



April 28, 2015

Dear Chair Baugh and Members of the Portland Planning and Sustainability Commission,

Please accept the following comments from the Audubon Society of Portland regarding the revised Economic Opportunities Analysis (EOA). Audubon has previously submitted several sets of comments on other aspects of the comprehensive plan.

Audubon views the EOA as a step in the right direction in terms of placing a heavier emphasis on making better use of the existing industrial land base and decreasing emphasis on conversion of open space for industrial use. However, we also believe that the analysis ultimately represents an elaborate exercise in postponing the inevitable: the need to seek an exception from statewide land-use planning Goal 9. Portland is a landlocked city that is simply running out of land on which to expand uses. Continuing to prioritize finding new acres to meet industrial land demand creates an arbitrary and unrealistic emphasis on industrial development at the expense of other equally important land uses. It can only continue to occur within the current paradigm if we are willing to sacrifice the health of our environment and the livability of our communities.

It is notable that the City recently recognized this exact point in terms of how it addresses open space. In the proposed methodology for the PP&R System Development Charge (SDC) Update, currently before City Council, the City recognizes that "a level of service methodology based on acres of park per 1,000 per population would require the City to acquire an unrealistic number of acres of parkland." The City writes:

The 2008 methodology is based on acres per 1,000 people. This method would require Parks to purchase a large amount of land in order to maintain the same ratio of acres per 1,000 people as Portland's population grows. Portland has a limited amount of vacant land, which limits fulfillment of the 2008 methodology.¹

It is time for the City to apply the same logic to industrial lands. In the same manner that the proposed Park SDC methodology recognizes that a landlocked city cannot continue to rely on a rigid acreage based approach to finding parkland, so too must it recognize that it cannot continue to rely on a rigid acreage based approach to finding industrial lands or other land use types that may run a deficit in the future.

¹ <http://www.portlandoregon.gov/parks/article/523731>

We recognize that seeking a Goal 9 exception is no simple task. However the question is not “if” the City will need to seek an exception but rather “when.” We believe that the City would be best served by recognizing in this EOA that Portland can no longer find large amounts of acreage to meet new land use demands and that future growth is going to have to be predominantly achieved via intensification of use of the already developed land base or growth in other areas within the UGB. In short, it is time to take the Goal 9 exception.

To the degree that the City does continue to operate within a Goal 9 paradigm, there are several elements of the draft EO that represent steps in the right in terms of focusing on intensification of use of the existing industrial land base and a more balanced approach to meeting industrial land demand while also protecting the health of our communities and our environment. These include:

- Taking a leadership role in the clean-up of the Portland Harbor Superfund Site (Policy 6.40)
- Intensifying efforts to reclaim brownfields (Policy 6.39)
- Intensification of use of existing industrial lands (Policy 6.38)
- Use of the low end of the marine-terminal commodity movement forecast
- Expansion of natural resource protection, restoration and enhancement and ecological site design on industrial lands, including the methodology developed by the City to predict future acreage impacts of these efforts. However, we question whether 1) the methodology allocates adequate acres to meet future regulatory demands that may be placed on the city and 2) we believe the methodology should also account for implementation of the tree code on industrial lands.

With more than 900 acres of brownfields and many industrial sites currently under-utilized or inefficiently utilized, policies 6.38, 6.39 and 6.40 are logical steps towards meeting industrial land demand in Portland. For the health of our communities and our environment, it is imperative that the City focus on cleaning up the existing industrial land base rather than allowing these industrial developers to simply move to less expensive green fields to meet industrial land needs.

It is also important to note that the EOA explicitly recognizes that marine terminals provide a “relatively low number of jobs per acre.” (EOA at 1-85) In fact Harbor Access Lands are anticipated to provide only 1,905 jobs out of a total 141,600 new jobs that Metro has allocated to Portland for the period extending from 2010-2035. This means that Harbor Access lands will provide only 1.3% of the direct job growth anticipated in the region in the coming decades. (EOA at 2-7, 15) In addition, the EOA correctly notes that harbor access related job have been decreasing even as the harbor access land base and throughput have been increasing. Harbor Access Lands experienced declining employment at a rate of 2.2%/year between 2000 and 2008 even as economic output grew at a rate of 1.6%/ year and cargo volumes increased at 4.8%/year during the same time period (EOA at 29). While harbor access lands remain an important part of our economic infrastructure, predicating future job growth on these lands simply does not make sense.

The Following are our specific areas of concern with the Draft EOA and associated policies in the Draft Comp Plan:

- 1. Golf Courses should not be converted to industrial use (Policy 6.48):** We strongly oppose the conversion of portions of Columbia Slough golf courses (Broadmoor and Riverside) for industrial use. These golf courses could provide critical habitat restoration and open space opportunities for some of Portland's most environmentally degraded and underserved neighborhoods. It is notable that Policy 8.9 of the 1980 Comprehensive Plan explicitly sought to protect Golf Course through open space zoning. The Policy read: "Protect Portland Parks, cemeteries and golf courses through an Open Space designation on the Comprehensive Plan Map."² The 1980 Comprehensive Plan recognized that protecting golf courses was an important component of the overall goal to "Maintain and improve the quality of Portland's air, water and land resources and protect neighborhoods and business centers from detrimental noise pollution." The fact that the current draft Comp Plan and EOA propose to partially reverse this policy 35 years later is not a reflection that the Importance of these lands for open space and natural resource protection has somehow diminished---in fact, as the surrounding landscape has become increasingly developed, the value of these lands for open space and natural resource protection has only been magnified. Instead it is a sad reflection of how a rigid adherence to meeting Goal 9 has warped the city's priorities to elevate the search for new industrial lands above all other community goals.
- 2. Focus Groups are heavily biased towards industrial development Interests** (EOA at 92): It is notable that the focus groups for the updated EOA consisted 100% of business interests who would be directly financially impacted by the EOA. It is disappointing that the City did not include any community groups, independent economists, outside business experts, etc that might have brought a more objective viewpoint to the process. In all other aspects of the City's planning processes the City strives to establish advisory committees that are balances and representative of the community. It is only when it comes to economic issues that the city narrows its advisory bodies to include exclusively directly affected interests. As a result the input into the EOA is uniquely biased and unrepresentative of the community at large.
- 3. Constrained lands methodology overstates the degree to which industrial lands are constrained:** We believe that the City's methodology overstates the degree to which industrial lands are constrained. The EOA states that the City has 2,346 acres of vacant industrial land but that 48% of that land is constrained, thereby reducing the amount of developable land to approximately 1,365 acres. (EOA at 2-33) We believe that many of the development constraint factors significantly exaggerate the degree to which a property is actually constrained. This results in an underestimate of the actually amount of developable land and drives the argument for developing openspace and natural resource lands. Two specific constrains that we would highlight are the 50% reduction in development capacity attributed to industrial properties with either environmental or greenway overlays. A 50% reduction in development capacity does not pass a straight-faced test---greenway

² http://www.portlandonline.com/bps/Comp_Plan_Nov2011.pdf

overlays only affect the edge of properties bordering the Willamette River and in most cases environmental overlays only apply to a very small portion of industrial properties. In the case of both C-Zones and Greenway Overlays, development is almost always allowed to proceed, so long as impacts are minimized and to a limited degree, mitigated. Discounting the use of the entire properties by 50% in the cases where Greenway and/ or Environmental overlays are in place anywhere on the property is simply at odds with reality. We would urge the City to revisit the constraint factors and model discounts that are more realistic.

4. **The EOA under-estimates underutilized industrial lands:** The EOA does not include underutilized industrial parcels on industrial lands that are designated as industrial sanctuary. The EOA rationalizes this approach by stating that industrial development tends to “have lower building coverage with large areas for outdoor storage and maneuvering areas.” (EOA at 3-29) This methodology results in a situation in which industrial sites that are only partially utilized or inefficiently utilized are still mapped as being at 100% capacity. The fact that the 40 acre site at Terminal 6 which is currently under consideration for the Pembine propane facility was not originally captured in the buildable lands inventory is evidence of significant gaps in the current methodology. The City should develop a more sophisticated methodology for assessing use of the existing industrial land base that more realistically evaluates the efficiency with which the current industrial land base is utilized.

5. **The Policy basing Marine Terminal needs on throughput should be revised or eliminated:** The EOA argues that marine terminal land needs are “more closely related to the volume of transportation throughput handled at these facilities than to related sector employment trends.” The EOA predicts that the volume will “roughly double in tonnage and triple in value between 2007 and 2040 (EOA at 2-20) Based on this approach the EOA predicts that the City will need an additional 110-340 acres for marine terminals plus an additional 200 acres for railyards (EOA at 2-21). We believe that the analysis supporting this policy is severely deficient. First, the primary driver of this land demand is for automobile import facilities. The City continues to ignore the fact that the Port of Vancouver is currently sitting on more than adequate vacant land to meet the demand for new auto import facilities between now and 2035. Second, the current situation at T-6 reflects the uncertainty of marine cargo forecasts. It was only a decade ago that the Port of Portland was anticipating building 1-2 new container facilities on West Hayden Island to meet a demand that never materialized. Today it is highly uncertain that the City can support even a single container terminal. While it is nobodies desire to see T-6 fail, it is not clear at this time that the Port can find tenants for its existing land base let alone and additional 130-340 acres. Finally, the projections indirect jobs associated with marine terminals appear highly uncertain and inflated. The City should review the report from ECONorthwest which highlighted the diminishing potential for marine terminals to drive job growth and economic development:

Historically, ports played a significant role in local economic development --firms found it advantageous to locate near ports because locating near a port meant substantially lower transportation costs; however significant declines in transportation costs have

diminished the effects of ports on firm location and local economic development.
(EcoNorthwest Report at 1-9)

The goods currently expected to flow through West Hayden Island (autos, grain or dry bulk) will not come from local firms or end up in local stores. Instead West Hayden Island would serve as a convenient transshipment point in part of a much longer supply chain. For instance, if a Canadian firm ships potash from Saskatchewan to China through Portland, the user benefits from this transaction will be captured by the Canadian company or the Chinese consumers (or other middlemen). While the benefits to these parties are real, they are global in scale. Important for our analysis, most of these benefits do not occur in the Portland metro area. (EcoNorthwest at 6-4)

6. **Specific Policies of Concern in Chapter 6 of the Draft Comprehensive Plan:** There are several policies in Chapter 6 of the Draft Comprehensive Plan that we believe go too far in terms of protecting industrial land at the expense of environmental protection, community involvement, and the need to achieve other equally important goals. These include the following:
- a. **Policies that require the City to maintain a supply of industrial land without any consideration of how this might impact other city goals:** The Land Development and Industrial and Employment Sections are now replete with redundant policies that require the city to find an ongoing supply or new industrial land regardless of conflicts with other city goals. This includes policies 6.12, 6.15, 6.18, 6.36.d, 6.47. It is important to note that the action verb used in these sections (“provide”) is not discretionary. Given the fact that the city is already converting openspace and natural areas to find new industrial land, these policies can only result in additional losses for the environment.
 - b. **Policies which appear to restrict the City’s ability to require natural resource protection or restoration on industrial lands:** Several policies appear to limit or prohibit the city from instituting new protections for natural resources on industrial lands. These include 6.35, 6.36.b, and 6.37. The draft ignores the fact that our industrial lands often overlap with some of our most high value natural resource areas. These policies should be rewritten to ensure that it is clear that the city can implement and update environmental policies on industrial lands.
 - c. **Policy 6.17 Regulatory Climate:** This policy appears to severely limit the city’s ability to put new regulations on industrial lands by requiring that the city prioritize economic development over all other goals (6.17), requiring that the city’s regulations be competitive with other cities (a “middle of the pack” mentality rather than maintaining Portland as an environmental leader) (6.17a), and potentially eliminating city jurisdiction over areas where the state or federal government have regulatory programs (6.17e) even though the City has long recognized the importance of local regulatory authority over our urban natural resources.
 - d. **Policy 6.36 Prime Industrial Land Retention:** This policy appears to prevent the city from updating environmental or community protections on industrial lands if those protections in anyway diminish the capacity of those industrial lands. Policy 6.36b explicitly limits conversion of industrial lands through land use plans, regulations, or non-industrial uses. This

policy appears to completely ignore the need to also protect health of the community and the environment. Policy 6.36c requires the city to minimize the impacts of regulations on industrial lands without consideration of any other goals. Policy 6.36d requires the city to strive to offset any loss of industrial land with replacement lands---given the existing deficit, this policy could effectively prevent any new regulations on along the river that protect natural resources. Taken together, these policies appear to us to make it practically impossible to establish new natural programs on these lands and negate the responsibility of industrial landowners to protect and restore the natural environment

Taken together, these policies appear to move us into an era in which other public values such as protection of natural resources, protection of human health, Goal 15 objectives, etc. appear to have been abandoned on industrial lands. This is inconsistent with our land use planning system, community values, the city's past planning practices, and Policy 10.2b in the draft comp plan. It places the interests of industrial developers above all other city goals.

7. **Policy Direction supporting future consideration of West Hayden Island for industrial development should be removed (Policy 6.41):** We strongly oppose the policy direction in the Comp Plan and EOA which "continues to support future consideration of a marine terminal development as needed at West Hayden Island." (EOA at 4-14) The Port of Portland explicitly rejected the City's mitigation requirements to address adverse impacts on the community and the environment. Keeping West Hayden Island development alive via the Comprehensive Plan under these circumstances is totally at odds with the position that the PSC outlined in its West Hayden Island Plan transmission letter to council (August 14, 2013) which read in part as follows:

A unanimous comment expressed by PSC members was that if Council chooses to annex West Hayden Island, it should be done right. That means moving forward with a holistic set of actions that protect and advance the health of the community, environment and economy.

That letter and the attached documents, including and Intergovernmental Agreement (IGA), laid out an explicit and extensive set of mitigation actions and processes that the PSC felt was necessary to "do it right." The letter also noted that the PSC "could not support adding industrial zoning to Hayden Island without the additional transportation system the CRC would have provided." The Port of Portland chose to explicitly reject this package of mitigation items and the CRC is now officially dead. We urge the Commission to keep faith with the community and the multiyear West Hayden Island public process and not identify West Hayden Island for future industrial development in the Comp Plan.

It is also critical to note that West Hayden Island is not needed to meet overall 2035 demand for industrial development and job growth across all industrial geographies (EOA at 4-15). The primary argument for annexing and industrializing portions of WHI is not jobs but rather the commodity movement forecast. (EOA at 4-14) However, this forecast is rendered somewhat moot by recent developments at the Ports Terminal 6 where the Port has lost 80% of its current business.

8. **We would encourage the addition of Policy 5.9 from the 1980 Comp Plan to protect surrounding neighborhoods from industrial use:** This policy reads as follows:

5.9 Protection of Non-industrial Lands: Protect non-industrial lands from the potential adverse impacts of industrial activities and development.

Objectives:
 - A. Where possible, use major natural or man-made features as boundaries and buffers for industrial areas.
 - B. When industrial zoned lands abut residential zoned lands, and there are no natural boundaries, apply special buffer overlay zone provisions to ensure that development is compatible.
 - C. Use off-site impact standards to ensure industrial activities will not cause nuisance effects on lands whose zoning permits residences.
 - D. Prevent hazardous conditions by ensuring that larger users of hazardous materials are located away from residential areas and that all users of hazardous materials meet applicable building, fire and other safety codes and regulations.
9. **The EOA and Comprehensive Plan should explicitly ban fossil fuel export facilities from Harbor Access Lands:** In order to achieve Portland's Climate Action Plan objectives, the Comprehensive Plan should explicitly restrict harbor access lands from being used for fossil fuel export facilities. The City should not be adding to infrastructure that will sustain the fossil fuel export industry for decades to come.
10. **The EOA and Comprehensive Plan should include policies that explicitly direct the City to consider safety of products being shipped by boat or rail through Portland and other local communities when it approves new industrial development proposals and to work with the railroads to ensure that local communities are adequately protected from hazards associated with rail transport:** The recent Pembina process has highlighted glaring deficiencies in the City's current approach to ensuring that local communities are adequately protected from hazards associated with transport of hazardous materials through Portland.
11. **The EOA should consider the role that greater inter-port cooperation and coordination could accomplish in terms of increasing efficient use of the currently existing marine dependent industrial land base along the Columbia Corridor:** It is disappointing that the City continues to ignore the issue of inter-port cooperation and coordination. While not a traditional focus of EOA's, the City, Port and industrial development community can no longer afford to conduct business as usual. It is long past time to take a hard look at strategies to promote real collaboration and cooperation and potentially unification of the Columbia River Ports in order to maximize efficient use of land, promote a sustainable regional Port economy and stabilize our Port system which is on the brink of system failure. This is something which has been in the Port of Portland's Marine Terminal Masterplan since 1991 but which has never been seriously pursued. Our land use system was intended to foster innovative approaches to land use, but unfortunately Goal 9 has increasingly been used to protect and justify approaches that are stagnant and unsustainable.
12. **The EOA is a foundational document that should have informed the Draft Comp Plan, not followed it:** The EOA, like the Natural Resource Inventory, is a foundational document that should have been available for public review, comment and adoption prior to development of the Comp Plan. The Comprehensive Plan process would have been much more effective and credible if the public had

been able to review the data and analysis on which policies were based when they testified on those policies.

Thank you for your consideration of these comments.

A handwritten signature in black ink that reads "Bob Sallinger". The signature is written in a cursive, slightly slanted style.

Bob Sallinger
Conservation Director
Audubon Society of Portland