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Economic and Development Services

MEMORANDUM

To:	Jeff Niten, Community Development Director City of Ridgefield
From:	Eric Hovee & Andrea Logue
Subject:	Market Analysis for Ridgefield Pioneer & 45th Sub-Area Plan
Date:	June 23, 2015

On behalf of the City of Ridgefield, this memorandum provides a market analysis for the Pioneer and 45th Sub-Area. The goal of the market analysis is to focus on assessing demand potentials and supportable pricing for single- and multi-family together with commercial retail and office/flex development.

Development is aimed to serve the Ridgefield community plus a broader market area that includes northwest Clark County also potentially extending into southern Cowlitz County. The report also includes preliminary evaluation of as-yet untested markets in the Ridgefield area – as for apartments, condominium, campus office and mixed-use development concepts.

The Pioneer and 45th sub-area plan is being conducted concurrently with sub-area planning for the downtown waterfront and Ridgefield Junction areas – with results of all plans folded into the City's Comprehensive Plan to be updated in 2016. Topics covered by this memorandum are:

Market Analysis Summary
Sub-Area Profile
Pioneer & 45th Market Geographies
Trade Area Demographics & Employment
Residential Market
Retail Development & Related Commercial Services
Office/Flex Space
Horizontal Mixed Use
Strategic Development Options

Two appendices are also provided. *Appendix A* summarizes stakeholder interviews conducted at the outset of this analysis. *Appendix B* contains supplemental data tables.

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PIONEER & 45TH SUB-AREA MARKET ANALYSIS SUMMARY

Preliminary findings observations from this market study are summarized as follows.

Sub-Area Property Profile. Anchored by the Pioneer and 45th roundabout, only 40 acres of the 733 acre sub-area are currently developed. Close to 67% of the land area is zoned for low and medium density residential use, 30% for office and community business commercial, and 4% for parks and open space. After deducting for required infrastructure, critical lands and required parks for medium density residential use, the sub-area could accommodate up to an estimated additional 1,430 residential units and 2,500 jobs at build-out.

Market Area. With 6,000+ in-town residents as of 2014, a Ridgefield/I-5 primary trade area serves an estimated 16,800 residents extending north to the Clark/Cowlitz County line. A larger secondary market of 39,200 extends further north into Cowlitz County as well as east and south to address as yet-unmet area retail needs. Development within Ridgefield's UGA can be expected to serve as the primary driver of population growth over at least the next 5-10 years.

Trade Area Demographics & Employment. Compared with the rest of Clark County and the metro region, residents of the primary trade area tend to be well educated, homeowners with families and with relatively high median incomes. With over 4,400 jobs, the *Discovery Corridor* is noted for a strong manufacturing and distribution base. However, the community is under-represented in professional service, health care and retail-related employment.

Residential Market. Ridgefield has been a predominantly single-family market with substantial planned development again in the pipeline. An estimated 375 units per year may be developed from 2015-20, allocated 85% to single family use but with increasing opportunity for up to 10% to be comprised of multi-family apartments and 5% as townhome style units.

Retail Development & Related Commercial Services. The retail market for the primary and secondary portions of the Ridgefield/I-5 trade area is considerably underserved for the available population. To serve the existing population plus up to 8,800 added residents for the full trade area over the next 5 years, up to 300,000 square feet of retail space could be supported assuming a 50% capture of the available market. The best near-term opportunity is for a grocery-anchored community retail center adjoining the Pioneer & 45th roundabout.

Office/Flex Space. While office zoning accounts for 22% of sub-area land, demand is likely limited near-term; options are better long-term, especially if assisted by the Port of Ridgefield.

Market Hybrids. Horizontal (or side-by-side) mixed use offers the prospect for improved market absorption and site utilization, to the extent encouraged by the sub-area plan.

Strategic Options. Key sub-area development concepts suggested by this market analysis are single- and multi-family residential, community retail, campus office/flex and horizontal mixed use. Implementation will depend on supportive zoning, infrastructure, and regional marketing.

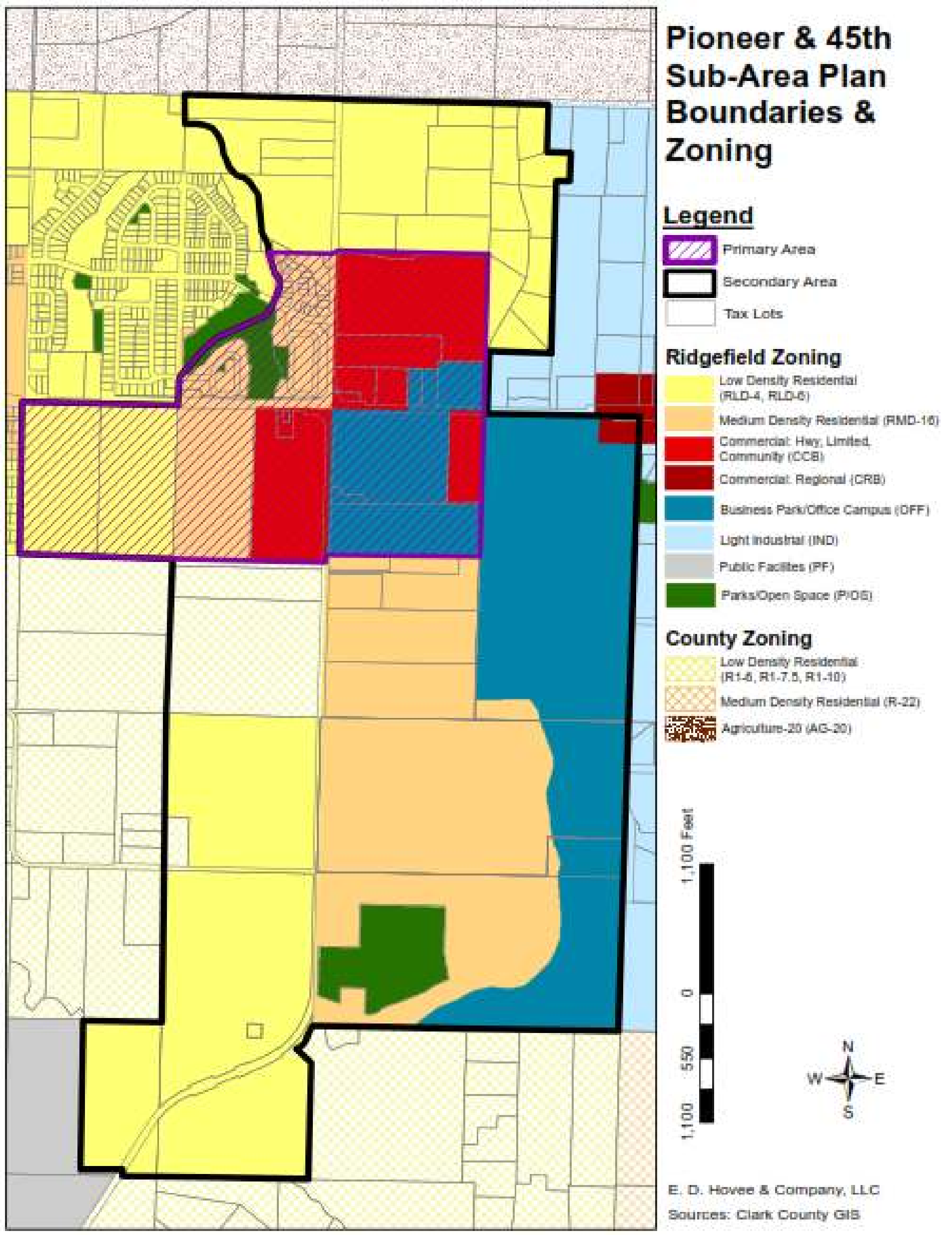
PIONEER & 45TH SUB-AREA PROFILE

This market analysis begins by profiling the Pioneer and 45th Sub-Area – including a review and discussion of comprehensive planning and zoning, linkage with other Ridgefield sub-area plans, land area by zoning, property ownerships and valuation, buildable lands, neighboring uses, transportation and utility infrastructure, environmental considerations and stakeholder perspectives. Data for this analysis is drawn from a wide range of published and proprietary sources, cited as may be applicable to each pertinent section of this market report document.[1]

Sub-Area Definition

As the map to the right illustrates, the Pioneer & 45th sub-area covers:

- A **primary** area focused in proximity to the node at Pioneer Avenue and 45th Street – as a major focus for near-term implementation actions.
- A **secondary** area with properties both north and south of the primary area. Much of the residential property to the north is already committed to development. Development to the south is expected to be affected by primary area development activity over a multi-year build-out period.



Comprehensive Planning & Zoning

Development within the City's jurisdiction is governed by the Comprehensive Plan and associated Development Code.[2] The Comprehensive Plan was most recently updated in 2013 with the next update process anticipated to be completed by mid-2016. The Clark County Comprehensive Plan also will be updated along this same timeline.

The current plan anticipates that Ridgefield's population could increase to 24,706 by 2024. As stated by the City's web site, the 2016 update is planned to involve a review of "growth over the last 10 years, during which time the City's population has doubled and reassess our future development scenarios."[3]

The Pioneer and 45th sub-area covers seven Comp Plan and eight associated zoning designations for this area and adjoining property as depicted by the following chart:

Plan Designation	Applicable Sub-Area Zoning
City of Ridgefield	
Residential Urban Low (UL)	Residential Low Density (RLD4, RLD6)
Residential Urban Medium (UM)	Residential Medium Density (RMD16)
General Commercial (GC)	Community Commercial Business (CCB)
Office Park/Business Park (OP)	Office (OFF)
Light Industrial (ML)	Industrial (IND)
Park/Open Space (P/OS)	Public Park/Open Space (P/OS)
Clark County	
Urban Low Density Residential (UL)	Single Family Residential (R1-6)

What follows is a summary description of **zoning designations** involved.

City of Ridgefield Zoning:

- **Commercial Community Business (CCB)** – for general retail trade and services including dining, hotels/motels, offices, indoor entertainment, community recreation, education (except K-12), and health related (with hospital activity on a limited use basis). Single family and duplex residential is not allowed, multifamily is allowed on a conditional limited basis.
- **Industrial (IND)** – is not applicable directly to the Pioneer and 45th sub-area but to adjoining properties immediately east (as part of the Ridgefield Junction sub-area planning process). Industrial allows a range of light manufacturing, research and development, distribution and office-related activities with general retail and dining permitted on a limited use basis.
- **Office (OFF)** – provides for office, research and development, wholesale retail, community recreation with some education and health uses on a permitted basis. General retail/service and dining is permitted on a limited use basis; other related uses may be allowed on a limited and/or conditional use basis.

- **Parks / Open Space (P/OS)** – indicates a park or trail as the only outright permitted use.
- **Residential Low Density 4 (RLD4)** – for predominantly single family residential at densities of 4 units per acre. Single-family detached and duplex uses are permitted; attached housing, accessory dwelling units and home occupations are examples of uses permitted on a limited basis. Some uses such as bed and breakfast, community residential facility, and community recreation facilities may be approved on a conditional-limited basis. Most commercial uses are not permitted. *Note:* RLD4 properties west of 45th are also in an Urban Holding Overlay District (UH) aimed to limit premature development where capital facilities are inadequate to support zoned use.
- **Residential Low Density 6 (RLD6)** – for predominantly single-family, detached residential at densities of 4-6 units per net acre. Conditional and limited use stipulations are essentially the same as for the RLD4 zone.
- **Residential Medium Density 16 (RMD16)** – allowing duplex and multi-family residential at densities of 8-16 units per acre. Single family including attached and duplex development may be allowed on a limited basis. RMD properties are required to provide 25% of net developable acreage as landscape open space or common recreation areas (with the exception of townhouses).

Clark County Zoning:

- **Single Family Residential (R 1-6)** – zoning applies to two properties in the sub-area and other unincorporated property immediately west. The aim of this County zoning district is to recognize, maintain and protect established low-density residential areas, with higher densities possible when a full range of community services and facilities become available. Average minimum lot size for detached units is 6,000 square feet (allowing for up to 7.3 units per acre). This area is also part of the UH overlay district.

As part of its existing conditions analysis memorandum, BergerABAM provides a more detailed discussion of current zoning and potential refinements with the sub-area plan.

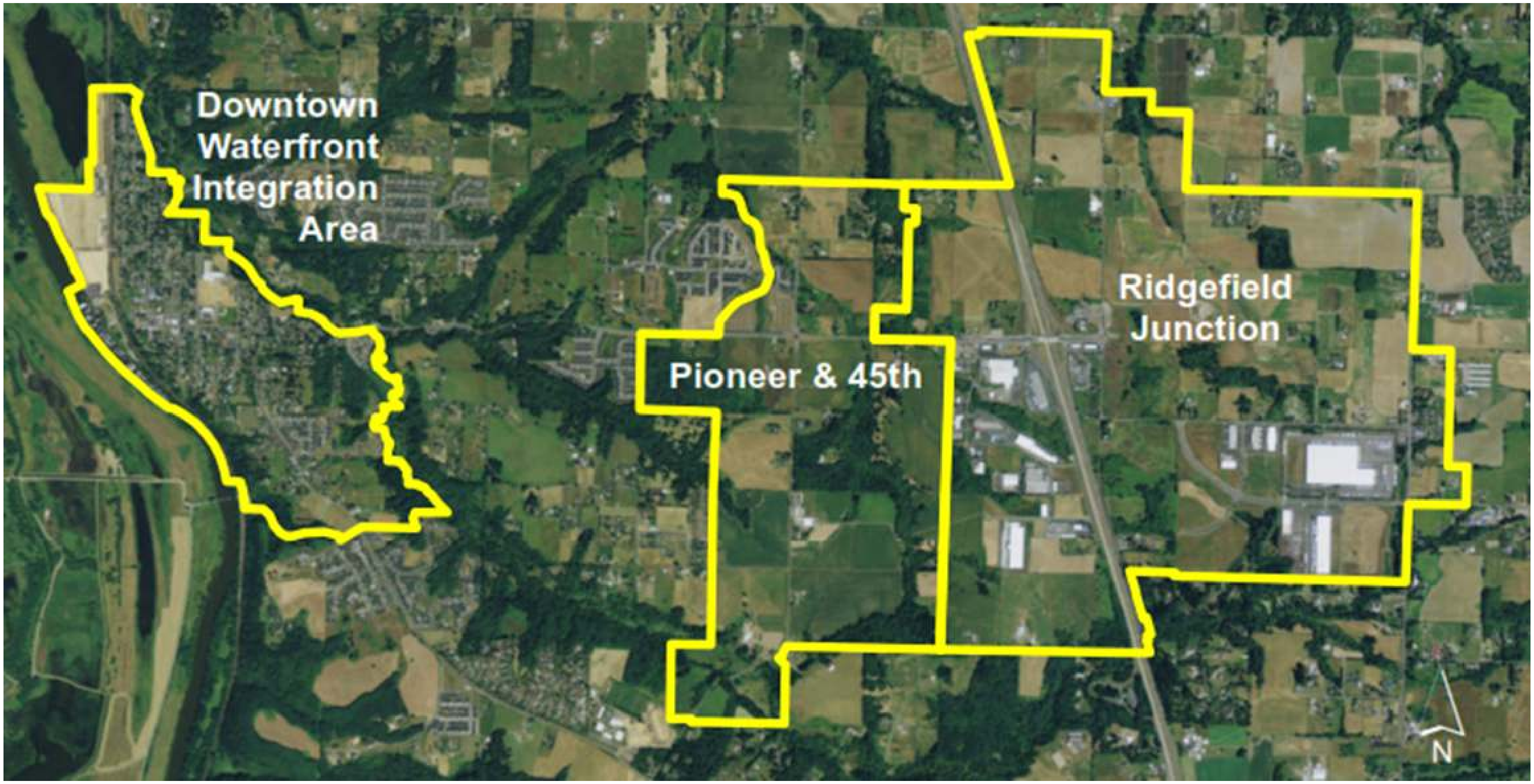
Linkage with Other Ridgefield Sub-Area Plans

In addition to the Pioneer and 45th sub-area plan, two other sub-area planning efforts are also currently under-way for:

- The Downtown-Waterfront Integration area to the west of Pioneer & 45th.
- The Ridgefield Junction sub-area adjoining Pioneer & 45th to the east.

Respective boundaries of these three sub-areas are illustrated by the map on the following page. All are served by Pioneer Street (or SR 501) as the major east-west arterial linking the sub-areas to the I-5 freeway corridors. These three sub-area plans are expected to be integrated into the 2016 update of Ridgefield's Comprehensive Plan.

Ridgefield Sub-Area Planning Activities – For Integration with the Comprehensive Plan Update



Sources: Clark County GIS, Esri and E. D. Hovee & Company, LLC.

The area between the Pioneer and 45th sub-area and the downtown-waterfront area is characterized by a major drop in elevation. Pioneer Street drops down as it approaches the lower elevation of the downtown and Columbia River / waterfront area including the Ridgefield National Wildlife Refuge.

South of Pioneer, much of the area immediately west of the Pioneer and 45th sub-area (including an approximately 40-acre portion of the sub-area) is currently not part Ridgefield's UGA but is under Clark County jurisdiction. This unincorporated area is zoned for single family residential use but at relatively low densities due to topography, limited road access, and absence of sanitary sewer.

Properties to the north of the sub-area are located outside Ridgefield's city limits and UGA, but with consideration of potential expansion. Land immediately south of the study area is outside of Ridgefield's city limits but within the UGA (as an Urban Holding Overlay District).

Land Area by Zoning

As depicted by the following chart, the nearly 733 acre Pioneer and 45th sub-area is comprised approximately two-thirds (67%) of land zoned for residential, 30% for commercial, and 4% for parks/open space use:

- Zoned residential uses range from low density single family zoning at four units per acre to medium density at 16 units per acre. With the exception of a few large lot homes on acreage, all of the subdivision development to date is north of Pioneer.
- Of commercially-zoned lands, over 70% of the acreage is designated for office and the remainder for retail use. Virtually all of the commercially zoned area is, as yet, undeveloped.

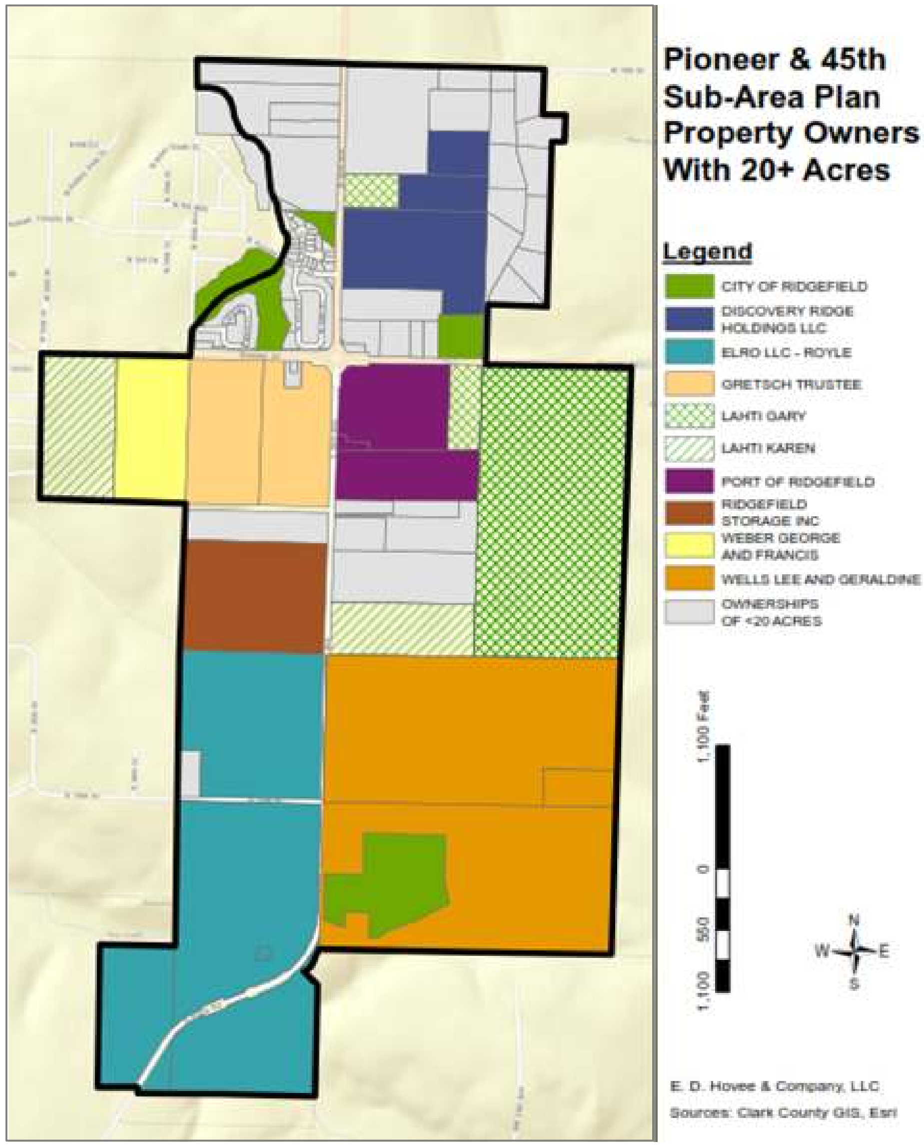
Distribution of Sub-Area Acreage (by Zoning)

Zoning	Acres	% of Total
Residential		
Residential Low Density - 4 (RLD-4)	174.3	24%
Residential Low Density - 6 (RLD-6)	99.0	14%
Residential Medium Density (RMD-16)	174.3	24%
Single Family Residential (R1-6 County)	40.3	5%
Subtotal Residential	487.8	67%
Commercial		
Office (OFF)	158.4	22%
Community Regional Business (CRB)	1.6	0%
Commercial Community Business (CCB)	58.8	8%
Subtotal Commercial	218.8	30%
Parks/Open Space		
Parks/Open Space (P/OS)	26.3	4%
Total Sub-Area	732.9	100%

Sources: E. D. Hovee & Company, LLC, Clark County GIS.

Property Ownerships & Valuation

The 733 acre sub-area comprises 99 tax parcels of up to 80 acres in size. Subdivided residential lots to date generally lie in a range of from less than 3,500 square feet to over 8,000 square feet.



Much of the sub-area consists of large holdings – including assemblages of multiple tax parcels. This is especially the case south of Pioneer.

As depicted by the map to the right, there are 10 owners who have single or multiple parcel aggregations of 20+ acres. Taken together, these 10 owners represent about 80% of the land of the Pioneer and 45th sub-area.

The current assessed valuation of all land in the sub-area is under $30 million. Approximately 70% of total valuation comprises land value; the remaining 30% represents improvements (structural) valuation.

Due to the largely undeveloped nature of the sub-area, improvements are currently valued at well below land valuation. However, where residential subdivisions are now in place, the value of structural improvements generally ranges between 3-5 times what the land is valued.

Existing Infrastructure, Park/Open Space and Critical Area Conditions

A detailed existing conditions analysis for the Pioneer and 45th sub-area has been prepared by BergerABAM as a separate planning document. What follows is a summary of conditions important to marketing the sub-area for residential and employment use.

Transportation Access

The principal arterial (and state highway) providing east-west access through Ridgefield and to I-5 is Pioneer Street/SR 501. Full north-south access to and from the sub-area is currently provided primarily by 45th Avenue. As of January 2014, Pioneer (east of 45th) experiences traffic of 8,300 vehicles per day, with approved development allowing for up to an estimated 20,000 daily trips. 45th Avenue (north of Pioneer) has average daily traffic of 2,300 vehicles, increasing to 7,100 with approved development).

Over a longer time frame, major transportation improvements are expected to include widening Pioneer Street to four lanes and adding roundabouts (extending east from 35th Avenue), coupled with City support for establishing a new southern extension from Hillhurst Road back to the 219th Street/Battle Ground interchange with I-5.

For the Pioneer and 45th sub-area, preliminary assessment by BergerABAM and DKS Associates indicates full sub-area development build-out can be expected to require:

- A collector connection north of Pioneer Street between 45th Avenue and Reiman.
- Collector connections south of Pioneer and west of 45th Avenue.
- A planned 279th collector extending west of 35th Place to keep local trips off Pioneer.

Utility Infrastructure

Within its incorporated limits, the City of Ridgefield has responsibility for local streets, water, storm sewer, police services, and public parks. Clark Regional Wastewater District (CRWWD) is the sanitary sewer provider; fire service is provided by Clark County Fire and Rescue.

Continued population growth will require the City to develop added water resources or work with Clark Public Utilities in the development of regional water resources. Between 2010-16, over $10 million of capital facility improvements are identified for reservoirs related to water supply, distribution and transmission.

The current Comprehensive Plan indicates that the City has adequate sanitary sewer capacity for existing and future demand. Close to $37 million in capital facility improvements related to wastewater treatment, sewer trunk mains, and lift stations/force mains are identified for the 2010-16 time period. CRWWD is actively involved in extending service to and through the Pioneer and 45th sub-area. A new sewer main (with pump stations) serves the portion of the sub-area north of Pioneer running south-east along a drainage corridor to the Junction area – as a new link in the Discovery Corridor Wastewater Transmission System. With the exception of a property on Pioneer at the east end of the sub-area, the rest of the sub-area has yet to obtain sanitary sewer service. This is expected to occur in response to development as it occurs, although properties at the southern end of 45th likely will require added pumping capacity.

While many previously developed areas dispose of stormwater through piping, the City's current approach to stormwater management is to retain and treat stormwater on-site.

Clark Public Utilities (CPU) anticipates having adequate supplies of electricity to meet future customer demand. Both CPU and Northwest Natural Gas generally plan to expand distribution capabilities on an as-needed basis. Telecommunications has, and likely will continue to remain, an area of major technological change between providers of wired and wireless service.

The utility infrastructure focus of the sub-area plan is on water and sanitary sewer systems, to provide water and sewer capacity for development. Identified on a preliminary basis are:

- Needs for continued regional water and sewer infrastructure investments as planned along 45th Avenue south of Pioneer.
- Potential need for parcels to the southwest of the Pioneer and 45th roundabout to require off-site sewer extension to the west for service.

Parks, Trails & Open Spaces

With neighborhood and community parks coupled with National Wildlife Refuge proximity, Ridgefield offers recreation and open space access that is unsurpassed in Clark County. The Comprehensive Plan emphasizes development of a citywide interconnected system of trails to "link schools, parks, and other public facilities with residential and mixed use areas." Also encouraged is the continuity of trail and bike corridors extending to outside the UGA.

Considerations noted as important for this sub-area planning process include:

- Further identification of proposed park and trail facilities.
- Development of a usable open space network to support quality of life.
- Potential relocation of the currently purchased CP-5 park land and trail connections.
- Review of the 25% park land dedication requirement to provide more flexibility both for multi-family development and improved options for parks/open space enhancement.

Critical Areas

Wetland, habitat conservation areas, and steep slopes are major considerations that will affect realistic development opportunities for the Pioneer and 45th sub-area:

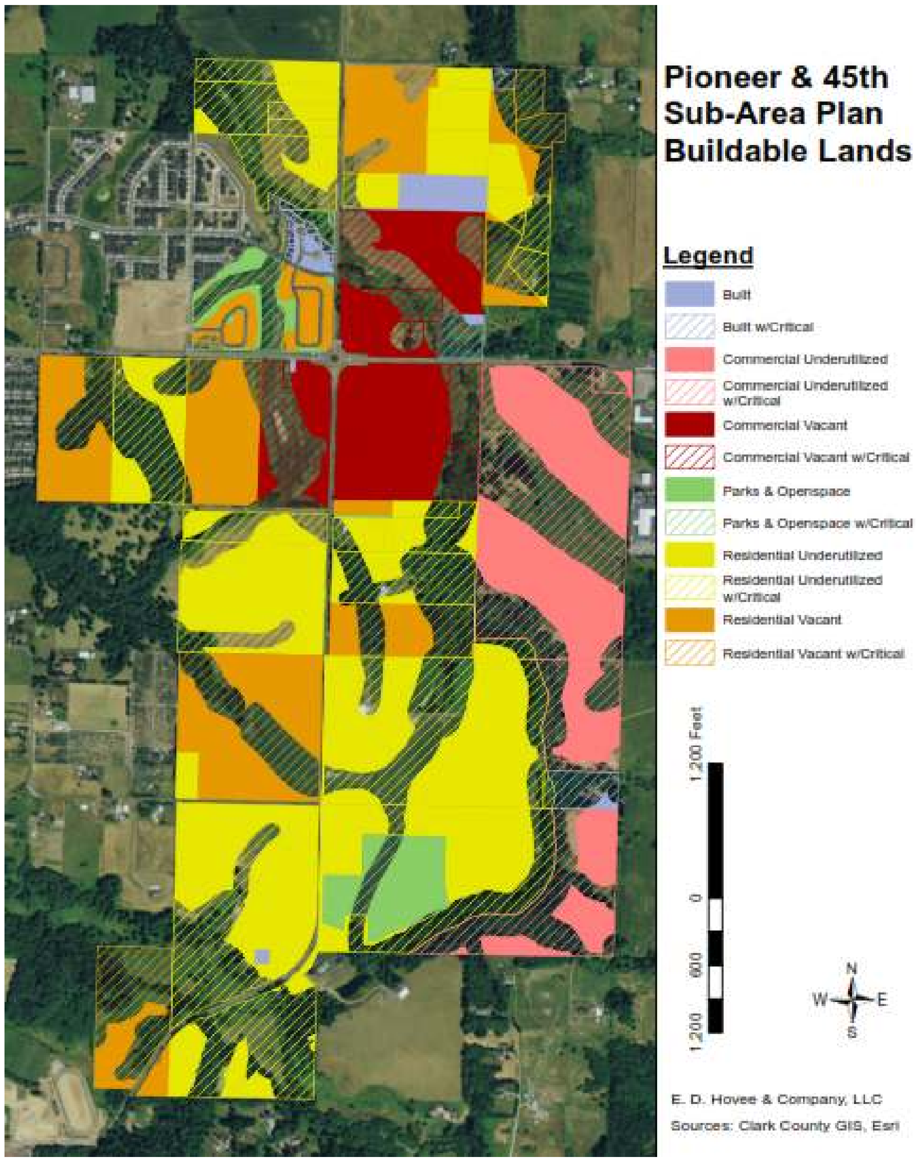
- These critical areas affect approximately 298 acres (or over 40% of sub-area land).
- Due to configuration that is largely independent of property ownership boundaries, the reduction to development potential may be greater if considered parcel-by-parcel than if there is cooperative planning and mitigation between adjoining owners – a major consideration for the sub-area planning process.

Buildable Lands

As conducted throughout Clark County in conjunction with local jurisdiction comprehensive plan updates, the Clark County Vacant Buildable Lands Model (VBLM) provides a preliminary assessment of net buildable land as compared with gross acreage. Out of 733 acres total, VBLM data indicates that:

- Less than 40 acres are currently developed.
- There are an estimated 298 acres of critical lands.
- To accommodate development, an estimated 112 acres might be required for infrastructure.
- This would leave about 310 acres as net buildable. This assumes a best case of no land deducted for parks area with multi-family (RMD) use. The maximum amount of this deduction is estimated at about 17 acres – reducing the net buildable figure to 293 acres.

Sub-Area Buildable Lands



Sources: Clark County Vacant Buildable Lands Model, October 2014 as updated by E. D. Hovee & Company, LLC.

At build-out and based on current zoned densities, the sub-area could accommodate up to an estimated additional 1,700 residential units and 2,500 jobs. The residential estimate could be reduced by up to about 270 residential units resulting in about 1,430 net added units at build-out assuming maximum potential application of a 25% parks deduction for RMD use.

Stakeholder Perspectives

As background for the sub-area planning process and market analysis, a series of stakeholder interviews were conducted in April 2015. Results by interview topic are provided with Appendix A to this report. Summary observations are noted as follows:

- Overall, property owners including several development firms can be described as "bullish but cautious" regarding prospects for Pioneer and 45th area development. The caution comes from prior experience with development plans that did not materialize, most notably including the Vision First proposal just prior to the Great Recession that involved a number of property owners south of Pioneer Street.
- Transportation and utility infrastructure is generally in place to support development (particularly residential) now occurring north of Pioneer. Little development has occurred to date south of Pioneer, in large part due to lack of urban infrastructure. Critical area constraints – notably wetlands – also represent a significant issue to be addressed, whether property-by-property or on a cooperative multi-property basis.
- There is interest expressed in a more flexible approach to zoning including the potential for what is termed as "horizontal" (or side-by-side) mixed use development. However, there is concern that any land use changes not detrimentally affect existing property development rights or result in any "special deal" benefitting a property owner rather than the full sub-area.
- For virtually all of those interviewed, a key objective is to get owners committed to a "fresh vision" that serves both site specific as well as community interests – and that leads to a clearly defined path for both public and private sector implementation.
- Finally, there is a sense that cooperative planning will be useful to address common issues such as transportation access, wetland mitigation, utilities and park/trail provision. At the same time, there may also be the need to provide a sense of marketing reality about the range of housing and commercial uses required for a full-service city while tempering expectations that, if inflated, could undermine or delay investments of benefit to the greater Ridgefield community.

Summary Notes

The realization of market opportunities can be facilitated, impeded or re-shaped by public service, investment and regulatory practices. What is clear from this overview is that while there is opportunity for significant development to build-out, the majority of the sub-area will not be developed but reserved for public infrastructure/rights-of-way and protection of critical areas together with provision of park/trail/open space amenities.

Consequently, the sub-area plan will aim to achieve public objectives for ecological sustainability and cost-effective infrastructure with the private need for flexibility in responding to site-specific constraints and amenities. With this planning overview in hand, this analysis now proceeds to consider the market context for potential single- and multi-family residential, retail, office/flex and mixed use opportunities in more detail.

PIONEER & 45TH MARKET GEOGRAPHIES

For this analysis, four geographic market areas are identified to evaluate potential market opportunities for Downtown Ridgefield residential, retail, office, and business park/flex uses:

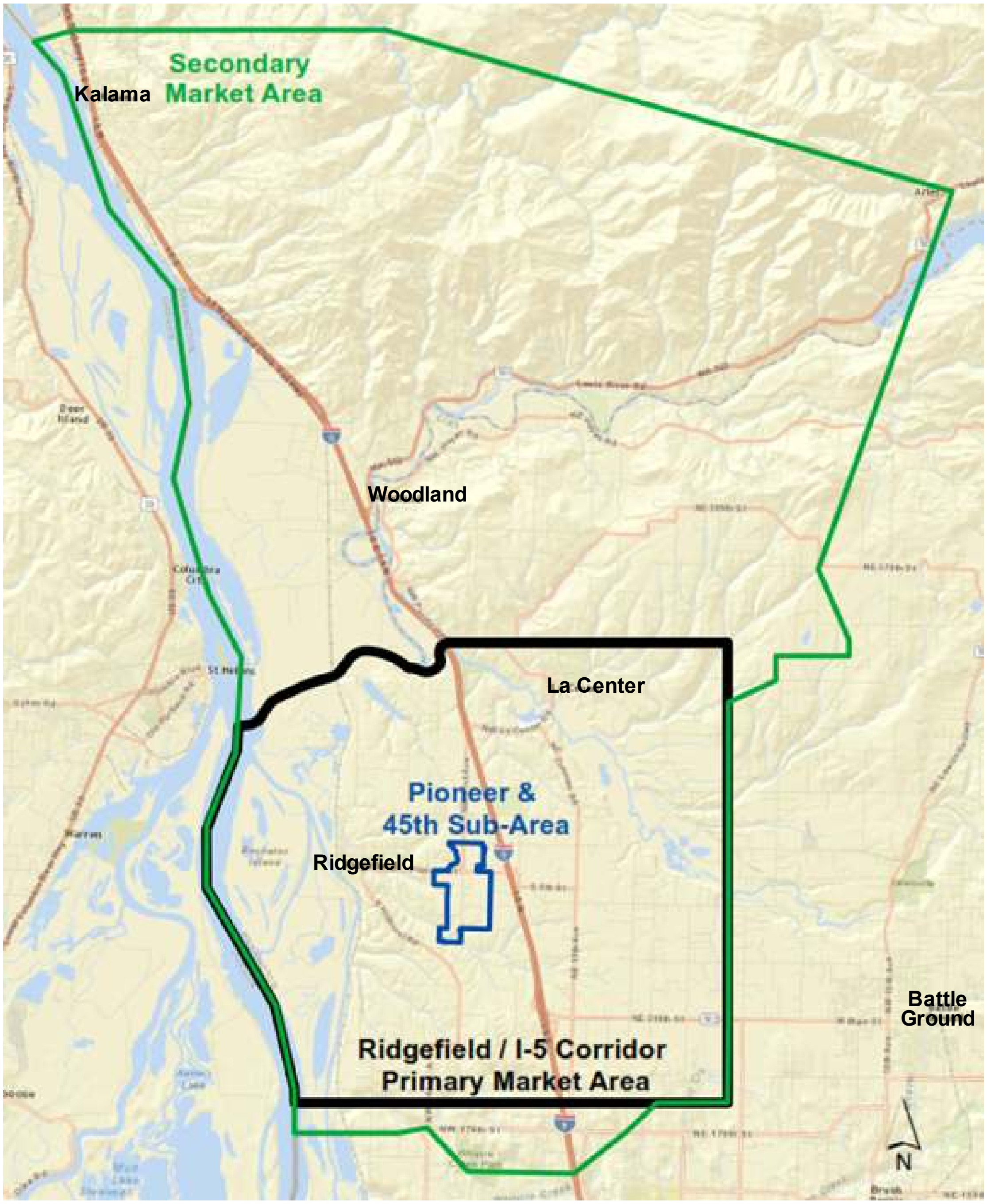
- **City of Ridgefield** – encompassing the 6,000+ residents of the incorporated city limits
- **Ridgefield / I-5** – illustrated for two variations of a larger regional trade area as important for understanding dynamics of the residential, retail, and office/flex markets:
  - ✓ A *primary market* of about 16,800 residents centered on Ridgefield that extends west to the Columbia River, north to La Center (and the Clark/Cowlitz County line), east to NE 67th Avenue (about half-way to Battle Ground and just west of Dollars Corner), and south to 189th Street.
  - ✓ *A* larger *secondary market* of 39,200 residents which includes the primary market area but extends further north across the Cowlitz County line to Kalama, east to a dividing line determined in terms of relative accessibility between I-5 and the SR-503 corridor north of Battle Ground, and south to just beyond 179th street and the Clark County fairgrounds.
- **Clark County** – with over 440,000 residents encompassing the Ridgefield / I-5 trade areas together with the other incorporated cities and unincorporated areas of Clark County.
- **Metro Region** – of 2.4 million residents defined for this market analysis as an eight county region including Clark, Skamania and Cowlitz Counties (in Washington State) together with Multnomah, Washington, Clackamas, Columbia and Yamhill Counties (in Oregon).

The Portland-Vancouver metro geography provides the most encompassing perspective and broader context. This broad perspective is useful to profile the economic vitality and trends affecting the workings of this integrated and increasingly urbanized regional economy. Metro demographics and real estate conditions are of importance to the extent that niche-oriented development projects are aimed to serve a regional specialty destination, as well as local market, audience.

Specifically noted is that Cowlitz County is not included in the Portland-Vancouver Metropolitan Statistical Area (MSA) as currently defined by the U.S. Census Bureau. However, Cowlitz County is included with a broader view of the metro region in this analysis due to its proximity to Ridgefield and economic relationships as with workforce commuting as well as for major retail not currently readily available in southern Cowlitz County.

Due to a state boundary and limited river crossings between the two states of Washington and Oregon, it is useful to describe distinct characteristics of the Clark County portion of the full metro economy. Customers for some destination activities may be more likely to draw from a countywide market area rather than from the full metro region.

Ridgefield/I-5 Primary & Secondary Market Geographies



Source: ESRI and E. D. Hovee & Company, LLC.

As shown above, this report identifies **two variations** of a Ridgefield/I-5 trade area:

- A *primary market* extending north to the Clark County line which is most similar to Ridgefield in terms of area demographics, housing market characteristics, office/flex potentials and retail opportunities characterized by local and smaller independent convenience retailers.

- A larger *secondary market* from which major retailers located in the Pioneer and 45th sub-area might reasonably expect to draw customers for the types of retail and service businesses that are relatively limited between north Vancouver and the Longview-Kelso area.[4]

A topic explored by this analysis is whether and to what extent major commercial development in proximity to the Pioneer and 45th sub-area may serve day-to-day convenience needs of the immediate Ridgefield community. A related question is whether and to what extent development in this sub-area and/or at the I-5 interchange with Pioneer Street may include major retailers that extend their reach further – south to the fairgrounds area or north potentially into the Kalama area. This would be the case for business types not currently located in these nearby community commercial areas.

TRADE AREA DEMOGRAPHICS & EMPLOYMENT

Based on the geographic trade area considerations outlined, this market analysis now proceeds to review population and related growth trends for the City of Ridgefield as compared with the larger Ridgefield/I-5, Clark County and Metro region market areas. This overview is followed by more detailed focus on market demographic and employment characteristics.

Population & Demographics

As a starting point for discussion, it is useful to compare populations and growth rates for the City of Ridgefield plus the three market geographies considered with this market study:

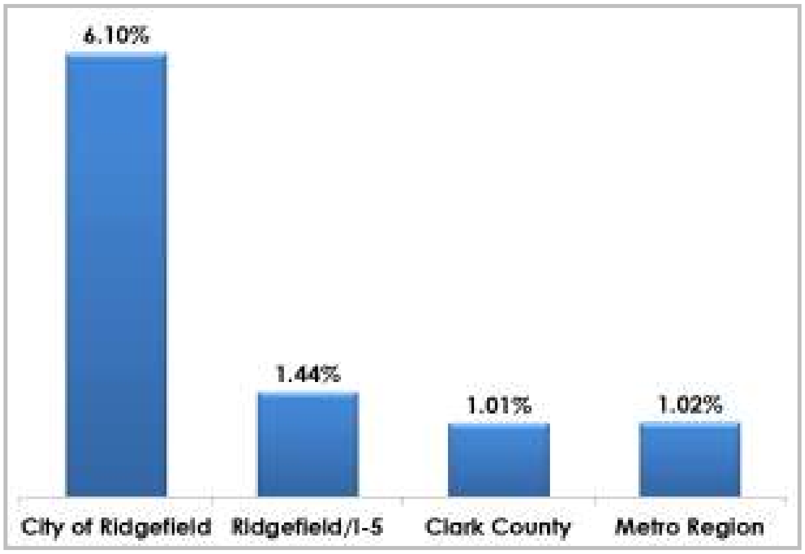
- The **City of Ridgefield** has an estimated 6,035 residents as of 2014. Ridgefield is currently the 5th most populated incorporated city in Clark County, accounting for only 1.4% of population countywide. However, with in-city population increasing at a rate of more than 6% annually since 2010, Ridgefield has been growing at rates far above the other cities or the unincorporated areas of Clark County.[5]
- The larger **Ridgefield/I-5** (primary) trade area has a 2015 population estimated at just over 16,800. Population has increased at an overall rate of less than 1.5% per year since 2010, meaning that much of the net population residential growth of this trade area currently appears to be taking place within the incorporated limits of Ridgefield.

  Note: The secondary market version of the Ridgefield/I-5 trade area encompasses a substantially larger population estimated at 39,200 as of 2015. However, the population growth rate of this area from 2010-15 has increased at an even lower overall average growth rate of about 1.2% annually due to slower population growth in Cowlitz Counties and extended rural portions of north Clark County.
- With over 440,000 residents, **Clark County** has experienced population growth averaging only 1.0% per year since 2010. Due in large part to the aftermath of the Great

Recession, this is well below the 2% or better annual population growth rates experienced in prior decades. With continued economic recovery including a rebound in housing development, the pace of population growth countywide may pick-up in the years ahead, though not likely to the pre-recession rates previously experienced.

- The eight-county **metro region** has a population estimated at over 2.4 million. With the noted exception of the 2010-14 period, rates of population growth experienced over a longer time horizon since 2000 and as forecast in the years ahead are below those of Clark County.

Comparative Average Annual Population Growth Rates (2010-14)



Note: Population growth for the Ridgefield/I-5 market area is for the primary area extending north to the Cowlitz County line. The larger secondary area extends further to Kalama in Cowlitz County.

Source: Washington State Office of Financial Management, Claritas and E. D. Hovee & Company, LLC.

While growing rapidly, the relatively small current population of the City of Ridgefield and even the larger Ridgefield/I-5 trade area means that residential and commercial growth may need to rely on sources of demand external to, as well as within, the immediate community for significant new development and ultimate build-out to occur.

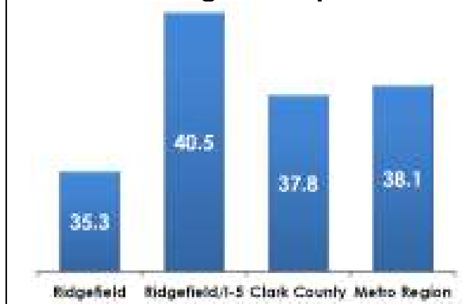
Trade Area Demographics. Detailed demographic data is provided with the Appendix to this report. For the characteristics highlighted (by the graphs to the right), comparison is made between the City of Ridgefield, Ridgefield/I-5 (primary market portion), Clark County and 8-county metro region:

- At just over 35 years, **median age** of Ridgefield residents is below Clark County and the 8-county metro area – and even further below the 40+ median age of the Ridgefield/I-5 corridor including La Center and rural areas around Ridgefield.
- Although different age levels are represented, both Ridgefield and the larger Ridgefield/I-5 trade area have a high proportion of **family households**, as compared with all of Clark County and the metro area.
- **Educational levels** are relatively strong – with 44% of Ridgefield adults (25+ years old) having an associate degree or better. Educational attainment is particularly pronounced in comparison to the rest of Clark County.
- At nearly $78,000, the **median income** of in-town residents is about 3% above the Ridgefield/I-5 trade area, 34% above median incomes county-wide and 33% above the metro-wide median.
- Rates of **vehicle ownership** also are relatively high with more than 85% of in-town residents having 2+ vehicles, well above the metro-wide average of less than 59%.

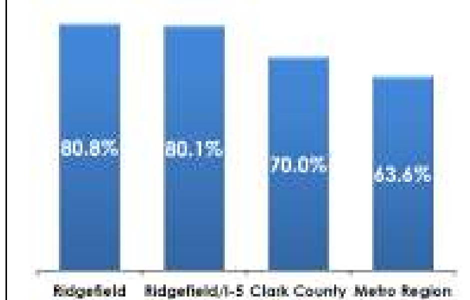
Above average proportions of the area's **workforce** are employed in building grounds maintenance, business/financial operations, community and social services, education/training, farming/forestry, health practitioner, legal, management protective service and transportation/moving occupations than is the case countywide or regionally. Together, these occupations make up over half (53%) of the local work force.

As detailed in the Residential Market section of this report, residents also are likely to be **homeowners** with higher home values compared to all of Clark County.

Median Age of Population

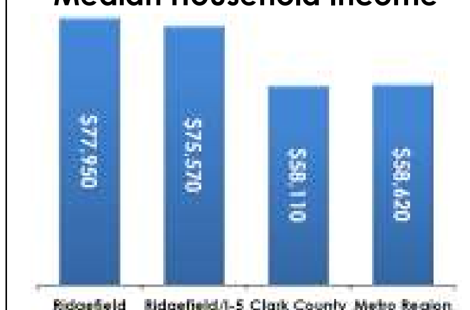


% Family Households

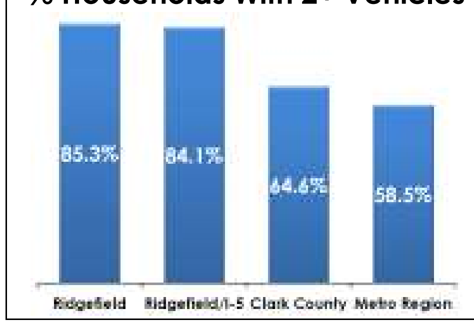


% Associate Degree+

Median Household Income



% Households With 2+ Vehicles

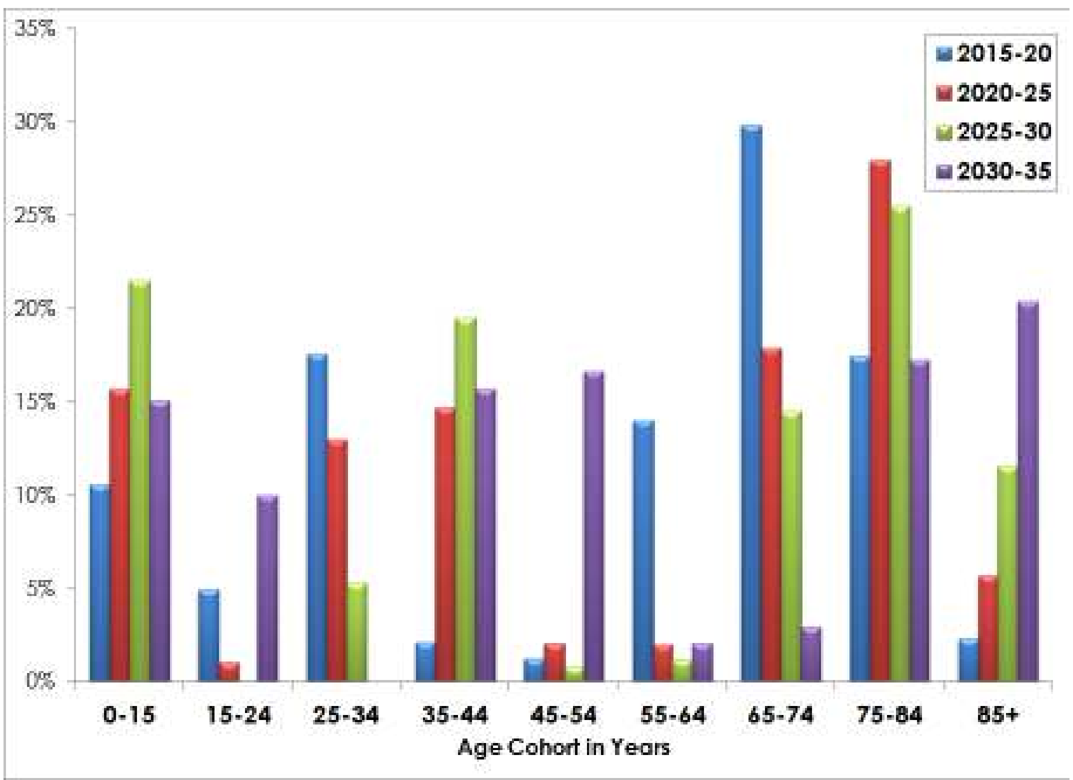


In summary, strong population growth combined with relatively high incomes and education levels can be expected to support opportunities for added residential and commercial development. A pivotal question with this market analysis is the extent to which this demand will continue to reflect recent development patterns or diversify to encompass a broader range of residential, retail/commercial and office/flex employment opportunities in the years ahead.

Changing Age Demographics. Over the next 20 years, the dominant demographic driving local and national markets will be the changing age demographics of the population. The aging of the population will affect every facet of the economy – ranging from workforce availability to residential choices and retail shopping.

Implications of these shifts are most dramatically illustrated not simply by the raw numbers of persons in various age cohorts. Rather the action will be most evident by *the change* in population by age group. These changes are illustrated in some detail by the following graph.

% Change in Number of Persons by Age Group in Clark County (As a % of Total Population Change in 5-Year Increments to 2035)



Source: Washington State Office of Financial Management (OFM).

Depicted by the graph is the state OFM *medium forecast* of population growth in 5-year time increments from 2015-35. Total Clark County population is forecast to increase by 30-31,000 people in each of the next two time 5-year time periods, tapering back to just over 25,000 added residents in the more distant 2030-35 time period. Of added note is that:

- Over the full time spectrum of the next 20 years, the most rapidly growing segment of Clark County's population will consist of persons 65 and over. From 2015-20, adults age 65-74 will constitute 30% of the net growth in countywide population.
- In the succeeding time periods of 2020-25 and 2025-30, the age cohort with the most rapid population increase will shift to persons age 75-84. And in the five years from 2030-36, the action will shift to persons age 85+.
- In the 2015-20 time period, the second most rapidly growing age cohort will consist of young adults age 25-34. From 2020-25 and 2025-30, the action shifts to adults age 35-44, and then in the 2035-40 period to persons 45-54.
- This mini-boom of Millennial (or Generation Y) adults will create its own secondary wave of children, representing 11% of net population growth from 2015-20 and increasing to 21% of net growth between 2025-30.

To summarize, for at least the next 15 years to 2030, the dominant growth in the Clark County market will consist of adults age 65+ and followed by younger adults age 25-44. While different in terms of lifestyle and consumer choices, a significant share of the market for both young and senior adults can be expected to be involve smaller households making choices to live closer to shopping and community services than has been the case over the last several decades.

Not every community in Clark County will follow this pattern in the same way. Emerging communities can be expected to have greater proportions of families in their 40s and 50s with children. However, the sheer sizes of the millennial and empty nester/retired populations can be expected to dramatically affect residential and consumer choices locally, as well.

Employment

As of 2013, the Ridgefield/I-5 accounted for just over 4,400 jobs. This represents just over 3% of covered employment in Clark County. By comparison, the Ridgefield/I-5 accounts for closer to 4% of population countywide.

As shown by the chart on the following page, job sectors which have relatively high rates of representation in the Ridgefield area as compared to Clark County include the sectors of arts/entertainment/recreation, ag/forestry/fishing, and transportation and warehousing. The most under-represented sectors include the health care, information, finance and insurance service sectors followed by real estate, accommodation and food services, and retail trade.

In terms of number of jobs, manufacturing is the second largest source of trade area employment. In recent years, the Port has also been responsible for development of manufacturing and related industries employing about 800 at the I-5 junction.

Other base employment in the Ridgefield/I-5 Junction area could prove instrumental to support development more broadly – within the Pioneer and 45th and Downtown/Waterfront sub-areas, as well. An example is provided by the acquisition of a 75-acre property east of the I-5 junction interchange by SW Washington Health System. Planned for a combination of medical facilities and retail/service businesses, development has been delayed due to the recession and acquisition of SW Washington by Peace Health. Early phase development of the Cowlitz Casino to the north at La Center junction may yet get underway this year.

Ridgefield / I-5 Area Employment Profile (2013)*

NAICS	Employment Sector	Ridgefield / I-5	Clark County	Ridgefield / I-5 % of County
Total	**All Sectors**	**4,416**	**133,889**	**3.3%**
11	Ag/Forestry/Fishing	113	512	22.1%
23	Construction	433	8,739	5.0%
31-33	Manufacturing	708	12,579	5.6%
42	Wholesale Trade	399	6,108	6.5%
44	Retail Trade	249	15,573	1.6%
48	Transportation & Warehousing	312	2,922	10.7%
51	Information	17	2,569	0.7%
52	Finance & Insurance	32	3,889	0.8%
53	Real Estate	28	2,162	1.3%
54	Professional/Technical Services	135	6,964	1.9%
56	Adminstrative/Waste Services	216	6,964	3.1%
61	Educational Services	45	885	5.1%
62	Health Care & Social Assistance	105	18,030	0.6%
71	Arts, Entertainment & Recreation	767	2,347	32.7%
72	Accommodation & Food Services	157	10,625	1.5%
81	Other Services	162	7,649	2.1%
92	Government	538	23,183	2.3%

* Note: Data is for the Ridgefield/I-5 encompassing zip codes 98642 + 98629.

Source: Washington State Employment Security Department.

Because employment in Ridgefield's downtown is intended primarily for commercial (non-industrial) uses, commercial retail, office and institutional space demand will be dependent on growth of retail and service sectors that historically have been represented within the immediate community. The Pioneer and 45th sub-area can be expected both to serve demand generated by existing residents (as for community retail) and to draw new residents attracted by area jobs and community amenities.

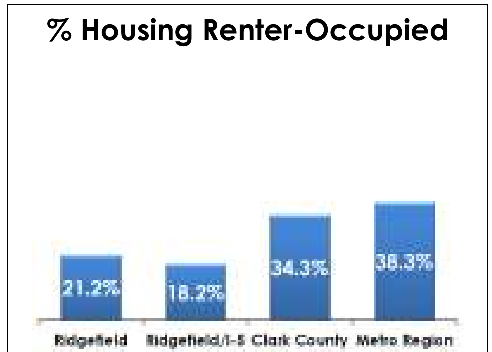
RESIDENTIAL MARKET

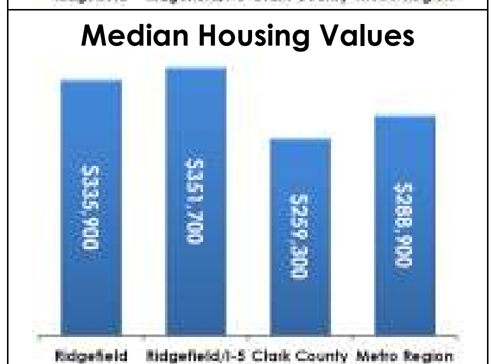
This market analysis now shifts from broad demographic and employment considerations to focus on specific real estate product types – beginning with residential development.

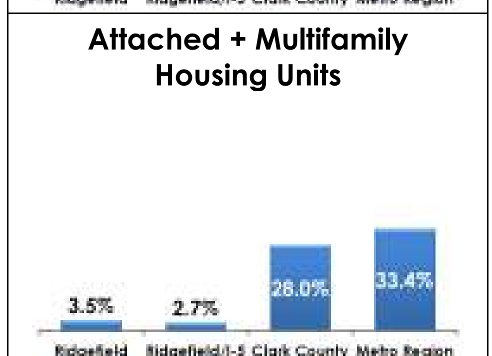
Market Overview

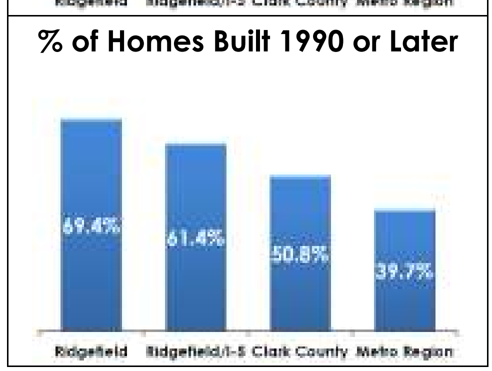
A review of housing market characteristics in-town, for the primary Ridgefield/I-5 trade area, Clark County and 8-county metro region provides initial context for consideration of Pioneer and 45th residential potentials. As of 2015, Claritas data indicates that:

- Only 21% of in-town and 18% of Ridgefield/I-5 (primary area) occupied units are **renter-occupied**, well below the countywide proportion of 34%. As there are relatively few apartment developments, much of the rental inventory is comprised of single family residences.
- **Median housing value** for owner-occupied in the Ridgefield/I-5 area is $351,700 – a figure that is 26% above countywide, 18% above metro region, and 5% above overall in-town pricing.
- **Attached housing** (including townhome and multi-family product) represents less than 4% of the current in-town and trade area housing inventory. By comparison, attached plus multi-family housing represents 28% of the Clark County and 33% of the metro region's housing inventory.
- Due to population growth, the Downtown and greater Ridgefield/I-5 areas have experienced relatively high rates **of new residential construction** activity. The majority (69%) of housing in-town was built from 1990 to the present – as compared with 61% in the Ridgefield/I-5 area, 51% countywide and 40% regionally. A pattern of more new housing is consistent with higher overall housing values supported in this relatively affluent Clark County submarket.









Source: Claritas.

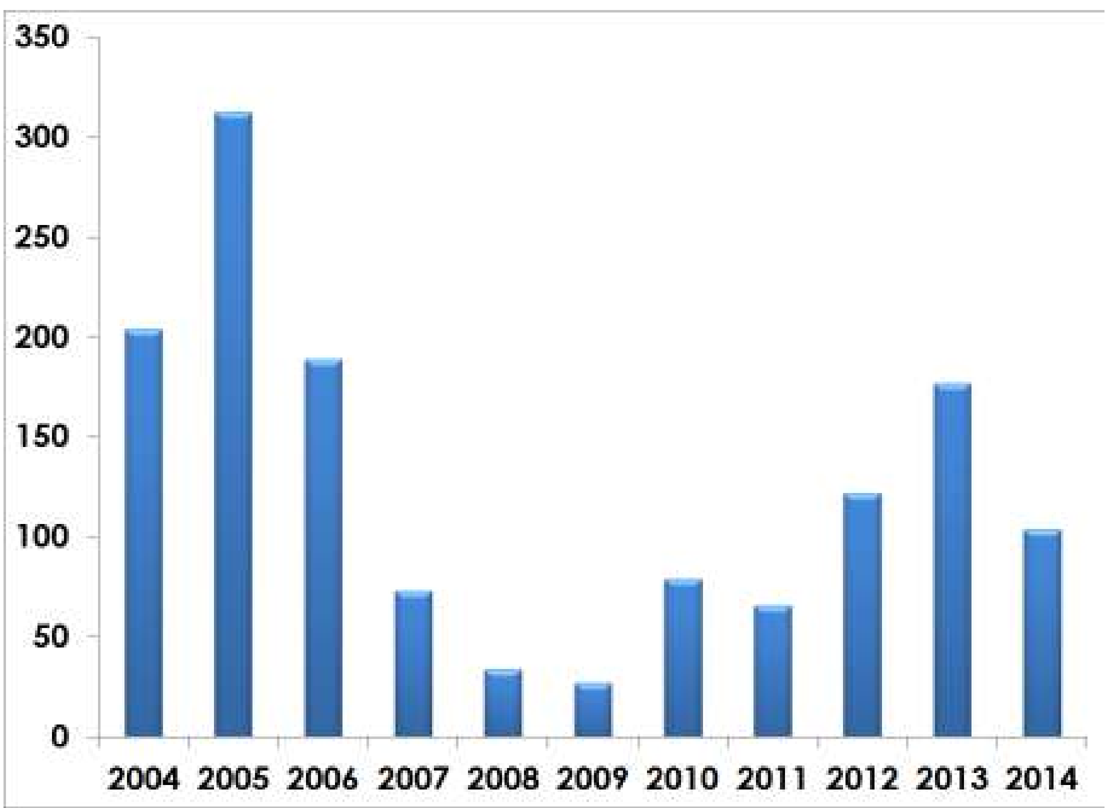
With this overview in mind, the analysis proceeds to more detailed evaluation of housing products of potential interest in the Pioneer and 45th sub-area – for single-family residential, apartments, condominiums, and attached/townhome residential product.

Single-Family Residential

Single-family is the predominant form of existing and new housing throughout the Ridgefield area but due to current zoning is not expected to constitute the majority share of residential Pioneer and 45th sub-area development. Ridgefield has averaged 123 total residential permits per year since 2004 – almost all for single-family units. Over this period, Ridgefield has accounted for just under 6% of all residential building permits countywide.

As illustrated by the following chart, the pace of residential development has fluctuated considerably in recent years. Development patterns have been greatly affected by broader trends in the regional and national economy – especially with respect to jobs, wages, interest rates, and financing availability.

Ridgefield Residential Building Permits (2004-14)



Source: U.S. Census Bureau.

As further detailed by the Appendix to this report, the peak year was 2005 with 313 permits, dropping to a low of 27 permits in 2009. Since then permitting has built up to 177 issued in 2013. In 2014, construction appears to have dropped back somewhat to just over 100 new residential units permitted.

Current Subdivision Status

As depicted by the map on the following page, in the 20 years from 1995-2014, just under 60 Ridgefield residential subdivisions have accounted for development of 1,700+ residential units:

- This equates to an average of approximately 85 units per year. This development has occurred on Ridgefield subdivisions initially recorded back as far as 1901.
- Subdivisions recorded from 2005 through year end 2014 account for 78% of two-decade long period of increasing development activity – averaging over 130 units constructed per year on these more recent subdivisions created in the last decade.
- Of all Ridgefield subdivisions with activity noted over the last 20 years, only two – Discovery Ridge and Ridgefield Woods Phase 2 – are identified as having subdivision activity within the Pioneer and 45th sub-area to date (as shown by the map). However, the remainder of as-yet undeveloped single family zoned (RLD4/RLD6) land could add substantially to this inventory in the years ahead.

Remaining Lot Inventory

As of 2015, the Clark Regional Wastewater District (CRWWD) estimates that, of 23 currently active Ridgefield subdivisions with 1,017 lots, 738 (53%) have now been developed with only 276 lots remaining. Unless this supply is replenished with new platted subdivisions, the remaining inventory could be largely depleted within two years or less.

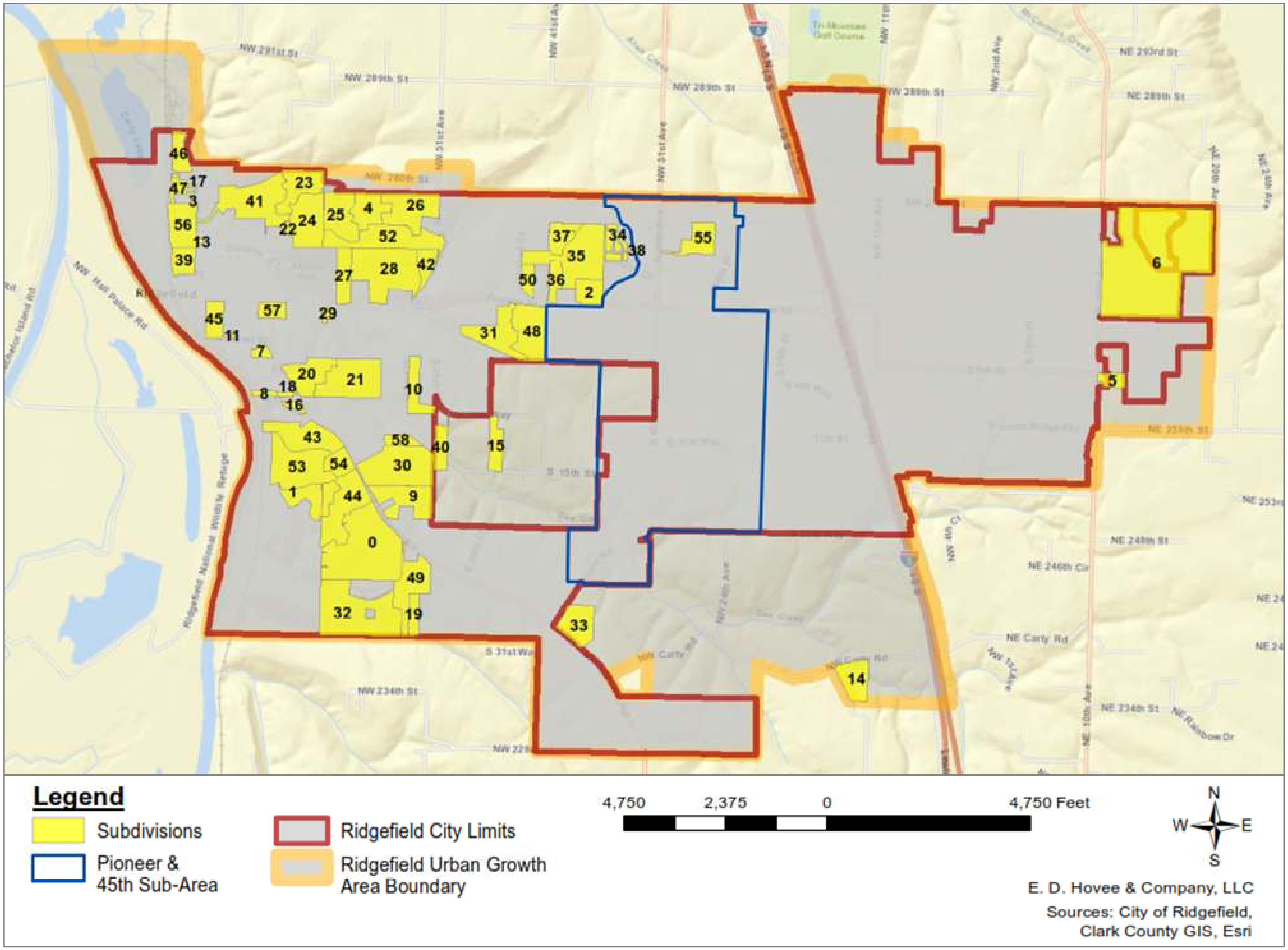
Anticipated Subdivision Activity

The combination of continued economic recovery, reasonable interest rates, and a substantial inventory of as-yet vacant subdivision lots all point to a substantial increase in residential development ahead. From contacts with parties having active projects, CRWWD has identified potential development of:

- 1,455 single family units through 2021 within the Ridgefield City limits – averaging just under 250 new units constructed per year.
- Increased potential to about 375 units per year if expanded to include properties in the Ridgefield UGA but not yet annexed.
- Further increased to as many as 650 units developed annually if all property within the boundaries of the Ridgefield School District (extending north to the Cowlitz County line and south to about 159th Street) are also included.

By comparison, the City of Ridgefield has estimated that 2,000 residential units might be constructed in the next five years – representing average annual development of up to as many as 400 new homes per year – above the pace at the peak of the pre-recession market (of 313 homes in 2006). Whether and to what extent these projections materialize depends on factors that include national economic and financing conditions coupled with local factors ranging from property owner/developer delivery of added lot inventory to provision of necessary supporting infrastructure and amenities.

Ridgefield Residential Subdivision Activity (1995-2015)



Ridgefield Residential Subdivisions (1995-2015)

Map #	Subdivision Name	Recording Date	# of Units
0	3-735	2/5/2007	4
1	TAVERNER RIDGE PUD PH 4	3/12/2014	42
2	LAUREL HEIGHTS	6/24/2014	48
3	FORSBERG SHORT PLAT 4-030	8/20/2014	2
4	BELLWOOD HEIGHTS PH 3	5/20/2004	69
5	SWINDELL	10/4/1996	2
6	HELENS VIEW PHASE 2	12/10/1996	0
7	3-409	4/12/2001	2
8	3-658	12/6/2005	2
9	CASSINI VIEW	3/15/2005	56
10	PURVIANCE	10/4/1996	4
11	HEGGE	11/21/1997	2
12	BLUHM & ASSOC	8/26/1998	2
13	BENEDICT DENNIS & JANET	2/25/1999	3
14	HELMBERGER	3/5/1999	2
15	STALLINGS	12/31/1997	3
16	CARLSON	9/9/2002	3
17	3-565 VOLKMAN	6/11/2004	2
18	3-580 HUNZIKER	8/30/2004	2
19	DEMARIS SHORT PLAT	7/23/2008	3
20	HILLHURST PH 1	11/13/2003	55
21	HILLHURST PH2	5/31/2006	33
22	3-643 VOLKMAN	9/13/2005	2
23	HERON RIDGE PH 2	2/10/2006	38
24	HERON RIDGE PH 3	2/10/2006	46
25	BELLWOOD HEIGHTS PH 4	2/3/2005	64
26	BELLWOOD HEIGHTS PH 2	1/23/2004	73
27	BABCOCK	10/9/1996	3
28	RIDGEFIELD HOMESITES	2/7/1927	0
29	HAWKINS	5/1/2003	3
30	OSPREY POINTE	2/24/2006	61
31	CEDAR RIDGE PH 2	1/20/2006	91
32	CANYON VIEW	10/27/2010	66
33	MEULER SHORT PLAT 3-967	8/10/2011	3
34	PIONEER CANYON PH 2	10/30/2012	77
35	GREEN GABLES PUD PH 3	3/18/2010	130
36	GREEN GABLES PUD PH2 SOUTH	11/30/2012	33
37	GREEN GABLES PUD PH2 NORTH	1/4/2011	36
38	RIDGEFIELD WOODS PH 2	4/15/2011	2
39	ABRAMS ADDITION	2/4/1910	0
40	GERVAIS	3/7/2001	2
41	HERON RIDGE PH 1	4/11/2003	69
42	PLEASANT RIDGE	12/31/2008	16
43	3-735	2/5/2007	4
44	TAVERNER RIDGE PUD PH 1	5/17/2005	55
45	LAMBERT & SARGENTS ADDITION	3/11/1905	0
46	HIDDEN VILLAGE PLANNED UNIT DEV.	12/7/1995	0
47	VIEW PORT RIDGE	2/1/1996	0
48	CEDAR RIDGE PH 1	7/11/2005	103
49	COLUMBIA HILLS PUD	11/20/2007	92
50	GREEN GABLES PUD PH 1	3/11/2011	67
51	KEMPER	5/16/1997	2
52	BELLWOOD HEIGHTS PH 1	2/18/2004	81
53	TAVERNER RIDGE PUD PH 3	6/27/2007	33
54	TAVERNER RIDGE PUD PH 2	11/22/2005	51
55	DISCOVERY RIDGE	12/23/2014	52
56	RAILROAD ADDITION	8/12/1901	0
57	HILLHURST ADDITION	2/1/1910	0
58	GARRISON RIDGE PH 1	2/2/2007	7
	Totals		1,703

Source: City of Ridgefield, as compiled by E. D. Hovee & Company, LLC.

Sources of Future Ridgefield Residential Growth

With the existing inventory of recorded subdivisions likely to be depleted, the question becomes: *What will be the source of added subdivisions to accommodate potential residential demand?*

The following chart provides a preliminary *guesstimate* as to properties for which new in-town subdivision activity can be reasonably expected over the next several years. Taken together, nine properties offer potential for increased lot inventory of over 2,300 added units – of which perhaps 60% might be developed by 2021.

Potential Added Ridgefield Residential Subdivisions (as of 2015)

Subdivision Name	Total # of Lots	Lots Built 2016-2021	# of Lots Remaining
Royle Farms	250	250	0
Kennedy Farms	650	250	400
Wells Property	250	250	0
Ridgefield West	600	175	425
Ridgefield Estates	200	200	0
Cedar Creek & Pioneer Place	75	75	0
Taverner Ridge Phases 8 & 9	175	120	55
Powell Ridge	65	65	0
Canterbury Trails	69	69	0
Totals	2,334	1,454	880

Source: City of Ridgefield, Clark Regional Wastewater District, as compiled by E. D. Hovee & Company, LLC.

This listing includes three sites in the Pioneer and 45th sub-area that might account for 569 added residential units – Royle Farms, the Wells property (zoned for multi-family use and office use), and Canterbury Trails:

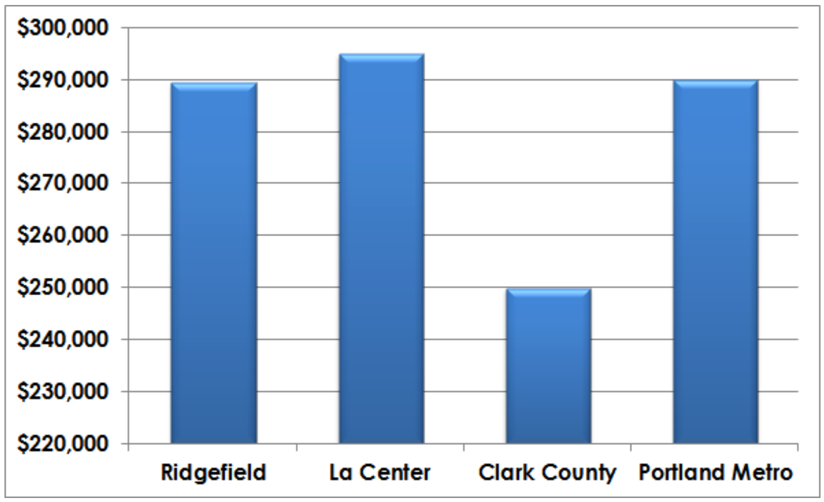
- By comparison, the Clark County VBLM indicates that there are just over 100 acres of *net developable* single family zoned (RLD-4/6) land plus 68 acres of multi-family zoned (RMD-16) land in the sub-area.
- Taken together (and after deducting for multi-family parks set-aside), this equates to capacity for about 1,400+ single- and multi-family units to be added in the sub-area.
- In effect, what CRWWD has identified as the most likely near-term developments could use less than half the long-term build-out capacity of the Pioneer and 45th sub-area.
- However, this near-term sub-area production is by no means assured, but will require supporting sub-area plan and infrastructure investments to be set in place in conjunction with the 2016 Ridgefield Comprehensive Plan update.

Home Pricing

Consideration of housing demand involves not only quantitative estimates of production but also related evaluation of pricing trends and associated affordability. With economic recovery now in full swing, Clark County single-family home pricing is now again on the move.

When considered in terms of **new and existing homes sold***,* Ridgefield holds a definite price premium as compared to the rest of Clark County and the metro area:

Comparative Median Sales Prices (April 2015)



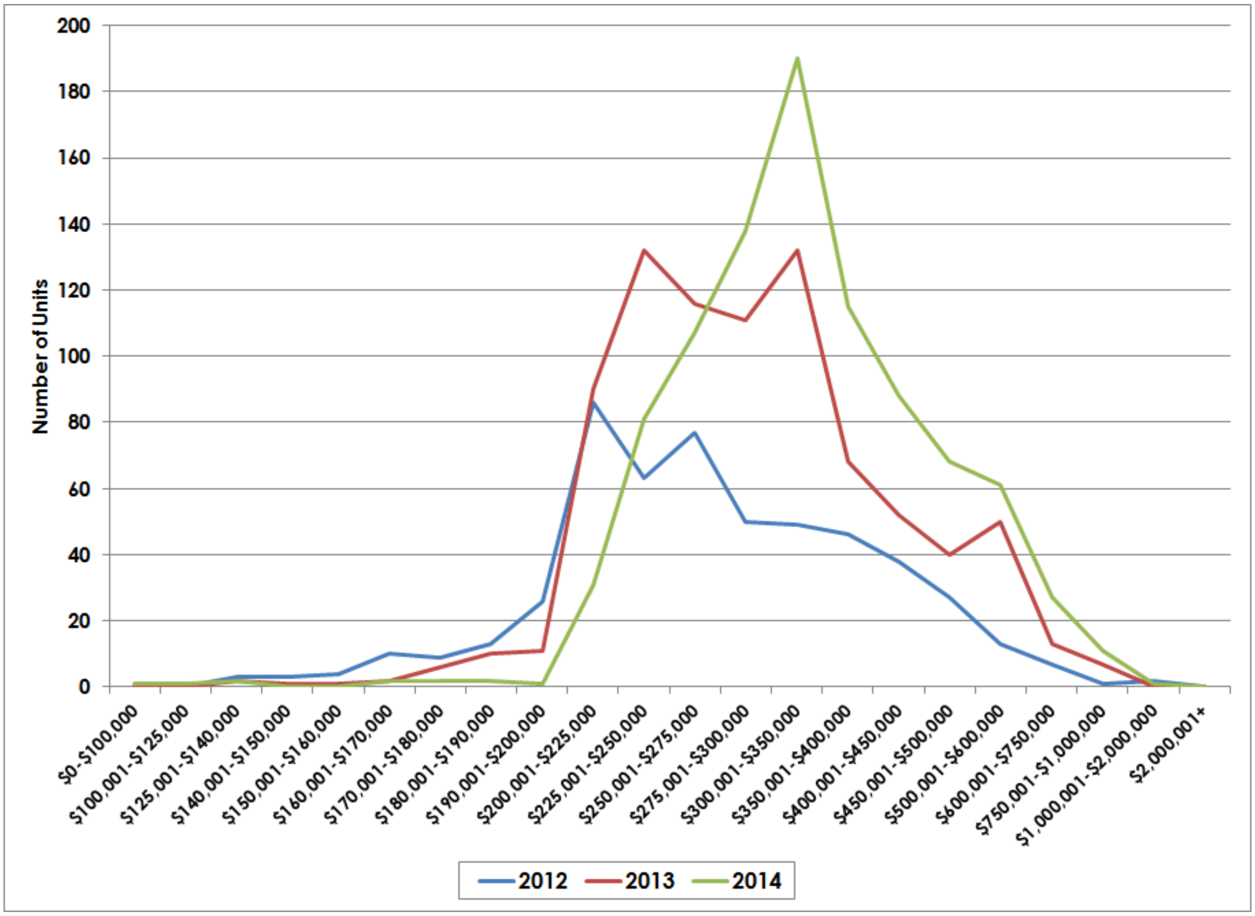
Sources: RMLS, E. D. Hovee & Company, LLC.

- Median sales price of a Ridgefield home is at $289,400; average price was $300,100.
- Median prices for Ridgefield home sales have been 14% above all of Clark County, and just slightly above the Portland metro median price.
- Median and average home prices for Ridgefield increased over the last year by 11% and 8%, respectively. Price increases in Ridgefield exceeded rates of appreciation in elsewhere in Clark County and the metro region. While demonstrating the community's ability to command a price premium, if continued this trend also may serve to thin the market in the years ahead as more buyers including younger families find Ridgefield to be less affordable than has recently been the case.
- Total market time to sale in Ridgefield dropped from 133 days in April 2014 to 120 days in April 2015. However, market time is well above the 96 day average for Clark County and 73 days for the Oregon side of the metro area – again illustrating somewhat shallower market depth due to current home pricing in Ridgefield.

New Home Pricing

Of particular interest for this analysis is the pricing trend for **new home** construction. As illustrated by the graph on the next page, in 2012 the most commonly reported price ranges for transactions across Clark County were reported as being between $200-$225,000 and $250-$275,000 categories. In 2013, this moved up to the $225-$250,000 and $300-$350,000 categories. By 2014, the action consolidated in the higher $300-$350,000 price range.

Distribution of Clark County Single-Family New Housing Pricing (2012-14)



Sources: Real Estats and E. D. Hovee & Company, LLC.

Other recent shifts in the countywide new construction market are noted. The proportion of new homes sold at prices below $200,000 shrunk from 13% to 1% of the market between 2012-14. Conversely, the share of homes at the upper end of the market (above $450,000) went from 25% to 40% of all new homes sold.

These shifts indicate greater buyer confidence and upward pressure on prices with reduced time of homes on the market. Further opportunity at the mid-upper end of the market can be expected, provided that federal quantitative easing is ramped down gradually so that there are no sudden spikes in interest rates. This opportunity also is best facilitated with continued job growth in the Ridgefield area and county-wide.

Local versus County-Wide Pricing

Added evidence of the pricing premium for Ridgefield and La Center zip codes is indicated by a review of per square foot pricing:

- County-wide, new home sales averaged $148 per square foot in 2014, up 7% from the prior year.

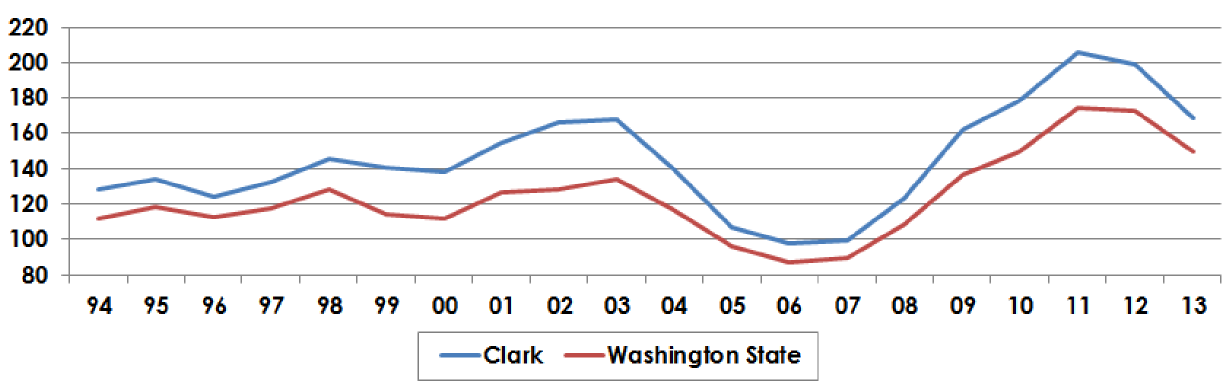
- New homes sold for $150 per square foot in the Ridgefield zip code – up 10% from the prior year. Top of the market pricing appears to be for subdivisions off Hillhurst Road – led by developments such as Taverner Ridge at over $170 per square foot.
- La Center (which includes more homes outside the UGA averaged $165 per square foot, an increase of 13% as compared with 2013.

Of added interest is the change in home pricing for new construction. From 2013-14, average new home prices increased 15% for Ridgefield - well above the 11% experienced county-wide and -2% change for La Center. This indicates that not only are per square foot prices in Ridgefield increasing, but average housing size or square footage is also on the rise. By comparison, La Center unit size decreased, more than offsetting the per square foot price increase.

Residential Affordability

The dramatic pick-up in single-family county-wide residential construction has been due, in large part, to the improved affordability of housing – reflecting more reasonable price points recently coupled with extraordinarily low interest rates. Using an index developed by the University of Washington, index values (as illustrated below) indicate greater ability of a middle income family to carry the mortgage payments on a median priced home. Over the entire period from 1994-2013, Clark County also has maintained good affordability relative to the rest of Washington State.

Washington State Affordability Index (1994-2013)



Source: Washington State Center for Real Estate Research (WCRER) at Runstad Center, University of Washington.

After a nose-dive just before the Great Recession, affordability improved in the subsequent years of declining prices and interest rates – peaking in 2011. However, as prices are again on the move and as new construction has catered to the mid-upper end market, affordability is again on the decline – coming back to 2002-03 affordability levels (just prior to the last run-up).

If pricing trends continue at this pace, there is some risk that affordability could continue to worsen – again stalling out new construction. Mitigating this risk likely depends on continued reasonable interest rates coupled with broadening the construction window to include more mid-priced and entry level housing.

Multi-Family Apartment Market

Historically and currently, Ridgefield has had relatively little multi-family housing. With the residential and employment growth now being experienced, this condition can be expected to change – with more demand comparable to that of other small cities in Southwest Washington. Multi-family discussion begins with a review of Clark County and metro-wide trends, followed by discussion of potential implications for added development in Ridgefield.

Clark County & Metro Trends

The Great Recession of 2007-09 that was followed by a relatively weak recovery fueled a dramatic change in residential choices – away from homeownership and toward apartment rentals. While there is debate about whether or to what degree this marks a temporary or permanent market change, this shift has profoundly affected residential development patterns nationally and regionally.

Perhaps the best indicator of apartment demand is vacancy rates – as illustrated by the following chart both pre- and post-recession. During the recession, metro area vacancies increased from their 2006 low, peaking at 5.9% in 2009. As of year-end 2013, vacancies were at only 3.7%.

Clark County followed the regional pattern, peaking at above metro-wide vacancies in 2010 – but back to below region-wide rates by 2012. Clark County is currently experiencing strong apartment demand with vacancies continuing below the regional average – at about 3.4% as of 2014. However, due to increasing multi-family inventory with new construction, vacancy rates county- and region-wide increased somewhat between 2013-14.

As detailed by the Appendix to this report, data from the national investment real estate data firm CoStar indicates vacancy rates for the most competitive properties that are below what is estimated by sources such as Multifamily NW. Both sources indicate that Clark County vacancies are lower than for the rest of the metro region.

Clark County & Portland Metro Apartment Vacancy (2004-14)

Year	Clark County	Portland Metro
2004	6.2%	7.7%
2005	6.3%	5.9%
2006	3.4%	3.4%
2007	3.8%	2.9%
2008	4.7%	3.6%
2009	5.3%	5.9%
2010	6.4%	4.0%
2011	4.3%	3.4%
2012	3.5%	3.6%
2013	2.5%	3.1%
2014	3.4%	3.7%

Note: Vacancy data is from the Fall reports of each indicated year.

Source: Multifamily NW and E. D. Hovee & Company, LLC.

While Clark County accounts for 18% of metro region population, the county has a smaller 14% share of competitive apartment units but greater 19% proportion of units constructed since 2000 and about 20% of apartment projects currently being planned. Due to more recent projects and greater land availability, apartment complexes tend to be larger in Clark County – averaging 43 units per property as compared to 32 units region-wide.

As with home ownership, Clark County also has been viewed as a more affordable rental market than the Oregon side of the river. As depicted by the following chart, Clark County rental rates are generally about 80-90% of Portland metro averages. Rental rates are closest to the metro average for 2-bedroom units – indicative of local demand for larger units and household sizes than in the more urban parts of the metro region.

Comparative Per Square Foot Rental Rates (Spring 2015)

	Total Units	Studio	1 Bed 1 Bath	2 Bed 1 Bath	2 Bed 2 Bath	2 Bed TWNHS	3 Bed 1 Bath	3 Bed 2 Bath
Clark County	$1.00	$1.64	$1.13	$0.99	$0.96	$0.94	$0.80	$0.92
Portland Metro	$1.24	$2.05	$1.39	$1.09	$1.11	$1.04	$1.02	$1.04
CC % of Metro	80%	80%	81%	91%	87%	90%	78%	88%

Sources: Multifamily NW, *The Apartment Report,* Spring 2015 and E. D. Hovee & Company, LLC.

Newer units typically have higher rents than the overall market due to more modern features and also the need to support costs of development. *Top of market rents* in Clark County currently appear to be in the range of $1.50+ per square foot monthly, as in the Vancouver urban core and at Columbia Tech Center – with higher per square foot rents typically indicated for studio units. Rental rates for newer comparable projects closer to Ridgefield (as in the Salmon Creek area) tend to be in the range of $1.00-$1.20.

A challenge for Clark County apartment development is that while rents are lower, construction costs are higher due to sales tax which is not levied on the Oregon side of the river. This cost disparity can lead to downward pressure on the amenity levels provided and/or on land pricing.

Ridgefield Area Market

The national real estate data firm CoStar provides only minimal data for the Ridgefield/I-5 trade area extending north to the Clark/Cowlitz County line. Only 52 apartment units are currently indicated. While the trade area accounts for 4% of population county-wide, it accounts for well below 1% of the county-wide apartment inventory. The most recent American Community Survey (ACS) data indicates that there are only 22 units directly in the City of Ridgefield – primarily as smaller 3/4 unit plex projects.

Because there is so little Ridgefield/I-5 apartment inventory and no new construction noted, it is difficult to forecast precisely what the mix of demand would be if new units were built. As is the case throughout much of the county, it is likely that demand will be more strongly oriented to somewhat larger 2- and 3-bedroom units – especially in the Pioneer and 45th sub-area.

However, the increasing diversity of the area's workforce both at the Junction and with start-up of the La Center casino can be expected to draw more single, non-family workers with some demand for smaller 1-bedroom, possibly even studio, units as well. This trend may accelerate in the years ahead with aging of the population including eventual downsizing of baby boomers as they move into more senior years. While not on the immediate horizon, this is also expected to spawn added demand for independent and assisted senior living facilities in years to come.

Attached for Sale Residential

In addition to the rental market, there are opportunities to consider with for sale, attached residential development in the Pioneer and 45th sub-area. This could involve:

- Attached single-family residential – as with townhomes and row houses, where the homeowner may also retain ownership of the underlying land.
- Condominium development – a market hard hit by the recession with current signs of impending recovery, though still lagging the single-family market rebound. *Note:* while this is a market product that technically can be considered as multi-family or attached single-family (depending on unit construction and ownership characteristics), it is considered here due to the for-sale aspect of the product as distinct from apartments.

In Clark County, townhome units (typically 2+ story) range widely from about $100-$200+ per square foot. County-wide, pricing as of 2014 averaged about $125 per square foot for new construction, up by nearly 13% as compared with 2013. Existing sales in 2014 averaged $114 per square foot – indicating an approximate 10% price premium for new construction.[6]

In Ridgefield, attached units represent only about 2% of the total residential inventory (but a higher share than the 1% figure for apartments). There also is recent experience with this product, as with Green Gables at the edge of the sub-area. New townhome units locally sell at about the same per square foot pricing as county-wide, although local values increased more rapidly from 2013-14 than in the rest of Clark County. Ridgefield unit size averages 2,000 square feet for existing sales versus a somewhat smaller 1,700 square feet with new construction.

County-wide, the top end of the market appears to be with the Village at Columbia Shores on the Vancouver waterfront. Units recently sold at or above $180 per square foot also are noted for Lakeshore Hills (an older development overlooking Vancouver Lake), Uptown Village (north side of downtown Vancouver), and at Two Creeks at Camas Meadows.

With respect to condominium units (flats in multi-story developments), re-sale price points for units constructed post-2000 reach from a low of about $225-$250+ per square foot (as at Heritage Place and Vancouvercenter in downtown Vancouver) to as much as $300-$400+ per square foot (along the Columbia River at the Meriwether and Sahalies at Tidewater Cove).

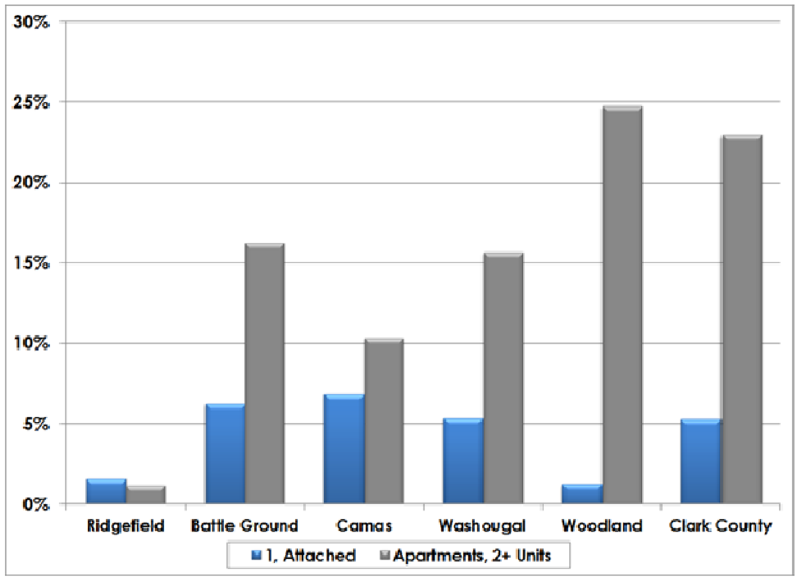
While condominium development is not expected to represent a market opportunity near term, the condo market may re-emerge as pricing solidifies and in conjunction with an aging population seeking an ownership product with all living space on a single floor. Single-story cottage housing (as a fee-simple) product may also emerge as a part of a more diverse housing mix over the next 10-20 years.

Future Unit Mix

Approximately 94% of housing in Ridgefield comprises single-family detached units. This is well above the county-proportion of 73%. Of particular importance for this analysis is an understanding of whether the current underrepresentation of non-single family product is likely to continue or move into closer alignment with what other similar jurisdictions experience.

For this discussion, it is useful to consider the experience of other potentially comparable smaller cities – including Battle Ground, Camas, Washougal and Woodland – as well as all of Clark County:

Comparative Markets for Attached Single- & Multi-Family Housing



Source: American Community Survey, 2009-13.

- Approximately 2% of residential units in Ridgefield are what the U.S. Census describes as 1-unit, attached units (as with townhomes). This is well below the experience of other Clark County smaller cities – ranging up to 7% of all units in Camas or 5% county-wide.
- There is an even greater disparity when multi-family structures (of 2+ units) are considered. Only 1% of Ridgefield's current housing consists of apartment or condominium housing – well below the 10-25% multi-family share in other smaller cities or 23% share county-wide.

As Ridgefield matures into more of a full-service community with a larger employment base and supporting retail and service activity, it can be expected that interest in developing a broader range of housing product types will change much as has happened elsewhere in the Southwest Washington region. A reasonable expectation over a 20-year time horizon would be for about 10-16% of Ridgefield's housing demand to be for multi-family housing (both apartment and condo) and with another 5-7% for attached single family (townhome) product.

Assuming the lower end of these ranges would suggest potential for at least 15% of new housing development to be for product other than single-family detached housing. A most likely split would be for 10% of units to comprise apartments/condos and 5% to represent townhome style units.

Assuming this unit mix with close to 85% of new units still comprising single-family detached housing and overall annual production of about 375 units per year would indicate annual potential demand of about:

- 315 units per year single-family detached
- 20 units per year townhome style
- 40 units per year apartments

In the near-term, it may well be that apartment absorption could outpace the annualized forecast – due to pent-up demand for apartments not currently available in the Ridgefield area.

Based on what has been identified about prospective new subdivisions and current zoning, it can be expected that the Pioneer and 45th sub-area might account for as much as 20-25% of new single family construction over the next 5-10 years. This level of market capture is predicated on development proceeding in the sub-area both north and south of Pioneer Street.

With respect to townhome and apartment development, the Pioneer and 45th sub-area offers opportunity to capture a majority share of activity over at least the next five years due to availability of land for medium density residential development. Capturing this demand will depend on supporting sub-area planning, ability to achieve efficient use of buildable land area, and cost-effective infrastructure investments.

Development in the Pioneer and 45th sub-area can serve to complement opportunities in other emerging medium density submarkets of the community. Downtown Ridgefield offers some opportunity for smaller scale in-fill projects. And the waterfront area presents a longer term opportunity for significant development – contingent on completion of the Pioneer Street rail overcrossing and rezoning to allow residential as integral to this potential mixed employment and housing district.

Retail Development & Related Commercial Services

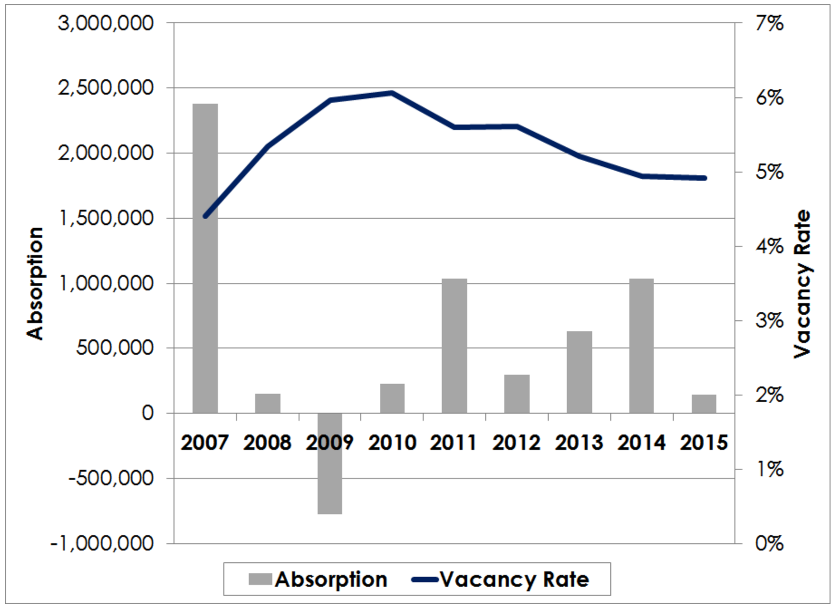
The retail market in the primary Ridgefield/I-5 trade area is considerably underserved for the available population. Retail opportunity is further increased when the needs of a larger secondary market extending north to the Kalama area are also taken into account. Future population-serving development for significant retail and related commercial development can be expected to be most oriented to sites located in proximity both to Ridgefield neighborhoods and nearby communities reached via the I-5 corridor.

With potentially suitable large sites, the Pioneer & 45th sub-area offers considerable opportunity to serve as a major hub for meeting the convenience and comparison shopping needs of the immediate community and larger trade area. Development in this sub-area may also serve to complement other retail opportunities emerging over the next 10-20 years in the downtown/waterfront and the I-5/Junction sub-areas.

Regional Retail Market

Ridgefield's market opportunity will fit within the context of regional retail activity. CoStar data indicates that the 8-county metro area market has nearly 122 million square feet of competitive retail space. After experiencing more than 2.5 million square feet of net absorption in 2007, the retail market cratered with the Great Recession. Low to negative net absorption was experienced the following three years, with improved net new demand experienced starting in 2011.

Regional Retail Absorption & Vacancy (2007-15)



Note: Data for 2015 is year to date as of June 2015.

Sources: CoStar and E. D. Hovee & Company, LLC.

Vacancy rates went from less than 4.5% to more than 6% during the recession. While this was a substantial rise, retail vacancies even at the peak of the recession were well below vacancies that continue to be experienced with office and flex space.

More recently, positive absorption and declining vacancies have been experienced to reach a mid-2015 vacancy of less than 5%. While not yet returned to pre-recession levels, absorption of retail space has increased each year since 2012 (though 2015 appears to be off to a slower start to date).

While there is increased churn in the industry and migration from bricks and mortar stores to the internet, retail development opportunities are again in play. This is especially the case for communities that are clearly underserved and/r experiencing substantial residential growth.

Ridgefield / North Retail Submarket

CoStar data indicates that the Ridgefield/I-5 market area comprises less than 70,000 square feet of competitive retail space. This represents only 0.4% of the 18.8 million square feet of retail space in Clark County – well below the trade area's 4% share of population countywide.

Retail uses include largely free-standing, individual store spaces in downtown Ridgefield and La Center together with more recent multi-tenant retail space being built in the vicinity of the I-5 junction. The largest single retail development currently in this trade area is the 20,500 square foot Tri-Mountain Shopping Center on the east side of the I-5 interchange at Pioneer/269th.

Only 30% of space is in a multi-tenant retail center, well below what is experienced elsewhere in Clark County or regionally. As of mid-2015, Ridgefield/I-5 vacancy rates have dropped to less than 2%, well below vacancy rates for retail space county- or region-wide.

Reported trade area retail rental rates also are relatively high – above market averages both county and region-wide. However, average rents tend to reflect rates for new multi-tenant properties, with rates not reported for many smaller or single-tenant uses.

Comparative Retail Market Indicators (June 2015)

	Ridgefield/I-5	Clark County	Metro Region
Total Inventory (SF)	68,715	18,571,400	121,825,563
% in a Center	30%	63%	47%
% Other	70%	37%	53%
Vacancy Rate	1.70%	7.50%	4.90%
12 Month Absorption (SF)	6,740	158,157	1,363,165
Planned SF	67,814	2,208,396	4,922,812
Construction SF	0	242,793	376,870
Rental Rates (nnn)			
Average	$21.26	$19.05	$17.35
Range	approx. $18 to $27	Up to $40	Up to $45

Note: The Ridgefield/I-5 trade area considered is for the primary area north to the Clark/Cowlitz County line.

Sources: CoStar and E. D. Hovee & Company, LLC.

Despite some demand slippage in recent months, development interest is on the increase both locally and regionally. While there is no new retail construction indicated as being underway in the Ridgefield/I-5 area at present, there are plans for an added 68,000 square feet of space – primarily in conjunction with projects situated near the I-5/Ridgefield interchange.

Retail Sales & Leakage

Commercial real estate conditions reflect underlying demand characterized by a comparison of locally generated retail demand (or expenditure potential) versus supply (or actual retail sales). For north Clark and south Cowlitz County, it is important to determine the market area(s) potentially served and then identify the extent to which the market remains underserved. What appears most relevant to the determination of retail trade potentials for the Pioneer & 45th sub-area is the question of a primary versus secondary Ridgefield/I-5 market:

- **A primary market area –** as defined for the downtown market analysis as extending north to the Clark County line and south to about 189th Street – comprises the primary area for day-to-day convenience shopping. Based on Claritas/Nielson estimates, population of this trade area as of 2015 is approximately 16,800.
- **A larger secondary market area -** extending further north into the Kalama area of Cowlitz County and a bit further south to just below 179th street and the Clark County

fairgrounds – as a larger population base especially for comparison shoppers without good local alternatives for purchases made on the basis of price and selection (especially for higher ticket shopping items). Estimated trade area population as of 2015 is 39,200.

Retail Development Potential

Within a trade area, as-yet unmet retail spending potential can be estimated from two principal sources:

- **Retail leakage** which occurs when local residents shop outside the local trade area. Leakage is defined as local resident generated demand (based on population, incomes, and other demographics) *minus* the supply (or dollars actually spent in the community).
- **Population growth** which increases the full base of spending potential (based on observed historical patterns or residential projects in the development pipeline).

Both factors are pivotal to understanding and then realizing retail potentials for the Ridgefield community and extended trade area(s) served.

Current Retail Sales & Leakage

Based on the primary and secondary geographic trade areas considered, two somewhat different takes on unmet retail demand (or sales leakage) have been evaluated:

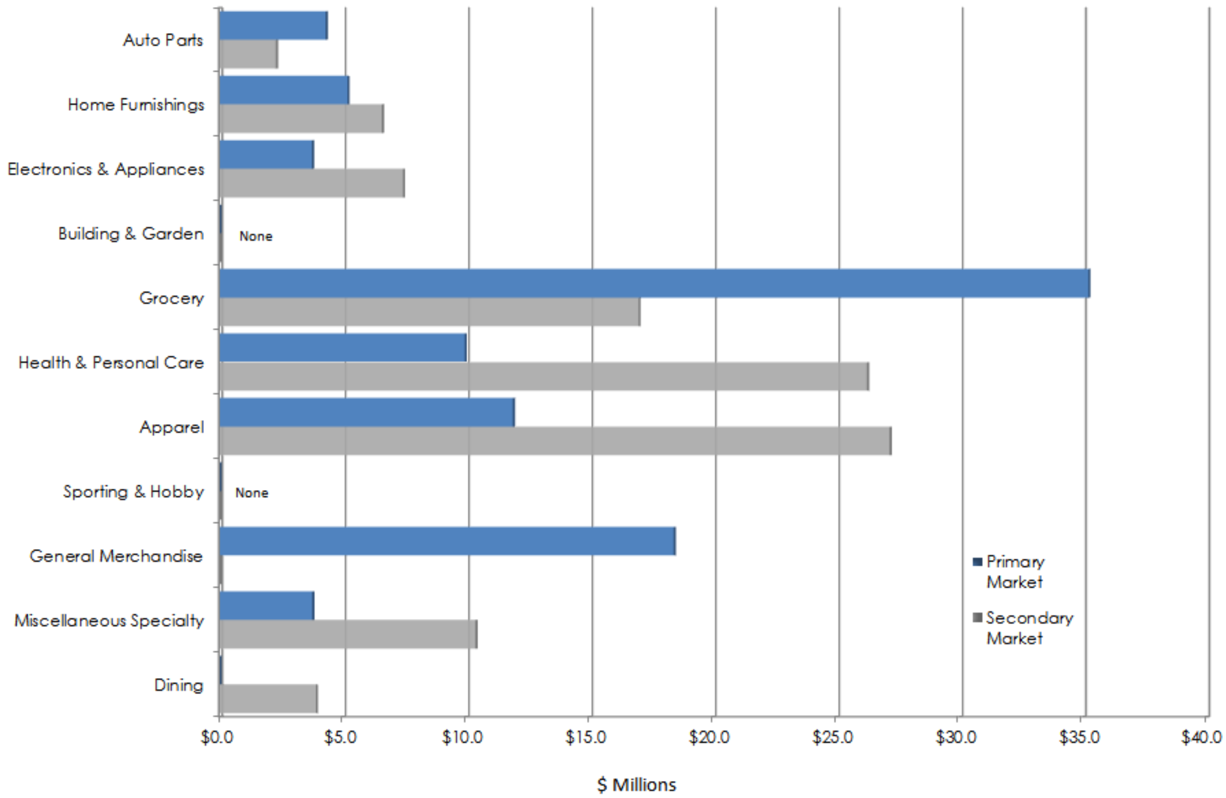
- **For the primary market of the Ridgefield/I-5 corridor trade area** (stopping at the Cowlitz County line), 2015 resident generated demand is estimated at $314 million versus $148 million in actual retail sales – resulting in sales leakage of about $166 million per year.

  Some categories of retail (as with building material/garden supply, gas stations, and dining) actually experience sales performance above what resident demand would indicate. When these sectors are *zeroed out* and uses such as auto dealers, gas stations and non-store (internet retail) uses are excluded, total leakage from *brick and mortar* stores is estimated at $92 million.
- **For a more expansive secondary market area** (extending further north as well as south and east), annual retail demand is estimated at $706 million versus $599 million in actual in-trade area spending. The result is annual sales leakage estimated at $107 million.

  After similar *zeroing out* adjustments are made as noted for the smaller trade area alternative, net leakage for categories of interest within this more expansive trade area is indicated at $101 million as of 2015.

Net sales leakage results **by store type** are compared for each of these alternatively sized trade areas as depicted by the graph on the following page:

Net Retail Sales Leakage – Two Ridgefield/I-5 Trade Areas Compared (2015)



Note: Auto parts (including accessories and tire stores) represent a subset of the much larger motor vehicles and parts dealers sector. Auto dealers are assumed not to be considered for the Pioneer & 45th sub-area.

Source: Claritas.

There are two noteworthy differences in the levels of retail sales leakage observed on a sector-by-sector level – as compared between the primary and secondary market area geographies:

- **Retail leakage for grocery** is estimated at $35 million for the primary trade area (truncated at the county line) – the most leakage of any store type and likely adequate to support a significant grocery store. Because there are no national/regional grocery operators as yet located in Ridgefield or La Center, grocery sales leakage currently exceeds 90% of locally generated resident demand.

  Grocery leakage drops to $17 million as the trade area is extended into southern Cowlitz County due to more numerous grocery options (e.g., Safeway and Walmart). While serving Woodland to Kalama (and up the Lewis River valley), these stores do not readily address customer needs in the more affluent and rapidly growing Ridgefield area.
- The **opposite situation** is noted for retail categories such as home furnishings, health and personal care, apparel, miscellaneous specialty retail and dining. With the exception of dining, these categories all experience sales leakage within the primary trade area – but with the leakage further magnified when considered for the larger secondary area.

For Ridgefield, the maximum potential sales recapture opportunity involves targeting the geographic trade area **for which sales leakage is greatest**. For grocery, general merchandise (including department and discount store), and also auto parts, focus on drawing customers from within the more immediate primary market area.

Conversely, there is also opportunity to secure retailers able to effectively compete for unmet customer needs across a larger secondary trade area with comparison goods – as for home furnishings, health and personal care (including pharmacy), apparel, miscellaneous specialty retail and dining.

Added Retail Sales with Population Growth

In Ridgefield, prospective retailers have an opportunity not only to capture an existing underserved market but to also serve and reinforce resurgent housing development and population growth. Consequently, a second analysis purpose is to forecast realistic added retail sales potential consistent with population growth anticipated in the years immediately ahead.

With this analysis, population projections have been prepared for the next 5 and 10 year periods – as time horizons of likely interest to prospective retailers. For simplicity and due the immediacy of potential retail interests, the 5-year projections are outlined with this analysis.

- **For the primary (Ridgefield/I-5) trade area**, the Claritas forecast would suggest an approximately 7% increase in population (1,200 added residents) over the next five years. This conservative projection is based primarily on the recent recession and subsequent experience – without recognizing the significant pipeline of housing development now coming into place. Based on extensive analysis for the Ridgefield School District (in and outside the UGA) coupled with evaluation of impacts related to initial Cowlitz Casino operations, a high growth projection could involve as much as a 38% increase in primary area population (with 6,400 added residents) in five years.
- **For the larger secondary (Ridgefield/North) trade area,** the anticipated percentage change in population drops somewhat to +6% in five years (with Claritas data) to 22% (based on evaluation of added growth opportunity within the portion of the trade area in Ridgefield School District boundaries). The lower rate of growth is due to the fact that growth outside the primary area is expected to occur at a slower pace – especially in southern Cowlitz County. However, the total increase in population is greater with the larger geography covered – increasing by 2,355 residents even with the relatively conservative Claritas projection to as many as 8,800 added residents in the next five years based largely on the development pipeline within the Ridgefield UGA and adjoining school district enrollment area.

With this retail analysis, we have applied population growth factors for the larger secondary trade area. This approach is predicated on the City and development community taking an active posture with respect to making Ridgefield the primary focus of new retail commercial development in north Clark and southern Cowlitz counties over the next 5-10 years.

This analysis also applies the higher end development pipeline growth estimates instead of national Claritas projections. This higher end projection assumes continued recovery of single family together with emergent multi-family development, accompanied by favorable job growth, reasonable interest rates and credit availability.

Combined Retail Potentials

Combined retail potentials associated with potential leakage recapture and the next five years of prospective population and associated spending growth are detailed by the following chart.

Ridgefield Retail Development Potentials (5 Years)

Retail Store Type	Maximum Leakage Recapture	5 Year Growth (2015-20)	Total Market Leakage + Growth	Per SqFt Sales Estimate	Added Retail SqFt	Trade Area Space Demand: Range of Capture %			Range of Building Sq Ft Potential		
Auto Parts, Accessories, Tire Stores	$4,302,000	$2,328,000	$6,630,000	$225	29,000	50%	-	100%	14,500	-	29,000
Furniture & Home Furnishings Stores	$6,582,000	$2,981,000	$9,563,000	$275	35,000	50%	-	100%	17,500	-	35,000
Electronics & Appliance Stores	$7,434,000	$2,775,000	$10,209,000	$650	16,000	50%	-	100%	8,000	-	16,000
Building Material, Garden Equip Stores	-	$16,703,000	$16,703,000	$350	48,000	50%	-	100%	24,000	-	48,000
Grocery (Food & Beverage Stores)	$35,207,000	$19,943,000	$55,150,000	$550	100,000	50%	-	100%	50,000	-	100,000
Health & Personal Care Stores	$26,235,000	$8,152,000	$34,387,000	$550	63,000	50%	-	100%	31,500	-	63,000
Apparel & Accessories Stores	$27,152,000	$6,765,000	$33,917,000	$375	90,000	50%	-	100%	45,000	-	90,000
Sporting Goods, Hobby, Book, Music	-	$2,845,000	$2,845,000	$275	10,000	50%	-	100%	5,000	-	10,000
General Merchandise Stores	$18,402,000	$17,639,000	$36,041,000	$325	111,000	50%	-	100%	55,500	-	111,000
Miscellaneous Store Retailers	$10,371,000	$4,084,000	$14,455,000	$250	58,000	50%	-	100%	29,000	-	58,000
Dining (Foodservice & Drinking Places)	$3,906,000	$15,127,000	$19,033,000	$500	38,000	50%	-	100%	19,000	-	38,000
Total Retail Sales w/Dining	**$139,591,000**	**$99,342,000**	**$238,933,000**	**$400**	**598,000**	**50%**	-	**100%**	**299,000**	-	**598,000**

Source: E. D. Hovee & Company, LLC based on spending data per Claritas and housing development projections adjusted for Ridgefield School District / pipeline projects.

As indicated by the above projections:

- Maximum existing **retail recapture** (if 100% of resident purchases currently being made elsewhere could be served locally) is estimated at $140 million (in 2015 dollars).
- Maximum added potential with **population growth** over five years is estimated at another $99 million (also in 2015 dollars) – for total added sales potential of up to $239 million.
- Typical **sales per square foot** figures are applied for major national/regional retailers (though it is noted that sales performance can vary depending on the specific operator).
- Potential resulting **retail development** ranges from just under 300,000 square feet (assuming no more than a 50% capture of available locally generated spending potential) to as much as 600,000 square feet in the much less likely event that 100% capture could be achieved.

In a non-urban community, higher rates of market capture (approaching 100%) typically are dependent on achieving some measure of greater visitor as well as local market penetration. This is because local residents can be expected to continue make some of their shopping trips elsewhere in conjunction with work commute patterns, recreational shopping, visiting urban areas, or while on vacation (even when there are good shopping alternatives available locally).

A remaining question relates to the specific locational attributes for retail development in the Pioneer and 45th sub-area as compared with other retail locations – as at Ridgefield Junction and in downtown Ridgefield. Generally speaking, the Pioneer and 45th sub-area appears to present the greatest opportunity to serve community retail needs – especially as is typical for a grocery anchored retail center with related convenience and some comparison retail plus consumer oriented service businesses.

Advantages of the Pioneer and 45th sub-area for a major community retail center in the range of 150,000- 200,000+ square feet most notably include:

- Outstanding proximity to Ridgefield residential neighborhoods *coupled with* nearby freeway access to I-5 communities extending from the Clark County fairgrounds area north to Woodland and Kalama.
- Availability of large sites in the range of at least 10-15 buildable acres as likely would be needed to accommodate a major grocery anchored multi-tenant retail center.

With this anticipated tenant profile, Pioneer and 45th sub-area development can serve to complement other distinct retail niches available for the downtown/waterfront and Ridgefield Junction interchange sub-areas. The Junction and downtown can be expected to compete for destination retail – of a small, specialty scale in downtown and a combination of business and institution-oriented and larger format destination retail in proximity to the I-5/Pioneer interchange.

Related Commercial Services

In addition to *pure retail,* there are other related commercial service uses to consider as an important parts of the mix for commercial development in Ridgefield. Some service uses are not likely to locate in the Pioneer and 45th area due to distance from the major transportation corridor of I-5 and reduced accessibility to the larger Ridgefield/i-5 trade area.

For example, major lodging development can be expected to occur early-on primarily in immediate proximity to the I-5 freeway at Ridgefield Junction. A similar observation is noted for auto-dependent uses, though some local serving uses such as auto service may be supportable at or near a Pioneer and 45th location, as well.

With this analysis, two related commercial service options are considered as being of potential applicability to the Pioneer and 45th area – health/fitness and multi-screen cinema. Each of these is considered briefly in turn.

Health / Fitness Center

A specialty service use that effectively complements retail, residential, educational and/or related park and trail is a health/fitness center. The focus of this preliminary discussion is on *full service* facilities defined – at a minimum – as including exercise and weightlifting equipment, fitness classes, and a pool on-site. Sizes private full service health/fitness operations in Clark County typically range from about 20-40,000 square feet of building area.

There are 12 identified public, private and non-profit facilities in Clark County that fit this *full service* definition.[7] While the majority of these facilities have been developed on a stand-alone basis and/or in park settings, some private facilities have located in proximity to other retail commercial uses. As yet, no major health fitness centers are located in the Ridgefield/North area. The closest existing full service facility is Lake Shore Athletic Club located approximately 12 miles to the south.

At present, there is one full service health/fitness center for every 37,000 residents in Clark County. While the population of the primary market area currently would not appear adequate to support a full service facility, the 39,200 residents of the secondary area extending north to Kalama would appear to provide the requisite population base. The market opportunity is further improved by the prospect of up to as many as 8,800 new trade area residents over the next five years – with a primary focus for area-wide residential development expected to be within the Ridgefield UGA.

In partnership with the Ridgefield School District, the City of Ridgefield is underway with a feasibility and planning study for a regional sports complex that could include both outdoor sports and indoor health/fitness facilities. Tentatively planned for 50 acres across Hillhurst Road from Ridgefield High School, the complex would be located in close proximity to the southern portion of the Pioneer and 45th sub-area. As developed, a regional sports complex also offers opportunity to link to the trail and open space network serving this emerging sub-area.

Multi-Screen Cinema

Movie theater entertainment represents a more directly retail related opportunity for the Pioneer and 45th sub-area – especially as there are no operating movie theaters currently in Ridgefield. Nor are there operating commercial screens extending as far north as Kalama.[8]

As of 2012, there were more than 39,900 cinema screens in the U.S. – equating to about 1.3 screens per 10,000 population. Currently, Clark County has nine movie cineplexes totaling over 90 screens. [9] If national averages were to be applied, it could appear that the Clark County market is over-screened. The 91 screens currently in Clark County are about 35 more than is typical for a market of this size.

However, the composition of the local movie theater market differs substantially from much of the rest of the U.S. This appears to be largely due to the introduction of the home-grown Cinetopia (with 31 screens) offering movies as part of a broader entertainment and dining package. Cinetopia features "living room theaters" offering a private "skybox" together with full service restaurant – with a wine bar (Vinotopia) providing live music.

Potential Cinema Screens Supported

	U.S.	Clark Co	Ridgefield*
Population	313,914,040	441,228	39,200
Existing Cinema Screens	39,918	91	-
Screens/10,000 Residents	1.27	2.06	-
Added Screens Supported			
@ National Avg	-	(35)	5
@ Clark County Avg	-	-	8

*Note: A Ridgefield cinema would likely serve the full secondary market area, extending from the Clark County fairgrounds area north to Kalama.

Source: Motion Picture Association of America, *Theatrical Market Statistics, 2012;* Box Office Mojo, E. D. Hovee & Company, LLC.

With this preliminary market analysis, it would appear that the expanded secondary trade area potentially served from Ridgefield could support 5-8 screens, most likely in a single multi-screen cinema complex. While cinemas may operate as free-standing facilities, they often benefit from co-location with a planned retail center that includes other shopping and dining opportunities.

Best Retail & Service Commercial Bets for the Pioneer & 45th Sub-Area

The Pioneer and 45th sub-area may represent Ridgefield's best opportunity to develop a community retail commercial center situated conveniently to serve in-town neighborhoods and also retail needs not currently met for the larger trade area extending from the Clark County fairgrounds north to the Woodland / Kalama area in southern Cowlitz County. The community retail center should be master planned to:

- Provide at least 10-15 buildable acres for a center of 150,000-200,000+ square feet.
- Be anchored by a regional or nationally recognized grocery anchor.
- Include multi-tenant space for related day-to-day convenience services and basic comparison shopping needs – including pharmacy, hardware/garden, apparel, dining, consumer financial services, and possible cinema.
- Offer direct access to Pioneer and 45th – and from there to the I-5 freeway.
- Support rents at the top end of the local and Clark County retail market – adequate for quality retail space construction and credit tenants.
- Facilitate horizontal mixed use with direct and inviting pedestrian connections to adjoining multi-family and townhome residential as well as park/trail/open space.

With an anchor development secured, it can be expected that longer term opportunities may be presented for other smaller scale retail development – whether fronting on the Pioneer or 45th corridors. Rather than developing in a traditional strip configuration, an optional approach would be to encourage smaller retail nodes in conjunction with adjoining mid-density residential or employment uses.

Developed in this manner, retail in the Pioneer and 45th sub-area should also serve to reinforce complementary retail opportunities in the downtown/waterfront area and in closer proximity to the I-5 junction. As noted, downtown/waterfront retail can be expected to transition more to serving some combination of serving visitor interests for specialty retail and dining plus the immediate day-to-day needs of adjoining downtown neighborhoods and employment activity. The Ridgefield Junction area offers long term potential for retail aimed to also serve destination traffic (as with large format and lifestyle retailers) and for service retail oriented to the needs of industries together with the Peace Health medical and Clark College facilities as they develop.

OFFICE/FLEX SPACE

With metro area and Clark County employment growth again taking hold, the region's market has been showing signs of renewed, but as yet uneven, office and related flex space development activity. This analysis covers both traditional office space as well as emerging opportunities for what is termed as flex space – often including some mix of office and production space in a lower cost, campus style, business park setting.

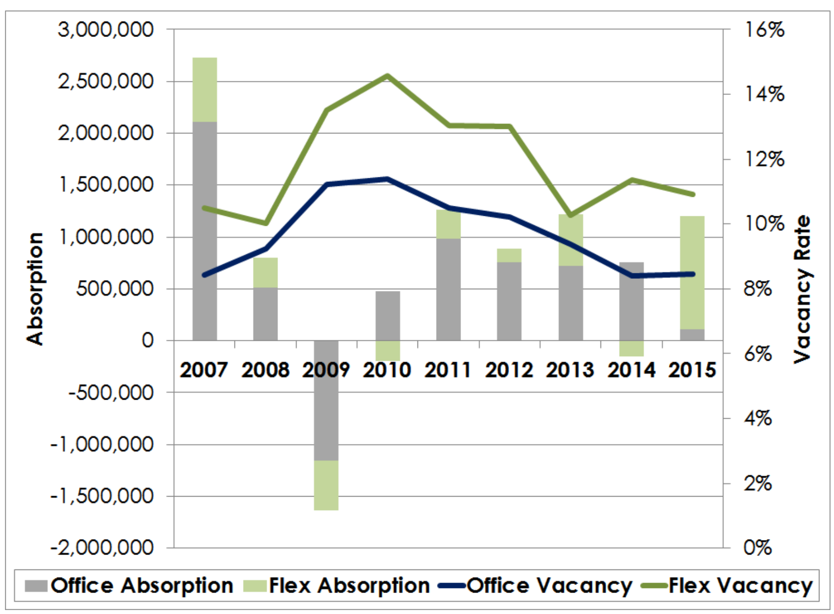
Clark County and Ridgefield appear poised to capture more of this growth in the years ahead. Any substantial increment of office/flex space development in Ridgefield will be particularly dependent on attracting new firms into the community.

Regional Office/Flex Market

Just at the onset of the Great Recession, 2007 was the last year of robust absorption and low vacancies. The metro area market experienced negative absorption in 2009 (with lease terminations far outpacing new lease transactions), and with vacancies peaking in 2010.

Vacancies have since been reduced – back to pre-recession levels for office space and slightly above for flex. Absorption is positive, but not at the overly exuberant pace experienced just before the recession.

Regional Office/Flex Absorption & Vacancy (2007-15)



Note: Data for 2015 is year to date to June 2015.

Sources: CoStar and E. D. Hovee & Company, LLC.

In the early years of economic recovery, sub-par job growth contributed to weaker office and flex space demand than has been the case with other forms of investment property. With stronger job growth today, the office and flex space outlook appears increasingly positive. Of note is that more office users are now migrating to other non-traditional real estate product types. Preferences include business park industrial and flex space which often favors a lower cost suburban setting – but with growing tenant interest for direct access to retail and housing.

Ridgefield/I-5 Office Submarket

As of mid-2015, the Ridgefield/I-5 (primary) submarket comprises just over 152,000 square feet as identified by CoStar. This inventory accounts for just 1.26% of the nearly 13.2 million square feet of competitive office and flex space in Clark County.

Comparative Office/Flex Market Indicators (June 2015)

	Ridgefield/I-5	Clark County	Metro Region
Total Inventory (SF)	152,146	13,153,947	119,166,735
% Class A	0%	18%	23%
% Class B	30%	44%	38%
% Class C	22%	20%	22%
% Flex	48%	18%	17%
Office:			
Vacancy Rate	15.30%	10.20%	8.50%
12 Month Absorption (SF)	(589)	181,278	826,665
Planned SF	492,000	2,142,713	7,638,024
Construction SF	0	254,000	1,254,076
Average Rental Rates (fsg)	$15 nnn to $33+ fsg	$20.41	$22.33
Flex:			
Vacancy Rate	0.00%	31.10%	10.90%
12 Month Absorption (SF)	23,000	(131,316)	945,239
Planned SF	0	92,000	695,060
Construction SF	0	87,500	2,727,830
Average Rental Rates (nnn)	$9.36	$8.44	$10.96

Notes: fsg denotes rents quoted on a full service/gross basis, nnn denotes triple net with tenant paying expenses. The Ridgefield/I-5 trade area is the primary area extending north to the Clark/Cowlitz County line.

Sources: CoStar and E. D. Hovee & Company, LLC.

Of particular importance is that nearly half (48%) of the competitive space in the Ridgefield/I-5 area consists of non-traditional flex space. Flex space has experienced positive absorption over the last 12 month with rents above the Clark County average. However, no new flex buildings are identified as under construction or planned.

With respect to office space, none of the Ridgefield area office buildings are considered as Class A structures and vacancies are currently high, at a reported 15.3% with no net absorption over the past year. Rental rates vary considerably, but with most competitive properties in the range of $15-$18.50 per square foot annually.

Clark County accounted for 26% of metro-wide office space absorption in the past year and a remarkable 28% of office space planned. County-wide experience has been much less favorable with flex space – with negative absorption indicated over the last year coupled with relatively weak rates of new construction and planned development activity.

Ridgefield has no new office space construction reported as underway, but does have close to 500,000 square feet identified as planned – all with the Miller's Landing project at the Port of Ridgefield waterfront property. If realized, this development would result in a nearly 8-fold increase in Ridgefield/I-5 area office space. Successful buildout also would require the capture of a substantial share of Clark County and metro office space demand over a multi-year period.

Regionally, flex space absorption now accounts for the majority of combined office and flex space demand. Clark County has been slow to transition its product mix accordingly, continuing to rely more on office than flex market opportunities. Ridgefield appears to be one (albeit modest) exception, demonstrating the potential competitive advantage the community could offer for flex users in the years ahead.

Looking forward, office and flex space development in the Ridgefield/I-5 will be dependent on continued economic recovery in Clark County coupled with substantially increased capture of regional office space demand and attraction of new tenants to Ridgefield and the north county market. The Port of Ridgefield's Miller's Landing property is clearly positioned to attract new corporate office users to the Ridgefield community over the long-term – but awaits development for rail overcrossing construction at the downtown terminus of Pioneer Street.

Near-term development potential may be greater in proximity to the I-5/Junction or Pioneer and 45th sub-areas. While the Junction area can be expected to reflect greater emphasis on industrial, the Pioneer and 45th sub-area offers the opportunity to appeal to higher-end campus style flex and office space users.

With close to 90 acres of potential office land, the Pioneer & 45th sub-area could account for as much as 600,000 to 1.2 million square feet of office/flex park space at build-out. At current rates of absorption, it could take over 25 years to achieve even the lower build-out capacity figure.

Clearly, office/flex space represents a long-term opportunity for Ridgefield to round out its employment base with higher wage professional/technical office/flex as well as production-oriented users. However, build-out should not necessarily be expected over the 20-year horizon of the Comprehensive Plan. Moving in this direction will require a pro-active public-private initiative. If conducted with a degree of initiative similar to that for Discovery Corridor industrial development, there is yet the opportunity for Ridgefield to develop a significant office/flex presence in Clark County – commensurate with albeit on a smaller scale relative to what has been occurring in Oregon's Sunset Corridor (in Hillsboro) or Kruse Way (Lake Oswego).

Horizontal Mixed Use

This market overview has involved analysis of residential, commercial retail, and office/flex uses, each considered on its own merits. While it is important to understand the market potential and requirements of each individual type of use, this *one-at-a-time* approach may miss the opportunity for synergies that may occur between different but conceivably complementary uses if developed together.

This combination of varied uses is what increasingly is occurring with mixed use development. The mix of uses can be *vertical* (with one use located on top of another in a multi-story development – as with residential above retail). Vertical stacking generally is associated with higher cost construction and so is typically found in urban areas with relatively high land values.

The mix of uses also can be *horizontal* (with different but compatible uses locating side-by-side). Horizontal mixed use is more common in suburban or smaller community environments or in projects for which development of different uses is expected to be phased in over time.

Horizontal mixed use may involve placing apartment or townhome residential next to community or neighborhood retail, employment and park / open space – with direct connectivity to encourage walking in a village environment to shop, work or recreate. Higher densities of residential development at major activity nodes would be balanced with lower density single-family residential a bit further from commercial use – but still offering easy walking or biking as well as auto accessibility.

Creating mixed use environments in non-urban as well as urban settings can be expected to be pivotal to attracting millennials as they start families and baby boomers looking to downsize. The Pioneer and 45th sub-area offers this opportunity due to potential for master planned sites coupled with accessibility to regional transportation systems and community amenities.

Pioneer & 45th Strategic Development Options

Based on this assessment of market trends and prospects, uses indicated as offering strong market potential for the Pioneer and 45th sub-area include:

- Single family residential
- Multi-family residential
- Community retail
- Campus office/flex
- Horizontal mixed use

The chart on the next page provides a summary *matrix comparison* of the suitability of these use potentials – considered in terms of such factors as market trends, site advantages and disadvantages, potential economic returns, key issues to be addressed, and implementation requirements. From this comparative matrix, what then follows is a summary of preliminary findings and recommendations resulting from this preliminary market assessment.

Pioneer & 45th Sub-Area Market Opportunities - Comparative Use Matrix

Potential Site Use	Market Opportunity	Pioneer & 45th Advantages	Pioneer & 45th Disadvantages	Economic Returns	Key Issues to Address	Implementation Requirements
Single Family Residential	Entry-level to trade-up market with diversity of product supporting more rapid absorption	• Better proximity to I-5 than other recent projects • Large acreage sites for master planned development	• Lower price points to date than for Hillhurst sites • Critical lands limit site use & efficient infrastructure	*# Jobs:* High during construction only *Wages:* Mid-HIgh *Taxes:* Mid-High	• Size/price diversity of housing product • Utilizing critical areas as amenities • Infrastructure funding & phasing	Master plan & development agreements with interested owners / developers
Multi-Family Residential	Apartments serve an as- yet unmet local & trade area need; for sale townhome and possible condo development represent longer term opportunities	• I-5 proximity coupled with supportive zoning • Proximity to planned health, medical & casino job growth	• As yet unproven depth of local market • Extensive RMD zoned acreage likely means extended time period to build-out	*# Jobs:* High during construction only *Wages:* Mid-High *Taxes:* Mid-High	• Ultimate market depth & timing • Diversity of unit densities & product type for broadened market appeal	Comp Plan & zoning refinements to encourage greater range of densities consistent with overall sub-area housing goal
Community Retail	Grocery anchored, full service retail not yet available locally and to serve a larger market reaching north to Kalama	• Convenient to Ridgefield neighborhoods • Proximate to I-5 for extended market reach to Kalama	• Critical lands limit site use & flexibility • Pioneer St. focus limits options for small retail nodes to serve residential	*# Jobs:* Mid *Wages:* Low-Mid *Taxes:* High with retail sales tax	• Reliance on extended trade area & growth for full-service retail • Fit with downtown & Junction retail	Master plan to accommodate 150,000+ sq ft commercial center development
Campus Office/Flex	Limited near term market but strong potential over 20-year time horizon; best in near term for flex rather than traditional office	• Reinforce/diversify I-5 Junction corporate appeal • Large acreage for master planned corporate business / office park use	• Poor demand for Ridgefield office space to date • Potential competition with waterfront area	*# Jobs:* Mid-High *Wages:* HIgh *Taxes:* Mid	• Vision as Clark County's #1 campus office address (the next Kruse Way?) • Early catalyst anchor recruitment	Consider options to aggressively market for early phase anchors or scale back office acreage with trade for added residential capacity
Horizontal Mixed Use	Integrate live, work, recreation for pedestrian connectivity and improved market appeal	• Large sites offering best potential for master planned mixed use • Critical lands for amenity potential	• Developer/lender experience limited in suburban setting • Critical lands may limit flexibility for mixed use	*# Jobs:* Mid *Wages:* Low-Mid *Taxes:* Mid-High	• Zoning / PUD flexibility • Design standards to assure uses are complementary	Creation of planned unit development (PUD) or similar zoning mechanism to facilitate cost-effective mixed use

Market Opportunity

As the Ridgefield community grows and diversifies, market opportunities also can be expected to evolve and mature over time:

- In the *near-term* of the next 1-3 years, opportunities appear best for continued progress toward build-out of residential subdivisions north of Pioneer and for potential commitments to multi-family residential and commercial center development in proximity to the Pioneer and 45th roundabout.
- Over the *mid-term* of 3-10 years, expect development of initial multi-family residential and a grocery-anchored retail center close to the roundabout together with initial planning for larger master planned residential developments extending further south along the 45th Avenue corridor – also a potential employment related office/flex development on the Port property at the southeast corner of the roundabout.
- Over a *long-term* horizon of 10-20+ years, the pace of single- and multi-family residential south of Pioneer will pick up – especially as the remaining inventory of subdivision lots in Ridgefield moves toward build-out. Office/flex park development interest might then also begin to pick-up, especially if supported aggressively by the City and Port together with securing one or more major developer commitments.

Effective capture of the available market opportunity is strongly dependent achieving a sub-area plan supportive of coordinated, master planned development for large master planned sites accompanied by phased infrastructure transportation and utility investments south of Pioneer. Active marketing and branding is also important, especially if the office/flex campus concept is to become a reality as integral to sub-area implementation.

Pioneer & 45th Sub-Area Advantages

For all of the uses considered, there is a clear differentiation between advantages offered by *primary area* locations in closest proximity to the roundabout as compared to *secondary area* sites, especially extending south of Pioneer along the 45th Avenue corridor:

- The *primary area* offers the most immediate prospects for multi-family and commercial retail development – also with some opportunity for horizontal mixed use if accompanied by supportive land use as part of Ridgefield's Comprehensive Plan update.
- The *secondary area* north of Pioneer can be expected to build-out on its own – with developments such as Canterbury Trails. South of Pioneer lies the major repository of sub-area land area land designated for single- and multi-family residential as well as office uses. The combination of areas with flat topography for ease of construction combined with stream/critical area corridors for amenity value suggest good long-term opportunities for all three uses – with the strongest market initially expected to be for some diversity of single family product.

Overall, the sub-area offers advantages of close proximity to Interstate 5 coupled with potential for development of a mix of not only residential but complementary employment and commercial retail/service development – all in a setting offering ready access to trail, park and recreational facilities.

Pioneer & 45th Sub-Area Disadvantages

Disadvantages that could impede market opportunities for the sub-area are noted as follows:

- For the *primary area* adjoining the Pioneer and 45th roundabout, the most challenging issues to address will be access not only at 45th but adjoining cross-streets together with multi-property owner coordination to address critical land constraints and street/utility infrastructure provision.
- For the *secondary area,* potential disadvantages may represent greater challenges for larger sites south of Pioneer – related to depth of market potential, addressing critical areas, and infrastructure provision. While single-family residential demand should emerge fairly quickly, absorption potential land zoned for more multi-family and office park use are more uncertain. For office use in particular, there may be more land than what the market may reasonably absorb over a 20-year time horizon. Issues of marketability may be more challenging if critical lands issues combined with the upfront costs of securing internal street access and sewer extensions and required multifamily park land set-asides are viewed as rendering development infeasible.

A pivotal policy question for the Comprehensive Plan update is whether to maintain existing multi-family and office zoning designations as a long-term objective extending beyond the 20-year planning horizon or to amend designations to facilitate more market-ready uses.

Economic Returns

With this analysis, economic returns have been considered on a preliminary basis from three perspectives:

- *# of jobs created* – which is related to building site coverage and number of workers per square foot of building area. Of the uses considered, office typically yields the highest levels of employment on a square foot or per acre basis – followed by flex, and retail uses.

  Other than for one-time construction related activity or live-work potential, a considerable portion of residential use will offer little on-going direct employment benefit. Job potential with mixed use will be dependent on the proportion of the site developed for each of the uses separately, then added together.
- *Wage rates* – typically are relatively high for flex and professional office uses, then lower for retail and hospitality. However, there can be considerable wage rate variation within

a particular employment sector, including consideration of owner incomes as with small businesses of all types.

- *Tax revenues* – focused on returns to Clark County and other local jurisdictions including schools. Due to the combination of growing reliance on sales tax and the 1% property tax limitation, tax revenues in Washington tend to be highest for retail related uses (except for grocery and pharmacy items which are tax exempt).

  Construction activity also represents a strong source of sales tax generation, though of temporary duration when considered on a site-specific basis. From a property tax perspective, residential can offer relatively high tax yields but also is associated with greater on-going public service requirements.

More detailed quantitative estimates of economic returns that might be anticipated will be conducted with subsequent phase feasibility and economic impact analysis for the alternative development concepts considered.

Key Issues to Address

From this market analysis, four public policy issues are identified as most critical to address. These relate to:

- *Diversity and affordability of housing* – with the Pioneer and 45th sub-area offering perhaps the best opportunity to address these goals in advance of development.
- *Opportunity to jump-start multi-family and commercial retail development* – as important resources to overall community as well as sub-area vitality.
- *Cooperative critical lands planning and mitigation* – involving multiple property owners to obtain more efficient and cost-effective solutions than if considered parcel-by-parcel.
- *Infrastructure funding and phasing* – including possible consideration of funding mechanisms that allow for cost reimbursement as development occurs.

One theme common to all of the uses considered involves the need to update and refine the City's Comprehensive Plan consistent with sub-area planning distinctive to the market opportunities and challenges of this Pioneer and 45th area. A related theme is represented by both the need and opportunity for a common sub-area identity and branding program. At its best, community branding will reinforce and integrate the attributes of each of Ridgefield's distinctive geographies – the waterfront, downtown, 45th and Pioneer sub-area, and I-5 Junction.

Implementation Requirements

While implementation needs vary somewhat with the portion of the sub-area or use considered, several overall themes emerge from this market analysis:

- Comprehensive Plan and associated zoning refinements to encourage a greater range of densities, horizontal mixed use, and possible trading of development rights between properties consistent with overall sub-area targets for residential and commercial use.
- Mechanisms as with PUD/master plan development agreements to facilitate property owner coordination and planning solutions appropriate to the conditions and opportunities specific to each property included.
- Marketing program for office / flex park development – if the current zoning designations are maintained as is.
- Coordination with CRWWD to provide incentives for sewer extensions that will serve to facilitate project feasibility – especially for large site and phased developments.

Questions and suggestions related to any aspect of this market analysis. We look forward to proceeding with second phase refined feasibility and economic impact analysis as part of refined sub-area planning, based on input received from stakeholders and public open houses planned.

APPENDIX A. STAKEHOLDER INTERVIEWS

Engaging property owner and development stakeholder interests is a priority of the Pioneer & 45th Sub Area Plan process. As an initial work step, interviews have been conducted with stakeholders as identified by the City of Ridgefield.

Interview Purpose & Topics

Purposes of the interviews have been to obtain specific information to provide a deeper understanding of issues and potential innovation opportunities prior to the initial Vision Workshop. Interviews were conducted as informal conversations, tailored to each stakeholder's particular interests or expertise. Topics generally covered included:

- **Background** – covering such items as current and past ownership and property use.
- **Future Development** – including discussion of what may be envisioned as to the type and scale of development and possible timing.
- **Site Attributes** – advantages of the property for the type(s) of development planned.
- **Infrastructure Requirements** – covering transportation/access and utility infrastructure needs including coordination with the City and other public providers.
- **Land Use & Environmental –**how future development fits with current comprehensive plan, zoning and site-specific considerations (as with slopes, wetlands, park set-asides).
- **Linkage Opportunities –** how the full sub area may best be developed in a way that enhances economic value together with overall community livability and sustainability.
- **Wrap-Up --** most important priorities that the sub area plan should address, together with other comments or suggestions for the sub area planning process.

Interview Participants

Interviews were conducted in April 2015 with owners and developers of property situated at all four quadrants of the Pioneer and 45th roundabout (Southeast, Northeast, Northwest, and Southwest). Noted is that some stakeholders have property holdings in more than one quadrant.

Based on the City-provided list, the following individuals have been interviewed with this stakeholder outreach process:

- Brent Grening
  (Port of Ridgefield; 3 parcels – 30.43 acres)
- Charlie Gretch
  (2 parcels – 39.01 acres)
- Gary Lahti
  (3 parcels – 88.78 acres on properties zoned for residential, retail, office use)

- Jeff Wriston
  (Pioneer Development, LLC; currently 4 parcels – 34.47 acres)
- Karen (Lahti) Ellmaker
  (2 parcels – 34.50 acres)
- Lee Wells
  (3 parcels – 143.29 acres on lands zoned for medium density residential and office use))
- Margaret Royle Svir / Marci Sather
  (3 parcels – 134.48 acres)
- Mark / Pat Jeffries
  (Horns Corner Properties; currently 13 parcels – 8.86 acres)

Taken together, the stakeholders interviewed have current involvement in properties totaling over 500 acres – representing a clear majority of land in and immediately adjoining the sub area. Contacts were also made with brokers and/or owner representatives for two properties in estate-related situations (Weber – 20 acres and Chipman - 8.26 acres). Actual involvement in prior development (as of lots now sold) or other land acquisitions pending further increases the total acreage influenced by these parties, though by amounts not readily determined from interview comments.

Interviews were generally conducted in person. Results have been aggregated so that comments are not attributed to individual stakeholders.

Interview Observations & Findings

Major observations resulting from the stakeholder interview conversations are summarized, by topic, as follows.

Background

Interviews were conducted with what can be described as two types of stakeholders – long-time owners and more recent development interests:

- The majority of landowners have owned property for considerable periods of time – extending back over up to a century. Original purchases were for agricultural use. Today, none of the long-time owners (with one possible exception) indicate interest in continued ownership (and agricultural use) beyond the current generation. Most are either in the process of selling or would like to sell – albeit with varying degrees of motivation.
- In contrast, development interests have begun to unfold more recently – focused largely on single family residential development to date. While all of the development to this point has been on the north side of Pioneer Street, there clearly appears to be growing interest in looking to the south side of Pioneer for a mix of residential and commercial uses.

- Due to the vision of "old farmers" here and throughout the community, there also has been a longstanding strong interest in securing an industrial tax base and jobs for Ridgefield. Early zoning reflected a concept of residential to the west of 45th Avenue, industrial to the east.
- Just before the Great Recession of the last decade, the Vision First plan was developed and involved more than 300 acres (primarily east of 45th, south of Pioneer). Current zoning for this area reflects a shift made from industrial to residential designation, especially for the extensive area of multi-family (16 unit per acre) designation. While most zoning designations are to the property line, there are parcels with split zoning to the southeast of the roundabout – reflecting considerations of topography, drainage, and vegetation.
- Lender foreclosure on Vision First had differing effects on property owners depending on the contract arrangements with individual owners. For example, the City purchase of park land (on 16.71 acres of Wells property) reportedly was from the FDIC following the collapse of the Bank of Clark County. Owners west of 45th appear to have been less impacted as their potential property transactions may have been less formalized.

Future Development

There were a wide range of stakeholder ideas and thoughts regarding future development potential expressed in the interviews. This is the case not only for developers with active projects but also for some of the long-time owners. These are noted as follows:

- With full economic recovery and price appreciation, single family construction is increasingly oriented to an older baby boomer market (the last home into retirement). In part, this reported trend is due to increasing land costs. However, younger (millennial) families and entry-level workers likely require other affordable housing options – as with purchase of older single family homes together with construction of new attached housing (including small lot/townhome and apartment development).
- Townhomes are in demand though less profitable to build than single-family detached units. Entry-level townhomes can be sold in the lower $200,000 price range while new single family residential is expected to be in the range of $300-$400,000 in the area of 45th versus $400-$500,000+ on Hillhurst.
- The 45th area appears to be more appealing for working families due to easier proximity to I-5. Lower cost USDA financing is also available for units of up to $300,000 in price.
- Additional impetus for added diversity of housing product can be expected to occur with development of a Clark College campus (currently not anticipated earlier than 2019), Peace Health expansion, and prospective opening of the Cowlitz tribal casino. Opening of the casino could occur sooner rather than later if the casino breaks ground potentially as early as 2016.
- Securing retail is viewed as important to achieving a more balanced community and to better serve the growing residential population base. There are mixed opinions as to the best locations for community retail – especially as between an I-5 Junction location

(with direct freeway access) versus the 45th corridor area (more central to Ridgefield's population). One owner likes the idea of "small big box" led, for example, by grocery retailers such as Fred Meyer or New Seasons.

- Corporate office development also is viewed as a potential strong suit for the 45th Avenue corridor. Significant development is likely to happen in this area ahead of Miller's Landing on the Ridgefield waterfront and should offer high-wage job opportunities. Due to the quality of the site location and amenities, the aim should be to go for more jobs, a less industrial look and greater density of development. Perhaps Clark County's version of Kruse Way in Oregon.
- There is interest in achieving some degree of mixed use development – both from developers and from land owners with a legacy interest. One owner expressed dissatisfaction with "pop-up" housing that has occurred on some parts of the Pioneer Street corridor.
- Developer caution is expressed over the financial feasibility of mixed use if assumed to involve residential above commercial use at a non-urban location. However, mixed use might work side-by-side in a horizontal rather than vertical configuration – as a combination of more diverse live-work options – potentially including even *makers space* in conjunction with applied education.
- While it is not clear that the 17-acre City planned park site as currently located is ideal, there is clear support for added and, as applicable, consolidated park space – especially in proximity to the high school.
- Those with existing development capability all are bullish on Ridgefield's future. These interviewees also express interest in pursuing other development projects in the community as opportunities arise.

Site Attributes

Most of those interviewed tended to focus on the attributes of their particular property for current or future development. Some comments also were made about attributes of the full sub area relative to comparable sites elsewhere in the Ridgefield area:

- Key attributes of the 45th corridor include sites with rolling hills offering a wide variety of terrain that lends itself well to distinctive community development. A major advantage offered by a corridor location is proximity to I-5 – better than for other residential areas in Ridgefield and offering capability for larger planned residential and commercial projects.
- Views from some locations are outstanding. At the same time, extensive natural features (creeks, wetlands) will render at least some land less usable and more expensive for development.
- There are advocates for retail (to greater or lesser degree) at all three as-yet undeveloped corners of the Pioneer and 45th roundabout. The north side offers the potential advantage of being on the going-home side of traffic but may be more constrained with topography and wetland areas. The south side offers larger

consolidated sites but with traffic access as well as wetlands likely to be major considerations affecting use and development feasibility.

Infrastructure Requirements

The two major infrastructure items of interest are transportation access/circulation and sewer. Other infrastructure questions such as water service requirements are expected to readily occur concurrent with development:

- Completion of the Clark Regional Wastewater District (CRWD) project has made development possible north of Pioneer. The majority of land to the south of Pioneer is not yet served.
- A major concern is that the sewer provision be accompanied by consideration of funding affordability – recognizing that properties likely will not develop in sequential fashion. Provide incentives for building out infrastructure sooner to avoid the risk of a stall out – especially south of Pioneer – and to spread capital investment payments over time.
- Probably the most frequently mentioned transportation issue relates to securing a parallel north-south route between the sub area and the Junction. This has been long talked about but apparently there is no definitive alignment as yet. Discussion has centered around the possibility of a route extending in the vicinity of about 50th/51st from Pioneer south to a connection with Carty Road (and then to future build-out of a full Battle Ground / I-5 interchange).
- East-west access, mentioned as a future priority, involves extending 11th Street from Junction properties west to at least 45th Avenue. Funding of a future 11th Street overcrossing east over I-5 would connect directly into Union Ridge – providing greatly improvement internal circulation opportunities both east and west of the freeway.
- Other more site-specific transportation items noted to as important to address include:
    - ✓ Provision of direct, visible access from Pioneer to adjoining commercial sites.
    - ✓ Desire for a direct connection across from the entrance to Green Gables (west of 45th) to the Canterbury/commercial development on the east (north of Pioneer).
    - ✓ Determination of right of way status of 5th, 8th and 11th roadways which stub off of 45th (south of Pioneer).
    - ✓ Addressing the curve from 45th to Royle at the south end of the sub area (an increasing safety hazard).
- Strongly encouraged is a circulation system that "needs to be practical," avoiding straight lines where the topography or wetlands constraints suggest otherwise.

Land Use & Environmental

Those interviewed expressed both optimism and caution over the potential results of a Pioneer and 45th sub area plan. There is widespread stakeholder interest in being involved in the planning process. Themes that emerged from the interview discussions include the following:

- There appears to be general interest in having more flexible zoning – responsive to site-specific conditions ranging from developer interest and marketability to topography and best locations for street and utility infrastructure. One suggestion is that this might include trading of "development rights." One individual, generally supportive, cautioned against flexibility that results in a "special deal" benefitting a property owner but detrimental to the whole sub area or community.
- An example of reconfiguration suggested is for more commercial use fronting on 45th both north and south of Pioneer. This could be offset by moving residential use off the corridor. Other offsetting considerations include realistic locations for traffic access (on a state highway) and the potential desire to focus on nodal rather than strip development.
- There is a clear sense with some interviewees to "aim high" for jobs, with perhaps less emphasis on residential. Others note the need for greater diversity of residential product – especially as younger families are now being priced out of the new single family home market.
- With commercial retail, there is interest in expanding the list of permitted uses but with one owner's caveat of being "more comfortable with neighborhood businesses."
- Of those knowledgeable about the nearly 17 acre City park site at the southern end of the sub area, there appears to be general agreement that this may not represent the most suitable site for development – but could serve as "trading stock" for a more appropriate park property.
- An uncertainty for some owners is the question of whether they are subject to being in an urban holding overlay zone – or saddled with provisions of a development agreement that may no longer be as applicable as when first initiated.
- An added note is to consider expansion of the sub area boundary or area of influence to: a) include contiguous land under the same ownership as within the sub area; and/or b) also encompass proposed UGA expansion (at the north end of the sub area).

Linkage Opportunities

Opportunities noted by those interviewed range from connections to the Junction and to trail corridors and the as-yet un-annexed area to the immediate west – with specific suggestions as noted below:

- There remains strong pent-up demand for end-user driven industrial uses at the Junction and for continuing to implement the vision of the Discovery Corridor. There also should be a clear distinction between the types of employment uses occurring at the Junction (more industrial) versus the 45th corridor (more office and community serving commercial). Each district should serve to reinforce the other.
- Access to trails is viewed as a definite marketing advantage for Ridgefield residential. For example, an existing 2-mile trail network is readily accessible to residents of the Green Gables community and is reported as heavily used.

- Building to, around and within as appropriate to the contours of the natural riparian, wetland, and vegetative environment is seen as a clear opportunity for with sub area development. One owner of multi-family zoned property likes the idea of direct linkages to and incorporation of wetlands areas – including wildlife from frogs to herons.

Wrap-Up

There were surprisingly few comments about top priorities for the sub area plan and planning process. In large part, this may be because of uncertainty about what will be involved and whether the results will then be viewed as hindering or helping create economic value for the Pioneer and 45th sub area.

A key takeaway from the stakeholder interviews is that success of a sub area plan will depend on the extent to which it can capture and serve the interests of those owners and developers who want something to happen soon and for those waiting for the right development opportunity to come along. The good news is that this sequencing of interests also may be helpful to avoid overbuilding too quickly.

Additional comments and suggestions received from the stakeholders include the following:

- There may be a need to cast off what does not work with the existing plan and reframe the plan, starting with a vision for the "potential value" of the district at build-out.
- Rather than think about Ridgefield as catering to young or old, become the place that appeals to boomers downsizing and millennials when they start to have kids. There should be a single vision "livable, sustainable, for all ages."
- A suggestion is to be "thinking about what the City wants; developers come and go."
- Or as one property owner indicated: "We're waiting to hear from the City first."
- Have the plan focus on clearly defined action steps.
- In terms of the planning process, start with a working stakeholders group to achieve consensus and buy-in for a plan that will be supported.

Summary Notes

As earlier noted, there appears to be clear interest and motivation for stakeholders including property owners and developers to be engaged in the sub area planning process. For some, a benefit will be getting to know their neighbors better.

There should be value in the sub area planning process as some owners, who have been on the sidelines, recognize that this economic cycle represents a time when Ridgefield increasingly comes into its own. For virtually all, a key objective is to get owners committed to a fresh vision that serves site specific as well as community interests – and that leads to a clearly defined path for both public and private sector implementation.

Looking ahead, these interviews raise at least two key questions that likely warrant further discussion prior to or in conjunction with the stakeholder workshops:

- First may be the need to illustrate how cooperative planning addressing common issues such as transportation access, wetland mitigation, utilities and parks/trail provision may yield better solutions than a parcel-by-parcel approach.
- Second, as this process generates greater stakeholder awareness, there will be a need to provide a sense of market reality about the range of housing and commercial uses required for a full-service city while minimizing the risk of inflated expectations that otherwise could undermine or delay investments of benefit to the greater Ridgefield community.

APPENDIX B. SUPPLEMENTAL DATA TABLES

On the following pages are provided supplemental data tables listed as follows:

- Sub-Area Vacant Buildable Land Model Acreage Estimates
- Population Demographics
- Household & Income Profile
- Employment & Transportation Indicators
- Housing Profile
- Employment in Ridgefield/I-5 & Clark County
- Residential Unit Building Permits (Single + Multifamily)
- Comparative Apartment Market Indicators

Sub-Area Vacant Buildable Land Model Acreage Estimates (2014)

VBLM Acreage by Zoning Designation	Land Area	Built	Under-untilized	Vacant	Critical	Will Not Convert	Infra-structure	Net Buildable
Residential								
Residential Low Density - 4 (RLD-4)	174.3	7.2	45.4	43.3	78.4	74.4	25.7	67.0
Residential Low Density - 6 (RLD-6)	99.0	9.9	29.6	17.1	42.3	41.4	13.2	34.4
Residential Medium Density (RMD-16)	174.3	8.3	72.8	31.5	61.7	72.2	26.0	67.9
Single Family Residential (R1-6 County)	40.3	1.2	28.6	-	10.5	17.0	6.1	16.0
Subtotal Residential	487.8	26.6	176.4	91.9	192.9	204.9	71.0	185.3
Commercial								
Office (OFF)	158.4	9.1	58.7	26.8	63.9	30.8	29.6	88.9
Community Regional Business (CRB)	1.6	-	0.3	-	1.2	0.6	0.2	0.7
Commercial Community Business (CCB)	58.8	3.3	-	24.3	31.2	9.4	11.5	34.6
Subtotal Commercial	218.8	12.3	59.0	51.0	96.4	40.8	41.4	124.2
Parks/Open Space								
Parks/Open Space (P/OS)	26.3	-	-	17.4	8.9			
Total Sub-Area	732.9	38.9	235.4	160.3	298.2	245.8	112.4	309.5

Housing & Employment Capacity by Zoning Designation	Units / Acre	Jobs / Acre	Housing Units	Jobs
Residential				
Residential Low Density - 4 (RLD-4)	4	-	268	-
Residential Low Density - 6 (RLD-6)	6	-	207	-
Residential Medium Density (RMD-16)	16	-	1,086	-
Single Family Residential (R1-6 County)	7	-	117	-
Subtotal Residential			1,677	
Commercial				
Office (OFF)	-	20	-	1,778
Community Regional Business (CRB)	-	20	-	14
Commercial Community Business (CCB)	-	20	-	692
Subtotal Commercial				2,484

Note: VBLM does not include deductions for park-land set asides specific to Ridgefield.
If the maximum deduction of 25% was applied to RMD zoned land, the net buildable figure would be reduced by about 17 acres from what is indicated above.
Unit count could be reduced by up to 270 units not buildable due to park set-asides.

Sources: Clark County GIS, City of Ridgefield, and E. D. Hovee & Company, LLC.

Population Demographics (Claritas)

Description	City of Ridgefield	Ridgefield/I-5	Clark County	Metro Region
Population				
2020 Projection	6,305	18,037	476,312	2,570,484
2015 Estimate	5,637	16,834	450,288	2,448,921
2010 Census	4,763	15,590	425,363	2,328,419
2000 Census	2,904	11,628	345,240	2,020,832
% Growth 2015-2020	11.85%	7.15%	5.78%	4.96%
% Growth 2010-2015	18.35%	7.98%	5.86%	5.18%
% Growth 2000-2010	64.02%	34.08%	23.21%	15.22%
2015 Est. Pop by Single Race Class (% of total)				
White Alone	91.41%	91.95%	83.87%	80.00%
Black or African American Alone	0.96%	0.83%	2.01%	2.77%
Amer. Indian and Alaska Native Alone	0.66%	0.74%	0.90%	0.98%
Asian Alone	2.48%	2.01%	4.56%	6.06%
Native Hawaiian and Other Pac. Isl. Alone	0.20%	0.20%	0.77%	0.52%
Some Other Race Alone	1.22%	1.43%	3.36%	5.20%
Two or More Races	3.07%	2.84%	4.52%	4.46%
2015 Est. Pop Hisp or Latino by Origin (%)				
Not Hispanic or Latino	94.55%	94.84%	91.27%	88.48%
Hispanic or Latino	5.45%	5.16%	8.73%	11.52%
2015 Est. Population by Age (%)				
Age 0 - 4	7.73%	6.05%	6.49%	6.13%
Age 5 - 9	7.98%	6.24%	6.80%	6.29%
Age 10 - 14	8.98%	7.70%	7.28%	6.42%
Age 15 - 17	5.16%	4.84%	4.41%	3.88%
Age 18 - 20	4.43%	4.21%	3.93%	3.78%
Age 21 - 24	5.45%	5.23%	5.10%	4.92%
Age 25 - 34	9.81%	9.20%	12.25%	14.21%
Age 35 - 44	14.10%	11.96%	13.32%	14.10%
Age 45 - 54	13.85%	14.96%	13.78%	13.67%
Age 55 - 64	11.42%	14.70%	12.86%	13.00%
Age 65 - 74	7.61%	9.97%	8.52%	8.25%
Age 75 - 84	2.43%	3.81%	3.68%	3.62%
Age 85 and over	1.03%	1.15%	1.58%	1.75%
2015 Est. Median Age	35.3	40.5	37.8	38.1
2015 Est. Average Age	35.4	39.2	38.1	38.6
2015 Est. Pop Age 15+ by Marital Status (%)				
Total, Never Married	19.67%	21.05%	27.33%	31.27%
Males, Never Married	10.32%	11.96%	14.72%	16.99%
Females, Never Married	9.35%	9.09%	12.61%	14.29%
Married, Spouse present	62.26%	62.19%	50.82%	46.95%
Married, Spouse absent	4.83%	3.86%	4.14%	4.13%
Widowed	4.50%	4.53%	4.69%	4.84%
Males Widowed	0.02%	0.28%	0.99%	1.03%
Females Widowed	4.48%	4.25%	3.70%	3.81%
Divorced	8.74%	8.37%	13.02%	12.81%
Males Divorced	4.55%	4.54%	5.78%	5.40%
Females Divorced	4.19%	3.83%	7.25%	7.41%
2015 Est. Pop. Age 25+ by Edu. Attainment (%)				
Less than 9th grade	0.94%	1.77%	2.58%	3.44%
Some High School, no diploma	4.74%	4.03%	5.72%	5.75%
High School Graduate (or GED)	21.70%	24.95%	26.27%	22.69%
Some College, no degree	28.38%	26.31%	28.38%	25.84%
Associate Degree	13.42%	11.39%	10.74%	8.51%
Bachelor's Degree	21.14%	20.79%	17.30%	21.30%
Master's Degree	6.80%	7.44%	6.57%	8.81%
Professional School Degree	2.24%	2.47%	1.53%	2.31%
Doctorate Degree	0.65%	0.85%	0.90%	1.36%

Household & Income Profile (Claritas)

Description	City of Ridgefield	Ridgefield/I-5	Clark County	Metro Region
Households				
2020 Projection	2,134	6,291	177,764	1,009,167
2015 Estimate	1,900	5,876	167,697	958,721
2010 Census	1,593	5,449	158,099	908,038
2000 Census	997	4,014	127,210	781,382
% Growth 2015-2020	12.32%	7.07%	6.00%	5.26%
% Growth 2010-2015	19.27%	7.82%	6.07%	5.58%
% Growth 2000-2010	59.78%	35.77%	24.28%	16.21%
2015 Est. Households by Household Type (%)				
Family Households	80.79%	80.14%	69.97%	63.55%
Nonfamily Households	19.21%	19.86%	30.03%	36.45%
2015 Est. HHs by HH Income (%)				
CY HHs, Inc < $15,000	2.11%	4.20%	9.08%	10.95%
CY HHs, Inc $15,000 - $24,999	5.53%	5.36%	9.28%	9.32%
CY HHs, Inc $25,000 - $34,999	11.37%	10.47%	10.27%	9.52%
CY HHs, Inc $35,000 - $49,999	8.32%	10.21%	14.79%	13.69%
CY HHs, Inc $50,000 - $74,999	20.63%	19.38%	20.28%	18.94%
CY HHs, Inc $75,000 - $99,999	17.42%	16.87%	14.09%	13.13%
CY HHs, Inc $100,000 - $124,999	19.21%	15.47%	8.83%	9.33%
CY HHs, Inc $125,000 - $149,999	7.16%	7.62%	5.22%	5.54%
CY HHs, Inc $150,000 - $199,999	4.53%	5.41%	4.56%	5.08%
CY HHs, Inc $200,000 - $249,999	1.58%	2.04%	1.48%	1.80%
CY HHs, Inc $250,000 - $499,999	1.95%	2.54%	1.70%	2.08%
CY HHs, Inc $500,000+	0.21%	0.43%	0.41%	0.64%
2015 Est. Average Household Income	$87,286	$88,527	$73,010	$75,797
2015 Est. Median Household Income	$77,946	$75,567	$58,108	$58,618
2015 Est. Family HH Type, Presence Own Children (%)				
Married-Couple Family, own children	41.37%	35.15%	33.70%	32.73%
Married-Couple Family, no own children	39.41%	48.59%	42.89%	43.33%
Male Householder, own children	4.10%	3.40%	4.03%	3.85%
Male Householder, no own children	2.02%	2.53%	3.27%	3.48%
Female Householder, own children	8.79%	5.75%	9.64%	9.75%
Female Householder, no own children	4.30%	4.54%	6.48%	6.86%
2015 Est. Households by Household Size (%)				
1-person household	15.21%	15.57%	23.71%	27.58%
2-person household	32.00%	36.33%	33.47%	33.71%
3-person household	18.05%	17.51%	16.70%	15.94%
4-person household	19.74%	16.97%	14.22%	12.83%
5-person household	9.47%	8.10%	6.82%	5.83%
6-person household	3.53%	3.39%	3.01%	2.45%
7 or more person household	2.00%	2.13%	2.07%	1.66%
2015 Est. Average Household Size	2.97	2.86	2.66	2.51
Family Households				
2020 Projection	1,723	5,042	124,399	640,673
2015 Estimate	1,535	4,709	117,338	609,271
2010 Census	1,286	4,364	110,672	578,249
2000 Census	786	3,235	90,959	510,162
% Growth 2015-2020	12.25%	7.07%	6.02%	5.15%
% Growth 2010-2015	19.36%	7.89%	6.02%	5.36%
% Growth 2000-2010	63.61%	34.90%	21.67%	13.35%

Employment & Transportation Indicators (Claritas)

Description	City of Ridgefield	Ridgefield/I-5	Clark County	Metro Region
2015 Est. Pop Age 16+ by Employment Status (%)				
In Armed Forces	0.00%	0.05%	0.12%	0.07%
Civilian - Employed	61.46%	57.17%	57.32%	59.35%
Civilian - Unemployed	6.22%	5.37%	7.06%	6.92%
Not in Labor Force	32.32%	37.41%	35.51%	33.66%
2015 Est. Civ Employed Pop 16+ by Occupation (%)				
Architect/Engineer	1.58%	2.67%	2.79%	2.97%
Arts/Entertain/Sports	0.42%	1.18%	2.00%	2.68%
Building Grounds Maint	2.47%	3.81%	3.78%	3.39%
Business/Financial Ops	4.74%	4.96%	4.77%	5.37%
Community/Soc Svcs	3.47%	3.06%	1.39%	1.79%
Computer/Mathematical	2.39%	1.98%	2.47%	3.15%
Construction/Extraction	4.82%	4.81%	5.02%	4.11%
Edu/Training/Library	5.70%	5.98%	5.10%	5.31%
Farm/Fish/Forestry	0.62%	1.01%	0.32%	0.73%
Food Prep/Serving	2.00%	2.76%	4.41%	5.89%
Health Practitioner/Tec	7.67%	7.09%	5.53%	5.25%
Healthcare Support	2.47%	2.11%	2.78%	2.36%
Maintenance Repair	1.73%	2.79%	3.36%	2.87%
Legal	2.27%	1.27%	0.81%	1.16%
Life/Phys/Soc Science	0.46%	0.35%	0.56%	0.79%
Management	12.60%	12.17%	9.43%	10.51%
Office/Admin Support	13.80%	13.52%	14.32%	13.27%
Production	7.24%	5.43%	5.89%	5.84%
Protective Svcs	3.74%	2.46%	2.27%	1.56%
Sales/Related	5.70%	8.01%	9.97%	10.93%
Personal Care/Svc	3.51%	2.92%	4.45%	4.03%
Transportation/Moving	10.60%	9.64%	8.58%	6.04%
2015 Est. Pop 16+ by Occupation Classification (%)				
Blue Collar	24.39%	22.67%	22.85%	18.87%
White Collar	60.81%	62.24%	59.14%	63.17%
Service and Farm	14.80%	15.09%	18.00%	17.96%
2015 Est. Households by Number of Vehicles (%)				
No Vehicles	2.47%	2.42%	5.07%	8.65%
1 Vehicle	12.21%	13.53%	30.30%	32.81%
2 Vehicles	46.74%	39.99%	38.82%	38.40%
3 Vehicles	23.11%	28.20%	17.44%	13.87%
4 Vehicles	9.63%	10.42%	5.94%	4.45%
5 or more Vehicles	5.84%	5.45%	2.42%	1.82%
2015 Est. Average Number of Vehicles	2.49	2.52	1.99	1.80
2015 Est. Workers Age 16+, Transp. To Work (%)				
Drove Alone	84.29%	81.93%	78.67%	71.40%
Car Pooled	3.77%	5.96%	9.41%	9.73%
Public Transportation	0.91%	0.76%	2.62%	5.90%
Walked	1.15%	1.47%	1.52%	3.59%
Bicycle	0.12%	0.05%	0.41%	2.19%
Other Means	1.35%	1.41%	1.17%	0.97%
Worked at Home	8.41%	8.43%	6.21%	6.21%
2015 Est. Workers Age 16+ by Travel Time to Work (%)				
Less than 15 Minutes	12.45%	16.19%	24.70%	25.59%
15 - 29 Minutes	38.37%	41.41%	41.31%	38.95%
30 - 44 Minutes	34.41%	28.90%	21.83%	21.52%
45 - 59 Minutes	6.89%	6.96%	6.84%	7.86%
60 or more Minutes	7.88%	6.53%	5.32%	6.08%
2015 Est. Avg Travel Time to Work in Minutes	32.26	29.93	26.76	27.38

Housing Profile (Claritas)

Description	City of Ridgefield	Ridgefield/I-5	Clark County	Metro Region
2015 Est. Tenure of Occupied Housing Units				
Owner Occupied	78.84%	81.82%	65.67%	61.66%
Renter Occupied	21.16%	18.16%	34.33%	38.34%
2015 Owner Occ. HUs: Avg. Length of Residence	11.5	13.9	14.0	14.8
2015 Renter Occ. HUs: Avg. Length of Residence	6.8	7.6	7.1	7.2
2015 Est. All Owner-Occupied Housing Values				
Value Less than $20,000	0.87%	1.27%	1.89%	2.20%
Value $20,000 - $39,999	0.73%	0.56%	1.93%	1.94%
Value $40,000 - $59,999	0.33%	0.48%	0.79%	0.92%
Value $60,000 - $79,999	0.33%	0.48%	1.02%	0.81%
Value $80,000 - $99,999	0.73%	0.77%	0.93%	0.88%
Value $100,000 - $149,999	4.01%	3.31%	6.34%	5.50%
Value $150,000 - $199,999	6.88%	6.24%	16.75%	11.68%
Value $200,000 - $299,999	26.50%	23.81%	34.30%	29.33%
Value $300,000 - $399,999	26.77%	25.33%	17.14%	19.31%
Value $400,000 - $499,999	13.48%	14.60%	9.47%	11.96%
Value $500,000 - $749,999	12.88%	15.77%	6.18%	9.71%
Value $750,000 - $999,999	3.81%	5.12%	2.12%	3.66%
Value $1,000,000 or more	2.67%	2.29%	1.14%	2.11%
2015 Est. Median All Owner-Occupied Housing Value	$335,910	$351,742	$259,340	$288,898
2015 Est. Housing Units by Units in Structure				
1 Unit Attached	2.36%	1.41%	5.49%	5.01%
1 Unit Detached	91.46%	88.89%	67.08%	62.15%
2 Units	0.15%	0.74%	3.09%	2.91%
3 or 4 Units	0.95%	0.49%	3.81%	4.49%
5 to 19 Units	0.00%	0.10%	9.17%	10.41%
20 to 49 Units	0.00%	0.00%	2.25%	3.79%
50 or More Units	0.00%	0.00%	4.21%	6.75%
Mobile Home or Trailer	4.32%	8.01%	4.69%	4.33%
Boat, RV, Van, etc.	0.75%	0.37%	0.20%	0.17%
2 or more Units				
2015 Est. Housing Units by Year Structure Built				
Housing Unit Built 2005 or later	16.47%	8.59%	6.00%	5.47%
Housing Unit Built 2000 to 2004	34.86%	28.82%	20.16%	15.83%
Housing Unit Built 1990 to 1999	18.03%	23.99%	24.62%	18.38%
Housing Unit Built 1980 to 1989	4.82%	9.66%	12.38%	10.74%
Housing Unit Built 1970 to 1979	11.05%	12.66%	17.80%	16.87%
Housing Unit Built 1960 to 1969	4.92%	5.18%	6.93%	8.71%
Housing Unit Built 1950 to 1959	1.41%	2.23%	4.50%	7.23%
Housing Unit Built 1940 to 1949	1.81%	2.90%	3.50%	4.81%
Housing Unit Built 1939 or Earlier	6.63%	6.00%	4.11%	11.97%
2015 Est. Median Year Structure Built	2000	1995	1990	1980

Employment in Ridgefield / I-5 Area & Clark County (2013)

NAICS	Employment Sector	Ridgefield / I-5 Firms	Ridgefield / I-5 Jobs	Ridgefield / I-5 Avg Wage	Clark County Firms	Clark County Jobs	Clark County Avg Wage
Total	**All Sectors**	**618**	**4,416**	**$35,819**	**13,793**	**133,889**	**$45,108**
11	Ag/Forestry/Fishing	31	113	$25,174	95	512	$34,591
23	Construction	109	433	$36,344	1,300	8,739	$50,649
31-33	Manufacturing	27	708	$35,775	404	12,579	$54,129
42	Wholesale Trade	72	399	$56,182	1,137	6,108	$69,843
44	Retail Trade	40	249	$19,895	804	15,573	$28,264
48	Transportation & Warehousing	29	312	$32,194	253	2,922	$47,471
51	Information	6	17	$60,410	142	2,569	$53,878
52	Finance & Insurance	12	32	$72,347	400	3,889	$72,692
53	Real Estate	11	28	$19,596	353	2,162	$38,963
54	Professional/Technical Services	49	135	$60,494	1,181	6,964	$70,028
56	Adminstrative/Waste Services	40	216	$33,698	684	6,964	$30,069
61	Educational Services	12	45	$18,416	144	885	$23,794
62	Health Care & Social Assistance	23	105	$27,493	857	18,030	$49,689
71	Arts, Entertainment & Recreation	12	767	$32,017	115	2,347	$21,104
72	Accommodation & Food Services	18	157	$14,309	580	10,625	$17,662
81	Other Services	116	162	$20,203	5,179	7,649	$23,483
92	Government	11	538	$44,097	110	23,183	$50,093

* Note: Data is for the Ridgefield/I-5 encompassing zip codes 98642 + 98629.

Source: Washington State Employment Security Department and E. D. Hovee & Company, LLC.

Residential Unit Building Permit Trends (Single + Multifamily)

Year	Ridgefield	Rest of County	Clark County	Ridgefield % of Clark County
2004	204	3,651	3,855	5.3%
2005	313	3,458	3,771	8.3%
2006	189	2,790	2,979	6.3%
2007	73	2,277	2,350	3.1%
2008	34	1,207	1,241	2.7%
2009	27	682	709	3.8%
2010	79	991	1,070	7.4%
2011	66	895	961	6.9%
2012	122	1,436	1,558	7.8%
2013	177	2,765	2,942	6.0%
2014	104	2,222	2,326	4.5%
Total (04-14)	1,388	22,374	23,762	5.8%
Average/Yr	126	2,034	2,160	5.8%

Source: U.S. Census Bureau.

Comparative Apartment Market Indicators (June 2015)

	Ridgefield/I-5	Clark County	Metro Region
Total Inventory (# Units)	52	31,762	222,715
% Built 2000 - 2015	0.00%	24.91%	19.16%
% Market Rate	100.00%	82.42%	81.78%
Average Asking Rents (Monthly)			
Studio	$ -	$715	$891
1 Bedroom	$ -	$849	$958
2 Bedrooms	$ -	$1,012	$1,084
3+ Bedrooms	$ -	$1,259	$1,277
Concessions	No Data	0.10%	0.20%
Vacancy Rate	No Data	1.50%	2.60%
12 Month Absorption (Units)	0	365	4,736
Under Construction (units)	7	690	7,856
Proposed Development			
# of Projects	0	14	70
Market Averages			
Units per Apartment Property	10	52	40
Built 2000 - 2015	0	7,913	42,664
Market Rate	52	26,177	182,141
# of Apartment Properties	5	610	5,634

Sources: CoStar and E. D. Hovee & Company, LLC.

ENDNOTES

[1] Information for this *Ridgefield Downtown/Waterfront Market Study* has been obtained from sources generally deemed to be reliable. However, the accuracy of information obtained from third party sources is not guaranteed and is subject to change without notice. The observations and findings contained in this report are those of the author. They should not be construed as representing the opinion of any other party prior to their express approval, whether in whole or part.

[2] Most of the Pioneer and 45th sub-area area is located within the city limits of Ridgefield. There is a small portion south of the primary area that is not within the City limits but under County jurisdiction.

[3] Per www.ci.ridgefield.wa.us, as of August 2014.

[4] The Ridgefield/I-5 secondary market evaluated with the Pioneer and 45th sub-area encompasses a larger sub-regional trade area than the primary area considered with the downtown/waterfront sub-area because of potential for Pioneer & 45th to capture larger retailers for which there would not be adequately sized properties in downtown Ridgefield. Examples include major retail stores such as Fred Meyer, Safeway, Walmart, Target, and Home Depot. The boundaries of this secondary market area have been determined based on drive times to comparable retailers south, north and east of Ridgefield.

[5] Per Washington State OFM data, the next most fastest growing city in Clark County (after Ridgefield) is La Center, at a 2.2% average annual growth rate from 2010-14. All other incorporated cities are experiencing population growth rates generally in the range of just under 1% to 2% per year. The population for all of unincorporated Clark County is increasing at only 0.8% per year.

[6] Information on attached unit sales is from Real Estats for 2013-14.

[7] Full service health-fitness clubs in Clark County are Cascade Athletic Club, Clark County Family YMCA, Club Green Meadows, Firstenburg Community Center, LA Fitness Sports Club (two facilities), LaCamas Swim and Sport, Lake Shore Athletic Club, Marshall Community Center and 24-Hour Fitness (three facilities). Health/fitness facilities that closed with the recession include Bally Total Fitness and Landover and Oxford Athletic Clubs. The Jim Parsley Center (Vancouver School District) no longer offers fitness classes and exercise and weightlifting equipment; therefore, it is no longer considered a full service facility.

[8] Ridgefield's Liberty Theater, as well as the Love Street Playhouse in Woodland, offer live theater only. The former Woodland theater is closed.

[9] As of 2014, a 91-theater Clark County movie screen inventory included 49 screens at four locations with Regal Cinemas, 31 screens at two Cinetopia locations, and three independent cinemas with 11 screens – Liberty in Camas (2 screens), Battle Ground (8 screens), and Kiggins in Vancouver (1 screen).