

May 15, 2015



City of Tigard

*Re: City of Tigard Hunziker Development Project*

Honorable members of the Joint Committee on Capital Construction,

The City of Tigard respectfully requests the allocation of \$1.8 million in lottery-backed bonds for the Hunziker Development Project.

This investment in public infrastructure will leverage \$22.1 million in new private investment on an 18-acre industrial site which will be home to an estimated 150 - 300 jobs for residents from around the region. This public infrastructure will serve a larger industrial district of more than 138 acres. This project is expected to double job density to more than five (5) employees per acre.

The State of Oregon's Lottery-backed bond support of \$1.8 million will be used to cover the cost of ¾-mile of local industrial road connecting Hunziker Street to Tech Center Drive. This funding will be matched against an estimated private investment of \$2.2 million. Combined, this funding will serve as a local match for a Federal EDA grant request to fund the balance of the project including water, storm, and sewer.

The City of Tigard is ideally located to meet the employment demands of the region. More than 40,000 residents commute into the city for work at one of 3,300 firms. Plus, a highly-skilled portion of the region's workforce lives in Tigard. Daily, over 25,000 Tigard residents commute to a job somewhere else in the region. What's lacking in this environment is adequate public infrastructure that supports business expansion.

Without this support, the City of Tigard will be unable to adequately develop the last greenfield site within the city's boundaries. Unlike many of its neighbors, we are unable to expand city boundaries in search of new industrial development land.

The Hunziker Development project provides an opportunity to maximize usable industrial land in the city and would have a significant economic impact to the area.

Sincerely,

A handwritten signature in black ink that reads "John L. Cook". The signature is written in a cursive style.

John L. Cook, Mayor  
City of Tigard

# Tigard's Hunziker Industrial Core

Supporting business growth and job creation in Tigard



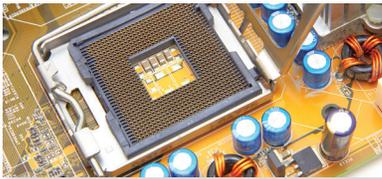
BUILDINGS



EMPLOYEES



EQUIPMENT



FACILITIES



**Mayor John L. Cook**  
MayorCook@tigard-or.gov

**Lloyd Purdy**  
Economic Development Manager  
LloydP@tigard-or.gov

**City of Tigard**  
Community Development Department  
13125 SW Hall Blvd., Tigard, OR 97223  
www.tigard-or.gov

## REQUEST FOR INFRASTRUCTURE FUNDING

### AMOUNT

- » \$1.8 million to support the \$5.5 million Wall Street connection to Tech Center Drive.

### LEVERAGES

- » 225,000 square feet of new development by Trammell Crow scheduled for 2016.
- » Match to U.S. Department of Commerce Economic Assistance Program (grant request in process) 2016.

### BENEFITS

- » Improved access to 138 acres of surrounding underdeveloped property.
- » New access to Highway 217 and Interstate 5, three-quarters of a mile from the Hunziker Industrial Core.
- » Doubles job density to more than five employees per acre.
- » \$36 million in private sector investment.

### ESTIMATED IMPACT OF \$5.5M PUBLIC INFRASTRUCTURE PROJECT

**Private Investment**  
\$36 Million

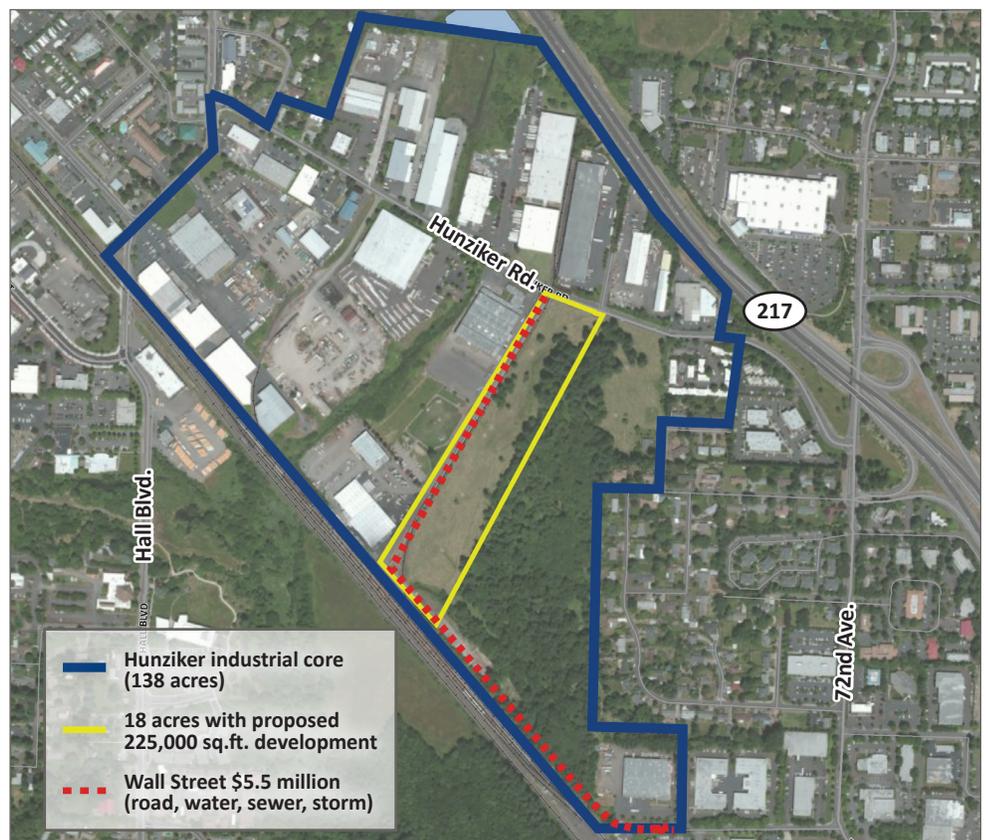
**Estimated Jobs**  
115- 320

**New Gross Floor Area**  
375,000 sq.ft.

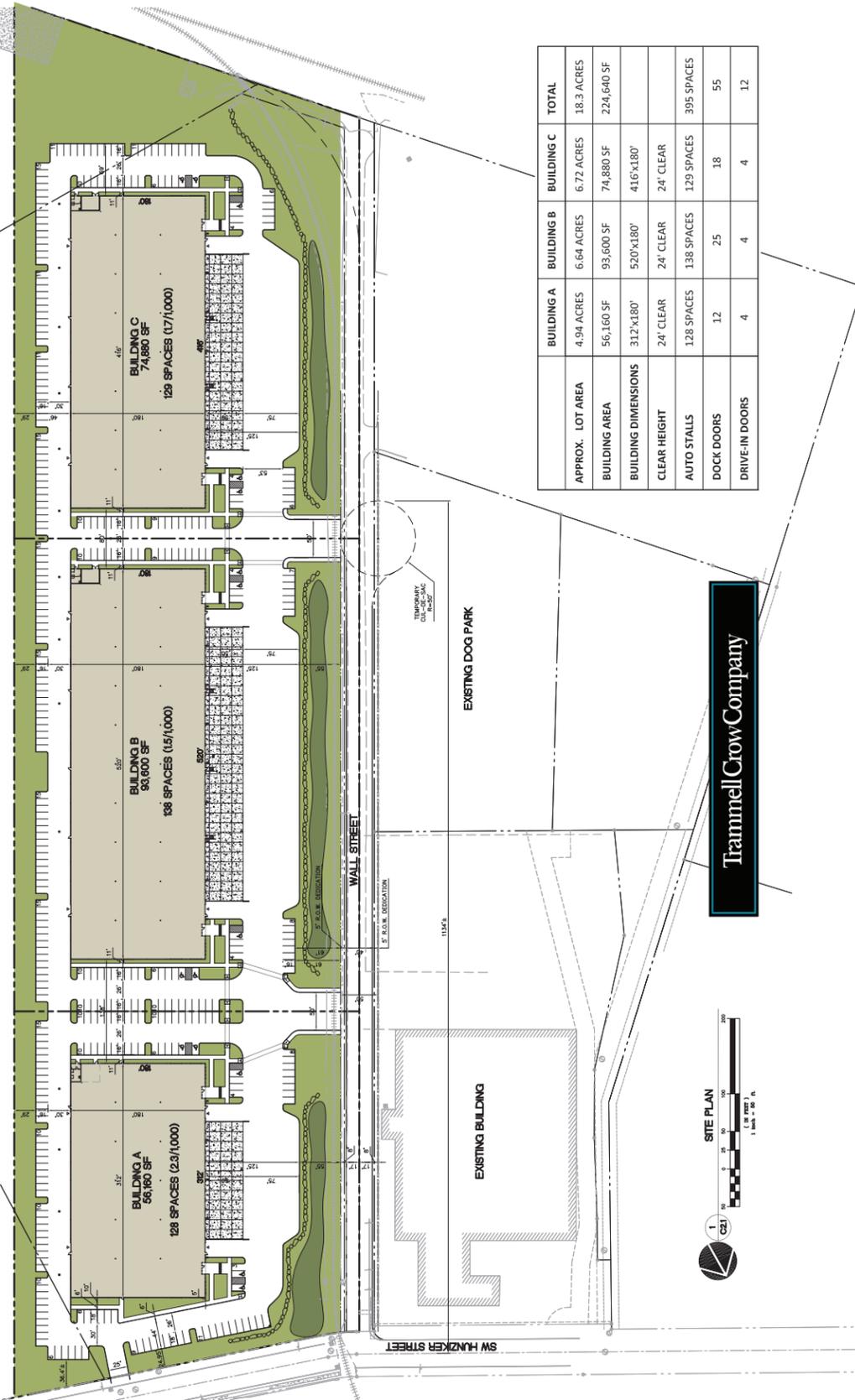
**Acreage Unlocked**  
31

**Market Value**  
\$52 Million

**Annual Property Tax**  
\$344,000



**WALL STREET INDUSTRIAL PARK  
TIGARD, OR**



|                     | BUILDING A | BUILDING B | BUILDING C | TOTAL      |
|---------------------|------------|------------|------------|------------|
| APPROX. LOT AREA    | 4.94 ACRES | 6.64 ACRES | 6.72 ACRES | 18.3 ACRES |
| BUILDING AREA       | 56,160 SF  | 93,000 SF  | 74,880 SF  | 224,040 SF |
| BUILDING DIMENSIONS | 312'x180'  | 520'x180'  | 416'x180'  |            |
| CLEAR HEIGHT        | 24' CLEAR  | 24' CLEAR  | 24' CLEAR  |            |
| AUTO STALLS         | 128 SPACES | 138 SPACES | 129 SPACES | 395 SPACES |
| DOCK DOORS          | 12         | 25         | 18         | 55         |
| DRIVE-IN DOORS      | 4          | 4          | 4          | 12         |

C21

FEBRUARY 17, 2015

# Tigard's Hunziker Industrial Core

Supporting business growth and job creation in Tigard



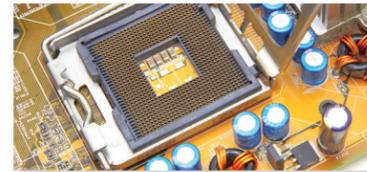
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## INFRASTRUCTURE FINANCE STRATEGY

### AMOUNT

» \$1.8 million to support the \$5.5 million Wall Street connection to Tech Center Drive.

### LEVERAGES

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- » Match to U.S. Department of Commerce Economic Assistance Program (grant request in process) 2016.

### BENEFITS

- » Improved access to 138 acres of surrounding underdeveloped property.
- » New access to Highway 217 and Interstate 5, three-quarters of a mile from the Hunziker Industrial Core.
- » Doubles job density to more than five employees per acre.
- » \$36 million in private sector investment.

**ESTIMATED IMPACT OF \$5.5M PUBLIC INFRASTRUCTURE PROJECT**

**Private Investment**  
\$36 Million

**Estimated Jobs**  
115- 320

**New Gross Floor Area**  
375,000 sq.ft.

**Acreage Unlocked**  
31

**Market Value**  
\$52 Million

**Annual Property Tax**  
\$344,000



## Hunziker Industrial Core

Tigard, at the center of the economically thriving Portland MSA, is ideally located to meet regional employment demand. The region’s workforce lives here. What’s lacking, however, is infrastructure that supports business expansion here.

Tigard’s Hunziker Industrial Core includes more than 138 acres of industrial zoned property located ¾ of a mile from I-5 and immediately accessible by existing rail. In this area, 96 acres are developed but underutilized. Forty-two acres are undeveloped but limited in their development potential. The area exemplifies the challenge inner-ring suburban cities face when trying to support business growth. Factors like sloping land, limited site access and incomplete infrastructure make private sector development unlikely.

Through the support of a DLCD grant, and in partnership with local property owners, the City of Tigard developed a Public Infrastructure Finance Plan that paves the way for private sector development, business growth, and increased employment. The cost of public infrastructure (roads, water, waste water and storm water) to support private sector development in the Hunziker Industrial Core is about \$10.5 million.

The first \$3.3 million project upgrades infrastructure in this area to initially catalyze at least \$22.1 million in new private investment and approximately 150 to 300 new jobs for residents from around the region.

### Public Infrastructure Costs and Benefits

| Public Infrastructure Investments Needed in Hunziker Industrial Core |                     |                   |                     |                   |                      |
|--|---------------------|-------------------|---------------------|-------------------|----------------------|
|  | Road                | Water             | Storm               | Sewer             | Total Cost           |
| Wall Street North  | \$ 2,161,108        | \$ 393,600        | \$ 460,575          | \$ 291,950        | \$ 3,307,233         |
| Wall Street South  | \$ 1,642,504        | \$ 266,400        | \$ 307,250          | 0                 | \$ 2,216,154         |
| Wall to Hall   | \$ 3,370,907        | \$ 247,800        | \$ 1,063,600        | \$ 366,250        | \$ 5,048,557         |
| <i>Infrastructure Totals</i>   | <i>\$ 7,174,519</i> | <i>\$ 907,800</i> | <i>\$ 1,831,425</i> | <i>\$ 658,200</i> | <i>\$ 10,571,944</i> |

Upgraded and new infrastructure, completed in stages to leverage private sector investment, prepares Tigard’s employment lands for higher value investment, development and job creation.

| Economic Impact of Infrastructure Investments in Hunziker Industrial Core |                    |                       |           |                      |                  |              |
|---|--------------------|-----------------------|-----------|----------------------|------------------|--------------|
|   | Private Investment | Public Infrastructure | Est. Jobs | New Gross Floor Area | Acreage Unlocked | Market Value |
| Wall Street North   | \$22M              | \$ 3,307,233          | 115       | 225000 SF            | 18               | \$27 M       |
| Wall Street South   | \$14M              | \$ 2,216,154          | 88 - 208  | 150000 SF            | 13               | \$25M        |
| Wall to Hall  | \$28M              | \$ 5,048,557          | 231 - 544 | 300000 Sf            | 34               | \$28M        |

## Hunziker Industrial Core



Properties located in the Hunziker Industrial Core are primarily either vacant, or used for storage and distribution facilities. New infrastructure on these centrally located employment lands will support more intense development, job creation and higher value industry. (Photo from 2012.)

### Characterization of Properties and Uses

1. Vacant 18 Acre Fields Industrial Site.
2. Vacant 8 Acre Brownfield Site with NFA.
3. Storage and Distribution Sites.
4. Manufacturing Sites.

The 138 acres of our Hunziker Industrial Core employment lands (pictured above) carries **2.8 employees per acre**. Comparatively, when considering all industrial zoned property in Tigard, employment levels exceed 13 people per acre.

The Hunziker Industrial core, located ¾ of a mile from I-5 and with immediate access to rail, has the potential to support more development, new business activity and higher levels of employment.

The illustration to the right highlights a preferred Infrastructure alignment and phases for roads, waste water, water and storm water that improve the development potential, business growth and increased employment. The estimated cost of this public infrastructure exceeds \$10.5 million.

### Conceptual Infrastructure Alignments

