

PURPOSE AND METHODOLOGICAL OVERVIEW

In a world economy with shorter product life cycles, highly technical and costly capital improvements, and a globally competitive market, firms requiring large industrial sites are growing more sensitive to market timing and site flexibility. In today's economy, the Portland Metropolitan area is competing on a global scale in the recruitment and retention of large and expanding firms; with these firms increasingly unable or willing to overcome challenging site development issues. In their site selection, firms face many choices in many cities, acting rationally to locate in the least costly and challenging locations. This new paradigm raises questions about the competitiveness of our regional land inventory. Until sites are marketed as user ready, is there a truly effective supply for large industrial site demand from the perspective of traded-sector firms seeking to locate or expand in our region? It was recently discovered that the metro area has only a handful of 25-100+ acre sites suitable for shovel ready development¹. With this in mind, it would be prudent to consider factors which limit industrial land choice, and develop strategies for improving and diversifying industrial land supply within our urban growth boundary and reserves areas.

Herein lays the function of this analysis—to move beyond a classically planning-driven approach to land evaluation, and underscore the *market-driven* realities of our regional land inventory. Simply put, our analysis evaluates Phase II sites from the perspective of market participants. This term market participant can include a host of entities, including land owners, end-users, land developers, and public agencies, among others. This is a critically important point of view; as in reality, *market participants* facilitate development activity, which is fundamentally dictated by economic and fiscal constraints.

This perspective allows us to expand on a simple *inventory* of large industrial sites, and better understand the variety of constraints which limit industrial "choice". Here, we recognize the dynamic between the costs of improving lower tier sites, the market's willingness to provide private investment, and the eventual economic and fiscal benefits of having user ready sites. In doing so, we inform policy decisions at all levels of government, as well as in the business community. Topics can range from the assessment of risk, to the marginal fiscal and community benefits of public capital investment.

In the pages below, we provide a narrative describing our methodological approach to both determining market viability and forecasting associated economic and fiscal benefits.

Market Viability Analysis Methodology

This analysis evaluates the costs associated with the identified constraints of Phase II sites *in relation to* the future value of the site. This "cost-value" approach translates the sum of development costs into an assessment of the market's ability or inability to bring sites to a user ready (Tier 1) status.

In their investment decisions, market participants will evaluate the balance of dollar costs², time, and risk against the future value of the investment. Presented numerically.

$$1.1 \quad \text{Future Value} \geq \sum(\text{Dollar Cost, Time, Risk})$$

When this equation holds true, and the future value of a site outweighs or is at least equal to the sum of costs associated with site development, the market will tend to produce development activity in the long-run, all else equal. But this balance does not always hold true. Particularly for sites with considerable constraints; the equation is reversed:

¹ Portland Business Alliance. *Land Availability, Limited Options, An Analysis of Industrial Land Ready for Future Employers*, April 2012.

² Including acquisition

1.2 $Future Value < \sum(Dollar Cost, Time, Risk)$

In this condition, a number of outcomes could occur. When the differential between cost and value is narrow, enough time may pass for future land values to appreciate to a level which may persuade market activity³. Alternatively, a market participant with a lower risk and time threshold may emerge. However, when the differential is large relative to future value, the potential reward is not sufficient to encourage private investment. In this instance, the more likely scenario is for the site to remain in an unusable condition—or eventually transition to a higher use (justifying higher future value).

With this basic foundation in mind, we evaluate each half this balance individually below. We then reconcile this value/cost balance to determine the aforementioned differential, and elaborate on its meaning and implications on site readiness.

Our evaluation process starts with an assumption of each site beginning in a best case scenario; that is, owners are motivated and sites are aggregated. We understand this is clearly not always the case, and recognize aggregation as a costly obstacle to site development. However, aggregation costs and timing are difficult to estimate and therefore are not included in the analysis; for this analysis we erred on the side of a conservative cost estimate.

Costs: Dollar Cost, Time, and Risk

Our cost analysis evaluated the development constraints precluding Tier 1 status. Examples include wetland mitigation, environmental cleanup, transportation, and infrastructure. Group Mackenzie provided dollar costs (Hard Costs) and development schedules (time) for each identified constraint. We then consider Soft Costs⁴, and utilized the development schedules for each activity to calculate the time cost of money⁵. Development schedules were also used to quantify the cost of risk⁶—the premium required to encourage investment. Taken together, these baseline inputs determine the total cost of bringing the site to Tier 1. Stated numerically:

$$1.3 \quad Total\ Site\ Development\ Cost = \sum(Hard\ Cost, Soft\ Cost, Time\ Cost, Risk\ Premium)$$

In addition to site development, we must also consider an acquisition price an entity would pay a current land owner for sites "as-is". This is a difficult assumption to make, as it does not indicate the residual "value" of the land from a purely market perspective. Rather, it represents the price a land owner would reasonably enter contract as a strike price today. In reality, the real strike price is going to vary widely by site. Absent every aggregated site being listed on the open market, we have no true way of knowing what this will be. As a necessary supplement, we assumed that an across the board strike price of \$4.50 per-square-foot would reasonably encourage land owners to enter contract negotiations. Therefore, the entire right side of equations 1.1 and 1.2 is represented by the following:

$$1.4 \quad \sum(Dollar\ Cost, Time, Risk) = (Strike\ Price + Total\ Site\ Development\ Cost)$$

³ Although land appreciation generally requires increasing scarcity relative to demand.

⁴ Calculated at 20% of Hard Costs. Represent architectural, engineering, legal, fees etc.

⁵ Calculated at a 7% annualized rate from the period dollars are spent in the development schedule to site completion.

⁶ Risk thresholds were estimated linearly as 2.5% for every 6 months of development time, from a 24 month basis of 15%. For example, a site with a site development period of 24 months would be associated with a 15% return on costs, while a site with a 30 month development timeline would require a 1.75% return. Risk premiums were grossed up by 1/6th for site with moderate brownfield remediation and by 1/3rd for sites requiring significant brownfield remediation.

Future Value:

On the left side of equations 1.1 and 1.2, we calculate the future market value of each site as a Tier 1 site; in other words, after site development activities have occurred. The future value of a site is simply a function of its current value as-if a Tier 1 site, time, and an assumed land appreciation (or depreciation) rate. Again, numerically:

$$1.5 \quad \text{Future Value} = \text{Current Tier 1 Price}(1 + \text{Appreciation Rate})^t$$

Where t = Site Development Period

Time in this case is the actual site development period provided by Group Mackenzie, and our land appreciation rate is consistent with 30-year growth in inflation⁷. However, our assumption of current Tier 1 value for each site required more diligence. This assumption was derived out of both quantitative and qualitative elements⁸. Where available, we began with comparable sale and listing prices by submarket. This information provided a sound basis, but data points were limited and land deals are often highly unique. Therefore, two alternative sources of information were consulted; the industrial real estate brokerage team at CBRE and member brokers of the local SIOR chapter. Each of the Phase 2 sites were discussed with these experts and a price was identified for market ready, similar sized sites in each of the submarkets where the sites were located. Their responses were combined with the physical data to determine a market ready price⁹.

Reconciliation of Value and Costs:

Finally, we reconcile equation 1.1 to determine the differential between the future value of a site and its associated costs. This differential represents the "Market Viability Gap" or "Surplus" of the site. Numerically:

$$1.6 \quad MV = \text{Future Value} - \sum(\text{Dollar Cost, Time, Risk})$$

Where MV is negative, a viability gap exists; the cost to acquire and provide infrastructure exceeds expected market value. Where MV is positive, the site should attract the interest of the market—within the construct of this model.

Therefore, whereas they exist, we look to identify "market viability gaps" of constrained sites. We quantify these gaps to understand "how far away" the site is from market viability. Because we have an assumption of land appreciation, we can quantify this assumption both in terms of dollars and market timing. This allows us to understand the magnitude of the gaps, and begin thinking about solutions to improve market viability.

To this end, we developed a model that allows us to isolate the marginal impacts of every variable informing our analysis. This allows us to answer a whole host of questions. For example, we can answer, "What is the marginal impact on market viability of providing transportation infrastructure to Site-X?"; or "How much faster is Site-X viable if a land owner is willing to accept a \$4.00 strike price?"; or even "How much assistance is necessary to encourage private investment to improve Site-X to Tier 1?". Through this process, we developed a key metric that indicates overall market viability. This metric effectively answers this final question, and quantifies the dollar "gap assistance" that would attract the market's interest today.

⁷ As measured by the Consumer Price Index.

⁸ For this assumption, we enlisted the help of Mike Wells, Managing Direct of the Portland CBRE office.

⁹ This price was then reviewed by the consultant team and Kirk Olsen of Dermondy Properties, and a member of the Project Management Team, for a final determination.

Economic and Fiscal Impact Methodology

Now that we have quantified the necessary gap that sites would require for improvement, we must consider the potential benefits those catalytic investments could generate. This process begins with the assumption of a Tier 1 site and motivated end user. This analysis is theoretical in nature, as Group Mackenzie has produced concept plans on each site to represent a conceptual end user. Based on what we know about how these types of industries operate, and the costs of building their facilities¹⁰, we can derive economic and fiscal estimates of these activities. This analysis considered the following impacts:

Economic Impacts from site development, facility construction, and on-going operations:

- Business Revenues, (*Direct, Indirect/Induced*)
- Jobs, (*Direct, Indirect/Induced*)
- Payroll Wages, (*Direct, Indirect/Induced*)

Fiscal Impacts from site development, facility construction, and on-going operations :

- Property Tax Revenues from Real Property
- State Payroll Tax from Payroll Wage Impacts

This analysis did not consider the impacts of personal property taxes on equipment and capital. For large users, the assessment of such property is determined on an individual basis, with complicated measures of depreciation, value, and incentives. Again, our analysis erred on the side of conservative estimates vs. speculating on these broadly varying impacts. We note that these investments can be significant, especially among high-tech and clean-tech users. As such, our findings are highly conservative.

IMPLAN Economic Impact Methodology:

To model the economic impacts of various activities, JOHNSON REID utilized IMPLAN (IMPact for PLANning)¹¹ input/output multiplier model methodology. Developed by the Forest Service to assist in land and resource management planning, IMPLAN is an economic impact model designed for analyzing the effects of industry activity (employment, income or business revenues) upon all other industries in an economic area.

Economic impact analysis generally seeks to assess changes in overall economic activity within a specific geographic area as a result of a change in one or many specific activities; in this case, site development, facility construction, and on-going business activity. The ripple effect of a gain or loss in economic activity is identified in three stages: *Direct Impacts*, *Indirect Impacts* and *Induced Impacts*.

- *Direct Impacts*: The actual change in activity affecting a local economy. For example, if a new high-tech building is constructed, direct economic impacts comprise the business revenues for that firm/user, as well as the jobs required by that business and the labor income paid.
- *Indirect Impacts*: The response of all other local businesses within the geographic area to the direct impact. Continuing the previous example, indirect impacts of a high-tech user would comprise revenues for related vendors, i.e. materials wholesalers, subcontractors, etc., and the jobs and labor income thereby generated.
- *Induced Impacts*: The response of households within the geographic area affected by direct and indirect impacts. In the given example, induced impacts would be the increase in all categories of spending by households in the geography directly or indirectly employed by the businesses' activities.

¹⁰ Per-Square-Foot construction cost by facility type were provided by Group Mackenzie

¹¹ Minnesota IMPLAN Group (MIG), Inc., Stillwater, Minnesota.

Because IMPLAN's multiplier approach recognizes the relationship between revenues, jobs, and payroll, only one input is needed to determine the others. Therefore, job estimates could be used to determine business revenues, or vice versa. Below we describe our approach to estimating each activity type.

Site Development:

We calculated economic impacts based on the dollar cost and site development schedules provided by Group Mackenzie. Hard and soft impacts were considered separately and summed.

Facility Construction:

We began with estimates of facility construction costs for different types of structures (e.g. production, office) provided by Group Mackenzie. These dollar costs were inputs in the IMPLAN model to produce jobs and payroll estimates. However, we needed to make assumptions of the rate to which firms in different industries absorb space. We wanted to avoid making hypothetical phasing estimates of conceptual plans. Therefore, all of our facility construction and on-going impacts are related to a linear build-out over a determined period of time. But what rate do different industries absorb space? We evaluated case studies of large industrial expansion from around the region to determine typical absorption periods. This ranged from all development in one-year for warehouse & distribution to as much as 120,000 per year for cleantech in Hillsboro.

On-Going Activity:

As mentioned above, on-going impacts are included in the model at the rate of facility construction. Direct job impacts were used as the IMPLAN input for on-going operations. To create direct job estimates we utilized average employment densities outlined in Metro's Urban Growth Report¹².

Fiscal Impacts:

Our analysis considered only taxes on real property and state payroll tax associated with payroll impact estimates outlined above.

Property Tax Impacts:

Property tax revenues were calculated on the *net-new* assessed value created by facility construction. Future assessed values were estimated by applying the cost of replacement to the changed property ratio (CPR) for industrial development in each respective county. For example, in year-one if there were a \$1,000,000 facility improvement on a site in Multnomah County, that increase in real market value would be multiplied by 0.876 (the industrial CPR in Multnomah County) to determine assessed value. Property taxes are levied¹³ on assessed values by the according millage rate for each site. We assume a maximum annual assessed value increase on existing land and improvements of 3% in accordance with Measure 50.

State Payroll Tax Impacts:

State payroll taxes are applied to all taxable income¹⁴ according to the state's current 2012 tax rates¹⁵. Payroll taxes were considered on payroll associated with the direct, indirect, and induced impacts of all construction and on-going activities.

¹² Metro, 2009-2030 Urban Growth Report, January 2010.

¹³ Where a site is located in an Enterprise Zone, property tax impacts are frozen for five years beginning with the first year of facility construction.

¹⁴ Taxable income is assumed to be 75% of total payroll wage. Reduction accounts for federal withholding, standard deductions, and other miscellaneous deductions.

¹⁵ Oregon Department of Revenue, Oregon Withholding Tax Formulas, January 2012

Site 13 ICDC Entercom

Portland, Oregon
Warehouse & Distribution

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		48.5 Acres	
Net Developable Size:		46 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		28 Months	
		\$	\$/sq. ft.
Hard Costs:		\$742,200	\$0.37
Off-Site	Water:	\$23,000	\$0.01
	Sewer:	\$18,000	\$0.01
	Stormwater:	\$18,000	\$0.01
	Transportation:	\$0	\$0.00
On Site	Wetland Mitigation:	\$105,000	\$0.05
	Slope Mitigation:	\$0	\$0.00
	Building Pad Surcharge:	\$563,200	\$0.28
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$15,000	\$0.01
Soft Costs:		\$148,440	\$0.07
Time Costs:		\$54,925	\$0.03
Threshold Return (Risk):		\$148,056	\$0.07
TOTAL SITE DEVELOPMENT COSTS:		\$1,093,620	\$0.55
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$12,893,168	\$6.43
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		\$11,799,547	\$5.89
Assumed Acquisition/Strike Price:		\$9,016,920	\$4.50
Feasibility Gap/Surplus:		\$2,782,627	\$1.39
MARKET TIME TO FEASIBILITY:		-5.9 Years	

MARGINAL IMPACTS OF SITE CONSTRAINTS ON SITE FEASIBILITY

Data Not Applicable. The Site does not have a Market Viability Gap

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS			
Build-Out Period:		1.0 Years	
Facility Size:		864,800 Sq. Ft.	
Investment in Real Property:		\$25,944,000	
Use Type:		W&D	

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-2)	Direct:	2.9	\$360,000	\$120,000
	In/Ind:	1.9	\$240,000	\$120,000
Facility Construction (Year 3)	Direct:	248.6	\$25,920,000	\$13,320,000
	In/Ind:	158.3	\$20,400,000	\$6,480,000

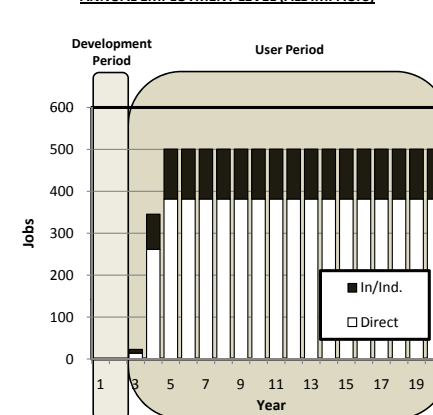
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$26,800,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 4+)	Direct:	382	\$27,500,000	\$17,100,000
	In/Ind:	119	\$16,100,000	\$4,900,000
Total:		501	\$43,600,000	\$22,000,000

"When fully developed the project will have an estimated 1,004 employees on site producing \$332 million in annual economic activity. Indirect and Induced impacts would support an additional 1,395 jobs and \$216 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

Annual Fiscal Impacts at Full-Capacity

	Payroll	Property
Direct:	\$1,100,000	\$900,000
In/Ind:	\$300,000	Not Available
Total:	\$1,400,000	\$900,000

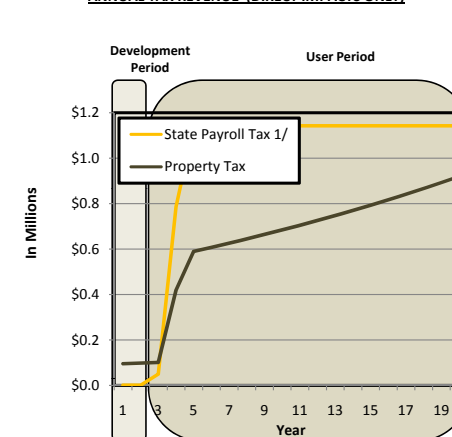
"When fully developed, the project will support \$7.9 million in payroll tax and \$2.3 million in property taxes annually."

Cumulative 20-Year Tax Creation

	Payroll	Property
Direct:	\$19,100,000	\$12,600,000
In/Ind:	\$5,500,000	Not Available
Total:	\$24,600,000	\$12,600,000

"Over a 20-year period the project will create \$91.4 million in payroll tax revenue and \$23.3 million in property tax revenue."

ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)



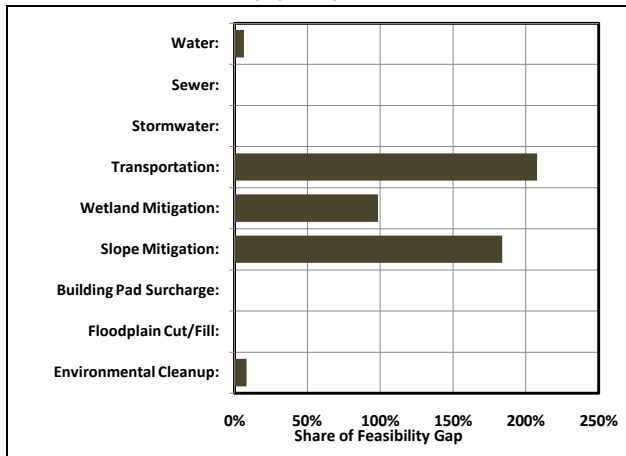
* Impacts will not sum to equal 100% as they are not mutually exclusive.

Site 29 Clackamas County
Clackamas, Oregon
General Manufacturing

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		61.93 Acres	
Net Developable Size:		40 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		21 Months	
		\$	\$/sq. ft.
Hard Costs:		\$1,603,000	\$0.92
Off-Site	Water:	\$20,000	\$0.01
	Sewer:	\$0	\$0.00
	Stormwater:	\$0	\$0.00
	Transportation:	\$665,000	\$0.38
On Site	Wetland Mitigation:	\$308,000	\$0.18
	Slope Mitigation:	\$585,000	\$0.34
	Building Pad Surcharge:	\$0	\$0.00
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$25,000	\$0.01
Soft Costs:		\$320,600	\$0.18
Time Costs:		\$57,371	\$0.03
Threshold Return (Risk):		\$263,400	\$0.15
TOTAL SITE DEVELOPMENT COSTS:		\$2,244,371	\$1.29
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$9,640,047	\$5.53
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		\$7,395,676	\$4.24
Assumed Acquisition/Strike Price:		\$7,840,800	\$4.50
Feasibility Gap/Surplus:		(\$445,124)	(\$0.26)
MARKET TIME TO FEASIBILITY:		3.3 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS	
Build-Out Period:	13.0 Years
Facility Size:	472,500 Sq. Ft.
Investment in Real Property:	\$39,690,000
Use Type:	General Manufacturing

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-2)	Direct:	8.3	\$1,080,000	\$480,000
	In/Ind:	5.4	\$720,000	\$240,000
Facility Construction (Year 3-15)	Direct:	29.3	\$3,000,000	\$1,560,000
	In/Ind:	18.6	\$2,400,000	\$720,000

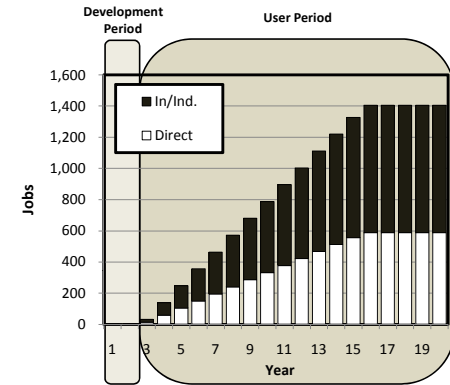
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$41,600,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 16+)	Direct:	588	\$194,400,000	\$26,600,000
	In/Ind:	817	\$126,600,000	\$42,700,000
Total:		1,405	\$321,000,000	\$69,300,000

"When fully developed the project will have an estimated 1,004 employees on site producing \$332 million in annual economic activity. Indirect and Induced impacts would support an additional 1,395 jobs and \$216 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

Annual Fiscal Impacts at Full-Capacity

	Payroll	Property
Direct:	\$1,800,000	\$1,000,000
In/Ind:	\$2,900,000	Not Available
Total:	\$4,700,000	\$1,000,000

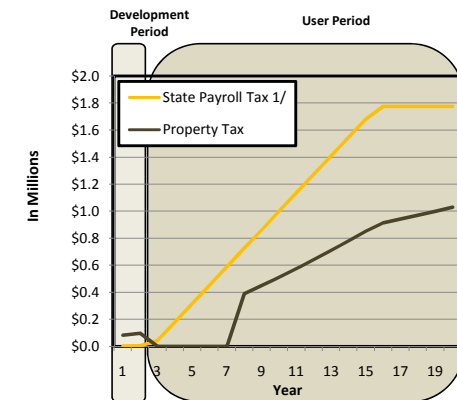
"When fully developed, the project will support \$7.9 million in payroll tax and \$2.3 million in property taxes annually."

Cumulative 20-Year Tax Creation

	Payroll	Property
Direct:	\$20,100,000	\$10,000,000
In/Ind:	\$32,100,000	Not Available
Total:	\$52,200,000	\$10,000,000

"Over a 20-year period the project will create \$91.4 million in payroll tax revenue and \$23.3 million in property tax revenue."

ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)



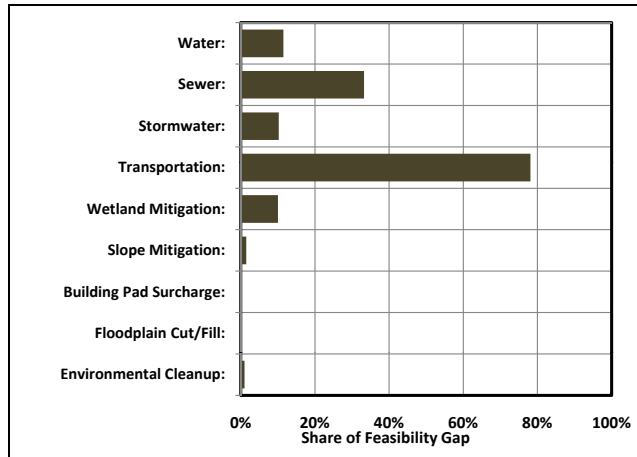
1/ Direct Impacts Only

Site 55-56 EVERGREEN
Hillsboro, Oregon
Globally Scaled Clean Tech

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		116.6 Acres	
Net Developable Size:		116.6 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		33 Months	
		\$	\$/sq. ft.
Hard Costs:		\$13,095,800	\$2.58
Off-Site	Water:	\$1,032,000	\$0.20
	Sewer:	\$2,986,800	\$0.59
	Stormwater:	\$919,500	\$0.18
	Transportation:	\$7,070,000	\$1.39
On Site	Wetland Mitigation:	\$875,000	\$0.17
	Slope Mitigation:	\$130,000	\$0.03
	Building Pad Surcharge:	\$0	\$0.00
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$82,500	\$0.02
Soft Costs:		\$2,619,160	\$0.52
Time Costs:		\$784,105	\$0.15
Threshold Return (Risk):		\$2,940,000	\$0.58
TOTAL SITE DEVELOPMENT COSTS:		\$19,439,064	\$3.83
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$28,955,449	\$5.70
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		\$9,516,385	\$1.87
Assumed Acquisition/Strike Price:		\$22,855,932	\$4.50
Feasibility Gap/Surplus:		(\$13,339,547)	(\$2.63)
MARKET TIME TO FEASIBILITY:		15.6 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS			
Build-Out Period:		14.0 Years	
Facility Size:		1,692,000 Sq. Ft.	
Investment in Real Property:		\$173,712,000	
Use Type:		Clean Tech	

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-3)	Direct:	43.2	\$5,760,000	\$2,640,000
	In/Ind:	28.0	\$3,720,000	\$1,200,000
Facility Construction (Year 3-16)	Direct:	118.9	\$12,360,000	\$6,360,000
	In/Ind:	75.7	\$9,720,000	\$3,120,000

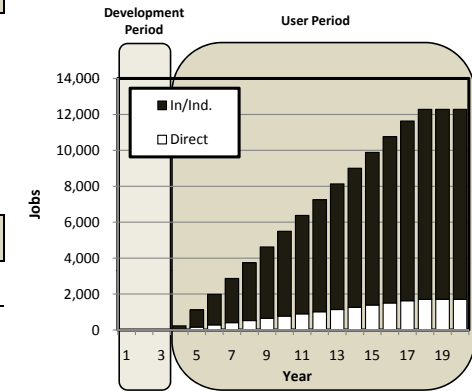
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$189,400,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 17+)	Direct:	1,714	\$1,211,300,000	\$232,100,000
	In/Ind:	10,564	\$1,592,700,000	\$516,000,000
Total:		12,278	\$2,804,000,000	\$748,100,000

"When fully developed the project will have an estimated 1,714 employees on site producing \$1.2 billion in annual economic activity. Indirect and Induced impacts would support an additional 10,564 jobs and \$1.6 billion in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

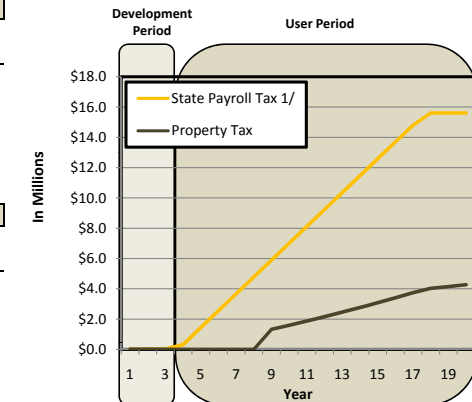
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

	Annual Fiscal Impacts at Full-Capacity	
	Payroll	Property
Direct:	\$15,600,000	\$4,300,000
In/Ind:	\$34,400,000	Not Available
Total:	\$50,000,000	\$4,300,000

"When fully developed, the project will support \$50 million in payroll tax and \$4.3 million in property taxes annually."

	Cumulative 20-Year Tax Creation	
	Payroll	Property
Direct:	\$152,600,000	\$35,000,000
In/Ind:	\$335,900,000	Not Available
Total:	\$488,500,000	\$35,000,000

"Over a 20-year period the project will create \$488 million in payroll tax revenue and \$35 million in property tax revenue."



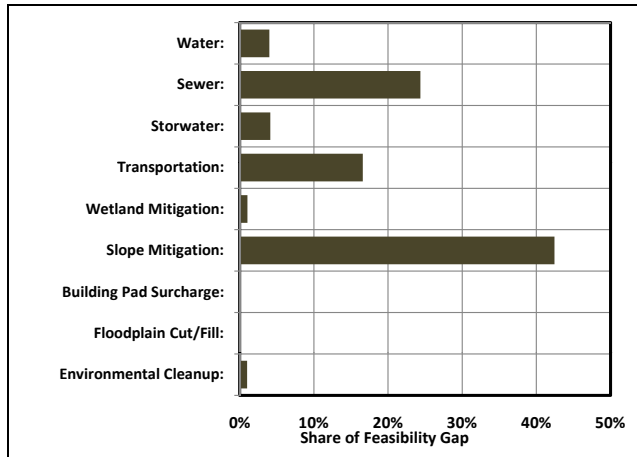
1/ Direct Impacts Only

Site 62 Rock Creek
Happy Valley, OR
High-Tech User

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS		
Site Size:	40.83 Acres	
Net Developable Size:	34.18 Acres	
SITE DEVELOPMENT PARAMETERS		
Site Development Timeline:	30 Months	
	\$	\$/sq. ft.
Hard Costs:	\$8,218,500	\$5.52
Off-Site		
Water:	\$350,000	\$0.24
Sewer:	\$2,172,000	\$1.46
Stormwater:	\$360,000	\$0.24
Transportation:	\$1,480,000	\$0.99
On Site		
Wetland Mitigation:	\$88,000	\$0.06
Slope Mitigation:	\$3,686,000	\$2.48
Building Pad Surcharge:	\$0	\$0.00
Floodplain Cut/Fill Mitigation:	\$0	\$0.00
Environmental Cleanup:	\$82,500	\$0.06
Soft Costs:	\$1,643,700	\$1.10
Time Costs:	\$578,480	\$0.39
Threshold Return (Risk):	\$1,725,885	\$1.16
TOTAL SITE DEVELOPMENT COSTS:	\$12,166,565	\$8.17
INCOME/SALE ANALYSIS		
Estimated Value at Development Ready:	\$5,857,121	\$3.93
MARKET FEASIBILITY ANALYSIS		
Residual Land Basis:	(\$6,309,443)	(\$4.24)
Assumed Acquisition/Strike Price:	\$6,699,964	\$4.50
Feasibility Gap/Surplus:	(\$13,009,407)	(\$8.74)
MARKET TIME TO FEASIBILITY:	42.1 Years	

MARGINAL IMPACTS OF SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS	
Build-Out Period:	9.0 Years
Facility Size:	580,200 Sq. Ft.
Investment in Real Property:	\$62,118,000
Use Type:	High-Tech

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

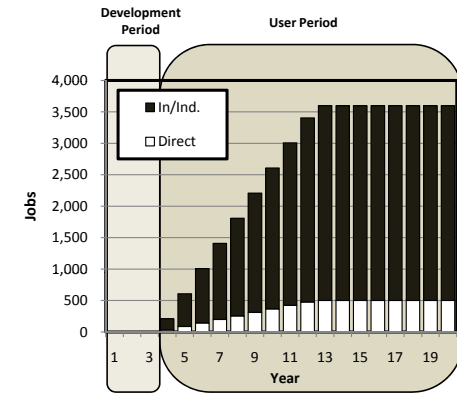
		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-3)	Direct:	29.8	\$3,960,000	\$1,800,000
	In/Ind:	19.4	\$2,520,000	\$840,000
Facility Construction (Year 3-12)	Direct:	66.1	\$6,960,000	\$3,600,000
	In/Ind:	42.1	\$5,400,000	\$1,680,000
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS:		\$72,000,000		

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 13+)	Direct:	502	\$355,100,000	\$68,000,000
	In/Ind:	3,097	\$466,900,000	\$151,300,000
Total:		3,599	\$822,000,000	\$219,300,000

"When fully developed the project will have an estimated 502 employees on site producing \$355 million in annual economic activity. Indirect and Induced impacts would support an additional 3,097 jobs and \$467 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

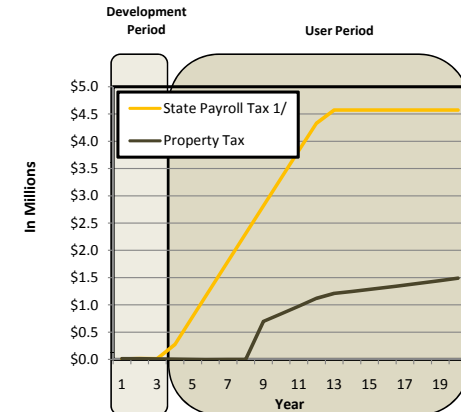
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

	Annual Fiscal Impacts at Full-Capacity	
	Payroll	Property
Direct:	\$4,600,000	\$1,500,000
In/Ind:	\$10,100,000	Not Available
Total:	\$14,700,000	\$1,500,000

"When fully developed, the project will support \$14.7 million in payroll tax and \$1.5 million in property taxes annually."

	Cumulative 20-Year Tax Creation	
	Payroll	Property
Direct:	\$57,400,000	\$14,400,000
In/Ind:	\$126,200,000	Not Available
Total:	\$183,600,000	\$14,400,000

"Over a 20-year period the project will create \$183 million in payroll tax revenue and \$14.4 million in property tax revenue."



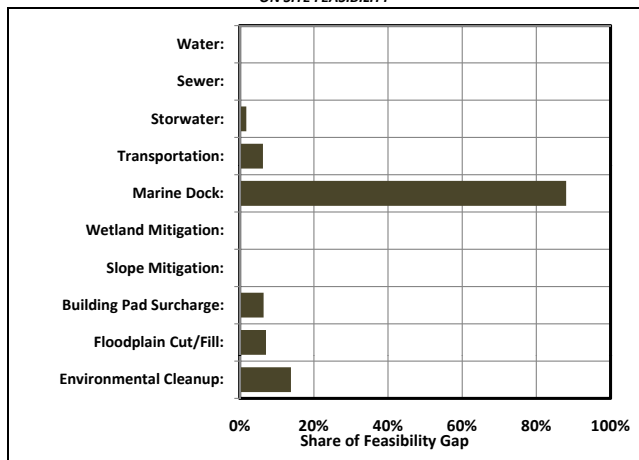
1/ Direct Impacts Only

Site 2 Time Oil
Portland, Oregon
River Dependent Heavy Manufacturing

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		51.7 Acres	
Net Developable Size:		39.4 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		72 Months	
		\$	\$/sq. ft.
Hard Costs:		\$19,155,200	\$11.16
Off-Site	Water:	\$36,000	\$0.02
	Sewer:	\$30,000	\$0.02
	Stormwater:	\$300,000	\$0.17
	Transportation:	\$1,080,000	\$0.63
	Marine Dock:	\$14,180,000	\$8.26
On Site	Wetland Mitigation:	\$0	\$0.00
	Slope Mitigation:	\$0	\$0.00
	Building Pad Surcharge:	\$1,029,600	\$0.60
	Floodplain Cut/Fill Mitigation:	\$1,745,600	\$1.02
	Environmental Cleanup:	\$754,000	\$0.44
Soft Costs:		\$3,831,040	\$2.23
Time Costs:		\$2,370,664	\$1.38
Threshold Return (Risk):		\$10,726,912	\$6.25
TOTAL SITE DEVELOPMENT COSTS:		\$36,083,816	\$21.02
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$13,352,817	\$7.78
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		(\$22,730,999)	(\$13.24)
Assumed Acquisition/Strike Price:		\$7,723,188	\$4.50
Feasibility Gap/Surplus:		(\$30,454,187)	(\$17.74)
MARKET TIME TO FEASIBILITY:		46.3 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS	
Build-Out Period:	13.0 Years
Facility Size:	580,000 Sq. Ft.
Investment in Real Property:	\$54,180,000
Use Type:	General Manufacturing

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-6)	Direct:	7.5	\$960,000	\$480,000
	In/Ind:	4.9	\$600,000	\$240,000
Facility Construction (Year 7-19)	Direct:	39.9	\$4,200,000	\$2,160,000
	In/Ind:	25.4	\$3,240,000	\$1,080,000

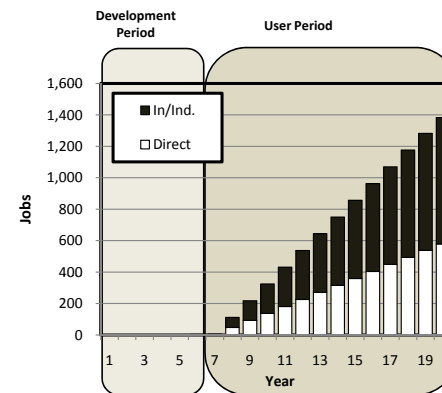
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$77,200,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 20+)	Direct:	579	\$191,500,000	\$26,200,000
	In/Ind:	804	\$124,700,000	\$42,100,000
Total:		1,384	\$316,200,000	\$68,300,000

"When fully developed the project will have an estimated 579 employees on site producing \$191 million in annual economic activity. Indirect and Induced impacts would support an additional 804 jobs and \$124 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

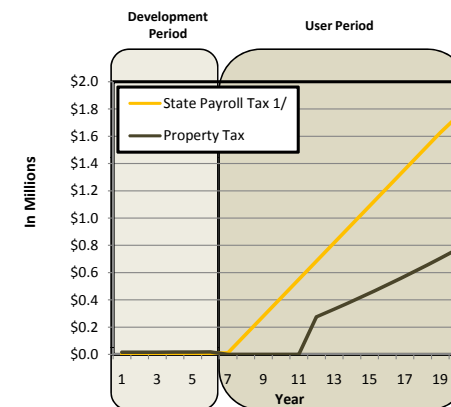
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

	Annual Fiscal Impacts at Full-Capacity	
	Payroll	Property
Direct:	\$1,700,000	\$800,000
In/Ind:	\$2,800,000	Not Available
Total:	\$4,500,000	\$800,000

"When fully developed, the project will support \$4.5 million in payroll tax and \$800,000 in property taxes annually."

	Cumulative 20-Year Tax Creation	
	Payroll	Property
Direct:	\$12,400,000	\$4,700,000
In/Ind:	\$19,700,000	Not Available
Total:	\$32,100,000	\$4,700,000

"Over a 20-year period the project will create \$32.1 million in payroll tax revenue and \$4.7 million in property tax revenue."



1/ Direct Impacts Only

Site 15-16 UPS/Cereghino

Gresham, Oregon
General Manufacturing

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS		
Site Size:	93.08 Acres	
Net Developable Size:	74.45 Acres	
SITE DEVELOPMENT PARAMETERS		
Site Development Timeline:	42 Months	
	\$	\$/sq. ft.
Hard Costs:	\$3,053,500	\$0.94
Off-Site	Water:	\$17,000 \$0.01
	Sewer:	\$40,000 \$0.01
	Stormwater:	\$0 \$0.00
	Transportation:	\$0 \$0.00
On Site	Wetland Mitigation:	\$1,387,500 \$0.43
	Slope Mitigation:	\$0 \$0.00
	Building Pad Surcharge:	\$1,594,000 \$0.49
	Floodplain Cut/Fill Mitigation:	\$0 \$0.00
	Environmental Cleanup:	\$15,000 \$0.00
Soft Costs:	\$610,700	\$0.19
Time Costs:	\$383,893	\$0.12
Threshold Return (Risk):	\$824,445	\$0.25
TOTAL SITE DEVELOPMENT COSTS:	\$4,872,538	\$1.50
INCOME/SALE ANALYSIS		
Estimated Value at Development Ready:	\$21,609,655	\$6.66
MARKET FEASIBILITY ANALYSIS		
Residual Land Basis:	\$16,737,117	\$5.16
Assumed Acquisition/Strike Price:	\$14,593,689	\$4.50
Feasibility Gap/Surplus:	\$2,143,428	\$0.66
MARKET TIME TO FEASIBILITY:	0.0 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY

Data Not Applicable. The Site does not have a Market Viability Gap

* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS	
Build-Out Period:	16.0 Years
Facility Size:	1,060,000 Sq. Ft.
Investment in Real Property:	\$98,700,000
Use Type:	General Manufacturing

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

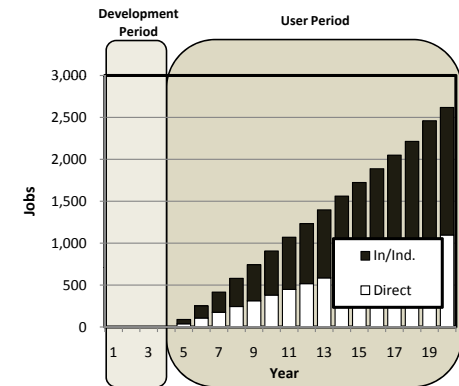
		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-4)	Direct:	7.9	\$1,080,000	\$480,000
	In/Ind:	5.1	\$720,000	\$240,000
Facility Construction (Year 4-19)	Direct:	59.1	\$6,120,000	\$3,120,000
	In/Ind:	37.6	\$4,800,000	\$1,560,000
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS:			\$102,400,000	

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 20+)	Direct:	1,094	\$361,800,000	\$49,600,000
	In/Ind:	1,520	\$235,700,000	\$79,500,000
Total:		2,615	\$597,500,000	\$129,100,000

"When fully developed the project will have an estimated 1,094 employees on site producing \$361 million in annual economic activity. Indirect and Induced impacts would support an additional 1,520 jobs and \$235 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

Annual Fiscal Impacts at Full-Capacity

	Payroll	Property
Direct:	\$3,300,000	\$1,900,000
In/Ind:	\$5,300,000	Not Available
Total:	\$8,600,000	\$1,900,000

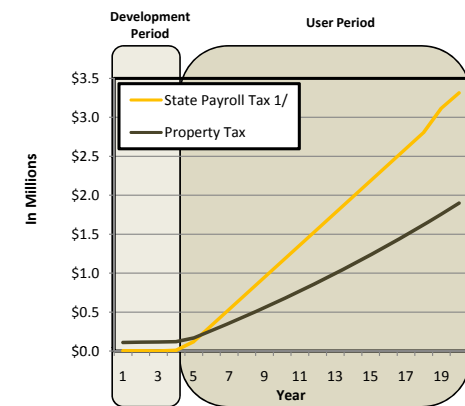
"When fully developed, the project will support \$8.6 million in payroll tax and \$1.9 million in property taxes annually."

Cumulative 20-Year Tax Creation

	Payroll	Property
Direct:	\$26,900,000	\$16,100,000
In/Ind:	\$42,900,000	Not Available
Total:	\$69,800,000	\$16,100,000

"Over a 20-year period the project will create \$69.8 million in payroll tax revenue and \$16.1 million in property tax revenue."

ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)



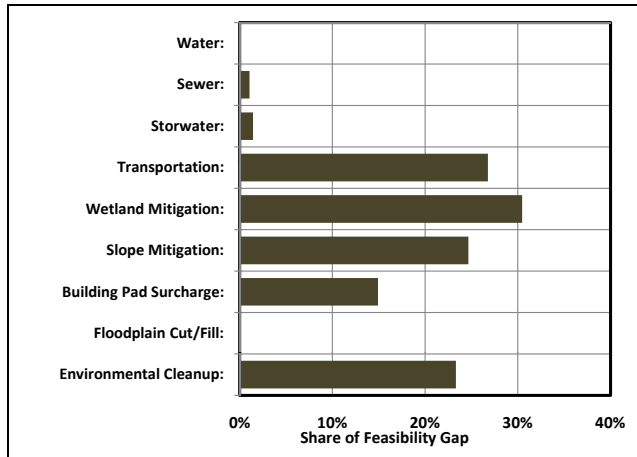
1/ Direct Impacts Only

Site 19 Port TRIP
 Troutdale, Oregon
 Warehouse & Distribution

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		53.9 Acres	
Net Developable Size:		53.9 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		75 Months	
		\$	\$/sq. ft.
Hard Costs:		\$20,237,250	\$8.62
Off-Site	Water:	\$14,000	\$0.01
	Sewer:	\$187,500	\$0.08
	Stormwater:	\$255,000	\$0.11
	Transportation:	\$4,825,000	\$2.06
On Site	Wetland Mitigation:	\$5,494,750	\$2.34
	Slope Mitigation:	\$4,750,000	\$2.02
	Building Pad Surcharge:	\$1,686,000	\$0.72
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$3,025,000	\$1.29
Soft Costs:		\$4,047,450	\$1.72
Time Costs:		\$4,827,922	\$2.06
Threshold Return (Risk):		\$11,730,625	\$5.00
TOTAL SITE DEVELOPMENT COSTS:		\$40,843,247	\$17.40
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$14,157,131	\$6.03
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		(\$26,686,116)	(\$11.37)
Assumed Acquisition/Strike Price:		\$10,565,478	\$4.50
Feasibility Gap/Surplus:		(\$37,251,594)	(\$15.87)
MARKET TIME TO FEASIBILITY:		50.0 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS			
Build-Out Period:		1.0 Years	
Facility Size:		1,020,000 Sq. Ft.	
Investment in Real Property:		\$30,600,000	
Use Type:		W&D	

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-6)	Direct:	29.4	\$3,840,000	\$1,800,000
	In/Ind:	19.1	\$2,520,000	\$840,000
Facility Construction (Year 7)	Direct:	293.3	\$30,600,000	\$15,720,000
	In/Ind:	186.7	\$24,000,000	\$7,680,000

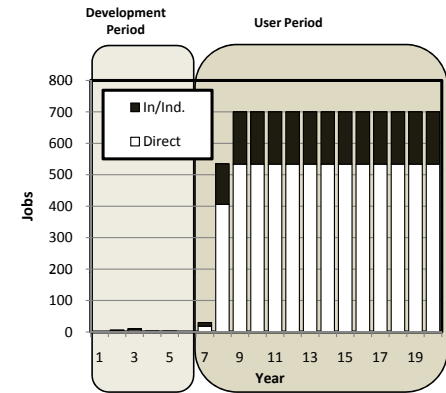
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$54,900,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 8+)	Direct:	534	\$38,500,000	\$24,000,000
	In/Ind:	166	\$22,500,000	\$6,900,000
Total:		700	\$61,000,000	\$30,900,000

"When fully developed the project will have an estimated 534 employees on site producing \$38.5 million in annual economic activity. Indirect and Induced impacts would support an additional 166 jobs and \$22.5 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

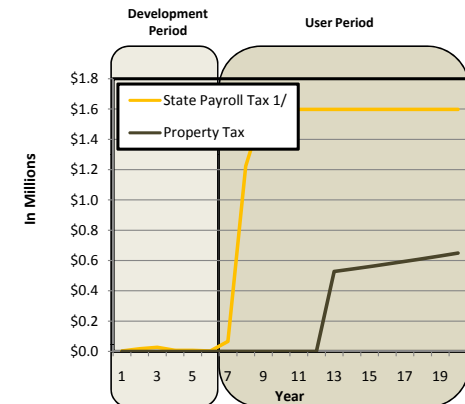
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

	Annual Fiscal Impacts at Full-Capacity	
	Payroll	Property
Direct:	\$1,600,000	\$600,000
In/Ind:	\$500,000	Not Available
Total:	\$2,100,000	\$600,000

"When fully developed, the project will support \$2.1 million in payroll tax and \$600,000 in property taxes annually."

	Cumulative 20-Year Tax Creation	
	Payroll	Property
Direct:	\$20,500,000	\$4,700,000
In/Ind:	\$5,900,000	Not Available
Total:	\$26,400,000	\$4,700,000

"Over a 20-year period the project will create \$26.4 million in payroll tax revenue and \$4.7 million in property tax revenue."



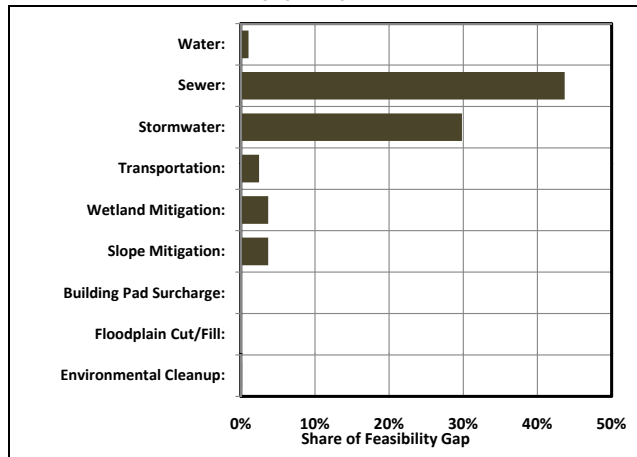
1/ Direct Impacts Only

Site 24 Jean Johnson
Gresham, Oregon
High-Tech User

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS		
Site Size:	37.17 Acres	
Net Developable Size:	33.82 Acres	
SITE DEVELOPMENT PARAMETERS		
Site Development Timeline:	42 Months	
	\$	\$/sq. ft.
Hard Costs:	\$8,677,200	\$5.89
Off-Site	Water:	\$100,200 \$0.07
	Sewer:	\$4,268,000 \$2.90
	Stormwater:	\$2,914,000 \$1.98
	Transportation:	\$250,000 \$0.17
On Site	Wetland Mitigation:	\$788,000 \$0.53
	Slope Mitigation:	\$342,000 \$0.23
	Building Pad Surcharge:	\$0 \$0.00
	Floodplain Cut/Fill Mitigation:	\$0 \$0.00
	Environmental Cleanup:	\$15,000 \$0.01
Soft Costs:	\$1,735,440	\$1.18
Time Costs:	\$673,634	\$0.46
Threshold Return (Risk):	\$2,342,844	\$1.59
TOTAL SITE DEVELOPMENT COSTS:	\$13,429,118	\$9.12
INCOME/SALE ANALYSIS		
Estimated Value at Development Ready:	\$4,908,251	\$3.33
MARKET FEASIBILITY ANALYSIS		
Residual Land Basis:	(\$8,520,867)	(\$5.78)
Assumed Acquisition/Strike Price:	\$6,629,396	\$4.50
Feasibility Gap/Surplus:	(\$15,150,263)	(\$10.28)
MARKET TIME TO FEASIBILITY:	51.2 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS	
Build-Out Period:	9.0 Years
Facility Size:	620,000 Sq. Ft.
Investment in Real Property:	\$59,856,000
Use Type:	High Tech

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-4)	Direct:	22.5	\$3,000,000	\$1,440,000
	In/Ind:	14.6	\$1,920,000	\$600,000
Facility Construction (Year 4-12)	Direct:	63.7	\$6,600,000	\$3,480,000
	In/Ind:	40.6	\$5,160,000	\$1,680,000

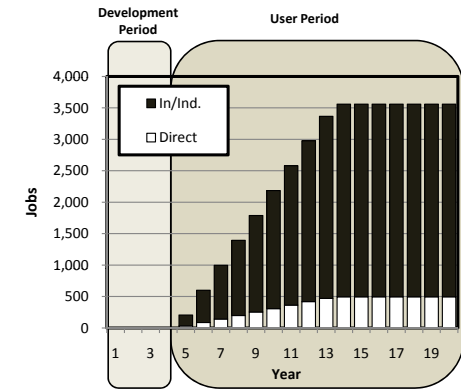
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$70,300,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 13+)	Direct:	497	\$351,300,000	\$67,300,000
	In/Ind:	3,064	\$462,000,000	\$149,700,000
Total:		3,561	\$813,300,000	\$217,000,000

"When fully developed the project will have an estimated 497 employees on site producing \$351 million in annual economic activity. Indirect and Induced impacts would support an additional 3,095 jobs and \$462 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

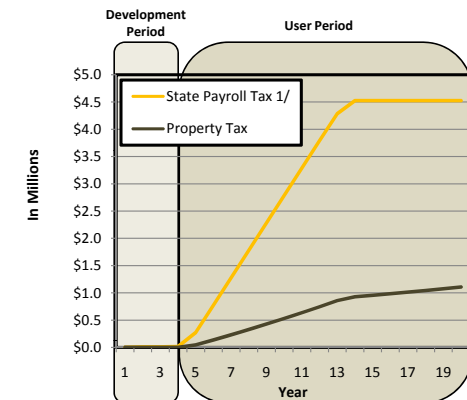
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

	Annual Fiscal Impacts at Full-Capacity	
	Payroll	Property
Direct:	\$4,500,000	\$1,100,000
In/Ind:	\$10,000,000	Not Available
Total:	\$14,500,000	\$1,100,000

"When fully developed, the project will support \$14.5 million in payroll tax and \$1.1 million in property taxes annually."

	Cumulative 20-Year Tax Creation	
	Payroll	Property
Direct:	\$52,200,000	\$11,000,000
In/Ind:	\$114,900,000	Not Available
Total:	\$167,100,000	\$11,000,000

"Over a 20-year period the project will create \$167 million in payroll tax revenue and \$11 million in property tax revenue."



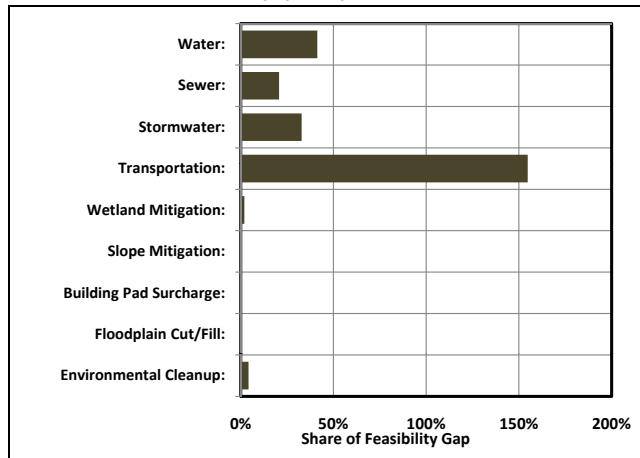
1/ Direct Impacts Only

Site 33 Coffee Creek
Wilsonville, Oregon
Business Park

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		85.23 Acres	
Net Developable Size:		68.33 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		24 Months	
		\$	\$/sq. ft.
Hard Costs:		\$6,452,500	\$2.17
Off-Site	Water:	\$1,040,000	\$0.35
	Sewer:	\$520,000	\$0.17
	Stormwater:	\$826,500	\$0.28
	Transportation:	\$3,920,000	\$1.32
On Site	Wetland Mitigation:	\$46,000	\$0.02
	Slope Mitigation:	\$0	\$0.00
	Building Pad Surcharge:	\$0	\$0.00
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$100,000	\$0.03
Soft Costs:		\$1,290,500	\$0.43
Time Costs:		\$241,432	\$0.08
Threshold Return (Risk):		\$1,161,450	\$0.39
TOTAL SITE DEVELOPMENT COSTS:		\$9,145,882	\$3.07
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$18,961,631	\$6.37
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		\$9,815,749	\$3.30
Assumed Acquisition/Strike Price:		\$13,394,047	\$4.50
Feasibility Gap/Surplus:		(\$3,578,298)	(\$1.20)
MARKET TIME TO FEASIBILITY:		7.9 Years	

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS			
Build-Out Period:		12.0 Years	
Facility Size:		1,073,800 Sq. Ft.	
Investment in Real Property:		\$87,592,800	
Use Type:		General Manufacturing	

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-2)	Direct:	29.3	\$3,840,000	\$1,800,000
	In/Ind:	19.0	\$2,520,000	\$840,000
Facility Construction (Year 3-14)	Direct:	70.0	\$7,320,000	\$3,720,000
	In/Ind:	44.5	\$5,760,000	\$1,800,000

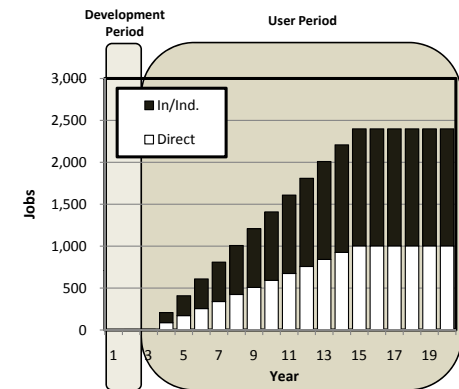
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$95,300,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 15+)	Direct:	1,004	\$332,100,000	\$45,500,000
	In/Ind:	1,395	\$216,300,000	\$73,000,000
	Total:	2,400	\$548,400,000	\$118,500,000

"When fully developed the project will have an estimated 1,004 employees on site producing \$332 million in annual economic activity. Indirect and Induced impacts would support an additional 1,395 jobs and \$216 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

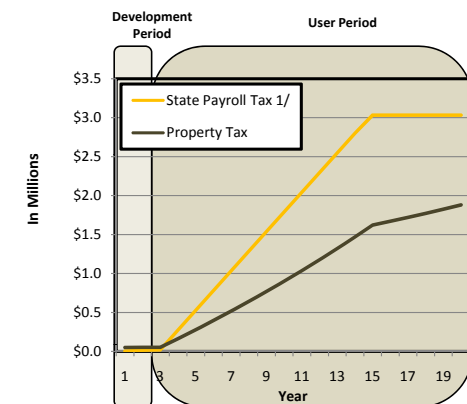
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

Annual Fiscal Impacts at Full-Capacity		
	Payroll	Property
Direct:	\$3,000,000	\$1,900,000
In/Ind:	\$4,900,000	Not Available
Total:	\$7,900,000	\$1,900,000

"When fully developed, the project will support \$7.9 million in payroll tax and \$2.3 million in property taxes annually."

Cumulative 20-Year Tax Creation		
	Payroll	Property
Direct:	\$35,100,000	\$19,300,000
In/Ind:	\$56,200,000	Not Available
Total:	\$91,300,000	\$19,300,000

"Over a 20-year period the project will create \$91.4 million in payroll tax revenue and \$23.3 million in property tax revenue."



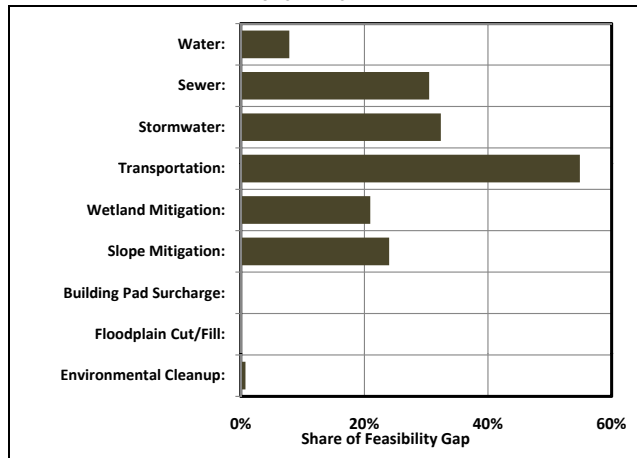
1/ Direct Impacts Only

Site 37(a) Orr Family A
 Sherwood, Oregon
 General Manufacturing

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS		
Site Size:	46.36 Acres	
Net Developable Size:	42.84 Acres	
SITE DEVELOPMENT PARAMETERS		
Site Development Timeline:	36 Months	
	\$	\$/sq. ft.
Hard Costs:	\$4,501,750	\$2.41
Off-Site	Water:	\$207,000 \$0.11
	Sewer:	\$805,000 \$0.43
	Stormwater:	\$855,000 \$0.46
	Transportation:	\$1,480,000 \$0.79
On Site	Wetland Mitigation:	\$525,000 \$0.28
	Slope Mitigation:	\$611,000 \$0.33
	Building Pad Surcharge:	\$0 \$0.00
	Floodplain Cut/Fill Mitigation:	\$0 \$0.00
	Environmental Cleanup:	\$18,750 \$0.01
Soft Costs:	\$900,350	\$0.48
Time Costs:	\$322,648	\$0.17
Threshold Return (Risk):	\$1,080,420	\$0.58
TOTAL SITE DEVELOPMENT COSTS:	\$6,805,168	\$3.65
INCOME/SALE ANALYSIS		
Estimated Value at Development Ready:	\$11,228,914	\$6.02
MARKET FEASIBILITY ANALYSIS		
Residual Land Basis:	\$4,423,746	\$2.37
Assumed Acquisition/Strike Price:	\$8,397,497	\$4.50
Feasibility Gap/Surplus:	(\$3,973,751)	(\$2.13)
MARKET TIME TO FEASIBILITY:	13.3 Years	

**MARGINAL IMPACTS of SITE CONSTRAINTS
 ON SITE FEASIBILITY**



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS	
Build-Out Period:	15.0 Years
Facility Size:	789,500 Sq. Ft.
Investment in Real Property:	\$73,518,000
Use Type:	General Manufacturing

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-3)	Direct:	13.6	\$1,800,000	\$840,000
	In/Ind:	8.8	\$1,200,000	\$360,000
Facility Construction (Year 4-18)	Direct:	47.0	\$4,920,000	\$2,520,000
	In/Ind:	29.9	\$3,840,000	\$1,200,000

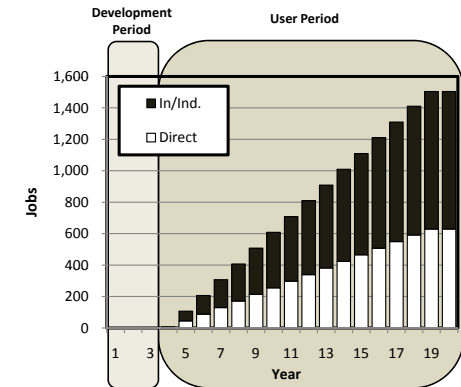
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$78,900,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 19+)	Direct:	630	\$208,200,000	\$28,500,000
	In/Ind:	875	\$135,600,000	\$45,700,000
Total:		1,504	\$343,800,000	\$74,200,000

"When fully developed the project will have an estimated 630 employees on site producing \$208 million in annual economic activity. Indirect and Induced impacts would support an additional 875 jobs and \$135 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

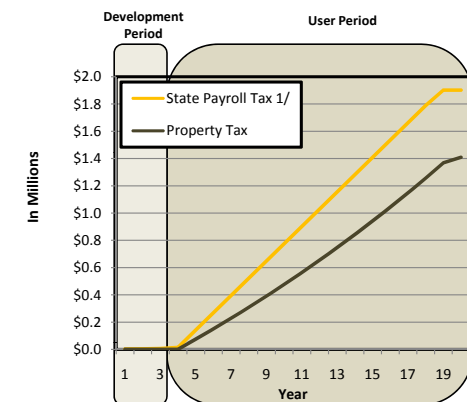
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

Annual Fiscal Impacts at Full-Capacity	
	Economic
	Payroll Property
Direct:	\$1,900,000 \$1,400,000
In/Ind:	\$3,100,000 Not Available
Total:	\$5,000,000 \$1,400,000

"When fully developed, the project will support \$5 million in payroll tax and \$1.4 million in property taxes annually."

Cumulative 20-Year Tax Creation	
	Economic
	Payroll Property
Direct:	\$17,300,000 \$11,600,000
In/Ind:	\$27,600,000 Not Available
Total:	\$44,900,000 \$11,600,000

"Over a 20-year period the project will create \$44.9 million in payroll tax revenue and \$11.6 million in property tax revenue."



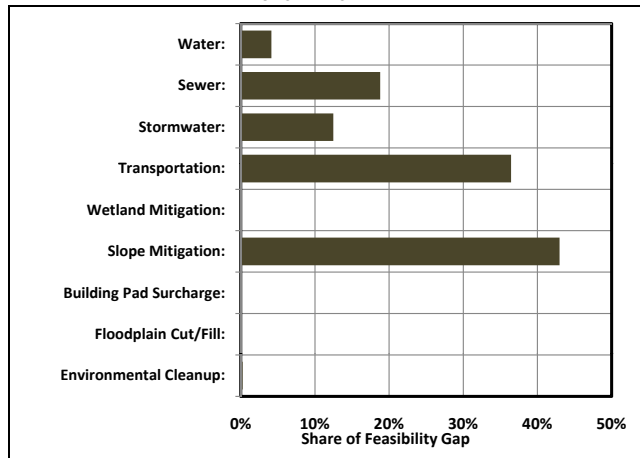
1/ Direct Impacts Only

Site 37(B) Orr Family B
 Sherwood, Oregon
 Business Park

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:	49.9 Acres		
Net Developable Size:	29.59 Acres		
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:	25 Months		
	\$	\$/sq. ft.	
Hard Costs:	\$9,203,250	\$7.14	
Off-Site	Water:	\$333,000	\$0.26
	Sewer:	\$1,488,000	\$1.15
	Stormwater:	\$1,006,000	\$0.78
	Transportation:	\$2,940,000	\$2.28
On Site	Wetland Mitigation:	\$12,000	\$0.01
	Slope Mitigation:	\$3,405,500	\$2.64
	Building Pad Surcharge:	\$0	\$0.00
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$18,750	\$0.01
Soft Costs:	\$1,840,650	\$1.43	
Time Costs:	\$481,325	\$0.37	
Threshold Return (Risk):	\$1,699,697	\$1.32	
TOTAL SITE DEVELOPMENT COSTS:	\$13,224,922	\$10.26	
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:	\$7,545,796	\$5.85	
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:	(\$5,679,126)	(\$4.41)	
Assumed Acquisition/Strike Price:	\$5,800,232	\$4.50	
Feasibility Gap/Surplus:	(\$11,479,358)	(\$8.91)	
MARKET TIME TO FEASIBILITY:	33.4 Years		

MARGINAL IMPACTS of SITE CONSTRAINTS ON SITE FEASIBILITY



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS			
Build-Out Period:	7.0 Years		
Facility Size:	398,000 Sq. Ft.		
Investment in Real Property:	\$26,268,000		
Use Type:	Business Park/General Man		

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-2)	Direct:	40.1	\$5,280,000	\$2,520,000
	In/Ind:	26.0	\$3,360,000	\$1,200,000
Facility Construction (Year 3-9)	Direct:	36.0	\$3,720,000	\$1,920,000
	In/Ind:	22.9	\$3,000,000	\$960,000

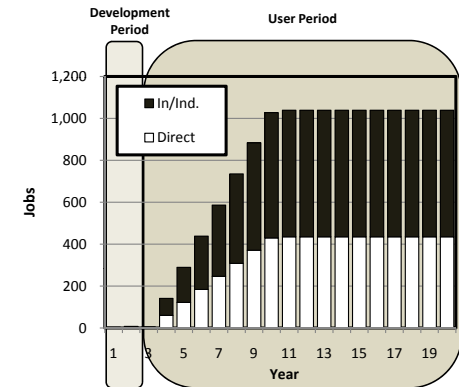
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$37,300,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 10+)	Direct:	435	\$143,800,000	\$19,700,000
	In/Ind:	604	\$93,700,000	\$31,600,000
Total:		1,039	\$237,500,000	\$51,300,000

"When fully developed the project will have an estimated 435 employees on site producing \$143 million in annual economic activity. Indirect and Induced impacts would support an additional 604 jobs and \$93.7 million in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

Annual Fiscal Impacts at Full-Capacity

	Payroll	Property
Direct:	\$1,300,000	\$600,000
In/Ind:	\$2,100,000	Not Available
Total:	\$3,400,000	\$600,000

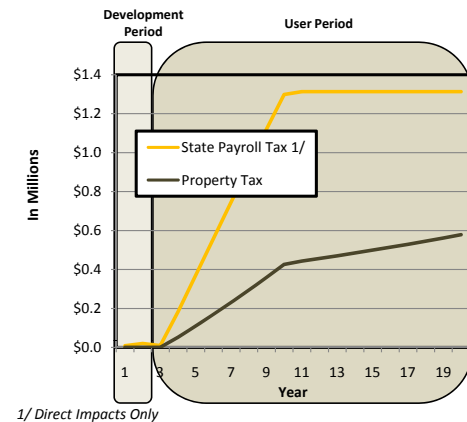
"When fully developed, the project will support \$3.4 million in payroll tax and \$600,000 in property taxes annually."

Cumulative 20-Year Tax Creation

	Payroll	Property
Direct:	\$18,400,000	\$6,700,000
In/Ind:	\$29,400,000	Not Available
Total:	\$47,800,000	\$6,700,000

"Over a 20-year period the project will create \$47.8 million in payroll tax revenue and \$6.7 million in property tax revenue."

ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)



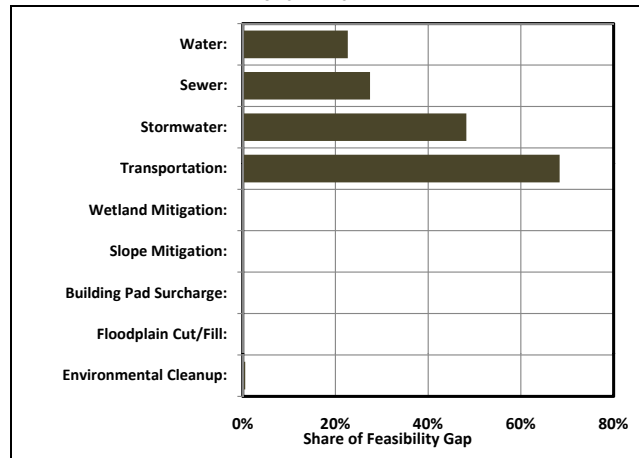
1/ Direct Impacts Only

Site 104 Hillsboro U.R.
Hillsboro, Oregon
Clean-Tech

Market Feasibility Analysis

PHYSICAL CHARACTERISTICS			
Site Size:		320 Acres	
Net Developable Size:		309.4 Acres	
SITE DEVELOPMENT PARAMETERS			
Site Development Timeline:		48 Months	
		\$	\$/sq. ft.
Hard Costs:		\$30,097,000	\$2.23
Off-Site	Water:	\$4,077,000	\$0.30
	Sewer:	\$4,940,000	\$0.37
	Stormwater:	\$8,687,500	\$0.64
	Transportation:	\$12,310,000	\$0.91
On Site	Wetland Mitigation:	\$0	\$0.00
	Slope Mitigation:	\$0	\$0.00
	Building Pad Surcharge:	\$0	\$0.00
	Floodplain Cut/Fill Mitigation:	\$0	\$0.00
	Environmental Cleanup:	\$82,500	\$0.01
Soft Costs:		\$6,019,400	\$0.45
Time Costs:		\$2,420,681	\$0.18
Threshold Return (Risk):		\$9,029,100	\$0.67
TOTAL SITE DEVELOPMENT COSTS:		\$47,566,181	\$3.53
INCOME/SALE ANALYSIS			
Estimated Value at Development Ready:		\$79,765,995	\$5.92
MARKET FEASIBILITY ANALYSIS			
Residual Land Basis:		\$32,199,814	\$2.39
Assumed Acquisition/Strike Price:		\$60,648,588	\$4.50
Feasibility Gap/Surplus:		(\$28,448,774)	(\$2.11)
MARKET TIME TO FEASIBILITY:		14.4 Years	

**MARGINAL IMPACTS of SITE CONSTRAINTS
ON SITE FEASIBILITY**



* Impacts will not sum to equal 100% as they are not mutually exclusive.

Economic and Fiscal Impact Analysis

FACILITY CHARACTERISTICS			
Build-Out Period:		15.0 Years	
Facility Size:		3,083,000 Sq. Ft.	
Investment in Real Property:		\$334,890,000	
Use Type:		Clean Tech	

ECONOMIC IMPACT ANALYSIS FINDINGS

Average Annual Construction Impacts

		Economic		
		Jobs	Activity	Payroll
Site Development (Year 1-4)	Direct:	68.2	\$9,000,000	\$4,200,000
	In/Ind:	44.3	\$5,760,000	\$1,920,000
Facility Construction (Year 5-19)	Direct:	214.0	\$22,320,000	\$11,520,000
	In/Ind:	136.2	\$17,520,000	\$5,640,000

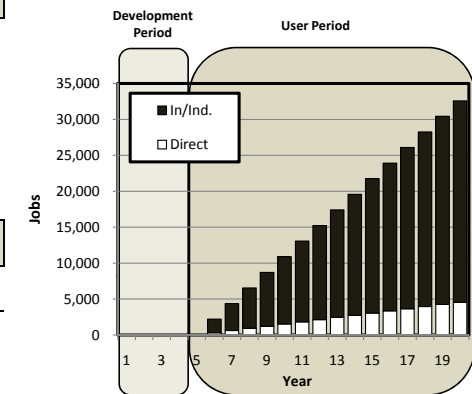
TOTAL INVESTMENT IN LAND AND IMPROVEMENTS: \$371,000,000

Total Annual Operations Impacts @ Full-Capacity

		Economic		
		Jobs	Activity	Payroll
On-going Operations (Year 20+)	Direct:	4,548	\$3,214,200,000	\$615,900,000
	In/Ind:	28,030	\$4,226,300,000	\$1,369,300,000
Total:		32,579	\$7,440,500,000	\$1,985,200,000

"When fully developed the project will have an estimated 4,548 employees on site producing \$3.2 billion in annual economic activity. Indirect and Induced impacts would support an additional 28,030 jobs and \$1.9 billion in economic activity."

ANNUAL EMPLOYMENT LEVEL (ALL IMPACTS)



FISCAL IMPACT ANALYSIS FINDINGS

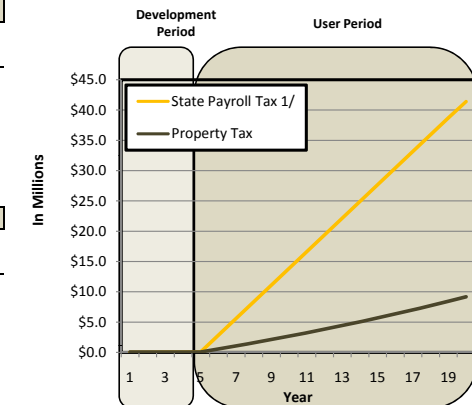
ANNUAL TAX REVENUE (DIRECT IMPACTS ONLY)

	Annual Fiscal Impacts at Full-Capacity	
	Payroll	Property
Direct:	\$41,400,000	\$9,200,000
In/Ind:	\$91,300,000	Not Available
Total:	\$132,700,000	\$9,200,000

"When fully developed, the project will support \$132 million in payroll tax and \$9.2 million in property taxes annually."

	Cumulative 20-Year Tax Creation	
	Payroll	Property
Direct:	\$332,200,000	\$69,300,000
In/Ind:	\$731,300,000	Not Available
Total:	\$1,063,500,000	\$69,300,000

"Over a 20-year period the project will create \$1 billion in payroll tax revenue and \$69 million in property tax revenue."



1/ Direct Impacts Only