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## MAKING THE CASE FOR RIDGEFIELD



### DEVELOPERS & INVESTORS JUGGLE COSTS, RISKS, REWARD

With residential development moving at a break-neck pace in Ridgefield, recently listed as the “fastest growing city in Washington State,” public officials are feverishly working to ensure this suburban riverfront town and regional commercial hub maintains the very qualities that make it so appealing to an expanding number of residents.

To that end, the City of Ridgefield is currently engaged in sub-area planning work, (featured in the Port’s Summer 2015 newsletter), and a Brand & Identity process to gain an understanding of those Ridgefield qualities that area stakeholders value. Both efforts are aimed at guiding future development in a way that doesn’t detract from those qualities, but instead complements and strengthens them.

While single-family housing growth in Ridgefield has come on strong, factors enticing to commercial development haven’t been clearly understood.

The Port of Ridgefield, with three strategically-located parcels ripe for development including 40 acres on Ridgefield’s waterfront, wants to position itself to be as attractive as possible to suitable development. So understanding the motivating factors for developers and the investors who fund them has been a quest for Port CEO Brent Grening.

Home building is currently underway in Ridgefield’s Discovery Ridge, above, and many other new subdivisions in the city. Port and City leaders are searching for ways to encourage more commercial construction.

Grening and Ridgefield City Manager Steve Stuart have partnered to gain that knowledge. Together the duo has interviewed developers and commercial real estate brokers to get an inside look at what makes the commercial development world tick, and to learn how Ridgefield fares from the vantage point of industry professionals.

#### Today’s developer environment

“One of the things we’ve heard is that with the Great Recession fresh in the minds of developers and the investors who fund them, ‘caution’ is the industry catch-phrase of today,” Grening said.

That sentiment is confirmed by one of Grening/Stuart interviewees, Eric Fuller. Fuller is president and designated broker for Eric Fuller & Associates, Inc. located in Vancouver. His firm services commercial real estate clients in Clark County and the Portland Metro area. Fuller estimates that only 10 percent of the developers who were in business before the Recession are still in business today.

“Those who managed to weather the financial storm are understandably jaded,” Fuller said. He describes today’s developers as not generally wanting to be market pioneers, careful in weighing the risks and rewards of a project, and wishing to get in and cash out as quickly as possible.

Ridgefield resident and owner of ADM Development,



“There’s a fine line between being a visionary and an idiot. As a developer I straddle that line.”

Dean Maldonado, Ridgefield resident & Owner, ADM Development

MAKING THE CASE, PAGE 2

### PORT’S OLIN HONORED FOR PROFESSIONALISM, SKILLS

The Port of Ridgefield is honoring Laurie Olin, vice president of operations, for exemplary service to the Port. Olin has been employed by this economic development agency for nearly 15 years. In her Port role, Olin has been responsible for contract management of the environmental clean-up of the Port’s 41-acre waterfront site at cost of approximately \$90 million, as well as Port construction projects over the last few years totaling nearly \$9 million.

Projects completed under Olin’s watch include all phases of the environmental clean-up of Millers’ Landing, the clean-up and replanting of Carty Lake and Lake River, Phases 1 and 2 of the Rail Overpass project, and street, sidewalk, sewer and lighting development on S. 11th Street.

Olin came to the Port from Portland

Teachers Credit Union, today known as On Point Community Credit Union. There, Olin held the position of director of facilities.

Port of Ridgefield CEO Brent Grening said that while Olin had no environmental remediation contract

management experience when she came to the Port, she mastered the process. He noted that while there may have been rare issues associated with a Port project over the years, “It was never because Laurie failed to do something.”

“Laurie has proven her ability to manage very large, incredibly complex projects,” Grening said.

Grening also said that over the years Olin has been instrumental in saving the Port both time and money, so the Port wanted to honor the professionalism she brings.

“Laurie is a master at contract management and details. Projects under her direction come in on time and on budget,” Grening said.

Olin, who has three grown children, resides in NE Portland. She is a professional football aficionado and an avid Green Bay Packers fan.



Laurie Olin



## CHARTING OUR COURSE

### Stewardship Key to Sustainability

BY BRUCE WISEMAN  
COMMISSIONER

We saw it coming, and it's here. Ridgefield is the fastest growing community in Washington and growth is a trend our community must manage.

We can accommodate growth. My fellow Port Commissioners and I strongly believe that good stewardship is the key to harnessing new investment and development to build a strong, healthy, livable community.

I have spent a lifetime on the side of stewardship – that is the protection, conservation and wise use of resources. As a Christmas tree grower for over 35 years, stewardship and sustainability are not options or buzz-words; they're essential for the ongoing health of the crop and my business. And it's the same for Ridgefield.

Environmental stewardship is an integral part of the Port's philosophy. I was elected Port Commissioner on a platform of environmental responsibility, including the need to invest in the clean-up of Ridgefield's waterfront. We've accomplished that, but now as we look forward there's more work to be done. Caring for our waterways and improving water quality are still Port goals. To that end we are pushing for dredging of the mouth of Lake River by the U.S. Army Corp of Engineers. This work needs to be done to allow the river to flow more freely, which will have a positive effect on the Wildlife Refuge as well as Vancouver Lake – not to mention boater safety.

In Ridgefield, stewardship is a value we share with the School District, the City, the Refuge and probably you. So let's not fear growth, let's put care of our community assets first. We can protect what makes us special, conserve our resources and make sure that what we do today does not trade on the ability of future Spudders to prosper and enjoy this wonderful place. That's what a sustainable community is. And I look forward to working with you to make it happen.

### MAKING THE CASE, FROM PAGE 1

Dean Maldonado, another interviewee, concurs, but says there are factors that can make a project more enticing by reducing the risk to the developer.

"Developers don't want surprises," Maldonado said. "So a development plan and CC&Rs [covenants, conditions and restrictions] that insure protection of the initial investment are positives."

### Municipalities can position for development

Maldonado says local municipalities can play a key role in attracting quality development.

"Is there public money available to assist with funding? Is there a master plan for Port or City- owned parcels that will insure the quality development the town is seeking? Does the municipality understand and care about the developer's risk? Is there a shared risk? Is there an exit strategy for the developer if market conditions changes? If all these questions have a 'yes' answer, a developer will be much more attracted to a community," Maldonado said.

Fuller agrees that developers are more interested when there is a community vision and plan, public support for a project, and flexibility is allowed

"Market factors change and a project may need to change with it to keep it viable," Fuller said.

He also noted that to investors and developers, time is money, thus long permitting windows are costly.

"A community with a reputation for efficient and timely processing of project permits and other regulatory hurdles improves predictability and is therefore a more desirable place to undertake a project," Fuller said.

Maldonado cited a shared City/Port vision as being one of the reasons for his own interest in potential development in Ridgefield.

"It's unusual," he said, referring to Grening and Stuart, "but these guys both seem to be on the same wavelength; they are both doers, and they are asking the right questions."

### Motivation differs by user types

Fuller finds that even in today's stronger economic environment, recent experience with the Recession causes his commercial clients to proceed more carefully. Fuller noted there are a variety of user types, each with distinct motivators, such as retail users who are driven by demographics.

"The number of residents and average household income are the key demographics for grocery stores, for example," Fuller said. "Simply put, are there enough people in a defined area to buy their goods and services?"

Fuller also noted that in today's market, grocery store operators want a return on their capital investment the first year of operations. "Pre-Recession, a three year return was acceptable," he said.

Ridgefield's I-5 proximity and land availability is a plus for industrial users, but those users are concerned about workforce availability.

"Industrial users want to know that if a workforce isn't available nearby, that the workforce will drive to the employer's location," Fuller said.

High-tech firms in Clark County, Fuller pointed out, position their facilities as closely as possible to the I-5 bridge, knowing the commute from Portland and the slow

bridge traffic are barriers to attracting a quality workforce.

Fuller describes another user type – office users – as those who prefer to mass together in an urban setting, and are not likely to 'pioneer' a location.

"However," Fuller said, "a single-tenant user might be interested and willing to move outside an urban area to a site such as the Ridgefield waterfront."

### Land cost and readiness reduces risk, encourages development

Both Fuller and Maldonado point to the cost and readiness of land as factors that can make or break a development project. Maldonado is emphatic in his view that landowners need to understand that land prices must be in line with the rents a project will command after development.

"Soft and hard costs of a development are relatively consistent not including the land price. Secondary markets like Ridgefield do not command the same rents as primary markets. Therefore land should be priced accordingly – and realistically in light of local market conditions," Maldonado said.

Land readiness is also more enticing to developers, Fuller said. Fully-entitled property that is certified and buildable with secure zoning in place reduces the time risk for developers and is more competitive than other sites.

"It won't necessarily sell for more money than a non-certified site, but it might make a sale occur more quickly," Fuller said.

### Ridgefield's competitive advantages

For Maldonado, Ridgefield meets three main criteria for development; it has an abundance of vacant, developable land, major infrastructure such as the highway interchange and a high-capacity sewer system are in place, and a demand for goods and services as Ridgefield's population expands. A few other factors further strengthen Ridgefield's competitive advantages from Maldonado's perspective.

"It's a bonus that Ridgefield is close to I-5, and that Port and City leadership are development-minded; they aren't road-blockers," he said.

But Fuller says even with those advantages, patience on the part of those seeking more commercial services in Ridgefield is necessary.

"There is really no silver bullet," he said. "While Ridgefield has many community advantages, the passing of time to allow for population growth is critical for enticing developers, investors and end-users."

Maldonado's company took a financial beating during the Recession, but today he stands as one of the few developers who successfully navigated his way through the financial downturn. Even when all the numbers line up, Maldonado says a developer is still taking on a great deal of financial uncertainty, and that few projects would move forward if developers weren't inherently risk-takers.

With a chuckle he added, "There's a fine line between being a visionary and an idiot. As a developer I straddle that line."

Editor's Note: The Port and City of Ridgefield wish to express thanks to Eric Fuller and Dean Maldonado for the generous amount of time they gave for this interview.



"A community with a reputation for efficient and timely processing of project permits and other regulatory hurdles improves predictability and is therefore a more desirable place to undertake a project."

Eric Fuller, President/Designated Broker - Eric Fuller & Associates, Inc.



## WHAT PORTS DO

While Washington port districts and Washington cities are municipal corporations which derive their authority from the Washington State Constitution and applicable statutes, ports and cities have different powers and thus play different roles. The general purpose of Port districts is to facilitate commerce within its district boundaries.

### SOME GENERAL POWERS OF PORT DISTRICTS

- 1 Acquire and develop or lease land for commercial and industrial land.
- 2 Construct, purchase and maintain waterfront and harbor improvements.
- 3 Develop utility infrastructure: water, sewer, and telecommunications.
- 4 Construct and operate airports.
- 5 Construct and maintain recreational facilities and marinas.
- 6 Partner with other government entities to jointly exercise powers or acquire property.

This information has been provided by attorney William Eling. Mr. Eling represents Washington cities and port districts. Since the early '80s he has acted as legal counsel for the Port of Ridgefield.

# RIDGEFIELD COMMUNITY LEADERS EMBRACE STEWARDSHIP

**As a Ridgefield community leader, you have been entrusted to manage public assets and drive for the public good. How would you describe your role in the stewardship of community resources?**



**BRENT GRENING**  
CEO –  
PORT OF RIDGEFIELD

We are entrusted by the citizens of the Port District to build and manage a portfolio of community-owned assets, including public funds, land and buildings. As stewards of these assets, we want to hand them off in better condition than we found them. Eventually, we'll pass these assets on to another generation. With proper care these assets will have even greater potential and value to the citizens of the Port District.

Growth, conservation and preservation of physical and financial assets form a basic covenant with our constituents. It's a responsibility we take seriously. In all of our work we look at the triple bottom line: Does the investment make good economic sense? Is it good for the community? And is it good for the environment? If it doesn't balance and meet these three criteria – we don't do it.



**STEVE STUART**  
CITY MANAGER –  
CITY OF RIDGEFIELD

The City is essentially a steward of our overall community and our society, and how it knits together. We work to understand and protect the positive aspects of the individual neighborhoods and areas of our community. Then, to build an even more cohesive community, we work to strengthen linkages between those areas.

So as we grow, through the services we provide – from public safety to public works – and with our projects, planning, and zoning, the City plays the important role of helping to retain and expand on the elements that make Ridgefield such a special place.



**CHRIS LAPP**  
USFWS –RIDGEFIELD  
NAT'L WILDLIFE REFUGE

As the U.S. Fish & Wildlife Service refuge manager for the Ridgefield National Wildlife Refuge, I'm a steward for over 5,000 acres of marshes, grasslands and woodlands that support the Pacific Flyway – the migratory route extending from the Arctic to Central and South America.

The Refuge contributes to Ridgefield's livability and health. By drawing around 110,000 visitors a year, it plays an important role in its economic structure. The Refuge contributes to cleaner air and water, offers a natural view shed for the community, and provides educational and recreational opportunities for children and other citizens and visitors.

Stewardship of the Refuge in collaboration with the Port, the City, Clark County and others who share our stewardship values will help us develop an urban refuge/community interface to expand trail networks, interpret shared conservation themes, and offer a larger suite of recreational opportunities.



**NATHAN MCCANN**  
SUPERINTENDENT –  
RIDGEFIELD SCHOOL DIST

We view Ridgefield's children as the most precious community asset under our stewardship. These students represent the future – therefore it's our job to ensure that all Ridgefield students are academically and socially prepared to go anywhere and successfully pursue their ambitions.

A quality education for our children will manifest itself locally in many ways, including providing the next generation of civic and community leaders, entrepreneurs and employees required to sustain and grow Ridgefield and Clark County.

## Port's Innovation VP Launches '30 IN 30' PROGRAM

To assist in its efforts to encourage entrepreneurship, innovation and quality development in the Discovery Corridor, in June the Port created and filled the position of vice president of innovation, hiring Nelson Holmberg for the role. In order to get a "lay of the land," one of Holmberg's first undertakings has been to start the process of connecting with 30 community stakeholders – including Port business partners, community leaders, residents, elected officials and economic development leaders – in a 30 day period.

"The goal of our '30 in 30' initiative is to get a picture of what's on people's minds when it comes to opportunities and challenges, and also how they view the Port," Holmberg said.

During this groundwork Holmberg has learned that people are excited about new opportunities for Ridgefield and for the Port.

"People have expressed strong support for what we're doing and for our mission as a 'community port' – to create opportunities for economic growth and job creation," Holmberg said.

Holmberg said he has also been pleased to discover that people are enthusiastic about the prospect of a redeveloped waterfront.

"The idea of a clean, vibrant, people-oriented waterfront just seems to fire their imagination," he said. "And that's a great thing – because imagination, a positive outlook and a creative spirit are all primary ingredients to entrepreneurship – the force that's going to grow our economy and keep it authentically Ridgefield."

Another key element revealed in Holmberg's process is that people are reading and enjoying the newsletter. He was told repeatedly that people look forward to getting news from and about the Port from voices within – and outside of – the Port.

Holmberg said that going forward, the Port will be building on the '30 in 30' program to hear from stakeholders about community-building.

"We believe the best way to build a conduit for new ideas is to have an open and ongoing dialogue with our business leaders, and I am looking forward to that process," Holmberg said.

Upon completion of the '30 in 30' initiative Holmberg will share his full report with the Port Commissioners at one of their future meetings.



At a recent Port Commission meeting, the Port honored **Betty Teunessen** (better known as Betty "T.") with a cake and a big "thank you" for her interest and involvement. Betty has been a regular fixture at Port meetings for years, but is heading to Grand Rapids, Michigan to live close to family.



## ON THE LEVEL

### Private Sector Key to Growing Jobs

BY BRENT GRENING, CEO

It's autumn, the season for planning, budgeting and getting ready for next year. To prepare for the work ahead, I'll be attending a conference in New York City that will focus on securing private sector investment for publicly-directed development.

I've been invited to this conference to meet with other ports and communities to share our experience with public-private partnerships. The conference is focused on how public agencies can access private funding to finance and build things like roads, bridges and buildings – the things communities need as they grow and wish to attract more quality jobs. I've been asked to talk about how the three Clark County ports and the Columbia River Economic Development Council are working together to present our corner of the state and metro area as a sound business investment.

The people of the Discovery Corridor have tremendous potential. We have lots of smart, hardworking citizens. As the recession gives way to economic growth, employers and entrepreneurs have the opportunity to build their businesses right here – in Ridgefield.

Our job as a port is to prepare the ground, so to speak, for private sector investors, who, before investing, need to know with whom they are investing, and what the return on investment will be. We're simply making the case that our area is a sound investment environment. Forbes magazine recently ranked Portland third in the nation for economic growth potential – and as the Portland metro grows, so will Ridgefield and North County.

Staying current with trends and best practices by learning from other areas of the country can help us make North County a strong regional economic hub. To insure this outcome, we need to grow jobs on pace with the rapid residential growth that's pushing north. We're working to find the balance in order to maintain our livability and sense of place. The answer, we believe, lies in establishing successful partnerships with the private sector.

# Q&A

These are questions we've been asked recently. We wanted to respond to them in our newsletter to provide the answers to more of our Port District constituents.

**Q.** Is the RAIL OVERPASS really coming?

**A.** YES! The final funds for the rail overpass have been secured. Permitting and other pre-development work is underway; visible work will begin in 2017. Completion is anticipated to be in 2018, but the Port is making every effort to finish earlier.

**Q.** Are there TWO governments overseeing Ridgefield?

**A.** Within the City limits, Ridgefield is governed only by the City of Ridgefield, which is responsible for services including police, fire and water. The City is also responsible for establishing land use laws and the city's comprehensive plan, among other regulating activities. Outside the City limits, but within the 98642 area code, Clark County takes on these regulatory roles.

While a public agency, the Port of Ridgefield is not a regulatory body. It was created 75 years ago as an economic development agency. The Port is also a developer; it builds roads, buildings, bridges and other public infrastructure on Port-owned property. When developing within the city limits, the Port, like other developers, must abide by the City of Ridgefield's land use laws. (See page 2 – What Ports Do)

**Q.** There's a great deal of excitement and anticipation centered on the Port's waterfront site. When do you expect development there will occur?

**A.** We are in discussions with developers about the waterfront. Conversations are still in the very early stages, and as of yet we have no firm commitments. Port officials are looking for the right developer whose vision and values align with that of the community and the Port. As conversations move forward, we'll keep our community informed. In the meantime, enjoy the waterfront!

**Q.** Now that the Port's waterfront trail is complete, what's next?

**A.** We are working with the U.S Fish & Wildlife Service to develop a cohesive design in the way of signage, trails and overlooks that will allow the Port's trail to connect seamlessly with the proposed FWS trail into the Carty Unit of the Wildlife Refuge. This will effectively serve to expand the trail system in Ridgefield, enhancing the user experience on the waterfront, and making it a very enjoyable place to spend time.

## ACQUISITION PROVIDES PORT WITH 250,000 SQUARE FEET OF DEVELOPABLE INDUSTRIAL SPACE

A shifting industrial development market that plays to the Port of Ridgefield's business model led the Port's commission to purchase two adjoining parcels totaling 10.5 acres of industrial-zoned land at S. 11th Street in Ridgefield. The deal, which transacted on August 27, put the Port's total holdings in that area at approximately 18 acres, providing the opportunity for up to 250,000 sq. ft. of developable industrial space. The property is just south of the Port of Ridgefield Industrial Park, near Agave Denim and Parr Lumber.

"With demand shifting to larger industrial building sites, the Port now has the opportunity to combine parcels if a tenant or end-user needs a larger footprint for its facility," said Port of Ridgefield CEO Brent Grening. "We are in an excellent strategic position to attract a large employer."

Together the two new adjoining parcels can house a single building up to 120,000 sq. ft., or two buildings sized in the 40,000 to 50,000 foot range. A site plan and drawings for a 40,000 sq. ft. tilt-construction building is complete, and includes 26' clear ceiling height in the warehouse area, 21,000 feet of office space, and parking for over 100 vehicles.

"With the pre-development work the Port has already done on this site, we can deliver a completed building in 12 months from date of contract signing with a lessee," said Grening.

The third Port-owned parcel on the north side of 11th Street can accommodate an 112,000 sq. ft. structure. The Port has been working to develop that site, and has completed a site plan, elevations and engineered drawings for a development of that size. The project is also permitted. Grening noted that utilities have been brought to all of the Port-owned sites.

"The message to potential developers or end-users is that the Port's property at S. 11th Street can be three smaller sites or one very big one if they're combined," said Grening. "And most importantly, if the projects we've laid out fit someone's needs – they're ready to go," Grening said.

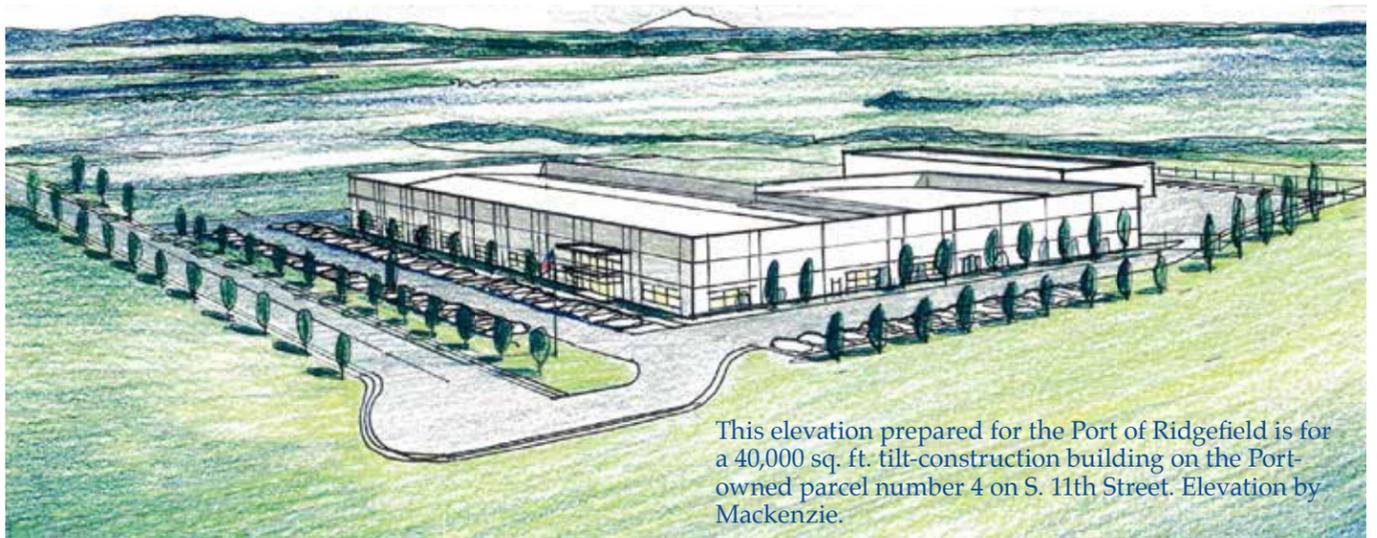
For more information contact Grening at the Port by calling (360) 887-3873 or contact Scott Fraser, Senior V.P., Kidder Mathews, (503) 515-8888.



This aerial image indicates the location of the Port of Ridgefield's current holdings after a recent property acquisition at S. 11th Street in Ridgefield.



This elevation provided by Mackenzie shows the exterior design of an 112,000 sq. ft. permitted building on Port-owned property at S. 11th Street in Ridgefield.



This elevation prepared for the Port of Ridgefield is for a 40,000 sq. ft. tilt-construction building on the Port-owned parcel number 4 on S. 11th Street. Elevation by Mackenzie.