

RESOLUTION NO. 1155

A RESOLUTION ADOPTING THE CANBY ECONOMIC DEVELOPMENT STRATEGY

WHEREAS, the City of Canby has significant assets and resources to support business growth and attract new businesses; and

WHEREAS, the City has not had an adopted Economic Development Strategy for the community in the past; and

WHEREAS, City staff has gathered current and in-depth information about Canby's challenges and opportunities through six economic development related studies and business and community outreach efforts; and

WHEREAS, staff has evaluated existing city economic development related goals and aspirations and ensured that the Economic Development Plan aligns with them; and

WHEREAS, the attached Economic Development Plan provides an overview of Canby's industry clusters and employment areas and recommendations on how to maximize their potential; and

WHEREAS, the Plan outlines strategies focused on supporting existing businesses, recruiting new businesses, and ensuring that Canby stays an attractive place for business; and

WHEREAS, the Plan provides direction on ongoing, short term and longer term initiatives to ensure a strong and diverse local economy;

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Canby, as follows:

- The Canby Economic Development Strategy document, marked as Exhibit "A" and by this reference incorporated herein, is hereby adopted by Canby City Council; and
- The City of Canby staff is hereby authorized and directed to begin implementing initiatives outlined in the Canby Economic Development Strategy; and
- City staff will work with local, county, regional and state partners to support existing businesses and coordinate business recruitment efforts as appropriate.

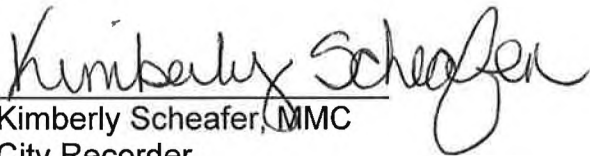
This resolution will take effect on April 3, 2013.

ADOPTED this 3rd day of April 2013 by the Canby City Council



Brian Hodson
Mayor

ATTEST:



Kimberly Scheafer, MMC
City Recorder

CANBY ECONOMIC DEVELOPMENT STRATEGY



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Resource Documents Available:

Visit the City of Canby Development Services Office or online at www.Canbybusiness.com

- *Summary of Economic Development Reports and Recommendations*
- *2013 Canby Vision - Adopted March 20, 2013*
- *Canby Business Clusters Analysis and Draft Strategies - December 20, 2012*
- *Canby Retail Market Analysis – July 2012*
- *Canby Business Survey – Spring 2012*
- *Clackamas County Economic Preparedness Program Community Assessment October 22, 2012*

Canby Economic Development Overview

The Canby area has evolved from a small rural agricultural “bedroom” community into an important regional and international business location with small town charm. The city of 15,865 residents serves a market area of almost 50,000.

The city population has grown by almost 6,500 since 1990, a growth rate of 1.47% or 300 new residents per year. There are 5,625 households in the city and 17,945 in the market area. The average household size is 2.79 persons with a median household income of \$54,310 and a median age of 36.7. Two thirds own their homes and 56% have attended college with 20% boasting a 4-year degree or higher.

The level of business growth and activity in the Canby area is strong. The amount of diversity within the Canby area’s employment base is impressive. This diversity provides stability and a strong foundation to weather uncertain economic times.

At the beginning of 2012, the Canby area had nearly 800 business establishments with over 7,800 workers and an annual payroll of \$279 million (down from \$321 million in 2010). As identified in the table below, the growth of employment within the Canby city limits was estimated at 4,581 jobs in 2010, up from 4,202 jobs in 2002 (US Census).

Overall job growth increased about 9%, with the strongest growth occurring in Canby’s industrial, construction and education sectors. Canby employment has increased in the past few years, but the recent recession has taken a toll on business earnings and payrolls have not fully recovered.

Canby Employment Trends, 2002 to 2010

| Sector | 2002 | 2010 | Change | |
|--------------|--------------|--------------|------------|-------------|
| | | | Number | Percent |
| Industrial* | 1,195 | 1,392 | 197 | 16.5% |
| Construction | 273 | 397 | 124 | 45.4% |
| Retail | 634 | 602 | -32 | -5.0% |
| Service | 1,426 | 1,457 | 31 | 2.2% |
| Education | 447 | 550 | 103 | 23.0% |
| Public Admin | 227 | 183 | -44 | -19.4% |
| Total | 4,202 | 4,581 | 379 | 9.0% |

* Industrial sectors include: manufacturing, wholesale trade, transportation, and utilities.



NATIONAL AND REGIONAL OVERVIEW

Understanding Canby's unique position within the broader regional, national and international marketplace is an important first step in establishing an effective local economic development agenda. The economic slowdown began in December 2007, and was the longest on record since World War II. A slow recovery is underway but consumers are cautious as unemployment and underemployment rates remain high. National economic growth (by Gross Domestic Product or GDP) is expected to increase by 2.2 to 2.8 percent in 2013. Like many areas, the greater Portland region has experienced declining home values, stagnate income levels, high unemployment, and relatively high office/retail vacancies over the past few years.

Natural population increases combined with in-migration are expected to drive regional population and housing growth that exceeds national averages. The region's population was nearly 2.2 million by 2010 and is forecasted to add between 650,000 and 950,000 people over the next 20 to 30 years. Clackamas County has 381,680 residents and is growing at a rate of 1.1 percent. Population increases within the Region will expand the labor force, and lead to more employment and business investment. Long-term job growth forecasts are for 167,000 and 282,000 new jobs in the region between 2010 and 2020.

LOCAL OPPORTUNITIES AND STRENGTHS

A growing county and region provides Canby businesses opportunities to serve an expanding market. Canby has a large supply of served and available industrial land in a region where there is an industrial land shortage. The city is well poised to take advantage of the emerging economic recovery.

| Canby Major Employers 2012 | NAICS | Cluster Name | Jobs |
|----------------------------------|-------|-------------------------------|---------------|
| KENDAL FLORAL SUPPLY, LLC, | 4249 | Wholesale Trade | 300-400 jobs |
| JOHNSON CONTROLS BATTERY GROUP | 3359 | High Tech | 200-250 jobs |
| CANBY FRED MEYER | 4529 | Retail | 200-250 jobs |
| WILLAMETTE EGG FARMS, LLC. | 1123 | Agriculture & Food Production | 150-200 jobs |
| WILSON CONSTRUCTION COMPANY | 2371 | Clean Tech/Construction | 150-200 jobs |
| CUTSFORTH THRIFTWAY | 4451 | Retail | 100-150 jobs |
| MARQUIS COMPANIES, INC. | 6233 | Assisted Living | 100-150 jobs |
| JV NORTHWEST, INC. | 3324 | Metals Mfg. | 100-150 jobs |
| MEC NORTHWEST | 3344 | High Tech | 100-150 jobs |
| SHIMADZU USA MANUFACTURING, INC. | 3345 | High Tech | 100-150 jobs |
| J. FRANK SCHMIDT & SON COMPANY | 1114 | Nurseries & Greenhouses | 50 – 100 jobs |
| CANBY DENNY'S, INC. | 7221 | Restaurants | 50 – 100 jobs |
| MONTECUCCO FARMS, LLC. | 1112 | Nurseries & Greenhouses | 50 – 100 jobs |
| AMERICAN STEEL | 4235 | Metals Manufacturing | 50 – 100 jobs |
| PIONEER PUMP, INC. | 3339 | Pump Equipment Mfg. | 50 – 100 jobs |
| SR SMITH, LLC. | 3399 | Sporting Goods Mfg. | 50 – 100 jobs |
| FIRST STUDENT MANAGEMENT LLC. | 4854 | Clean Tech/Transport | 50 – 100 jobs |
| G F MANAGEMENT COMPANY | 1113 | Ag. & Food Production | 50 – 100 jobs |
| TERRA NOVA NURSERIES, INC. | 1114 | Nurseries & Greenhouses | 50 – 100 jobs |
| RUAN TRANSPORT CORPORATION | 4841 | Clean Tech/Transport | 50 – 100 jobs |
| CANBY TELCOM | 5171 | Clean Tech/Telecom | 50 – 100 jobs |
| ROTH HEATING AND COOLING | 2382 | Clean Tech/Construction | 50 – 100 jobs |

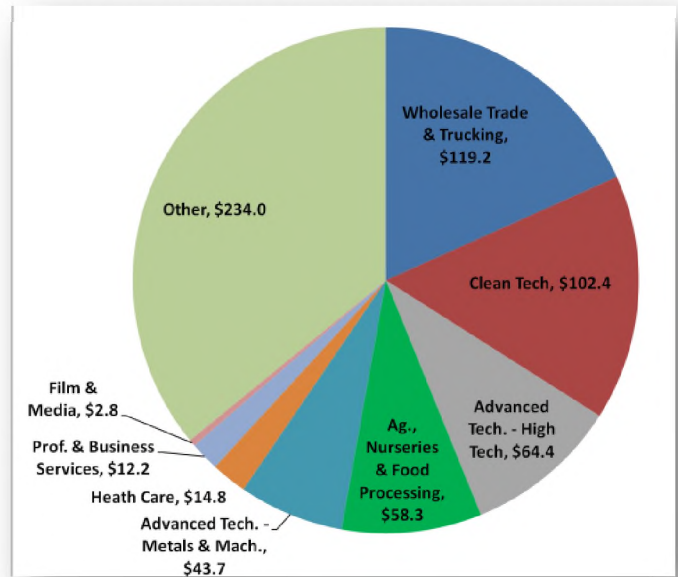
CANBY INDUSTRY CLUSTERS:

The city conducted an in-depth industry cluster analysis in 2012 that identified its key economic drivers. These types of companies have a natural affinity for what Canby offers. They tend to cluster together, represent more and larger companies and have strong growth potential.

Canby's clusters include:

- **Agriculture and Food Production** (1,046 jobs in 2011 up from 881 jobs in 2010, \$58M GDP)
- **Wholesale Trade & Trucking** (839 jobs in 2011 up from 702 jobs in 2010, \$131M GDP)
- **High Tech** (459 jobs in 2011 down from 510 jobs in 2010, \$64M GDP)
- **Advanced Technology – Metals & Machinery Manufacturing** (419 jobs in 2011 up from 239 jobs in 2010, \$44M GDP)
- **The Clean Tech** sector includes transportation, construction, energy and telecommunications. This emerging sector within the Canby area provides 1,061 jobs with an annual GDP of \$102 million.

Annual Canby GDP By industry Clusters (in Millions)



In Canby, these business clusters outperform other employment sectors as noted in the table below.

- Create \$418 million in annual GDP (up from \$391 M in 2010)
- Generate 64% of total direct GDP.
- Employ 54% of the Job base (50% in 2010)
- The average compensation of \$42,250 in key clusters is nearly 20% above average for all jobs

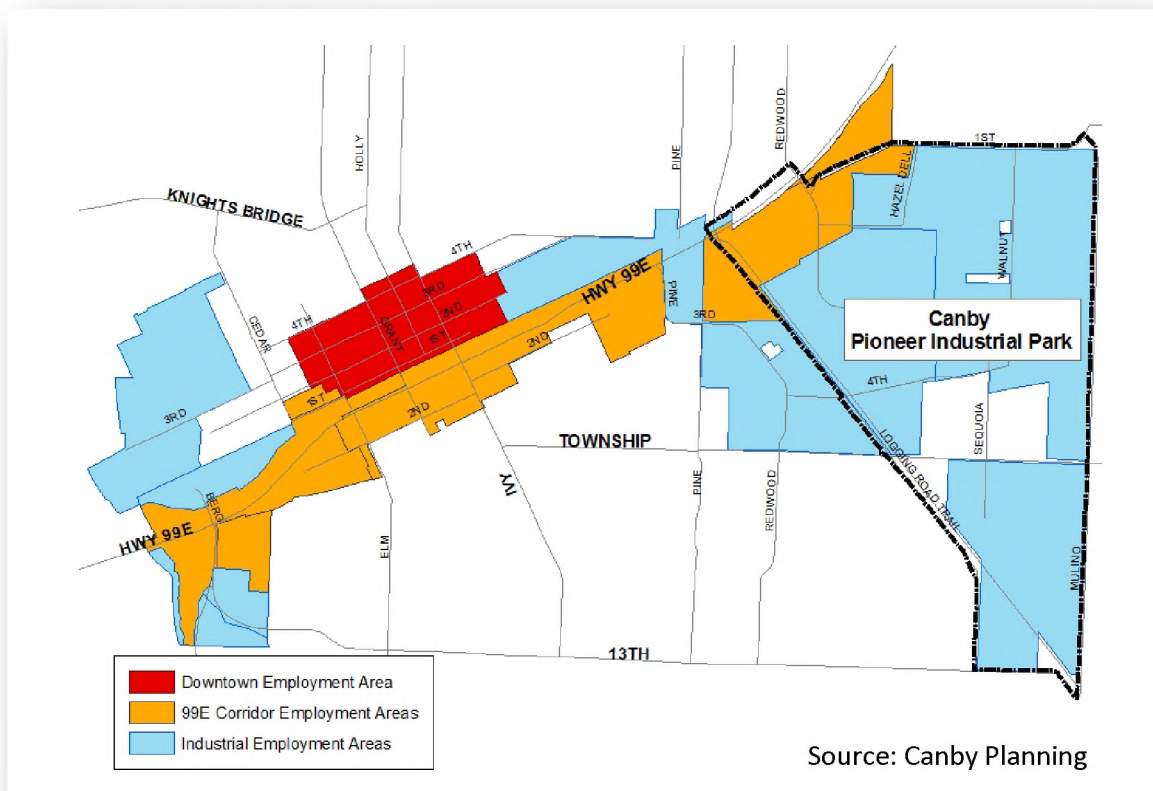
Canby Area Business Clusters Analysis

| Sector Name | Count, Businesses Establishments | Estimated Employees* | Avg. Pay | Annual GDP (Value Added) | Share of Clackamas County GDP for this cluster | Share of Canby Area Jobs |
|---------------------------------|----------------------------------|----------------------|-----------------|--------------------------|--|--------------------------|
| Wholesale Trade & Trucking | 64 | 839 | \$35,912 | \$119,240,000 | 7.3% | 10.7% |
| Clean Tech | 139 | 1,061 | \$53,355 | \$102,360,000 | 7.6% | 13.6% |
| Advanced Tech. - High Tech | 16 | 459 | \$54,921 | \$64,390,000 | 7.0% | 5.9% |
| Ag., Nurseries & Food | 66 | 1,046 | \$27,703 | \$58,270,000 | 6.4% | 13.4% |
| Advanced Tech. - Metals & Mach. | 24 | 497 | \$48,445 | \$43,730,000 | 7.8% | 6.4% |
| Heath Care | 28 | 154 | \$42,964 | \$14,840,000 | 1.4% | 2.0% |
| Prof. & Business Services | 46 | 122 | \$45,663 | \$12,220,000 | 1.3% | 1.6% |
| Film & Media Production | 11 | 32 | \$21,337 | \$2,780,000 | 1.3% | 0.4% |
| Total Selected Clusters | 394 | 4,210 | \$42,250 | \$417,830,000 | 3.1% | 53.9% |
| Total in Canby Area* | 793 | 7,810 | \$35,772 | | | |

* includes Canby, Hubbard and Aurora areas.

Source: Oregon Emp. Dept. and IMPLAN model data; analysis by FCS GROUP.

CANBY EMPLOYMENT AREAS



DOWNTOWN CANBY - Downtown Canby's commercial core is home to 104 establishments (11 of which are home-based businesses); the majority are personal, professional or health services (63 percent), followed by restaurants (11 percent) and retailers (8 percent). Recent downtown improvements, including construction of the Canby Cinema, redevelopment on 1st Avenue, plans for a new library and several other urban renewal projects, have increased its competitiveness with other retail centers in Canby. Second Avenue features summer flower baskets and planters and a new artistic banner program to make the downtown shopping district more appealing.

Issues/Challenges: Downtown businesses are spread out and a critical mass of retail is needed to encourage shopping and pedestrian circulation. Downtown has an older building stock with a number of properties conveying a tired appearance. Professional and personal services as well as second-hand stores have edged out high quality diverse retail options that draw more customer traffic. Visibility for OR 99E is poor.

Opportunities/Assets: There are approximately 440 employees who work in downtown businesses, including part-time and full-time employees. A City sponsored façade improvement program can assist businesses and property owners in upgrading their appearance. A Main Street program is focused on helping businesses revitalize downtown. First Avenue redevelopment will provide a much improved visible face of downtown to the well-traveled Highway OR 99E.

INDUSTRIAL AREA –The almost 367-acre Canby Pioneer Industrial Park was established in 1999 with the formation of the Canby Urban Renewal Agency and investment in roads and infrastructure to attract industrial investment and jobs for the community. It is one of the largest ready-to-develop industrial areas in the region. The park offers site sizes from 1 to 60 acres with high quality amenities, reasonable land prices and affordable utility rates. It is attractive to small and midsized manufacturers. Over the past 13 years new companies have developed about 1/3rd of its land area.

In 2012, there were seventeen businesses that generated 842 jobs and \$74.5 million in assessed value. It is well positioned to attract new companies as the economy gains strength.

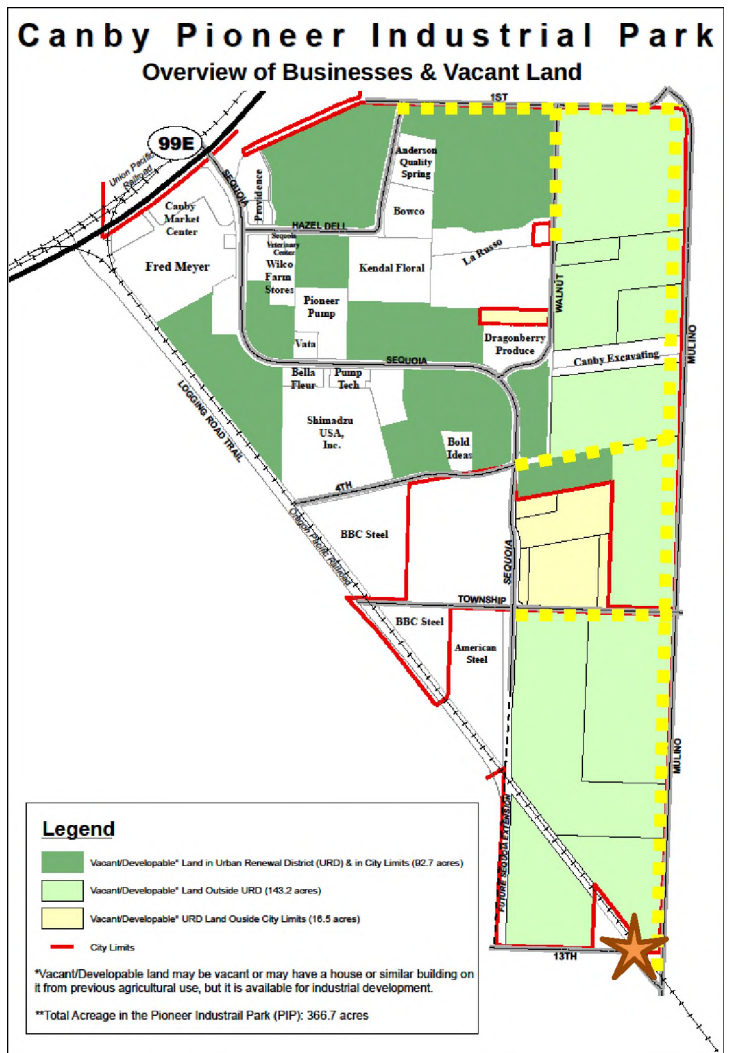
Other Industrial areas on the west side of Canby are well established with major employers. There are few sites and vacant buildings available for sale. Some redevelopment and business expansion opportunities exist.

Issues/Challenges:

- Small inventory of available buildings actively on the market.
- Some areas of the industrial park need road and infrastructure improvements over the long term including bringing the following roads and infrastructure up to industrial standards: Walnut to 1st Avenue, 1st Avenue from Hazel Dell Way to Mulino Road, Extension of 4th Avenue to Mulino Road, and improvements to Township Road between Sequoia Parkway and Mulino Road. Eventually a reconstruction of Mulino Road along the east side of the industrial park will be needed, especially if the Industrial Area expands to the east. A sewer lift station is needed near Mulino Road and 13th Avenue to serve the lower portion of the industrial park as it develops.
- Over the long term, another connection to Highway OR 99E may be needed to accommodate growth – possibly at Otto Road, Haines Road or other options.

Opportunities/Assets

- A variety of sites sizes that are zoned, served and available on the market.
- The park is in the Canby Urban Renewal District that supports its development.
- High development standards and attractive current development presents the park well.
- Proximity to two Interstate Highways – I-5 and I-205 as well as OR 99E.
- Access to the Union Pacific mainline and private railroad provider.
- The variety of small-to-midsized employers in diverse industries help buffer the community from economic downturns. Many of the employers are growing and choosing to invest in local expansion.



HIGHWAY OR 99E CORRIDOR - is the two-mile commercial spine that bisects the City of Canby diagonally from the northeast to the southwest. An estimated 7,700 residents and 280 businesses exist on the north side of the highway with 8,070 residents and 342 businesses on the south side.

Like many linear corridors developed over the span of decades, Highway OR 99E has many conflicting uses and a wide range of building conditions, formats and property values. It is often considered the most visible part of Canby. It has new and attractive gateway signage at each end of town, banners and the new Vietnam Memorial Plaza. Despite these efforts, many consider it somewhat unattractive. With trucks, transit, vehicles, and to some extent bikes and pedestrians sharing the right of way, travel offers many chances for conflict.

Highway OR 99E's pattern of retail development is as an auto-oriented commercial corridor with many vehicle trips generated by a single business destination or anchor. These businesses range from large box stores such as Canby Builders Supply to drugstores and restaurants – over a dozen national restaurant/fast food chains and several locally-owned sit down restaurants. Over 20 vehicle-oriented businesses are located along the road including numerous gas stations, auto repair shops, parts and tire shops and other services.

Some retail concentrations have occurred at cross roads or in segments along the highway that encourage pedestrian movement within a center. The most favorable locations for retail on Highway OR 99E are in these clustered developments. These centers represent the highest value, most desirable retail locations in the corridor. In recent years, national chains such as Rite Aid and Walgreen's have followed the trend of locating at key intersections enabling the drive-up, auto-oriented shopping experience.

Parts of Highway OR 99E are experiencing disinvestment with stagnant rents. This is particularly true with older freestanding buildings that may have outlived their useful life or have industrial/heavy commercial occupants that reflect an earlier period in time.

Landscaping and visual appearance of buildings varies with about 30 percent of the older buildings creating a cohesive and run-down first impression to potential shoppers traveling through Canby on Highway OR 99E.

Like other highway strips, Canby's Highway OR 99E will increasingly be challenged to serve shifting market preferences for concentrated development that encourages a mix of co-located uses and attractive walkable environments.



Issues/Challenges

- Conflicting land uses and transportation patterns.
- Disinvestment at some nodes as older buildings outlive their useful life.
- Lacking visual appeal in some areas.
- Inconsistent or poorly maintained landscaping along the highway frontage detracts from the image of “Canby the Garden Spot”.

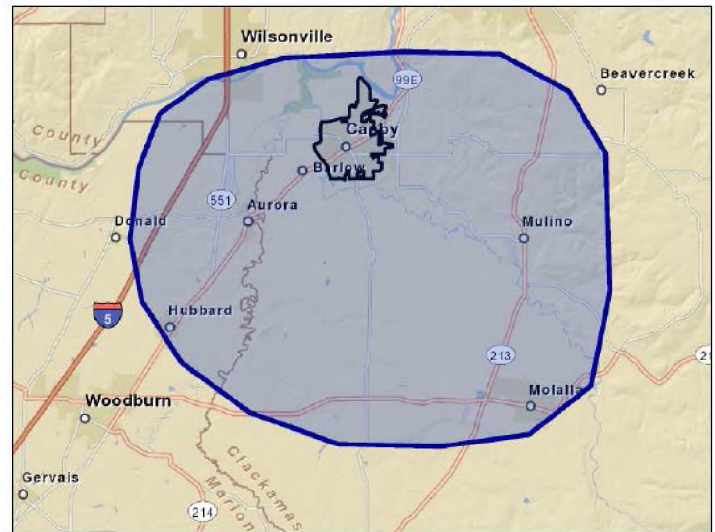
Opportunities/Assets

- Canby’s largest retail anchors are on Highway OR 99E, helping to encourage retail spending by local consumers.
- Location of most national chains and brands that shoppers desire.
- Relatively high traffic volume flows well through town with few bottlenecks.
- City sign codes and design standards limit visual clutter and increase attractiveness of new development.
- Highway OR 99E provides good visibility, easy access and business opportunities along the corridor.
- Almost 920 residents in a retail survey conducted Spring 2012 identified a need for restaurants (steakhouse/grill, seafood, family dining, a brewpub, a bakery, and healthy or natural foods). Specialty merchandise needs include sporting goods, apparel, books, arts and crafts supplies, and pet supplies. Services they were looking for include daycare, computer repair, tailoring and alterations, dry cleaning and a copy center/pack and mail service. Existing businesses offering these services would benefit from more proactive marketing efforts.

RETAIL OVERVIEW

The Canby Retail Market Area is three times as large as the city and consists of 48,490 persons in 17,945 households as of 2011. Since 2000, its population grew moderately, at an average annual rate of 1.47 percent. The market area includes Aurora, Hubbard, Mulino and Molalla.

Canby is still viewed as a relatively small market by many brokers and the national chain stores that they represent. Canby’s relatively small comparison shopping retail base is a function of its location. It is close enough to regional malls for shoppers to do comparison goods shopping there and yet far enough away from other retail centers that most shoppers will do all their convenience good shopping close to home.



Sales leakage is occurring in eight of ten store categories and totals \$103.6 million. The largest leakages are in general merchandise (\$46.8 million), restaurants (\$20.0 million) and apparel (\$15.4 million). Surpluses occur in home improvement and gardening (\$6.6 million) and miscellaneous specialty retail (\$3.7 million).

Within the Retail Market Area there is potential demand for 511,288 square feet of new or rehabbed retail space over the next five years. Of that, demand exists for 62,332 square feet of new store space. Potential demand is in five categories: shoppers' goods, convenience goods, restaurants, entertainment and personal services. The share of space that Canby can capture depends on retail outreach efforts, the availability of quality retail-ready space, and the performance of competitive shopping areas and the success of downtown's revitalization efforts to develop a variety of retail, service and entertainment uses.

Canby's Top Selling Points for Retail:

- A diversified and growing employment base with the top 20 businesses employing 1,657 people, the majority engaged in industrial activity.
- Public and private investment. In the last five years, almost ten million (\$9.6 million) in urban renewal investment stimulated approximately \$87 million in private development. Another \$22.5 million in public/commercial/industrial investment is planned or underway through 2013.
- Residential construction. About 970 new residential units were permitted over the last decade.
- Very good population and job growth that demonstrates growing market demand.
- Strong incomes in the City and market area at or above the State of Oregon and the Portland region.
- Strong year-round visitor market largely due to events at the fairgrounds.
- Highway OR 99E has high traffic volumes, good business access and high visibility for adjacent businesses.
- Business-friendly, supportive local government that offers incentives including a Revolving Loan Fund and Façade Improvement/Storefront Signage Grants. First Avenue streetscape improvements are completed and Highway OR 99E gateway improvement projects have been planned.

Canby's Top Challenges for Retail:

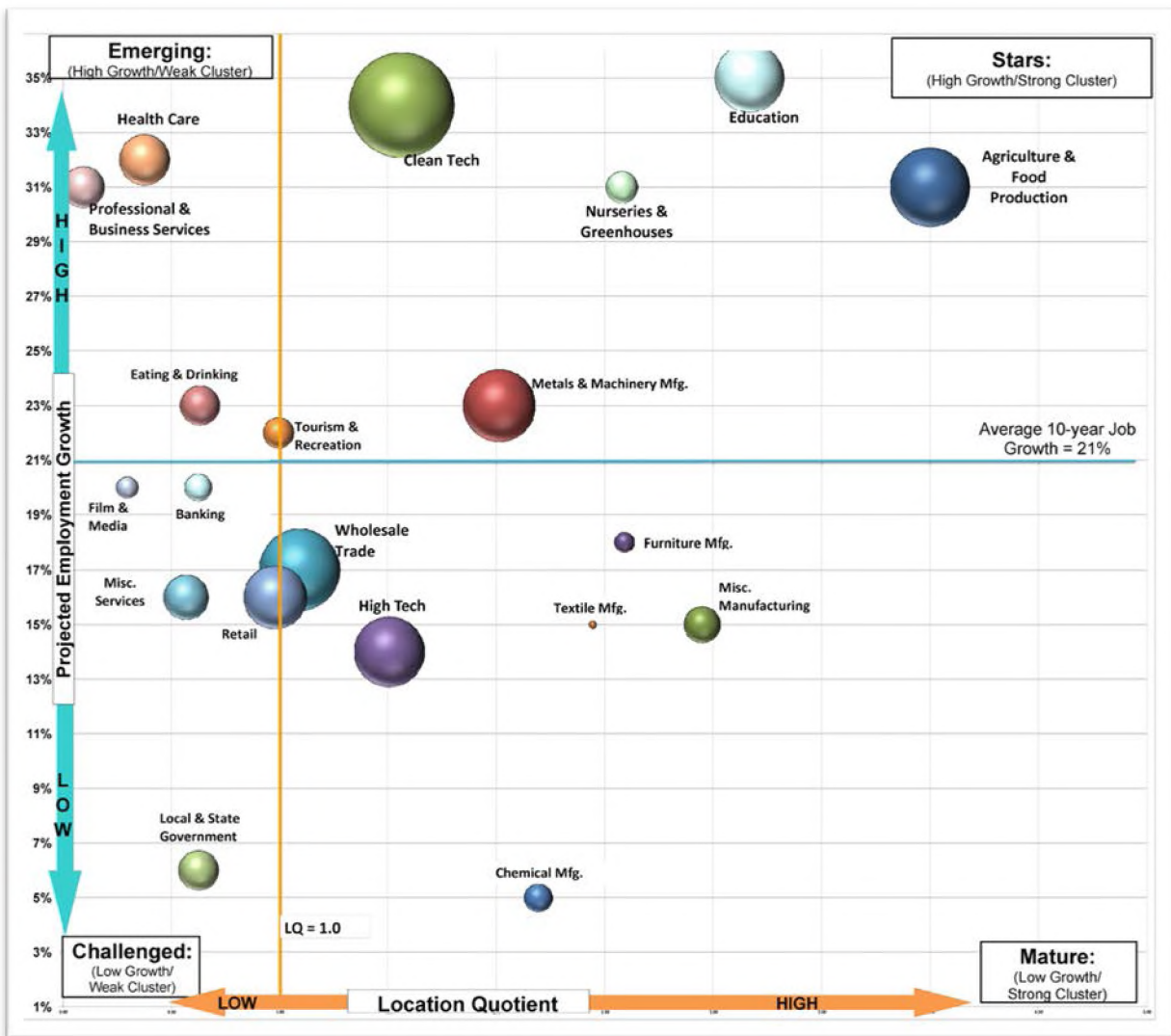
- Perceived as a small suburban market that cannot support national soft good (apparel, home accessories) chains.
- Except for newer retail centers, Highway OR 99E is perceived as rundown and unattractive.
- Canby's key market assets are not well known in the Portland commercial brokerage and development community and additional public relations is needed.
- Newer retail centers with quality space came online just before the downturn. Several centers have spaces that have been idle for two or more years.



Canby Industry Clusters

The Canby Area Industry Clusters Analysis identified existing and emerging market opportunities. It is a widely accepted among economic development professionals that “industry clusters” are the primary force driving local economic currents and business location decisions. Clusters of economic activity go well beyond mere concentrations of industry or employment types. They represent unique competitive market advantages with regard to employment, work force, creativity, entrepreneurship, business costs, and supporting natural resources.

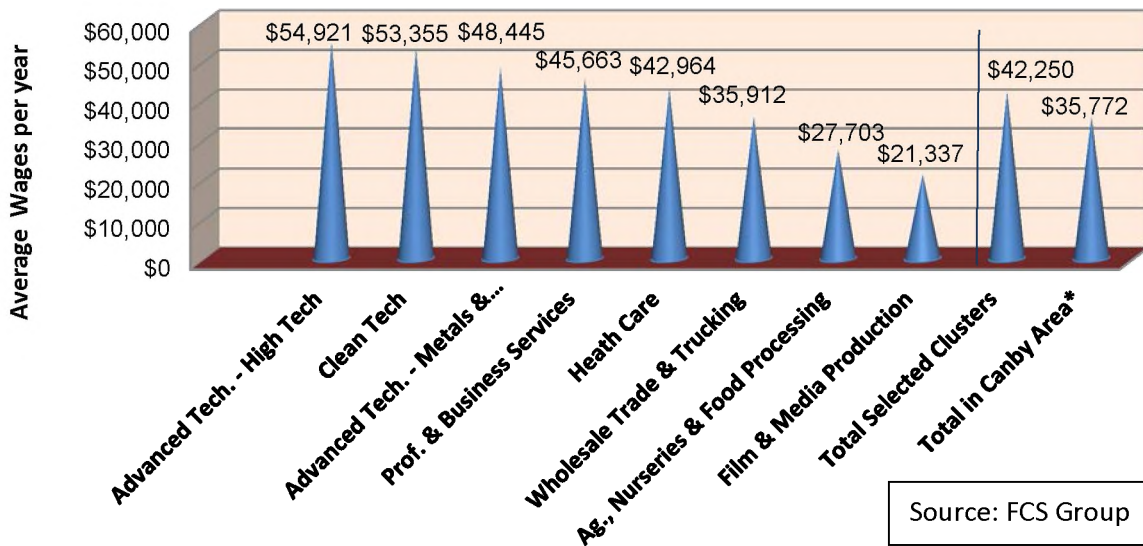
The chart below created by FCS Group shows Canby’s industry clusters by their Location Quotient (LQ), size (aggregate wages paid annually) and 10-year growth forecast (derived from the Oregon Employment Department). A location quotient measures how concentrated each industry is here compared to Clackamas County and the region. If it is above “1” it lies to the right of the yellow line in the chart and has a greater concentration of similar business and supply chains and an increasing propensity to locate in Canby. A rapidly growing industry, with a growth rate of over 21% over 10 years falls above the blue horizontal line. Industry size is reflected in the size of the circle for each industry.



The chart on the previous page divides industry clusters into four categories. The table below describes the categories, identifies the most effective strategy and provides a list of Canby industries for each.

| EMERGING: Industry Sectors with a Low Location Quotient and High Growth Potential | STARS: Industry Sectors with a High Location Quotient and High Growth Potential |
|--|---|
| <p>Strategy – High Focus - Understand why they are not locating in Canby and work to address impediments. Help existing companies grow and work to attract similar companies.</p> | <p>Strategy – High Focus: Business outreach to make sure the industry can continue to expand and that their growth needs are met. Remove impediments.</p> |
| <ul style="list-style-type: none"> • Health Care and educational services • Professional and Business Services • Eating and Drinking Establishments • Tourism and Recreation | <ul style="list-style-type: none"> • Agriculture and Food Production; Nurseries • Clean Tech (defined as Transportation, Construction, Energy and Telecommunications) • Metals & Machinery Manufacturing • Education • Nurseries and Greenhouses |
| CHALLENGED: Industry Sectors with a Low Location Quotient and Low Growth Potential | MATURE: Industry Sectors with a High Location Quotient and Low Growth Potential |
| <ul style="list-style-type: none"> • Banking • Film and Media • Miscellaneous Services • Government | <ul style="list-style-type: none"> • Wholesale Trade • High Tech • Manufacturing – includes Misc.; Furniture and Chemical Manufacturing |
| <p>Strategy – Less focus. There is less ability to have impact if market forces are against this industry. Support existing employers, if possible.</p> | <p>Strategy – Business outreach to support large and stable existing employers. Help identify new market opportunities or technologies to spur growth.</p> |

Average Wages For Canby Industry Clusters



OVERVIEW OF THE LARGEST CANBY INDUSTRY CLUSTERS:

Related clusters: Agriculture and Food Processing / Nurseries and Greenhouses (STAR)

Agriculture and farming have been a mainstay of Canby's economy for over 100 years. Soils rich from sediment deposits along the Willamette River and Molalla River, and mild climate favors local agricultural activities, which have spun into value-added industries associated with nurseries and greenhouses, food production, and wholesale trade of food and floral products. Representative local businesses include: Willamette Egg Farms, J. Frank Schmidt & Son, Montecucco Farms, Terra Nova Nurseries, Rose Agri-Seed, Marks Meat, and Puddin' River Chocolates.

Clackamas County is ranked #1 among Oregon counties for the sale of nursery crops and Christmas trees; #2 in farm sales with \$400 million in annual revenue and #1 in number of organically-certified farms. Canby accounts for over half of the county's current agriculture and food production employment. Canby is the ideal location for additional value-added agriculture businesses, as well as agri-tourism activities, which will expand as the region adds people over the next several years.

| Sector | # of Enterprises | # of workers | Annual Economic Output |
|--|-----------------------|----------------------|------------------------|
| Entire Agriculture & Food Cluster | 66 enterprises | 1,046 workers | \$58 million |
| • Agriculture and Food Production | 56 enterprises | 868 workers | \$33 million |
| • Nurseries and Greenhouses | 6 enterprises | 155 workers | \$13 million |
| • Food and Beverage Processing | 4 enterprises | 23 workers | \$12 million |

The future outlook is most promising for this cluster. Local growth in employment within agriculture and food production is expected to be above average over the next 10 years with strong growth in domestic and foreign exports (according to the Oregon Employment Department). The job outlook for food production and nurseries is improving as the regional economy and construction industry improves. Trends towards organic food production and "buying local" are helping to create a unique brand for Willamette Valley grown foods and food products.

Advanced Manufacturing: Metals & Machinery (STAR)

Metals & Machinery Manufacturing is also centered in the Canby area, with major employers such as JV Northwest, American Steel, BBC Steel, and Pioneer Pump, along with many other manufacturing operations. This cluster has approximately 497 "covered" workers and generated an annual economic output of nearly \$44 million in 2010. New metals companies that have moved to Canby over the past year include Anderson Quality Springs, Bold Ideas, Inc. and Product Manufacturing.

Advanced manufacturing is expected to growth faster than the high tech cluster over the next 10 years, further strengthening this cluster's importance within Canby and Clackamas County. Favorable state tax policies (which does not include a state sales tax or corporate income tax on out-of-state sales) combined with strategic investment incentives, and Systems Development Charge Reimbursement programs, makes Canby a very attractive location for investment in business expansion and new companies seeking U.S. advanced manufacturing operations.





Wholesale Trade: (MATURE)

Canby's proximity to I-5 and the Portland International Airport and Port of Portland have benefited value-added wholesale trade operations, which is the second biggest cluster in the Canby area.

There are 64 business establishments engaged in wholesale trade in the Canby area with 839 "covered" workers at the beginning of 2011. Those businesses generated an estimated \$119 million in economic output during 2010. Established wholesale trade businesses include Canby's largest private employer: Kendal Floral Supply. Other local wholesale trade operations include, OBC Northwest, Kahut Waste Services and Pacific Rim Ventures.

Canby is rolling out the welcome mat for another major wholesale trade business, Dragonberry Produce Distribution Center, an international fruit exporter, who is relocating and expanding into Canby from the Clackamas Industrial Area.

The future outlook for the wholesale trade cluster is positive for employment growth and income growth. A scarcity of developable large vacant industrial lots (over 20 acres in size) with good interstate and rail access will likely favor Canby as an emerging location for medium and large wholesale businesses over the coming years.

High Tech: (MATURE)

Long-time Canby employers: Johnson Controls Battery Group, MEC Northwest, Shimadzu USA Manufacturing are among 45 High Tech businesses in the Canby area. Canby's diverse high tech sector also includes software and aviation businesses, such as Pure Seed Testing and Advanced Flight Systems, Inc. As national and global trade increases, Canby has witnessed recent investments by expanding local high tech firms, including Shimadzu, which undertook a \$5 million expansion that added 54,000 square feet to its production plant. These high tech businesses employ nearly 459 "covered" workers and generated an annual economic output of \$64 million in 2010.

High tech is a mature cluster that has deep roots in Canby (and especially its neighbor Wilsonville), as members of the Silicon Forest. The growth of this cluster is supported by planned capital investment by Canby high tech companies and other nearby major regional employers; favorable Oregon manufacturing tax policies; and nearby Oregon Institute of Technology in Wilsonville.



Economic Development Vision, Mission and Goals

VISION:

- Canby is a stable community where existing businesses thrive and expand. New businesses bring attractive development and jobs for the community.
- It has an inviting downtown with innovative local businesses that meet the community’s needs.
- Canby’s industrial areas attract small to medium sized businesses that offer well-paying employment and bring strong investment.
- Highway OR 99E Corridor becomes a safe, attractive gateway that invites visitors to explore Canby.

MISSION: Canby supports its local businesses, and attracts new businesses and development that provide well-paying jobs and goods and services that the community needs. It plans and invests wisely to supply land and infrastructure and fosters a healthy business climate to support future growth.

ECONOMIC DEVELOPMENT RELATED CITY AND COMMUNITY GOALS

| CITY COUNCIL GOAL #1 | URBAN RENEWAL DISTRICT |
|--|---|
| <u>ECONOMIC AND COMMUNITY DEVELOPMENT</u> <ul style="list-style-type: none"> • To Stabilize the Economic Base of the City of Canby • Viable business community • Downtown and OR 99E • Fill industrial park • Prosperous downtown including businesses, residences, and government • Maintain Canby identity • Housing options • Comprehensive Plan | <ul style="list-style-type: none"> • To diversify economic base and family wage jobs within the district. • To maintain effective, efficient and safe traffic system for vehicular and pedestrian users. • To improve and retain existing businesses. • To improve attractive visual amenities for customers and community members throughout the district. |
| 2013 CANBY COMMUNITY VISION | |
| Aspiration: Industrial and Business Growth Affording Economic Prosperity and Quality Job Creation While Maintaining Quality of Life and Improving the Overall Tax Base for the Community: <u>Priority Gaps include:</u> <ul style="list-style-type: none"> • Foster a positive business building environment • Plan for longer term Industrial Urban Reserve areas to the east and north of Mulino Road for future employment land. • Attract high tech green industries | |
| Aspiration: Keep a Vital Active Centralized Downtown Avoiding Sprawl throughout Canby, Specifically Along Highway OR 99E: <u>Priority Gaps include:</u> <ul style="list-style-type: none"> • Attract more small businesses, restaurants, a brewpub and night life options with a variety of price points and have the Chamber of Commerce downtown. • Further update relatively new design standards to ensure that new development has a similar historic flavor of the current downtown and to retain and develop a cohesive downtown look. • Integrate mixed use office and/or residential over retail within the Downtown Zone. | |

Note: The City Council will adopt updated goals soon but the spirit is very consistent with the current official goal.

Economic Development Strategies

Canby has committed to consistent economic development related goals over many years. As a result, the community has made significant strides and positioned itself well for future economic growth. Canby has successfully launched major initiatives including creating the 300-acre Canby Pioneer Industrial Park and investing in developing infrastructure to attract new businesses, jobs and investment, creating the Urban Renewal District to stimulate development and investment in major employment areas and investing in staff to support existing businesses and attracting new companies to Canby. This provides a strong foundation for the strategies proposed here to take the community to the next level.

The following pages outline three areas of focus and actions steps to guide economic development efforts over the next 4-7 years. These recommendations will be updated and revised as they are implemented and new priorities and opportunities emerge. Also, major shifts in the economic climate call for a different emphasis on these three areas.

Three major areas of focus for the City’s economic development efforts are:

- **Support Existing Canby Businesses**
- **Recruit New Businesses and Development**
- **Ensure Canby Remains an Attractive Place to Do Business**

Each of these areas of focus include an overview of ongoing initiatives, resources and programs, recommendations for short term efforts and longer term strategies.

Support Existing Canby Businesses

Ongoing Initiatives, Resources and Programs

The City of Canby has been proactively working to bring more resources to support all of its businesses. Below is a summary of the tools, resources and programs available.

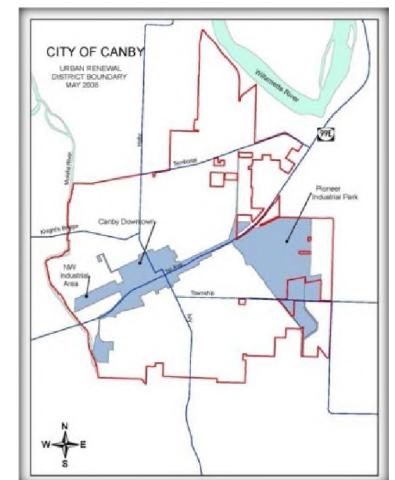
- **Business Support and Technical Assistance** – The City has professional economic development and Main Street staff available to work with Canby businesses to support their growth. They are available to meet one-on-one with businesses to overcome challenges, connect them to resources and clarify city processes. Staff also implements programs and develops resources to support the business community as a whole, or targeted areas such as downtown or the Canby Pioneer Industrial Park. They focus on supporting Canby’s industry clusters, as well as fostering a vibrant downtown.
- **Shop Canby and Explore Canby** - A mobile app launched in 2013 and free customizable websites for all Canby businesses make it easy to “Shop Local”. This program gives all businesses the ability to promote their products and services online for free and makes it easy for customers and suppliers to shop local. Businesses can provide product information, store hours, photos, menus, specials, and

links to websites, and social media. The programs are searchable by name and category and include maps and phone numbers to make connecting easy. Businesses can upload or change the information at any time. Explore Canby is a free mobile app that lists businesses and links to visitor information, available commercial and industrial sites, library, police, schools, local newspaper and more. See www.canbybusiness.com or download the “Explore Canby” app on Android or Apple mobile devices.

- **Tools for Business Success** - This online resource is constantly updated with new information and links to important business advice for all types of business challenges. The online tool kit has resources on how to start a business, business planning assistance, financing, training, state and federal contracts, technology, marketing and selling, social media. Information for specific industries includes Manufacturing, Agriculture, Restaurants and Hospitality, Retail, Health care, Art, Wood Industry and food processing. The link is featured on the City’s Economic Development websites – www.CanbyBusiness.com and www.CanbyMainStreet.com on the new Explore Canby mobile App, and in flyers at the Development Services Office.
- **New Business Outreach** - New businesses can be great supporters of the community and are often eager to connect to the business community and resources. Staff delivers or sends new businesses with a physical Canby address “Welcome to Canby” information to making their transition easy.
- **Newsletters and Social Media** - The Canby Main Street Program develops a weekly e-newsletter to keep businesses and customers aware of events, resources and downtown-focused news. The City e-newsletter goes out monthly with city wide highlights with corresponding Facebook page updates.
- **Website Resources** - The Economic Development website can be found at www.CanbyBusiness.com and serves as a one stop shop for business related information. Highlights include business and development updates, information that makes a compelling case for locating in Canby, site and building inventories, incentives, demographics, links to programs, reports, contacts and information on the development process. The Canby Main Street website can be found at www.CanbyMainStreet.com and features a calendar of events, an overview of Main Street Committee initiatives, connections to visitor information and organizations, and more.

Businesses located in the Urban Renewal District have additional resources available to them:

- **Facade Improvement Program** - This program provides matching grant funds of up to \$25,000 to businesses that would like to spruce up their facades. This could include new paint, awnings, doors and windows, accessibility improvements, masonry or other investments to make the front or visible parts of the building more attractive. Design grants are available to develop concepts and constructions drawing for up to \$3,000.
- **Revolving Loan Program** - This program was launched in 2012 to provide additional financing for businesses in partnership with their banks. Loans for 40% of the project’s costs ranging from \$10,000 to \$250,000 are available for building expansions, new construction, building code upgrades, seismic retrofits, and fixtures.



- **Downtown Redevelopment Gant Program** – helps property owners and developers to understand the redevelopment options for their site or building. The program can fund conceptual design and financial analysis, identify funding sources and develop preliminary concept designs. Owners can apply for 50% matching technical assistance grants of up to \$3,000.

Ongoing Support for the Canby Economic Development and Main Street Programs that offer staff expertise, resources and initiatives to market Canby and support and grow Canby businesses.

Economic Development Highlights Include:

- Assistance to Canby businesses: determine needs, and connect them to resources and information that will help them grow.
- Develop programs and resources to promote and support Canby businesses (like Shop Canby, Explore Canby mobile app, Canby revolving loan fund, etc.).
- Recruit new businesses, jobs and investment to Canby.
- Promote vacant commercial and industrial sites and buildings and work to attract new development and redevelopment – Maintain a database of available properties in Canby quarterly and make the information widely accessible.
- Lead the Canby Community Response Team to be strong business recruitment ambassadors.
- Bring forums and workshops to the business community and let them know about others that might help them (such as the Canby Industrial Forum, regional exporting workshops, etc.).
- Serve as liaison with new businesses and developers in the siting and development process to ensure clear communication and a smooth process.
- Work with county, regional and state partners to leverage resources for Canby economic development initiatives.
- Advocate, plan and look for opportunities to support the long term economic growth of the community. This could include planning for future employment areas, transportation and other infrastructure, and amenities that attract businesses and investment.

Main Street Program Highlights include:

- The **Façade Improvement Program** provides matching grants for investments in commercial building façades in the urban renewal district. The City of Canby has approved 13 façade improvements over the last few years. Already in 2013, the City has had interest from three property owners who are looking to update the façades of their buildings.
- The Main Street program has 18 active volunteers supporting the **Promotion and Design** committees. They help implement initiatives and providing input on investments that improve building design and other public investments.
- **Events** will continue to promote downtown Canby including the ongoing First Friday and Cash Mob program, Halloween festivities and a new Halloween costume parade, and the annual Light the Night parade and tree lighting.



- **The downtown flower basket program.** During the summer, flowers decorate the downtown core area along First and Second Avenues. Huge flower baskets are created by the Canby High School, and locally grown dahlias beautify planters on Second Avenue that are donated by Swan Island Dahlias. Baskets and planters are maintained by the Canby Livability Coalition and Aurora Landscaping.
- **Artistic Banner Program.** The city, Canby Arts Association, and Canby High School partner to develop unique locally designed banners that showcase the talents of Canby artists. Banners celebrate the theme “Canby the Garden Spot” and bring color and character to Downtown Canby on 1st and 2nd Avenues.
- The Downtown **Vacant Properties Database** helps recruit new businesses and help existing businesses to expand downtown. It provides basic information including square footage, price, and the contact name and phone number. The database is updated quarterly to ensure that the information is current.



Coordinate Forums and Events

- Hold **Canby Industrial Forums** targeted to Canby manufacturers that feature knowledgeable presenter’s discussion topics such as manufacturing excellence, operations, innovation, streamlining processes, and performance indicators. All Canby manufacturers are invited and factory tours are part of the program. The program provides three sessions each year and is co-hosted by the Canby Area Chamber of Commerce.
- Develop **workshops and training opportunities** on topics that businesses express interest in the Canby business and retail surveys. Workshops will be targeted to the specific needs of business sectors in Canby including manufacturing, downtown retailers, home based businesses, industry clusters, among others. A website makes past program information available.
- Support downtown through **Main Street First Friday, Light the Night, and other downtown events** that attract residents and visitors to experience, shop and discover downtown for future visits.



Engage the Canby Community Response Team as needed to recruit large business prospects and advise the city on economic development efforts. The Community Response Team was formed in summer 2012 and will meet quarterly and serve as business recruitment ambassadors for the City. The team consists of business, organizational and political leaders that can impact business recruitment decisions. They will work together to present Canby in the best light, and share their insights on economic development initiatives.

Short Term Initiatives

Convene Three Industry Cluster Groups to assess common needs and opportunities. Staff will focus outreach efforts first on Canby's largest clusters with the highest growth potential.

They include Clean Tech, Metals & Machinery, and Agriculture and Food Production.

- Meet business leaders individually or in small groups to gain a deep understanding of the industry cluster. Discuss factors and barriers to their success; work with companies to address challenges.
- Develop and implement initiatives to support each industry clusters growth
- Develop an Industry Cluster Overview that promotes the industry and highlights their efforts.
- Partner with Clackamas County and Greater Portland, Inc. on common industry cluster outreach and support efforts.
- Connect cluster companies to trainings, marketing opportunities, and initiatives that foster their growth (examples include the regional export initiative, Regional workforce initiatives among others.)

Launch the Canby Film and Video Production initiative. This industry raises the profile of Canby and supports local businesses. The City Council approved this program in March 2013 cementing a partnership with Clackamas County to:

- Promote film and video production in Canby.
- Streamline the permitting process.
- Make information and resources readily available on a targeted website.
- Provide a point of contact (the economic development director).

Continue Business Retention and Expansion Outreach to local companies. Meet with 15 - 20 firms annually including major employers, high growth companies, and industry clusters. Coordinate visits with Clackamas County, Business Oregon, Greater Portland Inc., Chamber of Commerce, etc.

Main Street short term initiatives include:

- Creating a downtown employee brochure.
- Launching a blade sign program.
- Creating a sign at the Event Center to attract visitors to the downtown core.
- Adding the two additional Main Street committees – Economic Restructuring and Organization.
- Forming a historic preservation board to promoting historic preservation through the Certified Local Government program.
- Pursuing additional funding sources such various county, state, and federal grants, and holding special events throughout the year.
- Developing community kiosks with visitor information designed to direct traffic to downtown Canby, and other Canby assets such as the Clackamas County Event Center, Swan Island Dahlias, and the Canby Ferry.
- The Promotions Committee is working on the May 4th Garden Spot Run – a fun run/walk 5K or 10K, with a kiddies' race and doggie dash. This will help to further the Canby Main Street mission to enhance Canby's identity through promotion of downtown.



Longer Term Strategies

Convene other Emerging and Mature industry clusters

- The strongest **emerging clusters** include: Professional and Business Services, and Health Care.
- **Mature clusters** include Miscellaneous Manufacturing, High Tech, and Wholesale Trade.

Reach out the existing companies to understand issues and work together to address them if possible. Recruit more companies in these industry clusters that are a fit for existing firms. Update the industry clusters analysis periodically to capture changes and identify new industry clusters as they emerge.

Support Entrepreneurs and Home Based Businesses

Provide networking opportunities, promote them on the Explore Canby mobile app and connect them to the “Shop Canby” micro websites to help them get a higher profile with potential customers. Promote the online resource - Tools for Business Success; provide business information, financing options, and resources. As businesses grow, encourage them to expand in available spaces and sites in Canby. Partner with the Canby Chamber of Commerce on workshops and other initiatives as appropriate.

Conduct Business Surveys every 3 years to assess changing business needs, trends and perceptions. Use information from business surveys to guide and refine City programs to better fit the needs and priorities of the Canby Business community.

Main Street Longer Term Initiatives:

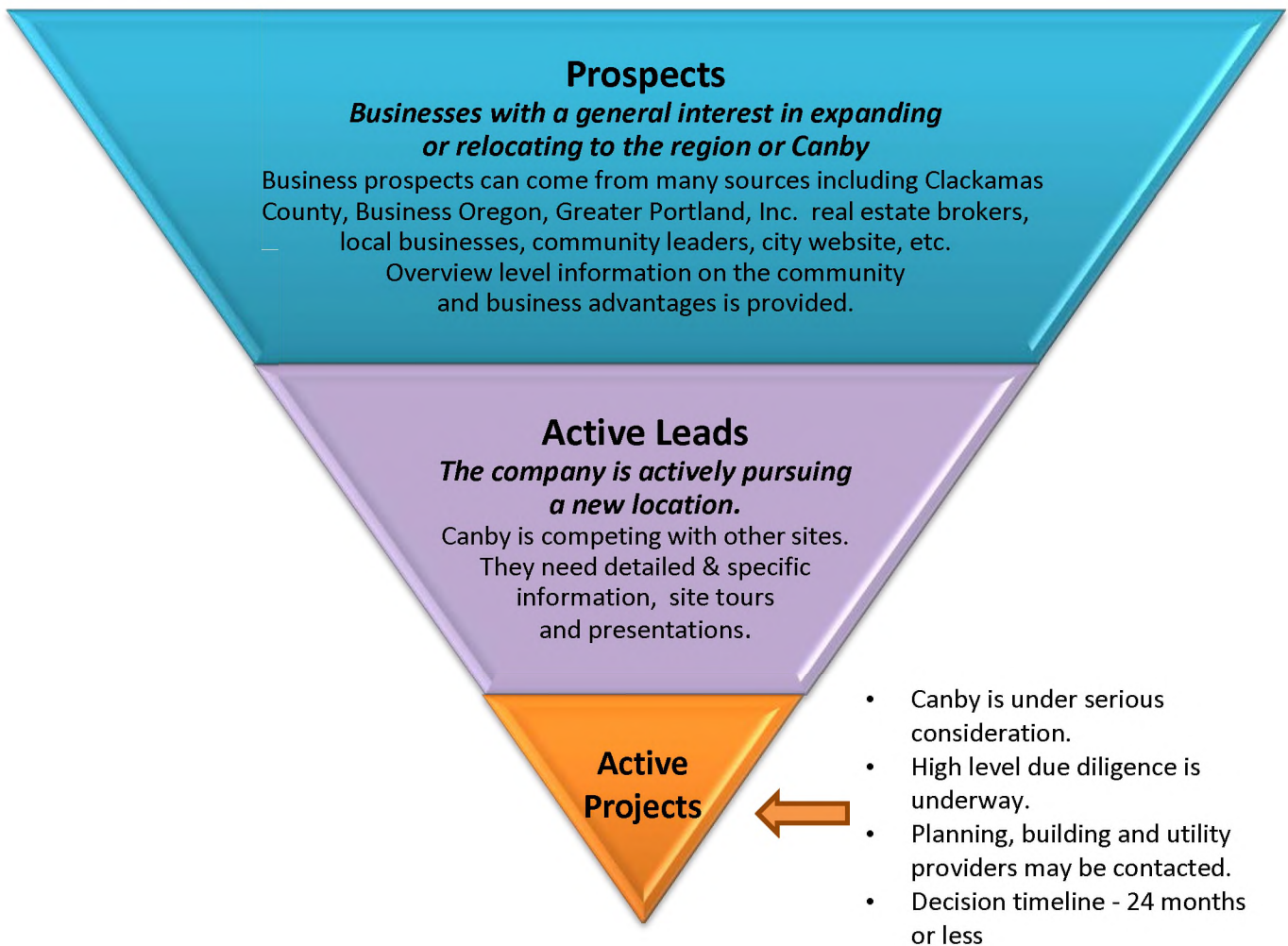
- **Look for various funding sources to create long-term, stable funding for the program.** There are various projects that can bring funding for the Main Street program, one of the ways is to hold a special event that not only brings people to the community but also showcases the downtown, while also raising money for the Main Street program.
- **Expanding the wayfinding system in Canby,** specifically between the Clackamas County Event Center and downtown Canby. Every year, hundreds of thousands of people attend events at the Event Center and Fairgrounds, and a better wayfinding system between the two locations would complement the planned community kiosks and entice people to explore both centers.



Recruit New Businesses and Development

Overview of the Business Recruitment Process:

Economic Development staff brings together local community leaders and County, Regional and State partners in a strategic and long term business recruitment effort. Together we promote Canby as a great business location, work to generate prospects and highlight available industrial and commercial sites and buildings. Once there are active leads, City economic development staff develops detailed proposals for companies that are a fit for Canby. Later in the process, they will coordinate company visits and site tours and work closely with prospective companies through the planning, permitting and location process. The diagram below illustrates how business recruitment process works.



Canby's Compelling Advantages



Pro-Business Climate: The City of Canby works with developers and businesses to create a business-friendly city, with expedient permitting and investment incentives. Canby's Urban Renewal District, in partnership with property owners, has funded an extensive road and infrastructure network in the 367 acre Pioneer Industrial Park.

Incentives: Canby offers two incentive programs to attract industrial businesses and encourage local businesses to invest in business expansions, new construction, equipment, and provide well-paying jobs.

- **The Systems Development Charge Reimbursement Program** encourages industrial companies to create well-paying jobs. Companies can be reimbursed for Canby systems development charges at \$500 to \$200 per job depending on wages after two years of demonstrated performance.
- **The Strategic Investment Zone** program is designed to attract companies making substantial investments in buildings and equipment. It offers up to 15 years of property tax relief for traded sector companies on investments over \$25 million. Traded sector firms sell their goods and services to national and international markets. In exchange, they commit to hiring locally first, and will pay a community service fee of 25% of tax savings up to \$500,000 to Canby to mitigate impacts. The State of Oregon contributes a 50% rebate on the personal income tax revenue of the new jobs created.
- The State of Oregon provides incentives for private investment, workforce development and job creation. See: <http://www.oregon4biz.com/The-Oregon-Advantage/Incentives/>

Available Land: Canby's premier Pioneer Industrial Park offers acres of state-certified "shovel Ready" land. Canby has one of the largest supplies of large vacant industrial site in the Portland Metro area, with a variety of parcel locations and sizes. Canby also has developable commercial land along Highway OR 99E (daily traffic volumes of 24,900) and in the downtown core. City staff works with companies to find the right site. A current online inventory of available industrial and commercial sites and buildings can be found at www.canbybusiness.com/sites/htm.

Easy Freeway Access/Transportation: Canby is centrally located along the west coast: within a 3-hour drive of Seattle/Tacoma, Washington and a day drive to San Francisco, California, Vancouver, British Columbia, and Boise, Idaho. Local driving distances are:

- 5 miles from I-5
- 9 miles from I-205
- 23 miles from downtown Portland
- 28 miles from Portland International Airport

Ample Utilities: Canby's locally-owned utilities offer attractive rates, responsive customer service and system capacity. Canby Telcom provides technologically-advanced telecommunications. Canby Utility operates its own electric and water service enabling lower utility rates compared to surrounding areas. Power rates are generally 20-30% lower.

Available Workforce: Canby's market region provides a labor force of over 212,000 people within a 10-mile radius. State and regional workforce development initiatives can help businesses grow. The Canby High School Career and Technology Education builds local workforce skills in manufacturing, construction, marketing, accounting, agriculture, graphic design and early childhood education. The nearby Oregon Tech university campus offers ten degree programs focusing on manufacturing, technology, engineering and software among others. It partners with High School to enhance STEM proficient and certificate and degree programs.

Ongoing Strategies to Recruit New Business and Development

Respond to Appropriate Leads quickly that are a fit for Canby.

- The most promising leads will provide well-paying jobs, increase assessed value, do not strain available infrastructure, are a fit with existing sites, buildings and zoning requirements and compliment or expand on Canby's business mix.
- Develop an in-depth standard response to business leads in industry clusters that are a fit for Canby. This would include specific information about sites, infrastructure, zoning, and other basic information that is customizable to specific leads.
- Partner with Clackamas County, Greater Portland Inc, Business Oregon, real estate brokers and others to find promising business leads. Educate real estate brokers about Canby's sites, buildings and attributes on an ongoing basis.
- Identify supply chain opportunities important to local businesses and work to recruit them.
- Work with state, regional, county and local partners in the business location process.

Business Recruitment: Partner strategically with Greater Portland Inc., Business Oregon and Clackamas County in efforts to attract new companies in Canby's strategic industry clusters. Consider participating in trade missions, trade shows, outreach visits and other campaigns as needed to attract high investment, wage and growth potential industries to Canby. Combining efforts leverages impact and reduces costs and effort.

Promote Canby's Vacant Industrial and Commercial Buildings and Sites: Having an online inventory is more critical than ever as business executives and site selectors increasingly research communities and sites on the internet. It is important to have Canby location options available in the places that prospective businesses and site selectors are looking. The information needs to be current, accurate and in the format and level of detail they need if Canby is the stay on their short list.

- Maintain an inventory (updated quarterly) online or at the Development Services Office.
- Updated site information on state, county, regional and private sector real estate listing sites.
- Provide site tours and promotional materials.

Update Economic Development and Main Street Websites to promote Canby and link local businesses to a wide range of resources and provide information on doing business in Canby. Ensure that websites are optimized for search engines to easily find, provide mobile device friendly formats, keep program information current and link to other helpful resources.

Work with Vacant Property / Building Owners to help attract potential buyers and tenants that fit gaps in goods and services that Canby residents and businesses need.

- Work with them to develop broker sheets
- Determine what barriers might exist in attracting buyers
- Encourage appropriate building upgrades to make the space a better fit with current market demand
- Connect property owners with loans for building upgrades
- Encourage façade improvements as needed



Short Term Initiatives

Update Marketing brochures and flyers

- Additional flyers targeted toward specific industry clusters and retail targets may be needed. As changes occur, make sure all promotional materials are current and have a cohesive look. Flyers already exist for business incentives and programs, the Main Street program, a general industrial marketing flyer and one page overviews for sewer, water, and electrical capacity targeted toward industrial users. General retail flyers have also been developed to attract new stores to Canby. Staff will work with Clackamas County and Greater Portland Inc. to develop additional pieces that compliment and coordinate with their county and regional branding efforts.

Targeted Business Recruitment to key industry clusters and retail market niches.

- **Industrial clusters** include: Clean Tech, Metals & Machinery, and Agriculture and Food Production.
- **Retail Targets** may include sporting goods, brewpub, restaurants, and apparel identified in a recent retail market study.
- **Tactics** include – targeted mailings, tradeshow or outbound visits with state or regional partners. For retail recruitment, marketing materials and best practices are in the 2012 Retail Market Analysis.

Implement an Expedited Development Review Program for large industrial and commercial development projects. Work with the City planning department, Clackamas County building department and utility providers to develop marketing materials and a clear representation of the process, contacts, time and costs involved for projects in Canby. Evaluate processes for the customer’s perspective and look for ways to make it shorter, easier and clearer. Meet with developers at a very early stage to advise on process, local standards and resources. The economic development director will serve as the main point of contact with the company throughout the process and troubleshoot challenges as needed. Staff will debrief with developers of larger projects afterward to identify what went well and what needs closer scrutiny.

Longer Term Strategies

- **Develop New Tools and Incentives** as needed. Creation of new tools will be based on information from business outreach visits, business surveys and industry cluster input. New incentives should be carefully evaluated to make sure they are attractive to the industries that are a fit for Canby, will make a difference in a location decision and benefit the community through additional investment and jobs. The ability to fund and sustain the incentive over time is also important. Provisions to protect the City’s investment such as claw-back provisions or contracts should be developed.
- **Target Additional Industry Clusters** and emerging industries that fit Canby. As the community grows and technology and customer preferences change new opportunities will emerge that cannot be predicted now. In order to remain nimble, Canby economic development staff, leaders and the business community should routinely monitor changes in the local, regional and national environment to identify promising opportunities or threats.

Ensure Canby Remains an Attractive Place for Business

Ongoing Strategies

Downtown and Highway OR 99E Beautification - Explore options to make Canby a more attractive location for businesses, customers and residents.

- The **Main Street Design Committee** is actively engaged in making downtown attractive. Current programs include the banner and flower basket program and façade improvements.
- Past streetscape improvements on First and Second Avenue have transformed the appearance of downtown.
- The City **keeps public spaces clean**, attractive and in good repair and landscaping tidy.
- The City uses **code enforcement** measures to ensure all properties are up to code.
- **Businesses can contribute** to a beautiful downtown by keeping their storefronts visually appealing through façade improvements, attractive signage, flower pots, and interesting and changing window displays.
- **Art:** The community can work collectively to bring more art to Downtown and the Community – as identified in the Canby Community Vision. Create an Arts Commission and explore funding sources. Art plinths exist on 1st Avenue to accommodate sculptures. There may also be willing property owners that could host a mural on a visible surface of their buildings. Artistic or colorful banners can be created and maintained in the downtown area and along Highway OR 99E.
- **Encourage historic elements** in new development or redevelopment in the downtown core. Showcase Canby's rich agricultural history through plaques and interpretive signs. Assist property owners in preserving and enhancing the historic elements of existing buildings.

Encourage Downtown and Highway OR 99E Redevelopment

- Research, evaluate and share market trend information with prospective developers, business leaders, policy makers and real estate brokers.
- Develop an online atlas for employment areas with vacant land or redevelopment potential. Maps can feature information that developers need during the due diligence process. This could include aerial maps, zoning, infrastructure, natural features, environmental constraints (if known), tax lots, property owners, categories of uses, etc.
- Identify target development types and concepts that fit Canby and promote to developers.
- Promote and provide resources and technical assistance to local property owners and developers to meet market demand.



Address Workforce Training Needs

- Meet with employers to understand any workforce shortage challenges.
- Partner with Workforce Investment Council of Clackamas County (WICCO), the Canby High School, Clackamas Community College and the Oregon Institute of Technology (OIT) on developing the skilled workforce that is needed to address industry cluster challenges.
- Provide information on employer needs to workforce partners so they can develop strategies to meet them.
- Explore employer interest in Canby becoming a Certified Workforce Ready Community.
- Promote and/or provide online tools such as Explore Canby or iMatchSkills to connect potential workers to employers.



Short Term Initiatives

Expand infrastructure for Industrial Development: Complete Sequoia Extension to 13th in 2013. Funding has been bonded by the Urban Renewal Agency, designs are complete and construction is planned for the Fall of 2013. This road will extend from American Steel south to 13th. It includes the construction of a bridge over the railroad tracks and all utilities that are essential to serve an additional 60 acres of industrial area in the Canby Pioneer industrial Park.

Recertify and certify additional industrial sites in the Canby Pioneer Industrial Park. Partner with Business Oregon, property owners, the County and others in the process. Over the years the city has positioned two rounds of sites for this program. Each certified property has extensive information available that ensures that the site is or can be development ready in 6 months. Site Certification provides certainty to developers and companies that can expedite a siting decision. It is an additional marketing tool that can raise a site up ahead of competing sites.

Longer Term Strategies

Rail Access: Continue to explore demand, feasibility, and funding for a railroad public access team track in the Canby Pioneer Industrial Park. Demand for rail service will grow as gas prices continue to rise, traffic congestion adds to shipping costs and time, and sites with rail access are in short supply. A Team Track provides an access point to rail for all Canby businesses as needed without having to be adjacent to a rail spur. Partnership with the property owner and rail line operator is essential. The project would be well positioned to receive Connect Oregon Grants that support multi-modal projects. Having rail access will make all sites in the Industrial Park more marketable.

Build infrastructure in the Canby Pioneer Industrial Park

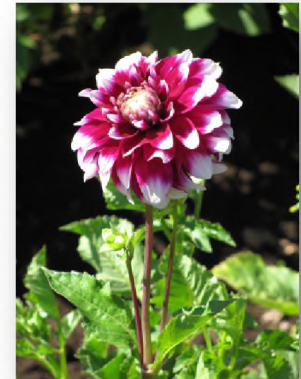
Work with property owners, local, county and state agencies to fund strategic roadway extensions, railroad bridge crossings, and water and sewer line extensions to serve existing industrial land. Projects can include, 1st Avenue from Hazel Dell to Mulino Road, the remainder of Walnut Road, Township Road to Mulino, Otto Road or other access to OR 99E, and Mulino Road along the east side of the industrial area over time (See map on page 6).

Conduct an Economic Opportunities Analysis

Funding is available from the Department of Land and Conservation Department (DLCD) Technical Assistance Program. This work paves the way for future Urban Growth Boundary (UGB) expansions when needed.

Support efforts to position Canby as an Agri-Tourism Destination

The Canby area has many nurseries, wineries and flower growers among others that are attractive tourism destinations. City staff could support Chamber of Commerce and County tourism efforts to market these attractions and assist in developing new ones. They could also be highlighted in the film and video promotion effort if property owners wish to participate.



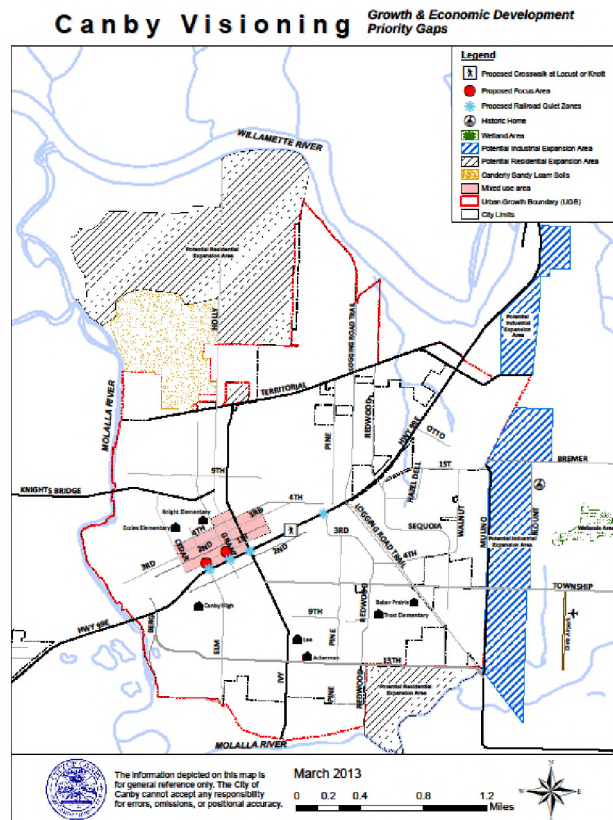
Future Industrial Land development

This includes Urban Reserve master planning (estimated to be in 2018), and or Urban Growth Boundary expansion and infrastructure development for land east of Mulino Road adjacent to the Canby Pioneer Industrial Park.

The planning process would identify locations for future infrastructure, wetlands, and historic resources, land trusts, environmental constraints and plan wisely to address and maximize these resources.

Development would happen in the longer term future. Land would need to be brought in to the city limits with voter approved annexation.

Existing property owners would control when and if their property is sold and redeveloped for industrial use.



Measures of Success

Progress toward Canby's economic development goals can be monitored using several measurable indicators. Moving these indicators in the desired direction requires implementing multiple actions, monitoring impacts and making adjustments as needed.

City Program Success Indicators:

- **Number of businesses participating** in city programs such as the Façade Improvement Program or the Revolving Loan Program. (Available from program managers, reported annually).
- **Private sector investment** leveraged by city programs. (Collected by program managers).
- **Increase in total assessed value** in the Canby Urban Renewal District Boundary. (Available from the Clackamas County Assessor's Office annually).
- **Attendance** at city sponsored forums and events. (Collected by event organizers).
- **Website analytics** reports that show the number of visitors, pages viewed and time spent. (Available from webmaster and webhosting vendors monthly).



Business Growth Indicators:

- **Growth in Canby Industry Clusters**, including an increasing number of firms and jobs.
- The number of new and closed businesses per year and trends in these numbers over time. (Available from City Business License Program monthly).
- **Reduction of vacant commercial and industrial space and land** for sale on the market. (Available from the city industrial and commercial land inventory quarterly).
- **Building permits volume** and time to issue by type such as commercial, industrial and residential. (Available from the City Planning Department).
- **The ratio of job growth to population growth** (Population growth statistics are available at The Center for Population Research and Census, and a custom job growth report can be provided by the Oregon Employment Department).
- **Business Survey responses** – evaluate changes over time (Conducted by the City approximately every 3 years).


General Economic Indicators:

- **Income** including per capita and median incomes.
- **School District education statistics** in comparison to region and state (Available from the Oregon Department of Education).
- **Increasing housing values, commercial lease rates and land prices.**

Exhibit B:

2013 Canby Economic Development Strategy



| <i>Support Existing Canby Businesses</i> | <i>Recruit New Businesses & Development</i> | <i>Ensure that Canby Remains an Attractive Place For Business</i> |
|---|--|---|
| Ongoing Initiatives, Resources and Programs | | |
| <p>The Canby Economic Development and Main Street Programs offer staff expertise, resources and initiatives and support and grow Canby businesses and to market Canby.</p> | <p>Respond to Appropriate Leads quickly that are a fit for Canby.</p> <ul style="list-style-type: none"> The most promising leads will provide well-paying jobs, generate assessed value, do not strain available infrastructure, are a fit with existing sites, buildings and zoning requirements and compliment or expand on Canby’s business mix. Partner with Clackamas County, Greater Portland Inc, Business Oregon, real estate brokers and others to find promising business leads. | <p>Downtown and Highway OR 99E Beautification</p> <ul style="list-style-type: none"> Support initiatives that make Canby a more attractive business location. These can include Façade Improvement grants, enforcing design standards, way finding signage and downtown beautification. |
| <p>Coordinate Forums and Events</p> <ul style="list-style-type: none"> Hold three Canby Industrial Forums. Support Downtown through Main Street events such as First Friday, Light the Night, and other downtown events. | <p>Business Recruitment:</p> <ul style="list-style-type: none"> Work with state, regional, county and local partners to recruit in Canby’s industry clusters and that are a fit. Identify supply chain opportunities important to local businesses and work to recruit them. | <p>Encourage Downtown and Highway 99E Redevelopment</p> <ul style="list-style-type: none"> Research and share market trend information with prospective developers, business leaders and policy makers. Develop online Atlas for employment areas. Identify target development types or concepts that fit Canby and promote to developers and investors. Promote and provide resources and technical assistance to local property owners and developers to meet market demand. |
| <p>Engage the Canby Community Response Team - They are Ambassadors for major business recruitment and retention efforts. They advise the city on economic development efforts and meet quarterly.</p> | <p>Promote Canby’s Vacant Industrial and Commercial Buildings and Sites.</p> <ul style="list-style-type: none"> Maintain an inventory (updated quarterly) on line or at the Development Services Office. Updated site information on state, county, regional and private sector real estate listing sites. Provide site tours and promotional materials. | <p>Address Workforce Training Needs Partner with WICCO, the Canby High School, Clackamas Community College and OIT on industry cluster workforce challenges.</p> |
| <p>The Canby Main Street Program focuses on design, economic restructuring, promotion and organization efforts to revitalize downtown.</p> | <p>Update Economic Development and Main street Websites to promote Canby and Link local businesses to a wide range of resources and provide information on doing business in Canby.</p> | <p style="text-align: center;">Initiatives for 2013</p> <p>Expand infrastructure for Industrial Development Complete Sequoia Extension to 13th in 2013.</p> |
| <p>Promote the new “Explore Canby” mobile App, and online “Shop Canby” Free Business Listing Service. These tools connect Canby businesses, city services and attractions. Encourage businesses to participate and promote them to residents and visitors.</p>  | | |

Support Existing Canby Businesses

Initiatives for 2013

Convene Three Industry Cluster Groups to assess common needs and opportunities for Canby largest clusters with highest wages.

- They include Clean Tech, Metals & Machinery, and Ag. and Food Production.
- Meet business leaders in small groups.
- Partner with Clackamas County and GPI on common industry cluster efforts.

Continue Business Retention and Expansion Outreach to local companies. Meet with 15 - 20 firms including major employers, high growth companies, and industry clusters.

Longer Term Strategies

Convene other industry clusters including Health Care; and Professional and Business, High Tech, Wholesale Trade and Miscellaneous Manufacturing.

Support Entrepreneurs and Home Based Businesses. Provide networking opportunities, business information, financing options, and resources.

Conduct Business Surveys every three years to assess changing business needs, trends and perceptions.



Recruit New Businesses & Development

Work with Vacant Property and Building Owners to help attract potential buyers and tenants (broker sheets, loans for upgrades, façade improvements...)

Initiatives for 2013

Update Marketing brochures and flyers
Work with Clackamas County and Greater Portland Inc. and marketing experts.

Targeted Business Recruitment to key industry clusters and Retail market niches.

- **Industrial clusters** include Metals and Machinery, Clean Tech and Agriculture and food processing. **Retail Targets** include sporting goods, brewpub, restaurants, and apparel identified in the 2012 Retail Market Study.
- **Tactics** include targeted mailings, calls, visits, tradeshows and outbound visits with state and regional partners.

Develop and implement an Expedited Development Review Program for large industrial and commercial development projects. Provide early stage development assistance. Ensure clear and expeditious review and approval process. Provide a contact.

Longer Term Strategies

Develop New Tools and Incentives as needed such as redevelopment incentives.

Target additional Industry clusters and emerging industries that fit Canby.



Ensure that Canby Remains an Attractive Place for Business

Recertify and certify additional industrial sites in the Canby Pioneer Industrial Park (CPIP). Partner with Business Oregon, property owners, the County and others in the process.

Longer Term Strategies

Rail Access: Continue to explore the demand, feasibility, location and funding for a railroad public access in the Industrial Park.

Build infrastructure in Canby Pioneer Industrial Park.

- Work with property owners, and local, county and state agencies to fund strategic roadway extensions, and water, sewer, power, phone / data and natural gas lines.
- Projects can include, 1st Avenue, Walnut Road, Township Road to Mulino, Otto Road or other access to 99E, and Mulino Road along the industrial area.

Conduct an Economic Opportunities Analysis with funding from DLCD Technical Assistance Program. This paves the way for future UGB expansions when needed.

Future Industrial Land development. This includes Urban Reserve master planning (2018), UGB expansion and infrastructure development for land east of Mulino Road adjacent to the Canby Pioneer Industrial Park.

Position Canby as an Agri-tourism Destination

Support Chamber and County marketing and development efforts. Work with property owners and the County to encourage attraction development.