



**J O H N S O N**  
**G A R D N E R**

**MEMORANDUM**

**DATE:** July 10, 2008

**TO:** Patrick Ribellia, Esq.  
Director of Planning  
CITY OF HILLSBORO

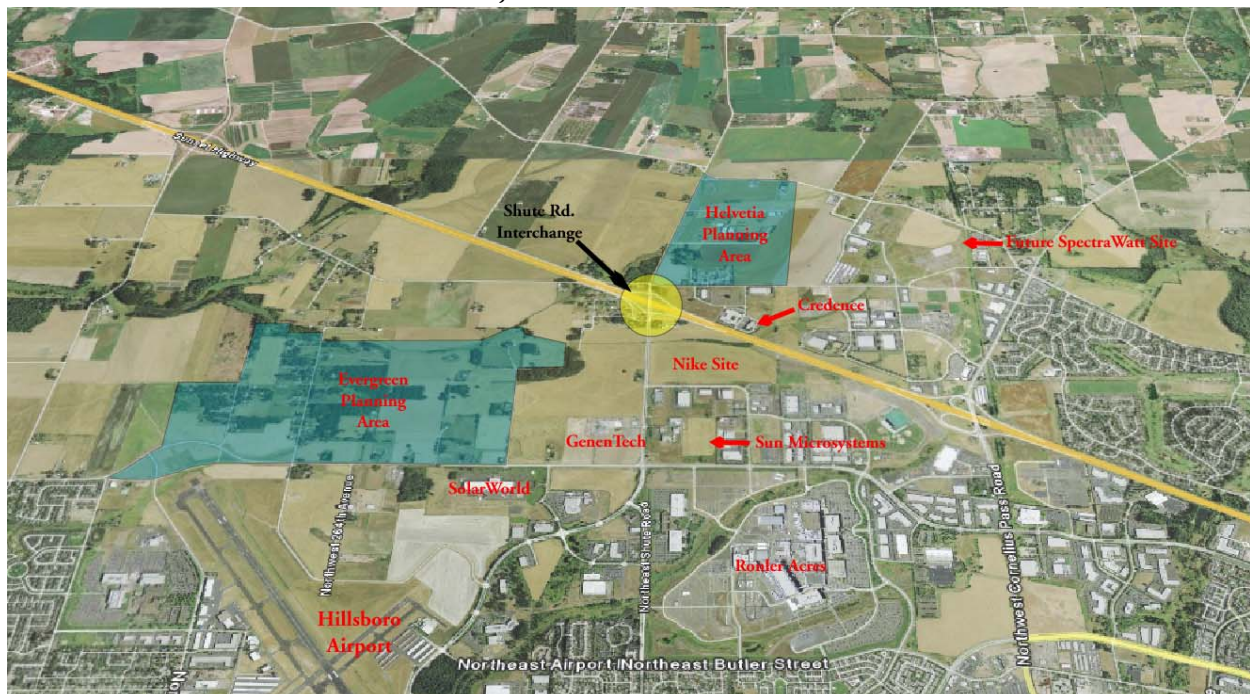
**FROM:** JOHNSON GARDNER, LLC

**SUBJECT:** Shute Road & Hillsboro Economic Development

Johnson Gardner is presently documenting economic opportunities for the City of Hillsboro related to the City’s long-term economic development planning objectives. The City has asked Johnson Gardner to summarize the role of Shute Road and the Shute Road Interchange of Highway 26 to current and future local and statewide economic development initiatives. This memorandum summarizes our findings. In short, we find Shute Road and its Highway 26 interchange critical to near-term, not to mention long-term, Statewide and local economic development priorities for expansion of the existing electronic component cluster and high-priority, emerging sustainable industry clusters and the demonstrated high-wage jobs they pay.

Figure 1 below provides an aerial photograph of the Shute Road & Highway 26 environs in the City of Hillsboro. Key employers, economic planning areas, and the Hillsboro Airport are highlighted.

**FIGURE 1:MAP OF HILLSBORO INDUSTRY, SHUTE ROAD & U.S. HIGHWAY 26/SUNSET HIGHWAY**





As Figure 1 clearly demonstrates, Shute Road and the Shute Road interchange of Highway 26 are central and increasingly integral to the recent economic development successes from Hillsboro and Oregon Economic & Community Development (OECD) efforts in high-tech industry, including high-priority sustainable energy and biotechnology industries. The following is a summary of recent and pending developments, many of which have resulted from coordinated efforts by Hillsboro and OECD:

- 1) **Intel's Ronler Acres Campus:** Employs roughly 16,000 in the Computer and Electronic Product Manufacturing Industry.
- 2) **Biotech giant GenenTech:** \$250 million Pharmaceutical Manufacturing facility currently under construction near the intersection of NW Shute Road and Evergreen Road.
- 3) **SolarWorld:** In-progress retrofit of the Komatsu Building and \$400 million investment to create the largest solar cell component manufacturing facility in the nation. SolarWorld's operations will eventually employ 2,000 workers.
- 4) **Sun Microsystems:** Current expansion of a facility on Evergreen Road which will employ an additional 150 workers.

The above developments reflect completed or current under-construction facilities. Given these successes, the following economic development efforts indicate far greater reliance upon Shute Road and its Highway 26 interchange over the short-term and long-term for industry access and transportation needs:

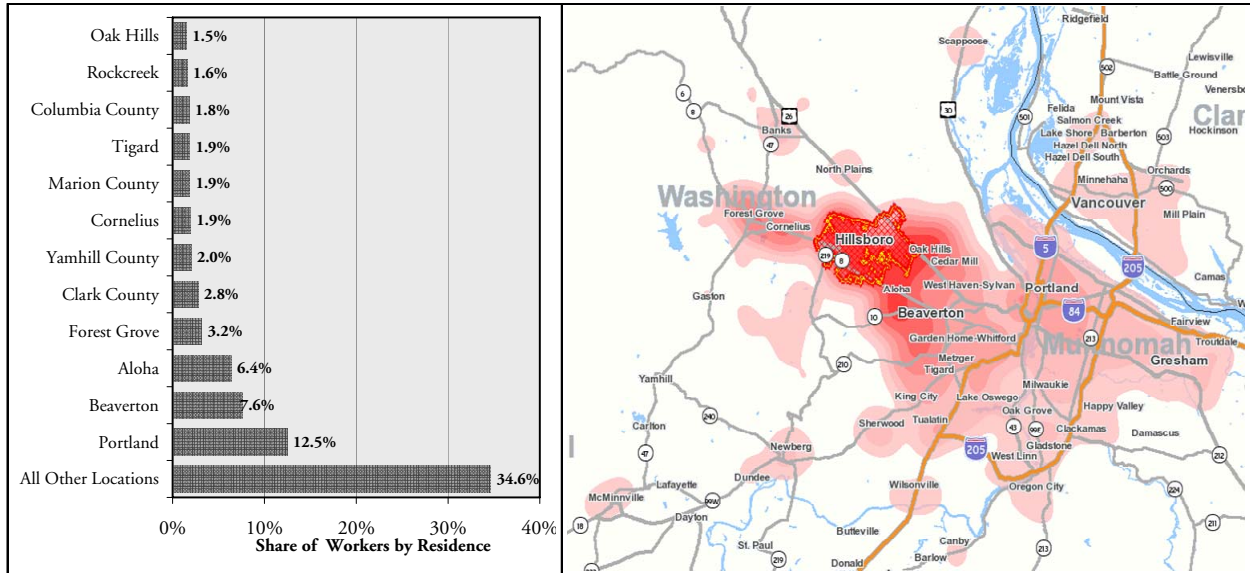
- 1) **Evergreen and Helvetia Special Industrial Districts:** New, likely high-tech employers locating within the 534-acre Evergreen Industrial District will largely rely on the Shute Road interchange, while likely high-tech employers locating within the 249-acre Helvetia Industrial District nearly exclusively rely upon the Shute Road interchange.
- 2) **Nike Site:** The Nike Foundation is now actively marketing its 77-acre industrial site on Shute Road adjacent to Highway 26. The site has been certified by the State's industrial land certification program.
- 3) **Intel Capital/SpectraWatt:** Further exemplifying the emerging cluster demonstrated by the SolarWorld development, Intel Capital announced its \$50 million backing of SpectraWatt, a solar component manufacturing facility on West Union Campus. Long-term success of the project will likely, in part, correlate to the success of other solar panel component manufacturing cluster expansion in the vicinity of the Shute Road interchange.

In addition to these medium-term economic planning efforts and developments, Shute Road and its Highway 26 interchange is physically central, and therefore critical, to Hillsboro's long-term planning of urban reserves areas, including longer-term industrial and commercial areas needed over a fifty-year planning period. Much of the land north of Highway 26, bound to the west by the McKay Creek watershed.

Although Johnson Gardner finds Shute Road and the Highway 26 interchange crucial to the future Hillsboro's, and therefore, Oregon's electronic/computer component, biotech, and solar manufacturing industry operations, high-tech workforce access to these growing industries over the short-term and long-term. As Figure 2 on the following page demonstrates, Hillsboro's economic clusters rely strongly and a broadly regional workforce that in turn relies upon reliable and adequate access to jobs via Highway 26. Higher concentrations of individual employed in Hillsboro are represented by darker-red gradients in Figure 2.



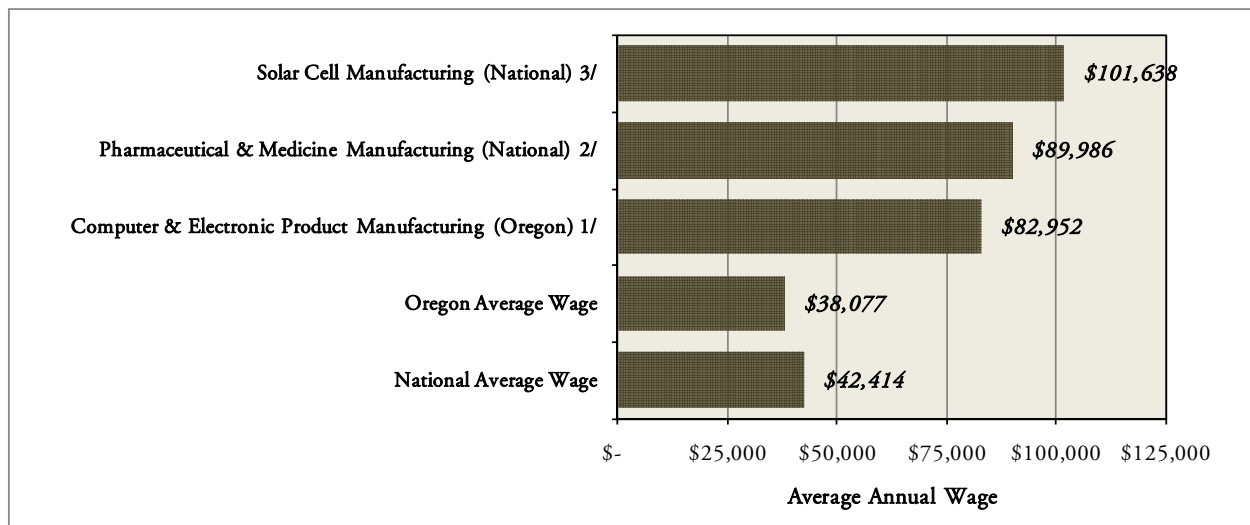
**FIGURE 2:  
GEOGRAPHIC DISTRIBUTION OF HILLSBORO INDUSTRY EMPLOYMENT WORKFORCE**



SOURCE: U.S. Census Bureau LEHD Program

As Figure 2 also indicates, a broad range of jurisdictions and businesses benefit from nearby residents/customers employed by Hillsboro’s economic clusters. The economic benefit of those employed in Hillsboro is great as indicated in Figure 3 below.

**FIGURE 3:  
KEY ECONOMIC CLUSTER WAGE/INDUSTRY DATA**



1/ NAICS: 334  
2/ NAICS: 325414  
3/NAICS: 334413

SOURCE: U.S. Bureau of Labor Statistics Quarterly Census of Employment & Wages (2006)



Compared to the 2006 average annual wage in Oregon of \$38,077, current and emerging industry clusters that will depend upon the Shute Road interchange are expected to pay upwards of double the statewide average wage.

- Although SolarWorld planned operations employment and wages have not yet been officially recorded by the Oregon Employment Department, national data indicate that solar cell manufacturing nationwide averages over \$100,000 in annual pay.
- Biotech manufacturing, which represents planned operations at the GenenTech facility in Hillsboro, follows by paying 136% of the statewide average.
- The well-established electronic/computer component manufacturing cluster exemplified by Intel is not far behind paying 118% of the statewide average annual wage.