

Industrial land study conducted to attract businesses to Portland area

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When it comes to business recruitment, cities face a kind of chicken-or-the-egg conundrum. Which should they focus on first: companies or land?

Most industry experts say land must be the priority.

“Probably 90 percent of the time, if not more, if your site is not served with infrastructure – if it’s not ready to go – you don’t make the short list,” said **Shannon Stadey**, business recruitment specialist for the city of Gresham.

The “short list” essentially includes industrial lands – often across the nation – that organizations consider for expansion. City officials frequently don’t even know how to follow up when their properties fail to make the cut.

“They’ll be called ‘Project Milk Truck’ or ‘Project Moonbeam,’ or something like that,” said **Jeffrey Brooks**, vice president of [Kidder Mathews in Portland](#). “All you know is that there was an inquiry from (the Oregon Business Development Department) and we didn’t have anything to offer.

“Once you say, ‘No, we don’t have that,’ you never hear from them again.”

But a new study, the Regional Industrial Lands Inventory and Site Readiness project, may provide more information about the metro area’s industrial lands, as well as steps needed to make them more appealing.

The study is the result of a partnership between [Business Oregon](#), the Port of Portland, Metro, [NAIOP’s Oregon chapter](#), and the [Portland Business Alliance](#). NAIOP last week presented the results of the study’s first phase – which identifies all potential industrial sites in Multnomah, Clackamas and Washington counties, categorizes them by market readiness and identifies development constraints – to a packed house of approximately 200 industry experts.

“If we’re serious about growing the economy, growing jobs and moving the needle on income, then we need to take this issue very seriously,” said **Keith Leavitt**, general manager of business development and properties at the Port of Portland, during a panel discussion at the meeting.

The panel also featured **Bill Wyatt**, executive director for the Port of Portland; **Kirk Olson**, Dermody Properties partner; and **Tom Hughes**, Metro Council president.

The study looked at nearly 4,000 vacant industrial lots, and only 56 were developable sites with more than 25 acres. Of those, only nine were identified as tier-one sites, which are capable of being shovel ready in six months; another 16 were tier-two sites, which require between seven months and two and a half years to become shovel ready; and 31 were tier-three sites, which require more than two and a half years of work before companies could even break ground.

Leavitt said it was unrealistic to expect private companies to make the financial investment necessary to develop those tier-two or tier-three sites. Mark Clemons, a project consultant and director of project development for Group Mackenzie, agreed.

“It’s going to take patience, and it’s going to take capital, and it’s probably going to take some policy issues that need to be addressed,” Clemons said during his presentation of study findings.

He said considerable challenges existed for even the nine tier-one sites identified. He said two of those properties were for lease only, one was irregularly shaped and another was priced high. So, only five market-ready sites had “broad market appeal.” The remaining tier-two and tier-three sites required environmental cleanup, lacked infrastructure or needed better transportation access, among other things.

Sarah Garrison, economic development manager for the city of Hillsboro, said the study would help clarify an issue that most people in the industry generally understand but are unable to quantify.

“When we’re talking about our urban growth boundary, a lot of times Metro or whoever will say, ‘No, you have plenty of industrial land,’ ” she said. “But they’re lumping in those lands that companies are using for their own use, so they are not available for the other companies that are looking.”

For instance, the 75-acre parcel owned by Genentech in Hillsboro will likely be used for its own future expansion. Garrison said companies that are considering expansion also look to meet their immediate growth needs – not those for the next 20 years.

Stadey said the study would help spotlight deficiencies.

“The study is taking it a step further to say, ‘Tier-two sites face these challenges and we’re going to need these kinds of tools to get them development ready ... We really, as a region or as a state, need to look at how we can put tools in place to deal with the challenges of getting these sites ready to go.’”

The next phase of the study will provide a detailed analysis of 11 tier-two and tier-three lands and identify the investments and actions necessary to get them “shovel ready.” Clemons said that would likely be done within the next couple of months.

Brooks said Kidder Mathews responded to a request by one company, “Project Rainbow,” by submitting a 6.1-acre, certified shovel-ready site it represents in Canby. But the company hasn’t heard anything more.

“It’s a ‘don’t call us; we’ll call you’ (situation), and you don’t know whether it’ll be this week, this month or this year,” Brooks said. “That’s the way these things are.”