



Content Standards and Guidelines: Economic Opportunities Analysis

Purpose

This document provides guidance to local governments conducting an Economic Opportunities Analysis (EOA). OAR 660-009-0015 provide the required components of an EOA. This document also describes recommended tasks and phases of work for the purposes of structuring project plans and work products.

Objective

The objective of an Economic Opportunities Analysis (EOA) is to identify likely industrial and other economic development opportunities and corresponding employment land needs over the planning period of the next 20 years. EOAs provide the factual basis supporting urban growth boundary expansion in cities that determine they have a deficit of employment land. The Department of Land Conservation and Development (DLCD) reviews EOAs for compliance with [OAR 660-009-0015](#).

DLCD recommends that local governments in receipt of Technical Assistance Grant funds for EOAs engage with the department early to review project plan compliance with relevant administrative rules. Regardless of funding source, any local government engaged in economic opportunities analysis work is encouraged to consult with department staff early and often.

Recommended and Required Components of an Economic Opportunities Analysis

Step 1. Community Preparation

Purpose: Understand relevant laws, rules, and local policies pertaining to EOAs. Assess local perspectives and broad goals for community economic development plans. Initiate discussions with and gather support from interested parties.

Work Products:

- (1) A locally approved Statement of Community Economic Development Objectives
- (2) Description of the study area and planning area
- (3) Evidence of support and coordination from key cooperating organizations and agencies



Typical Activities:

Typical activities for the preparation phase include:

- Review of applicable administrative rule requirements with DLCD staff to understand key concepts. Pay special attention to:
 - OAR 660-009-0005, Definitions
 - OAR 660-009-0015, Economic opportunities analysis
 - OAR 660-009-0025, Designation of lands for industrial and other employment uses
 - OAR 660-024-0040(5), Employment land need;
 - OAR 660-024-0040(8), Safe harbors.
 - Local planning and implementation policies.
- Prepare an informal draft Statement of Community Economic Development Objectives that describes the community's broad goals for economic development. Economic development planning typically looks back at the economic history of the area and the forces affecting development. It also looks forward at new opportunities to define actions a local government can take to achieve its desired result. OAR 660-009-0015(6).
- Define a study area to analyze for economic and land use trends. This is typically a region that shares interdependent economic activity. Describe why the area was chosen and include a brief narrative about current conditions and activity. OAR 660-009-0015(1).
- Define a planning area, which is typically the existing urban growth boundary and may include potential expansion and urban reserve areas. In Metro, it may be the city limits or urban service delivery area. It is useful to describe why the area was chosen, and include a brief narrative about current conditions and activity. OAR 660-009-0005(7).
- Gather and review any available regional economic development, employment data, real estate market data and area context information that has been published by entities such as: Oregon Employment Department (qualityinfo.org); economic development agencies; ports and other development districts; and Business Oregon. OAR 660-009-0015(1).
- Meet with federal, state, regional and local economic development agencies to discuss cooperation, participation and possible sources of funding for planning and implementation activities. Gather evidence of support from key cooperating organizations, especially municipal and county boards and commissions, and the relevant Regional Solutions Team.



- If applicable, form a project advisory committee or technical advisory committee to provide local perspective informing economic development opportunities and challenges.

Step 2. Trend Analysis

Purpose: Identify economic development opportunities likely to expand or locate in the study area within the planning period. Determine the percentage of the study area's employment growth that can reasonably be expected to occur within the planning area. Determine how economic trends affect the planning area.

Work Products:

(1) Employment Growth Projection.

The EOA must contain an estimate of job growth associated with the economic development opportunities likely to expand or locate in the planning area within the planning period consistent with OAR 660-024-0040(5), Employment Land Need. The estimate should be based on an employment forecast for the region from the Oregon Department of Employment, a custom employment forecast prepared by a competent professional, or an estimate of job growth including reasonable justification for the job growth estimate. Clearly describe the employment forecast method being used, and include the data, the analysis, and the conclusions. Include a narrative that explains the factors that determine the planning area's capture of employment growth in the study area. The EOA must demonstrate how expected job growth will be accommodated on employment lands, consistent with OAR 660-009-0015(2).

(2) Review of National, State, Regional, County and Local Trends.

An explanation of national, state, regional, county, and local economic trends and how these trends affect the planning area. Identify uses or category of uses that could reasonably be expected to expand or locate in the planning area and why the area possesses the appropriate locational factors for these use(s) or category of use(s). OAR 660-009-0015(1).

(3) Explanation of economic activities and associated land use types appropriate for the study area based on results of the trend analysis.

Typical activities:

- Review OAR 660-009-0005, Definitions; and OAR 660-009-0015(1), Review of Economic Trends; and OAR 660-009-0015(5) pertaining to target industries.
- Meet with Oregon Employment Department staff economists to discuss employment trends in the study area.



- Review national, state, regional, county, and local economic trend data including, but not limited to, population and job forecasts by sector over the planning period.
- Consider local preference for community growth and change. Evaluate any local population growth forecast allocation provided through the Oregon Housing Needs Analysis, if applicable.
- Determine preferred approach to employment growth projections, evaluating safe harbor (OAR 660-024-0040(8)) versus customized employment growth options. Confirm consistency with community economic development objectives and expected population growth projection.
- Consult with economic development professionals and local project or technical advisory committee members (if applicable) regarding local economic development potential for industrial and other employment opportunities in the study area and the planning area. Incorporate results of consultations into the EOA.
- Consult with Business Oregon Regional Development Officer. Acquire and incorporate information published by Business Oregon documenting demand for sites in the study area that may not be reflected in the current employment data.
- Identify the economic activities appropriate for the study area based on results of the trend analysis.

Step 3. Site Suitability Analysis

Purpose: Understand the types of sites needed to successfully accommodate expected local economic and employment growth.

Work Products:

(1) Catalog of the range of site types suitable for the economic activities likely to expand or locate in the planning area.

Typical activities:

- Review OAR 660-009-0015(2), Identification of Required Site Types.
- For communities pursuing target industries with specialized site needs, review OAR 660-009-0025(1), Identification of Needed Sites; OAR 660-009-0025(8), Uses with Special Siting Characteristics; and OAR 660-009-0025(9), Target Industries.



- Examine or consult with existing firms in the planning area to identify the types of sites that may be needed for expansion.
- Identify “site characteristics” that are necessary for typical or targeted uses to operate. This can be specific site sizes, special site requirements, or other characteristics affecting the needed land supply such as a mixture of site sizes or sites with proximity to facilities. Identify land needs that may arise from the expansion of existing businesses and the recruitment or location of new businesses into the study area. A site characteristic must be closely related to a particular use or group of uses with similar site needs.
- Acquire and incorporate information published by Business Oregon that documents specific market-based development practices and site requirements that may affect the current inventory and need for additional suitable employment land. Review OAR 660-009-0025(1)(b) for site characteristics justifications and rationale; validate with Business Oregon representatives.

Step 4. Assessment of Potential

Purpose: To assess the attributes of the city that create advantages and disadvantages for economic development, and make informed estimates of the types and amounts of employment uses likely to locate in the planning area during the planning period.

Work Products:

An estimate of the need for employment land within the planning area for the planning period by category of site type. EOAs are encouraged to include a brief narrative of identified process, cost, or risk factors and describe the community's ability to manage those factors.

Typical activities:

- Assess economic development potential by analyzing factors such as location, size and buying power of local and export markets for goods and services; workforce training opportunities; availability of transportation facilities for access and freight mobility; access to suppliers and utilities, including telecommunications; and other service infrastructure.
- Estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Refer to Assessment of Community Economic Development Potential in OAR 660-009-0015(4).



- It is advantageous but not required to identify pertinent planning and implementation, process, cost, and risk factors associated with the designation of additional employment land.
- Based on the information collected in this and previous steps, estimate the total number of sites by site type/category for economic and employment growth likely to occur in the planning area.

Step 5. Inventory of Suitable Sites (Employment Lands Inventory)

Purpose: Determine the current availability of sites that are suitable for employment uses to help the city decide whether additional land or sites are required in order to accommodate the forecasted need.

Work Product:

Mapped and list form of specific inventory of available sites suitable for employment uses likely to expand or locate in the planning area within the planning period.

Typical activities:

- Review OAR 660-009-0005, Definitions; and OAR 660-009-0015(3), Inventory of Industrial and Other Employment Lands. Review OAR 660-024-0050(2), safe harbors.
- Identify and analyze the planning area's existing supply of industrial and other employment lands for development constraints. The constraints may include wetlands, wildlife habitat, steep slopes, infrastructure deficiencies for particular uses, parcel fragmentation, natural hazard areas, ownership patterns, and other criteria in order to determine the availability and readiness of the current land supply for industrial and other employment development. Visit key sites as appropriate.
- Examine opportunities for redevelopment of existing sites, including sites in the core areas of cities. A local government may consider the cost of preparing land for the designated use as part of an EOA by including a residual value analysis prepared by a competent professional as part of the analysis of development constraints.
- Apply the site characteristics identified in the suitability analysis to the vacant and re-developable sites to determine which are suitable for employment uses. The likelihood the site will be on the market for sale or lease is not a consideration for long-term supply of employment land.



- Provide tabular and mapped data showing the results of the analysis. Document assumptions and findings. The inventory must identify vacant and developed (i.e., re-developable) sites in the planning area and describe development constraints and site characteristics for each site.
- As part of any expected amendment to a UGB for employment land, review the following OARs:
 - Employment land need and associated policies in OAR 660, division 24.
 - Short-term supply of land in OAR 660-024-0040(5) and OAR 660-009-0025(3).
 - Target industry site protections in OAR 660-009-0025, Designation of Lands for Industrial and Other Employment Uses.

Recommended Project Work Following Completion of the EOA

Step 6. Develop detailed implementation policies based on completion of previous steps

Purpose: Provide specific guidance and recommendations to community leaders and staff to implement economic development plans.

Work Products:

For state grants or local consultant contracts that include an implementation or policy-development task, provide a list of recommended economic development implementation policies. These policies may be included in the comprehensive plan update or plan amendment that were identified by the EOA process. It is not necessary for an EOA to include a complete implementation plan, which may follow and could include additional items.

Typical activities:

- Identify local government activities that will be needed to successfully accommodate economic and employment growth forecasted in the EOA. Include changes to the land supply, updates to comprehensive plans, additions to infrastructure facilities, finance strategies, intergovernmental agreements, updated management practices, public-private partnerships, workforce training and adjustments to real estate economic factors. Include techniques to increase the community's ability to respond to economic development opportunities with speed and flexibility.



- Identify appropriate local government actions and investments of leadership, capacity, staff time, public finance tools and statutory authority needed to capitalize on local economic opportunities.
- Identify available methods to fund local government activities that will be needed to successfully implement the Statement of Community Economic Development Objectives.
- If using an estimate of job growth with reasonable justification to complete the trend analysis, the local government should identify investments in infrastructure, work force, amenities, and other community improvements necessary in order to attract the job growth. Demonstrate that methods are available and there is local commitment to fund those improvements.
- If the EOA will be used to support UGB expansion for target industries sites, analyze local code and zoning ordinances to determine the city's ability to restrict development on target industry sites for planned use(s).

Step 7. Draft Comprehensive Plan Updates

Purpose: Update relevant chapters and references within the local Comprehensive Plan to incorporate new economic development objectives and land use information from the EOA.

Work Products: Line edited, adoption-ready draft of relevant sections of the comprehensive plan.

Typical activities:

- Prepare the EOA to be incorporated as a chapter or appendix to the comprehensive plan.
- Draft a list of new or amended comprehensive plan policies and measures based upon the above implementation policies work. Consult OAR 660-009-0020, Industrial and Other Employment Development Policies, for required and recommended policies and measures.
- Prepare an edited or new plan chapter for economic development, paying particular attention to OAR 660-009-0020(1)(a), Community Economic Development Objectives.
- Audit the remainder of the comprehensive plan for outdated references to local economic development expectations and employment growth forecasts. Assess currency of plan chapters addressing the following statewide planning goals for consistency with the EOA:
 - Goal 10 Housing
 - Goal 11 Public Facilities and Services
 - Goal 12 Transportation



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- Goal 14 Urbanization