

Economic Development Overview

Presenter: Jerry Johnson, Johnson Economics

Training Session 1 – September 12, 2024

Key Point: Economic development is not just about growth but involves strategic interventions in the market to achieve desired outcomes.

It was noted that local economic development requires the allocation of limited resources to positively impact business activity, employment, income distribution, and fiscal solvency. It is important to keep the public grounded and avoid unrealistic expectations during visioning and outreach processes.

Business Retention, Expansion, and Attraction

Johnson emphasized that economic development strategies should focus on the retention, expansion, and attraction of businesses, while addressing workforce needs and site availability. Growth in sectors like construction and real estate is important, but not the only priority.

Action Item: Consider how different types of employment and job distribution can benefit the local community.

Housing as a Critical Factor

Housing availability and affordability were highlighted as crucial elements for economic development. These factors directly impact the city's ability to attract employees and businesses.

Discussion: A comparison was made with Hubbard, Oregon, which has seen over 6% annual employment growth in the past decade, but Metro's forecast predicts no new jobs in manufacturing, transportation, warehousing, or utilities.

Challenges with Retail Development

The goal of attracting diverse retail businesses to Willamette and the Highway 43 Corridor was discussed.

Challenges Identified: High rental costs and difficulties in securing tenants were cited as significant barriers.

Action Item: Focus on creating a retail environment that supports business success and generates sufficient revenue.

Policy Considerations

Housing Policy: There was a detailed discussion on the importance of housing policies, commuting patterns, and educational attainment in shaping economic development outcomes.

Market Interventions: The use of tools such as gap analyses and subsidies were suggested to incentivize developers and shift market outcomes. Developers also value tax abatements, like ten-year property tax exemptions for mixed-use developments.

Zoning and Development

Discussion: Careful zoning was stressed as crucial to avoid over zoning or unrealistic expectations, which could result in stalled development. Retail development in Willamette faces challenges, and building codes and restrictions may need revision.

Action Item: Review current zoning regulations and building codes to ensure they align with community goals.

Public-Private Partnerships

Public-private partnerships and financing for tenant improvements were identified as ways to help local tenants compete with national chains.

Community Outreach: It was noted that the community often seeks change but may not always be fully aware of what that entails. Ongoing public education and outreach efforts will be important.

Conclusion

The meeting concluded with a discussion on higher-density housing. Although more expensive, higher-density developments could unintentionally lead to more affordable housing options.

Next Training Session

Follow-up Training Session: The next training session, focusing on the city's role in economic development and tourism strategies, will be held on **October 10th at 6:00 PM in West Linn City Hall**. The public is welcome to attend.

Potential Action Items

- Research successful economic development strategies in other cities
- Consider the implications and benefits of different job distributions and types of employment
- Explore ways to intervene in the trajectory of the market to achieve desired outcomes
- Define metrics for measuring success in economic development
- Assess the availability of suitable sites for attracting new businesses
- Explore ways to attract businesses locally and within the region
- Evaluate trends such as the shift from brick and mortar to online retail and the increase in remote work
- Consider the correlation between sustainable housing and economic development
- Explore policies that allow a greater percentage of housing
- Investigate ways to make housing less expensive to build
- Determine the desired ratio of public to private investment in development projects

- Investigate potential subsidies or incentives for developers
- Identify potential sites for industrial development
- Discuss the possibility of financing SDCs or backloading SDCs to bridge the gap in construction costs
- Explore the option of implementing a multi-tax abatement for mixed-use developments
- Set up a program for property tax exemptions for mixed-use developments
- Revisit the municipal code and consider changes to make it more supportive of economic zoning
- Review and address any contradictory or prohibitive codes that may hinder development
- Consider public-private partnerships for land acquisition and development
- Explore options for financing tenant improvements to make it more affordable for local tenant
- Explore financing assistance for retail tenants
- Focus on creating a retail environment that supports the success of businesses and helps them generate sufficient revenue.