



Gary Barth  
Director

**BUSINESS AND COMMUNITY SERVICES**  
Development Services Building  
150 Beaver Creek Road, Oregon City, OR 97045

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July 9, 2015

Board of County Commissioners  
Clackamas County

Members of the Board:

Approval of an Intergovernmental Agreement between Clackamas County Business and Community Services and the Northwest Economic Research Center (NERC) at Portland State University for the Economic Impact of County Seat Operations Project.

<b>Purpose/Outcomes</b>	To describe and estimate the direct, indirect, and induced economic impacts of activity due to Clackamas County operations in Oregon City
<b>Dollar Amount and Fiscal Impact</b>	\$34,750.00
<b>Funding Source</b>	BCS Economic Development Lottery Fund
<b>Safety Impact</b>	None
<b>Duration</b>	The study will conclude August 31, 2015.
<b>Previous Board Action/Review</b>	None
<b>Contact Person</b>	Gary Barth, Director, Business and Community Development, 503-742-4299

**BACKGROUND:**

In March 2015, following direction by County Administrator, Staff contacted Northwest Economic Research Center with Portland State University and requested a proposed scope of work and budget for this project. The proposed scope was approved via e-mail by the County Administrator on April 1, 2015, and work commenced. A subsequent IGA was provided by PSU as advised by Clackamas County purchasing on May 7, 2015.

The results of the IMPLAN analysis will be used to illustrate the total economic activity associated with county activities. The project and analysis will be split into two sections and will take approximately 13 weeks. Deliverables include a presentation of a full written report.

**RECOMMENDATION:**

Staff respectfully recommends approval and execution of the attached IGA in order to necessitate payment of work already approved and completed as well as delivery of final report data.

Respectfully submitted,

Gary Barth  
Director

**Intergovernmental Agreement #40957/288488**  
**by and between Portland State University**  
**And**  
**The Clackamas County Office of Business & Community Services**

This Intergovernmental Agreement #40957/288488 is by and between the Clackamas County Office of Business & Community Services (County), and Portland State University Northwest Economic Research Center (NERC), individually, the "Party", and collectively, the "Parties".

Whereas, the Clackamas County Office of Business & Community Services requests that PSU's Northwest Economic Research Center undertake a study of the economic impacts in Oregon City derived from its status as the Clackamas County seat, and

Whereas, NERC desires to fulfill these services per Exhibit A,

Now therefore, the parties agree to the following:

**1. Term and Termination**

This Agreement shall become effective on the date of final signing by all parties and shall remain in effect until August 31, 2015, unless otherwise terminated by either party. This Agreement may be terminated with thirty (30) days written notice to the Parties, by either Party. This Agreement may be amended by mutual consent, reduced to writing, and signed by the parties.

**2. Cost**

The Clackamas County Office of Business & Community Services shall pay PSU \$34,750, per the schedule in Exhibit A.

**3. Scope of Work**

Exhibit A to this Intergovernmental Agreement shall serve as the Scope of Work, and is herein incorporated by reference.

**4. Indemnification**

Subject to the limits of ORS 30.260 – 30.300, each Party shall defend, save, hold harmless and indemnify the other Party and their subdivisions, officers, directors, employees, and agents from and against all claims, suits, losses, damages, liabilities, costs and expenses of any nature resulting from, or relating to the work performed under this Intergovernmental Agreement.

**5. Intellectual Property**

All new work product created by NERC as a result of work performed under this Intergovernmental Agreement shall be the property of County. County grants NERC an irrevocable, unrestricted, non-exclusive and perpetual license to use said work product, including any derivative works. Intellectual Property that was the property of each Party prior to the commencement of work under this Intergovernmental Agreement shall remain the property of that Party

**6. Confidentiality**

Each Party shall hold the other Party's information in strict confidence as confidential information, using at least the same degree of care that is uses in maintaining the confidentiality of its own confidential information, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of confidential information to third parties except as authorized by work under this Intergovernmental Agreement.

**4. Merger**

This Agreement constitutes the entire agreement between the parties. No waiver, consent, modification, or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this agreement. The County and NERC, by the signature of their authorized representatives, hereby acknowledge that they have read this agreement, understand it, and agree to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties have caused this Intergovernmental Agreement to be executed by their duly authorized representatives as identified below.

Clackamas County Office of Business & Community Services

Portland State University

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date  
*William C. Terry* 5-7-15  
Contract Officer William C. Terry Date  
Contracts Officer  
Portland State University

**EXHIBIT A: SCOPE OF WORK**  
**PSU IGA #40957/288488**

**Economic Impact of County Seat Operations in Oregon City**

April 15, 2015

**Background**

The Clackamas County Office of Business & Community Services (Clackamas County) requests that the Northwest Economic Research Center (NERC) undertake a study of the economic impacts in Oregon City derived from its status as the Clackamas County seat.

The analysis will be split into two sections: 1) Direct, indirect, and induced economic impacts of county operations in Oregon City and 2) Analysis of economic indicators relative to comparable seat and non-seat cities based on data from counties in multiple states.

**Data Sources**

- Clackamas County
- Oregon Employment Department
- Oregon Office of Economic Analysis
- RLIS (Metro)
- U.S. Census Bureau
- Bureau of Economic Analysis
- Other Secondary Data Sources

NERC may request assistance in accessing additional datasets that Clackamas County partners may have access to, 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.

**Economic Impacts of County Operations**

NERC will use IMPLAN to estimate the total economic and fiscal impacts of activity due to Clackamas County operations in Oregon City. The analysis will describe and estimate the direct, indirect, and induced economic impacts of this activity utilizing state-of-the-art economic modeling techniques. The analysis outputs include:

- Tax Revenues (fiscal impacts) to state and local governments
- Impact on business output (revenue)
- Spending
- Jobs (employment)
- Household income (wages)

The results of the IMPLAN analysis will be used to illustrate the total economic activity associated with county activities. NERC will rely on data from Clackamas County and other

data sources mentioned above to quantify the impacts of employment, wages, and investment in Oregon City.

This portion of the analysis will be closer to an economic contribution study, rather than a normal economic impact study. An economic impact study would require us to develop a counterfactual estimating Oregon City economic indicators without the county seat.

#### **Analysis of County Seats Relative to Comparable Cities**

In order to establish a realistic counterfactual, NERC will rely on data from counties in multiple states to establish patterns in county seat economic activity. NERC will also review relevant literature to identify benefits and burdens associated with hosting the county seat. Based on initial research, potential benefits include:

- Non-cyclical employment
- Less exposure to employment shocks
- Government employees and visitors spending locally
- Higher-income jobs
- Increased activity in city centers

Potential burdens include:

- Traffic and parking issues
- Decreased real estate availability
- Retail and business mix skewed to accommodate commuters or visitors
- More non-taxable property and activity

This section will combine examples from Oregon City with stylized statistics drawn from a database of county seats.

#### **Draft Project Outline**

The following is a draft outline for the final report. NERC may alter this based on findings in the analysis process:

- Executive Summary
- Brief Description of County Activity in Oregon City
- Description of IMPLAN
- IMPLAN Results
  - Including Direct, Indirect, and Induced effects by industry and rural/urban
  - Explanation of IMPLAN results and interpretation
- Brief Explanation of Database of County Seats and comparable non-seats
- Analysis of trends and indicators drawn from Database
- Conclusion

**Timeline and Budget**

Time	Event	Cost
<b>Project Launch</b>	Kick-off meeting with all appropriate stakeholders	
<b>3 Weeks</b>	Data Collection and Literature Review	\$4,500
<b>2 Weeks</b>	Data Prep	\$2,500
<b>5 Weeks</b>	IMPLAN* and County Seat Analysis	\$24,250
<b>3 Weeks</b>	Report Write-Up	\$2,500
	Presentation by Dr. Potiowsky	\$1,000
	<b>Total</b>	<b>\$34,750</b>

During the agreement process, NERC and IW will agree on a final delivery date approximately 13 weeks after project launch. Date(s) will also be set for progress updates and draft report submissions for review by Clackamas County.

\*It is our understanding that Clackamas County regularly purchases the latest IMPLAN data. If NERC can use Clackamas County's IMPLAN model, the budget could be updated.