

Submitter: Stu Peterson

On Behalf Of:

Committee: House Committee On Economic Development and Small Business

Measure: HB2663

Testimony by Stu Peterson a Partner at Macadam Forbes Commercial Real Estate in Favor of HB 2663:

Legislation Provides State Funding Support of Infrastructure that Assists Local Governments to Produce High-Wage Industrial Jobs Benefiting the State

Scheduled for public hearing on Feb. 28th, 2023, before the House Committee on Economic Development and Small Business

February 28, 2023

Chair Bynum and Members of the Committee:

My name is Stu Peterson, and I am a partner at Macadam Forbes commercial real estate. I have been in business for 41 years and have spent a great deal of that time working with large industrial companies and industrial developers in the Southwest Metro area. Many of the Developers I have sold land to have constructed projects in this market that house some of the metro regions largest employers.

The Southwest area is the southern end of what I call the "Fertile Crescent" of the Metro Regions most vibrant industrial market stretching from Hillsboro Down to Wilsonville and is home to many of the region's top employers including Intel, Lam Research, Nike and Siemens. Yet this area suffers from an Acute shortage of developable industrial land. The shortage is so acute that at this time there is not a fully serviced shovel ready industrial site for sale larger than 9 acres. There are 100s of Acres in the Southwest Metro area that are inside growth boundaries that are large sites, and free of any environmental concerns. These parcels are lying fallow because there are no services available and relying on private developers to provide these services has not proven feasible because of the daunting cost, time and the uncertain outcome. I have had a great deal of experience in my career with many of the largest developers in our region and currently they are at a standstill due to these issues. Many of these firms have turned to developing industrial parcels along I-5 in Southwest Washington where shovel ready land is plentiful.

As a result of this constricted supply in the Southwest Metro region a disturbing trend is that many companies in this area have chosen to relocate or expand in other states.

The Southwest Metro area is strategically located with immediate access to I-5, clearly the most important arterial in the state. Its location allows it to serve the down state markets. It is in close proximity to critical employers who are expanding and in need of additional facilities. The employment and range of high wage jobs are widespread from food suppliers, varied wholesalers, tech, and semiconductor related companies.

The timeline here is very critical as currently there is only enough inventory under construction to serve demand for the next 8-10 months based on current absorption levels. After that I am not sure where new development in the region of any significance is going to come from. I thank you for your time and allowing me to describe the current situation in this vital region.