



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

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

Tuesday, September 29, 2015

5:30 PM

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Grossman called the meeting to order at 5:30 PM.

ROLL CALL

Members Present: Gary Grossman, Greg Weast, John Nelson, Linda Miller, Atha Lincoln, John Willer, Jennifer Dewey, Phil Lewis

Members Absent: Steve Kramer

Staff Present: City Attorney Gene Parker, Project Coordinator Daniel Hunter, Administrative Secretary Carole Trautman, Acting City Manager Julie Krueger

Others Present: Mid-Columbia Economic Development District (MCEDD) Loan Fund Manager Eric Nerdin; City of The Dalles Business Development Director Gary Rains; Main Street Director Matthew Klebes

PLEDGE OF ALLEGIANCE

Chair Grossman led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chair Grossman advised the Committee of the following changes to the agenda:

- 1) Item XIII – Executive Session will follow Item VI – Public Comments
- 2) City Attorney Parker's "additional information" staff report will follow the Executive Session
- 3) Rapoza representative Michael Leash will give a presentation following Mr. Parker's staff report
- 4) Action Item IX – remove

It was moved by Weast and seconded by Nelson to approve the agenda as amended. The motion carried unanimously.

APPROVAL OF MINUTES

It was moved by Weast and seconded by Lincoln to approve the August 31, 2015 minutes as submitted. The motion carried unanimously.

PUBLIC COMMENT

None

EXECUTIVE SESSION

A. Recess to Executive Session in Accordance With ORS 192.660 (2) to Conduct Deliberations With Persons Designated by the Governing body to Negotiate Real Property Transactions.

Chair Grossman opened Executive Session at 5:32 PM.

B. Reconvene to Open Session

Chair Grossman reconvened to Open Session at 6:34 PM.

City Attorney Parker presented the highlights of the staff report regarding the recommendation to the Urban Renewal Agency Board concerning the status of the Disposition and Development Agreement (DDA) for the Granada Block Project. He read aloud the eight (8) items that had not yet been met by the September 30, 2015 deadline, as required by the DDA. Staff's recommendation was to terminate the DDA, or in the alternative to recommend to the Agency Board to consider granting an additional period of time to Rapoza Development to complete the performance of the required conditions of the DDA.

Rapoza Representative Michael Leash distributed an information packet (Attachment 1) and confidential design plans to the Committee and gave an update on the Granada Block Redevelopment Project, highlights as follows:

- The design work for a Hilton Garden Inn required re-design work to meet Hilton prototypes and fit the downtown site. The typical Hilton would be on at least three acres. He gave a slide presentation on the new design work.
- Representative Huffman and Mr. Leash have strategized a plan to ask the state for \$1,000,000 for the City of The Dalles to be used to pay for the City's phases of the Granada Block project. (Rapoza letter dated 9/28/15) Leash said Huffman felt optimistic about the request, but could not guarantee.
- Projected property taxes will pay approximately \$153,000 for 6-8 blocks in the downtown area; could be one of the highest ranked taxpayers in the area.
- Rapoza project is in line for review, according to Hilton Director of Development (Northwest Region). There is a large backlog of reviews to be done, but they are hopeful to review Rapoza's project in the coming weeks.

- Several architect letters speak to the efforts of the re-design work.
- EB5 group letter showing support for the bond initiative efforts led by Representative John Huffman, and they are continuing their support of bringing a half million dollars to the project.
- Rapoza submitted its Historic Landmarks application to the Planning Department.
- Rapoza submitted Planning documents for review.
- The LLC has been formulated that will hold the hotel and the property.

Leash stated he had hoped the hotel project had been completed by now, and he pointed out that other local redevelopment projects have gone on for a long time such as Riverfront Trail, the boat dock, the Civic Auditorium, and others.

Nelson asked for Leash's opinion on what it means to the City and to the developers if there was no hotel. Leash said it would be tragic, and he thought this project was the highest and best use of the downtown property. The development would yield foot traffic, employment, restaurants, \$153,000 in property taxes and an infill that is beautiful, meeting space, and 117 rooms with almost 200 beds. He didn't feel there could be a better use of that space. Leash said Rapoza was in line for a franchise with Hilton, and if this site could not be used, they would find another site.

Weast said urban renewal had waited a long time for this project to be developed and nothing has happened. Leash said the process takes 90 days each time they sign up with an investor, they are aligned now, and they have Representative Huffman in place.

Nelson asked Leash what extension of time he would ask for. Leash asked that the Committee recommend to the Agency Board the alternate recommendation to extend the DDA in its entirety for enough time to allow Representative John Huffman's bond package to fund the 1 million dollars (thru April or May of 2016 which is also when construction is due to start). The EB5 said they would fund the 8 million dollars in March which lines up with the capital partners in Seattle. Nelson asked if he brought anyone else with him to the meeting. Leash said he did not.

Chair Grossman asked how many people in the audience were here in support of the project. Nine people raised their hands.

Tony Morin, downtown business/property owner of 308 Washington Street, stated that the downtown stood to benefit from the project, and it would be good for the downtown area. He said that unless there was someone standing by ready to purchase that property, they should recommend that the developers be allowed to proceed. He felt Rapoza had not been given enough time, project take a long time to complete. Mr. Morin recommended a one-year extension as an absolute deadline. Weast said the Committee had previously recommended two other extensions. Mr. Morin asked if they knew of any better offers for the property.

Robin Miles, business owner and commercial property owner in the downtown area, said she would like to see her buildings increase in value. She agreed with Mr. Morin's comments that

projects take a long time to develop. She said that when she served on the Committee, the Committee asked Mr. Leash to put money into the project, and he did.

Luise Langheinrich, business owner and a board member of Main Street, stated that one of the Main Street goals is to revitalize downtown. She has observed that with the development of tourism from the cruise ships, merchants have seen a change in their business—the cruise ship tourists are spending money downtown. She acknowledged that Rapoza's project had taken a long time, but the magnitude of the project and the uniqueness of the site has taken more time, but she supports the project. Ms. Langheinrich said that any project that brings in outside dollars is a positive for the business owners.

Weast stated that no one else has been able to make an offer or look at the property because of the 2013 DDA.

It was moved by Weast and seconded by Miller to forward the request to the Agency Board with no recommendation.

Dewey asked to remind the Agency Board that Rapoza is submitting to a franchise, there are apt to be changes when going through the franchise process. She said one change in the process can affect all the others, and that could be part of the delay.

Chair Grossman called for the question. Willer, Weast, Grossman and Miller voted in favor; Nelson, Lincoln, Lewis and Dewey opposed; Kramer was absent. The motion failed.

It was moved by Dewey and seconded by Nelson to recommend to the Agency Board an extension of time of the DDA.

Lincoln moved to amend the motion to recommend to the Agency Board for an extension of time of the DDA for one year. No second to the amended motion, the original motion stands.

Chair Grossman called for the question on Dewey's motion. Lewis, Dewey, Nelson and Lincoln voted in favor; Willer, Weast, Miller and Grossman opposed; Kramer absent. The motion failed.

Grossman suggested another alternative by allowing the Agency to proceed with a Request for Proposal (RFP) and start that process, and at the same time, allow the tenants of the DDA to come back into position if certain requirements are met by Rapoza. City Attorney Parker thought this would raise complications. Perhaps an alternate could be a First Right of Refusal whereby if an RFP brought forth a developer, Rapoza would have a first right of refusal. Project Coordinator Hunter said that if an RFP was issued, Rapoza could still bid on the project.

With no further alternatives offered by the Committee members, Chair Grossman concluded this portion of the meeting.

Grossman called for a recess at 7:38 PM.

The meeting reconvened at 7:44 PM.

ACTION ITEM – Property Rehabilitation Façade Improvement Grant Requests for Residential Properties Within the Urban Renewal District (continued)

Project Coordinator Hunter outlined the staff report and indicated the Committee could decide if they wished to allow Façade Improvement Grants for residential projects, and if so, decide if there were any limitations.

Nelson said he saw a problem with the façade definition as “viewed by the public.” That would cause an adjustment to the Eagy application, because the back side of a structure would not be allowed in the grant, and they requested all exterior sides. Hunter said the report’s definition was taken from the criteria for commercial buildings, but the words “viewed by the public” could be removed from the definition.

Hunter explained that the definition under A could consider any residential structure other than outside the urban renewal boundary. Section B limits the grant to approximately 43 properties.

It was moved by Weast to recommend a definition of “façade” by including definition #2 and Commercial A and B. There was no second to the motion, the motion did not carry.

It was moved by Nelson and seconded by Willer to recommend to the Agency Board a definition of “façade” to include #1 and Commercial A and B. Nelson, Willer, Lewis, Dewey, Grossman, Lincoln and Miller voted in favor; Weast opposed; Kramer absent. The motion carried.

ACTION ITEM – Recommendation concerning Urban Renewal Property Rehabilitation Façade Improvement Grant Request – Alan and Bev Eagy

MCEDD Loan Fund Manager Nerdin highlighted the staff report. He clarified that the grant amount requested was \$18,166.00, not 9,083.00 as indicated in some earlier versions of his staff report.

It was moved by Weast and seconded by Miller to recommend approval by the Urban Renewal Agency board of a \$18,166 Urban Renewal Property Rehabilitation Façade Improvement Grant to Alan and Bev Eagy to be used for façade improvements, as presented, on the building located at 214 W. 4th Street, The Dalles, Oregon, with the condition that the applicant provide the following information to staff: a) Documentation showing approval of all aspects of the project by the Historic Landmarks Commission; and b) Applicant to provide documentation of match funds availability. The motion carried unanimously.

ACTION ITEM – Recommendation Concerning Urban Renewal Civic Grant Request – The Dalles Main Street

MCEDD Loan Fund Manager Nerdin highlighted his staff report. The grant amount requested is \$16,250.00 for the construction and maintenance of three (3) Wayfinding Signs for the

downtown district. Nerdin stated that the grant request met the minimum criteria as set forth by the Urban Renewal Agency. He explained the three options of recommendation to the Agency Board.

Main Street Executive Director Matthew Klebes reported that there are 220 businesses downtown, and he showed the Committee a large map of the area. Klebes also explained that part of the grant request would be for update and maintenance of the signs. He indicated that the National Association of Realtors will help pay for this project.

Weast asked if a precedent would be set if they recommended approval with a project scoring criteria of 50 points. Nerdin said he did not know the history of previous grant request scores, but as in this case, many of the requests come before the Committee and Agency with no competition.

It was moved by Weast and seconded by Nelson to recommend approval by the Urban Renewal Agency Board of a \$16,250 Urban Renewal Civic Improvement Grant to The Dalles Main Street Program to be used for the construction and installation of three wayfinding signs in downtown The Dalles, with the condition that The Dalles Main Street Program will be responsible for the upkeep and maintenance of these signs, including, but not limited to vandalism and graffiti, but not including complete replacement of signs, if so required.

Dewey felt this would be a good opportunity for civic organizations to help fund maintenance and updating these signs. Grossman said it would be good to find a way to partner with the civic organizations.

Chair Grossman called for the question. Lewis, Willer, Grossman, Weast, Nelson, Lincoln and Miller voted in favor; Dewey opposed; Kramer absent. The motion carried.

ACTION ITEM – Recommendation Concerning Library Expansion Funding – The Dalles-Wasco County Library

Project Coordinator Hunter highlighted the staff report. Hunter explained that there was an accounting error of an additional amount of \$152,297. There will be a complete budget amendment by the Finance Director in the near future. He explained that prior to receiving bids on the library construction, the Library Foundation's fundraising efforts were approximately \$63,000 short of the engineer's estimate. During the process of Value Engineering, the contractor was able to meet the engineer's estimate, but it took revisions to the project's design to do so, and it increased structural design costs. Therefore, the net gain was only \$10,000. The Foundation decided to stay with the original design, and with a few other item revisions, they saved some money. This resulted with approximately \$86,000 in construction costs above the original engineer's estimate. The architectural redesign for the library restroom was estimated at \$16,000 for a total of \$163,663. The amount of the requested funding from Urban Renewal is \$156,736, a difference of \$6,926. That amount is being accounted for by reducing the contingency to \$6,926. The contractor guaranteed the project estimated cost, barring change orders. Hunter disclosed that if the Committee declined the request, the library had sufficient

funds for fixtures, furniture and equipment of less than \$5,000 that could be used to reduce the shortfall, but it may reduce the amenities and delay the project.

Weast said he thought the engineer should be held responsible because of the 50% error. Hunter said he had that discussion with the contractor and other cities where a project was well over the engineer's estimate, and they all said they had the same experience. Weast said that was because the engineer's estimate was out of date.

After no further discussion, it was moved by Weast and seconded by Dewey to recommend to the Agency Board approval of a grant for completion of The Dalles-Wasco County Library Children's Addition in an amount not to exceed \$53,368 contingent on the Foundation's ability to secure an additional \$50,000 in private donations. The motion carried unanimously; Kramer absent.

Library Foundation representative Corliss Marsh reported that the Foundation had already secured donations in the amount of \$38,000.

ONGOING URBAN RENEWAL PROJECT UPDATE:

- Downtown Business Residential Development Project – City Attorney Parker reported that there was an issue with the project involving prevailing wages. The City has decided to issue a Request for Qualifications (RFQ) to any developer. The intent is to try to work the project without prevailing wages, or the project won't happen due to prevailing wage issues. The RFQ will be issued in 3-4 weeks.

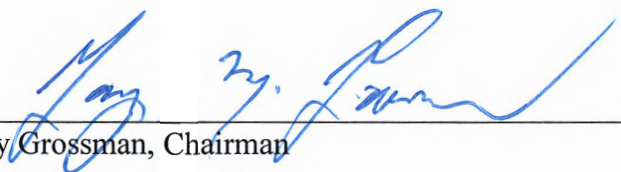
FUTURE MEETING

October 20, 2015

ADJOURNMENT

Chair Grossman adjourned the meeting at 8:24 PM.

Respectfully submitted by Administrative Secretary Carole Trautman.



Gary Grossman, Chairman

ATTACHMENT 1

Rapoza Development Group, LLC
306 Court Street
The Dalles, OR 97058

RAPOZA
DEVELOPMENT
GROUP, LLC

September 28, 2015

Julie Krueger
313 Court Street
The Dalles, OR 97058

RE: Granada Block Development & State Bond Assistance

Dear Julie,

As you are aware, the DDA has numerous deadlines and timelines to achieve milestones for the hotel development project. As these milestones are quickly approaching, State Representative John Huffman, who has been a strong supporter of the project since the Washington Street Plaza was on the drawing-board more than 8-years ago as evidenced by his letter of support dated September 24, 2014, has been in touch with me. Representative Huffman wants to see this project through to completion, as it will be the cornerstone to help move forward a struggling downtown, employ more than 150-people, and contribute substantially to the property tax base within the County.

Representative Huffman has laid out a method for how he can ask and ultimately source \$1.0M for the City of The Dalles as long as those funds are used to pay for the City's phases of the Granada Block project – funding any portion of the Parking Garage, Washington Street Plaza and 1st Street Streetscape. The funds would be part of a Bonding Package requested in the February 2016 session. The Bonding Package would be approved by the end of the February 2016 session and the final amount of the request would be determined at the same time. Representative Huffman will make every attempt to make it happen, however must be careful not to guarantee, though he feels our chances are pretty good, based on past experience.

The City of The Dalles would convey the Granada Block Properties to the RDG/GBHD, LLC, for the outstanding balance of \$845,316, which would be reimbursed to Urban Renewal Agency at the time the 2016 Bonding Package is issued, payable to the City in March 2017. The City Urban Renewal would be reimbursed the full bond proceeds amount of \$1 Million Dollars, which would constitute an extra return to the Agency of more than 10% to assistance covering any carrying to cost of the outstanding balance while the agency waited for the State Bond to fund.

In addition to the above over-funding of the \$845,316, we suggest that GBHD, LLC would fund an additional \$700 a month in carrying cost until the Bond funds the City. This could be called a "Transaction Carrying Cost Fee" which will fund any administrative cost associated with the development. We can also discuss alternatives, such as waiving the requirement to take down the properties until the bond proceeds are available.

All of this is clearly made in effort to ensure the success of the project, as Representative John Huffman wants to see all of the following contributions to the City, County and State's success:

- Development has the potential to rank in the Top 10 of Property Tax contributors in Wasco County.
- Ability to be in the Top 20 Employers in the City of The Dalles

- Total Project Develop Value of \$37 Million would make the project one of the largest developments in Wasco County and would rank high overall in Oregon.
- Provided critically needed large meeting space with attached Hotel Rooms

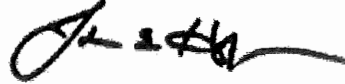
Please contact me upon receipt of this letter if you have any questions or comments.

Sincerely,



Michael Leash
Rapoza Development Group, LLC

Sincerely,



Rep. John Huffman
Ph: 541-993-1000
Email: rep.johnhuffman@state.or.us>

Office: (541) 298-8326 | Mobile: (541) 340-0892 | efax: (888) 394-6743
cc: Gene Parker, Dag Wilkinson, Esq., Jens von Gierke & Jason Pasternak, Wave Hospitality Advisors



**REP. JOHN HUFFMAN
STATE REPRESENTATIVE
HOUSE DISTRICT 59**

**From the desk of
Oregon State Representative John Huffman**

September 24, 2014

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

Michael,

I wanted to take a minute and personally let you know of my support for the revitalization project downtown The Dalles. I have always been very supportive of the Granada Theatre and Rapoza's hotel development will truly make this gem stand out and preserve a true treasure.

My perspective comes as a legislator that works on economic development and workforce development all the time, and as a longtime resident of The Dalles. There are so many positives to come from this development in the downtown core area.....

- removing the blight left from the old Recreation property
- creating needed overnight and meeting space
- providing needed competent but non-technical employment to a substantial population in the Mid-Columbia
- creating much needed energy in downtown The Dalles
- and, we can never have enough good places for folks to eat downtown!

Thanks for your commitment to this project and I wish you the best.

Your friend and supporter,

Rep. John Huffman
House Dist. 59

Top Taxpayers for Tax Year 2014

Wasco County

#	Name	Amount
1	UNION PACIFIC RAILROAD CO	\$532,998
2	BNSF RAILWAY CO	\$450,793
3	NORTHERN WASCO CO PUD	\$306,307
4	CENTURYLINK	\$299,919
5	METROPOLITAN LIFE INSURANCE CO (Fred Meyer)	\$249,933
6	GAS TRANSMISSION NW CORP	\$224,807
7	OREGON CHERRY GROWERS INC	\$219,083
8	CHARTER COMMUNICATIONS	\$169,255
9	HOME DEPOT USA INC	\$167,430
10	ORCHARD VIEW FARMS INC	\$165,907
Average of Top Ten		\$278,643

Google's Enterprise Zone Payments

2005 Agreement Annual Fee	\$250,000
2013 Agreement Annual Fee	\$800,000
Executed Agreements Total	\$1,050,000

Relative to Top Tax Payer	97%
Relative to Top Ten Average	277%

Minimum of Proposed New Agreement	\$1,000,000
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Hilton Garden Inn Development:
Projected Property Taxes built into
the Operations Budget: \$153,000

Michael Leash

From: Denise Carpenter <Denise.Carpenter@Hilton.com>
Sent: Tuesday, September 29, 2015 1:17 PM
To: Michael Leash; 'Jens Von Gierke'
Cc: Armando Sobalvarro; Lisa Waldron
Subject: RE: HGI Prototype Presentation

Mike/Jens:

I wanted to give you an update on your application for a Hilton Garden Inn in The Dalles, OR. We are very excited about this opportunity, and I apologize for the timing and delays. As you know, Lisa Waldron had a baby girl several weeks ago, and she is on leave for several more. I'm covering her states on a more day-to-day basis than I normally do, and I'm a little slower than she is! Sorry.

We have received the updated plans submitted from your architect, and Armando will be reviewing when he returns from his trip this week. As soon as we have the go-ahead on the plans, the package will be submitted to our Legal Department for circulation to our Franchise Committee. As I explained to Gary Range from The Dalles this afternoon, we have a big backlog of projects (good problem to have!), but we hope to have your project reviewed officially by our Committee in the coming weeks.

I will keep you updated on the timing once it gets to Legal which should be early next week.

Thanks for your interest and application to Hilton Worldwide for the HGI.

Denise Carpenter
Vice President & Managing Director
Development – Northwest Region



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hiltonworldwide.com



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Michael Leash

From: Dale Johnson, Architect <dale@jra-arc.com>
Sent: Tuesday, September 29, 2015 12:34 PM
To: Michael Leash
Subject: The Dalles HGI Update

Michael,

As discussed, plans were submitted last week to Armando/Hilton Corp for License Agreement review, awaiting comments from Armando. I followed up with Hilton Corp today, no response as of yet.

We are anticipating favorable Hilton response to the revised layout, with Hilton follow-up comments to date all reflected in the current plan iteration, and prototypical spaces and adjacencies provided or exceeded. We will inform upon receipt of Hilton comments.

Sincerely,

Dale Johnson
Principal Architect

JRA
Architecture
& Planning

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Coeur d'Alene, ID 83814
208-667-5570, Office
208-667-9579, CAD/PM
208-660-1099, Mobile
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425-775-8178, Seattle
dale@jra-arc.com



This email has been checked for viruses by Avast antivirus software.

www.avast.com

Michael Leash

From: Dale Johnson, Architect <dale@jra-arc.com>
Sent: Friday, September 25, 2015 2:13 PM
To: Armando Sobalvarro
Cc: Michael Leash
Subject: Dalles HGI Plans
Attachments: DALLES HGI Site Plan-1st Flr A2.1.pdf; DALLES HGI Bsmnt flr pl A2.0.pdf; DALLES HGI 2nd Flr A2.2.pdf; DALLES HGI 3rd Flr A2.3.pdf; DALLES HGI 4th Flr A2.4.pdf; Dalles HGI Hotel Elev1.pdf; Dalles HGI Hotel Elev2.pdf; Dalles HGI Hotel Elev3.pdf; Dalles HGI Hotel Elev4.pdf; Dalles HGI Hotel Elev5.pdf; Dalles HGI Hotel Elev6.pdf; Dalles HGI Hotel Elev7.pdf; Dalles HGI Hotel Elev8.pdf; Dalles HGI Hotel Elev9.pdf; Dalles HGI Hotel Elev10.pdf

Armando,

Good afternoon. Attached as promised are the Site Review Application scaled plans, also the exterior elevations you have previously seen, numbered here for inclusion in this submittal. The plans indicate square foot area exceeds prototype, and we worked hard to keep many of the prototypical adjacencies. Please let me know of any specific item/question I can help with.

To address your specific restaurant question, in addition to the Garden Inn prototypical restaurant function, the intent is to have the potential to offer food service to catered events that may occur in the historic Granada Theater lobby, and also in the expanded Meeting Room spaces. Ownership intent is a 3rd-party restaurant franchise, we would run by you as soon as determined.

In this plan iteration, we were able to add 2 more stalls for a total of 46 garage stalls, 71 stalls therefore provided by the city on the immediately adjacent, SE corner of Washington and 1st. This is actually a shorter walk from parking to Porte Cochere than many of our more suburban locations. To address the dead-end parking aisle in the basement garage, a stall could be sacrificed for a turnaround at each end to return to the previous total of 44, or stalls could be numbered, assigned and confirmed available with video monitoring.

Due size of building footprint, sheet size is 30 x 42, let me know if you would like a half-size set of hard copy plans as well.

Please note, for reference I am including an aerial plan with topographic information overlayed, this is a large file I will send separately.

Again, please let me know of any questions/comments you may have, we will respond immediately, with the goal of Site Review approval as soon as possible.

Sincerely,

Dale Johnson
Principal Architect

JRA
Architecture
& Planning

Michael Leash

From: Dale Johnson, Architect <dale@jra-arc.com>
Sent: Tuesday, September 22, 2015 6:19 PM
To: Michael Leash
Subject: Re: Approval HGI Site in The Dalles

To: City of The Dalles
Re: Hilton Garden Inn Downtown

Per Owner request following is a progress summary and project overview for the above Hotel and Convention space. Project is progressing through Hilton Franchise review, current station is first round response to comments/feedback from Armando Sobalvarro, AIA, NCARB, LEED BD+C - Director, Focused Service, Hilton Architecture & Construction, Northwest Region; and Denise Carpenter, Vice President & Managing Director, Hilton Development – Northwest Region. Armando will review/approve the plans with comments, forward to Denise for final approval. We will then proceed with full team construction documents, as directed by Ownership.

We look forward to reaching this point soon, expeditiously, and working with the city of The Dalles through project close out and occupancy. The Hilton Garden Inn is an excellent, highly sought after Franchise, Ownership has worked hard to achieve, but will be well worth the effort in providing the forward-looking historic city core with an upscale, downtown-design appropriate suites hotel, restaurant, lease space, and much needed convention space. The hotel will create an influx of vacationers, convention-goers, and shoppers, at the same benefiting symbiotically from the exceptional The Dalles downtown historic core and the Columbia Gorge location as well.

Regards,

Dale Johnson
Principal Architect

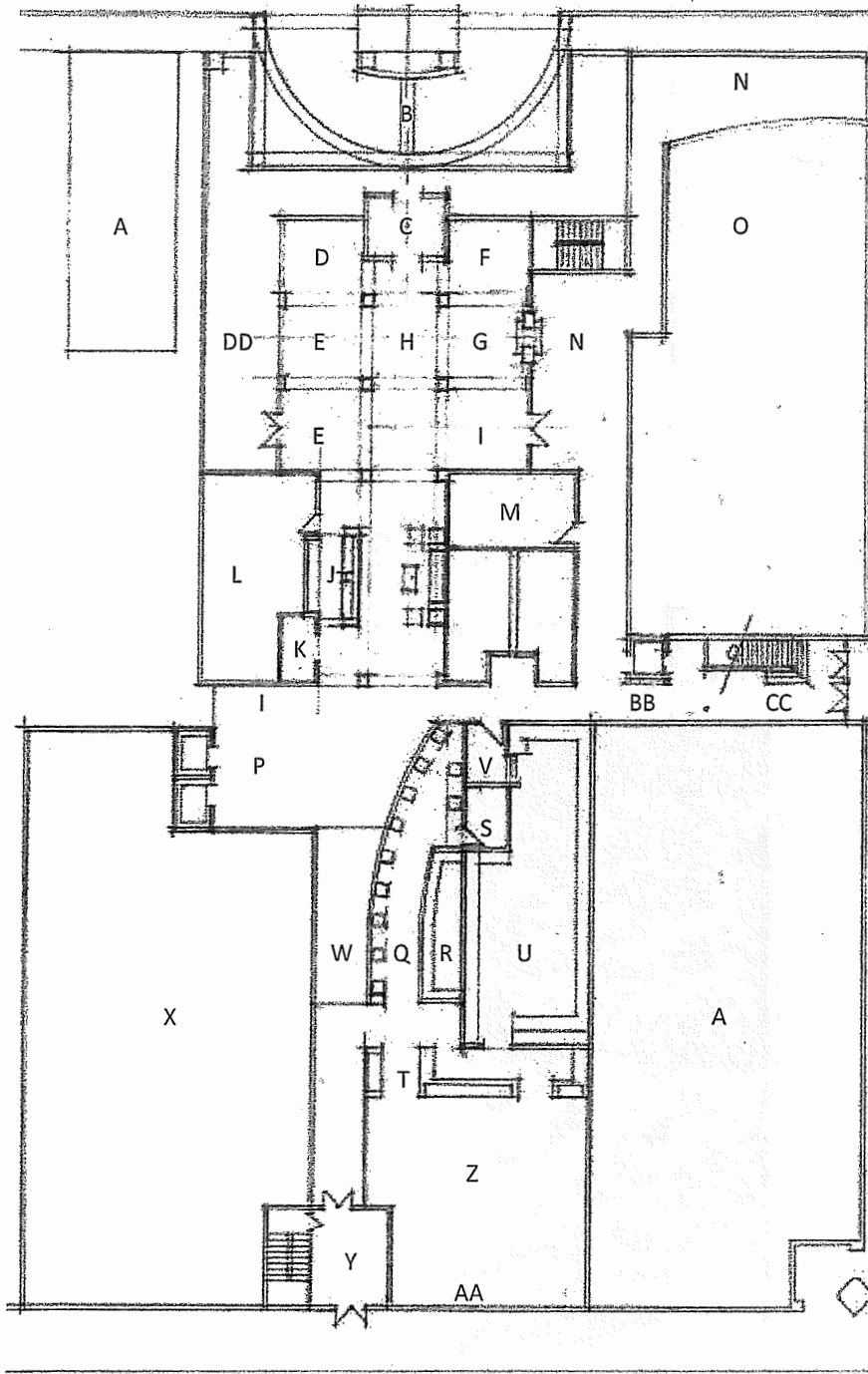
JRA
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208-660-1099, Mobile
208-730-1111, Fax
425-775-8178, Seattle
dale@jra-arc.com

JRA-HILTON-WAVE

1ST STREET

KEY



- A EXISTING BLDG TO REMAIN
- B PORTE COCHERE, PAVERS
- C VESTIBULE PRE PROTO, ELEV 98 APPROX
- D GAZEBO SEATING PER PROTO
- E DINING SEATING PER PROTO
- F BUSINESS CENTER PER PROTO
- G CONSERVATORY SEATING PER PROTO
- H PAVILION COLS PER PROTO, CEILING INSETS FOLLOW GRID
- I SEATING GROUP
- J RECEPTION; EXCEEDS PROTO
- K PANTRY
- L OFFICE, EXCEEDS PROTO
- M BOARD RM, MEN/WOMEN RESTRM PER PROTO
- N PRE FUNCTION
- O MEETING RM
- P MAIN ELEVATORS TO BASMNT, FLRS 1-4
- Q LOUNGE, 55' X 20' APPROX, OPEN TO LOBBY WITH HALF WALL
- R BAR, 30'L
- S VIDEO RM
- T HOSTESS, WAITING
- U KITCHEN, 65' X 27' APPROX
- V STEP DOWN TO LOBBY LEVEL
- W RAMP DOWN TO LOBBY LEVEL
- X LEASE SPACE. 6,000 SF APPROX
- Y VESTIBULE ENTRY ELEV 100 APPROX
- Z RESTAURANT/SUPPORT, 2,200 SF APPROX
- AA OPERABLE FRENCH OR OVERHEAD DOORS FOR SIDEWALK DINING
- BB SERVICE/PASSENGER ELEV TO BASEMNT MEETING RM/KITCH STOR
- CC STAIR TO ROOF TERRACE, OPTION TO ENCLOSE AS GLASS, 2 STORY ATRIUM, ELEV 100 APPROX
- DD TERRACE SEATING PER PROTO W OPTIONAL GAS FIRE PIT

2ND STREET

MAIN HOTEL/RESTAURANT LEVEL

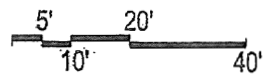
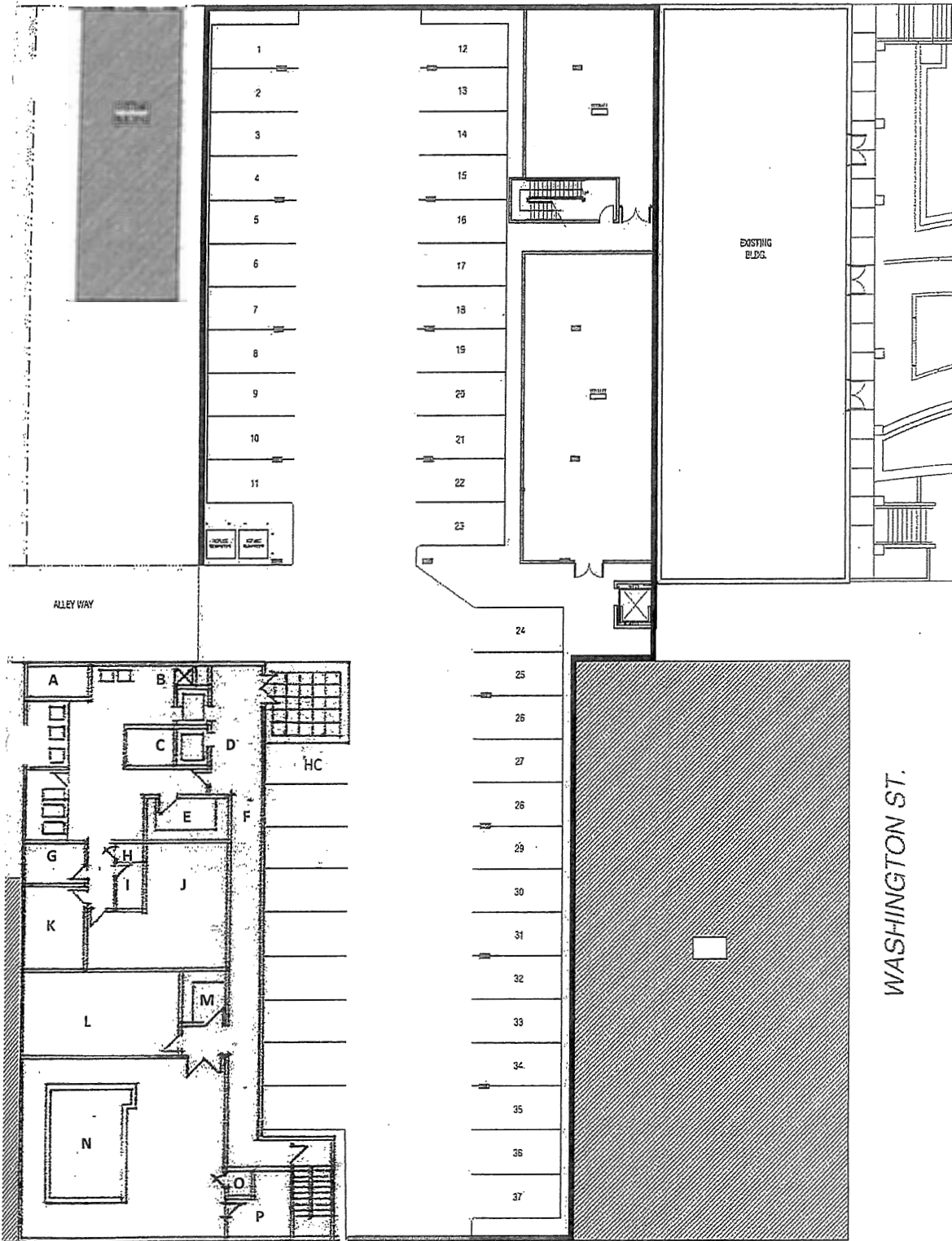
NO SCALE

8/20/15

NORTH



1ST STREET



2ND STREET

American United EB-5 Regional Center
805 SW Broadway Ave, Suite 2080
Portland, Oregon 97205 USA
Tel: 503 477 8170 Fax: 503 477 8218
www.audgus.com



September 29, 2015

Michael Leash, Principal
Rapoza Development Group, LLC
306 Court Street
The Dalles, OR 97058

RE: EB5 Funding and City / State Participation – related to the proposed Hilton Hotel in The Dalles

Dear Mr. Leash,

We are pleased to learn of the recently proposed Granada Block Development State Bond Assistance proposal led by Representative John Huffman. Securing the property for the development is a critical next step in moving this transaction forward and a key reason we support this bond initiative.

Given the passage of time I also want to restate that American United EB5 Regional Center (AURC) continues to be conditionally committed to providing up to \$8.5m of capital to the project in the form of a junior loan. Legislatively there were some concerns about possible changes to the EB5 program becoming effective at the start of the Federal Government's fiscal year which is October 1, but it appears that any changes are not going to be immediate. At present it is believed we should have the next 6 to 10 weeks to formally submit the project under the current rules with the outside deadline being December 11, 2015. So moving forward sooner rather than later is most definitely in everyone's best interest.

The postponement of any possible EB5 program changes enables us to maintain the current project structure and, additionally, the effective contribution of the land by the City combined with a bank loan commitment will allow us to move the project forward immediately.

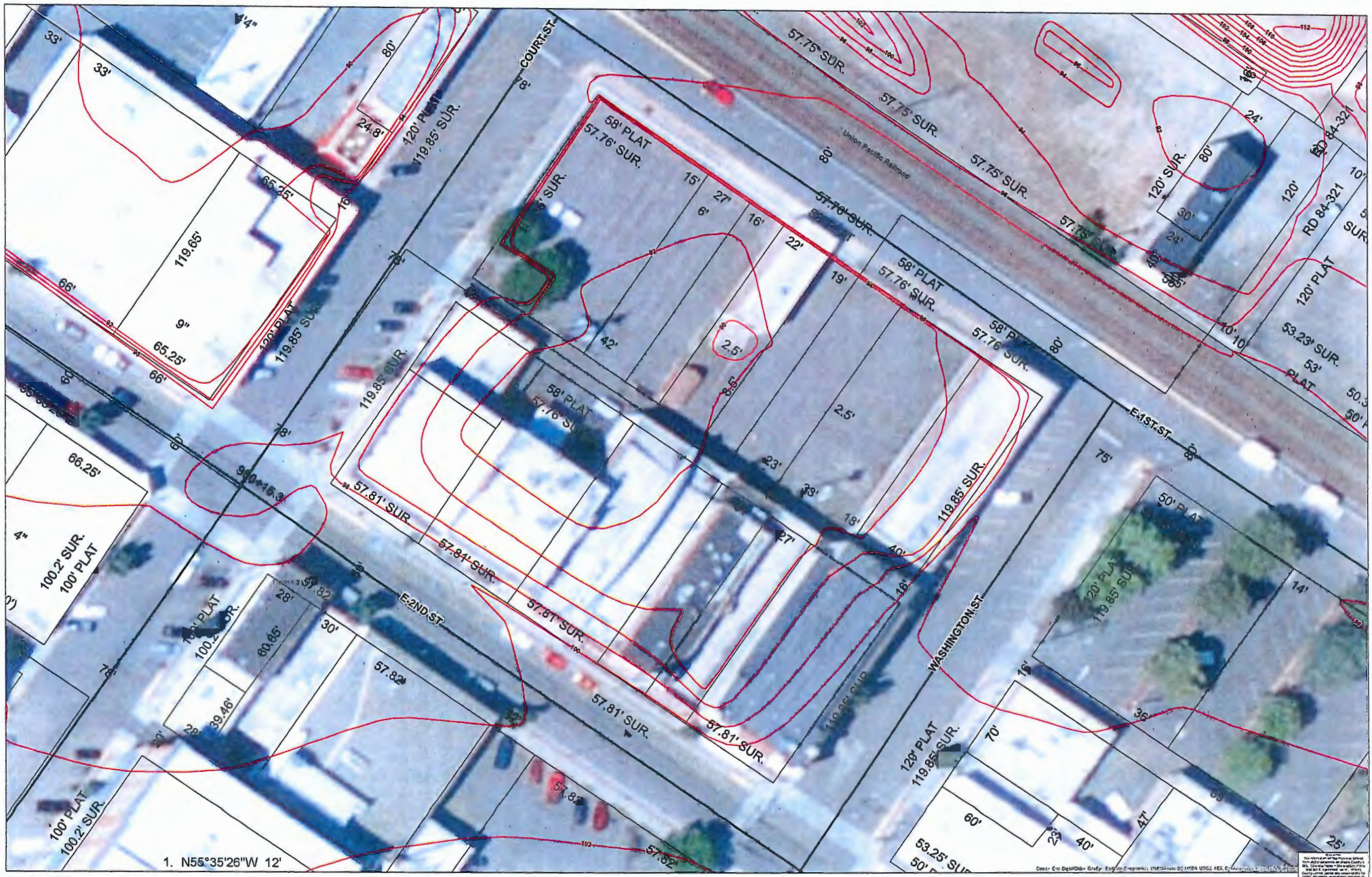
As an added benefit, participation by the City and State with the Bond Assistance program will be viewed quite favorably by the EB5 investors from China who value governmental involvement in projects. This will position the project more favorably as compared to the numerous other EB5 project offerings from around the country.

Please keep us apprised of any further updates and we look forward to moving this project ahead.

Sincerely,

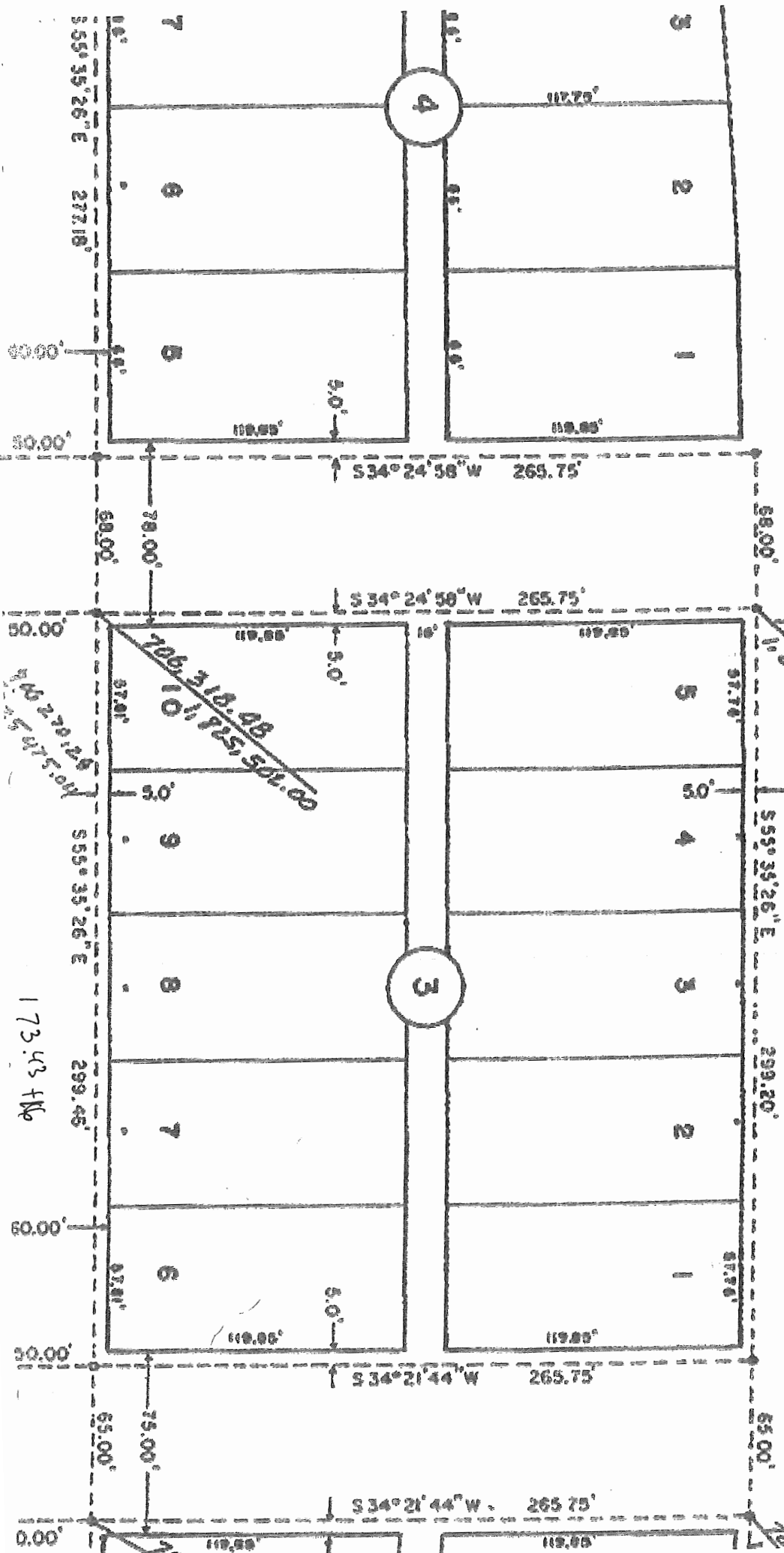
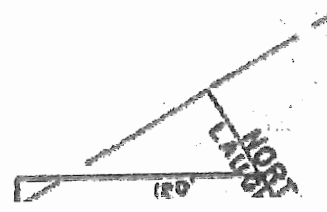
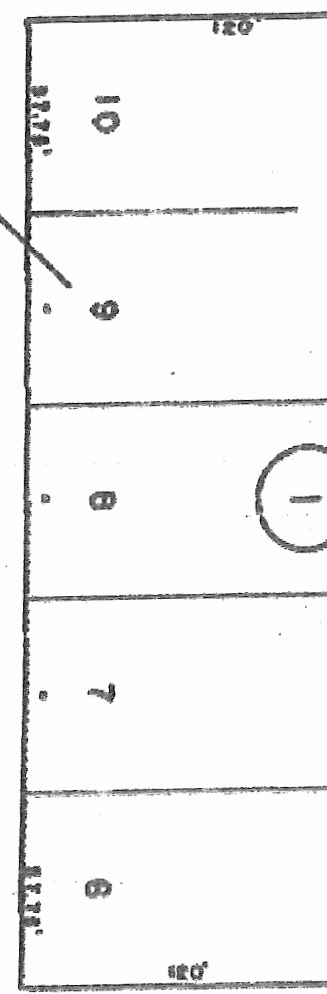
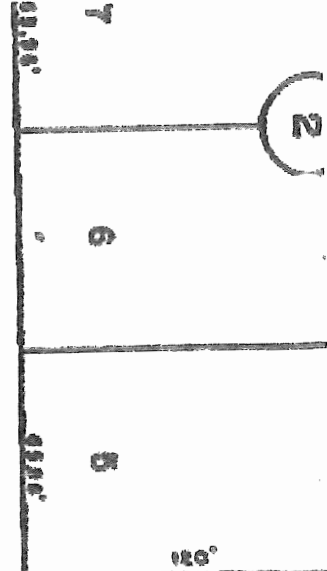
A handwritten signature in blue ink that reads "Marvin Kau".

Marvin Kau
Vice President, Project Management
MarvinKau@AUDGUS.com



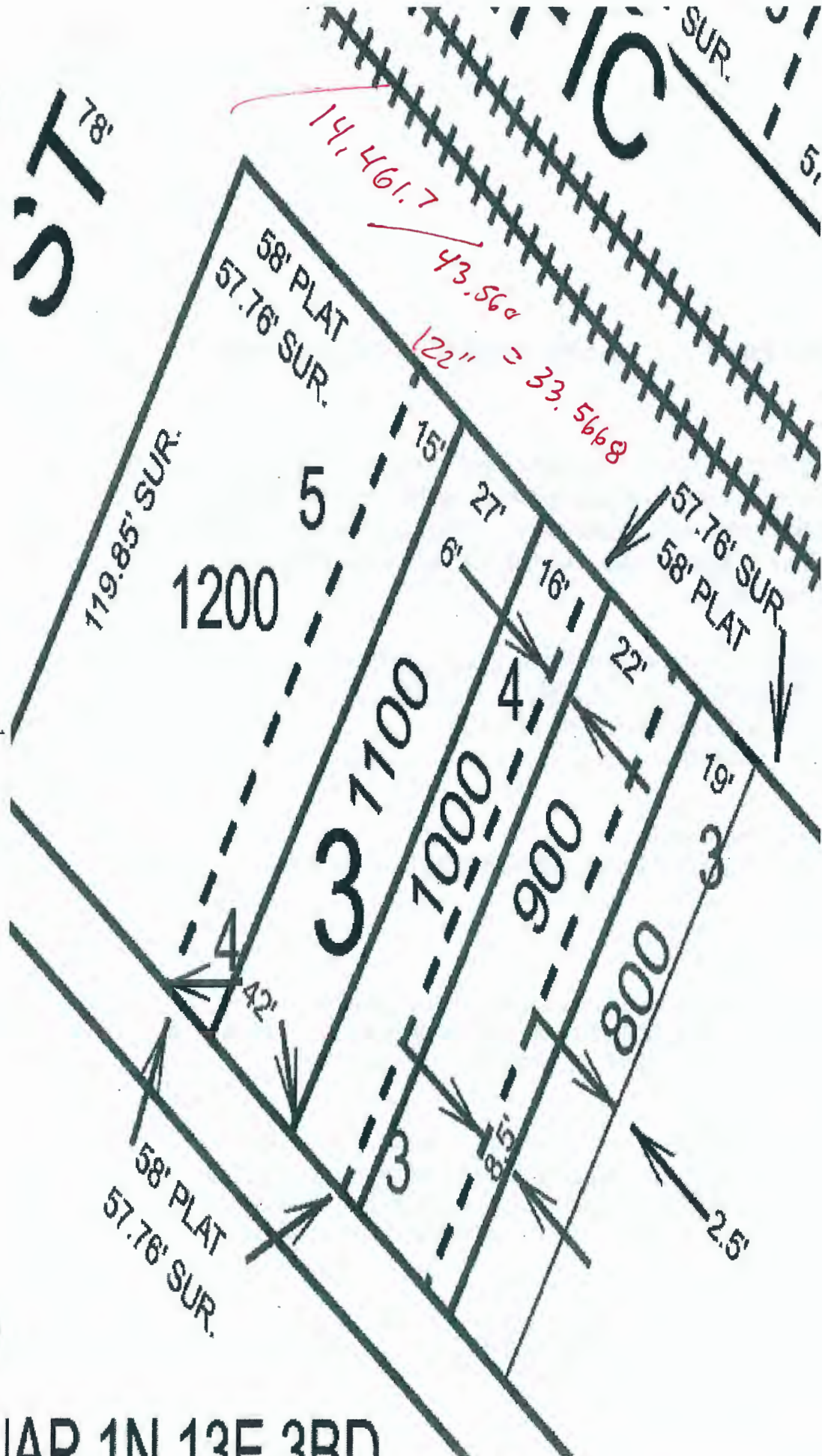
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Michael Leash

From: Michael Leash <mleash@guildmortgage.net>
Sent: Wednesday, September 16, 2015 11:31 AM
To: Michael Leash
Subject: Lots 900 22' + 8.5'



1AD 1N 12E 2RD



CITY of THE DALLES

313 COURT STREET

THE DALLES, OREGON 97058

(541) 296-5481

HLC# _____

HISTORICAL LANDMARKS APPLICATION

Application is required for modifications and/or alterations to the exterior of certified historic structures and all structures within certified historic districts. Additionally, new construction within established historic districts are also required to appear before the City of The Dalles Historical Landmarks Commission.

Name:	Rapoza Development Group, LLC & GBHD, LLC
Address	306 Court Street, The Dalles, OR 97058
Site Address	215 East 1st, The Dalles, OR 97058
Telephone	541-340-0892

Please describe your project goals.

117-Room Hilton Garden Inn Hotel, with expanded meeting space

How will your project affect the appearance of the building and or site?

The Project will improve the appearance of downtown with the in-fill of the a vacant lot and the removal of buildings that are beyond repair.

What efforts are being made to maintain the historic character of this structure?

We have looked other in-fill project to project to make sure the structure compliments the adjacent building and downtown. The height was reduced by one floor to better conform with the downtown neighboring buildings

What is the current use of this property?

Restaurant/Bar/Lounge/Nightclub/Bowling Alley

Will the use change as a result of approval of this application? Yes/No

List any known archeological resources on site.

The site had been declared to significant with respect Chinese artifacts; only on the North side of the Alleyway

The review criteria for each application are the Secretary of the Interior's Standards. These standards have been adopted by City Ordinance 94-1194 as local review criteria.

I certify that the above information is correct and submit this application with nine (9) copies of a site plan drawn to scale, nine (9) copies of detailed, elevation drawings with proposed changes, and nine (9) current color photographs (4X6 inch minimum) of the building/structure front.



Applicant

9/29/2015

Date

Owner (if not the applicant)

I have reviewed the above application and certify that it is complete and accepted for processing.

Secretary, Historical Landmarks Commission

For Office Use Only

Historical Classification	(Primary, Secondary, Historical, Etc.)
Historic Building/Structure	Historic District, Tervitt, Commercial
Historic Name	(If any)
Year(s) Built	

City of The Dalles

Site Team Notes

These are notes taken from a Site Team meeting and are not intended to be a final determination/decision. These notes are provided for informational purposes to applicants.

October 16, 2014

Site Team Members:	Dawn Marie Hert	Senior Planner
	Dale McCabe	City Engineer
	Jim Schwinof	Development Inspector
	Tanya Brumley	Northwest Natural
	Steve Byers	City Sewer Distribution Manager
	Ray Johnson	City Water Distribution Manager
	Marty Matherly	Wasco County Roadmaster

Applicant: Rapoza, Michael Leash

Application: Preliminary Site Plan Review, 215 East 1st Street

Engineering/Utilities/Planning

- This application will be reviewed per Section 3.030 Site Plan Review. The fee for a Site Plan Review is \$335.00, however with the approved Enterprise Zone, the application fee is reduced to half. Therefore, a fee of \$167.50 will be required to be paid prior to the formal land use process.
- Any application may be elevated to the Planning Commission by the Director or reviewed at staff level as a Site Plan Review. Typical review time is 45 to 60 days. Enterprise Zone applications are given top priority and will be put ahead of all other non-enterprise zone applications. This may reduce the application review time.
- Per Section 3.010.040 (G) of the LUDO 98-1222 - Unless waived by the Director, the revised submittal shall include a site plan drawn by an architect, surveyor, engineer, or other professional person licensed by the State of Oregon.
- The proposed building will need to meet the design guidelines as stated in the LUDO, Section 5.050.060 as well as the sub-district requirements stated in Section 5.050.070 (C.). Due to the subject parcel being located in a National Historic District, the design meet the guidelines as set forth in B. as well as C will be required to be followed.
- Historic Review of the proposed development is required and can be reviewed concurrently with the Land Use Review (SPR).
- All parking areas, maneuvering areas, and pedestrian pathways will have to meet ADA requirements (handi-cap) and be a hard surface.

- Parking requirements are based on use, however this development is located in our Downtown parking exempt district which does not require parking. Staff would suggest that the applicant meet the parking requirements as best as possible. Urban Renewal is also working with the developers to provide additional parking in the proposed parking structure. Standard Hotel/Motel is Parking requirements are a minimum of 1 space/guest room, up to 1.5 spaces per guest room and no bicycle parking required. Parking lot landscaping is required to be 10% of parking area on lots over 6 spaces. The other uses (restaurant and meeting halls) onsite will need to be included in the staff review for parking requirements. All allowed reductions, will be calculated and cited. (right of development, secondary use reductions, ect.)
- The height and set backs of the development appear to meet the code requirements. However the DDA clearly states that no encroachments will be allowed on 1st Street. The main entrance awning will need to be re-designed to be cantilevered over the 1st Street right-of-way.
- The Alley Vacation is in process and should be completed soon. The City will work with the developer and the utilities for relocations of existing services and who is responsible for those relocations. The alley currently is 16 feet in width and allows for one way traffic. The applicant will need to look to having the alley widened or for a mechanism to be put in place (directional light at alley entrance) to allow for two way alley travel to the underground parking, delivery and garbage collection.
- There is no general landscaping requirements for the CBC zone, however landscaping can be included by the applicant to help buffer the proposed use to the adjacent uses.
- Vehicle circulation will need to be shown on a site plan. Information will need to be provided on anticipated truck size and loading/unloading needs.
- Water exists to the site and is available in 1st, Washington, and Court Street. The applicant will need to show the existing lateral and how the new building will be served. A backflow assembly is required, details will be provided by the City water supervisor. A dedicated fire line will also be required. No SDC's are collected on fire lines.
- Sewer exists to the site and is available in on Washington, 2nd, and Court Streets. There is an existing 12' pipe in the alleyway that will be relocated with the vacation of the alleyway. Applicant will need to show the existing lateral and how the new building will be served.
- Storm is available in on Washington & 2nd streets, May need a pump to the underground parking drainage.
- An oil/water separator is required on parking surfaces that exceed 10,000 sf.
- Planned lighting, a detailed site lighting/photometric plan will be required to be submitted with a site plan. The plan shall demonstrate that the maximum illumination at the property line will not exceed an average horizontal foot candle of 0.3 for non-cut-off lights and 1.0 for cut-off lights. The plan shall also demonstrate that the bicycle parking has a minimum lighting level of 3.0 foot candles.
- A wastewater survey is required with all new development.
- All restaurant uses are required to install a grease trap. Wasco County Sanitarian can assist with this permit. They can be reached at 541-506-2603.
- Transportation and other system development charges will be determined at time of building permit application.
- The applicant should contact Building Codes for information on new construction, ADA restrooms, and on-site pedestrian walkways.

- Garbage Disposal truck maneuvering will need to be shown on a site plan. The applicant should contact The Dalles Disposal at 541-298-5419 to verify clearance and maneuvering requirements for trash vehicles.
- A Physical Constraints Permit will be required for any cut and or fill that exceed 50 cubic yards.
- A pre-construction meeting will be required with the City Engineer and the Development Inspector prior to construction starting.
- Water, Sewer, Transportation & Storm System Development Charges will be charged for the new use and be collected at time of building permit. Credits will be given for the previous use as a bowling center and restaurant/bar as well as credits for Enterprise zone and Job Creation at a maximum of 50%

Fire

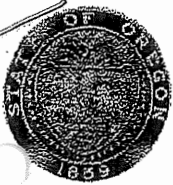
- Fire Marshal was not at meeting. Any questions should be directed to Fire Marshal Dan Hammel at 541-296-9445.

PUD

- Adequate power is available for the development. Staff suggests that the applicant contact Ed Ortega @ 541-298-3312 with any questions or concerns.

Northwest Natural Gas

- A natural gas line is located in 2nd street. The applicant should contact Tonya at NW Natural Gas 541-296-2229 with any additional questions.



Articles of Organization - Limited Liability Company

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - <http://www.FilingInOregon.com> - Phone: (503) 986-2200

REGISTRY NUMBER: _____

 **COPY**

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record.
We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in **Black** ink. Attach Additional Sheet if Necessary.

1. **NAME OF LIMITED LIABILITY COMPANY:** (Must contain the words "Limited Liability Company" or the abbreviations "LLC" or "L.L.C.")

GBHD, LLC

2. **DURATION:** (Please check one.)

☒ Duration shall be perpetual.

☐ Latest date upon which the Limited Liability Company
is to dissolve is _____

3. **REGISTERED AGENT:** (Individual or entity that will accept legal service for this business)

Victor W. VanKoten

4. **REGISTERED AGENT'S PUBLICLY AVAILABLE ADDRESS:**

Must be an Oregon Street Address, which is identical to the registered agent's office.)

305 Cascade St.

Hood River, OR 97031

5. **ADDRESS WHERE THE DIVISION MAY MAIL NOTICES:**

PO Box 325

Hood River, OR 97031

6. **NAME AND ADDRESS OF EACH PERSON WHO IS FORMING THIS BUSINESS: (ORGANIZER)**

Victor W. VanKoten

PO Box 325

Hood River, OR 97031

7. **HOW WILL THIS LIMITED LIABILITY COMPANY BE MANAGED?**

☐ This LLC will be member-managed by one or more members.

☒ This LLC will be manager-managed by one or more managers.

8. **IF RENDERING A LICENSED PROFESSIONAL SERVICE OR SERVICES, DESCRIBE THE SERVICE(S) BEING RENDERED:**

9. **OPTIONAL PROVISIONS:** (Attach a separate sheet if necessary.)

☐ **BENEFIT COMPANY:** The Limited Liability Company is a benefit company subject to sections 1 to 11 of chapter 269, Oregon Laws 2013. (additional requirements apply)

☐ **INDEMNIFICATION:** The company elects to indemnify its members, managers, employees, agents for liability and related expenses under ORS 63.160 - 63.170.

☐ **SEE ATTACHED**

(OPTIONAL) LIST MEMBERS AND/OR MANAGERS NAMES AND ADDRESSES

10. **OWNERS: (MEMBERS)** (Names and Street address)

SEE ATTACHED

11. **MANAGERS: (MANAGERS)** (Names and Street address)

Michael L. Leash

306 Court St.

The Dalles, OR 97058

12. **EXECUTION:** By my signature, I declare as an authorized signer, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

SIGNATURE:

Victor W. VanKoten

PRINTED NAME:

Victor W. VanKoten

TITLE:

Organizer

CONTACT NAME: (To resolve questions with this filing)

Victor W. VanKoten

PHONE NUMBER: (Include area code)

(541) 386-1811

FEES

Required Processing Fee \$100

Processing Fees are nonrefundable. Please make check payable to "Corporation Division".

Free copies are available at FilingInOregon.com using the Business Name Search program.