Lessons Learned in Port Real Estate

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Agenda

• Port of Portland Overview

• Industrial Land Acquisition and Development
  – Rivergate 113 acre Logistics Center
  – Terminal 6
  – Cascade Station – PDX Light Rail

• Public Private Partnerships
  – Rivergate 113 acre Logistics Center
  – Terminal 6
  – Cascade Station – PDX Light Rail

• Brownfield Redevelopment
  – Troutdale Reynolds Industrial Park

• Lessons Learned
Strategic Location
Public Private Partnerships: Rivergate

Existing Building

Future Building

A

B

C

D

E

F

N. Lombard St.
Public Private Partnerships: T-6
Partnerships: Cascade Station
Partnerships: Cascade Station

PORTLAND INTERNATIONAL CENTER

Cascade Station

Sub-district B

IKEA

Columbia River
Cascade Station
Lessons: Public Private Partnerships

• Carefully consider market solicitation process
  – Choose the right partner
  – Concession process can maximize value
  – Bilateral negotiations decreases competitive leverage but increases understanding of partner

• Price your asset wisely – before approaching market

• Be careful about deals based on overly optimistic growth projections

• Term length is key – market preference for long term leases with rights similar to fee simple
Brownfield Redevelopment: Troutdale

Phase I
- 130.9 acres

Phase II
- 179.5 acres

Phase III
- 34.5 acres

Utilities Property

Troutdale Airport

FedEx Ground

Columbia River
Reynolds Metals Aluminum Plant
FedEx Ground Regional Hub
Phoenix Award
Lessons: Brownfield Redevelopment

• Industrial – industrial redevelopment is difficult market proposition – ports can play unique role

• Agencies must assist by creating liability shield for “innocent purchaser”

• Local jurisdiction relationships must be strong

• Be realistic about financial return

• Maximize public infrastructure and site development funds

• Be willing to take risk
Thank You!