

Economic Vitality

VISION STATEMENT

We are a community where people can live, work, play and meet their daily needs for goods and services. We build upon the intellectual capital of the community to attract new ventures, retain local businesses and connect to the global economy. We are business-friendly and a regional model for employment and mixed-use centers that attract quality jobs.

EXISTING GOAL

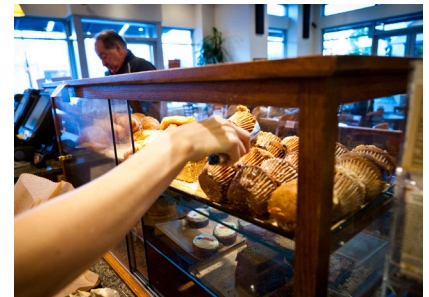
Lake Oswego's 1994 Comprehensive Plan identifies one goal for economic development:

The City shall provide for economic development opportunities which enhance the prosperity and livability of the community.

WHAT WE'VE HEARD

The 2010 We Love Lake Oswego community survey which received 823 responses provided the following information:

- What should Lake Oswego's economic role be 25 years from now?
 1. A full-service community where people can live, work and buy all goods & services (63%)
 2. A mix of bedroom community and full-service community (55%)
 3. A source of innovation for the region (41%)
- What should be the top priorities to improve the City's business districts?
 1. Redevelopment of underused or blighted properties (61%)
 2. Support diversity of shops and businesses (57%)
 3. Providing transit, walking and biking access (46%)
 4. Recruiting new businesses (44%)
- What types of new businesses and services would be desired in 2035?
 1. Bookstores, hardware stores or locally owned businesses (25%)
 2. New industry, such as professional, bio-tech, engineering, and green businesses (14%)



PEOPLE, PLACES AND PROSPERITY

As the City develops key elements of the Comprehensive Plan update, sustainability is an important consideration. We define sustainability as meeting the vital human needs of the present without compromising our ability to meet future needs. Planning in a sustainable way means looking at the community as an interrelated system that includes places around us (the natural and built environment), people (that live and work here), and prosperity (of the people and local economy) that supports society's needs.

People: Employment opportunities can help to meet people's needs by paying incomes that allow people to support themselves with a good standard of living. Jobs close to home reduce commuting time and stress. Thriving businesses can support their employees and reinvest in the community. Creating opportunities for businesses to incubate and grow within the city supports local entrepreneurship.

Places: Vibrant, pedestrian-oriented districts attract people to businesses and help the economy to thrive. Higher concentrations of employees create demand for public transportation, increasing transportation options for employees and residents, and reducing greenhouse gas emissions.

Prosperity: Employment uses contribute to a strong local tax base, which supports City infrastructure and services. Employees and visitors who come to Lake Oswego for work or fun help to support businesses. Opportunities for residents to shop, dine, and meet service needs within Lake Oswego helps to strengthen the local economy. Employment clusters create synergies and serve to attract new business.

BACKGROUND

As part of its Comprehensive Plan update, the City is required to comply with Statewide Planning Goal 9 - Economic Development "to provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare and prosperity of Oregon's citizens." Goal 9 requires an adequate supply of industrial and commercial sites consistent with Comprehensive Plan policies. It also requires an Economic Opportunities Analysis (EOA) to assess employment land inventory (supply), need, and local economic development policies; the section below summarizes the report's key points:

PEOPLE AND JOBS

- Today: 43,000 people and 19,166 dwelling units in the Lake Oswego Urban Services Boundary. By 2035: 47,000 to 51,000 people in the Lake Oswego Urban Services Boundary.
- Lake Oswego continues to retain and attract upper-income households: nearly 41 percent earn more than \$100,000 per year; households earning more than \$200,000 per year increased by 808 households between 2000 and 2006-8.
- In 2009, there were approximately 18,871 jobs at 2,297 places of work, with an average wage of \$52,700. In the most recent figures available (2010), jobs were down about 2%, businesses up by 1%; with average wages up by approximately 3.5%.
- The January 2012 unemployment rate was 6.3%, consistent with 2011's average rate of 6.2%. Average unemployment rates reached a high of 7.5% in 2010; in the five years preceding the recession, this number ranged between 3.5 and 4.3%.
- Finance and Insurance (14.4%), and Professional, Scientific and Technical Services (13.3%) sectors have the most employment and above-average wages. Other primary sectors include Health Care (9.7%) and Educational Services (10.3%).

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- The Kruse Way Corridor from I-5 to Boones Ferry Road is a significant economic engine: over 2,700 on-site jobs, an annual direct payroll of \$243 million, and an annual regional economic output of \$1.4 billion.
 - Commercial properties account for 21% of the assessed value in Lake Oswego.
 - Lake Oswego has highly educated and trained residents: a higher share of residents above the age of 25 with a bachelor's degree or higher (64%) than residents of Clackamas County (32%) or Oregon (28%). This may be attractive to businesses that need highly educated and skilled workers, such as Corporate Headquarters or Professional and Scientific Services.
 - Lake Oswego has a higher concentration of wages in Finance, Insurance and Professional Consulting than the rest of Clackamas County.
 - In the next 20 years, key trends for Lake Oswego include projected growth in financial firms, services that require high quality office space, and the growing importance of health care.
 - Between 9 and 12 percent of Lake Oswego's workforce is located on land that is not designated for employment, such as home-based businesses.

EMPLOYMENT LAND SUPPLY

- Vacant Land: Lake Oswego has a limited 20-acre supply of vacant employment land inside the Urban Services Boundary (USB); with 7 of those 20 acres at Mary's Woods.
- A commercial mixed-use and industrial sites analysis indicates a significant amount of redevelopment potential in the Lake Oswego USB: More than 121 acres in Downtown, Foothills, Kruse Way and Boones Ferry, and over 30 acres in the SW Industrial Park area.
- Vacant Office Space: Office vacancy rates at the end of 2010 were 18.3% in Kruse Way and 12.2% in Lake Oswego/West Linn, equaling 635,000 square feet of vacant space. Vacant buildings could support about 1,500 jobs in Lake Oswego without additional land needs. In the last quarter of 2011, Kruse Way vacancy rates had risen to 25.76%.
- The city's supply of vacant land – along with redevelopable land and vacant office space – could provide the capacity for over 4,000 new jobs.

WE LOVE LO: THE COMPREHENSIVE PLAN PROCESS

The Economic Vitality Action Area will set direction (policies) for how the City should meet its economic goals for the next 20 years. This process will build upon previous work, such as the Lake Oswego Economic Development Strategy, current and projected employment data, the 2011 Economic Opportunities Analysis and the 2010 Community Vision and Values Survey. We are asking the community to help develop these policies and strategies through meetings, surveys and hearings.

SOURCES

Draft Economic Opportunities Analysis, City of Lake Oswego, May 2011
Oregon Employment Department Quarterly Census of Employment and Wages (QCEW) data
Community Vision and Values Survey, 2010
Lake Oswego Economic Development Strategy, April 2010