



Springfield 2030 Plan Economic Element

Creating A 20-Year Plan to Address Commercial and Industrial Land Needs



Linda Pauly, DPW
(541) 726-4608
lpauly@springfield-or.gov



Springfield 2030 Plan

Refinement Plan of the Metro Plan

Comprehensive plan policies for the Metro Area east of I-5

Springfield's Urban Growth Boundary and Plan Designations

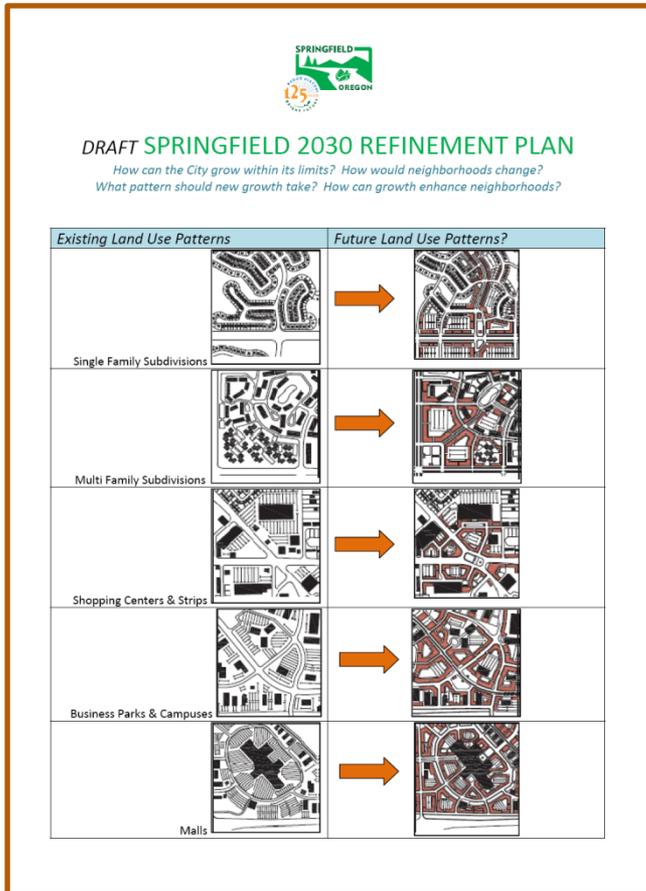


Existing Land Use Patterns		Future Land Use Patterns?	
Single Family Subdivisions		→	
Multi Family Subdivisions		→	
Shopping Centers & Strips		→	
Business Parks & Campuses		→	
Malls		→	

City-wide refinement plan policies supplement the policies and Plan Diagram in the Metro Area General Plan and are more specific

Springfield 2030 Plan Phased Adoption Process

DECISION POINTS



Residential Land Needs



Residential Element

Commercial and Industrial Land Needs

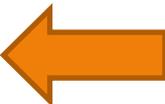
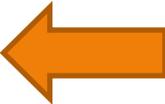
Economic Element – Commercial and Industrial Land Supply

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Urbanization Element – Urbanization Policies and UGB Amendment Process

2030 Comprehensive Land Use Update

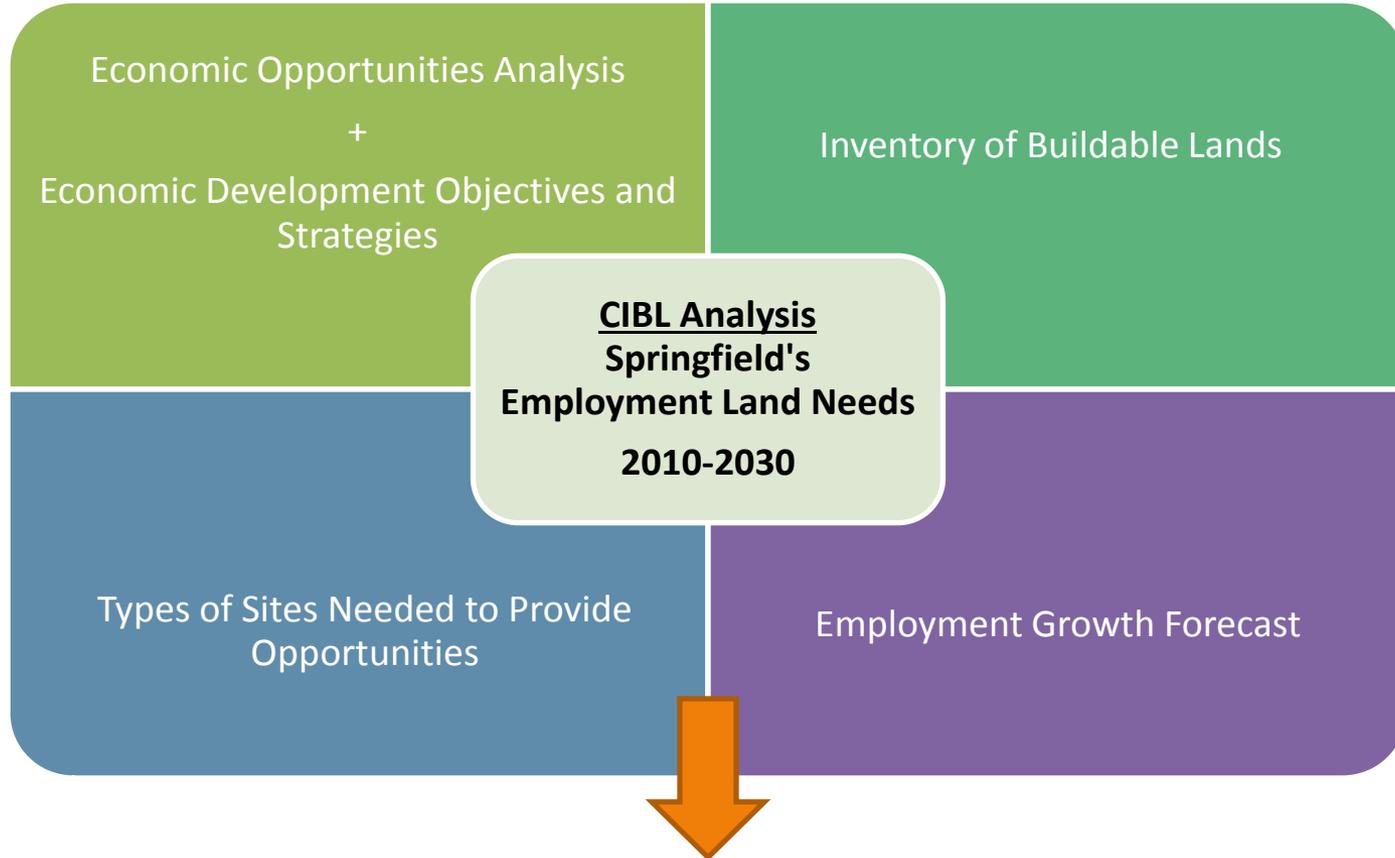
Land Use and Urban Design Element + Springfield Plan Diagram



Springfield 2030 Refinement Plan

Policy Development:

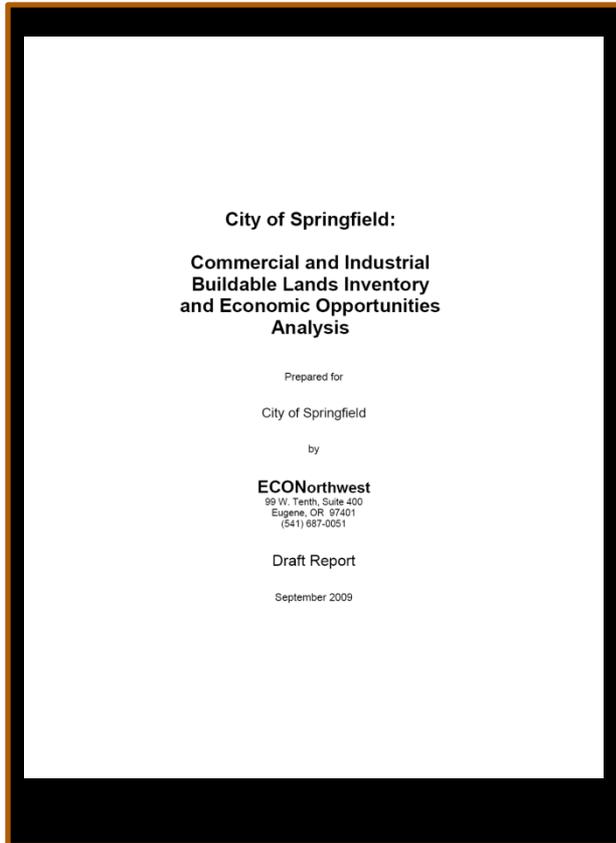
1. Analysis (CIBL Study)



2. Policies: Springfield 2030 Plan Economic Element

Tasks Remaining/Decision Points

Prepare Springfield 2030 Economic Element for Adoption



Plan policies will guide future commercial and industrial development

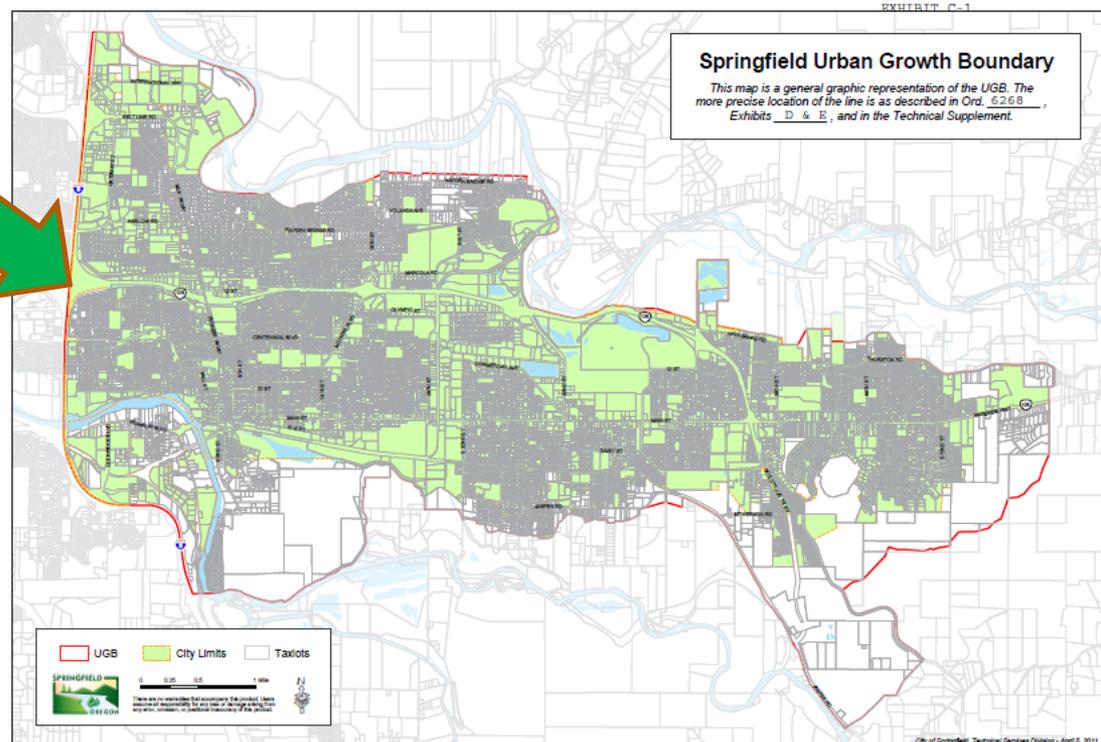
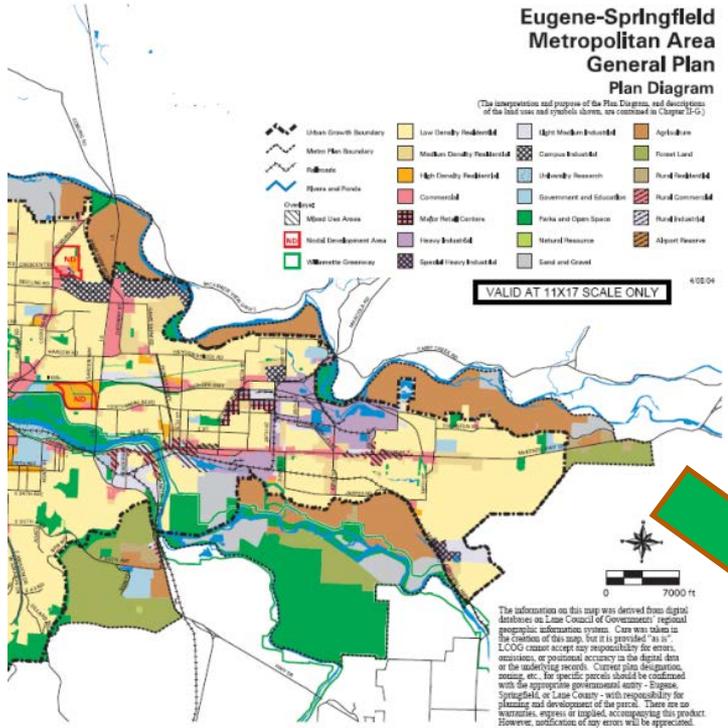


City must plan and zone sufficient land to meet Springfield's commercial and industrial needs for the period 2010-2030.

CIBL STUDY: Analysis + Recommendations

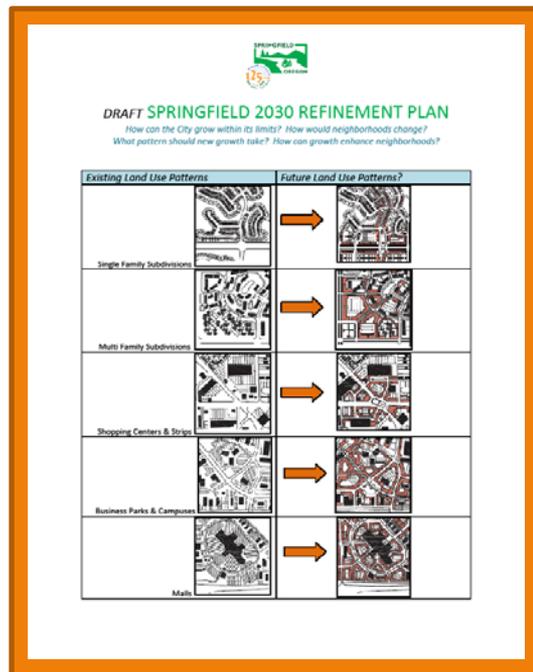
✓ Adopted the **Springfield Urban Growth Boundary** (a tax lot-specific map of the acknowledged Metro Urban Growth Boundary east of I-5)

No UGB expansion for residential land



✓ Adopted 2030 Plan Residential Element

Plan designations and plan policies provide a 20-year **residential land supply** to meet Springfield's housing needs.



2030 Residential Lands Implementation Measures:

New development code tools to **increase efficient use of residential land** and provide more choice in housing types

Phase One: Adopted Small Lot Residential Zone and updated density standards (March 2013)

Phase Two: Review street width standards; Hillside Development Overlay District standards; and Infill standards.

Identify re-designation opportunities through neighborhood and corridor planning

2030 Plan Economic Element

Creating A 20-Year Plan to Address Commercial and Industrial Land Needs

Tasks Completed

- ✓ Conducted public open houses and Joint Planning Commission hearings on preliminary draft 2030 Economic and Urbanization policies and UGB expansion concepts.
- ✓ Completed the Draft *Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis* (CIBL) and adopted it as interim step (Resolution 10-03).



CIBL Analysis of Land Need for 2010-2030

The **employment forecast** for Springfield is a 32% increase in the number of employees for the 2010-2030 planning period. The CIBL study converts the number of needed jobs to the number and types of sites needed to accommodate employment growth.

13,000+ new jobs



Which industries and businesses are expected to grow the most and which of these industries will add Springfield jobs?

- Commercial (office, retail)
- Industrial
- Employment Mixed Use
- Other

Where in Springfield will they locate?

- New Sites + Existing Sites



CIBL Analysis of Land Need for 2010-2030

Assumptions about redevelopment:

187 industrial sites and 340 commercial and mixed use sites within the existing UGB will redevelop.

All site needs for sites smaller than five acres would be addressed through redevelopment.



Springfield's Redevelopment Strategies

are factored into the CIBL employment land analysis and addressed in **Springfield 2030 Plan** policies

- How much redevelopment the City wants to encourage
- What types of redevelopment should be encouraged and where it should occur
- How much the City wants to encourage employment in non-employment zones: to what extent the City wants to allow or encourage home-based occupations and neighborhood commercial uses

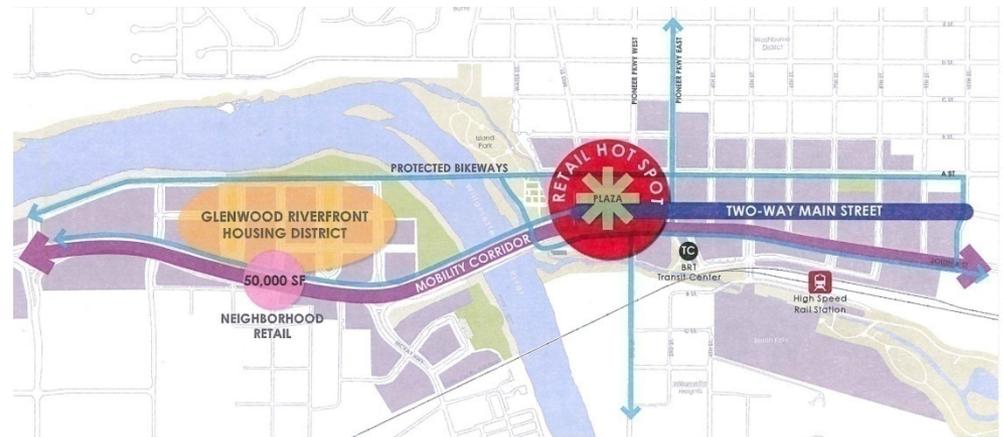




Springfield coordinated two key redevelopment district planning studies with the UGB/Urbanization Study:

Downtown District Urban Design Plan and Implementation Strategy (adopted 2010)

Glenwood Refinement Plan Update (adopted 2012)

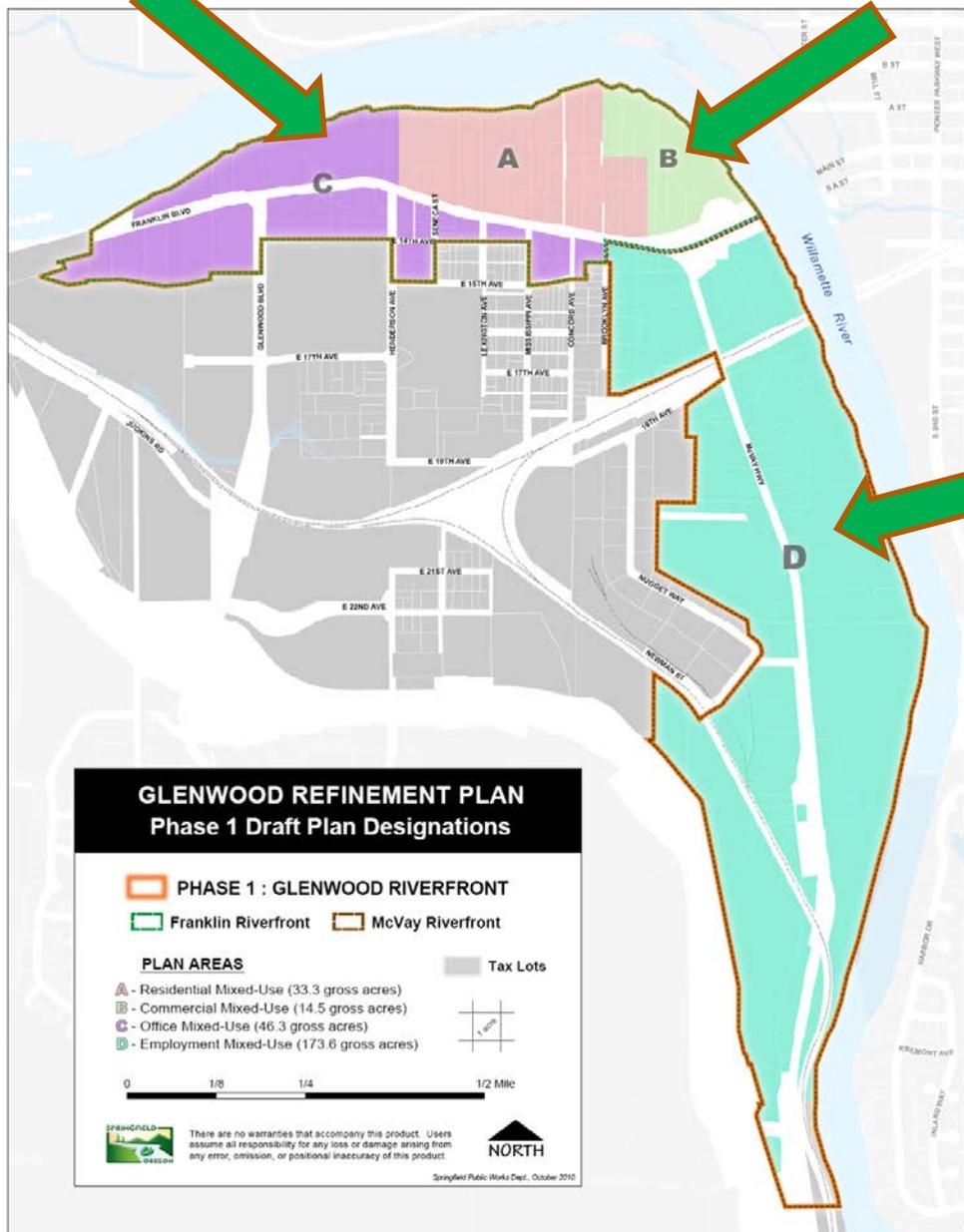


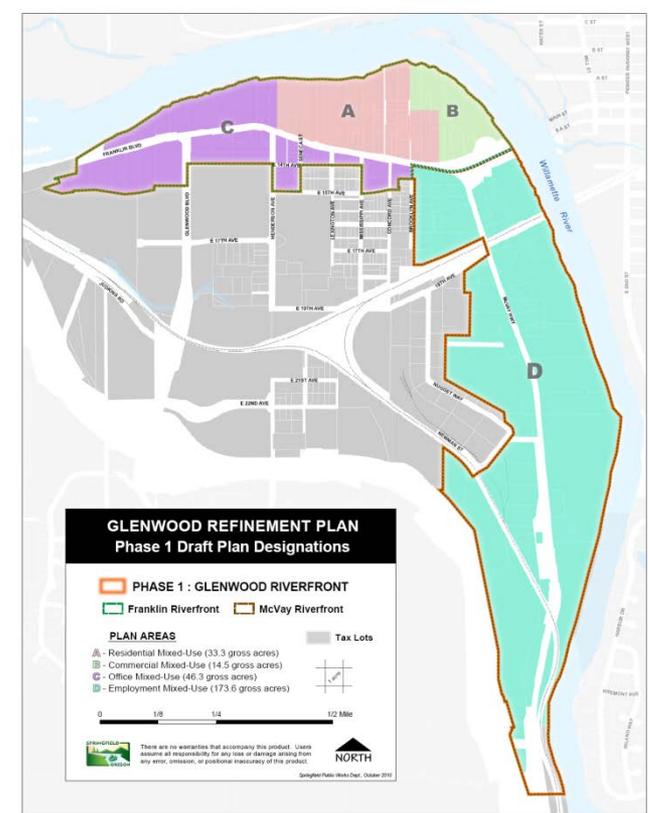
Downtown Springfield Fundamental Concept Diagram



Commercial and Industrial Land Needs

Glenwood Franklin and McVay Riverfront Land Designated for Mixed Use Commercial and Employment





The new Glenwood Residential Mixed Use district designates land for jobs and housing in a central, walkable “complete neighborhood” served by frequent transit service.



Downtown District



Downtown Build-Out

“Do-it-now” Revitalization Strategy – activities to improve the look and feel of Downtown, bring people back, create conditions to attract people and investment to the core. Main Street Program, SEDA

+

20 year refinement plan and zoning adjustments to implement 2030 designates and land for mixed commercial uses in a walkable “complete neighborhood” served by frequent transit service

Land Use Efficiency Measures

- **Must be considered to demonstrate efficient use of land inside UGB before expanding UGB**
- Were considered and incorporated early and often into the buildable lands analyses
- Prioritized and vetted by Stakeholder Committees, Planning Commission and City Council and presented at every public involvement open house.



Requires adoption of 2030 Plan policies and implementation measures

Addresses growth via increasing development potential of existing sites



Existing Land Use Efficiency Measures to Improve*

Encourage more infill and redevelopment

Encourage more development of urban centers and urban villages (Nodal Development)

Allow more mixed-use development

Encourage more transit-oriented design

Continue efforts to revitalize Downtown

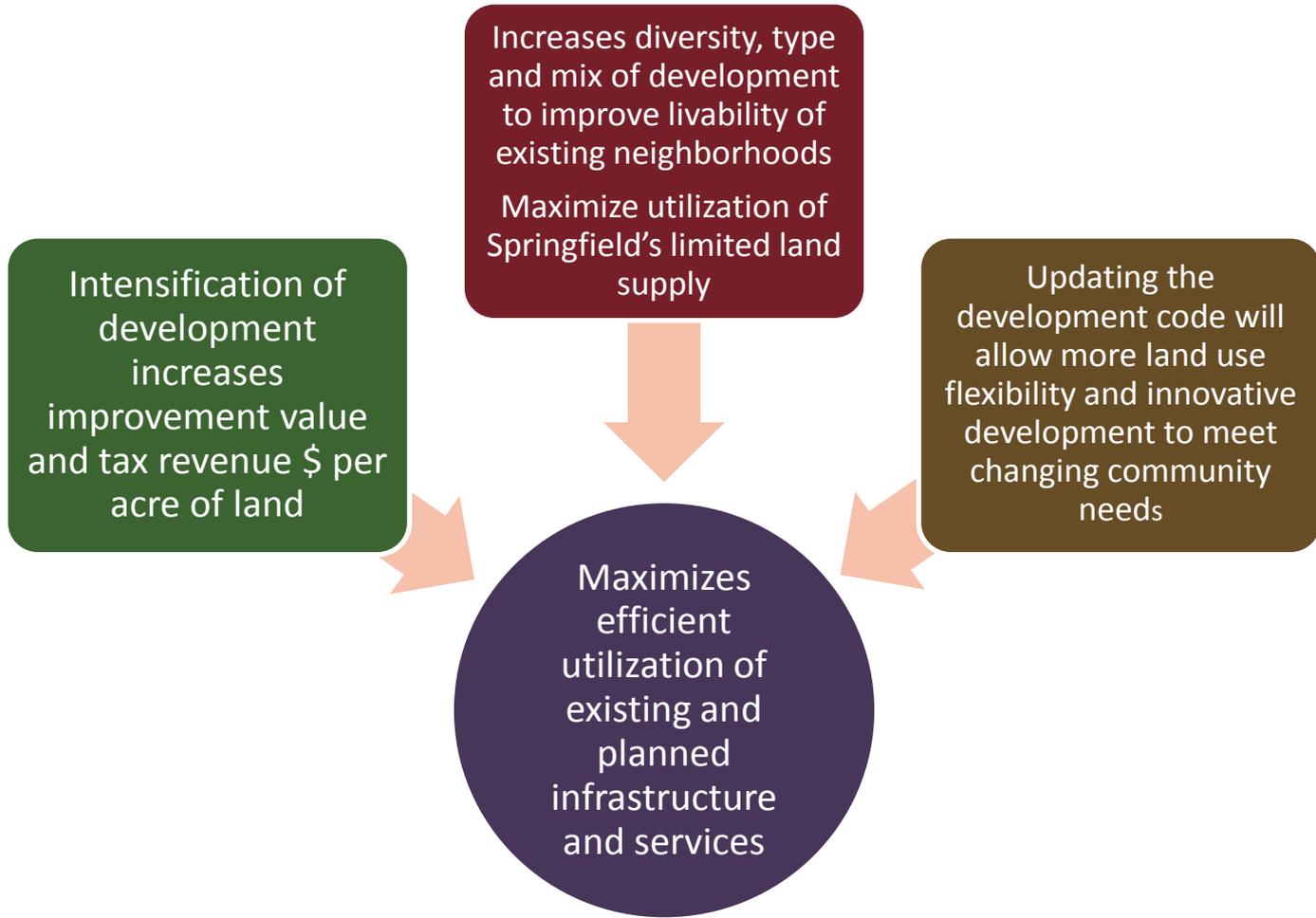


Potential Land Use Efficiency Measures Springfield Could Use*

Implement a process to expedite plan and permit approval for projects that achieve community's desired outcomes

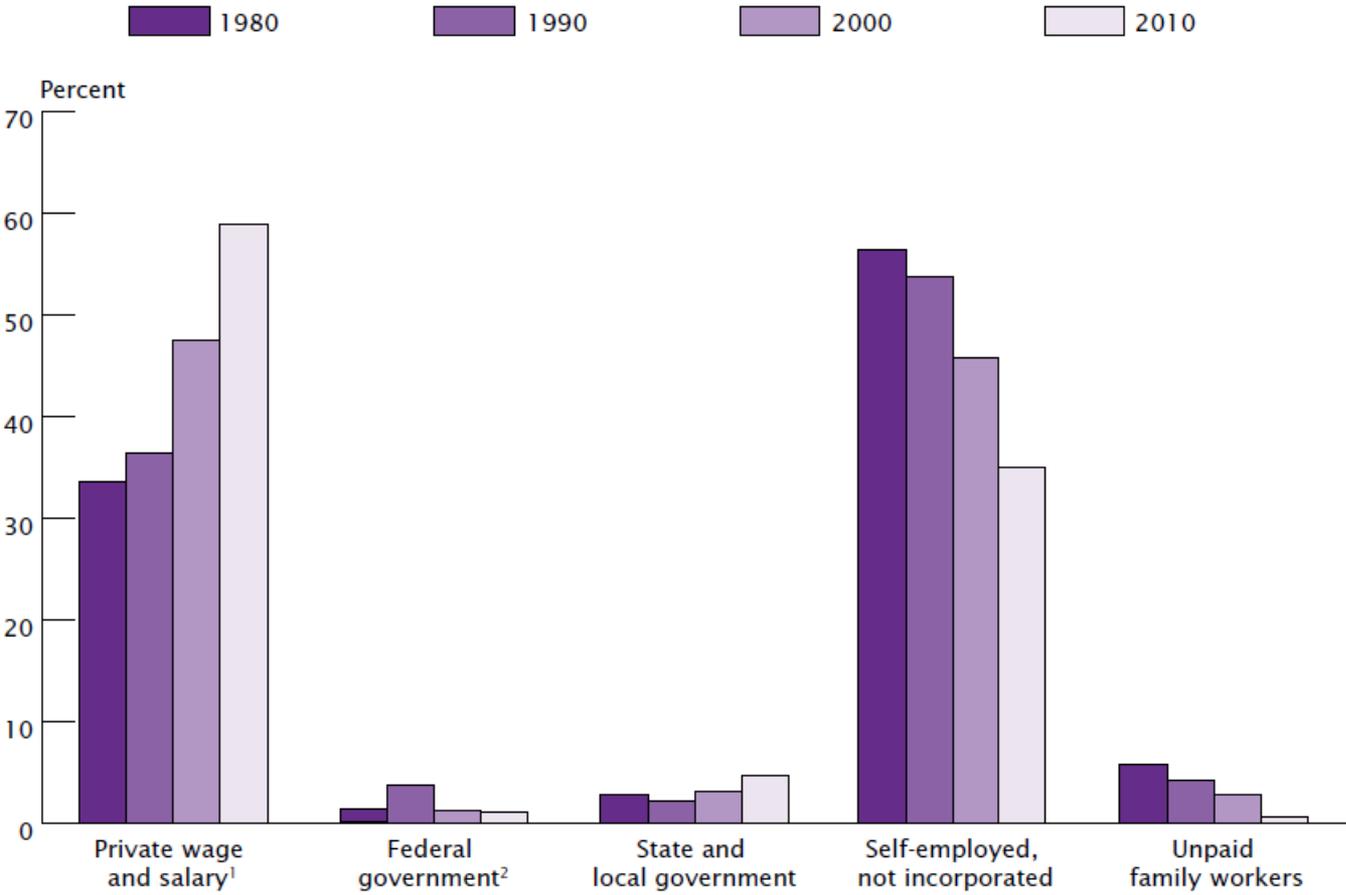
** Measures prioritized by Planning Commission and City Council, Feb-April 2009*

Potential Effects of Land Use Efficiency Measures



Employment in non-employment zones is factored into the CIBL analysis

Figure 3.
Distribution of Home-Based Workers by Class of Worker: 1980 to 2010

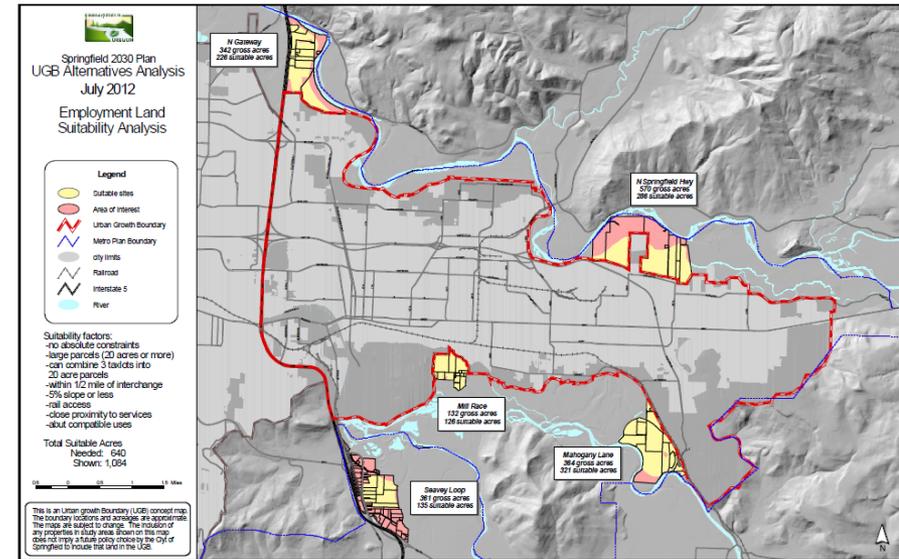


¹ The estimates combine self-employed workers in incorporated businesses with private wage and salary workers. See Table 7 for the 2000–2010 changes using the expanded class of worker definition that separates the two aforementioned categories.

² Armed Forces are included in the estimates for 1980, 1990, and 2000. Armed Forces personnel who were on ships at sea during the census were enumerated as working at home in 1990, but not in 1980 or 2000.

Source: U.S. Census Bureau, 2010 1-year American Community Survey and "Class of Worker for Workers Who Worked at Home for the United States: 1980 to 2000," available at <www.census.gov/population/www/cen2000/briefs/phc-t35/tables/tab01-5.pdf>.

Springfield's CIBL study/Economic Opportunity Analysis identifies a need to expand the UGB (640 acres) to address a need for employment sites larger than 20 acres to meet Springfield's Economic Development Objectives



CIBL Analysis of Land Need for 2010-2030

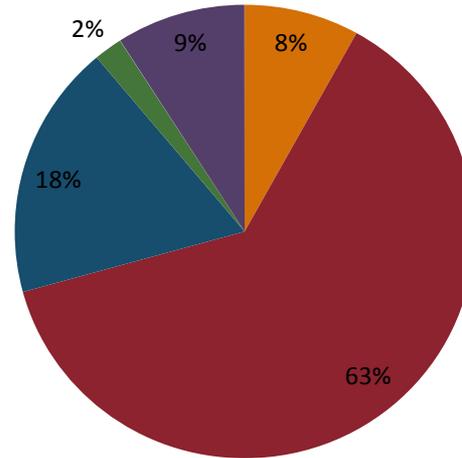


Need for UGB Expansion: The CIBL study identifies a need for approximately six industrial sites on 450 acres and eleven commercial and mixed use sites on about 190 acres that cannot be accommodated within the existing UGB, a total of 640 suitable acres.



Springfield's CIBL study/Economic Opportunity Analysis identifies a need to expand the UGB (640 acres) to address a need for employment sites larger than 20 acres to meet Springfield's Economic Development Objectives

Employment Land Needs as a percent of the 640 acre total land need



- **INDUSTRIAL: WAREHOUSE & DISTRIBUTION 50 AC**
- **INDUSTRIAL: GENERAL INDUSTRIAL 400 AC**
- **COMMERCIAL & MIXED USE: OFFICE 115 AC**
- **COMMERCIAL & MIXED USE: RETAIL 15 AC**
- **COMMERCIAL & MIXED USE: OTHER SERVICES 60 AC**

Why Large Sites?



2012

LAND AVAILABILITY | LIMITED OPTIONS
 An analysis of industrial land ready for future employers



Regional Industrial Lands Inventory Findings

January 2012



Why Are Large Employment Sites Important for Springfield?

- Few large sites exist
- Springfield needs/aspires to creation of higher wage jobs.
- Traded Sector industries pay higher wages and build economic clusters.
- Traded Sector industries often require large sites.
- Without large sites, the community will not have these employment opportunities



1.

Given the region's lagging wages and incomes, the State of Oregon's goal is to increase our opportunities for success by ensuring that we have a variety of development ready sites.

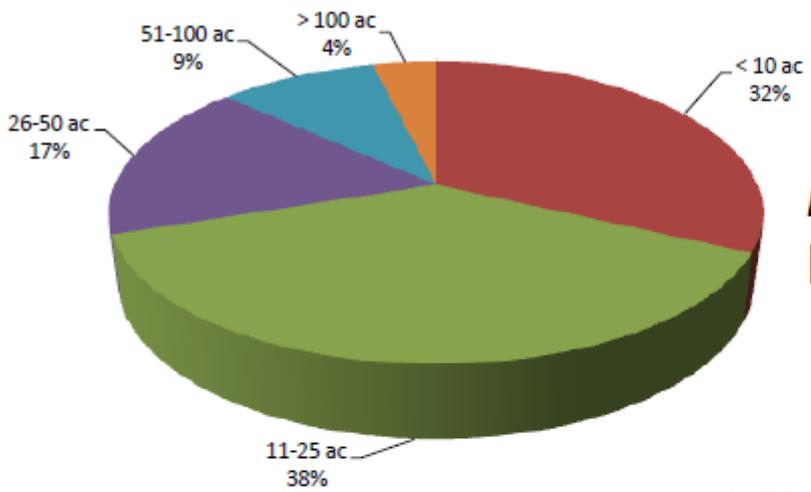
2.

Business Oregon has extensive experience recruiting national and international traded sector businesses into the state. Their experience is that the majority of employers considering whether to locate in the region require sites where they can break ground within 180 days of site selection.

3.

"The smaller the inventory of sites that meet even the minimum requirements, the less the region's odds are of successfully making it to first base, let alone hitting a home run and successfully recruiting the employer."

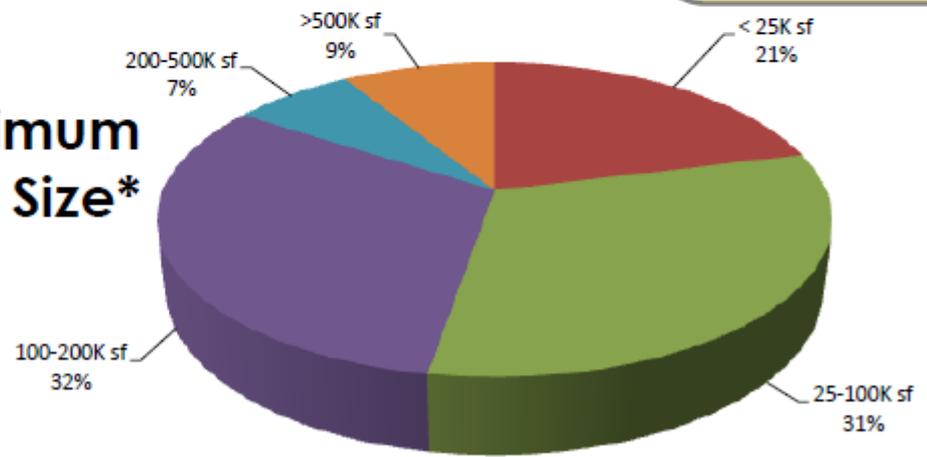
Recruitment Lot and Building Requirements – Select Industries



Minimum Lot Size*

- Advanced Manufacturing
- Clean Tech: EV+
- Clean Tech: Solar
- Clean Tech: Other
- Wood Products
- High Tech: Data Center
- S&L: Back Office
- S&L: Business Services
- S&L: Distribution Centers

Minimum Building Size*



*NOTE: Where provided



Reporting period: June 2010 – May 2011
Data source: Oregon Business Development Department

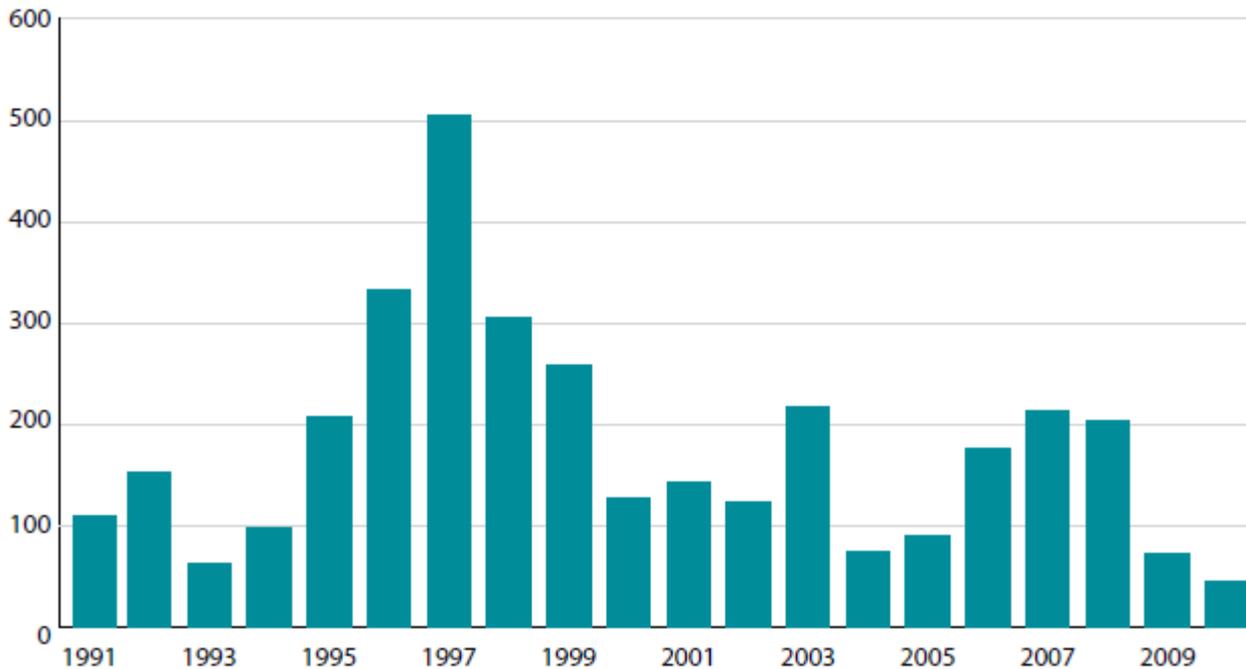
Local Demand for Large Sites

“Building up rather than out doesn’t work well for most manufacturers. What is not always recognized is that, despite the loss of much of our traditional manufacturing overseas, much of the new technology that is still being developed and manufactured in this country also requires large lots.”

Jack Roberts Metro Partnership



Figure 4: Estimated industrial land consumption in acres, 1991-2010



Demand for land

Being market ready is critical as industrial land development is very cyclical. According to an analysis by Business Oregon and NAIOP, the majority of the demand for industrial lands comes in short bursts. Fifty percent of all industrial land acres developed in the study area over the past 20 years came during two three-year peak periods of development (1996-1998) and (2006-2008).⁸ If the region does not have developable sites ready to go when the

growth cycle hits, it will miss the opportunity for significant job and income expansion for a decade or more. How our region grows jobs and improves wages and incomes depends on getting these sites ready for employers. The goal of this inventory study is to move conversations forward so our region can better coordinate, recruit and grow the number of traded-sector employers and grow jobs.

8 2011 Industrial Lands Policy Paper: Large Lot Supply & Demand, Business Oregon (Source: Costar, NAIOP). Analysis of industrial construction square footage reported in Costar for all parcel sizes converted to acreage assuming an average 30 percent coverage ratio.

Traded Sector Industry

Acreage Requirements for Majority of Leads

	Regional/ National Scaled Clean Tech	Globally Scaled Clean Tech	Heavy Ind./ Mfrg	General Mfrg	High Tech Mfrg/ Campus Industrial	Warehouse/ Distribution	Regional Dist. Centers
Competitive Acreage Required	50 acres	100 acres	25 acres	10 acres	25 acres	25 acres	80 acres



What is Traded Sector Employment ?

(as defined by economists)

Traded-sector employers export goods and services from the region and import revenue into the region.

2 kinds: Domestic – trades outside our region but within United States

Global – trades outside of the United States

Technology/Internet have blurred the boundaries

e.g. Most forms of manufacturing, specialized design services, advertising and management and technical consulting

Local-sector firms trade good and services locally within the region where they are produced.

Examples: Retail and wholesale trade, construction, healthcare, education, real estate, food services, and waste management

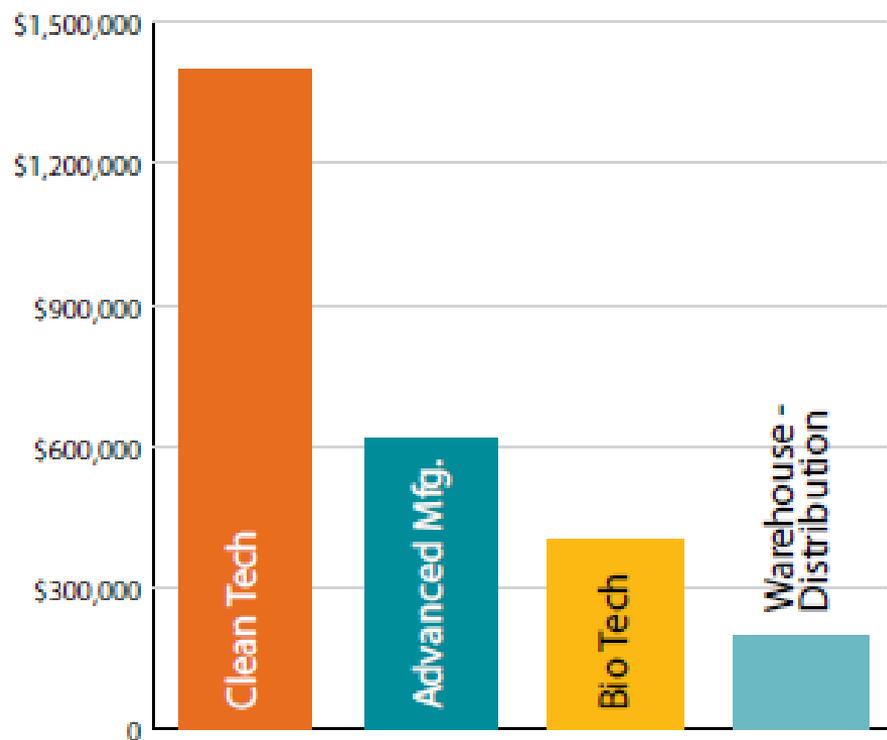
What do large-lot industrial developments add to the regional economy?

A Business Oregon analysis of recent recruiting efforts found the economic impact per acre of large-lot developments varies depending on the type of company and ranges from \$200,000 per acre for warehouse and distribution centers to \$1.4 million per acre for clean tech manufacturing.

Partners



Figure 5: Economic impact per acre



Source: 2011 Industrial Lands Policy Paper: Large Lot Supply & Demand, Business Oregon

Positive Effects of Traded Sector Employers

- Traded sector employers export goods and services from the region and **import revenue into** the region.
- Economic development strategies focus on traded sector employers because they pay higher wages and can **increase the wealth of the community**.
- The wealth generated by these traded sector jobs circulates in the community, and ultimately **supports supplier or service companies and neighborhood businesses**. On average, one additional traded sector job creates 1.6 local sector jobs. *
- Larger traded sector firms also **seed entrepreneurs** who spin off to create start-up firms that grow into larger firms.
- These economic clusters that are vital to the economic success of the state.
- Traded-sector firms also **support public services directly and indirectly** with higher wage jobs and taxable incomes, resulting in funding for schools, social services, parks and other critical public services.

Sources:

Business Oregon; ECONorthwest, April 2012 *The Traded Sector in Portland's Economy*;

*Moretti, E., 2010 "Local Multipliers" *American Economic Review*.

“Traded sector firms can increase regional economic capacity by:

- *Attracting skilled workers and other forms of mobile capital*
- *Providing knowledge that increases productivity*
- *Investing directly in productive facilities*
- *Investing in research and development*
- *Supporting the local sector, including paying – directly or indirectly through employees – taxes to state and local governments that can be used to invest in local economic capacity.”*

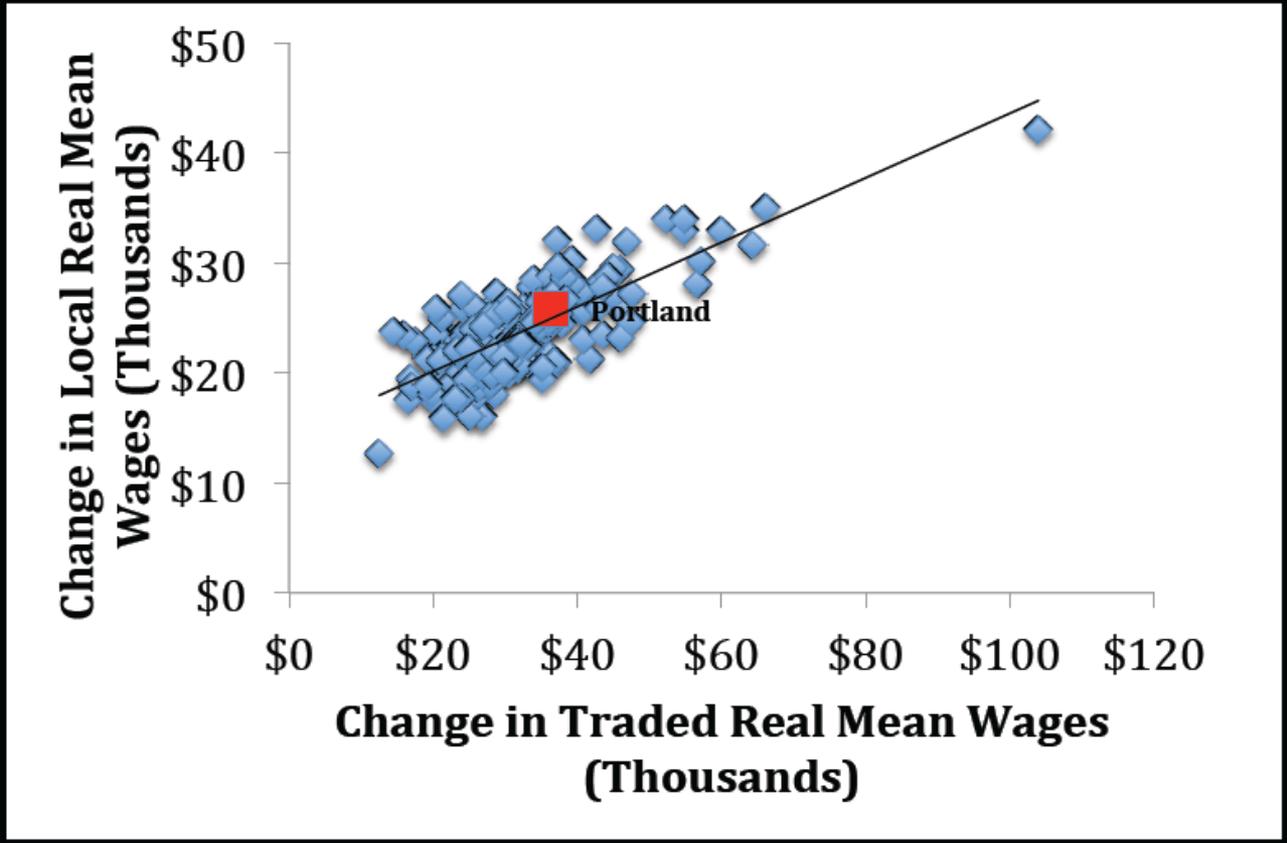
Source:

ECONorthwest, April
2012 *The Traded Sector
in Portland’s Economy;*



“Higher incomes in a regional economy stem from higher productivity in the traded sector.”

Figure 11. Change in Local Real Mean Wages vs. Change in Traded Real Mean Wages, 1980-2010



Sources:
ECONorthwest, April 2012 *The Traded Sector in Portland's Economy*;
Moretti, E., 2010 "Local Multipliers" American Economic Review;
Beaudry, Green and Sand 2007 "Spill-overs From Good Jobs", NBER Working Papers

Source: IPUMS USA; ECONorthwest analysis of U.S. Census and American Community Survey data.

“Growth in the traded sector may increase funds for local public services – particularly for education.”



Sources:

ECONorthwest, April 2012 The Traded Sector in Portland’s Economy;

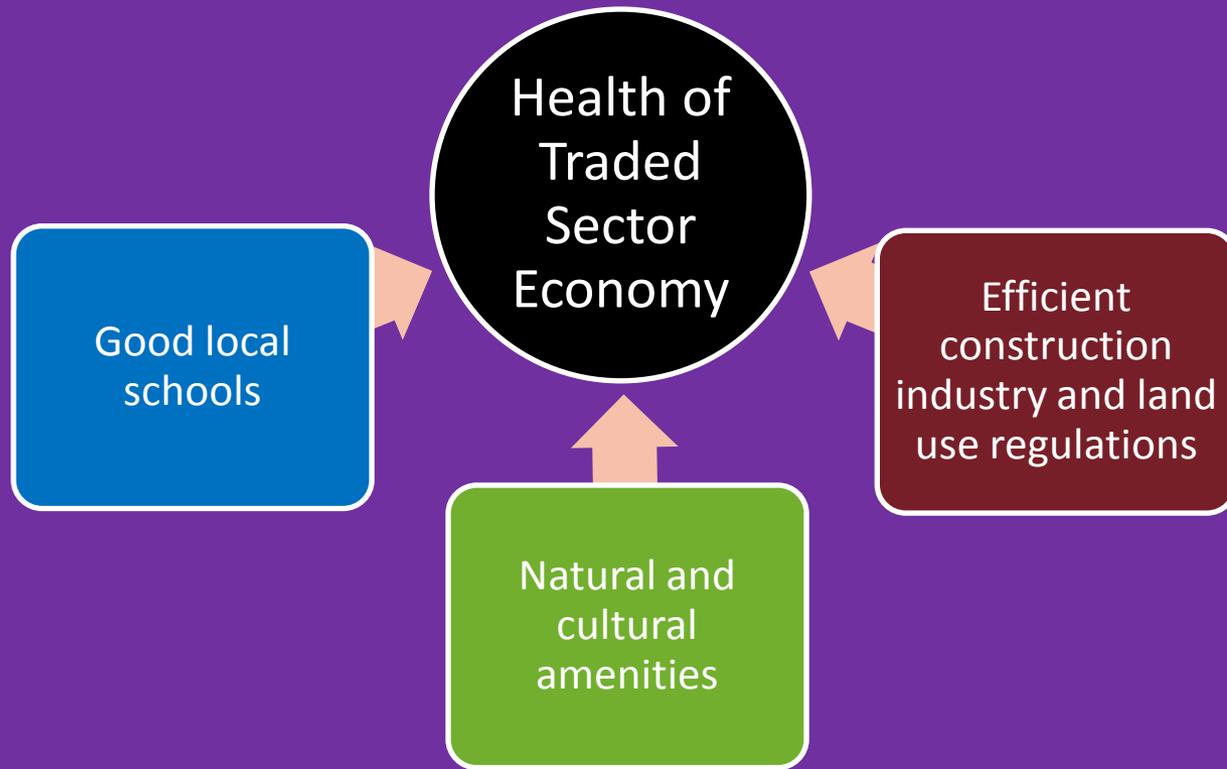
Greenstone, M. and E. Moretti, 2004 “Bidding for Industrial Plants: Does Winning a “Million Dollar Plan’ Increase Welfare”

NBER Working Paper 9844



“If the traded sector attracts skilled workers or encourages the creation of independent suppliers, it makes starting a new business in the area more attractive.”

Local Sector's Role in the Health of the Traded Sector



Source:

ECONorthwest, April 2012 *The Traded Sector in Portland's Economy*;



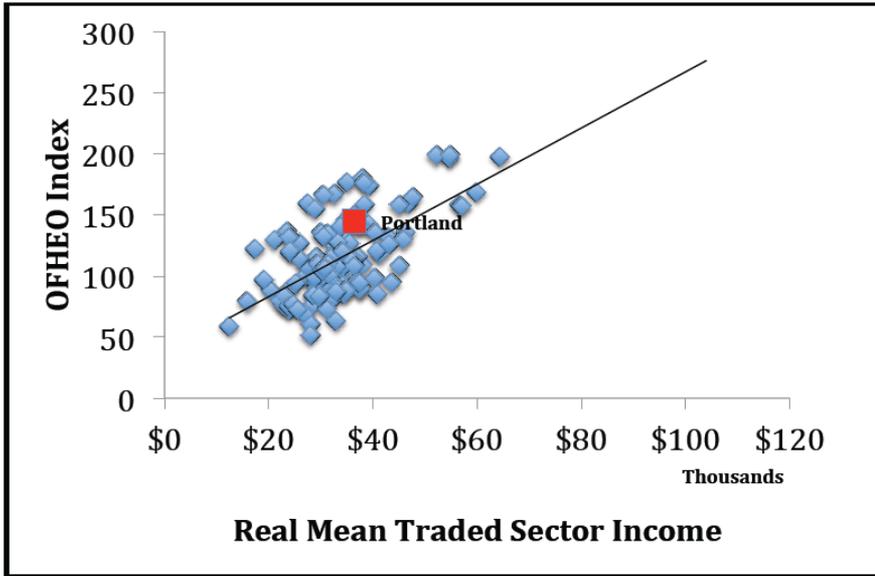
Potential **Negative** Effects of Traded Sector Employers

- Growth of traded sector may drive up wages in the region, housing prices or other local costs
- Cost increases may lead some firms to close or move elsewhere, decreasing employment.
- Depends on the specific context
- No net effect of growth in one part of the traded sector on other parts of the traded sector.

Sources:
Roback, J. 1982. "Wages, rents, and the Quality of Life." Journal of Political Economy, cited in ECONorthwest, April 2012 *The Traded Sector in Portland's Economy*

"One common side effect of growing employment and income is growth in local prices, particularly housing prices."

Figure 12. Change in HUD OFHEO Housing Price Index vs. Change in Traded Real Mean Wages, 1980-2010



Source: IPUMS USA; ECONorthwest analysis of U.S. Census and American Community Survey data. U.S. Department of Housing and Urban Development.

Future Employment Growth – How will we fare vs. other regions?

Kolko analysis 2012

Uses industry job growth forecasts produced by Bureau of Labor Statistics (BLS) to project regional job growth.

Assumes local industry mix remains constant and growth follows BLS forecast.

Adjusts for other factors like education, density, and climate that economists expect to affect job growth.

“Where the Jobs Will Be in 2020?” Jed Kolko, Trulia Chief Economist, Feb 2012

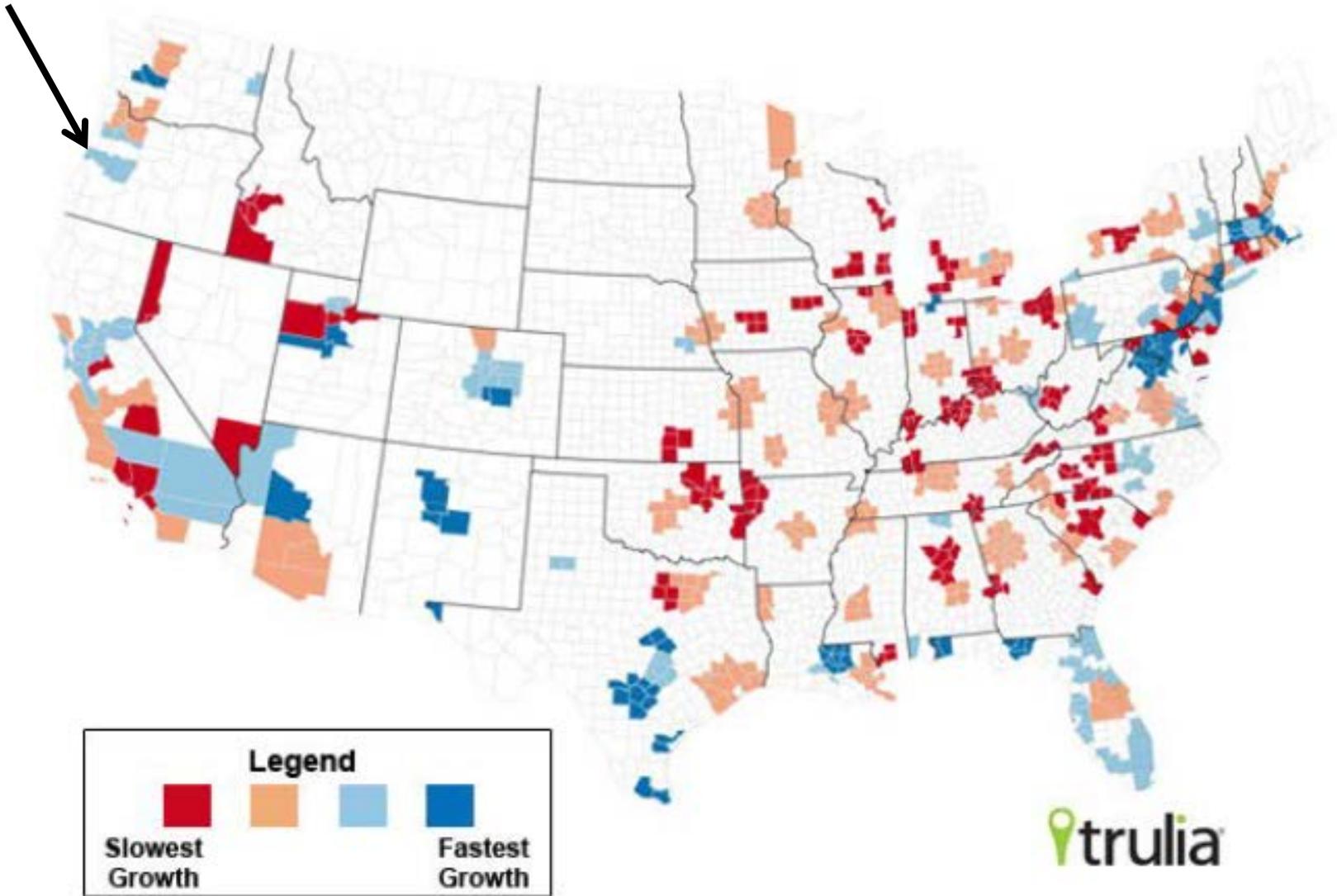
ECONorthwest, April 2012 The Traded Sector in Portland’s Economy



The Lane County region’s current industry mix places it in the upper middle growth rate category

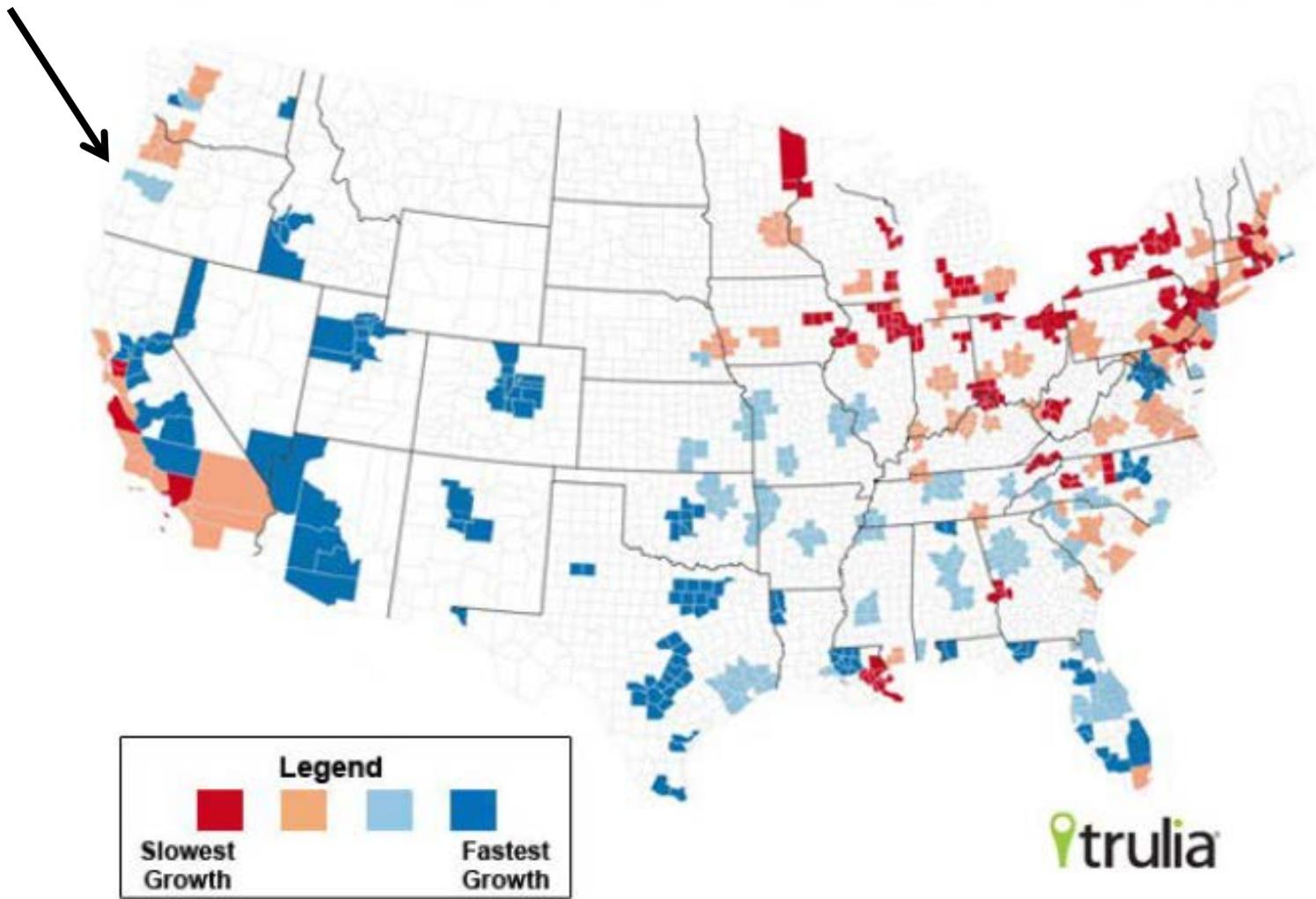


Projected Job Growth, 2010-2020, Based on Industry Mix Only



NOTE: Map shows projected job growth from 2010 to 2020, based on all factors, by metro area.

Projected Job Growth, 2010-2020, Based on All Factors



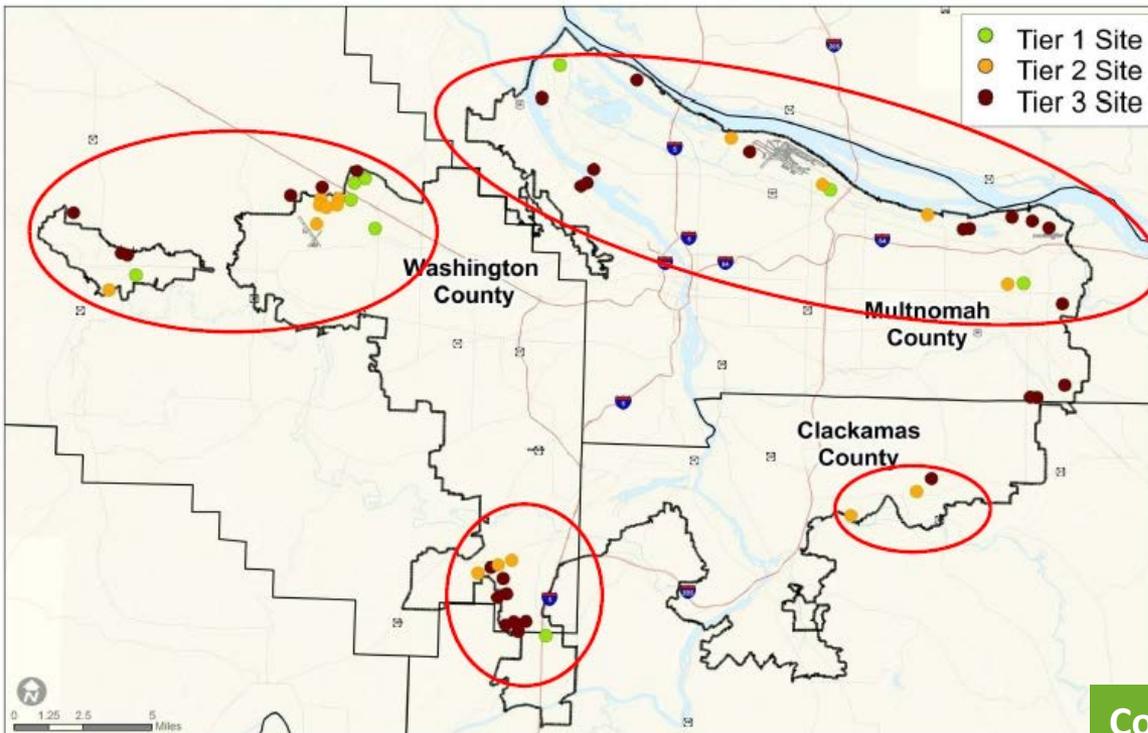
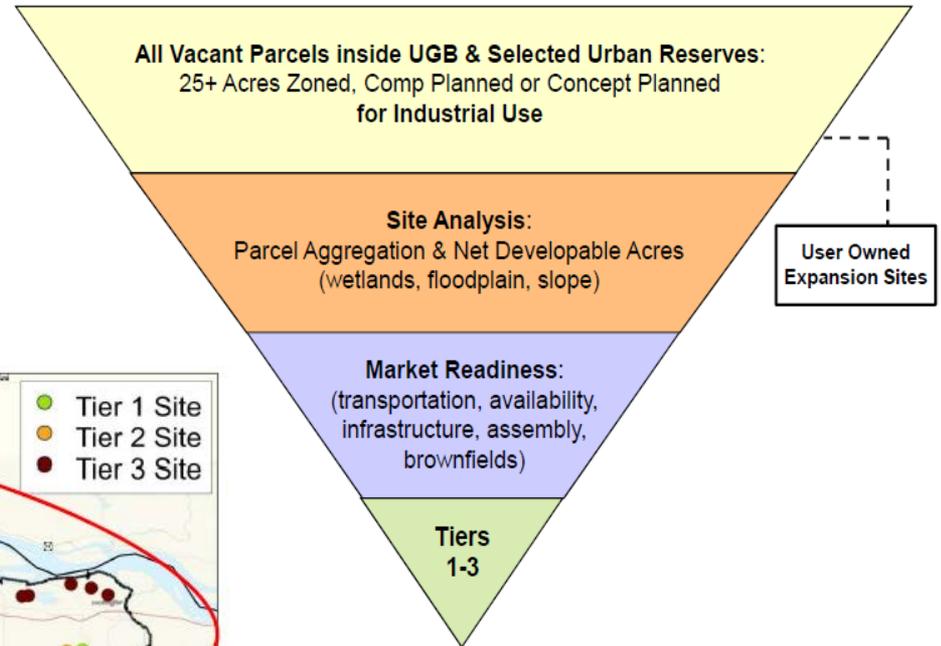
NOTE: Map shows projected job growth from 2010 to 2020, based on all factors, by metro area.

Large Industrial Sites are Scarce

Business Oregon/Portland Metro Study:

Inventory of market ready, large industrial site limited:

- 56 industrial sites identified with 25+ net developable acres
 - 9 Tier 1 sites (6 months to shovel ready)
 - 16 Tier 2 sites (7 months to 2 ½ years to shovel ready)
 - 31 Potential Tier 3 sites (> 2 ½ years to shovel ready)



Large Industrial Sites are Scarce

Business Oregon/Portland Metro Study:

- Industrial land in the Metro area is significantly constrained
- Few large sites available in Tier 1 and 2 raise the potential of lost opportunity
- Most Tier 2 and 3 sites will require new investment and policy initiatives to become development ready
- Larger sites are more complex and take more patience to acquire and develop

For industrial site selectors, these requirements are the absolute minimum requirements for a location to even be considered:

- ✓ Inside the UGB
- ✓ Zoned and planned for industrial uses
- ✓ Containing at least 25 net buildable, vacant acres after accounting for constraints such as wetlands, flood plains and slope, with a number of clusters, such as globally scaled high tech, requiring much larger sites.
- ✓ Not set aside by existing firms for future expansion opportunities

“Meeting these requirements is like reaching first base in a baseball game: all significant, potential employers require much more than simply meeting the minimum threshold. To make it all the way home, many factors must fit for the transaction ultimately to work and result in hiring.”

“ No one wants to go to their company president with only one possible site.”

Peter Bragdon, senior vice president of legal and corporate affairs for Columbia Sportswear, in reference to his experience with site selection.

Site Suitability Analysis

Suitability by Building Type					Site Characteristics that make the area suitable
Warehousing/ Distribution	General Industrial	Office	Retail	Other Services	<ul style="list-style-type: none"> • Potentially 50+ acre sites • Located near I-5 interchange • Relatively flat • Surrounding uses are compatible with warehousing and industrial uses • Visible from I-5 or arterial streets
					

Note:  Highly suitable  Somewhat suitable  Unsuitable

Tier 2 and 3 Potential Development Constraints

	TOTAL
BROWNFIELD / CLEANUP	8
NATURAL RESOURCES	13
INFRASTRUCTURE	19
TRANSPORTATION	18
LAND ASSEMBLY	14
STATE/LOCAL ACTIONS	20
NOT WILLING TO TRANSACT	18

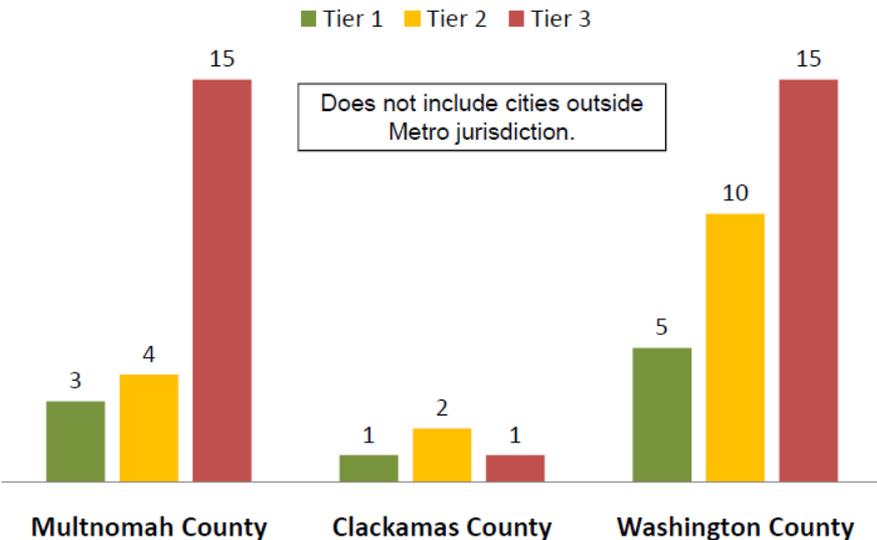
Site Suitability Analysis

All of the “suitable” sites studied for inclusion in Springfield’s UGB have development constraints.

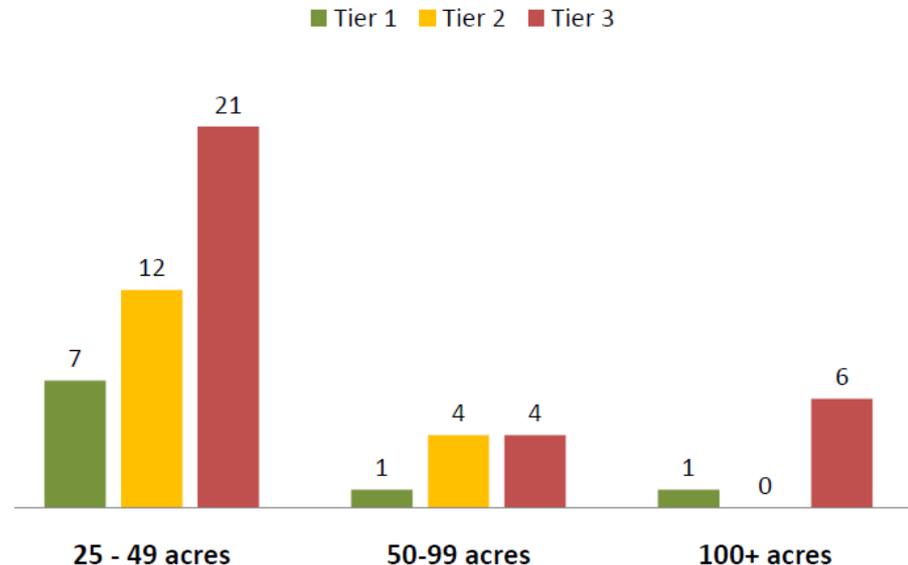
We’re not alone: Most of Portland Metro’s “suitable” sites have development constraints.

Staff will provide information about constraints at Work Session #3.

Regional Site Distribution



Distribution of Sites by Acreage



Tasks Remaining/Decision Points

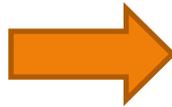
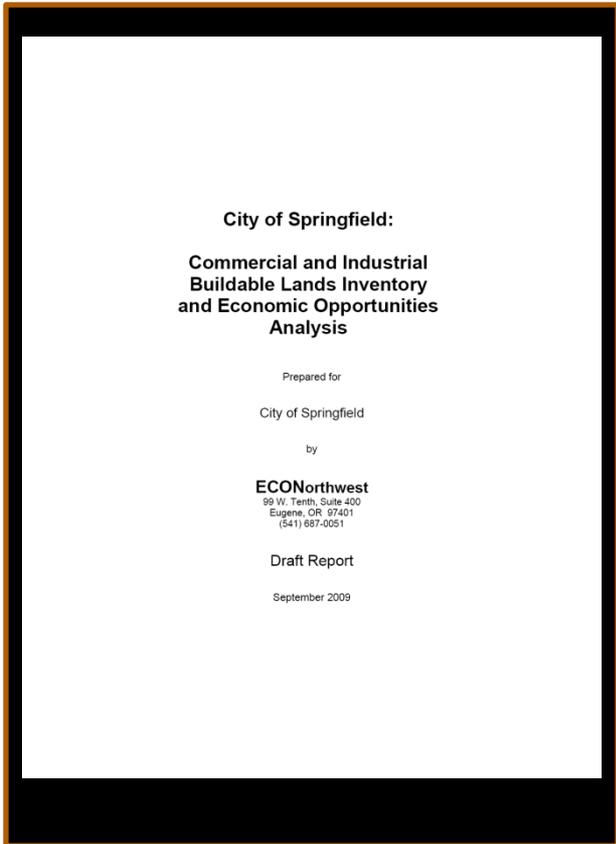
- Determine the number of acres and categories of land to include in Springfield’s proposed employment land UGB expansion.
- Determine plan designations, interim zoning and development procedures applicable to the “newly-urbanizable” lands added to the UGB as Urban Holding Area – Employment Opportunity Areas (UHA-EOA).
- Prepare 2030 Economic Element and Urbanization Element policies, Springfield Development Code chapters, draft ordinances and findings.



- Conduct additional public outreach and hearings (City + Lane County)
- Prepare parcel-specific plan boundary data base and map.
- Adopt ordinances.
- State acknowledges plan amendments.

Tasks Remaining/Decision Points

Prepare Springfield 2030 Economic Element for Adoption



Plan policies will guide future commercial and industrial development



City must plan and zone sufficient land to meet Springfield's commercial and industrial needs for the period 2010-2030.

CIBL STUDY: Analysis + Recommendations

Policy Development **Springfield 2030 Plan**

Work Session Opportunities
for Council Review and Input
Leading up to Plan Adoption
Public Hearings and the UGB
Decision



WORK SESSION #1 Oct. 22, 2012
Overview of CIBL Land Need
and Policy Requirements

WORK SESSION #2 November 26, 2012
WORK SESSION #3 January 22, 2013
Draft Economic Element

WORK SESSION #4 February 25, 2013
UGB Expansion Concepts
Draft Local Factors

WORK SESSION # 5
March 18, 2013
UGB Study Areas
Infrastructure

WORK SESSION # 6
May 6, 2013
Draft Urbanization Element

