



February 25, 2025 Arts and Economy Committee Agenda

City Hall, Council Chambers, 2nd Floor – 1221 SW Fourth Avenue, Portland, OR 97204

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Tuesday, February 25, 2025 9:30 am

Session Status: Adjourned

Committee in Attendance:

Councilor Jamie Dunphy

Councilor Loretta Smith

Councilor Olivia Clark

Councilor Mitch Green, Co-Chair

Councilor Dan Ryan, Co-Chair

Councilors Ryan and Green presided.

Officers in attendance: Rebecca Dobert, Deputy Council Clerk

Councilor Smith arrived at 9:35 a.m.

Councilor Clark arrived at 10:29 a.m.

Committee adjourned at 11:28 a.m.

Regular Agenda

1

[State of the economy](#) (Presentation)

Document number: 2025-039

Introduced by: Councilor Dan Ryan; Councilor Mitch Green

Time requested: 1 hour

Council action: Placed on File

2

[Economic recovery in Portland](#) (Public Hearing)

Document number: 2025-041

Introduced by: Councilor Dan Ryan; Councilor Mitch Green

Time requested: 30 minutes

Council action: Placed on File

3

[Discussion on economic recovery and Committee priorities](#) (Presentation)

Document number: 2025-040

Introduced by: Councilor Dan Ryan; Councilor Mitch Green

Time requested: 20 minutes

Council action: Placed on File

Portland City Council, Arts and Economy Committee
February 25, 2025 - 9:30 a.m.
Speaker List

Name	Title	Document Number	Meeting Date
Dan Ryan	Councilor, Committee Co-Chair		02/25/25
Rebecca Doherty	Acting Council Clerk		02/25/25
Christopher Herr	Council Policy Analyst		02/25/25
Jamie Dunphy	Councilor		02/25/25
Loretta Smith	Councilor		02/25/25
Olivia Clark	Councilor		02/25/25
Mitch Green	Councilor, Committee Co-Chair		02/25/25
Shea Flaherty Betin	Board Member, Portland Neighbors Welcome	2025-039	02/25/25
Andrew Hoan	President & CEO of Portland Business Alliance	2025-039	02/25/25
Lorelei Juntunen	President, ECONorthwest	2025-039	02/25/25
Brittany Bagent	Project Director, ECONorthwest	2025-039	02/25/25
Mike Wilkerson	Director of Economic Research, ECONorthwest	2025-039	02/25/25
Blake Shell	(Testimony)	2025-041	02/25/25
Laura Streib	(Testimony)	2025-041	02/25/25
Troy Winslow	(Testimony)	2025-041	02/25/25

Portland City Council Committee Meeting Closed Caption File

February 25, 2025 – 9:30 a.m.

This file was produced through the closed captioning process for the televised city Council broadcast and should not be considered a verbatim transcript. The official vote counts, motions, and names of speakers are included in the official minutes.

Speaker: Good morning, good morning and welcome to the arts and economic economy committee. I always say economic development committee but it's arts and economy committee. Good morning. My name is dan Ryan. I'm the co-chair of this committee, along with councilor green. And welcome. We're going to go ahead and get started with the traditional role. We have rebecca in the clerk's box.

Rebecca.

Speaker: Good morning.

Speaker: Dunphy here.

Speaker: Smith. Clerk.

Speaker: Green here. Ryan. Here. Just. I do know that both are coming. That would be councilor smith and councilor clerk. One a little bit sooner than the other, but just know that they're on their way. And we will go ahead and do some introductions. But before that, why don't we do the meeting rules? Christopher, are you going to read those? Okay.

Speaker: Welcome to the meeting of the arts and economy committee to testify before this committee in person or virtually. You must sign up in advance on the committee agenda at. Ed.gov. Council agenda slash arts and economy committee, or by calling 311. Information on engaging with the committee can be found at this link. Registration for virtual testimony closes one hour prior to the meeting. In

person. Testifiers must sign up before the agenda item is heard if public testimony will be taken on an item. Individuals may testify for three minutes unless the chair states otherwise. Your microphone will be muted when your time is over, the chair preserves order. Disruptive conduct such as shouting. Refusing to conclude your testimony when your time is up, or interrupting others testimony or committee deliberations will not be allowed. If you cause a disruption, a warning will be given. Further disruption will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for trespass. Additionally, the committee may take a short recess and reconvene virtually. Your testimony should address the matter being considered when testifying. State your name for the record. If you are a lobbyist, identify the organization you represent. Virtual testifiers should unmute themselves when the clerk calls your name. Thank you.

Speaker: Thank you so much, christopher. And we will be doing testimony later in the meeting. We want to make sure we jump into the report. That's the main event. Before we get started, co-chair greene, would you like to say a few words?

Speaker: Yeah. Thank you, co-chair Ryan. I'm a pleasure to have the honor to co-chair this committee. Arts and economy. I think it's a really important nexus for all the business that we do in this city. All of the other policy work, if I may say, depends upon whether or not we have a healthy economic engine in our city. And so, you know, the burden is high. No, no pressure. But, you know, proud to get to work on this.

Speaker: Thank you. Councilor green or co-chair green. I'm just going to go ahead and frame a couple of words before we start on our report, is why I'm looking out there underway. Oh, it's you. Oh good morning shay. I had in my notes, but I'm glad you're here. Okay. I won't worry about that. First of all, I'm just really happy to begin our time together as a committee, listening to our market's most thorough and

objective, data driven report on our current state of the economy. I believe taking in this report as a committee at our first meeting gives us a level set as we build our work before we listen to the report. Keep in mind we are building a committee that includes our employers, our investors, our builders from an ecosystem that also includes those industries that activate our streets. There are many. They activate our streets, our buildings, our parks, and downtown and in our neighborhoods. As such, arts is a prominent part of this committee, hence the name music, sport, hospitality, the recreation side of parks. Simply put, when our city is activated with such activity, revenue comes in from this joyful activation and Portlanders are generally much happier when people visit our city from the ride on their max to their destination, and in each outing over their stay, they have a positive experience. That was the Portland story for many decades, and unfortunately, that turned prior to the pandemic, the decades it took to build that reputation, that took others that other cities trust me, other cities envied. It took a nosedive. And now we are humbly building it back. I will end with a brief story. Welcome, councilor smith. I will end with a brief story. On February 14th, we experienced the winter storm. Started on the 13th. I'm sure you all recall because it was the final weekend of the winter light festival. I was determined to get to it, so my spouse and I unfortunately were late to a gathering that included some other elected officials, and we just couldn't find them. So simply put, we decided to have a wonderful date night. I mean, it is valentine's day and it really was amazing. You had snow and ice surrounding the arch, so it made the art actually more lovely and it was just exciting. But what also was exciting is there were still people out on the streets, but it wasn't really necessarily Portlanders. What I noticed is our hotels were buzzing. We had tourists in town, I heard accents, I heard, I heard languages from definitely asian countries, and I'm kind of a curious person. So I went up and tried to talk to

them. And sure enough, there were people here from japan, from korea, and man, it made me feel so good. And they were all having a great experience. I talked to somebody that was here from san francisco and they said, point blank, I wasn't sure about coming to Portland, but this is magical. That was their words. My point is, we have more weekends, like the winter light festival when people come to visit and have positive experiences, that reputation is going to come back. But we must be steadfast and we can never let up. So with that, I just wanted to say that I'm delighted that we're that we're going to have this report now. And shea, you're going to come up for prosper Portland to get us started on receiving the state of economy report. Take it away, shea, and I know you'll be introducing people from the chamber and, of course, from eco northwest. Take it away, george.

Speaker: Good morning. Buenos dias. For the record.

Speaker: We will. We will now and then I will be playing timekeeper. But for the most part, just let it rip.

Speaker: Thank you. Well, good morning all. For the record, my name is shea. For the next few months, i'll be serving as interim executive director of prosper Portland, and I apologize, councilor. You're not hearing from the brilliant vicars today. She's unfortunately out ill. So you're stuck with me in the b team. I'm pleased to be here today, though, to share and be with our partners, to introduce the discussion around the state of the economy report. As I prepare to turn it over to andrew hone and the rest of the value of jobs coalition, I want to share a few thoughts. The information we're hearing today is sobering, to say the least. These trends are alarming, and they're actionable, though in an era where all of us are working around the clock to gain any traction that we can around reputational repair, I have to say I'm disappointed by the way the media has latched on to the surface level urban doom loop aspects of this report, but the report itself is much

more nuanced and the data are very, very real. We see the impacts of population decline and lower replacement rates from outmigration. In this week's news around the county's budget, and we know that new Portlanders are also coming here at pre-pandemic levels, still choosing our city. And we should be proud of that. Ultimately, though, the report reinforces the calls to action that we know from advanced Portland. We need economic development tools and market based interventions to retain and grow jobs, and to spur housing construction that supports all Portlanders. On that, I agree. And as the report notes, we've faced many significant challenges over the past few years and have made and are making significant progress. I'm certain you reviewed the report and you understand how critical it is for us to coordinate and act in concert with our partners in the private and nonprofit sectors to serve Portlanders by achieving the goals that we've set out in advance. Portland inclusive growth for our city can only occur when we understand that we are inextricably linked in our pursuit of economic well-being for our city and our region. Collaboration is at the center of that work, and it felt pertinent to mention a few projects that our city is currently partnering on that showcase how critical partnership can yield results. So just a few things. This spring, we're launching a new office of small business, which builds on our existing work to support local entrepreneurs small businesses throughout the city. I think I saw better Portland in the audience. Shout out to Steven. Over the next 18 months, and construction will happen on the new streets for Broadway corridor, and that's going to provide new critically needed infrastructure, construction jobs, and the development of two residential projects that are bringing 450 units of affordable and middle income housing. Just this Friday, we're going to participate in a groundbreaking event for the Williams and Russell project. That team prepares to commence work on a historic development project, delivering 20 missing middle

homeownership units, 85 affordable units, and a 30,000 square foot black business hub that uses cross-laminated timber. Recent investments that our board has made for \$20 million in old town and property acquisition in gateway that have made our lending team are going to support more than 250 units of middle income housing, and we continue to collaborate with partners like albina vision trust and omsi on their respective visions for new and restorative neighborhoods. As a city, we just celebrated the opening of the flock food hall. We at prosper invested \$3 million to increase downtown vitality and provide spaces for community to gather our events and film team, working with downtown clean and safe and the metro chamber noted that in the 2024 holiday season, attendance was up at all of the eight large major central city events that we tracked, as well as the partners at pioneer courthouse square. We are now focusing on more than 100 upcoming spring and summer events. Some other good news. Jaguar land rover is going to invest 180 million on automated automotive tech here in Portland, which is great news for the city and is due in partnership, in no small part due to the partnership with our business advancement team. And i'll note that after more than 18 months of work with the council, with staff, community members, partners at fb, we have now launched six new tif districts that enable us to advance our work, support residents, local businesses and ensure that the city continues to be a place where economic inclusive economic growth is at the forefront of our priority. Now, as much as the conversation and focus, we're going to turn now to our partners to talk about our economic competitiveness. There is an inherent requirement to build on this recent momentum that's been generated by these projects, and we have many more that are led by public, private and nonprofit partners through advance Portland. We at the city, we have a strategy. And through our shared commitment to Portland, I think we have an opportunity. If we aren't the ones betting on

Portland right now, who is going to be betting on Portland? So thank you. And with that, I'm introducing our great partners at pmc. I'm handing it over to andrew hoehn, president and ceo of the Portland metro chamber and the alliance, as well as our partners at northwest.

Speaker: Thank you. I take.

Speaker: The center seat.

Speaker: Come.

Speaker: Welcome, andrew and your team. And thank you on northwest.

Speaker: I'll just make some brief introductions. But first, for the record, andrew hoehn, proud registered lobbyist with the Portland business alliance in Portland metro chamber. Thank you to co-chairs greene and Ryan and to this committee. It's great to be here. Thank you for the invitation. This is also my first time testifying in the newly renovated chambers, and I think it's a great symbol of what our city can and should be. So thank you for convening this. I'll give you a little bit of context so we can understand why we're here today. And the report that we're presenting. So for well over a decade, the alliance has contributed what is generally considered the definitive guide to the region's economy. It's called the state of the economy. And along with the state of the central city and downtown, it is a obviously much anticipated annual evaluation that gained significant media and policy attention. This goes back to 2009, and our staff have worked with trusted partners at echo northwest to produce the reports and challenge our economists, typically to find and evaluate specific policy questions that support general policy conversations in the region and just give you a little bit of sense of where we've come from over the past few years. East county's economy, housing affordability, the cost of living, the tax incidence and the per capita revenue and expenses of our comparator peer cities. Just to give you a sense of the things that we've traditionally done, this years

special evaluation, if you can call it that, is not really a focus on any sort of new area of evaluation, but instead it divides or, excuse me, dives deeper into the connection between the economy and tax revenues to both the city, county and of course, recently released the state revenue specifically also to the central city in downtown. This is the third annual state of the central city in downtown. We know that since the pandemic, the challenges to central cities across the world and nation came into focus following the new era of hybrid work. And we've consistently worked with echo northwest to add this special insert. In the past, some of these reports have been so good as to not be able to find fault in the economic data. In the past few years, it's been a little bit more challenging to find the bright spots, and I just want to point out these are all made possible purely by the contributions of members, private sector and businesses that come together to fund these studies. It's important to understand something significant in this report. I want to really give the time and floor to our economists, but I think it's the most important takeaway, if you will, about the information you'll hear. It doesn't matter whether you are an economist or you're an armchair economist or you play an economist on tv like me, or you're someone that just dabbles in public policy, there has been an axiom that everybody generally holds true and dear in our state and our region. And that is as the united states economy grows because of who we are, we grow faster. And as the united states shrinks in terms of economic terms, we tend to shrink faster. The news in this report delivers that that is no longer the case. That is, the us economy continues to grow. We do not. I don't share that because anyone should celebrate that information. This is as much a reflection on the private sector as anyone else. And we want the economy to grow and expand and to deliver equity and sustainability to our community. What I think the call to action is to build on actually councilor green, you said this perfectly at the beginning. We're in this together. This

committee could not be more perfectly timed. Its creation and inception has purpose. Now that you should all feel empower your work because of the challenges we are facing, this committee's import has never been more critical. And yet at the same time, it is just newly formed. Working with our partners at prosper Portland, I can just promise you this report should empower and encourage you in urgency to execute on good economic strategy. With that, I'm thrilled to introduce or let themselves introduce themselves this incredible team of economists from econorthwest. Thank you once again.

Speaker: Thank you, mr. Horn.

Speaker: Chair, green chair. Ryan, members of the committee, thank you for having us here. For the record, my name is lorelei johnson and I'm the president of echo northwest.

Speaker: Good morning. For the record, my name is brittany and also with echo northwest.

Speaker: Good morning. Mike wilkerson, also of echo northwest.

Speaker: Just getting our tech going here. Okay. I am very grateful to have the opportunity to spend some time with you this morning and do a reprise of the presentation that mike gave last week at an event that pmc hosted that has generated some pretty spectacular headlines. You heard shay referencing those, and I actually want to start there with the concept of the urban doom loop because, as shay noted, if you fail to read the articles and listen to the data and information, you really miss a lot of very, very important nuance. So since those articles have hit the airwaves, I've had about 100 different people ask me some flavor or other of two questions. The first is what is an urban doom loop? And the second is are we in one? So let's just hit those right up front. And urban doom loop is a concept in academia and in the literature that starts at the top with reduced demand, whether

that's in the form of reduced jobs, reduced population, etc. That results in falling revenue, whether that's tax revenue or private sector revenue. That then results in reduced investment in the urban environment, which then circles back up again to further reinforce reduced demand. Once you're in an urban doom loop. And we can see examples of cities that have been in those in the past, it becomes very, very difficult to get out of one. And unfortunately, we are seeing some very early warning signs that we need to pay attention to. We've got the key challenges that will be going through in the sort of meat of this presentation here. Decline in population. And given what's happening with the relationship between births and deaths, and expectation that we are going to need to compete harder for migration last year, last in job growth and seeing losses in some sectors that are really critically important to our economy, and then structural changes in the way people are working, that's going to continue to affect our central city. So you put all of those pieces together, and then you look at what's happening with city budgets, county budgets, and you start to see the beginnings of some pretty concerning signs that second question. Are we in an urban doom loop? I personally think is completely the wrong question for even talking about this. The conversation should be, what do we do to get as far away from that pattern as possible? And luckily, the literature gives us some things that we can hang our hat on there as well. You go back up to the top of that doom loop with the fundamental components that contribute to demand, and you start there while you continue to make the investments in the urban environment that are so necessary to keep a vibrant, functional, sustainable economy that really does share prosperity across the entire income band. So what the literature calls us to do is to recognize that growth is not a given, that we're in a situation where we need to be competing for jobs, and we need to be thinking about how we keep people here, and that we need to think

about how we align our economic development priorities across all of the different levels of government and all of the public and private sector. So there's my nuance for you all. I think the context really matters. As you heard from Andrew, we've been doing this report for a while, and they used to be boring. We didn't get called in to talk to council. We didn't make spectacular headlines with our findings. And that's because the economy was humming along and that really we were in a situation where we were both growing the pie and having really productive conversations about how to share that pie between 2010 and 2018, we jumped from 40th to 17th in median household income, and in that same time period, we had a 45% increase in GDP. We were trailing only San Jose, San Francisco, Seattle, Austin, and Boulder. Then what happened? Then we moved into the pandemic, and you heard a little bit of that narrative from Andrew earlier. A lot of what happened during the pandemic was not unique to Portland, but we have trailed a lot of our peer cities in our recovery and our continuing to feel some of the lasting impacts of that. At the same time, especially over the course of the last year, we've had a lot of really fantastic wins that are very much pointing us in the right direction. I'm personally very excited about the WNBA coming to Portland. Our airport is incredible. I weirdly look forward to going to it now when I have to travel. We've seen some really exciting developments that are moving forward. The James Beard Market is an example that I think is really worth celebrating, because we deserve the spotlight for being a global center for food, and people are noticing it. The headlines are shifting. We're seeing a lot of kind of positive stories coming out in Portland, and that those accolades are very much deserved, and it's even trickling through into some of the survey data. This is a recent survey from PHM that's looking at the negative perception of quality of life, and it's getting closer to pre-pandemic levels, not probably where we want it to be, but signs of improvement. However, some of

those fundamental aspects of demand continue to show troubling signs. And nobody wants to invite a skunk to their picnic. So thank you for inviting us here. Nonetheless, despite all of those wonderful, positive wins, we do have some news to share with you that deserves the attention of this committee going forward. And I'm going to hand it over to my colleague brittany. Literally hand it over.

Speaker: Thank you. Lorelei. All right. So I will unpack this first challenge and then move on to mike. So this first challenge of the Portland region has lost population. Might be a simple thing to say, but there's a lot of nuance and dynamics to it. So we did want to spend a little bit of time with, with this first challenge with you. So the first is important to recognize that we aren't just looking at what's happening here locally and regionally. We don't want to look at data in a vacuum. We want to compare ourselves to some peers around the country. So as a part of this report, every 5 or 6 years or so, we do select a new cohort of peers. And we selected this group last year. This is our second year evaluating ourselves in comparison to these peers. So they include denver milwaukee minneapolis and sacramento. And we always include Seattle. We will never be Seattle. We are a very different city than Seattle. But some of the pacific northwest dynamics are are important to consider. So this first indicator of population decline is important because one of the reasons why we selected this, this peer cohort last year was that all of the cities, or for the most part the cities, peaked in population around 2016, 2017 and started to decline prior to the pandemic. A similar pattern to what we saw here locally. What's different now is that with our peers, that decline has reversed, whereas Portland's has not. So we are we are different from our peers in that way. However, all are losing population to domestic migration, which we'll get into in a little bit more detail. This is not felt throughout to our region. So to further unpack this, we wanted to look at what was happening with population change in each of our

counties. And Multnomah County is seeing the largest decline in population, largely due to that net domestic migration. So people moving out of Multnomah County to other parts of the country, we're seeing pretty stagnant change in clackamas county, a little bit of decline in Washington county, but not nearly the decline we're seeing in Multnomah County. And compare that with the growth we're seeing in clark county, their their growth, they're seeing growth in natural increase, which is births over deaths, people moving from outside of the area and international migration as well. Now our city is declining in population. And that's not atypical to cities around the country. So we're borrowing this this research from the brookings institution. And in 2020, 2021. So the graph, the map on the left is showing cities that were declining in population. This was in the heat of the pandemic, and folks were choosing to live outside of cities. And we were starting to have those conversations around our cities dead. Is our cities ever going to come back? And just a couple of years later, we're seeing that they are. And from 56 cities to 31 cities declining in population, a lot of these cities are starting to increase in population. That is not the case in Portland. So this is looking at that data in a bit more detail. We're seeing how remote work was changing this dynamic and what's been happening here locally. And we're showing this to if you look at the graph on the left, that peak of 56 cities in decline from just a couple of years ago. And that's starting to normalize and come back to those those years prior to the pandemic. The other side of a population equation is that births over deaths number, and we call that natural change. And we've experienced and benefited from natural growth for decades. This is showing the last 25 years or so. And up until a few years ago, we could count on ten to upwards of 15,000 more people born in our community than dying. And that number is quickly declining. So we have we still have net positive of more births than deaths, but that number is quickly approaching zero.

And again, that's not atypical to Portland. This is a lot of information in some tiny font. But what's important is the direction of those arrows. And so this is looking at the largest 50 cities around the country and showing their natural change. And our country is aging, our fertility rates are lower. So all of these cities are starting to approach this dotted line, which is a 0% line. And as soon as you as a city cross into that negative space, that means you have more deaths than births in your community. And you can see some of the cities at the bottom. Pittsburgh, tampa, cleveland and so forth are already in that space. They already have more deaths than births. And Portland is about halfway two thirds of the way down on this this list, it's highlighted in orange, and we are still positive. But what is different about Portland is that our rate of change is faster. So we are we are inching toward that 0% line faster than our peers. Now, historically, as a country. And here locally, we have relied on international migration as well. And in the 20 tens, we had about 45% of our us population growth was from immigration. And in the 2020s and projected forward expecting 75% of our population growth due to international migration. Now, we don't know how that will perhaps be different with a new federal administration, but we would expect some adjustments there. So when we think about people moving to our country and moving around our country, we often talk about them as voting with their feet. And this is a really interesting phenomenon that's been happening since really the beginning of time. But people are, when they're relocating within our country, are often choosing to vote for a community. They're voting for maybe not a candidate, but for a community where they want to live. There might be better housing options, more employment opportunities, better better services. And so when we see people starting to move in and out of these communities, we can we can consider them as voting with their feet. And we share this because this is happening around the country. And as

you're seeing, our entire country is aging and fertility rates are dropping. We are all competing for these people to move to our community. We are all wanting to be that place where people want to vote with their feet and back to some of the earlier framing remarks. We do still have people moving to our community, and that is something to acknowledge and to, to celebrate. So the bars here are showing the number of people moving in to Multnomah County compared to moving out. So for the past several years, we've had around 30,000 people moving into the county every year. So that actually hasn't changed. But what has changed are the number of people moving out. So the darker the darker shade is showing the, the number of people moving out. And that number has been increasing. And this final piece about migration and population is around the household dynamics, the income dynamics of the people moving in and out of these communities. And so this chart is showing each of our four counties in our region, and the people who are staying in those counties, the people who are moving out in red, and the people who are moving in in green and focusing in on Multnomah County for a moment. So the upper left quadrant, we can see that the red and green lines are very similar. The income dynamics of people moving in and out of the county were very, very similar up until about 2019. But over the past few years, we've seen that that number start to diverge. And so we're seeing households with higher incomes moving out of the county and individuals with house with lower incomes moving in upwards of about \$30,000 different in income. And in aggregate, that has equated to about \$1 billion in income lost in each of the last two years. Within our county. We're seeing a similar dynamic in Washington county. So you can see that red line is a bit above the green line. So households earning more are leaving Washington county versus moving in. But those those colors are reversed in clackamas and clark county. And

so households with more more income are moving into those communities. So with that, we'll move on to our second challenge.

Speaker: I want to be mindful that we're sharing a lot of data here. We have a couple other sections. So if there are kind of pertinent questions around some of the data we've shared, happy to pause and take some questions. Otherwise we can jump into the next sections and hopefully reserve time for questions at the end.

Speaker: Yeah, thank you for that, mike. We do have 25 minutes for questions at the end. And we have you going for another 17 18 minutes to be exact. Cool.

Speaker: Thank you chair Ryan.

Speaker: Colleagues, if there's something urgent please jump in.

Speaker: Real quick question.

Speaker: Very quickly with regard to.

Speaker: Population change, I know. That it was specific.

Speaker: To the fewer babies versus aging population. Do we know which is the case that's throwing off that number? I know that we are facing the we don't call it the gray tsunami anymore, but we have an aging population. The boomers are retiring, which means and also a number of boomers are dying. And we also know that younger people are not having kids at the level that were. What which of those factors is influencing that number more?

Speaker: Yeah, I mean, in Portland specifically, it's actually both. We have a higher share of populations over 65, and our fertility rates are lower than, say, national averages. So we kind of have both both sides of that equation unfortunately at play.

Speaker: Thank you.

Speaker: All right. So let's jump in to the job challenges. And I think andrew teed this up. When we've looked at historically over many business cycles, the Portland regional economy in economic expansions grows faster than the us. And in periods

of economic contraction is more impacted. And at the end of last year, we saw an early warning sign that, hey, this is different. Oftentimes data is revised. You can see here there are two different sources of data. There's a national bls data. The Oregon employment department maintains their own. Over time they do converge. But in the short run sometimes revisions happen. And so we said okay this is interesting. This is different. Several months of data don't make a trend. So let's continue to monitor that. And so this year we monitored this every single month. And what we saw was depending on the data source either a reduction in jobs or a slight increase in jobs. Either way well below the us growth average. So as I mentioned, we track this every single month. And we looked at where the Portland metro ranks within the top 50 metros. And it hovered between the 48th, so second worst and the 42nd. And in the last month of data and end of year, it was ranked 45th. And so that again, you know, tells a more, I think, consistent story around lagging in the in the job growth across the top 50 metros. And I think importantly when we look across sectors, we again see this is consistent across sectors. And for us when we look at kind of leading indicators around trade and sector activity and local sector activity, we tend to look at construction and leisure and hospitality as important indicators. Construction around the local sector, expansion, certainly population growth, etc. Leisure and hospitality, the ability to attract outside dollars from region and unfortunately those have consistently ranked dead last amongst those 50. When we look at individual sector growth over year over year, what you see, I think is private and education, health services with a with a large expansion. We look at that as more of a one time adjustment than something that's expected to persist. Some of that was around expansions related to hhs. Some of that was a full time staffing from temporary positions and pandemic that weren't that weren't able to be full filled. I think increasingly we see government here as a challenge

going forward, as we see federal employment numbers dropping quickly and unknown as how much they will continue to drop in the future. When we look at all of the traded sector, they are all unfortunately in decline at the regional level, and this is using the Oregon employment department data if we use the federal data, the picture is unfortunately even more bleak. The sectors that are highlighted in blue are predominantly office centric sectors. So professional and business services, financial activities and information. And if we look at that, in aggregate, that's about 7000 jobs in the last 12 months that have been lost. And if you look at average space utilization today in an office environment, that could be somewhere in the neighborhood of 1,000,000ft² of less demand, which is the effectiveness of an entire big pink emptying in one year. And so when we get into central city and what's going on, I think understanding that the overall level of demand for activity is dropping, britney started to unpack the population changes by county. I think worth noting, certainly, is that the state has recovered from pre-pandemic. Clackamas county and Washington county are closely mirroring the state's performance. What we see, though, is the divergence between Multnomah County and clark county being stark. Multnomah County still has not recovered. The jobs lost down something like 18 to 20,000 jobs lost jobs in this last year, where clark county continues to grow. And so what we started to understand was this regional divergence is atypical. We wanted to understand the extent to which it is atypical within a region to have two vastly different performances economically. And so to do that, we looked at all of the 220 counties in the top 50 metros, and we went back to pre-pandemic and said, how much have those changed? Multnomah County was in the sixth percentile, so near the bottom for population change and in the fourth percentile for employment change, or as clark county was in the 75th percentile, 76th percentile for population change in 82nd that gap. We don't really find any

other metros with significant gaps of that size. There are much more homogeneous within region that also persists across industries where you can see, again, differences. But the main takeaways are at that aggregate level of population and industry level. What I think we wanted to start to understand is from an economic development strategy, and shay mentioned advanced Portland around kind of inclusive growth is what is the structure of our economy. Laurel, I mentioned we had amongst the fastest growth in gdp per capita, trailing effectively silicon valley, austin, boulder. And part of that reason is we are uniquely positioned with high value add manufacturing as our largest employer in the state. And when you start to look at which sector is contributing most to gdp, again, we are very unique in that computer and electronics manufacturing is our highest contributor to gdp. You look at other states and that's often construction, professional business services, etc. And why that specifically matters is it's important because that has contributed to our growth. But the counter side to that is our reliance on that sector is very high. And within that sector, one firm, intel, is more than 70% of the jobs in that one firm. And so when intel is doing well, that's a great benefit to the state and to the region. And when intel is not, we are more susceptible to those changes in the business cycle than, say, colorado. With professional business services, many firms amongst their california, minnesota, etc. There are many more firms within that sector that are not as concentrated as one firm is. And so from a strategy standpoint, that's suggestive of a diversification across industries as being important small and large business both. The third challenge is a change central city. And so here we have mentioned the kind of sequence of events around negative feedback loops and the consequence of what that looks like. And I think the key here, again, as laura mentioned, is acting with urgency. Oftentimes data is lagged. And so we don't fully grasp what is happening in that moment in time. But

what we have seen now is several years of consistent trend around reduced demand. We know that urban revenues are falling. Unfortunately, you are faced with budget deficits that are projected to sustain or increase into the future, and that's that negative consequence of that loop and requiring urgency. There are some unique circumstances to Portland. Certainly, Portland is not the only central city to be adjusting to the new normal coming out of the pandemic. What I would say we have are some unique headwinds and tailwinds. A headwind we have here is our small block size, the smallest of any urban city. When the economy was thriving, this was a massive benefit to our region. When the economy isn't doing as well, what we have is much more vacant ground floor space. And when we start to think about how that contributes to an active environment, that that is certainly a challenge. Our densities aren't as high as other places, and so our relative mix of retail to vertical use is amongst the lowest of any metro area. A tailwind that we had that is now rapidly eroding is our property tax regime is disconnected from real market values, much more so than any other place. And so we have been largely insulated up until probably now. And now we are going to fully absorb any additional changes to valuation going into the future. So for us, we're looking at ideally leading indicators. The vacancy rate is a very lagged indicator. Leases are signed. They are typically for a 7 to 10 year duration. And so if we want to understand what's happening in the moment really it's the leasing activity. And here we do see what I would say is a positive trend. Leasing activity is up from what was a year ago. That is good. However, it is still significantly reduced from where it was in the pre-pandemic time, potentially 30% lower than where we have seen. Because of that, the vacancy rate continues to increase. The other indicator, and I think this is the most important one, is looking at foot traffic and foot traffic. We can get very specific within our central city, within our ten subdistricts, and we have

done that in previous work in advance. Portland and other and other work with prosper Portland to understand the component parts of foot traffic. We have employer employee driven activity, we have resident driven activity, and we have visitor driven activity. And I think here the key is we have seen a slowing of that recovery. If we look back in 2023, 8 million new foot traffic trips were in our central city in that year. In 2024, it was only 3 million. And so on a percentage basis, we have gone from a 10% increase to about a 3% increase. And again, this is not unique to Portland, but this is suggestive of whatever bump we were getting coming out of. The pandemic is eroding. And now the hard work begins. One of the key takeaways is remote work was probably the key contributor to a reduction in foot traffic. And so here what we're looking at is the change within our ten subdistricts of end of year 2024 compared to December 2019. And you can see it's varied. Some of our better performing districts are down less than 10%, and certainly our downtown is our most impacted area. The question, I think, is how important is return to work? So that is to say, office foot traffic in terms of getting back to our recovery. And the answer is it's a part, but certainly a return to office, back to levels that we saw pre-pandemic does not take us out of the current circumstance. You can look at downtown, we'd still be down 25%. And what this suggests is visitor foot traffic and adding a mix of uses around residential is the key to getting back to that thriving central city that we all, we all desire. In terms of wear and foot traffic is coming from out of region. Visitors pre-pandemic were about 20% of all trips. That's more than 50 miles. That's the same today. And so we haven't seen a change in the mix. It's just an overall decrease in the level of visitor activity. If we look within the neighborhood level, what we see is really within our central east side is the largest contributor to the decrease in activity. Yes, some of our more suburban neighborhoods and areas are down, but on an overall nominal basis they

are less important. And what I would say is a sign. Also of good news is if we look at the long legacy of investments in public transportation and transit oriented development within those max corridors, you can see some of those areas are in yellow, which is an actual increase in visitor foot traffic in those transit adjacent corridors. As evidence, again, of some positive news within the region, the fiscal element here, I think you're all intimately familiar with. The challenge I think we face today is property taxes are roughly 50% of general fund. And we look at historically they have grown at about 4% per year in terms of assessed value. The latest forecast from the city economists has them growing at about 2.5%. The reason for that is several. One decrease in new construction is expected to persist and new construction contributes compression, which we're not going to take a lot of time going into occurs more as real market values drop. And then there are also some collection issues that are anticipated. And so overall, that's about a 9% decrease in property tax over the next several years, as what's being forecast and for the benefit of the public. We're not going to go into a deep dive on how property tax systems work to save our mental sanity. But just as a quick refresher, our property tax system is very unique. As I mentioned, disconnected from a real market sense. And so what we have is the maximum assessed value is what grows every year at 3%. And typically the assessed value equals the maximum assessed value. Because the gap between the real market value and the maximum assessed value is positive. And so what that means is in any given year, the real market value is largely irrelevant because you get the full 3%. When we have a precipitous drop in real market value, that is when we can actually see on an individual parcel basis a decline in assessed value. And that has happened almost never in recent history since measures five and 50 have have. So this is a relatively new phenomenon. Compression has happened here. We can look at the top 20 largest valued office

buildings in the city. And what we have seen is that cushion that once existed has been eroded. And so now any additional reductions in real market value will be more or less fully absorbed. And we've been seeing consistently at 25 to 30% reduction in value in office from the assessor every year. And because there are year lagged, that is likely to continue for at least another year. And that's why I think we're seeing that reduction anticipated at 2.5% growth versus 4% growth going forward. The other side is new construction. Every year we can see between 5 and \$8 million of new assessed value comes on the rolls. And so if we just, for example, look at the last five year period that comes on the rolls and it grows, that's about \$40 million of value. And so we start to think about what is new construction likely to look like going forward. It's going to be at a decreased level. And so new construction activity again is an important contributor to the overall fiscal health. So putting it all together I think is what is the general stance on terms of what we do about this. And I think the challenge is surveys of the general public continue to identify the same areas of concern that we've seen for the last three years, despite meaningful improvements on many of those indicators. When we look at growth and jobs, they are near the bottom. I think for us, this is one of those causes for concern is understanding the sequence of events is through reduction in jobs and growth, and that the general public is not necessarily tracking that as their areas of highest urgency. And I think a lot of that goes back to the legacy of governor mccall around. Please visit, but don't stay. And we can look at other recent examples around, I would say, you know, an ambivalence or skepticism towards growth. And so when intel has negotiated a number of cip agreements to invest strategically in the state in exchange for property tax exemptions, there's been concern at the county level, at the state level, around not being that interested in major expansions, and specifically a quote from the previous director of state economic

development, now business Oregon. A few years ago, Oregon was really interested in all the jobs we could get, but the political environment has changed. People know there's more than one side to growth. And I think again today that's a very different circumstance than we were facing in 1999. But again, points to kind of some of those long term skepticisms. The challenge I think, for the region is how do we grow? And typically the answer is we attract outside capital to invest in our region. And one of the measures that we have that we think is a best proxy to understand how attractive is this region, is a survey that ULI does every year around ranking the top 81 markets. And in 2017, Portland was number three. And when you're number three, you're typically going to drop. We saw that dropped into the 20s range. And then I think with the new cycle and change in circumstance in Portland, we dropped into the 50s. And what we expected to see was in this last year, because we have seen market improvement and surveys show that we expected this number to go up. And we were very surprised to see Portland drop from the mid 50s to 80th out of 81, trailing only Hartford. As an example, ULI does emerging trends presentations across all of their markets. I presented on a panel in Denver a month ago, and Denver dropped from 20th to 35th, and for them, that was a five alarm fire. They were very concerned about Denver's overall prospects, and one of the comments was, well, at least we're not Portland. And I think for us, this is probably to me, the most concerning of all the slides, which is relying entirely on our own economy to grow itself versus attracting outside dollars is a very different circumstance. And this is suggestive of a lot of work in terms of reputational damage. I think we all understand this to be unwarranted and not reflective of what we see and feel. But this is, to me, a major, major headwind. Housing, again, is an important component of this. This is looking at statewide permitting the recently released own production target for the state has us now at

29,000 units per year as that target. The current trend, if annualized, would put us at about 14,000 units. So well below that trend. I think importantly, what this is showing a decrease in multifamily, not in single family. If we look at the city of Portland and the last year, we had less than 900 units of multifamily permitted, the least we have seen in well over a decade. So much so that if we look at the rest of Oregon, removing the city of Portland, the rest of the state is performing roughly like we would see nationally or tracking the state of Washington, which is to say, the macro market conditions that changed in 2022 and 2023 led to the decline. And the rest of the state mirrors that pattern. It's really Portland as being more atypical, and I think that sentiment is one of those contributing factors around why we see much less permanent activity in the city. What that unfortunately means is the units under construction in the pipeline are dropping. And historically when that happens, vacancy rates will decrease. And when vacancy rates decrease, rents will go up. And that is one of one of the challenges. The second is we already see construction jobs on the decline as there's fewer construction activity that is going to continue to decrease. And certainly from a property tax standpoint, we saw new construction is an important contributor. So for us we look at the permits versus under construction, anticipate this will only continue to decline over the next 12 months. From an affordability standpoint, I think the region has always been attractive because we've had relative affordability that has eroded certainly over the last decade. But if we go back to 2019, we can see the median family income at the time was around \$90,000. Mortgage rates were much lower at 4%. I think always has been a challenge of families earning the median income. It's a struggle to earn 20% as a down payment that is pretty unattainable and by some estimates, can be ten plus years of savings. So acknowledging that 20% down payment is a challenge. Even with that, there were still pockets of affordability within that region.

Again, this is in 2019. If we look today, median incomes have gone up. So have interest rates, so much so that you have almost no areas of affordability for a family earning the median income of about \$117,000. And again, with that assumption of a 20% down payment. And so when we look at shared prosperity, understanding that attaining homeownership is more difficult today than it's ever been, we also want to look at how the economy, having meaningfully transformed in the last decade, has been shared. And for us, one of those ways to do that is to look at the entirety of the income distribution. So this is on the left. The lowest earning households, 50 is the median earning household, and on the far right is the highest earning household. And what we're doing here is comparing it to the us average as a reference point. And so what we saw in 2012 was our lowest earning households earned more in the range of 15% more than the national average. And that is because our minimum wage has always been slightly higher. And we'll see going forward how that was a big step up. What I think is an important distinction here is this is not to say low income households have been thriving. Our low income households, if you look at in the 30th percentile, 90% of those households are cost burdened at the median income. For renter households, still more than 50% of those households are cost burdened. But this is, again, just to look at changes over time. And what we can see is as our minimum wage increased, we saw big benefits at the high end. And as we got out to the 80th percentile, our highest income households were earning below the us. But we've seen again gains across all incomes. What was new in this report was looking at how the pandemic has changed this long term trajectory. And what we saw is it's largely impacted the lowest earning households, and that is cause for concern in terms of what what growing the economy looks like. I think the key here is growing the pie should also be a priority, not just understanding the distributional impacts. And as an example,

we can look at the Seattle metro. And certainly we've talked about them as not being a peer for us. But you can look across the entirety of the income distribution as being much higher, much more so even than any cost of adjustment would factor in last two points. I think metro has always has an outsized contribution to the state. We've known this. We have disproportionately more employment. Our gdp is higher. What this most recent study looked at was its contribution to the fiscal revenue at the state also as being outsized. And I think that's an important consideration when we look at how important is this region to the state's economy. And the answer is it's a contributor outsized. And the last one, I think is a question we get frequently, which is do we still need to build more housing if our population isn't growing? And I think all of us here aren't trying to state that we believe that the population won't grow. This is a hypothetical exercise to understand what is the state of housing today. We are short 15,000 units, and demographic change alone will take the average size per household from 2.39 to 2.25. So effectively with the same population, we would need six more 6% more housing units over this next 20 years. And the one thing that economists can actually predict accurately is demographic change. That's a near certainty. No amount of in-migration can change the demographic trends. So we know that this is likely to be the case and suggestive again, that we need to build a lot of housing going forward, even absent growing population. So I will turn it back over to lorelei for concluding comments.

Speaker: Last, last slide here. And I think we've hit on most of these points as we've been going through the presentation. Obviously, Portland has been on a real upward trajectory over the course of the last year, and there's a lot of hard work that's gone into that that we should all be proud of. This data makes it clear that maintaining that trajectory is going to require some more hard work, and a deeper look at some of the fundamental underlying components of our economy to make

sure that we really are growing in a way that can allow all of our residents to thrive. So we need to think about bold action. We need to recognize that we are in a competitive position. We need to make sure that we are in a competitive position. We need to think about what it looks like to diversify our economy, and what it looks like to think about how our small businesses and our neighborhood businesses can thrive, along with the larger scale traded sector industries. And we need to recognize that these are not these are not issues that will resolve with out bold action. Passive responses are not going to get us where we need to go. The visual that you're seeing there on the right is an example of the opposite of an urban doom loop, a sort of positive feedback loop, and is the direction that I think we all need to be moving toward. So we'll pause. And yes, you all cover us with questions.

Speaker: Northwest team, thank you so much. And colleagues, thank you for your patience. I know that there's questions. We'll probably go to almost 11. We'll have a hard stop just before 11 to go to public testimony and the rest of the agenda. So please hang out for at least 30 minutes as we ask questions. Okay? The floor is yours. Colleagues who would like to go first, counselor smith.

Speaker: Thank you, vice chair. Thank you all for coming to give us this. Very sobering report. What is it that we can do from our policy level to help impact this loop of doom?

Speaker: I almost want to bring shay up to help with this. As a representative of your economic development agency, advance Portland is very much headed in the right direction and continuing to make those kinds of investments that support business growth is going to be really critical. There's several marquee developments in the downtown. Thank you. In the downtown and central city area that if they move forward successfully, will put Portland on the map in a new way.

So I'm thinking specifically about the Albina vision trust and the post office blocks. Those kind of opportunities can really drive change and help to continue the positive perception trend that we have been on.

Speaker: Thank you. Yes, councilor. I would agree investing in the catalytic projects that we know send market signals are crucial. Right arms. Albina vision trust certainly Broadway corridor supporting all those initiatives are crucial. And we know we're in a moment of budget uncertainty and budget harm, right? We know that both the county and the city are in this moment. We also know that as a council and as a city, we've stepped up and we've approved new districts, new six new TIF districts, which will invest in the downtown and in east Portland. But those resources won't come forward or to fruition for another five years. So we at Prosper Portland have been working closely with the office of government relations for a pretty aggressive legislative agenda at the state. We think the state needs to invest in some of these initiatives, particularly if we want a better use of housing, a better mix of uses in terms of housing and small business and activation in the central city. I think supporting those continuing to see the winds. We saw headlines in the article from Bloomberg around how entrepreneurs of color are driving a resurgence. Right. So continuing to invest in business technical assistance and support for small businesses, I think that type of vibrancy is crucial. Supporting buy local, all of these factors work together and advance Portland calls on us to yes, let's grow and retain jobs. Let's grow and support our employers. We have a business advancement team at Prosper Portland. All of these services, I'd say are helpful, but we truly don't have a lot of economic incentive tools to, say, attract a headquarters, right? Like we have TIF. Those TIF resources won't come to scale for a few years. The only other tool that we have at our disposal these days is the enterprise zone. That's a five year tax abatement for new incentives for basically,

we abate improvements on capital improvements. Five years of that is waived and then it comes back under the tax rolls. We are in cases of business retention and expansion, competing with a lot of other states that have more resources. So that's why we've focused on state advocacy quite a bit.

Speaker: Thank you. And it sounds like to me that you're depending on construction development to pull us out of this, this lull that we're in right now. And I think that we can't just focus on development. One of the key things that you said at the end of the, of the presentation was that our lower income communities, they're just as affected and impacted, and I don't hear any ways in which we're going to try to get some of those folks out. I'm the commissioner for district one, which is at 82nd and east to 162nd, and it goes from to the north. Marine drive all the way out past foster road. And so for me, what I'm looking for, I know that the average income in my district is 60,000 compared to the 90,000 in the other three districts. And so I'm going to be looking at opportunities to build a workforce. You had a little slide about talent development. I want to make sure that we're using our resources to develop talent, to not only go into career pathways of construction and those kinds of things. I want to make sure that those folks have an opportunity to have a career pathway in the city of Portland, because currently we have about 855 vacant ftes. How do we get those filled? How do we get those filled with underserved folks, with folks who live east of 82nd? And if the issue is access to capital, access to technical assistance and those kinds of things, I'd like you all to bring them forward. I know you're starting a new small business department, but if those small business departments are not going to give folks access to capital, what are we doing?

Speaker: Thank you, councilor, i'll offer that. You know, not a lot of folks know that. We at prosper Portland also have loans available. We have a thriving small business

loan. We often make those loans available in more in these days more competitive certainly than the market. And I think that's right. We have seen quite a decrease in sba lending in our region. I think it's cratered. And that's a big issue. Everything providing resources to entrepreneurs, entrepreneurs around everything from credit worthiness, all of those types of resources. We know those disparities exist. I think everything you shared is crucial. I do think this committee might want to consider inviting our partners at work systems, inc. To come forward at some point. I think many of you all are aware the city's general fund resources that go towards workforce development, go towards the them as the urban sorry, as the regional workforce development body for our region, I will share. I have been hopeful at some of their recent reports beyond construction and the usual pipeline supports we see for apprentices and those types of projects and cdl drivers. Certainly I've been promised by the seeing promise from their pilot of getting folks into semiconductor jobs. I think I've recently i.

Speaker: Spoke at a graduation last week for pcc with that semiconductor program that they have, but that's not also good enough because we need to push them into higher income jobs. Those are still semiconductor jobs, but they're not the 100,000 150,000 that was promised in in the baby chips bill at the state legislature that new jobs would come on board. And so in the next couple of weeks, as you talk about having bold ideas, in the next couple of weeks, i'll be releasing a few very bold ideas to increasing our workforce, increasing the number of diversity in our system. And it I will be talking to you, but I want to make sure that we're on the right track. And after listening to this report, I know now more than ever the policies that I am going to recommend going forward are going to be much needed. And that's and we're going to be talking to andrew mcgoff in the labor and workforce committee to. So thank you.

Speaker: Councilor green.

Speaker: Thank you for those comments, councilor. And thank you so much for the presentation out here. I just want to start by thanking both shay and laura. Life as laura lee or loralai loralai. Thank you. Thank you to you both for starting the conversation off by pushing back on the media narrative around the what was extracted from this presentation. It was very doom and gloom, sort of deterministic and fatalistic narrative around this urban doom loop. We're not there yet, is my view, and we don't want to reinforce perceptions that could bring us there. And, you know, the way I see it is that this is just a basic keynesian dynamic. You know, it's a post keynesian dynamic, to be precise. And so you can find yourselves in an equilibrium that's below full employment and that's hazardous. And that means and to your point in the slide deck, that means we have to do something about it. We can't just sit back and wait for the ship to right itself. So I really support that framing. I, I think the presentation as a whole does a really great job of laying out the landscape and the points of urgency. And, you know, my takeaway from it broadly is that we've got to do everything that we can through this committee, through our other committees, whether it's labor and workforce, whether it's housing and homelessness, to accelerate the rate of housing production in this city. That to me, I see, you know, I think it's the it's the cost of living relative to the incomes that we have in this region that is driving this. This population loss is my is my takeaway from all this. So I just want to I just want to applaud the presentation and the work here. I do have a few questions, maybe comments really, but I'm not going to let you off easy. You know, if you go to slide nine, slide nine and ten in the presentation.

Speaker: Just give me one second, okay? Okay. Hang on.

Speaker: And cut me off. Councilor at any point if i, if I'm going too, too far okay.

Speaker: 999. Where are you? This guy, is that the one?

Speaker: Yes. Thank you. So this chart I mean, I think it does a pretty good job at comparing net population change and its contributing factors across different regions. And it does so because it's you know, it's in terms of percentage of population. I will note that the metro area, you know by my eyes we've reversed our net outflow trend. So when we talk about we're losing population as a whole, I see it here in at least in this metro msa presentation, as we've actually recovered. And you know what, two points doesn't make a trend necessarily. Maybe you want 3 or 4, but that to me I see is a good thing. And that's driven by migration. You know, international migration. I think that's really important as we think about our general policy approach, do we want to make this a welcoming place for people to migrate to, you know, trump administration notwithstanding, of course. But if you go to the next slide, it's not presented in percentage terms. It's presented in sort of what must just be numbers. Right. And I just want to flag for folks following Multnomah County is the largest of these three of these four counties on the on the slide. And so I think it's it could present a misleading picture about an overwhelming leakage from Multnomah. That's a Multnomah County that is not not in proportion of those other those other counties. And as you said in the broader presentation, all cities are losing losing population, you know, in in poorer regions. So just kind of wanted to flag that, that there's a difference here in in axes. I think that if you go to slide 18. And some folks have heard me talk about this, but you know, i, I would urge caution on using this irs tax migration data, depending upon the stories that you want to tell. I mean, there's no question that it shows you whether you're gaining or losing adjusted gross income in terms of, you know, tax dollars from a region, no question. But what you can't get from that data set is the distribution of income. That's part of that. Right? And as you guys know, you know,

what you got is a total adjusted gross income for incomings and outgoings. And then you've got a number of tax filers. And then you can get a proxy for average. And i'll just note that, you know, with the income distributions that we see in our cities and regions, you can have an outlier effect that draws that, that that out. And so you can, you know, present a bias picture here. And I you know, I had my staff take a look at some sort of the underlying, you know, where people going. Right. Let's disaggregate this a little bit. And so if you look at and I don't have this to share, but I encourage you to go back and take a look at this from, from 2019 to 2020. People leaving montgomery, I'm sorry, Multnomah County going to skamania county, you have like an adjusted gross income on average of like \$100,000 and it goes up to like \$500,000. And then it comes back a year later. And that's just that's 61 people leaving the county. And that's really sensitive to one rich guy effect. Okay. And so I basically say, you know, I'm not like a data truther here. What I am saying though, is that if we are telling it from the standpoint of marginal taxes are driving people out, that's really not supported by this data. But what is supported by this data and this data tells the story broadly, is that there are issues in our city that make it difficult to live. There are livability issues, there are cost of living issues. And when you come here, you're earlier in your career, you're younger, your incomes grow, and then when you're it's time to start a family and buy that house, you can't afford to do it. And so where do you go? You go to clark county, Washington, you go to clackamas, and so on and so forth. And so that convergence that we've seen later in the slides from 2019 to 2023, that that affordability convergence, that's that effect. And so that's that's my read on this. I probably using too much space. I think the last thing i'll say here is that when we think about the diversity, I really like the, the urge and the call for us to say we need to diversify our economic recovery, I would I would caution us to avoid the sort of beggar thy neighbor hunt for large

corporate investment, because that's a race to the bottom in terms of tax revenues. So if we're trying to incentivize a fortune 500 firm to come here, well, then Washington will meet us on that and then california meet us on that, and so on and so forth. And what we've done is we've all lost a little bit there. And so I really like the model. And what I've heard from constituents is like, let's make it cheaper to live here. Let's make it easier to activate our spaces. Let's make it easier for artisans to kind of do what we did in the 90s and 2000, when a lot of people started moving here. So i'll yield. But I just I really appreciate the presentation and the good thinking that you folks are doing there. So thank you.

Speaker: Thank you, thank you, councilor green. We have roughly 17 more minutes in this area on this and this topic. And so i'll give you one minute to reply to the statements just made. If anyone would like to.

Speaker: I'll just i'll just kick off super quick so I can let my colleagues speak. I'll just make a plug. Councilor for advanced Portland. I think the that we know the dynamics of kind of more traditional business development versus what we know as modern economic development and advanced Portland calls on us to really not just grow our own, but think about our competitive advantages and where we're good, where we have great human capital and kind of a strong workforce. So our focus is going to be on those industry clusters where we have homegrown heroes that can continue to grow. We had a, I think, an overly overly focused approach, you know, from 2009 for that decade around attraction. And we saw how that backfired, right when some of those firms that we landed specifically in the tech and the tech area left us during the pandemic. So I think we understand that dynamic well, and our focus is on what are we good at, what can we celebrate, how do we grow employers here and how do we help them stay? Because those jobs are resilient.

Speaker: Thanks, shay 30s from anyone in northwest.

Speaker: Yeah, I would just say we did a report I think two years ago now, looking at the importance of small business in this region. And we're amongst the highest share of places with small business of any metro and certainly of all of our peers. And so, again, just understanding the components of growth here has got to be balanced.

Speaker: Thank you. Okay, councilor dunphy.

Speaker: Thank you. You know, i, I couldn't help but notice an interesting dynamic within this. And specifically, there was a slide where you called out what the polling of the of folks, what the top issues are homelessness, affordability, drug use, topping the charts and how those are impacting people's relationship to the city. But those are actually a symptom of our previous growth. Right? I bought one of the last sub \$200,000 houses in 2015. It was in the lents neighborhood at the time. It was on the. It was on the wrong side of 82nd avenue, so they didn't even offer anything other than dial up five. Six years later, in 2021, my house was valued at \$400,000. This is a small three bedroom ranch. That house is not worth \$400,000. People don't fall into homelessness from irvington and laurelhurst. They fall into homelessness from lents. When the housing prices in six years double. That is a symptom of our broader our the problems of how we had enormous amount of success in growing the Portlandia effect was real, but that was not felt equally. And today we are looking at a situation in my district where a with councilor smith, we represent east Portland. There are not enough jobs in east Portland to support the economy. That's part of the reason we have so many traffic deaths is we have too many people trying to leave east Portland and trying to not able to get onto the failed piece of infrastructure that is i-84 to go to work, and people are driving poorly. Homelessness and affordability are economic problems, and we've not done a good job of focusing on that. And when we focus on recruiting the top, you

know, the top level, we're not focusing on what those look like at the bottom. I think that also a lot of our systems have become self-inflicted wounds the way that we do liability insurance in this, in this state, this city, and the fact that liability insurers are pulling out of the city, partially because of the way that we report our own data and making buildings unaffordable and. And, of course, we have the enormous questions about the role of the federal government coming. And as you're saying, you know, the albina vision trust is a beautiful idea, but it is so dependent on an enormous amount of money coming from the federal government, who is increasingly showing this hostility towards Portland and hostility towards spending money. I think that the missing component of this is the relationship that folks have to each other. Our relationship to the office space downtown has permanently changed. We can try and bring as many people back to downtown as possible, but if people don't have a reason to come downtown, they're not going to. And the last time government said anything to anybody about their neighbors was covid. And we said, your neighbors might be sick, stay away. But we've never actually invited folks back in. I think we need to lean hard on to the things that create that community and that relationship between individuals who want to be here. People want to be in Portland, but if we don't give them a reason to come downtown, they're not going to. And trapping people in an office so that they spend an extra eight bucks at subway is not economic development. I want to lean into those those positive reasons that people want to come here and spend money and, you know, pay for hotel rooms and car rentals and go out to dinner. I'm really excited. You know, I don't I don't care what the thing is. And I hope that the, the economic development, as we are looking at ways to spur economic activity, it's not just recruiting firms, but it is leaning into those opportunities for community to develop. I personally was a musician, so I talk about the music industry a lot, but I don't care

what it is. If it gets people out of their houses and into the streets and into business districts and into small businesses, I'm all about that. But we have to be really thinking about this. I think that we are making the mistake that the growth we saw during the Portlandia era is the projection, and I think that's the aberration. We have to come back to some sort of baseline and understand what is the new relationship to these vacant spaces downtown. What is the market incentive to a tenant? Some of these vacant spaces, both commercial and residential and additionally, I think we need to have a bigger conversation about taxation. I'm a good liberal. I want to spend tax money. I want to take people's money and spend it. But we got to know what we're getting for it. And right now, people are not seeing the benefits of what we're actually spending on those tax dollars. And so I think we need to have some big conversations about the future of Portland and our who we are as a city and what our identity is. That's a little ranty. So that's about all I have to say right now. So thank you.

Speaker: Thank you, councilor dunphy. Councilor clark.

Speaker: Thank you, mr. Chairman. I apologize for being late. I apologize to my colleagues. I had a medical appointment that I could not let go. You know, you have to wait a long time for those. And I did read the material in the last couple of evenings. And I really appreciate the report. I just want to make a couple of comments and echo some of the comments that my colleagues have made. These themes are not new. It's the adaptation, our strategies that have to adapt and are new, and I appreciate that. I want to really echo the affordability, the housing issue. That's a key issue for me, and I know we'll discuss later some of our visions for where this committee goes, but that's definitely an issue for me. I just want to say that last night I made an appearance before 80 different people at a at a meeting, and people are looking for that optimism. They are looking for hope. They echoed

some of these themes that we have actually talked about affordability, particularly for their children, jobs for their children. And I'll speak more to that later. But I just I appreciate the moving away from the doom loop that we really have so much, so many exciting things on the horizon for this community, exciting projects, but the fundamentals we really need to get out and that's the affordability of our community. And I would just echo what councilor dunphy said, too, is that people are looking for how to engage, you know, not just downtown but in their neighborhood. How do we engage, how do we get together with our other neighbors and build that that sense of community and livability? I know it's not necessarily an economic development issue, but it's related. So and I'll make more comments later when we get to the visioning part of this. But thank you so much. I appreciate the report.

Speaker: Thank you, councilor clark. My I think I'd like you to bring up the slide that looks at the same issues are top of mind.

Speaker: I'm sorry. Say that again.

Speaker: The survey results.

Speaker: One oh survey.

Speaker: The ones that you know. It lists things such as cost of living, affordable housing, drug use, addiction. I don't have the number. Yeah, yeah. That's it. My colleagues I I'm, I don't love the term doom loop. Who does. But I was struck by a comment that you made in denver. It's at denver. And they're at what number 35th. And they they mentioned just don't be like Portland. Right. And but what I'd like to what I was also hearing is the urgency of the denver community to accept what they were seeing. And what are we going to do? I think your comment earlier was, what do we do to get as far away as possible from such a label as doom loop? And I think all of us up here are optimistic about doing that. I also have to caution us not

to dismiss when my opinion, the data that we're seeing. And in my almost four and a half years in service, I think one of the challenges has been is for the elected officials at the county, at the city, at metro, at the state, all get on the same page and accept what the challenge is and what the problem is. And I do think there's a political thing going on where we want to deny information. We I don't like it on either extreme, be honest with you, but I think that it's something that needs to be discussed and just put out there. I find this information to be not surprising because I've been looking at it for the past few years, but I do believe we're at a place where we're being more honest about what's so. And I just had to put some voice into that in this meeting. And it may be uncomfortable for some to hear. And I'm not being a pessimist. I'm a hometown. I was born in Portland, 1962, and to see something like k-12 education at 44%, that's not the Portland story. Many of us moved here because you could get a great public education. That was a driver. That's what employers would use to recruit somebody over another place. Employers would recruit someone to move here because of our livability. And when that was the case, we didn't see drug addiction at 52% as a concern. So my point is we just have to accept that and then do something about it. And we've struggled to get on the same page to have the impact that would then be deeper if we all are paddling in the same direction. So tomorrow we meet with the county on the current state of homelessness in the city. And my question to you is this seems to say there's a lot of interconnection between these livability issues and why people are leaving. And it seems like those who can, those who have more economic privilege, if you will, to move, are choosing to do that. But I just want to hear a little bit more about are you overlaying except beyond this slide, what are you seeing and what are you hearing underneath the data?

Speaker: When should I go?

Speaker: Yeah, I mean, I think the when we started at the beginning, you know, you can look at data, you can look at sentiment and you see marked improvement in the city on all issues of livability, homelessness, drug use, cleanliness, etc. And I think the. The firm that does the survey perspective is, is a good one here, which is you ride the elevator on the way down and you take the stairs on the way up. And so I think this disconnect around, even though big moves have been made, how long does it take for the sentiment to kind of adapt? I think the challenge here, particularly when you're thinking about a prioritization in a time of constraint, is like how much sentiment versus short run versus longer term trajectories are we really thinking about trading off? And is the fact that the survey is still showing those things are top of mind important? And the answer is yes. But I think the question is, you know, can we do two things at once? Can we think about prioritizing the short run while investing in our long run? And that's that's the hard question.

Speaker: And I appreciate that. And I think the reason we have a new mayor who focused on, I would say, a big livability issue, which is unsheltered homelessness. That's a sentiment I believe that's worth getting behind, because that's the perception. It was like around 2015 where I was at the phil knight and basketball tournament. I think it's during thanksgiving week, and I never forget this conversation. It was a woman from detroit and just hang out with the word detroit for a second. Something tells me, if you look at data back in the late 60s, there could be some similarities. I want to poke at that just a little bit, but i'll just say that they were really upset and they decided that I because I was from here, they just vented at me about the conditions they were experiencing. That tournament was, I think, in 2016, and it was really they said, they'll never come back here based on what they experienced. And when they were walking around the streets of Portland. So my point is, I think we were living on our Portlandia laurels for a long

time, and they kind of ended before the pandemic. And I don't think the political will has been there from the different entities to just accept this challenge. Let's do it. And so as an optimist, it's about what are we doing about this humanitarian crisis that won't continue to plague us five years from now. And so it's like all of these issues are interconnected and humanitarian crisis spills into obviously housing. It spills into public safety. It spills into the economic drivers that we need. So I think we sometimes have failed amongst our political bodies to just accept that fluid dialog on how these are all interconnected, and we can't be afraid of that conversation, but yet embrace it. So I think this data gives us a chance to have that honest dialog. It's not comfortable, but our job is to we get paid to think and to have opinions and to do our best to read the room and move Portland forward. And so I'm really I'm really grateful that we started with at least all of us receiving the same information. We have different perceptions based on our life experiences. I lost a brother on the streets in the syrian crisis in 2014. I'm in recovery. I don't do denial. That's like a part of my ethos. And so, you know, that's just where I'm at right now. But I also want to continue to be a cheerleader and continue to do all we can to get people to these activation events, which I do believe prosper. Your focus over the last 2 or 3 years has been really helpful. I do think that the five alarm fire that they said that they didn't want to have was at denver to. Where? Yeah, I think I'm not. I'm having a little bit of denver envy just because I wish we would have said that a few years ago and not just pretend that everything's just going to, you know, suddenly get better without aligned action. And so I think what you're playing for us as elected officials, not meeting tomorrow will be really important when we're with the county, is for us to really get aligned. And how we are going to continue to move forward and make sure that we play our part. You know, we have our side of the street is what we can, what we can influence but influence perception and

reputation is really difficult. You're right. It's like going up a stairway and then an elevator down. I never thought of that. What's that?

Speaker: I think we're.

Speaker: You're telling me I need to shut up. Okay, I'll do that. I just want to say that this was very important. I think that as we move forward with metrics and such, we'll try to work in partnership with a couple entities. And I think you'd be one that would be really helpful for us to do that. Thank you so much for being here this morning. I do need to move us along. Counselor Smith, do you have like a minute? Yes, we have one minute left.

Speaker: Yes. Thank you, vice chair. From 2010 to 2018, I sat on the Multnomah County commission and we were responsible for housing and homelessness. And I looked at the, the previous screen and it said 65% of the perception is about homelessness. When I left in 2018, at the bottom of 2018, we had 2700 unsheltered folks on the streets. Today we have 5700. We've gone up by 3000. Do you think that if we were to eliminate the unsheltered housing on our streets, in the perception of what people thought about how we look as a city, would that be enough to bring people back? Would that be enough to bring in traded sector businesses? And shay, you can answer that question, eco northwest because it's for me, it's very disturbing that we're spending almost \$420 million. I mean, at the time that I was on the council, we didn't have the metro money. And now that we have the metro money and we've increased by 3000 people, and that's the number one on your graph, 65% people are concerned about homelessness. And so I'm just curious if we could project that image that we're actually tackling it and taking it down really quickly.

Speaker: You know, it's hard to speak in absolutes, but I do think all of those issues and everything we've discussed today does work in tandem with each other, right?

All of these issues are interlinked. And over the pandemic, we at prosper Portland, out of pure necessity, focused on a new program called the repair grant. Right. We knew that small businesses who are the core of vibrancy, often why people think of corridors and downtown is exciting. You're going to do your shopping, you're going to, you know, wildfang, you're going to the whiskey library, you're going to all these things businesses were experiencing, you know, break ins. They were experiencing livability issues. And so we had this, this program that got stood up. Right. That was a market intervention in the moment. And so we have to acknowledge that all of these things work in concert. I don't know, and I can't say for certainty if we ended unsheltered homelessness tomorrow, would it would it fix everything? There's all sorts of factors that play into this. Right? Our competitiveness is a combination of our of our workforce, right, of our of our human capital. Where are we? What are the sectors where we are thriving? Right over the pandemic, we saw that athletic and outdoor employers continued to come to Portland despite all these issues. And we know that many of the ones that are here today face those issues, especially if they're along transit corridors. So I think it would help. I think we're very grateful for the mayor's vision and his focus. But all of this is interconnected. Councilor.

Speaker: I appreciate your comments, and I can tell you, the people in district one, they don't know nothing about the whiskey library, I can tell you that.

Speaker: Yeah.

Speaker: I just want to be very clear about the call to action here. It is not about ignoring the livability issues that were at the top of this list. It's about adding to that a sense of urgency around the things that are at the bottom of the list, because those are the fundamental drivers that will help us to move to a place where we can have a more equitable economy in the future and allow us to grow the pie. So

that's that's the goal. It's not it's not to move away from the important priorities at the top. It's to do a both and.

Speaker: Thank you Laura I didn't see that at your data. I would like to end with this as I pass this to co-chair. Green is when you look at the comparisons to the suburbs, especially the Clark County, Multnomah County, and your comments made a lot of sense. Councilor Green, I'd like to see the data, if you have any historical about Detroit at that time in the late 60s and 70s, because my people that I know there, that's kind of what happened. It went to the suburbs pretty quickly and didn't return. So I think it's the micro data that compares us with other cities and other counties nearby is really fascinating, and we have more influence over that than any national trend, obviously. So thank you so much again for your time. We're going to pivot to another topic. I appreciate you being here. If you'd like to quietly leave. It's all good. Thank you so much.

Speaker: Thank you. Stay, stay.

Speaker: Of course you can stay. I just want to give them a chance to leave anyone to.

Speaker: Thank you, co-chair Ryan. And thank you for the panel of presenters. We're going to move on to agenda. Actually, clerk, can the clerk please read the next item?

Speaker: Yes. Agenda item two. Economic recovery in Portland.

Speaker: Thank you. So this is public comment, but I would like to start with an offer that we have a prompt when we do our public comment. And so my prompt to the commenters is what does the economic recovery in Portland look like to you? And we'll take the first name, please.

Speaker: Blake. Shell. And a reminder to testifiers. You have three minutes on the timer, and a chime will notify you when there are 30s left, and then a final chime when time is up.

Speaker: Thank you. I'm Blake Shell, the executive and artistic director of Oregon Contemporary, and I'm here today on behalf of PACE Portland Arts and Culture for Equity, which includes a number of organizations advocating for a more equitable approach to arts funding. In the fall of 2024, the newly established office of arts and culture restructured its funding tiers, shifting away from diversity, equity, inclusion and accessibility metrics. Instead, funding is now allocated solely based on an organization's budget size. As a result, 45 out of 80 arts organizations saw a reduction in funding, while the largest five institutions received an increase, though even for them, the additional support was far from transformational given their scale. This redistribution has pushed many mid-sized and smaller organizations, particularly those with a strong DIIA focus, to the brink of survival, forcing them to cut programs, lay off staff, or even face potential closure. I urge this committee to take decisive actions in repairing the damage caused by this policy shift, especially in the wake of the broader national attack on DIIA, such as we are seeing under the Trump administration. It's imperative that Portland not lose its commitment to fostering a diverse and inclusive arts ecosystem, rather than allowing systemic inequities to deepen increasing funding for large organizations with existing endowments without providing them with truly transformational resources risks having little to no impact on downtown's recovery. If economic revitalization is the goal, we must first ensure that we are not inadvertently stripping vital resources from the other districts, especially from smaller, community driven organizations that actively serve and uplift diverse populations. Second, we must critically assess whether this reallocation of funds is even an effective strategy for improving

downtown. A thriving arts and culture sector cannot exist without equity. At its core, any recovery efforts that fail to uphold this principle risk deepening disparities, weakening the very communities that give Portland its creative identity and ultimately jeopardizing the future of our cultural landscape. As you consider population and economic growth. Oh, oh, i'll leave you with the words of an attendee of an event at Oregon contemporary's courtyard in north Portland. These nights remind me of what Portland is or can be. I said to my friends, do you want to ride bikes to a park and watch some cool, weird stuff happen? Portland's creative spirit draws people in and keeps them here. People will stay or leave based on whether that spirit endures. Thank you.

Speaker: Thank you. Blake. Please read the next testifier.

Speaker: Next, we have laura streib.

Speaker: Good morning. I'm heartened that the council has. My name is laura streib. I am in the executive director of an arts and culture nonprofit, vibe of Portland, and the president of the saint john's boosters business association in north Portland. Good morning. I am heartened that the council has prioritized arts in concert with economic development. I moved to Portland 20 plus years ago because it was an affordable and creative space where I could practice music. As you know, centering the arts has been the through line of for Portland's next chapter and is a very, very important. And you've all heard me talk about that, that the creative economy is so important. I am looking forward to continuing conversations and planning with you and our community partners to highlight just how Portland is already full of our natural resource of creatives. I want to give you some statistics you may have heard me talk about before. We are the 16th most creative city in the us based on a national study, but we are near the bottom and investment. We have over 9000 musicians and bands that reside here. We have

over 600 arts and culture bearing organizations and over 300 music and performing venues, which is more than austin, who likes to be the music capital of the country. We have over \$3.8 billion in revenue statewide for a music industry, with 80% of that coming here in the Portland metro area, with only a third of our culture bearing organizations. Providing me data that we have an over \$450 million annual revenue based on those 30% of our cultural organizations. We have over \$700 million investment from our film industry over the last five years. And that is an even tapping into our for profit creative industries. I got to work for the Americans for the arts data project a couple years ago that highlighted how the arts impact our economy through an event happening that trickles out to retail, lodging, transportation, and dining. We see that with the coralline cats that were here this summer, highlighted in the economic report that we had more visitors downtown. There was a family friendly event. It was free. I bought the app. I paid for parking, we bought ice cream. We did a bunch of stuff with the family that happens on extended business, extended business as it ripples out as this committee and as the city. We need to really work on a vision that centers the arts and creativity as the through line through our economic development. And we need to do that from the big events to the small events. It's a little disappointing that the Portland film and events office this year is not, at least currently on their website, does not have the small community events grants available, which ripples out to all the different neighborhoods. Whereas there is a larger investment of granting for events that have 10,000 people or more. But that can't be every event in Portland. We really need to diversify to the small and the big events. Thank you. I appreciate your time.

Speaker: Thank you laura. Good to see you. And thanks for putting austin on notice. Hear from our next testifier. Now.

Speaker: Next testifier is troy winslow, and troy is joining us online.

Speaker: Good morning councilors. For the record, my name is troy winslow. I'm the development director for Portland harbor community coalition and member leader of york collective. I don't have any data to provide you all today. I do have over 120 years of history in the city. So i'll say this. Simply put, there is no economic recovery if it does not center the future of our children and our climate. And you plan that ignores our current reality is not recovery. It is a short term illusion at the expense of long term survival. If our children cannot breathe clean air or drink clean water, if rising temperatures and displacement continue unchecked. If the most vulnerable among us are left behind yet again, then what exactly are we trying to recover? Economic recovery in Portland must be restorative, not extractive. It must acknowledge our real history, not the moderated, comfortable version that evades truth. It requires looking in mirrors and through lenses, tracing issues to their root causes rather than stepping over them. Portland can no longer be an open air market for affluent profiteers and unprincipled city leaders. Our built environment, transportation systems, and policies shape public health outcomes every day. Traditional market driven housing has failed low income and historically marginalized communities, creating cycles of eviction, instability, and homelessness. We desperately need robust investment in supportive housing developments and alternative housing models that create pathways to ownership for historically disadvantaged communities. These are long term, stable and affordable solutions that protect communities from displacement. We need minority and women owned businesses building and placemaking these projects from seed to harvest. Housing is not a commodity. It is a human right, a public health necessity and the foundation of a thriving city. Without stable affordable housing, any vision for economic recovery is incomplete and unsustainable. Additionally, it is well known that freeways forced through black and brown

communities have led to generations of displacement and disease, higher rates of asthma, heart disease, and chronic illness caused by air pollution and environmental neglect. We cannot claim to be recovering while continuing to fund the very systems that have harmed us. Economic recovery and development must include shifting away from car dependency and investing more in regional and local transportation system, including streetcars, busses, light rail and heavy rail to reduce pollution, reconnect communities and create a healthier, more equitable city. A transit system that prioritizes people over cars is a transit system that prioritizes public health. Finally, I'd be remiss not to realize that much of Portland's art, culture and opportunity would not exist without the unacknowledged contributions of pullman porters, redcaps, and other black railroad workers. Without them, there would have been no golden west hotel, no dude ranch club, no spaces where black musicians, travelers and entrepreneurs found opportunity in a city that tried at every turn to shut them out. The railroad didn't just move goods, it moved people, ideas, and culture. It connected Portland to the rest of the country and in doing so, carved out space, however imperfect, for black artistry, resilience, and community. Economic recovery is meaningless without honoring that legacy and learning from it. And with that, i'll yield my two seconds. Thank you.

Speaker: Thank you. Troy. At this time, can you please read the next item?

Speaker: We have one more testifier signed up. One last person, elizabeth nye. Is elizabeth here? Elizabeth nye.

Speaker: Here.

Speaker: No.

Speaker: Okay.

Speaker: That concludes testimony. And then we can go to agenda item three, discussion on economic recovery and committee priorities.

Speaker: Thank you. Colleagues. So this last 16 minutes of the meeting. I would invite us to kind of discuss our own individual priorities as duly elected councilors. You know, in terms of, again, i'll issue the same prompt. What is the economic recovery look like to you? But you know, what priorities do you want to see us develop as we build our agendas as co-chairs? So I'm going to go last because I'm holding the gavel. So, you know, whoever wants to go first. Councilor smith, are you still in the queue? Okay, councilor dunphy.

Speaker: Yeah, i'll go first. That sounds fine. Well, I previewed some of my comments already, and I've been talking about it nonstop to the point of criticism for the last year. But I think that I think the Portland's next chapter comes through cultural renaissance, and that our cultural renaissance is going to fuel growth and that that only comes. We only get chief community safety with community. I mentioned I was a professional musician in my 20s. I was also a small business owner. I understand I'm a homeowner and I'm now a community member. I'm a father. I've got all of these different amazing lenses to see how people are living in this city and how they choose to live in this city. And we have to make this city a place that can empower that. And I think that we are not going to have a lot of economic dollars to invest in certain types of things, but we can do things a little differently to make it so that we can facilitate those things. Opening a small business is incredibly difficult in the best of circumstances. We're not in the best of circumstances, and there are ways that we can try and make those systems more self explanatory so that people don't have to worry that they are going to, you know that the answer is a no until it's a yes. When it comes to permitting or other regulations, I think we need a central vision for this city, and that builds on the naturally occurring resources that are already here, and give people a sense of pride of place. I view Portland as as laura had mentioned in her public testimony,

there's over \$3 billion worth of economic activity that happens in Portland in the music industry alone. And that's not just the guy on stage with a guitar that is instrument. We are one of the largest concentrations of instrument makers. We have the second largest digital rights distributor in the world in Portland, cdbaby out by the airport. Recording studios and all these other things that are opportunities to unify around a common identity. We do have more music venues and more musicians than austin or nashville right now. Partially it's because we're so great. It's also partially because their economy is collapsing. Portland is the independent music capital of the world, and I want to use that as a tool to bring people to public spaces, to use it as an excuse to look at our, our, our permitting and our regulatory efforts. To that same effort. I want to have conversations about our our taxation. I think that right now we need to raise the floor on city business taxes. I think that right now, small entrepreneurs, people who are starting their businesses, uber drivers are having to pay pretty significant taxes towards our business license, taxes towards the city when they're barely struggling to survive and pay rent as it is. We are one of the highest business income taxes and have one of the lowest floors in the country. We cannot solve this in a bubble. We cannot solve this by ourselves. Government cannot solve the problem ourselves. It has to be a partnership. We also cannot just be economic investment. It has to be housing. It has to be public space. It has to be those conversations about what we do with downtown. It has to be collaborative. It has to work across government types, and we have to make decisions. It's time to lead. And as councilor Ryan was saying, the moment has passed. Pat. Other previous elected officials and elected bodies have let the moment pass as though this is how things are going to happen. We need to be decisive and we need to lead and show a vision for what comes next.

Speaker: So thank you, councilor. Let's move now to councilor smith.

Speaker: Thank you, mister president. I am going to concentrate my efforts on building a new workforce, a diverse workforce, and trying to figure out how to put these young people on a pathway to success at the city of Portland and in other local government, in addition to building a workforce that includes our most vulnerable students in schools like parkrose, david, douglas reynolds and centennial. And as I said earlier, I will be coming out with a initiative in a couple of weeks that will be very bold. It will be inclusive. Sorry, mister president, and it will work with communities that we have left behind. One of my bigger targets will be to improve, expand sidewalks and in district one I looked at a report a day ago from pbob. And they need \$31 million just to maintain the sidewalks in district one. Not we're not talking about the map that showed the majority of the sidewalks that need improved and that need sidewalks are in district one and district four, but that is just a drop in the bucket. And I think we need to make. Really big, big investments and putting putting sidewalks in district one, which will also put people to work. And it will also train folks in pre-apprenticeship programs to be able to make our part of the city look as good as the rest of the city of Portland. And that's where I'm going to be concentrating on. Mister president. Mister chair.

Speaker: Thank you for that, councilor. Let's move now to councilor clark. And I will just say that we have nine minutes left in the meeting.

Speaker: Thank you, mister chair. You know, I'm always brief. I actually, when I looked at this report, I thought about big themes. And I want to be involved in all those themes. And the first one was really being part of the region is. And I heard that comment earlier, is everybody pull in the same direction? I think councilor Ryan mentioned alignment partnerships. I think we need to think about where we're present in the region. I think sometimes Portland doesn't show up to things like westside economic alliance or the north clackamas county business alliance,

those kinds of things. We need to show up and be present and all pull in the same direction. I think that we also have all the raw material here that we need. We've got the people, the ideas, the beauty, the water. We, and I think prosper's leadership on growing our own is really a theme I want to see across all of our different issue areas or policy areas is grow our own success. I want to turn around our reputation. We talked about that making downtown safe and livable, and we have huge, exciting projects on the horizon. From the Broadway corridor, James Beard Market Ave, all kinds of things are going on, but we have to overcome that perception bias before we're going to attract the capital that we need to make other things happen. You also asked about intersecting with other committees. I think clearly the housing affordability issue is a number one. And I think our vice chair is on that committee. I believe you are. Somebody here is on how oh you're on. Oh, sorry. Sorry. Councilor Dunphy is on that committee. Oh, you are too. Sorry. Okay. There's a lot of intersection between the housing committee and this committee. And I know that Councilor Green and I are very, very interested in affordable housing. And lastly, I'll just say that we need to take the long view here. And probably because I've been around for a long time, I have seen the pendulum swing back and forth and back and forth. You know, in the 80s, 40,000 people left the state. They came back in a in a gold rush. I mean, the pendulum will continue to swing back and forth. So I'm very optimistic about the future. But as Councilor Smith said, it's going to depend on a lot of our investments where we put our shoulder to the wheel here. But I'm very excited to work on a variety of these issues in different committees and very much appreciate my colleague's comments as well.

Speaker: Thank you. Councilor Clark and co-chair Councilor Co-Chair Ryan.

Speaker: Thanks, co-chair. Yeah. Activation, activation, activation. We have a decent gains in our night and evening economy, so we need to see that activation

start to take off during the daytime. That's been behind big picture. You know our Portland story is we've never been a big, big big company town. We've been a town that attracts a city that attracts people, that attracts families. So, you know, looking at those indicators of families with kids returning and staying here through the k-12 system, and then they come back and raise and build a life here as well. That's how we've always been. You know, I visioned the mom who gets to the park with her 2 or 3 kids, and when she gets there, the restrooms are actually open and clean. I picture the elder who couple on my block that stopped taking max six years ago, and I can't wait for the day that they're comfortable riding it again. And it's clean and it's safe, and then they can officially never drive their cars again, because that's why they moved near the max. But right now they feel like they can't. So I think that interconnection between downtown and neighborhoods is really important. It's not us and them. If you think of a body, the downtown's apart. It pumps resources out to the rest of the city. And if you don't bring your downtown back, you don't have as much revenue that will ever get to the rest of the city. I'll end with something that's kind of cheesy, but fun. I signed us up for a dragon boat, and I'm still waiting for more people from the City Council and offices to join me. I definitely need help. And we're challenging the mayor's office and the admin, and we're challenging metro, and we're challenging the county. And I know this might sound odd, but I think for all of us to meet down on the river and paddle in the same direction and see us there at the beginning of June, and hopefully you'll see at least 4 or 5 municipalities with boats having a good time learning how to build relationship and row in the same direction. Thanks.

Speaker: Thank you co-chair. I do enjoy a good challenge, so i'll make sure my office.

Speaker: Rsvp to that. Okay.

Speaker: I'll just bring us home here. So as co-chair of this committee, I see our work as urgent and critical to the success of all the policy work that our committees will take up. And I mentioned that at the very beginning. It's urgent because as we've seen with the presentation today, we have significant economic challenges that directly impact the fiscal health of our local governments. And it's critical to the other work because without an engine of economic growth, we cannot generate the incomes that themselves generate the revenues that enable the policy agendas that we were all elected to pursue. So my approach to this committee will be to help set a policy agenda that focuses our work on addressing the immediate steps we need to take to stimulate economic growth in the city, kind of turn that ship around while ensuring that the policies we enact will actually shape the growth in the direction we want to go for all Portlanders, because we have to take that short run and long run view. The decisions we make today will impact our children. So how do we proceed? I do think that the urban doom loop dynamic was useful for framing the urgency and the criticality of the challenge, but it's, you know, and it's there. It's a looming threat. And we should take it very seriously. But I just want to make myself very clear. We're not in an urban doom loop. There are a lot of green shoots. We see voter sentiment improving. Right? You know, 62% favorable versus 49% just last year. We've got an increase in downtown foot traffic. We've got SpaceX activation. I mean, the winter lights festival recently was a big, huge success. There's an effort to rehabilitate the Paris Theater. We're going to bring a burlesque show here. There's the James Beard Public Market. These are all great things, and they're going to be good boons to our downtown core. And I will note that the net population trend of outflow is reversing. Okay. We're seeing, you know, stabilization there. So I agree with the takeaways of that, that that wrap up slide that, you know, we should not assume that our economic recovery is going to happen on our own.

So let's put our hands on the steering wheel and let's do it in the direction we want to go for the folks who elected us. So i'll just give you some concrete steps that I intend to focus on in the questions i'll ask to this committee. One what can we do to lower the hurdles to housing production? That's always the question I will ask. And in virtually every venue, but this one included. Two are we making it difficult or joyous to use our public spaces for recreation? It should not be a pain and a chore to volunteer in our communities and put on an event. And finally, are we spending our tif resources? I know they don't flow for another five years, but are we spending our tif resources in such a way that promotes diversified economic growth, while at the same time lowering the cost of housing? Those two are two sides of the same coin for me, so i'll end it with that. We have two minutes left. So what i'll say is i'll say thank you to everyone who participated today. Thank you to the council clerk and christopher for helping us set this up. Our next meeting will be March 11th. Same time, same bat time, same bat channel. And at that, I will adjourn this meeting in the arts and economy committee.