

Portland's short land supply means West Hayden Island is a must

by Tom Dechenne

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The recent industrial land inventory study confirmed that Portland and the region will have a significant shortfall of industrial land over the next 25 to 30 years. The development of 300 acres on West Hayden Island would help diminish this shortfall and provide the leverage needed via a multimodal heavy industrial use, and would let other industrial sites be used for more intense jobs for manufacturing or distribution transfer throughout the region.

Policy dictates that a certain percentage of land within the city remain open habitat space, and one of the main controversies over the project has been how much acreage should be kept as natural wildlife habitat. After years of debate, the current plan is to maintain 500 acres of open space on the west end and 300 acres of industrial on the easterly portion.

Also, note that most of the 300 acres is not open space, but rather a dirt/gravel area for storage of channel deepening material and a sewage treatment plant. There would not be a loss of green habitat. The 500 acres of present open space should be preserved for all habitat species to continue to flourish and for the region to maintain optimum balance.

In the 1980s, the Port of Portland purchased the West Hayden Island land from PGE with the intent that the city of Portland would eventually annex it to provide a land parcel for heavy industrial development able to accommodate road, rail and marine uses.

The idea was to provide adequate land for future growth just as had been done over the past several decades in areas along the Columbia and the Willamette rivers, in areas such as Mock's Landing, Rivergate and the former Reynolds' aluminum smelter site in Troutdale. To remain consistent with state land use policy of limiting outward growth and developing within a defined area, part of that policy includes providing an adequate supply of undeveloped land for residential housing, commercial and institutional development, and both light and heavy industrial uses.

A major part of the Portland regional economy revolves around distribution. From the time ships first called on Portland, railroad lines passed through and eventually the confluence of two major freeways. Highway, rail, marine (and then air) have made Portland unique on the West Coast. Distribution of wood products and later manufactured goods, as well as transfer of imports and exports to and from foreign markets to and from the nation's interior, gave Portland a distinct advantage.

If West Hayden Island were allowed to develop, this unique leverage could let Portland continue to expand in exports and imports, a major growth area. While other economic drivers, such as high-tech, manufacturing and service-oriented business are important, the reality is that rail and truck freight, with marine access to include the shipping of containers and bulk goods, translates to family-wage job growth in the future.

It is essential to possess the infrastructure to accommodate this sector. Without adequate facilities for growth, Portland will not be able to stay competitive and firms may not be attracted to the region.

After many studies took place during the 1990s and early 2000s, the most recent ones from both the public and private sectors revealed that the Portland-metro area lacks industrial land. The city of Portland is updating its comprehensive plan and has determined there is a shortfall in the range of 600 to 900 acres, given reasonable job growth projections.

In this case, a multimodal marine, rail and freeway-served land parcel of 300 acres will help provide the infrastructure. Other industrial lands will be able to provide more intense manufacturing, distribution or goods transfer through this multimodal facility, thus better leveraging the shortfall of industrial land.

Do not forget that one in nine jobs in the Portland region are dependent on the movement of freight – i.e., goods either produced here or moving through the region. The Portland Export Initiative, headed by the Port of Portland and the city of Portland, is also making a big push for more of these types of jobs.

Timing is a consideration with all the requirements of getting proper zoning and permitting for a marine terminal and potential rail infrastructure, so it will likely be at least five to 10 years before development on West Hayden Island occurs. Fortunately, the Port of Portland, the landowner, has the capital base to carry the financial cost of this large public asset.

The up-front infrastructure costs and holding period translates to a land cost approximately double that of today's industrial land values. Private users and/or developers will not invest at these costs today. Only after it is available, and market demand warrants it, will the pricing and cost match the marketplace. Over time, the marketplace and these costs will converge, making it a much needed and valuable investment.

This same concept has been used by the Port of Portland when buying land, using it and/or selling it to the private sector over the last hundred years (consider the inner harbor area, Mock's Landing and Rivergate areas). Such forward-thinking and past investments have allowed the Portland region to be competitive. Projects such as West Hayden Island enhance the region's ability to attract future monies due to the leverage of these infrastructure costs.

It is imperative that policy makers deal with all aspects and support the balance of 500 open space acres and 300 heavy industrial acres to maintain the region's balance of unparalleled quality of life, including human, environmental and economic ecosystems. The West Hayden Island development will provide leverage for the entire region, and pave the way for greater industrial family-wage job growth in the region.

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