

# Economic Opportunities Analysis (EOA)

## Collaborative Working Group (CWG) Meeting #8

### Meeting Notes

August 9, 2024

#### Attendees

**Collaborative Working Group:**

Corky Collier, CCA  
Jon Isaacs, PMC  
Benton Strong, WWC  
Steph Routh, PC  
Bob Sallinger, Willamette River Keeper

**Observers:**

Susie Lahsene, WWC  
Alexis Elias, CCA  
Debbie Deetz Silva, Oregon Steel  
Tom Bouillion, Port  
Diliana Vassileva, Port

**City Staff:**

Ethan Brown, BES  
Marie Walkiewicz, BES  
Rani Boyle, BES  
Deb Meihoff, facilitator  
Tom Armstrong, BPS  
Steve Kountz, BPS  
Sam Brookham, BPS  
Julia Michel, BPS  
Patricia Diefenderfer, BPS  
Jeff Caudill, BPS  
Daniel Soebbing, BPS  
Marco Mejia Yopez, BPS

#### Refined Scenarios Analysis

##### Natural resources

- Corky: compare natural resources that are protected in the industrial areas to the rest of the city more broadly, e.g., residential neighborhoods.
- Corky: re: tree protection measures - Is the 146-acre impact included in the overall land supply numbers? The cost of removing those trees is high – assume the point of removing the tree exemption is to preserve trees?
- Corky: why are we talking about an additional setback on the Willamette River? Does not align with the concept of a ‘working waterfront’ in the industrial area
  - Patricia: it is related to FEMA floodplain requirements
  - Jeff: A 50ft setback is applied elsewhere on the Willamette – determined that 50ft should be the minimum setback for non-river-related uses.
  - Corky: those other areas are not industrial zones along the river
  - Tom: river-related industrial development can still be done within the setback
  - Corky: so why are we doing them?
  - PAD: we’re not recommending one policy choice over another right now; we’re trying to determine the net effect of the policy choices
  - Daniel: The existing setback is 25’ and development within 50’ of that setback triggers Greenway review
- Jon: what does minimum requirement mean?

- Daniel: Metro Title 13 methodology for identifying natural resources, similar to Portland's methodology. Metro has minimum statutory requirements; there are known deficiencies in our code that we are looking to extend the ezone coverage to.

#### Industrial capacity investment alternatives

- Bob: superfund scenario, e.g., \$300m by state to bring those sites closer to development
  - Tom: street infrastructure investment is an example. The city or state improves the street which would otherwise be the responsibility of a developer. It shifts the cost responsibility and makes the site more feasible for development
- Bob: is there flexibility to adjust the existing discount rates?
  - Tom: Yes. For example, considering the Portland Harbor Superfund presentation at a previous meeting, we changed the discount rate. We continue to analyze and evaluate the discount rates. The Industrial Land Readiness Study will help inform these rates as well.
- Susie: freight transportation rate – is it linked to the freight plan?
  - Tom: the discount rate came from a study of past development trends. The investment plan can come from the Freight Master Plan.
  - Eric: Transportation infrastructure deficiencies are unimproved streets, congestion, proximity to highway interchanges
- Susie: any investments? Or just city?
  - Tom: the assumption is that it is public investment that reduces the cost for private developers
- Corky: re brownfield, N Portland Road, why not have a full discount on sites?
  - Steve: we previously studied brownfield remediation and factored that into previous modeling exercises
  - Tom: the 50% discount rate is an aggregation, not site-specific – assuming half of our current brownfields will develop
- Bob: this is where we probably have common ground – should be thinking about investing – more certainty with local money but state and federal money should be included
  - Tom: we got there with the legislature (property tax abatement program) and can try again
- Jon: we are operating in a theoretical space – the gain in land supply is due to investment mitigating any loss of land due to natural resource protections? Do we have values attached to these scenarios?
  - PAD: we are working on it with the brownfield study and industrial land readiness study
- Benton: need to have a conversation about where else we could invest in the regional economy. Have we considered whether this sector will continue its growth trajectory if we don't hit the 2045 target? We might see a reduction in the industrial sector because companies don't see a growth trajectory here.
  - PAD: as a city economic development strategy we might acknowledge that we need to grow jobs in other sectors; tie into the Advance Portland strategy. We can continue to think about it and build it in – an iterative process.
- Bob: wonder about the growth trend – we have lots of vacant land – Gunderson is gone, rezone proposals continuing, T2 changes, river dependent thing is in flux.

- Steve: disinvestment due to recession, manufacturing typically most affected. Gunderson reinvestment is happening. T2 is shifting the supply and responding to market demand.
- Bob: T2 operations no longer need to be done next to the river.
- Susie: baseline land available and discount rates – constraints on land today, industrial land has unique requirements
  - Steve: EOA has 4 sectors, each with unique attributes we consider (including demand)
- Corky: including investments is speculative; last time 60% utilization rate for brownfields was not founded in reality; suggest revisions to the alternatives analysis that shows land supply without investments (Nat Resources only) + the acreage clawed back from investments
- Steph: The addition of the investment options is informing a plan of action; let us not look to this as an assurance. Parcel size is important to consider – suggest bringing that into this discussion. MP, EOA, and Title 11 have been recently discussed – and should also be considered.
  - PAD: The aim here is to show decision-makers policy options and how we could benefit from different investments
  - Steve: Goal 9 says to look at specific types of demand by land use and site size.
  - Bob: we have heard for a long time the biggest deficit is for large sites. Concerns about overlapping and related decisions that impact industrial land supply, especially the river.

## Specific Site Analysis

### Topaz farm

- Marie: what are the differences between the climate resilient and maximum protection scenarios?
- Susie: What are the mitigation requirements for c zones?
  - Tom: we want to understand those costs
  - Daniel: The property owner would be required to replace lost resources with similar value
- Corky: let's not remove p zones – most places have been developed around them and there is little to be gained from an economic perspective. No loss of ezones – only map corrections.

### Siltronic

- Jeff: replacing ezones with River e
- Bob: the bank is less protected under River e versus Greenway overlay?
  - Jeff: it is not a 1:1 comparison, it is a different approach
- Corky: what does the River e mean – c zone?
  - Jeff: yes. Some places are included because of herbaceous floodplains, and special habitat areas. River e does not include a transition area – focused on resources only.
  - Daniel: we will continue to refine the areas and take a closer look at specific sites

### ESCO, Starlink, etc.

- Corky: nice to dive into the differences between River e and Greenway, C and P zones, etc.
  - Jeff: similar to C zone, Willamette River is a Goal 15 resource with which we are applying River e to be compliant.

- Bob: how does River e protect very valuable resources? It looks to be weaker than ezone protections.
  - Jeff: developers have to avoid, minimize, and mitigate. Hard to justify developing a wetland per PP&D, with very little c and p zone in the River overlay zone.

### Columbia Steel

- Daniel: czone could be extending further than it should – need to look closer at our interpretation of the BiOP
- PAD: this is where you see an intersection of Floodplain and ezone requirements
- Corky: mostly a map correction
- Bob: looks like we're rolling back protections in places like N Portland Rd
  - Daniel: good point that we shouldn't be rolling back protections

### NE 138<sup>th</sup>/Pruitt & Moshberger

- Steve: what is the impact of applying ezones to streets?
  - Daniel: specific standards apply to streets; less stringent requirements than on sites – added complexity
- Ethan: transition phase, first 25' of c zone

### Meeting Takeaways

- Deb: what we heard – show ezone impacts on their own, finer tuning of natural resource protections, the value of investments to decision-makers, additional exploration of investment environment discount rates, cost of developing land.
- Steph: good setup for approaching future decisions
- Benton: The investment element remains very theoretical – hard to see us attaining the necessary investment to achieve the goal. Is funding actually available? Will companies continue to invest if there is a deficit of available land supply?
- Bob: investments are speculative – need to have a better strategy around investments. Scenarios are tied to legal mandates – how do we meet the law and also other objectives?

### Next steps

- PAD: we will continue to work on a citywide strategy and refine/research inputs to the investment side.
- Tom: we will reconvene the group when we have results from our other studies to share