



MARKET STUDY & FINANCIAL PROJECTIONS - SUMMARY OF FINDINGS

---

# Proposed Hilton Garden Inn The Dalles Hotel

215 E 2ND STREET  
THE DALLES, OREGON

**SUBMITTED TO:**

Mr. Michael Leash  
Rapoza Development Group, LLC  
306 Court Street  
The Dalles, Oregon, 97058  
+1 (541) 340-0892  
mleash@rapozadevgrp.com

**PREPARED BY:**

HVS Consulting and Valuation Services  
Division of M&R Valuation Services, Inc.  
100 Bush Street, Suite 750  
San Francisco, California 94104  
+1 415 896-0868

October 8, 2014

Mr. Michael Leash  
Rapoza Development Group, LLC  
306 Court Street  
The Dalles, Oregon, 97058

---

HVS SAN FRANCISCO  
100 Bush Street, Suite 750  
San Francisco, California 94104  
+1 415 896-0868  
+1 415 896-0516 FAX  
[www.hvs.com](http://www.hvs.com)

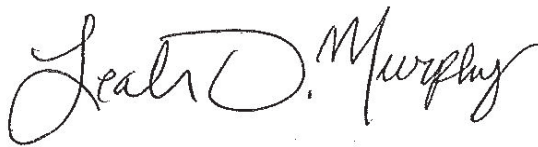
Re: Proposed Hilton Garden Inn The Dalles  
The Dalles, Oregon  
HVS Reference: 2014040388

Dear Mr. Leash:

Pursuant to your request, we herewith submit our summary of findings pertaining to the market study and financial projections of the Proposed Hilton Garden Inn The Dalles. We have inspected the real estate and analyzed the hotel market conditions in The Dalles area. We have studied the proposed project, and the summary results of our fieldwork and analysis are presented in this document. Our report was prepared in accordance with the Uniform Standards of Professional Practice (USPAP), as provided by the Appraisal Foundation.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,  
M&R Valuation Services, Inc.



Leah Dauer Murphy  
Vice President  
ldmurphy@hvs.com, +1 (415) 268-0348



Suzanne R. Mellen, MAI, CRE, FRICS, ISHC  
Senior Managing Director  
smellen@hvs.com, +1 (415) 268-0351

Atlanta  
Boston  
Boulder  
Chicago  
Dallas  
Denver  
Houston  
Las Vegas  
Los Angeles  
Mexico City  
Miami  
Minneapolis  
Nassau  
New York  
Newport  
Philadelphia  
San Francisco  
St. Louis  
Toronto  
Vancouver  
Washington  
Athens  
Beijing  
Buenos Aires  
Dubai  
Hong Kong  
Lima  
London  
Milan  
Moscow  
Mumbai  
New Delhi  
Sao Paulo  
Shanghai  
Singapore

# Table of Contents

<b>SECTION</b>	<b>TITLE</b>	<b>PAGE</b>
1.	Executive Summary	4
2.	Statement of Assumptions and Limiting Conditions	41
3.	Certification	44
	<b>Addenda</b>	
	Penetration Explanation	i
	<b>Qualifications</b>	

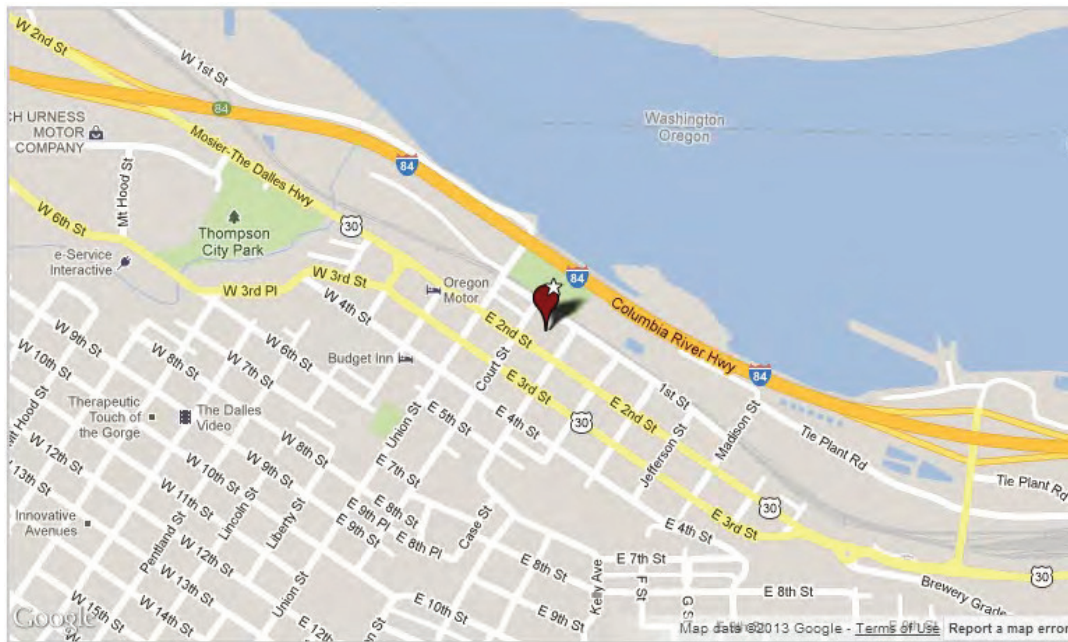
# 1. Executive Summary

## Subject of the Study

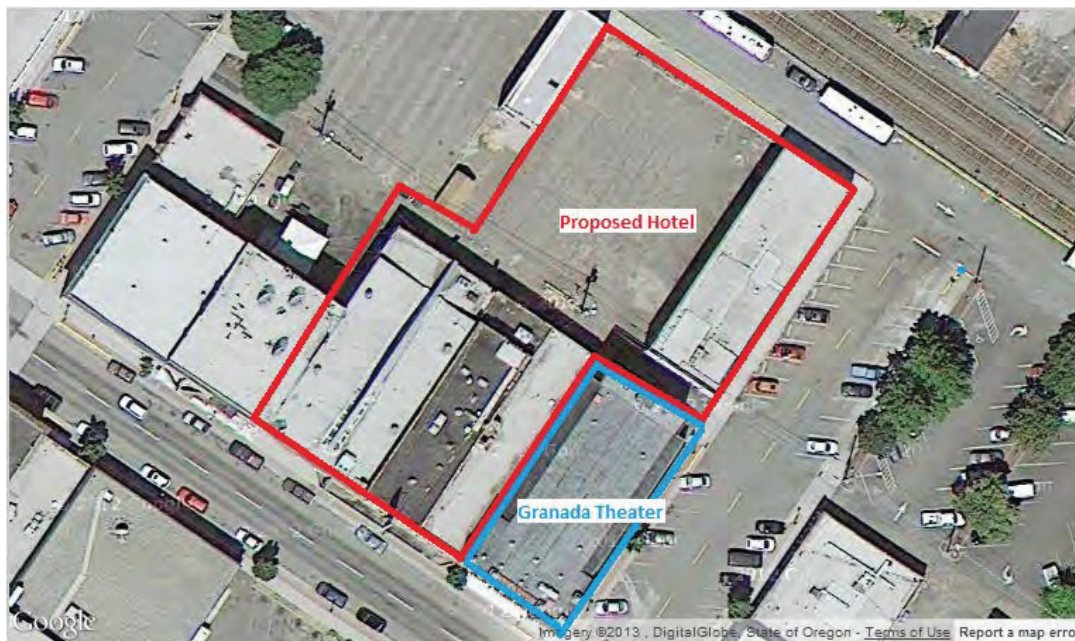
The subject of the study is a 33,517-square-foot (0.77-acre) site to be redeveloped with a select-service lodging facility. The subject site is composed of eight tax parcels that are currently improved with a parking lot and two existing buildings. For purposes of this study, the proposed hotel will be affiliated with the Hilton Garden Inn brand. The proposed property is expected to open on October 1, 2016 and will feature 117 rooms, a restaurant and bar, a breakfast dining area, 4,935 square feet of indoor meeting space, an outdoor pool, an outdoor whirlpool, a fitness center, a business center, a market pantry, and a guest laundry room. In addition, the subject's bar will include six video lottery terminals. The hotel will also feature all necessary back-of-the-house space.

The subject site's location is 215 E 2nd Street, The Dalles, Oregon 97058. In addition, the subject site is located adjacent to the historic Granada Theater. The theater is now closed, but is planned to be refurbished/renovated by city as a conference center and will feature approximately 4,500 square feet of indoor meeting space. The proposed hotel is planned to provide banquet and catering services for the Granada Theater.

## LOCATION MAP



## AERIAL PHOTOGRAPH



**FIGURE 1-1 PROPOSED HOTEL FACILITIES**

<b>Guestroom Configuration</b>		<b>Number of Units</b>
King		48
Queen/Queen		60
ADA King		3
ADA Queen/Queen		3
King Suite		2
ADA King Suite		1
<b>Total</b>		<b>117</b>

<b>Food &amp; Beverage Facilities</b>		<b>Seating Capacity</b>
Restaurant		72
Bar		42
Breakfast Dining Area		34

<b>Indoor Meeting &amp; Banquet Facilities</b>		<b>Square Footage</b>
Ballroom (divis. into 3)		4,550
Boardroom		385
<b>Total</b>		<b>4,935 *</b>

\*Additional 4,500 sq. ft. of meeting space available at adjacent Granada Theater

<b>Amenities &amp; Services</b>	
Outdoor Swimming Pool	Fitness Center
Outdoor Whirlpool	Business Center
Vending Areas	Market Pantry
Guest Laundry Facility	

<b>Infrastructure</b>	
Elevators	2 Guest
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Wood Framing, Poured Concrete

We have assumed that all utilities will be available to the site and that no hazards are present that will impede its development. We assume that the certificate of occupancy will be issued on or before this date for the entirety of the improvements.