



October 13, 2015

Planning and Sustainability Commission
1900 SW Fourth Avenue, Suite 7100
Portland, Oregon 97201

Dear Chair Baugh and Commission Members:

The Portland Business Alliance (Alliance) appreciates the opportunity to comment on the Employment Zoning Project. The project is a step in the right direction toward meeting growth capacity shortfalls in the Portland Harbor, Columbia Corridor and dispersed employment areas in the city of Portland. We commend Bureau of Planning and Sustainability (BPS) staff for their attempt to achieve more efficient use of industrial land and mixed employment areas.

The Employment Zoning Project proposes map and code amendments such as a prime industrial overlay that better align land use with middle-income job growth. The project is absolutely critical to preventing the extraneous conversion of prime industrial land which is a significant generator of middle-income jobs, particularly for those with less than a four-year college degree. As the Alliance's *Middle Income Jobs Report* shows, our region has regained jobs lost at the low- and high-end income levels, but we have not regained all middle-income jobs lost during the recession. In addition, BPS' own report, *The Industrial Middle of Portland's Changing Income Distribution*, finds that communities of color and East Portlanders frequently rely on jobs on industrial lands. The middle-income jobs that industrial and mixed employment areas generate are significant for achieving an equitable city as previously outlined in the adopted *Portland Plan*.

Since the last comprehensive update, the city of Portland has lost about 1,000 acres of industrial land that have been converted to other land use designations. We understand that market forces evolve and play a significant role in driving demand for different types of development, whether it be residential or industrial for example. This project strikes the right balance between ensuring that there is an adequate supply of industrial land and still preserving the right to a legislative zone change. In other words, the project discourages conversion but does not absolutely restrict it. For example, the mitigation fee proposed does not prevent one from converting industrial land but will cause people to pause and consider carefully the opportunity cost and value of conversion.

While we appreciate strategies such as brownfield redevelopment and golf course conversion to address our shortage of industrial and mixed employment areas, these options are aspirational at best and do not reflect market realities. It is, therefore, critical that the pragmatic amendments proposed in the Employment Zoning Project be made to protect our limited supply of industrial land.

The Employment Zoning Project will also help offset policies that hinder an adequate supply of industrial land and the potential for development within the proposed 2035 Comprehensive Plan.

We understand, for example, that strategies to update environmental zoning in the Columbia Corridor and harbor industrial districts, are estimated to reduce industrial development capacity in these areas by about 150 acres.

The Employment Zoning Project not only attempts to make up for this shortfall but also addresses the need for habitat protection and enhancement and improved access to public open space.

Thank you for your consideration of these comments.

Greater Portland's Chamber of Commerce

Sincerely,

A handwritten signature in black ink that reads "Sandra McDonough". The signature is written in a cursive, flowing style.

Sandra McDonough
President & CEO

cc: Portland City Council
Susan Anderson, Bureau of Planning and Sustainability