

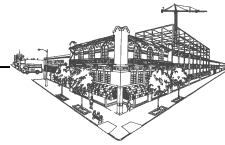
Regional Leaders Seminar Series

Portland-Vancouver *By the Numbers*

Presentation Outline

November 10, 2003

**E. D. Hovee &
Company**
Economic and Development Services



Portland-Vancouver *By the Numbers*

Seminar Overview

- *Focus:* Portland-Vancouver Metro (6 Counties)
- *Topics:*
 - ✓ Regional profile
 - ✓ Competitive advantage
 - ✓ Business clusters
 - ✓ Application vignettes
- *Approach:* Practitioner perspective

Portland Metro Profile

Population

County	1990	2000	2010	2020
Columbia	37,557	43,560		
Clackamas	278,850	338,391		
Multnomah	583,887	660,486		
Washington	311,554	445,342		
Yamhill	65,551	84,992		
Clark, WA	238,053	345,238		
Total	1,515,452	1,918,009		
Total w/o Columbia (Metro forecast)	1,477,895	1,874,450	2,233,900	2,571,100
% Change		27%	19%	15%



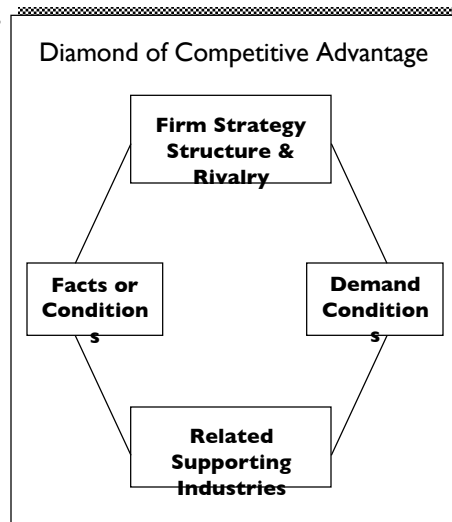
Covered Employment

County	1990	2000	2010	2020
Columbia	9,417	10,115		
Clackamas	92,268	133,056		
Multnomah	375,768	453,254		
Washington	139,131	224,015		
Yamhill	21,035	28,635		
Clark, WA	77,836	113,809		
Total	715,455	962,884		
Total w/o Columbia (Metro forecast)		1,208,900	1,483,800	1,795,400
% Change		35%	23%	21%

Sources: U.S. Census, Oregon Employment Department, Metro.
Metro estimates include proprietary or self-employed.

Business Clusters Defined

- Geographic concentration of *interconnected* companies
 - Upstream, downstream & lateral *linkages*
 - Rarely conforms to standard industrial *classifications*
 - Competitive *advantages* – information, innovation, productivity
 - *Public/private* roles – winners/losers vs. facilitation
- from David Porter, Harvard Business School



Business Clusters For Portland/Vancouver

Oregon Key Industries (97) PDC Ten Sectors (02) Clark County/CREDC (02) Impresa/OBC Clusters (03)

<p>Aerospace Agricultural Products Biotechnology <i>Environmental Services</i> Film & Video Production Fisheries Forest Products <i>Graphic Communications</i> High Technology Interstate & International Tourism Plastics Primary & Fabricated Metals Professional Services Software</p>	<p>High Technology Bioscience Metals Transportation Equipment Distribution & Logistics <i>Sustainable Industries</i> <i>Creative Services</i> Professional & Business Services Tourism Destination Retail</p>	<p>Semiconductors/Electronics Telecommunications <i>Life Sciences</i> Healthcare Distribution <i>Knowledge Based</i> Locally Owned Business</p>	<p>High Technology/Software <i>Wood & Paper Products</i> <i>Food Processing & Agriculture</i> <i>Apparel & Sporting Goods</i> <i>Transportation Equipment</i> <i>Creative Services</i> Recreation-Related Metals/Machinery Nursery Products Professional Services Biomedical</p>
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Boldface = Included on both OEDD, PDC and Impresa lists
Italics = Partial inclusion on both lists

Clusters Evaluated For This Seminar

Agriculture/Forest Products
Metals
Equipment Manufacturing
Apparel
High Tech Hardware
High Tech Software
Bioscience
Distribution
Tourism
Creative Services
Other Industrial
Other Services

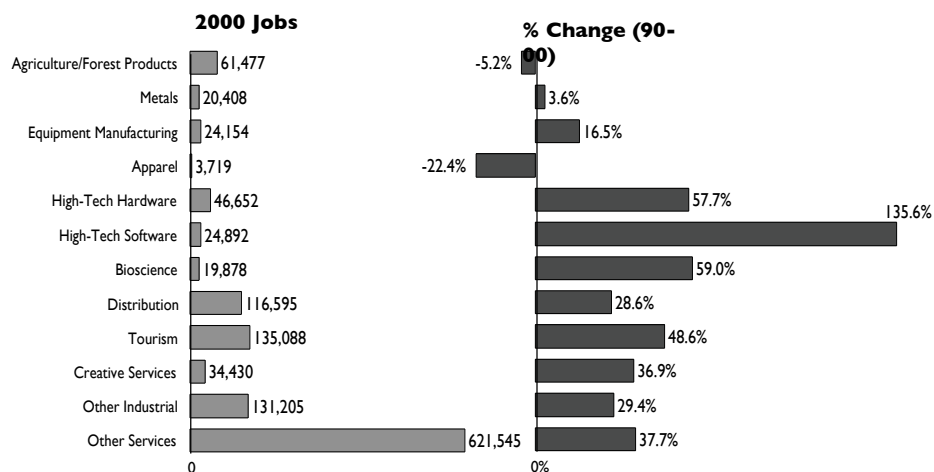
Note: Sectors add to 100% of output & employment

Competitive Advantage

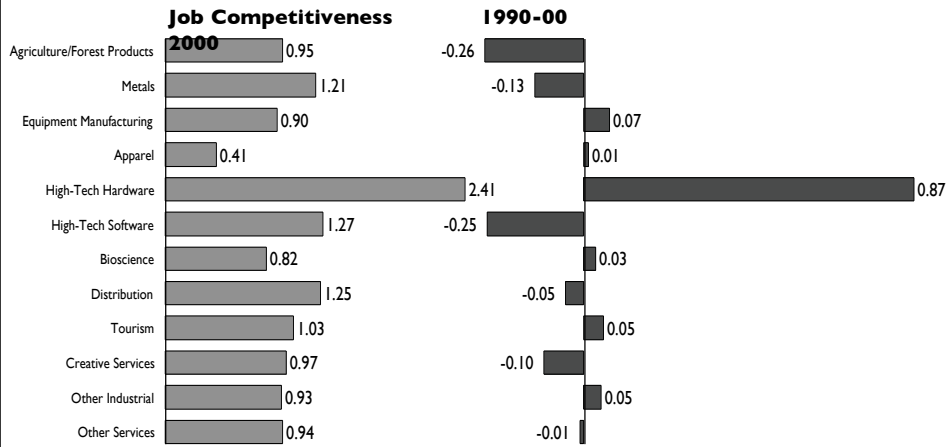
Measures of Current & Changing Advantage:

- Employment & wages
- Industry concentration – location quotient (LQ)
- Economic Benefit – productivity, value-added export orientation, local procurement, economic multipliers

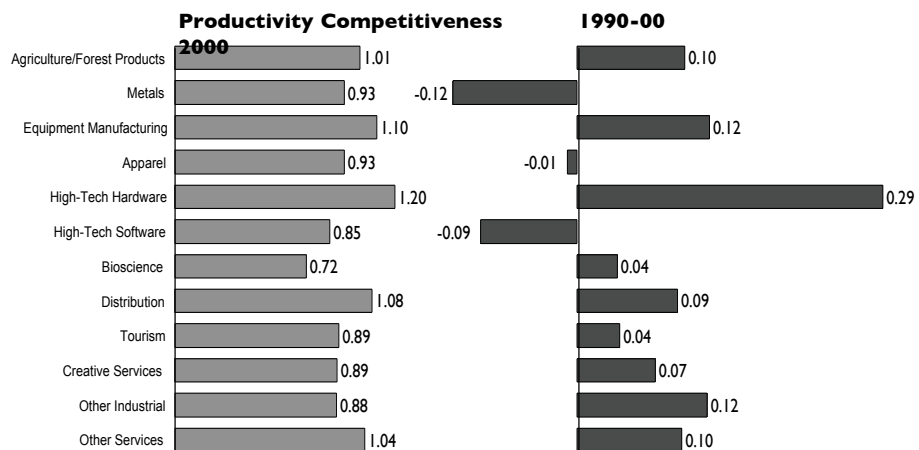
Employment & Wages



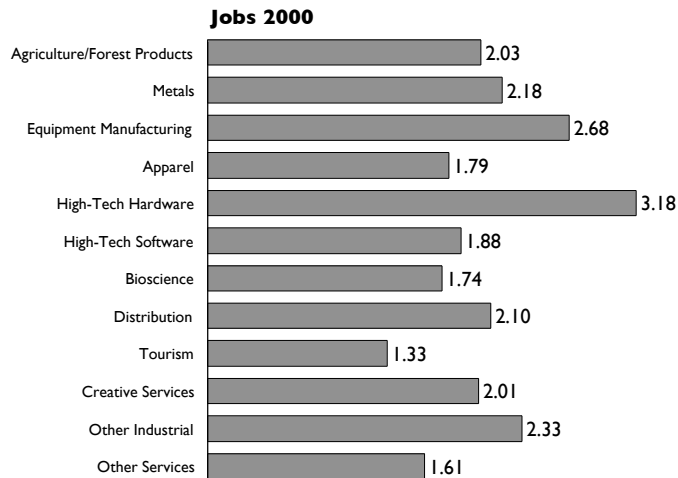
Job Competitiveness



Productivity Competitiveness



Economic Multiplier



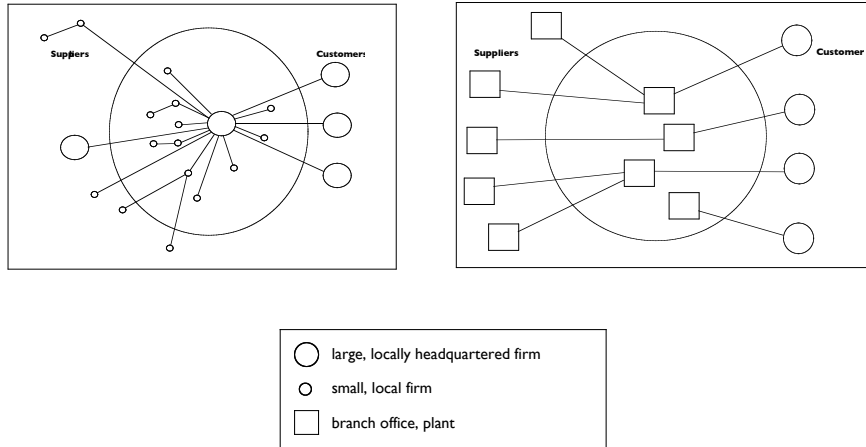
Business Targeting

- *Strong/growing* – business development & infrastructure support
- *Emerging* – selective recruitment, workforce training & infrastructure
- *Mature* – repositioning
- *Declining* – limited effort (case-by-case)

Change in Competitive Position (LQ) Declining (C) Growing (G)	Emerging:	Strong & Growing:
	Equipment Mfg (0.90) Apparel (0.41) Bioscience (0.82) Other Industrial (0.93)	Hi Tech Hardware (2.41) Tourism (1.03)
	Weak & Declining:	Mature:
	Ag/Forest (0.95) Creative Services (0.97) Other Services (0.94)	Metals (1.21) Hi Tech Software (1.27) Distribution (1.25)
	Weak (<100%)	Strong (>100%)
	Competitive Position (LQ)	

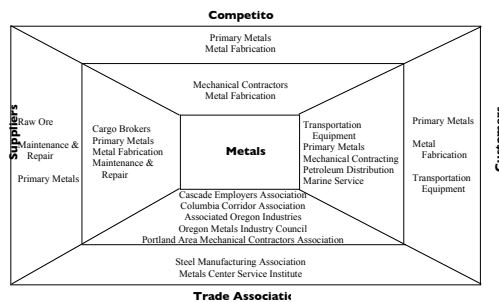
Note: **Boldface**= Sectors w/ above average productivity.

Clustering Paradigms



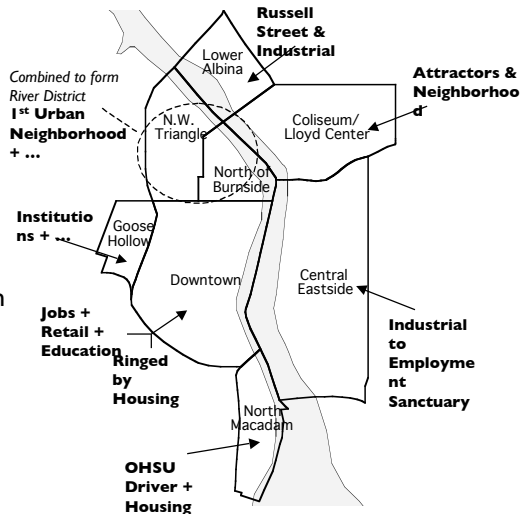
Industry Linkages (Metals)

- Portland Harbor Cluster
 - ✓ Primary foundries & fabricators
 - ✓ Supplier to other harbor industries
- Competitive Edge
 - ✓ Research & technology
 - ✓ Innovation to support high end pricing
- Industry Requirement
 - ✓ Targeted education/training
 - ✓ Infrastructure investment
 - ✓ Regulatory reform



Central City Portland

- Distinctive & complementary districts
- CCTMP goals
 - ✓ 75,000 jobs
 - ✓ 15,000 housing units
- Flat job/unsaturated housing market
- Opportunities
 - ✓ Housing, housing, housing
 - ✓ Retail/cultural differentiation
 - ✓ MAX
 - ✓ Rise of the creative class
- Challenges
 - ✓ Class A office future
 - ✓ Sustaining public/private investment

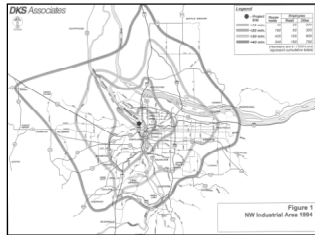


Downtown Hillsboro

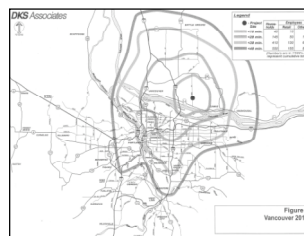
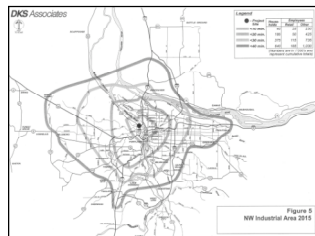
- Community Stability & Change
 - ✓ Long-time property owners
 - ✓ Governmental center & local services
 - ✓ Affordable rents
- Opportunities
 - ✓ High tech work/live (Santa Cruz of the North)
 - ✓ MAX
 - ✓ Small town values
- Challenges
 - ✓ Edge of metro setting
 - ✓ Creating value to justify investment



East Vancouver



- Portland Central City proximity to workforce erodes with travel congestion
- By 2015, East Vancouver can serve more households (45% of region) within a 30-minute drive than Central City (41%)
- Suburban advantage increases if focus is on labor force of future rather than current job base



Final Thoughts

Contrasting Approaches To Regional Economic Development

Features	Targeted	Portfolio
Business	• Priority clusters	• Multiple clusters
Education	• Nationally recognized research university	• Flexible learning network
Freight Mobility	• I-5 Corridor	• Rail/bi-state access repositioned
Workforce Mobility	• MAX	• MAX+
Tax Structure	• Convergence	• Diversity
Organization	• Regional	• Collaborative
Pros	• Focused & efficient	• Market responsive
Cons	• Picking winners?	• Shot-gun?