CHAPTER 9 – ECONOMY

What is this chapter about?

The primary focus of this chapter is to understand the city’s strengths, opportunities, and strategies for economic development across a variety of different industries, locations, zoning districts, and lot sizes. The goals and policies within this chapter establish approaches to help the city meet its current and future economic development needs in keeping with the Comprehensive Plan’s major themes – livability, equity, sustainability and resiliency. More detailed analysis can be found in the 2015 Economic Opportunities Analysis (EOA), which is included in Volume II of the Comprehensive Plan (Background Information and Supporting Documents).

Given that economic cycles and industries change and evolve, often at a rapid pace, the Comprehensive Plan and implementing tools must be nimble and flexible for continued economic vibrancy, while providing clear direction for the city’s strategies and programs.

Context

How Will Beaverton Continue to Grow Its Economy?

The Beaverton Community Vision (2010) and the Beaverton Civic Plan (2011) established the foundation for Beaverton’s economic vision, and a roadmap for achieving it. Since those plans and strategies were adopted, the city has continued its efforts to foster economic growth through the creation of a number of economic development tools, including the Beaverton Economic Development Strategy (adopted in 2011, with an update in 2016), Beaverton Urban Renewal Plan (approved by voters in November 2011), the Beaverton Marketing Plan (2015), the Beaverton Enterprise Zone (established in 2012), and the Beaverton Brownfields Program (established in 2013).

Beaverton has a number of strengths that make it an attractive place to start and grow a business. Beaverton’s strengths include a well-educated and increasingly diverse workforce, a top-flight school district, a culture of innovation and entrepreneurship (as evidenced by the inflow of venture capital), and a large supply of flex space. However, as a mature first tier suburb, the city is lacking in vacant land for large-scale development; therefore, Beaverton will need to accommodate the bulk of future economic growth through redevelopment or intensification of existing properties. Much of the existing building supply in the city’s employment areas is also older, making it a challenge to compete with newer employment areas in nearby jurisdictions.
As Beaverton continues to grow and urbanize, the vision for the city is one of an area that fosters innovation, actively supports existing and future businesses, and is attractive to employers and employees in a variety of different industries. Beaverton’s central location, access to a variety of transportation options, and diverse population present a wealth of opportunities for current and future businesses, as do its increasing supply of restaurants and other urban amenities and its partnerships with local business organizations.

Major Themes of the Comprehensive Plan

As the city plans for its future economic development needs, it does so with an increased emphasis on four major themes - livability, equity, sustainability, and resiliency. These themes are defined in the Introduction and intended to guide updates to the Comprehensive Plan by focusing on priorities established through the community visioning process, linking the policies included in this and other chapters to clearly-held public values. As a largely built-out first tier suburb, accommodating projected employment growth over the next 20 years will be increasingly challenging, requiring a vision and framework that recognize the city’s limited supply of vacant land, potential redevelopment opportunities, valued natural resources, and rapidly changing demographics. Targeted investments in the city’s transportation system (including pedestrian, bicycle, transit, and freight) are also integral to the city’s ability to achieve the goals of this chapter.
Chapter Format

The Economy Element is organized into four sections, each with a discussion of issues and a central goal. Each goal is followed by a series of policies intended to help Beaverton meet its economic and employment needs in a manner that exhibits the city’s commitment to livability, equity, sustainability, and resiliency.

9.1 Employment Growth

Between 2015 and 2035, more than 28,000 new jobs are projected to be added in the City of Beaverton’s Urban Services Boundary (USB), an increase of almost 33 percent. This translates to a need for 903 acres of employment land, including 561 acres of commercial (retail, office, and institutional) land and 342 acres of industrial (flex, general manufacturing, and warehouse) land.

Undeveloped employment land has nearly disappeared in recent decades within the city’s incorporated limits and within the surrounding urban areas within the city’s USB. As shown in Figure 1, the city’s Buildable Lands Inventory (BLI) estimates the city has a 20-year employment lands supply of 210 acres of industrial land and 462 acres of commercial land. In that same period, a deficit of 132 acres of industrial land and 100 acres of commercial land is anticipated. The supply of vacant industrial land in the USB is insufficient to meet short term (5-year) employment demand, while the supply of vacant commercial land is projected to be consumed in under ten years.

Source: 2015 City of Beaverton Economic Opportunities Analysis

Figure 1: Employment Land Supply vs. Demand within the USB

[Bar chart showing employment land supply vs. demand with specific values and sources as indicated.]
The lack of vacant land in Beaverton increases the importance of using the city’s land supply more efficiently through redevelopment or intensification of uses on existing properties, focusing on industries that can thrive within a largely built-out community. As such, accommodating projected employment growth and fostering economic development requires new policies, strategies and solutions. The policies under Goal 9.1.1 have been developed to help Beaverton meet its long term economic goals and employment land needs, in a manner that is consistent with the Comprehensive Plan’s major themes – livability, equity, sustainability, and resiliency.

**Goal 9.1.1 Maximize efficient use of the city’s employment land**

**Policies:**

a) Create programs and prioritize capital improvements that encourage redevelopment and intensification of developed properties

b) Expand the city’s brownfields program and develop new programs and incentives that aid property owners in developing currently underutilized sites

c) Support boundary changes that consider the city’s unique geopolitical boundaries and the availability of city and other urban services to help meet the city’s identified employment needs

d) Identify and protect the city’s employment areas by adopting regulations that promote an appropriate mix of uses in industrial and other employment zones.

e) Attract industries with higher employment densities, especially in areas along transit lines and near restaurants, services, and other urban amenities

f) Develop strategies to maximize employment within targeted planning areas, including the city’s major employment areas, commercial corridors, and neighborhood business districts

g) Develop and market an inventory of vacant and available commercial properties throughout the city and the incentives available for improving and adding jobs to these properties

h) Encourage home-based businesses that have minimal impacts on neighborhoods

**JOBS-HOUSING BALANCE**

In 2014, there were an estimated 90,000 jobs within Beaverton’s Urban Service Boundary (USB). Less than 29 percent of these jobs were filled by employees who also reside within the USB. Increasing the number of jobs held by local residents can reduce strain on transportation infrastructure and lower greenhouse gas emissions.
i) Maintain the city’s supply of flex space, which provides flexibility for changing economic conditions and trends

j) Support strategic interim uses that precede larger scale development and contribute to the urban character of the city

k) Develop tools that can aid in consolidating small parcels and allow for larger scale redevelopment or facilitate development consistent with the city’s economic development strategies

l) Support strategies to advance local and regional transportation projects that best combine the most effective greenhouse emissions reduction strategies

m) Encourage job creation by identifying employment areas appropriate for development of job generating uses at higher densities and implementing strategies that increase employment density or output per acre

9.2 Existing and Future Business Needs

Beaverton has a healthy and diverse economy that benefits from its well-educated workforce, quality of life, and central location in the metropolitan area. However, like the rest of the region and the nation, the city experienced significant job losses and other economic impacts as a result of the economic downturn in 2008/2009. As Beaverton has recovered from the negative effects of the 2008/2009 recession, it has taken a number of initial steps to position itself for sustainable and resilient economic growth over the coming decades, which will help existing businesses grow and expand and attract successful new businesses.

As noted in the previous section, Beaverton is constrained by its land supply, making it difficult to attract new businesses and to expand existing businesses. Accordingly, Beaverton must be proactive and creative with programs and services to ensure that companies continue to identify Beaverton as a great place to do business with a diverse, talented and educated workforce. The city must also be active in the marketing of these programs; a 2014 city survey of 150 business owners found that only 19 percent were aware that the city had funding available to help train new employees, while 43 percent indicated that they would be interested in hearing more about such a program.

Economic Development efforts will be targeted to industry segments that best match the city’s strengths and advantages and that focus on family-wage jobs. A 2014 survey of nearly 200 employees of Beaverton businesses also identified proximity to amenities such as restaurants and grocery stores as extremely
important and valuable to employees. As redevelopment occurs, especially in the city’s central core, the city must also address the potential for gentrification and displacement of long established businesses. The policies under Goal 9.2.1 have been developed to help meet the needs of existing and future businesses, in a manner that is consistent with the Comprehensive Plan’s major themes – livability, equity, sustainability, and resiliency.

Goal 9.2.1 Provide Programs and Services that Support Existing Businesses and Attract New Businesses

Policies:

a) Actively market the city’s strengths, including its educated workforce, central location, strong school district, relative affordability, multimodal transportation system, and established industry clusters

b) Prioritize business recruitment efforts on small to medium sized businesses (20-200 employees) that can thrive within Beaverton’s existing land supply and established or emerging industry clusters

c) Support innovative programs and creative spaces that encourage creativity and entrepreneurship, such as incubators and co-working opportunities

d) Encourage a mix of uses and amenities that are attractive to workers

e) Work with local businesses to identify infrastructure improvements needed to facilitate expansion or redevelopment

f) Market local, state, and federal economic development programs that can help recruit new businesses to Beaverton
Develop, support and expand city programs that educate property owners and provide incentives to improve or redevelop their properties.

Help businesses navigate the local, regional, state and federal regulatory processes.

Continuously improve and streamline the city’s development review and permitting process with input from the business community.

Develop programs to address potential gentrification and business displacement impacts of new development and redevelopment, especially on minority-owned businesses.

Work with the Chamber of Commerce to provide networking events and programs that better connect local businesses and expand their customer base.

### 9.3 Targeted Industries

Local and regional economies are best organized around a healthy set of industry clusters - similar and related businesses that are mutually supportive, regionally competitive, that attract capital investment, and encourage entrepreneurship. A targeted sector approach enables the city to focus limited resources and staff time on the business clusters most likely to generate new employment based on their fit within the city’s competitive advantage profile. Clusters include both large anchor firms, such as Nike or Intel, as well as businesses within the supply chain that service and support these anchor firms. Given Beaverton’s lack of large employment sites, the city has made an effort in recent years to attract firms within the city’s targeted industries.
The city’s 2015 EOA identified six target industries within Beaverton’s USB that are growing and/or outperforming the overall economy. The policies under Goal 9.3.1 are intended to take advantage of established and successful industry clusters and to encourage the identification of emerging industries and trends that have the potential to support Beaverton’s future economic growth, in a manner that is consistent with the Comprehensive Plan’s major themes - livability, equity, sustainability, and resiliency.

Goal 9.3.1: Identify and Support Existing and Future Targeted Industries

Policies:

a) Regularly update the city’s Economic Development Strategy and Target Industries Report

b) Create profiles and specific retention/recruitment tools for established and emerging targeted industries

c) Actively market the city’s large supply of flex space, as well as available retail and office space

d) Utilize city incentive programs provided through the Beaverton Urban Redevelopment Agency (BURA) and Enterprise Zones to attract targeted industries

e) Work collaboratively with surrounding jurisdictions to identify regional industry clusters and Beaverton’s role in helping to support and expand them, including efforts to keep businesses in the region when their needs cannot be met in Beaverton

f) Target supply chain and support businesses that can strengthen regional industry clusters and function within the city’s supply of employment land

g) Target businesses that produce goods locally and traded sector industries with the ability to expand the city’s export of goods and services

h) Work with school districts, Portland Community College, and state universities to expand business and job training programs with the potential to support identified targeted industries
9.4 Development in the Central City

Due to the lack of vacant employment land in much of Beaverton, sites with redevelopment potential in Downtown Beaverton and other key employment areas provide an important source of employment lands. The city’s central core is largely developed and parcelized, and most sites are relatively small, with an average size of under one acre. However, the City’s EOA found that the area can accommodate a significant amount of incremental employment growth. The EOA also found that increased residential development and improved infrastructure in the area, when combined with the area’s central location and multimodal transportation system, have the potential to increase the attractiveness of the central core for employers and residents alike.

The City of Beaverton has done extensive planning to expand downtown employment opportunities, including the Beaverton Civic Plan and the Creekside District Master Plan. These planning efforts, as well as the city’s EOA, have found that adding more residents in the downtown core can support greater levels of urban amenities such as restaurants, retail, and entertainment. In turn, these amenities can increase the attractiveness of the area for businesses and employees alike, particularly those seeking a diversity of options or more urban lifestyle. Municipal investments in the area such as new transportation facilities, including bicycle and pedestrian infrastructure, can help stimulate private investment in both residential and business development. The policies listed under Goal 9.4.1 have been developed with the intent of spurring employment growth in the city’s central core and surrounding areas, in a manner that is consistent with the Comprehensive Plan’s major themes – livability, equity, sustainability, and resiliency.
Goal 9.4.1: Position Downtown Beaverton and Surrounding Areas as a Major Employment Center and an Attractive Urban Lifestyle Center

Policies:

a) Encourage increased housing density in downtown Beaverton and surrounding areas to expand the customer base of existing and future businesses and provide housing opportunities to local employees

b) Market the city’s proximity to transit, its expanding pedestrian and bicycle network, and other urban amenities

c) Continue to support special events such as Beaverton Third Thursday, First Friday and Night Market that bring more people to the city’s central core

d) Encourage the development of parking structures and shared parking agreements to reduce the city’s number of surface parking lots and open up additional land for redevelopment

e) Assist property owners and developers with land assembly to encourage more development downtown

f) Make targeted improvements to public infrastructure and facilities to improve site readiness and competitiveness and stimulate private investment

g) Incent new restaurants and other amenities that are attractive to employees and residents seeking a more urban environment and which can contribute to an 18-hour neighborhood in the downtown area

h) Market development of the Westgate Property and city-owned lots at the Round as catalytic sites that will stimulate further development

i) Expand the boundaries of the city’s Main Street Program to include nearby commercial corridors