THE OREGON PARTNERSHIP

Economic Development Department, 155 Cottage St. NE, Salem, Oregon 97310

April issue 1983

The industrial land sites presented in this issue of the Partnership offer a minor sampling of what is actually available.

COMPUTERIZED SITE SELECTION SYSTEM NOMINATED

KEEPING SCORE

The Department's Industrial Land Inventory System has been nominated for the Industrial Development Research Council's (IDRC) Area Research Award. The Atlanta based IDRC is a non-profit organization representing corporate real estate and facility planning executives.

The award nomination was made by Ray Cone, Manager, Corporate Real Estate, Tektronix, Inc. Mr. Cone noted in his nomination letter that the award "would be an appropriate tribute to the pioneering work by the Department." Rich Carson, Program Coordinator and Norm Solomon, Research Analyst were mentioned as the Department team responsible for implementing the system.

The Area Research Award is presented in recognition of outstanding research that influences industrial site selection. The IDRC Board members represent such firms as Xerox, United Technologies, Hewlett-Packard, Spectra Physics, and Westinghouse Electric.

PARTNERSHIP DEPARTMENTS

DIRECTOR'S CORNER

Our Oregon Partnership Newsletter presents a "theme" in each issue. The theme of this issue is "Oregon's Industrial Land" and the articles will provide the reader with a variety of insights into Oregon's industrial land base and the opportunities for growth and development throughout the state.

Of course, this newsletter cannot provide a description of every industrial site. Instead, we have just given a sampling from around the state to provide a broad perspective on the industrial land opportunities throughout Oregon. We expect to repeat this theme occasionally offering an update on Oregon's industrial land.

The Economic Development Department is now undertaking or proposing numerous specific tools to promote Oregon's industrial sites. The Industrial Land Inventory System, already in operation, enables companies seeking plant locations to quickly determine which sites best meet their specifications.

The Industrial Building Inventory System will soon be added to the Site Inventory, allowing a company to quickly search for sites with or without buildings. This combined inventory system of all industrial sites will contain site-specific information of great value to public utility planners, local governments, local and regional economic development groups, researchers and consultants.

In addition, the Department will provide an extremely useful land-use planning tool, the Industrial Land Demand Forecast. Communities and the Land Conservation and Development Commission will be able to use these industrial market analyses to better determine whether additional land should be designated for industrial development.

To provide a better foundation for the application of these Demand Forecast Reports, the Department of Land Conservation and Development and the Economic Development Department are working together on the Governor's Land Use Bill, House Bill 2295, to prepare and promote new guidelines for statewide Goal 9.

These tools are just the beginning. For them to be most effective and useful, we must all work together to constantly expand and update the inventory systems and encourage their use by companies searching for Oregon industrial sites.

I believe the successes of the Industrial Land Inventory Systems have been built upon the necessary participation in the Oregon Partnership, and I further believe the future successes of our expanded Industrial Inventory Systems will depend on the continuing support of that Partnership.

Sincerely,

Douglas R. Carter

Douglas R. Carter
Director

INTERNATIONALLY SPEAKING

FOREIGN INVESTMENT — THE JAPANESE PERSPECTIVE

Attracting investment into Oregon is undoubtedly one of the best ways to strengthen the economy, invigorate local firms and get our communities off their knees.

Today, the state is well prepared to face the task of attracting direct investment into Oregon, both nationally and internationally. On the international side, we now have the opportunity to aggressively seek out foreign investment in our economy. Japan is one of the best prospects for such a campaign.

Much has been said and written about what we can do to attract Japanese investment, but little attention has been paid to what the Japanese want. To be sure, the Japanese are now aggressively investing overseas. In the last two years outflows of long-term capital from Japan have increased from just under $11 billion to $28 billion. Japanese capital is on the move seeking strong markets, securing access to reliable supplies of natural resources, and acquiring U.S. technological know-how in new product development.

Oregon's location in the resource and technology-rich Northwest suggests that we are in a prime position to capitalize on Japanese needs. Past Japanese investment patterns show a strong inclination to invest in service industries such as finance, commodity brokering, and natural resource development. These sectors are rapidly reaching a saturation point. Our mission, should we choose to accept it, is to encourage Japanese investment to move up the distribution flow into manufacturing and industrial development.

The new surge in Japanese capital outflow may facilitate these efforts. Today Nippon's capital is entering the U.S. economy in the form of new plants that increase local employment and strengthen our home-grown industries. In recent years, the number of employes in Japanese subsidiaries in the United States has grown considerably. This trend should continue because the expansion of exports and trade friction will force Japanese companies to turn to local production as a way of offsetting huge trade surpluses. The threat of trade barriers has been a direct incentive for local manufacturing, and undoubtedly this pressure will continue to be felt by Japan, Inc.

Nevertheless, the Japanese have shown some reluctance to invest overseas. Japanese investment in the U.S. is still relatively low compared to British, West German, French, and Dutch investment in the U.S. The reasons for this are important to grasp.

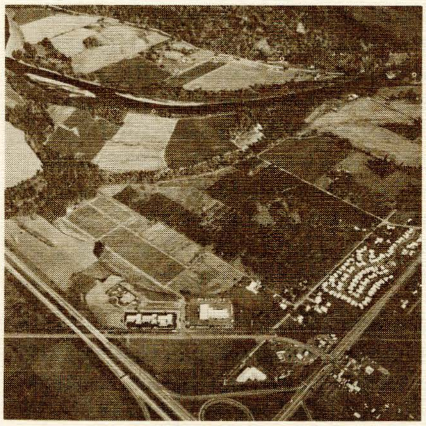
First, Japanese investors are concerned with the questions of cost-effective labor and reliable supplies. In both cases, studies have shown that oftentimes overseas investment cannot compete with the cost effectiveness of Japanese labor and the high degree of supplier reliability customary in their home markets. Here too the figures are shifting as U.S. labor rates drop while Japanese labor costs continue to rise. Supplier relationships are also changing from multi-sourcing to single-sourcing arrangements with local suppliers that can guarantee the quality of their components.

Risk is another limiting factor in the Japanese investor's mind. They have only to look at investments in Iran and Mexico to be reminded of the costly dangers inherent in political and financial instability. Even in the U.S., labor conflicts have taken their toll, making Japanese investors nervous. Here again the U.S. and Oregon can cite unrivaled political and financial stability with a recent record of decreasing labor unrest. Again, the tide is with us.

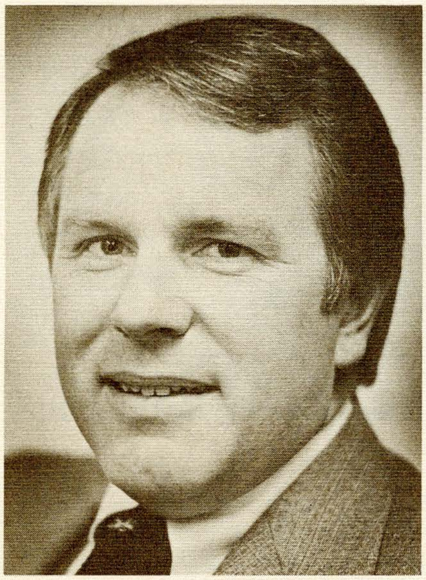
Lastly, the Japanese are reluctant to acquire existing firms. To their perception, buying and selling companies has much the same quality of buying and selling people, and in Japan it is quite literally immoral. Thus, unlike U.S. firms, they cannot enter foreign markets and by the stroke of a pen acquire management, a labor force, an ongoing business, plant, equipment, warehouses, distribution channels, suppliers, brands, and so on. This makes foreign investment a very expensive proposition, requiring an enormous investment for a sustained period. Yet even here, Oregon can answer their needs without requiring acquisition of existing firms.

Oregon's emerging high-technology industry is in need of fresh capital and overseas contacts. Today, high-tech firms must compete internationally almost before they can walk. One suggested approach has been to linkup with Japanese companies that will provide not only the necessary inroads into the Japanese markets and their international distribution chain, but will also offer a cross-fertilization of U.S. research with Japanese expertise in sophisticated production techniques. This is what the Japanese call complementary investment. Thus, Japanese investment in the U.S. for purposes of improving production technology should be beneficial to U.S. commercial interests, especially in industries that are sensitive to changes in consumer tastes. Conversely, Japanese investment designed to gain access to U.S. research prowess should help Japanese industry.

Here again, Oregon should press forward encouraging Japanese capital to invest in our "silicon forest" thereby invigorating their development and providing fresh ideas for technical wizards at Japan, Inc.



In the meantime, we can encourage continued Japanese investment in Oregon through establishment of service-oriented offices for companies like Mitsui, which recently decided to open a local outlet in Portland. The exposure and goodwill that we can generate in opening Oregon to Japanese business will probably be the best card we can play in attracting further industrial investment to Oregon.



By James F. Ross, Director
Department of Land Conservation and Development

CAPITOL PARTNERS

Now that the national economy is showing signs of regaining some of its old vitality, Oregon will be in a better position than ever to respond to the land use needs of business and industry. While the state's economy has languished, cities and counties have been working to implement the Statewide Land Use Planning Program, clearly distinguishing lands intended for conservation from lands intended for development.

We tend to forget that the Land Use Planning Program has been essentially economic in nature since its inception, aiming to coordinate local plans for development while protecting the resource base of the state's farming, lumber, and tourist economy. Over the past two or three years, we have been learning the painful lessons of how vulnerable a resource-based economy can be to the vicissitudes of national economic trends. With reminders of this vulnerability all around us, the Land Conservation and Development Commission (LCDC) has insisted that Oregon's Land Use Planning Program remain faithful to both of its primary purposes — planning the conservation of some lands and the controlled development of others.

While I firmly believe that more can be done, LCDC has consistently required that local land use plans include adequate provisions for the realization of statewide Goal 9, which requires diversification and improvement of the economy of the state. More often than not, LCDC has returned local plans with suggestion for improving their Goal 9 economic components.

It appears that the Commission's approach to commercial and industrial land use planning is paying off. Most of the major growth areas of the state — Portland, Salem, Eugene, Bend, Medford and Newport — now have acknowledged comprehensive plans which eliminate the guesswork as to what local lands are available for industrial development. These plans and their accompanying urban growth boundaries delineate where development may occur and guide phasing of the requisite "infrastructure" for utilities and services.

The economic recovery issues of the 1982 gubernatorial campaign . . . the land planning reports of Associated Oregon Industries and the Governor's Task Force on Land Use . . . the legislative recommendations of the Joint Legislative Committee on Land Use . . . all emphasize the importance of Oregon's **balancing** its future land use needs. These reports and recommendations also carry a second message: Our cities and counties cannot ensure economic well-being merely by zoning for it. We need to put out the welcome mat and publicize the dramatic expansion in the supply of industrial land now available for development in Oregon. With these and other economic facts of life, we can dispel the unfounded myth that Oregon's land use policies are tilted against development.

Oregon's comprehensive Land Use Planning Program has experienced growing pains, but we are achieving our fundamental goal of having a land use process which is prompt, predictable and uncomplicated. With all local plans either completed or nearing completion, the difficult and controversial transition period is now nearly behind us.

Oregon's unique state-local partnership has spent nearly 10 years planning the conservation **and** development of our land resources. It would be a sad waste of that collective effort if we failed to let the world know that we are open for business. Oregon is not only open for business, we have planned for business — just as we have planned for the many other activities we need to assure the continued prosperity and liveability of this state.

Bits and Pieces

With this issue The Oregon Partnership introduces a new department, "Business Partners." Representatives of the private sector will be invited to contribute their thoughts, ideas, and comments related to the issue's theme.

The Partnership is sending an S.O.S. for the department. In order to assist the promotional efforts of our existing businesses we need to build a photo file. We need pictures of:

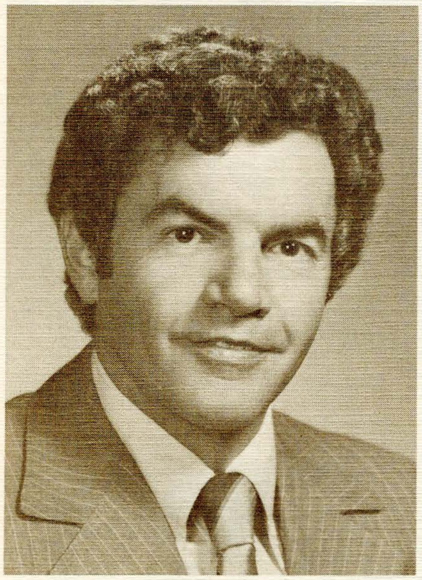
- Oregon's business and industrial facilities, (interior and exterior)
- utilities, railroads, schools,
- industrial land (both developed and undeveloped) etc.

. . .

These Photos will not be returned and must be free of copyright restrictions. Please include on a separate, attached, piece of paper all data on the photo.

The photo file needs to be started immediately and will be used in a variety of promotional activities. This is the Partnership at work. Please send photos to:

Laura Hadfield
Oregon Economic Development Department
155 Cottage St. N.E.
Salem, OR 97310



Charles D. Cota
President
Society of Industrial Realtors
Oregon Chapter

Business Partners

GREATEST POTENTIAL FOR NEW GROWTH IS FROM EXPANSION OF EXISTING BUSINESSES IN THE TRI-COUNTY AREA OF PORTLAND

The recession as defined by the "still-employed" or depression as defined by the unemployed in 1981 and 1982, finally jolted many Oregonians into the realization that something had to be done to replace those jobs lost. In some cases, these jobs have been lost forever.

Upon receiving reports that technology firms were choosing other states over Oregon, and that existing firms were considering leaving the Tri-County area (Multnomah, Washington and Clackamas), business leaders became very concerned.

In response to these concerns, the Portland Chamber of Commerce commissioned SRI International (SRI) to provide an independent assessment of the area's strengths and weaknesses as a basis for developing a strategy to encourage new economic growth.

The results of the SRI study published in November 1982, indicated the following strengths and weaknesses of the Tri-County area. While this report was commissioned by the Portland Chamber of Commerce, the problems and solutions apply to the State of Oregon as well.

Strengths
- Quality of Life
- Labor Force
- Business and Transportation
- Support Services
- Labor-Management Relations

Areas of Parity
- Housing
- Quality and Cost of Government Services

Liabilities
- Business Image
- Industrial Site Availability
- Higher Education Facilities

In addition to correcting the indicated liabilities of poor business image, lack of zoned and serviced industrial sites, and lack of higher education facilities, SRI recommended the following marketing targets.

Top Prospects
Include selected components of:
- Instrument Manufacturing
- Electronics Manufacturing
- Machinery

Other Priority Targets
Include selected components of:
- Trucking and Warehousing
- Wholesale Trade
- Metal and Metal Products Manufacturing
- Financial, Insurance, and Real Estate
- Business and Legal Services
- Rubber and Plastics Products Manufacturing

The SRI report recommended that coordinated efforts be made to attract new research and development and hi-tech firms to the Tri-County area and to create new jobs in environmentally clean industries.

It is important to note that SRI indicated expansion of existing businesses in the Tri-County area represents the region's greatest single potential for new growth.

The Tri-County area is already blessed with such highly regarded large hi-tech companies as Tektronix, Intel, and Floating Point Systems. These firms have not always been large; Tektronix started out in the basement of one of its founders' homes. There are approximately 100 smaller electronics and hi-tech firms in the Tri-County area, some of which have the potential to become large employers.

While the hi-tech firms are the prime target industries, let us not forget other industries which have their corporate headquarters in Oregon, these would include Nike, Evans Products Company, Hyster Company, Precision Cast Parts, Jantzen, Pendleton, and Ford Industries.

Examples of positive steps now being taken include:

The U.S. National Bank's "Are You With Us?" deposit program to raise money to assist in creating new jobs in Oregon.

The leasing of the former Water Services Building by the Portland City Council for $1.00 to Portland State University. This facility, dubbed by Mayor Ivancie as the Computer and High-Tech Institute of Portland (CHIP), is a major step in establishing an engineering computer science education and research center.

The Murdock Foundation (established by one of the founders of Tektronix) recently gave Portland State University a $250,000 VAX 11/750 computer which now needs a basing center.

Portland State will share a substantial portion of a $3.5 million gift and equipment for hi-tech from Tektronix.

An additional $1 million has been released by the State Emergency Board for hi-tech development in the Portland area. $400,000 of that money is earmarked for the hiring of specialized Portland State University professors.

All the above resources could be put to work immediately at the proposed Computer and High-Tech Institute of Portland.

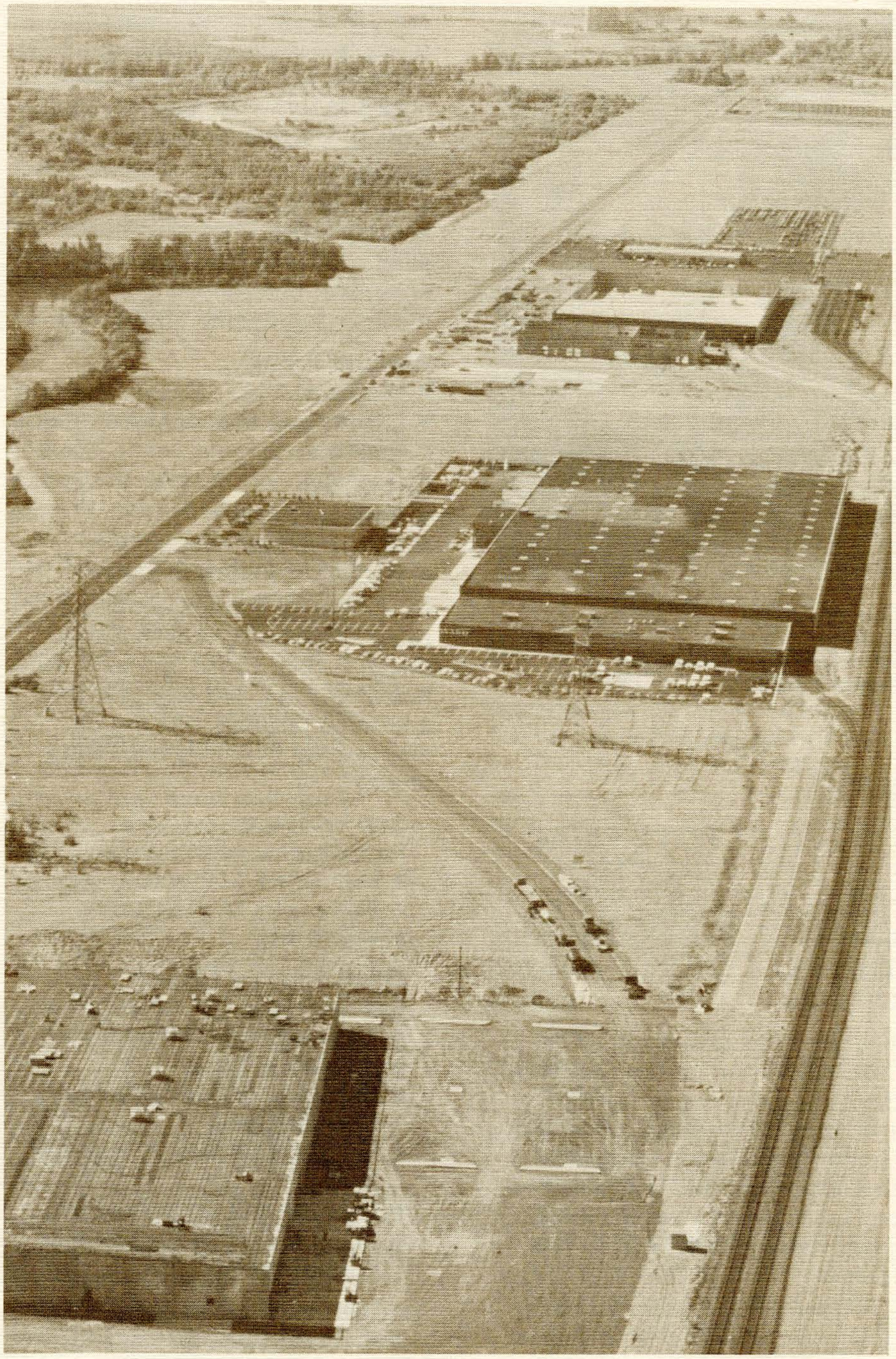
We should all be proud of our Oregon companies and should do everything possible to provide these companies with: zoned and serviced land for expansion; higher education facilities for their employes; and most of all, a cooperative and positive attitude by city, county, and state agencies.

FINANCING

Before raw industrial land can be brought into production and begin generating jobs and profits, money must be added — money to purchase the land, service it and build on it. The Economic Development Department operates or participates in a variety of programs to make this necessary financing more available and less expensive.

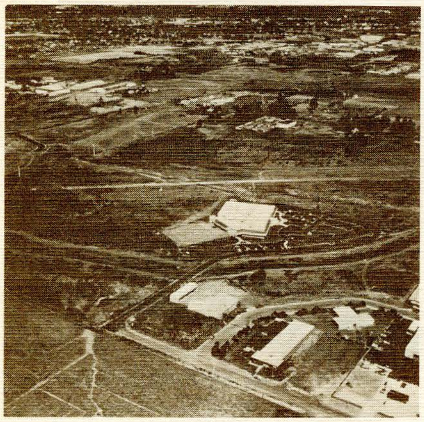
The principal tool for this purpose is the State of Oregon Industrial Development Revenue Bond. These bonds may be used at various stages in the development of industrial land. First, they may be issued to finance the purchase of the land. Second, they may be used to finance provision of the basic landscape and infrastructure. In fact, the basic preparation of industrial parks is one of the very few activities for which tax-exempt bonds may be issued in amounts larger than $10 million. Finally, the end users of the individual industrial sites can use the bonds to finance the construction of buildings and the purchase of machinery and equipment.

Industrial land located in any of Oregon's 23 Port Districts can be financed with public participation or assistance in one of two primary ways. One way is through the issuance of industrial development revenue bonds by the Port Districts. The other is through the use of the Port Revolving Fund. Ports may borrow from this fund, which is administered by the Economic Development Department, to purchase or service industrial land, as well as to provide cash loans or facilities to their industrial tenants.



Financing may also be provided to small businesses for the purchase and improvement of industrial land, construction or acquisition of buildings, and installation of machinery and equipment through the Certified Development Company (CDC) program. This program, also known as the "SBA 503" program, makes available fixed asset financing through a partnership of the CDC, the small business, the United States Small Business Administration (SBA), and the commercial financing community. A typical financing arrangement under this program would involve a commercial bank loan for 50 percent of the project cost, an SBA guaranteed debenture for 40 percent of the costs and a local injection of 10 percent from the small business/CDC. SBA's exposure will not generally exceed the lesser of 40 percent of project cost or $500,000.

Finally, the emergent Oregon Business Development Fund will make available loans of up to $250,000 for a variety of business development purposes. Acquisition and upgrading of industrial land is an eligible activity, as is the procurement of machinery and equipment and the provision of working capital. This fund is administered by the Economic Development Commission and is intended to complement, not to supplant, traditional sources of financing. (Some $2.5 million is committed to this fund. At the time of writing, the enabling legislation has passed the Oregon Senate and is being considered by the House of Representatives.)



THE INDUSTRIAL LAND QUESTION

"Does Oregon have sufficient available serviced industrial land and public infrastructure to meet the needs of industry?" This has become one of the major economic development questions of this year.

A flurry of reports have been produced by government, special interest groups, task forces, and consultants. There are a variety of conclusions, but no consensus of opinion.

In January 1982, the Metropolitan Service District's "Industrial Land Assessment" study found that the existing supply of usable land was only 5 percent of the industrial land available. More important, this 5 percent represented a two-three year supply of such land for the Metro area. This study was followed by the SRI International study commissioned by the Portland Chamber in July. SRI rated Portland last out of nine western cities in providing 50 acres and larger sites. SRI cited this as the single greatest constraint to economic development for the Metro area.

Concerns about an inadequate land supply were expressed by both the Job Climate Task Force in June and the Governor's Land Use Task Force report in September 1982. The Job Climate Task Force reported that this inadequacy was a result of an inflexible land use planning system that caused unnecessary delays and increased development costs.

In October 1982, the 1,000 Friends of Oregon study showed a 79 percent increase in vacant industrial land since 1975-76. This additional 12,000 plus acres had occurred in the state's 10 major urban areas and was attributed to the success of the land use planning system. When addressing the availability of industrial land in the Portland Metro area they stated: "It became clear that many local governments continued to allocate unsuitable lands for industrial uses and failed to take into account their financial capacity to provide the services needed."

In February 1983, the Department released a statewide public infrastructure analysis on large industrial sites listed on the computer inventory system. The Department did separate studies on 50-99 acre sites and 100-acre and larger sites. The sites were located in 27 Oregon counties. Of these 171 sites, 64 percent had full services, 32 percent had partial services, and 4 percent had no public services. The study defined public infrastructure as water, sewer and highway access.

The variety of answers underscores the complexity of the issue and the diversity of opinion, but the question is fast becoming a moot point. Throughout the state, local governments have acted to ensure an adequate supply of industrial land. The city of Gresham has approved a 248-acre Business and Industry Campus; Salem has acquired the option on 300 acres of state land; the city of Monmouth has approved 200 acres, Tualatin has annexed a 240-acre site; and Washington County now has the 160-acre Oregon Graduate Center Science Park.

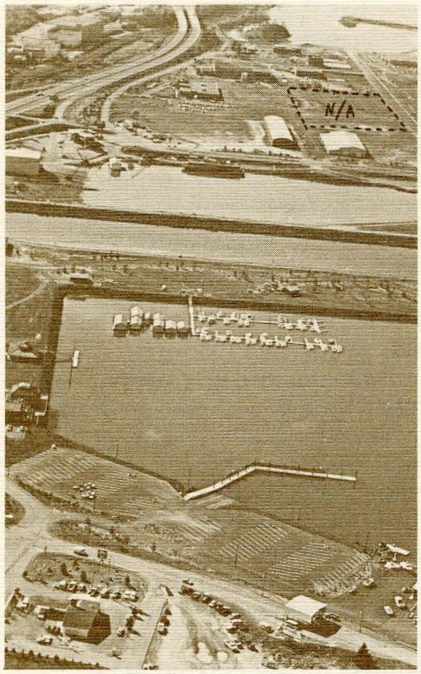
There is a long list of land use actions that are in progress or have been approved statewide. This local response is shifting the emphasis from providing industrial sites to supplying the public infrastructure.

The Department has taken a practical step to link the local jurisdiction, property owner, real estate broker, and local development corporation directly with industry prospects. The state's computerized Industrial Land Inventory System was developed to be a part of the partnership required between government and business that will encourage economic development. The success of this program has led to the development of a computerized selection system for industrial buildings.

Public infrastructure for industrial lands has become one of the main legislative concerns this session. The Department recently joined with several other state agencies to fund a congressional study that will assess the state's existing infrastructure and the future needs.

The Department, in cooperation with private business, is putting together an Industrial Site Planning Handbook. This Handbook will help local jurisdiction plan industrial areas consistent with current needs and trends.

As the economic advocate for the state, the Department participated in the drafting of the Governor's land use bill (HB 2295). The new legislation creates standards for statewide Planning Goal 9 (Economy) that include market analysis, capital improvement programs and the streamlining of permit procedures.



OREGON'S PORTS AND THEIR RELATED LAND = INDUSTRIAL DEVELOPMENT

THE PORT VIEW

Although Ports are most often associated with their maritime functions, industrial development and related land holdings are activities of many Ports in Oregon. Thousands of acres are currently in the process of being developed for light and heavy manufacturing, commercial, and other industrial uses. Major industrial parks are located at the Ports of Umatilla, Morrow, Portland, St. Helens, Astoria, Tillamook, and Coos Bay.

ORS 777.250 authorizes Oregon's ports to undertake this wide range of activities related to industrial park ownership and development. According to this statute a port may:

- Acquire and develop land for an industrial park.
- Lease or sell buildings, improvements and land.
- Acquire, construct, maintain, or operate sports convention and trade show facilities.
- Provide industrial development revenue bonds to private enterprise to accomplish any of the above-mentioned activities.
- Assist industry through construction or acquisition of real and personal property. Such property may be used for the manufacturing, refining, processing or assembling of any agricultural, mining or other products. It may be used by any commercial enterprise for storing, warehousing, distributing, selling or servicing any products of agriculture, mining or industry.

A brief survey has indicated that in the Mid-Columbia Port Region, approximately 5,500 acres of industrial land are being developed by the Ports. In the lower Columbia Region, between Portland and Astoria, in excess of 3,000 acres are being developed and marketed for industrial uses by these Ports, and 1,150 acres are available in the Coastal Region.

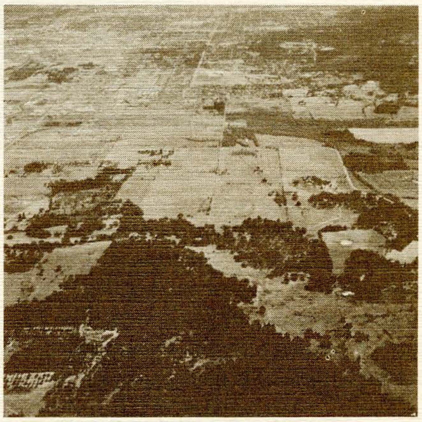
Financing the development of these properties is a major concern of most Ports. To promote private investment to further local development, Ports issue tax exempt industrial development revenue bonds. Port revenue bonds use state and federal grants and borrow from the Port Revolving Fund. The Oregon Economic Development Department has loaned in excess of $3.5 million through the Port Revolving Fund for industrial purposes over the last four years. Currently, working with other state and federal agencies, the Department is developing new grant and loan programs to assist in these development efforts.

Marketing of their industrial property is another important effort of Oregon's Ports. The Ports of St. Helens, Umatilla, Morrow, Arlington, and Astoria have recently undertaken important individual Port efforts. Joint marketing efforts by the Mid-Columbia Ports and the Columbia/Snake River marketing study under the leadership of the Port of Portland have also been initiated. Additionally, the Oregon Economic Development Department is incorporating the Port of Portland holdings into the State of Oregon's computerized land inventory system. All of these efforts combined will provide for specific site criteria and technical information for site selection analysis. Individually and jointly working together, Oregon's Ports and the State of Oregon provide a positive picture of Oregon's industrial development capacity and capabilities.

REGIONAL ROUNDUPS

SOUTH CENTRAL REGION

Governor Atiyeh, accompanied by Doug Carter, Director of the Economic Development Department, toured central Oregon in February. In addition to meeting with local officials, they visited the Tektronix plant in Redmond; J. William Derr, Ltd.; Xytec, Inc.; and the Nosler Bullet Company. The latter three businesses are located in Bend. J. William Derr Limited is a maker of fine leather handbags, briefcases, and other leather products. Xytec, Inc., a small electronics manufacturer, makes highly sophisticated computerized monitoring devices for industry. The Nosler Bullet Company is a manufacturer of projectiles for a world-wide sportsman market. The Governor also met with 30 local businesspeople to discuss the economic recovery package and economic development matters concerning small businesses. This meeting was followed by a reception and dinner at the Riverhouse, in Bend.

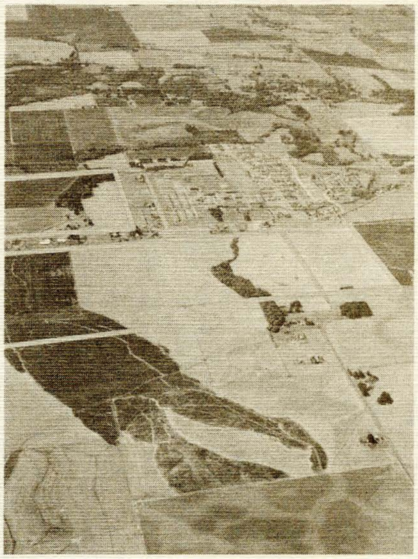


Shevlin Center
Mike Oxman of Brooks Resources', Project Manager of the Shevlin Center in Bend, is pleased with the opportunity his area has to diversify the economic base. "The major arterials for the Shevlin Center were open to the public in December of 1981. This project represents overall about 150 acres of useable industrial property that can be marketed to any users who are clean, quiet and labor-intensive."

The Shevlin Center was recently featured in the Oregon Business Magazine. For information, contact Mike Oxman at 382-1662.

The Redmond Industrial Park is 1,300 acres of land owned by the city in combination with 400 acres of private property. All acres are near the airport. According to Bob McWilliams, City Manager of Redmond, brochures and letters of introduction describing the Redmond Industrial Park are mailed out weekly to electronic firms and other industries throughout the United States. Existing leases are: Butler Aircraft, Oregon State University Experimental Station, Juniper Golf Course, The Forest Service, Oregon National Guard, The FAA Flight Service Station, Advanced Aviation Systems, Republic and Horizon Aircarriers, Hertz and National Car Rental Agencies, Tektronix, and Acu-Edge.

The Deschutes County Industrial Land Inventory is in the pre-publication stage. It will contain information on single sites and multiple listings and will be available from the Deschutes County Office of Economic Development. The system will be computerized sometime in the summer of 1983. Until that time, information may be obtained over the phone from Jordan Maley, Associate Planner and Local Coordinator for the Deschutes County Office of Economic Development.



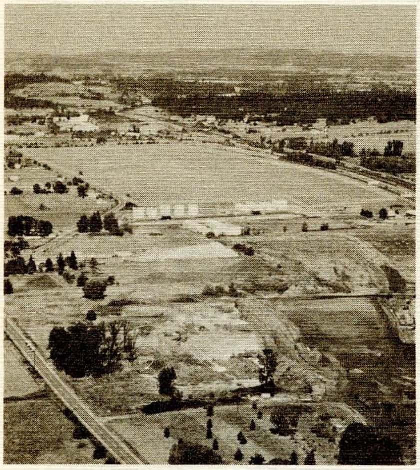
Bend has developed and fully serviced industrial parks ranging from the Eastside Business and Industrial Park, with one-half to three-acre sites up to Brooks Resources' Shevlin Center with 205 acres available.

The Burns-Hines area of Harney County has some 130 acres of fully serviced industrial land available with rail access. An additional approximately 1,500 acres of land is also available for industrial development.

Lakeview in Lake County has a 56-acre industrial park with rail access. Twelve acres are currently fully developed with the remainder available for development. Another 160-acre site is privately owned and is in the process of being developed.

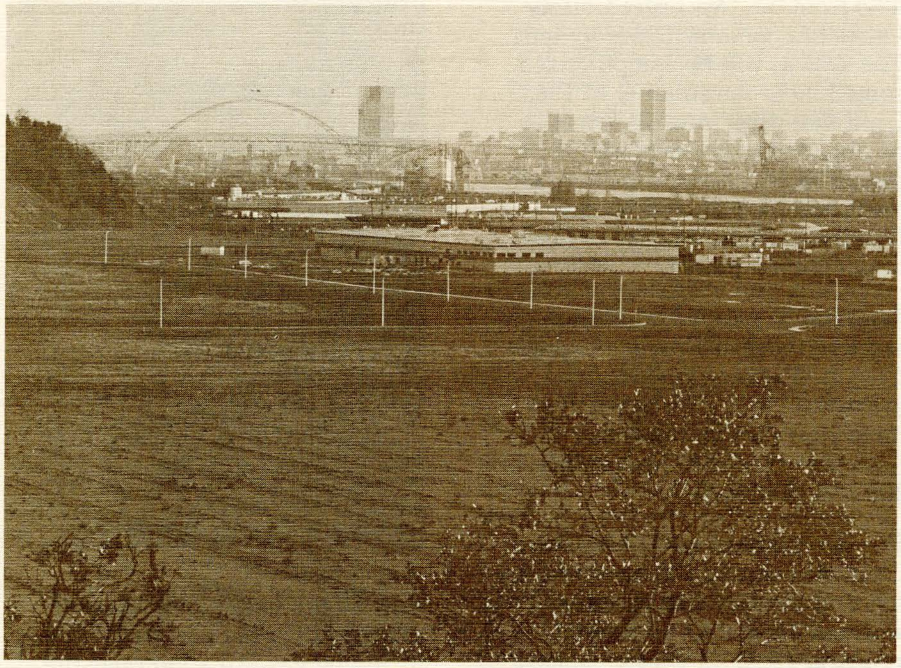
The Ports of Hood River, The Dalles, and Cascade Locks have fully developed and serviced industrial parks with water, rail, and Interstate Highway access. Sites range from approximately five acres in size up to approximately 25 acres in size.

MID-WILLAMETTE VALLEY REGION
There are 10,000 acres of industrial land available in the Mid-Willamette Valley counties of Benton, Lane, Linn, Marion, Polk, and Yamhill. These six counties contain 268, or 32 percent of the 906 sites reported in the statewide Industrial Land Inventory System. An excellent choice of properties is available in both rural and urban settings for various manufacturing activities, including high technology.



Sites range in size from five to 508 acres, with 53 exceeding 50 acres and 15 parcels over 100 acres in size. Of the total of 268 sites, 67 are served by rail and all utilities, including gas. An additional 109 parcels are available which have all utilities, including gas, for those firms not requiring on-site rail service. In all, 171, or 66 percent of the sites available in the Mid-Valley are at a minimum served by water, sanitary and storm sewers, and gas. A number of other sites have services available in various combinations.

The vast majority of available industrial land in the Mid-Valley is within just a few minutes to a 20-minute drive from Interstate 5 or a four-lane limited access highway. Very few sites are over 30 minutes from an air carrier, with many within 10 minutes or less. Marine port facilities are accessible to 70 percent of the sites in the Mid-Willamette Valley in less than 90 minutes driving time.



EASTERN REGION

Starting in the easternmost part of the state, two important parcels of industrial land are Ontario's airport industrial park currently being developed, and the Vale geothermal industrial site. The city of Baker has approximately 200 acres zoned for industrial use with 28 acres developed. La Grande's Baum Industrial Park of 161 acres recently developed, is now being marketed jointly by Upland and the La Grande Industrial Development Corporation. In the John Day area along Oregon Highway 26, improvement has begun on 110 acrs of industrial land. The Pendleton area efforts are directed to its 250-acre airport industrial lands for development. Hermiston area has large tracts zoned industrial with some small tracts developed.

SOUTHWEST REGION

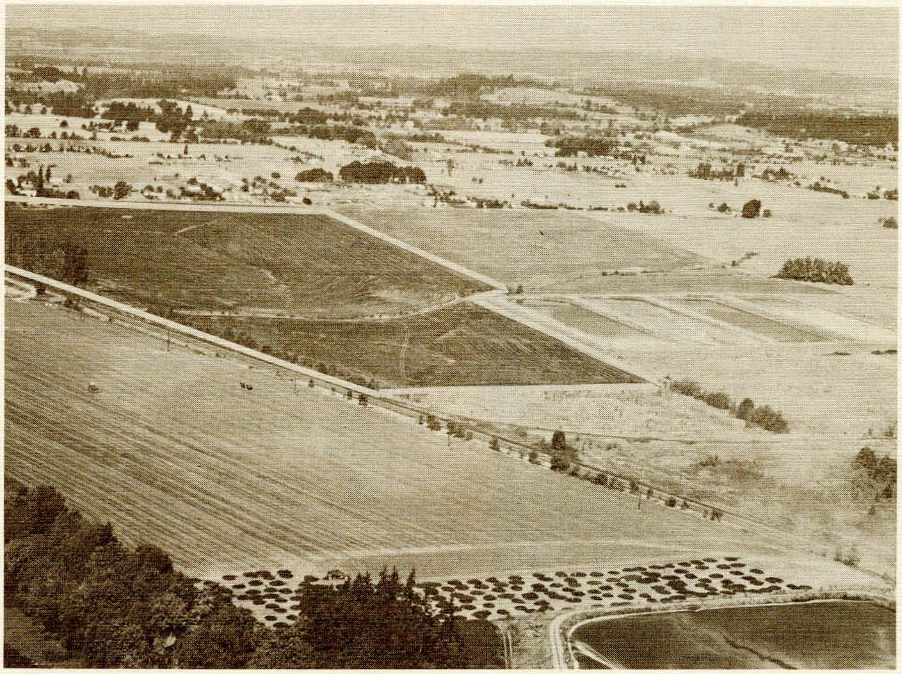
Dozens of fully-developed industrial sites exist throughout the Southwest portion of the state. Ranging from two acres to well over 200 acres, these parcels are attractively priced and contain all the amenities a developer could desire. A number of unique lease options are also available.

In Coos County, for example, the city of North Bend Municipal Airport Industrial Park contains 69 acres adjacent to the airport facility. Fully improved with paved streets, sewers and water, the city offers a lease credit program based on job creation. For each new job created, the city allows a monthly lease credit of $20.00 for up to 75 percent of the contract. The credit is good for 20 years or the life of the lease! Hundreds of additional acres are available in the North Spit area of Coos County owned by the Port of Coos Bay and other private interests, as well as the towns of Eastside, Coos Bay, Myrtle Point, Coquille, and Bandon.

In Klamath County, more than 1,200 acres of public and privately held land are available, much of it in existing industrial parks in Klamath Falls. The 125-acre city-owned College Industrial Park is located adjacent to the Oregon Institute of Technology campus, while the 127-acre privately owned Kingsley Municipal Airport. Zoned for commercial and industrial uses, all utilities and roads are in, plus being served by the Southern Pacific and Burlington Northern Rail Lines. Firms may purchase a plant site and purchase or lease a plant built to specifications.

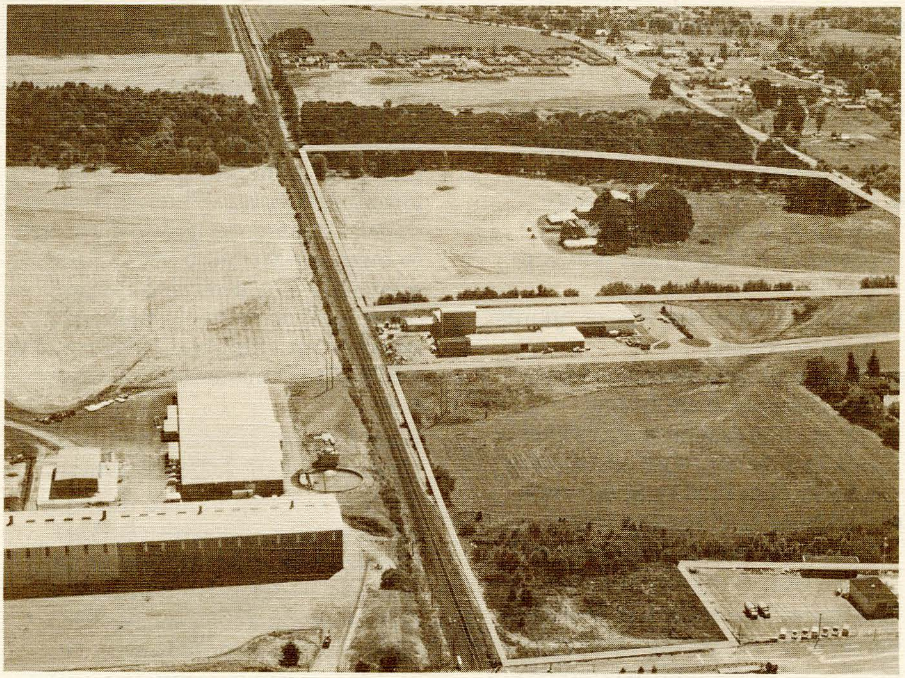
In Jackson County, hundreds of acres are available in White City, Medford, Ashland, Talent, Central Point, and other locations. Many sites are served by the Southern Pacific Railroad, with electricity, natural gas, water, sewer, and paved streets in place. All are served by the Medford-Jackson County Airport. In White City, five miles north of the airport, virtually unlimited water resources are available to the 286 remaining acres in the Medford Industrial Park via a 30-inch transmission line — bolstered by a 750,000 gallon elevated water reservoir.

Douglas County likewise boasts a wide range of parcels located in Roseburg, Winston, Sutherlin, Dillard, Tri-City, Canyonville, Green District, and Reedsport



among others. Typical examples include the 125-acre Umpqua Development Corp. Industrial Park in Green District, the 60-acre Stewart Parkway property, the City of Roseburg Airport Industrial Park in Roseburg, and the 200-acre Weyerhaeuser parcel north of Winchester.

All are served by the Southern Pacific Railroad, Interstate 5, and the Roseburg Airport.



COAST REGION

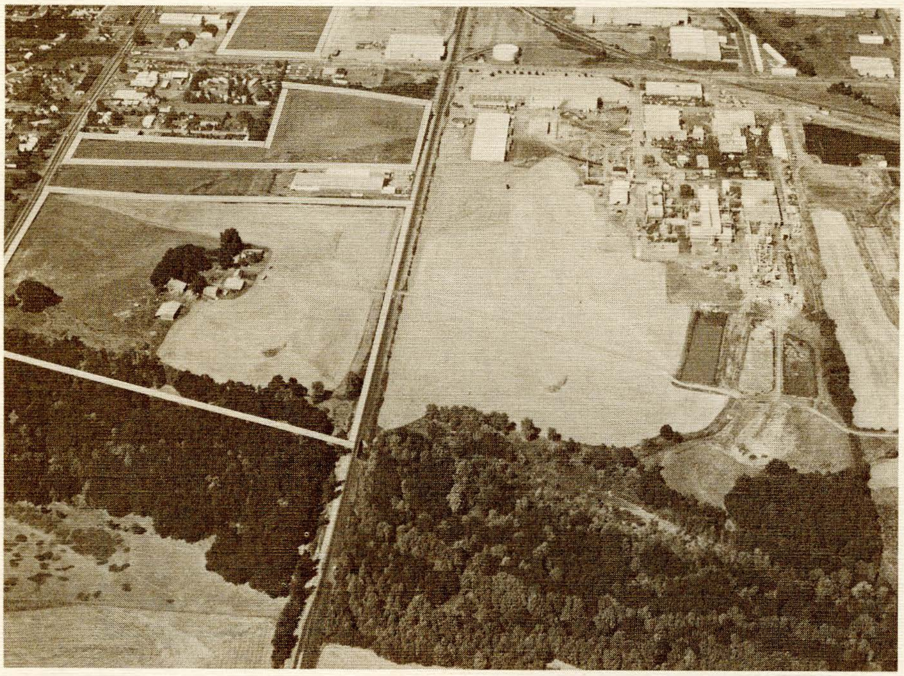
The Department's Industrial Land Inventory System shows that Tillamook County has over 1,800 acres of industrially zoned land. Nearly 600 acres of this land are vacant, available, and have access to public utilities and services. 362 acres are located at the Port of Tillamook Bay Industrial Park.

The Port of Tillamook Bay has recently completed a master development plan for the Industrial Park. The plan establishes a program ensuring that all acres under Port ownership will have utilities and services. The first priority is to develop an 80-acre parcel for high-tech uses.

The Port owns a total of 1,611 acres. 976 acres are devoted to the airport and airport uses. 274 acres are used by existing industrial tenants. The plan shows how the Port can service the remaining vacant acreage.

The Port is asking the voters of the District for a $200,000 a year levy, over a three-year period, to begin implementing the plan. There are also grant applications pending for upgrading the airport and the Port-owned Shortline Railroad.

The Port of Astoria Airport Industrial Park is 55 acres of strategically situated and securely zoned property now available for development. The Park is accessible from virtually every direction — by rail, water, highway, and air — and within proximity of all major coast markets. U.S. Highway 101, State Highway 26, and the Port Docks are only minutes away. This area will soon become the major commercial and light industrial center in Clatsop County.



METROPOLITAN REGION

The Sunset Corridor, located along Sunset Highway in the western portion of the Portland Metropolitan Area, contains over 2,000 developable acres. Educational and training facilities, skilled labor, and quality housing are within the immediate area.

Allan Mann, Manager for the Portland Metropolitan Region is impressed by the scope and the spirit of cooperation that accompanies this development. "This constitutes one of the most important high technology locations being developed in the United States," he reported. "These lands are all owned by separate entities but they have all come together cooperatively to facilitate development in this emerging high-tech center."

In the Sunset Corridor it is possible to:

- Accommodate a 100+-acre industrial user who wants to be near an airport, a freeway, an industrial center, and educational facilities.

- Lease existing space for manufacturing, warehousing or offices.
- Locate high quality commercial development in a relaxed suburban setting.
- Build near the site of a major regional shopping center planned for imminent development.
- Enjoy an excellent mix of quality housing types.
- Work within walking or bicycling distance from home.
- Locate in a research and development center, with an existing educational facility at the core.
- Purchase land for expansion knowing there is a supportive governing body behind you.

The Sunset Corridor has already become the center for Oregon's rapidly growing high-technology industry. Tektronix, Inc., Intel Corporation, Electro-Scientific Industries, Inc., Floating Point Systems, Inc., Flight Dynamics, Inc., Kentrox Industries, Leupold & Stevens, Inc., and Metheus Corporation are already located in the Corridor area.

The Corridor is also an appropriate setting for light manufacturing, service oriented industries, and corporate headquarters. Advanced training programs are available through the area's colleges and universities including the Oregon Graduate Center, which is located there. Ongoing programs designed to meet specific industry requirements are also provided through other facilities nearby, making it possible for employes to be trained while plant construction is underway.

West Hayden Island: Candidate for Marine Industrial Development.

The second step toward development of over 700 acres on West Hayden Island for marine terminals and water-related industries was taken on February 24, 1983, when the Metropolitan Service District approved inclusion of the property in the Urban Growth Boundary. The first steps were taken last August, when the Multnomah County Board of Commissioners changed the property's classification in the comprehensive plan from natural resource to urban, amended the county framework plan policies to include a marine transportation policy, and recommended approval of the change in the urban growth boundary.

Four West Hayden Island private property owners have been involved in the land use approval process: Portland General Electric Company (owner of 496 acres), Hayden Island Inc. (37 acres), Burlington Northern, Inc. (33 acres) and Western Transportation (182 acres). In addition, the Bonneville Power Administration has 13 acres. Portland General Electric began exploring uses for its parcel several years ago.

The west end of Hayden Island is one of the few remaining large, undeveloped parcels available in the region for marine industrial development, and thus provides the state with unique development possibilities.

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