

PDX

The world's sustainability center.

A blueprint for global leadership in sustainable economic development prepared by the Sustainable Development Commission (SDC).

The Sustainable Development Commission (SDC) is charged with advising Portland City Council and the Multnomah County Board of Commissioners on policies and actions to promote sustainable economic development. With proper actions, the two local governments can help grow, promote, and recruit companies that provide sustainable products, technologies and services; can help businesses implement sustainable practices within their firms; and can ensure our community maintains a high quality of life that attracts and retains sustainable businesses as well as a highly skilled workforce. Companies identified as belonging to the “sustainable industries cluster” vary greatly in size, stage of maturity, and function. To gain a clearer understanding of the challenges and opportunities facing businesses throughout the “cluster,” members of the SDC Economic Development committee interviewed over 20 business, academic and community leaders to help formulate the recommendations presented in this report. A list of interviewees is attached.

Our key recommendations, discussed more extensively in the report, are:

- 1. Tap into global demand for sustainable industries**
- 2. Foster regional collaboration**
- 3. Grow local foundation for innovation**

To implement these recommendations, City and County leaders will need to keep several overarching considerations in plan view:

Think beyond exports

Traditional economic development focuses on the narrow goal of increasing economic activity by expanding the export of goods and services. SDC's recommendations are intended to move Portland forward more broadly. By definition, sustainable economic development strategies should aim not only to foster economic growth, prosperity, and living wage jobs, but to also improve our natural resource base, community livability, and ecological and human health.

Clearly articulate an audacious vision

Portland and Multnomah County elected officials must embrace sustainable economic development as the overarching strategy for promoting economic growth in the region, and also commit their voices and the power of their offices to the promotion of these strategies. In interviews with the business community, we heard clearly that companies want their government leaders to articulate an ambitious mission to serve as a rallying cry for regional economic development. The vision to which our leaders commit must be bold and specific. It must focus on a longer time horizon, forgoing the quest for immediate but insubstantial results in favor of real progress over time. And it must be articulated outside the bounds of contemporary, and temporary, political considerations. A specific goal translates into the measurable objectives needed to reach it. It will lend unity to an effort that requires input and activity from every sector and thousands of individual actors. It will guide us in answering the most important question: is our strategy working?

Dedicate appropriate resources

Progress toward a bold, unifying goal will not be possible without substantial, dedicated resources. Leaders must commit public dollars to this effort and strategically leverage those dollars to create opportunities for private investment. SDC's recommendations offer specific suggestions for the application of financial and human resources to move the sustainable economic development agenda and engage partners from every sector. We ask Portland's City Council and the Multnomah County Board of Commissioners to continue its legacy of leadership policy and to incorporate these recommendations into upcoming budget and policy planning processes.

Sincerely,
SDC Co-Chairs



The SDC is a citizen advisory panel reporting directly to the Portland City Council and the Multnomah County Board of Commissioners. The SDC promotes programs and policies in three main areas: sustainable internal government operations, sustainability education campaign, and sustainable economic development.

Co-Chairs

Pamela Brody-Heine

Chip Lazenby

Members

Cameron Birnie

Leslie Carlson

Christine Ervin

Dennis Hopwood

Mike Houck

Roy Koch

Lilian Shirley

Kent Snyder

Justin Yuen

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TAP INTO GLOBAL DEMAND FOR SUSTAINABLE INDUSTRIES

- Embrace outcome and performance based fees and regulations
- Provide technical and financial assistance including support for emerging sustainable businesses
- Leverage City and County operational resources to stimulate economic development

The City and County must create a regulatory, policy, and operational framework that both builds demand for sustainable industries and clearly signals its encouragement of sustainable economic development. Such a framework must include incentives, streamlined permitting process, regulations, taxes, and fees that reward desirable activities such as job creation, while penalizing activities that have a negative impact on the community such as carbon emissions, air and water pollution, loss of greenspaces, and other social and environmental burdens. Not only will this framework reward individual companies whose actions move in the desired direction, but the resulting market pressure will drive demand for products and services that support movement towards sustainability.

The County and City also have multiple opportunities to impact sustainable economic development within the activities of agencies and bureaus directly and indirectly involved in economic development. From parks to police to paving, the City and County spend enormous amounts of money that can be used to leverage market transformation and promote industry development.

Adjust City and County regulatory frameworks to become outcome and performance based fees and regulations

- Replace the City's business license fee, the County's business income tax, and other tax policies that target desirable activities such as work and job development with taxes on undesirable externalities such as carbon emissions, congestion, pollution or community health impacts.
- End the practice of providing waivers to builders of affordable housing who claim that meeting the City's current green building standards (LEED Silver for projects receiving PDC dollars) will be too expensive.
- Direct City and County staff to explore options for a City and County-wide policy requiring environmental performance standards for new commercial construction.
- Develop and fund a facilitated permitting process ensuring streamlined review of all sustainability-related projects including LEED certified construction.

Provide technical and financial assistance to businesses and provide support to emerging sustainable businesses

- Direct OSD and PDC to work together to create business development grant and loan packages to assist emerging sustainable businesses.
 - o Create a new grant fund for emerging sustainable industries
 - o Expand support to the PDC Small Business Assistance Loan program to create a revolving loan fund specifically for sustainable industries for equipment, marketing and other expansion needs
- Establish a one-stop center devoted to sustainable practices - the new Business Resource Conservation Center led by the Office of Sustainable Development.
- Develop a partnership with Portland State University to provide technical assistance to sustainable industries including business management technical assistance with business plans, marketing and communications plans, human resources, accounting/budgeting, and assessment of pooled health insurance programs.
- Provide a matching investment program that can be used to leverage private venture capital and investment funds directed at sustainable industries.

Leverage City and County operational resources to stimulate sustainable economic development

- Continue County and City activities and policies that direct local government purchasing resources toward sustainable products and services.
- Direct all City and County departments to identify specific areas where purchasing sustainable products or services can help stimulate the local companies selling those products or services.
- The economic development impacts of actions, both positive and negative, should be included in the development of sustainability plans.

"Use the tax system to entice businesses to do the right thing. We should be incenting businesses that run sustainably and penalizing those that don't."

— DENNIS WILDE, GERDING EDLEN

"Portland has made real progress recently with some of the permitting hurdles that have been challenging for the growth of our business. But there's still a mismatch between our region's progressive vision and permitting processes—even for projects that create living wage, local jobs and promote sustainable markets. For instance, our North Portland store was delayed more than a year despite unified support from neighborhood associations and other community groups. How about if we turn that around and ask businesses: how can we help you? How can we translate rigid rules into flexible instruments to create sustainable markets?"

— BRIAN ROHTER, NEW SEASONS

"More than anything, we could use technical assistance."

— ELEEK

2 FOSTER REGIONAL COLLABORATION

- Integrate and focus recruitment and expansion efforts
- Foster business-to-business collaboration
- Cultivate a regional approach

Financial companies have identified our region as a key area for investment in clean energy and green building industries. To engage this investment, public sector investment tools must be leveraged effectively – the City/County must work together with governments from Seattle to Vancouver, BC, with the State of Oregon and with non-profit organizations and trade associations to create a greater level of efficiency within the sustainable industry cluster. Individual businesses also play a key collaborative role. Business-to-business networking, resource sharing, promotion and collaboration help build the strength of entire sectors.

Integrate and focus recruitment and expansion efforts

- Analyze the economic competitiveness of the Portland area (and the Pacific Northwest region) as it relates to industries involved in solar, wind, energy efficiency, biofuels, green building, and sustainable foods. Narrow the focus of retention and expansion efforts to the industry clusters identified as regional strengths.
- Direct OSD and PDC to coordinate even more closely their relevant activities including business retention and expansion, green building guidelines, and business assistance. Update the current Memorandum of Understanding between the two agencies to include steps to centralize, organize and regularly track key data points demonstrating sustainable industry benchmarks.
- Direct OSD and PDC to work closely with other regional and state-wide efforts to prioritize the retention and recruitment of these specific industry clusters.
- Monitor changing market conditions to identify those companies that will benefit from location in the Portland region, including companies that can provide services and products as inputs to other local sustainable businesses.

Foster business-to-business collaboration

- Direct OSD and PDC to continue support of public-private collaborations such as the PDX Lounge concept executed at Greenbuild 2006 in Denver, beginning with implementation of PDX Lounge at Greenbuild 2007 in Chicago.
- Help to create a strong network of firms focused on sustainable development to enhance peer relationships and co-marketing opportunities, and provide opportunities for established companies to help emerging businesses with mentorship and educational tools.

Cultivate a regional approach

- Develop a regional sustainability 'brand,' highlighting Portland's advantages in a global marketplace that is demanding sustainability expertise.
- Gather leaders from each of the regional areas to develop a common direction, strategy and communication plan.
- Establish information and resource-sharing opportunities with other cities in the metropolitan area.
- Host a signature festival that reinforces Portland's leadership position in sustainability by showcasing local innovation, which results in national/international press and educates the local community about the importance sustainability plays in everyone's daily lives.

“Create forums to connect sustainable businesses with people looking for investments. Create partnerships to help the cluster grow, like what the Port of Portland did with logistics. Link the infrastructure sustainable businesses need with services from the city.”

—CHRIS VAN DYKE, NAU

“The City/County should have an ongoing dialogue with members of this economic cluster. What might be more productive is for the City/County to help foster collaboration and synergy among the various groups.”

—MICHELLE GIRTS, CH2MHILL

“When I look into Portland's sustainability future, I see a strong community with solid government support, peer learning groups, events, a high level of collaboration, and a very strong regional brand image.”

— ANNA COHEN, ANNA COHEN

3 GROW LOCAL FOUNDATION FOR INNOVATION

- Enhance quality of life for all citizens and businesses
- Support academic sustainability programs
- Strengthen County involvement in economic development

Enhance quality of life for all citizens and businesses

The economic vision must also be tied to the ecological health and livability of the community and equitable, sustainable employment opportunities. The provision of ample parks, trails, and natural areas for recreational opportunities, access to nature, and an overall quality of life is essential to attracting and retaining highly skilled employees and attracting businesses that support a sustainable city and region. And the growing sustainable economy should be strong enough to lift people out of poverty.

- Analyze and document the economic impact of various factors that contribute to the city and region's high quality of life that attract sustainable development oriented businesses. Some of these factors include access to parks, trails, and natural areas; clean air and water; access to nature, etc.
 - o Direct Portland Parks and Recreation (PPR), Bureau of Environmental Services (BES), and Portland Department of Transportation to research and gather data on the "value added" of the city's green infrastructure (e.g., parks, trails, natural areas, greenstreets, ecoroofs, etc.).
 - o Direct PPR and BES to document the economic savings and multiple objectives achieved (economic, environmental, social, and aesthetic) of protecting and utilizing the city's green infrastructure to improve water quality, manage flooding, improve air quality, and maintain biological diversity. Also, contribute to similar efforts in the region.
- Direct BES to review impediments to using green solutions to address stormwater quality and quantity problems and revise standards for what projects are recognized as capital investments to allow for green solutions to compete on an equal footing with 'engineered solutions,' e.g. the \$1.4 billion "Big pipe."
- Invest in sustainable industries workforce development for citizen of all backgrounds.

Support academic sustainability programs

A strong system of higher education is critical for strong economic development. This is particularly true for the emerging clean technology sectors. Increased support of sustainability programs in higher education help translate the region's entrepreneurial vibrancy into scalable technologies and growing businesses. Academia plays a lynchpin role in research commercialization, business incubation, and demonstration projects. These create a 'magnet' for new and expanding green businesses and offer a natural talent pool for the local economy. As local leaders have noted, start-up companies in emerging areas need these resources in order to increase their chances of success. To that end, more than \$3 million has been proposed to launch the Oregon Bio-Economy and Sustainable Technologies Center (Oregon-BEST) to support the research and testing of commercial applications of various green technologies. However, initial efforts will focus on biofuels and bio-based products rather than the systems and technologies important for next generation of green building systems that are of keen interest in the Portland region.

- Increased support for the Oregon BEST Center.
 - o Target top priority technologies and systems for green buildings in the Portland region. Target funds for 1-2 top priority projects identified by the local green building industry sector for collaboration with Portland State University and/or the University of Oregon branch in Portland.
 - o Establish other mechanisms to make better use of PSU research capabilities.
 - o Increase the use of interns from PSU and PCC to work on sustainability issues.

Strengthen county involvement in economic development

Multnomah County has the opportunity to become more engaged in regional economic development efforts. The Board of Commissioners should explore ways to adjust the regulatory framework, provide additional technical and financial assistance to emerging sustainable businesses, and leverage County policies to drive market demand for sustainable products and services.

- Multnomah County should create a full time position focused on building a strong partnership with the City and private industry groups related to sustainable economic development.

"Academia plays a crucial role in helping translate some of our regional entrepreneurial vibrancy into scalable technologies and growing businesses. The new BEST center should be a huge priority. No, make that our top priority!"
—NIK BLOSSER, CELILO MEDIA GROUP

"Helping families live close to the businesses they work at or own in Portland ensures the long-term health of the city. It reduces commute times and traffic congestion, enriches our schools, and ensures that our neighborhoods remain vibrant and diverse. Encourage families to stay in Portland by maintaining reasonably priced homes through shared equity homeownership or some other method."
—DAVID PRAUSE & SELENA DECKELMANN, KING CYCLE GROUP

"A lot going on in regards to sustainability, but we need to connect it with social justice, so all groups can be an integral part of the sustainable economy."
—NOELLE STUDER, PORTLAND COMMUNITY COLLEGE



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The SDC's 2020 sustainable economic development vision

Portland is an internationally renowned metropolitan community working closely together through an extraordinary cross-sector partnership focused on the “Portland Way” — sustainability, collaboration, innovation, and passion — which is reflected in:

- A thriving community known for its livability (economic, environmental, and social innovation)
- A hotbed of emerging commercial enterprises and innovation focused on sustainable business practices, products, and services that contribute to making the world a better place
- A commitment to the “local economy” reflected in the high degree of independent, locally owned sustainable businesses
- Strong employment, predominantly in sustainable industries and support services that provide for an abundance of natural resources and diversity of life for all
- Economic vitality and competitive advantage supported with tax and regulatory systems which reward sustainability
- A business sector that is passionate about and actively involved in community development, social justice, and corporate social responsibility

Interviewers

Leslie Carlson

Christine Erwin

Dennis Hopwood

Kent Snyder

Justin Yuen

Interviewees

Anna Cohen • Oregon Business

Council • Cogan, Owens & Cogan

CH2MHill • Jeff Allen • Rick

Schulberg • Yolo Colorhouse • Intel

Eleek • Oregon Natural Step

Network • King Cycle Group • nau

BrightWorks • Nth Power

Celilo Media Group • Gerding Edlen

Earth Advantage • Northwest

Technology Ventures • entermodal

Portland Community College • Ziba

Design • New Seasons • Office of

the Governor • ShoreBank Pacific