# ORDINANCE NO. 804

## AN ORDINANCE AMENDING THE TROUTDALE COMPREHENSIVE LAND USE PLAN, GOAL 9 (ECONOMIC DEVELOPMENT) IN FULFILLMENT OF TASK 2 OF THE CITY'S PERIODIC REVIEW WORK PROGRAM

## THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. The City has been in periodic review since the initial notification from the Oregon Department of Land Conservation and Development (DLCD) on May 20, 2008. The City submitted its proposed periodic review work program to DLCD on November 14, 2008. DLCD approved the work program with modifications on April 15, 2010. The approved work program includes tasks related to statewide planning Goal 9, Economic Development.

2. The City is required to perform these tasks as part of its periodic review work program:
   a. Conduct a commercial and industrial buildable lands inventory.
   b. Complete an Economic Opportunities Analysis to determine if there are suitable lands to accommodate projected employment need.
   c. Review comprehensive plan policies pertaining to economic development.
   d. Amend the comprehensive plan and development code as needed.

3. The City hired a consultant to conduct the buildable lands inventory and to prepare the Economic Opportunities Analysis (EOA). The findings of the inventory and of the EOA provide the foundation for the proposed amendments to Goal 9 of the City's comprehensive land use plan. The Troutdale Citizens Advisory Committee reviewed the consultant's reports on September 1 and November 3, 2010.

4. The Citizens Advisory Committee reviewed and discussed these proposed Goal 9 amendments at its December 1, 2010 and January 5, 2011 meetings. The CAC supported the amendments and referred it to the Planning Commission for approval.

5. Conducted under the auspices of a DLCD approved periodic review work program, the EOA was done according to the procedures and standards of Statewide Land Use Goal 9, Economic Development, (OAR 660-015-0000(9)) and its implementing administrative rules (OAR Chapter 660, Division 9). One of the primary purposes of periodic review is to ensure that local comprehensive plans and land use regulations comply with the statewide planning goals, rules and statutes. The proposed amendments are the outgrowth of the City's periodic review work and are logically, and necessarily compliant with Statewide Land Use Goal 9 and its administrative rules.

6. Public need is best satisfied by the amendments. The public need that is addressed by these amendments is to keep the comprehensive plan current so that it continues to serve the needs and desires of the community along with ensuring compliance with the statewide planning goals, rules and statutes.

7. Updating the comprehensive plan to provide current information pertaining to the City's employment sector and adopting related policy amendments to guide the City's future economic growth will not adversely affect the health, safety and welfare of the community, but rather, it has the opposite effect by reflecting and promoting what citizens of Troutdale value in order to achieve a healthy and prosperous community.

8. The Planning Commission conducted a public hearing on these amendments on February 23, 2011 and has recommended that the City Council adopt them.

9. Notice of these proposed legislative amendments to the Comprehensive Land Use Plan has been provided in accordance with applicable law.

## NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. The Troutdale Comprehensive Land Use Plan, Goal 9 Economic Development, is hereby amended to read as shown in Attachment A.

**YEAS: 7**
**NAYS: 0**
**ABSTAINED: 0**

Mayor Jim Kight

**Mayor Jim Kight**

April 14, 2011

**Date**

Debbie Stickney

**Debbie Stickney, City Recorder**

**Adopted: April 12, 2011**

# ATTACHMENT A
# ORDINANCE 804

## GOAL 9 – ECONOMIC DEVELOPMENT

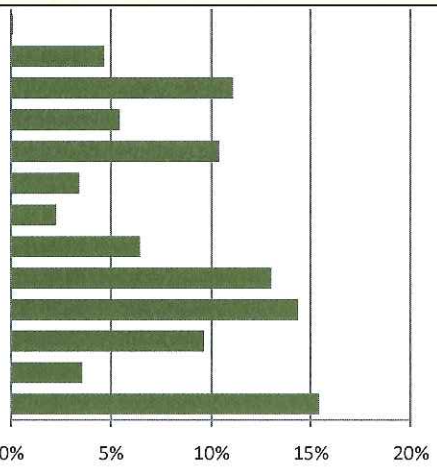
Troutdale's economic goal is to provide employment opportunities for its citizens and a stable tax base for the community. The City's assets are its excellent access to transportation facilities, its natural and lifestyle amenities, and the availability of public services. Troutdale is poised for economic expansion.

### THE REGION

The Portland Metropolitan area is the economic center of Oregon and Southwest Washington. The Metro area (excluding Vancouver, Washington) accounts for 49% of the state's employment. The most dominant industry sectors in terms of share of employment are government, education and health care, professional and business services, manufacturing and retail.

**Employment Base, Portland/Vancouver Metro Area, 2010**

| Industry Sector | Employment | | Avg. Wage |
|---|---|---|---|
| Natural Resources & Mining | 1,100 | 0.1% | $26,436 |
| Construction | 45,000 | 4.7% | $49,456 |
| Manufacturing | 106,600 | 11.1% | $67,552 |
| Wholesale | 52,600 | 5.5% | $63,124 |
| Retail | 99,800 | 10.4% | $27,524 |
| Transportation, Warehousing & Utilties | 33,000 | 3.4% | $43,272 |
| Information | 21,900 | 2.3% | $68,632 |
| Financial Activities | 62,200 | 6.5% | $54,672 |
| Professional & Business Services | 125,200 | 13.0% | $52,248 |
| Education & Health Services | 137,900 | 14.4% | $43,708 |
| Leisure & Hospitality | 92,600 | 9.6% | $18,368 |
| Other Services | 34,400 | 3.6% | $30,480 |
| Total All Government | 148,100 | 15.4% | $50,992 |
| ***Total/Average:*** | ***960,400*** | ***100%*** | ***$46,569*** |




SOURCE: Oregon Employment Department

Between 2010 and 2020, the Oregon Employment Department forecasts that the "Education and Health Services" sector and the "Professional and Business Services" sector will grow the most quickly, followed by "Leisure and Hospitality" and "Wholesale" trade. Regionwide, manufacturing employment is expected to decline marginally, but remain close to flat over the next decade.

Suburban markets (such as Troutdale and neighboring communities) have seen a disproportionately higher share of employment growth in recent decades compared to a slower rate of growth in the City of Portland itself. The trend is expected to continue.

As a medium-size Metro area compared to West Coast cities like Seattle, Los Angeles and Bay Area, the Portland region remains an important secondary market and port location on the West

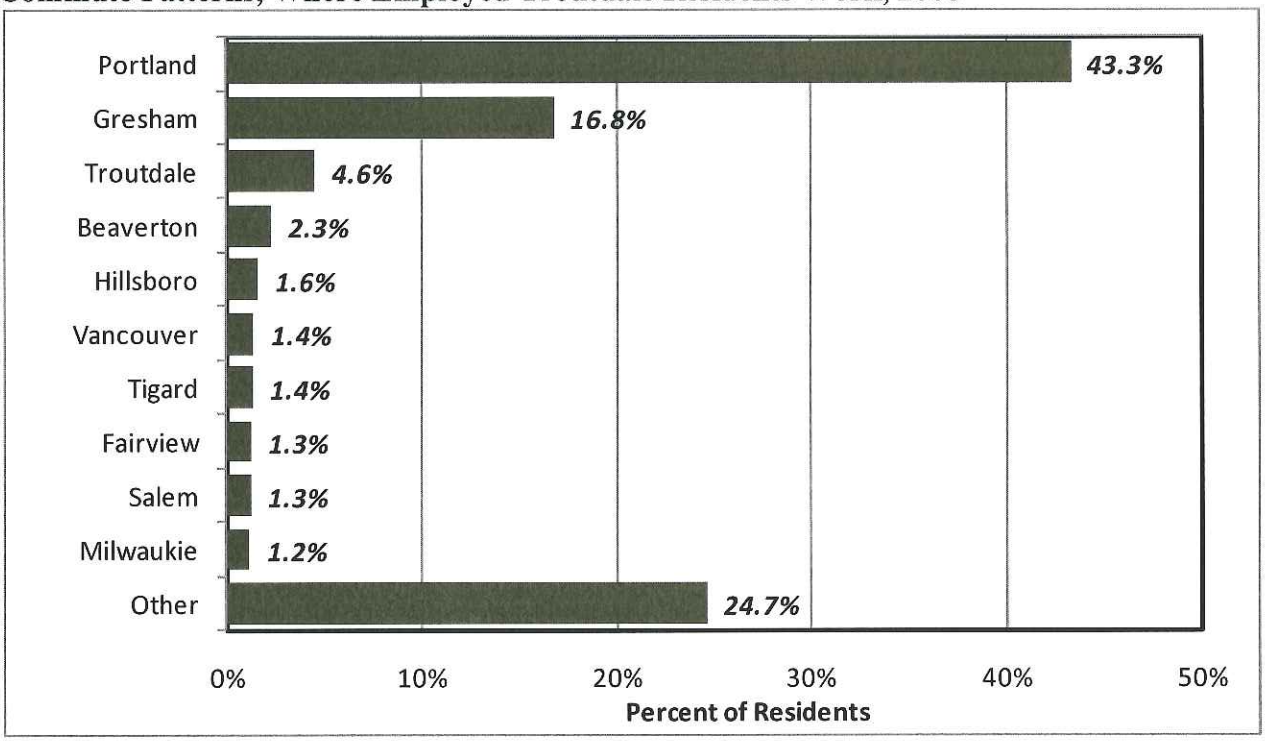
Coast. It is an import/export point and a transport hub for the mid-Coast and the inland states beyond.

The region lacks an integrated economic development strategy; however, there is general agreement among local agencies on where the region's basic strengths and opportunities lie. In general, the region seeks to enhance its role as a Pacific Rim city, not only as an active port, but also as the headquarters location of "traded sector" firms, which export their goods and services while bringing revenue back into the region. As of 2010, some key target industries are "green" technology, athletic and outdoor equipment, software, and advanced manufacturing.

## TROUTDALE EMPLOYMENT

The City of Troutdale has traditionally been a bedroom community, serving as a domestic locale for households seeking a quieter life on the outskirts of the metro area. A majority of the City's working residents are employed outside of the City in other parts of the Metro area, such as Downtown Portland or other East Multnomah County communities.

**Commute Patterns, Where Employed Troutdale Residents Work, 2008**

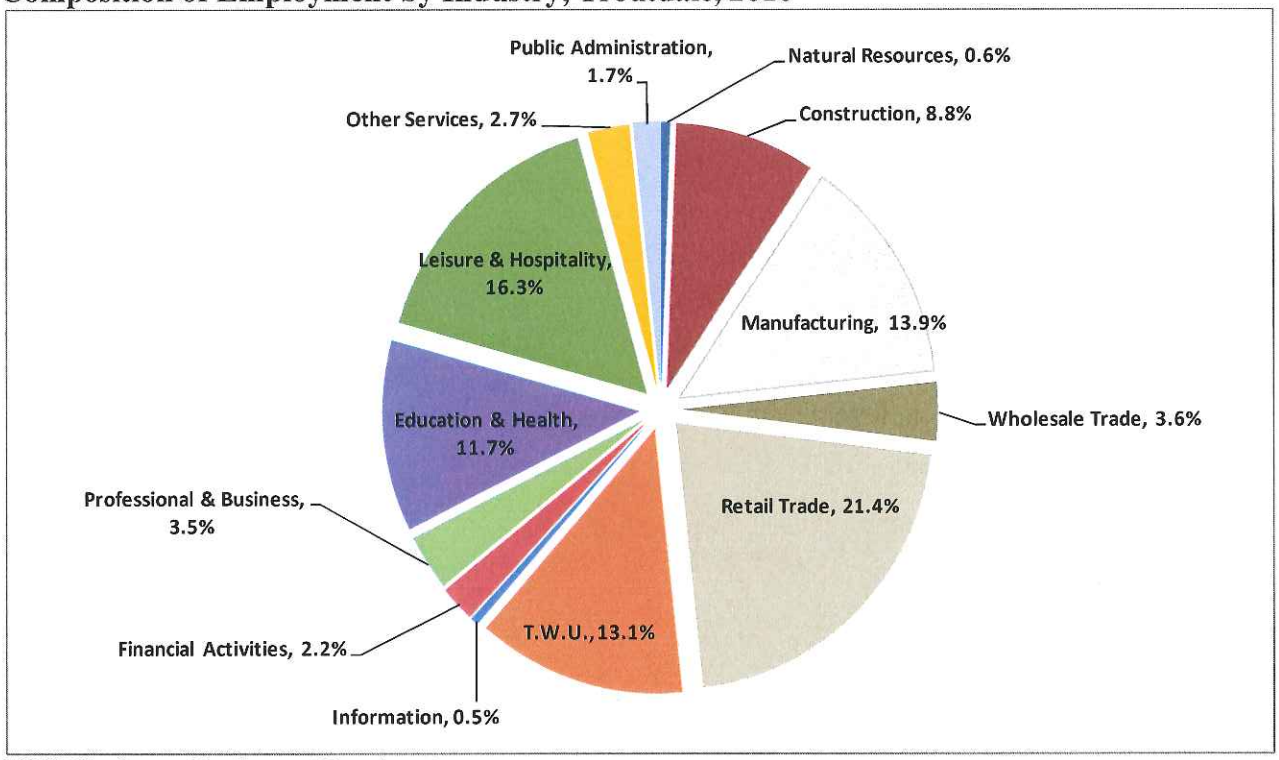



SOURCE: US Census Bureau

However, the local economy has not stagnated. The economy is driven largely by location advantages coupled with a range of specific industry trends. The City's transportation connectivity, with Interstate 84 providing ready access to the region, has led to the development of a transportation-related cluster where "Transportation and Warehousing" employment locally is over three times the national average.

At the gateway of the Columbia River Gorge, Troutdale also has a distinct retail and tourism advantage, with excellent visibility off the freeway. This has supported the growth of an intensive retail cluster in the city. As of 2010, the concentration of retail employment locally was nearly 60% higher than the national average.

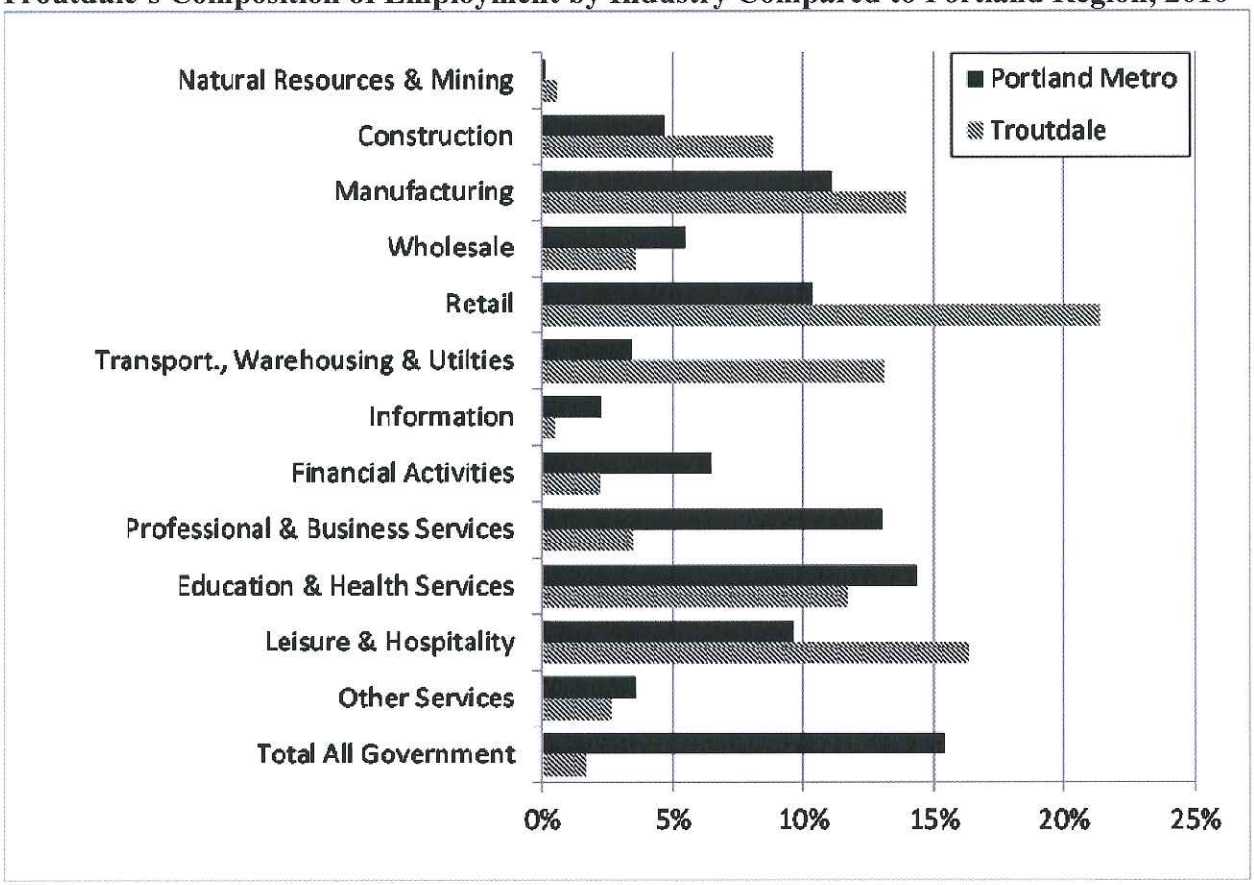
**Composition of Employment by Industry, Troutdale, 2010**




SOURCE: Oregon Employment Department

The following figure shows a comparison of the distribution of Troutdale employment by sector to distribution of employment in the entire Portland Metro area by sector. This comparison shows where Troutdale seems to enjoy a competitive advantage.

**Troutdale's Composition of Employment by Industry Compared to Portland Region, 2010**




SOURCE: Oregon Employment Department

When Troutdale is compared to the rest of the region, the city has a strong showing in multiple sectors including "Transportation, Warehousing and Utilities", "Retail", "Manufacturing", "Leisure and Hospitality". Compared to the region, Troutdale is strong in sectors which tend to use industrial and retail commercial space. The city is underrepresented by office-dependent employment, such as the finance, professional and business sectors, and government employment.

## PROJECTED EMPLOYMENT GROWTH

Employment in Troutdale is projected to grow at an annual rate of 1% over the coming decades. This is a slightly faster growth rate than the projected regional rate of 0.9% per year. Starting from an estimated base employment level of 6,518 jobs, the next 20 years may see an increase of 1,462 jobs.

**Employment Forecast by Sector, Troutdale, Oregon (2010-2030)**

| Baseline Growth Scenario | Total Employment 1/ | | | | | '10-'30 Change | |
|---|---|---|---|---|---|---|---|
| **Employment Sector** | **2010*** | **2015** | **2020** | **2025** | **2030** | **Jobs** | **AAGR** |
| Construction | 459 | 471 | 483 | 495 | 507 | **48** | **0.5%** |
| Manufacturing | 636 | 672 | 710 | 750 | 792 | **156** | **1.1%** |
| Wholesale Trade | 183 | 187 | 190 | 194 | 198 | **15** | **0.4%** |
| Retail Trade | 1,243 | 1,306 | 1,373 | 1,443 | 1,517 | **274** | **1.0%** |
| Transportation, Warehousing & Utilities | 1,384 | 1,437 | 1,491 | 1,548 | 1,607 | **223** | **0.8%** |
| Information | 25 | 25 | 26 | 27 | 27 | **3** | **0.5%** |
| Financial Activities | 201 | 213 | 225 | 237 | 251 | **49** | **1.1%** |
| Professional & Business Services | 233 | 254 | 277 | 302 | 329 | **97** | **1.8%** |
| Education & Health Services | 859 | 917 | 978 | 1,043 | 1,113 | **253** | **1.3%** |
| Leisure & Hospitality | 997 | 1,059 | 1,124 | 1,193 | 1,266 | **269** | **1.2%** |
| Other Services | 210 | 223 | 237 | 252 | 269 | **59** | **1.3%** |
| Government | 88 | 92 | 96 | 100 | 105 | **17** | **0.9%** |
| **Total** | **6,518** | **6,854** | **7,209** | **7,584** | **7,980** | **1,462** | **1.0%** |

* Estimate

SOURCE: Economic Opportunities Analysis, 2011, Johnson Reid LLC

## LOCAL ECONOMIC DEVELOPMENT ADVANTAGES

The following factors represent potential economic development advantages or opportunities for Troutdale:

### Quality of Life (Amenity Values)

Amenity values (livability) are often characterized in the field of Economics and Economic Geography because amenity values have real economic consequences. While amenity values are qualitative and subjective in nature which can make them challenging to effectively characterize in quantitative economic terms, their real economic consequences make them worth identifying. Located on the edge of the Urban Growth Boundary, the City of Troutdale provides a highly livable community offering a smaller town character that is not common in the Portland Metro Area. Other unique elements contributing to the livability of the Troutdale community include:

- An attractive and pedestrian friendly Main Street downtown corridor;
- Proximity to the Multnomah Falls and the Columbia River Gorge;
- McMenamins Edgefield;
- Excellent fishing and river activities on the Sandy and Columbia Rivers;

- Lewis and Clark State Park;
- Close proximity to Mt. Hood recreation areas
- Pleasant City Parks; and
- The Columbia Gorge Premium Outlets.

**Competitive Advantages**

The character and composition of community's economy is born out of its relative competitive advantages. Companies often locate and thrive in a specific community as a direct result of an advantage, be it a unique supply of a particular production input, broad regional connectivity, land supply characteristics, the presence of a specifically trained workforce, or unique existing industry cluster of like businesses within a specific industry, among many other factors.

*Transportation Linkages* - The Troutdale community is located at the gateway to the Columbia River Gorge along I-84, the principal east-west corridor connecting Portland to Boise and eventually Salt Lake City. With its location at the confluence of the Sandy and Columbia Rivers, Troutdale also offers excellent marine linkages as well. East-west rail access runs through the north part of town. Troutdale airport is located adjacent to the new Reynolds Industrial Park, and the Portland International Airport is less than 10 miles to the west.

*Desirable Vacant Land* - The Reynolds Industrial Park, operated by the Port of Portland, comprises roughly 350 acres of highly sought, industrial land in the metro area. This large assembly of land will provide ample room for economic expansion for many years.

**Economic Development Partnership Opportunities**

*The Port of Portland* - The Port of Portland is likely to be a key economic development engine in Troutdale over the next 20 years and beyond. With over 200 acres of vacant industrial land remaining at the Reynolds Industrial Park, the port controls the vast majority of vacant employment land in the City. The port has full time economic development and recruitment resources. The Port's strategy for build-out of the Reynolds site will impact the economic landscape in Troutdale considerably over the planning period, with the potential to provide many well-paying jobs for local residents.

*Mount Hood Community College* - Mt. Hood Community College currently holds a sizable industrial property in the City, reportedly having previously held intentions of developing an industrial incubator concept at the site. As the central educational institution in the area, Mt. Hood Community College will continue to support workforce and technical training for the resident workforce in coming years as well.

## EMPLOYMENT GENERATING LAND USES

Commercial areas in Troutdale will provide expanded opportunities for local employment in the future, particularly in the town center, and remaining retail and industrial lands.

The downtown area contains unique and diverse retail shops catering to a special market area. Convenience-oriented retail is located at the intersections of major arterials and is expanding along the south side of I-84. As the population of Troutdale and East Multnomah County grows, additional retail growth will be necessary to accommodate demand. Areas designated for future commercial development include a corridor along Stark Street between 257th Avenue and Hogan Road, west of 257th Avenue just north of Cherry Park, and the area between I-84 and the Union Pacific Railroad west of 257th Avenue.

Industrial areas play a vital role in the local economy. Light manufacturing, warehousing, distribution centers, and service operations are located in industrial areas north of I-84. Although a significant industrial base exists in this area, this type of employment is expected to expand in the future given the availability of large, prime industrial parcels and expanding public facilities.

The 2010 Economic Opportunities Analysis identifies excellent industrial growth potential, and yet still having a likely surplus supply of industrial land over the next 20 years and beyond. Given this reality, the City has identified portions of the County Farm property along Halsey Street as a good candidate for rezoning to allow alternate non-industrial employment uses, or mixed-use development. The County Farm site is in a central location in the City, near downtown and adjacent to the prominent McMenamins Edgefield complex. The site features various conditions and constraints that make it less suitable for industrial uses than many of the remaining industrial parcels in the City. The City believes it is a good candidate to provide a mix of uses which are not industrial, but still provide employment and meet other community objectives.

In addition to designating industrial and commercial areas, the City has created a Master Planned Mixed Use (MPMU) designation to provide an opportunity for additional economic development. This designation is intended for sites of 40 acres or more to provide for a mixture of land uses including light manufacturing, retail, restaurant, professional office, recreational, and accessory residential land uses.

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***The City establishes the following policies to guide its future economic growth and prosperity.***

## EMPLOYMENT GENERATING LAND USE POLICIES

1. Allocate commercial facilities in a reasonable amount and planned relationship to the people they will serve.

2. Allocate industrial areas where there is good access to regional and state transportation facilities.

3. Encourage and promote efforts to upgrade the quality of existing nonconforming industrial developments as the area grows.

4. Promote economic development and a diversified employment base within the City of Troutdale.

5. Preserve and promote the commercial district along Columbia River Highway between its intersection with Halsey Street on the west and Depot Park on the east as the Central Business District.

6. Maintain an adequate supply of land in the City's employment land use categories consistent with findings from employment land needs analyses.

## CENTRAL BUSINESS DISTRICT POLICIES

1. Promote and enhance the downtown's role as a center of retail goods and consumer services for area residents and a premier attraction for visitors to the community. Provide an atmosphere conducive to investment.

2. Provide opportunities for a mix of commercial activity with moderate and high-density housing in a manner that will not compromise commercial uses.

3. Encourage a transportation system that will provide safe and convenient circulation for pedestrians, bicycles, automobiles, trucks, and public transit. Promote a system of pedestrian ways which connect the retail areas with the waterfront and residential areas, parking facilities, and open spaces. Provide parking to serve the needs of existing businesses and new developments.

4. Encourage development that is sensitive to physical attributes and constraints, and is cost effective for private development interests and public agencies.

5. Encourage the use of design elements on public and private lands that will promote the downtown as the Gateway to the Columbia River Gorge and Sandy River recreation areas. Encourage building and site designs that establish a unifying relationship with the overall design character of the downtown.

6. Provide public, and encourage private, open spaces adaptable to a wide variety of uses to include community entertainment, exhibition, and meeting spaces. Active use of these spaces should be promoted by utilizing kiosks, cafes, vending stands, and entertainment.

7. Provide facilities for people, such as public restrooms, outdoor furniture, and protection from the elements.

8. Preserve, protect, and dramatize historical structures and locations within the downtown whenever feasible. Encourage new development that is compatible with existing structures and functional characteristics of planned uses.

9. Encourage private business activity that results in high-paying jobs. Desirable employment uses with the potential for higher wage jobs include, but are not limited to, business and professional services, manufacturing, construction and research and development firms.

10. Encourage private business activity and investment through use of incentives and a regulatory environment that compares favorably with that of other comparable jurisdictions.

**TOWN CENTER PLAN POLICIES**

1. Focus retail commercial activity in the established CBD and do not allow large-scale commercial development to locate nearby if it will compete with the same market as CBD businesses.

2. Concentrate commercial retail activity along East Historic Columbia River Highway in the historic commercial downtown of Troutdale and within the riverfront redevelopment site.

3. Support the development and maintenance of a public plaza in the CBD.

4. Maintain a pedestrian focus in the established CBD.

5. Provide office employment opportunities in the town center area.

6. Allow a mixture of office and housing uses.

7. Where appropriate and feasible, require new development to create pedestrian connections to neighborhood centers or to the town center.

8. Encourage development of a grocery store in the CBD.