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Public and private-sector partners urge new investments to support traded-sector job growth

A new report released this week by five public- and private-sector organizations brings to light the value of large-lot industrial sites to the Portland metropolitan region. The report shows a lack of market-ready sites inside the region's urban growth boundary, identifies specific hurdles to market-readiness and outlines how the development of 12 case study sites could result in the direct creation of 12,500 new jobs with average annual wages of \$97,000 and \$764 million in additional personal income tax revenue for the state over 20 years.

The Regional Industrial Site Readiness Project was commissioned by Business Oregon, Metro, the Oregon chapter of NAIOP (the Commercial Real Estate Association), the Port of Portland and the Portland Business Alliance. The goal of this project was to study the challenges, costs and benefits associated with the development of large industrial sites, 25 acres or larger, that can accommodate the expansion and recruitment of traded-sector companies that sell goods and services to buyers outside the Portland metropolitan region.

"This report underscores the importance of investments in transportation and other public structures, timely regulatory approvals, and brownfields clean-up so we can make the most of the industrial sites that are already available within our region," said Metro Council President Tom Hughes.

The report also documented the potential for significant gains in jobs, wages, local property taxes, and state income taxes generated by development of the 12 sites. While the long-term benefits are substantially greater than the site preparation costs for each site, questions remain on how to finance the investments that must be made to make these sites ready for development.

"Attracting and retaining traded-sector industrial firms is important for our region's and state's long-term economic prosperity," said Bill Wyatt, executive director of the Port of Portland.

"Portland-area wages have slipped behind that of other regions. Traded-sector firms provide high-paying jobs and help bolster our tax base for schools and public services."

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This project identified and evaluated 56 sites inside the urban growth boundary or urban reserves that are zoned, planned or suitable for future industrial jobs. In the first phase of this project, it was discovered that:

- Only nine of the 56 sites could be development-ready within six months.
- There are few industrial sites of 50 or more acres in the region and only two of those can be made development-ready within six months. The ability to aggregate smaller parcels of land is a key issue to supplying larger sites to the market.
- Most sites have many constraints and will require significant investments and new policies to make them ready for development.

Public and private experts then analyzed 12 diverse industrial sites to further evaluate the market opportunities for these sites and prioritize specific actions needed to attract new jobs. The report illustrates that these 12 sites have the potential to create an estimated 12,500 direct jobs with average annual wages of \$97,000, generating \$764 million in state personal income tax revenue and \$217 million in property tax revenue over 20 years. These figures do not include additional job creation in companies that provide services to these large employers.

“The return on investment in these sites is significant, and we should be looking for creative ways to get these sites developed and ready for employment,” said Sandra McDonough, president and chief executive officer of the Portland Business Alliance.

“The lack of larger development-ready sites in our region hinders economic development efforts, since expanding companies require sites with limited development risk and timeframe,” said Kirk Olsen, secretary of the Oregon chapter of NAIOP.

This report will inform discussions among elected officials and private-sector leaders to identify and implement new policies and investments to increase the development-ready status of industrial sites to support traded-sector job growth. The House Transportation and Economic Development Committee will receive this report at its hearing in Salem on Wednesday, Sept. 12. It will also be featured at a regional forum of the Oregon Business Plan on Wednesday, Oct. 3, and at other public events in the months ahead.

“Creating jobs and getting our economy back on track is everyone’s top priority,” said Rep. Tobias Read, D-Beaverton, co-vice chair of the Transportation and Economic Development Committee. “This report will help ensure we’re making the best possible decisions when pursuing economic development strategies.”

A copy of the report and related materials, which were prepared by Group Mackenzie, Ash Creek Associates, Inc., and Johnson Reid, can be found online at:

http://www.valueofjobs.com/land_study_2012/ls_land_readiness.html.

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