Development Concept Summary

Site Use: Globally scaled clean technology campus

Site Characteristics	
Site Size (Acres)	116.6
Net Developable Acreage	116.6
In UGB	Yes
Other Incentives	SIP
Enterprise Zone	Yes
Development Characteristics	
Site Development Period (In Months)	33 Months
Total All In Cost	$42,294,996
Development Ready Value	$28,955,449
Development Gap	
Market Viability Gap/Surplus	- $13,339,547
Time To Market Feasibility	15.6 Years

Development Issues ✓

See Page 3 for more detail

Environmental and Natural Resource Issues (On-site)	Infrastructure Issues (Off-site)	Land Use Issues
Brownfield Cleanup	Water ✓	Aggregation ✓
Wetland Fill ✓	Sewer ✓	Annexation ✓
Floodplain Fill	Storm ✓	*Outside UGB*
Slope Mitigation	Transportation ✓	*Marine Dock*

Tier 2

Washington County	Hillsboro
Site Ownership (8)	East Evergreen
Site ID	55 & 56

Development Economic Impacts

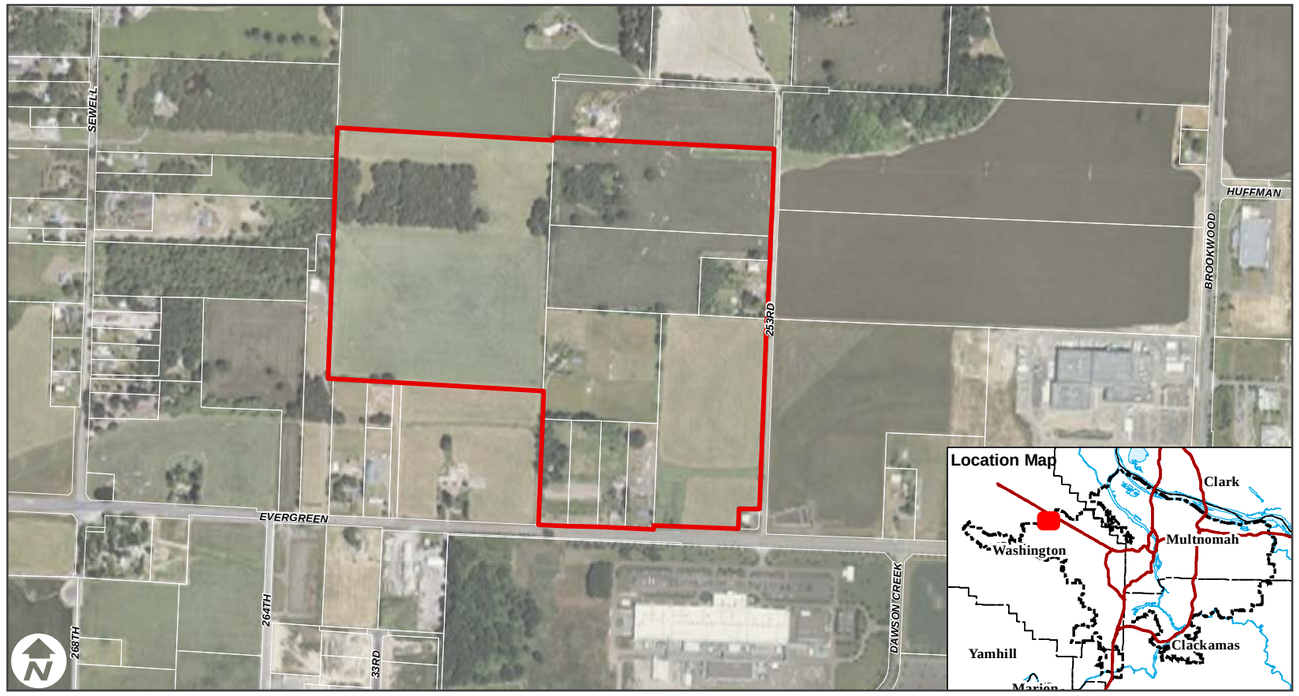
See Page 4 for more detail

	Total Annual Construction Impacts			Total Annual Operations At Full Capacity		
	Jobs	**Economic Activity**	**Payroll**	**Jobs**	**Economic Activity**	**Payroll**
Direct	162	$18,120,000	$9,000,000	1,714	$1,211,300,000	$232,100,000
Indirect/ Induced	104	$13,440,000	$4,320,000	10,564	$1,592,700,000	$516,000,000
Total	**266**	**$31,560,000**	**$13,320,000**	**12,278**	**$2,804,000,000**	**$748,100,000**

Development Annual Fiscal Impacts at Full Capacity

See Page 4 for more detail

	Payroll Tax Revenue	Property Tax Revenue
Direct	$15,600,000	$4,300,000
Indirect/Induced	$34,400,000	Not Available
Total	**$50,000,000**	**$4,300,000**



Development Concept Plan

Total Building Size	Projected Electrical Demand	Project Electrical Grade	Total Building Cost	Facility Construction Cost	Facility Construction Cost	Total
1,692,000 Sq. Ft	20 Mega Watts	3	$144,760,000	Avg. sf = $86	Hard Costs = $144,760,000 Soft Costs = $ 28,952,000	$173,712,000

Site Use	Description of Development Concept Site Use
Globally scaled clean technology campus	Multi-building single user technology manufacturing campus; combines office with clean room manufacturing uses; similar uses such as Solar World.

Development Concept Costs

Off-Site Costs and Construction Terms	
Water: Start Period (months back): Term:	$1,032,000 18 15
Sewer: Start Period (months back): Term:	$2,986,800 18 15
Stormwater: Start Period (months Back): Term:	$919,500 18 15
Transportation: Start Period (months back): Term:	$7,070,000 18 18
Off-Site Total Costs	$12,008,300
On-Site Costs and Mitigation Terms	
Wetland Mitigation: Start Period (months back): Term:	$875,000 24 12
Slope Mitigation: Start Period (months back): Term:	$130,000 24 9
Building Pad Surcharge: Start Period (months Back): Term:	$0
Floodplain Cut/Fill Mitigation: Start Period (months back): Term:	$0
Environmental Cleanup: Start Period (months back): Term:	$82,500 33 6
On-Site Total Costs	$1,087,500
Total Costs	**$13,095,800**

Development Issues

Environmental (On-site Development) : Total Cost $82,500

- The property was used for agriculture purposes between at least 1936 and present. Residual pesticides may be present in soil. Residential/farm ASTs and/or 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.
- Aerial photographs indicate that the site has been in agricultural use since at least 1936. Dwellings and farm buildings are present on the site. Structures are surrounded by farmed areas with cover crops. Obvious potential sources of contamination, such as ASTs and USTs were not visible during the site reconnaissance.
- Assuming the site is developed for industrial purposes, the majority of the site is likely to be covered with asphalt-concrete or concrete surfaces, preventing human and ecological exposure to contaminants in soil. The costs for an assessment of pesticides in soil and AST/UST impacts will cost approximately $25,000 to $30,000. The cost for decommissioning and remediation of petroleum ASTs/USTs (assuming three small residential/farm tanks are present) may range between $15,000 and $75,000.

Land Use Issues (Aggregation, Annexation)

- The site is made up of 10 separate parcels and 8 separate ownerships. Parcel aggregation is necessary in order to deliver the site as shown.
- The site has had some history of ownership group discussions regarding specific opportunities. Specifically, most of the owners in this site were approached by the City in relation to Project Tahoe. While that particular project was not successful, it did begin the process of educating owners about the issues involved in the sale of their property and subsequent property development.
- This site is currently within the UGB, however has not been annexed into the City of Hillsboro. 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.
- The net developable acreage of 116.6 acres assumes complete natural resource mitigation.

Transportation (Off-Site Development) : Total Cost $7,070,000

- Taken separately, Site 55 (Spokane Humane Society property) does not have direct access to a public roadway and Site 56 (East Evergreen Site) has direct access to NW Evergreen Road and to NW Mier-Jurgen Road (an unimproved roadway).
- The development concept plan contemplates the extension of 253rd and 264th Avenues to the north and Huffman Street between 253rd and 264th Avenues. Discussions with City staff have further clarified the transportation infrastructure improvements necessary to serve immediate subject property development including:
    1. Construct 2/3 street improvements on 253rd along property frontage; $2.15M
    2. Construct 2/3 street improvements on 264th along property frontage; $1.31M. (It is assumed 264th between the south property edge and Evergreen Rd will be constructed by others).
    3. Construct 2/3 street improvements on Huffman along property frontage; $2.16M
    4. Construct traffic signal at the Evergreen/264th intersection; $500,000
    5. Construct traffic signal at the Evergreen/Site access intersection; $500,000.

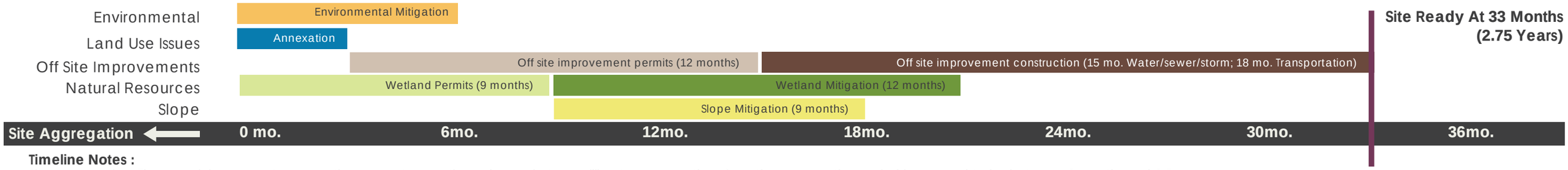
Utility Infrastructure (Off-Site Development) : Total Cost $4,398,300

- Public Water: Extend 24" water lines along 253rd Ave (2,200 feet) and 264th Ave (2,100 feet). Anticipate 12 months for design and permitting, and 15 months for construction, with a cost of approximately $1,032,000.
- Public Sewer: Extend 2,200 feet of 18" gravity line along 264th Ave. Construct a new pump station (2.8 mgd) with 2,100 feet of 12" force main along 253rd Ave. Anticipate 12 months for design and permitting, and 15 months construction, with a cost of approximately $2,986,800.
- Public Storm: Construct 2,800 feet of 12"-15" lines in 253rd Ave and 3,450 feet of 12"-15" lines in 264th Ave. Anticipate 6 months for design and permitting, and 12 months for construction, with a cost of approximately $919,500.

Natural Resources (On-Site Development) : Total Cost $1,005,000

- Corps and DSL removal fill permits, CWS Service Provider letter, and City of Hillsboro SNR permits are necessary. Total anticipated timeline for all permits is 4-9 months with an overall mitigation cost estimated at $875,000.
- There is an agricultural grass field located north of the Glencoe tributary in the west-central portion of the site. This area was included in the City's Local Wetlands Inventory and was concurred by DSL that no wetlands are present. This area is mapped as hydric soils, which means the site could potentially contain wetlands. Because the site is a farmed field, and has mapped hydric soils, it would need to be evaluated in the spring to observe indicators of wetland hydrology.
- Slope Mitigation: Approximately 10,800 cy of earthwork will be needed to flatten steeply sloped areas, which will take 9 months and cost approximately $130,000.

Site Development Process Timeline



Timeline Notes :

Site aggregation: The remaining property owners that are not currently on the market are willing to transact, therefore, the aggregation period is assumed to be between 6 months and 2.5 years.
Off Site Improvements: Permitting occurs after annexation is complete.
Wetland Mitigation: 9 months for permitting plus 12 months for on-site wetland fill. Permitting can occur concurrently with annexation process. Wetland permit timeframe includes local land use approval. Because there are a significant amount of wetlands on site, it is recommended that slope mitigation and on-site wetland fill occur concurrently, once the appropriate wetland permits are obtained.
Slope Mitigation: This timeframe includes land use review.

Figure 1 Market Viability Gap Analysis

- Costs of acquiring and making the East Evergreen site development ready exceeds the expected development ready value of the site. The site has a Market Viability Gap of $13.4 million. A rational market participant is not likely to invest in site improvements under these conditions.
- A significant contributor to the gap is transportation and other public utilities. 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[1].

1. *This exercise assumes conditions where aggregation costs are minimal and there is a reasonable expectation that a motivated user will emerge.*

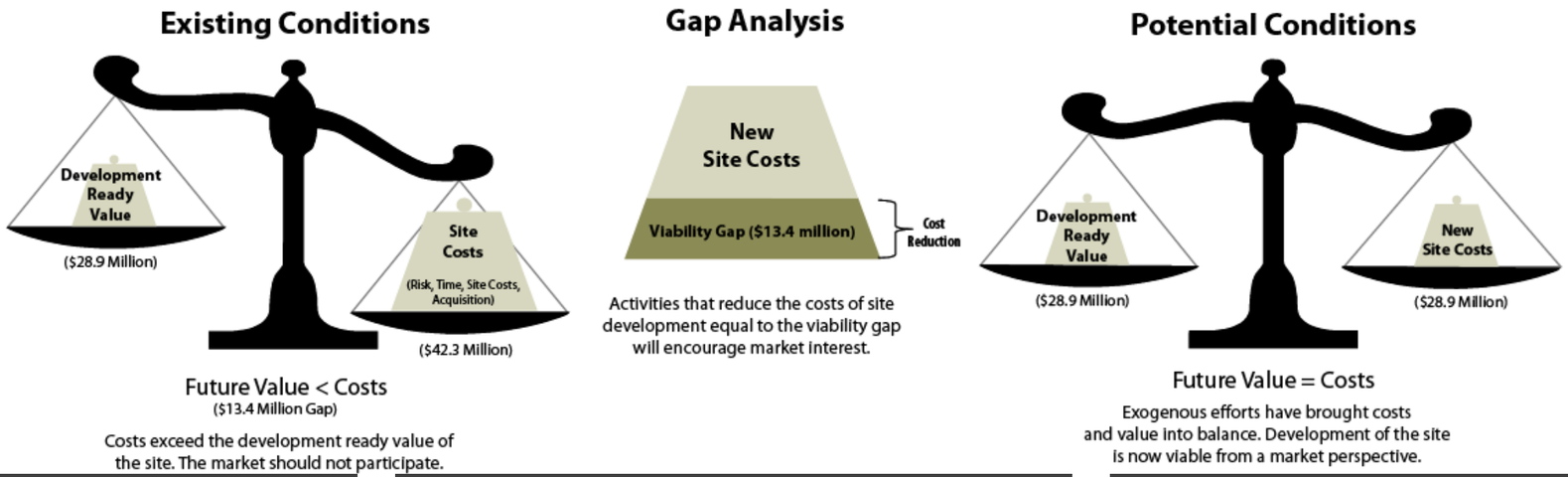


Figure 2 : Development Economic Impacts

- When fully developed, a globally scaled clean-tech user on the East Evergreen Site would employ 1,714 workers on-site. Indirect and Induced impacts would support and additional 10,564 jobs elsewhere in the economy.
- New direct job creation on-site would eventually generate an additional $232 million in annual payroll. Indirect and induced payroll impacts would create an additional $516 million in annual payroll.
- Build-out of the East Evergreen site would support a total of 12,278 jobs at an average wage of $60,932, 21% above the regional average wage[2].

2. *Regional Average is $50,332 (Clackamas, Multnomah, and Washington County) (in 2011 dollars)SOURCE: Oregon Employment Department 2011 QCEW.*

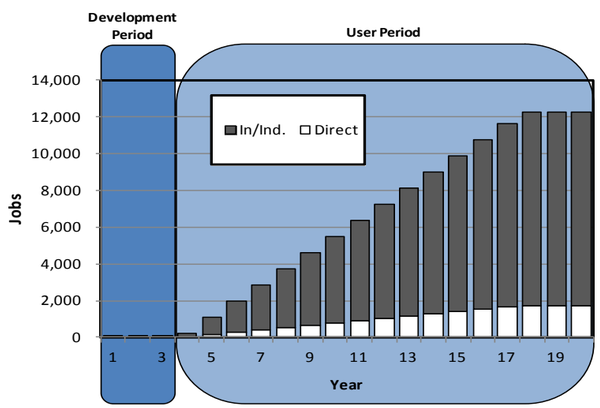


Figure 3 : Development Fiscal Impacts

- East Evergreen's Enterprise Zone would limit property tax revenues for the first five-years of facility operation. Subsequent property tax revenues, excluding capital equipment, would reach $4.3 million at full build-out.
- State payroll tax revenues from on-site (direct) employment would reach $15.6 million annually at full-capacity. Indirect and induced impacts would further generate $34.4 million annually.

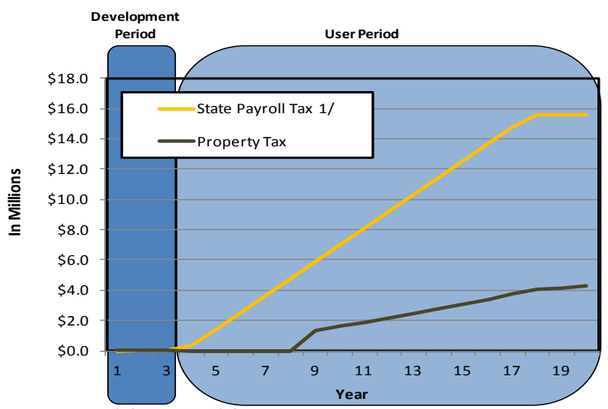


Figure 4 : Financing Return

- 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.
- Cumulative property tax revenues would equal financed viability gap in the 15th year. This translates into positive stakeholder pay-off of $16.1 million over the remainder of the finance period and $4.3 million in annual net-new revenue thereafter. If property taxes paid on capital equipment was included in this analysis, this time period would be shorter.
- Similarly, payroll tax revenues would break even with financed viability gap in only the 7th year. This translates into positive stakeholder pay-off of $133 million over the remainder of the finance period and $15.6 million in annual net-new revenue thereafter.