

OFFERING MEMORANDUM

PREMIER INDUSTRIAL DEVELOPMENT OPPORTUNITY

305 N Springbrook Road

Newberg, Oregon 97132

8.91 Acres | 388,119 SF

M-1 Industrial Zoning | Yamhill County

ENTERPRISE ZONE | QUALIFIED OPPORTUNITY ZONE

Shovel-Ready Development Site



EXECUTIVE SUMMARY

This offering presents a rare opportunity to acquire 8.91 acres of shovel-ready industrial land in Newberg's growing manufacturing corridor. The property comprises three strategic tax lots offering exceptional flexibility for industrial users, manufacturers, and institutional investors.

The site benefits from dual tax incentive programs—Oregon Enterprise Zone property tax exemptions and Federal Qualified Opportunity Zone capital gains benefits—creating a powerful value proposition for qualifying investors and operators. With clean environmental reports, M-1 zoning, and City support for annexation, this property addresses Newberg's critical 20-year industrial land supply shortfall.

Property Highlights

Total Site Area	8.91 Acres / 388,119 SF
Zoning	M-1 Industrial (City of Newberg)
Location	305 N Springbrook Road, Newberg, OR 97132
I-5 Access	~10 miles to I-5 (Exit 278, Donald)
Airport Proximity	~35 miles to Portland International Airport (PDX)
Tax Incentives	Enterprise Zone & Opportunity Zone
Environmental	Clean Phase 1 Environmental Report

PROPERTY DESCRIPTION

Parcel Configuration

The property consists of three contiguous tax lots providing exceptional development flexibility:

Tax Lot	Size (Acres)	Square Feet
305 N Springbrook Rd	6.21 AC	270,508 SF
305 ½ N Springbrook Rd*	1.0 AC	43,560 SF
Hayes Road Frontage Parcel	1.7 AC	74,052 SF
TOTAL	8.91 AC	388,119 SF

**Currently in Yamhill County jurisdiction. City of Newberg has indicated strong support for annexation as industrial use given significant industrial land supply shortfall.*

Site Characteristics

- ✓ North/South oriented parcels with dual road frontage (Springbrook Road and Hayes Road)
- ✓ Flat, developable topography ideal for industrial construction
- ✓ City utilities available to site
- ✓ Clean Phase 1 Environmental Site Assessment on file
- ✓ Shovel-ready for immediate development
- ✓ Configuration allows for phased development or single-user campus

LOCATION & MARKET ACCESS

Strategically positioned in Oregon's Willamette Valley wine country, Newberg offers exceptional connectivity to major Pacific Northwest markets while maintaining a high quality of life that attracts and retains skilled workforce.

Transportation Infrastructure

Interstate 5 Access	~10 miles via OR-219 to I-5 Exit 278 (Donald/Aurora)
Portland Airport (PDX)	~35 miles / ~40-50 minute drive
Downtown Portland	~25 miles southwest
Local Highways	OR-99W (Pacific Highway) runs through Newberg
Pacific Coast	~68 miles west via OR-18

Market Position

Newberg serves as a strategic gateway between Portland's metropolitan economy and Oregon's agricultural heartland. The city's location provides:

- Access to Portland's deep labor pool and international logistics infrastructure
- Lower operating costs than Portland metropolitan area
- Proximity to Willamette Valley's agricultural, food processing, and wine production sectors
- Quality of life amenities that attract and retain skilled workers
- Business-friendly municipal government committed to industrial growth

TAX INCENTIVES & FINANCIAL BENEFITS

This property benefits from two powerful tax incentive programs that can deliver substantial value to qualifying investors and operators:

Oregon Enterprise Zone Program

The City of Newberg received Enterprise Zone designation from Business Oregon in 2014. The program offers property tax abatement on new industrial investments to encourage traded-sector business development.

Standard Program Benefits (3-5 Years)

- **100% property tax exemption on new plant, equipment, and facility improvements**
- Base program: 3-year full exemption
- Extended program: Up to 5 years with additional local requirements
- Exemption applies to new construction, additions, and qualified machinery/equipment
- Potential savings of hundreds of thousands to millions in property taxes

Eligibility Requirements

- Qualifying activities: manufacturing, assembly, processing, fabrication, warehousing, distribution, call centers, headquarters facilities
- New companies: Must create at least one new job
- Existing companies expanding: Must increase employment by 10% in first year
- Non-qualifying: Retail, commercial services, most personal services
- Must apply prior to beginning physical project work

Additional Benefits: Many Oregon Enterprise Zones offer expedited permitting and building permit fee rebates for qualifying projects.

Federal Qualified Opportunity Zone

Newberg was designated as a Federal Qualified Opportunity Zone in 2018 (Census Tract 302.02). This designation, effective through December 31, 2028, provides powerful capital gains tax incentives for long-term investments.

Opportunity Zone Tax Benefits

- **Capital Gains Deferral:** Defer tax on prior capital gains until December 31, 2026, when invested in a Qualified Opportunity Fund (QOF)
- **Step-Up in Basis:** Original investment gains receive a 10% basis increase if held 5+ years (invested by 2021)
- **Permanent Exclusion:** Capital gains on the Opportunity Zone investment itself are permanently excluded from taxation if held 10+ years

- Investment must be made through a Qualified Opportunity Fund within 180 days of realizing capital gains

Strategic Value

The Opportunity Zone designation makes this property particularly attractive for:

- High-net-worth investors with substantial capital gains to defer
- Real estate funds focused on Opportunity Zone investments
- Operating companies seeking to maximize after-tax returns on facility investments
- Developers planning build-to-suit or speculative industrial projects
- Long-term hold investors prioritizing wealth preservation

COMBINED IMPACT: Eligible buyers can potentially layer Enterprise Zone property tax exemptions with Opportunity Zone capital gains benefits, creating exceptional tax-advantaged returns.

Note: Tax incentive qualification depends on specific investment structure and buyer circumstances. Prospective purchasers should consult qualified tax and legal advisors regarding applicability and optimization of these programs.

NEWBERG INDUSTRIAL MARKET

Industrial Land Supply Dynamics

The City of Newberg faces a significant industrial land shortage for its 20-year planning horizon. This property addresses a critical market need, with the City expressing strong support for annexation of the 305 ½ Springbrook parcel specifically for industrial use.

Key Market Factors:

- Limited available industrial-zoned land within city limits
- Strong demand from existing businesses seeking expansion sites
- Strategic position in Portland metropolitan statistical area
- Municipal commitment to supporting traded-sector job growth
- Competitive alternative to higher-cost Portland industrial submarkets

Major Manufacturing Employers

Newberg hosts a diverse and sophisticated manufacturing ecosystem, anchored by world-class industrial companies:

A-dec Inc. (Newberg's Largest Employer)

- World's leading dental equipment manufacturer
- 950+ employees on 40-acre campus in northeast Newberg
- 15 buildings totaling 500,000+ square feet
- Global distribution to 100+ countries
- Advanced manufacturing including CNC machining, precision assembly, powder coating
- Consistent recognition as one of Oregon's Most Admired Companies

Additional Major Manufacturers

- **Precision Castparts Corp. (PCC):** Aerospace components and investment castings
- **HP Inc.:** Technology manufacturing operations
- **Cascade Steel Rolling Mills:** Steel production and fabrication
- Food processing and wine production facilities serving regional agriculture
- Specialized manufacturing and commercial vehicle services

Workforce & Economic Characteristics

- Population: 25,000+ (2020 Census)
- Part of Portland-Vancouver-Hillsboro MSA (2.5+ million people)
- Access to skilled workforce from Portland metro commute shed
- Home to George Fox University (4,000+ students)

- Established technical training programs supporting advanced manufacturing
- High quality of life with award-winning wine country tourism

DEVELOPMENT OPPORTUNITIES

The property's configuration, zoning, and market position support a wide range of industrial development scenarios:

Ideal Uses

Use Category	Application
Advanced Manufacturing	Precision fabrication, aerospace, medical devices, electronics
Food & Beverage Processing	Wine production, craft beverages, specialty foods
Distribution & Logistics	Warehousing, cross-dock, regional distribution centers
Technology/R&D Campus	Product development, testing, light assembly
Industrial Office/Flex	Office-warehouse combinations, technical services
Specialty Manufacturing	Custom fabrication, prototyping, small-batch production

Development Scenarios

Single-User Campus

Develop the entire 8.91-acre site as an integrated corporate campus with manufacturing, distribution, and office components. Ideal for companies seeking:

- Room for current operations plus expansion capacity
- Ability to consolidate multiple facilities
- Control over site aesthetics and security
- Maximum property tax exemption benefits

Phased Development

Develop the three parcels sequentially, matching capital deployment to business growth. This approach allows:

- Lower initial capital requirements
- Risk mitigation through staged investment
- Flexibility to adjust plans based on market conditions

- Option to sell or lease undeveloped parcels

Build-to-Suit Development

Attractive opportunity for developers to secure pre-leased facilities with creditworthy tenants. Benefits include:

- Strong tenant demand in supply-constrained market
- Enterprise Zone and Opportunity Zone tax benefits
- Competitive advantage versus existing inventory
- Municipal support for quality industrial development

INVESTMENT HIGHLIGHTS

This offering combines exceptional site characteristics, powerful tax incentives, and favorable market dynamics:

Key Investment Advantages

- ✓ **Dual Tax Incentives:** Only opportunity in Newberg offering both Enterprise Zone property tax exemptions AND Opportunity Zone capital gains benefits
- ✓ **Supply-Constrained Market:** Addresses documented 20-year industrial land shortage with strong municipal support
- ✓ **Scalable Configuration:** Three parcels provide flexibility for single campus or phased development strategies
- ✓ **Shovel-Ready Status:** Clean environmental reports, utility access, and flat topography enable immediate development
- ✓ **Strategic Location:** Portland metro access without Portland costs; wine country quality of life
- ✓ **Proven Market:** Established manufacturing ecosystem led by world-class companies like A-dec
- ✓ **Dual Road Frontage:** Springbrook Road and Hayes Road access enhances visibility and circulation
- ✓ **Workforce Access:** Deep Portland metro labor pool plus local skilled workforce from existing manufacturers
- ✓ **Transportation Infrastructure:** 10 miles to I-5, 35 miles to PDX, direct Pacific Northwest distribution access
- ✓ **Economic Development Support:** City actively seeking industrial growth; streamlined development processes

Risk Mitigation Factors

- Diversified economic base reduces single-industry exposure
- Established industrial presence validates market demand
- Municipal commitment to industrial development reduces entitlement risk
- Clean environmental status eliminates remediation uncertainty
- Portland metro proximity provides economic stability and market depth
- Tax incentive programs backed by state and federal legislation

IMPORTANT DISCLAIMERS & DISCLOSURES

Annexation Status

The 305 ½ Springbrook parcel (1.0 acre / 43,560 SF) is currently located in unincorporated Yamhill County and requires annexation into the City of Newberg. The City has indicated strong willingness to annex this parcel for industrial use given the documented industrial land supply shortfall. However, annexation is subject to formal City Council approval and completion of required administrative processes. Buyers should verify annexation status and timeline with the City of Newberg Community Development Department.

Tax Incentive Qualification

Enterprise Zone and Opportunity Zone benefits are subject to specific eligibility requirements, investment thresholds, and compliance obligations. Qualification depends on business type, employment levels, investment timing, and other factors. The availability and value of tax benefits will vary based on individual buyer circumstances and project specifications. Prospective purchasers must consult with qualified tax advisors, CPAs, and legal counsel to evaluate applicability and optimize tax incentive strategies. Neither the seller nor broker provides tax or legal advice.

Information Sources

Information in this offering memorandum has been obtained from sources believed reliable, including public records, municipal sources, and third-party data providers. While efforts have been made to ensure accuracy, neither seller nor broker guarantees completeness or accuracy of all information. Prospective buyers are encouraged to conduct independent due diligence, including but not limited to: title review, survey, geotechnical investigation, environmental assessment, zoning verification, utility availability confirmation, and market analysis.

No Warranties

This property is offered AS-IS, WHERE-IS, with all faults. Seller makes no representations or warranties regarding property condition, environmental status, development feasibility, or future performance. The Phase 1 Environmental Site Assessment referenced herein was prepared for seller's use and is provided for informational purposes only. Buyers should obtain independent environmental assessment and rely on their own consultants.

Forward-Looking Statements

This memorandum contains forward-looking statements regarding potential uses, market conditions, economic trends, and development opportunities. Such statements are based on current expectations and assumptions and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially. Past performance and existing market conditions are not guarantees of future results.

Professional Consultation

Prospective purchasers should engage appropriate professionals including real estate attorneys, tax advisors, environmental consultants, civil engineers, land use planners, and financial advisors before making investment decisions. Buyers are responsible for verifying all information material to their purchase decision and for understanding all risks associated with this investment.

— END OF OFFERING MEMORANDUM —