

A scenic view of a town nestled at the base of a large, snow-capped mountain, with a body of water in the foreground. The town is densely packed with buildings, and the mountain in the background is partially covered in snow. The foreground shows a calm body of water.

Port of Hood River Request for Developer Interest, Lot #900

NAITO DEVELOPMENT LLC

JUNE 2021

June 14, 2021

Michael McElwee
Executive Director
Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

Via Email: mmcelwee@portofhoodriver.com

Dear Michael:

On behalf of Naito Development LLC, I am pleased to submit our expression of interest for the development of Lot 900.

Naito Development has extensive experience in hotel development and operations and has comprehensive knowledge of the Hood River market and development environment.

We are proposing a 74-room branded, extended-stay hotel with food & beverage, meeting space and guest amenities. We feel strongly that this hotel will fill unmet demand in Hood River in an important segment of the corporate and leisure traveler not served by existing hotels.

We are prepared to enter into a long-term ground lease with the Port under commercially reasonable terms acceptable to a construction lender.

We are excited to be considered for this important development opportunity to serve the growing needs of the Hood River community.

Thank you for your consideration.

Sincerely,



Bob Naito
NAITO | DEVELOPMENT
210 SW Morrison Street, Suite 600
Portland, Oregon 97204
503.222.7244



NAITO DEVELOPMENT

Company Overview



SYGANY NAITO HOTEL & RESORT HOTEL OF SAIL

ABOUT NAITO DEVELOPMENT

For over 35 years, Bob Naito and his family have been involved in the development of over two million square feet of commercial real estate—both new construction and historic rehabilitation projects—in Oregon and Washington. Operating as Naito Development LLC, Bob Naito and his son Will Naito continue the family legacy.

Beginning in the 1960's, Bob Naito's father, Bill, expanded the family business, Norcrest China Company, into several other retail and wholesale companies including the Made in Oregon chain of retail stores and Import Plaza, which was modeled after Cost Plus in San Francisco. In addition, Bill Naito began to move into commercial real estate by buying up derelict buildings in Portland's Skid Road (which he later renamed Old Town) and "fixing them up."

By investing in Portland's faded Old Town area and turning it into a viable commercial and retail area, the Naito family made a significant imprint on the City of Portland.

In 1975, the Bill Naito Company redeveloped The Galleria. The project transformed a vacant department store located on a prime block in downtown Portland into three floors of specialty retail with a wholesale apparel mart above. Six years later, the company acquired an abandoned riverfront industrial site north of downtown Portland and developed a 302-unit market rate apartment project. In 1985, the company purchased a functionally obsolete 800,000 square foot, nine-story warehouse located on 17.6 acres in Northwest Portland from Montgomery Ward. In the largest historic rehabilitation project in the Pacific Northwest, the building was renamed Montgomery Park and converted to a multi-tenant office building for large office users including Wells Fargo Bank, Kaiser Permanente and Freightliner.

While at the company, Bob also developed a build-to-suit 40,000 sq. ft. computer data center for Kaiser and was the project manager for the conversion of Albers Mill, a 135,000 square foot historic waterfront grain mill into offices and laboratories for the Wheat Marketing Center.

Today, Naito Development is inspired by Bill Naito's vision, creativity, tenacity and unquenchable optimism. We are guided by his example of unquestioned personal integrity. We strive in our work to build successful projects that create lasting community benefits.

More information can be found at www.naitodevelopment.com

BOB NAITO, PRINCIPAL



Bob Naito has over 35 years of development experience working for his own account, as a fee developer, and for the Bill Naito Company, a family-owned business that specialized in the rehabilitation of historic buildings in Portland Oregon.

While at the Naito Company, he worked closely with his father, Bill Naito, a prominent civic leader and real estate entrepreneur, on projects that totaled over two million square feet of apartment, office, industrial and retail development.

In the early 90's, Bob Naito branched out and formed a partnership to distribute Dr. Martens footwear in the US. Following the death of his father in 1996, Bob left the family business to pursue new development opportunities. Bob also volunteered countless hours to complete his father's last civic project — the Lan Su Chinese Garden. He chaired the \$12.8MM fundraising campaign and the founding board of directors that built and opened the garden.

Later, working as a fee developer for Ecotrust, he developed the Jean Vollum Natural Capital Center that has received national recognition for combining sustainable development and historic preservation. Other projects have included helping Portland State University and the City move the historic Simon Benson House onto the PSU campus and restore it as a visitor center and alumni office; developing the national headquarters for the Delta Society in Bellevue Washington; a \$6MM conversion of an existing office building to a residential treatment facility; and the LEED Platinum renovation of an office building located on the historic Halprin Blocks in downtown Portland.

Bob has served on the boards of a number of other local organizations including the Housing Authority of Portland, Portland Metropolitan Chamber of Commerce, Portland Rose Festival, the Portland Building Owners and Managers Association, and the Halprin Landscape Conservancy.

Bob has a B.A. from Harvard College and an MBA from Stanford Business School.

WILL NAITO, PROJECT MANAGER



Will Naito joined Naito Development in 2009, after leaving the mobile technology industry, where he had been working on the development and introduction of a mobile device payment platform.

His first project at Naito Development was the LEED Platinum renovation of the Portland Center office building, located in Portland's South Auditorium District. The building was designed by Skidmore Owings & Merrill and constructed in 1966. The renovation achieved over 50% energy savings and a 40% reduction in water usage and diverted more than 146 tons of construction waste from landfills.

Most recently, Will oversaw the \$35MM Grove Hotel redevelopment. The Grove was envisioned as the flagship for a new Lifestyle Hotel brand, that would offer adventurous travelers authentic local experiences. The complex undertaking included entitlements in a National Historic District; complete renovation of a dilapidated structure to a 4-star hotel standard; construction a new high-rise tower; three unique food & beverage concepts; and curated boutique retail spaces on a challenging 11,000 sq. ft. urban site. Several months prior to its scheduled opening the Ennismore Ltd. hotel group in London purchased the hotel and rebranded it as a Hoxton Hotel.

After the Grove received its entitlements, Will served on the Advisory Committee for the New Chinatown/Japantown Design Guidelines. The Committee advised City staff on the development of new regulations to govern infill development and alterations to historic structures within the New Chinatown/Japantown Historic District. Will has also served on advisory committees for the Prosper Portland Budget, the Broadway Corridor Framework Plan & USPS Site Development Impact Study, the Bureau of Transportation's Central City in Motion Plan, and others. Will served on the Old Town Chinatown Community Association Board, where he was the Co-Chair of the Land Use Committee.

Currently, Will is becoming an expert on traditional Chinese roofing materials and techniques as the volunteer manager of the restoration of Portland's Chinese Gate.

Will has a B.A. in Economics & Business from Colorado College.

SELECTED PROJECT: THE HOXTON HOTEL

In 2014, Naito Development and Eagle Point Hotel Partners were selected by the Portland Development Commission to renovate the Grove Hotel located in the heart of Portland's Old Town / Chinatown Neighborhood.

The development program envisioned a 113 room, independent lifestyle hotel inspired by, and true to the neighborhood's vibrant, multiethnic history. The project added a new, 9-story tower with rooftop bar linked seamlessly to the 102-year old original building.

The unique project presented several entitlement, engineering, and construction challenges; including winning historic approval for a 100ft-tall tower in a National Historic District and replacing much of the structure and all of the interiors in the original building. Guestrooms featured custom furniture and fixtures, sourced from local artisans whenever possible.

Shortly before the project's scheduled completion in November, 2017, the hotel was sold to Ennismore Ltd., which rebranded the property as a Hoxton Hotel. After the sale, Naito Development continued as development manager to facilitate the extensive renovations required to convert the hotel. The Hoxton Hotel opened in 2018.



SELECTED PROJECT:

THE LODGE AT COLUMBIA POINT

The Lodge at Columbia Point, the Tri-Cities' only four-star boutique hotel, opened in 2017. The 82-room independent hotel is sited on a remarkable, two-acre riverfront parcel on the south bank of the Columbia River, approximately three miles from the city center.

Bob Naito partnered with Tom Drumheller, one of Oregon's foremost hoteliers and founder of Escape Lodging in Cannon Beach to build this \$17MM hotel. Tom's extensive hospitality career included opening the Stephanie Inn and building the Ocean Lodge in Canon Beach. Shortly after the Lodge at Columbia Point opened in July 2017, Tom unexpectedly died and Bob Naito became the managing partner.

Amenities include two upscale food & beverage outlets, a full-service spa, fitness center, and pool. The hotel's culture is unpretentious, warm and welcoming; catering to both business and leisure travelers. The hotel remained open during the pandemic and recently has been rated the #1 hotel and restaurant in the Tri-Cities by Trip Advisor.



SELECTED PROJECT:

HAMPTON INN & SUITES, HOOD RIVER

Opened in 2016, the four-story, 88-room Hampton Inn & Suites is the first new hotel to be built in Hood River since 1997. The superior waterfront location has excellent freeway visibility and accessibility and is a short walk away from downtown Hood River and the city's bustling waterfront.

Naito Development acquired the 5.27 acre industrial site from the Nichols Boat Works in 2007. After completing an environmental remediation, Naito Development successfully up-zoned the property from heavy industrial to mixed use commercial before constructing the hotel and an adjacent office building.

The Hampton is owned by the Naito family, and has been operated by Mereté Hotel Management since the property opened.

Catering to both the business and leisure traveler, the Hampton's on-property amenities, coupled with Hilton's worldwide sales and marketing, assure its competitive positioning. Entrepreneur magazine has ranked Hampton the #1 franchise in the world, annually, since 2011.



SELECTED PROJECT: THE NICHOLS BUILDING

The 30,000 sq. ft. Nichols Building is located next door to the Hampton Inn facing the Nichols Boat Basin. The building is anchored by Mid-Columbia Medical Center and Overwatch Imaging. Its professional office space is 100% leased. Kobe Sushi + Bar is located on the ground floor and has reopened following repair of water damage from a fire on the third floor and COVID-19 dining restrictions.

Designed by the same architect as the Hampton, the building's cedar siding and bronze storefronts complement the design of the adjacent hotel. Exposed heavy timber construction, high ceilings abundant natural light and glass roll-up doors are an exceptional fit with the local workforce and the ethos of the City.

The office building shares parking with the Hampton which significantly reduced the number of spaces required. An indoor bike room featuring electric bike charging and a tool stand and tire pump is used by the tenants. (EV charging stations are available to tenants and guests as well as the public.)

The Nichols Building was developed by Naito Development and is owned by the Naito family.



Roles & Responsibilities

ownership & financial structure

Project Owner LLC

A single-purpose limited liability company managed by Developer (Project Developer LLC) and formed to develop, own and operate the property

Developer Entity

A single-purpose entity owned and managed by Naito Development formed for the purpose of developing the project

Port of Hood River, Ground Lessor

Naito Development has negotiated a long-term ground lease with the City of Richland for the Lodge at Columbia Point.

OZ Fund and/or Individual Investors

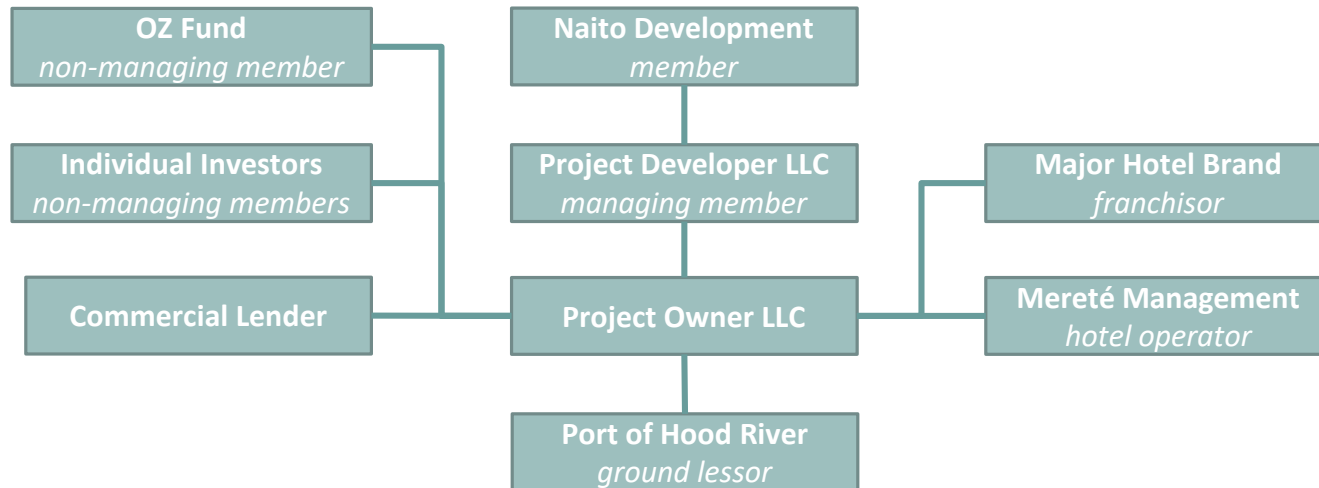
Developer may utilize an Opportunity Fund entity and/or additional “friends and family” investors to provide additional project equity.

Mereté Hotel Management

A hotel management company onboard to manage the property

Major Hotel Brand Franchisor

The hotel will be flagged with a major hotel franchisor under one of the preferred extended stay products



Request for Developer Interest

PROJECT OVERVIEW

Riverfront Hotel, Hood River

project overview

Naito Development LLC ("Naito") proposes construction of a 5-story, 74-room extended stay hotel on Lot #900. The hotel will be owned by Naito and managed by Mereté Hotel Management, one of the region's leading hotel management companies.

There are a variety of motel, hotel and short-term vacation rental options in Hood River including several upper scale hotels (Columbia Gorge Hotel and Columbia Gorge Villas). However, there are no extended stay hotels in the Gorge east of the Portland Airport.

We know that there is unmet demand in Hood River during the summer. We also know that there is demand for an extended stay product year-round as illustrated by Hampton guests who have stayed with us for 30+ days at a time and leisure travelers who stay for a week or more at a visit.

We believe that we can obtain a franchise for this location for an Element (Marriott) or Home 2 (Hilton).



Request for Developer Interest

HOTEL PROGRAM

Conceptual Site Plan



Conceptual Site Plan Narrative

The site plan concept orients the hotel building diagonally across the site, simultaneously optimizing views from the property and preserving the City's view corridor. In order to maximize efficiency, the building has a small ground level and several tuck under parking spaces. Floors two through five contain most of the hotel program and have a larger, approximately 14,000 sq. ft. floorplate.

The principal site access is along from Riverside Drive, which leads to the hotel's port cochere on the northeast side of the building. First Street provides secondary access as well as egress from the onsite parking. The conceptual site plan includes 74 onsite parking spaces as well as 11 angle parking spaces on First Street. While the parking on First Street would be convenient for the hotel, it is not necessary for the program.

The Hotel will have key public amenities facing northeast on the ground level and second floor.

Conceptual Building Floorplate Floors 2-4



Proposed Hotel Program

This sustainably-focused extended-stay hotel will understand the needs of value-conscious travelers. It will be a casual home-away-from-home where guests can kick back and be themselves, while taking advantage of the hotel's studio and one-bedroom suites, free Wi-Fi and other complimentary amenities.

Hotel Amenities

- The hotel's lifestyle-focused amenities will provide a full complement of services and flexibility for a customized guest experience.
- The expanded community space will be an area for social gatherings as well as offer communal and individual work and meeting zones.
- The hotel will serve a complimentary breakfast, which will offer a wide variety of continental and customizable breakfast items served each morning, including a hot breakfast sandwich and coffee and tea served throughout the day.
- The hotel's market will be stocked with many convenient items

Guestroom Amenities

- Suites provide separate living and bedroom space featuring an integrated kitchen and a flexible working/media space.
- The working/media zone includes a full-size sleeper sofa, TV, roll around ottoman, ambient and task lighting, many storage options and various pieces of furniture, which can be moved around to create customized living spaces.
- The fully-accessorized kitchen includes place settings for six with a refrigerator/ freezer, dishwasher, microwave oven and coffee maker.

Proposed Hotel Program

Floor	Sq. Ft.	Use	Commentary
Ground Floor	2,500	Public areas	Detailed breakdown below
GF: Lobby Area	1,000	Guest reception and community space	Continuous, multi-functional spaces are intuitive to guests to encourage productivity and enhance their experiences.
GF: Food & Beverage	1,200	Coffee to Cocktails Bar & Gallery Kitchen	The Bar features specialty beverages, premium beer, wine and cocktails. The Gallery features Kitchen Skillet breakfast, plus freshly prepared meals at any time, day or night
Second Floor: Meeting Space	1,000	Flexible meeting space	Ideal for small corporate meetings or social events
Second Floor: Recreation	500	Fitness	Indoor/outdoor pool and 24/7 fitness center
Second Floor: Back of House	4,100	Back of House	Staff offices, kitchen laundry, engineering, storage, mechanical.
Second - Fifth Floors	14,000	Guestrooms	A mix of King and Double Queen studios & suites
Total GBA	58,500		Total Gross Building Area
Parking	74 EA	Guest parking	Complimentary guest parking

Hotel Public Areas & Amenities



Hotel Guestrooms



Preliminary Staffing Matrix

The hotel will employ approximately 32 fulltime equivalent employees in a variety of roles.

Position	FTEs
General Manager	1
Assistant Manager	1
Sales Manager	1
Front Desk Manager	1
Night Auditor	1
Head Housekeeper	1
Building Engineer	2
Front Desk Associate	6
Food & Beverage	6
Housekeeper	12
Total	32

Conclusion

Thank you again for your time and consideration of our proposal. We appreciate the opportunity to introduce a new hotel to Hood River and the surrounding region. We are confident that our team's considerable experience will deliver a successful hotel that will serve the growing needs of Hood River and the broader community.

