

To: Sheri Wahrgren

From: T.J. Sullivan

RE: Grant Funding for Park Front

Park Front is poised to be the next great addition to Downtown Salem. It is an \$8.2 million dollar investment into our core. Once complete the building will be four stories with 30,000 square feet of Class A office space. The ownership team is made up of Salem residents and we have made sure to use local contractors, banks, architects, etc. to keep our dollars in Salem. We anticipate the building will be home to 80+ family wage jobs. Ultimately, we want this building to be one that residents are proud of.

Every project has challenges and ours has been no different. The site is challenging and the recent uptick in the economy coupled with the demand for contractors and materials has led us to make decisions that have reduced some of the enhancements of the building. As an example, the old triangle building on the site was demolished and the remains were placed in the basement of the structure and covered over with fill. The cost to remove and replace with structural fill was \$60,000 over our budget. We are seeking a grant of \$749,999 to help us restore some of the items that we believe will contribute to a more vibrant development.

The following items are going to be added back into the budget:

The exterior will be all brick and glass with wood accents. We have cut back on the brick incorporating metal panels to save costs. Going back to brick will provide better insulation and reduce the noise of the street and the train.

A foam block will be placed in the ground between our building and the railroad tracks to help absorb the vibration of the train. The vibration has been a concern for potential tenants and by removing this concern we make the building more attractive to other businesses looking to move downtown.

Our landscaping plans will include trees that are ten years old instead of saplings. We will also include more pavers and lighting into the landscape. The pavers will allow for less run off of storm water and the lighting will help with the overall safety of the area.

We are working to get a revocable permit from the city to be able to improve and maintain a strip of city property located in between our property and Front Street. The additional property will get the same quality treatment that our property receives.

Ultimately, our building will help increase property values in Downtown Salem but beyond that we want to increase the value that residents place on Downtown Salem. This grant will help us to achieve that goal.