REGIONAL INDUSTRIAL SITE READINESS

2014 Inventory Update

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EXECUTIVE SUMMARY

This report is an update to the 2011 Regional Industrial Site Readiness Project of large (25+ acres) industrial sites within the Portland metropolitan area Urban Growth Boundary (UGB) and select urban reserves1. The project is a partnership of Business Oregon, Metro, NAIOP - Commercial Real Estate Development Association Oregon Chapter, Oregon Department of Land Conservation and Development, Port of Portland, and the Portland Business Alliance, with cooperation from local governments and private property owners. This update is intended to inform local, regional, and state efforts to ensure an adequate supply of development-ready large industrial sites for traded-sector job creation.

Portland-Metro’s Traded Sector, a 2012 Value of Jobs Report issued by Portland Business Alliance, found that on average a traded-sector worker in the Portland metropolitan area earns 42% more than a local-sector worker in the Portland metropolitan region. Promoting traded-sector job creation also spurs the local economy with a multiplier of 2.5 local-sector jobs created for each high-skilled traded-sector job. The production of traded-sector goods (i.e., manufacturing) remains a backbone of Portland metropolitan area’s employment. Manufacturing jobs provide higher wages and better benefits than non-manufacturing jobs, particularly for those workers without a high school or college degree. The availability of large and market-ready industrial sites is critical to expanding and attracting traded-sector businesses and growing middle-income jobs key to a prosperous region.

This update intends to:

1. inventory and track changes in the region’s large lot industrial site supply;
2. analyze move of sites from varying states of site readiness;
3. inform policy makers on activity, such as policy changes or infrastructure investments, that have increased the supply and/or readiness of development-ready sites; and
4. support policy and investment decisions required to ensure an adequate supply of development-ready large industrial sites to support economic growth.

The development-readiness tiers used in this inventory are based on those established during the 2011 project:

**Tier 1:** Development-ready within 180 days of application submittal (i.e., projects can receive all necessary permits; sites can be served with infrastructure and zoned and annexed into the city within this timeframe).

**Tier 2:** Likely to require 7-30 months to become development-ready.

**Tier 3:** Likely to require over 30 months to become development-ready.

Tier 1 sites are the only sites generally considered recruitment-ready for businesses expanding or locating in the Portland region. In a globally competitive environment, businesses increasingly require compressed timelines for decision making and development. While not considered marketable for most recruitments, Tier 2 could be feasible for expansions of existing businesses and for speculative development for investors. Tier 3 sites are viewed as being non-competitive in the market, and are therefore unavailable for business expansion and recruitment without significant investments, changes in regulatory compliance, or land price discounted by property owners.

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1 Although this inventory does not include sites within rural areas of these three counties that are outside the UGB and selected urban reserves, these sites are important to the region’s economic prosperity.

2 Legislative actions include Urban Growth Boundary (UGB) expansion, annexation, zoning, and concept planning.
Findings

Of the 54 sites in the 2014 inventory:

- There are 14 Tier 1 sites; 17 Tier 2 sites; and 23 Tier 3 sites.

- Seven new sites were added to the inventory since 2011: 3 Tier 1 sites, 2 Tier 2 sites, and 2 Tier 3 sites. These sites were added due to state and local actions, aggregation, and market changes.

- Nine sites were removed from the inventory since 2011:
  - Three of these sites are currently being developed and projected to result in $38 million in investments and 416 new jobs when construction is complete; one of the sites is being used as a temporary parking lot for Intel’s Ronler Acres Campus expansion.
  - Since this June 2014 inventory was completed, three additional Tier 1 sites have been absorbed in the market.

- Five sites moved up from Tier 2 to Tier 1.

- Six sites moved up from Tier 3 to Tier 2.

- Large industrial sites face multiple development constraints, including: required state and local legislative actions, inadequate infrastructure and transportation, land assembly needs, natural resources mitigation, brownfield remediation, and property owners not willing to transact.

### ACTIVITY RESULTING IN INVENTORY REMOVAL

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>User designated</td>
<td>1</td>
</tr>
<tr>
<td>Program changes</td>
<td>2</td>
</tr>
<tr>
<td>Construction and development</td>
<td>3</td>
</tr>
<tr>
<td>Local and state legislative actions</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

### Total Sites and 2011-2014 Inventory Movement

- **Tier 1 Sites (14)**: Sites moved from Tier 1 to Tier 2 (5)
- **Tier 2 Sites (17)**: Sites moved from Tier 2 to Tier 1 (5)
- **New sites to inventory (7)**
- **Movement out of inventory (9)**

---

3 State and local actions: **Site 114**: Colwood Ltd Partnership site (Tier 1) was rezoned from open space to industrial; **Site 113**: Henningsen Cold Storage site (Tier 1) increased in site acreage due to future right of way vacation and building demolition plans (Tier 1); **Site 112**: Haworth site (Tier 2) was added into the UGB as a part of House Bill 4078; **Site 116**: NW Sand and Gravel INC site (Tier 3) does not have jurisdictional wetlands on site, as mapped on Metro RLIS data. DSL has confirmed that any on site wetlands are a result of mining operation and no mitigation is required. This information is available through the Clackamas County Significant Employment Lands Project report (July 2014).

Aggregation: **Site 111**: Weston Investments & CCF Oregon LLC site (Tier 1); **Site 110**: Davis Family Trust & Remi Taghon site (Tier 3)

Market changes: **Site 115**: SolarWorld site (Tier 2) was a user designated site in October 2011 inventory and has recently been listed as for sale to the general market.

4 User designated sites are sites owned and held for future expansion of existing regional firms and not available to the general market.

5 Current property owners have designated these sites to meet long-term operational needs. As a result, these sites are no longer available to the general market.

6 **Site 11**: Portland International Airport in Portland has two buildings under construction totaling 491,200 square feet with a $28.5 million investment and 141 projected distribution and logistics jobs available in late 2014 (Port of Portland); **Site 40**: Pacific Realty in Tualatin has two buildings under construction totaling 100,000 square feet with a $9.5 million investment and 275 projected distribution and logistics jobs available in 2015 (PacTrust).

7 Intel received land use approval for a temporary parking lot until 2023 at which point the property may be redeveloped.

8 **Site 13**: Specht Properties in Portland; **Site 46**: Development Services of America (Westmark site) in Hillsboro; **Site 114**: Colwood Ltd Partnership in Portland.

9 Local and state legislative actions include UGB expansion, annexation, zoning, and concept planning.

10 Infrastructure includes water, sewer, and stormwater utilities.
The following charts and tables compare site net developable acreage changes between the 2011 and 2014 inventories.

2011 Inventory: 56 sites

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-49 acres</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>50-99 acres</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>100+ acres</td>
<td>1</td>
<td>0</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Tier 2</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-49 acres</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>50-99 acres</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>100+ acres</td>
<td>4</td>
<td>0</td>
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</table>

<table>
<thead>
<tr>
<th>Tier 3</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-49 acres</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td>50-99 acres</td>
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<td>3</td>
</tr>
<tr>
<td>100+ acres</td>
<td>6</td>
<td>1</td>
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</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>56 sites</td>
<td>56</td>
<td>54</td>
</tr>
</tbody>
</table>

2014 Inventory: 54 sites

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-49 acres</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>50-99 acres</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>100+ acres</td>
<td>18</td>
<td>23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tier 2</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-49 acres</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>50-99 acres</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>100+ acres</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tier 3</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-49 acres</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>50-99 acres</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>100+ acres</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>2011</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>56 sites</td>
<td>56</td>
<td>54</td>
</tr>
</tbody>
</table>

The increase in Tier 1 sites in the 2014 inventory is a result of the addition of three new sites to the inventory\(^\text{11}\) and five sites upgraded from Tier 2\(^\text{12}\), offset by the market absorption of three Tier 1 sites. Of the 14 Tier sites, only seven have broad market appeal.

Of the 11 sites that moved up a tier, seven sites required investment in infrastructure and mitigation.

- Two sites moved up a tier due to mitigation of environmental constraints.\(^\text{13}\)
- Five sites received transportation/infrastructure investments, totaling approximately $39.5 million.\(^\text{14}\)

Four of the sites which moved up a tier were able to do so without significant investment in infrastructure.

- Two sites had a change in the property owner’s willingness to transact and were upgraded to Tier 2.\(^\text{15}\)
- Two sites were taken out of urban reserves and brought into the UGB by House Bill 4078 in 2014.\(^\text{16}\)

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\(^{11}\) Site 111: Weston Investment – an aggregated site; Site 113: Henningsen Cold Storage – increased in site acreage due to decision to vacate dedicated right-of-way and building demolition for future development; and Site 114: Colwood Ltd Partnership – open space rezoned to industrial.

\(^{12}\) Site 13: Specht Properties Inc.; Site 22: Port of Portland – GVBP West; Site 29: Clackamas County Development Agency; Site 50: Shute North; Site 52: Shute South.

\(^{13}\) Site 13: Specht Properties and Site 29: Clackamas County Development Agency.

\(^{14}\) Sites 18 and 19: Troutdale Reynolds Industrial Park Phase 2 - The Port has expended $2.5M in planning and design to permit the infrastructure for Phase 2: $8 million in regional transportation funding was approved for the local roads, along with a transfer of $6 million in funding from the State-funded Troutdale interchange project and $1.1 million from the City of Troutdale.; Site 29: Clackamas County Development Agency - $1.1 million in State Immediate Opportunity Fund and Clackamas County funding was used to improve local road access to the site. An additional $1.8 million in County funds paid for extension of 120\(^\text{th}\) Avenue; Sites 50 and 52: Shute Road North and South - $8 million in regional transportation funding and $10 million transfer of I-26/Brookwood interchange savings was used to pay for the construction of nearby local road improvements. The City of Hillsboro contributed $1 million dollars for water infrastructure and planning for sewer line pump station and extension.

\(^{15}\) Site 23: Mt. Hood Community College and Site 47: Cranford.

\(^{16}\) Site 101: Vanrose Farms and Site 104: Meek Subarea.
Conclusions

- The Portland region’s supply of large industrial sites over 25 net developable acres has decreased since 2011.
- There have been positive impacts in site readiness from investments in infrastructure, mitigation and local and state legislative actions. Movement between tiers is largely due to infrastructure investments, and environmental constraint mitigation (7 sites).
- Supply continues to be most limited for larger sites of 50 acres or more.
  - There is only one 100-plus acre Tier 1 site in the region. Larger sites are more complex and take patience to acquire and develop.
- Sites with multiple property owners require aggregation. This is a key issue to supplying larger sites to the market affecting a third of the Tier 2 and Tier 3 sites in the inventory (13 sites).
- There are multiple market-readiness site constraints for sites in the pipeline.
- Over half of the Tier 2 and Tier 3 sites require local and state legislative actions such as annexation zoning, completion of concept planning, or addition to the urban growth boundary (23 sites).
- Between 40% and 60% of Tier 2 and Tier 3 sites have transportation, infrastructure, and/or environmental mitigation constraints (17-25 sites).
- While brownfield redevelopment affects only six large industrial sites, three industrial sites are located in the Portland Harbor Superfund site which will add significant costs, time, and brownfield redevelopment challenges and require coordinated strategies.
- While investments in infrastructure, changes in ownership willingness to transact, and legislative actions have improved the quality of sites in the inventory, with 11 sites moving closer to market readiness. A continued focus on site readiness is needed to ensure a diverse and market-ready supply of industrial sites in the region.\(^{17}\)

As the economy continues to recover and demand increases due to business growth and investment, additional strategies to increase the continued supply of land will be needed. In order to provide the required land supply to meet projected 2035 population and employment growth within the Metro UGB\(^ {18}\), create middle income jobs to address income disparity, and achieve a sustainable tax base critical to public services\(^ {19}\), state and regional policymakers must work from an accurate and practical employment land inventory and prioritize policy actions and investments to address industrial site readiness, aggregation, infrastructure, environmental constraint mitigation, legislative actions, and industrial brownfield identification and mitigation. Regular updates to the inventory support the region’s traded-sector prosperity and job creation efforts allow tracking of progress in efforts to maintain a supply of sites and help target investments and policy decisions to ensure an adequate supply of development-ready industrial sites. With reduced federal funds, the region will need to be more strategic about investments required to move sites to market ready sites to support these goals.

\(^{17}\) The 2014 inventory shows an overall decrease in the total number acres and total number of sites, and a 26% decrease in Tier 3 sites over the two and a half year period.

\(^{18}\) The draft 2014 Metro Urban Growth Report forecasts 85,000 to 440,000 additional jobs and 300,000 to 485,000 additional people inside the Metro urban growth boundary by the year 2035.

\(^{19}\) State personal income taxes and local property taxes.
Regional Map of Tier 1, 2, and 3 Sites

Note: Additional maps are available in Appendix B of this report.

Source: Mackenzie
PROJECT SUMMARY

Project Purpose

The 2011-12 Regional Industrial Site Readiness Project assessed the Portland region’s supply of development-ready large industrial sites, a critical part of a strategy to retain and attract traded-sector jobs. Portland-Metro’s Traded Sector, a 2012 Value of Jobs Report issued by Portland Business Alliance, found that on average a traded-sector worker in the Portland metropolitan area earns 42% more than a local-sector worker in the Portland metropolitan region. In an income tax dependent state such as Oregon, these high wage traded-sector jobs generate more revenue for critical services like schools, health care, and social services than local-sector jobs. Traded-sector jobs have a multiplier effect throughout the economy, with an additional 2.5 local-sector jobs created for each traded-sector job. Manufacturing is the backbone of the Portland metropolitan area’s traded-sector employment. Manufacturing jobs provide employment opportunities for those without a high school or college degree. The availability of market-ready industrial lands is critical for growing a prosperous traded-sector economy and middle-income jobs.

Because the Portland region must compete with other metropolitan areas for these traded-sector jobs, it must have an adequate inventory of development-ready large industrial sites for expanding and attracting companies. This report is an update to the 2011 inventory which described the supply and market-readiness of large (25 acres and larger) industrial sites in the Portland metropolitan region. For purposes of this study, only vacant, industrially zoned or planned lands within the Portland metropolitan Urban Growth Boundary (UGB) and select Urban Reserves were analyzed. The 2014 inventory utilized the same methodology that was developed during the 2011-2012 Project.

The original project was conceived partly in response to Metro’s 2009 Urban Growth Report, which identified a shortage of large industrial sites in the region and the need to replenish large industrial sites as they are developed. The original project report was produced by Mackenzie in partnership with Business Oregon, Metro, NAIOP - Commercial Real Estate Development Association Oregon Chapter, Port of Portland, and the Portland Business Alliance whose representatives served as the Project Management Team (PMT).

The 2011 inventory created in Phase 1 of this Regional Industrial Site Readiness Project provided a community-wide understanding of the supply of vacant large industrial lands, the time and investment needed to get land development ready, and the severity of development constraints. While the 2011 report and this update are limited in scope to industrial lands within the Metro UGB and urban reserves, several communities have replicated the work for other locations, most notably Clackamas County’s county-wide work in 2013-14.

Phase 2 of the 2011-12 project analyzed the development readiness of 12 sites, identifying a development scenario, constraints to development, costs for on- and off-site developments, and economic benefits derived from such development. This analysis highlighted the significant economic benefit that would result from development, with a significant share of benefit accruing to the State through personal income taxes. The findings supported the passage of Senate Bills 246 and 253 in 2013, designed to provide State financial assistance for local site readiness and due diligence work.

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20 The Regional Industrial Site Readiness Project examines vacant, industrially-zoned, or planned lands within the Portland metropolitan area’s UGB and selected urban reserves that are suitable for large industrial development by new firms moving to the region, development companies who develop business and employment centers, or support the growth of existing firms. The study identified and documented user-owned sites held for future use, but excluded these from the detailed analysis because these sites were not available to the general market. Rural areas of Clackamas and Washington counties outside the Metro UGB were not included in this analysis.

21 http://cmap.clackamas.us/ccss/
As with the 2011 inventory, the 2014 inventory update focuses on the quality of land and how ready it is for development versus the quantity of gross acres. The inventory is intended to be maintained and updated on a regular basis to reflect market changes, development, investments, and actions to move sites to market. It will also help to inform continued local and private sector efforts to increase site readiness, legislative actions to fund the site readiness, and due diligence programs, and Metro’s 2014 Urban Growth Report and 2015 Growth Management Decision. The Urban Growth Report assesses the region’s long-range industrial site inventory and, as such, has a broader perspective than this inventory, which focuses on site-readiness for short- and medium-term job creation opportunities. The common theme of both the Urban Growth Report and this inventory is that the public and private sectors need to work cooperatively to make sites available for private sector job creation.

The inventory update reflects conditions as of June 2014. Seven new sites have become available to the market and nine sites from the 2011 inventory are no longer available to the market. This report summarizes the findings of the 2014 inventory and highlights changes from the October 2011 inventory to show movement within the market and the impact of recent legislative changes.
2014 INVENTORY

Background on the Update

The 2011 inventory identified available land for traded-sector employment expansion and attraction within the Metro UGB. Since the 2011 inventory was completed, there have been many changes to the inventory, including market activity as shown on Table 9. The PMT initiated this inventory update to reflect those changes and provide data for Metro’s 2014 Urban Growth Report. The PMT recommends future inventory updates on a similar cycle.

The 2014 inventory update assessed sites over 25 net developable acres to identify development-ready sites (Tier 1) and sites that need additional work and investment (Tier 2 and Tier 3). The 2014 inventory update did not analyze the size of investments needed to move Tier 2 and Tier 3 sites to development-ready status. Clackamas and Washington counties are undertaking detailed site assessments using the methodology developed in Phase 2 of the 2011-12 Regional Industrial Site Readiness Project.

The inventory update provides a database of industrial sites to support the region’s economic development efforts. The database lays a foundation for the work of local jurisdictions, Greater Portland Inc., Metro, the Port of Portland, and the State, to grow the region’s job base through market absorption of Tier 1 sites, make investments in site readiness, and bring Tier 2 and Tier 3 sites to Tier 1 status.

Mackenzie and the PMT evaluated sites using similar criteria and metrics as companies or developers would use, rather than limiting analysis to existing parcels or tax lots. A site in this inventory could be a single owner parcel or multiple adjacent parcels that can be combined into a single site; combined parcels could include adjacent parcels in the same ownership and/or in multiple ownerships. This update is also important because trends and changes can be examined since the previous inventory, not solely the quantity of land. It assesses legislative actions and market changes to understand the transformation of sites. It is anticipated that in future updates of the inventory additional data points will help identify trends that may further inform policymakers.

Tiering Criteria and the Process to Score the Sites

The tiering system utilized in this inventory update was based on development readiness criteria established during the 2011-2012 project. The tiers are based on industry standards and mirror the recruitment/development timeframe used by the State’s Industrial Site Certification Process. The tiers are defined as follows.

**Tier 1** Sites have over 25 net developable acres and are development-ready, or can be development-ready, within 180 days (six months). It is anticipated that no, or minimal, infrastructure or brownfield remediation is necessary and that due diligence and entitlements could be provided and/or obtained within this time period. A Tier 1 site does not have a use restriction and is currently on the market for sale or lease, or the ownership is willing to transact within 180 days. Sites in this tier would generally qualify for Business Oregon’s Industrial Site Certification program.

**Tier 2** Sites have over 25 net developable acres and require additional actions that would take between seven to 30 months to be counted as development-ready. The seven to 30 month timeframe is for sites that are less competitive for expansions and recruitment, but may still be of some interest to more patient users/developers. These sites may have deficiency issues with regard to infrastructure or may require brownfield remediation, annexation, and additional local and state legislative actions that are assumed to take more than six months. Additionally, these sites may have a marine or aviation use restriction that limits, but does not eliminate, their market opportunity. These sites are
currently on the market for sale or lease, or the property owner is willing to transact. If the property owners’ willingness to transact is unknown, the site may still be considered a Tier 2 site. Should the site be in multiple ownerships, an agreement to aggregate within 30 months must be in place.

**Tier 3**

Sites have over 25 net developable acres and require the most cost and time to deliver a development-ready site. Tier 3 sites include those that require 30 months or more to be development-ready and represent the least competitive sites from an expansion, recruitment, or a speculative development perspective. In addition to the criterion for Tier 2, these sites may or may not be currently for sale or lease, or the owner may or may not be willing to transact. In a small number of cases, sites are in Tier 3 because required information was not available at the time this report was published.

Table 1 below shows the tiering criteria developed and used by the PMT and consultant team to tier the sites.

### Table 1: Inventory Tiering Criteria

<table>
<thead>
<tr>
<th>Tier</th>
<th>25 net developable acres</th>
<th>Use Restriction</th>
<th>Brownfield Remediation</th>
<th>Annexation Required</th>
<th>Sewer, Water, &amp; Storm System</th>
<th>System Mobility</th>
<th>Currently for Sale or Lease</th>
<th>Willingness to Transact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>Within six (6) months</td>
<td>No</td>
<td>No or Within six (6) months (Score of A)</td>
<td>No</td>
<td>A or B</td>
<td>A or B</td>
<td>Yes</td>
<td>OR</td>
</tr>
<tr>
<td>Tier 2</td>
<td>Within 7-30 months</td>
<td>Yes or No</td>
<td>Within 7-30 Months (Score of B)</td>
<td>Yes or No</td>
<td>A, B, or C</td>
<td>A, B, or C</td>
<td>Yes</td>
<td>OR</td>
</tr>
<tr>
<td>Tier 3</td>
<td>&gt;30 months</td>
<td>Yes or No</td>
<td>&gt;30 months (Score of C)</td>
<td>Yes or No</td>
<td>A, B, or C</td>
<td>A, B, or C</td>
<td>Yes or No</td>
<td>OR</td>
</tr>
</tbody>
</table>

Source: Mackenzie
2014 INVENTORY UPDATE FINDINGS

Development Readiness

Industrial sites in the region are in varying states of readiness, requiring regulatory approvals (development permitting, environmental resource mitigation), local discretionary actions (concept planning, annexation, zoning), infrastructure (sewer, water, transportation), site/property owner aggregation, and brownfield remediation.

The study finds that the region has a limited supply of large industrial land readily available to attract and grow employers needed for the region to prosper, particularly sites of 50 net developable acres or more. Net developable acres are gross acres less wetlands, floodplain, 10%+ slopes, streams, and other development constraints that limit development. Figure 1 represents the findings of the regional inventory as of June 2014.

The study found the following.

14 Tier 1 sites
*Available for facility construction within 180 days*
There are 14 Tier 1 “market-ready” sites available for development opportunities in the near term, mostly in the 25 to 49 acre range. Tier 1 sites total approximately 650 net developable acres.

17 Tier 2 sites
*Available for facility construction between seven and 30 months*
Tier 2 mid-term sites require additional investment and policy actions to be market-ready. Of the 17 Tier 2 sites totaling approximately 1,100 net developable acres, four of these sites require property owner assembly.

23 Tier 3 sites
*Available for facility construction beyond 30 months*
There are multiple challenges to address to bring these 23 Tier 3 sites to market. Investment and actions required to move these sites forward include site aggregation, brownfield remediation, wetland mitigation, transportation/infrastructure improvements, and annexation. Nine of the Tier 3 sites (40%) require property owner assembly. Net developable acres in Tier 3 totals approximately 1,300 acres.

50-plus and 100-plus acre size sites
There is a limited supply of 50-plus and 100-plus acre sites in the Portland region. With respect to 100-plus acre sites, the study found:

- One Tier 1 site: Site 21: Gresham Vista Business Park (owned by Port of Portland)
- Two Tier 2 sites: Site 104: Meek Subarea site and Site 101: Vanrose Farms/Bert & Bernie LLC (Hillsboro)
- Two Tier 3 sites: Site 7: West Hayden Island and Site 10: SW Quad (both owned by the Port of Portland)
Tier 2 and 3 Development Constraints

There are multiple development constraints impacting the 40 Tier 2 and Tier 3 sites as outlined in the table below. Parcel aggregation is an issue affecting 33% of the sites in the inventory. More than 50% of the Tier 2 and Tier 3 sites require local and state legislative action and 45% of Tier 2 and Tier 3 sites have significant site infrastructure constraints.

<table>
<thead>
<tr>
<th>Tier 2 and Tier 3 Development Constraints</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brownfield clean up:</td>
<td>6</td>
</tr>
<tr>
<td>Natural Resources:</td>
<td>18</td>
</tr>
<tr>
<td>Infrastructure (water, sewer, storm utilities):</td>
<td>17</td>
</tr>
<tr>
<td>Transportation:</td>
<td>25</td>
</tr>
<tr>
<td>Land Assembly:</td>
<td>13</td>
</tr>
<tr>
<td>Local and State Legislative Actions:</td>
<td>23</td>
</tr>
<tr>
<td><strong>Willingness to Transact</strong></td>
<td></td>
</tr>
<tr>
<td>No:</td>
<td>10</td>
</tr>
<tr>
<td>Unknown:</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: Most sites may have multiple constraints

Tier 1, 2, and 3 Site Results

The 2014 update is based on the best available public information available to the consultant as of June 2014. The inventory of industrial sites in the Portland region will change over time; as such, this inventory is a snapshot in time. Changes to this inventory update are based on better information, such as wetland delineations; site surveys; property owner conversations; new properties coming on the market; properties in the inventory coming off the market due to transactions; a change in tier status based on investment or other actions; and other issues, such as an increase in property owner willingness to transact or other user designation.

The inventory update identifies 54 large industrial sites in the Metro UGB and selected urban reserves (Figure 2). Of these 54 sites in the inventory, 14 sites (26%) are Tier 1; 17 sites (31%) are Tier 2; and 23 sites (43%) are Tier 3 sites. Many of the Tier 3 sites have significant barriers to market readiness and may not be able to be aggregated as a site at all. The complete inventory of sites detailing all of the data prepared for each site, their location in the region, and their tiers can be found in Appendix A with regional maps found in Appendix B.

<table>
<thead>
<tr>
<th>Table 2: Tier and Site Distribution by County</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier/Acres</td>
<td>Clackamas</td>
</tr>
<tr>
<td>Absorbed by the Market</td>
<td>0</td>
</tr>
<tr>
<td>Tier 1</td>
<td>2</td>
</tr>
<tr>
<td>25-49 acres</td>
<td>2</td>
</tr>
<tr>
<td>50-99 acres</td>
<td>0</td>
</tr>
<tr>
<td>100+ acres</td>
<td>0</td>
</tr>
</tbody>
</table>
## Tier 1 Sites

Of the 14 Tier 1 sites, seven are in Washington County, five are in Multnomah County and two are in Clackamas County (Figure 3). The number of larger sites is limited as approximately 70% of the Tier 1 sites are in the 25-49 acre range. There are only three 50-acre sites and one 100-acre site that are Tier 1.

### Figure 4: Distribution of Sites by Acreage

![Figure 4: Distribution of Sites by Acreage](source: Mackenzie)

In addition to development-readiness, there are a handful of economic factors that drive the suitability of industrial sites for immediate development. A closer look at the 14 Tier 1 sites (Table 3) reveals that the number of sites attractive to a broad range of potential traded-sector companies is even smaller. Of the 14 Tier 1 sites, there are seven sites that meet standard market requirements. Three sites have multiple owners and a potential user must aggregate these sites themselves. One site is currently for sale at an above market price for industrial development. It is unclear if, or when, the current owner will align the asking price with current industrial market pricing. Three sites that have been absorbed by the market since June 2014.

Over 85% of the Tier 1 sites are in Multnomah or Washington County. Because the inventory only includes sites within the Portland metropolitan UGB or select urban reserves, industrial sites located in rural Washington

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22 **Site 13**: Specht Properties in Portland; **Site 46**: Development Services of America (Westmark site) in Hillsboro; **Site 114**: Colwood Ltd Partnership in Portland.
County and Clackamas County, such as Banks, Canby, Sandy, Molalla, and Estacada are not included in this inventory\(^\text{24}\). However, these sites are an important component of the regional economy. Table 3 details the Tier 1 sites.

**Table 3: Tier 1 Site Summary**

<table>
<thead>
<tr>
<th>Site ID</th>
<th>Owner/Site</th>
<th>Location</th>
<th>County</th>
<th>Gross Acres</th>
<th>Net Developable Acreage</th>
<th>Number of Tax lots</th>
<th>Number of Owners</th>
<th>Currently for Sale/Lease</th>
<th>Willing to Transact</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Specht Properties Inc.</td>
<td>Portland</td>
<td>Multnomah</td>
<td>28.11</td>
<td>26.52</td>
<td>3</td>
<td>S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Port of Portland GVB - East</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>115.98</td>
<td>115.01</td>
<td>5</td>
<td>S/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Port of Portland GVB - West</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>87.79</td>
<td>67.84</td>
<td>3</td>
<td>S/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Clackamas County Development Agency</td>
<td>Clackamas</td>
<td>Clackamas</td>
<td>61.93</td>
<td>40.00</td>
<td>11</td>
<td>S/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Ralph &amp; Shirley Elligsen</td>
<td>Wilsonville</td>
<td>Clackamas</td>
<td>33.42</td>
<td>30.20</td>
<td>2</td>
<td>S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Development Services Of America (Westmark Site)</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>30.02</td>
<td>30.02</td>
<td>1</td>
<td>S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>Dewayne Wafford (Baker/Bindewald Site)</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>46.06</td>
<td>44.58</td>
<td>1</td>
<td>S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Majestic Realty Co.</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>75.11</td>
<td>62.75</td>
<td>9</td>
<td>S/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Shute North (Berger/Moore Trust/Boyles Trust)</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>73.31</td>
<td>55.00</td>
<td>5</td>
<td>3</td>
<td>S</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Shute South (Berger Properties/Moore Trust)</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>42.91</td>
<td>42.91</td>
<td>2</td>
<td>2</td>
<td>S</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>Merix Corporation</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>34.25</td>
<td>29.71</td>
<td>1</td>
<td>S</td>
<td></td>
<td></td>
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<tr>
<td>111</td>
<td>Weston Investments and CCF Oregon LLC</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>34.99</td>
<td>26.00</td>
<td>2</td>
<td>2</td>
<td>S</td>
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<tr>
<td>113</td>
<td>Henningsen Cold Storage</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>28.57</td>
<td>26.44</td>
<td>3</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>114</td>
<td>Colwood LTD Partnership</td>
<td>Portland</td>
<td>Multnomah</td>
<td>47.55</td>
<td>39.42</td>
<td>1</td>
<td>S</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: It is assumed that if a property is currently listed for sale or lease, the property owner is willing to transact. Source: Mackenzie

\(^{23}\) Approximately 40% of Multnomah County is within the Metro UGB; 17% of Washington County; and 5% of Clackamas County.

\(^{24}\) [http://cmap.clackamas.us/ccss/](http://cmap.clackamas.us/ccss/)
**Tier 2 Sites**

The analysis found 17 Tier 2 sites within the Metro UGB. The bulk of these sites are in Washington or Multnomah County with only one site in Clackamas County. The number of large sites in Tier 2 is limited, with four sites that are between 50-99 acres and two 100-plus acre sites.

The few large sites in Tier 2 face significant challenges to become market-ready, including the need to build infrastructure (roads and sewer), mitigate wetlands, and assemble parcels currently under multiple ownerships. Many of these sites have multiple development constraints that limit their marketability. The inventory update did not identify specific constraints at each site, but the list of potential constraints includes environmental clean-up, infrastructure upgrades, property owner aggregation, annexation, wetland/floodplain fill. Of the 17 Tier 2 sites, four require aggregation and eight require local and state legislative actions, such as UGB expansion, annexation, zoning, and concept planning.

Generally, the constraints to readiness for Tier 2 sites are less extensive than Tier 3 sites, requiring less time and lower costs than the majority of the Tier 3 sites. Tier 2 sites present the best opportunity to focus resources to bring more sites to market. Table 4 details the Tier 2 sites.

**Table 4: Tier 2 Site Summary**

<table>
<thead>
<tr>
<th>Site ID</th>
<th>Owner/Site</th>
<th>Location</th>
<th>County</th>
<th>Gross Acres</th>
<th>Net Developable Acreage</th>
<th>Number of Taxlots</th>
<th>Number of Owners</th>
<th>Currently For Sale/Lease</th>
<th>Willing to Transact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Port of Portland (Rivergate)</td>
<td>Portland</td>
<td>Multnomah</td>
<td>51.44</td>
<td>51.21</td>
<td>4</td>
<td>L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Port of Portland (NE Marine Drive &amp; 33rd Avenue)</td>
<td>Portland</td>
<td>Multnomah</td>
<td>66.74</td>
<td>62.70</td>
<td>1</td>
<td>L</td>
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<td></td>
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<tr>
<td>18</td>
<td>Port of Portland (Trip - Phase 2)</td>
<td>Troutdale</td>
<td>Multnomah</td>
<td>42.67</td>
<td>30.18</td>
<td>3</td>
<td>S/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Port of Portland (Trip - Phase 2)</td>
<td>Troutdale</td>
<td>Multnomah</td>
<td>80.53</td>
<td>80.34</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Mt Hood Community College</td>
<td>Troutdale</td>
<td>Multnomah</td>
<td>38.45</td>
<td>37.40</td>
<td>3</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>38</td>
<td>Biles Family LLC</td>
<td>Sherwood</td>
<td>Washington</td>
<td>39.60</td>
<td>30.89</td>
<td>1</td>
<td>S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Julian &amp; Sharon Cranford</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>28.51</td>
<td>27.29</td>
<td>1</td>
<td>S</td>
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<tr>
<td>54</td>
<td>5305 NW 253RD Avenue LLC</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>38.49</td>
<td>28.59</td>
<td>1</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>Spokane Humane Society &amp; Spokane Animal Care</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>45.49</td>
<td>36.00</td>
<td>1</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>56</td>
<td>East Evergreen Site</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>70.74</td>
<td>61.00</td>
<td>9</td>
<td>7</td>
<td>S</td>
<td>Yes</td>
</tr>
<tr>
<td>62</td>
<td>Rock Creek Site</td>
<td>Happy Valley</td>
<td>Clackamas</td>
<td>40.83</td>
<td>36.82</td>
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<td>2</td>
<td>S</td>
<td>Yes</td>
</tr>
<tr>
<td>Site ID</td>
<td>Owner/Site</td>
<td>Location</td>
<td>County</td>
<td>Gross Acres</td>
<td>Net Developable Acreage</td>
<td>Number of Tax lots</td>
<td>Number of Owners</td>
<td>Currently for Sale/Lease</td>
<td>Willing to Transact</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
<td>--------------</td>
<td>--------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>--------------------</td>
<td>------------------</td>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>63</td>
<td>Woodburn Industrial Capital</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>26.17</td>
<td>25.01</td>
<td>1</td>
<td>S/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>Kenneth Itel</td>
<td>Tualatin</td>
<td>Washington</td>
<td>46.25</td>
<td>30.25</td>
<td>2</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>101</td>
<td>Vanrose Farms and Bert &amp; Bernie LLC</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>271.64</td>
<td>224.83</td>
<td>2</td>
<td>2</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>104</td>
<td>Meek Subarea Site</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>268.02</td>
<td>257.42</td>
<td>8</td>
<td>7</td>
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</tr>
<tr>
<td>112</td>
<td>Hally Haworth</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>38.19</td>
<td>36.15</td>
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<td>Yes</td>
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<td></td>
</tr>
<tr>
<td>115</td>
<td>SolarWorld</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>46.23</td>
<td>46.23</td>
<td>1</td>
<td>S</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: It is assumed that if a property is currently listed for sale or lease, the property owner is willing to transact.

Source: Mackenzie

**Tier 3 Sites**

The analysis found 23 Tier 3 sites within the Metro UGB and selected urban reserves. While all but one of the Tier 3 sites are inside the UGB or select urban reserve sites, this category of sites has multiple and significant constraints to overcome to get to market-readiness. Similar to the other tiers, the number of larger Tier 3 sites is also limited, with three sites that are between 50-99 acres and two 100-plus acre sites.

Nine of the Tier 3 sites (nearly 40%) require aggregation of parcels in separate ownerships. Ownership ranges from two owners for the Woodfold site in Forest Grove (Site 64) and the Davis Family Trust & Taghon site in Cornelius (Site 110) to up to 16 owners for the Coffee Creek site #1 in Wilsonville (Site 33). Five of these nine sites have more than three ownerships. The more owners involved, the more complex and lengthy the aggregation process.

More than two-thirds (15) of the sites in Tier 3 will require some kind of local or state legislative actions such as UGB expansion, annexation, zoning and concept planning to become development-ready. Examples include sites that are outside the current UGB and West Hayden Island, which is inside the UGB but subject to a lengthy planning and annexation process that is likely to include significant mitigation requirements. If approved for development, the West Hayden Island site is at least seven years away from readiness due to permits, mitigation, and infrastructure requirements. There are also two sites on the edge of the UGB with tax lots that are partially inside the UGB and partially outside of the UGB included in this study. This split of urban and rural land creates a legislative challenge as only lots within the UGB are allowed to develop to urban use and intensity. Development to urban intensities includes a prohibition on partitioning of these lots to a size inconsistent with rural land uses and zoning. For the purpose of this study, only the portions of the tax lots inside the UGB are included as a site.

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25 Site 109: Morse Bros Inc.
26 Site 101: Vanrose Farms and Bert & Bernie LLC, and Site 112: Hally Haworth
Oregon Department of Land Conservation and Development is currently engaged in a process to fix this legislative issue.

Another issue affecting five Tier 3 sites is brownfield contamination. Three of these sites are located in the City of Portland adjacent to the Willamette River Superfund designation and have significant development issues, risk, and uncertainty.

Three of the Tier 3 sites (15%) are currently operating as active quarries with gross site acreage varying from 26 to 85 to 300 acres. These sites have been mined for decades and as a result are significantly sloped due to excavation.

Providing a market perspective on the quality of sites is a major objective of this analysis. Market-readiness requires first and foremost, a willingness to enter into a transaction by the property owner. However, simply a lack of willingness to transact, or a lack of information of a willingness to transact, was not a reason to exclude a site in the inventory. Of the 23 Tier 3 sites, 16 (nearly 70%) either lack a willingness to transact or the information was unable to be determined as part of this study. Slightly over 20% of the Tier 3 sites (four sites) are currently, or could be, available to the general market, as the property owner is willing to enter into a transaction. Only 13% (three sites) are currently listed for sale on the market. Table 5 provides a complete list of the Tier 3 sites.

Table 5: Tier 3 Site Summary

<table>
<thead>
<tr>
<th>Site ID</th>
<th>Owner/Site</th>
<th>Location</th>
<th>County</th>
<th>Gross Acres</th>
<th>Net Developable Acreage</th>
<th>Number of Tax lots</th>
<th>Number of Owners</th>
<th>Currently for Sale/Lease</th>
<th>Willing to Transact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Time Oil Company</td>
<td>Portland</td>
<td>Multnomah</td>
<td>51.10</td>
<td>39.40</td>
<td>7</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>ESCO Corp</td>
<td>Portland</td>
<td>Multnomah</td>
<td>37.62</td>
<td>29.92</td>
<td>6</td>
<td>3</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>5</td>
<td>Atofina Chemicals INC</td>
<td>Portland</td>
<td>Multnomah</td>
<td>59.76</td>
<td>47.25</td>
<td>6</td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>Port of Portland (West Hayden Island)</td>
<td>Portland</td>
<td>Multnomah</td>
<td>472.00</td>
<td>300.00</td>
<td>3</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>Port of Portland (SW Quad)</td>
<td>Portland</td>
<td>Multnomah</td>
<td>209.69</td>
<td>206.47</td>
<td>5</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>16</td>
<td>Michael Cereghino</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>41.63</td>
<td>25.00</td>
<td>5</td>
<td></td>
<td></td>
<td>S</td>
</tr>
<tr>
<td>17</td>
<td>Port of Portland (Trip - Phase 3)</td>
<td>Fairview</td>
<td>Multnomah</td>
<td>34.14</td>
<td>30.00</td>
<td>1</td>
<td></td>
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<td>S/L</td>
</tr>
<tr>
<td>24</td>
<td>Jean Johnson</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>37.17</td>
<td>33.82</td>
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<td></td>
<td>N/A</td>
</tr>
<tr>
<td>25</td>
<td>Lester Jonak Jr.</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>34.19</td>
<td>27.07</td>
<td>1</td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>26</td>
<td>Michael &amp; Ardele Obrist</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>33.51</td>
<td>33.51</td>
<td>2</td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>33</td>
<td>Coffee Creek Industrial Area - Site 1</td>
<td>Wilsonville</td>
<td>Washington</td>
<td>89.59</td>
<td>84.70</td>
<td>21</td>
<td>16</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Site ID</td>
<td>Owner/Site</td>
<td>Location</td>
<td>County</td>
<td>Gross Acres</td>
<td>Net Developable Acreage</td>
<td>Number of Tax lots</td>
<td>Number of Owners</td>
<td>Currently for Sale/Lease</td>
<td>Willing to Transact</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------</td>
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<td>-------------------------</td>
<td>-------------------</td>
<td>------------------</td>
<td>--------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>34</td>
<td>Kennedy/Fitzpatrick/Vanleeuwen</td>
<td>Wilsonville</td>
<td>Washington</td>
<td>52.88</td>
<td>25.50</td>
<td>3</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Tonquin Industrial Area</td>
<td>Tualatin</td>
<td>Washington</td>
<td>49.52</td>
<td>34.32</td>
<td>8</td>
<td>7</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Tigard Sand &amp; Gravel Site</td>
<td>Tualatin</td>
<td>Washington</td>
<td>301.08</td>
<td>25.00</td>
<td></td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Orr Family Farm LLC</td>
<td>Sherwood</td>
<td>Washington</td>
<td>96.26</td>
<td>77.00</td>
<td>1</td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Coffee Creek Industrial Area - Site 2</td>
<td>Wilsonville</td>
<td>Washington</td>
<td>45.07</td>
<td>44.49</td>
<td>12</td>
<td>7</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Coffee Creek Industrial Area - Site 3</td>
<td>Wilsonville</td>
<td>Washington</td>
<td>28.82</td>
<td>26.22</td>
<td>10</td>
<td>6</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Coffee Creek Industrial Area - Site 4</td>
<td>Wilsonville</td>
<td>Washington</td>
<td>46.57</td>
<td>42.37</td>
<td>12</td>
<td>8</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Woodfold-Marco MFG Inc. (East Oak Street)</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>27.67</td>
<td>25.06</td>
<td>2</td>
<td>2</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>Woodfold-Marco MFG Inc. (West Oak Street)</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>53.66</td>
<td>52.97</td>
<td>5</td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>109</td>
<td>Morse Bros. Inc.</td>
<td>Tualatin</td>
<td>Washington</td>
<td>83.68</td>
<td>25.00</td>
<td>7</td>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>Davis Family Trust &amp; Remi Taghon</td>
<td>Cornelius</td>
<td>Washington</td>
<td>49.01</td>
<td>40.21</td>
<td>10</td>
<td>2</td>
<td>Yes/No</td>
<td></td>
</tr>
<tr>
<td>111</td>
<td>Northwest Sand &amp; Gravel Inc.</td>
<td>Unincorporated</td>
<td>Clackamas</td>
<td>26.2</td>
<td>25.10</td>
<td>6</td>
<td>1</td>
<td>S</td>
<td></td>
</tr>
</tbody>
</table>

Source: Mackenzie

Note: “YES/NO” is for a property with two owners – one willing to transact and one not willing to transact. Additionally, it is assumed that if a property is currently listed for sale or lease, the property owner is willing to transact; site 109 is currently outside of the UGB.

**Additional Sites**

There are several dozen industrially designated sites that are not included in this inventory update. These sites fall into three categories.

1. The parcel/site is greater than 25 gross acres, but when constraints (environmental or restrictive zoning/overlay) are taken into consideration, the net developable acreage falls below 25 acres. (See Table 6)

2. The parcel/site is owned by a company that is **part of an existing campus/development** and the company has future expansion plans. This vacant land is not currently available to the market for another prospective user. The site is partially vacant but reserved for expansion. (See Table 7)
3. The parcel/site is owned by a company that has future development plans; therefore the site is not currently on the market for a prospective user. The site is fully vacant and land banked for new development. (See Table 7)

Although these sites do not appear in the 2014 inventory in this report, they are still an important portion of the region’s industrial land supply. Appendix C provides regional maps of these sites.

Sites with Less Than 25 Net Developable Acres

There are 16 parcels and/or sites in this study that have 25 gross acres, but do not have 25 net developable acres. However, these sites are still part of the region’s inventory of industrial land as they may be developable for smaller users. These sites are identified in Table 6 below, but are not included in the 2014 inventory because they did not meet the criteria of this study.

Table 6: Parcels or Sites with Less Than 25 Net Developable Acres

<table>
<thead>
<tr>
<th>Owner</th>
<th>Location</th>
<th>Gross Acreage</th>
<th>Approximate Net Developable Acres</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>McCormick &amp; Bassili Investments LLC</td>
<td>Happy Valley (HWY 212 &amp; 162nd)</td>
<td>33.98</td>
<td>7.5</td>
<td>Environmental constraints result in &lt;25 net developable acres – according to Clackamas County</td>
</tr>
<tr>
<td>Weaver Russell</td>
<td>Happy Valley (HWY 212 &amp; 162nd)</td>
<td>34.19</td>
<td>3.5</td>
<td>Environmental constraints result in &lt;25 net developable acres – according to Clackamas County</td>
</tr>
<tr>
<td>Fazio</td>
<td>Portland (East of NE MLK &amp; Gertz)</td>
<td>34.96</td>
<td>22</td>
<td>Existing drainage ditch bisects site into a 21.5 acre site; net developable acres in largest development parcel is less than 25 acres</td>
</tr>
<tr>
<td>Graphic Packaging</td>
<td>North Portland (Marine Drive &amp; Portland)</td>
<td>26.26</td>
<td>2.75</td>
<td>Environmental constraints result in &lt;25 net developable acres</td>
</tr>
<tr>
<td>Catellus</td>
<td>Portland (N of Airport and 185th)</td>
<td>31.99</td>
<td>3.5</td>
<td>Environmental constraints result in &lt;25 acres remaining (wetlands and floodplain)</td>
</tr>
<tr>
<td>Langer Family</td>
<td>Sherwood (TS Road &amp; Adams)</td>
<td>56.48</td>
<td>&lt; 25</td>
<td>Public utility district overlay on site results in &lt;25 net developable</td>
</tr>
<tr>
<td>Orwa Sherwood LLC</td>
<td>Sherwood (T/S Road &amp; Adams)</td>
<td>50.25</td>
<td>6</td>
<td>Bisecting road results in &lt;25 net developable acres</td>
</tr>
<tr>
<td>Fred Fields property</td>
<td>Tigard (Hall and Hunziker)</td>
<td>35.6</td>
<td>&lt;25</td>
<td>Environmental constraints result in &lt;25 net developable acres (market/site knowledge)</td>
</tr>
<tr>
<td>David Young</td>
<td>Wilsonville (S of Boeckman W of I5)</td>
<td>33.9</td>
<td>0</td>
<td>Significant Resource Overlay Zone environmental constraints – according to City of Wilsonville</td>
</tr>
<tr>
<td>Gary Walgraeve</td>
<td>Tualatin (Herman Road &amp; 118th)</td>
<td>54.95</td>
<td>14.5</td>
<td>Environmental constraints result in &lt;25 net developable acres – according to City of Tualatin</td>
</tr>
<tr>
<td>Edward Wager</td>
<td>Tualatin (T/S Road &amp; 124th)</td>
<td>32.14</td>
<td>13</td>
<td>Environmental constraints result in &lt;25 net developable acres – according to City of Tualatin</td>
</tr>
<tr>
<td>Owner</td>
<td>Location</td>
<td>Gross Acre</td>
<td>Approximate Net Developable Acres</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------</td>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Joe Bernert Tow Inc.</td>
<td>Wilsonville (Wilsonville Road &amp; Boones Ferry)</td>
<td>31.18</td>
<td>13.5</td>
<td>Significant Resource Overlay Zone — according to Wilsonville</td>
</tr>
<tr>
<td>Rock Creek aggregate site</td>
<td>Happy Valley (Rock Creek Blvd &amp; SE 172nd Avenue)</td>
<td>25.03</td>
<td>21.04</td>
<td>Slope constraints</td>
</tr>
<tr>
<td>Powin Pacific Properties LLC</td>
<td>Tualatin (T/S Road &amp; 115th)</td>
<td>29.47</td>
<td>13.45</td>
<td>Wetlands and stream on site</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Portland (NE 33rd; South of Marine Drive)</td>
<td>28</td>
<td>23</td>
<td>Drainage ditches result in &lt;25 net developable acres</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Portland (South of SW Quad)</td>
<td>67.5</td>
<td>0</td>
<td>Reserved for open space/wetlands mitigation. Land is not greater than 25 net developable acres – according to Port of Portland</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Fairview (South of site 17)</td>
<td>100</td>
<td>0</td>
<td>Reserved for open space/wetlands mitigation. Land is not greater than 25 net developable acres – according to Port of Portland</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Troutdale (East of Troutdale Reynolds Industrial Park site 20)</td>
<td>64</td>
<td>0</td>
<td>Reserved for open space/conservation. Land is not greater than 25 net development acres – according to Port of Portland</td>
</tr>
<tr>
<td>Xerox (2 parcels)</td>
<td>Wilsonville (East of Interstate5)</td>
<td>95.81</td>
<td>34.1</td>
<td>Remaining 34.1 acres are reserved for future on site environmental mitigation for the Xerox campus and not developable</td>
</tr>
</tbody>
</table>

**Source:** Mackenzie

**User Owned and User Designated Sites**

This analysis also excluded land-banked parcels that are owned and held for future expansion by existing regional firms. These parcels are an important part of the regional industrial land inventory, but since they are being held by their current owners for future development, they are not considered to be available to the general market, which is the focus of this study. There are 25 user-owned sites with at a minimum 25 net developable acres that are being held for future development in this study (Table 7). Twelve (12) of these sites are vacant (for future use) with 25 or more net developable acres; and 13 are partially vacant (buildings on site/part of existing campus), but still have a minimum of 25 acres vacant for future expansion.
### Table 7: User Owned and User Designated Sites

<table>
<thead>
<tr>
<th>Owner</th>
<th>Location</th>
<th>Gross Acreage</th>
<th>Vacant Acreage</th>
<th>Partial Vacant: for future use</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Pacific Union Conference Association SDA</td>
<td>Gresham (Foster &amp; Tillstrom)</td>
<td>66.9</td>
<td>66.9</td>
<td>X</td>
<td>Reserved for future use/development</td>
</tr>
<tr>
<td>Providence Health</td>
<td>Happy Valley (HWY 212 &amp; 162nd)</td>
<td>49.7</td>
<td>49.7</td>
<td>X</td>
<td>Reserved for future use/development</td>
</tr>
<tr>
<td>Intel (Future parking lot)</td>
<td>Hillsboro (Cornell &amp; Cornelius Pass)</td>
<td>47.36</td>
<td>47.36</td>
<td>X</td>
<td>Reserved for future use/development (parking lot)</td>
</tr>
<tr>
<td>Legacy Health Services</td>
<td>Hillsboro (Cornell &amp; Cornelius Pass)</td>
<td>28.95</td>
<td>27.3</td>
<td>X</td>
<td>Reserved for future use/development (easement on site)</td>
</tr>
<tr>
<td>Intel</td>
<td>Hillsboro (West Union &amp; Cornelius Pass)</td>
<td>72.54</td>
<td>68.4</td>
<td>X</td>
<td>Reserved for future use/development</td>
</tr>
<tr>
<td>Port of Portland (PIC WEST)</td>
<td>Portland (NE Alderwood Drive)</td>
<td>69.45</td>
<td>58.96</td>
<td>X</td>
<td>Future relocation site for PDX rental cars</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Troutdale (East of site 17)</td>
<td>34</td>
<td>32.7</td>
<td>X</td>
<td>Vacant; reserved for utility use (substation) – according to Port of Portland</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Hillsboro (NW Evergreen Road)</td>
<td>71.81</td>
<td>67.69</td>
<td>X</td>
<td>Brought into UGB in 2014 with House Bill 4078; reserved for future Hillsboro Airport use (airport restrictions)</td>
</tr>
<tr>
<td>Port of Portland</td>
<td>Hillsboro (NW Evergreen Road and 264th)</td>
<td>39.22</td>
<td>34.15</td>
<td>X</td>
<td>Inside Hillsboro Airport fence, and included in FAA Airport Layout Plan; reserved for aviation related development only</td>
</tr>
<tr>
<td>Mentor Graphics</td>
<td>Wilsonville (S of Boeckman E of I5)</td>
<td>43.4</td>
<td>43.4</td>
<td>X</td>
<td>Reserved for future use/development - split from main campus by public street; Significant Resource Overlay Zone on site and wetlands</td>
</tr>
<tr>
<td>Phight LLC</td>
<td>Tualatin (T/S Road &amp; 118th)</td>
<td>28.8</td>
<td>28.8</td>
<td>X</td>
<td>Reserved for future use/development</td>
</tr>
<tr>
<td>BT Property LLC (UPS)</td>
<td>Gresham (NE 185th and NE Portal Way)</td>
<td>51.45</td>
<td>51.45</td>
<td>X</td>
<td>Reserved for future use/development</td>
</tr>
<tr>
<td>Clackamas CDA</td>
<td>Clackamas County (I205/82nd)</td>
<td>32.2</td>
<td>32.1</td>
<td>X</td>
<td>Excess land - in use and not available – according to Clackamas County</td>
</tr>
<tr>
<td>Great American TVR</td>
<td>Clackamas County (I205/82nd)</td>
<td>49.35</td>
<td>47.5</td>
<td>X</td>
<td>Communication towers and infrastructure on site</td>
</tr>
<tr>
<td>State of Oregon (3 parcels)</td>
<td>Clackamas County (I205/Hwy 212)</td>
<td>232</td>
<td>97</td>
<td>X</td>
<td>In use and not available – according to Clackamas County</td>
</tr>
<tr>
<td>Owner</td>
<td>Location</td>
<td>Gross Acreage</td>
<td>Vacant Acreage</td>
<td>Vacant: for future use</td>
<td>Partially Vacant: in use</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------</td>
<td>---------------</td>
<td>----------------</td>
<td>------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Nacco Materials Company</td>
<td>Fairview (Marine &amp; Blue Lake Road)</td>
<td>78.7</td>
<td>58.7</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Microchip Technology (Formally Linde)</td>
<td>Gresham (Glisan &amp; 223rd)</td>
<td>137</td>
<td>75</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Mutual Materials</td>
<td>Gresham (Hogan Road)</td>
<td>86.08</td>
<td>56.8</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Novellus Systems Inc.</td>
<td>Tualatin (SW Tualatin Road &amp; SW 108th)</td>
<td>58.4</td>
<td>27.46</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>PGE Portland</td>
<td>Gresham (Powell &amp; E of 182nd)</td>
<td>72.13</td>
<td>62.8</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Genentech (entire campus)</td>
<td>Hillsboro (Evergreen &amp; Brookwood)</td>
<td>75.3</td>
<td>60</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Tokyo Ohka Kogyo</td>
<td>Hillsboro (Evergreen &amp; Brookwood)</td>
<td>38.89</td>
<td>28.5</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Intel (Ronler Acres)</td>
<td>Hillsboro (Shute Road)</td>
<td>111.7</td>
<td>61</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>PGE Portland</td>
<td>North Portland (St Helens)</td>
<td>63.1</td>
<td>43.9</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Cookin (Siltronic)</td>
<td>Portland (St Helens Road)</td>
<td>79.27</td>
<td>38.6</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Source: Mackenzie

**Changes from 2011 Inventory to 2014 Inventory**

**Movement In and Out of the Inventory**

The 2011 inventory included 56 sites, compared to the 2014 inventory of 54 sites. The breakdown among tiers is shown in Figure 5 and 6 below. Nine sites were removed from the inventory, including three sites that are being developed or used for construction staging. Seven sites were added to the inventory. The number of Tier 1 sites has increased by six sites; Tier 2 sites increased by one site; and Tier 3 sites decreased by eight sites. Of the Tier 1 sites, only seven of the sites meet standard development criteria.
Movement between Tiers

From 2011 to 2014, there has been significant movement between the tiers. The 2014 update found 11 sites that moved up a tier; five Tier 2 sites became Tier 1 sites and six Tier 3 sites became Tier 2 sites in the 2014 update. The table below shows movement between the tiers in the past two and a half years. The majority of movement between tiers is a result of environmental mitigation and infrastructure investments.

Table 8: Movement in the Inventory

<table>
<thead>
<tr>
<th></th>
<th>2014 Inventory</th>
<th>Remain from 2011</th>
<th>Upgraded from 2011</th>
<th>Added Sites in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>14</td>
<td>6</td>
<td>5 (previously Tier 2 site)</td>
<td>3</td>
</tr>
<tr>
<td>Tier 2</td>
<td>17</td>
<td>8</td>
<td>6 (previously Tier 3 site)</td>
<td>3</td>
</tr>
<tr>
<td>Tier 3</td>
<td>23</td>
<td>21</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>54</td>
<td>35</td>
<td>11</td>
<td>7</td>
</tr>
</tbody>
</table>

Of the 11 sites that moved up a tier:

- Five sites are located in Hillsboro, five sites are located in the East Multnomah County submarket, and one site is located in Portland.
- Six sites are in private ownership and five sites are in public ownership three (3) sites owned by the Port of Portland, one site owned by Mount Hood Community College, and one site owned by Clackamas County Development Agency.

Seven of the 11 sites that moved up a tier required investment in infrastructure and mitigation.

- Two sites moved up a tier due to environmental constraint mitigation.  
- Five sites received transportation/infrastructure investments.

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27 One of the three new Tier 2 sites is site number 1 (Port of Portland - Rivergate). In 2011, this was a Tier 1 site; however, due to the listing of the streaked horned lark species, the site requires mitigation and is no longer developable within a 6 month timeframe. Environmental mitigation required is a 7-30 month process which drops the site from Tier 1 to Tier 2.
28 Site 13: Specht Properties and Site 29: Clackamas County Development Agency.
29 Sites 18 and 19: Troutdale Reynolds Industrial Park Phase 2, Site 22: Gresham Vista Business Park West, and Sites 50 and 52: Shute Road North and South.
Additionally, of the 11 sites that upgraded a tier, four were able to do so without significant investment in infrastructure.

- Two of the sites experienced a legislative change, and were taken out of urban reserves and brought into the UGB.\(^{30}\)
- Two of the sites had a change in the property owner willingness to transact, and therefore were upgraded to Tier 2.\(^{31}\)

**Sites Deleted from the Inventory**

Using the methodology developed during the 2011 inventory project, the team removed nine sites, resulting in a total of 54 sites in the June 2014 inventory. The tables below show which 2011 inventory sites are no longer on the inventory with an explanation of why. Between the *2011 and 2014 Regional Industrial Land Inventory Report*, nine sites and approximately 400 estimated net developable acres were removed from the inventory. In contrast, the seven sites added to the 2014 inventory accounted for approximately 240 acres.

### Table 9: 2011 Inventory Sites Removed from 2014 Inventory

<table>
<thead>
<tr>
<th>Site ID</th>
<th>Owner/Site</th>
<th>Location</th>
<th>County</th>
<th>Gross Acres</th>
<th>Net Developable Acres</th>
<th>Sale/Lease/Transact (2011)</th>
<th>Development and/or Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Port of Portland (PIC East)</td>
<td>Portland</td>
<td>Multnomah</td>
<td>43.50</td>
<td>41.18</td>
<td>L</td>
<td>Currently under construction; results in less than 25 developable acres</td>
</tr>
<tr>
<td>44</td>
<td>Intel Corporation</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>31.39</td>
<td>31.39</td>
<td>S</td>
<td>Currently used as a paved/gravel parking lot and staging area for Intel</td>
</tr>
<tr>
<td>67*</td>
<td>Port of Portland (PIC West)</td>
<td>Portland</td>
<td>Multnomah</td>
<td>69.45</td>
<td>58.96</td>
<td>L</td>
<td>Held by Port of Portland for future relocation of rental cars at PDX(^{32})</td>
</tr>
</tbody>
</table>

---

\(^{30}\) Site 101: Vanrose Farms and Site 104: Meek Subarea

\(^{31}\) Site 23: Mt. Hood Community College and Site 47: Cranford

\(^{32}\) With passenger volumes increasing to 15 million in 2013, the timeframe for the relocation of the rental cars at Portland International Airport has shortened, necessitating the removal of this site from the inventory.
<table>
<thead>
<tr>
<th>Site ID</th>
<th>Owner/Site</th>
<th>Location</th>
<th>County</th>
<th>Gross Acres</th>
<th>Net Developable Acres</th>
<th>Sale/Lease/Transact (2011)</th>
<th>Development and/or Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>Port of Portland (Hillsboro Airport)</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>39.22</td>
<td>34.15</td>
<td>L</td>
<td>Port of Portland Hillsboro Airport planning has changed, requiring this site for future airport use only</td>
</tr>
<tr>
<td>6</td>
<td>McCormick &amp; Baxter Creosoting</td>
<td>Portland</td>
<td>Multnomah</td>
<td>42.39</td>
<td>33.39</td>
<td>No</td>
<td>Designated for University of Portland expansion and development (City of Portland approved conditional use master plan)</td>
</tr>
<tr>
<td>15</td>
<td>BT Property LLC (UPS)</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>51.45</td>
<td>49.45</td>
<td>No</td>
<td>Owner has decided to develop site for future use</td>
</tr>
<tr>
<td>28</td>
<td>James &amp; Mollie Siri</td>
<td>Happy Valley</td>
<td>Clackamas</td>
<td>26.40</td>
<td>25.26</td>
<td>No</td>
<td>Dedication along SE 172nd results in less than 25 developable acres</td>
</tr>
<tr>
<td>100</td>
<td>Holzmeyer Richard Henry</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>111.37</td>
<td>100.12</td>
<td>N/A</td>
<td>Designated from urban reserves to rural reserves during Grand Bargain; no longer eligible to be included in inventory</td>
</tr>
</tbody>
</table>

* This site was removed from the 2011 inventory as it is no longer available to the general market; however, it now appears on Table 7: User Owned and User Designated Sites
Sites Added to the Inventory

Using the methodology developed during the 2011 inventory project, the team found seven new sites to add to the inventory and removed nine sites, resulting in a total of 54 sites in the June 2014 inventory. Approximately 240 estimated net developable acres were added in the same time period with seven newly identified sites. The net decrease of large industrial site acreage in the metro-region is an estimated 160 net developable acres.

### Table 10: Sites Added to the 2014 Inventory

<table>
<thead>
<tr>
<th>Site ID</th>
<th>Owner/Site</th>
<th>Location</th>
<th>County</th>
<th>Gross Acres</th>
<th>Net Developable Acres</th>
<th>Sale/Lease/Transact (2014)</th>
<th>Site Added Due To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 Sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>111</td>
<td>Weston Investments and CCF Oregon LLC</td>
<td>Gresham</td>
<td>Multnomah</td>
<td>34.99</td>
<td>26.00</td>
<td>S</td>
<td>Property owner aggregation</td>
</tr>
<tr>
<td>113</td>
<td>Henningsen Cold Storage</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>28.57</td>
<td>26.44</td>
<td>Yes</td>
<td>State and local actions: increased in site acreage due to future right of way vacation and building demolition plans</td>
</tr>
<tr>
<td>114</td>
<td>Colwood Ltd Partnership</td>
<td>Portland</td>
<td>Multnomah</td>
<td>47.55</td>
<td>39.42</td>
<td>S</td>
<td>State and local actions: rezoned from open space to industrial</td>
</tr>
<tr>
<td>Tier 2 Sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>112</td>
<td>Hally Waworth</td>
<td>Forest Grove</td>
<td>Washington</td>
<td>38.19</td>
<td>36.15</td>
<td>Yes</td>
<td>State and local actions: added into the UGB as a part of House Bill 4078</td>
</tr>
<tr>
<td>115</td>
<td>SolarWorld</td>
<td>Hillsboro</td>
<td>Washington</td>
<td>46.23</td>
<td>46.23</td>
<td>S</td>
<td>Market changes: user designated site in October 2011 inventory and has recently been listed as for sale</td>
</tr>
<tr>
<td>Tier 3 Sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>Davis Family Trust &amp; Remi Taghon</td>
<td>Cornelius</td>
<td>Washington</td>
<td>49.01</td>
<td>40.21</td>
<td>Yes/No</td>
<td>Property owner aggregation</td>
</tr>
<tr>
<td>116</td>
<td>Northwest Sand &amp; Gravel INC</td>
<td>Unincorporated</td>
<td>Clackamas</td>
<td>26.2</td>
<td>21.10</td>
<td>S</td>
<td>State and local actions: does not have jurisdictional wetlands on site, as mapped on Metro RLIS data. DSL has confirmed that any on site wetlands are a result of mining operation and no mitigation is required. This information is available through the Clackamas County Significant Employment Lands Project report (July 2014)</td>
</tr>
</tbody>
</table>
2014 Inventory Update Conclusions

The 2014 industrial land inventory analysis finds that Portland metropolitan area’s supply of large industrial sites has decreased over the past two and a half years. Supply continues to be most limited for sites of 50 acres or more, consistent with the 2011 inventory. The sites that are available are concentrated in the Columbia Corridor in Multnomah County, Hillsboro, and Wilsonville/Tualatin in Washington County. The location distribution reflects previous local and regional land use planning decisions to maintain a compact regional form.

Larger sites are more complex and take patience to acquire and develop. Parcel aggregation is a key issue to supplying larger sites to the market, affecting 33% of Tier 2 and 3 sites in the inventory.

While this analysis has identified the available sites, and at a high level outlined the challenges that exist to bringing Tier 2 or 3 sites to development-ready status, the timeframes in the analysis assume that the jurisdictions, property owners, land-use regulatory bodies, and potential interveners are all working in support of the site’s development and that appropriate public investments will be made to move these sites to market.

It is important to note that this inventory is a snapshot in time. As Tier 1 sites are absorbed by the marketplace, the expectation is that Tier 2 sites will continue to move to Tier 1 status and Tier 3 sites will continue to move to Tier 2. The inventory should be updated over time to ensure that the database of market-ready industrial sites is current, helps identify and prioritize required site readiness investments, and supports the region’s recruitment and expansion efforts.

The experience of state and regional economic development experts indicates that accomplishing our region’s traded-sector industrial retention, expansion, and recruitment strategy depends in part on the availability of an adequate supply of well-located, market-priced, and developable large industrial sites. The inventory can be used as a reference for monitoring and tracking changes of absorption of industrial land in the region, and can also be used by the public sector as the basis for making informed land use and investment decisions around the supply, regulation, and market readiness of industrial lands.
NEXT STEPS

The 2011-12 Regional Industrial Site Readiness project found that many large industrial sites in the region are not development-ready, impacting the region’s ability to meet forecasted job growth requirements\(^3\), and potentially causing the region to miss business growth, recruitment opportunities, and the jobs and payroll they represent. The 2014 inventory update reinforces the importance of continued state and regional focus on the market-readiness of large industrial sites within the region. The well-paying jobs provided by traded-sector industries will help Oregon achieve economic prosperity, reduce income disparity, and secure funding for public services and amenities.

Regional policymakers have acknowledged the importance of a development-ready supply of large industrial sites in local and regional land use planning documents, such as Metro’s 2014 Urban Growth Report and separate local comprehensive plan updates, and should retain a policy focus on identifying and prioritizing funding to move industrial sites within the region to market. In addition to this work, the PMT has identified five next steps that could be helpful in the region and statewide.

**Improvements to Regulatory Processes that Reduce Uncertainty for Firms Seeking Sites**

Existing permitting processes sometimes add uncertainty and extend development timelines to the extent that targeted industry employers may choose sites in other regions, states, or countries. Options could include alignment of federal, state, regional, and local permitting processes; allowing wetland permitting and mitigation occur prior to identifying a site user; prioritizing technical assistance and funding; and dedication of staff with industrial development expertise within state permitting agencies. In addition, a regional focus on environmental mitigation strategies to support industrial development is appropriate (wetland banks, technical assistance). Although brownfield remediation is an issue, which affects a smaller number of larger industrial sites, industrial to industrial brownfield remediation is a significant challenge facing the region with remediation costs two to four times the sale price of industrial land\(^4\). Portland Harbor superfund sites have even greater costs challenges and require special focus. The state and region should consider incentives and regulatory relief to move these sites to productive industrial uses.

**Expansion of and Support for Existing Business Development Programs**

Existing state programs like Industrial Site Certification, Regionally Significant Industrial Areas, Immediate Opportunity Fund, Special Public Works Fund, and the brownfield programs deserve ongoing support and increased funding. Business Oregon and the Metro Regional Solutions Team should continue to collaborate on strategic efforts and prioritize site-specific work, leveraging Business Oregon programs to address the array of infrastructure and development constraints in the region.

**Creation and Funding of New Capital and Financial Tools**

New or refined tools are needed to address the upfront costs of capital investments for transportation, sewer, water, brownfield cleanup, wetlands mitigation, and site aggregation. Because of the personal income tax benefits that accrue to the state when large firms locate here, the state could play a role in providing upfront capital for industrial land site preparation.

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\(^3\) The draft 2014 Metro Urban Growth Report forecasts 85,000 to 440,000 additional jobs and 300,000 to 485,000 additional people inside the Metro urban growth boundary by the year 2035.

In 2013, the Oregon Legislature approved enabling legislation for two sources of state funding for industrial site readiness (Senate Bill 246 and Senate Bill 253), but did not provide funding for these programs. To support the region’s job growth requirements identified in the draft 2014 Urban Growth Report, state funding for these two new Industrial Site Readiness Programs should be pursued, including due diligence assessments and forgivable loans to address the broad range of industrial site readiness constraints.

To address the limited supply of larger industrial sites and assembly challenges affecting 33% of sites in the inventory, the region should develop new tools to support the acquisition and aggregation of industrial lands needed for “game changer” traded-sector investments (e.g., Coffee Creek in Wilsonville, North Hillsboro industrial lands). The region should also retain a policy focus on identifying sources of funding for the $21-$47 billion in infrastructure needed to accommodate job and housing growth through 2035, as well as the additional $10 billion needed to repair and rebuilding existing infrastructure.

**Completion of Due Diligence Work on Sites**

Continued work on industrial site due diligence (such as identifying needed infrastructure improvements, scoping environmental cleanup, understanding the scale of wetlands, and producing preliminary cost estimates for brownfield and wetland mitigation) will help to remove uncertainty surrounding sites. A relatively small investment in due diligence work could catalyze accelerated site preparation and prioritize scarce funding.

**Regular Update of the Inventory and Completion of Follow Up Studies**

Since the June 2014 inventory was completed, three Tier 1 sites have been absorbed into the market. Regular updates to this inventory and due diligence on sites could significantly benefit the region’s economic development efforts. Statewide application of this methodology could benefit other regions.

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35 *Regional Infrastructure Analysis, Metro July 2008*

36 **Site 13**: Specht Properties Inc. in Portland; **Site 46**: Development Services of America (Westmark site) in Hillsboro; **Site 114**: Colwood Ltd Partnership in Portland.