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City of Portland Economic Development Strategy



A Five Year Plan for
Promoting Economic
Growth and Job Creation

City of Portland
Mayor Sam Adams

The Opportunity

The City of Portland stands at the threshold of a new economic era. The city competes in a global marketplace simultaneously wrenched by the worst economic downturn in 60 years and the evolution away from a century long dependence on carbon-based technologies. While many cities will struggle during this period of extraordinary change and upheaval, Portland is poised to thrive. Our advantages are numerous:

- An unrivaled position as the greenest city in the U.S. due to farsighted investments in transit, land use planning and energy efficiency that anticipated this next phase in our way of life;¹
- A burgeoning concentration of firms in the clean technology and green building sectors that stand to benefit from the shift away from carbon technologies;
- A diversified base of regional employers that serve both as stable sources of employment and leaders of key industrial sectors, including apparel and creative services, electronics and health care;
- A universally lauded quality of life that will continue to attract creative class and entrepreneurial talent to maintain a dynamic local economy in the face of recessionary pressures.²

The Challenge

Despite the achievements resulting from Portland's commitment to a sustainable lifestyle, the city continues to lag in employment growth. While downtown Portland is at the center of a thriving regional economy that has grown employment by 12% between 1997 and 2007, employment within the City of Portland has not kept pace with job growth in the region. The problem is most acute in the Central City: since 1997, jobs in the Central City have remained flat, at approximately 122,000.³ The Central City now accounts for only 13% of total regional employment, down from 15% in 1998 (BOP).⁴

The city and the region have long assumed that investments in quality of life would result in job growth in the city. These investments have succeeded in generating an unprecedented influx of creative talent to the city, but that alone has not created new jobs. The city must now make a comparable investment to transform its economy. Continued emphasis on investments in transit, infrastructure, housing and social service over economic development will not grow the local economy. Job growth requires explicit investments in retaining and growing firms, training workers, funding innovation and developing catalytic projects. As this strategy makes clear, the investments in Portland's lifestyle will pay economic dividends, but the emphasis needs to shift to economic development to realize those benefits.

¹ e.g., America's greenest city (Popular Science, Feb. 2008); No. 1 forward thinker in environmental awareness and resource conservation (SustainLane, 2006); First in LEED certified buildings per capita (Popular Science, Feb. 2008).

² e.g., No. 3 best place to live in America (Sperling, May 2007); fourth hottest spot for knowledge workers (*CNN Money 2007*); No. 6 best U.S. city to live and launch (*Money*, 2008); No. 2 city in America to "eat smart, be fit and live well" (*Cooking Light*, 2006).

³ City of Portland Bureau of Planning

⁴ City of Portland Bureau of Planning

What follows is a strategy for guiding Portland’s economic growth over the next five years and directing the investment necessary to complete the transformation of Portland’s economy. Portland embarks on this period of renewed focus on job growth and new business formation guided by three mutually-reinforcing principles:

- The economic benefits produced by our collective efforts must accrue to all Portland residents;
- Portland’s competitive position depends on vigilant maintenance of a vibrant downtown and thriving neighborhoods, as well as the sustainable way of life that now defines Portland both locally and throughout the world;
- Successful economic development is a collaborative effort encompassing not just business and the public sector, but organized labor, academia and the not-for-profit community.

This strategy recognizes that prosperity cannot be hollow; job growth that isn’t equitable or that comes at the expense of our way of life is not in the long term interests of this city or its residents.

The Goal

Portland’s economic future lies in its greatest strength, the sustainable way of life that has been meticulously cultivated over the past 40 years. This strategy builds on that tradition by offering the following goal:

To build the most sustainable economy in the U.S.

As the 30th largest city in the U.S.⁵ and the country’s 25th largest regional economy,⁶ Portland does not possess the resources to compete broadly in the global economy. A city of Portland’s size and attributes must be selective in how it competes for new business growth; limited economic development resources must be deployed in a manner that builds on the city’s undeniable strengths. Until recently, a distinguishing competitive advantage for the city was elusive. Oregon and Portland’s disruptive transition away from an economy defined by natural resources (timber and agriculture) was accompanied by the departure of many of the city’s largest employers and economic anchors. While high technology and heavy manufacturing emerged as sources of strength, the City of Portland was left without a distinct competitive advantage outside the region. Fortuitously, while Portland’s position within the traditional economy was weakening, the foundation was being laid for its preeminent role in the emerging global green economy. Portland is now positioned as the frontrunner to be the capital of the U.S. green economy. This unique competitive position is due to the following interrelated factors:

1. Existing concentration of firms in clean technology and sustainable industries.

Portland is home to one of the most significant concentrations in the U.S. of firms in the renewable energy, environmental services, recycling, and green building sectors.⁷ In particular,

⁵ U.S. Census 2008

⁶ Bureau of Economic Analysis 2007

⁷ Current sources of data on employment and number of firms in these sectors lack the proper definitions and consistency to compare industry concentrations across cities and regions.

the city boasts notable concentrations of green building and wind energy firms, including the North American headquarters of Vestas and Iberdrola. The metro region is benefitting from an influx of solar energy firms, which now number nearly 40. Equally important is a growing supply of experienced employees for clean tech firms: the region possesses talent clusters 84% greater than similar sized regions for renewable energy and 43% greater for environmental services and recycling. In short, when clean tech and other green firms are seeking a location to form or expand their businesses, Portland is on the list and usually near the top.

2. Years of recognized leadership in all facets of sustainable living – green building, transit,⁸ land use, recycling, and bicycle use⁹.

Portland has become the ultimate laboratory for innovations in alternative energy, green building and green living. An unwavering commitment over nearly 40 years to producing and enhancing a cleaner, more sustainable lifestyle has produced a city and region at the forefront of alternative transportation use, green and energy efficient building, and promotion and usage of non-carbon-based energy sources. In the race to be proclaimed the greenest city in America, Portland has the distinct advantage of actually doing more than just talking about sustainability - and businesses, entrepreneurs, and aspiring green sector talent know this.

3. Supportive state and local policy environment.

Much of what has been accomplished in the field of sustainability has been abetted by progressive state, regional and city policies designed to promote a more sustainable lifestyle, and attract and grow businesses in green sectors. Investments in transit and bicycle infrastructure, tax credits to encourage alternative energy production and hybrid vehicle usage, and land use and building codes designed to produce dense, green development serve as a policy framework to guide Portland and the region toward a more sustainable lifestyle. That policy framework, along with the public ethos behind it, provides certainty for firms seeking to thrive in the sustainable economy.

The Strategy

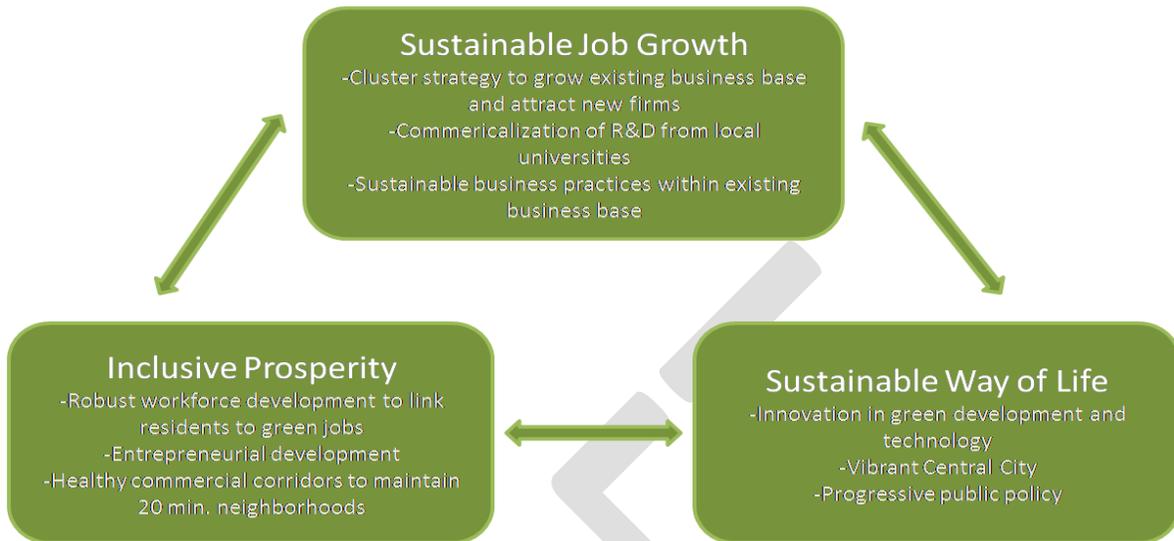
What is a Sustainable Economy?

A sustainable economy comprises three overlapping elements: 1) sustainable job growth; 2) a sustainable way of life; and 3) inclusive prosperity. While any one of these elements is a worthwhile objective, it is the interplay of the three that creates a resilient economy: business activity should reinforce our shared values; all Portland residents should share in the growth of the economy; and our way of life should contribute to a thriving local economy. In fact, in Portland, it is sometimes difficult to distinguish between our sustainable economy and our sustainable way of life, and given the benefits

⁸11% of the region's workforce walks, bicycles or rides mass transit to work; TriMet provided 8.1 million rides during December, 2008.

⁹Portland is the first large U.S. metro area to be awarded a platinum rating as a Bicycle Friendly Community by the League of American Cyclists.

that accrue from this symbiotic relationship in the form of economies of scale and on the ground innovation, the blurrier those lines are, the better.



Achieving the goal of building the most sustainable economy in U.S. will be a measurable endeavor. Benchmarks or clear deliverables will be established for the priorities in each of the three strategic elements.

Portland’s economic development strategy is designed to achieve the objectives contained in each of the elements of a sustainable economy: leadership in green business, inclusive prosperity and a sustainable way of life.

Objective 1 – Sustainable Job Growth

Portland will focus its business development efforts on four industry concentrations - Clean Tech/Sustainable Industries, Creative Services/Apparel, Software and Advanced Manufacturing - that are thriving due to differing, but equally unique, sets of characteristics in the Portland metropolitan area. While these clusters include firms across the spectrum of sectors in the local economy, each of these clusters offers the opportunity to further Portland’s leadership in position in the green economy.

This strategy embraces the belief that Portland’s existing business base, and firms in its target sectors in particular, are part of and can prosper in a sustainable economy. High profile firms in clean tech sectors such as wind and solar power will help establish Portland’s brand, but the bulk of the growth in green jobs and widespread adoption of sustainable business practices will occur among sectors that are not typically viewed as part of the green economy. This strategy will help Portland’s existing business base take advantage of the city’s unique competitive position as a leader in sustainability.

Sustainable Job Growth	Responsible Party
Action: Pursue a cluster strategy to grow the existing business base and attract firms in the targeted industries.	

A cluster strategy is the logical organizing principle for retaining, recruiting and expanding firms in targeted industries. Disparate efforts at recruitment, innovation, international trade, land assembly and workforce development can be coordinated in a manner that makes more efficient use of resources and captures synergies in otherwise unrelated activities (e.g.; coordinated training and research at local universities). In addition, in-depth knowledge of particular sectors fuels catalytic initiatives that move business development efforts beyond traditional assistance. A cluster strategy is especially critical for a market like Portland, where limited resources require selective investments in the groups of firms that demonstrate the most promise of growth.

Portland’s four clusters are concentrated beyond national norms and adhere to widely accepted theories regarding the emergence and evolution of local clusters.¹⁰ In particular, the clusters have demonstrated growth beyond industry averages and have assembled the elements of tangible competitive advantage, including concentrations of talent, deepening supply chains and a proximity to customers or product feedback loops (e.g., local outdoor recreational culture informs product development in activewear).

Equally significant, each of the clusters demonstrates a strong correlation with job creation within the City of Portland. Clean Tech/Sustainable Industries and Software share a particular propensity for Central City job creation. This distinction is important for the strategy: the city can be confident that investments that produce new jobs in these clusters will reside in the city. By prioritizing these particularly promising sectors, the city intends to create 10,000 new green jobs over the next five years.

The city’s prioritized action plan for each of its four target clusters is summarized on the following page.

¹⁰Michael Porter’s competitive advantage diamond is the most widely accepted explanation of cluster formation. The four elements to Porter’s diamond are rivalry and cooperation, inputs, suppliers and customers. Additional criteria for identifying clusters include relative concentration (i.e., location quotient), relative growth, and relative wages.

Action Plan

1. Selectively recruit two headquarters and three manufacturing operations.

The presence of Vestas and Iberdrola, along with a range of noteworthy green building firms, provides momentum for the city's efforts to attract additional anchor firms for this cluster. To compete effectively for manufacturing operations, the city will complete an inventory of industrial lands and identify up to three sites for acquisition and remediation. The banking of these sites will provide the city with available land for possible recruitment and test the efficacy of investments in remediation.

2. Establish the Oregon Sustainability Center to create an identity for the cluster and drive commercialization of emerging technologies and products.

The Center will be established through a collaborative effort by the city, state, PSU and the Oregon University System as part of a broader sustainability district on the PSU campus. Key cluster initiatives, including the Oregon Sustainable Economy Network, will originate from the center.

PSU, spurred by a \$25 million grant to promote sustainability, has oriented its long term vision around sustainability. The implications for Portland's sustainable economy are profound: the city will be home to one the leading academic institutions in the field of sustainability. Local firms will be the beneficiaries of the innovation that emanates from PSU research and development activities. Each of Portland's private colleges and community colleges has adopted sustainability as a core value, as well, and will contribute innovation and talent to the sustainable economy as well.

3. Launch global export strategy.

The CTSI cluster will serve as the centerpiece to the city's new international strategy. PDC will implement an international trade and investment strategy that incorporates the following elements:

- coordinated branding of Portland's sustainable economy through international trade shows, targeted marketing campaigns, and strategic business development trips to cities worldwide;
- coordinated State, Port of Portland and City of Portland activities in key international markets;
- marketing, recruitment, and long-term retention strategies for

Cluster Overview - Clean Tech and Sustainable Industries (CTSI)

- 809 CTSI firms in region, including 327 in Multnomah County
- 9,817 jobs in region; 53% (5,237) in Multnomah County
- Multnomah County saw CTSI earnings increase from \$246M to \$325M between 2001 and 2006, significantly outpacing earnings growth in the region.
- Notable concentrations in wind, green building and environmental services in the City of Portland.
- Businesses include Vestas, Iberdrola, CH2M Hill, Solar World, Solaicx, Brightworks, Gerding Edlen, SERA Architects.
- Competitive strengths include educated labor force (talent cluster at least 50% larger than average for similar regions), access to inexpensive energy and water, tax incentives for renewable energy products, quality of life and reputation as a leader in sustainability
- Over one-third of Portland's economy is based on trade
- Over 13,000 jobs are attributed to foreign direct investment in Oregon (FDI)

- international students;
- education of Oregon’s foreign trade representatives on the unique competitive advantages of specific companies and industry clusters that may be ripe for trade and investment;
- education of global site consultants on the benefits, strengths, and advantages of bringing high-level projects to Portland.

Activewear/Design

Action Plan

1. Attract and grow two headquarters operations.

Portland is a recognized home for activewear firms throughout the business lifecycle. The city will continue to capitalize on this leadership position by attracting two prominent activewear firms. The city will achieve this outcome either through selective recruitment or the nurturing of emerging firms already located in the city. The city will provide entrepreneurial training, access to capital, workforce training, networking and other opportunities to such firms.

2. Establish materials library and design center to solidify Portland’s standing as a leader in sustainable design.

Portland will establish the West Coast’s first materials library, which will specialize in sustainable materials for green buildings and soft goods. The library, which will be a partnership between the Oregon University System, OECDD and PDC, would house a wide selection of sample materials in addition to providing consulting services and R&D focused on the development of new materials through the Oregon Nano and Microtechnology Institute (ONAMI) and others. This initiative would further the region’s visibility as a global design center.

The city will also develop a world class design program by enhancing existing educational programs through strategic partnerships with world renowned architecture and product design programs. The design program will provide a spectrum of educational and career opportunities, linking higher education and industry to ensure industry needs are met and provide internship programs for students and/or graduates of those programs.

3. Conduct an industry analysis and implement key recommendations for growing the cluster.

Despite Portland’s long history as a center for activewear, the region has not performed an in-depth industry analysis regarding the region’s advantages, weaknesses, and opportunities. The analysis, which will be conducted in partnership with OECDD, Greenlight

**Cluster Overview –
Activewear/Design**

- Region has long been home to performance footwear and apparel companies.
- 214 activewear companies; 10% annual growth since 2001
- Local cluster growth fueled by the immigration of talent and the emergence of new firms.
- Businesses include Nike, Adidas, Columbia Sportswear, Keen, Lacrosse, Icebreaker, Lucy
- Positive trends include development of new fabrics and technologies, and the fusion of outdoor-inspired styles into more general fashion circles
- Competitive strengths include concentration of talent (45% larger than national average), access to Asian markets, and outdoor and active lifestyle culture.

Greater Portland and the Oregon Business Plan, will help the region understand the relationships within the industry and the drivers of entrepreneurial activity. Most importantly, the study will produce recommendations to increase Portland's competitive advantage in this industry, including roles and responsibilities for the public, private, education and non-profit sectors.

Software

Action Plan

1. Attract and grow three headquarters operations.

The software cluster is heavily concentrated in the Central City due to the presence of a deep talent pool. The migration of talent to downtown Portland ensures that the city will continue to be an attractive location for software firms, particularly in niches like software publishing. The strong pull of downtown positions the city well to attract larger, high profile firms to grow the size and visibility of the cluster.

2. Establish software incubator in Central City.

The city will work with the Software Association of Oregon to establish a software incubator in the Central City. The incubator, which will be housed within an existing building downtown or in the Central Eastside, will fill a need for inexpensive space for start-ups. The presence of large technology companies in the region, including Intel, HP and Tektronix, along with the influx of creative talent, is creating a pool of entrepreneurs with the potential to fuel increased start-up activity. The PSU Business Accelerator is the only incubator in the Central City and is insufficient to meet the demand for start-up space.

3. Grow promising subsectors with a focus on open source software niches.

The Portland region possesses promising niches in the development of open source software. The open source software movement coalesced in Portland area with the establishment of the Open Source Development Labs (since merged into the Linux Foundation) and the arrival of Linus Torvalds, founder of Linux. Portland's efforts in promoting open source are also assisted by the proximity of Oregon State University's Open Source Lab. The city will seek to open a satellite of the OSU lab in Portland.

Cluster Overview - Software

- 1,608 firms in the metro area. 644 firms in Portland (Multnomah Co).
- 16,612 workers in the metro area. 5,979 in Portland (Mult. Co).
- \$1.3 billion in metro area revenue
- \$3.2 billion in aggregate wages
- Average annual wages: \$67,764
- Jobs within the Software cluster are projected to grow by 23% in Oregon between 2004- 2014
- Niches include GIS/mapping software, open source, identity, medical informatics, and wiki technology.
- Saber, Coaxis, Fios, Tripwire, Cd Baby, Meridian Technology Group, DB Professionals, Imagebuilder Software, Auctionpay, Extensis
- Diverse, technology-oriented labor force (talent cluster 20% larger than national average),
- Strong software-oriented business networks
- Easy access to Bay Area and international markets

Action Plan

1. Implement Harbor-Redi Initiative to increase the supply of industrial land.

The limited supply of developable industrial land threatens the city's ability to recruit new businesses to Portland and meet the expansion needs of existing companies. The city currently has 400 non-contiguous acres of unoccupied or unimproved brownfield sites, and each acre holds the potential of creating an average of 55 manufacturing jobs. Implementation of Harbor-Redi will release pent-up demand for the redevelopment of industrial sites by providing a path for investors concerned about the cost and liability of contaminated sites, with particular actions for separating upland contamination from in water liability, while continuing to hold responsible parties liable. If not addressed, the limited supply of industrial land furthers the need to expand the urban growth boundary to accommodate industrial expansion, requiring heavy investment in new infrastructure and jobs and tax revenues outside the city.

2. Expand Lean Manufacturing consulting services to 50 firms.

The city will contract with the Oregon Manufacturing Extension Partnership to cover 50% of the cost for consulting services to help promulgate lean manufacturing techniques. In addition, PDC will continue to collaborate and provide financial support to the Manufacturing 21 Coalition, a center of excellence and networking organization for the advanced manufacturing industry. Manufacturing 21 is a vehicle promoting a range of process improvements, including lean manufacturing, sustainable business practices, and state-of-the-art technologies derived from local research.

3. Expand product testing capabilities of local firms.

The city will continue to work with the Pacific Northwest Defense Coalition (PNDC) to expand the product testing capabilities of local manufacturers. Local firms manufacturing products with high performance requirements need the ability to test and certify products without making significant investments in testing facilities and equipment. PNDC plays a critical role in organizing firms around this shared need.

Cluster Overview –
Advanced Manufacturing

- 700 companies
- 30,725 workers in the metro area
- \$4.2 billion in annual metro-area industry revenue
- Average annual wages: \$50,817
- Largest concentration of employment within the City; Within the metals cluster alone, 35,000 people are employed in Portland
- Multiplier effect for manufacturing is particularly compelling: for every \$1 of manufacturing product sold, \$1.37 is invested in the local economy
- Businesses include Precision Castparts, Blount, ESCO, Freightliner, Greenbrier Companies, Oregon Steel, Cascade General, Leatherman Tool, Columbia steel, Cascade Corp, Stanley Hydraulic Tools, Oregon Iron Works
- Includes niche clusters that fit with the sustainable practices of the city, including bicycle frame manufacturers.
- Expands world-wide demand for Oregon produced products
- Strong partners in region's sustainability culture – recycling more materials than any other sector

Objective 2: Sustainable Way of Life

Portland is widely recognized as a leader in sustainability in the U.S. and abroad. Portland’s status as arguably the greenest or most sustainable city in the U.S. is the result of a range of investments in and policies promoting the basic elements of a sustainable way of life. These elements – which include transit, land use, bicycling use, high density development, a thriving Central City, green building and recycling – combine to form a culture and knowledge base that perpetuates Portland’s sustainable lifestyle.

The city’s sustainable way of life has become its primary economic asset and competitive advantage. Investment and talent seeking a place in the emerging green economy now gravitate to Portland. Portland enjoys the unique position of being the most fully functional urban laboratory for innovation in sustainability in the U.S., while simultaneously possessing the livability that results from an unrelenting commitment to sustainability. This combination is a powerful draw for green entrepreneurs and an educated, creative workforce.

Maintaining this cutting edge position in sustainability is a vital to growing the local economy. To do so, Portland must embark on the next generation of innovation in green building and sustainable living.

Sustainable Way of Life	Responsible Parties
Action: Support the efforts of higher education institutions to supply the talent and innovation to maintain our leadership in sustainability.	

Portland’s status as a center of innovation in sustainability depends on a continued infusion of talent into the workforce and the regular introduction of new technologies. The region’s higher education institutions, led by Portland State University, will play the lead role in fueling this evolutionary process. The city currently lacks an inventory of the assets of its higher education institutions. With the institutions, the city will map the capabilities of each with an emphasis on 1) programs that prepare the local workforce to meet the needs of the strategy’s target industries, and 2) research and development capacity that can keep Portland’s sustainability economy on the cutting edge of innovation.

Based on this inventory, the city will partner with higher education institutions to enhance academic programs that serve the sustainable economy. As an example, leadership in clean tech industries will depend on an ample supply of engineers. Oregon University System schools, including PSU, are the logical institutions to address this critical talent gap. Another partnership might include the city’s arts and design schools to meet select skill needs of the activewear and design cluster. Similar partnerships can be established to support the talent needs throughout the city’s target industries.

Entrepreneurial regional economies, such as Silicon Valley and the Research Triangle, depend on local universities to drive innovation. PSU and OHSU have begun to serve in this role in the fields of sustainability and life sciences. The research and development work of these institutions could be enhanced by more explicit connections to firms in the target industries, whereby the universities help solve technological challenges faced by cluster firms, and firms help commercialize the innovation that

occurs within school walls. This type of symbiotic relationship benefits both sides financially and through the notoriety that accrues to regions known for innovation.

Sustainable Way of Life	Responsible Parties
Action: Establish eco-districts in three catalytic locations	

Eco-districts offer the opportunity to put in to practice the latest innovations in green building, infrastructure and collaboration. Each site will be different in character and composition but will test new techniques in district-wide power generation, waste and water treatment, and shared infrastructure. The districts will also include experimentation with living buildings, the logical evolution from the LEED standard that has defined Portland leadership in green building in the past.

The sites for these catalytic projects will be selected based on opportunities for synergies with other development efforts as well the potential catalytic impact on neighboring districts. The catalytic impact of an eco-district is significant: over the next five years, the city is likely to focus its investments in large redevelopment projects to eco-district sites, with an emphasis on the Central City. A vibrant Central City is an essential aspect of Portland’s sustainable way of life; compact urban development depends on a strong core as does the continued attractiveness of Portland to the educated, creative class.

A likely first site for an eco-district is the Jasmine block near the PSU campus. An eco-district on this site will integrate PSU’s existing redevelopment plans for the Jasmine block with the plans for a proposed Oregon Sustainability Center, and will transform a large swath of downtown Portland and catalyze investments in neighboring areas. The city possesses two additional sites with similar synergistic and catalytic potential:

- Oregon Convention Center/Rose Quarter District – Redevelopment of this district, which could include a Headquarters Hotel for the convention center, a build-out of the Rose Quarter including the Blanchard site, and the realization of plans for Burnside Bridgehead, would create an eco-district on a massive scale. This site has a head start on its green future with the existing plans to create a sustainable district known as Lloyd Crossing out of the current Lloyd Center business and shopping district.
- South Waterfront – OHSU’s investments in South Waterfront, through the Aerial Tram and the Center for Health and Healing, have resulted in two of the most high profile examples of Portland’s leadership in sustainability. OHSU’s planned campus on 20 acres of undeveloped land in North District of South Waterfront will produce another showcase for innovation in sustainability. Unlike other potential eco-district sites, the development of this site does not require the redevelopment or replacement of existing buildings and infrastructure. In addition to the campus for OHSU, current plans for the area include potential homes for the OUS Collaborative Life Sciences Center and Vestas North America headquarters, and a new light rail line and station. The owners and other parties contemplating development in this district all share a commitment to cutting edge sustainability.

Other potential locations for eco-districts include the Con-way and Freeway Lands sites.

The full build-out of an eco-district will not be accomplished during the five year term of this strategy. However, actions undertaken as part of this strategy will advance the planning and design for multiple districts, land acquisition and site assembly, and, most importantly, the innovative thinking necessary to move the eco-district from an exciting concept to an operational reality.

Sustainable Way of Life	Responsible Parties
Action: Establish Portland + Oregon Sustainability Institute.	

Portland + Oregon Sustainability Institute (POSI) has recently been established as an international center of excellence for sustainability. POSI, an independent not-for-profit with a collaborative Board of Directors, will provide leadership on the action items critical to enhancing Portland’s preeminence in sustainability. These action items include:

- Coordinating the branding and marketing of the sustainable economy;
- Providing a showcase and clearinghouse for innovation in green businesses, buildings and infrastructure;
- Creating a forum for collaboration among sustainable businesses and organizations promoting Portland’s sustainable lifestyle;
- Developing an iconic building which incorporates Portland’s best thinking on the next phase of green development.

An interim location to house POSI’s activities has been established in the Leftbank building near the Rose Quarter. A permanent home, known as the Oregon Sustainability Center, will be located in the planned eco-district on the Jasmine block.

Objective 3: Inclusive Prosperity

A sustainable economy should provide economic benefits for all Portland residents without making tradeoffs between growth and equity.¹¹ In fact, achieving the aims of a sustainable economy depends on full utilization of our city’s assets, including the skills, resources and energies of residents. Local residents should be contributors to the sustainable economy at all levels: as employees, entrepreneurs, students, consumers and business owners.

At a basic level, the local economy should provide jobs for which local residents can compete. Access to a living wage job is a fundamental building block to prosperity, and during periods of economic transition, explicit efforts must be made to maintain a connection between the skills of the local labor force and the jobs created by the local economy. Providing access to jobs is only one way to direct economic benefit to local residents. Flourishing small businesses, nearly all of which are owned locally,

¹¹The concept of “inclusive prosperity” is borrowed from “Into the Economic Mainstream: A Discussion Paper on Bipartisan Policies for Inclusive Economic Growth” by the Opportunity Finance Network and Robert Weissbourd of RW Ventures, Inc.

create wealth and ensure that local neighborhoods have convenient access to goods and services. This strategy emphasizes both of these avenues for achieving prosperity.

Inclusive Prosperity	Responsible Parties
Action: Align workforce development efforts to match targeted industry efforts.	

Job growth should create employment opportunities for local residents. In addition to giving opportunities to local residents to meet the needs of an expanding economy, establishing better connections between Portland’s targeted industries and skilled workers increases the city’s competitiveness, and supports the recruitment and expansion of key business by having a job ready workforce.

Salaries for the target industries are higher than Portland’s average and offer career ladders for more opportunities. An analysis performed by the Oregon Workforce Investment Board indicates that renewable energy and clean tech industries will generate growth in primarily traditional occupations and that many of these occupations are technical in nature. Occupations like electricians, plumbers, machinists, and assemblers are predicted to comprise a significant part of the green economy. In addition, traditional office occupations, including clerks, accountants, customer service representatives and engineers, will experience growth under a sustainable economy. The similarities with “old” economy occupations hold promise for establishing a reliable pipeline for Portland residents to sustainable economy jobs.

An effective linkage between job growth and local residents requires a continuum of education and training services, including occupational training, community college and higher education, to meet the needs of business. The elements to this continuum are already in place, as is WorkSource Portland Metro, the conduit from this system to the job market for skilled workers. The city will work with the Regional Workforce Investment Board to align resources to support the city’s sustainable economy, and ensure the quality and efficiency of the system.

Better alignment between the target industries and the workforce system will also ensure that as target industries grow, the workforce development continuum adds training programs to support industry needs. Industry Skill Panels comprising a cross section of companies in particular industries will prioritize occupations necessary for continued growth of the industry and the unique training needed to prepare workers for those positions. These panels will select the training providers to ensure the classes meet their specific needs. WorkSystems, Inc. has already established panels to address skill needs in three of the four target industries. Trade unions will also play a critical role in identifying needs and opportunities and advocating for increased training in emerging sustainable trends.

Inclusive Prosperity	Responsible Parties
Action: Create a system of entrepreneurial relationship managers who can assist with all areas of small business assistance, from start-up to expansion.	

Small businesses create jobs and are the backbone of Portland’s economy. Over 90 percent of Portland’s businesses have fewer than 100 employees, and nearly three-quarters of net new jobs in Portland are created by small business. Support for small businesses in Portland is paramount to maintaining Portland’s competitiveness and attracting talent.

In late 2007, the Portland City Council adopted the Small Business Bill of Rights. The Bill of Rights states explicitly that “Portland’s economic environment must encourage business enterprises to start up here, to relocate here, to stay here, to grow and to thrive.” The Bill of Rights directs Portland to “support and promote programs that provide access to capital, financing and city incentives for small business start up, survival and/or expansion.”

A coordinated system of entrepreneurial relationship managers, or “concierges,” will ensure that Portland’s disparate technical assistance providers work together to offer targeted assistance. An emphasis will be on small, traded sector firms with the potential to sell products and services outside the region and internationally. In addition, deliberate outreach to Portland’s small business community will allow for the sharing of best practices in sustainability among small businesses.

Relationship managers will create a more effective feedback loop that fosters the creation of niche programs and products that address the needs of particular sectors of Portland’s small business economy. Recent examples include the Food Innovation Center’s assistance to Portland-based food processors and Mercy Corps Northwest’s lending and training program for Food Cart vendors. Future programs could target other emerging business sectors, including brewers, bicycle framebuilders and distillers. Future programs should also target culturally distinctive sectors of Portland’s economy.

Inclusive Prosperity	Responsible Parties
Action: Develop and implement a green “Main Street” program for Portland’s neighborhoods.	

Portland will work with the Bureau of Planning and Sustainability, the Alliance of Portland Neighborhood Business Associations and other partners to create the country’s first urban, “green” Main Street program. The program will be a competitive process for neighborhood business districts to apply and participate for technical assistance in strengthening the district and establishing a framework for creating healthy neighborhood businesses. Over time, commercial corridor revitalization programs, such as Main Street, achieve significant investment in their commercial districts, including exponential growth in the number of businesses and jobs. In 2007, average reinvestment in a community as a result of a Main Street program amounted to over \$11 million.

Commercial districts are the most visible indicator of community health and are required to establish a city of 20 minute neighborhoods. Portland’s commercial districts provide entertainment, shopping and

services and contribute to the city’s vibrancy and praised quality of life. These districts also promote investment and encourage entrepreneurship. Many of Portland’s neighborhood commercial districts have seen a renaissance, and a few not only serve local residents, but have attracted national attention for their character, events and one-of-a kind shopping and dining experiences.

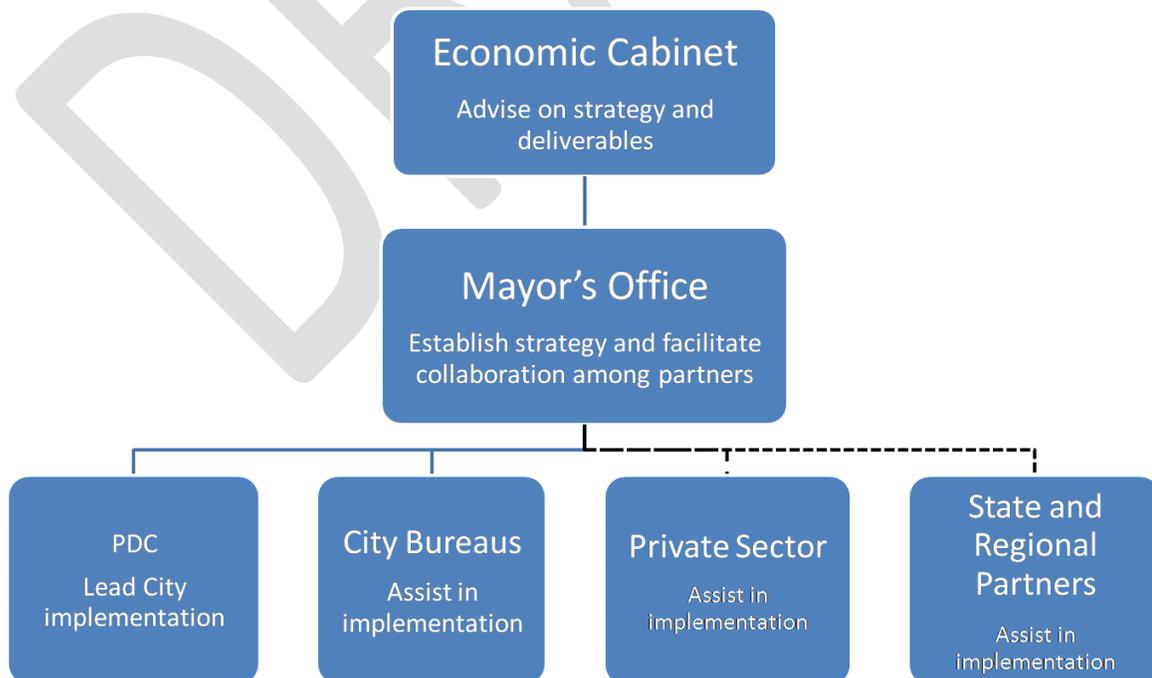
The strengths and weaknesses of the commercial districts and their role within the fabric of the city become increasingly important as Portland continues to grow and revitalize its neighborhoods. Healthy commercial districts create opportunities for local business to start up and expand; contribute to sustainable lifestyles that allow residents to shop and eat locally; help preserve historical structures and contribute to an increased tax base.

Implementation [to be completed for final draft]

Governance [to be completed for final draft]

- The Mayor has established an Economic Cabinet comprising leaders from all facets of the local economy. The cabinet has representatives from the city’s target clusters, plus other key sectors and economic drivers, including tourism, entertainment, and professional services. The cabinet also includes representatives from organized labor, academia, government, and a range of business and labor associations.
- The Mayor’s Economic Cabinet will advise on the formation and implementation of the strategy and provide feedback on the city’s progress in meeting the objectives of the strategy.

Roles and Responsibilities [to be completed for final draft]



Coordination Plan [to be completed for final draft]

Funding Requirements [to be completed for final draft]

Milestones [to be completed for final draft]

Metrics [to be completed for final draft]

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