



What's Happening in Forest Grove's Economy

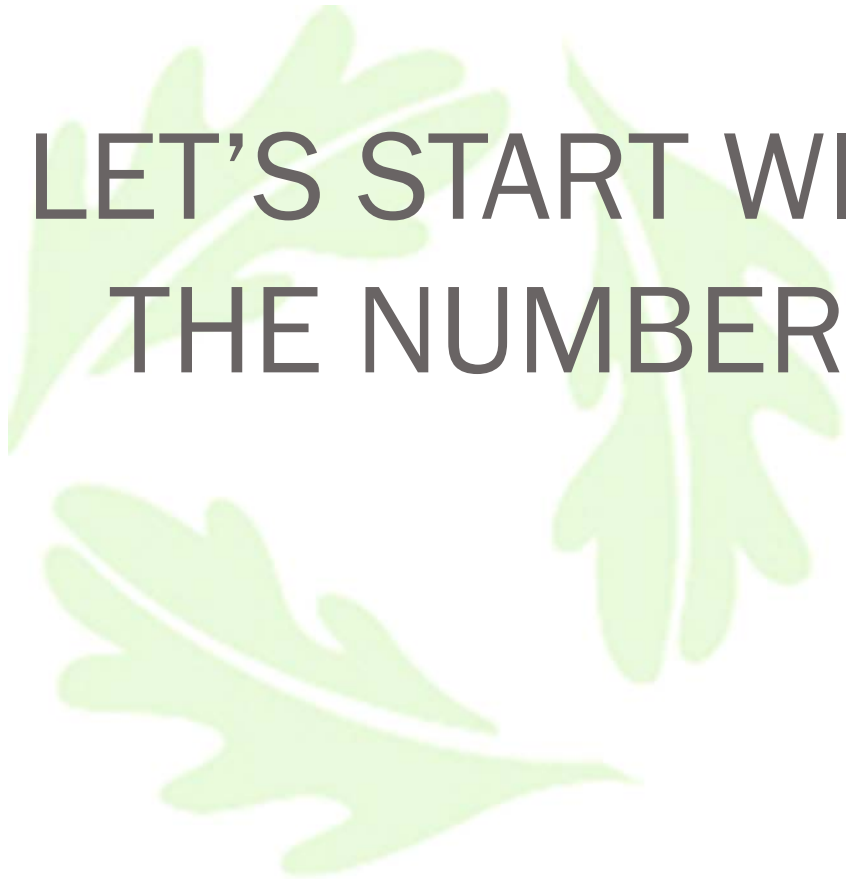
Spring, 2019

A place where families and businesses thrive.

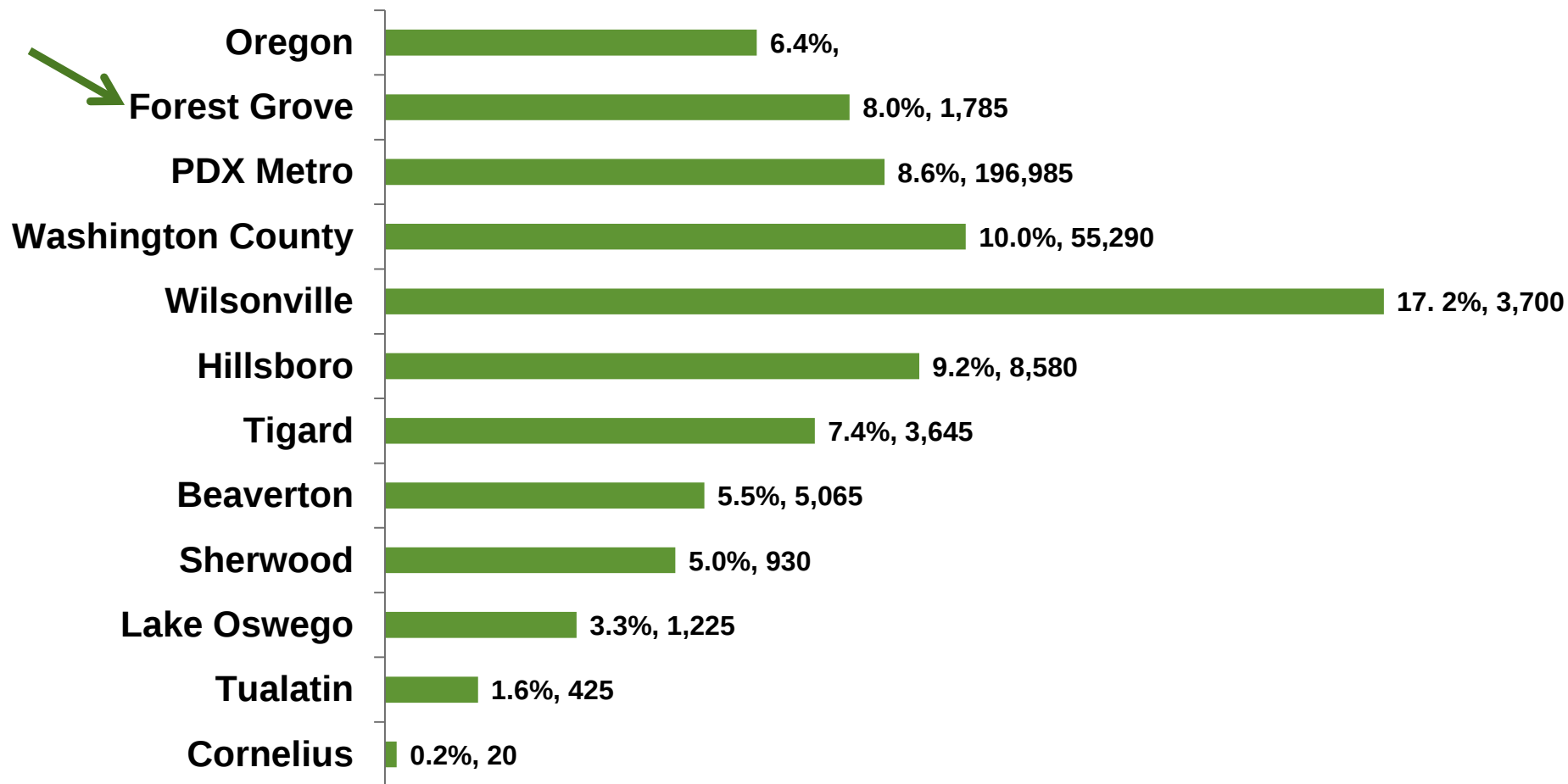
Economic Snapshot

- Over the past five years, Forest Grove has made substantial economic progress.
- Growth has been diverse and in all sectors: industrial, commercial, residential, and tourism.

LET'S START WITH THE NUMBERS



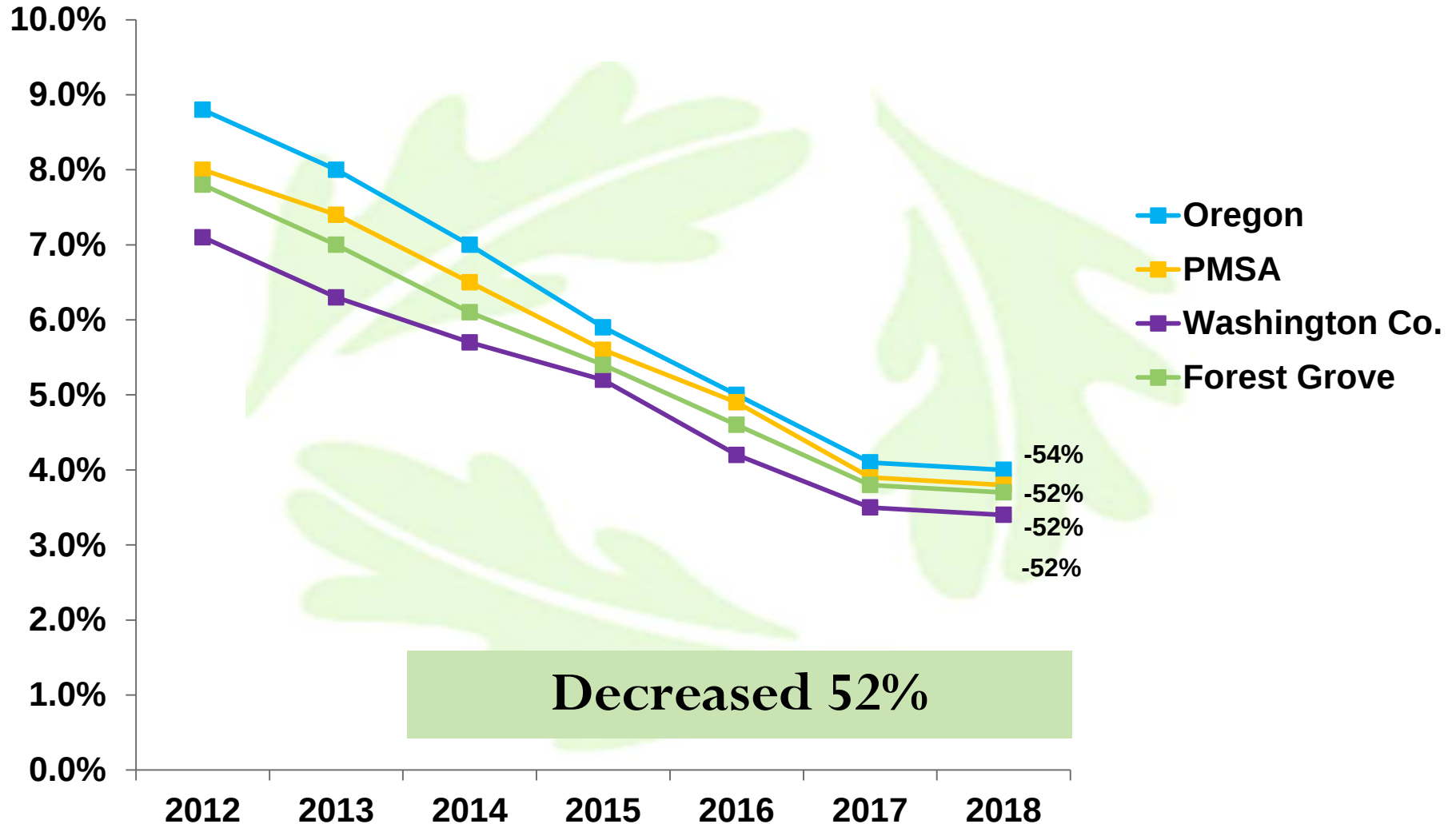
Population 2013-18



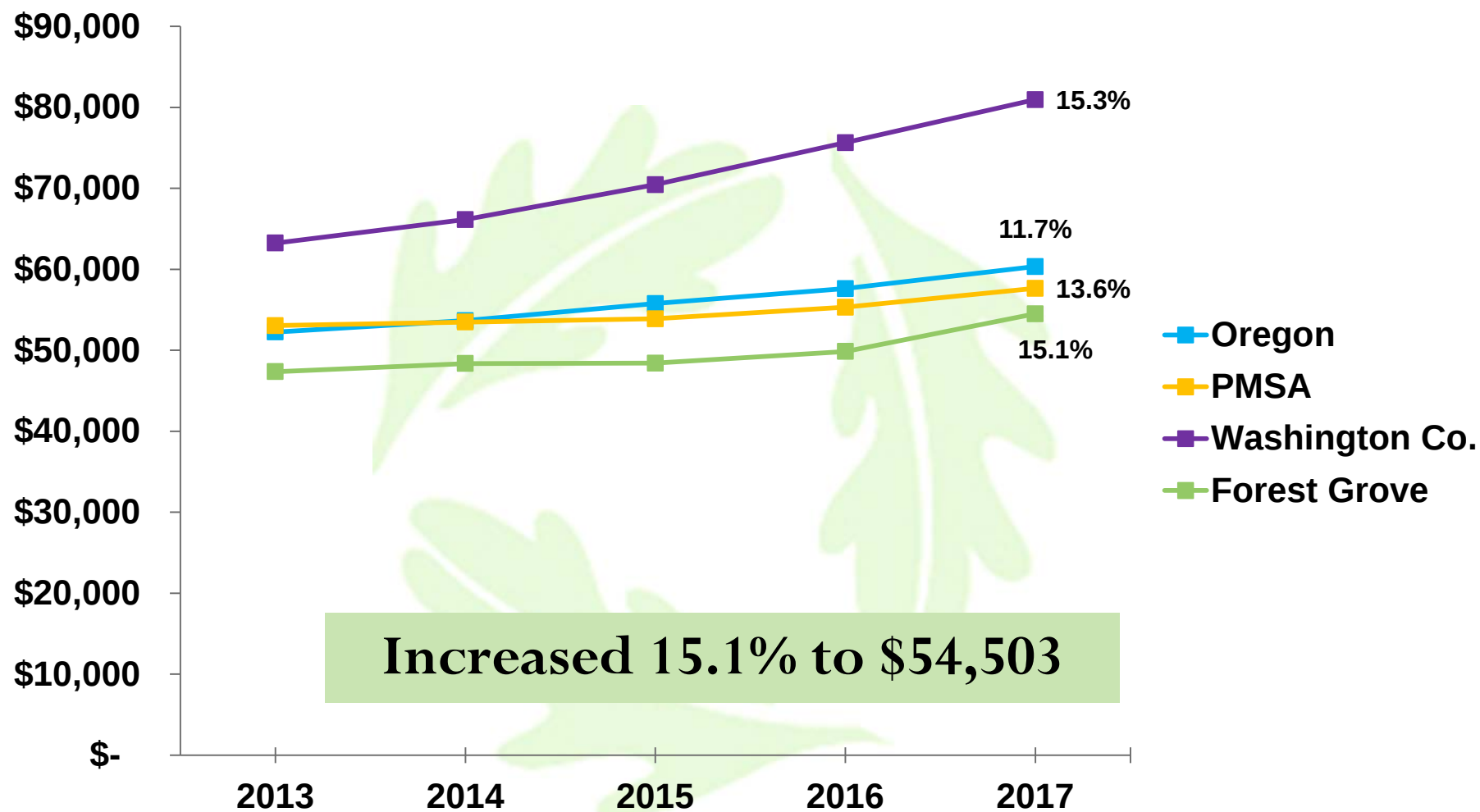
Source: Portland State University Population Research Center, 2013-2018

5th fastest growing with over 5,000 residents

Unemployment

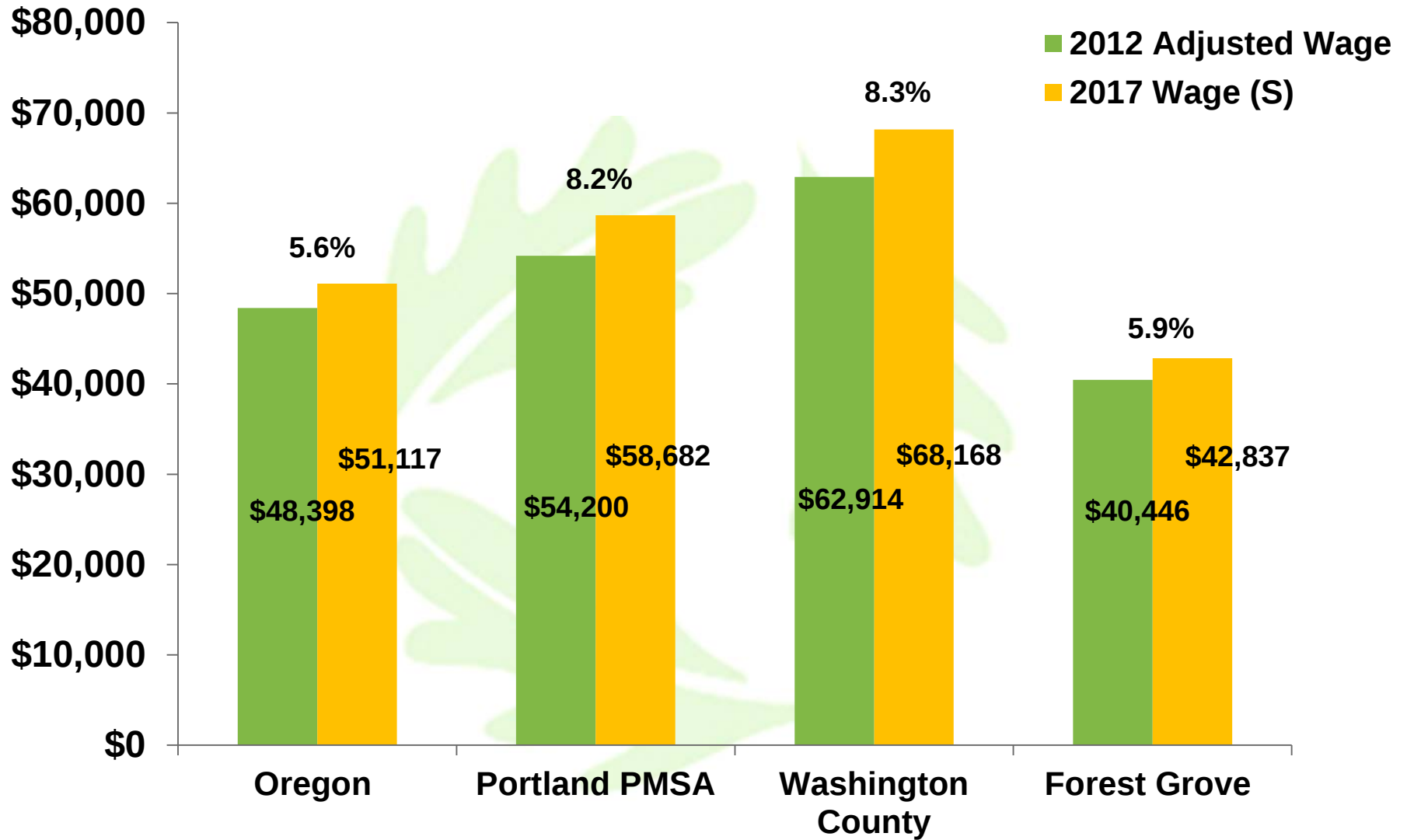


Median Household Income

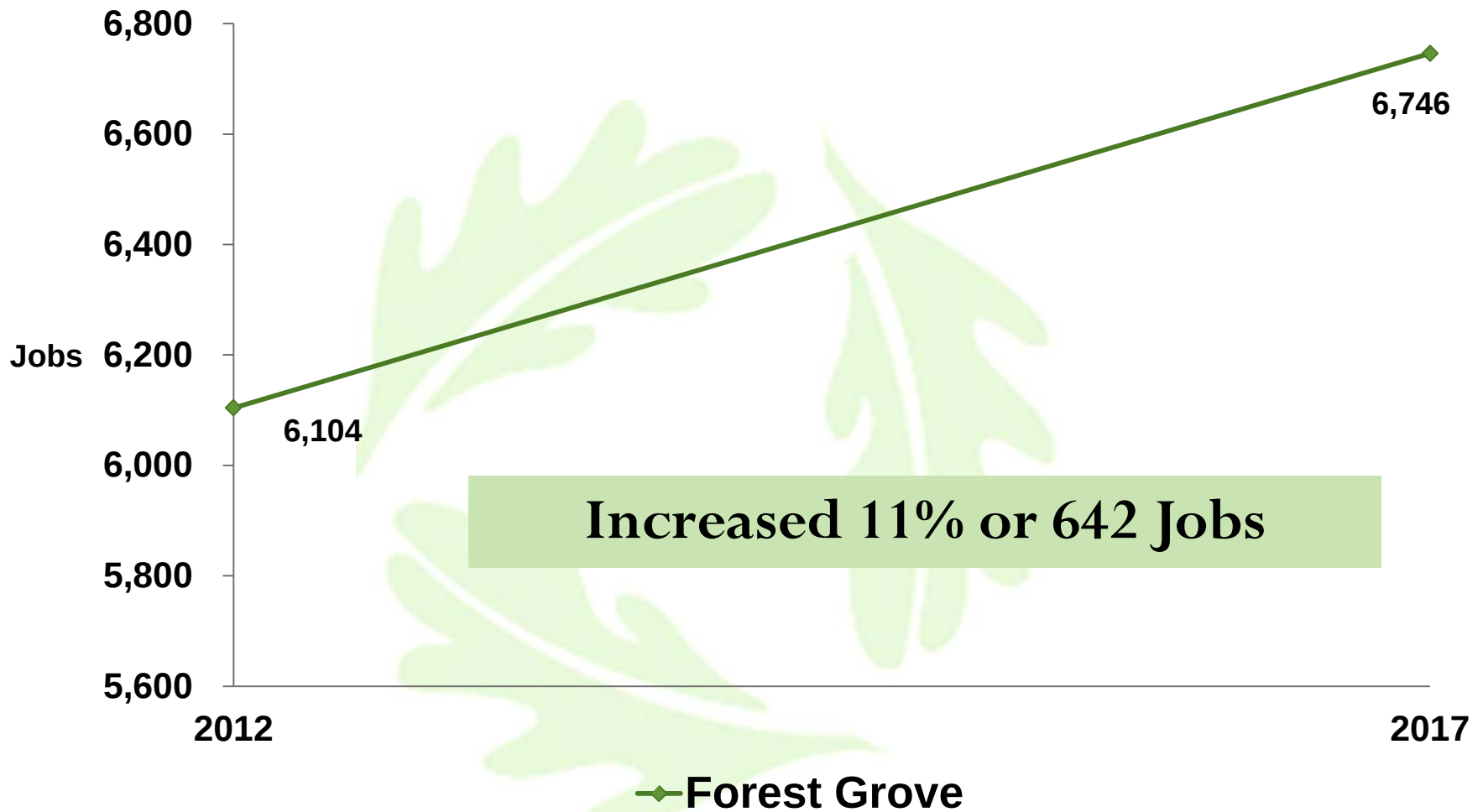


Source: State of Oregon Quality Info Employment Department, Employment and Wages by Industry, 2013 – 2017

Wage Growth 2012-17

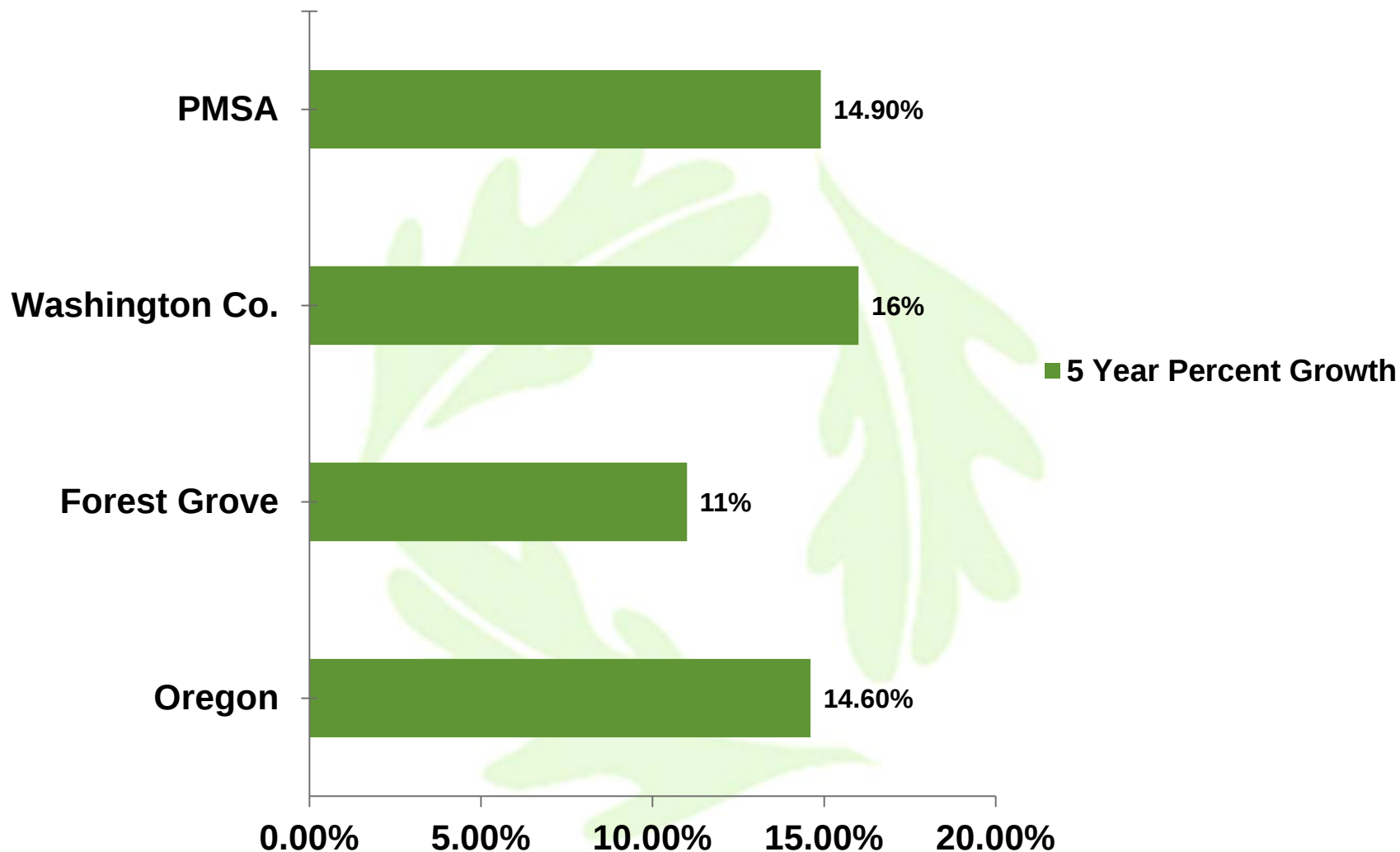


Employment



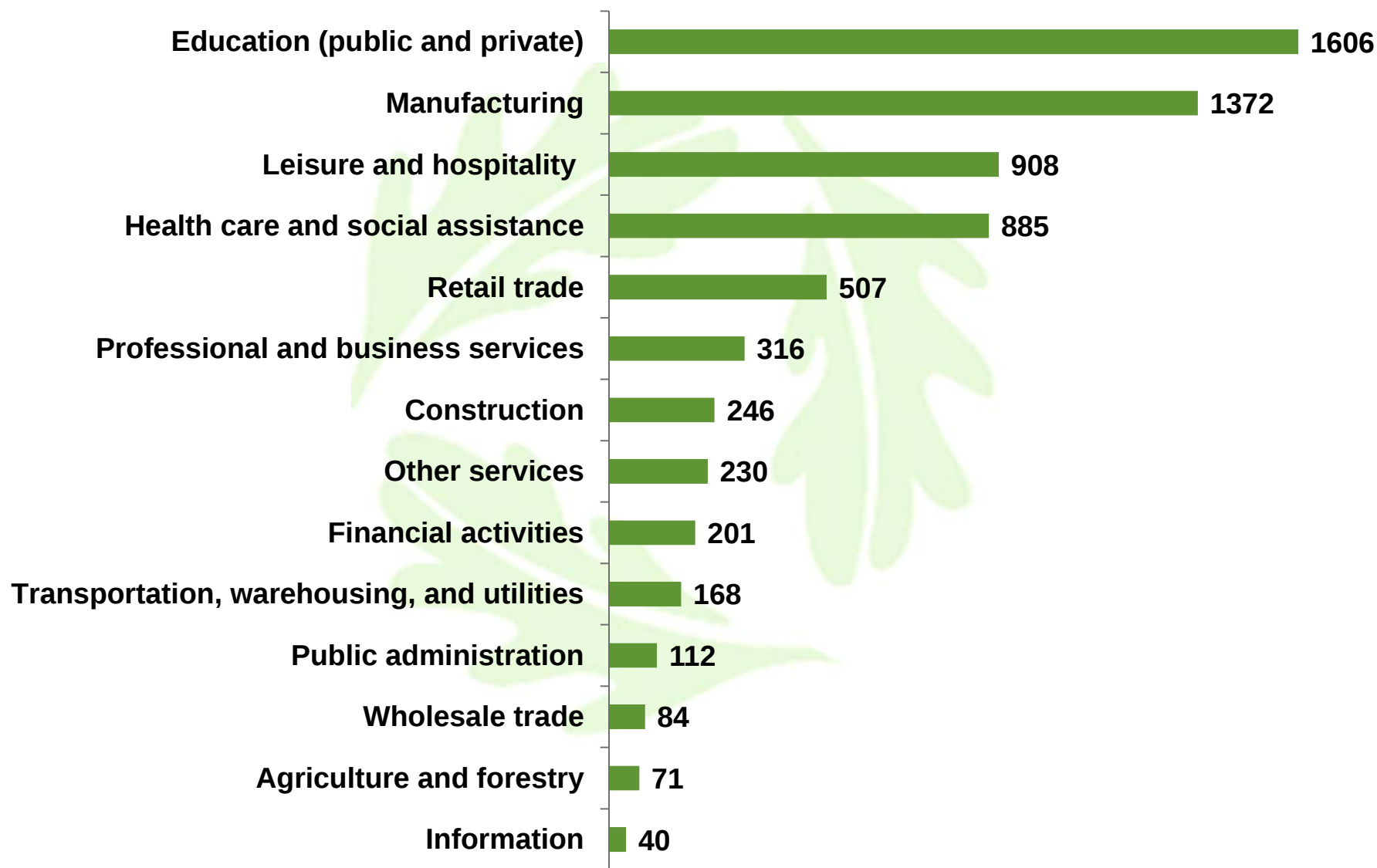
Source: State of Oregon Quality Info Employment Department, *Employment and Wages by Industry*, 2012 – 2017

Employment Growth 2012-17



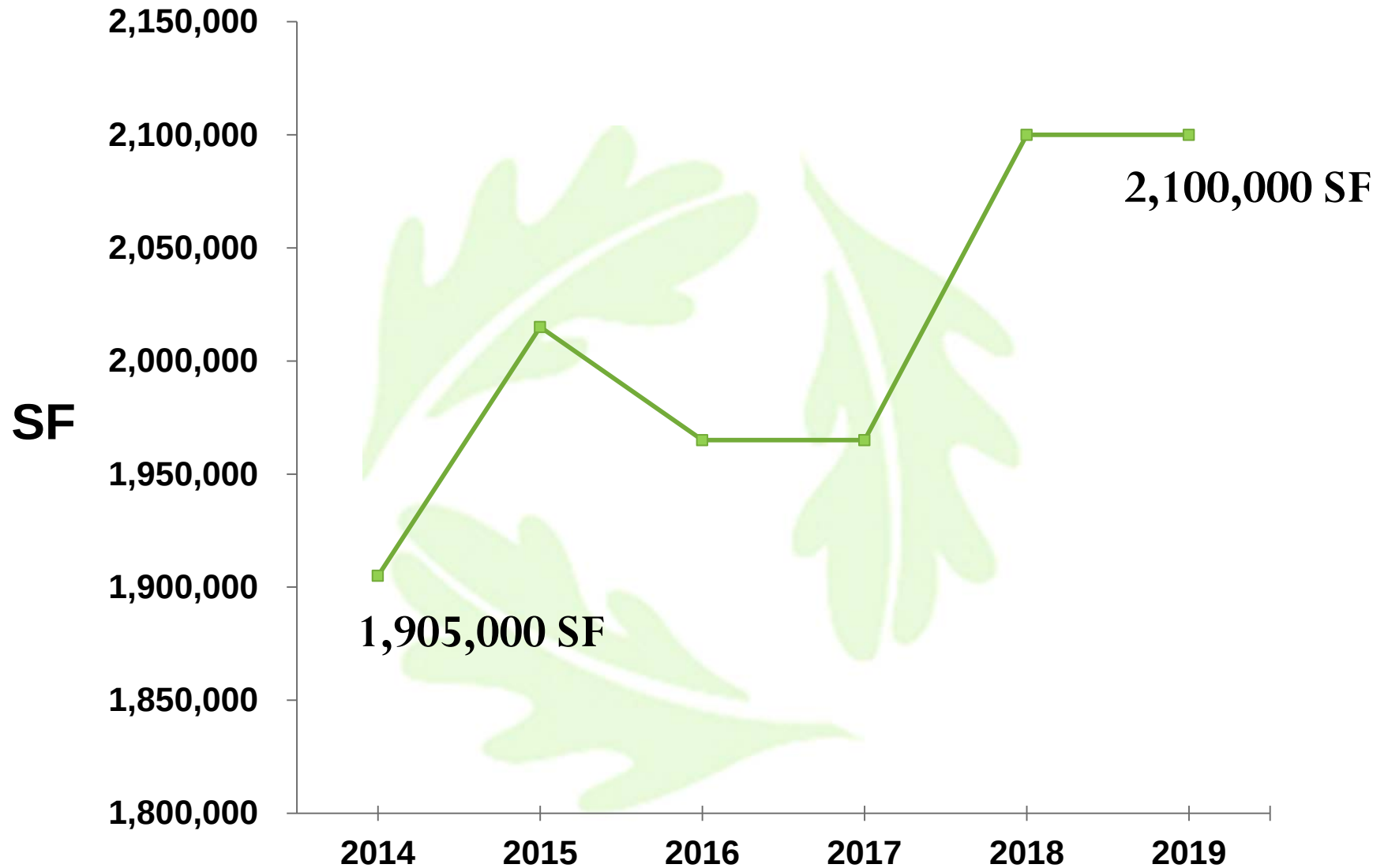
Source: State of Oregon Quality Info Employment Department, *Employment and Wages by Industry*, 2012 – 2017

Top Employment Sectors

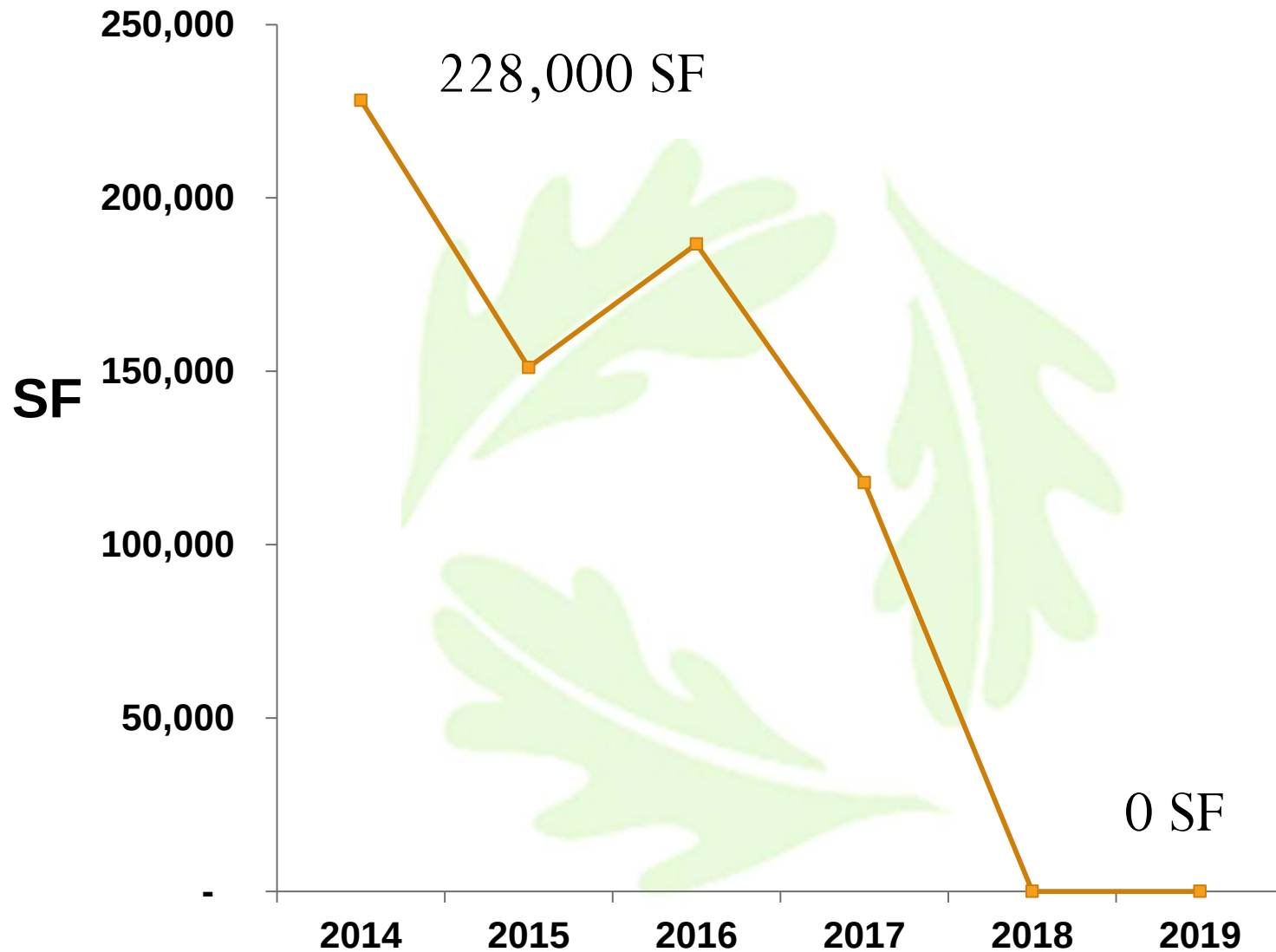


Source: Oregon Employment Department, Quarterly Census of Employment and Wages (QCEW), 2017 annual

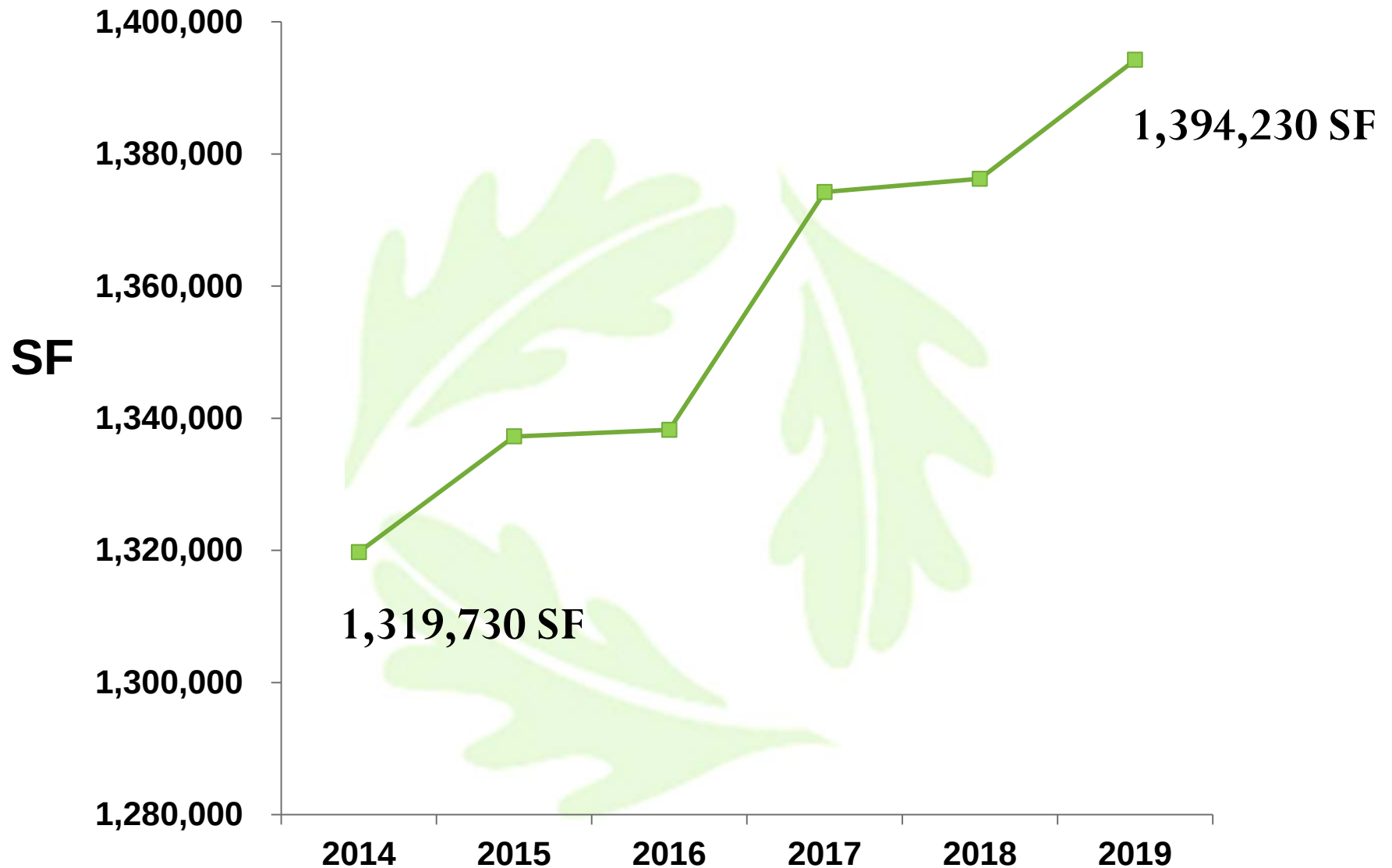
Industrial Square Feet



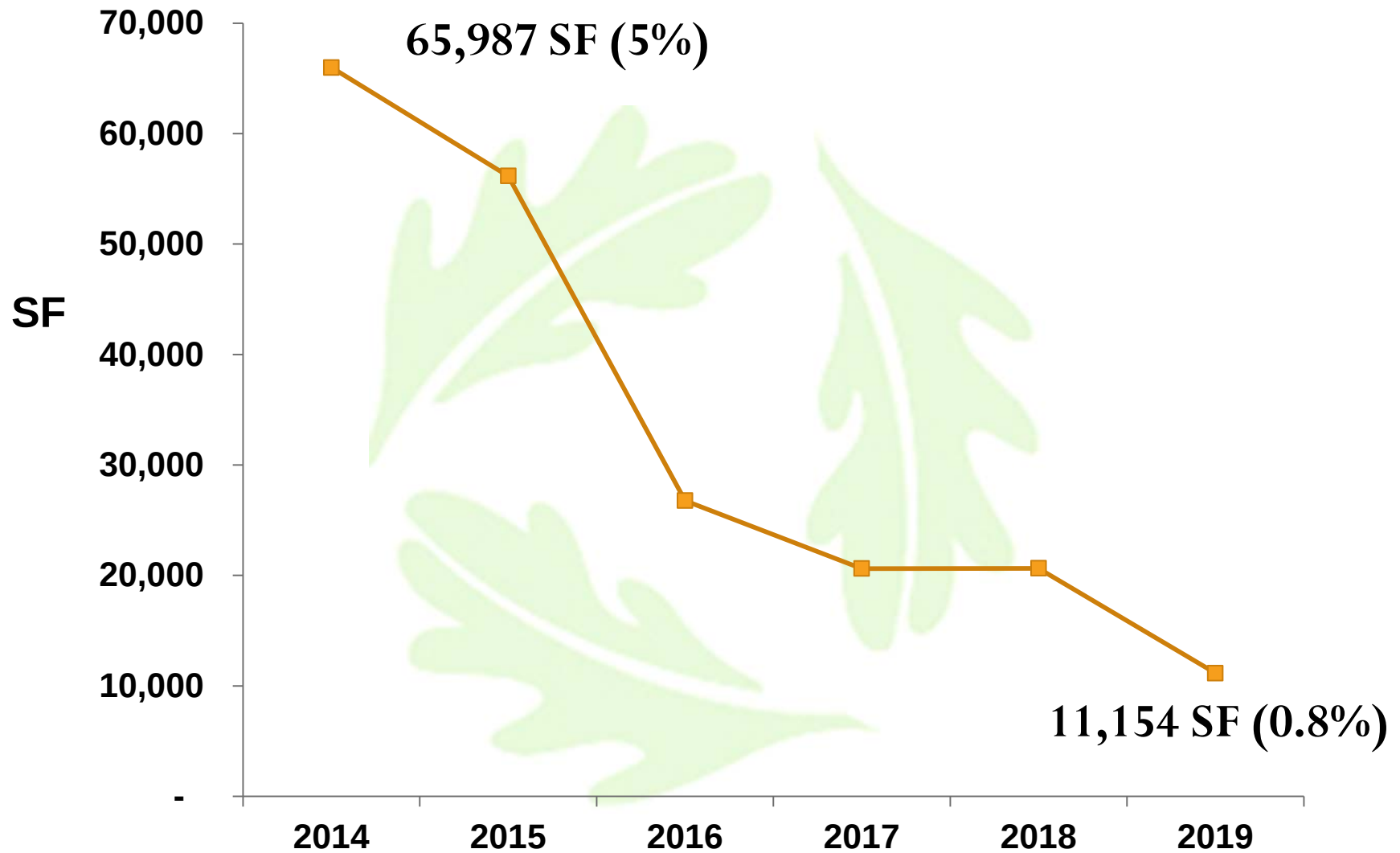
Industrial Vacancy Rate



Commercial Square Feet

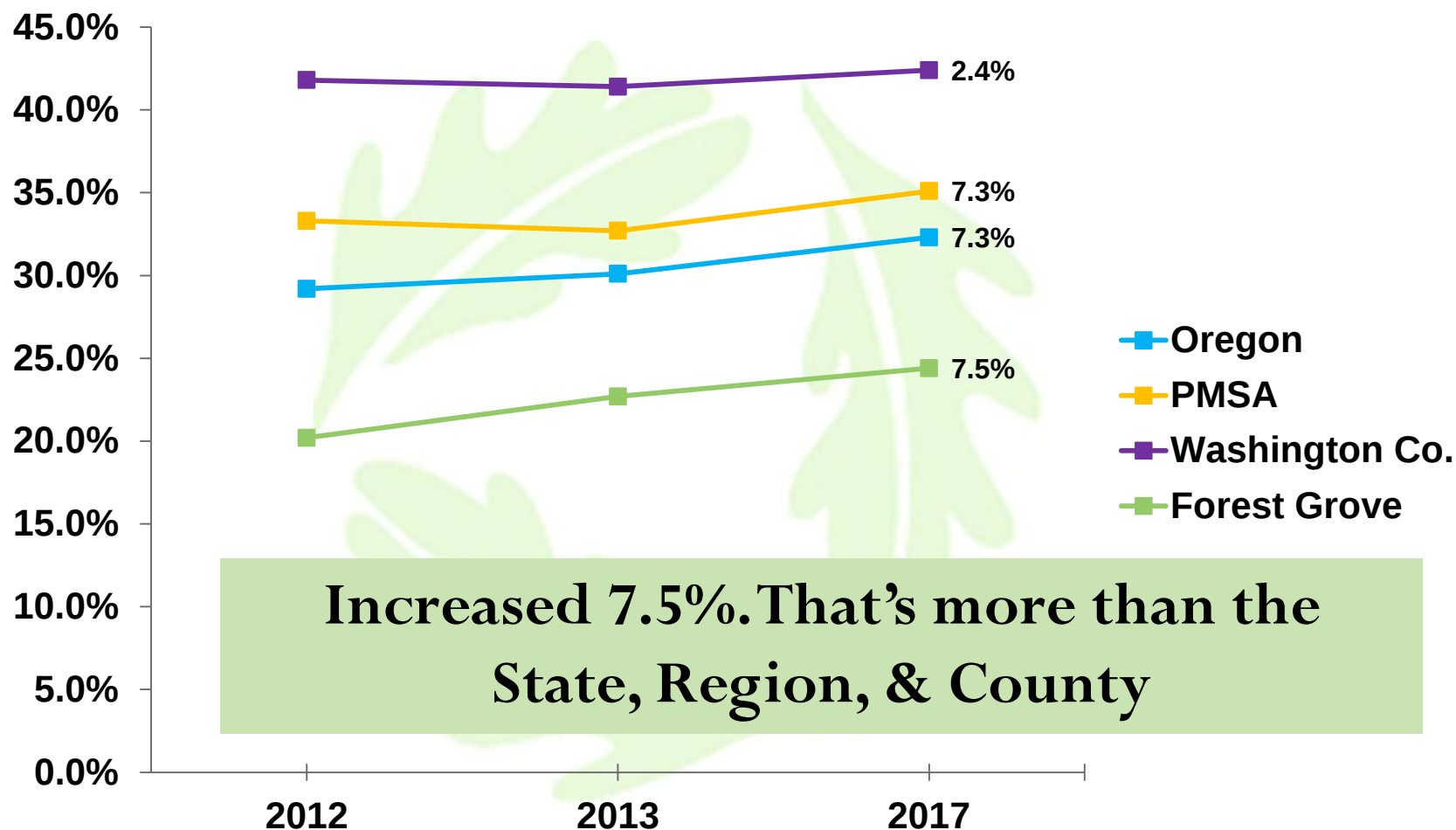


Commercial Vacancy 2014-18



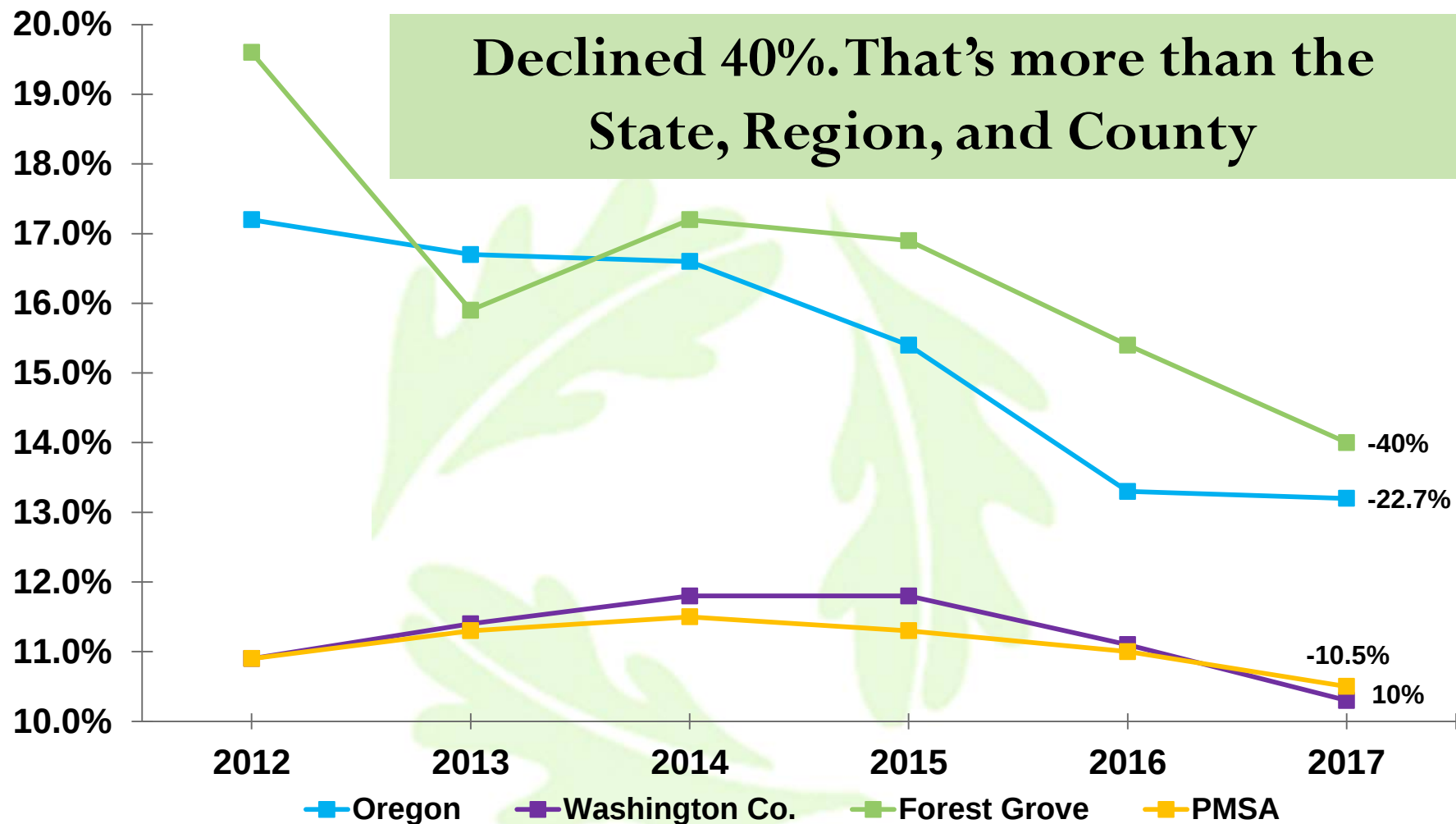
Education Attainment

Bachelors Degree And Above



Poverty Rate

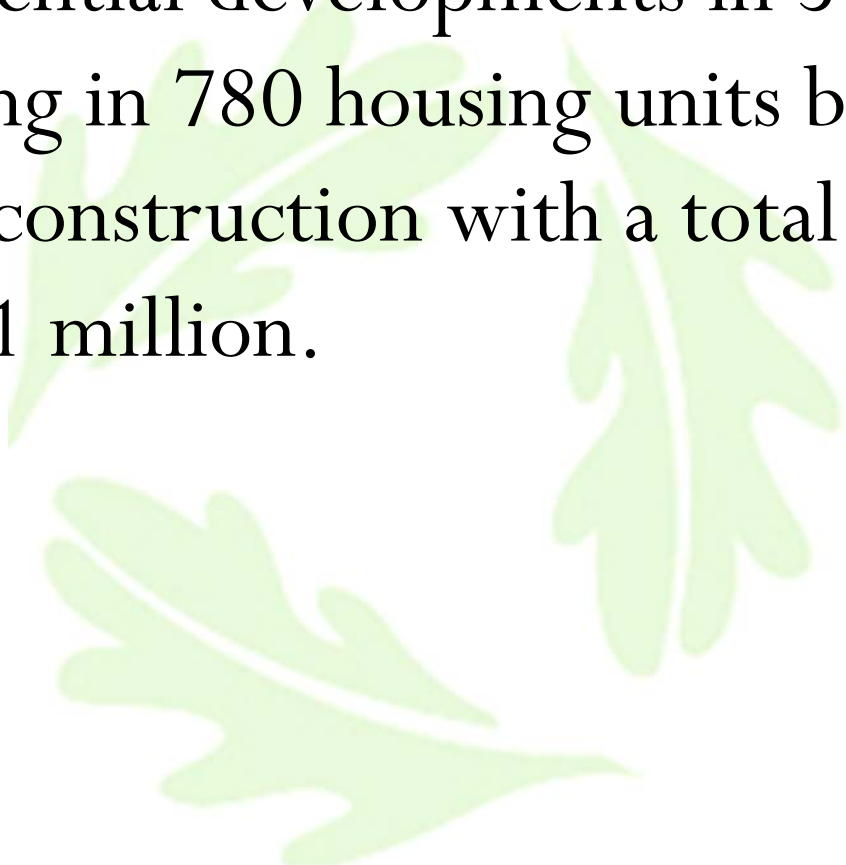
Declined 40%. That's more than the State, Region, and County



RESIDENTIAL DEVELOPMENT

A large, light green oak leaf graphic is positioned behind the title text, with its stem and veins visible.

Residential Projects

- 9 residential developments in 5 years, resulting in 780 housing units built or under construction with a total investment of \$101 million.
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A large, light green oak leaf graphic is centered behind the title text. It has a prominent central vein and several smaller veins branching out, with a classic lobed edge.

INDUSTRIAL DEVELOPMENT

Industrial Development

- Enterprise Zone Program
 - State program, administered locally.
 - A business qualifies for a 3-year property tax exemption in exchange for new investments and job creation.
 - Companies paying wages at or above the County median may qualify for up to a 5-year exemption.
- Program has been used by 8 companies
- Facilitated \$101.8 million in investment and 300 jobs

Industrial Development

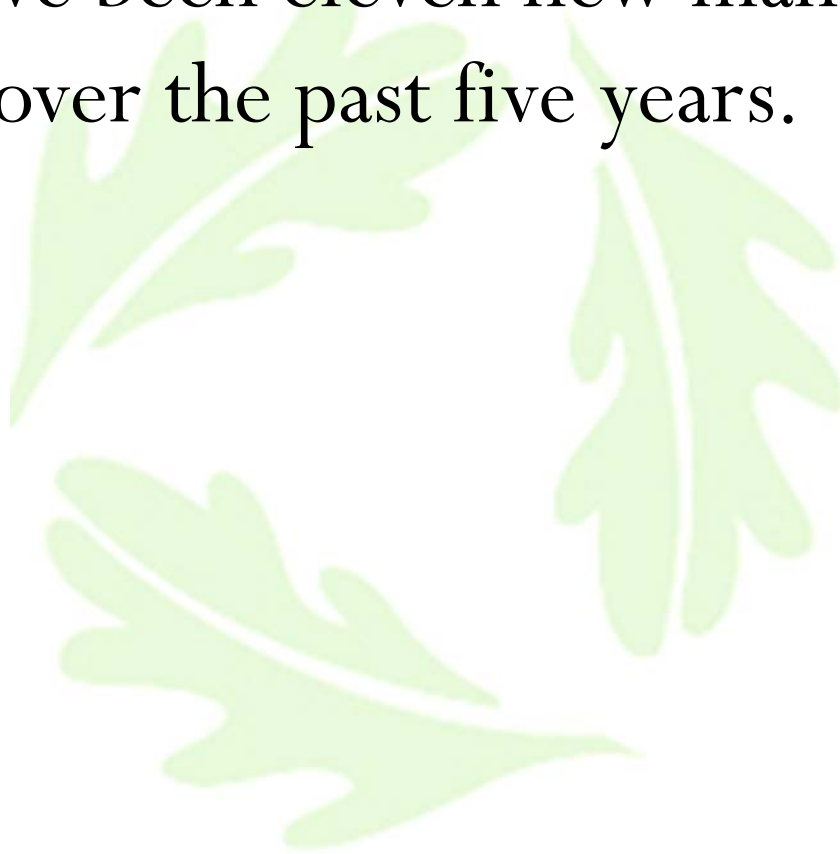
- Certified “Shovel-Ready” Industrial Program
 - In cooperation with Business Oregon
 - Program that certifies a site is developable within 180 days.
 - Certified sites are marketed globally.
- Forest Grove has four industrial sites in the Program.
 - Two have received full certification.
 - Two have received pre-certification.
 - Staff works with landowners to achieve full certification.

Industrial Development

- Industrial Site Marketing
 - Oregon Prospector, Greater Portland, Inc., and the City of Forest Grove website. Provides wide exposure of industrial site data.
- Business technical assistance and permit coordination
- Participate in regional grant funded consortiums to develop tools and information to aid site development

Industrial Development

- There have been eleven new manufacturing projects over the past five years.



Industrial Development Projects

MGC Pure USA

- Manufacturer of pure hydrogen peroxide.
- Total investment: \$32.5M
- Jobs Created: 25 paying over \$62,000



Industrial Development Projects

Old Trapper

- 70,000 square feet new space
 - Total Investment: \$34.2M
 - Jobs Created: 115



Industrial Development Projects

Chaucer Foods

- Occupied 80,000sf + vacant building
 - Total Investment: \$20.3M
 - Jobs Created: 110



Industrial Development Projects

Other projects:

- Lieb Foods: \$4 million investment; 12 jobs.
- DMH, Inc.: \$3.4 million investment; 55 jobs.
- Photo Solutions: \$776,634 investment; 9 jobs.
- New Season Foods: \$1.2 investment; 3 jobs.
- Yamaki USA: \$700,000 investment; 3 jobs.
- Parker Concrete: \$1.08 million investment; 5 jobs.
- Pascor: \$8.6 million investment; 8 jobs
- Lundahl Warehouses: \$1.1 million investment; 12 jobs.



COMMERCIAL DEVELOPMENT

Commercial Development Programs

- Urban Renewal Agency
- Business Incentive Program
- Marketlink

Urban Renewal Agency

Urban Renewal Agency Programs

- Property Acquisition and Redevelopment
 - Storefront Improvement Program
 - Town Center Program
- 

Property Acquisition and Redevelopment

Jesse Quinn Mixed Use Project

- \$15.5 million project. \$1.5 million in Urban Renewal assistance.
- 78 rental apartments including 6 work/live units
- 2,500 square feet of commercial space



Storefront Improvement Program

- Matching grant program to reconstruct storefronts
- 10 businesses have participated
- Total investment to date: \$106,580



Town Center Programs

- Parking Study
- Public Art Program
- Street Trees
- Festival Plaza Study
- Parklet Project



Commercial Development Programs

- The Business Incentive Program
 - Waives or reduces fees & permits for small businesses.
 - 14 businesses leading to 97 jobs in past 5 years.
- Marketlink Program
 - Small business market analysis and marketing program.
 - Program has assisted 5 businesses.

Commercial Development Projects

- Nearly 88,000sf of new commercial space has been built or committed in the past five years.
- Examples include McMenamin's Grand Lodge, Wauna Credit Union, Stonewood Center, Raines Dialysis Center, and Pac-Oak development.
- Total investment of \$23.57 million leading to 124 new jobs.

Commercial Development Projects

The Stonewood Center

- 13,000 square feet is completed. Build-out is 45,000 square feet.
- \$2.9 million invested thus far and 15 new jobs.
- New businesses: Black Rock Coffee, Sherwin Williams Paint, Bank of America, and Pink Spoon Frozen Yogurt.



Commercial Projects: Downtown

- Historic downtown Forest Grove is undergoing a renaissance. There's been approximately \$2 million invested in renovations.
- 24 new businesses including restaurants, micro-breweries, and gift boutiques have opened or committed to opening over the last few years.
- The food and beverage selections are award winning, diverse, local, and innovative.

A large, light green graphic of three oak leaves arranged in a circular pattern, serving as a background for the word "TOURISM".

TOURISM

Tourism Development

The City established a 2.5% local transient lodging tax in 2018

- The City has a two year contract with Carrier Consulting to unify Forest Grove's brand and develop a marketing and advertising plan to increase bed stays.
- Tourism has increased 15.7% in five years, as measured by TLT revenues.

Tourism Development

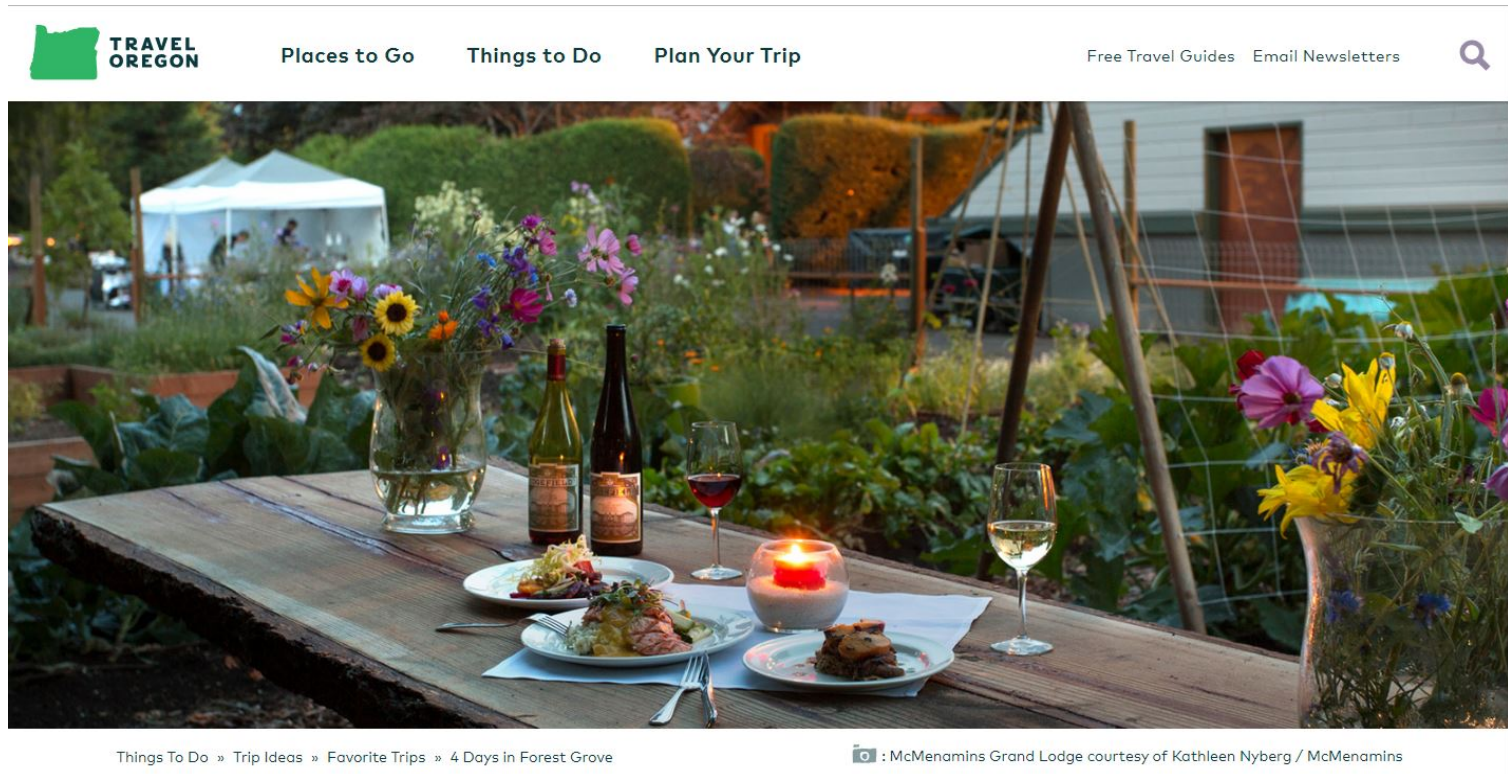
- Forest Grove was 1 of 7 cities selected by Travel Oregon to receive an iconic mural depicting tourist offerings in the area. Located at Pacific and Main.



Tourism Development

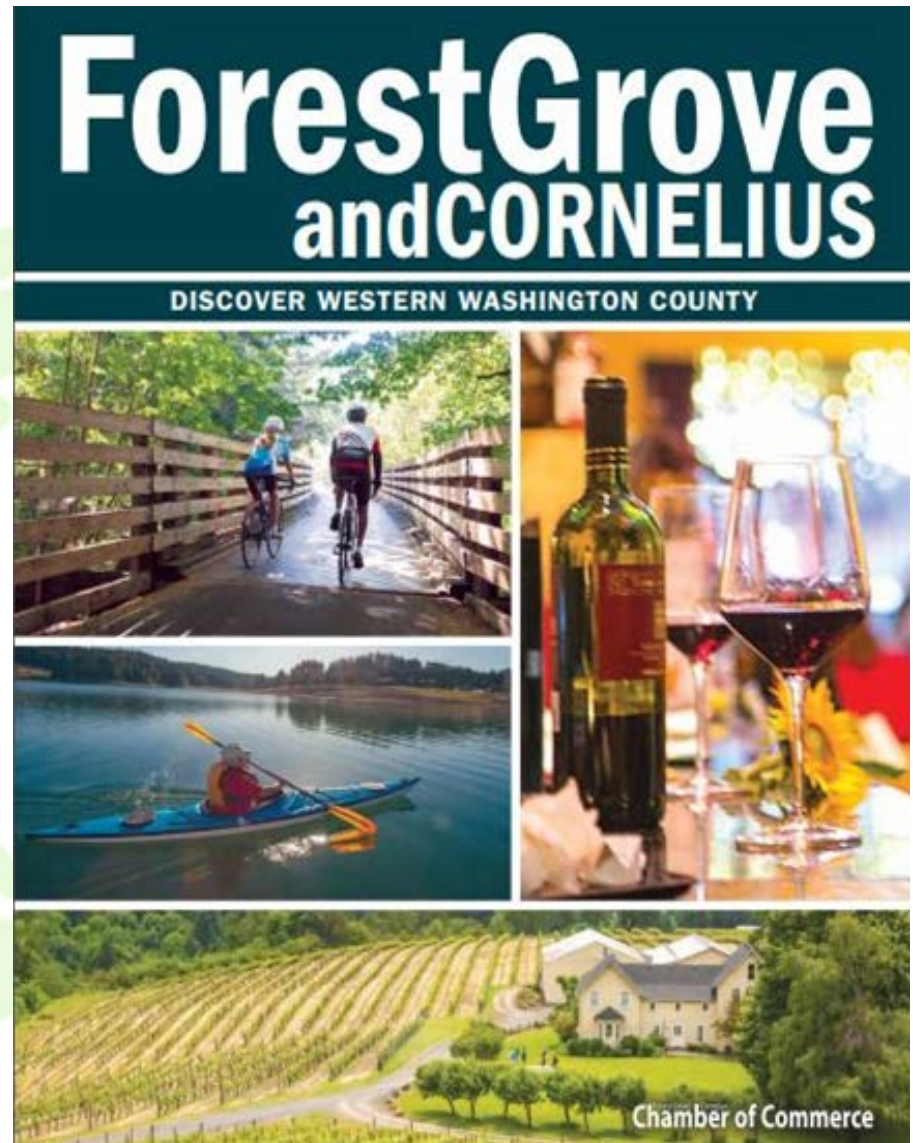
- Forest Grove commissioned “4 days in Forest Grove” with Travel Oregon which has been viewed by 88,742 persons for an average of 3 minutes, 46 seconds.

4 DAYS IN FOREST GROVE



Tourism Development

- TLT Revenues were used to place an ad and distribute the Forest Grove Visitor's Guide:
- 22,000 Maps and 10,000 Guides in 2019.
- Distributed to visitor kiosks across Oregon.



Tourism Development

- Travel Oregon Annual Visitors Guide: 300,000 copies/year
- Digital version: 15,704 users
- Guide is distributed across visitor centers across Oregon and place on state website.



Tourism Development

- Portland Relocation Guide: 30,000 copies per year
- Digital version: 9,600 users

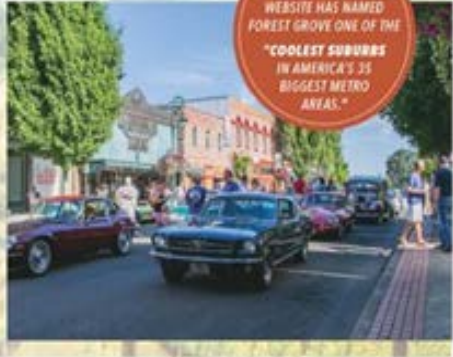
FOREST GROVE OREGON

A place where families and businesses thrive.

FOREST GROVE:
A Small Town with a Growing Reputation

Looking for the right place to locate a business or your family? We've got the full package: small college-town charm mixed with big-city amenities; low business and utility costs; and easy access to some of Oregon's finest recreation spots. We're close to Portland (25 miles away) and major highways, but a world away when it comes to our picturesque countryside, fun-loving annual community events, and our stroll-friendly historic downtown, which offers a trendy mix of eclectic eateries and shops. In short, we have the best of both worlds – a thriving business hub with endless entertainment options at our doorstep. And we have room to grow.

THE THRILLIST NATIONAL TRAVEL WEBSITE HAS NAMED FOREST GROVE ONE OF THE "COOLEST SUBURBS IN AMERICA'S 35 BIGGEST METRO AREAS."




DIVERSE AMENITIES & ACTIVITIES

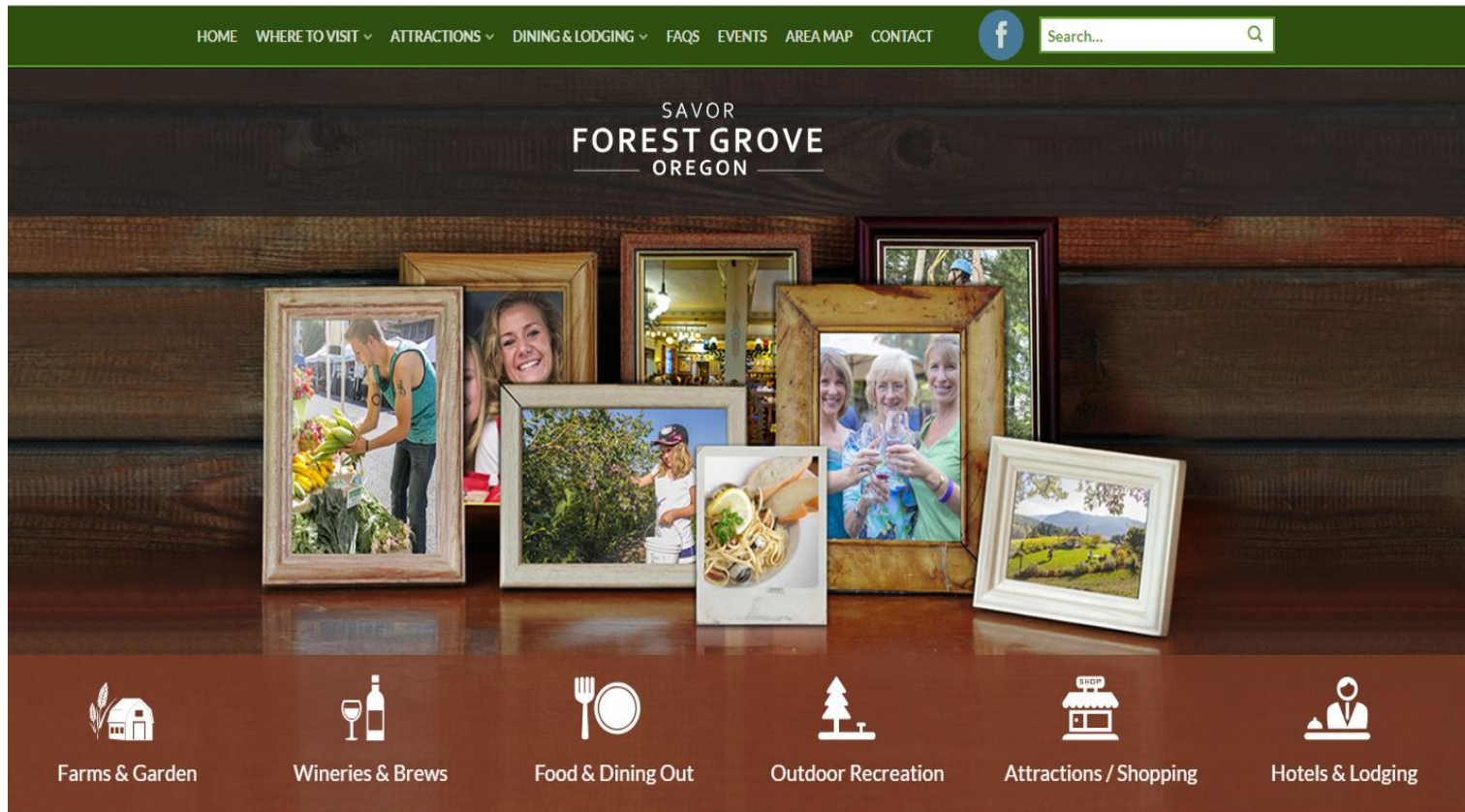
Whether you prefer a quiet picnic at a vineyard or a heart-pumping hike up a mountain trail, you'll find countless ways to enjoy yourself.

- Vibrant historic downtown for strolling, shopping and dining.
- Community events year-round that include Forest Grove Uncooked, the colorful Sidewalk Chalk Art Festival, and the Concours d'Elegance classic car show. Pacific University also hosts many sporting, academic and cultural events.
- Gateway to scenic wine country, golfing, road and mountain biking, hiking in adjacent Tillamook State Forest, and boating on nearby Hagg Lake. The Oregon Coast is 1 hour to the west; Oregon's iconic Mt. Hood is 1 1/2 hours east.
- Epicenter for culinary- and agri-tourists, with a profusion of wineries, craft breweries, distilleries, restaurants, and farmers' markets – even "farm dinners."
- The historic and creatively renovated McMenamin's Grand Lodge, known for its restaurants, spa, artwork, music, and unique, literary-themed rooms.

www.forestgrove-oregon.com/community/page/visit-us

Tourism Development

- Savor Forest Grove website.



Economic Summary

- Unemployment at Record Lows: 3-4%
- Median Household Income up 15%
- Education Attainment up 7.5%
- Poverty down 40%
- Tourism up 15%
- Significant growth in Industrial and Commercial sectors

A large, faint, light green oak leaf graphic is centered in the background of the slide, behind the word 'QUESTIONS?'.

QUESTIONS?

PRODUCED BY THE OREGON BUSINESS MARKETING DEPARTMENT

Historic,
walkable
downtown

Caption

Forest Grove: A New Home for Businesses

How one of Oregon's fastest growing communities works to bring prosperity to companies & residents

BY NATALIA HURT

Twenty-five miles west of Portland lies a rapidly-growing community that blends the best of rural and urban living: it is charming and sophisticated, historic yet innovative, quaint but energetic.

Forest Grove's unique quality of life hasn't gone unnoticed. Between 2010 and 2017 its population grew by 13%, ranking it among Oregon's top-10 fastest growing cities. Median household income rose 15% and poverty plummeted by 40%.

As Oregon bounced back from the recession, Forest Grove not only took part in the region's growth, it steered quality expansion in the form of balanced, diversified and sustainable activity across all sectors — residential, commercial and industrial.

"We want to create growth and prosperity for the entire community. This means diver-



New shopping center on Pacific Avenue

sity, entrepreneurship and broad employment opportunities," explains Jeffrey King, Economic Development Manager, Forest Grove. "We don't want to rely only on a couple of big companies and we've done a good job with that."

As growth picked up, the city got to work developing a 2020 economic development strategy that incorporates equitable ac-

cess, business attraction and the needs of entrepreneurs and small companies, while strengthening the town as a whole.

Thanks to direct assistance and quality customer service, companies gain quick access to a list of available site inventory and guidance with permitting, regulations, and taxation. Forest Grove's Business Incentive Program waives or reduces permit fees for

small businesses while the Marketlink Program accessed via Micro Service Enterprise Services of Oregon aids with market analysis and marketing.

The city also connects businesses with regional resources like the Oregon Business Development Fund, Entrepreneurial Development Loan Fund, SBA 7A and the Col-Pac EDD Business Development Loan Program. Lower costs, including power from the city-owned utility, further attract business.

"I work very closely with the business community. For economic development it's important to establish relationships so that they're aware that we're always here to help them. It is also critical that we strive to stay abreast of changing or new resources for business," King adds.

When larger companies consider moving to Forest Grove, the city's economic development team works to rapidly assess the business's logistical needs — e.g. water, power, sewer — in order to facilitate a smooth transition. The City's property tax exemption enterprise zone program has also been valuable in helping to encourage new investment and jobs.

"Time is money and so are surprises. We spend a lot of time on technical assistance behind the scenes," he says. "We try to guide them in identifying costs up front, navigating the leasing process, and outfitting their buildings. It is why Forest Grove is active in Oregon's Certified Shovel Ready Program for industrial sites."

Whether they want visibility from the highway or Main Street, companies can find affordable lots and buildings. A local report* highlights the number of commercial opportunities still waiting to be tapped. McMenamin's Grand Lodge — with restaurant, bars, spa, movie theater and hotel — recently completed a \$4.1 million dollar expansion project in the town while a new commercial shopping area — The Stonewood Center — is under-way and leasing.

Vacancy rates are dropping, as private investment has resulted in new commercial developments totaling \$23.6 million in addition to \$100.7 million in industrial construction. The city approved nine residential projects, exceeding \$100 million and delivering 780 additional housing units, including the 78-unit

Jesse Quinn
Apartments

Jesse Quinn mixed-use project in the heart of downtown.

While the numbers speak for themselves, Forest Grove's real appeal cannot be quantified. Its walkable, bike-able downtown full of historic storefronts and friendly people wins visitors over time and again.

"We want to create growth and prosperity for the entire community. This means diversity, entrepreneurship and broad employment opportunities,"

JEFFREY KING

"We are an attractive community with both historic and new buildings and friendly, welcoming residents. There's space to breathe with a number of parks, with forests and open space adjacent to the City," King says.

The City's Urban Renewal Agency downtown revitalization project allocated more than \$60,000 to help businesses renovate storefronts, install new landscaping, and

implement pedestrian-friendly changes. Property owners themselves have spent \$2 million on renovating their buildings. These efforts have attracted 24 new businesses, including world-class restaurants, boutiques, and microbreweries.

For innovators, business people and creatives who value work-life balance, community and the outdoors, Forest Grove provides the complete package.

"The next thing we're working on with regional partners is innovation and entrepreneurship

for the area: a Clean Water Services R&D center, a makerspace at Pacific University and a co-working space in Hillsboro," says King.

Forest Grove operates with a collaborative approach, working alongside the greater region toward collective success, for example with Washington County on regulatory issues, Greater Portland Inc. on marketing and project leads and associations like the Chamber of Commerce, and the Small Business Development Center to improve conditions and incentives.

Adjacent to Silicon Forest, the city understands the importance of maintaining quality infrastructure, broadband and advanced facilities to support its manufacturers, high-tech enterprises, growing number of telecommuters and many professionals, including many Intel employees.

While in some ways it feels like a world away from densely populated Portland, in reality, Forest Grove is an easy train and bus ride — reachable via TriMet 24-hours a day. A shuttle bus links Tri-Met stops to schools and business areas, while the freight-train line and growing Hillsboro airport add another layer of connectivity to support the region's economy in the long term.

With its wine and dining culture, stunning backdrop, Tillamook Forest, agritourism, cycling and world-class cultural events at Pacific University, the city draws tourists and families for a day or a lifetime. Describing its appeal on paper only goes so far; truly grasping it requires a visit.

Forest Grove may have that small-town feel, but it has plenty of space for big ideas. ■

*https://www.forestgrove-or.gov/sites/default/files/fileattachments/economic_development/page/32161/opportunities_for_commercial_business_2018-2019.pdf



Daniella's on Main

Washington County

Economic Indicators

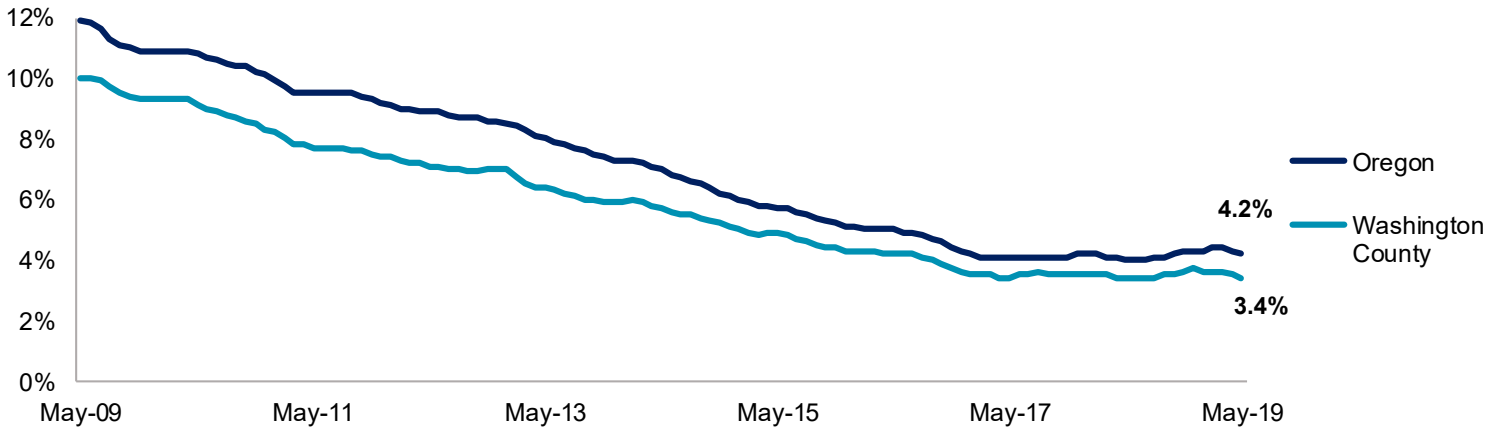
June 2019 (May Data)

Washington County's unemployment rate dipped to 3.4 percent in May 2019, slightly below the prior month and unchanged from last year. Some cities saw unemployment rates below 3 percent and slightly lower than the prior year (not seasonally adjusted).

The county added 5,600 jobs between May 2018 and May 2019, for a growth rate of 1.9 percent. Construction led industry employment growth at 6.7 percent. Manufacturing continued to add the most jobs over the year, with 2,400 jobs gained. Employment in transportation and warehousing declined by 300 jobs.

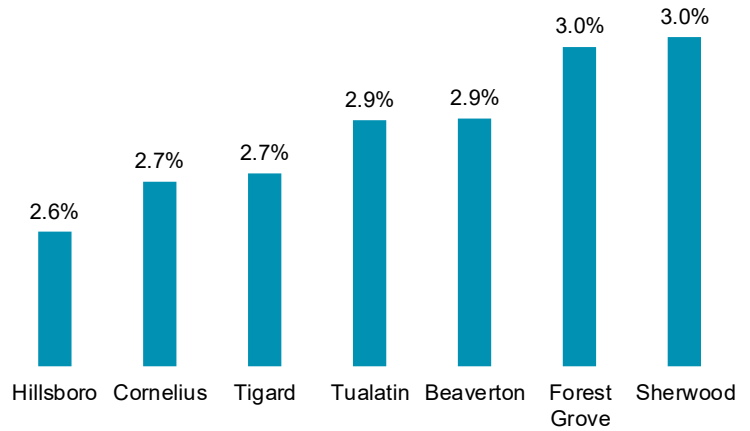
Unemployment Rate

May 2009 to May 2019, seasonally adjusted
Local Area Unemployment Statistics



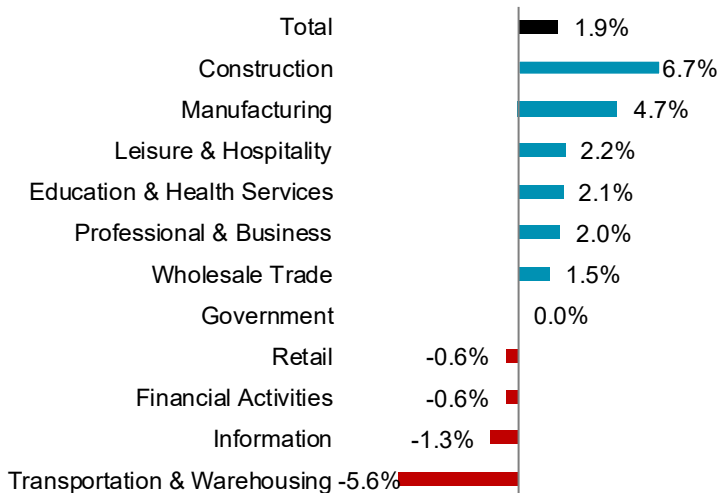
Unemployment Rates in Washington County Cities

May 2019, not seasonally adjusted
Local Area Unemployment Statistics



Construction Leads Industry Employment Growth

Percentage change, May 2018 to May 2019
Current Employment Estimates



Net Job Growth in Washington County

Net change, May 2018 to May 2019
Current Employment Estimates

