



Oregon

Kate Brown, Governor

Department of Administrative Services
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February 23, 2018

Re: Notice of Award for the Oregon Department of Human Services Multi-Service Center - Klamath Falls, Oregon

In June of 2017 and on behalf of the Department of Human Services (“DHS”), the Department of Administrative Services (“DAS”), together the State of Oregon (“the State”), issued a Request for Information (“RFI”) in the Klamath Falls area to site a new DHS multi-service center. DAS engaged negotiations with five (5) proposers for the ensuing seven (7) months. Each offer was evaluated by DAS and DHS with respect to location appropriateness, proximity to public transportation, lease rate and term, sustainable development practices, concession in the form of tenant improvement allowance, and general amenities of the proposed facility.

After thorough, formal discourse with each proposer, the State has identified the proposal that optimally meets all criteria and delivers the highest value for Oregon’s taxpayers. That offer was submitted by Klamath Falls Holdings, LLC, a wholly-owned subsidiary of Rubicon Investments Limited Partnership for property located at Lots 12 and 13 of the Timbermill Shores project. This proposal was selected for the following reasons:

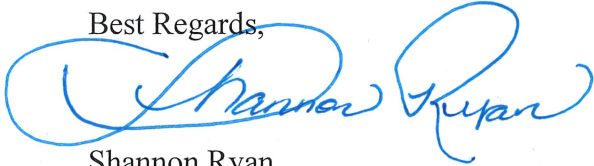
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| Fiscal consideration | <ul style="list-style-type: none">• Over the lease term, the combined value of concession and lease rate yielded the least cost proposal |
| Parking | <ul style="list-style-type: none">• Exclusive use of 232 on-site parking spaces, exceeding the requested 215 minimum |
| Sustainable Development | <ul style="list-style-type: none">• Availability of geothermal energy that will assist DHS achieve compliance with the Governor’s recent Executive Order 17-20 around energy conservation in the built environment• Utilization of sustainable construction materials• Brownfield redevelopment |
| Location | <ul style="list-style-type: none">• Within the Central Business District, as instructed in Governor’s Executive Order 94-07• Close proximity to public transportation |

Public Access

- Safe and abundant public accessibility to the proposed facility
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On behalf of DAS and DHS, a sincere thank you to all of the proposers and stakeholders for your time and effort in helping us find a new DHS multi-service site for Klamath Falls. We truly appreciate all of the quality offers submitted and wish everyone the best.

Best Regards,



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