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Exhibit #27 - page 1
CPA19-03

June 4, 2019

Sarah Fox
Senior Planner
City of Camas Community Development
616 NE 4th Avenue
Camas, WA 98607

Re: **Comprehensive Plan Amendment Request (CPA#19-03)**
Land Need Analysis for Multi-Family Residential Development;
Response to Comp Plan Policy H-2.3 and H-2.4

Dear Sarah Fox:

Please find enclosed a Land Need Analysis for Multi-Family Residential Development, submitted in support of and related to the above-referenced comprehensive plan amendment proposal. This report should satisfy the City's request for an analysis of adequate buildable lands in Grass Valley area, pursuant to Comprehensive Plan Policy ED-3.3. Please let us know if you have any questions or comments regarding that report.

The City had also requested a response on the Comprehensive Plan Policies H-2.3 and H-2.4 related to comprehensive plan designation changes that increase residential capacity for affordable housing.

At this time, there is no development proposal contemplated for the subject property. However, it is anticipated that with a change to multi-family, a future developer may acquire the property for development of a multi-family project. Applicant and current land owner, Mr. Knopp, would be in full support of a development that increases residential capacity of affordable housing units. Mr. Knopp will endeavor to market and sell his property, if he desires to in the future, to a potential buyer that would be similarly in support of a development comprising some amount of affordable housing units.

Very truly yours,

JORDAN RAMIS PC

A handwritten signature in blue ink, appearing to read "Armand Resto-Spotts", is written over the typed name.

Armand Resto-Spotts

Encl.

cc: Gary Knopp

54439-77204 3456214.1



**LAND NEED ANALYSIS
FOR MULTI-FAMILY RESIDENTIAL DEVELOPMENT
ON A SITE IN CAMAS, WASHINGTON**

JOHNSON ECONOMICS, LLC
621 SW Alder St, Suite 605
Portland, Oregon 97205

PREPARED FOR:
JORDAN RAMIS PC,
MAY 2019



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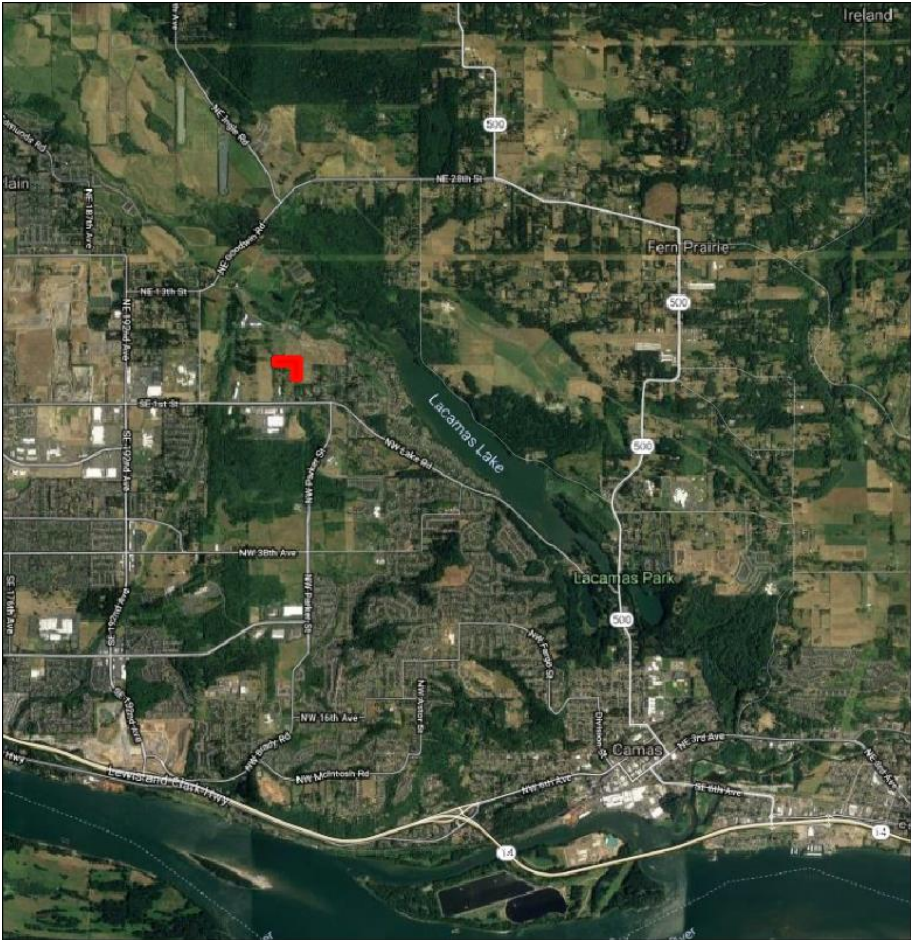


I. INTRODUCTION

JOHNSON ECONOMICS was retained by JORDAN RAMIS PC to evaluate the feasibility of a multifamily development in Camas, Washington. The site in question is currently zoned Regional Commercial (RC). This report assesses the appropriateness of allowing multi-family residential development on the property. JOHNSON ECONOMICS aims to inform this decision by taking the following steps:

- Review the City of Camas’ current relevant planning documents and evaluate, update, and/or modify forecasts and capacity estimates based on current information;
- Develop a demographically driven residential demand projection, which will forecast the need for additional residential units by type;
- Provide projections for employment land needs based on growth trends in relevant industries;
- Inventory and evaluate land zoned for multifamily residential and employment uses in Camas. Evaluations take into account appropriateness based on visibility, transportation access, site configuration, wetlands issues, etc.;
- Create an overview of multifamily residential projects currently under construction or in the planning process within the City of Camas;
- Assess the likelihood of development of each of these properties;
- Reconcile the above to determine the “need” for additional residential and employment land capacity

FIGURE 1.1: SITE CONTEXT



SOURCE: Google Maps, Johnson Economics



II. SITE ANALYSIS

THE SUBJECT SITE

The subject site is an L-shaped taxlot that measures 10 acres in size. The taxlot is zoned for Regional Commercial (RC) use, and includes an existing single-family residence. The proposed plan calls for development of a market-rate multifamily project with 180 units.

The site is surrounded by undeveloped land on the north, west, and southern borders, and bounded by NW Payne Street to the east. The three parcels south of the site are classified as “Unused or Vacant Land – No Improvements”, though there do appear to be some single-family residences upon inspection. To the west/southwest of the site, there are two businesses. The first is CrossFit Mill Town, a gym. The second is Samson Sports, a custom wakeboard tower and accessory manufacturer. To the north are parcels zoned MF-18, for multifamily use.

Across NE Payne St to the east is the future home of the Village at Camas Meadows, a mixed-use development that will consist of 77 single-family and 138 multifamily residences. Camas Meadows Golf Club is roughly one quarter mile north of the site.

The main access to the property is via NE Payne Street. The closest arterial is NW Lake Road, an east-west arterial that provides access to Vancouver to the west and downtown Camas and Washougal to the southeast. Lake Road had an average daily traffic volume of nearly 9,000 vehicles in 2017.

Commercial development is dependent on access and visibility, and typically takes place along arterial roads and highways. In the Portland Metro Area, nearly all suburban commercial development in this business cycle has taken place along roads with a daily traffic volume of at least 15,000 vehicles. Lake Road south of the subject site might reach this threshold in the future. However, sites along smaller roads off Lake Road are unlikely to see demand from commercial users due to inadequate visibility. The current RC zoning allows for some industrial uses (some with conditional approval). However, industrial development works best when there are multiple avenues for large vehicles to access the site. Moreover, the subject site backs land zoned for multifamily use, which from a compatibility standpoint is not ideal adjacent to industrial use.

The map on the following pages details where the subject site is in relationship to NW Lake Road as well as many of the nearby businesses, such as WaferTech, Camas Meadows Golf Club, Samson Sports, and Logitech.



FIGURE 2.1: SUBJECT SITE



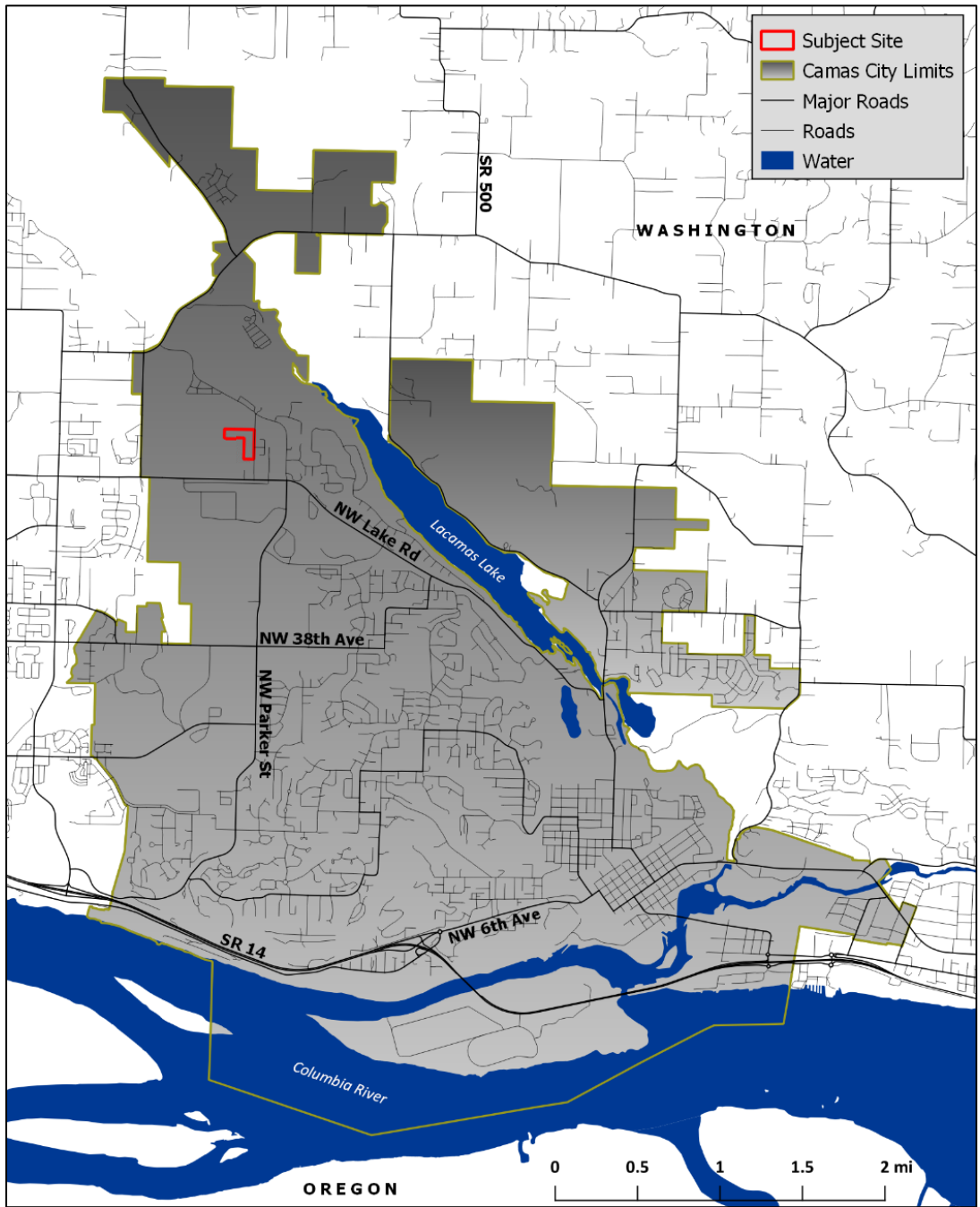
SOURCE: ESRI Satellite, Johnson Economics



MARKET AREA DEFINITION

The Primary Market Area (PMA) is defined as the geographic region from which the subject development is expected to draw most of its market support. Similarly, the Competitive Market Area (CMA) is defined as the geographic region from which similar projects compete on a comparable basis. In other words, it is the geographic region from which we would expect potential tenants to “cross-shop” alternative options. For this analysis, we define the PMA and the CMA as the same region: The City of Camas. The words PMA and City will be used interchangeably.

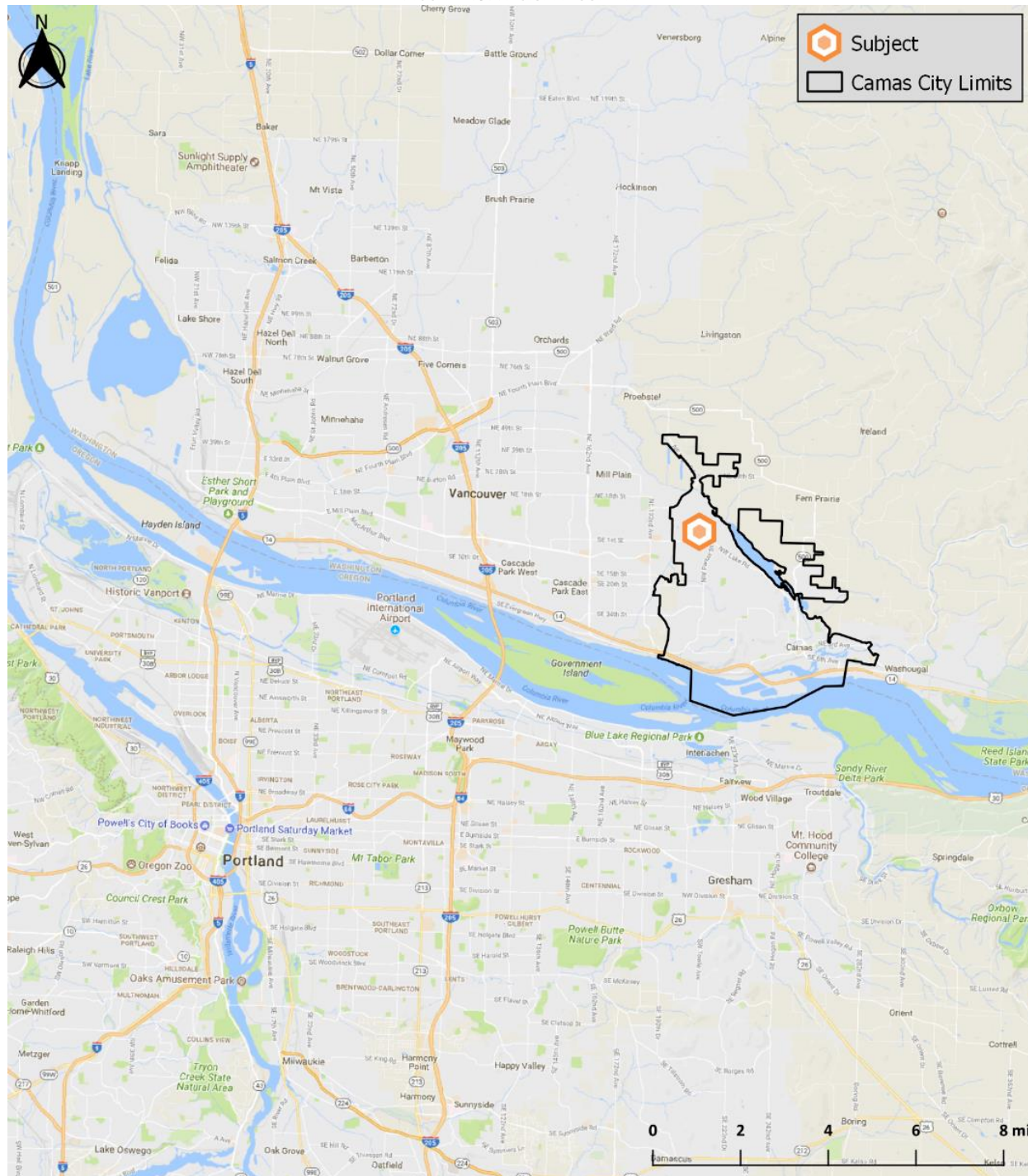
FIGURE 2.2: PRIMARY MARKET AREA



Source: Johnson Economics, Clark County, US Census Bureau TIGER, Metro RLIS



FIGURE 2.3: REGIONAL CONTEXT



SOURCE: Google Maps, Clark County, Johnson Economics



III. SOCIO-ECONOMIC TRENDS

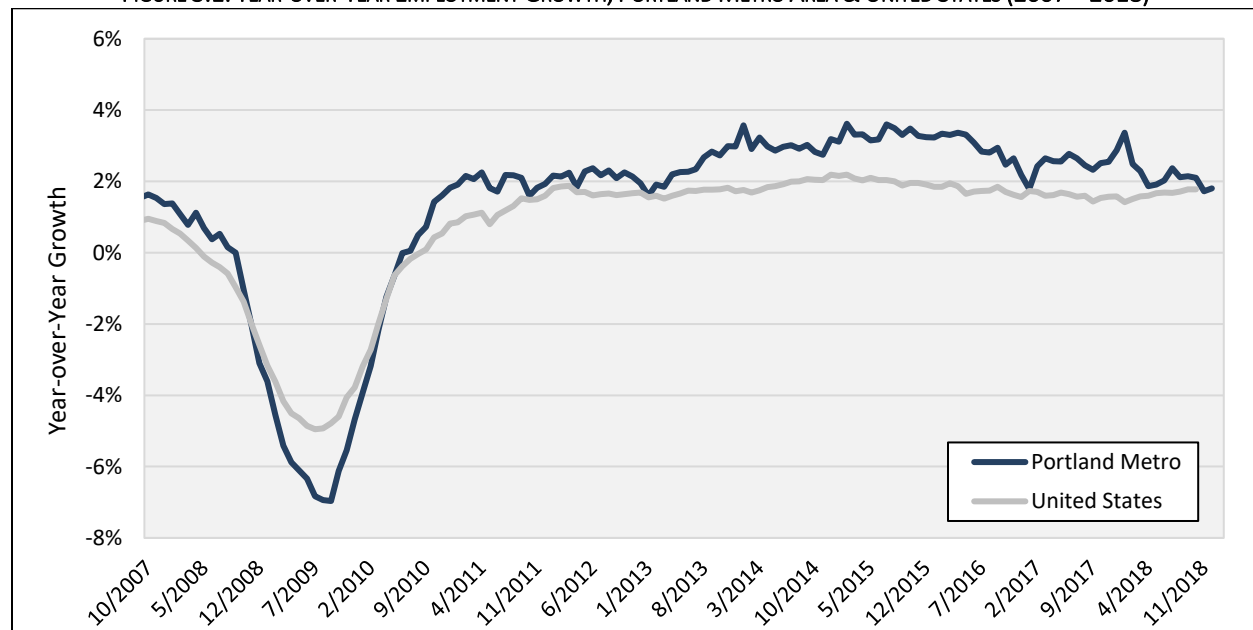
PORTLAND METRO AREA

EMPLOYMENT

The four-county Portland Metro Area is currently adding nearly 22,000 new jobs per year. This represents a year-over-year growth rate of 1.8% - slightly higher than the national rate of 1.6%. The region has outperformed the remainder of the nation during the current economic expansion, helped by a thriving tech sector and strong in-migration, with the professional and business services industry being the single largest contributor to growth.

The growth has moderated since the peak growth experienced in 2015 and 2016, likely due to a lack of available labor. The deceleration began to take effect as the unemployment rate dipped below 5.0%, affecting virtually all industries (healthcare being a notable exception). The unemployment rate has since fallen to 4.3% - below the “natural rate” of 4.7-5.8%, which according to the Federal Reserve characterizes a healthy economy. A tight labor market reduces access to labor directly, and secondarily limits the growth in consumption, thereby reducing the need for new hiring.

FIGURE 3.1: YEAR-OVER-YEAR EMPLOYMENT GROWTH, PORTLAND METRO AREA & UNITED STATES (2007 – 2018)



SOURCE: Oregon Employment Department, U.S. Bureau of Labor Statistics, JOHNSON ECONOMICS

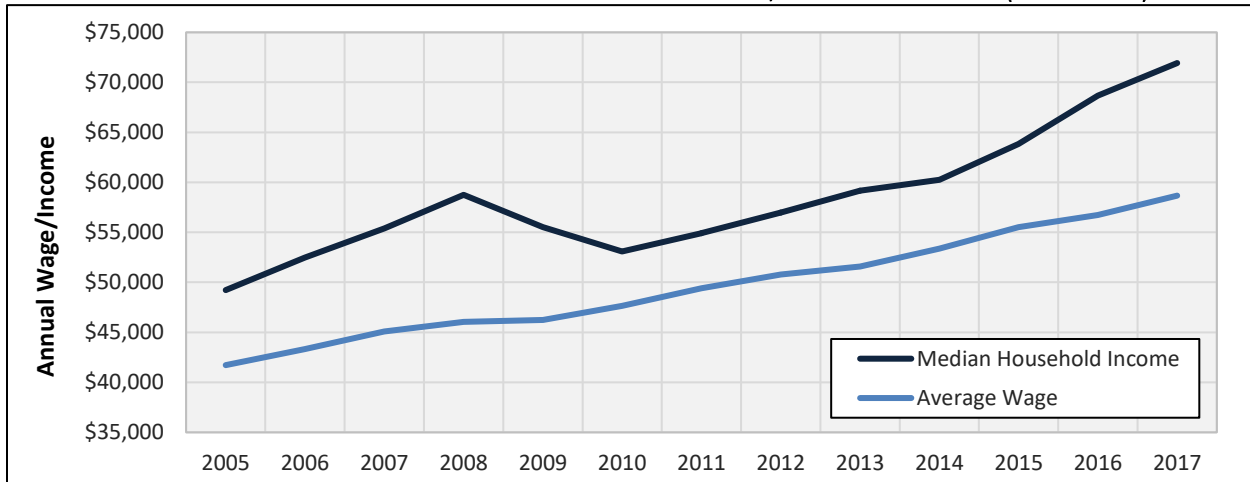
WAGES AND INCOME

Wages in the Portland Metro Area have grown at a healthy rate since the recession and averaged \$58,672 in 2017. The average annual increase in the wage level since 2009 is 3.0%, which is high in a national context, reflecting growth in high-wage tech and business management jobs. The annual wage growth was 3.4% in 2017, and 3.6% as of 3Q18. The acceleration reflects that employers are forced to raise wages to attract workers, especially the older workers who have been out of the labor market since the last downturn. Attracting these has become a necessity as the post-recession wave of millennial college graduates has passed (see following).

Household incomes declined rapidly as jobs were cut between 2008 and 2010 but rose at a robust annual rate around 3.0% in the three following years due to rising employment and wage levels, combined with household compression. The average annual growth over the past three years is 5.3%, with a peak in 2016 at 7.6%. As of 2017, the median income level was \$70,120 in the four-county Metro Area. At this level, the typical household earns \$19,000 more per year than in 2010 (+36%).



FIGURE 3.2: AVERAGE ANNUAL WAGE AND MEDIAN HOUSEHOLD INCOME, PORTLAND METRO AREA (2005 – 2017)

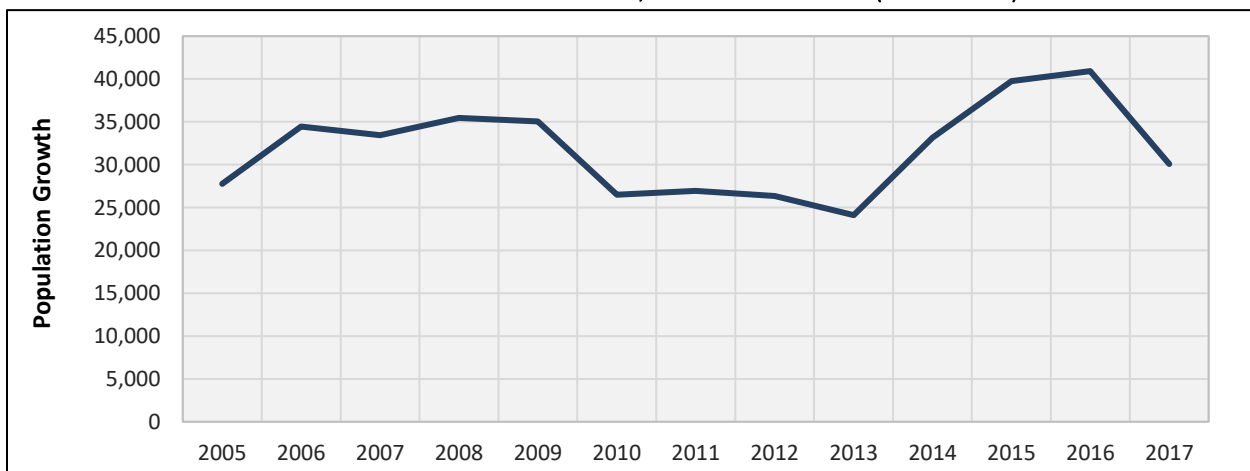


SOURCE: Oregon Employment Department, U.S. Census Bureau, JOHNSON ECONOMICS

POPULATION

The following chart displays the annual population increase in the seven-county Portland Metro Area through 2017, as reported by the Census Bureau. After growing by 24,000 to 28,000 per year during the first part of the current economic expansion, the growth has accelerated over the past four years. Growth in 2016 exceeded 40,000, while growth in 2017 was estimated to 30,000. At an average household size of 2.58 (2017), growth in the 30,000-40,000 range should translate into household formation of 12,000-16,000 units per year, assuming adequate housing supply.

FIGURE 3.3: ANNUAL POPULATION GROWTH, PORTLAND METRO AREA (2005 – 2017)

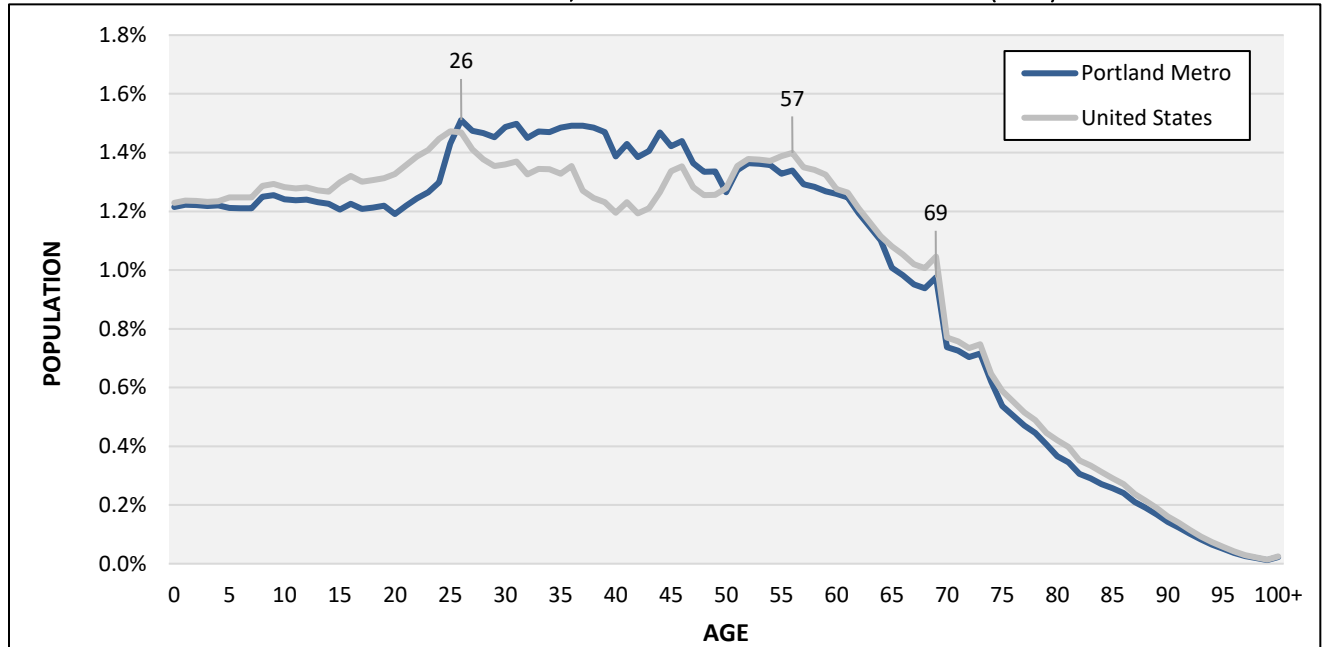


SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS

The population distribution in the Portland Metro Area differs from the national distribution (next page). The local population is somewhat younger overall, but with a smaller share of college-age residents and a larger working-age population. This twist is a result of relatively few universities located within the region, but a large tech sector that attracts young workers. Population estimates for the region are only available for five-year age groups. We rely on estimates from Portland State University (NERC) rather than from the Census Bureau. In the following chart, we have distributed the five-year estimates to single years, largely assuming that the local population reflects the same distribution as the national population within each five-year group. The chart indicates that there are relatively few millennials at the typical “move-out” age of 18-22 within the region. Estimates from the Census Bureau indicates even fewer younger millennials. The crest of the millennial wave was 26 years old in 2016, and is turning 29 in 2019.



FIGURE 3.4: POPULATION DISTRIBUTION, PORTLAND METRO AREA AND UNITED STATES (2016)



SOURCE: PSU NERC, U. S. Census Bureau, JOHNSON ECONOMICS

POPULATION-RELATED IMPACTS ON HOUSING DEMAND

There are several implications of the population distribution for future housing demand in the Portland Metro Area. First, with the peak concentration of millennials currently at 29 years of age (28 nationwide), we can assume that the wave of household formation driven by millennials is behind us. Although millennials remain in their parents' homes longer than previous generations, research has shown that a large majority are moved out by this age. JOHNSON ECONOMICS estimates that roughly 75% of all millennials (defined as born in the eighties or nineties) nationwide by now have moved out from their parents, something that has boosted apartment demand over the most recent years.

Second, the relatively few college-age residents in the region suggests that demand for apartments is dependent on continued in-migration of college graduates to the Portland Metro Area. This, in turn, is dependent on continued strong job creation. The nationwide decline in college enrollment over the most recent years (peaked in 2011), partly reflecting that the crest of the millennial wave has moved past the typical college age, indicates moderating in-migration of college graduates in coming years. Thus, we also expect apartment demand to moderate.

Over the next years, the crest of the millennial wave will move into the family stage and create strong demand for single-family housing. The median age of first-time births is 27 (Washington State data), and the median age of first-time homebuyers is 32 or 33, depending on data source, suggesting immediate strong demand for single-family rentals, followed by peak demand for starter ownership homes in a few years.

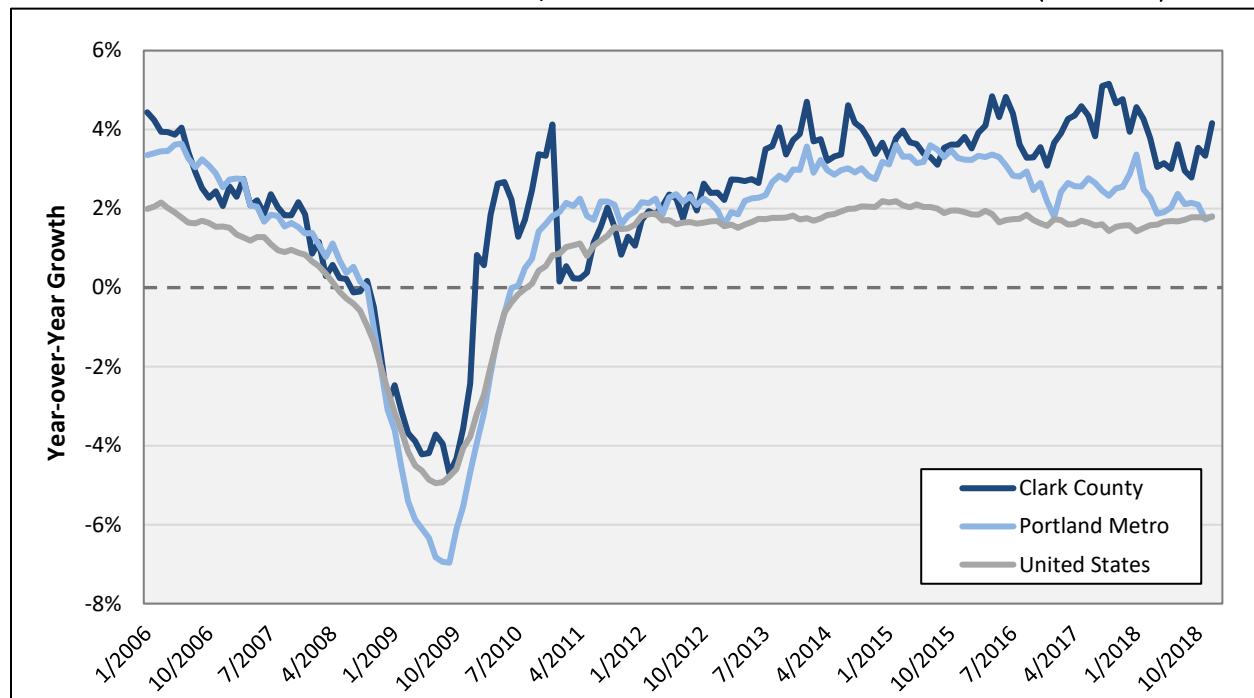
Finally, the aging of the baby boomers will also impact housing demand. As the boomers age into the empty nester and senior stages, the demand for large, expensive single-family homes might decline, while demand for move-down and senior options will likely increase, including demand for smaller single-story homes and senior-friendly apartments and condominiums. The boomer wave is still a decade away from reaching the assisted living stage in full force.



CLARK COUNTY

Clark County currently sports the highest rate of job growth among the Portland Metro counties, after lagging the remainder of the Metro Area throughout the first part of the recovery. The resurgence is largely due to a rebound in the typical suburban industries – construction and retail – which showed only weak growth in prior years. In terms of construction employment, the county benefits from a looser urban growth boundary than the Oregon portion of the Metro Area, which has shifted residential growth to the Washington side. The county has also been helped by relocations in the health, finance, and business services industries, at least partly induced by a favorable tax structure. The relocations include PeaceHealth, Banfield Pet Hospital, Fisher Investments, and Integra Telecom. As of December 2018, the annual growth is 6,800 jobs or 4.2%, continuing a six-year trend with growth rates in the 3-5% range.

FIGURE 3.5: NON-FARM EMPLOYMENT GROWTH, CLARK COUNTY VS. PORTLAND METRO AREA AND U.S. (2006-2018)



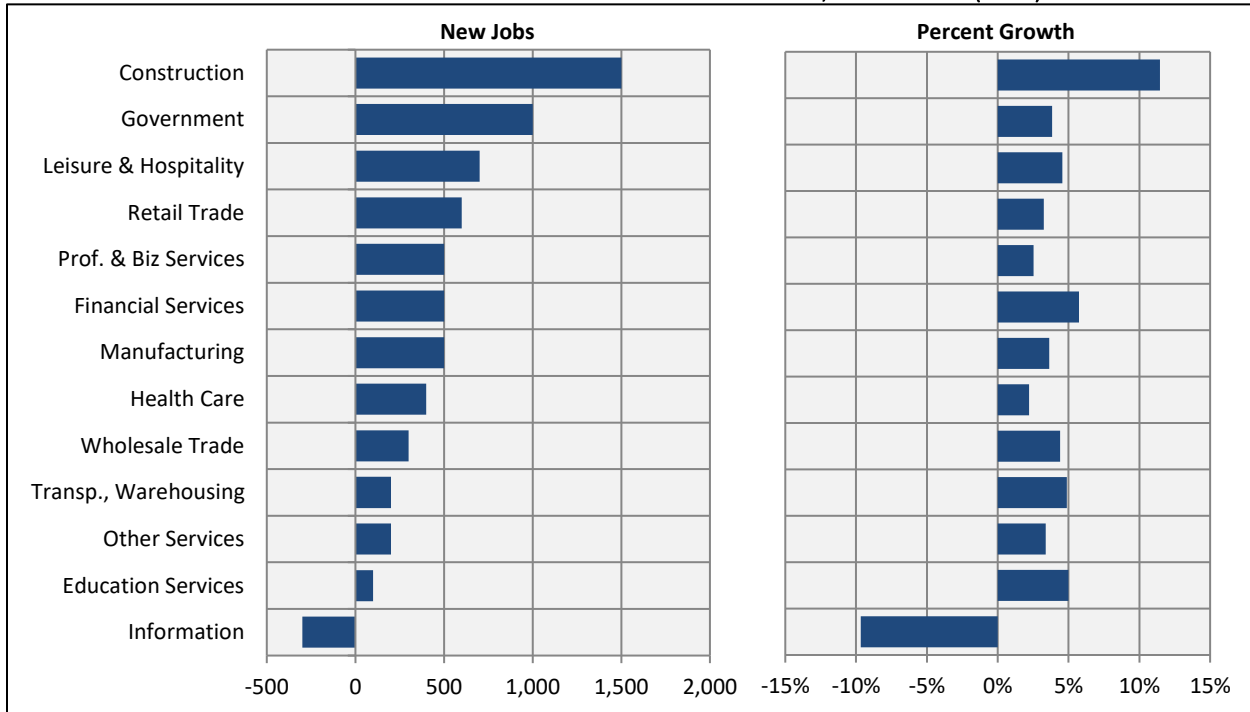
SOURCE: WA Employment Security Department, U.S. Bureau of Labor Statistics, OR Employment Department

INDUSTRY GROWTH

The current job growth in Clark County is broad-based, with contributions from many industries. The largest contributor over the past 12 months – and the industry with the strongest growth rate – is construction (+1,500 jobs, 11.5%), reflecting a boom in both commercial and residential building. Other major growth industries include public administration (+1,000; 3.8%), leisure and hospitality (+700; 4.6%), and retail (+600; 3.3%). The only sector with losses over the past year is information (-300 jobs, -9.7%), due to structural declines in demand for print media.



FIGURE 3.6: YEAR-OVER-YEAR EMPLOYMENT GROWTH BY INDUSTRY, CLARK COUNTY (2018)

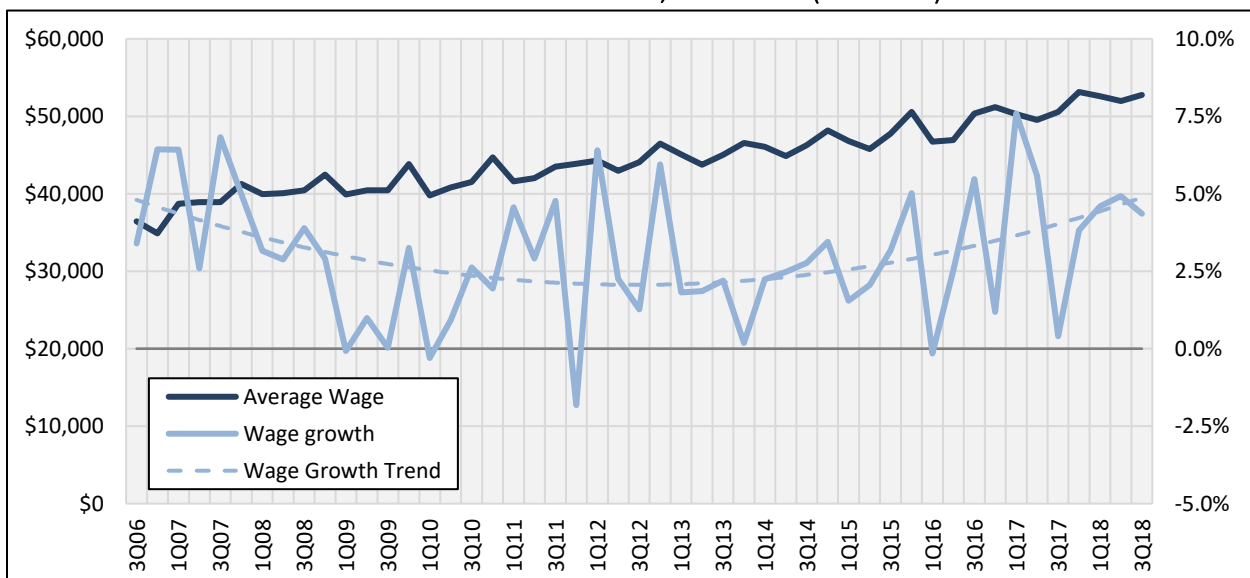


SOURCE: Oregon Employment Department, WA Employment Security Department

WAGES

The average wage level in Clark County is on an upward trend, reflecting a combination of improving economic conditions and a shift in the employment mix to higher-pay jobs. As of 3Q18, the average wage is \$52,800, which is 4.4% higher than a year earlier. The average wage level has increased by 3.0% per year, on average, since 2011. The current trend indicates annual wage growth around 5.0%.

FIGURE 3.7: AVERAGE ANNUAL WAGE, CLARK COUNTY (2006-2018)



SOURCE: U.S. Bureau of Labor Statistics



DEMOGRAPHIC SHIFTS IN THE WORKFORCE

Clark County has seen a shift in its workforce toward younger workers in recent years, something that has contributed to apartment demand. The shift is a function of structural as well as cyclical forces. As for cyclical changes, a tightening labor market (unemployment is currently 5.0%) reduces the availability of experienced labor, forcing employers to hire younger and less experienced workers. The wave of recently graduated millennials has accommodated this shift. In terms of structural changes, the county has seen a shift in its job mix, generating more white-collar employment reliant on a young workforce. As a result, young workers fill a larger share of the new jobs than they used to.

In 2015 and 2016, workers below the age of 35 accounted for 55% and 61% of the net new jobs in the county, respectively. In 2017, which is the most recent year for which demographic employment data is available, the share decreased to 41%, reflecting that the post-recession millennial wave is now largely employed, and that employers are increasingly forced to recruit from older workers who have been outside the workforce since the last downturn. Still, the 25-34 age segment, which is a major contributor to apartment demand in the region, continues to be the largest growth segment – which it has been every year since 2013.

FIGURE 3.8: NET JOB GROWTH (Y/Y) BY WORKER AGE, CLARK COUNTY (2005-2017)

BY AGE	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
19-24	539	-337	-101	-1,030	-549	-119	20	364	965	866	844	681	875
25-34	985	427	146	-1,089	-992	15	-136	263	1,122	1,140	1,262	1,363	1,873
35-44	713	296	138	-1,236	-682	458	242	893	969	994	547	787	1,852
45-54	1,062	833	547	-485	-749	201	-36	85	577	1,017	402	104	998
55-64	1,271	902	1,237	622	430	914	584	875	629	851	609	276	842
65-99	357	315	476	101	312	245	399	475	516	551	581	428	644
TOTAL	5,305	2,658	2,430	-3,932	-3,151	1,423	960	3,091	5,158	5,672	4,716	4,069	7,291

SOURCE: U.S. Census Bureau, U.S. Bureau of Labor Statistics

Among 25-34-year-olds, the job growth in 2017 was concentrated in the \$40,000-50,000 wage range, where 1,600 jobs were created on a net basis. In comparison, job growth in 2016 was spread across the \$50,000-80,000 range. The shift toward lower wage levels reflects more entry-level hiring in healthcare, construction, retail, and wholesale, while hiring in professional services fell. A similar pattern is seen in the 35-44 and 55-64 age groups, though in these segments education is the main reason for growth in the \$40,000-50,000 range. Note that much of the growth at this wage level is offset by declines in the wage segment below, indicating wage increases rather than job growth. The 25-34 segment also saw strong growth above \$100,000 in 2017, due to hiring at finance and professional services firms.

FIGURE 3.9: YEAR-OVER-YEAR EMPLOYMENT GROWTH BY AGE AND WAGE, CLARK COUNTY (2017)

2017, AGE/WAGE	19-24	25-34	35-44	45-54	55-64	65-99	Total
<\$10,000	23	6	-7	3	5	0	2
\$10,000-\$19,999	-185	-255	-92	-205	-18	-203	-783
\$20,000-\$29,999	276	715	120	315	52	444	1,978
\$30,000-\$39,999	600	-631	-1,387	-217	-1,421	86	-2,967
\$40,000-\$49,999	31	1,586	2,001	200	1,236	-70	4,986
\$50,000-\$59,999	24	100	-49	-291	412	260	455
\$60,000-\$69,999	115	-308	525	-456	239	179	294
\$70,000-\$79,999	-2	347	296	1,273	33	-67	1,879
\$80,000-\$89,999	-6	-100	269	325	-200	-23	265
\$90,000-\$100,000	0	-218	-27	-780	137	2	-887
>\$100,000	0	633	204	831	365	36	2,069
Total	875	1,873	1,852	998	842	644	7,291

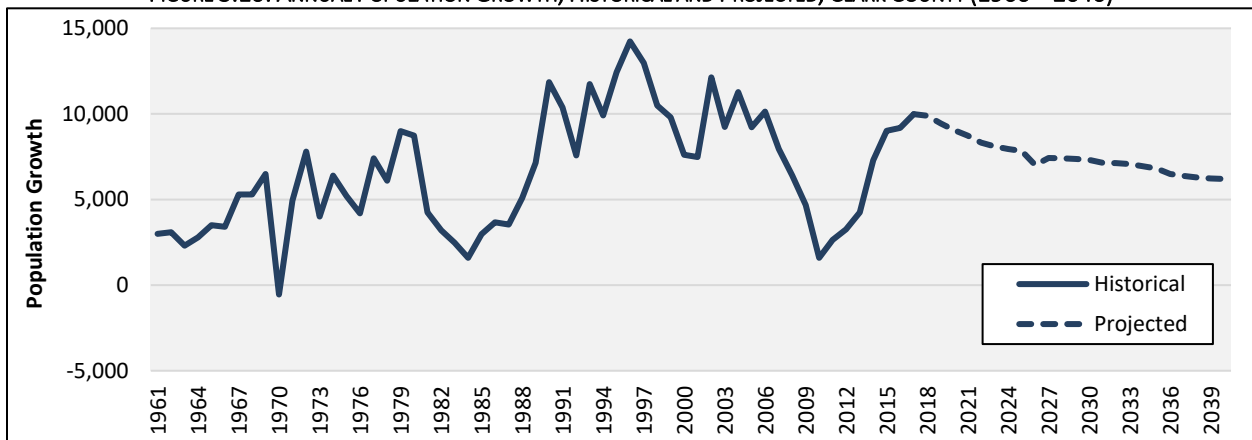
SOURCE: U.S. Bureau of Labor Statistics, U.S. Census Bureau, JOHNSON ECONOMICS



POPULATION

The population in Clark County has grown faster than in the remainder of the region recently, expanding by 31% between 2000 and 2015, compared to 23% in the Metro Area. The faster growth reflects that the county has more land available for residential development than counties on the Oregon side. The county reached a peak in terms of growth in 1996, during the baby boomer single-family expansion. The long-term trend since then has been decreasing growth, though we have seen a cyclical increase every year since 2010, reaching 10,000 in 2017. State projections suggest a moderation toward 6,000 annually by 2040, though these projections may underestimate the shift in growth to Clark County due to development constraints on the Oregon side of the Metro Area.

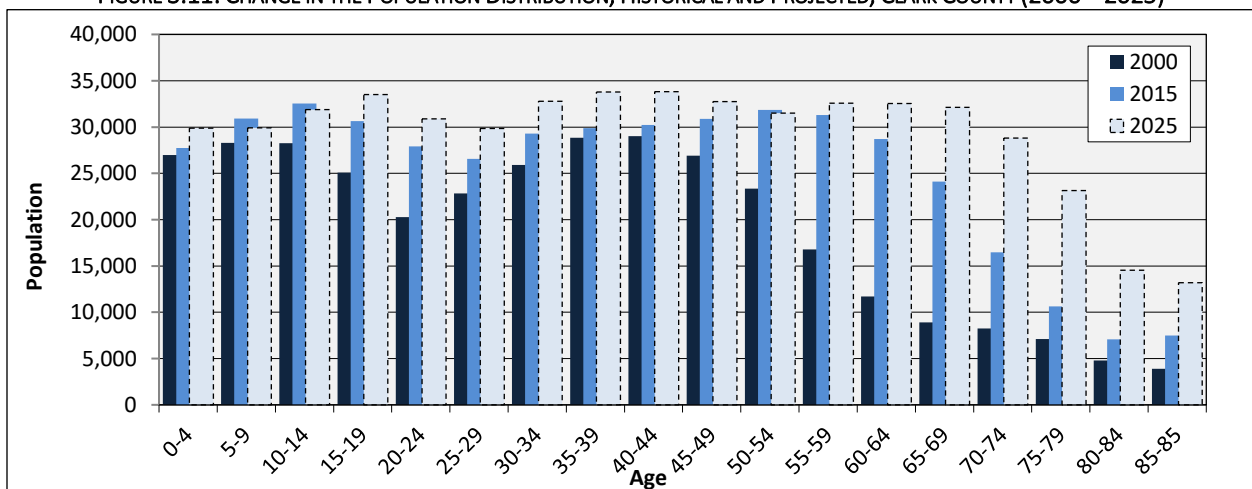
FIGURE 3.10: ANNUAL POPULATION GROWTH, HISTORICAL AND PROJECTED, CLARK COUNTY (1960 – 2040)



SOURCE: Washington Office of Economic Analysis, JOHNSON ECONOMICS

Growth since 2000 has been concentrated in younger cohorts (age 10-30), at the late family-stage (age 45-54) and among empty nesters and early seniors (age 55-74). This is largely in line with national trends. However, in relative terms, the growth among 20-29-year-olds and among empty nesters and seniors is stronger than seen regionally and nationally. The growth in the younger cohort is likely a reflection of the changing employment mix as well as the influx of families with older children attracted by county’s relatively large lots and homes. The growth among the older cohorts is likely a function of housing affordability, senior-friendly recreational opportunities, and the lack of a state income tax. Population projections from Portland State University indicate that the growth will shift to slightly older segments over the coming ten years, but with continued robust growth among young adults.

FIGURE 3.11: CHANGE IN THE POPULATION DISTRIBUTION, HISTORICAL AND PROJECTED, CLARK COUNTY (2000 – 2025)



SOURCE: U.S. Census Bureau, PSU Population Research Center/NERC, JOHNSON ECONOMICS



IV. EXISTING DEVELOPABLE LAND

AVAILABLE LAND

JOHNSON ECONOMICS obtained August 2018 taxlot information from Clark County's Geographic Information Systems department. To determine the amount of developable industrial, commercial, and multifamily land within the Camas city limits, JOHNSON ECONOMICS selected individual taxlots by writing queries based on the taxlot file's Zoning Abbreviation and Property Type Description columns.

Johnson Economics first filtered out all but commercial, industrial, and multifamily-zoned land. We then filtered out projects that are committed to being developed in the short-term, such as the Holland Partner Group's Grass Valley property. We then used the following property type descriptions to determine the amount of viable land:

- Prime Developable Ground
- Unused Land Timbered
- Unused or Vacant Land – No Improvements
- Vacant

There is also an "Unused Land Because of Terrain" category that was considered. These lots, however, were deemed extraneous because of the difficulties involved in developing them. In addition to these categories, Johnson Economics has added in several properties post hoc. We have added these properties when we have first or second-hand knowledge of likely development or redevelopment on a lot. As such, even if a property for instance is coded as a Single Family Residence on Commercial Land, we count it in the table below as available for development.

Out of 10,204 taxlots in Camas proper, there are 59 developable properties zoned for multifamily, 75 for industrial, and 93 for commercial. Industrial land has the largest footprint. Roughly 608 acres of industrial land are available for development, as well as 506 acres of commercial land, and just 158 acres of multifamily land. This can be divided even further, however. There are just 60.56 acres of land zoned MF-18. This land is the most likely to be developed as apartments. The average size of these parcels is just 1.48 acres. The limited total and average sizes of these properties warrant opening additional multifamily land for development in the city, for instance by allowing for more multifamily development on RC-zoned land.

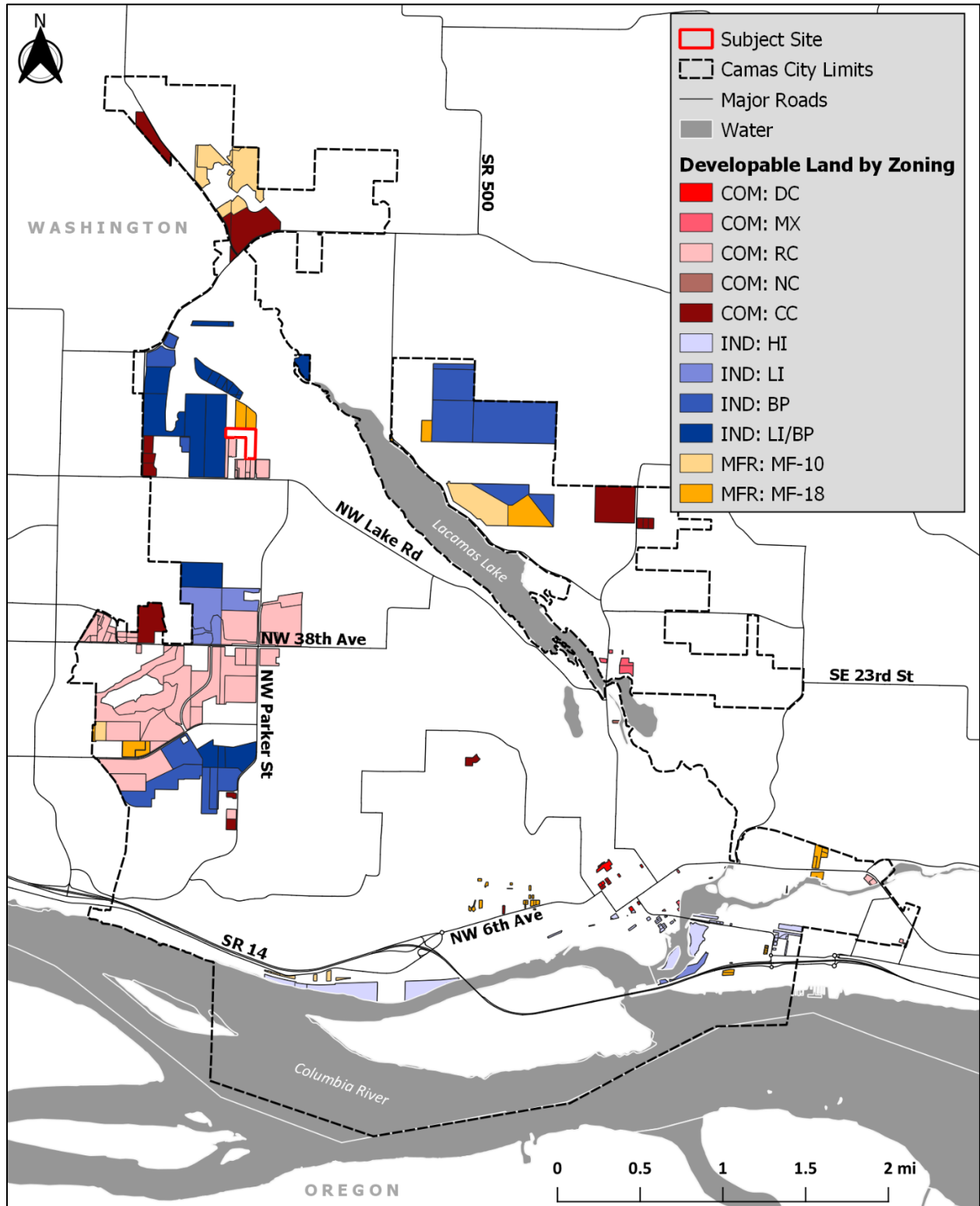
TABLE 4.1: VACANT, UNUSED, AND PRIME DEVELOPABLE LAND IN CAMAS, WA

	Zoning	Count	Acres (AC)	AC/Count	Total RMV	RMV/AC	RMV/Count
COM	CC	16	123.05	7.69	\$5,536,385	\$44,992	\$346,024
	DC	14	3.95	0.28	\$1,216,124	\$307,864	\$86,866
	MX	10	5.73	0.57	\$1,228,691	\$214,255	\$122,869
	NC	1	0.41	0.41	\$12,524	\$30,323	\$12,524
	RC	52	372.85	7.17	\$21,950,787	\$58,873	\$422,131
IND	BP	13	276.94	21.30	\$12,122,120	\$43,771	\$932,471
	HI	35	71.65	2.05	\$4,098,901	\$57,210	\$117,111
	LI	7	65.38	9.34	\$1,360,667	\$20,812	\$194,381
	LI/BP	20	194.49	9.72	\$16,326,585	\$83,946	\$816,329
MF	MF-10	18	97.73	5.43	\$3,744,619	\$38,316	\$208,034
	MF-18	41	60.56	1.48	\$5,085,061	\$83,964	\$124,026
	Total COM	93	506.00	5.44	\$29,944,511	\$59,179	\$321,984
	Total IND	75	608.46	8.11	\$33,908,273	\$55,728	\$452,110
	Total MF	59	158.29	2.68	\$8,829,680	\$55,781	\$149,656
	Grand Total	227	1272.75	5.61	\$72,682,464	\$57,107	\$320,187

SOURCE: Clark County, JOHNSON ECONOMICS



FIGURE 4.2: VACANT, UNUSED, AND PRIME DEVELOPABLE LAND IN CAMAS, WA



SOURCE: Clark County, JOHNSON ECONOMICS



ISSUES WITH CURRENT MULTIFAMILY PROPERTIES

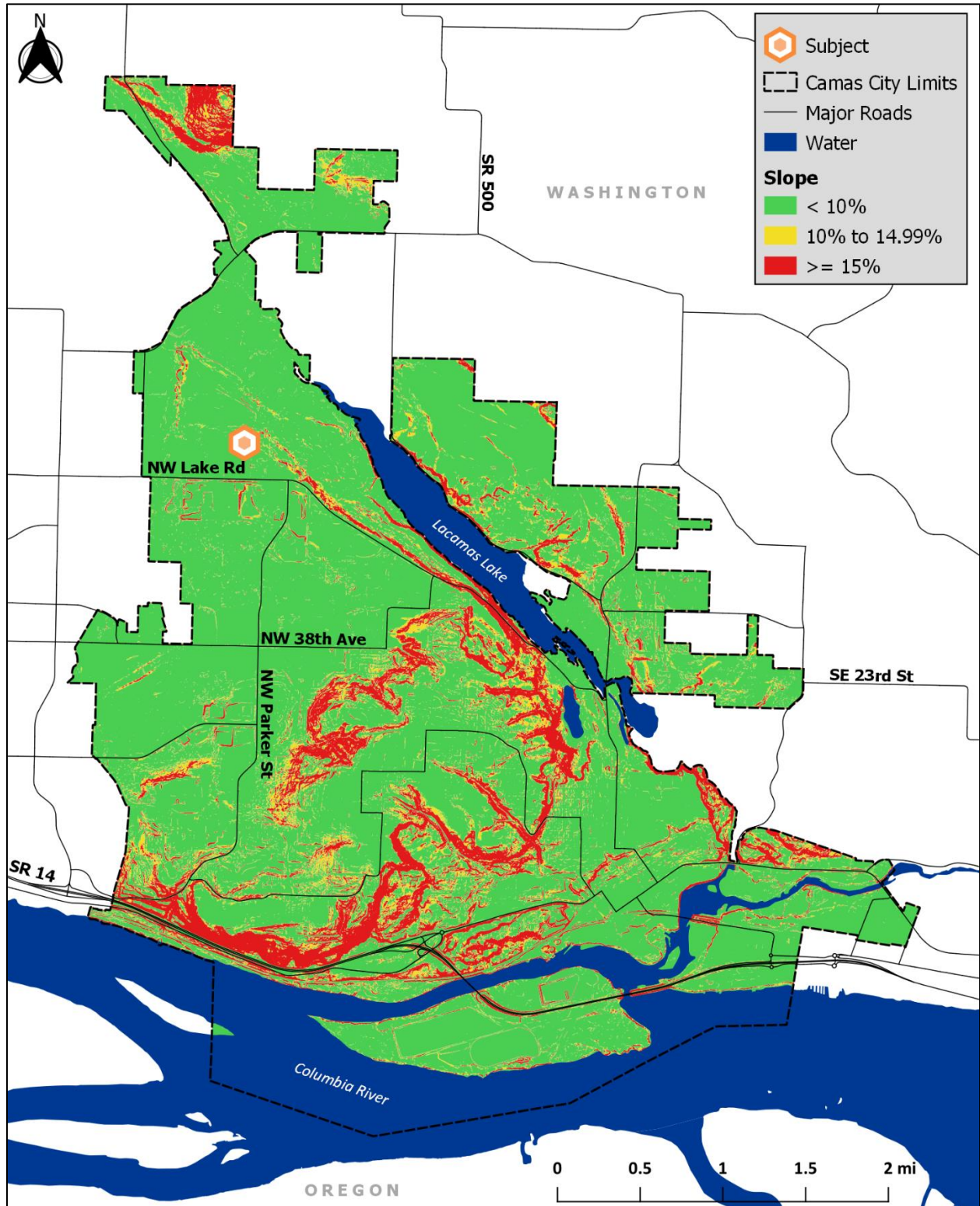
The land available for development according to the previous survey still overstates the amount of land that can realistically be developed. There are several reasons for this. Even if a plot of land is not labeled as “Unused Land Because of Terrain,” it might still have environmental issues that would make development difficult or unfeasible. Issues such as slope or the existence of wetlands are deterrents to development. Using LiDAR provided by several sources and the National Wetlands Inventory, Johnson Economics identified sites that have steep slopes and/or wetlands.

Slopes and wetlands are major barriers to multifamily development. As slopes increase, development costs increase. Projects generally become infeasible when slopes are greater than 15%. Wetlands require a long process before development can even be considered on a site. This includes alternative sites analysis studies in order to determine whether other taxlots nearby would require less mitigation.

Over 116 acres, or 73.3% of the available multifamily-zoned property is located northeast of Lacamas Lake, far from amenities such as grocery stores, restaurants, and pharmacies. Not only is this a deterrent, but much of that land has environmental issues associated with it, including steep slopes and wetlands. The map on the following pages show 1) slope and wetlands in Camas, and 2) a close-up of these northeastern properties, which in our opinion, are not suited for development at this time.



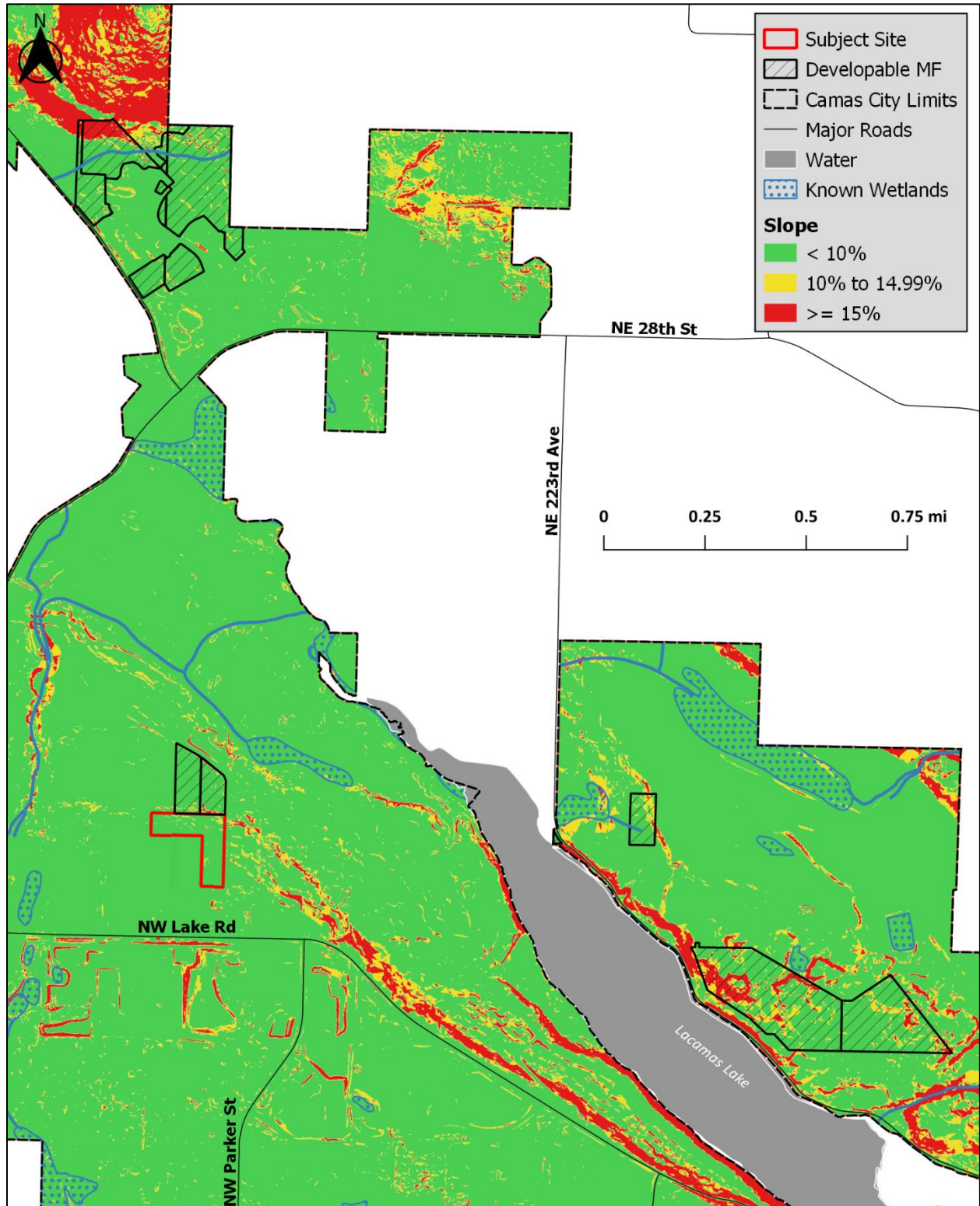
FIGURE 4.3: SLOPES IN CAMAS, WASHINGTON



SOURCE: State of Washington, Clark County, JOHNSON ECONOMICS



FIGURE 4.4: SLOPES AND WETLANDS IN RELATIONSHIP TO MULTIFAMILY-ZONED PROPERTY NORTHEAST OF LACAMAS LAKE



SOURCE: State of Washington, US Fish and Wildlife Service, Clark County, JOHNSON ECONOMICS



V. EMPLOYMENT LAND NEED

BACKGROUND RESEARCH

Johnson Economics reviewed the Camas 2035 Comprehensive Plan to get an understanding of work that the City had already done regarding employment land projections. During this process, we noted a major technical problem in the report. On page 6-2, Table 6.2 details the “Percentage of Jobs by Industry Sector.” The text then describes industries in Camas based on this table, saying, for example, that “Camas saw declines in construction and professional, scientific, and management jobs...”

Unfortunately, the data used for this table and, hence the employment land projections in Section 1, is taken from the wrong dataset. The data came from the U.S. Census Bureau’s American Community Surveys in 2010 and 2013. Johnson Economics found the tables referenced, but the numbers in the tables concern the jobs of people who *live* in Camas, not the jobs of people who *work* in Camas. This is a huge distinction that has highly significant ramifications.

To first determine the level of inconsistency, Johnson Economics checked the U.S. Census Bureau’s On The Map website, which uses Quarterly Census of Employment and Wages (QCEW) data. In 2013, the QCEW showed 7,201 Total Jobs. This is compared to 9,093 listed in the Comprehensive Plan. Given the difference, the Comprehensive Plan overstated the level of 2013 employment in the City by 26.3%.

We further reached out to Scott Bailey, an economist with the State of Washington’s Employment Security Department who gave us detailed data on the City’s employment. Mr. Bailey’s data includes all jobs covered by unemployment insurance, which excludes 1) private household employers, and 2) DSHS/COPES employment. His (the State’s) total job numbers for 2010 and 2013 and 6,023 and 6,673, respectively, which further confirms that the numbers used in the Comprehensive Plan are incorrect. We use a combination of this State-supplied data and QCEW data from the Census Bureau in our analysis.

The Comprehensive Plan projects 11,182 new jobs in Camas by 2035. Given the 9,093 jobs from 2013 shown in the Comprehensive plan, that means that the city is expecting average annual employment growth in the range of 3.71% per year. If we assume the same 3.71% growth but applied to the correct employment numbers, then the city would see roughly 8,850 new jobs by 2035, 2,330 fewer jobs than initially projected in the Comprehensive Plan.

TABLE 5.1: SHARE OF CLARK COUNTY JOBS BY JURISDICTION (1990-2017)

Jurisdiction	1990	2001	2010	2015	2016	2017
Battle Ground	2.6%	3.4%	4.4%	4.5%	4.6%	4.5%
Camas	5.2%	5.5%	4.9%	5.3%	5.2%	5.3%
La Center	0.4%	1.0%	0.8%	0.7%	0.6%	0.5%
Ridgefield	0.9%	1.0%	1.2%	1.4%	1.4%	1.5%
Vancouver	65.2%	62.9%	60.8%	58.8%	58.7%	58.1%
Washougal	2.7%	2.6%	2.1%	2.2%	2.3%	2.3%
Yacolt	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
All Incorporated	77.0%	76.4%	74.2%	72.9%	73.0%	72.4%
Unincorporated	20.9%	21.6%	24.3%	26.4%	26.4%	26.9%
Unknown	2.1%	1.9%	1.5%	0.7%	0.6%	0.7%
Total	100%	100%	100%	100%	100%	100%

SOURCE: Washington State Employment Security Department



TABLE 5.2: SHARE OF CLARK COUNTY JOB GROWTH BY JURISDICTION

Jurisdiction	1990- 2017	2001- 2017	2010- 2017	2014- 2015	2015- 2016	2016- 2017
Battle Ground	7%	9%	7%	5%	7%	4%
Camas	5%	4%	7%	7%	4%	6%
La Center	1%	-1%	0%	0%	0%	-2%
Ridgefield	2%	3%	3%	2%	3%	3%
Vancouver	51%	45%	48%	51%	56%	45%
Washougal	2%	1%	4%	4%	5%	1%
Yacolt	0%	0%	0%	0%	0%	0%
All Incorporated	69%	62%	67%	68%	75%	58%
Unincorporated	33%	42%	37%	34%	29%	37%
Unknown	-1%	-4%	-4%	-2%	-4%	5%
Total	100%	100%	100%	100%	100%	100%

SOURCE: Washington State Employment Security Department

TABLE 5.3: AVG. ANNUAL CLARK COUNTY JOB GROWTH RATES BY JURISDICTION

Jurisdiction	1990- 2015	2001- 2015	2010- 2015	2014- 2015	2015- 2016	2016- 2017
Battle Ground	4.9%	3.9%	4.2%	5.6%	5.7%	3.9%
Camas	2.6%	1.5%	5.4%	6.2%	3.1%	5.0%
La Center	5.2%	-1.4%	-0.6%	-2.3%	0.0%	-10.3%
Ridgefield	4.3%	4.6%	8.2%	5.6%	7.2%	8.7%
Vancouver	2.1%	1.3%	2.7%	4.1%	3.7%	3.3%
Washougal	1.7%	0.6%	5.6%	8.4%	8.4%	2.3%
Yacolt	4.0%	2.1%	6.2%	21.6%	10.3%	6.8%
All Incorporated	2.3%	1.4%	3.2%	4.5%	4.0%	3.4%
Unincorporated	3.5%	3.4%	5.7%	6.3%	4.2%	6.1%
Total	2.5%	1.8%	3.6%	4.8%	3.9%	4.3%

SOURCE: Washington State Employment Security Department

Despite the inconsistencies in the Comprehensive Plan, it is clear that Camas has seen strong employment growth, something that can be expected continue. Though average annual growth in the city is only 1.5% from 2001 to 2015, growth has been rapid since the downturn. From 2010 to 2015, the city has added jobs at an average annual rate of 5.4%, and at 5.0% between 2016 and 2017. These numbers are both faster than the 3.6% and 4.3% growth seen county-wide in those time frames, respectively.

Despite this, the city has not grown faster than the county over the long term. Camas employment represented 5.3% of all jobs in the county in 2017, in line with the 5.2% seen in 1990. This is an important note, as the State projects an average of 2.4% annual employment growth in Southwest Washington through 2025.

The Comprehensive Plan's projection of 11,182 new jobs (which came via the use of incorrect data) from 2013 to 2035 represents an average annual growth of 3.71% given a 2013 jobs estimate of 9,093. While this number may seem reasonable in respect to the 5.4% growth seen from 2010 to 2015, it is not sustainable over a longer period of time. The Washington State economy—and the U.S. economy in general—is in the midst of one of the longest

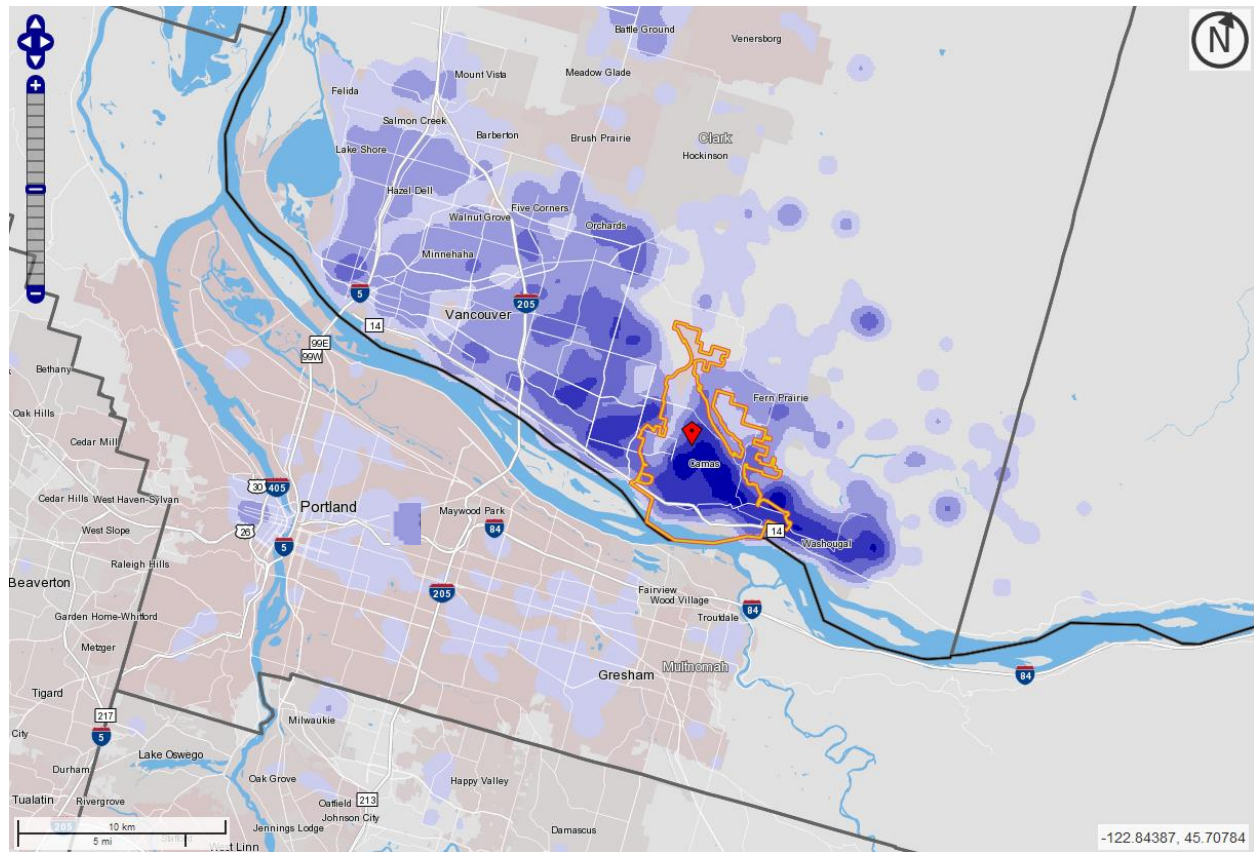


expansion periods ever. But this growth cannot continue unabated. An annual growth rate of 3.7% during a 22-year period is more than a full percentage point higher than the annual growth seen from 1990 to 2015. As stated, the State projects just 2.4% average annual growth through 2025.

EMPLOYMENT CONCENTRATIONS

Most people who *work* in Camas are commuting from within or near Camas. Overall, 67% of employees in the City commute less than 10 miles to their jobs, according to data from the U.S. Census Bureau. Roughly 22% of workers in the area commute between 10 and 24 miles to their jobs in the PMA. Those *living* within the city, however, largely commute to other cities to work. Only 47% of residents commute fewer than 10 miles to their jobs. Nearly 35% commute 10 to 24 miles to work, and 14% travel more than 50 miles to their jobs.

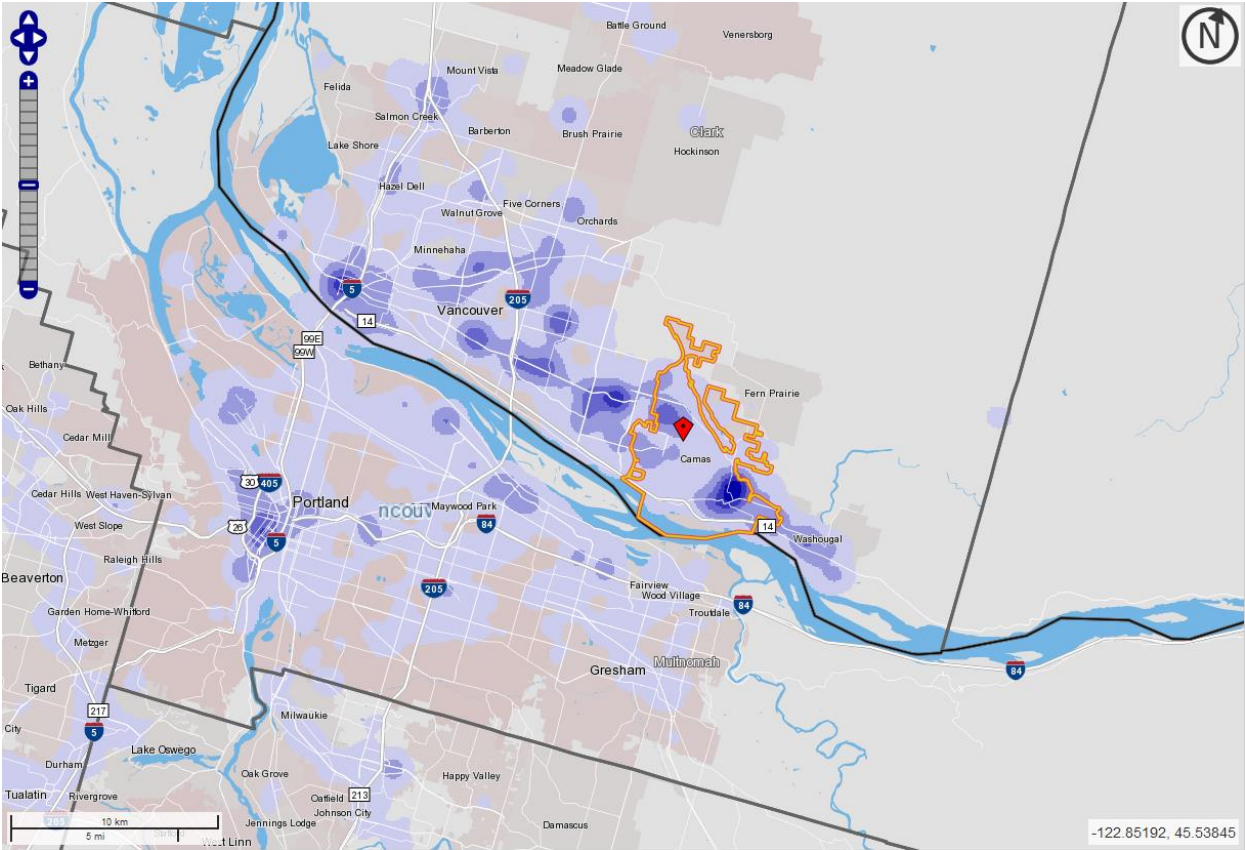
FIGURE 5.4: WHERE WORKERS EMPLOYED IN CAMAS LIVE



SOURCE: U.S. Census Bureau



FIGURE 5.5: WHERE CAMAS RESIDENTS WORK



SOURCE: U.S. Census Bureau

LAND NEED FORECAST

Johnson Economics uses a proprietary model in order to determine the amount of employment land that is needed in specific jurisdictions. We take existing industry-level employment data, projections from the State, industry FAR assumptions based on Urban Land Institute reports, and other factors to project both building square footage and acreage needed by industry.

The Washington Employment Security Department (ESD) has industry level data at the city level. However, due to confidentiality concerns it cannot supply the raw data for use in publications. The county level data, however, is broad enough to mask any individual employers, and can thus be used for analysis. This data also includes projections for 2020 and 2025, which will be used to determine land need. We also rely on data from the Census Bureau's On The Map website, which provides industry-specific figures on the city level through 2015. We combine the latter with total employment numbers from the ESD in order to develop projections for industry employment through 2025.

These projections do not take into account committed projects that have already been given approval for development, such as Holland Partner's Grass Valley project. This campus will add 271,400 square feet of office and retail space in addition to a 276-unit apartment complex on 35 acres of land. This project is estimated to bring as many as 1,200 jobs to Camas. However, as this land is already set aside for development, we must exclude this project and others like it for the purposes of estimating total employment need on available developable land. The aggregate employment land need will thus reflect total unmet employment need.



The following tables show our projections through 2025. The first figure shows existing Clark County and Camas employment for 2010, 2015, and 2017. Data comes from different sources in order to get the most accurate industry-level data available. Washington ESD data is used for Clark County and the *total* employment figure for Camas. On The Map data is used for industry-level data in Camas.

The next table shows projected Clark County jobs. These numbers are taken directly from the Employment Security Department and show projections through 2025. The county projects an average annual growth rate of 2.4% through that year. We model a low of 1.8% and a high of 3.4%. The fastest growth is expected to be seen in the Professional and Technical Services Industry, while the lowest growth is expected to be seen in the wholesale trade industry.

TABLE 5.6: EXISTING EMPLOYMENT LEVELS BY INDUSTRY

INDUSTRY		CAMAS 2010-17 CAPTURE					
		Clark Co. (ESD)			Camas (QCEW)		Camas (Est.)
Industry	NAICS	2010	2015	2017	2010	2015	2017
Construction	23	8,200	10,700	13,000	150	206	245
Manufacturing	31-33	11,500	13,100	13,700	2,486	2,549	2,696
Wholesale Trade	42	5,000	6,500	6,900	174	311	411
Retail Trade	44-45	15,000	17,200	18,400	411	356	352
Transp., Warehousing, Utilities	22,48-49	3,900	3,900	4,200	77	7	3
Information	51	2,800	3,100	3,000	50	129	197
Finance and Insurance	52	4,000	5,300	5,800	173	152	151
Real Estate, Rental, Leasing	53	2,300	2,600	2,900	19	57	93
Professional and Tech. Services	54	6,700	7,900	8,800	685	894	1,041
Management of Companies	55	1,300	2,600	3,400	42	16	11
Admin., Support & Waste Mgmt	56	6,500	7,500	7,800	109	152	182
Educational Services	61	1,300	1,800	1,900	1,055	1,241	1,387
Health Care & Social Assistance	62	20,900	22,800	24,200	216	349	443
Arts, Entertainment, Recreation	71	2,200	2,300	2,300	106	60	50
Accommodation & Food Services	72	10,100	11,900	12,900	305	404	473
Other Services	81	4,500	5,500	5,800	191	111	94
Public Administration	92	24,100	24,300	26,000	187	207	226
Total Non-Farm Employment		130,300	149,000	161,000	6,436	7,201	8,055

SOURCE: Washington State Employment Security Department, Johnson Economics



TABLE 5.7: CLARK COUNTY PROJECTED EMPLOYMENT BY INDUSTRY (2017-2025)

INDUSTRY		CLARK CO. GROWTH ASSUMPTIONS					CLARK CO. PROJECTIONS			
Industry	NAICS	Historical AAGR		Projected AAGR			Base	2025 Projections		
		2010-15	2015-17	Low	Baseline	High	2017	Low	Baseline	High
Construction	23	5.5%	10.2%	1.7%	2.4%	3.3%	13,000	14,898	15,659	16,848
Manufacturing	31-33	2.6%	2.3%	0.4%	0.6%	0.8%	13,700	14,148	14,318	14,571
Wholesale Trade	42	5.4%	3.0%	0.3%	0.4%	0.6%	6,900	7,079	7,146	7,247
Retail Trade	44-45	2.8%	3.4%	0.7%	0.9%	1.3%	18,400	19,415	19,802	20,389
Transp., Warehousing, Utilities	22,48-49	0.0%	3.8%	0.5%	0.7%	1.0%	4,200	4,372	4,437	4,535
Information	51	2.1%	-1.6%	0.8%	1.1%	1.5%	3,000	3,195	3,269	3,383
Finance and Insurance	52	5.8%	4.6%	0.9%	1.3%	1.8%	5,800	6,241	6,412	6,672
Real Estate, Rental, Leasing	53	2.5%	5.6%	0.8%	1.1%	1.5%	2,900	3,085	3,155	3,263
Professional and Tech. Services	54	3.3%	5.5%	2.3%	3.2%	4.5%	8,800	10,595	11,336	12,517
Management of Companies	55	14.9%	14.4%	1.2%	1.7%	2.3%	3,400	3,745	3,881	4,089
Admin., Support & Waste Mgmt	56	2.9%	2.0%	1.8%	2.5%	3.5%	7,800	9,017	9,507	10,276
Educational Services	61	6.7%	2.7%	1.7%	2.3%	3.2%	1,900	2,172	2,281	2,451
Health Care & Social Assistance	62	1.8%	3.0%	1.5%	2.0%	2.8%	24,200	27,163	28,337	30,158
Arts, Entertainment, Recreation	71	0.9%	0.0%	1.7%	2.3%	3.2%	2,300	2,629	2,760	2,966
Accommodation & Food Services	72	3.3%	4.1%	0.8%	1.1%	1.5%	12,900	13,715	14,028	14,503
Other Services	81	4.1%	2.7%	0.7%	1.0%	1.4%	5,800	6,157	6,294	6,501
Public Administration	92	0.2%	3.4%	1.0%	1.4%	1.9%	26,000	28,141	28,971	30,241
Total Non-Farm Employment		2.7%	3.9%	1.8%	2.4%	3.4%	161,000	175,768	181,594	190,611

SOURCE: Washington State Employment Security Department, Johnson Economics

TABLE 5.8: CITY OF CAMAS PROJECTED EMPLOYMENT BY INDUSTRY (2017-2015)

INDUSTRY		CLARK CO. GROWTH			CAMAS EMPLOYMENT				CAMAS GROWTH		
Industry	NAICS	2017-25 Growth			Base	2025 Employment			2017-25 AAGR		
		Low	Baseline	High	2017	Low	Baseline	High	Low	Baseline	High
Construction	23	1,898	2,659	3,848	245	298	319	352	53	74	107
Manufacturing	31-33	448	618	871	2,696	2,718	2,726	2,739	22	30	43
Wholesale Trade	42	179	246	347	411	431	439	450	20	28	40
Retail Trade	44-45	1,015	1,402	1,989	352	320	308	290	-32	-44	-62
Transp., Warehousing, Utilities	22,48-49	172	237	335	3	3	3	3	0	0	0
Information	51	195	269	383	197	261	286	323	64	88	126
Finance and Insurance	52	441	612	872	151	142	139	134	-9	-12	-18
Real Estate, Rental, Leasing	53	185	255	363	93	122	133	150	29	40	57
Professional and Tech. Services	54	1,795	2,536	3,717	1,041	1,431	1,592	1,848	390	551	807
Management of Companies	55	345	481	689	11	3	0	0	-9	-12	-17
Admin., Support & Waste Mgmt	56	1,217	1,707	2,476	182	247	273	315	65	92	133
Educational Services	61	272	381	551	1,387	1,513	1,563	1,642	126	177	256
Health Care & Social Assistance	62	2,963	4,137	5,958	443	701	804	963	259	361	520
Arts, Entertainment, Recreation	71	329	460	666	50	30	20	15	-20	-30	-35
Accommodation & Food Services	72	815	1,128	1,603	473	529	551	583	56	77	110
Other Services	81	357	494	701	94	58	44	24	-36	-49	-70
Public Administration	92	2,141	2,971	4,241	226	493	596	754	267	370	529
Total Non-Farm Employment		14,768	20,594	29,611	8,055	9,301	9,797	10,586	1,246	1,741	2,525

SOURCE: Washington State Employment Security Department, Johnson Economics

The table above shows projected employment growth within the City of Camas. Again, these numbers *exclude* currently committed, but unrealized, projects such as Holland Partner Group's Grass Valley. With that noted, we project a baseline increase in employment of 1,741 jobs, which equates to just under 2.5% average annual growth, a figure that is slightly higher than for the county as a whole. We have a low estimate of 1.8% and a high estimate of 3.5%.



TABLE 5.9: CITY OF CAMAS PROJECTED EMPLOYMENT BY USE DISTRIBUTION

LOW GROWTH SCENARIO		2017-25 JOB GROWTH			USE DISTRIBUTION				2017-25 JOB GROWTH BY USE			
Industry	NAICS	2017	2025	Growth	Office	Industrial	Retail	Other	Office	Industrial	Retail	Other
Total Non-Farm Employment		8,055	9,301	1,246	55%	9%	12%	24%	681	115	149	302

BASELINE SCENARIO		2017-25 JOB GROWTH			USE DISTRIBUTION				2017-25 JOB GROWTH BY USE			
Industry	NAICS	2017	2025	Growth	Office	Industrial	Retail	Other	Office	Industrial	Retail	Other
Total Non-Farm Employment		8,055	9,797	1,742	55%	9%	12%	24%	955	160	207	421

HIGH GROWTH SCENARIO		2017-25 JOB GROWTH			USE DISTRIBUTION				2017-25 JOB GROWTH BY USE			
Industry	NAICS	2017	2025	Growth	Office	Industrial	Retail	Other	Office	Industrial	Retail	Other
Total Non-Farm Employment		8,055	10,586	2,531	55%	9%	12%	24%	1,393	229	304	605

SOURCE: Washington State Employment Security Department, Johnson Economics

Employment growth is projected to be 55% office, 9% industrial, 12% retail, and 24% other, which includes institutions. Baseline growth estimates in these categories are 955, 160, 207, and 421, respectively. Using square foot per employee numbers which we obtained from the 2014 Metro Urban Growth report, we allocate different amounts of square footage depending on employees. This ranges from as little as 350 for office workers to up to 1,850 for warehouse workers. We then translate this building square footage into acreage needed. We assume a FAR of 0.25 across all types for this calculation.

TABLE 5.10: PROJECTED EMPLOYMENT SQUARE FOOTAGE NEED, CITY OF CAMAS (2025)

LOW GROWTH SCENARIO	CAMAS				
	Office	Industrial	Retail	Other	Total
Total Non-Farm Employment	238,223	177,037	74,403	180,938	670,601

BASELINE SCENARIO	CAMAS				
	Office	Industrial	Retail	Other	Total
Total Non-Farm Employment	334,176	246,084	103,368	252,371	935,999

HIGH GROWTH SCENARIO	CAMAS				
	Office	Industrial	Retail	Other	Total
Total Non-Farm Employment	487,463	352,126	152,247	363,035	1,354,871

SOURCE: Washington State Employment Security Department, Johnson Economics



TABLE 5.11: PROJECTED EMPLOYMENT LAND NEED, CITY OF CAMAS (2025)

NET CHANGE IN DEMAND (SF)	CAMAS				
	Office	Industrial	Retail	Other	Total
Low-Growth Scenario	238,223	177,037	74,403	180,938	670,601
Baseline Scenario	334,176	246,084	103,368	252,371	935,999
High-Growth Scenario	487,463	352,126	152,247	363,035	1,354,871
NET CHANGE IN DEMAND (AC)	CAMAS				
	Office	Industrial	Retail	Other	Total
Low-Growth Scenario	21.9	16.3	6.8	16.6	61.6
Baseline Scenario	30.7	22.6	9.5	23.2	86.0
High-Growth Scenario	44.8	32.3	14.0	33.3	124.4
NET CHANGE IN DEMAND (AC)	CAMAS - Using 2035 Comp Plan Assumptions				
	Office	Industrial	Retail	Other	Total
Low-Growth Scenario	34.0	12.8	7.4	20.1	74.4
Baseline Scenario	47.7	17.8	10.3	28.0	103.9
High-Growth Scenario	69.6	25.4	15.2	40.3	150.6
NET CHANGE IN DEMAND (AC)	Johnson Economics vs. 2035 Comp Plan Assumptions				
	Office	Industrial	Retail	Other	Total
Low-Growth Scenario	-12.2	3.5	-0.6	-3.5	-12.8
Baseline Scenario	-17.1	4.8	-0.8	-4.9	-17.9
High-Growth Scenario	-24.9	6.9	-1.2	-7.0	-26.2

SOURCE: Washington State Employment Security Department, Johnson Economics



Our models project a baseline need of 86 employment acres through 2025. Using the comprehensive plan assumptions of 9 industrial workers per acre and 20 commercial workers per acre, we estimate a total need of 104 acres. The high estimates for these two models are 124 acres and 150.6 acres, respectively. Even using these higher figures, these numbers fall far below the 1,114 Acres of currently developable industrial and commercial land, as shown in the table below.

TABLE 5.12: VACANT, UNUSED, AND PRIME DEVELOPABLE LAND IN CAMAS, WA

Zoning		Count	Acres (AC)	AC/Count	Total RMV	RMV/AC	RMV/Count
COM	CC	16	123.05	7.69	\$5,536,385	\$44,992	\$346,024
	DC	14	3.95	0.28	\$1,216,124	\$307,864	\$86,866
	MX	10	5.73	0.57	\$1,228,691	\$214,255	\$122,869
	NC	1	0.41	0.41	\$12,524	\$30,323	\$12,524
	RC	52	372.85	7.17	\$21,950,787	\$58,873	\$422,131
IND	BP	13	276.94	21.30	\$12,122,120	\$43,771	\$932,471
	HI	35	71.65	2.05	\$4,098,901	\$57,210	\$117,111
	LI	7	65.38	9.34	\$1,360,667	\$20,812	\$194,381
	LI/BP	20	194.49	9.72	\$16,326,585	\$83,946	\$816,329
MF	MF-10	18	97.73	5.43	\$3,744,619	\$38,316	\$208,034
	MF-18	41	60.56	1.48	\$5,085,061	\$83,964	\$124,026
Total COM		93	506.00	5.44	\$29,944,511	\$59,179	\$321,984
Total IND		75	608.46	8.11	\$33,908,273	\$55,728	\$452,110
Total MF		59	158.29	2.68	\$8,829,680	\$55,781	\$149,656
Grand Total		227	1272.75	5.61	\$72,682,464	\$57,107	\$320,187

SOURCE: Clark County, JOHNSON ECONOMICS



VI. RESIDENTIAL DEMAND ANALYSIS

In this section, we analyze the market depth for rental apartments within the City of Camas. We provide estimates of turnover in the existing household base as well as estimates of current demand growth over the coming five years. We then reconcile our demand estimates with the identified supply pipeline to project absorption for the market area and the subject site.

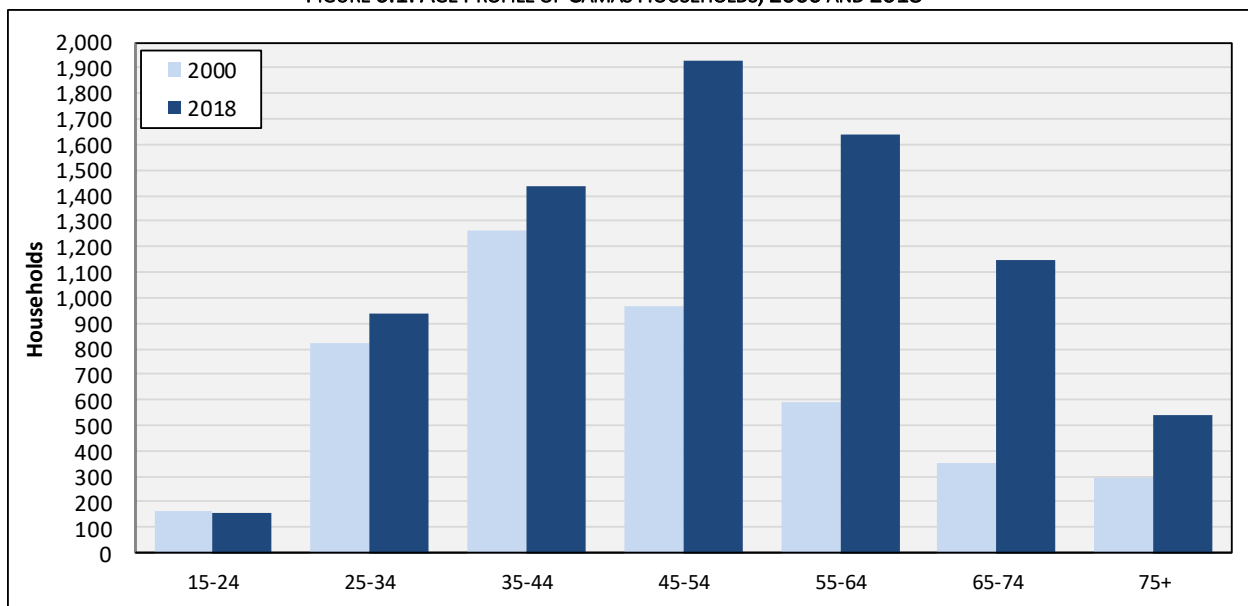
HISTORICAL GROWTH

According to estimates from Environics (formerly Nielsen Claritas), the PMA totals 7,781 households as of 2018, after adding 4,464 households since the turn of the millennium. Over this 18-year period, this translates to an average annual growth of 3.1%, which is far above the average growth rate observed in the Portland Metro Area (1.3%).

The following figure displays how the household growth within the market area has been distributed across age groups since 2000, as reported by Environics. The strongest growth was seen in households aged 45 to 74. Growth was seen in all other categories except 15-24-year-olds, which declined by just 11 total households over the 18-year period.

The largest total growth seen within an age group was in those aged 55-64. This age group increased by 1,043 households since 2000, which represents an increase of 176% or roughly 5.8% per year. The 65-74-year old age group grew by just under 800 households since 2000. This group had a smaller population to begin with, however, so the increase represents a 6.8% annual growth, highest among all age groups.

FIGURE 6.1: AGE PROFILE OF CAMAS HOUSEHOLDS, 2000 AND 2018

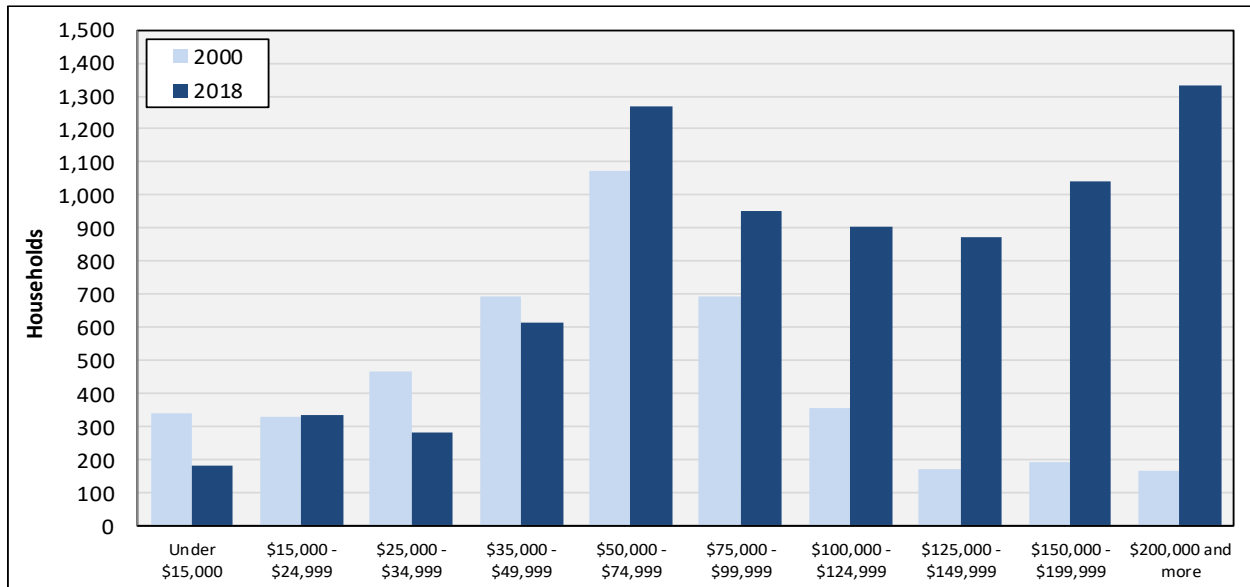


SOURCE: Environics Analytics

The area is becoming increasingly affluent, though part of the increase in wage levels since 2000 can be attributed to inflation. Nearly all the realized growth on a net basis has been among households making at least \$50,000 per year. Growth is particularly strong among households making more than \$100,000 per year. Roughly 87.8% of all the positive growth came from households with incomes above this threshold. Households making at least \$200,000 per year increased over seven-fold over the period, faster than any other income group.



FIGURE 6.2: INCOME PROFILE OF CAMAS HOUSEHOLDS, 2000 AND 2018



SOURCE: EnviroNics Analytics

DEMAND GROWTH (2018-2023)

JOHNSON ECONOMICS has developed a housing demand model that translates estimates of job growth and household growth into demand for housing of different forms. Our model begins with household growth estimates stratified by age and income, as these are the variables that best predict housing preferences. Our household growth estimates are based on projections by EnviroNics, a third-party data provider that draws on various data sources to identify trends that impact the household base within specific geographies down to a census block group level. We adjust these estimates based on employment growth projections (by age) and migration trends. The goal is for the projections to reflect underlying demand rather than expected realized household growth, which is constrained by supply.

After developing a segmented projection of overall housing demand for the market area, we use local microdata from the U.S. Census Bureau to establish segment-specific rates of housing tenure (owners/renters) and housing type (SF detached/SF attached/multi-family), to derive assumptions of future housing propensity within the segments.

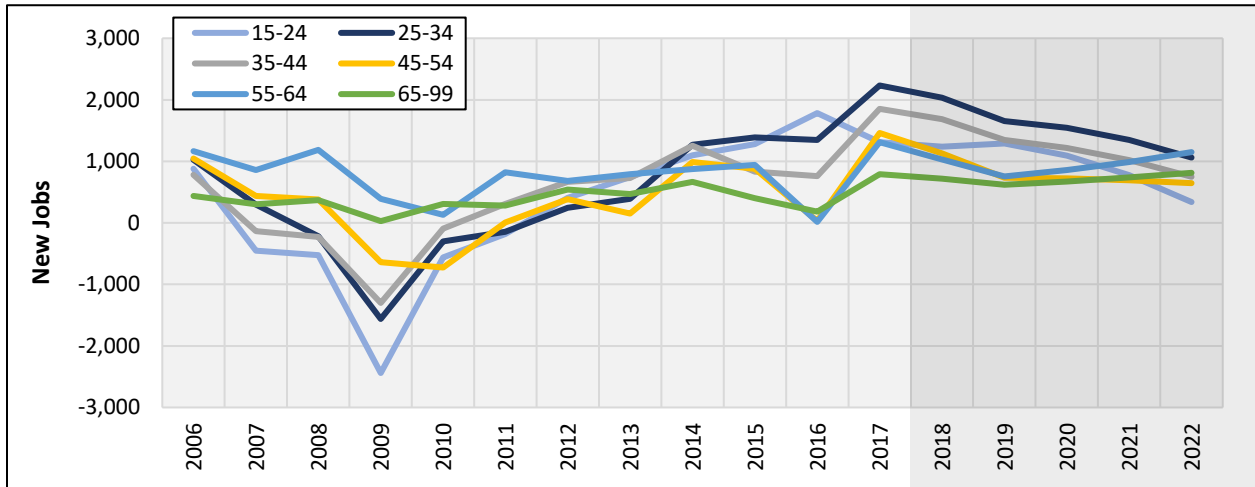
COUNTY AND SUBMARKET PROJECTIONS

Our city-level projections take into account the projected supply-demand balance in the surrounding area, as over- and under-supply in neighboring markets cause in- and out-flows of demand to smaller areas. Johnson Economics develops projections on the county level as well as for a number of submarkets within the Portland Metro counties. As we have defined these submarkets, Camas falls within the East Clark County submarket, which extends from the I-205 freeway in the west to the Skamania County line in the east, and to NE Fourth Plain Boulevard in the north.

Our demand projections on the county level are in part based on projections for job growth by age group within the county, and historical jobs-to-household ratios in different age segments. The historical data for these projections were shown in figure 3.8 and 3.9 earlier in this report. The following chart displays our job growth projections for the 2018-23 period. These assume a moderation over the coming five years, reflecting the tight labor market and the effects of a maturing business cycle. Moreover, the projections assume an age-wise shift in new hiring, reflecting that the youngest segments will make up a smaller share of available labor due to the peak of the millennial wave having moved through college graduation and is now largely employed.



FIGURE 6.3: HISTORICAL AND PROJECTED ANNUAL JOB GROWTH BY AGE, CLARK COUNTY (2006-2022)



SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS

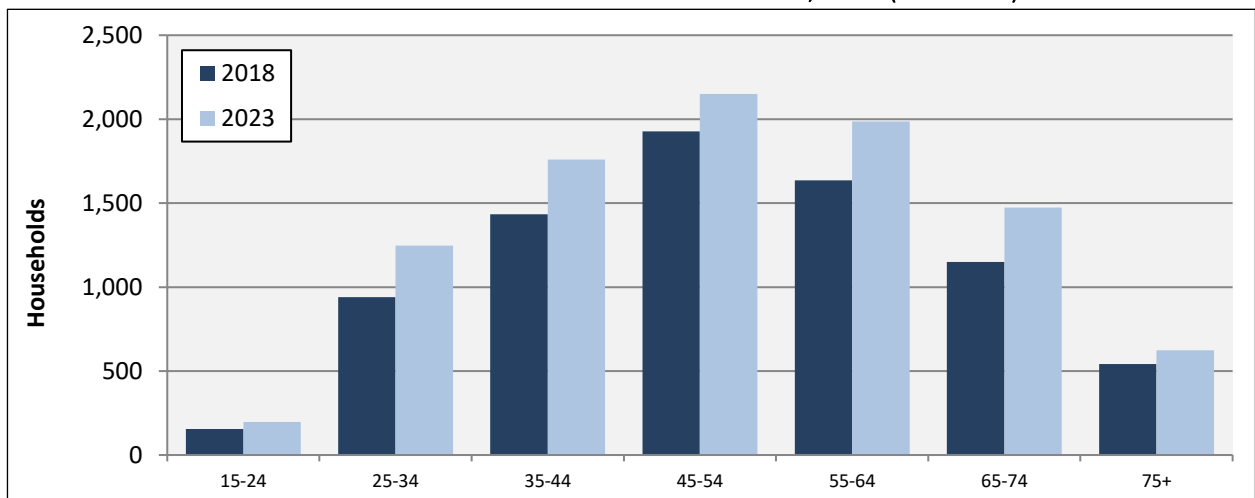
As of 2018, Johnson Economics’ county-level projections indicate demand for an additional 5,500 apartment units in Clark County over the 2018-23 period. Within the East County submarket, we project demand for an additional 2,600 units over the period. Apartment projects in the pipeline within this submarket currently total 1,800 units, indicating undersupply of around 800 units over a five-year timeframe.

TOTAL HOUSING DEMAND, CAMAS

Over the coming five years, Envirionics projects an increase of 1,300 households within Camas. This represents annual growth of 3.1%. Note that this is based on an extrapolation of historical trends, which in turn is based on realized growth rather than underlying demand not limited by supply constraints. Taking into account our modeling of job growth and migration, we project underlying housing demand of 1,650 units over the period (330, 3.9% per year)

The following chart displays the anticipated distribution of housing demand across age segments. The projections indicate particular demand growth among young households in the early family-stage, reflecting strong job growth in these age groups, as well as considerable growth in empty-nester and senior segments, reflecting the aging of the baby boomers. Only modest growth is expected in the 15-24 segment.

FIGURE 6.3: PROJECTED DISTRIBUTION OF HOUSEHOLDS BY AGE, CAMAS (2018-2023)

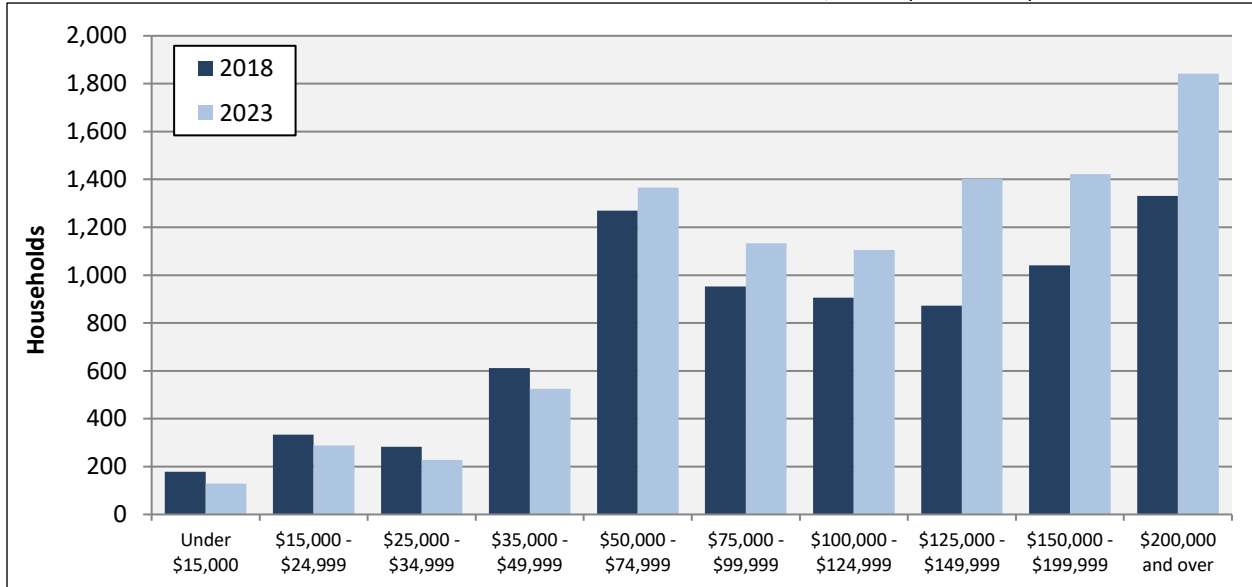


SOURCE: Envirionics, JOHNSON ECONOMICS



With respect to income, the demand growth is anticipated to be distributed broadly across mid- and upper-income segments. Note that among the younger segments, there is more growth in middle-income categories (especially \$50,000-75,000), which is partly offset by declines in this segment among middle-age households.

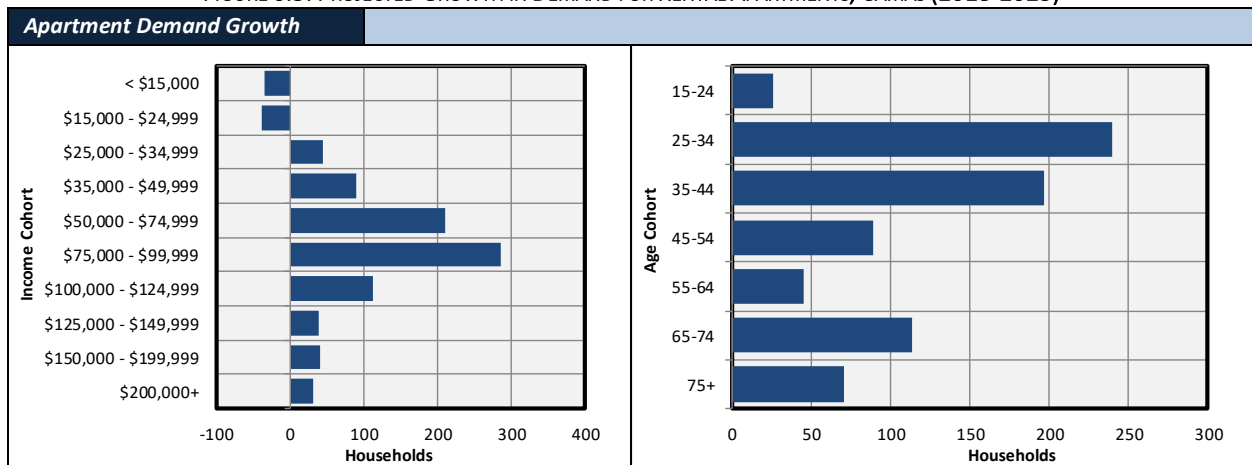
FIGURE 6.4: PROJECTED DISTRIBUTION OF HOUSEHOLDS BY INCOME, CAMAS (2018-2023)



SOURCE: Envirionics, JOHNSON ECONOMICS

When we apply segment-specific tenure and housing type propensity rates to the projected housing demand, our model indicates demand for 780 apartment units over the coming five years, or roughly 160 per year. The net new demand is projected to be concentrated among young, middle-income households, though with a significant contribution from seniors.

FIGURE 6.5: PROJECTED GROWTH IN DEMAND FOR RENTAL APARTMENTS, CAMAS (2018-2023)

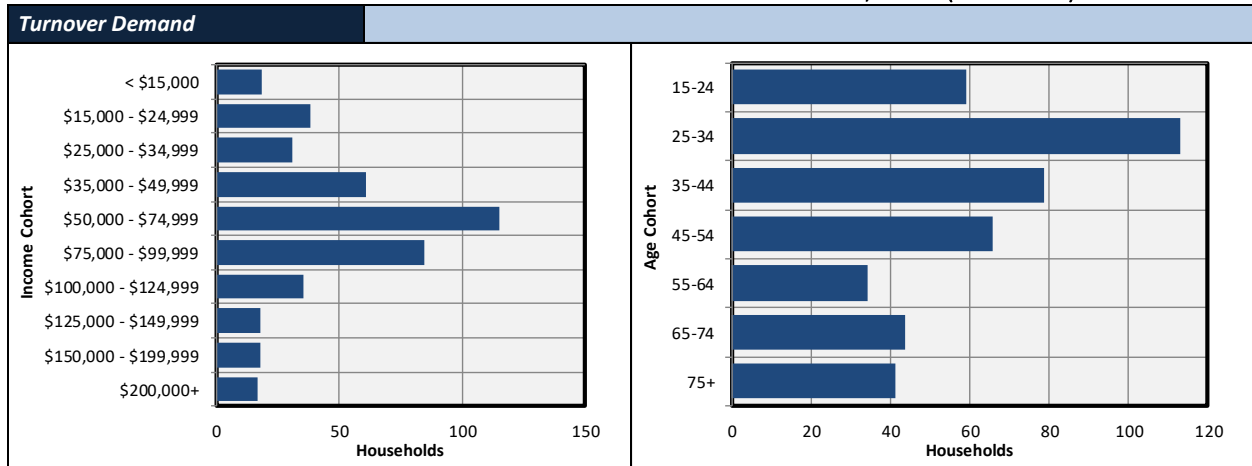


SOURCE: Envirionics, JOHNSON ECONOMICS

When we take into account turnover in the existing base of apartment households in the city, we arrive at a projection of around 430 rental transactions per year in the Camas apartment market. Given the age and income profile of existing apartment renters in the market, these transactions are expected to represent a wider distribution across age and income categories than the net new demand, though still dominated by young, middle-income renters.



FIGURE 6.5: PROJECTED TOTAL ANNUAL DEMAND FOR RENTAL APARTMENTS, CAMAS (2018-2023)



SOURCE: Environics, U.S. Census Bureau, JOHNSON ECONOMICS

Though turnover represents demand for which there already is matching supply, these transactions tend to benefit the absorption of new units in the market, as existing renters “trade up” into newer units with less wear and more up-to-date features. Based on Clark County taxlot data, analyzed in GIS, the average age of existing apartment projects with at least five units in Camas is 35 years, suggesting demand for more up-to-date supply. Moreover, the data indicates that the average size of these projects is 19 units. Projects of this scale rarely offer any community amenities to speak of. The new projects proposed in this market are larger and will include more community amenities, something that will likely attract existing renters in the market.

MULTIFAMILY PIPELINE

JOHNSON ECONOMICS tracks all multifamily development in the region, based on information from planning departments, building departments, developers, and brokers. We are aware of four projects currently in the pipeline in Camas. These range in size from 116 to 276 units, with a total of 664 units. The projects are expected to be delivered over the coming three to four years. Additional information about the projects is displayed in the following table. In addition to the four projects, another project named “Camas Crossing” was proposed a few years ago, but the status of this project is unknown. If this projects enters the pipeline, it is expected to be started after the developer, Lugliani, has completed Heatherwood Apartments, possibly with completion beyond 2023.

TABLE 6.3: MULTIFAMILY PIPELINE IN CAMAS, WASHINGTON

Project Name	Location	Status	Entitlement	Comments	Units
Grass Valley Apartments	5800 NW 38th Ave	Proposed	LU Approval	Holland. Pool, clubhouse. 1-4 Br	276
Camas Meadows Lofts	4200 NW Camas Meadows I	Proposed	LU Review	Pahlisch. Mostly 1B, some 2B. 4 stories.	116
Hetherwood Apartments	20312 SE 40th Ave	Proposed	LU Review	Lugliani. Scaled down.	134
Village at Camas Meadows	NW Lake Rd & NW Camas M	Proposed	LU Approval	Chloe Inv. Following 77-unit SF project.	138
Total proposed					664

SOURCE: JOHNSON ECONOMICS

SUPPLY-DEMAND RECONCILIATION

Our projections for the apartment market in Camas indicate demand for 782 additional units over the coming five years. In comparison, the current pipeline within the city totals 664 units. This suggests undersupply of around 120 units over the forecast period. Additionally, our models indicate undersupply of 800 units in the larger East Clark County market, suggesting that Camas can capture additional demand if additional supply is provided.



The above reconciliation is based on net new growth alone. Given the age of the existing apartment stock in Camas, there is likely pent-up demand for more up-to-date supply, as well as for community amenities that are not offered by the small projects that dominate the existing market. Thus, we expect the new projects to be absorbed quickly. Recent projects in this market, such as Trio Pointe, has seen strong absorption, with demand from existing apartment households as well as new migrants filling the many new jobs opening in the East Vancouver-Camas area.

The East Vancouver-Camas area, as well as the larger Clark County market, also captures regional demand in the current market. Due to rapid rent increases in central parts of the Portland Metro Area, young renters migrate to surrounding suburban areas that offer more affordable rent levels. This dynamic will also likely contribute to absorption of new apartment units in Camas over the coming five years.



VII. CONCLUSIONS

CURRENT ZONING

The subject site, which is zoned for regional commercial use (RC) is located off the main road (NW Lake Road). As such, it is not ideally suited for commercial development, for which heavy vehicular traffic is a must. According to a Johnson Economics analysis of commercial development in the Portland Metro Area since 2010, nearly all new commercial development takes place along roads with daily traffic of at least 15,000 vehicles. Just south of the subject site, Lake Road currently has a daily traffic count of around 9,000. Though future development along Lake Road will likely be feasible as the traffic volume increases, the subject site will not offer frontage along Lake Road (or Parker Street), and is thus unlikely to attract commercial users. We therefore regard the current commercial zoning to be problematic from a market standpoint.

Certain industrial uses are permitted in the current zoning (some with conditional approval). However, industrial development works best when there are multiple avenues for large vehicles to access the site. Moreover, the subject site backs land zoned for multifamily use. Industrial uses are generally viewed as incompatible with residential uses, and this combination is therefore contrary to the land use goals stated in the City's comprehensive plan. The possibility of industrial development on the site therefore does not alter our conclusion that the current commercial zoning is problematic.

LAND NEED

Rezoning to multifamily residential use is also justified from a land need standpoint. Johnson Economics reviewed the Camas 2035 Comprehensive Plan to get an understanding of work that had already been done regarding employment land projections. During this process, we noticed a major technical issue with the projections. Table 6-2 on page 6-2 in the plan details the "Percentage of Jobs by Industry Sector." The data is sourced from a dataset on jobs held by people residing in Camas, but is treated as data on jobs located in the city. It appears that the use of the wrong dataset has impacted the employment land projections in Section 1.

To determine the level of inconsistency, Johnson Economics checked the U.S. Census Bureau's On The Map website, which uses Quarterly Census of Employment and Wages (QCEW) data. In 2013, the QCEW showed 7,201 total jobs. This is compared to 9,093 listed in the Comprehensive Plan. Given the difference, the Comprehensive Plan overstated the level of 2013 employment in the City by 26.3%.

The Comprehensive Plan projects 11,182 new jobs in Camas by 2035. Given the 9,093 jobs from 2013 shown in the Comprehensive plan, that means that the City is expecting average annual employment growth of 3.7% per year. If we assume the same 3.7% growth applied to the correct 2013 employment base, the city would see 8,848 new jobs by 2035, 2,334 fewer jobs than initially projected in the Comp Plan. Given the error, the City's projections of 830 acres of needed employment land by 2035 is also overstated.

JOHNSON ECONOMICS used data from the Washington Employment Security Department and QCEW data from the U.S. Census Bureau's On The Map to base its projections of employment need going forward. Our baseline estimates found that by 2025, the City of Camas will need 86 acres of employment land. We also projected land need using the Camas Comp Plan's assumptions of 9 industrial jobs and 20 commercial jobs per acre. Using these numbers, we show a baseline need of 104 acres of employment land.

LAND SUPPLY

Out of 10,204 taxlots in the City of Camas, there are 59 developable properties zoned for multifamily, 75 for industrial, and 93 for commercial. Industrial land has the largest footprint. Roughly 608 acres of industrial land are available for development, as well as 506 acres of commercial land, and just 158 acres of multifamily land.

That means that even as we assume the 104-acre estimate for employment land need, the City will still have used just 9.3% of its currently available industrial and commercial land, which would leave plenty of room for additional growth.



It also means that rezoning of commercial or industrial land to multifamily land will have no negative impact on commercial or industrial employment opportunities in the city. Additional multifamily land will help facilitate additional multifamily construction, which is needed in Clark County and Camas in order to alleviate the current housing shortage. Based on our projections, the current pipeline of multifamily projects in Camas is not enough to satisfy demand over the next five years, something that indicates a continued pressured market with low vacancy rates and rapid rent increases.