



Central City 2035

Economic Vitality Symposium 1

February 17, 2011

PDC Commission Room, 222 NW 5th Avenue

Facilitator: Joe Zehnder

Panelists in attendance: Scott Andrews, David Lorati, Jonathan Fink, Bernie Bottomly, E. Walter Van Valkenburg, Tad Savinar, Michelle Rudd, Andre Baugh, Jeff Borlaug, C.J. Sylvester, Andrew Frazier

Panelists not in attendance: Greg Baldwin, Ryan Buchanan, Gale Castillo, James Curleigh, Lindsay Descrochers, Gillian Floren, Clayton Hering, John Jay, Greg Kantor, Wade Lange, Scott Langley, Dave Leland, Brad Malsin, Jeff Miller, J. Greg Ness, Doug Oblatz, Bill Palmer, Arundee Pradham, Lawrence Remmers, Stuart Smith, Craig Sweitzer

Staff in attendance: Steve Kountz, Susan Anderson, Patrick Quinton, Lew Bowers, Elisa Hamblin, Steve Iwata, Joe Zehnder, Peter Englander, John Cole, Michelle van Tijen, Leslie Lum, Heidi Berg

Public in attendance: Paul Cathcart, Carly Riter, Nolan Lienhart, Charles Kelly, Abe Farkas

1. Welcome and Participant Introductions

- 1.1. Susan Anderson welcomed the participants and spoke shortly about the process and other events. She also overviewed the history of the Central City.
- 1.2. Susan highlighted three issues that she requested the group consider:
 - 1.2.1. Central City as the regional employment center
 - 1.2.2. Strengthening the Central City as a destination for tourism and entertainment
 - 1.2.3. The impact of climate change and a more sustainable future

2. Agenda Review and Overview of Central City 2035

- 2.1. Joe Zehnder asked the group members to introduce themselves and offer some observations about what makes the Central City a great place to work or do business
 - 2.1.1. Patrick Quinton – access to town and customers and as a brand
 - 2.1.2. Steve Kountz – transit access
 - 2.1.3. Andrew Frazier – perception of location Downtown
 - 2.1.4. C.J. Sylvester – brand, access to transit, access to freeway system
 - 2.1.5. Jeff Borlaug – access to mass transit, amenities, recruitment potential
 - 2.1.6. Andre Baugh – prosperity and service for all Portlanders
 - 2.1.7. Michelle Rudd – the quality of the city and experiences
 - 2.1.8. Tad Savinar – range of opportunities throughout the Central City
 - 2.1.9. Walter Van Valkenburg – perception and attractiveness of Downtown for clients and employees

- 2.1.10. Bernie Bottomly – access to transportation, affordability options, vitality and environment, density of people and facilities, activity, links to institutions, safety and cleanliness
- 2.1.11. David Lorati – industrial opportunities
- 2.1.12. Jonathan Fink – role of an urban serving university can serve in partnerships
- 2.1.13. Lew Bowers – density and resulting proximity of people and amenities, diversity of use
- 2.2. Joe Zehnder thanked the group for their thoughts and overviewed the agenda and the materials for the group.
- 2.3. Joe also overviewed the Central City 2035 project and its role in the larger context.

3. Discussion – Elevating Central City Job Growth

- 3.1. Joe Zehnder overviewed the topic of elevating Central City job growth and asked three main questions:
 - 3.1.1. Is it productive to think about Central City regional job share as a healthy indicator
 - 3.1.2. Why and how should we continue to invest in the Central City as a regional employment center?
 - 3.1.3. What are new directions that we need to see to increase our competitive advantage?
- 3.2. Susan Anderson noted that there is a lot of work that has been done on this topic area by other groups, namely PBA.
- 3.3. Bernie Bottomly stated that the health of Downtown reflects on the rest of the region; it doesn't make sense to not focus efforts in the Central City. Not densifying downtown would be underutilizing capital. To also make our goals of reduction of greenhouse gas emissions it only makes sense to invest here. The Central City is a critical part of our overall environmental strategy. We should set targets for job growth and be aggressive about it.
- 3.4. Walter Van Valkenburg stated that the thing we should focus on is the vitality of the region rather than the Central City vs. the region. Many of the business sectors will prosper if the region prospers. A declining share of Central City jobs would be acceptable if the region grows. We should focus on growing the Central City as a place that people think of when they are looking for a career or growing businesses. The quality of jobs need to increase and not necessarily the total number of jobs.
- 3.5. Susan Anderson asked a follow-up question about the smaller size firms. Is there some benefit to keeping those small incubator businesses in the Central City and especially on the eastside?
- 3.6. Walter Van Valkenburg stated that there are some restrictions for some businesses in the Central City and some types of growth will always happen.
- 3.7. Jonathan Fink stated that region has a reputation based on the policies of the City. Quality higher education is critical in the region to be a global leader. For the sustainable urbanism ideal to really work here it needs to be part of an overall regional strategy. This is a more complicated issue but is really critical in terms of the region.
- 3.8. Tad Savinar stated that we haven't really thought about the city in 20 years, especially for our capacity and the transit opportunities. The real discussion for people about job choice is about the attractiveness of the city. If we look at economic development, there are three categories: recruitment, sustainability of jobs and businesses, and the development of incentives.

- 3.9. David Lorati stated that the health of the Downtown is very important but is dependent on the region overall. Economic activity doesn't only happen in the Central City but happens all around us. There is a lot of investment that goes unobserved. The Central City needs private investment so that over time there is overall health for the City.
- 3.10. Michelle Rudd stated that we need to incorporate opportunity and equity in decision making. We need to be sensitive to facilitating growth in industrial sites and how we get the most bang for the buck within our existing infrastructure.
- 3.11. Jeff Borlaug stated the quality of recruitment was key and headquarters should be a focus. The availability of workforce housing is also critical. The one thing that's encouraging is that businesses are moving into Downtown. Its single-digit vacancy is rare in the U.S.
- 3.12. Susan Anderson stated that there are some connections between livability and business growth but there can be tension there.
- 3.13. C.J. Sylvester stated that we should have goals for job growth. A subset of that is the quality of the jobs. We need greater diversity in our job base outside of higher education and health services in order to grow our tax base.
- 3.14. Andrew Frazier stated that the Central City should still be the heart of the region. The livability aspect of the City is important. The future of the westside is in the eastside. The overall push for neighborhood commercial growth can have an impact on the Downtown.
- 3.15. Lew Bowers wanted to know whether we are maximizing the competitive advantage of the Central City and the region as national destinations. What is the right interplay between Portland and the region, contributing to and staying competitive with the region?
- 3.16. Bernie Bottomly stated there are policies in the city that influence where people go in the region, for example the office density along Highway 217. There is an important conversation about headquarters of businesses; there is something different about that type of density.

4. Discussion – Growth Opportunities by Sector

- 4.1. Joe Zehnder introduced the next group of questions which highlighted the types of businesses that have a competitive advantage in the Central City.
- 4.2. Patrick Quinton stated that as part of the economic development strategy they mapped the clusters around the region and three of them have concentrations in the Central City. The character and location of the city matters.
- 4.3. Andrew Frazier asked if in the Downtown the largest employers were city and federal government. Steve Kountz stated that OHSU was the city's largest employer.
- 4.4. Tad Savinar stated that some jobs beget more jobs if that industry grows.
- 4.5. Patrick Quinton responded that a quick response involves the multiplier effect of growing manufacturing. Manufacturers might also succeed with fewer jobs and support net regional job growth by multiplier effects. The economic impact of white collar industries is also pretty substantial.
- 4.6. David Lorati stated that what scares business, especially small business, is an over-leveraged city, making large public investments before the private sector is able to support and utilize it with private investment. Also consider the negative impacts of major public investments on small business. It's great that the city identifies growing industries. A lot of small business owners and property owners are clients of downtown firms. It is very important to attract and retain the high quality employees from declining industries. Advanced manufacturing is a hard to understand term.

- 4.7. Walter Van Valkenburg responded that advanced manufacturing has a lot of intellectual properties as opposed to commodities manufacturing.
- 4.8. Patrick Quinton agreed and stated it's also about materials.
- 4.9. Walter Van Valkenburg stated that the work PDC is doing is a good strategy, but don't marginalize those businesses that aren't part of a cluster. The challenges of sectors is what you do with the companies, and getting them from small to big companies. We need to figure out ways to help people grow their companies and think about them that way. We need to continue to figure out how to leverage our advantages, particularly PSU and growth as a research center. We need to have the best message from leadership that we value business and congratulate its success.
- 4.10. Bernie Bottomly stated that there is some struggle with the cluster approach. Flexibility is important. The vitality of downtown supported by other types of businesses is also important. What are our tools going forward to shape economic development and are they going to be different than those in the past? How will we be able to pay for needed transportation improvements? Business income tax greatly influences who locates in Downtown.
- 4.11. Andre Baugh stated that the issue of growth and workers is a question of affordability and cost competitiveness. Reducing transportation costs and a good school system are important cost advantages. The opportunity to likely grow more by small entrepreneurs than attracting the next Nike is also important as we move forward.
- 4.12. Andrew Frazier stated that urban renewal is an important factor to keep in conversation. Those companies that are past the startup phase need attention. Companies might not be able to stay if there is no funding to help take them to the next level.
- 4.13. Jonathan Fink stated that the flagship institutions are often not in the large city. Change can happen very quickly and PSU has started to change and should be viewed as an economic development opportunity. Try to think more broadly about what the university can be and how that relates to what the city can be.
- 4.14. Bernie Bottomly stated that small business needs a range of space sizes and affordable price ranges. Overall location costs, including business income taxes, are also part of small business affordability.
- 4.15. David Lorati stated that there is often fear that the city doesn't know when to hit the brakes on public investment. If we over-invest it can also hurt small businesses.

5. Next Steps

- 5.1. Joe Zehnder stated the presentation from ZGF will set up the discussion for the next symposium.

6. Presentation by ZGF and EcoNorthwest

- 6.1. Charles Kelly and Abe Farkas gave a presentation about competitiveness of the Central City and types of tenants.

7. Public Comment

- 7.1. There was no public comment.

8. Adjourn

- 8.1. The meeting was adjourned at 9:35 a.m. by Joe Zehnder.