

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING AN) Resolution No. 07-3808
ORDER RELATING TO THE RALPH AND)
SHIRLEY ELLIGSEN CLAIM FOR) Introduced by Chief Operating Officer Michael
COMPENSATION UNDER ORS 197.352) Jordan with the concurrence of Council President
(MEASURE 37)) David Bragdon

WHEREAS, Ralph and Shirley Elligsen filed a claim for compensation under ORS 197.352 (Measure 37) contending that Metro regulations had reduced the fair market value of property they own in the city of Wilsonville; and

WHEREAS, the Chief Operating Officer ("COO") reviewed the claim and submitted reports to the Metro Council, pursuant to section 2.21.040 of the Metro Code, recommending denial of the claim for the reason that the Metro regulations that are the basis for the claim did not reduce the fair market value of the claimants' property; and

WHEREAS, the Metro Council held a public hearing on the claim on May 10, 2007, and considered information presented at the hearing; now, therefore

BE IT RESOLVED that the Metro Council

1. Enters Order 07-038, attached to this resolution as Exhibit A, which denies the claim for compensation.
2. Directs the COO to send a copy of Order No. 07-038, with Exhibit A attached, to the claimants, persons who participated in the public hearing on the claim, the city of Wilsonville and the Oregon Department of Administrative Services. The COO shall also post the order and Exhibit A at the Metro website.

ADOPTED by the Metro Council this ___ day of _____, 2007

WITHERSON
David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution No. 07-3808

Order No. 07-038

RELATING TO THE RALPH AND SHIRLEY ELLIGSEN CLAIM
FOR COMPENSATION UNDER ORS 197.352 (MEASURE 37)

Claimants: Ralph and Shirley Elligsen
Property: 26120 SW Parkway Avenue, Wilsonville (map attached)
Claim: Regulations in Title 4 reduce the fair market value of claimants' property

Claimants submitted the claim to Metro pursuant to ORS 197.352 (Measure 37). This order is based upon materials submitted by the claimants and the report prepared by the Chief Operating Officer ("COO") prepared pursuant to section 2.21.040.

The Metro Council considered the claim at a public hearing on May 10, 2007.

IT IS ORDERED THAT:

The claim of Ralph and Shirley Elligsen for compensation be denied because it does not qualify for compensation for reasons set forth in the reports of the COO.

ENTERED this ___ day of _____, 2007.

WITHDRAWN

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

**CLAIM FOR COMPENSATION
UNDER BALLOT MEASURE 37
AND METRO CODE CHAPTER 2.21**

REPORT OF THE METRO CHIEF OPERATING OFFICER

**In Consideration of Council Order No. 07-038
For the Purpose of Entering an Order
Relating to the Measure 37 Claim of Ralph and Shirley Elligsen**

April 20, 2007

METRO CLAIM NUMBER:	Claim No. 07-038
NAME OF CLAIMANT:	Ralph and Shirley Elligsen
MAILING ADDRESS:	c/o Ronald Dusek 2875 Marylhurst Dr. West Linn, OR 97068
PROPERTY LOCATION:	26120 SW Parkway Ave. Wilsonville, Oregon
LEGAL DESCRIPTION:	T3S, R1W, Section 11, Tax lot 100 T3S, R1W, Section 12, Tax lot 401
ACREAGE:	33.71 acres
DATE OF CLAIM:	November 22, 2006

I. CLAIM

Claimants Ralph and Shirley Elligsen seek compensation in the amount of \$7,300,000 for a claimed reduction in fair market value (FMV) of property owned by the claimants as a result of Metro Code sections 3.07.410 and 3.07.420 ("Protection of Regionally Significant Industrial Areas"). In lieu of compensation, claimant seeks a waiver of those regulations so claimant can develop the property for commercial uses.

Claimants have pending Measure 37 claims with the City of Wilsonville for \$7,300,000, Clackamas County for \$7,300,000, and the State of Oregon for an unknown amount of compensation.

The Chief Operating Officer (COO) sent notice of date, time and location of the public hearing on this claim before the Metro Council on April 20, 2007. The notice indicated that a copy of this report is available upon request and that the report is posted on Metro's website at www.metro-region.org/measure37.

II. SUMMARY OF COO RECOMMENDATION

The COO recommends that the Metro Council deny the claim for the reasons explained in section IV of this report. The facts and analysis indicate that Metro's designation of the subject property as a Regionally Significant Industrial Area did not reduce the fair market value of claimants' property.

III TIMELINESS OF CLAIM

ORS 197.352(5) requires that a written demand for compensation be made:

1. For claims arising from a land use regulation enacted *prior* to the effective date of Measure 37 (December 2, 2004), within two years of that date, or of the date a public entity applies the regulation to the property as an approval criterion in response to an application submitted by the owner, whichever is later; or
2. For claims arising from a land use regulation enacted *after* the effective date of Measure 37 (December 2, 2004), within two years of the enactment of the regulation, or of the date the owner of the property submits a land use application for the property in which the regulation is an approval criterion, whichever is later.

Findings of Fact

The claimant submitted this claim on November 22, 2006.

Metro Council applied the Regionally Significant Industrial Area ("RSIA") designation to claimants' property on June 24, 2004 with Metro Ordinance No. 04-1040B ("For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment"). Concurrent with the RSIA designation, Metro Code sections 3.07.410 through 3.07.420 ("Protection of Regionally Significant Industrial Areas") became applicable to the property. These regulations were adopted prior to the effective date of Measure 37 (December 2, 2004).

Conclusions of Law

Metro adopted the regulation that gives rise to this claim prior to the effective date of Measure 37, and claimant filed the claim within two years of the effective date of Measure 37. The claim, therefore, is timely.

IV. ANALYSIS OF CLAIM

1. Ownership

Metro Code section 2.22.020(c) defines "owner" to mean the owner of the property or any interest therein. "Owner" includes all persons or entities that share ownership of a property.

Findings of Fact

Claimants acquired an ownership interest in the 33.71-acre subject property on July 27, 1959. Claimants assert that they have had continuous ownership since that date. Attachment 1 is a site map of the subject property (ATTACHMENT 1).

Conclusions of Law

The claimants, Ralph and Shirley Elligsen are owners of the subject property as defined in the Metro Code.

2. Zoning History

Findings of Fact

Claimants assert that there were no land use regulations applicable to the subject property at the time of their acquisition. The subject property’s zoning on the date that Metro’s Urban Growth Management Functional Plan became effective was RA-1 (Residential Agricultural, 1-acre minimum) and the property had the Industrial designation in Wilsonville’s comprehensive plan.¹ The property is currently zoned RA-H Industrial (Residential Agricultural Holding, future Industrial).

3. Applicability of a Metro Functional Plan Requirement

Findings of Fact

The subject property is designated as a Regionally Significant Industrial Area and is subject to Title 4 regulations (Metro Code sections 3.07.410 and 3.07.420).

Conclusions of Law

Sections 3.07.410 and 3.07.420 of the Metro Code apply to the subject property and became applicable after the claimants acquired the property. These Code sections are intended to provide and protect a supply of sites for employment by limiting the types and scale of non-industrial uses in Metro-designated Regionally Significant Industrial Areas.

4. Effect of Functional Plan Requirements on Fair Market Value

Findings of Fact

Section 2.21.040(d)(5) of the Metro Code requires the Chief Operating Officer (COO) to determine whether the designation of the subject property as a Regionally Significant Industrial has reduced the value of claimant’s land. The COO’s conclusion is based upon the analysis of the effect of Metro’s action contained in ATTACHMENT 2 (Metro Memorandum to Ray Valone, Richard Benner, and Ted Reid from Sonny Conder and Karen Hohndel dated April 23, 2007 (Conder Memo)).

Claimant’s assertion of potential value is based upon a June 28, 2006 Summary Appraisal Report completed by Moscato, Ofner & Hennington, Inc.

Claimant asserts the following diminution in value attributable to Metro regulations:

Claimant assertion of current FMV (industrial):	\$10,300,000
Claimant assertion of potential FMV (commercial):	\$17,600,000
Claimed reduction in FMV:	\$7,300,000

Conclusions of Law

The Conder Memo provides an analysis of the property’s value, using two different methods for determining the effect of Metro’s action on the value of claimant’s property. The conclusions of that memo are summarized below.

¹ Through communication with the City of Wilsonville, Metro staff has learned that, during 1980, as the city was writing a Comprehensive Plan, there was a clerical error made. The city had intended to designate 6 acres of the subject property as Commercial with the remainder of the property to be designated Industrial. However, the entire subject property was erroneously designated as Industrial.

A. “Comparable Sales” Method

This method compares the value of the property in its current regulatory setting with its value today as though Metro’s action had not happened, using transactions involving comparable properties in both “before” and “after” scenarios. Under the “before” scenario, the property would have the City of Wilsonville zoning in place at the effective date of Metro’s regulation: RA-1 (Residential Agricultural, 1-acre minimum lot size) with an Industrial designation in the City of Wilsonville’s Comprehensive Plan.

Under the “after” scenario (current regulatory setting), the property is designated a Regionally Significant Industrial Area.

Table 4 of the Condor Memo compares today’s value of the property before and after Metro’s action, adjusting in both cases for costs of development and limitations on development of the site that a prudent investor would take into account. The table shows that the FMV of the property under existing regulations is higher than the value of the property under the “before” scenario. The analysis indicates that the current regulatory setting has not reduced the FMV of the subject property.

B. Alternative Method Using Time Trend Data Suggested by Plantinga/Jaeger

The Condor Memo uses a second methodology for determining value of the subject property - time-series data to determine whether the application of Metro regulations to the property reduced its value. The data show values before and after the effective date of Metro’s Urban Growth Management Functional Plan and the designation of the property as a Regionally Significant Industrial Area. The data are displayed in Table 3 of the memo. There is no indication from the data that Metro’s regulations reduced the value of the property. The data show that the property continued to increase in value after February 1997 when Metro regulations first became applicable to the property.

Conclusions of Law

The comparable sales method compares the value of similarly situated properties before and after the application of Metro’s regulations. The Plantinga-Jaeger method as applied in this case measures the assessor’s real market value of the property before and after Metro’s February 1997 action (and subsequent actions). The Plantinga-Jaeger method provides a clearer and more accurate answer to the question posed by Measure 37: Did Metro’s action reduce the FMV of the subject property? Application of the method shows that the FMV of the subject property continued to rise after Metro designated the property as a Regionally Significant Industrial Area.

Property value data indicate that Metro’s designation of the property as a Regionally Significant Industrial Area did not reduce the value of the property.

5. Exemptions under ORS 197.352(3)

Findings of Fact

Metro Code sections 3.07.410 and 3.07.420 do not restrict or prohibit a public nuisance, the selling of pornography or nude dancing, is not intended to protect public health or safety, and is not required to comply with federal law.

Conclusions of Law

Metro Code sections 3.07.410 and 3.07.420 are not exempt under ORS 197.352(3).

6. Relief for Claimant

Findings of Fact

The Metro Council has appropriated no funds for compensation of claims under Measure 37. The effect of development as proposed by the claimant will be to make provision of urban services less efficient and more complicated. Finally, it would undermine the City of Wilsonville's plans to create a complete and livable community.

Conclusions of Law

Based on the record, the claimants have not established that they are entitled to relief in the form of compensation or waiver of the applicable regulations in Title 4 of Metro's Urban Growth Management Functional Plan.

Recommendation of the Chief Operating Officer

The Metro Council should deny the Ralph and Shirley Elligsen claim for the reason that Title 4 of Metro's Urban Growth Management Functional Plan did not reduce the value of the subject property.

ATTACHMENTS TO THE REPORT OF THE CHIEF OPERATING OFFICER

Attachment 1: Site Map of the Elligsen Measure 37 Claim

Attachment 2: Metro Memorandum to Ray Valone, Richard Benner, and Ted Reid from Sonny Conder and Karen Hohndel, "Valuation Report on the Elligsen Measure 37 Claim," dated April 23, 2007

Attachment 3: Sample Area: Data for Elligsen Measure 37 Claim


Attachment 4: Ralph and Shirley Elligsen Measure 37 Claim Submittal to Metro



R L I S
REGIONAL LAND INFORMATION SYSTEM

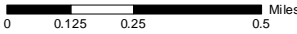
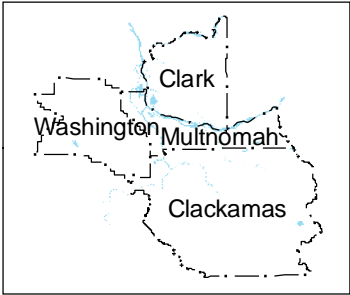
Resolution No. 07-3808
Attachment 1 COO Report

Site Map Elligsen Measure 37 Claim


 Subject Property

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.

1 inch equals 0.38 miles

Location Map



METRO
METRO DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736
TEL (503) 797-1742 | FAX (503) 797-1909
drc@metro.dst.or.us | www.metro-region.org

Resolution No. 07-3808
Attachment 2 to COO Report

April 23, 2007

To: Ray Valone
Richard Benner
Ted Reid

From: Sonny Conder
Karen Hohndel

Subject: Valuation Report on the Elligsen Measure 37 Claim

Conclusion:

Per your request we have conducted a valuation analysis of the Elligsen Measure 37 Claim. The Metro designation of ‘RSIA’ applies to the Elligsen Claim. We conclude, using the comparable sales method of determining possible reduction in value that the Metro action of applying the Urban Growth Management Functional Plan since 1996 and designating the property ‘RSIA’ did not produce a material loss of value for the subject property¹. In all likelihood, that action was neutral with respect to property value. We also determine that the cogent regulatory action was Wilsonville’s incorporation of the property in 1969 and changing the zoning from RA-1 to industrial in 1980 as well as inclusion in the UGB at approximately the same time. Without these actions the property would have remained rural residential outside the UGB. This action clearly has increased the value of the property well above its value in the RA-1 default use of 1 acre single family lots located inside the City of Wilsonville as of 1980.

We emphasize that, because of the intricacies and history of this particular claim, we have elected to include an addendum to the valuation that considers the claimant’s assertion of property loss from the perspective of the City of Wilsonville. Normally, in multi-claim cases we only consider the particular effect of Metro’s regulatory action. In this case however, the Metro RSIA designation should be considered in the context of the City of Wilsonville’s zoning, planning and investment history since 1970. This history becomes relevant in determining the appropriate default land use for assessing property value loss due to regulation.

Using a time series variation of the Plantinga-Jaeger method of determining property value loss due to regulation also indicates no loss of value for the tax lot comprising 33.7 acres. All comparably sized and situated properties surrounding the subject property during the 1996 through 2006 period have experienced increases in value.

We consider the time trend and Plantinga – Jaeger methods to be consistent approaches in determining whether a claimant has experienced a property value loss due to a particular government regulation. As we have noted elsewhere, the comparative sales method yields an estimate of what a particular property owner may gain, not an estimate of what they have lost.

Conceptual Understanding for Basis of Elligsen Property Value Analysis:

¹ We use the term “material” in the accounting/auditing sense that given the statistical variability inherent in the data there is no difference between two measurements of land value.

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We understand the present Measure 37 valuation issue to consist of making two property value estimates. These are:

1. Estimate the fair market value of the property subject to the regulation that the claimant contends has reduced the value of his property.
2. Estimate the fair market value of the property today as though it were subject to the regulations in place prior to the date Metro first applied the regulation to the claimant's property.

As noted in the Introduction, for purposes of this particular valuation report we shall also evaluate the value of the property in its allowable use at the time Wilsonville applied its 'industrial' designation to the property.

When applied to the Elligsen Claim, both 1. and 2. require explanation. First the present Elligsen Claim cites Metro and Wilsonville 'industrial' and 'RSIA' regulations causing property losses totaling "in the range of \$7,300,000" on a tax lot comprising 33.7 acres of the property. The basis of the claim is the apparent inability to market the land as "Planned Development Commercial" instead of "Planned Development Industrial"².

In this regard, we point out that the Metro regulations applied in 2004 do not materially affect the property's value in industrial usage. Prior to Metro's designation, Wilsonville designated the property 'industrial' and the Metro's generalized regional designation was intended to reflect the Wilsonville designation.

Given the above assumptions there is no basis for Metro's designation materially affecting the value of the Elligsen property. It was designated industrial for at least 24 years prior to Metro's action and Metro's action simply recognized that designation.

Far more cogent to the proper consideration of this claim is the Clackamas County and Wilsonville regulatory and investment history. Prior to Wilsonville incorporating the property in 1969, the property carried the Clackamas County zoning designation of RA-1. This is a rural residential zoning category allowing one single family dwelling unit per acre. Initially, Wilsonville continued the RA-1 designation but in 1980 changed the plan designation to 'industrial'. Beginning in the 1980's, Wilsonville in conjunction with ODOT and private developers began an ongoing process of investment and planning that continues to the present day to convert the area to a mix of predominately commercial and industrial development. In this context, the appropriate default land use to assume is RA-1 but in an urban setting within the City of Wilsonville.

Alternative Method of Computing Property Value Loss Resulting From Regulation

² PDC and PDI designations are the Wilsonville zoning designations for properties surrounding the Elligsen property that is designated PDI. While not exactly the same the PDI designation can be considered for valuation purposes roughly equivalent to Metro's "RSIA" designation.

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Estimating loss of property value using the usual appraisal method of “comparative sales” has been the subject of substantial criticism. Andrew Plantinga and William Jaeger³, economists at OSU, have written papers pointing out that using the method of comparative sales does not compute the loss due to regulation. Rather, the estimated “value loss” is actually the gain resulting from obtaining an exemption to the general rule. To better understand their arguments, we may think of the comparative sales method of determining an economic loss as equivalent to determining the value of issuing someone a special license or franchise to carry out an economically valuable function that others may not do. For instance, licenses to operate taxicabs in New York are seldom issued and in great demand. As a result, the license itself has acquired substantial economic value. An example closer to home is the value of an Oregon Liquor License prior to more liberal issuing standards in the 1980’s. In the 1950’s through roughly the 1970’s, an Oregon Liquor License for a restaurant or bar vastly increased the property value of the establishment that had one. Plantinga and Jaeger argue that the value of the property hinges on scarcity resulting from regulation. If everyone had a taxicab or liquor license, they would have no value. From an economic perspective, using a method that really measures value gained from regulation is not the same as determining economic loss resulting from regulation.

Plantinga and Jaeger go on to suggest an economically appropriate measure of loss resulting from subsequent land use regulation. Their method is grounded in the well-established and tested Theory of Land Rent. Simplified a bit, the Theory of Land Rent holds that the value of land at any particular time is the future net profit from the land used in its most efficient allowable use. The market also adjusts (discount factor) this value to account for time and uncertainty as to future uses. What this means is that the original sales price incorporates future expectations about how the land might be used. If we take the original sales price and bring it up to the current date by using an appropriate price index, we are able to measure in today’s prices what the land was worth when it was purchased under the original regulatory requirements.

As Metro’s first regulatory action was taken in 1997, we have actual before (1996 values) and after (2006 values) data to determine whether the subject property experienced a loss of value after Metro’s action. In this case we are able to make these observations for the entire class of subject properties within the surrounding Wilsonville industrial area for the class of properties designated industrial in 1996 and 2006. We also measure the claimant’s property for the amount of value change between 1996 and 2006.

This method allows a consistent computation of property loss due to subsequent regulatory changes. At the same time it avoids awarding particular property owners a bonus that was not anticipated in the original purchase price. Owners should be compensated for what they lost due to the application of Metro’s regulations. They are not awarded an extra benefit owing to

³ Andrew Plantinga, *Measuring Compensation Under Measure 37: An Economist’s Perspective*, Dec. 2004, 15 pages. (Available at OSU Department of Agricultural and Resource Economics, URL: plantinga@oregonstate.edu). William K. Jaeger, *The Effects of Land Use Regulations of Land Prices*, Oct. 2005, 38 pages. (Available at OSU Department of Agricultural and Resource Economics, URL: wjaeger@oregonstate.edu). Also: William K Jaeger, *The Effects of Land-Use Regulations on Property Values*, **Environmental Law**, Vol. 36:105, pp. 105 – 127, Andrew J. Plantinga, et. al., *The effects of potential land development on agricultural land prices*, **Journal of Urban Economics**, 52, (1996), pp. 561 – 581. and Sonny Conder and Karen Hohndel, *Measure 37: Compensating wipeouts or insuring windfalls?*, **Oregon Planners’ Journal**, Vol. 23, No 1. Dec. – Jan 2005. pp. 6 – 9.

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Attachment 2 to COO Report

unanticipated growth, infrastructure investment or regulatory changes irrespective of any Metro changes.

Property Valuation Analysis Procedure

Our property valuation analysis procedure consists of the following steps.

- Briefly describe the property and make a prudent assessment of development limitations to establish a likely range of development capacity under the current use of industrial/RSIA or in the default case, RA-1 inside the UGB.
- Estimate value of property with the allowed uses of ‘industrial/RSIA’.
- Based on allowable use of the property with the default development of RA-1 inside the UGB, determine the alternative value of the property.
- Provide an alternative determination of loss of value of the Elligsen property based property value data before and after Metro’s regulatory action.
- Provide and compare estimates of the value of the subject property as of 2006 with Metro and Wilsonville’s ‘industrial/RSIA’ versus our default assumption of RA-1 inside the UGB.

Elligsen Property Description

The subject property consists of 1 tax lot totaling 33.7 acres that is subject to the Measure – 37 claim. The property is located at 26120 S.W. Parkway Ave. on the east side of the I-5 Freeway roughly ¼ of a mile south of the freeway interchange. The property consists of mostly flat, cultivated farmland with a farmhouse occupying the northwest corner. Approximately 6 acres of the southern extent of the property contains a power line easement. Beyond the easement and the existing structures, no other impediments to development are observed. Most notable is that complete transportation and utility services are available to the property line from developed industrial and commercial properties surrounding the site. Clackamas County Assessor data show the 33.7 acre tax lot as having a FMV land value of \$673,030 with \$610,570 as land value and \$62,460 as improvement value. Significantly, the Assessor data continue to depict the property in agricultural use.

It is not in our professional capacity to assert with authority any definitive estimate of what the site limitations are, but rather to reflect what any prudent property investor must consider when pricing raw land.

Land Value Estimates – 33.7 Acre Property as ‘Industrial/RSIA’ and as ‘RA-1’

As noted above, the Elligsen property has a “RSIA” designation and the default use for Metro’s regulation is Wilsonville’s industrial designation that for valuation purposes cannot be distinguished from “RSIA”. For purpose of the Wilsonville valuation we regard RA-1 as the appropriate default land use.

Current Value Estimate of Industrial Land in the Wilsonville Area

Table 1: Summary Property Value Data – Wilsonville Industrial Use Properties Surrounding Ellingsen Property- Assessor’s FMV 2006.

Land value:	\$38,128,320
Number of properties:	23
Total acres in sample:	256.9
Average land value per acre:	\$148,789

We note that the assessor’s FMV for land for the subject property amounts to \$148,800 per acre in industrial use. The above data is based on assessor’s FMV, not actual recent sales, and includes industrial properties within ¼ mile, in a number of configurations, sites and use intensities. The claimant, as part of the claim documentation, has had a professional appraisal done for the property for industrial and commercial uses. The appraisal estimate based on recent sales of comparably sized and situated properties for industrial uses is \$7.00 per sq.ft. (\$304,900 per acre). For our purposes we take the assessors FMV of surrounding industrial uses to be the low estimate and the appraisal to be the high estimate for industrial uses.

Current Value Estimate of ‘RA-1’ on the Site

To establish the value range for “RA-1” size lots within the Clackamas rural area we selected all residential properties that sold in 2004 and 2005 within the 1 mile buffer zone with a lot size of .5 to 1.5 acres. These comprised 165 properties and their summary statistics are included below in Table 2.

Table 2: Summary Property Value Data – Clackamas Rural Residential (“RA-1”)

Average Lot Size:	0.93 acres
Median Lot Size:	0.96 acres
Average Lot Value:	\$145,000
Median Lot Value:	\$120,000
Average Total Prop.	\$347,000
Median Total Prop.	\$285,000
Average House Size:	2,550 Sq. Ft.
Median House Size:	2,400 Sq. Ft.

For purposes of valuation we are assuming a range of \$120,000 to \$145,000 per buildable 1-acre lot for RA-1 rural locations. With an urban premium the value per ready to build lot increases to \$150,000 - \$200,000. Note that these are prices for ready to build lots; not for raw land; discounting for development costs and developer profit, yields and estimate of 100,000 – 140,000 per acre for raw land usable as RA-1 located inside the urban growth boundary.

Alternative Valuation of Elligsen Property Using the Time Trend Method Suggested by Plantinga and Jaeger.

OSU economists Andrew Plantinga and William Jaeger have challenged the “comparable sales” approach of traditional appraisal methods. They have pointed out that it really measures the value obtained by an exception to the current rule, rather than a measure of economic loss suffered as a result of government land use regulation. Since the subject Metro regulatory changes began in 1996, we have tabulated land values in 1996 for all commercial and industrial zoned properties in the Wilsonville industrial area surrounding the claimant’s property and again in 2006 to determine whether the Elligsen property actually experienced a loss of value during the years subject to various Metro regulations.

Table 3 below depicts the results for the year 1996 and for the year 2006 for 23 properties zoned industrial within the Wilsonville industrial area. We also show the claimant’s property for the same years and the average annual percent increase.

Table 3: Wilsonville Industrial Area Land Values 1996 and 2006 – Average per Acre

Year	All Surrounding Property	Elligsen Property
1996	\$67,965	\$1,188
2006	\$148,479	\$18,881
AAG%	8.1%	31.9%

The assessor’s market land value increases within the study area about 8.1% per year between 1996 and 2006. As noted in the property description, the Clackamas Assessor carries the Elligsen Property as agricultural so the FMV estimates do not reflect industrial or commercial uses. The data in Table 3 indicate that there is no evidence that Metro’s regulations have resulted in any loss of property value. The data support exactly the opposite effect.

Table 4: Comparison of Estimated Market Value of Land for Wilsonville Industrial/RSIA and for RA-1

Wilsonville Industrial/RSIA

Low Estimate:

Low value per acre FMV :	\$148,800
Total value for 33.7 acres:	\$5,014,560

High Estimate:

High value per acre FMV:	\$304,900
Total value for 33.7 acres:	\$10,275,130

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Attachment 2 to COO Report

Use as RA-1

Low Estimate:

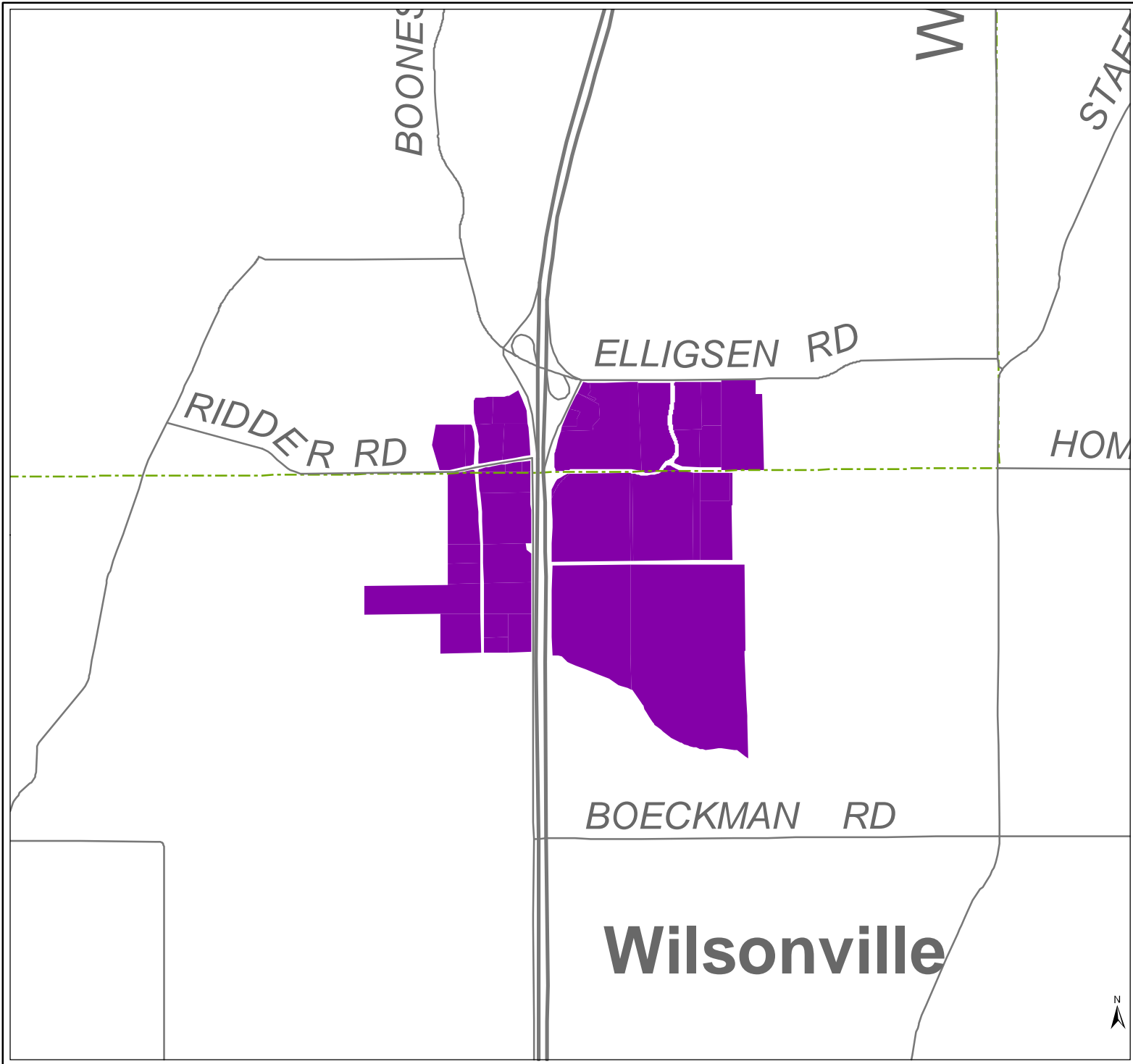
Land value per acre FMV:	\$100,000
Total value for 33.7 acres:	\$3,370,000

High Estimate:

High value per acre FMV:	\$140,000
Total value for 33.7 acres:	\$4,718,000

We estimate the current land value of the Elligsen property with no additional site improvements used as industrial/RSIA to be from \$5,015,000 to \$10,275,000. The same property in its' default use as RA-1 would be from \$3,370,000 to \$4,718,000. There is no evidence that the land use designation of industrial/RSIA had reduced the value of this property. Quite the contrary, compared to its appropriate default use of RA-1, the property is worth far more in its' present land use designation.

Moreover, in terms of establishing economic loss, the land values per acre established using the time trend Plantinga-Jaeger method shows land values increasing 8.1% per year since 1996. Clearly, under no circumstances has any regulatory change to the Elligsen property reduced its value. Again, the contrary is the case. Growth, infrastructure investment and regulation necessary for orderly growth have produced increases in property values.



R L I S

REGIONAL LAND INFORMATION SYSTEM

Resolution No. 07-3808
Attachment 3 COO Report

Sample Area:
Data for Elligsen
Measure 37 Claim

--- County Line
 Sample Area

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1 inch equals 0.38 miles

0 0.125 0.25 0.5 Miles

Location Map

METRO DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736
TEL (503) 797-1742 | FAX (503) 797-1909
drc@metro.dst.or.us | www.metro-region.org

Ronald E. Dusek, P.C.
Lawyer

NOV 22 2006



CERTIFIED MAIL NO. 7003 3110 0002 9152 4714
Return Receipt Requested

November 17, 2006

Office of the Chief Operating Officer
Metro
600 Grand Avenue
Portland, OR 97232-2736

Re: Measure 37 Claim for Ralph and Shirley Elligsen

Dear Chief Operating Officer:

This office represents Ralph and Shirley Elligsen and is submitting this written demand for compensation on their behalf pursuant to Measure 37.

Mr. and Mrs. Elligsen acquired the 33.71 acre property on July 27th, 1959. The property is comprised of acreage in the City of Wilsonville, Clackamas County currently zoned Farm, but designated as industrial in the Wilsonville Comprehensive Plan and by Metro.

Mr. and Mrs. Elligsen have been in continuous ownership since acquisition. A copy of the deed is attached as Exhibit A along with a Property Profile from Chicago Title.

An appraisal is attached as Exhibit B.

Mr. and Mrs. Elligsen intend to develop the property as commercial, extend roads into and through the property, divide the property into smaller lots and develop each lot for commercial purposes.

Currently zoning, land use regulations, goals, functional plans, statutes, ordinances and rules, including those enacted by Metro restrict the use of the property for commercial purposes. We have included a number of land use regulations, laws, statutes and ordinances currently in effect, which were enacted subsequent to acquisition, and which restrict the use and reduce the value of the property. See Exhibit C.

2875 Marylhurst Dr. West Linn, OR 97068
Phone: (503) 635-6236

At the time of acquisition by Mr. and Mrs. Elligsen there were no regulations, rules ordinances, statutes that precluded the development as proposed by claimant.

These land use regulations, rules, goals, laws, ordinances etc. enacted by the State, Metro, and Clackamas County and the City of Wilsonville, have affected this property. The State, County, Metro, and the City of Wilsonville, did not have land use regulations in effect that restricted the proposed use when the property was acquired or to the degree that those uses are currently restricted and prohibited.

Please note that the land use regulations, laws, statutes and ordinances listed in Exhibit C are those which we have been able to identify at this time. We believe that the list in Exhibit C, is a characterization of the land use regulation, and those in Metro's code, regulations or Plans or those required by Metro cause the restriction of use and reduction in value for the property, though it is possible that additional land use regulations apply. To the extent that the land use regulations listed in Exhibit C do not fully capture all land use regulations restricting Mr and Mrs. Elligsen from enjoying all uses available at the time of their acquisition, they reserve the right to seek relief from, or base the compensation claim on, additional applicable land use regulations enacted, required or implemented by Metro, Clackamas County, City of Wilsonville and the state of Oregon.

Under Measure 37, the compensation should be equal to the reduction in the fair market value of the affected property resulting from enactment or enforcement of the land use regulations as of the date of written demand for compensation under Measure 37. While it is not possible at this point to verify an exact dollar amount, we estimate the loss in value resulting from the current land use regulations that restrict the proposed residential development to be in the range of \$7,300,000. (See Exhibit A). Although the current designation allows for a portion of the land to be used as Commercial the remainder designation as Industrial comes close to the claimants value.

Mr. and Mrs. Elligsen request removal of the land use regulations currently in effect. In addition Mr. and Mrs. Elligsen request the removal be transferable to subsequent owners and the subsequent owners would be authorized to develop the property as described above. The aforementioned amount of compensation is based on the value lost due to the restrictions on the development the property.

We reserve the right to amend or supplement this claim as necessary to satisfy the construction and application of Measure 37. Our position is that any land use law, statute, goal, ordinances or regulation (as defined in Measure 37) that prohibits or impairs a property owner's ability to use the property as set forth herein, would reduce the value of the property, and we request they be removed.

November 16, 2006

Page 3

We have attached the City of Wilsonville and the Clackamas County claim forms (Exhibit D) as an addition to our claim, and made a part hereof. However if there are further exhibits needed please let us know. We hope this claim covers your requirements, but it is not limited to those procedures, nor is it limited to land use regulations enacted prior to December 2, 2004.

The property may also be subject to land use regulations enacted or enforced by other governmental entities. Appropriate written demands for just compensation are being submitted to those entities as well. We intend to coordinate resolution of those claims with this claim. Please contact us if you need additional information.

Claimants: Ralph Elligsen and Shirley Elligsen, 7485 S.W. Elligsen Road, Tualatin, OR 97062, Telephone No. (503) 638-5696.

Date of Claimants Acquisition: July 27th, 1959

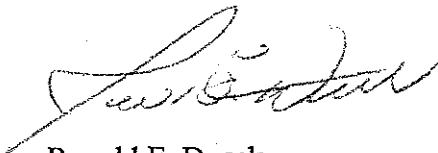
There were no land use regulations or Metro guidelines in existence at the time Mr. and Mrs. Elligsen acquired the property.

Claimants are precluded from dividing their property into saleable lots for commercial purposes.

Claimants wish the City of Wilsonville, Clackamas County, Metro, and the State of Oregon to remove any restrictions it has implemented on this property so that they will be able to use it as commercial property in lot size of their choice or similar development.

Thank you for your kind cooperation

Yours truly,



Ronald E. Dusek

RED:sw

Enc.

cc: Richard W. Childers

STATE OF OREGON)
) ss.
County of Clackamas)

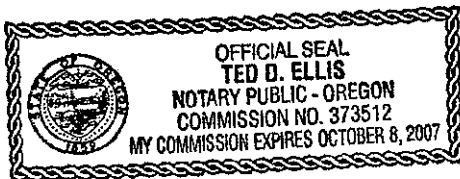
We, Ralph H. Elligsen and Shirley L. Elligsen, have provided the information contained in this claim and we have consented to its filing and have directed Ronald E. Dusek to file it on our behalf. The contents are true and correct.

Ralph H. Elligsen
Ralph H. Elligsen

Shirley L. Elligsen
Shirley L. Elligsen

Subscribed and sworn to before me this 20th day of November, 2006.

Ted D. Ellis
Notary Public for Oregon
My Commission Expires: 10/8/2007



Attachment 4 to COO Report

KNOW ALL MEN BY THESE PRESENTS, That Herman H. Boettner and Thelma Boettner,
his wife, - - -

in consideration of Ten and No/100 - - - - - Dollars,

to us paid by Ralph H. Elligsen and Shirley L. Elligsen, his wife, - - -

do hereby grant, bargain, sell and convey unto said Ralph H. Elligsen and Shirley L. Elligsen,
his wife, - - -

their heirs and assigns, all the following real property, with the tenements,
hereditaments and appurtenances, situated in the County of Clackamas and State
of Oregon, bounded and described as follows, to-wit:

PARCEL I: All of the Northeast Quarter of the Northeast Quarter
of Section 11, T. 3 S., R. 1 W., of the W. M., in the County of
Clackamas and State of Oregon lying east of the east line of
the State Highway, SAVE AND EXCEPT that portion conveyed to
Clackamas County for road purposes by deed recorded February
21, 1949, in Book 416, Page 602, Deed Records.

PARCEL II: The North one-half of the Northwest Quarter of
Section 12, T. 3 S., R. 1 W. W. M., in the County of Clackamas
and State of Oregon, SAVE AND EXCEPT the east 495 feet conveyed
to Louis Bruck et al by deed recorded February 19, 1957 in
Book 522, page 214, Deed Records and EXCEPT that portion conveyed
to Clackamas County for road purposes by deed recorded February
21, 1949, in Book 416, page 602, Deed Records.

1355



To Have and to Hold the above described and granted premises unto the said Ralph H. Elligsen
and Shirley L. Elligsen, his wife, - - -

their heirs and assigns forever.

And We, Herman H. Boettner and Thelma Boettner, his wife, - - -

the grantor do

above named do covenant to and with the above named grantee that they are
lawfully seized in fee simple of the above granted premises, that the above
granted premises are free from all encumbrances, except conditions, reservations and covenants
as to ingress, egress and regress contained in Deeds to State of Oregon, by and through
its State Highway Commission, recorded December 31, 1951 in Book 452, page 44 and in
Book 452, Page 46, Deed Records, to which reference is hereby made, and EXCEPT easement,
including the terms and provisions thereof, from Herman H. Boettner, a widower, to
United States of America, dated June 3, 1955, recorded June 14, 1955 in Book 496, Page
694, Deed Records, and EXCEPT taxes subsequent to July 1, 1959.

and that we will and our heirs, executors and administrators, shall warrant and forever
defend the above granted premises, and every part and parcel thereof, against the lawful claims and demands
of all persons whomsoever, except as above stated.

Witness our hand and seal this 27th day of July 1959.

Executed in the Presence of

Herman H. Boettner (SEAL)
Thelma Boettner (SEAL)

EXHIBIT A
PAGE 1 OF 2

(SEAL)
(SEAL)

Attachment 4 to COO Report

Resolution No. 07-3808

STATE OF OREGON,

County of Clackamas

ss.

BE IT REMEMBERED, That on this 27th day of July, 1959, before me, the undersigned, a Notary public in and for said County and State, personally appeared the within named Herman H. Boettner and Thelma Boettner, his wife, - - - -

who are known to me to be the identical individual s described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Alber E. Miller
Notary Public for Oregon.

My Commission expires Jan. 9, 1962.



13551

2 - PHOTOSTAT
WARRANTY DEED
(FORM No. 2)

HERMAN H. BOETTNER and THELMA

STATE OF OREGON, ss.
County of Clackamas.
I, Robert Schumacher, County Clerk, Ex-Officio Secretary of the County and Ex-Officio Clerk of the Circuit Court of the State of Oregon, for the County of Clackamas, do hereby certify that the within instrument of writing was received for record and recorded in the records of said County at

DEED

1959 JUL 27 PM 4 13

BOOK 558 PAGE 704
In Book On Page

Witness my hand and seal of said Court at this date.
ROBERT SCHUMACHER,
County Clerk.

A. Pappas
Recording Certificate Deputy.
06988 - 1058

By _____ Deputy.
STEVEN HESS LAW FIRM, CO., PORTLAND

Ralph H. Elligsen
Route 1, Box 375
Sherwood, Oregon

EXHIBIT A
PAGE 2 OF 2



CHICAGO TITLE INSURANCE COMPANY
10135 SE Sunnyside Road Suite 200
Clackamas, OR 97015
Phone (503) 786-3940 Fax (503) 653-7833
= METROSCAN PROPERTY PROFILE =
Clackamas (OR)

OWNERSHIP INFORMATION

Parcel Number : 00805043 TRSQ : 03S -01W -11 - -
Reference Parcel : 31W11 00100
Owner : Elligsen Ralph H & Shirley L
CoOwner :
Site Address : 26120 SW Parkway Ave Wilsonville 97070
Mail Address : 7485 SW Elligsen Rd Tualatin Or 97062
Telephone : Owner : Tenant :

SALES AND LOAN INFORMATION

Transferred : Loan Amount :
Document # : 681-895 Lender :
Sale Price : Loan Type :
Deed Type : Interest Rate :
% Owned : Vesting Type :

ASSESSMENT AND TAX INFORMATION

Market Land : \$513,346 Exempt Amount :
Market Structure : \$52,050 Exempt Type :
Market Total : \$565,396 Levy Code : 003023
% Improved : 9 M-5 Millage Rate : 17.8764
05-06 Taxes : \$1,366.17
Assessed Land : Max Assd Land :
Assessed Strctr : Max Assd Strctr :
Assd Fire Patrol : Max Assd FirePfl :
Assessed Total : \$76,423 Max Assd Total :

PROPERTY DESCRIPTION

Census : Tract : 227.03 Block : 1
Map Grid : 715 EA
Neighborhood Cd :
Sub/Plat :
Improvement : 131 Sgl Family,R1-3,1-story
Land Use : 541 Agr,Farm Land,Improved,Unzoned
Legal : SECTION 11 TOWNSHIP 3S RANGE 1W TAX
: LOT 00100
:

Attachment 4 to COO Report

Resolution No. 07-3808



CHICAGO TITLE INSURANCE COMPANY

10135 SE Sunnyside Road Suite 200

Clackamas, OR 97015

Phone (503) 786-3940 Fax (503) 653-7833

**=METROSCAN PROPERTY PROFILE=
Clackamas (OR)**

Parcel Number : 00805043

Reference Parcel : 31W11 00100

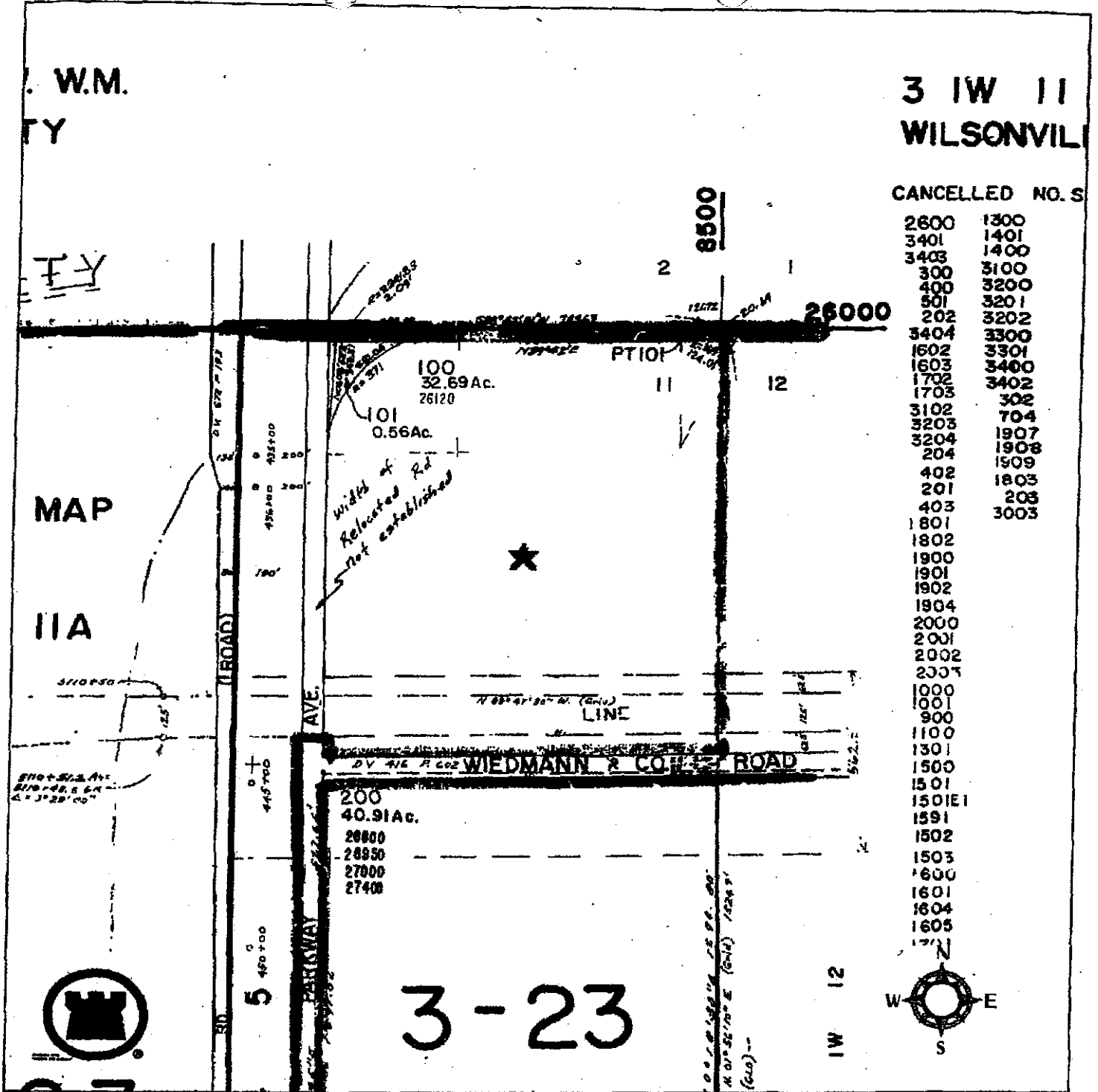
PROPERTY CHARACTERISTICS

<i>Bedrooms</i> : 4	<i>Stories</i> : 1
<i>Bathrooms</i> : 1.00	<i>Garage SF</i> :
<i>Fireplace</i> :	<i>Building SF</i> : 1,880
<i>Heat Type</i> : Stove	<i>Lot Acres</i> : 32.69
<i>Interior Material</i> : Drywall	<i>Lot SF</i> : 1,423,976
<i>Exterior Finish</i> : Rustic	<i>1st Floor SF</i> : 964
<i>Floor Cover</i> : Fir	<i>Above Ground SF</i> : 1,880
<i>Roof Type</i> : Composition	<i>Upper Finished SF</i> : 916
<i>Roof Shape</i> : Gable	<i>Unfin Upper Story</i> :
<i>Foundation</i> : Post Pier	<i>Upper Total SF</i> : 916
<i>School District</i> : 003	<i>Finished SF</i> : 1,880
<i>Utility District</i> :	<i>Basement Fin SF</i> :
<i>Year Built</i> : 1900	<i>Basement Unfin SF</i> :
<i>Year Appraised</i> :	<i>Basement Total SF</i> :
<i>Appraisal Area</i> :	

Profile-Page 2 of 2

EXHIBIT A-2
PAGE 2 OF 4

Attachment 4 to COO Report
Resolution No. 07-3808



CANCELLED NO. S

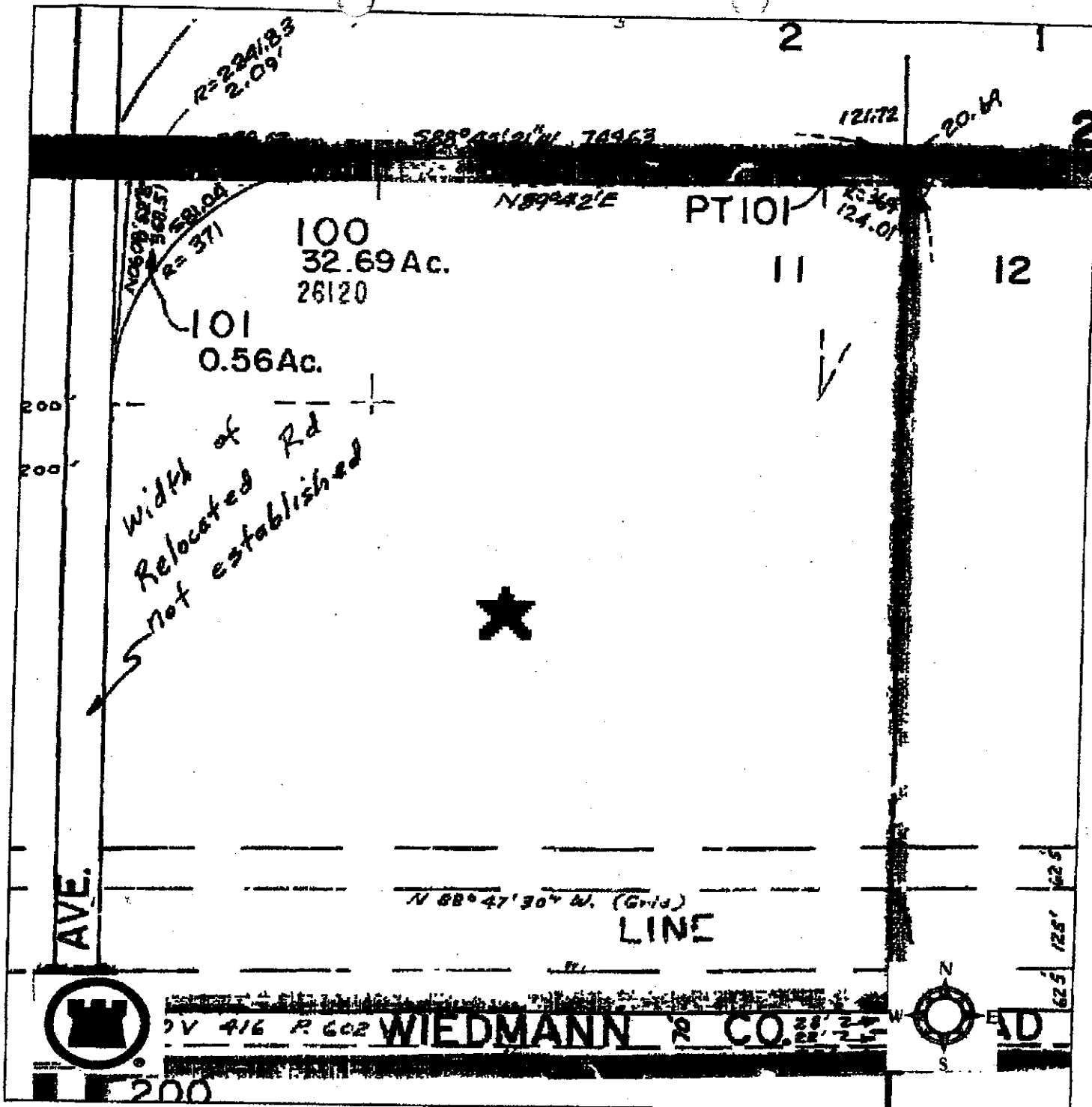
2600	1300
3401	1401
3403	1400
300	3100
400	3200
501	3201
202	3202
3404	3300
1602	3301
1603	3400
1702	3402
1703	302
3102	704
3203	1907
3204	1908
204	1909
402	1803
201	203
403	3003
1801	
1802	
1900	
1901	
1902	
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1000	
1001	
900	
1100	
1301	
1500	
1501	
1501E1	
1591	
1502	
1503	
1600	
1601	
1604	
1605	

CHICAGO TITLE

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the company assumes no liability for any loss occurring by reason of reliance thereon."

Map No. 31W11 00100
CHICAGO TITLE INSURANCE COMPANY
10135 S.E. SUNNYSIDE ROAD Suite 200
CLACKAMAS, OREGON 97015

EXHIBIT A-2
PAGE 3 OF 4



CHICAGO TITLE

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the company assumes no liability for any loss occurring by reason of reliance thereon."

Map No. 31W11 00100
CHICAGO TITLE INSURANCE COMPANY
10135 S.E. SUNNYSIDE ROAD Suite 200
CLACKAMAS, OREGON 97015

EXHIBIT A-2
PAGE 4 OF 4

7/1/2006 to 6/30/2007 REAL PROPERTY TAX STATEMENT
 CLACKAMAS COUNTY, OREGON Resolution No. 07-3808
 CLACKAMAS COUNTY, OREGON 168 WILSONVILLE RD. WILSONVILLE, OREGON 97045

PROPERTY DESCRIPTION

26120 SW PARKWAY AVE
 WILSONVILLE OR 97070

ELLIGSEN RALPH H & SHIRLEY L
 7485 SW ELLIGSEN RD
 TUALATIN OR 97062

MAP: 31W11 00100

ACCOUNT NO: 00805043

Code Area: 003-023

Acres: 32.69

2006 - 2007 CURRENT TAX BY DISTRICT:

COM COLL CLACK	35.79
ESD CLACKAMAS	23.84
SCH WLINN/WILS	306.46
SCH WLINN/WILS LOC OPT	118.07
EDUCATION TOTAL:	484.16
CITY WILSONVILLE	168.74
COUNTY CLACKAMAS	157.55
FD64 TVF&R	102.09
FD64 TVF&R LOC OPT	19.68
PORT OF PTLD	4.61
SRV 2 METRO - OREGON ZOO	6.34
URBAN RENEWAL COUNTY	9.86
URBAN RENEWAL WILSONVILLE	218.20
VECTOR CONTROL	0.43
VECTOR CONTROL LOC OPT	1.97
GENERAL GOVERNMENT TOTAL:	689.47
CITY WILSONVILLE BOND	14.18
COM COLL CLACK BOND	11.70
FD64 TVF&R BOND	2.97
SCH WLINN/WILS BOND	190.67
SRV 2 METRO BOND	11.91
EXCLUDED FROM LIMIT TOTAL:	231.43
2006-2007 TAX BEFORE DISCOUNT	1,405.06

VALUES:	LAST YEAR	THIS YEAR
REAL MARKET VALUES (RMV):		
RMV LAND	513,346	610,570
RMV BLDG	52,050	62,460
RMV TOTAL	565,396	673,030
SAV TOTAL	194,882	153,757
ASSESSED VALUE (AV):	76,423	78,710
PROPERTY TAXES:	1,366.17	1,405.06

**Questions about your property value or taxes
 Please call 503-655-8671.**

Please Make Payment To: **CLACKAMAS COUNTY TAX COLLECTOR**
 (Refer to the insert enclosed for more information)

DELINQUENT TAXES: NO DELINQUENT TAXES DUE

See back for explanation of taxes marked with an (*).
 Delinquent tax amount is included in payment options listed below.

TOTAL (after discount): 1,362.91

(See back of statement for instructions)

TAX PAYMENT OPTIONS

Payment Options	Date Due	Discount Allowed	Net Amount Due
FULL PAYMENT	Nov 15, 2006	42.15 3% Discount.....	1,362.91
2/3 PAYMENT	Nov 15, 2006	18.73 2% Discount.....	917.98
1/3 PAYMENT	Nov 15, 2006	No Discount	468.36

7/1/2006 to 6/30/2007 REAL PROPERTY TAX STATEMENT
 Attachment to COO Report
 CLACKAMAS COUNTY, OREGON 168 WARNER MILNE RD. * OREGON CITY, OREGON 97045
 Resolution No. 07-3605

PROPERTY DESCRIPTION

MAP: 31W12 00401

ACCOUNT NO: 00805604

Code Area: 003-023

Acres: 1.02

2006 - 2007 CURRENT TAX BY DISTRICT:

ELLIGSEN RALPH H & SHIRLEY L
 7485 SW ELLIGSEN RD
 TUALATIN OR 97062

COM COLL CLACK	0.39
ESD CLACKAMAS	0.26
SCH WLINN/WILS	3.29
SCH WLINN/WILS LOC OPT	1.27
EDUCATION TOTAL:	5.21
CITY WILSONVILLE	1.87
COUNTY CLACKAMAS	1.70
FD64 TVF&R	1.10
FD64 TVF&R LOC OPT	0.21
PORT OF PTLD	0.05
SRV 2 METRO - OREGON ZOO	0.07
URBAN RENEWAL COUNTY	0.09
URBAN RENEWAL WILSONVILLE	2.31
VECTOR CONTROL LOC OPT	0.02
GENERAL GOVERNMENT TOTAL:	7.42
CITY WILSONVILLE BOND	0.15
COM COLL CLACK BOND	0.13
FD64 TVF&R BOND	0.03
SCH WLINN/WILS BOND	2.05
SRV 2 METRO BOND	0.13
EXCLUDED FROM LIMIT TOTAL:	2.49
2006-2007 TAX BEFORE DISCOUNT	15.12

VALUES:	LAST YEAR	THIS YEAR
REAL MARKET VALUES (RMV):		
RMV LAND	15,638	18,599
RMV TOTAL	15,638	18,599
SAV TOTAL	1,737	1,821
ASSESSED VALUE (AV):	823	847
PROPERTY TAXES:	14.71	15.12

Questions about your property value or taxes
 Please call 503-655-8671

Please Make Payment To: CLACKAMAS COUNTY TAX COLLECTOR
 (Refer to the insert enclosed for more information)

DELINQUENT TAXES: NO DELINQUENT TAXES DUE
 See back for explanation of taxes marked with an (*).
 Delinquent tax amount is included in payment options listed below.

TOTAL (after discount): 14.67

(See back of statement for instructions)

Payment Options	Date Due	Discount Allowed	Net Amount Due
FULL PAYMENT	Nov 15, 2006	0.45 3% Discount.....	14.67
2/3 PAYMENT	Nov 15, 2006	0.20 2% Discount.....	9.88
1/3 PAYMENT	Nov 15, 2006	No Discount	5.04

SUMMARY APPRAISAL REPORT

**33.71-ACRE PARCEL
26120 S.W. PARKWAY AVENUE
WILSONVILLE, OREGON**

CLIENT

**RONALD E. DUSEK, P.C.
2875 MARYLHURST DRIVE
WEST LINN, OREGON 97068**

PREPARED BY

**MOSCATO, OFNER & HENNINGSEN, INC.
13765 N.W. CORNELL ROAD, SUITE 200
PORTLAND, OREGON 97229**

OUR FILE NO:

2006-076

EXHIBIT B

Moscato
Ofner &
Henningsen, Inc.

Real Estate Appraisers and Consultants

Principals:

Louis J. Moscato, MAI

Lawrence E. Ofner, MAI

Scott A. Henningsen, MAI

July 10, 2006

Ronald E. Dusek, P.C.
2875 Marylhurst Drive
West Linn, Oregon 97068

Dear Mr. Dusek:

Pursuant to your request, we have performed a complete appraisal in a summary report format of a 33.71-acre parcel located at 26120 S.W. Parkway Avenue in Wilsonville, Oregon. The appraisal assignment involved estimating the market value of the subject property under two zoning scenarios for purposes of a potential Measure 37 claim.

In accomplishing this assignment, we have completed an inspection of the subject property, together with observing both economic and land use trends in the subject's general area. In addition, comparable market data was investigated, analyzed and applied as appropriate.

In this appraisal, the property has been valued as though it would be sold on an all cash or equivalent new mortgage financing basis and has been prepared to comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

Based upon our investigation and analysis of the available information, the market value of the subject property in fee simple, as described herein and as of June 28, 2006, is considered to be:

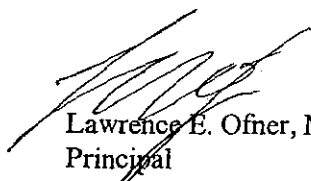
Scenario 1 (PDI Zone):	\$10,300,000
Scenario 2 (PDC Zone):	\$17,600,000

July 10, 2006
Ronald E. Dusek, P.C.
Page Two

In the case of Scenario 2, the market value conclusion is made as if the subject property is zoned PDC (Planned Development Commercial Zone). The use of this hypothetical condition had a significant effect on the value under this scenario. Ordinary assumptions and limiting conditions that are in effect for this appraisal are outlined in the Addenda of this report.

Respectfully submitted,

MOSCATO, OFNER & HENNINGSSEN, INC.



Lawrence E. Ofner, MAI
Principal
Oregon State Certification #C000016
Washington State Certification #1100129

SUMMARY OF PERTINENT DATA

Effective Date: June 28, 2006

Date of Inspection: The subject property was inspected by this office on multiple occasions during the past several months – most recently on June 28, 2006.

Date of Report: July 10, 2006

Property Rights Appraised: Fee Simple

Location: 26120 S.W. Parkway Avenue, Wilsonville, Oregon

Improvements: The existing improvements (an older single-family residence and an older outbuilding) do not contribute substantial value to the overall subject property, and would likely be demolished prior to redevelopment of the site.

Site Description: The subject contains 33.71 acres and is generally level, with very good freeway exposure and adequate, though not optimal, accessibility. The southern ±250' are encumbered by powerline easements, which affect nearly 20% of the site.

Zoning: Scenario 1: PDI (Planned Development Industrial Zone);
Scenario 2: PDC (Planned Development Commercial Zone)

Owner of Record: Ralph H. and Shirley L. Elligsen

Highest & Best Use: Scenario 1: industrial development (as currently zoned PDI)
Scenario 2: commercial development (as if zoned PDC)

Flood Hazard Area: No portion of the subject site appears to be located within a 100-year flood hazard area.

Exposure Time: ±12 months (assuming property had competent and aggressive marketing)

Market Value Conclusions:

Scenario 1:	\$10,300,000
Scenario 2:	\$17,600,000

Note: In the case of Scenario 2, the market value conclusion is subject to the hypothetical condition that the subject property is zoned PDC (Planned Development Commercial Zone).





View facing east from near the northwest corner of the subject property



View facing south from near the northwest corner of the subject property



View facing southeast from near the northwest corner of the subject property



View facing southwest from near the northeast corner of the subject property



View facing west from near the northeast corner of the subject property



View facing south from near the northeast corner of the subject property



View facing east from near the southwest corner of the subject property



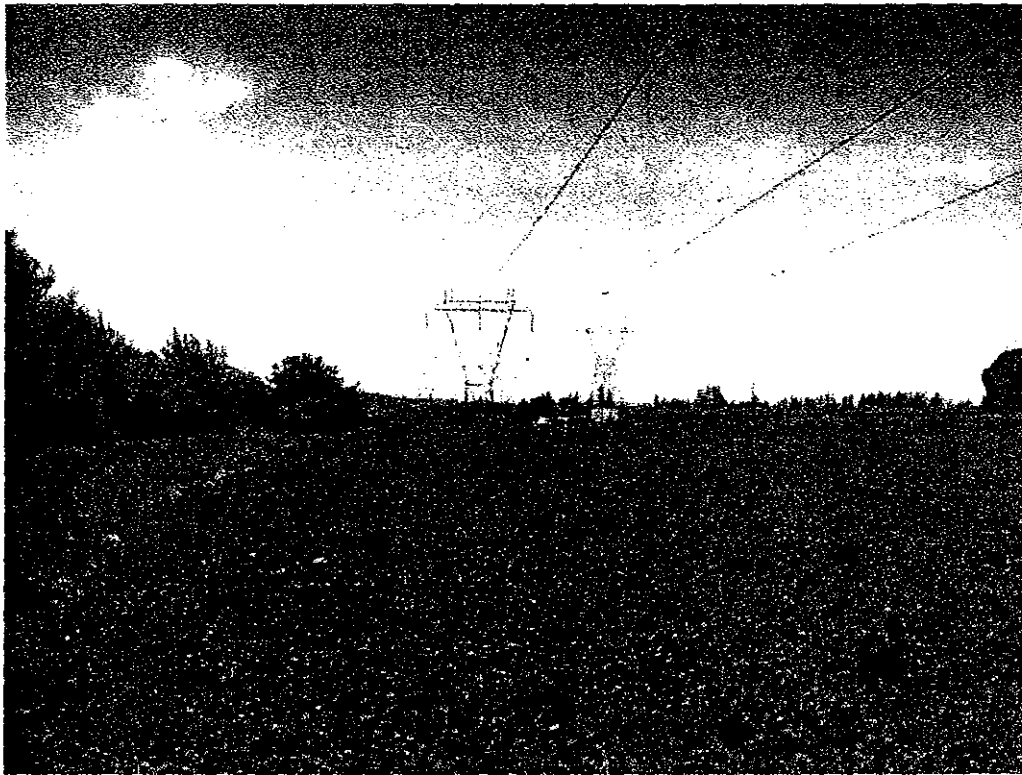
View facing north from near the southwest corner of the subject property



View facing northeast from near the southwest corner of the subject property



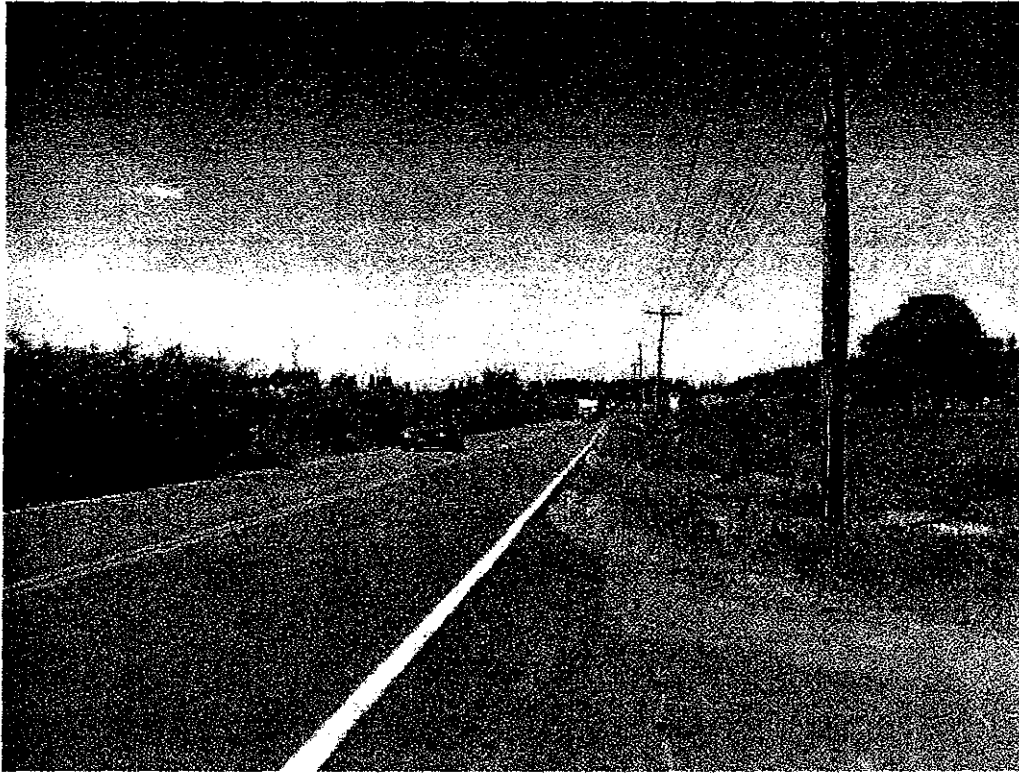
View facing northwest from near the southeast corner of the subject property



View facing west from near the southeast corner of the subject property



View facing north from near the southeast corner of the subject property



Street scene facing north along Parkway Avenue
(subject at right)



Street scene facing south along Parkway Avenue
(subject at left)



Street scene facing east along Parkway Center Drive
(subject at right)



Street scene facing west along Parkway Center Drive
(subject at left)



Street scene facing east along Wiedemann Road, an undeveloped right-of-way
(subject at left)



Street scene facing west along Wiedemann Road, an undeveloped right-of-way
(subject at right)

General Information

Identification of the Property

The subject property consists of a 33.71-acre parcel located at 26120 S.W. Parkway Avenue in Wilsonville, Oregon. The property can also be identified as Tax Lot 100, T3S, R1W, Section 11; and Tax Lot 401, T3S, R1W, Section 12; W.M., Clackamas County. A metes and bounds or other legal description of the subject property was not made available in this case.

Purpose, Intended Use & Intended Users

The purpose of this appraisal is to estimate the current market value of the subject property, considering its fee simple interest, assuming two zoning scenarios. The first scenario essentially reflects an "as is" value based on the subject's current PDI (Planned Development Industrial Zone) zoning. The second scenario assumes the subject property is zoned PDC (Planned Development Commercial Zone).

The intended use of this appraisal is to assist the client in assessing a potential Measure 37 claim against the City of Wilsonville. The intended user of this report is the client, Ronald E. Dusek, P.C. Without prior written approval from the author, the use of this report is limited solely to the client and for the intended use specified above. All other uses are expressly prohibited. Reliance on this report by anyone other than the client for a purpose not set forth above is prohibited. The author's responsibility is limited solely to the client and not to anyone else.

Scope of Assignment

The scope of this assignment involves a complete appraisal transmitted in a summary appraisal report format. This process involved the extent of research and analysis typical for an assignment of this type, including a physical inspection of the subject property and a review of materials provided by the client; and information obtained from the City of Wilsonville and Clackamas County.

The subject neighborhood was also inspected in order to gather information on neighborhood trends and development in the area. During our research for comparable market data, a number of brokers, and others knowledgeable in this market were interviewed.

The existing improvements (an older single-family residence and an older outbuilding) do not contribute substantial value to the overall subject property, and would likely be demolished prior to redevelopment of the site. Because the subject property's value is derived from the underlying land, the most applicable approach is considered to be the Sales Comparison Approach, which will be utilized in this appraisal.

It is important to note that this is a summary report which is intended to comply with the reporting requirements as set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of the discussion contained in this report is specific to the needs of the client and for the intended use as stated in this report. The appraiser is not responsible for unauthorized use of this report.

Our valuation and analysis included research, independent confirmation and analysis of appropriate comparable data which was either personally verified by the appraiser, by another member of the staff at Moscato, Ofner & Henningsen, or by a source considered reliable. Adequate information was made available for our appraisal of the subject property, although it is noted that a title report and a Phase I Environmental Assessment report were not provided in this case. If comparable details were not included in this report, they have been retained in the appraiser's workfile.

If any significant real property appraisal assistance was provided to the appraiser, it will be described in the Certification at the end of this report.

Extraordinary Assumptions & Hypothetical Conditions

Extraordinary assumptions and hypothetical conditions are defined in USPAP as:

Extraordinary Assumption: an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

Hypothetical Condition: that which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

In the case of Scenario 2, the market value conclusion is subject to the hypothetical condition that the subject property is zoned PDC (Planned Development Commercial Zone). Ordinary assumptions and limiting conditions that are in effect for this appraisal are outlined in the Addenda of this report.

Exposure Time

Exposure time is 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; in other words a retrospective estimate based upon an analysis of past market conditions.

The appraiser has interpreted exposure time to represent the time needed to aggressively market a property and would include the time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by current market conditions.

Based upon the subject's overall location, size, property type, etc., and the exposure period of the comparable sales researched for this appraisal, it is our opinion that a reasonable exposure time for the subject is approximately a 12 month period, if it were to be listed at a reasonable price with a knowledgeable and competent broker.

Definition of Market Value

For purposes of this report, Market Value is defined as:

"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 and knowledgeably, and assuming 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 each acting in what they consider their 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;*
- 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."*

Source: FIRREA

Definition of Fee Simple Interest

As defined in Real Estate Appraisal Terminology, sponsored by the Appraisal Institute, Fee Simple is:

"An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate."

Ownership & Sales History

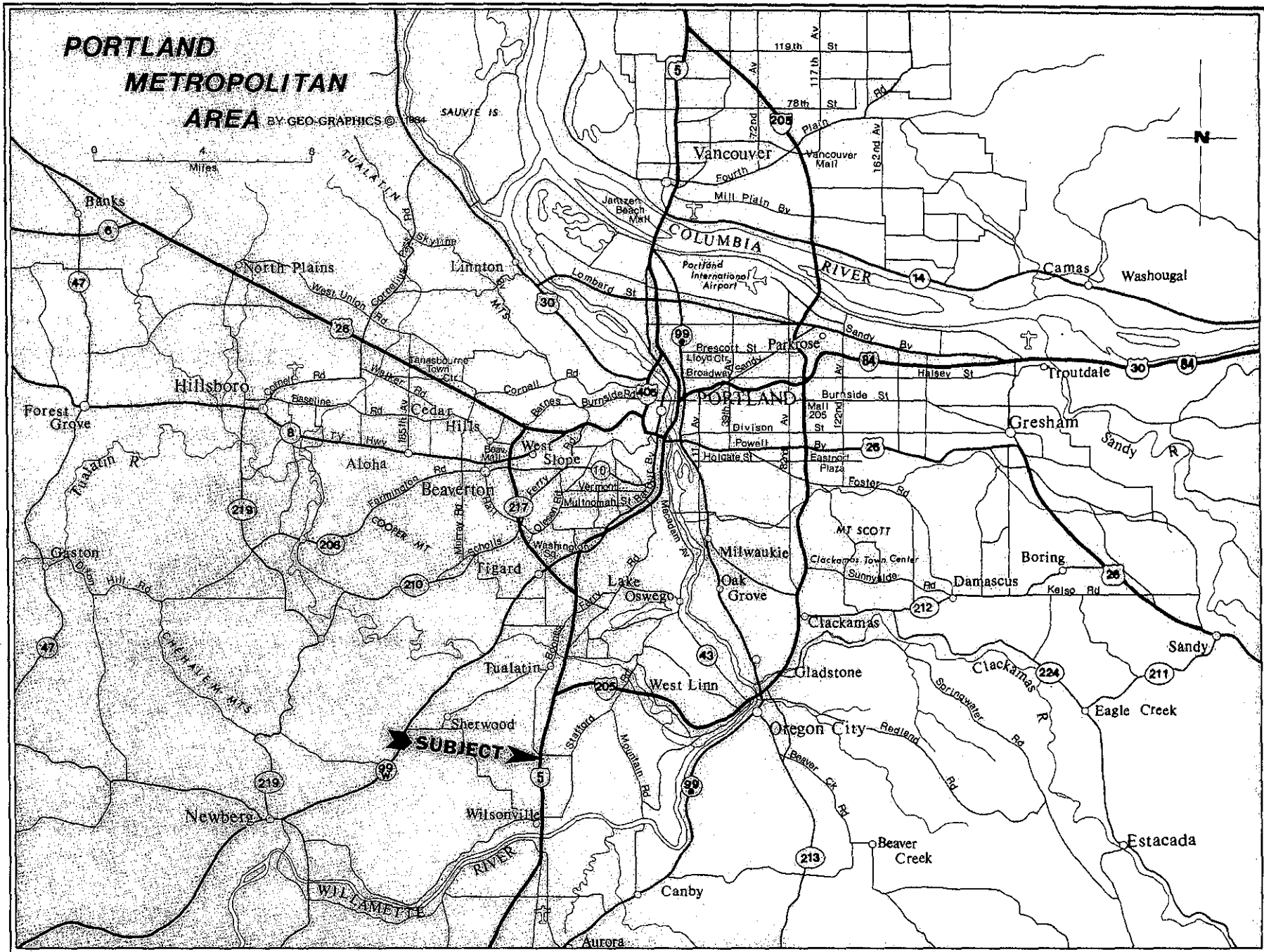
According to the records checked, fee title of the subject property appears to be vested in Ralph H. and Shirley L. Elligsen. The owners have placed a "for sale" sign on the property. According to the cvlient, who is the owners' attorney, a pending sale of the subject to a big box retailer at an indicated price of \$12.00 per sq.ft. recently fell through when the City of Wilsonville did not approve the buyer's development plans. Mr. Dusek stated that the owners have received several inquiries from parties interested in acquiring a portion of the subject; however, he indicated that the owners were only interested in selling the entire property. No other sale of the subject is known to have occurred during the last three years.

Competency

The appraiser is experienced and qualified in the valuation of this type of property.

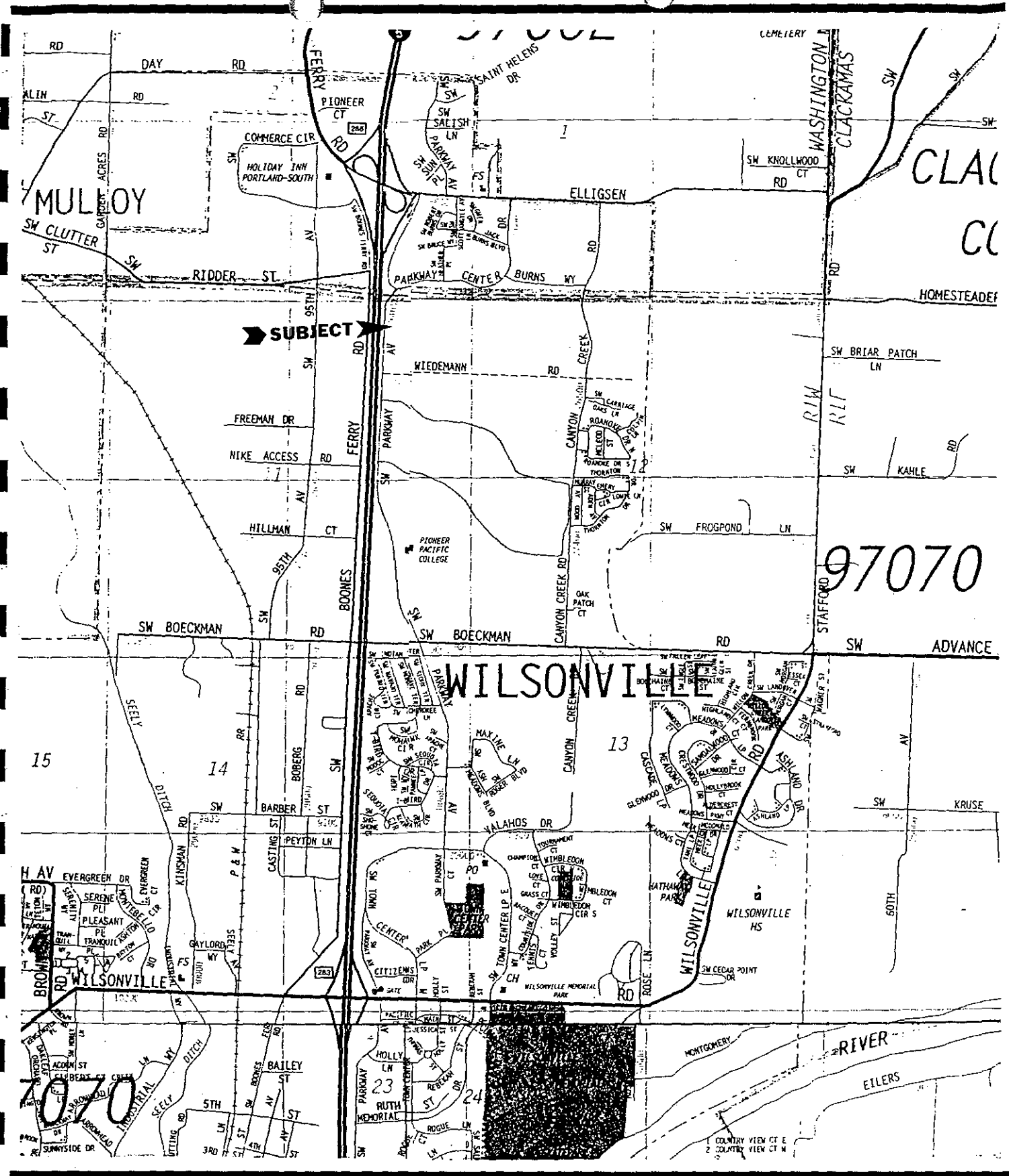
Transferability

As mentioned previously, this appraisal has been prepared solely to comply with our best interpretation of the current Uniform Standards of Professional Appraisal Practice (USPAP) as formulated by The Appraisal Foundation and to any specific client guidelines. As such, the client is cautioned that if this report is transferred to another party, and/or is reviewed and there are questions or additional work necessary to meet their subsequent guidelines, the appraiser reserves the right to charge appropriate fees for any additional work expended.



Moscato, Ofner & Henningsen, Inc.

Regional Location Map



NEIGHBORHOOD MAP

Neighborhood Description

The subject property is located within the Portland Primary Metropolitan Statistical Area (PMSA), a six-county region located in Northwest Oregon and Southwest Washington. The city of Portland, the largest city in the metropolitan area, is located in Multnomah County and is at the geographical center of the Portland PMSA. More specifically, the subject is located in Wilsonville, a suburb located in the southerly section of the Portland PMSA. According to the 2000 Census, the Portland PMSA was the 23rd largest urban area in the United States with a population of 1,918,009, as compared to the total population in the state of Oregon of 3,421,399. The 2000 Portland/Vancouver PMSA population represents an increase of 402,557 (26.6%) since the 1990 U.S. Census. The most recent population estimate for the Portland PMSA (July 1, 2005) is 2,071,940 which is an 8.47% increase from the 2000 Census. The July 1, 2005 population for the State of Oregon was 3,631,440 which represents a 6.14% increase from the 2000 Census population of 3,421,399.

Wilsonville is located 18 miles south of downtown Portland and 29 miles north of Salem. The most recent population estimate for the city of Wilsonville (July 1, 2005) is 16,510, which reflects an 18% increase from the 2000 Census. The subject property is located in the northeastern section of Wilsonville. The subject neighborhood is generally bounded by the Wilsonville city limits to the north and east, Wilsonville Road to the south, and the I-5 freeway to the west. Land uses in the subject neighborhood include a mix of retail, office and industrial uses, with some residential development.

Commercial development is primarily located at the northern and southern ends of the subject neighborhood. At the northeast quadrant of I-5 and S.W. Elligsen Road is Stafford Park, which has been developed with a number of office buildings, several motels and a Mercedes-Benz car dealership. At the southeast quadrant of I-5 and S.W. Elligsen Road, just north of the subject, is Argyle Square, a 42-acre retail center anchored by Costco, Target, PetSmart and Office Depot and including in-line retail space. Considerable commercial development has also occurred in the southern portion of the subject neighborhood, near the I-5/Wilsonville Road freeway interchange. On the north side of Wilsonville Road, a 189,000 sq.ft. neighborhood shopping center was completed in the Town Center area in the mid-1990s, anchored by Lamb's Thriftway and a Rite Aid drug store. Fry's Electronics, a Les Schwab automotive facility and several other commercial facilities are also located north of Wilsonville Road, along Town Center Loop. On the south side of Wilsonville Road, the Village at Main Street was developed in the late 1990s, containing restaurants and in-line retail. This development also includes apartments.

Mentor Graphics developed a 90-acre site located along the east side of Parkway Avenue, north of Boeckman Road on the east side of I-5. This is their headquarters campus which includes office, warehouse and manufacturing space. The Xerox campus is located just north of Mentor Graphics. A built-to-suit office campus and production space for InFocus, an electronics company, was completed in 2001 along Parkway Avenue near Mentor Graphics. The Sysco Continental Foods distribution complex, and the Vision Plastic manufacturing building are located along Parkway Center Drive, south of Elligsen Road. In addition to these developments, a number of single and multi-tenant buildings were developed along Burns Way in the late 1990s. These include the 114,700 sq.ft. Canyon Creek Business Park and the 109,973 sq.ft. Stafford Corporate Center.

Considerable industrial development has also occurred on the west side of the I-5 freeway, along S.W. 95th Avenue, between Commerce Circle and Boeckman Road. Much of this development consists of large, multi-tenant business parks and industrial parks, including Commerce Park

Wilsonville (126,550 sq.ft.); Commerce Center South (107,948 sq.ft.); Rockmore Buildings (100,000 sq.ft.); Stafford Distribution Center (247,863 sq.ft.); Wilsonville Corporate Center, Phases I and II (379,000 sq.ft.); and 595 Business Park (115,418 sq.ft.). Development in this area also includes a 483,000 sq.ft. distribution center for Nike. The largest development in this area is the Wilsonville Business Center (604,000 sq.ft.). This business center was developed in phases and consists of larger, single-tenant buildings, multi-tenant warehouse/office buildings, and several multi-tenant flex type buildings.

Single-family residential development in the immediate subject neighborhood is generally found in two pockets: a number of mobile home parks are located south of Boeckman Road, between the I-5 freeway and Parkway Avenue; and several good quality single-family residential subdivisions which were developed along the west side of Wilsonville Road, south of Boeckman Road, during the 1990s. Several large, good quality apartment complexes are located in the subject neighborhood. These multi-family developments include Bridge Creek (350 units); Boulder Creek (296 units); Hathaway Court (300 units); Sun Dial (120 units); and the Village at Main Street (232 units), among others.

Transportation in the subject neighborhood is facilitated by a good arterial network. The I-5 freeway, the major north/south freeway on the West Coast, bisects the city of Wilsonville and borders the subject neighborhood to the west. There are full freeway interchanges at the north end (Elligsen Road) and south end of the subject neighborhood (Wilsonville Road). Both freeway interchanges, at Wilsonville Road and at Elligsen Road (known as the Stafford Interchange), have been improved to accommodate greater traffic circulation. In addition, there is a full freeway interchange at the south end (Miley Road) of Wilsonville. The I-205 freeway (a bypass providing access to various east Portland neighborhoods, the Portland International Airport and the State of Washington) begins two miles north of Wilsonville and rejoins the I-5 freeway a short distance north of Vancouver, Washington. Wilsonville is located ± 25 freeway miles from the Portland International Airport and $\pm 2\frac{1}{2}$ miles from a general service airport in Aurora.

In summary, the Wilsonville area is considered to be well located with respect to potential for future commercial, industrial and residential growth. The subject property is well located between both Wilsonville freeway interchanges. Although it is located at the southerly end of development in the Portland Metropolitan Area, Wilsonville continues to attract new development.

Site Description

The subject property is located along the east side of S.W. Parkway Avenue, between S.W. Parkway Center Drive and Wiedemann Road (a platted, but undeveloped, public right-of-way), and has an address of 26120 S.W. Parkway Avenue, Wilsonville, Oregon.

The subject site contains 33.71 acres, or $\pm 1,468,407$ sq.ft, according to the Assessor's records. The site is mostly rectangular in shape, with $\pm 1,185'$ of frontage along the east side of Parkway Avenue, $\pm 1,075'$ of frontage along the south side of Parkway Center Drive and $\pm 1,160'$ of frontage along the north side of Wiedemann Road. For additional details, refer to the Plat Map following this section.

The subject site is basically level and at street grade with the abutting streets. For further information, see the subject photographs at the beginning of this report.

The subject site is accessible from either S.W. Parkway Avenue or S.W. Parkway Center Drive. S.W. Parkway Avenue, a frontage road which runs alongside the I-5 freeway in the subject's immediate vicinity, provides access to Wilsonville's Town Center area, $\pm 1\frac{1}{4}$ miles south of the subject. Since completion of the Argyle Square retail center, S.W. Parkway Avenue effectively turns into S.W. Parkway Center Drive, which runs from S.W. Parkway Avenue in an east-then-north direction, around Argyle Square, to S.W. Elligsen Road. As a result, the subject's access to and from the Stafford interchange involves a somewhat circuitous $\pm \frac{3}{4}$ -mile drive. Overall, the subject site has adequate, though not optimal, accessibility for commercial uses. However, the site has good accessibility for an industrial use.

The subject site has considerable frontage along S.W. Parkway Avenue, which runs alongside the I-5 freeway in the subject's immediate vicinity. As a result, the site enjoys good visibility from the freeway. According the Oregon Department of Transportation's *2004 Transportation Volume Tables*, the 2004 average daily traffic count for the I-5 freeway, 0.30 mile south of the Stafford Interchange, was 117,700 vehicles. Overall, the subject site is considered to have very good exposure for commercial uses.

Abutting properties include S.W. Parkway Center Drive, across which is the Argyle Square retail center, to the north; the Sysco Food Services distribution center to the east; the Xerox campus to the south; and S.W. Parkway Avenue, across which is the I-5 freeway to the west.

S.W. Parkway Avenue is a two-way, two-lane, asphalt-paved street with street lights. S.W. Parkway Center Drive is a two-way, two-lane plus center turn lane, asphalt-paved street with street lights and sidewalks (where recent construction has taken place). Wiedemann Road is a platted, but undeveloped, public right-of-way consisting of a dirt and gravel road.

All necessary public utility services including electricity, sewer, water, natural gas and telephone are available to the subject property and are assumed to be adequate.

According to FEMA Flood Insurance Rate Map, Panel No. 4100250002B (dated January 6, 1982), no portion of the subject site is indicated to be in a designated flood hazard area.

A Phase I Environmental Assessment was not provided to the appraiser. The value estimate in this report is predicated on the important assumption that there are no environmental conditions adversely affecting the subject property.

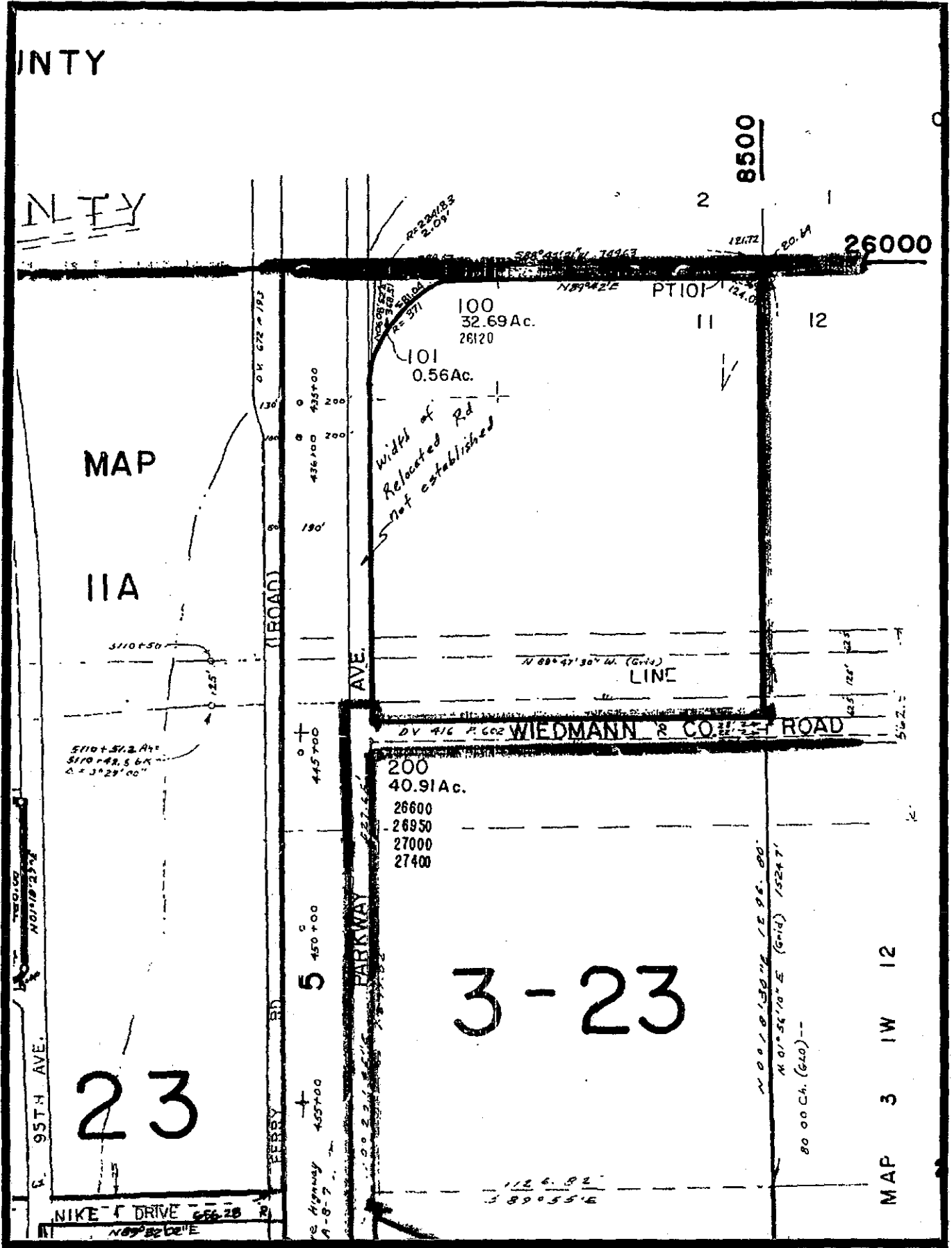
No title report was made available to this appraiser; however, based on a physical inspection of the property and an examination of the Plat Map, the southernmost $\pm 250'$ of the site is encumbered by power line easements. This equates to an overall encumbered area of ± 6.66 acres, or nearly 20% of the total site area. However, the negative impact of the power line easements on the overall site's utility is mitigated by two factors: (1) the easements are located at the extreme southern portion of the property; and (2) while buildings could not be constructed underneath the power lines, the areas encumbered by the aforementioned power line easements could still be utilized as landscaping, parking, ingress/egress, truck staging areas, etc. No other apparent adverse easements were noted. Thus, it is hereby assumed that there are no others in existence that would be detrimental to the subject property's value. It is strongly recommended that a current title insurance policy be obtained to be protected against such possibility.

The subject site is zoned PDI (Planned Development Industrial), which is the City of Wilsonville's designation for light manufacturing/warehouse zoning. This zoning district allows warehouses, cold storage plants, light manufacturing, motor vehicle services, fabrication, office complexes related to technology, corporate headquarters, call centers, laboratories, and research and development facilities. Additionally, any use allowed in a PDC (Planned Development Commercial) is allowed, with limitations; service commercial and retail uses are not to exceed 5,000 sq. ft. in a single building or 20,000 sq. ft. within multiple buildings, and office complexes shall not exceed 30% of the total floor area within a project site.

As noted earlier, the purpose of this appraisal is to estimate the market value of the subject property assuming two zoning scenarios. The first scenario is based on the subject's current PDI (Planned Development Industrial Zone) zoning. The second scenario assumes the subject property is zoned PDC (Planned Development Commercial Zone). Uses that are typically permitted in a PDC zone include the following: (1) retail businesses; (2) wholesale showrooms; (3) offices and clinics; (4) service establishments; (5) any use allowed in a PDR (Planned Development Residential Zone) or PDI zone, provided the majority of the total ground floor area is commercial; (6) accessory uses; (7) temporary structures for uses incidental to construction work; and (8) churches. The following uses are typically permitted when conducted entirely within enclosed buildings: (a) automotive machine shops; (b) automotive detail shops; (c) repair shops; (d) fabrication shops; and (e) marine equipment supply and repair.

It should be noted that the existing improvements (an older single-family residence and an older outbuilding) do not contribute substantial value to the overall subject property, and would likely be demolished prior to any type of redevelopment of the subject site.

The subject is satisfactory in terms of its size and shape and is well located with adequate accessibility and very good exposure. Although the southern portion of the site is encumbered by power line easements, the subject has no unusual site development problems, has all utilities available, and has no other apparent adverse conditions. It is generally suitable for a wide range of industrial and commercial uses.



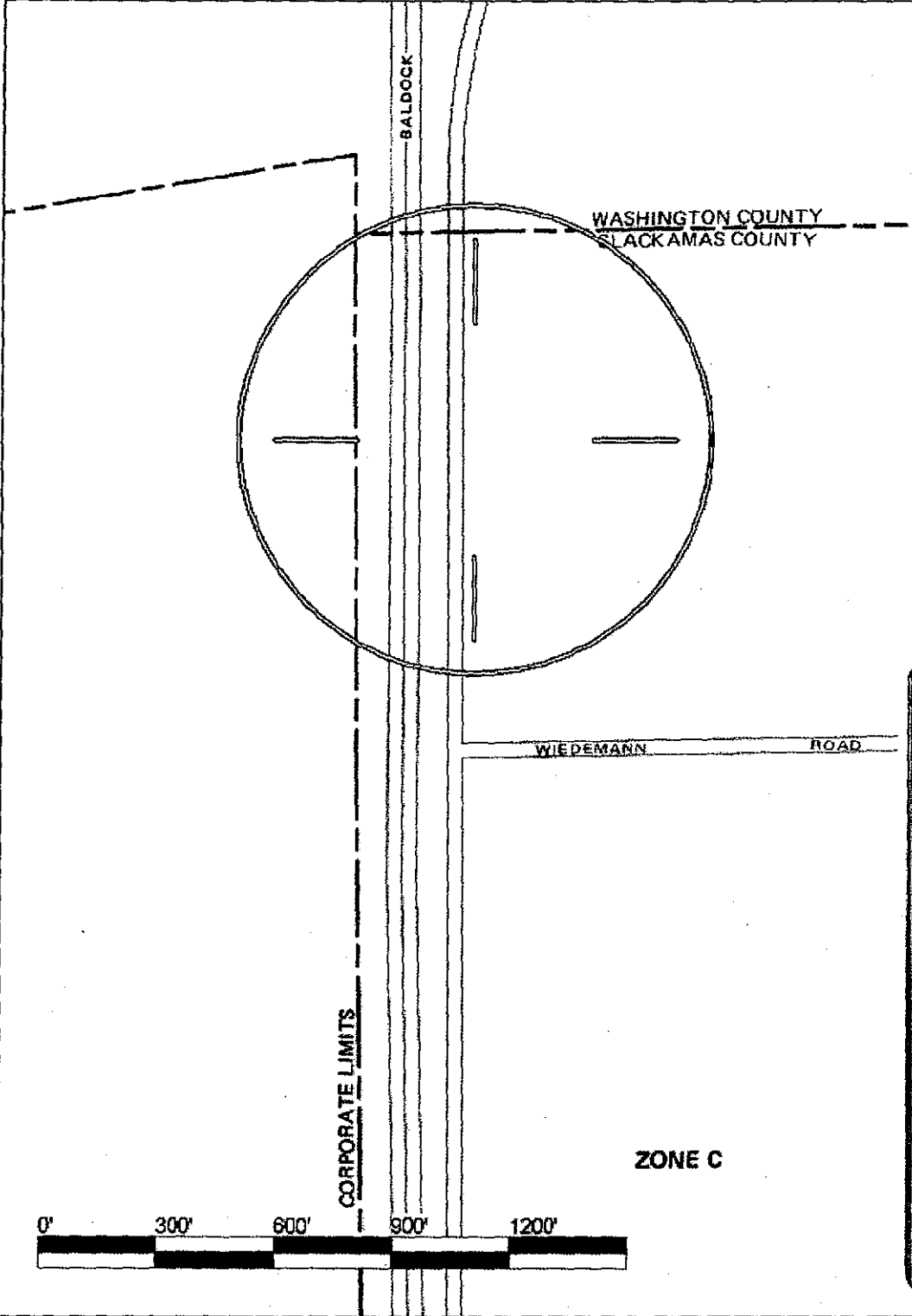
PLAT MAP



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Prepared for:
Moscato Ofner & Henningsen Inc

26120 SW Parkway Ave
Wilsonville, OR 97070-9213



FLOODSCAPE

Flood Hazards Map

Map Number
4100250002B

Effective Date
January 6, 1982

For more information about
flood zones and flood
insurance, contact:

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

Tax Assessment Data

The subject property is liable for annual real estate taxes as levied by the Clackamas County Assessor. Real property in the State of Oregon is assessed at a variable percentage of its Real Market Value (RMV). The RMV for the subject property for the 2005-06 tax year is summarized as follows:

<u>Land</u>	<u>Improvements</u>	<u>Total RMV</u>	<u>Taxes</u>
\$528,984	\$52,050	\$581,034	\$1,380.88

Every county in the state reports a Maximum Assessed Value (MAV) as well as a Real Market Value (RMV) for each property. The MAV will generally be lower than the RMV. The annual taxes will be based upon the MAV utilizing the current tax rate. The assessed values will be limited to no more than a 3% annual increase, unless new improvements are added or one of several other changes (exceptions) occur on the property.

It should be noted that this report has not considered the impact on value of any unpaid property taxes, deferral taxes, LIDs or any other similar liens, as they are considered forms of financing or debt and the subject property is being valued as if unencumbered.

Highest and Best Use

The highest and best use is defined as that reasonable and probable legal use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use from among reasonable, probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.

Implied within this definition is that the determination of highest and best use results from the appraiser's judgment and analytical skills, and is not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which a value is based. In a context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In order to estimate the subject property's highest and best use, it is necessary to analyze those various potential uses for the property, and to analyze those various restraints placed upon its use, including social, economic, governmental and physical.

It is to be recognized that in cases where the site has existing improvements, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

As Though Vacant

The primary legal consideration affecting the subject property is the City of Wilsonville's zoning designation. As noted earlier, the purpose of this appraisal is to estimate the current market value of the subject property assuming two zoning scenarios. The first scenario essentially is based on the subject's current PDI (Planned Development Industrial Zone) zoning. The second scenario assumes the subject property is zoned PDC (Planned Development Commercial Zone).

The PDI zoning district is primarily intended for light manufacturing/warehouse facilities, but also allows for limited commercial development under a design review process. Overall, a wide range of industrial type uses are allowed by the subject's zoning, as well as some commercial uses.

The PDC zoning district allows a wide range of commercial uses (retail, wholesale, office, service establishments, etc.), as well as some industrial-related uses (automotive detail and repair shops, fabrication shops, etc.) when conducted entirely within enclosed buildings.

As discussed in the Site Description section of this report, the southernmost $\pm 250'$ of the site is encumbered by power line easements. This equates to an overall encumbered area of ± 6.66 acres, or nearly 20% of the total site area. However, the negative impact of the power line easements on the overall site's utility is mitigated by two factors: (1) the easements are located at the extreme southern portion of the property; and (2) while buildings could not be constructed underneath the power lines, the areas encumbered by the aforementioned power line easements could still be utilized as landscaping, parking, truck staging areas, etc. In any event, the existence of the power line easements would not prohibit development of the site with those types of uses permitted under either the PDI or PDC zones. There appear to be no other significant adverse easements which would unduly restrict development of the subject site.

The subject's size, shape and topography are all considered suitable for either industrial or commercial development. All necessary utilities are available and the subject is not located within a designated flood hazard area. In addition, the site has very good exposure to traffic along the I-5 freeway. The subject site's somewhat circuitous access from the nearby Stafford Interchange is adequate, though not optimal, for retail uses. However, the site has good accessibility for an industrial use.

We have also considered supply and demand factors. The following table summarizes vacancy rates for retail, office and industrial/flex properties in the subject's market area.

Market/Sub-market	Retail Vacancy	Market/Sub-market	Office Vacancy	Market/Sub-market	Industrial/Flex Vacancy
Portland Metropolitan Area ¹	4.6%	Portland Metropolitan Area ²	13.9%	Portland Metropolitan Area ³	11.9%
Southwest Sub-market ¹	4.5%	I-5 South Sub-Market ²	11.4%	Southwest I-5 Sub-market ³	8.5%
Wilsonville ⁴	5.6%	Wilsonville ⁴	5.5%	Wilsonville ⁴	9.1%

¹ Source: Norris, Beggs & Simpson First Quarter 2006 Retail Market Report

² Source: Norris, Beggs & Simpson First Quarter 2006 Office Market Report

³ Source: Norris, Beggs & Simpson First Quarter 2006 Industrial/Flex Market Report

⁴ Source: CoStar.com (7/6/2006)

As can be seen on the above table, vacancy rates in all market sectors are relatively low in the subject's immediate market area. The retail vacancy rate in Wilsonville is slightly higher than, but generally in line with, retail vacancy rates in the overall Portland Metropolitan Area and the Southwest sub-market (which includes nearby cities such as Tigard and Tualatin, as well as Wilsonville). Vacancy rates in Wilsonville's office and flex/industrial markets are relatively low in comparison to the overall Portland Metropolitan Area.

After considering the physical, legal, locational and market aspects which affect the subject property, it is concluded that the subject's highest and best use under Scenario 1 would be for an industrial use with a commercial component (to take advantage of the site's very good freeway exposure), as permitted by the PDI zone.

The highest and best use for the subject site under Scenario 2 would be for a commercial use. Given the subject's very good exposure to traffic on the I-5 freeway, the site is considered to have greater value to a retail user than an office user. Although the site's somewhat circuitous access is not optimal for some retail uses, it is considered adequate, particularly for big box or destination-type retail uses which are in high demand.

As Improved

As mentioned previously, the existing improvements (an older single-family residence and an older outbuilding) do not contribute substantial value to the overall subject property, and would likely be demolished prior to redevelopment of the subject site under either zoning scenario.

The Appraisal Process

In appraisal of real property, there are three basic approaches that are generally utilized by appraisers in the estimation of market value. These three approaches provide data from the market from different sources when all are available, and applicable. The three approaches are the Cost, Sales Comparison and Income Approaches.

The Cost Approach to value is the method in which the value of the property is derived by estimating the replacement or reproduction cost new of the improvements, deducting therefrom the estimated depreciation and adding the market value of the land.

The Sales Comparison Approach has as its premise the direct comparison of recent sales of properties which are of similar design and utility to the subject property. This approach can be utilized whenever there are sufficient market sales of comparable properties with which to compare to the subject property.

The Income Approach has as its premise the estimation of net income which is then capitalized in a manner commensurate with the risk and life expectancy of the improvements in order to indicate the present value of the income stream. This is referred to as the Direct Capitalization Method. In addition, a second method, the Discounted Cash Flow analysis (DCF), may also be utilized depending on the property being appraised. In the case of income-producing properties, it is typical of most investors to approach the question of value from a detailed analysis of the potential income stream available to the property.

As discussed earlier, the existing improvements (an older single-family residence and an older outbuilding) do not contribute substantial value to the overall subject property, and would likely be demolished prior to redevelopment of the site. Since the subject consists of vacant land, the most applicable approach is considered to be the Sales Comparison Approach, which will be utilized in this appraisal.

Sales Comparison Approach

In this section, the current market value of the subject property will be estimated by the Sales Comparison Approach. This method is based upon the principle that a prudent investor would pay no more for a property than the cost of acquiring a satisfactory substitute and is considered to be the most appropriate method for valuation of the subject property. In this case, the Price Per Square Foot method is considered to be the most applicable and will be utilized in this analysis.

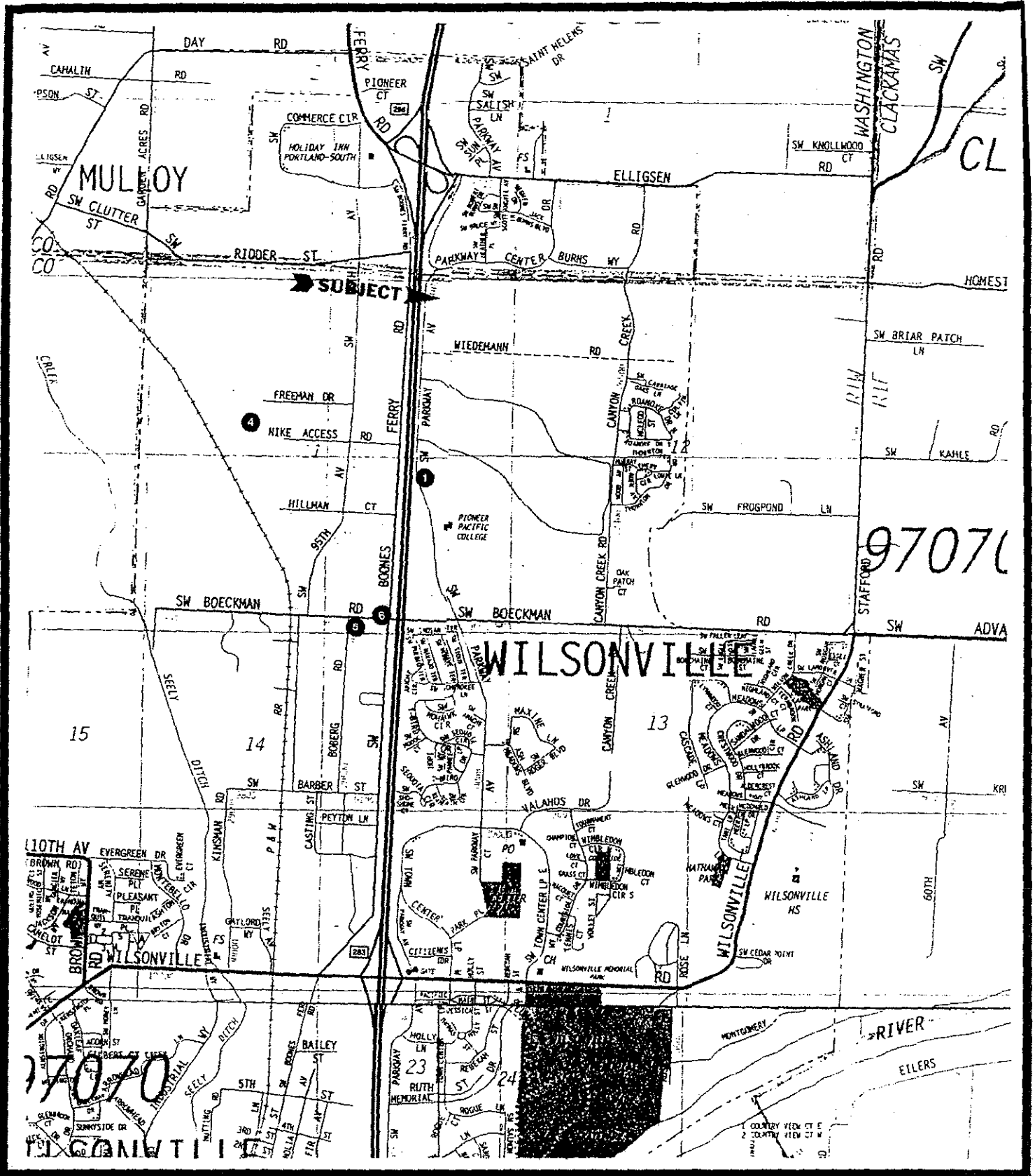
The subject property is being appraised assuming an all-cash or equivalent new financing basis. Therefore, a concerted effort was made to locate sales of similar sites that were purchased under all-cash or equivalent terms. Where necessary, sales have been adjusted to reflect a cash or equivalent price by comparing sale terms with market rates at the time of sale and discounting the difference in monthly payments to a present value over the balloon or a typical 8-year holding period utilizing the market rate.

Scenario 1 (PDI Zone)

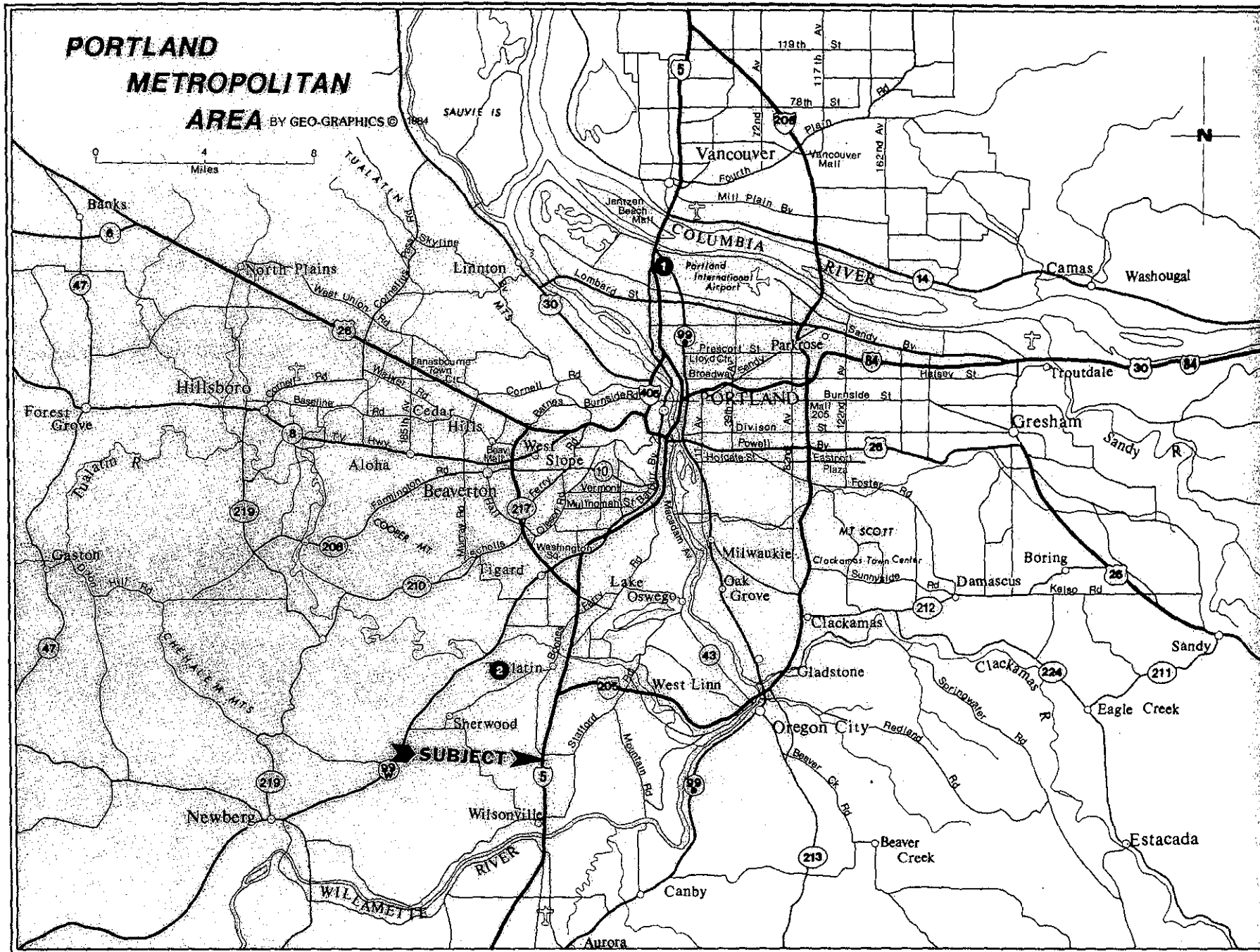
Scenario 1 is based on the subject's current PDI (Planned Development Industrial Zone) zoning designation. Research was conducted in the subject's market area in order to locate comparable sales of similarly zoned, vacant industrial sites. In this case, we were unable to locate a sufficient number of recent sales of large, PDI-zoned vacant sites in Wilsonville. Therefore, our research was expanded to include recent sales of large, vacant industrial parcels throughout the Portland Metropolitan Area. The sales outlined on the following summary chart are considered to be the most meaningful to this analysis and will be followed by a location map and an analysis and conclusion of value for the subject property.

SUMMARY OF INDUSTRIAL LAND SALES

No.	Location	Date of Sale	Cash Equiv. Sales Price	Size (Ac.)	Price/ Sq.Ft.	Zoning	Comments
1	27500 S.W. Parkway Avenue Wilsonville	6/06	\$5,500,000	19.83	\$6.37	PDI	This sale involved two contiguous tax lots located just south of the Xerox facility. The site, which has good exposure to, but somewhat circuitous access from, the I-5 freeway, was purchased by an investor for development of a 120,000 sq.ft., 3-story office building and a 110,000 sq.ft., 1-story flex building. The eastern ±25% of the site is encumbered by wetlands and conservation easements.
2	SEC of S.W. 118th Avenue and S.W. Leveton Drive Tualatin	4/06	\$6,700,000	29.59	\$5.20	MP	This parcel was purchased for future development of a Laika Entertainment studio.
3	146 N.E. Gertz Road Portland	9/05	\$8,977,672	28.40	\$7.26	IG2h	This sale reflects an assemblage of several parcels (including the Portland Speedway) purchased by Swift Transportation for development of a truck terminal. This site has good access and exposure to the I-5 freeway.
4	27010 S.W. Kinsman Road Wilsonville	7/05	\$1,600,000	8.62	\$4.26	PDI	This SWC of this parcel, which was purchased for development of an owner-occupied industrial building, abuts the Pacific & Western Railroad tracks. The seller was reportedly responsible for extending S.W. Kinsman Road to the site.
5	28070 S.W. Boberg Road Wilsonville	6/04	\$460,000	1.27	\$8.32	PDI	This parcel was purchased for development of an owner-occupied, 14,000 sq.ft. warehouse building.
6	NWC of S.W. Boones Ferry Road and S.W. Boeckman Road Wilsonville	8/03	\$3,098,148	8.90	\$7.99	PDI	This parcel was purchased for development of a car dealership, which, at the time of the sale, was allowed under the PDI zoning designation. The buyer subsequently received approval from the City of Wilsonville for construction of an 80,000 sq.ft. car dealership facility.



COMPARABLES MAP



Moscato, Ofner &
Henningens, Inc.

Comparable Location Map

Analysis and Conclusion - Scenario 1 (PDI Zone)

The comparables summarized on the preceding chart reflect a total price range of \$3.98 to \$8.32 per square foot before making any adjustments. Consideration was then given to each sale for any substantial differences noted in comparison with the subject in the categories of location, size, and other characteristics. These considerations were based upon the best available information including sales comparisons, discussions with knowledgeable area brokers, as well as the appraiser's own experience and judgment. In addition, time adjustments, especially in times of appreciation and depreciation, are always a critical factor in appraising real estate. The most appropriate way to estimate a time adjustment is through a sale/resale of the same property. This, however, is especially difficult with vacant land, since most purchasers develop the site they acquire.

In our research, we were unable to locate any appropriate sale/resales which could be applied to the analysis of the subject property. However, based upon our conversations with knowledgeable area brokers and our own research, it is felt that land prices for industrial zoned land have experienced an increase over the past several years. Therefore, a time adjustment will be considered in the following analysis.

In the following analysis, a bracketing technique is considered most appropriate and will be utilized, whereby each comparable will be analyzed in terms of its overall comparability and whether it is generally equal or whether it brackets the lower or upper end of the range for the subject.

Industrial Land Sale No. 1 is the June, 2006 sale of two contiguous tax lots containing a combined total of 19.83 acres located at 27500 S.W. Parkway Avenue in Wilsonville. The sale price for these parcels, which were purchased by an investor for development of a 120,000 sq.ft. office building and a 110,000 sq.ft. flex building, was \$5,500,000, or \$6.37 per sq.ft. This comparable is generally similar to the subject in terms of its overall size, freeway exposure and encumbrances (the eastern $\pm 25\%$ of the site is encumbered by wetlands and conservation easements). However, upward adjustments are indicated for this sale's slightly inferior location further from the nearest freeway interchange and its wetlands, which present greater development restrictions than the subject's power line easements. Therefore, at \$6.37 per sq.ft., this sale brackets the lower end of the value range for the subject.

Industrial Land Sale No. 2 is the April, 2006 sale of a 29.59-acre parcel located at the southeast corner of S.W. 118th Avenue and S.W. Leveton Drive in Tualatin. The sale price for this parcel, which was purchased for future development of a animation studio, was \$6,700,000, or \$5.20 per sq.ft. An upward adjustment is indicated for this sale's inferior overall location, particularly with regard to exposure. Therefore, at \$5.20 per sq.ft., this sale brackets the lower end of the value range for the subject.

Industrial Land Sale No. 3 is the September, 2005 assemblage of a 28.40-acre site located at 146 N.E. Gertz Road in Portland. The sale price for this parcel, which was purchased for development of a truck terminal, was \$8,977,672, or \$7.26 per sq.ft. A downward adjustment is indicated for this sale's slightly superior overall location. Therefore, at \$7.26 per sq.ft., this sale brackets the upper end of the value range for the subject.

Industrial Land Sale No. 4 is the July, 2005 sale of an 8.62-acre site located at 27010 S.W. Kinsman Road in Wilsonville. The sale price for this parcel, which was purchased for development of an industrial building, was \$1,600,000, or \$4.26 per sq.ft. A downward adjustment is indicated

for this sale's smaller size, as smaller parcels typically sell for a higher price on a per sq. ft. basis than otherwise similar larger parcels. This factor is offset by an upward adjustment for this sale's inferior overall location, particularly with respect to access and exposure. Overall, at \$4.26 per sq. ft., this sale brackets the lower end of the value range for the subject.

Industrial Land Sale No. 5 is the June, 2004 sale of a 1.27-acre site located at 28070 S.W. Boberg Road in Wilsonville. The sale price for this parcel, which was purchased for development of an owner-occupied warehouse, was \$460,000, or \$8.32 per sq. ft. A downward adjustment is indicated for this sale's substantially smaller size. This factor is offset by upward adjustments for this sale's inferior exposure and date of sale. Overall, at \$8.32 per sq. ft., this sale brackets the upper end of the value range for the subject.

Industrial Land Sale No. 6 is the August, 2003 sale of an 8.90-acre site located at the northwest corner of S.W. Boones Ferry Road and S.W. Boeckman Road in Wilsonville. The sale price for this parcel, which was purchased for development of a car dealership, was \$3,908,148, or \$7.99 per sq. ft. According to Blaise Edmonds, Planning Manager for the City of Wilsonville, the car dealership was approved prior to current amendments to the zoning code, which no longer permit dealerships in PDI zones. Therefore, downward adjustments are indicated for this sale's superior zoning and smaller size. These factors are partially offset by an upward adjustment for its date of sale. Overall, at \$7.99 per sq. ft., this sale brackets the upper end of the value range for the subject.

Based on the preceding analysis, Sale Nos. 3, 5 and 6 bracket the upper end of the value range for the subject, at \$7.26 to \$8.32 per sq. ft. Sale Nos. 1, 2 and 4 bracket the lower to extreme lower end of the value range for the subject, at \$4.26 to \$6.37 per sq. ft. Therefore, based on the preceding analysis and after considering all of the pertinent data including the subject's locational and physical characteristics, it is our opinion that the subject site has a current market value of approximately \$7.00 per square foot, or:

1,468,407 sq. ft. @ \$7.00/sq. ft. =	\$10,278,849
Rounded:	<u>\$10,300,000</u>

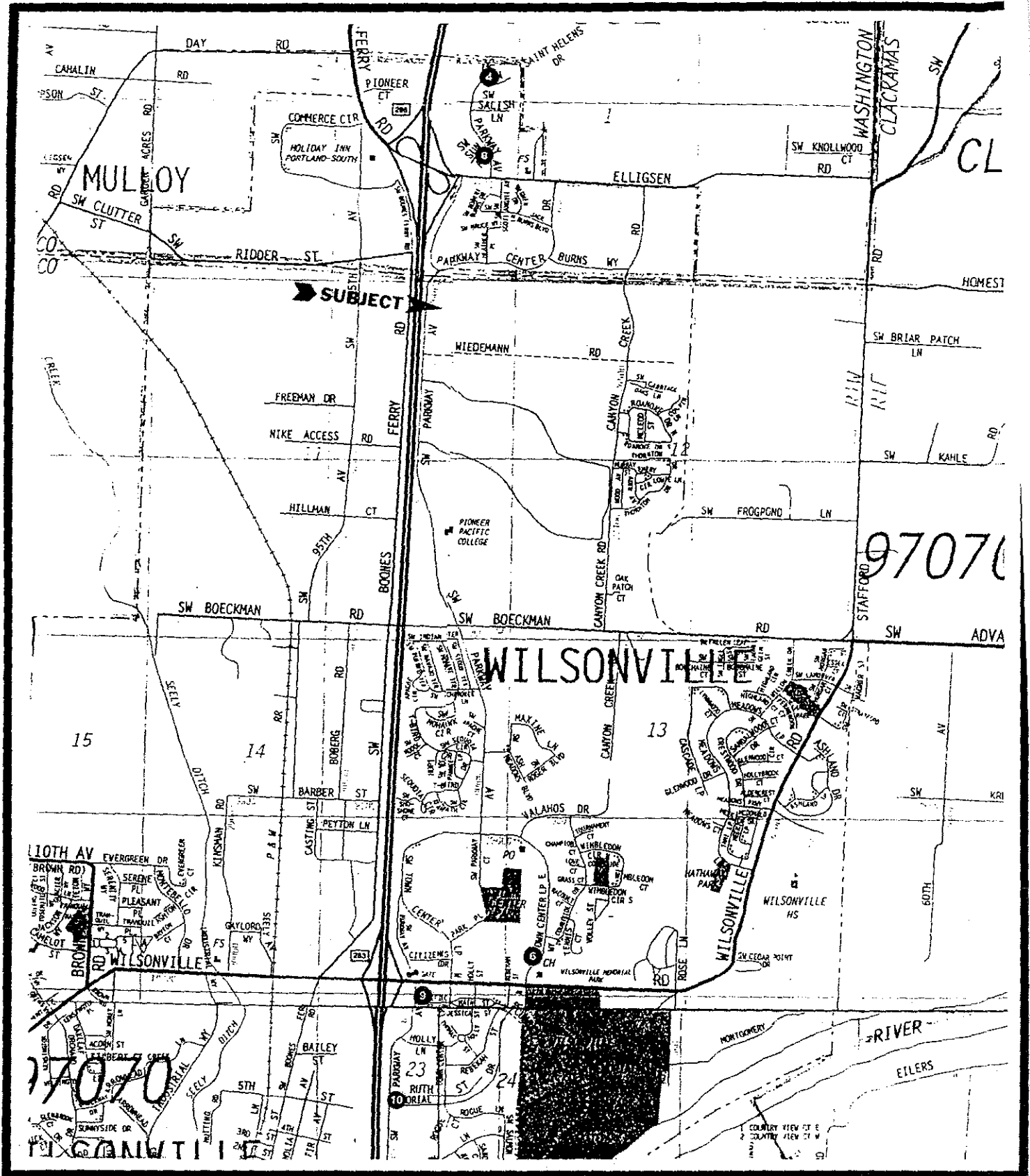
Scenario 2 (PDC Zone)

Scenario 2 assumes the subject property is zoned PDC (Planned Development Commercial Zone). Therefore, our research focused on comparable sales of similarly zoned, vacant commercial sites in the subject's market area. In this case, we were unable to locate a sufficient number of recent sales of large, vacant PDC-zoned sites in Wilsonville. Therefore, our research was expanded to include recent sales of large, vacant commercial parcels throughout the Portland Metropolitan Area. The sales outlined on the following summary chart are considered to be the most meaningful to this analysis and will be followed by a location map and an analysis and conclusion of value for the subject property.

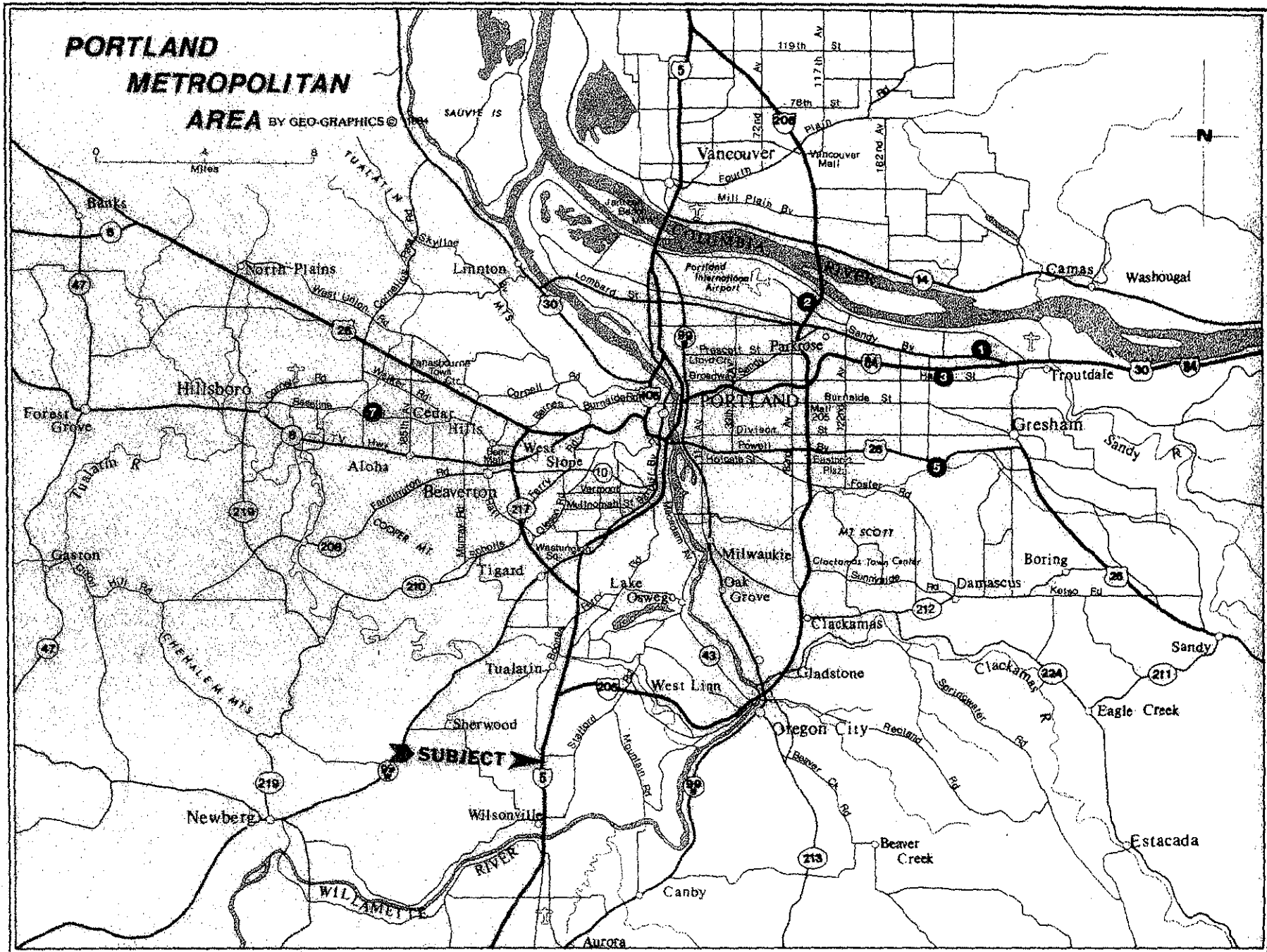
SUMMARY OF COMMERCIAL LAND SALES

No.	Location	Date of Sale	Cash Equiv. Sales Price	Size (Ac.)	Price/ Sq.Ft.	Zoning	Intended Use	Comments
1	NEC of N.E. 230th Avenue and N.E. Sandy Blvd. Troutdale	Pending	\$8,153,000	14.68	\$12.75	C-C	Costco store	This parcel is located in the Townsend Business Park.
2	E/S of I-205 freeway, at N.E. Airport Way Portland	Pending	\$46,000,000	63.00	\$16.76	Commercial	IKEA store	This parcel is located at a freeway interchange near the Portland International Airport.
3	N/S of N.E. Halsey Street, at N.E. Village Street Fairview	1/06	\$5,700,000	14.47	\$9.04	TCC	Mixed-use	This parcel is located within the Fairview Village commercial center.
4	NEC of S.W. Parkway Avenue and S.W. St. Helens Drive Wilsonville	12/05	\$725,000	2.00	\$8.32	PDC	Office	This sloping parcel has somewhat limited exposure to traffic at the north end of the Stafford Office Park.
5	S/S of W. Powell Blvd., just east of S.W. Highland Drive Gresham	11/05	\$7,825,000	11.12	\$16.15	CC	Wal-Mart	This property is located across the street from the Highland Square Shopping Center.
6	W/S of S.W. Town Center Loop East, ±½ block north of Wilsonville Road Wilsonville	10/05	\$3,000,000	7.24	\$9.51	PDC-TC	City Hall	This parcel is located immediately north of the Wilsonville Town Center shopping center. The buyer is responsible for a number of extraordinary off-site expenses, including extension of a public street from Town Center Park to S.W. Town Center Loop East, full street improvements, and LID expenses for an adjoining parcel the seller retained.
7	NEC of W. Baseline Road and N.W. Cornelius Pass Road Hillsboro	3/03-8/04	\$10,175,687	26.28	\$8.89	SCC-MM	Wal-Mart	±27% of this site is encumbered by power line easements.
8	SWC of S.W. Parkway Avenue and S.W. Sun Place Wilsonville	2/04	\$485,000	1.01	\$11.02	PDC	Rite Choice Credit Union	This parcel, which was purchased for development of a credit union branch, is located within the Stafford Office Park.
9	30100 S.W. Parkway Avenue Wilsonville	1/04	\$285,000	0.48	\$13.63	PDC	Jify Lube	This parcel is located along the east side of S.W. Parkway Avenue, just south of Wilsonville Road.
10	NEC of S.W. Parkway Avenue and S.W. Memorial Drive	6/03-7/03	\$1,804,041	4.47	\$9.27	PDC	Car dealership	Signage on this site has good exposure to traffic on the I-5 freeway.

Attachment 4 to COO Report
Resolution No. 07-3808



COMPARABLES MAP



Moscato, Omer &
Henningsen, Inc.

Comparable Location Map

Analysis and Conclusion - Scenario 2 (PDC Zone)

The comparables summarized on the preceding chart reflect a total price range of \$8.32 to \$16.76 per square foot before making any adjustments. Consideration was then given to each sale for any substantial differences noted in comparison with the subject in the categories of location, size, encumbrances such as power line easements and other characteristics. These considerations were based upon the best available information including sales comparisons, discussions with knowledgeable area brokers, as well as the appraiser's own experience and judgment. In addition, time adjustments, especially in times of appreciation and depreciation, are always a critical factor in appraising real estate. The most appropriate way to estimate a time adjustment is through a sale/resale of the same property. This, however, is especially difficult with vacant land, since most purchasers develop the site they acquire.

In our research, we were unable to locate any appropriate sale/resales which could be applied to the analysis of the subject property. However, based upon our conversations with knowledgeable area brokers and our own research, it is felt that land prices for commercial zoned land have experienced an increase over the past several years. Therefore, a time adjustment will be considered in the following analysis.

In the following analysis, a bracketing technique is considered most appropriate and will be utilized, whereby each comparable will be analyzed in terms of its overall comparability and whether it is generally equal or whether it brackets the lower or upper end of the range for the subject.

Commercial Land Sale No. 1 is the pending sale of a 14.68-acre parcel located at the northeast corner of N.E. 230th Avenue and N.E. Sandy Blvd. in Troutdale. The sale price for this parcel, which is being purchased for development of a Costco store, is \$8,153,000, or \$12.75 per sq.ft. An upward adjustment for this sale's inferior overall location is offset by downward adjustments for its smaller size and the subject's power line easements. Overall, at \$12.75 per sq.ft., this sale brackets the immediate upper end of the value range for the subject.

Commercial Land Sale No. 2 is the pending sale of a 63-acre site located on the west side of the I-205 freeway, at N.E. Airport Way, in Portland. The price for this parcel, which is being acquired for development if an IKEA store, is \$46,000,000, or \$16.76 per sq.ft. This transaction actually consists of a pre-paid, long-term lease that is essentially equivalent to a cash price. An upward adjustment for this sale's larger size is more than offset by its superior freeway interchange location and the subject's power line easements. Overall, at \$16.76 per sq.ft., this sale brackets the upper end of the value range for the subject.

Commercial Land Sale No. 3 is the January, 2006 sale of a 14.47-acre site located on the north side of N.E. Halsey Street, at N.E. Village Street, in Fairview. The sale price for this parcel, which was purchased for a mixed-use commercial development was \$5,700,000, or \$9.04 per sq.ft. Downward adjustments are indicated for this sale's smaller size and the subject's power line easements. These factors are more than offset by an upward adjustment for this sale's inferior overall location, particularly with regard to exposure. Overall, at \$9.04 per sq.ft., this sale brackets the lower end of the value range for the subject.

Commercial Land Sale No. 4 is the December, 2005 sale of a 2.00-acre site located at the northeast corner of S.W. Parkway Avenue and S.W. St. Helens Drive in Wilsonville. The sale price for this parcel, which was purchased for development of a 30,000 sq.ft. office building, was \$725,000, or

\$8.32 per sq.ft. Downward adjustments for this sale's substantially smaller size and the subject's power line easements are more than offset by upward adjustments for this comparable's inferior exposure and sloping topography. Overall, at \$8.32 per sq.ft., this sale brackets the lower end of the value range for the subject.

Commercial Land Sale No. 5 is the November, 2005 sale of an 11.12-acre site located on the south side of W. Powell Blvd., just east of S.W. Highland Drive, in Gresham. The sale price for this parcel, which was purchased for development of a Wal-Mart store, was \$7,825,000, or \$16.15 per sq.ft. Downward adjustments are indicated for this sale's smaller size and superior overall location along a major arterial near considerable residential development, as well as the subject's power line easements. Therefore, at \$16.15 per sq.ft., this sale brackets the upper end of the value range for the subject.

Commercial Land Sale No. 6 is the October, 2005 sale of a 7.24-acre site located on the west side of S.W. Town Center Loop East, $\pm\frac{1}{2}$ block north of Wilsonville Road. The sale price for this parcel, which was purchased for development of a new City Hall, was \$3,000,000, or \$9.51 per sq.ft. Downward adjustments for this sale's smaller size and the subject's power line easements and more than offset by upward adjustments for this comparable's inferior exposure and extraordinary off-site development costs. Overall, at \$9.51 per sq.ft., this sale brackets the lower end of the value range for the subject.

Commercial Land Sale No. 7 is the 2003-04 assemblage of a 26.28-acre site located the northeast corner of W. Baseline Road and N.W. Cornelius Pass Road in Hillsboro, which was purchased for development of a Wal-Mart store. The aggregate sale price for this parcel, of which $\pm 27\%$ is encumbered by power line easements, was \$10,175,687, or \$8.89 per sq.ft. An upward adjustment is indicated for this comparable's date of sale. Therefore, at \$8.89 per sq.ft., this sale brackets the lower end of the value range for the subject.

Commercial Land Sale Nos. 8 and 9 are two smaller parcels located in Wilsonville which were purchased in early 2004 for development of a Rite Choice Credit Union branch and a Jiffy Lube facility at indicated prices of \$11.02 and \$13.63 per sq.ft., respectively. Downward adjustments for these comparables' substantially smaller sizes and the subject's power line easements are generally offset by upward adjustments for their inferior exposure and date of sale. Overall, these sales are considered to bracket a reasonable market value for the subject, at \$11.02 and \$13.63 per sq.ft., respectively.

Commercial Land Sale No. 10 is the mid-2003 assemblage of a 4.47-acre site located at the northeast corner of S.W. Parkway Avenue and S.W. Memorial Drive in Wilsonville. The aggregate sale price for this site was \$1,804,041, or \$9.27 per sq.ft. Downward adjustments for this sale's smaller size and the subject's power line easements are more than offset by an upward time adjustment. Overall, at \$9.27 per sq.ft., this sale brackets the lower end of the value range for the subject.

Based on the preceding analysis, Sale Nos. 1, 2 and 5 bracket the upper end of the value range for the subject, at \$12.75 to \$16.76 per sq.ft. Although less weight has been placed on them due to their substantially smaller sizes, Sale Nos. 8 and 9 are considered to bracket market value for the subject, at \$11.02 and \$13.63 per sq.ft., respectively. The other five sales bracket the lower end of the value range for the subject site, at \$8.32 to \$9.51 per sq.ft. As mentioned earlier, the subject property was

recently under contract to a big box retailer at an indicated price of \$12.00 per sq.ft. Based on the comparable sales, the subject's recent sale/fail appears to have been generally at market.

Therefore, based on the preceding analysis, as well as discussions with knowledgeable commercial brokers familiar with the subject property, and after considering all of the pertinent data including the subject's locational and physical characteristics and recent sale/fail, it is our opinion that the subject site has a current market value of approximately \$12.00 per square foot, or:

1,468,407 sq.ft. @ \$12.00/sq.ft. =	\$17,620,884
Rounded:	<u>\$17,600,000</u> *

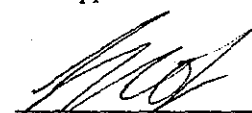
* The above market value conclusion is subject to the hypothetical condition that the subject property is zoned PDC (Planned Development Commercial Zone).

ADDENDA

CERTIFICATE OF APPRAISAL

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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.
6. My reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. Robert Conratt (OR State Registered Appraiser Assistant No. 00930) inspected the subject and the comparables and provided significant assistance in the following aspects of the appraisal process as outlined by OAR 161-025-0030 (9) A-H:
 - A. Define the appraisal problem;
 - B. Conduct preliminary analysis, select and collect applicable data;
 - C. Conduct an analysis of the subject property;
 - D. Conduct highest and best use analysis;
 - F. Estimate value of the property using the appropriate approach(es) to value;
 - H. Report estimate(s) of value(s) as defined.
9. I, Lawrence E. Ofner, have made a personal inspection of the property that is the subject of this report and I have inspected the exteriors of the comparables utilized in this report.
10. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, I, Lawrence E. Ofner, MAI, have completed the continuing education program of the Appraisal Institute.



Lawrence E. Ofner, MAI
Principal

Oregon State Certification #C000016
Washington State Certification #1100129

ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

The legal description furnished me is assumed to be correct. I assume no responsibility for matters legal in character, nor do I render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, 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. I 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 appraiser assumes 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, estimates, and opinions contained in this report are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.

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

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 author. This applies particularly to value conclusions or to the identity of the appraiser or firm with which he is connected.

The appraiser 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.

Any description of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS, Continued

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

All opinions of market value are presented as Moscato, Ofner & Henningsen, considered opinion based on the facts and data appearing in the report. We assume no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.

The appraiser has no present or contemplated future interest in the property which is not specifically disclosed in this report.

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering that might be required to discover such factors.

On all appraisals subject to satisfactory completion, repair, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner as described herein.

All major improvements on the land under appraisal appear to be structurally sound, unless otherwise noted within the body of the appraisal. However, your appraiser is not an engineer and has not been instructed to secure a qualified engineer's certification of the structural soundness of the said improvements or functional utility of major appliances or mechanical units. I, therefore, accept no legal responsibility for structural or mechanical failures that would not be reasonably obvious in the scope of an appraiser's normal inspection of the specified improvements, or to a prudent purchaser.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

All other assumptions or conditions stated elsewhere in the body of the report are also made a part of these Assumptions and Limiting Conditions stated herein.

Section 4.131. PDC - Planned Development Commercial Zone.

writing at least thirty (30) days in advance of the expiration date. Requests for time extensions shall only be granted upon a showing that the applicant has in good faith attempted to develop or market the property in the preceding year or that development can be expected to occur within the next year. For purposes of this section, "substantial development" is deemed to have occurred if the subsequently-required development approval, building permit or public works permit has been submitted for the development, and the development has been diligently pursued, including the completion of all conditions of approval established for the permit.

- (.20) Adherence to Approved Plan and Modification Thereof: The applicant shall agree in writing to be bound, for her/himself and her/his successors in interest, by the conditions prescribed for approval of a FDP. The approved FDP and phase development sequence shall control the issuance of all building permits and shall restrict the nature, location and design of all uses. Minor changes in an approved FDP may be approved by the Planning Director if such changes are consistent with the purposes and general character of the approved development plan. All other modifications, excluding revision of the phase development sequence, shall be processed in the same manner as the original application and shall be subject to the same procedural requirements. [Section 4.125(.20) amended by Ord. No. 587, 5/16/05.]
- (.21) In the event of a failure to comply with the approved FDP, or any prescribed condition of approval, including failure to comply with the phase development schedule, the Development Review Board may, after notice and hearing, revoke a FDP. General economic conditions that affect all in a similar manner may be considered as a basis for an extension of a development schedule.

[Section 4.125 V-Village Zone, added by Ord 557, adopted 9/5/03.]

Section 4.131. PDC - Planned Development Commercial Zone.

The requirements of a PDC Zone shall be governed by Section 4.140, Planned Development Regulations, and as otherwise set forth in this Code.

- (.01) The following shall apply to any PDC zone:
- A. Uses that are typically permitted:
1. Retail business, goods and sales.
 2. Wholesale showrooms.
 3. Offices and clinics.
 4. Service establishments.
 5. Any use allowed in a PDR Zone or PDI Zone, provided the majority of the total ground floor area is commercial, or any other commercial uses provided that any such use is compatible with the surrounding uses and is planned and developed in a manner consistent with the purposes and objectives of Section 4.140. However, the uses listed as prohibited below shall not be permitted.
 6. Accessory uses, buildings, and structures customarily incidental to any of the aforesaid principal permitted uses.

Section 4.131. PDC - Planned Development Commercial Zone.

7. Temporary buildings or structures for uses incidental to construction work, which buildings or structures shall be removed upon completion or abandonment of the construction work.
8. Churches.
9. Those uses that are listed as typically permitted in Section 4.131.05(.03), as well as the following additional uses when conducted entirely within enclosed buildings:
 - a. Automotive machine shops
 - b. Automotive detail shops
 - c. Repair shops for:
 - i. electronics;
 - ii. boats;
 - iii. appliances;
 - iv. light equipment;
 - v. yard equipment;
 - vi. other related types of repair shops.
 - d. Fabrication shops including:
 - i. cabinets;
 - ii. sheet metal;
 - iii. counter tops;
 - iv. closet systems;
 - v. other related types of work.
 - e. Marine equipment – supply and repair

(.02) Prohibited uses.

- A. No body/fender repair shops shall be permitted unless all operations are conducted entirely within enclosed buildings and meet the performance standards of Section 4.135(.05). The storage and parking of damaged vehicles shall be screened to assure that they are not visible off-site.
- B. No used car sales shall be permitted, except in conjunction with new car dealerships within enclosed buildings.
- C. No wrecking yards shall be permitted.
- D. Retail operations south of Boeckman Road and having more than 50,000 square feet of ground floor building area shall only be permitted where it is demonstrated to the satisfaction of the Development Review Board that the following standards will be met. For purposes of these standards, service activities, offices, and other non-retail commercial ventures shall not be considered to be "retail operations."
 1. That the majority of the customers for the proposed use can reasonably be expected to come from no further than five (5) miles from the proposed development site; and
 2. That the site design, architecture, landscaping, and pedestrian amenities are compatible with the surrounding neighborhood.

Section 4.131.05. PDC-TC (Town Center Commercial) Zone

E. Any use that violates the performance standards of Section 4.135(.05), other than 4.135(.05)(M.)(3.).

(.03) Block and access standards:

1. The Development Review Board shall determine appropriate conditions of approval to assure that adequate connectivity results for pedestrians, bicyclists, and motor vehicle drivers. Consideration shall be given to the use of public transit as a means of meeting access needs.
2. Where a residential development, or mixed-use development including residential development, is proposed in a PDC zone, the Development Review Board shall assure that adequate connectivity is provided meeting the standards of Metro's Urban Growth Management Functional Plan.
3. Where a residential development, or mixed-use development including residential development, is proposed in a PDC zone, and the application includes a land division, the following standards shall be applied:
 - a. Maximum spacing between streets for local access: 530 feet, unless waived by the Development Review Board upon finding that barriers such as railroads, freeways, existing buildings, topographic variations, or designated Significant Resource Overlay Zone areas will prevent street extensions meeting this standard. [Amended by Ordinance No. 538, 2/21/02.]
 - b. Maximum block length without pedestrian and bicycle crossing: 330 feet, unless waived by the Development Review Board upon finding that barriers such as railroads, freeways, existing buildings, topographic variations, or designated Significant Resource Overlay Zone areas will prevent pedestrian and bicycle facility extensions meeting this standard.

Section 4.131.05. PDC-TC (Town Center Commercial) Zone

(.01) Purpose: The purpose of this zoning is to permit and encourage a Town Center, adhering to planned commercial and planned development concepts, including provision for commercial services, sales of goods and wares, business and professional offices, department stores, shopping centers and other customer-oriented uses to meet the needs of the Wilsonville community as well as to meet the general shopping and service needs on an area-wide basis, together with such multiple family residential facilities, open space, recreational and park areas, and public uses facilities as may be approved as part of the Town Center compatible with the Comprehensive Plan of the City.

(.02) Examples of uses that are typically permitted:

- A. Retail sales.
- B. Planned development permitted commercial uses, including department stores and shopping centers.
- C. Banking and investment services.

Section 4.133. Saved for future use

Nonprofit organizations, "storefronts"
Physicians & Surgeons
Psychiatrists & Psychologists
Real estate or rental agencies
Secretarial services
Software Design
Temporary employment and placement agencies
Travel agencies
Title companies
Other professional and general office user

(.04) Accessory uses that are typically permitted:

- A. Any accessory use and structure not otherwise prohibited customarily accessory and incidental to any permitted principal use.
- B. Temporary buildings and uses incidental to the development of principal facilities, such temporary structures to be removed upon completion of the work or abandonment of the project. In no case shall such buildings remain on the premises longer than ten (10) days after the receipt of a Certificate of Occupancy or the expiration of construction permits.

(.05) Procedures, Regulations and Restrictions: The procedures, regulations and restrictions applicable to the Town Center District shall conform to those set forth in Section 4.140 of this Code as the Development Review Board may deem necessary to achieve the purposes of the zone.

(.06) The Town Center District consists of all those certain lands in the East Half (E1/2) of Section 14 and the West Half (W1/2) of Section 13, Township 3 South, Range I West, Willamette Meridian, Clackamas County, Oregon. More particularly, those properties within the above-described area that are designated as Commercial on the land use map of the Wilsonville Comprehensive Plan.

(.07) Block and access standards:

The PDC-TC shall be subject to the same block and access standards as the remainder of the PDC zone.

Section 4.133. Saved for future use

Section 4.135. PDI- Planned Development Industrial Zone.

- (.01) Purpose: The purpose of the PDI zone is to provide opportunities for a variety of industrial operations and associated uses.
- (.02) The PDI Zone shall be governed by Section 4.140, Planned Development Regulations, and as otherwise set forth in this Code.
- (.03) Uses that are typically permitted:
 - A. Warehouses and other buildings for storage of wholesale goods, including cold storage plants.

Section 4.135. PDI- Planned Development Industrial Zone.

- B. Storage and wholesale distribution of agricultural and other bulk products, provided that dust and odors are effectively contained within the site.
- C. Assembly and packing of products for wholesale shipment
- D. Manufacturing and processing
- E. Motor vehicle services, or other services complementary or incidental to primary uses, and which support the primary uses by allowing more efficient or cost-effective operations
- F. Manufacturing and processing of electronics, technical instrumentation components and health care equipment.
- G. Fabrication
- H. Office complexes - Technology
- I. Corporate headquarters
- J. Call centers
- K. Research and development
- L. Laboratories
- M. Repair, finishing and testing of product types manufactured or fabricated within the zone.
- N. Industrial services
- O. Any use allowed in a PDC Zone, subject to the following limitations:
 - 1. Service Commercial uses (defined as professional services that cater to daily customers such as financial, insurance, real estate, legal, medical or dental offices) not to exceed 5000 square feet of floor area in a single building, or 20,000 square feet of combined floor area within a multi-building development.
 - 2. Office Complex Use (as defined in Section 4.001) shall not exceed 30% of total floor area within a project site.
 - 3. Retail uses, not to exceed 5000 square feet of indoor and outdoor sales, service or inventory storage area for a single building and 20,000 square feet of indoor and outdoor sales, service or inventory storage area for multiple buildings.
 - 4. Combined uses under Subsections 4.135(.03)(O.)(1.) and (3.) shall not exceed a total of 5000 square feet of floor area in a single building or 20,000 square feet of combined floor area within a multi-building development.
- P. Training facilities whose primary purpose is to provide training to meet industrial needs.
- Q. Public facilities.
- R. Accessory uses, buildings and structures customarily incidental to any permitted uses.

Section 4.135. PDI- Planned Development Industrial Zone.

- S. Temporary buildings or structures for uses incidental to construction work. Such structures to be removed within 30 days of completion or abandonment of the construction work.
- T. Other similar uses, which in the judgment of the Planning Director, are consistent with the purpose of the PDI Zone.

(.04) Block and access standards:

The PDI zone shall be subject to the same block and access standards as the PDC zone, Section 4.131(.02) and (.03).

(.05) Performance Standards. The following performance standards apply to all industrial properties and sites within the PDI Zone, and are intended to minimize the potential adverse impacts of industrial activities on the general public and on other land uses or activities. They are not intended to prevent conflicts between different uses or activities that may occur on the same property.

- A. All uses and operations except storage, off-street parking, loading and unloading shall be confined, contained, and conducted wholly within completely enclosed buildings, unless outdoor activities have been approved as part of Stage II, Site Design or Administrative Review.
- B. Vibration: Every use shall be so operated that the ground vibration inherently and recurrently generated from equipment other than vehicles is not perceptible without instruments at any boundary line of the property on which the use is located.
- C. Emission of odorous gases or other odorous matter in quantities as detectable at any point on any boundary line of the property on which the use is located shall be prohibited.
- D. Any open storage shall comply with the provisions of Section 4.176, and this Section.
- E. No building customarily used for night operation, such as a baker or bottling and distribution station, shall have any opening, other than stationary windows or required fire exits, within one hundred (100) feet of any residential district and any space used for loading or unloading commercial vehicles in connection with such an operation shall not be within one hundred (100) feet of any residential district.
- F. Heat and Glare:
 - 1. Operations producing heat or glare shall be conducted entirely within an enclosed building.
 - 2. Exterior lighting on private property shall be screened, baffled, or directed away from adjacent residential properties. This is not intended to apply to street lighting.
- G. Dangerous Substances: Any use which involves the presence, storage or handling of any explosive, nuclear waste product, or any other substance in a manner which would cause a health or safety hazard for any adjacent land use or site shall be prohibited.

Section 4.135. PDI- Planned Development Industrial Zone.

H. Liquid and Solid Wastes:

1. Any storage of wastes which would attract insects or rodents or otherwise create a health hazard shall be prohibited.
2. Waste products which are stored outside shall be concealed from view from any property line by a sight-obscuring fence or planting as required in Section 4.176.
3. No connection with any public sewer shall be made or maintained in violation of applicable City or State standards.
4. No wastes conveyed shall be allowed to or permitted, caused to enter, or allowed to flow into any public sewer in violation of applicable City or State standards.
5. All drainage permitted to discharge into a street gutter, caused to enter or allowed to flow into any pond, lake, stream, or other natural water course shall be limited to surface waters or waters having similar characteristics as determined by the City, County, and State Department of Environmental Quality.
6. All operations shall be conducted in conformance with the City's standards and ordinances applying to sanitary and storm sewer discharges.

I. Noise: Noise generated by the use, with the exception of traffic noises from automobiles, trucks, and trains, shall not violate any applicable standards adopted by the Oregon Department of Environmental Quality governing noise control in the same or similar locations.

J. Electrical Disturbances. Except for electrical facilities wherein the City is preempted by other governmental entities, electrical disturbances generated by uses within the PDI zone which interfere with the normal operation of equipment or instruments within the PDI Zone are prohibited. Electrical disturbances which routinely cause interference with normal activity in abutting residential use areas are also prohibited.

K. Discharge Standards: There shall be no emission of smoke, fallout, fly ash, dust, vapor, gases, or other forms of air pollution that may cause a nuisance or injury to human, plant, or animal life, or to property. Plans of construction and operation shall be subject to the recommendations and regulations of the State Department of Environmental Quality. All measurements of air pollution shall be by the procedures and with equipment approved by the State Department of Environmental Quality or equivalent and acceptable methods of measurement approved by the City. Persons responsible for a suspected source of air pollution upon the request of the City shall provide quantitative and qualitative information regarding the discharge that will adequately and accurately describe operation conditions.

L. Open burning is prohibited.

M. Storage:

1. Outdoor storage must be maintained in an orderly manner at all times.

Section 4.135. PDI- Planned Development Industrial Zone.

2. Outdoor storage area shall be gravel surface or better and shall be suitable for the materials being handled and stored. If a gravel surface is not sufficient to meet the performance standards for the use, the area shall be suitably paved.
3. Any open storage that would otherwise be visible at the property line shall be concealed from view at the abutting property line by a sight obscuring fence or planting not less than six (6) feet in height.

M. Landscaping:

1. Unused property, or property designated for expansion or other future use, shall be landscaped and maintained as approved by the Development Review Board. Landscaping for unused property disturbed during construction shall include such things as plantings of ornamental shrubs, lawns, native plants, and mowed, seeded fieldgrass.
2. Contiguous unused areas of undisturbed fieldgrass may be maintained in their existing state. Large stands of invasive weeds such as Himalayan blackberries, English ivy, cherry Laurel, reed canary grass or other identified invasive plants shall be removed and/or mowed at least annually to reduce fire hazard. These unused areas, located within a phased development project or a future expansion cannot be included in the area calculated to meet the landscape requirements for the initial phase(s) of the development.
3. Unused property shall not be left with disturbed soils that are subject to siltation and erosion. Any disturbed soil shall be seeded for complete erosion cover germination and shall be subject to applicable erosion control standards.

(.06) Other Standards:

- A. Minimum Individual Lot Size: No limit save and except as shall be consistent with the other provisions of this Code (e.g., landscaping, parking, etc.).
- B. Maximum Lot Coverage: No limit save and except as shall be consistent with the other provisions of this Code (e.g., landscaping, parking, etc.).
- C. Front Yard Setback: Thirty (30) feet. Structures on corner or through lots shall observe the minimum front yard setback on both streets. Setbacks shall also be maintained from the planned rights-of-way shown on any adopted City street plan.
- D. Rear and Side Yard Setback: Thirty (30) feet. Structures on corner or through lots shall observe the minimum rear and side yard setbacks on both streets. Setbacks shall also be maintained from the planned rights-of-way shown on any adopted City street plan.
- E. No setback is required when side or rear yards abut on a railroad siding.
- F. Corner Vision: Corner lots shall have no sight obstruction to exceed the vision clearance standards of Section 4.177.
- G. Off-Street Parking and Loading: As provided in Section 4.155.
- H. Signs: As provided in Section 4.156.

QUALIFICATIONS

MOSCATO, OFNER & HENNINGSEN, INC.
13765 N.W. Cornell Road, Suite 200
Portland, Oregon 97229
(503) 646-8111

Principals

Louis J. Moscato, MAI
Lawrence E. Ofner, MAI
Scott A. Henningsen, MAI

Professional Services

Appraisals	Site Selection
Consultation	Feasibility

Types of Assignments

Loan Origination	Arbitration
Foreclosed Properties	Rent Studies
Division of Interest	Public Condemnation
Real Estate Investment Analysis	Property Tax Appeals
Court Testimony/Expert Witness	Land Acquisitions

MOSCATO, OFNER & HENNINGSEN, INC. is a real estate firm founded in 1979 by Louis J. Moscato, MAI and Lawrence E. Ofner, MAI; Scott A. Henningsen, MAI became a principal in 1995. The firm was founded with the purpose of providing a wide range of real estate appraisal and associated services of the highest quality and professional standards based on a team concept.

In the field of real estate appraisal, our reports include a detailed study of the economic conditions affecting the marketplace, as well as an in-depth analysis of the subject property and the appropriate market data. The members of this firm adhere to the code of ethics of the Appraisal Institute and possess a wide range of experience and educational backgrounds, which can be found individually on the following pages. Most assignments have been performed in Oregon and Washington, although there are not necessarily any geographical boundaries for the firm.

The firm has served a wide variety of clients, including individual banks and savings and loans, FDIC, RTC, mortgage companies, corporations, public utilities, attorneys, developers, public agencies, condemnees, private individuals and others. The chart on the following page presents a representative listing of our clientele.

CLIENTS SERVED (Partial Listing)

Banks & Lenders

Community Financial Corporation
Prudential Mortgage Capital
Washington Capital Management
Seafirst Bank
Bank of America
Bank of California
Canadian Imperial Bank
Washington Mutual
First Interstate Bank of Oregon
Wells Fargo Bank
Bank One
Key Bank
Union Bank of California
U.S. Bank
Unity Savings (Chicago)
FDIC
RTC

Attorney Firms

Ragen, Tremaine
Spears, Lubersky
Stoel Rives, LLP
Williams, Fredrickson
Markowitz & Herbold, PC
Olson & Marmaduke
Martin, Bischoff

Public Agencies

State of Oregon
City of Beaverton
City of Hillsboro
City of Milwaukie
City of Tualatin
City of Vancouver
Clackamas County
METRO
Port of Portland
Portland Housing Authority
Portland Development Commission
Tri-Met
Tualatin Hills Park District
Washington County
Washington County Fairgrounds
Washington County Fire District #1

Corporations

Bohemia, Inc.
Castle & Cooke (Hawaii)
Farmers Insurance Co.
Ford Motor Co.
G.I. Joe's Inc.
Goodwill Industries
Guardian Management Corp.
Integrated Resources (New York)
J.C. Penney Co.
Kaiser Permanente
Laventhol & Horwath
Marathon U.S. Realities, Inc.
McCormack-Sivers Co.
Mobil Oil Corporation
New York Life Insurance Co.
Oregon Retired Persons Pharmacy
Pacific Resources Inc. (Hawaii)
Peerless Trucking
Pettygrove Medical Center
Poorman-Douglas Corp.
Portland Home Builders Association
Publishers Paper Co.
Reichhold Chemical, Inc.
Safeway Stores, Inc.
Thomas Industries (Kentucky)

Developers

West Hills Development
Carla Properties
Columbia-Willamette
Dant Development Company
The Koll Company
Edward Lilly
Heritage Development Co.
D. Parr Corporation
Quadrant Corporation
Western International Properties
Westwood Construction
C.E. John Company

Utilities

Bonneville General Agency
Pacific Development, Inc.
Pacific Power & Light
Portland General Electric

Pension & Related Funds

Capital Consultants
Fox & Carskadon Financial(California)

PARTIAL LISTING OF ASSIGNMENTS

The members of Moscato, Ofner & Henningsen, Inc. have completed a wide variety of appraisal assignments and studies involving virtually all types and categories of properties. A partial list of some of the more important assignments is presented below:

Office Buildings

27 story Fox Tower, downtown Portland OR	1020 Salmon Building, downtown Portland OR
20 story Lloyd Tower, Portland OR	3 story office and city parking garage, Vancouver WA
17 story Liberty Centre Tower, Portland OR	Parkway Plaza Office Building, Vancouver WA
16 story Lloyd 500 Building, Portland OR	45 W. Broadway Building, downtown Eugene OR
16 story Lloyd 700 Building, Portland OR	Will Vinton Studio Offices, Portland OR
9 story Electric Building, downtown Portland OR	Cornell Oaks, Parkside Office, Portland OR
6 story Two Lincoln Building, Portland OR	Mountainview Professional Plaza, Gresham OR
6 story Three Lincoln Building, Portland OR	U.S. Forest Service offices-Grants Pass, Corvallis & Bend
5 story United Carriage Building, downtown Portland OR	Farmers Insurance Regional Hdqtrs, Vancouver WA
4 story Kruse Woods IV, Lake Oswego OR	Various bank branch offices, Oregon & Washington

Medical Office Buildings

10 story Portland Medical Center, downtown Portland OR	St. Joseph's Medical Building, Vancouver WA
5 medical clinics in Corvallis and Albany OR	Pettygrove Medical Center, Portland OR
4 story Providence Medical Center, Portland OR	Tigard Medical Center, Tigard OR
3 proposed OHSU clinics, Portland OR	Plaza 102 Medical Complex, Portland OR
Medical Condominiums, Newberg OR	Glisan Street Clinic, Portland OR
Hillsboro Eye Clinic, Hillsboro OR	Eastbend Women's and Children's Clinic, Bend OR
Proposed 3 story Peterkort Medical Building, Portland OR	Medco Lake Oswego Medical Center, Lake Oswego OR
Professional Arts Medical Building, Vancouver WA	Medical Offices, Vancouver WA
Sunset Medical Clinic, Beaverton OR	Medical Condominiums, Hillsboro OR
Bend Orthopedic & Fracture Clinic, Bend OR	The Thoracic Clinic, Portland OR

Industrial Properties

1.7-million SF Fred Meyer Warehouse, Clackamas OR	Westside Business Center, Vancouver WA
1-million SF United Grocers Warehouse, Milwaukie OR	Lake Oswego Industrial Park, Lake Oswego OR
500,000 SF Tyco Toys Distribution Facility, Portland OR	DEQ Clean Air Station, Portland OR
400,000 SF Castle & Cooke Foods Facility, Salem OR	Large cross-dock facility, Portland OR
200,000 SF Tektronix Complex, Wilsonville OR	Sivers AP Industrial Park, Portland OR
100,000 SF G.I. Joe's Distr. Facility, Wilsonville OR	Transition Metals plant, Albany OR
Imperial Plaza incubator warehouse, Clackamas OR	Key Knife Facility, Tualatin OR
Nimbus Oaks Technology Center, Beaverton OR	McCracken Truck Terminal, Portland OR
Meierhoff manufacturing facility, Ashland OR	Whipple Creek Industrial, Vancouver WA
400 unit Columbia Mini-Storage facility, Portland OR	Two Reser's Food processing plants, Beaverton OR
518 unit Koll Mini-Storage facility, Beaverton OR	Davcor Business Park building, Salem OR
7 Mini-Storage Facilities in Eugene, Albany & Bend OR	American Steel Building, Portland OR

Vacant Land

600 acre Reichhold Chemical site, St. Helens OR	Full downtown block, Portland OR
600 acre Forest Park Estates subdivision land, Portland OR	180 acre Goodpasture Island PUD site, Eugene OR
350 acre Murrayhill PUD site, Beaverton OR	10 acre Durham Landfill, Tualatin OR
200 acre Fujitsu site, Hillsboro OR	Hillsboro school site, Hillsboro OR
175 acres industrial land, Kalama WA	St. Johns Landfill site, Portland OR
170 acres on Clackamas River, Clackamas OR	45 acre Boeckman wetlands, Wilsonville OR
125 acres industrial land for PGE, St. Helens OR	45 acre Rueffner Landfill, Vancouver WA
102 acre Burns Bros. industrial property, Wilsonville OR	42 acre Robinson leased land, Beaverton OR
15 acre community shopping center site, Tigard OR	190 acre Five Oaks Industrial Park, Beaverton OR
89 acres agricultural land, Grants Pass OR	24 acre mixed density residential site, Hillsboro OR
20 acre railroad property, Longview WA	180 acre Fujitsu site, Gresham OR
Port of Portland Rivergate, Portland OR	Lloyd Center full block, Portland OR

Retail & Restaurants

214,000 SF Tanasbourne Power Center, Portland OR	Bethany Village Shopping Center, Beaverton OR
164,000 SF Fred Meyer Center, Grants Pass OR	Lake Car Care Center, Beaverton OR
4 G.I. Joe's stores in Oregon and Washington	Blockbuster Video Store, Lake Oswego OR
4 Factory Outlet Centers in Idaho and Oregon	Sears HomeLife Store, Portland OR
J.C. Penney store (Washington Square), Portland OR	Borders Books, Beaverton OR
Pacific 63 Center, Vancouver WA	Petco store, Gresham OR
Hazel Dell Shopping Center, Vancouver WA	Burger King Restaurant, Portland OR
6 Walgreens Drugs, Portland OR	Shari's Restaurant, Hood River OR
Eastport Plaza Mall, Portland OR	Chalet Pie & Pancake Restaurant, Gresham OR
Springfield Mall, Springfield OR	Tony Roma Restaurant, Portland OR
OfficeMax, Tigard OR	Avalon Restaurant, Portland OR
Nike Factory Outlet, Portland OR	Red Baron Restaurant, Redmond OR

Hotels & Motels

Heathman Hotel, downtown Portland OR	Shilo Inn, Seattle WA
Blue Gull Inn, Cannon Beach OR	Airport Silver Inn, Portland OR
Old Oregon Hotel, McMinnville OR	St. Bernards B&B, Arch Cape OR
Clarion Airport Inn, Portland OR	Greenwood Inn Hotel, Beaverton OR
Motel 6, Salem OR	Hotel Newport, Newport OR
Sleep Inn, Gresham OR	Jade Tree Motel, Portland OR
Ecola Creek Lodge, Cannon Beach OR	Stafford Inn Motel, Ashland OR
Cozy Cove Motel, Lincoln City OR	Haystack Resort Hotel, Cannon Beach OR
The Airport Inn, Portland OR	Shaniko Inn Motel, Corvallis OR
Proposed Shilo Suites Hotel/Conf. Ctr, Klamath Falls OR	Sierra Inn Motel, Medford OR

Recreational Properties

36 hole Pumpkin Ridge Golf Course, Portland OR	Proposed Athletic Club, Hillsboro OR
36 hole The Reserves Golf Club, Portland OR	Gresham Court Club, Gresham OR
18 hole Eagle Point Golf Course, Medford OR	Proposed racquetball club, Lake Oswego OR
18 hole Eagle Hills Golf Course, Eagle ID	Downtown Athletic Club, Eugene OR
18 hole proposed Salmon Run Golf Course, Brookings OR	Bend Athletic Club, Bend OR
18 hole Widgi Creek Golf Course, Bend OR	Sunset Athletic Club, Portland OR
18 hole Springfield Country Club, Springfield OR	Eagle Camping Resort, Ilwaco WA
18 hole Longview Country Club, Longview WA	Seaside RV Park, Seaside OR
18 hole Willamette Valley Country Club, Canby OR	1000 Trails RV Park, Bend OR
18 hole Tualatin Country Club, Tualatin OR	Whalers Rest RV Park, Newport OR
18 hole The Resort at the Mountain, Wemme OR	Rose City Yacht Club, Portland OR
9 hole Meadowlawn Golf Club, Salem OR	Eastgate Movie Theaters, Vancouver WA

Condemnation/Public Acquisition

Tigard School Site, Tualatin OR	Mulino Airport, Mulino OR
Tualatin Hills Park District Land Trade, Beaverton OR	Airport Wetlands Study (Port of Portland), Portland OR
Going Street Noise Abatement Project, Portland OR	Railroad Corridor (City of Hillsboro), Hillsboro OR
City of Portland Housing Authority Land Trade	Sylvan Interchange Land (ODOT), Portland OR
Meadowlawn Golf Course (ODOT), Salem OR	9 acre wetlands (City of Portland), Portland OR
73 acre landlocked Ramsey site (Metro), Portland OR	Five Oaks Apartment Land (Wash. Co.), Hillsboro OR
Jackson School site (Portland Schools), Portland OR	Downtown full block (City of Portland), Portland OR
Old Trolley Building (Metro), Portland OR	Western Family Offices (ODOT), Tigard OR
3 Parking Garages (City of Anchorage), Anchorage AK	Willamette River Land (City of Milwaukie), Milwaukie OR
Miller Sands Islands (GSA), Astoria OR	Cook Park Wetlands (City of Tigard), Tigard OR
Boeckman Wetlands (City of Wilsonville), Wilsonville OR	Portland Airport Air Cargo Building, Portland OR
Portland Airport Expansion Acquisitions, Portland OR	Various properties for individual condemnees

Miscellaneous

Harmon U-Park Garage, Portland OR	Nissan Auto Dealership, Eugene OR
3 City Parking Garages, Anchorage AK	Courtesy Ford Dealership, Portland OR
Naturopathic Medicine College, Portland OR	Rasmussen BMW Dealership, Portland OR
Gresham Cemetery, Gresham OR	Valley RV Dealership, McMinnville OR
Sunset Presbyterian Church, Beaverton OR	Colvin Auto Dealership, McMinnville OR
Southwest Bible Church, Beaverton OR	Land under Inn at Spanish Head, Lincoln City OR
80,000 SF Salem Christian School, Salem OR	Columbia River Islands, Astoria OR
Durham Pit Landfill, Tualatin OR	Various Mobile Home Parks, OR & WA
Oregon Museum of Science & Industry, Portland OR	518 unit Koll mini-storage facility, Beaverton OR
Deschutes Brewery, Bend OR	6 acre Sandwich Leasehold Interest, Beaverton OR
20 acre Rock Quarry, Seaside OR	Numerous Arbitration Assignments, OR & WA
Eastgate Movie Theater, Vancouver WA	Numerous Wetland Properties, Oregon & Washington

Appraisal Reviews

Over 250 appraisal reviews conducted for USPAP and/or FIRREA compliance on properties throughout Oregon and Washington for various lenders and other clients. All three partners have previously worked in the capacity of review appraisers at various lenders prior to forming the firm. Mr. Ofner also serves as a member of the Appraisal Standards Board. As such, the partners are experienced and knowledgeable about reviewing appraisals for a variety of purposes.

Apartments & Condominiums

14 story Essex House, downtown Portland OR
490 unit Wimbledon Apartments, Portland OR
Riverside Pointe Condominium Project, Vancouver WA
309 unit Frank Estate Apartments, Portland OR
300 unit Pioneer Ridge Apartments, Oregon City OR
240 unit Hogan Road Apartments, Gresham OR
247 unit Pacific Village Apartments, Eugene OR
140 unit Casa Villa Apartments, Albany OR
160 unit Shadow Hills Apartments, Portland OR
144 unit The Masters Apartments, Aloha OR
142 unit Todd Village Apartments, Tualatin OR
77 unit Lincoln Woods Apartments, Lincoln City OR

Panorama Apartments, downtown Portland OR
Morrison Park Place, Section 42 Apts, Portland OR
Columbia House Condominium Project, Astoria OR
Shadow Hawk Condominium Project, Welches OR
336 unit Crown Court, Clackamas OR
Sand Castle Condominiums, Cannon Beach OR
Ocean Pines Condominiums, Glendon Beach OR
Unsold units in Florence Terrace Condos, Gresham OR
Unsold units in Maple Tree Condos, Corvallis OR
26 unit HUD Apartment Project, Woodburn OR
30 unit HUD Apartment Project, Lake Oswego OR
Tax Appeals for 82 Apartment Projects, Oregon

Subdivisions

Quatama Park Subdivision, Hillsboro OR
Kaiser Woods Subdivision, Portland OR
Morey's Landing, Wilsonville OR
Northgate Subdivision, Independence OR
Salamo Subdivision, West Linn OR
Southshore PUD, Newport OR
201st Townhomes, Aloha OR
Trillium Hill Estates, Lincoln City OR
Lincoln Shore Star Resort, Lincoln City OR
Seven Mountain Subdivision, Bend OR

Sterling Meadows Subdivision, Vancouver WA
Cedar Gardens Subdivision, Portland OR
Sunset Lakes Subdivision, Hillsboro OR
Sterling Park Subdivision, Beaverton OR
Alsea Highlands Subdivision, Waldport OR
Steamboat Landing Subdivision, Vancouver WA
Krumdiek Park Subdivision, Eugene OR
Delta Pines Mobile Home Subdivision, Eugene OR
Gregory Park Mobile Home Subdivision, Sherwood OR
Failed Subdivision and excess land, Medford OR

Water-Related Properties

400 acre Weyerhaeuser site, Coos Bay OR
200 acre PGE Beaver site, Columbia River OR
175 acre Port of Kalama coal site, Kalama WA
140 acre Rayonier site, Grays Harbor WA
50 acre Reidel Willamette River site, Portland OR
Happy Rock Moorage, Scappoose OR
Southshore oceanfront PUD, Newport OR
Steamboat Landing Marina, Vancouver WA
PP&L industrial site, Vancouver WA
Inn at Spanish Head land, Lincoln City OR

Portland General Electric Oaks Park property, Portland OR
Rivergate Industrial Park, Port of Portland, Portland OR
Devil's Lake waterfront condominiums, Lincoln City OR
Columbia House Condos on Columbia River, Astoria OR
River Queen dock site, Portland OR
OMSI Willamette River site, Portland OR
Union Oil dock property, Astoria OR
Port of Portland Terminal II, Portland OR
Retail/office complex on Necanicum River, Seaside OR
Reichhold Chemical Columbia River site, St. Helens OR

QUALIFICATIONS OF LAWRENCE E. OFNER, MAI

Professional Membership

Awarded the MAI designation, Member of the Appraisal Institute (No. 6337) in 1981

Education

Graduated from Jesuit High School in Portland in 1964; Bachelor of Arts in English from University of Portland-Portland, Oregon in 1968. Also completed numerous seminars, courses and examinations in real estate appraisal from 1974 to present including the following (partial list):

AIREA Course VI-Investment Analysis	AIREA Electronic Spreadsheet Seminar
AIREA Course VII-Industrial Appraisal	FHLBB R-41b & c Seminars
AIREA Course II-Income Case Studies	SREA Course 101
AIREA Standards of Professional Practice	SREA R-2 Exam
AIREA Motel/Hotel Seminar	SREA Condominium Seminar
AIREA Computer Applications Seminar	SREA Course 201
AIREA Contemporary Appraising Seminar	SREA Tax Considerations Seminar
AIREA Money Market Seminar	SREA Leases & Leasehold Seminar
AIREA Highest & Best Use Seminar	SREA HP-22 Real Estate Seminar
AIREA Construction Trends Seminar	SREA Apartment Seminar
AIREA Tax Code/Property Value Seminar	IRWA Easement Valuation Seminar

Associated Real Estate Activities

1999-Present: Member of Appraisal Standards Board (ASB)
1991-1996: Appraisal Institute Regional Committee Member
1990 President, 1989 Vice President, 1988 Secretary, 1987 Treasurer of Oregon Chapter 14, AIREA
1978-79 Treasurer, 1979-80 Secretary, 1980-81 2nd Vice President of Chapter No. 42, SREA
Clackamas Community College Instructor, Appraisal I and II, 1978-79
Clackamas Community College Real Estate Advisory Committee, 1978-79
Mt. Hood Community College Instructor, Appraisal I and II, 1979
Portland Community College Instructor, Appraisal II, 1982
Presented an R-41b Seminar in 1986 to a group of AIREA members and candidates
Appraisal Institute instructor for Standards (USPAP), Principles Courses (110 and 120) and Income (310)

Licensing

Oregon State Certified Appraiser (Certificate No. C000016)
Oregon Real Estate Broker

Real Estate Experience

1979-Present	Principal-Moscato, Ofner & Henningsen, Inc., Portland, OR
1977-79	Senior R.E. Appraiser-Charles D. Bailey & Associates, Inc., Portland, OR
1975-77	Chief Appraiser-Lincoln Savings & Loan, Beaverton, OR
1975	Real Estate Sales-Grant Johnson & Associates, Inc., Hillsboro, OR
1974-75	Staff Appraiser-Washington Federal Savings & Loan, Hillsboro, OR

Types of Properties Appraised

Shopping Centers & Retail Stores	Tracts of Vacant Land	Golf Courses
Medical & Dental Office Buildings	Mini-Warehouse Facilities	Single-Family Residential
Industrial Properties	Office Buildings	Condominium Projects & Units
Hotels & Motels	Bank/Savings & Loan Branches	Apartments & Plexes
Mobile Home & RV Parks	Commercial Condominiums	Marina Facility
Single-Family Subdivisions	Condemnation	Water-Related Properties
Restaurants	Parking Garages	Schools & Churches



Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required for renewal

License No: C000016

Issue Date: 10/1/2004

Expiration Date: 9/30/2006

R. A. (Bob) Keith, Administrator

Lawrence E Ofner
Moscatto, Ofner & Henningsen INC
13765 NW Cornell RD STE 200
Portland OR 97229

The following may restrict the claimant's rights to use of the property.

1. City of Wilsonville Comprehensive Plan including but not limited to Plan Map and Designation of claimants' property as Industrial.

2. All restrictions contained in the City of Wilsonville zoning or development ordinances, or other laws, rules or regulations affecting the property.

3. Regulations contained in the Clackamas County Zoning and Development Ordinances.

4. Any other regulations or restrictions contained in the Clackamas County Code or Comprehensive Plan.

5. All Rules, Regulations, Ordinances, Statutes, Plans, Findings, or planning goals or other restrictions placed upon the property subsequent to the acquisition of claimants by the City of Wilsonville, Clackamas County, Metro and the State of Oregon.

6. Any other land use regulations::

(a) Any statute regulating the use of land or any interest therein;

(b) Administrative rules and goals of the Land Conservation and Development Commission or Metro.

(c) Local government comprehensive plans, zoning ordinances, land division ordinances, and transportation ordinances.

(d) Metropolitan service district regional framework plans, functional plans, planning goals and objectives; and

(e) Statutes and administrative rules regulating farming and forest practices.

(f) Road or transportation limitations.

The references contained herein are not exclusive. This claim is for the removal of any restrictions allowable under Measure 37, including but not limited to those above.

M37 Claim Form

City Recorder
City of Wilsonville
30000 SW Town Center Loop E.
Wilsonville, OR 97070
503-570-1506



- Claims may only be submitted by an Owner or an Authorized Agent of the Owner.
- Claims may only be submitted; in person; by private carrier; by US Postal Service Certified or by Registered Mail to: City Recorder, City of Wilsonville, 30000 SW Town Center Loop E., Wilsonville, OR 97070
- Only original Signed Claims will be accepted, claims submitted electronically or by facsimile, will not be accepted.
- Attach *separate sheet of paper* as needed, with reference to the appropriate *section number*.
- Claim criteria/requirements may be found in Wilsonville Code §2.660 (Ordinance No. 575).

Section 1

IDENTIFY PROPERTY FROM WHICH THE CLAIM DERIVES

Attachment if Applicable

Street Address: 26120 SW Parkway Avenue		City: Wilsonville	
County: Clackamas	State: Oregon	Zip: 97070	
Tax Lot #: 100	County Tax Assessor's Map Reference # & Date:		
Township: 3 S			
Range: 1W	Section: 11		
Other Legal Description Information: and Tax Lot 401, T3S, R1W, Section 12, W.M.			

Section 2

NAME AND CONTACT INFORMATION OF CLAIMANT

(Claimant means a present owner or owners of the property or any interest therein)

Name of Claimant Owner: Ralph Elligsen	Daytime Phone #: (503) 638-5696
Address: 7485 SW Elligsen Road	
City: Tualatin	State: OR Zip: 97062

Name of Claimant Owner: Shirley Elligsen	Daytime Phone #: (503) 638-5696
Address: 7485 SW Elligsen Road	
City: Tualatin	State: OR Zip: 97062

Attachment 4 to COO Report

Resolution No. 07-3808

Name of Claimant Owner:		Daytime Phone #:
Address:		
City:	State:	Zip:

Name of Claimant Owner:		Daytime Phone #:
Address:		
City:	State:	Zip:

Section 3

NAMES AND CONTACT INFORMATION OF OTHERS WITH INTEREST IN THIS PROPERTY (Includes Easements, Liens and Encroachments)

Name:	BPA Easement	Daytime Phone #:
Address: unknown		
City:	State:	Zip:
Describe type of interest: Easement		

Name:	Judith Nichols	Daytime Phone #:
Address: 26120 SW Parkway Ave.		
City:	State: Or.	Zip: 97070
Describe type of interest: Tenant Mo. to MO.		

Name:		Daytime Phone #:
Address:		
City:	State:	Zip:
Describe type of interest:		

Name:		Daytime Phone #:
Address:		
City:	State:	Zip:
Describe type of interest:		

Section 4

NAME AND CONTACT INFORMATION OF PERSON DULY AUTHORIZED TO SUBMIT CLAIM
(IF DIFFERENT THAN SECTION 2 ABOVE)

Name of Agent: Ronald E. Dusek	Daytime Phone #: (503) 635-6236
Address: 2875 Marylhurst Drive	
City: West Linn	State: OR Zip: 97068

Section 5

EVIDENCE OF OWNERSHIP

DATE Current Owner Acquired Property: July 27, 1959	
If applicable, the date a family member acquired the property, the name of the family member and the family relationship	DATE: NAME: RELATIONSHIP:
Nature of Ownership of Property: Attachment if Applicable <input type="checkbox"/>	Fee Simple
PROOF OF OWNERSHIP (list all attachments)	Deed, Chicago Title information

Section 6

NATURE AND MANNER OF RESTRICTION

(Cite each and every Land Use Regulation on which the Claim is based. An optional box is provided for you to describe how the Land Use Regulation restricts the use and value of the property.) Attachment if Applicable

Comprehensive Plan Section(s): Attachment if Applicable <input type="checkbox"/>	see Exhibit C	Describe how this Land Use Law or Rule restricts the use and value of this property. The plan designating the property as "Industrial," areas of special concern and any other sections precluding the division, development as commercial.
Zoning Ordinance Chapter & Section(s): Attachment if Applicable <input type="checkbox"/>	see Exhibit C	Describe how this Land Use Law or Rule restricts the use and value of this property. Any ordinance, rule, laws, goals, planning or other impairments
Land Division Ordinance Section(s): Attachment if Applicable <input type="checkbox"/>	see Exhibit C	Describe how this Land Use Law or Rule restricts the use and value of this property. See above
Transportation Ordinance Section(s): Attachment if Applicable <input type="checkbox"/>	see exhibit C	Describe how this Land Use Law or Rule restricts the use and value of this property. See above

Section 7
Attachment to COO Report

Resolution No. 07-3808

DATE ON WHICH EACH CITED LAND USE REGULATION WAS APPLIED (ENACTED OR ENFORCED) TO THE SUBJECT PROPERTY

Comprehensive Plan Section(s): <i>Attachment if Applicable</i> <input type="checkbox"/>		Date of Effect: All those enacted after 1959
Zoning Ordinance Section(s): <i>Attachment if Applicable</i> <input type="checkbox"/>		Date of Effect: All those enacted after 1959
Land Division Section(s): <i>Attachment if Applicable</i> <input type="checkbox"/>		Date of Effect: All those enacted after 1959
Transportation Ordinance Section(s): <i>Attachment if Applicable</i> <input type="checkbox"/>		Date of Effect: All those enacted after 1959

Section 8

AMOUNT OF PROPERTY VALUE REDUCTION

Claim Amount: \$7,300,000	Basis of Evaluation: See Exhibit B
<input type="checkbox"/> Attach evidence or information documenting reduction in property's Fair Market Value.	

Section 9

OPTIONAL STATEMENT

Describe to what extent the land use regulation would need to be waived, suspended or modified to avoid the need for compensation: **Change the designation of zoning from Industrial to Commercial. Remove any and all rules, regulations, ordinances or laws encumbering the property, including but not limited to division of the property into smaller parcels, tree & traffic ordinances, etc. to enable the claimants to develop the property as commercial.**

Section 10

OPTIONAL: CLAIMANT'S PREFERENCE

<input type="checkbox"/> Compensation	<input checked="" type="checkbox"/> Waiver of Regulation
<input type="checkbox"/> Suspension of Regulation	<input type="checkbox"/> Modification of regulation

Section 11

OPTIONAL: AUTHORITY TO ENTER PROPERTY

(Signatures of All Owners With Authority to Restrict Access.)

I/We Affix Our Signature(s) to this Form Granting Access to the Subject Property by the City for the Review of the Property in Furtherance of the Processing or Handling of this Claim:

Printed Name: Ralph H. Elligsen	Signature: <i>Ralph H. Elligsen</i>
Interest in Property: Owner	
Printed Name: Shirley Elligsen	Signature: <i>Shirley L. Elligsen</i>
Interest in Property: Owner	
Printed Name:	Signature:
Interest in Property:	
Printed Name:	Signature:
Interest in Property:	
Printed Name:	Signature:
Interest in Property:	

Section 12

ATTACHMENTS

Title Report: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Deed: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Appraisal(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Covenants, Conditions & Restrictions: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Affidavits: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Tax Map(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Tax Deferrals: Yes <input type="checkbox"/> No <input type="checkbox"/>	Tax Reductions: Yes <input type="checkbox"/> No <input type="checkbox"/>
Participating Federal Programs: Yes <input type="checkbox"/> No <input type="checkbox"/>		<input type="checkbox"/> Other Information: (Explain)	

Section 13

Have you submitted a claim to another governmental entity regarding the property listed in this claim?
 Yes Date: _____ To Whom: Metro, Clackamas County, State of Oregon No

Additional Information That May Be Submitted In Support of This Claim

1. A report by a certified appraiser that addresses the Reduction in Fair Market Value of the Property resulting from the enactment or enforcement of the cited Land Use Regulation(s) as of the date the Claim was filed;
2. A statement of the effect of the cited Land Use Regulation(s) on any Owner's tax status, including without limitation any tax deferrals or tax reductions related to the cited Land Use Regulation(s);
3. Citation to each Land Use Regulation(s) in effect at the time the owner acquired the property explaining how the use that is now not permitted by the Land Use Regulation(s) in question was permitted at the time the owner acquired the property;
4. Names and addresses of Owners of all real property located within 250 feet of the Property, including any neighborhood organizations

Attachment 4 to COO Report
Resolution No. 07-3808

I ATTEST THAT I HAVE FILLED OUT THIS FORM COMPLETELY AND THIS CLAIM IS TRUE AND CORRECT. (Signatures of all parties preparing this form.)

Ralph H. Ellingsen 11/20 106
Signature Date

Shirley L. Ellingsen 11 20 106
Signature Date

J. E. Smith 11 20 106
Signature Date

Signature Date

Signature Date

Signature Date

MEASURE 37 CLAIM

CLACKAMAS COUNTY PLANNING DIVISION
9101 SE SUNNYBROOK BLVD., CLACKAMAS, OREGON 97015
PHONE (503) 353-4500 FAX (503) 353-4550 www.co.clackamas.or.us

FILE NUMBER: _____ DATE RECEIVED: _____

APPLICANT INFORMATION

(PLEASE TYPE OR PRINT IN BLACK INK ONLY)

WHAT IS PROPOSED Change zoning and ordinances, statutes,
laws, rules and regulations to allow Commercial development

LEGAL DESCRIPTION: T3S R1W SECTION 11 TAX LOT(S) 100

LEGAL DESCRIPTION: T3S R1W SECTION 12 TAX LOT(S) 401

CONTACT Ronald E. Dusek

MAILING ADDRESS 2875 Marylhurst Drive

CITY West Linn STATE OR ZIP 97068

PHONE (503) 635-6236 CELL PHONE _____

PROPERTY OWNER(S) (The name, address and telephone number of all owners, including their signatures, must be provided. In the event there are more than 3 property owners, please attach additional sheets. Please print clearly)

FOR EACH OWNER WHO IS ALSO A CLAIMANT, PLEASE CHECK THE BOX MARKED "CLAIMANT"

NAME Ralph Elligsen CLAIMANT

SIGNATURE Ralph E. Elligsen

MAILING ADDRESS 7485 SW Elligsen Road

CITY Tualatin STATE OR ZIP 97062

PHONE (503) 638-5696 CELL PHONE _____

NAME Shirley Elligsen CLAIMANT

SIGNATURE Shirley L. Elligsen

MAILING ADDRESS 7485 SW Elligsen Road

CITY Tualatin STATE OR ZIP 97062

PHONE (503) 638-5696 CELL PHONE _____

NAME _____ CLAIMANT

SIGNATURE _____

MAILING ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____ CELL PHONE _____

MEASURE 37 CLAIM **SUPPLEMENTAL INFORMATION**

(Attach additional sheets as needed.)

1. Other persons with an interest in the property (such as lien holders):

Name: B.P.A. Phone: unknown

Address: unknown

Type of Interest: Easement

Name: Judith Nichols Phone: _____

Address: 26120 SW Parkway Ave. Wilsonville Or. 97070

Type of Interest: Mo. to ~~be~~ Tenant

2. Exact date the claimant acquired an ownership interest in the property? (Please include a copy of the deed or the contract to purchase.) July 27, 1959

3. If the claimant acquired the property from a family member, what is the exact date the family member acquired the property? _____

What is the relationship of the family member to the claimant (e.g. father, uncle, brother, etc.)? _____

If there is more than one event where the property was transferred among family members, such as a series of inheritances, please provide a list of all such events, their dates, and the relationship between the parties. If transfer was by inheritance, please provide the date of death.

4. If a husband and wife are both claimants but acquired a documented ownership interest (e.g. deed, contract to purchase) on different dates, please identify the date of the marriage. _____

5. What regulation (if more than one, please describe) do you believe lowered the value of your property? When did the regulation take effect?

All regulations, laws, ordinances, statutes that preclude claimants from developing the property as Commercial and in smaller parcels

one-half acre or less as may be needed. All those enacted after July 27, 1959

6. Please describe how the regulation(s) restricts the use of the property and reduces the property's fair market value.

Those that prohibit or impair claimants ability to develop the
property as Commercial.

7. How much has the fair market value of your property been reduced by enactment or enforcement of the regulation(s)? \$7,300,000

8. Are you requesting compensation, or removal of the regulation(s), modification of the regulation(s), or a decision not to apply the regulation(s)? (Please note that the County has exclusive authority to choose whether to pay monetary compensation, or remove, modify or not apply the regulation(s) causing a valid claim.)

Removal of regulations, statutes, ordinances, etc.

9. Are you requesting that a specific use be allowed? Please describe the use.

All Commercial in sizes elected by claimants.

10. The following additional material must be submitted with the application:

- a. If the property is owned by a trust (or an LLC, corporation, partnership, etc.) but the claimant is an individual rather than the trust, provide documents sufficient to establish the claimant's relationship to the trust (e.g. trustee, beneficiary) and the date that the relationship originated. This information is also required if the claim relies upon an ownership history that includes previous ownership by a trust.
- b. An appraisal that meets the requirements of the county's Measure 37 Claims Process Ordinance; or other evidence demonstrating that there has been a reduction in the fair market value of the property (e.g. data on sales of comparable properties in the area or fair market values established by the Department of Assessment and Taxation for comparable properties in the area);
- c. A title report issued no more than 30 days prior to the submission of the claim that reflects the ownership interest in the property, or other documentation proving ownership of the property;
- d. Copies of any leases or covenants, conditions and restrictions applicable to the property and any other documents that impose restrictions on the use of the property;
- e. List of all compensation claims, or development or permit applications previously filed with any regulatory body relating to the property, and any enforcement actions taken by any governmental body, regarding the use restriction identified in Question 5, above.
- f. Claims processing fee – \$750.00



M37 Claim Form

Department of Administrative Services
Risk Management - State Services Division
1225 Ferry St. SE U160, Salem, Oregon 97301-4292
Web Site: <http://www.oregon.gov/DAS/Risk/M37.shtml> Phone: 503-373-7475

INSTRUCTIONS FOR SUBMITTING A CLAIM

This form requests specific information that is required in order for the State of Oregon to act on a claim made under 2004 Oregon Ballot Measure 37. A Claimant must fully complete each box of the claim form and provide all information and evidence to support the claim. In lieu of completing each box or section on this form, a Claimant may attach supplemental documents to provide the requested information. Attached documents may not be used to complete section 1 and 2, or any section which requires a signature.

- Claims may only be submitted by an Owner or an Authorized Agent of the Owner.
- Claims may only be submitted; in person; by private carrier; by U.S. Postal Service Certified or by Registered Mail to:
Risk Management-State Services Division, 1225 Ferry St. SE, U160, Salem OR 97301- 4292
- Only Original Signed Claims will be accepted, claims submitted electronically or by facsimile, **will not be accepted.**
- Attach *separate sheet of paper* as needed, with reference to the appropriate **Section number on this form.**
- Claim criteria/requirements may be found in Oregon Administrative Rules 125.145.0010 – 0120

Section 1 NAME AND CONTACT INFORMATION OF ALL CLAIMANTS/PROPERTY OWNERS

Enter the name and contact information of each person that this claim is submitted for.

Name of Claimant #1: Ralph Elligsen	Day Time Phone #: (503) 638-5696	
Address: 7485 SW Elligsen Road		
City: Tualatin	State: OR	Zip: 97062
In order to file a claim for a particular property, you must own some interest in that property. Please describe what your interest in the property is.		

Name of Claimant #2: Shirley Elligsen	Day Time Phone #: (503) 638-5696	
Address: 7485 SW Elligsen Road		
City: Tualatin	State: OR	Zip: 97062
In order to file a claim for a particular property, you must own some interest in that property. Please describe what your interest in the property is.		

Name of Claimant #3:		Day Time Phone #:	
Address:			
City:	State:	Zip:	
In order to file a claim for a particular property, you must own some interest in that property. Please describe what your interest in the property is.			

Name of Claimant #4:		Day Time Phone #:	
Address:			
City:	State:	Zip:	
In order to file a claim for a particular property, you must own some interest in that property. Please describe what your interest in the property is.			

Name of Claimant #5:		Day Time Phone #:	
Address:			
City:	State:	Zip:	
In order to file a claim for a particular property, you must own some interest in that property. Please describe what your interest in the property is.			

Name of Claimant #6:		Day Time Phone #:	
Address:			
City:	State:	Zip:	
In order to file a claim for a particular property, you must own some interest in that property. Please describe what your interest in the property is.			

ATTACH ADDITIONAL SHEETS IF NEEDED

Section 2 NAME AND CONTACT INFORMATION OF PERSON SUBMITTING CLAIM (AGENT, IF ANY)

If you have an attorney or some other agent who is filing this claim for you, enter the name and contact information of the person who is sending the claim for the property owner if different than the name in Section 1 above.

Name of Agent:		Day Time Phone #:	
Ronal d E. Dusek		(503) 635-6236	
Address:			
2875 Marylhurst Drive			
City:	State:	Zip:	
West Linn	OR	97068	

Must attach a written notarial statement signed by the owner(s) or a Notary Public or Attorney properly authorizing submittal of this claim. Attachment: Yes No

Section 3 NAMES AND CONTACT INFORMATION OF OTHERS WITH INTEREST IN THIS PROPERTY

Enter the name and contact information of other persons or entities that have an interest in the property, or attach a preliminary title report. Other interests in the property include but are not limited to:

- (a) Every lessee and lessor of the Property;
 (b) Every person or entity holding a lien against, or a security interest in, the Property;
 (c) Every person or entity holding a future, contingent, or other interest of any kind in the Property.

This could be other owners, banks, mortgage companies, state or federal agencies or entities, programs specific to the use of the property and any and all others with any interest in the property. Some examples could be; a USDA program providing funds for an owner not to grow a particular crop on the land, banks with second, third or other mortgage interest. If using an attachment, the attachment must be submitted in such a format as to easily distinguish the various owners and interest in the property.

Name:	BPA easement		Day Time Phone #:
Address:	unknown		
City:	State:	Zip:	
Describe Interest in Property: easement			

Name:	Judith Nichols		Day Time Phone #:
Address:	26120 SW Parkway Ave.		
City:	State:	Zip:	
Describe Interest in Property: Tenant MO. to Mo.			

Name:			Day Time Phone #:
Address:			
City:	State:	Zip:	
Describe Interest in Property:			

Name:			Day Time Phone #:
Address:			
City:	State:	Zip:	
Describe Interest in Property:			

Name:			Day Time Phone #:
Address:			
City:	State:	Zip:	
Describe Interest in Property:			

Attachment 4 to COO Report

Resolution No. 07-3808

Name:	Day Time Phone #:	
Address:		
City:	State:	Zip:
Describe Interest in Property:		

Section 4 PROPERTY THE CLAIM IS FOR

Identify the property the claim is for, and whether the claimant(s) own other adjoining property. You may also attach a county tax lot map, with the property the claim is for marked clearly on the map.

Attachment if Applicable

Street Address or nearest intersection:			
City: 26120 SW Parkway Avenue			
<i>if applicable</i>			
County: Clackamas	Wilsonville	State: OR	Zip: 97070
Tax Lot #:	100	County Tax Assessor's Map Reference # & Date:	
Township:	T35		
Range:	RIW	Section: 11	
Current Zoning: Farm/Mostly Industrial in Comp Plan		Property Size (acreage): 33.71	
What was the zoning of the property when the present owner acquired the property? There was none known		If the present owner acquired the property from a "family member" (as defined in Measure 37) what was the zoning of the property when the family member acquired the property?	
Other Legal Description Information: The property includes tax lot 401, T3S, RIW Section 12, which adjoins Tax Lot 100.			

Section 5 EVIDENCE OWNERSHIP

Include evidence or information describing the length and extent of ownership of the property, any encroachments, easements, Covenants Conditions and Restrictions.

<p>The following is attached as proof that the claimant is a present owner of the property: (provide for each claimant, and list all attachments)</p> <p>At a minimum, you <i>must</i> include a copy of the deed to the present owner(s) of the property.</p>	<p>Deed information from Chicago Title and tax statement</p>
<p>Date Each Present Owner Acquired an Interest in Property:</p>	<p>July 27, 1959</p>
<p>Nature & Scope of Ownership of Property: <i>Attachment if Applicable</i> <input type="checkbox"/></p>	<p>Fee simple</p>
<p>All Encroachments, Easements, etc. (see OAR 125-145-0040 (8) for further information) <i>Attachment if Applicable</i> <input type="checkbox"/></p>	<p>BPA power line</p>
<p>Is the property in a Trust?</p> <p>If yes, please provide the date of the trust.</p> <p>If yes, is the trust Revocable or Irrevocable?</p> <p>If yes, are you filing on behalf of the Trust, filing as an Individual, or Both?</p> <p>If the property is owned by a trust, please attach a certificate of trust indicating who the current trustees of the trust are.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Revocable <input type="checkbox"/> Irrevocable</p> <p><input type="checkbox"/> Trust <input type="checkbox"/> Individual <input type="checkbox"/> Both</p>

Is the Property owned by a Corporation, by a Partnership, by a Limited Liability Company, or by a Limited Liability Partnership?

Yes

No

If yes, please provide the name of the business entity that owns the property and the date in which the business entity acquired the property. In addition, please attach proof of the acquisition.

Section 6 INTENDED USE OF PROPERTY

What is the intended use of the property that is currently prohibited by state Land Use Regulations? _____

Change zoning to Commercial. Develop the property for commercial users of various sizes.

Section 7 NATURE AND MANNER OF RESTRICTION

List the Land Use Regulations on which the Claim is based and describe the manner in which each cited Land Use Regulation restricts the use of the Property compared with how the owner was permitted to use the Property under Land Use Regulations in effect at the time the owner acquired the Property.

Law or Rule: Attachment if Applicable <input type="checkbox"/>	All statutes, rules, ordinances, plans, laws, regulations, etc. enacted after July 27, 1959	Describe how this Land Use Law or Rule restricts the use of this property: Claimants are restricted in the use of the property for commercial development
Law or Rule: Attachment if Applicable <input type="checkbox"/>		Describe how this Land Use Law or Rule restricts the use of this property:
Law or Rule: Attachment if Applicable <input type="checkbox"/>		Describe how this Land Use Law or Rule restricts the use of this property:
Law or Rule: Attachment if Applicable <input type="checkbox"/>		Describe how this Land Use Law or Rule restricts the use of this property:
Law or Rule: Attachment if Applicable <input type="checkbox"/>		Describe how this Land Use Law or Rule restricts the use of this property:

Section 8 AMOUNT OF PROPERTY VALUE REDUCTION

Enter the amount of Fair Market Value reduction to the Property caused by the Land Use Regulations. (Refer to those listed in Section 7 above.) Attach evidence or provide information to support the basis and rationale for the reduction in Fair Market Value.

Fair Market Value Reduction Amount \$:	Law or Rule	Basis of Evaluation:

Section 9 AUTHORITY TO ENTER PROPERTY

This section of the form authorizes the Department, the Regulating Entity and their officers, employees, agents, and contractors to enter the Property as necessary to verify information, appraise the property, or conduct other business related to this claim. Each person that can restrict access to the property must sign in the appropriate box in this section.

I/We Affix Our Signature(s) to this Form Granting Access to the Subject Property in ANY Manner or Form Deemed Appropriate by State Agency or Agencies for the Review of the Property in Furtherance of the Processing or Handling of this Claim: SIGNATURES OF ALL OWNERS WITH AUTHORITY TO RESTRICT ACCESS	
Printed Name: <i>RALPH H.H. ELLIGSEN</i>	Signature: <i>Ralph H. Elligsen</i>
Interest in Property: <i>Fee Simple</i>	
Printed Name: <i>Shirley L. Elligsen</i>	Signature: <i>Shirley L. Elligsen</i>
Interest in Property: <i>Fee Simple</i>	
Printed Name:	Signature:
Interest in Property:	
Printed Name:	Signature:
Interest in Property:	
Printed Name:	Signature:
Interest in Property:	
Printed Name:	Signature:
Interest in Property:	

Section 10 ATTACHMENTS

Check the appropriate box for all documents, evidence and supporting information that is attached and included as a part of this claim.

Title Report: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Deed: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Appraisal(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Covenants, Conditions & Restrictions: Yes <input type="checkbox"/> No <input type="checkbox"/>
Affidavits: Yes <input type="checkbox"/> No <input type="checkbox"/>	Tax Map(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Tax Deferrals: Yes <input type="checkbox"/> No <input type="checkbox"/>	Tax Reductions: Yes <input type="checkbox"/> No <input type="checkbox"/>
Tax Statement (proof of ownership): Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Participating Federal Programs: Yes <input type="checkbox"/> No <input type="checkbox"/>		<input type="checkbox"/> Other Information: (Explain)	
<input type="checkbox"/> Other Information: (Explain)		<input type="checkbox"/> Other Information: (Explain)	

Section 11

OTHER CLAIMS FILED

List all other governmental entities you or someone on your behalf has submitted claims to regarding the Property involved in this claim. List all claims submitted to the state or other entities relating to this property or any portion thereof on anyone's behalf. You must list all entities even if you only submitted a claim to them for a portion of the Property that is the subject of this claim.

Have you submitted a claim to another governmental entity regarding the property listed in this claim?			
No <input type="checkbox"/>			
Yes <input type="checkbox"/>	Date:	To Whom:	Claim number:
		Clackamas County	
Yes <input checked="" type="checkbox"/>	Date:	To Whom:	Claim number:
		City of Wilsonville	
Yes <input checked="" type="checkbox"/>	Date:	To Whom:	Claim number:
		Metro	
Yes <input type="checkbox"/>	Date:	To Whom:	Claim number:

ADDITIONAL INFORMATION THAT MAY BE SUBMITTED IN SUPPORT OF THIS CLAIM

1. A report by a certified appraiser that addresses the Reduction in Fair Market Value of the Property resulting from the enactment or enforcement of the cited Land Use Regulation(s) as of the date the Claim was filed;
2. A statement of the effect of the cited Land Use Regulation(s) on any Owner's tax status, including without limitation any tax deferrals or tax reductions related to the cited Land Use Regulation(s);
3. Citation to each Land Use Regulation(s) in effect at the time the owner acquired the property explaining how the use that is now not permitted by the Land Use Regulation(s) set forth in Oregon Administrative Rules (OAR) 125-145-0040(9) was permitted at the time the owner acquired the property;
4. Names and addresses of Owners of all real property located within 100 feet of the Property if the Property is located in whole or in part in an urban growth boundary, 250 feet of the Property if the Property is located outside and urban growth boundary and not within a farm or forest zone and 750 feet of the Property if the Property is located in a farm or forest zone.

I ATTEST THAT I HAVE FILLED OUT THIS FORM COMPLETELY AND THIS CLAIM IS TRUE AND CORRECT. (Signatures of all parties preparing this form.)

Stephen H. Ellinger _____ 11/20/06
 Claimant Signature Date

Shirley L. Ellinger _____ 11/20/06
 Claimant Signature Date

Paul B. [Signature] _____ 11/20/06
 Claimant Signature Date

_____ / /
 Claimant Signature Date

_____ / /
 Claimant Signature Date

_____ / /
 Claimant Signature Date

State of Oregon

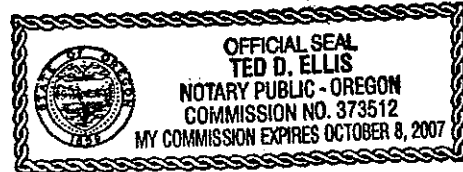
County of Clackamas

Signed and sworn to before me on November 20th, 2006 by Ralph H. Elligsen
(month - day - year)
and Shirley L. Elligsen.

[Signature]
(Notary Public - State of Oregon)

Notary Seal

My commission expires: 10/8/2007



STATE OF OREGON } ss.

Signed and sworn to before me on November 20th 2006, by Ronald E. Dusek.

[Signature]
Notary for Oregon
My Commission Expires: 10/8/2007

