Appraisal &
Consulting Group, LLC

APPRAISAL REPORT

Lawson Property - 29.82 Acres
7654/7832 NE Avery Street
Newport, OR 97365

EFFECTIVE DATE

February 21, 2019

PREPARED FOR

Paul Sundermier, of Counsel
Saalfeld Griggs, PC
Park Place, Suite 300
250 Church Street SE
Salem, Oregon 97301

PREPARED BY

Donald R. Palmer, MAI
Appraisal & Consulting Group, LLC
13306 NW Cornell Road, Suite 201
Portland, OR 97229

Appraisal &
Consulting Group, LLC

February 21, 2019

Paul Sundermier, of Counsel
Saalfeld Griggs, PC
Park Place, Suite 300
250 Church Street SE
Salem, Oregon 97301

RE: Lawson Property - 29.82 Acres
7654/7832 NE Avery Street
Newport, OR 97365

Dear Mr. Sundermier:

The appraisal is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable State of Oregon Condemnation regulations.

At the request of the client, this appraisal report is presented in an Appraisal Report format as defined by USPAP Standards Rule 2-2(a).

The valuation is based on the "As-Is" condition of the property as vacant industrially zoned land, shovel ready, as of the date of re-inspection, February 20, 2019. The purpose of this appraisal is to estimate market value for the purposes of a possible acquisition of the entire 29.82 acres by the Oregon Department of Transportation (ODOT).

Our valuation is based on the **extraordinary assumption** that the property is "shovel ready" indicating the property may be available for industrial development within six months as defined under the "Shovel Ready Certification Program" administered under a State of Oregon agency named Business Oregon. The Lawson site is the only parcel so designated in Lincoln County.

Included in the materials submitted for program approval (currently active to February 2019 and available for a 2-year recertification) is that all wetlands have been filled or mitigated; no adverse environmental conditions exist; and no land area contains threatened or endangered species. Additionally, the Lawson site has been designated as part of the Lincoln County Regionally Significant Industrial Area (RSIA), as of October 2015. Sites in the RSIA are also designated as being in the county's Enterprise Zone, which grants tax exemptions from local property taxes for a period of time depending on use and location. Should any of these site conditions be found in error, a review of our concluded value would be in order.

13306 NW Cornell Road, Suite 201
Portland, OR 97229
503.946.9931 – Office Phone
971.277.6368 – Fax
www.acgvaluation.com

The following table summarizes the estimated value conclusion(s), based upon our investigation and analysis of available information as of February 20, 2019:

Value Scenario	Interest Appraised	Date of Value	Value
As-Is Market Value - 29.82 AC	Fee Simple	February 20, 2019	$4,220,000

Sincerely

APPRAISAL & CONSULTING GROUP, LLC

Donald R. Palmer
OR State Certified General Appraisal
No. C000060
Email: don.palmer@acgvaluation.com
Phone: 503.781.7249

A180422

Table of Contents

Letter of Transmittal

INTRODUCTION

EXECUTIVE SUMMARY 1
Aerial Photograph *2*
Subject Photographs *3*
IDENTIFICATION OF APPRAISAL ASSIGNMENT 5
SCOPE OF WORK 8
ASSUMPTIONS AND LIMITING CONDITIONS 9

DESCRIPTION

Market Area Map *11*
MARKET AREA DESCRIPTION 12
SITE DESCRIPTION 14
Local Aerial Map *17*
Tsunami Hazard Area Map *18*
Zoning Map *19*
Flood Map *20*
Topographic Map *21*
HIGHEST AND BEST USE ANALYSIS 22

VALUATION

LAND VALUATION 24
Land Sales Comparison Summary Chart *25*
Local Land Comparison Sales Map *28*
CERTIFICATION OF APPRAISAL 29

ADDENDA

INDUSTRIAL SITE CERTIFICATION LETTER
ODFW THREATENED & ENDANGERED SPECIES LETTER
DEQ NO FURTHER ACTION LETTER LOT 400
DEQ NO FURTHER ACTION LETTER LOTS 200, 300, 301
DSL WETLAND FILL LETTER
ENVIRONMENTAL SURVEY EXECUTIVE SUMMARY
MARSHAL VALUATION SECTION 44 PAGE 1
QUALIFICATIONS OF APPRAISER
QUALIFICATIONS OF APPRAISAL & CONSULTING GROUP

Executive Summary

Appraisal Summary

Name: **Lawson Property - 29.82 Acres**

Address: 7654/7832 NE Avery Street, Newport, OR 97365

Property Type: Vacant land available for General Industrial uses.

Assessor's Parcel Nos.:

Parcel No.	Tax Lot	Acres
R486190	10-11-20-200	10.48
R253009	10-11-20-300	2.04
R255342	10-11-20-301	8.45
R257656	10-11-20-400	8.85
		29.82

Owners of Record: **Paul & Sharon Lawson (Avery Street Development, LLC)**

Property Description

Site Description—

Larger Parcel: Tax Lots 200, 300, 301, & 400 (29.82 acres)

Topography: Level to moderate slopes.

Flood Zone: Zone X, not in a flood hazard area.

Utilities: Power, public water, sanitary and storm sewer are available from the adjacent roadway.

Current Zoning: I-2 (27.5 AC) Medium Industrial
I-3 (2.5 AC) Heavy Industrial
Enterprise Zone Overlay (RSIA) - Lincoln County
Certified Shovel Ready - Business Oregon

Improved Description-- Existing shed of no additional value.

Highest & Best Use—

As Vacant: Industrial use "customary" for Rural Industrial-Shipping/Storage uses according to the industrial site certification.

Valuation Summary

Value Scenario	Interest Appraised	Date of Value	Value
As-Is Market Value - 29.82 AC	Fee Simple	February 20, 2019	$4,220,000

Aerial Photograph

Subject Photographs

Looking south on Avery Street, subject on left

Looking east from Avery St.

Looking east from Avery St.

Looking west toward Avery St. from interior

Looking west

Looking east to quarry area and east boundary

Subject Photographs (continued)

Feb 20 - Looking north on Avery St, subject on right

Feb 20 - Looking north on Avery St, subject on right.

Feb 20 - Looking east from Avery St.

Feb 20 - Looking east from Avery St.

Feb 20 - Looking east from Avery St.

Feb 20 - Looking east from Avery St.

Identification of Appraisal Assignment

Property Identification

The subject consists of four lots totaling 29.82 acres in the City of Newport, Lincoln County, Oregon. The subject is currently zoned for medium to heavy industrial use, is certified shovel ready by Business Oregon (state agency) and is designated a regionally significant industrial area with an Enterprise Zone overlay by the county.

Client Identification & Intended User of the Appraisal

Paul Sundermier, attorney with Saalfeld Griggs, PC, representative for Paul & Sharon Lawson individually and as owners of Avery Street Development, LLC.

Purpose & Intended Use

The purpose of this appraisal is to estimate as-is market value for establishing a possible purchase price by the Oregon Department of Transportation

Effective Dates

Valuation Date:	February 20, 2019 (Date of Inspection)
Date of Report:	February 21, 2019
Inspection Date:	1st Inspection - November 25, 2018. Don Palmer MAI, and Rob Klever inspected the subject from the interior roadways. **2nd Inspection** - Rob Klever inspected the site on February 20, 2019 for verification of ongoing site work, fill and leveling.

Personal Property

No personal property or intangible items are included in this valuation.

Deductions and Discounts

No deductions or discounts are made in this report.

Ownership and Sales History

If available in the normal course of business, analysis is required for all agreements of sale, options and listings of the subject property as of the effective date of this appraisal. In addition, all sales of the subject that occurred within the three years prior to the effective date of value are required.

Current Owner – Paul & Sharon Lawson individually and as owners of Avery Street Development, LLC.

Three-Year Sales History – The property was been under the Lawson ownership since 2006.

Subject Sale Status – The subject is not currently listed for sale.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Property Rights Appraised

Fee Simple Estate is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition 2010), as:

> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Value Scenarios

In this analysis, the as is value is appraised and is defined below:

As Is Value – The estimate of the value of real property in its current physical condition, use, and zoning as of the appraisal date. [2]

Lincoln County Property Tax 2018-2019

Parcel No.	Tax Lot	Acres	RMV Land	Taxes
R486190	10-11-20-200	10.48	$1,179,100	$2,563
R253009	10-11-20-300	2.04	$174,080	$429
R255342	10-11-20-301	8.45	$436,200	$950
R257656	10-11-20-400	8.85	$706,070	$4,312
		29.82	$2,495,450	$8,255

Use of Recognized Appraisal Approaches

This report utilizes the Sales Comparison Approach to value the subject property. Sales of properties with a similar highest and best use were analyzed in this report. The data provided indicators, which were used to bracket the subject's value on a price per square foot basis. The Income Approach and Cost Approach are not utilized in this appraisal, as they are not typically used in the valuation of similar vacant land properties.

Exposure/Marketing Time

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."[3]

---

[1] Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value.

[2] The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010.

[3] ibid.

Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys. Marketing period is very similar to exposure time, but reflects a projected time period in order to sell the property, rather than a retrospective estimate.

The sales used in the valuation section that were actively listed for sale indicated a wide range of exposure periods, some greater than three years. Sales with exposure periods of over 12 to 18 months are typically the result of above market asking prices or markets with significantly low demand.

Large lot (~30 AC) industrial development in proximity to Highway 101 along the Oregon coast (4.0 miles north of the Newport city center) limits the pool of prospective investors for owner-user properties as compared to small (under 5 AC) general commercial and industrial sites. However, the site size and location out of a tsunami zone are favorable factors for public uses such as schools and government office/industrial entities. The "shovel-ready" certification by the state and inclusion in an RSIA with Enterprise Zone overlays are favorable factors.

Based on this information, and assuming pricing of industrial land near the value concluded in this report, an exposure period of 12 to 24 months is likely for the subject property. A similar marketing period of 12 to 24 months or less is also concluded.

Scope of Work

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- Inspected the market area and the subject property.
- Reviewed county records for information on taxes and assessment.
- Gathered property information from the property owner, public records, Lincoln County online GIS mapping, the Lincoln County Assessor and Newport Public Works and Planning Departments.
- Analyzed market conditions in the area for future development land.
- Conducted highest and best use analysis to determine the best use of the site.
- Gathered and confirmed comparable sales from the immediate and competing market areas.
- Used the Sales Comparison Approach to value the subject property as of November 25, 2018.
- Estimated the "as-is" market value.
- Prepared an appraisal presented in an Appraisal Report format with a summary presentation.

Sources of Information

Data Items	Source
Tax Information	Lincoln County
Planning/Zoning	City of Newport/Lincoln County
Land Size/Parcel Nos.	County Assessor
Demographics/Flood Data	STDB & RealQuest
Subject Information	Paul Lawson, Property Owner; Daniel Holbrook, AICP, Business Oregon; Gail Malcolm, Project Manager, CLPUD.
Land Sales/Listings	CoStar, Flex MLS, Market Participants

Disclosure of Competency

The author of this report possesses the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Assumptions and Limiting Conditions

Extraordinary Assumption

Our valuation is based on the **extraordinary assumption** that the property is "shovel ready" indicating the property may be available for industrial development within six months as defined under the "Shovel Ready Certification Program" administered under a State of Oregon agency named Business Oregon. The Lawson site is the only parcel so designated in Lincoln County.

Included in the materials submitted for program approval (currently active to February 2019 and available for a 2-year recertification) is that all wetlands have been filled or mitigated; no adverse environmental conditions exist; and no land area contains threatened or endangered species. Additionally, the Lawson site has been designated as part of the Lincoln County Regionally Significant Industrial Area (RSIA), as of October 2015. Sites in the RSIA are also designated as being in the county's Enterprise Zone, which grants tax exemptions from local property taxes for a period of time depending on use and location. Should any of these site conditions be found in error, a review of our concluded value would be in order.

Hypothetical Condition

USPAP defines a Hypothetical Condition as, "that which is contrary to what exists but is supposed for the purpose of analysis." In this analysis, no hypothetical conditions are used.

General Assumptions and Conditions

We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.

The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.

Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.

The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.

Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.

This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.

The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.

The statements of value and all conclusions shall apply as of the dates shown herein.

Assumptions and Limiting Conditions (continued)

The appraisers have no present or contemplated future interest in the property that is not specifically disclosed in this report.

Neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the authors. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which he or she is connected.

This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the authors.

The liability of Appraisal & Consulting Group, LLC, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.

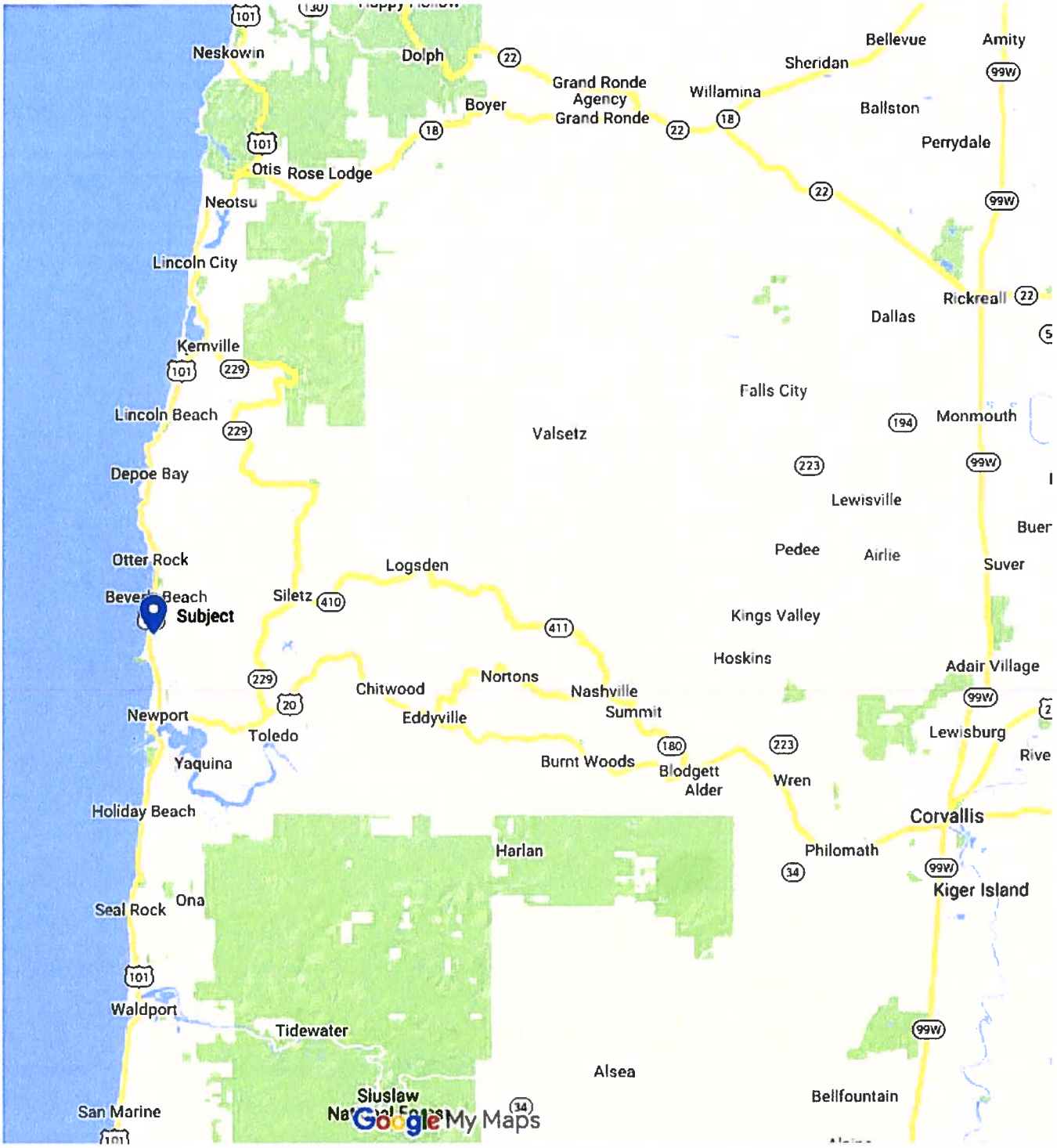
The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials, which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Appraisal & Consulting Group, LLC and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

A Phase 1 Environmental Assessment performed in 2012 for the Business Oregon site certification was available for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. We have included in the Addenda a "No Further Action" letter from the state Department of Environmental Quality (DEQ) that state relating to mitigation and soil removal tasks accomplished to date.

If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.

A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable for future land development consistent with local property development. No certification is made regarding the stability or suitability of the soil or sub-soil conditions, which is of particular concern for sandy soils along the Oregon Coast.

Market Area Map



Market Area Description

General Market Area Introduction – The subject is located in Lincoln County north of Agate Beach and Yaquina Head. It is four miles north of downtown Newport (Hwy 20 intersection) but is in the UGB and city limits. The site is on the east side of Highway 101, outside the area tsunami zone and flood zone.

Hwy 20 provides connectivity to Corvallis (Hwy 99W) 50 miles to the east and 58 miles east to I-5. The subject's immediate market area is generally low impact development along Hwy 101 with scattered motels, highway commercial, and older single-family residential uses. Uses near the subject property include the Central Lincoln People's Utility District maintenance and office building, a self-storage center, and an Oregon State Police facility.

NEIGHBORHOOD DEMOGRAPHICS

Description	1 mile	3 miles	5 miles	Description	1 mile	3 miles	5 miles
Population				**Median Household Income**			
2000 Total Population	989	3,232	10,135	2018	$40,315	$43,763	$45,155
2010 Total Population	997	3,269	10,393	2023	$49,563	$52,802	$53,093
2018 Total Population	1,067	3,465	10,784	**Per Capita Income**			
2023 Total Population	1,128	3,644	11,194	2018	$27,156	$28,377	$26,728
2018-2023 Annual Rate	1.1%	1.0%	0.8%	2023	$33,431	$34,731	$32,077
Median Age				**Median Home Value**			
2010	51.5	50.8	44.4	2018	$237,879	$257,181	$281,667
2018	54.6	53.9	46.3	2023	$250,000	$280,682	$298,048
2023	54.3	53.8	47.1	**2018 Households by Income**	528	1,634	4,650
Households				< $15,000	19.1%	17.3%	16.1%
2000 Households	453	1,426	4,338	$15,000 - $24,999	12.7%	12.2%	11.5%
2010 Households	499	1,559	4,533	$25,000 - $34,999	12.5%	11.9%	11.4%
2018 Households	528	1,634	4,650	$35,000 - $49,999	13.4%	13.2%	14.8%
2023 Households	555	1,711	4,808	$50,000 - $74,999	17.6%	17.7%	17.2%
2018-2023 Annual Rate	1.00%	0.93%	0.67%	$75,000 - $99,999	6.4%	7.8%	8.9%
Household Size				$100,000 - $149,999	12.9%	13.2%	14.1%
2018 Average Household Size	2.02	2.12	2.25	$150,000 - $199,999	3.4%	4.8%	4.5%
2018 Average Family Size	2.56	2.66	2.80	$200,000 +	2.1%	1.9%	1.4%
Housing Units				**2017 Owner Housing by Value**	280	885	2,257
2018 Housing Units	623	2,012	6,190	< $50,000	1.8%	1.5%	5.4%
Owner Occupied	44.9%	44.0%	36.5%	$50,000 - $99,999	7.9%	6.2%	3.1%
Renter Occupied	39.6%	37.2%	38.7%	$100,000 - $149,999	4.3%	4.3%	4.7%
Vacant Housing Units	15.2%	18.8%	24.9%	$150,000 - $199,999	18.6%	16.4%	13.2%
2023 Housing Units	656	2,104	6,402	$200,000 - $249,999	23.6%	20.2%	15.6%
Owner Occupied	46.2%	45.2%	37.6%	$250,000 - $299,999	9.6%	10.6%	12.6%
Renter Occupied	38.4%	36.1%	37.5%	$300,000 - $399,999	18.2%	21.9%	20.9%
Vacant Housing Units	15.4%	18.7%	24.9%	$400,000 - $499,999	5.0%	5.0%	7.1%
Average Household income				$500,000 - $749,999	4.3%	5.9%	11.2%
2018	$57,366	$60,567	$60,685	$750,000 - $999,000	4.3%	4.9%	4.1%
2023	$71,050	$74,401	$73,399	$1,000,000 +	3.2%	3.4%	1.9%

Source: STDB Online

Demographic data generally indicates low population growth over the next five years due to the rural nature of the local area, with household increases limited to 1.00% per year or less.

Market Area Description (continued)

Summary – Overall the condition and appeal of the market area is for industrial or support uses consistent with the medium to heavy intensity of the zoning district. Uses for this market niche appear to be in low demand generally for large lot industrial development, but it is particularly desirable for public uses such as schools and public entities that need a large site area outside a tsunami zone. The fact that the subject property is the largest industrial zoned vacant site deemed "shovel ready" by Business Oregon, is part of the Regionally Significant Industrial Area (RSIA), and designated in an Enterprise Zone by the county are positive factors affecting future demand.

Site Description

Name: Lawson Trust Land - 29.82 AC

Property Type: Vacant land for General Industrial development.

Location: 7654/7832 NE Avery Street, Newport OR.

Assessor's Parcel Nos.:

Parcel No.	Tax Lot	Acres
R486190	10-11-20-200	10.48
R253009	10-11-20-300	2.04
R255342	10-11-20-301	8.45
R257656	10-11-20-400	8.85
		29.82

Owners of Record: **Paul & Sharon Lawson (Avery Street Development, LLC)**

Property Description

Site Description—

Larger Parcel: Tax Lots 200, 300, 301, & 400 (29.82 acres)

Topography: Level to moderate slopes.

Flood Zone: Zone X, not in a flood hazard area.

Utilities: Power, public water, sanitary and storm sewer are available from the adjacent roadway.

Current Zoning: I-2 (27.5 AC) Medium Industrial
I-3 (2.5 AC) Heavy Industrial
Enterprise Zone Overlay (RSIA) - Lincoln County
Certified Shovel Ready - Business Oregon

Permitted Zoning Uses: "Shovel-Ready" designation for Rural Industrial-Shipping Storage.
I-2: Sales oriented general and bulk retail, wholesale retail, office, self-service storage, industrial services, light manufacturing, warehouse/freight movement/distribution, and educational institutions.
I-3: Contractors & industrial service, Light and heavy manufacturing, warehouse/freight move3ment/distribution, wholesale sales, and educational institutions.

Zoning Standards: 50-foot building height, 85-90% site coverage

Site Grade: The property has a downslope grade from the Avery Street right-of-way for approximately 100 feet, and then increases in elevation to the east. There are evident terrain changes and gullies that will require fill and grading across the western half of the site. As of the date of re-inspection, there is ongoing fill and leveling occurring adjacent to the Avery Street frontage

Site Description (continued)

Aggregate Site: Approximately 2-4 acres at the southeast corner have historically been used for aggregate mining. Although not currently permitted for outside sales of aggregate rock, it can be mined and used on site for fill (as was done by the property owner to fill some ravines) and site work. This asset provides a significant cost savings over transporting material from offsite.

Protected Habitat: A letter dated February 13, 2012 (included in the Addenda) from Jason Kirchner (Mid Coast Estuary/Freshwater Habitat Protection Biologist - Newport Field Office) to Oregon Business Development states that there is no presence of Threated or Endangered Species and/or sensitive habitats on the Lawson site.

Wetlands: A letter dated November 8, 2011 (included in the Addenda) from Kirk Jarvie, Regional Solutions Liaison for the Department of State Lands to Oregon Business Development; states that 0.74 acres of wetlands were filled/mitigated under removal/fill permit no. 46373-RF.

Improved Description-- Existing shed of no additional value. Some drainage infrastructure has been installed but it may not be fully useful or applicable depending upon the ultimate use of the site.

Adjacent Properties: Agate Beach Transfer Station (outside the UGB and city limits) to the north; forest land and the Iron Mountain Quarry outside the UGB to the east; CLPUD facility to the west across Avery Street; and a USPS customer center, U-store Storage to the south. .

Street Improvements: The Lawson property has approximately 1,000 LF of frontage on NE Avery Street is a north/south, two-lane, two-way; asphalt paved county road approximately 550 feet east of Highway 101. There are no curbs or sidewalks on the subject property sides of these roads. Approximately 375 LF of the subject frontage on Avery St. from the southwest corner was improved (roadbed improved and paved) coincident with development of the CLPUD site with pavement; however sidewalks, curbs, and gutters will still be required along the entire subject frontage. This will require road/shoulder widening to accomplish sidewalk construction.

It is most probable that street improvements on the east side of Avery Street will include a drainage culvert for off-site conveyance of storm water.

ODOT reported to Oregon Business Development in a letter dated February 22, 2012 (included in the Addenda) that the subject property may be required to participate (through area LID with adjacent properties) in future offsite

improvements at the Hwy 101/NE 73rd Street intersection (not currently signaled) and/or the NE 73rd Street/NE Avery Street intersection depending upon the traffic impacts of future development.

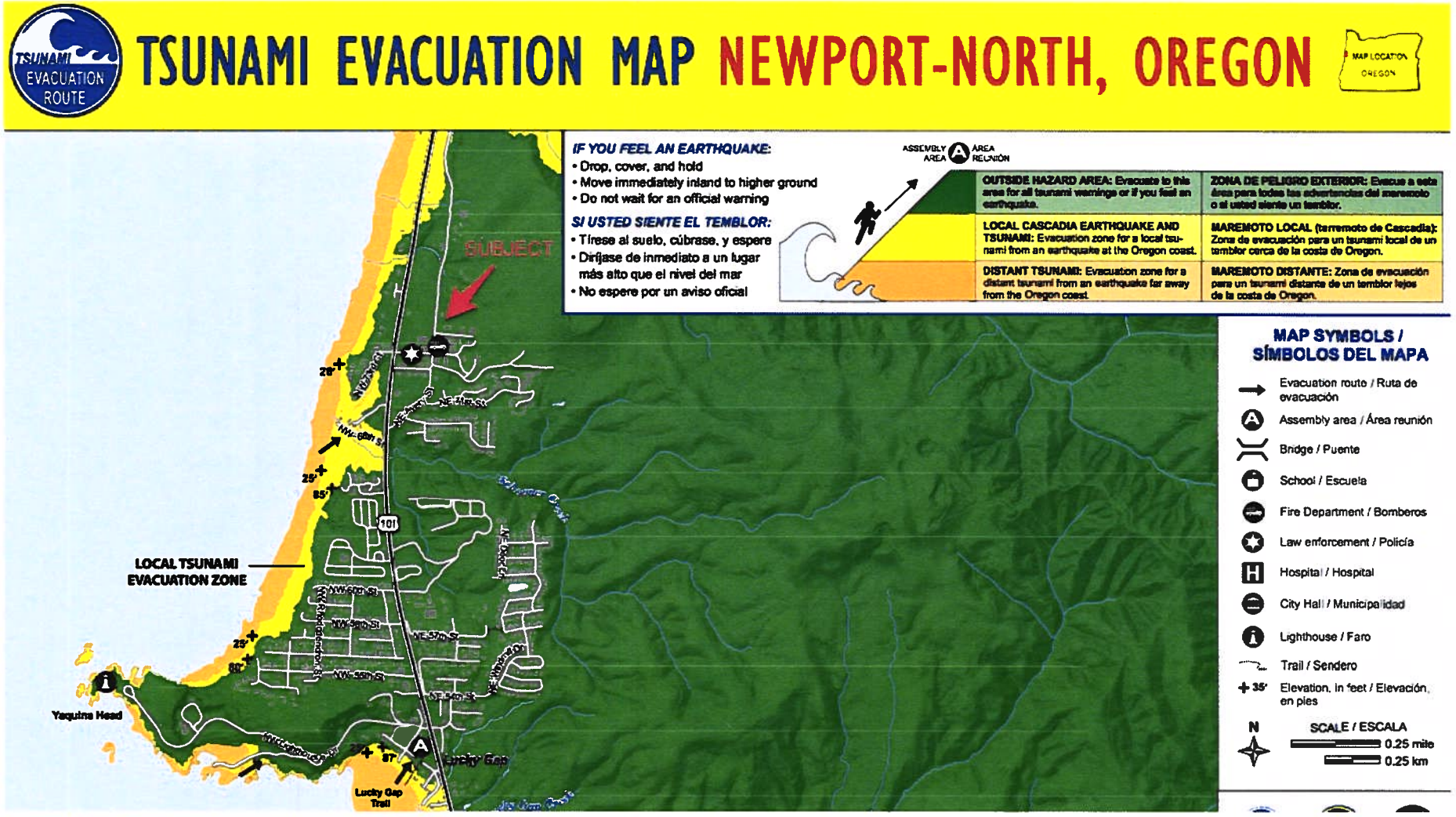
Easements & Encumbrances: A preliminary title report was not available for review. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Flood Plain: The subject property is in Flood Zone X, outside any special floodplain area.

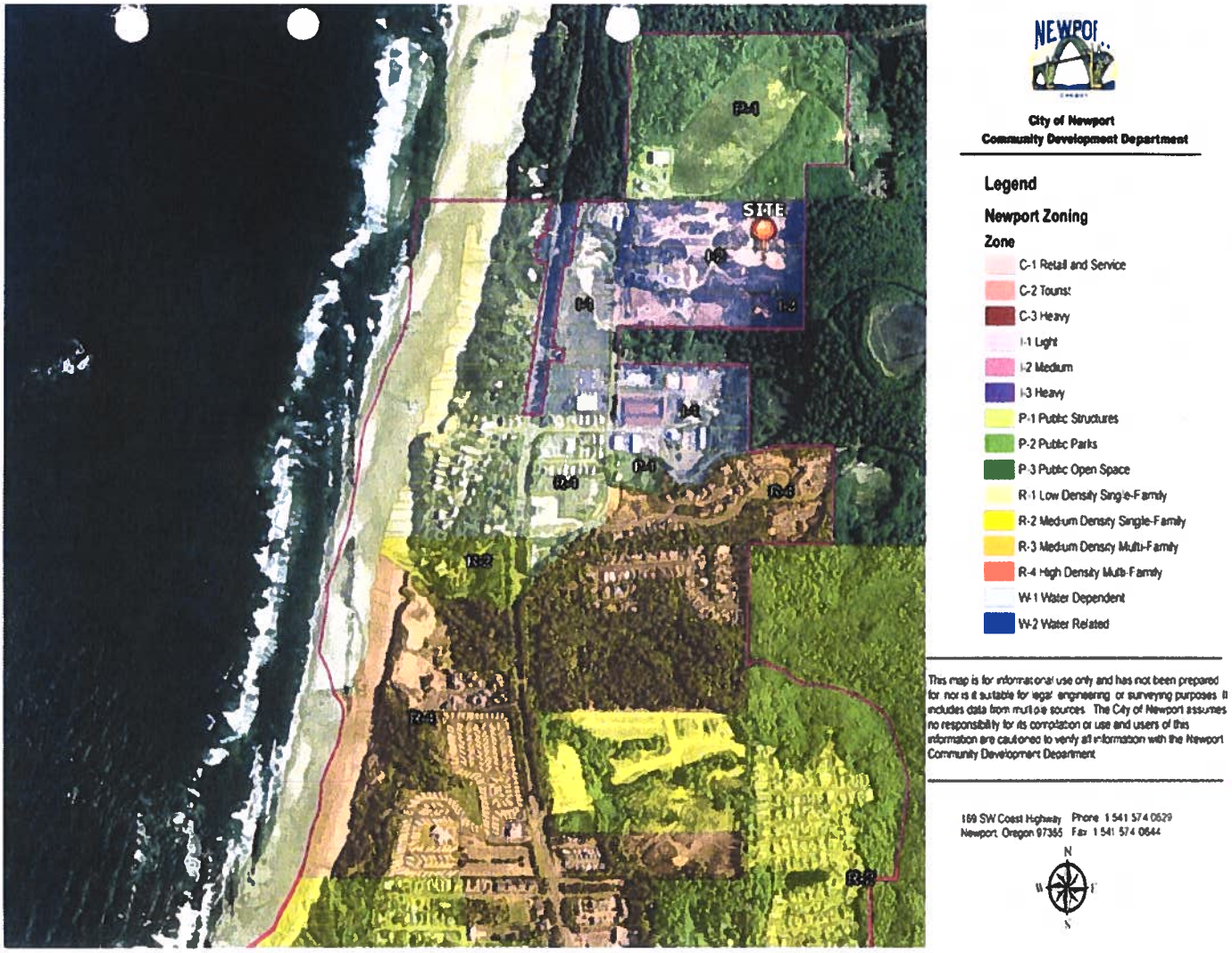
Site Rating: Favorable characteristics for future industrial use consistent with the large parcel size (~30 AC), Shovel Ready Industrial certification and inclusion as a Regionally Significant Industrial Area by the county. As of the date of re-inspection, ongoing site work for fill and grading for areas adjacent to the Avery Street frontage is ongoing. Fill is being provided from a city water and sewer project at no cost to the property owner.

Local Aerial Map

Tsunami Hazard Area Map



Zoning Map


SITE
City of Newport
Community Development Department
Legend
Newport Zoning
Zone
C-1 Retail and Service
C-2 Tourist
C-3 Heavy
I-1 Light
I-2 Medium
I-3 Heavy
P-1 Public Structures
P-2 Public Parks
P-3 Public Open Space
R-1 Low Density Single-Family
R-2 Medium Density Single-Family
R-3 Medium Density Multi-Family
R-4 High Density Multi-Family
W-1 Water Dependent
W-2 Water Related
This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the Newport Community Development Department.
169 SW Coast Highway
Newport, Oregon 97365
Phone 1 541 574 0629
Fax 1 541 574 0644
N
W
E
S

Flood Map

Flood Map Report

For Property Located At

RealQuest

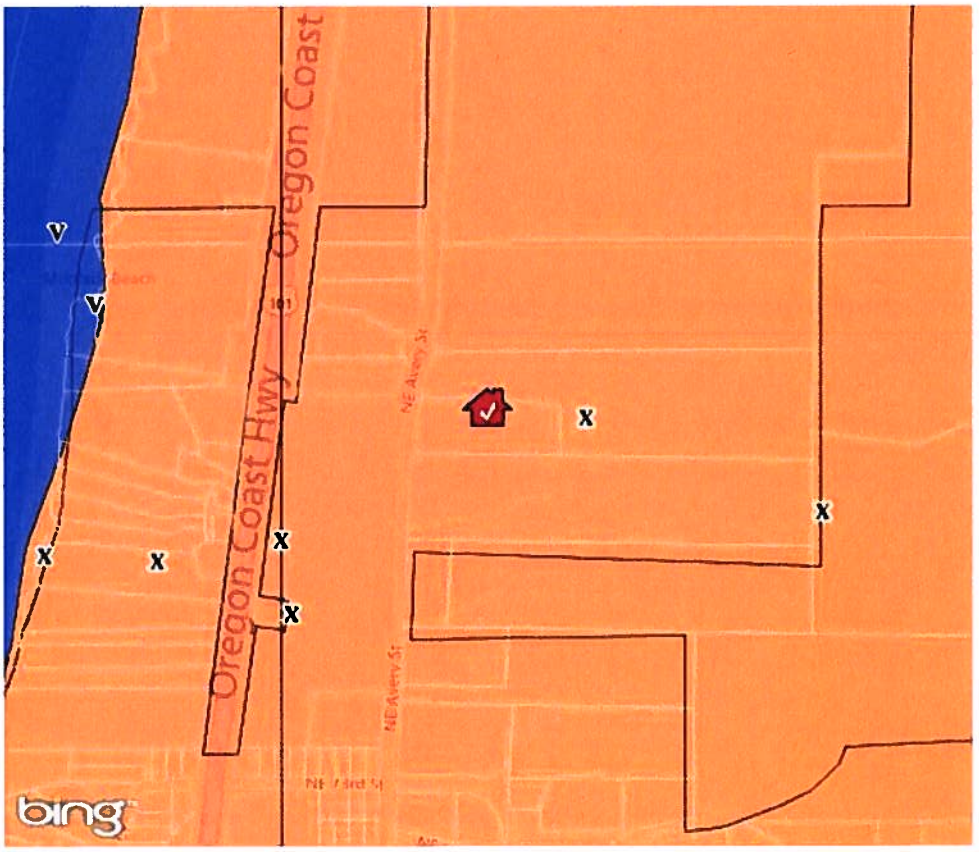
7832 NE AVERY ST, NEWPORT, OR 97365-9574

Report Date: 02/11/2019 **County: LINCOLN, OR**

Flood Zone Code	Flood Zone Panel	Panel Date
X	410131 - 41041C0360D	12/18/2009
Special Flood Hazard Area (SFHA)	**Within 250 ft. of multiple flood zones?**	**Community Name**
Out	No	NEWPORT

Flood Zone Description:

Zone X-An area that is determined to be outside the 100- and 500-year floodplains.



Flood Zones

- Coastal 100-year Floodway
- Coastal 100-year Floodplain
- 100-year Floodway
- 100-year Floodplain
- Undetermined
- Unknown or Area Not Included
- 500-year Floodplain incl. levee protected area
- Out of Special Flood Hazard Area

Topographic Map

Avery Street Industrial Park
Floodplain and Topographic Map

7862 NE Avery Street
Newport, OR 97365

29.82 acres

Taxlots:
10-11-20-00-00200-00
10-11-20-00-00300-00
10-11-20-00-00301-00
10-11-20-00-00400-00

Legend

White Line — City Limits
Avery Street Ind Park
Elevation Contour Lines (feet)
100 Year Floodplain
500 Year Floodplain
Taxlots

0 — 0.25 — 0.5 Miles

Prepared by OCWCOG on October 22, 2013. Oregon Lambert Projection, NAD83. Data Sources: City of Newport, State of Oregon Geospatial Enterprise Office, Bing Maps

Map is for informational purposes only and may not be suitable for legal, engineering, or surveying purposes. Users should consult primary data sources to ascertain usability.

Highest and Best Use Analysis

The concept of Highest & Best Use is an essential component of the appraisal process when estimating market value. Essentially, Highest & Best Use analysis identifies the most profitable, competitive use to which the property can be put. It can be described as the foundation on which market value rests. The Appraisal of Real Estate defines Highest & Best Use as follows:

. . . the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The Highest & Best Use of land as vacant must meet four criteria:

- Legally permissible
- Physically possible
- Financially feasible
- Maximally productive

A use that meets each of the criteria above results in the most profitable use of the subject and is concluded as the Highest & Best Use.

Legal Considerations

The legal factors influencing the highest and best use of the subject site are primarily government regulations, such as zoning and building codes. The site is in the UGB and city limits of Newport, Oregon.

The subject is within the I-2/I-3 Medium to Heavy Industrial zoning district that generally allows a wide variety of uses including office and retail businesses. The site is certified as a "shovel-ready" industrial site by Business Oregon and is designated as a Regionally Significant Industrial Area by Lincoln County. An Enterprise Zone overly may allow property tax relief for some possible future development.

Physical and Location Considerations

The physical and location characteristics of the property have been previously described in this report.

There are physical constraints due the several gullies and ravines that need fill and grading over approximately the western one-half of the site. According to the property owner, sandy soils and overburden that would hinder building foundation construction has been removed. However the fill and grading necessary to level the site for adequate soil conditions for construction remain. Based on Marshal Valuation Service construction cost estimates for site development, we project approximately $1.15/SF to $1.55/SF of costs remain to condition the site for immediate development.

The site is out of the floodplain and outside of the Newport-North Tsunami Hazard Area. These factors are particularly advantageous for public uses such as educational facilities and government offices and private complexes.

According to documentation submitted for shovel ready site determination, the site has filled or mitigated 0.74 acres of wetlands consistent with permits. There is no reported Threatened or Endangered Species (T&E) sensitive habitat on the Lawson site.

Historic aggregate mining has occurred over a 2-4 acre area at the southeast corner of the site. While not currently permitted to mine and sell aggregate, this activity can be operated for on-site uses to provide aggregate fill for gullies and ravines as well as under foundation needs for site and building improvements.

Recognizing that the shovel-ready designation provides that the site could be filled and graded/conditions for building construction within 6 months, and that wetlands have been filled or mitigated, we consider all of the 29.82 acres "usable" for industrial development.

Market Analysis/Demand

The Lawson property at approximately 30 acres is the largest vacant industrial parcel not in a tsunami hazard area in the city of Newport. Although demand for industrial use properties has been low throughout the area (as evidenced by the few number of industrial land sales in the market area) the unique characteristics of the Lawson parcel creates a market niche for buildable large acreage sites.

There are currently 4 parcels listed for sale from 5 acres to 134 acres from Pacific City to Waldport. A 5.92-acre parcel south of Depoe Bay with a mix of residential and industrial zoning is listed for $2.13/SF. A 9.42-acre site south of Waldport in a rural area has improvements related to a former greenhouse operation and manufactured home. It is listed for $1.62/SF.

A 60.46-acre site on the Siletz Highway east of Lincoln City is listed for sale at $0.40/SF but it is an active quarry and not suitable for industrial development. The largest site listed in the county is a 134-ascre site 3 miles south of Pacific City and zoned for Planned Development Resort. It is listed for $0.47/SF but has been on the market for three years.

However, the above site listings are not comparable to the subject as they are all inferior in location and development potential.

Alternately, without a significant "anchor" in the local area that could attract commercial support uses or light industrial activity, demand for sales of big box/wholesale retail uses is not seen here as the site has no Hwy 101 exposure and is a distance from the Newport city center.

Conclusion of Highest and Best Use

Legal, physical, location, and market considerations have been analyzed in relation to the subject property.

Immediate development of the site for stand-alone light to heavy industrial uses is limited for general private (for profit) demand but very favorable for public uses such as educational facilities and local, county, or state government uses. The highest and use as vacant is for future general industrial development.

Land Valuation

Introduction

In this section, the market value of the subject as vacant land is estimated by comparing it with recent sales in the market areas.

Unit of Comparison

The most relevant unit of comparison for industrial land is the price per square foot, as it best reflects the analysis used by buyers and sellers in this market for land with similar size, utility, zoning, and development potential.

Comparable Selection

A thorough search was made for a variety of industrial development sites in Lincoln County including building ready parcels in districts and sites such as the subject. The parameters of the survey were proximity to the subject, size, appeal, date of sale, and location of utilities/finished streets. Due to the scarcity of industrial land sales we have broadened the market area to include other small town communities.

The land sales summation chart and location map are on the following pages.

Value Adjustments to Comparable Sales

No specific quantitative adjustments are made to the comparable sales. All of the sales occurred under reasonably similar market conditions with no adjustment warranted. Specific quantitative adjustments for location and other physical characteristics were not made with qualitative adjustments for these features considered more appropriate.

Land Sales Comparison Summary Chart

LAND SALES					
LOCATION INFORMATION	**COMPARABLE 1**	**COMPARABLE 2**	**COMPARABLE 3**	**COMPARABLE 4**	**COMPARABLE 5**
Development:	**Future Development**	**Cascade Tissue**	**Automobile Dealership**	**Future Development**	**Utility Co. Facility**
Address:	7564/7566 NE Avery St.	52960 West Lane Road	1809 SE Ensign Road	NE Avery St. (W. of Subject)	7701 NE Avery Street
City:	Newport	Scappoose	Warrenton	Newport	Newport
County:	Lincoln	Columbia	Clatsop	Lincoln	Lincoln
APN:	R262467, R260059 - TL 500/501	429409	57887	R500480, R500481- TL 510/511	Various - TL 202-205, 301, 502-508
PHYSICAL INFORMATION					
Property Type:	Vacant Industrial Land	Light Manufacturing/Office	Vacant Comm./Ind. Land	Vacant Industrial Land	Vacant Industrial Land
Gross Lot Size (AC):	8.99	47.28	6.62	2.06	11.07
Net Lot Size (AC):	5.99	47.28	6.62	2.06	11.07
Lot Size (SF):	260,924	2,059,517	288,367	89,734	482,209
Zoning:	Industrial - Lincoln County	Airport Business Park	C-1 General Commercial	I-1, Light Industrial	I-1, Light Industrial
Shape:	Rectangular	Rectangular	Rectangular	Roughly Rectangular	Rectangular
Topography:	Level to steep slopes	Level	Level	Level to moderate slopes	Level to gentle slopes
Utilities:	All available in street	All Available	All available in street	All available in street	All available in street
Improvements:	None	None	None	None	None
View:	None	Territorial, Mountain	None	None	None
SALE INFORMATION					
Buyer:	9 Acres Next Door LLC	Cascade Holdings	DBG Holding (Astoria Ford)	Ryan Bancroft	Central Lincoln PUD
Seller:	Estate of Betty Wood	Air Park Development	North Coast Retail LLC	Patrick Maguire	Various --Assemblage from 4 Sellers
Transaction Date:	12/29/17	5/26/16	3/11/16	1/16/16	9/28/15
Transaction Status:	Recorded	Recorded	Recorded	Recorded (WD 2016-00480)	Recorded
Transaction Price:	$313,000	$8,013,788	$1,423,571	$175,000	$2,125,000
Analysis Price Per SF:	**$1.20**	**$3.89**	**$4.94**	**$1.95**	**$4.41**
CONFIRMATION					
Contact:	County Assessor Lincoln County Assessor 541-265-4102	Henry Schulte (503.539.7947) Compass Commercial Local RE Agent	County Assessor Clatsop County Assessor 503-325-8522	County Assessor Lincoln County Assessor 541-265-4102	Gail Malcolm, Project Manager Central Lincoln PUD 541-574-2054
Remarks:	Three acres unusable due to steep slops and a bisecting creek bed as agreed by Seller. Purchased by adjacent landowner to expand sanitation/recycling business. Two structures demolished by seller prior to closing. Site is immediately south of the subject property but not in the UGB/city limits of Newport. County zoning.	Final plans call for 600,000 SF light manufacturing and office space for Cascade Tissue paper converting facility. Approx. 20-25% built to date. Split zoning in Airport/Airpark district permitted construction. Subsequent to sale, approximately $1,006,351 costs for on and off-site improvements including on-site storm water detention facility. West Lane Rd. widening required 0.36 AC ROW dedication.	1.85 acres of wetlands filled, 1.33 AC wetlands modified for on-site water detention. Near Hwy 101 corridor south of Astoria in area of big box retail development (Costco and Wal-Mart). Warrenton zoning allows similar uses as the Newport zoning district.	Two lots located across the street from the subject purchased for yard and equipment storage. Adjacent to Hwy 101 right-of-way but no highway exposure, access from Avery Street	11 lots assembled from 4 sellers for development of an office and maintenance facility for the Peoples Utility District. Buyer removed existing utility improvements for a site that had need intended for subdivision for an industrial park. An existing 12,250 SF building was attributed no value and demolished. Site backs to Hwy 101 but with no highway exposure as the building is oriented to Avery Street.

Future Development Land Value Analysis

Comparable 1 ($1.20/SF) is December 2017 sale of an 8.99-acre parcel adjacent to the subject on the south. However, it is not in the Newport city limits or UGB and is governed by county zoning. It was purchased by the sanitation/recycling business to the south for yard storage. The site development potential is limited by a creek bed that bisects the property and steep slopes along the east boundary. As an inferior site for industrial development, this is a low value indicator.

Comparable 2 ($3.89/SF) is a larger 47.28-acre industrial land sale from May 2016 east of Scappoose. While not a site along the Oregon Coast, this parcel is similar as a more rural location in proximity to the Hwy 30 traffic corridor. Purchased by Cascade Tissue and developed in the first phase of what will ultimately be a 600,000 SF paper converting facility. The site is near Scappoose Airport, approximately 20 miles northwest of Portland. This sale is overall a reasonable value indicator with physical conditions supporting immediate use and a location closer to a major metropolitan area, offset by road improvements needed an onsite water detention facility.

Comparable 3 ($4.94/SF) is a 6.62-acre commercial/industrial site in Warrenton, 5 miles south of Astoria in an area of big box retail uses with proximity to Hwy 101. This parcel had just over three acres of wetlands but half was filled and mitigated with the remainder repurposed for on-site storm water detention. The buyer relocated the Astoria Ford dealership to this location. Overall, this is a high value indicator for the subject due to superior location.

Comparable 4 ($1.95/SF) is a January 2016 purchase of a small, 2.06-acre industrial-zoned parcel across the street from the subject on NEW Avery Street. This parcel has more restrictive topography and is currently used for outdoor equipment storage. Overall, this is a low value indicator for the subject.

Comparable 5 ($4.41/SF) is an 11.07-acre assemblage of 11 lots from 4 owners to have sufficient land area for construction of the Central Lincoln People's Utility District building. Much of the existing water, storm, and electric infrastructure had to be removed as it was installed with the intentions of a subdivided industrial park use. The Project Manager reported that extensive onsite and offsite work (including paving of NE 73rd in addition to Avery St.) was required as well as half-street improvements to Avery Street. This sale included a significant amount of site improvement cost including the demolition of the 12,500 SF building removing existing infrastructure. Also the site was an assemblage of 4 properties typically increasing the cost of the acquisition. Overall, this is a high value indicator for the subject recognizing that the subject property has additional site work necessary to permit building construction.

Land Value Conclusion

The adjusted value range of all comparables is $1.20 to $4.94/SF. Comparables 2, 4, and 5 indicate low and high value indicators with a range from $1.95/SF to $4.41/SF. To narrow the subject value range more accurately, we have considered that the similar location of Sale 5 in the same market area with similar soils as an upper limit. The estimated market value prior to adjustment for additional site work is approximately $4.50/SF.

Land Valuation (continued)

It is evident that additional site work is needed on the subject to fill gullies and ravines, removal of inferior, sandy soils that inhibit foundation work, grading and conditioning so that the site is in fact immediately buildable. However, we have re-inspected the site as of February 20, 2019 to verify that site work for fill and leveling is currently taking place on the subject site using materials diverted from a city water and sewer project at no cost to the property owner.

We have utilized the Marshal Valuation Service construction cost estimates to conclude an approximate figure for remaining site development costs as the current site work activity will not correct all of the problems with topography and grading issues.

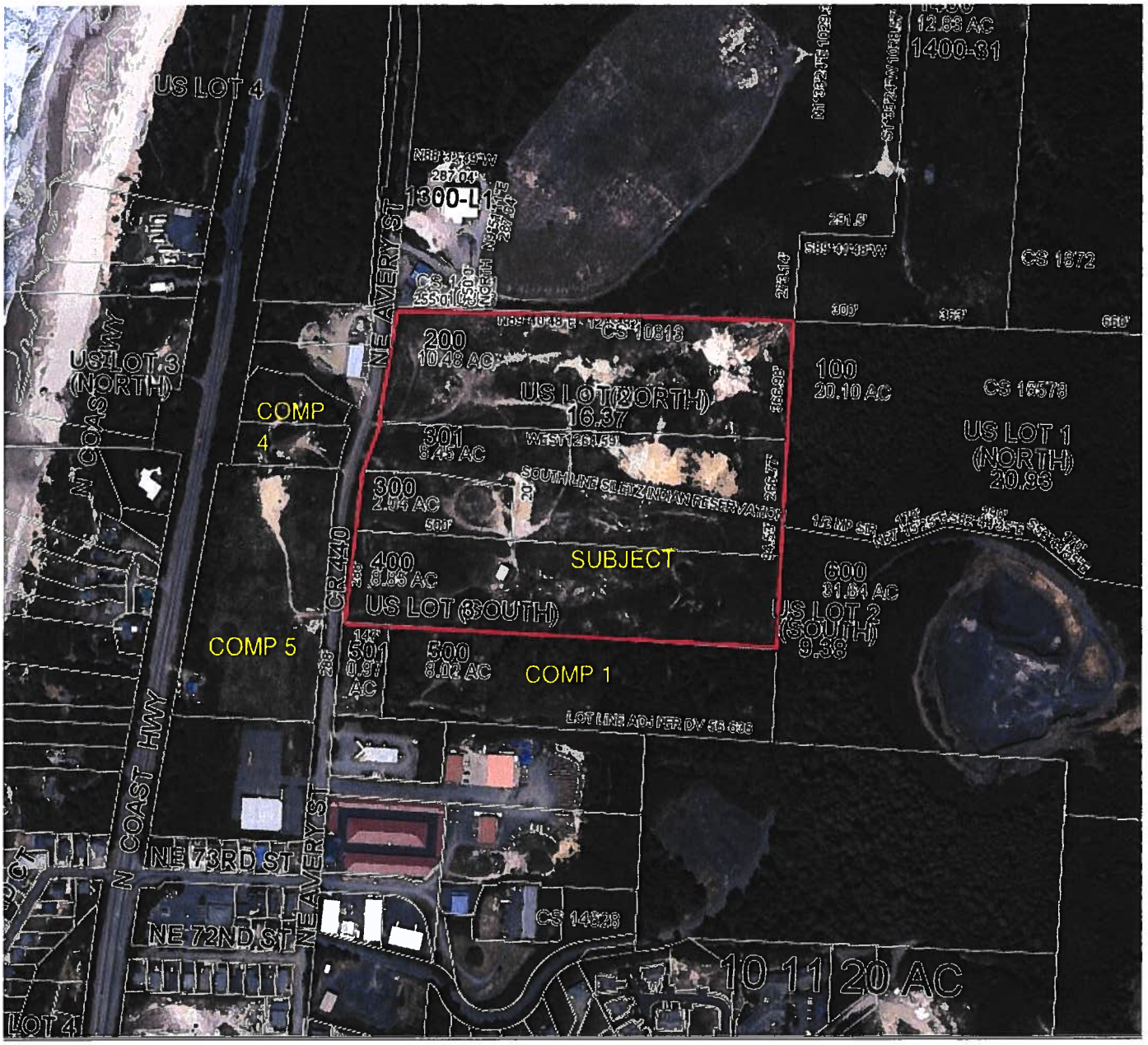
Section 44, Page 1, site costs for excavation, fill, and site preparation for industrial sites generally range from $1.00 to $2.00 per square foot. In our opinion it is reasonable to deduct approximately $1.15 to $1.55/SF (Marshall Average to Good) from the market value of $4.50/SF of Comparable 5, which results in an "as-is" market value range of $2.95/SF to $3.35/SF.

Given the ongoing site work we conclude a value just above the average, or $3.25/SF. We applied this value to all of the subject site size as all usable area recognizing that wetlands have already been filled or mitigated. This also applies to the approximate 3-acres of aggregate mining area that has value for the future landowner for on-site gravel and rock need for fill and foundation bases, for site improvements and buildings, among other uses.

Therefore our concluded subject land value is **$3.25 per square foot,** and applied to 29.82 acres, or 1,298,959 square feet results in an "as-is" market value of $4,221,617, rounded to:

$4,220,000

Local Land Comparison Sales Map



* Comparable 2 in Scappoose, OR and Comparable 3 in Warrenton, OR are outside the map boundaries and are not shown.

Certification of Appraisal

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- No other services, as an appraiser or in any other capacity, regarding the subject property has been provided within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment and my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Donald R. Palmer, MAI, made a personal inspection of the property that is the subject of this report and the comparable sales. Given the character of the property and existing improvements, interior inspections of the improvements were not made.
- Rob K. Klever provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Donald R. Palmer, MAI, has completed the continuing education program of the Appraisal Institute.

Donald R. Palmer, MAI
Certified General Real Estate Appraiser
State of Oregon License No. C000060

Addenda

- Industrial Site Certification Letter
- ODFW Threatened & Endangered Species Letter
- DEQ No Further Action Letter Lot 400
- DEQ No Further Action Letter Lots 200, 300, 301
- DSL Wetland Fill Letter
- Environmental Survey Executive Summary
- Marshal Valuation Section 44 Page 1
- Qualifications of Appraiser
- Qualifications of Appraisal & Consulting Group

The Wadley-Donovan Group

150 Morris Avenue, Suite 203 • Springfield, NJ 07081
Phone: 973-379-7700 • Fax: 973-379-7771 • E-mail: info@wadley-donovan.com

June 19, 2013

Michael J. Williams
Industrial Lands Specialist
Business Oregon
775 Summer St. NE, Suite 200
Salem, OR 97301-1280

Subject: Industrial Site Certification – Avery Street Industrial Park Site, Newport, Oregon

Dear Mr. Williams:

It is with great pleasure that we confirm certification based upon the established OECD Department certification standards of the above-mentioned site consisting of 29.82 acres.

This certification is being issued with the following condition:

- All of the information provided to the Wadley-Donovan Group in the certification application and supporting materials is as stated and accurate.

Certification by the Wadley-Donovan Group is provided after a thorough and extensive analysis of information regarding the property and any limitations to its development. As a result, this site is determined to be ready for improvements in not more than 180 days from the commencement of the project with the conditions outlined above.

This site has been certified for the following use Rural Industrial-Shipping/Storage:

Certification is effective for two years from the date of this letter.

Sincerely,

William Fredrick
President

Oregon
John A. Kitzhaber, MD, Governor

Department of Fish and Wildlife
North Coast Watershed District
Newport Field Office
2040 SE Marine Science Drive
Newport, OR 97365
(541) 867-4741
(541) 867-0311
www.dfw.state.or.us

February 13, 2012

Michael J. Williams
Industrial Lands Specialist
Oregon Business Development Department
775 Summer St. NE, Suite 200
Salem, OR 97301-1280

RE: Lawson Site (Avery Industrial Park) - T10S R11W Sec 20 TL 200, 300, 301, 400

Mr. Williams,

On February 8, 2012 you requested information from the Oregon Department of Fish and Wildlife (ODFW) on the presence of Threatened or Endangered Species (T&E) and sensitive habitats on the Lawson Site (Avery Industrial Park). ODFW does not have any records of T&E fish or wildlife at this site. The site contains 0.74 acres of riverine flow-through, palustrine emergent wetland that is proposed to be permanently filled. The applicant has obtained permits for this action and has mitigated for the 0.74 wetland acres through Department of State Lands (DSL) payment in lieu fee program.

We recommend contacting the U.S. Fish and Wildlife Service in Portland for their records of possible T&E fish, wildlife or plants at this site. Their contact information is: USFWS 2600 S.E. 98th Ave, Ste 100 Portland, OR 97266 Phone: 503-231-6179. A Bald Eagle nest site in the adjacent tax lot (T10S R11W Sec.20 TL 600) may have federal permitting requirements due to the nest site's proximity to the Avery Industrial Park.

If you need any further information I can be reached at (541) 867-0300 ext. 281 or e-mail Jason.A.Kirchner@state.or.us.

Sincerely,

Jason Kirchner
Mid Coast Estuary/ Freshwater Habitat Protection Biologist
Newport Field Office

Wood-Lawson.pdf

Oregon

John A. Kitzhaber, MD, Governor

Department of Environmental Quality
Western Region Eugene Office
165 East 7th Avenue, Suite 100
Eugene, OR 97401
(541) 686-7838
FAX (541) 686-7551
TTY 711

May 9, 2012

Paul Lawson
5535 E Evergreen Blvd., No. 7305
Vancouver, WA 98661

Re: No Further Action
Lawson Property (tax lot 400)
7654 NE Avery St., Newport
ECSI #5722

Dear Mr. Lawson:

The Department of Environmental Quality (DEQ)'s Voluntary Cleanup Program has reviewed assessment actions performed at the above referenced site. Based on the review, DEQ is issuing a No Further Action (NFA) determination for the site under Oregon Revised Statutes 465.200 etc. seq and Oregon Administrative Rules Chapter 340, Division 122, Sections 0205 to 0360.

DEQ's determination that NFA is appropriate is a result of our evaluation of the facts as we understand them. The basis for DEQ's decision is presented in the *No Further Action Decision Document* dated May 8, 2012 (attached).

DEQ's NFA determination will not be applicable if new or undisclosed facts show that the cleanup does not comply with the referenced rules. DEQ recommends that a copy of all information be maintained with the permanent facility records. DEQ files and the Environmental Cleanup and Site Information database will be updated to reflect the NFA determination.

If you have any questions regarding this letter, please contact Katie Robertson at (541) 278-4620. DEQ has appreciated the opportunity to assist you in the evaluation of your property.

Sincerely,

Paul S. (Max) Rosenberg
Western Region Environmental Cleanup Manager

Attachment: No Further Action Decision Document, May 8, 2012

ecc: Katie Robertson, DEQ, Pendleton
Mary Camarata, DEQ, Eugene
Mike Williams, OBDD, Salem

Oregon
Theodore Kulongoski, Governor

Department of Environmental Quality
Western Region Eugene Office
165 East 7th Ave, Suite 100
Eugene, OR 97401
(541) 686-7838
FAX (541) 686-7551
TTY (800) 735-2900

January 22, 2010

Mr. Mick Wood
7654 Avery St
Newport, OR 97365

RE: **No Further Action Determination**
7832 and 7862 Avery St, Newport, OR
Tax Lots 200, 300, 301
ESCI #4659, Lincoln County

Dear Mr. Wood:

The Oregon Department of Environmental Quality has reviewed your reports addressing impacts of storing significant qualities of solid waste materials such vehicles, vehicle parts, construction debris, and drums. Upon inspection it appeared that site soils were impacted by multiple small releases of engine oils, waste products, metals and unknown contamination. Attached for your records is a copy of the decision memo summarizing your cleanup actions and DEQ's conclusions regarding the presence of hazardous substances at the referenced property.

As required under ORS 465.320(4), DEQ provided an opportunity for public comment in December 2009 on DEQ's recommendation for a No Further Action (NFA) determination. DEQ published a notice and brief description of the determination in a local paper of general circulation (Newport, News Times), and in the Oregon Secretary of State's Bulletin. No comments were received during the public comment period.

DEQ concludes that no further action is required for environmental impacts from the historical releases of petroleum and associated hazardous substances, consistent with Oregon Environmental Cleanup Law, ORS 465.200 et seq., unless additional information becomes available justifying further investigation or cleanup. DEQ will update the Environmental Cleanup Site Information (ECSI) database to reflect this finding that no further action is needed.

Please do not hesitate to contact me if you have any questions or concerns regarding this matter.

Sincerely,

Paul S. Rosenberg

Paul S. (Max) Rosenberg, R.G.
Western Region Cleanup Manager

encl. DEQ Documentation supporting NFA Determination

cc: Fernwood, w/encl

DEQ-ECI

Oregon
John A. Kitzhaber, MD, Governor

Department of State Lands
775 Summer Street NE, Suite 100
Salem, OR 97301-1279
(503) 986-5200
FAX (503) 378-4844
www.oregonstatelands.us

State Land Board

John A. Kitzhaber, MD
Governor

Kate Brown
Secretary of State

Ted Wheeler
State Treasurer

November 8, 2011

KDJ600/46373
MICHAEL WILLIAMS
OREGON BUSINESS DEVELOPMENT DEPARTMENT
775 SUMMER STREET NE, SUITE 200
SALEM OR 97301

Re: Lawson Industrial Certification Site: T10S, R11W, Section 20, tax lots 200, 300, 301 and 400, Lincoln County (DSL # 46373-RF)

Dear Mr. Williams:

On May 16, 2011, the Department of State Lands (DSL) issued removal-fill permit no. 46373-RF authorizing fill of the delineated 0.74 acres of wetlands on then subject site. The permit remains valid until May 16, 2016. With this permit issuance, DSL concludes that this project meets the wetland documentation standards as described in "Application for Oregon Industrial Site Certification".

If you have any questions or require further assistance, please contact me at (503) 986-5320.

Sincerely,

Kirk Jarvie
Regional Solutions Liaison
Department of State Lands

Wood-Lawson.pdf

1.0 EXECUTIVE SUMMARY

This Phase I Environmental Site Assessment was conducted by AGI for tax lot 400, Map 10S1120, Newport, Lincoln County, Oregon. The project was performed in general accordance with ASTM Standard E 1527-05, *Standard Practice for Environmental Site Assessments; Phase One Environmental Site Assessment Process.*

Historical sources indicate that the subject property was undeveloped land until the 1950's when the property was purchased by the family of Mr. Mick Wood, along with three other adjacent tax lots to the north (tax lots 200, 300 and 301). A small house with an attached garage was built on the subject property (tax lot 400) which became the residence of Mr. Wood. A wooden shed and garage were later built near the center of the subject property. Mr. Wood was in the logging business and he stored equipment, machinery and vehicles on the subject property, but mostly on the adjacent tax lots to the north.

In 2005, Mr. Wood began filling some of the drainages on the west end of the subject property to level the site. The Oregon State Police was notified of the filling and required that he stop all work. It was determined that he was filling in wetlands and the next few years were spent studying the impact to the wetlands.

In May 2006, a Phase I Environmental Assessment was completed for Mr. Paul Lawson prior to his purchase of tax lots 200, 300, 301, and 400 (subject property). At the time of the report, there were six buildings located on the four tax lots. Of these buildings, a house, a barn, and a storage shed were located on the subject property.

Mr. Lawson had applied for enrollment in Oregon's Industrial Lands Initiative to assign "shovel-ready" status to the site to encourage development of the property. In order to qualify for the program, the site had to receive a No Further Action determination by Oregon DEQ with respect to impact by hazardous substances. Tax lot 400 was eventually excluded from DEQ's determination, leaving only tax lots 200, 300 and 301.

During the completion of the Phase I Assessment, soil contamination by heavy oil was identified in the garage building on the subject property. The contamination consisted of motor oil on the gravel floors resulting from incidental leaks from parked trucks or cars and/or from minor spillage during repair activities. The stained soil covered an area of approximately 10 feet by 15 feet. A similar stain was observed in another garage on tax lot 300. The report recommended that the impacted soil be removed and disposed of.

In July 2006, soil samples were collected from hand-dug test pits in the floors of the two shop buildings. Building #1 was located on the subject property. The soil sample collected from Building #1 contained 38,000 milligrams per kilogram (mg/kg) heavy oil, 3 mg/kg arsenic, 115 mg/kg barium, 115 mg/kg chromium, and 183 mg/kg lead. The heavy oil contamination appears to be limited to depths of less than 12 inches.

The contaminated soil was removed from both buildings and disposed of at Coffin Butte Landfill. The confirmation samples collected from both buildings contained petroleum below risk-based screening levels for all exposure pathways. No stains were observed on the garage floor or in any other areas of the subject property during the recent site reconnaissance.

On January 22, 2010, DEQ issued a No Further Action (NFA) determination for tax lots 200, 300 and 301. The subject property was specifically excluded from the determination. DEQ informed Mr. Lawson that he could pursue an NFA for the subject property by first completing a Phase I Environmental Assessment in order to identify potential environmental concerns.

Based on the finding of this study, this assessment has revealed no evidence of recognized environmental conditions in association with the subject property.

GARAGES, INDUSTRIALS, LOFTS AND WAREHOUSES

Garages, industrial buildings, lofts and warehouses are characterized by utilitarian construction; however, many light industrial buildings now approach office buildings in interior construction and space division. In this respect, many electronics and similar industrial plants have many loft or office building characteristics. If the plumbing and interiors of these buildings are not priced in detail, great care should be exercised in using the typical cost ranges shown. The interior and plumbing costs included in the tables of costs per square foot of floor area include typical office and showroom space necessary for the manufacturing or storage operation. They do not include office and showroom space for other functions of the entire business even though these may be attached to the structure. Many buildings of the types covered by this section are designed to support heavy loads. Their foundations, frames, floors, and walls are heavier than most other occupancies, while fenestration is simpler. Sheds, including low-cost utilitarian storage structures, which are usually lighter than typical industrial or warehouse buildings, should be priced from Section 47 or 64. For descriptions of buildings included in this section, see Page 1, Section 14.

Cold-storage facilities can be priced by building up the basic structure cost from this section and adding costs for specific insulation and refrigeration from Section 56.

Foundations for Class A and B industrial buildings can be priced quite accurately on a square-foot-of-floor-area basis. However, with Class C, D and S light industrial shell-type buildings, a perimeter foundation or footings may carry most or all of the load, and the cost is generally proportional to the perimeter. Such costs may be better computed on the linear-foot-of-bearing-wall basis with costs of column footings added if interior columns support a roof or floor load above.

Frame costs should be adjusted for partial bearing walls, as described in Section 51, using a cost proportional to the load that is carried by the frame. If the frame members are visible and uniform enough to be easily measured and counted, they may be priced from Section 51. When a complete frame cost is used, generally the trusses or girders would be included as the horizontal members of the frame. See explanations in Section 51 or 40. In single-story buildings where the frame supports only a light roof, Rating 1 might often be chosen, even in average buildings.

Interior construction varies widely in industrial structures. The costs given are only typical ranges and should be used with caution. If desirable, partition costs may also be built up from Section 52; however, interior costs also include miscellaneous cabinets, shelves, stairs and other items.

Plumbing will vary widely and may be more accurately priced on a per-fixture basis; however, typical cost ranges are given on a square-foot basis. Industrial sinks and other specialized fixtures may also be found in Section 53. Plumbing costs do not include process piping for industrial equipment.

Electrical costs do not include power wiring or panels for industrial equipment.

Exterior walls may contain few or no windows, or they may be nearly all glass area. Thus, the exterior wall costs have a wide variation, depending on the amount and quality of fenestration.

SEGREGATED COSTS

(For explanation of the rating numbers which head the cost columns, see Section 40)

EXCAVATION AND SITE PREPARATION	1	2	3	4
Excavation, bulk (per cu. ft.)	0.31	0.43	0.57	0.79
Fill (per cu. ft. of compacted earth)	0.32	0.42	0.54	0.71
Site preparation (per sq. ft. of site)	0.25	0.33	0.44	0.58

FOUNDATION – Table I gives complete average costs per square foot of floor area. If a more detailed estimate is desired for Class C, D or S buildings with continuous or column footing foundations, use Tables II and/or III as appropriate.

TABLE I. CONCRETE FOUNDATIONS – Apply to total floor area including basements, but excluding mezzanines.

Concrete foundations for:				
Class A	2.40	3.21	4.30	5.75
Class B	2.61	3.45	4.56	6.03
Class C, bearing wall	2.26	3.03	4.09	5.51
nonbearing wall	2.15	2.91	3.93	5.30
Class D, masonry veneer	2.02	2.73	3.70	5.03
siding or stucco	1.79	2.40	3.26	4.40
pole-frame construction	1.67	2.24	3.01	4.07
Class S	1.74	2.35	3.22	4.40
Classes C, D and S, light perimeter foundation for open shell-type structures	0.73	0.98	1.31	1.75
Add for perimeter insulation, ground floor area only	0.10	0.17	0.27	0.42
earth-sheltered structures	0.14	0.24	0.39	0.59
Add for seismic, base isolators	4.12	6.23	9.37	14.10
damping devices	3.67	4.98	6.75	9.15

FOUNDATION (Continued) – ALTERNATE METHOD

TABLE II. CONCRETE FOUNDATIONS – Apply to linear foot of continuous footings or foundation walls if Table I is not used. See foundation discussion above.

	1	2	3	4
Heavy grade beam or stem footing				
Class C	29.75	42.00	59.50	83.50
Class D, masonry veneer	26.75	37.75	53.50	75.50
siding or stucco	23.35	33.25	47.25	67.00
Class S	23.25	33.00	47.25	67.50
Classes C, D and S, reinforced light-grade beam	18.45	26.50	36.25	55.00
unreinforced-grade beam	9.05	13.35	19.65	29.00
Add for perimeter insulation	0.97	2.19	4.01	6.72
earth-sheltered structures	1.39	3.18	5.84	9.84
Add for perimeter radon-control matting	3.03	3.56	4.24	5.00
Add for perimeter raised-floor skirting	8.74	10.25	12.10	14.20

TABLE III. CONCRETE COLUMN FOOTINGS – Apply to total number of columns if Table I is not used. Costs apply to one-story buildings. For others, add 20% for each story over one.

Concrete columns	57.00	103.00	168.00	271.00
Steel columns	52.00	94.50	156.00	253.00
light pre-engineered frame	42.75	57.00	76.50	101.00
light tubular/pipe frame	31.75	45.00	64.00	90.50
Wood columns	47.75	78.50	124.00	194.00
light pole-frame	33.25	47.00	67.00	94.00

FOUNDATION ADJUSTMENTS – Apply to base cost used.

Add 2% for each foot of average story height over 14' base.
Deduct 2% for each foot of average story height under 14' base.
Deduct 8% for each story over one, for multistory buildings.
For one story buildings with light perimeter grade beam foundations or foundations and footings formed and poured monolithically with floor slabs, use 60% of the above costs for that floor only. Add for pilings from Section 51. If foundations are brick or stone instead of concrete, increase costs by 20%. For concrete block, reduce costs by 8%.

© 2018 CoreLogic®, Inc. and its licensors. All rights reserved. No reproduction, distribution, creation of derivative works, and/or public displays are strictly prohibited.

The data included on this page becomes obsolete after update delivery, scheduled for March 2020.

Donald R. Palmer, MAI

Appraisal &
Consulting Group, LLC

Don Palmer was born in Sunnyside, Washington in 1948. Don spent his early years in the lower Yakima Valley, graduating from Washington State University in 1970 with a Bachelor of Arts in Business Administration. Since graduating, he has resided in Portland, Oregon, and has been active in the Appraisal Institute, the Oregon Mortgage Bankers Association, the Portland Metro Building Owner's Association, Multnomah Athletic Club, and Tualatin Country Club.

Property types appraised include rural property (farmland, timberland, etc), urban properties (apartments, retail, office, industrial). Don has been involved many litigation, estate planning, condemnation, partnership dissolution, and foreclosure assignments. He is a qualified expert witness in several jurisdictions.

Education and Qualifications

Bachelor of Arts Degree, Business Administration, Washington State University, 1970

Experience

Senior Valuation Services Director, Colliers International Valuation & Advisory Services (formerly Palmer, Groth & Pietka, Inc.) 1978-2012

Real Estate Appraiser, Curtis & MacKenzie, 1976-1978

Appraiser, Assessor's Office, Multnomah County, Oregon, 1971-1976

Guest Lecturer

Washington Eminent Domain Conference, 2005

Oregon Eminent Domain Conference, 2005-2011

Professional Affiliations & Accreditations

MAI, Appraisal Institute

Oregon Mortgage Bankers Association

Real Estate Advisory Committee – Boy Scouts of America

Board of Directors, 1983-1984 – Athletic Association, Portland State University

Board of Directors, 1985-1986 – Parry Center

Board of Directors, 1987-1990 – Appraisal Institute

President, 1989 - Appraisal Institute

Board of Directors, 1988-1989 – Oregon Mortgage Bankers Association

Board of Directors, 1987-1990 – Portland Metro Buildings & Owners Association

Portland Metro Builders & Owners Association Member of the Year, 1985

Board of Directors, 1990-1991 – State of Oregon, Real Estate Agency

Cathedral School Board, 1991-1992

President, 1992 - Portland Metro Buildings, Owners, & Managers Association

Board of Directors, President, Vice President, Treasurer, 1995 to 2001 – Tualatin Country Club

SW Community Center Task Force, 1998 – City of Portland

Washington State University Planned Giving Advisory Board, 2002-2010

St. Mary's Auction Chairperson, 2002

State Certifications

Oregon, State Certified General Appraiser, License No. C000060
Washington, State-Certified General Real Estate Appraiser, License No. 1100446

Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required

License No.: C000060

Issue Date: February 01, 2018

Expiration Date: January 31, 2020

DONALD R PALMER
APPRAISAL & CONSULTING GROUP LLC
13306 NW CORNELL RD STE 201
PORTLAND, OR 97229

Gae Lynne Cooper, Administrator

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

DONALD R PALMER
APPRAISAL & CONSULTING
GROUP LLC
1516 NE 37TH AVE SUITE 210
PORTLAND OR 97232

1100446	01/26/1999	01/11/2019
License Number	Issued Date	Expiration Date

Pat Kohler, Director

PL-630-159 (R/3/16)

Appraisal &
Consulting Group, LLC

Appraisal & Consulting Group, LLC, was formed in June 2012 to serve the appraisal needs of lenders, government agencies, investors, and property owners throughout the Pacific Northwest. With offices in Portland, Oregon, and Vancouver, Washington, our experienced appraisal team is:

"Ready, willing and able to serve you in a professional and timely manner."

Don Palmer, David Groth, and David Pietka, each with 40+ years of experience, have brought together a group of highly experienced appraisers who will take full responsibility for inspections, gathering of information, analysis, and report preparation. Reports are prepared by experienced appraisers and all reports are reviewed for quality and accuracy by an MAI. All of the members have at least ten years' experience as licensed general real estate appraisers and hold licenses in Oregon and/or Washington. With twelve members, our combined appraisal experience is over 260 years. Our appraisal experience covers all urban property types from single family to large multiple family complexes and from small retail properties to large motels, hotels, retail complexes, office buildings, and special purpose properties. In addition, we have appraisers specializing in rural and resource properties and commercial properties on the Oregon and Washington coast.

We look forward to serving you on a regular basis.

PORTLAND
13306 NW Cornell Road, Suite 201
Portland, OR 97229

VANCOUVER
112 W 11th Street, Suite 250
Vancouver, WA 98660

971.277.6368 *fax*

www.acgvaluation.com