



Advance Portland: A Call to Action for Inclusive Economic Growth

April 2023: Virtual Engagement

Agenda

1. Process
2. Key Findings
3. Strategic Framework
4. Objectives & Draft Actions
5. Next Steps



Community Engagement



122

interviews



19

focus &
affinity groups

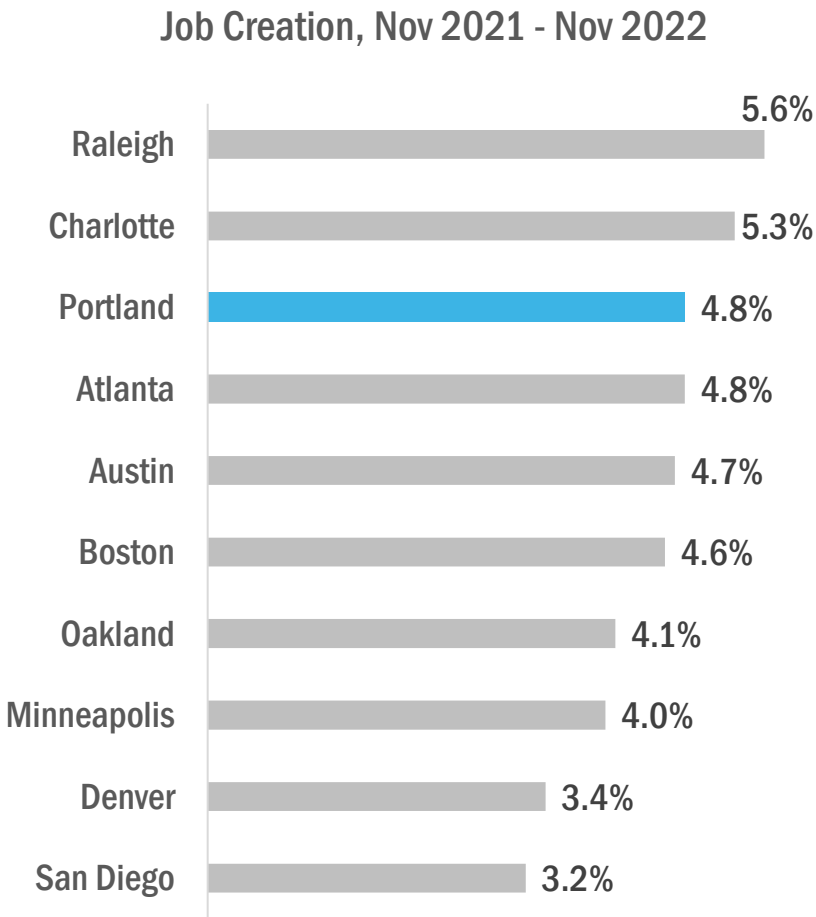


9

committee
meetings

Key Findings

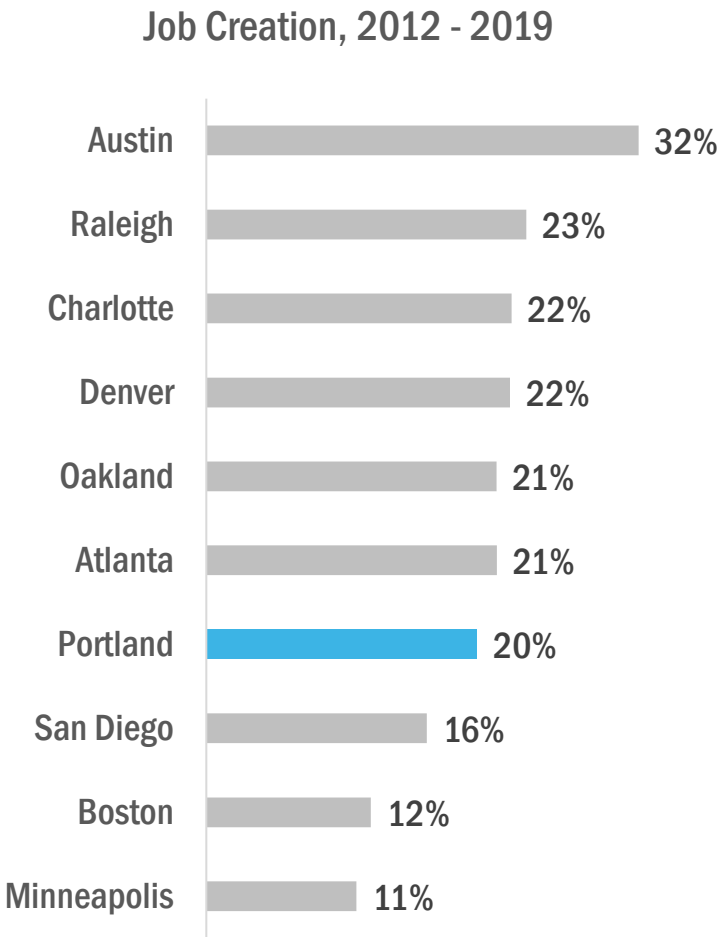
1. Strong Regional Economy



Over the 12 months ending in Nov 2022, Portland MSA was tied for the 7th fastest job creation among the 50 largest MSA's with 4.8% job growth.

From 2012 to 2019, jobs in the Portland MSA grew by 20% coming out of the Great Recession, on par with the strongest economic regions in the US.

Source: Bureau of Labor Statistics, Current Employment Statistics



2. City of Portland's Business Growth & Income Lag Region

Multnomah County
experienced #11 largest
increase in median
income in the country

	Real GRP Annual Growth Rate (2001-20)	Real GRP Annual Growth Rate (2015-20)	Median Household (HH) Income (2020)	Median HH Income Rate (2010-20)	Emp. Growth Rate, Annualized (2010-2020)
Multnomah County	1.46%	2.07%	\$71,425	1.92%	1.37%
Portland MSA	2.85%	2.56%	\$77,511	1.47%	1.59%
USA	1.73%	1.12%	\$64,994	0.50%	0.99%

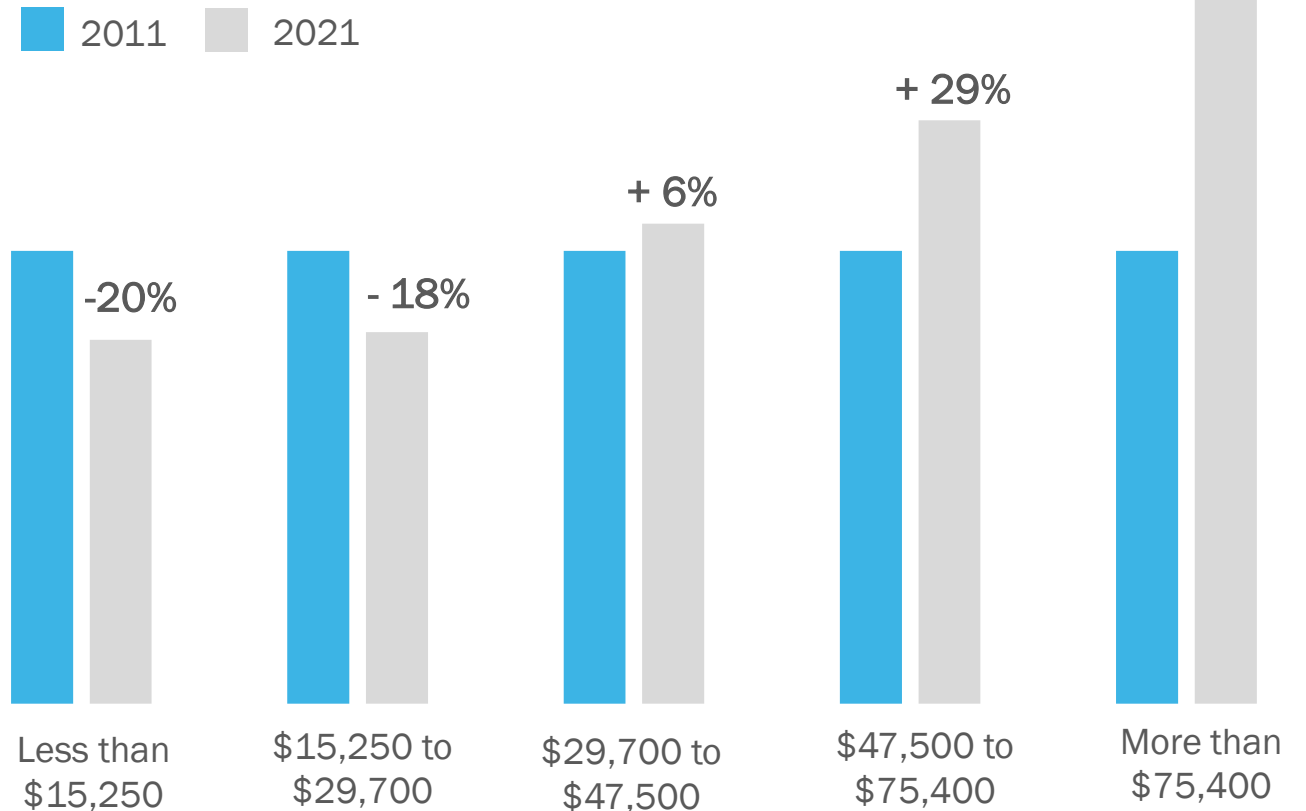
3. Highest Job Growth in Higher Paying Jobs . . .

Dividing the workers working in the City of Portland into 5 income quintiles:

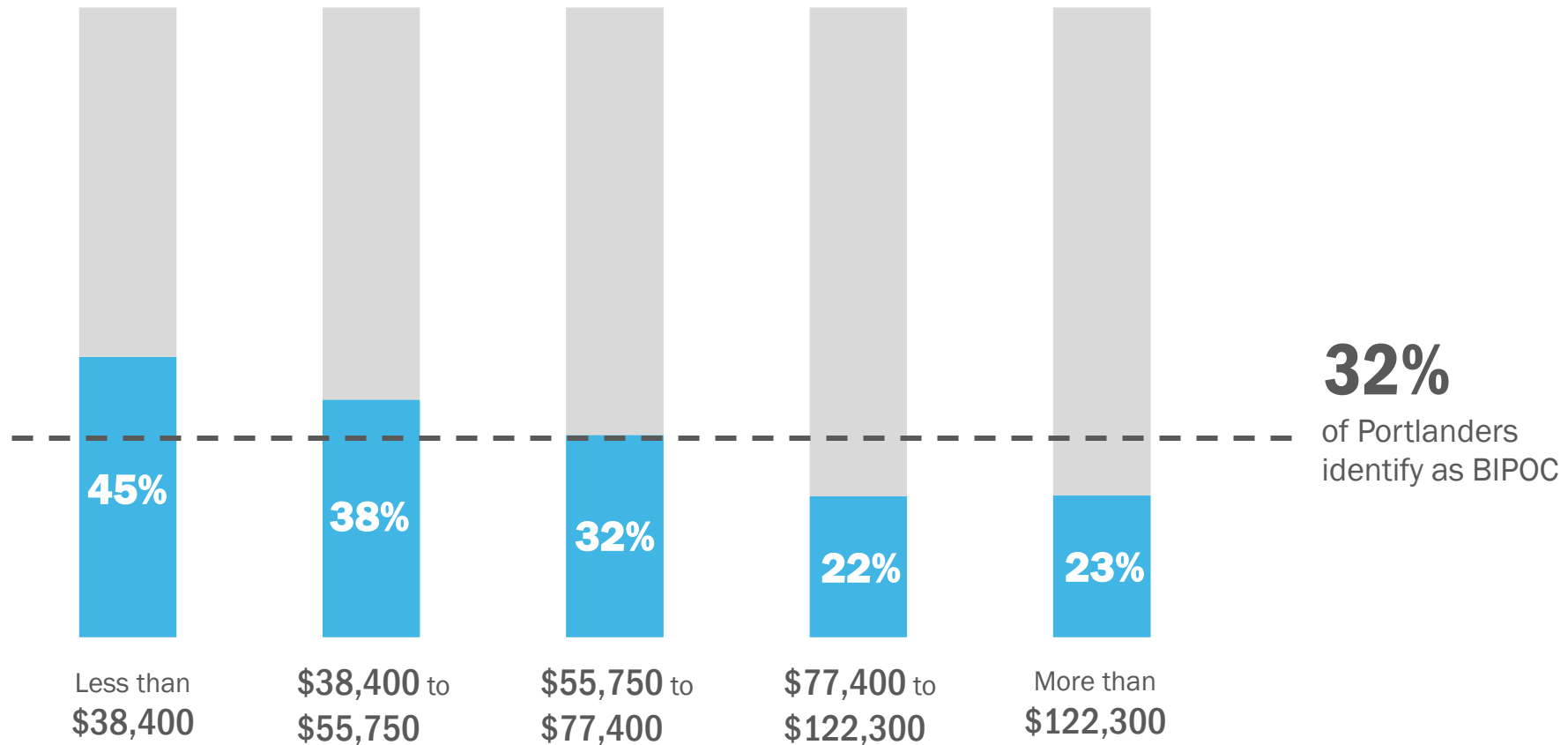
- Middle quintile workers earned between \$29,700 to \$47,500 in 2011.
- Workers in the top income quintile earned at least \$75,400.
- Portland added 50,700 jobs from 2011 to 2021, most of which were in the highest income quintile.
- The number of workers in the highest income quintile almost doubled. The number of high-income jobs grew fourteen times faster than middle income jobs.

Portland Location Employment by Income Quintile Full & Part Time Workers – 2011 and 2021

Source: US Census ACS Table S0802



4. . . . But BIPOC Portlanders Significantly Underrepresented



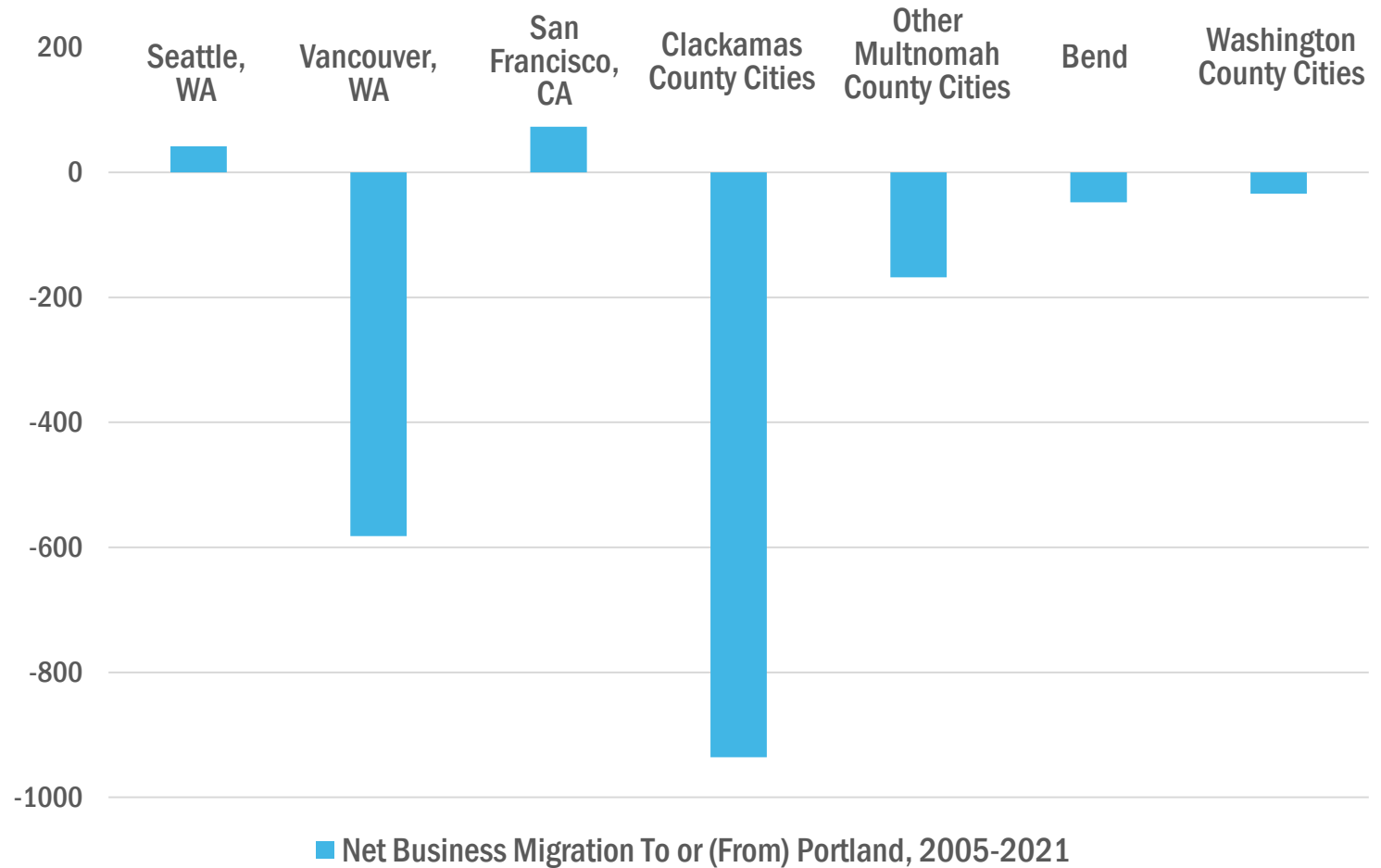
5. Taxes Have Increased While Perceived Value Has Decreased

Taxes:

- Business taxes +42% since Jan. 2020
- Highest personal taxes amongst peer cities

Perceived Value:

- 5th highest quality of life among large cities
- Increasing crime and livability issues
- Rising unaffordability impacting workforce



6. Functional Fragmentation & Anti-Business Sentiment

- Politicization of growth, significant anti-business segments creates risks for private sector engagement
- Lack of corporate engagement, leadership in cross-sector, inclusive, collaborative institutions
- Government disproportionately owns and drives economic development activities

“

It would be helpful if big businesses were not left out of every public speech and conversations about the future direction of the city.

- Corporate executive

”



The Assessment

Portland's accelerated growth through natural attraction of skilled labor over the past decade enabled its economy to flourish without tending to key fundamentals: sufficient institutional infrastructure, business support, local talent development, cross-sector engagement, and regionalism. And **Portland has failed to adequately manage the unintended consequences of this growth model.**

Results of the under-managed growth present fundamental short- and long-term challenges and particularly negative impacts on BIPOC communities and geographic areas of the city, including East Portland and the Central City. The center of economic activity has been shifting away from downtown Portland toward growing economic hubs in nearby suburbs. **The city can no longer take its growth for granted.**

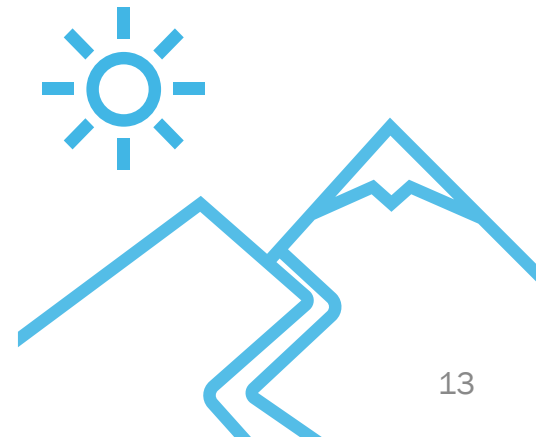
Without significant intervention, Portland's economic growth will stagnate or even decline. Its presence in the regional economy will slip further and Portland will experience widening gaps in economic wellbeing, and inequitable climate-related impact. In other words, **we will not achieve racial equity or climate action goals without economic growth. And that growth will be neither as robust nor as durable without a racially inclusive, climate-focused approach.**

Strategic Framework

The Vision

Aspirational vision for the Strategy

Portland will become a competitive 21st century city that targets and manages growth well. Aligning economic growth with equity and climate action, Portland will provide a prosperous, vibrant, and healthy place for all its residents and businesses. It will be a national leader in the invention, commercialization, and broad utilization of green products. It will support and attract values-driven companies that prioritize inclusion, sustainability, and corporate engagement.



The Strategy

**Racial Equity
& Inclusion**

OBJECTIVE 2
**Promote Equitable
Wealth Creation**

**Climate
Action**

OBJECTIVE 1
**Propel Inclusive
Economic Growth &
Innovation**

OBJECTIVE 3
**Foster a Vibrant
Central City &
Commercial Districts**



Vision:
Prosperous, vibrant,
healthy place for all
Portland residents and
businesses

**Embrace
& Manage
Growth**

OBJECTIVE 4
**Connect Portlanders to
High-Quality Jobs in
Future-Ready Sectors**

**Effective
Institutions
& Partnerships**

Advance Portland in Context

Advance Portland: A Call to Action for Inclusive Economic Growth

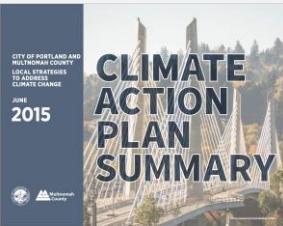
FUNDAMENTAL
INPUTS:
Houselessness
Livability
Community Safety
Public Education System

City of Portland

- 2035 Comprehensive Plan
- Climate Action Plan
- Affordable Housing Strategy

Regional

- Workforce Development Plan
- Comprehensive Economic Dev. Plan
- A Home for Everyone
- Cradle to Career



Objectives & Actions

Objective 1:

Propel Inclusive Economic Growth & Innovation

Strong Industry Clusters & Growth Opportunities

Sector	LQ, Mult. County (10 yr growth) green = strong growth	Mult. County Wages (\$) green = > \$67k MSA avg	Mult. County % BIPOC emply. green = ≥ 27% MSA avg	Mult. County % W/Out Bachelor's green = ≥ 60%
Athletic & Outdoor	1.6, (10%)	82,700	30%	71%
Clean Tech	1.0, (35%)	93,800	25%	67%
Computers & Electronics	0.7, (19%)	139,600	39%	56%
Food & Beverage Manufacturing	1.0, (23%)	58,000	32%	77%
Metals & Machinery	0.8, (-5%)	74,700	27%	76%
Software	1.3, (117%)	129,100	23%	51%

Objective 1. Actions & Initiatives

Propel Inclusive Economic Growth & Innovation

Invest in traded sector cluster industries in which Portland has competitive advantage to increase access to quality jobs and business growth

- Refine and deliver on updated cluster action plans within Athletic & Outdoor, Green Cities, and Metals & Machinery industries
- Establish Food & Beverage Manufacturing action plan
- Enhance public-private collaboration in and across priority industry clusters through private-sector led economic development initiatives
- Create cluster-specific export and Foreign Direct Investment priorities

Develop industry-specific innovation strategies to support growth of green products and services

- Launch clean industry initiative
- Increase commercialization of R&D, particularly in green products and services
- Engage in a Materials Innovation Strategy
- Promote development, purchasing, and deployment of local green products
- Apply an inclusive economic growth lens to climate policy

Address barriers to growth, inclusion or innovation in competitive industries

- Corporate leadership supports, scales and implements strategic equity and inclusion initiatives (e.g. Future Ready Oregon, Partners in Diversity, Portland Means Progress)
- Identify impediments to inclusive business growth
 - Assess & address city-wide policy pertaining to industrial land use
 - Advance the Permitting Improvement Project
 - Improve the tax-value proposition
- Improve coordination between partners
- Implement targeted scale-up capital and technical support

Objective 2:

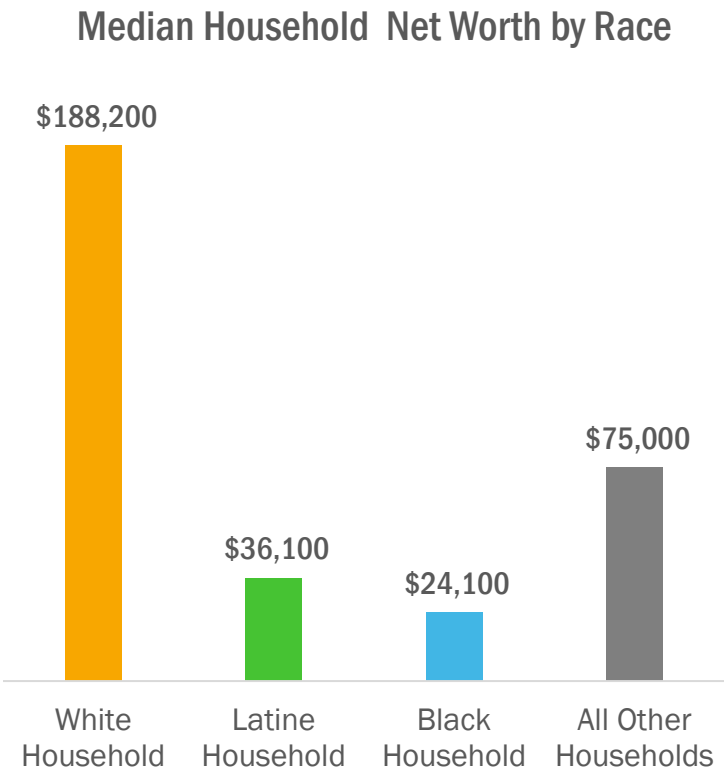
Promote Equitable Wealth Creation

Persistent Racial Wealth Gap

Key factors: inter-generational transfer, homeownership, tax-sheltered savings plans, financial decisions

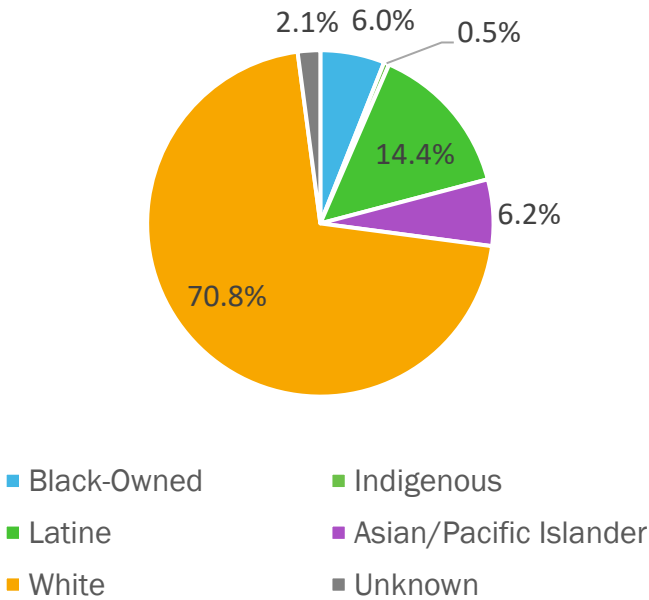
Typical White family and the typical Black family have yet to recover to pre-Great Recession levels of wealth.

SBA Loans to Black Business further decreased by 35% in 2021



Bhutta et al., 2020

Business Ownership by Race/Ethnicity



**insufficient data available to further disaggregate by race*
Zippia 2021.



Dynamic But Uneven Entrepreneurial Ecosystem

148%

Increase in patents
issued in Portland
over the past 10 years

#7

Deals and capitals
raised among 10
peer cities

“

*It takes sheer force of
will to be a minority
founder.*

- Founder of color

”

Portland has a funny relationship with success. When you're young and scrappy and not making any money, you're super cool. And then as soon as you change absolutely nothing you're doing, but successful, then you're evil.

- Small Business Leader

Objective 2. Actions & Initiatives

Foster equitable wealth creation through entrepreneurship and asset building

Help BIPOC Entrepreneurs Start, Scale and Innovate through partnerships

- Support BIPOC entrepreneurs through business technical assistance
- Utilize the Innovation Hub Planning Project
- Leverage ecosystem mapping to identify gaps in priority industry services & capital access
- Expand Portland Small Business Hub
- Partner to secure investment in low-interest / equity funds, inventory financing, industry-specific scale-up funds

Increase access to property ownership, real estate financing, networking and bid opportunities for BIPOC firms and individuals

- Address gaps in access to capital faced by developers of color in Portland through new loan products and partnering with values aligned commercial lenders
- Leverage industry networks in real estate and construction equity to diversify and increase partnerships opportunities across Portland's commercial real estate industry

Explore policy and structural shifts as part of ongoing City Charter restructuring and implementation

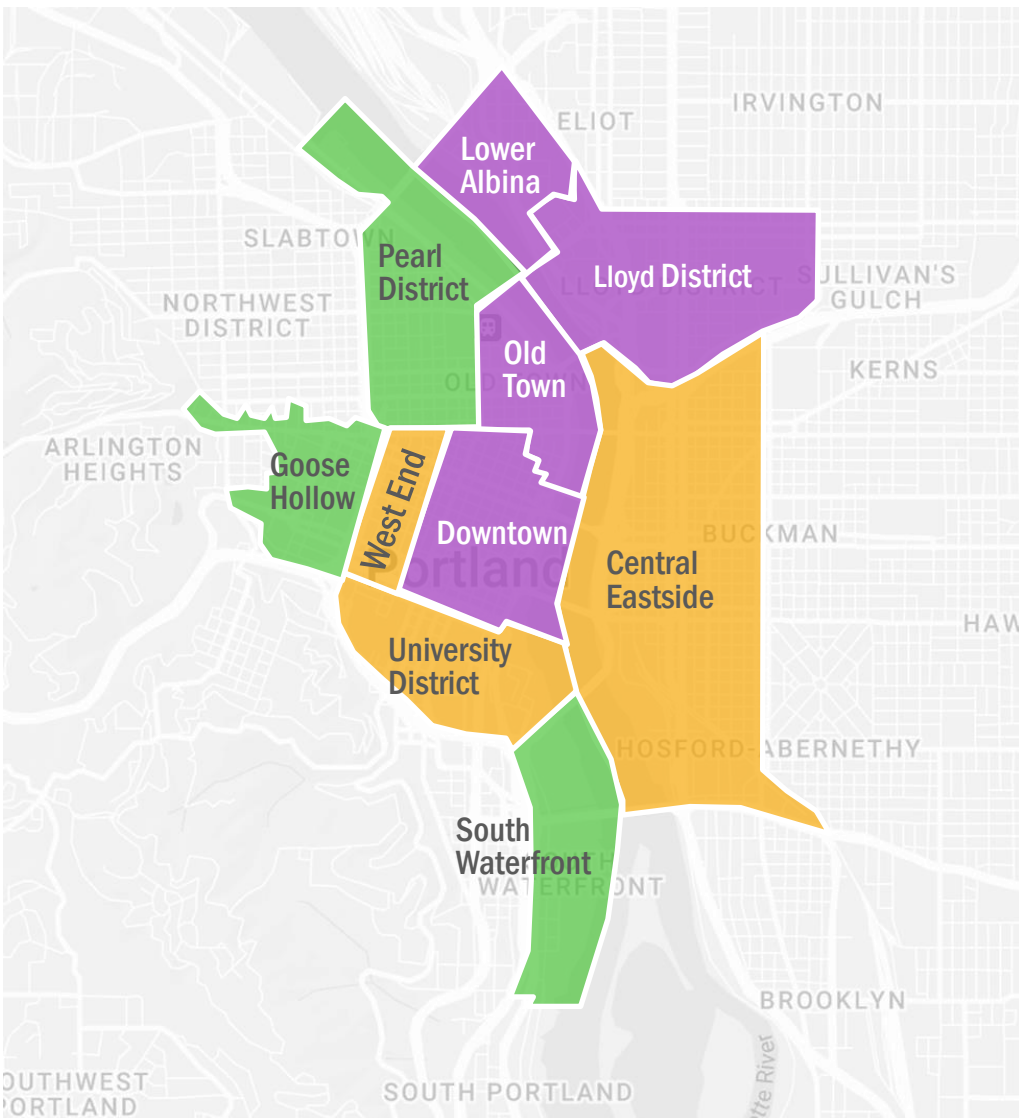
- Align and centralize City of Portland assistance for small businesses
- Engage in intentional and sustained coordination and alignment between City bureaus and government partners at the City, County and State level
- Address barriers in the city regulatory process for small business owners
- Implement practice of collecting standardized business and property owner demographics



Objective 3:

Foster a Vibrant Central City and Commercial Districts

Central City Sub-Districts w/ Balanced Mix of Uses Faired Better



- Longer term changes as a result of increased remote work has increased office vacancies and reduced the presence of employees and visitors in particular subdistricts with a high concentration of office and tourism uses & activities.
- Employee foot traffic is down 36% across the Central City, with Downtown, Old Town and Lloyd most impacted.
- There are foundational and immediate need to address real and perceived issues with reduced public safety through measures underway and led by the Office of the Mayor in partnership with key business districts.
- Subdistricts with a more balanced mix of residential to employment uses fared better and were more resilient coming out of the pandemic.

Declining Stabilizing Growing

Small Businesses within Commercial Districts with Organizational Capacity Fared Better

Citywide, Portland's commercial districts saw a slight decline in commercial development.

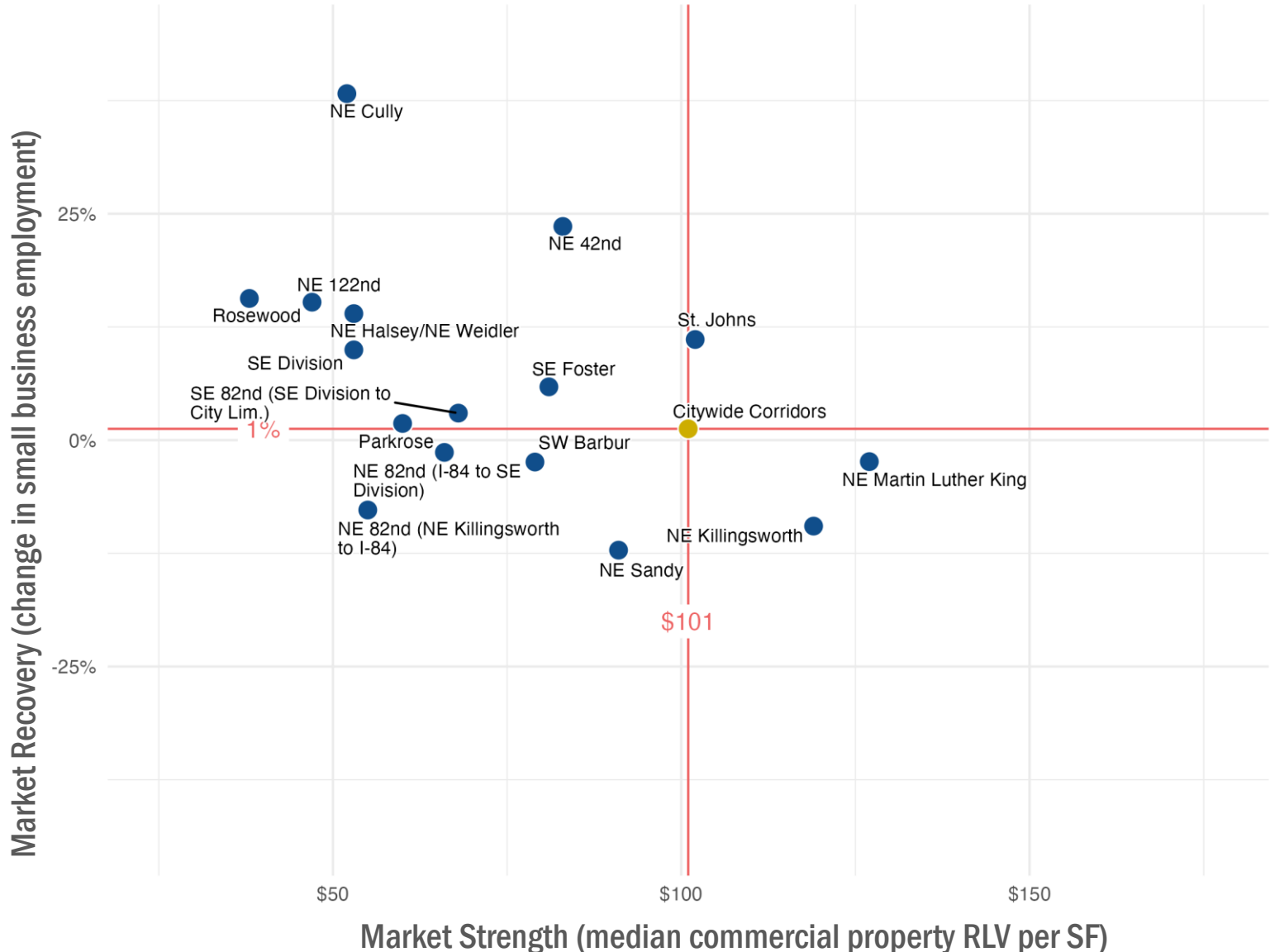
Across Portland, commercial districts experienced clear employment declines.

Citywide, districts saw an increase in number of small businesses.

Approximately 67% of small business establishments across the City remained stable throughout the pandemic.

Wide variety of individual district experiences & the need to tailor interventions unique to each condition:

- In some districts, home businesses flourished, creating opportunities.
- Notable correlation between district capacity and business health (NPNs)



Objective 3. Actions & Initiatives

Foster a Vibrant City Center

Increase mixed income housing in subdistricts with a lack of residential use and an imbalanced mix of uses

- Establish financial and regulatory tools to incent market delivery of office-to-residential conversion
- Implement recommendations to create new high-density, infill residential with mixed-income housing

Retain and increase commercial activity in the central city and support small businesses in the central city

- Identify key locations for anchor business retention and recruitment
- Support small businesses and activation of ground floor commercial spaces
- Encourage employees and tenants to return to the office to work
- Provide augmented districtwide services
- Activate PSU campus and surrounding commercial district

Catalyze public-private partnerships to unlock infill development of large scale mixed-use, mixed-income sites with high transit accessibility

- Streamline regulatory processes
- Create highly-focused TIF districts to support infrastructure investments
- Require an economic impact analysis of any proposed regulatory changes

Attract more visitors through events and activation; renovation of the public realm; and support for regional cultural organizations and anchors

- Establish cross-sector Events Office
- Develop and implement a rebranding program
- Enhance and maintain the Central City as a centralized regional gathering spot
- Activate public rights-of-way

Objective 3. Actions & Initiatives

Foster Vibrant Commercial Districts

Support growth and health of businesses within the commercial districts

- Resource and grow business district capacity
- Tailor and market business assistance programs
- Identify and address significant regulatory and process barriers
- Support retail and commercial districts

Improve public streets and sidewalks along select districts to support the vitality of business districts

- Create enhanced neighborhood connections and improve wayfinding
- Require an impact analysis for infrastructure changes that may impact access for area businesses
- Stabilize businesses and districts through programs like the Neighborhood Prosperity Network
- Provide technical and direct assistance to small businesses

Activate vacant properties and storefronts with community-serving businesses; attract new commercial development

- Rebalance financial incentives and disincentives to encourage conversion of nuisance ground-floor commercial into active uses
- Create a broad spectrum of commercial building spaces
- Strategically deploy Affordable Commercial Tenanting program
- Increase knowledge for building owners to take advantage of energy efficiency incentives
- Incent shorter term uses to increase pop ups or other short-term uses of vacant ground floor retail space
- Identify and address existing regulatory requirements that are cost prohibitive

Address housing production across a continuum of affordability

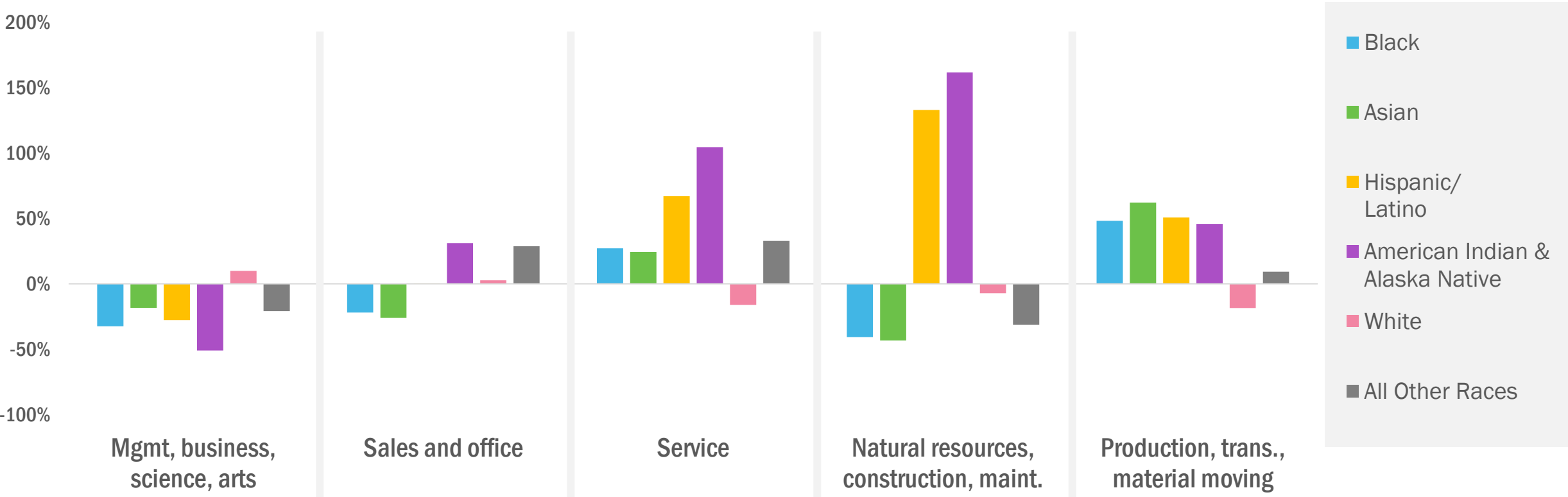
- Leverage community-supported TIF to invest in culturally supportive mixed-income housing production
- Expand production methods that can increase completion of workforce housing
- Support implementation of the Residential Infill Project
- Reduce financial barriers for market and related inclusionary housing

Objective 4:

Connect Portlanders to High-Quality Jobs in Future-Ready Sectors

Inequitable Access to Higher Paying Sectors

Difference in City of Portland Workforce Demographics and Occupation Representation, 2020

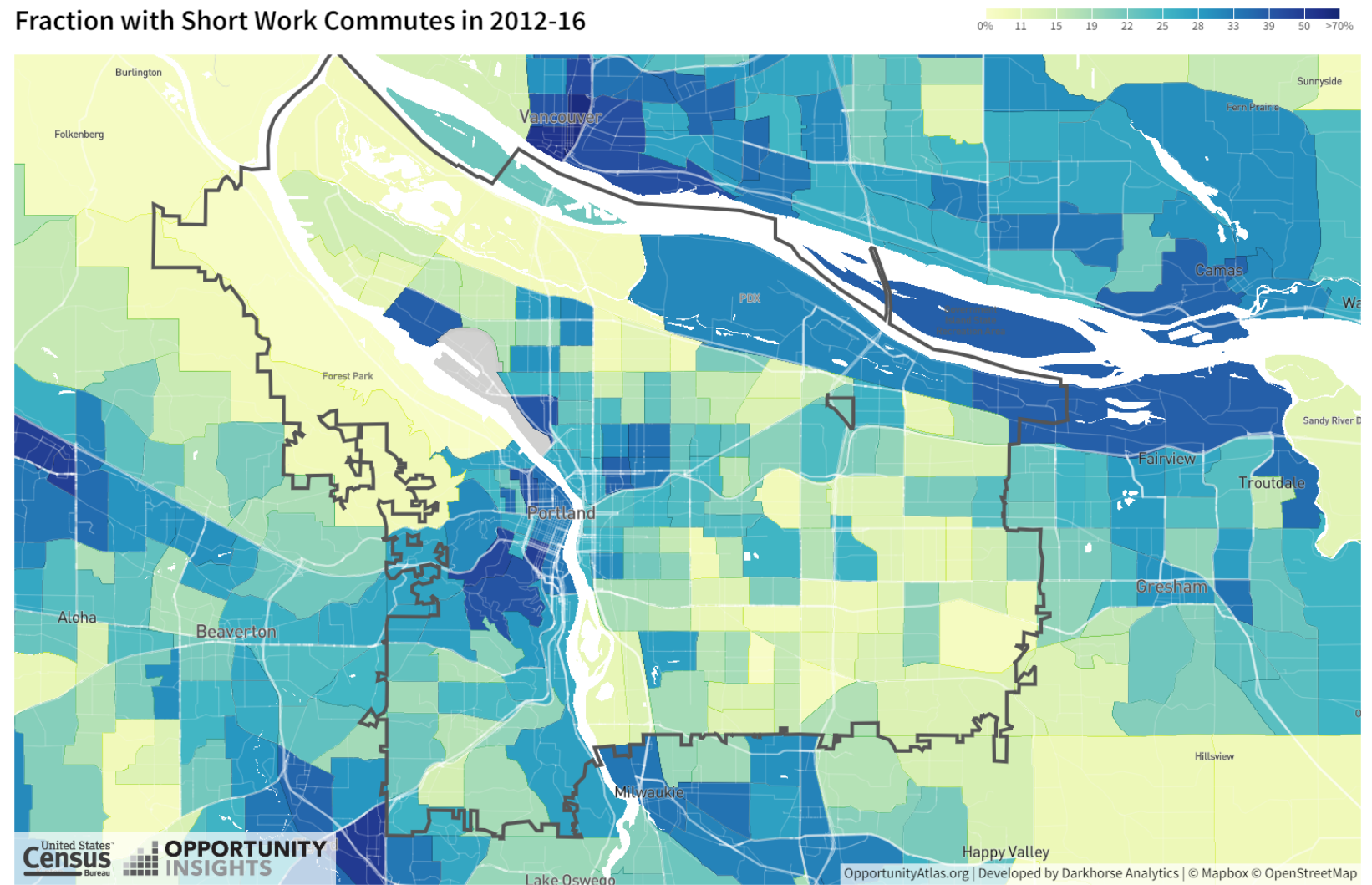


Source: RW Ventures analysis of American Community Survey data

Jobs/Housing Mismatch Getting Worse for East Portlanders

- Jobs growing in West, poverty concentrating in East
- Increasing mismatch between employment and vulnerable populations leading to increased commute times and barriers to quality employment

Fraction with Short Work Commutes in 2012-16



Objective 4. Potential Actions & Initiatives

Increase inclusive, industry-based job training and career path employment

- Invest in workforce training in Portland region's competitive industries: Athletic & Outdoor, Computers & Electronics, Food & Beverage Manufacturing, Green Cities, Metals & Machinery, Software, Construction, Healthcare, Warehousing and Transportation
- Identify industry-specific training and on-ramps that are responsive to growing opportunities in the region's growing industries
- Support people of color and women accessing careers in construction through the Community Opportunity and Enhancement Program (COEP)
- Retrain workers in lower-growth industries into new, high-growth positions – particularly to support the clean economy
- Provide access to resources through community-based workforce navigation

Build public-private partnerships to improve access to employment opportunities

- Advance culture change within companies to hire and promote equitably
- Convene higher education institutions, the private sector, and workforce partners to address gaps and opportunities
- Strengthen relationships between the private sector and community partners
- Address gaps in childcare availability
- Implement Columbia-Willamette Workforce Collaborative Quality Jobs Framework
- Increase private-sector engagement in youth-centered skills development and workforce training

Improve connections between residential and employment centers

- Encourage density and supply of housing near job centers and high-access locations
- Augment transportation options to existing job hubs, promote and enhance transit to increase use
- Ensure adequate industrial land supply, including for manufacturing, and address site readiness
- Locate major economic investments and target business growth near underserved areas



Questions?

Next Steps

- Seek Portland City Council approval April 26
- Move into implementation of the strategy

Thank You