

Report on Industrial Lands Focus Groups

for the

**Port of Portland
Oregon Economic Development Department
Portland Development Commission
Columbia River Economic Development Council
Commercial Real Estate Economic Coalition
Portland General Electric**

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INDUSTRIAL LANDS FOCUS GROUPS SUMMARY OF KEY POINTS

Davis & Hibbitts, Inc. (DHI) is pleased to present a summary of key points based on focus group research conducted for a consortium of organizations working on a regional industrial lands strategy. The purpose of the research was to solicit opinions about industrial land availability and industry location considerations from six perspectives – geographic, warehousing/distribution, business park/flex space, manufacturing, large campus industrial, and land use/environment/agriculture.

This focus group research is part of a larger, broader effort to reach consensus on an industrial lands strategy for the region. The Port of Portland is leading this planning effort, along with the Oregon Economic Development Department, Portland Development Commission, Columbia River Economic Development Council, Commercial Real Estate Economic Coalition, Metro, and Portland General Electric.

The full report presents in much more detail the key ideas and themes that emerged from the discussions which may be useful in deciding what additional research and planning needs to be done. Because this was a qualitative study, the information describes, rather than quantifies, the variety of views among focus group participants.

Land Supply

Nearly all participants agreed that the inventory of industrial land in the region is inadequate to meet demand at some point in the future – regardless of the proposed use but especially for large users. There was strong support for developing an industrial lands policy. Of particular concern was industrial land inventories that included land that was not available to other users because it was tied up or not suitable for industrial development. The following comments about constraints on land supply and use of the land were most commonly mentioned:

- ◆ UGB – The UGB has been primarily concerned with residential and not industrial land. The suggestion most frequently made was to follow the lead of the homebuilders and assure that there is a rolling 20-year supply of industrial land. Other suggestions included making the land along freeway interchanges available for industrial use, and changing the UGB boundary lines from the middle of the road to some distance (e.g. 1/4 mile) from the road. Some focused on using industrial land within the UGB to maximum effect, thus decreasing pressure on other lands both within and outside the UGB. Participants commented that the map of the proposed study area failed to include UGB boundaries, which would affect land availability.
- ◆ Land tied up – Many large companies buy up land for both current and future use. Much of this land has been included in inventories, but is not available for use by others. Even those participants who own this land (with one exception) said they were not interested in selling or leasing the land because they need it for future expansion.

- ◆ Lease/own – Large users want to own, not lease, land. This means that some land that would be suitable for large industrial development does not add measurably to the region’s industrial land supply because it is only available for lease (e.g. Port of Vancouver, St. Helens). Several participants noted that smaller users need to lease space, so land must be available for sale for development of business parks/flex space for them.
- ◆ Inadequately served – Land is available in the study area that has industrial development potential, but is not adequately served by critical infrastructure such as transportation, water, utilities, and fire protection.
- ◆ Site limitations - Many “identified” industrial sites have significant site limitations such as wetlands, topography, vibrations, adjacent residential, and poor soils. Any single one of these may eliminate a site for most uses.
- ◆ Conversion to other uses – Some land designated as industrial is being used for other purposes, like office space. With increased demand for close-in office space, and the higher return on it, flex space is being converted to that use. Some mentioned the “poaching” of industrial land for other uses. Others mentioned conversion of agricultural land to other uses.
- ◆ Brownfields, redevelopment, and infill – There was interest in brownfields development, but most participants were aware of problems associated with it. The greatest concerns were costs (which in turn limited uses) and long-term liability. Some participants emphasized the importance of redeveloping existing industrial lands within the UGB. Participants identified significant disadvantages with infill. Sites are often small and are surrounded by other uses over which the infill developer has no control. Those other uses commonly may include residential and schools, which don’t mix well with many industrial uses.

Location Considerations

- ◆ Proposed study area – Generally, participants thought the scope of the proposed study area had merit, at least in the long term. There were, though, numerous caveats. The most prominent was that several areas, especially south of Woodburn, were too broad and not viable because of the distance from I-5. Others noted that if UGB boundaries and land designated for agricultural use were added, it would greatly reduce the available land in the study area. Most felt interest would stay focused on the Portland metro area for some time, so development in the farther regions of the study area were expected far in the future (and in some areas, possibly never).
- ◆ Economics – There was much discussion about the economics of industrial land development, and how it affects types of uses and conversion to other uses, especially in the areas of flex space and office use. Participants saw the UGB and market forces contributing to the high cost of land, with varying views on the relative impact of each.

- ◆ Synergy – Many companies, especially high tech, like to have similar companies around them (although there are exceptions). This desire is a disadvantage to outlying areas and even areas that have more of one kind of development than another (e.g. Wilsonville area is primarily warehousing/distribution, Longview is primarily heavy manufacturing) and want to diversify.
- ◆ Transportation – Transportation needs were viewed as paramount by many in making decisions about where to locate. Of particular concern was proximity to I-5, with near unanimity on its importance for most industrial uses. Some felt it was especially harder for smaller companies to be too far from their suppliers and customers. Increased congestion, and the failure to expand road capacity, were cited as negative influences on siting decisions.
- ◆ Satellite and other cities – There was some difference of opinion about the potential for satellite cities to provide some outlet for industrial siting. Many participants felt they were too remote, lacking the critical mass of development and support services and access to I-5 needed to support development. Others, however, felt there was potential for some kinds of industries in satellite areas, especially if the industries provided local jobs, thus reducing the need to commute. Nearly all agreed that as land becomes even more scarce and expensive closer in to Portland, the outlying areas will appear more attractive to some users.
- ◆ Specific areas– Different areas were perceived as having different “cultures” and patterns of development. For example, Longview was perceived as being heavily union. The Sunset Corridor was seen as a high tech area. These perceptions could affect siting decisions.
- ◆ Education and workforce development – Education had many facets in the group discussions. Participants bemoaned the lack of a quality research higher education institution in the Portland metro area. They were concerned about worker training and education. An available, skilled workforce was important to participants for both skilled and lower end jobs. They were also concerned about the perceived decline in the quality of K-12 education and its negative impact on the region’s overall quality of life and desirability for industrial siting and expansion.
- ◆ Jobs/housing balance – The most prominent housing issue raised was the jobs/housing balance. Numerous participants felt that providing land for housing in Clackamas County while the jobs are in Washington County is “not the answer.” Most were concerned about the lack of affordable housing in Washington County, confounded by the lack of transit service to critical areas of Hillsboro. Others saw the need for creating more jobs where the housing is or will be.
- ◆ Quality of life – There were differing opinions on how important quality of life is to location decisions. Some felt it would be a tiebreaker in a siting decision. For some companies and industries, it is a deciding factor. For others, it isn’t. Many believed the regions quality of life is declining, particularly in the areas of transportation, housing affordability, and education, to the disadvantage of the region.

What Government Can Do

Participants made numerous suggestions in writing about what government can do to support industrial development in the region. Suggestions were grouped into the following broad categories, and are presented in the order of areas mentioned most often by participants.

- ◆ Land Supply – Participants cited numerous examples of how government could make more land available, most frequently mentioning expansion of the UGB and providing a rolling 20-year supply of industrial land. They also emphasized the importance of having an accurate inventory of available land. Some suggested working with developers and financial institutions on ways to better use the existing land base.
- ◆ Process, Permitting and Regulatory Changes – Suggestions focused on streamlining the permit process, interagency coordination, consistency of policy and regulatory relief, particularly from wetlands restrictions. Of particular interest was making the relative costs of brownfield and greenfield development the same.
- ◆ Infrastructure – Although several had general comments on the importance of adequate infrastructure, most targeted the region’s transportation needs. Many felt increased highway capacity was extremely important, both for workers and freight movement. Connectivity of major arterials on the west side was of particular concern. Some felt that creating more capacity for freight movement by getting people out of their cars was a priority.
- ◆ Planning and Zoning – Participants were interested in government planning better for targeting industries, adequate site diversity, and allowing flexibility in industrial zoning. Some specifically felt current zoning and other policies don’t encourage creative development. “Plan for growth, not restrict growth.”
- ◆ Incentives – Tax incentives were the incentives most often mentioned, including those for redevelopment and brownfields development.
- ◆ Education and Workforce Development – Education concerns covered the range of educational needs - higher education support, workforce development, job skills training, and quality K-12 schools.
- ◆ Jobs/Housing Balance – There were two mentions of having a balance between jobs and housing in geographic proximity.
- ◆ Policy/Other – This category was a catch-all for those ideas that did not fit the more specific ones. It included a variety of suggestions, but one that came up frequently was the role of government in taking a long-term, strategic view of what drives the growth of high wage jobs in the region and to take a position that supports that growth rather than promoting no growth. “Growth is not bad, act that way.”

DHI REPORT ON INDUSTRIAL LANDS FOCUS GROUPS

INTRODUCTION

Davis & Hibbitts, Inc. (DHI) is pleased to present the results of research conducted for a consortium of organizations working on a regional industrial lands strategy. The overall purpose of the research, which involved six focus group discussions, was to solicit opinions about industrial land availability and industry location considerations from six perspectives – geographic, warehousing/distribution, business park/flex space, manufacturing, large campus industrial, and land use/environment/agriculture.

This focus group research is part of a larger, broader effort to reach consensus on an industrial lands strategy for the region. The Port of Portland is leading this planning effort, along with the Oregon Economic Development Department, Portland Development Commission, Columbia River Economic Development Council, Commercial Real Estate Economic Coalition, Metro, and Portland General Electric (which generously donated the facilities for the focus group discussions).

This report presents key ideas and themes that emerged from the discussions which may be useful in deciding what additional research and planning needs to be done. Because this was a qualitative study, the information describes, rather than quantifies, the variety of views among focus group participants.

RESEARCH METHODOLOGY

The research involved six focus group discussions on April 25, 26, 27, 28, May 4, and June 16, 1998. Participants were recruited from a list provided by the Port of Portland and were representative of the specific sector discussed that day – geographic, warehouse/distribution, business park/flex space, manufacturing, large campus industrial and land use/environment/agriculture. Participants included developers, users, economic development staff, brokers, and organizational representatives.

The questions and stimulus materials used for the discussions were developed by DHI in consultation with Port of Portland staff. In addition, a map was prepared that defined a possible study area. That area stretched from Longview, Washington to the north to the Salem/Keizer area to the south, roughly following the contours of the land and encompassing the flat areas within these geographic parameters.

At the beginning of each discussion, participants completed a questionnaire tailored to the particular sector targeted in that discussion and were later asked to write down what government could do to assist development of land for their sector. Responses were recorded both orally and in writing. Each group started its discussion with a key question from the written questionnaire. A listing of those key questions and responses by sector

are in Appendix A. Ideas about what government could do are grouped by topic area in Appendix B. Group written responses to all questions are in Appendixes C-H. A list of all participants is in Appendix I.

Statement of Limitations. This study was designed to qualitatively explore the range of opinions of a designated population and to gain insight into what underlies these attitudes. It was not in the scope of a study of this kind to quantitatively measure with statistical reliability the attitudes of the populations from which the samples were drawn, or to correlate any attitudes with demographic or behavioral variables. However, in addition to gathering qualitative information to supplement and possibly help validate other primary and secondary research, the information reported below is the result of multiple discussions and group-to-group validation which makes it helpful in establishing quantitative boundaries for the attitudes expressed by participants.

Each of the following sections reviews a different topic. Within that section, participants' views on the major issues and sub-issues taken up during the group discussions are presented through representative quotations, followed by evaluative commentary based on both the verbal and written comments. Where applicable, differences between the various groups are noted.

Report format. The quotes and summary bullets are drawn from both the oral comments and the written exercises. The quotations were selected to represent the range of opinions regarding a topic, and not to represent quantitatively the expressed attitudes. After each quotation is a letter in parentheses indicating from which sector the comment came. Geographic=G. Warehousing/Distribution=W. Business Park/Flex Space=B. Manufacturing=M. Large Campus/Industrial=C. Land Use/Environment/Agriculture=L. Readers should refer to the indicated appendixes for specific wording of the written exercises.

LAND SUPPLY

“I think we need to continue to make sure that there is a reasonable land inventory so that we don't choke off the ability for companies to grow here because once job growth is materially reversed or depressed, then we've got bigger problems.” (B)

“Companies need choices.” (G)

“I was getting up to 20 calls a week from over the country at one time. I get one every 2 weeks now because the word is out [that there isn't any land to buy].” (B)

“When you talk about growth, the growth that we will lose will be our own growth, our own businesses. If they don't have any place to go.” (B)

“I think the availability of land probably has something to do with the style of development and the preconceptions that developers have about how the site has to be developed.” (L)

- ◆ All participants had varying concerns about the availability of industrial land. The greatest concern seemed to be for large parcels. Some felt that there is an adequate supply of smaller parcels right now, but that in five years there will not be.
- ◆ A minority view among participants was that we need to better maximize the use of available land, rather than looking at expanding the industrial land base as a first choice. Ideas included building up, changing required parking ratios, more mixed use and easier redevelopment of existing sites.
- ◆ The two most significant concerns about land supply focused on the impact of the UGB and the inaccurate inventory of industrial land. From the developers' perspective, land is not available for industrial use if it is owned by a company for future expansion and the company has no intention of selling it to anyone else. Many felt this type of land should at a minimum be placed in another category of industrial land in any inventory. At least one person in every focus group mentioned the Hobson/Johnson study done for 2040 Means Business.
- ◆ Although most felt we were not yet at a crisis stage, sentiment was that it was "looming on the horizon." Most felt the big crunch will come when the economy heats up after the next downturn, whenever that happens.

UGB

- “You drive down I-5, and the industrial sites that you want to develop are right at the interchanges and ...it would take an act of God to be able to develop it.” (W)
 - “The map should have UGBs on it – 60% of that land is farmland.” (C)
 - “They [Metro] basically jig the number to make sure they didn't have an industrial issue to include in the boundary.” (C)
 - “We want to use the land within the UGB to its maximum effect so that we relieve as much pressure as we can on moving outside of that boundary.” (L)
- All groups brought up the impact of the UGB on the availability of industrial land. Of particular concern to most participants was the lack of emphasis on industrial land availability in UGB discussions.
- A common suggestion was to ensure that the regional planning process include a 20 year supply of industrial land, similar to how residential land is handled. There was broad support for this idea.

- All sectors, but in particular warehouse/distribution, were affected by the designation of farmland along I-5 south of Portland. Many participants felt strongly that the land at the interchanges should be available for industrial development.
- Participants felt the study area map misrepresented the potential for available land because it did not have UGB boundaries on it.
- Several participants in the land use/environment group felt that we need to maximize the use of land within the UGB, rather than expanding it. Ideas included less land waste in large campus developments, more and easier redevelopment of existing sites, and encouraging the growth of existing businesses on existing sites. Participants in other groups also mentioned making permitting easier within the UGB.

Land Tied Up

“There’s land, but it’s under control.” (B)

“I’m not aware of anybody that’s trying to resell their property.” (G)

“We’re [large campus land owners] not in the real estate business.” (C)

“NEC owns 210 acres out in Hillsboro and they’ve only developed 25 acres of it. I wouldn’t include it in the available inventory; I mean I’d put in the NEC category.” (W)

- ◆ Companies who were represented in the focus groups and who owned their own land were clear that they had master plans and needed it for future expansion. None was interested in selling their land. Several mentioned that they weren’t in the real estate business, so it wasn’t something they wanted to undertake as a business activity.
- ◆ Participants said that even if companies won’t need their land in the future, they now have no motivation to sell because land values are rising and carrying costs are low.
- ◆ Companies holding land were not favorable to leasing their land, with limited exceptions. The few companies that have leased land have done so to companies that are targeted to their needs or with which they had a specific relationship.
- ◆ One of the participants representing agriculture was concerned that tax policy provides incentives for companies to land bank and tie up productive farmland, which in turns affects the value of other farmland and limits its availability for that industry’s expansion.
- ◆ Developers and brokers expressed strong opinions that the land held by companies for future expansion should not be included in the industrial lands inventory as available land – in their view, it was not available. Several participants noted that government

views it somewhat differently - from its perspective this land will provide future jobs that meet its goals. One solution mentioned was to create different land inventory categories – one for land being held for future use and one for land available to other users.

- ◆ Several participants said that a significant economic downturn could change this picture. As one participant noted, the largest sell-off of land in recent memory was Tektronix, when the company “...went from 25,000 people to twelve. So I don’t think we want to see this land become available.”

Lease/Own

“I’ll try not to exaggerate, but I’d say somewhere between 98 and 99% [want to own their own land] – just the industrial mentality. It’s apple pie, mom and dirt.” (G)

“About 80% of the calls I got was to buy and looking for greenspace. They’re not looking to lease. Only about 2 out of 10.” (B)

“Tenants will always outnumber owners – you have to have the space for small companies.” (W)

- ◆ The general view was that most larger companies wanted to own, rather than lease, their land. Many cited examples in the region where leasing was not successful because of this attitude. Some land available for development, such as at the Port of Vancouver, is only available for lease and probably does not add measurably to the land supply.
- ◆ Brokers noted that smaller users need to lease space, so land must be available for sale for development of business parks/flex space for them.

Inadequately Served

“Woodburn, Ridgefield and Woodland all are deficient on services. There isn’t any one of those with suitable fire protection services.” (G)

“We have a few hundred acres of inadequately serviced property left.” (M)

- ◆ A number of participants were aware of some larger sites that could be available for development, but they lack sufficient services and are not really “ready to go” properties. In several instances, the sites are not much more than large pastures needing significant infrastructure improvement. Specific close-in areas mentioned with these types of problems were Gresham and Tualatin.

- ◆ The issue of fire protection services was mentioned several times. Insurance coverage for certain types of industrial facilities requires a specific level of fire service, and many of the smaller communities have volunteer fire departments which don't meet those minimum requirements.

Site Limitations

“The pieces that are available often times are constrained by process – wetlands, floodplain, environmental – or...it's not suitable.” (G)

“If you're looking at manufacturing, you sort of have to separate out those that are vibration sensitive versus those that need heavy rail.” (M)

“You get into the big sites, and you need a flat level site.” (M)

“Now if you look at the topography out there [Sandy Triangle], it's just terrible.” (M)

“A lot of the soils here aren't stable for very heavy equipment.” (M)

- ◆ Participants felt that land was included in current inventories that is not useable because of environmental or other site limitations. The main environmental issue mentioned was wetlands, and many felt regulations regarding limitations on wetlands development needed to be changed.
- ◆ Other limitations include topography, vibrations (where vibration-sensitive facilities are targeted), adjacent residential, and poor soils. Any one of these limitations could eliminate a site for most uses.
- ◆ Water supply was mentioned as another potential limiting factor. Specifically, Wilsonville and Tigard areas were mentioned.

Conversion to Other Uses

“A lot of product that was designed as flex in the '80s is nearly 100% office by virtue of the uses changing in today's industrial world, so the actual availability of flex space now is smaller than when the product was created.” (B)

“One other thing that needs to be brought into the discussion about industrial land availability is the poaching of industrial land.” (W)

“Industrial is the lowest category of land...I'm tempted to write a letter to the City of Wilsonville and tell them to leave industrial land alone.” (W)

- ◆ The general concern expressed was that some industrial lands are being converted to other uses, including housing and mixed use.
- ◆ Many commented that industrial land is often the target by the public sector for public facilities like schools, prisons and the like. This reduces inventory without a comparable substitution of land elsewhere.
- ◆ The specific issue discussed was the conversion of flex space to office use, reducing inventory in the area. The economics section below more fully discusses this issue.
- ◆ Concern about the conversion of agricultural land was discussed by a number of participants. Some felt all agricultural land both within and outside the UGB needed to be preserved. Some distinguished agricultural land within the UGB, feeling its highest and best use was for other development. Still others felt finer distinctions should be made in classifying agricultural lands, allowing for reclassifying land that is not very productive whether within or outside the UGB.

Brownfields, Redevelopment, and Infill

“Not for high investment and time sensitive projects. Risk too high, time too long, remaining image issue.” [referring to brownfields] (C)

“Brownfields are not even 1/1000th of the answer.” (B)

“You don’t want the government structure to make brownfield development more expensive than greenfield development.” (L)

“I think the message has got to be to whoever’s reading your report that looking at how we are going to maintain or grow industrial rental stock, it’s not going to be through redevelopment.” (B)

“I’d like to see some sort of way to promote redevelopment of some of the properties within the city...government has got to play that role.” (W)

Brownfields development:

- ◆ Participants were generally open to the idea of brownfields development, but saw significant limitations. Several mentioned the “visceral” reaction.
- ◆ One significant limitation was the lack of significant inventory. (“This isn’t the rust belt.”) As for inventory that is available, the sites were viewed as generally too small for many industrial uses.

- ◆ Another significant limitation of brownfields development was the cost. Given the costs, many felt industrial uses didn't pencil out; rather residential or retail uses were more likely.
- ◆ Perhaps the most mentioned problem with brownfields development was the liability issue. When discussing what government could do to promote industrial development in the various sectors, this policy issue was mentioned several times.

Redevelopment and Infill:

- ◆ Some successful smaller redevelopment projects were mentioned. Discussion focused on areas of the city where land values are high and sites are especially desirable, like Northwest Portland. However, these economics can limit redevelopment because these highly desirable close-in sites command high rents without being redeveloped.
- ◆ Participants felt redevelopment and infill are often challenging, especially for industrial uses, because much of the area around the land is built up with various uses that may not be compatible with industrial activity. "You don't control the land [around you]."
- ◆ Infill sites were viewed as often isolated from similar businesses, thus lacking the critical mass many industries want. That's why business parks and larger campuses are appealing.
- ◆ Central Eastside redevelopment is limited. Freeway access is not very good. The area was laid out when trucks were 20 feet – now they're 53 feet long. "The streets aren't as wide as the trucks." One participant commented that codes do not allow mixed use, so many of the buildings are being turned into miniwarehouses.
- ◆ In addition to the Central Eastside, there were a several comments about how, especially in Portland, policies do not necessarily promote redevelopment.
- ◆ Emphasis on redevelopment within the UGB was supported by some because the infrastructure is in place and the labor supply is in close proximity.

LOCATION CONSIDERATIONS

Location considerations can be as important as land availability for industrial users. The most frequently mentioned factor in considering where to expand or locate a new business was proximity to needed transportation systems, whether roads, marine, airport or rail. The following groups comments into broader categories of industry location considerations.

Proposed Study Area

“I think it’s a little broad; maybe it’s good for the next 30 years, but the next 5 years it may be too broad.” (B)

“What you really have available for development is not the flatlands [on the map], it’s this strip that’s about a mile from the freeway system.” (W)

“You’ve got an awful wide target area there south of Portland, and you’re not close to any transportation...In addition, you’ve got the governmental problems of that land being outside the urban growth boundary, and so it would take an act of God to be able to develop it.” (W)

- ◆ Generally, participants thought the scope of the proposed study area had merit with numerous caveats. Most felt that in the near future, attention would stay focused on the Portland metro area. Several emphasized the importance of recognizing Portland as the state’s industrial center and acknowledging that it has infrastructure and other needs different from those of more rural parts of the state.
- ◆ The major reaction to the proposed study area was skepticism about the potential for development in areas, like south of Woodburn, far from major transportation corridors like I-5. This theme came up throughout the discussions, especially when discussing satellite cities and the strengths and weaknesses of specific cities.
- ◆ Many emphasized the desirability of encouraging industrial development where there is existing infrastructure. The emphasis was the significant investment already made, and taking advantage of that investment.
- ◆ There were a number of participants who viewed the proposed study area as appropriate over the long term – that the sites further away from I-5, and other major transportation avenues, would become more and more appealing as land becomes even more scarce in the Portland metro area.
- ◆ It was important, especially to the warehousing/distribution sector, to include the northern tongue up to Longview because of marine and rail access.

Economics

“As land becomes more expensive just because of this artificial line we have around the community, it just gets too expensive to...throw it into conventional industrial.” (B)

“As far as the land prices, I think we’re seeing a phase in our economy where the market’s being driven by the availability of funds as opposed to the demand for space.” (W)

“We have a fast, reducing inventory of land, we have a massive amount of money trying to find places to buy what land’s left, and that’s driving the values up like a rocket straight off the launching pad.” (W)

- ◆ Participants talked a great deal about the implication of higher land costs on industrial development. Two factors were most often cited in the escalating cost of land – the UGB and the availability of funds.
- ◆ One implication of higher land costs pointed out in the Business Park/Flex Space group was that because flex space can support higher rents, it becomes a more attractive investment on the land than “conventional” industrial. Specifically, participants felt the economics were driving developers away from the big box, resulting in fewer options for those users in the Portland market.
- ◆ Another implication of high land costs seen by participants was the conversion of close-in flex space to office, in part because of the demand and in part because the use gets higher rents. One implication is that young businesses that need a combination of manufacturing, warehouse and office space are being moved from inner southwest, where the conversions are primarily happening, farther out and there may not be enough land for what they need.
- ◆ Several talked about how they think the market is being driven right now by the availability of funds, which in turn drives up values and affects the economics of industrial land development. Some felt it is different from the S&L investment days because there is no longer an ample supply of land.
- ◆ Because of the increased cost of land development, including infrastructure, permitting, and related costs, participants reported increased pressure to use and/or rezone land for its highest and best use, rather than uses that may be suitable for the site. This was especially true regarding warehouse/distribution land, with pressures to redevelop into retail.
- ◆ As noted earlier, brownfields are seen as adding significant costs to industrial land development.

Synergy

“Going out into the Newbergs or the Longviews or the Salem, Woodburns, and areas like that...if you go out and build something, there’s just not enough of a critical mass out there...to get the kinds of rates you need to even support that investment initially.” (B)

“There’s plenty of land in Newberg that nobody wants to go to... You have synergism where these people want to live in the same neighborhoods.” (B)

- ◆ Participants generally felt companies valued the presence of other similar businesses in a particular area, especially high tech. There was also a synergy recognized when suppliers and secondary businesses site near the main industrial facilities. The most obvious example is the Sunset Corridor.
- ◆ Some gave examples of companies, generally smaller ones, which did not necessarily need to be congregated with others. These are companies which are more likely to go to outlying areas.
- ◆ In addition to business synergy, participants also mentioned the importance of having appropriate housing near business sites, including executive housing. One of the limits of certain areas mentioned by some participants was the lack of executive housing (not just affordable housing) near certain sites.

Transportation

“Transportation is at the top of the list.” (C)

“Good rail access, good freeway access is critical to distribution today.” (W)

“We’ve gotten to the point where we’re so large in the community that we’re concerned the infrastructure, primarily transportation, can’t keep up with the growth we could have if we allowed it to happen.” (C)

“One of the impediments [to attracting industry] is going to be ODOT’s credibility...you can’t make creative and constructive deals because no one trusts that they’ll deliver.” (C)

“The other thing I hear is transportation, transportation, transportation...People don’t want to come to Portland if they have to ship their products at 3:00 a.m. to get to the airport to get them out.” (B)

“If you expand beyond the urban growth boundary, the rate of industrial and residential development will always outpace your ability to build roads in those areas.” (L)

- ◆ Transportation was a key issue identified in all groups. The general perception was that we cannot have any industrial expansion without adequate transportation, even if there is land available.
- ◆ This key issue has a direct impact on where companies will locate. Some expressed concern about the serious transportation situation in Washington County, with prospective industrial users personally experiencing the extreme congestion on the roads. This especially affects airport access, and some suggested a secondary airport on the west side.
- ◆ Many were very concerned that the Westside Bypass was not built, nor is it being discussed. They felt the failure to deal with the completion of the bypass ring around the region is indicative of lack of leadership on transportation issues generally.
- ◆ Other concerns focused on rail use, the importance of dredging the Columbia River, and adequate feeder roads to get goods to market in all areas. The inadequacy of the road system is especially acute because much of it was designed for much smaller trucks and a rural, not urban, environment.
- ◆ Transportation was the single most important factor cited by those skeptical about the possibilities for industrial development in outlying areas. This included lack of access to major arterials, limited carrying capacity of local roads, and distance from the airport. Also mentioned were limited access to marine and rail.
- ◆ Some placed greater emphasis on increasing freight carrying capacity of existing roads by getting people out of their cars and looking at other transportation modes, rather than building new roadways. Some also felt that industrial expansion outside of the UGB would always outpace road building. Others strongly disagreed with that position.
- ◆ Some suggested a comprehensive analysis of transportation options that encompassed all modes, emphasizing usage, timing, efficiency, and other considerations.

Satellite and Outlying Cities

“If you’re going to bring in more land for industrial, it better be right on I-5 or it better be on Highway 26, and you’re wasting your time talking about satellite cities and some of these other things.” (B)

“Don’t put the sites where nobody wants to go or where they can’t be served and they can’t be paid for.” (C)

“The availability of land dictates the need to explore all options.” (B)

“If Corvallis and Albany and all these others are fortunate to get some development and we can spread out the wealth, that’s fine, but we have to give the focus to the greater Portland area.” (W)

“Well, I’m not sure there’s one single answer, but in some places, it may be appropriate like Newberg or McMinnville to encourage job growth there and discourage commuting to the Portland area for jobs.” (L)

- ◆ Most participants felt the focus will continue to and should be on the Portland metro area for future development. Several said that the state needed to accept the reality that Portland was different from the rural areas of the state, and needed to be recognized as such.
- ◆ Some felt that satellite and other outlying cities did have potential for some kinds of industries; however, most felt they lacked the synergy and access to transportation essential to successful siting of industrial facilities. Of particular concern was the location of many potential satellite cities on two lane roads which are overloaded now and which would be very difficult to expand because of geographic, environmental and resources constraints.
- ◆ There were many who, looking at the reality of the industrial land base in the metro area, believed that land previously considered not viable will become so.
- ◆ Smaller communities were viewed as having service deficiencies. Among the problems mentioned were adequate fire protection in order to secure insurance, water supply, reliable power supply, transportation, and related infrastructure issues.

Specific Areas

“I don’t think you’re going to get large campus users in North Plains or some of the other smaller communities. You’re going to get secondary users.” (C)

“Ridgefield right now is kind of the end of the world.” (B)

“Employees want to work close to where they live and where the cultural services and educational opportunities are, and we have a critical mass and the investment in place.” (C)

- ◆ Location, development review, and the widely varying standards and attitudes from one jurisdiction to another were mentioned most often when discussing specific areas.

- ◆ Participants had a variety of comments about specific areas. Those comments included everything from the “culture” and “complexion” of a community to other more specific considerations. The following summarizes many of those comments:
 - Longview – Desirable as a distribution location, especially with center of the market moving north and good design for truck traffic. Reputation as a union town. Heavy industry city.
 - Ridgefield --Inadequate services. Viewed as being pretty far out. Probably has potential in the future.
 - Woodland – Inadequate services.
 - Vancouver/Clark County –Onerous permitting process. For all of Washington, there are concurrency requirements. Vancouver also has an urban growth boundary. No 50-100 acre sites left. One large site, controlled by Port of Vancouver, is for lease only. Lack of reliable power.
 - Newberg – Transportation access limited. Especially far from airport. Lack of community and political support for industrial expansion.
 - Gresham/East County – Weak transportation infrastructure. Inadequately serviced sites. Mixed reviews on development review process.
 - Clackamas County – Site sizes are small. Bad soils. Difficult development review process.
 - Tualatin – Considered more of a manufacturing community. Challenging transportation issues – traffic is routed through downtown. Has some land but it’s not “ready to go” – needs someone to develop it.
 - Wilsonville – Considered more of a distribution community. Has water problems. Difficult development review process.
 - Beaverton – Mixed reviews on development review process. Limited sites.
 - Tigard – Not as bad a development review process as some.
 - Portland – Mixed reviews on the development review process, but generally more negative than positive. Port property limited to port-related uses. Potential along Airport Way and Columbia Corridor, with constraints like soil stability, floodplain problems, and lack of executive housing. Northwest area desirable location. Central Eastside limited in redevelopment opportunities, partly due to city policies.
 - Hillsboro – Viewed as having the best development review process. Has one site that is considered the only large industrial site left in Sunset Corridor.
 - Sunset Corridor – No land. Too far from airport for heavy distribution. Traffic and transportation problems. Generally has companies that want to be there. Center of high technology activity.
 - Lake Oswego – Difficult development review process.
 - Durham – Difficult development review process.
 - North Plains and Banks – Have some potential sites. Will probably attract secondary users. Concern about services.
 - Woodburn – Pretty far out, although some users specifically want to site there. Deficient services.

- Columbia County – Lack of developers coming in and building space. Good rail and marine. Bad soils. Has workforce.
 - Yamhill/Polk Counties (including Newberg and McMinnville) – No transportation.
- ◆ A number of participants commented that the Port of Portland is now limiting land sales to uses that are marine-related; they understood and respected the decision.
 - ◆ The “Study Area” section above includes additional comments about specific areas.

Education and Workforce Development

“Everybody in the corridor that I’ve talked to is looking for workforce.” (G)

“Workforce is a major issue. We have 50% of applicants flunk English and math.” (C)

“You mean is higher ed a big deal? I think absolutely. The product cycle is like 18 months or faster. And if you’re not able to bring everybody up to speed to do the latest next thing, you die. I mean you’re dead for making buggy whips.” (C)

“These people want to be located where they get massive brain power. We’re not seeing that here.” (W)

“The State System of Higher Education is not an economic animal. It’s a state subsidized bureaucratic system that loathes change.” (C)

- ◆ Participants saw educational issues from many facets, including the “raw material of undergraduates,” continuing education once they’re hired, and good graduate institutions. There also are the educational needs for lower skilled jobs.
- ◆ For the lower skilled jobs, participants were especially concerned about workers who needed education in language, personal and work habits, and how to pass a drug test. For the highly skilled, it was the challenge of competing against the larger companies who can afford to recruit and pay more than others.
- ◆ Nearly all participants were extremely concerned about the lack of a quality research institution in Portland, and their belief that we have “missed a tremendous opportunity.” Most didn’t seem very hopeful that the politics of the Oregon State System of Higher Education would correct this situation.
- ◆ Many participants talked about the general lack of workers, especially in lower level jobs. Several mentioned the impact of immigration policy on this situation, especially for agriculture.

Jobs/Housing Balance

“Damascus and Boring are not the answer.” (W)

“You better put housing out there [in Hillsboro], where the average size industrial guy wants to be or people will be driving on the freeways from Damascus.” (M)

- ◆ Although not at the top of participants’ lists, jobs/housing balance was mentioned by many.
- ◆ Of particular concern was the designation of the Damascus/Boring area for significant residential development, while participants saw the need for more housing in the Sunset Corridor area where the jobs are. On the other hand, those in the Clackamas County area saw a need for more jobs in that area because the housing is there.

Quality of Life

“I don’t think it counts a lot during the initial site selection. But once you’re established and you’ve got...people in the area, it then becomes a very big factor...Oregon has a reputation and statistically significant numbers that will not move.” (C)

“I think the livability issue is sort of a tiebreaker.” (C)

“I think people should understand that the number one element to quality of life is having a job. If you don’t, the rest of their quality of life, fu fu stuff, isn’t going to make you real happy.” (B)

- ◆ There was some disagreement over the extent to which quality of life affects location decisions. One participant thought that it might be more important in the technology sector, but that the vast majority of decision makers are looking at labor, transportation, and access to their markets issues.
- ◆ Many were concerned that what may have been a competitive edge in quality of life is declining. Of particular note was increased traffic congestion, decline in the education system, affordable housing for workers, and similar factors.

WHAT GOVERNMENT CAN DO

All participants were asked to record what they thought government could do to promote industrial development in their particular sector. A grouping of the responses by topic and by sector within each topic is in Appendix B. The following groups and summarizes these suggestions, listed in the order most mentioned by participants.

Land Supply (50 mentions)

“Expand the boundary.” (G)

“Provide a 20 year supply of industrial land.” (M)

“Develop an industrial lands policy at the regional level.” (C)

“Metro needs to reopen industrial land study to reformat what is considered available land and set aside meaningful urban reserve of accessible industrial land.” (B)

“Enter into public/private partnerships for innovative industrial/commercial development that is more land-efficient.” (L)

- ◆ Expanding the UGB was most often mentioned by participants as a way to increase land supply. A minority view opposed this approach, preferring to see more effective use of land within the UGB.
- ◆ Specific ideas regarding the UGB included opening up I-5 interchanges and moving the boundaries a quarter to half a mile from the road, rather than using the road itself, thus taking advantage of the available infrastructure – sewer, water, roads.
- ◆ Participants were very supportive of an industrial lands policy for the region, and especially supported the idea of following the homebuilders’ lead and gaining a rolling 20 year supply of industrial land within the UGB. Several pointed out that even though state land use laws technically require adequate land, those guidelines have been ignored.
- ◆ An accurate inventory of land was very important to participants. Specifically, they felt the current inventory used by Metro in its 2040 plan included land that is not available because it is controlled by specific companies which will not sell, and land that is not useable because of site limitations like topography, soils, wetlands and the like. Many referenced the Hobson/Johnson study as the better approach to determining industrial land supply. Most at least advocated having different categories of land to make appropriate distinctions.

Process, Permitting and Regulations (48 mentions)

“We’re not getting a fair understanding to the public of cost if we save every mud puddle.” (B)

“Streamline development review process.” (W)

- ◆ The delays and costs of the permitting and entitlement process were of major concern to participants. The length of time to obtain a permit, or at least know that the project would get the go-ahead, was paramount.
- ◆ Lack of coordination among various permitting agencies was cited as a major problem in a number of jurisdictions, not just Portland. Hillsboro’s process was praised in part because all affected parties and agencies work together from the beginning of the development review process.
- ◆ The attitude of local planners in the larger communities, and its perpetuation into smaller and more outlying communities, was a complaint expressed by many participants. They felt local planners did not have an appreciation for what developers had to go through to develop industrial land, and were often anti-growth.
- ◆ Many participants were concerned about the impact of regulatory limits, especially wetlands, on industrial development. They wanted to see less onerous requirements for use and fill.
- ◆ Lack of consistency in applying policy, and changing the rules in midstream, were mentioned by several participants.
- ◆ Participants enthusiastic about brownfield development and other redevelopment encouraged review processes that made such development comparable to greenfield development.

Infrastructure (General and Transportation) (37 mentions)

“Infrastructure – readiness for quick-build.” (G)

“The focus on light rail as being the panacea to the transportation problems is misguided.” (W)

“Develop a plan to resolve key transportation issues (maintenance, system capacity improvements, and mass transit).” (C)

“Funding of multi-modal transportation system, which emphasizes getting people out of vehicles and thereby increases capacity for freight movement.” (L)

- ◆ Participants were very concerned about the state of transportation in the region, in particular the failure of the public sector to expand highway capacity.
- ◆ There was a perception that the transportation needs of industry have taken a back seat to light rail. Industry needs to be able to move its freight – to do that freeway and interchange improvements are needed. Specifically mentioned were local arterials to industrial sites.
- ◆ The area most-mentioned in need of improvement was the west side, specifically the number and connectivity of major arterials. Specifically mentioned was the need for the Westside Bypass, Hwy 26, and I-205/Hwy 212 interchange.
- ◆ A minority view emphasized better use of existing roadways rather than building new ones through decreasing use by automobiles, thus increasing road capacity for moving freight and other goods.
- ◆ Dredging the Columbia River was brought up by several participants.

Planning and Zoning (24 mentions)

“Balance planning for all aspects of development, not just residential, commercial.” (M)

“Fund and staff the development planning and implementation ahead of the need.” (C)

“Focus on being site specific in zoning decisions rather than boundaries.” (M)

- ◆ There was a strong emphasis on government’s role in better planning. Those commenting on this were especially interested in planning in advance of industrial development rather than after the development was in place.
- ◆ Several participants suggested better master planning that would incorporate site-specific uses, targeted development, flexibility in industrial zoning and infrastructure needs.
- ◆ Some participants also mentioned the importance of having the flexibility in planning and zoning policies for different and creative kinds of development.

Incentives (14 mentions)

“Continued availability of highly targeted economic development incentives.” (G)

“Tax incentives for brownfields redevelopment.” (M)

“Take away tax incentives for the ‘Nikes’ to hold lands for future use.”

“Encouragement of job growth for existing business; de-emphasize encouraging new employers.” (L)

- ◆ To put the mention of incentives in context, there were fourteen mentions of this issue as something government could do, versus fifty mentions of something related to land supply.
- ◆ Tax incentives for redevelopment, brownfields development, and generally for economic development were most-mentioned.
- ◆ A minority view among agricultural representatives was concerned about tax policy that provided incentives for larger companies to hold their lands for future use.
- ◆ Some participants were concerned about the disparity between incentives for attracting new businesses, rather than incentives for growing existing businesses.

Education and Workforce Development (11 mentions)

“First class technical oriented university in the Portland area.” (G)

“Address school funding issues – we need educated workforce.” (G)

“Educate underemployed – job skills training and English language classes.” (G)

- ◆ Suggestions on what government could do relative to education focused on all levels of education - higher education, K-12, workforce development, and job skills training at all levels of the workforce.
- ◆ The need to help lower skilled workers was singled out, especially regarding language and job skills. Some cited highly successful government programs in cooperation with industry.

Jobs/Housing Balance (2 mentions)

“Increase supply of housing where needed, i.e. Hillsboro.” (G)

- ◆ The issue of jobs/housing balance focused on providing housing where there are jobs and vice versa.

Policy and Other Considerations

“Understand the needs of industrial users as opposed to housing or retail.” (B)

“Lose the ‘us vs. them’ mentality.” (B)

“Avoid extremist views – all growth good, all growth bad – balanced decision making.” (M)

- ◆ Even though this category was a “catch-all” for suggestions that didn’t neatly fit the other categories, there was a predominant theme that focused on the attitude of government toward industrial development.
- ◆ Participants were concerned about the lack of focus on and support for industrial development at all levels of government. Several mentioned the recent taskforce on growth appointed by the Governor that they felt was sending a strong anti-growth message, even before its activities got underway.
- ◆ Several participants wanted to see stronger government leadership in taking a “long-term, strategic view” of what drives the growth of high wage jobs. Many felt government hasn’t exhibited necessary leadership, evidenced by the region’s transportation problems.

SUMMARY OF OBSERVATIONS

The following are some general observations about participant responses and opinions:

Land Supply

Nearly all participants agreed that the inventory of industrial land in the region is inadequate to meet demand at some point in the future – regardless of the proposed use but especially for large users. There was strong support for developing an industrial lands policy. Of particular concern was industrial land inventories that included land that was not available to other users because it was tied up or not suitable for industrial development. The following comments about constraints on land supply and use of the land were most commonly mentioned:

- ◆ UGB – The UGB has been primarily concerned with residential and not industrial land. The suggestion most frequently made was to follow the lead of the homebuilders and assure that there is a rolling 20-year supply of industrial land. Other suggestions included making the land along freeway interchanges available for industrial use, and changing the UGB boundary lines from the middle of the road to some distance (e.g. 1/4 mile) from the road. Some focused on using industrial land within the UGB to maximum effect, thus decreasing pressure on other lands both within and outside the UGB. Participants commented that the map of the proposed study area failed to include UGB boundaries, which would affect land availability.
- ◆ Land tied up – Many large companies buy up land for both current and future use. Much of this land has been included in inventories, but is not available for use by others. Even those participants who own this land (with one exception) said they were not interested in selling or leasing the land because they need it for future expansion.
- ◆ Lease/own – Large users want to own, not lease, land. This means that some land that would be suitable for large industrial development does not add measurably to the region's industrial land supply because it is only available for lease (e.g. Port of Vancouver, St. Helens). Several participants noted that smaller users need to lease space, so land must be available for sale for development of business parks/flex space for them.
- ◆ Inadequately served – Land is available in the study area that has industrial development potential, but is not adequately served by critical infrastructure such as transportation, water, utilities, and fire protection.
- ◆ Site limitations – Many “identified” industrial sites have significant site limitations such as wetlands, topography, vibrations, adjacent residential, and poor soils. Any single one of these may eliminate a site for most uses.

- ◆ Conversion to other uses – Some land designated as industrial is being used for other purposes, like office space. With increased demand for close-in office space, and the higher return on it, flex space is being converted to that use. Some mentioned the “poaching” of industrial land for other uses. Others mentioned conversion of agricultural land to other uses.
- ◆ Brownfields, redevelopment, and infill – There was interest in brownfields development, but most participants were aware of problems associated with it. The greatest concerns were costs (which in turn limited uses) and long-term liability. Some participants emphasized the importance of redeveloping existing industrial lands within the UGB. Participants identified significant disadvantages with infill. Sites are often small and are surrounded by other uses over which the infill developer has no control. Those other uses commonly may include residential and schools, which don’t mix well with many industrial uses.

Location Considerations

- ◆ Proposed study area – Generally, participants thought the scope of the proposed study area had merit, at least in the long term. There were, though, numerous caveats. The most prominent was that several areas, especially south of Woodburn, were too broad and not viable because of the distance from I-5. Others noted that if UGB boundaries and land designated for agricultural use were added, it would greatly reduce the available land in the study area. Most felt interest would stay focused on the Portland metro area for some time, so development in the farther regions of the study area were expected far in the future (and in some areas, possibly never)
- ◆ Economics – There was much discussion about the economics of industrial land development, and how it affects types of uses and conversion to other uses, especially in the areas of flex space and office use. Participants saw the UGB and market forces contributing to the high cost of land, with varying views on the relative impact of each.
- ◆ Synergy – Many companies, especially high tech, like to have similar companies around them (although there are exceptions). This desire is a disadvantage to outlying areas and even areas that have more of one kind of development than another (e.g. Wilsonville area is primarily warehousing/distribution, Longview is primarily heavy manufacturing) and want to diversify.
- ◆ Transportation – Transportation needs were viewed as paramount by many in making decisions about where to locate. Of particular concern was proximity to I-5, with near unanimity on its importance for most industrial uses. Some felt it was especially harder for smaller companies to be too far from their suppliers and customers. Increased congestion, and the failure to expand road capacity, were cited as negative influences on siting decisions.

- ◆ Satellite and other cities – There was some difference of opinion about the potential for satellite cities to provide some outlet for industrial siting. Many participants felt they were too remote, lacking the critical mass of development and support services and access to I-5 needed to support development. Others, however, felt there was potential for some kinds of industries in satellite areas, especially if the industries provided local jobs, thus reducing the need to commute. Nearly all agreed that as land becomes even more scarce and expensive closer in to Portland, the outlying areas will appear more attractive to some users.
- ◆ Specific areas – Different areas were perceived as having different “cultures” and patterns of development. For example, Longview was perceived as being heavily union. The Sunset Corridor was seen as a high tech area. These perceptions could affect siting decisions.
- ◆ Education and workforce development – Education had many facets in the group discussions. Participants bemoaned the lack of a quality research higher education institution in the Portland metro area. They were concerned about worker training and education. An available, skilled workforce was important to participants for both skilled and lower end jobs. They were also concerned about the perceived decline in the quality of K-12 education and its negative impact on the region’s overall quality of life and desirability for industrial siting and expansion.
- ◆ Jobs/housing balance – The most prominent housing issue raised was the jobs/housing balance. Numerous participants felt that providing land for housing in Clackamas County while the jobs are in Washington County is “not the answer.” Most were concerned about the lack of affordable housing in Washington County, confounded by the lack of transit service to critical areas of Hillsboro. Others saw the need for creating more jobs where the housing is or will be.
- ◆ Quality of life – There were differing opinions on how important quality of life is to location decisions. Some felt it would be a tiebreaker in a siting decision. For some companies and industries, it is a deciding factor. For others, it isn’t. Many believed the regions quality of life is declining, particularly in the areas of transportation, housing affordability, and education, to the disadvantage of the region.

What Government Can Do

Participants made numerous suggestions in writing about what government can do to support industrial development. Suggestions were grouped into the following broad categories, and are presented in the order of areas mentioned most often by participants.

- ◆ Land Supply – Participants cited numerous examples of how government could make more land available, most frequently mentioning expansion of the UGB and providing a rolling 20-year supply of industrial land. They also emphasized the importance of having an accurate inventory of available land. Some suggested working with developers and financial institutions on ways to better use the existing land base.
- ◆ Process, Permitting and Regulatory Changes – Suggestions focused on streamlining the permit process, interagency coordination, consistency of policy and regulatory relief, particularly from wetlands restrictions. Of particular interest was making the relative costs of brownfield and greenfield development the same.
- ◆ Infrastructure – Although several had general comments on the importance of adequate infrastructure, most targeted the region’s transportation needs. Many felt increased highway capacity was extremely important, both for workers and freight movement. Connectivity of major arterials on the west side was of particular concern. Some felt that creating more capacity for freight movement by getting people out of their cars was a priority.
- ◆ Planning and Zoning – Participants were interested in government planning better for targeting industries, adequate site diversity, and allowing flexibility in industrial zoning. Some specifically felt current zoning and other policies don’t encourage creative development. “Plan for growth, not restrict growth.”
- ◆ Incentives – Tax incentives were the incentives most often mentioned, including those for redevelopment and brownfields development.
- ◆ Education and Workforce Development – Education concerns covered the range of educational needs - higher education support, workforce development, job skills training, and quality K-12 schools.
- ◆ Jobs/Housing Balance – There were two mentions of having a balance between jobs and housing in geographic proximity.
- ◆ Policy/Other – This category was a catch-all for those ideas that did not fit the more specific ones. It included a variety of suggestions, but one that came up frequently was the role of government in taking a long-term, strategic view of what drives the growth of high wage jobs in the region and to take a position that supports that growth rather than promoting no growth. “Growth is not bad, act that way.”

Other Observations

- ◆ “Looming on the horizon” – Most participants seemed to feel that the region is still competitive, but that major changes in that status were “looming” in the near future, likely becoming acute after the next economic downturn. Although land cost and availability were significant concerns, so were the many related infrastructure and other problems identified in the discussions.
- ◆ It’s not just the land – It was clear from the discussions that making land available would not alone solve the region’s challenges in expanding existing capacity and attracting new industry. The other issues, with transportation, education and workforce at the top of the list, must also be addressed.
- ◆ Expectations of business – Of particular concern to many participants was the growing expectation that business “fill in the gaps” which, in the view of many, resulted from government’s failure to provide the necessary leadership for public financing of needed infrastructure and services.
- ◆ It’s not just Oregon – Many participants brought with them experience in other areas of the country and pointed out that issues like workforce availability and problems with the entitlement process are not unique to Oregon. However, the same may not be said of other issues like transportation, where other regions have invested a great deal in infrastructure.
- ◆ Public awareness– Many participants realized the import of public attitudes toward growth, transportation funding and related issues. “We’re seeing people not swayed by economic development or growth arguments.” They were aware that these attitudes were particularly strong in good economic times. Some acknowledged that the industry would benefit from better educating the public and policy makers about the importance of creating jobs for the growing population in the region, and all of the related implications if that doesn’t happen.
- ◆ Real estate industry fragmented - The fragmentation of the real estate industry primarily came up in the context of its failure to protect its interests in the UGB process, particularly given the homebuilders’ success in its efforts.
- ◆ Creative solutions – There is room for creative solutions to industrial land availability that would be enhanced through industry coordination, better partnerships with government, and working with financial institutions to finance different kinds of projects. Some participants talked about how industrial development needs to follow the lead of residential developers who have found ways to maximize the use of available land. Creative solutions will become more necessary if land values and supply constraints keep increasing.
- ◆ Who’s missing – Two industrial sectors were not as widely represented as others. First, the agricultural industry was sparsely represented in the focus group

discussions. The manufacturing sector discussion had two participants from agriculture. The land use/environment/agriculture focus group recruited farming representatives and food processors, but did not have any in attendance. Someone involved in agricultural trade and land use advocates whose interests include preserving agricultural land were present and expressed part but not all of the agriculture industry perspective. Second, smaller companies, especially those which lease rather than own their facilities, were not in the focus groups. However, their interests were largely represented by real estate brokers. Many participants noted the important contribution small business makes to the region's economy, but it is very difficult to have individual companies represent small business given the unique circumstances of each. Also, none of the group discussions focused on regional industrial facilities, which may have some unique needs.

- ◆ How agricultural land will be treated. Representatives and advocates of agriculture see agricultural land as industrial land and emphasize the contribution of agriculture and related industries to the region's economy. The industrial lands strategy will need to address the issue of how to treat agricultural land.
- ◆ Implications of perceived inefficient use of land. Some participants expressed the view that industrial land is not being used to its potential capacity, especially land held by large campus users. There seem to be several implications, some of which were mentioned in other contexts in other groups:
 - Unused land which appears to be “available” leads to a public perception that there is enough land (as mentioned in other groups)
 - Land seen as being “wasted” and not being used efficiently has the potential for reducing public support for more industrial land
 - The related issue of low carrying costs for land that large campus users are holding for future use may need to be addressed
- ◆ Additional research - The following areas may be worth further research as part of this project:
 - *Impact of industry trends on industrial needs:* The specific trends that came up in the group discussions were (1) the increased use of industrial land for flex space versus conventional uses, (2) the conversion of flex space to office space, and (3) changes in the warehousing/distribution sector which may decrease the need for space. There are likely other industry trends, including those for smaller companies, that did not emerge in the discussions but are important in setting future policy.
 - *Adequacy of services:* Participants identified areas where land may be suitable for development but which was not ready to go primarily because it lacked essential services. Some kind of assessment of service deficiencies could be useful in targeting future industrial growth and land availability.

- *Outlying area development:* Although many participants were skeptical about development in outlying areas, several mentioned companies which found those locations desirable. There was not enough time in the group discussions to identify either specific companies or characteristics of companies willing to site in areas farther from the metro area. Such information would likely be useful.
- *Redevelopment policies:* Several participants mentioned city policies that restricted mixed use, thus limiting the potential for redevelopment in the Central Eastside and Northwest Portland. More information regarding these policies may be important as policy recommendations are made.
- *Developers, financial institutions and creative development:* Some participants, primarily in the land use/environment/agriculture group, talked about better use of existing industrial land. They mentioned two specific issues: better use of land on the large campus sites, and better use of land within the UGB. They, along with other participants in different groups, talked about the limits placed on development by financial institutions. Research on where developers have broken out of the “cookie cutter” type of development, and how that was achieved in collaboration with financial institutions, would be helpful in promoting similar ventures in the Portland region. The path taken by residential developers might be instructive.
- *Economics of “building up”:* There was some discussion in the groups about the point at which companies will find it cost effective to build up, rather than out. Some speculated that, although far down the road, it could eventually happen in the region as it has in the San Jose area. It could be an important consideration since it directly relates to the need for land supply. One participant had a client who looked at possibly building up on a parcel they purchased.
- *Cultural differences:* In the context of land being tied up, and companies wanting to own or lease land, several participants mentioned that Japanese companies never want to give up their land. This, along with other cultural differences, needs to be factored into an industrial lands policy for the region.
- *Property tax policy:* One government participant talked about the potential for Measure 50 to give governments an incentive to zone land for its highest value. Because existing property values are capped, most future new revenues will come from growth. This could have implications for industrial lands.
- *Targeted interviews.* Referring back to “who’s missing” above, the planning group may want to do some targeted interviews of interests that may need better representation in the study. We specifically recommend interviews with representatives of the Oregon Department of Agriculture, Farm Bureau, and food processors on agriculture’s perspective; interviews with brokers to learn more about the needs of small businesses; and interviews with government and regional authority representatives on issues related to regional industrial facilities.

Appendix A - Key Questions by Sector

Geographic – What are the imbalances and inadequacies for development in your area?

- ◆ Not enough industrial land - raw or serviced - (Public perception is incorrect that we have a lot of land available). [Sunset, Beaverton, Hillsboro]
- ◆ Rapidly declining supply of prime industrial sites, esp. large sites. Much of remaining inventory is in public ownership/for lease only. Adequacy/reliability of power. Transportation infrastructure funding. [Clark County]
- ◆ There is no industrial land available in Tanasbourne at this time. Other issues in Hillsboro; lack of residential land, traffic congestion. [Beaverton, Hillsboro, Tanasbourne, Sunset]
- ◆ Usable & suitable land - process (permit) & fees (permit & system development). [Multnomah, Washington, Clackamas and Clark Counties]
- ◆ Available, serviced & ready to go property. Inadequate streets to some industrial parcels. [Gresham]
- ◆ Lack of existing buildings. No rental or lease space for manufacturing or distribution. No private developers looking to build spec. space. Few small industrial parcels. [Columbia County]
- ◆ Airport Way - Few small sites available; limited executive housing nearby. I-205 - Minimal available land; traffic congestion. I-5 South - Minimal available land. Sunset Corridor - limited land; poor freeway transportation. [All markets]
- ◆ Not enough land - priced too high, infrastructure/topo/configuration problems, wetland, access, neighbors, high tension, deed. [NE Portland, all markets]
- ◆ Lack of available workforce, lack of land in urban areas, topography. [Clackamas, Hood River Counties]
- ◆ Infrastructure inadequacies: transportation, storm water, sanitary, electronic. Need better support services (banks, restaurants). Shrinking availability of land. [Columbia Corridor Rivergate to Troutdale]

Warehousing/Distribution – What are the key limitations in assuring you have enough space? (users)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ By not having a large enough inventory of industrial land (at least 50% market factor), the price of industrial land becomes too high for industrial users to pay & the property owners want to rezone to a higher & better use.
- ◆ Ample well located land sites. With positive physical conditions. With utilities, zoning, etc. to meet demand.
- ◆ NR.
- ◆ Rapidly changing market conditions, client needs, capital.

What are the key limitations in your ability to meet demand for space? (developers)

- ◆ NR.
- ◆ Slow pace of jurisdictional review/approval. Large sites (w/zoning, services...). Transportation improvements. Transportation access (including rail).
- ◆ Short-term problem - rents cannot support remaining land prices. Longer term problem - lack of available land & tenants resistance to required rent levels. Can result in tenants relocating or not moving to PDX due to overall occupancy costs.
- ◆ Entitlement and cost of land.
- ◆ Limited land sites for growing demand, well located, serviced with utilities, good topo, etc. Metro's wrong attitude to address this issue.
- ◆ Increasing exactions - less net land, cost of infrastructure/community expectations. Competing demands for land – master planned facilities (PDX, name), Nimby uses. Concern for supply - uncertainty - over-selectivity.
- ◆ NR.

Business Park/Flex Space – What factors have influenced your location decisions? (users)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Limited land available; transportation.

What factors influence your decision to locate projects? (developers)

- ◆ Market demand, proximity to freeways, proximity to support services.
- ◆ Location, price, cost of development.
- ◆ Rent growth, vacancy, job growth, not absorption.
- ◆ Availability of well located land, transportation accessibility of site, reasonable price, perceived demand for space.
- ◆ Location in target market; vacancy factor in submarket; industry demand, growth rate; site accessibility, visibility; land cost, viability for pro-forma; infrastructure availability.
- ◆ Freeway access, available land, price, demand for the area, competition, future potential.
- ◆ Expected tenant interest and availability of land suitable for needed buildings.
- ◆ Available land, partnerships.

Manufacturing – What are the regional factors which will influence your growth in the metro area?

- ◆ Costs. Quality and availability of imports, i.e. services, supplies, workforce, TRANSPORTATION.
- ◆ NR. Government perspective - transportation - to market & of employees, workforce availability, training.
- ◆ Livability; focus on encouraging business; proximity to rail, water, freeways; west coast.
- ◆ NR.
- ◆ Economic strength of area; work force availability; competition.
- ◆ Land use and transportation - industry in general.
- ◆ The primary factor is the region's location away from the primary markets served by our products.
- ◆ Need for freight mobility. Need for safe/timely/economical transportation for workers. Manufacturing being squeezed out of urban area - as local governments seek to "densify" and "yuppify."
- ◆ NR.
- ◆ The UGB & its available space remaining. Both land & buildings. The amount of projected revenue that can be anticipated.

Large Campus/Industrial – In evaluating future options for growth (build-out and after build-out), what factors most limit your desire or ability to expand in the Portland metro area region?

- ◆ Labor availability and traffic congestion. Labor cost - can't compete with Boeing, H.P., Intel, etc. Air quality non-attainment area. Construction costs are too high because of Seismic 3 and companies like Intel who willingly pay too much for construction.
- ◆ Customer demand. Insurability.
- ◆ NA.
- ◆ Cost of doing business; workforce; quality of life issues (i.e. education, transportation, affordable housing); concern about being too large in community.
- ◆ A competitive tax environment (cost of doing business). Infrastructure (transportation, water, sewer, utilities). Education system constraints and trained workforce availability. Being seen as cause of too much growth - becoming too large.
- ◆ NR.
- ◆ UGB. Timing of permitting. Transportation.
- ◆ Lack of skilled employees, insufficient infrastructure, availability of adequately zoned land.

Land Use/Environment/Agriculture – What are the key limitations on industrial development in the region?

- ◆ Land use laws. Air and water pollution laws. People's perception that their property values will decrease if an industrial development takes place close to their home.
- ◆ Economic cycles (global & national). Availability of capital. Land availability. Tax considerations. Stable, educated and motivated workforce. Access to markets. Access to suppliers. Transportation connections.
- ◆ Land use laws and regulations such as too rigid urban growth boundaries, unrealistic farm and forest zoning that restricts use of non-productive and less productive land. Inadequate roads/highways to access land/space. Complexity and cost of land use regulation process.
- ◆ Land availability.
- ◆ Diminishing agricultural land base in Washington County will - if trend is not halted - eventually send agricultural-related industries (equipment dealers, processors, etc.) farther away. We must maintain agricultural land base and re-use and re-develop existing industrial lands inside UGB for other urban industries. Industrial and other employment land users need to be more efficient in use of land - just as residential sector is becoming. Build up, not out. Reduce parking, etc.

What are the key limitations in assuring you have enough land/space?

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Pressure from residential needs.
- ◆ Increasing population, in part fueled by programs that seem unnecessary to attract jobs to the Willamette Valley, like the SIP. Lack of efficient use and re-use of land by all sectors - residential, industrial, retail, office.

Appendix B – What Government Can Do By Topic

Participants in each group were asked to write down what government could do to promote industrial development in their sector. The following are their suggestions grouped into broader categories – land supply; infrastructure (generally and transportation); process, permitting and regulatory changes; planning and zoning; incentives; education and workforce development; jobs/housing balance; and policy/other. Participants were asked to asterisk the one idea they thought most important. For those who did that, the asterisks are noted in the listings.

LAND SUPPLY (50 mentions)

Geographic

- Land bank long term sites for future development at edge of UGB
- Adjust planning to better account for sites being held off market
- Expand industrial land portfolio
- Lift building moratorium in Wilsonville
- Expand UGB (industrial land) – I-5 South & Sunset Corridor
- Expand boundary
- Assistance for land assembly
- Companies need choices – no large acres

Warehousing/Distribution

- Re-think methodology of setting UGB lines on roads vs. some distance from roads
- Change state law to require 20 year supply of industrial land inside UGB
- Expand UGB
- Extend UGB in selected areas to bring in more industrial land (w/urban services)
- Protect what industrial land inventory there is
- Pursue brownfields concept with gusto
- Open up I-5 interchanges to industrial development (w/utilities, etc)
- *Create protection for industrial land
- Absorb or transfer risk for brownfields development
- Urban growth boundaries

Business Park/Flex Space

- Metro needs to reopen industrial land study to reformat what is considered available land and set aside meaningful urban reserve of accessible industrial land
- *Plan to add industrial land to urban/developable area in the market areas where tenants/users want to be to promote synergy and take advantage of existing investment in infrastructure
- Push to make more land available by rezoning efforts
- Zone additional land as industrial (i.e. UGB adjustment)
- *Buy and/or designate wider zoning allowances to assist industrial lands

Manufacturing

- Provide a 20 year supply of industrial land
- Be proactive – find sites, have good inventories
- Land availability – UGB
- Take more bold actions – tie up critical parcels to keep for high density employment
- Brownfields – take the long term legal constraints off of the purchaser
- *Reconsider the urban growth boundaries and allow large parcels to become available
- Industrial land supply
- *Stand fast on urban growth boundaries – speculation is causing too many problems
- Maintain an inventory and coordinate infrastructure development
- *Expand the urban growth boundary for industrial use along freeway corridors
- Set aside land for schools for the increased population
- Identify available land that is for sale or lease and make sure there is a 20 year supply of buildable (not wetlands, slopes, etc) land well distributed in all sub-markets

Large Campus/Industrial

- Do not put industrial lands in flood plains, wetlands, poor soils, next to residential or old wood products industries (pollute air), not near generator of vibrations.
- Need good soil condition, no bed rock, gently sloping to facilitate storm drainage
- Provide assistance in assembling lots in areas like Clackamas County where there are not decent sized industrial lots
- There needs to be adequate and well planned industrial land for expansion
- Determine accurate inventory of available land, determine amount of land owned by companies available for their own growth needs, determine amount of land available via brownfields development and match to determine capacity of region to provide growth to maintain a vital economy
- Develop an industrial lands policy at the regional level
- Include agriculture in the consideration of industrial land policy as an important industry in the metro area
- Identification and control of suitable industrial inventory capable of servicing – close to existing residential services and transportation networks

- Analyze industrial inventory for acceptability (sic) public, education, transportation, utilities, residential
- Put the site where the infrastructure can be readily extended and where the companies and population logically want to be

Land Use/Environment/Agriculture

- Find and identify key parcels of land
- Rezone low productive farm/forest zones to allow alternative uses
- More attention paid to types of land within UGB, i.e. prime agricultural vs. industrial/residential, rather than blanket acceptance of developing all land within UGB
- Enter into public/private partnerships for innovative industrial/commercial development that is more land-efficient
- Protection of agricultural and forest land base through strengthening land use laws and continued integrity of UGB

PROCESS, PERMITTING & REGULATIONS (48 mentions)

Geographic

- Speed up development process, i.e. Environmental impacts, wetlands, etc.
- *Permit times – now approaching 6 mo. Average
- Make development process less risky – better defined/fewer discretionary variables
- Recognize economic impact of development requirements
- Limit frequency of changes to codes, ordinances, fees
- Coordinate
- Reduce entitlement/approval times
- Don't micro manage zoning
- Reduce regulatory burdens

Warehousing/Distribution

- *Worker's Comp overhaul
- Streamline development review process
- Ease process of filling & utilizing land now designated as wetlands
- Reduce time frame for site plan approval & building permits
- Eliminate traffic from State of WA concurrency rules
- Remove obstacles on designated industrial land

Business Park/Flex Space

- *Streamline the permit process to 60-90 days
- Take development/design review out of the hands of unqualified citizen groups
- Establish a developer liaison/advocate at government level to be single point of contact
- Developer can apply SDC TIF fees towards offsite public improvements that may be required for a particular project approval
- Quit moving the goal post via adopting new and conflicting regulations – TSP as applied to flex, limiting the amount of impervious surface; determine that development community is not the evil empire – provides jobs, etc.
- Streamline entitlement process
- Consistency in the application of land use regulations & building codes
- Centralize the planning/permit process
- Change the attitude of planners in municipalities
- Reduce process/time required to get entitlements for viable industrial/business park projects
- Streamline permit process
- Cut more cost out of process
- Become more pro-active in entitlement processing
- Stop creating “make work” judgments/interpretations on building code issues
- Interagency coordination and partnerships with federal, state and local regulators

Manufacturing

- Regulatory relief – limit amount & number of restrictions – Title 3
- Keep strong regulations in place re: developing where infrastructure is in place
- Change some rules about how tall buildings can be
- Recognize/credit costs of redeveloping sites – don't add burden to private developer (e.g. setbacks, height restriction, cut & fill balance proposed by Metro, etc.)
- Lot of talk about coordinating land-use planning, infrastructure development, transportation funding, etc. to promote infill – doesn't see this happening

Large Campus/Industrial

- Expedite construction
- State agencies are opposing some insignificant wetland/stream corridor permits
- Enforce all aspects of existing law – fully enforce SB100 and all its goals

Land Use/Environment/Agriculture

- *Ask the public what they think is the highest and best use of the land
- Revise environmental laws to differentiate – for purposes of environmental remediation – those lands which must be cleaned to a high tolerance from lands not requiring such a high tolerance
- Revise zoning and land use review requirements for brownfield and infill development; reduce parking minimum requirements and road minimum widths, reduce review for redevelopment and give developers a more predictable timeline
- Bring realism to toxic substance regulations to allow use of contaminated sites
- Revise wetlands (and similar) regulations to remove barriers to use of such lands
- Limit public involvement in land use review process to those who are directly impacted
- *More flexible approach to regulatory requirements for development, i.e. setback, parking, use, zoning, etc.
- Remove obstacles to brownfield development
- Removal of regulatory obstacles to efficient land development

INFRASTRUCTURE DEVELOPMENT, GENERAL AND TRANSPORTATION (37 total mentions)

Geographic

- Infrastructure – readiness for quick-build
- Infrastructure finance
- Increased highway capacity
- *Interstate improvements/regional freeway system
- Local arterials to industrial sites
- *Deal effectively with transportation issues
- State-transportation
- *Work on efficient transportation around the metro area
- Dredge the Columbia River
- Improve I-205/Hwy 212 interchange
- Widen Hwy 26
- Improve roadways
- Divert light rail funds to general purpose transportation improvements

Warehousing/Distribution Sector

- *Infrastructure enhancements
- Refocus transportation issues to freight movement – freeway, interchange improvement
- Identify and solve transportation issues (i.e. westside bypass)
- Tie transportation infrastructure to land direction

Business Park/Flex Space

- Pay attention to transportation infrastructure needs other than light rail
- Invest in improved arterial system of roads – widen Sunset, 217; increase # and connectivity of major arterials on west side

Manufacturing

- Infrastructure development
- Provide infrastructure to the expanded areas for industrial development
- *State legislature fund transportation improvements
- *Get a transportation policy and funding to support growth
- *Need for transportation policy addressing freight mobility
- Improve transportation access to industrial areas

Large Campus/Industrial

- *Infrastructure: Roads, water, *sewer, storm drainage, *fire protection minimum rating #3.
- *Fully fund infrastructure/transportation
- *Protect transportation corridors
- Provide the money to complete needed highway improvements
- Region should move ahead on an Arterial Fund
- Develop a plan to resolve key transportation issues (maintenance, system capacity improvements, and mass transit)
- Expand transportation – build freeways along with light rail
- Transportation infrastructure finance mandates increase fees

Land Use/Environment/Agriculture

- Make sure there's adequate transportation infrastructure.
- **Support road and transit investments so that the transportation infrastructure is available for development, particularly inside the UGB.
- *Improve roads/highways (don't divert funds to light rail).
- Transportation infrastructure must be developed along with site development.
- Provision of infrastructure to existing industrial areas.
- *Funding of multi-modal transportation system, which emphasizes getting people out of vehicles and thereby increases capacity for freight movement.

PLANNING & ZONING (24 mentions)

Geographic

- Plan for adequate site diversity – large sites, smaller sites, for sale
- Allow industrial subdivisions
- Allow flexibility in industrial zoning
- Provide greater flexibility for Rivergate land development

Warehousing/Distribution

- Accurate database of current inventory
- Assessment of existing infrastructure and capacity for growth
- Identify areas where infrastructure is most readily available for expansion
- Change zoning/regulations to allow industrial development on land adjoined to existing transportation network – includes land outside current UGBs
- Do not allow rezone of industrial land to other uses

Manufacturing

- Take hard political decisions, to create LID's etc. for utility extensions
- Don't become too restrictive; don't allow non-industrial uses in the area
- Plan well – what kind of uses are being targeted?
- Plan for specific areas for future manufacturing, including pre-location infrastructure
- Balance planning for all aspects of development, not just residential, commercial, etc.
- Focus on being site specific in zoning decisions rather than boundaries
- Target industries/companies and coordinate site development around their needs

Large Campus/Industrial

- Strong local zoning laws to separate/segregate land uses
- Marry capacity of region to provide growth to maintain a vital economy with population projections so that all aspects of growth can be managed – residential, commercial, industrial, education, transportation, housing costs
- Develop a master plan to provide transportation and other infrastructure to meet the need
- *Fund and staff the development planning and implementation ahead of the need
- Plan for growth, not restrict growth

Land Use/Environment/Agriculture

- Coordinate the development so it “fits” into the neighborhood
- Openness to multi-use, i.e. mixed residential and industrial
- Open to higher density housing where feasible to open more area for industrial use

INCENTIVES (14 mentions)

Geographic

- Continued availability of highly targeted economic development incentives
- *Tax incentives
- Promote redevelopment re: tax incentives
- Offer tax breaks to attract more companies

Business Park/Flex Space

- Develop incentive packages such as TIF, infrastructure (SDC) credits and plans, partner brownfields development, adopt ordinances which promote strategic partnerships

Manufacturing

- Tax policies
- *Tax incentives – brownfields redevelopment
- Tax incentives for brownfields redevelopment
- Tax incentives for locating near public transit
- Take away tax incentives for the “Nikes” to hold lands for future use

Large Campus/Industrial

- State should provide incentives for large capital investments

Land Use/Environment/Agriculture

- Encourage private funding of development, not tax breaks or “subsidies”
- *Give tax credits for development/employment policies that reduce auto use
- Encouragement of job growth for existing business; de-emphasize encouraging new employers

EDUCATION AND WORK FORCE DEVELOPMENT (11 mentions)

Geographic

- First class technical oriented university in Portland area
- Four year research institution in Portland metro area (workforce development)
- Address school funding issues – we need educated workforce
- Educate underemployed – job skills training and English language classes
- K-12
- Customized technical & pre-employment training
- Pre-employment training
- Assist in worker training (Sunset Corridor)

Business Park/Flex Space

- Work with private sector to help education process grow
- Conduct a study to find out how the most successful areas have improved education system to produce best employees and then implement ideas

Manufacturing

- Help industries fund schools to train all levels of work force

Large Campus/Industrial

- Higher education support

JOBS/HOUSING BALANCE (2 mentions)

Geographic

- Increase supply of housing where needed, i.e. Hillsboro
- *Sub-regional jobs/housing balance

POLICY/OTHER

Geographic

- *Stay focused on business development

Warehousing/Distribution Sector

- *New industry is needed in our location
- No growth attitude
- Job-creating vision

Business Park/Flex Space

- Understand the needs of industrial users as opposed to housing or retail
- Lose the “us vs. them” mentality – treat business as a partner
- Don’t view business “as not paying its fair share”
- Take a long-term, strategic view of what drives the growth of high wage jobs
- Return control to local municipalities (from state & Metro)
- Government needs to stay in touch with needs of the real estate community
- Strategic partnerships with industrial/developers to promote high paying, skilled jobs

Manufacturing

- *Supply needs to be provided at lowest possible cost, i.e. infrastructure
- Acknowledge that SB100 was not developed to prohibit any development on farm and forest land
- Avoid extremist views – all growth good, all growth bad - balanced decision making
- See that any new development truly pays its way
- *Community involvement
- *Maintain Oregon livability; do not accept any and all because they covet Oregon
- *Decide on an industrial development policy

Large Campus/Industrial

- Livable community with university, 4 star hotel, restaurants, housing for both executives and \$10/hr people
- Better coordination between state, county, city and Metro re: land use, infrastructure development, construction activity
- *State of Oregon could drop its LUBA case against Metro adoption of urban reserves
- *Evaluate state/local tax system, construct spending plans to meet future growth – avoid impulse to have private enterprise fill spending gaps
- *Metro area is different from rest of the state; treat it that way and don’t make excuses
- Growth is not bad, act that way

Land Use/Environment/Agriculture

- What can ports sector do to assist with ?/industrial development
- Identify potential water and air pollution issues
- Increase public awareness of importance of industry/commerce to their well-being

Appendix C – Geographic Sector

Describe your geographic area	Types of comps in your area now?	Types of comps looking at your area	Why are they looking at your area?	Which comps, if any have left your area?	Why did they leave your area?	Types of comps not looking at your area?	Why are they not looking at your area?	Types of comps you'd like to target?	Imbal/Inadequacies for dev. in your area?
Beaverton/ Hillsboro - Sunset Corridor	Hi-Tech, R&D, & related service.	More of same altho increasing level of service.	To take advantage of growing employee base/emp- loyer base providing services of both.	NR.	NR.	Comps with large base need - comps needing room for growth on adjacent land.	Not enough land choices- Growing transport constraints particularly those oriented around PDX airpt.	NR.	Not enough indust land - raw or serviced - (Public perception is incorrect that there is lots of land available).
Clark County	Historically natural resources based (e.g. Crown Zellerbach now FtJames, Alcoa now Vanalco) - In last 15 yrs, clear trend has been to high tech (e.g. HP, SEH, UL, WaferTech, Sharp).	Continued high tech with more small/med vendor comps (to high tech). Also currently have interest from call centers.	Established critical mass/track record for high tech. Continued availability of sites, though being depleted. Record of gov. support.	Tek left several yrs ago. HP is currently reducing employmnt (as it outsources production to more offshore sources) but will retain active Clark Co. presence.	Tek consolid. and poor financial perform. at the time; HP - offshore production of inkjet printers.	NR.	NR.	More R&D, corporate/ regional HQ's, continued (if not increased) focus on high wage jobs.	Rapidly declining supply of prime indust sites, esp. large sites. Much of remaining inven. is in public ownership/for lease only. Adeq./reli- ability of power. Transp infrastruc funding.

Describe your geographic area	Types of comps in your area now?	Types of comps looking at your area	Why are they looking at your area?	Which comps, if any have left your area?	Why did they leave your area?	Types of comps not looking at your area?	Why are they not looking at your area?	Types of comps you'd like to target?	Imbal/Inadequacies for dev. in your area?
Tanasb./ Hillsboro Sunset Corridor	High tech, support industries to high tech, light industrial.	Industrial users - both owner/occupants & users wishing to lease space. Light indust most typically that support the high tech industry.	Desirable loc. due to proximity to Intel, Epson, etc. Infrastr is in place & is of high quality - close to amen. for employees - freeway accessbilty, but congest is an issue.	NR.	NR.	Heavy distribution - too far away from the airport. Hillsboro Airport does not meet their capacity requiremts for handling freight.	Heavy distribution - too far away from the airport. Hillsboro Airport does not meet their capacity requiremts for handling freight.	We can't - we are out of industrial land.	There is no industrial land available in Tanasb at this time. Other issues in Hillsboro; lack of residential land, traffic congestion.
Multnomah Clackamas Washingt. & Clark Counties	Manufact/ processing. Warehouse.	Manufact, Warehouse.	Existing activities expanding, new company, location on I-5.	Tyco, General Steel.	Overseas manufact, land cost & availability.	Don't know.	NR.	Clean?	Usable & suitable land - process (permit) & fees (permit & systm dev.)
City of Gresham - 23+ sq. mi.	Microelect, metals, distrib, small manufact, electronics suppliers.	Same (not large microchip manufact).	Avail. land, able to bec. part of smaller comm., proximity to airport & uncongest hwy access - availablty of infrast.	None have left that I know of but several have looked and located elsewhere.	"Ready to build property."	Lg manu- facturers outside of electronics area.	?	Hi-tech, metals & electronics suppliers & manu- facturers. Other manufactng operations creating hi- wage jobs.	Available, serviced & ready to go property. Inadequate streets to some industrial parcels.

Describe your geographic area	Types of comps in your area now?	Types of comps looking at your area	Why are they looking at your area?	Which comps, if any have left your area?	Why did they leave your area?	Types of comps not looking at your area?	Why are they not looking at your area?	Types of comps you'd like to target?	Imbal/Inadequacies for dev. in your area?
Columbia County - 6 miles wide along river	Manufacturing and assembly.	Manufacturing - value added wood.	NR.	NR.	NR.	NR.	NR.	NR.	Lack of exist bldgs. No rental or lease space for manufactng or distrib. No priv. developers looking to build spec. space. Few small indust parcels.
All PDX metro areas	As I work in all areas, effectively all business types are represented (i.e. warehousing high-tech, general manufacturing & flex/office).	Airport Wy - generally warehouse/distrib. I-205 - Generally warehouse/distrib., w/ some manufacturing. I-5 South - Broad range of warehouse/distrib., manufacturing, flex/office. Sunset Corridor - primarily high tech related, and flex/office.	Airport Way - land available; good transport. I-205 - good transport; was affordable land. I-5 South - close proximity to executive homes; good transport.	NR.	NR.	Airport Way - Heavy office users. I-205 - Heavy office users. I-5 South - None. Sunset Corridor - Heavy distrib.	Airport Way - Executives & housing not nearby. I-205 - Same as above.	NR.	Airport Wy - Few small sites avail; limited executive housing nearby. I-205 - Minimal avail land; traf cong. I-5 South - Minimal avail. Land. Sunset Corridor - limited land; poor freeway transport.

Describe your geographic area	Types of comps in your area now?	Types of comps looking at your area	Why are they looking at your area?	Which comps, if any have left your area?	Why did they leave your area?	Types of comps not looking at your area?	Why are they not looking at your area?	Types of comps you'd like to target?	Imbal/Inadequacies for dev. in your area?
NE PDX & all PDX metro area	Distrib, manufacturing.	Distrib - proximity to I-84 & I-205, proximity to airport. Airport Wy infrast.	See above - healthy economy.	Premier - H.P. supplier.	NR.	Manufacturing - back-up water supply/ chemical issues.	NR.	Manufacturing.	Not enough land - priced too high, infrast/ topo/ configuration problems, wetland, access, neighbors, deed, high tension.
Clackamas & Hood River Counties	Distrib, metals, agriculture, high tech, forest products, light manufacturing.	High tech, high tech suppliers, secondary wood products, light manufacturing, (?) manufacturers, metals.	Transport infrast (I-205). Available land in outlying areas.	Fender Guitar manufacturing, Althia medical.	Corporate restructuring/ facility consolidation.	Large high tech (chip fabs, etc.).	1. Industry slowdown. 2. Lack of large parcels of land.	What's currently looking (except distrib) is fine. I'd like to land more.	Lack of available workforce, lack of land in urban areas, topography
Columbia Corridor - 28 sq. mi. (Rivergate - Troutdale & Columbia Blvd. - I-84	Warehouse, distrib, manufacturing, transport, hi-tech suppliers, support services: hotels, profess. (engineer/ consultants), big box retail.	Same.	Proximity to transport, intermodal connections.	Comps using certain haz mats because not allowed or because prevention, accidents containmnt too expensive & no expansion room.	NA.	Hi-tech. Too much vibration!	NR.	Users of Port facilities: marine terminal, PDX, metals, plastics, high-tech suppliers. Distrib, warehouse.	Infrast inadequacies: transport, storm water, sanitary, electronic. Need better support services (banks, restaurants)Sh rinking availability of land.

What could government do?

Participant One: [Sunset, Beaverton, Hillsboro]

- ◆ *Commitment to increase highway capacity - (there has been far too much emphasis on light rail (ridden by 2-4% of trips).
- ◆ Get higher ed organized - a single first class technically oriented university in the Portland area is needed - currently we have 2 competing schools down the valley arguing over scarce resources.

Participant Two: [Clark County]

- ◆ Fund transportation improvements needed for concurrency, both:
 - a. local arterials to industrial sites
 - b.*interstate improvements/regional freeway system.
- ◆ Land bank long-term sites for future development at edge of urban growth boundaries.
- ◆ Adjust planning to better account for sites being held off the market, as by companies holding property for their own exclusive needs.
- ◆ Plan for adequate site diversity.
- ◆ Large sites (50 acres +)
- ◆ Smaller sites
- ◆ For sale.
- ◆ Continued availability of highly targeted economic development incentives.
- ◆ Work force development.
- ◆ 4 year research institution in Portland metro area.
- ◆ Customized technical & pre-employment training.

Participant Three: [Beaverton, Hillsboro, Tanasbourne, Sunset]

- ◆ Speed up development process - i.e. issues relating to environmental impacts, wetlands, etc.
- ◆ *Deal effectively with transportation issues - funding requires leadership and vision by the State Legislators who need to educate & enlighten their constituents; (also business needs to participate as a partner.
- ◆ Address school funding issues - we need an educated work force & if we don't educate our children they won't be able to take advantage of job opportunities; this also impacts Portland's desirability from a business location standpoint as well as attracting employees.
- ◆ Also need to help educate the underemployed - those requiring job skills training and even English language classes.
- ◆ Expand industrial land portfolio.
- ◆ Increase supply of housing where it is needed - i.e. Hillsboro.

Participant Four: [Multnomah, Washington, Clackamas and Clark Counties]

- ◆ *Permit times - now approaching 6 mo. average.
- ◆ Process - make the development process less risky - more (or better) defined with fewer discretionary variables.
- ◆ Recognize the economic impact of development requirements (e.g. Limits of use and benefit of require/restrict on screening, landscape, loading, etc.)
- ◆ Limit frequency of changes to codes, ordinances, fees, etc. to give a degree of confidence in forecasting requirements.

Participant Five: [Gresham]

- ◆ Goal (5 years - just close enough in)
- workforce - pre-employment training > reduced welfare
- education - K-12
- state - transportation
- infrastructure - readiness for quick-build
- *tax incentives
- coordinate.

Participant Six: [Columbia County]

- ◆ Allow industrial subdivisions.
- ◆ Allow flexibility in industrial zoning.
- ◆ *Work on efficient transportation around the metro area (as in without going through the most congested core areas).

Participant Seven: [All markets]

- ◆ Columbia Corridor - Dredge the Columbia River as demanded.
- ◆ Provide greater flexibility for Rivergate land development.
- ◆ I-205 - Improve I-205/Hwy 212 interchange.
- ◆ I-5 South - Lift building moratorium in Wilsonville.
- ◆ Expand urban growth boundary (industrial land).
- ◆ Sunset Corridor - Widen Hwy 26.
- ◆ Assist in worker training.
- ◆ Expand urban growth boundary.

Participant Eight: [NE Portland, all markets]

- ◆ Expand boundary.
- ◆ Improve roadways.
- ◆ Reduce entitlement/approval times.
- ◆ Don't micro manage zoning.
- ◆ Reduce regulatory burdens.
- ◆ Divert light rail funds to general purpose transportation improvements.

Participant Nine: [Clackamas, Hood River Counties]

- ◆ Assistance for land assembly.
- ◆ Infrastructure finance.
- ◆ *Sub-regional jobs - housing balance.
- ◆ *Stay focused on business development.

Participant Ten: [Columbia Corridor Rivergate to Troutdale]

- ◆ Sunset - out of land. Parcels - secondary land - no large acres. Companies need choices.

Appendix D – Warehousing/Distribution Sector

FOR LAND USERS – ANSWER QUESTIONS 1-6

FOR DEVELOPERS – ANSWER QUESTIONS 7-10

FOR LAND USERS:

1. How large a territory do you serve from your Portland metro area locations? (Please record in space below.)

- ◆ All Portland Metro LUW to Salem.
- ◆ NR.
- ◆ NR.
- ◆ SW Washington
- ◆ Everywhere in Portland/SW Washington. We extend our real estate services up to Seattle/down to Medford/over to Bend.
- ◆ NR.
- ◆ Oregon, Washington, Idaho, Western Montana & Alaska.

2. How would you characterize the existing inventory for warehouse/distribution space in the Portland metro area? (Record in space below.)

- ◆ Good.
- ◆ NR.
- ◆ NR.
- ◆ 2% to 7.1% vacant. Such a low vacancy rate means new companies & existing companies do not have room to grow.
- ◆ Ample now in certain sectors. But when all inventory is absorbed, and with shortage of land, where will new space be constructed?
- ◆ NR.
- ◆ For rail served/ 10+ acres - only fair.

3. Is your company concerned about having enough space in the future to serve clientele or meet demand for goods from your Portland metro area locations? (Record in space below.)

- ◆ Yes.
- ◆ NR.
- ◆ NR.
- ◆ Yes, as the supply of industrial drops, prices go up & industrial cannot afford to pay such high rates.
- ◆ Yes. Limitations on land is severe and it will get worse as demand & growth continue.
- ◆ NR.
- ◆ Yes, particularly rail served parcels.

4. What projects (location/amount of space) do you have committed with financing in place? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ 310,000 square feet.
- ◆ N/A.
- ◆ NR.
- ◆ None.

5. What are the key limitations in assuring you have enough space? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ By not having a large enough inventory of industrial land (at least 50% market factor), the price of industrial land becomes too high for industrial users to pay & the property owners want to rezone to a higher & better use.
- ◆ Ample well located land sites. With positive physical conditions. With utilities, zoning, etc. to meet demand.
- ◆ NR.
- ◆ Rapidly changing market conditions, client needs, capital.

6. How do you feel about brownfields development? Are you receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ Unknown.
- ◆ NR.
- ◆ NR.
- ◆ Pass legislation to protect users from future environmental liability.
- ◆ OK - but time consuming, limited, and only a small part of the need "fix."
- ◆ NR.
- ◆ We distribute primarily food, grocery & beverage products. Our clients would have problems w/brownfields.

FOR DEVELOPERS:

7. How would you characterize the existing inventory for warehouse/distribution space in the Portland metro area? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ Fairly limited .. remaining land is useful only if relatively flat .. accessible to freeway system.
- ◆ See #2.
- ◆ See above.
- ◆ Adequate - meeting demand.
- ◆ NR.

8. What projects (location/amount of space) do you have committed with financing in place? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ None.
- ◆ See #4.
- ◆ N/A.
- ◆ West Hayden Island - 450 acres of industrial land with transportation. Portland Int'l Center - 250 acres.
- ◆ NR.

9. What are the key limitations in your ability to meet demand for space? (Record in space below.)

- ◆ NR.
- ◆ Slow pace of jurisdictional review/approval. Large sites (w/zoning, services...). Transportation improvements. Transportation access (including rail).
- ◆ Short-term problem - rents cannot support remaining land prices. Longer term problem - lack of available land & tenants resistance to required rent levels. Can result in tenants relocating or not moving to PDX due to overall occupancy costs.
- ◆ Entitlement and cost of land.
- ◆ Limited land sites for growing demand, well located, serviced with utilities, good topo, etc. Metro's wrong attitude to address this issue.
- ◆ Increasing exactions - less net land, cost of infrastructure/community expectations. Competing demands for land – master planned facilities (PDX, name), Nimby uses. Concern for supply - uncertainty - over-selectivity.
- ◆ NR.

10. What things, if any, are changing about the demand for warehouse/distribution space in terms of what is important about sites and services?

- ◆ NR.
- ◆ NR.
- ◆ Site criteria really hasn't changed. Location, topo, access to freeway system, visibility, service criteria is also unchanged.
- ◆ Freeway access and enough room for truck staging.
- ◆ Nothing other than demand continues to grow while sites continue to be absorbed.
- ◆ Larger sites, transportation access infrastructure.
- ◆ NR.

11. How do you feel about brownfields development? Are companies receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below)

- ◆ NR.
- ◆ NR.
- ◆ I'm OK with brownfields and I think tenants and users will also be receptive if all other features are acceptable. Lenders can be a problem if they have not dealt with a brownfield site before. However, national lenders have more expertise with problem sites.
- ◆ See #6.
- ◆ See above.
- ◆ Excellent opportunities - too much risk involved however - high cost as well. Generally tied to bigger problems. Hard to isolate developable, doable parcels. Hard to overcome historical ability to go for greenfields, some greenfields still available and (?).
- ◆ NR.

What could government do?

Participant One:

- ◆ *New industry is needed in our location. Manufacturing, highway systems, schooling, warehousing is not an issue.
- ◆ *Workman's Comp overhaul.

Participant Two:

- ◆ Accurate database of current inventory.
- ◆ Assessment of existing infrastructure & capacity for growth.
- ◆ Identify areas where infrastructure is most readily available for expansion.
- ◆ Re-think methodology of setting UGB lines on roads vs. some distance from roads.
- ◆ Streamline development review process.
- ◆ Refocus transportation issues to freight movement Freeway expansion, interchange improvement.

Participant Three:

- ◆ Change zoning/regulations to allow industrial development on land adjoined to existing transportation network ... this specifically includes land outside current UGB's.
- ◆ Ease process of filling & utilizing land now designated as wetlands.
- ◆ Change state law to require 20-year supply of industrial land inside UGB, like how is required for residential.

Participant Four:

- ◆ Expand Urban Growth Boundary (supply of land).
- ◆ Reduce time frame for site plan approval & building permits.
- ◆ Eliminate traffic from State of WA concurrency rules.
- ◆ Do not allow rezone of industrial land to other uses.

Participant Five:

- ◆ Extend UGB in selected areas to bring in more industrial land (w/urban services).
- ◆ Protect what industrial land inventory there is.
- ◆ Pursue brownfields concept w/gusto.
- ◆ Identify & solve transportation issues (i.e., westside bypass).
- ◆ Open up I-5 interchanges to industrial development (w/utilities, etc.). Like Donald and Brooks exits on I-5 and Ridgefield/LaCenter exits in Wash.
- ◆ All above will control land prices too.

Participant Six:

- ◆ *Create protection for industrial land based on modern (sic?).
- ◆ Remove obstacles on designated industrial land.
- ◆ Tie transportation infrastructure to land direction.
- ◆ Absorb or transfer risk for brownfields development.
- ◆ Promote redevelopment - re: tax incentives

Participant Seven:

- ◆ *Infrastructure enhancements (bicycle mentality).
- ◆ Urban Growth Boundaries.
- ◆ "No-growth attitude.
- ◆ Job-creating vision.

Appendix E – Business Park/Flex Space

FOR LAND USERS – ANSWER QUESTIONS 1-5

FOR DEVELOPERS – ANSWER QUESTIONS 6-10

FOR LAND USERS:

1. Do you have immediate plans for more growth? (Please record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Yes; over 100 acres.

2. (IF YES TO Q. 1) Will you choose to remain in the same park? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ I assist development in many parks.

3. (IF NO TO Q. 2) Same geographic area? Why?/Why not? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Throughout Beaverton.

4. What factors have influenced your location decisions? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Limited land available; transportation.

5. How do you feel about brownfields development? Are you receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ More local incentives; incentives for infrastructure/soil remediation; very attractive.

FOR DEVELOPERS:

6. On the average, what are vacancy rates in current projects by Portland metro area locations? (Record in space below.)

- ◆ NR.
- ◆ Less than 3%.
- ◆ 5-10% depending on individual submarkets.
- ◆ Multi-tenant industrial park vacancy: North/Northeast - 7.5%; SE/Clackamas - 8.2%; Southwest (including flex) - 8%; Northwest - 2%. Overall vacancy including freestanding & user buildings - 5.5%.
- ◆ 1.5 - 3%
- ◆ Range between 5% - 7% overall.
- ◆ Prox. 1% @ 12/31/97 on local inventory of approx. 6 million sf.
- ◆ Unknown.

7. What projects do you currently have lined up with financing in place? (Record in space below.)

- ◆ Tualatin Corporate Center Phase II 148,000sf and Stafford Corporate Center 110,000sf.
- ◆ Anchor Park Swan Island 300,000+sf.
- ◆ 200,000sf industrial park on Airport Way and 100,000sf industrial park in Clackamas - both '98 construction start.
- ◆ Boeing land mixed use development - 181st and Sandy.
- ◆ 135,000sf office/flex - Phase I of 450,000sf; 135,000sf Sunset Corp. Park - Hillsboro; 160,000sf office/flex - Sunset Corridor (financing almost in place).
- ◆ Evergreen Corporate Center.
- ◆ International Corporate Center - (Near Airport) - Retail & Flex; Clackamas Industrial; Hillsboro Industrial/Flex - 183,000sf B-T-S; Columbia Tech Center - Vancouver - 3 story office building and 2 flex underway - additional flex and 80,000sf industrial "box" to start this summer.
- ◆ The Round at Beaverton Central - \$100 mill.

8. What factors influence your decision to locate projects? (Record in space below.)

- ◆ Market demand, proximity to freeways, proximity to support services.
- ◆ Location, price, cost of development.
- ◆ Rent growth, vacancy, job growth, not absorption.
- ◆ Availability of well located land, transportation accessibility of site, reasonable price, perceived demand for space.
- ◆ Location in target market; vacancy factor in submarket; industry demand, growth rate; site accessibility, visibility; land cost, viability for pro-forma; infrastructure availability.
- ◆ Freeway access, available land, price, demand for the area, competition, future potential.
- ◆ Expected tenant interest and availability of land suitable for needed buildings.
- ◆ Available land, partnerships.

9. How do you view urban reserves versus satellite cities? Which do you see as most viable for expansion? (Record in space below.)

- ◆ A combination of both depending on user type. Some users need to be located in urban areas others don't.
- ◆ The availability of land dictates the need to explore all options.
- ◆ Urban reserves.
- ◆ Urban reserves are preferable to satellite cities as the lack of accessibility and transportation access to satellite cities is a disincentive to locating there.
- ◆ Urban reserves - the opportunity to expand existing markets - seems more practical than "skipping" to satellite cities because new development can take advantage of the critical mass of infrastructure investment, services, proximity to customers and employees.
- ◆ Urban reserves would be more viable for expansion.
- ◆ Urban reserves - few users will go to satellite cities.
- ◆ My expectation is to create viable industrial lands close to residential population centers.

10. How do you feel about brownfields development? Are companies receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ Not opposed, provided there is an insurance vehicle or some indemnification to developer and a realistic exit strategy.
- ◆ Brownfields need to be developed with a view toward cost effective responsible solutions.
- ◆ We don't have an interest in brownfields - they will represent a course of last resort when all other development opportunities are absent.
- ◆ Brownfields redevelopment is a visceral issue to most companies. Most are not open to the concept due to financing concerns and the "path of least resistance" mind set. Time and the dwindling availability of industrial land will ameliorate this attitude somewhat.
- ◆ It's a necessity/opportunity for future re-development in good locations. Many investors are still reluctant, but some are willing to pursue. Mechanisms to limit the developer's liability, "cap" the contamination = helpful.
- ◆ Need more study.
- ◆ Land is relatively expensive considering price, knock down, soils clean-up, etc.
- ◆ See #5.

What could government do?

Participant One:

- ◆ Streamline the permit process to 60-90 days.
- ◆ Where applicable take development/design review approval out of the hands of unqualified citizen groups i.e. City of Wilsonville Development Review Board.
- ◆ Establish a developer liaison/advocate at the government level that can be a single point of contact to help move through the process.
- ◆ If applicable developer can apply SDC TIF fees towards offsite public improvements that may be required for a particular project approval.

Participant Two:

- ◆ Quit moving the goal post via adopting new and conflicting regulations for development which create huge hurdles for their own systems.
- 1) Transportation planning rules as applied to flex.
 - 2) Limiting the amount of impervious surface on a site for water quality eats up land and adds huge costs to urban infill projects.
 - 3) Determine that the development community is not the evil empire, we do provide construction jobs and permanent places for people to work and live. We represent a strong silent constituency which gets put off by an environmental advocacy group which seems to be strongly aligned with planners at Metro, LCDC, and the City of Portland.

Participant Three:

- ◆ Streamline entitlement process.
- ◆ Understand the needs of industrial users as opposed to the housing or retail industry.
- ◆ Consistency in the application of land use regulations & building codes.
- ◆ Pay attention to transportation infrastructure needs other than light rail.
- ◆ Lose the "us vs. them" mentality - treat business as a partner.
- ◆ Don't view business "as not paying its fair share."
- ◆ Take a long-term, strategic view of what drives the growth of high wage jobs.
- ◆ Return control to local municipalities (from state & Metro).

Participant Four:

- ◆ Centralize the planning/permit process so agencies and bureaus work in concert with a developer as opposed to operating in a vacuum without any accountability (i.e. Blueprint 2000).
- ◆ Metro needs to reopen the industrial land study to reformat what is considered available land and set aside meaningful urban reserves of accessible industrial land.
- ◆ Change the attitude of planners in municipalities. They haven't yet gotten the word that a dwindling supply of developable land calls for more flexibility and creativity - not more onerous regulations.

Participant Five:

- ◆ *Plan to add industrial land to the urban/developable area in the market areas where tenants/users want to be, i.e. Hillsboro, Tualatin, Columbia Corridor, Gresham to allow/promote synergy among businesses and employee base customers to take advantage of existing investment in infrastructure.
- ◆ Reduce process/time required to get entitlements for viable industrial/business park projects
Users can't wait 5-6 + months for approvals!
- ◆ *Invest in improved arterial system of roads!
widen Sunset Highway, 217
increase # & connectivity of major arterials on west side (old farm-to-market roads are not adequate for today's movement of goods, services, people).
will better support improved west side transit services to allow people to leave their cars at home.

Participant Six:

- ◆ Streamline permit process. Simplify it so that it can be done faster. Flexibility in the code.
- ◆ Push to make more land available by rezoning efforts.
- ◆ Offer tax breaks to attract more companies.
- ◆ Work with private sector to help the education process grow.
- ◆ Conduct a study to find out how the most successful areas have improved their school and education system to produce the best employees and then implement those ideas for the long term.
- ◆ Figure out how to cut more cost out of the process.
- ◆ Government needs to stay in touch with needs of the real estate community.

Participant Seven:

- ◆ Zone additional land as industrial (i.e. UGB adjustment).
- ◆ Become more pro-active in entitlement processing (& aware of & concerned about implications of delay and/or slow processing).
- ◆ Stop creating "make work" judgments/interpretations as to building code issues.

Participant Eight:

- ◆ *First buy or/and designate wider zoning allowances to assist industrial lands.
- ◆ Enter into strategic partnerships with industrial/developers to promote high paying, skilled jobs.
- ◆ Develop incentive packages such as:
T.I.F. - Tax increment financial.
infrastructure SDC credits and plans.
partner brownfield development.
adopt ordinances which promote strategic partnerships.
- ◆ Interagency coordination and partnerships with federal, state and local regulators.

Appendix F – Manufacturing Sector

Questions:

1. Is your current facility at capacity and efficiently configured? (Please record in space below.)

- ◆ No.
- ◆ NR.
- ◆ I have 2 facilities in Portland. One just moved into their new facility in Feb. The other one is still under construction with move in scheduled for Nov-Dec '98.
- ◆ NR.
- ◆ Yes.
- ◆ NR.
- ◆ Current facility is at capacity but not the most efficient because of space limitations.
- ◆ Is efficiently configured - can continue to add production capacity, although with changing regulatory requirements and select market opportunities - some land and capital investment may be necessary.
- ◆ NR.
- ◆ Yes. Commercial real estate office. Wells Fargo Bank, 1300 SW Fifth Ave. Portland.

2. Do you have expansion capability at your current location(s)? (Record in space below.)

- ◆ Limited space always in need of more.
- ◆ NR.
- ◆ Yes. We bought an extra 5 acres.
- ◆ NR.
- ◆ No.
- ◆ NR.
- ◆ No.
- ◆ Yes in Portland; yes in McMinnville; yes in Woodland.
- ◆ NR.
- ◆ Yes, office space.

3. Do you have satellite facilities? (Record in space below.)

- ◆ Yes.
- ◆ NR.
- ◆ Not in Oregon or Washington.
- ◆ NR.
- ◆ No.
- ◆ NR.
- ◆ Yes.
- ◆ We have major facilities in Alaska, Washington, California. Also, numerous joint venture facilities - where we "partner" the business.
- ◆ NR.
- ◆ 90+/- offices throughout US and parts of World.

3a. (IF YES) Where?

- ◆ Worldwide.
- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ No.
- ◆ NR.
- ◆ The company has several satellite warehouse facilities on Swan Island.
- ◆ NR.
- ◆ NR.
- ◆ NR.

4. What criteria would you consider in selecting additional sites for manufacturing or corporate headquarters? (Record in space below.)

- ◆ Proximity to major clients. Cost.
- ◆ From government agency perspective - utilities, land, workforce availability.
- ◆ For our manufacturing sites, we look for flat stable sites, that are rail served and are close to major freeways. (Stable refers to) ground stability - heavy equipment won't sink into the soil or take a 'forest' of pilings to hold up.
- ◆ Transportation - availability of personnel; costs of land, improvements (provision of infrastructure), SDC's; Operating costs.
- ◆ Cost and transportation.
- ◆ Location, availability of land.
- ◆ See following table.

Manufacturing *	Corporate Headquarters *
Logistics costs	Existing workforce
Access to interstate	Attractive to professional people
Utility availability and cost	Education, especially technical
EPA attainment area	Transportation
Workforce availability	Cost "livability"
Labor relations climate	
Construction cost	
Operating cost	
Political climate	

*Partial lists.

- ◆ Transportation
 - to regional/national markets
 - access to deep draft ports/air cargo
 - access to rail - not just branch line but inter-relationship between rail car, switch, inter-lines issue.
- Major land use (zoning issues for manufacturing - also new issues re: stream bank, cut & fill, etc.
- ◆ NR.
- ◆ Services (infrastructure), location, zoning, city government.

5. What are the internal corporate factors which will influence your future growth in the metro area? (Record in space below.)

- ◆ Cash flow. Availability of capital.
- ◆ NR.
- ◆ They were
 - willingness to work with us
 - help with the local agencies
 - tax credits
 - other companies in our industry that we can work with (suppliers, customers)
 - non-union.
- ◆ NR.
- ◆ Marketing and financial strength.
- ◆ NR.
- ◆ Primarily the efficient deployment of plants throughout US, Canada and Mexico.
- ◆ Doing business issues. Growth has occurred in PDX due to strong economy - not due to Mayor or Gov. In leaner times (will Asia influence OR economy?) doing business issues will highlight business here or elsewhere. Multnomah County - business in income tax.
- ◆ NR.
- ◆ Level of business.

6. What are the regional factors which will influence your future growth in the metro area? (Record in space below.)

- ◆ Costs. Quality and availability of imports, i.e. services, supplies, workforce, TRANSPORTATION.
- ◆ NR. Government perspective - transportation - to market & of employees, workforce availability, training.
- ◆ Livability; focus on encouraging business; proximity to rail, water, freeways; west coast.
- ◆ NR.
- ◆ Economic strength of area; work force availability; competition.
- ◆ Land use and transportation - industry in general.
- ◆ The primary factor is the region's location away from the primary markets served by our products.
- ◆ Need for freight mobility. Need for safe/timely/economical transportation for workers. Manufacturing being squeezed out of urban area - as local governments seek to "densify" and "yuppify."
- ◆ NR.
- ◆ The UGB & its available space remaining. Both land & buildings. The amount of projected revenue that can be anticipated.

7. How do you feel about brownfields development? Are you receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ Would consider.
 - Provide environmental indemnification for developers
 - Provide incentives for development.
- ◆ If the lawyers & bankers can be satisfied, it's a viable alternative.
- ◆ We researched a brownfield site, however the long term legal risks were too great.
- ◆ Positive if costs can be contained. Must have limited liability - prospective purchaser agreements. State could offer property tax incentives for B.F. development.
- ◆ Needs to happen. Need \$ incentives to make it happen.
- ◆ NR.
- ◆ A most efficient use of property that would not otherwise be used but there needs to be long term assurance that additional remediation won't be necessary.
- ◆ Have done it. Local/State/Federal policies yet to recognize full costs of brownfield versus greenfield development opportunities: costs - governments tend to still see myopically as any public policy demand can be placed in a development and it can pay it's own way.
- ◆ NR.
- ◆ Good for everyone. One area where government can help private and local development of property that could be idle for decades due to cost of mitigation.

What could government do?

Participant One:

- ◆ Provide a 20-year supply of industrial land.
- ◆ Supply needs to be provided at lowest possible cost. i.e. infrastructure.
- ◆ Acknowledge that SB100 was not developed to prohibit any development on farm and forest land.

Participant Two:

- ◆ *State legislature fund transportation improvements.
- ◆ Zoning issues - don't become too restrictive. Don't allow non-industrial uses in the area.
- ◆ Be proactive - find sites, have good inventories.
- ◆ Take hard political decisions, to create LID"s etc. for utility extensions.
- ◆ Avoid extremist views - all growth good, all growth bad, look for balanced decision making.
- ◆ Land Availability - UGB
- ◆ Plan well - what kind of uses are being targeted?
- ◆ Take more bold actions - tie up critical parcels to keep for high-density employment.
- ◆ Tax policies.

Participant Three:

- ◆ Brownfields - take the long term legal constraints off of the purchaser. Now even if you just bought the property you are legally liable for any future litigation that might arise.
- ◆ *Reconsider the urban growth boundaries and allow large parcels of property to become available.

Participant Four:

- ◆ *Tax incentives - brownfield redevelopment.
- ◆ Infrastructure development.
- ◆ Regulatory relief - limit amount & number of restrictions - Title 3
- ◆ Industrial land supply.

Participant Five:

- ◆ Tax incentives for brownfield redevelopment.
- ◆ Keep strong regulations in place re: developing areas where infrastructure is in place.
- ◆ Change some rules about how tall buildings can be.
- ◆ *Stand fast on urban growth boundaries - speculation is causing too many problems.
- ◆ See that any new development truly pays its way.
- ◆ Tax incentives for locating near public transit.
- ◆ Take away tax incentives for the "Nikes" to hold lots of land for possible future use. Too much is being held for investment reasons.
- ◆ *Community involvement.

Participant Six:

- ◆ Plan for specific areas for future manufacturing site - include pre-location infrastructure.
- ◆ Balance planning for all aspects of development, not just residential, commercial, etc.
- ◆ *Maintain Oregon livability, do not accept any and all because they covet Oregon. Take better care of what exists.

Participant Seven:

- ◆ Maintain an inventory and coordinate infrastructure development.
- ◆ Focus on being site specific in zoning decisions rather than boundaries.
- ◆ Target industries/companies and coordinate site development around their needs.
- ◆ *Get a transportation policy and funding to support growth.
- ◆ *Decide on an industrial development policy.

Participant Eight:

- ◆ Recognize/credit costs of redeveloping sites - don't add burdens to private developer (set-backs, height restriction, open-space, wetland mitigation, employee commute requirements, CSO, stream bank protection, cut & fill balance proposed by Metro).
- ◆ Lot of talk about coordinating land-use planning, infrastructure development, transportation funding, etc. - to promote infill - ease pressure on urban growth boundary - don't see this happening in reality - always tough to site/permit inner areas versus greenfill.
- ◆ *Need for transportation policy addressing freight mobility (not just light rail - and only 1 in 5 vehicle miles traveled is home/work related).

Participant Nine:

- ◆ *Expand the urban growth boundary for industrial use along freeway corridors.
- ◆ Provide infrastructure to the expanded areas for industrial development.
- ◆ Set aside land for schools for the increased population.
- ◆ Help industries fund schools to train all levels of work force from steel workers to high tech employees.
- ◆ Improve transportation access to industrial areas.

Participant Ten:

- ◆ Identify available land that is for sale or lease & make sure there is a 20-year supply of buildable (not wetlands, slopes, etc.) land well distributed in all sub-markets.

Appendix G – Large Campus Industrial Sector

Questions:

1. How much vacant developable property do you control in the Portland metro area region? (Please record in space below.)

- ◆ None.
- ◆ 260 acres.
- ◆ I work for a public agency with zoning authority. Our jurisdiction zones a significant amount of land. We have an urban renewal districts that owned property for industrial and mixed use development but has sold all land.
- ◆ Jones Farms about 40; Ronler Acres about 150; Hawthorne Farms about 10. Total 200.
- ◆ Several hundred acres on various.
- ◆ NA - Public sector - work with companies.
- ◆ None.
- ◆ Represent 1000 + acres industrial/office; 250+ residential mixed use.

2. How much vacant developable property do you control in Oregon? (Record in space below.)

- ◆ None.
- ◆ 260 acres.
- ◆ We have authority only with the Portland Region.
- ◆ Same as above.
- ◆ Same as #1 above.
- ◆ NA.
- ◆ None.
- ◆ Same as above.

3. How does your firm feel about selling/leasing portions of your campus to compatible users? (Record in space below.)

- ◆ Do not have enough land to sell or lease. Environmental and site safety considerations will probably preclude leasing land to other users.
- ◆ We set aside 75 acres for that purpose.
- ◆ NA.
- ◆ Would not sell or lease at present time.
- ◆ We do not typically lease property to other users; I am not aware of any instances that we have done that. In those instances where property owned in Oregon has been sold, I am unaware of preferences or restrictions placed on the sale. Existing zoning usually addresses any adjacent user concerns we might have.
- ◆ Working with some firms which have sold/leased land to related parties.
- ◆ NA.
- ◆ Where applicable - yes.

4. Would you consider leasing or selling portions of your property for unrelated uses? (Record in space below.)

- ◆ No.
- ◆ Not at this time.
- ◆ NA.
- ◆ Not at present time.
- ◆ Unknown.
- ◆ NR.
- ◆ NA - No.
- ◆ For comparable service.

5. Do you foresee additional expansion in this region?

- ◆ No.
- ◆ Yes.
- ◆ NA.
- ◆ Yes.
- ◆ Yes.
- ◆ NR.
- ◆ Yes.
- ◆ Yes - except for UGB constraints.

5a. The state?

- ◆ No.
- ◆ Yes.
- ◆ NR.
- ◆ Yes, but on current property.
- ◆ Unknown.
- ◆ NR.
- ◆ Yes.
- ◆ Moderate.

5b. Elsewhere?

- ◆ Yes.
- ◆ Yes.
- ◆ NR.
- ◆ Yes.
- ◆ Likely.
- ◆ NR.
- ◆ I-5 Corridor.
- ◆ NR.

6. In evaluating future options for growth (build-out and after build-out), what factors most limit your desire or ability to expand in the Portland metro area region? (Record in space below.)

- ◆ Labor availability and traffic congestion. Labor cost - can't compete with Boeing, H.P., Intel, etc. Air quality non-attainment area. Construction costs are too high because of Seismic 3 and companies like Intel who willingly pay too much for construction.
- ◆ Customer demand. Insurability.
- ◆ NA.
- ◆ Cost of doing business; workforce; quality of life issues (i.e. education, transportation, affordable housing); concern about being too large in community.
- ◆ A competitive tax environment (cost of doing business). Infrastructure (transportation, water, sewer, utilities). Education system constraints and trained workforce availability. Being seen as cause of too much growth - becoming too large.
- ◆ NR.
- ◆ UGB. Timing of permitting. Transportation.
- ◆ Lack of skilled employees, insufficient infrastructure, availability of adequately zoned land.

7. How do you feel about brownfields development? Are you receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ Indemnify new owners for past environmental contamination. Clear the site of unusable buildings and debris. Come up with a clear procedure as to who does what when in excavation we come up with some contamination that needs remedial action, so that construction is not delayed.
- ◆ NA.
- ◆ Brownfields require favorable governmental assistance in assuring limited liability with a clean up plan and potentially in financial assistance.
- ◆ No experience with brownfield developments. Current expansions all greenfields, general feeling is that brownfield more expensive and currently no limit to greenfield sites in US. We would need to learn costs of developing a brownfield vs. greenfield.
- ◆ Not aware of any brownfields development by our company. Probably open to it, but usually focus on greenfield development. Brownfield development likely to be too costly.
- ◆ NR.
- ◆ Not for high investment and time sensitive projects. Risk too high, time too long, remaining image issue.
- ◆ Yes. Brownfields are good but limited in supply. Maintain prospective purchasers agreements.

What could government do?

Participant One:

- ◆ *Infrastructure: Roads - good traffic flow with more than 2 access roads. Water. *Sewer. Storm drainage. *Fire protection minimum rating #3 with 1000 gpm @ 100psi from two sources.
- ◆ Do not put industrial lands in: flood plains 500 year; areas with significant wetlands; poor soils for compaction need 3000 lb/(?); not in airport flight approaches - insurance does not like; not next to residential, schools, old wood products industries because they pollute air; not next to RR or any other generator of vibrations.
- ◆ Need good soil condition, no bedrock, gently sloping to facilitate storm drainage.
- ◆ Need a livable community not a small town with university for continuing education, 4 star hotel, restaurants, housing for both executives and \$10/hour people.
- ◆ Expedite construction.

Participant Two:

- ◆ Higher education support.
- ◆ *Protect transportation corridors.
- ◆ Strong local zoning laws to separate/segregate land uses.
- ◆ Better coordination between state, county, city and Metro rules, policies, statutes and ordinances w.r.t. land use, infrastructure development, construction activity.

Participant Three:

- ◆ *State of Oregon could drop its LUBA case against the Metro adoption of the urban reserves. They have sent an incredibly bad message to everyone on accommodating growth.
- ◆ The state agencies are opposing some insignificant wetland/stream corridor permits such as: opposing a sewer line down a creek bed that would be restored to better than existing.
- ◆ Provide assistance in assembling lots in areas like Clackamas County where there are not decent sized industrial lots.
- ◆ Provide the money to complete the needed highway improvements. The programmed improvements have been continually delayed and need to be built.
- ◆ The region should move ahead on an Arterial Fund that has been delayed continually.
- ◆ The state should provide incentives for large capital investments. The SIP puts the burden on local taxes but the state gets the most revenue from new investments.
- ◆ There needs to be adequate and well planned industrial land for expansion.

Participant Four:

- ◆ Determine accurate inventory of available land.
- ◆ Determine amount of land owned by companies available for their own growth needs.
- ◆ Determine amount of land available via brownfield development.
- ◆ Match the sum of the above to determine capacity of region to provide growth to maintain a vital economy.
- ◆ Marry the above with population projections so that all aspects of growth can be managed - residential, commercial, industrial, education, transportation, housing costs.
- ◆ Develop a master plan to provide transportation and other infrastructure to meet the need.
- ◆ *Fund and staff the development, planning, and implementation ahead of the need.

Participant Five:

- ◆ Enforce all aspects of existing law - fully enforce SB100 and all its goals.
- ◆ Develop a plan to resolve key transportation issues (maintenance, system modernization/system capacity improvements or expansion, and mass transit). Campaign to educate the public; educate lawmakers; construct specific project list - statewide; construct funding mechanism; convince the public. i.e. (?)
- ◆ *Evaluate state/local tax system, construct spending plans to meet future growth - avoid impulse to have private enterprise fill spending gaps.

Participant Six:

- ◆ Develop an industrial lands policy at the regional level.
- ◆ *Fully fund infrastructure/transportation.
- ◆ Include agriculture in the consideration of industrial land policy as an important industry in the metro area.

Participant Seven:

- ◆ Plan for growth, not restrict growth.
- ◆ Expand transportation - build freeways along with light rail.
- ◆ *Metro area is different than the rest of the state, treat it that way and don't make excuses for it. Leadership is needed.
- ◆ Growth is not bad, act that way.

Participant Eight:

- ◆ Transportation infrastructure finance mandates increase fees - DMV, trucking, passenger use.
- ◆ Identification and control of suitable industrial inventory capable of servicing - close to existing residential services and transportation networks in all Oregon's I-5 Corridor, SW, South, East, Northeast, Vancouver, Newberg, McMinnville.
- ◆ Analyze industrial inventory for acceptability public, education, transportation, utilities, residential.
- ◆ Put the site where the infrastructure can be readily extended and where the companies and population logically want to be.

Appendix H - Land Use/Environment/Agriculture Sector

FOR LAND USE/ENVIRONMENT INTERESTS:

Questions:

1. How would you characterize the availability of industrial land in the metro region? (Please record in space below.)
 - ◆ Seems like there is a lot of land available although I would not like it all developed. We need more open space especially in densely packed neighborhoods.
 - ◆ Although I don't have much direct knowledge of this issue my understanding is that the availability of large parcels in the Metro UGB is fairly limited - particularly for the large distribution warehousing(?) uses.
 - ◆ NR.
 - ◆ Somewhat limited due to both environmental issues and pressures from housing needs.
 - ◆ Very good (especially when including Clark County).

2. What types of companies would you like to target in the region? (Record in space below.)
 - ◆ Non-polluting, first off; hi tech; engineering firms; construction companies; tourism: i.e. guide & outfitters; more B&B's.
 - ◆ I think the region should exercise caution in targeting new companies: we should build on the base of companies already here and assist them in expanding. We should target a variety of industries to avoid dependence on one market segment to help insulate the region from economic cycles. Environmental engineering and biotechnology seem to be two that have roots here and potential for expansion.
 - ◆ NR.
 - ◆ Light industrial, high tech, environmental, some heavy industry where warranted.
 - ◆ Growth of existing businesses; family wage jobs.

3. How do you view urban reserves versus satellite cities? Which do you see as the most viable for industrial expansion? (Record in space below.)

- ◆ Urban reserves are okay. Not sure about satellite cities but if they confine their growth to a certain geographical area...well, that would be okay.
- ◆ I think it's inevitable that some industrial expansion will occur in both urban reserve areas and in satellite cities - however, I think industrial expansion should be directed to those areas well served by transportation infrastructure. Most of the satellite cities are served by constrained arterials or state highways. These corridors are becoming congested as residential development takes place in the satellite cities and residents increasingly commute to the metro core or suburban employment nodes.
- ◆ NR.
- ◆ As long as transportation infrastructure is adequate, perhaps satellite cities would be viable. The flip side is that additional traffic will increase pollution and potential traffic snarls.
- ◆ Some satellite cities - to the extent that cities like Newberg, McMinnville, and Sandy have their own employment base, residents there need not commute to the Portland metro area. This is true of those cities with a certain existing population employment level. I would not say the same thing about Canby or North Plains - surrounding agricultural land is too valuable. But we should focus development inside UGB.

4. What are the key limitations on industrial development in the region? (Record in space below.)

- ◆ Land use laws. Air and water pollution laws. People's perception that their property values will decrease if an industrial development takes place close to their home.
- ◆ Economic cycles (global & national). Availabilities of capital. Land availability. Tax considerations. Stable, educated and motivated workforce. Access to markets. Access to suppliers. Transportation connections.
- ◆ Land use laws and regulations such as too rigid urban growth boundaries, unrealistic farm and forest zoning that restricts use of non-productive and less productive land. Inadequate roads/highways to access land/space. Complexity and cost of land use regulation process.
- ◆ Land availability.
- ◆ Diminishing agricultural land base in Washington County will - if trend is not halted - eventually send agricultural-related industries (equipment dealers, processors, etc.) farther away. We must maintain agricultural land base and re-use and re-develop existing industrial lands inside UGB for other urban industries. Industrial and other employment land users need to be more efficient in use of land - just as residential sector is becoming. Build up, not out. Reduce parking, etc.

5. How do you feel about brownfields development? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ Brownfields offer possibilities for future development. DEQ needs to determine which sites are safe to develop. Public support needed to pay for clean up. The faster they're cleaned up, the faster they can be developed.
- ◆ Strongly support brownfield development. Need to ensure that the government imposed costs of brownfield development are not greater than those imposed on greenfield development (i.e., direct costs like extractions, concessions are limited as well as indirect costs such as extensive public review, slow response, extensive oversight, etc.).
- ◆ NR.
- ◆ Where urban and suburban blight can be eliminated, I wholeheartedly agree. I don't like the idea of eliminating a historic area just to acquire land.
- ◆ We should do whatever we can to develop these areas as employment sites. They tend to be located where potential employees already live and therefore would not need to commute (like N & NE PDX).

FOR AGRICULTURE INTERESTS:

6. How would you characterize the availability of industrial land in the metro region? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Much of the prime agricultural land in the metro region is being lost to housing developments. I would rather see this land kept in reserve.
- ◆ See answers to #1 & #4. When discussing "industrial" lands, we often forget the very significant role that agriculture plays in industry, including its major role in what moves through the Port of PDX.

7. How large a territory do you serve and/or get your raw materials and supplies from? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Shipping to all locations in the Pacific Rim. Sourcing from vendors all over the U.S.
- ◆ NR.

8. Are you concerned about having enough land/space to meet future needs? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Yes, however, I agree with the principles of land use planning including the UGB.
- ◆ Yes. Increasing urban development, urban traffic, and urban speculation on land is diminishing the land base of agriculture. Marion County is #1 in agricultural sales in the state, Clackamas County is #3, and Washington County is #5.

9. What are the key limitations in assuring you have enough land/space? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Pressure from residential needs.
- ◆ Increasing population, in part fueled by programs that seem unnecessary to attract jobs to the Willamette Valley, like the SIP. Lack of efficient use and re-use of land by all sectors - residential, industrial, retail, office.

10. How do you feel about brownfields development? Are you receptive? What can be done to increase the attractiveness of brownfields development? (Record in space below.)

- ◆ NR.
- ◆ NR.
- ◆ NR.
- ◆ Where an unattractive development can be replaced by either a more attractive one or the land returned to.
- ◆ See answer to #5.

What could government do?

Participant One:

- ◆ What can ports sector do to assist with (?) /industrial development.
- ◆ Find and identify key parcels of land.
- ◆ *Ask the public what they think is the highest and best use of the land.
- ◆ Identify potential water and air pollution issues.
- ◆ Encourage private funding of development, not tax breaks or "subsidies."
- ◆ Coordinate the development so it "fits" into the neighborhood, i.e. compatible with surrounding developments.
- ◆ Make sure there's adequate transportation infrastructure.

Participant Two:

Federal actions:

- ◆ Revise environmental laws to differentiate - for purposes of environmental remediation - those lands which must be cleaned to a high tolerance and (e.g. lands going into residential uses) from lands not requiring such a high tolerance (e.g. lands going back into industrial uses).
- ◆ *Give tax credits for development/employment policies that reduce auto use (e.g. transit subsidies for employees) and thus reduce the need to use up available land for parking and clog up roadways with employee commute traffic and take away from freight traffic.

State:

- ◆ **Support road and transit investments so that the transportation infrastructure is available for development - particularly where that development takes place inside the UGB.

Local:

- ◆ *Revise zoning and land use review requirements for brownfield and infill development. Reduce parking minimum requirements, road minimum widths. Reduce review for redevelopment - find a way to give developers a more predictable timeline for review of development proposals on brownfield developments.

Participant Three:

- ◆ *Improve roads/highways (don't divert funds to light rail).
- ◆ Rezone low productive farm/forest zones to allow alternative uses.
- ◆ Bring realism to toxic substance regulations to allow use of contaminated sites.
- ◆ Revise wetlands (and similar) regulations to remove barriers to use of such lands (present regulations are too myopic - don't balance public interests).
- ◆ Limit public involvement in land use review process to those who are directly impacted – flex. of process.
- ◆ Increase public awareness of importance of industry/commerce to their well-being.

Participant Four:

- ◆ *More flexible approach to regulatory requirements for development, i.e. setback, parking, use, zoning, etc.
- ◆ Openness to multi-use, i.e. mixed residential and industrial.
- ◆ More attention paid to types of land within UGB, i.e. prime agricultural vs industrial/residential, rather than blanket acceptance of developing all land within UGB.
- ◆ Open to higher density housing where feasible to open more area for industrial use.
- ◆ Transportation infrastructure must be developed along with site development.

Participant Five:

- ◆ Remove obstacles to brownfield development.
- ◆ Enter into public/private partnerships for innovative industrial/commercial development that is more land-efficient, which can then be used as examples for future development financed by the private sector. Essentially, demonstrations to the private financial market that this development is profitable.
- ◆ Provision of infrastructure to existing industrial areas.
- ◆ Removal of regulatory obstacles to efficient land development.
- ◆ Encouragement of job growth for existing business, de-emphasize encouraging new employers.
- ◆ *Protection of agricultural and forest land base through strengthening of land use laws and continued integrity of UGB.
- ◆ *Funding of multi-modal transportation system, which emphasizes getting people out of single occupancy vehicles and thereby increases highway capacity for freight movement.

APPENDIX I – LIST OF PARTICIPANTS

Geographic Sector

Eric Hovee, E.D. Hovee & Co.
Anne Nickel, Columbia Corridor Association
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Patrick Allen, OEDD
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Peter Williamson, Port of St. Helens
Jan Espy, Standard Insurance
John Rees, Sunset Corridor Association
Fred VanDomelen, VLMK Consultants

Warehousing/Distribution Sector

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Bill Connelly, Eric Fuller & Assoc.
Jack McConnell, Norris, Beggs & Simpson
Gary Eichman, Oregon Transfer
Don Ossey, Ossey Patterson Company
Bill Bach, Port of Portland
Greg Specht, Specht Properties Inc.

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Bob Durgan, Andersen Construction
John Engel, City of Beaverton
Tony Reser, Cushman & Wakefield
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