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City of Portland
Bureau of Planning and Sustainability Commissioners
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201
Attn: Steve Kountz

RE: Close-in Industrial Market of Portland, Oregon

To Whom It May Concern:

As a commercial real estate broker specializing in industrial properties for over 11 years, I have seen many changes in the Portland industrial market, and none so much as the close-in eastside Portland industrial market.

The close-in eastside industrial market was once the home to most of Portland's traditional industrial companies. Today, there two types of industrial uses in Portland, traditional industrial and new industrial:

- Traditional industrial uses are distribution, manufacturing (high tech and industrial), and assembly companies. For the most part, these types of businesses have taken advantage of improvements in construction (larger blocks of space, higher clear heights, deeper truck staging, wider column lines, and multiple dock doors) and logistics/transportation (53' semi-trucks and proximity to major highways for distributing their products both locally and regionally). These businesses are more black and white with what they need, and want to know if the building checks all of their boxes for functionality, rather than aesthetics.
- New industrial uses are similar to traditional industrial uses in that they are all making something, but that is where the similarities end. Image, feel, and proximity to the central city core is paramount for their businesses and their employees. These types of companies all make something on some level, but they do not require wider column spacing and higher clear heights for racking as most of their products are produced/warehoused on a smaller scale; loading and distribution of their products is generally limited to small delivery trucks and third party carriers (i.e. UPS, USPS and FedEx) and they require their office to warehouse ratio to be larger than traditional industrial uses because they employ more people for support and design.

In conclusion, over the past ten years or so we have seen a migration of traditional industrial companies out of the close-in east side markets, mainly because this area has become functionally obsolete for their businesses. They cannot bring in 53' semi-trucks, because the streets are too narrow and they block traffic; they cannot rack above 16' because of low clear heights and tight column space in the buildings; and they are limited to the most part buildings below 40,000 square feet. We have seen a migration of traditional industrial businesses out of the close-in Portland industrial market for all of these reasons, and more.

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When I look at the close-in eastside industrial market over the next ten to 20 years, it is the new industrial uses that I see dominating the landscape and changing this area for the better.

Regards,

CAPACITY COMMERCIAL GROUP, LLC

A handwritten signature in black ink, appearing to read 'Miles von Bergen'. The signature is stylized, with a large, looped 'B' at the end.

Miles von Bergen
Senior Broker