

Metro

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Metro

Minutes

Thursday, January 27, 2022

11:30 AM

<https://zoom.us/j/615079992> (Webinar ID: 615079992) or
888-475-4499 (toll free)

Council work session

11:30 Call to Order and Roll Call

Council President Peterson called the Work Session to order at 11:30 a.m.

Present: 7 - Council President Lynn Peterson, Councilor Christine Lewis, Councilor Shirley Craddick, Councilor Juan Carlos Gonzalez, Councilor Bob Stacey, Councilor Gerritt Rosenthal, and Councilor Mary Nolan

Work Session Topics:

11:35 Expert Panel on Industry & Manufacturing

Council President Peterson introduced Andy Shaw (he/him) to present on the topic.

Andy Shaw introduced panelists Angela Wilhelms, Mike Wilkerson, and Alicia Chapman.

Staff pulled up the Oregon's Manufacturing Sector Presentation to present to Council.

The presentation discussed the state of manufacturing in Oregon, particularly in the tri-county area. The presenters emphasized both the importance of manufacturing in Oregon currently, as it contributes heavily to job creation, GDP growth, and productivity, as well as its importance moving forward. Special attention was given to discussing the urban growth boundary, as it presents an opportunity for Metro to further develop manufacturing in the region, therefore bringing high-paying jobs and revenue to the area. The presentation concluded with the main takeaways that Oregon is well positioned to take advantage of business and federal interest in re-shoring some operations, which could support an additional 10,000 to 20,000 jobs statewide, and that the biggest obstacles to growth are the lack of shovel-ready sites and permitting delays.

Alicia Chapman explained the importance of programs such as on-the-job training subsidies, reintroducing shop classes into high school curriculums, and lower-cost options for machine-operation.

Council Discussion

Council President Peterson expressed her support of Alicia Chapman's proposal to reemphasize the role of shop classes in middle and high schools. The president asked how we should move towards developing Metro's large retail sector workers into higher paying fields like manufacturing.

Staff responded that the manufacturing sector in Oregon is highly diversified, meaning that both high-skill and low-skill workers can find work in the industry with high-wage positions.

Councilor Hwang asked about the effects of the pandemic on BIPOC workers within the manufacturing industry, and if there are any mechanisms to aid these workers in times of economic downturn.

Staff reported that the metal and transportation sub-sectors of the industry were hit hardest by the pandemic, while food and cyber manufacturing jobs have risen back to pre-pandemic levels of employment and efficiency. They noted that the diversified nature of Oregon's sector makes it better prepared to handle supply chain issues that arose during the pandemic.

Councilor Craddick questioned in what other areas should Metro try to expand their manufacturing growth outside of having more land ready to be developed.

Staff firstly remarked that we should not focus solely on

fostering the manufacturing businesses already within our jurisdiction or recruit outside firms, but rather attempt to grow through both methods. As for recruiting outside manufacturing businesses to Oregon, Angela Wilhelms commented on the importance of actively courting firms, affirming them that Oregon wants their business and will support them. This translates to regulation as well, as the value of restrictions on emissions or environmental costs must be weighed against the benefits of developing industry. They noted that a workforce deficiency will always be an impediment to growth, and that technical training is where Oregon has the most room to improve.

Councilor Lewis questioned how Metro can appear more authentic when pushing for manufacturing growth that is outside of their sector. She also raised concerns that barriers to the manufacturing sector may be deeply infrastructural rather than simply being due to a lack of usable land, using the Happy Valley community as an example.

In response, the presenters acknowledged that they do not know how to obtain the investments necessary to overcome structural barriers in Happy Valley. They expressed that growth is not simply a function of available land, and factors such as nearby housing and schooling cannot be ignored when discussing manufacturing.

Council President Peterson furthered the topic, asking how we can make sure that land is ready for real development with sufficient money backing it.

Staff shared that the Biden Administration has opened the door for federal money investments into domestic manufacturing, and that Metro and the Oregon government

should push heavily to receive as much funding as possible. Answering Council President Peterson's question, the presenters stated that land use conversations need to be happening in tandem with planning for industrial growth.

Councilor Rosenthal firstly addressed the presenter's point that Metro needs more available, shovel-ready land for manufacturing development, remarking that there simply are not any large plots of relatively flat land within the Metro region that would be suitable for big firms. He proceeded to ask what the ideal plot size of ready land is for manufacturing use. Noting that Oregon is more suited for forest related products, Councilor Rosenthal questioned if there are any opportunities in the forest or agricultural products market for expansion.

Staff responded affirmatively to the councilor's question regarding forest related goods, stating that there are massive amounts of opportunity to manufacture goods such as biomass or cross-laminated timber.

Councilor Gonzalez asked what tools are most useful for setting the correct conditions for manufacturing development.

Staff explained that it can be difficult to know what the economic development strategy and structure is across the state, making it challenging to understand how manufacturing contributes towards economic growth in a region.

Councilor Gonzalez was curious as to the ideal balance between using policy mechanisms like tax credits to recruit outside manufacturing and investing in local companies to create growth.

The presenters began by commenting on the importance of looking to the decisions of jurisdictions and states as a model for building strong manufacturing industries. They reiterated that the top priority of the state should be supporting local manufacturing to create growth, however, they made it apparent that a balance between local growth and attracting outside companies to the region is the ideal option.

Councilor Nolan asked about the relative density of the employment on land used for manufacturing. They also discussed housing, as a strong push to bring in outside companies may have a large effect on the housing market, pushing out residents and decreasing the supply of affordable homes.

Staff mentioned that it is difficult to put a concrete number on relative employment density in manufacturing as the industry is so diverse, although they noted that manufacturing has a higher employment density than traditional office workspaces. Answering the councilor's concerns about housing, the staff explained that seeking growth from outward sources is a necessity for Oregon's economy to continue to grow and stay competitive with other states. Therefore, if housing is a known problem in the region, it is wiser to proactively create more affordable housing that can accommodate a greater population than stalling manufacturing development.

Councilor Craddick discussed the East side of the Metro region, describing how its residents typically must commute to Portland which creates infrastructural problems and contributes towards pollution. The councilor asked how manufacturing development could help this region.

Staff mentioned that infrastructural upgrades are an important factor for drawing in manufacturing, as companies rely on the transmission of goods in a timely manner. They also pointed to the importance of workforce development programs.

Councilor Lewis commented that Clackamas County also suffers from this issue, and that transit is a key mechanism for improving travel options.

Seeing no further discussion, Council President Peterson moved on to the next agenda item.

12:35 Chief Operating Officer Communication

COO Marissa Madrigal provided an update on the following events or items:

- Multnomah County passed its Supportive Housing IGA
- Last night's strong winds blew several boats into pilings and aground in Chinook's Landing, but has not currently affected Metro's boat launch

12:40 Councilor Communication

Councilors provided updates on the following meetings and events:

- **President Peterson** updated Council on their meeting with Cascadia Corridor Ultra-High Speed Ground Transportation Policy Committee. President Peterson has also been appointed to the Governor's Infrastructure Cabinet.
- **Councilor Hwang** invited Council to a Chinese New Year Celebration at Keller Auditorium, hosted by the Chinese Friendship Association. The Celebration will begin at 5:00pm on Feb 1st, 2022.

- **Councilor Lewis** updated Council on their meeting with the CD 5 Clackamas County Jurisdiction Round Table and Rep. Schrader. She also attended the Clackamas County Childcare Task Force, January EXPO DOS Steering Committee meeting, and the most recent MPAC meeting.

12:45 Adjourn

There being no further business, Council President Peterson adjourned the Metro Work Session at 1:05 p.m.

Respectfully submitted,



Jeffrey Kain, Legislative Assistant

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JANUARY 27, 2022

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
1.0	Powerpoint	01/27/22	Oregon's Manufacturing Sector	012722cw-01