary spending on things like entertainment and leisure will be more limited and variable. Generally, however, growing regional disposable incomes as a result of higher employment, higher wages, and population growth, would indicate increasing potential for any of these uses, provided the site is suitable from a size, access and locational perspective.

Although a hotel market analysis was not conducted for this study, we did speak with a local hotel operator and a hotel market consultant to get a basic assessment of market conditions in this part of the region. Both confirmed that market conditions do not support construction of new lodging and that, in fact, this is the weakest part of the region for lodging. Lodging in this part of the region generally is more leisure-oriented, with a smaller base of business clientele than other parts of the region, making it more price-sensitive and seasonally variable. As with entertainment uses, the Town Center may be able to capitalize on a regional draw; however, a sophisticated lodging and hospitality analysis would need to be conducted to develop a specific estimate of lodging feasibility.

Office – Demand for office space is driven by employment types that require office use such as attorneys, accountants, engineers, medical clinics, consultants, and back-office functions of large corporations. The East Metro sub-region currently has slightly more than 1.3 million square feet of office RBA with a 9.3% vacancy rate, leaving 122,622 square feet empty. As with retail, no new buildings are under construction. While total RBA has steadily increased, vacancy rates have been volatile, at their highest (13%) in 2003 and their lowest (7%) in 2008 and 2009. Office rents have remained above $15 per square foot per year triple net[5], peaking at $19.46 in 2004, then dipping to $15.87 in 2005 and climbing to $17.09 per square foot today.

Wood Village itself does not have much office space, but medical office is being added to the sub-region. Both Providence and the Veterans Administration are building clinics in Fairview on Halsey Boulevard and a dialysis clinic was recently built on the Port's Vista Business Park. Medical uses are likely to be one of the few office-type uses that will grow this part of the region due to the availability of large parcels of land and vehicle accessibility. As the TC zone on the Town Center allows medical uses, some of this industry growth may happen at the Town Center. Possible medical uses include, not only clinics, but also

[5] A triple net lease (Net-Net-Net or NNN) is a lease agreement on a property where the tenant or lessee agrees to pay all real estate taxes, building insurance, and maintenance (the three "Nets") on the property in addition to any normal fees that are expected under the agreement (rent, utilities, etc.).

continuous care retirement centers for seniors that may include assisted living, nursing care, or memory care.

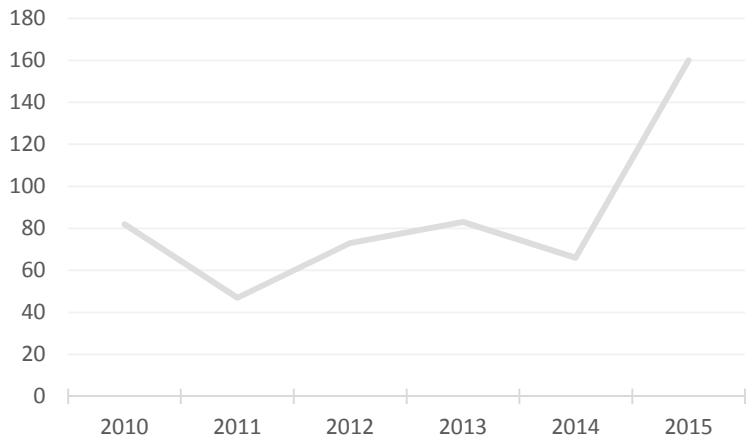
Industrial – Demand for industrial space is often projected by estimating future employment in relevant sectors or by measuring the relationship between industrial space and the regional economy. The sub-region has 5.6 million square feet of industrial RBA with a vacancy rate of 4.1%, leaving 229,690 square feet empty. East Metro has added industrial buildings more consistently than retail or office over the past decade. Total industrial RBA has increased by about one million square feet in that time, stalling in 2011, 2012 and 2013, but gaining since. Vacancy rates, accordingly, have been decreasing since 2010 after a 3-year stall from 2008 to 2010. Aside from a slight dip in 2011, rents are increasing overall, peaking at $6.01 in 2013 and dropping slightly to $5.89 per square foot today.

Industrial uses are especially prominent around the Troutdale airport and Boeing. Immediately south of the Town Center, the Port of Portland is developing the 221-acre Vista Business Park, which is planned to be home to industrial, distribution, and commercial employers. It is adjacent to ON Semiconductors and the Port hopes to be able to attract uses such as back office and corporate headquarters. A 600,000 square foot distribution center for Subaru is currently under construction in the business park. While industrial uses are traditionally job creators, the Town Center is not zoned for heavy industrial use and, therefore, heavy industrial is not being considered for the master plan. However, growing employment on nearby industrial sites will support existing and future commercial businesses and housing in the Town Center. Light industrial may be attractive here, but would likely do best with a retail component such as a bakery or brew pub.

Single-family Housing – Although single family construction has not yet fully recovered (single family permits for Oregon are 14% lower than they were a year ago) (PSU, 2015), single-family housing could have a place in the Town Center given the amount of land available to develop and the growing regional market pressure for housing in general. In East Metro, the number of single family residential construction permits thus far in 2015 is more than double 2014. In the Portland metropolitan area, the value of single family homes is increasing and has been for the past few years. Currently, the median home value for Portland metro is $305,000. At the same time, home values in East Metro have also seen growth since 2012; the current median home value for the sub-region is about $245,500 (RMLS, 2015).

Single family homes come in a variety of sizes, typologies and prices ranging from cottage clusters to town houses to condominiums. Single family homes can be detached or attached and the value of each type of home depends largely on size and amenities.

Figure 7: Single Family Residential Construction Permits for East Metro



Source: SOCDS, 2015

The following snapshots represent single family houses near the Town Center that are currently for sale or have recently sold.

Address: 654 NE Clear Creek Wy – Fairview
Size: 2,938 square feet | 4 beds, 3.1 bath
Listed for $529,900

Address: 22180 NE Park Ln – Fairview
Size: 1,898 square feet | 3 beds, 2.1 baths
Sold for $308,000 on 8/20/2015

Address: 22918 NE Pike St – Wood Village
Size: 2,475 square feet | 4 beds, 2.1 baths
Listed for $255,000

Address: 1360 NE Coho Ct – Wood Village
Size: 2,000 square feet | 3 beds, 2.5 baths
Sold for $257,000 on 4/24/2015

Multifamily Housing – Multifamily housing is driven by a wide variety of demographic variables such as the number of households being formed, population growth, household size and income, and real estate conditions such as rents, absorption, and land prices. As a sub-region, East Metro's housing market has a great deal of potential for growth. The area currently has about 13,000 multifamily rental units; however, this number has remained the same since 2010, while the population has grown by 17% and, despite a slight dip in 2009, rents have continued to increase. The area's vacancy rate is 1.9%, which is even tighter than Portland's 3.4% that made headlines this year (Portland Housing Bureau, 2015).

According to the Norris, Beggs & Simpson second quarter 2015 multifamily report, the Gresham/Troutdale area rents apartments for, on average, $1.23 per square foot for a one-bedroom, one-bathroom unit. The Lodges at Lake Salish, just west of the Town Center on NE Glisan, supplies 203 one- and two-bedroom units to the market and was built in 2004. A one-bedroom unit rents for $1.42 to $1.69 per square foot. The nearby Fairview Oaks Apartments supplies 328 one- to four-bedroom units and was built in 1994. A one-bedroom unit there rents for $.99 to $1.07 per square foot. No reliable data is available for Wood Village.

Lodges at Salish Lake

1 bedroom: $1.42-$1.69/ft^2

Fairview Oaks

1 bedroom: $.99-$1.07/ft^2

Wood Village has relied primarily on older housing stock, building mainly single family housing since the 1970s. It had a housing boom in the 1970s when it added 421 units and again in the 1990s when it added 265 units. While the city is popular with households that are interested in home ownership, it is equally attractive to smaller households that prefer to rent, but can't afford prices closer to Portland. Slightly more than half (51.2%) of Wood Village households rent their homes and 43.4% own their homes. The information in Table 4 illustrates that Wood Village also provides a great deal of its housing (27.9%) through mobile homes. We can assume that most single family, detached units are owned, 2-50+ units are rented and mobile homes are a mixture of ownership and rental.

Table 4: Housing Stock in Wood Village

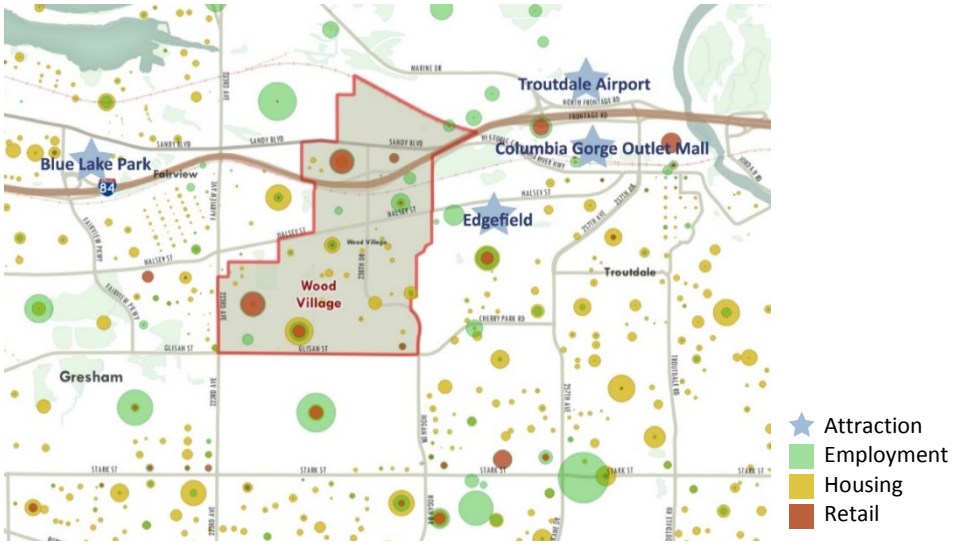
Type	Total	Percent
1 unit, detached	510	40.2%
1 unit, attached	144	11.4%
2 units	112	8.8%
3 or 4 units	27	2.1%
5+ units	121	9.5%
Mobile Home	354	27.9%
Total	1,268	
Average year built	1977	
Own	43.4%	
Rent	51.2%	
Vacant	5.4%	

Source: ESRI, 2015

Senior housing – As the market is strong for multifamily housing and Wood Village, in particular, has a lower percentage of seniors than other communities, senior housing presents a unique opportunity for the Town Center. Senior housing could be accomplished on a spectrum of types including age-restricted apartments and cottages, senior congregate care, assisted living, hospice, or a continuing care retirement center. Some types of senior housing would not only provide homes for aging Boomers, but also create jobs for younger generations. East metro is currently served by Cherry Park Plaza in Troutdale and several facilities in Gresham such as Gresham Manor and Courtyard Fountains.

5.2 Wood Village's Context in East Metro

Figure 8: Employment and Housing Concentrations by Census Block



Source: LEHD, Leland Consulting, 2015

Wood Village shares the East Metro sub-region with a variety of regional employment, retail and attractions. The Town Center benefits from Lowe's, Kohl's and Fred Meyer, but doesn't have a lot left to choose from when it comes to adding new regional-level shopping, considering the region provides for that rather well judging by the proximity of Target, Lowe's, Home Depot, a Wal-Mart supercenter, the

outlet mall, etc. With regard to employment, Wood Village may not provide the most jobs given its small size, but it does host

some of the sub-region's largest job concentrations. These are primarily in the Town Center and around City Hall. Other strong employment centers in the area include Boeing and surrounding manufacturing, the Troutdale airport, Mt. Hood Community College, and downtown Gresham. Though Wood Village doesn't host any regional attractions, it is near McMenamin's Edgefield and Blue Lake Regional Park. Fairview, Wood Village, and Troutdale serve as a gateway to the recreation and amenities further east in the Columbia Gorge, which are served by I-84.

6 What Does This Mean for Wood Village?

Like any jurisdiction, Wood Village has a variety of opportunities and barriers that will impact the development of the Town Center.

6.1 Town Center Opportunities

- Has good access to arterials and is proximate to freeways and bus lines
- The large site can accommodate a mix of uses and densities
- The site has existing retail services
- Already near employment centers and incoming employment
- Regional demand for multifamily housing is strong

Physical - The site is well situated with regard to access and amenities. The site is served by the 21 bus line, which delivers riders to the MAX station in Gresham, as well as NW Glisan and NE Halsey. Two I-84 freeway exits feed to the town of Wood Village, making it more regionally accessible. However, the proximity of Wood Village to the freeway exits does not necessarily contribute to the city's visibility. The Town Center already has significant retail and adjacent residential with room for more of both. Existing retail pads can accommodate smaller retail uses along the edges.

Employment - The Town Center benefits from a variety of surrounding employment that not only supports the local market, but is also slated to expand. There is a great deal of retail in and around the City and the site is adjacent to the Port of Portland's 221-acre Vista Business Park as well as proximate to two medical clinics under construction in Fairview. The Vista Business Park is expected to capture any incoming large-scale office and light industrial uses, but the Town Center could support Vista by providing the services and amenities that will make the business park an attractive location for employees and, therefore, business.

Housing Demand - With strong regional demand for multifamily housing, Wood Village and the Town Center site are well-located to capture a share of this regional growth, provided that adequate zoning and amenities to support households are provided.

6.2 Town Center Barriers

- East Metro is growing more slowly than the rest of the region
- The sub-region currently has a weak demand for commercial uses

- The Town Center is not very pedestrian-friendly
- The site could use more transit service
- Possible mismatch of zoning and market conditions, particularly as it relates to building heights and housing mix

Retail Market Conditions - Wood Village's primary economic strength is its retail concentration, which provides both employment and spending. Town Center stores have a regional pull; however, according to multiple stakeholder interviewees, the rest of the region is fairly well saturated when it comes to large format retail, meaning that new large format retail is not likely.

Transportation Conditions – The streets and intersections that provide access to the Town Center are also barriers to pedestrian access. The primary arterials for the site could benefit from additional and more frequent transit service. In our stakeholder interviews with developers, we heard that employers would like to see more frequent transit service to the site, especially routes that connect to the Gresham MAX station. From interviews with residents we learned that the street environment around and within the Town Center is not welcoming to pedestrians and bicycles, cutting much of the community off from access except by driving there.

7 CONCLUSION

With the right development mix, the Town Center will build out over the short-term and benefit from long-term market and population growth. Based on the economic and demographic trends discussed above, several development types are likely to be viable in the study area. Overall, housing is the strongest land use. The job and population growth this area is experiencing, combined with the shortage of multifamily housing in Wood Village creates strong demand.

Multifamily housing – The market in the region is very strong for multifamily housing and Wood Village is no exception. This does not, necessarily, mean high-rises and studios. The Town Center developer will likely build attached housing, which could be townhouses, row houses, mid-rise condos/apartments or garden apartments. Medium density residential can also support existing retail, provide homes for future employees of Vista Business Park and create the demand necessary to attract additional retail and investments to the Town Center.

Mixed-use development – This housing should be coupled with service retail and office in order to create a more compact, efficient and pedestrian-friendly environment. Ground floor uses could include small, local shops and restaurants as well as civic spaces and family entertainment with a regional draw. Additional regional destinations could include a conference center, recreation destination such as a water park, or a cultural facility such as a museum. Whether such uses would come to the site is hard to predict, since each use would be dependent on very different criteria and developer requirements. Current allowable building heights could be an issue for mixed-use development, however.

- An important component of mixed-use development will be civic space. This is usually open space, parks or plazas, but can also be a community center, perhaps with a senior center and library. Civic spaces function as community gathering space for both recreation and hosting public events and performances. Such uses anchor a place and make it a true community asset, bringing people to the area on a more frequent basis.

Phased development – There is significant demand for development in the short-term, however it could also be implemented in phases.

7.1 Proposed Development Types

The following chart summarizes the attributes of likely development types that are supported by current and forecasted market conditions. These include a range of residential building types as well as support commercial and mixed uses. Regional market conditions and development momentum currently favor rental housing due to the changing consumer preferences of the Boomer and Millennial generations, low median household incomes, low vacancy rates for apartments, high home prices, high debt to income ratios, and slow wage growth. However, almost all residential building types can either be built as either ownership or rental housing. Most land use plans do not make a distinction between the two and allow the market to determine whether projects are to be sold or rented.

Retail uses in the Town Center, both on larger vacant parcels as well as remaining pad sites in the shopping center, are likely to be local-serving. These could include smaller shops and services that appeal to nearby residents such as dry cleaners, salons, florists, family restaurants, bakeries, and other food establishments. Likewise, most of these retail services would also be seen as an amenity for nearby employees, in particular the Vista Business Park.

Table 5: Uses and Typologies for the Town Center

Small Lot Detached

10 –15
units per acre
1 to 2 stories
Surface parking or attached or detached garages

Cottage Cluster

12 to 15 units per acre
1 to 2 stories
Surface parking
Common open space

Townhouses or Row Houses

15 – 20
units per acre
2 to 3 stories
Surface parking or parking within each unit

Wood Frame Condos/Apts

20 – 35
units per acre
2 to 3 stories
Surface, garage, or tuck under parking

Senior Housing

12-40 units per acre
1 to 5 stories
1 acre minimum
ADA accessibility
Proximity to health care

Mixed Use Office

Office over retail
*FAR 0.5 to 1.5
3 to 4 stories
Tuck under or structured parking

Mixed Use Residential

Residential over retail
30 – 50 units per acre
FAR 0.5 to 1.5
Tuck under or structured parking

Retail

1 story retail
FAR 0.3 to 0.4
Surface parking
Retail uses can include shops, restaurants, personal services, and other commercial uses.

Civic

Park
City hall
Plaza
Community center
Library
Education
Site requirements will vary

*The total square feet of a building divided by the total square feet of the lot the building is located on
Source: Leland Consulting, 2015

Based on the analysis undertaken and the interviews conducted for this research, the uses and typologies summarized in Table 5 are the most viable combination of uses to work with as we move forward with the TCMP. This development should be combined with appropriate infrastructure and transportation improvements as well as civic space that will enhance the appeal of the Town Center.