



Bureau of Planning and Sustainability

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Frequently Asked Questions (FAQs) Economic Opportunities Analysis (EOA)

August 3, 2011

What is the EOA?

Oregon's land use planning system requires cities to provide adequate capacity for employment growth. Statewide Planning Goal 9 requires a city to prepare an "economic opportunities analysis" (EOA). The EOA must be adopted by the City Council as part of Portland's new Comprehensive Plan.

The EOA has four general parts:

- an analysis of community growth trends and opportunities
- a forecast of 20-year demand for employment land in the city
- an inventory of existing developable land supply and estimate of any unmet 20-year needs
- a summary of policy choices to provide adequate employment land capacity

What is the Comprehensive Plan?

Portland's Comprehensive Plan describes the city's growth management strategy, desired land use pattern (where various types of uses would go, such as industrial, residential, open space, institutional) and the infrastructure systems necessary to support that pattern (e.g., roads, utilities, parks, transit). The state of Oregon periodically requires local governments to examine and update their comprehensive plans. Portland is currently updating its Comprehensive Plan (which was originally created in 1980), and the EOA report is one of the state-mandated tasks required for that update. The new Comprehensive Plan will be one of the implementation tools of the City's new strategic plan, the Portland Plan.

Why is the 2009 report being updated? What are some of the issues being addressed in the new draft?

The EOA report was first released in November 2009, as a draft, and has been available for public review since then. Based on feedback received to date, BPS has identified a number of refinements that should be made, including:

- Clarify the methods used to identify vacant and underutilized land.
- Provide better data to support assumptions about "constraints" that limit the use of some vacant and underutilized employment land, such as the impact of various environmental zoning regulations.
- Explain more thoroughly how areas that allow both employment and housing (such as the Central City, commercial corridors and town centers) will factor into meeting employment and residential land needs.
- Update growth forecasts coordinated with Metro, incorporating more recent data.
- Describe in greater depth the relationship between land needs and job density, cargo volumes and economic output.



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Why is an EOA important?

Creating more living wage jobs is a top priority for Portlanders. The Portland Plan strategic plan established Economic Prosperity & Affordability as a key strategy to expand economic opportunities to support a socially and economically diverse population by prioritizing business growth, a robust regional economy and broadly accessible household prosperity.

Portland plays a major role as a regional employment center. Even though the city has competitive advantages due to its location, past infrastructure investments and workforce capacity, recent trends show that Portland is capturing a declining share of the region's new jobs. At the same time, the city has captured an expanding share of the region's housing.

Portland has limited options to "create" more land for employment, which poses new challenges for economic growth. In Portland, the challenge is to increase economic activity and jobs within a largely developed land supply. This can be affected by a variety of public choices, particularly in land use policy, infrastructure investments and development incentives.

What are Portland's economic growth trends?

National and regional job growth since 2000 has been sluggish, compared to the 1980s and 1990s. The Portland-Vancouver metropolitan region (7-county MSA) added jobs at an average annual rate of almost 1% from 2000 to 2008, compared to a long-term annual growth rate of 2.1% from 1980 to 2008. This slowing trend has been even sharper in Multnomah County. Historically, Multnomah County captured about 28% of regional job growth in the 1980s and 31% in the 1990s, but employment actually declined by 8% from 2000 to 2008. It is not clear whether slower post-2000 job-growth trends are an exceptional period or will continue as the "new normal." It is clear, however, that Portlanders expect City planners to take a more proactive role in encouraging job growth.

The current draft of the EOA assumes a 1.7% average annual job growth rate in the seven-county region from 2010 to 2035. This is consistent with Metro's most recent forecast (2009). The draft also assumes that Portland will capture 27% of the regional growth during that same time period, a rate that is similar to the period from 1980 to 2000, but higher than the past decade.

Are some business sectors growing faster than others?

Yes. There are some sectors of the Portland economy that have experienced stronger growth in recent years. Healthcare and education have been the city's leading job growth sectors since 2000. In addition, office sector expansion has generated a healthy rate of job growth in the Central City. Economic activity in the region also continues to rely on Portland's harbor and rail infrastructure.

Portland's industrial sector represents a relatively large proportion of our economy, though the industrial sector has generally experienced "jobless growth" since 2000. Freight volume and manufacturing output has grown, and the Portland region is a leader in export income per capita, but the number of industrial jobs in Portland (city) has decreased.

What are the preliminary findings?

Comparing forecasted 25-year land demand with current developable land capacity, the draft EOA found substantial shortfalls of industrial land, primarily in the Portland harbor and airport districts, and campus institutional land. The draft EOA identifies potential actions to overcome these shortfalls, such as incentives to encourage brownfield cleanup and redevelopment, or infrastructure investments to allow more efficient use of the existing land supply. These ideas and others will be considered as the Comprehensive Plan is updated over the next two years.



Where can I find the EOA Report?

A 2009 draft of the EOA report is on the Portland Plan website:

www.pdxplan.com/backgroundreports

The Bureau of Planning and Sustainability is working with a consultant (E.D. Hovee & Company) to refine the draft report. A stakeholder advisory committee has also provided detailed technical comments. A new draft is underway and will be complete by November 2011.

How can I comment on the anticipated November 2011 draft?

Once the new draft is available, it will be published on the Portland Plan website (www.pdxplan.com), followed by a public comment period. The Planning and Sustainability Commission will hold a public hearing on the EOA in early 2012. Later in the year, the report will be presented to City Council.

How does the River Plan relate to the EOA?

In April 2010, the Portland City Council adopted the River Plan / North Reach, a plan for the industrial Willamette River. While the River Plan struck a balance among its various objectives, three industrial groups appealed the decision to the Land Use Board of Appeals (LUBA) and later, to the Court of Appeals. The appeals raise concern about the potential impacts of environmental regulations on the city's supply of industrial land.

In adopting the River Plan / North Reach, the City relied on land supply information in an older adopted EOA report, and the 2009 (not yet adopted) EOA draft. The courts ruled that the City's adopted EOA was out of date and that Portland's City Council must adopt the new EOA.

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