



## 1<sup>st</sup> Street (Union to Federal Street) Redevelopment

GBHD, LLC and Tokola Properties are developing new mixed-use properties in the core downtown area across from the Lewis & Clark Festival Park and Cruise Ship Dock in downtown The Dalles, Oregon. The Project is within a rural, highly distressed qualified census tract.

**Project** The Project will include the demolition of smaller buildings and construction of new mixed-use properties. This part of the downtown area has a higher-than-average vacancy rate and badly deteriorating structures. The Project will be a marquis redevelopment in The Dalles Commercial Historic District and will help re-establish the city as the gateway to the Columbia Plateau and the commercial, governmental, and cultural center of Eastern Oregon.

<b>Permanent Jobs Created:</b>	<b>140</b>
<b>% of Permanent Jobs to LIPs/LIC:</b>	<b>50%</b>
<b>Temporary Jobs Created:</b>	<b>85-90</b>

The Project’s mixed-use building will include 50- Apartments, a hotel, restaurant, fitness center, convention & meeting space, and rental space for complimentary business like a Winery/Brewery or some other F&B unit. The hotel will be affiliated with the Hilton Garden Inn brand and will feature 112 rooms, a restaurant and bar, a breakfast dining area, 8,000 square feet of indoor meeting space, 7,000 square feet of Roof-top Terrace, an indoor-outdoor pool and whirlpool, a health and wellness center, a business center, a market pantry, and a guest laundry room. The nearby Granada Theater is anticipated to be refurbished and renovated as a multi-use facility that includes a conference center. The hotel can provide banquet and catering services at the nearby park and may be able to assist with banquet and catering services at the newly renovated Granada Theater and Neon Sign Museum.

The Project is one piece of a larger effort to revive the downtown neighborhood. In addition to a new housing, a hotel and meeting space, the City of The Dalles is working with other developers to redevelop the historic Granada Theater and the Historic Elks Lodge building, which will be home to the National Neon Sign Museum. The Project will be in the heart of The Dalles downtown revitalization efforts, and within walking distance of the recently completed Marine Terminal, Lewis & Clark festival areas, and the Riverfront trail that will connect The Dalles to Portland via an 84-mile biking trail to be completed in late 2019/20120.

The Project is supported by the local community, City of The Dalles, Oregon State Representative Daniel Bonham, The Dalles Main Street Organization, The Dalles Area Chamber of Commerce, the Columbia Gateway Urban Renewal Agency and the Wasco County Board of County Commissioners.

**Developer** GBHD is led by local Dalles businessman Michael Leash, previous owner of the Bank Hotel/Building on the adjacent block to the proposed Project. Tokola is led by Gresham businessman Dwight Unti. On November 27, 2017, GBHD executed and signed a franchise agreement with Hilton for the “Hilton Garden Inn The Dalles-Columbia Gorge” on the site. Tokola executed a signed DDA agreement with the City on February 20, 2018 and GBHD executed an ENA the same day.

**Location / Census Tract** Non-metropolitan Census Tract #41065970200, Wasco County, Oregon – 14.5% poverty rate; 71.9% of benchmarked median family income; 3.8% unemployment rate. The census tract qualifies as highly distressed as it is in a non-metropolitan county and is located within The Dalles Enterprise Zone. The Project is within The Dalles Commercial Historic District.

**Community Impacts** Rural Economic Development and Community Revitalization  
 The primary goal of The Dalles Hotel is to serve as the anchor for the revitalization of The Dalles downtown community. The City has made a total investment of \$20 million in the area to-date through other projects including a festival area park, a riverfront trail, a cruise ship dock and various streetscape improvements. The Project will be the catalyst for further investment of approximately \$5 million by the City in the historic downtown community, leading to a total investment in the community from the City and the Project of over \$65 million.

One of key components of the Project is the high visibility of the hotel from the freeway and Cruise Ship dock. It is expected that the hotel will be the hub of hospitality in The Dalles and in the Columbia Gorge region. In addition, the hotel will be near the restored historic Granada Theater. The 1928 theater is said to have been the first theater west of the Mississippi to show

a "talkie". The theater will provide the hotel with the possibility for unique meetings and social event experiences.

Mid-Columbia Medical Center is the largest private employer in the region with 1,050 employees. The Hotel site was acquired from MCMC, and it is expected that they will be a key corporate client for both rooms and meeting space.

**Quality Jobs and Accessible Jobs Created**

The Project is expected to create 85-90 temporary jobs during construction, and 140 permanent jobs upon construction completion. GBHD plans on partnering with the hospitality program at the Columbia Gorge Community College for job training and potential hiring efforts. The Project expects that many of the jobs created will be Living Wage jobs for the area. As part of the agreement for the 5-Year Oregon Enterprise Zone program, the development team will be partnering with "First Source Oregon" and will have an agreement with them to assist with hiring for the jobs created by the Project. The "First Source Oregon" program focuses on hiring within the community and surrounding low-income areas. GBHD will create an internship in correlation with the new Food & Beverage program at the Columbia Gorge Community College. GBHD, in coordination with Columbia Gorge Community College, Mid-Columbia Medical Center, and Work Source Oregon, will sponsor and provide free space to conduct job fairs.

**Partnership with Community Organizations**

GBHD will provide Emergency Housing-free rooms to DHS-Children & Family Services and Haven (local organization for victims of domestic violence and sexual assault) as needed. GBHD will also be participating Red Cross's Emergency housing program, to provide Emergency housing when a family is displaced. GBHD will be working with American Red Cross to provide a free location to host Semi-Annual Blood Drives and work with One Community Health to host free Flu Vaccinations. GBHD is committed to assisting Mid-Columbia Medical Center and its local foundation, along with the Blue Zone Project, with their outreach efforts by providing free space to host their community events.

GBHD will organize and sponsor with the Wounded Warriors Project a major cycling race for Veterans with the opening of the new 80-mile trail through Columbia Gorge National Scenic Area in 2020; GBHD will also work with the staff and residents of local Dalles Oregon Veterans Home to involvement them in the event.

**Environmental Benefits**

GBHD and the Contractor will be committed and strive to build to LEED standards. Additionally, one of the project goals is to participate in a state program to install solar panels on 25,000 square feet of rooftop.

	Hotel	Housing	Streetscape	Preservation & History	Total Projects
<b>Equity</b>	\$4,000,000	\$2,000,000			
<b>Public Participation</b>	\$1,000,000	\$1,800,000			
<b>Mezz Financing</b>	\$7,500,000	\$3,000,000			
<b>Debt</b>	\$13,000,000	\$9,000,000	\$2,000,000	\$500,000	
<b>Gap "Ask"</b>			\$1,000,000		
<b>Fed Grant</b>			\$900,000		
<b>Donations</b>				\$250,000	
<b>Total Sources</b>	<b>\$25,500,000</b>	<b>\$15,800,000</b>	<b>\$3,900,000</b>	<b>\$750,000</b>	<b>\$45,950,000</b>

Financing & Costs

**Financing Status** GBHD has engaged the services of Greg Morris with Premier Capital Associates for sourcing the Construction to Permanent financing. Premier Capital Associates have sourced funding for about 25 different projects in the last 4 years. GBHD will be updating the term sheet with Longhorn Holdings of Dallas, TX for the construction financing that can be converted to a permanent loan for this site. GBHD will also be updating the previously executed term sheet with the American United. The lenders have expressed flexibility to work with the City and the 1<sup>st</sup> Street Redevelopment Project.

**Construction Status / Operations** Start Construction: 1<sup>st</sup>/2<sup>nd</sup> Quarter of 2019  
 Construction Completion: 1<sup>st</sup> /2nd Quarter of 2020  
 Opening: 2nd Quarter of 2020

GBHD & Tokola has worked closely with the City and the Urban Renewal Agency for approximately five years, conducting market studies and determining the financial projections and impact for siting a Corporate-Flagged hotel in core downtown area and New Housing.

**For further information, please contact:**

Michael Leash, Principal - GBHD, LLC  
 Office: (541) 340-0892  
 Email: mleash@tdhgi.com

Darcy Long-Curtiss, The Dalles  
 Office: (541) 980-7184  
 Email: dlong-curtiss@ci.the-dalles.or.us



# Downtown Historic The Dalles







**JOHN E. HUFFMAN**  
State Representative - House District 59  
Oregon House of Representatives

December 19, 2015

Michael Leash  
Rapoza Development Group, LLC  
306 Court St.  
The Dalles, OR 97058

RE: Granada Block development and possible state bonding assistance for the  
City of The Dalles Urban Renewal

Dear Michael,

This letter is to show my continued support for Rapoza's proposed hotel development project in the Granada Block, Downtown The Dalles.

It is my understanding that Rapoza Development Group, LLC plans to respond to the city's RFP by submitting an updated development plan with the goal of gaining a new purchase and development agreement with the City.

I would like to restate my commitment to the City of The Dalles Urban Renewal. Assuming a purchase and development agreement is in place on or before January 1, 2016, I will go into the 2016 Oregon Legislative Session, beginning February 1, 2016, with the following intentions:

- 1) If given the opportunity for bonding during this short session, I will work with legislative leadership and ask for funding assistance to help the city with costs associated with the Granada Block hotel development.
- 2) I will ask for money for the city to recover expenses connected to the Granada Block, up to \$1M.

As I have mentioned, there are no guarantees that this effort will be successful but I will do my best. I wish you the best as you move forward with development plans.

Best regards,

REP. JOHN E. HUFFMAN  
House District 59



**THE DALLES AREA**  
**CHAMBER OF COMMERCE**  
*The Dalles...Simply Sunsational.*

November 2, 2017

Michael Leash  
**GBHD, LLC**  
306 Court Street  
The Dalles, OR 97058

**RE: Hilton Garden Inn – Hotel Development Project**

**To Whom It May Concern,**

The Dalles Area Chamber of Commerce would like to let you know of our excitement and support for this awesome project. The Hilton Garden Inn Hotel and Conference Center Development Project will make such an economic impact for our community.

The first and most immediate impact will be just having such a large area in our downtown revitalized and in use for our community to enjoy and our visitors to use!

The second impact, which is why I support this project so much, is the impact with tourism and guests in our downtown. Having a Hotel/Conference Center right in our downtown is the most desired type of venue that organizations are seeking for their conferences. I have had to turn down so many opportunities in the past few years since we did not have a hotel and conference facility attached. The average amount of calls I received in 2014 and 2015 were about 3 a month. This number has dwindled down greatly as my answer was always to the organizations was that I didn't have a facility available for their needs. Travel Oregon was a key caller along with many of your service club organizations as we are a natural hub to meet and centrally located and attract groups from the Valley, Portland, Seattle, Tri-Cities, Yakima, Boise, Bend, Pendleton, Boise, LaGrande. We also just recently discovered that our 4 largest demographic seeking out our webpage is Seattle.

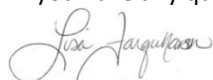
The third impact of this project would be the support of our small businesses in our downtown. When hotel and conference guests stay here they want to experience the downtown and it will be accessible by foot and all just within a few blocks the guest will be able to discover attractions, eateries, and places to shop!!!

The fourth impact that isn't mentioned very often in our community is the impact of future businesses wanting to come or our community to expand or create a new business. When a brand name comes to our community and opens for business the entire business community, worldwide, takes notice. An "Upper Select Service" Hotel in The Dalles would create interest, credibility, and would bring a new demographic to our community. As a part of the Gorge Wide Visitor Services Committee we brought a Rural Tourism Studio to the Gorge in January with Travel Oregon. The studio had many purposes but one of them was to figure out how to cause the traffic flow to travel efficiently throughout the Gorge. Hood River is packed and at full capacity almost year round. An action committee was formed from this Tourism Studio and will be looking at ways to bring the overflow further East, to us!

Our community TRT (Transient Room Tax) has been increasing in the past 5 years and we are projecting for a continued increase. This increase is occurring due to a better awareness of our area, tourism stories, and construction. I feel that with Fairfield being added that we have raised our level of creditability as a place to stay and vacation. With a Hotel / Conference Center I strongly feel that we will raise it to a much higher level to a place for meetings, conferences, gatherings, and vacations.

I am a strong believer that people need choices in order to want to come. They are not going to come if we have only two restaurants or three hotels. They want to feel that they made the best choice or the lushest choice. A higher end hotel would give them that choice. I really support this project for the most selfish reason though and that is with the hopes that we can become the place for conventions and conferences. That kind of overnight stay is the best heads-in-bed to have. They will be immersed into our downtown with our eateries and shops. That, I feel, will have the biggest economic impact for our downtown.

If you have any questions please call me or I would be happy to set up an appointment and meet in person if you wish.

  
Lisa Farquharson  
President/CEO

**The Dalles Area Chamber of Commerce ♦ 404 West 2<sup>nd</sup> Street ♦ The Dalles, Oregon 97058**  
**541-296-2231 . 800- 255-3385 . (fax) 541-296-1688**



thedallesmainstreet.org

4/11/16

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

RE: Hotel & Conference Center Development Project

To Whom It May Concern,

The Dalles Main Street Organization is writing to you today in support of your Hotel Development project and, in particular, keeping the development of the Hilton Garden Inn in the downtown core area.

The Dalles Main Street Organization is a 501©3 nonprofit that uses a National 4-point approach, tremendous support from the community, and numerous volunteers to revitalize and preserve our historic downtown.

Main Street works daily with downtown business owners, property owners, economic development agencies, volunteers, and community leaders. The redevelopment location for this project will be crucial to moving forward more investment into downtown core and will be a critical step in the revitalization of our Downtown.

Your project includes redevelopment of underutilized lots, the opening of new businesses, community uses, and will not only help, but will be a leading step in fulfilling the mission and goals of The Dalles Main Street.

Once completed, it will be a true catalyst and economic driver that, coupled with efforts throughout the community and the downtown, will have a tremendous beneficial impact throughout the downtown, city, and region.

Thank you for your efforts.

Sincerely,

  
Matthew Klebas  
Executive Director

April 11, 2016

-Sent via email-

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

**RE: Letter of Support for the Downtown Hotel/Conference Center Project**

To Whom it May Concern:

Although this is a personal letter of support, I am very familiar with the proposed hotel/conference center project through my work as the former Community Development Director and Urban Renewal Manager for the City of The Dalles. During that time, I worked directly with Michael and his professional and experienced team for several years reviewing and assisting with the development of this needed project in our Downtown.

Both the City's and the Urban Renewal Agency's policies for Downtown development are well defined in the Comprehensive Land Use Plan and the Urban Renewal Plan. The proposed hotel/conference project fits those policies well and once built would begin a needed transformation of the entire Downtown area. It would not only create a \$20,000,000 plus investment in downtown and scores of new jobs but would bring into the Downtown area as many as 100 new people every day (not recycled people – new people) wanting to spend money on goods and services. This would include entertainment opportunities helping to support the Art Center, Granada Theater, Civic Auditorium, Elk's building, restaurants, wineries, and brew pubs. There is not enough money in The Dalles to adequately support all of these venues (and others outside of downtown). Having this "outside" money brought directly into our Downtown would go a long way in making all these venues an economic success.

Due to recent political changes at City Hall, the location of the project has had to change but the economic impact to the downtown area would not change with the new location. It would still be a very visible landmark from the freeway, have easy and direct access to the Downtown area, be less than two blocks from the highly successful cruise ship dock, be adjacent to the new Lewis and Clark Festival Park and to the riverfront Trail, and bring in the needed outside money.

This is an important project for our downtown and I have confidence in Michael and his development team to pull it off. I give it my full support.



Daniel C. Durow

# RAY SCHULTENS



**MOTORS**

April 11, 2016

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

Re: Downtown The Dalles Hotel & Conference Center

To Whom It May Concern:

This is a letter of support for the development of a new hotel and conference center in the downtown core area. I am familiar with this project and have supported the development of a flagship branded hotel in downtown The Dalles for years, one with significant meeting space and connected rooms.

This development has a strong team with Walsh Construction as the co-developer and General Contractor. Walsh Construction built The Discovery Center, Skamania Lodge, and Bandon Dunes to name a few of their projects. It would be great to have them as a community partner to build another amazing facility in downtown The Dalles.

I am told the job creation from this development will be substantial, with total employment to near 120 jobs. Also the community will benefit from 14-months of construction jobs associated with this build-out.

Once this hotel and conference center is up and running it will be a major asset to the community. It will attract conventions and visitors that would have most likely have gone to other communities. The investment of this project in the downtown area will be transformative, and should lead to the ongoing revitalization of downtown The Dalles.

Sincerely,

Robert Schultens

Ray Schultens Motors, President