



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

OREGON CHAPTER

VIA E-MAIL (PDXCOMPPLAN@PORTLANDOREGON.GOV)

March 13, 2015

Portland Planning and Sustainability Commission
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Re: PSC Comprehensive Plan Testimony, related to Testimony Related to
2035 Comprehensive Plan (July 2014 Draft) Goals and Policies and the
Economics Opportunity Analysis

Dear Portland Planning and Sustainability Commission:

NAIOP, the Commercial Real Estate Development Association, is one of the leading organizations for developers, investors, owners & operators, brokers, and related professionals in office, industrial and mixed-use real estate throughout the United States, Canada, and Mexico. The Oregon Chapter's members represent a broad and diverse range of companies involved with commercial real estate activities in the Portland metropolitan area, including developers, owners, brokers, and managers, along with other professionals providing legal, finance, title, engineering, architectural, construction, and other services.

One of the issues that is most important to NAIOP's members is that the City, and our region, include an adequate number of sites to accommodate projected employment demands. While land that is available over the long term is an element of planning, our focus is on sites that are readily available for productive use. For this reason, we have partnered with Metro, the Port of Portland, Portland Business Alliance, and Business Oregon since 2011 in a series of studies of the region's supply of large lot industrial land [*Land Availability: Limited Options, An Analysis of Industrial Land Ready for Future Employers*. Value of Jobs Coalition (2012, updated in 2014)].

It is through this site availability lens that we analyzed the draft comprehensive plan and monitor the City's Goal 9 work, including the Economic Opportunities Analysis ("EOA"). As detailed below, while Chapter 6: Economic Development includes policies supportive of economic growth, we are very concerned that prosperity is unachievable because Chapter 7: Environment and Watershed Health will prevent job retention and growth.

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Lack of Balance in the Comprehensive Plan

Chapter 7 currently requires the “protection” of many resources, which likely means that development is prohibited, regardless of quality of the resource, the economic and equity consequences of prohibiting development, and regardless of the ability to avoid, minimize and mitigate potential negative environmental consequences. We understand that the PSC has considered this “balance” issue.

Requested Solution: We request that the comp plan policies be revised so that the term “protect” is used in a more restrained manner. Additionally, we request that the comp plan specifically define “protect” so that it is abundantly clear that the City does not intend for the term to prohibit development, which is a departure from how “protect” has been interpreted in the past.

Refinements in Chapter 6: Economic Development

We believe that Chapter 6: Economic Development includes Goals and policies that will help our community prosper, although some refinement is appropriate. For example, we support that the draft plan includes a policy directed at the Portland Harbor Superfund (Policy 6.40), and we appreciate the City’s recognition that industrial jobs are relevant to our community’s equity goals. However, we believe that these important policies could be strengthened.

Additionally, we understand that the EOA relies upon the City’s business-friendly business climate as a means to increase the capacity of our limited supply of industrial land. This concept needs to be elaborated upon in the comp plan, particularly given the lack of balance between Chapters 6 and 7, and the City’s recent history in imposing (or considering imposing) significant mitigation measures on employment uses, such as Airport Futures, the River Plan, West Hayden Island and Pembina’s proposed propane export terminal.

Requested Solution: Revise the comp plan so that Superfund and brownfield remediation efforts are increased, so that the link between equity and industrial jobs is strengthened, and meaningful and measurable gestures that ensure a fair, predictable and not overly-burdensome regulatory climate.

Site Specific Needs Must Be Emphasized

Another major concern is that Chapter 7 does not acknowledge the site needs or operational characteristics of industrial uses, and requires the introduction of vegetation regardless of whether there is an impact on the functionality of the use. These issues raise serious concerns about the erosion of the city’s industrial land supply, from both a total acreage perspective and ability to feasibly provide jobs on the land that is remaining.

Requested Solution: Revise the comp plan policies to acknowledge that the functionality of industrial sites, which includes operating in a financially viable manner, must be maintained.

Preliminary Concerns with the EOA

We understand that an updated draft to the EOA is forthcoming, and there will be additional opportunities to provide public comment. In the meantime, there are two issues that are of concern to our members.

1. The forecasted marine commodity demand has been reduced -- The marine terminal commodity movement demand forecast has been reduced so that now only the low end demand will be met. The 2012 EOA assumed a mid-range cargo forecast, which was described, at the time, as the “most likely scenario.” We understand that the basis for the reduction is the City’s likely policy choice to not assume that West Hayden Island will be developed within 20 years. We urge the City to not let this presumed outcome dictate the assumptions in the EOA, particularly when the assumption (cargo demand) sends a strong message about whether the City is open for business.
2. Accountability for, and reasonableness of, capacity creating measures -- It appears as if the measures that the City is relying upon to increase industrial land capacity are ambitious. For example, the conversion of golf courses is assumed, even though the owners are on record objecting to a change in use. Additionally, the assumed brownfield remediation rates exceed historic rates, notwithstanding the significant uncertainty related to Superfund. We understand that the capacity management approach is a potential method for determining whether the assumed capacity generating measures are working. We support the inclusion of metrics of success. However, we wonder whether it is premature for the EOA to take credit for the success of these significant capacity generating measures from the outset.

Thank you for the opportunity to comment on the com plan and EOA. We look forward to continued participation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kelly Ross", with a long horizontal flourish extending to the right.

Kelly Ross
Executive Director