

Executive Summary

Situated in downtown framed by glorious Mt. Rainier and the shining blue waters of Puget Sound, sits the quintessential Tacoma Old City Hall ready for revitalization and rebirth during this new chapter for the City of Destiny. It is with great pride that the Moreno Family submits their proposal for development of this iconic building.

In this summary, we will explain who the Moreno Family is, what they do, why they are the right candidates to restore Old City Hall as well as an overview of the restoration plan itself.

Who We Are & What We Do

The Morenos are proud, active members of the community dedicated to supporting and promoting local business and entrepreneurs. Their efforts go beyond philanthropic objectives, they strive to help build a stronger community through combined efforts of team members and local, national and international foundations and organizations. They take a proactive approach to creating a more sustainable tomorrow by continuously searching for cleaner and greener materials and volunteering, donating resources and sponsorships and supporting local organizations including; The Grand Cinema, Lettuce253, 100 women, Creative Alliance of Tacoma, University of Puget Sound, Space Works Tacoma and the Artist Trust. Additionally, they are cofounders of Startup253 which supports the Tacoma and South Sound startup ecosystem with events, resources and data about the local startup landscape.

Why We are the Right Candidate

With a portfolio including coworking spaces, residential buildings, and live/work spaces, the Morenos have a track record of investing in the city of Tacoma and helping to grow economic and social development within the city while preserving historic buildings for future generations to love and enjoy.

Built in 1888 the Union Club is one of the most recognizable historic buildings in Tacoma, with a storied history and great influence on the city. The award winning renovations done from 2016 to 2018 on the Union Club are shining examples of the passion the Morenos have for historic preservation in the city of Tacoma specifically.

Furthermore, the renovation of the Ludwig Family Drugstore built in 1911 in South Tacoma is currently being finished to create a new South Tacoma coworking facility. Utilizing the open concept with high ceilings and natural light, this former soda counter hang out will now become home to burgeoning and established businesses alike. Similar to the Union Club, the South Tacoma renovation has brought this property into modern times while keeping the historic feel and using the space in an innovative manner.

The Moreno Family is *the* local choice when it comes to renovation of historic buildings with love and care. Without projects across the state to distract, the Moreno Family can concentrate on executing local, Tacoma based and Tacoma needed projects. As local Tacomans, the attention to impact on our city, and timeliness of project completion can be seen in the actions of the Moreno family. They work

expeditiously and efficiently to ensure the landmarks they have restored do not sit idle but rather come to life for use by our city.

Type of Reuse

The Moreno's proposal for the restoration of the iconic Old City Hall in Tacoma centers around a dynamic mixed-use, multi-purpose development. This development will contain restaurants, event space, coworking, micro apartments, office and retail space which will continue to enhance the ever growing and changing City of Tacoma with housing, job creation, local business stimulation, and nightlife.

Estimated Number of Space Designed for each use

This proposed design for the development of Old City Hall includes a restaurant on the basement level and bar on Pacific Ave, almost 20,000 sq ft of retail space over the 1st and 2nd floors, over 20,000 sq ft of office and coworking space on the 3rd and 4th levels, 40 micro apartments on level 5, topped off by 2 more restaurants on the roof as well as event spaces in the clock tower.

This plan is meant to utilize all spaces in the Old City Hall rather than wasting any area of this unique building. Picture weddings and events within the clock tower itself, with restaurants perched just below on the rooftop overlooking the mountain and water. Tourists and locals could shop at unique local retailers before taking a tour of the historic space or heading home for the evening all in the same building.

Market rate/affordable housing units

In order to promote the availability of the residential space in the project, between 10 and 20 market rate housing units will be created in the micro apartment section of the building. These units not only increase the overall number of dwellings in our city, but also provide attainable housing for a variety of income levels.

Job Creation

In addition to providing affordable housing units in Tacoma, this proposal includes the creation of more than 300 jobs here in our city of destiny thus contributing to the infrastructure of our city by bringing well paying and secure jobs to our region. Currently the Morenos employ Tacoma residents to manage, maintain, and construct their buildings. This would simply be an expansion of the workforce they already employ in Tacoma.

Furthermore, included in the proposal is the inclusion of a regional incubator run by Startup253 which will provide seed funding for new ideas, entrepreneur assistance, jobs and other business services. This exciting program will not only create additional jobs in Old City Hall and grow new local businesses, but also provides a creative way to use the space to promote ideas and growth within the city for years to come.

Parking plan

Parking in downtown core areas can prove to be tight. Given the current layout of parking in the area, relationships will be built with parking lot owners in the immediate surrounding areas for designated parking while simultaneously encouraging the use of public transportation, walking, and biking options. With pre-existing partnerships with local groups like Downtown on the Go!, the Moreno Family supports sustainable modes of travel and will continue to do so at future properties.

Historic Restoration Commitment

Alongside their love for the city, the Morenos have an established example of local historic preservation such as the Union Club which once served as a clubhouse for Tacoma's business elite and now serves as a thriving coworking space for people who work in Tacoma. This unique reuse of a historic location allows for a similar use to the original but with a modern spin. The Old City Hall project would be the ideal partner property to continue to promote, support, and empower Tacoma businesses and residents as well as show off the best side of our lovely city to visitors.

Keeping original building materials like glass, wood and moldings as well as furniture at the Union Club, the Moreno Property Team endeavors to reuse and preserve every possible piece of a building. As a small example, an entire bathroom at the Union Club was renovated around a bathtub built for then President William Taft who visited requiring a bathtub to his specifications due to his large stature when he traveled. The ability to restore while preserving rather than destroying shows true care for the historic revitalization process while simultaneously allowing passers-by the architectural and educational enjoyment of these features on a daily basis.

Long-Term Economic Vitality of Project

Tacoma is the jewel of the South Sound, and Old City Hall is an amazing historical icon that should be synonymous with the vitality of our town. If chosen to complete this revitalization, the Moreno Family would engage in the development of a project with long term economic prospects. Permanent full time job creation along with affordable housing are both desperately needed in the city of Tacoma.

Increasing the feeling of a pedestrian zone and foot traffic paths in the city is an added benefit of this type of revitalization. With this plan, a new and locally run historic multi-use institution would be created that would have long term effects on not only jobs, housing and business, but also encourage the growing flow of tourism with a unique attraction in a historic quarter of the city.

Additionally, the inclusion of the Startup253 incubator will contribute to jobs and economic stimulation in the city. The Morenos dedication to this project, this city, and its citizens is invested in the short, medium, and long term success of Tacoma.

Synergy with Surrounding Developments

With a proven history of historic revitalization in the same part of town as Old City Hall, the Moreno Family works hard to ensure relationships are built out with neighbors and partners of the city. Having properties in almost every enclave of Tacoma, you can see the established positive track record of the Morenos when starting a new development and integrating it into an established neighborhood. The use of these pre-existing relationships will continue to encourage the neighborhood as a vibrant enclave of our city.

Public benefits

In addition to job creation, economic stimulation, and housing expansion, there will be \$2M of other public benefits from the Moreno revitalization of the Old City Hall. The planned purchase price for the property will be \$4MM (\$2MM in cash and \$2MM in Public Benefits). These benefits will include the provision of public use of 1 conference room in the coworking section free of charge, free community access to the clock tower with tours during specific hours, and free rent to the Tacoma Historical Society for use as a public exhibit and work space. Additionally, half of the residential units will be affordable housing units, providing an affordable option for rent to the people of Tacoma. As such, this proposal includes entertainment benefits, historic benefits, educational benefits, financial benefits and more to the city.

Sustainable Reuse Information

Including donations of materials to local groups and the reuse of historic materials during renovations, the Moreno Properties continuously strive for use of clean and green materials at all locations.

Closing

The Morenos thank you for your time in reviewing this proposal. As a locally established and engrained group, we believe, invest, and reside in the City of Tacoma. All plans are tailored to benefit the citizens of Tacoma using years of local knowledge and relationships. With a proven track record of timely Tacoma historic renovations and a unique concept allowing for a variety of use by all Tacoma residents and visitors alike, we proudly present our proposal for Old City Hall.

Innovation of Tacoma's Iconic Past

Eli Moreno

June 2018



Tacoma's Global Challenge

THE RACE FOR TALENT

Cities are competing in the most important race of the 21st Century: the race for talent. We define talent as the highly educated, highly mobile 24-35 year-olds. Looking to our nations thriving cities, they share one attribute of success: **depth and richness of its workforce**. The future prosperity of our city is driven by the ability to attract, nurture, and retain this valuable group. They are recognized as college educated, often with post-graduate degrees, and capable of transforming an ecosystem with their creativity and entrepreneurial thinking. For any region that aspires to grow an innovation economy — one populated by companies that can thrive on the edge of disruptive technologies — they are the essential ingredients.

Business leaders and CEOs are continuing to locate in cities with an educated and talented workforce. The reason: success is now driven by the ability for companies to innovate and evolve from within. Their imperative is to reside in a place with the best and brightest, motivated for excellence. This valuable group of innovative young minds is key.

Which leads us to a key question: **What will attract this talent to Tacoma?**

The answer is understanding what this talented group desires, then providing it. Successful companies understand that the most valued workers are not motivated by higher wages and traditional packages. Research confirms this group values lifestyle choices when selecting a job, often based on region. This group of talented young people is choosing to live in urban settings versus suburbs. This finding should come as no surprise since most urban planners concur that cities are where the real action will be in the 21st Century.

Successful Cities Must Provide:

- Amenities: Retail, Restaurants, Culture, Entertainment

- Diversity: Both economic and ethnic
- Access: Easy Public Transport, Walkable and Bikeable
- Housing: Affordable and Accessible

Young people are selecting urban settings to live and work that offer unique experiences – very different from the generic suburbs in which many of them were raised.

Cities that understand this dynamic have thrived. Austin, Denver, and San Francisco all built their downtown regions to attract this core of talented young people, knowing they would choose these vibrant places. These examples prove they attracted and retained this valued talent pool.

Tacoma's current reality; it is not a contender for this demographic as it lacks the setting they desire to work and settle-

In the race for talent, Tacoma has to work harder at growing an urban environment that has it all or we are going to have a difficult time maintaining, much less growing, the jobs and prosperity in our region.

“Compared with previous generations, today's younger techies are less interested in owning cars and big houses. They prefer to live in central locations, where they can rent an apartment and use transit or walk or bike to work, and where there are plenty of nearby options for socializing during non-work hours.” **

OUR VISION: TECHNOLOGY CENTER

If we design and reposition Old City Hall as a **Technology Center**, it will bring jobs and grow a new cluster that thrives because it speaks to the sensibilities of an emerging workforce. It's a 21st century vision that utilizes the attributes that make our city potentially great – walk-ability, close proximity to transit, an international airport 30 minutes away, restaurants, culture, entertainment and a beautified waterfront – and enhances them by adding clean, high-paying jobs.

Academic research and case studies demonstrate the benefits of this clustering effect.

Researchers have observed that industries participating in strong clusters register higher employment growth as well as higher growth of wages, and number of establishments. More importantly, they found that new industries emerge where there is a strong cluster environment.

Old City Hall is in a unique position to accelerate job growth and enhance the local economy to continue to remain competitive as the catalyst for a new transformation. The transformation to a **Technology Center** will attract companies and intellectual capital (employees) thereby creating a business/ industry/ entrepreneurial network that can evolve and create mutually beneficial relationships.

FROM CONCEPT TO REALITY

Old City Hall possesses a combination of physical factors that make it ripe for reinvention – nearby transit, walkable district, and public spaces that are all within easy walking distance.

Our goal is to utilize these assets to establish a vibrant innovation ecosystem. One that leverages a rich social environment with thoughtfully designed spaces for eating, living, working, playing, and learning. We believe, and the evidence supports, that fashioning a place and a culture that maximizes collisions between diverse, talented people will facilitate serendipity and foster the collaborations that spark new businesses.

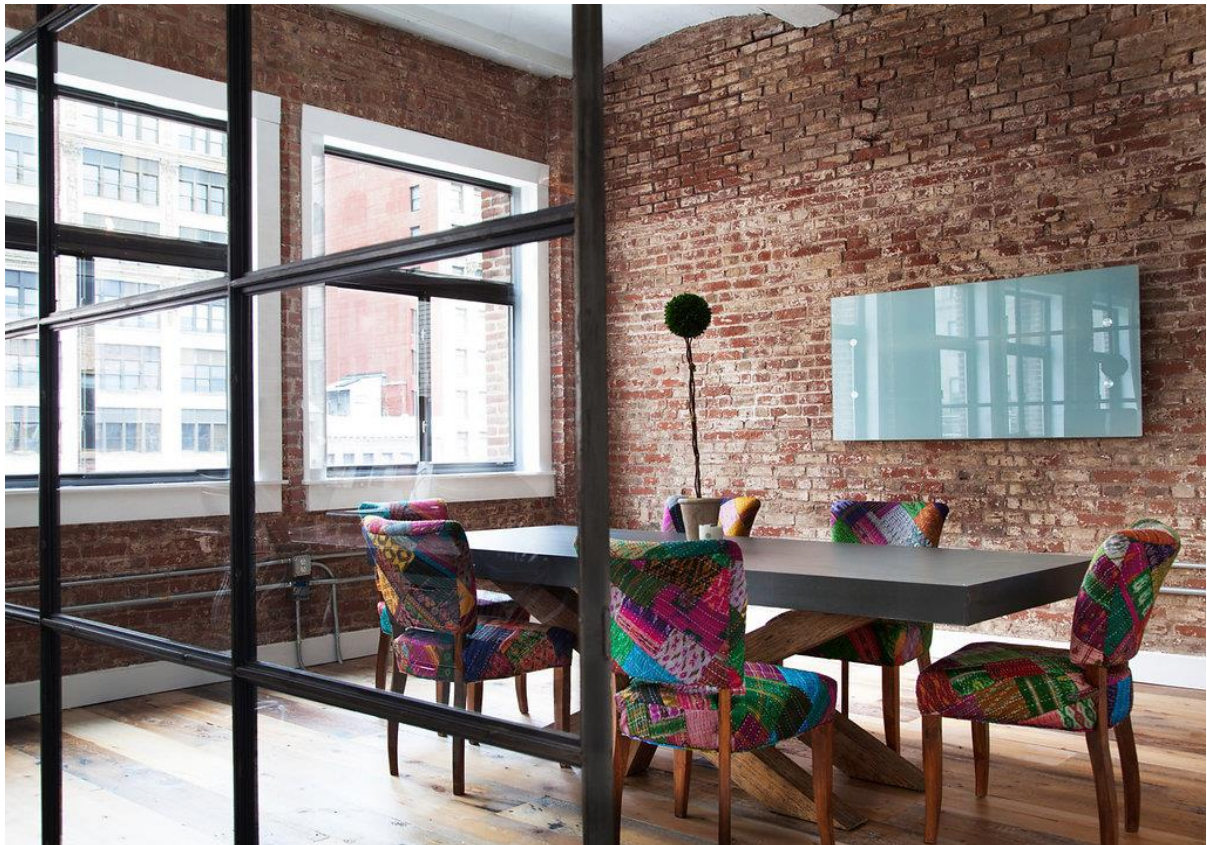
If we invest in this, we will become the favored location for companies that trade in ideas.

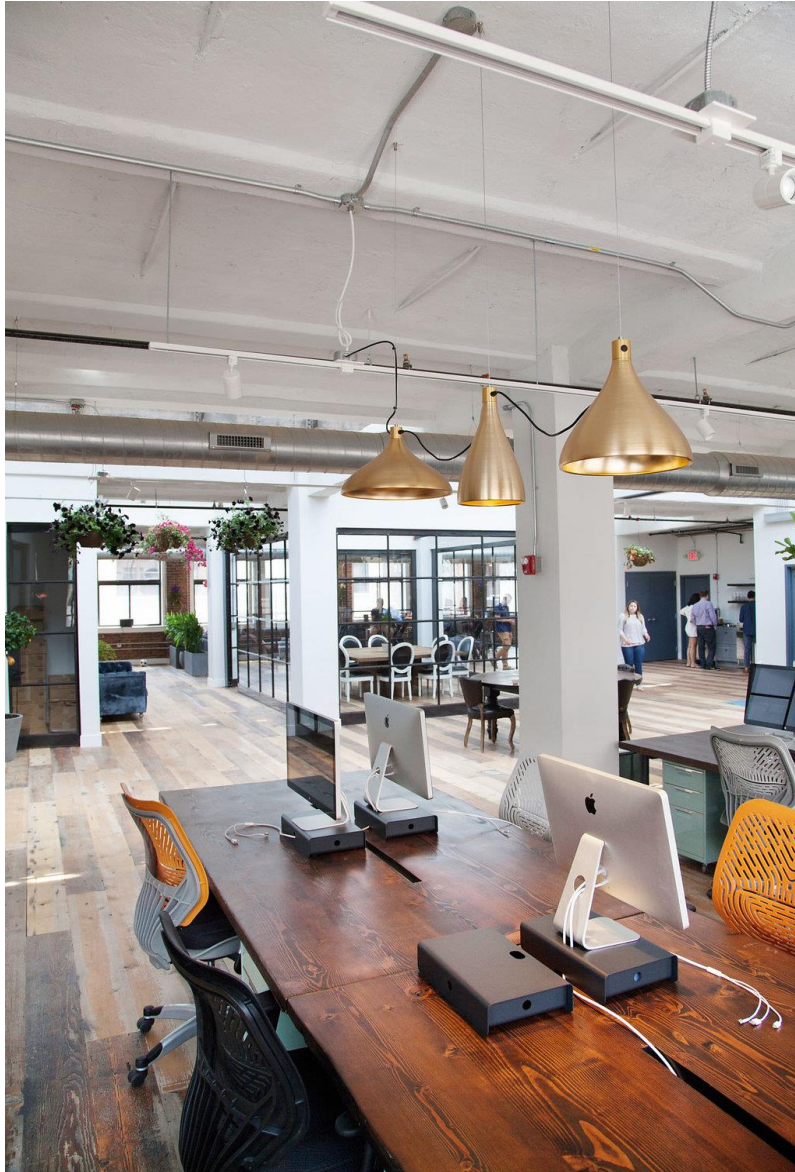
OUR PROPOSAL TO THIS CHALLENGE

We propose the conversion of Old City Hall into a mixed use building to include restaurants, a bar, street level retail shops, two floors of awe-inspiring office suites and co-working/incubator space, residential micro-apartments on the top two floors, and a unique event space in the clock/bell tower.

The redevelopment of the property will commence immediately upon approval of the building plans, starting with the restoration of the exterior façade, remodeling of the restaurants, retail spaces and the office areas. Special emphasis will be given to energizing the offices spaces with reclaimed wood floors, exposed brick, hanging plants, natural light, and exposed ceilings with an industrial look. However, modern amenities like private offices for different team sizes, highest-speed internet, and fully wired conference rooms will be enjoyed. (Sample pictures included)



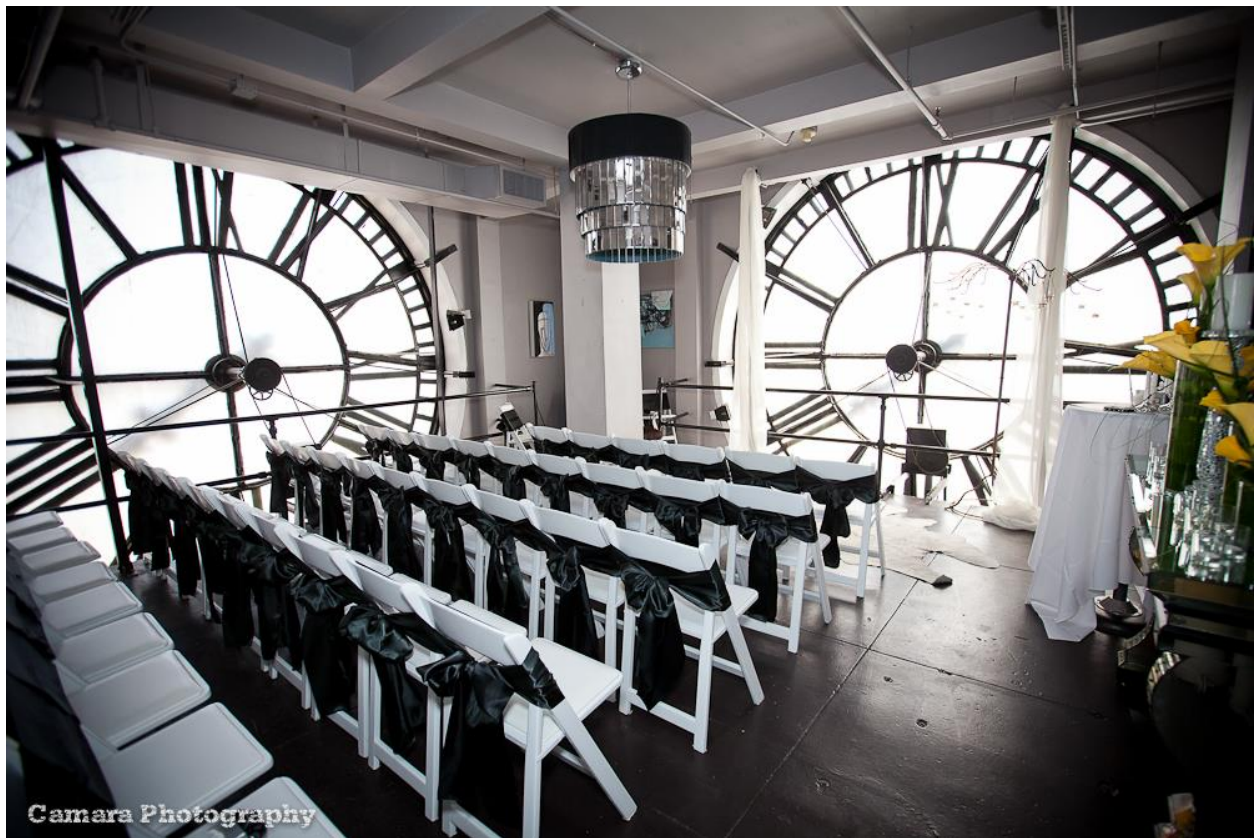




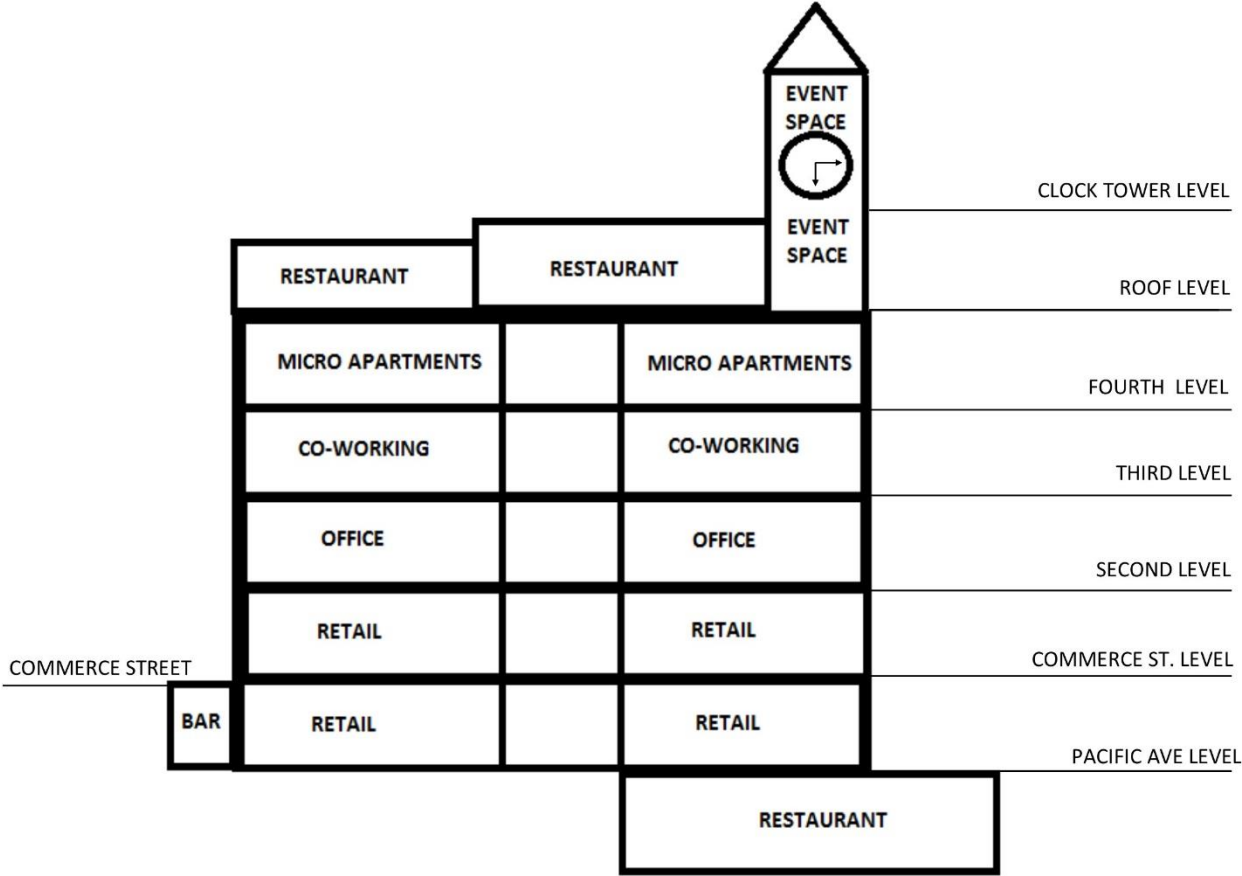
The mix of eateries will consist of a casual restaurant in the basement level, a distinctive bar in the old jail and an upscale restaurant in the rooftop area with exceptional views of the city and of the night sky, with its one-of-a-kind glass ceiling. The event space will be located in the old clock and bell tower to celebrate those special occasions in a most unique and unusual setting. (sample pictures included)







Project Concept



COMPARABLE PROJECTS AND BUILDINGS

This concept is successfully being done in a number of cities across the United States:

The Biddle Building:



Three years ago in Philadelphia the eight-story 40,000 square feet Biddle building was scheduled to be converted into a hotel; instead it was turned into a space for tech companies, and today there are many businesses located at this iconic building which have created good paying jobs, driving innovation, building relationships and leading their industries.

Old meets New

"In a prime Midtown Village location, the Biddle Building is a creative commercial loft space just steps away from public transportation, parking, hotels, restaurants, and shopping. With eight floors of carefully preserved and thoughtfully reinvented space, the building retains its original hardwood floors, barrel-vaulted terra-cotta ceilings, exposed brick walls, and restored skylights. Combined with new state-of-the-art technology and security, the Biddle Building offers a contemporary office space that's full of culture."

The Wrigley Building:



The Wrigley Building is a Chicago icon, and the technology community is quickly becoming iconic in its ability to create jobs

Since 1924 in Chicago, the lights illuminating the white face of the Wrigley Building have almost continually shone. Now, the building's owners want to shift the spotlight onto the tech companies they see as emblems of the future, they are creating a revamped vision for the building, which includes attracting tech companies.

"It's all about creating an experience" for customers and partners, the owners have said.

After a few years of renovations, the skyscraper reopened in July, with new terra cotta that honors the building's beloved past. The building now includes fun elements, particularly in the modern shared lounge, which features an open fireplace and historic baby grand piano. It also has functional spaces, such as the conference and training rooms tenants can rent by the day.

It's the planned extra amenities that the building's leasing staff believe will attract tech tenants. These include a state-of-the-art Walgreens, a high-end coffee shop, a fitness center and a nursing room for new mothers.

Such features are what it takes to attract tech tenants who want a private, customizable space, along with convenient options for collaboration and making employees' lives easier.

More than 47 percent of the building is under lease, Glass said, with another 22,600 or so square feet in pending tech leases.

"As the Wrigley Building starts to fill up with high-energy tech companies, there's going to be a buzz that comes along with that, as we build energy and buzz in the building, it's going to create...a multiplier effect."

The Flatiron Building:



The 40,000 square-foot iconic Flatiron Building in downtown Atlanta is being converted into an entrepreneurial hub. The development is likely to have a gravitational pull — luring startups to other buildings in the city’s core.

The renovation will turn the 40,000-square-foot Flatiron into a “collaborative place” for Atlanta’s “makers, thinkers, and doers”

Built in 1897 — five years before New York City’s better-known Flatiron — Atlanta’s English-American Building (commonly referred to as the Flatiron) is the city’s oldest skyscraper. The 11-story wedge-shaped tower straddles two of downtown’s most prominent streets — Peachtree and Broad. Repurposing the mostly vacant Flatiron into a venue for startups reflects the new reality of commercial real estate demand.

The redevelopment is planned as “next generation” office space — characterizing it as a “live, work, play” environment that would attract technology, digital media and advertising and design startups and entrepreneurs.

The development will include more than 36,000 square feet of collaborative workspace and 5,600 square feet of boutique retail and entertainment space. Single desks and private suites will be rented on a monthly basis, giving tenants the flexibility to grow — or shrink — their office footprint as needed.

INNOVATION TAKES INNOVATIVE PARTNERS

To develop Old City Hall into the technology hub that we are envisioning, a new form of partnership is required, where private and government sectors will join forces to address and solve this challenge.

THE ASTONISHING MULTIPLIER EFFECT

It is well documented that because of a multiplier effect, **each new high-tech job in the U.S. creates five additional jobs in the service economy.**

Workers in hot cities are making two to three times what identical workers make in cities that are losing ground. Ecosystems form in these hot cities, complete with innovation companies, funding sources, highly educated workers and a strong service economy.

For each new high-tech job in a city, five additional jobs are ultimately created outside of the high-tech sector in that city, both in skilled occupations (lawyers, teachers, nurses) and in unskilled ones (waiters, hairdressers, carpenters).

“The best way for a city to generate jobs for less skilled workers is to attract high-tech companies that hire highly skilled ones,” says economist Enrico Moretti.

THE CASE FOR URGENCY

This is not an opportunity that will last indefinitely. The rest of the world has clearly awakened to this phenomenon. In Spain, Barcelona’s 22@ has integrated economic, physical, and social regeneration with investment in economic and social programs and property development to create 56,000 jobs and thousands of new companies since 2000.

And London's Tech District, located in a formerly blighted part of East London, has produced thousands of new jobs during Europe's recent severe economic downturn.

In the United States South of Market (SOMA) in San Francisco has become the most prolific innovation district in the world with 5000 start-ups currently in the pipeline

So, the challenge is before us. The undeniable convergence of technology and design, the presence of an available building with great "bones", and a strengthening economy all conspire to present us with a huge opportunity.

It is time to let Old City Hall be the initiator to **Higher Paying Jobs** that Tacoma needs, so join us in achieving this extraordinary benefit for all!

*This piece of writing, views and observations were drawn from concepts, ideas and quotes from many postings, reviews and articles about tech clusters.

**Richard Florida, Urbanist



To Whom It May Concern,

ADDRESS

539 Broadway
Tacoma, WA 98402

CONTACT

Eli Moreno, (253) 279-0776
Lee Reeves, (206) 399-2553
info@startup253.com

ADVISORY BOARD

Justin Camarata
Dr. Ali Modarres

WEBSITE

www.startup253.com

All across the globe, startup ecosystems are exploding, with varying levels of success. Will Tacoma and the South Sound be next? Many of us believe the answer can be yes.

But what exactly is a "startup ecosystem" and why should anyone care? Simply put: a strong startup ecosystem gives people with vision the support, connections and networks they need to turn great

If Tacoma and the South Sound are to succeed in this, entrepreneurs in our region must be prepared to compete on a national and global stage. This starts with having opportunities to vet new and creative ideas with fellow entrepreneurs, receive meaningful feedback and find the right connections to take that idea forward.

Successful ecosystems are built in decades, not months. They also require the engagement, investment and give-first mentality of a diverse slew of key players. From entrepreneurs themselves, to experienced mentor-leaders, investors, academic institutions, corporations, government, networking groups, chambers and economic development, propelling our local startup ecosystem is going to take a full-court press from all of us.

Sincerely
Eli Moreno and Lee Reeves



Prepared by:

Eli Moreno

Lee Reeves

ABOUT STARTUP253

Startup253 is Tacoma and the South Sounds' first stop for entrepreneurship assistance and resources.

KEY OBJECTIVES

- Showcase the best and brightest founders, idea makers, dreamers, and early stage companies born and bred (and transplanted) in the greater Tacoma and South Sound region.
- Connect all players in the startup ecosystem: founders, established businesses, universities, investors, civic leaders, non-profits, students, retirees, teachers, makers.
- Instigate programs that foster a culture of innovation to empower dreamers and founders.
- We take it upon ourselves to partner with our professional educators and organizations while bringing relevant, real-world training on technologies, languages, and business practices to the ecosystem.
- Knowing that startups face a challenging road simply to make it to viability, we connect them with committed investors to provide relevant and practical capital.
- We launch startups onto the greater national and international stage to achieve full financial and organizational self-sufficiency.



STARTUP253 MIND 2 MARKET

Mind to Market is an early stage accelerator focused on commercializing viable, scalable ideas. This program is a collaboration between Startup253, Startup253 Fund 2018, LLC (a pre-seed investment fund), and a myriad of community stakeholders. M2M is not cohort-based meaning that an individual entrepreneur (along with cofounders) can apply to start the program at any time throughout the year.

M2M has three major components:

Rapid Commercialization

Upon approval into the program, entrepreneurs are paired with an Entrepreneur in Residence (EIR) who will lead them through individualized intensive coaching for an average of two weeks. During this time, the entrepreneur is expected to achieve specific outcomes. The success, pivot or fail fast approach significantly reduces the amount of time the entrepreneur will spend validating their business model. This phase is intended to lay the foundation from which the entrepreneur will go on to pitch for funding between \$10K – \$75K, which will allow them to build their minimum viable product (MVP).

Pre-seed Investment

Entrepreneurs who successfully complete the first phase of M2M will have the opportunity to pitch their startup to the M2M, LLC investors. Many entrepreneurs can use the award to create a minimum viable product, which is what most Seed investors will expect to see before making larger equity investments.

Minimum Viable Product (MVP – Operations)

Many accelerators struggle with helping entrepreneurs be successful beyond training and funding and many entrepreneurs have expertise with their product and/or service but may not have the knowledge or experience to manage other aspects of the business. M2M has identified the critical elements necessary for success and has established relationships with experts (subject matter experts, mentors, advisors) who can help the entrepreneur through this phase. The length of the operations phase is only limited by the amount of capital, the startup's cash runway (burn rate), and the entrepreneur's drive. M2M will leverage the Startup253 network of 150+ mentors, who will provide in-depth knowledge that will augment what currently exists in our local geography.



YEAR 1 (PROPOSED) ECONOMIC IMPACT

- 300 committed ecosystem members
 - 150 entrepreneur assists (new intake meetings with entrepreneurs/businesses, first meeting counted only)
 - 200 entrepreneurs trained through the Startup253 educational series
 - \$200k in startup seed capital ready to deploy
 - 10 new startups launched through the Mind to Market program
 - 225 new jobs (located in Tacoma and/or the South Sound)
 - Miscellaneous metrics: media mentions and community outreach
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STARTUP253 ASSETS

- Website: www.startup253.com
- Distribution List: 845 subscribers
- Startup253 Meet Up: 498 members
- Startup253 Slack: 25 members
- Startup253 Twitter: 215 followers
- Startup253 Facebook: 48 followers
- Startup253 LinkedIn: 101 followers
- \$200k seed fund formed.

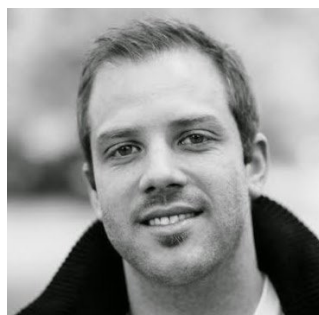
STARTUP253 IN THE MEDIA

- Tech.co "Why Tacoma's Thriving Intellectual Workforce is Attracting Startups" <https://tech.co/tacomas-intellectual-workforce-startups-2017-11>
 - Startup253 "Startup253 Partners with AWS to give \$3,000 Hosting Credit To Any Startup Who Pitches At A Startup253 Founders Series Event" <https://startup253.com/2018-3-15-announcement-startup253-partners-with-aws-to-give-3000-hosting-credit-to-any-startup-who-pitches-at-a-startup253-founders-series-event/>
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STARTUP253 VISION TEAM



Eli Moreno



Lee Reeves

STARTUP253 ADVISORY BOARD



Justin Camarata



Dr. Ali Modarres



Old City Hall Projected Job Creation

Casual Dining Restaurant: Approx. 40-45 new jobs.

It is recommended that 60% of your sq footage be dining area in the restaurant industry. With the space allotted for casual dining this would be 2460 sq ft. Seating expert.com says 12 sq ft / person is the normal range for casual dining. This casual dining space has the potential to seat 205 people at tables with room for 4-5 diners or 40 tables. According to restohub.com you should hire 1 server for every 5-6 tables, 1 host and 4 kitchen staff for every 50 customers/hour. Going on this and assuming the restaurant will be open for two shifts this restaurant could potentially employee the following:

- 1 restaurant Manager
- 2 assistant managers
- 14 Servers
- 2-3 Hosts
- 4 bussers
- 16 kitchen staff (this includes cooks, dishwashers and prep)
- 1 accountant
- Uber and grubhub drivers

Fine Dining Restaurant: Approx. 30-35 new Jobs

Using the same recommendation of 60% dining area this will total to 1903 sq ft. Totalfood.com recommends 18 - 20 sq ft / person in a fine dining restaurant. If we have 3-4 person tables this would lead to around 24 tables. Restohub.com says that for fine dining you should hire 1 server for every 4 tables, 1 bartender + 1 host for every 30-40 customers and 6 kitchen staff for every 50 - 60 customers. Using these numbers and 2 shifts the fine dining restaurant could potentially staff the following:

- 1 restaurant Manager
- 1 Assistant Manager
- 12 servers
- 3 bartenders
- 3 hosts
- 12 kitchen staff (includes head chef, sous chef, line cook, dishwasher)
- Accountant

- The demand for local food sources is in high demand according to this [article](#). If this restaurant uses locally sourced products farmers are also employed.

Bar / Pub: Approx. 30 new jobs

The Jail cell bar or Pub will be approximately 1800 sq ft. According to mandatory.com 25% of that should be back of house and the other 75% reserved for the bar and bar seating (1350 sq ft). If we use 10% of what is left for the bar and equipment. This will be about 1215 sq ft left for seating. This could seat about 65 guests at one time. If there are 3 shifts the following jobs could be created.

- 1 owner
- 2 managers
- 6 servers
- 6 bartenders / barback
- 3 bussers / drink runners
- 9 Line cooks
- 3 dishwashers
- The space will also be great for local breweries and wineries to distribute their product.

Clock Tower Event Venue: Approx. 5 on site staff + local vendors

For the past year we have been successfully running events at the Union Club Tacoma. From what we know about this the following jobs will be created.

- 1 Event manager
- 2 Assistant manager
- 2 cleanup crew
- There are multiple opportunities to pair with local vendors e.g. d.j's, photographers, restaurants, florist, bakeries, catering companies etc.

Micro apartments: Approx. 6 new jobs

At Premier residential we successfully run many multi-family communities around King and Pierce counties. According to what we have seen to be true the following jobs will be created.

- 1 Manager
- 1 Assistant manager
- 1 Part time leasing consultant
- 2 Maintenance Techs

- 1 administrator / accountant

Retail spaces: Approx. 50-60 new Jobs

The possibilities of employment for each street level retail space is endless. These could be rented to coffee shops, drug stores, local clothing stores, fitness studio, vintage shopping, brewers, tasting rooms, salons, book stores, jewelry stores etc. If 12 companies rent 1500 sq ft each and they hire only 5 people that is 60 new jobs.

Construction: Approx. 100 new temporary jobs.

The construction of the Old city Hall will create 100's of temporary jobs this includes contractors, designers, electricians, plumbers, roofers, painters etc.

Startup253: Approx. 800 new jobs

300 committed ecosystem members

150 entrepreneur assists (new intake meetings with entrepreneurs/businesses, first meeting counted only)

200 entrepreneurs trained through the Startup253 educational series

\$200k in startup seed capital ready to deploy

10 new startups launched through the Mind to Market program

225 new jobs (located in Tacoma and/or the South Sound)

Miscellaneous metrics: media mentions and community outreach

OCH Projected Rental Income

	Description	Aprox Sq. Ft	Yearly Income	Yearly Sq. Ft	
1	Basement Restaurant	4500	\$ 99,000	\$ 22.00	
2	Basement Bar	1800	\$ 39,600	\$ 22.00	
3	Retail Spaces Pacific Ave	9199	\$ 220,776	\$ 24.00	
4	Retail Spaces Commerce Ave	8972	\$ 215,328	\$ 24.00	
5	Offices & Co-working 2nd and 3rd Floors	20989	\$ 524,725	\$ 25.00	
6	40 Micro-apartments 4th floor	11077	\$ 408,000		265 sq. ft each, 20 affordable @ \$700 mth. each and market rents @ \$1000 mth
7	Fine Restaurant rooftop 5th floor	3171	\$ 88,788	\$ 28.00	
8	Clock Tower Event Space	1200	\$ 48,000		2 events a month @ \$2000 each
	Total		\$ 1,644,217		

Old City Hall Estimated Project Costs

	Rentable Square Footage	59,708	
	Proforma Cost Category	Estimated Project Cost	Costs / Rentable Sq. Ft.
A	Direct construction cost	\$8,538,000.00	\$143.00
b	Prevailing wage Premium	\$0.00	\$0.00
c	Washington State sales Tax	\$845,262.00	\$14.16
d	Architectural/ Engineering / project management	\$355,000.00	\$5.95
e	Misc. Development cost	\$205,000.00	\$3.43
f	Governmental costs	\$135,000.00	\$2.26
g	Land Costs *	\$2,000,000.00	\$33.50
h	Financing Cost	\$555,000.00	\$9.30
i	Developer Fees	\$310,000.00	\$5.19
j	Contingency	\$350,000.00	\$5.86
	Total Estimated Project Costs	\$13,293,262.00	\$222.64

Project Financial Recap

Total Project			
1	Building Construction (hard)	79.27%	\$10,538,000
2	Building Construction (soft)	20.73%	\$2,755,262
3	Total Estimated Project Cost		\$13,293,262
4	Total Project Value / Based on cap rate		\$13,163,357
	Rental income	\$	1,644,217
	Other income:Fees and Utilities	\$	50,000
	Less Vacancy / Concessions	10% \$	164,422
	Less expenses	\$	559,033.78
	Less Concessions	3% \$	49,326.51
	NOI	\$	921,435
	Cap Rate	7.00%	
5	Non-Cash Equity		
	percent of total project cost		
6	Estimated Loan to Value	70.00%	Loan Amount \$9,305,283.40
	Interest rate - Perm	5.75%	Annual Debt Service \$ 702,482
	Temp Financing Rate	2.75%	
	Amortization	25	
	Debt service coverage ratio	1.25%	
	Historic Tax Credits	\$	2,750,000
7	Required cash equity		\$1,237,979
8	Cash Flow	\$	218,953
			17.69%

* Purchase price of \$4MM (\$2MM in cash and \$2MM in Community/Public Benefits, see sheet attached)

Public Benefits:

The combined public benefits are valued at approximately **\$2,000,000**

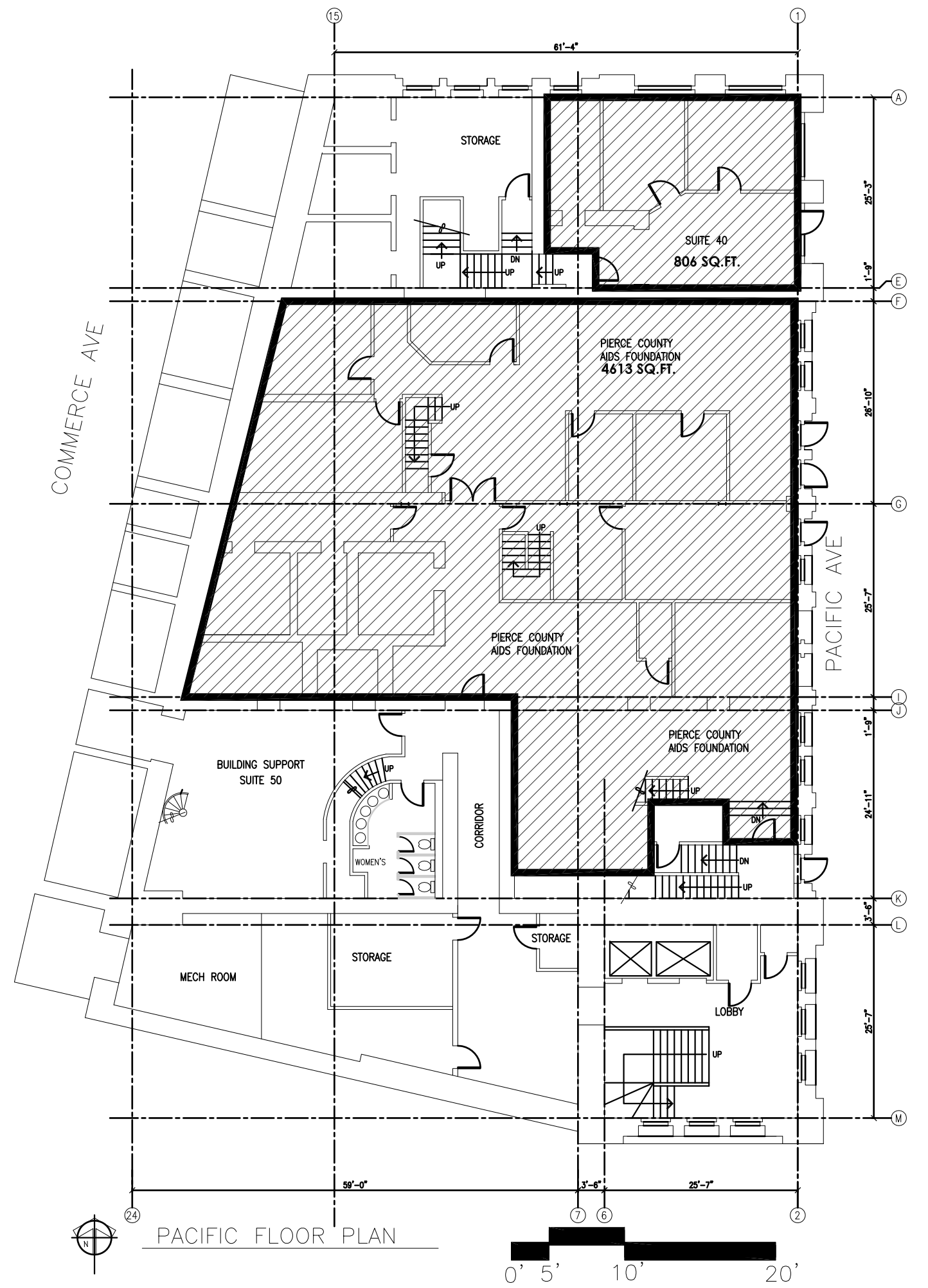
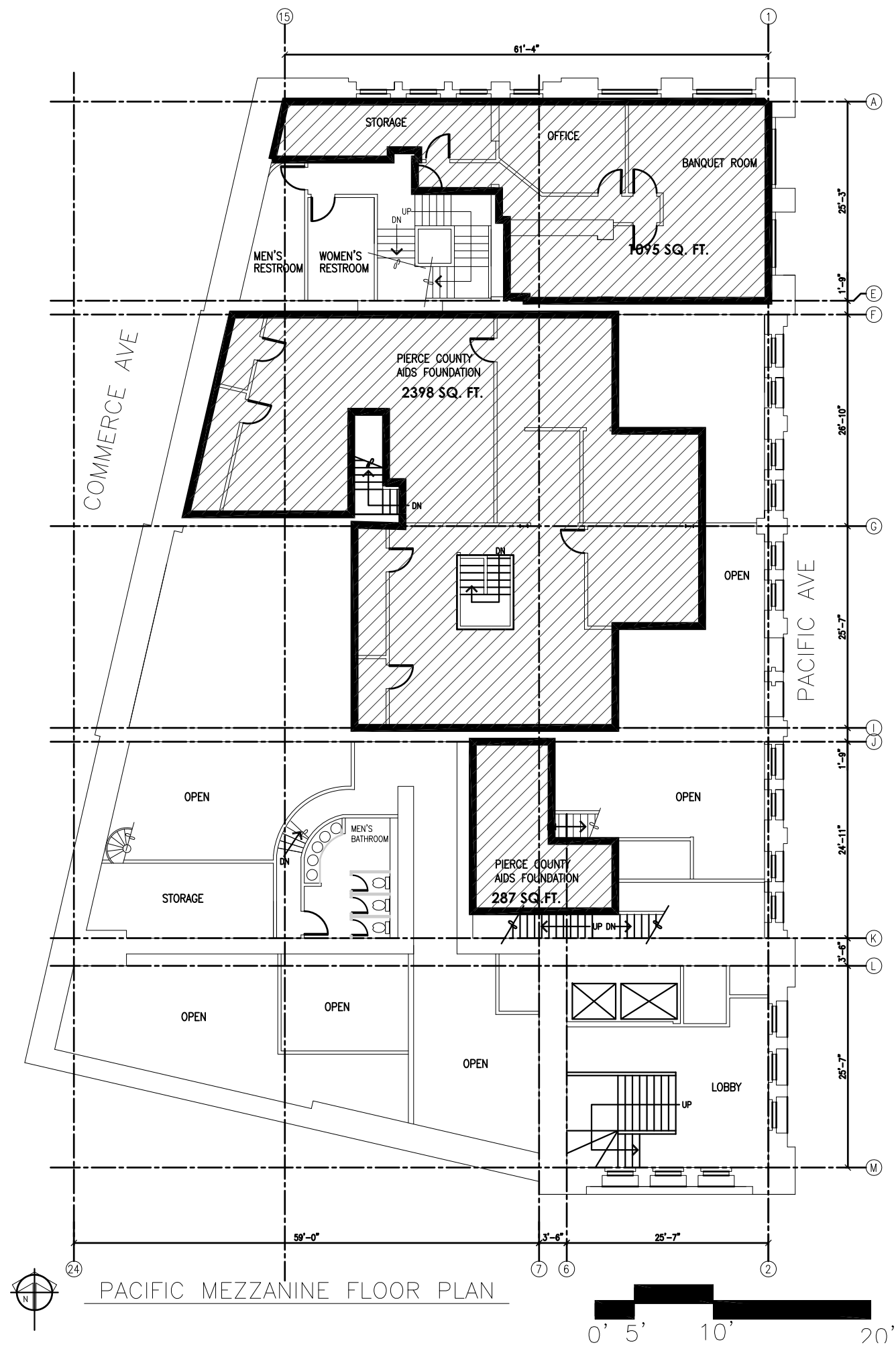
The Developer at no cost to the City will:

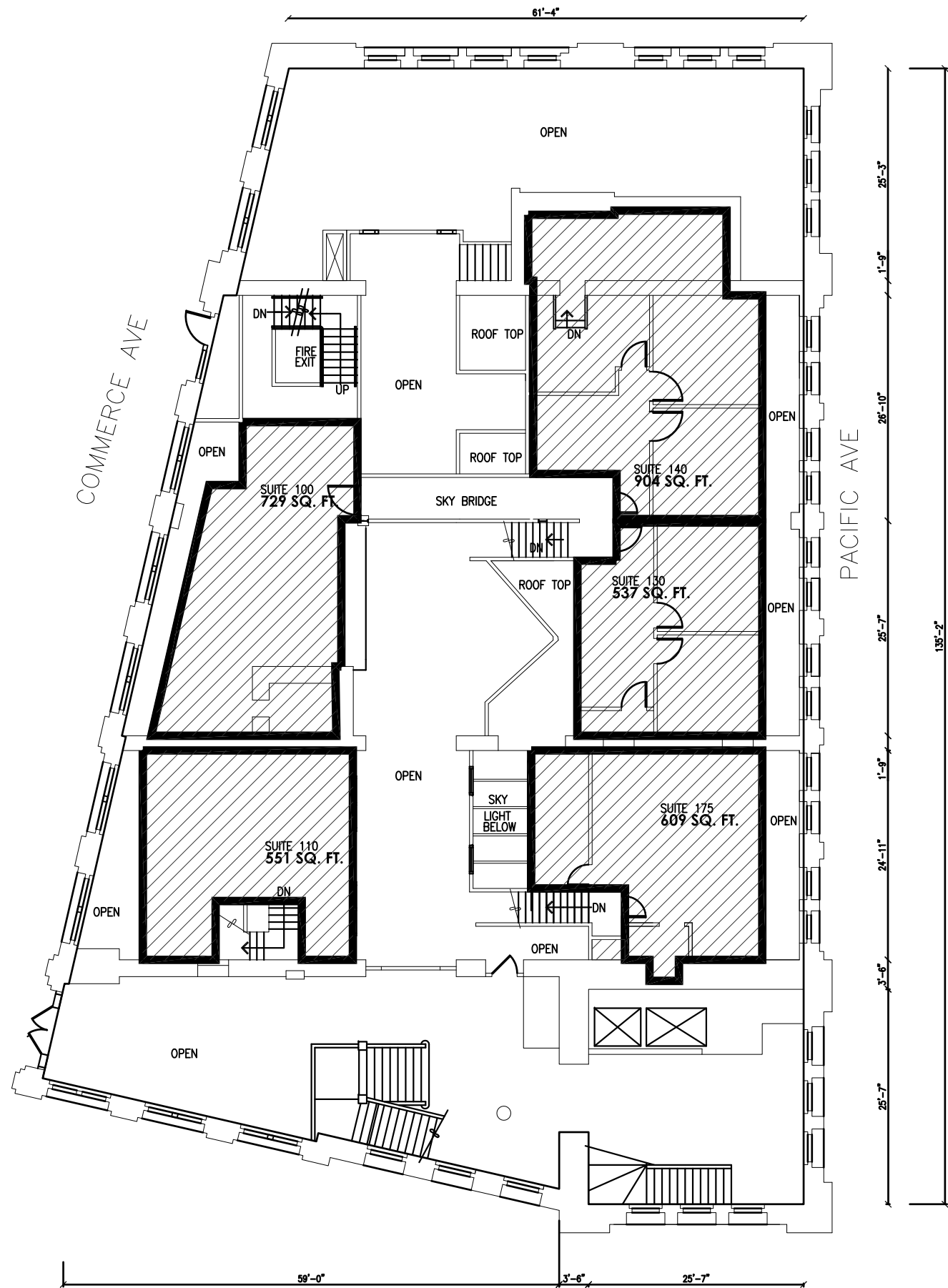
-Provide and make available to the City for the use of the public a meeting/conference room of approximately 750 Square Feet, with a public benefit of approx. \$468,000 (\$25/SF/YR * 750 SF * 25 Yrs.)

-Free community access to the clock tower and free guided building tour by an expert historian from the Tacoma Historical Society (in negotiations) with a public benefit of approx. \$819,000 (9 weekly tours, 2 on Sat & Sun and 1 during the weekdays 9 tours * 10 people avg. * \$7 entrance fee * 52 weeks * 25 Yrs.)

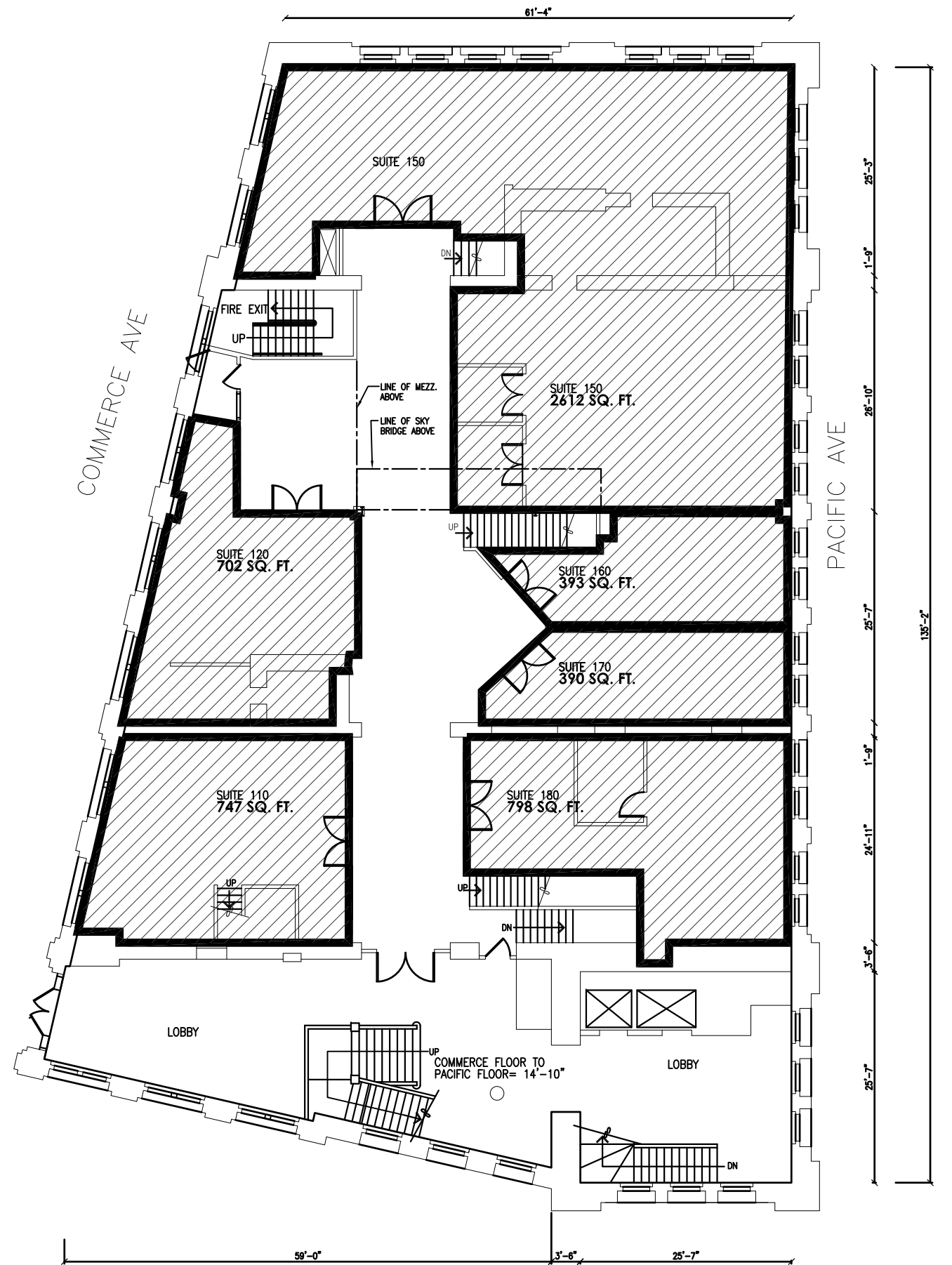
-Free rent to the Tacoma Historical Society for their museum and exhibits (see letter attached) a 1250 Square Feet space with a public benefit of approx. \$750,000 (\$24/SF/YR * 1250 * 25 Yrs.)

-In addition to these public benefits we will also offer about half of the residential apartments (about 20 units) as affordable housing with reduced rents to low-income tenants.



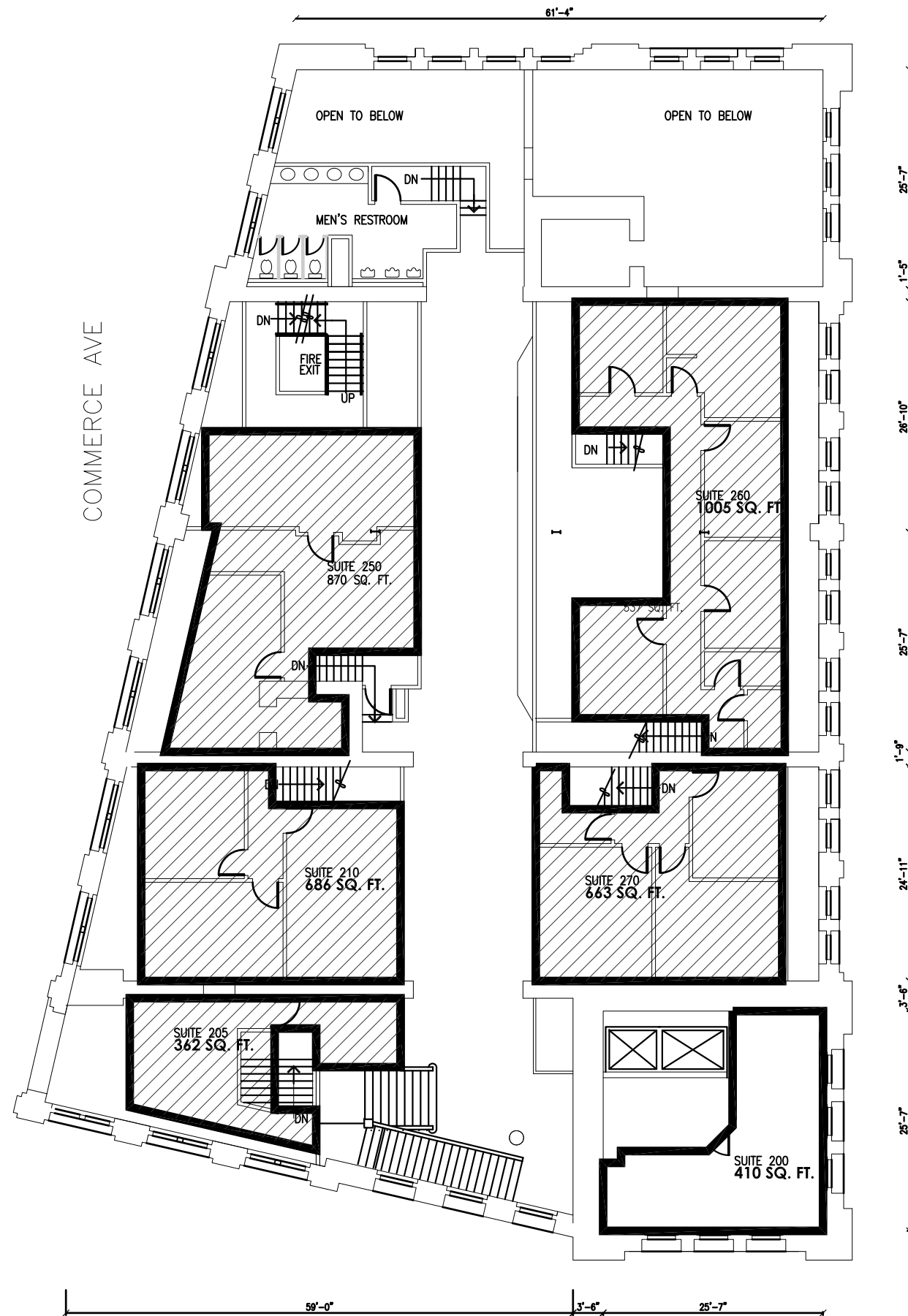


COMMERCE MEZZANINE FLOOR PLAN

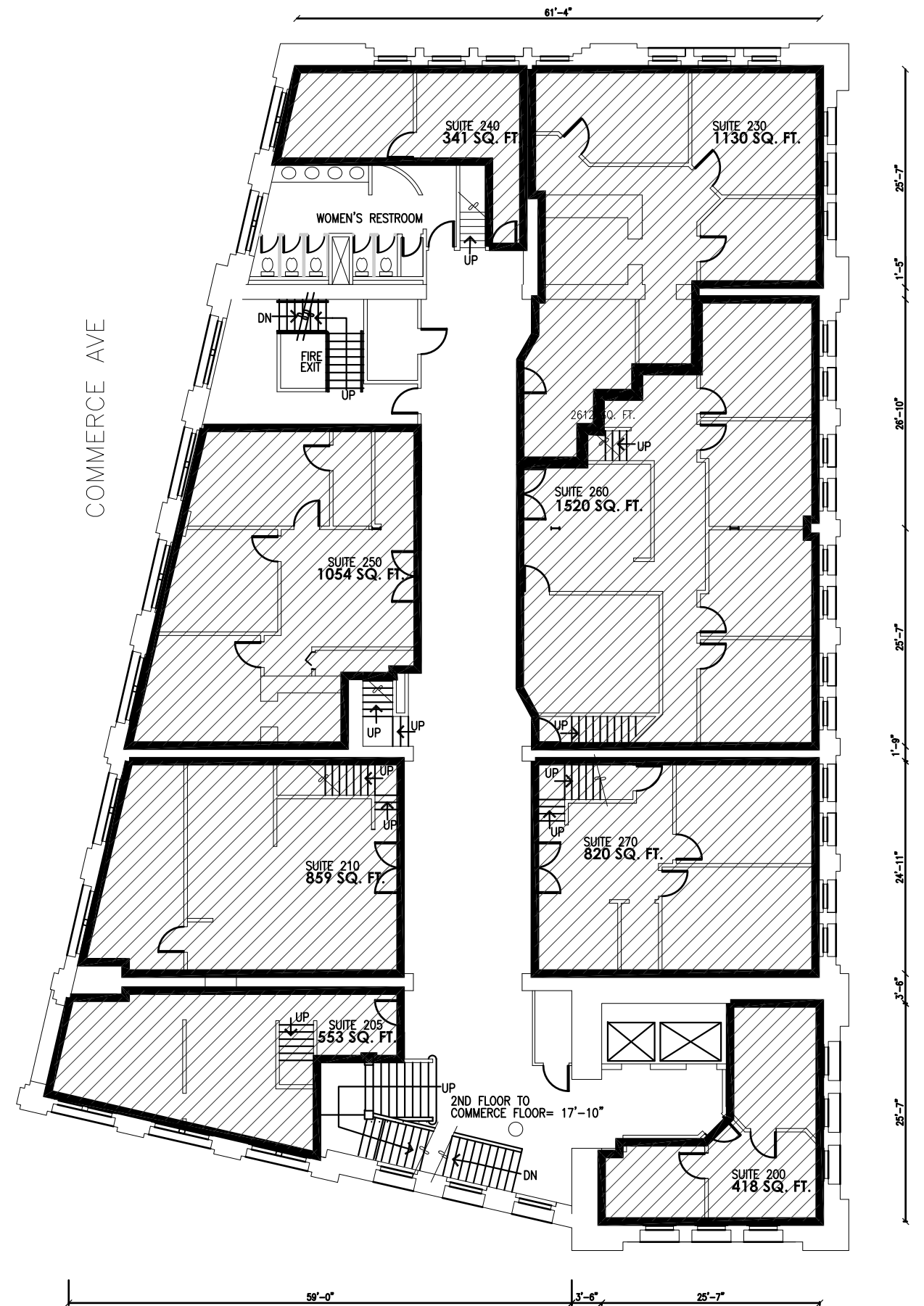


COMMERCE FLOOR PLAN

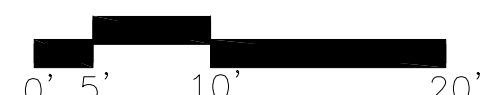


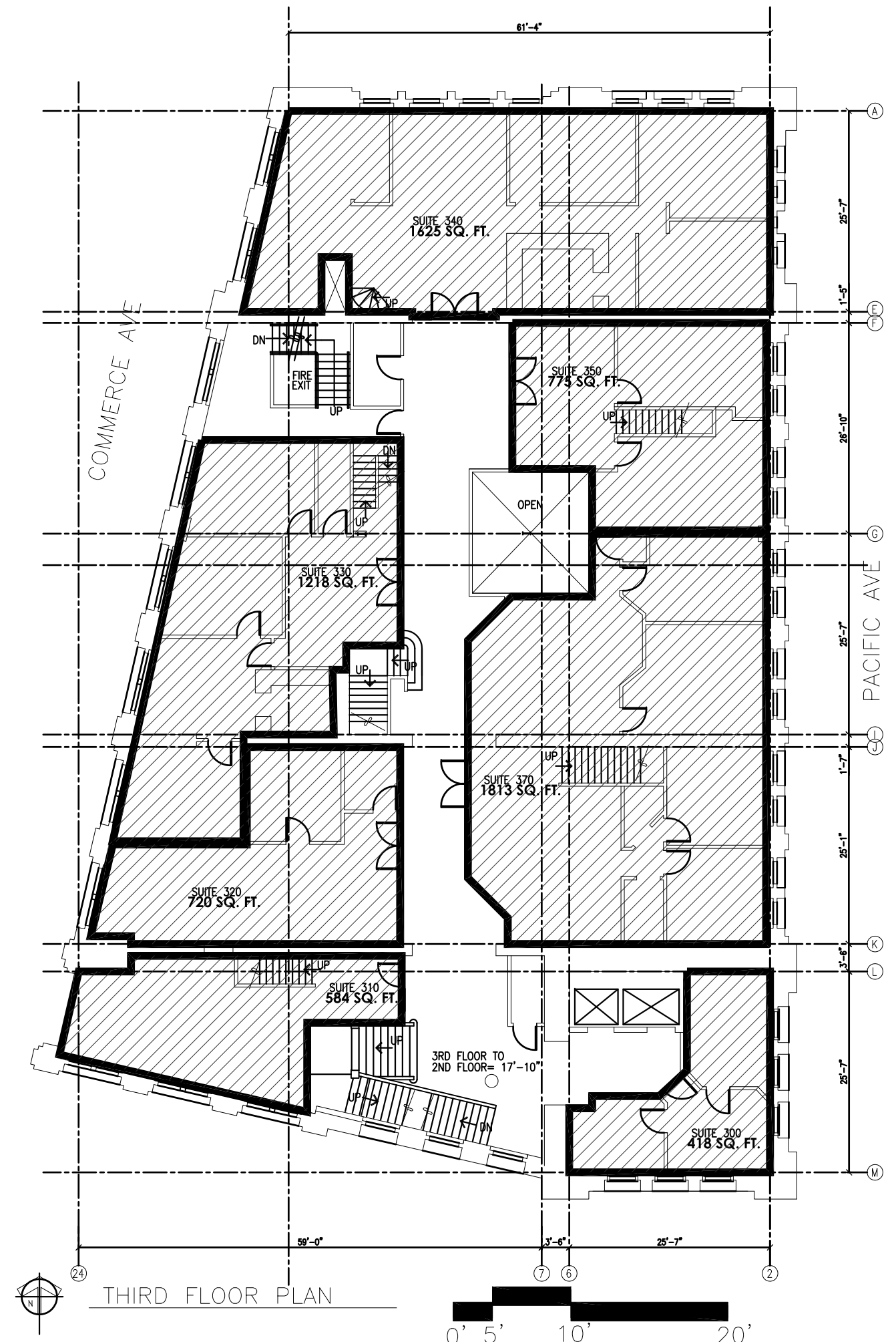
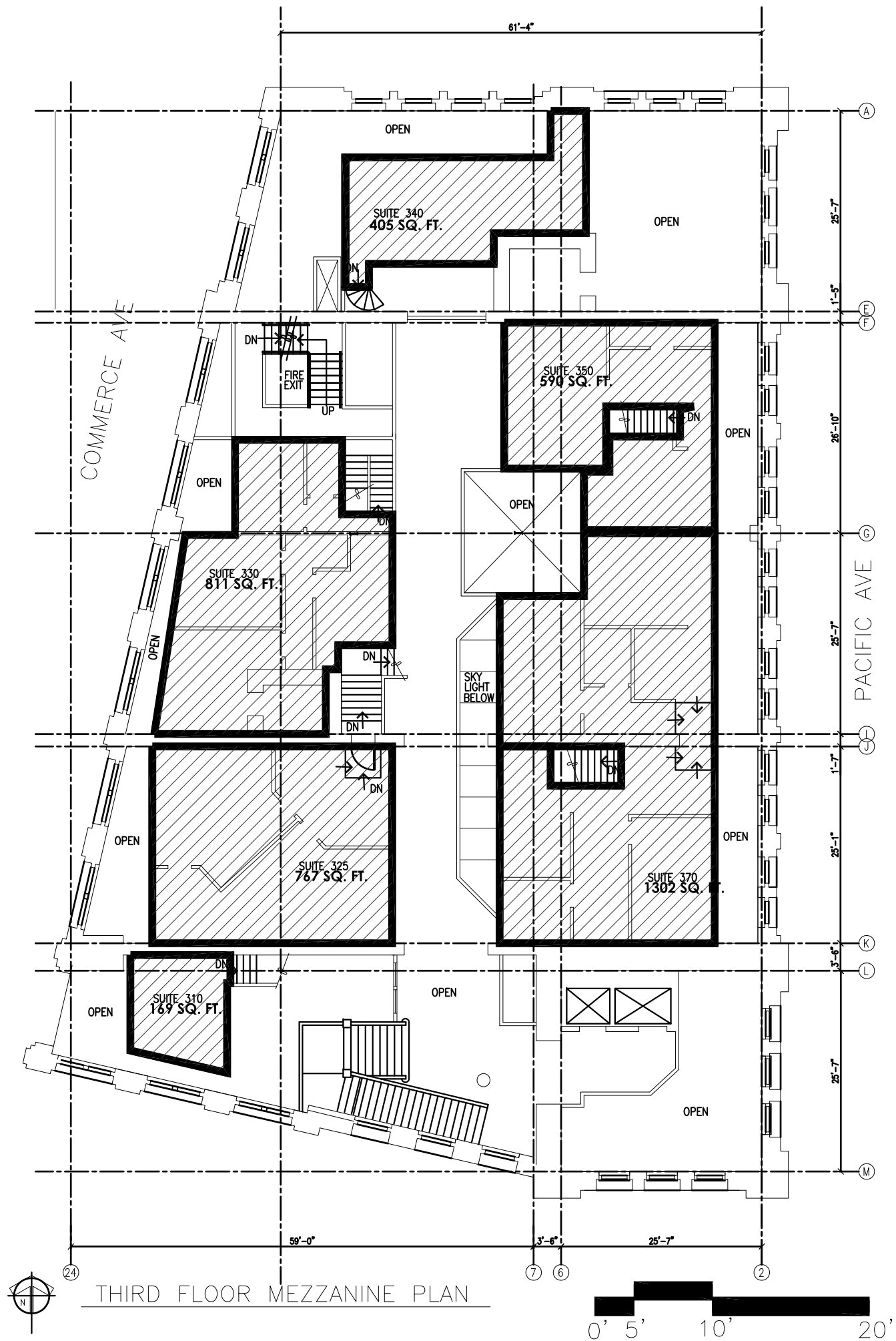


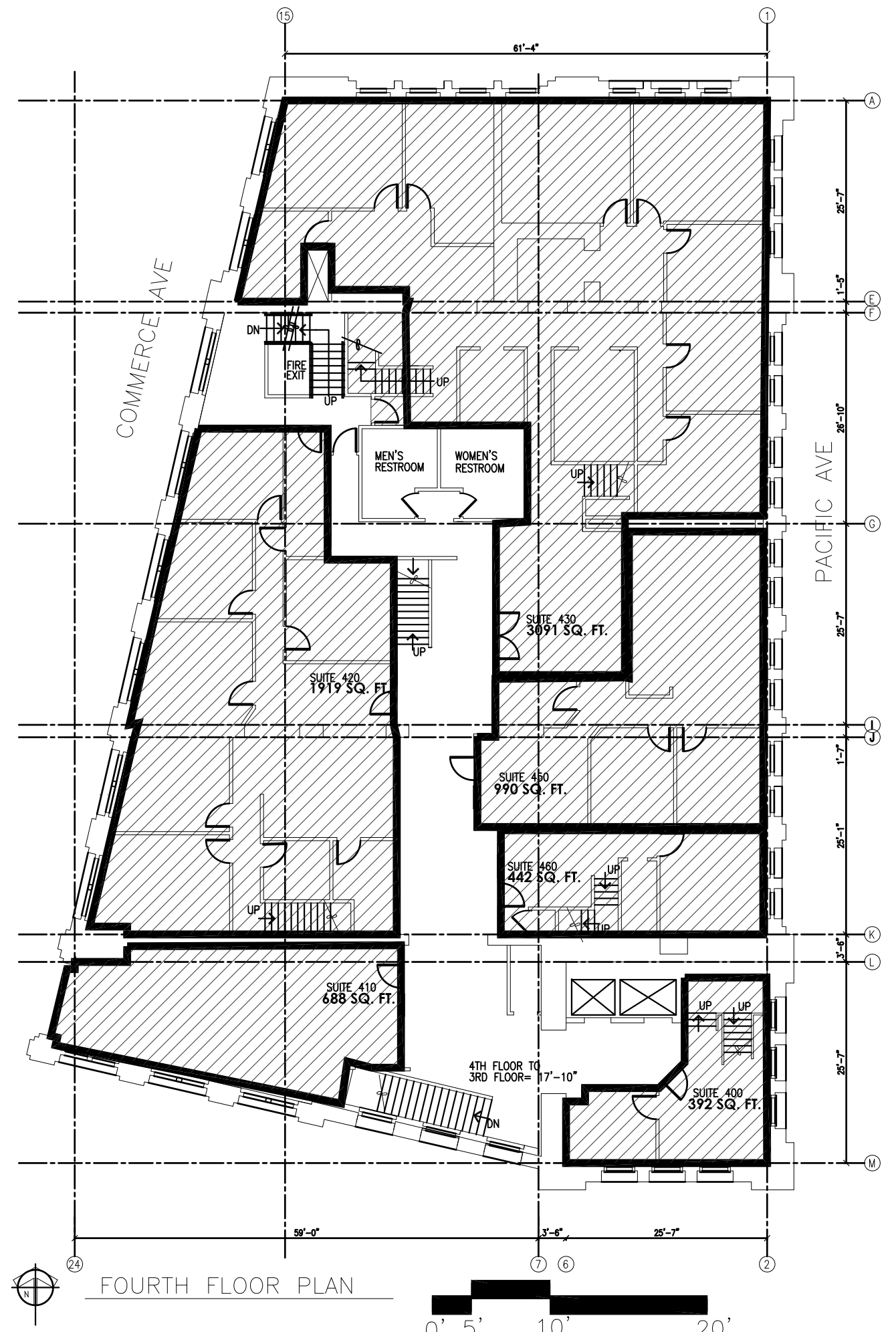
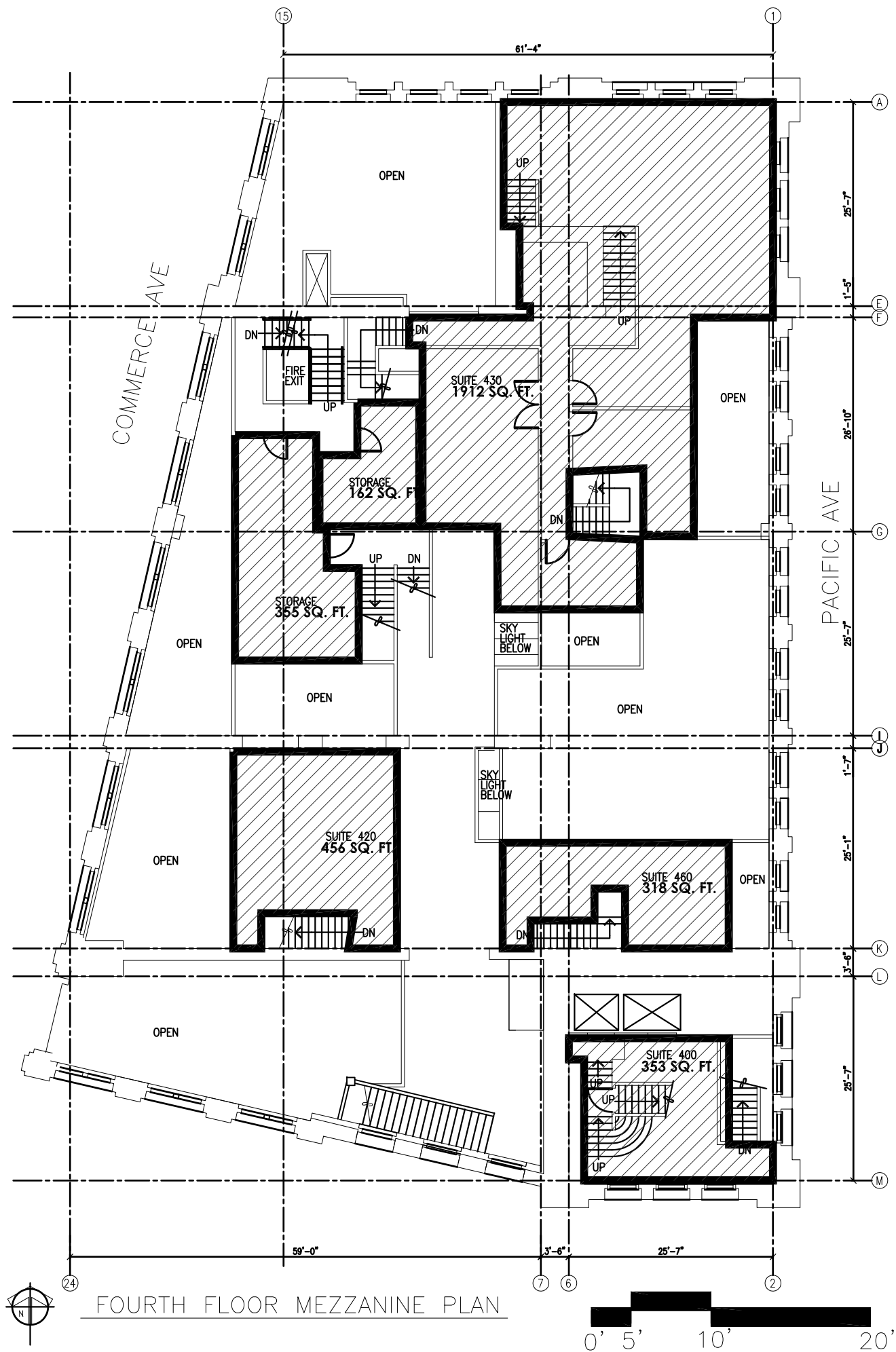
SECOND FLOOR MEZZANINE PLAN

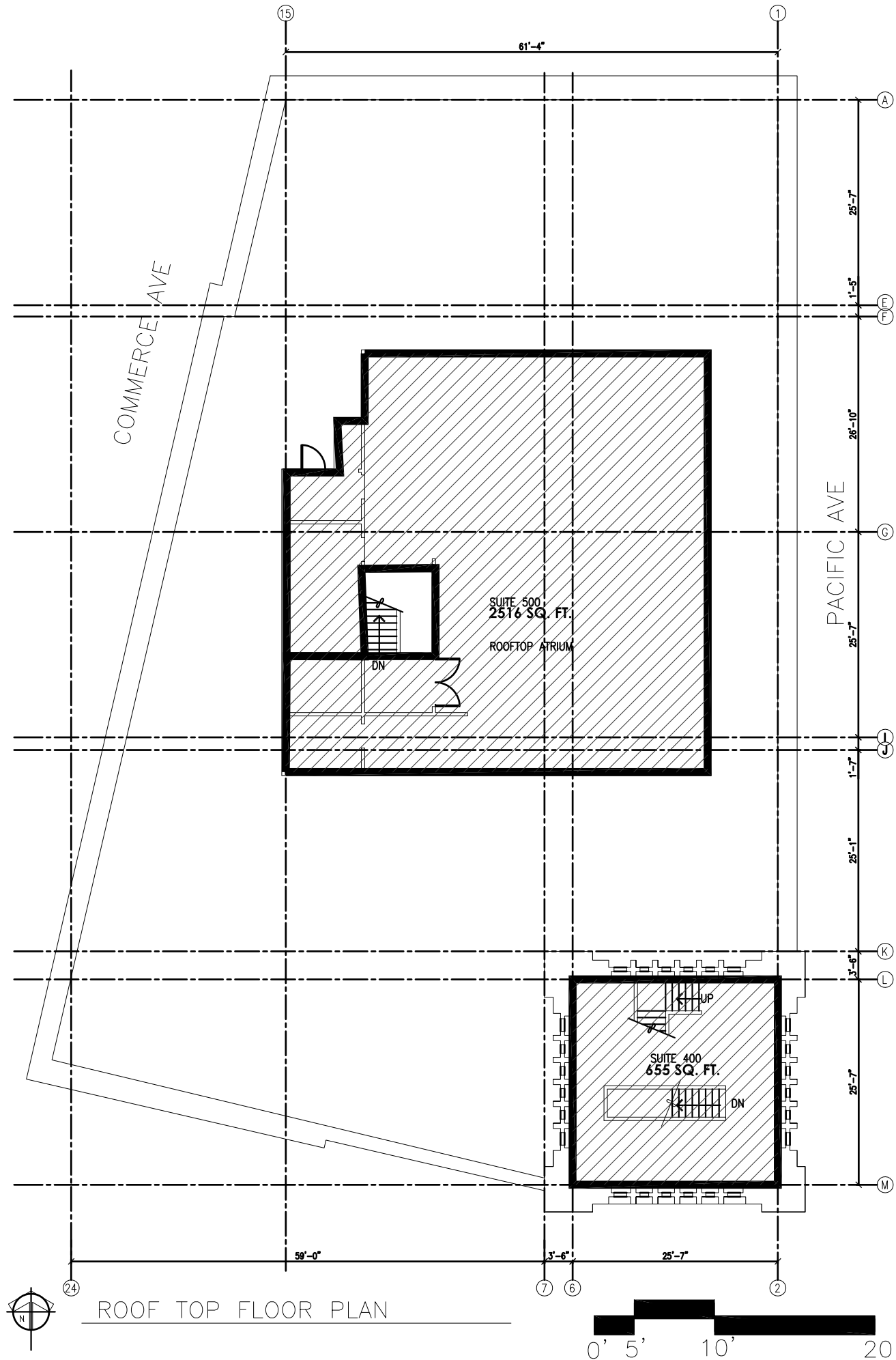


SECOND FLOOR PLAN

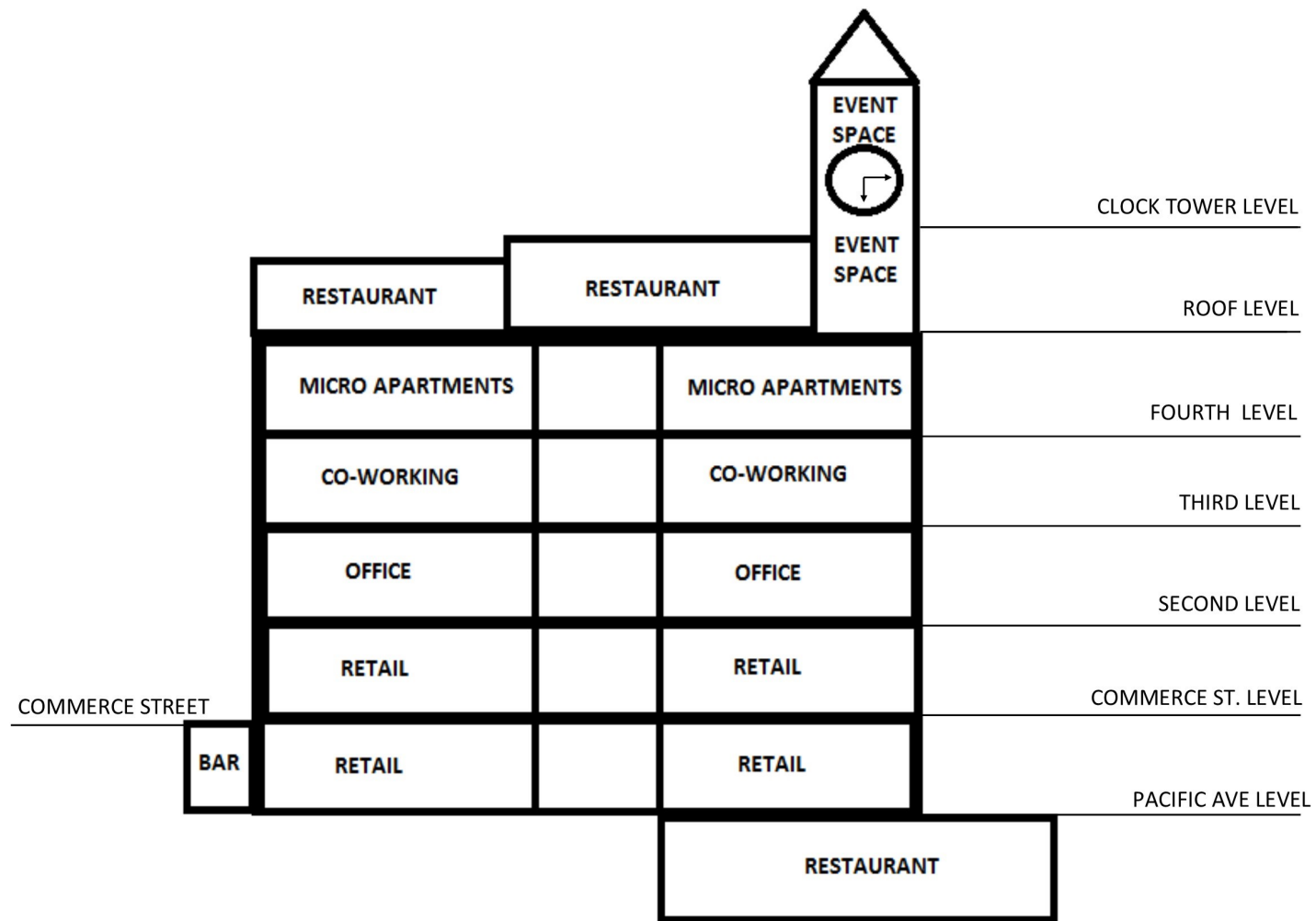








ROOF TOP FLOOR PLAN





Development Team

Real estate investment for the preservation of older buildings isn't for the faint of heart. Its nature requires steadfast discipline, keen market insight and the kind of trust that comes with decades of proven success. They're the qualities that set Premier Residential apart and influence every decision we make.

Our approach is guided by unyielding resolve. It's in the fidelity and diligence we apply to evaluating each opportunity and managing every property. It's in the energy we put into our relationships, honoring our word and always following through. And it fuels our resilience—allowing us to correct our course as needed, weathering market cycles and coming out stronger time and again.

We believe our expertise comes from being able to see things others don't—opportunities informed by deep-seated intuition and rigorous due diligence. It's also about having tremendous passion for what we do. And a collective sense of responsibility to restore and preserve historical buildings for future generations.

We have built numerous relationships with sellers, buyers, lenders, and brokers. Also we understand that our success is the result of dependable partnerships and working with a trusted team of professionals.

Our core team has helped us with dozens of projects over the past two decades, involving many millions of dollars in property acquisitions, financings and renovations.

Legal

Harlow & Falk LLP

Harlow & Falk attorneys offer a range of commercial real estate services to individuals, businesses, and organizations. Their clients include developers, owners, tenants, landlords, property managers, investors, and lenders. To address the complexity of real estate matters, they analyze the most cost-efficient and comprehensive strategy to accomplish a client's objectives.

Finance

NBS Financial

Norris, Beggs & Simpson Companies (NBS), service over \$2 billion dollars in assets. With more than 80 years of market expertise, NBS Companies has a long-standing reputation for honest, lasting and profitable relationships for all parties involved. The company has evolved through a steady expansion of services to include distinct areas of focus working in tandem, each with their own strategic partnerships, designed to serve our clients locally, regionally and globally.

NBS Financial Services represents 21 different life company lenders plus local, and national banks across a range of product types, including office, multifamily, senior living and industrial.

Engineering and Architecture

Pacific Engineering

Pacific Engineering has been responsible for civil engineering administration and architectural design on projects throughout the Western United States and Alaska. Recent projects include a 500-unit multi-family housing project in Redmond, a 234-room Marriott Residence Inn in Seattle, a 300-unit project in Issaquah, and an award winning 800-unit development along Northshore Golf Course in Tacoma.

Contractor

Easyway Contractors

Easyway Contractors specializes in commercial construction, they bring superior craftsmanship to the building and renovation of commercial properties. Over the years they have worked on a number of projects for Premier Residential including the co-working spaces Surge Tacoma and the restoration of the Union Club they also received the 2018 "Excellent 10" award from the EDB and became recipients of the 2018 Award for Commercial Renovation for The Union Club from the City of Tacoma Landmarks Preservation Commission. Current projects under restoration in Tacoma include the McKinley Artist Lofts, Surge South Tacoma, and The Merkle Micro-Apartments.

Leasing

CBRE

CBRE Group, Inc. is the world's largest commercial real estate services and investment firm, with 2017 revenues of \$14.2 billion and more than 80,000 employees (excluding affiliate offices). CBRE has been included in the Fortune 500 since 2008, ranking #207 in 2018. It also has been voted the industry's top brand by the Lipsey Company for 17 consecutive years, and has been named one of Fortune's "Most Admired Companies" in the real estate sector for six years in a row. Its shares trade on the New York Stock Exchange under the symbol "CBRE."

CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services.

Historic Preservation

Artifacts Consulting Inc.

Artifacts Consulting, Inc. functions a studio of preservation professionals committed to both excellence and practicality in dealing with historic structures, sites and objects. Our firm works with owners and developers to provide preservation services and bring project from conception to completion. We are versed in the method of tax incentive assisted rehabilitation with a breath of experience in tailoring creative approaches to the

most challenging preservation efforts. We also offer technical expertise to working with historic building materials and construction techniques for the rehabilitation, preservation and restoration of historic buildings, structures and sites. Thoughtful planning , historic research, inventory surveys and project oversight are all services we provide to individuals, communities, nonprofit organizations, and city, state and federal agencies seeking to identify and protect their historic structures, landscapes and districts.

Local Partner Network

Tacoma Historical Society

The history of the city of Tacoma has been important to many people throughout the years since its establishment as a European-American settlement in the 1850's. Writers with significant dedication and talent – people like Herbert Hunt, Winnifred Olsen and Murray Morgan – have labored long hours, recording the accounts and observations of Tacoma's early residents, as well as capturing the oral histories of the native people who had called Tacoma home long before the city took shape. The Tacoma Historical Society (THS) has its roots in the work of these dedicated people.

The Tacoma Historical Society focuses on educational opportunities via community forums and publications, and the Historic Homes of Tacoma Tour, which has become a community institution.

THS has established their ability to present newsworthy exhibits and will continue to promote the unique history of the city of Tacoma.

Old City Hall

Anticipated Schedule of Key Milestones

