

RARE DATA
CENTER EXPANSION
OPPORTUNITY AT
THE CENTER OF
TELECOMMUNICATIONS
CONNECTIVITY IN THE
PACIFIC NORTHWEST

UnionBank TOWER



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



707 SW WASHINGTON ST, PORTLAND, OREGON 97205



The offering

Jones Lang LaSalle, Inc. (“JLL”), as exclusive advisor, is pleased to present the opportunity to acquire the 100% fee simple interest in Union Bank Tower (the “Property”). Union Bank Tower is an iconic 180,735 square foot office and data center asset located in the West End of Portland’s Central Business District. The Property sits just one block from Portland’s Internet Exchange (Pittcock Block), which is **one of only two primary Internet Exchanges for the entire Northwest** and traded for nearly \$1,100 per square foot, a high watermark for Portland, in late 2020. In addition, Union Bank Tower is located across the street from the CenturyLink building, Portland’s main switching facility, and just one block from the AT&T building, Oregon’s major legacy long distance switching facility. The Property is currently home to **12 fiber-optic carriers**, with a total of **15 existing data center tenants** exchanging data in its Meet-Me-Room (the “MMR”). Several notable companies, including **Verizon, AT&T, Comcast, Lumen (CenturyLink), Zayo Group, and Cogent Communications**, are among the current tenants that make use of server space at the Property. Investors will have the ability to add immediate value by exponentially expanding the Property’s existing data center footprint; 10th floor (Phase I), Parking Level D (Phase II), and Ground floor / Mezzanine (Phase III).



2 MW

Current
power capacity

+3-5 MW

Additional future
power capacity



12

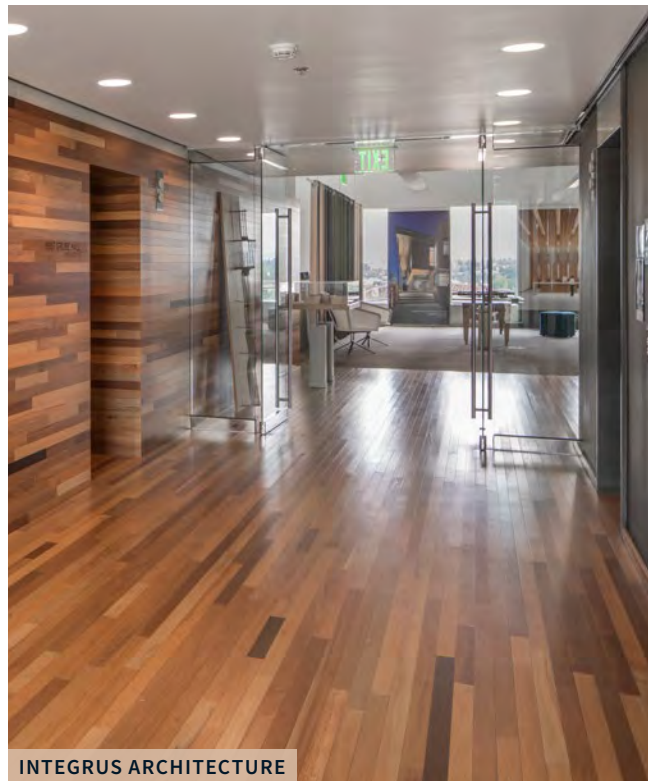
Fiber
entries



Opportunity
Zone



MEET-ME-ROOM



INTEGRUS ARCHITECTURE

Regionally, Portland has become a strategic location for connectivity between San Francisco and Seattle, while globally, Portland offers **low latency** to the Midwest, East Coast, Asia Pacific, EMEA, and Latin America. The most used and commercialized north / south long-haul fiber routes that connect Portland to Seattle and San Francisco originate at Union Bank Tower. As the **critical network junction for Portland**, Pittock Block and Hillsboro are downstream extensions and dependent on interconnection to Union Bank Tower for access to most carrier **long-haul routes and subsea cables**. With a paired investment strategy into colocation and local cross-connect model at Union Bank Tower, the Property has the potential to be **the interconnection hub and Super PoP of Portland**. The Property will benefit significantly from a new Mox Networks fiber build that directly connects Union Bank Tower to the Hillsboro Data Center Fiber Ring. Additionally, Hillsboro, OR – located 18 miles to the west of the Property – is **one of the fastest growing data center submarkets in the world**, further fueling the growth in Portland.

Situated in Portland's Central Business District, Union Bank Tower is at the epicenter of the dynamic West End neighborhood – Portland's destination for food, design, hospitality, art, culture, technology, and business. Located in close proximity to the Property are the Ritz Carlton development and 11W, two trophy mixed-use assets with excellent amenities and high-street retail. The CBD is home to satellite offices of some of the largest technology companies in the world. Technology companies benefit being located as close as possible to the technology giants that dominate the public cloud environment, which ensures continued demand for data center and office space in the growing cloud and software service industry.

Currently 75.1% leased to 18 office tenants, Union Bank Tower presents a rare opportunity to acquire an iconic CBD office tower with unique locational attributes and fiber connection capabilities in one of the **fastest growing data center markets in the country**.

Property characteristics

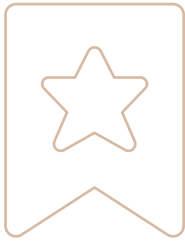
Address	707 SW Washington St., Portland, Oregon 97205
Parcel number	R246453
Year built / renovated	1969 / 1980 / 2012
Gross square feet	180,735 SF (excluding parking SF)
Number of office tenants	18
Number of telecom tenants	15
Occupancy	75.1%
Stories	15 + penthouse
Land area	40,000 SF / 0.92 AC
Elevators	9 total (1 freight, 8 passenger)
Elevator capacity	Freight: 4,000 pounds Passenger: 3,000 pounds
UPS redundancy	N+1
Fiber entries	12
Current parking	343 spaces (1.90 / 1,000 SF)*
Fire suppression	Partially sprinklered
Slab-to-slab heights	Typical tower floor: 13'-6" Level D: 13'-0" Main floor: 32'-10 ½"
Generators	(5) diesel / natural gas
Generator capacity	2,210 kW

* Parking stalls reduced to 249 as a result of data center construction plan resulting in a revised parking ratio of (1.38 / 1,000 SF).



Opportunity Zone

Situated in a Qualified Opportunity Zone (QOZ), investors can benefit from a deferral on current capital gains and are exempt on future capital gains related to the QOZ investment. Furthermore, any capital used for extensive data center improvements could **double the basis** of improvements allowing for further tax deferral of capital gains.



Rare data center reposition opportunity

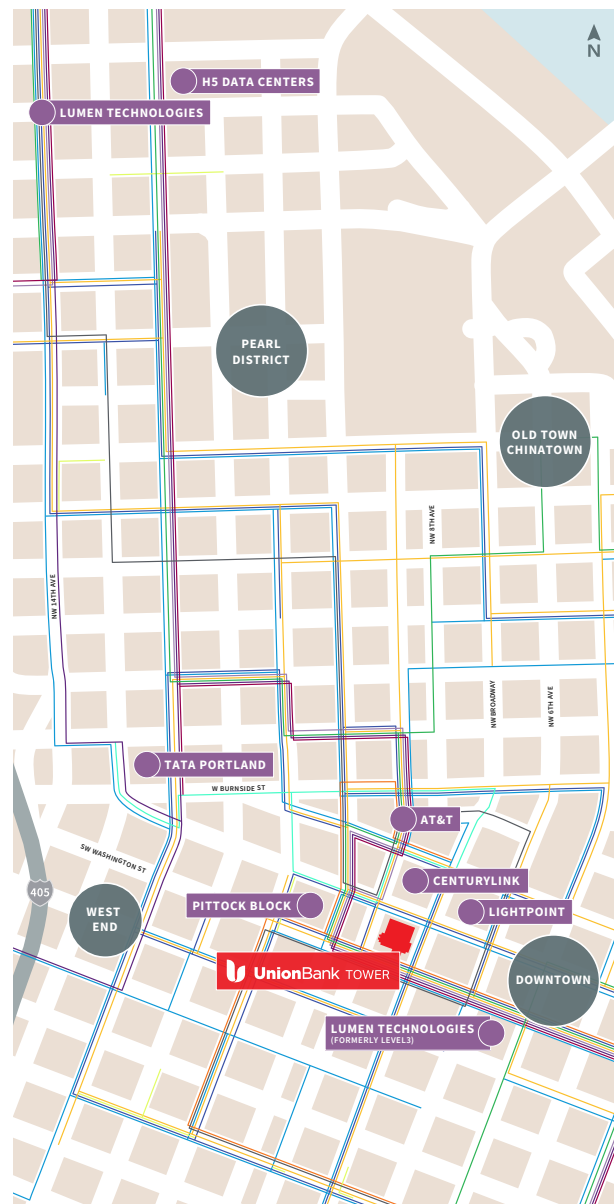
Union Bank Tower is a 15-story core Portland property with rare connection capabilities, providing a unique opportunity to create additional data center and telecommunications space.

Portland Super-PoP potential

Union Bank Tower is the key point of origination and termination of two key long-haul fiber routes, the Joint Trench and FTV Build. There are four major fiber entries in the parking garage of Union Bank Tower with CenturyLink (Lumen), Verizon, Zayo and Mox Networks owning physical long-haul fiber cable assets that originate in Union Bank Tower and an additional six carriers with long-haul fiber pairs. Pittock Block, the current primary internet exchange for the Portland Region, is located one block from Union Bank Tower, and is “downstream” of Union Bank Tower within the **network design for the region, with all usable long-haul routes converging at Union Bank Tower**. This creates an opportunity to provide equal to superior latency and connectivity for tenants located within Union Bank Tower and the potential to become an interconnection hub and Super-PoP of Portland with a dual Connectivity and Colocation Strategy. In order to capitalize on this potential, the next owners of Union Bank Tower will need to focus on in-building fiber management and local fiber management to a central MMR and Colocation Facility within the Property. This includes a dark fiber route from Hillsboro to Union Bank Tower to facilitate cross connections with the Hillsboro Fiber Ring and a direct connection from Pittock Block’s existing MMR to Union Bank Tower MMR to attract additional tenants. Additionally, the NWAX, located in Pittock Block, is the largest peering exchange between San Francisco and Seattle. Extending NWAX routers to Union Bank Tower via the established duct / fiber connections as part of the expansion plans will help attract other content and eyeball peering routers to the Property.

Fiber connection

- Data center / Switch facility
- | | | |
|---------------|-----------------------|------------------------|
| ● Hibernia | ● Wave Business | ● LS Network |
| ● CenturyLink | ● Windstream | ● Zayo |
| ● Level 3 | ● Western Independent | ● Electric Lightwave 1 |
| ● Telia | ● Integra | |



Elevate a landmark CBD tower

■ Data center expansion

ROOF

Protected line of site upside plus space for added mechanical equipment

PITTOCK
BLOCK
BUILDING

10TH FLOOR

Data center expansion
5,973 SF shell suite
Up to 112 cabinets with
560 kW critical IT load

CENTURYLINK
BUILDING

PARKING GARAGE (LEVEL D)

Data center expansion
Up to 486 cabinets
2.62 MW critical IT load

5TH FLOOR

Existing Meet-Me-Room
Existing data center
with 18 cabinets

GROUND FLOOR & MEZZANINE

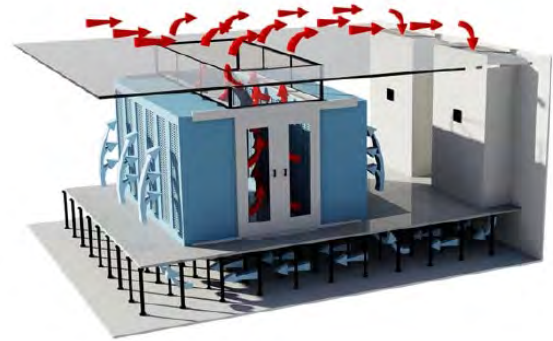
Data center expansion
Up to 421 cabinets with
2.27 MW critical IT load



Data center expansion

Current MMR and colocation facility

Today, Union Bank Tower is home to a carrier-focused MMR with copper, DS1, DS3, and fiber-optics connections. The MMR contains 208 cross-connects with the capacity for 966 cross-connects based on in-place panels. The colocation space is focused on carrier interconnection with a very limited retail component. There is a significant amount of vacant space within the existing MMR to add additional panels and the physical space of the 5th floor MMR can be expanded in the future. The number of cross connections will not be constrained by the space available at Union Bank Tower and based on other internet exchanges along the West Coast, there is a potential for thousands of new cross connections from carriers and tenants that deploy within the new colocation environment.



BASIS OF DESIGN FOR HOT AISLE CONTAINMENT SYSTEM.
COURTESY OF TATE CONTAINMENT SYSTEMS

208

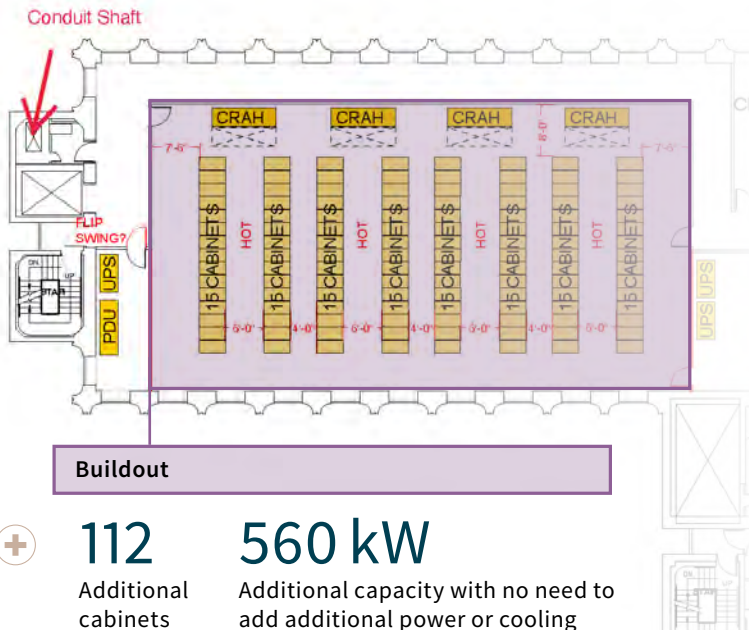
Existing
cross-connects

966

Potential
cross-connects

Based on currently
installed panels

PHASE 1: PROPOSED 10TH FLOOR



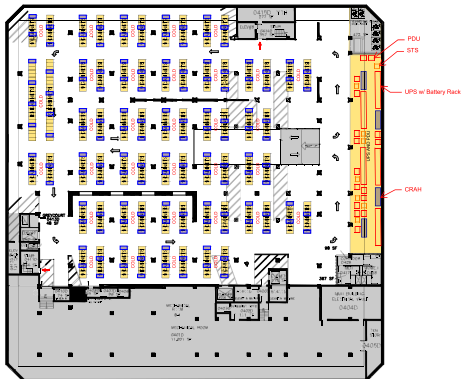
Phase 1:

Plug and play colocation expansion potential

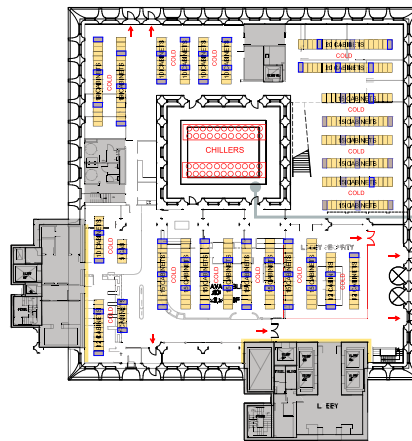
The 10th floor of Union Bank Tower presents the opportunity for immediate colocation expansion of up to 112 cabinets or 560 kW.

Previously occupied by Verizon, who relocated within the Property, the potential expansion space has convenient access to the freight elevator and existing conduit shaft to the MMR, making it the easiest space in the Property to repurpose as a modern data center.

PHASE 2: PROPOSED LEVEL D



PHASE 3: PROPOSED GROUND FLOOR / MEZZANINE



Phase 2 and 3:

Colocation expansion potential

Hillsboro subsea traffic and data center connect customers require a place to land their ever-growing traffic needs. Connectivity is typically the most important factor in site selection, while the cost of colocation usually far exceeds the cost of interconnectivity for prospective tenants. With improvements to the fiber management of the building, Union Bank Tower can offer the required interconnectivity that will attract colocation tenants that need to route data within the local Portland region and beyond. With the

addition of power and cooling infrastructure, there is an opportunity to expand the colocation business to the remainder of the 10th floor and future expansions in the Level D parking garage and Ground floor spaces, which will lead to exponential growth in the colocation and MMR associated revenue for the Property. The improvements to Union Bank Tower will create a new primary internet exchange for Portland and the growing Hillsboro data center market.

Electrical power source potential

Union Bank Tower's current utility capacity of 2 MW via three (3) 1,000 kVA three phase 277 / 480-volt transformers **designed in an N-1 configuration** is sufficient for the Phase I expansion on the 10th floor. In addition, ownership has received approval from Pacific Power to obtain an additional 3-5 MW of power for future data center expansions. The completion of **converting the entire 10th-floor into colocation space** will be powered by the addition of a 4th transformer in the existing electrical vault*. Parking level D and Ground floor / Mezzanine data center expansions (Phases II and III) will require the installation of a new vault containing 6 transformers which will provide an additional 3-5 MW of power**.

*Installation timelines vary depending on whether Pacific Power has the equipment in stock. Investors should assume a minimum of 6 months from the date of request.

**Per Pacific Power System Impact Study dated 10/8/2021. Investors should assume a minimum of 12 months from the date of engagement with Pacific Power for the upgrade of electrical service to occur.



LEVEL D MECHANICAL ROOM



GENERATOR



3-5 MW

Current ownership has submitted an application to the utility provider, Pacific Power, to add significant amounts of new power supply to the Property.



Demand drivers

The Pacific Northwest remains a top destination for corporations looking for data center space given its robust telecommunication infrastructure, low-cost clean power, favorable tax structure, and technology industry base. Nationally, the Pacific Northwest was the third strongest data center market in 2023. With Intel's headquarters in Hillsboro and some of the largest technology companies expanding their footprints in the region, the Portland metro area hosts one of the world's largest cloud and SAAS communities. The Hillsboro submarket experienced unprecedented growth in 2023 with a record setting pace of 159.0 MW of positive absorption in the second half of 2023 and strong indications of increased demand and supply

for colocation space in the Portland region. West Coast based technology corporations are responsible for at least 80% of new demand and there are several 30+ MW of users currently considering colocation options in Hillsboro. The increase in data center activity by hyperscale operators in central Oregon and the tremendous growth in colocation operators in Hillsboro has a direct correlation to increased demand for cross connections and colocation space at a central long-haul interconnection point for the Portland Region. **Union Bank Tower is a crucial network node for accessing long-haul and Hillsboro routes and is positioned to become the most important network hub in the Portland area.**



Unique rebranding opportunity

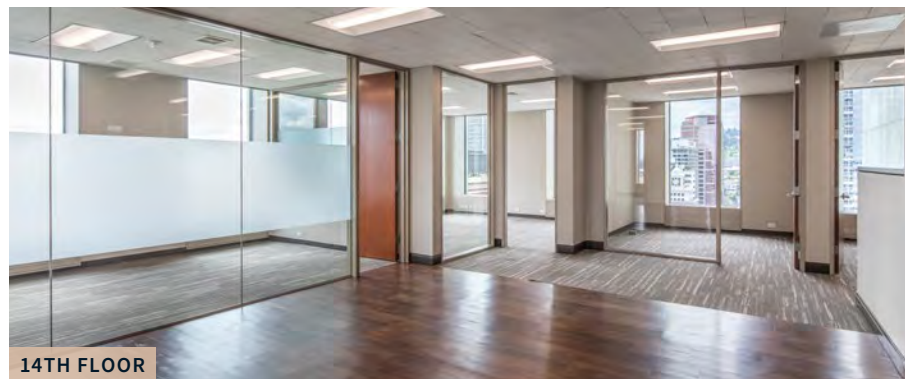
Union Bank Tower, formerly known as the Union Bank of California Tower and originally as the Bank of California building, is no longer the home to Union Bank on the Ground floor. As a result, investors will have the opportunity to rebrand the Property.



JLL secured website rights:
broadway-exchange.com

Applying marketing strategy to drive telecom users

Current ownership has succeeded in establishing Union Bank Tower as a competitive option to the Pittock Block. Union Bank Tower will benefit greatly from a knowledgeable and experienced data center owner that can market the colocation facility and office space to increase leasing revenue.



14TH FLOOR

Value-add office opportunity

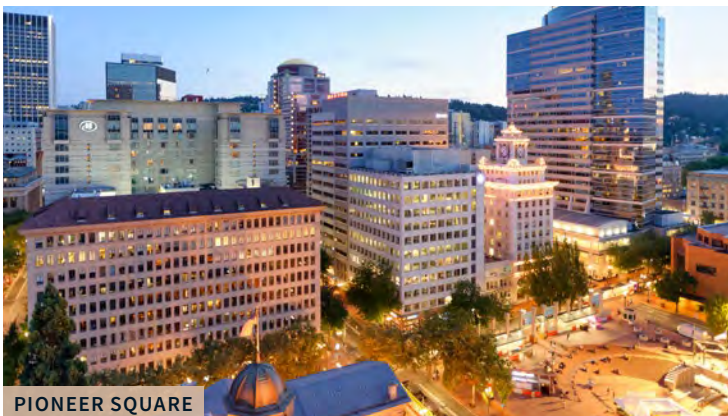
Built in 1969 and renovated in 2012, the Property is well-positioned for an investor to capitalize on existing vacancies and near-term rollover by marking rents to market through upgrading building finishes and performing speculative suite buildouts. Union Bank Tower offers office users an unparalleled location in the heart of Downtown Portland, above market on-site parking ratio, and an iconic, architecturally significant office option with great accessibility via bike, public transit, and comprehensive freeway network. In-place office rents at Union Bank Tower are $\pm 23\%$ below market, on average.



THE RITZ CARLTON



TRIMET LIGHT RAIL



PIONEER SQUARE

Prime location

Union Bank Tower is strategically situated in Portland's highly desirable West End of the Central Business District, between the South Waterfront and Portland's Pearl District, known for some of the city's top restaurant and nightlife destinations. Union Bank Tower is just a short walk from Pioneer Square, commonly known as "Portland's Living Room", surrounded by high street retail options, diverse dining options, and immediate access to Portland's world class transit system.

The West End neighborhood

The West End is Portland's destination for food, design, hospitality, art, culture, technology, and business. As a result, most major developments and repositions are occurring in the West End. Notable projects recently completed include the iconic Ritz Carlton and 11W, which have helped redefine the skyline, as well as the ongoing redevelopments of Pittock Block and Darcelle XV Plaza.

Nearby demographics



69%

Bachelor's degree or higher

ESRI



43%

Inbound movers 18-44 yr old

United Van Lines



119K

Average household income

Placer Labs



100

Walk score

97

Bike score

97

Transit score

PEARL DISTRICT

OLD TOWN CHINATOWN

WEST END

DOWNTOWN PORTLAND

Portland Saturday Market

WILLAMETTE RIVER

MORRISON BRIDGE

UNION BANK TOWER | JLL | 13



PARK AVENUE WEST

BLOCK 216 - RITZ CARLTON

560 SW 10th Ave
Portland, OR 97205

Delivered Q4 2023



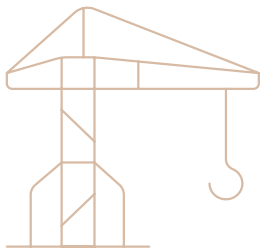
THE RITZ-CARLTON

35 stories
251 hotel rooms
138 condo units
158,000 SF premium office
10,724 SF retail
4.5 floors subterranean parking

FOX TOWER

**PIONEER
SQUARE**

 **UnionBank TOWER**



Nearby developments and internet exchange

Recently delivered within 3 blocks, The Ritz Carlton and 11W mixed-use developments have accelerated the neighborhood's evolution into a 18-hour destination, bringing new energy to the micro-market and improving an already desirable location. Located a block from the Property is Pittock Block, the city's primary telecommunications hub.

11W

1140 SW Washington St
Portland, OR 97205

Delivered Q4 2023

25 stories

213 units

116,000 SF premium office

7,900 SF retail

4 floors subterranean parking

PITTOCK BLOCK

921 SW Washington St
Portland, OR 97205

\$85M Expansion underway

8 stories

2 basement levels

184,893 SF office

19,334 SF retail

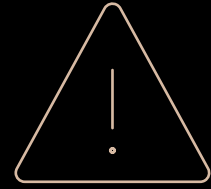
94,745 SF data center / telco

3,290 SF storage

DARCELLE XV PLAZA

Under construction

THE FOOD CART BLOCKS



*Zero square feet
of new office
developments
planned or under
construction.*

**Delivered in the
CBD since 2020**



987K

Office SF



2,300

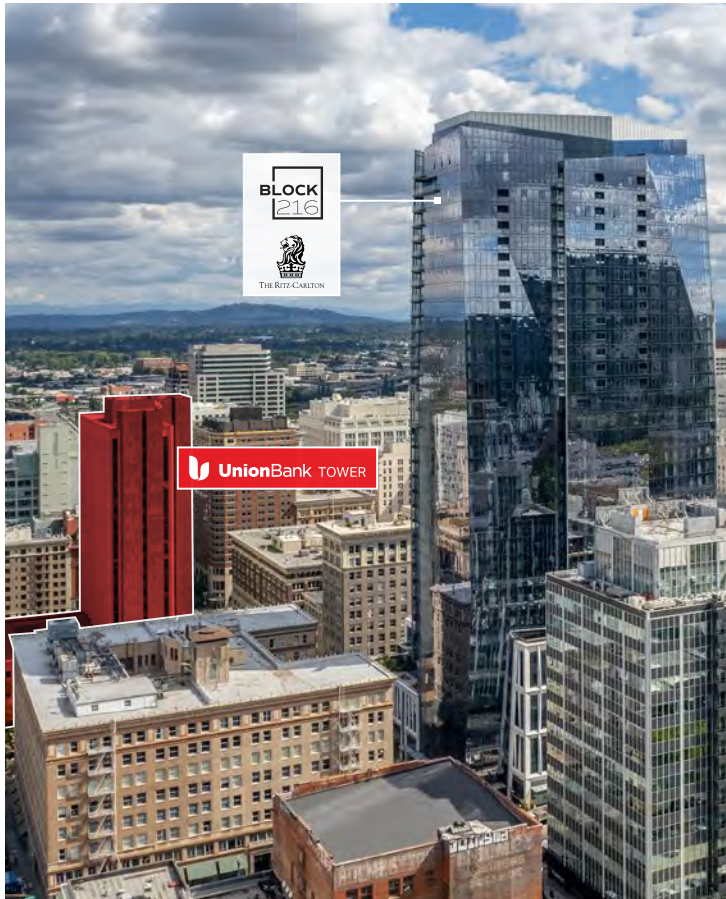
Hotel rooms



456

Multi-housing units

	The Ritz Carlton	11W
Office (SF)	158,000	116,000
Retail (SF)	10,724	7,900
Hotel Rooms / Units	251 hotel rooms 138 condo units	213 apt units
Stories	35	25
Parking	4.5 floors subterranean	4 floors subterranean



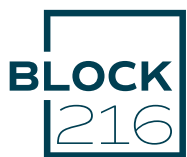
Block 216 / The Ritz-Carlton is a 35-story luxury mixed-use project located a couple of blocks from Union Bank Tower. Construction started in July 2019 and finished in Q4 2023.

The Ritz-Carlton Hotel and Spa - Portland's first 5-star hotel - features a full-service spa with treatment rooms, a salon, lounge areas, saunas, steam rooms, showers, and pools. Amenities include meeting spaces, an indoor pool, a fitness center, and a yoga studio. The 20th floor houses a renowned Ritz-Carlton restaurant, and residents have access to an outdoor terrace, bar, food hall, and lounge.

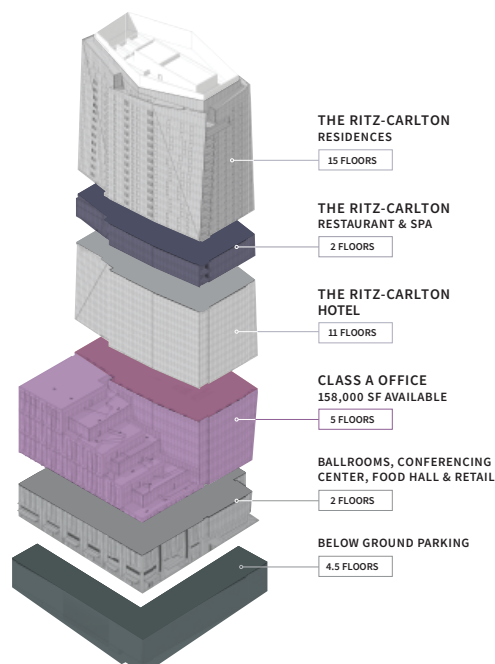
The building also offers 158,000 square feet of Class A office space across five floors. Office spaces have open floor plans with natural light, outdoor terraces, and city views. Four elevators are exclusively for office tenants.

The top floors have 138 co-branded residential condominiums with private amenities, including a lounge, fitness facility, and spa. A dedicated residential management team provides services. Condos feature high-end appliances, balconies, and luxurious finishes. Additionally, the entire 10,724 square feet of retail space has been leased to a new food hall and local luxury jeweler.

Nearby developments and internet exchange, continued



THE RITZ-CARLTON



Sources: GBD Architects, Next Portland

Block 216 leasing activity

Tenants	Leased SF	Floor
Davis Wright Tremaine	19,100	7
Banneker Partners	4,545	4

The Pittock Block

Built in 1913 and renovated in 2001, The Pittock Block stands as a significant mixed-use asset in Portland's Central Business District. With a total area of 302,262 square feet, this property holds great importance as a prime internet exchange hub on the West Coast. Notably, it accommodates renowned companies such as Amazon, Facebook, and Zayo, serving as a host to 16 fiber-optic carriers and 179 other service providers in its carrier-neutral Meet-Me Room, also known as the "MMR."

Portland's telecommunications landscape is further enhanced by The Pittock Block, as it is one of only ten internet exchanges across the nation. Consequently, this solidifies the city's position as a strategic telecommunications location, offering low latency connections to various regions including the Midwest, East Coast, Asia Pacific, EMEA, and Latin America. In a global perspective, it contributes greatly to low latency connections worldwide.

In 2020, Alco Investment Company went to market Pittock Block, which ultimately achieved a groundbreaking price of \$326,000,000 (\$1,097 per square foot). This transaction set a record high watermark value for the Portland area. Noteworthy deal metrics include an occupancy rate of 78% at the time of sale and an impressive initial yield of 3.91%. The current owners are well on their way to enhancing the property's value by making substantial investments in the data infrastructure of the site.

Sources: JLL



Nearby developments and internet exchange, continued



Eleven West (11W)

Eleven West (11W) is an impressive 25-story luxury mixed-use project featuring apartments, Class A office spaces, and retail establishments. Construction began in the first quarter of 2020 and was completed in the fourth quarter of 2023. Highlights of the building include top-of-the-line finishes and amenities that will set a new standard for the Portland market.

The parking facility consists of four levels below ground, providing both public and reserved parking, as well as a dedicated bike parking area. On the first and mezzanine level, there are separate lobbies for the office and residential sections, along with convenient amenities such as a dog wash and relief area, a well-equipped gym, and a locker room facility for office users. Floors 2 to 7 are designated for office use, while floor 8 features residential units and a range of community amenities. These amenities include a lounge, fitness, and yoga rooms, a changing room, a swimming pool, and a sauna, as well as outdoor BBQ areas. Floors 9 to 20 consist of additional residential units, and floors 21 to 24 house luxurious penthouse suites. The top floor, floor 25, features both penthouse units and community amenities, including a boardroom and lounge, an outdoor deck, a chef's kitchen, an event space, an outdoor covered living room, and a TV lounge.



11W leasing activity

Tenants	Leased SF	Floor
Miller Nash Graham & Dunn	32,000	7,6
Orrick Herrington & Sutcliffe LLP	12,339	5
JGP Wealth Management	6,220	4
Panic	7,000	3

Sources: CoStar, Next Portland, JLL Research

Darcelle XV Plaza project

Adjacent to the Property on Southwest Park Avenue and Harvey Milk Street is the former O'Bryant Square, now known as Darcelle XV Plaza. The city plans to revitalize the park with various design elements, such as dramatic gateways at the corners, cast iron exteriors with folding scissor gates, overhead string lighting, sail shade structures, a six-foot-high security fence with maximum visibility, and a dog off-leash area with safe and easy access vestibules.



DARCELLE XV PLAZA RENDERING, COURTESY OF NNA LANDSCAPE ARCHITECTURE



Closed in 2018 due to issues with its underground parking garage, the city's Parks & Recreation Department, in collaboration with Portland State University and NNA Landscape Architecture, is leading the redevelopment of Darcelle XV Plaza. An interim design for the new site is being implemented, and the garage demolition has recently been completed. The space is anticipated to be ready for public enjoyment by early 2025 and will serve to further activate the area.



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