

INTERNET EXCHANGE INVESTMENT OPPORTUNITY



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

# UnionBank TOWER

707 SW WASHINGTON ST, PORTLAND, OREGON 97205





# The offering

JLL, as exclusive advisor, is pleased to present a joint venture opportunity for the development of the data center build-out of Union Bank Tower, a 180,735-square-foot office and data center asset strategically located in Portland's West End CBD. **This offering proposes a unique structure where the existing office component is separated from the data center expansion, allowing for specialized management and risk allocation between partners. The proposed JV agreement will be designed to leverage the strengths of both parties, combining current ownership's real estate expertise with the potential partner's data center operational knowledge.**

This iconic property, situated one block from Portland's Internet Exchange and in close proximity to major switching facilities, currently hosts 12 fiber-optic carriers and 15 data center tenants in its Meet-Me-Room (MMR), as well as significant leases with companies such as Verizon, AT&T, Comcast, and Lumen. The asset offers significant value-added potential through expansion of its data center footprint in three phases, for a combined 10.157 MW.

With the nearby Pittock Block trading at nearly \$1,100 per square foot in late 2020, this opportunity represents a unique position in Portland's growing data center market, offering partners the chance to capitalize on the property's strategic location and existing infrastructure while creating substantial value through expansion.

## 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).

\*\* Assumes speculative LOI is finalized on ground floor and mezzanine.

## 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.

### ROOF

Protected line of site upside plus space for added mechanical equipment

PITTOCK BLOCK BUILDING

CENTURYLINK BUILDING

### 10<sup>TH</sup> FLOOR

*Immediately available*

Data center expansion provides value-add potential on day one

5,973 SF shell suite

Up to 112 cabinets with 560 kW critical IT load

### PARKING GARAGE (LEVEL D)

Data center expansion

Up to 486 cabinets  
2.62 MW critical IT load

### 5<sup>TH</sup> 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

# Elevate a landmark CBD tower





*Current ownership has received preliminary approval from Pacific Power to add a significant amount of new power supply*

***In-place income covers carry costs:***  
*generating \$2.025M NOI through established parking revenue and current office leases.*

## Investment highlights

### Connectivity

Existing long-haul fiber backbone with multiple carriers and an established Meet-Me-Room.

### Path to power

In-place power for short-term leasing with near-term expansions from Pacific Power providing as much as 10.157 total MW in the future.

### Expansion space

Building has multiple areas identified for data center conversion, accommodating standard and higher density designs. The shell space on the 10th Floor offers an immediate opportunity to lease 560 kW and further develop the MMR ecosystem.

### Market strength

Close proximity to Hillsboro submarket, which is one of the fastest growing and largest data center markets in the country. Portland is a key exchange point for several hyperscalers with owned data center in central Oregon.

## 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 major long-haul routes that connect Portland to the world run through the basement of Union Bank. The current MMR contains 208 cross-connects with the capacity for 966 cross-connects based on in-place panels. The existing colocation space is focused on carrier interconnection with a very limited retail component. There is available space within the MMR for expansion and the physical footprint of the MMR can be expanded on the 5th Floor in the future. 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.

Union Bank Tower's current utility capacity of 1.3 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. Recently, ownership has received approval from Pacific Power to obtain an additional **8.857 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 a total of **10.157 MW\*\***.

\*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 (SIS) dated 9/19/2024. Investors should assume a minimum of 24 months from the date of engagement with Pacific Power for the upgrade of electrical service to occur. This date is not a guarantee and is subject to project parameters and timely decision making of all parties involved.

## Breakdown of the total power delivery across all phases

Phase	Capacity	Timing
1 Executed MESA	1.3 MW	Current
2 Pending MESA	1.317 MW	2025
3 Pending MESA	7.54 MW	2026
<b>Total Delivery</b>	<b>10.157 MW</b>	

In total, the power delivery across all phases amounts to **10.157 MW**. After accounting for the current estimated draw of 647 kW, there will be approximately 9.51 MW of excess power available. This significant increase in power capacity positions Union Bank Tower as a prime location for data center expansion, offering substantial room for growth and increased data center capabilities.

## 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.

Involves 1.3 MW of capacity, with a Master Electric Service Agreement (MESA) Contract executed in October 2023. Currently, approximately 647 kW (0.647 MW) is in use, leaving a significant portion available for data center operations. A new electrical switchboard panel is scheduled to ship on January 31, 2025, with the anticipated completion and service delivery expected in Q1/Q2 of 2025. This phase sets the foundation for increased power capacity.

208

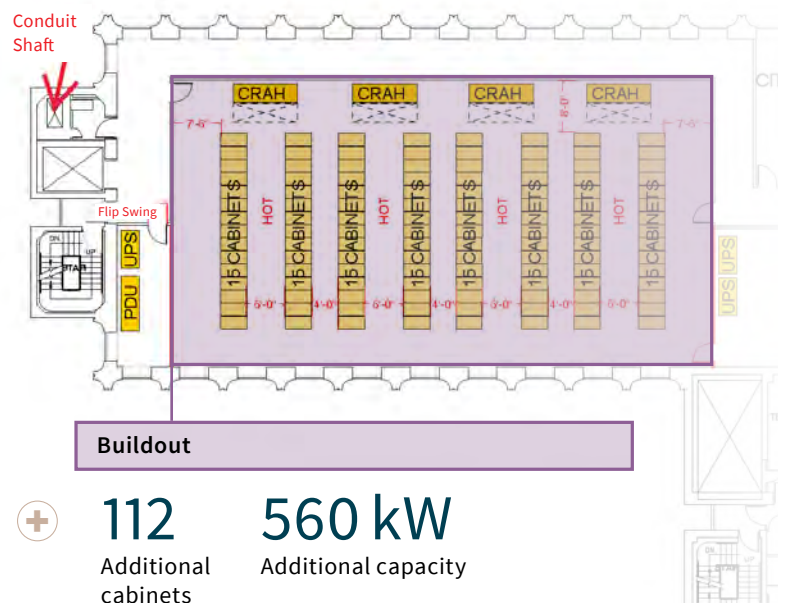
Existing cross-connects

966

Potential cross-connects

Based on currently installed panels

### PHASE 1: PROPOSED 10TH FLOOR

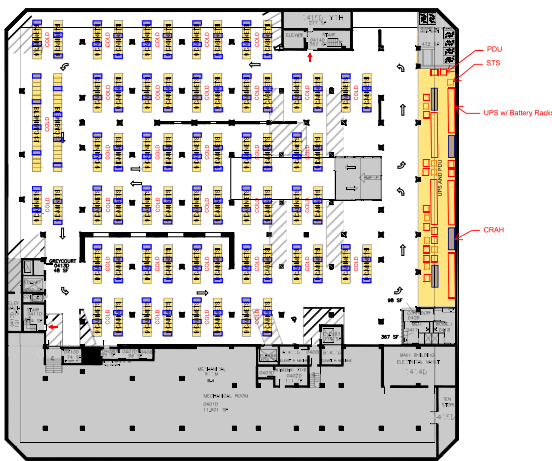


## Colocation expansion potential

With the additional power from Pacific Power, the facility can reach its maximum potential of 10.157 MW, allowing the phased expansion of new data center floors. There is an opportunity to expand the data center in Level D of the

parking garage and the ground floor of the building. The improvements to Union Bank Tower will create a new internet exchange for Portland and the growing Hillsboro data center market.

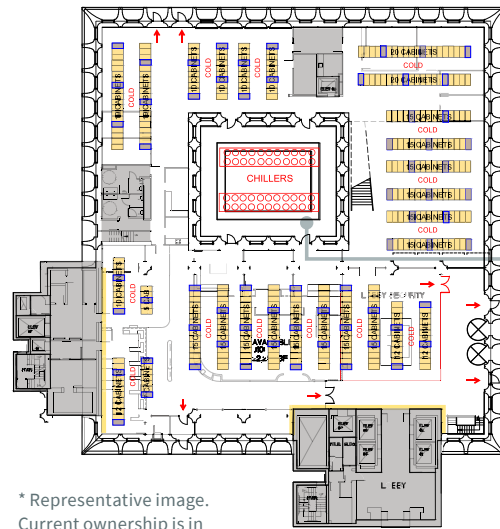
PHASE 2: PROPOSED LEVEL D



## Phase 2

Will add an additional 1.317 MW, with the MESA Contract requested in August 2024. This phase includes the installation of a fourth Pacific Power transformer in the existing vault. Pacific Power estimates a 12-month timeline to deliver this service, which will connect to the new electrical switchboard panel installed in Phase 1. Upon completion of this phase, the total excess available power is projected to be approximately 2 MW, significantly expanding the capacity for data center operations.

PHASE 3: PROPOSED GROUND FLOOR / MEZZANINE



\* Representative image. Current ownership is in negotiations with a retail tenant for a portion of the ground floor.

## Phase 3

Represents a substantial power increase of 7.54 MW evidenced by the System Impact Study (SIS) completed September 19, 2024. Current ownership has requested a MESA from Pacific Power in January 2025, with a 45-day window to review and execute the MESA contract following receipt. This phase is the most extensive, requiring the installation of six Pacific Power transformers in a new vault. The estimated timeline for service delivery is approximately 24 months, making this a long-term expansion plan.

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