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Economic Development Commission MEETING

November 10, 2022

McMenamin's Grand Lodge

Alice Inkley Room

For help with Zoom: <https://support.zoom.us/hc/en-us/articles/115004954946>

During the pandemic, all public meetings are held in a "hybrid" format allowing the public to attend meetings both virtual and in-person. The Community Auditorium is open and has limited availability and social distancing measures. The public can observe the meetings **LIVE** on **Zoom Webinar**. Written comments may be submitted by 9:00 a.m. the day of the meeting by e-mail to: bfulks@forestgrove-or.gov.

Tim Budelman, Chair

Steve Krautscheid, Vice-Chair

Brad Bafaro

Tom Raabe

Jill Craig

Mara Rico

Rick Lafave

Jessica Harrington

Mathea Zietz

Kevin Emerick

Mark Nakajima

Juanita Lint

Jim Langstraat

Guy Storms

Timothy Watts

Timothy Rippe, Council Liaison

Brenna Fulks, Staff Liaison

Michelle Davis, Meeting Recorder

All regular meetings may be televised live and open to the public and persons are permitted to attend any meeting except as otherwise provided by ORS 192. **Accommodations:** In accordance with the Americans with Disabilities Act, the City of Forest Grove will make reasonable accommodations for participation in the meeting. Request for assistance can be made by contacting City Recorder's Office, aruggles@forestgrove-or.gov, 503-992-3235, at least 48-hours advance notice of the meeting.

A G E N D A

- 12:05 1. **CALL TO ORDER:**
a. Guest introductions
2. **CITIZEN COMMUNICATIONS:** Anyone wishing to speak on an item not on the agenda or on the agenda may be heard at this time. In the interest of time, please limit comments to two minutes.
- 12:07 3. **CONSENT AGENDA:**
a) *Approve Meeting Minutes of September 8, 2022*
4. **ADDITIONS/DELETIONS:**
- 12:10 5. **DISCUSSION/DECISION ITEMS:**
a) Washington County Venture Catalyst Presentation – Laura Kubisiak

- 12:35 b) Adelante Mujeres Update – Mara Rico
- 12:55 6. **B/C COMMUNICATIONS:**
- EDSP Annual Report Presented to Council – Tim Budelman
- 1:05 7. **STAFF COMMUNICATIONS:**
- Downtown Task Force - McMinnville Tour
 - Grocery Store Update
 - December Business Highlight
- 1:15 8. **COUNCIL LIAISON REPORT:**
- Councilor Rippe
- 1:25 9. **ANNOUNCEMENT OF NEXT MEETING:**
- a) November December 9, 2022
10. **ADJOURNMENT**

1. CALL TO ORDER:

The meeting was called to order at 12:05pm by EDC Vice-Chair, Steve Krautscheid.

ROLL CALL: EDC MEMBERS PRESENT: Brad Bafaro, Jill Craig, Kevin Emerick, Steve Krautscheid, Jim Langstraat, Juanita Lint, Mark Nakajima, Tom Raabe, Timothy Watts

EDC MEMBERS ABSENT: Tim Budelman, Jessica Harrington, Rick Lafave, Mara Rico, Guy Storms, Mathea Zietz

OTHERS PRESENT:

COUNCIL LIAISON: Timothy Rippe

STAFF PRESENT: Bryan Pohl; Community Development Director, Michelle Davis; Community Development Administrative Specialist, Brenna Fulk; Economic Development Coordinator

a) Guest introductions

2. CITIZEN COMMUNICATIONS:

None

3. CONSENT AGENDA:

a) A quorum was met. Tom Raabe moved a motion to approve the EDC Minutes from September 8, 2022. Kevin seconded and the motion passed unanimously.

4. ADDITIONS/DELETIONS:

None

5. DISCUSSION/DECISION ITEMS:

a) EDSP Annual Report – Brenna

Brenna presented a rough draft of the EDSP Annual Report. The notable change was the layout. The data is still slightly skewed because of the Covid-19 pandemic. Brenna opened the floor to suggestions, additions and revisions. There was a lively productive discussion on changes and corrections. Some key points; How can we get creative and increase the available industrial square footage? How can the EDC help establish what our community needs are? Can we add the available shovel ready properties? Brenna will make the suggested revisions and email to the EDC Members for final edits.

b) City E-Newsletter: Business Highlight – Brenna

The new City E-Newsletter has been created to help enhance City Communications with the community. The EDC has been chosen to recommend local businesses to highlight each month. The EDC has suggested New Seasons and Urban Decanter.

6. B/C COMMUNICATIONS:

- a) Chamber of Commerce – Juanita Lint
Juanita presented “A YEAR IN REVIEW” with the marketing accomplishments and events sponsored by the Chamber of Commerce for 2022. Upcoming events include: September 17; 32nd Annual Corn Roast/Harvest Festival and Sidewalk Chalk art festival. September 24; Oktoberfest. October 5; Sesquicentennial Celebration at the Wednesday farmer’s market.

7. STAFF COMMUNICATIONS:

- a) Clackamas County BRE program – Brenna
Cindy from Clackamas County EDC collects data from local businesses. Asking why they are leaving and what needs were not being met. Exploring the option to have Cindy come speak to the EDC.
- b) Downtown Task Force – Brenna
A lunch meeting has been set for September 15 at the Light and Power Department. John Southgate will be present for the discussion.
- c) FGEDC Priorities and future meetings – Brenna
Breanna will be out of town for the October 13 EDC meeting. She has asked Laura Kubusiak, a Venture Catalyst for Washington County to present to the EDC.

8. COUNCIL LIAISON REPORT:

The council adopted a preferred design for the Festival Street, that will include 2-way traffic, enhanced amenities and plants/trees. We will be hiring a consultant to complete the process. No funding has been secured yet. A round-a-bout has been approved for Martin Rd and Highway 47. Council Creek Trail has been amended and proper pedestrian crossing will be installed at the round-a-bout. Upcoming elections on November 8th. Two Mayoral seats and three council seats are open. A candidate form will be held at The City Auditorium on October 13th at 5:30pm.

9. ANNOUNCEMENT OF NEXT MEETING:

- a) Vice-Chairman Steve Krautscheid announced the next in-person meeting on October 13, 2022 from noon-1:30pm at McMenamins Grand Lodge.

10. ADJOURNMENT:

Vice-Chairman Steve Krautscheid adjourned the meeting at 1:37pm pm by consensus.

Respectfully submitted by:
Michelle Davis
Administrative Specialist
City of Forest Grove

Approved by the Forest Grove EDC:

Date: _____

Forest Grove Economic Development Strategic Plan

2021 Annual Report

September 26, 2022



The Forest Grove Economic Development Commission (FGEDC) is comprised of 15 members from the public and private sectors. The commission was established in 2007 with a purpose to advise and make recommendations to City Council on economic development policy and opportunities that support the local economy. The commission meets monthly on the second Thursday of every month with the exception of August.

The FGEDC held meetings via zoom for the entirety of 2021 and similar to 2020, meetings focused on issues relating to the pandemic and preparing for the city's unprecedented growth. The FGEDC was instrumental in vetting and supporting the City's COVID relief small business grants and programs. Additional 2021 highlights include:

- Prepared economic development marketing plan and budget
- Developed communications and disbursed pandemic recovery materials and resources to local businesses
- Provided support for the City's Festival Street project
- Received presentation on workforce Training and Development
- Received regular updates on commercial real estate
- Identified regional trends and their relevance to the Economic Development Strategic Plan

Moving forward, the FGEDC will continue to focus on pandemic recovery and lay the ground-work for a post-COVID landscape that will continue to prioritize the economic well being and quality of life that residents are accustomed to.

OUR MISSION

We foster a vibrant economic climate that encourages and attracts sustainable and equitable business development through strategically focused policies and programs, collaboration and partnerships.

Located in Washington County, the City of Forest Grove is a rapidly growing college community 25 miles west of downtown Portland. The city encompasses 5.97 square miles and has a population of 27,253. The City of Forest Grove is a full-service city with one of the oldest municipal electric utilities in the State of Oregon.

Forest Grove is home to Pacific University and has a diverse economic base that includes high tech, food and beverage processing, wood products, metal working, education, and healthcare.

Forest Grove is well-connected to the Silicon Forest; Oregon highways 8 and 47 pass through the city. Local transit is provided to

the community through TriMet, and regional airports and Portland International Airport are within an hour's drive.

Forest Grove's state and local taxes are low. The City offers Enterprise Zone tax incentives to qualifying businesses: 100% property tax exemption for 3-5 years on new assessed value in exchange for new jobs and minimum investment of \$50,000.

With availability of industrial lands, access to skilled workforce, Enterprise Zone incentives, and a supply of development opportunities, Forest Grove is well poised to support emerging and growing companies.



Population

Forest Grove's population rose 11.4% in five years.



Top Employment Sectors

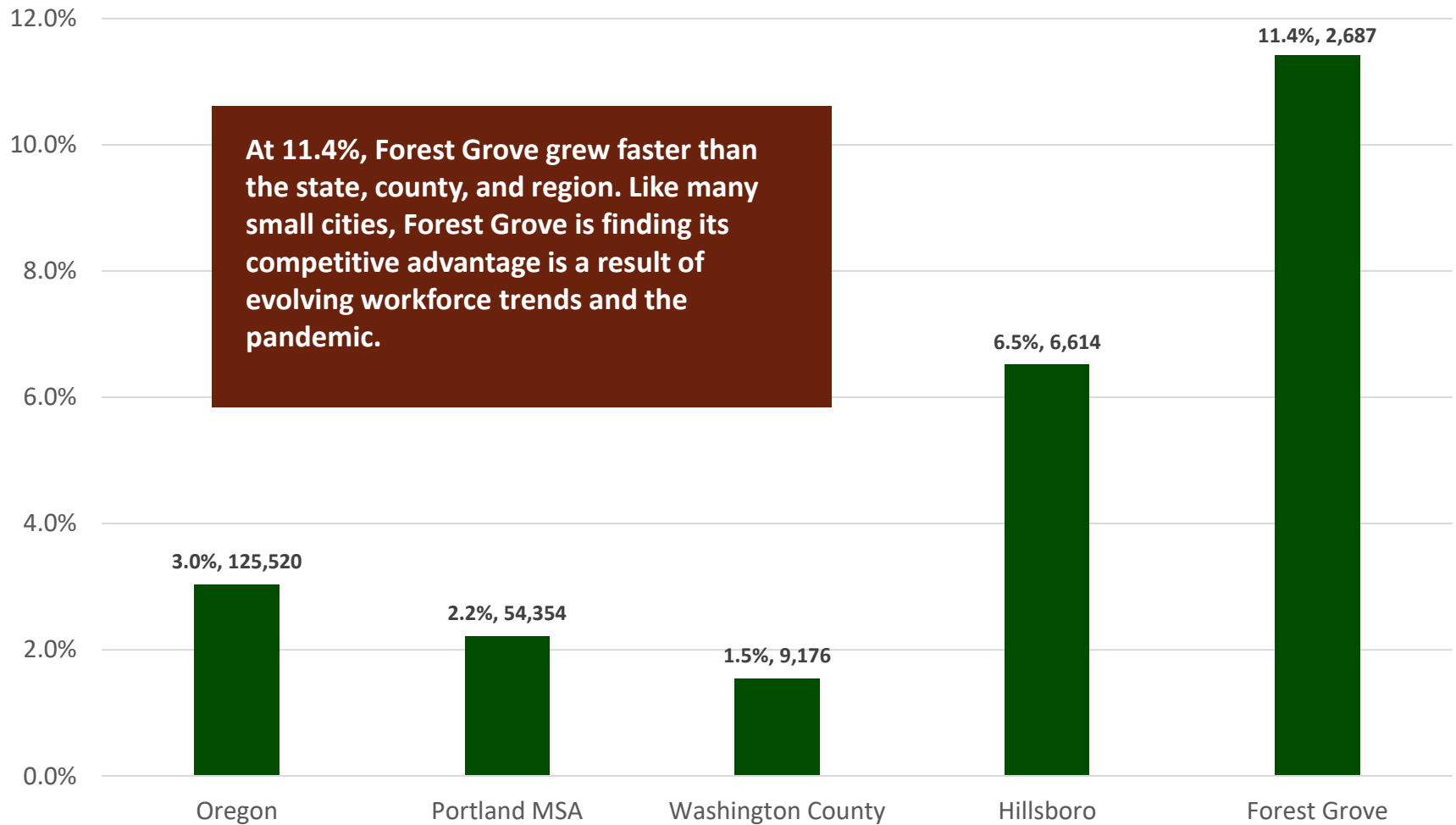
Educational services and manufacturing remain the top 2 employment sectors.



Median Household Income

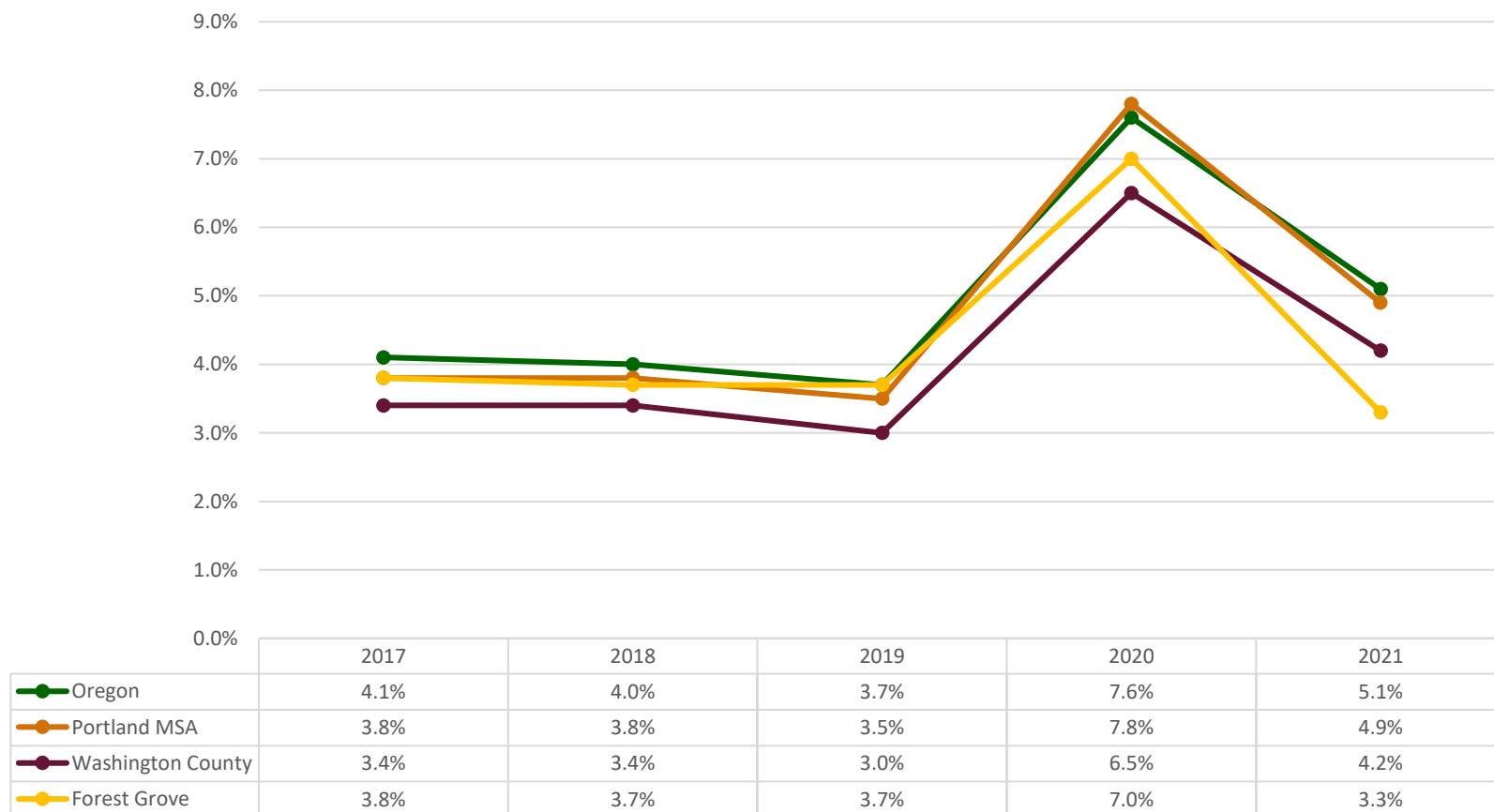
Forest Grove's Median Household Income (MHI) increased to \$69,513.

Population Growth, 2017-2021



Source: Portland State University Research Center, 2017/2021

Unemployment, 2017-2021

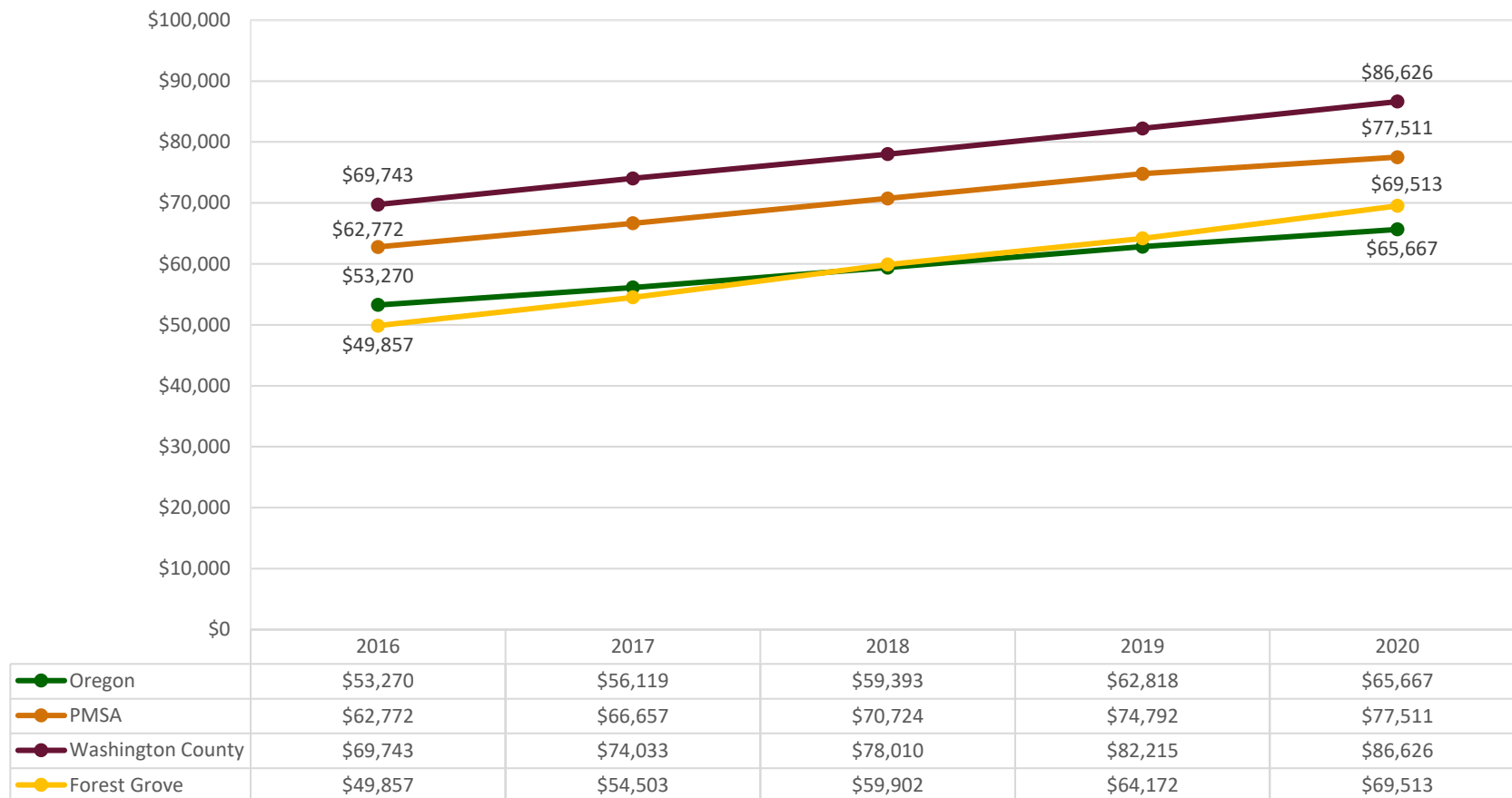


Source: Oregon Employment Department, Local Area Unemployment Statistics



Forest Grove's unemployment rate is lower than the State, County, and Portland metro.

Median Household Income (MHI), 2016-2020

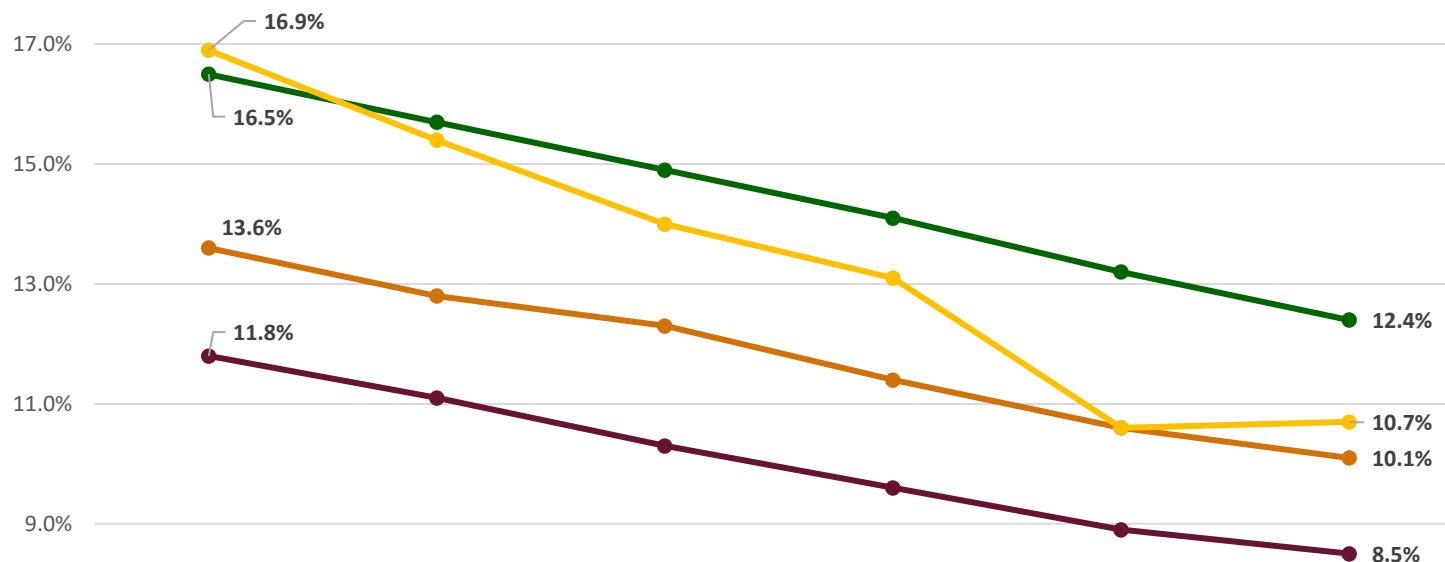


Source: American Census Survey 5 Year Estimates, 2016-2020



The Median Household Income for Forest Grove rose to \$69,513 and increased at a faster rate than the state, region and county. Forest Grove has passed Oregon's average MHI (Census, 2020).

Poverty Rate, 2015-2020



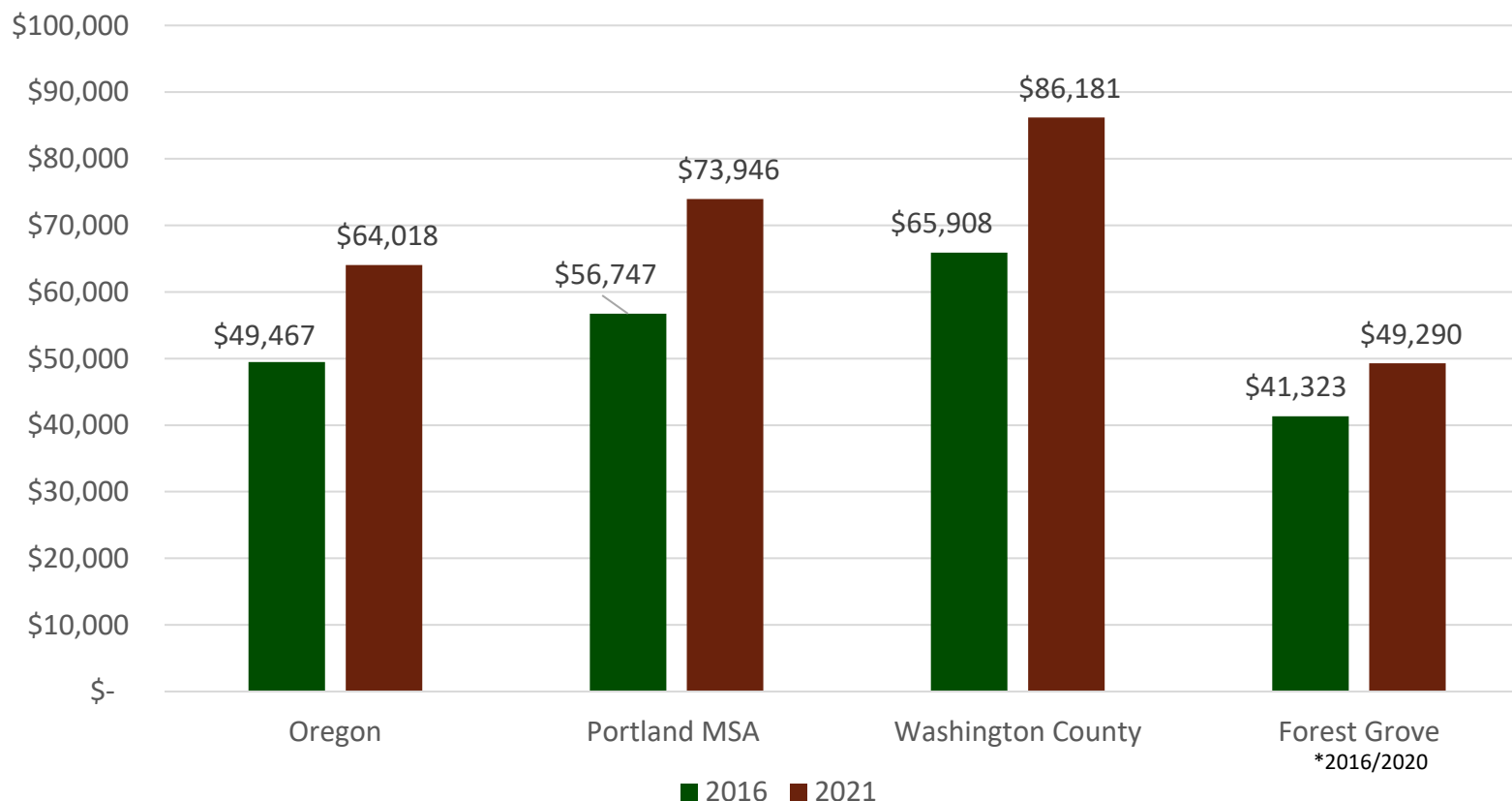
	2015	2016	2017	2018	2019	2020
● Oregon	16.5%	15.7%	14.9%	14.1%	13.2%	12.4%
● PMSA	13.6%	12.8%	12.3%	11.4%	10.6%	10.1%
● Washington County	11.8%	11.1%	10.3%	9.6%	8.9%	8.5%
● Forest Grove	16.9%	15.4%	14.0%	13.1%	10.6%	10.7%

Source: American Census Survey 5 Year Estimates, 2015-2020



Forest Grove's poverty rate has declined at a faster rate than the State, County and Portland Metro.

Wage Growth 2016 - 2021



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



In 2020, Forest Grove's wages were up 19% from 2016.

*2021 City data not released at time of report.

Non-Farm Job Growth



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

COVID-19 DATA DISCLOSURE:

Nonfarm employment declined from 7,342 in 2019 to 6,956 in 2020. This is likely due to the COVID-19 pandemic. When 2021 data is released, it is expected that the figure will be closer to pre-pandemic levels.

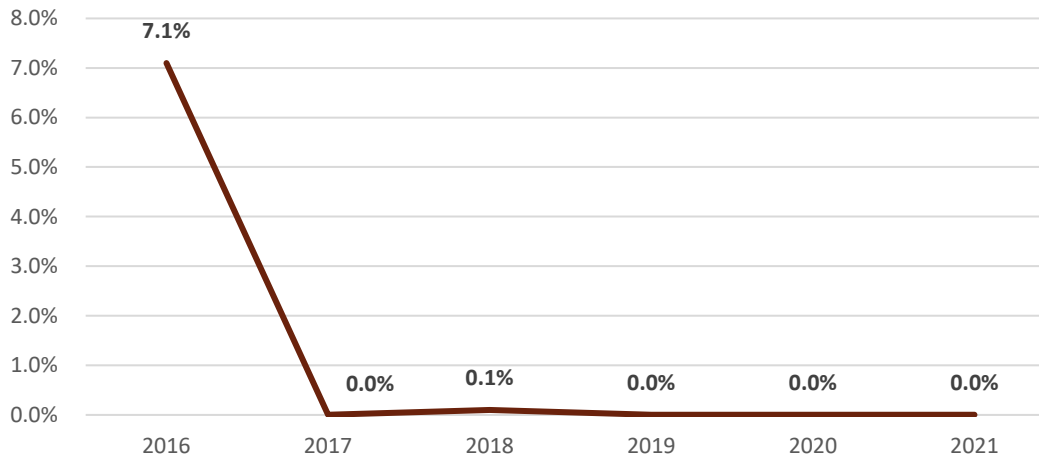
***2014 included as a reference point.**

GOAL I: Support Industrial and Commercial Business Growth and Retention

Enterprise Zone Program: City staff works directly with local businesses and aims to provide high-quality customer service to help new companies navigate permitting process and access program resources. The City of Forest Grove manages the Forest Grove/Cornelius Enterprise Zone program that incentivizes new business investments by abating local property tax for a certain amount of years. The Enterprise Zone Program is Forest Grove's primary incentive and serves as a focal point for local development efforts.

Enterprise Zone Year	New Applications	Ongoing Projects
2021	0	7
2020	0	7
2019	0	9
2018	3	6

Industrial Real Estate Vacancy Rate



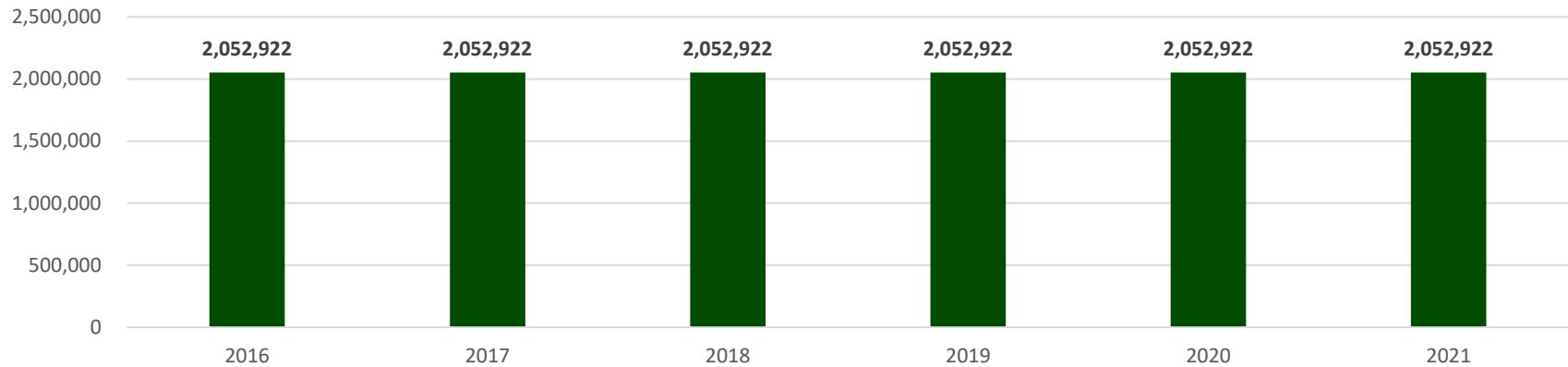
Source: CoStar. Prepared by: Greater Portland Inc

Industrial Land and Post 2020 Demand:

Industrial real estate has increased in demand since 2017. The industrial real estate vacancy rate remained at 0% throughout 2021. 2021 was a pivotal moment in Forest Grove's continued growth and development. In 2020 and 2021, data center growth began to stall in the City of Hillsboro due to limited availability of additional industrial land. Since that time, several data centers have shown interest in locating on industrial land within Forest Grove. The timing presented an opportunity for Forest Grove to solidify its share of the Silicon Forest.

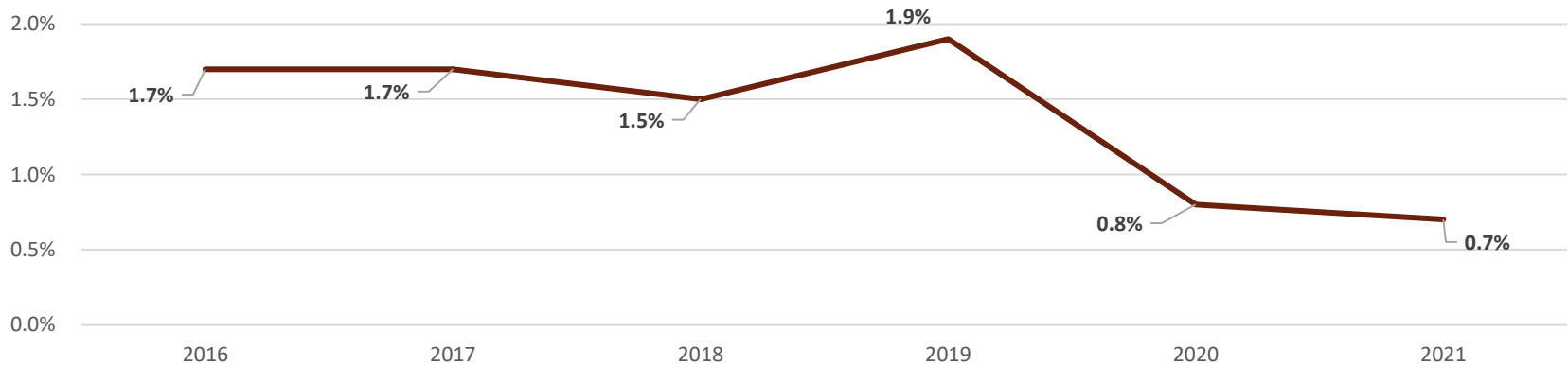
GOAL I: Support Industrial and Commercial Business Growth and Retention

Industrial Real Estate Inventory - Total Square Footage



Source: CoStar. Prepared by: Greater Portland Inc

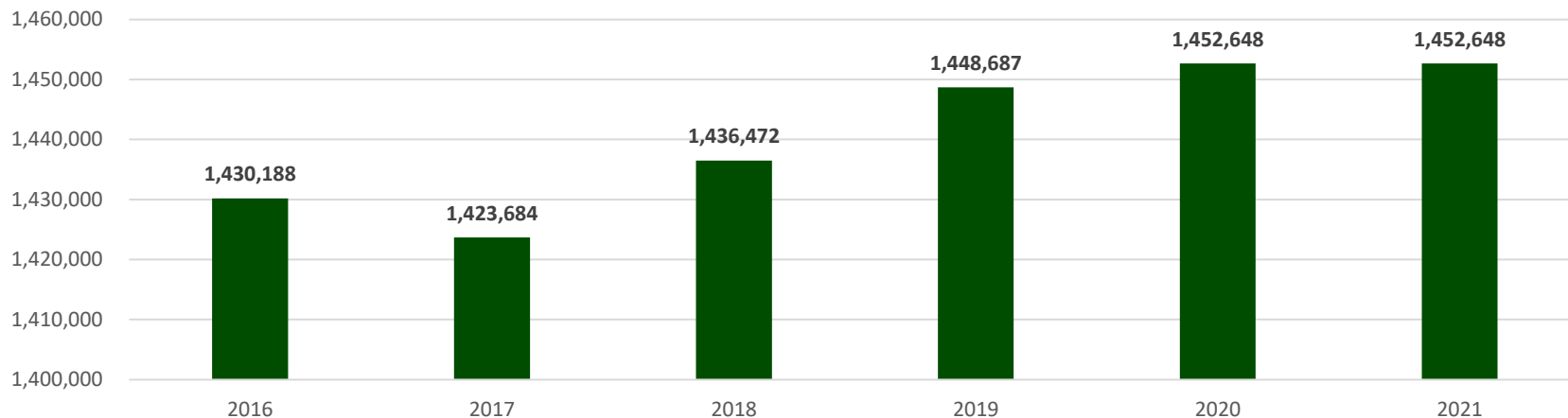
Commercial Real Estate Vacancy Rate



Source: CoStar. Prepared by: Greater Portland Inc

GOAL 1: Support Industrial and Commercial Business Growth and Retention

Commercial Real Estate Inventory - Total Square Footage



Source: CoStar. Prepared by: Greater Portland Inc

GOAL 2: Expand Opportunities for Entrepreneurship and Innovation

As was the case in 2020, resources and technical assistance were focused on business survival and compliance. For the most part, this limited progress toward new initiatives and programs; however, certain programmatic steps were attained in 2021.

- FGEDC received a presentation by Laura Kubisiak, Venture Catalyst for Washington County.
- FGEDC maintained partnership with the eight Washington County partners committed to promoting an emerging entrepreneurial ecosystem.
- Further identified resources and supports necessary for emerging entrepreneurs.
- Adelante Mujeres hosted community workshops and trainings via Zoom webinar for emerging businesses and individuals interested in starting a business.

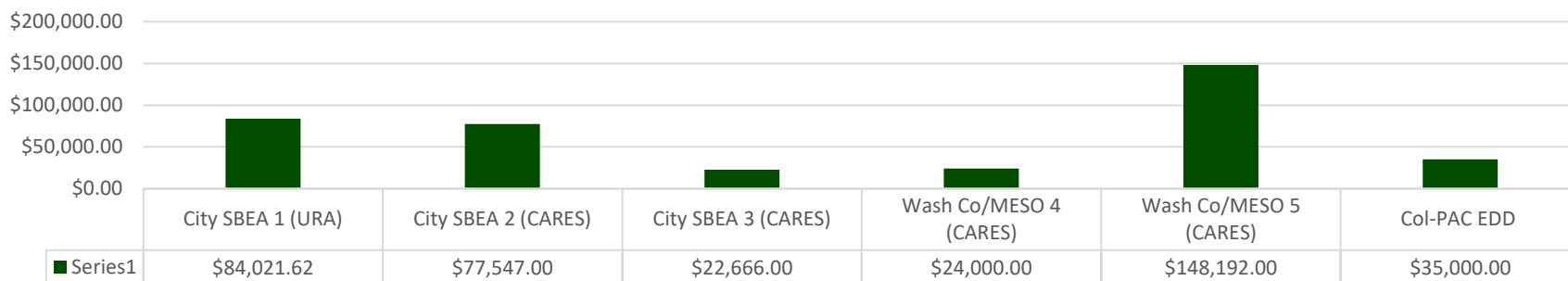


GOAL 3: Support Small Business Development and Retention

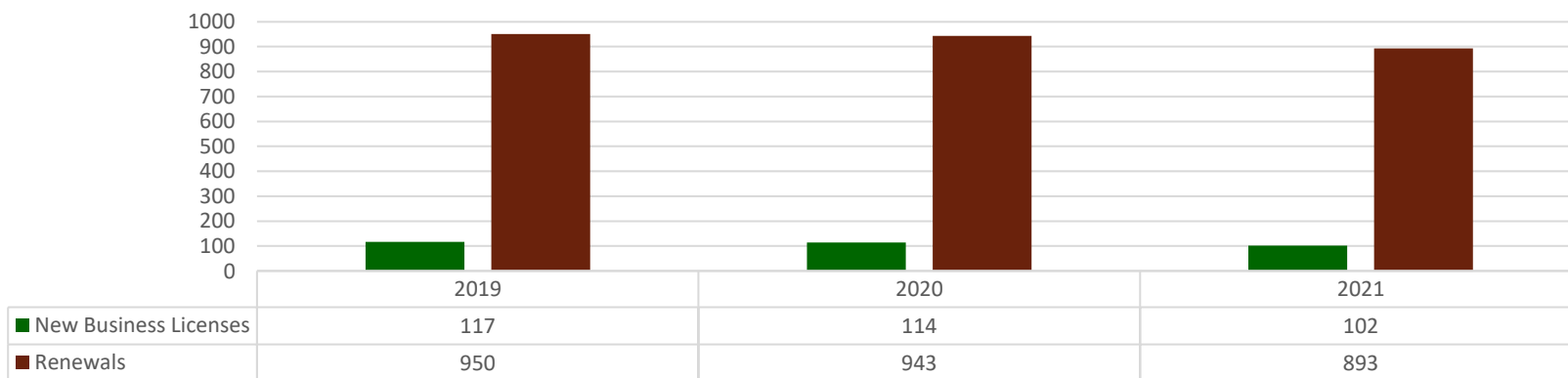
In the wake of the pandemic and over the course of 2020 – 2021, the City of Forest Grove directly administered three Small Business Grant programs and coordinated with Washington County, Micro Enterprise Services of Oregon (MESO), and Columbia Pacific Economic Development District (Col-Pac) on three additional programs that collectively provided over \$391,000 to Forest Grove businesses.

Eligible uses of funds included lease payments, lost inventory, and employee wages. Non-COVID small business assistance was provided in the form of the City's Business Incentive Program, Enterprise Zone, MarketLink studies, Storefront Improvement Program, and Travel Oregon and Washington County Visitors Association.

2020-2021 Small Business Grants (Does not include PPP)



Forest Grove Business Licenses 2019-2021



GOAL 4: Assist in the Development of a Prosperous Downtown

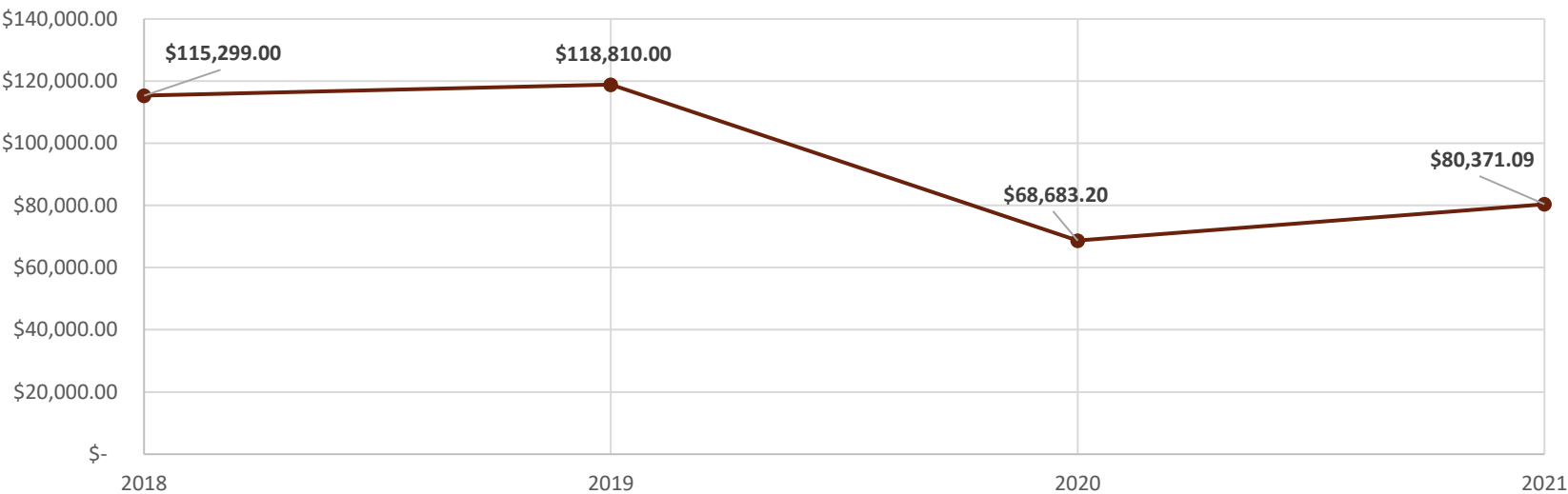
Main Street Program: Main Street program priorities and launch were again put on hold in 2021 as a result of the pandemic. Staff attended webinars as offered and coordinated by the State’s Main Street program. Webinars centered on providing support to downtown businesses, state health compliance, and regular COVID briefings. Staff also attended “Mornings on Main” calls that served as a virtual venue and think-tank for resource sharing for staff and volunteers of Main Street communities.

Number of Storefront Facades Program Projects Completed:

- 2021: 0
- 2020: 0
- 2019: 5

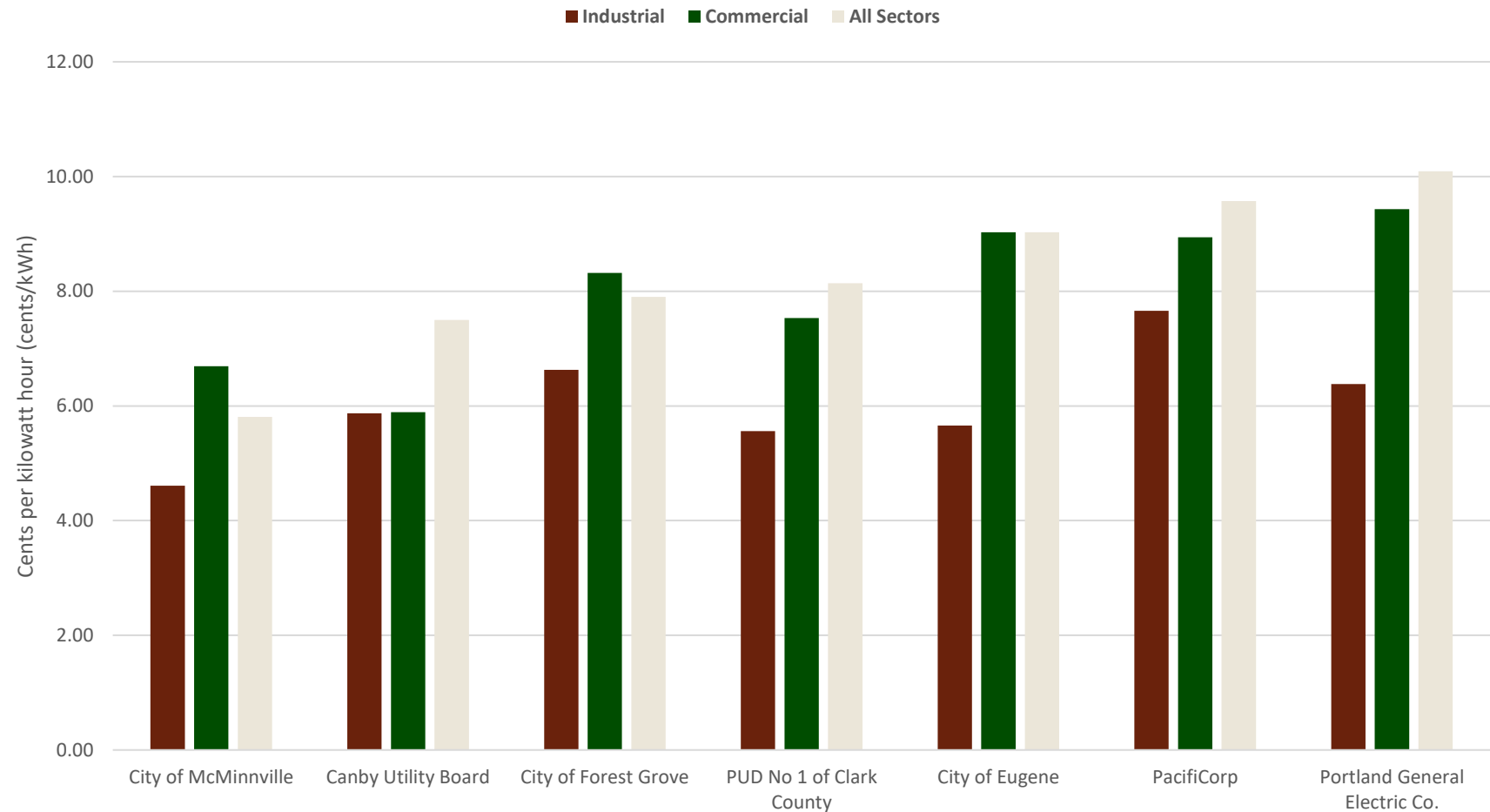
GOAL 5: Expand the Economic Impact of Tourism

Transient Lodging Tax Revenue (2.5%)



GOAL 6: Foster a Competitive Business Climate that Supports Economic Growth

Retail Power Rates, 2020 Annual



Source: US Energy Association Administration (2020)

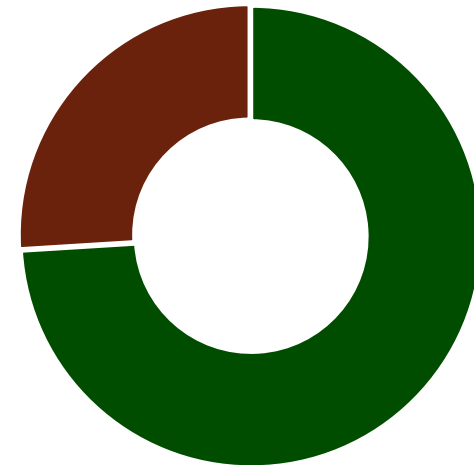
GOAL 7: Expand Partnership, Outreach, and Equity Efforts

Objective	2021 Result/Outcome
Assure Latinx Representation on FGEDC	FGEDC requires at least one Latinx board representative
Regional, State, or Local Organizations Partnered/Participated In	• International Economic Development Council (IEDC) • Greater Portland Inc (GPI) • Adelante Mujeres • Oregon Economic Development Association (OEDA) • Washington County Economic Development Roundtable • Columbia Pacific Economic Development District (Col-Pac) • Micro Enterprise Services of Oregon • Westside Economic Alliance • Forest Grove/Cornelius Chamber of Commerce • City Club of Forest Grove • TiE Oregon/Oregon Entrepreneurs Network • Portland Community College Small Business Development Center • Oregon Main Street

2022 Small Business Resilience Grant Program (ARPA)

The City awarded \$117,500 to small businesses in Forest Grove who participated in the Small Business Resilience Grant program. Funding for the grants came from the American Rescue Plan Act. The application period was open from March 1, 2022 through March 31, 2022. The program provided up to \$7,500 for eligible businesses who lost revenue or experience increased expenses during the pandemic. At a glance:

- 27 grants awarded
- Outreach:
 - 300 Postcards distributed (English/Spanish)
 - Personal Outreach to businesses (walk-ins, phone, email)
 - Facebook posts
 - Website updates
 - Chamber Flash
 - Adelante Mujeres Facebook/Emails



■ Minority and/or Woman Owned Grant Recipients - 74%

Branch Out in Forest Grove Trademark

The US Patent and Trademark Office approved the “Branch Out in Forest Grove” logo. As a trademark, the “Branch Out in Forest Grove” logo is a protected brand element used to market tourism in Forest Grove.



Business Incentive Program Renewal

The City Council re-approved the Business Incentive Program for 2022. The program provides waivers of business license fees and sign permit fee for new or expanding businesses.

2022 Progress toward Strategic Plan Goals

Goal	Progress and/or Outcome
GOAL 1: Support Industrial and Commercial Business Growth and Retention	• Ongoing management and support for 7 companies who utilize the Enterprise Zone program • Maintain inventory of Business Oregon Shovel Ready properties in Forest Grove • Provided website content for Greater Portland Inc.'s Forest Grove community profile • Provided technical support to two employers looking to move operations to Forest Grove • Provided industrial lands tour of Forest Grove to Business Oregon staff • Renewed Business Oregon Shovel Ready designation for the TTM/Merix property
GOAL 2: Expand Opportunities for Entrepreneurship and Innovation	• Renewed contract of working with Washington County Venture Catalyst • Working with potential coworking/incubator space
GOAL 3: Support Small Business Development and Retention	• \$117,500 in grant funding awarded to local businesses through the Small Business Resilience Grant program (ARPA) • Coordinate and co-host Small Business Webinar Series (partnership between the Cities of Forest Grove, Tigard, Sherwood, and Wilsonville)
GOAL 4: Assist in the Development of a Prosperous Downtown	• Launch of the Downtown Task Force on September 15 • Provided assistance to two downtown business expansions • Serve as the City's liaison to the Forest Grove Farmers Market • Assisted WCVA in two campaigns that featured Forest Grove • Presentation and downtown tour with Sheri Stuart of Oregon Main Street
GOAL 5: Expand the Economic Impact of Tourism	• City staff manages the contract with the Forest Grove/Cornelius Chamber of Commerce • Working with the Forest Grove/Cornelius Chamber of Commerce to identify market need for an additional hotel to increase capacity
GOAL 6: Foster a Competitive Business Climate that Supports Economic Growth	• The EDC is interested in learning more/developing a BRE program. The EDC is interested in learning more about BRE programs across the state.
GOAL 7: Expand Partnership, Outreach, and Equity Efforts	• Outreach and Equity: Small Business Resilience Grants were available in English and Spanish, Small Business Webinar marketing in English and Spanish.

Forest Grove Economic Development 2021 Annual Report Contributors:

- *Forest Grove Economic Development Commission*
- *Greater Portland Inc.*
- *Forest Grove Light and Power*
- *Oregon Employment Department*