

Portland Planning and Sustainability Commission

January 21, 2015

Comprehensive Plan Update

1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Subject: PSC Comprehensive Plan Testimony

Dear Planning Commissioners:

The Working Waterfront Coalition (WWC) is pleased to submit this summary of our oral testimony to the Planning and Sustainability Commission (PSC) given during the fall hearings on the Proposed Draft 2035 Comprehensive Plan (Plan).

The major points made by WWC members during the hearings on September 23, 2014 and October 28, 2014 were made with an expectation that the Plan, when adopted, will:

- Include policies that recognize the importance of harbor businesses to Portland's economy, especially to middle-income job growth and the importance of large harbor businesses to the continued viability of Portland's small and medium-sized firms.
- Reverse loss of middle-income jobs in Portland by supporting business investment in the harbor.
- Reduce regulatory burden and provide predictability and support for development and redevelopment, especially of Superfund and Brownfield sites.
- Provide for an adequate supply of developable harbor industrial land with acceptable site characteristics.
- Ensure that the policy language is balanced to accomplish the above.

Recognize the Importance of Harbor Businesses to Portland's Economy

On October 28, 2014 the WWC submitted for your review a copy of an August 2013 report, "Economic Linkages from Marine Industrial Business" prepared for Portland Business Alliance by One Northwest Consulting. This report concludes that there is a robust linkage between Portland's large local harbor businesses and local small and medium sized companies. Marine industrial firms support local firms when they procure professional services from planning, architectural, legal and engineering firms; hire skilled trades such as electricians, welders, carpenters; and purchase from advanced manufacturing plant equipment, transportation, energy and utility companies.

The report studied five harbor businesses in detail and in 2012 alone these companies paid 40 percent of their accounts payable, for a total of \$279 million, to 288 local employers.

The Portland Harbor is also a major jobs generator with an annual payroll of \$1.4 billion. Approximately 18,000 men and women work on the waterfront, most earning middle-income wages or better, with benefits. It's also important to recognize the sizable tax payments that harbor businesses contribute to local, regional and state agencies.

Submitted for your review during the PSC hearing on October 28, 2015 was a Port of Portland printed power point document titled *Economic Development Opportunities in the Portland Harbor*. This document demonstrates the economic value of the capital-intensive harbor businesses and the importance of that contribution to the City's tax base. For example, an \$100 million capital investment generates about \$6 million for the state of Oregon and more than \$16 million for the City, Portland Public Schools, Multnomah County and Tri-Met over ten years. Annually, that is the equivalent to six police officers or firefighters (salary and benefits) and four Multnomah County sheriffs and six teachers and two-thirds of the Oregon Park and Recreation general fund budget and one part time Tri-Met bus operator.

A local opinion research firm, DHM Research, recently surveyed Portlanders across income levels, geographic areas and political parties. Survey results indicated very substantial support for job training and economic development. Further, survey respondents believe government plays an important role in providing job training and economic development, thus the importance of including job retention and economic growth policies in the Plan and specifically recognizing the role of Portland's working harbor in achieving the job training and economic development goals.

Reverse Loss of Middle-Income Jobs

Regardless of the above referenced survey results and community aspirations, Portland is experiencing income polarization with a steady loss of middle wage jobs. Providing middle-income jobs is an important issue for any city, and in Portland it is also an equity issue. For example, close to one-third of all Portland children do not graduate from high school and another third never attend college. Almost half of our African American and Hispanic children do not graduate from high school. Overall wages among all ethnic and racial groups are stagnating or declining, except for households in the top 20 percent. As a city, we must do a better job focusing on policies that grow middle-income, family wage jobs.

The City's Comprehensive Plan translates Portland's vision into a set of policies that will guide the City's growth and development over the next 20 years. In doing so, it guides where and how land is developed, and where and how land is protected for other purposes. In Portland, most middle-income jobs, especially those that do not require a four-year degree, are concentrated in the City's industrial districts, and especially along the harbor. Therefore, the viability of Portland's middle-income job strategy rests squarely in the City's industrial districts, and in its harbor industrial districts in particular.

Middle-income jobs can be supported by the policies in this document if enough attention is paid to what encourages investment in industrial areas. Chapter 6 economic development policies are a great starting point because they begin to place more emphasis on a middle-income job strategy for the city. We are concerned however that these policies will be undercut, when overlaid with Chapter 7 policies, that apply within the same geography.

Reduce Regulatory Burden

For example, regulations requiring on-site mitigation will reduce employment growth by placing additional burdens on harbor businesses at a cost to business growth and job growth. The WWC is concerned that future (middle-income) employment growth in the harbor is likely to be reduced further by the requirement of on-site mitigation and flood plain requirements (Policy 7.11/Policy 8.59).

We emphasize the importance of creating more living wage jobs, and the private investment needed in the Portland Harbor to make that happen. Industry jobs are living wage jobs. When harbor businesses make capital investments along the waterfront, those investments translate into more living wage jobs, which in turn increase property tax, income tax and fees that support education and other important government services.

On September 23, 2015 the WWC submitted for your review a report by the Bureau of Planning and Sustainability (BPS), titled *The Industrial Middle of Portland's Changing Income Distribution*. This report makes it clear that the geography of Portland's industrial middle is critically important to Portland's future.

Provide Adequate Land Supply

Businesses are located in the Portland Harbor because harbor sites are unique. These sites provide deep water and rail access, to list just two essential site characteristics. As a result of these unique site characteristics, businesses such as Advanced American Construction have recently acquired the largest crane in the Columbia River System, Gunderson launches barges from the largest marine sideway launch facility west of the Mississippi, and Vigor has the largest dry dock in the country.

Portland can be proud of its prosperous working harbor, and opportunity for growth and expansion is evident. However, if harbor businesses are to expand and create even more middle-income jobs as envisioned in this draft Plan, more unique harbor land must be readied.

It is estimated that the cost to clean up Portland harbor Brownfield sites is many times the value of the land, much more than businesses can justify as a cost of expansion and investment. Draft policies such as Policy 7.29, Policy 7.43 and Policy 7.47 suggest that existing riverbank must be preserved and rehabilitation/resource enhancement must occur.

It is unclear how these policies would apply to development of Brownfield sites in the Portland Harbor (promoted in Policy 6.14 /Policy 6.39 /Policy 6.40) such that development on a Brownfield or existing site could be accomplished without extraordinary costs. It is therefore highly unlikely that many, if any, of the Brownfield sites in the harbor will be ready for development during the term of the Plan under review unless significant subsidies are provided. We see no such subsidy recommendation in the Plan.

Ensure Balanced Policy Language

The WWC has reviewed the draft Plan policy language and has concerns about conflicting policy and the clarity of the language. From our respective professional employment experiences, we know how Plan policies are applied in land use applications, and we know that *every word matters*. We know that if one policy section has stronger language, then staff planners reviewing an application will give deference to that stronger language.

To this end, the proposed Plan does not provide balance and equity between policies in Chapter 6, Economic Development, and Chapter 7, Environment and Watershed Health. For example, Chapter 7 uses “protect” or “protection” 38 times whereas “protect” is used only seven times in Chapter 6. “Protect” carries a specific, very restrictive legal meaning, which would ultimately result in a preference to the environment and lack of balance of policies during implementation.

The economic development chapter is good work, but when reconciled with the environment and watershed health chapter, then it comes up short, and thus will, on balance, negatively impact future economic prosperity of the working harbor.

Included in Chapter 1 of this draft Plan is Policy 1.3, which states: *Ensure that components of the Comprehensive Plan are internally consistent*. Please consider this policy in your deliberations and also the requirement of Statewide Planning Goal 2: *To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land....*

As the PSC deliberates about the policies in the Plan, please pay special attention to the potential that harbor businesses have to retain and grow their business as well as the potential with which Brownfield sites in the harbor can be developed for productive use. The WWC respectfully requests your support of policies in this draft Plan that retain and encourage development in the harbor. Specifically support Chapter 6 economic development policies 6.1, 6.3, 6.6, 6.7, 6.15,6.17, 6,27 and consider how these policies are reconciled with policies 7.4, 7.11, 7.43, 7.46.

Working Waterfront

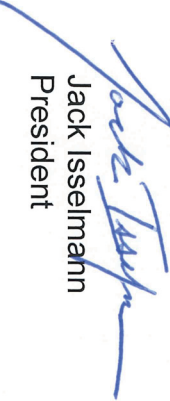
COALITION

Conclusion

The WWWC is concerned that the draft Plan does not fully recognize the importance of harbor businesses to Portland's economy; does not include policy that will aid in reversing the loss of important middle-income jobs; creates undue regulatory burden on waterfront properties; impacts the adequate supply of developable land in the harbor; and is unbalanced in that it favors environmental protection to the detriment of the working harbor.

We appreciate the opportunity to comment on this important policy document. We will submit specific policy amendment requests for your consideration in the near future.

Sincerely,


Jack Isselmann
President

Established in 2005, the Working Waterfront Coalition, with its extensive knowledge of harbor industry needs and active industry participation, is dedicated to working with its partners to ensure an appropriate balance between environmental concerns and the needs of river-related, river-dependent employers. Portland's Harbor is a vital employment area: home to thousands of valuable high-wage, high-benefit jobs. In addition, WWWC members are conscientious stewards of the environment, making significant investments in the harbor consistent with state and federal laws and regulations to reduce the impacts of human activity on the harbor's ecological resources