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Southwest Corridor Economic Development

Economic Development Conditions,
Stakeholder Perspectives
& Investment Alternatives

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Review Draft



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About This SW Corridor Economic Development Report

An objective of the Southwest Corridor Plan is to identify investments that will promote and facilitate economic development. This background report memorandum covers:

- Phase 1 – documenting existing and projected economic development conditions
- Phase 2 – focused on investment alternatives to promote economic development
- Phase 3 – with business perspectives from an Economic Summit and priority action for implementation.

This background report has been prepared for Metro by the economic and development consulting firm E. D. Hovee & Company, LLC and Bonnie Gee Yosick^{llc} specializing in economic and policy analysis.

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INTRODUCTION

Metro and its regional partners are working collaboratively to prepare a comprehensive land use and transportation plan for the Southwest Corridor from Portland to Sherwood to identify and prioritize public investments. The Southwest Corridor Plan is intended to create a community investment strategy for the Corridor that will leverage future high capacity transit (HCT) and other investments to achieve desired outcomes for the region for vibrant communities, climate change leadership, transportation choices, economic prosperity, and clean air and water quality. Investments also are aimed to support adopted economic development goals and strategies established in the SW Corridor by local jurisdictions.

Economic Development Goal & Work Products

The goal for this effort is to identify local and regional investments that will promote economic development as part of the SW Corridor Plan. Existing information about SW Corridor economic development has been supplemented as needed to provide the following information:

- A Summary of existing economic development goals and business cluster priorities by jurisdiction – with analysis of the extent to which existing goals are complementary or potentially conflicting.
- An Illustration of existing and projected job growth in the SW Corridor – including analysis of jobs by type and wage levels.
- An Analysis of barriers to development of key employment areas and sites in the SW Corridor.
- Identification of transportation investments to support development in key employment areas.
- A List of other investments that would complement transportation initiatives – while also promoting job growth and fulfillment of economic development goals.
- An Implementation plan with actions that reflect short-term “early opportunities” – together with medium and long-term goals as part of the SW Corridor Plan.

This Phase 1-2 background report addresses the first five work products noted above in *preliminary draft* form. Based on comments received from project partners, this assessment will be revised as part of a final report that includes a draft implementation plan.

Report Organization

The remainder of this background report includes a review of the SW Corridor geography, local jurisdiction economic development goals, competitive position, geo-based employment, business perspectives, and investment alternatives for economic development.

SUMMARY OF OBSERVATIONS & FINDINGS

This report is intended to begin the process of identifying local and regional investments useful to promote economic development as part of the SW Corridor Plan. The Corridor planning process covers eight incorporated communities within three counties – Beaverton, Durham, King City, Lake Oswego, Portland, Tigard, Tualatin and Sherwood. What follows is a summary of observations and findings from this background report.

Local Jurisdiction Economic Development Goals & Objectives

Of the eight incorporated SW Corridor communities, all but King City and Durham have prepared identified economic development plans:

- Each of six jurisdictions has articulated **priorities for economic development** – expressed in terms of vision statements, goals, objectives, or findings.
- All have identified **target business clusters**, five of which include a light industrial or technology-forward focus; a majority also emphasize retail, tourism or medical sectors that may be viewed as having more of a local service rather than traded sector function.
- There clearly are features of local plans that are distinctive to individual jurisdictions. While there appears to be no clear consensus vision as yet for what the region’s SW Corridor could or should be, there are clear **commonalities** that could serve as a *starting point* for a SW Corridor community investment strategy.

What could *make a difference* for SW Corridor economic development are cooperative initiatives related to target business marketing, positioning of the Corridor for HCT, a common agenda for quality of life improvements, and infrastructure including transportation funding that serves to leverage economic development investments. The SW Corridor planning process emphasizes implementation of short-term “early opportunities” as pivotal to success over a long-term planning horizon of the next 20+/- years.

SW Corridor Competitive Position

Today, the Corridor is distinguished by the presence of relatively higher wage professional and business service firms. Transportation systems – both highway and transit – appear increasingly challenged to keep up with both local and regional growth and contemporary lifestyle preferences or needs of area residents.

Pivotal to the economic future of SW Corridor communities is the question of reshaping suburban identity toward a new mix of urban and non-urban amenity values. While not on the immediate horizon, a good test of how this occurs may come with eventual implementation of high capacity transit (HCT). Building-blocks for renewed and sustained economic vitality likely include provision of shovel-ready greenfield and redevelopment sites, supportive local and regional transportation capacity, emphasis on job quality as well as quantity, improved jobs-housing balance, and corridor-wide economic development branding.

GEO-Based Employment Analysis

As of 2009, there were 200,000+ jobs located within the SW Corridor (or 26% of 3-county area employment). Excluding the Portland CBD, the rest of the Corridor accounted for 117,000 jobs (or 15% of tri-county jobs). The SW Corridor accounts for a higher proportion of the region's job base than residential population – with or without the Portland CBD.

Corridor-wide industry clusters can be found in a variety of service sector activities – some of which have traded sector opportunity, as with finance / insurance and administrative / headquarters functions. Average wages also are relatively high compared to the metro area.

Subdistricts within the Corridor have clearly identified business niches – such as the Portland CBD for professional and educational services, south of the downtown area for health care, the Washington Square area for regional retail activity, and the Tigard to Tualatin / Sherwood area for industrial activity. There are clear linkages between some Corridor businesses and other nearby employment centers of the region. The importance of intra-regional linkages is illustrated by the strong presence of SW Corridor distribution and architectural / engineering firms serving the semiconductor firms of the Sunset Corridor.

Business Perspectives

Business input was actively solicited via an initial business focus group session conducted in June 2012, followed by a broader based Economic Summit in November.

Initial Focus Group:

Consistent with local jurisdiction planning and employment data evaluated, those involved in the initial focus group cites *advantages* of doing business as relating to attributes of an increasingly diverse business base, destination activity and residential lifestyle. *Disadvantages* centered on issues related to transportation access and mobility, shovel-ready employment land, housing choice and affordability, and economic development leadership.

Focus group participants were clearly oriented to realizing near-term economic development wins. Early momentum is needed not just to solidify the economic recovery now underway but to set in place building blocks critical for economic vitality longer term.

Economic Development Summit:

A subsequent and more in-depth Economic Summit session was held at the Tigard City Library on November 14, 2012. Twenty three individuals representing a range of interests – from large organizations to small business owners – participated.

Much of what was heard with the earlier focus group discussion was repeated by participants in the larger economic summit. However, several items received added emphasis from this more extensive discussion, notably:

- Need for improved transportation and access connectivity
- Desire for more employer-oriented transit
- Cautious support for high capacity transit (HCT)
- Improved freight mobility
- Clear desire to make 99W “a destination rather than an eyesore”
- Importance of playing to the corridor’s natural amenities
- Some interest to bring more of the urban Portland lifestyle to the SW Corridor
- Clear business message of interest in remaining plugged in through the process

Perhaps the biggest challenge that the SW Corridor Plan process may face with the Corridor’s business community is over the long time planning horizon between planning and implementation. Consequently, in addition to planning for long-term HCT and other priorities, it will be important to frame an achievable, short term corridor economic development investment strategy – yielding clear opportunity for visible, momentum-building wins over the next 3-5 years.

Investment Alternatives

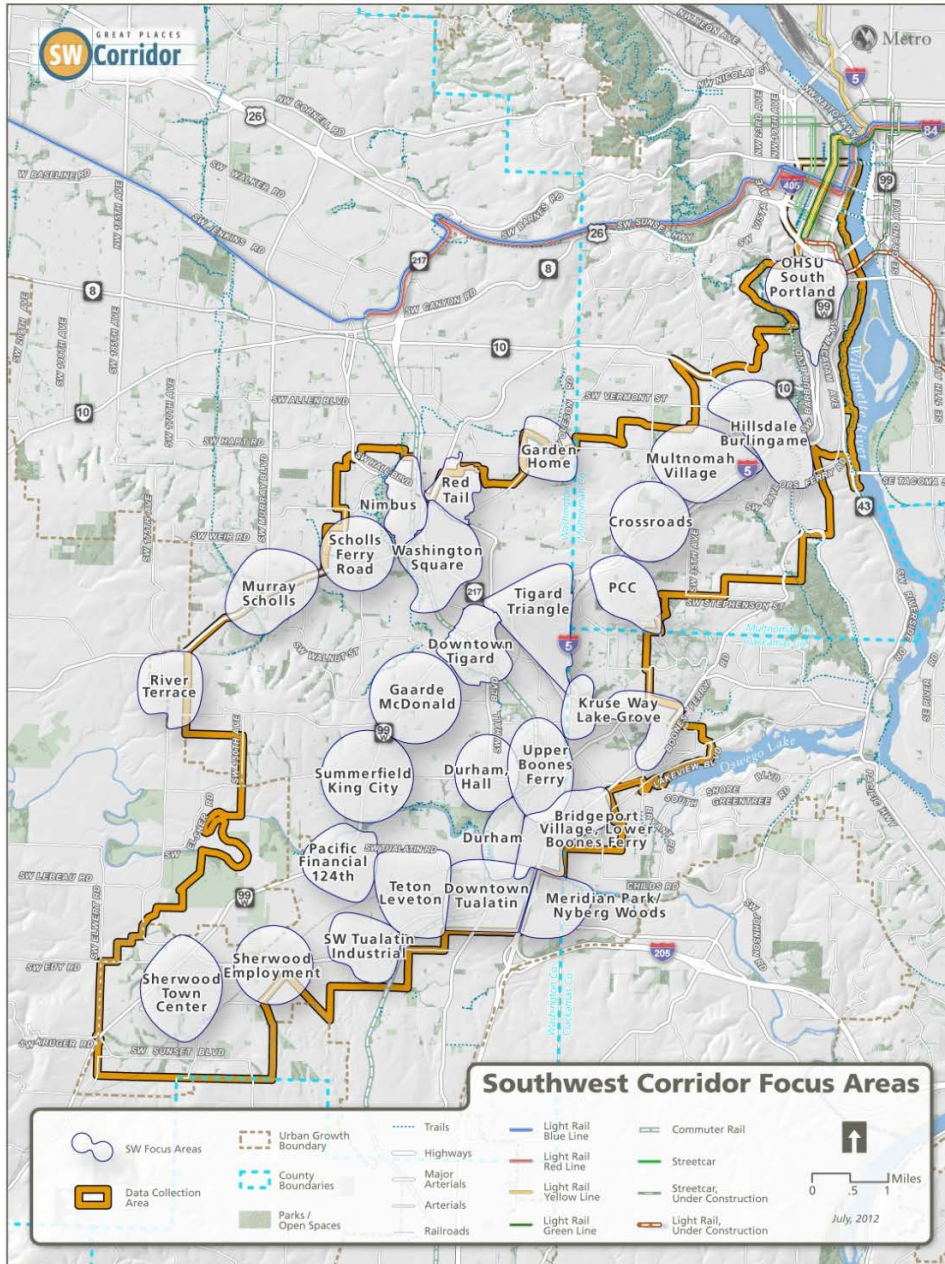
The SW Corridor Plan is intended to maximize limited local, regional, state and federal funds by identifying and prioritizing public investments. A primary test of investment alternatives that promote economic development will be in setting corridor-wide, shared criteria for measuring success. This report details suggested criteria organized around the four Metro identified SW Corridor Plan themes of prosperity, health, access and mobility, accountability and partnership.

Criteria are subject to refinement based on review by public and private stakeholders. More detailed benchmarks and metrics for evaluating project proposals will also be required once there is agreement on an overall framework. As follow-on to this initial background assessment, an implementation plan process is anticipated to encompass the ranking of more specific investment choices from an economic development perspective together with preparing detailed implementation recommendations.

SW CORRIDOR GEOGRAPHY

As illustrated by the following map, the SW Corridor encompasses 28 focus areas – some of which are located partially in the Corridor planning area.

SW Corridor Focus Areas



The SW Corridor focuses on eight distinct incorporated communities within three counties – Beaverton, Durham, King City, Lake Oswego, Portland, Tigard, Tualatin and Sherwood. All but King City and Durham have prepared identified economic development plans. As detailed later in this report, the Corridor can also be described as comprising seven of Metro’s 29 districts for the tri-county area.

ECONOMIC DEVELOPMENT GOALS & OBJECTIVES

In November 2011, Metro staff completed an initial review of the work that jurisdictions in the SW Corridor have engaged in related to economic development. This review was based on a web site search for pertinent reports, including Economic Opportunity Analyses (EOA) in compliance with state Goal 9 planning requirements or other local Economic Development Strategies (EDS).

Local Economic Development Priorities & Target Business Clusters

A one-page overview of local jurisdiction planning summaries is provided in the chart on the following page. This overview was reviewed with local jurisdictions and revised to reflect comments received together with updated 2012 information, as applicable. Provided with each jurisdiction's summary is a statement of economic development priorities, business clusters (or target industries) and related comments:

- Each of the six jurisdictions has articulated **priorities for economic development** – expressed in terms of vision statements, goals, objectives, or findings. Most have made recent updates of one form or another to their economic development plans, with the oldest plan now dating back about five years.

Some jurisdictions are more focused on land use related to economic development (notably those who have recently completed EOAs in conjunction with Comprehensive Plan updates). Others cover a broad range of non-land use related objectives, ranging from workforce training to tourism. Virtually all place some degree of emphasis on infrastructure – including transportation and utility needs.

- All jurisdictions have identified **target business clusters**, five of which include some emphasis on industrial including manufacturing uses, albeit with a distinctly light industrial or technology-forward focus. Tualatin and Portland more strongly prioritize diverse manufacturing involving traditional general or heavy industrial activity. Beaverton offers a concentration of flex space with industrial and office-service uses.

While all six SW Corridor cities emphasize traded sector functions where goods and services are exported as a means to bring new wealth to the community, a majority also place varied degrees of emphasis on sectors such as retail, tourism or medical that are generally viewed as having more of a local service rather than traded sector function.

- As noted with **comments**, there clearly are features of local plans that are distinctive to individual jurisdictions. Tigard appears to be the only city with a strong orientation to revitalization of the 99W arterial, the transport spine of the SW Corridor.

For cities like Portland, Beaverton and Lake Oswego, the SW Corridor represents only a portion of their jurisdiction – so applicability of city-wide economic planning to the SW Corridor portion of each city may not be as clearly articulated. Internal transportation access and cross-connections are of definite importance to some jurisdictions. Tualatin and Sherwood are the only cities with substantial industrial land capacity (in or outside the current UGB); both cities also emphasize downtown redevelopment.

SW Corridor – Local Jurisdiction Economic Development Planning Summaries

City (Sources)	Economic Development Priorities	Target Business Clusters	Comments
Beaverton (EOA-2011, EDS-2011/16)	Goals – target industry growth, business outreach, small business, site needs, infrastructure to traded sector, K-12/ workforce linkages, leveraging opportunities, partnerships	Electrical equipment, scientific & medical instruments, software/information services, sporting equipment/apparel, clean tech	<ul style="list-style-type: none"> • Younger, diverse, well-educated demographics • Concentration of business parks (e.g., Nimbus) • Metro noted question of applicability of city-wide planning to SW Corridor portions of Beaverton
Lake Oswego (EDS-2010)	Objectives – job base, incubation, zone flexibility, business retention + targeted recruitment, strategic infill, enviro-responsible, creative class, SW industry, transport options, quality infrastructure	Finance/insurance, professional/scientific, real estate, HQs, green, health care, resident/senior services, public services, continuing education, arts	<ul style="list-style-type: none"> • Competitive assets based on access to multiple employment markets, quality of life, prestige, market buying power, educated/skilled labor • Targeted business opportunities aimed to reflect employment advantages, connections between employment districts, attractiveness to families
Portland (EOA-2009/12 update, Barbur Concept-2011)	Findings – 147,000 added jobs by 2035, need for 2,660 acres for jobs + 580 acres for transport terminals, added land need for Columbia Harbor, institutional campuses, town center & incubator areas	PDC targeted clusters of athletic & outdoor, clean tech, advanced manufacturing, software; EOA opportunities by employment geography	<ul style="list-style-type: none"> • Land surplus for Central City and Neighborhood Commercial employment geographies • Importance of brownfield site redevelopment • Applicability of city-wide plans to SW Corridor?
Sherwood (EDS-2007)	Goals – family wage jobs, tourism, infrastructure for economic development, workforce/business match	Small to mid-size manufacturing, specialty contractors, creative services, hospitality/recreation, education, nursing/health care	<p>Strategic focus including:</p> <ul style="list-style-type: none"> • Existing business expansion • Downtown area redevelopment & amenities • Infrastructure for UGB industrial land expansion
Tigard (EOA-2011, 99 Corridor-2010)	Vision – diverse portfolio of retail, professional, industrial Goals – diversified & sustainable, incubator for innovation, prosperous & desirable (with above average wages)	Durable goods manufacturing, education, financial services, information, professional/technical services, wholesale trade & retail @ WA Square	<ul style="list-style-type: none"> • Add 9,655-16,108 jobs over 20 years • Redevelopment for 70% of retail, 50% service, 40% industrial • Economic decline of auto-oriented 99W strip • Issues of retail competition, recession, congestion
Tualatin (EDAP-2001, Economic Development Opportunities-2012)	Goal – a premier economic activity center w/ objectives of business marketing, I-5/99W connector, permit efficiency, environmental/urban design, commercial development, adjoining area urbanization & positive business climate	Current priorities include diverse manufacturing, medical services, retail (with Bridgeport Village & Nyberg Woods) – all benefitting from excellent location & access	<p>Themes of recent (2011) updating:</p> <ul style="list-style-type: none"> • Vacant land development – including 600 acres for industrial in-city & with UGB expansion areas • Transit access – for employment centers w/o adequate transit service

Note: Neither Durham nor King City have specific economic development publications of strategies listed.

Source: Metro, *Southwest Corridor Existing Conditions: Economic Development Summaries*, November 2011, and local jurisdiction input, as of June 2012.

Economic Development Commonalities & Distinctions

From review of economic development plans and discussions with local jurisdiction representatives, several topics have been identified for which there are interests and goals that are held in common across jurisdictions. For each of these topics, there are also approaches that can be viewed as distinctive to each jurisdiction and, sometimes, as potentially in conflict with neighboring city or regional objectives.

As illustrated by the following chart, these common and distinctive interests can be organized around themes of traded sector impetus, service sector vitality, quality of life, economic development tools, and transportation access / connectivity.

SW Corridor – Local Jurisdiction Commonalities & Distinctions

Topic	Commonalities	Distinctions
Traded Sector Impetus	<ul style="list-style-type: none"> • Agreement on importance of economic base for high wage jobs & need for global competitive position • Regional approach to traded sector economic development 	<ul style="list-style-type: none"> • Specific traded sector targets vary widely by jurisdiction (e.g., general industrial, tech forward, HQ/financial, diversified flex space, regional medical)
Service Sector Vitality	<ul style="list-style-type: none"> • Critical part of community development strategy • Includes strong/growing institutional educational & health care presence • Strategic focus for 99W corridor economic development 	<ul style="list-style-type: none"> • Local jurisdiction priorities vary widely in terms of focus on 99W corridor (as with Portland, Tigard) versus off-corridor (e.g. Beaverton, Lake Oswego, Tualatin, Sherwood) • Corridor emphasis may compete with downtown/core area initiatives for some jurisdictions
Quality of Life	<ul style="list-style-type: none"> • Viewed as pivotal to a competitive economic development agenda • Builds on suburban appeal to families • Opportunity to link to commercial revitalization & job centers • Linked to quality of educational, recreational & open space amenities 	<ul style="list-style-type: none"> • Each jurisdiction serves varied market demographics or interests, in terms of level of urbanization & mix of amenities desired • Uncertain market appeal for urban mixed use versus more traditional single family neighborhood focus
Economic Development Tools	<ul style="list-style-type: none"> • Need for infrastructure investment to facilitate economic development • Limited tools (especially as urban renewal/tax increment capacity is more constrained at least near term) 	<ul style="list-style-type: none"> • Tualatin & Sherwood have land for future employment growth; other jurisdictions focused primarily on redevelopment
Transportation Access & Connectivity	<ul style="list-style-type: none"> • Congestion on major regional corridors (I-5, Barbur/99W, 217) • Need for improved cross-corridor connections & internal circulation • Desire for improved transit (to major employers & commercial centers) 	<ul style="list-style-type: none"> • Competing role of major travel corridors for thru traffic vs. community oriented commercial centers • Goal of encouraging residents to work locally offset by reality of commute needs as w/ dual income households

Additional observations regarding each of these SW Corridor economic development topics are noted as follows:

- **Traded sector impetus** – is evident across the SW Corridor but with widely varied applications by jurisdiction, as shaped by location-specific market advantages coupled with local policy and planning priorities. However, *a continuum* of traded sector functions can be noted across the Corridor.

SW Portland exhibits a strong presence of regionally (and in some cases globally) significant medical services together with an adjoining business and financial downtown core. Lake Oswego's Kruse Way corridor serves as the region's 2nd largest office center with a strong national and regional corporate presence.

Beaverton's Nimbus area has one of the region's greatest concentrations of business park / flex space with both office and industrial / distribution uses. Tigard has a major subregional retail center in Washington Square with complementary office center and a significant mixed employment center with the Tigard Triangle.

Tualatin and Sherwood reflect more recent patterns of suburban development. Tualatin has the SW Corridor's most diverse industrial employment center coupled with increasingly prominent retail centers oriented to the I-5 corridor, exemplified by Bridgeport Village as the metro area's dominant master-planned lifestyle retail center. To date, employment-related development in Sherwood has been largely oriented to retail commercial in support of population growth, but with future opportunities increasingly aimed toward revitalization of the historic downtown core (located away from 99W) and to potential for increased industrial employment.

- **Service sector vitality** – has been viewed as important to overall community development, especially as residential growth has increased to generate critical market mass, allowing more retail and service functions to be provided closer to home with less need for travel to historic urban centers elsewhere in the metro region. For communities of the SW Corridor, this involves a multiplicity of location-specific strategies – ranging from new retail center development to refurbishment and revitalization of previously developed downtowns, office centers, and commercial corridors.

In some instances, regional emphasis on the full corridor could compete with jurisdiction-specific initiatives for downtown and core area revitalization, especially those cities with core areas located away from the 99W corridor. This suggests a need for continued local and regional coordination to assure that corridor investment initiatives also support individual city priorities. Local jurisdiction interests also extend beyond commercial retail and office functions to encompass institutional education and medical facilities which have represented major sources of job growth in recent years.

Because each development project tends to be driven by location-specific developer and jurisdictional interests, a broader regional agenda has yet to fully emerge. However, the need for inter-jurisdictional cooperation may become more important in the years ahead as suitable development sites become more limited and transportation

congestion requires a more regionalized response. The benefits of a cooperative agenda are becoming more apparent for initiatives ranging from funding of infrastructure to redevelopment to corridor-wide economic development branding and marketing.

- **Quality of life** – appears to be increasingly embedded as an implicit if not explicit objective of local jurisdiction economic development planning. For portions of the SW Corridor extending from Portland’s Barbur Boulevard to Sherwood, the term “quality of life” may embody values that can be different from those at the urban core. For corridor communities, these values may include more emphasis on objectives ranging from attracting and retaining families to improved connectivity between destinations accessed daily to availability of nearby recreational and open space amenities.

Appropriate short- and long-term roles for higher density or mixed use employment and residential development do not yet appear to be as well articulated as in portions of the region where more intense forms of urban development have been in place for much longer. Looking to the future, it will be increasingly important to sort out these roles in response to changing household demographics and opportunities for alternative modes of transport (including HCT).

- **Economic development tools** – is a topic of local jurisdiction interest for purposes ranging from funding of infrastructure for greenfield development to urban redevelopment. Today there is an even greater focus on leveraging job generating development in the wake of a deep and prolonged economic recession.

However, resources and incentives for economic development appear more constrained with weak public sector revenues. In some cases, existing funding resources are being better utilized as exemplified by recent state approval of Beaverton’s application for creating an enterprise zone (to match similar programs in Portland and Hillsboro).

Use of urban renewal is also challenged as existing renewal districts in Portland and Tualatin are closed out. And where urban renewal has more recently been put in place as in Tigard, taxable valuation has not yet been experiencing the rapid growth (of pre-recession years) as desired to provide substantial tax increment revenues in support of public infrastructure and redevelopment initiatives.

- **Transportation access & connectivity** – represents a key concern across all SW Corridor jurisdictions. This Corridor faces growing traffic congestion on all major north-south roadways coupled with inadequate east-west cross corridor connectors. There is a common desire to improve transit service not only to major commercial and civic centers but also to major employers that are located away from currently served routes.

A particular challenge lies with the conflicting roles that 99W / Barbur plays as a regional transportation corridor (for commuters and truck travel) versus the goal of better facilitating the goals of commercial businesses for delivering nearby customers and employees to their door. The result is that Pacific Highway serves neither function very well.

A related local jurisdiction objective is to encourage more residents to work locally and more employees to live closer to where they work. Reducing the need for long

commutes would serve to dampen transportation congestion and the region's carbon footprint.

However, the reality of dual income households often makes it necessary for at least one earner to commute elsewhere for employment. While jobs-housing balance is often seen as an important policy priority, it may be just as important to build on existing community and corridor-wide strengths, giving residents more options to work, shop and/or recreate closer to home while still recognizing that regional mobility will remain critical for some trips.

Individually determined local jurisdiction priorities coupled with location-specific market opportunities appear to magnify the importance of local community distinctives as compared to the commonalities. What makes sense for SW Portland may be very different from realistic opportunities and values for Tigard or Sherwood. The identities of Beaverton, Lake Oswego, and Tualatin are less oriented to Barbur / 99W as the arterial spine of the SW Corridor. Future prospects are more linked to what is happening in other parts of the region, situated further from the immediate SW Corridor, much as Beaverton interacts with Hillsboro or Tualatin with Wilsonville.

There is, as yet, no clear consensus vision for what the region's SW Corridor could or should be. The reality may be that in an era of constrained resources, the potential near-term benefits of a corridor-wide strategic plan will seem less apparent than would be the case if there were substantial resources available to effectively address multi-jurisdictional interests.

However, there also are clear commonalities that could serve as a *starting point* for a SW Corridor community investment strategy. Potential elements that could make a difference for economic development corridor-wide might include:

- Cooperative corridor-wide target business cluster marketing that reinforces distinctive competitive advantages of each community for traded sector business investment – in conjunction with Greater Portland Inc. as the metro region's public-private economic development partnership.
- Lesser regional emphasis on service sector priorities except perhaps as pertains to positioning the 99W corridor for eventual future development oriented to high capacity transit (HCT).
- A common agenda for quality of life improvements including parks and recreation as illustrated through Metro's recently completed *Synthesis of the Relationship between Parks and Economic Development*.
- Consideration of corridor-wide funding for community infrastructure funding that serves to leverage economic development investment, especially in the near-term.
- A corresponding transportation improvement program focused initially on cross-corridor circulation and improved transit service to major area employers.

5-20 Year Desired Outcomes

Local and regional planning is often formulated over a long-term time horizon of 20+/- years as for local jurisdiction comprehensive planning. This SW Corridor planning process places special emphasis on implementation actions for short-term “early opportunities.” This is for two reasons:

- Short-term wins over the next 3-5 years are of critical importance to facilitating recovery from the unexpectedly prolonged effects of the economic recession.
- Early successes can also prove instrumental to building momentum and a record of success that may prove essential to realization of longer term SW Corridor planning objectives.

Consequently, this analysis identifies opportunities for near-term as well as longer term desired outcomes. On a preliminary basis, a *starter list* of desired outcomes is outlined as illustrated by the following chart.

SW Corridor – 5-20 Year Desired Outcomes for Local Jurisdictions (Preliminary Listing)

Time Frame	Distinctives
Near-Term (up to 5 years)	<ul style="list-style-type: none"> • Formation of SW Corridor economic development working group – with local jurisdiction and private business participation including involvement of regional organizations such as Greater Portland Inc • Initial traded sector target marketing in cooperation with Greater Portland Inc • Implementation of initial trial/demonstration expanded custom transit service in partnership with major local employers and/or benefited jurisdictions • Preparation of SW Corridor/cross-corridor connector street improvement program • Start-up of demonstration infrastructure investment program for sites that directly leverage private economic development investment providing immediate construction plus long-term job potential
Mid to Long-Term (to 20 years)	<ul style="list-style-type: none"> • Formalization of a SW Corridor economic development organization as a subset to Greater Portland Inc • Formulation of a SW Corridor branding program to promote SW economic development assets together with a coordinated business retention, expansion and target recruitment program to encourage capital investment and job creation • Funding & implementation of SW Corridor/cross-corridor connector street and arterial improvement program • Expansion of major employer or employment district transit service program • Completed planning and funding for Barbur/99W high capacity transit (HCT) • Implementation of local/regional partnership infrastructure funding program to bring new UGB industrial sites to <i>shovel-ready</i> status • Parallel implementation of parks, recreation and open space funding program as amenities integral to a SW Corridor community investment strategy

SW CORRIDOR COMPETITIVE POSITION

Utilizing information regarding local jurisdiction economic development objectives, employment trends and corridor-specific business perspectives, it is possible to assess the SW Corridor’s competitive position for investment and employment growth. This includes a look at both current and prospective attributes of the Corridor, followed by delineation of business cluster opportunities and identification of building blocks for Corridor success.

SWOT Assessment

This review of the SW Corridor’s competitive position begins with an assessment of *corridor-wide* strengths, weaknesses, opportunities, and threats (SWOT) for continued or expanded economic development investment:

- *Strengths and weaknesses* – reflect recent trends and conditions affecting existing business vitality, largely internal to the SW Corridor.
- *Opportunities and threats* – are oriented to conditions that could affect future business vitality, including the effects of global or regional conditions external to the Corridor.

As noted, this assessment draws from diverse information sources as compiled for this analysis – including the review of local jurisdiction goals and objectives, geo-based employment analysis, and business perspectives.

Strengths & Weaknesses:

From an economic development perspective, *current* strengths and weaknesses of the SW Corridor reflect patterns of low-density, auto-oriented development of the 1960s and 70s.

Southwest Corridor Economic Development – Strengths & Weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Substantial, diverse base of 117,000+ jobs • Regionally significant information, finance, professional, administrative & education clusters • Family-oriented residential neighborhood focus • New commercial development follows rooftops • Regional N-S travel corridors (I-5, 99W, 217) • Established transit network serving major nodes • Involvement of eight jurisdictions, each with distinctive economic niches & opportunities 	<ul style="list-style-type: none"> • Weak regional & Corridor job growth since 2002 • Below average concentrations of manufacturing, transportation/distribution, & health care jobs corridor-wide (but with subdistrict exceptions) • Low density, tired image of older commercial use • Congested N-S & limited E-W travel corridors • Limited transit service to major industries located away from established corridors • Lack of well-defined, cohesive corridor-wide economic development vision & brand identity

The Corridor is distinguished by the presence of relatively higher wage professional and business service firms together with emphasis on a lower density single-family oriented pattern of residential development. Transportation systems – both highway and transit – appear increasingly challenged to keep up with both local and regional growth and contemporary lifestyle preferences or needs of area residents.

As is evident from this summary listing, Corridor strengths may be offset by a corresponding issue or weakness. A successful economic development strategy will build on identified strengths while addressing or mitigating weaknesses, to the extent possible.

Opportunities & Threats:

Looking to the future, how opportunities and threats play out will depend on how responsive the communities of the SW Corridor prove to be in adapting to inevitable changes on the horizon. The most successful adaptations may be those that bend external forces to best meet or reinforce community and corridor-wide strategic objectives.

Southwest Corridor Economic Development – Opportunities & Threats

Opportunities	Threats
<ul style="list-style-type: none"> • Growth of health care, education, professional & information services – as clusters for continued SW Corridor competitive advantage • Strengthening of a tech-forward, nimble manufacturing sector @ SW edge of Corridor • Retail, service & employment diversification – for shorter shopping & work commute trips • Revitalization of established commercial strips & centers, with urban/mixed use development • Transportation & utility infrastructure in support both of focused redevelopment & greenfield site utilization • Capacity for development oriented transit in synch with transit oriented development (TOD) • Creation of SW Corridor brand identity – for next generation families, jobs & green quality of life 	<ul style="list-style-type: none"> • Slow, uneven, prolonged national & regional economic recovery • Challenge to U.S. and Pacific Northwest traded sector global competitiveness • Slowed growth of health & educational clusters – as dependent on public funding availability • Back to city trend @ possible expense of long-established first tier suburbs • Weak backfill/refill demand for neighborhoods & business districts in transition • Inadequate resources for improved regional and intra-corridor transportation access • Lack of infrastructure funding for shovel-ready industrial sites

Pivotal to the economic future of SW Corridor communities is the question of reshaping suburban identity toward a new mix of urban and non-urban amenity values. While not immediately on the horizon, a good test of how this occurs may come with eventual implementation of high capacity transit (HCT).

Much of the emphasis to date has been on achieving *transit oriented development* (or TOD). This traditional approach assumes that the pattern of development bends or is reshaped to support transit use.

For the SW Corridor, it may be as or more important to achieve the flip side of the coin, that is, *development oriented transit*. With this approach, the form that transit takes is bent or reshaped to support the type of development that will receive market and community support.

Transit investments can and should be aimed to incent more urban scale redevelopment as well as to better serve existing generators of transit ridership. This combined approach should also be consistent with SW Corridor planning process that prioritizes investments to support economic development goals and strategies as established by local jurisdictions.

Traded Sector Business Cluster Opportunities

From this analysis, opportunities can be defined both corridor-wide and for districts as subsets of the full Corridor. Most of the cluster opportunities for the SW Corridor include elements of both traded sector and non-traded service sector functions.

Corridor-Wide Clusters:

- Existing clusters including information, finance, insurance, real estate, professional / technical and educational services – with increasing finance / insurance concentration and with a combination of traded / non-traded sector functions.
- Potential emerging cluster opportunity for arts, entertainment, and recreation services – primarily to better serve local resident and quality of life interests closer to home.

Sub-Corridor District Clusters:

- Health care and retail trade activities – primarily oriented to serve resident needs but with some traded sector capability as might be represented by OHSU or Legacy health care services or non-local retail draw as with Washington Square or Bridgeport Village.
- Manufacturing and wholesale trade / distribution strength increasingly oriented toward the SW urban edge of the Corridor – with strong traded sector potential of both Corridor and region-wide significance.

Building Blocks for Corridor Success

Looking to the future, critical building-blocks for renewed and sustained SW Corridor economic vitality can be expected to include:

- Provision of *shovel-ready* greenfield and redevelopment sites – within-place infrastructure and appropriate environmental mitigation together with demonstrated owner and supportive local government commitments.
- Supportive local and regional roadway and transit capacity – providing internal as well as external connectivity coupled with reduced local travel times.
- Emphasis on job quality as well as quantity – particularly traded sector and higher wage job options.
- Jobs-housing balance – offering more diverse and affordable choices with continued if not enhanced family-oriented quality of life and environmental amenity values albeit recognizing the likelihood of continued intra-regional commutes for some households.
- Corridor-wide economic development branding – with cooperative marketing, inter-jurisdictional and supportive regional investment initiatives.

These building blocks serve as a foundation for the Phase 2 discussion of investment alternatives for economic development introduced at the conclusion of this background report.

GEO-BASED EMPLOYMENT ANALYSIS

Metro has previously conducted considerable analysis to forecast future household and employment growth for the SW Corridor, as well as the rest of the metro region. This review takes a more in-depth look at employment patterns and trends for key business and industry clusters within the SW Corridor – including patterns distinctive to sub-corridor district geographies. This more in-depth employment review is intended to inform and serve to support other qualitative aspects of this economic development analysis.

Employment Analysis Methodology

This analysis utilizes data from the Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics. The data are provided by the Oregon Employment Department (OED) and geocoded by Metro’s Data Resource Center (DRC). The dataset provided by Metro contains 59,573 employer records in the 3-county dataset (Multnomah, Washington and Clackamas counties in Oregon), geocoded to one of 29 districts in the 3-county region.

The data are used to compare the employment concentration and wage rates for the SW Corridor and its subareas as a means to identify current and prospective industry clusters in the Corridor. The data are also used for Location Quotient (LQ) analysis as a measure of industry concentration in determining traded sectors of importance for the SW Corridor. Using this two-tiered approach, an important goal of the analysis is to assist in the identification of business and industry clusters with the highest likelihood of Corridor success.

This analysis also has involved a review of business license data from the cities of Tigard and Tualatin, as compared with employer data for those jurisdictions in the QCEW dataset. The business license data includes up-to-date information on the numbers of employees and employers within each city.

These employer and employee totals are in close agreement with the information provided in the QCEW, despite some definitional differences.¹ While the business license data are helpful for validating the QCEW data, the QCEW data is consistently available across the Corridor in its entirety unlike business license data which is collected by jurisdiction.

¹ In some cases, business license data is based on full-time equivalents (FTE) whereas QCEW data is total employee count, regardless of hours.

Corridor Employment by Business / Industry Sector

The composition of employment within the SW Corridor largely reflects the entire region. As of 2009, there were over 200,000 jobs located within the SW Corridor (comprising close to 26% of employment within the 3-county area). Excluding the Portland CBD (Subarea 1), the rest of the Corridor accounted for 117,000 jobs (or 15% of the tri-county job base).

Employment by Industry Group, SW Corridor (with & without Subarea 1) compared to Region

	SW Corridor <i>without</i> Subarea 1		SW Corridor <i>with</i> Subarea 1		3-county Total	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
11 Agriculture, Forestry, Fishing and Hunting	45	0.0%	222	0.1%	9,161	1.2%
21 Mining, Quarrying, and Oil and Gas Extraction	92	0.1%	92	0.0%	386	0.0%
22 Utilities	66	0.1%	1,001	0.5%	3,884	0.5%
23 Construction	6,433	5.5%	7,784	3.9%	38,239	4.9%
31 Manufacturing*	690	0.6%	811	0.4%	9,776	1.2%
32 Manufacturing*	2,440	2.1%	2,792	1.4%	15,034	1.9%
33 Manufacturing*	7,158	6.1%	7,290	3.6%	64,131	8.2%
42 Wholesale Trade	7,359	6.3%	8,265	4.1%	47,264	6.0%
44 Retail Trade*	8,062	6.9%	11,148	5.6%	53,671	6.8%
45 Retail Trade*	4,173	3.6%	5,539	2.8%	27,110	3.5%
48 Transportation and Warehousing	821	0.7%	1,400	0.7%	22,390	2.9%
49 Transportation and Warehousing	1,058	0.9%	2,452	1.2%	11,300	1.4%
51 Information	4,506	3.9%	8,629	4.3%	20,386	2.6%
52 Finance and Insurance	9,391	8.0%	20,804	10.4%	36,222	4.6%
53 Real Estate a	2,305	2.0%	4,893	2.4%	14,762	1.9%
54 Professional, Scientific, and Technical Services	8,803	7.5%	23,955	12.0%	44,416	5.7%
55 Management of Companies and Enterprises	1,526	1.3%	5,557	2.8%	22,016	2.8%
56 Administrative and Support and Waste Management and Remediation Services	8,763	7.5%	13,253	6.6%	42,078	5.4%
61 Educational Services	18,239	15.6%	22,772	11.4%	66,942	8.5%
62 Health Care and Social Assistance	10,471	8.9%	13,544	6.8%	94,959	12.1%
71 Arts, Entertainment, and Recreation	1,339	1.1%	2,282	1.1%	12,656	1.6%
72 Accommodation and Food Services	7,909	6.8%	16,966	8.5%	66,064	8.4%
81 Other Services (except Public Administration)	3,631	3.1%	7,061	3.5%	31,536	4.0%
92 Public Administration	1,702	1.5%	11,689	5.8%	30,042	3.8%
99	22	0.0%	30	0.0%	161	0.0%
Totals	117,004	100.0%	200,231	100.0%	784,586	100.0%

* Note: NAICS 31 covers non-durable consumables, NAICS 32 manufactured materials and NAICS 33 metals, machinery and equipment. NAICS 45 includes general merchandise, specialty / miscellaneous and non-store retail with NAICS 44 covering other retail categories. NAICS with relatively high concentrations of in-corridor employment are as highlighted above. Source: Quarterly Census of Employment and Wages, 2009.

The industry groups employing the largest number of employees in the region are NAICS codes 62 (Health Care and Social Assistance), 31-33 (Manufacturing), 44-45 (Retail Trade), and 72 (Accommodation and Food Services). Employment in the SW Corridor generally also reflects these similar patterns though employment in the SW Corridor tends to favor NAICS code 61 (Educational Services), and to a lesser extent 52 (Finance and Insurance), 54 (Professional, Scientific, and Technical Services, and 56 (Administrative and support and Waste Management and Remediation Services), with 52 and 54 in particular supported by the addition of the downtown subdistrict.

Not surprisingly, the full SW Corridor does not have as great a concentration of NAICS codes 31-33 (Manufacturing) and 48-49 (Transportation and Warehousing) as many of these more land-intensive uses are located in less densely developed parts of the region. However, these industrial sectors do represent important sources of employment for the SW subdistricts at the edge of the SW Corridor further removed from the urban core – most notably for Tigard, Tualatin and Sherwood (or subdistricts 5-7).

Southwest Corridor & District Definitions

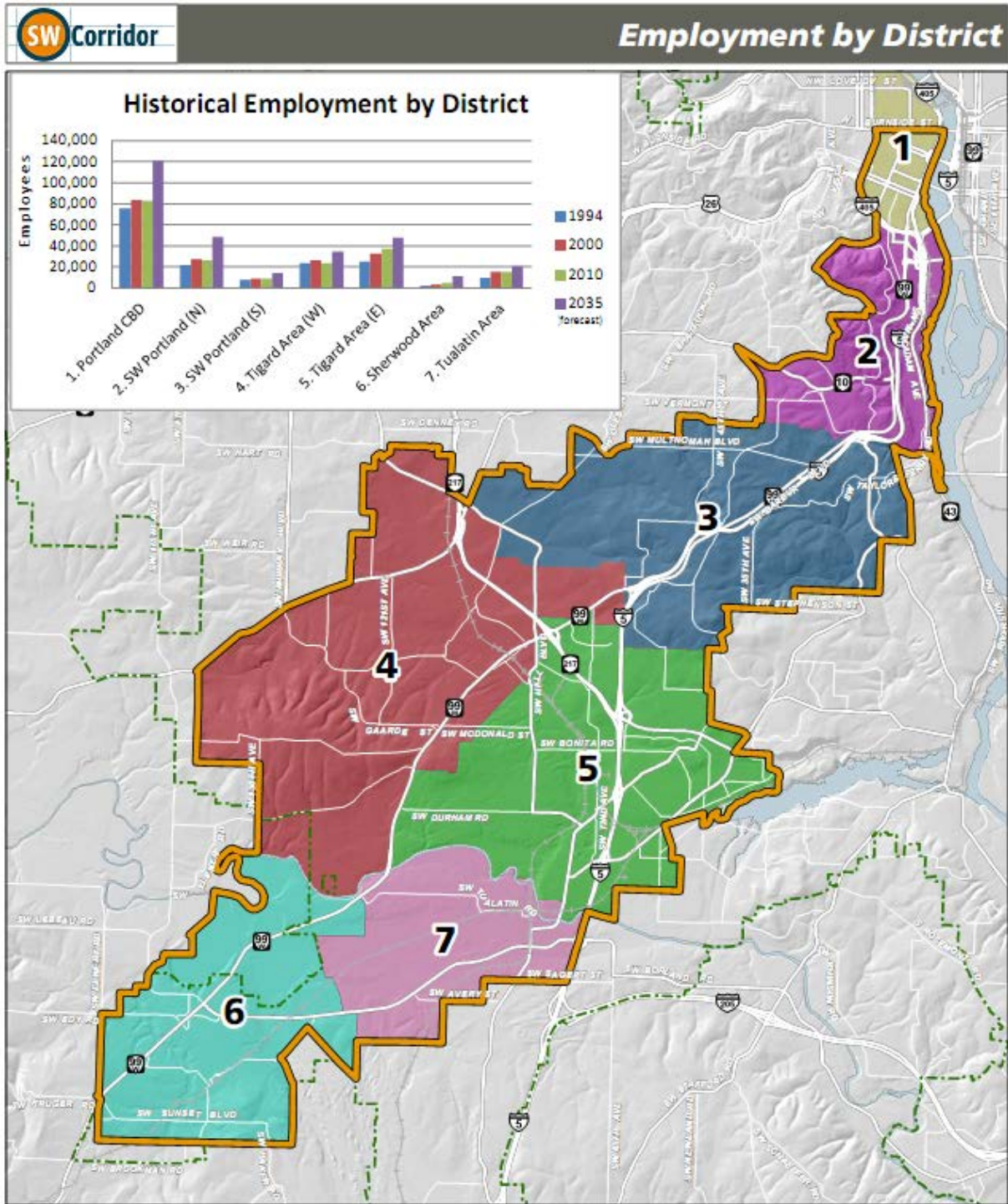
Geographically, the Southwest Corridor is comprised of seven of the 29 districts within the Metro area. The seven districts are shown by map on the following page. These 29 districts were created for analytic purposes by Metro’s planning group as a means to summarize travel demand modeling results. They districts represent aggregations of Transportation Analysis Zones, and organized roughly (though not exclusively) along jurisdictional boundaries.

District 1 is the downtown CBD north of the I-405 freeway. Because of the concentration of employment in the downtown business district, the analysis was conducted both including and excluding subdistrict 1 where there is the possibility that employers in the downtown subdistrict would dominate employment for the Corridor. Generally, the districts can be described as follows:

- District 1: Portland CBD (or Downtown)
- District 2: SW Portland (North)
- District 3: SW Portland (South)
- District 4: Tigard Area (West)
- District 5: Tigard Area (East)
- District 6: Sherwood Area
- District 7: Tualatin Area

Boundaries of the SW Corridor and its seven sub7districts are illustrated by the map on the following page.

SW Corridor Employment Districts



In addition to the corridor-wide job figures, detailed employment data at this 7-district level (or in some cases to 6 districts excluding the CBD) is useful as a component of this economic development analysis.

Subdistrict Employment Characteristics

As noted, the 11,032 employers in the SW Corridor represent an aggregate of 200,231 employees. Over two-fifths of those employees and nearly one-third of those employers are located in subdistrict 1, the downtown CBD, as shown in the table below.

The second largest concentration of employment is indicated for subdistrict 5 which includes much of Tigard and the western portion of Lake Oswego. This is also a subdistrict that has been identified as relatively underserved by transit.

Employment & Number of Employers by Subdistrict

Subdistrict	Aggregated Number of Employees	Number of Employers	Average Number of Employees per Employer
1	83,227	3,727	22.3
2	26,714	904	29.6
3	8,935	996	9.0
4	24,052	1,964	12.2
5	37,333	2,328	16.0
6	4,878	411	11.9
7	15,092	702	21.5
Total	200,231	11,032	18.2
Rest of Region	584,355	38,486	15.2

Source: Quarterly Census of Employment and Wages, 2009.

Taken together, employers in the SW Corridor have greater numbers of employees than their counterparts in the rest of the region, though subareas 3, 4, and 6 have a lower than average number of employees per employer. Interestingly, subdistrict 2 just south of the CBD has the largest average employer size (as this subdistrict includes the OHSU campus), followed closely by the Central Business District of subdistrict 1, and then subdistrict 7.

Because of confidentiality requirements, some aggregation is required to review the industrial makeup of employment within each of the subdistricts. And because of the small number of employers in subdistricts 6 and 7, those subdistricts were aggregated together for the same reason. Detailed tables showing employment by industry grouping by subdistrict are provided in Appendix A1.

Comparing each of the subdistricts' employment composition reveals some noteworthy business and industrial clusters. Not surprisingly, there is a concentration of NAICS codes 61 and 62 (Educational Services and Health Care and Social Assistance) in subdistricts 2 and 3, due in large part to the presence of OHSU, PCC and related employers.

Similarly, there are concentrations of NAICS codes 44-45 (Retail Trade) in subdistricts 1, 4, and 5 which can be attributed to major centers in the Portland CBD, and regional malls as at Washington Square and Bridgeport Village. NAICS codes 52 (Finance and Insurance), 54 (Professional, Scientific and Technical Services), and 56 (Administrative) are significantly oriented to subdistrict 1 of the Portland CBD with a significant secondary cluster in subdistrict 5 (which includes Lake Oswego's Kruse Way).

There is also a concentration of NAICS codes 31-33 (Manufacturing) and 42 (Wholesale Trade) in subdistrict 5 and the aggregation of subdistricts 6 and 7, as further detailed in Appendix A1 to this report. These three subdistricts account for over 80% of manufacturing employment in the SW corridor.

2002-09 Corridor-Wide Employment Trends

From 2002-09, tri-county area employment increased by less than 3%. This relatively slow increase in the tri-county's job base reflects early effects of the economic recession, with employment losses experienced in 2009. Comparative job trends for the SW Corridor point in somewhat different directions, depending on whether or not the Portland CBD is included. With the CBD included, the number of jobs in the SW Corridor increased somewhat more slowly than occurred regionally from 2002-09. However, excluding the subarea 1 CBD district, employment increased somewhat more rapidly than regionally (or by about 4%).

Employment Concentrations

For this economic development analysis, an added topic of interest has been to gauge not just employment changes, but changes in the *overall mix* of employment. Emerging industries may be revealed by analyzing changes in the industrial makeup of the Corridor against the three-county region. Using 2002 as the history year and 2009 as the current year, this analysis was conducted to assess the composition of aggregated employment and number of employers.

One analytic tool to understanding business and industrial composition involves the use of Location Quotients (LQs), as ratios to compare the industrial activity level in a region to a base area. An LQ ratio of more than 1.00 indicates a concentration of employment that exceeds region-wide averages. Conversely, an LQ of less than 1.00 means that the industry sector is underrepresented relative to the 3-county region.

For this analysis, the geographic comparisons made are between the SW Corridor (with and without the downtown Central Business District) to a base area of the three-county region. This 3-county area serves as the core portion of the larger 7-county Census defined metro area, encompassing jurisdictions within the metro region's urban growth boundary (UGB).

As depicted by the chart on the following page, industry sectors with above average concentrations of employment in the SW Corridor include information, finance and insurance, real estate, professional and related services, administrative services, and educational services. These sectors have high concentrations of employment whether the SW Corridor is defined to include or exclude the Portland CBD.

The non-CBD portion of the Corridor also has relatively high concentrations of employment in sectors of construction, some portions of manufacturing (NAICS 32 - materials manufacturing), wholesale and retail trade.

SW Corridor Location Quotients

NAICS Code	Industry Description	2002			2009		
		SW Corridor without subarea 1	SW Corridor with subarea 1	3-county total	SW Corridor without subarea 1	SW Corridor with subarea 1	3-county total
11	Agriculture, Forestry, Fishing and Hunting	0.01	0.05	1.00	0.03	0.09	1.00
21	Mining, Quarrying, and Oil and Gas Extraction	0.12	0.07	1.00	1.60	0.93	1.00
22	Utilities	0.51	1.27	1.00	0.11	1.01	1.00
23	Construction	1.25	0.91	1.00	1.13	0.80	1.00
31	Manufacturing (non-durable/consumables)	0.32	0.22	1.00	0.47	0.33	1.00
32	Manufacturing (materials)	1.20	0.77	1.00	1.09	0.73	1.00
33	Manufacturing (metals, machinery, equipment)	0.76	0.45	1.00	0.75	0.45	1.00
42	Wholesale Trade	1.18	0.79	1.00	1.04	0.69	1.00
44	Retail Trade*	0.89	0.74	1.00	1.01	0.81	1.00
45	Retail Trade*	1.13	0.97	1.00	1.03	0.80	1.00
48	Transportation and Warehousing	0.35	0.37	1.00	0.25	0.25	1.00
49	Transportation and Warehousing	0.55	1.36	1.00	0.63	0.85	1.00
51	Information	1.47	1.84	1.00	1.48	1.66	1.00
52	Finance and Insurance	1.45	2.11	1.00	1.74	2.25	1.00
53	Real Estate and Rental and Leasing	1.04	1.30	1.00	1.05	1.30	1.00
54	Professional, Scientific, and Technical Services	1.34	2.15	1.00	1.33	2.11	1.00
55	Management of Companies and Enterprises Administrative and Support and Waste	0.43	0.87	1.00	0.46	0.99	1.00
56	Management and Remediation Services	1.35	1.13	1.00	1.40	1.23	1.00
61	Educational Services	1.87	1.27	1.00	1.83	1.33	1.00
62	Health Care and Social Assistance	0.76	0.57	1.00	0.74	0.56	1.00
71	Arts, Entertainment, and Recreation	0.46	0.61	1.00	0.71	0.71	1.00
72	Accommodation and Food Services	0.80	0.94	1.00	0.80	1.01	1.00
81	Other Services (except Public Administration)	0.92	0.91	1.00	0.77	0.88	1.00
92	Public Administration	0.21	1.41	1.00	0.38	1.52	1.00
99		1.27	1.06	1.00	0.92	0.73	1.00

* Note: NAICS 45 includes general merchandise, specialty / miscellaneous and non-store retail with NAICS covering other retail categories. Appendix A5 details Location Quotients for the Portland region against the national average to help identify likely traded sector industries. Detailed tables of employment and number of employers are contained in Appendix A1.

Source: Quarterly Census of Employment and Wages, 2009.

Changes in Employment Concentration

For the most part, industries with high employment concentrations in 2009 were also well represented earlier in 2002. For example, NAICS code 52 (Finance and Insurance) had LQs of 1.45 and 2.11 (without and with the downtown CBD subarea) in 2002. LQs for these sectors are even higher in 2009 at 1.74 and 2.25, as shown in the preceding table. Similarly high LQs are noted in NAICS codes 51 (Information) and 61 (Educational Services).

To further hone in on shifts in SW Corridor competitiveness that may have occurred in recent years, the project team also calculated the percent change in LQ. As shown by the following table, sectors of increasing relative importance to the Corridor appear to include 31 (a subset of Manufacturing including consumables such as food and apparel products), 52 (Finance and Insurance), and 71 (Arts, Entertainment, and Recreation).

Percent Change in LQ (2002-09)

NAICS Code	Industry Description	2002-2009 Change	
		SW Corridor <i>without</i> subarea 1	SW Corridor <i>with</i> subarea 1
11	Agriculture, Forestry, Fishing and Hunting	240.5%	108.4%
21	Mining, Quarrying, and Oil and Gas Extraction	1212.7%	1233.5%
22	Utilities	-77.7%	-20.5%
23	Construction	-9.8%	-12.6%
31	Manufacturing (non-durable/consumables)	49.1%	45.7%
32	Manufacturing (materials)	-9.0%	-5.3%
33	Manufacturing (metals, machinery, equipment)	-1.4%	-1.3%
42	Wholesale Trade	-11.5%	-13.3%
44	Retail Trade	12.9%	10.2%
45	Retail Trade	-8.7%	-17.5%
48	Transportation and Warehousing	-29.7%	-33.0%
49	Transportation and Warehousing	14.8%	-37.6%
51	Information	0.8%	-9.9%
52	Finance and Insurance	20.2%	6.8%
53	Real Estate and Rental and Leasing	0.9%	-0.2%
54	Professional, Scientific, and Technical Services	-0.7%	-1.9%
55	Management of Companies and Enterprises	8.7%	14.3%
56	Administrative and Support and Waste Management and Remediation Services	3.8%	9.5%
61	Educational Services	-2.3%	4.8%
62	Health Care and Social Assistance	-3.2%	-1.5%
71	Arts, Entertainment, and Recreation	55.8%	16.0%
72	Accommodation and Food Services	0.7%	7.1%
81	Other Services (except Public Administration)	-16.0%	-3.7%
92	Public Administration	78.1%	8.4%
99		-27.8%	-31.3%

* Note: NAICS 45 includes general merchandise, specialty / miscellaneous and non-store retail with NAICS covering other retail categories.

Source: Quarterly Census of Employment and Wages, 2009.

As indicated, this percentage-change approach is sometimes helpful to highlight more subtle shifts in industry concentrations. For example, finance and insurance represents a sector with a strong SW Corridor presence that has become even stronger in recent years. By comparison, the sector of arts, entertainment has been under-represented in the SW Corridor, but has improved its competitive position in the Corridor in recent years.

One challenge with this approach is that shifts in sectors with very low employment can register very high percentage changes which may or may not be significant to the overall industrial makeup of the analytic region. For example, the largest shifts are observed in NAICS codes 11 (AFF) and 21 (Mining), industry groups with only a handful of employees each within the Corridor.

The 2002 and 2009 data also were analyzed at more detailed three-, four-, and five-digit NAICS code levels to identify potential emerging industries. Additional observations related to the more detailed analysis are contained in Appendices A3-A5.

Wage Comparisons

Wages in the SW Corridor are generally higher than those in the rest of the region, with compensation for the SW Corridor across all industries indicated at a mean (or average) level of just over \$48,000 excluding the Portland CBD and over \$53,000 including the CBD. By comparison, the average wage for the full 3-county region is under \$47,000.

Average Pay and Number of Employers

	SW Corridor without Subarea 1	SW Corridor with Subarea 1	Total Region
Mean	\$48,054	\$52,964	\$46,894
Standard Deviation	\$32,668	\$36,063	\$33,606
Number of Employers	7,305	11,032	49,518

Source: Quarterly Census of Employment and Wages, 2009.

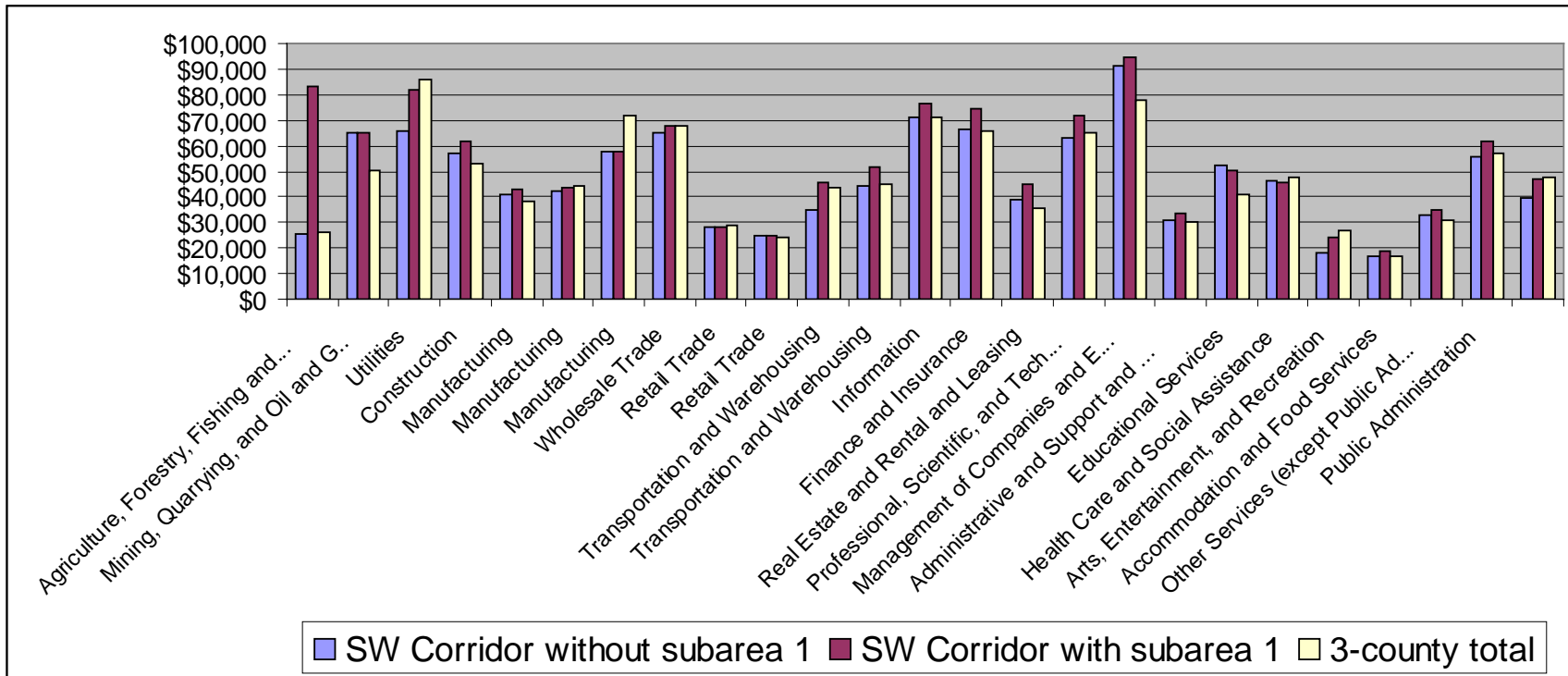
Also of interest with this analysis is the amount of *wage variation* occurring within each of the geographies evaluated – as measured by standard deviation. *Note:* with a normal distribution, the area within one standard deviation can be expected to account for just over two-thirds of a sample population.

It would normally be expected that the standard deviation for the smaller geographies to be smaller than that of the region-wide total. (All else being equal, smaller samples typically tend have smaller standard deviations.) Consequently, it is interesting that the standard deviation for the SW Corridor with subarea 1 is larger than that of the region. This occurrence is most likely due to the wider range of pay rates experienced with employers in the downtown CBD, from highly-paid executives to lower-paid support staff.

For the most part, wages for the SW Corridor including subarea 1 are higher than those for SW Corridor excluding area 1 or for the 3-county average. This phenomenon is most likely due to the presence of higher-paid management personnel in the CBD pulling the averages up. Even excluding subarea 1, average wages for the Corridor are generally comparable to or higher than the 3-county averages, as shown by the more detailed sector-specific graph on the next page.

Wages for the potential emerging industries are also generally higher than average wages across industries, as is further detailed with data provided by Appendix A4. The potentially emerging industry with the highest wages within the SW Corridor is NAICS code 42512 (Wholesale Trade Agents and Brokers) followed by 54133 (Engineering Services) and 54111 (Offices of Lawyers). NAICS code 62111 (Offices of Physicians) represents the highest paying industry subgroup outside the SW Corridor area.

Average Wages by 2-digit NAICS code, SW Corridor (with and without Subarea 1 and 3-county total)



Source: Quarterly Census of Employment and Wages, 2009.

Business & Industry Clusters

Business and industry clusters of importance for corridor-wide economic development might include a combination of sectors for which there is a clear existing concentration of activity together with potential emerging clusters. As noted at the start of this section, there is an *existing concentration* of employment in NAICS codes 52 (Finance and Insurance), 54 (Professional, Scientific, and Technical Services), 56 (Administrative Support and Waste Management and Remediation Services, and 61 (Educational Services).

Those industries which are currently under-represented but *growing in significance* include NAICS code include NAICS code 31 (Manufacturing), 52 (Finance and Insurance), and 71 (Arts, Entertainment, and Recreation). Given its higher concentration of existing employment and its increase in its LQ measure, Finance and Insurance is both a major employer and one which is increasing its presence in the SW Corridor.

Some of the sectors identified in this way may have traditionally been viewed as service or support-type functions for the rest of the economy. However, given their concentration and growing presence, they may in fact be playing more of a traded-sector role. An example would be the national or regional headquarters of an insurance or finance firm – serving customers well beyond the geography of the SW Corridor.

Inter-industry Linkages

Potentially emerging industry sectors can be supported in a number of ways. One way is to encourage and support the related industries with whom they do business by understanding the linkage or independence of businesses, industries, and clusters.

These buyer and supplier relationships can be analyzed using IMPLAN, a nationally recognized economic model with data specific to each county or metro region of the U.S. Relationships among industries are captured and represented as the intermediate inputs of the industry of interest and the industries for which that industry is an intermediate input.

Based on the employment trends analysis, significant industrial buyers and suppliers were analyzed on an *illustrative basis* for SW Corridor clusters that might focus on clusters involving the following sectors:

- Wholesale Trade
- Insurance Carriers
- Insurance Agencies and Brokerages
- Architectural, Engineering and Related Services
- Home Health Care Services

To provide goods and services to the region's industries, households, and institutions, each individual sector purchases intermediate goods and services from a subset of IMPLAN's 440 industry sectors. Because some of the industries are not well represented regionally, the

supplier list has been adjusted for regional purchase coefficients – as measures of the extent of procurement from local or regional suppliers rather than nationally or internationally.

The gross input rank and regional input rank of the top industry suppliers in terms of the dollar value supplied to the wholesale trade industry, along with the percentage of regional inputs represented by each industry are detailed via a series of tables in Appendix A6. As the economy is a complex and interconnected network, many industries appear on multiple buyer and supplier lists within this metro region.

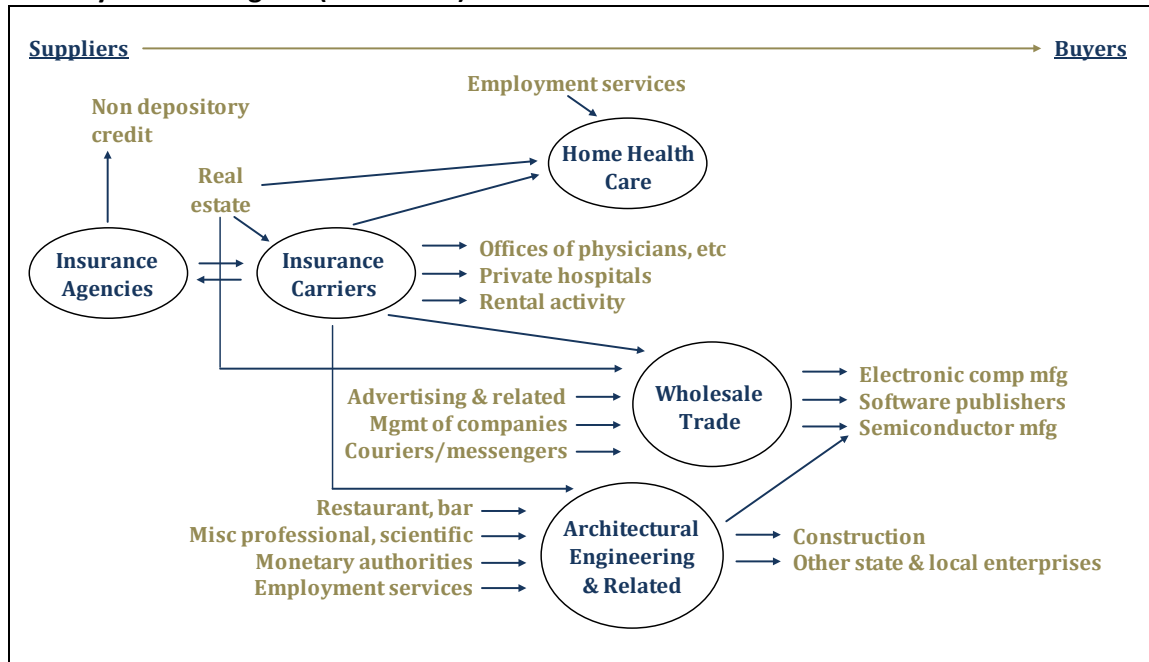
For the five selected industries of Wholesale Trade, Insurance Carriers, Insurance Agencies and Brokerages, Architectural / Engineering and Related Services, and Home Health Care Services, these regionally significant buyers / suppliers sectors are identified as including:

- Insurance
- Insurance Agencies
- Management of Companies and Enterprises
- Management, scientific, and technical consulting services
- Advertising and Related
- All other miscellaneous professional, scientific, and technical services
- Monetary authorities and depository credit intermediation services
- Real estate buying and selling, leasing, managing, and related services
- Accounting, tax preparation, bookkeeping, and payroll services
- Services to buildings and dwellings
- Employment Services
- Other computer related services, including facilities management
- Monetary authorities and depository credit intermediation services
- Telecommunications

Some of the noteworthy inter-relationships among these industry sectors are depicted by the following diagram. As illustrated, some buyer-supplier linkages for a particular SW cluster are distinctive to just that cluster. However, there are also other (perhaps unexpected) commonalities between what are seemingly disparate business clusters.

As one example, SW Corridor wholesale trade and architectural / engineering firms represent significant suppliers to the region's semiconductor manufacturing cluster – much of which is centered outside the SW area in the Sunset Corridor / Hillsboro area. As another example, employment services represent an important supplier to the SW Corridor business clusters of home health care and architectural / engineering firms. And real estate services are important to SW Corridor insurance carriers, home health care, wholesale trade and architectural / engineering firms.

Industry Cluster Diagram (Illustrative)



As illustrated, some suppliers are simply part of larger similar industry categories. Several are growing in the Corridor or have a LQ in the region than a comparison economy, making them strong candidates for targeted economic development efforts.

Summary Observations

In summary, employment data indicates that the SW Corridor is integral to the economic vitality of the Portland metro area with a higher proportion of the region's job base than residential population –with or without the Portland CBD. Key corridor-wide industry clusters can be found in a variety of service sector activities – some of which have traded sector opportunity as with finance / insurance and administrative / headquarters functions.

Average wage levels are relatively high, especially when the Portland CBD is included. However, considerable wage variation is also observed.

Subdistricts within the Corridor have clearly identified business niches – such as the CBD for professional and educational services, south of downtown area for health care, Washington Square area for regional retail activity, and the Tigard to Tualatin / Sherwood area for industrial activity. And there are clear linkages between some Corridor businesses and other nearby employment centers of the region – as with distribution and architectural / engineering firms serving the semiconductor firms as in the Sunset Corridor.

Results of this employment analysis serve as pivotal inputs into consideration of future economic opportunities – both corridor-wide and jurisdiction specific. This data overview can be further augmented by business perspectives and investment alternatives, a topic to which this report now turns.

BUSINESS PERSPECTIVES

Obtaining private sector input has been integral to this SW Corridor economic development planning process. This has occurred in the form of an exploratory focus group early on in the analysis process followed by a more extensive Economic Summit in November 2012. Subsequent to completion of this economic development report, a second summit work session is planned to focus on SW Corridor implementation planning.

Exploratory Focus Group

To obtain preliminary input in advance of the economic summit, a business focus group session was conducted in June 2012. This focus group served as an initial discussion of corridor-wide economic development issues and objectives important to set the stage for the broader discussion for the fall economic summit. A detailed discussion of focus group comments and suggestions is provided by Appendix B. What follows is a summary of major observations from this initial discussion.

Advantages & Disadvantages of Doing Business in the SW Corridor:

Advantages identified by business participants to date relate to attributes of an increasingly diverse business base, destination activity and residential lifestyle. *Disadvantages* centered on issues related to transportation access and mobility, shovel-ready employment land, housing choice and affordability, and economic development leadership. As a related note, it is not yet clear to participants as to whether the SW Corridor has a *brand identity* that represents either existing Corridor strengths or future potentials.

Local Jurisdiction Economic Development Planning:

The overall visions and goals of local jurisdictions appear to reflect a range of different ideas or priorities rather than what might be considered as a consensus vision for the SW Corridor. Also suggested is that the geographic area encompassed by the Corridor might be expanded, for example, to include nearby jurisdictions that interact with the Corridor as currently defined. Potential inclusion with the SW Corridor is suggested for Wilsonville, which is a net importer of workers and has had “good absorption” of employment demand with recovery from the recession, as experienced to date. Strong cross-corridor linkages as to Beaverton-Hillsboro are also indicated as important for sub-regional transportation planning.

Best Opportunities:

Private sector input is important to identify what the best opportunities might be, whether looking ahead over the next 3-5 years or longer term beyond 5 years. While there was little explicit delineation of the timing sequence of opportunities expressed, it was clear that participants are focused more on the near-term – as needed not just for economic recovery but also to set in place building blocks critical for renewed economic vitality longer term.

A related suggestion is to “fix existing needs first.” HCT implementation may be deferred pending success experienced with addressing other pressing near-term transportation and transit needs of SW Corridor communities. A corridor-wide investment agenda should include balanced emphasis on both redevelopment and greenfield development.

Economic Summit

With completion of a preliminary Phase 1-2 background report, an Economic Summit was held at the Tigard City Library on November 14, 2012. Twenty three individuals representing a range of interests – from large organizations to small business owners – participated. A detailed discussion of focus group comments and suggestions is provided by Appendix C. What follows is a summary of major observations from this initial discussion.

Discussion Questions:

After reviewing major elements of the SW Corridor Plan and economic development background report, three questions were posed for summit participants:

1. What are the best economic development opportunities in the SW Corridor – both in the next 3-5 years and longer term?
2. (a) What are the business and development opportunities presented by future high capacity transit (HCT) on Barbur / Highway 99? What are the challenges?
(b) What steps can be taken to encourage continuing development on the corridor prior to HCT?
3. How can Metro and local jurisdictions best engage the business community in setting the vision and then successful implementation of a SW Corridor plan?

Observations:

Much of what was heard with the earlier focus group discussion was repeated by participants in the larger economic summit. However, several items received added emphasis from this more extensive discussion, notably:

- **Need for improved connectivity** – especially between Tualatin-Sherwood and then to other nearby freight and commuter destinations outside the corridor including Wilsonville and Beaverton-Hillsboro.
- **Desire for more employer-oriented transit** – including added focus on areas with significant employment located away from the Barbur/99W and other already well served transit corridors.
- **Cautious support for HCT** – albeit with public safety questions as an issue important to address in continuing HCT planning with SW Corridor businesses.
- **Improved freight mobility** – especially for centers of major employment activity ranging from Portland Community College (PCC) to Washington Square.

- **Clear desire to make 99W “a destination rather than an eyesore”** – but with decidedly mixed opinions as to realistic transportation and economic paths to achieve desired outcomes.
- **Importance of playing to the corridor’s natural amenities** – though there is not yet a clear definition as to how these assets may play into investment and operating decisions from a business and economic development perspective.
- **Some interest to bring more of the urban Portland lifestyle to the SW Corridor** – including such ideas as attracting the “creative/hipster” class, providing improved bicycle and trail options, and creating urban amenities that provide a more distinct sense of place and live/work vitality.
- **Clear business message of interest in remaining plugged in through the process** – with more use of web-based technology for timely but short interactions along the way.

Getting to Actionable Economic Development Priorities:

Perhaps the biggest challenge that the SW Corridor Plan process may face with the Corridor’s business community is over the extended planning horizon and gaps between planning and implementation. This extended planning period makes it more difficult to keep key business interests involved and may frustrate expectations about what could or should be happening now. For example, the long lead time to putting HCT on Barbur/99W could lead to uncertainty or disinvestment along the corridor in the near term.

In addition to planning for long-term HCT and other priorities, it will be important to be framed an achievable, short term corridor economic development investment strategy – with visible, momentum-building wins over the next 3-5 years. Consistent with ideas mentioned at the Economic Summit, examples of what might be included as part of a short-term momentum building strategy might cover such items as:

- Freight access project
- Near term Tualatin-Sherwood highway improvements
- Demonstration employer-transit program
- Demonstration Barbur / 99W mixed use or major employment catalyst project
- Expanded web site with features tailored to Corridor business interests. This business-friendly portal ideally would be designed with *beta testing* of a diverse sampling of the SW business audience.

The determination of which or what combinations of projects to fund would be driven by clear demonstration of near term resource availability and expressed interest from the most directly benefited communities, business and development organizations.

INVESTMENT ALTERNATIVES

A final step with this report is to assess criteria for regional investment alternatives that would benefit SW Corridor economic development both short- and long-term. As currently outlined by Metro, the SW Corridor Plan is intended to maximize limited local, regional, state and federal funds by identifying and prioritizing public investments the full length of the Corridor from downtown Portland to Sherwood.

The actions and investments from this plan will support key elements of a successful region, notably vibrant communities, economic prosperity, transportation choices, clean air and water, leadership in minimizing contributions to climate change, and equity. This economic development analysis report is intended to serve as a starting point for framing alternatives for economic development together with criteria for measuring resulting success.

Wide Range of Alternatives

The SW Corridor Plan process began by defining opportunities and challenges, then has proceeded to identify a wide range of potential solutions and integrated strategies before narrowing the solutions to prioritized alternative strategies. Phase I results of Corridor planning will be followed by Phase II beginning in 2013 when an action plan and implementation strategy will be prepared. The Metro Council and JPACT will recommend alternative transportation investments to evaluate with the NEPA environmental process.

Planning activities considered include background work completed to date on the SW Corridor Plan augmented by Metro sponsored Regional Infrastructure Analysis, Community Investment Initiative, and preliminary SW Corridor transportation project identification. More detailed discussion of these planning activities and resulting implications for economic development is provided in Appendix D to this report.

Taken together, these regional plus corridor-specific analyses provide information useful to begin the process of identifying potential criteria for measuring economic development success for the SW Corridor. Other listings of potential importance to Corridor economic development are currently in process with Metro. These include green infrastructure and transit-related project development. Results of these analyses can be incorporated as available and relevant to corridor-wide economic development.

Criteria for Measuring Success

The primary test of investment alternatives that promote economic development will be in setting corridor-wide, shared criteria for measuring success. The chart on the next page provides suggested criteria organized around the four Metro identified SW Corridor plan themes of prosperity, health, access and mobility, accountability and partnership.

Criteria that are consistent with already-identified Metro measures are identified in unshaded portions of the chart. Additional criteria suggested with this economic development report are identified with green shaded portions of the chart.

Southwest Corridor Economic Development – Criteria for Measuring Success

Theme	Criteria	Comments
Prosperity	<ul style="list-style-type: none"> • Net added employment • Minimal net business displacement • Increased land use efficiency 	Traditional metrics as initial measures of success
	<ul style="list-style-type: none"> • Site inventory adequate to accommodate job forecast (with redevelopment + vacant shovel-ready capacity) • Facilitation of traded sector investment • Fits local jurisdiction targeted business clusters • Increase in average wage 	Focus on job quality & sustainability
Health	<ul style="list-style-type: none"> • Proximity of jobs to housing (as with mixed use) • Employee proximity to natural areas 	For vertical or horizontal mixed use
	<ul style="list-style-type: none"> • Encouragement of green development 	For reduced carbon footprint compared to traditional development
Access & Mobility	<ul style="list-style-type: none"> • Reduced travel time to work (via auto & transit) • Reduced auto/truck travel time between high demand employment areas • Jobs in walking proximity to conventional & HCT transit 	For improved efficiency of regional & local travel
	<ul style="list-style-type: none"> • Reduced length of commuter & other trips • Net added jobs/investment with combined HCT & roadway capacity improvements • Increased functionality of 99W corridor/cross-corridor connections for local & through traffic 	Priority for development oriented transportation investment
Accountability & Partnership	<ul style="list-style-type: none"> • Capital costs • Operating costs 	Focus on public investments
	<ul style="list-style-type: none"> • Public-private support (with diverse traded/non-traded business representation) • Corridor-wide branding & shared investment strategy • Evidence of private investment commitment (as directly leveraged by economic development project) • Threshold ratio of private investment to public cost* • Threshold ratio of net added employment and payroll to project cost* • Target ratios of net added taxes 20 years to project cost & local share of cost* 	Suggested as potential measures of public sector return on investment (ROI)

* Note: To be calculated in terms of discounted net present value over a 20-30 year time horizon.

At this point in the SW Corridor planning process, the listing should be viewed as representing a broad range of potential criteria for measuring prospective economic development success. Criteria are subject to refinement based on review by public and private stakeholders. More detailed benchmarks and metrics for evaluating project proposals will also be required once there is agreement on an overall framework.

APPENDIX A – DETAILED EMPLOYMENT ANALYSIS

Six sets of appendix tables based on detailed employment analysis conducted by Bonnie Gee Yosick^{llc} are provided on the following pages:

- Appendix A1: Employment by Industry Group & Subdistrict
- Appendix A2: 2002-2009 Employment Comparisons
- Appendix A3: Emerging Industries – More Detailed Analysis
- Appendix A4: Average Wages for Potentially Emerging Industries
- Appendix A5: Location Quotient (LQ) Analysis
- Appendix A6: Buyer / Supplier Linkage Analysis

Appendix A1

Employment by Industry Group & Subdistrict

NAICS	Industry Description	Subdistrict						SW
		1	2	3	4	5	6 and 7	Corridor Total
11, 21-22	AFF, Mining, Utilities	1,112	-	-	26	87	90	1,315
23	Construction	1,351	765	483	761	2,823	1,601	7,784
31-33	Manufacturing	605	223	297	899	3,175	5,694	10,893
42	Wholesale Trade	906	221	182	1,183	3,325	2,448	8,265
44-45	Retail Trade	4,452	551	608	5,294	3,938	1,844	16,687
48-49	Transportation and Warehousing	1,973	46	106	234	616	877	3,852
51	Information	4,123	1,304	186	1,563	1,370	83	8,629
52	Finance and Insurance	11,413	852	348	1,944	5,783	464	20,804
53	Real Estate and Rental and Leasing	2,588	353	350	559	649	394	4,893
54	Professional, Scientific, and Technical Services	15,152	1,481	578	1,995	4,280	469	23,955
55	Management of Companies and Enterprises	4,031	243	82	268	398	535	5,557
56	Administrative and Support and Waste Management and Remediation Services	4,490	1,349	569	3,011	2,344	1,490	13,253
61	Educational Services	4,533	12,523	2,354	969	1,692	701	22,772
62	Health Care and Social Assistance	3,073	4,281	1,401	1,989	2,087	713	13,544
71	Arts, Entertainment, and Recreation	943	193	52	157	561	376	2,282
72	Accommodation and Food Services	9,057	881	787	2,383	2,656	1,202	16,966
81	Other Services (except Public Administration)	3,430	671	537	750	1,022	651	7,061
92, 99	Public Administration and Other	9,995	777	15	67	527	338	11,719
Total		83,227	26,714	8,935	24,052	37,333	19,970	200,231

Source: Quarterly Census of Employment and Wages, 2009.

Percentage of Employment by Subdistrict

NAICS	Industry Description	Subdistrict						SW Corridor
		1	2	3	4	5	6 and 7	Total
11, 21-22	AFF, Mining, Utilities	1.3%	0.0%	0.0%	0.1%	0.2%	0.5%	0.7%
23	Construction	1.6%	2.9%	5.4%	3.2%	7.6%	8.0%	3.9%
31-33	Manufacturing	0.7%	0.8%	3.3%	3.7%	8.5%	28.5%	5.4%
42	Wholesale Trade	1.1%	0.8%	2.0%	4.9%	8.9%	12.3%	4.1%
44-45	Retail Trade	5.3%	2.1%	6.8%	22.0%	10.5%	9.2%	8.3%
48-49	Transportation and Warehousing	2.4%	0.2%	1.2%	1.0%	1.7%	4.4%	1.9%
51	Information	5.0%	4.9%	2.1%	6.5%	3.7%	0.4%	4.3%
52	Finance and Insurance	13.7%	3.2%	3.9%	8.1%	15.5%	2.3%	10.4%
53	Real Estate and Rental and Leasing	3.1%	1.3%	3.9%	2.3%	1.7%	2.0%	2.4%
54	Professional, Scientific, and Technical Services	18.2%	5.5%	6.5%	8.3%	11.5%	2.3%	12.0%
55	Management of Companies and Enterprises	4.8%	0.9%	0.9%	1.1%	1.1%	2.7%	2.8%
56	Administrative and Support and Waste Management and Remediation Services	5.4%	5.0%	6.4%	12.5%	6.3%	7.5%	6.6%
61	Educational Services	5.4%	46.9%	26.3%	4.0%	4.5%	3.5%	11.4%
62	Health Care and Social Assistance	3.7%	16.0%	15.7%	8.3%	5.6%	3.6%	6.8%
71	Arts, Entertainment, and Recreation	1.1%	0.7%	0.6%	0.7%	1.5%	1.9%	1.1%
72	Accommodation and Food Services	10.9%	3.3%	8.8%	9.9%	7.1%	6.0%	8.5%
81	Other Services (except Public Administration)	4.1%	2.5%	6.0%	3.1%	2.7%	3.3%	3.5%
92, 99	Public Administration and Other	12.0%	2.9%	0.2%	0.3%	1.4%	1.7%	5.9%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Quarterly Census of Employment and Wages, 2009.

Appendix A2. 2002-2009 Employment Comparisons

Number of Employees

NAICS Code		Industry Description		2002						2009					
				SW Corridor without subarea 1		SW Corridor with subarea 1		3-county total		SW Corridor without subarea 1		SW Corridor with subarea 1		3-county total	
				Number of 'Ees	% of Total Empl.	Number of 'Ees	% of Total Empl.	Number of 'Ees	% of Total Empl.	Number of 'Ees	% of Total Empl.	Number of 'Ees	% of Total Empl.	Number of 'Ees	% of Total Empl.
11	Agriculture, Forestry, Fishing and Hunting	13	0.0%	109	0.1%	9,362	1.2%	45	0.0%	222	0.1%	9,161	1.2%		
21	Mining, Quarrying, and Oil and Gas Extraction	6	0.0%	6	0.0%	316	0.0%	92	0.1%	92	0.0%	386	0.0%		
22	Utilities	304	0.3%	1,316	0.7%	4,046	0.5%	66	0.1%	1,001	0.5%	3,884	0.5%		
23	Construction	7,356	6.5%	9,331	4.8%	39,971	5.2%	6,433	5.5%	7,784	3.9%	38,239	4.9%		
31	Manufacturing	446	0.4%	544	0.3%	9,535	1.2%	690	0.6%	811	0.4%	9,776	1.2%		
32	Manufacturing	3,312	2.9%	3,699	1.9%	18,802	2.5%	2,440	2.1%	2,792	1.4%	15,034	1.9%		
33	Manufacturing	8,132	7.2%	8,409	4.3%	72,792	9.5%	7,158	6.1%	7,290	3.6%	64,131	8.2%		
42	Wholesale Trade	8,228	7.3%	9,575	4.9%	47,368	6.2%	7,359	6.3%	8,265	4.1%	47,264	6.0%		
44	Retail Trade	7,068	6.3%	10,166	5.2%	53,806	7.0%	8,062	6.9%	11,148	5.6%	53,671	6.8%		
45	Retail Trade	4,644	4.1%	6,934	3.5%	27,911	3.7%	4,173	3.6%	5,539	2.8%	27,110	3.5%		
48	Transportation and Warehousing	1,196	1.1%	2,175	1.1%	23,245	3.0%	821	0.7%	1,400	0.7%	22,390	2.9%		
49	Transportation and Warehousing	1,057	0.9%	4,579	2.3%	13,131	1.7%	1,058	0.9%	2,452	1.2%	11,300	1.4%		
51	Information	4,440	3.9%	9,667	4.9%	20,518	2.7%	4,506	3.9%	8,629	4.3%	20,386	2.6%		
52	Finance and Insurance	7,831	7.0%	19,828	10.1%	36,772	4.8%	9,391	8.0%	20,804	10.4%	36,222	4.6%		
53	Real Estate and Rental and Leasing	2,366	2.1%	5,156	2.6%	15,486	2.0%	2,305	2.0%	4,893	2.4%	14,762	1.9%		
54	Professional, Scientific, and Technical Services	8,060	7.2%	22,558	11.5%	40,908	5.4%	8,803	7.5%	23,955	12.0%	44,416	5.7%		
55	Management of Companies and Enterprises Administrative and Support and Waste Management and Remediation Services	1,102	1.0%	3,878	2.0%	17,508	2.3%	1,526	1.3%	5,557	2.8%	22,016	2.8%		
56	Management and Remediation Services	9,643	8.6%	14,044	7.2%	48,693	6.4%	8,763	7.5%	13,253	6.6%	42,078	5.4%		
61	Educational Services	16,156	14.4%	19,104	9.8%	58,695	7.7%	18,239	15.6%	22,772	11.4%	66,942	8.5%		
62	Health Care and Social Assistance	8,647	7.7%	11,171	5.7%	76,892	10.1%	10,471	8.9%	13,544	6.8%	94,959	12.1%		
71	Arts, Entertainment, and Recreation	736	0.7%	1,710	0.9%	10,972	1.4%	1,339	1.1%	2,282	1.1%	12,656	1.6%		
72	Accommodation and Food Services	6,831	6.1%	14,006	7.2%	58,220	7.6%	7,909	6.8%	16,966	8.5%	66,064	8.4%		
81	Other Services (except Public Administration)	3,960	3.5%	6,819	3.5%	29,255	3.8%	3,631	3.1%	7,061	3.5%	31,536	4.0%		
92	Public Administration	939	0.8%	10,759	5.5%	29,900	3.9%	1,702	1.5%	11,689	5.8%	30,042	3.8%		
99		55	0.0%	80	0.0%	292	0.0%	22	0.0%	30	0.0%	161	0.0%		
Total		112,526	100.0%	195,623	100.0%	764,397	100.0%	117,004	100.0%	200,231	100.0%	784,586	100.0%		

Source: Quarterly Census of Employment and Wages, 2009.

Number of Employers

NAICS Code Industry Description		2002						2009					
		SW Corridor without subarea 1		SW Corridor with subarea 1		3-county total		SW Corridor without subarea 1		SW Corridor with subarea 1		3-county total	
		Number of Employers	Percent of Total	Number of Employers	Percent of Total	Number of Employers	Percent of Total	Number of Employers	Percent of Total	Number of Employers	Percent of Total	Number of Employers	Percent of Total
11	Agriculture, Forestry, Fishing and Hunting	8	0.1%	14	0.1%	466	1.0%	8	0.1%	15	0.1%	516	1.0%
21	Mining, Quarrying, and Oil and Gas Extraction	2	0.0%	2	0.0%	18	0.0%	4	0.1%	4	0.0%	24	0.0%
22	Utilities	8	0.1%	14	0.1%	64	0.1%	6	0.1%	14	0.1%	66	0.1%
23	Construction	609	8.8%	683	6.5%	4,914	10.8%	559	7.7%	624	5.7%	4,332	8.7%
31	Manufacturing	24	0.3%	32	0.3%	316	0.7%	31	0.4%	38	0.3%	347	0.7%
32	Manufacturing	119	1.7%	147	1.4%	761	1.7%	112	1.5%	132	1.2%	661	1.3%
33	Manufacturing	232	3.4%	264	2.5%	1,547	3.4%	226	3.1%	244	2.2%	1,509	3.0%
42	Wholesale Trade	844	12.2%	973	9.3%	4,107	9.0%	796	10.9%	924	8.4%	4,120	8.3%
44	Retail Trade	389	5.6%	597	5.7%	3,313	7.3%	489	6.7%	732	6.6%	3,754	7.6%
45	Retail Trade	219	3.2%	364	3.5%	1,508	3.3%	193	2.6%	304	2.8%	1,449	2.9%
48	Transportation and Warehousing	60	0.9%	94	0.9%	842	1.8%	56	0.8%	83	0.8%	861	1.7%
49	Transportation and Warehousing	25	0.4%	35	0.3%	245	0.5%	24	0.3%	32	0.3%	267	0.5%
51	Information	177	2.6%	319	3.1%	980	2.1%	174	2.4%	327	3.0%	1,041	2.1%
52	Finance and Insurance	692	10.0%	1,024	9.8%	2,685	5.9%	702	9.6%	1,053	9.5%	2,686	5.4%
53	Real Estate and Rental and Leasing	342	4.9%	525	5.0%	2,096	4.6%	352	4.8%	570	5.2%	2,336	4.7%
54	Professional, Scientific, and Technical Services	980	14.2%	2,049	19.6%	5,222	11.4%	1,056	14.5%	2,130	19.3%	5,831	11.8%
55	Management of Companies and Enterprises Administrative and Support and Waste Management and Remediation Services	70	1.0%	114	1.1%	339	0.7%	81	1.1%	138	1.3%	467	0.9%
56	Management and Remediation Services	405	5.9%	563	5.4%	2,395	5.2%	421	5.8%	556	5.0%	2,500	5.0%
61	Educational Services	130	1.9%	178	1.7%	934	2.0%	151	2.1%	212	1.9%	1,205	2.4%
62	Health Care and Social Assistance	499	7.2%	682	6.5%	3,967	8.7%	651	8.9%	868	7.9%	5,086	10.3%
71	Arts, Entertainment, and Recreation	51	0.7%	105	1.0%	546	1.2%	81	1.1%	135	1.2%	647	1.3%
72	Accommodation and Food Services	395	5.7%	707	6.8%	3,253	7.1%	498	6.8%	904	8.2%	4,278	8.6%
81	Other Services (except Public Administration)	587	8.5%	860	8.2%	4,765	10.4%	599	8.2%	893	8.1%	5,173	10.4%
92	Public Administration	15	0.2%	52	0.5%	228	0.5%	19	0.3%	76	0.7%	245	0.5%
99		31	0.4%	39	0.4%	170	0.4%	16	0.2%	24	0.2%	117	0.2%
Total		6913	100.0%	10,436	100.0%	45,681	100.0%	7,305	100.0%	11,032	100.0%	49,518	100.0%

Source: Quarterly Census of Employment and Wages, 2009.

Average Employees per Employer

		2002			2009		
		SW Corridor <i>without</i> subarea 1	SW Corridor <i>with</i> subarea 1	3- county total	SW Corridor <i>without</i> subarea 1	SW Corridor <i>with</i> subarea 1	3- county total
NAICS Code	Industry Description						
11	Agriculture, Forestry, Fishing and Hunting	1.67	7.80	20.09	5.63	14.80	17.75
21	Mining, Quarrying, and Oil and Gas Extraction	2.83	2.83	17.56	23.00	23.00	16.08
22	Utilities	38.03	94.01	63.23	11.00	71.50	58.85
23	Construction	12.08	13.66	8.13	11.51	12.47	8.83
31	Manufacturing	18.57	17.01	30.17	22.26	21.34	28.17
32	Manufacturing	27.83	25.16	24.71	21.79	21.15	22.74
33	Manufacturing	35.05	31.85	47.05	31.67	29.88	42.50
42	Wholesale Trade	9.75	9.84	11.53	9.24	8.94	11.47
44	Retail Trade	18.17	17.03	16.24	16.49	15.23	14.30
45	Retail Trade	21.21	19.05	18.51	21.62	18.22	18.71
48	Transportation and Warehousing	19.93	23.14	27.61	14.66	16.87	26.00
49	Transportation and Warehousing	42.27	130.83	53.60	44.08	76.63	42.32
51	Information	25.09	30.30	20.94	25.90	26.39	19.58
52	Finance and Insurance	11.32	19.36	13.70	13.38	19.76	13.49
53	Real Estate and Rental and Leasing	6.92	9.82	7.39	6.55	8.58	6.32
54	Professional, Scientific, and Technical Services	8.22	11.01	7.83	8.34	11.25	7.62
55	Management of Companies and Enterprises Administrative and Support and Waste	15.74	34.02	51.64	18.84	40.27	47.14
56	Management and Remediation Services	23.81	24.95	20.33	20.81	23.84	16.83
61	Educational Services	124.28	107.33	62.84	120.79	107.42	55.55
62	Health Care and Social Assistance	17.33	16.38	19.38	16.08	15.60	18.67
71	Arts, Entertainment, and Recreation	14.42	16.28	20.09	16.53	16.90	19.56
72	Accommodation and Food Services	17.29	19.81	17.90	15.88	18.77	15.44
81	Other Services (except Public Administration)	6.75	7.93	6.14	6.06	7.91	6.10
92	Public Administration	62.59	206.90	131.14	89.58	153.80	122.62
99		1.76	2.04	1.72	1.38	1.25	1.38
Average Firm Size		16.28	18.75	16.73	16.02	18.15	15.84

Source: Quarterly Census of Employment and Wages, 2009.

Appendix A3. Emerging Industries – More Detailed Analysis

To supplement the time-series analysis of industry groupings, the project team analyzed industries with employment at the three-digit level. Ninety-seven industries were represented at the three-digit level in the 2009 data, and 25 of those represented more than 1 percent of total employment in the seven subdistricts comprising the SW Corridor. Of those 25, 8 increased their share of employment² between 2002 and 2009:

- 425: Wholesale Electronic Markets and Agents and Brokers
- 524: Insurance Carriers and Related Activities
- 541: Professional, Scientific, and Technical Services
- 611: Educational Services
- 621: Ambulatory Health Care Services
- 622: Hospitals
- 624: Social Assistance
- 722: Food Services and Drinking Places

Some of these increases are likely the result of an evolving geo-coding process. And others – such as food services and drinking places – serve the local population, and as such, are not good candidates for targeted economic development efforts.

Of the industries which might be good candidates for focused economic development efforts, the analysis explored the industry at the finest grain available without violating confidentiality. In most cases, employment numbers and numbers of employers were sufficient to allow analysis at the 5-digit level, though in one case, analysis was limited to the three-digit level. This analysis yielded the following potential emerging industries:

- 42512: Wholesale Trade Agents and Brokers
- 52411: Direct Life, Health, and Medical Insurance Carriers
- 52412: Direct Insurance (except Life, Health, and Medical) Carriers
- 52421: Insurance Agencies and Brokerages
- 54111: Offices of Lawyers
- 54121: Accounting, Tax Preparation, Bookkeeping, and Payroll Services
- 54131: Architectural Services
- 54133: Engineering Services
- 61111: Elementary and Secondary Schools

² More than 0.3 percent.

- 61131: Colleges, Universities, and Professional Schools
- 62111: Offices of Physicians
- 62121: Offices of Dentists
- 62161: Home Health Care Services
- 622: Hospitals
- 62441: Child Day Care Services

Some of these industries are local-serving in nature, such as child day care services and offices of physicians and dentists, and as such, may not be good candidates for targeted economic development.

Appendix A4. Average Wages for Potentially Emerging Industries

NAICS	Industry Description	Within SW Corridor ³		Outside SW Corridor	
		Number of Employers	Mean	Number of Employers	Mean
42512	Wholesale Trade Agents and Brokers	519	\$86,607	1520	\$68,130
52411	Direct Life, Health, and Medical Insurance Carriers	26	\$68,707	14	\$71,894
52412	Direct Insurance (except Life, Health, and Medical) Carriers	61	\$69,029	65	\$59,611
52421	Insurance Agencies and Brokerages	288	\$70,692	525	\$48,792
54111	Offices of Lawyers	641	\$78,464	433	\$48,915
54121	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	239	\$61,161	559	\$37,551
54131	Architectural Services	84	\$65,053	92	\$48,972
54133	Engineering Services	166	\$78,978	233	\$69,644
61111	Elementary and Secondary Schools	62	\$36,584	566	\$37,643
61131	Colleges, Universities, and Professional Schools	15	\$57,299	35	\$40,126
62111	Offices of Physicians	124	\$54,253	846	\$84,831
62121	Offices of Dentists	206	\$47,439	688	\$46,856
62161	Home Health Care Services	11	\$32,444	36	\$32,917
622	Hospitals	5	\$67,758	20	\$54,985

Source: Quarterly Census of Employment and Wages, 2009.

³ Including Subarea 1, downtown Portland CBD.

Appendix A5. Location Quotient (LQ) Analysis

Location quotients are ratios used to compare the industrial activity level in a region to a base area. In this case, the comparison regions are the Portland Metropolitan region, Multnomah County, and Washington County, and the base area is the U.S. total.

Industry	Portland-Vancouver-Beaverton, OR-WA MSA	Multnomah County, Oregon	Washington County, Oregon
NAICS 11 Agriculture, forestry, fishing and hunting	1.33	ND	1.19
NAICS 21 Mining, quarrying, and oil and gas extraction	0.09	ND	0.15
NAICS 22 Utilities	0.51	0.72	ND
NAICS 23 Construction	1.06	0.9	1.03
NAICS 31-33 Manufacturing	1.22	0.84	1.81
NAICS 42 Wholesale trade	1.26	1.13	1.47
NAICS 44-45 Retail trade	0.9	0.78	0.94
NAICS 54 Professional and technical services	0.93	1.15	0.74
NAICS 55 Management of companies and enterprises	1.57	2.37	1.47
NAICS 56 Administrative and waste services	0.89	0.76	1.22
NAICS 61 Educational services	ND	1.29	0.96
NAICS 62 Health care and social assistance	ND	0.96	0.73
NAICS 48-49 Transportation and warehousing	0.96	1.42	ND
NAICS 51 Information	ND	1.08	1.45
NAICS 52 Finance and insurance	0.92	1.05	0.93
NAICS 53 Real estate and rental and leasing	ND	1.28	0.79
NAICS 71 Arts, entertainment, and recreation	0.95	0.97	0.89
NAICS 72 Accommodation and food services	0.93	1.08	0.71
NAICS 81 Other services, except public administration	1.17	1.25	0.83
NAICS 99 Unclassified	0.21	0.21	0.19

Source: Bureau of Economic Analysis, LQ Calculator.

At the 2-digit level, the structure of the regional economy reflects that of the nation, though the region posts somewhat more concentrated employment in industry codes manufacturing, wholesale trade, management of companies and enterprises, and agriculture, forestry, and fishing, though total employment in the resource-based code 11 is admittedly low.

At the 3-digit level, nuances in the economy become more pronounced, with higher concentrations of employment in the following 3-digit sectors:

- 316: Leather and Allied Product Manufacturing
- 331: Primary Metal Manufacturing
- 334: Computer and Electronic Product Manufacturing
- 451: Sporting Goods, Hobby, Musical Instrument, and Book Stores
- 511: Publishing Industries (except Internet)
- 551: Management of Companies and Enterprises

These higher concentrations indicate a likely traded sector. Any overlap between this list of industries and those noted in the analysis of corridor-wide employment trends would indicate industries which are both important to the regional economy as a traded sector and important to the SW Corridor as a potential emerging cluster. As noted in the analysis of corridor-wide employment trends, the industry codes with a higher concentration of employment in the Corridor at the three-digit level are:

- 425: Wholesale Electronic Markets and Agents and Brokers
- 524: Insurance Carriers and Related Activities
- 541: Professional, Scientific, and Technical Services
- 611: Educational Services
- 621: Ambulatory Health Care Services
- 622: Hospitals
- 624: Social Assistance
- 722: Food Services and Drinking Places

Though there is no overlap among these two lists of higher concentration industries, both lists provide lists of industries with higher likelihood of success, both to the region as a whole and specifically to the SW Corridor.

Appendix A6. Buyer / Supplier Linkage Analysis

Potentially emerging industries can be supported in a number of ways. One way is to encourage and support the related industries with whom they do business by understanding the linkage or independence of businesses, industries, and clusters. Buyer and supplier relationships can be analyzed using the nationally recognized IMPLAN economic model. The relationships among industries is captured and represented as the intermediate inputs of the industry of interest and the industries for which that industry is an intermediate input. Using this approach, the project team evaluated the buyer and supplier relationships of the following industries:

- Wholesale Trade
- Insurance Carriers
- Insurance Agencies and Brokerages
- Architectural, Engineering and Related Services
- Home Health Care Services

This appendix reports the top industrial purchasers and suppliers to these five potential emerging industries. This analysis utilizes the buyer and supplier relationships among industries for Multnomah and Washington Counties in Oregon.

Wholesale Trade

To provide wholesale trade services to the region's industries, households, and institutions, the wholesale trade sector purchases intermediate goods and services from 272 of IMPLAN's 440 industry sectors. Because some of these goods and services are not well represented regionally, the supplier list has been adjusted for regional purchase coefficients. The gross input rank and regional input rank of the top 30 industry suppliers in terms of the dollar value supplied to the wholesale trade industry, along with the percentage of regional inputs represented by each industry are shown in table below.

Top 30 Suppliers of Goods or Services to the Wholesale Trade Industry

Regional Input Rank	Gross Input Rank	Commodity Code	Description	Percentage of Regional Inputs
1	2	3377	Advertising and related services	9.2%
2	3	3381	Management of companies and enterprises	8.6%
3	1	3319	Wholesale trade distribution services	8.4%
4	4	3360	Real estate buying and selling, leasing, managing, and related services	6.8%
5	6	3339	Couriers and messengers services	5.4%
6	5	3357	Insurance	4.8%
7	7	3340	Warehousing and storage services	3.4%
8	11	3427	US Postal delivery services	3.0%
9	9	3351	Telecommunications	3.0%
10	12	3386	Business support services	2.9%

Regional Input Rank	Gross Input Rank	Commodity Code	Description	Percentage of Regional Inputs
11	13	3355	Nondepository credit intermediation and related services	2.7%
12	8	3374	Management, scientific, and technical consulting services	2.6%
13	15	3338	Scenic and sightseeing transportation services and support activities for transportation	2.4%
14	19	3382	Employment services	2.3%
15	16	3367	Legal services	2.3%
16	18	3354	Monetary authorities and depository credit intermediation services	2.2%
17	17	3368	Accounting, tax preparation, bookkeeping, and payroll services	1.8%
18	22	3362	Automotive equipment rental and leasing services	1.6%
19	24	3031	Electricity, and distribution services	1.5%
20	27	3389	Other support services	1.5%
21	26	3388	Services to buildings and dwellings	1.4%
22	23	3243	Semiconductor and related devices	1.4%
23	29	3413	Restaurant, bar, and drinking place services	1.3%
24	30	3335	Truck transportation services	1.2%
25	25	3376	Scientific research and development services	1.1%
26	20	3366	Leasing of nonfinancial intangible assets	1.1%
27	32	3373	Other computer related services, including facilities management	1.0%
28	33	3387	Investigation and security services	0.8%
29	37	3414	Automotive repair and maintenance services, except car washes	0.7%
30	39	3380	All other miscellaneous professional, scientific, and technical services	0.7%

Source: IMPLAN.

The top 30 purchasers of wholesale trade services are shown in the table below, along with the IMPLAN industry code and the percent represented of all industry-based intermediate commodity demand.

Top 30 Buyers of Wholesale Trade Services, Ranked by Value

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
1	243	Semiconductor and related device manufacturing	36.3%
2	319	Wholesale trade businesses	5.3%
3	413	Food services and drinking places	3.0%
4	234	Electronic computer manufacturing	2.0%
5	345	Software publishers	1.7%
6	394	Offices of physicians, dentists, and other health practitioners	1.6%
7	36	Construction of other new nonresidential structures	1.5%
8	397	Private hospitals	1.4%

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
9	66	Coffee and tea manufacturing	1.3%
10	38	Construction of other new residential structures	1.2%
11	113	Printing	0.9%
12	34	Construction of new nonresidential commercial and health care structures	0.9%
13	43	Flour milling and malt manufacturing	0.8%
14	107	Paperboard container manufacturing	0.8%
15	54	Fruit and vegetable canning, pickling, and drying	0.8%
16	247	Other electronic component manufacturing	0.8%
17	170	Iron and steel mills and ferroalloy manufacturing	0.8%
18	179	Ferrous metal foundries	0.8%
19	37	Construction of new residential permanent site single- and multi-family structures	0.8%
20	278	Heavy duty truck manufacturing	0.7%
21	432	Other state and local government enterprises	0.7%
22	55	Fluid milk and butter manufacturing	0.7%
23	69	All other food manufacturing	0.6%
24	253	Electricity and signal testing instruments manufacturing	0.6%
25	248	Electromedical and electrotherapeutic apparatus manufacturing	0.6%
26	396	Medical and diagnostic labs and outpatient and other ambulatory care services	0.6%
27	63	Cookie, cracker, and pasta manufacturing	0.6%
28	246	Printed circuit assembly (electronic assembly) manufacturing	0.6%
29	283	Motor vehicle parts manufacturing	0.6%
30	428	Federal electric utilities	0.5%

Source: IMPLAN.

Insurance Carriers

To provide insurance carrier services to the region's industries, households, and institutions, the insurance purchases intermediate goods and services from 131 of IMPLAN's 440 industry sectors. Because some of these goods and services are not well represented regionally, the supplier list has been adjusted for regional purchase coefficients. The gross input rank and regional input rank of the top 30 industry suppliers in terms of the dollar value supplied to the wholesale trade industry, along with the percentage of regional inputs represented by each industry are shown in the following table.

Top 30 Suppliers of Goods or Services to the Insurance Carrier Industry

Regional Rank	Gross Rank	Commodity Code	Description	Percentage of Regional Inputs
1	1	3358	Insurance agencies, brokerages, and related services	64.5%
2	2	3357	Insurance	12.3%
3	4	3367	Legal services	3.5%
4	5	3354	Monetary authorities and depository credit intermediation services	3.4%
5	3	3356	Securities, commodity contracts, investments, and	2.7%

Regional Rank	Gross Rank	Commodity Code	Description	Percentage of Regional Inputs
			related services	
6	7	3377	Advertising and related services	2.4%
7	8	3368	Accounting, tax preparation, bookkeeping, and payroll services	1.9%
8	12	3355	Nondepository credit intermediation and related services	1.2%
9	11	3383	Travel arrangement and reservation services	1.1%
10	14	3381	Management of companies and enterprises	0.9%
11	13	3360	Real estate buying and selling, leasing, managing, and related services	0.9%
12	10	3113	Printed materials	0.7%
13	9	3359	Funds, trusts, and other financial services	0.6%
14	15	3351	Telecommunications	0.5%
15	16	3382	Employment services	0.5%
16	18	3373	Other computer related services, including facilities management	0.4%
17	17	3365	Commercial and industrial machinery and equipment rental and leasing services	0.3%
18	19	3350	Internet publishing and broadcasting services	0.2%
19	20	3388	Services to buildings and dwellings	0.2%
20	22	3413	Restaurant, bar, and drinking place services	0.2%
21	23	3372	Computer systems design services	0.2%
22	25	3319	Wholesale trade distribution services	0.1%
23	26	3370	Specialized design services	0.1%
24	21	3366	Leasing of nonfinancial intangible assets	0.1%
25	27	3352	Data processing- hosting- ISP- web search portals	0.1%
26	28	3387	Investigation and security services	0.1%
27	29	3380	All other miscellaneous professional, scientific, and technical services	0.1%
28	24	3385	Facilities support services	0.1%
29	30	3338	Scenic and sightseeing transportation services and support activities for transportation	0.1%
30	37	3336	Transit and ground passenger transportation services	0.0%

Source: IMPLAN.

The top 30 purchasers of insurance carrier services are shown in the table below, along with the IMPLAN industry code and the percent represented of all industry-based intermediate commodity demand.

Top 30 Buyers of Insurance Carrier Services, Ranked by Value

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
1	361	Imputed rental activity for owner-occupied dwellings	11.0%
2	357	Insurance carriers	9.9%
3	394	Offices of physicians, dentists, and other health practitioners	8.8%
4	319	Wholesale trade businesses	6.3%
5	397	Private hospitals	6.1%
6	413	Food services and drinking places	4.6%
7	369	Architectural, engineering, and related services	3.6%
8	335	Transport by truck	3.3%
9	396	Medical and diagnostic labs and outpatient and other ambulatory care services	3.3%
10	398	Nursing and residential care facilities	2.4%

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
11	360	Real estate establishments	2.4%
12	356	Securities, commodity contracts, investments, and related activities	2.1%
13	345	Software publishers	2.0%
14	367	Legal services	1.5%
15	320	Retail Stores - Motor vehicle and parts	1.4%
16	332	Transport by air	1.4%
17	388	Services to buildings and dwellings	1.4%
18	422	Other personal services	1.1%
19	327	Retail Stores - Clothing and clothing accessories	1.0%
20	358	Insurance agencies, brokerages, and related activities	1.0%
21	324	Retail Stores - Food and beverage	0.9%
22	390	Waste management and remediation services	0.9%
23	411	Hotels and motels, including casino hotels	0.8%
24	366	Lessors of nonfinancial intangible assets	0.8%
25	329	Retail Stores - General merchandise	0.8%
26	338	Scenic and sightseeing transportation and support activities for transportation	0.7%
27	362	Automotive equipment rental and leasing	0.7%
28	414	Automotive repair and maintenance, except car washes	0.7%
29	322	Retail Stores - Electronics and appliances	0.7%
30	418	Personal and household goods repair and maintenance	0.6%

Source: IMPLAN.

Insurance Agencies

Top 30 Suppliers of Goods or Services to the Insurance Agency Industry

Regional Rank	Gross Rank	Description	Percentage of Regional Inputs
1	1	Insurance agencies, brokerages, and related services	44.8%
2	2	Real estate buying and selling, leasing, managing, and related services	8.7%
3	3	Employment services	8.1%
4	6	Insurance	4.7%
5	4	Telecommunications	4.1%
6	5	Management, scientific, and technical consulting services	3.5%
7	8	Monetary authorities and depository credit intermediation services	3.0%
8	10	Accounting, tax preparation, bookkeeping, and payroll services	2.2%
9	12	Legal services	2.1%
10	11	Services to buildings and dwellings	1.9%
11	13	Advertising and related services	1.6%
12	14	Automotive repair and maintenance services, except car washes	1.3%
13	16	Commercial and industrial machinery and equipment repairs and maintenance	1.1%
14	17	Restaurant, bar, and drinking place services	1.1%
15	7	Funds, trusts, and other financial services	0.9%
16	20	Other support services	0.7%
17	23	Couriers and messengers services	0.7%
18	22	Investigation and security services	0.7%
19	19	Automotive equipment rental and leasing services	0.6%
20	24	Business support services	0.6%
21	9	Office administrative services	0.5%
22	21	Air transportation services	0.5%

Regional Rank	Gross Rank	Description	Percentage of Regional Inputs
23	27	US Postal delivery services	0.5%
24	28	Environmental and other technical consulting services	0.5%
25	26	Electricity, and distribution services	0.4%
26	31	Scenic and sightseeing transportation services and support activities for transportation	0.4%
27	32	Management of companies and enterprises	0.3%
28	18	Printed materials	0.3%
29	25	Leasing of nonfinancial intangible assets	0.3%
30	36	Transit and ground passenger transportation services	0.3%

Source: IMPLAN.

Top 30 Buyers of Insurance Agency Services, Ranked by Value

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
1	357	Insurance carriers	63.7%
2	355	Nondepository credit intermediation and related activities	16.9%
3	358	Insurance agencies, brokerages, and related activities	11.2%
4	356	Securities, commodity contracts, investments, and related activities	2.7%
5	404	Promoters of performing arts and sports and agents for public figures	1.0%
6	393	Other private educational services	0.6%
7	394	Offices of physicians, dentists, and other health practitioners	0.6%
8	396	Medical and diagnostic labs and outpatient and other ambulatory care services	0.5%
9	381	Management of companies and enterprises	0.5%
10	407	Fitness and recreational sports centers	0.3%
11	359	Funds, trusts, and other financial vehicles	0.3%
12	320	Retail Stores - Motor vehicle and parts	0.2%
13	327	Retail Stores - Clothing and clothing accessories	0.1%
14	324	Retail Stores - Food and beverage	0.1%
15	329	Retail Stores - General merchandise	0.1%
16	376	Scientific research and development services	0.1%
17	322	Retail Stores - Electronics and appliances	0.1%
18	331	Retail Nonstores - Direct and electronic sales	0.1%
19	374	Management, scientific, and technical consulting services	0.1%
20	367	Legal services	0.1%
21	323	Retail Stores - Building material and garden supply	0.1%
22	383	Travel arrangement and reservation services	0.1%
23	380	All other miscellaneous professional, scientific, and technical services	0.0%
24	321	Retail Stores - Furniture and home furnishings	0.0%
25	330	Retail Stores - Miscellaneous	0.0%
26	336	Transit and ground passenger transportation	0.0%
27	328	Retail Stores - Sporting goods, hobby, book and music	0.0%
28	325	Retail Stores - Health and personal care	0.0%
29	389	Other support services	0.0%
30	382	Employment services	0.0%

Source: IMPLAN.

Architectural, Engineering, & Related Services

Top 30 Suppliers of Goods or Services to the Architectural, Engineering, & Related Services Industry

Regional Rank	Gross Rank	Commodity Code	Description	Regional Rank
1	1	3369	Architectural, engineering, and related services	10.8%
2	2	3357	Insurance	7.5%
3	4	3413	Restaurant, bar, and drinking place services	7.1%
4	6	3380	All other miscellaneous professional, scientific, and technical services	6.7%
5	7	3382	Employment services	6.2%
6	5	3360	Real estate buying and selling, leasing, managing, and related services	5.9%
7	8	3354	Monetary authorities and depository credit intermediation services	5.7%
8	3	3374	Management, scientific, and technical consulting services	4.8%
9	10	3373	Other computer related services, including facilities management	4.0%
10	9	3351	Telecommunications	3.5%
11	14	3381	Management of companies and enterprises	2.5%
12	16	3370	Specialized design services	2.5%
13	15	3367	Legal services	2.4%
14	11	3368	Accounting, tax preparation, bookkeeping, and payroll services	2.1%
15	18	3389	Other support services	1.9%
16	17	3388	Services to buildings and dwellings	1.8%
17	22	3386	Business support services	1.5%
18	25	3377	Advertising and related services	1.3%
19	21	3362	Automotive equipment rental and leasing services	1.2%
20	29	3375	Environmental and other technical consulting services	1.2%
21	20	3332	Air transportation services	1.1%
22	24	3039	Maintained and repaired nonresidential structures	1.1%
23	26	3319	Wholesale trade distribution services	1.1%
24	19	3366	Leasing of nonfinancial intangible assets	0.9%
25	35	3427	US Postal delivery services	0.8%
26	28	3376	Scientific research and development services	0.8%
27	36	3387	Investigation and security services	0.7%
28	37	3336	Transit and ground passenger transportation services	0.6%
29	39	3372	Computer systems design services	0.6%
30	40	3422	Other personal services	0.6%

Source: IMPLAN.

Top 30 Buyers of Architectural, Engineering, & Related Services, Ranked by Value

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
1	36	Construction of other new nonresidential structures	19.8%
2	432	Other state and local government enterprises	9.4%
3	34	Construction of new nonresidential commercial and health care structures	7.8%
4	243	Semiconductor and related device manufacturing	7.2%
5	369	Architectural, engineering, and related services	6.4%
6	38	Construction of other new residential structures	4.6%
7	39	Maintenance and repair construction of nonresidential structures	4.4%
8	428	Federal electric utilities	3.5%
9	37	Construction of new residential permanent site single- and multi-family	3.1%

Buyer Rank	Industry Code	Description	Percent of All Intermediate Demand
		structures	
10	351	Telecommunications	3.1%
11	372	Computer systems design services	1.9%
12	360	Real estate establishments	1.5%
13	375	Environmental and other technical consulting services	1.3%
14	430	State and local government passenger transit	1.2%
15	376	Scientific research and development services	1.1%
16	35	Construction of new nonresidential manufacturing structures	1.1%
17	319	Wholesale trade businesses	0.9%
18	361	Imputed rental activity for owner-occupied dwellings	0.9%
19	381	Management of companies and enterprises	0.7%
20	113	Printing	0.6%
21	286	Other aircraft parts and auxiliary equipment manufacturing	0.6%
22	62	Bread and bakery product manufacturing	0.6%
23	345	Software publishers	0.6%
24	423	Religious organizations	0.5%
25	354	Monetary authorities and depository credit intermediation activities	0.5%
26	356	Securities, commodity contracts, investments, and related activities	0.5%
27	15	Forestry, forest products, and timber tract production	0.5%
28	66	Coffee and tea manufacturing	0.4%
29	429	Other Federal Government enterprises	0.4%
30	396	Medical and diagnostic labs and outpatient and other ambulatory care services	0.4%

Source: IMPLAN.

Home Health Care

Top 30 Suppliers of Goods or Services to the Home Health Care Industry

Regional Input Rank	Gross Input Rank	Commodity Code	Description	Percentage of Regional Inputs
1	1	3360	Real estate buying and selling, leasing, managing, and related services	16.9%
2	3	3382	Employment services	13.5%
3	4	3381	Management of companies and enterprises	7.5%
4	5	3357	Insurance	5.9%
5	6	3351	Telecommunications	4.8%
6	11	3354	Monetary authorities and depository credit intermediation services	4.2%
7	8	3319	Wholesale trade distribution services	4.1%
8	10	3388	Services to buildings and dwellings	3.7%
9	9	3365	Commercial and industrial machinery and equipment rental and leasing services	3.1%
10	13	3368	Accounting, tax preparation, bookkeeping, and payroll services	3.1%
11	16	3367	Legal services	2.8%
12	15	3377	Advertising and related services	2.7%
13	14	3374	Management, scientific, and technical consulting services	2.2%
14	19	3413	Restaurant, bar, and drinking place services	2.0%
15	18	3356	Securities, commodity contracts, investments, and related services	1.6%
16	20	3362	Automotive equipment rental and leasing services	1.4%
17	21	3387	Investigation and security services	1.2%

Regional Input Rank	Gross Input Rank	Commodity Code	Description	Percentage of Regional Inputs
18	17	3149	Other plastics products	1.2%
19	24	3427	US Postal delivery services	1.0%
20	22	3031	Electricity, and distribution services	1.0%
21	26	3373	Other computer related services, including facilities management	0.9%
22	33	3386	Business support services	0.7%
23	34	3380	All other miscellaneous professional, scientific, and technical services	0.7%
24	12	3384	Office administrative services	0.7%
25	30	3039	Maintained and repaired nonresidential structures	0.7%
26	36	3335	Truck transportation services	0.6%
27	28	3332	Air transportation services	0.6%
28	39	3339	Couriers and messengers services	0.6%
29	23	3157	Other pressed and blown glass and glassware	0.5%

Source: IMPLAN.

Unlike the other potential target industries, purchasers of home health care services are typically households as final-demand purchasers, not other industries, so the commodity balance sheet for home health care services does not apply.

APPENDIX B – ECONOMIC DEVELOPMENT FOCUS GROUP DISCUSSION

In addition to input from local jurisdictions, effectiveness of the SW Corridor planning process depends on a broad range of public input. For economic development, business perspectives are particularly useful as a means to cross-check public agency interests as well as to identify other issues or factors that may affect employer expansion or location decisions in the Corridor.

A business focus group session was conducted June 29, 2012 as an initial discussion of corridor-wide economic development issues and objectives important to set the stage for the broader discussion for the fall economic summit. The following individuals participated in this informal framing conversation:

Participants:

- Nancy Bruton - Sherwood Chamber of Commerce
- Cheryl Dornan - West Coast Bank, Tualatin Chamber of Commerce
- Jonathan Schlueter - WEA
- Eric Sporre - PacTrust
- Ramsey Weit - Community Housing Fund

Project Team:

- Brian Harper - Metro
- Jenn Tuerk - Metro
- Eric Hovee - E. D. Hovee & Company, LLC

At the focus group, participants were provided with several 1-page handouts including maps of the SW Corridor showing focus areas and work trip patterns, review of corridor-specific employment data, and a listing of local jurisdiction economic development planning summaries. What follows is a review of major discussion topics and participant comments.

Advantages & Disadvantages of Doing Business in the SW Corridor

Not surprisingly, while advantages of doing business in the SW Corridor are substantial (or even growing), much of the discussion centered on issues or disadvantages faced by Corridor businesses.

Advantages relate to attributes of an increasingly diverse business base, destination activity and residential lifestyle. *Disadvantages* centered on issues related to transportation access and mobility, shovel-ready employment land, housing choice and affordability, and economic development leadership.

Advantages:

- While SW Corridor retail and service business development has been strong in recent years (even through a period of recession), there has also been good experience with added traded sector employment.
- Much of the added industrial (traded sector) job development has been facilitated at Corridor locations that still have employment land, with Tualatin cited as a prime example.
- The SW Corridor is becoming more of a business destination than in the past, most recently exemplified by Bridgeport Village which attracts customers from throughout the Portland metro region and beyond for lifestyle retailing.
- A long-term advantage is the lifestyle opportunity available to younger families with children who may transition from urban multi-family to lower density single family communities – as are represented by the SW Corridor.

Disadvantages:

- Issues with traffic congestion were noted by several participants – including specific reference to Tigard and Tualatin (as “very difficult places to get around”). Transportation corridors specifically noted with congestion that affects business operations and location decisions include Highway 217, 99W and Tualatin-Sherwood Road. At present, there is no transit service along the Tualatin-Sherwood corridor despite substantial employment activity.
- A challenge is getting people out of their cars or to major destinations in the Corridor. Poor east-west access means that there is often considerable “out of direction” travel on the west side, especially within the prime 20-25 minute commute-shed.
- A related concern is with industries that need to move freight to the I-5 freeway (as in Tualatin).
- While transit provides connections between the SW Corridor and other destinations in the metro region, intra-corridor service is neither comprehensive nor consistent. For example, a transit passenger can get to but not around Tualatin. Transit service also does not always align well with needs of shift workers in industries or institutions such as hospitals.
- “There are big challenges to get big companies.” This includes the reality of needing to work within the UGB for large shovel-ready sites to secure economic development investments.
- Due to reduced availability of vacant greenfield employment lands and cost of providing infrastructure as with recent UGB expansions, redevelopment can be expected to be “the theme” for much of the Corridor in the years ahead (with possible exception of the Tualatin-Sherwood area if infrastructure funding can be secured).

- Housing demand is currently stagnant and the longer term outlook is as yet unclear. At some point, younger families are expected to continue historical patterns of moving to homeownership benefitting SW Corridor communities. However, doubt was expressed as to whether older baby boomers will actually downsize or give up their homes. If older adults age in place, this could increase the demand for supportive services but also shrink the pipeline of housing available to younger adults.
- There was note of the way that discussion of jobs-housing balance tends to “bounce back and forth” as to what an appropriate balance should actually represent. *Note:* This is similar to the observation in the *Existing Conditions Executive Summary* for the SW Corridor Plan that the Corridor “lacks a balance of housing choices” serving varied needs from students living alone to families to retirees.
- Concern is expressed that low income employees may be disadvantaged because of the rise in the cost to live in the SW Corridor. Another suggestion is to focus more on “livability balance” rather than jobs-housing balance. People are always changing jobs, so while long commutes may not be preferred, this is still an “issue of choice.”
- Lack of a county-wide public sector economic development agency is cited as a potential concern. While there are a wide variety of organizations involved in regional or local jurisdiction economic development, none has an explicitly SW Corridor focus. Washington County has no economic development agency but is clearly critical for its influence on major business and development decisions.

A related question was asked as to whether the SW Corridor has a *brand identity* that represents either existing Corridor strengths or future potentials. Participants were not entirely certain of what that brand might represent (at least in a positive sense). Rather, images that the Corridor currently presents across the metro region include perceptions of traffic congestion, lack of viable mobility and access with viable “options to get around this area,” and apparent need for redevelopment of the 99W retail commercial / drive-through strip.

Local Jurisdiction Economic Development Planning

A question asked of focus group participants was whether the background information presented to participants regarding job and transportation trends coupled with local jurisdiction economic development planning provides a reliable overview of the SW Corridor economy. Responses are noted as follows:

- The overall visions and goals appear to reflect different ideas or priorities rather than a consensus vision for the SW Corridor. However, local jurisdiction aspirations as expressed “on paper” may not reflect the reality of what is actually now taking place. For example, what happens if the market delivers something different than what is planned – as with potential continued need for warehouse and distribution activity requiring large amounts of building space and land area but at relatively low densities of employment?

- Several comments were also made regarding the employment data being compiled with this strategic planning process. Questions were raised as to what may comprise a large business and need for comparative wage information. Interest is also expressed in linking up with WorkSource for more data regarding the match between employer needs and labor skills, as well as with better understanding of sub-regional workforce commute patterns.
- Also noted is that the geographic area encompassed by the Corridor might be expanded, for example, to include nearby jurisdictions that interact with the Corridor as currently defined. Potential inclusion with the SW Corridor is suggested for Wilsonville, which is a net importer of workers and has had “good absorption” of employment demand with recovery from the recession.

Best Opportunities

Focus group participants were asked to identify what the best opportunities might be – whether looking ahead over the next 3-5 years, or longer term beyond 5 years. While there was little explicit delineation of the timing sequence of opportunities expressed, it was clear that participants were focused more on the near-term – as needed not just for economic recovery but as to set in place building blocks critical for economic vitality longer term. Suggestions made by focus group participants were to:

- Invest within the current and recently expanded UGB – to better accommodate needs of major employers together with supportive business and institutional development, explicitly linked to residential, and recreational amenities.
- Aim for more campus-style industrial and flex business park development. Bring in bigger employers – both new investments by national employers and expansions from existing local companies.
- Focus major industrial investments toward the Tualatin, Sherwood, and Wilsonville areas – all of which may share a similar vision and with vacant land to support added employment base.
- Solve transportation issues to mitigate the need for building moratoria in places like Tualatin and the Tigard Triangle.
- Redevelop the 99W corridor for higher density uses – including affordable and mixed income, mixed use options. Development within Metro identified focus areas can be expected to come first.
- Encourage “anything to support small business and indigenous growth,” especially within established business districts. For existing major arterials, there will need to be more focus on addressing the question of: “do retailers really want the transportation infrastructure?”
- Pursue the economic development potential offered by a potential future I-5 / 99W road connector. Continued interest is expressed in option for a Westside bypass route

connecting the SW Corridor to Highway 26. While located beyond the SW Corridor, the planned Newberg-Dundee bypass (on 99W) can also be expected to benefit economic development prospects in the Corridor.

When asked what one public sector investment could make the biggest difference, the primary response was for local jurisdiction and regional prioritization for supporting transportation infrastructure – with particular focus on improving Tualatin-Sherwood Road capacity.

The biggest question mark is whether the communities of the SW Corridor are prepared to support HCT, especially if this is in the form of an added MAX light rail line. Concerns are expressed with perceptions of safety issues associated with light rail.

A resulting suggestion is to “fix existing needs first.” HCT implementation may be deferred pending success experienced with addressing other pressing near-term transportation and transit needs of SW Corridor communities. This investment agenda should include balanced emphasis on both redevelopment and greenfield development.

Preparation for SW Corridor Economic Summit

To wrap up the focus group discussion, suggestions were encouraged as to the possible format, substance and participants to involve in a SW Corridor Economic Summit.

Suggestions as to participants include:

- Both commercial and residential interests
- City officials and economic development personnel – including involvement of affected jurisdictions located just beyond the boundaries of the SW Corridor as currently defined
- Local chambers of commerce
- Workforce training and employment organizations
- Representatives of major employers
- Representatives of major retail developments (Bridgeport Village, Nyberg Woods, Washington Square) and retailers (such as Costco, Fred Meyer, Walmart)

As to topics, the agenda should cover results of this economic development and strategic planning initiative for the SW Corridor. Specific topics of interest as expressed by focus group participants include more focus on east-west mobility, a vision for 99W as more than a retail “drive-through”, relationship of retail environment to transit service, area-wide concerns with MAX light rail, affordable housing options, and the future of urban renewal redevelopment funding.

APPENDIX C – ECONOMIC DEVELOPMENT SUMMIT

With completion of a Phase 1-2 background report with this economic development planning process, an Economic Summit was held at the Tigard City Library on November 14, 2012. The event was convened to bring together various employers from throughout the SW Corridor, ranging from large organizations to small business owners.

Participation was by invitation and structured for maximum productive use of time by invitees. but open to public participation with the event honoring all legal requirements for public meetings. Twenty three individuals participated, listed as follows.

Economic Summit Participants:

- Dennis Allen - Zidell Marine Corporation
- Frank Angelo - Westside Economic Alliance
- Jonae Armstrong - Westside Economic Alliance
- Ron Audette - Center Cal Properties
- Nancy Bruton - Sherwood Chamber of Commerce
- Kate Chester - Portland Community College
- Pam Child - Westside Economic Alliance
- Michael Denton - small business owner
- Cheryl Dorman - West Coast Bank
- Theresa Dunham - Westside Economic Alliance
- Cam Durrell - Les Schwab Tire Center of Sherwood
- Susan Foote - Shorenstein
- Mark Fryburg - PGE
- Gail Hardinger - Fujimi
- John Kuypers - Tualatin Chamber of Commerce
- Linda Moholt - Tualatin Chamber of Commerce
- Jeff Nudelman - Harsch Investment
- Bryce Payne - Wells Fargo
- Kelly Ross - NAIOP Commercial Real Estate Development Association
- Greg Specht - Specht Properties
- Joseph Troccoli - McLane Foods
- Ed Trompke - Westside Economic Alliance
- Robert Wagner - Portland Community College

Summit Objectives:

- Present summary information about what has been learned to date regarding SW corridor employment trends, competitive position, measures for success, and investment alternatives.
- Exchange views and opinions among the participants about what the focus of economic development in the SW Corridor should be, moving forward.
- Obtain buy-in from the group on a set of short term and long term investments that will promote economic growth in the corridor.
- Utilize the feedback to determine the appropriate criteria and types of projects for inclusion in future investment packages

The economic summit included table discussions among smaller groupings of business representatives. Discussion was facilitated by Metro staff and economic development consultant Eric Hovee.

What follows are summary observations from discussion at each of the tables in response to these questions. These observations are organized around primary themes of discussion – including highest priorities for public and private investment, opportunities for marketing the SW Corridor, development opportunities, and engaging the business community.

Highest Priorities for Public and Private Investment

Discussion centered on overall objectives related to transportation and other economic development needs together with more focused discussion of HCT options for the corridor.

Overall Objectives:

- The major transportation challenge is mobility—both freight and employees
 - PCC growth occurred slowly and with difficulty due to lack of freight mobility and mass transit options
 - “If we can’t move we can’t do business...if we can’t get our products or take away our trash, we can’t exist.”
 - Still need an I-5/99W Connector
 - Businesses can’t get their supplies in and out
 - If you can’t get to and from places—these places can’t exist, thrive
- Current mass transit options are not cost/time effective, particularly for Sherwood residents, employees and commuters.
 - “Sherwood is a job hub with no ability for people to get here and back.”
- Linking transit development with investments in roads—needs to be a two-pronged approach
- Tri-Met is perceived as “broke” and there is a question of who should be running the transit service going forward.
- Transit should be moved off the 99W corridor

- Housing and employment mix should be a focus; more jobs create more housing demand
- Any transit plan can't be just about connecting Portland but needs to serve the broad corridor.
 - Current Tri-Met schedule doesn't support businesses and their employees
- On Kruse Way, larger employers are looking for a place with transit options
 - Inhibiting growth in this area because tenants want transit
- Participants expressed a need for transit links to the North Wilsonville industrial area
 - Involve Wilsonville in freight conversations
- "Tualatin is one of the most transit starved cities I've ever seen."
 - No connectivity—system needs to be more integrated (lacking East-West connection)
 - Critical to focus on getting people to, from and around Tualatin.
 - Industrial areas run employment 24/7, yet have no access
 - Tualatin-Sherwood road is a "nightmare."
- People still want to have the option of driving their car
 - Car shares are good alternatives (i.e. zip car, car 2 go)
 - Toll roads, usage fees
 - Not a lot of support for removing a lane for bike use

High Capacity Transit (HCT):

- The primary beneficiaries of HCT will be those along the corridor, but what about everyone else?
 - Make sure that the plan isn't "Portland-centric"
 - Places between stations won't see the benefits
 - There are still lingering issues with perceived crime along HCT lines
- Businesses are concerned about operating costs/business taxes for service
- Linking HCT to education hubs—how are students currently getting where they need to go and how can that be improved?
- How can Multnomah and Washington counties work together to facilitate project/funding?
- Too much space constraint on Barbur Boulevard for HCT to be feasible
- How will construction affect existing businesses?
- Safety is a major challenge/concern
 - Participants expressed concern about the potential of HCT bringing crime into their cities and neighborhoods

Opportunities for Marketing the Southwest Corridor

Participant comments clustered around themes including education, retail and natural resources.

Education:

- Looking at the corridor through an education prism
 - Spatially, the metro area and the corridor have a marketable education center
 - Education is a major opportunity—many job linkages to education
 - Would be beneficial to factor in a sustainability element

Retail:

- Highlighting retail elements in areas like Tigard, Tualatin and Burlingame (i.e. Bridgeport Village, Fred Meyer, etc.)
 - “I couldn’t imagine living somewhere without a Fred Meyer.”
- Making 99W a destination rather than an eyesore
- Linking transit options to retail destinations
 - If you give people the opportunity to use transit to get places, those places become more attractive destinations

Natural Resources:

- Focus on the areas that make the corridor special and unique (wildlife refuges, Fanno Creek, Tryon Creek, Tualatin River, etc.)
- Regional trail system needs more support

Opportunities for Development

Discussion centered on opportunities for coordinated public-private development planning and investment.

- Incentivize 99W redevelopment - Barbur already showing signs of improvement
- Create delivery system between commuter rail and where people want to go (connections between Sherwood, Kruse Way, etc.)
- Tap into the “creative/hipster” class
 - Need additional office space
 - Create opportunities to ride bikes to work spaces
- Make areas more pedestrian friendly
- Give bicyclists safer crossings, lanes, and trails
 - Boones Ferry and Scholls Ferry need bike lanes and crossings
 - Add bike corrals to meet biking demands
- Build upon the amenities that are already there (i.e. trails)
- Find short-term improvement
 - Rapid bus would be popular
- Leviton area
 - Need to create a sense of community here
 - No places to go to lunch, walk around and this discourages transit use

- Tigard Triangle
 - Interested in land use changes similar to those Beaverton had around transit stations

Engaging the Business Community

Participants had numerous suggestions for means of more effectively engaging the business community in tech-savvy ways that provide opportunity for maximum involvement while respecting the limited time availability of people who are on-the-go.

- Keep the time and the message focused, business leaders can lose focus during long-term studies
 - Be specific with what you communicate and make sure you have something worth talking about before engaging the business community
- People want to see results and a relationship between their input the plan outcomes
 - How did you take what we said and utilize it in your plan?
- Businesses want to see a direct benefit from engaging in planning process
 - Incentivize engagement—businesses are open to discussion if there is an incentive for them or their employees
 - Make is easy for businesses to say ‘yes’
- Work with:
 - Westside Economic Alliance
 - Local Chambers of Commerce
 - Oregon Trucking industry
 - Trade associations
- Identify and assure a return on investment
- Target specific businesses that you want to see engaged at the front end
 - Identify these people/businesses early on and don’t undervalue their input
- Engage early
 - Ask about business plans
 - Have a call to action with a link to quick info—pain motivates
 - Let businesses know “*why* you are going to do something...I may not agree but I will support it if I understand *why*.”
 - Show a willingness to listen and employ feedback
 - Solicit input directly from employees
- Social media
 - Smartphones, facebook, twitter, etc. (more online engagement)
 - Lots of demand on business leaders’ time—something that is short, sweet, and to the point
- Gathering smaller groups of business people (30-50 people) to create a real dialogue
- Utilize direct mailings more
 - Direct communication is best between businesses and government
- Utilize e-mail

- Most businesses don't have time for paper
 - Tap into Chamber of Commerce e-mail chains
 - Use engaged businesses and have them forward to their clients/other businesses
- Keep businesses informed on changing trends
 - What are the desired communities?
- Businesses tend to be reactive
 - Respond to proposals rather than ground floor discussions

APPENDIX D – FRAMING INVESTMENT ALTERNATIVES

This appendix provides a brief overview of Metro-prepared planning documents related to identification of potential investment alternatives for the SW Corridor. This background information has served as a resource for evaluating alternatives in the context of facilitating Corridor-wide and jurisdiction specific economic development opportunities.

Planning activities considered include background work completed to date on the SW Corridor Plan augmented by Metro sponsored Regional Infrastructure Analysis, Community Investment Initiative, and preliminary transportation project identification.

Southwest Corridor Planning Process:

While not focused directly on economic development, the *Existing Conditions Executive Summary* (April 18, 2012) highlights the economic significance of this Corridor (including downtown Portland) which accounts for one-quarter of the employment in the metro region as compared with 13% of the region's population. Also noted are:

- Regional importance of Corridor institutional destinations including OHSU, PSU and the PCC Sylvania campus.
- Lack of transportation options and resulting congestion affecting critical portions of the Corridor with high employment density – as between Sherwood and Tualatin.
- Significant travel demand from the southern Corridor north toward Beaverton and Hillsboro.
- Issues of steep terrain and major freeway locations creating barriers that obstruct connectivity – as in the Tigard Triangle area, and in proximity to the I-5, OR-271 and Highway 99W roadways.
- Areas with single land uses (whether jobs or housing) that are likely to experience higher levels of traffic congestion, as compared with neighborhoods “rich in employment” that often have better transportation options.

The SW Corridor Plan process outlines a mechanism for measurable assessments that will facilitate getting “from vision to criteria.” The Plan is intended to build on existing corridor-wide and local jurisdiction plans together with private development and investments in public infrastructure.

A shared investment strategy will identify early opportunities including projects with committed funding that can move to immediate funding. The theme of economic prosperity is to be encouraged by objectives to stimulate potential for private investment and support a wide variety of employment. The theme of access and mobility emphasizes improving access to places where “people live, work, play and learn” and improving freight transportation for regional business competitiveness.

Preliminary work by Metro staff has involved the preparation of a preliminary *evaluation measures matrix*. The matrix is organized by major theme. Examples of economic development related evaluation measures suggested with the theme of economic prosperity are jobs, minimization of business displacements, change in land use efficiency, and distribution of jobs by type.

Listed with the theme of access and mobility are measures related to households and employment in proximity to conventional or high capacity transit , work trip travel times (via auto and transit), and travel time between select corridors, industrial and freight areas. The theme of health includes a suggested measure of households within 0.5 miles of mixed use development – as potentially related to economic development with commercial use. Identified with the theme of accountability and partnership are measures of capital and operating costs for projects being considered.

Taken together, these planning themes and preliminary measures serve as useful points of reference to further articulate criteria for measuring success with economic development – as detailed in the next section to this report.

Regional Infrastructure Analysis:

Metro's *Regional Infrastructure Analysis* (July 2008) both documents the extent of the region's infrastructure funding deficit and provides recommended criteria for future funding. Through 2035, the estimated cost of public and private facilities needed to accommodate forecast job and housing development in the three-county Portland region is estimated at \$27-\$41 billion.

Traditional funding sources are expected to cover only about half that amount, leaving a funding gap in the range of \$15-\$20 billion. Even without accounting for population and employment growth, \$10 billion would be required just to repair and rebuild existing infrastructure.

A series of 15 criteria are outlined in matrix format as regional funding eligibility criteria:

- Legal precedence in Oregon
- Current use in the Portland region
- Overall simplicity (easy to understand / convey)
- Implements 2040 policy objectives
- Equity among affected stakeholders
- Ease of integration with existing governments
- Potential revenue generation
- Stability of annual revenues
- Ability to be used for annual operations and maintenance

- Flexibility of the revenues
- Annual implementation / administrative costs
- Ability to leverage federal or state funds
- Ability to leverage local public / private funds
- Likely to receive voter approval
- Consistency with other financing techniques used by local governments

Some of the regional criteria are more important when considering infrastructure needs specific to economic development in the region's SW Corridor. Criteria most relevant to economic development in this Corridor are likely to include ease of integration with existing local priorities and ability to leverage private investment.

A pivotal funding principle standing behind these criteria is to recognize "return on investment" (or ROI) in making public investment decisions in already urban as well as newly urbanizing areas. How this return is most appropriately measured may take different forms. Examples of quantitative measures could include increased tax revenues, improved housing or more jobs. Qualitative benefits might also be considered, as with strong and livable communities.

Other related recommendations for action include coordination of regional partners, increasing public awareness of infrastructure needs and priority setting, and encouraging new technologies to increase the efficiency and sustainability of infrastructure systems.

Community Investment Initiative:

Recognizing the challenge posed by this looming funding gap, Metro has proceeded to form a regional investment partnership intended to result in a community investment strategy. The partnership involves an independent council of leaders from diverse backgrounds including business, public agencies and community advocacy.

The goal of the strategy will be to bring together regional and state resources to help close the apparent gap between the region's needs and financial resources. Key elements of the strategy are expected to cover maintenance of existing public structures and assets, region-wide efficiencies, and targeting "new investments to accommodate long-term population growth, spur innovation and generate jobs." While implementation of the SW Corridor Plan will be specific to one geographic segment of the metro area, there will be the opportunity and need to link this corridor-specific strategy to the broader region-wide investment initiative.

Transportation Projects:

As is the case throughout the metropolitan area, a major focus of Metro SW Corridor planning is for transportation related projects – covering a range of modes including auto,

freight, transit, biking and pedestrian functions. Preliminary SW Corridor project listings as of July 2012 include:

- 517 planned and programmed (primarily preservation) projects. Of these, 414 projects have cost estimates totaling \$7.8 billion – to be implemented over a multi-year time horizon extending to 2035.
- 72 projects for increased capacity (including widening and new roadway projects). Of these, 68 have project cost estimates in hand – totaling an estimated \$2.0 billion of identified road transportation investment projects.

These project listings include information regarding a range of factors that might be important in assessing project viability or priority. Potential project factors that relate most to economic development opportunity include ability to serve freight as well as auto / non-auto modes, capacity improvements (versus preservation), emphasis on near-term projects, sufficient project planning to encompass cost estimates, and projects that would retain significance in a low-build 2035 scenario.

Economic development considerations do not appear to be directly identified as part of the current planning framework. Factors that could be considered as possible additions to this matrix approach include ability to better facilitate the work commute and near-term ability to leverage job generating investment (with adaptive reuse, redevelopment, and/or new development).

Taken together, these regional plus corridor-specific analyses provide information useful to begin the process of identifying potential criteria for measuring economic development success in the SW Corridor. Other listings of potential importance to Corridor economic development are currently in process with Metro. These include green infrastructure and transit-related project development. Results of these analyses can be incorporated as available and relevant to corridor-wide economic development.