

# Southwest Corridor Economic Development

Economic Development Conditions,  
Stakeholder Perspectives  
& Investment Alternatives

April 16, 2013

*Executive Summary*



Metro | *Making a great place*

## INTRODUCTION TO SW CORRIDOR ECONOMIC DEVELOPMENT

Metro and its regional partners are working collaboratively to prepare a comprehensive land use and transportation plan for the Southwest Corridor extending 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.

A pivotal objective of the Southwest Corridor Plan is to identify investments that will promote and facilitate economic development. This economic development analysis 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.

A preliminary economic development analysis has been prepared with the objectives of:

- Documenting existing and projected economic development conditions
- Focused on investment alternatives to promote economic development both short- and long-term
- Identify business perspectives from a 2012 Economic Summit and potential priority actions for implementation.

What follows is a summary of observations and findings from this background report.

## ECONOMIC DEVELOPMENT GOALS & OBJECTIVES

Of the eight incorporated SW Corridor communities, all but the smaller jurisdictions of King City and Durham have prepared 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. Specifically noted is that 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 continued 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 instrumental to realization of longer term SW Corridor planning objectives.

### **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) extending along Barbur Boulevard to Tigard and possibly further south and east to the Tualatin / Sherwood communities.

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 added higher wage 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 business clusters as with distribution companies 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 2012.

### **Initial Focus Group:**

Consistent with local jurisdiction planning and employment data evaluated, those involved in the initial focus group cited *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.

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. In effect, a corridor-wide investment agenda should include balanced emphasis on both redevelopment and greenfield development.

### **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 faces with the Corridor's business community is concern over the long planning horizon between planning and implementation – creating a clear impetus for near-term action to build credibility and momentum.

## 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.

In addition to planning for long-term HCT and other priorities, it may prove pivotal to frame an achievable, short term corridor economic development investment strategy – yielding 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 could 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 likely will be driven by clear demonstration of near term resource availability and expressed interest from the most directly benefited communities, business and development organizations. Criteria are subject to refinement based on review by public and private stakeholders. As follow-on to this initial background assessment, an implementation plan process is anticipated to encompass the evaluation of more specific investment choices from an economic development perspective together with associated priority recommendations.

---

This background report has been prepared for Metro by the economic and development consulting firm E. D. Hovee & Company, LLC and Bonnie Gee Yosick<sup>llc</sup> specializing in economic and policy analysis. For a full copy of the report, please visit <http://www.swcorridorplan.org/>