

**2007-2009 Periodic Review and Technical Assistance Grants  
Department of Land Conservation and Development  
APPLICATION**

*Please type or print*

**Date:** September 29, 2008

**Note:** All Boxes below are check boxes.

**Type of Grant:**  Periodic Review  Technical Assistance

Technical Assistance Infrastructure

**Applicant:** City of Portland, Bureau of Planning

**Address:** 1900 SW 4<sup>th</sup> Avenue, Portland, OREGON 97201

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**Amount of grant request:** \$ 100,000

**Local Contribution (not required):** \$ 0

**Project Title: City of Portland, Economic Opportunities Analysis for  
Periodic Review**

**Abstract** (Use up to 50 words to describe the project and products): The City of Portland is applying for a Periodic Review Technical Assistance grant in order to hire a consultant to analyze the demand and supply of commercial and industrial land in Portland to 2035. In addition, the information gathered through this work program will be used to inform our economic development strategy and provide policy choices for the general public to hear and respond to. This work is necessary, not only to meet the needs of Periodic Review, but also

to account for national economic, social, and environmental policy shifts, as well as, account for new state Goal 9 provisions regarding short-term land supply, prime industrial land, and Brownfield redevelopment.

## 2007-2009 DLCD GRANT APPLICATION Project Narrative

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(Please use additional sheets)

### 1. Goals and Objectives:

State the goals or overall purpose of the project. Describe particular objectives you hope to accomplish in terms of meeting planning, technical, or information needs beyond basic planning activities in your jurisdiction, or as appropriate, among partner jurisdictions. Please indicate whether this is a one-biennium, stand-alone project or is part of a longer, multi-year/multi-biennium program. If it is the latter, describe how this work would contribute to the longer-term project and how the work beyond this project would be funded.

at the time of delivery (*e.g.*, adopted, hearing ready, draft).

### 2. Products and Outcomes:

Clearly describe the products and outcomes you expect from work under this grant. Briefly describe any anticipated significant effect it would have on development, livability, process efficiencies, compliance with federal requirements, socioeconomic gains, and other relevant factors. If the proposed project relates to work under a periodic review work program, identify the PR work task(s). If the project is part of a longer multi-year effort, please describe subsequent phases and expected results, any previous work completed, and how work beyond this project will be funded.

### 3. Work Program, Timeline & Payment (best if combined):

#### A. Tasks

List and briefly describe the major tasks and subtasks, in sequence of starting dates, the resulting products, and the status of products

**B. Timeline**

List beginning and end dates of project start-up, tasks, progress milestones, interim products, and project completion. If the project is to be part of a longer, multi-year effort, provide an overview of the expected timeline and describe subsequent phases to be completed.

**C. Payment Schedule**

Indicate a requested payment schedule, showing the number, timing, and amount of interim and final payments. Relate interim payments to products, if applicable.

**4. Review Criteria**

For Technical Assistance grant applications, include a statement in the narrative that addresses the approval criteria presented in the application instructions.

**5. Project Partners**

List other local governments, special districts, state agencies, or other entities, if any, that will participate in the project, and briefly describe the role of each (*e.g.*, will perform work under the grant; will advise; will contribute information or services, etc).

**6. Cost-Sharing, and Local Contribution**

If the funds from the DLCD are only a part of overall project costs, identify sources and amounts of other funds or services that will contribute to the project’s success. Cost-sharing (match) is not required on general fund grants, but will be a contributing factor to the success of the application, all else being equal. Describe the kinds and list the amounts of local contribution for the grant (see page 4 of this application).

**Will a consultant be retained to assist in completing grant products?    Yes     No**

**Grant Budget Summary**

	<b>Grant Request</b>	<b>Local Contribution</b>	<b>Total Budget</b>
Personal Services	\$	\$	\$
Supplies	\$	\$	\$
Contract services	\$ 100,000	\$	\$ 100,000
Other	\$	\$	\$
<b>TOTAL</b>	\$ 100,000	\$	\$ 100,000

Explain "Other" expenses: Use additional paper to explain as necessary.

**Grant Product Cost Summary**

(Use Additional Sheets if Needed)

<b>Product</b>	<b>Grant Request</b>	<b>Local Contribution</b>	<b>Total Budget</b>
1	\$ 33,000	\$	\$ 33,000
2	\$ 0	\$	\$ 16,500
3	\$ 33,000 (after products 2 and 3 are complete)	\$	\$ 16,500
4	\$ 34,000	\$	\$ 34,000
<b>TOTAL</b>	\$ 100,000	\$	\$ 100,000

Please submit your application with all supplemental information to  
 Attn: Larry French, Grants Administrative Specialist  
 Community Services Division

**For State General Fund Grants:**

All contributions, whether cash or in-kind, shall be accepted as part of the grantee's matching or cost sharing when such contributions are:

- a. Identifiable from the grantee's records,
- b. Not included as contributions for any other grant or contract, and
- c. Necessary and reasonable for proper and efficient accomplishment of project objectives.

**In-kind contributions** are made in some form other than money. They may represent the value of goods and services, which benefit the grant program and are specifically identifiable to that program. They may be made by the grantee, other public agencies, private organizations, appointed members of advisory committees, and/or individuals. Items which qualify as in-kind contributions and the methods for assessing their value include:

- a. Volunteer services – Rates for volunteers should be consistent with regular rates paid for similar work in state and local government. If there is no similar work in state or local government, the rates should reflect the grantee's local labor market. When another employer donates an employee's regular services to the grantee, those services are valued at the employee's normal pay rate.

- b. Contributed materials – This includes office supplies or other supplies directly related to the project. The price assessed should be reasonable. It should be based on fair market value when charged to the project.
- c. Donated equipment, building, land or use of space – Include depreciation and use charges for equipment and buildings and fair rental charges for land.
- d. Employees of other organizations – Services are within same skill for which employee is normally paid. Valuation: Employee rate including fringe but excluding overhead.

**In-kind paid for in cash** is accounted for by normal accounting procedures. However, in-kind for which you establish value should be accounted for as follows:

- a. Services – Maintain record for those attending meetings; their hours, date and place of meeting, just as you record employee hours.
- b. Documentation – Document your method of computing at the hourly rate for personal services and the cost of materials, equipment, buildings and land charges.

## **PROJECT NARRATIVE**

### **1. Goals and Objectives:**

As part of the update to the City of Portland's 1980 Comprehensive Plan and the 1988 Central City Plan and under State mandated Periodic Review, the City of Portland is required to complete an Economic Opportunities Analysis (EOA). The EOA is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (effective January 1, 2007). The EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that may be used to determine the number of needed development sites. It also includes an inventory of short- and long- term buildable commercial, employment and industrial land in the City of Portland.

The City of Portland is applying for a Periodic Review Technical Assistance grant in order to hire a consultant to account for national economic, social, and environmental policy shifts, as well as, account for new state Goal 9 provisions regarding short-term land supply, prime industrial land, and Brownfield redevelopment. The information and data derived from the EOA may be used to assist the community to better implement local economic development objectives as well as to evaluate and develop supporting Comprehensive Plan policies.

Regarding the project schedule, we propose to issue a Request for Proposals (RFP) immediately, simultaneous with this grant application, and begin the employment lands capacity analysis as soon as possible, so that the results will be available early in the periodic review process to inform analysis of scenarios and policy alternatives. If DLCD objects to awarding or beginning work on the consultant contract before approval of this grant application and the periodic review workplan, or if DLCD would withhold grant payments for work done during this time before grant approval, please notify the City as soon as possible, so that the contract schedule can be adjusted.-

#### **Project objectives:**

1. Comply with Oregon's Statewide Planning Goal 9 Rule.
2. Build on the current Metro demand forecast and supply analysis to support detailed planning for Portland-specific conditions, trends, and objectives.
3. Provide an analytical foundation to propose and inform community choices regarding employment land capacity policies and investments.

### **2. Products and Outcomes:**

To adequately address the type of economic opportunities analysis needed, additional funding to hire outside contractual support will be necessary. The City of Portland is applying for a Technical Assistance grant to hire a consultant to meet the requirement of Oregon Statewide Planning Goal 9 and the Administrative Rule that implements Goal 9. The project consultant

will provide the following information (see work program for more details related to each category):

- Offer a comprehensive overview of economic development opportunities in the City of Portland by evaluating federal, state, region, and local economic and development trends.
- Identify and map Portland’s employment specializations in the region associated with specialized site types; evaluate competitive opportunities for growth; and assemble available data, interviews, and focus groups of businesses to evaluate their growth needs to 2035.
- Conduct a submarket analysis to evaluate the market potential and location factors driving a 5- and 20-year demand among these submarket locations.
- A forecast of employment land demand; redevelopment demand analysis comparing employment and construction trends to estimate how much job growth is likely to be associated with new development, redevelopment, and expansion.
- An estimation of available land supply and an evaluation of Metro’s inventory of buildable vacant land and brownfields.
- Assess short and long term redevelopment capacity and opportunity sites.
- Evaluate and recommend alternative employment growth and land capacity choices.
- Evaluate opportunities and limitations of public investments and incentives.
- Provide a final report and presentation of findings and recommendations.

**3. Work Program, Timeline, and Payment**

As indicated above, this technical assistance grant will be used to retain a consultant to perform the Economic Opportunities Analysis; City of Portland Planning Bureau staff will provide the following to the selected consultant:

- Background information and a bibliography of relevant employment land demand and supply literature;
- Current Metro employment forecasts to 2035 and corresponding national, state, and regional trends analysis; a summary table current employment land use types according to our Comprehensive Plan designations and site types; GIS data of land uses, current employment and corresponding industry sectors, assessed property values, and commercial permits.

The following chart details how these funds will be used during the 9-month project period. Payment reimbursements will occur at the end of each phase, subject to the completion and delivery of products as specified. Please keep in mind that the timeline may shift in order to accommodate any refinements to the work plan that the consultant may suggest.

<b>TASK ITEM #</b>	<b>Work Program Product, Activity, or Payment</b>	<b>Timeline</b>	<b>Payment Reimbursement Amount</b>
<b>1</b>	<b>Activity: Consultant hiring, Public Involvement</b>	<b>October –</b>	

	<p>--Send out RFP with a three week timeline for submittal;          --Consultant selection process;          --Consultant contract;          --Form a review group          -- Kick-off meeting with Consultants to clarify project understanding, refine the work plan, and set due dates for deliverables.</p> <p><b>Product:</b> Report on hiring consultant (name, firm, address, phone, fax number, and email address); Report on formation of review group members; Report on final timeline and work plan.</p> <p><i>[submittal of above items without payment request]</i></p>	<p>November 2008</p> <p>November 2008</p>	
2	<p><b>Consultant will analyze trends, opportunities, and market factors affecting employment land demand in the city.</b> Deliverable: written report of findings and presentation to review group.</p> <p>a. Trends summary - Summarize current Metro analysis of US, Oregon, metro region, and citywide economic trends and aggregate forecast, including Portland’s regional-share growth trends. Describe citywide 5-year trends in employment growth and commercial/industrial construction by sector (NAICS), use area type, site type, and expansion type (new development, redevelopment, job growth without construction, construction without job growth), identifying linkages and patterns among these attributes. Assemble commercial permit data as needed, and propose any permit data gathering refinements to facilitate future analysis.</p> <p>b. Local sector specializations – Identify and map Portland’s sector specializations in the region associated with specialized districts (e.g., marine/rail/air-dependent and related industry in the harbor and airport districts, high-rise and mid-rise office sectors in Central Portland) and evaluate resulting competitive sector and district opportunities for growth. Assemble available data and conduct interviews or focus groups as needed</p>	<p>November-December 2008</p>	<p>One-third of payment</p>



	<p>to evaluate their growth potential to 2035 and their changing needs for space in Portland.</p> <p>c. Submarket analysis - Assemble available data and conduct interviews or focus groups as needed to estimate a forecast range and identify location factors driving demand in Portland to 2035 in the following development submarkets:</p> <ul style="list-style-type: none"> <li>i. high-rise and mid-rise employment demand among Central Portland subdistricts and other Portland locations;</li> <li>ii. demand for close-in industrial “incubator” (e.g., Eastbank Commerce Center) and other Class C office space;</li> <li>iii. intensification of industrial activity, including associated office demand, on developed areas in the harbor and airport districts;</li> <li>iv. neighborhood commercial demand, clarifying underserved and overserved neighborhood market areas for commercial land;</li> <li>v. commercial corridor demand that can be met in mixed-use buildings, estimating demand limitations of market area density</li> <li>vi. campus-type institutions (medical, higher education) and associated office demand in current residential zones.</li> </ul> <p><b><i>Product 1: Report on overview of existing conditions, review of national, state, and local economic trends with special emphasis on local specialization and area submarkets. Presentation to review group.</i></b></p>		
<p><b>3</b></p>	<p><b>Consultant will forecast employment land demand.</b>                  Deliverable: combined written report of findings and presentation to review group on tasks 2 and 3.</p> <ul style="list-style-type: none"> <li>a. Job-density assumptions – Evaluate Metro job-density assumptions and forecast allocations relative to city conditions and trends. Prepare a spreadsheet comparing current conditions among use area types in Portland, including the range of site sizes, site types, predominant sectors, and job density.</li> <li>b. Redevelopment demand analysis – Compare Portland employment and construction trends and consider redevelopment capacity analysis (3b below) to</li> </ul>	<p><b>January-February 2009</b></p>	<p><b>One-third of payment after task items 3 and 4 have been completed.</b></p>

	<p>estimate job growth and acres likely to be associated with new development (on vacant land), redevelopment (demolition and redevelopment), and expansion (within existing facilities). Prepare a spreadsheet estimating job growth to 2035 and associated acres affected by new development, redevelopment, and expansion by use area and site types.</p> <p>c. Disaggregated forecast ranges – How much and what types of land development are likely to be supported by forecast job growth? Prepare forecast ranges to 2035 and in short-term (5-year) increments of job growth and land needed by use area and site type. Recommend refinements to Metro’s assumptions and forecast allocation by transportation analysis zones (TAZ), to accurately reflect city conditions and trends.</p> <p><i>See Task # 4 for product description</i></p>		
<p><b>4</b></p>	<p><b>Consultant will estimate available employment land supply.</b> Deliverable: combined written report of findings and presentation to review group on tasks 2 and 3.</p> <p>a. Buildable vacant land and brownfields – Evaluate Metro’s inventory of vacant buildable land to accurately reflect city conditions. Include unoccupied brownfields (vacant and developed), partly buildable land, and public and utility ownership that are likely to be available in the planning period (see <i>Industrial Districts Atlas 2004</i> methodology). Exclude committed open spaces and other land unlikely to be available in the planning period. Prepare an inventory of brownfields that considers DEQ data (ECSI, LUST), unimproved land, and submarket property values, and other available information as needed.</p> <p>b. Redevelopment capacity and opportunity sites – Estimate undeveloped existing capacity for redevelopment and expansion (allowable density minus current density) by use area and site types. Analyze cost differentials and any other factors likely to limit redevelopment and expansion to 2035, considering local redevelopment trends and conditions. Inventory redevelopment and expansion capacity by tiers or a comparable</p>	<p><b>January-February 2009</b></p>	<p><b>See above</b></p>

	<p>method of evaluating redevelopment feasibility, broken down by use area and TAZ. Evaluate, refine, and incorporate Central Portland Plan capacity analysis (Bureau of Planning, 2008).</p> <p>c. Available land supply and deficiencies – Recommend refinements to Metro’s supply assumptions and inventory. Reconcile total vacant and redevelopment land supply with forecast demand to 2035, and estimate deficiencies by use and site types. Prepare a map of areas likely to develop most intensively in the planning period under current conditions, to inform infrastructure capacity decisions.</p> <p>d. Short-term land supply - Evaluate development-readiness constraints and inventory the available “short-term” land supply as defined in Goal 9 (engineering feasibility to be ready for construction within one year).</p> <p><b><i>Product 2: Combined written report of findings and presentation to review group of tasks 3-4</i></b></p>		
<p><b>5</b></p>	<p><b>Consultant will analyze alternative choices for employment growth targets and adequate capacity.</b>                  Deliverable: final report and presentation at stakeholder review workshop.</p> <p>a. Growth target choices - Evaluate alternative regional-share employment growth targets (e.g., 20 percent) within Metro’s forecast ranges to support economic competitiveness, equity, and sustainability considerations.</p> <p>b. Land capacity choices - Evaluate and recommend alternative concepts for use area type refinements, prime industrial areas, and additional land capacity to meet demand by use area type and growth targets. Consider, for example, the following: industrial and commercial land retention approaches; expanded Columbia Corridor industrial land; capacity expansion in centers; reduction of Central Portland industrial land or refinements to accommodate low-cost industrial-related office demand; adequate neighborhood commercial capacity to support viable “20-minute neighborhoods,” employment designations of</p>	<p><b>March- April 2009</b></p>	<p><b>Last third of payment when final report and presentations are made.</b></p>

	<p>institutional campuses.</p> <p>c. Public investments and incentives - Evaluate opportunities and limitations of public investments, development incentives, and other public interventions to meet additional market demand within forecast ranges. Recommend effective alternatives to meet growth targets. Recommend public investment and policy concepts for providing and replacing an adequate short-term land supply to meet and demand in 5-year increments. Specifically estimate the shares of brownfield land likely to redevelop in relation to conceptual incentive options. Also consider, for example, new transit lines, major freight infrastructure investments, and new urban renewal areas.</p> <p><i>Product: Final report and workshop with Stakeholders.</i></p>		
	<b>Total</b>		<b>\$100,000</b>

**A. Draft Payment Schedule (to be revised following award of the contract)**

Product/Tasks	Payment Schedule	Amount
<b>1: Report of trends, opportunities, and market factors that affect employment land demand</b>	<b>December 2008</b>	<b>\$33,000</b>
<b>2 and 3: Report of forecasted land demand and employment land supply</b>	<b>February 2009</b>	<b>\$33,000</b>
<b>4: Final Report—choices for employment growth targets</b>	<b>April 30, 2009</b>	<b>\$34,000</b>

**4. Review Criteria:**

**Not applicable.**

**5. Project Partners:**

**The Bureau of Planning will lead the effort. A Review Group comprised of interbureau partners as well as additional members of the business community will review draft products.**

## **6. Cost Sharing and Local Contribution:**

**There is no cost sharing or local contribution being sought.**