

HOOD RIVER WATERFRONT HOTEL DEVELOPMENT COMPANY, LLC
4520 NE Mason Street
Portland, OR 97218
503.887.4538

May 30, 2021

Michael S. McElwee, Executive Director
Port of Hood River
Hood River, Oregon

Re: Lot #900 Hood River Waterfront RFDI

Dear Mr. McElwee and Port of Hood River:

We are excited to present to you our proposal for the development and use of Lot 900 in Hood River, Oregon. Our team has over 75 years of experience in development, design, construction and operations of capital projects, including hotels and hospitality. Our corporation is presenting for this project delivery three individuals with unique backgrounds and capabilities: Matt Braun and Erik Matthews of Hood River Waterfront Hotel Development Company (HRWHDC) and Angela Rowe of Wyndham Hotels. These partners have worked together in various capacities for several years and have been looking for an opportunity exactly like this one to assemble a team to envision, fund, develop, and deliver a special project. HRWHDC was formed as an Oregon Benefit Corporation with an explicit mission to design sustainable buildings, provide living wage jobs, and add value to the community.

Our managing partner and point of contact is Matt Braun. He is founder and principal of Braun Development Services, a Portland-based capital project management firm. Throughout his career he has served as an executive and officer for national and international construction companies, founded two non-profit organizations, and been responsible for the planning and delivery of over \$700 million in construction projects, including public-private partnerships, public projects, and LEED Platinum projects. He prides himself in developing collaborative partnerships that result in optimal outcomes for all parties. Contact: Matt@braundevco.com; 503.887.4538

Erik Matthews, AiA serves as our creative director, design lead, and architect. Erik has designed dozens of projects over the past 30 years. He is the founder and owner of EM Architecture and has his fingerprints on various establishments around Hood River and Portland, including the Hoxton Hotel that he and Matt partnered to deliver, three Double Mountain Brewing taprooms and breweries, and KDC Lots 4, 7, 8 + 10. He has also worked on projects in the new Ferment Brewery + Distillery Building. He understands the very fabric of Hood River culture and architecture, as well as the challenges facing this project site.

Angela Rowe is our hospitality expert at Wyndham. With over 20 years' experience in hotel investment and development, she has worked with internationally known brands such as Wyndham, Hilton, Marriott, IHG, and Choice Hotels. Her breadth of experience includes market, site and product selection, project feasibility, project financing and development agreements with municipalities. She understands the core of what makes a hotel development work and how to ensure the right components are in place to make each project a success. She and Erik have worked together on two other hotel projects, in addition to initial pre-development of this property.

This team is excited about the opportunity in Hood River - a town that each of us cherishes. We have been looking for an opportunity like this for several years. We each bring our personal and professional passion to this project and are excited to work with the Port on a mutually beneficial partnership.

On behalf of our team,

Matt Braun

EXECUTIVE SUMMARY

We believe that this property presents a unique opportunity to provide an accessible, public-friendly, low-cost, well-built hotel as a jewel of the Hood River Waterfront. Limited room inventory serves this key area of local attractions, events, and activities. Furthermore, many of the hotels in the area are aging buildings, of a more traditional architectural style and construction quality, and do not provide ongoing benefit to the community at large. This new construction will be done with **liveable, prevailing wages**, will prefer local contractors and workforce, and will include training opportunities for apprentices. It will be designed with open indoor-outdoor spaces on the first floor, an inviting destination bistro featuring local farm-to-fork cuisine, wine, and beer, walking paths and local, sustainable landscaping features that welcome pedestrian access and integrate into the local culture.

We understand that Hood River is interested in a design that reflects local fabric, protects the view corridor, and stimulates local access and services. We have flexibility with the brand on many outdoor features, including materials, accents, and features that are commensurate with the breathtaking beauty of the Gorge and also cost effective for construction.

The brand of hotel we are proposing is Microtel by Wyndham, and it will be the first of its kind in Oregon - though it does have a sister hotel in George, Washington, further up the Columbia River. It is an ultra-efficient room layout that results in lower per-key construction costs, which in turn relates to lower per-key room rate. This will make it an attractive, hip location for year-round tourists and adventurers in the Gorge and Mt. Hood. This brand is sleek, small, efficient, and adaptable. Using efficient layouts on the first floor we will be able to incorporate indoor/outdoor space and a welcome feel to area visitors. Additionally, we will use local materials and resources, energy efficient lighting, water conservation features, and efficient heating and cooling to ensure that we meet at least LEED Silver. The attached documents are the starting point for the brand standard. Working with the City and the Port, we can refine details to a mutually beneficial facade, including colors and materials. We also envision a rooftop bar, a first floor bistro and a ground floor operable window system that creates a neighborhood-like indoor/outdoor space..

Additionally, built into our business model is the principle that this hotel will pay a liveable wage to all hotel staff. We define "a living wage" according to MIT's online tool (<https://livingwage.mit.edu/counties/41027>). We define "all staff" as anyone who works at our hotel, in its foodservice, or works for a contractor providing services at the hotel. Our commitment is that all staff with zero to five years of relevant experience and training are paid at least the current year equivalent of "one adult, no children" and that all staff with five or more years of relevant experience and training are paid at least the current year equivalent of "two adults, two children" wage. This means that our hotel will not be outsourcing costs associated with depressed wages to local safety nets and public agencies. This also means that as Hood River's popularity and costs increase with tourism and migration, wages at our hotel will increase as well, reflecting values of a community that cares for its own.

We propose a 90-year lease. In Years 1-15, after hotel operations start, the Port is paid a monthly lease fee. In Years 16-90, we propose the Port migrates from a land lease revenue stream to a share of the audited operating profits generated by the property. Over 30 years, this is projected to be potentially \$8,000,000 in cash to the Port of Hood River, \$12,000,000 of construction costs investment, many of which are in the form of living wages for local workers, plus an estimated \$40,000,000 paying liveable wage jobs over 30 years.

Following are the basis of design for the hotel, including rough first layout, site access, and color palettes. We did note that on-site parking will be limited, but we believe that due to the nature of hotel traffic patterns that we will be able to accommodate more off-street parking.

MICROTEL BY WYNDHAM

Hood River, OR

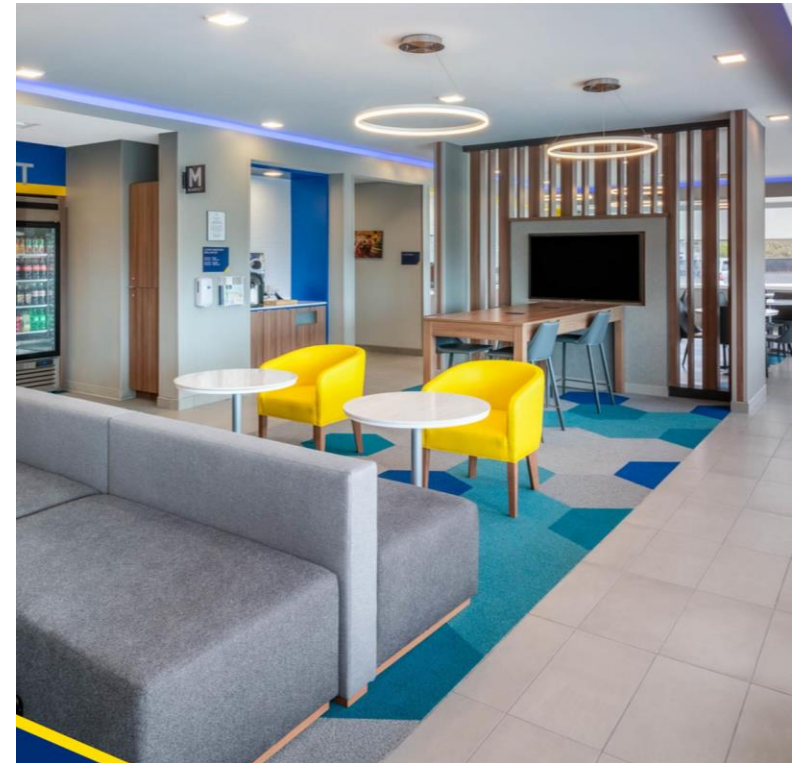


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WYNDHAM HOTELS & RESORTS

- With 9,200 hotels in 80 countries, Wyndham is the largest hotel company in the world.
- 85MM Wyndham Reward Members
- Rated #1 Loyalty Rewards Program by US News
- Dynamic Global Sales Team
- State of the Art Technology Platform
- JD Powers Award Winning Brands



MICROTEL BY WYNDHAM

- 354 Locations in the US, and Canada
- 67 in the Pipeline
- Attracts equal parts leisure guests and business travelers
- A bold, new prototype “MODA”
- Adaptable and scalable footprint optimizes the site and fully maximizes the ROI potential



MICROTEL “MODA” PROTOTYPE



HOTEL DRIVE & PEDESTRIAN WALKWAY



PROTOTYPICAL LOBBY INTERIOR DESIGN



PROTOTYPICAL LOBBY INTERIOR DESIGN





MARKET OVERVIEW

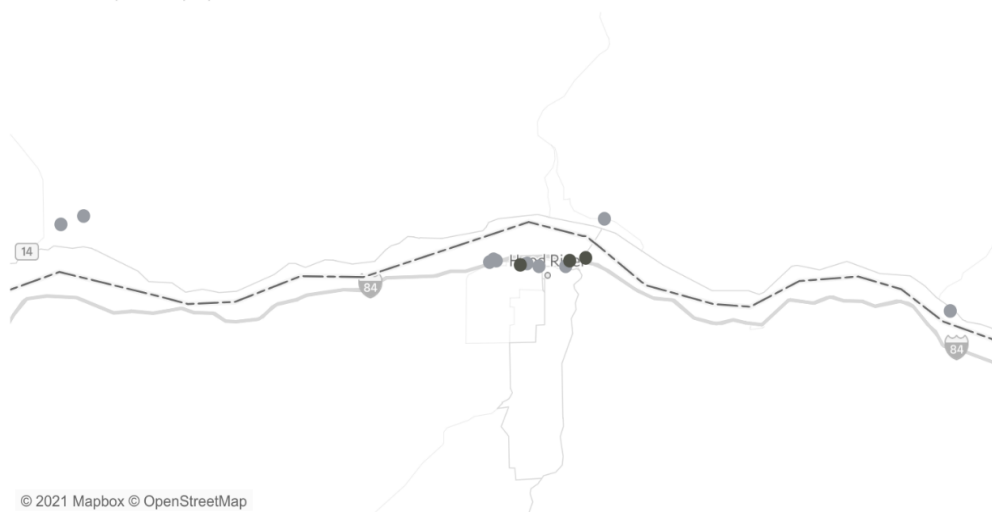
Hood River, Commercial Waterfront District

WYNDHAM
HOTELS & RESORTS

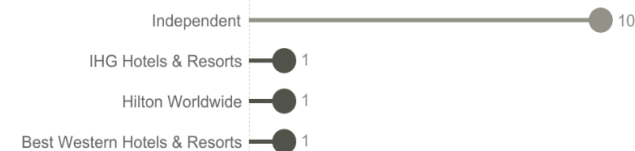
HOTEL COMPETITIVE MARKET SNAPSHOT

Total Number of Rooms	571
Occupancy	70%
Average Daily Rate (ADR)	\$124
Revenue Per Available Room (RevPar)	\$73.5

SURROUNDING HOTEL SUPPLY (15 mile radius)



Local Competitors*



Closest Properties

Hotel Name	Parent	Address	City	State	Chain Scale	Rooms	Quality	Age	Distance
Sunset Motel	Independent	2300 Cascade Ave	Hood River	OR	Inde	14	3.7	31.4 yrs	0.1 mi.
Riverview Lodge	Independent	1505 Oak St	Hood River	OR	Inde	20	5.0	29.9 yrs	0.3 mi.
Holiday Inn Express & Suites Hood River	IHG Hotels & Resorts	2625 Cascade Ave	Hood River	OR	Upper Midscal	64	4.3	23.8 yrs	0.3 mi.
Hood River Hotel	Independent	102 Oak St	Hood River	OR	Inde	41	4.5	108.0 yrs	1.0 mi.
Columbia Cliff Villas Hotel	Independent	3880 Westcliff Dr	Hood River	OR	Inde	37	4.6	13.1 yrs	1.0 mi.
Hampton by Hilton Inn & Suites Hood River	Hilton Worldwide	1 Nichols Pky	Hood River	OR	Upper Midscal	88	4.5	4.8 yrs	1.1 mi.
Columbia Gorge Hotel	Independent	4000 Westcliff Dr	Hood River	OR	Inde	40	4.5	100.0 yrs	1.1 mi.
Vagabond Lodge	Independent	4070 Westcliff Dr	Hood River	OR	Inde	57	4.6	68.0 yrs	1.2 mi.
Best Western Plus Hood River Inn	Best Western Hotels & Resorts	1108 E Marina Way	Hood River	OR	Upper Midscal	194	4.4	59.0 yrs	1.5 mi.
Inn Of The White Salmon	Independent	172 W Jewett Blvd	White Salmon	WA	Inde	16	5.0	24.3 yrs	2.4 mi.

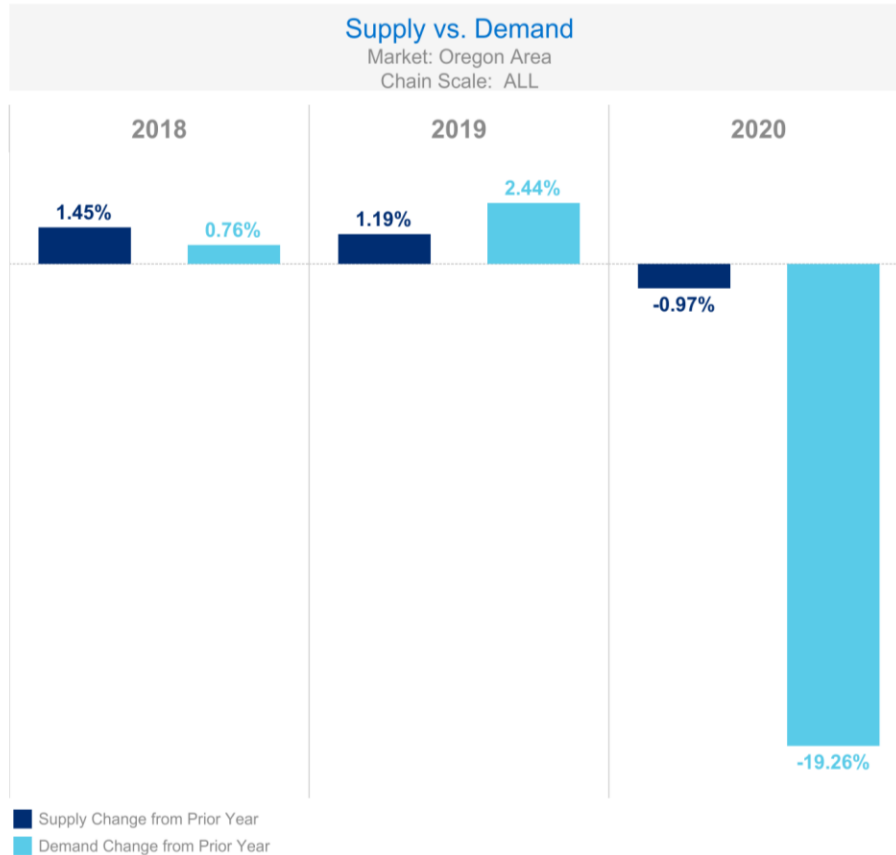
DEMAND GENERATOR SNAPSHOT

- ❖ Outdoor Recreational
 - Windsurfing
 - Kiteboarding
 - Hiking
 - Biking
 - Skiing
- ❖ Food, Wine & Breweries
 - 83 vineyards/36 wineries
 - 10 breweries
 - 32 farms
- ❖ Corporate Business
 - Technology
 - Aerospace
- ❖ Agri-tourism
 - Apples, Pears, Berries
 - Lavender



MARKET DEMAND AND TRAFFIC GENERATION

Shifts in supply and demand indicate a percent change in the number of rooms available and sold in the market, respectively. This can be used to help evaluate the YOY trend in the market's growth rate.



Nearby Points of Interest		
Ken Jernstedt Airport	Airport - General Avi..	3.4 mi.
Providence Hood River Memorial Hospital	Hospital - Critical Acc..	5.6 mi.
Seneca Fouts Memorial State Natural Ar..	State Park	6.1 mi.
Vincenz Lausmann Memorial State Natur..	State Park	6.2 mi.
Koberg Beach State Park	State Park	6.4 mi.
Wygant State Natural Area	State Park	6.5 mi.
Dimmick State Park	State Park	6.6 mi.
Chips Poker Room	Casino	7.3 mi.
Viento State Park	State Park	7.6 mi.
Skyline Hospital	Hospital - Critical Acc..	7.7 mi.
Starvation Creek State Park	State Park	8.4 mi.
Lindsey Creek State Scenic Corridor	State Park	9.5 mi.
Memaloose State Park	State Park	11.0 mi.
Wyeth State Recreation Area	State Park	11.8 mi.
Mayer State Park	State Park	13.7 mi.

MICROTEL PROJECT

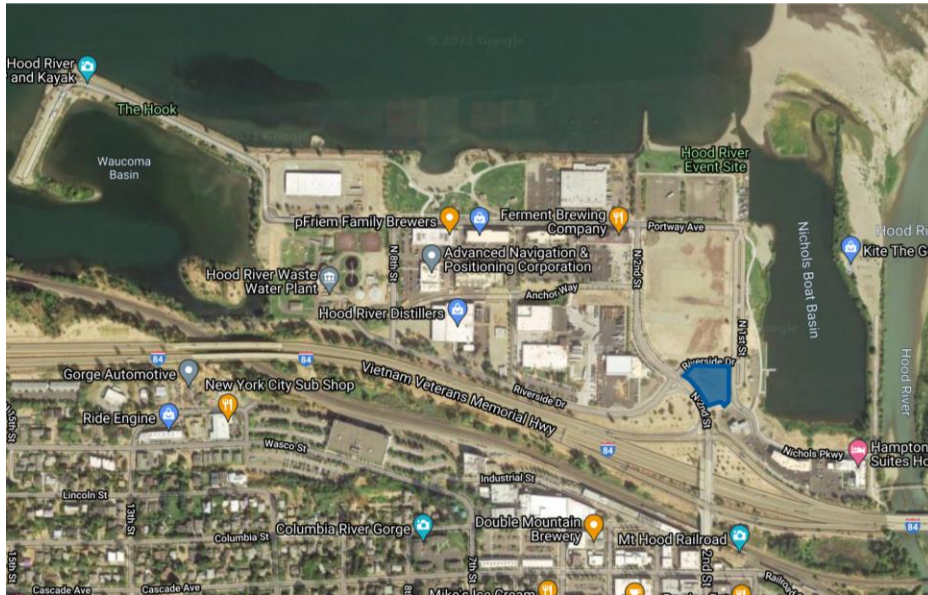
Proposed Site Usage

WYNDHAM
HOTELS & RESORTS

HOTEL PROJECT SUMMARY

- 75-81 Guestrooms
- 4 stories
- Indoor pool & fitness room (optional)
- 795 sqft. meeting space (optional)
- Complimentary breakfast
- Artwork tied to Hood River through out public space and guest rooms
- Bistro/Bar Indoor & Outdoor Patio Seating
- Tailored façade to reflect local materials, architecture and setting.
- Modified mechanical and lighting to achieve LEED certification
- operable window system on first floor for indoor/outdoor space

SUMMARY PROPERTY INFORMATION



- Corner of 2nd & Riverside
- Commercial Waterfront District
- .8 acre lot ~ 34848Sqft
- Proposed Usage: Hotel

(WILL CHANGE)



4-story

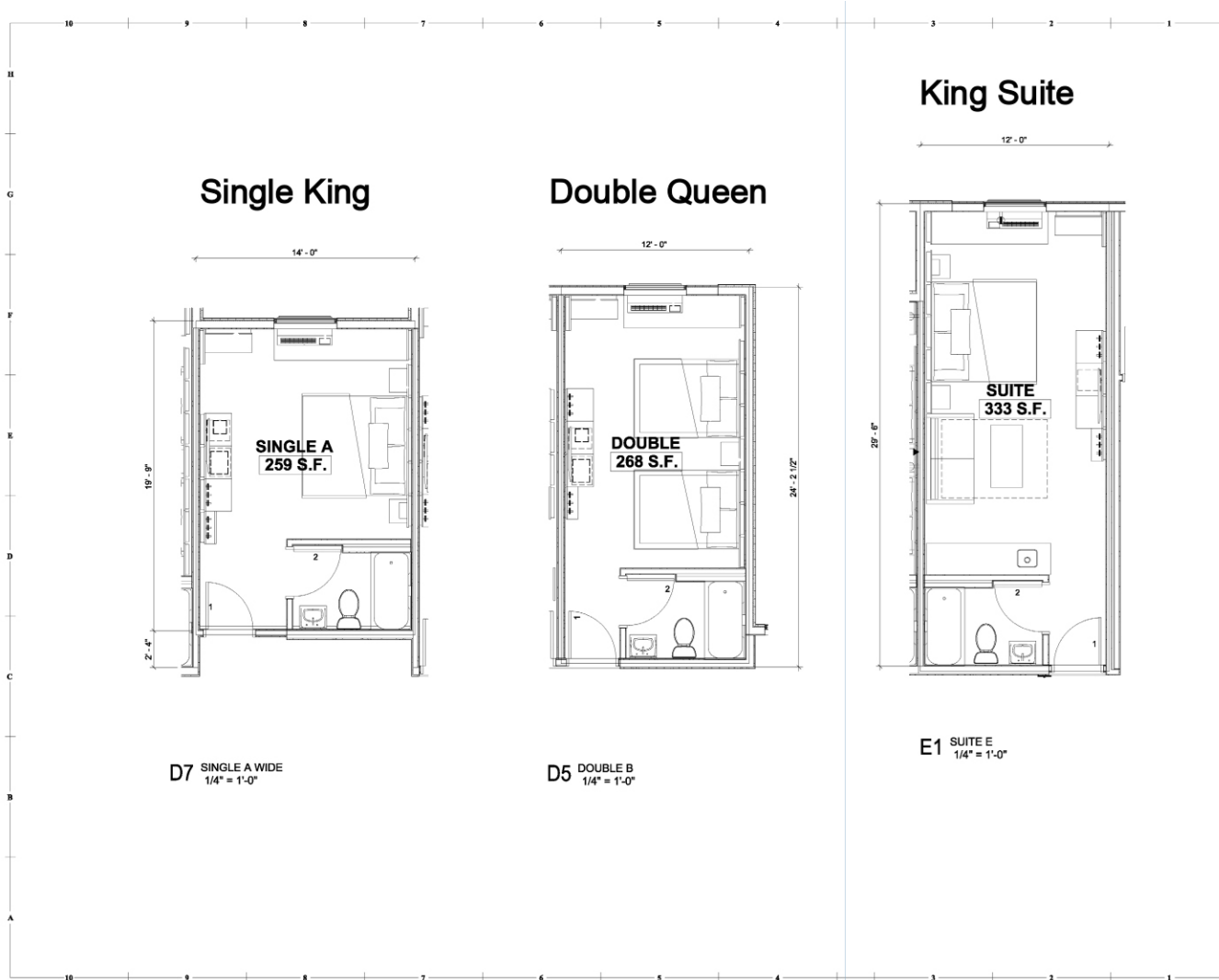
Site Area: ~61,000sf

Hotel Footprint:
8,725sf



2nd –4th story floor plans





King Guestroom

Bedroom: 180 sf

Bathroom + Vestibule: 74sf

Total: 254sf



Double Queen Guestroom

Bedroom: 200sf

Bathroom + Vestibule: 64sf

Total: 264sf



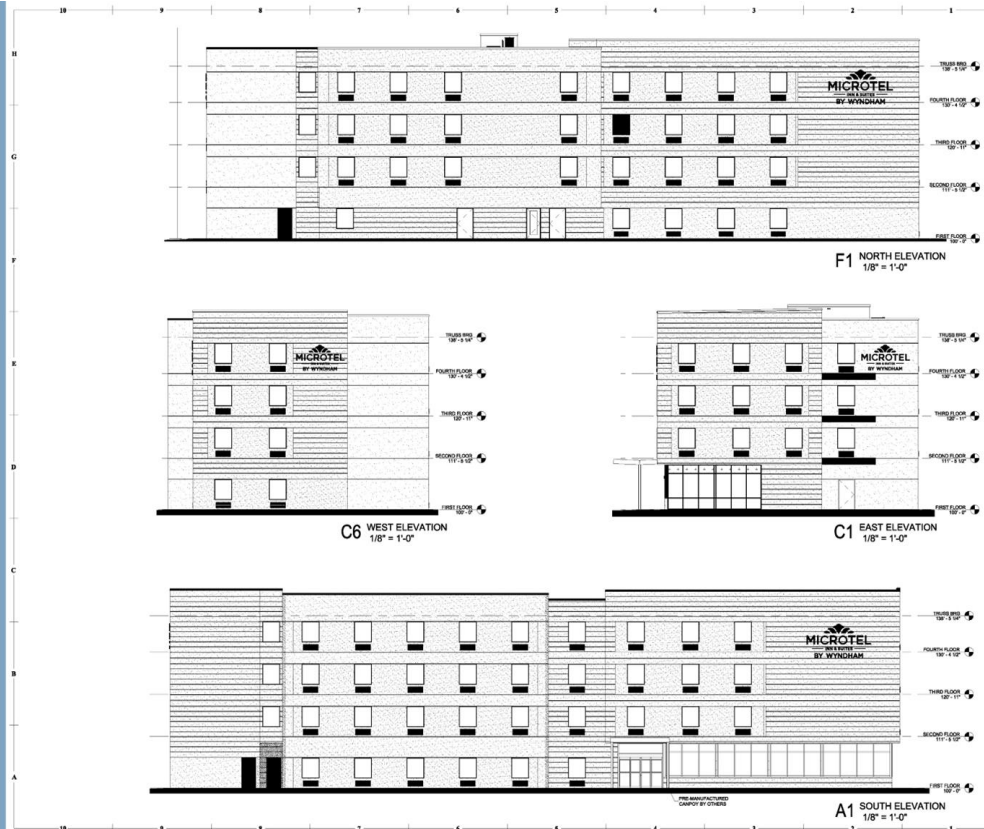
PROTOTYPE ELEVATION OPTIONS

4-story

Lot size: 1.38 acres
81 rooms
Building footprint: 8,725sf
Total square footage: 35,365sf

3-story

Lot size 1.38 acres
58 rooms
Building footprint: 8,725sf
Total square footage: 26,485sf



Beyond Prototypical: Hood River Street Level Bar/Bistro

- Indoor/Outdoor lounge seating
- Bar seating with TV screens
- Folding storefront windows
- Bistro Food Options: Farm to Fork
- Patio/street landscape design



BUSINESS IMPACT

Port of Hood River/Travel & Tourism/Community

WYNDHAM
HOTELS & RESORTS

PORT OF HOOD RIVER



Job Creation

- 12-16 months of prevailing wage construction jobs
- 20-25 Full/Part Time on going operational jobs
- Living Wage Jobs for local Hood River Residents

Tax Revenue

- 8.0% Hood River Transient Lodging Tax
- 1.5% Oregon Transient Lodging Tax

Income

- Negotiated Land Lease
- Profit Sharing

Under Utilized Land

- Provide Highest & Best Use for Property
- Destination Hotel
- High Walkability to both Waterfront & Downtown District

Travel & Tourism

- Increased overnight stay
- Business, Leisure & Recreational Travel

HOOD RIVER TRAVEL & TOURISM

WYNDHAM
HOTELS & RESORTS



TOURISM IS AN ECONOMIC DRIVER OF HOOD RIVER



- ❖ Hood River is a four seasons destination.
- ❖ Agriculture, tourism, and outdoor recreation are the three greatest contributors to Hood River's economy.
- ❖ Tourism industry generated \$65 million in direct spending to Hood River in 2015.
- ❖ Hood River has experienced Year over year increase in visitor demand.
- ❖ Hood River needs additional rooms to accommodate demand.

BUILDING A STRONGER COMMUNITY



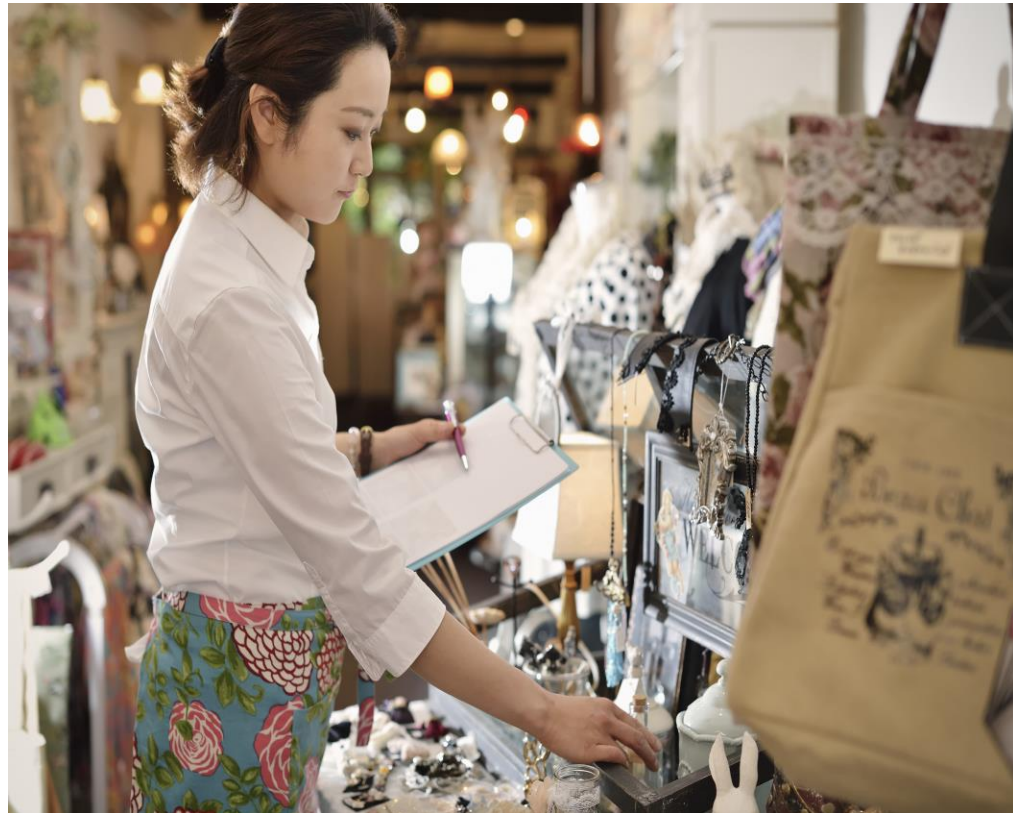
BENEFITS TO HOOD RIVER COMMUNITY

Community Benefit

- Increase job opportunities within the local community with a guarantee of a livable wage.
- Hotels offer a unique opportunity for professional growth. Many hotel employees raise up through the ranks from front desk agent to general manager to ownership.
- A sustainable development with a focus on the authentic atmosphere of Hood River

Economic Benefit

- Improving the lives of Hood River citizens by creating strong and vibrant development to increase tourism and boost local businesses with customers who can purchase their products and services.
- City will earn increased tax income to support important community programs, capital projects and reduce debt.
- Revenue for Port through negotiated land lease and profit sharing for after loan costs are paid off.



Development Team

Matt Braun



Matt has 25 years of capital project management experience. From telecommunications and renewable energy projects to large construction projects such as hotels and hospitals, he has abundant experience in providing tailored project development and program management. His experience as a designer, owner's representative, developer, and commercial contractor has given him a broad perspective and leadership skills that are attuned to listening, taking in different perspectives, and formulating solutions that result in wins for all stakeholders. He is an expert in sustainable design and construction, community equity and inclusion, community engagement, and complex project delivery.

Notable Projects

PRIVATE

Grove Hotel / The Hoxton - \$24M 77,000SF Hotel - Completed in 2017,

Mason Ehrman Seismic Upgrade - \$8M Structural upgrade & Office Build-out Completed in 2016

CIVIC

Salem Police Station, Salem, OR - \$80M, 140,000SF building & parking garage - CM/GC - Completed in 2021

WA County Public Services Building Seismic Upgrade & Modernization, \$28M, 100,000SF upgrade –Completed 2019.

Washington County Sheriff's Office Seismic Upgrade - \$5M – CM/GC - Completed 2018

Edith Green Wendell Wyatt Federal Building - \$145M High Rise renovation & modernization – Completed 2013.

Vancouver Community Library – 83,000SF \$30M Library - Completed in 2010,

Sherwood Library and City Hall – 32,000SF \$10M – Completed in 2006.

HEALTHCARE

PeaceHealth St. John Medical Center \$16M occupied hospital remodel - Complete 2022

Universal Health Services Lacey Behavior Health Hospital, Lacey, WA \$44M 90,000SF Hospital - Complete 2022

Sisters of St Mary of Oregon Maryville Nursing Home - \$4M 20,000SF Assisted Care Facility – Completed 2015

PeaceHealth St. John Medical Center 68 Tower Renovation, \$40M – Completed in 2010

Community Hospital of Monterrey Peninsula, Monterrey, CA – Cogeneration Plant - \$3M 2MW Power Plant installation at operating hospital, Completed 2003

Legacy Good Samaritan Emergency Department renovation & expansion, Portland, OR, \$9M – Completed 2017.

Erik Mathews, AIA

Erik has been practicing architecture for almost thirty years and is registered in Oregon, Washington, California, New York, Illinois and Wisconsin. He received his Bachelor of Architectural Design from Clemson University in 1988 and his Masters of Architecture from the University of Oregon in 2001. He has extensive experience creating branded design solutions and leading multi-disciplinary teams on multifamily housing projects. Additional experience includes rebound new MRI addition at the rose quarter; Gates fire hall (LEED gold) in Gates, Oregon; the Keen footwear showroom in Portland, Oregon; and Converse New York showroom in New York City. He also worked on the 30,000 square foot Portland Trailblazer practice facility.

Erik has been a guest critic at the University of Oregon, Portland State University and the Art Institute of Portland as well as a volunteer for Architects in Schools while residing in Chicago. He is a member of the American Institute of Architects and is certified with the National Council of Architectural Registration Boards.



Notable Projects List

- The Hoxton, Portland, OR*
- Days Inn, Clackamas, OR
- Hampton Inn & Suites, Hood River, OR
- Third | Eugene Townhomes, Hood River, OR
- Lyle Townhomes, Lyle, WA
- HRH Apartments, Hood River, OR
- Mosier Townhomes, Mosier, Oregon
- Tofurky, Hood River, Oregon
- Cascade Lofts Townhomes, Hood River, Oregon
- Sherman Street Lofts Townhomes, Hood River, Oregon
- The Belmont Apartments + Retail, SE Portland, Oregon
- Mosier Creek Apartments, Mosier, Oregon
- The Emma Rae Apartments, Portland, OR
- The Ellie Jean Apartments, Portland, OR
- 1934 Apartments, Portland, OR
- Rebound Rose Quarter New MRI Addition, Portland, Oregon
- York School Co-lab, Monterey, California
- Monterey Peninsula College Marina Campus Classroom

Building, Monterey, California

- Gates Fire Hall, Gates, Oregon
- Umpqua Bank Neighborhood Stores, Sites in Portland, Oregon
- KEEN Footwear- Retails Store, Design Studio and Showroom, Portland, Oregon
- Numiss Mixed Use Office/Retail Building, Portland, Oregon
- Converse New York Showroom, New York, New York
- GSA- 7th Floor Tenant Improvements, Gus Solomon Courthouse, Portland, Oregon
- Sherwood Public Works Facility and Field House, Sherwood, Oregon*
- Post-production Digital Media Warehouse, Seattle, Washington*
- University of Washington Intramural Athletic Center, Seattle, Washington*
- University of California at Santa Cruz Improvements to Arts, Santa Cruz, California*
- University of California at Santa Cruz P.E. Fitness Center, Santa Cruz, California*
- Portland Trailblazers Practice Facility, Portland, Oregon*

***while at other firms**

Angela Rowe: CHO, CDMP

As the Director of Development for Wyndham Hotels and Resorts, Angela brings over 15+ years experience and knowledge to the project and will assist the development team from site and product selection through the development process. Wyndham Hotels and Resorts assists our franchisees every step of the way throughout the development process and provides ongoing support with openings and day to day operational expertise to help owners make the most of their development and ongoing business.

Angela has worked with international hotel brands, developers and owners in various capacities throughout her 15-year career in the lodging industry.



Notable Projects List

Microtel, George WA (New Construction)

La Quinta, Pasco WA (New Construction)

Microtel, Grand Coulee WA (New Construction)

La Quinta, Tukwila WA (New Construction)

La Quinta/Hawthorn Moses Lake, WA (New Construction)

La Quinta/ Hawthorn North Bend, WA (New Construction)

La Quinta Yakima WA – (Conversion)

Travelodge Missoula MT – (Conversion)

Microtel Missoula MT – (New Construction)

Econo Lodge – Clackamas OR (Conversion)

Clarion - Clackamas OR – (Conversion)

Clarion Auburn, WA – (Conversion)

Econo Lodge Auburn, WA – (Conversion)

Econo Lodge Santa Fe New Mexico – (Conversion)

Quality Inn Silverdale, WA – (Conversion)

Rodeway Ketchikan, AK – (Conversion)

Quality Inn Klamath Falls, OR – (Conversion)

Econo Lodge Alliance, NE – (Conversion)

Quality Inn Selah WA – (Conversion)

Red Lion Inn & Suites Elizabethtown, KY – (Conversion)

Quality Inn Bainbridge Island, WA – (Conversion)

Comfort Suites, Houston Texas – New Construction Feasibility Study

Lone Star College, Houston Texas – Hotel Market and Feasibility Study

G6 Hospitality – Expansion of Motel 6 into Mexico.
Identification of Key Markets, Feasibility Study, Master Developer Target List

Founder of Latino Hotel Owners Association. Hotel Investment and Development Education for Ultra High Net Worth Investors. Members executed 50 branded deals 2007-2009

International Hotel Brands – Business Development Consultant