

City Economic Development Competitive Advantages, Assets and Constraints

Town Center Economic Growth Opportunities & Constraints – a “Status-Quo Approach” Strategic Plan

(Addressing the “Baseline Growth” Economic Development 20-Year Land Need)

Competitive Advantages

Retail

Best short-term retail opportunity:
value-added retailers.

To capture higher-end market:

Need Town Center “sense of place” with
consumer amenities and quality independent
retailers.

**Place to start: ag-tourism and/or ethnically-
based businesses.**

Retail Space Demand Prospective

Cornelius trade area could support 210,000 square
feet added retail space (assuming conservative
capture of 25% of current sales leakage) requiring
an estimated 19-20 more acres of land.

Store Type/25% Sq. Ft. Capture Potential:

Grocery/42,750

Apparel/28,250

General Merchandise/26,250

Miscellaneous Specialty/27,250

Dining/26,750

Creates opportunity for retail space expansions or
new smaller-scale specialty stores, including locally-
owned independent operators. (210K sq. ft. capacity
too small for national or regional firms)

Location straddles TV Highway Corridor, strong
access to pass-through and destination travelers.

Assets

Opportunity to capture \$200M in sales leakage from
Cornelius Trade area. (Area underserved across all
retail categories except automotive, building/
garden, non-store businesses). Greatest sales
leakage: home furnishing, apparel, sporting/hobby
and grocery.

Town Center Land Resources

33 vacant & underused sites, 36 total acres of an
average size of 1.1 acres as follows:

- 19 vacant & 17 underused acres (36 total acres)
- 33 total sites: 20 vacant sites, 13 underused sites
- 12 vacant sites (containing 14 commercial-
zoned acres) available ready-to-build inventory;
largest, commercial vacant site (about 10 ac.)
- 11 underutilized commercial-zoned sites spread
among 4 acres, average size: 0.4 acres.

Constraints

Only 14 acres are vacant and zoned commercial–
not enough to accommodate 19-20 additional acres
retail land needed to capture 25% of trade area
sales leakage – a conservative capture goal.

- City Commercial Zones: C2, MSG, MSM, MSR,
C2/A2.
- Inventory suitability questionable
- Lack of suitably-sized sites preferred by retail
uses with potential to serve trade area “market
gaps”
- Inventory spread over four different zones, each
with its own distinct and, sometimes,
cumbersome requirements.

**Inadequate supply of suitable vacant land in the
Town Center suggests need for a *proactive,
multi-prong approach* to achieve Town Center
economic expansion emphasizing tech-based
business park(s), office employment, live-work
opportunities, higher-density housing to create
“critical urban mass” needed for a full-service
City.**

City Economic Development Competitive Advantages, Assets and Constraints

Community Economic/Employment Growth Opportunities & Constraints – a “Proactive Approach” Strategic Plan

(Addressing the “Healthy City” Economic Development 20-Year Land Need)

Competitive Advantages:

- Existing and potential employment sites have favorable new-tech, small-tech location and surrounding environment features per ULI case studies.
- The City’s close proximity, and potential connectivity, to Wash. Co. Silicon Forest High Tech Industry Cluster creates opportunity for tech industry cluster expansion at Cornelius.
- Proximity to Pacific University Main Campus in Forest Grove: Potential partnership with College of Business to support entrepreneurship within the City.
- Stronger jobs growth in Leisure & Hospitality, Retail Trade and Construction/Other Services than County-wide.

City’s Economic Development Potential (requires State, County, other Cities and private entrepreneurs Partnerships)

Manufacturing, Tech and Agricultural Tech:

- Existing firms that compete (inter)nationally and/or will need public-sector technical and/or funding assistance to stay in City and continue to be competitive.
- Limited Silicon Forest land supply creates opportunity to capture smaller, new-tech firms.
- City’s farming industry and proximity to high tech creates strong position to recruit agri-technology.

Agriculture & Food Processing:

- Value-added food processing firms

Leisure & Hospitality, Tourism and Community Events:

- Farmers’ Market, Wineries, Agri-tourism

Micro-Businesses (Construction, Other Services and Latino Entrepreneurships):

- Relatively high level of micro-business startups (firms in construction, landscape services, food and dining business and other services)
- Focused support for existing and new immigrant entrepreneurs (i.e Latino-owned businesses)

Assets:

Existing, potential tech-based employment sites:

- ***Holladay Street Industrial Area***
9 parcels totaling 54 acres, 25.4 acres vacant, 20 acres are State Certified “development ready”.
- ***Fred Meyer Employment Area***
3 parcels totaling 16.34 acres; mostly vacant; 2 small, underused tax lots.
- ***Hank’s/Grande Food Site***
1 parcel, 3.72 acres containing historic and cultural building/site features and the kind of complementary surrounding urban environment that have attracted small-tech and new-tech building re-purposing/upgrading renovation investments in other US communities per ULI.

Constraints:

- Annual wages, incomes and education levels significantly lower and unemployment rates higher than Countywide and Regional levels.
- City’s per capita taxable property assessed value (TAV) lowest among all Washington County jurisdictions: Cornelius: \$44k, next lowest is Banks @ \$55k.
- City **needs 106 additional employment acres** to accommodate Metro “Baseline” 20-year City population and jobs growth estimates, and between 171 (low) and 260 (high) acres to become a “Healthy City” financially: i.e.; an average TAV comparable to neighboring cities.
- City’s UGB is landlocked by surrounding Rural Reserves, must intensify employment and business uses on vacant and underused opportunity sites to address additional land needs.
- Water supply and costs, and limited energy capacities deter industrial and agri-business investments.

Economic Development Strategic Plan Goals, Objectives and Actions

Town Center Goal: Business Retention, Expansion & Recruitment.

(Retain and cultivate growth of existing businesses & attract new businesses.)

Objective: Retain & Expand Existing Businesses

Strategies & Actions:

- Increase Town Center zoning building/development envelope to accommodate an additional 201 square feet of additional retail space.
- Extend the Town Center Area east and west along Adair and Baseline Street; include northern residential area bounded by Adair and Davis Streets and 10th and 20th Avenues.
- Work with local business organizations and retail market specialists to develop a Town Center business development/marketing plan and implementation actions to capture at least 25% of the Cornelius Trade Area retail sales spending leakage in groceries, apparel, general merchandise, miscellaneous specialty goods, and dining.
- Establish an active on-site and web-based, **City/Business Sector Business Recruitment & Retention (BRE) Program** that:
 - Assists existing businesses with City issues.
 - Connects them to available business resources as appropriate.
 - Affirms their value to the community.
 - Recruits new businesses in agri-tourism, ethnic-based businesses, value-added retailers, and
 - Promotes events and projects that enliven the Town Center Core and attract customers (i.e., ethnic and rural community festivals, farmers' markets, concerts, local historic/heritage gatherings, etc.)

Objective: Focus on Filling Existing Buildings and Infill/Redevelopment of Vacant and Underutilized Parcels in the Town Center

Strategies & Actions:

- Contact owners of vacant and underused Town Center properties (+1/2 acres in size) to gain an understanding of, and identify solutions to development obstacles (regulatory, environmental, legal, financial, etc.); provide appropriate technical, land use, business counseling and research assistance to owners if funded by grant resources.
- Organize, host and sponsor grant-funded semi-annual Town Center retail development seminars/conferences conducted by retail development and market research specialists and commercial brokers on retail (re)development best practices in the Portland region for interested Town Center property owners.
- Obtain ODOT and Washington County policy support and assistance for:
 - Planning, designing and permitting the construction of pedestrian-friendly and real property roadway access along Adair and Baseline Streets needed to enable redevelopment/infill of vacant/underused properties and increased overall urban densities and critical mass along both Streets.
 - Designing/implementing and uncoupling Adair and Baseline Streets to calm traffic flow within, and enable increased urban densities and pedestrian-oriented/friendly travel through Adair Street along its length within the Town Center.
- Reduce City minimum parking (including allowed shared parking) within the Town Center limits
- Encourage residential area mixed use reinvestments on the north side of Adair Street between Adair and Davis Street and 10th and 20th Avenues by supportive modifications and refinements to City planning and zoning policies are development standards applicable to this area.

Economic Development Strategic Plan Goals, Objectives and Actions

Citywide Goal: Grow Family Wage Jobs and a "Healthy City" Revenue Base in Cornelius.

Objective: Attract and Accommodate "Small-Tech" and "New-Tech" Silicon Forest High Tech Industry Cluster Growth within identified Employment Opportunity Sites/Areas in Cornelius

Strategies & Actions:

Design and implement an attraction/recruitment component of a Cornelius Business Recruitment & Retention Program focused on bringing *subsector high tech businesses* in the following Silicon Forest High Tech & Agriculture Industry Clusters to identified employment opportunity sites in the City:

- *Computer & Electronics (C&E)*
- *Software & Media*
- *Multi-tenant Offices*
- *Food Processing*
- *Business Incubators*

Enable and facilitate **development of new and emerging small-tech and new tech technology-based businesses** on the following three (3) *Employment Opportunities Sites/Areas* identified by City EOA research:

- A **Hank's/Grande Foods Town Center Site** (for C&E, Software & Media, Business Incubator subsector businesses)
- A **Fred Meyer Employment Area "High Tech Lifestyle Center"** (for C&E and Software Media subsector businesses, Multi-tenant Offices and Business Incubators together with Mixed Use retail/housing developments)
- A **Holladay Street Industrial Area** (for subsector businesses from all Silicon Forest High Tech & Agriculture Industry Clusters).

Assist high tech business startups and entrepreneurship within the Town Center and the Employment Opportunity Sites/Areas.

Develop and implement regulatory and financial tools and incentives, including the use/application of Urban Renewal District(s) that include appropriate properties within the three Opportunity Sites/Areas, to encourage, facilitate and aide/incentivize development of interested high tech subsector businesses within those Sites/Areas.

Partner with State and Regional Business Development organizations, Metro, Washington County, the City of Hillsboro, the Willamette Water Supply Consortium, PGE, cable and fiber optics/high speed communications franchisers and other necessary public and private entities for the provision of competitively-priced and reliable water supply, energy, fiber optics/high-speed communication, transportation connectivity needed to support high tech businesses development within the three Opportunity Sites/Areas.

Identify and make necessary modifications and/or refinements to regulatory City codes and processes applicable to the 3 Opportunity Sites/Areas that:

- Facilitate economically and environmentally-sustainable new and expanded high tech business developments.
- Remove unreasonable development barriers as well as incentivize and reward the development of promising new or expanding high tech and related businesses.
- Create and operate a predictable, customer-oriented, timely and efficient development permitting process that is respectful of development cost issues.
- Provides contracted technical assistance as needed through project development review and permitting, especially for particularly complex high tech developments.

Recommended Comprehensive Plan & Zoning Adjustments

Comp Plan Amendments Focus/Concepts

Incorporate **Economic Development Plan Goal 3 and related policies** -as informed by EOA findings and recommendations - into City's Comp Plan Land Use, Transportation and/or Economic Development Sections as relevant:

Goal 3 – Retain and Grow Existing Businesses: *Develop relationships with existing Cornelius companies and assist them to remain and grow in the City.*

- Create a City Business Retention & Expansion Program and develop and apply business retention/expansion tools via the Program and through coordinated City-Chamber of Commerce business assistance activities as feasible.
- Encourage redevelopment, renovation and/or expansion of existing businesses and active business use of vacant and underutilized properties in the Town Center.
- Encourage new business parks as a resource for attraction and growth of small to medium size companies. Ensure City codes are conducive for flexibility for business parks.

As feasible opportunities arise and resources permit, pursue and implement the following EOA-supportive PSU Town Center development design recommendations:

- Encourage value-added agriculture businesses to locate on suitable, primary street-front sites within the Town Center
- Pursue vertically-integrated and horizontally-integrated manufacturing activities within the Town Center as opportunities arise (i.e., on-site business production, servicing, showroom, sales, shipping, management, research activities).
- Identify and facilitate development of Urban Activity Nodes at available vacant and underutilized properties within the Town Center.
- Pursue with ODOT and Washington County pedestrian and commerce-supportive street design and property access improvements along the extent of the Adair and Baseline Streets through an expanded Town Center.
- Modify City Comprehensive Plan Land Use Map to extend the Town Center Area along the entirety of Adair and Baseline Streets within the City Limits.

Zoning Adjustments Focus

- Modify City Land Use Map to extend the Town Center Area along the entirety of Adair and Baseline Streets within City Limits.
- Consolidate the four Main Street Districts into a single, development-flexible Main Street District.
- Consolidate the City Mixed Use Districts into a single, development-flexible Mixed Use District and apply throughout extended Town Center Area
- Designate for Mixed Use development and permit a broader range of live-work options (including small-scale offices, professional services, retail and low-impact craft food and beverage production) within the older residential areas north of Adair Street between 10th and 20th Avenues.

Recommended Comprehensive Plan & Zoning Adjustments

Comp Plan Amendments Focus/Concepts

Incorporate **Economic Development Plan Goal 4 and related policies** – as informed by EOA finding and recommendations – into City's Comp Plan Land Use, Transportation and/or Economic Development Sections as relevant.

Goal 4 – Attract New Businesses: *Aggressively recruit new business opportunities which draw from the economic strengths of the Portland region and provide family-wage jobs for Cornelius.*

- Target those traded sector industries which benefit from existing strengths of western Washington County and will expand the range and depth of companies in Cornelius which provide family-wage jobs.
- Evaluate methods to create incubator space for business startups. Work with owners of prospective incubator space to encourage such spaces to be created and help eliminate obstacles to its development.
- Work with ODOT, Washington County and neighboring local governments to identify and pursue long-term transportation improvement projects within the City and to/from Western Washington County industrial areas, including extending NW Evergreen Road from Hillsboro to Cornelius/Forest Grove, need to support City economic development and growth prescribed in this Comprehensive Plan.
- Form City public and private-sector partnerships and agreements for the provision of cost-effective, adequate and reliable water supply and energy to the City sufficient to support planned community and business growth prescribed in this Comprehensive Plan.

Amend City Comp Plan Economic Development Goal and Policies to incorporate policies directing City **evaluation, focus and feasible pursuit and attraction to Cornelius Economic Development Opportunity Areas** of research & development and production/distribution businesses in the following five (5) established Silicon Forest High Tech & Agriculture industry clusters:

- **Computer & Electronics (C&E) Subsectors:** 1) assembly, packaging & testing; 2) manufacturing & etching; 3) components & machinery; 4) printed circuit assembly; and 5) raw materials.
- **Software & Media Subsectors:** 1) computer systems design; 2) software publishing; 3) custom computer programming; 4) computer-related services; and 5) data processing and hosting.
- **Multi-tenant Office:** speculative office featuring adjustable spaces suitable for a variety of professional services, back-office operations and small-scale C&E and Software & Media operations.
- **Food Processing (raw materials and assembling):** 1) production foods/goods (i.e., bakeries); 2) fruits, nuts and vegetables; 3) breweries and wineries; 4) dairy; and 5) bottling/beverages.
- **Business Incubators:** Facilities offering a unique and highly flexible combination of business processes, infrastructure and on-site advisory and other services designed to cultivate and nurture the growth of new and small businesses.

On the City's Comp Plan Map describe, delineate and designate three *Economic Development Opportunity Areas* to be evaluated for **designation as Cornelius Urban Renewal District(s) and related Program Tools application:**

- **Holladay Street Industrial Area** for potential accommodation of businesses in all five (5) high tech and agriculture industry clusters (see attached Map and design concepts)
- **Fred Meyer Employment/"High-tech-Lifestyle Center" Area** for potential accommodation of subsector businesses in four (4) high tech clusters (Software & Media, C&E, Multi-tenant Office, and Business Incubators), and a Mixed-use Commercial/Housing Lifestyle Center. (see attached Map and design concepts)
- **Hank's/Grande Foods Incubator-Tech Complex Site** for potential accommodation of businesses in Business Incubators and small-scale Software and Media subsectors along with redevelopment and renovation of surrounding retail and business/convenience services uses.

Strategic Plan Implementation

Key Assumptions – Town Center Economic Growth

Within the 20-year economic development planning horizon, the recent South Cornelius UGB expansion area will add 2,000 residents with consumer spending capacity and demand for local retail and services to the Cornelius Trade Area.

Successful attraction and development of targeted businesses, employers and mixed-uses within the three Employment Opportunity Sites/Areas will spur and create Town Center (re)investments in new and expanded retail, employment and mixed use residential growth and financially justify (re)development of vacant and underused Town Center properties.

State, regional and/or private sector (business or non-profit) grant funding, as needed, is obtained to undertake preparation and processing of recommended Town Center and Community Economic Growth plans, programs or actions.

Strategy & Actions	Performance Measure	Timing	Lead Agent	Necessary Partnerships	Priority
Analyze and document obstacles to, and solutions for Town Center vacant and underused land and buildings.	Detailed survey and inventory of parcels vacancy or uses completed and assessments/recommendations of (re)development potential prepared and presented to City leaders.	w/in 1 year	Community Development Director	Property owners. Metro, ODOT, DLCD	High
Pursue Urban Renewal (UR) Feasibility Study and Potential Urban Renewal Plan	Urban Renewal Feasibility Study completion with alternative district boundaries for different opportunity sites, followed by UR Plan process and adoption as deemed appropriate	w/in 1 year	City Manager	Property owners. Washington County, other taxing jurisdictions	High
Extend Town Center Area; increase building envelope.	Plan/zoning map and regulatory amendments prepared and adopted	w/in 2 years	Community Development Director	Property owners	Medium
Town Center development/ marketing plan.	Marketing plan preparation completed	w/in 2 years	Community Development Director	Property owners, Forest Grove-Cornelius Chamber of Commerce	Medium
City-Business Sector Business Retention & Expansion (BRE) Program & Program Manager	BRE program jointly prepared and executed by City and Business Sector participant(s)	w/in 2 years	Community Development Director	Business Oregon, Forest Grove-Cornelius Chamber of Commerce, Portland Community College	High
Semi-annual Town Center retail development seminars or conferences.	Seminars or conferences conducted twice each year	w/in 1 year	Community Development Director	Property owners. Real estate brokerage community. International Council of Shopping Centers, Urban Land Institute	Medium
Reduce Town Center minimum parking requirements.	Code amendments prepared and adopted	w/in 2 years	Community Development Director	Property owners	Medium
Encourage mixed use reinvestments in older residential area north of Adair Street between 10 th and 20 th Avenues.	Prepare suggested Area land use and proposed mixed use development reinvestment concepts; conduct City outreach (media, public meetings, etc.) to Area property owners re: proposed concepts	w/in 4 years – concepts preparation, then ongoing.	Community Development Director	Property owners	On-going

Strategic Plan Implementation

Key Assumptions – Opportunity Sites/Areas Development Infrastructure & Partnerships

Productive City cooperative partnerships with pertinent State Agencies, Washington County, PGE, Cities of Hillsboro and Forest Grove, PGE, the Willamette Water Supply Consortium, fiber optics/high-speed communications franchises and other applicable entities results in Evergreen Road Extension from Hillsboro to Cornelius and Forest Grove, sufficient and reliable water supply, community fiber optic/high-speed communications services, dependable energy and electricity power – infrastructure essential to the development of businesses in all Silicon Forest High Tech & Agriculture Industry Clusters subsectors within the three Opportunity Sites/Areas.

State, regional and/or private sector (business or non-profit) grant funding, as needed, is obtained to undertake preparation and processing of recommended Town Center and Community Economic Growth plans, programs or actions.

Strategy & Actions	Performance Measure	Timing	Lead Agent	Necessary Partnerships	Priority
Initiate and execute City Water Supply partnership agreement(s)	Favorable water supply/rates IGAs or MOUs executed with City of Hillsboro and Willamette River Water Supply Consortium.	w/in 1 year	City Manager	Water Service Provider	High
Define and designate <i>Holladay Street Industrial Area, Fred Meyer Employment/Lifestyle Center Area, and Hanks/Grande Foods Incubator-Tech Complex Site</i> on City Comp Plan Land Use Map(s)	Three (3) " Special Employment Development Areas " designated on amended City Comp Plan Land Use Map; companion flexible development standards and incentives formed and incorporated into Comp Plan and development codes.	w/in 2 year	Community Development Director	Property Owners	High
Study the inclusion of industrial employment areas into a Town Center-focused Urban Renewal Plan	Urban Renewal District(s) formed, enacted and implemented concurrently with Comp Plan and development code for two (2) Areas/Site sequentially: 1) Fred Meyer Area /Hank's/Grande Food Site, then 2) Holladay Industrial Area.	w/in 1-2 years	Community Development Director	Property owners. Washington County, other taxing jurisdictions	High
Establish a City "champion" partner or staff person primarily tasked with economic development responsibility	Additional staff and funding secured to enable existing Comm Dev Director position or new staff position to engage in economic development tasks as a primary responsibility.	w/in 2 years	City Manager	Potential grants/funding partners, local business community and Forest Grove-Cornelius Chamber of Commerce	High
Explore innovative or model ordinance that allows mixes of residential and industrial uses that enable development flexibility for smaller employers	Study of zoning ordinances and best practices most suitable to Cornelius industrial areas with residential/commercial proximity. Adoption of new ordinance language.	w/in 2 years	Community Development Director	Metro	Medium
Develop and execute Business Retention & Expansion (BRE) Program component.	Component developed separately and incorporated into the BRE after enactment of Comp Plan and development codes.	w/in 2 years	Community Development Director	Business Oregon, Metro, partner Cities, Westside Economic Alliance, Forest Grove-Cornelius Chamber of Commerce, Portland Community College	Medium
Initiate and execute City Evergreen Road Extension partnership agreement(s)	Favorable roadway extension IGAs or MOUs executed w/ WashCo and Metro incorporating Extension into County TSP and Metro RTP and committing to County MSTIP Extension funding.	w/in 2 year	City Manager	Partner agencies such as Washington County, neighboring cities, property owners, Oregon Regional Solutions Team	Medium
Initiate and execute agreements for delivery of sufficient electric power and fiber optics/high speed communication services to City.	Favorable energy and communication facilities and service delivery MOUS executed with PGE and cable and other local providers of fiber and high speed communication services.	w/in 2 years.	City Manager	Power service provider	Medium