



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA
COLUMBIA GATEWAY
URBAN RENEWAL ADVISORY COMMITTEE

Conducted in a Handicap Accessible Meeting Room

Tuesday, July 16, 2013

5:30 pm

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES
 - A. May 21, 2013
 - B. June 18, 2013
6. PUBLIC COMMENT (for items not on the agenda)
7. ACTION ITEM – Recommendation concerning Rapoza Development Group’s request for a 120-day extension on the Phase 1 Purchase Option of the Granada Block Redevelopment Project
8. ONGOING URBAN RENEWAL PROJECTS UPDATE
9. FUTURE MEETING – August 20, 2013
10. ADJOURNMENT

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

**Tuesday, May 21, 2013
5:30 p.m.**

City Hall Council Chambers
313 Court Street
The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Vice Chair Grossman called the meeting to order at 5:30 p.m.

ROLL CALL

Members Present: Gary Grossman, Jennifer Botts, Mike Zingg, Dick Elkins, Linda Miller

Members Absent: Chris Zukin, Greg Weast, Robin Miles, Steve Kramer

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

Also Present: MCEDD Loan Fund Manager Eric Nerdin

PLEDGE OF ALLEGIANCE

Vice Chair Grossman led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Elkins and seconded by Miller to approve the agenda as submitted. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

APPROVAL OF MINUTES

A. April 16, 2013 – It was moved by Zingg and seconded by Miller to approve the April 16, 2013 minutes as submitted. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

PUBLIC COMMENT

None.

ACTION ITEM – Recommendation Concerning Amendments to the Interest Buy Down Program

City Manager Young noted there were seven proposed changes listed in the staff report regarding the Interest Buy Down Program (Program) for the Columbia Gateway Urban Renewal Agency (Agency). Each proposed change came with a staff recommendation and two alternate recommendations for the Advisory Committee's (Committee) consideration.

1. Maximum Interest Rate Eligibility

City Manager Young introduced the proposed change by noting that the Agency currently had no maximum interest rate eligibility requirements. Young highlighted staff's recommendation for the Committee to recommend to the Agency that the maximum eligible interest rate for the program be the lower of the Wall Street Journal Prime rate plus 6 points or 12%.

Vice Chair Grossman pointed out that the Committee would consider and make a motion on each of the seven proposed changes, one at a time.

Councilor Miller asked what interest rate was currently being used. City Manager Young stated that the Agency currently did not have an interest rate guideline, and the City was looking to develop a standard. MCEDD Loan Manager Nerdin clarified that, with the proposed change, future program applicants would need to secure a loan at or below the proposed interest rate cap to be eligible for the Program. The design of the cap, Nerdin stated, was to minimize the Agency's exposure to subsidize a high interest rate loan. Botts commented that by subsidizing at a standard rate, the cap would allow Agency funds to be utilized for other Program applicants.

Zingg asked what prompted the proposed change. City Manager Young stated that the Agency was obtaining some interest from some larger-sized projects, and as funds became tighter, staff was concerned about not having sufficient guidelines that would better enable the management of funds and maximize the benefit from the Program. Young reported the Agency had subsidized five loans thus far and had learned some lessons from the experience.

It was moved by Miller and seconded by Botts to recommend to the Agency Board that the maximum eligible interest rate for the Program be the lower of WSJ Prime rate plus 6 points or 12%. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

2. Interest Rate Shopping

City Manager Young pointed out that applicants were currently required to submit only one loan quote. The proposed change would require applicants to obtain quotes from at least three lending institutions.

Botts asked if that would create a hardship for applicants to find enough lending institutions to obtain the three quotes. MCEDD Loan Manager Nerdin stated there should be no problem obtaining three quotes. Nerdin noted that an applicant could essentially use the same paperwork completed to obtain the first quote to obtain additional quotes.

Botts asked how the Agency would use the information to make a determination. City Manager Young stated that the information would be helpful to staff in structuring the loan. The Agency probably would not require the Program applicant to use the lending institution with the lowest rate; but in its best interest, the Agency could choose to subsidize at the lowest interest rate provided and allow the applicant to choose another lender of choice at a higher rate.

Michael Leash, 306 Court Street, commented that commercial loans were fickle. An applicant could obtain one approval and two rejections. MCEDD Loan Manager Nerdin stated that the proposal only called for quotes and not approvals.

Miller asked why the change was brought to staff's attention. City Manager Young reported that staff had a concern of not getting the best deal with just one quote. Young clarified that the applicant should get at least three quotes that were acceptable to the staff administering the Program. MCEDD Loan Manager Nerdin advised that a requirement for three quotes could cause lending institutions to be more competitive on setting the interest rates which would be in the Agency's best interest.

It was moved by Zingg and seconded by Elkins to recommend to the Agency Board that applicants be required to obtain quotes from a minimum of three lending institutions prior to receiving final subsidy approval. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

3. Cap on Maximum Value of Loan Subsidy:

City Manager Young stated that the reason for the proposed change was to eliminate the possibility of one or two loans consuming the program's funds. Staff recommended the hybrid formula (pages 5 and 6, including Table IV). Mr. Nerdin explained that the intent of the proposed hybrid formula was to cap total subsidized project monies so that a majority of Agency funds would not go to one entity. The hybrid formula would combine the tools of both options (a) and (b), the regressive formula and the property tax formula. Mr. Nerdin pointed out that the hybrid formula was designed to help both the smaller dollar and larger dollar customers while at the same time limiting the total subsidized amount on any given project.

Elkins said it would be helpful to know the increased property tax dollar amounts collected annually on the projects thus far in order to evaluate the Program. City Manager Young stated staff would look into obtaining that information. Young reminded the Committee that there were other values of the Program other than increased property taxes. For instance, the Canton Wok project helped preserve the value of a building that would have otherwise lost value, and it created new jobs. Botts pointed out that another benefit of the Canton Wok project was that the renovations allowed the current tenants to remain in the building.

Chair Grossman and others commented that the formula was complex and difficult to understand. City Manager Young advised that he found the tables to be most helpful in analyzing the three different options, because the tables identified cap amounts and what type of outflow of Agency funds would occur on different sized projects. Young felt the cap and outflow ratios seemed better than the other proposed structures in that they seemed to be a good middle ground that would help accomplish goals of the project and create a stability in controlling the amount of funds put out on a single project. Botts commented that the hybrid formula offered considerable monthly savings on the larger loans and, at the same time, allowed smaller loans to be more affordable. Zingg commented that he saw the proposed amendment as a trust issue. If staff understood and was comfortable with the formula, then he would be okay with it without completely understanding the methodology.

Elkins asked if the Agency still had enough years remaining to add new projects to the Program. City Manager Young said there were enough years remaining, and all projects would come to an end in 2026, the end of the life of the Agency.

It was moved by Zingg and seconded by Miller to recommend to the Agency that the maximum value of future loan interest buy downs be capped according to the hybrid formula depicted in Table IV (page 6). The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

4. Provide Agency the Option of “Buying Points”:

City Manager Young reported that this option would save the Agency subsidy funds by pre-paying interest up front in exchange for a lower interest rate. There would be some risk to the Agency by pre-paying interest if the applicant defaulted on the loan or sold the business. Staff recommended that the tool be made available to staff to be used on a case-by-case basis, and only if sufficient funds were available. Young stated the tool would probably be used only on loans where the Agency would gain maximum value from buying down points.

Zingg asked if this option would tie the Agency to a future obligation to the bank. City Manager Young advised that the Agency did not finance loans. Mr. Nerdin explained that the Agency did not interact with the banks. Interest payments were made directly to the applicant. Botts asked if buying points could be paid back to the Agency in case of a loan default. Mr. Nerdin stated that City Attorney Parker could draft something with the applicant to protect the Agency’s interests. However, unless the loan was a large dollar amount, recouped funds would be fairly minimal, Nerdin advised.

Zingg asked if the Agency could ask for a personal guarantee on a loan where interest points were purchased. Mr. Nerdin pointed out that the goal of the Agency was to help preserve buildings, and if the work had been accomplished and approved, the Agency’s goals were met—preservation of the property.

It was moved by Botts and seconded by Elkins to recommend to the Agency Board that future loan interest buy down agreements include an option for the Agency to buy points on the loan subject to a guarantee of repayment of the value of the buying points in the event of default.

Mr. Nerdin cautioned that there could be other case scenarios where an applicant could not pay off a loan that would not constitute a default. To propose other language that would cover other case scenarios would lend itself to micro managing, Nerdin stated. City Manager Young commented that staff did not intend on using this tool frequently. Young reminded the Committee that City Attorney Parker had proposed language whereby any point payment would go before the URAC and the Agency for approval. Doing so would give both boards the option to place conditions on buying points based on the type of loan.

Botts retracted the original motion.

It was moved by Grossman and seconded by Zingg to recommend to the Agency Board that future loan interest buy down agreements include an option for the Agency to buy points on the loan subject to approval of the Agency. Grossman, Zingg, Botts and Elkins voted in favor, Miller opposed; Motion carried. Zukin, Weast, Miles and Kramer were absent.

5. Obligatory Refinancing

City Manager Young reported that Program applicants currently had no motivation to refinance a loan because the Agency was subsidizing all of the interest payment. Therefore, this proposed amendment would allow the Agency to obligate the applicant to refinance at the Agency’s expense.

Zingg asked if the proposed amendment suggested refinancing at the term of the note or at any time. City Manager Young said refinancing could be required at any time during the life of the loan. Young pointed out that some refinancing could be restricted by the type of loan, so that would need to be considered.

It was moved by Zingg and seconded by Miller to recommend to the Agency Board that applicants be subject to obligatory refinancing. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

6. Cap on Time Limit for Interest Subsidy

City Manager Young reported that currently there was no time limit on the loan subsidies. Staff recommended a time limit of the lesser of 10 years or the end of the life of the Agency.

It was moved by Elkins and seconded by Miller to recommend to the Agency Board that the time limit for the loan interest buy down be the lesser of 10 years or the end of the life of the Urban Renewal Agency. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

7. Adjusting Threshold for Agency Review

City Manager Young advised that currently staff was allowed to approve a loan interest subsidy with an annual value of \$15,000 or less. With the proposed amendment, staff could approve interest buy down applications with total subsidy values of \$75,000 or less without Agency approval. This amendment would allow staff a little more flexibility in approving Program applications. Young noted that any interest buy down loan subsidy where buying points would be considered would go before both the Advisory and Agency boards for review under the proposed changes.

It was moved by Miller to recommend to the Agency Board that all loan interest subsidies of \$75,000 or more in total be subject to review and approval by the Advisory Committee and Agency Board.

Elkins commented that \$75,000 seemed a little high. City Manager Young suggested Committee members could set the threshold at a lower dollar amount if they were not comfortable with the \$75,000 limit.

The motion was amended by Miller and seconded by Elkins to recommend to the Agency Board that all loan interest subsidies of \$50,000 or more in total value be subject to review and approval by the Advisory Committee and Agency Board. The motion carried unanimously; Zukin, Weast, Miles and Kramer were absent.

ONGOING URBAN RENEWAL PROJECTS

City Manager Young gave the following Urban Renewal project updates:

Granada Block – The Memorandum of the Disposition and Development Agreement was signed and would soon be recorded. Staff gave the developers a “per spot” price range for the City parking structure, and developers were required to provide the total number of parking spots needed by mid-July so the City could distribute the Request for Proposal (RFP) on the parking structure design. Staff approved the developers’ demolition process and cost estimate submittal for the Recreation Building. Staff was developing a chart that would identify the various activities and deadlines as outlined in the DDA to track progress.

Parking Structure – Staff was considering a two-step design build process where staff would establish a firm dollar amount on the design, set a price range, then negotiate the final build based on the design. This approach would remove some of the bidding risk for contractors, Young stated. By alleviating some of that risk through this two-step process, the City could possibly get lower bid estimates from contractors.

City Manager Young announced that the June 18, 2013 meeting would be a joint session with the Agency Board. The main focus of the meeting would be to review the Agency project list and consider a possible re-prioritization of projects. Young reported that Administrative Fellow Chrostek prepared three reports for consideration: 1) Urban Renewal Performance Evaluation; 2) Urban Renewal End of Life Conceptual Budget Narrative; 3) History of Urban Renewal in The Dalles. Elkins was the only Committee member present that stated he would not be able to attend the June 18th joint session.

Vice Chair Grossman adjourned the meeting at 6:40 p.m.

Respectfully submitted by Administrative Secretary Carole Trautman.

Gary Grossman, Vice Chairman

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY
AND
URBAN RENEWAL ADVISORY COMMITTEE
MINUTES**

Tuesday, June 18, 2013

5:30 pm

City Hall Council Chamber
313 Court Street, The Dalles, Oregon

Call to Order

The meeting was called to order at 5:30 p.m. by Vice Chair Gary Grossman.

Roll Call

URAC: Gary Grossman, Jennifer Botts, Robin Miles, Mike Zingg

Absent: Greg Weast; Chris Zukin

Urban Renewal Board: Steve Lawrence, Linda Miller, Dan Spatz, Bill Dick

Absent: Timothy McGlothlin

Also in attendance: City Manager Nolan Young, Administrative Fellow Garrett Chrostek, City Attorney Gene Parker, Economic Development Specialist Dan Durow, Public Works Director Dave Anderson

Late arrivals: 5:35 – Carolyn Wood, Richard Elkins; 5:55 – Steve Kramer

Pledge of Allegiance

Vice Chair Grossman led the Pledge of Allegiance.

Approval of Agenda

It was moved by Spatz and seconded by Zingg to approve the agenda as presented. The motion carried unanimously; Timothy McGlothlin, Steve Kramer absent

Discussion Item – The History and Future of the Urban Renewal District
City Manager Young introduced Administrative Fellow Garrett Chrostek, Economic Development Specialist Dan Durow, and City Attorney Gene Parker. Chrostek reviewed the Agenda Staff Report covering the history of Urban Renewal in The Dalles; a performance evaluation; and end of life conceptual budget narrative. Chrostek said the results from these analyses suggested that the Agency had positively influenced property tax base growth within the District, supported more efficient land uses within the District, and successfully leveraged Agency funds for investment within the District; noting that analysis began with 2000, as that was the last major change to the District.

Durow noted that Canton Wok and Don Xi taxes would likely increase this year. He said the projects weren't reflected in last year's taxes.

Chrostek noted that the Association of Oregon Redevelopment Agencies was working on a project to evaluate and recommend general indicators for urban renewal performance. He said there would also be an effort to compile indicator data from Urban Renewal Districts across the state. He recommended reevaluating the Columbia Gateway Urban Renewal Agency when those indicators and data became available.

Lawrence asked if Chrostek had reviewed the Redmond implementation and how it compared to the Agency's. Young stated that the implementation did not use detailed project sheets as were used in Redmond.

Lawrence said he would like to see each project evaluated against overall goals of the Agency.

Young asked if the group was asking for a futuristic look or rear view mirror. Lawrence said futuristic, with review of each project against plan goals.

Lawrence asked how the sprinklers in downtown, as requested by Mid-Columbia Fire and Rescue (MCFR) had been addressed. Young said as projects were done sprinklers were upgraded. Public Works Director Anderson said that there was adequate pressure downtown; the old pipes were being replaced as street scape projects were done.

Lawrence questioned if the Plan was still consistent with what the public wanted. He suggested paying down bonds faster or returning impact funds back to other districts for a year or two. He noted the importance of coordination with other existing plans; Land use, Parks and Recreation, Mid-Columbia Fire and Rescue.

Wood asked Durow to refresh her memory regarding the verbiage of the plan; was it a template. Durow said the current plan was consistent with state law and framework requirements. He said each district had an approach and philosophy that met their needs. Durow noted that the voters decided to change from infrastructure to economic development, there was a mediated group.

Spatz said the Agency should step back and hear the Advisory Committee recommendation.

Zingg asked if the politics of each community drove the plan, and what the politics of our community were.

Dick said all members of Council were hearing from constituents, he believed staff should follow the amendments made to the plan.

Durow stated that the focus of Urban Renewal in The Dalles hadn't changed. The focus had always been downtown improvements; and he was hearing that in the community. The question was could the focus be sharpened.

Grossman said with new faces on the committee there was value in reviewing the history and how various projects tie together.

Botts asked if the bonds noted in FY 2013-14 and 2017-18 were to meet the over commitment. Young explained they were a financial vehicle to allow for completion of projects at the earliest time. Bonds were for cash flow, and were not general obligation bonds that go before the voters.

Young further explained that there were eight projects on the project list that were not currently underway. He said if all those projects were done they would exceed the available funds. Those projects were: 3rd Street Streetscape; 4th Street Streetscape; 3rd Place Streetscape; Mill Creek Greenway; West Gateway; West 2nd Street infrastructure; Civic Auditorium (not including the \$57,000 committed to engineering this next fiscal year); and new property rehabilitation loan or grants.

Lawrence clarified he wasn't suggesting ending Urban Renewal; he was encouraging outside of the box thinking, saying there was too much focus on the riverfront.

Durow said that the Riverfront projects were a long term vision that had been driven by a taskforce.

Wood said the infrastructure at the beginning of the plan was referring to the sewer treatment plant. She said the plant couldn't support growth, and needed upgrades. She said many alternatives were explored, with the intent to create an environment for economic growth and diversity, not street repair.

Grossman said the Advisory Committee and Agency needed to have a long term focus, making The Dalles shovel ready for business.

In response to a question, Durow said the overlapping districts had been informed and involved with the Plan. All received formal notifications and he met with many of the boards. He said MCFR had sprinkler concerns that were addressed; and members of those districts were added to the Advisory Committee.

Elkins said the need was to make the downtown a healthy business environment. He asked what could be done to make that happen.

Miles said she owned property that was always full, due to keeping lease rates reasonable. She said the property managers appear to have set unreasonable rates.

Botts said she had heard that rates and the utilities costs were forcing business to leave downtown. She suggested a program to help owners bring properties up to date, with energy efficient incentives.

Zingg said it was time to reevaluate the list of projects and prioritize.

Lawrence agreed using criteria, such as how each project would fit the goals of the plan.

Wood asked how to address the downtown property owners; are spaces appropriate for the needs of niche stores.

Lawrence said everyone wants to be part of success – create success.

Grossman said the time is right. He said the Granada block was headed for success. He suggested one on one meetings with property owners, informing them of opportunities and incentives.

Spatz summarized the need to review criteria, priorities; build incentives; buy into the Chamber marketing incentives; work with the Main Street group. Spatz said Council could create incentive through ordinances similar to ones in Hood River that had penalties for buildings that had been vacant for too long.

Lawrence said he had attended a meeting on the Gorge Historical Highway Bike Trail Project, and in 2014 through 2016 downtown needs to be ready to take advantage of it.

Miles said she had heard many great visions and ideas for businesses, but the rent downtown kills them.

Grossman suggested creating Urban Renewal incentives to drop the rent.

Young recapped the staff action would be to prepare a process to review criteria and priority for previously identified eight projects; and options for incentives with consequences. Young said the next joint meeting would most likely be August or September.

Update of On-going Urban Renewal Projects
Chrostek distributed the Granada process timeline.

Grossman thanked Chrostek for his hard work, wishing him the best in Bend, and noting he would be missed. Botts passed on the appreciation of the NWC Parks and Rec Board for his assistance with the splash park grant. Wood said she appreciated all his hard work.

Future Meetings – July 16, 2013

Being no further business the meeting was adjourned at 7:15 p.m.

Respectfully submitted:
Izetta Grossman, Recording Secretary

Attest:

Chris Zukin, Chair



COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

MEMORANDUM

To: Urban Renewal Advisory Committee
From: Nolan K. Young, City Manager *NKY*
Date: July 10, 2013
RE: Request from Rapoza for a 120 day extension of the deadline for exercising the option purchase of Phase I of the Granada Block development, to December 30, 2013

BACKGROUND: Section 2.2 of the agreement for Disposition for Redevelopment of the Granada Block Properties (DDA) addresses an option to purchase Phase I parcels. Section 2.2.1 refers to the exercise of those options. It states *“for the hotel site and the blue building together, the earlier of the date the developer commences construction of the hotel or August 31, 2013. The agency may extend the scheduled closing date for the hotel and blue building for a period of up to 120 days, at the request of the developer, provided that the developer shows to the satisfaction of the agency that sufficient progress is being made to insure that the purchase will be closed within the additional time extension.”*

We have received a request from Rapoza to extend the closing for 120 days. Attached find information from Rapoza identifying their progress, including preliminary building elevations and site plans. Representatives from Rapoza and WAVE will be at the Urban Renewal Advisory Committee meeting and the Urban Renewal Agency meeting to discuss the progress and timeline to complete the steps needed to close the purchase on the optional property.

The checklist for the DDA requirements identifies the following items that must be completed prior to the closing of the purchase of the hotel site and blue building.

4.6.2	Developer notify the Agency of Development Team members
2.9.1(a)(7)	City has given all land use approvals for the Phase I Projects and the appeals period has passed.
2.9.2(b)(7)	

NOTE: This project will require a site plan review that takes approximately two months and review of the exterior design and materials for the hotel by the Historic Landmarks Commission for compatibility within the Historic District.

2.8.1 2.9.1(a)(3) 2.9.1(b)(3)	Developer develop and submit a comprehensive redevelopment plan for the Phase 1 Parcels
2.8.1 4.3	Developer complete designs of redevelopment project
2.9.1(b)(8)	Developer submission of engineering plans
2.9.1(a)(2) 2.9.1(b)(1)	Developer submission of supporting documentation of commitments of the private equity and of private financing sources to complete Phase 1
2.9.1(a)(4) 2.9.1(b)(6)	Agency obtain any necessary third party easements, including support of alley vacation
4.4.2(a)	Developer secure permits for demolition of recreation building
2.9.1(a)(6) 2.9.1(b)(5) 3.3.3	Agency obtain and Developer approves cost per space for the required parking in the Public Garage
2.9.1(a)(8) 2.9.1(b)(9)	City is ready to issue building permits
2.9.1(a)(9)	Agency obtains and Developer approves of environmental condition of project site
2.9.1(a)(10) 2.9.1(b)(11) 4.4.1	Agency obtains and Developer approves archaeology costs
4.4.3	Agency turnover all reports, designs, plans to developer

BUDGET IMPLICATIONS: The 120 day delay should not cause any additional costs to the Agency.

COMMITTEE ALTERNATIVES:

1. Staff Recommendation: Recommend to the Urban Renewal Agency Board to grant Rapoza's request for a 120 day extension.
2. Do not recommend granting of the extension and identify deficiency that should be addressed prior to recommending approval of the extension.

The Dalles – Hotel Development

Rapoza Development Group

July 16, 2013

Progress Update

DESIGN/CONSTRUCTION ESTIMATES

- Received revised floor-plan and renderings from CSHQA (May 2013)
- Received construction estimates (ROM), based on May 2013 design, from both Radix and Anderson Construction

HVS HOTEL MARKET STUDY

- Engaged HVS Consulting and Valuation Services to author an independent Hotel Market Study and Financial Projections – commenting the need and demand factors for a Branded Hotel in Downtown. Report finalized May 30, 2013.

FINANCING

- Finalized a detailed Investment Memorandum (60 pages) and distributed to and had discussions with a number of potential equity investors, as well during meetings at NYU Hospitality Investment Conference last month. Meetings with interested investors are already scheduled for later in the month.
- Continue to have preliminary conversations with lenders, as well as other sources of capital, including New Market Tax Credits, EB-5 and SBA 504 loans

Design/Construction Update

DESIGN UPDATE

- Continued to work with CSHQA to revise design of Hotel and finalized Conceptual Design phase in May
 - Current Hotel program assumes 4-story Hotel (above a basement level) with 117 guest-rooms spread among Floors 2-4
 - More than 7,600 SF of Meeting and Pre-Function Space
 - Fitness Center with Outdoor Swimming Pool

CONSTRUCTION UPDATE

- Received two Rough Order of Magnitude (ROM) estimates from Radix Construction (Boise) and Anderson Construction (Portland) in May

- ❖ Both of these were critical steps in the process which allowed us to engage HVS to complete their market study and RDG to finalize our Investment Memorandum

Proposed Hotel Plans and Renderings

Hotel – Conceptual Rendering (2nd Street Perspective)



All information is preliminary and subject to further revision.

Hotel – Conceptual Rendering *(2nd Street Perspective)*



All information is preliminary and subject to further revision.

Hotel – Conceptual Rendering *(1st Street Perspective)*



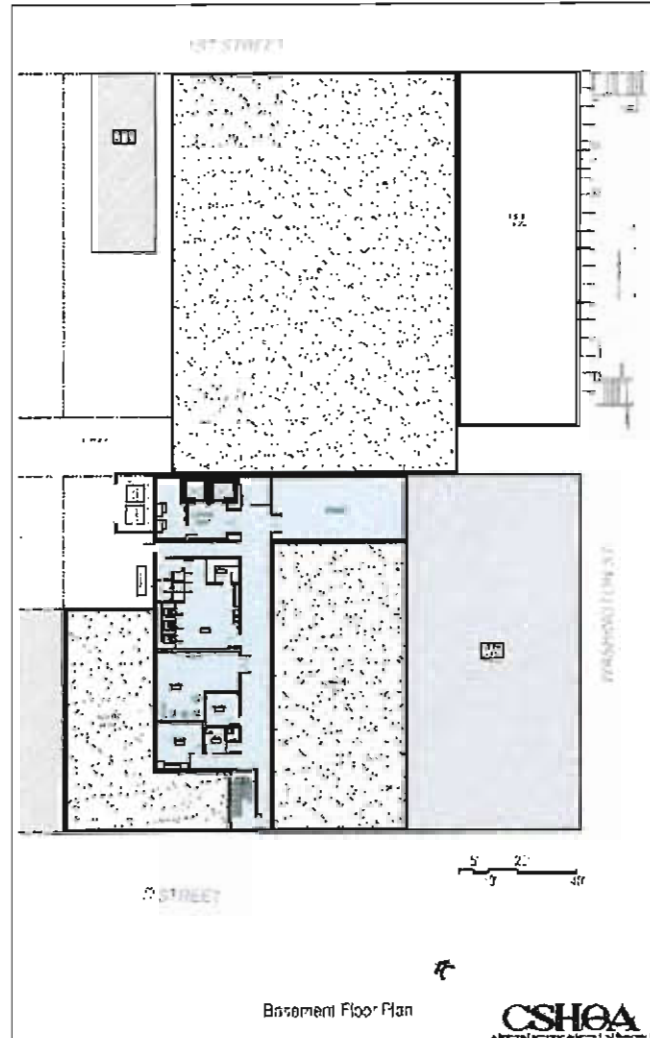
All information is preliminary and subject to further revision.

Hotel – Conceptual Rendering *(Washington Street Perspective)*



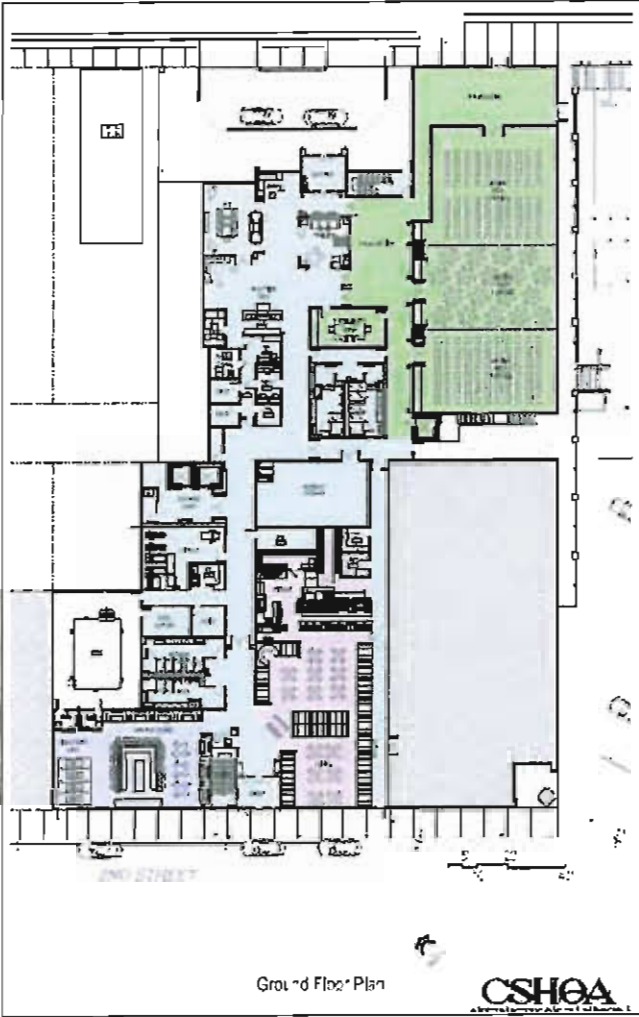
All information is preliminary and subject to further revision.

Floor Plan – Basement



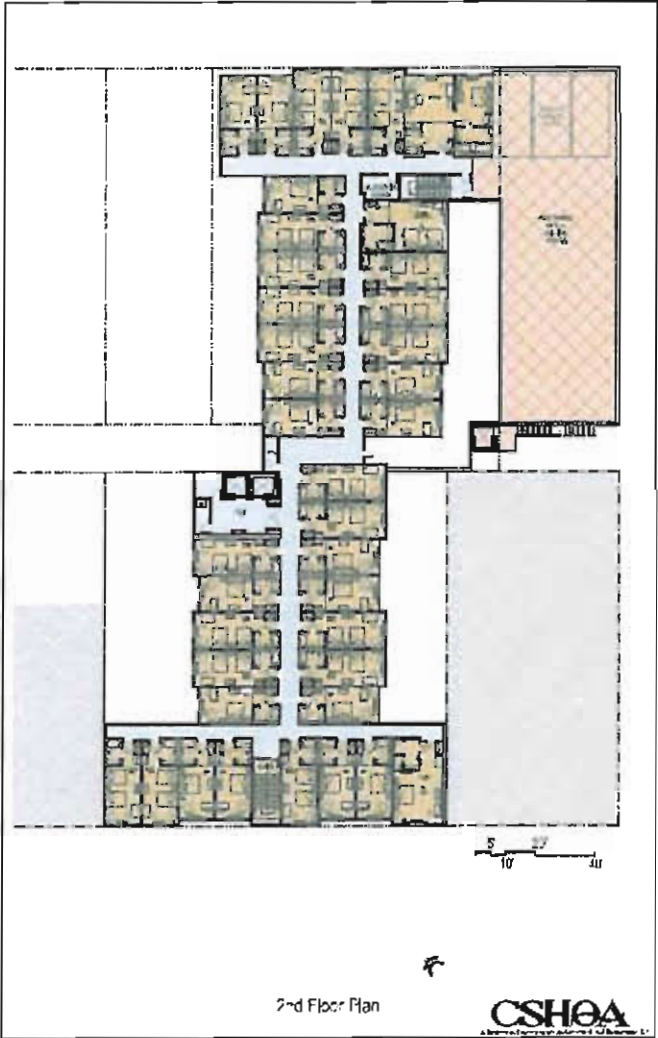
All information is preliminary and subject to further revision.

Floor Plan – Ground/1st Floor



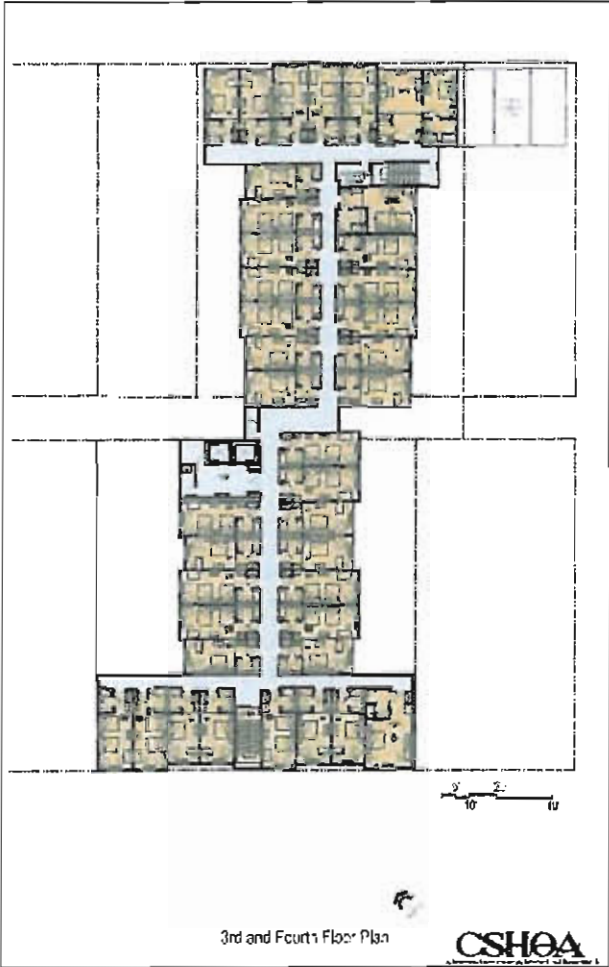
All information is preliminary and subject to further revision.

Floor Plan – 2nd Floor



All information is preliminary and subject to further revision.

Floor Plan – 3rd/4th Floor



All information is preliminary and subject to further revision.