



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

**Columbia Gateway Urban Renewal Agency Advisory Committee
Special Meeting Minutes**

Wednesday, May 28, 2014

5:30 PM

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Zukin called the meeting to order at 5:32 PM.

ROLL CALL

Members Present: Chris Zukin, Linda Miller, Greg Weast, Jennifer Botts, John Nelson, Robin Miles

Members Absent: Gary Grossman, Steve Kramer

Staff Present: City Manager Nolan Young, Administrative Secretary Carole Trautman

Also present: RARE Main Street Coordinator Matthew Klebes

PLEDGE OF ALLEGIANCE

Zukin led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved and seconded to approve the agenda as submitted. The motion carried unanimously; Grossman and Kramer absent.

APPROVAL OF MINUTES

It was moved and seconded to approve the April 15, 2014 minutes as submitted. The motion carried unanimously; Grossman and Kramer absent.

PUBLIC COMMENT

None

ACTION ITEM – Recommendation Concerning an Amendment to the Independent Order of Odd Fellows Urban Renewal Grant

City Manager Young presented the highlights of his May 13, 2014 staff report in which the Independent Order of Odd Fellows' (IOOF) requested an additional \$2,540 of Urban Renewal Agency (URA) grant money for chimney repairs.

Weast moved to recommend to the URA that \$2,540 of UR funds be used for chimney repair at the IOOF Building. Miller asked if there was a possibility that more funds would be needed at a later date for the repairs. RARE Main Street Coordinator Matthew Klebes stated that there was a potential for costs to increase. Klebes said the original estimate was made in October of 2013, and another estimate would be necessary in the future due to recent damages. He said the reason the chimney repair work was not presented to the Advisory Committee previously was the fact that repair work was a lower priority at the time and was included in another phase of the scope of work. Klebes said the condition of the west chimney worsened, which made the repairs a higher priority. Weast asked if the chimneys were active, and if not, could they be capped off. IOOF representative Craig Hector said the chimneys were not used, but the building was historically significant, and the chimneys were visible from the street. Weast asked if the chimneys were listed as significant architectural features of the building. Mr. Hector said he did not know.

Weast rescinded his earlier motion. After further discussion, it was the Committee's general consensus and directive to have the applicant obtain current estimates both for repairing and/or capping off the chimneys. The Committee also asked the applicant to identify whether or not the chimneys were considered historical significant features.

DISCUSSION ITEM – Oregon Parks and Recreation Department Recreational Trail Project Grant for Mill Creek Greenway

City Manager Young sought feedback from the Committee on pursuing a grant for work on the Mill Creek Greenway Trail. Young said the full scope of work was still in progress, and he asked for input on submitting a letter of intent from the Advisory Committee.

Nelson asked if some of the Oregon Department of Transportation (ODOT) grant funds for the Riverfront Trail project (RFT) could be deferred to the Mill Creek Trail project (as a stem trail to the RFT) since the RFT original design plan could not be completed. Young said those funds could not be deferred to the Mill Creek Trail project, because ODOT had already identified some other options for the use of the ODOT grant money on the RFT.

Weast cautioned that the scope of work needed to fall within the UR boundary area only. Chair Zukin said he was interested in the project, but he had two concerns: 1) that the grant option come back to the Advisory Committee for consideration, as intended; and 2) staff notify the nearby Mill Creek property owners so they could be involved in the project early on.

Nelson said the positive aspect of pursuing the trail work was that it would further define the amenities for the West Gate and pool projects. Young stated the West Gate design work was included in next year's budget.

After further discussion, it was moved and seconded to recommend that City Manager Young proceed cautiously, look into the project in more detail, and notify nearby property owners of the

project so that they would have an opportunity to attend the next URAC meeting. The motion carried unanimously; Grossman and Kramer absent.

PROJECT UPDATES

- Granada Block - City Manager Young handed out the WAVE update memorandum dated May 12, 2014 (Attachment #1). He said the current plan was to continue with the Hilton Garden brand hotel.
- St. Peter's Landmark – They have completed their UR grant work.
- Wonderworks Children's Museum – Work was pending for receipt of matching funds. UR grant funds were re-budgeted for next year.
- United Congregational Church of Christ – Approximately \$11,000 of UR grant money remained for window work. Grant funds were re-budgeted for next year.
- Civic Auditorium – Approximately \$44,000 of UR grant money remained, and these funds were also re-budgeted for next year.
- IOOF – UR grant funds were re-budgeted for next year.

City Manager Young advised that \$200,000 was still available for the new façade program.

FUTURE MEETING – June 17, 2014

ADJOURNMENT

Chair Zukin adjourned the meeting at 6:10 PM.

Respectfully submitted by Administrative Secretary Carole Trautman.



Gary Grossman, Vice Chairman



The Dalles – URAC Update Meeting

Subject: The Dalles Update – Meeting Script

Attendees: Michael Leash

CC: Jens von Gierke, Jason Pasternak

Date: May 12, 2014

1. Equity Financing Update

- Initiated to talk to a new investor, Restaurant Management Company from Portland who is very eager to operate the proposed restaurant, Granada, banquet facility and take part ownership of the hotel development
- This group, Concept Entertainment, already met with us in the city, 3 weeks ago, and we are in terms negotiations
- Expecting more formal discussions and review of terms during the next 30 days
- This group would assist Rapoza Development Group with the DDA acquisition and development needed to move further ahead with design

2. Debt Financing Update

- Continued talks over the last months with a real estate investment bank. But until the equity source has been finalized, there is not too much we can accomplish on the debt terms
- But still same interested lender from Bellevue, WA who has extensive experience raising debt proceeds for commercial real estate
- In conversation with some local banks who are interested to provide non-recourse debt financing for this project
- In discussions with EB5 and the group McAdam & McCarthy, who has an EB5 Regional Center in Portland

3. Food & Beverage Program and Operator

- Concept Entertainment is based in Portland and have currently 9 outlets, in Oregon, Colorado and Arizona
- 30 years in the business and very experienced in restaurants, banquet and bar operations
- See website, www.cegportland.com and brochure for more information
- Now interested to get into the hotel business as equity partner, restaurant management and co-developer



The Dalles – URAC Update Meeting

4. Architectural/Design Update

- During the last months we have reviewed the feasibility to reduce the foot print and potentially use the Hampton Inn & Suites brand instead of Hilton Garden Brand, which has caused the recent delay in the project as it has involved more time for review and evaluation
- This was discussed with Hilton and also the contractor and designers. But the gain in reduced construction cost did not offset the potential loss in Net Operating Income due to the reduced Average Rate, less banquet and restaurant program and overall perception. Meaning, the lower HIS brand did not give us the returns, in regard to savings in development cost, but less F&B revenues and Average Rate and Occupancy
- We are now working with the designers and our Restaurant Management Group on program, concept, and design for the Food & Beverage space in the hotel
- Once complete we will propose to city and council

5. Hilton Update

- Hilton remains fully committed and is excited about a project in The Dalles
- We had discussions with the Hilton Garden Inn brand design team from the Hilton Corporate Office about the restaurant inside the hotel, and how banquet and theater program will be integrated
- Formal application process in next months

6. Hotel Management Group Update

- We were approached by another hotel development and management group from the East Coast, who Wave Hospitality is actively working on three projects
- TPG Hospitality, a Procaccianti Company, who has over 70 hotels under management and owns many of them
- Wave Hospitality is working with TPG Hospitality on their development in hotel in San Jose, and also in Jersey City and Palm Springs
- They are actively reviewing their potential involvement and we have executed a LOI for managing the hotel. They are fully approved by Hilton Franchise. LOI attached.
- Company brochure attached and their website is, www.tpgcompanies.com

7. Archeological Update

- No issues here. We have reviewed the permits and all in compliance for the next
- Design has not changed – and we believe we will be able to keep costs at a minimum



The Dalles – URAC Update Meeting

8. Environmental Update

- At this point in time – Wave/RDG/VIP do not anticipate any significant environmental hurdles
- However, upon securing final equity and debt financing, we will need final sign-off and approval from new partners

TPG HOSPITALITY

MAXIMIZING HOTEL PERFORMANCE

Founded in 1964, TPG is a privately held second generation real estate investment and management company having owned, developed or managed hundreds of real estate assets surpassing 50 million square feet with a market value exceeding \$5 billion.

At TPG Hospitality, the company's management affiliate, our strengths lie in our full integration of services. Whether delivering services as an owner/operator, third party manager or hotel developer, TPG Hospitality deploys seasoned teams of in-house, corporate-level and above-property resources to maximize operating performance and enhance value to ownership.

Top Line Sales & Marketing Services -

- Senior-level Sales & Marketing and E-Commerce Oversight Coast-to-Coast
- Proprietary Revenue Management Systems & Reporting Tools

Efficient Operations & Cost Controls -

- Senior-level Operations Management Coast-to-Coast
- In-house Legal Services, Labor Relations and Human Resources Finance, Accounting, Tax Analysis and Payroll Management
- Robust Information Technology and Data Security Systems
- Insurance, Risk Management and Procurement Programs
- Design, Construction and Project Management Services
- Property Improvement Plan Development & Implementation

Bottom Line Value Creation -

- Enhance Asset Value through Margin and NOI Growth
- Generate Above-market Owner/Investor Returns



Holiday Inn Baltimore Inner Harbor

Guest Rooms: 365
Meeting Space: 12,000 sf.

TPG Performance vs. Prior Manager

RevPAR Index Growth: 17%
GOP Improvement: 46%
NOI Improvement: 159%



Renaissance Providence

Guest Rooms: 272
Meeting Space: 11,250 sf.

TPG Performance vs. Prior Manager

RevPAR Index Growth: 7%
GOP Improvement: 96%
NOI Improvement: 147%



Boston Marriott-Newton

Guest Rooms: 430
Meeting Space: 20,000 sf.

TPG Performance vs. Prior Manager

RevPAR Improvement: 47%
GOP Improvement: 124%
NOI Improvement: 171%

www.tpghospitality.com

Source: Performance Reports (6/30/09, 2010)



MARSHALLS

Hilton

HYATT

HYATT

WESTIN

Waldorf Astoria

RENAISSANCE

DoubleTree

TRYP

HYATT house

Sheraton

Holiday Inn

The Procciantti Group
1140 Reservoir Avenue
Cranston, RI 02920
Phone: 401-946-4606

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National Hospitality Portfolio (60 Hotels - 16,726 Guest Rooms)

Property	Location	Guest Rooms
InterContinental Kansas City at the Plaza	Kansas City, MO	366
Westin Chicago North Shore	Chicago, IL	412
Westin Dallas-Fort Worth	Irving, TX	506
Westin Fort Lauderdale	Fort Lauderdale, FL	293
Westin Tyson's Corner	Tyson's Corner, VA	405
Hyatt Regency at Lexington Center	Lexington, KY	366
Hilton Albany	Albany, NY	385
Hilton Atlanta Perimeter Suites	Atlanta, GA	224
Hilton Chicago/Magnificent Mile	Chicago, IL	345
Hilton Boston / Dedham	Dedham, MA	256
Hilton Manhattan East	New York, NY	300
Hilton Kansas City Airport	Kansas City, MO	347
Hilton Providence	Providence, RI	274
Hilton San Antonio	San Antonio, TX	384
Hilton Scottsdale Resort & Villas	Scottsdale, AZ	235
Renaissance Boca Raton	Boca Raton, FL	189
Renaissance Providence	Providence, RI	272
Marriott Buffalo-Amherst	Amherst, NY	356
Marriott Colorado Springs	Colorado Springs, CO	309
Marriott Fort Lauderdale	Fort Lauderdale, FL	315
Marriott Boston / Newton	Newton, MA	430
Marriott Palm Beach Gardens	Palm Beach Gardens, FL	279
Marriott Saint Louis West	Saint Louis, MO	299
Marriott Schaumburg	Schaumburg, IL	398
Marriott Waterford	Oklahoma City, OK	197
Marriott Waterside Norfolk Convention Center	Norfolk, VA	405
DoubleTree by Hilton - BWI Airport	Baltimore, MD	260
DoubleTree by Hilton Boston North Shore	Danvers, MA	363
DoubleTree by Hilton New Orleans	New Orleans, LO	244
DoubleTree by Hilton Warren Place	Tulsa, OK	370
DoubleTree Resort by Hilton Paradise Valley	Paradise Valley, AZ	378
DoubleTree Suites by Hilton Santa Monica	Santa Monica, CA	253
Wyndham Lake Buena Vista at Downtown Disney	Orlando, FL	626
Sheraton Providence Airport Hotel	Providence, RI	206
Sheraton Suites Chicago Elk Grove	Elk Grove Village, IL	253
Sheraton Suites Columbus	Columbus, OH	259
Sheraton Suites Country Club	Kansas City, MO	257
Sheraton Suites Market Center	Dallas, TX	251
Sheraton Suites Old Town	Alexandria, VA	247
Sheraton Suites Wilmington	Wilmington, DE	223
Holiday Inn Baltimore Inner Harbor	Baltimore, MD	365
Holiday Inn Billings	Billings, MT	317
Holiday Inn Boxborough	Boxborough, MA	143
Holiday Inn Cheyenne	Cheyenne, WY	245
Holiday Inn Express Bradenton	Bradenton, FL	129
Holiday Inn Fort Smith	Fort Smith, AR	255
Holiday Inn Fresno	Fresno, CA	207
Holiday Inn East Hartford	East Hartford, CT	215
Holiday Inn Lubbock Park Plaza	Lubbock, TX	201
Holiday Inn SoHo-Chinatown	New York, NY	227
Holiday Inn South Kingstown	South Kingstown, RI	107
Wyndham Garden Providence	Providence, RI	136
Hunt Valley Inn	Baltimore, MD	393
Comfort Inn Warwick	Warwick, RI	201
Lighthouse Inn	Narragansett, RI	100
Ocean Rose Inn	Narragansett, RI	32
<i>Currently Under Development/Conversion</i>		
Hyatt House at Georgia Aquarium	Atlanta, GA	150
Residence Inn by Marriott Providence	Providence, RI	159
Brand TBD - San Jose	San Jose, CA	210
The NASH (residential conversion)	New York, NY	187

WESTIN

Westin Chicago North Shore

Hilton Manhattan East

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