Metro + Our Economy: Building An Economic Value Atlas

PROJECT VISION

- **Premise:** When we can measure economic activity and connect that to our investments in infrastructure and land development, we can improve the region's understanding and ability to respond to key economic issues

- **Goal:** Develop a place-based economic atlas to help guide investments in line with our values and desired economic outcomes

PROJECT VISION

- **Step 1:** Establish a "Where Are We?" scan to clarify how our region compares to other regions and outline key considerations for our regional economy

- **Step 2:** Seek agreement on a broad set of economic principles that define how we measure success based on the scan

- **Step 3:** Establish a baseline of economic conditions across the region's communities that reflect our principles

- **Step 4:** Use baseline to inform decisions on the investments the region pursues and evaluate the impact over time

TODAY'S OBJECTIVE

1. **Explore prospective applications + define what we hope the EVA can assist us in doing**
    - **Transportation Planning + Investment**
    - **Economic + Workforce Development**

2. **Advance a set of economic values to inform the design of the EVA decision-support tool**
    - **Business**
    - **People**
    - **Place**

ECONOMIC VALUE ATLAS

A collaborative project that seeks to establish tools and analysis aligning planning, infrastructure, and economic development to build agreement on investments to strengthen our regional economy.

PROJECT OBJECTIVES

- Provide a data picture of the regional economy we can use to align investments

- Pinpoint areas of focus for regional investment bridging local and regional economic development aspirations

- Outline a path forward to pursue policy, actions, and investment that help realize economic aspirations

COMMITTEE ROLES

1. **TASKFORCE CHARTER**
   - **Set Principles/Values to guide indicator selection**
   - **Vetting of Indicators and Decision-Support Tool**
   - **Recommendations on external applications of EVA**
   - **Advance Implementation Plan**
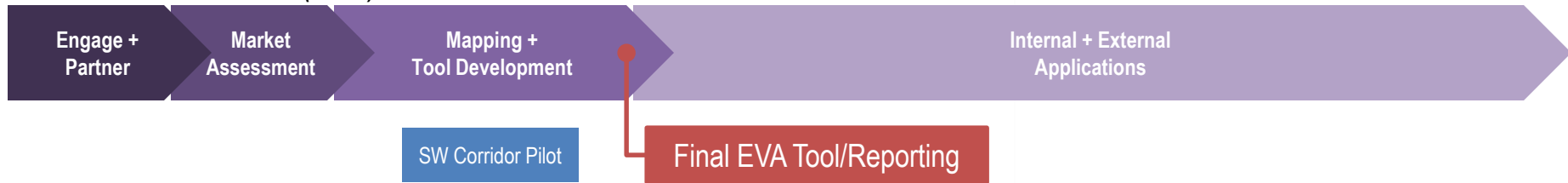
2. **WORKGROUP CHARTER**
   - **Set Indicators of economic values established by TF**
   - **Support EVA Decision-Support Tool development**

3. **BUSINESS ADVISORY GROUP**
   - **Private Sector Insight on Principles/Indicators/Tool**

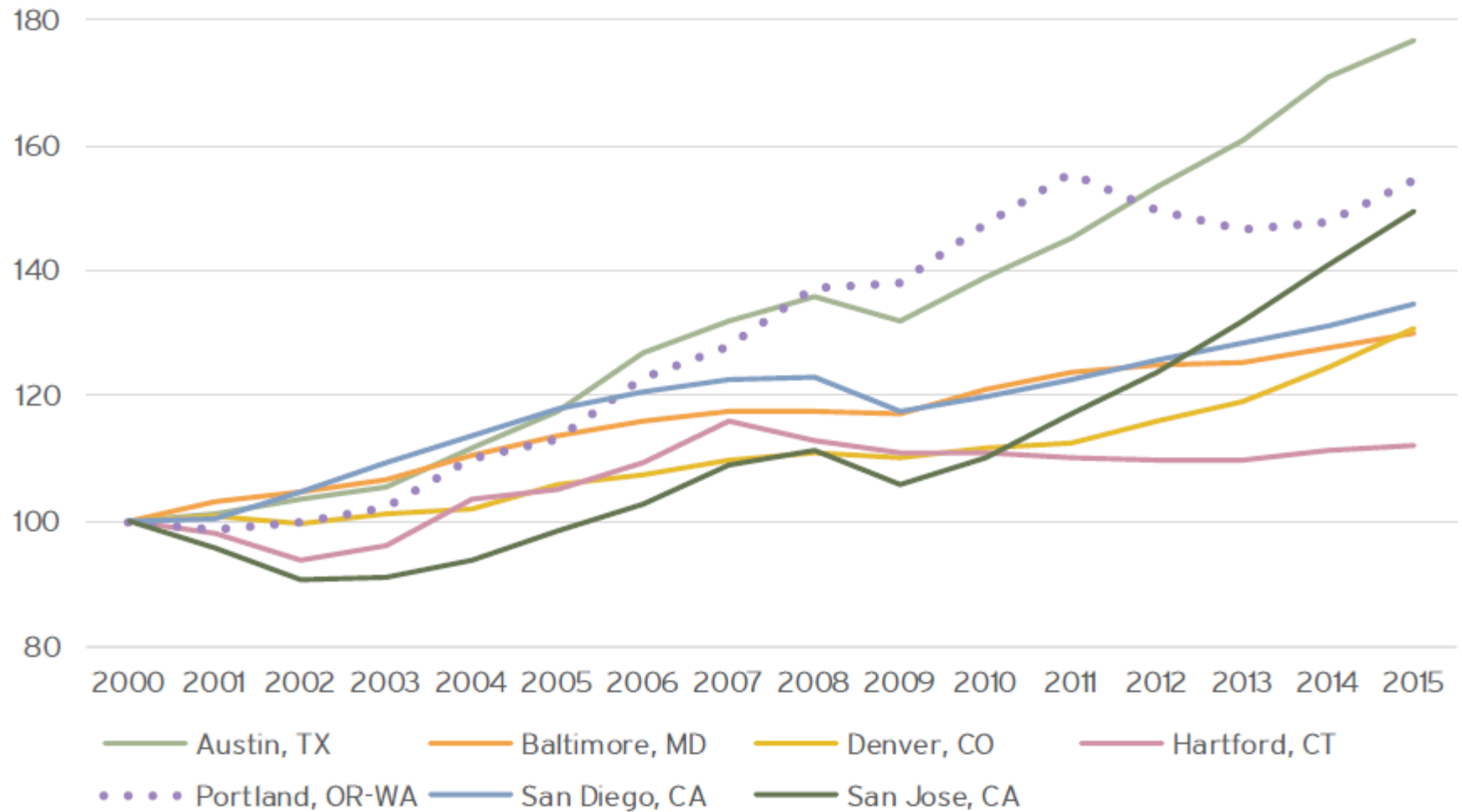# PROJECT SCHEDULE

Economic Value Atlas (EVA)

- Summer 2017– **Market Scan**

- Fall 2017 – **Data Preparation + Economic Indicators**

- Winter 2017-Spring 2018 – **EVA Tool Development**

- Summer 2018 – **Final Report/Tool + Presentation**

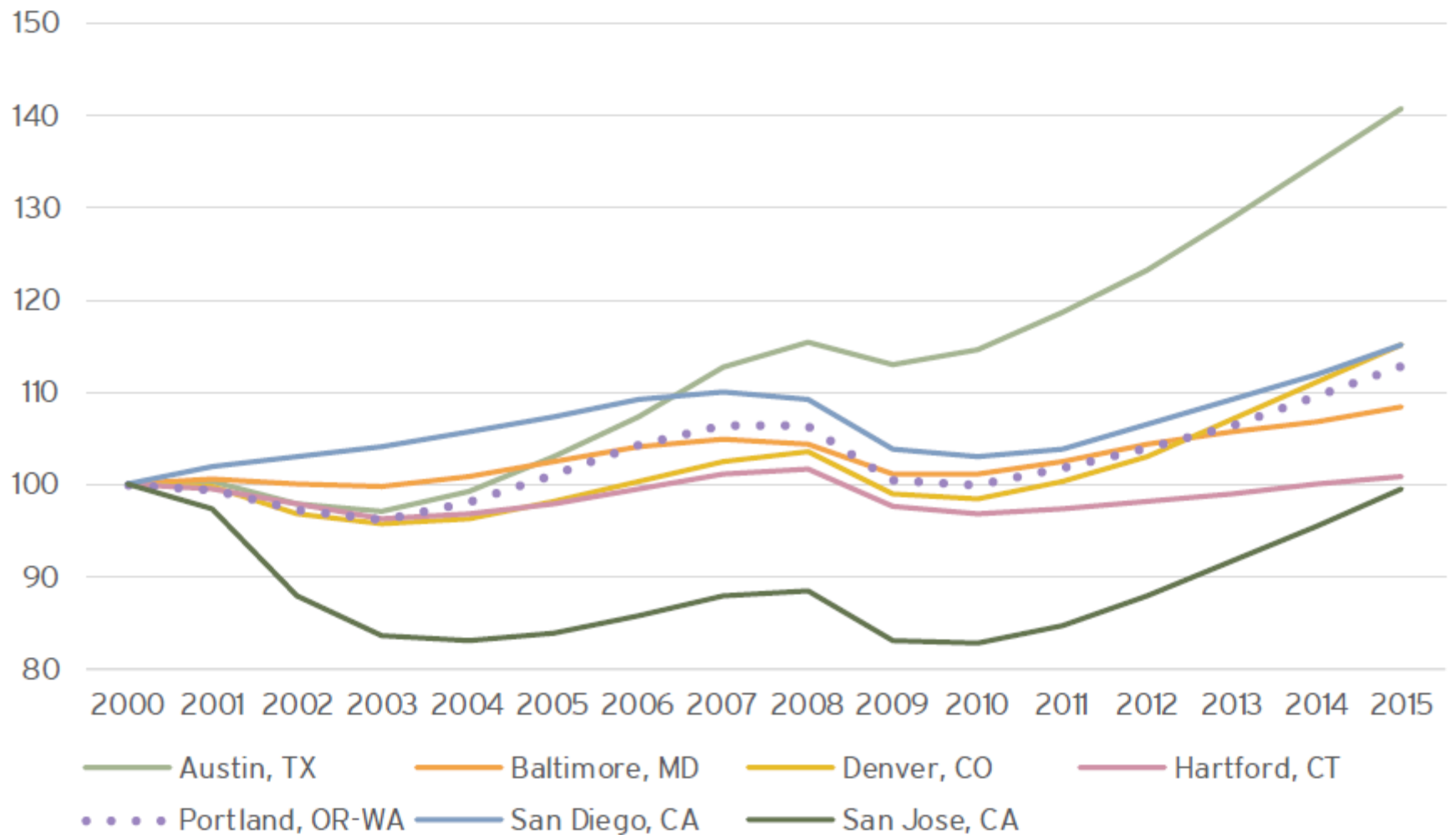- Fall 2018 – **Implementation**

PROJECT STATUS UPDATE

- **Milestone #1: Brookings Institution Market Scan** (Ryan Donahue, McDearman + Associates) - Complete

- **Milestone #2 – Shared Economic Values + Indicators** (Jeff Raker, Metro) – Underway with EVA Technical Work Group

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Gross regional product growth rates by metropolitan area, 2000 to 2015

Legend:
- Austin, TX
- Baltimore, MD
- Denver, CO
- Hartford, CT
- Portland, OR-WA
- San Diego, CA
- San Jose, CA

Job growth by metropolitan area, 2000 to 2015

Legend: Austin, TX · Baltimore, MD · Denver, CO · Hartford, CT · Portland, OR-WA · San Diego, CA · San Jose, CA

FIGURE 5

Nominal wage growth by income bands in the Portland metropolitan area, 2001-2016
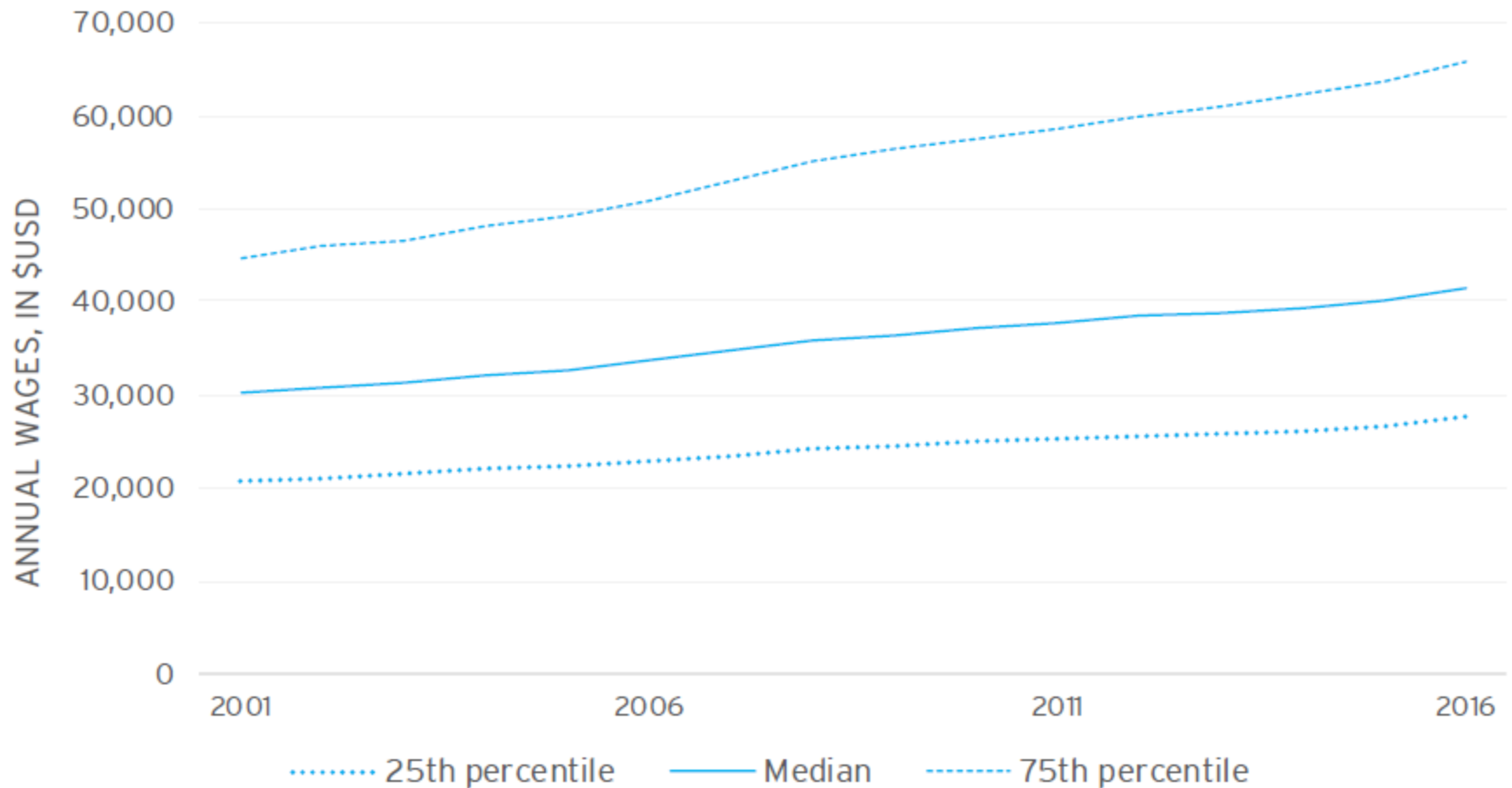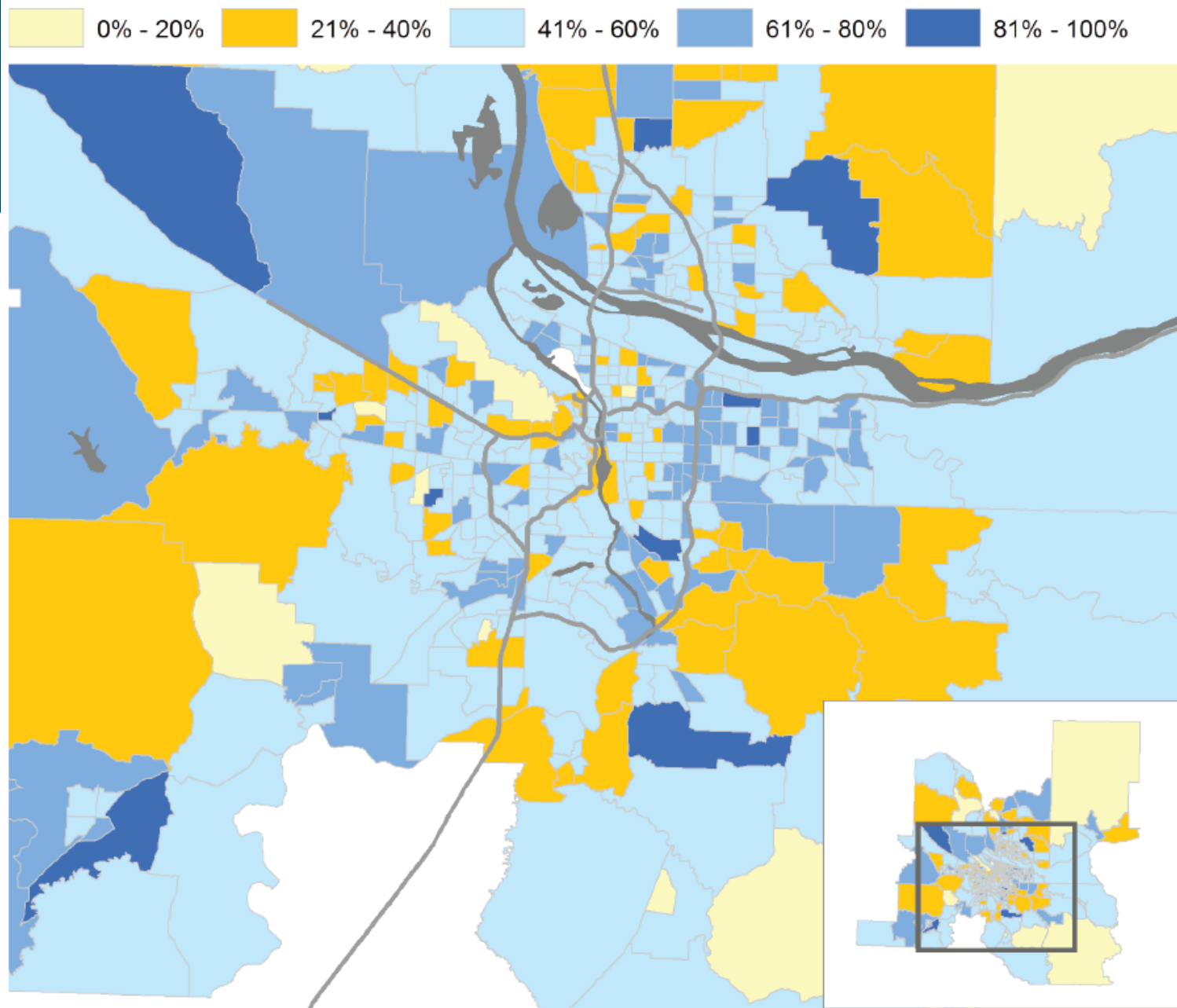

Source: Brookings analysis of OES data

Inflation-Adjusted median wage growth by race in the Portland metropolitan area, 2000-2015
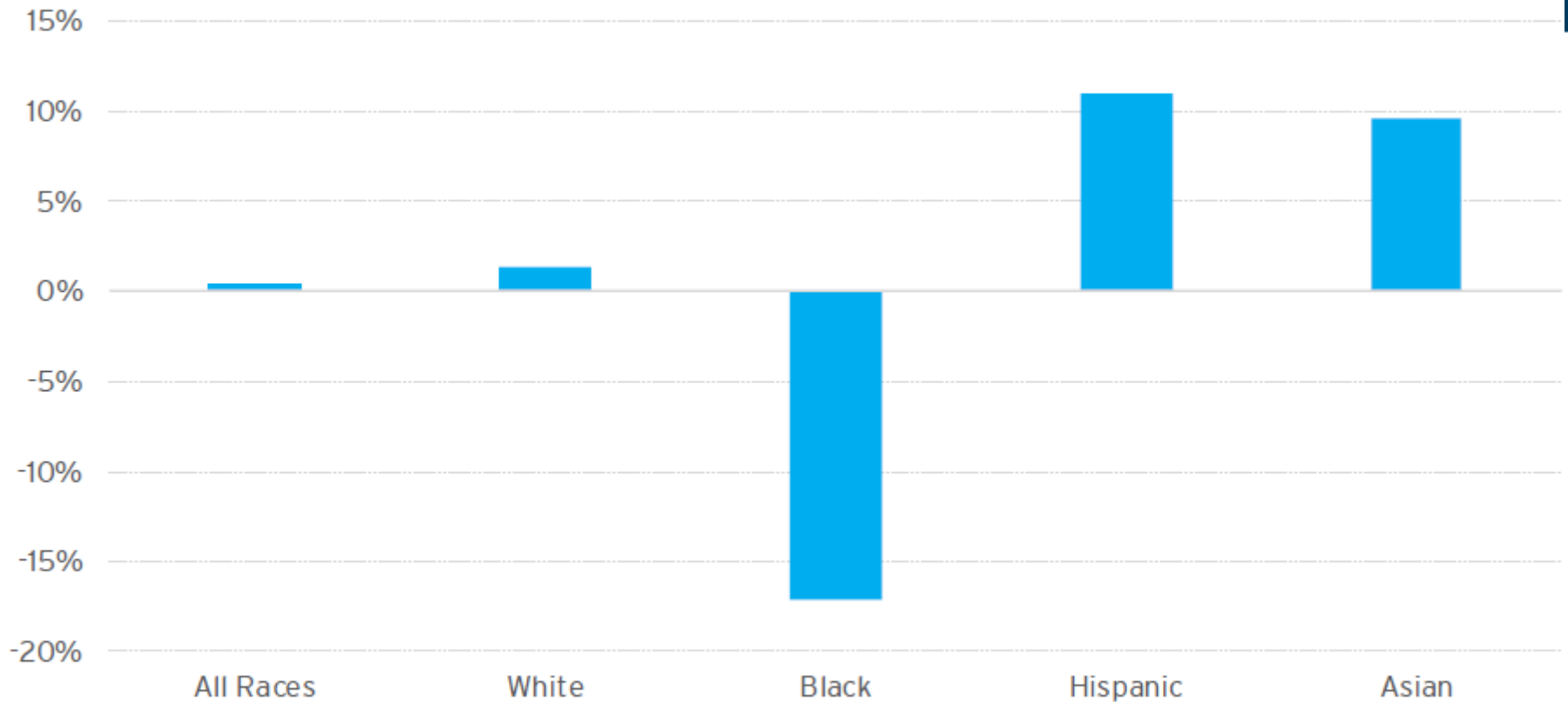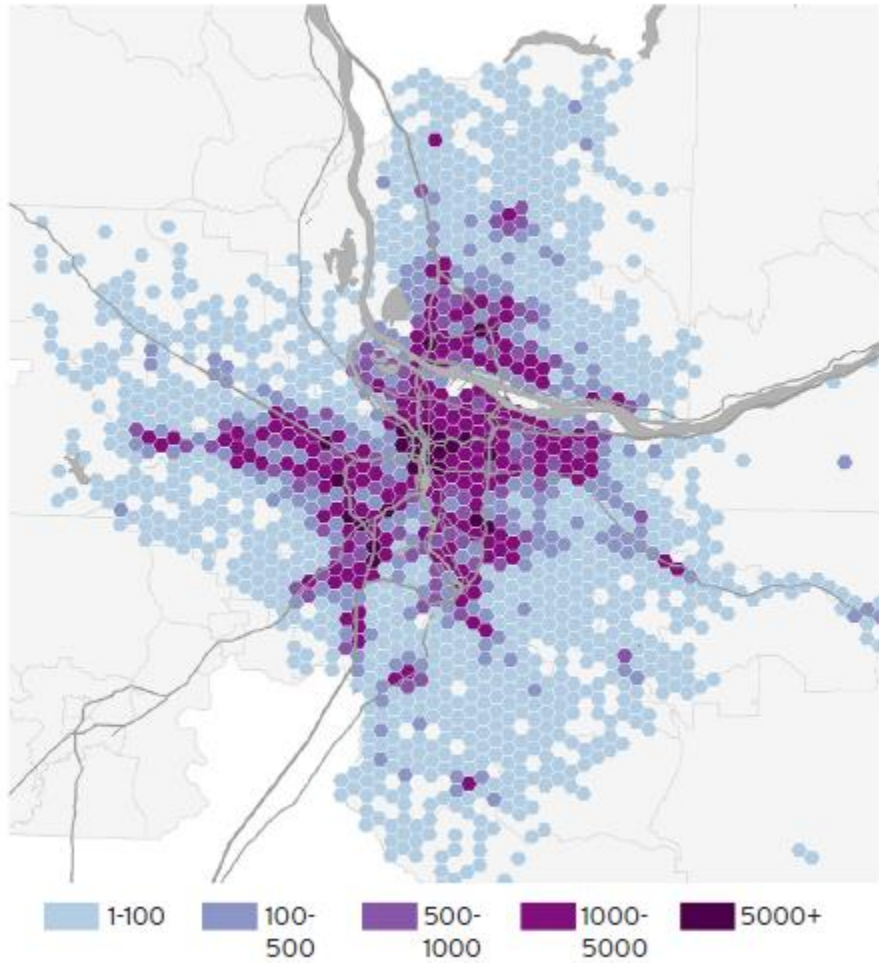

Source: Brookings analysis of American Community Survey (ACS) data

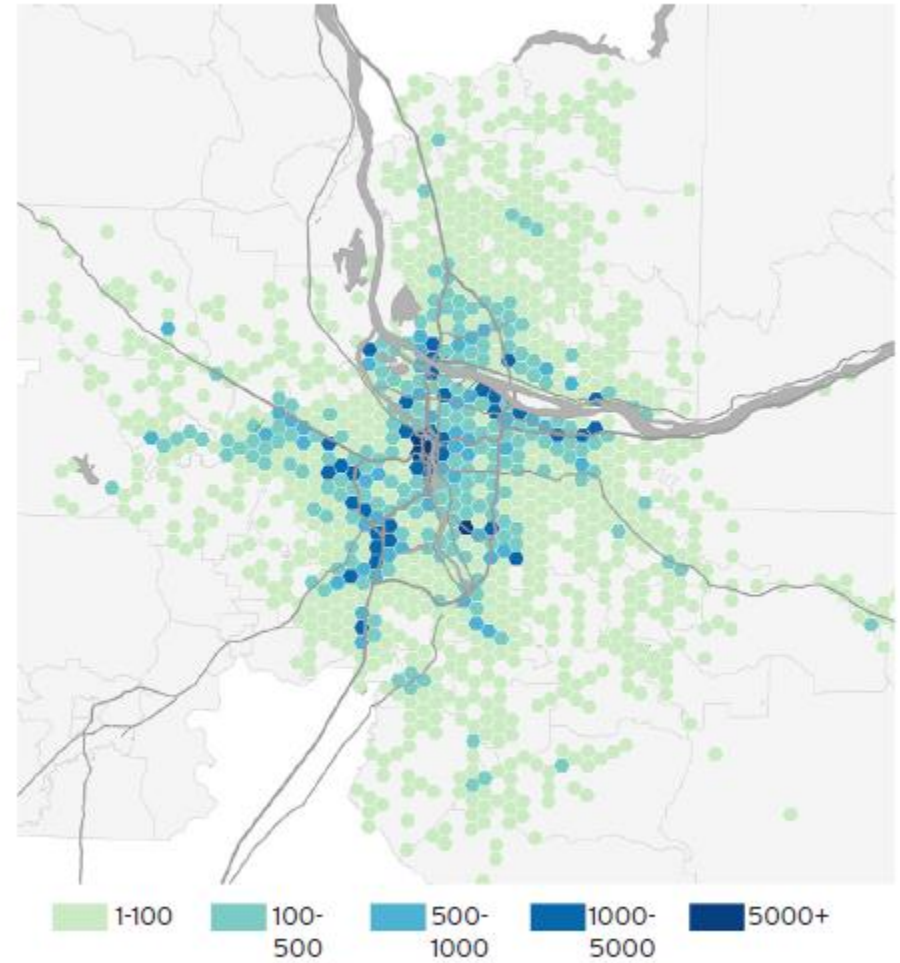# Share of renters spending over 30 percent of income on housing, by census tract, 2011-2015

0% - 20%	21% - 40%	41% - 60%	61% - 80%	81% - 100%

Local Services

Tradable Services + Tradable Goods

1-100 | 100-500 | 500-1000 | 1000-5000 | 5000+

1-100 | 100-500 | 500-1000 | 1000-5000 | 5000+

Source: Brookings analysis of InfoUSA data

U.S. REGIONS
■ South ■ Northeast ■ Midwest ■ West

GLOBAL REGIONS
■ Asia ■ Europe ■ Africa ■ Americas

Reset Diagram
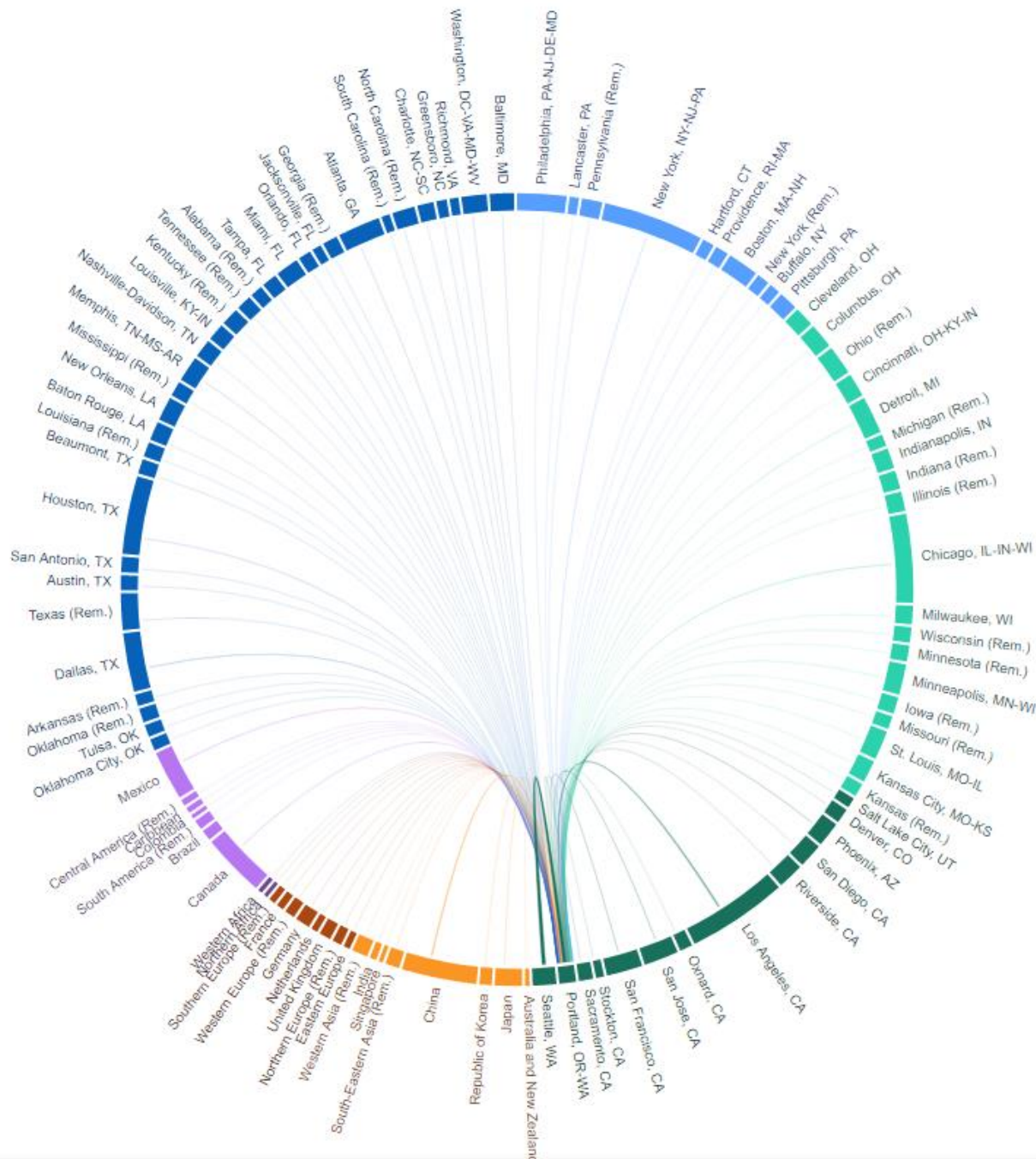
Freight Flows To Outside Markets for Portland-Vancouver MSA

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INDICATOR SELECTION

- 4-county region as the primary geography – Information at the MSA level would be displayed as overlays, not as part of the decision-support tool.

- The geographic analysis unit would be "Neighborhood" – Much of the data needed is not available at the Tract level.

- Index each location to the highest performing neighborhood in the 4 county region

- Early direction on 24-26 likely indicators and their data source for 3 core lenses (Business, People, Place)

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GUEST PRESENTATIONS

1. **Applications in Transportation Planning/Projects –** Kim Ellis (Metro)

2. **Applications in regional economic development –** Lloyd Purdy (GPI)

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   – **Place**

DRAFT ECONOMIC VALUES

BUSINESS

1. GROW LOCAL JOBS + INCREASE JOBS ACCESS

2. GROW TRADED SECTOR JOBS + TARGET FIRMS THAT BRING NEW CAPITAL TO THE REGION

3. SUPPORT **BUSINESS** STARTUPS THAT ADVANCE INNOVATION

4. IMPROVE MARKET ACCESS + SUPPLY CHAIN LINKAGES TO INCREASE PRODUCTIVITY

PEOPLE

5. IMPROVE ACCESS TO WORK**ERS** WITH NECESSARY EDUCATION + IN-DEMAND OCCUPATIONAL SKILLS

6. **INCREASE ECONOMIC ATTAINMENT WITH** IMPROVE**D** ACCESS TO MIDDLE WAGE JOB OPPORTUNITIES

7. LEVERAGE WORKERS + ENTREPRENEURS FROM ALL BACKGROUNDS **+ FOSTER** EQUITABLE WEALTH **CREATION**

8. **REDUCE VULNERABILITIES FOR PEOPLE + FAMILIES TO ENABLE THEM** TO PARTICIPATE IN THE ECONOMY

PLACE

9. EFFICIENT USE, ACCESSIBILITY, AND MARKETABILITY OF INDUSTRIAL + COMMERCIAL LANDS

10. ADVANCE LOCAL **REAL ESTATE** MARKETS ACROSS THE REGION

11. HOUSING + TRANSPORTATION AFFORDABILITY THAT MAINTAINS COMPETITIVE COST OF LIVING

12. ASSETS + INFRASTRUCTURE THAT SUPPORT COMPLETE COMMUNITIES WITH ACCESS TO OPPORTUNITY

DISCUSSION

1. **Will the performance of different areas of the region inform or support decisions and investments at your organization based on these values?**

2. **Are there any primary regional economic values that are missing?**

3. **Should this set of economic values inform the design of the EVA decision-support tool?**

NEXT STEPS

- **Upcoming Meetings:**

  - **12/20/2017 – Tech Work Group (10AM) – Indicators + Tool Prototype Design**

  - **TBD – Task Force – Final Values + Tool Prototype Design** (Currently scheduled for 9AM on 1/19, but may be rescheduled to 1:30PM on 1/11 so that Brookings is able to present to Metro Mayors and attend)

oregonmetro.gov

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Jeffrey.raker@oregonmetro.gov

TOOL DEVELOPMENT + APPLICATIONS

1. Definition of areas that could merit investment (Multiple forms) based on specific characteristics?

2. Level of focus on measuring what is directly influenced by transportation/land use vs. other local + regional decisions?

3. Level of support for business decisions? Business development/recruitment?

4. Getting beyond solely "proximity" to economic activity?

5. How do we develop a tool that is truly supportive of a specific set of economic values + what set is this?

REDEFINING GLOBAL CITIES: THE SEVEN TYPES OF GLOBAL METRO ECONOMIES

● Factory China ● Knowledge Capitals ● Emerging gateways ● Asian Anchors

● Global Giants ● American Middleweights ● International Middleweights

Knowledge Capitals

Knowledge Capitals are 19 mid-sized, highly productive innovation centers in the United States (e.g. Boston, Dallas, San Jose, Seattle, etc.) and Europe (e.g., Amsterdam and Zurich) with talented workforces and elite research universities. These regions are at the world's innovation frontier, and thus challenged constantly to generate new knowledge and ideas to sustain growth.

https://www.brookings.edu/wp-content/uploads/2016/09/metro_20160928_gcitypes.pdf

Competitiveness profile: Knowledge Capitals by the numbers

Economic characteristics and competitiveness factors by type of global city.   *Hover over the plot for details*

Note: The dots in the plot above depict the averages of the normalized metro area values (z-scores) for each global city type. The solid horizontal axis line represents the average of the 123 metro areas.

Portland, USA
Type: Knowledge Capitals

		Ranks	
Metric	Value	Overall	Within type
Population (ths.), 2015	2,389	109/123	15/19
GDP (millions PPP$), 2015	$159,219	86	16
GDP per capita (PPP$), 2015	$66,640	14	9
GDP per worker (PPP$), 2015	$139,429	10	7
GDP growth (ann.), 2000–15	+3.9%	48	2
GDP per capita growth (ann.), 2000–15	+2.5%	46	1
GDP per worker growth (ann.), 2000–15	+3.1%	36	1
Traded sector productivity diff., 2015	+31.7%	34	6
FDI per capita, 2009–15	$882	67	10
University research impact, 2010–13	N/A	N/A	N/A
Patents per 1,000 inhabitants, 2008–12	1.63	17	9
Venture capital per capita (ths.), 2006–15	$0.97	16	12
Higher ed. attain. (%)	38.8	23	12
Air passengers, 2014	29,091,156	60	16
Internet speed (Mbps), 2014	36.4	28	10

Seattle Business Decision Engine

PORTLAND-VANCOUVER-HILLSBORO

THE KAUFFMAN INDEX

Select Location 🔍

RANK	RANK	RANK
27	3	28
STARTUP ACTIVITY	MAIN STREET ENTREPRENEURSHIP	GROWTH ENTREPRENEURSHIP

2014 Established Business Density: **615.1**

Normalized score (out of 100): **59.99**

2014 Survival Rate: **51.16%**

Normalized score (out of 100): **77.87**

2015 Rate of Business Owners: **7.56%**

Normalized score (out of 100): **66.67**

2013 Rate of Startup Growth: **63.77%**

Normalized score (out of 100): **30.694**

2013 Share of Scaleups: **1.21%**

Normalized score (out of 100): **21.975**

Growth Entrepreneurship

2015 High Growth Company Density: **92.7**

Normalized score (out of 100): **22.634**

Rate of New Entrepreneurs: **0.26%**

Normalized score (out of 100): **33.33**

2016 Opportunity Share of New Entrepreneurs: **76.43%**

Normalized score (out of 100): **31.27**

2014 Startup Density: **82.8**

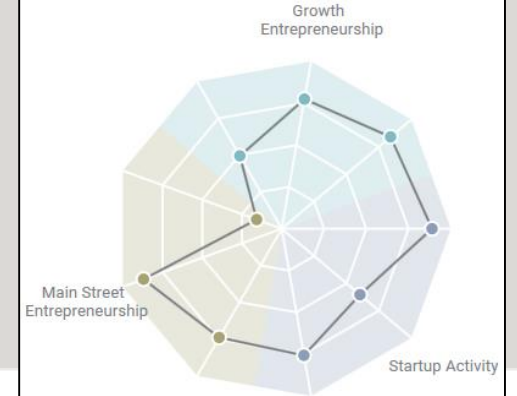Normalized score (out of 100): **43**

Main Street Entrepreneurship

Startup Activity

http://www.kauffman.org/kauffman-index/profiles?loc=US&name=united-states&breakdowns=startup-activity|overall,main-street|overall,growth|overall
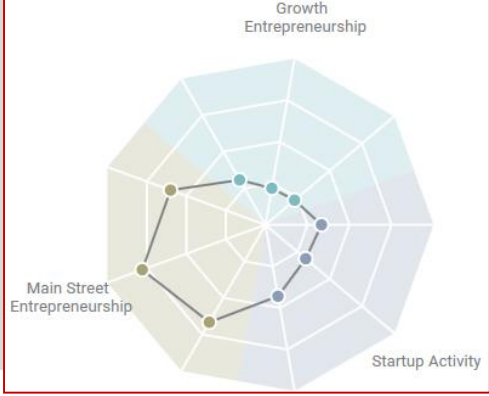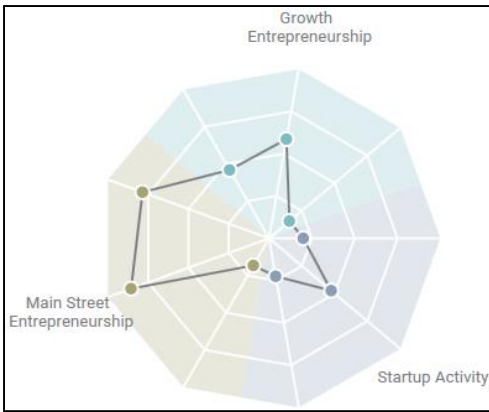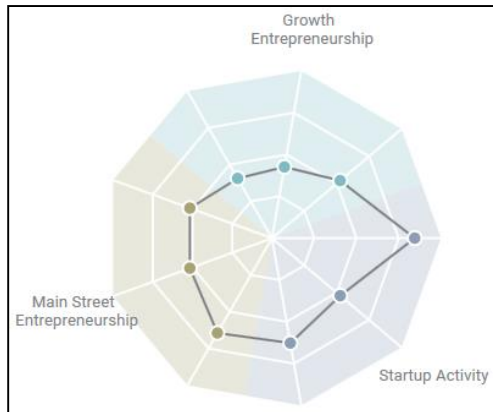
Portland-Vancouver-Hillsboro
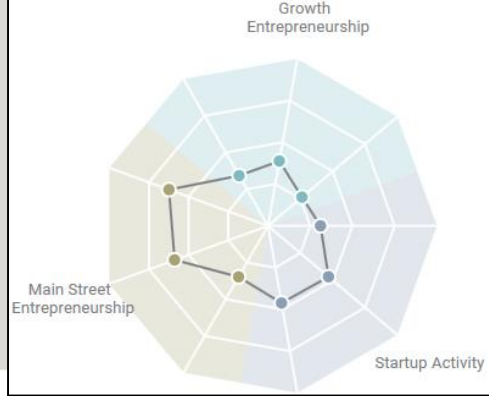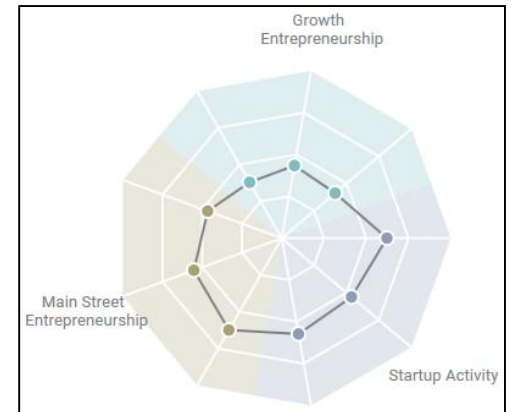
Seattle-Tacoma-Bellevue
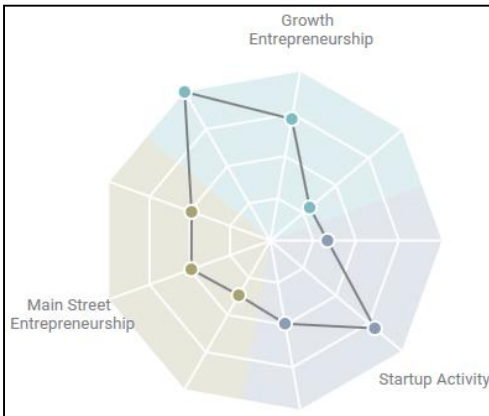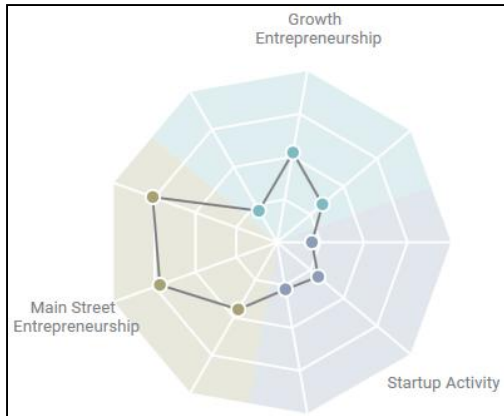
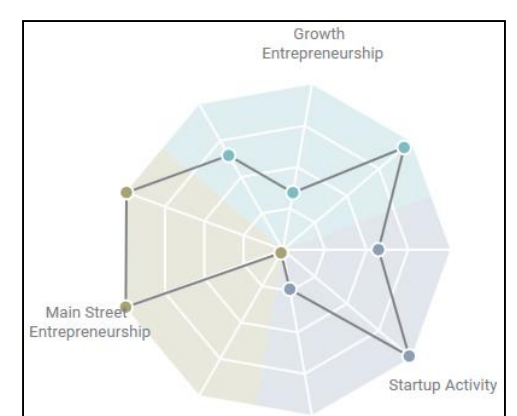Austin-Round Rock-San Marcos

Baltimore-Towson

San Diego-Carlsbad-San Marcos

Denver-Aurora-Broomfield

San Jose-Sunnyvale-Santa Clara

Minneapolis-St.Paul-Bloomington

USA

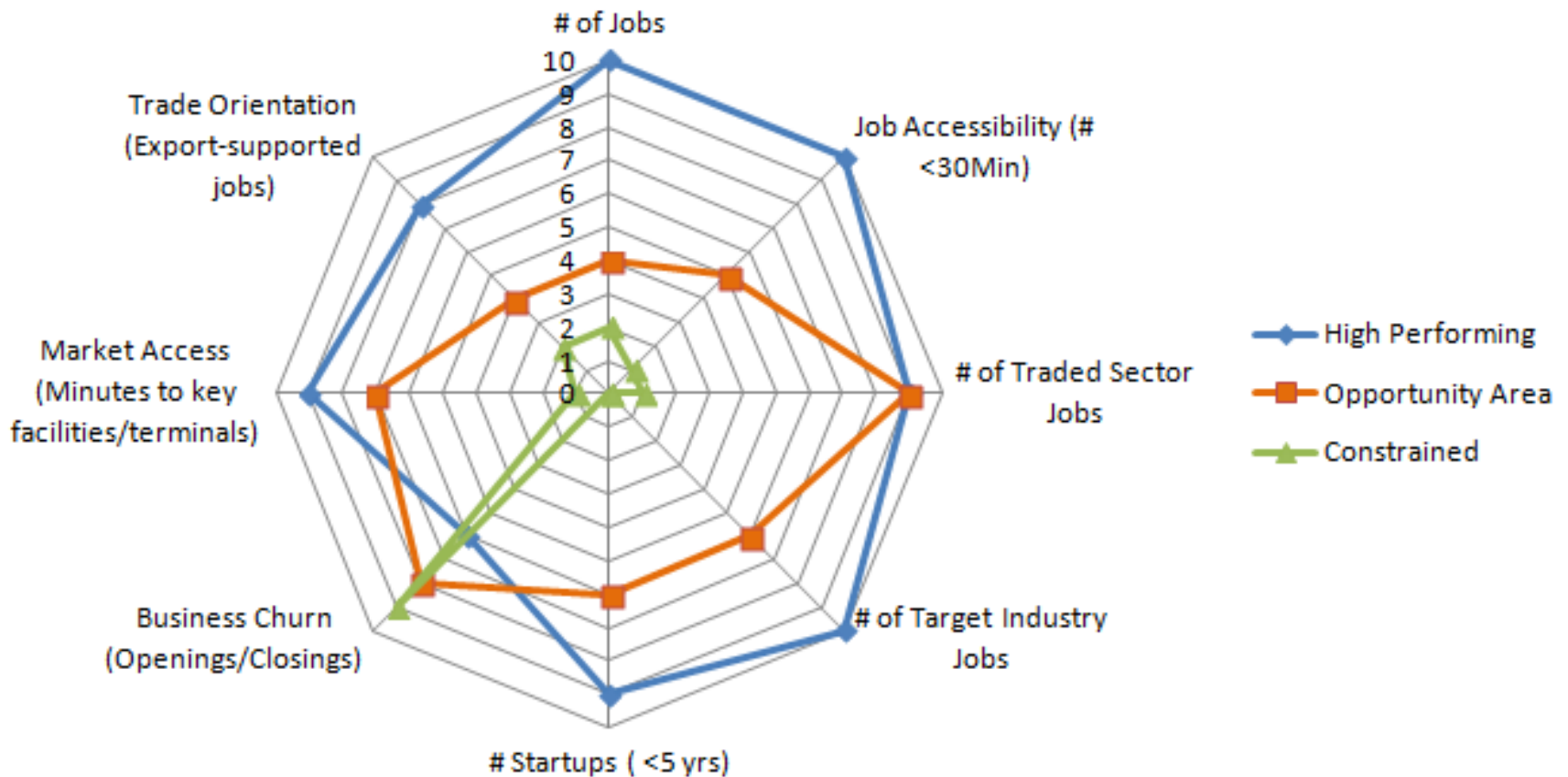http://www.kauffman.org/kauffman-index/profiles?loc=US&name=united-states&breakdowns=startup-activity|overall,main-street|overall,growth|overall
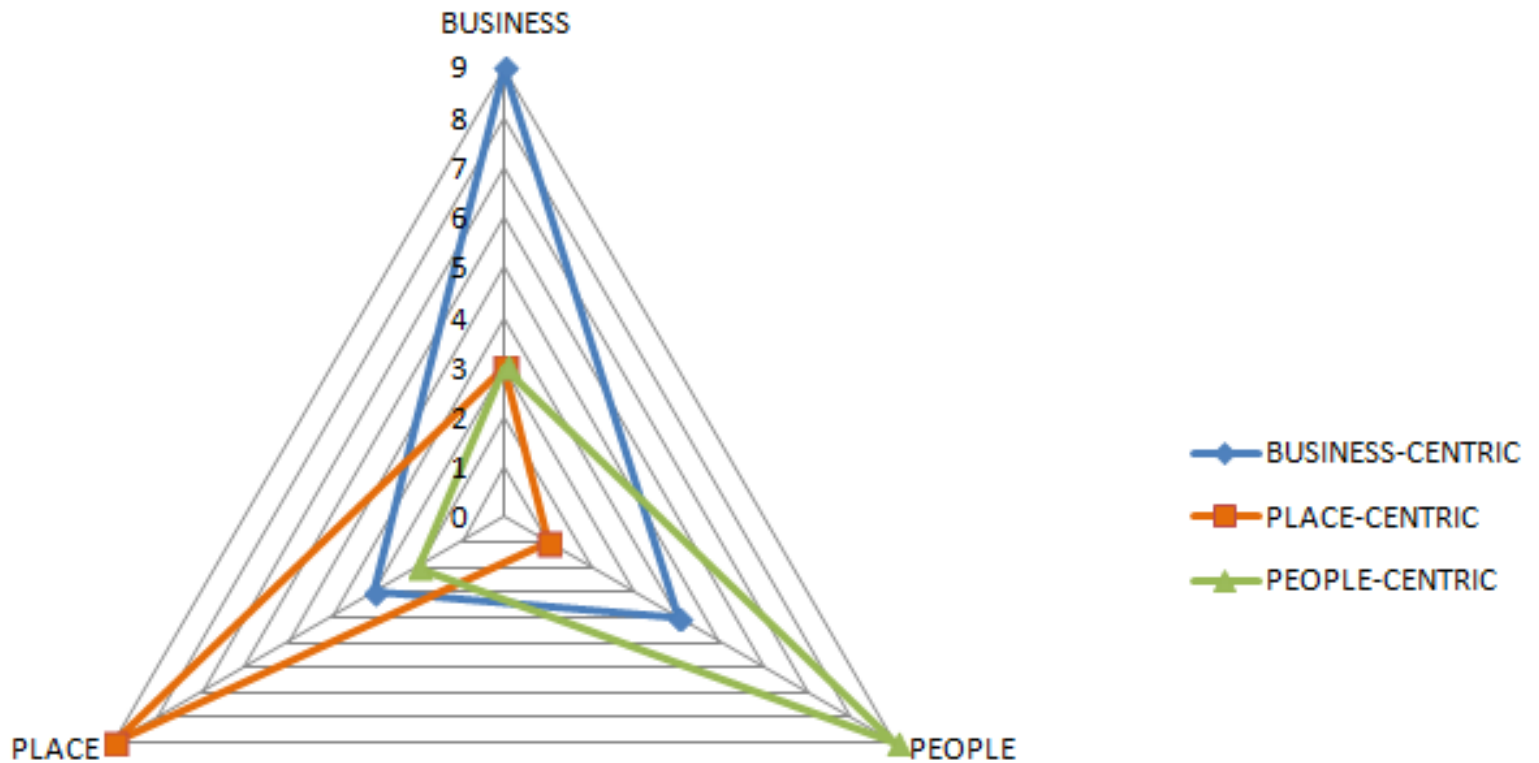
EMPNUM
- 0 - 19
- 20 - 75
- 76 - 210
- 211 - 600
- 601 - 1400
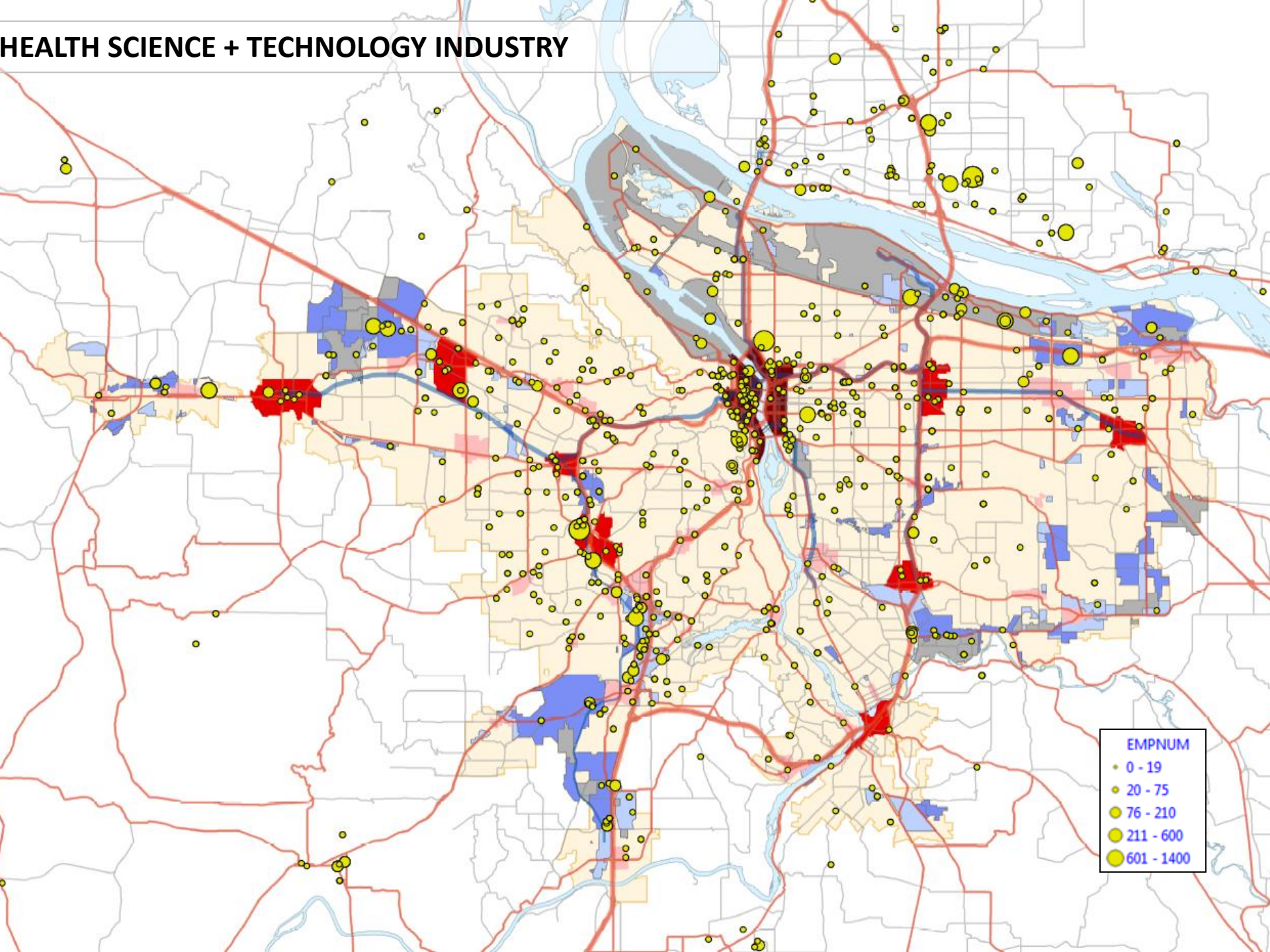
BUSINESS SAMPLE

SAMPLE OF OVERALL ECONOMIC ORIENTATION

A Data Picture to Pinpoint Areas of Focus for Investment

SAMPLE: Metro Context Tool