



STAFF REPORT

Meeting Type: City Council
Meeting Date: October 16, 2023
From: Kelly O'Neill, Jr., Development Services Director
Subject: Comprehensive Plan – Economic Opportunity Analysis work session

PURPOSE / OBJECTIVE:

The purpose of this work session is to gather input from the City Council and the Planning Commission on the Economic Opportunities Analysis (EOA). There will also be a brief discussion on what economic development goals and policies to include in the Comprehensive Plan.

BACKGROUND / CONTEXT:

The City recently completed a draft EOA as part of the broader Comprehensive Plan update process. The EOA provides essential data to guide the City's economic development planning over the 20-year period from 2023 to 2043.

In particular, the EOA examines Sandy's employment land needs and identifies how much growth to anticipate over the planning horizon. Forecasting employment growth allows the City to ensure there is enough commercial and industrial land to accommodate business expansion and assist with business attraction. It also provides the City insights into target industries that are well-suited for Sandy based on Sandy's strengths, weaknesses, and regional economic trends.

KEY FINDINGS FROM THE EOA:

- Sandy is forecasted to grow by 2,523 jobs between 2023 and 2043. Most of this new employment (2,339 employees) will be in commercial and industrial sectors. Note: Sandy will accommodate new government employees (184 of the 2,523 employees) in existing government buildings and areas designated for public use.
- To accommodate this projected job growth, Sandy will need approximately 154 gross acres of commercial and industrial land (91 gross acres of commercial land and 63 gross acres of industrial land).
- Within the current Urban Growth Boundary (UGB), Sandy has enough commercial land to meet the forecasted demand. However, the EOA identifies a deficit of 9 acres for

industrial use. The City will need to consider whether and how to address this industrial land deficit.

- The EOA also identifies target industries where Sandy has advantages. This includes manufacturing firms, especially in fabricated metal products, food processing, beverage production, and fabrication of outdoor recreational equipment, as well as professional service companies, and various services for residents and tourists.

Many of these target industries align with the goals in the new Economic Development Strategic Plan, which aims to leverage Sandy's assets to grow the manufacturing base, food and beverage production, tourism, and place-based retail. The EOA provides data and rationale to support this strategic direction focused on these strengths.

RECOMMENDATIONS FROM THE EOA:

The following are ECONorthwest's recommended actions for Sandy based on the EOA analysis and conclusions.

- **Update the Economic Element of the Comprehensive Plan.** The Economy Element has not been updated in more than a decade. The new information in the EOA document provides a refreshed fact base for making future decisions.
- **Align the City's goals for economic development with planning for infrastructure development** through updates to the City's Capital Improvement Plan. The City will need to address wastewater system deficiencies to support future employment growth.
- **Monitor and replenish the supply of commercial and industrial land on a regular, periodic basis.** While Sandy will not completely update the buildable lands inventory on an annual basis, City staff should still monitor the development status of these employment lands and replenish short-term supply when possible.
- **Determine whether and how to address the deficit of industrial land.** This could include a UGB swap, rezoning, efficiency measures, or a modest UGB expansion.
- **Support entrepreneurship and growing small businesses.** Small scale manufacturing sites could provide opportunities to create a business incubator or shared business space. The City should explore how this type of space could support entrepreneurs and small businesses as they are established and when they decide to grow their businesses.
- **Implement the Economic Development Strategic Plan.** The City's Economic Development Strategic Plan goals align with the potential growth industries and economic advantages and disadvantages identified in the EOA.

The EOA gives the City a fact-based foundation to make plans and investments in economic development. The City will need to make strategic decisions around building infrastructure and public services that support business development in target areas. With the opportunities and challenges identified in the EOA, the City can now refine the policies in the Comprehensive Plan.

KEY CONSIDERATIONS / ANALYSIS:

Staff is requesting that the City Council and the Planning Commission consider the following questions during this work session:

- Do you have questions about the employment growth forecast or land need as it relates to economic development?
- Are there economic development opportunities or considerations not mentioned in the EOA that you think are important to include in the report?
- Do the draft goals (in the PowerPoint) reflect your understanding of Sandy's EOA and Economic Development Strategic Plan?
- Are there ideas or issues not addressed in the EOA or Economic Development Strategic Plan that you would like to address in the development of Comprehensive Plan policies?

Any edits generated at this work session will be incorporated into the EOA document, at which point the EOA will be considered to be complete pending final adoption.

BUDGET IMPACT:

None at this time.

LIST OF ATTACHMENTS / EXHIBITS:

- EXHIBIT A. Economic Opportunities Analysis (EOA)
- EXHIBIT B. EOA Presentation