





Development Concept Summary	
Site Use: Marine related heavy industrial/manufacturing	
Site Characteristics	
Site Size (Acres)	51.7
Net Developable Acreage	39.4
In UGB	Yes
Other Incentives	SIP
Enterprise Zone	Yes
Development Characteristics	
Site Development Period (In Months)	72 Months
Total All In Cost	\$43,807,004
Development Ready Value	\$13,352,817
Development Gap	
Market Viability Gap/Surplus	- \$30,454,187
Time To Market Feasibility	46.3 Years

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

Multnomah County Site Ownership (1) Site ID	Tier 3 Portland Time Oil Company 2
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Development Economic Impacts						
Total Annual Construction Impacts				Total Annual Operations At Full Capacity		
	Jobs	Economic Activity	Payroll	Jobs	Economic Activity	Payroll
Direct	47	\$5,160,000	\$2,640,000	579	\$191,500,000	\$26,200,000
Indirect/Induced	30	\$3,840,000	\$1,320,000	804	\$124,700,000	\$42,100,000
Total	77	\$9,000,000	\$3,960,000	1,384	\$316,200,000	\$68,300,000

Development Annual Fiscal Impacts at Full Capacity		
	Payroll Tax Revenue	Property Tax Revenue
Direct	\$1,700,000	\$800,000
Indirect/Induced	\$2,800,000	Not available
Total	\$4,500,000	\$800,000



Time Oil Development Concept Plan



Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
580,000 Sq. Ft	1.5 Mega Watts	1	\$45,150,000	Avg. sf = \$78	Hard Costs = \$45,150,000 Soft Costs = \$ 9,030,000	\$54,180,000

Site Use	Description of Development Concept Site Use
Marine-related heavy industrial/manufacturing	Waterfront manufacturing utilizing marine and rail; metals related crane served manufacturing buildings and yard space; on-site crane to move material between dock and yard space; similar uses such as Far West Steel

Development Concept Costs

Off-Site Costs and Construction Terms

Water:	\$36,000
Start Period (months back):	3
Term:	3
Sewer:	\$30,000
Start Period (months back):	3
Term:	3
Stormwater:	\$300,000
Start Period (months Back):	15
Term:	15
Transportation:	\$1,080,000
Start Period (months back):	3
Term:	3
Marine Dock:	\$14,180,000
Start Period (months back):	36
Term:	36
Off-Site Total Costs	\$15,626,000

On-Site Costs and Mitigation Terms

Wetland Mitigation:	\$0
Start Period (months back):	0
Term:	0
Slope Mitigation:	\$0
Start Period (months back):	0
Term:	0
Building Pad Surcharge:	\$1,029,000
Start Period (months Back):	36
Term:	21
Floodplain Cut/Fill Mitigation:	\$1,745,600
Start Period (months back):	9
Term:	9
Environmental Cleanup:	\$754,000
Start Period (months back):	72
Term:	6
On-Site Total Costs	\$3,529,200

Total Costs	\$19,155,200
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Development Issues

Environmental (On-site Development) : Total Cost \$754,000

- The site has a long industrial history, with environmental impacts related to petroleum storage and transfer, PCP formulation activities, and tenant areas.
- Soil and groundwater contamination resulted from petroleum storage and handling, waste oil storage, and wood treatment chemical (PCP) blending operations. Soil and/or groundwater contamination are assumed to impact the entire site.
- Based on limited file review, the active groundwater treatment system at the site appears to effectively mitigate the potential for PCP migration to the Willamette River. To maintain source control, and prevent migration to the adjacent Portland Harbor Superfund Site, the groundwater treatment system must be maintained and active in the foreseeable future. The cost for operation and maintenance of the system is estimated at \$3.7 million. This cost is not included in the remediation cost estimate because costs are not required to make site development ready and are assumed to be part of ongoing maintenance and would be subject to negotiation.
- Impacted soil will be excavated from cut areas and placed in portions of the site scheduled for filling. It will be necessary to install cap over the impacted soil and provide a soil management plan, annual inspection and O&M at a cost of \$119,000.
- It may be necessary to increase depth of the soil cut removal areas to accommodate placement of cover layer of clean imported soil. The increased cut depth can be accommodated in the cut fill balance. The clean imported soil may be required to provide suitable habitat material for wetland features. Additionally oversight and during these cut/fill activities will be required. Total cost for these activities are estimated to be \$385,000.
- There are 85 groundwater monitoring wells located at the site. It is likely possible that abandonment/modification of flush-mount and above grade monuments and wells will be necessary to accommodate development plans at a cost of \$250,000.
- The site is adjacent to the Portland Harbor Superfund Site and is considered a potential contributor to contamination in the Portland Harbor. As a result, owners and operators of the site (future, current and/or former) may be assessed some share of the costs for conducting the remedial investigation and implementing a remedy in the Portland Harbor. The remedy has not been selected and allocation of costs are ongoing, therefore it is not possible to estimate what amount, if any, will be apportioned to owners/operators of this site.

Land Use Issues

- The site is currently located within the UGB and City of Portland city limits.
- No assembly is necessary as all parcels are owned by the Time Oil Company.
- The net developable acreage of 39.4 acres assumes floodplain cut/fill balance is achieved.

Transportation (Off-Site Development) : \$1,080,000 for Roads and \$14,180,000 for Marine Dock: Total Cost = \$15,260,000

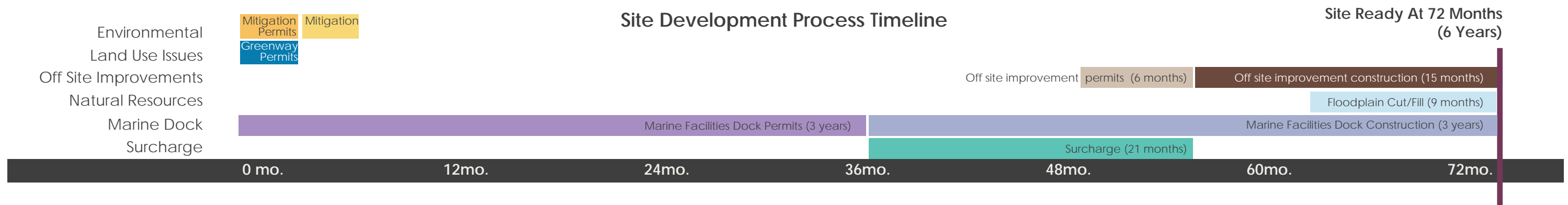
- Site access to the north is via N Lombard Street and N Rivergate Blvd and from the south is via N Burgard Street and N Time Oil Road. Access to the site from the north includes three at-grade railroad spur crossings, suggesting a risk of occasional blockage.
- N Time Oil Road is privately-owned and has substandard width with no shoulders. The road also includes a series of speed bumps that limit truck mobility. The intersection of N Time Oil Road and Burgard Street is stop controlled with sight distance concerns related to curves and elevation change. The existing access to the Time Oil site via Time Oil Road has a sharp skew, making it too tight a turn for trucks to access from the north. Improved truck access could be accommodated via Time Oil Road by reconstructing the intersection so that it would have a less severe angle.
- 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 and include realigning site access improvements. The \$1M of Time Oil Road improvements would be assessed to the development and constructed by others as a separate project.
- In order to meet the river-dependent industrial requirement, the construction of a marine dock is assumed to take place prior to or during site development and construction. Development of the dock will require a total of 6 years, 3 years for permitting associated with demolition, construction and upland work; plus 1 year for demolition of current dilapidated dock; plus two years for construction. Project includes ocean-going barge dock and dolphins for mooring and positioning; roadway trestle connections; bank treatment, stabilization and greenway mitigation; fish habitat credits; and permitting. Cost estimate is \$14.18 million.

Natural Resources (On-Site Development) : Total Cost \$2,775,200

- River Industrial (I) greenway overlay currently requires a 25 ft greenway setback from the top of bank except for development that is river related, river dependent. The assumed use for this site in the development concept plan is river dependant and therefore facilities (crane ways and docks) related to operations may encroach into the greenway.
- The property is partially within the FEMA 100-year flood plain, and almost completely encompassed within the 1996 Flood Inundation area. The site lies within a Metro Flood Management Area adjacent to Flood Zone AE, which requires that flood zone construction provide at least 1 foot freeboard above the 1996 flood elevation.
- Floodplain Cut/Fill Balance: Approximately 74,500 cy of fill is needed to raise site grades to the 1996 flood elevation, plus an additional 21,300 cy of fill to establish 1 ft minimum freeboard. Cut volume equal to the fill within the floodplain (74,500 cy) is required to balance the fill. Cut areas have been concentrated to the former tank farm areas, which will require environmental remediation of contaminated soils that are excavated from the site. Costs associated with floodplain mitigation are approximately \$1,745,600.
- The site is expected to require surcharging to reduce settlement in the building pad areas. This is expected to be a "rolling" staged surcharge that will take 21 months and cost \$1,029,600 to complete.

Utility Infrastructure (Off-Site Development) : Total Cost \$366,000

- Public Water: Water service is currently available at the site. Lateral service needs to be extended, which will take less than 6 months and cost \$36,000.
- Public Sewer: Sewer service is currently available at the site. Lateral service needs to be extended, which will take less than 6 months and cost \$30,000.
- Public Storm: Extend approximately 1,200 feet of 18" line from the nearest line, located in N Burgard Way near N Sever Road. The private on site storm system may require pumping to the public system, depending on water quality facility depths. Anticipate 6 months for design and permitting, and 9 months for construction, with a cost of approximately \$300,000.



Timeline Notes :

Environmental: Permit and timeframe do not include the 15-20 year groundwater treatment and monitoring. This is a yearly ongoing task during site development and site operation.

Marine Facilities: This timeframe assumes 3 years for the permitting of the marine dock; and 1 year for demolition; and 2 years for the construction.

Floodplain cut/fill is occurring on a portion of the site that will not be impacted by development, and therefore, can take place towards the end of the site development period.

Surcharge: The site surcharge can take place during the marine facility dock construction.

Figure 1 Market Viability Gap Analysis

- The costs of acquiring and making the Time Oil site development ready greatly exceeds the expected development ready value of the site. The Time Oil site has a Market Feasibility Gap of \$30.5 million. A rational market participant is unlikely to invest in site improvements under these conditions.
 - Time Oil has physical constraints and risk associated with a long site development period and the need to develop a marine dock. The site is far from market viable based on the development assumptions. The other factor affecting this site, indirectly because it is not part of the analysis, is the additional risks associated with the unresolved in-water Superfund issues. When value equals costs investment in site improvements is seen as viable from a market perspective¹.
1. This exercise assumes conditions where aggregation costs are minimal and there is a reasonable expectation that a motivated user will emerge.

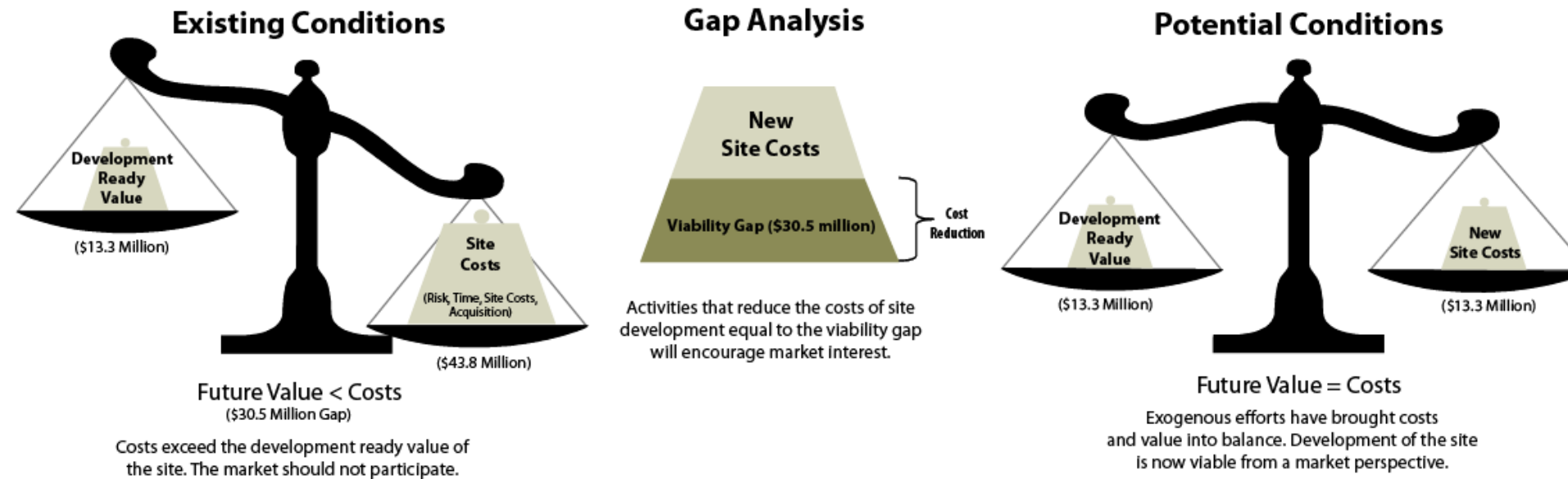


Figure 2 : Development Economic Impacts

- When fully developed, a river dependent manufacturing user on the Time Oil Site would employ 579 workers on-site. Indirect and Induced impacts would support and additional 804 jobs elsewhere in the economy.
 - New direct job creation on-site would eventually generate an additional \$26.2 million in annual payroll. Indirect and induced payroll impacts would create an additional \$42.1 million in annual payroll.
 - Build-out of the Time Oil site would support a total of 1,384 jobs at an average wage of \$49,333, consistent with the regional average wage².
2. Regional Average is \$50,332 (Clackamas, Multnomah, and Washington County) (in 2011 dollars) SOURCE: Oregon Employment Department 2011

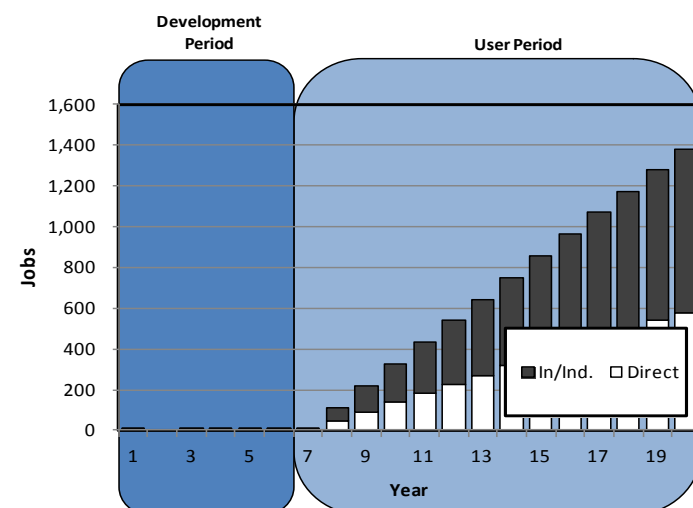


Figure 3 : Development Fiscal Impacts

- Time Oil's enterprise zone would limit property tax revenues for the first five-years of facility operation. Subsequent property tax revenues, excluding capital equipment, would reach \$800,000 annually at full build-out.
- State payroll tax revenues from on-site (direct) employment would reach \$1.7 million annually at full-capacity. Indirect and induced impacts would further generate \$2.8 million annually to the state.

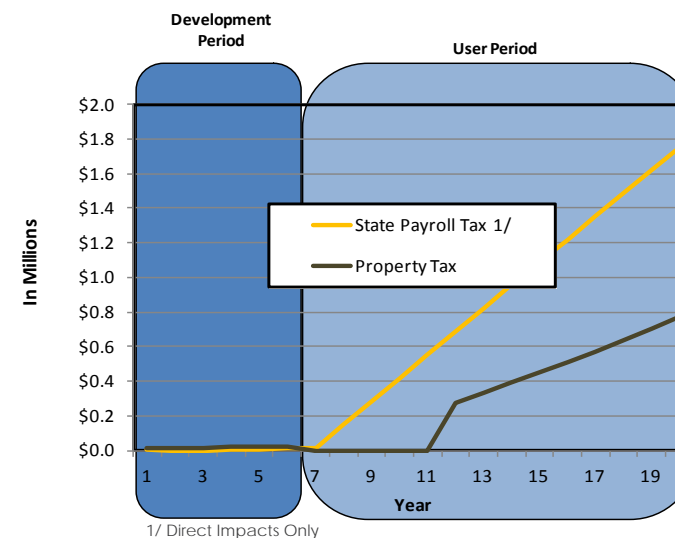


Figure 4 : Financing Return

- 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 of Time Oil's long site development period and enterprise zone, significant property tax revenue would not be created until 2026. This limit's fiscal recover to 14% over the 20-year period.
- Similarly, Payroll tax revenues would achieve roughly \$12.4 million or 37% recovery over the 20-year period.
- The costs of developing the site outweigh the intermediate-term fiscal benefits. The significant cost and time factor affecting the analysis is associated with the permitting and construction of a new dock.

