



Final Report MP2H – NW Plan Grant No. 32002268

Conducted cooperatively between Northwest Industrial Business Association,
Columbia Corridor Association, and Working Waterfront Coalition

February 2023

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Introduction

The extension of the Portland Streetcar into the Northwest Industrial Business district would permanently change the nature of the Guilds Lake Industrial Sanctuary. The streetcar has long been acknowledged as a development tool, which generally requires rezoning. Even if no rezoning occurs, development of the streetcar would remove freight loading areas and would bring residential development closer to industrial uses, resulting in conflicts between the different types of uses, such as noise and traffic.

While the loss of truck loading areas and residential buffers would create problems for industrial businesses, the major concerns are economic, not transportation oriented. The Portland Bureau of Transportation (PBOT) report [Preliminary Racial Equity Analysis of NW Streetcar Expansion and Related Land Use Changes](#) suggested that national statistics of industrial jobs be verified with those jobs in the Northwest (NW) study area. Portland's industrial sector employs more people of color in family or middle wage jobs than any other sector. The survey responses verify this fact for the NW streetcar study area. In addition to high percentages of Black, Indigenous, and People of Color (BIPOC), our survey respondents were twice as likely to be lesbian, gay, bisexual, transgender, queer, or questioning (LGBTQ) as the general Portland population.

As you evaluate the economic impacts of the NW Streetcar extension, keep in mind that Portland has essentially no available industrial land. If industrial jobs must relocate from NW Portland, they will almost certainly be forced out of the City of Portland. This would likely result in a loss of traded sector income for the city, which would have much more impact on the city's economy than non-traded sector income. More importantly, it would be a threat to family or middle wage jobs for employees that are

disproportionately BIPOC and LGBTQ. This raises serious equity concerns that must be addressed.

For further information on how Portland's industrial sector reduces the middle wage job gap and employs higher percentages of people of color, refer to the Portland Bureau of Planning and Sustainability 2022 Economic Opportunities Analysis (EOA) Trends, Opportunities and Market Factors report. The EOA trends report updates and verifies the information in the 2014 BPS report, The Industrial Middle of Portland's Changing Income Distribution.

Project Staff

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Purpose & Background

The City of Portland released a request for grant-funded outreach proposals to help inform the Montgomery Park to Hollywood Transit and Land Use Development Strategy (MP2H). The MP2H is a city effort to create an equitable development plan for transit-oriented districts in NW Portland and NE Portland. The MP2H study will consider land use and urban design, economic development, and opportunities for community benefits possible with a transit-oriented development scenario, including a potential streetcar extension. The project will also consider how such opportunities could support the City's racial equity, climate justice, employment and housing goals. The work is funded in part by a Federal Transit Administration (FTA) grant. In NW Portland, the study is exploring alternative land use scenarios to support a transit investment or future streetcar extension to Montgomery Park.

The main purpose of the grant-funded outreach was to broaden outreach to underrepresented communities through community-based organizations (CBOs). Northwest Industrial Business Association (NIBA) submitted a grant proposal to provide outreach to the communities they serve – primarily industrial workers and firms in the NW industrial area. Workers in industrial firms typically benefit from middle wage employment that does not require a four-year college degree. In addition, these jobs are filled by significantly higher percentages of underrepresented communities including the BIPOC and LGBTQ communities. The NIBA grant proposal was selected by the City in Spring 2020 and work began on finalizing a grant agreement. The Columbia Corridor Association (CCA) became the fiscal agent for the NIBA grant, and the official grantee, in partnership with NIBA.

Approach

Our original strategy was to walk the streets of the project area and set up focus groups and survey workshops. COVID-19 limited us to digital and phone communications.

We began with lists of businesses and property owners provided by the Bureau of Planning and Sustainability staff. We then added business lists provided by Northwest Industrial Business Association (NIBA) and Working Waterfront Coalition (WWC). We then collated the lists and confirmed which contacts were in the project area.

Outreach began with emails to all the addresses we had on the collated list and publicity on our

respective websites. Then we made phone calls to as many on the list as possible. Many of the phone numbers were incorrect, requiring internet searches and queries to individual companies. Once contact was made with a company, we stressed the desire for responses from employees.

Other than requesting that employees fill out the survey, there was no prioritization of which companies or individuals were called. We simply called as many as possible and referred them to the four surveys.

Grant Workplan

1. *Conduct outreach with the goal of engaging workers in the industrial district of NW Portland including low-income, immigrant/refugee, communities of color, and small business owners on issues of concern related to the MP2H project.*

When the grant was first scoped, the assumption was that the COVID pandemic would wane by the summer of 2020. As it became clear that this would not be the case, we altered our workplan and shifted resources. Intensive focus groups at various businesses were replaced with extensive phone and electronic communications. While the communications plan changed, employees remained the primary target.

2. *Identify businesses within the MP2H proposed alignment and request information from the employees.*

Regardless of shifting streetcar alignment proposals, we were able, with assistance from Bureau of Planning and Sustainability, to identify businesses in the impacted areas. The more difficult part of the task was getting information about and to employees. Using our partners at Northwest Industrial Business Association (NIBA) and Working Waterfront Coalition (WWC), we were able to convince business owners of the importance of communicating directly with employees. Thanks is due to businesses that allowed employees to discuss the project with us during work hours.

3. *Discuss equitable transit-oriented changes in land use and transportation that could support a transit investment. Throughout the project NIBA will maintain an information and outreach webpage specific to the grant work. This webpage will provide an avenue for participation and input from industrial district workers in NW Portland to be incorporated into the project.*

As originally planned, the NIBA website played an important role in outreach. CCA and WWC electronic communications bolstered the effort. Since we were not able to have normal two-way discussions, we relied heavily on surveys to get input from affected workers and business owners.

4. *Engage with targeted community members via direct telephone calls, emails, in person visits, meetings/focus groups and NIBA website information.*

Due to the pandemic, our planned reliance on focus groups was canceled. We were forced to quickly construct a new type of outreach plan. A highly coordinated series of phone calls, newsletters and direct emails became critical to success.

Since we were not able to conduct focus groups where we had planned to have detailed discussions and solicit nuanced employee opinions, we chose to provide as much detail electronically as possible, engage people in phone discussions, and rely on surveys to collect opinions. The surveys gave us two advantages: a) they were more objective than having our staff record notes from focus groups, and b) we could get private demographic data. An example of demographic data that we would not have gotten from focus groups was the high percentage of LGTBQ employees—twice as high as the Portland population in general. We knew that industrial employees are more likely to be BIPOC but this is the first data we have seen showing industrial employees are more likely to be LGBTQ. (Caveat: LGBTQ data is difficult to verify.)

5. Work Plan Amendments:

- a. Participate in PWG meetings through March 2022.
- b. Solicit feedback from Community Based Organizations (CBOs).
- c. Provide feedback on the MP2H Discussion Draft during the comment period.
- d. Inform stakeholders about MP2H Discussion Draft.

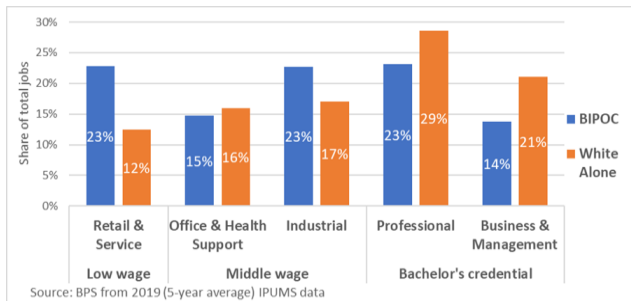
Deliverables

- 1. Interim report--delivered on December 14th, 2020. The survey description and results are attached to this report.
- 2. Participation in MP2H Project working Group (PWG) meetings--occurred in 2020 -22
- 3. Final report that captures additional information from affected community members

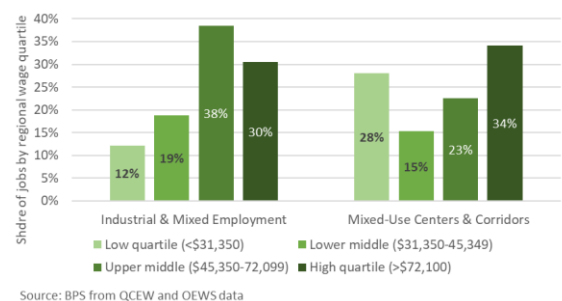
Our findings from affected community members:
Equity is the Primary Concern

Equity is the primary concern for a NW streetcar extension in the MP2H project as laid out in grant agreement 32002268, in the Montgomery Park to Hollywood Northwest Plan, and in the opinion of Northwest Industrial Business Association (NIBA), Columbia Corridor Association (CCA) and Working Waterfront Coalition (WWC). The current industrial use provides a higher percentage of family wage jobs for people of color and people without four-year college degrees than can be achieved with any other use. These are not your grandfather’s industrial jobs; they are clean, cutting-edge jobs that often require new certifications or associates degrees every few years. Industrial jobs don’t offer a lot of low or high wages—they are primarily middle wages, our best tool against the middle wage job gap and the employees’ best tool against gentrification in their home neighborhoods. If we want to promote equity, we need to embrace middle wage jobs, not push them out. The worst thing we can do for equity is to encourage low wage jobs for people of color, such as in the retail and service sectors which are statistically the primary alternative for BIPOC and people without four-year degrees.

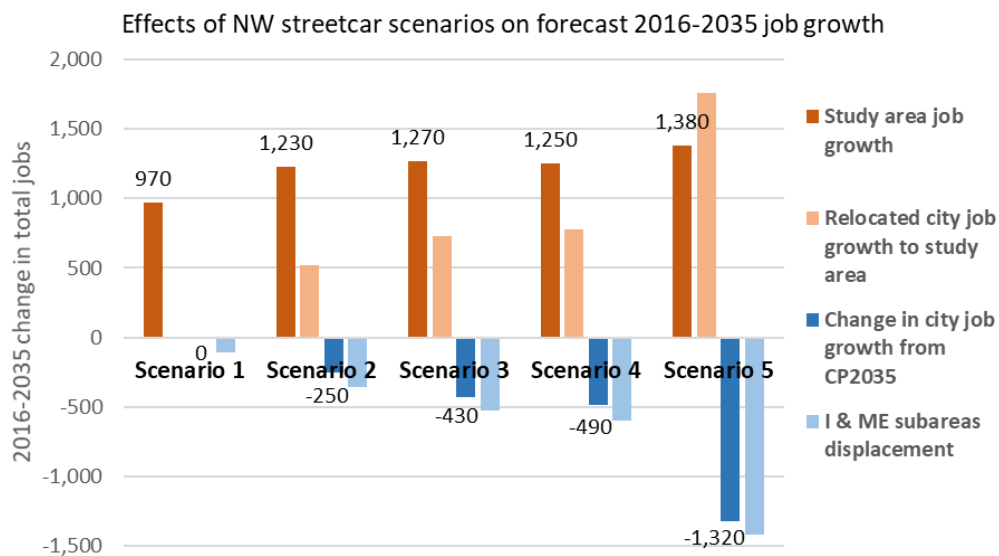
Racial employment disparities by occupation and wage groups in the 7-County Region, 2019



Wage distribution of jobs in city industrial areas compared to mixed-use centers and corridors, 2019



It's tempting to focus on the glossy jobs that would be attracted to a redeveloped NW industrial area. However, the reality is less attractive. Before the final [Montgomery Park to Hollywood Northwest Plan](#) was published, BPS evaluated five likely scenarios which showed that many of the jobs would simply be relocations from other parts of the City, such as the Central Eastside. In addition, there would be substantial industrial displacement, virtually all of which would go to other cities because of the lack of available industrial land within Portland. To be clear, the most recent MP2H proposal is a scenario that was not evaluated in the chart below and almost certainly reduces some of the negative impacts. Nevertheless, this is the best data we have to illustrate that the net gain in jobs is surprisingly small and the loss of family wage jobs is high. The idea that the MP2H project would bring jobs is a distraction from our equity goals and not an accurate prediction.



Source: Portland Bureau of Planning and Sustainability

The [Preliminary Racial Equity Analysis of NW Streetcar Expansion and Land Use Changes](#), published by the Portland Bureau of Transportation and Bureau of Planning and Sustainability in July 2019 refers to two significant limitations:

1. **A fundamental question is not answered**, “From an equity perspective, should the City expand streetcar into Northwest given the transit and economic development needs in other parts of the city?”
2. **A lack of community engagement** in this process should be taken as a major caveat to the findings and recommendations.

This grant provided more community engagement than had previously occurred. A crucial piece of the engagement was the survey responses. Those responses, along with the included demographic data, provide insight to the first question: “from an equity perspective, should the City expand streetcar into Northwest?” If we are to trust the employees who will be most affected and who are twice as likely to be BIPOC and LGBTQ than the average Portlander, the surveys clearly show the answer is “no.”

Notably, even the surveys returned by property owners, who have the most to gain from a streetcar extension, show the answer is “no.”

*The survey results and comments seemed to paraphrase Volodymyr Zelensky:
we need good jobs, not a ride.*

Page four of the Preliminary Racial Equity Analysis of NW Streetcar Expansion and Land Use Changes provides six policy guidance and equitable outcomes. It’s unlikely that any of the six outcomes would be achieved with the NW streetcar extension. There is however, the possibility of achieving some of the outcomes through mitigation. Specifically, 2, 4 and 5 could be mitigated by calculating the number of lost industrial jobs and funding mechanisms for replacement of those jobs. For example, creating new industrial-zoned land to offset the loss through zoning or practical limitation of industrial use of land near the streetcar.

When considering mitigation, it’s important to understand some basic facts: we do not have an adequate supply of industrial land but we do have adequate supplies of residential and commercial land.

- There is very little available industrial land in the City. For all practical purposes, one could assume there is essentially no spare industrial land. Current land supply relies on wishful thinking such as an expected 60% redevelopment of brownfield sites—the City has never achieve anywhere near 60% redevelopment and there’s no reason to believe this will happen. Page 64 of Montgomery Park to Hollywood Northwest Plan, Volume 1 lays out two primary conditions for reduction of industrial land supply—replace or enhance. Neither of these strategies has had much success in the past. If the City chooses to abide by these two conditions or our stated equity goals, our best path is to retain the industrial jobs we have.
- Streetcar development primarily benefits commercial and residential use, yet BPS estimates we have more than a 40-year supply of land for high-density residential and commercial use. There is little chance that expanding residential and commercial acreage (of which we have adequate supplies) will offset the loss of industrial acreage (of which we have inadequate supplies). Loss of family wage jobs leads to a loss of affordable housing. Loss of industrial jobs that employ high percentages of BIPOC and LGBTQ in family wage jobs leads to loss of equity. This is especially important because the most likely alternative jobs for BIPOC and non-four-year degree employees is the retail and service sectors where they will receive slightly more than half of their industrial sector wages.
- Encouraging entrepreneurship is a useful option for owners but not their employees. The single owner may do well if they beat the poor odds of entrepreneurship but all their employees still face the disappointing wage realities. This strategy is a gamble and the odds are not in the favor of BIPOC and LGBTQ residents.

The MP2H Discussion Draft Overview appropriately recognizes the equity problem. Unfortunately, the attempt to have our cake and eat it too fails. Let’s look at the three suggestions in the “An opportunity for change with benefits” section.

1. *Address the housing needs of Portlanders with new affordable housing options in opportunity-rich low-carbon neighborhoods.*

The critical issue is how much affordable housing would be created and how affordable would it be. Given that there will be a loss of BIPOC family wage jobs, the amount of affordable housing will have to be that much higher. Additionally, what is overlooked is that true equity is better satisfied by providing a living wage job. Spending money on low income housing is less equitable than providing a decent job.

2. *Preserve and enhance active industrial lands and access to living wage jobs. Explore ways to share in wealth building.*

Retaining industrial jobs in a mixed-use scenario is unrealistic. The MP2H proposal is similar to the EX zoning in the Central Eastside. Some of this land near Montgomery Park has already been rezoned with little discussion. The EX zone (central employment zone) is an interesting experiment which has failed from an equity perspective. It has led to a decrease in the number of family wage jobs for BIPOC. The Economic Opportunities Analysis (EOA) Trends, Opportunities and Market Factors report from BPS goes into considerable detail on this point.

Industrial zones exist for a reason. They need large truck access and parking; they are often noisy and unsightly; sometimes aromas are offensive (though bakeries don't receive too many complaints). Unfortunately, industrial businesses rarely mix well with an upscale retail store or a law firm. And residents don't like the noises that often start at 6 am or occur with an overnight shift.

3. *Expand access to high quality, low-cost, low-emission transportation options.*

75% of our survey respondents said they would not use the streetcar. Furthermore, 80% said the plan was not a good equity investment. Survey respondents said they would prefer better bus service, not a streetcar that would require more connections.

The MP2H-NW Plan Discussion Draft Overview made strong attempts to reduce the negative equity impacts of a streetcar expansion. We applaud BPS staff for recognizing the problem and altering the project area in order to reduce the problems. We are also impressed with the statement on page 3 of the Montgomery Park to Hollywood Northwest Plan, Volume 1, "if there are burdens that accrue to BIPOC communities or disproportionate benefits that substantially accrue to others, actions should be taken to yield public benefits, resulting in more equitable development outcomes." This is a fair statement; however, it's unclear how the City can abide by it while moving forward with this project.

Even with improvements, this project has the basic problem of losing middle wage jobs for BIPOC and LGBTQ. To proceed with this project requires we either conveniently forget our stated equity goals or we create a robust mitigation plan which ensures development pays the cost of losing middle wage jobs.



Findings from the Northwest Streetcar Extension Surveys

Conducted cooperatively between Northwest Industrial Business Association, Columbia Corridor Association, and Working Waterfront Coalition

December 2020

Survey Results and Analysis

We created four surveys that paralleled each other. Most questions were the same or slightly reworded. Some questions were focused on the target audience. For example, we asked business owners about the average wage at their site; however, we asked employees about their specific wage.

We had a total of 92 responses. Raw response summaries are available at these links.

- [Employees](#): our main focus and highest response rate of 44.
- [Business Owners](#): 27 responses.
- [Property Owners](#): the group with the most to gain from an extension, 11 responses.
- [Outside the study area](#): in NW Portland but not in the defined project area, 10 responses.
- [Comments from all respondents](#): collated open-ended comments from all four surveys.

All four summary documents are available at the links above or at www.cca.works/#news/409.

General Findings

The four survey groups responses were remarkably similar and the early survey responses were very similar to the later responses. In addition, employee demographics mirrored known industrial employee demographics in the City of Portland. The lack of wide variability and mirroring of demographics provides validity that the data is reliable.

Property Owner responses surprised us a little. This is the group with the most to gain from a streetcar extension. The fact that their answers did not deviate significantly from the other groups gives credence to the overall results. For example:

- We asked: "In the long term, what do you think is the best use of land in the study area between NW Vaughn and NW Nicolai?" You would expect the property owners to lean strongly toward mixed use or employment because these result in higher rents and property values. However, property owners responded with 36% for Industrial and another 36% for Enhanced Industrial, with only 9% for Employment and 18% for Mixed Use. Other groups were solidly in favor of Industrial or Enhanced Industrial. Property owners showed slightly more tendency toward change, but still wanted to maintain industrial.
- Another good example is Property Owners response to: "From an equity perspective, should the

City invest in expanding the streetcar into Northwest given the transit and economic development needs in other parts of the city?” Property Owners responded with a higher percentage of “yes” responses than the three other groups, but was still less than half. Fifty-five percent of Property Owners felt this streetcar extension was not an equitable investment.

Most of our focus was on the Employee responses for a number of reasons:

1. Business and property owners have bigger investments in property and more reason to have a biased perspective.
2. The point of connecting housing with jobs is primarily for employees.
3. There are far more employees than business or property owners.
4. Industrial wages average over \$50,000/year, with a low number of high or low wages. This means that industrial jobs are our best tool to slow the growing wage gap.
5. The industrial workforce has higher percentages of minority employees than most other sectors.
6. The other sectors with high percentages of minority employees have much lower wages (service and retail sectors). The industrial sector employs more people of color in family or middle wage jobs than any other sector.

We knew these general facts in advance; however, we did not have data specific to the streetcar project area. The survey responses did not surprise.

- 43% of employees earn **over** \$27/hour; only 4.5% earn less than \$20/hour
 - Yet only one out of 44 lived in NW Portland.
 - Pretty evenly spread across the metro area, with higher numbers residing in other counties.
- 84% commute by car
 - The reason is evident in the comments we read about the challenging transit commutes, including very long transit commutes and multiple transit transfers.
 - Several suggested improving bus service instead of adding streetcar as a better improvement to their commutes.
- Would you use a streetcar? 75% said no.
- Would the loss of on-street parking be bad? 70% said yes.
- Would a streetcar help connect housing to jobs? 86% said no.
- Would this expansion improve equity? 72% said no.

Overall, results were not surprising. A streetcar extension is a land development tool. Changing the land use can only result in a loss of industrial land, which inevitably leads to a loss of middle wage jobs, bigger middle wage gap in the city, and less equity for BIPOC and LGBTQ communities.

Demographics of the Employee respondents

With 44 employee respondents, the statistical deviation is likely to be significant. Demographic data for the other survey groups is available on the raw data. We did not include it here because our concern is primarily for the employees.

	National Average	Portland	Employee Responses
White		77%	50%
Black		5.8%	9%

Hispanic		9.7%	25%
Asian		8.1%	9%
LGBTQ	4.1%	(6.2% in San Fran) 5.5%	9% + 6.8% uncertain
Disability	(under 65) 9.2%	Unknown	4.5%

Ethnicity data is from US Census Bureau, 2019 estimates.

LGBTQ data is from The Oregonian, January 9, 2019; and The Street, May 31, 2018.

Disability data is from US Census Bureau, Americans with Disabilities, 2010; and 2019 estimates.

Demographic results mirrored industrial sector demographics for the City of Portland. The percentage of BIPOC that work in the industrial sector is roughly twice as high as the general City population.

The only demographic surprise was the high number of LGBTQ industrial employees. We are not aware of any similar data. Portland has the second highest LGBTQ percentages in the country at 5.5%. Our respondents were 9%, plus another 6.8% that said they were questioning their identity.

We were not able to find adequate data on employees living with disability. We have no data for Portland. The closest we could find was the general U.S. population under 65, which includes employed and unemployed. This is clearly the weakest correlation in any of our data.

Conclusion

The Portland MP2H project is proposed as an equitable development plan; however, should the industrial land in the study area be rezoned, there will be proportionally fewer BIPOC and LGBTQ employees earning middle income wages (approximately \$50,000 annually). Depending on how much retail and service sector moves into the study area, it's possible that high BIPOC and LGBTQ percentages will get jobs, but the average wage will be slightly less than \$30,000 annually. It's reasonable to say that replacing a \$50,000/year job with a \$30,000/year job is not in the spirit of equity.

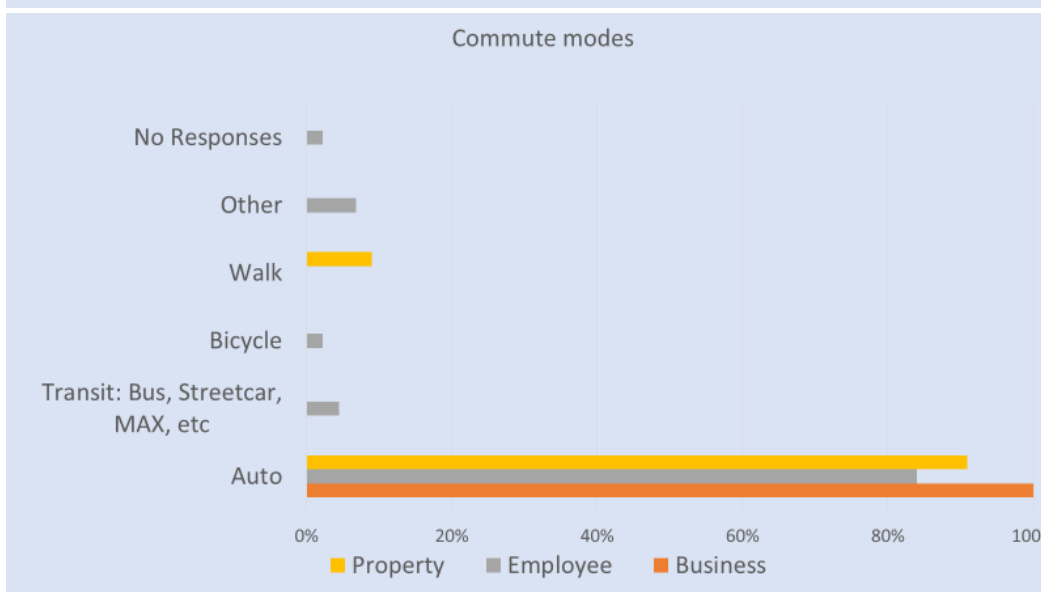
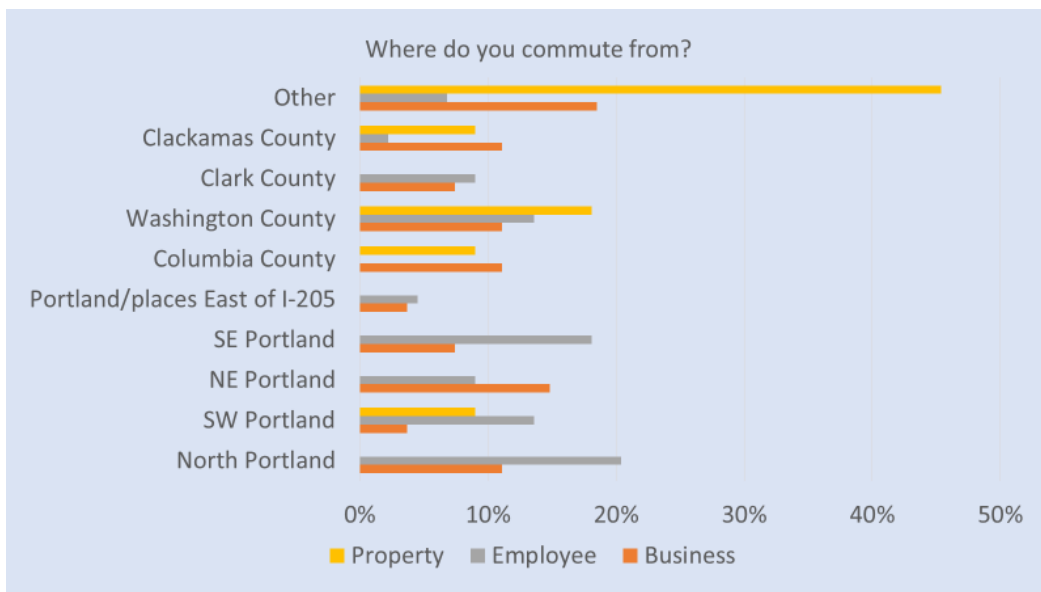
A common claim is that redevelopment will result in more high wage jobs. While this is accurate, it's also true that the percentage of BIPOC employees in those jobs is dramatically lower, not to mention the negative impact on people without four-year college degrees. In addition, BPS data shows there would be few new jobs in the NW study area—most would be transferred from other parts of the city. We can find little to applaud in a proposal that would result in fewer overall jobs and dramatically fewer BIPOC employees earning family or middle wages. Not only would the NW streetcar extension bring a negative financial impact to the city, it would be contradictory to our desire for improved equity. The only group that is likely to benefit are businesses that recently purchased property in the study area, in anticipation of windfall profits that come from rezoning.

While it's possible that some industrial activity will remain in the area, experience in other parts of the city such as Central Eastside show the obvious: industrial activity cannot be sustained on land that is zoned for higher value, such as office and residential. First, there is pressure to earn the highest rent potential for each type of zoning—most property owners would opt for whatever type of tenant will pay more. Second, reduction of parking and loading/unloading makes it difficult for industrial activities to continue use of large trucks and equipment. Third, noise complaints are common when industrial zoning is in close proximity to office, retail or residential. It is unreasonable to think industrial activity will remain at current levels if the project area is rezoned.

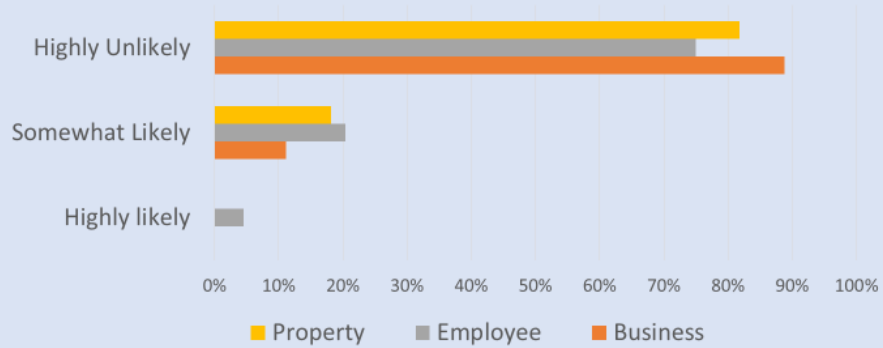
The additional concern for the City of Portland is that there is virtually no available industrial land remaining in the city. Any industrial businesses that move from the study area will almost certainly be forced out of the city. This is reinforced by the survey answers and comments. The result is increased inequity (loss of middle wage jobs for BIPOC and LGBTQ communities) and the likely decrease in traded sector.

It's undeniable that the result of a streetcar extension and the requisite rezoning in NW Portland will be a lower percentage of BIPOC and LGBTQ employees making middle wages in the City of Portland. Should this proposal move forward, we recommend mitigation for the negative equity impacts. Development that profits on the backs of BIPOC and LGBTQ employees should not be acceptable.

Survey Highlights

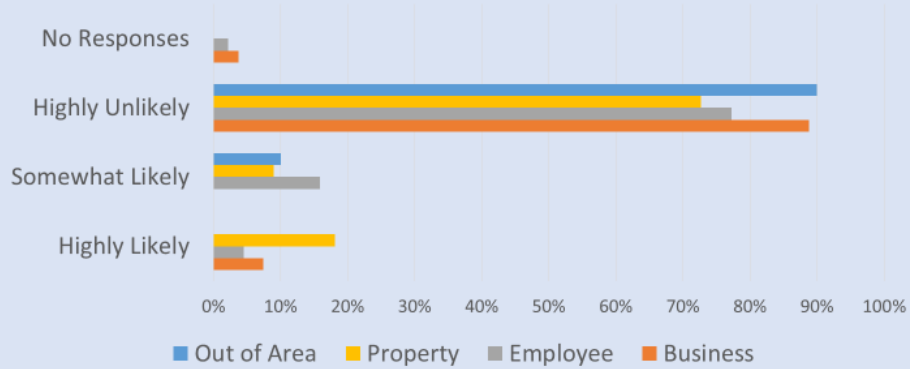


Would you use the streetcar for your commute?



Note: Written comments pointed to a desire for better bus connections rather than adding a streetcar. There was little opposition to the streetcar as a commute mode as well as little support.

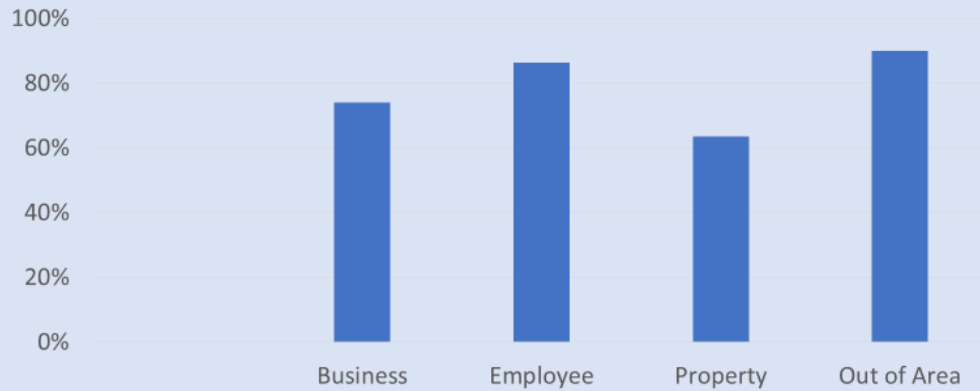
Would you use the streetcar for meetings or lunch?



Note: In a recent meeting with the CCA Board of Directors, the Executive Director of Portland Streetcar Inc. pointed out that the “likely” responses were much higher than the current daily ridership. Unfortunately, this is a misinterpretation of the data. The question asked if they would ever use the streetcar, not if they would use it daily. It would be inappropriate to translate these responses into daily ridership.

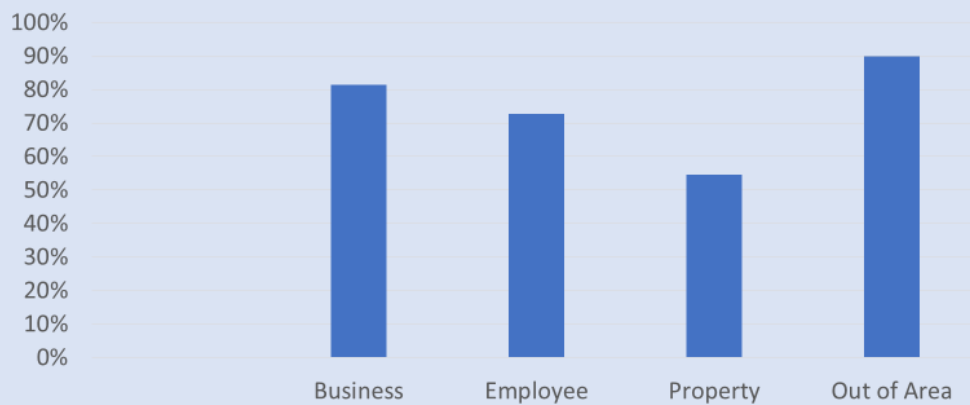
Do you think adding streetcar access and rezoning land for residential use in the NW Industrial district study area helps connect housing and jobs with transit services?

Percentages who answered "no."

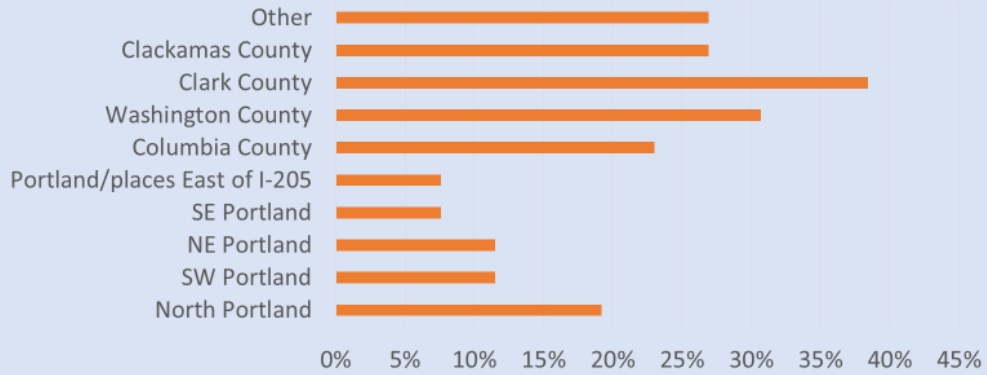


"From an equity perspective, should the City invest in expanding the streetcar into Northwest given the transit and economic development needs in other parts of the city?"

Percentages who answered "no."

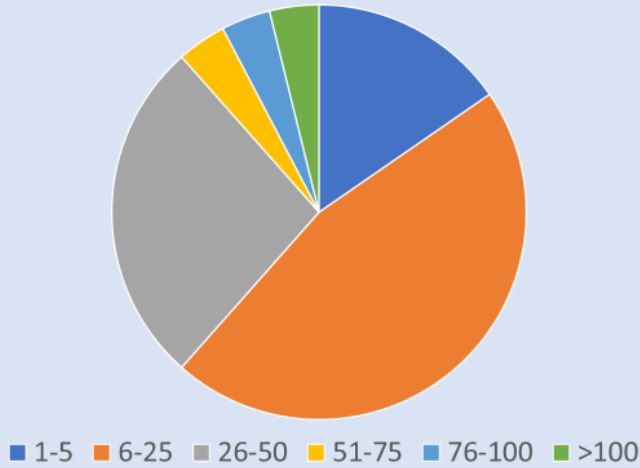


We asked business owners, what locations are viable for industrial firms?

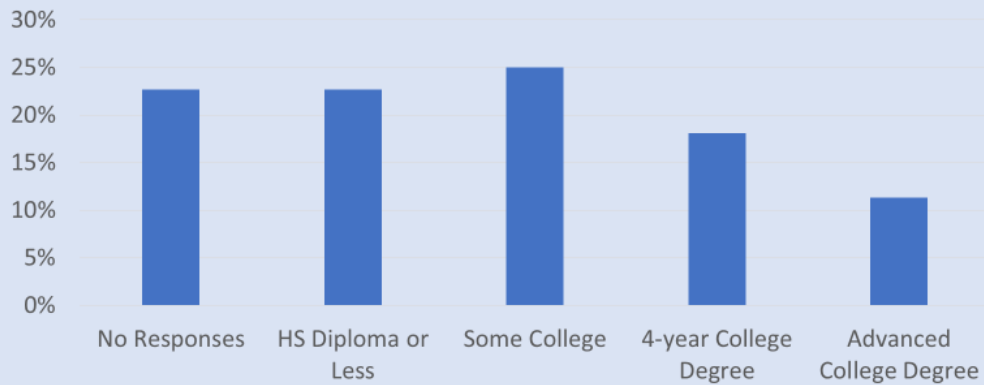


Note: The City of Portland's 20 year industrial land forecast shows virtually no excess land. The number is likely to be worse because that forecast was based on 60% brownfield redevelopment, which is not being achieved. While 20% of respondents may think North Portland is viable, less than 5% would be able to relocate there.

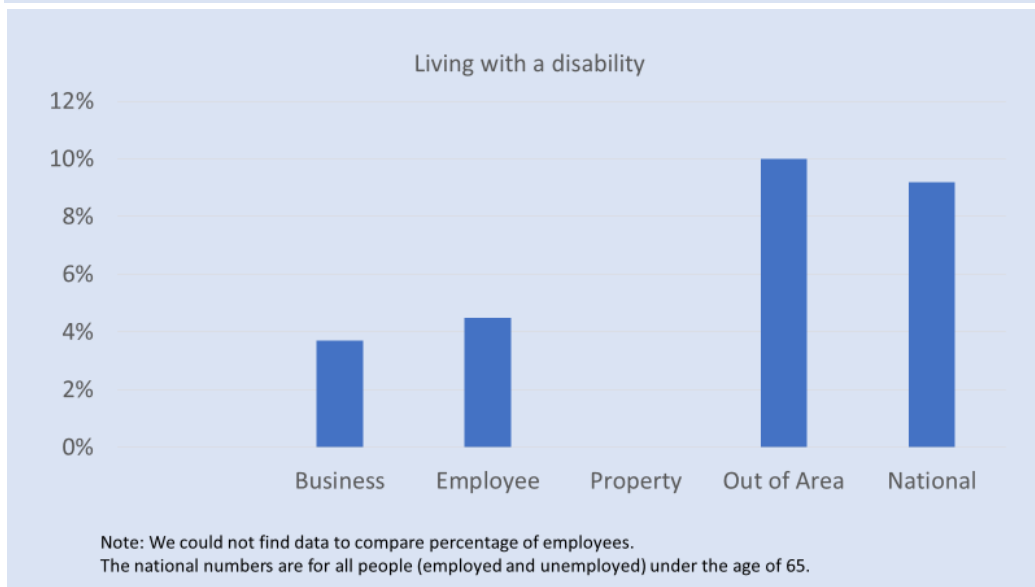
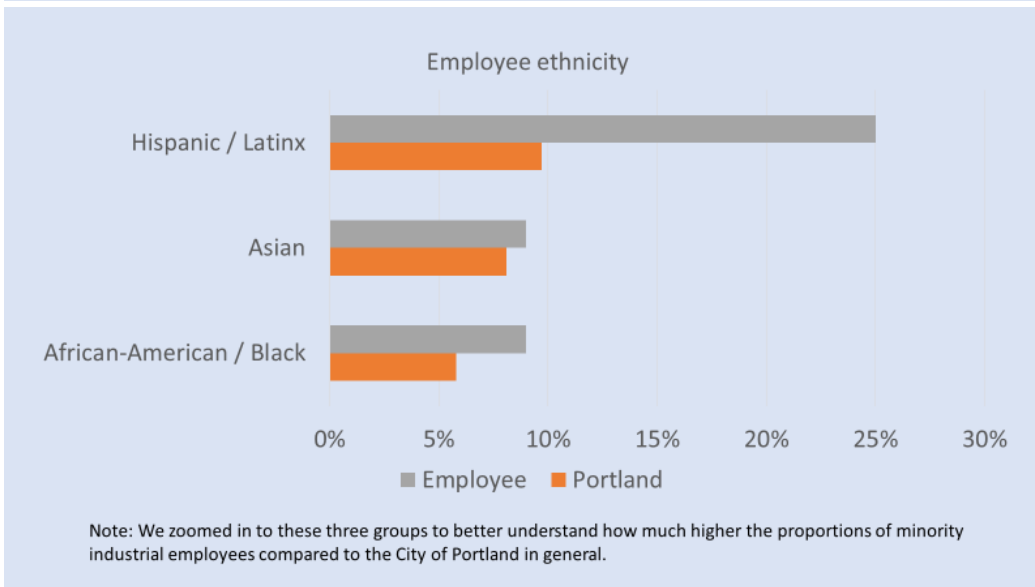
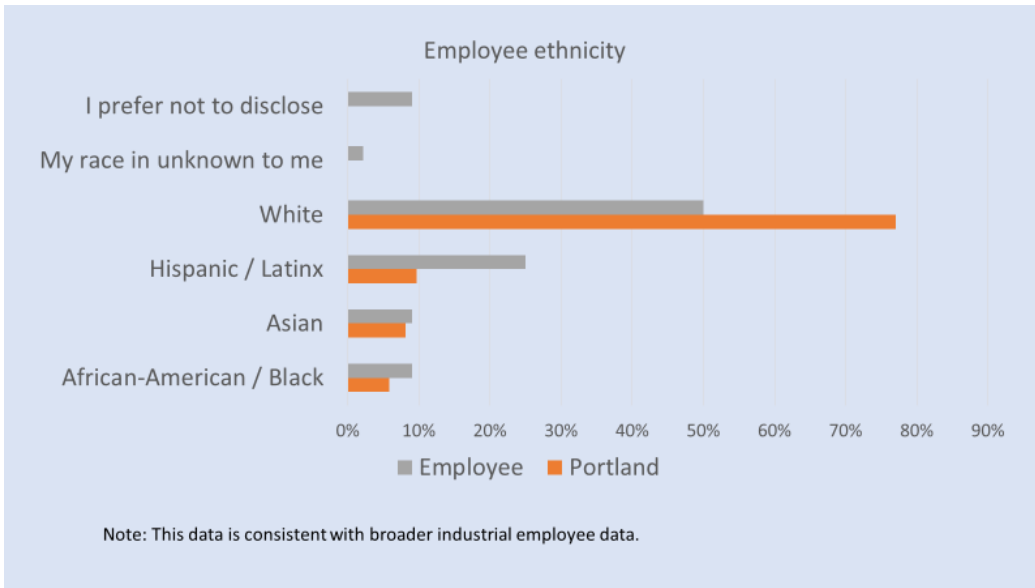
Respondents are mostly very small businesses

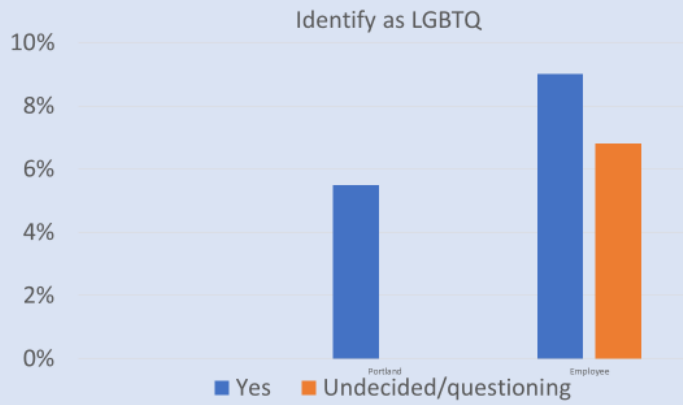


Employee education



Note: Other available data on industrial employee education levels leads us to believe many of the "No Responses" were "HS Diploma or Less."





Note: This is perhaps our only surprise in the survey: LGBTQ employees were possibly twice the percentage in the Portland population.

"From an equity perspective, should the City invest in expanding the streetcar into Northwest given the transit and economic development needs in other parts of the city?"
Percentages who answered "no."



Even a majority of property owners, who have the most to gain from the streetcar, feel it's not an equitable choice.