

One South Church — Tucson, AZ Revitalization & Adaptive Reuse

Opwest Overview

Opwest Partners is a multi-disciplined investment and development firm focusing on real estate and lifestyle assets. The company has expertise in mixed-use, hospitality, resort, residential, entertainment, office, retail and recreational properties.

The principals of Opwest have invested in and developed over **\$4.5 billion** of real estate throughout the United States.

- Curio Hotel, Scottsdale, AZ
- 979 Playa Office, Tempe, AZ
- Pendry Hotel, San Diego, CA
- The Everly Hotel, Hollywood, CA
- Montage Healdsburg, Healdsburg, CA
- Hope Street Hotel & Office, Mountain View, CA
- Montage Palmetto Bluff, Bluffton, South Carolina
- Fairmont Miramar Hotel & Bungalows, Santa Monica, CA
- Montage Deer Valley Resort & Residences, Park City, UT
- Montage Beverly Hills, Beverly Hills, CA

Platform capabilities include property acquisition, finance and accounting, project conceptualization, design coordination, entitlements, project management, construction management, operations, asset management, sales and marketing, branding, consulting and advisory.

Project Overview

Summary

The revitalization of the iconic one south church building presents a generational opportunity for downtown Tucson. The adaptive re-use of the existing asset to a vertical mixed-use property consisting of a boutique lifestyle hotel and a renovated office asset will create an offering that does not currently exist in the market. The hotel is envisioned to position at the top of the Tucson hotel market, and it is contemplated that the office will stabilize at premium rents post repositioning. Sponsorship is currently discussing the project with Marriott, Hilton and Hyatt hotel brands.

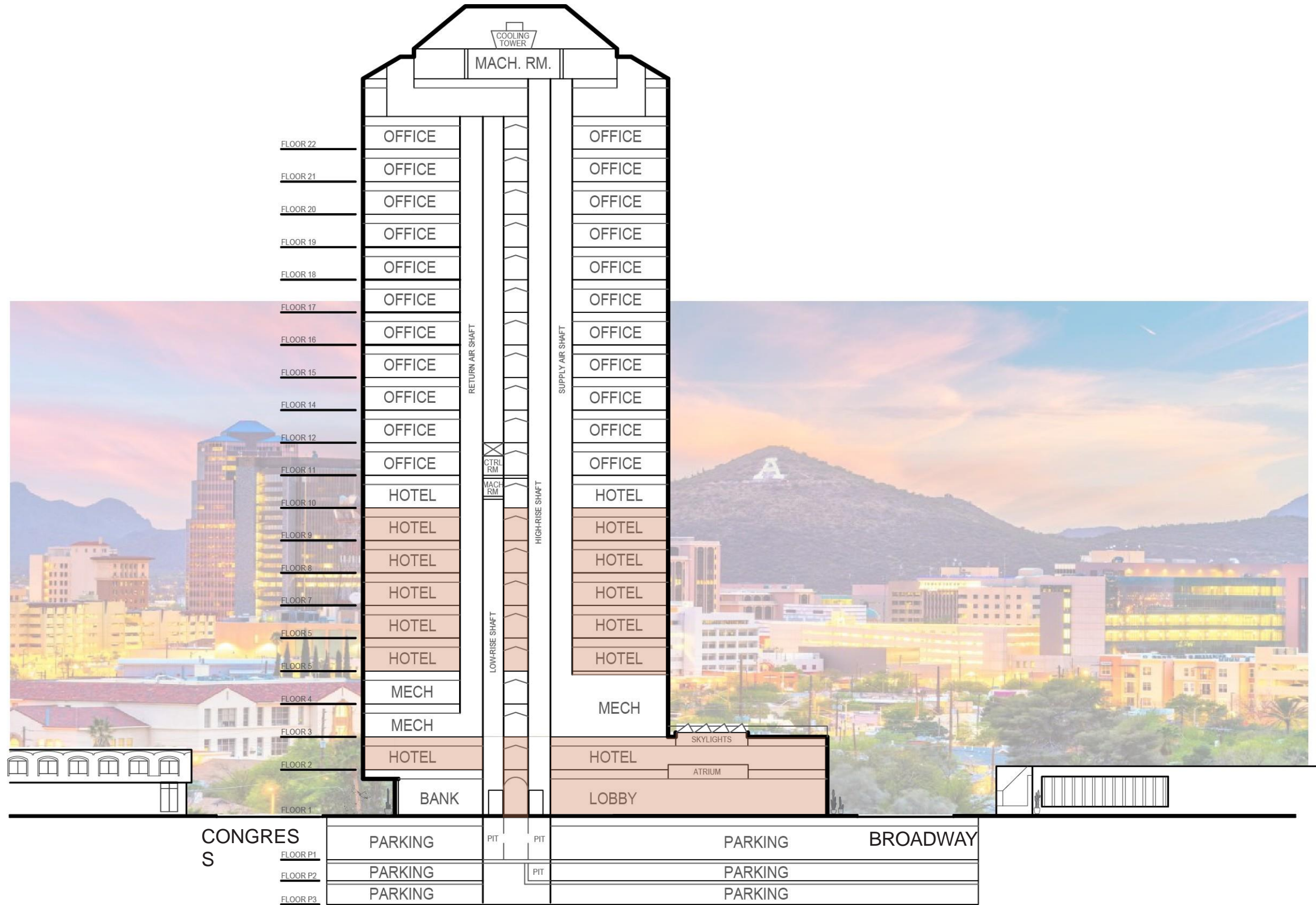
Address	1 South Church Tucson, AZ
Property Size	285,521 GSF Total Property
	140,000 GSF Office
	101,000 GSF Hotel
	44,521 GSF Common Area and Mechanical Space

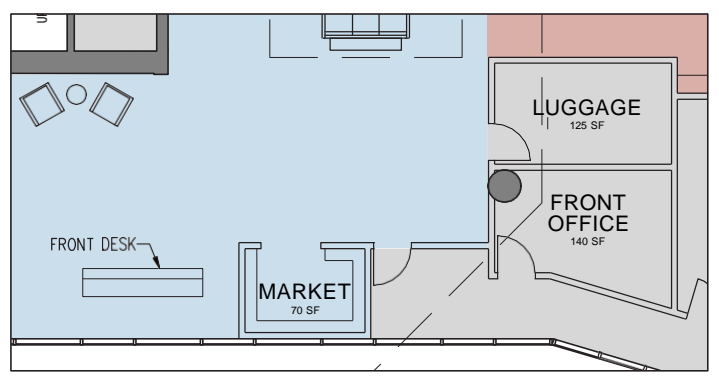
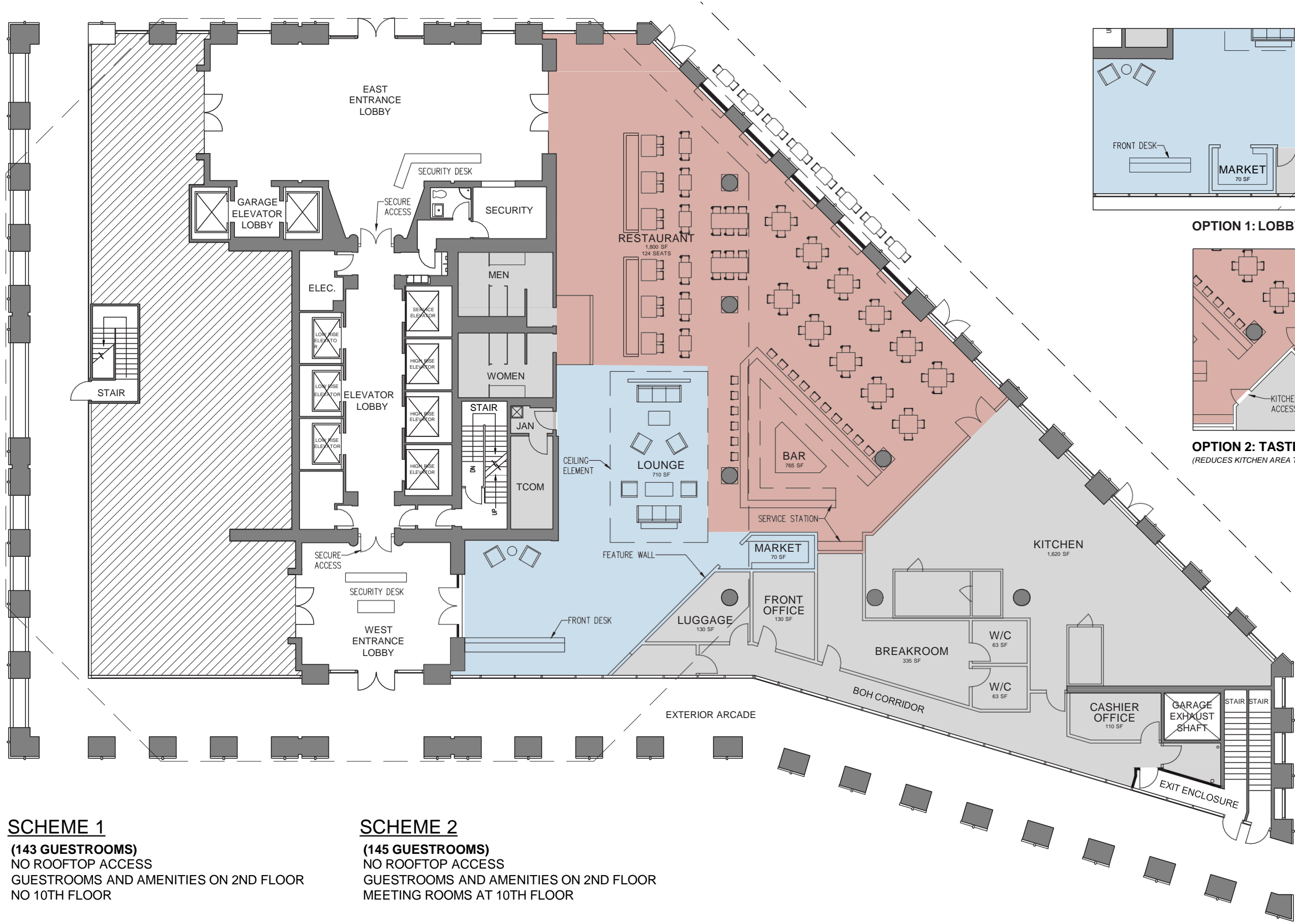
Hotel Component

Stories	Floors 1 (partial), 2, 5-10 of 23-story office tower
Guest Rooms	145-154 Total Rooms
Meeting Space	1,500 SF
Food & Beverage	4,000 SF
Parking	75 dedicated spaces
Management	Pyramid Hospitality
Amenities	Activated Patio streetscape, Fitness Center, Marketplace

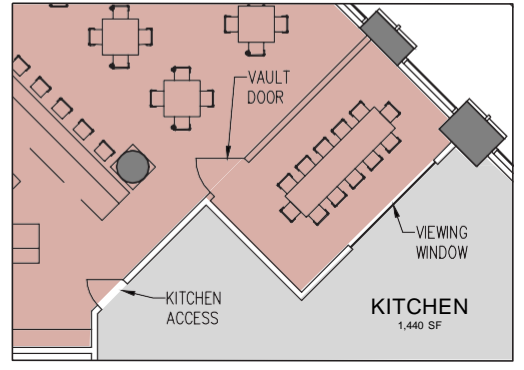
<u>Office Component</u>	Floors 1 (partial), 11-23
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Total Investment into One South Church Repositioning - **\$38.28 Million**





OPTION 1: LOBBY



OPTION 2: TASTING ROOM (200 SF)
(REDUCES KITCHEN AREA TO 1,440 SF)

SCHEME 1
(143 GUESTROOMS)
NO ROOFTOP ACCESS
GUESTROOMS AND AMENITIES ON 2ND FLOOR
NO 10TH FLOOR

SCHEME 2
(145 GUESTROOMS)
NO ROOFTOP ACCESS
GUESTROOMS AND AMENITIES ON 2ND FLOOR
MEETING ROOMS AT 10TH FLOOR



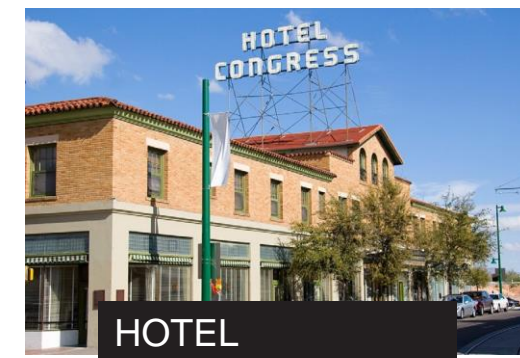
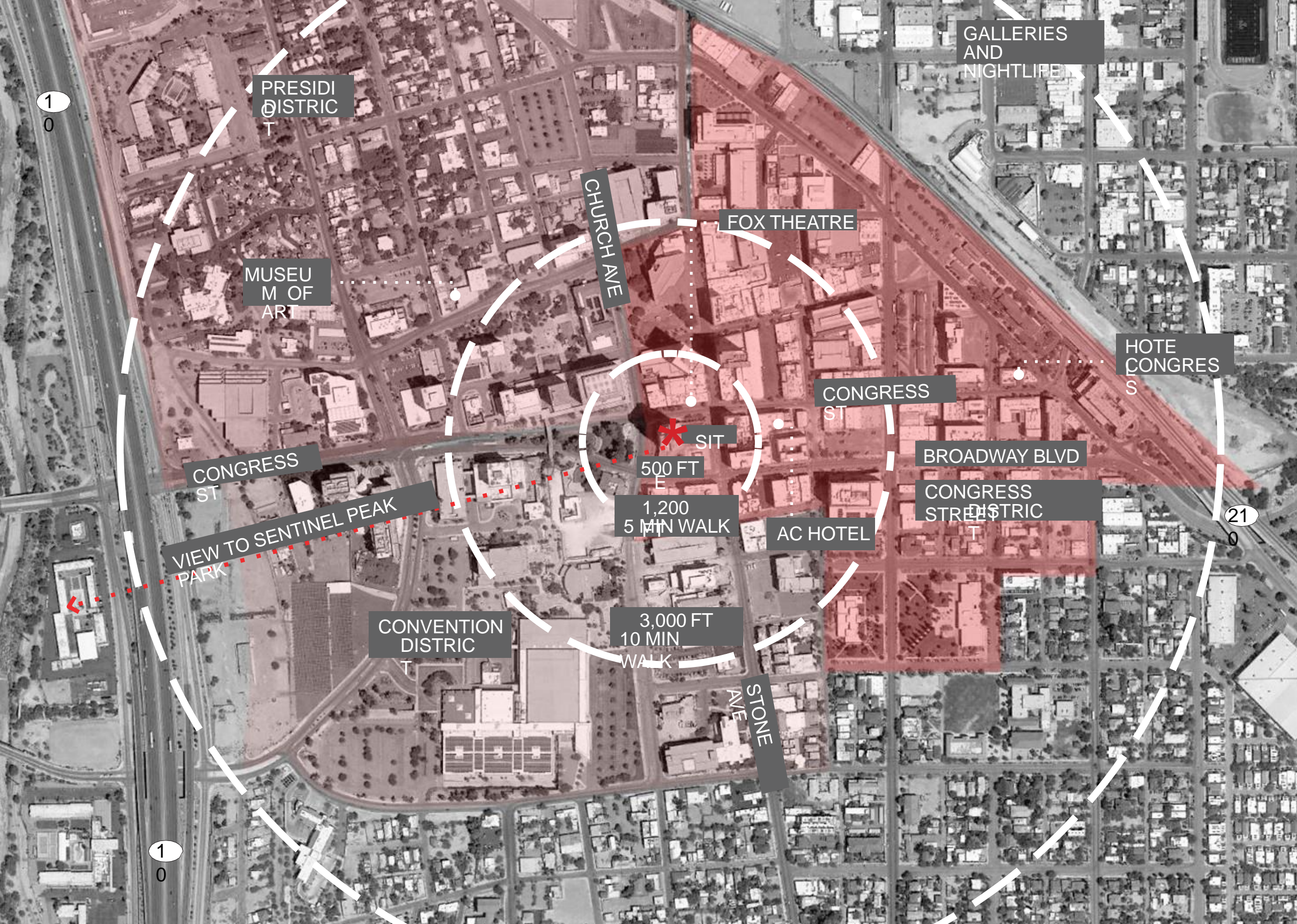
Located inside Tucson's most prominent building, One South Church Hotel brings a high-end, upscale lifestyle hotel to an iconic historical downtown setting.

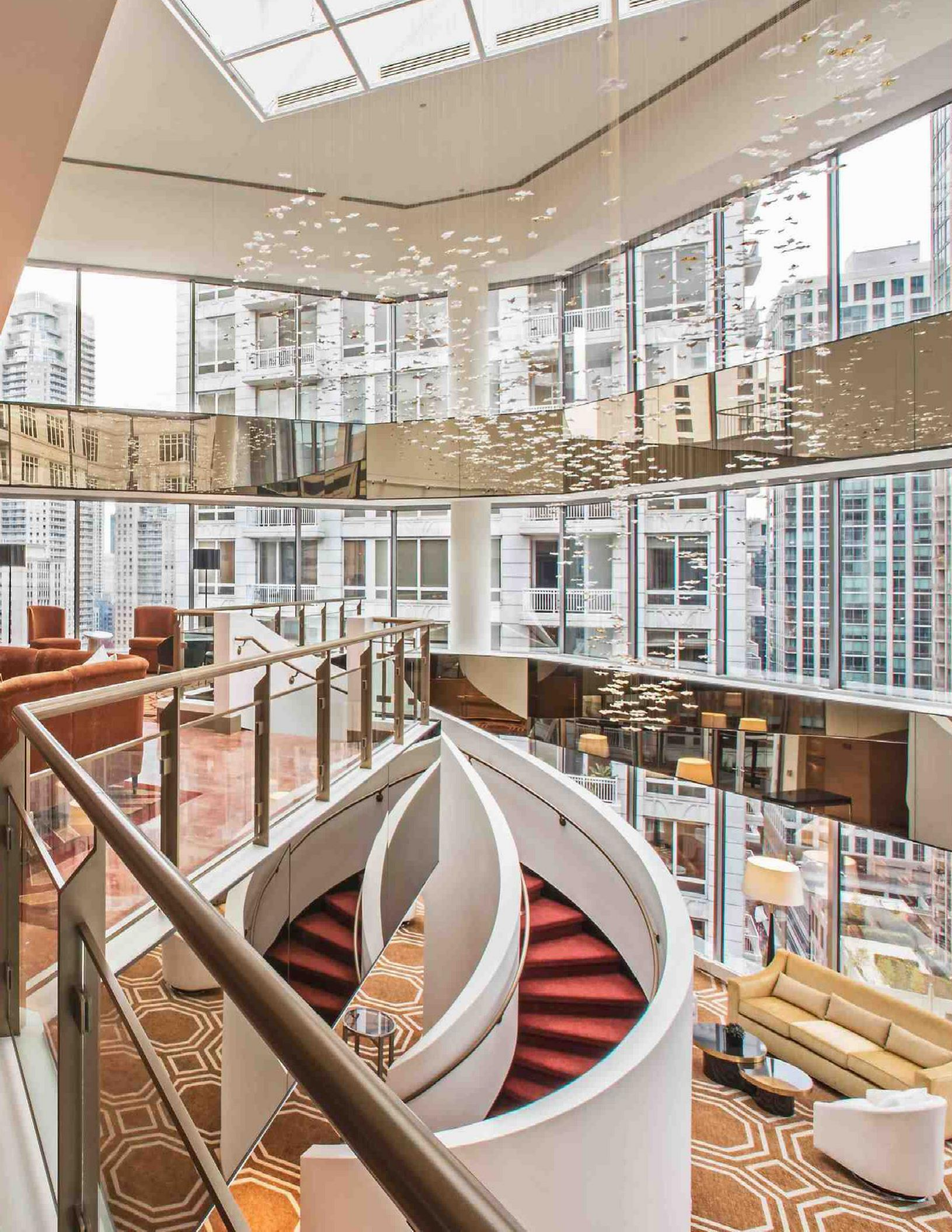
The site is located between Congress Street and Broadway Ave on Church Street. Venues such as the Fox Theatre provide upbeat and social venues just across the street, with incredible food and dining all around. From dawn to dusk, the opportunities to experience Downtown Tucson are centered around One South Church.

VISION STATEMENT



SETTING

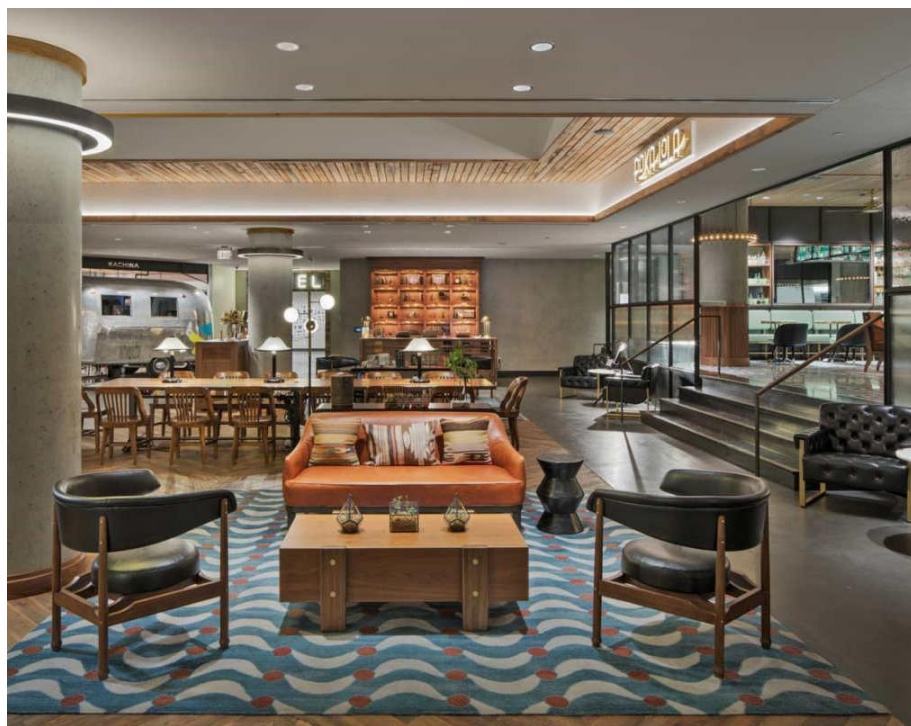


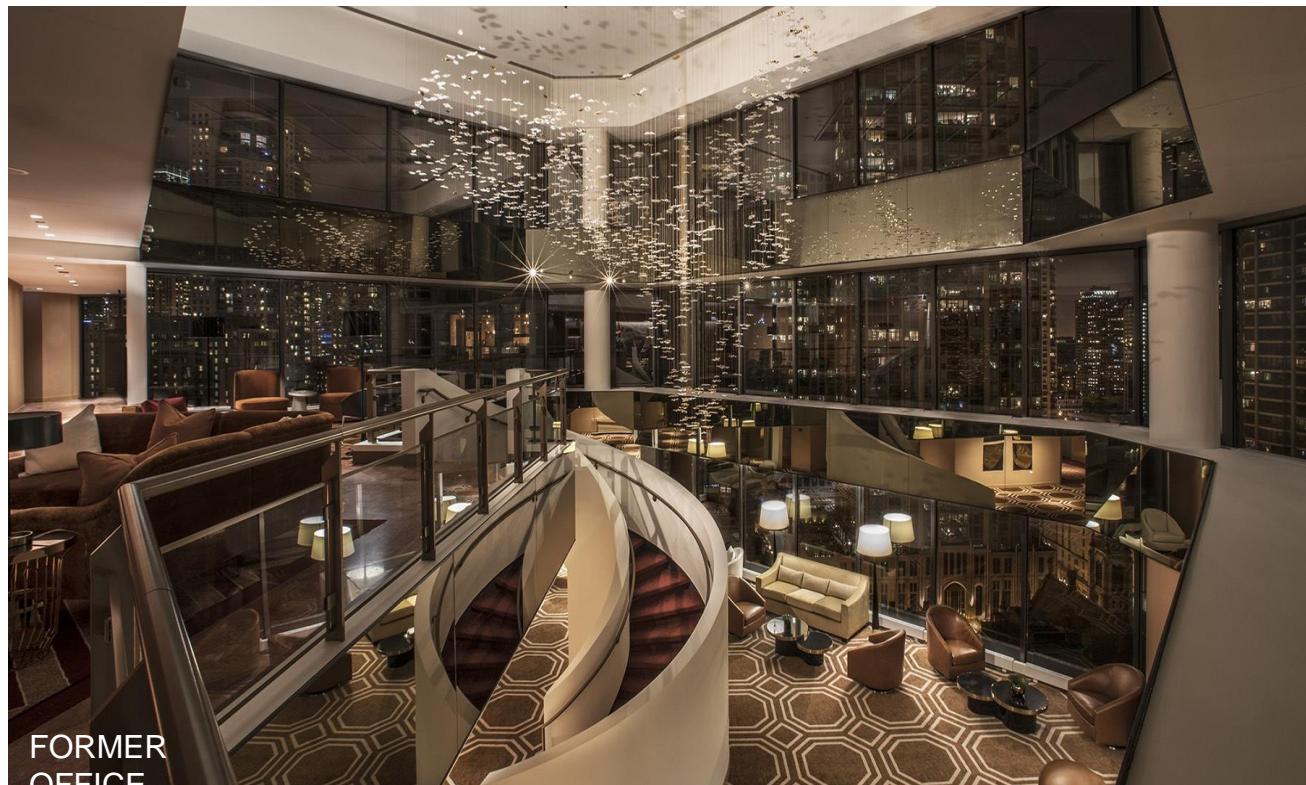


PRECEDENT















EXTERIOR CONCEPT

Economic Incentives & Economic Impact

Estimated Tax Revenue over an 8 year period:

Office Rental Tax (3.10%)	\$902,187
Parking & other Income Tax (3.10%)	\$317,702
Restaurant & Bar Sales Tax (3.10%)	\$2,718,245
Hotel Tax Rate (12.1%)	\$7,939,783
Bed Sur-Tax (Per night \$4.00)	<u>\$1,381,723</u>
Total Taxes	\$13,259,640

- Upon stabilization at year 4, the repositioned property will produce ~\$1.6M annually in tax revenue. At year 10 of operations, the property is estimated to produce \$1.9M in tax revenue. Growing to \$2M annually after year 10.
- Creation of 33 new Hotel related jobs created with total annual wage and benefits of \$1.8M.
- Estimated that 250 construction related jobs involved in the redevelopment.
- At stabilization; combined annual impact from the repositioned asset will be **\$3.5M**.

Project Viability:

The project is not financeable without the help of economic incentives from Rio Nuevo and the City of Tucson. Sponsorship is pursuing a GPLET with Rio Nuevo, along with an 8 year tax abatement from the City of Tucson, and site specific sales tax revenue sharing up to \$1M subject to the economic analysis.

Contact:

Opwest Partners // www.opwestpartners.com

tk@opwestpartners.com

rw@opwestpartners.com