

# CITY of CASCADE LOCKS *AGENDA*

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CITY COUNCIL SPECIAL MEETING, Monday, June 18, 2012, 7:00 PM, CITY HALL

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1. **Call to Order/Pledge of Allegiance/Roll Call.**
2. **Additions or amendments to the Agenda.** (The Mayor or Presiding Officer may add items to the agenda after it is printed and distributed only when required by business necessity and only after an explanation has been given. The addition of agenda items after the agenda has been printed is otherwise discouraged).
3. **Overview of the 505 Wanapa Development Project and Potential Long Term Solutions.**
4. **Presentations.**
  - 7:20 a. **Whiskey Flats Brewery.** A proposal to construct a brew pub to be located in the existing building.
  - 7:40 b. **Macadam Forbes Broker.** A proposal to serve as the official broker for the City to market and sell the facility.
  - 8:00 c. **Columbia Property Group-Seder Architects Development.** A proposal to market, develop and or sell the facility as a completed development. This proposal includes working with other interested parties to prepare a final development plan.
  - d. **Sandy River Boat Works (Canoe and boat building and retail sales).** A proposal by an architect to relocate his canoe and boat building business to Cascade Locks. Would retain the existing structure and make necessary repairs over time. This proposal includes a price to purchase the facility from the City with terms. **This firm will not be presenting.**
5. **Staff Recommendations.**
6. **Public Comment.**
7. **Mayor and Council Comments.**
8. **Adjournment.**

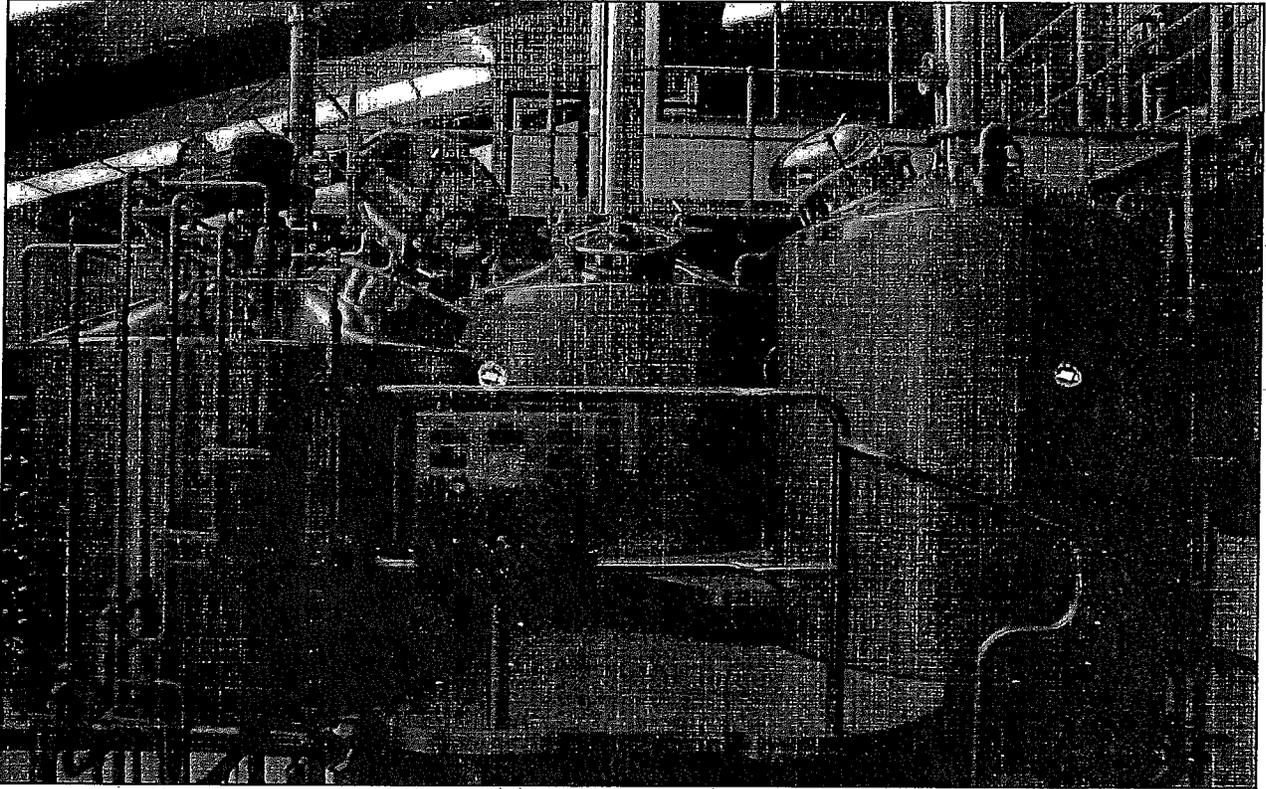
**The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for person with disabilities, should be made at least 48 hours in advance of the meeting by contacting the City of Cascade Locks office at 541-374-8484.**



# **Whiskey Flats Brewery**

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# Whiskey Flats Brewery

Brewery Proposal

Prepared for the City of Cascade Locks

Prepared by Daniel Hynes and Dave Lipps

1027 NE Schuyler

Portland, OR 97212

(831) 295-4542

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### MISSION STATEMENT

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Whiskey Flats Brewery's primary concern is to provide a place for the community. Our Brewery aims to be a space where friends and family will meet in a healthy, inviting environment to enjoy a hand crafted beer brewed on location. We desire to serve the community that we work in by not only providing high quality products but also by creating jobs locally and adding to the social fabric of the area. Whiskey Flats Brewery will be a good steward to the environment through sourcing local ingredients, consuming less energy by utilizing solar energy, and properly managing waste byproducts.

We believe biking not only benefits individuals by helping them on their way to a healthier lifestyle but also the community at large, as it promotes more local interactions and more local destinations. In this way, Whiskey Flats Brewery offers a destination for cyclists to arrive/depart and hopes to be a way post for not only community members but also cyclists traveling in the area.

Our beer is top class, made with local ingredients, and our concern is for our customers, the community, and the environment. Whiskey Flats Brewery does not wish to be complacent but to expand into other markets to better serve the growing and changing needs of the community.

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### VISION STATEMENT

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"To provide a destination for people to come and a reason for them to stay"

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### GOALS

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- To be competitive in the local beer market
- To promote cycling in the area (road/mountain)
- To evaluate decisions through an environmental perspective
- To bring outside tourism to the community
- To distribute to the Oregon beer market
- To grow into providing a bike shop and accommodations for visitors

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## 1.0 EXECUTIVE SUMMARY

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This is a new business that is developing to meet the needs of the people. Dave Lipps (CEO) and Daniel Hynes (COO) are developing this business out of a love for beer, community and the outdoors. The planned opening is summer 2013, but we are underway to operate in a much smaller capacity as early as June 2012. By attending public meetings, I learned that the residents of Cascade Locks desire a brewery to come into their town. They feel it can be the new blood their town needs to attract more new businesses. Looking at the 1,200 participant survey that Celilo Planning Studio performed in spring 2012 (*Appendix IV*), we see people are coming to the Gorge and consuming a lot of goods that we can provide. The top good consumed is snacks, followed by restaurant meals and then micro brews. These items constitute even more of the market than gasoline. When the participants of the survey were asked what they wanted in these towns, the most popular responses were cafés and restaurants, breweries and bars, and coffee shops. The survey also showed that a lot more people are passing through Cascade Locks than what was expected. While our initial start-up includes a brew pub focusing on meals and beer, there is room in this market for expansion. We are going to provide world class beers brewed on site as well as fresh and new food offerings that have not been offered in Cascade Locks before. Our beers will not only be classics that will sell well in the Portland and U.S. markets but will also include new innovative offerings, flavors, and styles to be involved in shaping this emergent market.

Visitors want us, the town wants us, and, truthfully, we want to be in Cascade Locks. The beautiful outdoors and abundant recreational opportunities are not good only for business but also for our own health and wellbeing. Our initial start-up cost for brewing equipment and kitchen supplies is high but our initial estimates have us reaching a break even in as few as 13 months. Our initial cost is raised by the investment in a larger-capacity brewing system that we will need for our initial start-up beer production. This decision would provide for smooth expansion and transition into distribution activities. Once our initial investments have been paid, this will put us in a situation where we can naturally expand into other markets as the needs and desires of our community develop.

The market continues to grow more and more in the field of microbreweries. Double Mountain, a competitor and great business up the road in Hood River, is doubling its capacity to merge into distribution. Full Sail is once again scaling up to keep up with distribution. Whereas our plan is not as advanced in the beer market, these examples show that the market is open for new competition and growth. The main location of interest is the decommissioned fire hall on Wa Na Pa St. entering Cascade Locks. This will provide for optimal traffic, plenty of parking, and the romance of being in a historic building. The building is owned by the City of Cascade Locks, and we are currently in talks about its structural condition and the feasibility of it becoming our permanent location.

## 1.1 START-UP SUMMARY

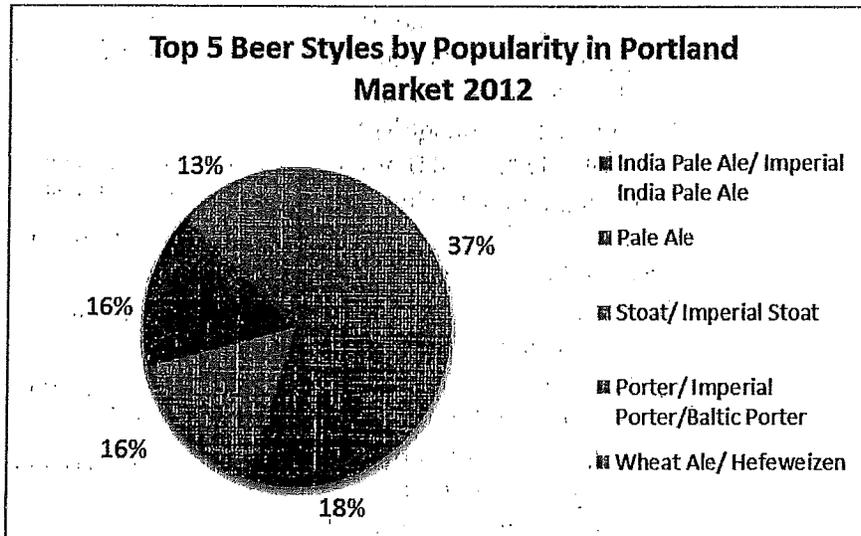
The total start-up cost for Whiskey Flats Brewery is \$426,450. This is including brewing equipment, kitchen costs, renovations as well as 5 months of operational cost before opening. The majority of these costs are from the brewing equipment. To produce our desired goals for volume and allow for our equipment to grow with the company we have decided on purchasing a 15Bbl system.

<b>Summary Cost Sheet</b>	
Item	Cost
Bar	\$25,000
General Contracting	\$25,000
HVAC/Plumbing/Electrical	\$7,000
Brewery	\$233,600
Entertainment	\$5,000
Kitchen System	\$30,000
Furniture and Fixture	\$15,000
Consulting/Research	\$3,000
Office Supplies	\$2,500
Insurance	\$7,680
Legal	\$5,000
Permits/Fees	\$350
5 Months operating cash	\$20,000
Cash Reserve	\$50,000
<b>Total</b>	<b>\$426,450</b>

<b>Brewery Cost Sheet</b>			
Brewhouse	Quantity	Cost	Total Cost
15 BBL Brew Kettle	1	\$18,500	\$18,500
Mash Tun	1	\$22,050	\$22,050
Hot Liquor	1	\$22,750	\$22,750
Brew Deck	1	\$6,000	\$6,000
Wort Chiller	1	\$6,100	\$6,100
Hot Liquor Pump	1	\$3,100	\$3,100
Plumbing, valves, Fittings	1	\$16,000	\$16,000
Temp and Electrical control	1	\$10,800	\$10,800
<b>Brewhouse Total</b>			<b>\$105,300</b>
Fermentation Vessels	Quantity	Cost	Total Cost
30 BBL Fermenter	1	\$18,500	\$18,500
15 BBL Fermenter	2	\$15,500	\$31,000
30 BBL Bright Tank	1	\$17,000	\$17,000
15 BBL Bright Tank	3	\$14,500	\$43,500
<b>Fermentation Vessel Total</b>			<b>\$110,000</b>
Milling Equipment	Quantity	Cost	Total Cost
100 FT Hose	1	\$1,800	\$1,800
Malt Mill	1	\$7,000	\$7,000
Grist Case	1	\$5,500	\$5,500
Malt Auger	1	\$4,000	\$4,000
<b>Milling Equipment Total</b>			<b>\$18,300</b>
<b>System Total</b>			<b>\$233,600</b>

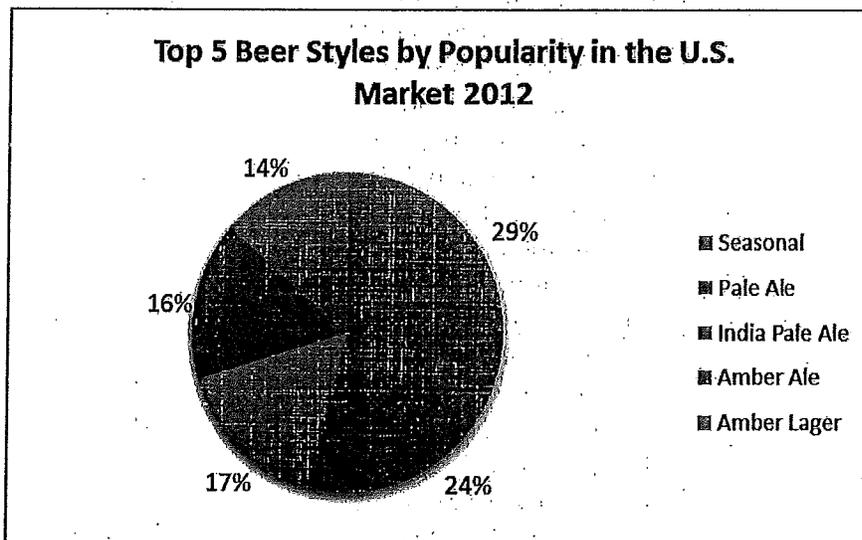
## 2.0 PROJECT SUMMARY

Upon opening, we will be brewing and offering 6 taps. The first is an India Pale Ale (IPA). This hoppy, full-bodied beer is a staple and best-seller at the majority of Northwest bars and taprooms.



It holds the highest popularity in the Portland markets, at 37% of the top 5 list (*Appendix III*). Its growth in the U.S. market is lower but still substantial, at 17%. Our recipe will be a blend of what is offered on the market trying to find a median (ABV: 6.5, IBU: 65) to easily grab the majority of the customers who enjoy this style (see also *Appendix 3*). Our focus on this beer will be to accent Northwest hop varieties that are coming more into

popularity. Even though this beer will be average in alcohol and bittering, it will be packed with aroma and flavor. Dry hopped beers have come quickly into popularity, and we plan to take advantage of this trend by producing a fresh and aromatic beer. We anticipate this beer to be our top seller.



To gain even more of the IPA market, we will offer a second IPA. The second will be a bolder offering, allowing the hardened "hop heads" to have something to connect with. This will be a beer that will allow us to follow our passion of pushing the envelope for new flavors and styles. While still falling into BJCP style guidelines for an American IPA, we will add our own flare, making this a product that is born out of

our love for beers and IPAs. While this beer could potentially have a smaller following we feel that it could generate interest from the Portland market, where IPA tastes are more developed. Other beers will follow similar themes of freshness and aroma.

The next offering we will have is a Pale Ale. This is another Northwest classic, placing second in popularity in the Portland beer market yet ahead in the U.S. beer market.<sup>1</sup> This style is lower in alcohol content compared to the IPA (ABV 5.16 vs. ABV 6.48) as well as in bitterness (IBU 37.7 vs. IBU 65.42). Thus, we can offer a beer similar in style to our IPA but more subtle in flavor. This will allow us not only to retain some of the cost from brewing this but also to offer another favorite that can capture more of the market. This style of beer is the highest seller for breweries below 5,000 bbl.<sup>2</sup> This will be a subtly hopped, crisp, clean beer. This beer will also help gain a following from the Portland beer market, matching trends in the area (*chart 5*). The Pale Ale is a perfect beer for a hot summer day.

The next to come in our core lineup will be a Stout. This beer will be brewed to capture the market that enjoys dark beers. Stouts and Porters come in third and fourth for popularity within the Portland beer market. Not wanting to brew both, we decided on the Stout to be our dark beer offering. We believe the dry smoky flavors will contrast well against our other malty, full-flavored offerings. There are still many people who prefer dark beers over light, especially with the change of seasons.

Finally, we will have one or more alternating seasonal taps, a Cascadian Dark Ale. This accounts for the most popular beer style within U.S. beer market 6-pack sales. This will allow us to test many different styles that are becoming popular. The Cascadian Dark Ale is, in essence, a stout mixed with an IPA and is gaining great popularity throughout the Northwest. Belgians similarly are on the rise.<sup>3</sup> In this way, we can test new beers on the market in a reduced risk environment. If they are well-received, then we can bring them into full production, and if they are not, then the batch can simply be a one-off. Also, offering a seasonal beer gives customers incentives to visit us onsite for a unique offering.

We will be offering a food menu as well as a late-night happy hour menu. We anticipate this will be received well, because our competitors do not offer food after 7:30 p.m. in Cascade Locks. The aim is to keep the happy hour entrées less than \$6 and normal menu items within the \$10 range, topping out at \$12. This will allow food to be accessible to everyone, helping to boost sales. The U.S. Census data for Cascade Locks suggest that this is a bedroom community (the average commute being 30 minutes), and we feel offering good fresh food locally will be successful. Also, offering a happy hour menu will greatly boost our sales, as it is an untouched market in the area. Informal sources in the field have told us that foods at a brewpub can fluctuate between 40-60% of the total check. With this in mind, we will focus on offering a well-planned menu.

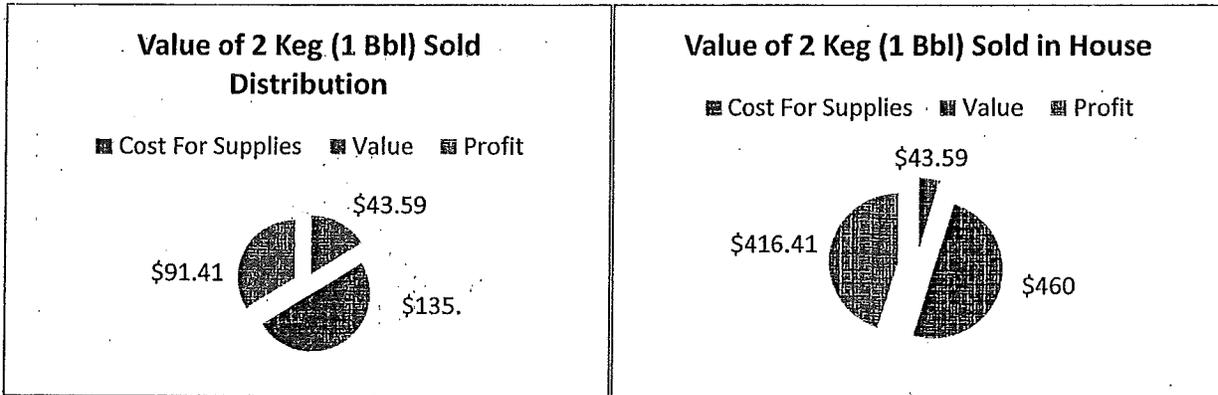
We wish to offer beer that will be competitively priced within the current market. The reality is that beer sold out of taps in-house is worth much more than kegging it up and sending it out. The value of a keg sold in-house is \$460. Wholesale kegs sell for around \$130-\$140. The difference is around \$325. From the beginning, we are going to focus on catering to our community and selling beer onsite.

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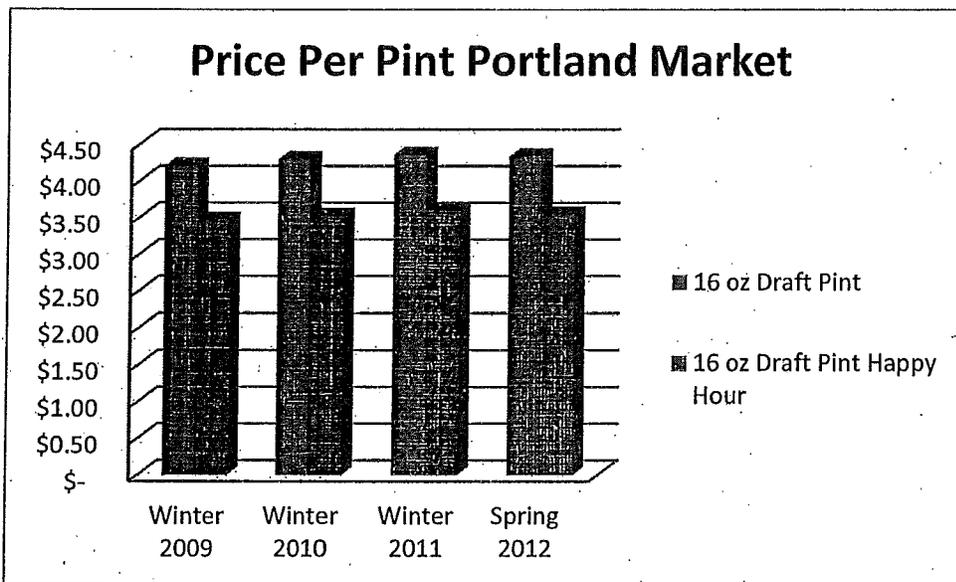
<sup>1</sup> "Statistics." PortlandBeer.org. Accessed April 2, 2012. Obtained at <http://www.portlandbeer.org/beer/statistics/>.

<sup>2</sup> Daniels, Ray. *The Brewers Association's Guide to Starting Your Own Brewery*. Boulder: Brewers Publication, 2006. Print.

<sup>3</sup> Gatza, Paul. "IPAs Up 42% YTD." American Brewers Association. April 22, 2011. Accessed April 2, 2012. Obtained at <http://www.brewersassociation.org/pages/community/ba-blog/show?title=ipas-up-42-ytd>.



Within 12 months, we will reevaluate our desire to distribute within the Portland market. The average cost to brew a 15Bbl batch, including only materials, is \$635 (see 6.0 Revenue Forecast). With the cost of supplies and value of product, there is plenty of room for profit. Taking a 4 year look at the average price per pint for beer in Portland, the totals come out to \$4.33 for a 16oz pint and \$3.54 during happy hour. The fluctuation from this price is between \$0.03 and \$0.05 depending on the year.<sup>4</sup>



To stay competitive, we should offer beers in the \$4.00 to \$4.25 range during normal business hours and \$3.00 to \$3.50 during happy hour. By adding in the extra \$0.25, there is potential to earn \$18,600 in extra profit within the first year, producing 300Bbl. There is some variation of the cost of supplies depending on the style. For instance, an Imperial IPA has close to double the grain than a Pale Ale. These extra costs leave little room for fluctuation of pricing. An IPA will have more direct costs associated with brewing than a Pale Ale. By creating a standard cost, we will be able to balance the costs to produce each beer style to retain the most profits.

In many ways, we are offering a new set of products that is not available in this market. A fresh menu and beer brewed within sight are new to this town. Studies show that customers want to be

<sup>4</sup> Knight, Bill. "Portland Beer Price Index: Spring 2012." It's Pub Night. March 3, 2012. Accessed April 2, 2012. Obtained at <http://www.its-pub-night.com/2012/03/portland-beer-price-index-spring-2012.html>.

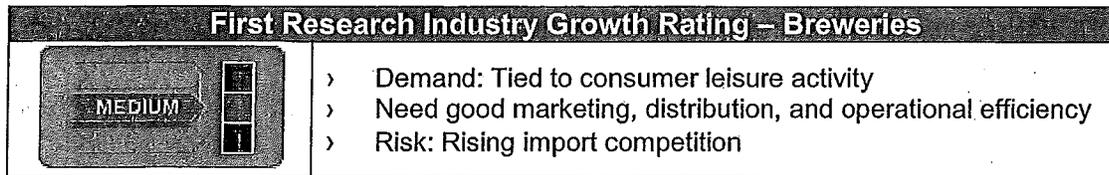
more connected to the products they purchase. This is evident in the Organic and Slow Food movements. We are offering a beer that allows people to see where it is made. We can add to this romantic appeal by providing tours of our equipment and brew house. Our beers and food will also stay within the known medians for the price of similar products within the area. This will allow us to appeal to individuals who already purchase similarly priced goods. We are also merging into other markets with our advertising. On top of the emotional branding of our product based on outdoors and adventure, we will be providing substantial discounts to adventure bikers and hikers. This is an asset that is already present within the area but is not utilized. More cyclists will be visiting Cascade Locks because of the connectivity of the Historic Columbia River Highway and the CLIMB network's mountain biking trails. The Pacific Crest Trail, one of the most traveled through-hikes in the U.S., touches only the town of Cascade Locks on its 2,663 miles traveled from Mexico to Canada. By focusing on these two groups, as well as the outdoor market, we will be able to grow in untapped markets.

### 3.0 MARKET ANALYSIS

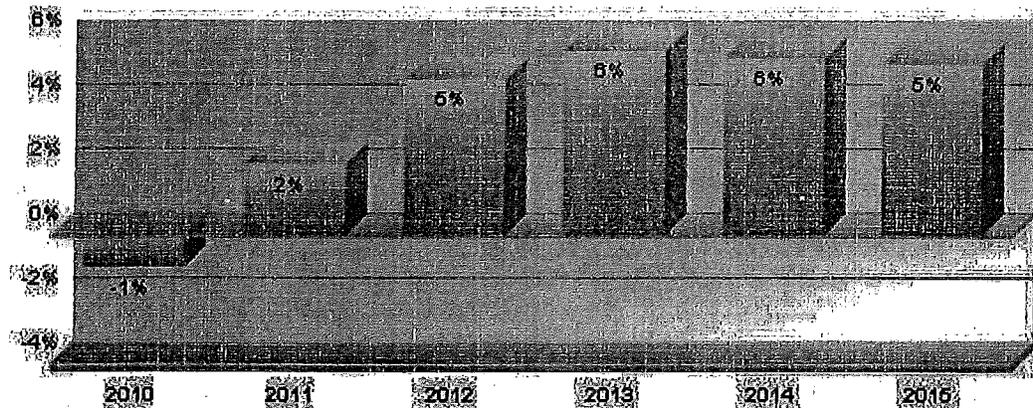
The overall brewery industry is worth approximately \$20 billion in the United States. Major players, such as Anheuser-Busch InBev, MillerCoors, and The Boston Beer Company, have advantages in marketing and sales, economies of scale in production, and influence with distributors, whereas smaller operations have advantages in specialty products and serving regional markets. While the industry is concentrated (the eight largest breweries account for 90% of industry revenue), craft breweries, including brewpubs and microbreweries, are on the rise.<sup>5</sup>

“Craft breweries are small (under 6 million barrels annually); independent (less than 25 percent ownership or control by a big beer company); and traditional, which have a predominantly malt flagship (the brewer’s highest volume brand) and use additives to enhance, not lighten, flavor. Regional craft breweries are independents that meet the craft definition of traditional.”<sup>6</sup>

- » U.S. consumer spending on nondurable goods, an indicator of brewery sales, rose 6.4 percent in April 2011 compared to the same month in 2010.
- » The consumer price index for food, an indicator of the cost of ingredients used by brewers, rose 3.5 percent in May 2011 compared to the same month in 2010.
- » U.S. nondurable goods manufacturers' shipments of beverages, an indicator of demand for brewery products, rose 19 percent in the first four months of 2011 compared to the same period in 2010.



#### *Brewery Production Growth Improves*



<sup>5</sup> “Breweries.” First Research. 2011. Obtained at <http://access.firstresearch.com/>.

<sup>6</sup> Ibid.

The malt beverages production industry is analyzed in the following table on a national and regional level using information from Dun and Bradstreet. Note that different research firms use different methods to collect and quantify data, so D&B numbers will not match First Research (or any other database). Analyzing industries across different sources helps to draw a more well-rounded view of a market. D&B also provides drilled-down views of industry subsets, which are measured on a national scale only.

Industry: Malt Beverages (SIC 2082) <sup>7</sup>						
Estimated number of U.S. establishments: 1,077						
Number of people employed in this industry: 27,736						
Total annual sales in this industry: \$5.606 billion						
Average number of employees per establishment: 33						
Average sales per establishment (unknown values are excluded from the average): \$7.9 million						
Subset	# Businesses	% Total	Total Employees	Total Sales	Average Employees	Average Sales
Malt beverages	569	52.8%	8,737	\$447.4 M	21	\$1.2 M
Malt beverage products	14	1.3%	993	\$351.1 M	90	\$35.1 M
Brewers' grain	34	3.2%	350	\$30.4 M	13	\$1.3 M
Extract, malt	3	0.3%	42	\$2.4 M	14	\$1.2 M
Syrups, malt	3	0.3%	30	\$1.9 M	10	\$600,000
Ale	37	3.4%	689	\$217.5 M	20	\$8.4 M
Beer	384	35.7%	16,683	\$4,540 B	50	\$17.7 M
Liquors, malt	29	2.7%	189	\$13 M	7	\$500,000
Near beer	4	0.4%	23	\$2.1 M	8	\$700,000

### 3.1 CRAFT BREWERIES

Overall U.S. beer sales suffered a 1.0% loss by volume and 2.2% loss in dollars in 2010, yet craft breweries continued their rapid climb, with 11% growth by volume and 12% by dollars over 2009. Craft breweries sold nearly 10 million barrels of beer in 2010 and now claim a 4.9% share of the total market in terms of volume (and 7.6% by dollars). All told, the retail value of craft brewery sales reached \$7.6 billion in 2010, from \$7 billion in 2009.<sup>8</sup>

The following industry-wide trends illustrate the current market for breweries, as identified by First Research.<sup>9</sup>

*Shift in Consumer Tastes* – “In recent years, consumer tastes have shifted away from beers produced by large breweries to craft beers made by smaller breweries. While industry growth and per capita beer consumption have been essentially flat overall for the past decade, craft beer has shown steady growth. For example, craft beer sales increased about 10 percent in 2009 over the previous year, while the beer market overall was down about 2 percent over the same period.”

*Increasing Number of Craft Brewers* – “... In the craft brewing market, the number of brewers has been steadily increasing, from over 600 in 1994 to more than 1,500 currently. The diversity of styles reflects a strong consumer taste shift among a relatively small proportion of beer drinkers.”

<sup>7</sup> SIC 2082. Zapdata. Dun and Bradstreet. 2011. Obtained at <http://www.zapdata.com/>.

<sup>8</sup> “Facts.” Brewers Association. March 21, 2011. Obtained at <http://bit.ly/jZNB4B>.

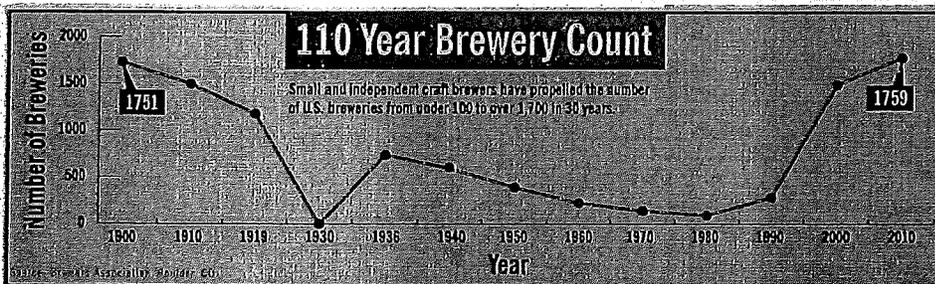
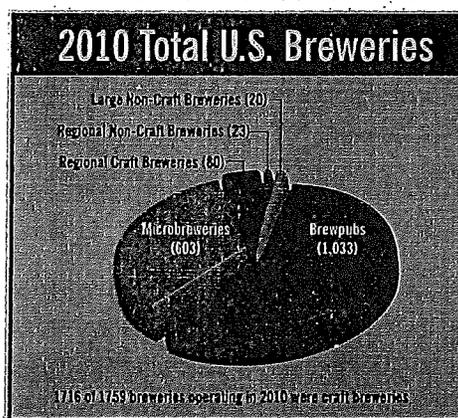
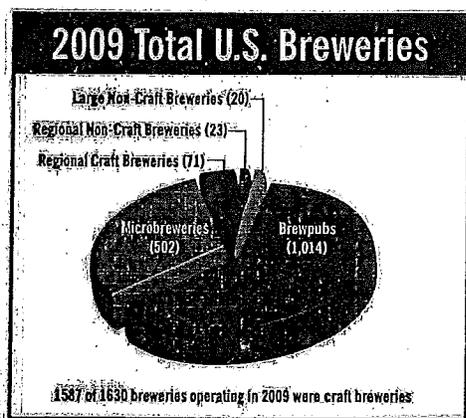
<sup>9</sup> “Breweries.” First Research. March 28, 2011. Obtained at <http://access.firstresearch.com/>.

*Craft Brewers' Influence* – "The quality, variety, and success of products from small, independent craft brewers have influenced larger brewers to follow suit. Quality ingredients, unique flavors, small runs, and clever branding appeal to beer-savvy and higher-income consumers. Craft breweries have developed local and regional followings, and some, like the Samuel Adams brand, have reached national distribution."

The following table, with data provided by the Brewers Association, shows the current industry in terms of establishments, openings, and closings.

Number of Breweries in the United States	
<b>U.S. breweries operating for some or all of 2010</b>	
Brewpubs	1,033
Microbreweries	603
Regional craft breweries	80
<b>Total US craft breweries</b>	<b>1,716</b>
Large non-craft breweries	20
Other breweries	23
<b>Total US breweries</b>	<b>1,759</b>
<b>2010 U.S. openings</b>	
Brewpubs	55
Microbreweries	97
<b>2010 U.S. closings</b>	
Brewpubs	33
Microbreweries	8
Regional non-craft breweries	2

## Craft Brewers Continue to Climb

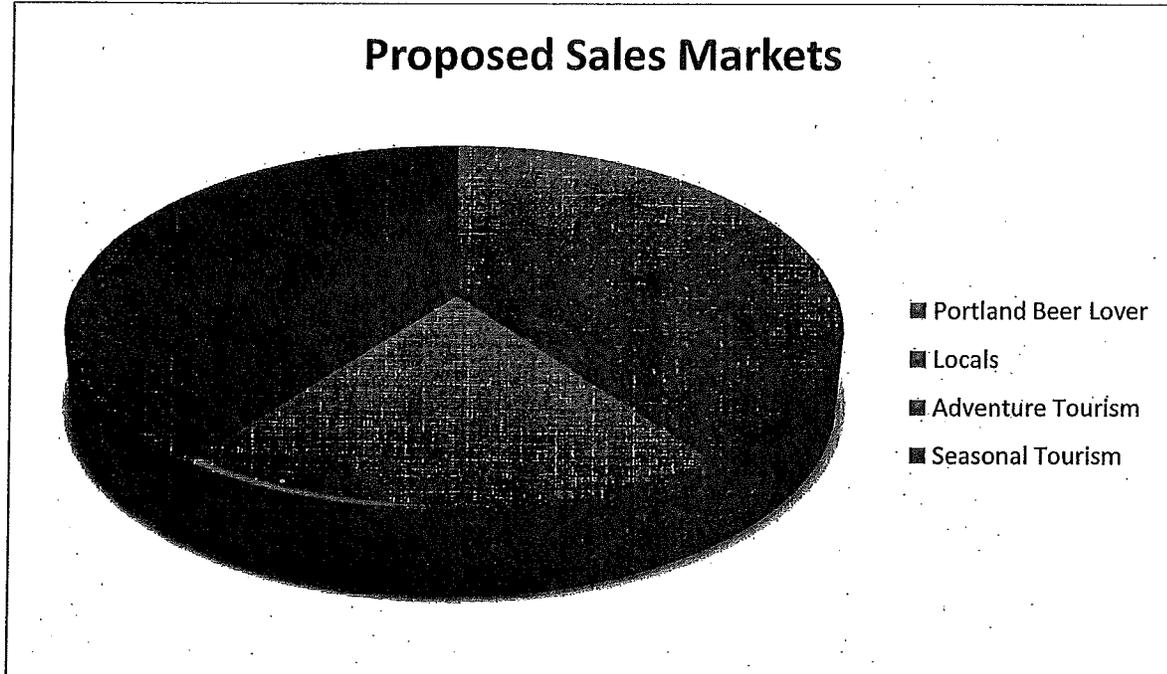


### 3.2 MARKET SEGMENTATION

Whiskey Flats is diversifying in products and events to try to obtain the greatest possible share of the population. Our main target group is the seasonal tourists that travel through Cascade Locks. With an extensive list of recreational opportunities, including hiking, mountain and road biking, sailing, fishing, camping, bird watching, and windsurfing, the summer months will be the principal income generator for the brewery. Once tourists have discovered Whiskey Flats and the Portland population has become aware of the offerings at the brewery, we feel they will use this as a substitution for Hood River, which is farther from their original location. We will target men and women in the 25 to 60 age range. These individuals will typically be active in outdoor sports and consume organic goods. Within two years, Whiskey Flats would like to attach a bicycle rental business to the brewery, capturing tourists from the Portland market and catering to the seasonal tourist market. Whiskey Flats also has a vested interest in working with adventure biker/hikers who are hiking along the Pacific Crest Trail or cycling along the Historic Columbia River Highway. Community members will also be of the greatest priority, and Whiskey Flats will be providing a local dining amenity and further diversifying the restaurant market in the city. The brewery will provide an establishment in the community that offers beer brewed in sight and food offered after 7:30 p.m., both of which are difficult to find in the city.

The proposed target market for Whiskey Flats Brewery includes the following:

- Seasonal Tourism ~ 40% of business
- Portland beer lovers (aged 25-40) ~ 10% of business
- Adventure Tourist Bike/hike ~ 20% of business
- Locals ~ 30% of business



## Customer Profile

The U.S. Department of Labor's Consumer Expenditure revealed some interesting facts regarding alcohol consumption. The major consumer of alcohol by age is the 45-54 year group, followed by the 35-44 year group, and lastly the 25-34 year group. This is favorable for us, because the median age in Cascade Locks is 40.8 years according to the U.S. Census Bureau's 2010 Demographic Profile Data.<sup>10</sup>

One of the major alcoholic beverage buyers markets includes individuals earning \$20,000 to \$29,999 annually. About 27.7% of the population of Cascade Locks falls into this bracket, according to U.S. Census Bureau's 2006-2010 American Community Survey 5-Year estimates. The next larger group earns \$50,000 or more each year, which comprises 39.6% of the population in Cascade Locks. The median family household income sits at \$42,917, which is one of the largest spending brackets rising in spending from this point on. The median nonfamily income is \$33,656, which we catch with the lower bracket growth. Married couples are also big spenders, and they constitute 47.2% of the population. By the numbers, those within a central city or other urban area spend 64% more than those in rural areas. This could be due to the large selection of alcoholic offerings in city centers. We are going to try to attract these groups from the cities, especially Portland, by offering adventure events starting and leaving from our location. The major purchasers of alcohol by labor type are managers and professionals, which is 8.3% of Cascade Locks' occupations. The second-highest consumers are self-employed individuals, constituting 9.2% of the local market. The third group is construction workers and mechanics, 23.8% of the market. This does not include all the similar jobs provided by the utilities industry, which holds another 10.3%. These groups combined constitute 51.6% of the Cascade Locks professional market.

Our ideal consumers will be in the 25-45 year range. They will come from numerous professions and will ideally fall into two ranges of annual income: either \$20,000 to \$29,999 or \$50,000 and up. Married people are ideal, and if they have children it is best if the children are less than 6 years old. Married couples in Cascade Locks have an average of 2.95 children. By percentage, only 15.1% of married couples have kids, which is the higher spender in this category.

When looking at all of Hood River County, the statistics are a bit different. The median family income rises slightly to \$51,414. This raise could be due to the \$50,000+ bracket containing 56.6% of the population. The Professional, Self-Employed, and Construction groups drop drastically in the entire county and are replaced with Natural Resources and Health Care. We could still find favor within these groups, but they are not accounted for in the Consumer Expenditures Report.

Customers will typically be environmentally friendly and connected with the emerging Organic market. We are looking for people that participate in an outdoor activity such as sailing, biking, or hiking. This could also include snow sports in the winter. We would like our location to serve as a gathering place when people are headed to or back from outdoor events in the Gorge. Additionally, we are hoping to offer our location for after-work traffic as well. This could capture a lot of the construction and utilities-related demographics in the area. The 25-54 year age groups have expendable money and are looking for a location that offers a pleasant environment to enjoy well-made food and drinks. We believe our customers will be strongly motivated by the convenience of our store location. We feel our consumers will be looking for a new offering to experience a thrill or change. We believe the attractiveness of the location will play some role in this. We are seeking a building with an open front and large rolling doors set back from the road. These features will not

<sup>10</sup> "Consumer Expenditures in 2009." U.S. Bureau of Labor Statistics. U.S. Department of Labor. May 2011. Accessed April 8, 2012. Obtained at <http://www.bls.gov/cex/home.htm>.

only serve as easy access for installing equipment but will also allow us to provide street seating which will act not only to bring life to the historic downtown area and fall within the desires of The Cascade Locks Downtown Development Plan and Strategy but also to operate as a sign of life. We feel this will keep people coming back to the area. This will be a visual stimulus for consumers in the area.

### 3.3 COMPETITIVE COMPARISON

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The Portland beer market is unsurpassed in quality, diversity, and size. In 2010, Portland overtook Munich as the city with the most breweries. The partnership between beer and the creative scene in Portland has developed into a strong economic generator for the city and has turned eyes all over the world. The region reinvented the artistic craft of making local goods for a local market. It is shocking to other Americans when they find out that they can buy beer at sporting events, and they are not from the big three domestic breweries but are made locally instead. Nearly all breweries interviewed while gathering information for this document shared that they were expanding their operations because demand continually exceeded supply.

Regarding local and regional competition, the majority of Whiskey Flats' competition will be at a regional level, as Cascade Locks does not currently have a local brewery. This regional competition for Whiskey Flats is primarily in Hood River County, as this area has developed an extensive beer and wine industry and a burgeoning distillery system. The City of Hood River is home to some well-known breweries, including Full Sail, Double Mountain, and Logsdon Farmhouse Ales. Full Sail has extensive product distribution across the U.S., while Double Mountain has become very popular in Portland and is carried on tap by various Portland bars. Farmhouse Ales has a more specialized market, as the brewery focuses on Seizoens, but it is quickly getting known as a leader for this particular style. Hood River County is home to more than 10 wineries as well as a number of distilleries. Across the river, Walking Man Brewery can be found in Stevenson, and Everybody's Brewing is located in White Salmon. These are smaller breweries with lower distribution levels than the breweries located in Hood River. However, they have become very popular as a destination for tourists and are well patronized by locals. The majority of the locations mentioned above have restaurants and tasting rooms, while some of the larger producers also offer tours.

## Downtown Cascade Locks

Downtown Cascade Locks is the home to a number of small locally owned restaurants that specialize in American cuisine, particularly burgers and fries. Price points are low with appetizers ranging between \$3-\$5 and entrees ranging from \$7-\$10. The following restaurants are located within downtown Cascade Locks:



### Pacific Crest Pub and Hostel

Serves the local community and is named after PCT hikers. It offers a variety of burgers, sandwiches, and pizza. It has been for sale for longer than a year and has limited hours (closes at 7:30 p.m.), making it challenging to frequent for dinner.

### East Wind Drive-In

A classic roadside burger stand that is known for its dinner burgers, curly fries, and extra-large soft serve cones!

### Sternwheeler Café

A small seasonal café located next to the sternwheeler in the Marine Park. It boasts beautiful views and a small menu of café foods for waterfront visitors.

### **Char Burger**

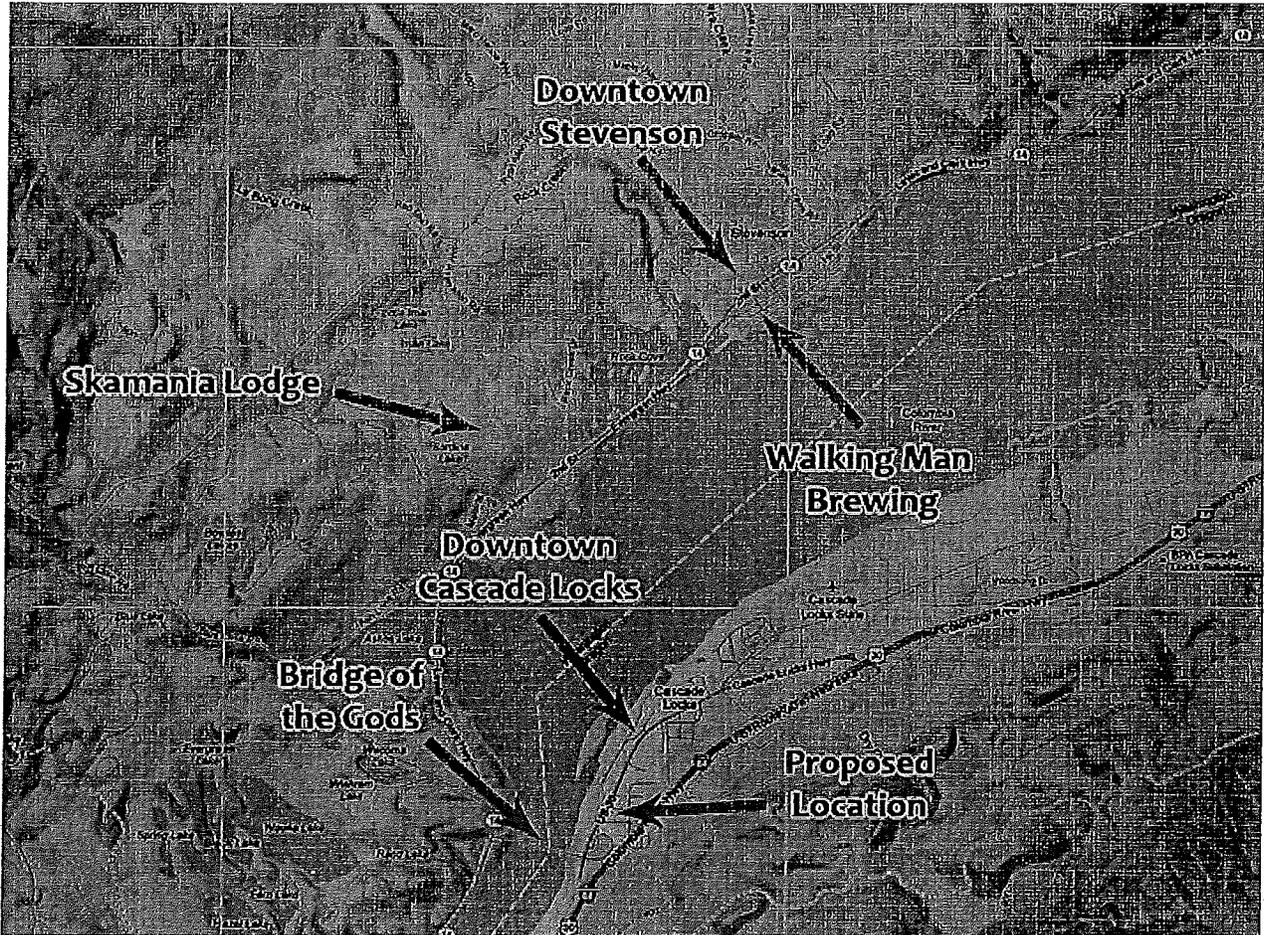
One of the older restaurants in the area, the Char Burger offers buffet-style food and provides a low-budget food option for locals and visitors alike. It boasts beautiful views of the river and the Bridge of the Gods.

### **Cascade Inn & Lounge**

The inn provides a basic American menu of burgers and sandwiches. Portions are large, it has a full bar, and the staff is friendly. It also provides lodging options for visitors.

## Washington and Oregon Attractions

On the other side of the Columbia River in the town of Stevenson Oregon, there are number of businesses that compete in the Foods and Services market. Although we will be directly competing with some of them it is still beneficial if we partner together to greater promote the whole region.



### Skamania Lodge

Directly adjacent to Cascade Locks on the Columbia River, Skamania Lodge is a resort that offers golf, a spa, dining, & event space for meetings, weddings & special occasions.

### Walking Man Brewing Company

Walking Man is rated in the 15 in best brew pubs in the Northwest. They serve hand crafted beer and menu focused on pizza.

### 130 Bar and Grill

A full bar is offered at this location as well as several beer taps. Menu focuses on burgers as well as sea food plates.

**Andrew's Pizza**

A business based out of Hood River with a location in Stevenson. Offer a wide variety of pizza and calzones. Also offer salads, wings, beer and wine.

**Joe's El Rio Mexican Café**

This location offers a traditional Mexican menu focusing on a Northern Mexican style. Also have margaritas and beer.

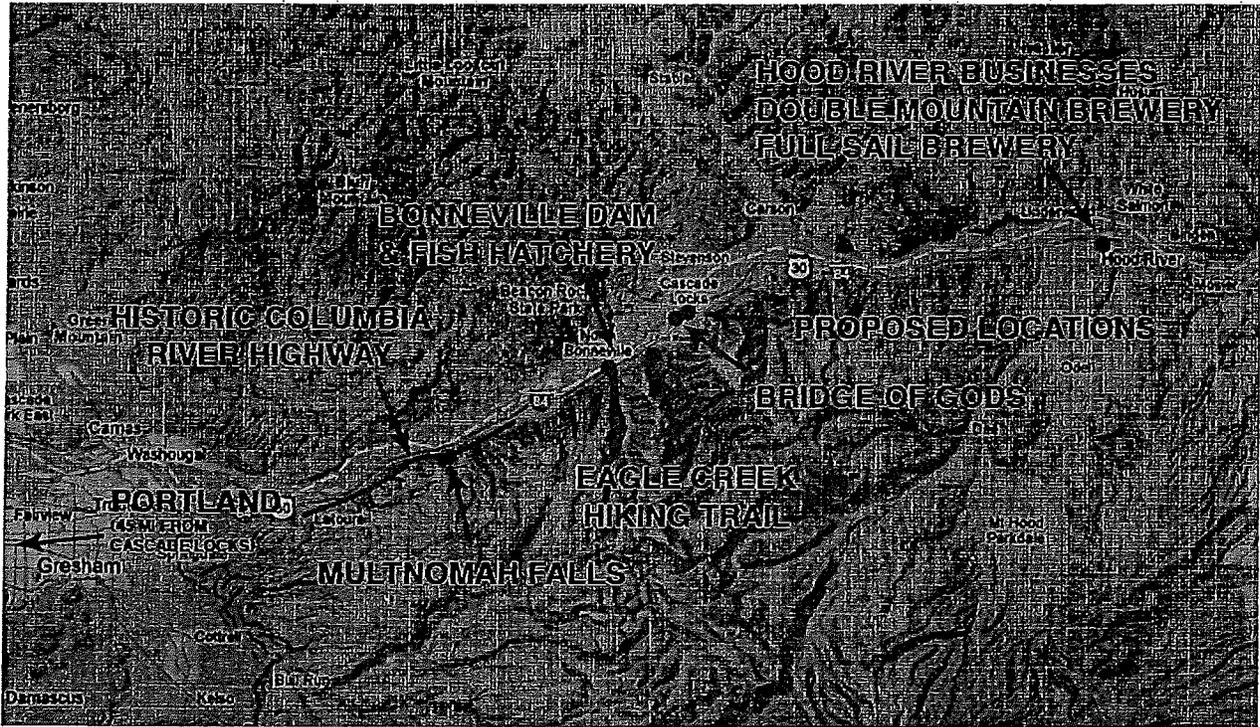
**Venus Café**

This location was converted from an old gas station. Offers breakfast, lunch, and dinner focusing on a traditional American menu. Most known for burgers, chili, and sandwiches.

**Little Viking Drive-In**

Walk-in or take out burger, chicken strips and fries. Have a large ice cream selection.

## Greater Region



### **Full Sail Brewery**

This is the oldest and most established brewery in the region. Full Sails focus is on distribution and continues to expand production line. Offer tours and a tasting room. Menu focus is on burgers, fish and chips and sandwiches.

### **Double Mountain Brewery**

Double Mountain is a younger offering to the town of Hood River but has become quite established. Bustling location offering beer brewed on site and pizza.

### **Logsdon Farmhouse Ales**

Logsdon is the newest offering to the Hood River brewing scene. Focus is on brewing Belgian Ales and Saisons. Visits are by appointment only.

### **Pfreim Brewing**

Opening May 2012 in Port of Hood Rivers Waterfront Halyard property.

## 4.0 MARKETING AND BRANDING

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The Columbia Gorge is the most visited natural tourist attraction in the state of Oregon. Additionally, the Gorge has a rich history that tells the story of a place with endless beauty. "We can cash in year after year on our crop of scenic beauty, without diminishing it in any way," said Sam Hill, advocate of the Historic Highway. Whiskey Flats wants to capitalize similarly on the tourists visiting Multnomah Falls and the Bridge of the Gods. We will tie in the natural beauty of our location and the historic nature of the area with our hand-crafted beers by using names like the "Lancaster Lager," "Bull Run Red," and "Sam Hill Brown." Another selling point for our beer will be the high quality city water used to make the beer, as the Bull Run watershed is one of the best and most natural in the country.

We will promote our business throughout the Gorge through both printed material and a strong web and social media presence. This is where the Celilo Planning's survey shows the majority of the outdoor recreationalists obtain their information. We will gladly partner with and provide beer compensation to local business and events that bolster tourism around the area and in the City of Cascade Locks.

The look of our building will be inviting to the many tourists in the region and align with the downtown Cascadia theme and reflect the natural beauty in the area. An open front with exterior seating will help draw customers to the location.

We will offer a location for visitors to arrive and depart from on their various adventures in the Gorge. We will also try to capture the bike community by hosting events and rides. We will promote our brewing on popular blogs such as [brewpublic.com](http://brewpublic.com)

We wish to emotionally brand our company to represent outdoors and adventure. When people visit us, we want them to enjoy our offering and also take advantage of the many outdoor activities within miles of our location. This will be accomplished by providing printed literature as well as training our staff on the many outdoor recreational activities that are available in Cascade Locks and the greater Gorge area.

### Community Partners

- Partner with Columbia River Gorge Racing Association "CGRA" sailing team and open door for meetings
- Be involved with cycle-cross events to bolster awareness and support from Portland biking market
- Provide competitive discounts for bikers coming from Portland to establish Cascade Locks as a destination
- Spearhead city biking trips (road/mountain bike) as well as hold community bike repair days
- Future camping on property for through hikers/bikers
- Community garden to help supplement restaurant food
- Repairs/renting bikes) to provide more resources for bikers and tourists
- Develop into another bar providing liquor and accommodations
- A local patron program will allow community members to join a beer club where they will be awarded with their own mug and receive local discounts on food and beverages
- One brewery founder is also an employee of the highest-rated tourist company in Oregon, Pedal Bike Tours. Expanding their Gorge Tour to reach Cascade Locks would bring more publicity to

the town and allow the cyclists to end their beautiful ride along the Historic Highway with a beer and food at Whiskey Flats

- Promote active tourism in the region with discounts on our quality products
- PCT hikers and touring cyclists will gladly enjoy our 25% discounts on all goods and services to provide a welcoming environment to through hikers
- Community movies and theme nights to encourage community interaction and gathering opportunities for local families

## 5.0 MANAGEMENT AND PERSONNEL

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Whisky Flats Brewing is a partnership between Daniel Hynes and David Lipps. The role of CEO will be filled by David Lipps. This role will involve management of assets, personnel, sales, advertising, and production. As COO, Daniel Hynes will oversee all aspects of beer production, consistency and operational sustainability, and brewery maintenance. It is understood given the nature of the business that both roles will be intertwined at points as required so that all responsibilities are shared and to avoid any possible breakdowns in the business partnership.

### **David Lipps, CEO.**

David Lipps, a San Francisco Bay native, grew up in a family of 10 children. He attended Bethany University, a small liberal arts school outside of Santa Cruz, California, nestled in the mountains. In 2009, David traveled across America via bicycle to complete a semester at The Contemporary Music Center with a focus on Professional Lighting and Audio Production in Martha's Vineyard, Massachusetts. Shortly after completing the semester, he decided to move to Portland, Oregon, where he still resides today. David, being a cycling nut, found a job at Pedal Bicycle Tours, guiding groups around the city to different attractions (including breweries), along the historic highway, and to wine country. David, eager to learn more about the beer industry, took a trip to New Zealand, where he biked from brewery to brewery looking for work at the best locations. He found a job brewing and managing the pub at Crouchers Brewing Company, one of the premiere artisan breweries in the country.

### **Daniel Hynes, COO**

Dan moved to Gresham, Oregon, in the late 1990s, also one child in a family of 10, and graduated from Sam Barlow High School in 2004. Since graduating, Dan has traveled extensively across the world, from India to Kenya to Italy. He spent time as a cowboy in the Midwest and as a surf bum in California but eventually returned to Portland to finish his Bachelor's degree in Community Development. Dan has been brewing extensively for 6 years and is adventurous in his brewing style mixing scotch with a stout or lavender with a pale. When Dan isn't geeking out about beer, you can find him on the mountain, backpacking, bouldering, or snowboarding.

## 6.0 FINANCIAL OVERVIEW

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For this section we will be operating under a few assumptions. The first is that we will be starting within the busiest season of the year: summer. This will evaluate our seat turnover numbers higher than in other seasons. We are also assuming there will be a 6 month lag between the undertaking of this project and the opening day. In this time, we will be paying for utilities, rent, and issuance, without accruing any profit from sales. The second assumption is that all of our product sold will be sold out of our taps, reflecting the highest value of our product. The third assumption is that, in the first year, sales per seat in the house will be 5Bbl per year, producing the need for 300Bbl to sustain in-house sales. After year one, the sales will increase 300Bbl every year, resulting in 600Bbl need in year two and 900Bbl need in year three.

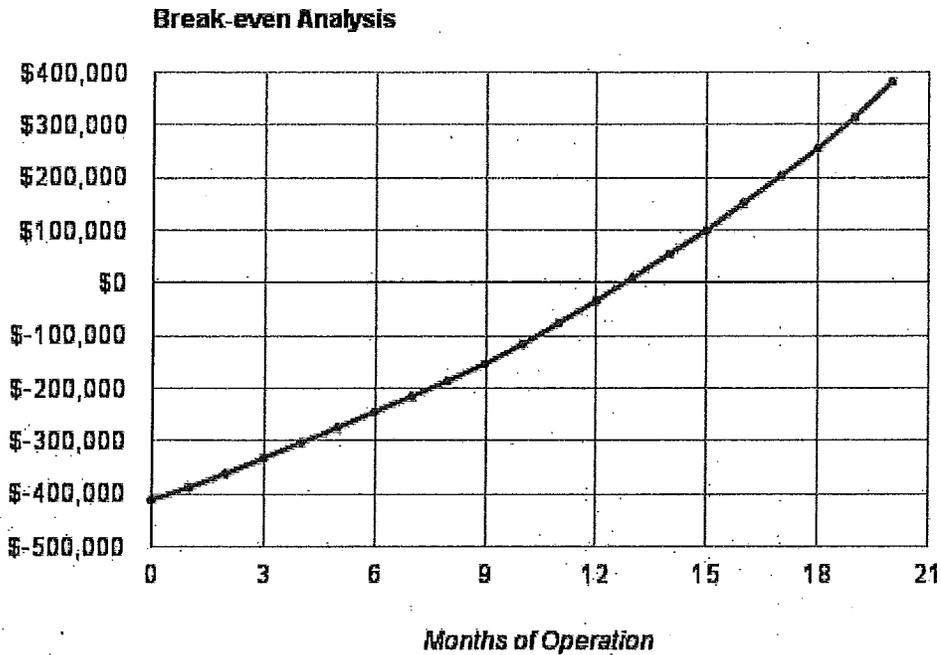
## 6.1 REVENUE FORECAST

Beers Estimated Cost to Produce and Gains	Price per BBBL	Price Per 7BBL	Price Per 15BBL	Year 1	Year 2	Year 3
		7	15	300	600	900
Grain @ .48 a lb 66.67lb 1Bbl, 1000lb 15Bbl	32	224	480	9600	19200	28800
Hops @ 8.50 a lb .7lb 1 Bbl, 10.5lb 15Bbl	6	42	90	1800	3600	5400
Yeast 5gen worth (one pitch)	\$2.67	\$18.67	40.005	800.1	1600.2	2400.3
Sanitizer	\$1.00	\$7.00	15	300	600	900
Nutrient	\$0.67	\$4.67	10.005	200.1	400.2	600.3
Power \$0.0705 per kwh (15kwh per Bbl)	\$1.06	\$7.40	2.9025	58.05	116.1	951.75
Water .00225 per Gal ( x43 us gal x3 actual water used)	\$0.19	\$1.35	2.9025	58.05	116.1	174.15
Sewer \$45.40 per month for less that 10,000 used per month	\$45.40	\$45.40	\$45.40	\$45.40	\$45.40	45.4
<b>Total</b>	<b>\$88.99</b>	<b>\$350.50</b>	<b>\$686.22</b>	<b>12861.7</b>	<b>25678</b>	<b>39271.9</b>
Value of Beer (in Kegs)	\$460.00	\$6,440.00	\$13,800.00	\$276,000	\$552,000	828000
Profit	\$371.02	\$6,089.51	\$13,113.79	263138.3	526322	788728.1
Pints in BBL	248	1736	3720	74400	148800	276000
Loss	7.25%	125.86	269.7	5394	10788	20010
Total Pints Sold		1610.14	3450.3	69006	138012	255990
Profit In House	\$4.00	\$6,440.56	\$13,801.20	\$276,024.00	\$552,048.00	\$ 1,023,960.00
	BBL	Pints				
Total Per Year	300	74400				
Per BBL	1	248				
Loss	7.25%	7.25%				
Loss Per Year	21.75	17.98				
Actual Per Year	278	230				
Per Year	278.25	69,006				
Per Month	23.19	5,751				
Per Week	5.35	1,327				
Per Day 360	0.77	192				

## 6.2 BREAK-EVEN ANALYSIS

Our break-even analysis will be based on running costs (costs we shall incur in keeping the business running, including salaries and wages, rent, water and electricity, insurance, and others). Thus, many fixed costs shall be included in these costs. We will aim to ensure that our sales levels are running comfortably above break-even.

The following chart and table summarize our break-even analysis. With fixed costs of approximately \$15,768 per month at the outset (a bare minimum), we need to bill approximately \$55,235 to cover our costs. We don't expect to reach break-even until month 13 of the business operation.



### 6.3 PROJECTED PROFIT AND LOSS

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The start-up fees necessary to get into this line of business are large. Our company's main focus will be to aggressively work toward the break-even mark to organically grow the business without accruing substantial debt. That said, our company will not undertake any new projects or ventures until the initial investments on start-up are paid off.

The general fees associated with brewing beer are relatively low. Our company's current price for grain is \$0.48 a pound. The average price for hops is around \$8.50 per pound. Yeast runs around \$38 per barrel but can be reused for as many as 5 generations without proper maintaining equipment. These prices are not fixed but continue to lower with the larger quantities of product purchased. Also, contracts can be signed with companies to provide consistent pricing and supply. Our current costs outside of the wholesale market come to \$42,334 per Bbl, or \$635.01 for 15Bbls. The total cost for supplies for our first year 300Bbl production is \$12,700.20. If merging into wholesale could provide a 10% discount, this would account for \$4.23 savings per batch, or \$1,270.02 savings for our projected 300Bbl first year production, which would bring the total of raw supplies to \$11,430.18. It is projected in the second year of production we will be producing 600Bbl, bringing raw supplies up to \$22,860.36. In our third year, with production peaking at 900Bbl, the raw cost of grains will be \$34,290.54. This is assumed that we will retain only a 10% discount while scaling up, which is unlikely. Buying grain by the ton will drop the price drastically to around \$800 per ton or \$0.04 per lb. For this to be an option, you must own a grain silo, which is an investment we will potentially undertake in our second year.

The cost of utilities within Cascade Locks is low in comparison to other markets in the area. This is due to its close proximity to the Bonneville Dam, a large provider of electric and water to the area. The price per gallon of water is \$0.00225, while power is \$0.0705 per kilowatt hour. This is compared to the Portland time of use scale that can vary from \$0.13266 to \$0.4422 each kilowatt hour. Similarly, there is a scale usage for water ranging from \$0.37 to \$4.06 a gallon, also including sewer usage. This shows that utilities are competitively priced for this area, allowing for a greater potential profit margin. In calculating the average price for water, we assume that we are using 3 times the amount of water for each Bbl of beer produced. Including sewer charges, \$45.40 per month, a full year of water and sewer producing 600Bbls costs a total of \$607.575. These costs are fixed and are expected to rise in the future with the rise of demand in the area.

6.4 PROJECTED CASH FLOW

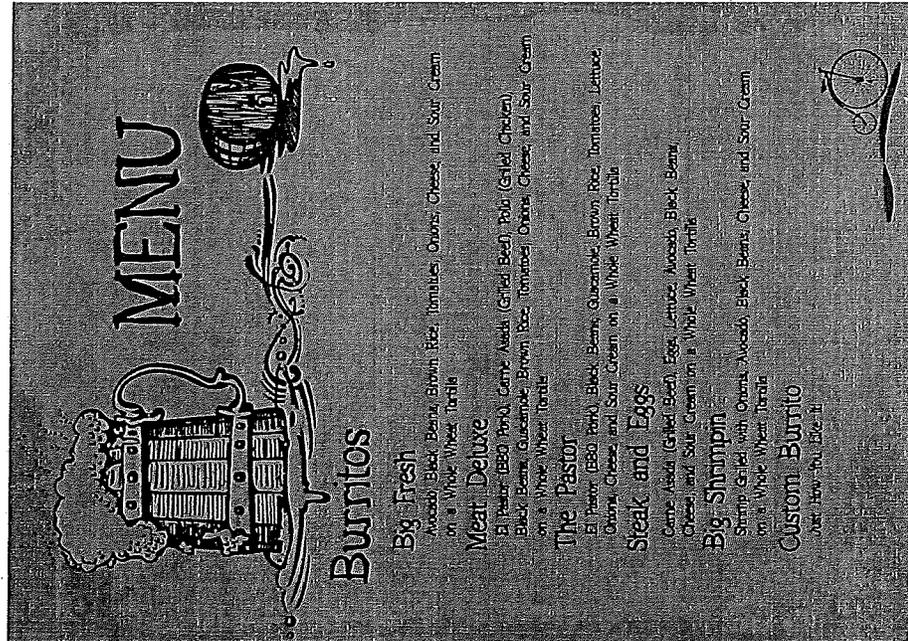
INCOME STATEMENT - Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>REVENUES</b>												
Beer Sales	\$0	\$0	\$0	\$0	\$ 27,600	\$ 33,120	\$ 35,880	\$ 35,880	\$ 35,880	\$ 35,880	\$ 35,880	\$ 35,880
Food Sales	\$0	\$0	\$0	\$0	\$ 9,200	\$ 11,040	\$ 11,960	\$ 11,960	\$ 11,960	\$ 11,960	\$ 11,960	\$ 11,960
<b>TOTAL SALES</b>	\$0	\$0	\$0	\$0	\$ 36,800	\$ 44,160	\$ 47,840	\$ 47,840	\$ 47,840	\$ 47,840	\$ 47,840	\$ 47,840
<b>Direct Expenses</b>												
Cost of Beer Ingredients	\$0	\$0	\$300	\$300	\$1,602	\$1,602	\$1,602	\$1,602	\$1,602	\$1,602	\$1,602	\$1,602
Credit Card Expense	\$0	\$0	\$0	\$0	\$552	\$662	\$718	\$718	\$718	\$718	\$718	\$718
<b>TOTAL DIRECT EXPENSES</b>	\$0	\$0	\$300	\$300	\$2,154	\$2,264	\$2,320	\$2,320	\$2,320	\$2,320	\$2,320	\$2,320
<b>OPERATING MARGIN</b>	\$0	\$0	-\$300	-\$300	\$35,646	\$42,896	\$46,520	\$46,520	\$46,520	\$46,520	\$46,520	\$46,520
<b>General &amp; Admin. Expenses</b>												
Salaries	\$0	\$0	\$0	\$0	\$4,092	\$6,942	\$7,892	\$7,892	\$7,892	\$7,892	\$7,892	\$7,892
Payroll Benefits/Taxes												
Rent			\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Utilities			\$400	\$400	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Insurance			\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640
Permits & Fees	\$1,500											
Legal & Accounting	\$10,000											
Marketing	\$0	\$0	\$0	\$200	\$550	\$550	\$650	\$650	\$650	\$550	\$450	\$450
Office supplies	\$800	\$100	\$100	\$100	\$100	\$100	\$200	\$200	\$200	\$200	\$200	\$200
Depreciation				\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612
Startup Costs	\$96,695	\$96,695	\$96,695	\$96,695								
<b>TOTAL G&amp;A</b>	\$109,635	\$97,435	\$99,635	\$99,635	\$7,882	\$11,782	\$12,882	\$12,882	\$12,882	\$12,782	\$12,682	\$12,682
<b>EBIT</b>	-\$109,635	-\$97,435	-\$99,635	-\$99,835	\$26,153	\$29,552	\$32,027	\$32,027	\$32,027	\$32,127	\$32,227	\$32,227
<b>EBITDA</b>	-\$109,635	-\$97,435	-\$99,635	-\$99,835	\$27,764	\$31,164	\$33,639	\$33,639	\$33,639	\$33,739	\$33,839	\$33,839
Interest Expense	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901
<b>NET INCOME BEFORE TAXES</b>	-\$112,536	-\$100,336	-\$102,536	-\$102,736	\$23,252	\$26,651	\$29,126	\$29,126	\$29,126	\$29,226	\$29,326	\$29,326



Year One Advertising Costs	Year Total	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Web	1000	\$0	\$0	\$0	\$100	\$100	\$100	\$200	\$200	\$200	\$100	\$0	\$0
Web	900	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Print	2400	\$0	\$0	\$0	\$0	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Print	400	\$0	\$0	\$0	\$0	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Web Total	1900	\$0	\$0	\$0	\$200	\$200	\$200	\$300	\$300	\$300	\$200	\$100	\$100
Print Total	2800	0	0	0	0	350	350	350	350	350	350	350	350
All Total	4700	0	0	0	200	550	550	650	650	650	550	450	450

## APPENDIX II - SAMPLE MENU

We would like to offer cuisine unique to the local market. The popularity of fresh healthy food has grown drastically, creating new markets for such goods. We desire to set ourselves apart from the traditional brewpub scene that only offers American food styles. Our concept is to offer fresh foods leaning toward the Mexican style, with many popular offerings as well as creative dishes. The food constitutes a large part of our operation, at 40% to 60% of sales. For a conservative estimate, we have calculated the average food bill at 25% of the beverage bill. Our offerings will be fresh daily and in many ways made to order. This is a rough outline of a potential menu.



## APPENDIX III - BEER STYLE COMPARISONS

Chart 1. Top 5 Beer Styles by Popularity in Portland Market 2012

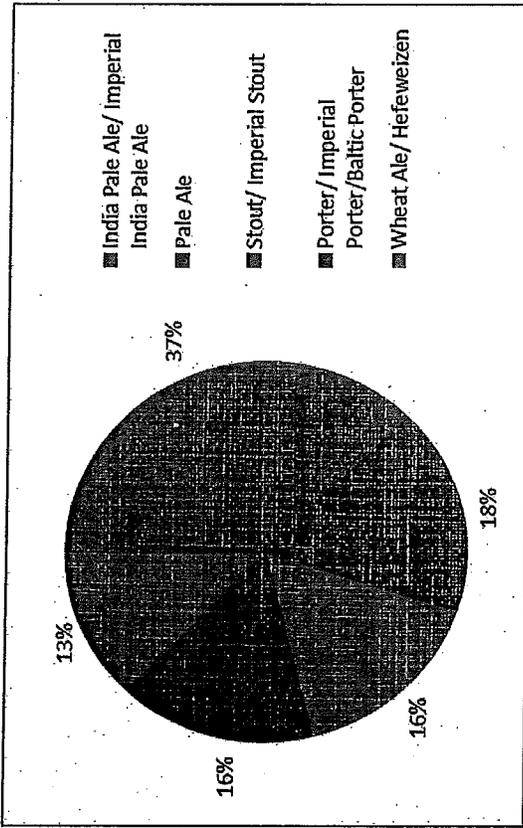


Chart 2. Percentage Growth in 6-pack Sales U.S. Market 2011

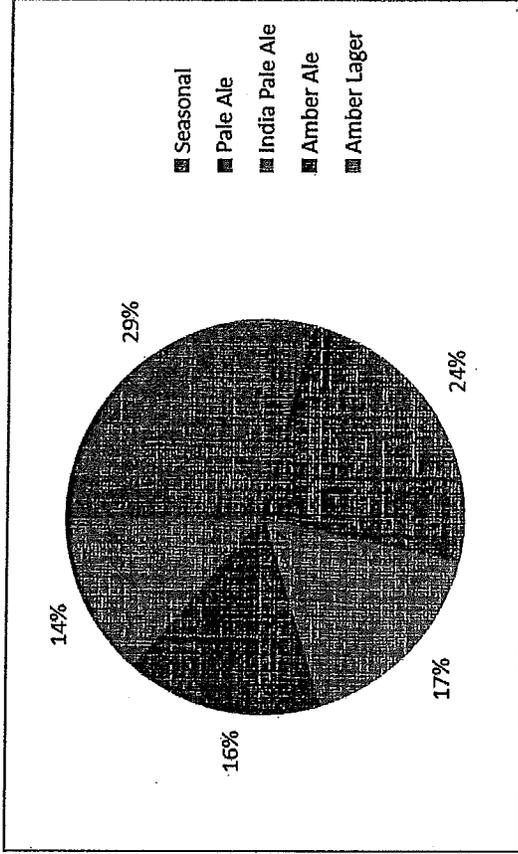


Chart 3. Top 5 Beer Styles by Popularity in the U.S. Market 2012

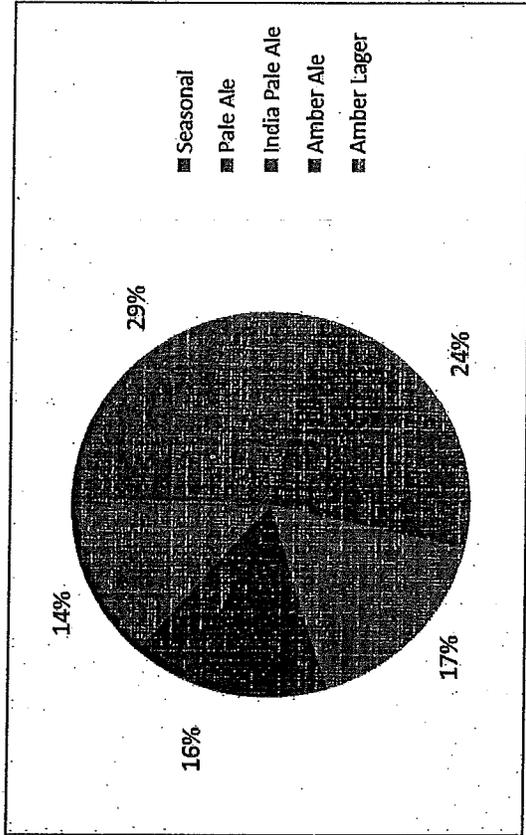


Chart 4: Growth and decay of Beer Styles in 6-Pack Sales by U.S.D.

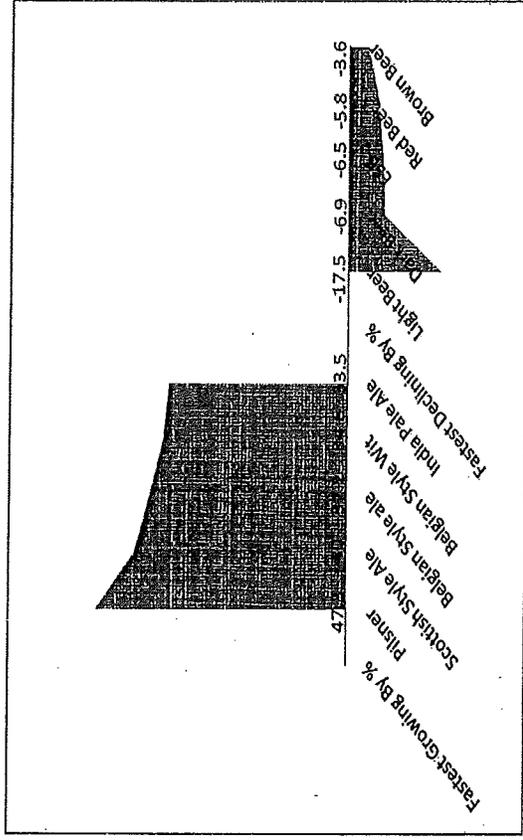


Chart 5: Alcohol by Volume (ABV) and International Bitterness (IBU) Comparison of differing IPAs, Portland Market

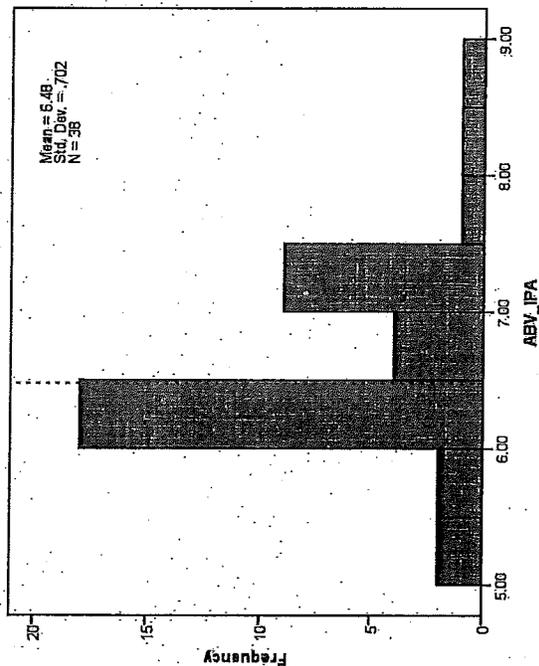
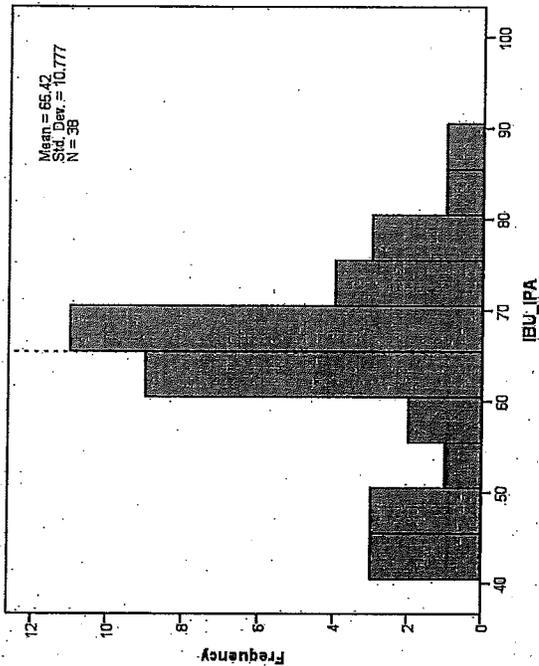
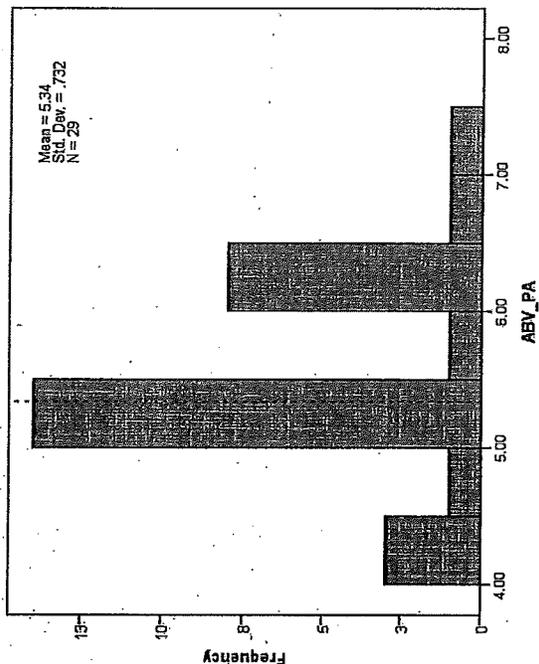
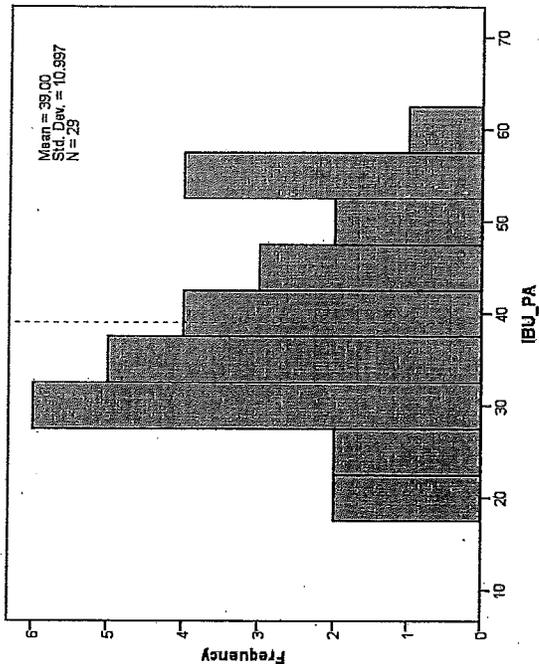


Chart 6: Alcohol by Volume (ABV) and International Bitterness Unit (IBU) Comparison of differing Pale Ales, Portland Market



## APPENDIX IV - CELILO PLANNING SURVEY RESULTS

Celilo Planning Studio created a user survey to capture the needs and wants of trail users in the Columbia River Gorge area in spring 2012. The survey received over 1,200 respondents with an average of 80% of respondents residing in Portland and 20% residing in Gorge communities. The information that was gathered in the survey helped Celilo Planning Studio identify opportunities in Cascade Locks to both improve the regional trail system and develop business activity that supports trail users. To learn more about the Connect Cascade Locks project, please visit [www.connectcascadelocks.com](http://www.connectcascadelocks.com). The survey results below are taken directly from the Gorge trail user survey.

### Key themes:

- *Trail-based recreation and sightseeing are the most common recreational activities in the Gorge. Top three: Hiking, sightseeing, road biking (day). Mountain biking is also high up there.*
- *Campgrounds are the most popular place to stay. Half of all respondents have stayed at a campground in the Gorge.*
- *Books and websites are the primary sources of information. Considering books on the Gorge come out rarely, developing a web presence is critical for attracting visitors in the near future.*
- *Cascade Locks is the most common stop in the Gorge after Hood River. Why is the city struggling then? Because it doesn't offer the amenities that people spend money on...*
- *Restaurant meals and microbrews are the two most commonly bought items in the Gorge after snacks/beverages. All three of these items are purchased more commonly than gas in the Gorge.*
- *When asked what would make respondents use trails more often, the most common responses dealt with more trail options and better trail head facilities. Better wayfinding and connections into town were huge, too.*
- *The top three things respondents want to see more of in Cascade Locks and other cities in the Gorge: 1. cafes/restaurants 2. bars/breweries 3. coffee shops. Cascade Locks is very weak in all three of these areas.*
- *People who go on bike tours in the Gorge are more likely to stop in small towns to make purchases than those who drive. Hikers are also more likely to stop in small towns.*
- *People who go on bike tours are more likely to spend their money on snacks, beverages, wine, microbrews, and produce than those who drive.*

Chart 7: Celilo Planning Studio Survey Question #9 Results

## Where did you stop for purchases on your most recent recreational trip in the Gorge?

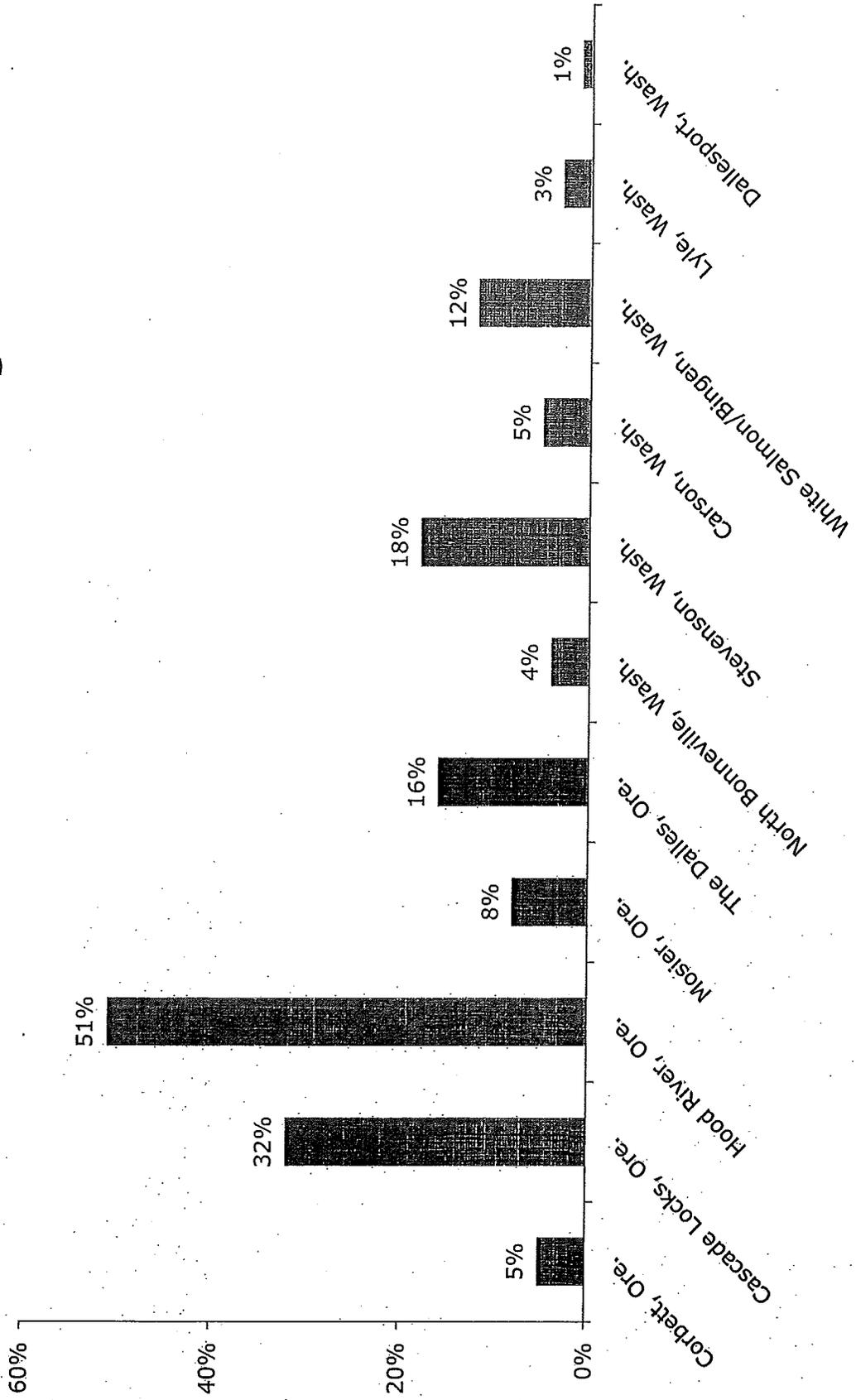


Chart 8: Ceililo Planning Studio Survey Question #10 Results

## What kinds of goods did you purchase on your last recreational trip in the Columbia River Gorge?

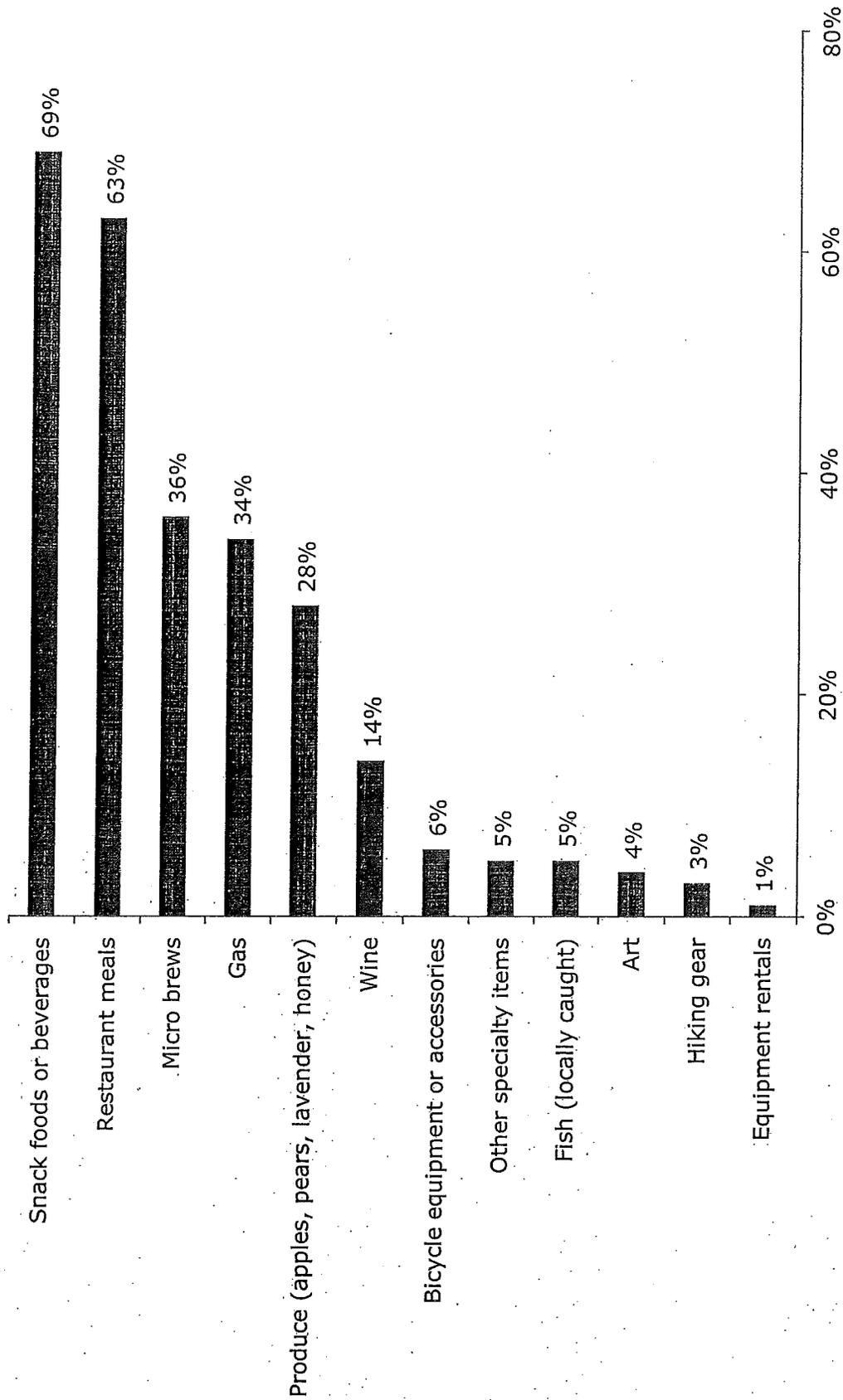
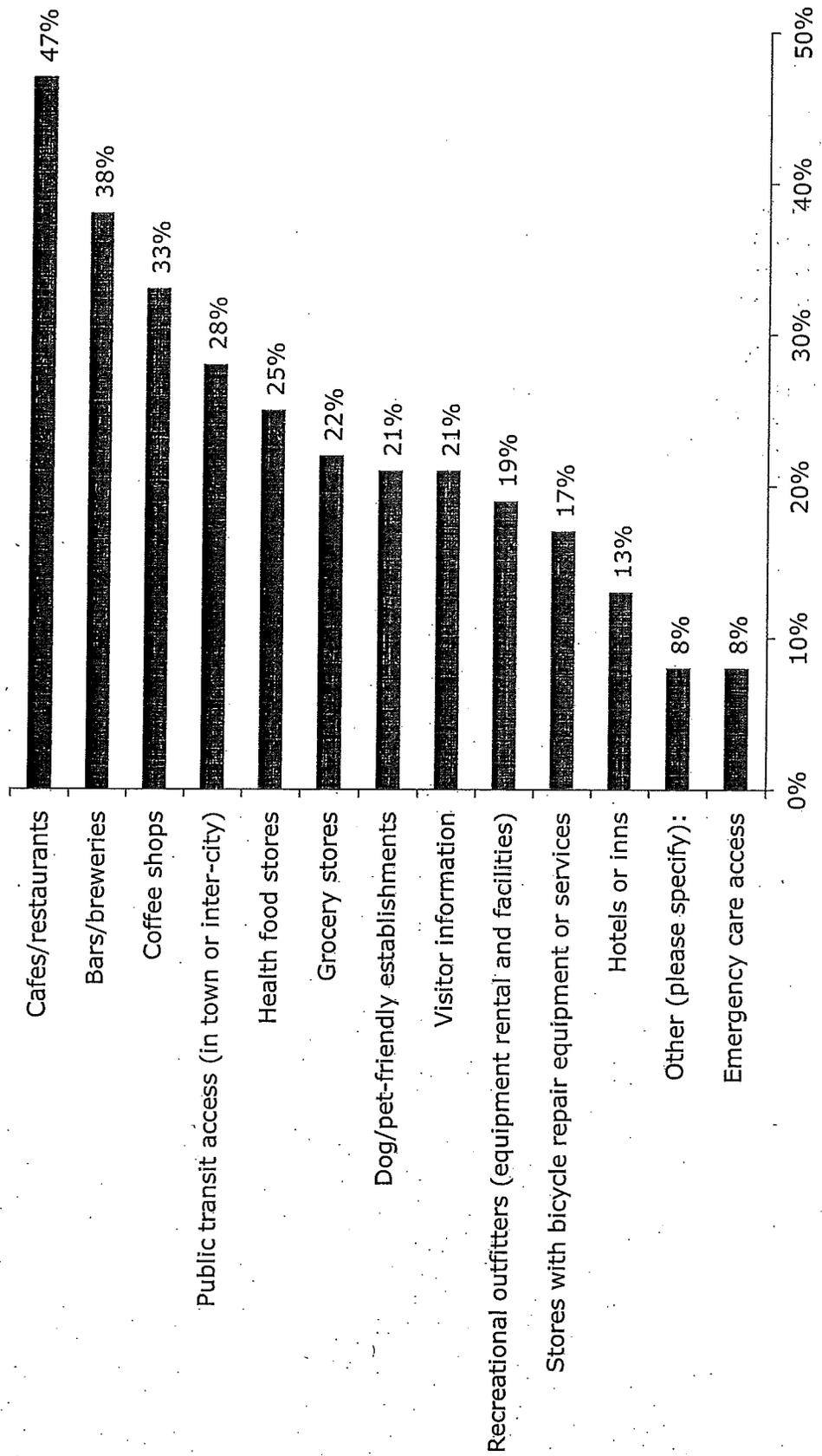
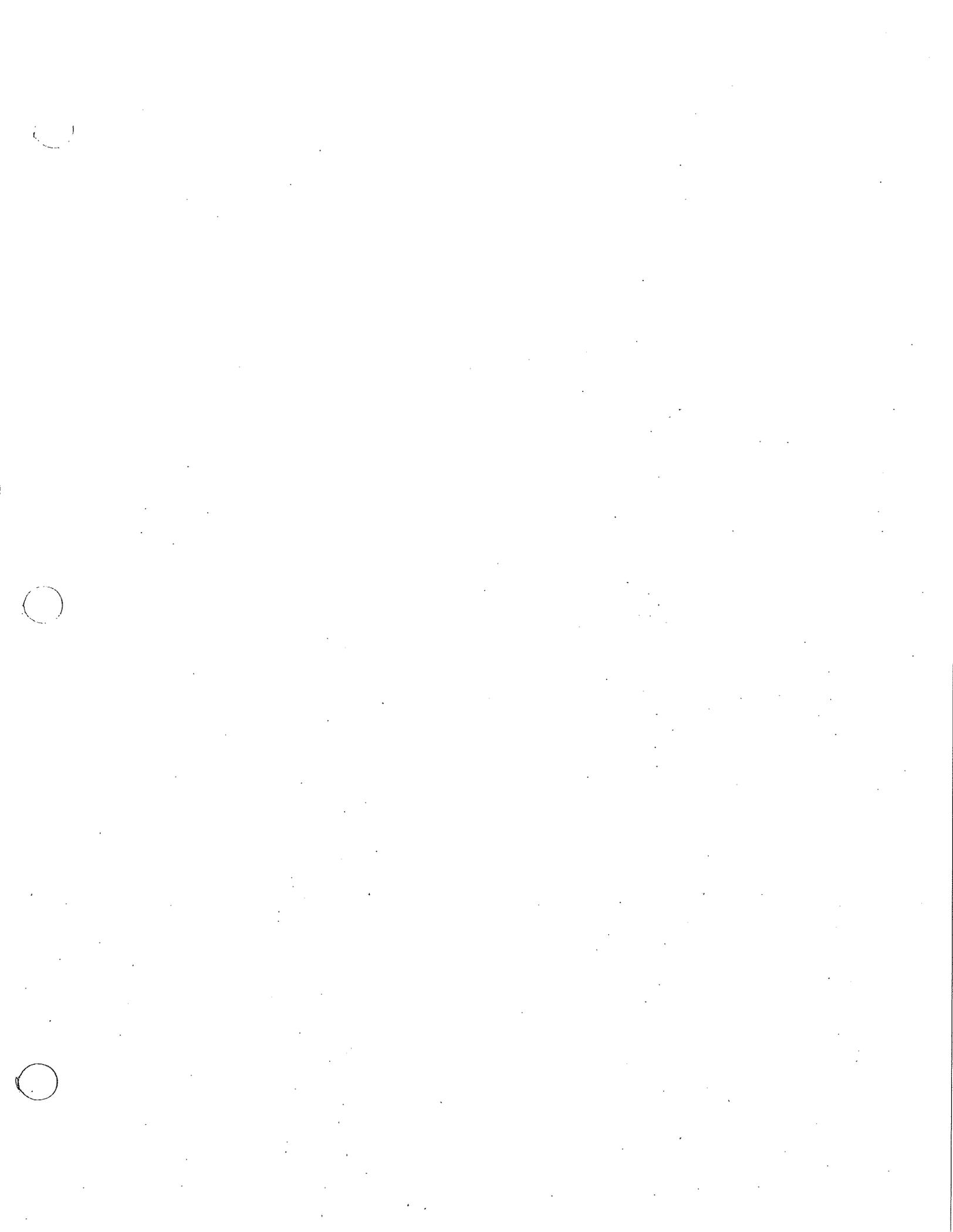


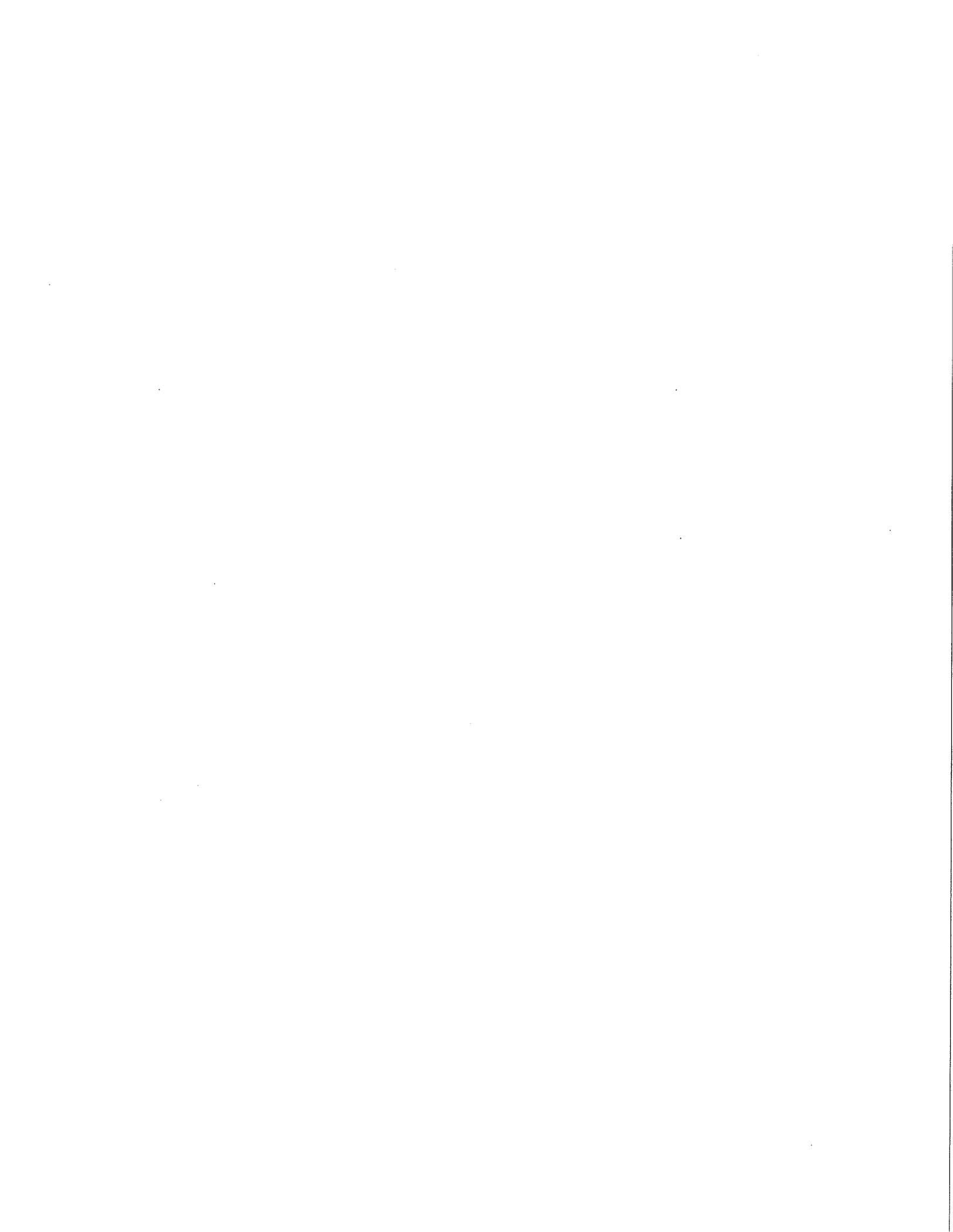
Chart 9: Celilo Planning Studio Survey Question #13 Results

## What in-town amenities would you like to see more of when enjoying recreational activities in the Gorge?





## **Macadam Forbes Broker Services**





April 26, 2012

Mr. Paul Koch  
City of Cascade Locks  
P.O. Box 308  
140 SW Wa-Na-Pa  
Cascade Locks, OR 97014

RE: Former Cascade Locks Fire Station

Dear Paul:

Thank you for arranging a walk-through of the subject property on March 30<sup>th</sup>, 2012. I believe the walk-through was beneficial in generating some ideas and bringing together a good group of people to determine the best course of action moving forward.

The following proposal will serve as a combination of ideas for potential uses of the property, as well as my recommendation for pricing and next steps moving forward.

### **Property Description**

**Land Area:** 0.482 acres (21,000 SF) – estimated, need to verify.

**Improvements:** Approx. 2,160 SF Single story commercial building.

**Amenities:** Off street parking | Commercial Zoning  
Frontage on Wa-Na-Pa Avenue  
Centrally locating in downtown Cascade Locks - Easy access to I-84

### **Valuation**

There are three basic methods for valuation of real property; the sales comparison approach, income approach and replacement cost approach. Due to the unique nature of the subject property, this analysis is limited to the income and sales comparison approaches.



The valuation under the income approach is derived by capitalizing the rental income generated by the subject property. As the property is currently vacant, it would take a Tenant in place in order to sell the property as a leased investment to an investor. If an investor/developer bought the property vacant, they would need to take into consideration the cost to get the property leased, which may include improvements or redevelopment of the property.

**Pro Forma Rents: NNN Income**

\$19,440.00 (2,160 SF at \$9.00/SF NNN)

NOI \$19,440.00

Capitalization rates vary depending upon such factors as location, age and condition of the improvements, credit worthiness of tenants and market financing rates. The appropriate rate for the subject property is in the range of 8.5%. Thus, our valuation under this approach is as follows:

Net Income	\$19,440.00
Vacancy / Maintenance Reserve	- \$972 (5%)
Adjusted Net Income	\$18,468
	÷ <u>8.5%</u>
Value by Income Approach	\$217,270.59

\*The above approach assumes a 5 year lease and does not account for the costs involved with Tenant improvements.

Valuation under the sales comparison approach involves comparison of the physical attributes of the subject property to those of similarly located properties that have recently sold. In this scenario, there are very few properties with similar characteristics that have sold in the area in the recent past.

Following this analysis is data on properties that are currently listed for sale, as well as those that have sold. It is important to note that the average time these properties have spent on the market without selling is 483 days. That said, it will be important to price the property competitively in order to generate activity in the near term.

Value by Sales Comparison Approach \$270,000.00 - \$325,000.00



Unless the property was selling as a leased investment, I would place greater weight on the sales comparison approach and value the property in the range of \$125 - \$150 / SF OR \$270,000.00 to \$324,000.00. Depending on your need for a timely sale, it would not be out-of-line to ask \$350,000.00.

The property will most likely either be sold to an owner user who will buy and occupy the property with their business, or be purchased by an investor/developer. The investor/developer is essentially purchasing an income stream. That said, if we had a creditworthy Tenant interested in leasing the property, we could sell the real estate to the investor and they would improve the property as necessary on behalf of the Tenant. It is unlikely that the property would be sold vacant/partially vacant to an investor without an income stream in place. The price an investor is willing to pay is directly correlated to the income the property produces or could produce.

### **Potential Use**

As an owner user property, it seems likely this property would attract a service commercial use such as a boat service/repair operation for example. With some improvements to the property, I could certainly see the building attracting a restaurant/brewery operation or wine making operation with tasting room. Ultimately, the market will dictate the buyer, use and price point.

From an investor/development perspective, the property may attract somebody willing to explore the possibility of a mixed use development. That may come in the form of a retail operation on the ground floor with 2<sup>nd</sup> and 3<sup>rd</sup> floor apartment units with spectacular views to the North and South. This idea would hinge upon the feasibility of adding second and third stories to the existing structure, which may or may not be an option at this time. Furthermore, parking requirements and zoning may or may not become an issue.

### **Recommendations**

I recommend bringing the property to the market for sale in the range of \$325 - \$350,000. It may be beneficial to explore the potential of developing the existing structure into a mixed use project with residential above. This would likely involve an architect and engineer to determine feasibility. If the existing structure can support multi-level development, it may be helpful to incorporate an artistic/architectural rendering of the building showing what it could be to an end user. This would help to paint the picture of



the potential of the property to prospective buyers. Depending on whether or not redeveloping the property to mixed use is feasible, we may have two separate renderings showing the variety of potential uses.

It would also be beneficial to market the property in conjunction with the available Port of Cascade Locks land to the West. This could be done as merely mentioning the availability of additional land, or formally marketing the land for sale to the greater market as well.

Macadam Forbes will generate a marketing flyer for circulation to potential prospects, posting to various web sources including Costar, Loopnet, Vertical Email, Craigslist and the Macadam Forbes website. Macadam Forbes will place signage on the property at our sole cost and expense.

#### Marketing Timing

- On or before May 15<sup>th</sup>, prepare a professionally designed marketing brochure for The City of Cascade Locks approval.
- On or before May 15<sup>th</sup>, final list for targeted prospects and begin making calls. Initial list to include the top 25 prospects in the submarket.
- On or before May 15<sup>th</sup>, review and execute listing agreement with ownership.
- On or before May 15<sup>th</sup>, begin making formal marketing calls to prospective buyers.
- On or before May 15<sup>th</sup>, circulate marketing brochure to Costar, Loopnet, Macadam Forbes's website and install signs on the property.
- Conduct bi-weekly updates with ownership on progress of marketing efforts and responses.

This should not be construed as a formal appraisal of the subject property. It is a broker's opinion of the fair market value of the property based upon the condition of the improvements and market at this date.

Please do not hesitate to call if you would like to discuss any aspect of this opinion in greater detail.

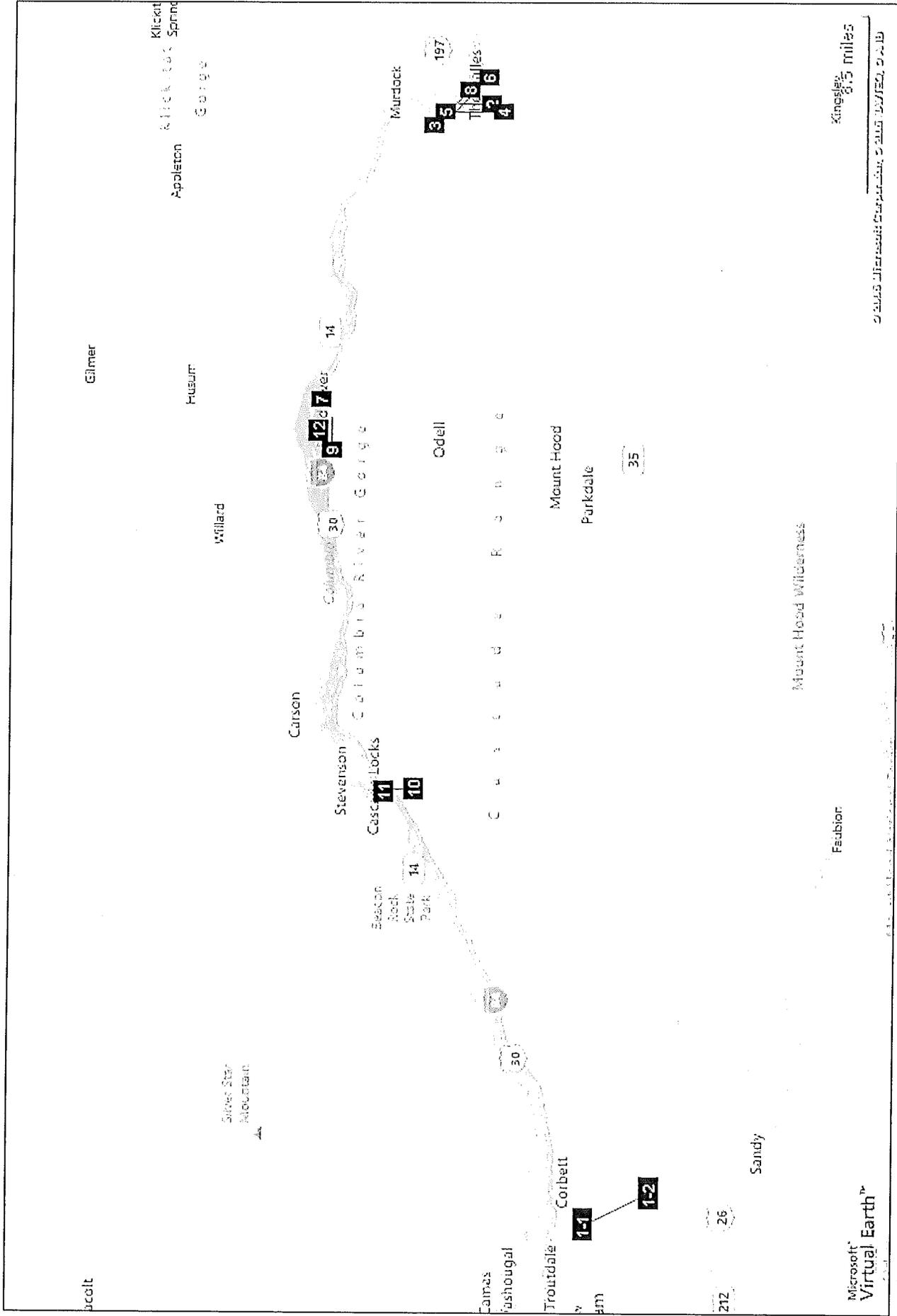
Best regards,

MACADAM FORBES, INC.



A handwritten signature in black ink, appearing to read "Tyler Dean". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tyler Dean  
Broker



This copyrighted report contains research licensed to Macadam Forbes - 438460.

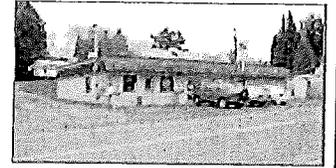
**1 Multi-Property: Multi-Property Sale**

**SOLD**

**2 Properties in Troutdale, OR .**

Recorded Buyer: **Bhullars Dev Llc**  
21775 Pallsade  
Fairview, OR 97024  
(503) 492-3006

Recorded Seller: **Phillip J DuFresne**  
31815 E Historical Columbia River  
Hwy  
Troutdale, OR 97060  
(503) 695-5812



True Buyer: **Balwant Bhullar**

True Seller: **Phillip J DuFresne**

Sale Date: **10/08/2009**

# of Properties: **2**

Sale Price: **\$824,000 - Confirmed**

Total Bldg Size: **-**

Price/SF: **-**

Total Land Area: **2.08 AC (90,605 SF)**

Financing: **Down payment of \$90,000 (10.9%); \$964,000 from Dufresne Phillip J: 6.00%,: 22 yr amtz**  
Comp ID: **1820553 - Research Status: Confirmed**

**2 2100 W 2nd**

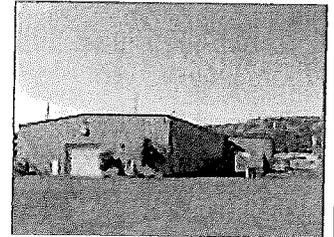
**FOR SALE**

**The Dalles, OR 97058**

**Wasco County**

Listing Broker: **Neil Walter Company**  
19625 62nd Ave S  
Kent, WA 98032  
(253) 395-4848

Michael Roy  
(253) 395-3606



Listing Broker: **Current Commercial Real Estate**  
  
(541) 386-4580

Stephen Ford  
(541) 386-4580

Asking Price: **\$495,000**

Price/SF: **\$45.50**

Days on Market: **685**

Sale Status: **Active**

Sale Type: **Investment OR Owner/User**

Bldg Type: **Class C Warehouse**

Bldg Status: **Built 1978**

RBA: **10,879 SF**

Actual Cap Rate: **-**

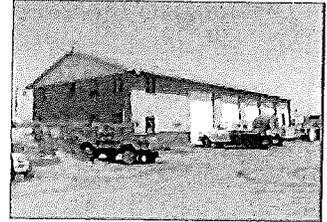
Zoning: **CLI**

Parcel No: **06753**

**3 1119 W 2nd St****FOR SALE****The Dalles, OR 97058****Wasco County**

Listing Broker: **Windermere /Glenn Taylor Real Estate**  
 504 Cascade St  
 Hood River, OR 97031  
 (541) 386-3444

Lindamay Woosley  
 (541) 386-3444



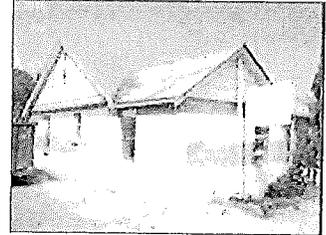
Asking Price: **\$1,000,000**  
 Price/SF: **\$80.00**  
 Days on Market: **1128**  
 Sale Status: **Active**  
 Actual Cap Rate: -  
 Parcel No: **06845**

Sale Type: **Investment OR Owner/User**  
 Bldg Type: **Class C Manufacturing**  
 Bldg Status: **Built 1940**  
 RBA: **12,500 SF**  
 Zoning: **OOM/LI**

**4 3826 W 6th St****FOR SALE****The Dalles, OR 97058****Wasco County**

Listing Broker: **Rena Hunley Real Estate**  
 303 E 2nd St  
 The Dalles, OR 97058  
 (541) 298-7362

Rena Hunley  
 (541) 993-7362



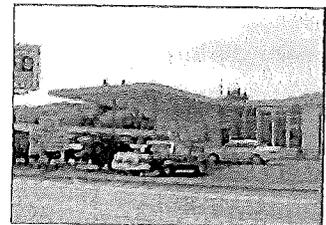
Asking Price: **\$250,000**  
 Price/SF: **\$193.50**  
 Days on Market: **435**  
 Sale Status: **Active**  
 Actual Cap Rate: -  
 Parcel No: **01986**

Sale Type: **Owner/User**  
 Bldg Type: **Freestanding**  
 Bldg Status: **Built 1949**  
 RBA: **1,292 SF**  
 Zoning: **CG**

**5 3838 W 6th St****FOR SALE****The Dalles, OR 97058****Wasco County**

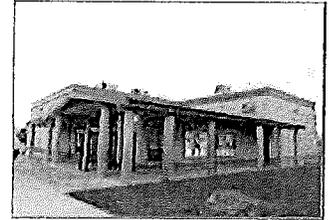
Listing Broker: **Rena Hunley Real Estate**  
 303 E 2nd St  
 The Dalles, OR 97058  
 (541) 298-7362

Rena Hunley  
 (541) 993-7362



Asking Price: **\$350,000**  
 Price/SF: **\$233.80**  
 Days on Market: **698**  
 Sale Status: **Active**  
 Actual Cap Rate: -  
 Parcel No: **01988**

Sale Type: **Investment**  
 Bldg Type: **Auto Repair**  
 Bldg Status: **Built 1966**  
 RBA: **1,497 SF**  
 Zoning: **GC**

**6****2727 W 7th St - Columbia Cinema****FOR SALE****The Dalles, OR 97058****Wasco County**Listing Broker: **Copper West Properties**  
(541) 386-2330Bill Irving  
(503) 816-9251


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 Asking Price: **\$2,350,000**  
 Price/SF: **\$167.86**  
 Days on Market: **510**  
 Sale Status: **Active**

 Sale Type: **Investment**  
 Bldg Type: **Movie Theatre**  
 Bldg Status: **Built 1996**  
 RBA: **14,000 SF**

Actual Cap Rate: -

Zoning: **GC**  
Sale Conditions: **Business Value Included**Parcel No: **00929, 01808, 62044****7****100 35 Hwy****FOR SALE****Hood River, OR 97031****Hood River County**Listing Broker: **Windermere /Glenn Taylor Real Estate**  
504 Cascade St  
Hood River, OR 97031  
(541) 386-3444Tim Donahue  
(541) 386-3078

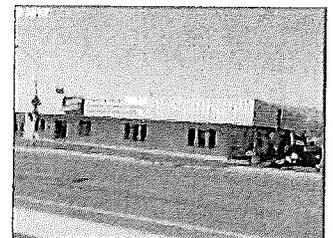

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 Asking Price: **\$495,000**  
 Price/SF: **\$170.69**  
 Days on Market: **23**  
 Sale Status: **Active**

 Sale Type: **Owner/User**  
 Bldg Type: **Retail**  
 Bldg Status:  
 RBA: **2,900 SF**

Actual Cap Rate: -

Zoning: -

**8****333 Cherry Heights Rd****FOR SALE****The Dalles, OR 97058****Wasco County**Listing Broker: **Colt Listing Service LLC**  
205 Third St  
Hood River, OR 97031  
(541) 490-1175Greg Colt  
(541) 490-1175


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 Asking Price: **\$900,000**  
 Price/SF: **\$125.00**  
 Days on Market: **610**  
 Sale Status: **Active**

 Sale Type: **Investment OR Owner/User**  
 Bldg Type: **Freestanding**  
 Bldg Status: **Built 1999**  
 RBA: **7,200 SF**

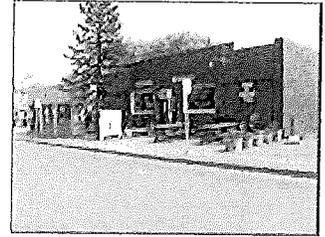
Actual Cap Rate: -

Zoning: **CG**Parcel No: **04924**

**9****1111-1115 Hull St****FOR SALE****Hood River, OR 97031****Hood River County**

Listing Broker: **Windermere /Glenn Taylor Real Estate**  
 504 Cascade St  
 Hood River, OR 97031  
 (541) 386-3444

Lindamay Woosley  
 (541) 386-3444




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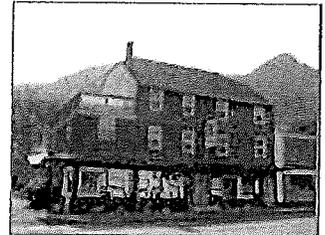
Asking Price: <b>\$595,000</b>	Sale Type: <b>Owner/User</b>
Price/SF: <b>\$193.24</b>	Bldg Type: <b>Storefront</b>
Days on Market: <b>307</b>	Bldg Status: <b>Built 1937</b>
Sale Status: <b>Active</b>	RBA: <b>3,079 SF</b>
Actual Cap Rate: <b>-</b>	Zoning: <b>C2</b>

Parcel No: **03N-10E-36-BC-08301-000000942**

**10****500 Wanapa St - Pacific Crest Pub & Hostel****FOR SALE****Cascade Locks, OR 97014****Hood River County**

Listing Broker: **Commercial Realty Advisors NW**  
 733 SW 2nd Ave  
 Portland, OR 97204  
 (503) 274-0211

Mark Banta  
 (503) 274-0211



Listing Broker: **PUSH Business Consultants**  
 338 NW Kronan Ct  
 Portland, OR 97210  
 (503) 780-3945

Michael Coates  
 (503) 780-3945

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Asking Price: <b>\$340,000</b>	Sale Type: <b>Investment OR Owner/User</b>
Price/SF: <b>\$66.75</b>	Bldg Type: <b>Bar</b>
Days on Market: <b>814</b>	Bldg Status: <b>Built 1910</b>
Sale Status: <b>Active</b>	RBA: <b>5,094 SF</b>
Actual Cap Rate: <b>-</b>	Zoning: <b>C1</b>

Parcel No: **02N-07E-12-CD-03600-000005399**

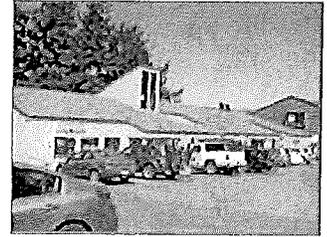
**11 745 NW Wanapa St - Char Burger Restaurant****FOR SALE**

Cascade Locks, OR 97014

Hood River County

Listing Broker: **Commercial Realty Advisors NW**  
 733 SW 2nd Ave  
 Portland, OR 97204  
 (503) 274-0211

Mark Banta  
 (503) 274-0211



Asking Price: <b>\$1,850,000</b>	Sale Type: <b>Investment</b>
Price/SF: <b>\$123.33</b>	Bldg Type: <b>Restaurant</b>
Days on Market: <b>5</b>	Bldg Status: <b>Built 1974</b>
Sale Status: <b>Active</b>	RBA: <b>15,000 SF</b>
Actual Cap Rate: <b>-</b>	Zoning: <b>-</b>

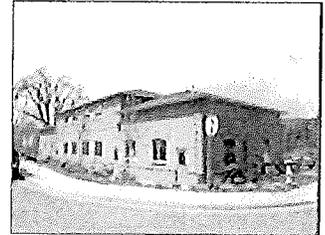
**12 202 Wasco Loop****FOR SALE**

Hood River, OR 97031

Hood River County

Listing Broker: **Copper West Properties**  
 (541) 386-2330

Bill Irving  
 (503) 816-9251

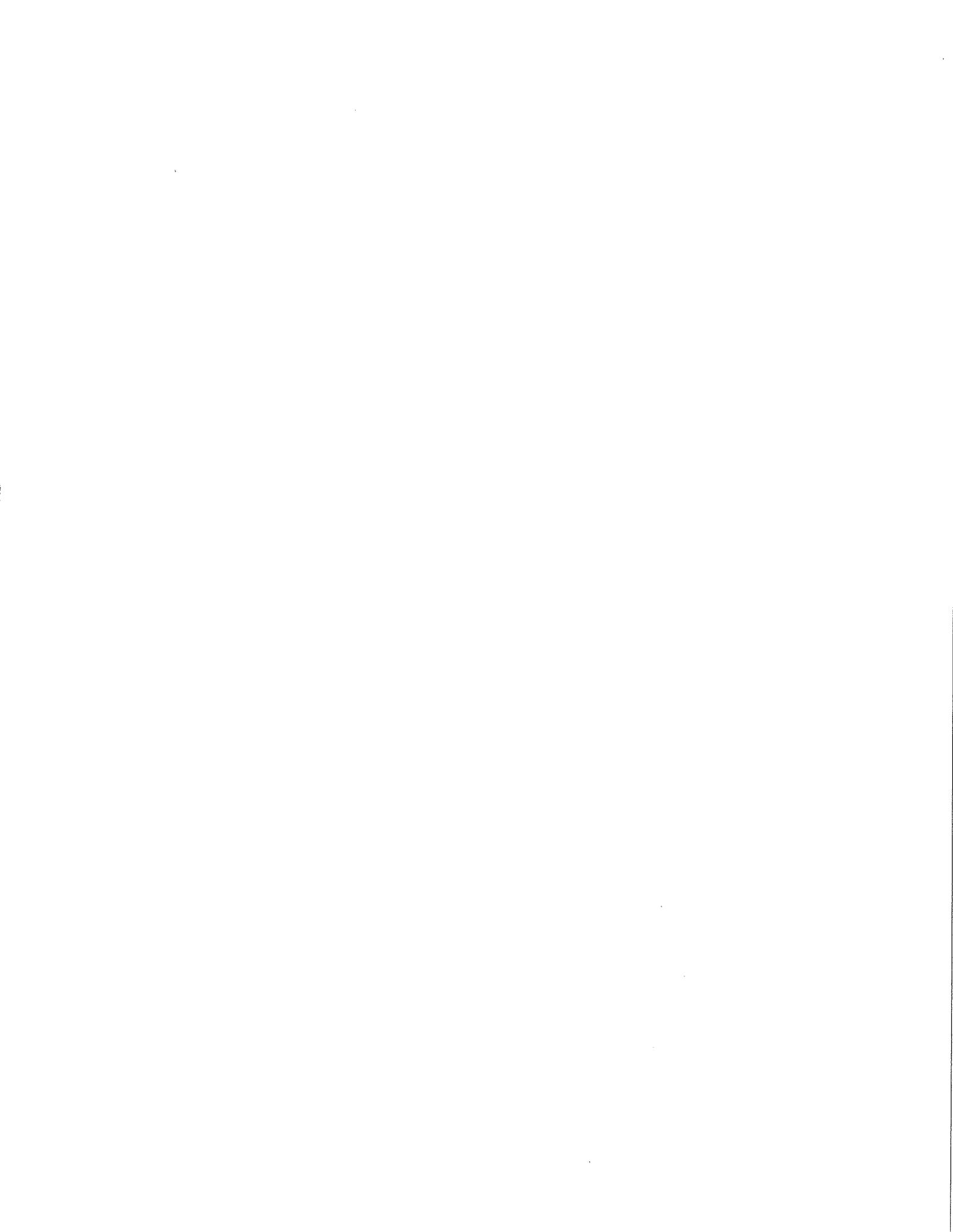


Asking Price: <b>\$899,000</b>	Sale Type: <b>Investment</b>
Price/SF: <b>\$124.86</b>	Bldg Type: <b>Class B Warehouse</b>
Days on Market: <b>105</b>	Bldg Status: <b>Built 2007</b>
Sale Status: <b>Active</b>	RBA: <b>7,200 SF</b>
Actual Cap Rate: <b>7.50%</b>	Zoning: <b>LI</b>
	Sale Conditions: <b>Investment Triple Net</b>

Parcel No: **03N-10E-26-CA-02500-000007787**



**Columbia Property Group/Seder Architect  
Broker and development**



April 30, 2012

Mr. Paul Koch, Interim City Manager  
City of Cascade Locks  
**Proposal for Old Fire Hall Development**



Dear Mr. Koch;

We're excited by the development opportunity in your Town Center and are very interested in offering: **A Development of larger scale and more value than just the renovation of your Old Fire Hall.** Please consider:

- Our larger development would accommodate at the very minimum, both of the two parties we understand are interested in the Old Fire Hall for their respective businesses, provided they are both interested in being so accommodated in a development larger than either of them might undertake solely, i.e. larger than a single building renovation. We're flexible including arrangements or partnering with such entities.
- Our larger development in as much as possible would seek to incorporate additional commercial and/or institutional tenant space, and possibly residential space on an upper floor, again if feasible.
- If desired, our development could also accommodate and serve as a new and ideal Town Center location for offices of the City of Cascade Locks and/or the Port of Cascade Locks.
- To accommodate the above, our larger development would seek to incorporate some or all of the adjacent parcel owned by the Port of Cascade Locks, as well as the Old Fire Hall Site owned by the City. This larger area will give more flexibility to accommodate site uses including building(s), parking and proposed new Marine Park access from Wa Na Pa.
- Our larger development may need to be built in more than one phase, but in any case we would plan and design for future expansion to full build-out, while being complete and functional for all occupants and for your Town Center at the completion of any given phase of construction.
- To further analyze this greater development opportunity and to communicate with the other interested parties including the a) two or more interested business owners, b) public entities and c) any others, we request an additional two or more weeks after public release of the identities other proposers, before the City makes any final decisions and selects one company to exclusively purchase your Fire Hall facility and site. If the City is choosing to continue the process through the selection of one or more realtors, we can also work with such companies.
- If the above is granted, after two or more weeks, we would submit a proposal for as much of the above as can be finalized including property purchase terms and conditions, and will include renderings and other materials indicating the appropriateness of our development to the site and your town center. We'll work with Mark Seder and **Seder Architecture + Urban Design** as well as other complementary consultants, to produce the analysis, options, materials, renderings, etc. as needed. At that time we'll also provide answers to all of your RFP questions and much other information based on our larger scale development...a development incorporating but not limited to those who may be proposing to you today or already.

We await the next step by the City of Cascade Locks and hope to have this opportunity to realize a truly revitalizing mixed use development of a scale capturing the full value of these two beautiful and adjacent properties in your Town Center.

Sincerely,  
**Columbia Property Group LLC**

Jim Edwards, Senior Vice President



Senior Vice President

*"...My mission is to maintain our integrity regardless of the complexity or competitiveness of a particular project."*

---

### **Commercial Real Estate Investment Management Consultant**

Mr. Edwards has provided corporate and real estate operations services as both an executive level employee and as a consultant to individuals, institutions and regional private commercial holding and development companies with portfolios of up to 10 million square feet. Mr. Edwards experience ranges from conceptualizing projects, underwriting them, structuring ownership entities, securing development funding, coordinating design, procuring entitlements and building the projects.

Mr. Edwards background includes such notable long term projects as Pacific Square, the first development north of Burnside which has become the Pearl and River District in Portland, Oregon; the AmberGlen Corporate Center in Hillsboro Oregon; and the Kruse Woods Corporate Park in Lake Oswego, Oregon.

**Colliers International-Portland, OR**  
**Present**

**August 2010 through**

**Senior Broker and Real Estate consultant**

Specializing in office leasing, office investments and development investments  
[www.colliers.com](http://www.colliers.com)

**Columbia Property Group LLC, Portland, OR**  
**Vice President**

**December 1997 through Present**

Member in real estate investment projects

**Birtcher Development and Investments LLC, Irvine, CA**

**2000 to Present**

[www.birtcherdevelopment.com](http://www.birtcherdevelopment.com)

**Senior Vice President -**

Mr. Edwards coordinates all real estate related business operations on projects in Oregon and Washington.

**Selected accomplishments:**

- **Provided regional on site management** of build-to-suit and speculative development of investment grade office, warehouse, and retail projects with institutional partners for over 3 million square feet buildings in the northwest.
- **Directed property management** for over 1.3 million square feet of Class A office for State Farm Insurance.
- **Developed over 500 acres of land** in Oregon and Washington in joint ventures or on a fee basis for entities including the Keller Trust, Quest Investments, State Farm Insurance and Mass Mutual Insurance.
- **Negotiated construction financing** for Quest Investment building for \$26 million with Washington Capital.
- **Directed the development of multiple local projects** for non-institutional investors.
- **EcoLogistics LLC** ([www.ecologisticsllc.com](http://www.ecologisticsllc.com)) associated with a team of Birtcher executives in a Birtcher subsidiary, designing patented software to measure and manage carbon created during a construction.
- **Leased over 3 million square feet** of office and industrial space in last 10 years.
- **Sold the largest office park in Oregon** in 2004. Owned by a State Farm Insurance, for which Birtcher had been the developer for 14 years. The sale closed in November, 2004 for \$115 million.
- **Formed Joint Venture** with Mass Mutual Insurance to develop 400,000 square feet of industrial buildings.

**Transworld Properties, Houston, TX**  
**Vice President, Northwest Region**

**July 1998 to March 2000**

Located and coordinated development activities in the Northwest Region.

Transworld Properties is the real estate subsidiary of Transworld Oil, headquartered in Houston, Texas..

**WCB Properties Newport Beach, CA**

**September 1994 to December 1997**

**Vice President**

Mr. Edwards coordinated the acquisition and operation of over \$200 million worth of office buildings in Oregon, Washington and Colorado for the Goldman Sachs / White Hall Real Estate Investment Fund.

**Hillman Properties, Pittsburgh Pennsylvania**

**December 1986 to September 1994**

**Vice President**

Managed a staff of 14 including 3 regional managers and project-affiliated individuals in diverse capacities ranging from joint venture partners, lenders, investors, buyers, brokers, government officials, tenants and suppliers; to professional disciplines such as architects, engineers and attorneys. **Selected Projects:**

- **Project Manager: 1000 Broadway Building; Portland Oregon**  
440,000 square foot mixed-use high-rise joint venture office building in the Portland CBD..
- **Project Manager: Pacific Square Associates; Portland Oregon**  
1,000,000 square foot master plan joint venture in North Downtown Portland - 300,000 square feet of office buildings completed. This was a Joint Venture between Hillman and Northwest Natural Gas Company.
- **Project Manager: Kruse Woods Office Campus; Portland Oregon**  
2,000,000 square foot master-planned Class A office campus on 72 acres of suburban property. Completed sales, construction and lease-up of over 1,000,000 square feet of buildings
- **Project Manager: Riverpoint One Building; Spokane Washington**  
72,000 square foot Class A suburban office building located in the Spokane Higher Education Park at Riverpoint. Negotiated Joint Venture with the real estate subsidiary of Burlington Northern Railroad.

**Mentor Graphics Corporation, Portland, OR**

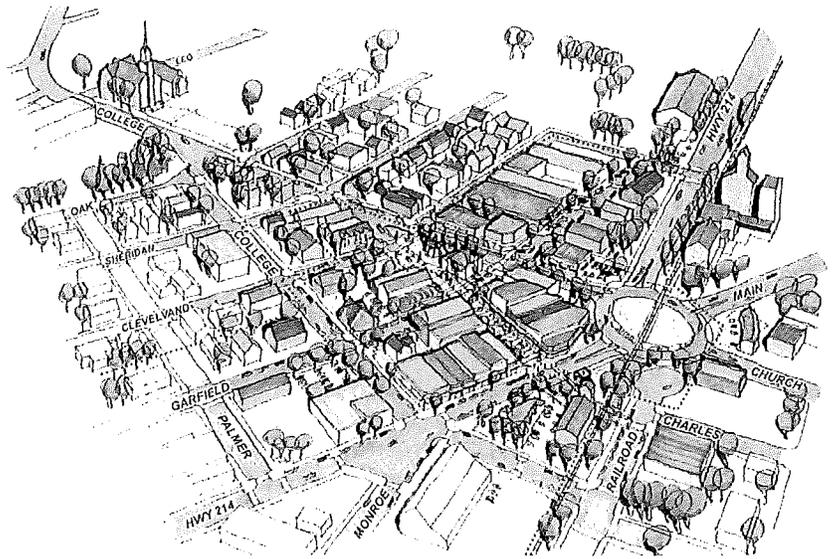
**January 1984 to December 1986**

**Corporate Facilities Manager**

Management all facilities and real estate acquisitions in North America for this publicly traded company.

**Education, Affiliations and Licenses**

- Graduated from Lane College with a certificate in forestry - emphasis in civil engineering.
- Past President, Board member and member of the executive committee of the Westside Economic Alliance
- Board member and member of the executive committee of the Clackamas County Economic Development Commission
- Board member Clackamas County Development Agency - Budget Commission
- Board member of the West Linn Economic Development Commission.
- Licensed Oregon Real Estate Broker.



MT ANGEL DOWNTOWN PLAN

# SEDER

## ARCHITECTURE + URBAN DESIGN

*Working with our Cities and Communities to realize bright and sustainable futures!*

Each and every City is unique. Each community has its own opportunities for positive and appropriate growth and change...and its own unique and very real challenges. Seder Architecture + Urban Design brings the visioning, urban design and architectural design process right into each community, working with each to understand the opportunities and challenges and together to design and craft custom and uniquely appropriate solutions.

Mark A. Seder RA, LEED AP, a second-generation Oregon Architect and certified sustainability designer, works directly with and in each community and city, in partnership with all stakeholders, citizens, officials and potential funding sources, to envision and plan for bright futures. We custom-form teams appropriate to each community and project, or add our urban design expertise and experience to teams of qualified, energetic and committed professionals.

Our Community-based Visioning, Urban Design and Planning recommendations can range from building renovations, revitalizations, adaptations and new structures; to streetscape, urban open space, connectivity and transportation improvements. From initial planning and visioning work, we are often called upon for more detailed planning, design and architectural services for full construction projects. Full Downtown Revitalization Plans and Town Center Plans are a particular and acknowledged strength...we've completed eleven full Downtown Plans and numerous district, area and opportunity site downtown studies. We've found them to be an excellent and valuable overall design and planning tool to guide other and subsequent efforts.

Our completed projects have been published locally and nationally, have won national and local design awards and competitions and have been presented at a number of conferences. Most importantly, however, each project has delivered initial, lasting and sustainable value to the owner and community.

*"So often communities don't have professionals with vision available to them. You (Mark Seder) have vision, a successful history in a number of places, and credibility...not to mention a can-do positive attitude...all of which brings the light of hope and optimism to a community when they 'see' what could happen."*

The Honorable John McArdle, Mayor, City of Independence

Various projects in Independence, Monmouth and at Western Oregon University



CANBY DOWNTOWN PLAN

*"You (Mark Seder) put that personal touch on things we just haven't had before. You really got people excited! We've had some little plans by others before, but people just haven't responded to them like they did to your concepts and work. We're going to get a lot of mileage out of your plan!"*

Rita Baller, Former Willamina Mayor

Projects: Willamina Downtown Plan and Plan Update

*"Mark led an intense six day, three part Charrette process and demonstrated extraordinary listening and facilitation skills. Mark was particularly adept at translating ideas and concerns expressed by participants into quality design."*

Matilda Deas AICP, Planner and Project Manager, City of Canby

Projects: Canby Downtown Plan and other Canby downtown projects

*"Mr. Seder has exceptional project design and management skills*

Erik Kvarsten

City Administrator, City of Gresham

Past City Manager, Cities of Independence and Troutdale

Projects: Independence Library in Hop Warehouse Study

Independence Downtown Redevelopment, Independence

Youth Resource Center, Troutdale Space Needs and Opt

Study, Troutdale Public Works Facility Expansion and

Renovation

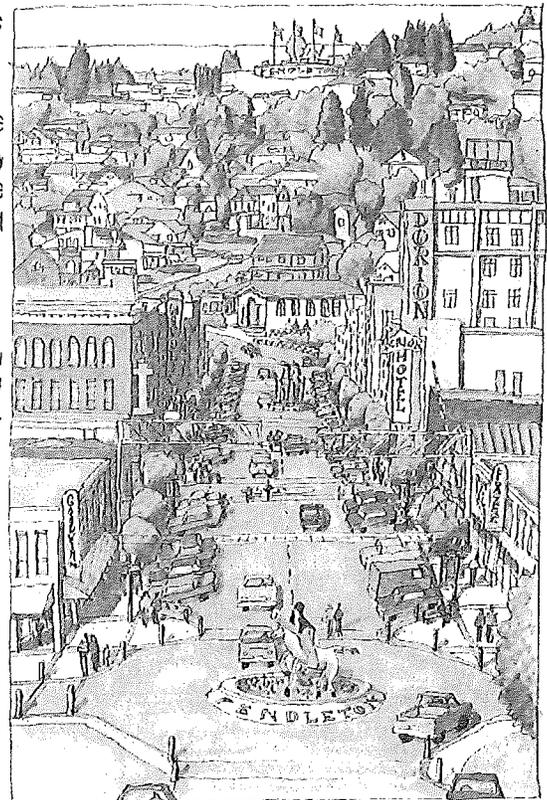
*"In one poster sized document, Mark effectively encapsulated near six months of work while laying a clear but flexible framework for the City. I would recommend them to any city undertaking planning or architectural review."*

John Hitt, City Administrator, City of Lebanon

Past City Manager, City of Amity

Projects: Lebanon City Facilities Master Plan, Amity

Downtown Plan



PENDLETON DOWNTOWN PLAN

*"Mark and his staff show a remarkable aptitude for creating a comfortable atmosphere of downtown involvement and community input. Our feedback from communities has been extremely positive in regard to the community process, general public meetings and presentations and the finished quality of the graphics. Mark shows remarkable patience, skill and creativity in garnering community opinion and developing public and city comments into graphic representations of wants and desires."*

Heidi Henry, former ODDA field representative  
Projects: Amity and Monmouth Downtown Plans

*"You always have treated us well & you do the kind of work that Oregon's communities need!"*

Paul E. Evans, former Monmouth Mayor and recent Oregon Legislature candidate  
Projects: Monmouth Downtown Plan and various other projects in Monmouth

*"It is not often that we recommend (consultant) services; however, we feel the scope and quality of Mark's talents and knowledge are worthy of acknowledgement. We strongly believe Mark's skills and abilities would benefit any organization."*

Dean Dollarhide, Board Director, Northern Wasco County Park & Recreation District  
Scott Green, Executive Director, Northern Wasco County Park & Recreation District  
Projects: Thompson Park Master Plan and Phase I Design and Feasibility

*"Mark is certainly one of the most talented designers that I've come across after many years of experience as an architect."*

Walter Gordon, FAIA  
Former Head of the Department of Architecture and Allied Arts  
University of Oregon

# **Sandy River Boat Works**



RECEIVED  
APR 26 2012

*Sandy River* BUYER ..... B O A T W O R K S

Wooden Canoes, Kayaks, Rowboats & Sailboats · Plans, & Instruction · Tools & Accessories

Christopher Williams, Designer/Builder  
43400 SE Hogue Mill, Corbett, Oregon 97019  
tel (503) 695-2462; fax (503) 695-6367; cell (503) 312-6810  
[chrisw@sandyriverboatworks.com](mailto:chrisw@sandyriverboatworks.com)

April 30<sup>th</sup>, 2012

**Mayor & City Council  
City of Cascade Locks  
140 SW WaNaPa  
Cascade Locks, OR 97014**

***Re: Old Cascade Locks Fire Hall – Purchase Proposal & Business Outline***

The following is a proposal for purchase of the Old Fire Hall property. The City of Cascade Locks will be designated as Seller and Christopher Williams as Buyer, with no lender intermediary.

**Conventional cash purchase contract outline:**

- \$150,000 sales price, \$20,000 down. Balance payable monthly at 5% interest with 30 year amortization.
  - a) Balance of \$130,000 payable in 360 payments @ 5% = \$698/mo+/-.
  - b) No prepay penalty.
  - c) Clear title to be established by Seller.
- Buyer to establish building upgrade schedule per discussions with Hood River County.
  - a) Seller to be released from any responsibility for building upgrades.
  - b) Seller to provide Buyer with any documentation relating to inspections, assessments or prior construction or development permitting, if any, on the building or site.
- Existing equipment serving the building or site to be included in purchase. Seller to provide documentation and/or manuals, if any, for existing equipment.
- Existing easements, if any, to be retained.

Although we've had some casual conversation about my business and about the City and its goals, some specifics should be addressed. The decision to choose Cascade Locks as a permanent home for Sandy River BoatWorks was quite intentional. It was based on what I see

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as a good fit between our respective visions for the future. My business plan in outline form follows.

***Sandy River BoatWorks*** is a small, recreation centered, customer focused boat shop that has as its primary endeavor the design and construction of wooden small craft, specifically canoes, kayaks, rowboats and small sailboats.

Income will be generated from three sources, regional boatshow interest, online via website and from customers physically visiting the shop. Sales will take the form of:

- Boat plans and kits.
- Complete boats shipped out-of-area.
- Boat accessories and parts.
- Boats constructed in the shop by customers themselves with instruction and supervision.
- Recreational boat rentals.
- Paddling, rowing and sail instruction.

Several local part time employees will be sought to accommodate projected work loads during building, rental, and instructional seasons. *Sandy River BoatWorks* will gladly work with the established Marine Park and CGRA to host and participate in events on and off the water.

#### ***Vision and Mission:***

##### **What vision do I have for *Sandy River BoatWorks*?**

- To exceed the expectations of customers seeking excellence in the design and construction of canoes, kayaks, rowboats and small sailboats.
- To enhance creative potential by providing instruction for people seeking the experience of building and using small boats.
- To sustain and empower the local community by providing a people-friendly, colorful, interactive place for gathering and for the hosting of events.

##### **What is the mission of *Sandy River BoatWorks*?**

- To provide the boating community with affordable options for enjoying paddling, rowing and sailing wooden small craft.
- To establish marketplace prominence in the design and construction of small paddling, rowing and sailing watercraft.
- To manage profitability through diverse products and services, and to continue refining and adding to products and services in a customer-responsive fashion.
- To establish a highly visible boat shop environment within a recreation-intensive locale.
- To gain market share by favorably impressing and empowering customers who buy products and services, as well as students who attend boatbuilding and watercraft classes.
- To create a workplace that acts as a dynamic focal point for residents and visitors.
- To become a successful and integral part of the Cascade Locks recreational community.

##### **What is the vision and mission of *Cascade Locks*?**

My understanding is that primary among the City's goals is to establish public awareness of Cascade Locks as the premier outdoor sports and recreation location within the Columbia Gorge

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and to enhance the potential for related local commerce and jobs. As more and more people become aware that Cascade Locks has this vision, the town will see more activity during every season of the year and will continue to grow as a vital, pristine center of recreational opportunity. Its mission then must be to foster this awareness, and to reward those who visit with rich opportunities to enjoy their favorite outdoor adventures.

The experience of visiting Cascade Locks is already rewarding and memorable. It will only become more so as businesses like *Sandy River BoatWorks* become established and flourish here.

*What does Sandy River BoatWorks bring to the community of Cascade Locks?*

We have essentially the same vision and mission. *Sandy River BoatWorks* can be thought of as a destination enterprise; people visit the shop to see what we do, to look at our products, to attend boatbuilding and watercraft classes, and to take part in regattas and paddling events co-hosted by *Sandy River BoatWorks*.

The visual impact of wooden boats being built is magnetic. With the shop front opened up to the activity within, or with a boat being built right out on the apron, people can come by, watch and even lend a hand. Casual visitors tend to come over, watch the work and join in conversation. The Old Fire Hall, with its forward facing street frontage and large sidewalk apron, appears to be well suited for these casual interactions. More formal civic activities could locate on site as well, perhaps holiday gatherings for music and food, perhaps rally staging or other recreational event hosting activities. Part of the shop might house a visitors' center and/or info kiosk. The *BoatWorks* will be that much more successful as it becomes more integrated within the Cascade Locks community fabric.

*Future business venues we are looking at:*

- Boardsailing gear and rentals (unlimited potential here).
- Coffee shop annex (visitors to town could stop in, get coffee and look at boats).
- Regional Visitor's Center (this needs discussion but seems like a good fit).
- CGRA participation (the river offers great sailing here and sailing is a growing passion).

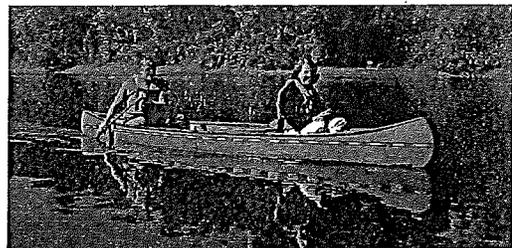
Thanks for reviewing this proposal! I'm excited about the prospect of becoming a part of the Cascade Locks community. Please review the PowerPoint presentation for a more graphic description of what Sandy River BoatWorks does. I welcome your comments and suggestions.

With Regards,



*Christopher Williams*

[chrisw@sandyriverboatworks.com](mailto:chrisw@sandyriverboatworks.com)



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