

Development Concept Summary	
Site Use: Office/business park/general manufacturing	
Site Characteristics	
Site Size (Acres)	85.23
Net Developable Acreage	66.76
In UGB	Yes
Other Incentives	SIP
Enterprise Zone	No
Development Characteristics	
Site Development Period (In Months)	24 Months
Total All In Cost	\$22,539,929
Development Ready Value	\$18,961,631
Development Gap	
Market Viability Gap/Surplus	- \$3,578,298
Time To Market Feasibility	7.9 Years

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

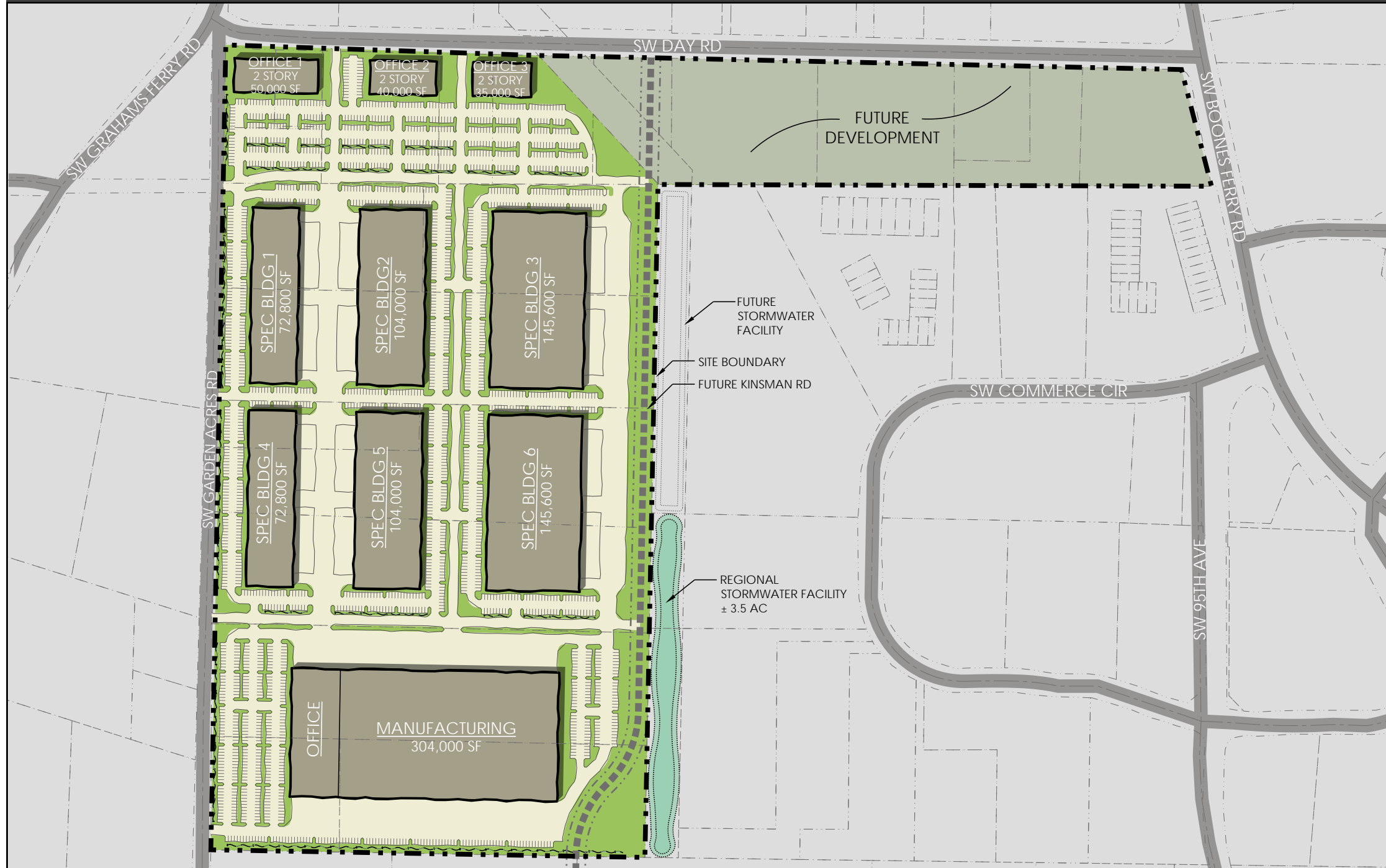
Washington County Site Ownership (17) Site ID	Tier 3 Wilsonville Coffee Creek 33
-----------------------------------------------------	---------------------------------------------

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	115	\$11,160,000	\$6,360,000	1,004	\$332,100,000	\$45,500,000
Indirect/Induced	73	\$ 8,280,000	\$3,120,000	1,395	\$216,300,000	\$73,000,000
<b>Total</b>	<b>188</b>	<b>\$19,440,000</b>	<b>\$9,480,000</b>	<b>2,400</b>	<b>\$548,400,000</b>	<b>\$118,500,000</b>

Development Annual Fiscal Impacts at Full Capacity See Page 4 for more detail		
	Payroll Tax Revenue	Property Tax Revenue
Direct	\$3,000,000	\$1,900,000
Indirect/Induced	\$4,900,000	Not Available
<b>Total</b>	<b>\$7,900,000</b>	<b>\$1,900,000</b>



## Development Concept Plan



Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
1,073,800 Sq. Ft	6 Mega Watts	2	\$72,994,000	Avg. sf = \$68	Hard Costs = \$72,994,000 Soft Costs = \$14,598,800	\$87,592,800

Site Use	Description of Development Concept Site Use
Office/business park/ general manufacturing	Combination business park and single user site; northern portion of site for 2-story office buildings; middle portion of site for multi or single tenant manufacturing/distribution uses; southern portion of site for single manufacturing user.

## Development Concept Costs

### Off-Site Costs and Construction Terms

Water:	\$1,040,000
Start Period (months back):	15
Term:	15
Sewer:	\$520,000
Start Period (months back):	15
Term:	15
Stormwater:	\$826,500
Start Period (months Back):	15
Term:	15
Transportation:	\$3,920,000
Start Period (months back):	12
Term:	12
<b>Off-Site Total Costs</b>	<b>\$6,306,500</b>

### On-Site Costs and Mitigation Terms

Wetland Mitigation:	\$46,000
Start Period (months back):	18
Term:	3
Slope Mitigation:	\$0
Start Period (months back):	
Term:	
Building Pad Surcharge:	\$0
Start Period (months Back):	
Term:	
Floodplain Cut/Fill Mitigation:	\$0
Start Period (months back):	
Term:	
Environmental Cleanup:	\$100,000
Start Period (months back):	24
Term:	6
<b>On-Site Total Costs</b>	<b>\$146,000</b>

<b>Total Costs</b>	<b>\$6,452,500</b>
--------------------	--------------------

## Development Issues

### Environmental (On-site Development) : Total Cost \$100,000

- Virtually the entire property was used for agriculture purposes between at least 1936 and present. Residual pesticides may be present in the soil. Residential/farm ASTs and/or underground storage tanks (USTs) used for storing gasoline, diesel, or heating oil, may be present at the site.
- Investigation of the magnitude and extent of pesticide and petroleum impacts, if any, may be necessary prior to site development. If ASTs/USTs are present, they should be decommissioned and remediated (if releases have occurred) prior to development, at the cost of approximately \$100,000 and a 6 month remediation timeframe.

### Land Use Issues: (Aggregation and Annexation)

- This site is currently within the UGB, however has not been annexed into the City of Wilsonville. Per conversations with City Planning staff, the annexation process could take 6-12 weeks. Prior to annexation occurring, the City needs to adopt the Significant Natural Resources Inventory for this site. The City is currently undergoing an amendment process for both Comprehensive Plan and zoning designations that will apply to this site following annexation. Per conversations with City Planning Staff, all land use and annexation approvals should take 120 days.
- The site is made up of 21 separate parcels and 17 ownerships. Parcel aggregation is necessary in order to deliver the site as shown.
- The site has had some history of attempted aggregation that was unsuccessful due to the gap between market and perceived value of the property.
- The net developable acreage of 66.76 acres does not include the portion of the site designated as 'future development' and it does not include the right-of-way for future Kinsman Road.

### Transportation (Off-Site Development) : Total Cost \$3,920,000

- The Wilsonville Transportation System Plan (TSP) identifies several recently constructed transportation infrastructure improvements including the widening of Day Road to 3 lanes from Grahams Ferry to Boones Ferry and constructing traffic signals at both ends. The Coffee Creek Industrial Master Plan also identifies two new roadways to be constructed in the project area including: Kinsman Road, a north-south roadway on the east side of the property extending south from Day Road, and; Java Road, an east-west roadway extending between Garden Acres and Kinsman.
- Because the proposed development contemplates aggregated properties, roadway connectivity shown in the TSP and the Coffee Creek Industrial Master Plan is assumed to include the need to construct Kinsman as a public roadway and the connectivity provided by Java will be accomplished via internal development circulation.
- Based on the conceptual site plan, anticipated transportation infrastructure improvements necessary to serve immediate subject property development are limited to direct property access improvements and the following:
  1. Construct 1/2 street improvements on Garden Acres Road along property frontage; \$1.68M
  2. Construct 2/3 street improvements on Kinsman Road along property frontage; \$2.24M

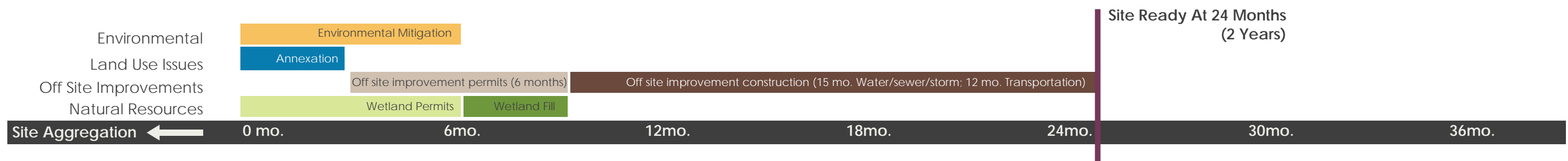
### Utility Infrastructure (Off-Site Development) : Total Cost \$2,386,500

- Public Water: Extend approximately 2,600 ft of 12" line in a public utility easement through the site. Anticipate approximately 6 months for design and permitting, and 15 months for construction, with a cost of approximately \$1,040,000.
- Public Sewer (Local Service): Extend approximately 2,600 ft of 15" gravity line in a public utility easement through the site. Anticipate approximately 6 months for design and permitting, and 15 months for construction, with a cost of approximately \$520,000.
- Public Sewer (Downstream System): A downstream deficiency is identified in the United Disposal interceptor for full build-out of the Industrial Area. Development of this site alone may not trigger the need for upgrading the interceptor line.
- Public Storm: Extend approximately 5,200 feet of 15"-18" lines, with approximately 3.5 ac of regional detention / water quality pond. Anticipate 6 months design and permitting, and 15 months construction, with a cost of approximately \$826,500.
- The proposed utility alignments require public easement dedications on site.

### Natural Resources (On-Site Development) : Total Cost \$46,000

- There is a small area (1.0 acre) of wetlands located on the site. Necessary Corps/DSL permits will be required for the fill and mitigation of this wetland. In addition, it is assumed that the City will apply its Significant Natural Resource Overlay to these features, which will require a review of a Significant Resource Impact Report. Total timeline for all approvals is estimated at 150 days, and mitigation cost of \$46,000, which will be paid to the Mud Slough Mitigation Bank.

## Site Development Process Timeline



#### Timeline Notes :

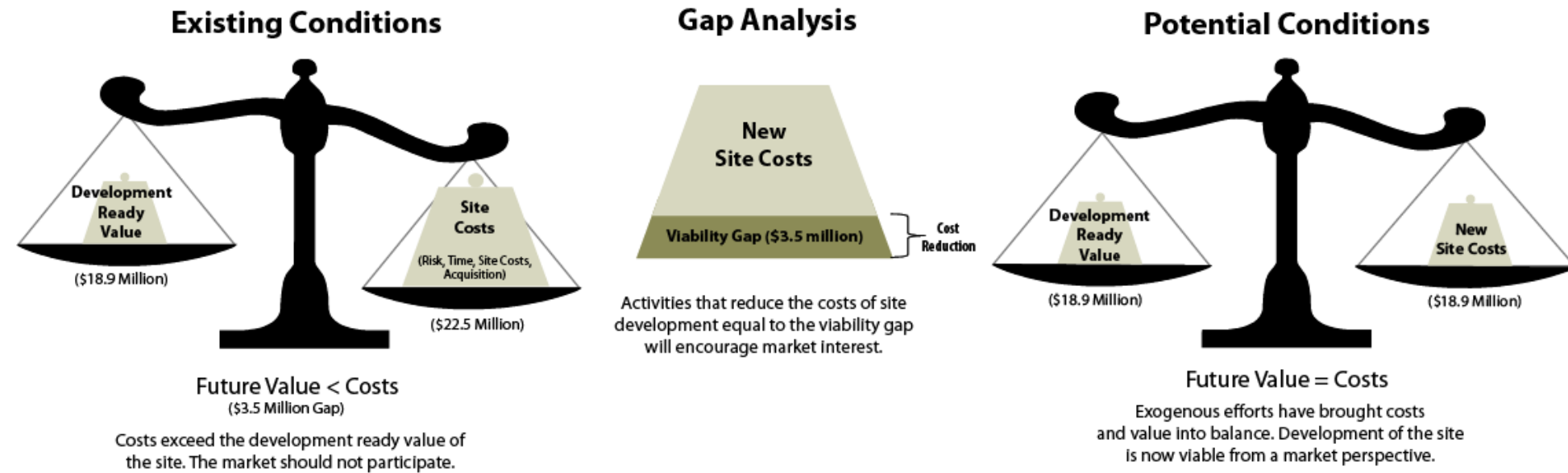
Aggregation: The majority of the 17 property owners are not willing to transact, therefore, the aggregation period is assumed to at least 2.5 years.

Off Site Improvements: Permits are submitted after annexation is complete.

Natural Resources: Wetland permit timeline is assumed to be 5 months plus 3 months for on-site wetland fill. Wetland permit timeframe includes local land use approval.

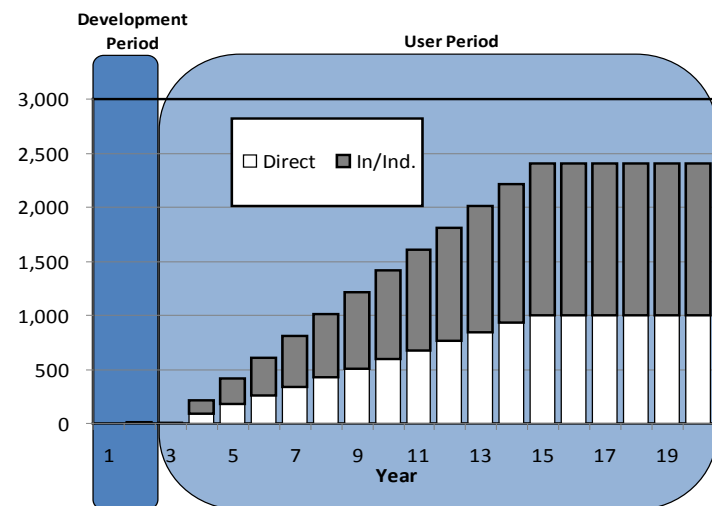
## Figure 1 Market Viability Gap Analysis

- Costs of acquiring and making the Coffee Creek site development ready exceeds the expected development ready value of the site. The site has a Market Viability Gap of \$3.5 million. A rational market participant is not likely to invest in site improvements under these conditions.
  - The primary contributor to the site's viability gap is transportation. Activities that reduce or eliminate the Market Viability Gap increase the likelihood of market interest in the site. When value equals costs investment in site improvements is seen as viable from a market perspective<sup>1</sup>.
1. This exercise assumes conditions where aggregation costs are minimal and there is a reasonable expectation that a motivated user will emerge.



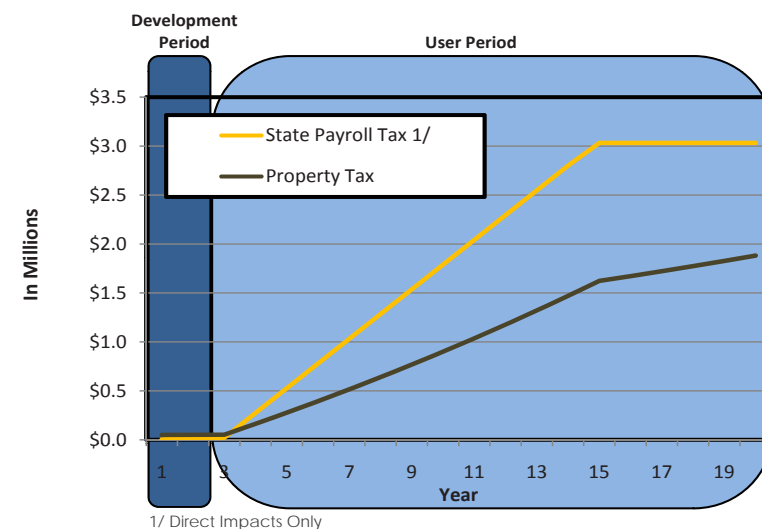
## Figure 2 : Development Economic Impacts

- When fully developed, a business park on this site would employ roughly 1,004 workers on-site. Indirect and Induced impacts would support and additional 1,395 jobs elsewhere in the economy.
  - New direct job creation on-site would eventually generate an additional \$45.5 million in annual payroll. Indirect and induced payroll impacts would create an additional \$73 million in annual payroll.
  - Build-out of the Coffee Creek site would support a total of 2,400 jobs at wages consistent with the regional average wage<sup>2</sup>.
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 Coffee Creek site is not currently in an enterprise zone. Therefore, property tax impacts would begin immediately on construction. Property tax revenues, excluding capital equipment, would reach over \$1.9 million annually at full build-out.
- State payroll tax revenues from on-site (direct) employment would reach \$3 million annually at full-capacity. Indirect and induced impacts would further generate \$4.9 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.
- This site is not in an enterprise zone, so property tax impacts begin immediately after construction. Estimated property tax revenues are forecast to surpass necessary gap investment in the 8th year, translating into \$14.3 million in surplus revenue over the 20-year period. If property taxes paid on capital equipment was included in this analysis the time period would be shorter.
- Similarly, impacts fiscal impacts from direct payroll on site are expected to surpass financed investment in the 6th year, with a 20-year surplus of over \$30 million.

