Please complete each section in the form below. Type or write requested information in the spaces provided. Submit completed applications by October 1, 2019.

**Date of Application:** October 1, 2019

**Applicant:** City of Portland, Bureau of Planning and Sustainability

(If council of governments, please also include the recipient jurisdiction name if applicable)

**Street Address:** 1900 SW 4th Ave, Ste. 7100  
**City:** Portland, OR  
**Zip:** 97201

**Contact name and title:** Steve Kountz, Senior Economic Planner

**Contact e-mail address:** steve.kountz@portlandoregon.gov

**Contact phone number:** 503-823-4551

**Grant request amount** (in whole dollars): $60,000

**Local Contribution** (recommended but not required): No direct contribution, but $220,000 of in-kind staff costs, plus about $30,000 from Port of Portland in in-kind consultant contract for cargo forecast.

**Project Title:**

Marine Industrial Land Analysis

**Project summary:** (Summarize the project and products in 50 words or fewer)

BPS will retain an economic consultant to analyze and forecast marine terminal and marine industrial land demand in Portland to 2040, considering the city’s competitive market share among Lower Columbia ports. The project is an early phase of a 2020 Update of Portland’s Economic Opportunities Analysis (EOA).

**Project Description & Work Program**

Please describe the proposed project, addressing each of the following in an attachment.

See attached narrative.

**A. Goals and Objectives.** State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.
B. Products and Outcomes. Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

C. Work Program, Timeline & Payment.

1. Tasks and Products: List and describe the major tasks and subtasks, with:
   - The title of the task
   - Steps to complete task
   - The interim and final products for each task

2. Timeline: List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed.

3. Payment Schedule: Develop a requested payment schedule showing amount of interim and final payments. Include the products that will be provided with each payment request. The payment schedule should generally include no more than two payments – an interim and final payment.

D. Evaluation Criteria. Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

E. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (e.g., will perform work under the grant; will advise; will contribute information or services, etc.).

F. Advisory Committees. List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program.

G. Cost-Sharing and Local Contribution. DLCD funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project’s success. Cost-sharing (match) is not required, but could be a contributing factor to the success of the application.

Will a consultant be retained to assist in completing grant products? Yes ☒ No ☐

Local Official Support

The application must include a resolution or letter from the governing body of the city, county, district, or tribe demonstrating support for the project. If the applicant is a council of governments on
behalf of a city, a letter or resolution from the city council supporting the application must be included. *The application will not be complete if it does not include this item.* The letter of support may be received by DLCD after the application submittal deadline, but it must be received before a grant is awarded.

A city council ordinance demonstrating support for the application will be submitted in November, prior to a grant award.

**Product Request Summary**

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Submit your application with all supplemental information to:

Gordon Howard, Community Services Division Manager

E-mail (preferred): DLCD.GFGrant@state.or.us

Mail: Department of Land Conservation and Development
635 Capitol Street N.E., Suite 150
Salem, OR 97301

Phone: 503-503-934-0034

**APPLICATION DEADLINE:** **October 1, 2019**
Project: Marine Industrial Land Analysis, City of Portland - BPS will retain an economic consultant to analyze and forecast marine terminal and marine industrial land demand in Portland to 2040, considering the city’s competitive market share among Lower Columbia ports. The project is an early phase of a 2020 Update of Portland’s Economic Opportunities Analysis (EOA).

Project Description & Work Program

A. Goals and Objectives.

State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

Project Purpose:

- This project will analyze and forecast the market demand for growth of marine terminal and marine industrial facilities in Portland to 2040. The City of Portland has two types of marine/river-related industrial land: 1) marine terminals are cargo transloading facilities, such as the Port of Portland’s terminals, grain elevators, and fossil fuel terminals; 2) marine industrial facilities are manufacturers and industrial service businesses that utilize docks as part of their business. This analysis will inform land use planning for adequate growth capacity of Portland Harbor, Oregon’s largest marine port and railroad hub.

Project goals (addressing relevant policies in Portland’s 2035 Comprehensive Plan):

- Plan for adequate marine industrial land supply to retain and expand Portland’s competitive position as a West Coast trade gateway and freight distribution hub.
- Support modernization and competitive access improvements of the multimodal freight infrastructure system in Portland and the Lower Columbia.
- Support industrial growth as a major source of middle-wage, widely accessible jobs and inclusive prosperity in the metropolitan region.
- Support watershed health, Superfund cleanup, and brownfield redevelopment in Portland Harbor.

Part of a larger, multi-year project:

- This project is part of the first phase of Portland’s 2020 Economic Opportunities Analysis (EOA) Update, which will analyze employment land supply and demand to 2040 by business district types citywide. BPS will prepare and fund the remaining tasks of the EOA update. Portland’s comprehensive plan calls for 5-7-year updates of the EOA to account for short-term demand trends and land needs, incorporate regional forecast updates, track progress on capacity strategies, and update policies to plan for adequate 20-year growth capacity.
- The Port of Portland will manage and fund a marine cargo forecast update for Portland and the Lower Columbia ports as a separate project, which will be completed in early 2020 and inform this project.
B. Products and Outcomes.

Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

Product: The project report (marine industrial land analysis) will be incorporated into the 2020 EOA Update, which the City of Portland will adopt as part of its comprehensive plan. The final product will be analysis of long-term land demand for marine industrial uses along Portland Harbor, which will be a key factor in determining Portland’s industrial land needs.

Why is this important?
- Oregon’s freight hub – Marine industrial land planning is integral to freight infrastructure system planning. Portland is a West Coast gateway for international trade and Oregon’s largest marine port and multimodal freight infrastructure hub.
- Recent market changes - Portland’s marine and related rail markets have changed substantially since the last forecast, including terminals, rail yards, and marine-dependent manufacturing.
- Evolving market share - Portland’s land-constrained location, Superfund cleanup needs, and mix of expanding marine facilities is changing its market share among Lower Columbia ports.
- Economic equity - The regional economy’s increasing wage inequality has heightened equity hardships and the social value of Portland Harbor’s concentration of widely accessible, family-wage jobs.
- Competing land demands – Recent proposals for a stadium, streetcar extension, and expanded greenspace protection have prompted requests to consider harbor area land-use changes.

C. Work Program, Timeline & Payment.

Tasks and Products:

List and describe the major tasks and subtasks, with:
- The title of the task
- Steps to complete task
- The interim and final products for each task

Project tasks, to be completed by consultant:

1. Update marine terminal capacity analysis
   - Portland terminal capacity changes – Update existing capacity estimates of marine terminals to account for major recent changes and investments.
   - Lower Columbia marine terminal growth capacity – Compare the major Lower Columbia ports by their cargo volumes of existing terminals, terminal development trends, vacant terminals, and vacant land for terminal development.
   - Lower Columbia port competitiveness for terminal investment – Analyze competitive strengths and weaknesses for terminal investment in Portland by cargo type, considering draft depths, site size, unit train and other rail access, agglomeration, and other location factors. Analyze
Portland’s market share trends in terminal development and investments in Lower Columbia. How competitive is Portland relative to other Lower Columbia ports?

- Design considerations – Consider any recent changes in marine facility, rail or vessel design or other characteristics that may influence terminal capacity.
- Product: Complete Part 1 tasks within a draft project report.

2. Update marine terminal land needs analysis

- Update the current 2035 forecast horizon to 2040.
- Revise the projected terminal land needs by cargo type to 2040. Account for updates to the cargo forecast, existing terminal capacity, Portland’s competitiveness among Lower Columbia ports, and terminal design characteristics.
- Product: Complete Part 2 tasks within a draft project report.

3. Analyze marine industrial land needs

- Marine-industrial development and employment trends – Identify marine-industrial uses that rely on the ‘Harbor Access Lands’ location for marine or rail access. Review their employment and investment trends since 2000. Examples include vessel manufacturers (such as Vigor and Gunderson), manufacturers that need marine or rail access (such as Schnitzer, CalPortland, Owens Corning), vessel services (Tidewater Barge, Coast Guard), construction (Advanced American, Lakeside, Port of Portland), and rail yards on terminal sites (T6 intermodal yard).
- Demand for marine industrial facilities – Harbor Superfund project has compromised recent trends analysis. Conduct interviews of marine industrial businesses or other methods to estimate marine industrial land demand (non-marine terminal) to 2040. Review Portland’s competitive strengths and weaknesses for marine industrial development among Lower Columbia ports.
- Marine industrial supply constraints – Assess the impact of the harbor Superfund project on marine industrial investment in Portland, including cleanup liability of purchasers and difficulty of dock construction and dredging, as well as similar impacts related to endangered species fish listings, relative to other Lower Columbia ports. Identify River Greenway Industrial overlay areas that are no longer competitive for marine or rail access.
- Opportunity cost of reduced marine industrial land base and activity – If Portland does not accommodate future marine industrial demand, what are the economic and equity impacts? Can marine industrial demand be met elsewhere on the Lower Columbia?
- Complete Part 3 tasks within a draft project report.

4. Final Report

- Draft report review – Conduct a technical advisory workshop and a stakeholder workshop to review draft results and consider revisions. BPS will publish the draft report on a project website. The consultant will present the analysis at both workshops. BPS will be responsible for organizing the outreach events and summarizing comments heard. BPS tasks will be funded in-kind (not as part of the grant).
- Prepare final report – Conduct additional analysis as needed to respond to comment themes. Prepare revisions and review with BPS. Complete final report.
Consultant qualifications: An economic consulting firm is assumed to be the prime consultant, with possible need for a marine facility planning consulting firm as a sub-consultant.

Timeline:
List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed.

Project tasks
- Secure grant funding - January 1, 2020
- Issue consultant contract - March 1, 2020
- Complete draft project report - July 1, 2020
- Conduct outreach on draft report - July-September 2020
- Complete final project report - October 1, 2020

Preliminary timeline of EOA Update milestones– not part of project
- EOA Volume 1 report, Trends and market factors – complete October 2020
- EOA Volume 2 report, Land demand and supply – complete February 2021
- EOA Volume 3 report, Community choices and capacity strategies – complete October 2021
- Planning and Sustainability Commission recommendation on EOA – February 2022
- City council adoption of EOA – May 2022

Payment Schedule:
Develop a requested payment schedule showing amount of interim and final payments. Include the products that will be provided with each payment request. The payment schedule should generally include no more than two payments – an interim and final payment.

Payment at completion of major project tasks:
- Complete draft project report, interim payment - June 1, 2020
- Complete final project report, interim payment - August 1, 2020

D. Evaluation Criteria.
Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

Evaluation criteria for DLCD technical assistance grants:
1. Promote economic development - The project promotes economic development. This priority is for planning or implementation projects that establish or further a community’s economic or community development objectives. This may include completing an economic opportunities analysis or a main street plan, establishing an urban renewal district, completing public facilities plans for employment lands, or a variety of other projects that directly increase economic development opportunities or benefit economic and community development efforts. Examples from past grant cycles include: a) updated economic opportunities analyses and an industrial area master plan; ....
2. Promote provision of affordable and workforce housing
3. Plan for resilience to natural hazards and climate change
4. Provide infrastructure financing plans for urbanizing areas
   Update comprehensive plans and implementing codes to respond to changes in state law or advance regulatory streamlining

Promote economic development: The project specifically addresses this criterion.
- The purpose of this project is for the economic development task of planning adequate growth capacity of a large industrial district.
- The project will be a critical part of the EOA Update, a task recognized in the criterion.
- Portland Harbor is a critical component of Oregon’s economy. It is a West Coast trade gateway and Oregon’s largest marine port and rail hub. This industrial district is also a core location of the metals & machinery manufacturing cluster, including Daimler (trucks), Gunderson (railcars and barges), Vigor (shipyard), Schnitzer (steel recycling), Evraz (steel mill), and others.

Regional Solutions Team priorities:
1. Inclusive Economic Development: Grow and retain businesses and quality jobs to help ensure that all individuals have the opportunity to reach their full potential and thrive.
   Strategies and Actions: Support growth and expansion of middle-income and traded-sector jobs and industries including established and emerging clusters.
5. Infrastructure: Modernize the region’s key transportation and infrastructure systems.
   Strategies and Actions: • Provide technical assistance and resources to promote a strong multimodal transportation network for the safe and efficient movement of goods and people. • Provide technical assistance and resources for infrastructure systems including sewer and clean air and water.
7. Brownfield Redevelopment: Expedite the cleanup and reuse of brownfields to promote the growth and development of housing and industrial land.
   Strategies and Actions: • Provide regulatory certainty and streamline permitting processes for employment and industrial land redevelopment. • Pursue “shovel readiness” for the region’s priority employment and industrial lands (i.e. adequate water and sewer lines and road access).

Inclusive economic development: The project specifically addresses this Regional Solutions Team priority.
- The declining share of middle-wage jobs has been a prominent feature of the Portland area economy since 2000, occurring at nearly twice the pace of the national trend. The equity impacts of that economic shift have been substantial. Predominantly high-wage job growth has put upward pressure on local prices, while wages in low- and middle-wage occupations have remained relatively flat. A third of Multnomah County households (34 percent) were poor in 2017, up from 23 percent in 2008, measured by income self-sufficiency metrics. And the region’s wide racial income disparities are increasing.
- Most of the region’s middle-wage jobs that do not require bachelor’s degrees are in industrial occupations, so industrial growth has a prominent role in moderating the region’s growing wage inequality. Portland Harbor is a diverse, heavy industrial district and a core location of the region’s large industrial sector.

Infrastructure modernization: The project addresses this Regional Solutions Team priority.
- Marine industrial land supply is an integral part of the freight infrastructure system. Most of Portland Harbor’s industrial riverfront is facilities with docks and/or rail sidings.
• Over $320 million of capacity expansion investments have been made at 8 sites in Portland Harbor since 2012. Adequate marine industrial land supply for growth will facilitate private investment in freight infrastructure capacity to accommodate growing cargo volumes.

Promote brownfield redevelopment: The project addresses this Regional Solutions Team priority.
• Nearly all of the vacant land supply on Portland Harbor is on brownfield sites with potential in-water Superfund liability. The project will help clarify the marine industrial redevelopment potential on those sites. The project could also inform retention of existing dock facilities in the design of Superfund site cleanup projects.

E. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (e.g., will perform work under the grant; will advise; will contribute information or services, etc.).

• Port of Portland – ‘The Port’ will manage and fund a marine cargo forecast update for Portland and the Lower Columbia ports as a separate project, which will be completed in early 2020 and inform this project. The cargo forecast represents a major financial contribution by the Port, which fits their marine property focus on terminal space.

F. Advisory Committees.

List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program.

• Website - BPS will publish a project website on the 2020 EOA Update, to include project materials, draft reports, and opportunities to comment.
• Stakeholder workshops - BPS will convene multi-interest stakeholder workshops on the draft project report and other draft EOA volumes at project milestones, expected at approximately 6-month intervals. Stakeholders are expected to include interested individuals, communities of color, industrial district and business associations, environmental organizations, neighborhood associations, labor union and workforce representatives, marine and freight industry representatives, property owners, and others.
• Regional Solutions Team – State agency participants in the Regional Solutions Team have expressed interest in periodic review of the EOA update at milestones, particularly to consider statewide and regional interests.
• Technical advisory workshops - BPS will convene technical advisory workshops on the draft project report and other draft EOA volumes.
• Outreach meetings – BPS staff will present draft results to interested groups upon request.
• Public hearings – The Planning and Sustainability Commission and Portland City Council will hold public hearings to review the EOA.

G. Cost-Sharing and Local Contribution.

DLCD funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project’s success. Cost-sharing (match) is not required but could be a contributing factor to the success of the application.
• City of Portland to fund balance of EOA costs – BPS intends to prepare and fund the remainder of the EOA Update tasks internally. Estimated BPS staffing costs for this work are $221,000 over approximately two years.

• No funding match proposed - BPS is requesting a DLCD TA grant for $60,000, which is a preliminary estimate of the full consultant costs for the ‘project’ (Marine Industrial Land Analysis).

• Business Oregon grant request – BPS also plans to submit an application to Business Oregon for a Planning Grant to cover any gap in project funding, in the event that a DLCD grant does not fully cover the project costs. BPS’s initial request is to DLCD because the project is for an EOA update. DLCD and Business Oregon could also potentially coordinate and propose an alternative funding structure, such as a 50/50 split or agency funding for particular tasks.