



Oregon

Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2524

Phone: (503) 373-0050

First Floor/Costal Fax: (503) 378-6033

Second Floor/Director's Office: (503) 378-5518

Web Address: <http://www.oregon.gov/LCD>

April 14, 2008



ECONOMIC OPPORTUNITIES ANALYSES

Objective: To identify likely industrial and other economic development opportunities and corresponding employment land needs over the planning period of the next 20 years, plus up to an additional 30 years for communities planning for designated urban reserves. This document suggests the typical tasks and required deliverables of an Economic Opportunities Analysis (EOA) funded by the Department of Land Conservation and Development (DLCD).

1. Preparation

Purpose: Reduce cost and delay, anticipate obstacles, prevent surprises and keep planning activities aligned with local policy.

Deliverables: A locally approved Statement of Community Economic Development Objectives. Evidence of support and coordination from key cooperating organizations and agencies.

Typical activities include:

- a. Review Oregon's land use program with DLCD staff to understand key concepts. Pay special attention to:
 - i. OAR 660, division 9, Economic Development;
 - ii. 660-009-0005(10) - Short-term supply of land;
 - iii. 660-009-0010(5) - Adequate planning effort;
 - iv. 660-009-0020(1)(a) - Economic development objectives;
 - v. OAR 660, division 24, Urban Growth Boundaries (UGB);
 - vi. 660-024-0040(5) - Employment land need; and
 - vii. 660-024-0040(8) - Safe harbors.
- b. Prepare an informal draft Statement of Community Economic Development Objectives. Economic development planning typically looks back at the economic history of the area and changes affecting that tradition, looks forward at new opportunities, and defines a series of actions to be taken by local government to achieve a desired and sustainable result.
- c. Define a study area to analyze for economic and land use trends, which is typically a region sharing inter-dependent economic activity. Describe

why the area was chosen and include a brief narrative about current conditions and activity.

- d. Define a planning area, which is typically the existing UGB and may include potential expansion and urban reserves. It is useful to describe why the area was chosen, and include a brief narrative about current conditions and activity.
- e. 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: state and local governments, economic development agencies, ports and other development districts, the regional Business Development Officer for the Oregon Economic and Community Development Department, and Oregon's interagency Economic Revitalization Team.
- f. Meet with federal, state, regional and local economic development agencies to discuss cooperation, participation and possible sources of funding for planning and implementation activities.
- g. Identify typical planning and implementation policies, activities and tools, and gather evidence of support from key cooperating organizations (especially municipal and county boards and commissions, and Oregon's Economic Revitalization Team).

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 that employment growth reasonably expected within the planning area.

Deliverable: 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. It should be based on an employment forecast 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 indicate the method being used, and include the data, the analysis and the conclusions.

Typical activities include:

- a. Review OAR 660-009-0005 – Definitions, to understand of key concepts and terms, and OAR 660-009-0015(1) – Review of Economic Trends.

- b. Meet with Oregon Department of Employment staff to discuss employment trends in the Economic Opportunities Analysis study area.
- c. An EOA that relies on an employment forecast provided by the Oregon Department of Employment may reduce delay and cost. Refer to OAR 660-024-0040(8) - Safe Harbors. Communities with circumstances that require a customized estimate of job growth that is not available from the Oregon Department of Employment may wish to contract for specialized services from competent professionals.
- d. 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.
- e. 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.
- f. Meet with local and state economic development professionals regarding local economic development potential for industrial and other employment opportunities in the study area. Incorporate results from interviews or consultations into the EOA.
- g. Acquire and incorporate information published by the Oregon Economic and Community Development Department documenting demand for sites in the study area that may not be reflected in the current employment data.

3. Site suitability analysis

Purpose: Understand the types of sites needed to successfully implement the Statement of Community Economic Development Objectives.

Deliverable: Catalog of the range of site types suitable for the employment uses likely to expand or locate in the study area.

Typical activities include:

- a. Identify the employment land uses appropriate for the study area, based on results of the trend analysis. Include 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. Also identify land needs that may arise from the expansion of existing businesses and the recruitment or location of new businesses into the study area.

- b. Acquire and incorporate information published by the Oregon Economic and Community Development Department that documents specific market-based development practices and site requirements that may affect the current inventory and need for additional suitable employment land.

4. Inventory of suitable sites

Purpose: Determine the current availability of sites suitable for employment uses likely to expand or locate in the planning area.

Deliverable: Inventory of available sites suitable for employment uses likely to expand or locate in the planning area within the planning period.

Typical activities include:

- a. Inventory and analyze the planning area's existing supply of industrial and other employment lands for development constraints which may include: wetlands, habitat areas, environmental contamination, topography, cultural resources, infrastructure deficiencies, parcel fragmentation, natural hazard areas, ownership patterns, and other suitability and availability criteria in order to determine the readiness of the current land supply for industrial and other employment development.

It is important to 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.

- b. As part of any adjustment to an UGB for employment land, review employment land need and associated policies in OAR 660, division 024. OAR 660-024-0040(5) requires a determination of the need for a short-term supply of land. OAR 660, division 9, encourages local governments to include policies relating to the short-term supply of land. Designation of short-term supply is described in OAR 660-009-0025(3).

5. Assessment of potential

Purpose: Understand the process, and reduce the cost and risk associated with designating the amount of employment land.

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

Typical activities include:

- a. Estimate the total number of sites needed in the study area for the planning period by categories of sites, based on information collected in the previous tasks. Include a minimum, maximum and most likely number of sites needed for each identified category within the planning period.
- b. 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). Include a brief narrative that explains the factors that determine the planning area's capture of employment growth in the study area.
- c. Identify pertinent planning, implementation, specific site, financial and real estate market process, cost and risk factors associated with the designation of additional employment land.
- d. Analyze the information gathered to estimate total number of sites by the various categories defined by the local government needed within the planning area for the planning period.

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

Purpose: Provide specific guidance to community leaders and staff.

Deliverables: A list of recommended economic development implementation policies to 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 include:

- a. Identify local government activities that will be needed to successfully implement the Statement of Community Economic Development Objectives. Include changes to the land supply, updates to comprehensive plans, additions to infrastructure facilities, new 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.
- b. Identify appropriate local government actions and investments of leadership, capacity, staff time, public finance tools and statutory authority needed to successfully implement the Statement of Community Economic Development Objectives.

- c. Identify available methods to fund local government activities that will be needed to successfully implement the Statement of Community Economic Development Objectives.
- d. If using an estimate of job growth with reasonable justification to complete the trend analysis, the local government must identify investments in infrastructure, workforce, 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.
- e. If using a residual value analysis to justify an adjustment to the current supply of suitable sites, the local government must apply the same analysis to all sites proposed for changes of designation, including all proposed expansion sites outside the current UGB. The local government must identify policies to correct residual value development constraints within the planning period, or reasonably demonstrate that correction is not possible. Use of a residual value analysis is intended to remove from the short-term inventory, those industrial sites with a persistent negative residual value. These sites have development constraints that can't be resolved for the designated use by reasonable local government action.

7. Prepare final EOA

Present the draft EOA to the EOA Project Team and the regional Business Development Officer for the Oregon Economic and Community Development Department; receive and incorporate comments into final product.

An EOA submitted to satisfy DLCD grant requirements must be prepared in accordance with the procedures provided in this attachment and Oregon Administrative Rule 660-009-0015 – Economic Opportunity Analysis.