



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** April 1, 2024  
**From:** Kelly O'Neill Jr., Development Services Director  
**Subject:** Ordinance 2024-02: Adoption of the Economic Opportunity Analysis (EOA)

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## **DECISION TO BE MADE:**

Whether to adopt Ordinance 2024-02, adopting the Economic Opportunity Analysis (EOA). The purpose of this hearing is to review and consider the adoption of the EOA to act as a supporting document in the development of new and updated comprehensive plan policies and goals.

## **BACKGROUND / CONTEXT:**

One of the City Council goals from the 2019-2021 biennium was to initiate an update of the City's Comprehensive Plan. The City Council supported the update of the City's Comprehensive Plan with supplemental funding for the Planning Division. The Planning Division then completed a robust request for qualifications (RFQ) process in the summer of 2021 and from that process 3J Consulting was selected. One of 3J Consulting's subconsultants was identified as ECONorthwest, a planning and economics consultant firm.

In early 2023, City staff assembled a Technical Advisory Group to review 3J's work and allow for multiple opportunities for input as the analysis was being developed. The group consisted of City staff, the executive director at the Chamber of Commerce, and a few local business owners, such as the owner of AEC. Over the course of several meetings, the Technical Advisory Group discussed the EOA and its intended purpose.

In October 2023, a joint City Council/Planning Commission meeting was held to discuss and provide input on a draft of the EOA report. In addition, the EOA was presented and discussed at the December 6, 2023, Economic Development Advisory Board meeting. On February 26, 2024, the Planning Commission held a public hearing to discuss the EOA and made a motion to recommend approval to the City Council.

## **KEY CONSIDERATIONS / ANALYSIS:**

The EOA report is intended to identify issues pertaining to commercial and industrial land use and unmet economic needs. Adoption of an EOA is a requirement of Oregon's Statewide Planning Goal 9 and the Goal 9 administrative rules in OAR 660-009.

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within Sandy between 2023 and 2043, (2) evaluate the existing employment land supply within the city to determine if it is adequate to meet that need, (3) help the City understand its economic opportunities in the context of Sandy's comparative advantages and disadvantages, and (4) to fulfill state planning requirements for a twenty-year supply of employment land.

The EOA report confirms the city's economic strengths and opportunities, and its position in the broader Mt. Hood and east Clackamas County region. The document presents an analysis of land availability and capacity for employment uses and the employment forecast for Sandy, as well as an analysis of potential growth industries in Sandy. While the EOA was developed through a land use planning framework, it was created in close coordination with Sandy's Economic Development Strategic Plan, adopted in 2023. The specific findings are in the EOA report (Exhibit A of Ordinance 2024-02) and will be summarized in the presentation slides from ECONorthwest.

The EOA is also being used to model rates for several system development charge methodologies and could be potentially used as justification for development related to the existing moratorium. The EOA report will be crucial in the review of the existing goals and policies in the Comprehensive Plan update and will be the foundation in the development of new policies and goals for Envision Sandy 2050. The last significant policy modifications to economic development in the existing Comprehensive Plan occurred in 1997.

Notice was provided to the Department of Land Conservation and Development on November 30, 2023. No comments were received from any state or federal agency. The EOA report (legislative amendment) has been reviewed for conformance to its applicable Statewide Planning goals as included in the ordinance findings, including Goals 1, 2, 9, 11, and 12.

#### **BUDGET IMPACT:**

The exact budget impact with adoption is unknown. If the EOA is not adopted in a timely manner, then the comprehensive plan adoption cannot advance as we are using the document as the factual basis for writing goals and policies.

#### **RECOMMENDATION:**

The Sandy Comprehensive Plan is a legislative regulatory guidebook intended to regulate development and guide growth for the city of Sandy. However, the Comprehensive Plan also needs to be amended by introducing revised supporting technical documents over time to respond to new case law and legislation. Staff believe that the new EOA report is in full compliance with all state statutes and administrative rules.

On February 26, 2024, the Planning Commission held a public hearing to discuss the EOA, recommended a few small edits, and made a motion to recommend approval to the City Council.

#### **LIST OF ATTACHMENTS / EXHIBITS:**

- Ordinance No. 2024-02 for adoption of the EOA
  - Exhibit A. Economic Opportunities Analysis report
  - Exhibit B. Ordinance No. 2024-02 Findings
- Presentation slides