

Metropolitan Economic Policy Task Force (MEPTF)

Meeting Summary

December 12, 2002

Portland State University

Smith Memorial Student Union, Room 229

Chair Rob Drake convened the meeting at 6.30 pm.

The following MEPTF members attended: Steve Clark, Rob Drake, Ron Johnson, Michael Jordan, Vera Katz, Kim Kimbrough, Kathy Long Holland, Don Mazziotti, Bob Terry, Jose Tornero, Rick Williams

Not attending: David Bragdon, John Castles, Jesus "Jess" Carreon, Erik Hovee, Maria Rojo de Steffey, Judie Stanton, Carl Talton, Diane Vines, William Wyatt

Introductions

Chairman Drake welcomed task force members and the audience to the second meeting of the Metropolitan Economic Policy Task Force. Following short introductions, Ethan Seltzer, Director of the Institute of Portland Metropolitan Studies, briefly reviewed the first meeting. He then introduced Joe Cortright to the group. Joe Cortright, an economist with Portland-based Impresa Inc., was retained by the Regional Partners to develop an analysis of the inventory and survey of economic development efforts in the Portland-Vancouver metropolitan region. He was asked to review the inventory findings and to comment on synergies and gaps.

Inventory Analysis Presentation

Joe Cortright presented his analysis and emphasized the need for a regional economic development strategy. He first introduced the Task Force members to the region's economic characteristics. Cortright illustrated the region's successful track record in creating jobs and developing a unique set of innovative industry clusters.

He then defined economic development strategy and compared strategy to tactics, which are usually targeted towards efficiency. Borrowing from Harvard professor Michael Porter, Cortright stated, "a strategy establishes a vision of how our region will differentiate itself economically from our competitors, and how various aspects of what we do around the region will fit together to accomplish this vision." In Porter's view being efficient is not synonymous with being strategic. A strategy is about differentiation and requires trade-offs and a fit among activities. Cortright also presented essentials for an economic development strategy. They are: a shared economic vision, strong leadership, an overarching organization to coordinate, broad-based collaboration, rigorous analysis with mechanisms for translating ideas into action, and the need for regions to overcome transition points. In order to be strategic, regions need to explicitly state goals, identify competitor regions – nationally and globally -, state how they are different from others and how their activities fit, rule out strategies that they are not going to pursue, and measure progress.

Cortright then presented his analysis of the region's economic development activities. He stated that most economic development plans address tactics and focus mainly on incremental physical development. While most plans recognize local-regional connections, they do not compare the region to other regions. Common to the plans is a focus on individual firms through retention, expansion, and recruitment programs. Plans are mainly concerned with providing adequate land and infrastructure and only a few address human capital issues. Almost all plans embrace the concept of industry clusters and recognize regional interconnections. All of them include statements about the importance of quality of life to economic development. Common strengths are: the presence of collaborations between economic development actors, broad commonalities across local plans, the use of quality of life as a de facto strategy, and many well implemented tactics. Cortright identified the following weaknesses: lack of economic development plans in some communities, inward focus on the community's role in the region, narrow scope on physical plans and government actions, uneven definition of economic goals, and the region's multiplicity of plans and planning efforts with weak connections.

After reviewing the analysis, Cortright talked about the importance of regions and what competitor regions are doing. He stated that globalization and the phenomenon of industry clustering are responsible for the importance of regions. Many competitor regions realized this and created specialized institutions for economic strategy. In all of the regions, public and private partners support the efforts. Their focus is on positioning, visioning, building industry clusters, and assessment. These regions avoid authoritative dictation of policy to member institutions. Instead dialog and collaboration are important. Examples include Joint Venture Silicon Valley, San Diego's SANDAG Regional Economic Prosperity Strategy, Cleveland Tomorrow, Nelson-Tasman in New Zealand and Wales among others.

Cortright identified the gaps in the various economic development strategies. He noted that the region doesn't know its economic goals and it doesn't have an explicit strategy. The region also lacks a common forum for discussing its economic future. There is limited regional cooperation on economic development and no outward focus on how the Portland-Vancouver metropolitan region competes with other regions in the global economy. It also lacks a vision and it hasn't defined its distinctive niche or "brand equity." Cortright identified the need to position the region to compete in a global economy. To do this, the region ought to focus its regional strategy on positioning, branding, analyzing competitors, and benchmarking. Such activities distinguish from the more specific, immediate, and prescriptive tactics that the local plans prescribe. Cortright ended the presentation by presenting strategy elements from the Oregon Business Plan (pioneering innovation, people, productivity, and place).

Throughout the presentation, Task Force members had the chance to comment and ask questions for clarification. Don Maziotti noted that economic development infrastructure and capacity are extremely important for strategy delivery. Rob Drake asked whether an overarching organization or a coalition should be responsible for strategy development and implementation. Cortright responded that most important is that the process is consensual and collaborative and that not a single authority drives it. Michael Jordan emphasized that any economic development strategy needs to be future-oriented. There was also some discussion about whether quality of life should be defined in more detail. Rob Drake asked about the obstacles to developing and implementing a regional strategy.

Response and Discussion

Because of their involvement with previous economic development efforts, Steve Clark and Rick Williams presented responses to Cortright's analysis. Steve Clark worked with the Westside Consortium for Economic Health on economic development efforts for Washington County. He noted that the public is concerned about issues that they are unsure about and that economic development is an area where the region does not have a specific plan. Clark also noted several principles for a regional economic development strategy that his efforts yielded (fact-based, consensus, cluster-driven, innovation and knowledge-based, forward-looking, sustaining, and results-oriented).

As part of the Commercial Real Estate Coalition, Rick Williams worked on issues related to industrial land supply since 1997. He introduced the group to the Coalition's effort around Senate Bill 87 which was aimed at establishing the foundation for a regional economic development strategy. The bill did not pass but several of its elements were echoed in Cortright's presentation. Common elements were establishing targets for jobs and housing, identifying the supply of land, infrastructure planning, performance measures, review process, and the coordination of public infrastructure investment. The failure of the bill led the Coalition to participate in the Regional Industrial Lands Study (RILS). Rick Wills explained the reasons why the bill failed and he highlighted the lack of a common economic vision at the time, no support from political leaders, there was no organization to coordinate the process, and there was no system set up for analysis and discussion about targets. He highlighted the need for a common vision for economic development. He noted that once such a vision is developed, decisions about industrial land and the like would follow. He also advised to take action now.

Mike Jordan made an important observation, namely that when it comes to economic development, we have built-in incentives for interjurisdictional, interindustry, cross-sector, and interorganizational competition, but effectively none for collaboration. Portland Mayor Katz highlighted three questions which she thinks are key to

the discussion about strategy. They are: What have been the historical determinants for the region's success? Where were the weaknesses and what are the barriers for tomorrow? Where are the common interests between economic development and growth and sustainability/quality of life?

Next Steps

Ethan Seltzer outlined the next steps. In the January meeting the group will hear from state-wide efforts such as the Oregon Council on Knowledge and Economic Development, New Economy Coalition Cluster Committee, Oregon Business Plan, and Oregon Governor's Transition Committee. Next, the Task Force will begin a discussion of key principles to be addressed by a regional economic strategy.

Next Meeting

All MEPTF meetings will take place on the second Tuesday of each month. The next meeting is scheduled for Tuesday, January 14, 6.30 pm to 9 pm, in Portland State University's Smith Memorial Student Union, Room 229.

Public Comment

Chairman Drake gave the audience the opportunity to make public comment. No public comment was received.

Chairman Drake closed the meeting at 9 pm.