

*Investing in
Portland's Future*



SCOPE OF WORK OVERVIEW

Applied Development Economics, Inc. (w/Marketek, Parametrix) Gateway Regional Center URA Business Development Strategy

Description of Project:

The ADE Team's approach is to build from previous work and relationships to identify business' requirements for success and to develop an action plan with workable, practical strategies to attract business investment so as to increase the intensification of employment in the Gateway area. Much has been done to understand the Gateway Area's community and real estate assets. Many studies have documented existing conditions and trends in housing, retail, office and industrial markets. Other studies have documented infrastructure deficiencies and needed redevelopment investments. What is missing is a better understanding of the type of businesses that would have the greatest opportunity for success within the Gateway area. What is needed now is to identify the opportunities for transforming Gateway into a high-density employment center as envisioned in the METRO 2040 Regional Center Goals. This requires identifying opportunities for business growth and developing specific strategies to build on those opportunities. An outcome of this study may include marketing the Gateway area to appropriate targeted industries as well as linking existing businesses with the assets and resources they need to compete and expand.

To achieve these goals, ADE will conduct this project on two tracks. The first track will be to identify employment growth opportunities in industries currently located outside of Gateway and draft an approach to linking those identified employment growth opportunities to development opportunities in Gateway. The second track is to identify the growth opportunities created by firms currently located in Gateway and to link these firms with services, such as those available through PDC, to assist with expansion of their businesses.

The following is a summary list of tasks and activities ADE will complete:

Phase I: Facilitate Project Kick-off Meeting and Refine Scope of Work

Prior to the Kick-Off meeting, ADE will review existing research reports, documents, plans and studies commissioned by PDC, METRO, the City of Portland and others to determine the degree to which additional quantitative analysis is required. ADE shall summarize relevant earlier reports, including the METRO 2040 Growth Concept, noting their implications for the business development strategy and comment on the relevance of assumptions used in those past reports, such as anticipated growth. The ADE Team shall meet with PDC project managers and staff to review the scope of work and budget and to clarify project goals, methods, data needs and public input design. The ADE Team will conduct an orientation tour of the Gateway Area.

Phase II: Assess Opportunities for Economic Growth in the Portland Metropolitan Area.

In this Phase, the ADE Team will identify the types of high-density employment industries with the greatest opportunities for growth in the Gateway Area. ADE shall use two approaches in identifying high density employment sectors that may be growth opportunities for Gateway. One approach is to look at specific growing sub-sectors of the Portland Region's driving industry clusters that are suited for high-density employment space. The other is to look at aggregate regional employment data by looking at employment growth by 3-digit NAICS code within the Portland Metropolitan area and identify those that tend to locate in high-density multi-level office space. ADE will update its knowledge of locational requirements for these sub-sectors through interviews with industry experts within and around the Portland Area. This knowledge will feed into the development of the SWOT Analysis, discussed below.

Phase III: Conduct SWOT Analysis: Assess Gateway's Advantages and Disadvantages as a Regional Employment Center

The SWOT analysis will compare Gateway's competitive position relative to other existing regional centers (such as Beaverton, Sunnyside, Lake Oswego) and office districts in Washington County along Highways 26 and 217 interchanges or other areas suggested by PDC at the project kick-off meeting. The SWOT analysis will identify select regional centers with similar characteristics to Gateway that could be used as appropriate models for the future

growth and development of Gateway. ADE shall tabulate relevant information about each regional employment center in the form of a matrix. The matrix will be populated with readily available data that has been published or recorded in existing documents. To augment and complement the data, ADE shall interview commercial real estate brokers and leasing agents in each regional center to understand current leasing trends and identify relevant issues.

Phase IV: Assessing Existing Firms' Capacity for Growth

Some of the intensification of the Gateway Regional Center will come from the expansion of existing businesses. ADE will work with PDC and the neighborhood business association to identify the capacity of existing firms to expand. This task will require engaging with the business community to identify, with greater specificity, the growth plans and aspirations of local businesses and their needs or requirements for growth. Business and property owner insights and perceptions are vital to clearly defining the Gateway business expansion and attraction strategy. An outreach process is planned to understand: existing business conditions and perceptions of Gateway as a place to do business; opportunities and plans for expansion; barriers to growth; tools, resources and assistance needed for success; workforce issues/opportunities; and Gateway's potential to meet its long term needs.

Phase V: Business Economic Summit

In partnership with PDC, ADE shall organize and facilitate a half-day Gateway Business Summit to help build commitment from the business community and economic development partners to implement the business development strategy. The planning of the Business Summit will happen concurrently with the preparation of the Business Development Strategy. The ADE Team will discuss its preliminary findings, share best practices and success stories and solicit input from Gateway stakeholders for the development of an action plan that identifies strategies and implementation champions. ADE will then synthesize the results for inclusion into the action plan and final report.

Phase VI. Strategic Action Plan

ADE shall prepare the Business Development Strategy, which will identify target industries that have potential for expansion in or relocation to the Gateway area, address workforce development needs to meet new employer workforce demands, outline an approach to marketing Gateway's advantages for business and identify business services most important for existing Gateway employers. Overall, the strategy will present concrete actions for the public and private sectors to take to transform Gateway into a high-density employment center. The action plan will identify strategic partners, roles of each partner; priority strategies, tools and resources. The elements of a strategic action plan will include an assessment of opportunity sites, barriers and constraints to development, workforce development needs and branding and promotion opportunities. The ADE Team will leverage its multiple specializations to create an integrated and comprehensive strategy, which could include the following elements:

- Identify and Assess Opportunity Sites and Barriers to Development
- Workforce Development Strategies
- Business Attraction: Branding and Promotion Strategies
- Business Retention and Expansion Best Practices

Phase VII: Final Report and Presentation

Upon completion of the Business Economic Summit and PDC review of the draft strategic plan, ADE shall incorporate all deliverables into a draft final report for PDC review. This shall include baseline economic conditions and assets inventory; summary of business outreach; summary of business economic summit; and, strategic action plan.

Deliverables & Timeline (subject to change)

Baseline economic conditions and assets technical memo	June 30, 2010
Business and large property owner outreach and SWOT	Aug. 25, 2010
*Business economic summit	Oct. 15, 2010
Action plan, including recommendations	Oct. 15, 2010
Final report	Oct. 30, 2010
Presentations and meetings	June, July, Sept., Oct. 2010