

HOW TO READ THE PHASE 2 SITE SHEETS – PAGE 1

Site Characteristics:

Site size = Gross acres

Net Developable Acres = Gross acres minus constrained acres; in some cases, full natural resource mitigation is assumed and in some cases it is not if constraints are too severe. More detail is available on page 3 and is site specific.

Other Incentives: Identifies the SIP (Strategic Investment Program) that is available to firms who invest over \$25 million or over \$100 million on any site (depending on location); it does not refer to certain communities who have established SIP Zones; it also identifies whether a site is in an Urban Renewal Area.

Enterprise Zone: Identifies if the site is located in an Enterprise Zone, which provides a 3-5 year property tax abatement on new investment.

Development Characteristics:

Site Development Period: Total time required to make this site development ready and draws from the Site Development Process Timeline on Page 3.

Total All in Costs: Total development costs including off-site infrastructure and on-site mitigation costs (hard costs); soft costs (professional service fees and SDC's) calculated at 20% of hard costs; site acquisition costs assumed to be \$4.50/SF; time cost calculated at a 7% annualized rate from the period dollars are spent in the development schedule to site development readiness; and risk costs estimated linearly as 2.5% for every 6 months of development time, from a 24 month basis of 15%.

Development Ready Value: Current value of site, if it was development ready, plus an appreciation rate for the period of time required to make specific site development ready.

Overview

Each Phase 2 site has four sheets of information.

Page 1 is a roll-up of pages 2-4 and draws from the development concept and site costs (Page 2); the key development issues (Page 3); and the economic and fiscal impacts (Page 4).

The site name appears in the footer on each page.

Development Economic Impacts (See page 4 for more information)

This table draws from Page 4, Figure 2 and summarizes jobs, economic activity and payroll from the construction/development period and at the point in time when the facility would be at full operational capacity. Jobs are divided by Direct, meaning onsite construction and operations, and Indirect/Induced, meaning offsite jobs created as a result of the Direct employment. Economic Activity reflects business revenues of the presumed user(s) on the site (Direct) and the sum of business revenues of firms that support the presumed user(s) (Indirect/Induced). Payroll is total wages paid.

Development Annual Fiscal Impacts (See page 4 for more information)

This table draws from Page 4, Figure 3 and summarizes the state payroll tax revenue and the local government property tax revenue at the point in time when the facility would be at full operational capacity.

Development Concept Summary			TIER 2 or 3																																				
DESCRIPTION OF SITE USE			COUNTY																																				
Site Characteristics			Site Ownership																																				
Site Size (Acres)			Site ID																																				
Net Developable Acreage																																							
In UGB																																							
Other Incentives																																							
Enterprise Zone																																							
Development Characteristics			Development Economic Impacts																																				
Site Development Period (In Months)			<table border="1"> <thead> <tr> <th colspan="3">Total Annual Construction Impacts</th> <th colspan="3">Total Annual Operations At Full Capacity</th> </tr> <tr> <th></th> <th>Jobs</th> <th>Economic Activity</th> <th>Payroll</th> <th>Jobs</th> <th>Economic Activity</th> <th>Payroll</th> </tr> </thead> <tbody> <tr> <td>Direct</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Indirect/Induced</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Total Annual Construction Impacts			Total Annual Operations At Full Capacity				Jobs	Economic Activity	Payroll	Jobs	Economic Activity	Payroll	Direct							Indirect/Induced							Total						
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Development Gap			Development Annual Fiscal Impacts at Full Capacity																																				
Market Viability Gap			<table border="1"> <thead> <tr> <th colspan="2">Payroll Tax Revenue</th> <th>Property Tax Revenue</th> </tr> </thead> <tbody> <tr> <td>Direct</td> <td></td> <td></td> </tr> <tr> <td>Indirect/Induced</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> </tr> </tbody> </table>			Payroll Tax Revenue		Property Tax Revenue	Direct			Indirect/Induced			Total																								
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Total																																							
Time To Market Feasibility																																							
Development Issues ✓			<p>Development Gap: (see Figure 1, Page 4.)</p> <p>Market Viability Gap: Difference between Development Ready Value and Total All in Costs</p> <p>Time to Market Feasibility: Translating the Market Viability Gap into time, the number of years, all else equal, for future development ready values to appreciate to levels supporting a market based transaction.</p>																																				
Environmental and Natural Resource Issues (On-site)	Infrastructure Issues (Off-site)	Land Use Issues	<p>Development Issues: This table displays all on-site and off-site issues that were analyzed for all sites as well as applicable land use issues. A check mark next to the issue signifies that the issue applies to the site. The third page for each site provides more details on these issues.</p> <p>SITE AERIAL MAP</p>																																				
Brownfield Cleanup	Water	Aggregation																																					
Wetland Fill	Sewer	Annexation																																					
Floodplain Fill	Storm	Outside UGB																																					
Slope Mitigation	Transportation	Marine Dock																																					
<p>GROUP MACKENZIE JOHNSON REID LAND USE ECONOMICS Ash Creek Associates A Division of Apex Companies, LLC APEX</p> <p>REGIONAL INDUSTRIAL SITE READINESS PROJECT Phase 2: August 2012 SITE: 53</p>																																							

HOW TO READ THE PHASE 2 SITE SHEETS – PAGE 2

Development Concept Plan

DEVELOPMENT CONCEPT PLAN PREPARED BY GROUP MACKENZIE BASED ON ASSIGNED USE

Projected Electrical Demand and Grade:
PGE reported the electrical demand and power improvements for each site based on a scale of 1 (easy) to 3 (hard) to demonstrate the relative cost and complexity of extending or upgrading the existing power infrastructure to serve the proposed new developments. PGE's detailed report is provided in Volume 3, Appendix J of this report.

Total Building Cost:
Building construction costs for Development Concept Plan based on per-square-foot shell only construction cost by facility type provided by Group Mackenzie with support from Perlo Construction: general manufacturing at \$70/SF; warehouse at \$25/SF; clean tech/high tech manufacturing/fab at \$75/SF; office at \$130/SF; Central Utility Building at \$150/SF; speculative business park bldgs. at \$55/SF.

Hard Costs:
Total building shell costs for the Development Concept Plan

Soft Costs:
An additional 20% of hard costs for professional services and SDCs

Total Costs:
Hard Costs + Soft Costs

Total square footages of buildings in Development Concept Plan

Total Building Size

Projected Electrical Demand

Project Electrical Grade

Total Building Cost

Facility Construction Cost

Facility Construction Cost

Total

Development Concept Costs

Off-Site Costs and Construction Terms	
Water: Start Period (months back): Term:	
Sewer: Start Period (months back): Term:	
Stormwater: Start Period (months Back): Term:	
Transportation: Start Period (months back): Term:	
Off-Site Total Costs	
On-Site Costs and Mitigation Terms	
Wetland Mitigation: Start Period (months back): Term:	
Slope Mitigation: Start Period (months back): Term:	
Building Pad Surcharge: Start Period (months Back): Term:	
Floodplain Cut/Fill Mitigation: Start Period (months back): Term:	
Environmental Cleanup: Start Period (months back): Term:	
On-Site Total Costs	
Total Costs	

Site Use

Description of Development Concept Site Use

Site use seen on development concept plan

More detailed description of development concept site use

Costs: Dollars to provide infrastructure to the site for the assigned use reflected in the Development Concept Plan.

Start Period: How many months prior, to 'development ready', construction begins.

Term: Duration of construction (important to determine risk and time of money).

Off-Site Total Costs:
Water + sewer + stormwater + transportation costs

Costs: Dollars to provide on-site mitigation for the assigned use reflected in the Development Concept Plan.

Start Period: How many months, prior to "development ready" status, mitigation begins.

Term: Duration of mitigation (important to determine risk and time of money).

On-Site Total Costs:
Wetland + slope + surcharge + floodplain + environmental cleanup costs

Off-Site Total Costs + On-Site Total Costs

GROUP MACKENZIE

JOHNSON REID
LAND USE ECONOMICS

Ash Creek Associates
A Division of Apex Companies, LLC
APEX

REGIONAL INDUSTRIAL SITE READINESS PROJECT
Phase 2: August 2012

SITE: 54

HOW TO READ THE PHASE 2 SITE SHEETS – PAGE 3

Development Issues

Environmental (On-site Development) : Total Cost \$\$\$
 This section describes the on-site environment issues as well as mitigation costs. More information can be found in Volume 3; Appendix K.

Land Use Issues
 This information describes the land use issues applicable to this site.

Transportation (Off-Site Development) : Total Cost \$\$\$
 This information describes the off-site transportation issues applicable to this site as well as construction costs. More information can be found in Volume 1; Chapter 4 and Volume 3; Appendix H.

Natural Resources (On-Site Development) : Total Cost \$\$\$
 This information describes the on-site natural resources issues applicable to this site as well as mitigation costs. More information can be found in Volume 3, Appendix I.

Utility Infrastructure (Off-Site Development) : Total Cost \$\$\$
 This information describes the public water, sewer, and storm service available to the site and describes what is needed to upgrade the infrastructure to support the development concept plan shown on page 2, as well as construction costs. More information can be found in Volume 3; Appendix G.

Site Development Process Timeline

Each issue is given a bar with the appropriate length of time it will take to permit, mitigate, and/or construct. There are some issues that may run concurrently but there are other issues that must occur prior to another one starting. When issues can not run concurrently, the development readiness timeline gets extended.

Timeline Notes :
 These notes provide further explanation of the site development process timeline.

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REGIONAL INDUSTRIAL SITE READINESS PROJECT Phase 2: August 2012
SITE: 55

A list of issues that may be applicable to the site. Each issue will have a bar associated with the time it takes to permit, mitigate, or construct.

This timeline assumes that (where applicable) the site is already aggregated or there is an agreement in place between multiple property owners to aggregate together. Where site aggregation is necessary, there is an arrow before site development begins to indicate aggregation must occur prior.

This line indicates DEVELOPMENT READINESS

HOW TO READ THE PHASE 2 SITE SHEETS – PAGE 4

Figure 1 Market Viability Gap Analysis

These graphics compare the Existing Conditions, the Gap Analysis and the Potential Conditions, if the gap is eliminated. Existing Conditions compare the Development Ready Value of the site with the Site Costs necessary to make the site development ready. When costs exceed the development ready value, a gap exists. The Gap Analysis identifies the Market Viability Gap for the specific site. The Potential Conditions reflects that if those factors that are contributing costs to the gap are addressed, the site comes into cost equilibrium.

For more specific details on the site results and details on the methodology utilized to create the graphics seen on this page, refer to Volume 1; Chapter 4 and Volume 3; Appendix L.

Figure 2 : Development Economic Impacts

This figure shows the development economic impacts as summarized on page 1. The graphic separates the development period (construction) and the user period (operation). It also separates direct jobs and indirect/induced jobs.

Figure 3 : Development Fiscal Impacts

This figure shows the development fiscal impacts as summarized on page 1. It is important to emphasize that property tax revenue assumes only the value of building and does not include the value of equipment. In some cases, specifically high tech/clean tech and manufacturing, not including equipment highly underestimates the total taxable value and therefore underestimates the property tax revenue as well.

Figure 4 : Financing Return

This figure provides a hypothetical way to translate the costs of addressing the Market Viability Gap by the revenue generated by the assumed site user(s). The approach uses an assumed 20 year bonding of the gap and then identifies the period of time required to retire this debt by either the property tax revenue or the payroll tax revenue.