

# Portland Harbor Public/Private Partnerships



Portland's Working Waterfront Coalition  
A Public/Private Response to  
Transitioning Industrial Lands

AAPA Port Property  
Management Seminar  
June 2008

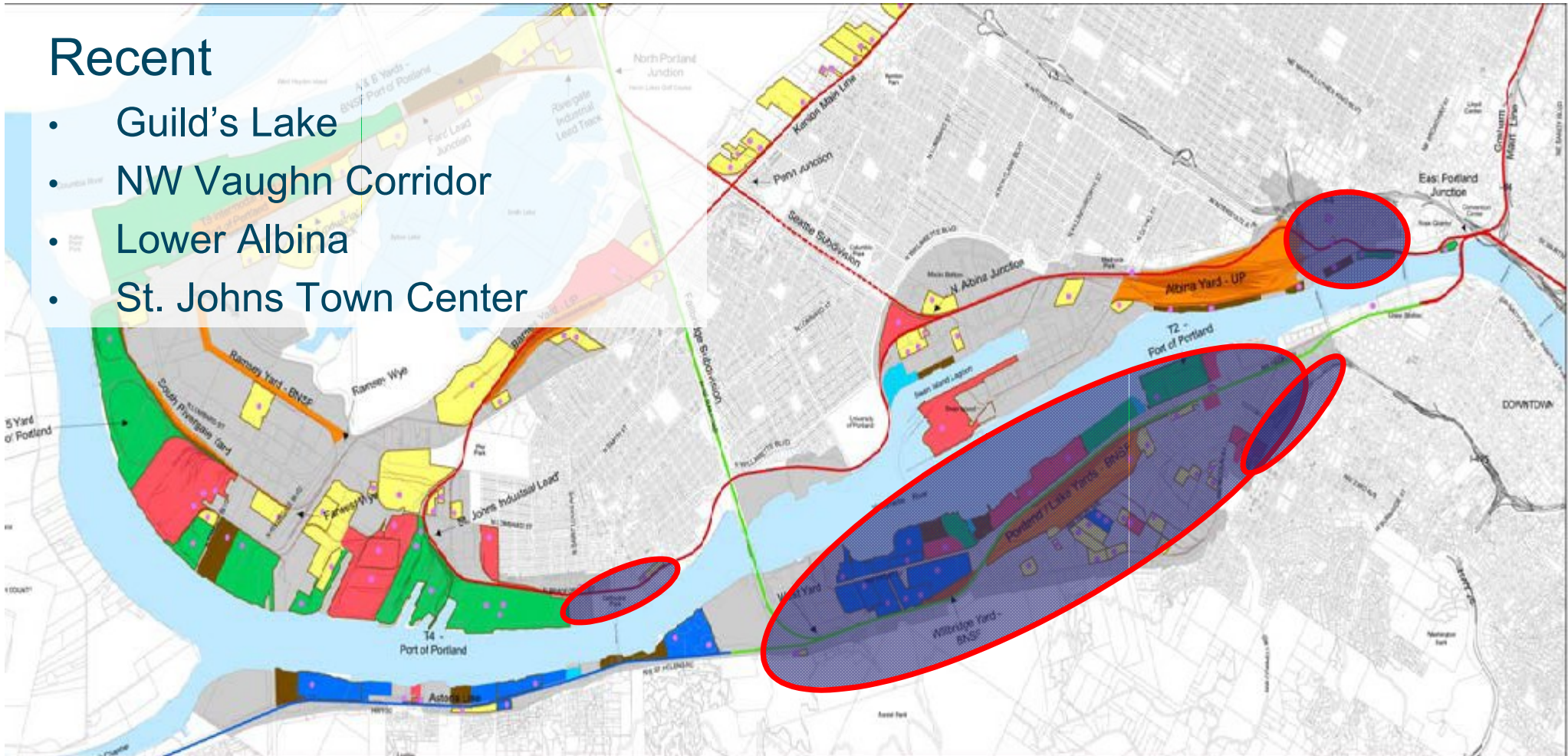
Rob Mathers & Greg Theisen



# Portland Harbor Land Use Challenges

## Recent

- Guild's Lake
- NW Vaughn Corridor
- Lower Albina
- St. Johns Town Center



### Facility Type

|  |  |  |
|--|--|--|
|  Marine Terminals, International Cargo |  Heavy Construction |  Other Rail Users |
|  Metals & Equipment Manufacturing      |  Vessel Services    |  |
|  Energy                                |  Rail Yard Facility |  |



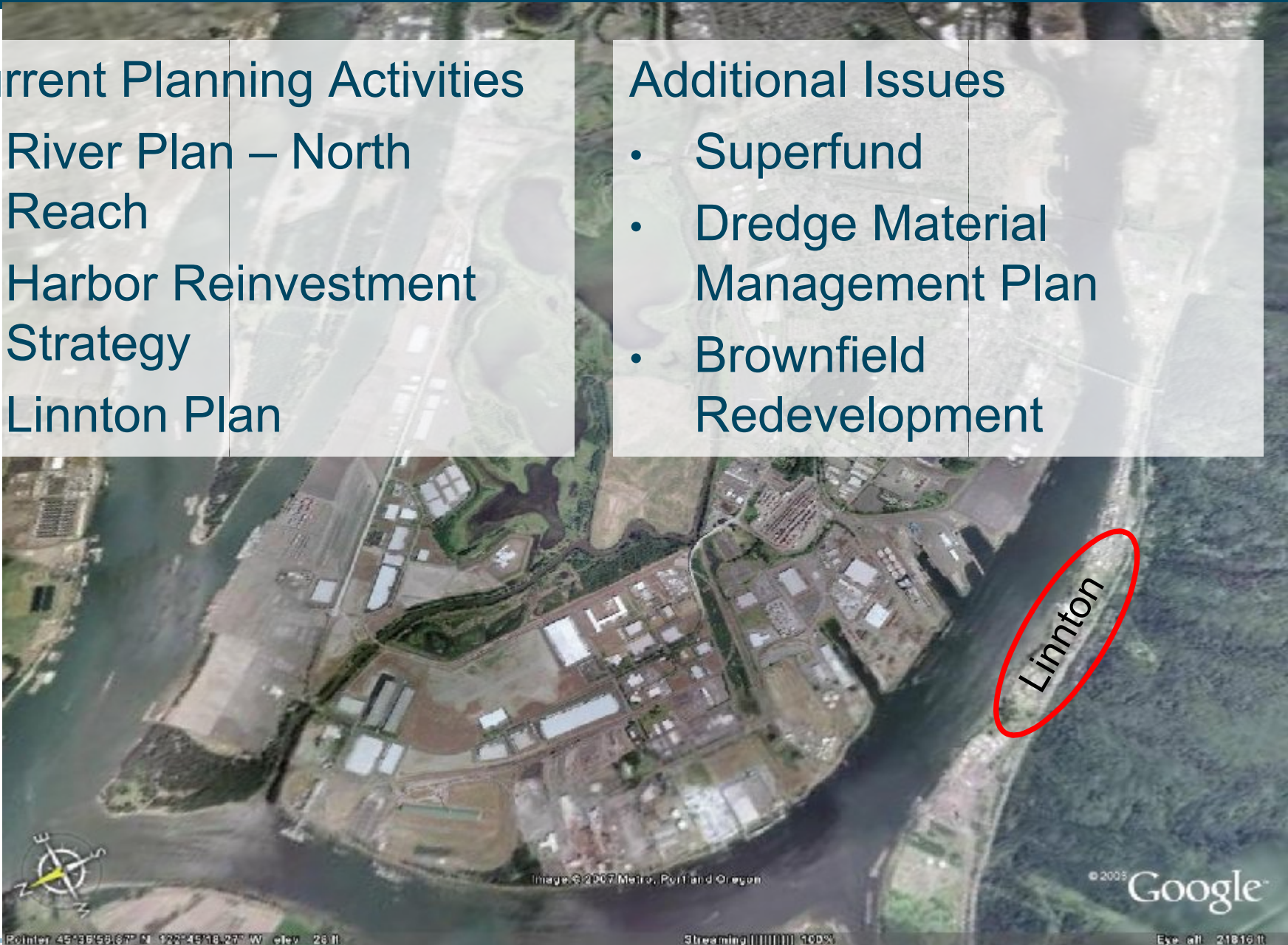
# Portland Harbor Land Use Challenges

## Current Planning Activities

- River Plan – North Reach
- Harbor Reinvestment Strategy
- Linnton Plan

## Additional Issues

- Superfund
- Dredge Material Management Plan
- Brownfield Redevelopment





# Planning Context

## Neighborhood Perspective

- Neighborhood oriented business/town center
- Buffer from industrial uses
- Recreational access to waterfront
- Natural resource protection and enhancement





# Planning Context

## Industrial Perspective

- Adequate industrial land supply
- Protect industrial operations
- Safety and security
- Threat to existing infrastructure





# Infrastructure



- Highway 30
- Olympic pipeline
- Natural gas pipeline
- Willamette harbor channel
- Portland and Western Railroad

# Planning Context

## Location

- Natural buffers
- Infrastructure buffers

## Zoning

- Industrial Sanctuary
- Implements state land use law

## Legislative Process

- Community planning process
- Staff recommendation to Planning Commission
- Planning Commission decision and recommendation to City Council
- City Council decision



# Response to Planning Activities



## Initial Private Company Response – KinderMorgan & BP

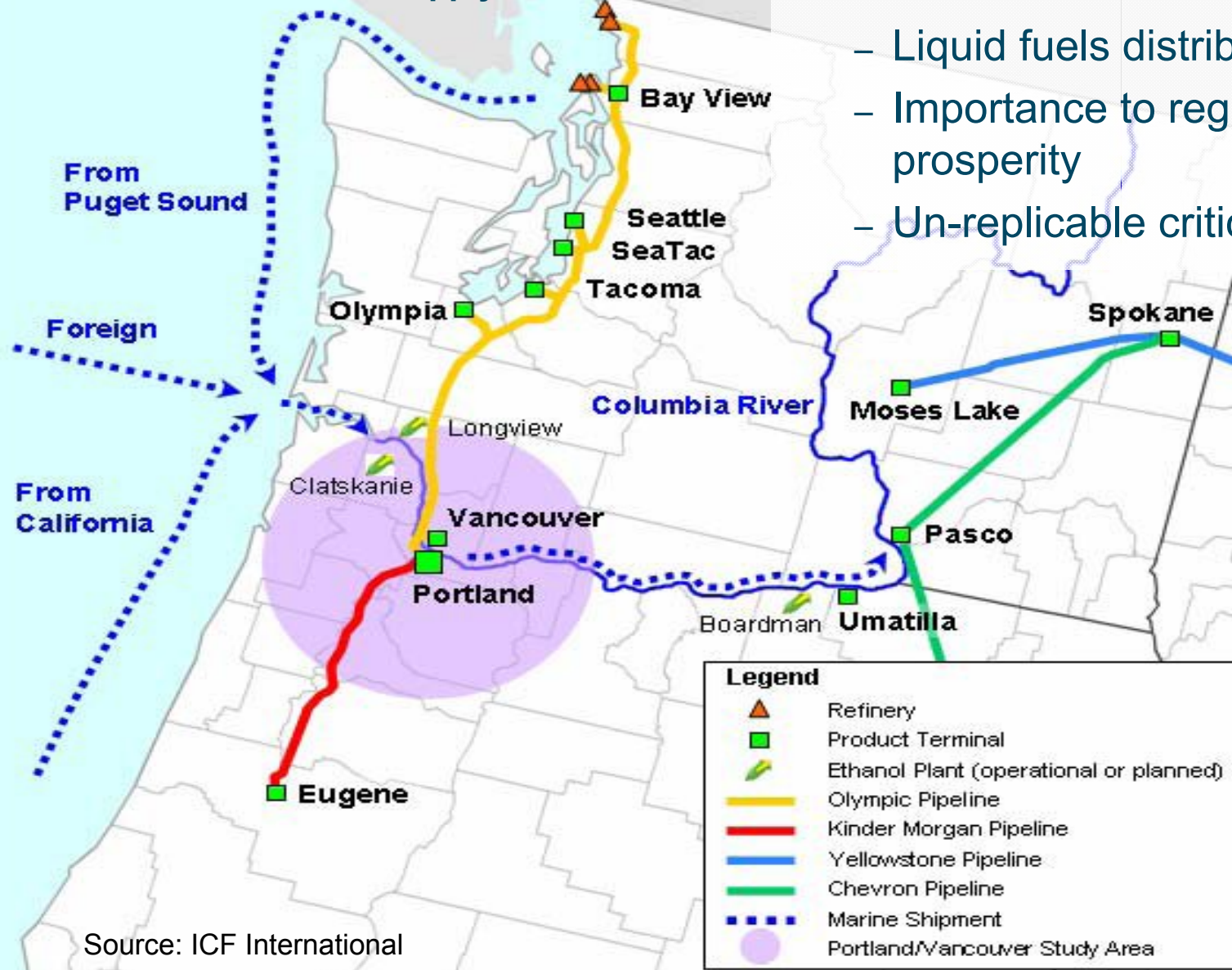
- Incompatible & conflicting use
- Threat to safety, security (facilities and neighbors)
- Threat to long-term operations
- Retain legal counsel
- Hoping for a non-litigation solution





# Response to Planning Activities

## PNW Refined Products Supply Network

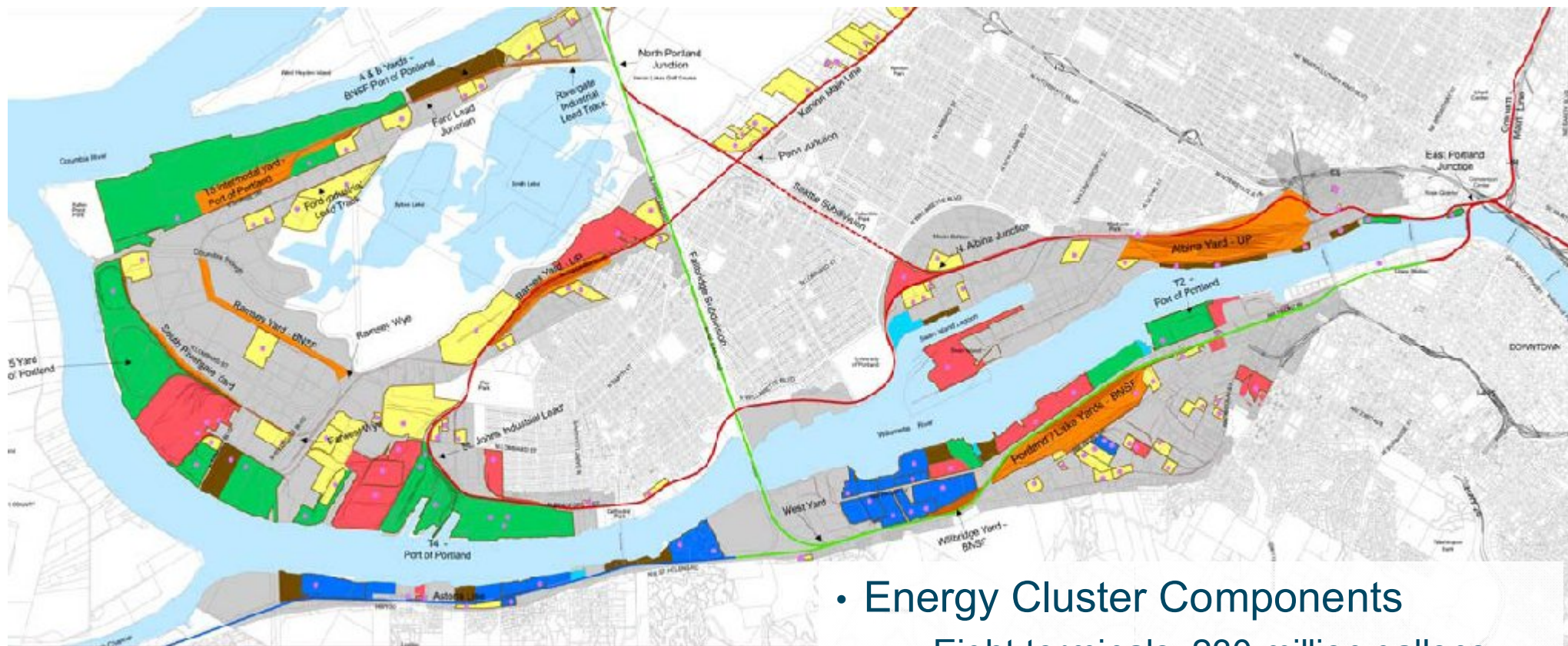


## Context for Concern

- Liquid fuels distribution hub
- Importance to regional economic prosperity
- Un-replicable critical infrastructure



# Portland Energy Cluster



## Facility Type

|  |                                       |   |                    |   |                  |
|--|---------------------------------------|---|--------------------|---|------------------|
|  | Marine Terminals, International Cargo |  | Heavy Construction |  | Other Rail Users |
|  | Metals & Equipment Manufacturing      |  | Vessel Services    |   |                  |
|  | Energy                                |  | Rail Yard Facility |   |                  |

## • Energy Cluster Components

- Eight terminals; 230 million gallons
- 3.2 billion gallons per year
- 97% of all Oregon's supply
- Interconnectivity of four modes
- Interconnectivity of terminals



# Response to Planning Activities

## Need for Broader Response Recognized

- Broader implications – multiple industry impacts
- Response on multiple fronts with more resources
- “Shared” attention – focus not solely on two “popular” companies
- Greater array of issues (dredging, River Plan, etc.)
- Non-litigious solution

## Formation of WWC

- Core members’ nucleus
- Recruitment/commitment of other members
- Informal structure and limited “representation”



Denotes WWC members ●



## Sample WWC Members

| Company                               | Facts   |
|---------------------------------------|---|
| <i>Advanced American Construction</i> | 100-300 employees<br>\$6 mil in new investments             |
| <i>American Waterways</i>             | 200 employees<br>Carries 100,000 passengers/yr              |
| <i>BP West Coast Products</i>         | Part of energy cluster<br>20 tanks store 20 mil gal of fuel |
| <i>Foss Maritime Company</i>          | 100 employees<br>Moves \$ billions in cargo                 |
| <i>Glacier Northwest</i>              | 1100 employees in region<br>\$4.5 mil investments           |
| <i>KinderMorgan</i>                   | 39 employees<br>Handles 1 billion gallons/yr                |
| <i>Olympic Pipeline</i>               | Part of 400 mile system. Provides<br>5,000,000 gallons/day  |
| <i>Evraz Oregon Steel</i>             | 470 employees<br>\$30 mil in new investments                |
| <i>Port of Portland</i>               | 800 employees<br>Generates \$921mil revenue                 |
| <i>Portland Western Rail</i>          | 176 employees<br>Serves 140 businesses                      |
| <i>Schnitzer Steel Industries</i>     | 1700 employees worldwide<br>\$30 mil in new investments     |
| <i>Shaver Transportation</i>          | 90 employees<br>Moves \$ billions in cargo                  |





# Response to Planning Activities

## – WWC Efforts

- Issues identified, message developed
- Mission Statement
- Communication strategy developed/implemented
- Political and community engagement undertaken
  - Collaborative vs. confrontation approach
  - Charrette
  - Sponsored-mediation
  - Preparation for and presence at hearings
  - Outreach – unusual suspects
- Ability to counter-balance on many fronts



# Response to Planning Activities

## City Council Issue Summary

(Prepared by the Working Waterfront Coalition, July 14, 2006)

| Issue                                   | Linnton Neighborhood Association   | WWC Position   | Bureau of Planning Position   | Planning Commission Position  | Implication for City Council                 |
|---|--|--|---|---|--|
| Industrial Land Supply                  | Myth-plentiful supply of industrial land; marginal demand. Heavy industry produces few good jobs | Constrained supply-growing demand. Significant producer of living wage jobs and important multiplier for other economic sectors.   | Agree with WWC's position   | "Competition from residential development could preclude the possibility of increased industrial development of the area" | Fundamental fact question                    |
| Prime Industrial Land                   | Myth-Linnton is not Prime Industrial Land  | Linnton's waterfront qualifies as Prime Industrial Land. Under new Statewide Planning Goal 9 rules, City must protect Prime Industrial Land  | No response   | No response   | Fundamental policy and legal question        |
| Portland's Industrial Sanctuary Policy  | Myth-Linnton is not an industrial sanctuary  | All of the Linnton waterfront is zoned IH. Linnton's industrial land is therefore in an industrial sanctuary   | Agree with WWC's position   | No response   | Fundamental policy and legal question        |
| Demand for Waterfront Industrial Policy | Myth-no demand for waterfront industrial land in Linnton   | Two written offers and other serious inquiries have recently been made to purchase the site for industrial use. Biodiesel wants to locate here, because of infrastructure availability and proximity to energy cluster                                       | Agree with WWC's position   | No response   | Fundamental fact question                    |
| The Energy Cluster                      | Myth-Can expand and grow elsewhere (e.g. Vancouver)  | Energy infrastructure and supply is concentrated in Linnton and Willbridge. Almost all of Oregon's refined petroleum enters the state here. Nine energy companies located here.  | Agree with WWC's position   | No response   | Fundamental fact and policy question         |
| Safety                                  | Myth-no safety risk; regulations protect people  | Danger significantly increases if residences locate near tanks and railroad.   | Safety and security are significant concerns  | Have concerns about safety/evacuation issues, proximity to hazardous materials  | Fundamental fact, policy, and legal question |
| Land Use Conflicts                      | Myth-Linnton has always supported its industrial neighbors                                       | Land use conflicts increase when new housing locates near heavy industrial operations. Record shows history of opposition by LNA to reasonable land use requests by industry.  | Agree that land use conflicts will probably increase  | Have concerns about potential conflicts between housing and surrounding industrial uses                                   | Fundamental fact, policy, and legal question |
| Railroad Issues in Linnton              | Myth-condos locate near railroads without any significant effects, railroads is not used much    | Railroad traffic through Linnton is increasing. The waterfront area is easily isolated by trains when they block at-grade crossings. Accidents will increase if site is residentially developed.   | Agree with WWC's position   | No response   | Fundamental fact, policy, and legal question |
| Upside-down Redevelopment Economics     | Myth-more condos and cost-cutting will solve any funding gap                                     | Upside-down redevelopment economics in Linnton are demonstrated by Hovee Report; costs of conversion are probably underestimated   | Hovee Report concludes there will be a \$27-\$35 million funding gap, depending on redevelopment scenario | Agree with Bureau of Planning's position  | Fundamental fact, policy, and legal question |
| Unplanned Effects                       | No unplanned effects. Neighborhood Plan is comprehensive.  | Linnton is not identified in the regional 2040 plan as a town center. Locating a town center here would require a shift in local, regional, and state priorities. Transit service in Linnton is poor. Conversion of centrally located industrial land to mix | No response   | No response   | Fundamental fact, policy, and legal question |



# Planning Outcome

## Legislative Process

- Staff recommends mixed use
- Planning Commission suggests:
  - More work needed
- Planning Commission recommends mixed use:
  - Additional housing
  - Infrastructure upgrades
  - Transportation improvements
- **City Council overturns Planning Commission**
  - **Unsafe for housing**
  - **Security issues**
  - **Mediation**

## Neighbors

- Remain dissatisfied with outcome
- Adverse relationship
- Lost opportunity for mutual gains

## WWC

- Satisfied with outcome
- Continue to invest in working with neighbors and city
- Lost opportunity for mutual gains



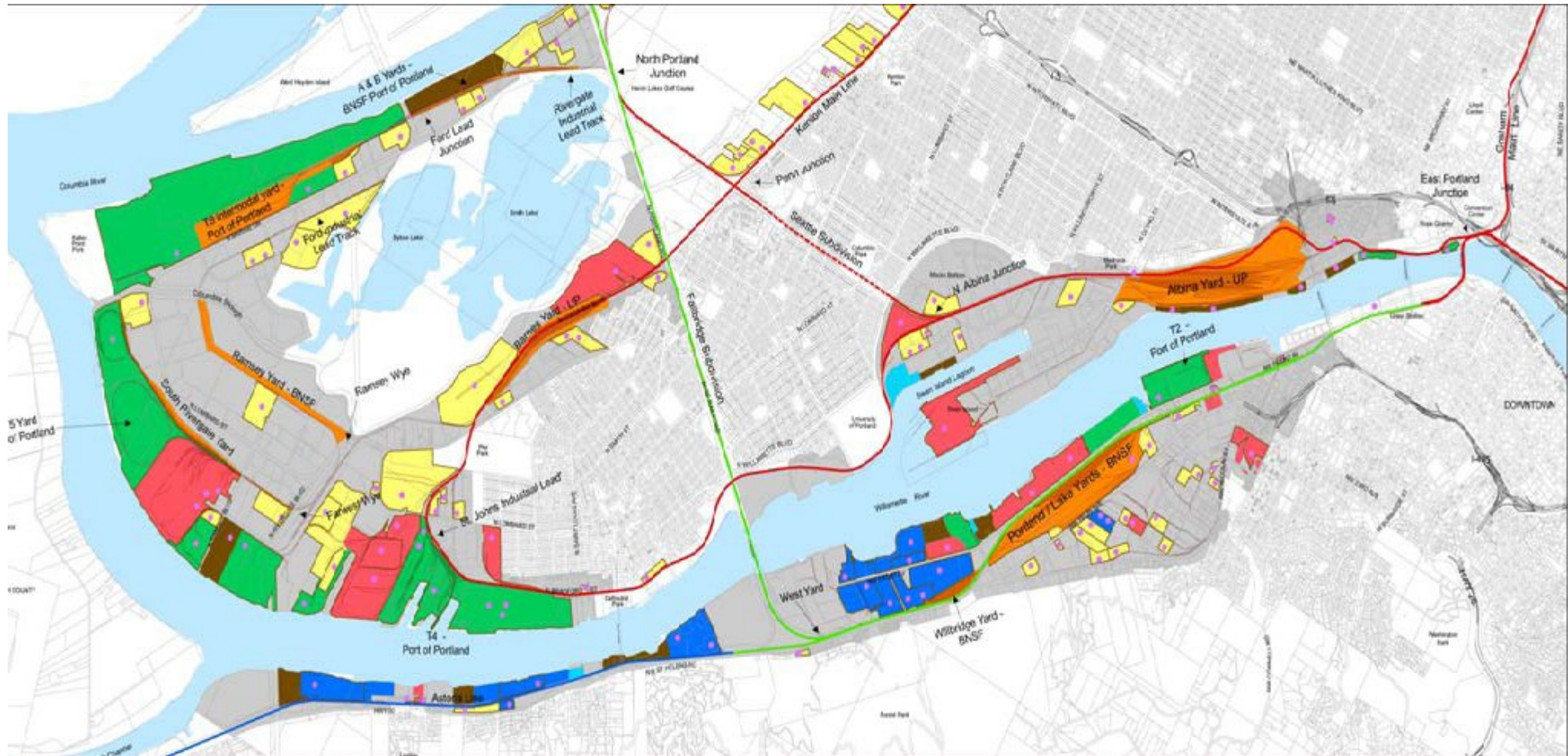
# Post Linnton

## Lessons Learned

- Coalition based efforts can be effective
- Local response versus “corporate”
- Costs are high, but worthwhile
- Confrontation can work against you
- Policy and politics matter
- Small and nimble organization
- Need to stay tuned

# Post Linnton – Current Efforts

- Respond to River Plan
- Track development and redevelopment
- Support infrastructure improvements
- Advocate brownfield redevelopment
- Monitor superfund issues





# Ultimate Challenge

## Organization

- Build membership
- Retain level of interest
- Continue messaging

*The WWC should grow into a Harbor wide business association with an executive director, broader partnerships, dues, additional outreach and educational programming.*

