

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Envision Eugene – Economic Development

Meeting Date: January 18, 2012
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: A
Staff Contact: Jason Dedrick
Contact Telephone Number: 541-682-5451

ISSUE STATEMENT

This work session provides an opportunity to update the City Council on implementation of the Joint Elected Officials Regional Prosperity Plan and the relationship between this work and Eugene's need for employment lands over the next 20 years.

BACKGROUND

This work session is part of an ongoing conversation about Eugene's 20-year land need for all land types, including:

- Public and semi-public
- Single-family housing
- Multi-family housing
- Commercial
- Industrial

Joint Elected Officials Regional Prosperity Plan

In 2010, the Joint Elected Officials of Lane County and the cities of Eugene and Springfield recognized the importance of economic opportunities with their collective approval of a *Regional Prosperity Economic Development Plan* (JEO Plan). The JEO Plan includes goals to reduce the local unemployment rate to, or below, the state average, and increase the average wage to, or above, the state average. Both economic indicators have been stubbornly entrenched for decades, negatively impacting the possibility of financial security for many in our community.

The Draft Envision Eugene Proposal continues this objective by containing a pillar that strives to provide ample economic opportunities for all community members. Many of the strategies and tactics contained in this pillar rely on local implementation of portions of the JEO Plan. In order to utilize this document as its policy guidance for the next 20 years, the City needs to elaborate on and commit to the specific actions from the JEO Plan that are already underway or will be as part of the implementation phase of Envision Eugene. Attachment A provides a brief summary of these actions.

Employment Growth Rate

An important foundational element of Envision Eugene is the amount of employment growth that is anticipated over the next 20 years. This employment growth rate directly relates to the number of employees that must be planned for and the amount of land and the actions that may be needed to

accommodate these employees. There are three options regarding the selection of a future employment growth rate. Two of these options are considered “safe harbors,” meaning they cannot be legally challenged. The two safe harbor options include:

- The December 2011 forecast from the Oregon Employment Department (OED) for Lane County. This forecast is for an annual employment growth rate of 1.6 percent. While this is a forecast for the 2010-2020 period, it is still acknowledged as a “safe harbor” assumption for the full 20-year planning period.
- The same growth rate for employment as for population. This is an annual employment growth rate of 0.9 percent.

The third option is to create a Eugene-specific forecast for employment growth. While not a safe harbor, this is an option that many cities choose. A methodology is currently being developed to inform what this employment growth rate would be. It is likely that it will fall between the two safe harbors mentioned above of 0.9 percent and 1.6 percent.

Industrial Land Need

Work has continued to refine the amount of land needed for large-lot industrial lands. This includes additional analysis of the site requirements of key targeted industries and a more detailed allocation of projected new employment to the lands that would likely be needed. Staff will present an update on this information, which will be the foundation for the forthcoming recommendation on the actual amount of new land needed for industrial uses over the 20-year planning period.

Next Steps

Each of these topics will be addressed as part of the City Manager’s Recommendation.

RELATED CITY POLICIES

Growth Management Policies

COUNCIL OPTIONS

No formal action is required at this time.

CITY MANAGER’S RECOMMENDATION

No action is required on this item. Therefore, no recommendations are offered by the City Manager.

SUGGESTED MOTIONS

No action is required on this item. Therefore, no motions are suggested.

ATTACHMENTS

A. Summary of Eugene-Specific JEO Plan Actions

FOR MORE INFORMATION

Staff Contact: Jason Dedrick, 541-682-5451

Staff E-Mail: jason.p.dedrick@ci.eugene.or.us

Project Website: www.envisioneugene.org

Regional Prosperity Economic Development Plan

Introduction

In February 2010, the Regional Prosperity Economic Development Plan was finalized by the officials of Lane County and the Cities of Eugene and Springfield. The stated goal is to “create 20,000 net new jobs in the chosen economic opportunity areas; reduce the local unemployment rate to, or below, the state average; and increase the average wage to, or above, the state average” by 2020.

The plan set forth guiding principles of healthy living, smart growth, local independence, regional identity, and to be prepared (in the region’s physical, social, and educational infrastructure). It also outlines six major strategy areas: Growing Local Opportunities, Energize a Creative Economy, Invest in Tomorrow’s Talent, Provide for Basic Business Needs, Identify as a Place to Thrive, and Strengthen Key Industries. The plan also contemplates actions to be taken by a broad community partnership in support of these strategies.

Action on Strategic Areas

1. Grow economic opportunities

This strategy focuses on the growth of local businesses as a prime source for near term job growth. Actions underway include:

- a. Lane BusinessLink: A web-based “one stop” source for business development resources. The site was launched in October of 2011 and attracted hundreds of visits in the first couple of months. The site features online resources for businesses and instructive links and tools for entrepreneurs or small business owners in search of information about business planning, financial assistance, resources, or regulations.



Leader: Lane Community College / Small Business Development Center

- b. BDF Loans: The Business Development Fund is the City’s primary tool to assist with the expansion of local businesses. Focused efforts in the BDF over the past 24 months resulted in 18 loans totaling \$1.4 million, leveraging \$14 million in private investment and the projected creation of 130 jobs.

Leader: City of Eugene



Beer Barons: Ninkasi Brewing Company is one of the fastest growing beers in the nation with the help of City of Eugene business loans.

- c. eDev Services: eDev provides training and financing resources to encourage the growth of Lane County microenterprises. The City helps fund these services to Eugene-based entrepreneurs, and approved a one-time increase in funding to address economic conditions. So far, there have been over 200 clients assisted.



Leader: eDev

- d. Lane Council of Governments (LCOG) Loan Program: LCOG assists small businesses in utilizing various government loans, including local, state or federal programs.

Leader: Lane Council of Governments



BowTech, an advanced manufacturer of archery equipment and now a large employer in West Eugene, grew with help from BDF and LCOG's loan programs.

2. Energize Creative Economy

Intensive training, business mentoring, peer networking, and finding entrepreneurs the capital resources they need to launch their endeavors are all parts of the strategy to energize Eugene's creative economy. Current activities underway include:

- a. Smart Ups Academy: The Eugene Area Chamber of Commerce, in partnership with the Oregon Technology Business Center and the City of Eugene, is launching an academy designed to develop investor-ready businesses. A twenty-step program to guide entrepreneurs to a point where they are ready to make presentations to investors, the program recently hired a new facilitator and will begin on February 17th.



Leader: Eugene Chamber of Commerce

- b. Southern Willamette Angel Network (SWAN): An investor network begun in July of 2009 that connects early stage and seed businesses from the Southern Willamette Valley with angel and venture investors. SWAN specializes in reviewing entrepreneur business plans from the Eugene portion of the valley. Entrepreneurs and start-ups can submit their business plans for coaching and ultimately vying for between \$200,000 and \$2,000,000 in investment. The next Willamette Angel Conference will be held in May in the City of Eugene.



Leader: Eugene Chamber of Commerce

c. Incubation Space

- i. Hatch: A Business Incubator: A partnership of NEDCO and eDev, the Hatch program provides affordable, visible commercial space (office or retail) in downtown Springfield for four micro-entrepreneurs with five or fewer employees looking to expand their business. Businesses are given access to affordable capital, technical assistance to help them grow their business in addition to space.



Leader: NEDCO & eDev

- ii. Broadway Commerce Center: Beam Development, is rehabilitating the former Center Court building for a combination of office and retail tenants. Importantly, the second floor is being developed in a “flex space” pattern including a collaborative working space for software entrepreneurs to work synergistically.



Beam Development rehabilitated this key building in downtown with City Assistance-- fostering incubator place in a high profile, newly refurbished space.

Leader: Beam Development, City of Eugene

3. Invest in Tomorrow’s Talent

Creating and maintaining a competitive workforce that meets the needs of emerging industry requires partnerships with local industry and coordination with local education. Current actions underway are:

- a. Green jobs taskforce: Representatives from different green industries in Lane County have been convened and tasked to better understand workforce needs and market opportunities. Significant opportunity areas that emerged include: reuse and recycling, green construction, biomass production/ transportation, and the re-localization of food supply.

Leader: Lane Workforce Partnership

- b. WorkSource Lane: A service delivery system run by Lane Workforce partnership, the program is dedicated to assisting employers recruit and retains employees while also helping individuals learn new skills, find employment, and progress in their careers. Annually, over 400 employees and 20,000 individuals access services through WorkSource Lane.



Leader: Lane Workforce Partnership

- c. National Career Readiness Certificate: The National Career Readiness Certificate (NCRC) is a standardized test developed by ACT that measures applied math and reading skills. Those who have earned an NCRC (932 Lane County participants) are shown preference by those Lane County businesses who have signed letters of commitment. The workforce partnership has been promoting this certification system to recognize the pre-employment value of these skills. 932 County residents have earned the certification. The partnership is working with the business community to obtain commitments to participate. So far, 45 companies have made commitments.

Leader: Lane Workforce Partnership

- d. LCC Campus Downtown: Lane Community College's new campus is under construction, creating an exciting facility for increased workforce training offerings. Feature programs include continuing education classes, a nationally-recognized energy management program and the Small Business Development Center that provide customized workplace training for employees. This highly accessible facility includes energy management features that will assist in teaching students the latest efficiency techniques. Additionally, two hundred and fifty student housing units will increase foot traffic and vitality in Downtown.



Lane Community College's new downtown campus and student housing is rising fast from "the pit." The project promises to help pick up the pace downtown as well as create exciting opportunities for students.

Leader: Lane Community College, City of Eugene

4. Basic Needs of Business

The Regional Prosperity Economic Development Plan calls for strengthening the links between planning, transportation, and investment to achieve economic development goals. This work includes providing appropriate sites to accommodate business development and expansion and the creation of jobs. Some efforts to meet these needs now underway are:

- a. Envision Eugene: Providing adequate industrial land supply to meet the needs of city and regional businesses for the next twenty years is a key task in the Envision Eugene process. These efforts are central to assisting the expansion of business and creation of jobs.



Leader: City of Eugene

- b. Brownfields: Brownfields and the feasibility of re-using existing land supply are crucial to maintaining economically healthy industrial development. As part of the Lane Livability Coalition work program, the City of Eugene, Lane County and the City of Springfield are actively pursuing federal Environmental Protection Agency grant money for the inventory and assessment of potential brownfields in the Eugene-Springfield metropolitan area. The City of Eugene is also working with the Oregon Department of Environmental Quality to identify possible projects eligible for assistance under state programs like the OBDD Brownfield fund.

Leader: City of Eugene

5. Identify as a Place to Thrive

A strategic, long-term effort to authentically identify the region, raises awareness of its comparative advantages, and highlights the business opportunities of the region. Current efforts include:

- a. Downtown Development: An active, vital downtown contributes to the community's overall cultural and



economic image. Such a downtown can also act as a magnet to attract and concentrate creative businesses. The City and the Urban Renewal Agency have been aggressively working on downtown redevelopment, concentrating on both residential and commercial development opportunities. There are projects totaling almost \$100 million currently underway throughout the downtown.

Leader: City of Eugene, Urban Renewal Agency

- b. Food Initiative: Recognizing the authenticity, pride, and sense of identity the community derives from its support of local food, the City is engaging with partners at Lane County, Lane Workforce Partnership, University of Oregon's Community



Planning Workshop and the Chamber of Commerce on a food initiative. Building a reputation for healthy lifestyles and as a source of high quality food products enhances the attractiveness of the City as a place to locate enterprise, and creates an overall positive association for products made in the region. Current tasks include writing an industry outreach strategy, surveying identified business contacts, and formulating food cluster strategies. The initiative is also evaluating a menu of activities for the immediate, medium, and longer term to promote, stimulate, and develop food related businesses.



Leader: Lane County

6. Strengthen Key Industries

The growth and expansion of key local industries is the economic engine for job creation, and understanding the factors for their success is important to the process of fostering opportunity. Revealing the competitive strengths of our industries and our region will guide future investments and actions. Recent activity includes:

- a. Initial Cluster Analysis: The Chamber of Commerce commissioned a study by Creative Class consulting group to identify potential clusters in the Eugene area. A review of data of our region's industry portfolio is largely consistent with the JEO list of key industries. The study recommended additional study of the following list of clusters: biosciences, environmental services and waste remediation, food processing and manufacturing, computer software and IT services, and specialized manufacturing.



Leader: Eugene Chamber of Commerce

- b. Chamber's Regional Prosperity Initiative: The Eugene Area Chamber of Commerce is promoting business alliances in key industries, providing support for early-stage companies with education, network, and capital formation, and marketing industry areas already in development.



Leader: Eugene Chamber of Commerce

- c. Competitive Advantage Study and Cluster Strategy: The Cities of Eugene and Springfield and Lane County, working as members of the Lane Livability



Consortium, will investigate regional economic specialization, recommend new strategies, conduct market research for each cluster, and create corresponding marketing materials. Revealing place-based competitive advantages is another step on a path to strengthening our understanding of regional clusters and developing strategies to support growth. Areas that strategic recommendations for increasing returns to the region's human, social, physical, and natural capital might include: education and workforce, information sharing, technical assistance, regulatory changes, infrastructure investments, forging new partnerships and alliances.

Leader: City of Eugene and Lane County