

New 'shared prosperity' initiative

Port of Portland looking at alternative uses or sale of major assets

BY JEFF MANNING
The Oregonian

The Port of Portland is considering a major overhaul that could include the sale or repurposing some of its riverfront terminals, one of its smaller airports and other important holdings.

"Just about everything is on the table," said Curtis Robinhold, the port's executive director.

The restructuring is part of sweeping philosophical shift away from facilitating trade for powerful business interests to a "shared prosperity initiative" intended to spread the wealth to people of color, the poor and the marginalized. In some cases, that could mean selling off profitable operations in order to pursue these new, broader aims, which are taking root amid a resurgent civil rights movement.

"The port was created in 1891 to benefit exporters of wood and grain — white men who owned businesses," Robinhold said. "While the port has evolved in a number of ways over the last years, for most of our existence, powerful business interests continued to benefit from our work. Now we need to focus on how we bring economic prosperity to the people who were left behind."

It's an unlikely time for the Port to launch a risky new initiative. It has been hammered by the dramatic decline of air travel since the arrival of the coronavirus. The Port's crown jewel, Portland International Airport, saw passenger volume drop 70% in 2020.

For an organization that gets 80% of its revenue from its large airport, that's made for a difficult year. The port has downsized from 800 to 740 employed and is in the process of eliminating another 40 positions, Robinhold said.

What's more, some of those the Port served all those years won't take kindly to the port's dramatic shift.

By the port's own reckoning, the Portland harbor provides nearly 30,000 jobs with an average annual salary of \$51,000. While the city's marine shipping business has shrunk



▲ Terminal 4 of the Port of Portland on Feb. 11.
Dave Killen/The Oregonian

enormously over the last 30 years, it still plays a significant role in the regional economy.

"The Port of Portland supports many jobs, local businesses, and the trade and transportation sectors," said Jim McKenna, president and CEO of the Pacific Maritime Association, which represents shipping companies in labor negotiations. "These terminals have and will continue to drive economic growth and play an important role on the West Coast. It could have a significant impact on the regional economy to lose them."

Others say it's far past time for the port to make a clean break from its past in hopes the new prosperity initiative will help overcome the state's racist legacy. Michael Alexander, a port commissioner and former head of the Urban League of Portland, notes that the port was created at a time when laws were still on the books that prohibited Blacks from settling in Oregon.

"My takeaway is not that it will determine what the port does, but it will drive how the port does it," he said. "It is a matter of what questions are asked. What is the impact? What is the benefit? Who benefits?"

Taking stock

The port will begin evaluating

all its assets this week to determine which it will keep and which it will sell or repurpose. Proceeds from any asset disposal will advance the port's new shared prosperity agenda, according to port documents.

Robinhold insists that all of the port's assets will be analyzed, though he concedes that there is no scenario in which the port disposes of PDX. Similarly, Terminal 6, the busy container dock on Hayden Island, is likely to remain with the port.

Others assets may be on the block as early as next year.

Terminal 2, the oldest of the Port's marine terminals, sits unused and empty. The Portland Diamond Project, a group that nurtured longshot hopes to build a Major League Baseball stadium on the 53-acre site, has let its development agreement with the port lapse.

The riverfront property is near the ritzy condo towers of the Pearl District. But the port has no intention of selling it to a residential developer, Robinhold said. Among the early ideas for the site: A new workforce training center operated in conjunction with local trade unions or a marketing center for cross-laminated timber.

The Troutdale Airport's days as a Port of Portland asset may also

be numbered. Tucked between the Sandy River and Northeast Marine Drive, the small airport 13 miles east of PDX creates few jobs and loses \$500,000 to \$1 million a year.

Robinhold also lists West Hayden Island on the likely for-sale list. The lush, undeveloped 800 acres near the confluence of the Willamette and Columbia rivers is prized by environmentalists and birders.

"An industrial development on that site is unlikely," Robinhold said. "Several stakeholders have expressed an interest in making it green space, including Bob Sallinger and the Portland Audubon Society. (Sallinger is the society's director.) I think they make strong arguments."

Terminals 4 and 5, the Willamette River berths in North Portland, pose a more delicate issue. The terminals handle grain, potash and other bulk materials. Cargo ships also deliver new Toyotas to the site for distribution to American dealerships.

"T4 and T5 do well financially for the Port," Robinhold said, "but their benefit to the community is pretty limited."

Getting its own house in order

The port considers its own operations subject to the shared prosperity goals it is now establishing. To that

end, in July the port will implement a mandatory minimum \$15-an-hour wage for about 900 low-paid service workers at Portland International.

The port will require companies doing business at the airport to pay a new \$15-an-hour minimum wage by July and then \$16.55 per hour next January. Baggage handlers, security officers, wheelchair agents, airplane and terminal cleaners, many of them people of color, will get raises as a result of the higher minimum.

But the plan has critics, including one who actually serves on the port commission.

Meg Niemi, head of the Service Employees International Union Local 49, notes that many airport workers already earn \$15 an hour. SEIU was involved in the fight over compensation for airport workers, and Niemi said PDX lags far behind most other major West Coast airports on wages. "We could have and should have done much more," Niemi said.

Eleven miles east of PDX is Gresham Vista, an enormous industrial park, where the port is also trying to convert its lofty verbiage on diversity into action.

In November, the port reached agreement with prominent local real estate developer Greg Specht and Colas Development Group, a fast-growing, minority-owned Portland builder, to develop 48 acres at the site.

The port has made it clear it doesn't want another warehouse that offers relatively few jobs or an Amazon building, where jobs are numerous but the salaries are relatively low.

The port will consider tenants based on their commitment to offer well-paying jobs (equal to or greater than the state average), competitive benefits, upward mobility, and a commitment to diversity and inclusion goals.

Those conditions will make finding a tenant more difficult. But that's OK with Andrew Colas, the second-generation CEO of Colas Development. The emphasis on quality jobs for the people who really need them is something he said he can get behind.

"For us as a company, we really embrace this policy shift," said Colas, who is Black. "The biggest barrier for people of color is that they haven't got that opportunity."

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