

What We Heard from the Economic Development Policy Expert Group On the Working Draft Part 1 of the Comprehensive Plan Update

Draft May 10, 2013

The Economic Development Policy Expert Group (EDPEG) discussed draft goal and policy concepts for the Economic Development chapter of the Comprehensive Plan Update at their first four meetings from June through September 2012. Their input was incorporated into Economic Development Chapter 3 of Working Draft Part 1.

At their meeting on March 20, 2013, the EDPEG provided overall comments on the Working Draft, focusing discussion on Chapters 3, 4, 5, 7 and 8. PEG members identified concerns and opportunities raised by draft goals and policies, **looking through the lens of economic development**. The purpose of the discussion was to provide input to staff, not to achieve agreement in the Working Group. Nevertheless, some of the comments reflected widely-shared viewpoints. The discussion is summarized below in seven themes, with specific recommendations and comments within each theme.

1. Role of the City in the business climate

Members expressed concern from their first meeting that improving Portland's reputation as a business-growth-oriented city should be a priority for the Comprehensive Plan Update. Improving Portland's regulatory business climate was the main topic of the EDPEG's December 2012 meeting, and their discussion is described in the [summary notes](#) of that meeting. Concerns included perceptions of wide differences between Portland and other local jurisdictions; that City processes should be more navigable for small businesses and start-ups; and that the participatory spirit in Portland can lead to inertia because of the many public interest groups. Meeting materials included the [Portland Plan Business Survey Results summary](#), which found that business respondents ranked taxes and regulations as the biggest barriers to their business's success over the next 25 years.

Some recommendations on the Working Draft:

- The Working Draft does not speak about the City being "business-friendly," with an attitude of problem-solving, customer-service, and responsiveness. "Nimble" development review was specifically highlighted.
- Staff pointed out that business climate provisions of the earlier draft were moved to the Implementation chapter. Several members suggested that these policies should be in the Economic Development chapter as well as the Implementation chapter, even at the risk of redundancy.
- It should be easier to do business in Portland. Small business should be more explicitly supported. Issues of communication and fees were cited. Immigrants were specifically called out and several members highlighted the importance of diversity awareness in policy implementation.

2. Economic equity

The Portland Plan called for more attention to inclusive economic development that increases the share of the population with self-sufficient incomes, reduces disparities, and

aims to check the widening income gap in long-term economic trends. In turn, EDPEG discussions explored different ways of applying an equity lens more deliberately in policy development and asking who benefits. The EDPEG's November 2012 meeting focused on equity (see [summary notes](#)). Examples of concerns: the concentration of brownfields in East Portland; more consideration for who benefits and who is burdened by major development projects; and the link between industrial land supply and creating more family-wage jobs that don't require advanced education.

Some recommendations on the Working Draft:

- "Job growth" should be called out more explicitly in the chapter introduction.
- Add public health to the list of public program targets cited in Policy 3.25: Poverty reduction and "connecting the dots to indicate how the pieces fit together."
- The Poverty reduction policy is consistent with the Portland Plan and Multnomah County Anti-Poverty efforts.
- "We need to encourage development without displacement."
- The unfortunate reality is that the Comprehensive Plan serves some people better than others because some cannot afford lawyers.

3. Policy reconciliation among chapters

EDPEG members believe that some broad changes in direction are needed to make progress on the challenging economic trends of flat job growth, perceptions of unfriendly business climate, increasingly competitive global marketplace, and widening economic inequities. They are concerned that Economic Development policies will be ignored if policies in other Comprehensive Plan chapters differ. A variety of potential conflicts between chapters are described in themes 4-7 below. The Working Draft would benefit from clearer direction for resolving conflicts, setting priorities, and integrating policies for allocation of scarce land and other public resources.

Some recommendations and comments on the Working Draft:

- Many group members asked for more clarity, prioritization, direction, and specific directives. Tough decisions will have to be made in the future, and it will be helpful if policy-makers have clear direction from the Plan.
- "As time goes on, policy-makers will be less connected to a Plan they didn't have a hand in."
- "Tough challenges demand clarity rather than 'Portland nice.'"
- "So far, this looks like all things to all people."
- Several members like the idea of a summary or consolidation chapter.
- In general, members argued for simplicity, succinctness, and clarity.

4. Linking policies to market feasibility

EDPEG members have expressed repeated support for linking policies more closely to a sound understanding of market dynamics, especially in supplying employment land. Their concern is partly in support for "nimble" City processes and development review responsive to evolving market demand and innovation. A related concern is for market realism in

policies and implementation measures, such as public investments to overcome land-development cost gaps. EDPEG members suggested that land must be used, not just available. This requires financial tools for maximizing land supply and a proactive approach to developing land to create local jobs.

Some recommendations on the Working Draft:

- “The Comp Plan is used to test development proposals. It must adapt to changing market demands.”
- Clarify the “mishmash” of items in Policies 8.16-8.20. Several members suggested that these tools should more strongly encourage private investment.
- The 80 percent target in the Policy 3.10 on brownfield redevelopment seems to be aspirational. This is fine, but in addition to the “strive” language, the Plan should also have a “count-on” goal. We must be clear about Goal 9.
- “Policies need to promote development of centers, rather than set unattainable standards.” The Plan doesn’t set up public investments needed to make centers development feasible in the market.
- Several members said that the Plan should encourage taking advantage of innovation wherever it sprouts.

5. Economic development and watershed health and environment policies – Chapter 4

The Portland Harbor and Columbia Corridor is a unique, regionally significant location for both industrial land and watershed health. The EDPEG reviewed options to meet projected industrial land supply shortfalls at their [July](#), [August](#), and [September](#) meetings (links to summary notes are highlighted). PEG members generally favored thoughtful and intensive use of current industrial land as the best way to maximize capacity while preserving the environment. However, the likelihood of achieving sufficient industrial capacity gains in this way was questioned. The Industrial Land / Watershed Health Working Group was convened to explore integrated strategies on this challenging landscape. Current draft policies in Chapters 3 and 4 appear to conflict on many key issues in locations that are highly valued for both industrial growth and watershed health.

Some recommendations on the Working Draft:

- Once again, the need was raised for tools and criteria to resolve conflicts among policies.
- One member suggested an explicit discussion of the connection between Watershed Health policies (“protect, enhance, restore”) and Policy 3.4: Business innovation. Several others expressed agreement in principle but questioned how it can be done in practice.
- Concern was expressed about the use of the words “outside of the city” in Policy 4.12 (impact mitigation), when jurisdictional boundaries do not always match other system boundaries or definitions. Replacing “require” with “prioritize” was suggested, to provide more flexibility and discretion.
- The issue of language disparity between Chapters 3 and 4 was raised. Strong verbs were pointed out in both chapters 3 and 4 that are not reconciled.

- One member noted that a lot of discretion in the implementation of environmental policies will create more risk for development. Another member pointed out the conundrum between reducing risk and allowing flexibility.
- The reference in Policy 8.2 to “tight Urban Growth Boundary” is not as helpful as a discussion of “compact urban form.” The group discussed the impacts of the Urban Growth Boundary and how it should be addressed in the Plan. Members agreed that UGB has huge impacts, and not just economic.

6. Economic development and urban design policies – Chapter 5

Design policies in Chapter 5 generally make Portland more attractive for housing and job growth. However, some draft policies in Chapter 5 will conflict with regulatory business climate concerns identified in Theme 1 above and with concerns for better linkage between policy and market feasibility in Theme 4. EDPEG members also identified policies below that could better integrate prosperity objectives regarding job growth in station areas, freight mobility in civic corridors, and residential land use conflicts in industrial districts.

Some recommendations on the Working Draft:

- Policy 5.25: Transit station areas. One member suggested that this policy should include employment areas as well as residential areas.
- Policy 5.26: Greenways. A few members expressed concern about SE 7th as a greenway.
- Several members raised concerns around freight corridors and the lack of policies addressing them. They cited 5.24: Civic Corridors and 5.27: Streets as public spaces as examples of policies that should consider freight movement and their fit on major freight corridors.
- Members discussed the importance of protecting industrial lands and preexisting industrial activity from residential development associated with the civic corridor designation.

7. Economic development and transportation policies – Chapter 7

Portland’s transportation system is critical to Portland’s status as both a regional employment center that relies on long-distance commuting and a West Coast freight distribution hub that supports traded sector growth. But economic prosperity appears to be downplayed in Chapter 7. EDPEG members particularly expressed concern about the proposed green and active transportation hierarchy that sets a low priority on the economic prosperity roles of the transportation system. As an alternative to this modal hierarchy, a more nuanced policy orientation was suggested, emphasizing differences among land uses and acknowledging the special needs of business districts serving the whole region.

Some recommendations on the Working Draft:

- Several members expressed serious concerns about Policy 7.6: Green and active transportation hierarchy. One size does not fit all. Each street is different and must be considered on its own characteristics.
- Several members supported the suggestion that the whole chapter needs to be reframed in the context of the Transportation System Plan. “Transportation should serve land use, not the opposite.” This orientation is reflected in Policy 7.29: District Policies.