

4. State Traded Sector Industry Profiles

The region's economic development strategies are focused on growing the investment by traded-sector cluster firms. Business Oregon has identified the characteristic minimum parcel size and other site requirements for most cluster recruitment targets. Most of these cluster industry recruitments require net developable sites of at least 25 acres with a number of clusters, such as globally scaled high tech, requiring much larger sites. Volume 3, Appendix E contains the list and citing criteria of firms in each of the targeted clusters that match the Portland metropolitan areas locational advantages. The specific industry clusters included in this analysis were:

- a. Clean tech manufacturing
- b. High tech manufacturing campus
- c. General manufacturing
- d. Heavy manufacturing + marine
- e. Warehouse and distribution

In an effort to reconcile the site inventory in this study with the state's and region's target industry focus, the PMT, in consultation with brokers, identified the potential industry end users for each site in the Phase 1 inventory using the state's industry profiles. This was not meant to be a designation of the only types of firms that could locate on each of the sites, but rather a merging of the locational attributes of each of the sites with the site selection needs of target cluster firms.

The complete inventory of sites, detailing all of the data prepared for each, their location in the region, and their tiers can be found in Volume 2 and Volume 3, Appendix A.

B. ADDITIONAL SITES

This study began with over 4,000 industrial parcels in Metro's 2009 Buildable Land Inventory. The analysis resulted in an inventory of those parcels, which either on their own or combined with other parcels, resulted in sites that have 25 or greater acres of net developable land. There are several dozen industrially designed sites that did not "make the cut" in the Phase 1 inventory. These sites fall into 3 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.
2. The parcel/site is owned by a company that has future development plans and the site is therefore not currently on the market for a prospective user (land banked).
3. The parcel/site has a current use and/or existing building on site, making it not vacant, but there is potential for redevelopment.

Although these sites do not appear in the Phase 1 inventory of this report, they are still an important portion of the region's industrial land supply.

1. Sites with Less Than 25 Net Developable Acres

There are 16 parcels and/or aggregated sites that do not have 25 net developable acres. However, these sites are still part of the region's potential inventory of industrial land as they may be developable for smaller users. These sites are identified in Table 11 but are not included in the Phase 1 inventory because they did not meet the criteria of this study.

Table 11: Parcels or Sites with Less Than 25 Net Developable Acres

Owner	Location	Gross Acreage	Approximate Net Developable Acres	NOTES
McCormick & Bassili Investments LLC	Happy Valley (HWY 212 & 162nd)	33.98	7.5	Environmental constraints result in <25 net developable acres - per Clackamas County
Weaver Russell	Happy Valley (HWY 212 & 162nd)	34.19	3.5	Environmental constraints result in < 25 net developable acres - per Clackamas County
Fazio	Portland (East of NE MLK & Gertz)	34.96	22	Existing drainage ditch bisects site into a 21.5 acre site; net developable acres in largest development parcel is less than 25 acres
Graphic Packaging	North Portland (Marine Dr & Portland)	26.26	2.75	Environmental constraints result in < 25 net developable acres
Catellus	Portland (N of Airport and 185th)	31.99	3.5	Environmental constraints result in < 25 ac remaining (wetlands and floodplain)
Langer Family	Sherwood (TS Rd & Adams)	56.48	< 25	PUD overlay on site results in < 25 net developable
Orwa Sherwood LLC	Sherwood (T/S Rd & Adams)	50.25	6	Bisecting road results in <25 net developable acres
Fred Fields property	Tigard (Hall and Hunziker)	35.6	<25	Environmental constraints result in < 25 net developable acres (market/site knowledge)
David Young	Wilsonville (S of Boeckman W of I5)	33.9	0	SROZ environmental constraints 100% of site - Per City of Wilsonville
Gary Walgraeve	Tualatin (Herman Rd & 118th)	54.95	14.5	Environmental constraints result in < 25 net developable acres - per City of Tualatin
Edward Wager	Tualatin (T/S Rd & 124th)	32.14	13	Environmental constraints result in < 25 net developable acres - per City of Tualatin
Joe Bernert	Wilsonville (Wilsonville Rd & Boones Ferry)	31.18	13.5	Significant environment constraints (SROZ) - per Wilsonville
Port of Portland	Portland (NE 33rd; South of Marine Dr)	28	23	Drainage ditches result in < 25 net developable acres
Port of Portland	Portland (South of SW Quad)	67.5	0	Reserved for open space/wetlands mitigation. Land is not greater than 25 net developable acres - per Port of Portland
Port of Portland	Fairview (South of site 17)	100	0	Reserved for open space/wetlands mitigation. Land is not greater than 25 net developable acres - per Port of Portland
Port of Portland	Troutdale (East of site 20)	64	0	Reserved for open space/conservation. Land is not greater than 25 net development acres - per Port of Portland

Source: Group Mackenzie

2. User Owned and User Designate Sites

This analysis also excluded land-banked parcels that are owned and held for future expansion by existing regional firms. These parcels are included in the report because they 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 market, which is the focus of this study. While these parcels may become available to the market for another potential user in the future, there is currently no way to judge if or when this might occur.

There are 23 user-owned sites that are being held for future development (Table 12). Nine of these sites are vacant (for future use) with 25 or more net developable acres; and 14 are partially vacant with buildings on site but still have a minimum of 25 acres vacant for future expansion.

Table 12: User Owned and User Designated Sites

Owner	Location	Gross Acreage	Vacant Acreage	Vacant: for future use	Partially Vacant: in use	NOTES
N Pacific Union Conf Assn SDA	Gresham (Foster & Tillstrom)	66.9	66.9	x		Vacant; for future use
Providence Health	Happy Valley (HWY 212 & 162nd)	49.7	49.7	x		Vacant; for future use - per Clackamas County
Intel (Future parking lot)	Hillsboro (Cornell & Cornelius Pass)	47.36	47.36	x		Vacant; for future use (parking lot)
Legacy Health Services	Hillsboro (Cornell & Cornelius Pass)	28.95	27.3	x		Vacant; for future use (easement on site)
Intel	Hillsboro (West Union & Cornelius Pass)	72.54	68.4	x		Vacant: for future use and not available
Entercom¹⁰	Portland (Marine Dr & 166th)	40.4	39.8	x		Vacant; for future use. Communication towers on site.
Phight LLC	Tualatin (T/S Rd & 118th)	28.8	28.8	x		Vacant; for future use
Mentor Graphics	Wilsonville (S of Boeckman E of I5)	43.4	43.4	x		Vacant for future use - split from main campus by public street; SROZ on site and some wetlands
Port of Portland	Troutdale (East of site 17)	34	32.7	x		Vacant; reserved for utility use (substation) - per Port of Portland
Clackamas CDA	Clackamas County (I205/82nd)	32.2	32.1		x	Excess land - in use and not available - per Clackamas County

¹⁰ At the time of the Phase 1 analysis, this site was reserved for future Entercom use. Through the Phase 2 analysis, Entercom informed the Consultant that the owner is willing to transact. This site was aggregated with Site 13 (of the Phase 1 inventory) to create a 46 net developable acre site in the Phase 2 analysis.

Owner	Location	Gross Acreage	Vacant Acreage	Vacant: for future use	Partially Vacant: in use	NOTES
Great American TVR	Clackamas County (I205/82nd)	49.35	47.5		x	Communication towers and infrastructure on site
State of Oregon (3 parcels)	Clackamas County (I205/Hwy 212)	232	97		x	In use and not available - per Clackamas County
Nacco	Fairview (Marine & Blue Lake Rd)	78.7	58.7		x	Excess land; some environmental constraints on site
Linde	Gresham (Glisan & 223rd)	137	75		x	Not available – per Port of Portland
Mutual Materials	Gresham (Hogan Rd)	86.08	56.8		x	Excess land: currently in use
PGE	Gresham (Powell & E of 182nd)	72.13	62.8		x	Not available reserved for future use
Solar World	Hillsboro (Evergreen & 253rd)	94.05	72.3		x	Excess; in use and for future use and not available
Genentech (entire campus)	Hillsboro (Evergreen & Brookwood)	75.3	60		x	Excess land; for future use and not available
Tokyo Ohka Kogyo	Hillsboro (Evergreen & Brookwood)	38.89	28.5		x	Excess land; for future use and not available
Intel (Ronler Acres)	Hillsboro (Shute Rd)	111.7	61		x	Excess land; for future use and not available
PGE Portland	North Portland (St Helens)	63.1	43.9		x	Excess; in use
Cookin (Siltronic)	Portland (St Helens Rd)	79.27	38.6		x	Excess land; for future use and not available
Xerox (2 parcels)	Wilsonville (East of I5)	95.81	49.3		x	Excess land; for future use and not available

Source: Group Mackenzie

3. *Redevelopment Sites*

Another factor in the region’s industrial inventory is the potential impact that redevelopment can play in accommodating large lot industrial demand. The following are key questions with respect to redevelopment:

1. What is the inventory of industrial sites that could be considered as likely and/or potential redevelopment sites?
2. Within what time frame can these sites be expected to be available to serve the market?
3. What is the net industrial capacity associated with these sites?

The scope of this study did not allow for a thorough analysis of the redevelopment potential of existing industrial sites in the region. One meeting was held with Metro and regional planners where the issue was discussed and Johnson Reid has prepared a memorandum that can be found in Volume 3, Appendix F that discusses the issues and proposes methodologies that could be used for future analysis.

C. PHASE 1 CONCLUSIONS

The Phase 1 industrial land inventory analysis confirms that Portland-metropolitan area's market-ready supply of large-lot industrial sites for traded-sector employer expansion and recruitment is limited. This is particularly the case for potential developments that require 50 acres or more. The sites that are available are concentrated in the Columbia Corridor in Multnomah County and around Hillsboro and Wilsonville/Tualatin in Washington County, limiting the potential to more broadly distribute job opportunities within the Portland-metro area. The location distribution reflects previous local and regional land use planning decisions to maintain a compact regional form.

This study found:

9 Tier 1 sites

There are few Tier 1 "market ready" (within 6 months) sites and choice for traded-sector opportunities in near term. Only 5 of these 9 sites meet broad marketability requirements.

16 Tier 2 sites

There is a modest supply of mid-term sites requiring investment and policy actions to bring these sites to market. Four of these sites require assembly.

31 potential Tier 3 sites

Multiple challenges and significant investment and time to market required to bring these pipeline sites to market. Ten of these sites require assembly.

In addition, there are limited opportunities for 50-plus and 100-plus acre sites. This study found:

Tier 1 sites: One 100-plus acre site

Tier 2 sites: No 100-plus acre sites

Tier 3 sites: Six potential 100-plus acre sites; 3 require assembly

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.

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 potential employer and the site's development.

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 Tier 2 sites will move to Tier 1 status and Tier 3 sites will move to Tier 2. This assumes the necessary investments and actions are taken to move these sites to market readiness. One of the goals of the study is to ensure that the database of market ready industrial sites is updated over time and is used to support the region's recruitment and expansion efforts.

The experience of state and regional economic development experts indicates that accomplishing our region's industrial retention, expansion, and recruitment strategy depends on the immediate availability of an adequate supply of well-located, market-priced, and readily developable large-lot industrial lands. This land inventory analysis provides a snapshot of the industrial land supply inside the Metro UGB and selected urban reserves established in mid-2011. 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 Portland-metro municipalities as the basis for making informed land use and investment decisions around the supply, regulation, and market readiness of industrial lands.