

RESOLUTION NO. 2019-42

**RESOLUTION ADOPTING THE CITY OF FOREST GROVE
2020 ECONOMIC DEVELOPMENT STRATEGIC PLAN**

WHEREAS, Resolution No. 2007-45 provided for an Economic Development Commission (EDC) to advise and make recommendations to City Council on economic development policy and issues and to support advancing the economy and prosperity of Forest Grove; and

WHEREAS, Economic growth and prosperity are important to the overall quality of life for the community of Forest Grove; and

WHEREAS, The City Council, as part of their 2019 Goals and Objectives Plan, passed Objective 3.17 which states, "Update Economic Development Strategic Plan"; and

WHEREAS, The Forest Grove Economic Development Commission (EDC) reviewed past strategic plans, current and past economic trends and indicators, performed a SWOT analysis, and received public input; and

WHEREAS, the EDC approved a draft Economic Development Strategic Plan (Plan) on June 6, 2019, and recommended approval to the City Council; and

WHEREAS, the City Council held a work session to review the draft Plan on June 24, 2019, and recommended several changes; all of which have been incorporated into the final Plan (Exhibit A).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council hereby adopts the 2020 Forest Grove Economic Development Strategic Plan (Exhibit A).

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 9th day of September, 2019.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 9th day of September, 2019.



Peter B. Truax, Mayor



WELCOME TO FOREST GROVE
Home of Pacific University

ECONOMIC DEVELOPMENT STRATEGIC PLAN

Forest Grove, Oregon
1924 Council Street
Forest Grove, OR 97116
www.forestgrove-or.gov

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ECONOMIC DEVELOPMENT STRATEGIC PLAN

VISION STATEMENT

A strong, sustainable, local economy that fosters opportunity and prosperity for the whole community.

MISSION STATEMENT

We foster a vibrant economic climate that encourages and attracts sustainable and equitable business development through strategically focused policies and programs, collaboration and partnerships.

DEFINITIONS

Short Term – Less than two years.

Long Term – More than two years.

Measurements – Metrics that reflect the success of the Strategic Plan. The metrics will be compiled into a report that is given to the Economic Development Commission and City Council on an annual basis.

Annually – A calendar year unless otherwise specified.

GOAL 1. SUPPORT INDUSTRIAL AND COMMERCIAL BUSINESS GROWTH AND RETENTION

OBJECTIVES

SHORT TERM

- Provide direct assistance and high quality customer service to help new companies navigate the permitting process and access program resources.
- Proactively work to identify a 20-year supply of employment lands and target initiatives to increase market-ready certified sites.
- Evaluate and refine permitting process, where needed, to increase efficiencies and predictability and ensure a user-friendly experience.
- Review Forest Grove's competitive advantages and ensure that these are on the City's website and part of advertising and marketing collateral.
- Maintain and market an inventory of available sites and buildings, socio-economic data, program resources and incentives.
- Complete Oak Street Area Concept Plan.

LONG TERM

- Implement business attraction strategies for both traded sector and larger commercial businesses tailored to their specific needs.
- Respond, in collaboration with partners, to business leads and companies whose targets include Forest Grove.
- Maintain and manage business retention and expansion program.
- Prioritize marketing to targeted traded sector key industry clusters such as Advanced Manufacturing and those identified in the Economic Opportunity Analysis. Maintain an incentive toolkit.

- Convene local industry clusters to build networks, understand needs and address priorities.

MEASUREMENTS

- Total assessed value – industrial.
- Total assessed value – commercial.
- Total square footage – industrial.
- Total square footage – commercial.
- Industrial square footage vacancy rate.
- Commercial square footage vacancy rate.
- Number of Business Enterprise Zone applications.

STRATEGIC EXTERNAL PARTNERS

Forest Grove-Cornelius Chamber of Commerce, Business Oregon, Forest Grove EDC, Greater Portland Inc., Westside Economic Alliance, Commercial Brokers, and Site Selectors.

GOAL 2. EXPAND OPPORTUNITIES FOR ENTREPRENEURSHIP AND INNOVATION

OBJECTIVES

SHORT TERM

- Study opportunities with partners to establish an accelerator, incubator, or maker space to support entrepreneurship and innovation.
- Host and participate in conferences, workshops, and training that promote innovation and entrepreneurial development.

LONG TERM

- Establish and maintain stronger ties with Pacific University School of Business and related institutes, Forest Grove High School, and emerging Clean Water Services environmental and wetland technologies and concepts to encourage innovation and entrepreneurship opportunities.
- Disseminate information on efforts to encourage start-ups and innovation strategies in Forest Grove.

MEASUREMENTS

- Prepare a report on the potential to establish innovation/entrepreneurship initiatives, including a center in Forest Grove.

STRATEGIC EXTERNAL PARTNERS

Pacific University-School of Business, Forest Grove High School, Portland Community College, Clean Water Services, Oregon Entrepreneurs Network, PCC Small Business Development Center, SCORE.

GOAL 3. SUPPORT SMALL BUSINESS DEVELOPMENT AND RETENTION

OBJECTIVES

SHORT TERM

- Disseminate and maintain information, technical assistance, programs, initiatives, and incentives that support small business growth and operations.
- Work to identify and address the challenges and barriers faced by Latino businesses and other groups in an effort to support a more diverse and inclusionary business community.

LONG TERM

- Convene resource partners and small businesses to better understand existing resources and the needs and challenges faced by small business.

MEASUREMENTS

- Number of Marketlink Market Analysis Reports completed.
- Number of Business Program applications completed.

STRATEGIC EXTERNAL PARTNERS

Forest Grove-Cornelius Chamber of Commerce, Pacific University- School of Business, PCC Small Business Development Center, Columbia-Pacific Economic Development District, Adelante Mujeres, Micro-Enterprise Services of Oregon, Mercy Corps NW, SCORE, Local and Regional Banks, Commercial Brokers.

GOAL 4. ASSIST IN THE DEVELOPMENT OF A PROSPEROUS DOWNTOWN

OBJECTIVES

SHORT TERM

- Partner with the private sector to improve the attractiveness of downtown through implementation of the Town Center Plan.
- Work with partners to enhance organizational capacity to better promote downtown events, activities, and the interests of downtown. Research the possibility of a Main Street program.

LONG TERM

- Continue to work with property owners and brokers with site development and vacant space reduction while seeking a diverse mix of businesses.

- Support and promote a vibrant and active City Center through unique, colorful, and family-friendly events that draw new visitors.

MEASUREMENTS

- Number of Storefront Façade Program projects completed.
- Number of net new businesses.
- Reach decision on Main Street Program.

STRATEGIC EXTERNAL PARTNERS

City Club of Forest Grove, Forest Grove -Cornelius Chamber of Commerce, Small Business Development Centers, Micro-Enterprise Services of Oregon, Oregon Main Street, Commercial Brokers, Property Owners.

GOAL 5. EXPAND THE ECONOMIC IMPACT OF TOURISM

OBJECTIVES

SHORT TERM

- Serve on the tourism advisory committee (TAC) to increase support and awareness of tourism strategies.

LONG TERM

- Develop strategies for marketing, branding, capital projects, and event development through contracted services.
- Enhance and strengthen collaborations with tourism amenity operators and opportunities: local wineries, Hagg Lake, bicycling trails, and regional parks and forests.

MEASUREMENTS

- Overnight lodging stays per year.
- Transit Lodging Tax revenues per year.

STRATEGIC EXTERNAL PARTNERS

Washington County Visitors Association, Forest Grove Tourism Services Contractor, Forest Grove-Cornelius Chamber of Commerce, Travel Portland, Travel Oregon, Washington County Parks & Recreation (Hagg Lake), Oregon Forestry Department (Tillamook Forest), Oregon Parks & Recreation, North Willamette Vintners Assoc., Local Tourism Amenity Operators.

GOAL 6. FOSTER A COMPETITIVE BUSINESS CLIMATE THAT SUPPORTS ECONOMIC GROWTH

OBJECTIVES

SHORT TERM

- Support transportation investments that enhance freight mobility and access, community livability, connectivity, congestion reduction, and public transit options.
- Maintain adequate supply of water, wastewater capacity, and power and telecommunication utilities to support planned business growth.
- Maintain affordable power as a competitive advantage for Forest Grove.
- In collaboration with the Forest Grove-Cornelius Chamber of Commerce, Forest Grove High School and Pacific University, Increase local employment opportunities through the establishment of a local job board: employee-employer job match platform.

LONG TERM

- Work with businesses to enhance understanding, access, and use of workforce programs.
- Coordinate K-12 and higher education institutions with local companies to better understand current and future needs of business, enhance workforce skills, and identify employment opportunities.

MEASUREMENTS

- Power price benchmarked against providers in the region.
- Water price benchmarked against providers in the region.
- Number of broadband infrastructure companies providing service in Forest Grove benchmarked against companies providing services in the region.

STRATEGIC EXTERNAL PARTNERS

Portland Community College, Pacific University , Forest Grove High School, Oregon Work Source Centers, Work system, Inc. Frontier, Electric Light Wave, Comcast, Washington County Land Use and Transportation. Oregon Department of Transportation, Metro, Tri-Met, Forest Grove Light and Power, Clean Water Services.

GOAL 7. EXPAND PARTNERSHIP, OUTREACH, AND EQUITY EFFORTS

OBJECTIVES

SHORT TERM

- Work to understand and reduce barriers that Latinos and other diverse populations face in starting and operating businesses.
- Proactively coordinate with regulatory agencies to reduce delays and barriers to development.

LONG TERM

- Work to increase access and utilization of services to diverse members of community.
- Collaborate locally and regionally to establish strategic relationships in support of economic development priorities.
- Represent Forest Grove’s economic development interests and needs externally in the region and state by increasing visibility and engagement.
- Develop outreach strategies to educate the public about the City’s economic development strategies.
- In coordination with the leadership of the Forest Grove –Cornelius Chamber, celebrate business achievements and consider an annual awards program.

MEASUREMENTS

- Completion of equity research study identifying barriers for Latino small businesses.
- Increase understanding and reduce barriers for minority-owned start-ups.
- Assure minority representation on EDC through outreach efforts.
- Number of regional/partners organizations participated in.
- Number of minority or economically disadvantaged persons/businesses assisted.

STRATEGIC EXTERNAL PARTNERS

Pacific University, Forest Grove-Cornelius Chamber of Commerce, City Club of Forest Grove, Adelante Mujeres, Business Oregon, Greater Portland Inc., Portland Community College, Work Source/Oregon Employment Department, Metro, Washington County Visitors Association, Micro Enterprise Services of Oregon, PCC Small Business Development Center.

APPENDIX A

STRATEGIC PLAN GENERAL MEASUREMENTS

- Number of jobs created.
- Number of leads generated.
- Number of impressions.
- Number of businesses provided assistance.
- Number of businesses accessing workforce services.

ANNUAL FOREST GROVE ECONOMIC INDICATORS

- Population and growth rate.
- Unemployment rate.
- Median household income.
- Average wage.
- Total employment.
- Forest Grove employment sectors.
- Education attainment.
- Poverty rate.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS

S

- Great Downtown
 - Tourism draw
- Low power/utility rates
- Full Service City – utilities, infrastructure, etc.
- Fiber optics
- Quality of Life
- Pacific University
 - Academic conferences attract attendees from around the world – global exposure; they spend dollars on local eateries, hotels
- Clean, Cheap water
 - Public ownership - “we control our fate”
 - Stable – we have a back-up source
- 3 Tier One large lot industrial sites (Tier One = development-ready)
- Wineries
- Tremendous nearby recreational assets – Fern Hill Reservoir; Hagg lake; trails
- Farmers’ Market Great Events – Concours d’Elegance; Sidewalk Art Festival
- Historic Districts – 3 residential; DT HD in the works
- Hollywood has discovered us – university, other “sets” for films/tv/ads
- Business Friendly City administration
 - Entitlements – parallel path rather than sequential, allows for quicker process timelines
 - Collaborative spirit
 - Supportive, encouraging staff
 - Facilitates engagement with other regulatory entities – e.g. CWS
- Tools
 - Urban Renewal
 - Enterprise Zone
 - E Commerce
 - Business Incentive program
- Urban Renewal Area (formed 2014)
- Jesse Quinn – new mixed use development
- McMenamin’s/Grand Lodge
- Business Diversity
- Local ownership of business
- Agricultural Identity
 - Our roots & heritage – sense of place – character – not a generic suburb
 - Where we come from; who we are
 - Advantage of being on the edge of the Portland region – “I can breathe”; livability
- Agriculture not just about the past – new Ag business is growing; Example: nursery, organics
- History – oldest City in the County
- Strong working relationships with nearby communities, e.g. Cornelius
- Latino business assistance
 - Adelante Mujeres
 - Centro Cultural
- Forest Grove HS – high AP class percentage; lots of extra-curriculars; hosts sporting events-expands exposure.
- City has a good bond rating (but see discussion in weaknesses re: need to diversify the tax base

W

- Distance from highways (26)
 - Long travel times to PDX, DT Portland
- Industrial Areas have challenging access – narrow streets, difficult for trucks to navigate
- Workforce “daily exodus”
 - 83% of working residents commute to jobs in other jurisdictions
 - Higher wages in Hillsboro, Beaverton, Portland – tough for local companies to compete for FG workers
- “End of the line” – no pass-through customers
- Commute patterns bypass commercial areas – lost opportunity to capture customers
- Logjam east of Highway 47; Cornelius has Fred Meyer, Walmart because it is easier to access
- Limited transit options
- Only one grocery store
- Challenge in attracting/retaining skilled workforce – more work, better pay in Hillsboro and points east
 - A person can make more money in construction in Portland than a manufacturing job in FG
- Schools – flat growth projected for the next twenty years
- School funding (however – Forest Grove was the only place in Oregon during the recession to approve a bond)
- Schools are “adequate”; particularly given the funding
- Kids are going to other schools – transferring to other districts (i.e. Gaston) or private
- Some industrial lots are Tier 3 (difficult to develop due to infrastructure capacity, transportation deficiencies)
- Perception of distance from Portland; perception that Forest Grove is “on the coast” or close to it
- Property tax revenue base imbalanced – too much residential (a tax “taker”) and not enough industrial (a tax “giver”)
- Tax base needs to be more diversified – bond counsel tells us our rating would be stronger if the tax base were more diverse
- Rising rents – making housing (workforce in particular) less affordable
- Dearth of hotel rooms – need more hotels, particularly upper end/4 star
- Lack of parking downtown – holding us back
- Lack of a hospital, only urgent care clinic



- Trails in the region (Salmonberry, Council Creek, Yamhalis) – Forest Grove not connected, but could be the hub – attract Eco-tourists, generate more demand for hotels, restaurants
- Metro Open Space bond – could help address prior point
- Wine Country – could Forest Grove get a resort hotel like the Allison in Newberg?
- WCVA – how might we tap into their resources and energy more
- TLT – do a strategic plan to guide our efforts; deploy these dollars strategically/intentionally
- Craft breweries – let’s attract one or several – give people a local option rather than have to go to DT Portland, etc.
- Downtown parking study (underway) – opportunity to strengthen business district
- Town Center Plan (underway) – opportunity to guide future UR and other investments in bolstering DT
- Clusters to build on: tech; food including ag tech
 - Opportunity to diversify our economy
- Connections between our businesses and local farmers (e.g. distillery, bakery) for our businesses
- High Tech – opportunity to attract more suppliers to Intel, etc.; spin-offs; Example: MGC
- Ag – same – opportunity to attract more suppliers, spin-offs
- Strengthen ties between schools and businesses tied to vocational training; Schools have a new hire in Food Services
- FG has a disproportionately high percentage of seniors opportunity to expand medical service businesses/cluster
 - Maple Street Clinic is increasing its services; they’ve had a huge spike in number of customers. The Clinic’s residents stay there for two years – many will remain in the community
 - Dialysis unit – High water usage. Our high quality/stable water supply an advantage/op.
- Business Retention focus
- Pacific’s new business school – op to integrate with our efforts.
 - Mutually beneficial; our businesses will benefit from Pacific’s engagement in business planning, analysis; and the students get real world experience
 - Plus – a pipeline of workers as students get to know our businesses and our community
 - Plus – supplement City Ec Dev staff and Chamber
- Business “exit interviews” – interview people who have gone through entitlement process. Opportunity to expand this. Create stronger feedback loop on “how we’re doing”
- Developer roundtable – op for developers, others who go through the process to weigh in on code, policy, permitting, fee issues
- Clean Water Service purchase of TTM office building. Opportunity for R & D Center, accelerator, incubator.
- Build a hospital in Forest Grove. Expand medical services from current status.



- Diminishing supply of industrial land
 - If recent absorption patterns (last 3-4 years) continue, we may not have a 20 year supply of market ready employment land as called for in State land use law
- Metro’s restrictions on UGB expansion
 - “Grand Bargain” removed our long term “Urban Reserve” supply of employment land
- Limited resources for business retention/recruitment. Jeff doing a great job but there’s only so much band width and funding.
 - The challenge is exacerbated by the increasing complexity of Ec Dev – e.g., E-commerce.
- “Public should do its business; private sector should do its business” – in other words, public sector should “set the table” and then get out of the way
- High senior population – is Forest Grove convenient/accessible for seniors.
- Low unemployment – hard to keep people here – tough for small business.
 - Tough to compete with smaller communities out of the region, where there is a lower minimum wage – i.e. we have higher labor costs than some of our competition.

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A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	10.
MEETING DATE:	08/12/2019 09/09/2019
FINAL ACTION:	

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *September 9, 2019 (carried over from August 12, 2019)*

PROJECT TEAM: *Jeff King, Economic Development Manager*

SUBJECT TITLE: *Economic Development Strategic Plan*

ACTION REQUESTED:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> X	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
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X all that apply

PURPOSE:

To present the Forest Grove Economic Development Strategic Plan for potential adoption by the City Council.

BACKGROUND:

In 2009, the Economic Development Commission (EDC) developed a Strategic Plan (Plan) to guide economic development programs and efforts within the City. A new Plan was developed in 2015 which was intended for three years through 2018.

Recognizing the Plan needed an update, the City Council passed Objective 3.17 in 2019 which states, "Update Economic Development Strategic Plan." In furtherance of this goal, staff worked closely with EDC to conduct a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, solicit public input, and review, revise and update the 2015 Plan.

The EDC approved the draft Plan at their June 6, 2109 meeting. The draft Plan differs from the 2015 Plan in the following ways: 1) It is an economic development plan for the City of Forest Grove, not just the Economic Development Commission, 2) It includes a Vision Statement, 3) It consolidates 19 previous goals into 7 goals, 4) It contains a list of key external partners to aid in the accomplishment of each goal; 5) It highlights and adds Equity as a key component of the Plan; and 6) It contains measurements to help determine the success of the Plan and make possible amendments in the future to improve it.

The draft Plan was presented to City Council at a work session on June, 24, 2019. The City Council suggested several revisions that were incorporated into the final Plan that is appended to this memo. The revisions that were incorporated include:

- Vision Statement: The word *foster* replaced the word *provides*.

- Goal #1: The word *retention* was added.
- Goal #3: The word *retention* was added.
- Measures: The measures were previously aggregated and listed in the appendix of the draft Plan. The measures in the final Plan were moved to the Goal in which they most closely applied. The general measures which applied to all goals remain in the appendix.
- Measures: The wording of several measures were refined or added to increase clarity.
- Appendix: The local economic indicators of Forest Grove were added to the appendix.
- Appendix: A summary of the SWOT analysis was added to the appendix.

STAFF RECOMMENDATION:

Staff recommends City Council approve the resolution adopting the Forest Grove Economic Development Strategic Plan.

ATTACHMENTS:

- A) Final Economic Development Strategic Plan
- B) Resolution
- C) PowerPoint



ECONOMIC DEVELOPMENT STRATEGIC PLAN

Council Meeting
JEFFREY KING, ECONOMIC
DEVELOPMENT MANAGER

September 9, 2019

Purpose

- **Presentation of Forest Grove Economic Development Strategic Plan (Plan)**
- **Council consideration and possible adoption of the Plan**

Background

- Economic Development Commission (EDC) passed a Strategic Plan in 2009 and a three-year update in 2015.
- City Council passed Objective 3.17 in 2019 which states: “Update Economic Development Strategic Plan.”
- EDC approved a Draft Strategic Plan on June 6 and forwarded to Council for consideration.

Background

- The Council held a Work Session on the draft Strategic Plan on June 24, 2019.
- The Strategic Plan presented tonight has been updated to reflect Council comments.

Background

The major changes to the Strategic Plan that resulted from the Work Session include:

- Vision Statement: Replaced ‘provides’ with “fosters”
- The word *retention* was added to Goals 1 and 3.
- A “Definitions” section was added.
- Several measures were refined.
- Measures pertaining to a specific Goal were placed under that Goal.
- An Appendix was added that includes 1) General measurements, 2) Annual Economic Indicators, and 3) a SWOT analysis previously done by EDC.

Background

This Plan differs from the previous Plan as follows:

1. Adds a Vision Statement
2. Consolidates 19 goals into 7
3. Lists key external partners for each goal
4. Adds equity elements
5. Adds measurements to track success

Vision

A strong, sustainable, local economy that fosters opportunity and prosperity for the whole community.

Mission

We foster a vibrant economic climate that encourages and attracts sustainable and equitable business development through strategically focused policies and programs, collaboration and partnerships.

Definitions

- Short Term – Less than two years.
- Long Term – More than two years.
- Measurements – Metrics that reflect the success of the Strategic Plan. The metrics will be compiled into a report that is given to the Economic Development Commission and City Council on an annual basis.
- Annually – a calendar year unless otherwise specified.

Goals

1. Support Industrial and Commercial Business Growth and Retention
2. Expand Opportunities for Entrepreneurship and Innovation
3. Support Small Business Development and Retention
4. Assist in the Development of a Prosperous Downtown
5. Expand the Economic Impact of Tourism
6. Foster a Competitive Business Climate That Supports Economic Growth
7. Expand Partnership, Outreach, and Equity Efforts

Objectives

External Partners

Measurements

To assure a successful Plan, each are listed under every Goal.

Appendix

- General Measurements. These measurements apply to the overall Plan.
- Annual Forest Grove Economic Indicators. These indicate the status and trend of the economy.
- SWOT Analysis Summary. This was done by the Economic Development Commission.

Questions?