

Oregon Solutions – Economic Inventory Study SOW

Proposed Scope of Work

June 22, 2015

Background

The Oregon Solutions Team requests that the Northwest Economic Research Center (NERC), in collaboration with Metro, conduct a study of the impact that the economic resources protected by the Columbia Corridor levee system have on the local, regional, and state economy. The study will quantify the current residential characteristics (households, incomes, property value), business value (property, sales, employment), transportation infrastructure (I-5, I-205, Columbia-Sandy Corridor, Union Pacific and BNSF Railways and rail volumes, truck trips, airports, etc.), and the expected impact of canceling current development plans and increasing household insurance payments. This list is not exhaustive, and the parties can revise the topics as agreed (within budget) throughout the project.

Data Sources

- Port of Portland
 - Every 4-5 years, the Port completes economic impact studies that provide numbers for direct, indirect and induced job numbers – they will complete this again in 2015.
 - Other statistics describing economic activity
- Oregon Employment Department
- City of Portland
- Multnomah County
- Oregon Department of Transportation
- U.S. Census Bureau
- RLIS (Metro)
- Metro QCEW Database
- Other Secondary Data Sources

NERC may request assistance in accessing additional datasets that Oregon Solutions partners may have access to (district shapefiles, etc.), or contacting other data-providers of interest. At the beginning of each project, NERC normally conducts a “kick-off” meeting in which data sources and availability are discussed. While Oregon Solutions anticipates having access to several paid databases from its partners, none of this access has been guaranteed.

Current Demographic/Economic Inventory and Contribution

The study team will produce a basic inventory of the type of jobs and industry mix (i.e., NAICS) of businesses in the CCA. The data would include employment and payroll estimates and number of businesses categorized by size and industry. We will utilize the state’s covered employment database (QCEW) that Metro has geocoded and edited for accuracy and precision. It is the best employment database for the Metro region. The City of Portland data catalog will be used to acquire current building permit data. NERC will geocode this data to match with the

drainage district. We will also examine the current buildable lands inventory and employment opportunities analysis from the City of Portland and Metro to characterize the impacts of re-accreditation on buildable industrial land within the Urban Growth Boundary.

Using the inventory and certified tax rolls, NERC will quantify the aggregate value of residential, commercial and industrial properties in the drainage district to establish a baseline scenario for the geographic area. Public properties and infrastructure will be included in this baseline analysis depending on availability of data from the City of Portland and Metro. This geographic area is flexible but will most likely focus on the four districts as a whole. NERC will also estimate the fiscal impacts of the current properties in the form of taxes collected.

This specifically structured inventory of economic factors will be used in the economic impact analysis that is relevant for the drainage district. The economic impact analysis will utilize IMPLAN, an input-output software package recognized as an industry standard. The analysis will use primary and secondary data sources listed above. These secondary sources will be adjusted as needed to better reflect industry conditions in Oregon. County economic models will be used to estimate the unique economic impacts in each region. In this way, the IMPLAN model will be calibrated to reflect the residential and business mix that characterizes the drainage district. Impacts will be broken out by industry, which will be used to inform the key industry impacts and the economic readiness analysis. In particular, the Warehousing and Storage industry (NAICS code: 493) that provide a range of logistics and distribution services will be highlighted.

The economic impact will describe and estimate the direct, indirect, and induced economic impacts of the industry utilizing state-of-the-art economic modeling techniques. The analysis includes

- Impacts on business output (revenue)
- Spending
- Jobs
- Household income (wages)
- Tax revenues (fiscal impacts) to the local and state governments

A note on impacts vs. contributions: economic impact analysis assumes that without the activity being studied, the jobs, wages, and output would not exist. Economic contribution analysis measures the jobs, wages, and outputs associated with the activity but does *not* assume that these would completely disappear in the absence of the studied activity. Because the drainage district is geographically small, even if the area became uninhabitable it is likely that the people and businesses would relocate and continue to produce outputs. The outcome of the increase in insurance payments would be classified as an economic impact. The new expenditure would represent a decrease in disposable income in the area that would otherwise not occur.

The economic analysis will also include a review of existing data sources and analysis which quantify the impacts of distribution channels and infrastructure in the district. Potential impacts

on land use, both in the district and in the broader Portland Metropolitan Area, will also be discussed. MCDD's levee system also protects groundwater within City of Portland's Columbia South Shore Wellhead Protection Area as secondary drinking water source. A discussion of the economic value (i.e., option value) of this emergency backup drinking water source will be included.

NERC will also review economic impacts in areas in which levee re-accreditation was not granted. Focus will be placed on economic impacts to the community including increased insurance rates, development regulations, increased difficulty to access financial loans, and associated economic impacts. Case studies of communities and regions with similar experiences may be examined, but the number and location of case studies actually reported will be based on relevance.

Travel patterns

The project team will produce a travel pattern profile for trucks and automobiles in the district and for each subarea. Using Metro's transportation model and data from its most recent regional transportation plan scenario, we will prepare tables outlining the basic travel conditions and behavior of travelers utilizing highways and roadways in the district. The travel statistics will include values distinguishing travel behavior based on today's conditions and a future's forecast of travel conditions in 2035. Data will be arrayed by highway and non-highway traffic information for each subarea. Travel attributes in the district and subareas shall include 1) roadway miles, 2) vehicle miles traveled by trucks and autos, 3) vehicle hours traveled by trucks and cars, 4) average trip lengths of travelers, and 5) the number of trip productions and attractions in the district and individual subareas.

Demographic Profile

A basic overview of the Multnomah County Drainage District (district) is a first step in order to establish baseline readings and measurements for illustrating the importance of the district. Metro shall prepare summary level demographic profile for the 4 primary subareas that comprise the district. Accompany the district profiles with the Portland MSA and statewide figures in order to provide an overall relative state for comparison and benchmarking purposes. The demographic profile will incorporate current Census data and information from other relevant sources. Data items to include (but not limited): population by age and sex, race (provide data for environmental justice analysis purposes).

Oregon Solutions Economic Subcommittee

An Oregon Solutions Economic Subcommittee will serve as the independent review committee for this project to review work prior to the final product. The purpose of this committee will be to ensure that the final product will meet the needs of the Oregon Solutions Team. In the event that it is determined work outside of the scope needs to be added, the parties may agree in writing to revise the scope and budget as necessary.

NERC staff will also be available to present the results to the Oregon Solutions Team.

Timeline and Budget

During the agreement process, NERC and Oregon Solutions will agree on a final delivery date approximately five months after project launch. **Project Total Budget = \$50,050** with details below.

NERC Budget

Time	Task	Cost
Project Launch	Kick-off Meeting with All Appropriate Stakeholders	
5 Weeks	Data Collection	\$12,500
6 Weeks	Impact Analysis	\$12,500
2 Weeks	Case Study Analysis	\$5,000
3 Weeks	Report Write Up	\$4,000
	• In-House Design	\$1,000
	Presentation by NERC staff	\$1,000
16 Weeks	NERC Total	\$36,000

Metro Budget

Staff Time	Task	Cost (assume \$115 per hour)
40-50 hours	Demographic Profile	Up to \$5,750
40 hours	Data Collection	\$4,600
32 hours	Impact Analysis	\$3,700
	Metro Total	\$14,050