

How Portland-area growth management may be keeping unions strong

By Greg LeRoy

Editor's note: Greg LeRoy, executive director of Good Jobs First, is a national expert on corporate tax breaks, and an advocate for making economic development subsidies more accountable and effective. On Jan. 13, he published an article in Shelterforce, the publication of the National Housing Institute, arguing that urban density may actually contribute to union density. The article looks at Atlanta, Denver, and Portland. The Portland section draws on the insights of Bob Shiprack, former executive secretary-treasurer of the Oregon State Building and Construction Trades Council, and is excerpted below, with permission. You can see the complete article online at <http://bit.ly/1Bq4oYF>

Touring Portland with Bob Shiprack in his pickup is like taking a class in labor and land use all at once. He's the immediate past president of the Oregon State Building and Construction Trades Council, an electrician by trade, and a retired state senator.

Shiprack draws a direct connection between Oregon's Urban Growth Boundary legislation and the building trades' resurgence there. Shiprack recalls how when he was young, Portland's downtown suffered

vacancies and abandonment. The trades grew weak as construction work in developing suburbs favored anti-union contractors. That all changed after the late 1970s, when the state enacted a statewide land use planning law, requiring every city or town to designate an Urban Growth Boundary, or UGB, outside of which farms and open space would be preserved. Today, 240 urban areas in Oregon have UGBs preserving rural lands while providing for gradual, well-planned growth.

The Portland UGB forced development away from the fringes and back downtown and into other neglected areas. The trades had strength from the mostly local contractors who won the work, and the urban work was more labor intensive than the sprawl: It was more vertical and often meant redevelopment (i.e., demolition before construction or gutting before rehabilitation) rather than new construction.

Portland-area residents reinforced the UGB benefits with smart regional planning and transit reforms. In 1979, they voted to create a three-county metropolitan planning organization (Multnomah, Clackamas, and Washington counties). "Metro" serves 25 cities with 1.5 million residents and is the only organization of its kind in

the United States with directly elected leaders. Metro elections help educate voters about regionalism. And Metro is a model of how to avoid "fractured governance," a root cause of sprawl. (The Chicago metro area, by contrast, has 1,250 local taxing bodies and sprawling, tax-base chaos.)

As downtown Portland recovered, the trades deployed their own workers' capital. Areas like the Brewery Block and South Waterfront were jumpstarted with construction financing and equity investments from the trades' pension funds. National vehicles such as the AFL-CIO Housing Investment Trust and Building Investment Trust, J for Jobs, and the Union Labor Life Insurance Company also invested, always stipulating that construction be 100 percent union.

Over time, almost half a billion dollars of Oregon building trades' pension assets were invested in the Portland area, Shiprack explains, creating a virtuous cycle of good construction jobs generating retirement contributions, which in turn financed more construction. The pension funds still own numerous buildings in Portland, generating solid returns for retirement income as real estate rents and values appreciated thanks to Oregon's UGB policy.

Portland also benefited from the region's unified transit agency, TriMet, which was created to take over the service of five private bus companies in 1969. With the UGB creating higher population density, transit service became better-used and TriMet added four light rail lines, a commuter rail line, a trolley and downtown streetcar. Constructing this public infrastructure was mostly unionized, prevailing wage work.

But resurgent private construction is what really drove the trades' recovery. More transit service begat more transit-oriented development, and the trades organized most of it. As the trades have in a handful of states, Shiprack's member

unions won the extension of prevailing wage coverage to private construction when it was subsidized by tax increment financing, or TIF, first in Portland then in state statute.

"It was contentious at first with the mayor," Shiprack recalls, "but we wanted all the jobs to be good jobs."

Combining all these policies, the trades in Portland regained high density. The most recent survey for non-residential construction work in the three-county metro area found 59 percent being performed union, with more specialized crafts such as sheet metal workers (70 percent), plumbers and pipefitters (77 percent) and electricians (83 percent) even higher.

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