



## Powell Development Co

CLARIFICATION TO RFP #6 - 01-21-14

Dear School District  Board Members and Staff:

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

#### Purchase Proposal

- Total purchase price is: - \$5,250,000.00
- Buyer will deposit \$360,000 as a good faith deposit, from this amount \$10,000 per month shall become non-refundable to Buyer until land use approval, and Design Review/Building Permits are received. After receipt of the correct land use approval and Design Review/Building Permits, Buyer will close within 30 days. This deposit amount will be applicable towards the purchase price.
- Cash sale – no financing contingency.

#### Lease Proposal

- 20 year lease term with five (5) options to extend the term of the lease for an additional 10 years each.
- Rent will be \$33,333/month; \$400,000.00/year, with a 10% escalation every 10 years.
- Non-Subordination Ground Lease, subject to the normal lenders rights (Non-Disturbance/Attornment, Right to Cure, Quiet Enjoyment agreement).
- 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.
- *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.
- The non-refundable portion(s) of the deposit shall be released to the school district 4J on a monthly basis. Upon approval and receipt of permits, the deposit amount shall be applicable to the lease payment.
- School District 4J could, at its option, float a bond based on the guaranteed income for 20 years from Powell/Fred Meyer (FM currently is 23 on the Fortune 500 companies). At the end of twenty years, *Civic Village* would have the opportunity to purchase the property from 4J School District at Fair Market Value, in a sense, purchasing the property twice.
- 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 1.5% per year escalation, the value in 20 years would be worth \$9,663,385. At 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 value (floor) in 20 years of Ten Million dollars (\$10,000,000.00).

## Conditions/Contingencies and projected timeline to resolve

- Sale or Lease conditional on land use and zoning approvals acceptable to Buyer.
- Sale or Lease conditional on delisting Civic Stadium's historical designation, approval to inventory, dismantle and re-use of Civic Stadium material on the proposed project acceptable to Buyer.
- Sale or Lease conditional on final Fred Meyer Capital Committee approval.
- We expect these conditions to be resolved by October 23, 2015.

## Development proposal, use of Civic Stadium

Our project, *Civic Village*, is not proposing continued use of the stadium. That being said, the development team plans to reuse the maximum amount of the material in the construction and display in *Civic Village*. We will send the minimal amount of material to a landfill as possible. *Civic Village* would work with the City of Eugene to help facilitate the relocation of Civic Stadium should a third party want to retain a portion or all of the stadium.

## Requirement for fundraising and or public contributions

This *Civic Village* proposal will not rely on fundraising, capital campaigns, and/or public agency participation to raise capital for this proposal.

## Public Benefits of *Civic Village*

*Civic Village* will require private investment. Our team is uniquely qualified to respond to this investment. For the *Civic Village* proposal, this also means public improvements and community benefits, our project is committed to:

- Dedication of right-of-way on 20<sup>th</sup> from Oak St. to Amazon Parkway and improved to city standards the street, sidewalk and landscaping.
- Install a signal at 20<sup>th</sup> and Amazon Parkway to provide a dedicated safe walking and bicycle crossing across Amazon Parkway from and to the west.
- Working with SAIL (Supporting Access for Independent Living) and dedicate one or two units for special needs customers. This, in conjunction with Fred Meyer's current special needs work program, is a true 'win-win'.
- Per the request of the neighbors, the proposed 49 residential units does not contemplate the building of student or all low income housing.
- Provide dedicated ADA access from Willamette to Amazon Parkway for both ped/bikes.
- Scale of project will be in keeping with the neighborhood.
- Giving local tenants first opportunity to be part of *Civic Village*.
- *Civic Village* dedicated to be ped/bicycle friendly with ample covered bike parking.
- Commitment to work with neighborhood on *Civic Village's* design as the project moves forward.
- Job creation of approximately 250 people at *Civic Village*.
- Attached is a partial list of Fred Meyer's community benefits and current commitments to the Eugene/Springfield community. (see attached)

## Property Tax Revenue Increase

Currently the properties are tax exempt. The property would be fully taxable with the *Civic Village* proposal. Based on an estimated \$40,000,000.00 development, *Civic Village* would pay annual property taxes of in excess of \$522,415 yearly (see RFP Clarification #4, 1-6-2014).

- \$169,041 to School District 4J
- \$189,620 to the City of Eugene
- \$47,792 to Lane County
- \$80,626 in combined Bond Retirement to: City of Eugene, 4J and Lane County

## True Win-Win

*Civic Village* has the utmost respect for the YMCA, staff and customers. Civic Stadium is not the only place or the best location for the YMCA. School District 4J has made allowances for the YMCA to be located next to the Roosevelt Middle School. *Civic Village* sees this as 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.
- Being at Roosevelt JH, the children don't have to cross the Amazon Slough waterway.
- 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

- 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.
- The YMCA plans show 60 small homes.
- YMCA's proposal, taxes the residential properties only; the remaining portions are tax exempt.
- YMCA, as a working partner with School District 4J, should be located near the students.
- YMCA at Roosevelt JH should not affect donor base, unless donor(s) has ulterior motive.

Respectfully submitted this 21st day of January, 2014

Peter W Powell – Powell Development Co.

## AERIAL of proposed locations for *CIVIC VILLAGE* and YMCA



### Proposed Roosevelt Middle School and YMCA Layout



NEW CONSTRUCTION  
MY1-b- MIDDLE SCHOOL - ROOSEVELT SITE  
SUBMITAL SET



P.V.O.T

## Fred Meyer's Community Benefits to Eugene/Springfield

Fred Meyer Stores is grateful to the communities of Eugene and Springfield for nearly 30 years of business. We built our Santa Clara store in 1975, Springfield in 1977 and West Eugene in 1992.

**We employ more than 500 people in our two Eugene stores and another 220 in Springfield. These are union jobs, with family wages, employer-paid pensions, holiday pay and sick and vacation time.**

**In 2012, Fred Meyer's payroll for the three stores in the Eugene/Springfield area totaled \$13.8 million, and \$1.6 million was paid in payroll tax. In Eugene alone, our payroll totaled \$9.6 million and payroll tax totaled nearly \$1.14 million.**

In addition to our commitment to taking care of our employees and their families, Fred Meyer's tradition of meeting our obligation to be a good corporate neighbor goes back all the way to Mr. Meyer himself. When he founded the company in Portland in 1922, Mr. Meyer made it a part of his business model to play role in keeping the communities where he did business strong. Our Eugene employees have carried on that tradition. In Eugene Fred Meyer contributes in the following ways:

- Each store has an American Cancer Society Relay for Life team, and the three teams raised \$11,300 in 2013. Fred Meyer provides at least \$200 to each team to use for fundraising efforts, and we pay a corporate sponsorship fee to the American Cancer Society so our teams can register.
- We are presenting sponsors of the Eugene Komen Race for the Cure. We contribute more than \$10,000 in cash and product (to feed all the brave survivors!).
- We also sponsor the Special Olympics Polar Plunge (\$7000); Junior Achievement Bowl-A-Thon (our teams raised more than \$4000); the Eugene Emeralds (\$10,000); and the American Red Cross (\$10,000).
- Our Fred Meyer Volunteers program provides support for our employees to make a difference in the community. Nearly 20 employees from the Santa Clara store attended the City of Eugene Slough Cleanup, and employees from all three stores participated in the Springfield Christmas Parade.
- In Oregon, Fred Meyer Stores pioneered a process of donating much-needed meat and dairy products to food banks for emergency food boxes, and we've recently expanded the program to include produce. Fred Meyer stores donate more than 1.5 million pounds of food in Oregon each year, and Food for Lane County picks up the food from our three area stores.
- Our Customers drop their coins in the coin boxes at our check stands, and our employees generously donate their own money to the Fred Meyer Fund, our corporate foundation. We combine these coin box and employee donations to contribute more than \$20,000 each year to non-profits in the Eugene and Springfield communities. Here are some of the contributions that were made with these monies in the past year:
  - Q3 2012 Komen Oregon – Eugene Komen Race for the Cure - \$4,636.19
  - Q4 2012 Oregon Food Bank - \$5,081.37
  - Q1 2013 Camp Fire Wilani - \$6,222.85
  - Q2 2013 USO and Operation Homefront - \$4,447.07
- Finally, Fred Meyer contributes via corporate donations and grant from the Fred Meyer Fund in addition to the grants mentioned above. Here are some recent contributions:
  - Springfield Education Foundation: \$5,000
  - Adams Elementary School: \$1,000
  - -United Rotary Clubs of Lane County: \$1,500
  - -Assistance League of Eugene: \$8,850
  - -St. Vincent de Paul Society of Lane County: \$5,000
  - -Boys and Girls Club of Emerald Valley: \$15,000