

SUTHERLIN

INDUSTRIAL PARK

155 AC Development Opportunity
Industrial | Data Center

Sutherlin,
Oregon



Jones Lang LaSalle Americas, Inc. ("JLL")



Tesla supercharger station
Approx Delivery Q1 2023

Sutherlin

Ford's Pond

155.85
Acres

5
Easy access via Stearns Lane north and south of the Site

Calapooya Creek

138

STEARNS LN



The offering

JLL, as exclusive advisor, is pleased to offer the fee simple interest in Sutherlin Industrial Park (hereafter “the Site” or “the Property”). Sutherlin Industrial Park is comprised of ±155 acres of Shovel Ready Certified raw land. The Property offers developers an opportunity to acquire an unimproved land site of significant scale to develop a manufacturing facility, high-bay distribution center, or data center facility, all of which are in great demand across the Pacific Northwest due to product type scarcity. The Site boasts convenient interstate access due to its strategic location next to I-5, providing direct access to major West Coast Metros.

Located within an Enterprise Zone, this opportunity allows investors to accommodate the growing demand for industrial or data centers to serve Douglas County using regional incentives to offset their basis.

Investment highlights



Favorable zoning and incentives

The Property is zoned for General Industrial which allows for traditional industrial uses but can also accommodate data centers, reducing timelines, risk, complexity, and costs. In addition to being located in a designated Rural Enterprise Zone that covers much of Sutherlin’s remaining available industrial lands, the Enterprise Zone allows Sutherlin to offer an exemption of all local property taxes on new plants and equipment for 3 to 15 years in a rural zone with minimum facility criteria of \$25 million as an incentive for new property investment.



Shovel Ready Certified

Following a lengthy site review and technical analysis process, the Property is designated as Shovel Ready Certified land through Business Oregon, the state’s economic development agency. The certification indicates that the Site is determined to be ready for the commencement of development in no more than six months after investors acquire the land to build and operate the Property. Additionally, the Site qualifies for expedited permitting for off-site improvement with ODOT.

CLICK HERE

To access the
Virtual Deal Room

Sign the Confidentiality Agreement to download additional due diligence documents for the Property

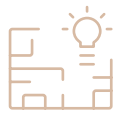


Investment highlights, continued



Close proximity to Tesla's supercharger station

One mile from the Site, Tesla plans to deliver one of the country's largest Supercharger stations in Sutherlin with 51 charging stalls by Q1 2023. Tesla's decision speaks to the strategic location of Sutherlin on I-5, equidistant to San Francisco and Seattle.



Flexible building configuration

The 155.85 acre Sutherlin Industrial Park is currently unimproved land which offers developers an opportunity to fill the supply needs with the flexibility of different building class configurations and the ability to accommodate a wide variety of trailer and auto parking requirements. The Site can accommodate up to five million square feet of industrial or data center space.



Industrial supply and demand in the region

The Property represents one of the largest Shovel Ready industrial land assemblages along I-5 and the greater Pacific Northwest Region. The Site's unique combination of scale, zoning, proximity to key distribution networks, and capacity to accommodate a single, large-scale industrial development is sure to draw attention from both national and local investors.

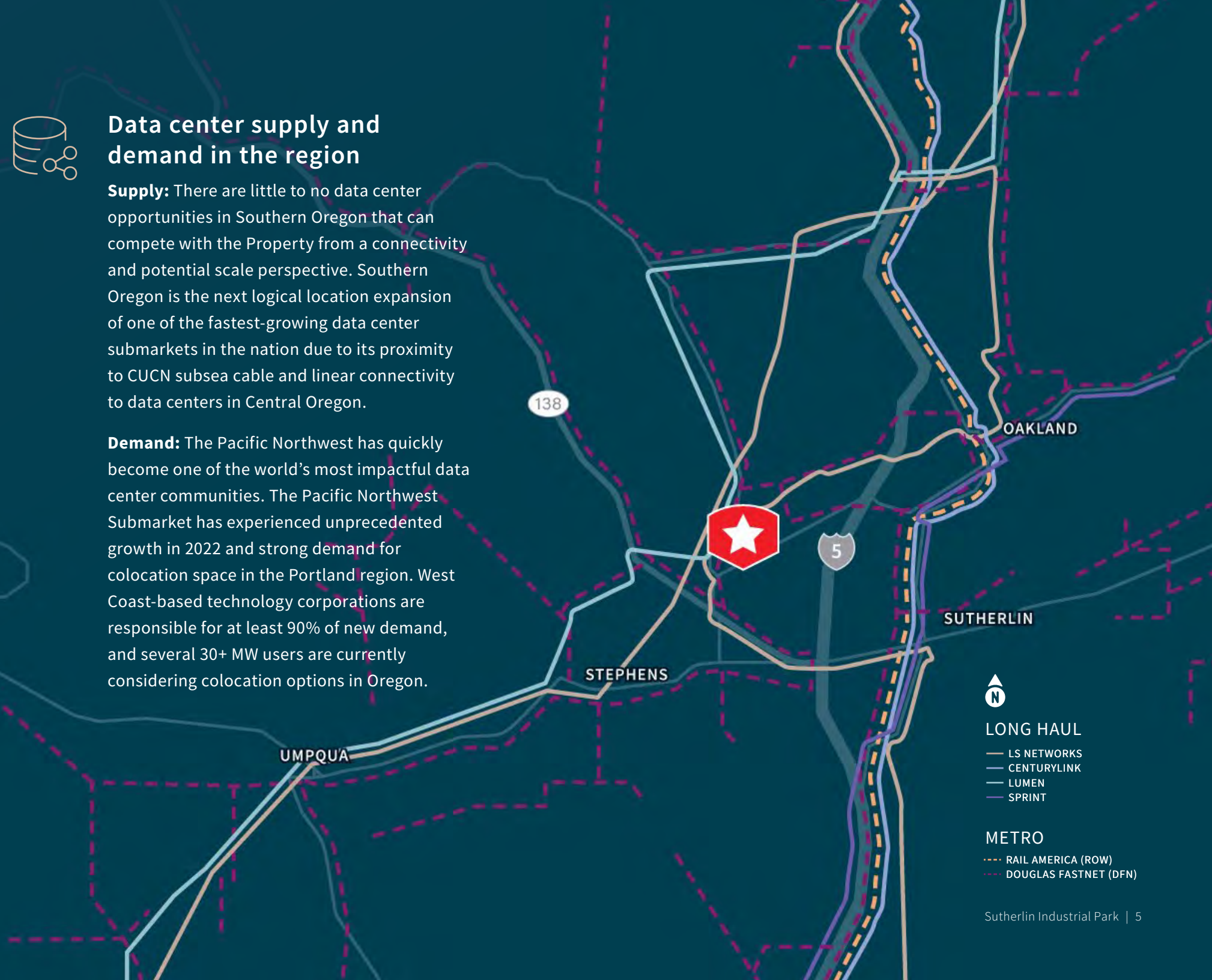
Source: Business Oregon



Data center supply and demand in the region

Supply: There are little to no data center opportunities in Southern Oregon that can compete with the Property from a connectivity and potential scale perspective. Southern Oregon is the next logical location expansion of one of the fastest-growing data center submarkets in the nation due to its proximity to CUCN subsea cable and linear connectivity to data centers in Central Oregon.

Demand: The Pacific Northwest has quickly become one of the world's most impactful data center communities. The Pacific Northwest Submarket has experienced unprecedented growth in 2022 and strong demand for colocation space in the Portland region. West Coast-based technology corporations are responsible for at least 90% of new demand, and several 30+ MW users are currently considering colocation options in Oregon.



LONG HAUL

- LS NETWORKS
- CENTURYLINK
- LUMEN
- SPRINT

METRO

- - - RAIL AMERICA (ROW)
- - - DOUGLAS FASTNET (DFN)

Investment highlights, continued



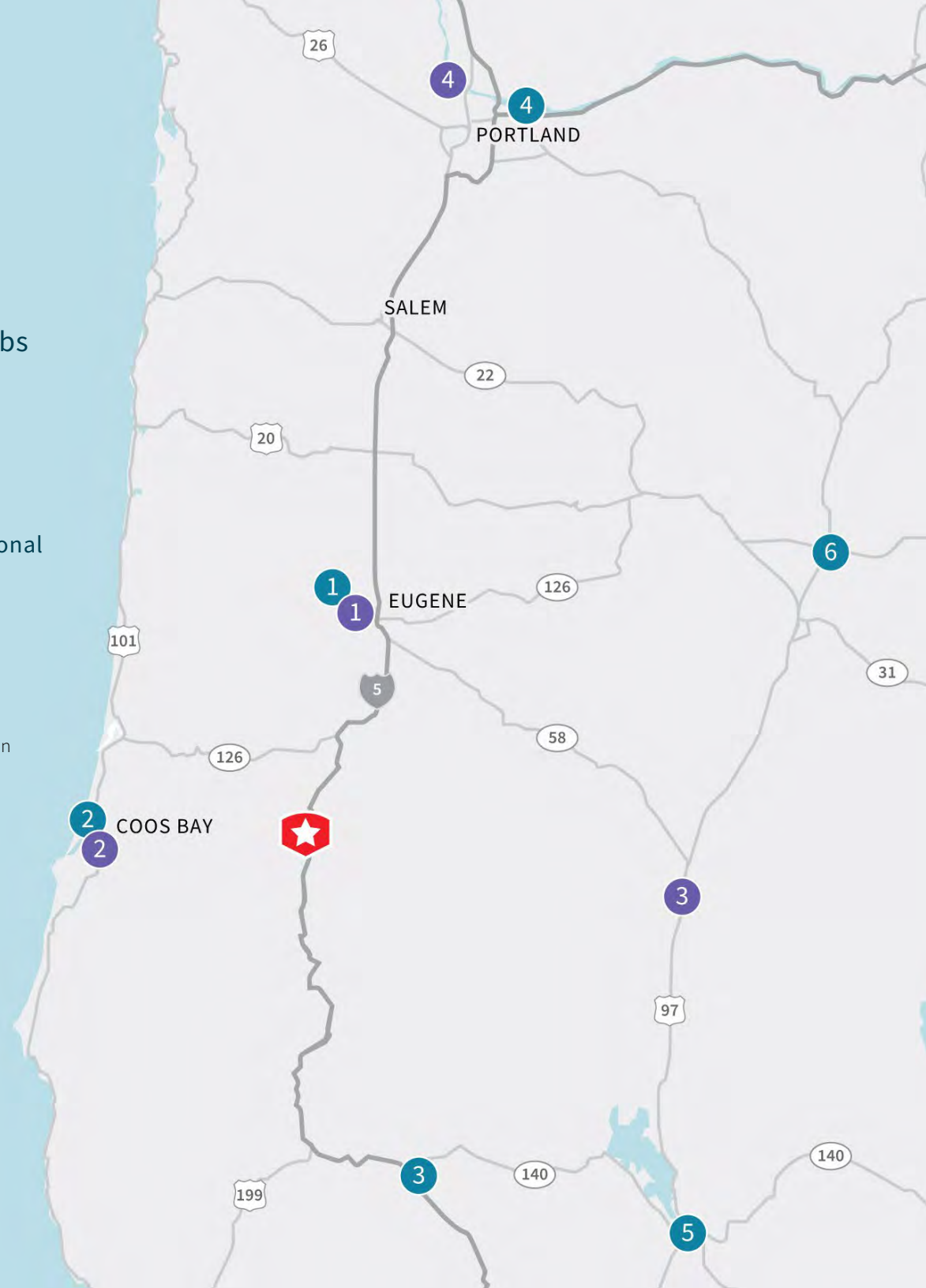
Connectivity

Airports

- 1 Eugene Airport
60 miles | 1 hr 6 min
- 2 Southwest Oregon Regional Airport
86 miles | 1hr 45 min
- 3 Rogue Valley International Airport
109 miles | 1 hr 42 min
- 4 Portland International Airport
176 miles | 2 hr 43 min
- 5 Crater Lake Klamath Regional Airport
188 miles | 3 hr 7 min
- 6 Redmond Airport
194 miles | 3 hr 15 min

Key freight hubs

- 1 Union Pacific Eugene Yard
64 miles | 1 hr 5 min
- 2 Oregon International Port of Coos Bay
87 miles | 1 hr 44 min
- 3 BNSF Chemult Station
121 miles | 2 hrs 15 min
- 4 Port of Portland
176 miles | 2 hr 45 min





Connectivity with the major cities on West Coast

Distances from the Property




Freeways and Highways


 **Interstate-5**
1 mile | 0 hr 0 min

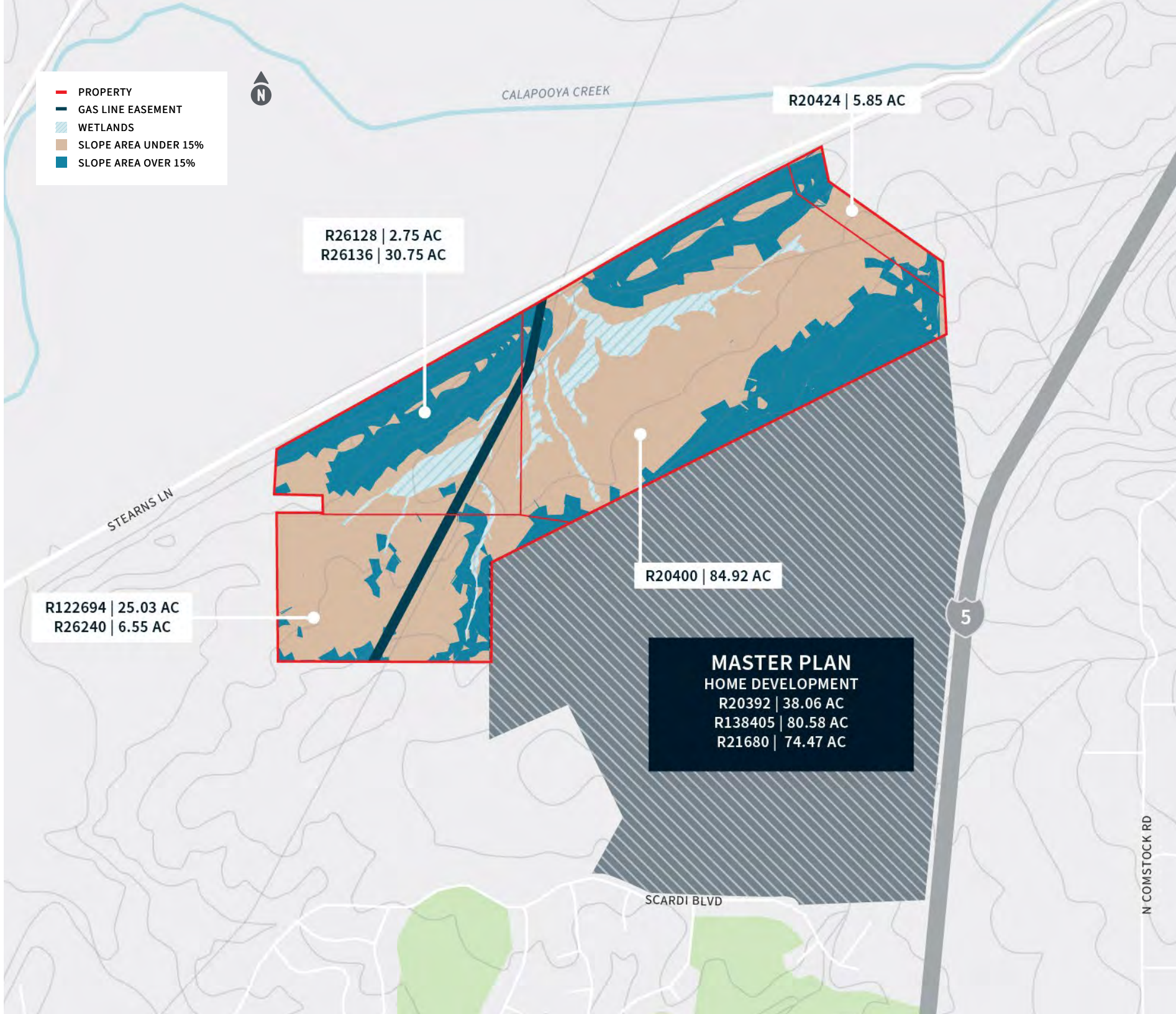
 **Oregon-138**
1.3 miles | 0 hr 17 min

 **Oregon-42**
24 miles | 0 hr 24 min

 **Oregon-38**
26 miles | 0 hr 28 min

 **Oregon-101**
40 miles | 1 hr 8 min

 **Oregon-97**
111 miles | 2 hr 5 min



Property information

| | |
|----------------------------------|---|
| Address (approximate) | 620 SW Stearns Lane, Sutherlin, OR 97479 |
| Coordinates | 43.406825, -123.345290 |
| Parcel # | R20400, R20424, R26136, R26128, R122694, R26240 |
| Land (Gross Acreage) | 155.85 AC |
| Buildable Acreage | 123 AC* |
| Zoning | M2 (General Industrial) |
| Enterprise Zone | Yes |
| Electric Utility Provider | Douglas Electric Cooperative |
| Natural Gas Utility | Avista Roseburg |
| Water / Sewer | City of Sutherlin |
| Site Constraints | Wetlands, Gas Pipeline** |

*Please reference Page 10 of the OM and StearnsLane_Wetland_Delineation_Report_.pdf in the Virtual Deal Room for more information on the wetlands and proposed mitigation strategy.

**Please see Page 8 of the OM for the wetland locations.



Zoning summary



Site zoning

M2 (General Industrial)



Permitted uses

- Heavy manufacturing and assembly
- Processing of raw materials
- Light manufacturing
- Warehouse and Distribution
- Telecommunication centers, including wireless



Max height

Buildings should not be more than three stories or 35 ft in height*

*The allowable building height may be increased to 60 ft when approved as part of a conditional permit.



FAR

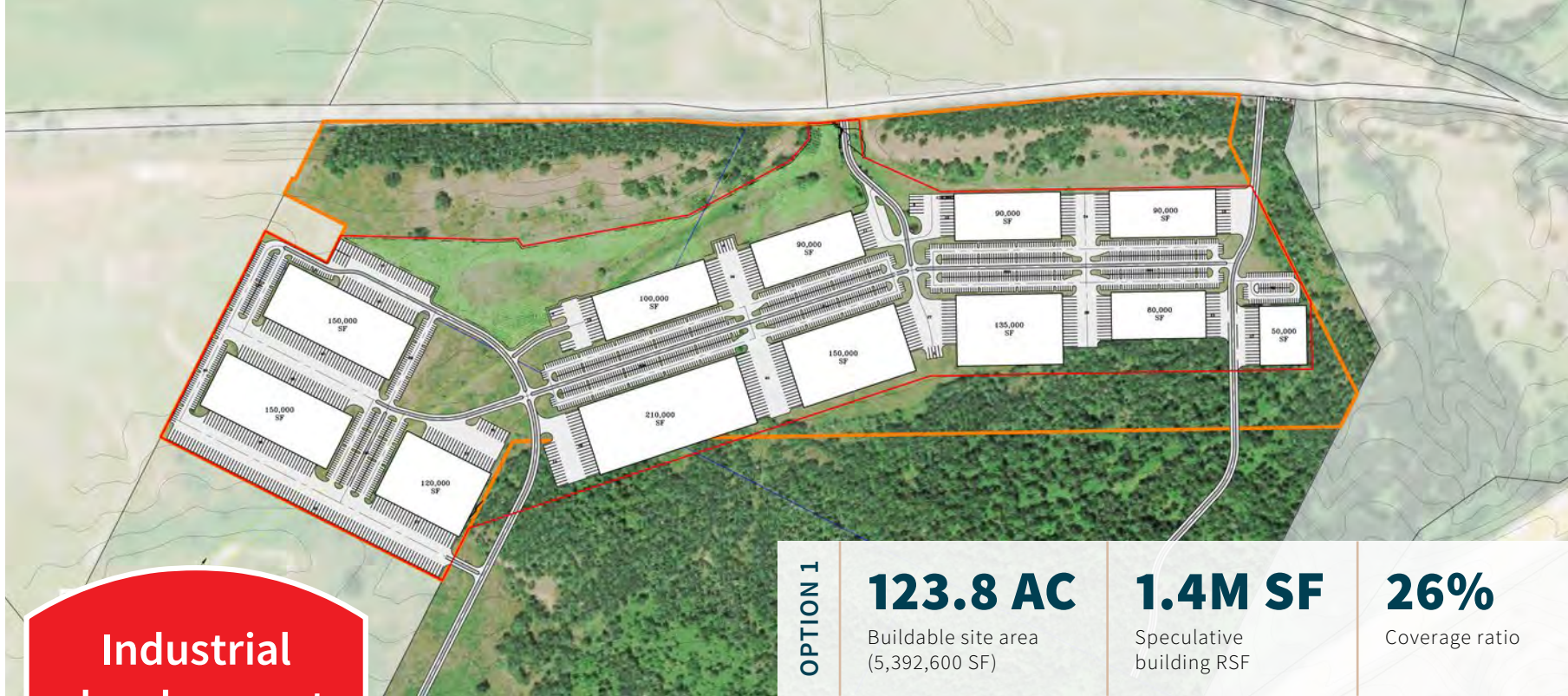
80% maximum lot coverage



Parking requirements

One parking stall per 700 SF

Industrial development potential



OPTION 1

123.8 AC

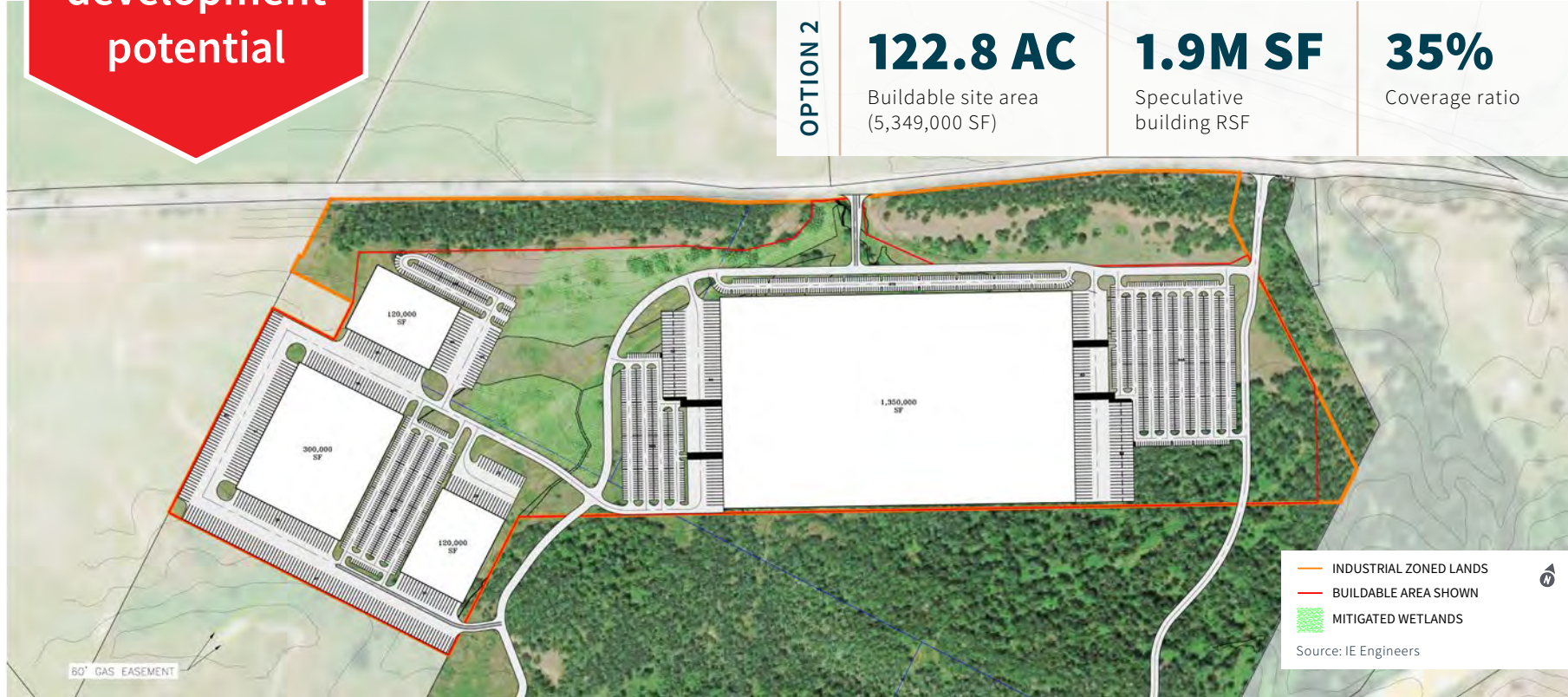
Buildable site area (5,392,600 SF)

1.4M SF

Speculative building RSF

26%

Coverage ratio



OPTION 2

122.8 AC

Buildable site area (5,349,000 SF)

1.9M SF

Speculative building RSF

35%

Coverage ratio

60' GAS EASEMENT

- INDUSTRIAL ZONED LANDS
- BUILDABLE AREA SHOWN
- MITIGATED WETLANDS

Source: IE Engineers

Lack of comparable industrial sites of scale

Sutherlin Industrial Park represents one of the single largest available industrial development sites along I-5 and one of the few available across the entire Pacific Northwest. Only a few sites along I-5 are Shovel Ready Certified and have the same combination of size, zoning, accessibility, and capacity to accommodate a single, large-scale industrial project like Sutherlin Industrial Park.

Eugene industrial market overview

Market dynamics

Eugene industrial space serves tenants across various industries, including manufacturers, distributors, and forest product processing companies. Major local players are Rears Manufacturing, a producer of agricultural equipment; Murphy Hardwood, a softwood, hardwood, plywood, and veneer processor. Columbia Distributing, a regional beverage distributor, True Value Hardware, International Paper Co., and Weyerhaeuser are also present.

Annual net absorption equals -24,000 SF versus the ten-year average of 260,000 SF. Some smaller move-outs of late have contributed to the light reading. Nonetheless, vacancies sit at 0.5%, well below historical averages. Eugene entered the pandemic with limited industrial development. No post-recession delivery has reached 100,000 SF in size. The largest deliveries of the past decade are owner-occupied or build-to-suit.

Source: CoStar Market Research, 2023

Currently, there are no major projects in the pipeline, but historically, around 78,000 SF is underway at any given time. Overall, industrial inventory has increased by 540,000 SF or 1.8% in the past decade. Developers have started recognizing opportunities in this market, and speculative construction activity has responded at a measured pace as a result. The Parkway Industrial Center in West Eugene is a five-building asset developed by Lanz Cabinets, which occupies one of the warehouses. The park buildings feature a concrete tilt-up design with 24' clear heights.

In response to little added supply, rent growth remains robust, with more gains projected over the next few quarters. Year-over-year gains amount to 6.4% versus the national performance of 10.3%. Cumulative rent gains over the past decade are around 75.4%, which slightly trails the national figure of 84.5%.

Eugene industrial market overview, continued



31M
Inventory SF



0.5%
Overall vacancy

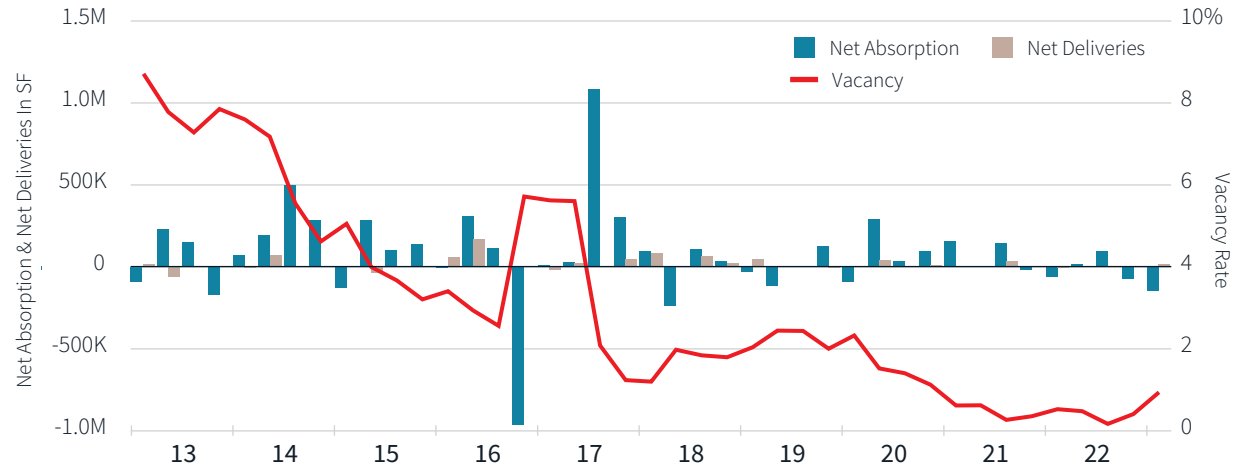


\$0.75
PSF NNN
market rent

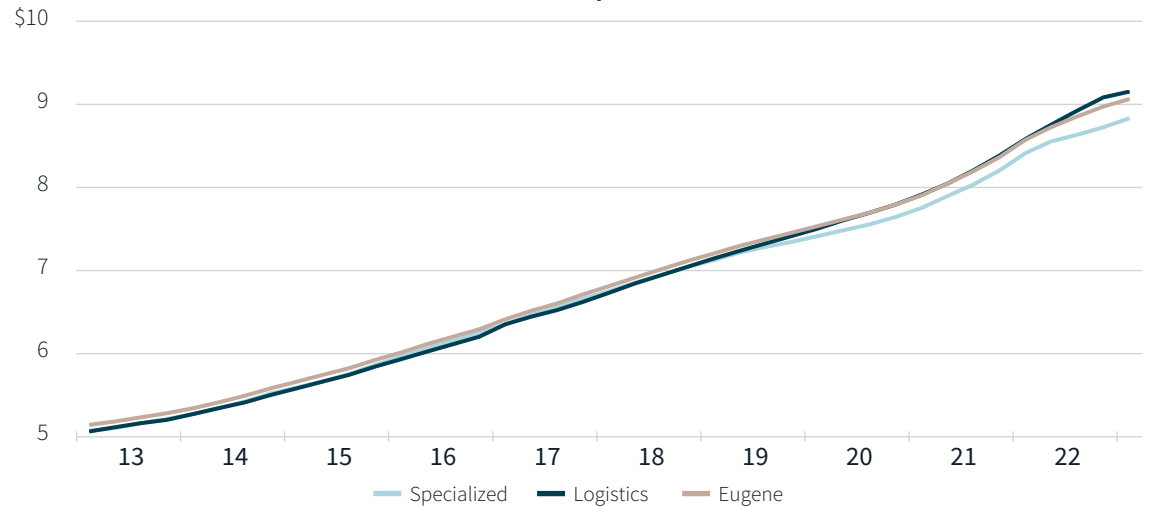


7.3%
Overall YoY
rent growth

Net absorption, net deliveries and vacancy



Market rent per SF



Source: CoStar



| | | | |
|--------------------------------|--|-------------------------------------|--|
| ARCIMOTO INC 156,630 | MURPHY 280,000 & 194,466 SF | <i>Anheuser-Busch</i> 199,468 SF | <i>GloryBee</i> 150,000 SF |
| CORNING 1,191,293 SF | ThermoFisher SCIENTIFIC 138,396 SF | COACH GLASS 118,048 SF | PakTech 139,036 SF |
| 149,974 SF | Weyerhaeuser 208,063 SF | 100,514 SF | BI-MART 138,574 & 183,973 SF |
| GENSCO 100,000 SF | SNOTEMP 225,406 SF | STATES 201,925 SF | MCDONALD WHOLESALE 106,346 SF |
| | ASTEC 130,000 SF | | NORTHWEST HARDWOODS INC 113,713 SF |

| | |
|---------------------------------------|---|
| PARR LUMBER 200,000 SF | REARS MFG CO 335,00 SF |
| KINGSFORD 215,593 SF | <i>TrueValue</i> 499,573 SF |
| INTERNATIONAL PAPER 556,872 | ATTUNE FOODS 100,835 & 103,500 SF |
| <i>Franz</i> 160,000 SF | BIGFOOT BEVERAGES 190,000 SF |
| COSMOS CREATIONS 154,000 SF | RICHARDSON 136,253 SF |

PACIFIC OCEAN

BARVIEW

BANDON

LANGLOIS

GOLD BEACH

FEDEX
100,000 SF

HARBOR WHOLESALE
100,000 SF

MURPHY
164,532 SF

SOUTH COAST LUMBER CO
190,000 SF

Boise Cascade
133,600 SF

EUGENE



CRESWELL

LORANE

LATHAM

ELKTON

ASH

KELLOGG

RICE HILL

Weyerhaeuser
140,627 SF

WINSTON

Orengo COMPOSITES
133,600 & 171,000 SF

INGRAM INDUSTRIES, INC.
344,714 SF

CAMAS VALLEY

MYRTLE CREEK

COW CREEK

GLENDALE

SHADY COVE

TILLER

elementia materiales
144,500 SF

Amy's
150,000 & 350,000 SF

CUTTING EDGE SOLUTIONS
119,400 SF

CAMCO
133,600 SF

WILDERVILLE

MEDFORD

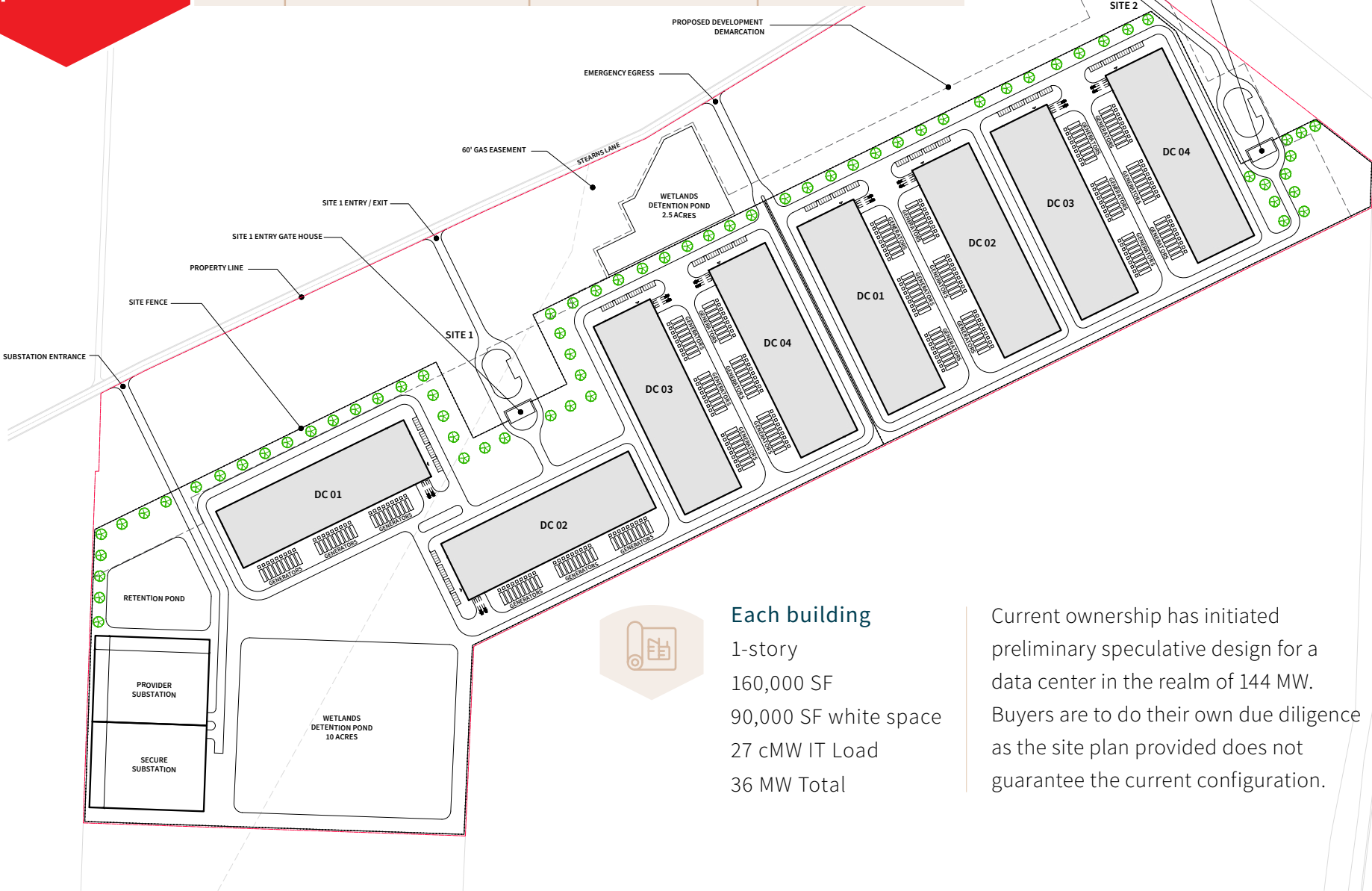
Sutherlin Industrial Park | 13

Major distribution centers in the vicinity



Data center development potential

| | | | |
|---------------------|---|-------------------------------|------------------------------------|
| TOTAL CAMPUS | 1.28M SF Speculative building RSF | 1.75K SF Substation | 188 MW Speculative power |
|---------------------|---|-------------------------------|------------------------------------|



Each building
 1-story
 160,000 SF
 90,000 SF white space
 27 cMW IT Load
 36 MW Total

Current ownership has initiated preliminary speculative design for a data center in the realm of 144 MW. Buyers are to do their own due diligence as the site plan provided does not guarantee the current configuration.

Connectivity

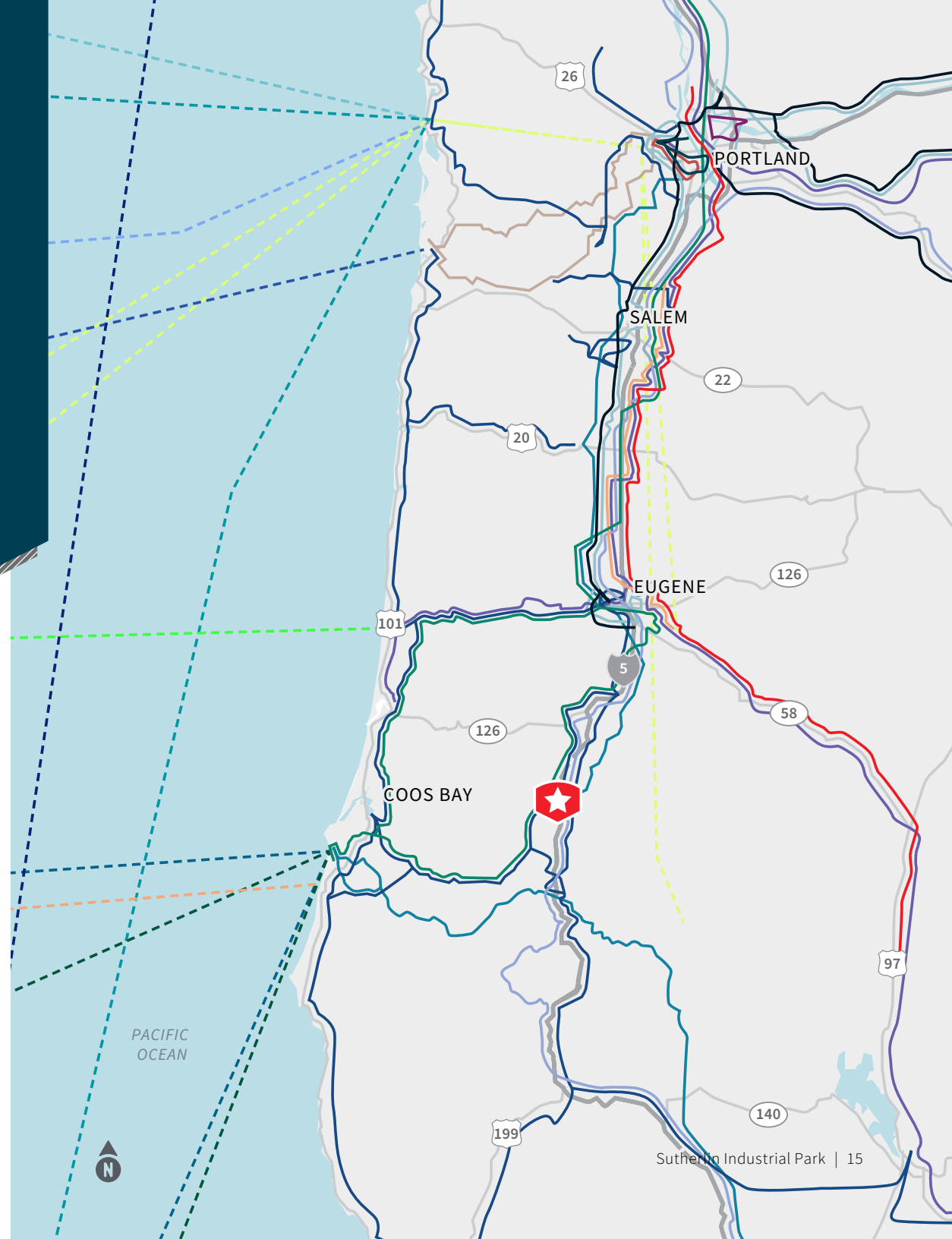
The Property is within close proximity to low latency connection available from several providers with multiple underground and above ground dark and lit fiber pathways and less than a mile away from long haul networks running south to California and north to Washington state by way of Portland.


Subsea

- CUCN
- TPC-5CN
- HAWAIIKI
- TGN TRANSPACIFIC
- ALASKA UNITED - EAST
- PC-1
- TRANS-PACIFIC EXPRESS
- SOUTHERN CROSS
- AKORN ALASKA-OREGON
- FASTER

Long haul

- TELIA
- COASTCOM
- SPRINT
- ELECTRIC LIGHTWAVE
- ZAYO
- LS NETWORK
- CENTURYLINK
- LUMEN
- SYRINGA NETWORKS LEASED
- NOEL COMMUNICATIONS
- HUDSON FIBER LEASED
- INTEGRA
- WINDSTREAM
- LUMEN (TWT)





Data center development

With Intel's headquarters in Hillsboro and some of the largest technology companies expanding their footprints in the region, the Pacific Northwest hosts one of the world's largest cloud and SAAS communities. The Pacific Northwest market has experienced unprecedented growth in 2022 with a record setting pace of 213 MW of positive absorption and strong indications of increased demand for colocation space in the Pacific Northwest. The increase in data center activity by hyperscale operators in Central Oregon and the tremendous growth in colocation operators in the Portland area are directly correlated to the sustained expansion of the telecommunications industry, which thrives in Oregon and shows no signs of subsiding.

Investors and hyperscale owner-users have the unique opportunity to transform the Project's attractive intrinsic data centric attributes, access to fiber and abundant, clean power, structural integrity through tilt-up concrete construction, and substantial slab-to-slab heights into a best-in-class data center or colocation facility upon lease expiration.

Source: JLL Research

Why data center?



Supply

Supply of available colocation product is diminishing rapidly as large users continue to enter the Pacific Northwest or expand—primarily major technology firms. The majority of the product under construction is pre-leased.



Record low vacancy leads to increasing rates

The vacancy rate continues to decline and sits at 4.7%, a record low. Lack of supply has begun to increase rental rates and there is a lack of available small deployment opportunities in the Pacific Northwest market.



Demand

The Pacific Northwest nearly doubled the 2021 record absorption of 108 MW in 2022, setting a new all-time high. There is an additional 216 MW of planned capacity across the market, highly concentrated in Hillsboro.



Data centers going green

Sustainability and green initiatives are growing mandates for businesses across the globe and in commercial real estate, especially in data centers. While it is not intuitive to think about the carbon footprint of data, data lives in data center facilities where massive amounts of power are consumed.

Outlook for providers

- There are very few development opportunities left in core markets.
- Power procurement is challenging due to high demand.
- Look to other markets for developable large-scale power sites.

| PNW supply and demand | | |
|-----------------------|-----------|-----|
| Supply | SF | MW |
| Inventory | 3,791,058 | 588 |
| Vacant | 184,739 | 28 |
| Under construction | 1,165,156 | 201 |
| Planned | 1,225,505 | 213 |
| Demand, YE | | |
| Net absorption (MW) | | 213 |

Outlook for users

- There is very little commissioned supply available.
- Tough negotiations for smaller users given the amount of large ones.
- Low vacancy and increasing construction costs have not yet had any upward pressure on rent.

| Rental rates (\$) | Low | High |
|-------------------|-------|-------|
| Sub 250 kW | \$185 | \$205 |
| 250 kW-1 MW | \$95 | \$120 |
| 1-5 MW | \$90 | \$110 |
| 5 MW+ | \$80 | \$100 |

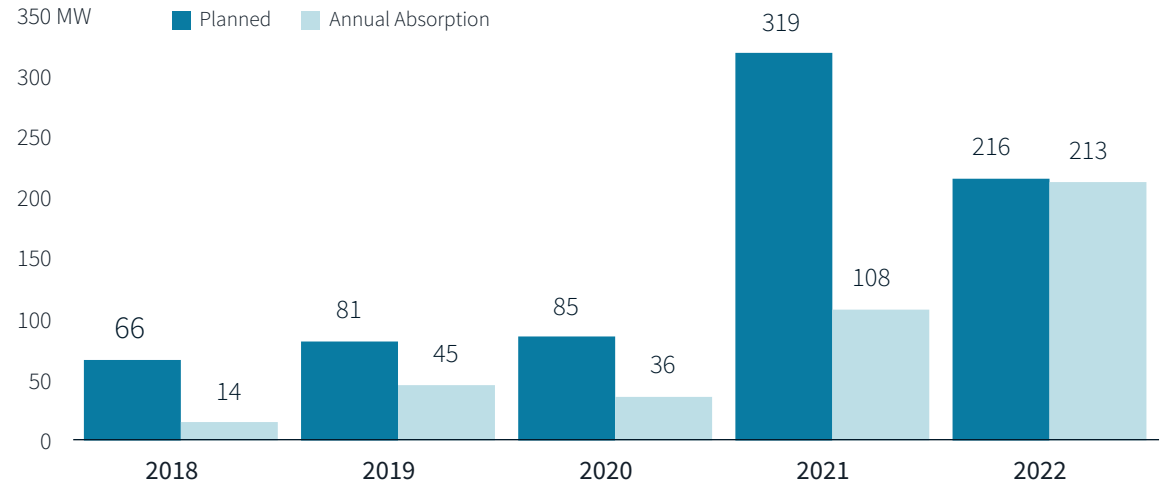
Data center leverage

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| User favorable market | User favorable market | User favorable market | User favorable market | User favorable market | User favorable market |
| Provider favorable market | Provider favorable market | Provider favorable market | Provider favorable market | Provider favorable market | Provider favorable market |
| Neutral market | Neutral market | Neutral market | Neutral market | Neutral market | Neutral market |

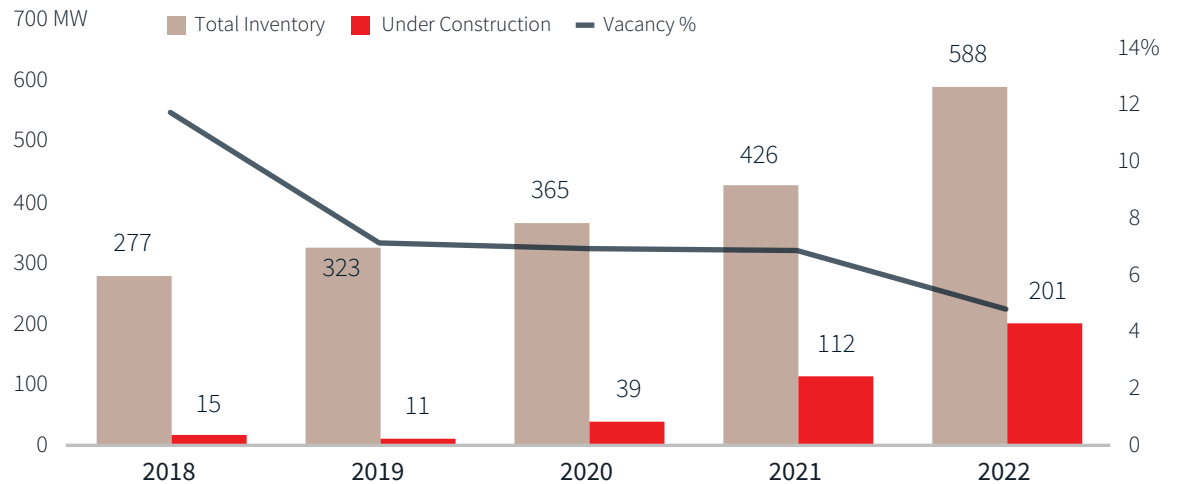
- User favorable market
- Provider favorable market
- Neutral market

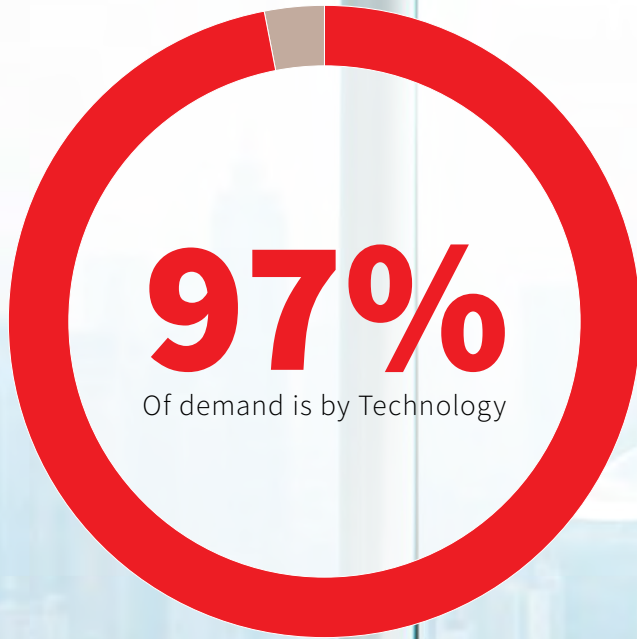
Sources: JLL Research, Coastcom, Wave, Site Selection Group, CoStar, Data Center Frontier

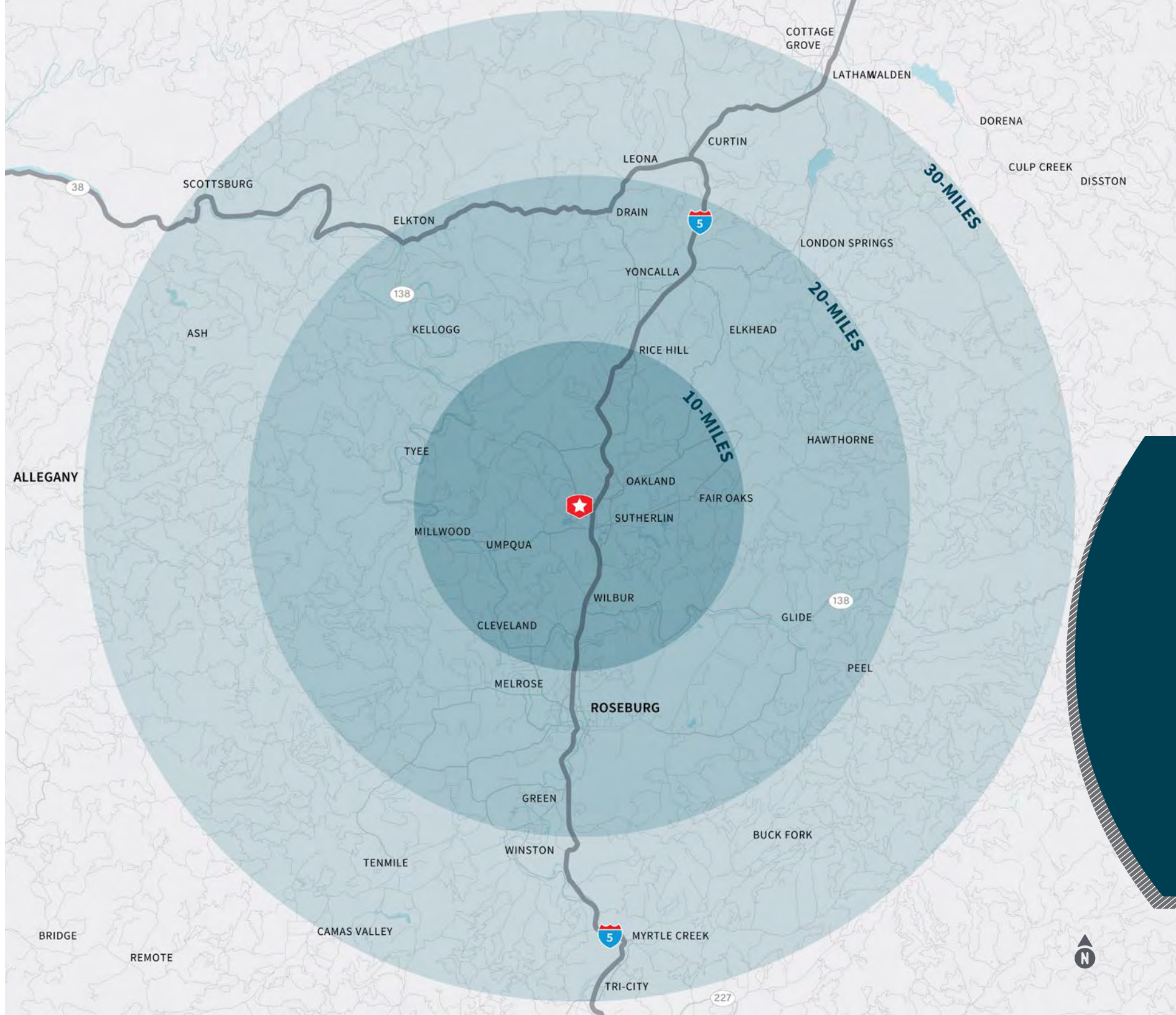
Total planned and absorption (MW)



Available inventory by deployment size







Sutherlin, Oregon

Sutherlin is situated at the heart of the Hundred Valleys of the Umpqua in scenic Southern Oregon. 67 miles south along Interstate 5 is the state's second-largest city, Eugene, and 124 miles further south is the California border. Traveling by State Highway 38/138 or 42, Sutherlin is about 70 miles inland from the Pacific coastal communities of Reedsport and Coos Bay.

Highway 138 continues east from the city along the North Umpqua River. It is about 90 miles to Diamond Lake at the summit of the Oregon Cascades and just 20 miles more to Crater Lake National Park. The region enjoys a temperate climate and is host to a burgeoning agricultural industry whose primary output is lumber and serves as the biggest timber industry in the state.

DEMOGRAPHICS



| | | 10-miles | 20-miles | 30-miles |
|------------|---------------|----------|----------|----------|
| Population | 2022 | 22,383 | 79,878 | 101,753 |
| | 2027 forecast | 22,611 | 80,133 | 102,143 |



| | | 10-miles | 20-miles | 30-miles |
|-------------|--------------|----------|----------|----------|
| Labor force | White collar | 51.4% | 59.4% | 56.6% |
| | Blue collar | 26.4% | 24.1% | 27.4% |
| | Services | 22.2% | 16.6% | 16.0% |

Source: ESRI



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