



Downtown Redevelopment Project

Proposal Response

Former Griswold Property
308-310 4th Avenue East



Big Rock Capital Partners
MSG Architects



September 23, 2016

City of Olympia
Renee Sunde
2421 93rd Ave SW
Tumwater, WA 98512

RE: Former Griswold Property Request for Proposals

Dear Renee:

On behalf of Big Rock Capital Partners LLC, MSGS Architects, and our entire design, build and management team, we thank you for this opportunity to present our development concept and qualifications for the redevelopment of the former Griswold Property. We are excited to be included in the urban renaissance you and your team are spearheading for downtown Olympia.

As you will see, we have assembled an all-star cast of leading, local actors in the property development industry. Our team of local architects, engineers and property managers has experience working together and are excited about the opportunity to make a positive impact on vitality and economic health of Downtown Olympia. We are proud of this team, and this team is equally proud of its hometown. We believe we have the financial acumen, qualifications and ability to execute the project further described and illustrated herein. We hope you will agree.

Albeit thorough, our proposal does not address every possible development scenario – whether it be in the design, intended occupiers, or financial structure. As such, we trust there will be adequate opportunity to further collaborate on the alternative options available to us and to the City of Olympia by engaging the City staff and leaders, stakeholders and the community to help create project that will meet the City's goals and be the most appropriate solution for this site.

This is an exciting Public/Private Partnership opportunity that we are thrilled to be considered for. We look forward to addressing any questions or comments you have. Please do not hesitate to call me at 480/203-8483 or Garner Miller of MSGS Architects at 360/943-6774.

Sincerely and Respectfully,
Big Rock Capital Partners, LLC

A blue ink signature of Ryan Clintworth, consisting of stylized initials and a surname.

Ryan Clintworth

MSGS Architects

A blue ink signature of Garner Miller, featuring a stylized first name and the surname 'Miller'.

Garner Miller



1. Identify and describe the developer

Big Rock Capital Partners, LLC (“BRC Partners”) was formed in 2015 to provide development services in the Greater Olympia-Thurston County market. Recognizing a lack of full service for-fee developers in the South Puget Sound, the owners of Big Rock Construction partnered with a foreign capital provider to initialize a development company that’s responsive to the market’s unique urban land opportunities and flexible and sophisticated enough to meet the investment criteria of some of the areas financial bona fides. BRC Partners has assembled an all-star cast of local management, design, construction, and banking partners to kick-off its first few projects. While the entity is new to development in the area, its managers are not. Collectively, the Principals have developed, built, or transacted over \$80,000,000 in project value and approximately 1,000,000 square feet of multifamily, office, retail, industrial, and government occupied space.

Mailing

PO Box 13161
Olympia, WA 98508

Physical

2915 29th Avenue SW, Suite A
Tumwater, WA 98512

Company Phone:

(360) 754-2219

Point Of Contact:

Ryan Clintworth, ryan@clintworth.com, (480) 203-8483

2. Identify each person or entity involved with the project team

Big Rock Construction, Inc. – General Contractor and Construction Manager

Big Rock Construction, Inc. (“BRC”) is a commercial general contractor based in Olympia, Washington founded in 1989 with a legacy of quality craftsmanship and building integrity. BRC seeks to work with owners and design teams with which the companies experience best fits. BRC believes collaboration, open communication, and transparent management produce the best projects and client experiences. Serving as dedicated advocates for the client’s best interests and proactively addressing every challenge with an organized and systems-based approach, Big Rock is “Quality from the Ground Up.”

Big Rock Capital Partners, LLC - Developer

Ryan Clintworth, Managing Partner

Mr. Clintworth is responsible for capital and partnership structuring, sourcing debt and equity, asset and development management, and investor relations. Since 2002 he has worked in the construction and commercial real estate industry as a Principal, Investor, Asset Manager, Acquisitions Officer, Broker, Project Manager, and Project Engineer where he has participated in over \$50,000,000 in commercial sale and lease transactions and over \$500,000,000 in construction contracts. Mr. Clintworth is a Principal/Shareholder in Big Rock Construction Inc., holds a Bachelor of Science in Construction Management from Arizona State University, and earned a Certificate in Commercial Real Estate Development from the University of Washington.



Thomas Baxter, Partner

Mr. Baxter is responsible for project and development management, design/build team selection and coordination, estimating, and construction management. Since 2009 he has worked as a Principal, General Manager, Project Manager, Superintendent, Carpenter and Estimator in the construction business. Since 2011 Mr. Baxter has been the General Manager and Vice President of Big Rock Construction Inc where he has lead sales and management efforts to secure and execute on \$30,000,000 of commercial and residential construction contracts. The company currently employees 6 office staff, 3 Superintendents, and approximately 20 carpenters and tradesman. Mr. Baxter holds a Bachelor's Degree from Eastern Washington University, and previously served as a Sergeant with the United States Army.

Greg Mauerman, Partner

Mr. Mauerman serves as a Senior Advisor to the partnership. He founded Big Rock Construction, Inc. in 1989 where he amassed an impressive track record developing and building garden-style apartment complexes, assisted living communities, podium-style condominiums, office buildings, and residential plats throughout Washington State. Currently, Mr. Mauerman is the majority Shareholder of Big Rock Construction Inc, and has ownership interests in approximately 200 multi-family units and 20,000 square feet of commercial office space valued at over \$25,000,000.

Youmei Kim, Partner

Mr. Kim is responsible for sourcing equity capital for the company. He is a resident of Japan where he works in accounting and financial services, and further serves his families privately owned business that generates approximately \$900,000,000 in revenue per year. Mr. Kim earned a Bachelor of Arts in Accounting and Finance from Pacific Lutheran University in Tacoma, Washington.

MSGS Architects – Architect

Established in 1972, MSGS Architects formed a professional services corporation in 1974 and moved in 1984 to our present location in the Walker Building on Capitol Way in downtown Olympia. Two principal architects direct a wide range of design services for public and private sector clients. Our business is built on a positive working relationship with multiple repeat clients.

Successful architectural design fully supports the interaction of people with their environment. The design process, with emphasis on active listening, collaboration and consensus, allows the designer to determine what is special to each client, project and setting. MSGS Architects embraces the challenges of working with multiple stakeholders, producing architecture that is direct, understandable and responsive.



MSGS offices in the Walker Building, Downtown Olympia



R WILLIAM SLOANE AIA, LEEDap | MSGS Architects
Partner | Principal Architect

In private practice since 1988, Mr. Sloane offers a broad range of project experience including educational facilities, office buildings, major tenant improvement projects, medical and hospital additions, military facilities, ADA upgrades, and historic restorations. Bill's role as project manager is to schedule and coordinate internal and external personnel, oversee project delivery in accordance with established quality standards and time frames, and serve as the direct client liaison reporting progress and budget alignment. Coinciding with his role as Campus Architect for Centralia College and experience with other public agencies, Bill offers a working knowledge of budgeting and funding request processes. He is hands-on in securing permits, promoting bid participation by qualifies bidders, and execution of construction contract administration through closeout and warranty period.

As project manager, Bill understands and addresses the many challenges in working with multiple stakeholders, in permitting complex buildings, in proper detailing, and construction phase administration for successful delivery.

EDUCATION

University of California, Los Angeles
Master of Architecture, 1981
Bachelor of Arts, 1977

CREDENTIALS

Registered Architect State of WA 1993;
OR 2011; ID 2010; AK 2009; CA 1983
NCARB Cert. No.55259, 2002 LEED™
Accredited Prof., 2006
SAP ATC-20 Certified Evaluator, 2013
(post-earthquake)

PROFESSIONAL AFFILIATIONS

American Institute of Architects
SW WA Chapter Member
US Green Bldg. Council Member

GARNER MILLER AIA, LEEDap | MSGS Architects
Partner | Principal Architect

Garner Miller joined MSGS in 2007 as a project designer and project architect, becoming partner in 2008. He brings more than 18 years experience in design of educational, commercial, church and civic facilities. As lead designer and project architect on a variety of complex projects, Garner works closely with project stakeholders in programming facilities, and is responsible for master planning or master plan compliance. He is skilled in presenting the what, why and how of a design to groups of varied size and knowledge level.

His responsibilities as project architect include coordination of the contract documents with engineering team and jurisdictional agencies. He serves as the liaison between the design team, contractor, and the Owner's project manager throughout construction phase.

Garner has completed a variety of K-12 and higher education projects in Western Washington, and has experience in church, medical, office, health club and amusement building types. Recent South Sound project emphasis includes expansion of St. Michael Parish, Warehouse Roof Replacement for Port of Olympia, Louis Walker Middleton Building, Olympia Federal Belfair Branch, Cunningham Building Renovation, and miscellaneous projects at the Evergreen State College.



EDUCATION

Washington State University
Bachelor of Architecture, 1993

CREDENTIALS

Registered Architect State of WA, 2000
LEED™ Accredited Professional, 2009
Leadership Thurston County, 2010
SAP ATC-20 Certified Evaluator, 2013
(post-earthquake)

PROFESSIONAL AFFILIATIONS

American Institute of Architects
SW WA Chapter Board Member
Vice President 2002, President 2004
United States Green Building Council
Tacoma/Olympia Chapter
Past Steering Committee Member

OTHER AFFILIATIONS

Olympia Heritage Commission, 2013



Richmond Engineering – Mechanical/Electrical Engineers

Richmond Engineering had its beginning over 25 years ago providing mechanical and electrical engineering services in the South Puget Sound area. While over time we expanded to provide services throughout Washington, Oregon and Alaska, our main area of focus is currently the Puget Sound and Southwest Washington regions. Our office is located in Olympia, Washington.

We provide mechanical, electrical and plumbing (MEP) services for the public and private sector as well as tribal clients. We have diverse mechanical, electrical, and energy analysis skills for the needs of our clients in the HVAC, plumbing, power, lighting, telecommunications, security, and fire alarm fields. Richmond Engineering offers one stop, cost effective services through our design/build program, which we offer in addition to more traditional plan and spec design services.

George M. Richmond, PE

Mr. Richmond brings to the project over 30 years of mechanical and electrical experience including constructability review, HVAC, plumbing, electrical, fire protection, and special piping and ventilation systems, security systems, energy audits, building commissioning, and project management.

EDUCATION

B.S. Mech. Engineer, Washington State University

PROFESSIONAL REGISTRATIONS

Registered Professional Engineer in WA, OR and AK

MC Squared – Structural Engineers

MC Squared, Inc. is an engineering firm specializing in structural, foundation, and civil engineering, project management, and construction observation. We have worked on preliminary designs, final designs, and construction administration. Some structures we design are: multi-story mixed-use buildings, multi-story hotel buildings, warehouses, multi-story office buildings, small medical buildings, condominiums, restaurants, banks, schools, shopping centers, auto dealerships, culverts, retaining walls and other various structures.

MC Squared, Inc. has worked closely with local, state, and federal governments, architects, and contractors since 1982. On every project, we strive to achieve three goals. First, we want to deliver a well designed, administered, and constructed project. Second, we want the owner's staff to feel that we have done a good job for them; we want them to invite us back. Finally, we want the project owner to feel that MC Squared is the best consultant they have worked with. Our job is to make your life and that of the staff at the facilities we work with easier. Included is a list of typical projects that we have completed for our clients.

Michael Szramek, P.E., S.E.

As the owner and Principal Engineer of MC Squared, Mike is in charge of the projects that come to us. He has been a structural engineer for more than 30 years. He has designed a variety of structures, including many new single and multiple story buildings.

Mike is responsible for the overall activities of the company, plan review, on-call services for our local and state government clients, and the mentoring of our engineers in training. Mike serves as the project manager overseeing structural design and analysis; he is in charge of project scheduling and delegation of responsibilities. Mike also coordinates projects with our clients, contractors, and sub-consultants.

EDUCATION

Bachelor of Science Civil Eng., Oregon St. Univ. 1978

PROFESSIONAL MEMBERSHIPS

Structural Eng. Association of WA (SEAW)



KPFF – Civil Engineers

Founded in 1960, KPFF Consulting Engineers is a full-service civil and structural engineering and surveying firm with over 56 years of experience. KPFF works with developers, private owners, architects, and Agency clients for the design, permitting, and construction of local mixed use, retail, civic, and office spaces. These projects range in size from 1,000 square feet to 2 million square feet. Our broad experience with these types of projects has led to increased participation in the recent growth of local mixed-use and small retail sites. We bring specific knowledge of permitting and construction, site grading and utility improvements, local and regional stormwater requirements, ADA-compliant design and parking layout that is often critical in these projects.

Mark R. Steepy, PE

Principal-in-Charge / Civil Project Manager

Mark has over 23 years of experience providing all types of civil engineering design and management services, including projects for the City of Olympia. He has managed diverse multidisciplinary teams to complete projects that have included retail and office spaces, mixed-use and housing developments, and civic buildings. He has in-depth experience with parking lot layout and pavement repair, utility upgrades and relocations, and ADA-compliant design. In addition, Mark is knowledgeable of local permitting requirements and he is known for his excellent time-management and communication skills among agency clients to understand design parameters, while keeping the project within budget and on schedule. Select project experience includes:

- University Village Condominiums, Seattle – Three-story mixed-use, urban infill project
- Seattle University Mixed Use, Seattle – Mixed-use, urban-infill project for college
- Mottman Village, Tumwater – Mixed-use, student housing community



Education

BS Civil Eng. / Univ. of WA

Registration

Civil Engineer in WA and OR

Professional Affiliations

American Society of Civil Eng.

Prime Locations – Property Management

Prime Locations is a full service commercial real estate company, dedicated to making real estate experiences successful. We offer services to meet the needs of landlords, tenants, buyers, sellers, and investors. Our approach is simple and has been proven successful since 1988.

Zach Kosturos, President/Designated Broker

In 2009, Zach began his career in commercial real estate as a sales and leasing broker at Prime Locations. Today he is the sole owner of the company. Throughout his career, he has sold, leased and managed properties across all sectors, including office, retail, industrial, self-storage and multi-family. Today, Prime Locations employs more than 40 people, manages more than \$200 million dollars in assets and brokers transactions totaling in excess of \$50 million dollars annually.

Zach's commercial real estate knowledge and experience is vast as a result of his involvement in all aspects of the industry, including: development, acquisition, disposition, financing, leasing, maintenance, management and most importantly, ownership. He leverages this knowledge and experience, combined with his understanding of business and the community at large, in an effort to create additional value for his clients as they entrust him with their real estate success.

3. Demonstrated Financial Capacity of Developer

Big Rock Capital Partners, LLC (“BRC Partners”) is a newly formed entity. Cash is held on deposit with Heritage Bank. In its first 12 months of operation, it has acquired 2 assets which are currently under management – i) a 4 acre parcel in the Mottman industrial park and ii) a single family rental property in Centralia. The entity has established local banking relationships with Heritage Bank, Olympia Federal Savings, and Timberland Bank, and commercial mortgage banking relationships with NBS Financial Services, Clearview Realty Finance, Puget Sound Investors, and NorthMarq Capital. BRC Partners’ members have a combined net worth in excess of \$3,500,000 with interests in multi-family, commercial, and residential real estate holdings. Furthermore, the entity is backed by a high net worth Japanese family with \$900,000,000 (US Dollars) in annual, privately-controlled revenue.

Company financial statements, individual financial statements, and letters of good standing from banks and financial partners are available upon request under confidential cover.

4. Relevant Project Experience

Big Rock Capital Partners and Big Rock Construction’s principals, managers, and tradesmen have directly managed preconstruction and construction for a combined 762 multi housing units totaling \$63,850,000 in construction value since 1998. With nearly 20 years of focus on this particular product type under Team Build delivery methods – before Team Build was an industry standard – Big Rock has built a reputation for being a tier one apartment contractor in the Puget Sound region.



14th & Republican, Seattle, WA

Urban Podium Multi Family, 2014

Managers of Big Rock provided preconstruction services to the developer of this 35 unit 5-over-2 apartment community in Seattle’s Capitol Hill neighborhood. Construction value on this 4 level building over 1 level of subterranean parking was \$4.5m.



Union & Madison, Seattle, WA

Urban Podium Multi Family, 2013

Union & Madison, now known as VIVA CapHill, is a 105-unit mixed-use residential project with 9,000 SF of retail and a 77 stall underground garage in Seattle’s Capitol Hill district. Managers of Big Rock provided preconstruction and development services for the landowners. Total construction value was \$12m.



Baywood Building, Olympia, WA

Mixed-Use Condominium, 2012

The Baywood Building, aka 1107 West Bay, is a 4 story mixed-use residential building with 3 levels consisting of 5 luxury condominiums and 1 level of office space. Big Rock provided preconstruction and general contracting services for this \$2.85m project.

Mottman Village New Mixed-Use Student Housing Community



BRCP, LLC is currently developing Mottman Village with the same project team proposed for the former Griswold property.

Mottman Village is a new mixed-use student housing community immediately adjacent South Puget Sound Community College. The project is ideally located at SPSCC's RW Johnson Blvd and 29th Avenue entrance, creating a one-of-a-kind student life experience for the 6,700 students enrolled at the college.

Phase I of Mottman Village is a four (4) story structure consisting of 51 two (2) and four (4) bedroom apartment units totaling 164 beds. Housing units will be on top of an approximately 8,900 sq ft street level retail podium. Student residents will have approximately 168 surface parking stalls.

Big Rock Capital Partners, LLC will be closing on the land acquisition in Spring 2017 after completing entitlements and permitting with its design team.

Architect
MSGs

Civil
KPFF

Client/User
South Puget Sound Community College

Funding
Spring 2017

Location
Tumwater, WA

Total Cost
\$12,000,000

Debt Financing
\$9,600,000

Equity Requirement
\$2,400,000

Projected Returns
5% Preferred ROE
16% Project IRR

Thurston-Mason Mental Health Triage Center Renovated Facility Becomes Newest County Mental Health Hospital



Big Rock is proud to have partnered with the county and A&E team on the Thurston-Mason Mental Health Triage Center.

Big Rock Construction (BRC) completed the Thurston-Mason Mental Health Triage Center (MHTC) on a fast-track schedule in the summer of 2016. The facility will house and treat transitional patients that require acute care under high security watch. The project, adjacent to Thurston County's Accountability & Restitution Center and County Jail, included the complete renovation of an existing concrete tilt-up structure.

BRC renovated the 7,200 sq ft facility through active collaboration and coordination with the architect, engineer, and multiple government agencies (state and local) as well as the counties end user/operator. Complexities included high security access control, video surveillance, and alarm system as well as specialty seclusion rooms, specialty hardware, and secured sally port. Other challenges included state-of-the-art HVAC and plumbing systems to meet USGBC's LEED-CI requirements.

Architect

Ron Wright & Associates

Engineer

Hultz BHU

Client

Thurston County Central Services

Completion

Summer 2016

Location

Tumwater, WA

Contract Value

\$2,200,000

Delivery Method

Design-Bid-Build

Sustainability

LEED Gold (Pending Certification)



Cunningham Building

Urban Olympia, LLC
Olympia, Washington

Constructed: 2012
Project Architect: Garner Miller, AIA | LEEDap
Owner Reference: Walker John, 360-705-2303

The Cunningham Building (1896) is the last wooden pioneer-style storefront remaining downtown. It is located in a neighborhood which the City and its residents hope to see returned to life and is intended to act as a catalyst for redevelopment.

Working for Urban Olympia, LLC, MSGS Architects was charged with researching the historical aesthetics of this important structure. The owner, architect, and the City of Olympia desired to respect the pioneer aesthetic during the rehabilitation of the structure and enhance its historical features.

The building was renovated into 13 studio and one-bedroom apartments with a communal laundry room, an office space for the Owners, and two retail shell spaces.

Details of the facade were selected from historical photos and portions of the original interior structure were exposed and utilized as design elements.



**Washington Center for Performing Arts
Olympia, WA**

Project Manager: Bill Sloane AIA
Project Architect: Garner Miller AIA

The Liberty Theater was first renovated in 1986 and transformed into the Washington Center for the Performing arts, which has become an important cultural center for Downtown Olympia and the greater Thurston County community. After 27 years, the exterior envelope and roof failed resulting in damage to the building, including mold and mildew.

The repair and replacement of the exterior walls and roof presented an opportunity for the building to express its cultural importance as a theater by creating a new facade that includes a more inviting, open and exciting entry, additional windows inviting patrons to experience what is happening inside, new more durable and permanent materials, and a new lighted marquee celebrating both the theater and the arts.





5. Briefly describe experience or strategy for marketing and managing urban redevelopment projects including approach to public participation

Community engagement in urban renewal projects is imperative to project success. BRC Partners and MSGS Architects will facilitate an active and collaborative approach to design through community engagement. MSGS Architects will take the lead to organize input workshops and sessions with the following goals:

- i) Gather input, collaboration and buy-in with City of Olympia's stakeholders including City Council, Economic Development, Heritage Commission and Community Planning and Development Department. It is also imperative the project be coordinated with the efforts to create the Downtown Strategy.
- ii) Engage neighborhood business owners, retailers, patrons, customers, and stakeholders of other development interests through direct project-specific outreach as well as participation in business-sponsored networking events, government-sponsored development roundtables, and community-sponsored public events. Stakeholder groups that BRC Partners will activate regarding the Griswold redevelopment project include but are not limited to:
 - a. Olympia Downtown Association
 - b. Thurston County Chamber of Commerce
 - c. Thurston County Economic Development Council
 - d. Olympia Artspace Alliance

BRC Partners and MSGS Architects have been designing and building public facilities for a wide variety of government agencies for the State of Washington, local counties, cities, community colleges and school districts for decades, including the City of Olympia. Our experience partnering with public agencies and engaging stakeholders in the design process will be essential to ensure this project will be aligned with the goals the City of Olympia and its constituents deem important as Downtown Olympia develops. MSGS Architects led the public engagement process to influence the re-design of the façade of the Washington Center for the Performing Arts, and this public-private partnership created a centerpiece for downtown redevelopment. Both companies have good reputations as trustworthy stewards of the public domain, and are always respectful and responsive to the public trust, administrative protocols, and stakeholders at large.

Because BRC Partners' method of financing the project includes access to city-sponsored public funding sources (reference Section 6), **transparency** and **integrity** with respect to the core operating fundamentals of a Public/Private Partnership model (hereinafter "PPP") are vitally important. As such, BRC Partners is committed to upholding the following principles in this development project:

- **Honor and Respect Risk Allocation** – The City of Olympia and its residential and commercial constituents will be treated with the utmost respect as its public trust will be at risk (if BRC Partners' financing model is accepted) in allocating public funds toward this urban renewal project. In other words, BRC Partners truly understands – and shall speak in such ways at all times in the public realm – that the City of Olympia is a progressive urban renewal advocate, as opposed to an adversary.



- **Deliver Optimal Value on Assignment** – BRC Partners’ and its team will deliver on its promises and commitments to the City of Olympia. The commitment of course is the beautiful brick and mortar illustrated and further described herein. Optimizing impact on the local economy is realized in working with local design, construction and consulting firms; providing living and working spaces that are affordable and priced appropriately; and building to an aesthetic that seeks to rejuvenate and revitalize a key block in downtown’s urban core.
- **Be A Leader in the PPP Framework** – We understand that if awarded this assignment under our proposed financing and transaction terms, the city will be embarking on and endorsing a highly-visible form of project procurement. Assuming the role and responsibility of the private developer, BRC Partners’ has the opportunity to be a leader in forwarding the visibility of the PPP delivery method for the long-term benefit of the private sector as well as the City of Olympia and other comparable local municipalities. We welcome and embrace this leadership opportunity!

6.a. Anticipated target market & expected mix of uses

BRC Partners’ primary target market will be the work force, college students, artists, and entrepreneurs of the millennial generation. This age demographic (20 to 35 years old) holds great opportunity as catalyst for a downtown renaissance. The millennial have a propensity for mobility, creativity, and flexibility – the basis behind small sized residential units. While not low income, our projected rental price points are currently running at approximately 35% of a low to moderate income (LMI) person or household. That is to say, the ratio of cost of housing to a person/household earning below 80% of the area median income could possibly satisfy federal LMI requirements (more analysis required).

The most compelling and unique prospect is the concept of “Collaborative Studio Space.” Retail is relatively robust in downtown Olympia in terms of number of shops and available space. Our focus will be on collaborative working environments – such as the ImpactHUB or WeWork – which are highly popular and proven space models for today’s technology-driven, creative-class. This trend has some traction in Olympia as a number of MeetUp Groups have expressed interest in a start-up. Friends of BRC Partners’ relocating from Portland and San Francisco have inquired with us, IronSeele on Washington Street in downtown have already successfully created co-op space, and we see this as an economically viable alternative to larger format retail and office concepts.

6.b. Design, Floor Plans and Elevations

Based on analysis of the site and neighborhood context, BRC Partners and MSGS Architects propose a three story mixed-use building with a total size of 21,500 SF, combining a ground floor collaborative studio/work space with two floors of small apartments. The 60’ x 120’ site (7,200 SF) abuts a one story retail building to the west, a one story office building across the alley to the east, and a one story building across the alley to the north. Our team believes a structure taller than 3 stories would be out of scale and character with the surrounding neighborhood of historic buildings along 4th Avenue.

The design of this building reflects the priceless fabric of the historic district while being a modern structure appropriate for its place and time. It is an architectural metaphor for Downtown Olympia- respect the past while embracing the future.

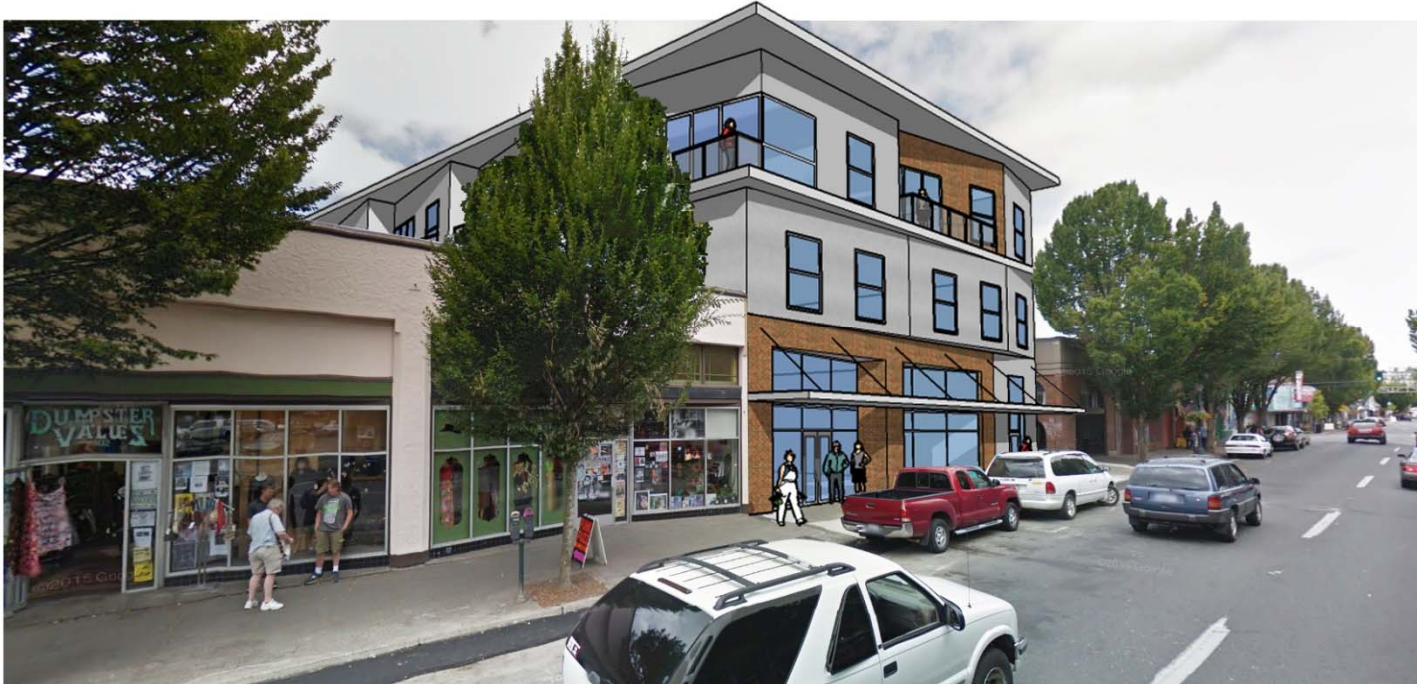
FLOOR PLANS



The ground floor plan provides a completely open, flexible studio space with large windows facing the street. The 4th Avenue façade at ground level is a classic downtown storefront built with a brick frame of three pilasters and beams framing large storefront windows. A continuous canopy runs the length of the façade and breaks the window horizontally, creating a clerestory row above the canopy consistent with the historic facades in the vicinity.

The second and third floors include 9 apartments each ranging in size from 500 to 580 SF, taking advantage of views on all four sides of the building. The second floor façades continue to reflect the adjacent historic buildings with traditional double-hung windows seen on the two story apartments across the street. However the building begins to hint at modern design sensibility as the material changes to metal panel and the wall angles slightly toward the Capitol Building to increase street presence. At the third floor the transition from historic to modern is complete, as the facades begin to take full advantage of the views offered from the apartments with skewed walls and balconies. The walls of each apartment are angled toward either a view of the Capitol Campus or the Olympic Mountains. The building is capped off with an overhanging cornice.

VIEW FROM 4TH AVENUE



The design of this building is an exciting, progressive addition to Downtown Olympia, fitting seamlessly into its historic context and adding to the vibrancy of the downtown core.

6.c. Preliminary description of possible financing

BRC Partners’ expects to finance this project as per the below capital stack (Table 1) whereby the funds will be allocated per Table 2. Reference Exhibit A for more detailed project budget, stabilized operating statement, and financing stress tests.

Table 1. Capital Stack		Table 2. Capital Allocation	
\$3,500,000 Total Cost		\$3,500,000 Total Cost	
10% or \$330,000	Developer Co-Invest	9% or \$306,000	Land Acquisition
15% or \$500,000	NDC/HUD 108	13% or \$425,000	Indirect Soft Costs
75% or \$2,500,000	Conventional Financing (Bank)	79% or \$2,606,000	Direct Construction Costs

6.c. - Exhibit A

Griswold Property Development Development Cost Budget

Site Footprint	7,405	0.17 acres
Gross SF - Total	21,104	
Gross SF - Resi	14,070	
Net Rentable - Commercial	5,900	
Net Rentable - Resi	9,849	
Net Rentable - Total	15,749	75% efficiency
Avg Unit Size	547	
No of Units	18	
No of Beds	N/A	
No of Parking Stalls	N/A	

Updated
9/22/2016

Manager
Ryan Clintworth

Cost Code	Description	Variable(s)	Budget	Committed Equity	Unfunded Liability	Comments/Notes
20100 - LAND ACQUISITION						
20105	Land Acquisition	0% \$40.51 per sq ft	300,000	0	300,000	City of Olympia purchase price
20110	Acquisition Fees		0	0	0	
20115	Holding Costs-Interest	0% IO	0	0	0	
20120	Holding Period-Taxes		0	0	0	
20125	Environmental & Soils		0	0	0	Robinson Noble has completed significant studies
20130	Financing Fees	0% of new loan	0	0	0	
20135	Legal		3,000	0	3,000	PSA through brokers
20140	Title & Escrow		3,000	0	3,000	
	TOTAL LAND COST:		306,000	0	306,000	
			9%			
20200 - HARD COSTS						
20205	Construction Costs	@ \$100 per GSF	2,110,425	0	2,110,425	Carried on separate construction budget
20210	Civil/Offsite		100,000	0	100,000	Per Robinson Noble estimate
20211	Site Prep		0	0	0	
20215	Commercial TIs	\$20 per SF @ 5,900 SF	118,000	0	118,000	
20220	Hard Cost Contingency	3.0% of hard costs	69,853	0	69,853	
20225	Sales Tax	8.7% of construction	208,650	0	208,650	
	TOTAL HARD COSTS:		2,606,928	0	2,606,928	
			78%			
20300 - SOFT COSTS						
20305	Real Estate Taxes-Construction		5,000	0	5,000	Guestimate during construction term
20310	Legal & Administrative					
20311	Administration		0	0	0	Monthly bookkeeping, management, etc
20312	Legal		15,000	0	15,000	LLC formation, Dev Agreement, Misc Negotiations, etc
20315	Insurance		15,000	0	15,000	Property/Builders Risk/Rent Loss
20320	Environmental Remediation		0	0	0	Carried in Hard Costs/Civil
20325	3rd Party Reports/Studies					
20326	Reports		5,000	0	5,000	Appraisal
20327	Studies		7,500	0	7,500	Traffic Engineering
20330	Impact Fees					
20331	Transportation - Commercial		11,446	0	11,446	Ref calculator
20332	Transportation - Housing		10,674	0	10,674	Ref calculator
20333	Parks		25,194	0	25,194	Ref calculator
20334	School		6,174	0	6,174	Ref calculator
20340	Permits					
20341	Pre Submittal Applications		1,000	480	520	Guestimate from calculator
20342	Demolition/Excavation/Grading		5,000	0	5,000	Guestimate from calculator
20343	Design Review & Land Use		5,000	0	5,000	Guestimate from calculator
20344	Building Permit		40,000	0	40,000	Guestimate from calculator
20345	Plan Check		10,000	0	10,000	Guestimate from calculator
20350	Utilities/Connections					
20351	LOTT Capacity		54,243	0	54,243	Ref calculator
20352	Waste Water (Sewer)		24,848	0	24,848	Reduced ERU to 0.5
20353	Utility Relocation		0	0	0	
20354	Stormwater		15,000	0	15,000	Guestimate from calculator
20360	A&E, Consultants	@ 5% of direct construction	130,346	0	130,346	
20370	FF&E		5,000	0	5,000	
20375	Marketing & Lease Up					
20376	Graphic Designer		2,500	0	2,500	
20377	Collateral, Mediums, Signage		2,500	0	2,500	Ironseele
20380	Leasing Commissions	0.0% \$0 / SF NNN	0	0	0	Grow Olympia Fund
20385	CM/Development Fee	2.9% of total	100,000	0	100,000	\$3,500,000 total est cost
20390	Soft Cost Contingency	2.0% of soft	9,929	0	9,929	
	TOTAL SOFT COSTS:		297,775	0	297,775	
			9%			
20400 - FINANCE COSTS						
20405	Loan Origination - Conventio	1.0%	26,250	0	26,250	\$2,625,000 estimated loan size
20410	Loan Administration		10,000	0	10,000	
20415	HUD Fees	3.0%	15,750	0	15,750	\$525,000 estimated loan size
20420	Guarantee Fee	0.0%	0	0	0	"
20425	Interest Reserves	4.0% 9 months IO	75,600	0	75,600	80% applied draw
20430	Equity Sales/Syndication	0.0%	0	0	0	\$0 estimated capital requirement
	TOTAL FINANCE COSTS:		127,600	0	127,600	
			4%			
TOTAL PROJECTED COSTS			3,338,303	0	3,338,303	

Stabilized Operating Statement

18 units

Description	Variable	Stabilized	\$ / Unit	Notes
Annual Income				
Gross Potential Residential		\$232,800	\$12,933	
Less: Vacancy Loss	7.0%	(\$16,296)	(\$905)	
Less: Turnover Vacancy	0.0%	\$0	\$0	
Net Scheduled Residential		\$216,504	\$12,028	
Gross Potential Commercial	Incl NNN	\$147,500	\$8,194	@ \$25 psf
Less: Vacancy Loss	10.0%	(\$14,750)	(\$819)	
Net Scheduled Commercial		\$132,750	\$7,375	
Other Income		\$10,000	\$556	Laundry, parking, fees
Less: Vacancy Loss	5.0%	(\$500)	(\$28)	
Total Other Income		\$9,500	\$528	
Effective Gross Revenue (EGR)		\$358,754	\$19,931	
Annual Operating Expenses				
Staffing & Payroll		\$18,000	\$1,000	
Marketing & Advertising		\$1,350	\$75	
Landscaping		\$0	\$0	
Miscellaneous		\$180	\$10	
Repairs & Maintenance		\$1,350	\$75	
Fire/Safety/Security		\$360	\$20	
Legal		\$180	\$10	
Administration		\$0	\$0	
Total Controllable Expenses		\$21,420	\$1,190	
Professional Management	5.0%	\$17,938	\$997	
Property Taxes		\$54,000	\$3,000	
Property Insurance		\$9,000	\$500	
Utilities		\$21,600	\$1,200	
Total Non-Controllable Expenses		\$102,538	\$5,697	
Commercial Expenses	\$5 per RSF	\$44,500	\$873	
Reserves & Capital Expenses		\$4,500	\$250	
Total Operating Expenses		\$144,164	\$8,009	40% of EGR
	Excluding Retail	\$95,164	\$5,287	27% of EGR
Net Operating Income		\$214,590	\$11,922	

Reversion Cap	6.00%	N/A
Stabilized Valuation	\$3,576,507	\$198,695

Financing

Construction Loan

Constraints		Assumptions	
5Y Swap	1.20%	Analysis Year	1
Spread	300	NOI	
IO Rate	4.20%	Cap Rate	
Actual DSCR	#REF!	Value	
Actual LTV	#REF!	Cost	
Actual LTC	#REF!	Debt Service	#REF!

Take Out Financing - 1st

Constraints		Assumptions	
Note Rate	4.00%	Analysis Year	Stabilized
U/W	5.00%	NOI	\$214,590
Ammort Term	25	Cap Rate	6.00%
DSCR Constraint	1.20	Value	\$3,576,507
LTV Constraint	75%	Cost	\$3,338,303
LTC Constraint	75%	Debt Service *	\$160,268

HUD 108 - 2nd

Constraints		Assumptions	
Note Rate	3.25%	Analysis Year	Stabilized
U/W	3.25%	NOI	\$214,590
Ammort Term	20	Cap Rate	6.00%
DSCR Constraint	1.20	Value	\$3,576,507
LTV Constraint	15%	Cost	\$3,338,303
LTC Constraint	15%	Debt Service *	\$34,441

Combined Summary - 1st and 2nd

Loan to Cost	90%		
Loan Amounts	\$3,004,472.54		
Debt Service	\$194,709		
DSCR	1.11		
Co-Investment	10%	\$333,830	Approx land equivalent

Value Creation

Untrended	Stabilization		<u>7.14%</u>
Trended	33	Month term	
	2.50%	Growth rate	
	\$229,846.03	NOI	
	\$3,830,767	Value	<u>14.75%</u>

Yield on Cost

Actual			<u>6.43%</u>
Constrained			<u>7.00%</u>
	\$3,065,577	Max Invest	
	\$3,038,303	Cost less Land	
	<u>\$27,275</u>	Land Residual	

Hurdle Rate

Months to Achieve	36		
Debt			
LTC Ratio	90%	Note Rate	4.00%
Equity			
Share of Funding	10%	Peferred Return	15.0%
Hurdle Rate			<u>16.1%</u>
	\$3,080,700	Max Invest	
	\$3,038,303	Cost less Land	
	<u>\$42,397</u>	Land Residual	