

# Economic Development

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Economic development is one of the cornerstones of the Vancouver comprehensive plan because it is a central factor in a community's ability to sustain itself. A strong and diverse economy provides employment and a tax base that supports public services and a livable community. Although most economic activity is in the private sector, local government's role is to establish parameters for private markets, provide necessary services, and participate in economic development in some circumstances.

This chapter describes Vancouver's economy in 2003 and what direction the city's economic development should take during the next 20 years.

## Specifics

- ▶ Data on the recent employment shift from manufacturing to services, retail trade, transportation, and utilities
- ▶ Economic indicators: unemployment rate, number of residents below poverty level, median household income, and retail sales
- ▶ Available land for commercial and industrial development
- ▶ Vancouver's economic development tools and programs
- ▶ Economic development policies

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## Vancouver's economy in 2003

The largest city in Clark County, Vancouver accounts for the greater part of the county's economic activity. As of April 2003, there were an estimated 115,900 jobs in Clark County covered by unemployment insurance and an estimated 8,000 additional jobs that were commission-based, self-employed workers, etc. A majority of these 123,900 estimated countywide jobs are assumed to be in Vancouver (ESD, 2003).

Vancouver's economy is diversified with concentrations in services, retail trade, manufacturing, government, and construction. Over the past decade, the economic base of the region has shifted from manufacturing to services, retail trade, and transportation and utilities (Figure 2-1). For example, the Bonneville Power Administration (BPA) Ross Complex increased its number of employees significantly during this period. The Washington Employment Security Department (ESD) and the Columbia River Economic Development Council (CREDC) expect this trend to continue.

The City's economy is an integral part of the economy of Clark County and the greater Portland-Vancouver metropolitan area. The region's economy is broadly diversified and is strong in high-technology manufacturing, financial and business services and international trade. Vancouver participates in all these sectors. Of the ten largest employers in Clark County in 2002,

half were public agencies: Vancouver School District, Bonneville Power Administration, Evergreen School District, Clark County and the City itself. Other large employers include Southwest Washington Medical Center, Hewlett-Packard, SEH America, and Frito Lay.

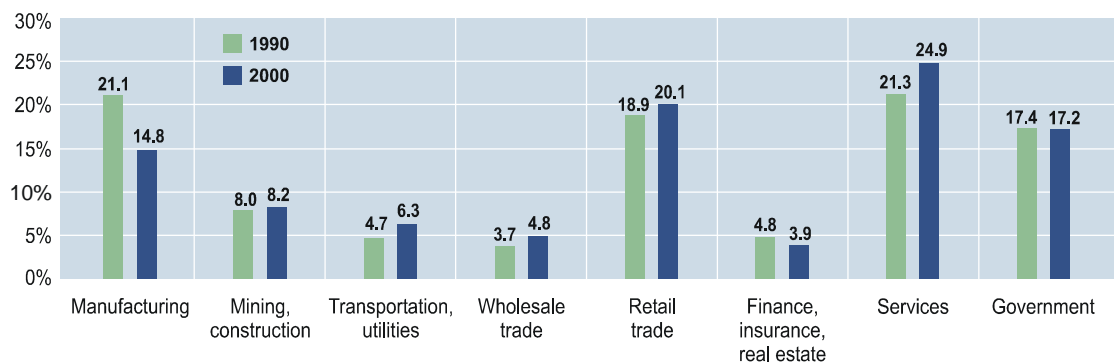
However, the growth of small- and medium-sized firms at new locations, not the growth of existing large businesses, has largely driven the economic expansion in the region in the 1990s. (Portland Institute of Metropolitan Studies, 1999). Table 2-1 shows the breakdown of firm size based on number of employees for Clark County in 2001.

**Table 2-1.** Clark County employment by firm size, 2001.

Firm size (number of employees)	Percentage of total employment
0 to 19	87.8%
20 to 49	7.7%
50 to 99	2.7%
100 to 499	1.7%
500 to 999	0.1%
1,000 or more	0.1%

Sources: US Census, 2001 County Business Patterns

Clark County had one of the most vibrant economies in the state during the 1990s but saw a significant downturn, along with the rest of the



**Figure 2-1.** Percentage of jobs by economic sector in Clark County in 1990 and 2000. Source: ESD.

**Table 2-2.** Local, state, and national economic indicators.

Indicator	Vancouver	Clark County	Washington	U.S.
Unemployment rate (June 2003)	N/A	9.9%	7.6%	6.5%
Percentage of residents below poverty (2000)	12.2%	9.1%	10.6%	12.4%
Median household income (2000)	\$41,618	\$48,376	\$45,776	\$41,000
Retail sales per capita (2003)	\$3,082	\$2,183	N/A	N/A

Source: Washington ESD and Dept. of Revenue (2003), US Census (2000).

Pacific Northwest, during the national recession in 2001. **Table 2.2** compares the local Clark County economy with state and national levels as of 2003. The loss of manufacturing jobs and increase in retail jobs is one reason the median household income in the city is lower than the county and state median.

Vancouver’s riverfront location and proximity to Portland have largely shaped its economic history. Industrial and marine commerce in Vancouver is facilitated by the Port of Vancouver in the western part of the city along the Columbia River. According to the *Regional Industrial Lands Study* (Metro, 2002), Clark County has the largest inventory of industrial lands in the six-county Portland-Vancouver Metropolitan Statistical Area (PMSA), and a substantial amount (approximately 1,200 acres) of that inventory is in the Columbia Gateway area of the Port of Vancouver.

**Table 2-3** shows a breakdown of gross vacant and underutilized commercial and industrial land in Vancouver and the Vancouver Urban

Growth Area (VUGA), based on the 2002 vacant and buildable lands analysis from Clark County. (See Chapter 1, Community Development, for more on proposed land uses and development capacity.)

### Economic development tools and programs

Vancouver’s contribution to economic development extends beyond the policies of the comprehensive plan. The City has a dedicated economic development staff who work directly on revitalizing Downtown Vancouver and other urban areas, and on retaining and developing Vancouver businesses. Vancouver also supports the Columbia River Economic Development Council (CREDC), the Greater Vancouver Chamber of Commerce, and other groups in their efforts to recruit and retain businesses. Vancouver is also a member of the Regional Economic Development Partners with other jurisdictions from the Portland metropolitan area.

**Table 2-3.** Gross vacant and underutilized commercial and industrial land for Vancouver and the VUGA for 2003.

Land use category	City of Vancouver (acres)	VUGA (acres)	Total (acres)
Commercial	592	1,124	1,716
Industrial	1,949	1,506	3,455
<b>Total</b>	<b>2,541</b>	<b>2,630</b>	<b>5,171</b>

Source: Clark County GIS. Includes all gross vacant and underutilized lands.





The redevelopment and revitalization of Downtown Vancouver began with the Esther Short Redevelopment Plan and planned action ordinance to establish zoning and provide environmental clearance for subsequent development to implement the plan. The City has made substantial public investment (in the renovation of Esther Short Park, in upgraded water and sewer lines, and streetscape treatments) and partnered with private developers (Heritage Square and Vancouver Center mixed-use projects) to provide housing, retail commercial and office space to support the Downtown as a live/work center of financial, government and professional offices, community and entertainment facilities. A healthy downtown that provides a setting for community events (the Farmers Market, concerts in the park) is essential to a livable community.

In addition to efforts to revitalize downtown, the City has worked with developers to create efficient and attractive development in all areas of the city. Particular emphasis has been placed on helping with the development of land with environmental challenges (former gravel quarries, sites with significant wetlands or riparian areas) or lack of public infrastructure (roads, water, sewer, fire protection). A prime example of this cooperative effort is the Columbia Tech Center development on 164<sup>th</sup> Avenue. A variety of tools are used to help attract and keep good employers, including development agreements, infrastructure support (actual construction or

waiving impact fee charges), and permitting assistance. Development agreements are used to specify public and private investments, allowed uses, and phasing of development. Vancouver has also supported existing businesses and encouraged them to expand. An example of this is a recent land swap with Frito Lay that allowed it to expand its plant in the Fruit Valley area.

## Direction for the future

Economic development is one of the cornerstones of the *Vancouver Comprehensive Plan 2003–2023*. The plan is intended to increase jobs, particularly family-wage jobs, for local residents, and to reduce the number of residents who commute to Oregon for work, shopping, and entertainment. The City would like to provide a ratio of at least one local job for every Vancouver household.

Providing land and public services that are adequate for job growth is an important part of the strategy. The City must be a good steward of land designated for job growth, which includes using the land efficiently and limiting conversion to other uses. The City must also ensure the timely permitting of family-wage jobs and other priority economic development projects. A sound economy will also provide revenues for the City to support facilities and services desired by residents (parks, trails, police protection, fire protection, etc.).



## Economic development policies

The City of Vancouver adopts the following policies to increase the number of jobs for local residents and reduce the need for residents to commute to Oregon for work, shopping, and entertainment. These policies are consistent with and implement Policy Section 10.0 of the *Community Framework Plan*, adopted by Clark County and local jurisdictions, and planning policy 36.70.A.020(5) of the Washington Growth Management Act (see Appendix A).

### EC-1 Jobs-housing balance

Increase the ratio of jobs to residents in the City of Vancouver and the region.

### EC-2 Family-wage employment

Promote the formation, recruitment, retention and growth of businesses that provide a wide range of employment opportunities, particularly family-wage employment. Prioritize family-wage employment in land use policies and practices.

### EC-3 Public revenue enhancement

Promote development that enhances revenue generation for public services.

### EC-4 Industrial and business park sanctuaries

Provide an adequate supply of industrial and/or business park areas with opportunities for family-wage employment and revenue generation.

### EC-5 No net loss of employment capacity

Restrict zone changes or legislative land use approvals that would lessen long-term capacity for high-wage employment unless accompanied by other changes within the same annual review cycle that would compensate for the lost capacity or unless the proposed change would promote the long-term economic health of the city.

### EC-6 Efficient use of employment land

Maximize utilization of land designated for employment through more intensive new building construction and redevelopment and intensification of existing sites.

For further information:

- The Columbia River Economic Development Council (CREDC) provides business services, and economic and demographic data. The Greater Vancouver Chamber of Commerce also provides business services. Consult CREDC or the Chamber of Commerce directly or visit their Web sites ([www.credc.org](http://www.credc.org) and [www.vancouverusa.com](http://www.vancouverusa.com)).
- The *Clark County Comprehensive Plan* (2003) provides information and policies on economic development issues for unincorporated Clark County. Information about potential costs and job growth implication of developing specific sub-areas is contained in the *Clark County Focused Public Investment Report* (2003). Contact Clark County Long Range Planning or visit the Clark County Web site (<http://www.co.clark.wa.us/longrangeplan/review/review-info.html>).
- For information about City of Vancouver economic development projects and programs, contact the Vancouver Economic Development Department or visit the City's Web site ([www.ci.vancouver.wa.us/vancmo/econ-dev/downtown.shtm](http://www.ci.vancouver.wa.us/vancmo/econ-dev/downtown.shtm)).