

# Portland Economic Development Strategy: Now for the hard part

by PETER KORCHNAK on JULY 11, 2009



Last Wednesday I attended the presentations, testimonies, and unanimous adoption by the Portland City Council of the [Economic Development Strategy](#) ("Strategy"), a "five-year plan for promoting job creation and economic growth". Here's my summary of the event and a few notes.

## Presentations

Tim Priest, CEO of [Greenlight Greater Portland](#), a "private-sector-led economic development initiative", first presented an overview of Portland's economy based on the new report "[Greater Portland Prosperity 2009: A Regional Outlook](#)". Portland ranks high nationally on a number of sustainability and quality-of-life indicators, which make it a very desirable place to live. However, livability has not translated to economic prosperity and job creation: unemployment is high, and business infrastructure, growth and investment in the economy lag.

According to [Erin Flynn](#), Economic Development Director at the [Portland Development Commission](#) and the 2nd [presenter](#), the gap between livability and prosperity was the impetus behind the [Strategy](#); in order to continue its quality of life, the City must focus on the basics of economic development.

The Strategy's overarching goal is to "create the world's most sustainable economy" while creating 10,000 net new jobs in 5 years. Though I'm naturally suspicious of [government 5-year economic plans](#), the Strategy's approach eased my concern.

The first strategy is to "maximize the competitive environment" by

- focusing on 4 economy clusters, where Portland already holds a comparative advantage and which have high growth, wages, export potential, and multiplier effect (clean tech/sustainable industries, advanced manufacturing, activewear, and [software](#));
- fostering higher education and workforce development; and
- adopting an international outlook.



The second strategy is to "drive urban innovation" by developing next-generation built environment (eco-districts), creating a vibrant central city, and marketing the Portland brand.

The third approach is to foster “neighborhood business vitality” by scaling small businesses with growth potential, revitalizing **Main-Street commercial corridors**, and coordinating small business services.

## Testimonies

Prior to and at the meeting I heard a few reservations regarding the Strategy (funding, implementation, measurement, accountability) as well as requests for inclusion of additional clusters (food/farms, creatives/freelancers), but overall the support for the Strategy was overwhelming. Each testimony voiced support for the strategy, the strongest coming from organizations on the Strategy’s **partner list**, and the expressions of appreciation and gratitude occasionally stretched my patience. The inclusive process and incorporation of constructive input during the Strategy’s drafting – PDC drafted the Strategy over nine months with input from many stakeholders – certainly helped generate ownership, which made the one-sidedness of testimonies somewhat less conspicuous.

## Adoption and next steps

The City Council adopted the strategy unanimously, recognizing the Strategy is only the beginning. Next comes aligning institutions with goals and funding, developing implementation plans, securing funding (the really hard part), and defining the metrics. PDC will return to the Council in 2-3 months to present the implementation plans.

## Notes

- I am happy to live in a city that is positioning itself as the world leader in sustainability.
- The focus of my **business** is strategy, so I appreciate that the City finally has one for its economy. The Strategy is the City’s first in 15 years, and the signs are this one will actually be implemented. Also commendable are the focus on what’s already there and working as well as the inclusive, collaborative drafting process.
- Another plus is that while focusing on the economy, the Strategy will also impact the sustainability and quality-of-life aspects of Portland (e.g. sustainable buildings, neighborhoods).
- The devil will be in the details of implementation, particularly funding and measurement. The Strategy’s resource development plan outlines a number of sensible avenues, the viability of which will have to be tested. And, net job gains will be particularly **tough to measure**.
- I appreciate the breadth and depth of the Strategy’s stakeholders. The Strategy solicited input from a number of stakeholders, who will also be helping implement it. The overwhelming citywide **support** for the Strategy will engage the stakeholders in its implementation and help hold the City and one another accountable.
- The Strategy recognizes the importance of small business for Portland (more than 95% of Portland’s businesses have fewer than 50 employees, and nearly 75% of net new jobs in Portland are

created by small business). Interestingly, however, the target clusters represent only 13% of City and 16% of regional employment.

- Sustainability is about diversity, and while focus is important, I see a conflict between business diversity and the focus on a limited number of business clusters (not to mention potential positive discrimination). The neighborhood business vitality strategy and the small business focus seem to counterbalance that.
- The Strategy's branding/marketing element is perhaps of greatest interest to me. The City plans to use [Amsterdam's example](#) to create a focused, coordinated, and sophisticated message through another participatory stakeholder process and by tapping into the local creative talent pool. I look forward to reporting on progress in this area.

**What do you think about Portland's new Economic Development Strategy? How does *your* city approach sustainability and economic development?**

\* \* \*

*Update: Here's the promo video presented at the City Council meeting between Tim's and Erin's presentations, via [@pdxdevelopment](#).*