

**JOBS AND LAND SUPPLY  
UPDATE AND GOAL SETTING**

**February 19, 2014**

**9:30 to 11:30**

Introduction.	9:30 to 9:35
Desired Future State	9:35 to 10:00
Update on Employment Trends And Key Performance Indicators	10:00 to 10:25
Who Does What? The Respective Roles of Metro, the County, and Cities	10:25 to 10:45
Discussion of Goals and Potential work program	10:45 to 11:30

To: Board of County Commissioners  
From: Dan Chandler  
Strategic Policy Administrator  
Date: February 12, 2014 (Updated from May 15, 2013)  
Re: Clackamas Investment Strategy  
Measurable Outcomes for Jobs and Employment

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### **Introduction**

In goal setting and budget discussions, the Board of County Commissioners (BCC) has repeatedly and consistently indicated that jobs and employment are key priorities for Clackamas County. The County's 2010 Strategic Plan indicated that the three key areas of focus were:



Each of these three areas of focus are directly tied to the County's success in helping its citizens find good paying jobs in the County. As people earn more money residents are safer and more secure, meaning there is less demand for County "safety net"

services. At the same time, economically productive land provides a higher assessed value, giving the County more resources to provide those services it does provide.

### **How do we know how whether we are succeeding?**

Over the years, Clackamas County, like others, adopts plans. We adopt business plans, strategic plans and economic development plans.

- 1997 Economic Development Plan
- 1998 Clackamas Business Plan  
*“Clackamas County is the county of choice in which to live, work and play.”*
- 2003 Economic Development Plan  
*“Clackamas County is a great place to visit and raise a family and is open for business. There are diverse housing types, cultures, incomes, and beliefs. . . . There are well-paying and productive jobs and a business friendly environment. Local entrepreneurs create new goods and services, and are proud of the way in which they create jobs, profits, and prosperity.”*
- 2009 Economic Development Plan  
*“Clackamas County thrives as a great place to operate a business, raise a family and visit sites and attractions.”*
- 2010 Strategic Plan  
*“A vibrant network of people working together towards innovation and resilience through bold leadership”*

Those plans generally set forth a vision for the County, framed in terms that no one can disagree with. Who would want residents to be unhealthy or insecure? Who wants a network of dull or stagnant communities?

The plans typically set forth a set of actions or activities designed to help achieve the vision. Traditional strategic plans focus on two elements: the *product* and the *process*. However, it is sometimes difficult to measure how we are doing. There may be differences of opinion regarding whether we are a “great” place to operate a business or not, or whether we are the “county of choice.”

Refining the plan with outcome based measures will mean measuring *results*. This will do two things for the County. First, it allows us to have meaningful conversations about how we are doing, and to have those conversations in a focused way. Second, it communicates to the public what they get (or don’t get) for their money.

## **Refining the Strategic Plan with High-Level Indicators.**

Ecologists often talk about indicator species as a way to measure how a whole system functions. In and around Yellowstone Park, Grizzly bears are usually described as the key indicator species. In other words, if there are enough Grizzly bears, we know that the squirrels are hoarding whitebark pine nuts, and that the streams are clean enough to support cutthroat trout. Rather than counting trees, trout and a hundred other things, we can just count bears.

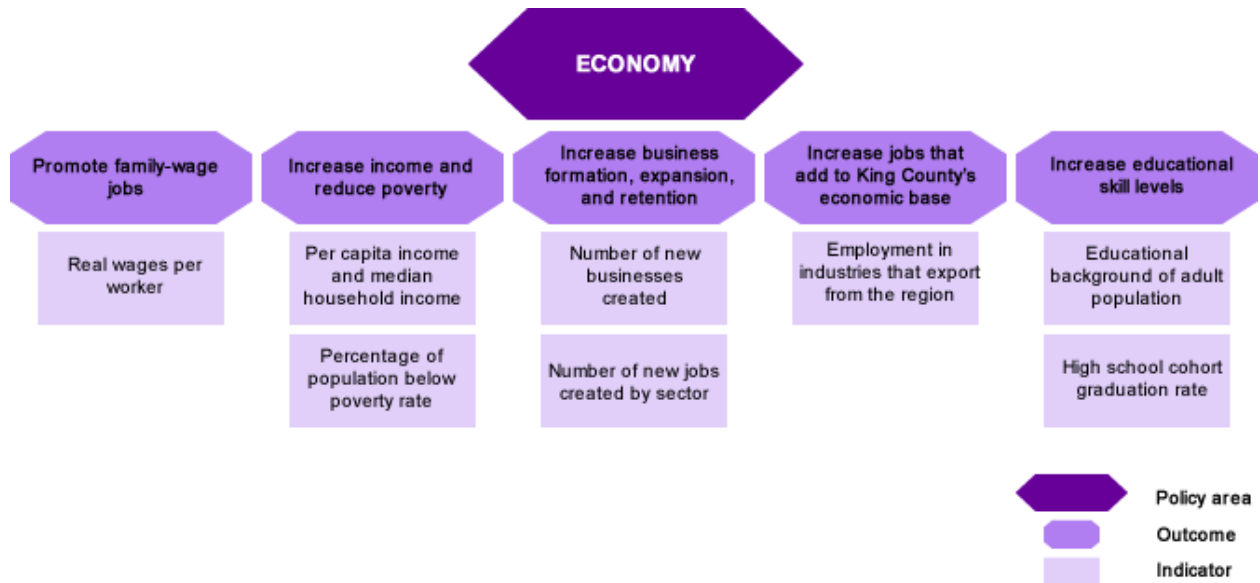
Using high-level indicators also provides a benefit to the public: they can be readily understood. The public can easily understand that we have fewer or more grizzly bears. The public can also understand whether wages in Clackamas County are higher or lower than they are in other places, and whether they are going up or down.

In measuring our economic success, there are a number of other key indicators the County could use that provide a similar level of aggregation. These high-level indicators ought to be readily understandable by the public.

- Assessed Value
- Wages
- Productivity per job
- Productivity per acre.
- Jobs added
- Number of new businesses.

Departments may well set and target their own outcomes designed to help the County meet these overall outcomes. For example, our Economic Development Department might set goals in terms of new business started in the county, or jobs added to existing businesses. To achieve those outcomes, the County might target specific sectors for recruitment, plan and zone for those uses, and target infrastructure investments accordingly.

King County, Washington uses outcomes based planning. Here is an example of the outcomes that they use under “economy:”



<http://www.kingcounty.gov/exec/PSB/BenchmarkProgram/Economy.aspx>

### Potential Indicators for Clackamas County.

The BCC has adopted a set of Key Performance Indicators (KPIs). Clackamas County’s most recent KPI’s are attached as Exhibit A. There are a wide range of measures available.

Of the wide range of measures available, staff recommends that the board consider adopting three initially:

- Average wages at or above the national average.
- A jobs/housing balance at or above 1.0
- A supply of industrial land in Clackamas County sufficient to meet a 20-year need, with a 3-year supply of shovel-ready land.

### Average Wages

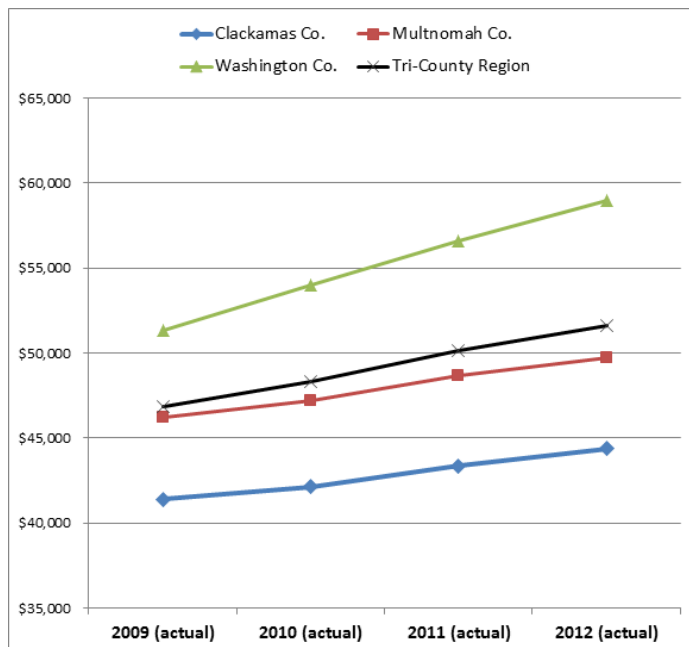
The simplest measure for how well Clackamas County is doing at economic development is the average wage earned by workers in the County.

## Average Annual Wages, 2011

Washington County	\$56,604
Multnomah County	\$48,683
United States	\$45,230
<b>Clackamas County</b>	<b>\$43,398</b>
Oregon	\$43,091

Source: OED, Quarterly Covered Employment: BLS

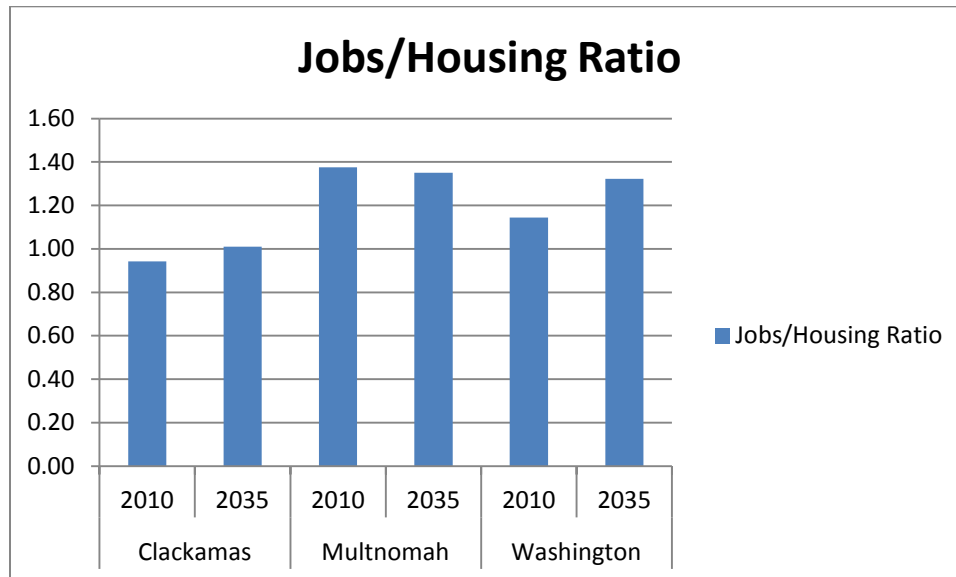
## Average Annual Wages Over Time



## Jobs Housing Balance

Clackamas County lags behind the other two Metro counties (but ahead of Clark County) in terms of the Jobs/Housing balance. While some people question the value of this measure, it does provide a framework for discussion, and could help guide future

decisions on additions to the Urban Growth Boundary, redevelopment and infrastructure planning.



**Source: Metro Housing and Employment Forecast.**

Metro’s 2035 Housing and Employment Forecast predicts only a modest increase in Clackamas County’s jobs/housing balance by 2035 – from .94 to 1.00. Clackamas County is predicted to lag well behind the other two Metro area counties for the next 25-plus years.

**Second Issue --- Industrial/Employment Land – Should Clackamas County Set a Goal for its Own Supply?**

Every 5 years, Metro seeks to maintain a 20-year supply of available “employment” land (which includes retail). However, current Metro policies provide that new employment land will only be added to the Urban Growth Boundary at the request of a city. There is some logic in this approach, given that cities are the usual providers of urban services.

On the other hand, Clackamas County has spent substantial time and energy discussing its medium and long-term industrial/employment land supply, particularly in response to last year’s Metro industrial lands study, which showed Clackamas County lagging far behind the other two Metro counties in its supply of available large-lot industrial land within the Metro boundary. That study did not count the significant amount of industrial land available in our non-Metro cities.

The County is actively inventorying its available industrial land, and is taking steps to make some of that land shovel-ready. However that supply is limited.

Clackamas County does not have a formal policy or goal on an industrial land supply. It would be a reasonable choice to leave the matter to Metro and the cities. However, with voter-approved annexations in some cities, and Tualatin and West Linn focusing efforts in Washington County, this could lead to shortage of jobs and low assessed value in the future. This might result in increased demand for social services, with fewer resources to provide them.

If the County adopts a goal or goals for maintaining an employment land supply, County departments, administration and staff could begin to implement strategies to achieve the those goals. Those strategies would likely be a combination of legislative, planning and intergovernmental relations efforts. The County could then have an annual discussion and evaluation of where it stands in relation to those goals, and adjust strategies accordingly.

Importantly, adoption of a goal to maintain an employment land supply, along with goals for average wages and productivity would lead the County to seek out ways to facilitate higher-wage development, which may be manufacturing, creative class, or high-tech.

### **What Steps Would Clackamas County take to meet its Industrial/Employment Land Need?**

Staff envisions a 4-step strategic process to evaluate and act on our employment land supply.

**Step One:** BCC sets goals and parameters for a jobs and industrial land supply.

**Step Two:** The County conducts a study to determine the amount of land needed to meet the BCC goals, e.g. 1000 acres available on a 20 year horizon, 300 acres available on a three-year readiness tier and 100 acres of shovel-ready land.

**Step 3:** Inventory available land supply to determine the “gap” between the goal and land actually available.

**Step 4:** Discuss policy options, strategies and tactics necessary to close the gap. This would likely be a mix of government relations, planning and legislative steps.



# Key Performance Indicators · At-A-Glance Report · Clackamas County, Oregon



## ECONOMIC IMPACT

### GDP per acre, 2010

$(15,500,000,000 / 12,673.70 = 1,223,005)$

**\$1,223,005**

### GDP per job, 2010

$(15,500,000,000 / 135,100 = 114,730)$

**\$114,730**

### Traded-sector GDP as a percentage of key cluster GDP, 2010

$(2.489 / 7.713 = 0.32)$

**32%**

Source: Clackamas County Business & Community Services Analysis of IMPLAN, GIS, and, Oregon Employment Department data

## VACANCY RATES

### Percent total vacant available industrial space, 4th Quarter 2011

$(1,963,711 / 27,702,264 = 0.071)$

**7.1%**

### Percent total vacant available office space, 4th Quarter 2011

$(1,405,410 / 8,871,309 = 0.158)$

**15.8%**

### Percent total vacant available retail space, 4th Quarter 2011

$(912,232 / 15,951,913 = 0.057)$

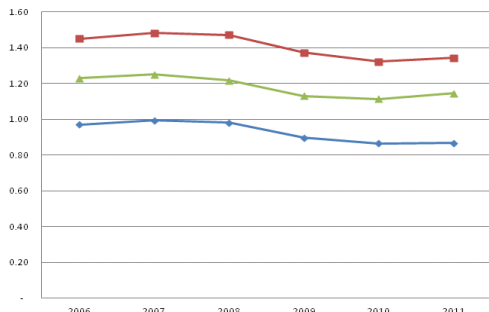
**5.7%**

Source: CoStar Group, Inc.

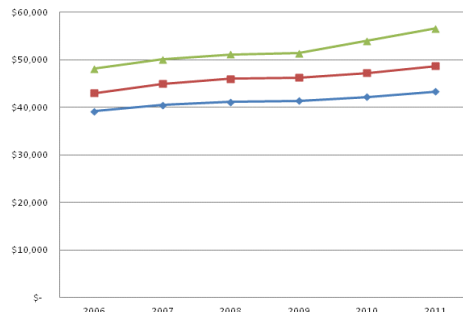
## TRENDS

Clackamas County    Multnomah County    Washington County

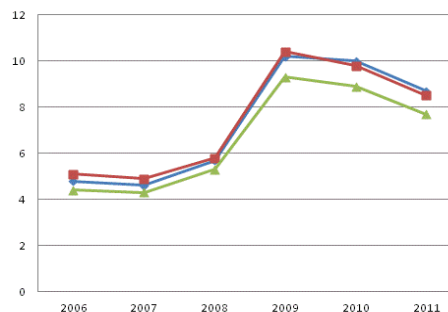
### Jobs-to-housing ratio, 2006-2011



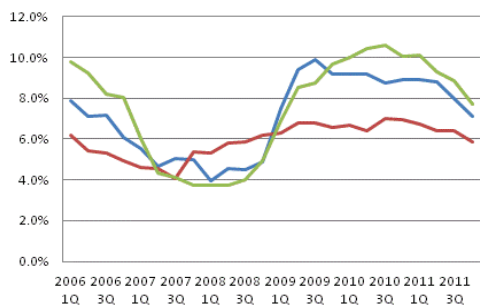
### Average wage (all industries), 2006-2011



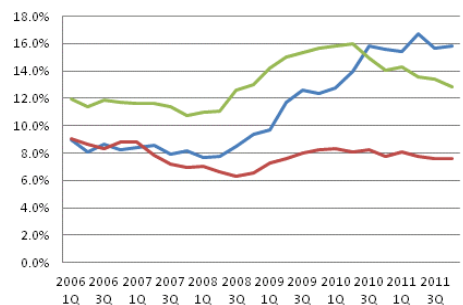
### Unemployment rate, 2006-2011



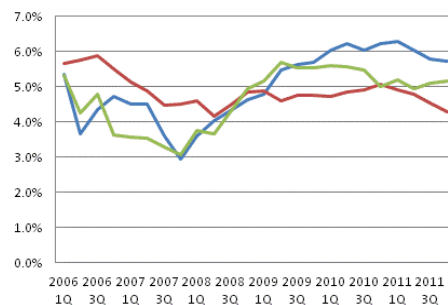
### Industrial vacancy rate, 2006-2011



### Office vacancy rate, 2006-2011



### Retail vacancy rate, 2006-2011



## JOBS

### Jobs-to-housing ratio, 2011

$(136,200 / 157,134 = 0.87)$

**0.87**

Source: Clackamas County Business & Community Services Analysis of Oregon Employment Department and Census data

### Jobs per acre of employment land, 2011

$(136,200 / 12,673.70 = 10.75)$

**11**

Source: Clackamas County Business & Community Services Analysis of Oregon Employment Department and GIS data

## WAGES & UNEMPLOYMENT

### Average wage (all industries), 2011

**\$43,362**

### Unemployment rate, 2011

$(17,582 / 202,378 = 0.0868)$

**8.7%**

Source: Bureau of Labor Statistics

## KEY PERFORMANCE INDICATORS

- Jobs-to-housing ratio
- Jobs per acre
- GDP per acre
- GDP per job
- Traded-sector GDP
- Average wage
- Unemployment rate
- Industrial vacancy rate
- Office vacancy rate
- Retail vacancy rate



# Key Performance Indicators · At-A-Glance Report · Clackamas County, Oregon

## AGGREGATE DATA

### Economic Impact

Total GDP, Clackamas County,  
2010

**\$15.5** billion

Combined GDP of key clusters,  
Clackamas County, 2010

**\$7.7** billion

Traded share GDP of key clusters  
(excluding Health Care), Clackamas  
County, 2010

**\$2.489** billion

Source: FCS Group analysis of IMPLAN data

### Labor Force

Average labor force, 2011

**202,378** people

Average employment, 2011

**184,796** people

Average unemployment, 2011

**17,582** people

Source: Bureau of Labor Statistics

### Vacancy Rates

Industrial Space:

Total rentable building area,  
Clackamas County, 4th Quarter

**27,702,264** SF

Total vacant available square  
feet, 4th Quarter 2011

**1,963,711** SF

Office Space:

Total rentable building area,  
Clackamas County, 4th Quarter

**8,871,309** SF

Total vacant available square  
feet, 4th Quarter 2011

**1,405,410** SF

Retail Space:

Total rentable building area, Clackamas  
County, 4th Quarter 2011

**15,951,913** SF

Total vacant available square feet,  
4th Quarter 2011

**912,232** SF

Source: CoStar Group, Inc.

### Jobs

Average nonfarm employment (all industries),  
Clackamas County, 2011

**136,200** jobs

Source: Oregon Employment Department

### Housing Units

Total housing units, Clackamas County, 2011

**157,798** units

Source: U.S. Census Bureau

### Employment Land

Total acres of zoned employment land,  
Clackamas County, 2012

**12,673.70** acres

Source: Clackamas County Technology Services-GIS

### NOTES

Total acres of zoned employment land were calculated on January 10, 2013 using the zoning codes designated for use in the Asset Mapping Project. This estimate includes total acreage of commercially and industrially zoned land across all jurisdictions in Clackamas County, regardless of availability or developability. GDP estimates have been adjusted to 2011 dollars.