

5th & Ave

Gateway to Downtown

PROPOSAL FOR PURCHASE

PUD Campus, 327 N. Wenatchee, WA 98801



Submitted for Consideration ~ April 14, 2022
Chelan Douglas Regional Port Authority
Attention: Stacie de Mestre
One Campbell Parkway, Suite A
East Wenatchee, WA 98802

SUBMITTED BY:

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5th&Ave

Gateway to Downtown

WELCOME TO DOWNTOWN WENATCHEE!

5th&Ave, the first step to enjoying all Downtown Wenatchee has to offer. Providing an exciting new Gateway to Downtown, 5th&Ave is a mixed-use development for the community:

- State of the art YMCA with a national-leading design concept
- Early childhood learning center connecting generations to downtown
- Onsite residences for 40 households
- Space for capacity building of community organizations
- 20,000sf of on-demand office suits and flexible gathering areas
- Cascadia Pizza Co. ~ an award-winning artisanal pizza shop
- Retail facilities promoting small business expansion

Our Master Development Team (MDT) brings an unmatched enthusiasm of local representatives ready to transform this 7.5acre property into a destination of economic vitality. A redevelopment initiative sure to draw 2,500+ people to the Central Business District (CBD) every day for business, recreation, and community.

In response to the PUD's Request for Proposals (RFP), SADIE BEE, LLC is honored to submit a comprehensive vision for redevelopment of the property located at 327 N. Wenatchee Avenue.

The following pages detail our team's community-oriented concept with excitement for the many possibilities of the space. Included is information pertaining to primary onsite partners projected foot traffic, customer demographics, and the expected boost to overall economic activity in the greater CBD.



We will detail our MDT experience, expected timelines for completion, value of investment in Wenatchee, community benefits and finally, a solution to the parking challenges confronting Riverside Playhouse and Music Theatre of Wenatchee.

Our team represents the bountiful diversity found in the Wenatchee Valley and are certain this proposal will demonstrate why the Sadie Bee, LLC Team is the best option for bringing to life the envisioned developments outlined in the RFP:

- Embody small-town feel
- Provide diversity for users of all ages and abilities to do business, shop, eat, play, live, and relax
- Create an aesthetic, pedestrian-friendly commercial space
- Connect Downtown Wenatchee with riverfront recreation and commerce
- Inspire outdoor spaces for art, entertainment, and leisure
- Design a built environment with variation in access points, skylines, and visual elements

MASTER DEVELOPMENT TEAM (MDT)

BIOS AND DEVELOPMENT EXPERIENCE

Locally supported and inspired, the Master Development Team (MDT) was selected to design, implement, and operate a successful redevelopment effort that honors the Wenatchee community and engages the surrounding region. Represented by local experts in real estate development, local strategic planning, executive organization, and economic-focused adaptive reuse, the MDT is energized by the opportunity to inspire economic growth and expand community development in Wenatchee for the region.

It is important to note that the capacity of the MDT extends far beyond the professional bios and development experience summarized below. Each member contributes a personal history, professional network, and community-oriented excitement that becomes realized by investing in the long-term vision. Each member has significantly contributed to the vision and is committed to the successful implementation upon selection.



BEN PAINE, MDT Lead

Local Real Estate Investor, Financier, and Non-Profit Founder

A 4th-generation Wenatchee native, Ben graduated from Wenatchee High School in 1995. After graduating from the University of Notre Dame in 2000 with a degree in Finance, Ben joined investment brothers, Mike and Neal Driscoll, in financing, developing, and selling over \$30M dollars of real estate. Since 2010, Ben has worked on multiple real estate projects across the nation giving him a unique ability to understand how redevelopment can truly revitalize a community, while honoring the local identity and inspiring new economic activity.

Understanding the great value of continuing education, Ben and his wife, Bernie Paine, joined forces with West and Courtney Mathison to establish the Keep it in the Valley Foundation (Cakes for College) to help local students overcome barriers and pursue a college degree. Launched in 2012, the Foundation has since gifted over \$400K and awarded 125 scholarships to students from Eastmont, Wenatchee, and Cashmere to attend Wenatchee Valley College.

Notable projects in Ben's portfolio are summarized below:

***Veritas Prep, 370 Pine Street, Springfield, MA (2011)**

With a vision to serve inner-city kids and prepare them for college, Ben partnered to redevelop an abandoned hospital into a charter school for Veritas Prep including the purchase, permitting, and securing of sustainable financing.

***Seascape Motor Inn, Truro, MA (2012-2015)**

Working with the Town of Truro, Ben led the redevelopment of a 4-acre site with an existing motel. The project included negotiation, purchase, demolition, Phase I environmental, parcel subdivision, utility and infrastructure design. Reuse included local redevelopment, owner-occupied residential, and a \$3.3M residential construction.

***Utah, Johnson, Gellatly Duplexes, Wenatchee, WA (2015)**

A residential rental complex covering a city block near Wenatchee High School suffered from significant deferred maintenance, depressing the surrounding area. Ben negotiated a complex purchase, including bridge financing, and immediately commenced improvements to all 18 buildings, significantly improving the neighborhood. This was done with zero impact on rents to existing tenants.



JEFF OSTENSON, MDT Strategic Partner
North 40 Productions, Mercantile, and Community Servant

After managing his family's organic fruit production facility for a number of years, Jeff found his way into entrepreneurship in 2006, launching North 40 Productions. Since then, he has created award-winning feature documentaries, doc-shorts, TV commercials, animations, and scripted media. With clients across the northwest, Jeff prides himself in the media contributions made right here in the Wenatchee Valley.

As a longtime resident of Wenatchee, it is important to Jeff that he uses his entrepreneurial expertise to improve his own community. Through his

business experience, Jeff understands the redevelopment process including design, permitting, contractor management, and operations.

Outlined below is a project recently launched by Jeff and his team that created a downtown space for small businesses, entrepreneurs, organizations, and community.

*Mercantile ~ 14 N. Wenatchee Avenue, Wenatchee, WA

Designed in early 2018 by partners Jeff and Heather Ostenson and Rick and Cory Wray, 10,000sf of Downtown Wenatchee was renovated into a mixed use co-working space. With a strong interior design background, Heather Ostenson guided the architectural design of the \$1.3M project. Together, the team of four renovated the space for \$80sf with a loan secured locally from North Cascades Bank on a 70/30 LTV. His team received the 2020 Excellence on Main Award for their “dedication to community and collaboration” by the Wenatchee Downtown Association.

Led by John Berry with Berry Construction, renovation from October 2018 to August 2019 included installation of new electrical, sewer, plumbing, and fire suppression systems throughout the entirety of the building. The team also addressed structural issues in partnership with Pacific Engineering that were necessary to smoothly navigate the change-of-use permitting process. The interior was built out to support resident and rotating entities with unique space designed in a meaningful way for clients.

Glen DeVries, of the City of Wenatchee was the public representative.

CONTACTS:

- Jeff Ostenson: 509-860-2209
- Rick Wray: 801-949-5925
- John Berry: 509-888-1961
- Glen DeVries: 509-888-3252



BROOKLYN HOLTON, MDT Development & Implementation

Founder of Firm Foundations Community Consulting

After a decade working in local government, Brooklyn is a recognized leader in community and economic development, demonstrated by receiving the peer-nominated “30 Under 35” award in 2020. While completing multiple WWU undergraduate programs between 2007 and 2011, Brooklyn became dedicated to creating spaces for people of all ages, abilities, and backgrounds. Since graduating, Brooklyn continues to prioritize professional development that contributes to a specialized skill set for developing projects and programs that are both operationally feasible and effectively implementable.

In addition to providing local and nation-wide consulting services to businesses, organizations, and communities, Brooklyn donates her expertise to local initiatives as a Board Member, strategic advisor, grant writer, legislative advocate, and community champion for civic engagement and neighborhood revitalization. Brooklyn approaches her work through a lens of equity focused on reducing barriers to opportunity and elevating efforts that support people, businesses, and community.

Notable developments in Brooklyn’s portfolio are summarized below:

*Complete Streets Policy, Trainings, Funding, and Technical Assistance

Brooklyn is a nationally recognized leader in Complete Street work through policy development, delivering keynote and educational presentations in WA and ID, securing over \$3M in direct funding and technical assistance to WA State communities, and serving as an expert-panelist for nation-wide organizations furthering awareness for designing and constructing spaces for all users of all abilities.

*Project Feasibility and Execution

Dedicated to the intentional success of individuals, businesses, and communities, Brooklyn has refined and inspired “places for people” through transportation planning, municipal strategic planning, grant writing and management, and funding streams from braided sources that elevate opportunities for community and economic development.

The YMCA's portion in 5th&Ave's redevelopment of the PUD property will be lead by the following individuals:



STEVE ROBINSON, YMCA board member, chairperson, capital planning committee;
Community Servant, Decades of Executive Level Leadership

Steve's role – working closely with YMCA executive director Dorry Foster – is to oversee the organizational structure necessary to fundraise and build a new YMCA building on the 5th street property. The redevelopment expertise Steve brings to our MDT is significant. After overseeing a \$10M project in the mid-1990s for The News Tribune in Tacoma, WA, Steve moved to Wenatchee. In 1999 he oversaw the remodel of the Wenatchee World's 9th St. print/production facility and installation of the KBA press.

Steve's educational background from the Gonzaga School of Law contributed to his working knowledge of government processes to meet regulatory and permitting requirements and an invaluable skill for maintaining on-time construction and occupancy.

Steve brings executive-level experience with specialized skills developing staff, managing resources, and implementing systems for efficient and effective execution.

Now a full-time community volunteer, Steve serves as a member of the Board of Directors for the Numerica Performing Arts Center and Hand in Hand Immigration Services, in addition to the YMCA.

Detailed below, is an award-winning project that Steve played a leading role in managing the adaptive reuse and operations while the Executive Director from 2013-2019.

*Pybus Public Market ~ 3 N. Worthen Street, Wenatchee, WA 98801

Inspiring and managing the development process of Pybus, Steve Robinson – working for developer Mike Walker – helped bring to life a 28,000sf vibrant, award-winning public market from an out-of-use steel warehouse. Completing the project without financing, the \$11M community benefit combined a significant private investment by Mike Walker with public funding and administrative support by the Port Authority and the City of Wenatchee.

From conception through construction between April 2012 and May 2013, Steve helped navigate environmental mitigation, challenges related to permitting, riverfront access, contractor/subcontractor relationships, short timelines, and the dynamic managing post-opening relationships such as continued public support and tenants constructing their own improvements.

In addition to Robinson, the team that supported Mike and JoAnn Walker's vision included architect Brad Brisbane with MJ Neal Associates, construction manager Ken Blodgett with Blodgett Construction Associates, and Allison Williams, previously the City of Wenatchee Executive Services Director, and Steve King, previously the City of Wenatchee Director of Economic Development

CONTACTS:

- Steve Robinson: 509-679-7143
- Brad Brisbane: 509-663-6455
- Allison Williams: 509-764-3702
- Steve King: 509-669-6640



DORRY FOSTER,

Chief Executive Officer, Wenatchee Valley YMCA

Dorry's role -- working closely with campaign chair Rufus Woods, capital planning chair Steve Robinson, YMCA board of directors and community leaders -- is to secure necessary funding needed to build a state-of-the-art new YMCA building on the 5th street property.

Hired in 2016 as Chief Executive Officer, Dorry Foster is the first female executive in the Y's 111-year history. She is a certified Organizational Leader with the YMCA of the USA with chief executive and executive level leadership in non-profit management in small and large YMCA's in Pennsylvania and New York.

After great success guiding small and large organizations, Dorry began guiding the Wenatchee Valley YMCA into financial freedom including a debt-free budget and revenue growth of \$1.5M.

For almost 20 years, Dorry has inspired people, households, and communities. Her knowledge of infrastructure and facility development combined with community service and benefit is invaluable. While focused primarily on YMCA programming, the result of Dorry's skillset is a considerable contribution to the economic vitality of Wenatchee.

Below is a project demonstrating Dorry's fiscal development capacity:

*YMCA Expansion ~ Franklin/Grove City YMCA in Pennsylvania

Despite a real estate market on the cusp of a record-setting crash in 2008, Dorry Foster began conceptualizing a 30,000sf YMCA expansion. From campaign launch in 2011 through an accelerated construction process (2013-2014), Dorry secured \$3.3M in private funding for the project. At project end, it served as an example for how community organizations can work productively on such a significantly sized project with no municipality issues.

The team's Project Manager (Tom Gregg), Architect Firm (Eckles Architecture and Engineering), and General Contractor (Thomas Construction) facilitated an efficient and timely process viewed as cut-and-dry for all involved. The YMCA team finished the project at \$110sf, on-time, and with positive relationships and several partnerships.

CONTACTS:

- Dorry Foster: 724-923-8076
- Tom Gregg: 724-992-0904
- Eckles Architecture & Engineering: 724-652-5507
- Thomas Construction: 724-450-1314

ECONOMIC & COMMUNITY BENEFIT

"The Best Value for the Most People for the Longest Time."

Our Master Development Team (MDT) strongly supports the PUD's vision for our community. The possibilities contained within this proposal were developed through a lens that honors the longstanding legacy of the PUD: Community Benefit for Generations.



As we reviewed the RFP, we considered the PUD's vision in purposefully designing a redevelopment plan that enhanced the quality of life in Chelan County based on the PUD's following core strategic components:

- Commit to the highest level of community benefit
- Invest in long-term value
- Ensure financial stability
- Encourage innovation
- Job creation

Committing to the highest level of community benefit involves developing a space that is accessible to all visitors of all ages and abilities. Located in a prime location for guiding people into downtown and to the riverfront, 5th&Ave is along regular Link Transit routes and within walking distance from Columbia Station connecting users of bus, rail, and vehicle. Wenatchee's Complete Street policy will be a guide for designing connectivity and mobility to, from, and within the property.

Providing for those that live, work, and play in the Wenatchee Valley includes a thriving economic environment. The expected 2-year redevelopment process will stimulate job growth, generate sales tax, and establish new CBD parcels and property tax assessments.

Construction is expected to create 200 jobs over 2 years followed by 300+ sustained positions between the YMCA, Cascadia Pizza Co., North 40 Productions, and additional community organizations and small businesses planned to occupy the administrative and retail spaces.

Boasting over 35,000sf for commercial small businesses and retail uses, the 5th&Ave Building has the potential to contribute over \$50K in direct sales tax annually to the City of Wenatchee. Maintaining low turnover and at-capacity occupancy will facilitate indirect sales tax increases through onsite staff choosing to dine, explore, and stay in the greater downtown.

With a total assessed value around \$11M, 5th&Ave residences and commercial buildings will contribute \$100K in new property taxes. This supports local and regional development for schools, emergency and social services, businesses, and infrastructure.

REDEVELOPMENT PLAN

Demonstrated in Figure 01, this high-level perspective provides an overview of the complementary nature of our proposal. Anchored around the YMCA and access to the Wenatchee Riverfront, additional community organizations, small business retail, downtown residential, and the food/beverage industry serve the broad spectrum of generations, abilities, and interests.



Figure 01

Figure 02 demonstrates the parceling plan for the 7.5 acres that will support the development of:

1. A new, state-of-the-art, facility for the Wenatchee Valley YMCA
2. Reconstructed PUD HQ to 5th&Ave Building supporting commercial administration and retail
3. Residences at 5th&Ave expanding downtown, walkable residential access
4. North 40 Building to expand digital factory, studio and post house capacity

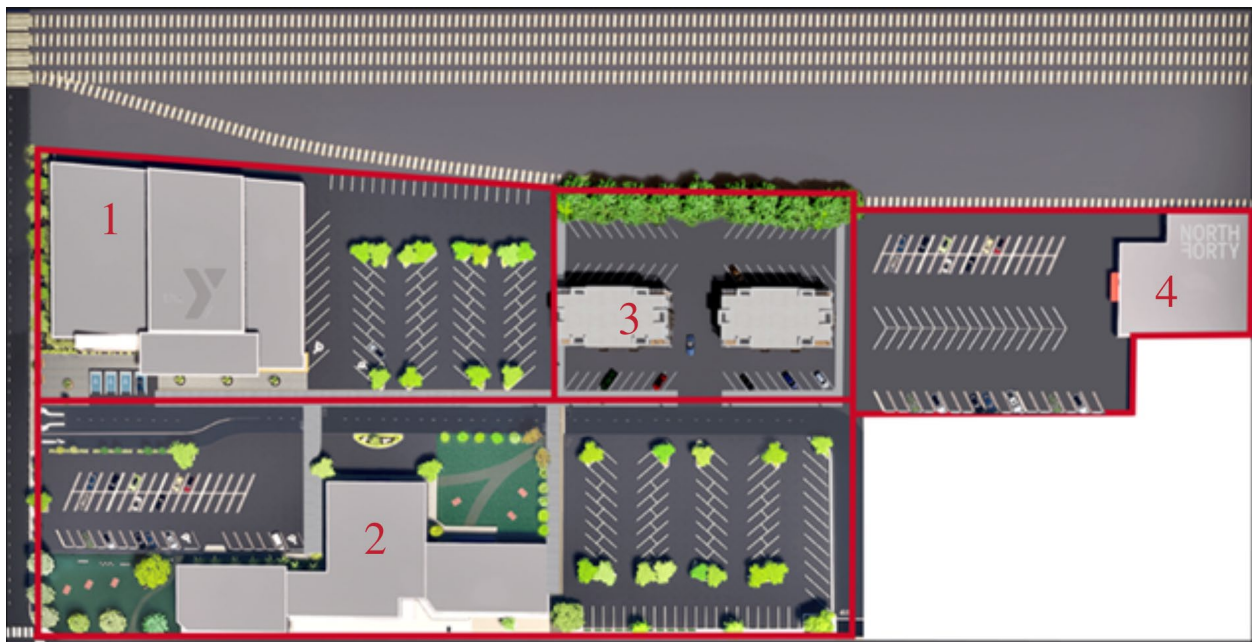


Figure 02

#1 – STATE OF THE ART YMCA



Building What Matters

Wenatchee Valley YMCA - Position of Strength

The Wenatchee Valley YMCA currently employs 93 staff with 46 FTE with an annual operating budget of \$3.5M with no debt and a current, collective financial fund balance totaling \$6.7M.

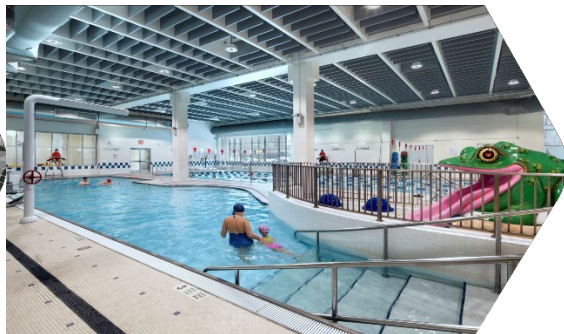
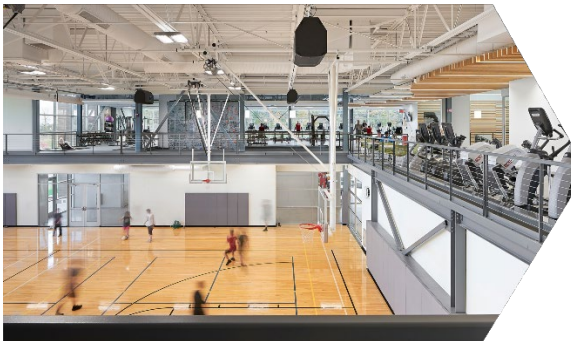
From a governance perspective, the Y has a strong and active board of 29 community leaders. The board raises \$200k annually to support the Y's mission and allocates nearly \$400k in subsidizing youth program expenses to fulfill the Y's pledge that no child will be refused service because of inability to pay.

Youth development and family programs for all are at the core of the Y's mission. In addition, Y has become the Wenatchee Valley's leading organization in child care and early learning, serving 400 kids daily through a growing network of community partnerships.

Planning for the Next 100 Years - Data Driven Decisions

The Wenatchee Valley YMCA has served our communities for 111 years. With our current facility nearing the end of its life span of service, and through the due diligence of the Board of Directors, it became abundantly clear that moving the Y from its current location and building a new facility will be needed in order to best serve the valley for generations to come. In doing so, it is estimated that the Y will increase community impact by 44% over February 2020 benchmarks, serving roughly 3,000 more people each year with diverse abilities, needs, and means.

We anticipate the new facility meeting a variety of community needs and envision the following amenities: Aquatic Recreation Center, multiple Gymnasiums, Health and Wellness Centers, and various community rooms such as a Teaching Kitchen, Classroom/Meeting spaces, family and youth Recreation Centers, and licensed Early Learning Childcare Center. The Childcare Center would serve up to 80 children birth through preschool, a vital and critical service for working families and their employers.



Finally, a feasibility study conducted in May 2021 by The Better Fundraising Group out of Seattle reported great interest for the new YMCA, with upwards of \$15M in private funding to be expected. The Wenatchee Valley YMCA 'Building What Matters' capital campaign launched a quiet appeal in June 2021.

The total cost for the full demolition, renovation, and construction is projected at approximately \$22 million. Our strategic advisors have tested and concluded that this audacious goal is achievable.



Support to-Date

Rufus Woods is the Building what Matters Capital Campaign Chair and Steve Robinson chairs the campaign committee. The Y currently has \$3,925,575 in gifts and pledges with 100% of the Wenatchee Valley YMCA Board of Directors and Trustees pledging their support. Additionally, the City of Wenatchee has pledged \$500k, and Washington State Legislators have granted \$515k for pre-construction planning purposes. The largest private gift (and first gift) to date is \$1M. Several Legacy level gifts are being cultivated with site determination impeding decisions.

Capital Gifts & Pledges	\$3,925,575	18% to Goal
<u>Awarded Grants</u>		
Member Request (Steele)	\$515,000	Pre-Construction Dev Market Survey
CDRPA	\$10,000	
Names Family Foundation	\$29,240	
Total Grants to Date	\$554,240	
<u>Board Giving To Date</u>	\$573,310	100%
<u>Grant Opportunities</u>		
State Community Building Fund	\$3,500,000	25% overall project
Youth Recreation (state)	\$1,200,000	25% Match
Chelan County	\$700,000	ARP Funding
Douglas County	\$200,000	ARP Funding

Market Assessment Survey

Launched in January 2022, the market assessment survey captured the voice of 1015 respondents within the community to help the Y determine Program – Purpose – Place.

Notable from survey

- Tremendous enthusiasm for a new facility
- Community needs are wide and include: opportunities & support for all ages and shapes of families, community gathering spaces, respite & disability considerations
- Program interests are wide and include: Lessons, classes, programs (example Indoor soccer, esp. Latino community)
- Opportunity for community building through: Supporting the work of other nonprofits through partnerships, providing gathering spaces, removing barriers to accessing the Y's services

Pre-construction Planning

The site identified to have the best outcome for this new Y facility is the current Chelan PUD location on 5th St. and Wenatchee Ave. Specifically, the far north parcels. We further understand that this will help the vision of the city to create a gateway to the downtown corridor at 5th St.

The YMCA Board of Directors has engaged the consulting services of CBRE of Spokane as an owner's representative for all phases of the facility project using a Progressive Design Build model of approach. A working time-line is being developed with aspects of the plan determined by the site location and ultimate opening date in 2025.

Economic Benefits

The YMCA's new site will have a revenue-generating component that would have Community and State economic benefit.

50 MORE JOBS would be generated with our expanded capacity and offerings.

70-80 additional Early Learning slots will be offered. This increased accessibility to quality childcare enhances employee recruitment and the employee retention rate for our local employers. Ultimately, strengthening and supporting families and employers.

Roughly, 10,000 more community members could be served in a more operationally functional facility. This would bring an increased stability,

connectivity, and overall quality of living for residents, including community benefits of increased health, recreational, and social opportunities.

As a consequence of reducing health inequities, the Wenatchee YMCA would as well reduce pressure on our local healthcare system and related city and state services.

Recognized as a Game Changer in Our Valley Our Future's most recent, community wide action plan, the Y will:

LEAD New YMCA Facility: Build a new YMCA in the Greater Wenatchee Area, featuring such amenities as pools, gymnasiums, indoor walking track, group exercise rooms, child care facility, and classroom and meeting spaces.

LEAD Accessible Sports and Activities for Youth: Provide sports and activities and facilities that are readily available and accessible for all children and teen-agers, regardless of their socio-economic status or culture.

LEAD Multicultural Resource Center: Create a space that serves as a resource center and activities venue for the region and its diverse populations.

CO-LEAD Teen Pathways: Create a process or pathway for teenagers — regardless of their socio-economic status or culture — to successfully access and participate in community groups.

If the Y is located at 5th and Wenatchee Ave, the Y could help with the **Downtown Wenatchee Revitalization Project:** Improve downtown Wenatchee with a revitalization plan.

Finally, the YMCA anchoring the 5th Street corner would enhance the extension of the downtown corridor and would transform work, play, and living opportunities on Wenatchee Avenue and for our community.

#2 COMMERCIAL ADMINISTRATION AND RETAIL

Recent statistics identify North Central Washington (NCW) region as having the highest community organizations per capita in the entire state and the City of Wenatchee businesses being represented by around 85% microenterprises. Service- and retail-oriented entities are vital to the economic environment of a community; locally and regionally. Repurposing the PUD headquarters building at the northwest corner of the site is *key to investing in long-term value and committing to the highest level of community benefit.*



PUD Headquarters Building Repurposed

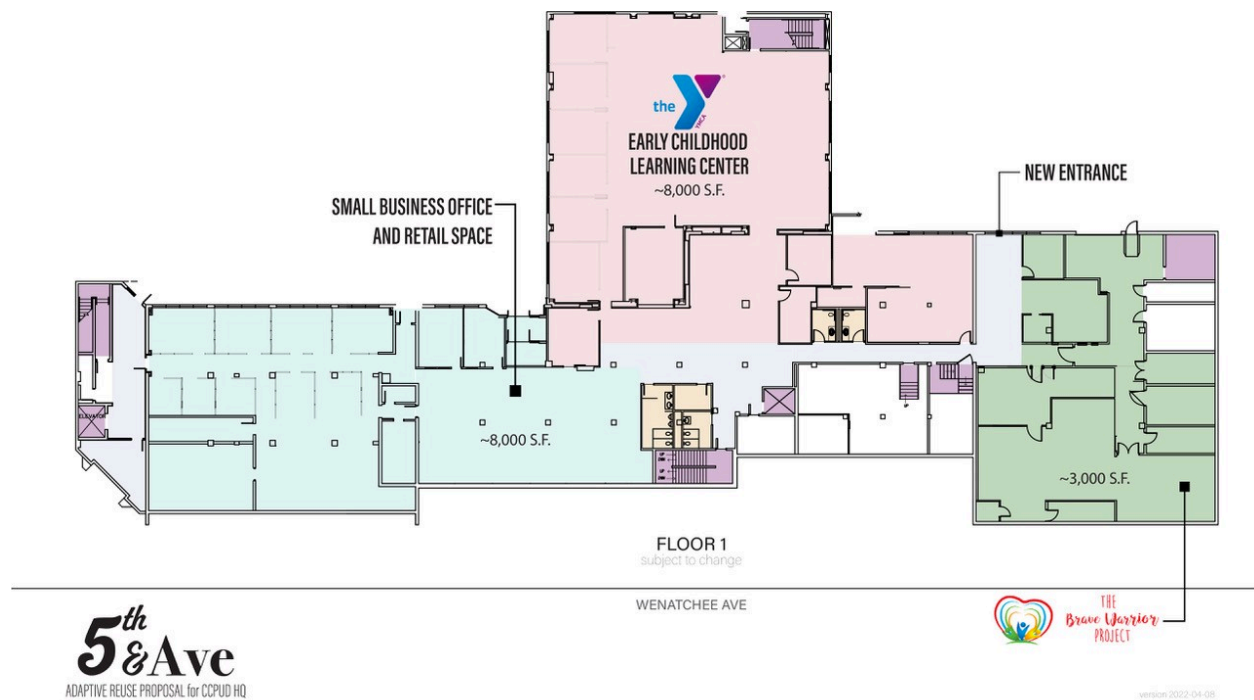
Repurposing the 68,000sf available in the PUD HQ Building is a significant opportunity to expand facilities and services that meet the needs of both Wenatchee community members and consumers from across the region. Our vision creates a space complementary to the diverse functions of each entity, allowing them to work together to better serve each generation group.

Building on the significant contribution made by the new YMCA building, their programming will extend into the 5th&Ave Building with an 80-child Early Learning Center. Demonstrated in numerous studies, creating early childhood programs within a community has a positive influence on the future economic vitality. With a \$2-\$3 state economic return and an \$8-\$16 return to society (per dollar invested), supporting early childhood programs makes sense. In addition to the access to education, training, and future employment each student is correlated with, there is a substantial benefit to the parent(s) of children enrolled in stable, affordable, high-quality programs realized through improved productivity showing generational return.

Gaining support over the last decade, agencies like the World Health Organization are emphasizing economic growth through multi-sector partnerships affecting the conditions in which people are born, grow, live, work, and age; access to transportation, housing, education, nutrition, etc.

In addition to the Early Learning Center, the 5th&Ave Building will provide space to multi-sector nonprofits and small businesses vital to Wenatchee. Entities sure to contribute greatly to the CBD in service or personnel are described below in accordance with their associated building floor.

5th&Ave Building First Floor ~ Entrances from Parking Lot



5th&Ave Building First Floor:

YMCA Early Learning Childcare Center

The Brave Warrior Project

Small Business Office Space

YMCA Early Learning Childcare Center



Repurposing 8,000sf of the first floor, the YMCA's Early Learning Childcare Center will provide licensed care to 80 children ages infants through pre-school each day while employing 8 full-time



professional staff and 20 part-time childcare leaders. An outdoor play space will be created for gross motor skill development and the current commercial kitchen will feed the children in Y childcare as well as the general public.

The Brave Warrior Project



THE
Brave Warrior
PROJECT

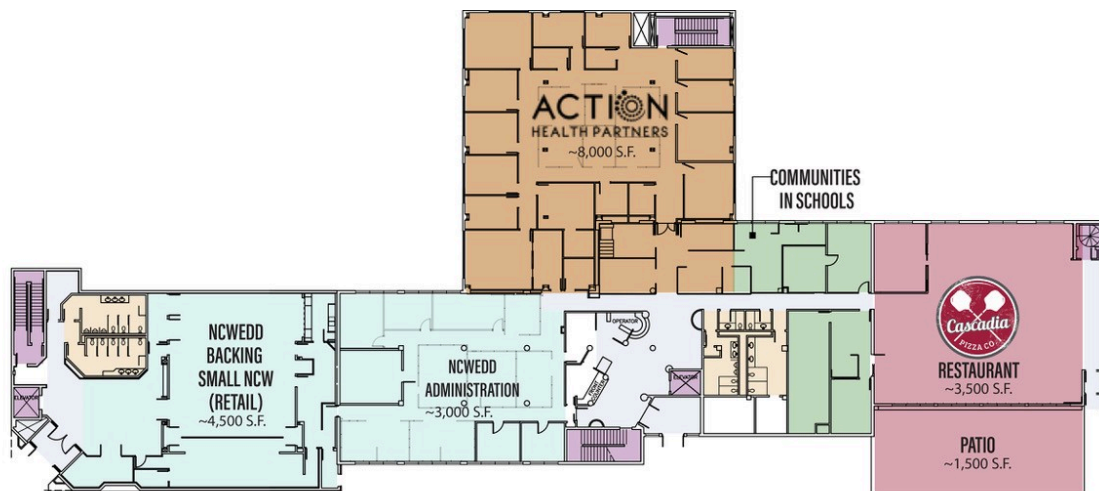
The Brave Warrior Project's mission is to eliminate barriers for children with chronic illness, disability and cancer. We do this by supporting and empowering children, teens and adults with developmental disabilities to build community, friendships, happiness, life skills and health through recreation, respite, support and education. Since our start in 2017 we have served over 1,000 children with disabilities and their families with our various services and programs. We have donated thousands of dollars to children diagnosed with cancer and chronic illness living at The Ronald McDonald house or extended stays at Seattle Children's hospital. With over 1,000 family encounters alone last year, BWP is filling a huge gap in our small town communities. The isolation everyone felt during COVID was especially hard on the demographic we serve, making our programs all the more vital. Sharing a building with the YMCA's new Early Learning Center, Communities In Schools, and Action Health Services, will allow us to have a much greater impact, and serve more families from our valley.



Small Business Office & Retail

Despite the WA State growth rate decreasing by 1% from 2020-2021, the rate of population growth for the Wenatchee Valley increased by 0.5% in the same time period. Together, continued population growth and a recent 24.6% national increase in new businesses demonstrates the importance for communities to be prepared with supportive environments. The Small Business Office and Retail will be an economic resource for entrepreneurs and their workforce.

5th&Ave Building Second Floor ~Wenatchee Avenue Access



FLOOR 2 PLAN
subject to change

WENATCHEE AVE

5th&Ave
ADAPTIVE REUSE PROPOSAL for CCPUD HQ

version: 2020-04-08

5th&Ave Building Second Floor:

NCWEDD Backing Small NCW (Retail)

Action Health Partners

Cascadia Pizza Co.

5th&Ave

North Central Washington Economic Development District



**NCW
ECONOMIC
DEVELOPMENT
DISTRICT**

Designed to create an innovative and resilient economy for North Central Washington businesses, workers, and families, the NCWEDD brings together local, regional, and state partners to

develop and implement effective strategy. Headquartered in Wenatchee, the NCWEDD regularly connects new people, partners, and entities to the CBD.

The NCWEDD is tasked with creating economic opportunity by bringing the public and private sectors together in a mutually-beneficial environment. Specific programs the NCWEDD administers that will enhance the small business, retail, and community benefits of this proposal include:



- Backing Small NCW ~ utilizing 4 strategic programs to strengthen economies through grass root initiatives to create resilient, thriving, inclusive communities:
 - Supernova Business Launch Competition
 - Project Elevate
 - Food-Based Economic Development
 - Technical Assistance for Communities and Businesses
- Strategic planning for downtowns and main streets
- Retail recruitment and retention for small businesses
- Grant and technical writing to access resources

It is the intent of the NCWEDD to engage community leaders, leverage involvement of the private sector, and establish a strategic blueprint for collaboration at all communal levels. Maintaining headquarters in Wenatchee with an improved dynamic of partners is of best interest.

Communities in Schools



In line with the great work of each previously mentioned entity, Communities in Schools surrounds students with a community of support, empowering them to stay in school and achieve in life. Serving the local region as a Chapter of a national organization serving over 1.61 million students annually, our local Communities in Schools program is an integrated model of student support; perfect to be in place with adjacent agencies. Being locally focused and nationally supported, Communities in Schools directly fights the paralyzing effect of the dropout epidemic; a fight positively influencing economic indicators in youth at a return of \$18.40 for every \$1 invested in the organization.



Action Health Services



Action Health Partners is a community-based non-profit organization with a 25+ year history serving North Central and other Eastern Washington counties. The organization is led by a team of collaborative leaders who build relationships that reduce barriers to healthy communities. Action Health Partners works to improve regional health outcomes through community-based care coordination services, connecting individuals to a full range of services and providing encouragement to achieve goals to support better health and wellbeing. The organization has four integrated service networks that embody the mission of educating, supporting, and empowering individuals to improve quality of life and well-being through community support services. In 2021, Action Health Partners and contracted network providers delivered >13,000 individual services across the region. The team is excited about the 5th&Ave



Gateway to Downtown project shared space design which offers the opportunity for Action Health Partners to interact with local and regional nonprofit organizations working together to ensure greater impact and efficiencies in service delivery.

Cascadia Pizza Company



Cascadia Pizza Co. was established in 2015 as a food truck, primarily operating at weddings and special events. Over the past six years, we have grown into the best wood fired pizza company in Western Washington with two stores and three food trucks serving corporate offices like Starbucks, Microsoft, and T-Mobile. We are now looking to bring our award winning pizza to Wenatchee, to establish a home base as we expand into Eastern Washington.

Cascadia currently employs over 50 people in our food truck, catering, and restaurant operations. Our Wenatchee store will create 30 jobs with an average wage well over \$20 per hour with tips and bonus compensation. With an open kitchen concept, Cascadia provides a unique restaurant environment that showcases to customers hand-stretched dough, high quality ingredients, and the art of cooking in a wood fired oven. Nearly all of Cascadia's products and vendors are locally sourced, down to the apple wood used in the wood-fired ovens that come from Wenatchee apple orchards!

Cascadia's planned 3,000sf restaurant and 1,000sf patio with frontage on Wenatchee Avenue will also serve as a commissary to support our catering and food truck businesses. From this flagship location Cascadia plans to service Central Washington from Chelan to Leavenworth to George.



First store located in Enumclaw.



Flagship pizzeria of Maple Valley.

Remembering our beginnings as a humble food trailer, Thomas, Christian, and Calvin are committed to helping others, by giving back to the communities they serve. Cascadia has sponsored a number of free pizza events and fundraisers for local charities, schools, and first responders. Pizza makes everybody happy. Wood fired pizza changes lives.



Our wood fired food truck will be on the streets of Eastern Washington soon.

5th&Ave Building Third Floor ~ With Scenic Views



FLOOR 3
subject to change

WENATCHEE AVE

Similar to the Mercantile, the third floor will give aid in fostering economic development and to build community. 5th&Ave is committed to providing a workspace where you are energized to spend your workdays, celebrate our local community assets, and serve as a catalyst for positive economic development.



Within three months of opening in the fall of 2019 the Mercantile was at 90% occupancy. During the pandemic when many businesses were struggling to stay open, the Mercantile saw increased demand, and the need to convert some open space into six more private office suites. They are currently 100% occupied.

Building on this demand for hip, downtown office suites we plan to convert the 3rd Floor of the HQ Building into offices that can flexibly accommodate businesses from one to eighty employees. With off street parking onsite, river and mountain views, and access to the country’s newest YMCA and onsite childcare, we think these offices will be in high demand.



#3 - RESIDENCES AT 5th&Ave



The Residences at 5th&Ave

On this one acre parcel (formerly the Tech Shop), we will build 40, 2 bedroom/2 bathroom residences. We will partner with a local builder on construction, and use North Cascades Bank (banker - Stacy Suydam) to obtain a construction loan.

This \$7M project will provide the closest new living quarters to Wenatchee's Central Business District. Live, work, and play are just steps away. Those who live in the Residences at 5th&Ave will be able to walk to downtown shops without taking up valuable parking, access the Riverfront Trail, and take advantage of a brand new YMCA in their literal backyard.



The 40 units will be just over 1,000sf in size, and feature 2 bedrooms / 2 bathrooms and in unit washer and dryer.



#4 - NORTH 40 PRODUCTIONS



North 40 Productions

NORTH FORTY

North Forty Productions is a full-service media production house based in downtown Wenatchee. The company employs three full-time and five part-time staff at its current location at the Mercantile co-working space. Over the last several years, North Forty's clientele has expanded across the State of Washington, Oregon and Alaska and continued growth is projected. North Forty is currently looking for larger production space to enhance their ability to film on controlled sets, increase the number of edit bays available for staff and to potentially make available studio shooting space to other filmmakers and photographers in the area. The PUD's Fish and Wildlife building provides an excellent opportunity to provide a space for North Forty's continued growth and vision for the next decade.



RIVERSIDE PLAYHOUSE PARTNERSHIP

5th&Ave recognizes that Music Theatre Wenatchee (MTW) is vital to our local arts scene. Besides the annual Apple Blossom Musical, spring and fall plays, and short Shakespearean's in August, their space is used by local groups who need a rehearsal and performance venue. Riverside Playhouse is truly a community asset that must continue to thrive. We are committed to helping them do that with the following plan to accommodate their parking needs.

We will parcel the 80 parking spots along with the Fish and Wildlife Building into one parcel that will be owned by North 40 Productions. The new owner, Jeff Ostenson, has agreed to allow MTW to use his parking lot as long as they share in the costs to maintain the lot. We will memorialize this agreement with a contract between North 40 and MTW, and create an HOA with a nominal monthly fee to cover snow removal, insurance, and occasional patch repair and restriping.

Private parking spots in downtown Wenatchee can rent for \$55/month. This 80 spot accommodation represents over \$50k a year in parking that we are providing MTW on an ongoing basis to help ensure their longevity and success.

OFFER TO PURCHASE

PROPOSED PURCHASE PRICE

The 5th&Ave development team is extending an offer to purchase the entire PUD 7.5 acre site for \$1.5M.

ESTIMATED DEVELOPMENT COSTS

- YMCA Facility
\$22M Demolition and Construction

- Commercial Administration and Retail Building
\$2.5-\$3M Renovation

- Residences at 5th&Ave
\$400K Demolition of Tech Shop
\$6.5M construction of two 20 unit residence buildings

- North 40 Productions
\$100K Cosmetic repairs and deferred maintenance

- General Infrastructure
\$1.5M pedestrian ways, roads, parking, and landscaping

- Total Estimated Costs for Project
\$35M

FUNDING SOURCES

As outlined in this proposal there will be a wide mix of both private and public investment utilized for the 5th&Ave project. Public funding will be largely driven by the fundraising needs of the YMCA. Secured, private investment will be the sole funding for the PUD headquarters project and North 40 Productions. The Residences at 5th&Ave will be built using a standard construction loan on a 70/30 LTV through North Cascades Bank.

The MDT intends to explore public grant monies to help with general infrastructure projects but the overall project is not reliant on those avenues.

As outlined in the MDT introductions and successfully completed projects section, the team has extensive background in fundraising both privately and publicly. All team members are familiar with how to structure private equity funding as well as working with local lending institutions.

Public Investment Request

5th&Ave will work cooperatively with the City of Wenatchee, the Port of Chelan-Douglas County and the Public Utility District to identify and agree upon mutually beneficial public investments in the 5th street property, subject to budgetary limitations by each public entity. For example, these public investments could include relocation of power transmitters on site, remediation of soils, removal of buildings, improvements to Wenatchee Avenue and improved access to and from the waterfront along 5th Street. On this last note, 5th&Ave is willing to donate land on the north portion of the development to the City, as noted in Figure 01, note 1 herein.

Summary

5th&Ave - Gateway to Downtown is the most ambitious redevelopment of Wenatchee's downtown in a generation. Our team is comprised of a group of passionate leaders and innovators with local roots who are not driven by profits but rather the vision of what is best for our community, our downtown businesses, and our future. We were purposeful in building a plan that best benefits the people, economy, and infrastructure of Wenatchee. In choosing our plan the PUD not only has an opportunity to permanently cement their legacy in the CBD, but to truly bring to life their mission statement to "enhance the quality of life in Chelan County."

5th & Ave

Gateway to Downtown