



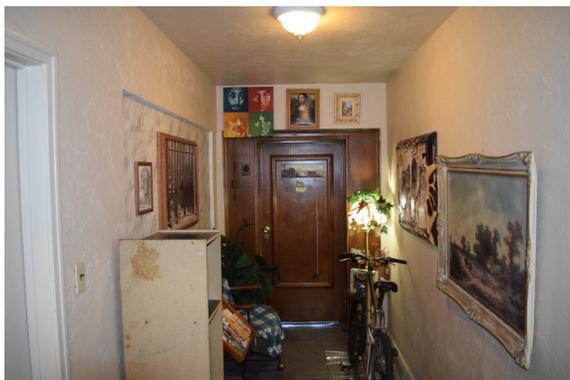
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Bonneville Hotel Redevelopment



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410 E Sherman Ave
Suite 207
Coeur d' Alene, ID 83814



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We visited the site two times. First was to examine the exterior and common areas and the second time the interior units. We were unable to access all the units but did get a feel for the condition and what improvements and work will be needed. We were disappointed to find out that the condition and layout of the existing units are unable to be salvaged by just a cosmetic remodel. The units lack functioning kitchens and bathroom are dated. It is our opinion that for our project to work that the entire building needs to be gutted and taken down to the studs. From there we would construct 10 new units on each floor that would have full kitchens, bathrooms, a living space and a bedroom. Floors 2-5 would contain 40 units and we would remodel the first floor to include smaller executive offices where the existing apartment units are. The former bar area would be remodeled into a restaurant space. We have identified a couple of potential users including Fire Pizza a restaurant that started in Coeur d' Alene and has expanded to different locations throughout the northwest.

We attempted a number of times to get floor plans from the current owner but were only provided the 4th and 5th floor diagrams. Therefore our floor plans are only rough estimates. We based our construction estimates for the apartments on a project we recently completed in Coeur d' Alene. These units would be 500-700 SF one bedroom one bath units. They would be heated and cooled with electric head pumps to replace dated HVAC that exists now. We would propose a new elevator and staircase be installed on the west side of the building in the adjacent parking lot. We would redo the parking lot and provide a landscaped exterior. The corner restaurant site would be opened up with glass and we would keep the look of the existing exterior and façade.

As you can see the stabilized value for our market rate mixed use project and the construction costs can't support a developer paying for the property along with the demolition work. We looked at the market and felt that \$650-\$695 rent for these downtown one bedroom units was what the market could support. There still remains to be some vacancy in the downtown office market and rents we saw were right in line with our pro forma office rents.

Before we spent a significant amount of time and resources on plans we wanted to submit our idea to the agency and gauge the level of interest they would have in helping support the project and what the potential dollar amount the agency is willing to invest. If the agency is unable to provide financial dollars are there other resources available to help bridge the gap of what it will cost to construct versus the stabilized value. As a for profit developer we can spend \$4,000,000 to \$5,000,000 on a project that has a value around \$3,300,000. Our construction costs are also an estimate and depending on what is required by city building departments and fire code those costs could go higher.



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Floor Plan 2-5

