

CHAPTER NINE: ECONOMY ELEMENT



ECONOMY

9.1 OVERVIEW

City of Beaverton has a solid economic base which derives its vigor from a healthy mix of businesses. These businesses can typically be categorized as catering to one of three markets; either local, regional, or traded sector markets. Although these market segments occupy different sectors of the economy, they exert highly interdependent forces upon one-another. As a result, Beaverton's economy, like any other local economy, is in a constant state of flux and must compete with other local markets for business. If it is to maintain its development momentum, it is critical that Beaverton's economy evolve and keep pace with predominant market trends.

Through its comprehensive planning efforts, the City of Beaverton can play an active role in helping to guide the local economy so that it continues to support existing businesses and generate new activity. Goal 9 of Oregon's Statewide Planning Goals and Guidelines pertains to economic development. It stipulates that in preparing Comprehensive Plans, jurisdictions fulfill various requirements. Among them, the goal provides that comprehensive plans shall "include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends." In conformance with this provision, as well as those specified in ORS 197.712, OAR 660-009-0015, and Title 1 of Metro's Functional Plan, the City conducted a Buildable Lands Analysis in order to evaluate land availability and examined market trends as part of the Economic Development Strategic Plan. The findings derived from these studies address the factors identified above. The policy implications are explored in detail within the Economic Development Strategic Plan.

Goal 9 also specifies that Comprehensive Plans "[c]ontain policies concerning the economic development opportunities in the community." The intent of this Comprehensive Plan element is to lay a policy foundation that reflects the City's economic values.

An Economic Development Planning Committee was convened in January of 2000 to produce an Economic Development Strategic Plan. They drafted the following economic development vision statement upon which all relevant City goals and policies would be based:

"Beaverton is a vibrant city that is a great place to run a business and raise a family. It is a community that will provide an array of economic opportunities for the workforce of today and tomorrow, and the infrastructure and leadership needed to compete in our current knowledge-based economy."

The City's strengths and weaknesses, market drivers, and the vision statement were considered by the Economic Development Planning Committee in analyzing various policy stances. In doing so two factors stood out as having a significant influence over the overall strategies that would be developed. The first concerns the City's acknowledgement that in order for the local business climate to remain healthy and strong, a continued emphasis

should be placed upon policies that promote the development of Beaverton as a knowledge-based economy. The second involves recognition of the fact that this City is very limited in the amount of buildable land it is able to provide for business related development.

9.1.1 DEVELOPMENT OF A KNOWLEDGE BASED ECONOMY

In the Economic Development Strategic Plan it is recognized that today's economy is information based and impacts all types of industries in the way business is conducted. E-commerce, Internet communications, on-line marketing and other uses of technology create the capability for "on-the-fly" business transactions. Innovations such as these permit businesses to cut costs and at the same time be more responsive in how they respond to their markets. Almost every type of business requires these new technologies in order to stay competitive, and with them new skills within the workforce needed to utilize them. Not only does Beaverton's local economy already possess many of these technologies but the City and region also possess a strong educated workforce base and post-secondary education system. These attributes constitute significant strengths and will also serve to drive the local business climate.

The goals and policies contained within this element were designed to not only help Beaverton's existing businesses keep up to date and competitive in the marketplace but also to attract the kinds of new businesses necessary to maintain and increase the City's livability. Land availability, the ability to pay for infrastructure improvements, the connections to city and regional planning goals, and the links to other community development issues all play a role in determining which businesses and industries will continue to develop and prosper in Beaverton. Attention to these factors can enhance the local economy's ability to capture growth in emerging industries. To this end, certain types of industries have been identified in the Strategic Plan as best suited to the City's economic development vision and goals. These include:

- Industries that do not require large parcels of land,
- Industries with job densities that fit comprehensive planning objectives,
- Industries that create or bring in additional wealth by exporting their goods and services outside the region,
- Industries that provide quality jobs (defined as jobs that pay at least 80% of the regions average wage and provide worker benefits) and
- Industries that provide health benefits and education incentives for their workers.

Businesses that produce high tech hardware, software, bioscience, and e-commerce all rank highly in the City's economic development ambitions.

9.1.2 LIMITED LAND FOR BUSINESS RELATED DEVELOPMENT

Goal 9 of Oregon's Statewide Planning Goals and Guidelines, ORS 197.707, and OAR 660-009-0025, all require that local jurisdictions supply enough land to accommodate projected employment growth. In the Portland Metropolitan Area, the agency responsible for monitoring that growth is Metro and the provisions which regulate the level of performance

which each jurisdiction must meet are articulated in Title 1 of Metro’s Functional Plan. The City is required to accommodate a specified number of new jobs between 1994 and 2017. To determine whether this is possible, the City conducted a buildable lands analysis. A map depicting buildable commercial and industrial lands as defined in that study as of the year 2000 is associated with this element as a supporting document labeled Figure 1 in the Commercial and Industrial Land Inventory section of the Comprehensive Plan - Volume 2.

The resulting study concluded that the City would fall short of Metro’s employment capacity target by 3,754 jobs (approximately fifteen percent), largely due to the limited supply of buildable industrial land in the City. Upon completion of the study the City acknowledged that it would be necessary to ask Metro to grant an exception to the Functional Plan job targets.

A deficiency in the amount of land dedicated to industrial employment is a concern to the City for two reasons. First, it undermines the City efforts to achieve a balance between the number of jobs and the number of housing units it is able to support. Maintaining this balance is important because in so doing, the City can provide an environment conducive to working within close proximity to where one lives. This in turn reduces the need of City residents to commute long distances to work – thereby alleviating the region’s traffic congestion problems. Secondly, scarcities in the amount of land dedicated to higher value commercial and industrial uses could limit the City’s tax base and create tax rate disparities between jurisdictions. While Hillsboro presently possesses a surplus of buildable industrial and commercially designated land and as a result is seeing a major amount of industrial and office development, Beaverton possesses a very limited supply. Hillsboro in turn is able collect property taxes from a larger tax base per capita which allows them to lower their property tax rate. Beaverton on the other hand must either raise its property tax rate or lower its level of service provision in order to compensate for its lack of higher value commercial and industrial land.

The Economic Development Strategic Plan recognizes the City’s shortage of industrial land as a constraint and as a result, stresses the need to maximize the use of industrial land for high density office-type jobs in order to realize significant employment increases. The City also recognizes however that any increase in the supply of buildable industrial land via UGB expansion is predominantly under Metro’s purview and is therefore generally beyond the City’s ability to address the problem. Furthermore, even if Metro chose to expand the UGB to provide more industrial land, it is unlikely that more buildable industrial land could be designated in the City’s Urban Services Area, given the nature of rural land just outside the UGB where it defines the Urban Services Area. Therefore, the City must maximize use of the land that is presently designated for employment related uses.

9.1.3 OTHER CONSIDERATIONS

Finally, Goal 9 requires that comprehensive plans “[l]imit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses”. Consideration of incompatible uses occurred in conjunction with the adoption of Ordinance 2050 (the City’s Development Code and Zoning Map) and Ordinance 3632 (the Comprehensive Plan Map). For example, the City limits the size of retail uses and the total

amount of retail use permitted in the Campus Industrial zone in compliance with the provisions of Title 4 of Metro's Urban Growth Management Functional Plan. Incompatibility continues to be considered as proposed amendments to the Comprehensive Plan and Zoning maps are reviewed.

9.2 GOALS AND POLICIES

In keeping with the concerns identified in the Economic Development Strategic Plan the following goals and policies are organized into three areas of specific concern: 1) promoting an entrepreneurial climate for existing and new businesses, 2) providing a strong public partnership for economic development, and 3) ensuring a high quality of life. Specific actions and work products associated with these policies are identified in the City's Economic Development Strategic Plan.

9.2.1 PROMOTING AN ENTREPRENEURIAL CLIMATE FOR EXISTING AND NEW BUSINESSES

There are some aspects of business development that are required by any company, regardless of size or industry. These include the ability for businesses to keep up to date on standards and practices, having an adequate supply of skilled workers, and being able to connect with and learn from related businesses and experienced entrepreneurs. It also includes strong regional networks that address issues such as capital and links to higher education. While activities are often driven by a partnership of public and private organizations, local government may have an active role in supporting these issues.

9.2.1.1 Goal: To foster entrepreneurial networks that promote innovative and healthy businesses in Beaverton.

Policies:

- a) To increase the networks and connections among Beaverton businesses and with other regional, state and global businesses.
- b) To promote the development and expansion of innovative businesses in targeted industry clusters.

9.2.1.2 Goal: To capture the opportunities of the knowledge-based economy by having a skilled workforce and strong connections between business and education.

Policy:

- a) Assist in the resolution of key workforce issues related to Beaverton-based companies.

9.2.2 PROVIDING A STRONG PUBLIC PARTNERSHIP FOR ECONOMIC DEVELOPMENT

Attracting any size and type of business also depends on having a set of strong building blocks to form a foundation for business development. These building blocks include having an adequate supply of buildable land to meet projected needs, availability of adequate public facilities and services, and good access via the transportation system. They also include positive support for economic development by public agencies, and a regulatory environment that is conducive to forming or expanding business. The City of Beaverton has a major role in assuring that these building blocks are in place in the Beaverton area.

9.2.2.1 Goal: *To support business development through an effective transportation system, targeted land (re)development, and adequate infrastructure.*

Policies:

- a) To develop business districts that are accessible and provide job and business opportunities as described in the City's Economic Development Strategic Plan.
- b) To limit the development of land uses that generate relatively few jobs per acre in areas designated primarily for industrial or office development.
- c) To enhance business access to current (state-of-the-art) telecommunications infrastructure.

9.2.2.2 Goal: *To enable businesses to easily start or expand their enterprise.*

Policies:

- a) To streamline the city processes required to start or expand a business.
- b) Ensure regulations and codes are consistent with and complementary to one another, and are easy to understand and implement.

9.2.3 ENSURING A HIGH QUALITY OF LIFE

In addition to issues that affect the direct operations of a business, there are quality of life factors from parks and arts to public safety that are critical to the overall economic environment that attracts and retains business owners and their workforce. Successfully linking economic development with the array of community development efforts will enhance both endeavors.

9.2.3.1 Goal: *To support a high quality of life for all of Beaverton's citizens.*

Policies:

- a) To require a high quality of new development within the City to create an attractive environment.
- b) To recognize and actively engage the growing cultural diversity in Beaverton.

9.2.3.2 Goal: To promote active partnerships between business and the community.

Policy:

- a) To develop long-term and active working relationships between business organizations, community groups, public agencies and elected leadership.