

MEDIA RELEASE

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KFDA Awarded \$200,000 Revitalization Grant to Support Rehabilitation of the Arcade Hotel

The Klamath Falls Downtown Association (KFDA) announces today that it has received an Oregon Main Street Revitalization Grant (OMSRG) in the amount of \$200,000 to support the rehabilitation and reopening of the Arcade Hotel in Downtown Klamath Falls.

Forefathers Capital, an investment and development group that includes a Klamath Falls resident, completed its purchase of the property on May 31 and will begin work to restore the property back to its historic use as a hotel. The group owns other properties in the Klamath Falls area and has experience in developing hotel properties and working with historic buildings. The grant will provide capital for the initial stages of a multimillion-dollar renovation effort expected to be completed in 2023. When complete, the property will be reopened as a 22-room boutique hotel.

"This will be a transformational project for downtown Klamath Falls and represents the first significant historic preservation project in Downtown Klamath Falls in over two decades" said Darin Rutledge, KFDA's executive director. "The historic Arcade Hotel has been vacant for a number of years and we felt that it was running out of chances for any meaningful preservation opportunities."

Robbie Janda, spokesperson for Forefathers Capital, relayed his team's enthusiasm for the project. "We are thrilled to have been given the opportunity to revitalize such an important landmark in Downtown Klamath Falls. The OMSRG was an essential part of getting this project off the ground, and without it another piece of history would likely have been lost. A special thanks to KFDA for their expertise in helping build out this complex capital stack and consulting on downstream incentives. We're looking forward to a continual partnership with KFDA as we endeavor to return the Arcade Hotel to prominence on Main Street."

KFDA evaluated a number of potential projects to include in its grant application, but the Arcade Hotel stood out as the project that would be most competitive. "This project checks all the boxes that this grant program is built on – saving a historic building, catalyzing community investment, creating jobs, increasing property value and tax revenue, and creating vibrancy in our downtown. It will also provide a new lodging product that is unique in Klamath County," said Kendall Bell, Chair of KFDA's Design Committee and grant writer.

The Oregon Main Street Revitalization Grant Fund was authorized by the Oregon Legislature in 2015 to provide capital to stimulate downtown revitalization projects around the state. It was first funded in 2017 with a \$2.5 million allocation, which was increased to \$5 million in 2019. The fund was replenished with a \$10 million

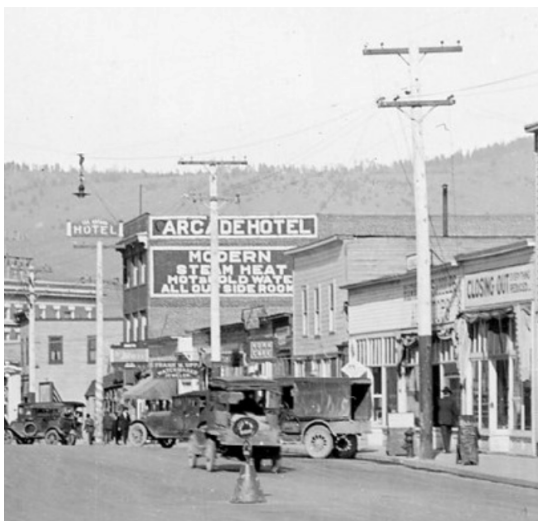
allocation in 2021 to support a “catch up” cycle for 2022 and the regular grant cycle in 2023. Creation of the fund and its succeeding allocations are the result of grassroots advocacy efforts on behalf of Main Street organizations such as KFDA around the state. Bell, one of KFDA’s founding members, was instrumental in the creation of the fund in 2015, testifying in Salem on multiple occasions throughout the legislative process.

Grant awards are made every two years in odd years, although the allocation in 2021 included an additional \$5 million for 2022 since the allocation was postponed during the pandemic. KFDA has received a grant award in all three cycles to date. Grants in 2017 and 2019 supported upper floor redevelopment projects that resulted in 25 new residential units in Downtown Klamath Falls.

The Oregon Main Street Revitalization Grant is administered through the Oregon Parks & Recreation Department’s Oregon Heritage division and is available only to local organizations affiliated with Oregon Main Street. Eligible projects, which must be located within an Oregon Main Street district, include rehabilitation/renovation of existing properties, compatible new construction, and in some cases, purchase of existing properties.

“We’re obviously thrilled to have received this grant three cycles in a row,” said Rutledge. “It speaks to the support of our community for its downtown and aligns with our mission to strategically balance the need for economic vitality with the desire to preserve the historic character of our downtown. We are excited to work with Forefathers Capital to further that mission and to catalyze additional investment in Downtown Klamath Falls.”

[End of release. Images and background info below.]



The Arcade Hotel seen as part of a ca. 1920 historic photo (left) and in its current condition (right). The property will undergo rehabilitation and be reopened as a hotel thanks to an Oregon Main Street Revitalization Grant secured by Klamath Falls Downtown Association in partnership with Forefathers Capital.

About the Oregon Main Street Revitalization Grant: *The grant program was created during the 2015 legislative session and placed with the Oregon State Historic Preservation Office. The legislation established a permanent fund for the Oregon Main Street Revitalization Grant and provided an initial infusion of funds from the sale of lottery bonds. The legislature included the Oregon Main Street Revitalization Grant in the lottery bond package approved in 2017. The funds must be used to award grants to participating Oregon Main Street Network organizations to acquire, rehabilitate or construct buildings to facilitate community revitalization. The program also requires that at least 50 percent of the funds go to rural communities as defined in the bill.*

About KFDA: *Klamath Falls Downtown Association (KFDA) is an accredited member of the National Main Street Center and Oregon Main Street programs and is an IRS-approved 501(c)(3) nonprofit organization. Among many principles, KFDA believes in downtown revitalization, historic preservation, shopping local and supporting the small businesses that are the cornerstone of our community. Every day, we advocate on behalf of not only the downtown merchants, but the community as a whole so that our rich history is preserved, and future generations are proud to call Klamath Falls home. The work of KFDA is made possible in large part by the contributions of its Major Supporters. Champion-Level Supporters: Amerititle; Fairfield by Marriott Inn & Suites; Fisher Nicholson Realty; KCEDA; KLADFM92.5; Klamath County; Klamath Insurance Center; Oregon Tech; Pacific Power; SmithBates; The City of Klamath Falls; Tillberg Studio & Gallery. And Promoter-Level Supporters: Discover Klamath; NIS Labs; Thai Orchid; Holiday Market; Rodeos Pizza & Saladeria; The Residences@621; Bell Hardware; Craft3; Klamath County Association of Realtors; Klamath County Developmental Disabilities Services.*