

Background and Purpose

The Oregon Department of Land Conservation and Development (DLCD) created this guidebook to assist planners in identifying and analyzing the supply of land for industrial and other employment uses in their communities. These steps supplement the guidance provided by statewide planning Goal 9 and the Goal 9 administrative rule. The purpose of Goal 9 planning is to provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare and prosperity of Oregon’s citizens.

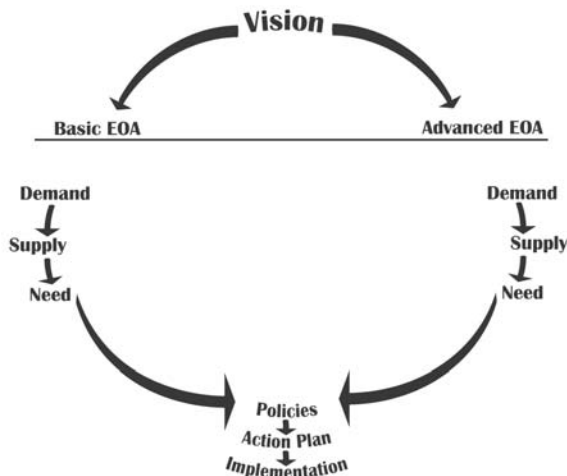
In 2001, an Advisory Committee on Commercial and Industrial Development was formed to “ensure that Oregon communities are providing sufficient buildable commercial and industrial land...” In December of 2002, the Committee produced *Sufficiency of Commercial and Industrial Land in Oregon: Recommendations for Oregon Communities*. The report,

available at <http://www.oregon.gov/icd/publications.shtml> describes Basic and Advanced methods to evaluate and analyze industrial and other land needs. The 2003 Legislative Assembly directed the DLCD to develop this guidebook to implement the Advisory Committee’s report. The framework consists of land needs for a 20-year planning period within urban growth boundaries (UGB). This analysis is one part of the comprehensive planning process conducted by cities and counties in Oregon. Table 1 indicates statewide planning goals most related to economic development inside UGBs.

Table 1 Oregon Statewide Planning Goals Most Related to Economic Development	
Goal 1	Citizen Involvement
Goal 2	Land Use Planning
Goal 5	Open Spaces, Scenic and Historic Areas, and Natural Resources
Goal 7	Areas Subject to Natural Disasters and Hazards
Goal 9	Economic Development
Goal 10	Housing
Goal 11	Public Facilities and Services
Goal 12	Transportation
Goal 14	Urbanization

How to Use the Guidebook

The centerpiece of Goal 9 planning is the economic opportunities analysis (EOA) described in section two. The EOA is the process of analyzing trend data to determine the future employment land needs for the planning area. Users may follow just the Basic approach, utilize some of the methodologies from the Advanced section, or follow the Advanced section alone to comply with the Goal 9 rule. Guidance for Basic and Advanced approaches follow.



Basic Approach—appropriate for smaller jurisdictions with limited access to financial, technical or staff resources. The guidebook is centered around the Basic approach. Worksheets to help users complete the Economic Opportunities Analysis (EOA) portion of the Goal 9 process are included in appendix B.



Advanced Approach—appropriate for jurisdictions with staff capacity and/or resources to access detailed economic and Geographic Information Systems (GIS) data.

Both approaches contain step-by-step instructions on how to conduct the local economic development planning process. Data sources and other resources are listed at the end of each step. Summaries of major tasks are included at the end of each section, and margins are provided for notes. There are many ways a guidebook user can choose to complete the process. Users may combine elements of the Basic and Advanced approaches. They also may reverse the order of the demand and supply steps, or undertake them simultaneously.

The appendices include definitions of terms and acronyms used in the guidebook, sources for geographic information systems (GIS), demographic and economic data. Consult the DLCDC Web site (www.oregon.gov/lcd/econdev.shtml) for additional information.

Overview of Economic Development

As reflected in Goal 9 and other policies of state and local governments, economic development is a priority in Oregon. Successful planning helps communities attract and retain jobs, maintain a healthy economy and generate wealth. It requires effective infrastructure placement, community involvement and coordination with other jurisdictions.

According to the Goal 9 administrative rule, local jurisdictions must adopt comprehensive plan policies to implement local economic development objectives. These policies and associated strategies should be revised and updated regularly, at least when land supply, economic, or demographic conditions change. An overview of the major economic development planning steps is followed by detailed explanations marked with a . Data sources at the end of each task are marked with .



Step One: Create (or Refine) a Vision and Goals

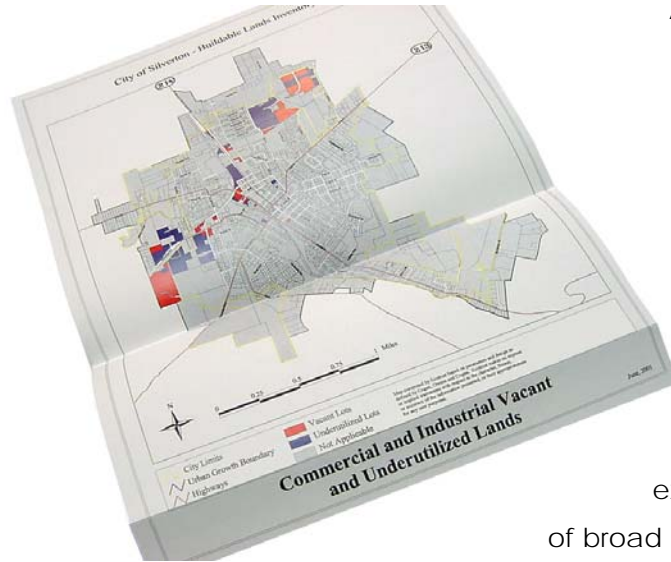
Public involvement is particularly important at the beginning and end of the economic development planning process. This process should result in strategies to stimulate and maintain job growth and identify primary locations for economic development. Many jurisdictions already have a community vision and/or an economic development strategy that can be the basis for this work.

The vision should be:

- A balance between what the jurisdiction would like to achieve and the resources and public support it can realistically expect
- A recognition of opportunities the market will support
- Consistent with the role of the jurisdiction in the regional and state economies
- Understandable to citizens without technical training or experience
- Easily incorporated into the jurisdiction's comprehensive plan
- Consistent with state law

“A clear vision and economic development strategies helped Hillsboro achieve economic growth and diversification in semiconductor, software, medical technology and many other sectors.”

*—David Lawrence
Hillsboro Deputy City Manager*



As a first step, jurisdictions should review existing policies and plans to ascertain any conditions—demographic, economic or other—that may have changed since the original vision or policies were developed.

Appendix D contains an example from the city of Hillsboro of broad goals can help guide economic development objectives and policies to assist with implementation.

“Other Employment Uses”
 Encompasses all non-industrial jobs, including retail, wholesale, service, non profit, business headquarters, administrative and government activities that are accommodated in retail, office and combined building types. Also includes activities of an entity or organization that serves the medical, educational, social service, recreation and security needs of the community.

Another example may be found at www.ci.corvallis.or.us. Click on “About Corvallis” then “2020 Vision Statement.”



Step Two:

Conduct the Economic Opportunities Analysis (EOA)

Goal 9 requires cities and counties to provide an adequate supply of sites suitable sizes, types, locations, and service levels for a variety of industrial and other employment uses.

The EOA contains four elements: trend analysis, identifying site characteristics, land inventory and assessment of community economic development potential. Goal 9 administrative rule requirements may be found at:

http://arcweb.sos.state.or.us/rules/OARS_600/OAR_660/660_009.html and <http://www.lcd.state.or.us/LCD/docs/goals/goal9.pdf>

An adequate land supply provides sites suitable for the 20-year planning period as well as for the short-term to meet development opportunities as they occur. This is necessary to accommodate a varied range of small, medium and large employers, for new and

expanding businesses and to ensure land is available for immediate development.

Land qualifies as short-term if it is ready for development within one year of a permit application or request for service extension. A 20-year land supply where 25 percent of the land is available short-term is considered competitive. This means there is a sufficient range of site sizes and locations to respond to economic development opportunities as they arise. Under the Goal 9 administrative rule, jurisdictions may participate in the industrial site certification program or set targets other than 25 percent for their short-term supply of land.

The objective of the EOA is to match expected **demand** for industrial and other employment lands with the **supply** and to provide a basis for local governments to accommodate identified **needs**.


➡ **Demand for land** is estimated from the analyses of national, state, regional, county or local economic trend data. For non-residential uses, business growth is the source of demand for industrial and other employment land. It usually is described by measures of business activity such as revenues, profit, imports/exports, output, and employment. Another part of the EOA on the demand side is to assess the community's local economic development potential. The demand analysis also should include an assessment of land by type, considering site requirements desired by industrial and other employment uses.

➡ **Supply of land** is determined from an inventory of existing developed, redevelopable and vacant industrial and other employment lands.


- ➡ Using the results of the demand and supply analysis, the next step is to calculate **land needs** for the 20-year planning period and the short-term.

Another important part of the economic opportunities analysis is to identify economic development issues that affect the vision and goals drafted earlier in the process. These include local and regional development strengths and weaknesses such as transportation, public and social infrastructure, workforce availability, business incentives and financial capability. The results of these two steps should be an economic opportunities analysis of market opportunities, local strengths and weaknesses and development objectives.


Step Three: Develop Policies

-  **3** . The purpose of policies is to implement local development objectives. For example, an objective of providing adequate land supply for industrial jobs may be reached by policies protecting those lands from encroachment or conversion to other uses, or requiring they be replaced if rezoned to other uses, or compromised by other factors.

Step Four: Develop an Action Plan

-  **4** . This should be based on the community vision and the previous steps. It should identify roles and responsibilities for all parties, an implementation schedule, estimated costs for infrastructure and potential funding sources.

Step Five: Implement Plan

-  **5** . This should begin as soon as practicable and continue throughout the planning period. The action plan and EOA should be monitored and revised as needed, particularly when conditions change.

Other Issues

Regional Coordination

Collaboration and coordination in a broad market area among cities, counties, ports and agencies can conserve resources and identify unique opportunities. Conducting an EOA for several jurisdictions at the same time may be less expensive than for individual jurisdictions and is allowed under the Goal 9 rule.

Industrial Land Preservation

Though some non-industrial activities such as restaurants and office supply companies may be important amenities for tenants in industrial zones, care should be taken that they not overtake the primary uses and compromise the jurisdiction's ability to meet its development objectives. Some industrial lands are irreplaceable as they are especially suited for certain industries because of their size, topography and access to transportation and freight facilities. Such areas should be protected by



local policies. Techniques to protect prime industrial lands include:

- Special districts or overlay zones, such as industrial sanctuaries or strategic employment areas
- Limited retail or other non-industrial space within these special districts
- “No net loss” policies regarding industrial land. For example, a jurisdiction may have a policy that requires lost industrial acreage to be replaced elsewhere if some industrial employment land is rezoned to commercial retail or housing
- Large-lot parcel requirements to avoid incremental reductions, such as partitions
- Public ownership
- Financial incentives for private owners
- Reinvestment in existing industrial districts
- Flexibility that accommodates a range of industrial uses

Creating an industrial sanctuary through zoning is one way to preserve prime industrial land, or especially when adding new industrial lands to an urban growth boundary

Short-Term Supply of Land

Site and other development constraints affect the cost and timing of development. Short-term analyses address market opportunities within one to five-year planning period. These can help the jurisdiction target prospective industrial other employers who need an ample supply of land with features such as:

- ➡ Appropriate parcel size, slope and configuration
- ➡ Adequate infrastructure includes, roads, utilities and telecommunications
- ➡ Minor and/or easily ameliorated environmental issues, such as wetlands, floodplains and hazardous materials
- ➡ Willing sellers or owners
- ➡ Affordable price and overall development costs
- ➡ Workable land use regulations

Local economic development strategies and action plans should address steps a jurisdiction is willing to take to be competitive for targeted industrial and other employment activities in the short term.

Summary of Key Goal 9 Requirements

Economic Opportunities Analysis (OAR 660-009-0015)

Compares the demand for land for industrial and other employment uses with the existing supply of such land and includes:

- Review of national, state, regional, county, and local trends
- Identification of site characteristics
- Inventory of industrial and other employment lands
- Assessment of community economic development potential

Industrial and Other Employment Development Policies (OAR 660-009-0020)

Comprehensive plans must include:

- Community economic development objectives
- Commitment to provide a competitive short-term supply for jurisdictions within metropolitan planning organizations
- Commitment to provide adequate sites and facilities
- Detailed strategies for preparing the total lands supply for development and replacing the short-term supply as it is developed for jurisdictions within metropolitan planning organizations

In addition, cities and counties are encouraged to adopt plan policies relating to:

- Brownfield redevelopment and maintaining industrial lands in industrial use
- Expansion, retention and increased productivity from existing industries and firms
- Protection of prime industrial lands
- Additional approaches to achieving local objectives

Designation of Lands for Industrial and Other Employment Uses (OAR 660-009-0025)

Cities and counties must adopt measures adequate to implement policies, including:

- Identification of needed sites
- Total land supply
- Short-term supply of land
- Uses with special siting characteristics