

EXHIBIT 'B'

This proposal includes the following amendments to Goal 9 of the Comprehensive Plan:

GOAL 9: ECONOMIC DEVELOPMENT

A strong commercial and industrial tax base is important to the economic vitality of the City. Financial resources are critical to maintain and provide needed infrastructure and services to retain and improve the quality of life in West Linn. Property tax and other revenues from appropriately sited and designed commercial, industrial, and other businesses should be considered in future development review decisions. Equally important to West Linn is the identity that the business districts give to the City. Hence, when planning for economic development, the City must address a host of issues that include the location of business and industry; types of new businesses needed in the City; retention and expansion of existing businesses; access control on major roadways; home occupations and cottage industries; appearance of commercial and industrial development; the City government's role in economic development; and development costs.

The City recognizes the importance of providing and maintaining an adequate balance of jobs and housing to help reduce commuting and meet other important objectives. The City also recognizes the importance of home occupations in reducing commuting and helping limit the need for additional public infrastructure.

BACKGROUND

In July 2015, the City adopted the West Linn Economic Opportunities Analysis (EOA), which complies with Statewide Planning Goal 9 and its associated statutory requirements. The EOA provides a technical framework and supports the City's economic development goals and policies that aim to make West Linn a more economically viable community, while maintaining its unique character for residents, businesses, and employees.

According to Metro's 2014 job growth forecast, West Linn is projected to add 1,902 jobs by 2035. The service sector is expected to receive the most new jobs and grow the fastest in the next 20 years. The amount of land needed to accommodate the projected job growth falls within the range of 45 to 52 acres. The City's 2015 inventory of vacant and redevelopable land zoned for industrial/institutional, commercial and mixed use land in West Linn totals approximately 46 acres, which is adequate to accommodate projected employment growth over the next 20-years.

The City's 2015 EOA also shows employment in West Linn has increased by only 25 jobs per year (annual average) over the past seven years. The largest increase in employment has occurred in the service and retail sectors, while the largest decrease occurred in the industrial and government sectors. The biggest employment sectors in West Linn are largely service industries with the top five being: food services/drinking places; educational services; food/beverage stores; professional/scientific/technical services; and ambulatory health care services. The top employers in West Linn include several private companies and two local government entities. The top five employers are the West Linn Paper Company, City of West Linn, West Linn High School, Rose Linn Care Center and Safeway Stores. Additionally, business license data for 2014 indicates that of the 928 total licenses issued (408 businesses within city limits and 520 outside city limits), a total of 424 (47%) are home-based businesses, with most located outside the city limits.

Another statistic from the EOA the City needs to consider is the 2.4 households for every job in the City, which is far above the ratio for Clackamas County and the Metro Region. This means the majority of West Linn residents are commuting outside the city for employment. Decreasing the household-to-jobs ratio for West Linn would provide more opportunities for residents to decrease their commute, but would also require the city to attract more jobs than households over the next two decades, which is contrary to past City trends.

Notwithstanding these projections, the residents of the City have clearly expressed an interest in retaining the City's quiet residential character. Recognizing the difficulty of accommodating the projected employment and retaining the City's current characteristics, planning will be directed towards enhancement and retention of the employment base currently in existence. In particular, the City should encourage the type of new home-based businesses that do not require commercial infrastructure and do not negatively impact surrounding residences and neighborhoods.

GOALS AND IMPLEMENTATION POLICIES

Goal 1. Encourage the recruitment, retention, expansion and economic viability of West Linn business and industry.

Policy 1. Recruit and encourage businesses, particularly those that provide family-wage jobs to locate in West Linn.

Policy 2. Support retail businesses and services that enhance the community and provide wanted goods and services.

Policy 3. Encourage the economic vitality of the City's existing commercial areas.

Policy 4. Promote home occupations by developing and implementing supportive zoning and building codes and services and other regulations.

- Policy 5. Encourage West Linn employers, including the City, to offer the option to telecommute (i.e., work from home).
- Policy 6. Adopt City regulations that are predictable, easy to understand and contain standards that can be uniformly applied.
- Policy 7. ~~Consider, when appropriate, encouraging~~ economic development through streamlined permitting processes and development fees.
- Policy 8. Work with the Chamber of Commerce, business community, and other agencies and organizations, to meet the economic needs of West Linn.
- Policy 9. Coordinate with Tri-Met, Metro, Oregon Department of Economic Development, and other organizations in economic development planning and implementation efforts.
- Policy 10. Consider incentives such as reduced system development charges (SDCs) and shared parking districts to encourage commercial and mixed-use development.

Goal 2. Support tourism-related businesses and services.

- Policy 1. Support efforts and programs that promote tourism in the City.
- Policy 2. Enhance recreation based tourism in the City focused on parcels constrained by the Willamette River floodplain or other environmental constraints.
- Policy 3. Work with interested property owners to attract and accommodate ~~and to attract~~ a significant new hotel(s).

Goal 3. Promote the efficient use of commercial and industrial land adequate to serve a range of employment opportunities in the City.

- Policy 1. Preserve employment (commercial and industrial) land to ensure an appropriate mix of uses and jobs-housing balance.
- Policy 2. Inventory and maintain a list of vacant and redevelopable sites for new or expanding businesses.
- Policy 3. Ensure the City has adequate public facilities and infrastructure to support economic activities, ~~especially transportation~~. Maximize the use of regional, state, and federal funding for infrastructure planning and development. Work with ODOT to realize the full potential of the I-205 maintenance parcel.

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- ~~Policy 8. Coordinate with Tri Met, Metro, Oregon Department of Economic Development, and other organizations in economic development planning and implementation efforts.~~
- ~~Policy 9. Pursue Comprehensive Plan and Community Development Code changes to implement the objectives and principles of the Arch Bridge/Bolton Concept Plan.~~
- ~~Policy 10. Consider incentives such as reduced system development charges (SDCs) and shared parking districts to encourage commercial and mixed-use development.~~

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BACKGROUND AND FINDINGS

~~West Linn's economy is based primarily on service and retail-oriented commercial businesses, with a relatively limited number of industrial employers. In addition, West Linn has significantly more residents than employees, in comparison to the Portland metropolitan region as a whole and many other communities within the region. The ratio of residents to employees in West Linn is about 5:1, compared to 1.7:1 in the region. In 1990, approximately 3.9% of people~~

employed in the City worked in their homes. In comparison, in the Portland MSA, 4.6% of residents worked in their homes in 1990. As of 1998, 45% of all licensed businesses in the City were home occupations. Though this is a high percentage of existing businesses, it still does not represent a significant percentage of jobs held by West Linn residents, though given the relative jobs/housing imbalance in West Linn, it may represent a more significant percentage of employees in the City (possibly around 15%).

Small businesses that are based in individual residences (also known as “home-based Goal 9: Economic Development ED-2 Goal 9: Economic Development businesses” and “home occupations”) are growing in number in West Linn. In July 2002, 626 such businesses had City licenses, with an additional unknown number unlicensed, but existing nonetheless. This is an increase of approximately 15% since 1999. The number of these businesses has steadily increased because of time, lifestyle, and satisfaction benefits. While some of these businesses generate traffic and other impacts, the overall impact to the City of such businesses when compared to the alternative (business districts, commuters, manufacturing plants) is positive. West Linn can accelerate and expand on this natural trend that, if properly controlled, offers to enhance neighborhoods and reduce traffic congestion.

In 1999, 1,012 licensed businesses were located in West Linn. The City has one major industrial employer, the West Linn Paper Company, located on the Willamette River with over 300 employees. At the same time, this industrial zoned property has some of the more scenic views of the Willamette River and the Willamette Falls. Because mill operations on both sides of the River have scaled back in recent years, this area has been coveted by some in the community as a prime redevelopment site. In the future, this area may support even more economic and employment activity.

The remaining manufacturers in the City employ a total of less than 50 people. West Linn is also the location for a number of small businesses and industries. In addition to the West Linn Paper Co., the School District and smaller employers (retail, services, offices, and professional) provide for most of the employment in West Linn. As noted previously, a significant number of businesses in West Linn are home occupations.

Commercial development is concentrated in three primary areas of the City — the Willamette (including north of I-205 and 10th Street), Bolton, and Robinwood areas. Tanner Basin is in the process of becoming the fourth major commercial district in West Linn. A shopping center is currently under construction (2000). Additional commercial development may occur in this area if unincorporated areas adjacent to Tanner Basin are annexed to the City and developed.

Creation of a strong and diverse economic environment is a priority for the City as it is an essential component for the City to maintain its excellent quality of life. Sustainable economic activities provide services for residents, create jobs, offer opportunities, and generate tax

revenue. In particular, the City's economic development efforts should promote development that is well-planned, contextually appropriate, and which enhances the overall quality of life for our residents. These could range from smaller home-based businesses in residential areas to more vibrant mixed-use developments near the Arch Bridge that would serve tourists and visitors to the City.

West Linn has significant strengths as a location for employers. West Linn is conveniently located on the regional transportation network with two interchanges off of I-205, Highway 43, bridge connections to Oregon City and is within 30 minutes of the Portland International Airport. It is a 20 to 30-minute auto commute to the major employment centers of Portland, Vancouver, Beaverton, Gresham, Wilsonville and Hillsboro. This locational advantage can help provide options for residents employed outside West Linn and bring employment opportunities to the City.

Unemployment rates in the Portland metropolitan area and West Linn have been relatively low during the 1990s. In 1998, unemployment ranged from 3.9 to 4.4% in the Portland metro area. In 1997, the average unemployment rate was 3.7% in Clackamas County, compared to about 4.3% in the Portland area and 4.7% in the state. In 1990, the unemployment rate in West Linn was 2.6%, compared to 4.2% in the county.

Metro projects employment in the City to be 5,725 in 2017. City projections, based on a 1999 inventory of vacant and underutilized land zoned for commercial and industrial use within the City, indicate that West Linn could accommodate between 4,840 and 6,045 jobs by the year 2017, depending on market factors and the degree commercial areas develop and/or redevelop over time. This represents an increase of between 1,048 and 2,253 new employees in all employment sectors since 1996, with the greatest increases in office, retail, and service sectors.

GOALS, POLICIES, AND RECOMMENDED ACTION MEASURES

GOALS

1. Support telecommuting, home-based businesses compatible with residential neighborhoods and, in general, a higher jobs to housing ratio.
2. Encourage the retention, expansion and economic viability of existing business and industry.
3. Encourage businesses that enhance the community; provide wanted goods and services; and pay living wages. Small, locally-owned businesses with strong ties to the community are especially desired.
4. Provide adequate commercial and industrial land for a range of employment opportunities in the City.

5. Make the most efficient use of our existing commercial and industrial lands.
6. Retain, strengthen, and expand the City's existing business base.

POLICIES

1. Promote home occupations by developing and implementing supportive zoning and building codes and services and other regulations; that are compatible with surrounding neighborhoods.
2. Encourage West Linn employers, including the City, to offer the option to telecommute (i.e., work from home).
3. Support and encourage telecommunications, printing, and similar types of business support firms.
4. Update City regulations to respond to changes in technology as they affect local businesses.
5. Maintain public facilities (specifically right-of-way improvements) in established commercial and industrial districts to promote economic activity.
6. Develop a working partnership with the Chamber of Commerce, business community, and various agencies and organizations, such as the School District, to meet the economic needs of West Linn.
7. Interact with Tri-Met, Metro, the Port of Portland, Oregon Department of Economic Development, and other organizations in economic development planning and implementation efforts.
8. Maximize the use of regional, state, and federal funding for infrastructure planning and development.
9. Adopt City regulations that are easy to understand and contain development standards that can be uniformly applied.
10. Enforce design and development standards for industrial areas.
11. Encourage the economic vitality of the four existing commercial areas.
12. Continue to maintain good working relationships with property owners in industrial areas overlooking the Willamette River to ensure the City is "at the table" when these areas transition to other uses.
13. Support efforts and programs that promote tourism in the City.

RECOMMENDED ACTION MEASURES

1. Explore ways to support and improve the business climate and enhance employment opportunities in the City.
2. Inventory and maintain a list of vacant and redevelopable sites for new or expanding businesses.
3. Encourage a business environment and businesses that are viable and sustainable and that add to the overall quality of life in the community.
4. Actively identify and pursue businesses that will have a positive overall impact on the community to develop or expand in West Linn.
5. Investigate incentives and improve regulations to support locally owned businesses.
6. Identify and provide improvements for infrastructure needs to support appropriately located businesses.
7. Recommend a West Linn business representative to serve on the Clackamas County Economic Development Commission (EDC).
8. Develop and maintain a good working relationship with the West Linn business organizations.
9. Develop and maintain a good working relationship with the West Linn-Wilsonville School District.
10. Participate in regional efforts to encourage employers and policy makers to promote telecommuting and other flexible work arrangements.
11. Develop and implement a strategy for assisting and supporting locally owned businesses, particularly successful home-based businesses and start-ups (e.g. support for a small business center, regulatory modifications, assisting with business education, identifying grant opportunities, etc.)
12. Create a master plan for the Arch Bridge area and prepare a planning framework and proposed CDC revisions, as necessary to implement the plan.
13. Explore opportunities, and create specific district plans and regulations, as necessary for each of the City's commercial areas.
14. Engage and collaborate with regional partners to further our economic development efforts; particularly with regard to procuring additional sources of revenue, promoting tourism opportunities, and providing technical assistance.
15. Regularly evaluate the City's Economic Development Plan and update it as required.

~~16. Establish and support a standing advisory board to advise the City Council and to advance economic development efforts in the City.~~