

Development Concept Summary	
Site Use: General manufacturing	
Site Characteristics	
Site Size (Acres)	93.08
Net Developable Acreage	64.78
In UGB	Yes
Other Incentives	SIP / Partial URA
Enterprise Zone	Partial
Development Characteristics	
Site Development Period (In Months)	42 Months
Total All In Cost	\$19,466,227
Development Ready Value	\$21,609,655
Development Gap	
Market Viability Gap/Surplus	\$2,143,428
Time To Market Feasibility	0 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

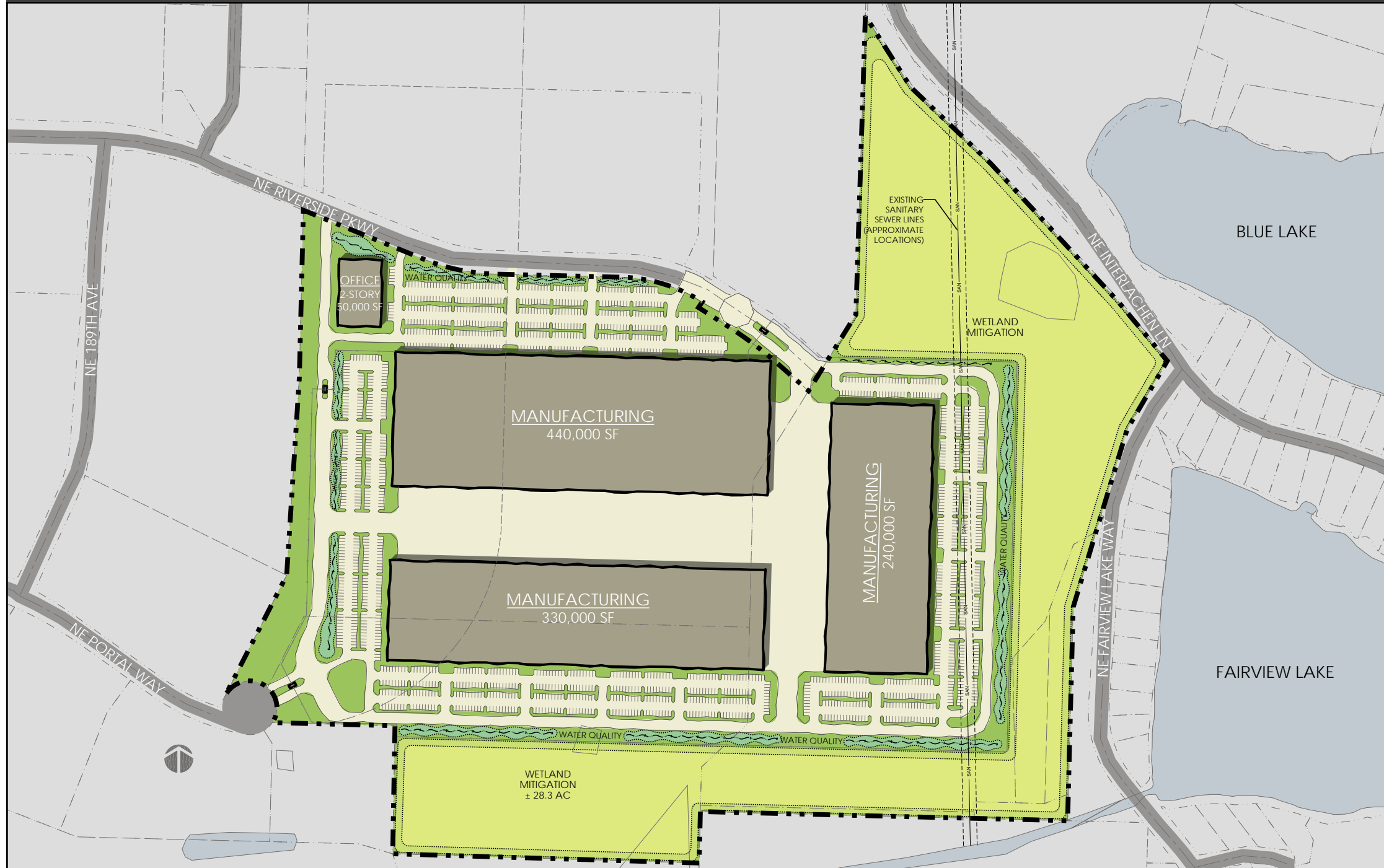
Tier 3	
Multnomah County	Gresham
Site Ownership (2)	UPS/Cereghino
Site ID	15-16

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	67	\$7,200,000	\$3,600,000	1,094	\$361,800,000	\$49,600,000
Indirect/Induced	43	\$5,520,000	\$1,800,000	1,520	\$235,700,000	\$79,500,000
Total	110	\$12,720,000	\$5,400,000	2,615	\$597,500,000	\$129,100,000

Development Annual Fiscal Impacts at Full Capacity See Page 4 for more detail		
	Payroll Tax Revenue	Property Tax Revenue
Direct	\$3,300,000	\$1,900,000
Indirect/Induced	\$5,300,000	Not Available
Total	\$8,600,000	\$1,900,000



Development Concept Plan



Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
1,060,000 Sq. Ft	5-10 Mega Watts	3	\$82,250,000	Avg. sf = \$78	Hard Costs = \$82,250,000 Soft Costs = \$16,450,000	\$98,700,000

Site Use	Description of Development Concept Site Use
General manufacturing	Multi-building campus including office and manufacturing; similar uses such as Boeing Gresham

Development Concept Costs

Off-Site Costs and Construction Terms

Water:	\$17,000
Start Period (months back):	3
Term:	3
Sewer:	\$40,000
Start Period (months back):	3
Term:	3
Stormwater:	\$0
Start Period (months Back):	
Term:	
Transportation:	\$0
Start Period (months back):	
Term:	
Off-Site Total Costs	\$57,000

On-Site Costs and Mitigation Terms

Wetland Mitigation:	\$1,387,500
Start Period (months back):	36
Term:	12
Slope Mitigation:	\$0
Start Period (months back):	
Term:	
Building Pad Surcharge:	\$1,594,000
Start Period (months Back):	36
Term:	36
Floodplain Cut/Fill Mitigation:	\$0
Start Period (months back):	
Term:	
Environmental Cleanup:	\$15,000
Start Period (months back):	42
Term:	6
On-Site Total Costs	\$2,996,500

Total Costs \$3,053,500

Development Issues

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

- The property was used for agricultural purposes between at least 1936 and present. Residual pesticides may be present in the soil. Investigation of the magnitude and extent of pesticide impacts will be necessary prior to site development. Total timeline for mitigation is estimated at 6 months, and mitigation cost of \$15,000.

Land Use Issues: (Aggregation)

- This site is currently within the UGB and also within the Gresham city limits.
- No legislative actions are required.
- The site is made up of 9 separate parcels in 2 ownerships. Parcel aggregation is necessary in order to deliver the site as shown. As one of the property owners is willing to transact and the second is not, the aggregation period is assumed to be between 6 months and 2.5 years.
- The net developable acreage of 64.78 acres excludes the 28.3 acres required for on-site wetland mitigation.

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

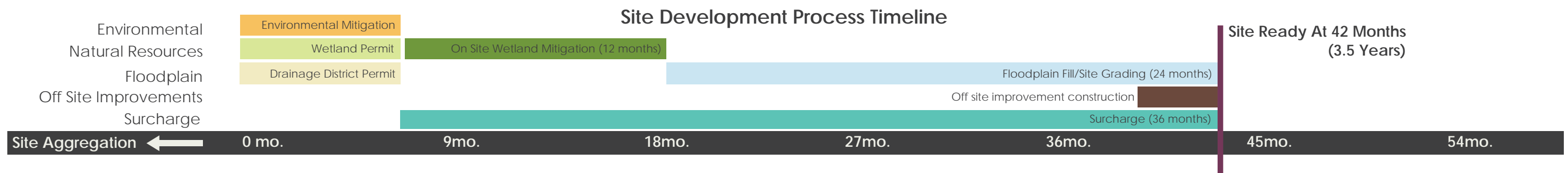
- The City of Gresham Transportation System Plan (TSP) identifies a roadway connection between Portal and Riverside (i.e., Portal extending to intersect with Riverside). It is anticipated this public roadway connection will need to be provided if sites 15 and 16 are developed independently or with smaller individual industrial uses. However, if the properties are developed by a single large user, connectivity will only need to be provided via internal development circulation.

Utility Infrastructure (Off-Site Development) : Total Cost \$57,000

- Public Water: The site is currently served by 10" and 15" lines. Service will need to be extended directly to the site. This will take less than 6 months and cost \$17,000
- Public Sewer: The site is currently served by 10" and 15" lines. Service will need to be extended directly to the site. This will take less than 6 months and cost \$40,000.
- Public Storm: The site is currently served by public lines in the street, and detention is not needed since the site is located in a managed flood plain. No storm improvements are needed.

Natural Resources (On-Site Development) : Total Cost \$2,981,500

- There approximately 20 acres of wetlands located on site. Approximately 18.5 acres are impacted with the proposed development concept plan, which require mitigation at a ratio of 1.5:1. Corps/DSL permits will be necessary for the fill and mitigation of these impacts on site or off site as this site is not currently served by a wetland mitigation bank. Total timeline for all approvals is estimated at 6 months and a mitigation cost of \$1,387,500 (\$50,000 per acre).
- DSL recommends a formal wetland delineation to be conducted to determine the current wetland location and acreage.
- The site is expected to require surcharging of the building pad areas to reduce settlement potential. This is expected to occur as a "rolling" surcharge in stages across the four building pads, which will take 36 months and cost approximately \$1,594,000.
- The site is located within the Multnomah County Drainage District managed floodplain, so it is assumed that fill in the floodplain will be mitigated through off-site coordination with MCDD. It is assumed that no on-site cut/fill balance is required. Site grading in the floodplain will be required in order to raise building pads above flood elevation.
- The City of Gresham designates most of this site within its Habitat Conservation Area (HCA) overlay. Pending formal wetland delineation, the boundary of this overlay can be amended. Impacts to HCA areas will require a land use application from the City and may also require additional mitigation. Formal confirmation is necessary with the City, however it is anticipated this land use review to take approximately 4 months and run concurrent with the necessary Corps/DSL permits.



Timeline Notes :

Aggregation: One of the property owners is willing to transact the second one is not, therefore, the aggregation period is assumed to be between 6 months and 2.5 years.

Natural Resources: Wetland permit timeframe includes local land use approval. Wetland mitigation can occur between July 1 and November 1 due to wet winters.

Floodplain: Drainage District Permit is required from Multnomah County Drainage District for site grading in the floodplain, which can only occur between July 1 and November 1 due to wet winters.

Surcharge: Must occur after wetland permits and floodplain permits are in place. Assumes (6) 6-month stages to roll surcharge soil across the site. Surcharge fill placement can only occur between July 1 and November 1 due to wet winters.

Building pad surcharge, wetland mitigation, and floodplain fill/site grading may overlap as they will occur in different areas on site.

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.

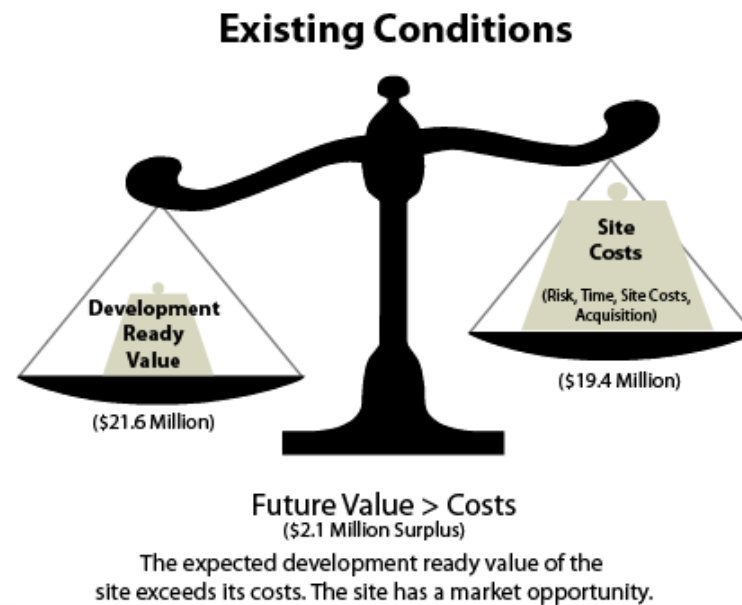


Figure 2 : Development Economic Impacts

- When fully developed, a general manufacturing user on this site would employ roughly 1,094 workers on-site. Indirect and Induced impacts would support an additional 1,520 jobs elsewhere in the economy.
 - New direct job creation on-site would eventually generate an additional \$49.6 million in annual payroll. Indirect and induced payroll impacts would create an additional \$79.5 million in annual payroll.
 - Build-out of this site would support a total of 2,600 jobs at wages 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 QCEW.

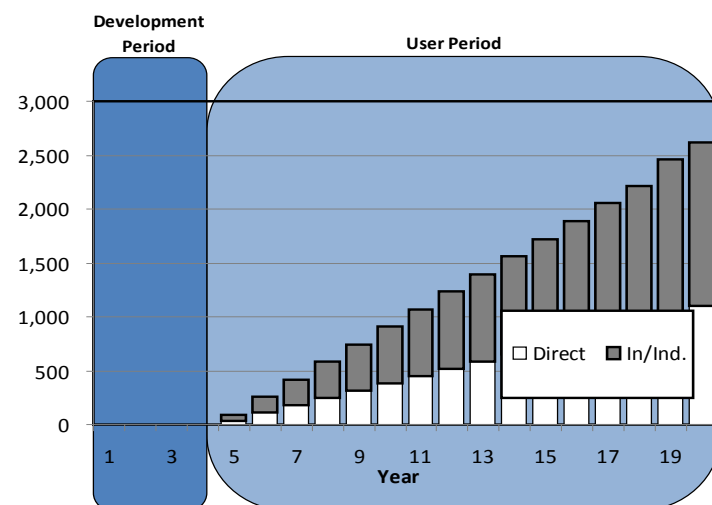


Figure 3 : Development Fiscal Impacts

- The majority of this site is not in an enterprise zone, so property tax impacts begin immediately after construction. Property tax revenues, excluding capital equipment, would reach \$1.9 million annually at build-out.
- State payroll tax revenues from on-site (direct) employment would reach \$3.3 million annually at full-capacity. Indirect and induced impacts would further generate \$5.3 million annually to the state.

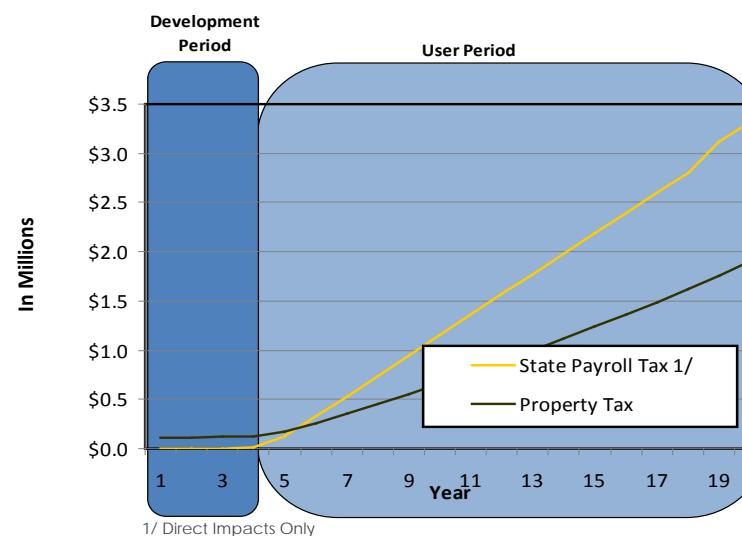


Figure 4 : Financing Return

- 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 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.

