



City of Portland Economic Development Strategy

Draft

February 4, 2009



The Opportunity

Portland stands at the threshold of a new economic era.

- Extraordinary change and upheaval due to recession and transition from carbon-based economy.
- Portland began the transition to a more dynamic economy years ago by emphasizing sustainability and quality of life.

Investments in transit, density, and sustainable practices position Portland to thrive in global economy.



The Challenge

- Portland lags the region in employment growth
- Investments in transit, housing, infrastructure and social services have laid a foundation for prosperity but will not grow employment
- Job growth requires explicit investments in retaining and growing firms, training workers, funding innovation and developing catalytic projects

A commitment to economic growth and job creation is needed to transform the economy.



Guiding Principles

- The economic benefits produced by our collective efforts must accrue to all Portland residents.
- Portland's competitive position depends on a vibrant downtown, thriving neighborhoods, and a sustainable way of life.
- Successful economic development is a collaborative effort encompassing not just business and the public sector, but organized labor, academia and the not-for-profit community.

Job growth that isn't equitable or that comes at the expense of our way of life is not in the interests of the city or its residents.



The Goal

To build the most sustainable economy
in the U.S.

An ambitious strategy requires an
audacious target.



The Rationale

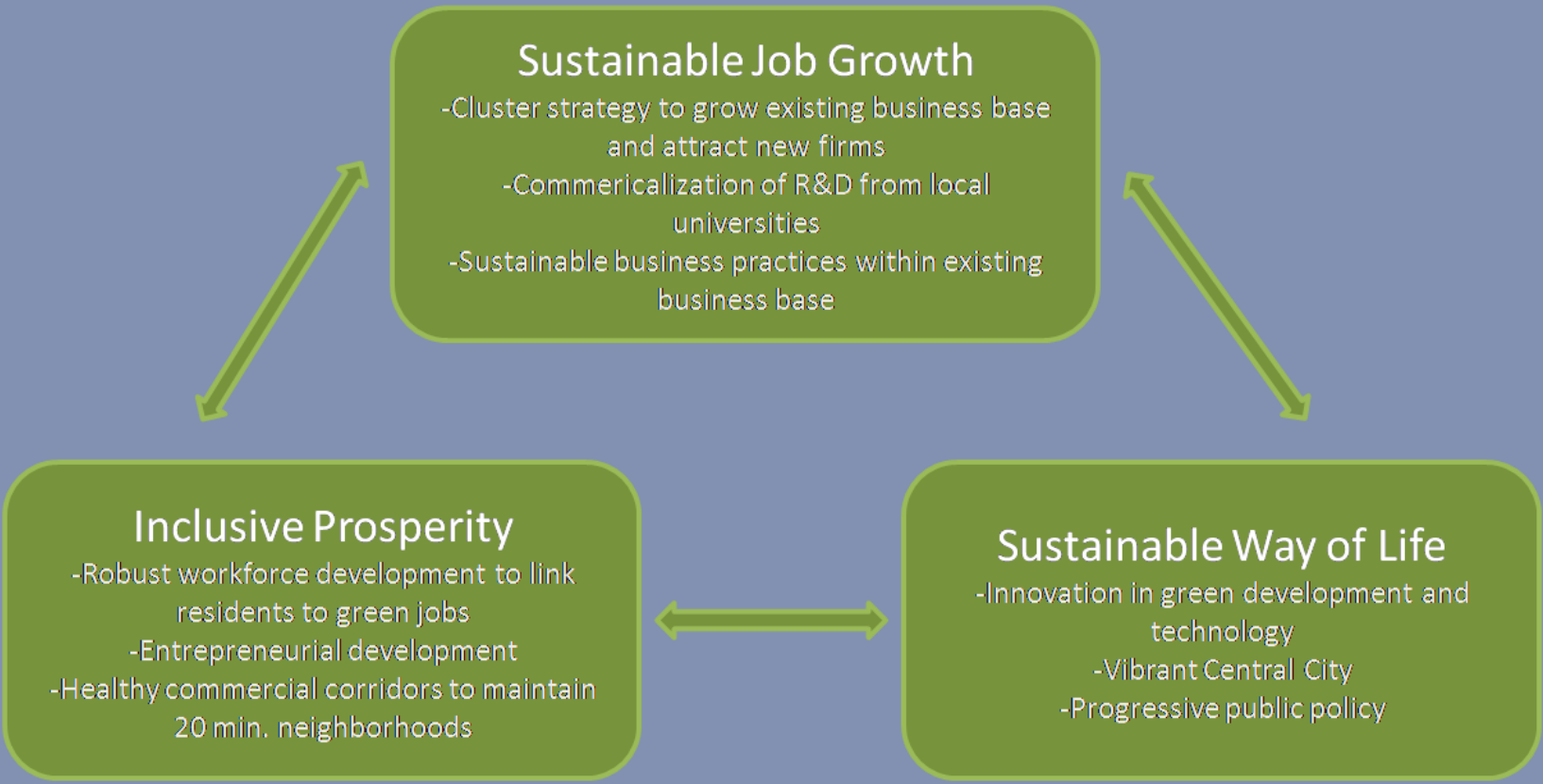
Portland possesses unique competitive advantages which make it a frontrunner to be the capital of the U.S. green economy.

- Existing concentration of firms in wind, solar and green development clusters.
- Years of recognized leadership in all facets of sustainable living – green building, transit, land use, recycling, bicycle use.
- Supportive state and local policy environment.

We're not just talking about being green; we're already doing it.



What is a Sustainable Economy?





Objective 1: Sustainable Job Growth

Employ a cluster approach to grow the existing business base and attract firms in the target industries.



Target Industries

Clean Tech and Sustainable Industries

Activewear/Design

Advanced Manufacturing

Software

Growth in jobs and widespread adoption of sustainable business practices will occur primarily in sectors that are not typically viewed as part of the green economy



Cluster Strategy

Clusters are the logical organizing principle for retaining, recruiting and expanding Portland's green businesses.

- Disparate efforts at recruitment, innovation, international trade, land assembly and workforce development can be coordinated in a manner that makes more efficient use of resources and captures synergies
- In-depth knowledge of particular sectors fuels catalytic initiatives that move business development efforts beyond traditional assistance.

A cluster strategy is especially critical for Portland, where limited resources require selective investments in the sectors that demonstrate the most promise of growth.



Target Industries

Portland's targeted industries adhere to widely accepted theories regarding the emergence and evolution of local clusters.

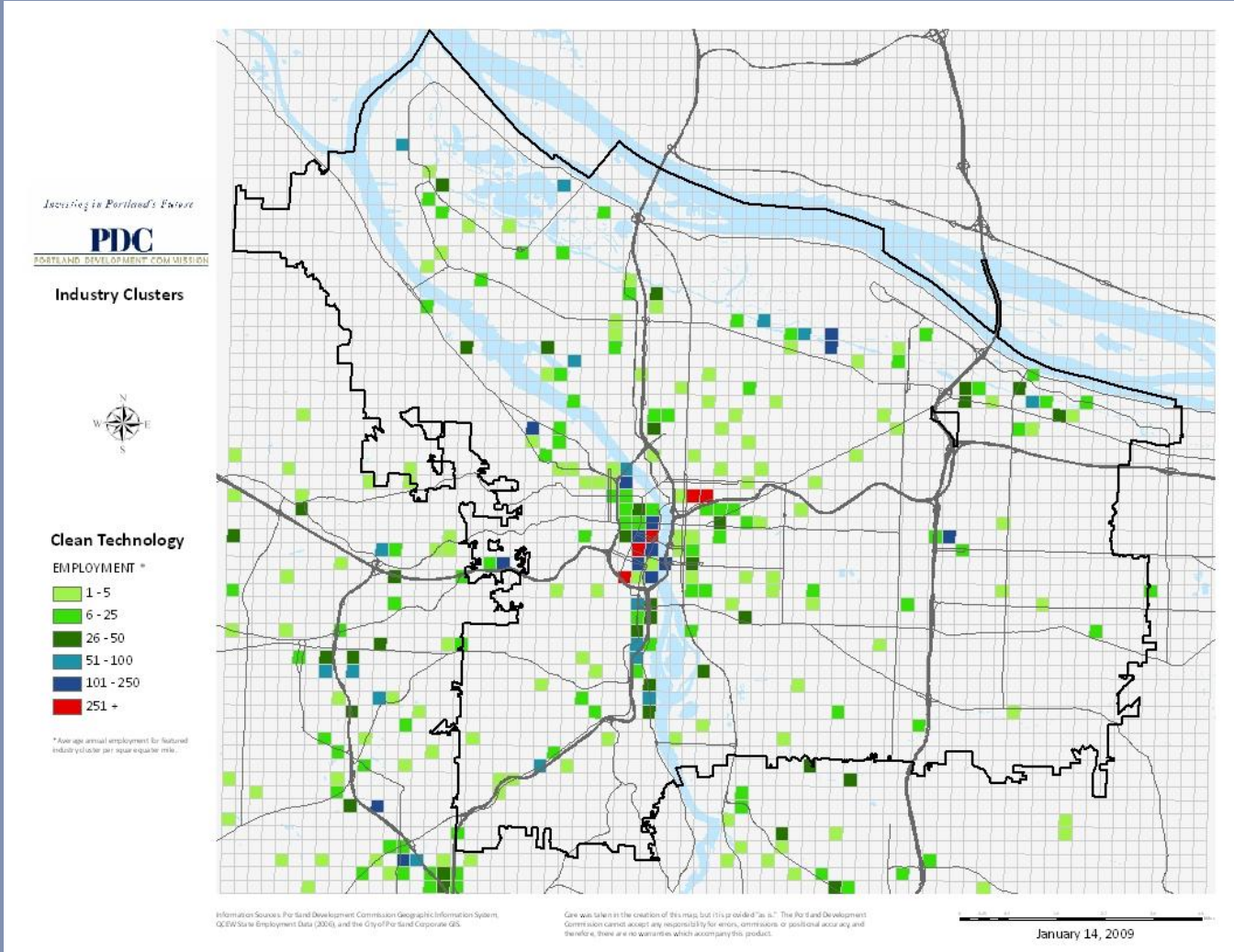
- Concentrated beyond national norms
- Demonstrated growth beyond industry averages
- Possess elements of competitive advantage, including concentrations of talent, deepening supply chains and a proximity to customers or product feedback loops.

By prioritizing particularly promising sectors, the city can create 10,000 jobs for Portland residents.



Sustainable Job Growth

Concentration of Firms: Clean Tech





Sustainable Job Growth

Concentration of Firms: Activewear

Investing in Portland's Future
PDC
PORTLAND DEVELOPMENT COMMISSION

Industry Clusters

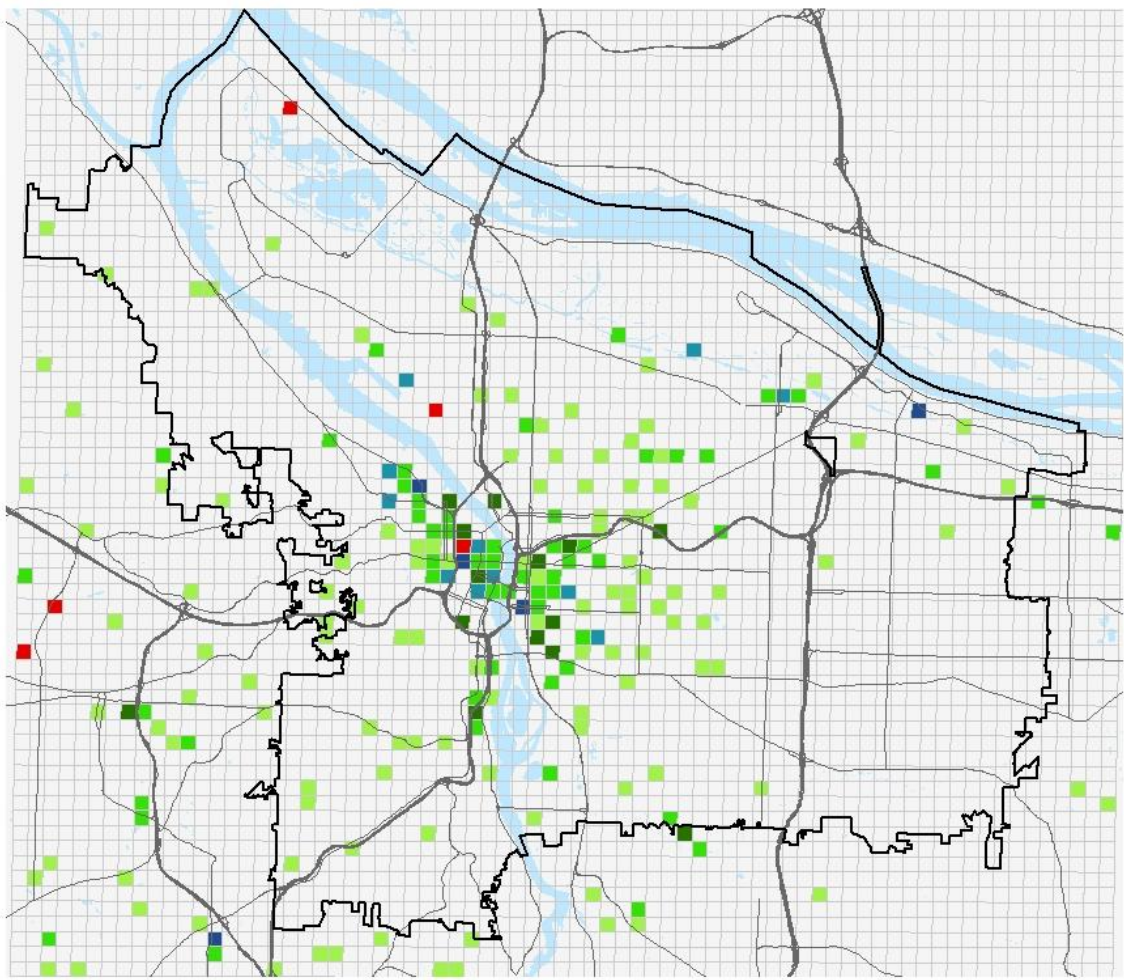


Activewear & Outdoor Gear

EMPLOYMENT *

- 1 - 5
- 6 - 25
- 26 - 50
- 51 - 100
- 101 - 250
- 251 +

*Average annual employment for featured industry cluster per square mile.



Information Sources: Portland Development Commission Geographic Information System, QCEW State Employment Data (2005), and the City of Portland Corporate GIS.

Care was taken in the creation of this map, but it is provided "as is." The Portland Development Commission cannot accept any responsibility for errors, omissions or positional accuracy and therefore, there are no warranties which accompany this product.

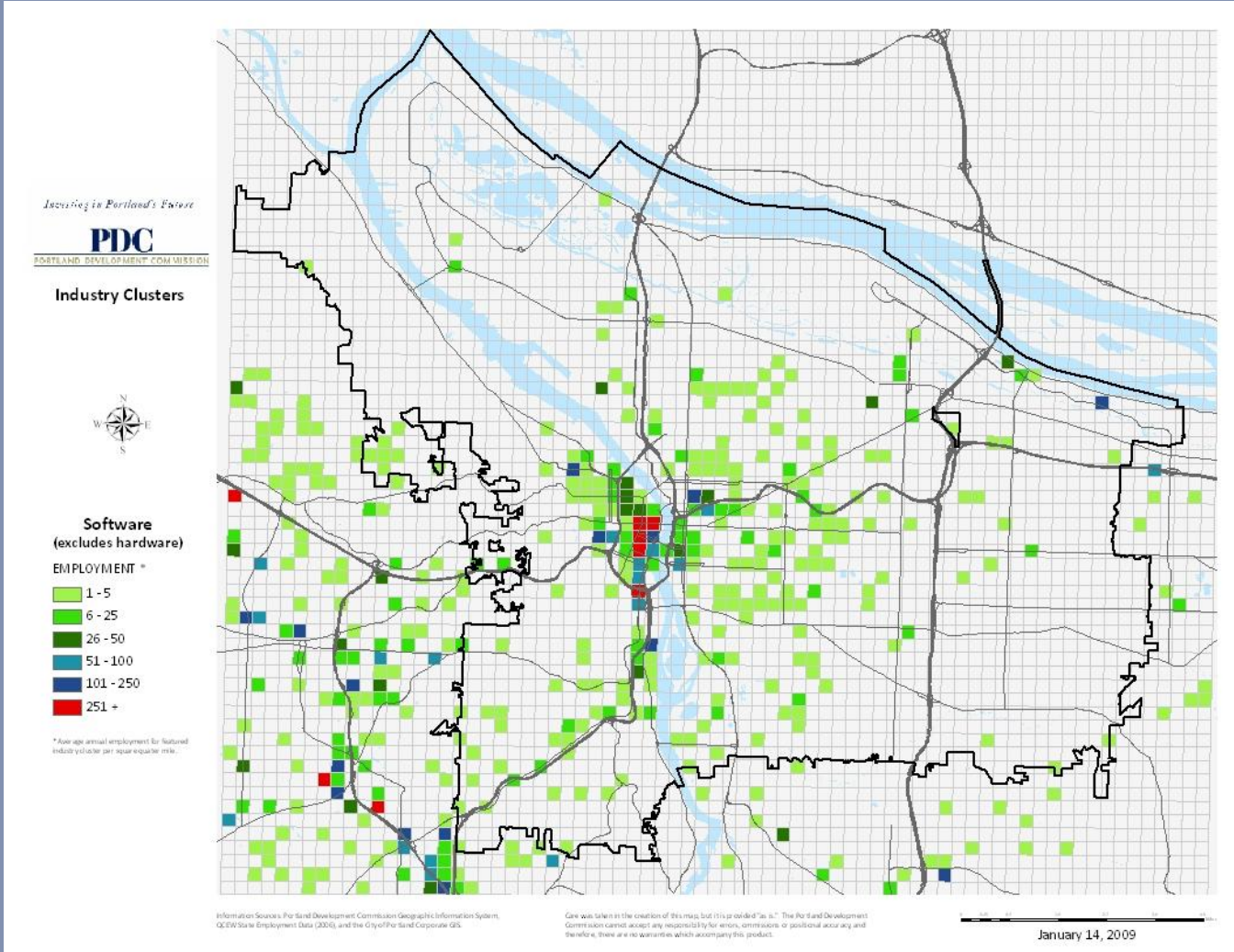


January 14, 2009



Sustainable Job Growth

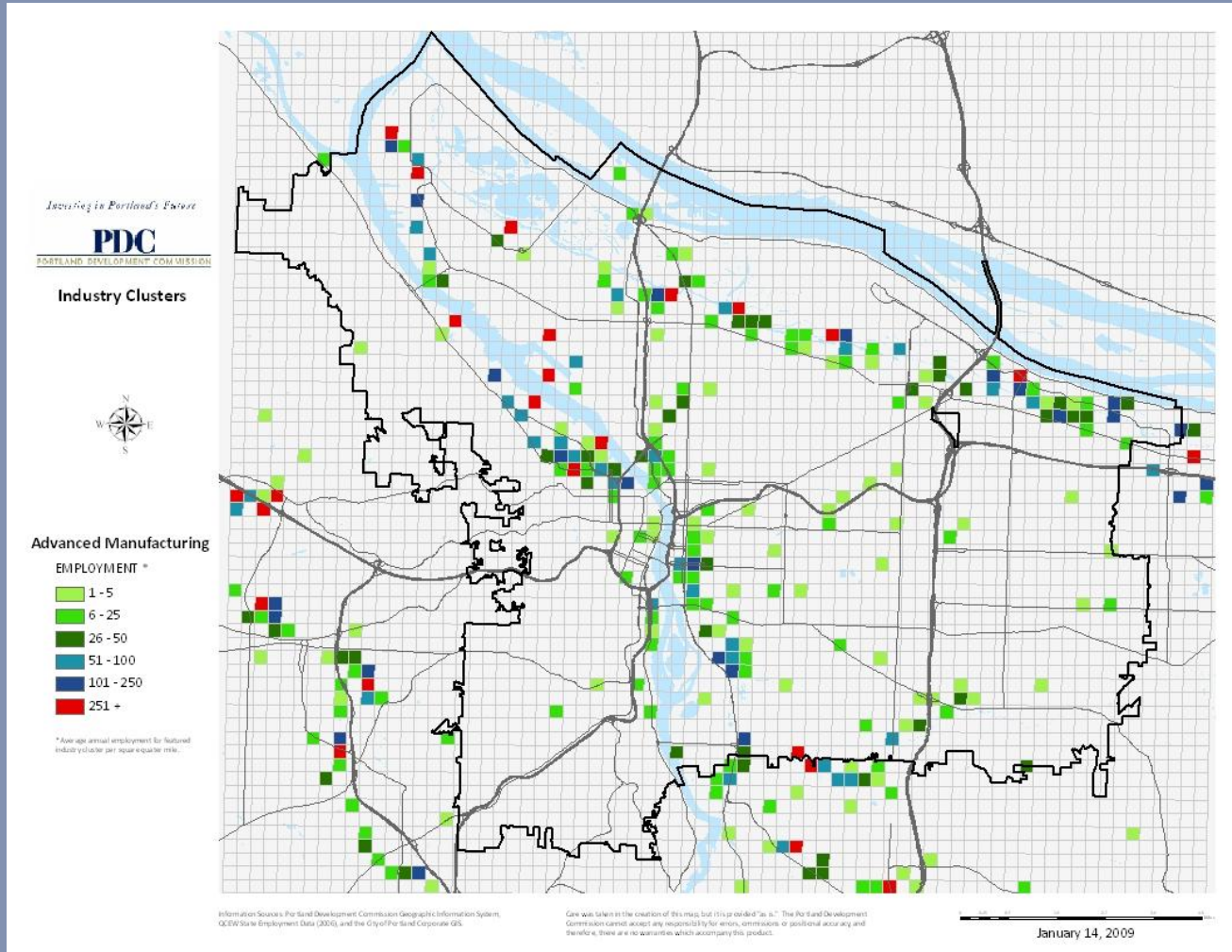
Concentration of Firms: Software





Sustainable Job Growth

Concentration of Firms: Advanced Manufacturing





Cluster Action Plans

The city has a prioritized action plan for each of the clusters that includes some combination of the following:

1. Implement catalytic initiatives, such as the development of centers of excellence and incubators, to grow clusters.
2. Selectively recruit high profile firms.
3. Promote export of products, services and expertise.
4. Increase supply of land for growth.
5. Coordinate research and workforce development with higher education.



Objective 2: Sustainable Way of Life

Enhance our primary economic asset –
our sustainable way of life.



Higher Ed Institutions

Action: Support the efforts of higher education institutions to supply the talent and innovation to maintain our leadership in sustainability.

- The city will partner with higher education institutions to enhance academic programs that serve the sustainable economy.
- PSU and OHSU should drive the development of new technologies to keep Portland on the cutting edge of innovation.

Entrepreneurial regional economies, such as Silicon Valley and the Research Triangle, depend on local universities for innovation and human capital.



Sustainable Way of Life

Eco-Districts

Action: Establish three eco-districts to serve as catalytic development sites showcasing the latest innovations in green building, infrastructure and collaboration.

- PSU/Oregon Sustainability Center
- South Waterfront/OHSU/Vestas/OUS
- Post Office/Broadway Corridor
- Rose Quarter/Blanchard
- HQ Hotel/Lloyd Crossing/Burnside Bridgehead
- Conway
- Freeway Lands

Eco-districts will serve as a recruitment tool for sustainable businesses.



Sustainable Way of Life

P+OSI

Action: Establish Portland + Oregon Sustainability Institute as an international center of excellence for sustainability.

- Locus of branding and marketing of sustainable economy
- Showcase for innovation in green businesses, buildings and infrastructure
- Impetus for collaboration in sustainable economy through Oregon Sustainability Center
- Anchor to first eco-district on PSU campus



Objective 3: Inclusive Prosperity

Connect Portland residents to the
City's sustainable economy



Workforce Development

Action: Align workforce development efforts to match targeted industry efforts.

- A continuum of training services, including occupational training, community college and higher education, is needed to meet the needs of business.
- Regional Workforce Investment Board will align resources and ensure the quality and efficiency of the system.
- WSI will convene Industry Skill Panels to prioritize occupations and identify the unique training needs.

Clean tech firms will generate growth in primarily traditional occupations within the reach of Portland workers.



Coordinated Business Assistance

Action: Create a system of entrepreneurial relationship managers to make sense of the disparate services available to small business.

- Emphasis on small, traded sector firms with the potential to sell products and services outside the region and internationally.
- Sharing of best practices in sustainability.
- Effective feedback loop to foster the creation of niche programs and products.

Over 90% of Portland's businesses have fewer than 100 employees, and nearly three-quarters of net new jobs in Portland are created by small businesses.



Green Main Streets

Action: Develop and implement a green “Main Street” program for Portland’s neighborhoods.

- The city will establish the first green Main Street program in the U.S.
- The program will be a competitive process for neighborhood business districts to apply for technical assistance.
- In 2007, average reinvestment in a community as a result of a Main Street program amounted to over \$11 million

Vibrant commercial districts are required to establish a city of 20 minute neighborhoods.



Timeline

50% draft for Mayor Adams and Economic Cabinet	February 4 th
Completion of outreach and research	March 31 st
70% draft for stakeholder review	May 15 th
Council adoption	July 15 th
Completion of implementation plan	September 15 th



Implementation Plan

- Governance – Mayor’s Economic Cabinet
- Roles and Responsibilities
- Coordination Plan
- Funding Requirements
- Milestones
- Metrics

2002 Economic Development Plan lacked clear implementation mandate.



Outreach

- Economic Cabinet Staff Briefing – February 18
 - 10 am – 12 pm, Rose Room, City Hall
- Economic Cabinet – March 18
 - Implementation and Funding
- Economic Development Summit - May

Briefings to specific groups can be accommodated by request

Questions?