

# Working Harbor Reinvestment Strategy



- A 10-year program of public investments in the economic vitality of the harbor industrial districts
- Economic development track of the River Plan

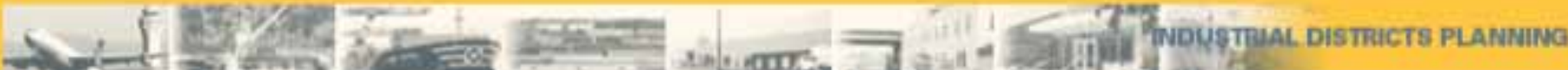


## PROJECT GOALS

- Stimulate industrial reinvestment and competitiveness through public investments in land, infrastructure, and workforce
- Coordinate capital investments by Port, PDC, and City

## WHY NEEDED?

- Priority economic location
- Competitive challenges
- Timeliness
- Environmental, other benefits



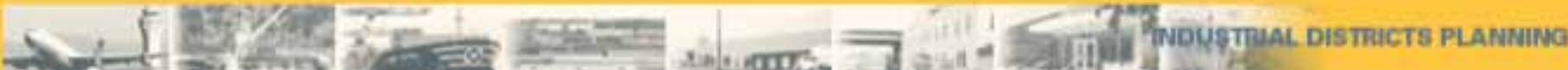
# Partners and Participation

**Project Partners** — The Bureau of Planning will develop the reinvestment strategy in partnership with the Portland Development Commission, Port of Portland, Portland Office of Transportation, Bureau of Environmental Services, and Water Bureau.

**Advisory Groups** — The River Plan Committee (public advisory committee), River Industrial and Economic Advisory Group (industry stakeholders), and Technical Advisory Committee (intergovernmental partners) will review the products.

**Public Outreach** — The reinvestment strategy will be part of the River Plan public outreach efforts, including a project website, presentations to stakeholder associations, brownbags, comment periods, and hearings.

**Adoption** — The reinvestment strategy is proposed to be jointly adopted by Portland City Council, the PDC Commission, and the Port of Portland Commission.



# Phase 1: Hearing from **business**

## Questions:

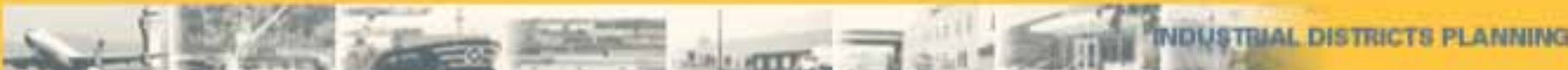
1. What are main investment and growth opportunities in harbor area over next 10 years?
2. What challenges may prevent growth or prompt relocation?
3. What are primary advantages of harbor area to reinforce?
4. What are **business priorities for public investments**?

## Interviews with 40+ business leaders

- ✓ Marine terminals
- ✓ Railroads
- ✓ Warehouse/distribution
- ✓ Heavy manufacturing
- ✓ Other manufacturing
- ✓ Vacant landowners

## 4 focus groups

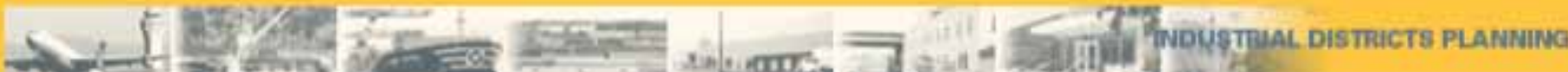
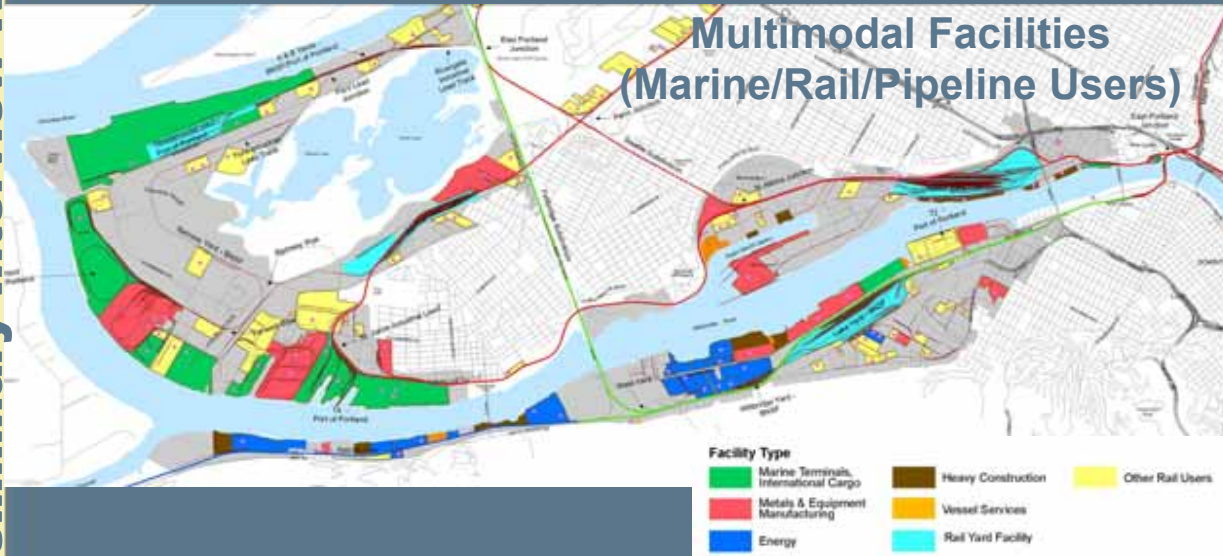
- ✓ Industrial developers
- ✓ Industrial brokers
- ✓ Industrial associations
- ✓ Human resource managers



# Industry is expanding and reinvesting here

*We completed a \$40 million expansion project in 2004, and we're already looking at expanding the building and land area. (marine terminal)*

- Examples abound - \$230 million funded and \$210 million planned on 25 sites
- 5 multimodal clusters, each expanding
- New business models emerging
- Most demand for new sites is not multimodal
- People here expect to be close-in



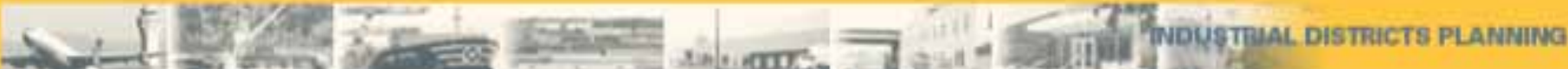


# Overcommitted rail appears most pressing need in multimodal system

- *We're turning down business everyday. We have no room to expand (railroad)*
- *Our biggest business problem is inbound rail infrastructure (marine terminal)*



- Half of region's rail users are in the harbor districts
- Class 1 railroads are rationing limited capacity
- Capital needs exceed railroad budgets
- Rail capacity is limiting marine expansion
- Business: unmet service needs
- Dredging too is critical, moving forward



# Road congestion is widely affecting industry

- *Everyone is freeway access oriented. (broker)*
- *Congestion affects us dramatically. (distribution facility)*
- *We have to factor congestion into our rates (distribution facility)*



- Congestion costs cut across industries
- Congestion often drives where industry locates
- Bottlenecks need attention. Start with I-5.
- A few district bottlenecks were widely cited
- Transit has had costs, limited benefits

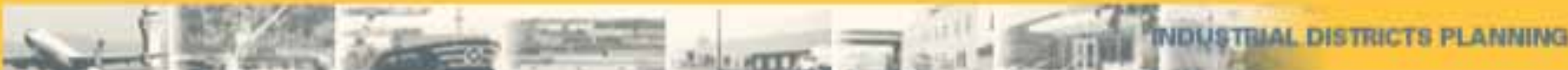
# Tightening land supply is limiting growth options

*We're a land-hungry business (marine terminal)*



Vacant Land and Brownfields

- Large, ready sites are lacking
- Expansion often comes down to land availability
- Companies using land for intensively
- Brownfields offer opportunities, multiple needs
- Industrial sanctuaries are a strength, seen at risk
- Residential encroachment impacts industry

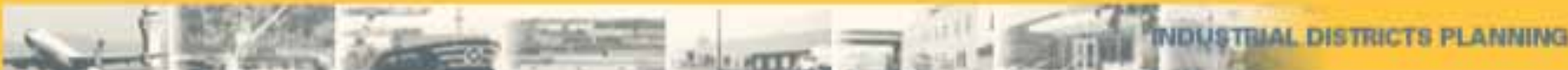




# Mixed reviews on regulations, fees, trails



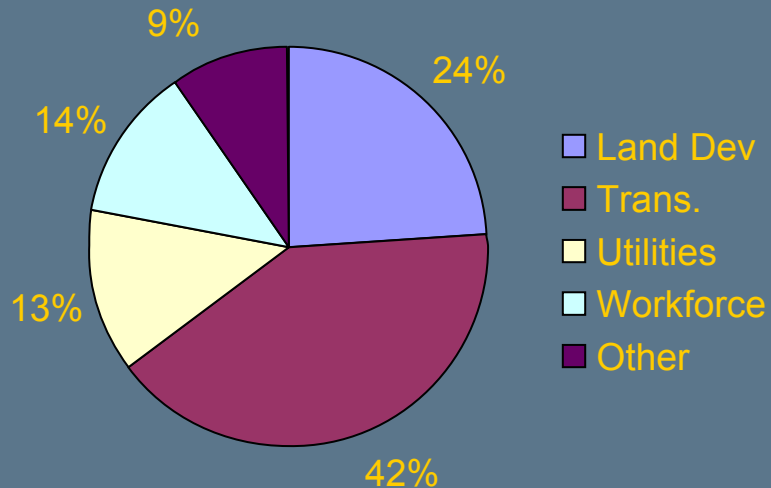
- Permitting is easier, still an investment barrier
- Rules that reduce developable land are difficult here
- Help work through uncertainties of constrained sites
- Stormwater fees are high
- Trails are employee amenity, liability for heavy industry



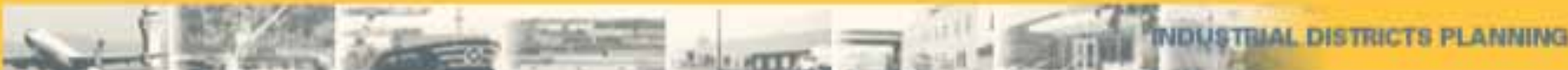


# Industry's priorities here are transportation & land, but as part of a broader strategy

*How would you spend \$100 in public investments?*



- Spend 2/3 on transportation & land
- Workforce and utilities also important, especially for manufacturers
- Hiring challenges significant
- Need overall seaport strategy
- Where will the money come from?



# Next steps



## Reinvestment Strategy

1. Hear from business: interviews
2. Analysis: forecasts, infrastructure needs, interview recommendations
3. Site portfolio: work through constraints
4. Prepare 10-year investment program

## Broader River Plan

