

DATE: October 18, 2019  
TO: Tualatin Project Advisory Committees  
CC: Karen Perl Fox, Steve Koper, and Jonathan Taylor  
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest  
SUBJECT: TUALATIN ECONOMIC DEVELOPMENT STRATEGY

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The City of Tualatin contracted ECONorthwest to develop an Economic Opportunities Analysis and an Economic Development Strategy for Tualatin. The Economic Opportunities Analysis will determine whether the City of Tualatin has enough land to accommodate 20-years of commercial and industrial job growth. The Economic Opportunities Analysis (EOA) will provide the basis for an update to the City's Comprehensive Plan Economic Element, as well as development of an action plan to implement the economic development policies (i.e., the Economic Development Strategy).

The EOA uses a planning period of 2020-2040. Tualatin is planning for growth of about 12,800 new jobs within the Tualatin planning area over the 20-year planning period. The preliminary results of the EOA show that Tualatin has a deficit of land designated for employment in the Commercial and Industrial comprehensive plan designations.

A key objective of the EOA and accompanying economic development strategy is to identify options for changes to the City's comprehensive plan and land use regulations needed to address commercial and industrial land needs. This memorandum presents an Economic Development Strategy for Tualatin, based on the results of the EOA, and discussions with the Community Advisory Committee (CAC) and Technical Advisory Committee (TAC). The economic development presents a comprehensive package of interrelated policy changes that the CAC recommends the City address.

This economic development strategy focuses on land use tools to ensure there is adequate land planned and zoned to provide opportunities for employment growth on sites with a variety of characteristics (e.g., site sizes, locations, visibility, and other characteristics).

Through the technical analysis of the EOA and input from the CAC and TAC, the City identified four strategic priorities to address issues identified in the EOA. The strategic priorities are: (1) ensuring an adequate supply of land that is available and serviceable; (2) identifying redevelopment opportunities; (3) supporting business retention, growth, and attraction; and (4) ensuring there are connections between planning for economic development and other community planning. Strategic priorities are described in greater detail in the section below.

Appendix A presents the full text of Tualatin's existing Comprehensive Plan policies for commercial and industrial development. Appendix B presents the information about economic development tools commonly used in other cities in Oregon.

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## Tualatin's Economic Development Strategy

Tualatin's economic development strategy is organized around four broad strategic priorities: (1) ensure an adequate supply of land that is available and serviceable; (2) identify redevelopment opportunities; (3) support business retention, growth, and attraction; and (4) ensure there are connections between planning for economic development and other planning (such as transportation planning, water and wastewater planning, and economic development planning). The broad goal of the Tualatin economic development strategy is to help the City manage the land within the Tualatin planning area to support and manage economic growth while maintaining the character and quality of life in Tualatin and protecting public interests such as health, safety, and municipal revenues.

The Tualatin CAC convened seven times between March 2019 and September 2019. The CAC discussed economic development at the meetings in June, August, and September. The Tualatin TAC met four times between April 2019 and September 2019 and discussed economic development at the June, August, and September meetings (while some meetings included discussions of other topics, as well). The CAC and TAC provided input, through discussions at meetings and opportunities for input on written documents, into development of the Economic Development Strategy.

The recommendations from the CAC in this strategy consider key findings from the EOA, such as the following examples. The City has a long-term deficit of commercial and industrial land for growth over the 2020 to 2040 period. This document presents a comprehensive strategy that provides a variety of policies to support business retention, growth, and attraction in Tualatin.

Many of the actions described in the Tualatin Economic Development Strategy will require legislative amendments to the City's comprehensive plan and/or development code. These actions will be subject to standard notification and hearing procedures. After the economic opportunities analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin in 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

## Summary of Actions

The table below summarizes the Strategies, Actions, and Recommendations made by the CAC. The priority shown in the table is based on discussions with the CAC about the actions they think are most important to execute on soonest. Low priority actions represent actions that the CAC thinks are important but that may be executed in later in the Tualatin 2040 process. At some level, all of the actions in this Strategy are a high priority for the CAC.

Strategy, Action, and Recommendations	Priority
<b>Strategy 1: Ensure an adequate supply of land that is available and serviceable.</b>	
<b>Action 1.1. Evaluate opportunities to increase mixed-use development.</b> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 1.1a:</b> Identify opportunities to re-zone industrial or commercial land for mixed-use that includes commercial and residential uses.</li> <li>▪ <b>Recommendation 1.1b:</b> Evaluate opportunities to develop an employment zone that allows for greater mixture of industrial and commercial uses, limiting retail commercial uses.</li> </ul>	High
<b>Action 1.2. Identify opportunities to make more efficient use of industrial land.</b> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 1.2a:</b> Disallow new development that require substantial amounts of land but result in little employment.</li> <li>▪ <b>Recommendation 1.2b:</b> Evaluate reducing or eliminating the minimum lot size from 20,000 square feet.</li> </ul>	Medium
<b>Action 1.3. Identify opportunities to make more efficient use of commercial land.</b> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 1.3a:</b> Evaluate reducing or eliminating the minimum lot size from 10,000 square feet in most commercial zones and allow other development standards to determine minimum lot size.</li> <li>▪ <b>Recommendation 1.3b:</b> Evaluate increasing the building height limit in commercial development centers, including for retail development.</li> </ul>	High
<b>Action 1.4. Plan for infrastructure development to support commercial and industrial development.</b> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 1.4a:</b> Prioritize infrastructure projects, especially transportation projects, that are necessary to support employment growth, with the goal of managing and reducing congestion resulting from new growth.</li> <li>▪ <b>Recommendation 1.4b:</b> Seek support from regional partners for development and improvement of transportation infrastructure that serves employment centers in Tualatin.</li> <li>▪ <b>Recommendation 1.4c:</b> Identify opportunities to increase transit service between Tualatin and other cities within the Portland region.</li> <li>▪ <b>Recommendation 1.4d:</b> Identify options to extend transit service within Tualatin to employment centers.</li> </ul>	Low
<b>Action 1.5. Work with landowners ensure land is development-ready and certified as shovel ready by Business Oregon.</b> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 1.5a:</b> Encourage and assist landowners to get their sites certified through the Business Oregon Certified Shovel Ready program.</li> <li>▪ <b>Recommendation 1.5b:</b> Continue to work with landowners to ensure that development sites are listed on Business Oregon’s prospector site.</li> </ul>	Low

Strategy, Action, and Recommendations	Priority
<p><b>Action 1.6. Plan for long-term development in Tualatin through 2040 and beyond.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 1.6a:</b> Actively work with Metro staff to ensure that Tualatin’s population and employment forecasts are planned for similar growth rates and to coordinate Tualatin’s planning with regional plans.</li> <li>▪ <b>Recommendation 1.6b:</b> Develop and implement a system to monitor the supply of commercial and industrial land every two years.</li> <li>▪ <b>Recommendation 1.6c:</b> Reevaluate Tualatin’s economic opportunities and land sufficiency every three years.</li> </ul>	High
<b>Strategy 2: Identify redevelopment opportunities.</b>	
<p><b>Action 2.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 2.1a:</b> Initiate a process to identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.</li> </ul>	Low
<p><b>Action 2.2. Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 2.2a:</b> Develop a community vision and planning for Town Center, with a focus on redevelopment to support development of housing and employment uses.</li> <li>▪ <b>Recommendation 2.2b:</b> Evaluate opportunities to redevelop City-owned properties to create catalytic projects that include a mix of housing and retail and office uses.</li> </ul>	High
<p><b>Action 2.3. Identify opportunities to redevelop and intensify uses in industrial areas.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 2.3a:</b> Identify opportunities for industrial redevelopment and work with property owners to support redevelopment, which may require changes to zoning to allow different types of industrial buildings (i.e., vertical buildings) or infrastructure investments to provide additional urban services.</li> </ul>	Medium
<p><b>Action 2.4. Develop policies to support redevelopment and mixed-use development.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 2.4a:</b> Evaluate the redevelopment potential of publicly owned properties, such as parking lots.</li> <li>▪ <b>Recommendation 2.4b:</b> Continue to evaluate establishing a new urban renewal district to support development of commercial, industrial, and residential businesses, especially mixed-use districts.</li> </ul>	High
<b>Strategy 3: Support business retention, growth, and attraction.</b>	
<p><b>Action 3.1. Revise the economic development strategy, develop a clear vision for economic development, and create an action plan to implement the vision.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 3.1a:</b> Establish an Economic Development Committee to guide development of the economic development strategy.</li> <li>▪ <b>Recommendation 3.1b:</b> Develop an action-oriented 5-year economic development action plan that includes a community vision.</li> </ul>	Medium
<p><b>Action 3.2 Support growth of existing businesses in Tualatin.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 3.2a:</b> Continue to identify opportunities to support existing businesses in Tualatin, through working with partners such as the Tualatin Chamber of Commerce to identify and resolve issues that are barriers to the businesses growing and staying in Tualatin.</li> </ul>	Low
<p><b>Action 3.3. Support growth of and retain entrepreneurial businesses in Tualatin.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 3.3a:</b> Continue to identify opportunities to support growth and retention of entrepreneurial businesses in Tualatin.</li> </ul>	High

Strategy, Action, and Recommendations	Priority
<p><b>Action 3.4. Identify opportunities to attract or grow businesses with pay at or above Tualatin's average wage.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 3.4a:</b> Identify partnerships and incentive programs to grow, retain, and attract businesses with wages at or above the City's average wage of \$57,300.</li> </ul>	Medium
<p><b>Action 3.5. Evaluate use of incentives to retain, grow, and attract businesses.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 3.5a:</b> Evaluate the outcomes the City wants to achieve through offering economic development incentives and the incentives the City could offer.</li> </ul>	Medium
<p><b>Action 3.6. Ensure that Tualatin has sufficient staff capacity to implement the economic development priorities set by the City Council.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 3.6a:</b> Council should work with the City Manager and Community Development Director to determine whether the City will need to add staff to implement the policies in the Economic Development Strategy.</li> <li>▪ <b>Recommendation 3.6b:</b> City staff should work with City Council members and stakeholders to ensure they understand economic development processes and tools/policies to support economic development.</li> </ul>	Low
<b>Strategy 4: Ensure there are connections between planning for economic development and other community planning.</b>	
<p><b>Action 4.1. Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 4.1a:</b> Evaluate opportunities to decrease dependence on automotive transportation in areas planned for mixed-use and commercial development, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit).</li> <li>▪ <b>Recommendation 4.1b:</b> Evaluate opportunities to expand transit and improve transportation connectivity (both capacity and access on I-5 and regional connector roads) for freight and automobiles between Tualatin and other cities within the Portland Region.</li> <li>▪ <b>Recommendation 4.1c:</b> Evaluate opportunities to expand transit and improve transportation connectivity within Tualatin particularly from the future Southwest Corridor station in Bridgeport to the Tualatin's Town Center and vital services and out to the neighborhoods.</li> <li>▪ <b>Recommendation 4.1d:</b> Evaluate opportunities for planning transit-oriented development, as transit becomes more available in Tualatin, consistent for redevelopment planning.</li> <li>▪ <b>Recommendation 4.1e:</b> Develop a bicycle and pedestrian plan for Tualatin to increase these types of connectivity within Tualatin.</li> </ul>	High
<p><b>Action 4.2. Coordinate planning for economic development planning with housing planning.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 4.2a:</b> Ensure the City plans for housing that is affordable to people who work at businesses in Tualatin.</li> </ul>	Low
<p><b>Action 4.3. Develop a design and planning framework for "ten-minute neighborhoods" that include a mixture of uses.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 4.3a:</b> Develop a framework for mixed-use neighborhoods that include the elements that residents need for day-to-day life.</li> </ul>	Medium
<p><b>Action 4.4. Identify opportunities to support workforce development.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 4.4a:</b> Work with businesses and partners in education to ensure there are workforce training opportunities in Tualatin.</li> </ul>	Medium
<p><b>Action 4.5. Evaluate development of a civic center with a range of uses.</b></p> <ul style="list-style-type: none"> <li>▪ <b>Recommendation 4.5a:</b> Evaluate development of a civic center with a range of uses in Tualatin.</li> </ul>	Low

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## **Strategy 1: Ensure an adequate supply of land that is available and serviceable**

This strategy is about ensuring an adequate land supply, which includes a twenty-year supply, but also a pipeline of serviced land that is available for immediate development (referred to as a “short-term” supply of employment land). Employment land supply should include sites with a variety of characteristics (e.g., site sizes, locations, visibility, and other characteristics). Efficient use of Tualatin’s employment land is key to ensuring that Tualatin has adequate opportunities to grow from 2020 to 2040, and beyond. In the Portland Region, the average site size for new development sites for employment is generally between 5 and 15 acres in size.

### **Issue Statement**

Tualatin’s forecast for commercial and industrial employment growth and land demand shows that Tualatin has a deficit of land (74 gross acres) in Industrial plan designations and a deficit (175 acres) in Commercial plan designations (including retail, office, and other commercial services).

Tualatin is part of the Metro UGB and cannot expand its planning area on its own. Tualatin can, however, increase land use efficiency within its planning area, through changing zoning standards (e.g., limiting uses with lower employment density), allowing and encouraging more mixed-use development, and planning for redevelopment (see Strategy 2). This is a common issue and opportunity in Tualatin for both housing and economic development, which provides an opportunity for the City to develop solutions for both.

Tualatin not only needs land that is vacant but also has urban services that support commercial and industrial development, such as municipal water services, sewer and wastewater services, storm water management systems, and transportation connections with adequate capacity to accommodate growth. Tualatin can monitor growth to ensure that the City has enough land in the short-term land supply (available for development within one year of application for a building permit) and “shovel-ready” land (available for development within 180 days of application for a building permit). Tualatin can work with Metro and other regional partners on future expansions of the Metro UGB to accommodate additional employment land development in Tualatin.

### **Goal**

Ensure that sufficient land is designated so that the supply is adequate for commercial and industrial development. Maintain an adequate short-term supply of suitable, shovel-ready commercial and industrial land to respond to economic development opportunities as they arise.

“Short-term supply” means suitable land that is ready for construction usually within one year of an application for a building permit or request for service extension.

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## Recommended Actions

### Action 1.1: Evaluate opportunities to increase mixed-use development

Tualatin has a deficit of land for industrial land (74 acres) and commercial land (175 gross acres). In addition, Tualatin has a deficit of residential land in the Medium High Density Residential designation (about 7 gross acres of land) and in the High Density / High-Rise Residential designation (about 4 gross acres of land). One way to address these land deficits is to allow and encourage mixed-use development.

Tualatin can identify additional opportunities for development of commercial and residential mixed-use development (consistent with recommendation Action 1.2 in the Housing Strategy). In identifying opportunities for mixed-use, the City should coordinate planning for new mixed-use areas with Action 5.1 in the Housing Strategy, to identify three to four areas within Tualatin for redevelopment as mixed-use areas (Action 2.1 addresses need for redevelopment). The mixed-use areas could serve multiple purposes in Tualatin: as places to live, to work, to live and work, or as destinations for residents in other parts of Tualatin or visitors to Tualatin for restaurants or other recreational experiences. In addition, feedback from the CAC shows that the community wants rezoning and redevelopment to promote the opportunities for commercial and industrial development, especially mixed-use development.

In addition, Tualatin could develop an employment zone that allows for a greater mixture of industrial and commercial uses, limiting retail commercial uses. Areas for this type of employment zone might include Basalt Creek or the Leveton Area. These mixed-use zones should allow for greater density in the form of taller buildings, smaller lot sizes, and other opportunities for increased development capacity.

[Recommendation 1.1a: Identify opportunities to re-zone industrial or commercial land for mixed-use that includes commercial and residential uses. The City should exclude industrial sanctuary land \(i.e., land in the Southwest Tualatin Concept Plan area\) from this evaluation, as this land has been identified as regionally significant industrial areas.](#)

[Recommendation 1.1b: Evaluate opportunities to develop an employment zone that allows for greater mixture of industrial and commercial uses, limiting retail commercial uses.](#)

### Action 1.2: Identify opportunities to make more efficient use of industrial land

Tualatin has a deficit of 74 acres of industrial land. One way to make the most efficient use of industrial land in Tualatin is changing the zoning ordinance to focus uses on key target industries and allow denser development.

The City should consider no longer allowing development of new businesses that require substantial amounts of land but result in little employment and have low employment densities. Such uses include warehouse and distribution, vehicle storage, or self-storage units. Existing businesses of these types should be allowed to continue to operate.

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The City should consider reducing or eliminating the minimum lot size from 20,000 square feet, especially in areas that have existing small lots already. These standards may be necessary in regionally significant industrial areas (RSIA).

[Recommendation 1.2a:](#) Disallow new development that require substantial amounts of land but result in little employment and have low employment densities, such as warehouse and distribution.

[Recommendation 1.2b:](#) Evaluate reducing or eliminating the minimum lot size from 20,000 square feet, especially in areas that have existing small lots already.

### Action 1.3: Identify opportunities to make more efficient use of commercial land

Tualatin has a deficit of 175 acres of commercial land. One way to make the most efficient use of industrial land in Tualatin is changing the zoning ordinance code to make more efficient use of commercial areas, such as reducing or eliminating the minimum lot size from 10,000 square feet (the 3 acres minimum lot size the Mid-Rise Office Commercial zone) or increasing building height limits (currently at 35 to 45 feet in most commercial zones, with Mid-Rise Office Commercial zone allowing buildings as tall as 75 feet) to allow taller buildings in key commercial development centers.

In addition, promoting mixtures of uses (consistent with Action 1.1) that integrate employment and housing can help promote efficient use of land. The large deficit of commercial land, however, will require re-zoning land for new commercial uses or redeveloping existing land to allow new commercial uses (consistent with Action 2.1).

[Recommendation 1.3a:](#) Evaluate reducing or eliminating the minimum lot size from 10,000 square feet in most commercial zones. Allow other development standards, such as requirements for parking and circulation or setbacks, to determine minimum lot size.

[Recommendation 1.3b:](#) Evaluate increasing the building height limit in commercial development centers, including for retail development.

### Action 1.4. Plan for infrastructure development to support commercial and industrial development.

The City already coordinates land use planning with the Capital Improvement Plan to ensure that infrastructure is available to support commercial and industrial development, especially in newly urbanizing areas and areas identified as high priority for development. Some types of infrastructure development, especially transportation and transit infrastructure, have lagged behind growth in Tualatin and in the broader region, resulting in automotive congestion and insufficient transit service, as discussed in Strategy 4 and in Strategy 6 of the Housing Strategy.

[Recommendation 1.4a:](#) Prioritize infrastructure projects, especially transportation projects, that are necessary to support employment growth, with the goal of managing and reducing congestion resulting from new growth.

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[Recommendation 1.4b](#): Seek regional support for development and improvement of transportation infrastructure by working with Washington County, Metro, adjacent communities, and ODOT, to advocate for and support improvements to key regional transportation facilities that serve employment areas in Tualatin.

[Recommendation 1.4c](#): Identify opportunities to increase transit service between Tualatin and other cities within the Portland region (such as the on-going planning for the Southwest Corridor) and transit within Tualatin.

[Recommendation 1.4d](#): Identify options to extend transit service to employment centers to expand transportation options for workers in Tualatin, such as a local bus service like Wilsonville's SMART.

**Action 1.5: Work with landowners ensure land is development-ready and certified as shovel ready by Business Oregon.**

The *Regional Industrial Site Readiness Inventory (2017 update)* identifies large sites (those over 25 buildable acres) and their development-ready status across the Portland Metro Region. The report categorizes sites within the Region based on size of site (focusing on sites with 25 or more net buildable acres), development-ready status (based on the status of urban infrastructure provision and brownfield remediation status), and the willingness of the owner to sell or develop the site.

Tier 1 sites are those with at least 25 net buildable acres, that are development-ready within 180 days (6 months), and have an owner who is willing to sell or develop the site. Tualatin has no Tier 1 sites. There are four sites in Tualatin that qualify for Tier 2 or Tier 3 status, identified as being ready for development between 7-30 months for Tier 2 sites and more than 30 months for Tier 3 sites.

In addition, the *Regional Industrial Site Readiness Inventory* also identifies four sites in Tualatin that are smaller than 25 buildable acres. While these smaller sites aren't part of the inventory of Tier 1 through 3 sites, they play an important role in providing opportunities for business development in Tualatin. Many of the inquiries to Greater Portland Inc. for development sites for new businesses are for sites smaller than 25 acres.

For areas with existing or planned infrastructure (consistent with Action 1.4), the City can encourage and assist landowners in getting their sites certified as shovel-ready through the Business Oregon Certified Shovel Ready program. A site is shovel-ready if it is specifically zoned for industrial or traded-sector uses, has the infrastructure necessary to support development (or can have it within 180 days), and is available for development within 180 days or less.

Shovel-ready sites and other development sites can be listed on Business Oregon's Oregon Prospector web site to market sites to potential developers and businesses. The Oregon Prospector website reports information about site location, size, access to infrastructure, and

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other characteristics that developers need to know prior to making locational decisions. There is one site in Tualatin currently listed on Oregon Prospector.

[Recommendation 1.5a:](#) Encourage and assist landowners in getting their sites certified through the Business Oregon Certified Shovel Ready program. The economic developer should work directly with the local landowners on the certification process.

[Recommendation 1.5b:](#) Continue to work with landowners to ensure that development sites are listed on Business Oregon's Oregon Prospector web site.

### **Action 1.6. Plan for long-term development in Tualatin through 2040 and beyond.**

The Economic Opportunity Analysis plans for the 2020 to 2040 period. It shows that employment will continue to grow in Tualatin at a substantially faster pace over the next 20-years than households. One of the key issues discussed through the Economic Opportunity Analysis and Housing Needs Analysis is the existing and likely future imbalance of employment and housing, where people who work at businesses in Tualatin have limited opportunities to live in Tualatin.

A key part of long-range planning is working with Metro on regional planning for housing and employment in and around Tualatin. The City would be well-served by having information to share with Metro about new development, the City's planning efforts to provide opportunities for people to work and live in Tualatin, and economic development plans.

[Recommendation 1.6a:](#) Actively work with Metro staff on upcoming Regional Growth Management reports to ensure that Tualatin's population and employment forecasts are planned for similar growth rates and to coordinate Tualatin's planning with regional plans.

[Recommendation 1.6b:](#) Develop and implement a system to monitor the supply of commercial and industrial land every two years. This includes monitoring employment development (through permits) as well as land consumption (e.g., development on vacant, or redevelopable lands). The reports resulting from growth monitoring can be used in working with Metro to better understand Tualatin's opportunities for growth and characterize needs for expansion to accommodate employment growth.

[Recommendation 1.6c:](#) Reevaluate Tualatin's economic opportunities and land sufficiency every three years.

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## Strategy 2: Identify redevelopment opportunities

This strategy focuses on actions that are intended to identify redevelopment opportunities in areas where employment growth would be appropriate.

### Issue Statement

Tualatin has a deficit of land for industrial and commercial land of 74 and 175 gross acres, respectively. Some of this deficit could be accommodated through redevelopment of existing areas within Tualatin, where there are opportunities to increase the intensity of land uses. Redevelopment opportunities may also provide opportunities for development of mixed-use areas that are more walkable, have amenities that households frequently access (e.g., schools, medical facilities, parks, retail, restaurants, and other services), have access to transit, and accommodate new housing, consistent with the actions in Strategy 4.

Redevelopment may require actions from other strategies, such as: increasing allowable densities, re-zoning, land assembly, tax abatement programs to support employment growth development, and funding support such as Urban Renewal or Local Improvement District.

### Goal

Redevelop selected areas of Tualatin to create vibrant mixed-use districts that include new employment and housing opportunities.

### Recommended Actions

#### Action 2.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

This action is consistent with the Housing Strategy Action 5.1. Tualatin has deficits of land for development of commercial uses, as well as for development of multifamily housing to accommodate new housing in the Medium High Density and High Density / High-Rise plan designations.

The City should identify three to four areas within Tualatin for redevelopment into mixed-use areas, with a mixture of higher-density housing and employment uses such as retail, office, and commercial services. For example, some areas that may be appropriate for redevelopment include: the Commons, areas near key transit stops, and the area West of 6<sup>th</sup> Street/East of 90<sup>th</sup> Street/North of Sagert Street. In selecting areas ripe for redevelopment, the City should consider whether economic conditions support redevelopment, landowner attitudes to redevelopment, and set criteria for selecting redevelopment areas based on considerations such as transportation and transit connections and proximity to existing employment centers.

The City should engage the community in developing a vision for redeveloping the selected areas. The planning to implement this vision could be developed through a redevelopment plan that shows how the property will be redeveloped into a vibrant area with a mixture of uses, connections with Tualatin's automotive and pedestrian/bicycle transportation networks, and a variety of housing types. The redevelopment plans should include working with landowners to

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ensure they are supportive of redevelopment plans, as well as stakeholder and citizen involvement and input into the vision for the district and development of the redevelopment plans.

The City should consider opportunities to support redevelopment, such as use or Urban Renewal (Action 2.4) to address infrastructure deficiencies, and approaches to overcome barriers to redevelopment.

[Recommendation 2.1a: Initiate a process to identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.](#)

**Action 2.2: Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment.**

The Tualatin Town Center Plan was intended to guide development in Tualatin’s downtown area, which centers around the Lake of the Commons and includes about 364 acres of land. The existing Town Center Plan was developed in the mid-2000’s and was not adopted.

An update of the Town Center Plan could focus on opportunities for redevelopment, including identifying changes to zoning necessary to allow and encourage development of both housing and employment uses. The update should include development of a community vision for the future of Town Center to guide changes to zoning and other policy, as well as City investments in Town Center.

In conjunction with the update to the Tualatin Town Center Plan, the Tualatin Development Commission could act as developer for redevelopment of City-owned properties (such as surface parking lots) to create catalytic projects that include a mix of housing (both market-rate and affordable housing) and retail and office uses.

[Recommendation 2.2a: Develop a community vision and planning for Town Center, with a focus on redevelopment to support development of housing and employment uses.](#)

[Recommendation 2.2b: Evaluate opportunities to redevelop City-owned properties to create catalytic projects that include a mix of housing \(both market-rate and affordable housing\) and retail and office uses.](#)

**Action 2.3: Identify opportunities to redevelop and intensify uses in industrial areas.**

Redevelopment often focuses on commercial and residential redevelopment. Industrial redevelopment (where industrial land is redeveloped for new industrial uses) is less common in smaller cities like Tualatin because the costs of redevelopment often exceed the value of land for new industrial uses or rents are not high enough to support industrial redevelopment. In the Portland Region, however, redevelopment is occurring in industrial areas, possibly as a result of the higher achievable rents and desirability of locations in Portland and other industrial centers.

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There may be opportunities for industrial redevelopment for new industrial uses in Tualatin over the 20-year planning period. These opportunities may include sites with excellent access to I-5 or other regional roads, where redevelopment costs are lower (i.e., brownfield remediation is not required), or at Tigard Sand and Gravel’s gravel mine, once the company is done with mining operations.

[Recommendation 2.3a: Identify opportunities for industrial redevelopment and work with property owners to support redevelopment, which may require changes to zoning to allow different types of industrial buildings \(i.e., vertical buildings\) or infrastructure investments to provide additional urban services. This action is consistent with Action 1.2.](#)

**Action 2.4: Develop policies to support redevelopment and mixed use development.**

The costs of redevelopment and of mixed-use development can make these types of development financially infeasible or at least very difficult. Given the deficit of land for commercial and industrial development, Tualatin will need to support redevelopment. Supporting mixed-use development is key to accommodating need for higher-density multifamily housing and providing opportunities for people to live and work in Tualatin. The City should evaluate opportunities to support redevelopment and mixed use development within Tualatin. Some examples include:

- Use publicly owned-properties, such as parking lots, to assemble land for development of catalytic projects that support additional development and further other community objectives, such as housing affordable to workers with income of about \$50,000 (about 60% of Median Family Income, based on the Housing Needs Analysis) or a business incubator or shared workspace to support growth of small businesses.
- Assist with assembly of land to support redevelopment that includes multiple properties.
- Continue to evaluate establishing a new urban renewal district, consistent with Action 4.2 in the Housing Strategy. For economic development purposes, urban renewal is often used for projects to improve districts (i.e., street beautification or façade programs), providing low-interest loans to businesses (i.e., loans to support expansion of businesses that provide jobs at or above the City average), or infrastructure improvements needed to support commercial or industrial development.

[Recommendation 2.4a: Evaluate the redevelopment potential of publicly owned properties, such as parking lots.](#)

[Recommendation 2.4b: Continue to evaluate establishing a new urban renewal district to support development of commercial, industrial, and residential businesses, especially mixed-use districts.](#)

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## Strategy 3: Support business retention, growth, and attraction

Economic development generally occurs through three broad approaches: retention of existing businesses, growth of existing and small businesses (such as entrepreneurs), and attracting of new businesses from outside of the city. This strategy describes economic development efforts to support growth of economic activity and employment.

### Issue Statement

The main focus of economic development is retaining and growing businesses. These businesses both provide employment for people living in Tualatin and the surrounding region and pay property taxes that help balance the City's tax base. Generally speaking, the costs to serve residential lands is often greater than the cost to serve employment lands, because residents use more services (such as schools, police, fire, governance and leadership, infrastructure maintenance, etc.) at a higher rate than employment. As the City works to balance development of housing and employment, the City should consider the long-term fiscal health and sustainability of the City by encouraging continued employment growth, while also encouraging additional residential growth to provide opportunities for people to live and work in Tualatin.

This strategy is about actions that support retention and expansion of existing businesses, growth and creation of entrepreneurial businesses, and attraction of new businesses that align with Tualatin's values as a community. The types of businesses the City wants to attract most are non-polluting businesses with wages at or above the Washington County average, focusing on growth of businesses that have sufficient wages for their workers to afford to live and work in Tualatin.

### Goal

Support business growth in Tualatin to diversify and expand commercial and industrial development in order to provide employment opportunities with levels of pay that allows workers to live in Tualatin, as well as supporting the City's tax base.

### Recommended Actions

**Action 3.1: Revise the economic development strategy, develop a clear vision for economic development, and create an action plan to implement the vision.**

Tualatin has an existing economic development strategy, last updated in 2014. The City plans to update the economic development strategy, based on the City's new Economic Opportunities Analysis. Discussions with stakeholders suggest it is important that updating the economic development strategy include development of a clear vision for economic development, as the starting place for the economic development strategy. **The vision should identify community aspirations for economic development and the City's role in economic development.**

The revised document should be an action-oriented 5-year economic development action plan that includes a community vision for economic growth in Tualatin. The factual basis for the Action Plan is the information gathered about on local and regional economic trends gathered

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through the Economic Opportunity Analysis, from policies and objectives established for the Comprehensive Plan (this document) and with feedback and input from stakeholders. The Action Plan would present detailed actions for executing the economic development policies based on the priorities established by the Tualatin City Council.

Development of this strategy could be guided by an Economic Development Committee composed of elected and appointed officials, business owners and managers in Tualatin, people involved in economic development in Tualatin (i.e., the Tualatin Chamber of Commerce) and the Portland Region, and residents of Tualatin.

[Recommendation 3.1a: Establish an Economic Development Committee to guide development of the economic development strategy.](#)

[Recommendation 3.1b: Develop an action-oriented 5-year economic development action plan that includes a community vision for economic growth in Tualatin.](#)

### **Action 3.2: Support growth of existing businesses in Tualatin.**

Business retention is a key part of successful economic development. Working with partners such as the Tualatin Chamber of Commerce and the Tualatin Commercial Citizen Involvement Organization, the City should continue to reach out to businesses in Tualatin to identify and resolve issues to growing their business and remaining in Tualatin. Issues that businesses in Tualatin have already identified include: difficulties retaining workforce (given potentially long commutes and difficulty in finding qualified workers), increasing concerns about transportation and freight access and congestion, and a lack of incentives to support development. Issues related to transportation (commuting and freight access) are discussed in Action 4.1 and incentives to support development are discussed in Action 3.5. This document does not propose actions related to workforce quality but this is likely an issue that would be addressed in the economic development action plan in Action 3.1b.

City staff can also support existing businesses by sharing technical resources, maintaining open communications with local businesspeople, and providing available staff support for economic development projects initiated by the business community.

[Recommendation 3.2a: Continue to identify opportunities to support existing businesses in Tualatin, through working with partners such as the Tualatin Chamber of Commerce to identify and resolve issues that are barriers to the businesses growing and staying in Tualatin.](#)

### **Action 3.3: Support growth of and retain entrepreneurial businesses in Tualatin.**

Small businesses, many of which are entrepreneurial, account for the majority of businesses in Tualatin. Businesses with five or fewer employees in Tualatin account for 64% of private employment and businesses with fewer than 20 employees account for 89% of private employment. The City should identify opportunities to support small and entrepreneurial businesses to grow and retain them in Tualatin. Some approaches to this include:

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- Form partnerships with organizations that assist entrepreneurial businesses, such as Tualatin Chamber of Commerce, Tualatin Commercial Citizen Involvement Organization, Westside Economic Alliance, Greater Portland Inc., Business Oregon, and Federal agencies such as the Economic Development Administration. These partnerships can help Tualatin identify solutions to issues or resources to assist businesses.
  - Identify opportunities to support growth of small businesses and entrepreneurs, such as business incubators or buildings with co-working space for small businesses.
  - Support and encourage home-based businesses and identify barriers in the City's policies to growth of home-based businesses.
  - Support or organize community events that involve local businesses, such as revitalization of the farmer's market or organizing events like Portland's Sunday Parkway.

[Recommendation 3.3a: Continue to identify opportunities to support growth and retention of entrepreneurial businesses in Tualatin.](#)

**Action 3.4: Identify opportunities to attract or grow businesses with pay at or above Tualatin's average wage.**

Tualatin's average wage was \$57,300 in 2017, compared with the Washington County average of \$70,300 in 2018. One of the areas of significant concern in development of the Economic Opportunities Analysis and Housing Needs Analysis was ensuring that workers in Tualatin can afford to both live and work in Tualatin. A worker earning the average wage in Tualatin can afford rents of about \$1,400 per month, which is above the average multifamily rent of \$1,200 in 2018. Affording the median housing sale price in Tualatin (about \$480,000 as of February 2019) requires a household income of \$120,000 to \$160,000, which will most frequently require a household with two full-time workers.

Attracting businesses that pay wages at or above the City's average wage will require deliberate effort on the City's part, such as developing incentive programs that attract or retain businesses such as: low-interest loans, fee waivers, and other incentives. The City will need to work with organizations that support business growth, retention, and attraction, such as: Tualatin Chamber of Commerce, Tualatin Commercial Citizen Involvement Organization, Westside Economic Alliance, Greater Portland Inc., Business Oregon, and Federal agencies such as the Economic Development Administration. These partnership may include marketing Tualatin to attract new businesses.

Examples of these businesses that often pay above average wages include those identified as Target Industries in Tualatin's Economic Opportunities Analysis, such as advanced manufacturing, food processing, plastics manufacturing, information technology and analytical systems, and business services.

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[Recommendation 3.4a: Identify partnerships and incentive programs to grow, retain, and attract businesses with wages at or above the City's average wage of \\$57,300.](#)

**Action 3.5: Evaluate use of incentives to retain, grow, and attract businesses.**

Cities often offer incentives to retain, grow, and attract businesses. In addition to having businesses stay in the community, cities use incentives to achieve goals such as: attracting higher paying jobs, increasing the diversity of jobs or businesses, attracting businesses that have pay high property taxes (such as manufacturers or data centers), or other desirable attributes. In Action 3.4, this memorandum identifies a goal of attracting businesses with higher paying jobs. Through development of the economic development action plan (Action 3.1), the City may identify other business attributes or economic development goals it wants to achieve through offering incentives.

The City should evaluate use of incentives to achieve these goals, such as:

- Expedited entitlement and permitting process (e.g. 66-day review process for industrial projects).
- Financial assistance for business expansion or attraction, such as low interest loans or grants.
- Public/private partnerships to support redevelopment of mixed-use development.
- Assist with assembly of land to support redevelopment that includes multiple properties.
- Property tax exemption, such as the Strategic Investment Program, which grants a 15-year property tax exemption for large capital-intensive facilities.
- Systems development charge (SDC) financing opportunities (consistent with Action 3.5 in the Housing Strategy).
- Development of or participation in a business incubator, shared workspace, start-up accelerators, or other forms of business mentoring.
- Work with partners (such as Tualatin Chamber of Commerce, Westside Economic Alliance, Greater Portland Inc., and Business Oregon) to market Tualatin's business and their products, across the state, nationally, and internationally.
- Street improvements and beautification.

[Recommendation 3.5a: Evaluate the outcomes the City wants to achieve through offering economic development incentives and the incentives the City could offer. This evaluation should be part of development of the economic development action plan in Action 3.1.](#)

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**Action 3.6. Ensure that Tualatin has sufficient staff capacity to implement the economic development priorities set by the City Council.**

The Economic Development Strategy presented in this memorandum and especially the actions presented in Strategy 2 and Strategy 3 will take substantial staff time to evaluate and implement. The City may need additional staffing to implement the Economic Development Strategy.

*Recommendation 3.6a: As the City Council allocates resources toward economic development efforts and sets priorities for implementation of the Economic Development Strategy, the Council should work with the City Manager and Community Development Director to determine whether the City will need to add staff to implement the policies in the Economic Development Strategy.*

*Recommendation 3.6b: City staff should work with City Council members and stakeholders to ensure they understand economic development processes and tools/policies to support economic development.*

**Strategy 4: Ensure there are connections between planning for economic development and other community planning**

This strategy focuses on actions that are intended to ensure coordination between planning for economic development and other community planning, such as housing, transportation planning or other urban infrastructure planning (such as water or wastewater systems), and natural resources and parks planning.

**Issue Statement**

Discussions of economic development leads to discussions of transportation issues in Tualatin and a desire to ensure a jobs-housing balance in Tualatin. Transportation issues include heavy congestion on Tualatin’s roadways, including access to I-5, arterial roads connecting Tualatin within the region, and local roadways. In addition, Tualatin is not well-served with transit. Tualatin is served with the West Side Express Service (WES) train and two TriMet bus lines. The Max line is expected to extend to Bridgeport Village.

In addition, Tualatin has more employees than residents. Between 2007 and 2017, the population grew by about 0.35% per year, compared with employment growth of 2.9% per year. The forecast for population growth over the next 20 years is substantially lower than employment growth, with a household growth forecast of about 0.4% per year and an employment forecast growth about 1.4% per year. The Housing Needs Analysis shows that Tualatin has opportunities for residential growth beyond the forecast for growth. Success in housing development as a part of redevelopment and mixed use development (Strategy 2) will further increase the amount of housing that could be developed in Tualatin beyond the forecast for new growth.

Jobs with at least average wages pay enough to live in rental housing in Tualatin. The average wage for employment in Tualatin in 2017 was about \$57,000, which is sufficient to afford a

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monthly rent of about \$1,425. The average multifamily rent in Tualatin was nearly \$1,200 in 2017. As a result, a person earning around the average wage can afford rent of about \$1,425 and the average multifamily rent in Tualatin.

However, the average sales price for a unit in Tualatin in early 2019 was \$480,000, which would require a wage of \$120,000 to \$160,000 to afford homeownership. None of the industries in Tualatin has average pay this high and only one-quarter of households in Tualatin and Washington County have household income high enough to afford the average sales price. As a result, people who work in Tualatin can own a newly purchased home in Tualatin if they have substantially higher-than-average wages or if there is more than one worker per household, which is common, with an average of 1.4 jobs per household in Tualatin.

Reasons for working in Tualatin and not living in Tualatin likely include more causes than problems affording households. People choose to commute for a variety of reasons: preference for another community, family and friends living in another community, choosing a location that allows the other worker(s) in the household an easier commute, long-term homeownership in another community, and other reasons.

The result of so much commuting is congestion on Tualatin's roads and the region's highways. Planning for new employment growth will require coordination with transportation planning. It will also require coordination with water, wastewater, and stormwater planning. Through this project and the Housing Needs Analysis, it requires coordination with planning for housing and neighborhood growth.

## **Goal**

Ensure that Tualatin develops as a walkable and complete community with a range of amenities that are easily accessible to people who live in Tualatin.

## **Recommended Actions**

**Action 4.1. Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.**

The next update to the Transportation System Plan (TSP) should coordinate planning for employment and business growth with transportation planning, providing opportunities for more intensive employment development (or redevelopment) where there is sufficient capacity for automotive and transit capacity. The redevelopment areas (Action 2.1) should be planned for in areas where there is higher capacity for freight access, automotive and transit access, and with connections to pedestrian and bicycle trails.

The update to the TSP should ensure there are additional opportunities to decrease dependence on automotive transportation, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit). The TSP update should also identify opportunities to address capacity issues on Tualatin's roads to ease congestion and make traveling by car within Tualatin

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and to areas outside of Tualatin easier. This action and the recommendations below are consistent with those in the Housing Strategy Action 6.1.

Recommendation 4.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for mixed-use and commercial development, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit).

Recommendation 4.1b: Evaluate opportunities to expand transit and improve transportation connectivity (both capacity and access on I-5 and regional connector roads) for freight and automobiles between Tualatin and other cities within the Portland Region.

Recommendation 4.1c: Evaluate opportunities to expand transit and improve transportation connectivity within Tualatin particularly from the future Southwest Corridor station in Bridgeport to the Tualatin's Town Center and vital services and out to the neighborhoods.

Recommendation 4.1d: Evaluate opportunities for planning transit-oriented development, as transit becomes more available in Tualatin, consistent for redevelopment planning.

Recommendation 4.1e: Develop a bicycle and pedestrian plan for Tualatin to increase these types of connectivity within Tualatin.

**Action 4.2. Coordinate planning for economic development planning with housing planning.**

Tualatin has a jobs and housing imbalance, with more jobs than residents in Tualatin. The other strategies in this memorandum are intended to support development of housing that is affordable to people who work at businesses in Tualatin (the average wage was \$57,300 in 2017), such as Action 3.4. This action and the recommendation below are consistent with those in the Housing Strategy Action 6.2.

Recommendation 4.2a: Ensure the City plans for housing that is affordable to people who work at businesses in Tualatin.

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**Action 4.3. Develop a design and planning framework for “ten minute neighborhoods” that include a mixture of uses.**

The City should develop a framework for development of mixed-use neighborhoods that results in neighborhoods where residents have easy, convenient access to many of the places and services they use daily without relying heavily on a car. The framework would include the following elements: walkable neighborhoods, with access to transit, with nearby parks (i.e., within one-quarter mile), with neighborhood retail and restaurants, and near schools. The neighborhood would have higher concentrations of people and are complete with the sidewalks, bike lanes, and bus routes that support a variety of transportation options. The design of the neighborhood should integrate design standards that promote public safety. In larger cities, these are referred to as “20 minute neighborhoods” but given Tualatin’s smaller size, the scale might be more like “10 minute neighborhoods.” This action and the recommendation below are consistent with those in the Housing Strategy Action 6.2.

[Recommendation 4.3a: Develop a framework for mixed-use neighborhoods that include the elements that residents need for day-to-day life.](#)

**Action 4.4. Identify opportunities to support workforce development.**

Ability to attract and retain qualified and trained workers is one of the key barriers to development identified by existing businesses in Tualatin. These partners could include Tualatin High School, Portland Community College, Portland State University, and Worksource Oregon. The City could play a convening role to work with businesses to understand their workforce training needs, then work with these partners to offer classes in Tualatin to provide this training. This training could be offered in existing facilities (such as at the High School) or in newly built facilities that are part of one or more mixed-use areas.

[Recommendation 4.4a: Work with businesses and partners in education to ensure there are workforce training opportunities in Tualatin, identifying opportunities to integrate workforce training in mixed-use areas.](#)

**Action 4.5. Evaluate development of a civic center with a range of uses.**

Evaluate development of a civic center with a range of uses, include a performing arts center, convention center, historic museum, welcome center for visitors, and other uses to enhance life and business in Tualatin.

[Recommendation 4.5a: Evaluate development of a civic center with a range of uses in Tualatin.](#)

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## Appendix A: Tualatin's Existing Comprehensive Plan Policies

### Section 4.050 General Growth Objectives.

The following are general objectives used as a guide to formulate the Plan. The objectives are positive statements to de-scribe the Plan's intent to:

- (1) Provide a plan that will accommodate a population range of 22,000 to 29,000 people.
- (2) Cooperate with the Metropolitan Service District to reach regional consensus on population growth projections within the Tualatin area.
- (3) Conform to Metropolitan Service District (Metro) procedures for initiating amendments to the Metro Urban Growth Boundary.
- (4) Provide a plan that will create an environment for the orderly and efficient transition from rural to urban land uses.
- (5) Convert agricultural land only if needed for urban uses.
- (6) Arrange the various land uses so as to minimize land use conflicts and maximize the use of public facilities as growth occurs.
- (7) Prepare a balanced plan meeting, as closely as possible, the specific objectives and assumptions of each individual plan element.
- (8) Define the urban growth boundary.
- (9) Prepare a plan providing a variety of living and working environments.
- (10) Encourage the highest quality physical design for future development.
- (11) Coordinate development plans with regional, state, and federal agencies to as-sure consistency with statutes, rules, and standards concerning air, noise, water quality, and solid waste. Cooperate with the U.S. Fish and Wildlife Service to minimize adverse impacts to the Tualatin River National Wildlife Refuge from development in adjacent areas of Tualatin.
- (12) Adopt measures protecting life and property from natural hazards such as flooding, high groundwater, weak foundation soils and steep slopes.
- (13) Develop regulations to control sedimentation of creeks and streams caused by erosion during development of property.
- (14) Develop a separate growth program that controls the rate of community growth and is acceptable to the Land Conservation and Development Commission.
- (15) Arrange the various land uses in a manner that is energy efficient.

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(16) Encourage energy conservation by arranging land uses in a manner compatible with public transportation objectives.

(17) Maintain for as long a period as possible a physical separation of non-urban land around the City so as to maintain its physical and emotional identity within urban areas of the region.

(18) Fully develop the industrial area located in Washington County west of the City only when adequate transportation facilities are available and the area has been annexed to the City and served with water and sewer services.

(19) Cooperate with Washington County to study the methods available for providing transportation, water and sewer service to the industrial area west of the City, designating this area as a special study area.

(20) Initiate annexation of property within the Urban Growth Boundary planned for residential development only when petitioned to do so by owners of the affected property, including cases involving unincorporated "islands" of property surrounded by land annexed previously.

(21) Territories to be annexed shall be in the Metro Urban Growth Boundary.

(22) Address Metro's Urban Growth Management Functional Plan, Title 13, Nature in Neighborhoods, through the conservation, protection and restoration of fish and wildlife habitat, including Metro's Regionally Significant Fish and Wildlife Habitat, through the Tualatin Basin Natural Resource Coordinating Committee and the Tualatin Basin Program.

(a) Support and implement the elements of the Tualatin Basin Program to:

(i) Develop and adopt local policies and regulations to implement the provisions of the Tualatin Basin Program.

(ii) Adopt low impact development (LID) provisions to reduce environmental impacts of new development and remove barriers to their utilization.

(iii) Coordinate with Clean Water Services (CWS) to implement their Healthy Streams Action Plan and other programs such as their Stormwater Management Plan and Design and Construction Standards.

(iv) Coordinate with CWS, Metro and others to develop and support the funding, voluntary and educational components of the Tualatin Basin Program.

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(v) Coordinate with CWS, Metro and others to develop and support the monitoring and adaptive management components of the Tualatin Basin Program.

(b) Continue active participation in the Tualatin Basin Natural Resources Coordinating Committee and the Steering Committee to support and implement the Tualatin Basin Program.

(c) Coordinate with CWS and Metro to update Metro's Regionally Significant Fish and Wildlife Habitat Inventory Map. Changes to the Inventory Map will be on-going as on-site inventories are conducted as part of private and public construction projects.

(d) Support and implement provisions allowing public access to planned public facilities.

### Section 6.030 Objectives.

The following are general objectives used to guide the development of this Plan:

- (1) Encourage commercial development.
- (2) Provide increased employment opportunities.
- (3) Provide shopping opportunities for surrounding communities.
- (4) Locate and design commercial areas to minimize traffic congestion and maximize access.
- (5) Continue to utilize specific and enforceable architectural and landscape design standards for commercial development.
- (6) Encourage developers to consider solar access when designing commercial development projects.
- (7) Provide for limited and carefully designed neighborhood commercial centers.
- (8) Provide for the continued development of major medical services facilities in the City of Tualatin, especially at the Meridian Park Hospital site. The Medical Center Planning District shall be applied only to a property, or a group of contiguous properties, of no less than 25 acres and shall have frontage on an arterial as designated in TDC Chapter 11, Tualatin Community Plan.
- (9) To work with the applicable jurisdictions and agencies to develop the Durham Quarry Site and Durham Quarry Area with high quality development. It is appropriate to apply an overlay district on the Durham Quarry Site and Durham Quarry Area to allow mixed commercial/residential uses. It is appropriate to enter into an intergovernmental

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agreement with the City of Tigard and Washington County to allow the City of Tualatin to review and decide land use applications and building permit applications for the portion of the Durham Quarry Site in the City of Tigard.

### Section 7.030 Objectives.

The following are general objectives used to guide development of the Plan and that should guide implementation of the Plan's recommendations:

- (1) Encourage new industrial development.
- (2) Provide increased local employment opportunity, moving from 12 percent local employment to 25 percent, while at the same time making the City, and in particular the Western Industrial District, a major regional employment center.
- (3) Improve the financial capability of the City, through an increase in the tax base and the use of creative financing tools.
- (4) Preserve and protect, with limited exceptions, the City's existing industrial land.
- (5) Cooperate with Washington County, METRO, and the State of Oregon to study the methods available for providing transportation, water, and sewer services to the Western Industrial District.
- (6) Fully develop the Western Industrial District and the Southwest Tualatin Concept Plan Area (SWCP), providing full transportation, sewer, and water services prior to or as development occurs.
- (7) Improve traffic access to the Western Industrial District and SWCP area from the Interstate 5 freeway and State Highway 99W through regional improvements identified in the 2035 Regional Transportation Plan.
- (8) Cooperate with the Department of Environmental Quality and METRO to meet applicable air quality standards by 1987.
- (9) Construct a north/south major arterial street between Tualatin Road and Tualatin-Sherwood Road and SW Tonquin Road in the 124th Avenue alignment to serve the industrial area.
- (10) Rebuild the Tualatin Road/Pacific Highway intersection to allow for substantially greater traffic flows.
- (11) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.
- (12) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of industrial use.

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- (13) Protect adjacent land uses from noise impacts by adopting industrial noise standards.
- (14) Continue to protect the Hedges Creek Wetland and Tonquin Scablands from adverse impacts of adjacent development.
- (15) Continue to administer specific and enforceable architectural and landscape design standards for industrial development.
- (16) Encourage industrial firms to use co-generation as a means to utilize waste heat from industrial processes and consider solar access when designing industrial facilities.
- (17) Protect wooded areas identified on the Natural Features Map found in the Technical Memorandum by requiring their preservation in a natural state or by integrating the major trees into the design of the parking lots, buildings, or more formal landscaping areas of an industrial development. If it is necessary to remove a portion or all of the trees, the replacement landscape features shall be subject to approval through the Architectural Review process.

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## Appendix B: Potential Economic Development Actions

This appendix presents potential economic development actions that cities take to increase economic activities. The purpose of this appendix is to provide information and ideas to Tualatin staff and stakeholders, as they develop economic development policies and actions to implement those policies. This appendix is not intended to be adopted into the Tualatin Comprehensive Plan.

A wide range of economic development policies and actions are available to cities for influencing the level and type of economic development. It is useful to make a distinction between economic development policies, which are typically adopted by ordinance into local comprehensive land use plans, and a local economic development strategy. While policies and economic development strategies should be aiming to achieve the same outcomes, they are not the same thing. The key differences are: (1) economic development strategies are typically presented in the form of a strategic plan that covers a five-year time horizon while policies use the longer 20-year horizon in most comprehensive plans; (2) strategies are more broad reaching and may identify actions that extend outside the capacity of local government while policies focus on land use and infrastructure; and (3) strategies are more agile in the sense that they provide a framework rather than legal guidance.

While many of the actions identified in this appendix could be included either as policies or strategies, the focus is primarily on policies and actions that implement those policies.

Local economic development policy usually has a fundamental goal of supporting businesses that align with a jurisdiction's long-term vision for the community.<sup>1</sup> Economic development broadly focuses on three strategies: (1) business recruitment; (2) business retention and expansion (BRE); and (3) innovation and entrepreneurship. Historically, many cities focused on recruitment as their foundational strategy; however, many cities and economic development are rethinking this approach and local governments are increasingly implementing policies that focus on support for entrepreneurs, especially those starting new businesses.<sup>2</sup>

Recent research on the effectiveness of local economic development efforts support this focus on innovation and entrepreneurship to attract new, young businesses. Providing support for institutions and firms where innovation happens allows for businesses to grow and new businesses to form as industries evolve. Local jurisdictions can specifically provide support for accelerators and incubators, especially those that provide connections between research

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<sup>1</sup> Based on Leigh and Blakley's definition for sustainable economic development as follows, "Local economic development is achieved when a community's standard of living can be preserved and increased through a process of human and physical development that is based on principles of equity and sustainability. There are three essential elements in this definition, detailed below: First economic development establishes a minimum standard of living for all and increases the standard over time. Second, economic development reduces inequality. Third, economic development promotes and encourages sustainable resource use and production." Leigh, N. and Blakeley, E. *Planning Local Economic Development: Theory and Practice*. 2013.

<sup>2</sup> Kauffman Foundation. "Entrepreneurship's Role in Economic Development." *Entrepreneurship Policy Digest*. June 2014.

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institutions, established firms, and entrepreneurs. Entrepreneurs are also increasingly mobile with improved access to high-speed internet. Local jurisdictions can promote quality of life and access to amenities as a way to attract these new businesses.<sup>3</sup> Moreover, every start up is also a BRE opportunity.

Economic development is also about collaboration and identifying partnerships that can make the most of the resources available for economic development activities. Local jurisdictions should focus on their role in economic development, as there are factors that the jurisdiction can and cannot control. As identified in a 2017 University of Oregon report on the “Perceptions and Needs of Economic Development Programs in Oregon,” organizations and jurisdictions involved in economic development activity supported the importance of coordination between entities, but that implementation of coordinating efforts is difficult due to lack of capacity, unbalanced effort, or trust issues.<sup>4</sup> To help overcome these barriers to coordinating economic development efforts, a key component to developing local economic development policies is identifying which policies and actions that the City is well-suited to be a lead partner, and those better suited for a partner organization to lead. It is important to develop policies and actions that identify other organizations as the lead partner. Successful implementation of these policies and actions will depend on an understanding of an organization’s capacity and access to resources.

The focus of the actions listed in this Appendix is primarily on the City’s role: what resources can the City commit to economic development and what roles are most appropriate for the City. Following are foundational assumptions about the City’s role:

- The City plays a limited role in economic and business development.
- The City is one of several organizations that provide and maintain infrastructure.
- The City has limited staff and financial resources that can be invested in appropriate economic development activities.
- The City has an obligation to adopt an economic development strategy, policies to manage employment lands, and maintain a 20-year supply of commercial and industrial sites under Goal 9 and OAR 660-009.
- The City could be an ideal organization to coordinate BRE and entrepreneurship activities or to house staff that are coordinating BRE and entrepreneurship activities.

The policy and action examples provided in this appendix are organized by broad policy categories, with cross-references to the factors of production that influence business location and expansion. The factors of production are discussed in detail the EOA document. While it is important to understand how the factors of production influence economic development

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<sup>3</sup> Leigh, N. and Blakeley, E. *Planning Local Economic Development: Theory and Practice*. 2013.

<sup>4</sup> University of Oregon, Department of Planning, Public Policy & Management, Community Services Center. “Perceptions and Needs of Economic Development Programs in Oregon.” Final Report. December 2017.

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activity, it is more useful to group policies and actions in broad categories such as, Land Use, Public Facilities, Business Assistance, etc.

The effectiveness of any individual actions or combination of actions depends on local circumstances and desired outcomes. Local strategies should be customized not only to meet locally defined objectives, but also to recognize economic opportunities and limitations (as defined in the Economic Opportunity Analysis). Positive outcomes are not guaranteed: even good programs can result in limited or modest results. It is important to remember that effective economic development requires a long-term view—immediate results are not guaranteed. Thus, maintaining a focus on implementation is essential.

Economic development is a team activity—no single entity can implement all the activities that are necessary for a robust economic development program. Many municipal economic development strategies include actions that rely on other entities to implement. For example, many municipal strategies we have reviewed include strategies and actions around workforce development. Workforce development is not a municipal service, so cities must coordinate with external entities for this function. The main points here are (1) be deliberate about policies / strategies /actions that rely on external partners, and (2) if these are included in the plan, be sure that resources are committed to execute them—understanding that coordination is time-consuming and challenging.

Table B-1 identifies a range of potential economic development strategies that the Tualatin could consider implementing. These strategies range from those closely associated with the basic functions of government (provision of buildable land and public services) to those sometimes viewed as outside the primary functions of government (such as financial incentives and business assistance). The primary action categories in Table B-1 are Land Use, Public Facilities, Business Assistance, Workforce, and Other. As stated above, it is important for Tualatin to identify the policies and actions they are well-suited to lead, and where collaboration with, and leadership from, partner organizations is necessary. Table B-1 also includes suggestions for potential partners and whether Tualatin should take on a lead or support role.

**Table B-1. Potential economic development actions**

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
<b>Land Use</b>				
<b>Policies regarding the amount and location of available land and allowed uses.</b>				
Provide adequate supply of land	Provide an adequate supply of development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Tualatin.	County, adjacent cities, State, landowners, and key stakeholders	Lead	Land, infrastructure
Zoning Code	Conduct an audit of the city's zoning code and a review of other development regulations to ensure that the regulations support the goals of economic development	County, if they manage land within the city's planning area but outside of the city limits	Lead	Land, Regulation
Increase the efficiency of the permitting process and simplify city land-use policies	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise.	County, if they assist with the permitting or building inspection process	Lead	Regulation, taxes, financial incentives
<b>Public Facilities</b>				
<b>Policies regarding the level and quality of public and private infrastructure and services.</b>				
Provide adequate infrastructure to support employment growth	Provide adequate public services (i.e. roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e. electricity and communications) are provided to existing businesses and development sites. One way to pay for adequate infrastructure is through use of urban renewal, shown in the table below.	Public works department, special service districts, utilities, State and Federal partners who may provide grants, developers and landowners	Lead	Local infrastructure, Access to markets, suitable land to serve
Focused public investment	Provide public and private infrastructure to identified development or redevelopment sites.	Public works department, special service districts, utilities, State and Federal partners who may provide grants, developers and landowners	Lead	Regulation, taxes
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network.	Communication utilities and public works department	Lead/Support	Local infrastructure, Access to markets

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
<b>Business Assistance</b>	<b>Policies to assist existing businesses and attract new businesses.</b>			
Business retention and growth	Targeted assistance to businesses facing financial difficulty or thinking of moving out of the community. Assistance would vary depending on a given business' problems and could range from business loans to upgrades in infrastructure to assistance in finding a new location within the community.	Chamber of Commerce, Business Oregon, Regional ED Corporation  An agent of the City of Tualatin should be direction involved in BRE efforts to highlight the city's issues and provide accountability.	Support	Local infrastructure, Access to markets, Materials, Regulation, Taxes, Financial incentives, Industry clusters
Recruitment and marketing	Establish a program to market the community as a location for business in general, and target relocating firms to diversify and strengthen the local economy. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life.	Chamber of Commerce, Business Oregon, Regional ED Corporation	Support	Labor, Land, Local infrastructure, Regulation, Taxes, Industry clusters, Quality of life
Development districts (enterprise zones, renewal districts, etc.)	Establish districts with tax abatements, loans, assist with infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria and help achieve community goals.	Taxing districts, special districts, and the county  Business Oregon can play a secondary role	Lead	Local infrastructure, Regulation, Taxes, Financial incentives, Quality of life
Business clusters	Help develop business clusters through business recruitment and business retention policies. Encourage siting of businesses to provide shared services to the business clusters, businesses that support the prison and hospital and agricultural industry, including retail and commercial services.	Business Oregon, Educational/research institutions  Because clusters are regional, regional institutions such as GPI, the Columbia-Willamette Workforce Collaborative, and the Technology Association of Oregon should lead this approach.	Support	Industry clusters, Innovative capacity

<b>Category/Policy Examples</b>	<b>Description and Examples</b>	<b>Potential Partners</b>	<b>City Lead or Support Role</b>	<b>Relevant Factors of Production</b>
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services.	Developers, businesses, and landowners	Lead and/or Support	Land, Financial incentives
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms meeting specified criteria. Can be targeted as desired to support goal such as recruitment, retention, expansion, family-wage jobs, or sustainable industry.	County, special service districts, other taxing districts	Lead	Regulation, Taxes, Financial incentives
Business incubators	Help develop low-cost space for use by new and expanding firms with shared office services, access to equipment, networking opportunities, and business development information. Designate land for live-work opportunities.	Education/research institutions, Chamber of Commerce, Small Business Administration (Federal)	Support	Entrepreneurship, Innovative capacity, Access to markets
Business/start-up accelerators	Provide similar services and opportunities as a business incubator but using a specific timeframe for businesses to meet certain benchmarks. Help connect businesses with funding at the end of the time period of the program to continue product development.	Education/research institutions, Chamber of Commerce, Small Business Administration (Federal), venture capitalists	Support	Entrepreneurship, Innovative capacity, Access to markets
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.	Chamber of Commerce, local businesses, and other potential mentors	Support	Entrepreneurship, Innovative capacity
Export promotion	Assist businesses in identifying and expanding into new products and export markets; represent local firms at trade shows and missions.	State, Chamber of Commerce, regional economic development partners	Support	Entrepreneurship, Innovative capacity, Access to markets

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
<b>Workforce</b>				
<b>Policies to improve the quality of the workforce available to local firms.</b>				
Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i.e. dislocated workers).	School districts, education/research institutions, businesses	Support	Labor
Job access	Provide transit/shuttle service to bring workers to job sites.	Businesses, transit agency	Lead	Labor, Local infrastructure
Jobs/housing balance	Make land available for a variety of low-cost housing types for lower income households, ranging from single-family housing types to multifamily housing.	Developers, landowners, businesses, affordable housing developers, other housing agencies or developers	Support  Lead, if urban renewal or other tools are at the City's disposal	Land, Labor, Quality of life
<b>Other</b>				
Regional collaboration	Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies and objectives are developed.	Regional economic development partners, county, nearby cities, Business Oregon	Lead initiation of the coordination, participatory in the coordination process	Innovative capacity
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.	School district, recreational districts, hospitals and medical providers, affordable housing providers, and other stakeholders	Lead on city programs, support on other programs	Local infrastructure, Labor, Land, Quality of life

Source: ECONorthwest.