



L.B. STONE PROPERTIES

6200 East Main Avenue
P.O. Box 11215
Spokane, WA 99211-1215

Phone: 509.343.9000
Fax: 509.343.9060

Letter of Submittal

September 10, 2012

Mr. David Steele, Asset Management
City of Spokane
808 West Spokane Falls Boulevard
Spokane, WA 99201

Dear Mr. Steele:

L.B. Stone Properties Group is pleased to present the following Proposal to the City of Spokane in response to RFP #3876-12 for the purchase of the Anthony's Restaurant property for sale at 520 N. Lincoln Road. Acknowledging the Letter of Submittal requirements, we provide the following information:

- 1.) L.B. Stone Properties Group and/or Assigns
P.O. Box 11215
Spokane, WA 99211-1215
Principal place of business: 6200 E. Main Avenue, Spokane, WA, 99212
(509) 343-9000
Fax (509) 343-9060
E-mail: mail@SCAFCO.com
web: lbstoneproperties.com
- 2.) L.B. Stone Properties Group manages multiple Limited Liability Corporations and, as the successful proposer, will apply for such a corporation with the State of Washington and manage the property under such LLC.
- 3.) There are no current or former City of Spokane employees employed by or on our governing board as of the date of the Proposal or during the previous 12 months.
- 4.) L.B. Stone Properties Group and/or Assigns will comply with the terms and conditions set forth in the Request for Proposals, unless otherwise agreed by the City of Spokane.



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Having worked with the City of Spokane on previous recent property purchases, please be assured that we continue to be a qualified, responsive and responsible proposer with the best interests of our city in the forefront of our operations.

We appreciate your consideration of our offer and look forward to the opportunity to work with the City of Spokane in the creation of a sustainable development representing the highest and best use of the subject property.

This offer is effective for ninety (90) days from the Proposal due date after which, if no purchase and sale agreement has been executed between the City of Spokane and L.B. Stone Properties Group, we reserve the right to withdraw the offer with no further obligation or liability.

Please do not hesitate to contact me at (509) 343-9000 should you have any questions regarding our proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lawrence B. Stone", is written over the typed name.

Lawrence B. Stone, Owner
L.B. Stone Properties Group

DAVID CONDON
MAYOR



CITY OF SPOKANE - PURCHASING
808 W. Spokane Falls Blvd.
Spokane, Washington 99201-3316
(509) 625-6400
FAX (509) 625-6413

July 31, 2012

ADDENDUM NO. 1

REQUEST FOR PROPOSALS #3876-12 PROPERTY FOR SALE - 520 NORTH LINCOLN ROAD

This Addendum 1 is being issued to extend the "Letter of Intent to Propose" due date, change the Pre-Proposal meeting date, include a site potential document, and provide answers for questions received for Request for Proposals #3876-12 Property for Sale – 520 North Lincoln Road.

1. The due date for submitting a Letter of Intent to Propose has been extended to **Monday, August 20, 2012 - 1:00 p.m. local time**. Letters of Intent to Propose may be sent by email: purchasinghelp@spokanecity.org fax: 509-625-6413. Letters of Intent to Propose may also be delivered by hand or mail to City of Spokane Purchasing, 4th Floor City Hall, 808 W. Spokane Falls Blvd., Spokane, WA 99208.
2. The Mandatory Pre-Proposal meeting date has been changed to **Monday, August 27, 2012 – 10:30 a.m. local time**. The location will be City Hall, 5th Floor, 808 W. Spokane Falls Blvd., Spokane, WA 99201 in Conference room 5A.
3. Attached to this Addendum and incorporated by reference is **Attachment 1 – Anthony's Site Potential**.
4. Questions received and answers provided:

Question 1: What are the provisions for inspecting the property?

Answer 1: We will make arrangements for Proposers to inspect the property once the deadline for the "Letter of Intent to Propose" passes. We would like to avoid a string of people with no real interest in the property disrupting the existing tenants. Proposers who submit a letter of intent to propose will be scheduled for a walk through inspection.

Question 2: What is the current fair market value of the property?

Answer 2: At this point, it is up to Proposers to do their due diligence, evaluate the property, and evaluate the potential of the site for other uses to determine the fair market value of the property; we will not be establishing that number.

Connie Wahl, C.P.M., CPPB
Purchasing

PLEASE NOTE: A SIGNED COPY OF THIS ADDENDUM MUST BE SUBMITTED WITH YOUR PROPOSAL, OR THE PROPOSAL MAY BE CONSIDERED NON-RESPONSIVE.

The undersigned acknowledges receipt of this Addendum.

L. B. Stone Properties Group
Company

[Signature]
Authorized Signature

ANTHONY'S SITE BUILDABLE ENVELOPE

APPROXIMATE (NOT OFFICIAL)

TOTAL PROPERTY ACREAGE: .8
MAX FAR: 6 (209,000 S.F.)
MAX BUILDING HEIGHT: 12 STORIES
ZONING: DTG
NO PARKING REQUIRED

USES ALLOWED OUTRIGHT:
RESIDENTIAL, STRUCTURED PARKING, RETAIL SALES (NON AUTO), MAJOR EVENT ENTERTAINMENT, OFFICE, COLLEGE, DAY CARE, MEDICAL, SCHOOL, RELIGIOUS

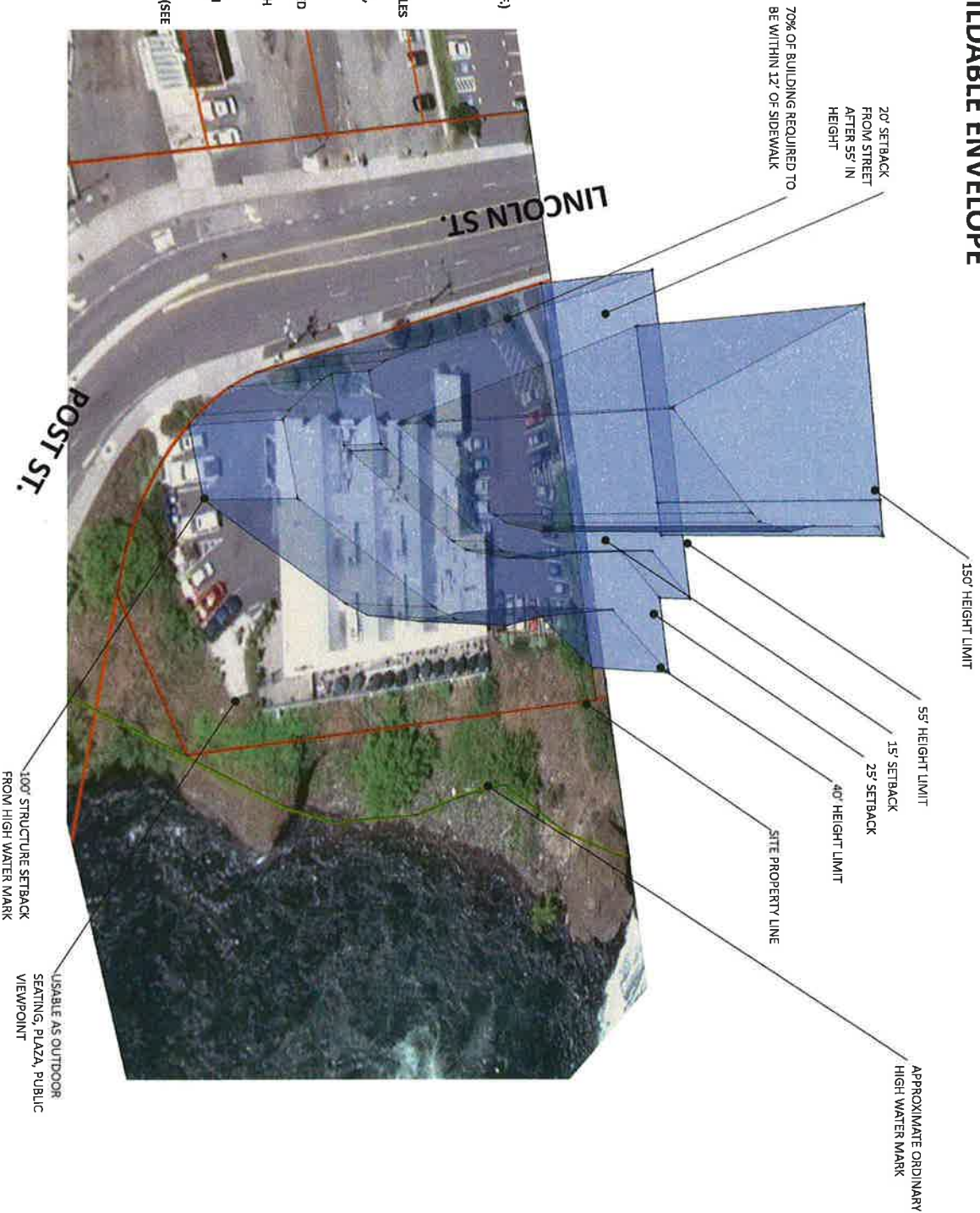
LIMITATIONS:
PROVISION OF A PUBLIC VIEWPOINT IS REQUIRED

100' STRUCTURE SETBACK FROM ORDINARY HIGH WATER MARK.

40' HEIGHT LIMIT WITH 125' OF ORDINARY HIGH WATER MARK

STORIES OVER 55' HAVE ADDITIONAL SETBACKS (SEE GRAPHIC)

TOTAL DEVELOPABLE ENVELOPE:
APPROXIMATELY 165,000 S.F.



DAVID CONDON
MAYOR



CITY OF SPOKANE - PURCHASING
808 W. Spokane Falls Blvd.
Spokane, Washington 99201-3316
(509) 625-6400
FAX (509) 625-6413

August 15, 2012

ADDENDUM NO. 2

REQUEST FOR PROPOSALS #3876-12 PROPERTY FOR SALE - 520 NORTH LINCOLN ROAD

This Addendum 2 is being issued to provide the option of reviewing the current lease for the property for sale located at 520 North Lincoln Road in Spokane, WA. The lease is too large to send electronically but an appointment may be made to physically view the lease by contacting the RFP Coordinator, David Steele, at dsteale@spokanecity.org or 509-625-6064.

Connie Wahl, C.P.M., CPPB
Purchasing

PLEASE NOTE: A SIGNED COPY OF THIS ADDENDUM MUST BE SUBMITTED WITH YOUR PROPOSAL, OR THE PROPOSAL MAY BE CONSIDERED NON-RESPONSIVE.

The undersigned acknowledges receipt of this Addendum.

L.D. Stone Properties Group

Company

[Handwritten Signature]

Authorized Signature

DAVID CONDON
MAYOR



CITY OF SPOKANE - PURCHASING
808 W. Spokane Falls Blvd.
Spokane, Washington 99201-3316
(509) 625-6400
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August 20, 2012

ADDENDUM NO. 3

REQUEST FOR PROPOSALS #3876-12 PROPERTY FOR SALE - 520 NORTH LINCOLN ROAD

This Addendum 3 is being issued to extend the Proposal due date for Request for Proposals #3876-12 Property for Sale – 520 North Lincoln Road.

1. The due date for submitting a Proposal is now **Monday, September 10, 2012 - 1:00 p.m. local time.**

Connie Wahl, C.P.M., CPPB
Purchasing

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L.B. Stone Properties Group
Company

Authorized Signature

DAVID CONDON
MAYOR



CITY OF SPOKANE - PURCHASING
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September 10, 2012

ADDENDUM NO. 4

REQUEST FOR PROPOSALS #3876-12 PROPERTY FOR SALE - 520 NORTH LINCOLN ROAD

This Addendum 4 is being issued to extend the Proposal due date for Request for Proposals #3876-12 Property for Sale – 520 North Lincoln Road due to inspection accessibility concerns.

1. The due date for submitting a Proposal is now **Monday, September 17, 2012 - 1:00 p.m. local time**. The due date is being extended to assure that all Proposers are provided access to inspect the premises prior to the submission of Proposals.

Connie Wahl, C.P.M., CPPB
Purchasing

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The undersigned acknowledges receipt of this Addendum.

L. B. Stone Properties Group
Company,

Authorized Signature

DAVID CONDON
MAYOR



CITY OF SPOKANE - PURCHASING
808 W. Spokane Falls Blvd.
Spokane, Washington 99201-3316
(509) 625-6400
FAX (509) 625-6413

September 10, 2012

ADDENDUM NO. 5

REQUEST FOR PROPOSALS #3876-12 PROPERTY FOR SALE - 520 NORTH LINCOLN ROAD

This Addendum 5 is being issued to provide the date and time for a walk-through meeting for potential Proposers that submitted an "Intent to Propose" letter for Request for Proposals #3876-12 Property for Sale – 520 North Lincoln Road.

1. A walk-through meeting has been scheduled for **WEDNESDAY, SEPTEMBER 12, 2012 at 8:00 a.m. local time.** The Location is 520 North Lincoln Road.

Connie Wahl, C.P.M., CPPB
Purchasing

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The undersigned acknowledges receipt of this Addendum.

L. B. Stone Properties Group
Company

Authorized Signature



L.B. STONE
PROPERTIES

Proposal

**City of Spokane
Property for Sale
520 North Lincoln Road
RFP #3876-12**

SUBMITTED BY:

**L.B. STONE PROPERTIES GROUP
SPOKANE, WASHINGTON**

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Exhibit A: Playfair Commerce Park Property Development

Exhibit B: Financial Reference Documentation

1. PURCHASE PRICE

L.B. Stone Properties Group is offering the City of Spokane the sum of Three Million Six Hundred Thousand Dollars (\$3,600,000.00) for the approximately 34,000 sq. ft. site at 520 North Lincoln Road, Spokane, WA located in the northeast quarter of the southwest quarter of Section 18, Township 25 North, Range 43 East, W.M., in the City of Spokane, and as originally identified in Exhibit A of the City of Spokane Request for Proposals, RFP Number 3876-12.

2. EARNEST MONEY DEPOSIT

Associated with the offer above, L.B. Stone Properties Group hereby places the enclosed deposit of Two Hundred Thousand Dollars (\$200,000.00) as earnest money with the City of Spokane, as good faith that a mutually agreeable Purchase and Sale Agreement may be timely reached between the parties. Such earnest money shall be refunded in full to L.B. Stone Properties Group in the event a sale is not closed, provided that the failure to close is not due to a default of the Purchase and Sale Agreement by L.B. Stone Properties Group.

3. PROPOSED USE OF THE PREMISES

The sole owner of L.B. Stone Properties, LLC is Lawrence Stone. A fifty-seven year resident of the City, he is strongly committed to investing in economic growth in the City of Spokane, and in particular the Downtown Business District. In addition, Lawrence Stone is also the sole owner of SCAFCO, a steel manufacturing company headquartered for over forty years in Spokane and currently operating in six Western states and over eighty countries worldwide.

The Falls, LLC, one property in the L.B. Stone Properties portfolio, presently owns the parcel of land immediately north and contiguous to the subject property (the former YWCA property). The parcel is 98,000 ft.² in area and was purchased by The Falls, LLC specifically for development of a high density residential project. A major consideration in the purchase and development of the YWCA property was, and continues to be, the owner's intent to occupy one of the residential units as his primary residence.

The L.B. Stone Properties Group's plan for the Anthony's property is to construct a mixed-use residential, restaurant (s) and retail project. The exact configuration will be determined in the planning process but it is anticipated that the project will be thoughtful, visually attractive, and financially sustainable for decades and a source of pride for the entire community.

It is expected the project will have significant revenue enhancement for the City. L.B. Stone Properties will bring about increased sales taxes and utility taxes

The combined site is part of the Downtown Business Improvement District. Due to the close proximity of the downtown retail core, a short walk or drive over the Post Street Bridge, the development is expected to attract residents and visitors who will naturally shop, dine, and attend theater and sporting events in an increasingly vibrant downtown core.

The high-density residential and retail development will bring an estimated 200 plus construction jobs to the project. As a multi-million dollar project, those construction jobs are sustainable for a significant period of time. When the project is complete, the preliminary estimate for additional jobs created is well over 500 permanent positions added to the labor force in Spokane.

L.B. Stone Properties Group will propose sustaining a continuing relationship with Anthony's. This could include occupancy of the present structure beyond the lease expiration, and occupancy opportunities with the new development.

As part of the planning process for the future project, L.B. Stone Properties Group looks forward to engaging the communities' wide range of stakeholders. L.B. Stone Properties Group views a large number of neighbors for consideration including the immediate neighbors on Lincoln Street, the Arena to the north, the Upper Falls Condominiums to the North East, the Kendall Yard project to the West, City owned properties that are nearby, and River Park Square to the south. In conjunction with the City and other key stakeholders, the Proposer would consider improvements to Lincoln Street within City guidelines including landscaping, placement underground of existing power and other dry utilities and planting of native trees. Within City guidelines, the Proposer expects to recycle on-site during the construction process wherever possible and to take into account sustainability and the environment as the project is configured.

L.B. Stone Properties share the same sole owner as Playfair Commerce Park LLC (Playfair). Many of the concepts mentioned above have already been put in place by the Proposer at Playfair. Extensive streets

have been built, a valuable addition to the City of Spokane. The streets were completed with all power and dry utilities underground, sidewalks and extensive landscaping using native Ponderosa Pine for sustainability (please see Exhibit A). In the demolition and leveling of the site, Playfair recycled one hundred percent of all concrete, asphalt, and vegetation, and much of the recycled concrete and asphalt has already been reused in the constructions of streets and the concrete for the new SCAFCO plant referenced below. The only export from the site were metals including old pipes, rebar etc. and all of these materials were loaded into railcars at SCAFCO's facility and recycled to make new steel. In addition, the Playfair project is bringing 32 acres of sites available for manufacturers and other businesses to locate within the City of Spokane. The sites are exceptionally well-planned with each shovel ready site having five Internet/fiber-optic providers installed underground and substantial water, power and sewer utilities. The sites also have the availability of Union Pacific Rail Road or Burlington Northern Santa Fe railroad. Photographs are enclosed showing the new streets that have been installed. Although of course the project at the Subject property would be far different, the principles would be similar. At Playfair the neighbors were extensively involved in the project. The roads feature landscaped sidewalks and the installed dry utilities were built to the world class standards. City staff was extensively involved in all aspects of the project. These same principles will be applied to the Subject Project.

SCAFCO Corporation, solely owned by Lawrence Stone, will occupy a new 133,000 ft.² manufacturing facility at Playfair. The new SCAFCO project will bring approximately 150 new manufacturing jobs to the City of Spokane, and a clean, environmentally sensitive manufacturing process. The plant is served by three railroad tracks constructed by the owner and connecting to the Union Pacific Railroad. The Playfair project is being landscaped far above and beyond City requirements. The enclosed Exhibit A photographs show construction progress as of September 17, 2012 and depicts the dramatic improvements to the East Central Business District.

4. PROPOSAL FOR PUBLIC ACCESS

L.B. Stone Properties Group is committed to continuing Public Access. The Proposer commits that in conjunction with development of the Project, the public will have equal or superior physical and visual access to the shoreline and to Spokane Falls.