



**Steinhauer**  
Properties

**Fifth Street Campus Redevelopment RFP**  
Wenatchee, WA

May 16, 2022





Chelan Douglas Regional Port Authority  
Attention: Stacie de Mestre  
One Campbell Parkway, Suite A East Wenatchee, WA 98802

May 16, 2022

Re: Fifth Street Campus Redevelopment RFP

Dear Members of the Selection Committee:

We appreciate the opportunity to respond to the RFP for the Fifth Street Campus Redevelopment.

In the event we are selected to proceed, we will deliver a work product from the best minds in the business that combine global vision with local understanding of Wenatchee and a deep expertise of best-in-class real estate development and construction in Washington State.

As a vertically integrated developer, we have a unique focus on projects where we can create value through all stages of design, development, and operations as a long-term holder. We view stakeholders including the Chelan Douglas Regional Port Authority, Chelan County Public Utility District, and the City of Wenatchee as partners in realizing a successful vision over the life of the project. Further, we believe that this project will be a critical component of reimagining Wenatchee as the center of commerce for the region.

I am a long-term resident of the area having spent much of the last two decades living in Manson, Washington. I've watched many wonderful, close knit, agriculture communities look for ways to maintain their small town feel while also looking to plan for a future where critical mass of activity for people to live and work in a mix of sectors is crucial for the success of municipalities and the region. The City of Wenatchee and this site specifically has the right mix of size, scale, and location to realize an urban mixed use vision that will be vital to regional growth for decades to come.

Steinhauer Properties is a regional, entrepreneurial firm, based in Bellevue, Washington, that has raised over \$1.1 billion in equity. We have developed projects estimated to have fair market value of approximately \$1.9 billion. Many of our projects are the result of successful public-private partnerships.

Greg Steinhauer, the president of Steinhauer Properties, has been in this business for 43 years with successful projects across residential, industrial, hotel, office, and mixed uses. Further, the development team has the experience, contacts and knowledge to ensure that this project will meet all the goals of the CDRPA, the PUD, and the City of Wenatchee.

This response to the RFP presents a high level vision for what we believe is the best and highest use of the Fifth Street Campus site. The vision presents a combination of uses that increases the offerings of downtown Wenatchee for residential, retail, and hospitality; increases walkability for the downtown core; and will serve as a catalyst for further growth of the area in the years to come.

We are excited about the project, the future of Wenatchee, and we look forward to hearing from the committee on next steps. I can be reached via email at [rory.sandstrom@steinhauerproperties.com](mailto:rory.sandstrom@steinhauerproperties.com), and via phone at: 206-473-8961.

Sincerely,  
Steinhauer Properties, Inc.



Rory Sandstrom  
Director of Development



# CONTENTS



- i Cover Letter
- ii Table of Contents
- iii Company Profile

## **TAB A | TEAM QUALIFICATIONS & EXPERIENCE**

- 1 Offeror Philosophy & Collaboration Strategies
- 2 Valued Expertise & Experience
- 3 Approach to Complex Developments
- 4 Working with Government Entities & Flexibility
- 5 Key Industry Relationships
- 6 Project Approach to Scope of Work
- 7 Approach to Achieve the Highest Return

### *Section 1: Project Team*

- 8 Gregory Steinhauer
- 9 Larry Ice
- 10 Rory Sandstrom
- 11 Jason Chen
- 12 Arthur Chang
- 13 Yuri Moshinsky

### *Section 2: Property Portfolio*

- 14 Avalara Hawk Tower
- 15 Stadium Point
- 16 The Courtyard Marriott & Residence Inn at LA Live

## **TAB B | PROJECT VISION & PRELIMINARY CONCEPT**

- 17 Project Timeline
- 18 Site Vision
- 21 Community Benefit

## **TAB C | FINANCIAL INVESTMENTS & FEASIBILITY**

- 22 Financial Approach, Resources & Funding Sources
- 23 Project Feasibility & Development Costs
- 24 Public Investment

# COMPANY PROFILE



**LEGAL COMPANY NAME**  
Steinhauer Properties, Inc.

**SENIOR MANAGEMENT & PROJECT MANAGER**  
**Gregory Steinhauer**, President  
**Larry Ice**, CFO  
**Rory Sandstrom**, Director of Development (Project Manager)

**COMPANY ADDRESS**  
11400 SE 8<sup>TH</sup> St., Suite 230  
Bellevue, WA 98004

**WEBSITE**  
steinhauerproperties.com

**YEARS IN BUSINESS**  
25 years

**NUMBER OF EMPLOYEES**  
28 total employees

**APPLICABLE LICENSES**  
SODO Builders, Inc.  
*Washington State Contractor License*  
*California State Contractor License*

Headquartered in Seattle, Washington, Steinhauer Properties’s roots trace back to the 1970s when our principals began investing in and developing real estate with their own capital and borrowed funds. Since establishing the firm in 1996, the principals have continued investing selectively in long-term growth opportunities. As a fully integrated company, we believe that managing the real estate development lifecycle with a single team leads to better investment outcomes.

The company began with one property and has grown into one of the largest land owners in the greater Seattle area, with 2.5 million square feet of land and 3.0 million square feet of buildings under management. The portfolio includes an array of mixed-use commercial spaces – including office buildings, hotels, warehouses, manufacturing and retail properties – collectively valued at cost in excess of \$1 billion. In 2012, Steinhauer Properties expanded into Southern California where it developed three Marriott branded hotels and to Atlanta where it developed a Homewood Suites by Hilton. Steinhauer Properties continues to look for strong development and investment opportunities in Seattle and other major U.S. markets. More recently, Steinhauer Properties expanded into the Valley as the selected Master Developer for Stadium Point, a public-private partnership with the City of Peoria, Arizona.

A core competency of Steinhauer Properties is our ability to develop and integrate mixed-use projects across the United States. There are unique requirements in developing mixed-use assets: creating an experience that may otherwise be lacking in the surrounding area, understanding unique transit and parking needs, and designing spaces that encourage visitors and tenants to make our projects part of their everyday experience.

EXPERIENCE	
\$1,165,000,000 Equity Capital Raised	3,018* I-829 Approvals
2,963,331 Square feet developed assets	31,396 Jobs Created
3,500,000 Square Feet Managed	173 Tenants
4,926* I-526 Approvals	

*As of March 2021*

*\*Approvals for investors & estimated dependents. USCIS data confirms 66% of EB-5 Visas go to dependents.*

# TEAM QUALIFICATIONS/EXPERIENCE





# PHILOSOPHY & COLLABORATION STRATEGIES

---

## OUR PHILOSOPHY

As a vertically-integrated real estate developer, Steinhauer Properties believes that interesting locations coupled with unique characteristics create developments that ultimately create the maximum value for all stakeholders involved.

Our typical project is of institutional size and has various degrees of complexity. This can range from integrating around or with unique locations such as sports stadiums and franchises, to developing and integrating with and around high traffic areas such as ports and convention centers. Our expertise also extends into developing in areas of emphasis. For example, ones that have been identified by city or state agencies, such as urban infill sites that require mixed-use buildout.

We begin every project by identifying the critical stakeholders. These stakeholders range from best-in-class consultants to key personnel at the responsible agencies or municipalities. We develop our investment thesis through rigorous due diligence and dialogue, working to understand the history of a proposed site, requirements of the parties involved, and the needs of the location and people. We then develop a plan that would achieve the best and highest use of the site.

One of Steinhauer Properties's core beliefs is that developing and holding for the long term is fundamental to our strategy. When we commit to a development, we acquire control through a fee simple transaction or long term land lease, develop the subject site, operate the asset(s) once they are completed, and finally hold for the long term.



## COLLABORATION AND WORKING WITH LOCAL CONSTITUENCIES

In many of our projects spanning the last 25 years, there are multiple examples of local and state constituencies having an interest in a particular project. These interactions are each unique to a location and constituency, and we view all of them as key stakeholders in our projects. Examples of these interactions range from land acquired from cities and municipalities, to long-term public-private partnerships with state and local agencies, and navigating the complexities of design review processes that incorporate multiple agencies. We approach every project with zero assumptions, and cultivate an open atmosphere that is welcome to all stakeholders.

We believe that assembling a team with "boots on the ground" knowledge is critical for a project's success, and find this to be true for all phases of development. We seek to retain the services of best-in-class consultants and advisors that know the market, the proposed site, and have a unique understanding of the regulations from key stakeholders.

## ADVERSE PROCEEDINGS DECLARATION

Steinhauer Properties does not have any sanctions, adverse hearings, or proceedings by governmental or professional organizations being held against them.

# VALUED EXPERTISE & EXPERIENCE

All Steinhauer Properties projects have complexity and many are of similar scope to the Fifth Street Campus proposed development. Typically, Steinhauer Properties projects range between \$300 and \$600 million, at cost, and take on average 5-10 years, to fully develop. In order to properly manage all aspects of development and operations, Steinhauer Properties relies on in-house expertise spanning from development and capital markets, to construction management, property management, and operations.

For the Fifth Street Campus Redevelopment, we would assemble a core team of best-in-class consultants and advisors that have detailed knowledge of the market, the site, and the challenges specific to this project. While they are all well-versed in their fields of expertise, many members also have a head start in working together on our ongoing mixed-use project in Peoria, Arizona.

The core development team of Gregory Steinhauer, Larry Ice, and Rory Sandstrom were selected as the master developer for Stadium Point, and the final buildout of the 17-acre site will include 500,000 sf of class A office space, a 200 key upscale hotel, 400 multifamily apartment units, and 70,000 sf of integrated lifestyle retail. The project is currently in schematic design phase.

In another example of successfully delivering multi-phase projects to market, Steinhauer Properties completed a two-phase buildout of a city block located directly north of Lumen Field in Seattle, Washington. The project consisted of two phases and structures. Phase One delivery was comprised of a mixed-use, retail, and Embassy Suites hotel, consisting of 534,000 rsf and 282 rooms. Phase Two delivery featured a Class A office tower totaling of 209,000 rsf.

## MASTER DEVELOPER BUILDING SQUARE FOOTAGE BY PRODUCT TYPE

YEAR	PRODUCT TYPE			
	INDUSTRIAL	OFFICE	RETAIL	HOTEL
2018	1,223,153 sf	814,201 sf	243,202 sf	1,262,995 sf
2019	1,405,153 sf	814,201 sf	243,202 sf	1,783,995 sf
2020*	1,405,153 sf	1,314,201 sf	313,202 sf	1,999,995 sf

\*2020 numbers include Stadium Point

# APPROACH TO COMPLEX DEVELOPMENTS

*Including innovative techniques & strategies*



The Steinhauer Properties team is excited to partner with the Chelan Douglas Port Authority to bring your vision for the PUD Fifth Street Campus Redevelopment to life. We believe the ability to successfully navigate complex projects is a learned skill set, and our extensive portfolio of work demonstrates our ability to turn complex projects into opportunities that create unique and innovative spaces.

## OUR EXPERIENCE IS VAST & DIVERSE

Steinhauer Properties has established a proven track record of delivering successful vertical mixed-use projects. Our approach is to think with the end in mind by delivering implementable solutions. This includes maintaining our attention on budget to balance the design and planning with the realities of funding capacity. Our diverse experience gives us the expertise to not only create a clear vision, but also provide a solid foundation for development. At this critical point, Chelan Douglas Regional Port Authority needs a partner who has development expertise and a successful track record of bringing large, complex, and impactful mixed-use projects to fruition. The Steinhauer Properties team is excited to bring all these strengths to the table, including successful vertical, mixed-use developments that are integrated with the communities around them, building strong relationships with key tenants, and bring the financial resources necessary to make this project a reality.

## SETTING PROJECTS UP FOR SUCCESS

We approach each project by understanding the needs and goals of our clients and formulating a team, both internally and externally, best suited to ensure its success.

We understand that partnering with the right agencies is a long-term commitment, and doesn't end once a development agreement is signed. It impacts all aspects of development and operations. As the master developer, we will work collectively with our team's in-house architects, land use planners, attorneys, and civil engineers to identify barriers to development.

Currently on our Stadium Point project, we're coordinating with multiple stakeholders through a public-private partnership, working to understand the incentives of all parties involved, and structuring a development agreement that both the developer and public interests agree upon.

## VALUABLE STAKEHOLDER INPUT

While we seek out projects such as the Fifth Street Campus Redevelopment that present unique challenges and complexities, we understand that they should be a catalyst for healthy future growth and that engaging the public is an essential step in understanding the users of any development or planning project.

This notion was demonstrated in our Avalara Hawk Tower project, where Steinhauer Properties participated in over 26 design reviews throughout the development process with the City of Seattle and key stakeholders. These reviews proved to be an important aspect of the project since it is located near protected landmarks, and required significant planning for high traffic areas around Lumen Field, where the Seattle Seahawks play.

## WORKING WITH GOVERNMENT ENTITIES & FLEXIBILITY

---



Steinhauer Properties understands the complexities of working on public/private projects, and that the techniques and sequencing implemented need to be tailored to each individual project. We acknowledge that the Fifth Street Campus Redevelopment will require significant planning through all aspects of the design build, and we will work diligently with Chelan Douglas Regional Port Authority, the City of Wenatchee, and other key stakeholders to establish a collaborative atmosphere and relationship.

Implementing thorough design and site planning phases will be key to the project's success. We also recognize that market conditions and project requirements could dramatically shift throughout future real estate cycles, and while there is ongoing transformation of the Wenatchee market over the next 50-100 years. The key challenges the project may encounter include the lack of available site data; collaboration between multiple entities; cost of mitigating barriers to development; and scheduling complexity.

We can point to our efforts in working with the City of Peoria and our Stadium Point project as a demonstration of how we remain flexible while still addressing the needs of our public partners. The development agreement with the City will span the next 20 years, and we fully expect that adjustments will need to be made as we proceed through the three proposed phases of development. We believe that maintaining flexibility while meeting the requirements of key stakeholders is the best way to manage risk and deliver a successful project. We expect to work closely with the Regional Port Authority and other relevant partners throughout the life of this project, including the design, development, and operating phases.

## KEY INDUSTRY RELATIONSHIPS

---



Relationships are a critical part of any commercial real estate project. As the complexity of a development increases, so does the requirement to collaborate with our partners to create a successful project.

Steinhauer Properties has spent the last 25 years cultivating key relationships in the Seattle and Washington State markets across all facets of the development process. From initial site assessment, market analysis and design, to zoning and entitlements, through the construction process and stabilization of operating assets, we go to great lengths to find the right relationships and partners that produce a best-in-class product.

As you look at our portfolio of work we can demonstrate an expertise in identifying, developing, and delivering projects of similar size, scope, and scale.

All of our project efforts have required identifying and integrating key personnel, stakeholders, and organizations in a number of markets and trades. We take pride in the collaborative partnerships we've established, including private sector developers, land owners, and federal agencies, counties, and municipalities, many of which span several years even decades.

Our ability to create fundamental relationships is a part of what has made us successful on a number of complex projects similar to the Fifth Street Campus Redevelopment. In Washington State, these relationships currently span everything from construction and land use to civil, geotechnical, structural, and MEP engineering. We view this project as the beginning of a long and valuable partnership with CDRPA and the City of Wenatchee.

## PROJECT APPROACH TO SCOPE OF WORK

---

The Chelan Douglas Regional Port Authority is embarking on an exciting journey to transform the 7.5-acre Fifth Street Campus area into a vibrant, mixed-use center that will be known for its strategic location, comprehensive real estate solutions, and surrounding business-friendly economic ecosystem. As a vibrant gateway destination, Wenatchee is poised to capitalize on highly favorable market conditions paired with its own proven success in growing community and destination for outdoor enthusiasts.

The time has come for CDRPA to select the right development partner who can bring the Fifth Street Campus Redevelopment to fruition. While there are many successful and well-known developers from which you can choose, the Steinhauer Properties team brings a distinctly different approach to the table.

### PARTNERING FOR LONG TERM SUCCESS

At its most basic level, the Fifth Street Campus Redevelopment project will be a partnership between the public and private sectors. That word – partnership – is a key one for us at Steinhauer Properties. We view the Fifth Street Campus Redevelopment project as the beginning of a long and valuable partnership with the CDRPA, the City of Wenatchee, and with the surrounding community. Unlike many developers, our team pursues each new project with the strategic intent of developing a best-in-class real estate property that we will personally operate for its entire lifespan. This approach is evident in every project we undertake and every project we are presenting in this Statement of Qualifications.

So, what does this mean for you? It means, if selected, Steinhauer Properties will be fully committed to and invested in the success of the PUD Fifth Street Campus Redevelopment project – far more so than any developer who intends to reach substantial completion, lease out, and then flip the project. We bring to the table dozens of similar successful experiences where we have worked in partnership with local municipalities to finance, design, build, and operate developments that are not only successful, but are also deeply cherished by the constituents they serve. In short, we're in this for the long haul.

### VERTICAL INTEGRATION

Our long-term thinking starts in the short term. Because we are committed to creating and owning best-in-class real estate, we have invested in ensuring success at each phase of the development process. Our integrated team begins with master developer **Gregory Steinhauer**, a visionary in his field who has developed over \$1 Billion in real estate projects and currently owns and operates over 3,500,000 sf of property in the United States. Greg's team also includes Director of Development and Project Manager **Rory Sandstrom**, who is responsible for sourcing and executing development opportunities on behalf of Steinhauer Properties.

Steinhauer Properties's in-house architect, **Arthur Chang**, has served in an Owner's Rep/Design Project Management role for many of our projects. Arthur's guidance brings an added layer of expertise and support as we look to hand select local design firms with the right skills and talent appropriate to the project needs in areas such as architecture, civil engineering, transportation planning, and landscape architecture.

Similarly, we have an in-house construction company, SODO Builders, that partners with local General Contractors to help ensure the integrity of the design is reflected in the finished project. We also team our capital markets professionals with an external advisory team at Cushman and Wakefield out of New York City to identify and source capital that fits the requirements of both investors and the needs of the project. Through vertical integration and a unique long term develop and hold philosophy, the Steinhauer Properties team offers built-in resources and an added layer of commitment to ensuring each project runs smoothly and achieves its full potential.

### INNOVATIVE THINKING

Innovative thinking is part of the fabric of every design and build out that Steinhauer Properties undertakes. As part of our long-term build and hold strategy, we seek to incorporate innovative designs and technology that creates value for both tenants and investors.

## APPROACH TO ACHIEVE THE HIGHEST RETURN

---



When we define the highest returns for an owner, we think from a long-term perspective. We start every project with an open mind, and most importantly we start with zero assumptions.

Our process begins with a rigorous analysis of macro and micro factors for the proposed site, where we work to understand the story of the location and surrounding areas. We then apply our vertically-integrated development expertise to create a thesis for what the best and highest use of the site will be. Once we determine that a project is viable from both a development and financial perspective, we then engage with equity holders to understand what the long-term value genuinely looks like. We then integrate our internal development professionals with our valued external consultants to create a development plan that will not only realize our client's vision but also create maximum return.

We search for opportunities to differentiate our products from the competition, and strategically align ourselves with consultants that span capital and development. We make sure these individuals share similar values, understand that lifelong value creation is critical to a project, and recognize the difference between long-term value creation and short-term

targeted rate of return. We recognize that specific strategies in risk mitigation depend on the precise circumstances of a site and its surrounding context.

Speed to market, sustainability, jobs created, cost, return, risk management, and successful transactions will be key metrics for the Fifth Street Campus Redevelopment. The first step in this process will be the identification, and clear-eyed articulation of issues that will affect development capacity.

A significant effort in our process will be developing a rigorous financial model that justifies the investment while supporting the specified vision. We understand the trade-offs between short-term targeted returns and long-term value creation, and when short-term targeted returns and long-term value creation are in conflict, we always favor value creation.

Finally, once a project has been developed, we look for tenants that also share similar values. We seek out these tenants by working with our deep-rooted broker partners, finding the right people and companies that understand and believe in sustaining the everlasting value of a location.





**PROJECT TEAM**



# GREGORY STEINHAUER

*President*



## EDUCATION

Wharton School, University of Pennsylvania, B.S. in Economics

## COMMUNITY INVOLVEMENT

Urban Land Institute, Member

NAIOP, Member

Past Chairman, Seattle Police Foundation

Seattle World Trade Center, Board Member

Boys and Girls Club Board, Past Member

Greg has been in the Construction and Real Estate Business for 43 years. Starting as a laborer for his father's construction business he has been active in all aspects of the business ever since. Greg is an expert in vertically integrated complex real estate development. He has designed, developed and constructed over \$1 Billion Dollars of award-winning real estate projects during his career.

Greg is experienced at partnering and working with large cities and government entities. During his career, he has worked with the City of Seattle, City of Los Angeles, City of Long Beach, City of Peoria, and many other municipalities. With this deep understanding of government, Greg is able to help facilitate a smooth entitlement process and navigate all the hurdles that large scale development presents.

## SELECTED PROJECT EXPERIENCE

### MIXED-USE

- Stadium Point, Peoria, AZ
- Lander Street, Seattle, WA
- Ederer Building, Seattle, WA
- Gorlick Building, Seattle, WA

### INDUSTRIAL

- Pacific Industrial Center, Seattle, WA
- Urban WorkLofts & Storage at Rainier Brewery PH I & II, Seattle, WA
- Ohio Transfer Building, Seattle, WA
- SODO Commerce Building, Seattle, WA
- Nemco & Mendelsohn, Seattle, WA
- Fraser Marine Building, Seattle, WA

### CLASS A OFFICE

- Avalara Hawk Tower, Seattle, WA
- Home Plate Center, Seattle, WA
- Stadium Innovation Center, Seattle, WA
- Palmer Court, Seattle, WA
- Olympic Repographics, Seattle, WA

### HOTEL

- Courtyard Marriott & Residence Inn at LA Live, Los Angeles, CA
- Hilton Curio at Long Beach, Long Beach, CA
- Courtyard by Marriott Pioneer Square, Seattle, WA
- Fairfield Inn & Suites Marriott, Lancaster, CA
- TownePlace Suites by Marriott, Lancaster, CA
- Homewood Suites by Hilton Atlanta Airport North, Atlanta, GA

## LARRY ICE

*Chief Financial Officer*



### EDUCATION

University of Kansas,  
B.S. in Accounting & Business

### PROFESSIONAL LICENSURE

Certified Public Accountant  
(Inactive); Washington,  
Missouri, Kansas

### COMMUNITY INVOLVEMENT

Urban Land Institute, Member

International Council of  
Shopping Centers, Member

American Institute of Certified  
Public Accountants, Member

Washington Society of  
Certified Public Accountants,  
Member

Highlands Community  
Church, Finance Committee  
Chairman; Group Leader

Larry is a former CPA with over 30 years' executive level experience in all aspects of commercial real estate finance, accounting, real estate and partnership taxation, development, and administrative functions. Prior to joining Steinhauer Properties in 2012, Larry served for nine years as Vice President and Chief Financial Officer of Kemper Development Company in Bellevue, Washington, a prominent Puget Sound area developer/owner/operator. While there, he successfully structured, negotiated, and placed over \$1.5 billion of debt and equity capital to finance expansion of the company's real estate portfolio.

Larry is also a member of the American Institute of Certified Public Accountants, the Washington Society of Certified Public Accountants, and the Urban Land Institute.

### SELECTED PROJECT EXPERIENCE

#### MIXED-USE

- Stadium Point, Peoria, AZ

#### CLASS A OFFICE

- Avalara Hawk Tower, Seattle, WA
- Home Plate Center, Seattle, WA
- Stadium Innovation Center, Seattle, WA

#### HOTEL

- Courtyard Marriott & Residence Inn at LA Live, Los Angeles, CA
- Hilton Curio at Long Beach, Long Beach, CA

## RORY SANDSTROM

Director of Development and Capital Group | Project Manager



Rory Sandstrom is Director of Development and Capital Group. He is responsible for identifying and executing development opportunities, sourcing capital and maintaining relationships with institutional investors. In his previous position, Rory was a fixed income portfolio manager and market maker at Citigroup where he managed a portfolio of risk in excess of one billion dollars notional. His mandate was to express views in high yield and distressed capital structures with an emphasis on homebuilder, hotel, REIT, and retail sectors. Rory holds an MBA from the Kellogg School of Management and is a certified public accountant.

### EDUCATION

Kellogg School of Management, Northwestern University, Master of Business Administration

University of Washington, B.A. in Accounting & Business

### PROFESSIONAL LICENSURE

Certified Public Accountant; Washington

### COMMUNITY INVOLVEMENT

NAIOP, Member

Eluna/Moyer Foundation, project work supporting ALS research

### SELECTED EXPERIENCE

#### MIXED-USE

- Stadium Point, Peoria, AZ
  - » Project manager for all phases of buildout including land acquisition, zoning and entitlements, construction, and operations
  - » Negotiate and structure master development agreement
  - » Lead equity and debt capital raise for project
  - » Manage underwriting of all phases of project

#### CITIGROUP - PORTFOLIO MANAGER\*

- Principal risk taker, managing a portfolio of equity and fixed income assets including bonds and credit default swaps in high yield homebuilder, REIT, and retail sectors
- Managed risk exposure of \$1 billion notional
- Advised executive teams of public traded companies on acquisition and capital structure deals
- Developed valuation frameworks to quantify debt and equity investment opportunities

#### MOWAT CONSTRUCTION\*

- Five years of expertise in full lifecycle of project execution and construction of reinforced concrete structure including bridges, dams, and tunnels

\*Indicates experience prior to joining Steinhauer Properties

## JASON CHEN

*Director of Financial Analysis*



Jason is experienced in financial and investment analysis in Class A office, hotel, and mixed-use projects. As the Director of Financial Analysis for Steinhauer Properties, Jason is responsible for new development underwriting, existing portfolio valuation, and recapitalization. Jason graduated from the University of Washington with a Master's Degree in Real Estate, and he is actively involved with their Real Estate Alumni and Mentor Group

### EDUCATION

University of Washington,  
Masters in Real Estate

### PROFESSIONAL LICENSURE

Chartered Financial Analyst  
(CFA), Level III Candidate

### COMMUNITY INVOLVEMENT

Urban Land Institute, Member

### SELECTED EXPERIENCE

#### MIXED-USE

- Stadium Point, Peoria, AZ

#### CLASS A OFFICE

- Avalara Hawk Tower, Seattle, WA

#### HOTEL

- Embassy Suites, Seattle Pioneer Square, Seattle, WA
- Fairfield Inn & Suites Marriott, Lancaster, CA
- Hilton Curio at Long Beach, Long Beach, CA

## ARTHUR CHANG

*Senior Managing Director, Architecture*



Arthur Chang is responsible for overseeing the design and entitlements for all new development. After receiving a Undergraduate Degree in Aeronautical Engineering from University of Michigan and a Masters of Architecture from Columbia University, he has had a distinguished career as Director of Design and Vice President of a prominent architectural firm. Over thirty years, he oversaw the design of a very diverse portfolio of projects types including office, multi-family, mixed-use and hospitality before joining Steinhauer Properties.

### EDUCATION

Columbia University, Masters of Architecture

### COMMUNITY INVOLVEMENT

AIA  
NCARB  
LEED AP BD+C

### SELECTED EXPERIENCE

#### MIXED-USE

- Stadium Point, Peoria, AZ
- East Main Development, Bellevue, WA

#### INDUSTRIAL

- Future of Flight and Delivery Center, Mukilteo, WA

#### CLASS A OFFICE

- Avalara Hawk Tower, Seattle, WA
- Home Plate Center, Seattle, WA
- Stadium Innovation Center, Seattle, WA

#### HOTEL

- Embassy Suites, Seattle Pioneer Square, Seattle, WA

## YURI MOSHINSKY

---

*Chief Estimator*



Yuri Moshinsky is Chief Estimator, focusing on providing accurate and detailed in-house cost estimates combined with overall project management. Yuri has a Bachelor's Degree in Construction Management from the University of Washington. His extensive knowledge of design and construction methods allow for a thorough and creative implementation process which adds value, enhances design and helps keep projects on budget.

### EDUCATION

University of Washington,  
B.A. in Construction  
Management

### SELECTED EXPERIENCE

---

#### MIXED-USE

- Stadium Point, Peoria, AZ

#### CLASS A OFFICE

- Avalara Hawk Tower, Seattle, WA

#### HOTEL

- Embassy Suites, Seattle Pioneer Square, Seattle, WA
- Fairfield Inn & Suites Marriott, Lancaster, CA
- Hilton Curio at Long Beach, Long Beach, CA



# PROPERTY PORTFOLIO



# AVALARA HAWK TOWER & EMBASSY SUITES PIONEER SQUARE

255 South King Street, Seattle, WA 98134

Completed 2018



## PROPERTY TYPE

Class A Office & Hotel

## PROJECT COST

\$370,000,000

## BUILDING SIZE

11 floors | 743,000 total sf

## LAND AREA

1.48 acres | 64,291 sf

## PROJECT TEAM

Steinhauer Properties |  
Developer

Freiheit Architecture | Architect

## PROJECT REFERENCE

**Mike** Andring

General Manager  
Embassy Suites Seattle  
Pioneer Square

P 206.399.6112

E mike.andring@hilton.com

Avalara Hawk Tower, located in Seattle's historic Pioneer Square neighborhood, boasts sweeping views of Puget Sound, the Downtown skyline, and the Stadium District – home to the Seattle Seahawks and Seattle Mariners. This mixed-use development includes two towers connected by a shared multi-story public atrium. The north tower consists of a 282 key Embassy Suites hotel with a first-class conference facility. The south tower contains 11 stories of Class-A office space over five levels of above-grade parking and two levels of building amenities.

This development was the fulfillment of Seattle's longtime goal to breathe new life to the historic Pioneer Square neighborhood. Previously a surface parking lot in the stadium district, the project team worked closely with representatives from both the local sports teams and the Pioneer Square Historic District to realize the vision of all stakeholders.

Avalara Hawk Tower has been repeatedly recognized, both locally and nationally, as a truly innovative building. At time of construction, it was categorized as the largest Transit-Oriented Development on the West Coast. The project achieved LEED Silver certification and has met strict requirements of the 2030 Challenge. Built on former tide flats, building engineers dealt with an unusually high water table and poor soil conditions. The team utilized sheet piles and the innovative Giken Press to create a water-tight basement level which extends below the water table.

The project received the 2017 Architectural Precast Concrete Award for Excellence and 2019 Skyline Award.

# STADIUM POINT

Bell Road & Loop 101 | Stadium Way | Peoria, AZ 85382

Awarded 2020 - Ongoing



## PROPERTY TYPE

Class A Office, Hotel, Residential  
& Parking

## PROJECT COST

TBD - project ongoing

## BUILDING SIZE

Various | 570,000+ sf

## LAND AREA

17 acres | 740,520 sf

## PROJECT TEAM

Steinhauer Properties |  
Developer  
Redpoint Studio | Architect  
Kimley-Horn | Civil & Traffic Eng.  
Berry Riddell | Land Use  
Cushman & Wakefield | Cap. Mkt.

## PROJECT REFERENCE

**Jennifer Stein**  
Communications Director  
City of Peoria  
P 623.773.5219  
E [jennifer.stein@peoriaaz.gov](mailto:jennifer.stein@peoriaaz.gov)

Stadium Point will transform the future of Peoria, creating a self-sustaining economic generator that will attract high-wage jobs and will provide a dynamic, energetic, and distinctive environment for residents and visitors. Stadium Point will be ideally located on 17 acres of City-owned land adjacent to the spring training facilities for the Seattle Mariners and the San Diego Padres. This highly-visible site already attracts hundreds of thousands of people each year, and sits within the larger P83 district that offers shopping, dining, entertainment, and more. Stadium Point is envisioned as the focal point of this district, featuring Class A Office, Hotel, Parking, Multifamily Residential, Public Space, Retail, Dining, and Entertainment.

As a vertically-integrated developer, Steinhauer Properties as the master developer, selected by the City of Peoria, will oversee all aspects of design, development, stabilization, and operations of the mixed-use project.



# THE COURTYARD MARRIOTT & RESIDENCE INN AT LA LIVE

901 West Olympic Boulevard, Los Angeles, CA 90015

Completed 2014



**PROPERTY TYPE**  
Hotel

**PROJECT COST**  
\$181,000,000

**BUILDING SIZE**  
23 floors | 409,650 sf

**LAND AREA**  
0.85 acres | 36,900 sf

**PROJECT TEAM**  
Steinhauer Properties |  
Developer

**PROJECT REFERENCE**  
**Andrea** Knowles  
Dual General Manager  
Courtyard & Residence Inn at  
LA Live  
P 213.254.4971  
E [andrea.knowles@marriott.com](mailto:andrea.knowles@marriott.com)

The Courtyard Marriott and Residence Inn at LA Live, a state-of-the-art, contemporary, LEED Silver certified hotel, opened in June, 2014 after Steinhauer Properties and its partners successfully developed and constructed the project. The 393-room hotel sits adjacent to Los Angeles' LA Live district. This world-class entertainment district in downtown Los Angeles features major attractions, such as Staples Center, Nokia Theater, Grammy Museum, Los Angeles Convention Center and numerous shops, theaters, dining and night clubs. The co-branded hotel consists of 175 Courtyard by Marriott hotel rooms and 218 Residence Inn by Marriott rooms, providing extended stay accommodations with a kitchen and business office.

Steinhauer Properties oversaw the entire real estate development process, and provided visioning, impact analysis, pre-development, development support, construction, and final development services for this project.





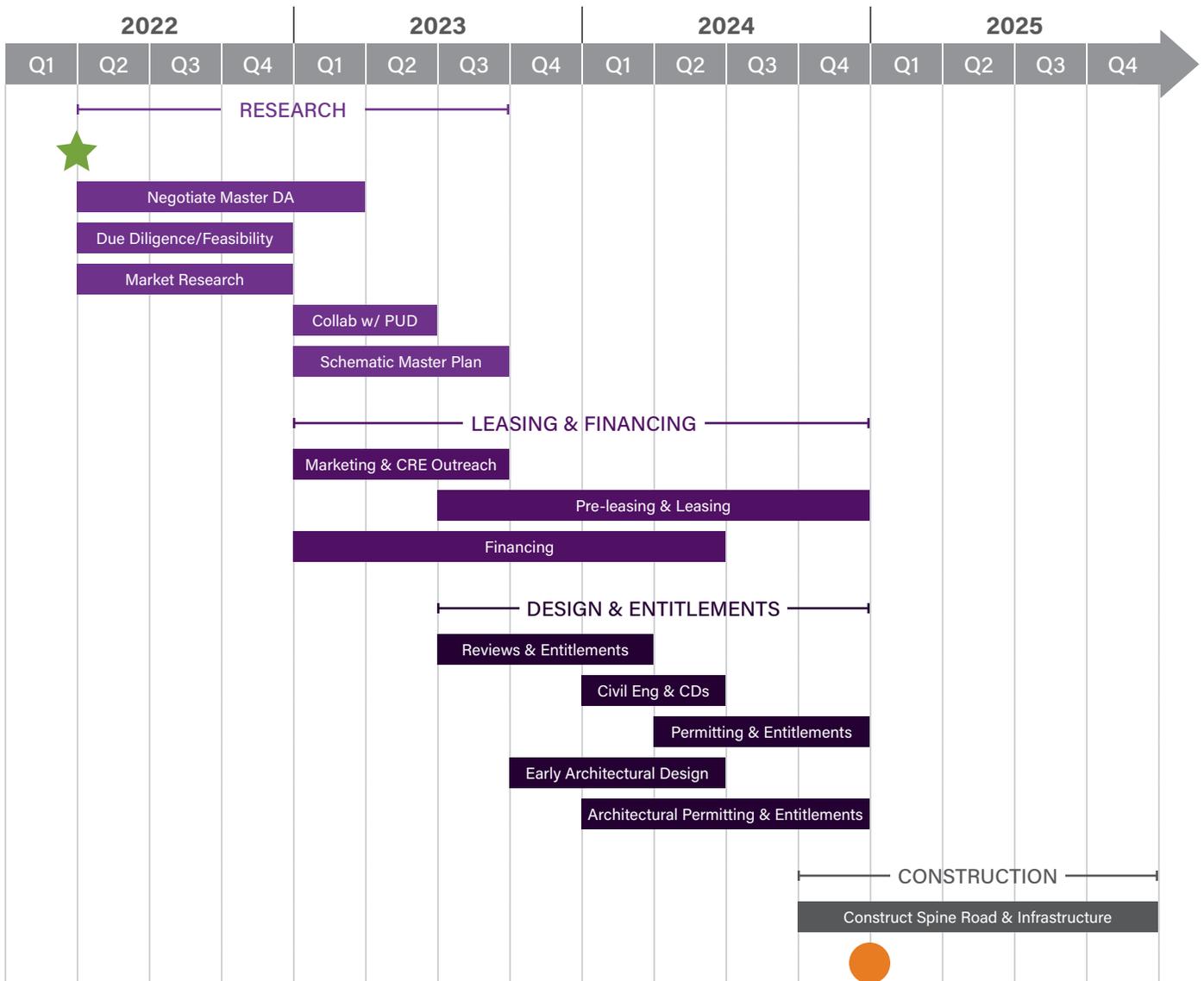
# PROJECT VISION/ PRELIMINARY CONCEPT





# TIMELINE FOR DEVELOPMENT

Including task milestones & dependencies – Timeline represents hypothetical start and finish dates



## LEGEND

- ★ Master Developer Awarded
- Start of Phased Vertical Construction

## KEY TAKEAWAYS

1. Market research will determine unit type and mix.
2. Will put infrastructure and horizontal improvements on separate track.
3. Early PUD sign-off for master plan will be key to build market confidence.

## SITE VISION



The proposed campus will create a vibrant experience that will connect the entirety of the downtown core. The vision will set a new standard for what future expansion in the city and region will demand. The proposed concept aligns with many of the details of the Electric Avenue vision from the provided study. While the Electric Avenue concept and our vision align in many respects, our initial analysis suggests that high density pads are required to get the project to pencil. Further we believe our design optimizes walkability and addresses many of the current needs of the City and stakeholders. The phased development vision allows for immediate development while also creating the option in the southeast parcels for additional office/flex space that can be realized as market conditions allow.

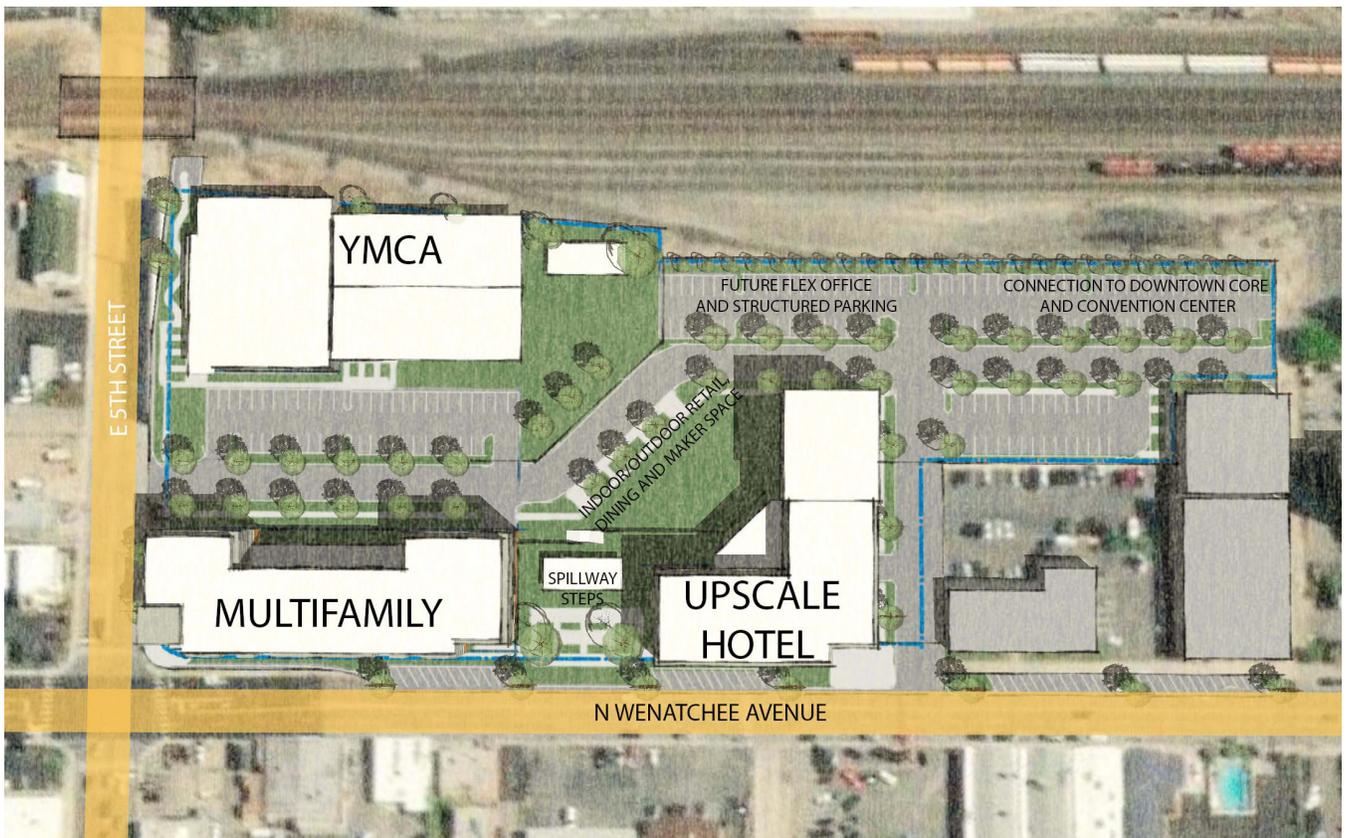
To create a sense of place our vision includes wide sidewalks and intimate indoor/outdoor retail spaces. One of the themes for the campus is to pay homage to the history of the area while creating modern experiences that can be scaled to attract small local farmers and vineyards up to larger spaces for best in region dining and retail vendors.

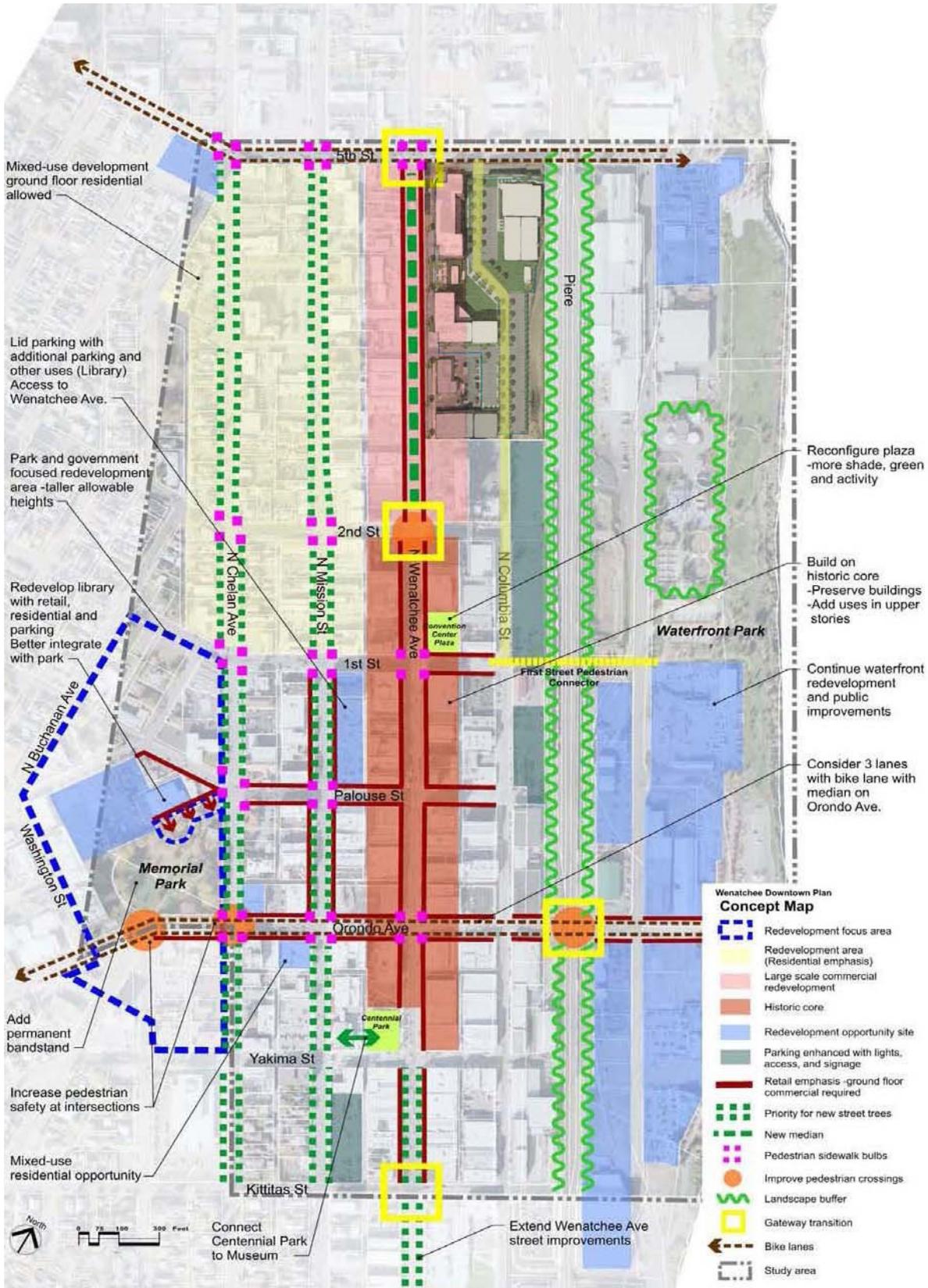
In a broad sense we believe the redevelopment project must enhance the sense of place that is Wenatchee and embrace modern urban design ideas to encourage the community to view the site as

their “third place” away from home and office – and for some it can serve as home, office, and leisure. It is important to note that our design compliments what is already built out in the Wenatchee core while also providing for future growth opportunities by increasing density. We’ve also provided for space to include pursuing the Spillway Steps and programming for the interior public areas that could include farmers markets, food and beverage tastings, and live music. Creating additional activity on the site is something that will drive growth for the area as a regional center of commerce.

Additional emphasis for our vision is based on feedback from conversation with City leaders and stakeholders including the YMCA and Riverside Playhouse. Our design provides for the opportunity to work with the YMCA to help realize their vision of a new world class facility on the northwest parcels. Further, we recognize the need to find a solution for parking for the Riverside Playhouse by maintaining at grade parking near their existing site.

The mix of uses we envision at the Fifth Street Campus location will complete the connection with many of the other offerings in the downtown core, increase density, and embrace everything great in the region while also encouraging further activity for the City and region.





Initial design decisions were influenced by the existing City urban core circulation and redevelopment plan. The subject site and related public improvements as presented integrate well with and enhance the broader urban plan and concepts of creating additional connectedness and walkability.

## COMMUNITY BENEFIT



We view Community Benefits from multiple perspectives. Our site vision provides immediate benefits that include best in class spaces to live, work, and play, as well as creating a healthy mix of jobs. Our campus creates a connected downtown core and also contemplates a new YMCA facility. Further, both the site study and conversations with City leaders indicate there is a significant need for more housing and additional hotel offerings that will serve to enhance the City's contemplated improvements to the Conference Center.

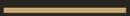
The importance of connecting the existing downtown core cannot be understated. The location of the Fifth Street Campus is on the North End of a growing number of residences, hotels, dining, retail, and office space. What is critical to the future of Wenatchee as a regional center of commerce is to build on the rich history of the area while increasing the mix of uses, density, and walkability. Our proposed vision accomplishes all of these needs.

As we highlighted in the Site Vision by creating a live, work, and play campus, you enhance the City and community in multiple ways.





# FINANCIAL INVESTMENTS/ FEASIBILITY





## FINANCIAL APPROACH, RESOURCES & FUNDING SOURCES

*Detailing our ability to develop, communicate and implement realistic funding plans*



Since establishing the firm in 1996, Steinhauer Properties has continued investing strategically in long-term growth opportunities, often deploying investors' equity and debt alongside the company's own funds. Our projects over the last decade, based on size and scope, present similar challenges to funding as this multi-phase development opportunity at the Fifth Street Campus Redevelopment. Projects of this caliber require coordination of multiple capital sources across both equity and debt levels of the capital stack.

### OUR FINANCIAL APPROACH

While we are always cognizant of the required rates of return of our partners, there are other considerations for deals of this nature that are routinely a part of the conversation. These requirements range from understanding the duration of investment as both a function of development timelines and requirements of investors, to structuring for certain levels of risk adjusted returns and credit enhancement. Steinhauer Properties is uniquely versed in sourcing and structuring capital for deals of this size and scope.

As a vertically integrated developer, we retain a full-time Investor Relations and Capital Markets team that works closely with the development team to source the appropriate capital necessary for deals, as well as structure capital allocations to meet both the needs of investors and the requirements

of the development. Steinhauer Properties has implemented this structure on all deals over the last decade.

Specifically, Avalara Hawk Tower and Embassy Suites in Seattle, Washington, utilized this approach as a multi-phase buildout. Similarly, our Stadium Point project in Peoria, Arizona, is currently navigating these funding stages as a multi-phase, multi-asset class, multi-pad buildout.

Typically, we structure each fundraising effort as a direct investment opportunity for each phase of development. For the Fifth Street Campus Redevelopment, this would most likely follow a similar model to Stadium Point where we would seek to identify and partner with investors that are programmatic in nature and are looking to invest in multiple phases or pads of a buildout. These investors are typically looking for longer duration investments, and generally prefer longer term holds over shorter term internal rates of return (IRR) optimized fund structures.

Steinhauer Properties also utilizes long-term, established capital market partnerships to source both equity and debt capital. Most notably, we have worked with Cushman & Wakefield on multiple deals for capital sourcing.

## PROJECT FEASIBILITY & DEVELOPMENT COSTS

<b>Preliminary Estimated Project Costs*</b>	
Land Cost (PUD Assigned Value)	\$6,000,000.0
Public Improvements (On Site and Adjacent)	\$15,000,000.0
Horizontal On Site Improvements	\$3,000,000.0
Hotel Hard Costs	\$68,575,000.0
Hotel Soft Costs	\$8,300,000.0
Multifamily Hard Costs	\$51,600,000.0
Multifamily Soft Costs	\$7,000,000.0
Retail Tenant Improvements	\$2,000,000.0
<b>Subtotal: Gross Estimated Project Costs</b>	<b>\$161,475,000.0</b>
Less: Estimated Negative Residual Value of Land	(\$22,000,000.0)
<b>Total: Target Project Costs</b>	<b>\$139,475,000.0</b>

<b>Summary Assumptions*</b>		<u>Unit</u>
Hotel Keys	211	Keys
Multifamily Keys	172	Keys
Hotel Gross Square Footage	190,000.00	GSF
Multifamily Gross Square Footage	190,000.00	GSF
Retail Square Rentable Footage	25,000.00	RSF
Retail Tenant Improvements	\$80	Per Foot
Hotel Daily Rate Today	\$185.00	Per Night
Multifamily Monthly Rent Today	\$2.25	Per Foot

\*All Costs and Assumptions are preliminary estimates and subject to change. All numbers are for discussion purposes only.

The proposed improvements include an initial phase of development that would build out lifestyle multifamily and integrated retail. We believe that a hotel complementing the Convention Center improvements being contemplated by the City would be an additional best use; however, the current market hotel nightly rates and occupancy must improve to justify hotel development. We believe embracing the YMCA vision on the northeast corner of the site is beneficial to both the site and region. The southeast parcels would be considered the best location for structured parking. Also a future phase two buildout of flex office space could make sense if market rents support development.

Basic assumptions using existing market conditions indicate that the multifamily pad would be the first pad to be built if the parcel was acquired in shovel ready condition. Once hotel rates exceed pre pandemic rate and occupancy the hotel would most likely be viable and buildout would begin as soon as capital could be sourced.

Finally our analysis suggests that total development costs required for a mixed use campus imply the residual value of the land is currently negative by approximately 22 million dollars. We would note that given the limited amount of time allowed to study the site this estimate is preliminary and further work is needed to refine this valuation.

Success of the overall vision requires stakeholders to commit to a number of public improvements with an initial list of projects listed in the following Public

Investment section. For example, the City should look to complete the North Wenatchee Avenue improvements adjacent to the site, upgrade the Fifth Street underpass, and demo the Fish and Wildlife building to connect the existing public parking lot to the south of the site with the subject site. The PUD and YMCA will also have to work together to understand what can be done to support the development of the YMCA concept on site.

Our analysis also appears to reach many similar conclusions to findings and conclusions identified by the CollinsWoerman report as it relates to public investment: material participation by stakeholders will be needed from the City, the PUD, and others to resolve the delta between existing gross estimated project costs and what would pencil.

It is important to acknowledge that while we are confident our vision as presented is the best and highest use for the site, the minimal time frame provided in the RFP window has prevented us from undertaking further feasibility work and other factors not discussed in this response can have impact on costs and assumptions. Supply chain shortages and inflation are two examples of market factors that could significantly change the underwriting of the project.

Summary costs and assumptions are listed at the top of the page for discussion purposes. Further due diligence is required to refine all assumptions and costs. All details are subject to change.

## PUBLIC INVESTMENT

---



Significant public investment will be required to realize a successful redevelopment of the Fifth Street Campus. While we are confident that the proposed mix of uses is the best and highest use, public investment will be required to resolve the negative residual value of the land and address certain existing conditions and needs of stakeholders. An initial list of public investment concepts are below for discussion purposes. Further analysis would be required to create a complete list of projects and quantify the amount of investment needed.

1. PUD ownership of all environmental liabilities including but not limited to abatement for contaminated soils, asbestos, and lead.
2. Demo and fill of Parcel 6 structure basement to bring up to grade.
3. Demo remaining buildings and improve site conditions to a shovel ready condition.
4. Removal of existing power equipment on site and relocation/improvement of utilities to a shovel ready condition for development.
5. Fund structured parking solution for parking requirements that can not be accommodated at grade.
6. Electric Avenue horizontal improvements to include road, lighting/utilities, and landscaping.
7. As an extension of Electric Avenue improvements, Fish and Wildlife building should be demoed to accommodate connection to parking lot south of site and convention center.
8. Create and connect a new access on south of site to public parking lot and existing roads
9. City to improve North Wenatchee Avenue adjacent to site to enhance sidewalks and parking inclusive of lighting and landscaping on both sides of street.
10. Enhancement of Fifth Street underpass connecting Riverside area with improved sidewalks, lighting, and art.
11. Collectively work with BNSF to explore purchase of existing spur track and improve barrier between subject site and tracks to reduce noise and improve sitelines.
12. Fund Spillway Steps.
13. Address all potential easement requirements.
14. City to work with developer to pursue 85 foot entitlements as measured from Wenatchee Avenue.
15. Utilize ULI shared parking methodology to achieve reasonable parking requirements which may include use of public parking adjacent to site to reduce on site requirements.
16. City to work with developer to pursue any and all available tax abatements/incentives for development.
17. Reduction in land value based on negative residual land value calculation.





11400 SE 8th St.  
Suite 230  
Bellevue, WA 98004  
P 206.971.7823  
F 206.631.2166  
[steinhauerproperties.com](http://steinhauerproperties.com)