

To: Alyssa Barrera Mason, Downtown Management District
From: Bill Hoover, Peoples Street Project
Date: February 8, 2021

Thank you for your guidance as we complete the final planning steps for one more re-energized downtown building. As discussed, the COVID-19 pandemic created challenges for this and many other projects. We are proud to say we pushed through have just one more hurdle. Like many others, we are feeling the effects of increased construction costs due to COVID. Currently, total project cost is \$6.4 million. You may remember that the projects value is less than the total cost as it relies on the Historic Tax Credit Investor not being recaptured and exiting the project in 5 years with the recapture period expires.

In preparation of finalizing our loan, we met with the Development Services Department. Plans are permit ready (complete) and we are ready to submit for Permit and start of construction. During that meeting, we were advised that permit fees would total approximately \$40,000. With increased costs and the recognizable benefits to the City for successful completion we are asking the city for help to move our project forward quickly by assuming responsibility for funding the development fees.

Peoples Street Project has secured:

- ✓ Approval from the US Department of Interior (National Park Service) and the Texas Historical Commission for our rehab plan to rehab and rebuild the building (Parts 2 and B respectively).
- ✓ Our contractor, Victory Builders, and are in the process of drafting a construction contract to build the project including approximately 25k sf of building space; and,
- ✓ An Historic Tax Credit Investor through Foss and company to fund both the state and federal portions of the tax credit aspects of the project to fund nearly \$2.5 MM.

WARD BUILDING REMODEL / PEOPLES STREET PROJECT
The project provides:

541 N. CHAPARRAL

- ✓ 8 additional residential units
- ✓ 14 additional art studios
- ✓ Commercial Kitchen/Retail Space (10k sf)
- ✓ 4 Recovery and rehab of a major downtown, tax generating, 25,000 SF structure.

To date, we have spent more than \$400,000. The current project cost is \$6.4 million. As you know, the benefits are perishable including the structure itself, organizational efforts, and historic approvals. Our lender is ready to move forward.

Thanks for helping to keep this project moving forward.

Bill