

***“We can t just sit on dirty dirt!”***

Doug White, VP  
Capital Pacific Bank

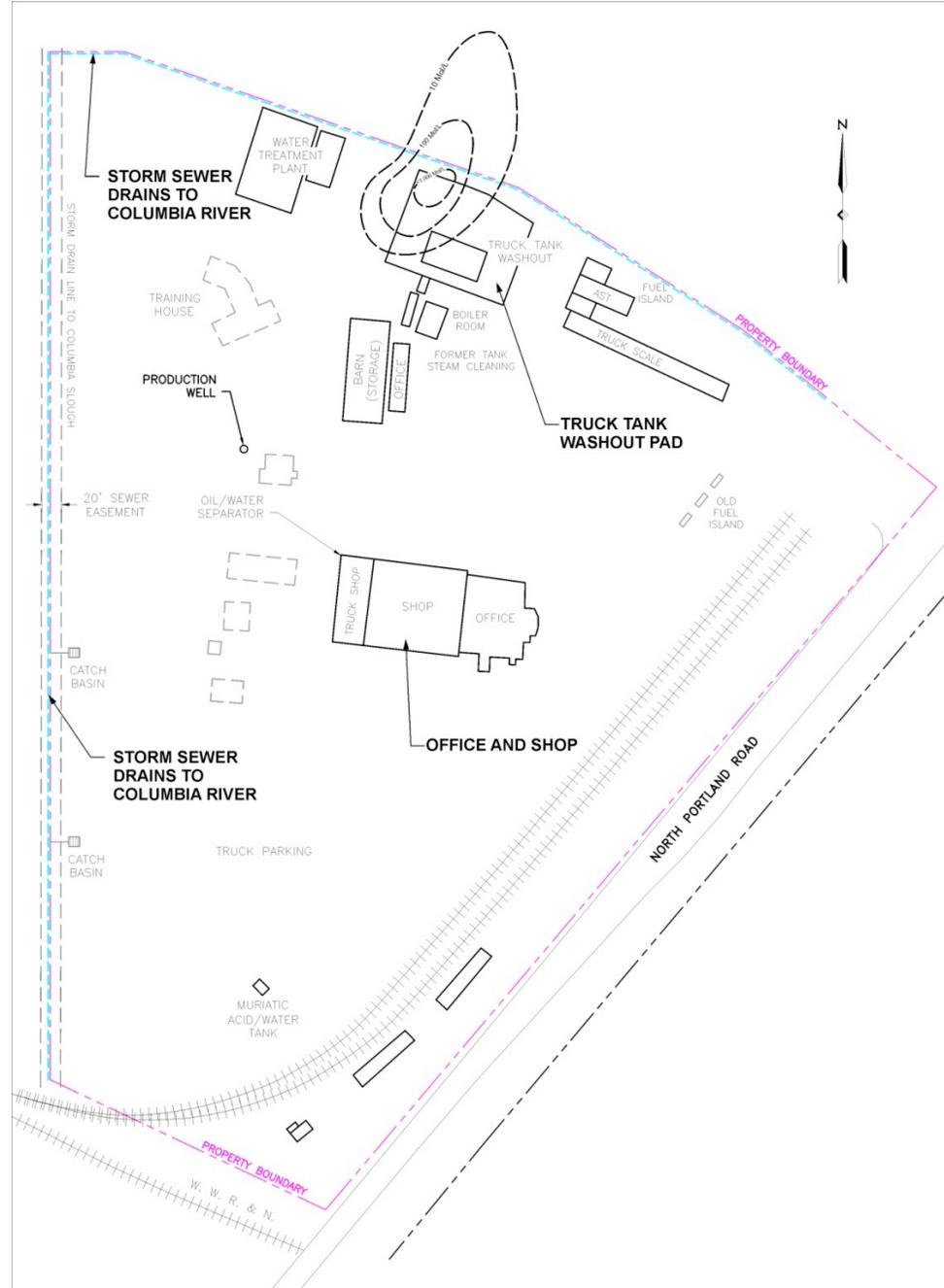
**Capital Pacific Bank**  
Getting it done.



## ***Background and Setting***

- Site is located in industrial area of North Portland, approximately 500 feet from the Columbia Slough.
- Site is approximately 15 acres in size, formerly part of a larger assemblage that was split into the North and South Parcels. The City purchased the North Parcel.
- Historical Land Use is primarily transportation related (truck/trailer service and storage, liquid freight handling)
- Historical bulk tanker cleaning activities resulted in the release of chlorinated solvents, resulting in a chlorinated solvent plume that requires remediation.
- North Portland Road, LLC negotiates PPA with DEQ and purchases property, implements PPA agreement.

# Site Layout



# ***Shining Example of Brownfield Process at Work***

Owner, Western Container Transport, attended Columbia Corridor Association Brownfield Forum, February 2005.

Western Container Transport explores purchase of Larsen Site on N. Portland Road

- Completes Study
- Reviews Economics
- Garners Financing
- PPA (Proposed Purchaser Agreement) with DEQ
- Purchases Property





# ***Bank Methodology***

	<b>Sq. Ft.</b>		<b>Value</b>	
<i>Land</i>	750,000	\$	5.00	\$ 3,750,000
<i>Cleanup</i>				\$ (700,000)
<i>Building (Net)</i>				\$ <u>500,000</u>
<b><i>Appraised (As Is)</i></b>				<b>\$ 3,550,000</b>
<i>Sale Price</i>				\$ <u>(2,800,000)</u>
<b><i>Risk Value</i></b>		\$	1.00	<b>\$ 750,000</b>
<i>Potential Loan</i>			70%	\$ 2,485,000
<i>At Closing</i>			70%	\$ 1,960,000
<i>Development Plan</i>				\$ 525,000
<i>Monthly Payment</i>				\$ 21,565

# ***NOI Coverage***

<i>Gross Potential Annual Income</i>	\$ 384,000
<i>Less Vacancy &amp; Credit Loss (5%)</i>	\$ <u>19,200</u>
<i>Effective Gross Annual Income</i>	\$ <u>364,800</u>
<i>Total Estimated Operating Expense</i>	\$ <u>42,592</u>
<i>Net Operating Income (NOI)</i>	\$ 322,208
<i>P&amp;I (Annualized)</i>	\$ 258,785
<b><i>Debt Cover Ratio</i></b>	<b>1.25</b>
<i>Assumed Cap Rate</i>	7.00%
<b><i>Income Approach Valuation</i></b>	<b>\$4,602,971</b>

## ***Success Elements:***

- Vision for the property
- Environmental Engineer - economic focus
- Environmental Attorney
  - Time; Energy
- Capacity for risk & debt