

September 5, 2006

HAND DELIVERED



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DEVELOPMENT LLC**

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Ms. Elisa Gorham
Multnomah County
Facilities and Property Management Division
401 N. Dixon Street
Portland, OR 97227

RE: Request for Proposals: Martha Washington Disposition

Dear Ms. Gorham:

Sockeye Development, LLC, on behalf of the to-be-formed West Park Community Development, LLC, (WPCD) is pleased to submit the enclosed proposal for purchase and redevelopment of the Martha Washington Building at 1115 SW 11th Avenue in Portland.

WPCD will consist of several property owners and developers in the West End District who have a strong, long-term vested interest in the health and vitality of Portland's West End District. The anticipated participants in the WPCD include Carroll Investments, LLC (developers of the Eliot Condominiums), Sockeye Development, LLC (master developers of the two-block Museum Blocks project which includes 5 projects, and developer/owner of Museum Place and the Madison Place Office Condominium Project), and E&F, LLC (Mark Fraser), the developer for the Jefferson Apartments replacement project located adjacent to the Martha Washington Building.

WPCD represents a unique approach for development of the Martha Washington as all of principals in the company have a long-term stake in the neighborhood and are keenly interested in a seeing that the Martha Washington Building is redeveloped in a manner that supports existing and future investments in the neighborhood.

WPCD proposes to acquire the building to redevelop the property for a unique combination of affordable housing and community services. Our plan proposes:

- A total of 99 self-contained residential units, including:
 - 15 units targeted to previously homeless individuals by offering rents at 17% of Median Family Income (MFI)
 - 54 units at 30% of MFI
 - 30 units at 40% of MFI
- Service linkages will be made with NW Pilot Project and Friendly House, Inc. to place previously homeless seniors in the project, and to provide services to stabilize these residents.
- This proposal outlines plans to co-locate the following service providers in the project:
 - Offices for Multnomah County Aging and Disability Services
 - Loaves and Fishes will occupy the basement level of the building, and offer a variety of services to both residents in the building and the larger community in general.
 - The downtown offices for Elders in Action would also be located in the building.

WPCD believes that the proposal fully responds to the County's objectives for disposition of the Martha Washington Building and is wholly consistent with the County's *10-Year Plan to Eliminate Homelessness in Portland*.

We look forward to the opportunity to discuss this proposal in further detail with you and other County officials as the RFP process proceeds. Should you have any questions in the meantime, please do not hesitate to call.

Sincerely,

SOCKEYE DEVELOPMENT, LLC



Douglas L. Oblatz, Manager

DLO/pkb

enclosures (10)

PROPOSAL TO ACQUIRE AND REDEVELOP
THE MARTHA WASHINGTON BUILDING
1115 SW 11th Avenue
Portland, Oregon

Submitted by:



SOCKEYE DEVELOPMENT, LLC
On behalf of West Park Community Development, LLC
Attention: Douglas L. Oblatz or D. Carter MacNichol
520 SW Sixth Avenue, Suite 400
Portland, Oregon 97204
503-242-0084
doug@sojpdx.com

September 5, 2006

1. As realistically as possible, proposals should maximize proceeds to the County from the disposition of the property:

This proposal will pay the County \$3,100,000 for the building improvements. Some proceeds will be used to reduce the long term debt. The County will retain ownership of the land and retain rights to approve of and control any future uses of the building. The land will be leased from the County for a nominal rate.

The financing of the transaction utilizes low interest tax exempt conduit bonds issued by the State. To minimize costs of credit enhancement, discussions have taken place with a lending institution (US Bank) for a private placement bond purchase. A minimum of \$5,000,000 of bond issuance is required.

The deep affordability levels of the rental housing in the project (rents affordable to those earning between 17-40% of MFI) do not support much if any debt service. However, these deeply affordable rents can be offered because adequate cash flow is generated from the rents paid by the service providers and County ADS offices. The lease rates proposed for these providers are well below market rents for the area, and are adequate to debt service about half of the bond debt.

(One benefit of this proposal is in providing a stable, lower rent facility for service providers (Loaves and Fishes, Elders in Action and ADS) to remain in the West End and together provide services and outreach to the low income senior community located there.)

Because the leases to the service providers and County offices are below market, the difference between market rates and the actual lease rates can be capitalized and pre-paid at closing with part of the \$3.1MM of proceeds received for the building. At closing the County would lease the lower two levels of the building at market rate, prepay a portion of the lease from building proceeds, and sublease its interest to the non-profit service providers. Going forward, the non-profit service providers and ADS offices would pay below market rents to the County, which would pass through the rents to the project to service the remaining debt.

Long term leases with Loaves and Fishes and Elders in Action would assure continued lease payments for the next 10 to 15 years. The building operator would be responsible for servicing the debt and leasing up the remaining service provider space on the first floor. (Alternatively, this space could be rented to low income residents).

Depending on the efforts to raise additional equity through grant writing, and given the assumptions of the pro-forma, after the prepayment of the leases, the County would net approximately \$500,000 in proceeds for the transaction.

Additionally, the County will remain in control of the property by holding a long term lease on the land. The entity which will own the building, West Park Community Development, LLC, will enter into a long term lease of the land under the building from the County. The lease rate will be nominal. The terms of the land lease will allow the County to retain control of the property to assure that any future use of the building beyond the current proposed use

will meet public policy objectives. This structure allows for disposition of the building to West Park Community Development for the use proposed, but will allow the County the rights to approve of any future uses for the building.

2. Proposals must address the need for affordable housing units in the Central City, and specifically for the elderly, special needs and other low-income residents of the West End sub-market.

This proposal will produce 15 units affordable to residents at 17% of Median Family Income (MFI); 54 units affordable to residents at 30% MFI; and 30 units affordable to residents at 40% MFI.

Number of Residential Units Produced		Affordability of Rents
	15*	17% MFI (previously homeless residents)
	54	30% MFI
	<u>30</u>	40% MFI
Total :	99	

Housing studies by the City of Portland Bureau of Housing and Community Development, Portland Development Commission and State of Oregon all cite the unmet need for affordable housing. Within the City of Portland, there is a huge unmet need for households earning below 30% MFI. The *10-Year Plan to End Homelessness in Portland* cites the need for extensive development of new housing units for previously homeless households to be added within the City.

According to studies by the Portland Development Commission, the West End Submarket (encompassing most of the South Park Blocks Urban Renewal Area), serves a variety of low income housing needs across a broad spectrum of income and serve needs. The strong recent real estate market has created redevelopment pressures in the West End which has resulted in conversion or demolition of affordable rental housing and reduced the number of affordable rental units available to the most vulnerable citizens – low income seniors and disabled persons living on fixed incomes with little or no means to relocate elsewhere. Such losses are particularly painful to older residents who are at risk of losing not only their housing, but their friends, neighbors and community in their later years.

The most recent example is the Rose Friends Apartments, owned by the First Unitarian Church, and scheduled to be torn down and replaced with high income condominiums. Low Income seniors living in the Rose Friends Apartments will have the opportunity to relocate in the Martha Washington Senior Housing, and remain close to their service providers, friends and community in the West End.

Countless studies have shown that the attendant services are a mandatory to create vibrant, effective and stable living for low income seniors and disabled residents. By its design as the Central City's core housing area, the West End houses the largest concentration of low income seniors and disabled households in the entire County. This vulnerable population relies on the services provided by Loaves and Fishes, County ADS offices, Elders in Action, NW Pilot Project, and many other non-profit service providers, to survive. The provision of these services in close proximity to public transportation is critical to their effective delivery.

The Martha Washington is located next to the Street Car and in close proximity to Light Rail service and the Portland (Transit) Mall, making it an ideal location for a Senior Housing and Community Center.

3. Proposals must address how the project will meet the need for housing for the chronically homeless and contribute to the goals of the 10 Year Plan to End Homelessness in Portland and Multnomah County.

The project will offer 15 units to previously homeless individuals by offering rents at 17% MFI.

Service linkages will be made with NW Pilot Project and Friendly House to place previously homeless seniors in the project, and to provide services to stabilize these residents.

The *10-Year Plan to Eliminate Homelessness in Portland* cites the need to provide stable and permanent housing for previously homeless individuals by bypassing the step of transitional housing. NW Pilot Project has identified a long waiting list of currently homeless seniors who are awaiting placement into permanent housing. NW Pilot Project will case manage these future residents by preparing them for the responsibilities of renting, helping them access and remain in their rental housing, and providing linkages to needed advocacy, affordable health care, health insurance, rental subsidies, transportation and other resources, while assuring they are receiving all eligible pensions, social security and any other resources due to them.

Note that the location of the County Aging and Disabled Services offices in the Martha Washington will directly result in the production of more units for the chronically homeless, as the rent paid by ADS can allow additional borrowing which will essentially subsidize additional extremely low income units.

4. Proposals must address the services, if any, to be provided to the proposed residents of the project. Proposals should include services which enhance the living experience and opportunities for vulnerable, low income residents.

Loaves and Fishes will occupy the basement level of the building, and offer a variety of services to both residents in the building and the larger community in general. Daily drop-in meal service will be offered to residents, providing an alternative to individual meal preparation or expensive eating out. Meals will be prepared in the rehabbed kitchen area, and served in the spacious dining room. Access to the dining room will be enhanced through accessible elevator service to the basement from all floors in the building. The kitchen facility and connecting ramp onto SW Main Street allows Loaves and Fishes to base their Downtown Meals on Wheels program from the facility as well, expanding their efficiency and service level to lower income downtown residents.

In addition to their meals offerings, Loaves and Fishes has proposed increasing the service offering to low income seniors in the area through conversion of the basement into a Senior Activities Community Center serving seniors in the downtown neighborhood who do not have access to privately funded, more expensive senior living facilities.

A senior education center, an art center, computer learning, and senior day programs would be offered. The Portland Parks and Recreation department is looking for space to conduct similar senior program outreach downtown, and expressed interest in participating in the programming for the basement space.

The downtown offices for Elders in Action would be located on one half of the first floor. A strong advocate for seniors, Elders in Action would provide ombudsman services, service linkages, and other support services for senior and elderly residents of the building. Elders in Action programs includes ombudsman services for the elderly, in which trained volunteers assist older adults and persons with disabilities to solve problems related to housing, healthcare, elder abuse and crime. Education on issues germane to seniors such as managing health care issues in later life, diabetes education and outreach, and nutrition counseling, would be offered.

An example of the services offered to residences would be the Healthy Changes for Living with Diabetes program, an on-going, weekly information and support program where people 55+ can make changes for their own healthful living. This program links is offered in partnership with Providence Center on Aging, Oregon Research Institute, and the Aging & Disability Services of Multnomah County.

Elders in Acton has expressed interest in locating at the Martha Washington in order to better serve their clientele. Currently paying a higher rent in a County Building on the bus mall, they are looking for a location which the organization can be better positioned to reach and connect with their elderly constituency.

The other half of the first floor would be occupied by the Multnomah County Aging and Disability Services offices. Co-locating ADS with Loaves and Fishes and Elders in Action provides a core nexus between the primary senior service providers to the Downtown Market, a key residential building serving low income seniors, and the Senior Activities Community Center in the basement. While resident issues related to housing and residency issues concerning living in the Martha Washington would be handled by Elders in Action and property management staff, the proximity of the ADS offices would allow convenient and direct delivery of ADS services to residents.

5. Proposals must address how the Proposer will maximize the use of funds other than competitive public funds to finance rehabilitation of the building, recognizing the demands on such funds for other affordable preservation and development projects.

The funding for this proposal relies minimally on competitive public resources. The financing structure utilizes State Bonding Capacity to issue tax exempt private activity bonds and access lower interest rates for borrowing. The State has indicated that they are supportive of this model, as extensive private activity bonding capacity is currently going unused in the state.

Utilization of Private Activity Bonds qualifies the project for the use of non-competitive low income housing tax credits, known as 4% credits. Unlike the competitive 9% credits, the 4% credits are limited only by the private activity bonding capacity and do not require a competitive application.

Funding also includes an application for Historic Tax Credits, which are also non-competitive. Consultation with the historic consultant confirms that the building could qualify as an historic structure with the appropriate submission of documentation. The building's age, architectural design, character and historic nature all contribute to the building's eligibility for listing with the National Historic Register and qualification for federal historic tax credits.

The project also relies on tax increment funding from PDC. There is no formal competitive process for accessing these funds; rather, worthy projects are evaluated by the Development Commission and funding is considered based on the available budget, and the progress of other budgeted projects in the Urban Renewal Area. We believe the compelling nature of this project, the addition of new very low income units to the downtown inventory, and the slow progress of other projects proposed, will result in favorable PDC funding.

6. Proposals must include a rehabilitation program that addresses the following:

- a. The redevelopment of the building compliant with building code regulations, including seismic and fire/life safety, if required;**
- b. Accessibility throughout the common area appropriate to the populations served**
- c. Sustainable plan to provide on-going maintenance and operating expenses to achieve long-term affordability**
- d. The redevelopment of the building in a manner which respects its historic and architectural characteristics**
- e. Kitchen facilities (both in individual units and shared) appropriate to the proposed residents.**

Our proposal will redevelop the building compliant with applicable building code, seismic, fire/life safety and egress codes. All of the above will be required before any permitting of the construction drawings or certificates of occupancy will be issued by the City. The following summarized the proposed approach to redevelopment of the building:

- A. We believe the building is currently borderline compliant with fire/life safety codes as is. Our design would remove the fire escapes and create egress stairways in the northwest and southwest corners of the building (one in each wing), appropriate to egress necessary for an elderly/disabled population.
- B. Seismic treatment would be accomplished through reinforcement of existing structural beams, containment of the exterior brick façade, and additional treatment of the parapet (if needed) during roof replacement. This treatment would be compliant with the new City of Portland building code guidelines, which consider the current and proposed use and occupancy to determine seismic treatment requirements.
- C. Accessibility for disabled would be accomplished in several ways. All common-area improvements would be compliant with Americans with Disabilities Act design and accessibility requirements. A number of units would be designed for full accessibility and use by wheel-chair bound residents, requiring additional treatment such as 5 foot diameter design access in the bathrooms and accessible kitchen/countertop heights and appliances.
- D. Additionally, two elevators with dual doors for easy wheel chair entry and exits would be installed. These elevators would serve the basement, entry mezzanine and the upper floors, and would be installed in the existing exit stairways .
- E. Front-loading washers would be in place in the laundry rooms on each floor.
- F. The ramp from the sidewalk to the porch on the east side of the building would be expanded to allow wider access for wheelchair and scooter bound residents and users.
- G. Because of the age of the building, the replacement reserve budget will be in direct proportion to the initial rehabilitation scope that can be accomplished within the

redevelopment budget. The more rehabilitation and upgrading of building systems that can be accomplished in the initial construction work, the lower the longer-term maintenance and repair needs will be.

- H. On-going maintenance and operations would be adequately budgeted as part of the financing of the building. Adequate replacement reserves would be funded from rental and lease receipts. A minimum of \$200/unit/year for the residential units, and 5% of the office lease per year is anticipated to be set aside for future unit component, capital repairs and building replacement needs.
- I. The historic and architectural characters of the building are intertwined. In particular, the building façade, entry lobby and dining room have historically significant features. In order to qualify for the historic tax credits, the building will be placed on the National Register of Historic Places and any improvements/rehabilitation will have to be approved by the State Historic Preservation Office and the National Park Service, both of which will require that the historic features are preserved before approval is given to proceed.
- J. Studio kitchens will be in place in each residential units, including a sink, refrigerator, and microwave or electric burners. (We lean towards microwaves because of safety concerns, though burners provide more cooking independence to residents.) Inclusion of the unit kitchens is a requirement of the bond financing for the project.
- K. The large kitchen in the basement, in conjunction with the large dining area, is ideally suited to on-site meal provision by Loaves and Fishes. Much of the kitchen equipment would be upgraded, and the ramp from the kitchen to SW Main would be reconfigured to allow for easy conveyance of the Meals and Wheels service trays from the kitchen to the delivery vehicles.

7. Proposals must demonstrate financial feasibility to sustain a successful long-term project. Letters of interest from proposed funding sources will be evaluated in analyzing project financial feasibility.

- A. **Long Term Proforma:** The development pro-forma is included in the Appendix. The sources of funding include Low Income Housing Tax Credits, Historic Tax Credits, a Federal Home Loan Bank Grant, Tax Exempt private activity bonds from the state, and an Urban Renewal Loan from PDC.

As discussed above, this layered financing model utilizes mostly non-competitive funding sources, and provides adequate funding to accomplish the rehabilitation.

The pro-forma anticipates a pre-payment of the leases by the County for that portion of the service provider space which is offered at below market rates. Because of the need to continue the provision of these essential services to the highly residential West End neighborhood, a below market rent is offered to Elders in Action, Loaves and Fishes, and other service providers. The lower lease rate to service providers will help to stabilize

the operations and outreach of these organizations, providing a needed continuity of key services to seniors and disabled people in this neighborhood.

MOVING THE COUNTY OFFICES TO A LESS ACCESSIBLE LOCATION AWAY FROM THE MAIN RESIDENTIAL NEIGHBORHOOD OF DOWNTOWN WILL MAKE IT MORE DIFFICULT FOR LOW INCOME AND DISABLED PEOPLE IN THE WEST END TO ACCESS THESE SERVICES.

IN ADDITION TO PROVIDING IMMEDIATE ACCESS TO THEIR SERVICES, THE INCLUSION OF THE COUNTY AGING AND DISABLED SERVICES OFFICES PAYING RENT TO THE PROJECT CREATES MORE, LOWER RENT UNITS AND ACHIEVES A GREATER PROPORTION OF UNITS FOR PREVIOUSLY HOMELESS PEOPLE.

Additionally, the financial structure of the project anticipates purchasing the building from the County, but leaving the ownership of the land under the building in County ownership through a land lease. By doing so, the County will maintain the ultimate control of the use of the building, but without any financial obligations or guarantees for the financing of the building rehabilitation or operations. Should the project proposed by this response ultimately not be successful, control of the building would revert to the County through the land lease, and other public purposes for the site could be considered.

- B. Evidence of Equity:** The low rents qualify the project for federal, non-competitive 4% Low Income Housing Tax Credits. Because the office portion of the building provides services directly to the residents, that portion of the building is qualified as “basis” in the tax credit calculation. Equity derived from sale of the Low Income Housing Tax Credits is estimated to be \$1,355,000.

The building will be placed on the National Historic Register, yielding eligibility for federal Historic Tax Credits. Portions of the building leased to non-tax paying entities are not eligible for the credits. Accounting for the non-eligibility of the service provider components, we estimate equity from sale of the Historic Tax Credits to be \$732,000.

A grant from the Federal Home Loan Bank affordable housing fund will be pursued. The project is an excellent candidate for this grant because of the extremely affordable rents and provision of housing to previously homeless residents.

- C. Evidence of Financing Commitments.** The proposed bond structured has been discussed in detail with U.S. Bank’s Community lending Department and they have indicated their support and willingness to underwrite this project. Additional details concerning U.S. Bank’s interest are available upon request.
- D. Developer Fee.** A \$784,550 developer fee is proposed is taken to help maximize the eligible basis and ultimate equity received from the low income housing and historic tax credits. The fee is 6.1% of the total development costs, minus the developer fee, and falls well under the PDC underwriting standards for a project of this complexity. \$340,936 of

this amount is deferred and taken conditional on cash flow generated by the project over the next 12 years. This income can be used by WPCD to supplement operational costs of the project, if needed.

- E. Proposer Financial Strength/Resources.** WPCD consists of three well qualified developers with extensive, recent successful development experience in the West End Neighborhood of Downtown Portland. Collectively, the principals of WPCD have access to the capital and financing resources necessary to complete the project. Moreover, Sockeye Development, LCC, the lead firm, has extensive experience in the development of complicated mixed-use and mixed-income projects, including Museum Place, Hollywood Library/Bookmark Apartments, Belmont Dairy and The St. Francis Apartments.

8. Proposals must provide evidence of readiness to proceed.

- A. Evidence of land use suitability.** The zoning for the site is Rxd, defined as follows. (The 'd' refers to the Central Plan District overlay design review)

RX (Central Residential) zone

The RX zone is a high density multi-dwelling zone which allows the highest density of dwelling units of the residential zones. Density is not regulated by a maximum number of units per acre. Rather, the maximum size of buildings and intensity of use are regulated by floor area ratio (FAR) limits and other site development standards. Generally the density will be 100 or more units per acre. Allowed housing developments are characterized by a very high percentage of building coverage. The major types of new housing development will be medium and high rise apartments and condominiums, often with allowed retail, institutional, or other service oriented uses. Generally, RX zones will be located near the center of the city where transit is readily available and where commercial and employment opportunities are nearby. RX zones will usually be applied in combination with the Central City plan district.

This zoning allows the uses proposed in this RFP response.

Both Loaves and Fishes and Elders in Action have authorized their inclusion in the RFP response, and have indicated their interest in locating services and programs in the building should this RFP be successful.

- B. Acceptable transaction terms.** The development team is prepared to proceed immediately with a down payment on the purchase of \$100,000. The remaining \$3.0 million to close the acquisition would be produced at the closing of the bond sale.
- C. Timely closing.** Closing of the acquisition would occur with the issuance of conduit bonds by the State of Oregon, execution of purchase agreements for the bonds and tax credits by the equity provider, and the completion of underwriting of the Urban Renewal Loan by PDC. It is anticipated that closing would occur in late spring 2007.

9. Neighborhood Compatibility

A. Neighborhood/Community Compatibility.

The repositioning of the uses at the YWCA is causing senior and disabled service providers to seek space elsewhere, possibly dispersing to other decentralized locations. The opportunity to provide a senior community center serving the neighborhood would fulfill a community vision started by the Museum Place project almost 10 years ago but not yet accomplished. Where do the seniors without means in this high density city neighborhood go to enjoy the community of their later years in the West End?

The displacement of seniors and disabled in the West End, and the financial condition that many fixed income seniors find themselves in at the later years of their lives, do not afford them the opportunities for culture, community or interaction offered by more expensive alternatives such as market rate congregate care facilities (think Calaroga Terrace), or social institutions (think Towne Club). The Martha Washington Community Center and Senior Housing is the solution!!

The mixed use of the Martha Washington as both affordable housing to seniors and disabled, and community center, befits the location of the building in the West End. The proximity of the building can create linkages to the Cultural resources of the west end, opening the possibility of painting, art, history and other cultural classes and seminars which could be held in the Senior Center.

B. Neighborhood and Community Contact. Key property owners and developers in the immediate vicinity of the Martha Washington Building are included on the development team for the project. In addition, key agencies involved in affordable and senior housing have been contacted and involved in the preparation of this proposal. These agencies include:

- Northwest Pilot Project
- Loaves & Fishes
- Friendly House, Inc.
- Elders in Action

10. Developer Capacity

A. Proposer Staff Capability/B. Qualifications of the Development Team.

Owner: West Park Community Development, LLC (WPCD).

WPCD is a to-be-formed limited liability company that will serve as the owner of the project and the legal entity that will contract with Multnomah County for development of the Project. WPCD consists of several property owners and developers in the West End District who have a strong, long-term vested interest in the health and vitality of Portland's West End District.

The anticipated participants in the WPCD include Carroll Investments, LLC (developers of the Eliot Condominiums), Sockeye Development, LLC (master developers of the two block Museum Blocks project which includes 5 projects, and developer/owner of Museum Place and the Madison Place Office Condominium Project), and E&F, LLC (Mark Fraser), the developer for the Jefferson Apartments replacement project located adjacent to the Martha Washington Building.

Developer: Sockeye Development, LLC.

Sockeye Development, LLC (Sockeye) is setting the standard for urban, mixed-use development in Portland, Oregon. The Managers of Sockeye have developed a number of challenging, award-winning projects that have been realized through design excellence, innovative finance packaging, persistent teamwork and resourceful problem solving. Sockeye and affiliated entities are responsible for several highly innovative development projects in the Portland area, including The Hollywood Library/Bookmark Apartments, Museum Place Lofts & Townhouses, St. Francis Apartments and the Belmont Dairy.

Sockeye is an Oregon Limited Liability Corporation that pursues private development opportunities and also serves as a turn-key developer for other organizations and institutions. It was formed as a development entity by several Principals of Shiels Oblatz Johnsen, Inc. Sockeye typically forms a single-purpose legal entity to develop each project, and contracts with Shiels Oblatz Johnsen, Inc. for project management services.

Project Manager: Shiels Oblatz Johnsen, LLC.

Shiels Oblatz Johnsen, Inc. is a Portland- and Seattle-based firm that specializes in the management of complex urban planning and development projects for public and private clients. With over 20 years of successful planning and development experience, SOJ has established a reputation as problem solvers for projects that are complex, controversial or involve numerous, often competing interests. The firm has been involved in many of the most high-profile projects in the Portland and Seattle areas, including housing, mixed-use commercial, transportation and civic developments. SOJ serves many roles and fulfills various responsibilities depending on the scope of work needed by each client. The firm

conducts feasibility analyses, structures and secures project financing, procures entitlements, plans and implements public investment strategies, garners political support, manages the project design and administers the construction process.

In addition, SOJ has worked effectively with neighborhood groups to ensure that proposed projects are consistent with the goals and expectations of the communities in which they will be located. SOJ has long realized that it is only by forging these relationships that complex projects can be completed in an efficient and appropriate manner. SOJ provides the leadership required to manage the collaborative efforts between all parties involved and affected by the development projects, and ensures that the professional experience is enhanced with good spirit.

SOJ encourages the highest quality performance from each team member in order to produce the best project for our clients. The firm is committed to a partnering process and strives to empower all project participants in a collaborative team atmosphere. SOJ strives to ensure that all participants will complete the process with professional satisfaction and a quality project. This approach has led to repeat business and positive recommendations from past clients.

The firm consistently delivers successful projects on time and on budget, and has the flexibility and staffing to take on new projects or expanded responsibilities on short notice should the need arise. The firm has the experience and resources needed to ensure efficient and effective management through all project phases, with proven expertise in a variety of areas, including:

- Managing real estate negotiations
- Issuing RFPs and RFQs
- Building strong development teams
- Establishing and implementing sustainable building program, including management of LEED building certification
- Managing consultant work
- Establishing and implementing real estate marketing strategies
- Building project budgets
- Conducting feasibility analyses
- Developing project schedules and building programs
- Coordinating bidding process
- Negotiating agreements
- Structuring and securing project financing
- Managing the construction process

Furthermore, SOJ is firmly committed to supporting diversity in the workplace and reaching out to Minority-Owned, Women-Owned and Emerging Small Businesses (M/W/ESB). SOJ is certified by the City of Portland as an Equal Opportunity Employer, and forty-five percent (45%) of our employees are women. In all projects SOJ works closely with clients and team members to set high goals for the utilization of M/W/ESB

firms. The firm helps implement an aggressive strategy for outreach, recruitment, training and employment.

Organizational Structure:

The Sockeye/SOJ team is specifically designed to allow for responsiveness and commitment to clients. The managers of Sockeye and project management staff from SOJ are supported by a highly qualified technical and administrative staff. They have the capacity to commit staff and necessary resources to long-term projects. They are also flexible enough to respond quickly to the short-term project needs of clients. Management of complex planning and development projects is both their passion and their business.

The following individuals will be available to work on this project:

Douglas L. Oblatz, Manager of Sockeye and Principal of SOJ: Mr. Oblatz earned a degree in Economics and Political Science from The Colorado College in 1977 and a Doctor of Laws from The Colorado College in 2003. After several years in the public sector, he joined Mr. Shiels to form the firm of Shiels & Oblatz in 1983, and together they launched into the management of the Banfield Light Rail project, Portland's first MAX line. Since then he has managed the development of numerous civic, commercial and mixed-use projects, including over 600 units of housing. Most recently, Mr. Oblatz has been a pioneer in the development of unique, mixed-use projects, including the Belmont Dairy, St. Francis Apartments, Museum Place Lofts and the Hollywood Library/Bookmark Apartments.

D. Carter MacNichol, Manager of Sockeye and Principal of SOJ: Mr. MacNichol holds a degree in Education from Lewis & Clark College and a Masters Degree in Management from Willamette University. From 1981 to 1985, Mr. MacNichol worked as a Business Development Manager at the Portland Development Commission. Between 1985 and 1993, Mr. MacNichol served as Director of Real Estate Management and Development for the Port of Portland. Mr. MacNichol joined Shiels Oblatz Johnsen in 1993 and became a principal in 1996. Partnering with Mr. Oblatz, he has been plowing new ground with the development of several unique in-fill projects, including the Belmont Dairy, Belmont Dairy Rowhouses, Museum Place and the Hollywood Library/Bookmark Apartments.

Charles R. Bahlman, AIA, PE, Project Manager: Mr. Bahlman is both a licensed Architect and a registered Professional Engineer and, until 1989, practiced in both fields in Denver, Boulder and Portland. In addition, he was a licensed general contractor in Denver and the owner of an architecture firm and general contracting company there. Since 1989, Charlie has concentrated his professional efforts on consulting Project Management and joined SOJ in 1994. He has completed numerous successful projects including office, residential and civic buildings, retail, churches and projects for schools and non-profit organizations.

Steve Cruzen, Project Manager: Mr. Cruzen earned a Bachelor of Architecture degree from The University of Oregon in 1977 and became a Registered Architect in the State of Oregon in 1986. He has over 25 years of architecture and project management experience. Since joining SOJ in 1999, Steve has managed the design and construction of the Children’s Museum, the Corporate Headquarters for Columbia Sportswear Company, and Museum Place Lofts & Townhouses.

Francesca Gambetti, Development Manager: Ms. Gambetti received her Bachelor of Arts degree from Yale University and a Master of City Planning from U.C. Berkeley. Since joining SOJ in 1998, she has been involved in a variety of public and private projects including housing, transportation, and mixed-use development. Ms. Gambetti’s primary responsibilities include managing conceptual design work, conducting feasibility analyses, assembling financing packages, obtaining public approvals and organizing neighborhood outreach. She was involved in structuring and obtaining highly complex financing packages for a number of mixed-use projects, including Museum Place Lofts & Townhouses, The St. Francis Apartments and The Bookmark Apartments.

General Contractor: Walsh Construction Company

Walsh Construction Company (WCC) will serve as the general contractor for the project. WCC is a medium-sized general contracting company that specializes in the construction of multi-family housing and commercial buildings. Founded in 1961, the company has experienced steady growth through excellent client relations and management skills. WCC’s quiet but firm presence in the Pacific Northwest reflects the company philosophy of quality over quantity. The firm’s reputation with both public and private owners —for openness, honesty and competence — is a benchmark they strive to protect and maintain.

WCC builds a variety of structures for developers targeting all sectors of the market ranging from low-cost, HUD-subsidized projects to high-end retirement facilities, medical office buildings, commercial office and retail space. These range from wood frame to steel and concrete structures. WCC’s extensive experience enables the firm to provide an unusual depth of cost and construction-detail knowledge. Their emphasis on quality and craftsmanship delivered in a timely manner is central to the focus of their business goals.

WCC has extensive experience in constructing housing, institutional and mixed-use facilities. Over the last ten years, the firm has built in excess of 3,000,000 SF of housing to accommodate over 4,000 people. Through this experience, WCC has gained an intimate knowledge of the specialized requirements involved in these projects and has dedicated much time and effort to assist clients in the details of development. The firm’s residential/mixed-use construction experience includes *Belmont Dairy, Belmont Dairy Rowhouses, The Village at Lovejoy Fountain* and *Fifth Avenue Court Apartments*, all of which were completed for Sockeye Development or its affiliates and under the direction of Shiels Obletz Johnsen, Inc. Other affordable housing experience includes:

- ***Ritzdorf Court.*** The Ritzdorf Court, completed in 2000, is a single residential occupancy housing project in East Portland. This 46,325 SF wood frame structure has 90-units of housing surrounding an elaborate interior elevated courtyard for tenants. This five-story structure is built over 14,000 SF of conventional reinforced concrete slab of which 7,860 SF is a parking garage and 7,900 SF is retail and common space. The project was built for REACH Community Development, Inc. and includes 86 studios and four one-bedroom apartments.
- ***The Yards at Union Station.*** This \$27 million project consists of 321 units of mixed-income housing, three buildings with rooftop gardens, a pedestrian bridge, public plaza and a 208-car parking garage. The project provides much-needed low income/affordable housing in an area targeted by local urban planners and helps meet city density goals.
- ***Hamilton West.*** This 9-story project built for the Housing Authority of Portland includes 152-units of affordable housing over ground floor retail. A prime feature of the Hamilton West Apartments is the eco-roof topping the structure - the first of its kind in Portland. The eco-roof lasts longer and reduces storm water runoff into the City's sewer system. Despite all the new technology developments, this project was completed ahead of schedule and under budget.
- ***Orenco Station West.*** Located in the rapidly growing city of Hillsboro near Portland, Oregon, Orenco Station is a mixed-use housing project with 22 studio apartments above major retail tenants at ground level. A common area built centrally on top of the first floor provides a pleasant view for tenants. It features a ceramic "carpet" and container landscaping and includes barbecue facilities inviting residents to gather out of doors. In 68,000 SF of wood frame, concrete and steel, the first floor houses the New Seasons Grocery and Kitchen Kaboodle stores, attracting customers and tenants looking for convenient living.
- ***Pearl Court Apartments.*** The 4-story, Pearl Court Apartment project is a wood-frame structure providing 199 units of affordable housing. The building includes a 1-story penthouse and a 6,719 SF covered parking structure. The extensive mahogany millwork in the lobby, rental office and library provides a feeling of luxury not usually found in affordable housing. A landscaped courtyard is at the center and heart of the complex, adding green space for families to enjoy. The project was completed in 1997 for the Housing Authority of Portland.
- ***Albina Corner.*** The mixed-use Albina Corner project provides three stories (28,955 SF) of low- to moderate-income housing over 1-story (13,000 SF) of post-tensioned concrete retail space. This wood-frame structure offers 44 units of 1-bedroom and 2-bedroom apartments. A day care center is housed within the retail portion of the structure. Completed in 1996, this project was constructed for the Albina Corner Limited Partnership and was designed by Andrews Architect.
- ***City Life Housing.*** This showcase of infill housing, developed in the Brooklyn neighborhood of Portland, has ten courtyard homes, 18 owner-occupied residences, with 21,000 SF, 2- and 3-story, wood-frame affordable housing, including six row houses and one duplex. This project was completed for REACH Community Development in 1995.

The following people will be assigned to this project:

- ***Robert Walsh, Principal-in-Charge.*** Bob Walsh will be responsible for overall project corporate support and will be actively involved early in the process and during contract negotiations. He is well versed in all aspects of day-to-day construction, as well as general management. Bob joined Walsh Construction Co. in 1970 and has held successive positions from head laborer to superintendent to project manager. As president of WCC, Bob is responsible for planning and marketing, overseeing new construction, commercial tenant improvement work, building conversions, rehabilitation and affordable housing. His extensive work assisting non-profit organizations with raising funds and in-kind contributions has been of benefit to the clients and communities WCC serves.
- ***Don Geddes, Project Manager.*** Don joined WCC in 1980 and has worked as a superintendent and project manager. As a project manager, Don's duties include estimating, value engineering, contract negotiations with owners and subcontractors, job cost and schedule monitoring, safety and affirmative action compliance and other project management duties. As Senior Project manager, he will be very involved initially as the scope of work is defined, pre-construction services get underway and pricing begins. He will negotiate any contracts between the entities involved and will be the single source of contact for issues that might arise during construction.

Architect: Ankrom Moisan Associated Architects

Information on Ankrom Moisan Associated Architects and lead principal Steven C. Poland follows this page.

ANKROM MOISAN ASSOCIATED ARCHITECTS



Design with Purpose

For more than 22 years Ankrom Moisan has put its creative talents in service to a purpose: honoring our client's goals and enhancing people's lives. That is our focus on each of the wide variety of projects we design, including urban housing, senior living, multi-family housing, hospitality, commercial, churches, community facilities, and healthcare. Our clients know that the more than 200 professionals on our staff are dedicated to helping them articulate and achieve their vision. We put our ears to work, not our egos. We listen, we collaborate and we create projects that contribute to our community and the built environment.

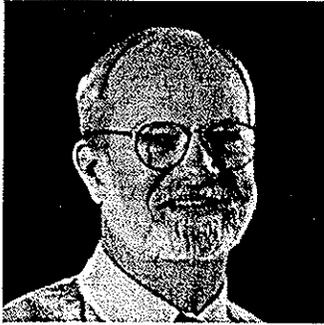
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Steven C. Poland, AIA
Principal

Steve Poland has over 34 years of architectural experience covering a wide variety of building types for private and public clients, including Education, Industrial, Government & Corporate Offices, Museum/Interpretive, Food Service, Libraries, High-rise Housing, Banks, Community Centers. With these projects, Steve has typically been responsible for all phases, including planning and programming, design, technical documentation, cost management and construction phase administration. He has significant experience working with multi-department corporate and institutional clients, and has developed skill in arriving at consensus solutions. Steve will lead all the planning and documentation, insuring adherence to program, schedule, budget, and codes. He will also apply his experience to develop appropriate technical details, and to integrate valuable input from the contractor and public agency officials.

EDUCATION:

University of Oregon, Bachelor of
Architecture, 1972

REGISTRATION:

Registered State of Oregon
Architect, 1976

PROFESSIONAL PROJECTS:

Mary's Woods--West Field Development, Lake Oswego, OR. Project Manager for detailed Master Plan / Design Review process for this 14 acre site on the Mary's Woods campus. Includes refinement of the preliminary (ODPS) master plan, schematic design and design development of 83 unit CCRC facilities, and 60,400sf Office/Commercial facilities in a pedestrian oriented village, designed to respect and enhance the existing character of the campus.

Children's Farm Home, Corvallis, OR. Project Manager for existing facilities assessment, program analysis and projection, conceptual facility improvements/additions planning and campus master plan, for 200 acre site, 75 client children's residential psychiatric treatment program. Technical assistance to the implementation design team led by Lori Kellow.

Sequent Learning Center, Washington County, OR. Project Manager & Project Architect for innovative new 35,000 sf corporate childcare and primary school facility. Project completed through Programming, Concept Alternatives, Schematic Design and Design Development.

Sequent Rogue Office Building, Washington County OR. 115,000 sf new corporate office facility. Steve provided planning code, building code, and fire code analysis, public agency liaison, critical alternative methods justifications (appeals), and records of ongoing plan review process to the reviewing agency.

The Oregon Zoo Entry & Oregon Exhibit, Portland, OR. Conditional Use Master plan for entire zoo facility long term projection and initial construction projects. These included a new entrance with plaza and visitors services including: retail, restaurant facilities, offices, auditorium, education facilities, new train station, and a new "Oregon" exhibits. Assisted the owner in developing a flexible mechanism to address parking impact management to the satisfaction of city transportation planning agencies, and the concerned surrounding neighborhoods and uses.

Portland Public Schools, Portland, OR. Project Manager for assessment of 17 schools including seismic, Fire & Life Safety, and ADA upgrades for each facility. For each school we produced an analysis of the buildings rated construction, allowable area, exitway protection deficits, door hardware function and condition, alarm and detection systems. We provided a detailed survey of clearances and accessibility of existing main floor restroom facilities. For each deficit, an upgrade was proposed, and budget estimate provided. We coordinated full seismic survey and collaborated with structural engineers to develop practical seismic upgrade strategies. Due to restricted project budgets, we worked with the district to develop a prioritization system that allowed the District to select which buildings should be improved, and which improvements in each building provided the most benefit to building users. During the implementation phase we worked closely with the permitting agencies to maintain their understanding that these were voluntary selective upgrades, in order to prevent scope/budget creep due to plan review comments.

Portland Public Schools, Portland, OR. Implementation of seismic, Fire & Life Safety, ADA improvements on constricted summer break construction schedule, for 11 school sites, average construction cost approximately \$300,000 per site.

- Atkinson Elementary
- Clark Elementary
- Rigler Elementary
- Bridlemile Elementary
- Rieke Elementary & Rieke Gym
- Sitton Elementary

Steven C. Poland, AIA
Page 2

Eliot tower, Portland, OR. Principal in charge and Project Manager for new construction 18 story Condominium Residential & Retail building. Managed collaborative process, developing the building plans and details out of shell design scheme by ZGF partnership. An innovative floor to ceiling glass curtainwall system required development of special extruded aluminum spandrel panel system and whole building energy modeling. Cost driven tight floor to floor height achieved through extensive coordination of HVAC systems with engineer, contractor and acoustic consultant.

Elizabeth Lofts, Portland, OR. Project Manager for new construction of 16 story Condominium Residential & Retail building. Implemented new technology and project procedures for highest quality building envelope integrity.

Gregory Lofts, Portland, OR. New Pearl District 12 story Residential / Office / Retail building. Project manager from concept design and Design Review application through construction. The 340,000 sq. ft. building contains 145 residential condominium units; 28,000 sf of Offices; 18,000 sf of Retail space, and enclosed parking for 209 cars. Provided all liaison with public officials, including collaborative development of innovative decorative brick parking garage screen. Completion May 2001.

McKenzie Lofts, Portland, OR. Design Review Code Compliance and Construction Administration for a new 6 story condominium and retail project in the inner northwest pearl District neighborhood. The 130,000 sf building will house 65 one and two bedroom lofts, 8 retail spaces and internal parking. \$10,637,416 total construction contract. Completed 1998.

With previous firms:

Portland Community College Projects:

Cascade Campus Master Plan, Portland, OR. Project Management, Programming Analysis, Planning, Public Agency Liaison for comprehensive Campus Master Plan. Workshops with administration, faculty, students, and community. Traffic Mitigation planning and negotiation.

Cascade Campus Library / Classroom Building, Portland, OR. 60,000 gsf project including new library and multi-media facilities, new classrooms and faculty offices, dining area expansion, conversion of old library to classrooms and offices, expansion/remodel of kitchen/serving facilities.

Rock Creek Campus Master Plan, Washington County, OR. Project Management, Programming Analysis, Planning, Public Agency Liaison for Long Range Campus Development Master Plan and Washington County Special Use Approval process. Expansion of Urban Growth Boundary to include the campus. Planning workshops to project needs of major expansion of Library, Laboratory, Student Services, and Food Service facilities.

Clark College New Learning Resources Center, Student Services Remodel, Vancouver, WA. Student Service facilities master plan, New 50,000 sf Cannell Library/Computer center, Video Production Center, Developmental Ed., Admissions-Counseling, Lounge and Meeting Room additions to Student Center.

Steven C. Poland, AIA
Page 3

Catlin Gable School, Portland, OR. Planning and Project Management for new 19,500 sf Middle School Building; Gymnasium renovation and addition of new locker/shower rooms, office and storage space, class and apparatus rooms; and six other Addition/Remodel/Planning projects.

Oregon Episcopal School, Portland, OR. Planning and Project Management for major renovation of Upper School and design of new 22,000 sf Middle School, 1995. Conditional Use process and design for conversion of former tennis club to school Sports and Recreation Center.

Waverly Children's Home, Portland, OR. Major renovation & additions totaling approx. 80,000 sf. New Dormitory, New Exterior Play Shelter, Conversion of old dorms to school classrooms, major remodel of counseling, gymnasium, new outdoor basketball court shelter, food service facilities, conditional use process. (Waverly since purchased by Trillium Family Services, see Children's Farm Home)

APPENDICES

APPENDIX A – FINANCIAL DATA

**MARTHA WASHINGTON BUILDING
PRELIMINARY BUILDING PROGRAM**

Housing studio units with bath and kitchens	99
	300 SF
	30% MFI Rent
	356.7 Rent per unit
	Utilities (paid by operator)
	356.70 Rent after utilities

Square Footage for Lease

South Bay 1st Floor Clinic + Offices for Lease	4770 Basement Leasable SF
--	---------------------------

County Activities:

Aging/Disabled Services North Bay, 1st Floor	4493
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Loaves and Fishes:

Dining Room	2343
Kitchen	1241
Rec Room	928
Kitchen Storage	874
	7886

South Bay Community and Activity Space	3007
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Total County Square Footage	15,386
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Total Square Footage Leased	20,156
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**MARTHA WASHINGTON BUILDING
PRELIMINARY DEVELOPMENT BUDGET**

		LIHTC Basis	Historic Basis
Acquisition Basis of Building (no land)		\$3,100,000	
Contingency	8.23%	380,000	\$380,000
Hard costs	sf \$ 85	\$5,000,000	\$5,000,000
Soft costs + interest (no dev fee)	25%	1,250,000	1,250,000
Ineligible soft costs	40%	(500,000)	
Sub-total		9,230,000	6,630,000
Developer Fee allowed by IRS % of hard, soft and acquisition	9%	784,550	784,550
In-eligible Developer Fee	40%	(313,820)	
Total Development Cost Basis		\$9,700,730	\$7,414,550
Housing Eligible Basis (basement/office out of basis)	65%	\$6,305,475	
Minus Eligible Developer Fee		(470,730)	
Minus acquisition price		(3,100,000)	
Basis eligible for Difficult to Develop Boost		\$3,205,475	
Hard to develop census	1.3	4,167,117	
Add back non-boosted Basis			
Eligible Developer Fee		470,730	
Acquisition Price related to Housing	65%	2,015,000	
Total Eligible Basis		\$6,652,847	
4% credit	3.46%	\$144,182	
LIHTCsyndication	94%		
Historic Eligible Basis	65%		\$4,309,500
Historic Credit	20%		861,900
Historic Syndication	85%		
Total Equity from Tax Credits		\$1,355,313	\$732,615

**MARTHA WASHINGTON BUILDING
PRELIMINARY SOURCES & USES**

Sources:		Uses :	
LIHTC Syndication	\$ 1,355,313	Acquisition	\$ 3,000,000
HTC Syndication	\$ 732,615	Pre-leasing Payment from County	2,502,712
FHLB Grant	\$ 400,000	Net to County	\$ 5,502,712
Bond Issuance	\$ 175,726		
Refunded Bond	\$ 2,502,712	Hard Costs	\$ 5,380,000
Long Term Bond Debt	\$ 2,678,438	Soft Costs	\$ 1,250,000
PDC Funding	\$ 7,409,959	Developer Fee	\$ 443,614
Total	\$ 12,576,326	Total	\$ 12,576,326

50% tax exempt bond Test

Bond Issuance	\$ 175,726
Bond + other sources	\$ 12,576,326
% financed by T/E Bond	1%

MARTHA WASHINGTON BUILDING PRELIMINARY OPERATING PROFORMA
--

Housing Units				99	
Rent per Unit		MFI		SF	
	15	17%	\$	202.13	264 (after utilities)
	55	30%	\$	356.70	264 (after utilities)
	30	40%	\$	475.60	350 (after utilities)

3% MFI escalation to 2007

Gross Annual Housing Rents				\$ 456,312
Vacancy		5%	\$	(22,816)
Laundry Income			\$10 \$	11,880
Net Residential Revenue			<u>\$</u>	<u>445,376</u>

Commercial Income	SF	Lease NNN			
Elders in Action	2200	\$	12.00	\$	26,400 NNN Rent/yr
Future Tenant	1040	\$	14.00	\$	14,560
Aging/Disabled Services North Bay, 1st Floor	4300	\$	14.00	\$	60,200
Loaves and Fishes: Kitchen, rest rooms, activity space				<u>\$</u>	<u>75,000</u>
Gross Commercial Income				\$	176,160
Vacancy		10%		<u>\$</u>	<u>(17,616)</u>
Net Commercial Revenue				<u>\$</u>	<u>158,544</u>

Total Net Revenue \$ 603,920

Housing Operating Cost per Unit (estimated)
(utilities paid by operator; tax exemption in place) 3900 \$ 386,100

NET INCOME \$ 217,820

Debt Available based on net income 1.15 dcr
30 yrs
5.75% int
\$ 2,678,438 Loan Balance

Debt Service \$ 189,409

Annual Cash Flow \$ 28,411

Cash flow over 12 years (IRS) 12 340,936

MARTHA WASHINGTON BUILDING LOAVES & FISHES LEASE PROPOSAL
--

Schedule of Space

SPACE	Sq. Ft.	
Kitchen	1,233	
Dining Room	2,348	
Offices near Kitchen	280	
Storage 1	332	
* Restrooms	1,000	
** Storage 2	600	
Exercise	858	
Senior Activities/Day Room	2,471	
Sub-Total	9,122	
5% Load Factor (hallways, corridors, utility areas, egress)	456	
1895 Lobby Pro-rate by Floor	379	1/5
TOTAL SF LEASED	9,957	
 ESTIMATED L&F BUDGET		
Rent Paid Triple Net per Year	\$ 75,000	7.53
Common Area Charges	10,140	
Utilities paid by Loaves and Fishes (est)	\$33,000	
	\$ 118,140	

Notes:

- Measurements are approximate and subject to adjustment as plans are finalized
- * To be decreased from 1/30 rendering
- ** To be increased from 1/30 rendering

MARTHA WASHINGTON BUILDING
LOAVES & FISHES LEASE - PROPOSED LEASE CHARGES

Estimated Common Area Maintenance Charges (in addition to triple net lease)

Loaves and Fishes Lease	9957 Interior Space + Load
Building Total	62500 SF
Loaves and Fishes Floors	1
Building Floors	5

Cost Item	Yearly Building Expense	Allocation Method	Allocation
Property Taxes		Abated/Exempted	\$ -
Building Insurance (estimated) (Kitchen use?)	25000 Building Total	By Floor	\$ 5,000
Exterior Envelope Maintenance	5000 Building Total	By Floor	\$ 1,000
Garden Area Maintenance	1200 Total	By Floor	\$ 240
Interior Common Area Janitorial (1)		Performed by L & F	\$ -
Garbage - Kitchen and Activity Center (2)		Separate Billing	
Heat/Ventilation Maintenance	\$1,500 per year	L & F Separate System	\$ 1,500
Electricity (3)		Separate Meter	
Water (3)		Separate Meter	
Gas (3)		Separate Meter	
Elevator Maintenance	12000 Building Total	By Floor	\$ 2,400
Kitchen Equipment Maintenance		Performed by L & F	

Total	\$ 10,140
Per SF	\$ 1.02

NOTES:

- (1) Charge eliminated if L&F performs their own janitorial service
 - (2) Loaves and Fishes would contract for own garbage service related to kitchen activities
 - (3) Separate water, gas and electric meter will be in place for Loaves and Fishes Space
- Charges subject to refinement and change as project progresses

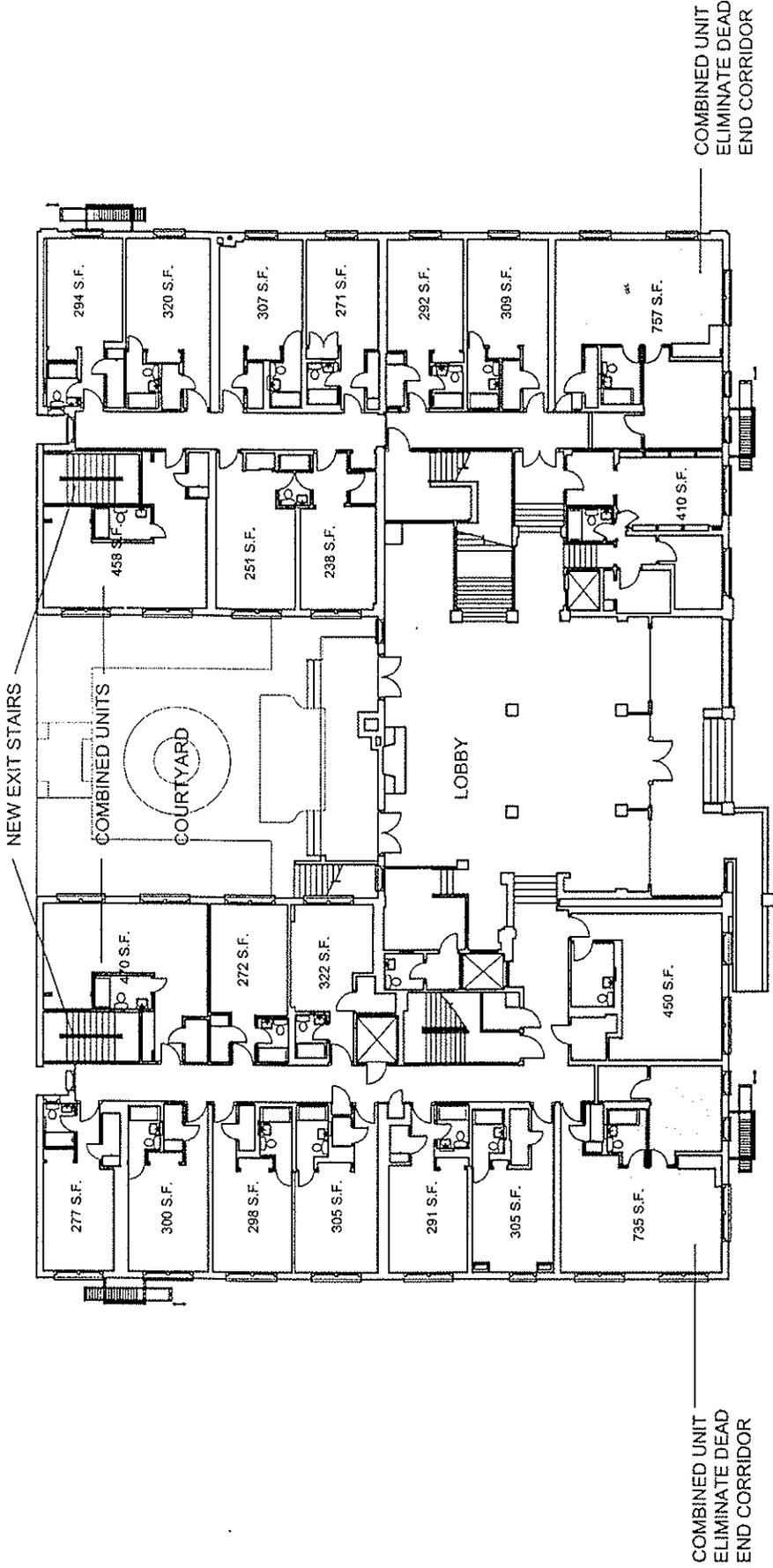
**MARTHA WASHINGTON BUILDING
LOAVES & FISHES LEASE - PROPOSED TENANT IMPROVEMENTS**

The following tenant improvements are included as part of the rehabilitation program for the building, and are included in the lease rate:

- 1 Fire and Life Safety improvements to code
- 2 Seismic treatment to code
- 3 Hazardous Materials abatement and removal
- 4 Installation and ducting for a new, separate HVAC system serving the Loaves and Fishes space
- 5 Buildout and finishes to the restrooms adjoining the dining room space
- 6 Two new accessible elevators installed serving the dining room and the activities area
- 7 Ramp and height clearance improvements to the Main Street side entrance to allow meal cart deliveries
- 8 Refinements to the dining room finishes per architectural and user specifications
- 9 Removal of demising wall and structural treatment to create open senior activities space - SW basement area
- 10 Expanded front exterior ramp (as approved by City)
- 11 New Flooring and rubber base installed
- 12 New Paint through-out
- 13 Lighting installed per architectural specification
- 14 Allowance for commercial kitchen improvements per further understanding of requirements (minimum: \$50,000)
- 15 New wall framing and finishing - activity center rooms, kitchen offices; expanded central hallway
- 16 Window restoration as required
- 17 New Doors and hardware as required
- 18 Installation of separate electric, gas and water meter service

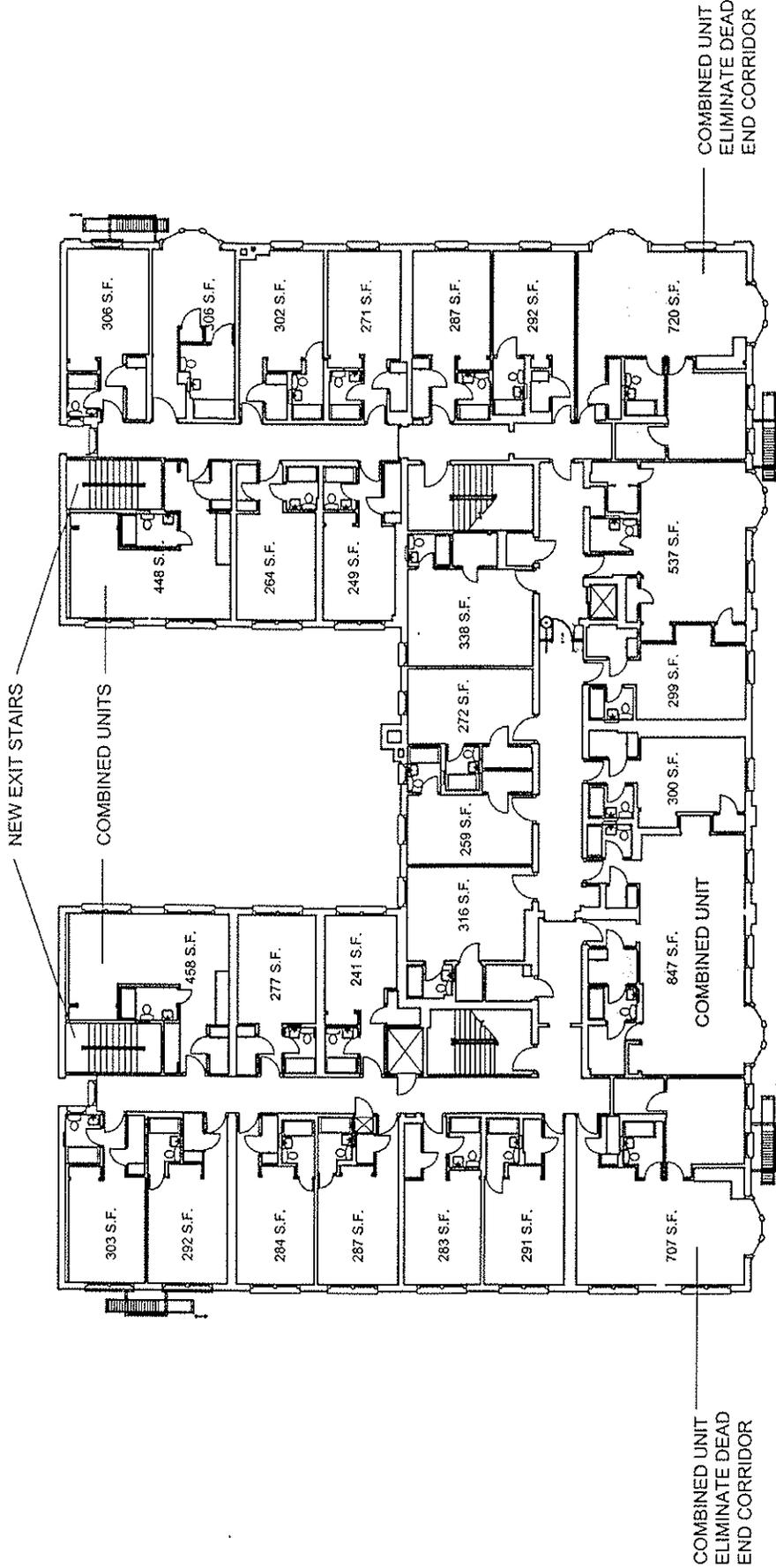
Note: The building rehabilitation program includes a new roof assembly, sheet metal and rain drains, and external wall surface cleaning and repairs.

APPENDIX B – CONCEPT PLANS



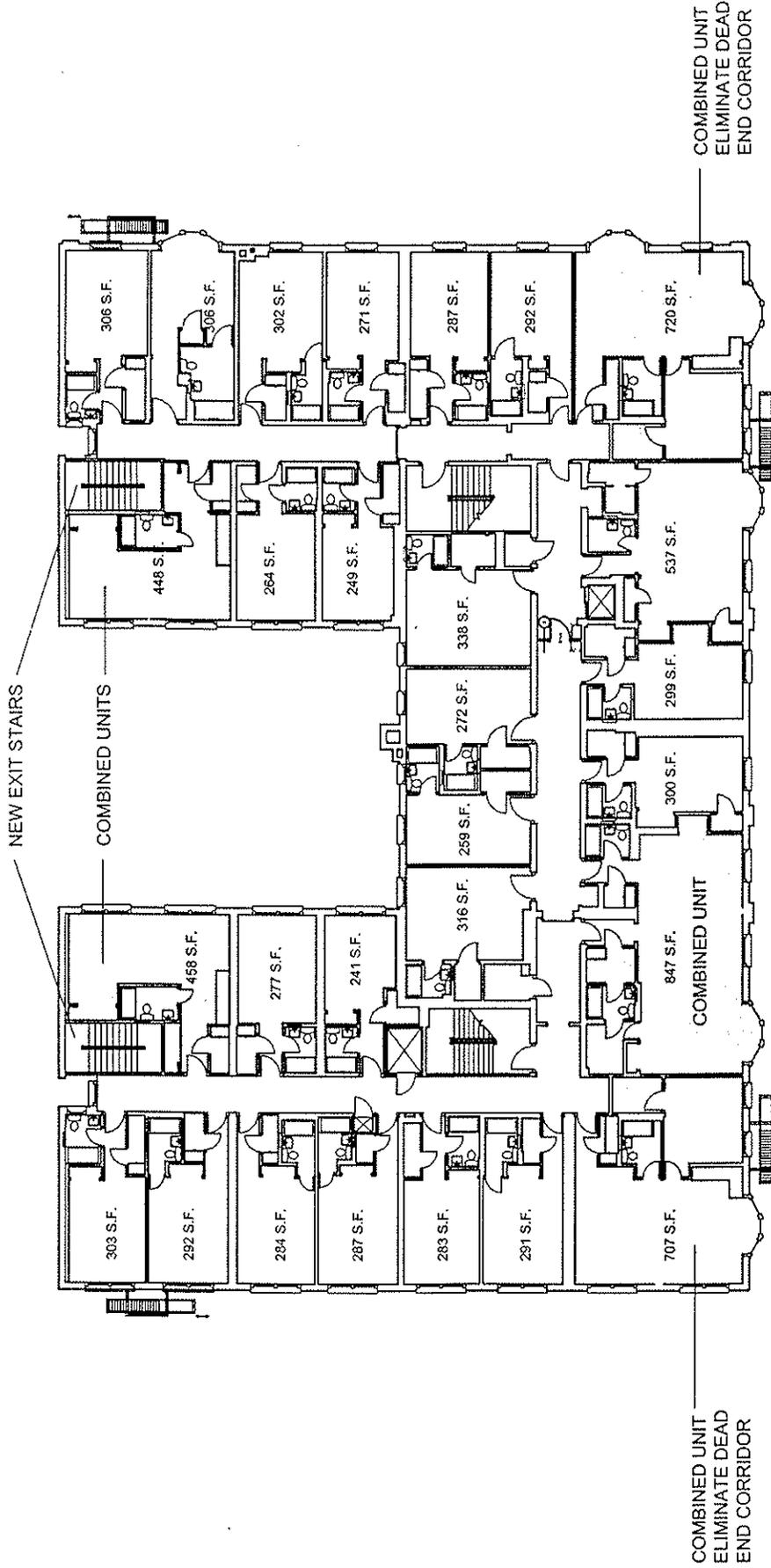
FIRST FLOOR PLAN

MARTHA WASHINGTON BUILDING



SECOND FLOOR PLAN

MARTHA WASHINGTON BUILDING



THIRD FLOOR PLAN

MARTHA WASHINGTON BUILDING

**MARTHA WASHINGTON BUILDING
PROJECT SCHEDULE ESTIMATE**

JAN 30 2006	Conceptual Drawings and Cost Estimate #1 Completed
FEB 15 2006	Submitted to County Request for Input
APRIL 26 2006	PDC Budget Input - 2007-2008 fiscal year - South Park Blocks
MAY 1 2006	Preliminary discussions with Construction Lenders and Bond Purchaser
MAY 18 2006	RFP to County Commission for review
JUNE 1 2006	RFP to the street; Letter of Intent of Lease Space signed with Loaves and Fishes
JULY 15 2006	RFP Responses Due
SEPT 1 2006	RFP Awarded; site control received
SEPT 1 2006	Part 1 Historic Significance Report begun; Consultant letter supporting listing and tax credits
SEPT 1 2006	Schematic Architectural Plans Begun
OCT 1 2006	Negotiations with Construction Lender, Tax Credit Investors
OCT 1 2006	Lease Signed with Loaves and Fishes
OCT 15 2006	Schematic Architectural Plans Completed; Permitting Process Begins
NOV 1 2007	PDC Commitment Letter Issued for Loan; Lease signed with Loaves and Fishes
NOV 15 2006	Cost Estimate #2 from Contractor; Part 1 Approval from State Historic Preservation Office
DEC 15 2006	Design Development Plans Completed
JAN 15 2006	Financing Closed with lenders; tax credit agreements completed; Cost Estimate #3 Completed
JAN 30 2007	Demolition Permit Issued
FEB 15 2007	Construction Drawings Completed; Final Permits Issued; Construction Begins
NOV 1 2007	Construction Completed
NOV 15 2007	Move-in