Preliminary draft policy concepts for discussion on industrial land use, July 5, 2012

Preliminary policy concepts

- Industrial areas Foster the retention, growth potential, and traded sector competitiveness of Portland's industrial areas as the Columbia Basin's international trade and distribution hub and a regional center of diverse manufacturing.
 - a. Industrial sanctuaries Encourage the growth of industrial activities in Portland by providing industrial sanctuaries that preserve industrial districts primarily for manufacturing and distribution facilities.
 - **b.** Prime industrial land and freight hub Preserve the multi-modal freight-hub industrial districts at Portland Harbor, Columbia Corridor, and Brooklyn Yard as prime industrial land, and maximize use of multimodal freight infrastructure in these areas.
 - c. Dispersed industrial areas Expand convenient access to living-wage jobs and industrial services by providing small, dispersed areas of industrial and mixedemployment land.
 - **d.** Industrial land intensification Emphasize approaches to increase land efficiency as Portland's primary long-term opportunity to expand industrial growth capacity.
 - **e.** District expansion Provide opportunities for expansion of industrial districts that optimize community objectives and incorporate additional natural area.
 - **f.** Relation to watershed health Improve watershed health concurrently with industrial growth in industrial districts.
 - **g.** Neighborhood buffers Reinforce the use of major natural or man-made features as boundaries and buffers for industrial areas.

2. Central City

a. Central City Industrial areas – Preserve and foster the long-term success of Central City industrial areas as affordable centers of business incubator activity, while supporting diverse commercial growth along civic corridors.

Commentary

Portland is the heavy industrial core of the region and is the location of Oregon's largest seaport, largest airport, and the nexus of its two Class 1 railroads and two interstate highways. In 1980, the comprehensive plan adopted a progressive industrial sanctuary policy that reserved industrial districts for industrial growth, in contrast to typical mixed-employment industrial zoning. Since then, the Portland metro area has had exceptional industrial growth, and the city remains a preferred industrial location. In the 2000-2008 period, Portland and the metro area lost industrial jobs, but contrasting trends indicate that regional manufacturing "output" far outpaced service sector growth, and freight tonnage handled in the region (concentrated in Portland) is also growing robustly.

Current zoning provides only 57% of capacity in the combined harbor and airport industrial districts ("Columbia Harbor") to meet forecast demand to 2035, 21% in Harbor Access Lands (part of Columbia Harbor), and 80% in the Dispersed Industrial areas in neighborhood settings, according to the draft EOA. The Portland Plan calls for achieving the Metro and EOA employment forecast and providing adequate capacity to meet identified shortfalls of institutional and industrial land. The ability to do so on balance with other city objectives depends on the mix of policy options and implementing actions chosen. Examples of capacity expansion options include increasing brownfield redevelopment, public investments and business climate initiatives that encourage intensification of existing industrial land, and limited opportunities for new industrial land.

Portland Harbor and Columbia Corridor are also regionally significant locations of natural resources and priority areas for improving watershed health. Endangered fish listings and designation of the Portland Harbor Superfund site have elevated watershed health priorities of these districts. Moreover, industrial land has substantially lower job-density than other employment land types. Other advantages support accommodating continuing industrial growth, including its roles in supporting traded sector growth and specializations, expanding access to self-sufficient income levels, and efficient use of Portland's freight-hub industrial infrastructure.

The highlight of Central City job growth since 2000 has been its industrial/incubator districts, which along with campus institutions were the city's only employment geographies with rapid job growth exceeding 3% annually. However, the current development capacity in the Central City Incubator/ Industrial subdistricts is only 40% of forecast demand. Examples of options to meet that shortfall include expanding zoning allowances for industrial office space, incentives to overcome regional competitiveness gaps for class B/C office development, and public investments to encourage intensification.