

INDUSTRIAL SITE READINESS Concepts for 2013 Legislation

The need:

- Large industrial employers are often seeking sites on quick timelines tied to their manufacturing cycles and are unwilling to commit to sites with significant constraints or uncertainties. The availability of large market-ready industrial sites is thus a key asset for areas hoping to expand or attract traded-sector jobs.
- Yet many regions of the state lack an adequate supply of such sites. Even when sites are zoned, planned and designated for future industrial jobs, significant investments may be required to make them market ready. These investments may include due diligence and capital investments for transportation, sewer, water, brownfield cleanup, wetland mitigation and site aggregation.
- Many property owners and jurisdictions are unable to afford these investments, or are unwilling to incur significant up-front costs without some level of risk-sharing.
- A recent study on industrial land site readiness in the Portland metropolitan region underscores these points. The study was commissioned by NAIOP (the Commercial Real Estate Association), the Portland Business Alliance, the Port of Portland, Metro and Business Oregon.
- The Oregon Economic Development Association and other economic development districts echo these concerns for other regions across the state.

The opportunity:

- Potential economic benefits from successful traded-sector development (direct and indirect jobs, income and property tax revenues) are significant.
- Growth in income tax revenues would make the state's general fund the largest beneficiary from an increase in traded-sector industrial jobs. In many cases, the state's potential benefit exceeds the cost of addressing the constraints that are preventing a site from being ready for employers to use.

Potential Economic Benefit, 12 Case Study Sites in the Portland Metropolitan Region

	Total
Total Direct Jobs	12,500
Average Annual Wage Level	\$97,000
Total Property Tax over 20 years	\$217 million
Total State Personal Income Tax over 20 years (direct jobs only)	\$764 million
Total State Personal Income Tax over 20 years (direct and indirect)	\$2.3 billion

(Source: Regional Industrial Site Readiness Report, August 2012)

The solution:

State assistance to reduce the cost and risk to property owners and local jurisdictions of making large-lot industrial sites market-ready.

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Concepts for 2013 legislation:

- **Due diligence grants:** Make available a limited pool of grants for eligible projects to conduct necessary investigations to better understand constraints on large industrial sites and reduce uncertainty about mitigation costs. A portion of the grant funds may also be used to assist regions in conducting a readiness assessment of large industrial sites in their area.
- **Direct site preparation assistance:** Provide forgivable loans and/or low or no interest loans to local governments and property owners to underwrite a portion of the costs of site preparation, subject to specified eligibility criteria. Loans would be forgiven based on successful traded-sector investment in the site.

For more information, contact:

Bernie Bottomly, Portland Business Alliance, 503/552-6746, bbottomly@portlandalliance.com

Randy Tucker, Metro, 503/481-9455, randy.tucker@oregonmetro.gov

Annette Price, Port of Portland, 503/415-6060, Annette.price@portofportland.com