

## PROPOSAL CLARIFICATIONS 1/10/2014

### Eugene Family YMCA / DAD, LLC:

1. Your proposal suggests, and you have confirmed in subsequent clarification, that the District is to participate 50/50 in the costs of rezoning, demolition approval, and right of way issues, among other items. The District has the need to control and limit its costs and to quantify costs associated with each offer in order to effectively evaluate the offers. Please provide the District with a Not-to-Exceed (NTE) cost estimate for any/all contingencies associated with your proposal.

*Buyer hereby amends its proposal as follows: 4J only participates to the extent cooperation is needed and expected from "current property owner." The Buyer will cover costs associated with the above contingencies, except for the costs of environmental/asbestos abatement.*

*Furthermore, Buyer would like to clarify and simplify the contingencies it requires to close. To close the property, the Buyer will require a rezone to allow the proposed development, permits allowing the removal of the stadium and final approval of the partition of the properties into the DAD, Y, city streets and common area parcels. Costs associated with all of the above, less the costs of environmental/asbestos abatement, will be the responsibility of the Buyer.*

2. In your proposal, and subsequent clarification, you have indicated that the District would be expected to deliver the property in "development ready condition." Do you expect the District to pay for the demolition and removal of the stadium and existing site improvements as a condition of your offer?

*Buyer hereby amends its proposal as follows : The Buyer will cover all demolition costs.*

3. Your proposal indicates that if all available Systems Development Charge credits are not realized by your development that the purchase price for the property may be adjusted accordingly. Will you agree to a NTE amount prior to closing? If so, what is the amount?

*Buyer hereby waives this contingency.*

4. In your proposal, and subsequent clarification, you have indicated that the District would be expected to defend any challenges to rezoning, potential partitioning, ROW vacation, and obtaining the demolition permit and to bear the full costs associated with such defense. Further, if the District elects not to defend against any such challenge, the District is expected to reimburse DAD-Y for costs to date. Please provide a NTE amount for the District's potential defense costs. Please provide a NTE amount for DAD-Y reimbursable costs if the District elects not to defend against challenges.

*Buyer hereby amends its proposal as follows: Buyer hereby offers to pay for the cost of defending challenges and appeals to our proposed land use actions. We still expect 4J cooperation as the current owner of the property. Buyer will also offer 4J a \$10,000 per month earnest money deposit commencing on the execution of a purchase contract and terminating on the purchase of the property. This deposit will be applicable to the purchase price at closing. If Buyer fails to close on the property due to the failure of the remaining contingencies (rezone, removal, partition), 4J will retain all earnest money deposits paid.*

5. Your proposal estimates that all entitlements would be in place and closing would occur within 8-9 months of entering into contract with the District. Given the known public sentiment regarding the potential demolition of the stadium, the District anticipates the possibility of appeals that could/would be made at the various junctions (Planning Director decision, Local Historic Review Board decision, and Land Use Board of Appeals). Does your projected time line assume the absence of appeals to all land use actions (re-zone, partition, ROW vacation, and demolition permit)? If so, what would your revised projection be in the case of anticipated appeals to land use actions (including demolition)? Would or could other land use actions run concurrent with the demolition approval process, or would the absence of demolition approval impact other land use actions? Once all land use entitlements are in place, what is your estimate of the time requirement for the District to deliver a development-ready condition (complete asbestos abatement, demolition and/or deconstruction, etc.)?

*Yes, our proposal assumes no appeals. We cannot estimate the timeline with appeals as the variance is too great to be useful. We plan to run other land use actions concurrent to this process so as to keep our timeline as tight as possible.*

6. How would title be taken by the proposer DAD-Y at closing? Would title be in the name of DAD-Y, as tenants in common, or is it your intention to partition the property prior to or concurrent to closing and take title separately? Would DAD-Y have any objections to a reversion clause or participation clause so that if the Y was not built and something else was developed, the District would recapture the monies not realized by conveying to DAD-Y, such as the difference between another proposers measurable offer and the actual offer received by DAD-Y?

*The property will be partitioned prior to closing and thus title will be taken separately. There is no doubt the Y will then be built. However, solely for the purpose of addressing the question above, if one assumes the Y is not built, the Y would not object to a participation agreement or a use restriction with the District.*

7. DAD-Y has proposed a construction schedule that indicates the residential portion will begin construction and sales in the Fall 2015, with occupancy in Spring 2016. Construction of the Y will not begin until sometime in 2016. Assuming that sales of residences will require lot releases, etc., and the Y may require a separate legal description for loan purposes, how do you envision partitioning prior to the Y completing their capital campaign?

*Partition will create the Y portion, the residential portion, the city street portion and common area (drainage catchment) portion.*

8. What is your best and final offer for Fee Simple Purchase, without any financial obligations on 4J's part at closing?

*In addition to paying all costs for entitlements, appeal defenses, stadium deconstruction (less the costs of asbestos abatement), and offering a \$10,000/month non-refundable earnest money deposit, the Buyer agrees to increase its purchase price offer to \$4.5 million. The only remaining 4J obligation is participation of entitlement processes, as the representative "owner" of the property.*

9. Please provide the Board with a summary of the amounts of current funds available to meet the financial obligations of the Y, should you be the successful proposer. Please indicate the amount of

funds currently at your disposal, source of funds, and if you do not have the funds currently available, please provide your plans on how you are going to raise the funds, including sources, professional fund raisers involved, timelines for achieving funding goals, etc.

*We have secured pledges and donations to purchase this site.*

10. How long do you anticipate negotiations will take to come to an agreement with the District in finalizing an agreement to convey the property?

*With Y covering costs, and contingencies largely reduced, we anticipate 3-5 weeks.*

11. If you are unsuccessful in either your fundraising or land use efforts, within your projected timelines, what do you plan on doing with regards to paying for extensions, interim rents, etc.?

*We offer 4J a \$10,000/ month earnest money payment . We will continue to make the \$10,000 monthly non-refundable payments until we close; we will close as soon as the stadium is taken down, rezoning is final and the property is partitioned. This is a non-refundable payment, applicable to cost of property at closing.*

12. Please provide as much detail as you have for the proposed 60 residential units, including but not limited to lot size, structure size & type, projected price point and amenities.

*Our plan is to build homes that are embraced by neighbors and appealing to buyers. Determining what that looks like and the price points associated with the homes requires market research and a significant outlay of architectural and design capital that we cannot embark upon until the land is secured. We can offer you our reputation in our community as builders who are invested in quality living in aesthetically-pleasing developments; it is in our best interest to ensure that this project lives up to this reputation.*

13. In the Y's previous proposal (2011) it was stated that approximately 80% of the Y's membership resided within an approximate 24 block radius of the Y's current location. Has that statistic changed since 2011? If so, by how much and why.

*Taking into account our facility members as well as our program members (people who access Y services, but do not come to 2055 Patterson to do so), the breakdown is as follows:*

*97401: 19%*

*97402: 17%*

*97403: 8%*

*97404: 9%*

*97405: 47%*

*The last time we provided you with a breakdown of facility memberships only; this number also represents the folks who participate in Y programs throughout our community. (To further clarify, this represents percentages of Eugene participants; we have deleted all participants from the rest of Lane County to keep these numbers relevant to your constituency).*

14. How do you anticipate transporting students throughout 4J to the Y facility to participate in free swim lessons, 500 free memberships, the Y aquatics center and the Academic Achievement Center?

*We will provide transportation for swim lessons that take place during the school day. This is a prime example of expanded services that can be made available as a result of a more robust and efficient "flagship" Y. We will be able to afford the costs of transportation associated with free swim lessons because of increased capacity for members and, therefore, increased revenues. Should the district not be able to find a way to make this feasible within the school day schedule, our offer would still stand, and we would offer free swim lessons; parents/caregivers would have to get them to the Y or to a neighborhood pool (where we would partner with the city to provide the lessons more locally).*

*We will not be providing transportation for the other benefits listed. Our intention is to expand programming at school sites/ localized community centers to reduce the need for transportation to a site across town. Research and experience shows us that even when this after-school transportation is offered at low or no cost, very few youth take advantage of it. Localized programming routinely shows to be the most effective and successful way to ensure access .*

15. Please elaborate on the scope of services and costs of new programs at the elementary schools. Will there be an increase in the charges for these services at these locations above what is currently being charged?

*As long as we have been a social service organization in our community we never have, nor will we ever, charge more for programs than what is necessary to keep them operating and sustainable. Many of our programs have fees associated with them and those fees may well increase over the next 20 years as the cost of doing business increases. Our intention has always been and will continue to be: offer services where services are needed and provide the financial assistance necessary to assure access for all who seek it.*

16. How can you assure the District that the programs and hours committed to 4J in the "Additional Benefits" (your section 6 item 3.4) of your proposal will be delivered as represented for the stated time period?

*We hope that our 126-year long history of doing what's best for our community, serving the needs of our kids and families, and entering into strategic partnerships with the highest integrity and resolve to do what we said we would do, give you the assurance you need that we will continue to do so from a stronger financial position and with broader community reach. If there are specific and calculable ways to provide you with this assurance, please advise.*

17. If the property is partitioned, what would be the respective percentages of ownership for the Y and DAD?

*Dad: 52%/ Y: 48% Subject to change minimally with City's input on placement of new connector street.*