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Chairman Baugh and PSC Commissioners:

Tonight I would like to discuss some deficiencies that I've noticed in the published methodology used by Portland Bureau of Planning and Sustainability for evaluating land for the Regional Industrial Lands Inventory.

The Industrial Lands inventory tries to categorize land according to some simple constraints:

- Acreage (25+)
- Floodplain
- Slope (< 10%)
- Wetlands
- Habitat
- ISLAND LAND <--suggested additional constraint

and market readiness factors:

- Transportation
- Availability
- Infrastructure
- Assembly
- Brownfields

Nowhere does the methodology acknowledge, or attempt to quantify, that the cost of bringing an acreage to "shovel ready" effectively down-weights the acreage. Unfortunately, the methodology strongly suggests that "an acre is an acre, wherever it may be." In particular, the methodology does not recognize that island acreage is different. An acre on an island, particularly a small one like Hayden Island, is relatively costly to develop, compared to normal land-locked acres. Therefore, island acres should be reduced by some factor, which would introduce a special new constraint (see above).

Development of island land, whether for industrial use or high-rise housing is fraught with difficulties (all of which are cost drivers) that may be orders of magnitude larger than for landlocked land.

Island development uniquely passes down much higher costs to existing island residents/businesses/users in terms of congestion, loss of property values, air pollution, health effects, safety, noise pollution, displacement, etc. Such costs could easily reduce that embarrassingly big

blue WHI "jobs" area on the Map App by 80% or so (e.g., 330 acres effectively becomes 26 acres).

In particular, Hayden Island suffers from or is affected by:

- Limited or poor transportation
- Limited interconnectivity
- ~~Amish and other rural residents (isolation)~~
- An appearance that may look tempting to a developer, but is not worth the cost of travel delays/mitigation/litigation/etc., due to heavy impact on an already fragile community and infrastructure.

Hayden Island is already in a precarious position with regard to limited access (one road, I-5), few internal roads (poor interconnectivity), a severely inadequate evacuation plan (3-4 days), and no medical.

The PBPS seems to have forgotten what a boon it is for a city to have an island. As recently as 2009 the Hayden Island Plan shows that Portland was extremely proud of having an island community in its midst.

Unfortunately, the largest blue area on the PBPS Map App also conveys the impression that most of the job acres for the next several decades are on WHI, an area that is blank in the PBPS Industrial Districts Atlas.

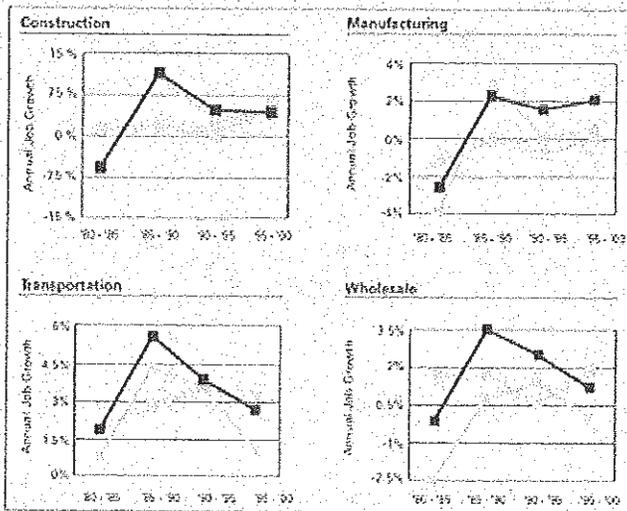
The lack of correlation of jobs and acres is there for all to see. The same Atlas states that jobs per developed acre are anywhere from 3 to 37 (with a mean of 9), as follows:

- 3 Rivergate
- 9 Airport
- 11 Northwest
- 11 Outer SE
- 13 Swan Island/Lower Albina
- 15 Columbia Corridor East
- 18 Banfield
- 37 Inner East Side

In other words, there is little correlation between acres and jobs.

Moreover, by 2004 in our region, Construction, Transportation, and Wholesale had been in decline since 1985 (a trend that has continued), which is against the US trend, so Portland seems to be becoming less popular for these types of industries. However, Mfg has been level since 1985 (Same as US). These trends were not discussed in the Conclusion of the Atlas! Here's the graphs:

INDUSTRIAL GROWTH TRENDS



Industrial employment in the Portland metro area (5-County Oregon portion of PMSA) grew by 37 percent between 1980 and 2000, three times as fast as the U.S. average of 12 percent. The distribution sectors created 46 percent of those new jobs, manufacturing 26 percent, and construction 28 percent. The metro area share of U.S. manufacturing jobs grew by 31 percent during this period (Bureau of Planning, 2003). The graphs show job growth rates by sector.

These data show that development of WHI as a port facility is contraindicated, and that if use for general industrial purposes is too costly. WHI's value as a natural habitat area, one of Portland's largest, is, on the other hand, extremely high.

Therefore, I ask that WHI be removed from the industrial lands inventory. Most importantly, in the interests of due public process, the PBPS should offer the public clear and timely explanations for all zoning changes, and make it clear to political pressure groups and other special interests that there will be no secrets; that due public process will continue; and that the decade-long public process on West Hayden Island will not be held to ransom.

Bibliography:

City of Portland, Bureau of Planning, "Industrial Districts, 2004 Atlas, Portland Oregon." (Apparently not updated since 2004).

Hayden Island Plan (PBPS Recommendation to City Council, June 2009, 172pp.) http://www.oregon.gov/ODOT/HWY/REGION1/hayden_iamp/appendix_a.pdf

Powerpoint "Regional Industrial Lands Inventory Findings" NAIOP Breakfat, Feb 16, 2012 http://naioporegon.org/downloads/2_16_12_regional_industrial_land_naiop.pdf