



PORTLAND BUSINESS ALLIANCE

Leading the way

December 28, 2011

André Baugh, Chair
Portland Planning and Sustainability Commission
c/o Portland Bureau of Planning and Sustainability
1900 SW Fourth Avenue, Suite 7100
Portland Oregon 97201

Dear Chair Baugh and Planning and Sustainability Commission Members:

The Alliance appreciates the opportunity to comment on the Portland Plan Proposed Draft. The draft represents years of input from stakeholders, including the business community. We appreciate the comprehensive depth and wide spectrum of policy items in the draft. We agree with the goals of the plan to set a path forward for Portland, and that the city should focus on raising the quality of life for all residents by 1) increasing wages and incomes through promoting employment opportunities; 2) improving educational outcomes so Portland citizens can succeed in the local and global economy, and, 3) improving transportation access to and within the neighborhoods and districts of the city.

While all of these efforts are well intended, we are concerned with the city's ability to implement the objectives and the many short-term action items in this plan. This concern is based on the fact that 1) the plan lacks prioritization of action items; 2) it lacks guidance on how to resolve potential conflicts between action items and, 3) the plan is not financially constrained and there is no funding strategy.

We fear that, without prioritization, very little of this plan will be accomplished. And now, more than ever, Portland needs some focused action. A recent study shows that Portland-metro area employment fell deeper in the 2008 recession than peer cities and, due to this, recovery is taking longer. Some Oregon economists document that nearly half of the jobs lost will not return in economic recovery. This means that job creation and economic growth is twice as challenging and twice as important. Compounding this economic crisis, the city has millions of dollars in deferred maintenance of important infrastructure projects. The city's budget suffers shortfalls to pay for basic services such as public safety and human services. And the land supply for development is becoming more constrained with very few tools to offset the increased cost of density, environmental remediation and other constraints.

Therefore, the Alliance urges the city to re-organize the Portland Plan with a prioritization structure so that the objectives can be accomplished in the next 25 years. Specifically, we recommend that the city do the following:

1. Prioritize the strategies in the plan. Prioritization will give decision makers a parameter for timing and resource allocation for action item implementation. This will also give the city a framework to address inherent conflicts between goals and ensure that the action items will be implemented as efficiently as possible.

2. Make Economic Prosperity the priority focus of the five-year action plan. Setting growth of Portland's economy as the top priority of the Portland Plan ensures success on many levels. First, raising individual's incomes and wages directly improves quality of life. Increased earnings allow individuals to pay for their basic needs and create household stability and reduces the demand for public services. Creating well-paying jobs for all Portlanders will go farther than any other single objective in the plan to addressing the important equity objectives throughout the plan.

Second, many of the plan's action items that are essential to securing a prosperous and livable city require resources – staff support, infrastructure investments, redevelopment and subsidies and incentives for desired outcomes. However, current public resources cannot even address the existing unmet needs and deferred capital maintenance. Therefore, the city must do everything it can to grow the economic base, so that there are resources to pay for all of the Portland Plan action items. This means that creating jobs, retaining and expanding firms, and ensuring a favorable business environment, must be the priority of the first five years.

2a. The Alliance recommends the Economic Prosperity and Affordability goal be the Portland Plan's primary objective. Within that goal, we suggest the following language (as amended – added in italics, omissions in strikethrough):

- **Workforce Development: Align workforce development demands with curriculum.** (Portland Plan Economic Prosperity & Affordability Action Items #4, 41) Align workforce development efforts *in high school and postsecondary curricula* to match the skill needs of ~~targeted~~ *all industries*. Focus, align and expand workforce training programs and higher education degree programs to prepare job seekers for long-term employment at a self sufficient wage.
- **Traded-Sector Business Growth: Focus on growing traded-sector industries.** (#1, 2) Focus business development resources on enhancing the competitiveness in the five target clusters...*and other industries, including manufacturing and traded sector industries.*
- **Employment Land Supply: Ensure an adequate supply of industrial/employment land.** (#20, 21, 22, 24, 31) Brownfield Investment: Pursue legislative changes and funding sources to accelerate clean up of brownfields, *in particular, sites in the Portland Harbor Superfund Area*. Develop a strategy to address the impediments to redevelopment of brownfields.

Industrial Site Readiness: Assemble *and improve market readiness of at least one* new shovel-ready 25 acre or larger *industrial sites in the city of Portland to help address the regional need for large lot industrial land supply.* ~~For environmentally-sensitive industrial development as a pilot project for advancing both economic and natural resource goals in industrial areas.~~ *Modify Healthy Connected Neighborhood Action Item #25 to be consistent with this action item.*

Growth Capacity: Plan for adequate growth capacity to meet projected employment land shortfalls in the Comprehensive Plan, including industrial districts, *harbor-dependent employment lands*, multimodal freight facilities, campus institutions and commercial corridors in underserved neighborhoods.

Central City Office Development: Develop incentives or other supports for accelerated office development ~~particularly in expanding Class B and C markets~~, to improve Portland's share of regional office development.

- **Business Support Tools: Create finance tools to support entrepreneurial and small business.** (#28, 29, 32)

Entrepreneurship and micro-enterprise: Focus city resources for micro-enterprise development, entrepreneurship skill development and on supporting the growth and development of *small businesses.* ~~neighborhood based businesses and provide those services at the neighborhood level.~~

Business resources: Increase knowledge of resources available for small business development.

Financial tools: Increase financial tools to support neighborhood business development and catalytic redevelopment projects *both inside and outside urban renewal areas.*

- **Freight Mobility: Re-emphasize the priority of multi-modal freight; maintain and improve access.** (#15, 16, 17, 18) Freight Strategy: Develop a freight rail strategy to enhance and improve *rail access, travel time*, and the efficiency of rail operations within the Portland region to support growth and operations *of the industries in the region and the movement of goods to market.*

Strategic investments: Update and *give priority to* implementation of the next five-year increment of the Tier 1 and 2 projects in the Freight Master Plan and the Working Harbor Investment Strategy to improve freight mobility.

International service: Implement strategic investments to maintain competitive international market access and service at Portland's marine terminals and PDX.

Sustainable Freight: Implement Portland's Sustainable Freight Strategy to *support efficient freight mobility on the entire freight system* ~~reduce the need to travel to work by single occupancy vehicle, support increased urban density and improve the efficiency of the freight delivery system.~~

- **Workforce Housing: Supply financial tools that facilitate development and retention of housing for all spectrums of the workforce.** (# 35, 37) Housing Security: Remove barriers to affordable housing for low *and middle*-wage workers and other low income households, through the Fair Housing Action Plan and housing placement services.

Moderate-income workforce housing: Facilitate private *and public* investment in moderate-income (80 – 120 percent MFI) housing to expand affordable housing options for both renters and homeowners.

- **Higher Education and Economic Development: Connect postsecondary curriculum with industries to create tech transfer, spin-offs and innovation.** (#3) University connections: Pursue connections between *postsecondary institutions* ~~higher education~~ and firms in target *and manufacturing and traded sector* industries, whereby institutions help solve technical challenges facing commercial firms by turning ~~university~~ *curriculum*-based innovations into commercially viable products.

Potential conflicts to promoting economic prosperity in this section:

- #12 Eliminate the proposal for the Broadband Tax, as residents and businesses cannot support any new taxes and fees until the economy has recovered to pre-recession levels.
- #7 Whether or not there should be a dedicated funding mechanism for the Arts is not appropriate for inclusion in a planning document. There are funding shortfalls in every goal in the plan and it is inappropriate to single one goal out in this way.
- #9 Do not create a separate action item for Green Recruitment unless you are also going to create an action item for all cluster industries. This long-range city-wide plan is an inappropriate place to include single-industry strategies. The Plan should provide broad-based, multi-industry economic development strategies. The appropriate place for policies targeting single industry recruitment and other economic development strategies is the city's Economic Development Plan.

2b. The Alliance recommends the following specific Healthy Connected Neighborhood items (as amended – added in italics, omissions in strikethrough) to be prioritized, as they are supportive of the Economic Prosperity goal:

- **Quality Public Infrastructure: Add capacity to accommodate growth.** (Portland Plan Healthy Connected Neighborhood Action Item #5): identify *streets and other infrastructure facilities of citywide significance to mirror the strategic use of funds that the Portland Bureau of Transportation is currently trying to do.* ~~risk of failure.~~ Prioritize these assets for monitoring, planning and investment to protect human and environmental health and *economic activity as demand for use increases.*
- **Transit and Active Transportation:** (#10): Identify pedestrian *and transit* barriers on *streets of citywide significance and to neighborhood hubs*, develop priorities for investment, and implement policy changes to ensure *optimal flow of people, goods and services of the whole system.* ~~hubs have safe and convenient pedestrian connections.~~
- **Healthy and Affordable Food:** (#11, 12): Incentivize businesses to provide healthy products for the customer.

- **Resource Conservation: (#17):** Pursue ecodistrict partnerships and support collaboration among building owners to improve environmental performance at a district scale.
- **Planning and Investment: (#37):** Develop a strategy for more adequate, stable, and equitable funding for development, long-term maintenance and management of transportation and ~~green~~*other critical* infrastructure systems.

Potential conflicts to promoting economic prosperity in this section:

- Guiding Policy of “reestablish(ing) functioning habitat corridors within Portland by preserving existing habitat and restoring degraded natural resources and reconnecting habitat corridors wherever possible” (emphasis added) will often be in conflict with both the regional density goals to accommodate growth and efforts to ensure an affordable employment land supply.
- Guiding Policy of “us(ing) the healthy connected city framework... to coordinate policy, land use and investment decisions” is problematic. We suggest using the economic strategy, the freight strategy, and other adopted strategies to coordinate these decisions.
- #4, #5 Add “economic impact” to decision and investment criteria when addressing watershed impacts. If not amended to include economic value, it is an unbalanced decision matrix and a potential conflict to economic prosperity.
- #6 Developing a healthy community index without a clear method of how this information will be used is concerning, and how this is aligned with city and county agreements for service is unclear.
- #8 The market is better able to address these needs than governments. This technology is changing too quickly and unpredictably for the city to productively respond (see unused free wi-fi network). The city should not risk its limited resources with heavy investments in a technology that is likely to become obsolete when the market will take that risk on behalf of the customers.
- #23 Citywide natural resource regulations and regulatory processes that add to or go beyond state and federal protections create unnecessary complexity, cost and uncertainty for those making an investment in the city.
- #33 Do not apply a specific amount to any one project unless all projects are assigned an amount. Keep action items consistent.
- #36 Transportation policies must address a city wide strategy that targets streets of citywide significance, accommodates all modes and prioritizes increasing capacity to accommodate growth. Do not prioritize one mode over another.
- #39 Developing new standards and guidelines in specific areas creates competitive disadvantages and disparities.

2c. The Alliance recommends the following specific Thriving Educated Youth items (as amended – added in italics, omissions in strikethrough) to be prioritized, as they are supportive of the Economic Prosperity goal:

- **College and Career Exposure:** (Portland Plan Thriving Educated Youth Action Item #1) Support summer jobs, job training and career and college exposure through strategies such as Summer Youth Connect.

- **College Access:** (# 2, 3) Develop and expand initiatives that support access to and completion of a minimum of two years of post-secondary education or training leading to a career or technical credential, industry certification and/or associates degree. Expand access to and participation in college access and dual enrollment programs through partnerships between K-12 and *postsecondary* education.
- **Effective Public-Private Partnerships:** (#7) Increase private partnerships with schools, and in doing so, number of career-related learning options and dual-enrollment high school students taking college credit-bearing classes.
- **Measurable Progress:** (#10) Track youth outcomes using educational, social and community indicators collectively developed through the Cradle to Career initiative to help ensure that Portland youth are making progress towards educational success and self-sufficiency.
- **Safe Living Environment and Family Support:** (#14, 15, 17, 18, 19)
- **Early Childhood Investments:** (#20) Invest in preschool programs, home visits and other efforts designed to improve the quality and availability of child care for families in poverty.
- **Healthy Lifestyles:** (#21) Continue programs that increase children's physical activity and healthy food choices in schools.

3. Make the range of aspirations for the Measures of Success consistent and focus them on supporting economic growth. As mentioned above, the cost-constrained reality of our public resources will make implementation challenging. The action items and objectives in this plan are important guidance to the regulatory and incentive alternatives used to implement the city's Comprehensive Plan. Therefore, we urge the city to measure actions relative to their ability to support economic growth.

Thank you for your consideration of these comments. The Alliance and its members have spent years contributing to the Portland Plan because it is a very important roadmap to our collective success. We believe that quality of life for every citizen starts with a well-paying job. We will continue to offer our insight and suggestions on making this happen in a way that accomplishes other important goals at the same time. Please contact us to expand on any of these concepts and recommendations in this letter.

Sincerely,



Sandra McDonough
President & CEO

cc: Portland Planning & Sustainability Commission
Susan Anderson
Joe Zehnder