



## Powell Development Co

CLARIFICATION TO RFP #7 - 01-29-14

Dear School District  Board Members and Staff:

### *Civic Village's* Win-Win Lease Proposal

#### Lease Proposal

- *Civic Village* will make guaranteed payments to School District 4J - **\$18,400,000.00** over 20 years, this is made up of \$400,000.00 per year for ten years, \$440,000 per year for years ten thru twenty and a floor purchase price of \$10,000,000.00 for the land in twenty years, in a sense, purchasing the property twice.
- Current valuation to 4J of this income stream equates to **\$10,431,600.00**, per 4J analysis. More the double the next offer.
- *Civic Village* will pay annual real estate taxes, of over \$500,000.00 per year, which equates to an additional **\$10,000,000.00+** during this same 20 years period.
- Lease term - 20 year lease term with five (5) options to extend the term of the lease for an additional 10 years each with rent increases of ten (10%) percent every ten years.
- Option to purchase based on Fair Market Value (fmv appraisal) at end of initial 20 year lease term.
- First right of refusal to purchase the property in the event 4j decides to sell.
- Non-Subordination Ground Lease, subject to the normal lenders rights (Non-Disturbance/Attornment, Right to Cure, Quiet Enjoyment agreement).
- *Civic Village* will provide a \$360,000 good faith deposit; from this amount \$10,000 per month shall become non-refundable during the land use approvals and Design Review/Building Permitting process.
- \$10,000.00 monthly, non-refundable payments shall be released to the school district 4J during the permitting process. Upon approval and receipt of permits, the deposit amount shall be applicable to the lease payment.
- Assuming the current C2 appraised value of the Civic Stadium property of \$7,175,000 (\$7,638,243 less demolition cost of \$462,500) applying a 2% annual increase, the land would be worth **\$10,661,672**. This would be the estimated amount *Civic Village* would have to pay to the School District 4J in twenty (20) years. *Civic Village* would agree to a minimum valuation (floor) in 20 years of Ten Million dollars (\$10,000,000.00).
- Lease proposal – no financing contingency, no fund raising required.

#### Purchase Proposal

- No Change from Clarification to RFP #6: 1-21-14

#### Conditions/Contingencies and projected timeline to resolve

- No Change from Clarification to RFP #6: 1-21-14

## True Win-Win

. *Civic Village's* vision for a win-win opportunity for the following reasons:

- Putting the YMCA at Roosevelt JH and the *Civic Village* project at the Civic Stadium site provides the best of both worlds. The YMCA will be where it is easiest for students to access it and *Civic Village* will provide stable financial revenue for 4J, the City, and Lane County.
- The Roosevelt JH location is in the middle of all the schools and playing fields, including Camas Ridge elementary and Edison elementary. (see aerial)
- These Elementary and Middle School children are younger and need more supervision. The location of the YMCA should be closest to them.
- Being at Roosevelt JH, the children don't have to cross the busy Amazon Parkway or slough.
- The YMCA at Roosevelt JH will allow for closer collaboration with 4J student and the possible sharing of facilities, such as parking and gymnasium.
- A construction schedule for the YMCA at Roosevelt JH is virtually the same as a construction schedule for the YMCA at Civic Stadium.
- *Civic Village* has the best economic proposal that helps ALL the children in School District 4J.
- *Civic Village* is fully Real Estate Property taxable, providing a continuous and stable income to 4J, City of Eugene and Lane County.
- *Civic Village* is committed to building a first class project that supports Envision Eugene's 7 Pillars.
- *Civic Village* connects E. 20<sup>th</sup> Ave. with Amazon from Oak St, including a signal and a safe east-west access for bike/pedestrian connection.

## Comparisons

- YMCA, as a working partner with School District 4J, should be located near the students.
- There is NO logical reason for the YMCA to be located only at Civic Stadium.
- The YMCA plans also calls for the Civic Stadium to be torn down.
- The YMCA plans severs the east-west link between Willamette and Amazon Parkway on 20th.
- The YMCA plans call for sixty (60) small homes.
- YMCA's proposal, taxes residential properties only; the remaining portions are tax exempt.
- YMCA at Roosevelt JH should not affect donor base, unless donor(s) has ulterior motive.

## Development proposal, use of Civic Stadium

- No Change from Clarification to RFP #6: 1-21-14

## Requirement for fundraising and or public contributions

- No Change from Clarification to RFP #6: 1-21-14

## Public Benefits of *Civic Village*

- No Change from Clarification to RFP #6: 1-21-14

## Property Tax Revenue Increase

- No Change from Clarification to RFP #6: 1-21-14

