

Blaine Connected  
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RECEIVED  
MAY 28 2014  
CITY OF BLAINE

March 27, 2014

Gateway Project,  
City of Blaine, Washington State,  
435 Martin Street, Suite 3000,  
Blaine, Washington 98230

Attention: Mr. David Wilbrecht, *City Manager*

Re: Request for Qualifications

Dear Sirs/Mesdames:

We are pleased to submit our proposal for this opportunity to work with the City of Blaine and wish to provide you with the following information:

The name we have chosen for this project is "Blaine Connected". As we have come to appreciate, Blaine is truly connected, and we see a tremendous opportunity to continue to grow this profile through smart investment and development.

Our partnership would execute this proposal by bringing together two parties, Bill Wright and Michael Louie, who have not only demonstrated the experience to progress change but pride themselves on an approach that remembers the beginning, emphasizes research, and relies on thorough analysis to determine the best outcome and most importantly how to get there.

With this proposal, we hope to answer three questions which we believe are relevant for consideration:

1. Financial capability to support this project from start to finish
2. Development experience, with a view toward long-term, sustainable solutions.
3. Demonstrated flexibility in approach to past development projects.

Bill Wright who was first licensed as a commercial real estate broker in 1969 has throughout his career provided the vision and expertise to bring similar projects to life. He has over 45 years of real estate development experience, having directed numerous projects from inception and planning through the regulatory process toward successful, market-driven conclusions. Bill not only conceived many of these developments but recognized at an early stage the opportunities they presented, acting not only as a successful commercial broker but as a developer owner.

Michael Louie, a Canadian Chartered Accountant has demonstrated similar experience. He has been involved as principal in real estate development projects and investments for over 20 years. Past development projects include subdivisions into single-family lots, site servicing, and the repurposing of a resort hotel. Past investments in real estate include a wide range of retail, office, multi-family and industrial properties in both Canada and in the United States. A summary of this experience is set out in the attached Appendix for consideration.

The name of our proposal is: "BLAINE CONNECTED"

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Bill Wright:



Michael Louie:



# PROPOSAL

## BLAINE CONNECTED

*Positioned for Success*

# SITE PLAN

## Introduction

Our plan envisions the consolidation of 42 smaller land parcels to form the assembled Gateway Property that will be divided by Boblett Street, with a 9.29 acre parcel to the north (the “Northern Gateway Site”) and an 8.02 acre parcel to the south (the “Southern Gateway Site”), which is adjoined by an additional 11.09 acres of conservation and wet lands.

The Hebert Report has proven valuable in identifying the current market opportunity and allowing us to project future growth trends. We view their recommendations as a useful base and will look to expand upon them moving forward.

The inclusion of the existing Blaine International Center combined with the Northern Gateway Site along with the adjacent property fronting Highway 543 offers a dynamic presence, with the potential to not only reinvigorate the existing shopping center, but provide synergy between all three sites delivering value that greatly exceeds the sum of the parts.

We have assembled numerous sites in the past that have opened up adjoining opportunities and presented a fresh look to existing structures. We believe this direct experience will prove invaluable in unlocking the tremendous potential of this site.



# SITE PLAN

## Northern Gateway Site

The first order of business would be to assemble the three sites north of Boblett Street into one contiguous area with the Northern Gateway Site being the key parcel.

The existing shopping center would undergo a face-lift and a re-orientation towards the highway, away from H Street, which will still provide the main access, in conjunction with Boblett Street. This site will also be intersected by Grant Street, providing additional access possibilities.

The newly assembled area would allow for additional commercial development, presenting an opportunity for a larger big box retailer to form an additional anchor on the site. Highly visible food pads and banking pads would further strengthen the offering, while free standing building opportunities could help facilitate the medical facility envisioned in the Hebert Report.

The possibility of a hotel pad, adjacent to the medical facility, could act as short term recovery lodging as well as a market driven hotel (accommodation) facility.

## SITE PLAN

### Southern Gateway Site

The Southern Gateway Site is conducive to the development of a light/advanced manufacturing center, and could be developed in phases as demand increased.

The Southern Gateway Site also introduces additional potential that we would like to explore further, including the introduction of science based industries, software development, and other related higher skilled jobs.

We would consult with the Blaine School District and Colleges, Whatcom Community, and Bellingham Technical, as well as Western Washington University to determine where future job growth may take place, and provide opportunities for local graduates to attain gainful employment in the same area where they grew up and completed their education.

Both the Northern Gateway Site and Southern Gateway Site will deliver construction jobs as outlined in the Hebert Report, as well as permanent, well-paying jobs for years to come.

## Conclusion

In summary, the uses contemplated for the Northern Gateway Site, when combined with the adjacent sites to the east and west, will create a dynamic new face for the re-invented Blaine International Center. More prominent exposure to the entire Gateway Site and adjoining highway frontage will greatly enhance the existing retail offering, presenting a strong foundation for new development and ultimately a more diversified local economy.

Site plans and architectural plans will need to remain flexible throughout the development process as opportunities are presented and shifting demand dictates the final outcome.

Our partnership employs a market-driven philosophy based on thorough research and analysis to ensure that the ultimate proposal is justified and supported by strong fundamentals. We will rely on existing reports, market surveys, and conversations with interested commercial partners to determine the best course of action in pursuing the new Blaine Connected philosophy.

We have the development and construction experience to execute on a cooperative plan, as well as the financial strength to see this project through to its successful conclusion.

We also wish to convey to the Economic Development Committee and City Council, along with staff and the citizens of Blaine, our willingness to remain flexible to the interests of all parties as we proceed through this process. We feel that all stakeholders should have an opportunity to participate, and that only by working together can this project recognize its full potential. We have attempted to outline a very preliminary path forward and we look forward to taking the next steps.

Blaine has many desirable characteristics that place it in a very unique position. We look forward to progressing an opportunity that will demonstrate that potential to the world.

# DEMONSTRATED EXPERIENCE

## Summary of Financial Position

Our team has substantial experience in private real estate investment and development. We also have a proven track record for working with municipal and government authorities to generate solutions that are beneficial to all parties.

In the pages that follow we have included an overview of a select group of successful transactions that demonstrate the relevant experience, the flexibility of approach, and the financial capability that will be critical to progressing this project through to completion.

Our team has also arranged financing and continues to manage assets for a pool of private capital that has invested in excess of \$70,000,000 of equity over the past ten years. A summary of these transactions has been included below for reference:

Year Invested	Deal	Location	Description	Invested	Total Project Value	Project Interest (%)	Project Interest (\$)
<i>Current Equity Investments:</i>							
2013	KTS	Cross Canada	Warehouse industrial	\$6,500,000	\$20,000,000	100.0%	\$20,000,000
2013	US Apartments	Various	Multi-family residential	\$15,000,000	\$90,000,000	90.0%	\$81,000,000
2012	Harmony Road	Colorado	Retail shopping centre	\$2,000,000	\$18,000,000	40.0%	\$7,200,000
2012	Castle Rock *	Colorado	Retail shopping centre	\$6,000,000	\$24,700,000	75.0%	\$18,525,000
2012	Headwater	Vancouver	Opportunistic mid-market	\$800,000	\$50,000,000	1.6%	\$800,000
2011	Dark Horse	Alberta	Opportunistic oil & gas	\$10,000,000	\$200,000,000	5.0%	\$10,000,000
2011	KBC	N. Vancouver	Industrial development	\$1,000,000	\$14,000,000	25.0%	\$3,500,000
2007	GMS Aggregates	Alberta	Gravel operation	\$11,500,000	\$30,000,000	100.0%	\$30,000,000
2004	Sundial Hotel	Whistler	Boutique hotel	\$750,000	\$25,000,000	12.5%	\$3,125,000
2004	PGH Group *	Calgary	Assisted living facility	\$3,200,000	\$55,000,000	100.0%	\$55,000,000
<b>TOTAL</b>				<b>\$56,750,000</b>	<b>\$526,700,000</b>		<b>\$229,150,000</b>
<i>2014 Business Plan:</i>							
2014	US Apartments	Various	Multi-family residential	\$40,000,000	\$200,000,000		
2014	Redondo	Los Angeles	Multi-family residential	\$3,000,000	\$25,000,000		
<b>TOTAL</b>				<b>\$43,000,000</b>	<b>\$225,000,000</b>		
<i>Mezzanine Debt Investments:</i>							
2012	Mezzanine	Vancouver	Multi-family residential	\$600,000			
2012	Mezzanine	Various	Multi-family residential	\$900,000			
2010	Serenade	Langley	Multi-family residential	\$1,000,000			
2009	Urban Village **	Surrey	Multi-family residential	\$12,000,000			
2006	Copperstone **	Canmore	Recreational property	\$4,500,000			
<b>TOTAL</b>				<b>\$19,000,000</b>			

\* Expected disposition in 2014

\*\* Investment has been sold

# DEMONSTRATED EXPERIENCE

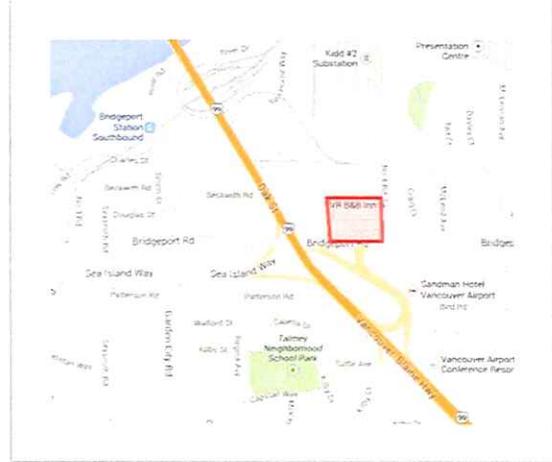
## Airport Gateway Plaza

Airport Gateway Plaza is located at the corner of Bridgeport Road and No. 4 Road in Richmond, British Columbia.

This large box retail center benefits from its central Richmond location and close proximity to Vancouver. The main off ramp from the freeway provides a controlled traffic intersection for great access into the site.

The tenants at the Airport Gateway Plaza are all top performing branches of established Canadian retailers, including Tim Hortons, Golftown, Michaels, PetSmart, Dollarama and Pier 1 Imports.

We were responsible for assembling the 14 privately held parcels of land necessary for the site as well as its rezoning and tenancy, and still retain ownership in the center.



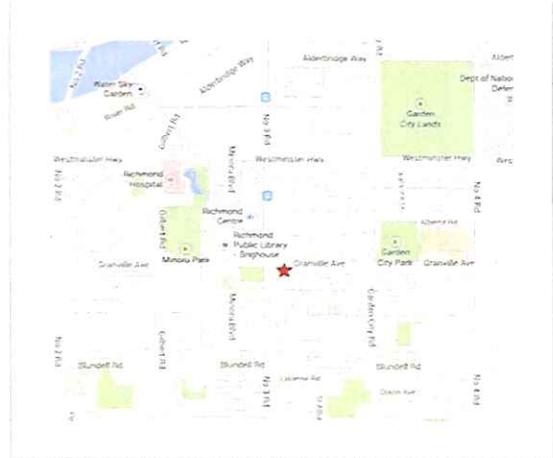
## DEMONSTRATED EXPERIENCE

### Richmond Place

Richmond Place is a 100,000 square foot, class-A office building located on Granville Avenue, in the downtown core of Richmond, British Columbia.

We acquired and rezoned the site with the intention of leasing it to a single occupant. When this did not materialize, the plan was adjusted and leased to a collection of smaller tenants resulting in a successful conclusion.

This development also involved the design and construction of two levels of medical facilities, with common waiting rooms and specialized construction to meet the doctors' requirements.



## DEMONSTRATED EXPERIENCE

### Surrey Town Center

The intersection of 80<sup>th</sup> Avenue and Scott Road was identified as a target for the creation of a new town center for the City of Surrey, British Columbia. It was an ambitious plan that needed to be large enough to form a meaningful foundation for future growth. We were initially engaged to provide commercial brokerage services, but felt we could add incremental value and ultimately played an active role in the design and rezoning of the project.

We led the land assembly consolidating 14 properties totaling over 38 acres. Zoning was complex, but when completed enabled the development of approximately 450,000 square feet of commercial space and an additional 650 condominium units that formed the first phase of the town center.

The first phase, after rezoning, was subdivided into 12 development sites that were made available to the development community, while the second phase introduced an additional 15 acres of developable commercial land.

This was an early implementation of a town center development in a suburban setting that would not have succeeded without an ability to recognize shifting market conditions and alter designs to meet those demands.



## DEMONSTRATED EXPERIENCE

### Hamilton Area Plan

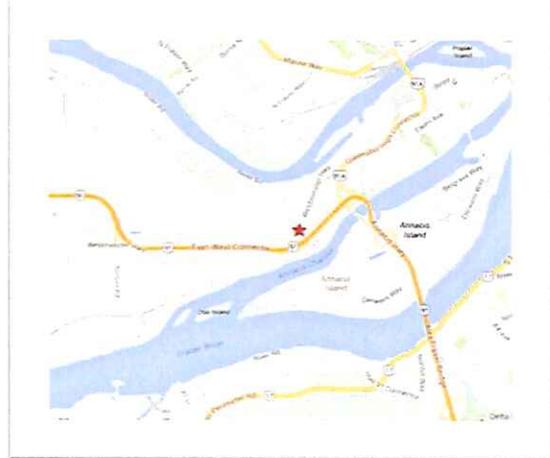
The Hamilton area was an underdeveloped site located on the eastern edge of Richmond, British Columbia.

We acquired a 65 acre land parcel that gave us a stake in the community, and quickly realized that the 240 residents living in the area were dealing with some important issues. Most importantly, two critical community services, the local Fire Station and Elementary school, were facing impending closures.

The City of Richmond viewed the area as a low priority and their budget limited the ability to allocate staff resources toward any pre-planning activities.

Through discussions with the City, we arrived at a solution that allowed larger property owners to develop an area plan under the guidance of the municipal government authority, which permitted the project to move forward. Our strategy enabled the support and involvement of local residents, who were able to save important community services and played a critical role in the ultimate success of the development.

Hamilton succeeded as a community focused residential development built from the ground up to interlace with the agricultural area of Richmond as well as the neighbouring City of New Westminster.



# DEMONSTRATED EXPERIENCE

## Burnaby Project

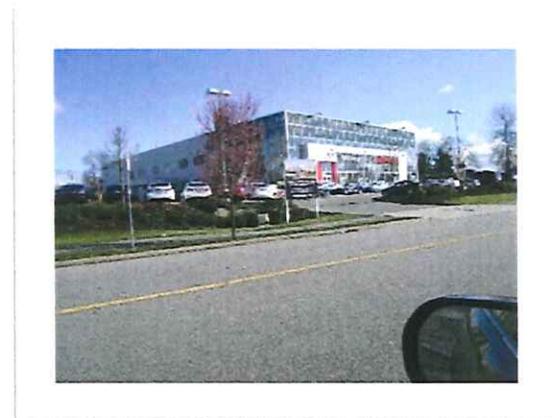
The intersection of Willingdon and Still Creek Avenues in Burnaby had defied development for over 30 years. Despite the strong location and high value potential of the site, access was considered difficult due to unstable geology and ground contamination issues.

We acquired land on both sides of Willingdon, which gave our developer a seat at the table with the City of Burnaby. Together we engineered a creative strategy that involved piling the building footprint and parking lot, and ultimately solved the problems that had challenged them for decades.

Costco, who chose Burnaby as the location for their first store in Canada, were actively looking to relocate their PRICE CLUB store from a dysfunctional site in east Vancouver. We established a relationship, secured their commitment, and spent three years developing the site that would ultimately become one of the highest grossing stores in the Costco chain.

Tenants on the site include Costco, the Keg restaurant, and a Nissan car dealership, with a new Lexus car dealership currently under construction and a Toyota car dealership scheduled to break ground this spring.

This project was not without its challenges, but we worked in close cooperation with our partners and stakeholders to overcome them.

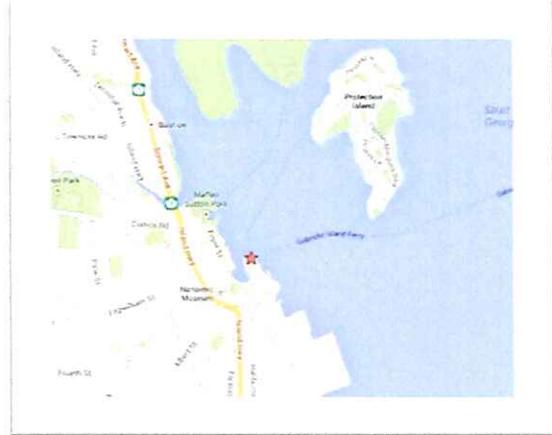


## DEMONSTRATED EXPERIENCE

### Pacifica

A large prestigious development in a smaller town center, the Pacifica project is a collection of 169 waterfront townhomes and condominium residences located in downtown Nanaimo, British Columbia. The project features large terraces, spacious designs, a landscaped courtyard, and private park space all in close proximity to a desirable waterfront promenade. The total build-out was 210,000 square feet with a value of over \$75,000,000.

We are investors and owners in the project and have played an active role throughout the development process.



# DEMONSTRATED EXPERIENCE

## Great Canadian Casinos

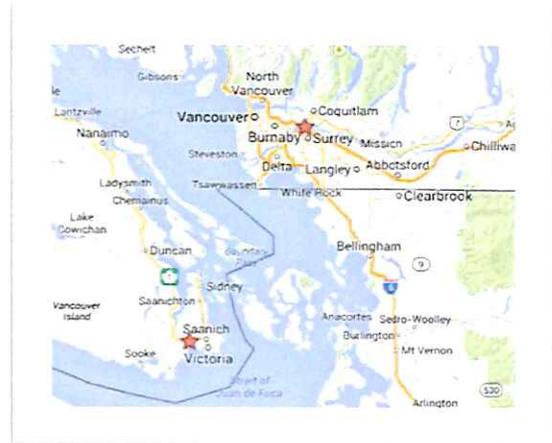
A relocation of gaming licenses, from one jurisdiction to another, requires the host municipality to go through a formal approval process, as required by the British Columbia Lottery Corporation.

Our primary challenge was to identify a suitable site and progress it through a very complex rezoning process, with over 1,500 people attending the public hearing.

In Coquitlam, a site was purchased and the rezoning was completed over a 12 month period. The Casino opened on time and on budget, and has proven extremely successful.

In Victoria, legislation dictated that the gaming license was to be relocated from the City of Victoria to the suburb of View Royal. We were approached by the Municipality of View Royal directly, and successfully executed on a development plan that supported their vision for the community,

In both cases the newly assembled and developed sites were ultimately sold to Great Canadian, the casino operator.



# CONCLUSION

## Closing Remarks

Our partnership has demonstrated an ability to execute in all facets of real estate development, from initial concept and design to land assembly and final construction. We have an extensive track record of delivering large projects to small communities by delivering access to financial capital, maintaining a flexible development approach, collaborating with a wide range of stakeholders, and adapting to changing market conditions. Our knowledge of the Canadian Medical System (public and private) and access to advanced manufacturing firms in the Southern British Columbia Region present additional opportunities to unlock incremental value.

For these reasons and more, we believe that we are uniquely positioned as a team to advance the Gateway Property toward a conclusion that maximizes value for the diverse range of stakeholders in the Blaine community.

## CONTACT INFO

### Summary of Contact Information

For additional information, please contact:

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