

The Confluence at Troutdale

RFQ FOR UNIQUE RIVERFRONT DEVELOPMENT OPPORTUNITY

November 9, 2022



CAPSTONE
P A R T N E R S

M
Ankrom Moisan

November 9, 2022

CAPSTONE
P A R T N E R S



The Confluence at Troutdale
Attn: Marlee Boxler, Economic Development Coordinator
219 E. Historic Columbia River Highway
Troutdale, OR 97060

RE: The Confluence at Troutdale

Dear Marlee,

We are excited about the opportunity to propose our vision for the Confluence at Troutdale. Capstone Partners LLC has partnered with Portland based Ankron Moisan Architects, as our architecture, placemaking and planning firm. Our team also includes Son of Man Basque Style Cidery, currently based in Cascade Locks who is interested in developing a new 15,000 – 20,00 square foot production facility and serve as an “anchor maker” for the commercial district portion of our project. Also on the team is Sam Purvis, owner of Good Coffee and food & beverage and hospitality advisor. Lastly, Barbara Nelson, Friends of the Columbia Gorge board member will serve as a Columbia Gorge advisor to our project team.

We believe our team is uniquely suited to execute on a vision that aligns with the City of Troutdale’s goal to create a vibrant mixed use at the Gateway to the Gorge. Importantly, the proper positioning of The Confluence as destination at the entry to the Gorge National Scenic Area is a key success factor for this project. Barbara Nelson will bring a unique perspective and expertise in Gorge conservation, recreation and economic development to insure this project leverages these opportunities culturally, environmentally and economically for the City of Troutdale and the broader Gorge region.

Our design and development team has vast experience working across all levels of the housing, retail, gathering places, and hospitality spectrum in large and small communities and town centers throughout Oregon and the Seattle area. With over 25 years of experience working in Oregon and Washington, our team has been at the forefront of environmentally sustainable projects and recognized work/live/play neighborhoods in urban and suburban town centers. We have a firm understanding of what is important to the local residents, what attracts tourism and recreational visitors increasing revenue for the City of Troutdale. We believe this project can be another example of innovative development that leads to a stronger community enhancing the lives of our fellow citizens and visitors.

I will be primary point of contact for the team. I hereby verify there are no potential conflicts of interest for either Capstone Partners LLC, Ankron Moisan Architects, Son of Man, Good Coffee or Friends of Columbia Gorge.

Marlee, our team would be honored to have the opportunity to partner with the City of Troutdale on this unique opportunity to build on the established reputation of historic Downtown Troutdale and create an inspiring and vibrant project that serves both the local community and creates a “must see and visit” regional destination for visitors to the Gorge.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Nelson'.

Chris Nelson, Principal
Capstone Partners LLC

Team Makeup and Development Experience



Introduction to the Team

Capstone Partners

Master Developer,

Capstone Partners, plans, finances, implements and manages commercial real estate developments and investments for investors and organizations across the Pacific Northwest. By harnessing complex situations and face-to-face relationships with our project partners, we execute meaningful multifamily, office, industrial, mixed use and retail developments that improve the communities they serve.

Since 2002, we have completed more than \$3 billion in projects and investments across diverse product types for business, neighborhoods in the Portland Metro area and greater Seattle area.

Ankrom Moisan

Master plan architect and place maker,

Ankrom, understands that every community has a unique personality that draws vitality from its social, environmental, and economic roots. As with any community, human habitats are strongest when they are infused with culture, diversity, history, natural environments, and purpose. Our project approach demands a strong understanding of the virtues of livability and creating places with distinction. Establishing a truly livable place is as much of a science as it is an art, requiring the right mix of activity, use, comfort, access, convenience with the balance of character and grit. We understand the nuances of creating synergies between the natural and the built environment.



Son of Man

Commercial District

Anchor, Son of Man, works to perfect a singular craft. Inspired by the generations of cidemakers in Northern Spain, we have set out to make exceptional Basque-style cider.

Son of Man is rooted in Oregon's Columbia River Gorge. Although we have more than quadrupled our annual production over the last 5 years, we have remained committed to making single ingredient (just apples) Basque style cider with apples sourced from small Oregon farms. We celebrate and promote the bounty of this incredible place both locally, and in the markets we export to including California, Washington, Texas, Illinois, the Carolinas and South Korea.

Son of Man is excited to partner with Capstone Partners as an anchor maker of the proposed commercial district where we would design, build and own a 15,000 – 20,000 sq. ft. production facility to accommodate our business growth.



Good Coffee | Sam Purvis

Food and Beverage + Hospitality Advisor,

Good Coffee, was founded in 2014

by brothers Nick and Sam Purvis. They currently have six locations, including the Portland International Airport and a roasting facility and café in Downtown Troutdale. Good Coffee's mission is to have a double bottom line – roasting quality beans to make great tasting coffee and giving back to their community. Using their platform for positive impact in Portland, they partner with local organizations working to “build a better Portland” by donating 20% of sales directly to the partner organization.

Capstone Partners met Sam and his brother Nick Purvis in 2017 when it was seeking a locally owned and operated neighborhood anchor coffee shop for the ground floor and public lobby of its Leland James mixed use development in the heart of Slabtown. They have since become great friends of the Capstone team and trusted advisors in the food and beverage sector for our projects. Sam is a huge proponent of Downtown Troutdale and a key reason Capstone elected to pursue The Confluence opportunity. We are excited to partner with Sam to develop a strategy to bring other premium regional brands to The Confluence and also find a best in class boutique hotel developer and operator.



Barbara Nelson

Columbia River Gorge + The Confluence Gateway Advisor, Barbara, works, lives and plays in the Gorge. As a commercial real estate transaction expert and passionate land conservationist, she has been a Land Trustee for the Friends of the Columbia Gorge Land Trust since 2013, providing strategic advise and advising on land acquisition throughout the Columbia River Gorge National Scenic Area. She recently joined the Friend's Board of Directors where she will continue to focus on land strategies, acquisition and advocacy within the Gorge.

Barbara will work with the project team to advise on the significance of the The Confluence's location and context as a gateway to the Gorge.

Project Examples

LL Hawkins + Slabtown Marketplace — Capstone

PORTLAND, OR

Anchoring Portland's Slabtown district, Slabtown Marketplace is part of the mixed-use Block 296 project. A single-story warehouse built in 1950, this fully renovated space is now occupied by New Seasons Market, Breakside Brewery and a curated ground floor retail including Besaw's, Please Louis artisan pizza and Solo Club cocktail bar.

113 LEED Gold Certified Class A apartment homes

New pedestrian accessway in front of New Seasons Market to provide an active public space and connectivity to the Slabtown District neighborhood.

Similar to The Confluence

Defining neighborhood project anchored by an urban flagship New Seasons Market, flagship 10 barrel Breakside Brewery and curated ground floor retail including Besaw's, Please Louis artisan pizza and Solo Club cocktail bar.

113 LEED Gold Certified Class A apartment homes

New pedestrian accessway in front of New Seasons Market to provide an active public space and connectivity to the Slabtown District neighborhood.



Leland James — Capstone

PORTLAND, OR

Leland James is the newly transformed headquarters of Con-Way which was originally built in 1973. Leland James features all-new brick, large windows with operable panels, a full-seismic upgrade, all new mechanical and plumbing systems, underground parking, and a new heavy timber penthouse office suite addition with large outdoor decks and an eco-roof. An outdoor dock-height elevated sitting area fronts the plaza; converted skybridges provide unique covered-aerial “sky porches” exclusively for tenants.

The building received LEED Gold certification with modern lighting controls and fixtures, a high-efficiency VRF mechanical system with energy recovery fresh air ventilation, daylighting and operable windows, showers and changing room facilities for bicycle commuters,

Similar to The Confluence

Mixed-use development with ground floor restaurant and other urban retail and workplace office above.

Retail tenants include Good Coffee, Sunshine Noodles and Orange Theory.

New pedestrian walkway amenity to serve surrounding Slabtown Neighborhood.

green-roof plantings for stormwater management, and all FSC-certified mahogany storefronts.

Leland James features an active front porch loading dock public space, active ground floor retail spaces, a public serving lobby and also serves as Capstone Partners Portland Headquarters just across the lobby from Good Coffee!



Cannery Square — Capstone & AMA

SHERWOOD, OR

Capstone and AMA partnered with the City of Sherwood on planning and activating this former cannery site, a six-acre parcel located in the historic Old Town. We joined a passionate steering committee and supportive Mayor and City Manager to create a Master Plan which fit the City's budget and reflected the community's personality and needs.

The newfound district, "Cannery Square" is anchored with a town square. It includes a public plaza that serves as Sherwood's Living Room for community events and holiday celebrations, the Farmers Market, and a Sherwood Community Center. The 101 apartment units provide homes for the residents to enjoy.



Similar to The Confluence

Cannery Row and Square were developed on a former brown field cannery site owned by the City of Sherwood. The result is a vibrant mixed-use district in the heart of Sherwood with a town square, community center, green streets, and 101 urban style apartment homes in two buildings.

Public/Private Partnership

Esterra Park — Capstone & AMA

REDMOND, WA

Esterra Park is a 30-acre master planned work/live and play community just off SR-520, adjacent to the Microsoft campus and the new Overlake Light Rail Station. The mixed-use project has residential, commercial and hospitality uses—as well as a large park for residents, visitors and employees—and includes over 2,600 new apartments in six different communities, each with differing amenities, floor plans and personalities.

One Esterra Park is a 250,000 sq. ft. Class A high-tech office building that is fully leased to Microsoft, designed with large floor plates, tall ceilings, abundant parking, and extra power. The centerpiece of Esterra Park is The Park at Esterra a 3-acre gathering place that combines relaxation,

Similar to The Confluence

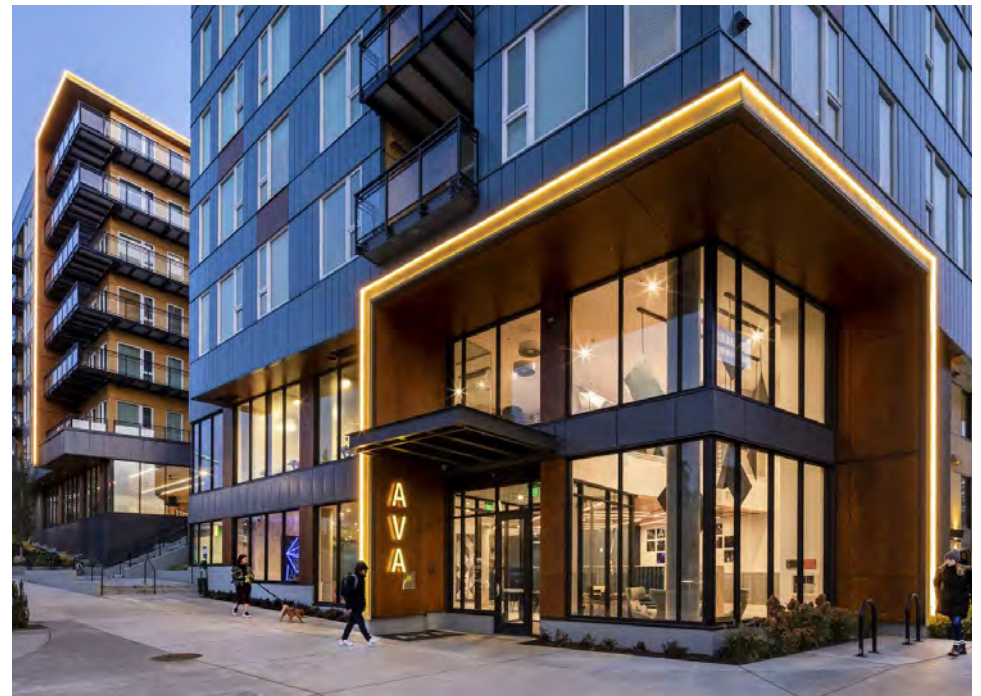
Vibrant & Thoughtful Mixed Use Work/Live and Play Neighborhood

Worked with Multiple Public Agencies

Hotel, multi-family and offices uses that are planned around a large-park area.

food, music, and nature in a way that is genuine to the Northwest.

Verde at Esterra Park, Capstone's most recently completed 634 unit Class A apartment home development, received the first Net Zero Certification in the Seattle area. Open since 2017, the 285-room Westin Hotel includes both extended stay and short-stay options in one facility.



Eugene Market District — Ankrom Moisan

EUGENE, OR

AMA designed this mixed-use project including a 3-story retail and office building, a 7-story apartment building and a 7-story hotel.

Located in an historic area near downtown Eugene, Obie Companies wanted to expand the area to enhance the shopping district and provide more urban enhancement by creating three buildings where the space between the buildings is used to bring people together.

The covered alley offers a unique element, allowing residents and tourists to enjoy and use the space, which also features water fountains, and coffee shops.

Similar to The Confluence

Vibrant & Thoughtful Use Mix

Retail Housing

Worked with Multiple Public Agencies

Hotel lobby extension of the alley,
Small plazas with water fountains

Housing Type: 127 Apartment Units

Designers approached this project as an urban repair project where the focus was creating simple buildings and let the spaces between them shine. One challenge was the glass roof. In order to meet code, designers had to raise the middle portion so smoke could be directed away from the buildings.



Westgate Framework & Rise Central — AMA

BEAVERTON, OR

AMA created a plan to transform a 34 acre site north of Beaverton's historic downtown into a pedestrian-centered, transit-connected neighborhood.

AMA combined public transit-oriented development (TOD) design with principles of placemaking, walkability, and wayfinding to create a distinct mixed-use community.

Aligned with the MAX light rail, Westgate strengthens the area transit connections and adds to the vitality of the nearby Beaverton Round with housing, employment opportunities, and shopping amenities.

Part of this vision includes Rise Central. Rise Central consists of two buildings—

Similar to The Confluence

Vibrant & Thoughtful Use Mix

Worked with Multiple Public Agencies

Walkable neighborhood master plan

Pedestrian and transit connections

Housing Type: 230 apartments

the quieter, gardenlike, five-story Rise West and the more energetic, six-story Rise East—the Rise Central responds to its surrounding context and helps reinforce the Round as an urban center.

Rise Central is a model for urban planning, architecture, and interior design working in harmony.



Engage outlet owner by showing economic win

We believe the most successful path to engaging Time Equities to obtain direct site access is by demonstrating how their center can be more economically successful through the addition of more leasable area to attract more retail brands to their center. The Columbia Gorge Outlet mall will also benefit by connecting to The Confluence project

This outlet mall is very small and doesn't have the critical mass to attract a much larger volume of customers. Our vision adds 20,000 sq. ft. of new retail space which will give the Columbia Gorge Outlet Mall a more competitive advantage and scale.

Exploring partnership to reach win-win outcome

We have created a concept site plan and renderings that show two new retail buildings that would add 20,000 sq. ft. to the Columbia Gorge Outlet Mall (net of the space that would be demolished for the new roadway). These two new buildings are located to create a strong arrival experience. Visitors will travel on a landscaped, pedestrian friendly street that forms a central East/West axis enhancing and connecting both the Columbia gorge outlets and the new Confluence development along the Sandy River. At full build out a visitor will be able to easily walk from downtown Troutdale to the waterfront to the outlet stores.

We would explore their interest in participating as an investor partner in the other facets of The Confluence project development and see if there is alignment around a larger investment opportunity that would increase the value of their current asset in Troutdale and expand their investment into some portion of The Confluence in a manner that could work for both parties.



Add'l Capstone Projects

The leaders of the team, Capstone Partners, have worked on similar projects where they assisted a city with creative funding opportunities, and/or developed a former brown field site or under utilized vacant parcel into new vibrant and economically successful mixed use projects. Below are some of these:



Atwell Off Main, Tigard, OR | 15,963 sq. ft. 165 unit, 3 story mixed-use apartment building developed as a public-private partnership with the City of Tigard



Grant Park Village, Portland, OR | Mixed-use development with 378 unites in five buildings above a 34,500 sq. ft. New Seasons Market, 13,000 sq. ft of retail space



D Street Village, Portland, OR | 80,017 sq. ft. 85-unit mixed-use multifamily & adaptively reused commercial



Arts Plaza Apartments, Gresham, OR | 97-unit, 4-story multi-family mixed-use building with retail at the ground level

Lead Staff | Capstone Partners

CHRIS NELSON | Principal

Chris co-founded Capstone Partners LLC with offices in Portland and Seattle in 2002. He is an industry leader with over 30 years of experience executing complex mixed-use, urban retail, office, industrial and multi-family developments. Since inception, the Capstone team has acquired and developed over 4.5 million square feet in 45 projects representing over \$3 billion in total project value. Chris is know for his leadership in the real estate industry and for making positive social impact in community. He is a former ULI Portland District Council Chair, is a Founding Board Member of KairosPDX, a charter school for underserved children and families of color and is currently a partner with Social Venture Partners Portland. Chris is a graduate of the University of California, Davis with a bachelor's degree in Economics and served as its Student Body President.



LAUREN JONES | VP of Development

Lauren has a keen ability to build trust with clients and stakeholders. She directs pre-development activities and entitlements, is actively involved in all debt and equity sourcing, and manages leasing efforts for all Capstone's projects. Prior to joining Capstone Partners, Lauren worked as an urban planning consultant specializing in redevelopment strategic planning. She has extensive experience managing planning and entitlement processes. Lauren is President-Elect of NAIOP Oregon, member of the Portland State University Center for Real Estate Advisory Board, and member of Urban Land Institute. She's also a member of the City of Portland Development Review Advisory Committee. Lauren is a community volunteer and member of the Neonatal Intensive Care Family Advisory Council at Randall Children's Hospital.



STACY BLANTON | VP Asset Management

Stacy leads asset management and construction management for Capstone and has 20+ years of experience in institutional multifamily and commercial property management. Stacy's expertise lies in her keen attention to detail and contextual awareness. One moment she can be drilling into budget details for a tenant building meeting; the next, she is onsite with operating teams. Before joining Capstone in 2013, Stacy managed a large, 900,000 sq. ft. Class A office portfolio for Basin Street Properties. She has also held multifamily positions with Equity Residential and HSC Real Estate. Stacy is a member of Urban Land Institute and volunteers at KairosPDX.



Additional Ankrom Projects



Goat Blocks, Portland, OR | 394,920 sq. ft. of vibrant live, work, shop destination



MacArthur Commons, Oakland, CA Transformation of car-centered history to walkable neighborhood



WA Family Ranch, Antelope, OR Providing youth campers the best week of their lives



Verso, Portland, OR | Blending the best of hometown with urban living opportunities in Beaverton

Lead Staff | Ankrom Moisan

MURRAY JENKINS AIA, LEED AP BD+C

Executive Vice President

As licensed architect and executive vice president, Murray leads Ankrom Moisan's Portland architects to explore beyond the expected. Through our collaborative and interdisciplinary design process, Murray's focus on sustainable placemaking drives a wide range of project types—mixed-use housing, student housing, office, hospitality, and community places. He has influenced countless vibrant urban developments throughout the western United States. Similar projects include the Eugene Market District, Cannery Square in Sherwood, and the Village at Idlewild Park in Reno, Nevada.



JASON ROBERTS AIA, LEED AP

Design Principal

Jason's design inspiration is sparked by his global travels, where he fills sketchbooks with visual interpretations of the places he sees. Carrying those experiences into his work, he creates unique built environments that connect with people on a personal level. He also understands to create a strong Vision, it takes an inclusive team that listens first. Understanding the people, the history, and the future of a place is critical to telling the story. He has led the visioning for numerous urban design projects including the Pearl District and the Goat Blocks in Portland, MacArthur Commons in Oakland and Washington Family Ranch in Central Oregon.



STEPHANIE HOLLAR

Project Architect

Stephanie believes in order to create great architecture many people need to work together with a common goal — building an exceptional place for people to inhabit. She is a committed registered architect in Oregon who brings a fresh, vibrant energy to every team. As an excellent communicator, Stephanie easily conveys her design and brings a collaborative attitude, resulting in projects residents, visitors and stakeholders find safe and comfortable to live and play.



Vision and Plan for the Site



Vision

The Confluence will bring new life to the Sandy River waterfront, transforming the area while complimenting the existing historic downtown commercial district and surrounding neighborhood.

The strategic location will connect the City to the Sandy River drawing residents and tourist alike. We envision a mixed use project consisting of public recreation, experiential retail, residential housing for rent and sale, regional maker and production

space for lease and sale and hospitality which will include two hotels and premium regional food and beverage operators.

The orientation of the streets will be in a grid pattern with the Sandy River as a focal point. The street pattern will provide a connection to a future pedestrian bridge to downtown Troutdale, as well as at a new western project entrance.



INTERSTATE 84

Development Concept Plan

GRAHAM RD

MONUMENT SIGN

COLUMBIA GORGE
OUTLETS

LOCATION FOR
FUTURE PARKING
GARAGE

WATERFRONT
PARK / PLAZA

EXISTING WATER
TOWER

PEDESTRIAN BRIDGE
TO DOWNTOWN

SANDY RIVER

UNION-PACIFIC RAILWAY

DOWNTOWN TROUTDALE

INTERSTATE 84

Our preliminary development concept plan includes a mix of uses – residential, commercial, flex production, and hotel – with the Sandy River as a focal point. The street pattern and building orientations maximize the views and relationship to the river. The mix of uses contributes to a vibrant community that has active morning, daytime and evening resident and visitor activity.

The most appealing aspect of the site is the natural amenity of the Sandy River and its location as the gateway to the Gorge. All elements of the development concept plan have these two aspects in mind. For example, the higher density uses are located near the river, maximizing the benefit of this amenity. The street network brings people in with an orientation towards the river and Gorge. The building forms and architectural design will fit within the context of the Gorge. The site will include ample open space for visitors, which fits within the recreational theme of the Gorge.

The primary access point will run east/west through the center of the site, with a future connection through the existing Columbia Gorge Outlets. The connection is imperative for orienting the development towards the Sandy River. Solidifying the connection will be a priority of the team.



The final mix of housing will be dependent on market demand. Our current plans show a large multistory mixed-use multi-family residential building and 88 townhomes. The multistory mixed-use building is located at the river to maximize the river amenity and will include curated ground floor food and beverage uses along with experiential retail. Townhomes would provide a smaller scale option offering home ownership.

The production and commercial space will provide ownership opportunity and regional employment in this new district. Some of the flex production buildings will be available for lease and some may be owned by the production user (Son of Man for example). The flex production space will allow an option for retail/customer experience elements that will contribute to promoting the activity at the site. Good Coffee and Away Days Brewery in Downtown Troutdale are other examples of this flex production use case where the operator owns the facility and has a customer experience.

The initial concept plan includes a myriad of open space and public plazas to accentuate the city's investment in the trail and the natural amenity of the Sandy River. It's early enough on in the plan development that sustainable features at the building levels cannot be specifically identified. However, the team has extensive experience evaluating and incorporating sustainable design into buildings.



- TOWNHOUSES**
88 TOWNHOMES
176 PARKING SPACES
- MULTI-FAMILY**
123 APARTMENTS
167 PARKING SPACES
4800 SF OF RETAIL
- BOUTIQUE HOTEL**
71 ROOMS
68 PARKING SPACES
MULTI-FAMILY OPTION - 59 APARTMENTS
- HOTEL**
107 ROOMS
110 PARKING SPACES
- NEW OUTLET MALL RETAIL**
2 BUILDINGS 24,000 GSF (NEW)
-4,000 SF (REMOVED FOR ACCESS ROAD)
SHARES PARKING WITH OUTLET MALL
- COMMERCIAL / INDUSTRIAL**
4 BUILDINGS
57,500 GSF + OPTIONAL MEZZANINES
133 PARKING SPACES



Waterfront Experience

Overall, we envision the Waterfront Experience as strengthening a sense of community and place and bringing in premium food and beverage operators to create a vibrant commercial and experiential retail experience for visitors to The Confluence. By connecting to the Sandy River and creating architectural designs inspired by nature, urban living and the rich history, we will design and build a unique experience that will endure.

We plan to transform the area by strengthening community engagement and providing inclusive places including public spaces, public art, active ground floor uses, and attracting unique foot and beverage experiences. The former water tower will serve as a focal point for The Confluence district.

Capstone Partners has experience curating unique and vibrant retail experiences with some of Portland's

leading food, beverage and grocery retail brands including Good Coffee, Breakside Brewery, New Seasons Market (three projects) and several other regional food and beverage operators. We intend to seek out comparable best in class owner operators for The Confluence starting with Son of Man as a 15,000 – 20,000 sq. ft. anchor maker in the proposed commercial district of our plan.



Financial Capacity

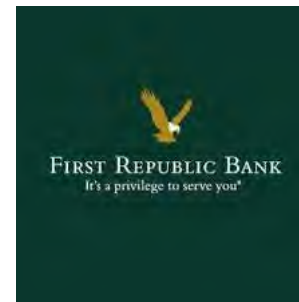


Since its founding in 2002, Capstone Partners has successfully completed over 45 separate projects and investments representing over \$3M in project value. These include multi-family, office/ workplace, industrial, mixed use commercial, and grocery anchored, urban and suburban retail projects. Capstone Partners maintains strong relationships with several institutional advisors and private real estate equity providers, large national commercial banks, regional banks and institutional debt providers (listed below). Capstone can provide contact information for representatives of each of these firms upon request.

Joint Venture Equity Relationships



Capstone Lender Partners



Deal Terms



Preliminary Thoughts of Deal Terms

Capstone Partners proposes to structure a straightforward phased fee simple acquisition of the property by defined use type and size (and related parcel size for each property). The value for each property would be based on a residual land value approach that would enable Capstone Partners to achieve a market yield on cost that is feasible and financeable at the time of development using an open book approach on a Proforma based on market assumptions the parties would agree to.

This conceptual approach was utilized in our development of Attwell Off Main with the City of Tigard and with the Cannery Row project with the City of Sherwood. In both cases, a Development and Disposition Agreement (DDA) was negotiated between the City and Capstone and each city had a third party advisor review our development Proforma assumptions to insure the City was obtaining a fair residual land value for each parcel.

Preliminary Project Development Approach

All large-scale master planned and mixed use projects are often multi- year endeavors and subject to stakeholder outreach, land use approvals permitting, market forces and functioning capital markets. Capstone isn't comfortable suggesting a detailed phasing plan at this time.

Our plan is to develop a mix of uses and property types (the commercial/maker buildings, freeway adjacent hotel, boutique hotel, multi-family and townhome projects) that could potentially be designed and developed at one time.

Capstone will bring in best in class hospitality co-developers for the two hotel projects, and a residential-for-sale townhome developer for the townhome portion of the project.

The state of the capital markets and construction cost volatility make development very challenging in the current economic environment. We think that is probably okay as it gives us time to complete a master plan, negotiate a DDA and obtain public approvals for The Confluence so the project is positioned to start when the capital markets and economy are in a recovery/growth phase.

Expectations of City and Other Public Partners

It is Capstone Partner's assumption that all new public streets (including an extension of 257th Way through the existing Columbia Gorge Outlet Mall), and other infrastructure including a pedestrian bridge connecting Downtown Troutdale commercial district with the Confluence site and new Waterfront Park Plaza would be funded with City of Troutdale capital and resources. Capstone is also assuming that the new Waterfront Park and Green Space along the Sandy River park will be fully funded and ready to be built before the first phase(s) of The Confluence development has commenced.

This is the same conceptual approach Capstone Partners utilized in each of the public/private partnerships the City of Sherwood (Cannery Row and Square) and City of Tigard (Attwell Off Main). Other incentives could include, but are not limited to, SDC waivers/credits and TIF financing.

Capstone will pursue any and all publicly available incentives that the City of Troutdale can provide including a Vertical Housing Tax Credit (or something similar like the City of Portland MULTE program) and any other permit assistance (financial fee waivers or reductions and/or faster process) that may be available to the development and its tenants.

Supplemental Materials





November 1, 2022

Mr. Ray Young
City Manager
City of Troutdale
219 E. Historic Columbia River Highway
Troutdale, OR 97060

**Re: Capstone Partners LLC Reference Letter
Confluence Request for Qualifications**

Dear Ray:

I understand that Capstone Partners LLC is responding to a Request for Qualifications (RFQ) the City of Troutdale has issued for its Confluence riverfront development opportunity and that you are seeking qualified developers capable to implement on this important project.

I am writing to recommend Capstone Partners LLC as an experienced and capable developer based on our experience working with them on the Attwell off Main mixed-use development they delivered in the City of Tigard that was completed in May 2017.

In April 2015, Capstone Partners LLC entered into a Design and Disposition Agreement (DDA) with the City of Tigard to redevelop a site that was being used as the City's public works yard and dog park into a successful multifamily mixed-use project with ground floor retail. Capstone collaborated with City staff and Tigard residents to design a two-building project made up of 165 apartment homes and 1,800 sf of ground floor retail space at the corner of SW Burnham St and SW Ash Ave, just a short walk to SW Main St in Downtown Tigard and adjacent to the Tigard Transit Center/WES park and ride.

Capstone worked with the City staff and met all obligations of the DDA. Importantly, Capstone also worked proactively with existing local business owners in Downtown Tigard to cross-market their businesses, sponsored City and community events and encouraged residents to patronize the downtown businesses and promote the use of WES. The project was successful in bringing high quality housing to an area that was previously an industrial use and creating a connection from this area to the Downtown Tigard commercial core.

Capstone is a competent, collaborative, and outstanding development partner. The Attwell off Main project has been a positive addition to the Downtown Tigard neighborhood. If you have further questions, please do not hesitate to contact me at (503)718-2443.

Sincerely,

Kenny Asher
Community Development Director

REFERENCES

City of Sherwood

Cannery Row and Cannery Square

Keith Mays, Mayor

City of Sherwood

22560 SW Pine Street

Sherwood, OR 97140

503.643.6305 (office)

503.476.4445 (cell)

maysk@sherwoodoregon.gov

City of Gresham

Breakside Brewery Production Facility

Shannon Stadey

Director, Economic Development Services

City of Gresham

1333 NW Eastman Parkway

Gresham, OR 97030

503.618.2640

shannon.stadey@greshamoregon.gov

Port of Portland

Multiple Development Projects on Port Land

Teresa Carr

Director, Biz Development & Commercial Properties

Port of Portland

PO Box 3529

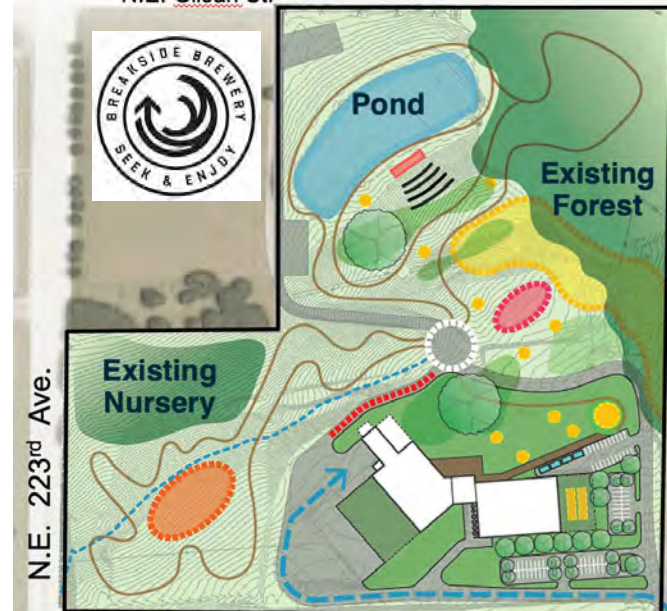
Portland, OR 97208

503.415.6010

teresa.carr@portofportland.com



N.E. Glisan St.



Forbes

REAL ESTATE

Net Zero And Luxury Now Cohabitating In New Apartments

Jeffrey Steele

Jul 19, 2022,09:00am



Verde at Esterra Park apartments in Redmond, Wash. is representative of a new breed of apartment CAPSTONE PARTNERS

It may have once felt natural to assume net-zero residences and luxury living could never take up housekeeping together. Not any longer. Net zero apartments that offer sumptuous creature comforts have not only made the scene, but are seemingly being snapped up by luxe-minded, eco-conscious residents as fast as they go on the market.

To quote one observer interested in the trend, “Renters are walking the talk.”

That renters are responding favorably isn’t a jolt. The 2022 NMHC Renter Preference Report divulged 65 percent of renters report their leasing decisions would be positively influenced by healthy building certifications. In addition, a

May 2022 study by the American Council for Energy Efficient Economy (ACEEE), reported in Bloomberg, revealed “renters are more likely to choose energy-efficient homes” and less likely to select inefficient homes when the rental listings incorporate energy information labels.

Renters were found to be willing to pay higher rents for energy-efficient units. Maybe that’s because a 2021 Apartment Data report found 80 percent of apartment renters convinced residing in green apartment communities benefits their health.

Verde is green

A compelling example of the luxury net zero phenomenon is the LEED zero-carbon Verde at Esterra Park apartments in Redmond, Wash., which opened one-third preleased to renters seeking an upscale, eco-friendly lifestyle.

“The concept and design of Verde at Esterra Park is capitalizing on the sea change in human behavior and the growing consumer demand for a better planet,” says Mike Hubbard of developer Capstone Partners. “There’s no one step or action people can take, but multifamily offers a great platform to push environmental boundaries because the living environment is where it all comes together. We planned Verde in a way that we hope will catalyze sustainability from conception through occupancy, both for residents who want this lifestyle, and as a signpost for the industry.”

Among notable features at Verde are greater numbers of bicycle stalls than parking stalls, and almost five times the number of building-code-required electric vehicle (EV) charging stations. Living at Verde doesn’t involve giving up convenience, comfort or productivity. Amenities include direct access to adjacent Esterra Park with free Wi-Fi and food options, a multilevel fitness center, outdoor courtyards featuring seating, conference rooms, co-working spaces and 24-7 dry cleaning and laundry service.

One Verde renter says living at the community means reducing her own personal carbon footprint, renting or borrowing from the apartment community's short-term needs kiosks instead of buying more "stuff," and recycling more aggressively.

Rental and ownership

Moving from metro Seattle to the Bay Area, we find plans underway for The SoFA One, a high-rise soon to commence construction in the SoFA enclave of San Jose, Calif. The carbon-neutral development will offer renters opportunity to begin with a deposit like a rental, and build "payments" toward a possible eventual purchase of the residence.

Housing company Nabr, along with two local developers, report SoFA One will be fully electric, carbon-neutral and offer large open balconies letting residents try out their gardening skills. A rooftop park and community garden are additional features of the development anticipated to be complete and welcoming renters in mid-2023.

Net-zero water

Meantime, in Jersey City, N.J., the new Haus25 is taking net-zero in another direction. Its technology leverages solar power to pull net-zero water from the air. The water is then directed through drinking fountains on the building's outdoor roof deck, just one amenity among its tens of thousands of square feet of gardens and outdoor settings.

The Veris Residential 56-story tower, which began leasing in April, features technology that includes energy tracking, hydro panels and bioretention swales at curbs to collect water that is redirected to the task of outdoor soil irrigation.