

Harold E. Eisenberg Foundation Real Estate Challenge



The Boatyard



The Cove

**6 Bridges Development, LLC
UA Little Rock
The Cove and The Boatyard**

Presenting Team

Lamar Townsend
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Executive Summary

6 Bridges Development, LLC is proposing a mixed-use development on the two subject sites in the Ogden Passageway, Goose Island, Chicago, Illinois. The combined development cost for the sites located at 934 North Branch (The Boatyard) and 1001 North Branch (The Cove) is \$120,250,000. This includes an \$83,500,000 proposed construction budget and a \$36,750,000 land acquisition price.

The expected rapid growth of Goose Island's local commercial, mixed-use, and light manufacturing development stems from recently approved nearby developments. After conducting market research and analyzing the return on cost for office development, we believe the highest and best use is to redevelop and lease to local businesses. Providing access to event space, restaurants, and lifestyle health and wellness will provide a 40.31% leveraged and 20.78% unleveraged IRR for The Cove and a 35.89% leveraged and 21.83% unleveraged IRR for The Boatyard with an occupancy rate of 84.8%.

North Branch Works advocates for sustainable and well-planned development along the North Branch, Addison, and Kennedy Industrial Corridors: supporting investment and infrastructure improvements that complement the North Branch's economic function as a working riverfront. Seeking river improvements will minimize environmental hazards by enhancing the quality and value of the North Branch of the Chicago River.

The Cove: A six-story warehouse that will be renovated to create Class A office space on three floors, a STEM hub, a science lab, a rooftop greenhouse with greenspace, a state-of-the-art fitness center, WeWork space, an art gallery, and a FedEx Shipping Warehouse Hub. The Cove encourages wellness lifestyle trends to maximize office productivity for Chicago's North Branch. A zoning variance will expand the retail space beyond the maximum floor area ratio for the FedEx Hub and stationery shop. The total cost of construction for the 1001 North Branch site will be approximately \$32.2 million. The equity multiplier for this project is 2.75x.

The Boatyard: A 2.89 acre riverfront property will be redeveloped with new construction. Demolition of an existing 18,686 square foot building will create space for an entertainment hub hosting Keg Grove Brewing Co., an assortment of restaurants, an event venue with water transportation access, and a new parking deck. Keg Grove Brewing Co. has provided a letter expressing interest in leasing space in The Boatyard. For the 934 North Branch site, a total cost for construction will be approximately \$51.3 million. The equity multiplier for this project is 2.48x.

Site Information and Existing Conditions

Ogden Passage consists of two sites. The 2.89 acre lot located at 934 North Branch was previously home to the Goose Island Boatyard— an 18,686 square foot boat storage facility with 490 feet of riverfront access. The second site, located at 1001 North Branch, was formerly the home of Peck & Hills Furniture Warehouse. This site consists of two conjoined buildings. One building is a six-story triangular space with dense, industrial grade concrete floors. The second building is a three-story warehouse with industrial grade low-rise loading docks for freight loading. Fire escapes at this site will be modernized for additional exit corridors.

The site located at 934 North Branch has riverfront views on the southwest side of the property. The site houses an abandoned building, previously providing boatyard storage. The nearby Greyhound property was purchased in 2019 by the Onni Group, which will be redeveloped into Halsted Point in the near future.

North Branch Framework Plan

The North Branch Plan, established in May 2017, laid out a vision to modernize the corridor's land use, transportation, and open space assets on behalf of the city of Chicago as an important economic engine and vital job center. Approximately 50% of the land will be utilized for employment to double the existing workforce. Improved access to transportation with new pedestrian bridges, public transit enhancements, and roadway improvements while building upon its natural and built environment will facilitate business expansion and/or relocation.

Sixty acres of open public space, a seven mile river trail system, and other year-round recreational amenities have been created by the city anticipating the North Branch Overlay District to guide future developments. The Industrial Corridor System Fund supports industrial projects.

Site SWOT Analysis

6 Bridges Development has conducted a SWOT analysis on the sites of The Boatyard and The Cove. The SWOT analysis consists of internal and external factors. The internal factors include the sites' inherent Strengths and Weaknesses. The external factors will be depicted in the Opportunities and Threats sections.

Strengths: Goose Island's location has seen strong value appreciation, and we expect this trend to continue due to the forecasted growth in the area. Large developments, particularly Halsted Point and the Bally Casino, are planned for development and bring significant value to both sites at hand. The Boatyard site offers 490' of river frontage for hosting food and entertainment to bring a community-centric customer experience to the area. The Cove's existing industrial-grade building and concrete floors allow a diverse tenant offering and creativity throughout renovation. Chicago's diverse economic composition also offers strong risk mitigation regarding economic downturns.

Weaknesses: Goose Island is currently a transit desert, although infrastructure is in place to facilitate bus, bicycle and water taxi routes. There is currently insufficient parking surrounding the two sites. The Boatyard site is directly across the river, presenting a view of Prairie Material Yard. The Cove's demolition of the existing building may contain hidden future maintenance costs as a result of its age.

Opportunities: First-mover advantage of Goose Island's food and entertainment venue. The industrial future of the island's employment is shifting to entertainment. The future development of Bally Casino and Halsted Point forecasts surmountable economic activity to Goose Island within close proximity to the sites. The Wild Mile will additionally bring strategically-aligned consumer traffic to the island. Lastly, there is an opportunity cost from the current looming banking crisis is deterring the Federal Reserve from continuing to aggressively hike interest rates, providing favorable rates in the short-term.

Threats: The first-mover advantage can also be a potential threat, given the high-risk nature of the strategy, especially if a major development proves unsuccessful like Halsted Point or Bally Casino. The Morton Salt Shed is a strong competitor with a similar value proposition to The Cove. There is a large amount of economic uncertainty with the current banking and housing market conditions. This uncertainty could pose a threat to both sites in terms of occupancy and traffic. Future political or zoning changes may affect the current development plan. Insurance premium and property tax rate changes could also pose a potential risk.

Demographics Analysis

Income, Education, and People

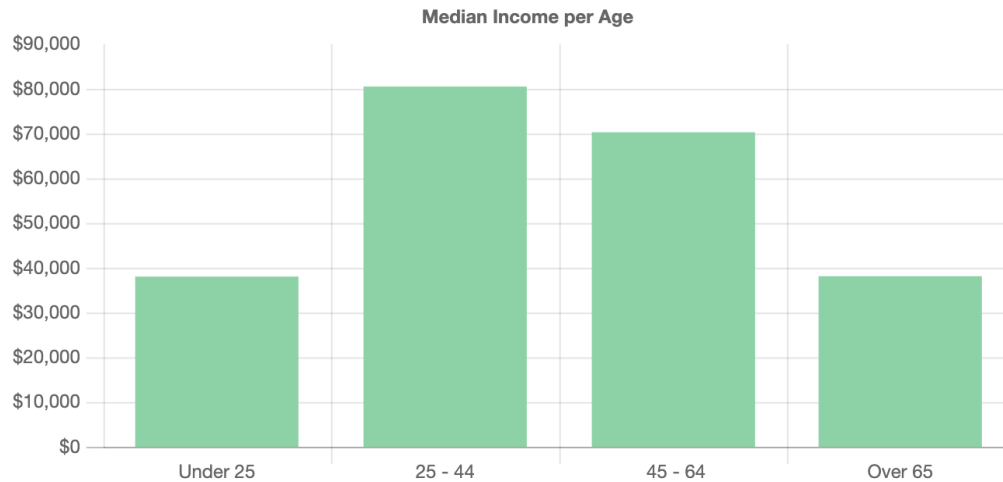
Broad Scope: Chicago is the biggest city in the state of Illinois with a population close to 2.7 million, accounting for 21.73% of the state population. Almost a quarter of the state population is living in Chicago due to the job opportunities there. The city's population density is 11,841 people per square mile. The last eleven years of Chicago's population growth rate is not very promising, ranging from -.37% to .37%, losing or adding around 10,000 people each year to the overall population.

According to the U.S. Census Bureau, 48.53% of the Chicago population is male and 51.47% are female. 90% of the population consists of White (33%), Black (28%) and Hispanic (29%) races. Asians make up 7% of the population, with two or more races accounting for another 3%.

Education is abundant in Chicago. 87.1% of citizens have a high school diploma or higher, and 43.7% have a Bachelor's degree or higher. White collar workers make up 82.86% of the working population, while 16.14% work in a blue collar environment. Among these workers, 8.35% are self-employed, 67.98% work for private companies, 12.16% are government workers and the remaining 11.52% work for not for profit companies.



The average annual household income in Chicago is \$100,347, while the median household income sits at \$65,781 per year. Residents aged 25 to 44 earn \$80,511, while those between 45 and 64 years old have a median wage of \$70,298. In contrast, people younger than 25 and those older than 65 earn less, at \$38,038 and \$38,118, respectively.

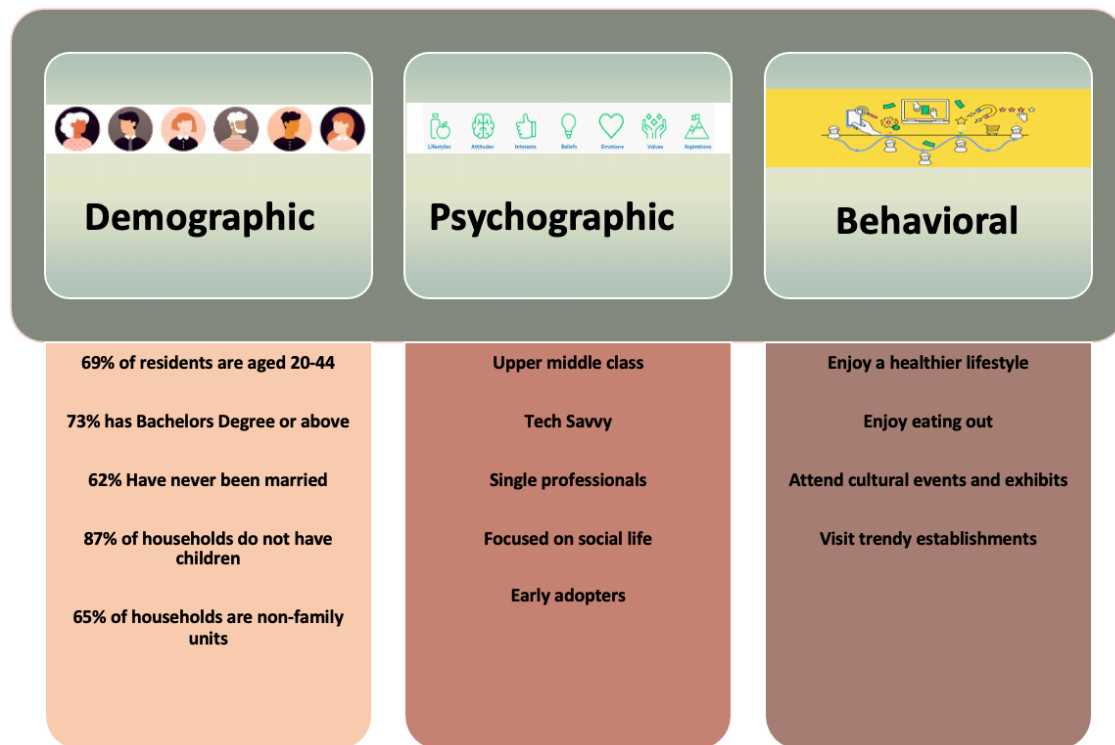


[Chicago, IL Household Income, Population & Demographics | Point2](#)

Economic Summary: According to the latest CoStar data, Chicago's economy is on the road to recovery following the global pandemic. In Q4 of '22, nonfarm unemployment stood at 4.7% - a .3% differential from the previous year (5%), yet still lingering well above the 3.4% unemployment rate set in September 2019. Chicago's employment growth ranks in the middle of the pack of metros over 1 million sq. ft., a large improvement from 2021 when the area hovered near the bottom.

Chicago has many inherent strengths as a central, national locale with superior transmodal hubs, financial resources, and the intellectual capital derived from the nearly 100 colleges and universities within a 30-mile radius from its urban core. Private and institutional investors are drawn to this major market's underlying stability and diverse economy and see the growth potential that lies ahead. By the end of 2022, Fitch Ratings gave Chicago a BBB- for its General Obligation Bonds and an AA- rating for its Sales Tax Securitization Corporation's outstanding sales tax securitization bonds and second lien sales tax securitization bonds. This led the agency to upgrade Chicago's outlook to Stable on all ratings.

Market Analysis

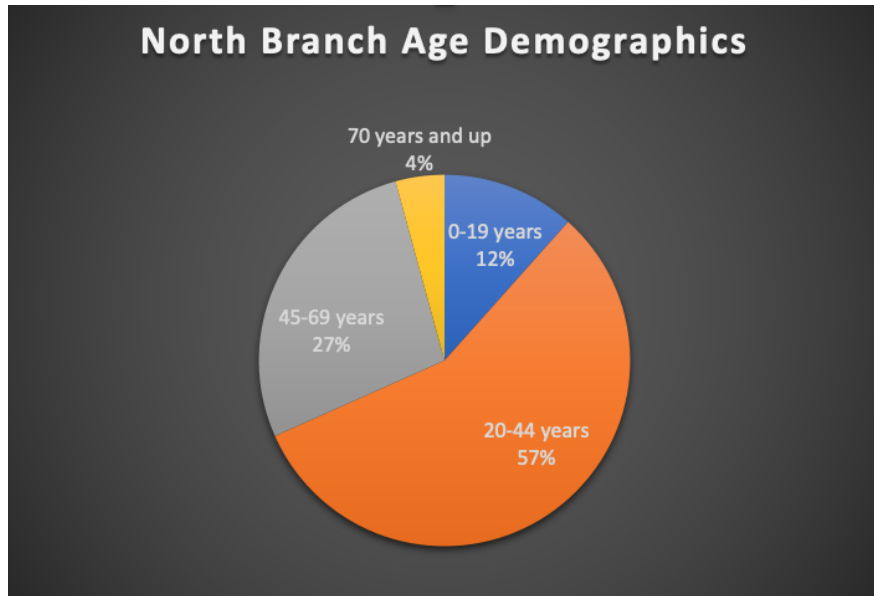


*data obtained through Claritas

Goose Island is a 160 acre area that is formed by the North Branch of the Chicago River and the North branch of the canal. It is about 1 ½ miles long and 1/2 mile wide.

Currently, Goose Island consists of manufacturing facilities and office units. During the day hours, the inhabitants are locals who work on the island, either in manufacturing positions or office positions. There are a limited number of food options currently, which makes a food venue extremely beneficial to this population.

According to Census data, in the half-mile radius surrounding Goose Island, there are approximately 7,700 residents currently– the majority composed between the ages of 20 and 44. These residents are well educated, have a median income well above the Chicago average and work mostly in the professional and business sector. Being a younger generation, they are focused on their social life and enjoy visiting trendy entertainment venues and restaurants. Only eleven percent of the households in the area have children and well over half of the population have never been married. Based on data provided by Social Explorer, these individuals appear to spend close to half of their food expenditures on meals eaten outside of the home.



*<https://data.census.gov/table?q=1400000US17031842200&tid=ACSST5Y2021.S2503>

Consumers in this particular area are looking for a quick bite to eat during the lunch hours, coffee throughout the day, and an enjoyable meal in the evening. Outside of food, customers are interested in activities to engage in directly before or after work. Many people incorporate a visit to the gym into their workday, and often, colleagues will grab a drink after work. The Boatyard and The Cove will satisfy those needs.

There is only one gym in the area currently with classes offered between 6:00 and 7:00 a.m. and between 6:30 and 7:30 p.m. The Cove will house LA Fitness and offer quick self-guided workouts and cater to both men and women.

While there are currently very few children living in the immediate area, there are a large number of schools which we believe will benefit greatly from our new STEM hub. There is currently only one restaurant on Goose Island. The Goose Island Shrimp House has been in business for 40+ years and is a cash only, carry-out facility. The Boatyard will bring additional options to the Island and offer entertainment and a green space for additional outdoor eating experiences.

There is currently one coffee shop on Goose Island, located at 1200 N. North Branch. It is on the ground floor and is easily accessible from a parking lot. The Cove will house a new coffee shop intended for office users daily and The Boatyard will house a coffee bar intended to be open seven days a week.

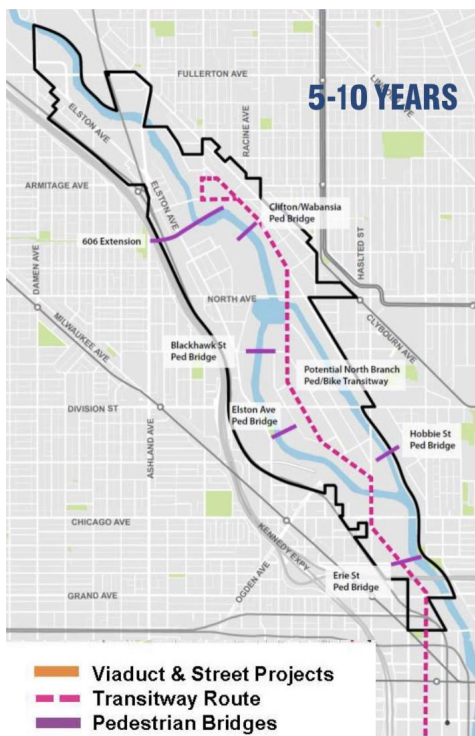
There are many new developments in nearby areas. Some of these are the Salt Shed, Goose Island Brewery, the Mars Wrigley R&D Hub (under construction), Lincoln Flats, and the soon to be Bally Casino complex. One of the largest developments is the Onni Project. It is scheduled to break ground soon and is worth additional



scrutiny as it is in close proximity to The Cove and The Boatyard. Onni's current plan will bring 2,650 apartments, 300 hotel rooms, 107,000 sq. ft. of office space and 48,000 sq. ft. of retail space, a grocery store and an outdoor market, a social lawn, and a brand new pedestrian bridge connecting to the riverfront promenade at 600 W. Chicago.

The Onni Project will consist of four phases which is important to 6 Bridges Development, LLC because of the anticipated customer base. Each phase will enhance the next and bring residential users to the area. Eventually hotel users will be able to enjoy the entertainment aspect of The Boatyard's offerings. A social lawn is planned which will bring visitors to the Island and again enhance both The Cove and The Boatyard developments. Onni's Halsted Point is designed to connect to the nearby Wild Mile—an ongoing initiative to naturalize the North Branch Canal into an eco-park and boardwalk.

With the Halsted Point development, the area is set to increase in population by nearly 40 percent over the next 5 years and an additional 15 percent over the next 10 years. This growth will provide great opportunity for new retail and restaurant developments in and around Goose Island. Along with this increase in the residential population, the Halsted Point development and Bally's Casino will bring a total of 747 hotel units, providing a large influx of tourism to the immediate area.



Walking from one end of Goose Island to the other takes about 20 minutes. Goose Island can be accessed through a bridge on Division St. from the Salt Shed, a live venue set to open soon, and the Goose Island Brewery (set to open at the end of 2023). Coming from Whole Foods on the north side, the property at 934 North Branch can be reached in 16 minutes by bus (which runs every 15 minutes) or by car in approximately 5 minutes. Goose Island can also be accessed through Halsted Ave. To reach the Island from the east side which houses shopping areas, is 11 minutes by bus and 3 minutes by car.

Additionally, the two sites fall in the North Branch Framework, which, as stated by the Chicago Plan Commission, has three main goals: establish the area as an “economic engine and vital job center”, improve access to transportation, and enhance the natural and built environment. The framework lays out the foundations for a new transitway to run between the two sites, and the Elston Avenue Pedestrian Bridge is expected to be approximately a city block away.

Stakeholder Analysis

Stakeholders associated with the development of The Cove and The Boatyard are identified as:

Alderman of the 27th
Ward: Walter Burnett Jr.

City of Chicago:
Department of Revenue

Keg Grove Brewing Co.

City of Chicago:
Department of Planning
and Redevelopment

Wild Mile Development

Halsted Point
Development

Bally's Casino
Development

The Salt Shed
Development

Local Businesses in
Goose Island

Eisenberg Foundation as
Equity Partner

The site development
was aimed at refreshing
the nearby areas of
Goose Island with new
tax dollars and city
involvement. Goose
Island was an abandoned
industrial site, and is a
desert for entertainment.
Keeping the North
Branch Framework in

mind and desiring to bring business to the Island, we aimed at developing a multi-purpose
development that would attract citizens and neighboring residents inside Goose Island by
making a food and entertainment court.

DEVELOPMENT STAKEHOLDERS

POSITIVE EFFECTS



Zoning Analysis

1001 North Branch and 934 North Branch fall within the Goose Island Planned Manufacturing District, or PMD-3. The PMD-3 zoning ordinance sets out rules, including land use, the floor-to-area ratio (FAR), and green building practices, among other requirements. This ordinance outlines the process for getting developments approved, which includes a review by the Department of Planning and Development and a public hearing. According to the Goose Island Development Plan, PMDs are intended to strengthen existing manufacturing areas by encouraging industrial modernization and expansion. However, due to an amendment, additional uses have been approved. PMD land uses have strayed from manufacturing to commercial and transportation uses with employment in business services, health, education, leisure, and hospitality.

PMD-3 zoning ordinances allow for eating and drinking establishments with a maximum floor area limit of 8,000 square feet with no restrictions on entertainment. Upon approval from the Zoning Board of Appeals, developers may be authorized to increase the maximum floor area to 12,000 square feet and allow for an outdoor patio. Rooftop urban farms are permitted, given that the sales space is not over 3,000 square feet. There is no office floor area limit in PMD-3, though creative workspaces are limited to 4,000 square feet. All uses follow the guidelines mentioned above; however, general retail sales are limited to sales of goods produced on-site and have a maximum floor area limit of 3,000 square feet or 20% of the total gross floor area, whichever is less. Due to this, 6 Bridges Development, LLC asks for a zoning variance to allow for retail larger than the allotted maximum floor area ratio as there will be a 4,000 square foot shipping and stationery retail location in The Cove and various retail locations in The Boatyard. A zoning variance, rather than a rezoning, will save time and allow for maximum productivity.

PMD-3's zoning ordinances state that the maximum FAR is 3.0. While 934 North Branch is a new development with a FAR equal to or less than 3.0, 1001 North Branch has an existing FAR of 3.99. Though the FAR exceeds regulation, it will be grandfathered in as a nonconforming use.

The PMD-3 retail parking ordinances require all new retail and restaurant businesses to provide no on-site parking spaces for the first 10,000 square feet, then 2.5 spaces per 1,000 square feet. The parking deck will hold 486 parking spaces and 50 bicycle spaces. In addition to parking requirements, the PMD-3 ordinance also requires parking lots and structures to follow specific design guidelines to ensure they are safe, accessible, and aesthetically pleasing. For example, parking structures must be designed to blend in with the surrounding architecture.

The sites are located in the North Branch Framework, which includes Chicago's only available bonus outside of the downtown area. The North Branch Bonus, which permits developers to increase the maximum FAR from 3.0 to 6.5, would allow for an increased density of new developments in exchange for voluntary payments. 6 Bridges Development, LLC chose not to take this route due to its high cost.

Chicago requires all buildings in the PMD zoning to follow specific green guidelines, causing the city to be among the country's leaders in sustainable development. To meet these requirements, developers have two paths they can take: achieving a sustainable strategy, such as the WELL building standard or they may earn points. New developments and those receiving TIF funds must have 100 points and existing developments must have 50 points. 6 Bridges

Development, LLC will choose to take the points route and will achieve that by having approximately 50% of The Cove's roof as green space and provide financial sponsorship of a bike share docking station at both sites.

Development Vision

The Cove will be a six-story development that is a hub to creativity, innovation, and community. On the first floor there will be a lively coffee shop where residents and visitors can work and socialize. Next to the coffee shop will be an innovation hub partnered with NextWave STEM, that fosters a love for learning, collaboration, and problem-solving. The NextWave STEM Innovation Hub will host events, classes, and workshops for local students. Members of the 6 Bridges Development, LLC team contacted and spoke with the Director of NextWave STEM. He is interested in looking at space for expansion of his program.

On the second floor, there will be an 18,000 square foot lab that supports research, experimentation, and discovery. The lab will be open to scientists, engineers, and innovators from all fields to rent and equip with state of the art equipment and tools. Adjacent to the lab will be a pottery studio with a creative maker space that offers classes, workshops, and events for artists and artisans.

The third floor will be home to Class A office space and WeWork space. WeWork provides flexible coworking space and private offices that meet the needs of modern day working professionals. Class A office space provides high-quality, premium workspaces that cater to businesses and organizations. The third floor will be designed to promote collaboration, productivity, and creativity.

The fourth and fifth floors will also feature Class A office space. According to a CBRE analysis, the real estate market has been experiencing a "flight to quality", where "office occupiers and investors favor high-quality offices as a strategy for encouraging employers to work from the office and equipping them to be their most productive when there." This can be seen in the increase in rent, with average rental growth for prime buildings being 13.4% between 2018 and 2021, while non-prime buildings' rent grew by 2.5%. For a building to be considered class A, amenities such as an on-site gym, high-quality finishes, and state-of-the-art security is a must.

The sixth floor will be dedicated to fitness and wellness. LA Fitness will occupy the entire floor, providing a premier gym with cardio and weight equipment, group fitness classes, and personal training. Additionally, LA Fitness will use the rooftop to hold outdoor fitness classes and events. The rooftop will host ample green space, featuring beautiful foliage, a 10,000 sq ft. hydroponics greenhouse, and a space for LA Fitness to hold their classes. The greenhouse will be operated by Gotham Greens, a leader in urban agriculture. Gotham Greens will have the opportunity to sell their freshly grown produce to the new restaurants in The Boatyard and surrounding areas. The children and students at the NextWave STEM Innovation Hub will have access to the greenhouse for educational experiences as well.

Additionally, in the smaller of the two buildings, there will be a convenience store, a FedEx location, and an office supply and stationery store with an Amazon Hub Locker that serves the needs of the office tenants and community. Tenants and visitors can quickly access shipping and receiving services, as well as essential groceries and supplies.

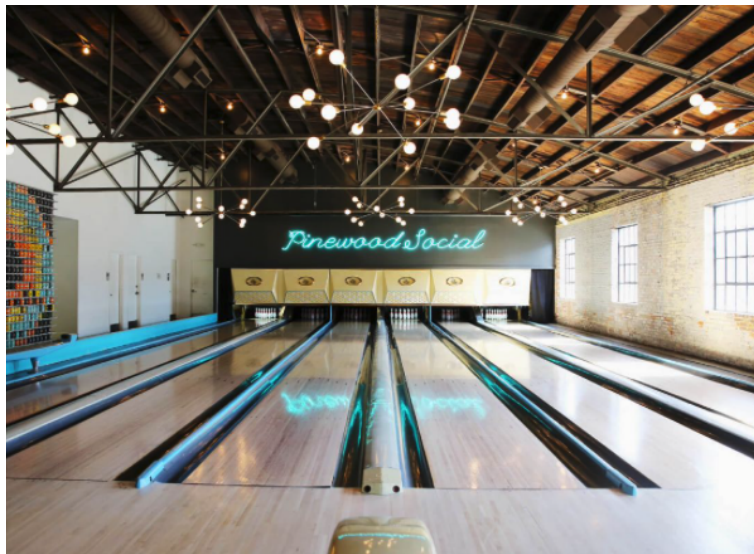
Overall, The Cove will be a dynamic and innovative space that supports the needs and aspirations of the community. 6 Bridges Development, LLC believes that The Cove will attract businesses, entrepreneurs, and tenants who value creativity, collaboration, and wellness.

The Boatyard presents an incredible opportunity to transform a neglected riverfront property into a community hub. The vision for this development is to create an engaging experience that celebrates the industrial history of the area while providing modern and dynamic amenities and entertainment that draws people from all over Chicago.



At the heart of The Boatyard will be a large food hall offering a unique dining experience. The square footage will allow for up to 18 restaurant/retail spaces on the first floor. Guests will enjoy a diverse range of offerings, from fine dining to casual fare, with outdoor seating that provides stunning views of the river and the city skyline. Featured restaurants include Aba, a local Mediterranean restaurant, and Community Tavern, a mixed style eatery. The design of this building will be patterned after similar venues found in other cities such as the Legacy Food Hall in Dallas, TX and The Assembly Food Hall in Nashville, TN.

The development will also feature an exciting range of entertainment options, including an arcade and small boutique style bowling parlor that combines traditional fun with small plate dining and craft cocktails— a venue similar to the very popular Pinewood Social in Nashville, TN. There will be a 10,000 square foot beer garden, featuring Keg Grove Brewing Company which will host a variety of live music and community events that will bring people together and create lasting memories.



The retail shops will showcase a variety of unique and locally-sourced products where visitors can discover new and interesting products, connect with local makers, and support the entrepreneurial spirit of the community.

To accommodate visitors' transportation needs, a six-story parking garage will be constructed to offer ample parking space fitted with 486 parking spaces. For additional revenue and community benefit, the parking garage will be open to the public for a small fee.

Above all, The Boatyard will be a place for people to come together to connect, create memories, and celebrate. By providing a range of activities and experiences that appeal to a broad variety of people, 6 Bridges Development, LLC hopes to create a must-visit destination for locals and tourists alike.



Keg Grove Brewing Company
712 East Empire Street
Bloomington, Illinois 61701
309-287-6913

To whom it may concern,

Keg Grove Brewing Company would potentially be interested in leasing a space for a taproom in your Goose Island Boatyards development. Leasing interest would vary based on design work, layout, market potential, and costs involved.

If you have any questions, feel free to contact me through the phone number or the email address I have included below.

Thank you,

A handwritten signature in black ink, appearing to read 'Jeff Mroz'.

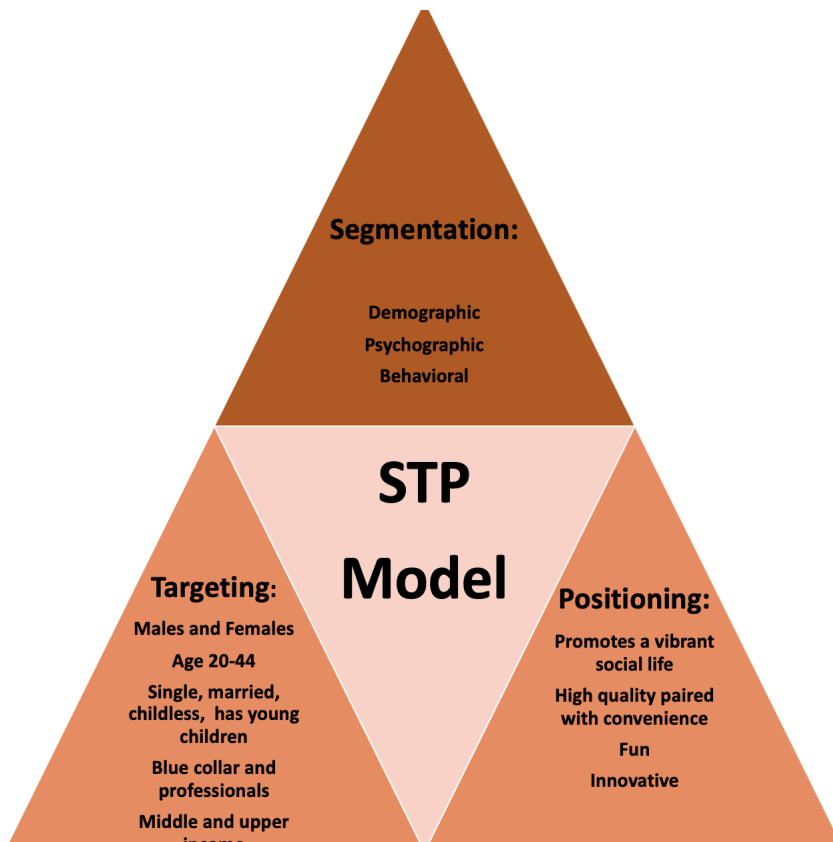
Jeffrey Mroz
Co-owner/Managing Member
jeffm@keggrovebrewing.com
309-287-6913

Project Marketing

The repurposed industrial building at 1001 North Branch will be named The Cove. The name encompasses the 'island' theme of the site and complements The Boatyard's food and entertainment attractions. In comparison to The Boatyard, The Cove will be the more laid-back and relaxing of the two developments, mimicking the qualities of a cove compared to an ocean beach facing strong tides and waves. There will be ample lounge space, rooftop greenery, and an art gallery to soothe the minds of visiting customers. The Cove is a mixed-use development that will serve a multitude of customers. The project's offerings range from A-class office and WeWork space to a family-centric NextWave Stem Hub and pottery studio.

Partnerships will be formed with various organizations in the area to help drive traffic to the facility. A discount membership offering will be made to the Chicago Sport & Social Club members to encourage their participation within our sixth floor gym. Office tenants will also be offered a similar discounted rate to encourage employee wellness. The NextWave Stem Hub will work with the abundance of local elementary schools to facilitate childhood learning experiences.

Current market conditions following the pandemic led the old industrial building to become somewhat obsolete. Extended vacancy reflects the recent and current demand for the existing facility. The proposed services and various tenant offerings will bring a diverse group of customers seeking many different services.



The new development site at 934 North Branch will be named The Boatyard. This name will preserve the historic use of the site, while providing venue participants a place to 'park their boats' and enjoy the vast entertainment offerings the development brings. There will be five restaurants offering a wide range of food and beverage options and a large beer garden with riverfront views for patrons to enjoy their downtime. Entertainment will be plentiful, with an arcade and bowling alley on the site. Retail shops will satisfy the casual shopping needs of guests as well. The development will serve as a medium to connect the local community and bring life to Goose Island. The target market consists of young adults seeking entertainment, specifically after work hours and on the weekends.

An additional water taxi stop will be proposed to the Chicago Water Taxi service along the current Goose Island route. According to talks with the company, his route has recently been inactive. With the upcoming Goose Island developments this should be revisited. This will offer customers an additional mode of transportation, alongside the bike and walking routes, to help address the current transit desert issue.

Financial Analysis

Comps For Boatyard Build	
Address 1241 W Division St. , Chicago	Address 1300 W Hubbard
Purchase \$55,244,400	Purchase \$2,500,000
Sale Date 5/2022	Sale Date 7/2021
Site Size (Acres) 11.5	Site Size (sqft) 10,033
\$/Sqft 110.28	\$/Sqft \$226
Zoning PMD-2	Zoning M1-2

The uniqueness and rarity of this property makes it increasingly difficult to find credible comps. Matt Cowie from the CBRE Chicago Branch assisted in sourcing this property as a reliable comparison. This vacant riverfront lot is being sold under the PMD zoning, very similar to The Boatyard. With the size of

the comp being much bigger and the potential prime location that our lot will have to entertainment venues such as the new Bally Casino, the Lincoln Yards Development, and Onni's new mega project on the southern end of the island, we proposed that we should come in with an aggressive offer of \$139 sqft.

Comps For The Cove Adaptive Reuse	
Address 1341 N North Branch St, Chicago	Address 1010 Sesame St., Franklin Park
Purchase \$47,000,000	Purchase \$18,000,000
Sale Date 2/2022	Sale Date 5/2022
Site Size (Acres) 3	Site Size (sqft) 252,000
\$/Sqft 327	\$/Sqft 71.43
Zoning PMD-2	Zoning M1

Again, the uniqueness of the building posed a grand challenge to finding a viable comp for square footage. We chose the refurbished 1341 N. Branch as our comp as it describes the potential of what our building will become. Because the specifications of The Cove are so unique we had source comps from further

out and that is why we chose 1010 Sesame as our comp also. Because of the location of The Cove, we decided to up the \$/sqft to \$77 because of the prime real estate of the property. This price per sq. ft. was also reviewed and approved by Matt Cowie from the CBRE - Chicago branch.

Another property to take note of is the recent sale of 900 North Branch, or the old Kendall College. The 178,733 square foot building located on a 19,249 square foot parcel, sold in a sale-leaseback deal for \$28.7 million in 2008 set to expire in July 2028. After Kendall College moved out, Laureate, Kendall's parent company, bought out the remainder of the lease.

Looking at the rarity of this property along with the upcoming developments that are sure to bring drastic appreciation to the property, 6 Bridges Development, LLC is confident in our land acquisition price of \$17,500,00 for The Boatyard and \$19,250,000 for The Cove. The combined acquisition cost is \$36,750,000.

When searching for a lender it was important to us to fully understand how the return on investment would be impacted and be able to refinance once we stabilize at year 2. *Relyance Bank* was able to provide a competitive loan. A copy of the term sheet is incorporated into this document. Their terms are as follows:

- Up to 75% of total cost - Combined Construction Loan for The Cove and The Boatyard
- 8.25% Interest
- 5 year term with 60 months of interest only payments
- \$0 Origination Fee

As aforementioned, the goal is for both buildings to be fully stabilized with 2 years of construction finishing. At this point the plan would be to refinance for a permanent loan with Relyance Bank for an interest rate of about 5% for 360 months.

The cost to build The Cove is \$32,218,463, the cost to acquire the existing building is \$19,250,000 with the total cost being \$51,468,463. The Cove is mixed-use development as stated with multiple tenants having different rents based on the location of the unit, amenities, and size. For this building, rents will range from \$30 a square foot to \$34 a square foot. The leases will start at 36 months with there being a clause in the lease stating rent will increase 2% every year to meet inflation.

The total cost to build The Boatyard is \$51,279,379, the cost to acquire the existing building is \$17,500,000 with the total cost being \$68,779,379. Deciding what the rents were going to be for the property was a tedious endeavor due to the fact that we had such a diverse set of units in this new build. Some units have water views, the size of units vary greatly, making it very difficult to price out rents proportionately to ensure we were getting the most efficient and equitable rents from this property. We decided to charge the waterfront views a more premium rent of \$40/sqft. due to the novelty of having water views along with being within a prime entertainment establishment. From there we charged rents by floor with the first floor being the most expensive and the rents getting cheaper on higher. The exception to this rule, however, was the rooftop bar. With sweeping 360 degree views of Goose Island we knew it this unit deserved a prime rent.

Our main source of income would be from rents of both properties of course, however, we plan to lease the parking garage spots to the corporate offices in the cove for \$109/spot. We would only lease half of the garage leaving the rest for visitors. This leasing of the parking garage could ultimately bring in \$53,770 a year. Another source of revenue that we will use is the outdoor stage that will host many concerts and musicians while patrons can sit and watch on the lawn. The cost to rent the stage will be \$150/ hour for four hours, if the stage is booked at least once a week for a year, the revenue could be \$31,200, creating a total of \$84,970 in income non-dependent on rents.

Based on a disposition cap rate of 7.5% based on Cawley Chicago metrics the The Cove would be projected to sell at \$265,517,241 and would have a leveraged IRR of 40.31% and an unleveraged IRR of 20.78% and cash-on-cash return of 22.97%. This would yield a profit of \$202,427,073 for The Cove. For The Boatyard, the same cap rate of 7.5% was applied making

the projected disposition \$233,333,333 with a leveraged IRR of 35.89% and an unleveraged IRR of 21.83% and a cash-on-cash return of 24.46%. This would yield a profit of \$170,243,165 for The Boatyard.

We believe that with these profits and positive leveraged IRR on both developments, we have faith that our plan to redevelop 934 North Branch and 1001 North Branch will be successful. We are excited to breathe new life into the Goose Island area as the North Branch Framework has set out to do.

The Cove leveraged IRR of 40.31% unlevered IRR of 20.78% cash-on-cash return of 22.97% Equity Multiplier 2.75x	The Boatyard leveraged IRR of 35.89% unleveraged IRR of 21.83% cash-on-cash return of 24.46% Equity Multiplier 2.48x
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The Cove Hard/Soft Cost and The Cove Proforma

Fees								
	Preconstruction		1	LS				\$ 75,000
	Payment & Performance Bond		2%	LS				\$ 546,624
	Builder's Risk % GL Insurance		2.50%	LS				\$ 683,280
	CM Fee		5%	LS				\$ 1,366,560
SUBTOTAL - General Contractor								\$ 2,671,465
	Building Permit		1	LS				\$85,601.34
	Enironmental		1	LS				\$30,000.00
	Architect		7%	LS				\$2,100,187.22
	Legal Fees		2%	LS				\$644,369.26
								\$ 5,531,623
PROJECT TOTAL								\$ 32,218,463

Cove Office Rental Floors 3-5	-		\$ 13,762,560.00	\$ 14,037,811.20	\$ 14,318,567.42	\$ 14,604,938.77	\$ 14,897,037.55	\$ 15,194,978.30	\$ 15,498,877.86	\$ 15,808,855.42	\$ 16,125,032.53
STEM Lab	-		\$ 8,160,000.00	\$ 8,233,440.00	\$ 8,307,540.96	\$ 8,382,308.83	\$ 8,457,749.61	\$ 8,533,869.35	\$ 8,610,674.18	\$ 8,688,170.25	\$ 8,766,363.78
Fitness Gym	-	\$ 7,311,360.00	\$ 7,457,587.20	\$ 7,606,738.94	\$ 7,758,873.72	\$ 7,914,051.20	\$ 8,072,332.22	\$ 8,233,778.87	\$ 8,398,454.44	\$ 8,566,423.53	\$ 8,737,752.00
Lab	-		\$ 10,440,000.00	\$ 10,533,960.00	\$ 10,628,765.64	\$ 10,724,424.53	\$ 10,820,944.35	\$ 10,918,332.85	\$ 11,016,597.85	\$ 11,115,747.23	\$ 11,215,788.95
Stationary	-		\$ 10,440,000.00	\$ 10,533,960.00	\$ 10,628,765.64	\$ 10,724,424.53	\$ 10,820,944.35	\$ 10,918,332.85	\$ 11,016,597.85	\$ 11,115,747.23	\$ 11,215,788.95
Art Space	-		\$ 3,840,000.00	\$ 3,874,560.00	\$ 3,909,431.04	\$ 3,944,615.92	\$ 3,980,117.46	\$ 4,015,938.52	\$ 4,052,081.97	\$ 4,088,550.70	\$ 4,125,347.66
We Work Space	-		\$ 4,080,000.00	\$ 4,116,720.00	\$ 4,153,770.48	\$ 4,191,154.41	\$ 4,228,874.80	\$ 4,266,934.68	\$ 4,305,337.09	\$ 4,344,085.12	\$ 4,383,181.89
Green House		\$ 36,000.00	\$ 36,720.00	\$ 37,050.48	\$ 37,383.93	\$ 37,720.39					
1st & 3rd Floor (short building)			\$ 12,377,088.00	\$ 12,624,629.76	\$ 12,877,122.36	\$ 13,134,664.80	\$ 13,397,358.10	\$ 13,665,305.26	\$ 13,938,611.37	\$ 14,217,383.59	\$ 14,501,731.26
2nd Floor (Short Building)			\$ 5,824,512.00	\$ 5,941,002.24	\$ 6,059,822.28	\$ 6,181,018.73	\$ 6,304,639.11	\$ 6,430,731.89	\$ 6,559,346.52	\$ 6,690,533.46	\$ 6,824,344.12
Revenues		\$ 7,311,360.00	\$ 58,180,147.20	\$ 58,937,190.14	\$ 59,705,714.91	\$ 60,485,918.19	\$ 61,278,000.35	\$ 62,082,165.42	\$ 62,898,621.24	\$ 63,727,579.48	\$ 64,569,255.77
Vacancy			\$ 8,843,382.37	\$ 8,958,452.90	\$ 9,075,268.67	\$ 9,193,859.57	\$ 9,276,604.30	\$ 9,360,093.74	\$ 9,444,334.58	\$ 9,529,333.60	\$ 9,615,097.60
Expenses											
Administrative		\$ 65,802.24	\$ 80,626.08	\$ 80,626.08	\$ 81,677.42	\$ 82,744.74	\$ 83,489.44	\$ 84,240.84	\$ 84,999.01	\$ 85,764.00	\$ 86,535.88
Property Management		\$ 29,245.44	\$ 232,720.59	\$ 235,748.76	\$ 238,822.86	\$ 241,943.67	\$ 244,121.17	\$ 246,318.26	\$ 248,535.12	\$ 250,771.94	\$ 253,028.88
Utilities		\$ 146,227.20	\$ 11,787,438.03	\$ 11,787,438.03	\$ 11,941,142.98	\$ 12,097,183.64	\$ 12,206,058.29	\$ 12,315,912.82	\$ 12,426,756.03	\$ 12,538,596.84	\$ 12,651,444.21
Insurance		\$ 2,193.41	\$ 17,454.04	\$ 17,681.16	\$ 17,911.71	\$ 18,145.78	\$ 18,309.09	\$ 18,473.87	\$ 18,640.13	\$ 18,807.90	\$ 18,977.17
RE Taxes		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Rooftop Greenspace Management		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,135.00	\$ 15,271.22	\$ 15,408.66	\$ 15,547.33	\$ 15,687.26
Waste Removal		\$ 2,193.41	\$ 17,454.04	\$ 17,681.16	\$ 17,911.71	\$ 18,145.78	\$ 18,309.09	\$ 18,473.87	\$ 18,640.13	\$ 18,807.90	\$ 18,977.17
Maintenance		\$ 10,000	\$ 10,000	\$ 10,200.00	\$ 10,400.00	\$ 10,600.00	\$ 10,695.40	\$ 10,791.66	\$ 10,888.78	\$ 10,986.78	\$ 11,085.66
Snow Removal/Exterior		\$ 2,909.01	\$ 2,909.01	\$ 2,946.86	\$ 2,985.29	\$ 3,024.30	\$ 3,051.51	\$ 3,078.98	\$ 3,106.69	\$ 3,134.65	\$ 3,162.86
Total Expenses		\$ 273,570.70	\$ 12,163,601.79	\$ 12,167,322.04	\$ 12,325,851.97	\$ 12,486,787.89	\$ 12,599,168.99	\$ 12,712,561.51	\$ 12,826,974.56	\$ 12,942,417.33	\$ 13,058,899.09
Expenses Reimbursed											
Net Operating Income		\$ 7,037,789.30	\$ 46,016,545.41	\$ 46,769,868.10	\$ 47,379,862.93	\$ 47,999,130.30	\$ 48,431,122.47	\$ 48,867,002.57	\$ 49,306,805.60	\$ 49,750,566.85	\$ 50,198,321.95
Less Capital event	\$ (115,197,780.00)										
Net Cash Flow	\$ (115,197,780.00)										
Debt Service		\$ (517,087.00)	\$ (561,884.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)
Cash Flow after Debt Service	\$ (11,025,000.00)	\$ 6,520,702.30	\$ 45,454,661.41	\$ 46,400,398.10	\$ 47,010,392.93	\$ 47,629,660.30	\$ 48,061,652.47	\$ 48,497,532.57	\$ 48,937,335.60	\$ 49,381,096.85	\$ 49,828,851.95
Less Loan Payoff											\$ (60,968,789.00)
Less Closing Costs											\$ (2,121,379.00)
Total Cash Flow After Debt Service											\$202,427,073

The Boatyard Hard/Soft Cost and Proforma

Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Entertainment Venue	-		\$ 10,580,160.00	\$ 10,791,763.20	\$ 11,007,598.46	\$ 11,227,750.43	\$ 11,452,305.44	\$ 11,681,351.55	\$ 11,914,978.58	\$ 12,153,278.15	\$ 12,396,343.72
Keg Grove Brewery		\$ 2,866,320.00		\$ 3,124,288.80	\$ 3,186,774.58	\$ 3,250,510.07	\$ 3,315,520.27	\$ 3,381,830.67	\$ 3,449,467.29	\$ 3,518,456.63	\$ 3,588,825.77
First Floor Units	-		\$ 4,782,576.00	\$ 4,878,227.52	\$ 4,975,792.07	\$ 5,075,307.91	\$ 5,176,814.07	\$ 5,280,350.35	\$ 5,385,957.36	\$ 5,493,676.51	\$ 5,603,550.04
Second Floor Units	-		\$ 6,084,480.00	\$ 6,206,169.60	\$ 6,330,292.99	\$ 6,456,898.85	\$ 6,586,036.83	\$ 6,717,757.57	\$ 6,852,112.72	\$ 6,989,154.97	\$ 7,128,938.07
Third Floor Units	-		\$ 9,143,640.00	\$ 9,326,512.80	\$ 9,513,043.06	\$ 9,703,303.92	\$ 9,897,370.00	\$ 10,095,317.40	\$ 10,297,223.74	\$ 10,503,168.22	\$ 10,713,231.58
Fourth Floor Units	-		\$ 6,795,744.00	\$ 6,931,658.88	\$ 7,070,292.06	\$ 7,211,697.90	\$ 7,355,931.86	\$ 7,503,050.49	\$ 7,653,111.50	\$ 7,806,173.73	\$ 7,962,297.21
Rooftop Restaurant	-		\$ 3,316,896.00	\$ 3,383,233.92	\$ 3,450,898.60	\$ 3,519,916.57	\$ 3,590,314.90	\$ 3,662,121.20	\$ 3,735,363.62	\$ 3,810,070.90	\$ 3,886,272.31
Water Facing Units	-		\$ 9,622,080.00	\$ 9,814,521.60	\$ 10,010,812.03	\$ 10,211,028.27	\$ 10,415,248.84	\$ 10,623,553.81	\$ 10,836,024.89	\$ 11,052,745.39	\$ 11,273,800.30
Other Income (Stage and Parking)		\$ 26,885.00	\$ 84,970.00	\$ 86,669.40	\$ 88,402.79	\$ 90,170.84	\$ 91,974.26	\$ 93,813.75	\$ 95,690.02	\$ 97,603.82	\$ 99,555.90
Revenues		\$ 2,866,320.00	\$ 53,534,834.80	\$ 54,605,531.50	\$ 55,697,642.13	\$ 56,811,594.97	\$ 57,322,899.32	\$ 57,838,805.42	\$ 58,359,354.67	\$ 58,884,588.86	\$ 59,414,550.16
Vacancy			\$ 8,137,294.89	\$ 8,300,040.79	\$ 8,466,041.60	\$ 8,635,362.44	\$ 8,713,080.70	\$ 8,791,498.42	\$ 8,870,621.91	\$ 8,950,457.51	\$ 9,031,011.62
Expenses											
Administrative		\$ 25,796.88	\$ 74,700.37	\$ 74,700.37	\$ 76,194.37	\$ 77,718.26	\$ 78,417.73	\$ 79,123.49	\$ 79,835.60	\$ 80,554.12	\$ 81,279.10
Property Management		\$ 11,465.28	\$ 214,139.34	\$ 218,422.13	\$ 222,790.57	\$ 227,246.38	\$ 229,291.60	\$ 231,355.22	\$ 233,437.42	\$ 235,538.36	\$ 237,658.20
Utilities		\$ 57,326.40	\$ 10,921,106.30	\$ 10,921,106.30	\$ 11,139,528.43	\$ 11,362,318.99	\$ 11,464,579.86	\$ 11,567,761.08	\$ 11,671,870.93	\$ 11,776,917.77	\$ 11,882,910.03
Insurance		\$ 859.90	\$ 16,060.45	\$ 16,381.66	\$ 16,709.29	\$ 17,043.48	\$ 17,196.87	\$ 17,351.64	\$ 17,507.81	\$ 17,665.38	\$ 17,824.37
RE Taxes		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Greenspace Management		\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236	\$ 16,561	\$ 16,892	\$ 17,230	\$ 17,575	\$ 17,926
Waste Removal		\$ 859.90	\$ 16,060.45	\$ 16,381.66	\$ 16,709.29	\$ 17,043.48	\$ 17,196.87	\$ 17,351.64	\$ 17,507.81	\$ 17,665.38	\$ 17,824.37
Maintenance		\$ 10,000	\$ 10,000	\$ 10,200.00	\$ 10,400.00	\$ 10,600.00	\$ 10,695.40	\$ 10,791.66	\$ 10,888.78	\$ 10,986.78	\$ 11,085.66
Snow Removal/Exterior		\$ 2,676.74	\$ 2,676.74	\$ 2,730.28	\$ 2,784.88	\$ 2,840.58	\$ 2,866.14	\$ 2,891.94	\$ 2,917.97	\$ 2,944.23	\$ 2,970.73
Total Expenses		\$ 123,985.09	\$ 11,270,043.65	\$ 11,275,528.39	\$ 11,501,034.96	\$ 11,731,047.65	\$ 11,836,627.08	\$ 11,943,156.73	\$ 12,050,645.14	\$ 12,159,100.94	\$ 12,268,532.85
Expenses Reimbursed											
Net Operating Income		\$ 2,742,334.91	\$ 42,264,791.15	\$ 43,330,003.11	\$ 44,196,607.17	\$ 45,080,547.31	\$ 45,486,272.24	\$ 45,895,648.69	\$ 46,308,709.53	\$ 46,725,487.91	\$ 47,146,017.30
Less Capital event	\$ (115,197,780.00)										
Net Cash Flow	\$ (115,197,780.00)										
Debt Service		\$ (517,087.00)	\$ (561,884.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)	\$ (369,470.00)
Cash Flow after Debt Service	\$ (11,025,000.00)										
Loan Payoff											\$ (60,968,789.00)
Total Cash Flow After Debt Service		\$ 2,225,247.91	\$ 41,702,907.15	\$ 42,960,533.11	\$ 43,827,137.17	\$ 44,711,077.31	\$ 45,116,802.24	\$ 45,526,178.69	\$ 45,939,239.53	\$ 46,356,017.91	\$ 46,776,547.30
											\$170,243,165

Timeline

Timeline Involved for the development of "The Cove" and "The Boatyard"





March 29, 2023

Mr. Lamar Townsend
UA Little Rock Real Estate Challenge
2801 South University Avenue
Little Rock, Arkansas 72204

Re: Financing of the Ogden Passageway Project

Dear Lamar:

Relyance Bank is pleased to provide you with some information on our proposed rates and terms in conjunction with the purchase of the site at 934 North Branch and 1001 North Branch, as well as the construction of your proposed project. This term sheet is non-binding, is for discussion purposes only, and is subject to the approval of our bank's loan committee. Further, these terms and conditions are subject to change in whole or in part once our due diligence, credit analysis and underwriting is complete. The items are outlined below:

Loan Amount:	TBD (up to 75% of the total cost)
Term:	60 months
Maturing:	5 years
Repayment:	60 months of interest only payments
Rate:	8.25% (this rate will be fixed until the maturity date)
Collateral:	1st mortgage and assignment or rents/leases on the subject property in Chicago
Borrower:	An entity to be formed
Guarantor:	100% pro-rata based on the ownership group of the borrowing entity

Fees Associated with proposed loan:

- Prepayment Penalty: None
- Origination Fee: \$0
- Bank Processing Fee: \$500
- Future Mortgage Release Fee: \$15
- Flood Determination Fee: \$15
- Third Party Fees:
 - Appraisal Fee: TBD (Estimated at \$4,000)
 - Title Company Fees: TBD
 - Attorney Prepared Loan Doc: TBD (Estimated at \$7,500)

Assuming the loan is approved by Relyance Bank's loan committee, we would require the following prior to closing the loan:

- (a) Duly executed promissory notes for Loan, security agreement, mortgage, guaranties, and other loan documents in form satisfactory to Lender, which will be prepared by an attorney at the cost of the borrower.
- (b) Copy of all organizational documents and other governing documents for each party to these transactions.
- (c) Financial statements for borrower and each guarantor satisfactory to lender.
- (d) An Appraisal of the premises from an appraiser and in form and content satisfactory to lender in its sole discretion and meeting any applicable regulatory requirements, reflecting a loan to value ratio of no higher than 65%.
- (e) ALTA/ASCM Survey satisfactory to lender in its sole and absolute discretion, with appropriate surveyor's certification, which survey shall, without limiting the foregoing, locate any and all improvements, easements, set back lines, roadways, rights of way and encroachments in any way affecting, comprising part of or encumbering the premises.

- (f) Mortgagee Loan Policy issued by a title company, satisfactory to Lender in its sole discretion, in the amount of the three loans, indicating that good and indefeasible fee simple title to the land is vested in borrower, pursuant to which the issuer thereof shall insure the lender's mortgage as a valid, binding and enforceable first priority lien against the premises, and which shall provide lender with (i) "gap" and extended coverage (i.e., deletion of all so-called standard exceptions), and (ii) such endorsements (including, without limitation, access, address, comprehensive coverage [ALTA 9], contiguity [if the Land consists of more than one parcel], mechanics' and materialmen's liens (ALTA Endorsement D), separate tax parcel, subdivision, survey, waiver of creditors' rights and zoning [3.0] endorsements) as lender may require and to the extent same are available.
- (g) At borrower's sole cost and expense, a Phase I Environmental Site Assessment or other environmental assessment or transaction screening of the premises acceptable to lender and its counsel, and, if requested by lender, a Phase II report, each satisfactory in form, scope and substance to lender and its counsel. In addition, borrower and any guarantor(s) shall execute and deliver to lender a hazardous substance and environmental indemnification agreement in form, scope and substance satisfactory to lender and its counsel.
- (h) Plans and specifications for the construction project.
- (i) A copy of the building permit for the project issued by the appropriate governmental authority.
- (j) Builder's risk insurance, public liability insurance, and hazard insurance listing the lender as first mortgagee and loss payee in the loss payable clause.
- (k) A copy of the construction contract with the general contractor including all cost estimates and exhibits.
- (l) A payment and performance bond listing the Lender as a beneficiary of the bond.
- (m) Evidence that the land is not in a flood zone. If the land is in a flood zone, borrower shall, immediately upon same being available if the loan is a construction loan, provide satisfactory flood insurance coverage naming lender as mortgagee as an additional condition precedent to any loan advance.
- (n) All Uniform Commercial Code security instrument(s) and filings deemed necessary, appropriate or expedient by Lender and its counsel, which shall cover and encumber, without limitation, all furniture, fixtures and equipment located on the Premises.
- (o) Borrower to fund 25% of the total cost of the project at closing which will be used toward the real estate purchase and closing cost prior to any funds being drawn on the loan with Lender.

Additional Requirements:

- (1) Borrower is to pay all closing costs and expenses, including, but not limited to, the cost of the following:
- (a) Uniform Commercial Code (UCC) lien searches and tax and judgment searches;
 - (b) the Appraisal;
 - (c) the ALTA/ASCM Survey;
 - (d) the environmental Phase I;
 - (e) recording and closing/escrow fees;
 - (f) premium for title insurance; and
 - (g) Lender's legal expenses related to the Loan
- (2) Borrower shall maintain its deposit checking and savings accounts with lender
- (3) Borrower is to pay all taxes and insurance, when due.
- (4) Borrower and guarantor(s) shall provide such current financial information as Lender shall require in its absolute discretion, including, without limitation, copies of borrower's and any guarantor's (guarantors') federal and state income tax returns.
- (5) Lender may, at its option, require the retention of an independent architect or engineer (the "Engineer") whose duties shall include review of the plans and specifications and certification of each construction draw request as to work in place and materials on site. At the direction of the Lender, the Engineer shall have the right to inspect all plans, specifications, permits, invoices, waivers and other like documents. The Lender shall have the sole right to select such Engineer, who shall work for and on behalf of the Lender. The Borrower agrees to reimburse the Lender in full for payment of the Engineer's fee.
- (6) It is understood that this term sheet is further subject to and conditioned upon the approval of all credit documents and security instruments deemed necessary, customary or appropriate by lender and its counsel to evidence and secure the loan, including, without limitation, a definitive loan agreement, which shall include such conditions, covenants (affirmative and negative), representations and warranties which lender and its counsel shall require in their sole and absolute discretion. If any other material business or legal issues arise during the course of documentation, they must be resolved to our mutual satisfaction.

We hope that these terms are satisfactory to you and request your acknowledgment and acceptance by signing and returning this letter by April 29, 2023. If not accepted in the time stated, Relyance Bank shall void these terms without liability. We look forward to our involvement in this property and are most appreciative of the opportunity to work with you.

Best Regards,

Russ Martin

Russ Martin, CCIM
Executive Vice President and Chief Credit Officer
501-404-3482

Signed and accepted this ____ of _____, 20____, by:

Signed: _____

Print: _____

Responsibility and Sustainability

6 Bridges Development, LLC's plan to repurpose an existing industrial warehouse building, The Cove, is good for the environment, creates sustainability through energy saving building materials, and serves the need for an age group of people who have innovation and sustainability as priorities. The City of Chicago and the people of Chicago win with this kind of design and it gives a great amount of responsibility to the owners to keep the mission of the area always in the forefront of every stakeholder.

The Boatyard will incorporate responsible design elements and all building materials will be energy efficient and follow the guidelines for new construction sustainability. Creating an area for boats to dock, families to play, visitors and locals to use as a destination when looking for an eco-friendly waterway, is once again a win for the City.

Investment in the Goose Island sites will be wise for the future and we look forward to working with Eisenberg Capital as an investor partner.



Presenting Team Members:

Team Leader Lamar Townsend is a Junior at UA Little Rock majoring in Finance with an emphasis in Real Estate and Political Science. Lamar is also in the Donaghey Scholar Program, Vice President of the Finance and Economic Association, Vice President of Arkansas Young Democrats, Chief Justice of the UA Little Rock Student Government Association, and is a Business School Ambassador. In the future Lamar has aspirations for attending Law School and becoming a Real Estate attorney.



Victoria Temples is a double Finance major focusing on Real Estate Finance and General Finance and will be graduating this semester. Victoria enjoys creating pottery and is looking forward to her career in the commercial real estate field.



David Mendoza Lopez is a senior in Civil and Construction Engineering at the University of Arkansas at Little Rock. He is a Stem Scholar and serves as Vice President of The Association of General Contractors. Originally from Grand Rapids, Michigan, David has been in Little Rock, Arkansas for the last 10 years. David is currently working for Central Construction Group as an assistant project manager and assistant superintendent with future aspirations of becoming a developer.



Paige Goodale is a senior Finance major graduating in May. Paige competes nationally as a bikini competitor for bodybuilding. She hopes to work in business development and enjoys studying different investment strategies.



Adison Cummings is a junior at UA Little Rock. Adison is a double major in Architectural and Civil Engineering and works at the architectural firm Lewis Architects and Engineers located in Little Rock, Arkansas.

References

Contacts and Advisors:

Jenna Goebig | Construction Specialist
Siteng Ma | Finance Specialist
Jake Anderson | Student Advisor
Mika Berry | Student Advisor
Russ Martin | Relyance Bank
Jeff Knauf | Keg Grove Brewing Co.
Jessica Dearnley | Flake & Company
Udit Agarwal | NextWave STEM
Matt Cowie | CBRE Chicago
William Callahan | CBRE
Andy Powers | Industrious

Development Vision Resources:

<https://www.cbre.com/insights/viewpoints/the-flight-to-quality-quantified>

<https://www.cbre.com/press-releases/divergent-lease-rates-highlight-flight-to-quality-trend-in-us-office-market>

https://www.boma.org/BOMA/Research-Resources/Industry_Resources/BuildingClassDefinitions.aspx

<https://www.squarefoot.com/blog/class-a-buildings-class-c-buildings/>

<https://northbranchworks.org/about/mission/#:~:text=North%20Branch%20Works%20is%20a.Branch%20of%20the%20Chicago%20River.>

<https://onthegrid.city/nashville/sobro/pinewood-social>

<https://chicago.urbanize.city/post/halsted-point-five-tower-plan-tip-goose-island>

https://www.chicago.gov/content/dam/city/depts/dcd/supp_info/industrial/Draft_North_Branch_I_C_Framework_Design_Guidelines.pdf

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<https://www.legacyfoodhall.com/>

<https://www.assemblyfoodhall.com/>

<https://onthegrid.city/nashville/sobro/pinewood-social>

Zoning References:

https://gisapps.chicago.gov/gisimages/zoning_pds/PMD3.pdf

https://codelibrary.amlegal.com/codes/chicago/latest/chicago_il/0-0-0-2681883

https://www.chicago.gov/content/dam/city/depts/dcd/supp_info/industrial/Proposed_North_Branch_FAR_Bonuses_Overview.pdf

https://www.chicago.gov/city/en/depts/dcd/supp_info/north-branch-industrial-corridor.html#:~:text=The%20North%20Branch%20Bonus%20would,Branch%20and%20other%20industrial%20corridors.

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<https://chicagoagentmagazine.com/2022/05/24/where-does-chicago-land-on-list-of-greenest-cities/>

https://www.chicago.gov/city/en/depts/dcd/supp_info/sustainable_development/chicago-sustainable-development-policy-handbook0.html

https://www.chicago.gov/content/dam/city/depts/dcd/Projects/Draftpolicy_12_5_2016.pdf

Current Taxes:

Tif Guide:

https://www.chicago.gov/content/dam/city/depts/dcd/general/2020_tif_program_guide.pdf

Approval of Tif Projects:

You must meet with the Department of Planning and Development to review your tif proposal to ensure they are legally eligible

https://www.chicago.gov/city/en/depts/dcd/supp_info/tif/goose_island_tif.html

Rooftops:

<https://www.buildings.com/landscaping-outdoors/article/10185819/5-things-to-consider-when-turning-your-rooftop-into-usable-space>

Green Roofs on Historic Buildings: Green Roof Benefits

<https://www.nps.gov/articles/green-roofs-on-historic...>

Neighboring Developments:

<https://www.chicagobusiness.com/commercial-real-estate/ba-investment-advisors-buys-kendall-college-goose-island-building>

<https://www.costar.com/article/864857867/as-craft-beer-growth-slows-breweries-get-creative-with-their-real-estate>

<https://www.chicagobusiness.com/commercial-real-estate/ba-investment-advisors-buys-kendall-college-goose-island-building>

Demographic Information

Broad Scope: <https://www.usapopulation.org/chicago-population/>

<https://censusreporter.org/profiles/16000US1714000-chicago-il/>

<https://data.census.gov/table?q=1400000US17031842200&tid=ACSST5Y2021.S2503>

<https://claritas360.claritas.com/mybestsegments/#segDetail/PZP/21>

<https://www.socialexplorer.com/>

<https://www.point2homes.com/US/Neighborhood/IL/Chicago-Demographics.html>

[Chicago, IL Household Income, Population & Demographics | Point2](#)

Costs:

https://www.chicago.gov/city/en/depts/bldgs/provdrs/permits/svcs/permit_fee_calculator.html

<https://www.rsmeans.com/>

Power Construction Company

<https://f.hubspotusercontent20.net/hubfs/9476621/2021%20Parking%20Structure%20Cost%20Outlook.pdf>

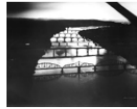
Demographic Information

Broad Scope: <https://www.usapopulation.org/chicago-population/>

<https://censusreporter.org/profiles/16000US1714000-chicago-il/>

Chicago Recovery Grant Application for Community Development

https://www.chicago.gov/city/en/depts/dcd/provdrs/ec_dev/svcs/chicago-recovery-grant-application.html



Six Bridges, LLC
UA Little Rock
2801 S. University
Little Rock, AR 72204

March 2, 2023

Owner of Property Name
Chicago, IL

RE: 934 North Branch (Goose Island Boatyard), 2.89 acres/125,875 SF with existing 18,686 SF building; and 1001 North Branch (Peck and Hills Furniture Building) 1.44 acres/62,615 SF with existing 250,000 SF building

Dear **Owner Name**,

This letter sets forth the terms and conditions which Six Bridges, LLC, or its Assignee ("Buyer"), shall purchase the above-referenced two parcels ("Property"). The following shall serve as a non-binding letter of intent ("LOI") for the proposed transaction.

Purchase Price: \$ _____ To be paid in cash at closing.

Earnest Money: Buyer shall deposit \$250,000 into Escrow within 5 days of the execution of a Purchase and Sale Agreement. The Earnest Money shall be refundable during the Inspection Period. Buyer may request two 90-day Extensions, each requiring a non-refundable \$100,000.

Inspection Period: Buyer shall have 180 days after the effective date of the Purchase and Sale Agreement ("Inspection Period") to evaluate the property. During such time, Purchaser will be permitted to enter the Property, obtain information from Seller pertaining to existing surveys, easements, title, and all other pertinent information. During such time, Purchaser will obtain environmental information, take soil samples, acquire civil engineer information, contact architects, contractors, and city services as part of the due diligence.

Contract and Title: Upon acceptance of this LOI by Seller, Seller shall have a Purchase and Sale Agreement prepared to incorporate the terms and conditions of this LOI and terms and conditions customary for Cook County and the state of Illinois. Both parties agree to have an executed contract within 30 days of the first draft provided by Seller's attorney. Seller will convey at Closing a Special Warranty Deed transferring good title to the Property, free and clear of any liens or encumbrances.

The terms of this LOI shall not be legally binding. The LOI is an indication of the intent of each party to negotiate in good faith the terms of a purchase and sale agreement.

Sincerely,

Six Bridges, LLC
Accepted and Agreed to this _____ day of _____, 2023.

Purchaser: _____ Seller: _____