Gateway Crossings

Development Agreement Amendment

May 28, 2020

Meeting Agenda

- Zoom Meeting and Participant Overview
- Gateway Crossings Project Overview
- Hospitality Overview
- Proposed Amendment

Zoom Participation Overview

- The meeting is being recorded
  - You must choose “continue” to accept the recording and stay in the meeting
- Mute all other audio before speaking
  - Using multiple devices can cause an audio feedback
- Please use the raise your hand feature in Zoom when you want to speak
  - We will then acknowledge you to speak
  - If you’re only on the phone press *9 to raise your hand
- Unmute when called on to speak and mute again when you’ve spoken
  - If you’re only on the phone press *6 to unmute



General Overview

Approved in July 2019

1565 residential units broken into two phases

45,000 SF of retail (including the PAL lease)

Substantial infrastructure improvements to Brokaw and Coleman

Two public parks

225 room hotel and amenities

Current Status of the Hospitality Industry [1]



- As of May 20th nearly 7 out of 10 hotel rooms were empty
  - This is in addition to the thousands of hotels that are shuttered completely
- Since February U.S. hotels have already lost more than $25B in room revenue
  - This equates to up to $400mm revenue/day
- 7.7mm hospitality and leisure jobs were lost in April alone

1. Statistics taken from the American Hotel and Lodging Association website

The Hospitality Effect

- New development is stalled
- Access to capital has evaporated
- Existing owners are consolidating sites or closing their doors completely
  - 33,000 small business owners are at risk given current occupancy rates

Our Efforts

- In 2019 we partnered with CBRE to market our hotel parcel
- Initially we had over 70 inquiries for this property
- Through Q1 2020 that number dropped to zero
- The market for this parcel has essentially evaporated



DA Amendment Request

- The existing development agreement (DA) requires that we begin construction prior to issuing building permits for the 2nd residential building
- ***We are requesting to move the hotel start date to prior to the issuance of building permits for Phase 2 of the overall project***

Accelerated Community Benefits

- This will accelerate many community benefits
  - 725 residential units brought to market sooner
    - Including 73 below market rate units
  - Nearly 20K SF of new retail
    - Including PAL space and Tavern on the Green
  - 2 acre public park
  - Brokaw and Coleman Avenue improvements
  - Approximately $35mm in one time fees, or the equivalent, for phase 1 and millions in annual revenues

Temporary Landscaped Condition




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Gateway Crossings