

9 Economic Development Element

Introduction

This chapter is devised at a unique moment in national economic history: the recovery point of the most significant business cycle downturn since The Great Depression of the 1930's. The “Great Recession” officially began in the fourth quarter of 2007 and ended the second quarter of 2009¹; however its effects were protracted, including significant lingering high unemployment rates. Clark County’s unemployment rate peaked at 15.9 percent in March, 2010², among the highest in Washington State. As of December 2015, the county’s unemployment rate had fallen to around 6 percent³. The characteristics of recession in Clark County were typical of development-oriented communities across the state and nation, with high unemployment rates particularly affecting the building trades sector.

Following the onset of the recession, business investment, industrial production and general business activity/output fell to very low levels. Recovery from the recession began in 2009 with very low rates of growth. Productivity increases outstripped the rate of output growth, holding back employment growth until gradually the rate of output growth recovered to higher levels during the 2012 to 2014 period. The first substantive signs of economic recovery locally began to appear in 2013 to 2014. This recovery appears now to be in its initial, tenuous stages.

The economic development element of the comprehensive plan assumes the county, state and nation will continue a slow recovery from the recession. As businesses and sectors of the economy have evidenced signs of recovery, risk aversion has become more prominent with respect to new investment decisions in strong contrast to the period prior to the recession. The county, cities and private partners have unique and important roles to play in restoring the community’s economic health and fostering a resilient, prosperous economy and growth environment.

The GMA established the following statewide economic development goal: “Encourage economic development throughout the state that is consistent with adopted comprehensive plans; promote economic opportunity for all residents of the state, especially for unemployed and disadvantaged persons; and encourage growth in areas experiencing insufficient economic growth all within the capacities of the state's natural resources and local public services and facilities.”

Defining economic development

Economic development is fundamentally an issue of **human development**. Economic systems are comprised of transactional relations between elements in society, such as agents (individuals and enterprises) and institutions (governmental and non-governmental). The basis of such transactional relations are rooted in meeting basic human needs, concerns, utility derivation and attainment of ideated states of well-being, variably defined. Measuring economic performance relative to these objectives generally defaults to metrics of materiality, such as income. With respect to complete human well-being however, materiality is a necessary but not a sufficient condition.

Measures of personal income are frequently used as metrics of economic performance. Full-time employment at or above median wage levels (with associated health, welfare and pension benefits)

¹ National Bureau of Economic Research

² US Bureau of Labor Statistics

³ Washington State Employment Security Department

is a strong predictor of various measures of human well-being. While measures of income serve as proxy for human well-being, they are inherently limited and their conclusions not broadly generalizable. A set of diverse metrics offers a fuller perspective of human well-being and relative comparability among societies. Such metrics include among other things: income; life expectancy; access to sanitation, clean drinking water and health services; infant mortality; access to education, educational attainment and rates of literacy. Statistical measures of equity in each of these and other areas of topical interest are also available by ethnicity and gender and are important aspects of measuring human well-being.

The county's role

Clark County's role in economic development is to function as an equitable and efficient institutional partner and facilitator, assuring due process in its regulatory role and working with partners in the region in the public and private sectors to promote a robust market environment where economic development may occur. Directly, the county is involved in the provision of public infrastructure, its planning and finance. The county also engages in land use planning, ensuring that context of land use and the capacity of connecting infrastructure are sufficient. Through extensive consultations with jurisdictional partners and the public, the county develops a strong nexus between land and public capital investment necessary for the formation of private capital investment.

The county has significant indirect effects on economic development. This is primarily through partnerships such as with the Columbia River Economic Development Council (CREDC), Southwest Washington Workforce Development Council (SWWDC), Vancouver USA Regional Tourism Office, chambers of commerce, ports and other jurisdictional relationships. As an example, Clark County was a participant in the 2011 CREDC Clark County Employment Land Inventory, which identified a shortage of development-ready large employment sites. This shortage relates primarily to site-specific constraints such as insufficient infrastructure capacity and the presence of environmentally-sensitive areas. Through cultivation of these relationships and extensive ongoing public engagement, the county will develop and maintain an economic development vision and pursue it with strategy, discipline and intentionality.

Objectives

1. Economic diversification
 - a. Develop a robust market environment comprised of diverse sectors
 - b. Build resilience to business cycle shocks
 - c. Invest in broad-based public infrastructure which serves a variety of economic sectors - avoid institutional selection of "winners and losers" or "calling the market"
2. Human well-being and opportunity
 - a. Generate pathways for the creation of middle-skill, middle-income, traded-sector employment
 - b. Attract export and manufacturing related business investment
 - c. Facilitate partnerships generating opportunities for citizens to increase skill levels
 - d. Recognize and respect individual needs for diverse opportunities
 - e. Look for the "path to yes" in interaction between citizens, partners and the economic community
3. Holistic, strategic approach
 - a. Develop an economic vision rooted in evidence

- b. Develop a vision that transcends planning cycles and biennial budgets
- c. Erase boundaries between communities and topical disciplines
- d. Wisely use resources through focused strategies – geographically prioritize and focus public infrastructure investment to leverage timing and yield of development such as the Focused Public Investment Areas approach (examples: St. Johns/Barberton and Discovery Corridor)

Comparative advantages

Clark County and the cities within it benefit from several strengths and comparative advantages. While each may have associated limitations or constraints, the overall strength is one that can be used to promote economic development and activity.

Table 9.1 | Clark County Comparative Advantages

LOCATION	COMMUNITY
<ul style="list-style-type: none"> • Part of Portland metropolitan area • Within 3 hours drive time of Seattle/Tacoma • 10 hours by ground to San Francisco, largest air freight hub on west coast • Temperate climate resulting in minimal weather hazards, predictable energy costs and predictable equipment maintenance requirements 	<ul style="list-style-type: none"> • Good quality of life • High recreation amenities • High environmental quality • Rural and urban community character
LABOR	INFRASTRUCTURE
<ul style="list-style-type: none"> • Labor force educationally competent at high school level and above • Strong primary and secondary schools • Strong university • Strong community college • Reasonable labor costs 	<ul style="list-style-type: none"> • Good road infrastructure maintenance and network • Two transcontinental railways • International airport • Deep water marine terminals • Pipeline oil and gas access • Adequate ground and surface water • Affordable electricity and adequate networks • Building materials are competitively priced and available

Guiding principles

Use robust strategies

Robust economic development strategies are those with many positive direct and indirect effects. For example, a strategy of expanding middle income manufacturing jobs in traded sectors generates direct positive income effects. These income effects manifest in the form of a multiplier, generating additional consumer spending related to the increase in disposable income, which has an associated employment generation effect. An additional indirect benefit is the creation of additional pathways to middle skill, middle income employment, benefitting persons working in lower income, lower skill employment. Traded sectors export goods and services from Clark County to markets throughout the world, generating prosperity and opportunity locally.

Some examples of robust economic development strategies include:

- Focusing on traded sectors, attracting new investment and creating opportunities to export products and services across the globe
 - Leverage comparative infrastructure advantage to attract traded sector industries
 - Develop the land base necessary for retention, expansion and recruitment of these industries
 - Build our knowledge base in engineering, supply chain and industrial management
- Focus on increasing the property tax base instead of expanding the sales tax base
 - Recognize sales tax as revenue that redistributes across the community based on shifting consumer preference
 - Sales tax is new revenue only when population or income levels grow significantly, or when new retail segments develop
 - Property tax reflects increasing capital stock
- As identified in the 2011 CREDC Clark County Employment Land Inventory, focus on industrial land inventory that meets the needs for retention, expansion and recruitment of twenty-first century industry
 - Support smart urban growth boundary expansion that brings in sites of the character, type, size and location desired by industries
 - Protect the most desirable parcels zoned for industrial use from conversion to other use
 - Retire parcels that are less desirable for industrial use because of size, location, or constrained shape or character, from the industrial inventory to other kinds of land uses

These strategies are intended to be refined and added to over time as additional information becomes available through research activities and stakeholder engagement.

Focus on core competencies

Clark County’s direct role in economic development is to provide public infrastructure and land use planning and permitting. These activities include transportation and storm water planning and projects, which can significantly affect opportunities for economic growth and development. The County also manages and plans for investments in its short line railroad, which can generate opportunities for additional rail-served industrial land.

Clark County government should focus on initiatives and efforts in these core areas that further develop excellence in providing these services to the community. The county should also continue to develop excellence in its engagement as a partner with other jurisdictions and economic development stakeholders in areas such as business recruitment, expansion and retention, workforce training and education, marketing and tourism, land aggregation and development and so forth. Comprehensive Plan policies should support the efforts of all parties. Comprehensive Plan policies in this chapter focus on and provide guidance to the county related to the land use planning competency area and associated decision making.

Maintain a small, strong and simple economic development program

In consideration of limited resources, it is important to keep programs focused and effective. Important characteristics of the program include:

- Measure and implement ideas that build on our natural capital and “what works here”; use other communities as inspiration and leverage and adapt their ideas;
- Use measurements of success that are fair, look at situations over time, focus on improvement in opportunities for workers and focus on how efficiently resources are used; and
- Prepare sites with infrastructure and predictable permitting processes that encourage private investment.

Goals and Policies

The Community Framework Plan contained a series of policies for economic development. The intent of this Economic Development Element is to build on the policies already in place, provide more specific direction for implementation of economic development goals and coordinate with other elements of the comprehensive plan.

9.0 Clark County Economic Development Vision Statement:

“Clark County will grow as a high-wage economy that creates jobs at a rate in excess of population growth and an increasing percentage of the population will both live and work in Clark County. There will be an emphasis on emerging clusters that have a significant knowledge-based component.”

9.1 Countywide Planning Policies

The following policies are countywide and apply to both incorporated and unincorporated areas.

- 9.1.1 The county and cities will demonstrate their commitment to long-term economic growth by promoting a diverse economic base, providing opportunity for all residents, including unemployed and disadvantaged persons. Growth which helps to measurably raise the average annual wage rate of community residents and preserves the environmental quality and livability of our community, is viable growth and will improve the lifestyle of Clark County residents.
- 9.1.2 The county and cities will demonstrate their commitment to the retention of those enterprises, which have created the economic base of the county and promote their continued growth in a predictable environment, which encourages investment and job growth.
- 9.1.3 The county and cities will encourage long-term growth of businesses of all sizes, because economic diversification and stratification are important factors in overall job growth for the county and cities.
- 9.1.4 The county and cities will promote productivity and quality among its businesses to meet world and market standards for their products and services.
- 9.1.5 The county and cities will encourage higher educational levels for residents and improvements in the measurable performance of high school graduates compared with other counties in the state.
- 9.1.6 The county and cities may give priority assistance to employers who will increase the standard of living in the community.
- 9.1.7 The county and cities will plan for long-term economic growth, which enhances the capacity of existing air shed for job-generating activities.
- 9.1.8 The county and cities will provide for orderly long-term commercial and industrial growth and an adequate supply of land suitable for compatible commercial and industrial development.
- 9.1.9 The county and cities will encourage the recruitment of new business employers to absorb the increasing labor force and to supply long-term employment opportunities for county's residents who are currently employed outside of the State.

- 9.1.10 The county and cities will work together to establish specific common benchmarks that will measure the region's overall economic viability. These benchmarks will be included in the county's Comprehensive Plan and are encouraged to be included in each jurisdictions comprehensive plan.
- 9.1.11 Conversion of industrial or employment center lands to non-industrial or non-employment center districts may occur within the following parameters:
 - a. Protect and preserve lands zoned heavy industrial for heavy industrial uses.
 - b. Protect employment center lands from conversion to residential.
 - c. Consider rezoning of employment center lands to non-retail commercial or business park if the proponent can show that (a) the zone change would accommodate unforeseen and rapidly changing commercial development needs and (b) the proposed designation is more suitable than the current designation given the land's site-specific characteristics and (c) the proposed zone change will generate jobs at a higher density than the current comprehensive plan zone allocation.
- 9.1.12 Encourage use of a multi-modal transportation system that facilitates the reduction of travel times and reduces the need for additional road construction within the region.
- 9.1.13 Following consultation with interested cities, the county may, consistent with state requirements, designate Major industrial developments RCW 36.70A.365 and /or Master planned developments – Master planned locations RCW 36.70A.367 outside urban growth areas. Appropriate or required Intergovernmental Agreements consistent with the provisions of the state law shall accompany such designation

County 20-Year Planning Policies

Unincorporated County

The following goals and policies are not countywide and apply only to the unincorporated areas.

Goal: Provide commercial and industrial employment opportunities to meet the needs of Clark County citizens.

9.2 Policies

- 9.2.1 Encourage long-term business investments that generate net fiscal benefits to the region, protect environmental quality and are consistent with the objective of higher wage jobs for Clark County residents.
- 9.2.2 Encourage public and not-for-profit partnerships with private business interests in generating economic development projects.
- 9.2.3 Promote a diverse economic base, providing economic opportunity for all residents.
- 9.2.4 Provide priority assistance to employers who pay a family wage.
- 9.2.5 Promote workforce development through collaboration with WSU-Vancouver, Clark College and other organizations to facilitate infrastructure development and other economic development initiatives.

Goal: Assure an adequate supply of industrial sites to meet market demands for industrial development over the planning horizon to create an environment conducive to the startup, growth and expansion of industries.

9.3 Policies

- 9.3.1 In cooperation with local jurisdictions, maintain a minimum 10-year supply of industrial land based on average absorption rates over the last five years.
 - a. Designate the necessary acreage of vacant industrial land for the 20-year planning period.
 - b. Discourage removal of land from the inventory if that results in a less than 10-year supply of industrial sites.
 - c. Encourage industrial land banking of large sites and “future urban reserve areas” to preserve large parcels at key locations for future industrial sites (RCW 36.70A.367).
 - d. New industrial sites that are part of a major industrial land bank shall be consistent with RCW 36.70A.365 and RCW 36.70A.367.
- 9.3.2 Designate sites for industrial use at locations that will be accessible from roadways of arterial classification or higher, potentially served with utilities and a developable area with minimal environmental constraints such as unsuitable soils, floodplains, archaeological sites and wetlands.
 - a. Program Focused Public Investment Areas and Capital Facilities Planning expenditures to assure development of these lands.
- 9.3.3 Maintain an adequate inventory of properties designated for industrial use and that are suitable for a mix of business and industrial park, light and heavy industrial uses; include properties developed by both private and public entities; and provide access to multimodal transportation services including motor freight, rail and marine facilities.
- 9.3.4 Conversion of industrial or employment lands to non-industrial or non-employment districts may occur within the following parameters:
 - a. Protect and preserve lands zoned heavy industrial for heavy industrial uses.
 - b. Protect employment lands from conversion to residential.
 - c. Consider rezoning of employment lands to non-retail commercial or business park if the proponent can show that (a) the zone change would accommodate unforeseen and rapidly changing commercial development needs and (b) the proposed designation is more suitable than the current designation given the land’s site-specific characteristics and (c) the proposed zone change will generate jobs at a higher density than the current comprehensive plan zone allocation.

Goal: Provide contextually-appropriate commercial sites adequate to meet a diversity of needs for retail, service and institutional development in Clark County.

9.4 Policies

- 9.4.1 In cooperation with local jurisdictions, maintain an adequate supply of commercial lands within designated urban growth areas, based on average absorption rates of the last five years plus an appropriate market factor.

- Designate sufficient commercial land for the 20-year planning period, located within designated urban growth areas;
- Discourage removal of commercial land from the inventory that results in a less than 10-year supply of commercial sites;
- Update inventories of commercial lands at least every ten years; and,
- Encourage infill and redevelopment of underutilized commercial sites.

9.4.2 Locate convenience-oriented retail and service developments adjacent to residential neighborhoods; encourage small-scale neighborhood commercial uses directly within residential areas.

9.4.3 Encourage commercial and mixed-use developments located on current or planned transit corridors; encourage transit-oriented site planning and design.

9.4.4 Maintain design guidelines to ensure that commercial projects are developed with minimal impact on surrounding land uses, are consistent with related community appearance/design guidelines and assure pedestrian as well as vehicular access.

9.4.5 Permit home occupations that are consistent with the character of adjoining residential properties and neighborhoods.

9.4.6 Encourage responsible waterfront development for commercial uses where environmentally and economically feasible.

Goal: Provide a continuum of educational opportunities responsive to the changing needs of the work place locally and regionally.

9.5 Policies

9.5.1 Encourage continuing education, skills upgrading, mentoring and lifelong learning programs suitable for large and small employers.

Goal: Promote long-term economic development that will improve environmental quality and accommodate job generating activities.

9.6 Policies

9.6.1 Encourage sustainable development and programs.

9.6.2 Develop compatible land uses that promote the long-term economic viability of the county railroad.

Goal: Encourage infrastructure development and services necessary to serve new industrial development.

9.7 Policies

9.7.1 Prioritize infrastructure development in advance of need to areas that are suitable for industrial development.

Goal: Maintain and enhance opportunities for resource-based industries located on rural lands in Clark County.

9.8 Policies

- 9.8.1 Encourage resource-based industries, including agricultural, forestry and aggregate materials, which are consistent with rural lands goals and policies.
- 9.8.2 Implement programs to encourage agricultural and forestry management of smaller rural tracts consistent with best available science.
- 9.8.3 Encourage home businesses and, if necessary, revise the Clark County Unified Development Code to minimize impacts to neighboring properties.