

Development Concept Summary	
Site Use: Regional distribution center	
Site Characteristics	
Site Size (Acres)	51.2
Net Developable Acreage	43.8
In UGB	Yes
Other Incentives	SIP
Enterprise Zone	No (Approved for inclusion July 2012)
Development Characteristics	
Site Development Period (In Months)	28 Months
Total All In Cost	\$10,110,540
Development Ready Value	\$12,893,168
Development Gap	
Market Viability Gap/Surplus	\$2,782,627
Time To Market Feasibility	-5.9 Years

Development Issues <input checked="" type="checkbox"/> See Page 3 for more detail		
Environmental and Natural Resource Issues (On-site)	Infrastructure Issues (Off-site)	Land Use Issues
Brownfield Cleanup	Water	Aggregation <input checked="" type="checkbox"/>
Wetland Fill <input checked="" type="checkbox"/>	Sewer	Annexation
Floodplain Fill	Storm	Outside UGB
Slope Mitigation	Transportation	Marine Dock

Tier 2	
Multnomah County Site Ownership (2) Site ID	Portland ICDC LLC and Entercom 13

Development Economic Impacts See Page 4 for more detail						
Total Annual Construction Impacts				Total Annual Operations At Full Capacity		
	Jobs	Economic Activity	Payroll	Jobs	Economic Activity	Payroll
Direct	252	\$26,280,000	\$13,440,000	382	\$27,500,000	\$17,100,000
Indirect/Induced	160	\$20,640,000	\$ 6,600,000	119	\$16,100,000	\$ 4,900,000
Total	412	\$46,920,000	\$20,040,000	501	\$43,600,000	\$22,000,000

Development Annual Fiscal Impacts at Full Capacity See Page 4 for more detail		
	Payroll Tax Revenue	Property Tax Revenue
Direct	\$1,100,000	\$900,000
Indirect/Induced	\$ 300,000	Not Available
Total	\$1,400,000	\$900,000



Development Concept Plan



Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
864,800 Sq. Ft	1.5 Mega Watts	1	\$21,620,000	Avg. sf = \$25	Hard Costs = \$21,620,000 Soft Costs = \$ 4,324,000	\$25,944,000

Site Use	Description of Development Concept Site Use
Regional distribution center	Single user distribution center; similar uses such as Subaru or FedEx

Development Concept Costs

Off-Site Costs and Construction Terms

Water:	\$23,000
Start Period (months back):	6
Term:	6
Sewer:	\$18,000
Start Period (months back):	6
Term:	6
Stormwater:	\$18,000
Start Period (months Back):	6
Term:	6
Transportation:	\$0
Start Period (months back):	
Term:	
Off-Site Total Costs	\$59,000

On-Site Costs and Mitigation Terms

Wetland Mitigation:	\$105,000
Start Period (months back):	21
Term:	6
Slope Mitigation:	\$0
Start Period (months back):	
Term:	
Building Pad Surcharge:	\$563,200
Start Period (months Back):	27
Term:	27
Floodplain Cut/Fill Mitigation:	\$0
Start Period (months back):	
Term:	
Environmental Cleanup:	\$15,000
Start Period (months back):	27
Term:	3
On-Site Total Costs	\$683,200

Total Costs **\$742,200**

Development Issues

Environmental (On-site Development) : Total Cost \$15,000

- The property was used for agricultural purposes between at least 1935 and present. Residual pesticides may be present in soil. Investigation of the magnitude and extent of pesticide impacts will be necessary prior to site development. Total timeline for mitigation is estimated at 3 months, and mitigation cost of \$15,000. Permits are not required.

Land Use: (Aggregation)

- This site is currently within the UGB and within the Portland city limits. No legislative actions are required.
- Based on the conceptual site plan, the portion of NE Cameron Blvd east of NE 166th Ave will be vacated. This process is estimated to be completed in 12 to 18 months, concurrent with the site surcharging.
- The site is made up of 5 separate parcels in 2 ownerships. Parcel aggregation is necessary in order to deliver the site as shown. The Entercom portion of this site did not become available until Phase 2 of this project began. The parcel south of NE Cameron Boulevard has been included in this site as a result of the assumed street vacation process.
- A lot line adjustment is required on the Entercom site due to the radials located on site/underground along the eastern property line. Total acreage is approximately 1.0 acres.
- The net developable acreage of 43 acres does not include the portion of the site designated for on-site wetland mitigation, the site area with radials, or the approximate 4.3 acres of E-zone located on the site.

Transportation (Off-Site Development) : Total Cost \$0

- This site has direct access to NE Cameron Boulevard along the entire southern property boundary. NE Cameron Boulevard provides access to NE Airport Way via NE 166th Avenue and to NE 158th Avenue which extends between NE Marine Drive and NE Sandy Boulevard (OR30).
- The City of Portland Transportation System Plan (TSP) does not identify the need for any transportation infrastructure improvements in the immediate project area.
- Based on the conceptual site plan, anticipated transportation infrastructure improvements necessary to serve immediate subject property development are limited to frontage roadway (NE Cameron Boulevard) improvements and direct property access improvements.

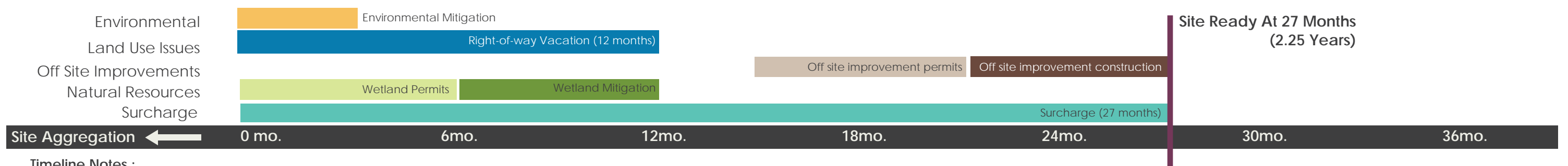
Utility Infrastructure (Off-Site Development) : Total Cost \$59,000

- Public Water: Water service is already located near the site through an existing 12" line. Extend water service directly to the site. This will take less than 6 months and cost \$23,000.
- Public Sewer: Sewer service is already located near the site through an existing 15" line. Gravity service needs to be extended directly to the site. This will take less than 6 months and cost \$18,000.
- Public Storm: Storm service is already available at the site in a public line. Storm service needs to be extended directly to the site. This will take less than 6 months and cost \$18,000.

Natural Resources (On-Site Development) : Total Cost \$668,200

- There are approximately 8.9 acres of wetlands located on site. Approximately 1.4 acres are impacted with the proposed site plan, which requires mitigation at a ratio of 1.5:1. Corps/DSL permits will be necessary for the fill and mitigation of this wetland on-site or off-site as this site is not currently served by any wetland mitigation bank. Total timeline for all approvals is estimated at 150 days, and mitigation cost of \$105,000.
- At preliminary DSL review, it was found that 1.4 acres of wetlands were impacted by the development concept plan. Upon further review, DSL believes there to be up to 8 acres of wetlands impacted by the development concept plan. If the case, more on-site wetland mitigation will be required, therefore decreasing the net developable acreage as well as the building footprint. A wetland delineation is required to confirm location and size of on-site wetlands.
- The building pad areas of the site will require surcharging to eliminate expected settlement issues. The western portion of the site has already been surcharged by the property owner and the remainder of the site is expected to be surcharged by "rolling" the on-site soils in stages to the east. This will take approximately 24 months and cost \$563,200.

Site Development Process Timeline



Timeline Notes :

Aggregation: Both property owners are willing to transact, therefore, the aggregation period is assumed to be less than 6 months.

Natural Resources: On-site wetland mitigation is required; no mitigation bank available. Wetland permit timeframe includes local land use approval. On-site mitigation will take between 3-6 months. Wetland mitigation can occur concurrently with the surcharging.

Right-of-way vacation: Vacation is necessary to facilitate the site plan as shown.

Surcharge: The surcharge timeline assumes 3 months to import surcharge soil to supplement the existing surcharge berm on the ICDC portion of the site, then 24 months to roll the surcharge berm across the site in (4) 6-month stages. The site could be surcharged all at once; however, the cost increases significantly due to needing additional soil. In this case the timeline decreases to 6-9 months, moving the site readiness from 24 months to 12. This assumes that enough surcharge material is readily available.

Figure 1 Market Viability Gap Analysis

- Under the assumption in this analysis, the expected value of the site as development ready exceeds its costs. In other words, the market should look at the site as a viable development opportunity.
- The limitation of the site may be non-quantifiable. For example, aggregation or implied marketability of the site¹.
 1. This exercise assumes conditions where aggregation costs are minimal and there is a reasonable expectation that a motivated user will emerge.

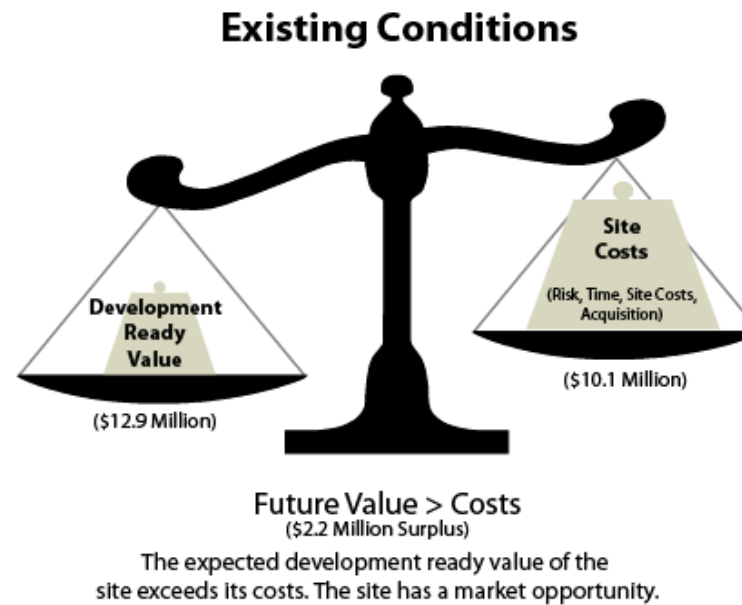


Figure 2 : Development Economic Impacts

- When fully developed, a warehouse and distribution user on this site would employ roughly 382 workers on the site. Indirect and Induced impacts would support and additional 118 jobs elsewhere in the economy.
 - New direct job creation on the site would eventually generate an additional \$27.5 million in annual payroll. Indirect and induced payroll impacts would create an additional \$16 million in annual payroll.
 - Build-out of the ICDC/Entercom site would support a total of 500 jobs, slightly below the regional average wage².
2. Regional Average is \$50,332 (Clackamas, Multnomah, and Washington County) (in 2011 dollars) SOURCE: Oregon Employment Department 2011 QCEW.

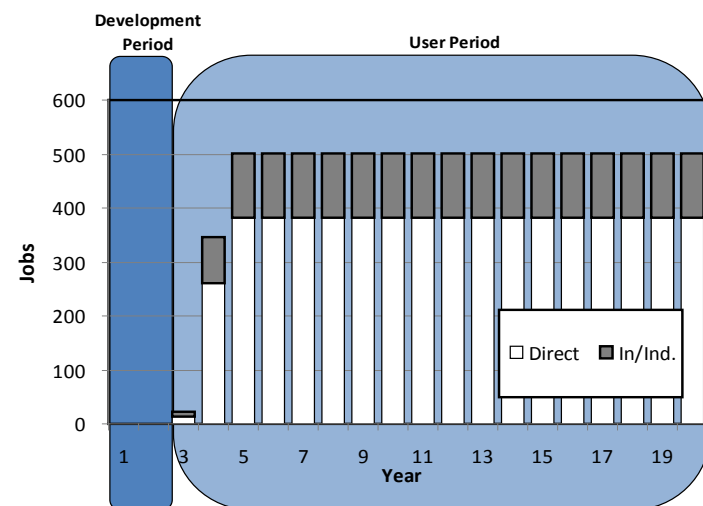


Figure 3 : Development Fiscal Impacts

- At the time of this study, this site is not in an enterprise zone, so property tax impacts begin immediately after construction. Property tax revenues, excluding capital equipment, would reach \$900,000 annually at build-out.
- State payroll tax revenues from on site (direct) employment would reach \$1.1 million annually at full-capacity. Indirect and induced impacts would further generate \$300,000 annually to the state.

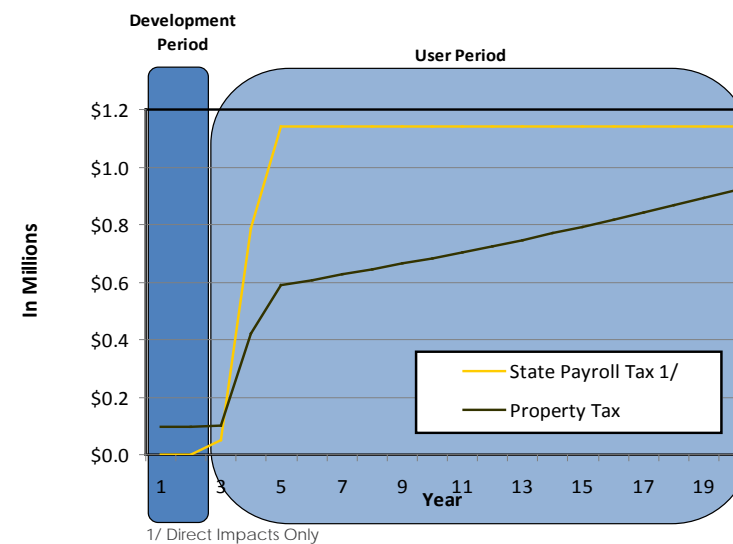


Figure 4 : Financing Return

- Figure 4 considers the return on investment of the dollar amount necessary to eliminate the Market Viability Gap, financed at 5% over a 20-year period.
- Because the site is currently market viable, no investment (in dollars) is necessary to encourage market participation. Therefore, all fiscal impacts are net-new surpluses on the site.

