

ELECTRIC WORKS PROJECT UPDATE

Dated January 15, 2020

Pursuant to Section 8 of the Second Amendment to the Economic Development Agreement between RTM Ventures, LLC and The City of Fort Wayne Redevelopment Commission dated September 10, 2018, which Second Amendment is dated April 8, 2019, and Third Amendment is dated October 7, 2019, RTM Ventures, LLC hereby provides the following:

Section 5.03(a) – Initial Conditions

- (i) Environmental Inspection and Reports to the City – Completed
- (ii) Remediation Plan to City and IDEM and IDEM’s approval:
 - a. The Comprehensive Summary Report was submitted to Indiana Department of Environmental Management (IDEM) on March 18, 2019. On May 28, 2019, RTM Ventures LLC and Broadway Redevelopment Partners LLC (RTM/BRP) received a comment letter from IDEM regarding the Comprehensive Summary Report and the proposed Remediation Work Plan for the Electric Works site. On September 13, 2019, RTM/BRP submitted a response letter in follow up to the comment letter received on May 28, 2019. On October 10, 2019, RTM/BRP received a final comment letter from IDEM regarding the Comprehensive Summary Report.
 - b. Based on significant leasing progress, including securing an anchor tenant, RTM/BRP is in the process of revising the West Campus building and use program. This will require some modifications to the proposed Remediation Work Plan
 - c. On January 7, 2020, RTM/BRP requested and was granted by IDEM an extension for the response to IDEM. Once the Remediation Work Plan is approved, RTM/BRP will work with IDEM to finalize all actions and additional testing to work towards completing and implementing the Remediation Work Plan. This continued work with IDEM will not affect the timing of the construction of the project.
- (iii) 100,000 square feet of Letters of Intent or Lease commitments, including 25,000 square feet for a business new to or creating new jobs in Allen County, with additional conditions – Completed
- (iv) RCLCO Strategic Marketing Analysis to City – Completed
- (v) RCLCO Supplemental Report commissioned by CIB and RTM/BRP to City – Completed
- (vi) Parking Strategy and Plan – Completed

Section 5.03(b) – Final Fund Conditions

- (i) Bond Approvals – Local approvals for funding received; bond process to begin on or about _____ [JON BOMBERGER TO PROVIDE]
- (ii) Developer has all approvals, permits and licenses to commence construction:
 - a. RTM/BRP is currently working with the architectural and design team to reflect the changes requested by the Department of Interior-National Park Service. RTM/BRP are planning to submit the final drawings for approval in January 2020.
- (iii) City Approval of construction plans:
 - a. Based on significant leasing progress, including securing an anchor tenant, RTM/BRP is in the process of revising the West Campus building and use program as follows:
 - i. Office - 494,484 sq. ft.
 - ii. Retail – 103,365 sq. ft.
 - iii. Innovation – 51,701 sq. ft.
 - iv. Institutional – 40,322 sq. ft.
 - v. Community – 11,962 sq. ft.
 - b. Changes to the building and use program will require additional time for architectural design and engineering and, therefore, completion of construction documents. RTM/BRP expects to submit these construction documents to the City by April 30, 2020.
- (iv) Construction bids and other evidence of construction consistent with Financial Projections:
 - a. Pending completion of construction documents, RTM/BRP will confirm the Guaranteed Maximum Price with the project lenders.
- (v) 250,000 square feet of Lease commitments, including 150,000 square feet for a business new to or creating new jobs in Allen County, with additional conditions:
 - a. Letters of Intent or Lease Commitments: 415,068 sq. ft. (see “Additional Items” (iv))
 - i. New Business to Allen County: 31,129 sq. ft.
 - ii. Expansion of Existing Business to/within Allen County: 91,278 sq. ft.
 - iii. Relocation/Retention of Allen County business with new jobs: 231,168 sq. ft.
 - iv. Relocation/Retention of Allen County business with no new jobs: 0 sq. ft.
 - v. To be Determined: 61,493 sq. ft.
 - b. RTM/BRP has provided Redevelopment with copies of the executed Letters of Intent to lease space. Pursuant to the confidentiality clause in the Letter of Intent, lease rates and tenant improvement allowances have been redacted. RTM/BRP has provided Redevelopment with its underwriting process by which prospective tenants are evaluated for credit and alignment with the development strategy and project vision. Pete Mallers and Jon Bomberger have finalized a nondisclosure and confidentiality agreement to be executed between the City, RTM/BRP, and the City’s independent consultants, Randal Dawson of CBRE, Inc., and Darrell Jagers of The Jagers Company LLC.
 - c. RTM/BRP has provided Redevelopment with letters from each tenant indicating the number of planned jobs at Electric Works and the nature of those jobs (i.e., business new to Allen County; expansion of an existing business within Allen County; relocation of an existing business within Allen County/creating new jobs; relocation of an existing business within Allen County/not creating new jobs). The City has requested additional information from those tenants about what is driving the planned job growth and move to Electric Works. Most tenants have issued media releases about plans for Electric Works. Statements from tenants have been sent to Jon Bomberger and will continue to be added to the project Dropbox as new tenants are signed.

- d. Letters of Intent will be converted to Lease Agreements when architectural plans are nearing completion and tenant suites are defined and rentable square footage is confirmed; a construction start date has been confirmed; and a delivery date for the tenant's space has been determined.
 - e. Redevelopment has requested, and RTM/BRP has provided, the draft form of Lease Agreement that will be used for the project.
- (vi) Preparation for closing on state and federal incentives consistent with Financial Projections:*
 - a. Industrial Recovery Tax Credits: \$50 million allocation approved by the Indiana Economic Development Corp.
 - b. Federal Historic Tax Credits: \$37.9 million allocation from Department of the Interior/National Park Service. Part 1 Approved by NPS; Part 2 Approval pending submittal of architectural drawings and review by NPS
 - c. New Markets Tax Credits: \$34 million of allocation from four Community Development Entities (CDEs), including Fort Wayne New Markets Revitalization Fund LLC
 - (vii) Preparation for closing on private construction financing:*
 - a. RTM/BRP is sharing with Redevelopment all letters and term sheets from financial institutions as they are updated. The West Campus appraisal commissioned by the construction lender and prepared by Valbridge has been revised to an As-Is valuation of \$46.8 million. The revised appraisal has been included in the project Dropbox.
 - b. Based on significant leasing progress, including securing an anchor tenant, the construction lender has requested a revised appraisal to reflect the current building and use program which will be used to update the underwriting.
 - (viii) Preparation for closing on equity:*
 - a. RTM/BRP has provided Redevelopment with the names of the private investors in the project. The City has requested additional information, including the amount invested by each investor and evidence of a written agreement or commitment to invest. Respecting the investors and the confidential nature of this information, Pete Mallery and Jon Bomberger have finalized a nondisclosure and confidentiality agreement to be executed between the City, RTM/BRP, and the City's independent consultants, Randal Dawson of CBRE, Inc., and Darrell Jagers of The Jagers Company LLC.
 - (ix) City and BTDC executed Grant Agreement:*
 - (x) Developer and BTDC executed Construction Agreement:*
 - (xi) Developer recorded Declaration:*

Additional Items:

- (i) RTM/BRP has expanded access to the project Dropbox for the staff of the public funding partners, their attorneys, and elected/appointed officials. At any time, if the public funding partners have any questions about the project, please contact Redevelopment or reach out directly to RTM Ventures.

* Based on fund closing date of April 30, 2020 these items will be addressed either in preparation for closing or at closing.

- (ii) Remediation of lead-based paint and asbestos has been focused on Buildings 26 and 27, with Buildings 24, 22 and 22A next. On December 2, 2019, demolition and remediation started in Building 24.
 - a. Current Remediation Status by Building is as follows:
 - i. Building 27
 - 1. Interior demolition/reclamation – 100% complete
 - 2. Asbestos abatement – 100% complete
 - 3. Lead paint abatement – 95% complete
 - ii. Building 26
 - 1. Interior demolition/reclamation – 100% complete
 - 2. Asbestos abatement – 100% complete
 - 3. Lead paint abatement – 80% complete
 - iii. Building 24
 - 1. Interior demolition/reclamation – 100% complete
 - 2. Asbestos abatement – 100% complete
 - 3. Lead paint abatement – started 1/13/2020
 - b. Weigand Construction is leading the remediation activity on the West Campus. Following is a summary of remediation and selective demolition activity, including the amount of material removed from the site and the amount of material recycled and/or diverted from landfills.

Material Removed	Material Recycled/Diverted from Landfill
1,092.09 tons	653.14 tons

Photographs of the in-process and completed remediation work can be downloaded here:

<https://weigandconstruction.egnyte.com/fl/rSvckyblAh>.

- (iii) Events at Electric Works:
 - a. Premier of WFWA’s “Electric Legacy: The Story of General Electric in Fort Wayne”-TBD
 - b. Middle Waves Music Festival-June 12-13, 2020
 - (iv) Electric Works has been featured in national media including The Wall Street Journal, Bloomberg, Huffington Post, The New York Times, The Atlantic, and The Irish Times (Dublin, Ireland). On November 4, 2019 Electric Works was featured in an article in *National Geographic* entitled “**These Former Industrial Sites in the Midwest Will Surprise You.**” RTM/BRP is further cultivating these national media contacts as the project progresses and will continue to work with Greater Fort Wayne and the Northeast Indiana Regional Partnership to promote Electric Works, Fort Wayne, and the region. RTM/BRP will continue to analyze the reach and circulation of national media and provide updates. To date, Electric Works (and Fort Wayne) has had over 375 million media impressions.
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