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6 Bridges Development, LLC

Our Team

Executive Summary

6 Bridges Development, LLC
Goose Island, Chicago, Illinois

The Boatyard - 934 North Branch
Destination Entertainment Hub with
Waterfront Taxi Stop

The Cove - 1001 North Branch
Redevelopment of Existing Warehouse
Building

Total Development Cost: \$120,250,000



Site Background

Ogden Passageway

Artificially created Island in
Mid 1800's

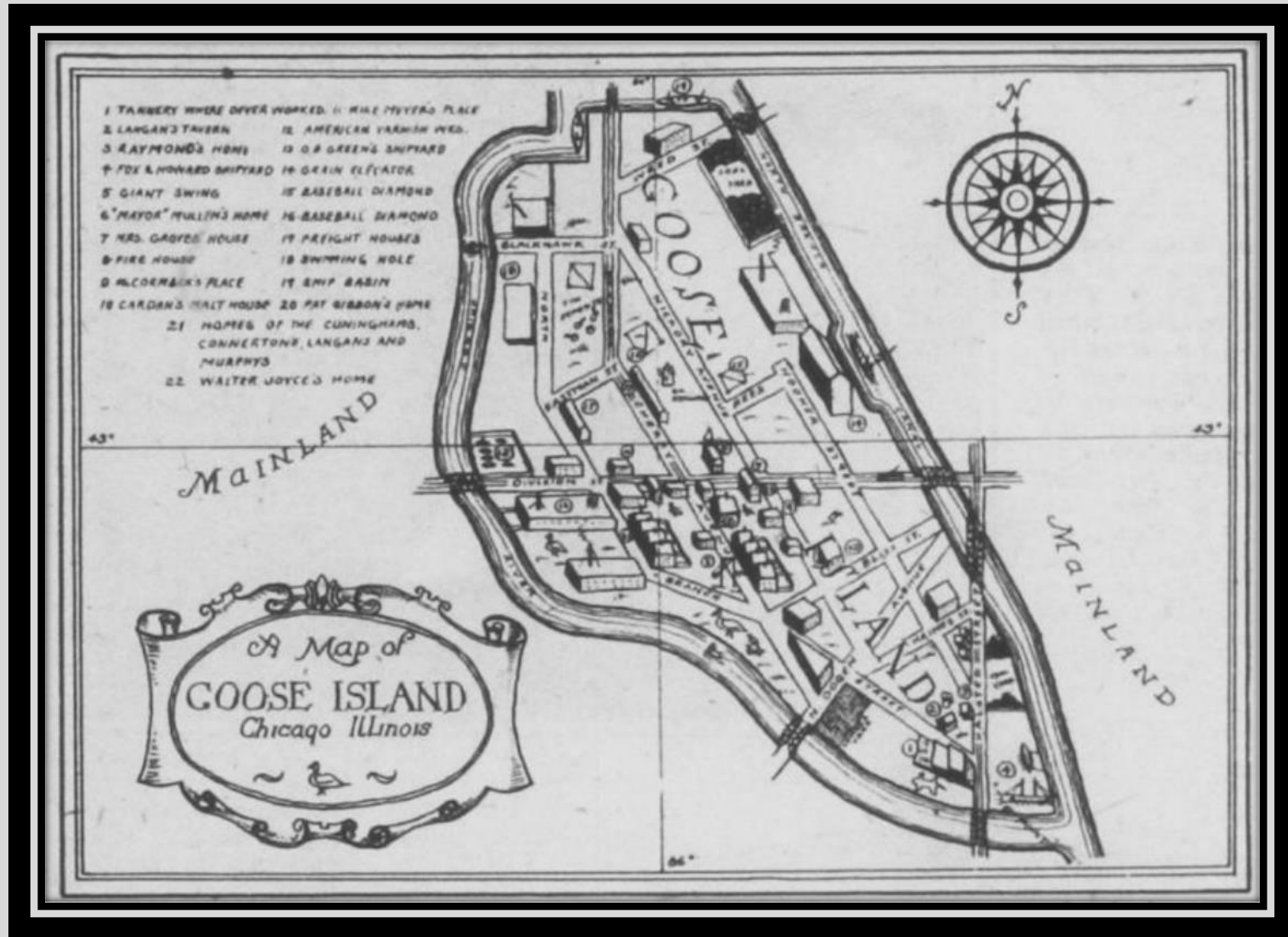
Industrial Corridor

Numerous Railroad Tracks

Geese kept on Island

Decline during Great
Depression

1990's Designated as Planned
Manufacturing District



Historic Goose Island (1930): Chicago Historical Society

Existing Conditions on Goose Island



Goose Island Shrimp House



Passion House Coffee

Limited Existing Dining and Drinking
Options

Occupied During Daytime Hours

Only Commercial Properties within the
vicinity, No Residential

Demographics Breakdown

Residents: 20-44 years old

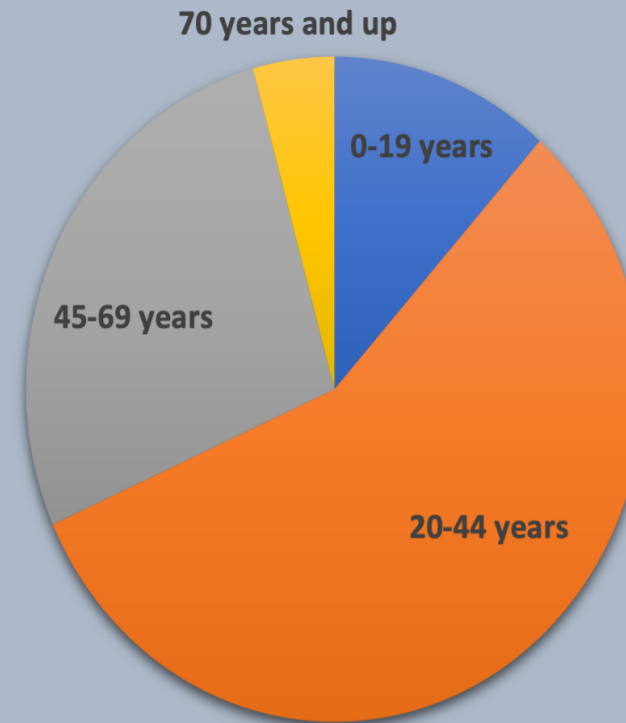
Without Children: 87%

Unmarried: 62%

Bachelor's degree or higher: 75%

Median income **twice** the Chicago
average

North Branch Age Demographics





Population
Growth



Local
Tourism



Greater Social
Engagement
opportunities



An Increase in
Family Unit
Households

Future Outlook



North Branch Framework (2017)



Site Background

Modernize:

Land Use

- Redevelop Sustainable Pre-existing Structures
- Sustainability

Double Existing Workforce

- Retail
- Transportation
- Food Service

Improve Access to Transportation

- Water Taxi Stop
- Bus Route

Zoning

PMD-3

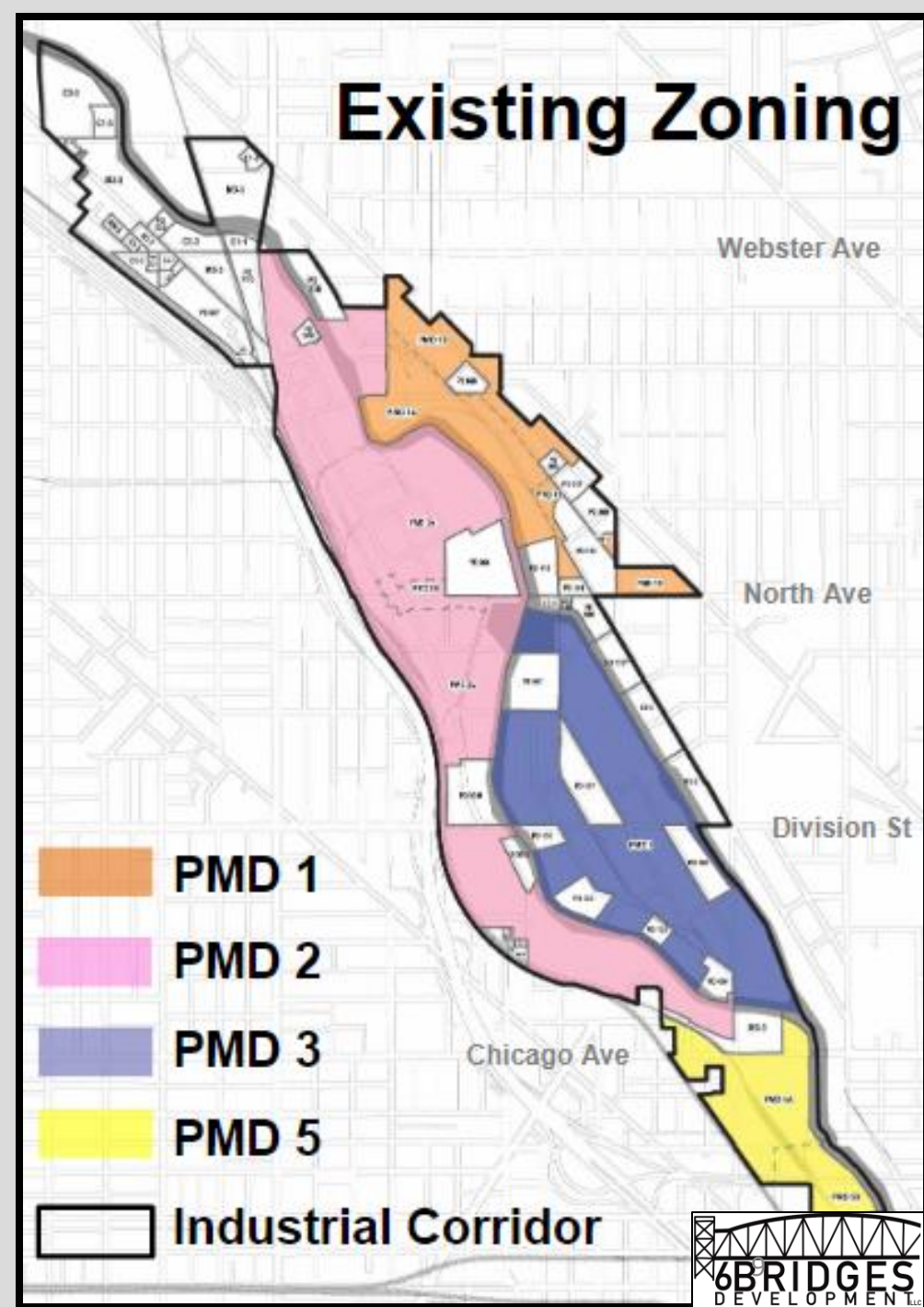
Variance requested for retail purposes

Increase square footage

Sale of goods not produced on site

Parking deck - 486 spaces

"Green" Guidelines



Development Vision - Re-envisioning the Sites



Provide: retail, office space, and food venues to an area that is currently very limited.

The Cove and The Boatyard will:

- Create a dynamic, innovative center that meets the needs and aspirations of the community;
- Attract businesses, entrepreneurs, and tenants who value creativity, collaboration, and wellness options.
- Transform a neglected riverfront property into a community hub;
- Provide entertainment options and retail shops with locally-sourced items;
- Provide much needed parking options.



Design Inspiration

Assembly Food Hall



Pinewood Social - Duck Bowling



Site Design



The Boatyard
Design Concepts:

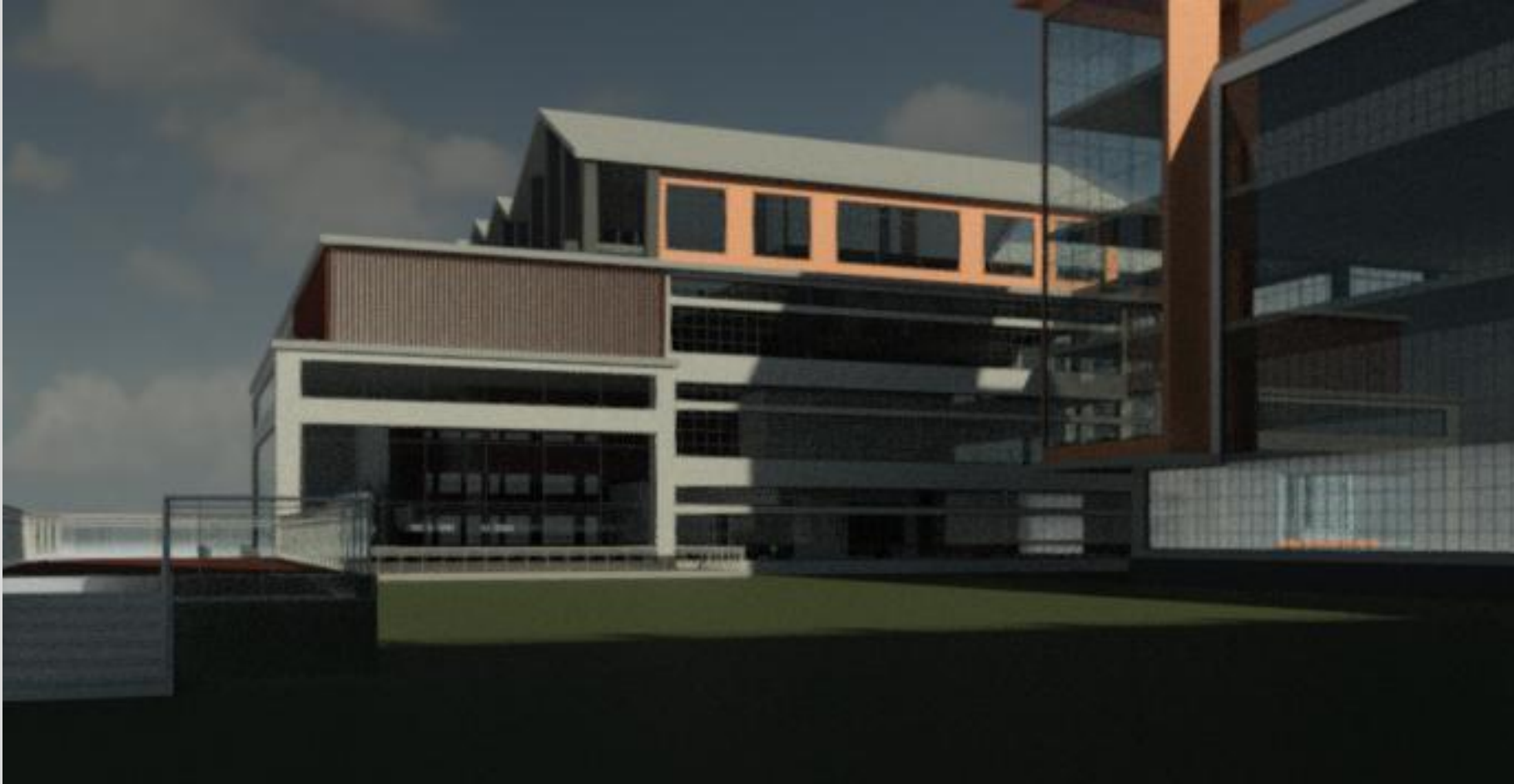
Keg Grove

[Video Walkthrough](#)



The Cove Design Concepts: 6th Floor Gym and 1st Floor NextWave Stem Hub

Site Design



SWOT Analysis

Strengths, Weaknesses, Opportunities, Threats framework for The Cove and The Boatyard

Strengths

- Upcoming future developments
- 490' of river frontage

Weaknesses

- Transit Desert
- Currently insufficient parking

Opportunities

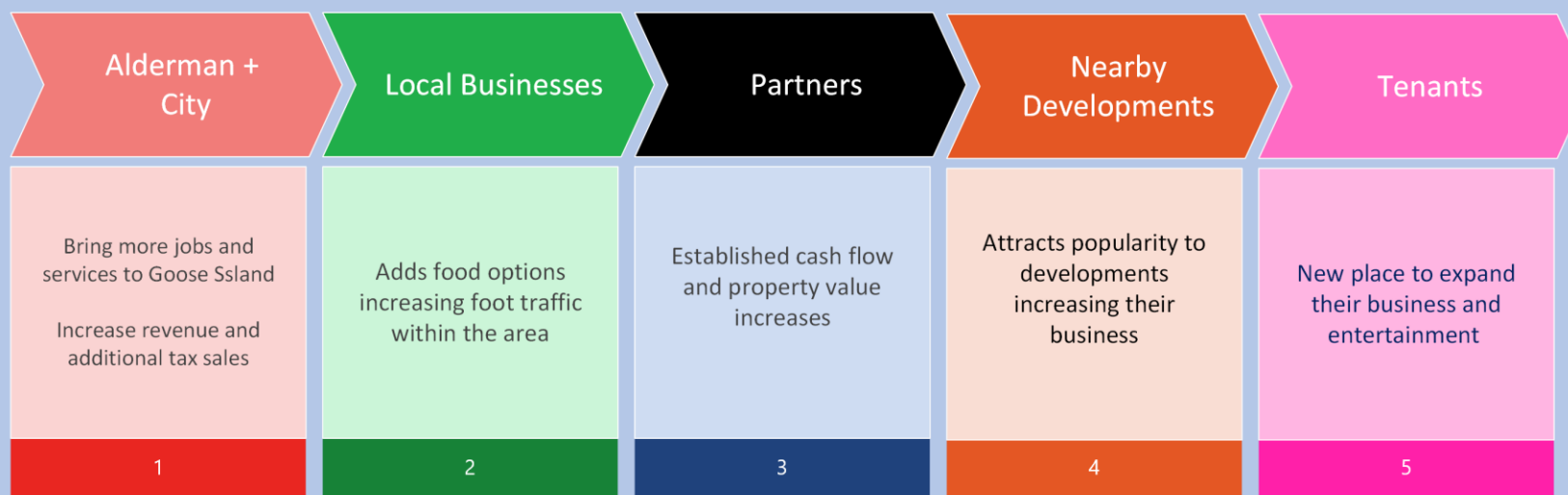
- First-mover advantage
- Approved future developments
- Wild Mile

Threats

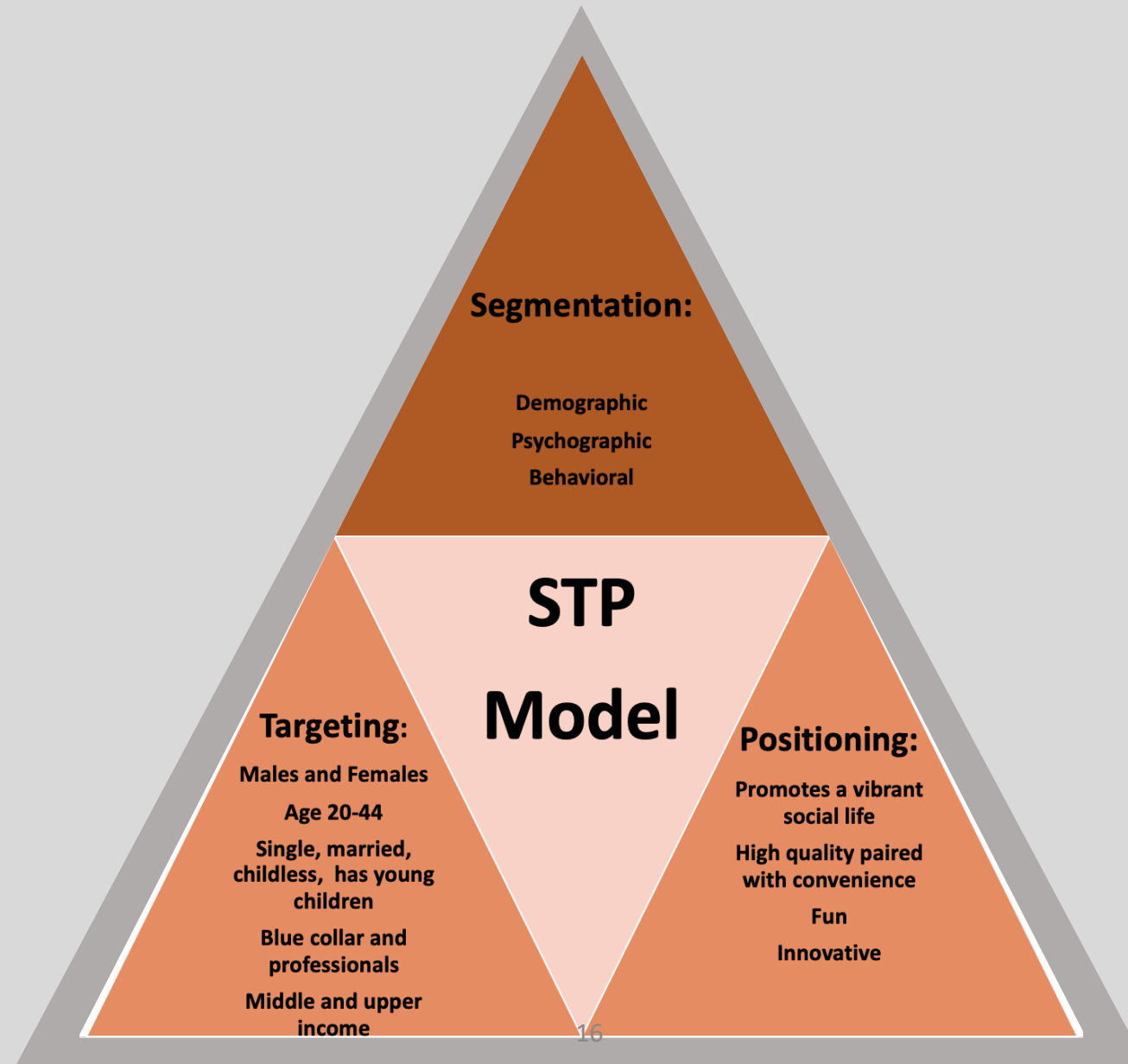
- First mover disadvantage
- Competitors
- Future political/zoning changes

Stakeholders

The Boatyard and Cove Positive Effects



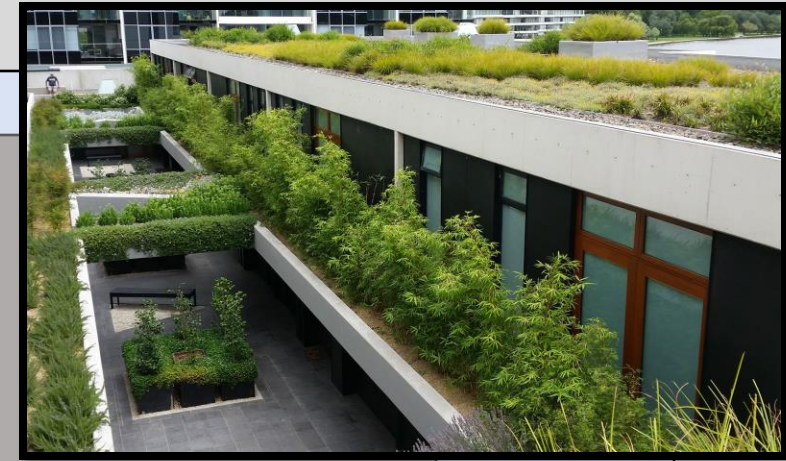
Market Segmentation, Targeting and Positioning





Branding

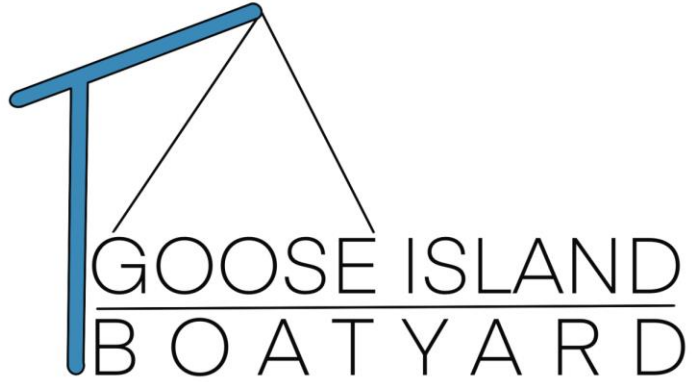
- Laid back, calm riverfront
- Lounge space
- Rooftop greenery
- Art gallery activation space



Marketing

- Promotional gym offerings
- NextWave Stem Hub will work with local elementary schools





The Boatyard

Branding

- Historic use of the site
- Customers can "Park their Boats" and enjoy the vast entertainment offerings

Marketing

- Water taxi stop
- Promotional events to drive traffic
- Attract Wild Mile floaters
- Strong social media presence



Timeline

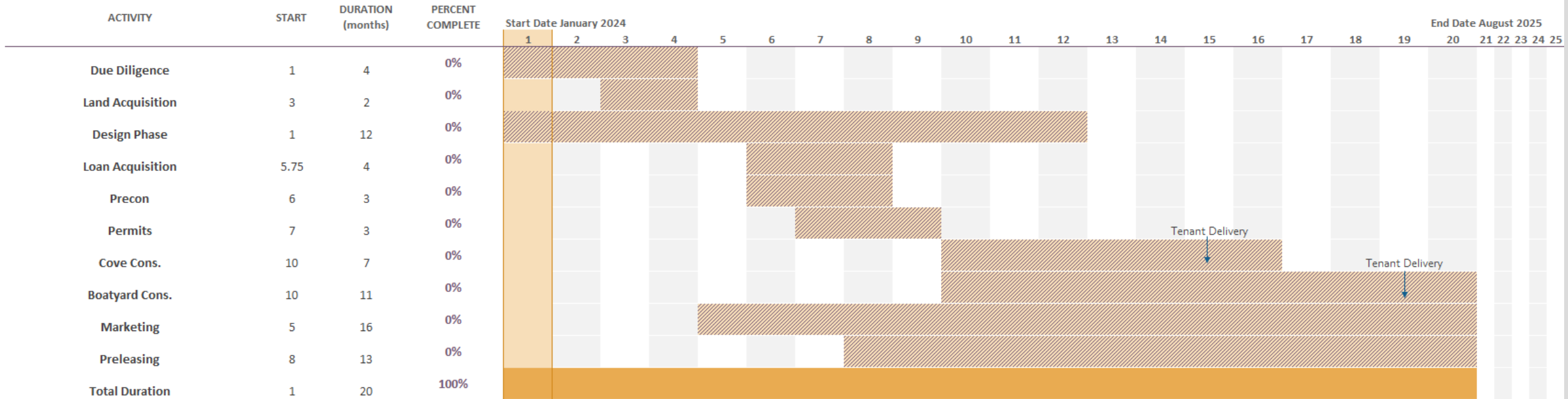
Goose Island Construction Timeline

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

Period Highlight: 1

Plan Duration

% Complete



The Boatyard | Development Costs | The Cove

DEVELOPMENT BUDGET			
USES			
Land Costs			
Purchase Price	\$17,500,000.0m		
Total EM	\$250,000		
Remaining PP	\$19,250,000.0m		
Legal & Due Diligence	5.0%	of PP	
Hard Costs			
Site Work	\$3,921,222.00	of hard costs	
Resi Hard Costs	\$232	per GSF residential	
Parking Hard Costs	\$122	per GSF parking	
Contingency - Hard Cost	5.0%	of hard costs	
Soft Costs			
Sponsor Design (Arch, Structural, MEP, etc.)	7.0%	of hard costs	
Other / Third Party Consultants	\$200,000.00	of hard costs	
Insurance		of hard costs	
Permit & Impact Fees	\$190,000	of hard costs	
Legal fees	2%	of hard costs	
FF&E	\$ 2,500,000.00		
Commercial Leasing & TI	\$ 3,000,000.00		
Real Estate Taxes Carry	107,000		
Developer Fee	3.0%	of land, hard, soft	
Guaranty Fee	0.50%	of hard costs	
Construction Management Fee	5.00%	of hard costs	
Contingency - Soft Cost	5.0%	of soft costs less fees	
Total Development Costs excl. Financing		\$	54,279,379.00
Financing Costs			
Construction Loan - Interest Reserve until Occupancy	\$	2,150,000.00	
Construction Loan - Fees	\$	12,030.00	
Construction Loan - Operating Shortfall and Interest after Occupancy	\$	1,500,000.00	
Preferred Equity - Fees			
Preferred Equity - Distribution Reserve			
Total Development Costs		\$	57,941,409.00

DEVELOPMENT BUDGET			
USES			
Land Costs			
Purchase Price	\$19,250,000.0m		
Total EM	\$250,000		
Remaining PP	\$0.0m		
Legal & Due Diligence	5.0%	of PP	
Hard Costs			
Site Work	\$2,270,000.00	of hard costs	
Comm. Hard Costs	\$173	per GSF residential	
Outdoor Amenity Space - Buildout	75%	% of PSF Residential	
Contingency - Hard Cost	5.0%	of hard costs	
Soft Costs			
Sponsor Design (Arch, Structural, MEP, etc.)	7.0%	of hard costs	
Other / Third Party Consultants	\$30,000.00	of hard costs	
Insurance	2.0%	of hard costs	
Permit & Impact Fees	\$85,601	of hard costs	
Legal Fees	2%	of hard costs	
FF&E	\$ 2,500,000.00		
Commercial Leasing & TI	\$ 2,500,000.00		
Real Estate Taxes Carry	89,414		
Developer Fee	3.0%	of land, hard, soft	
Guaranty Fee	0.50%	of hard costs	
Construction Management Fee	5.00%	of hard costs	
Contingency - Soft Cost	5.0%	of soft costs less fees	
Total Development Costs excl. Financing		\$	32,218,463.00
Financing Costs			
Construction Loan - Interest Reserve until Occupancy	\$	2,150,000.00	
Construction Loan - Fees	\$	12,030.00	
Construction Loan - Operating Shortfall and Interest after Occupancy	\$	1,500,000.00	
Preferred Equity - Fees			
Preferred Equity - Distribution Reserve			
Total Development Costs			\$ 35,880,493.00

Finances

Summary of Financial Analysis

UNTRENDED CASH FLOW - IF BUILDING EXISTED TODAY			
Operating Income			Yearly
Revenue			
Entertainment Venue		\$	10,580,160.00
Keg Grove Brewery		\$	3,124,288.00
First Floor Units		\$	4,782,576.00
Second Floor Units		\$	6,084,480.00
Third Floor Units		\$	9,143,640.00
Fourth Floor Units		\$	6,795,744.00
Rooftop Resturant		\$	3,316,896.00
Water Facing Units		\$	9,622,080.00
Other Income (Stage and Parking)		\$	84,970.00
Total Revenue			\$53,534,834.00
Concessions	—	% of GPR	
Econ. Vacancy and Bad Debt	15.20%	% of GPR	
Effective Gross Income			\$45,397,539.00
Operating Expenses			
Adminstrative	\$ 859.90	per unit	
Property Management	\$ 382.18	per unit	
Utilities	\$ 1,910.88	per unit	
Insurance	\$ 28.66	per unit	
RE Taxes	\$ 2,980.47	per unit	
Greenspance Management	\$ 500.00	per unit	
Waste Removal	\$ 28.66	per unit	
Maitanence	\$ 333.33	of EGI	
Snow Removal/Exterior	\$ 89.22	per unit	
		per unit	
Total Operating Expenses			\$7,113.30
OPEX as % of EGI			21%
Net Operating Income			\$42,264,791.00
Asset Management Fee	1.0%	of EGI	

UNTRENDED CASH FLOW - IF BUILDING EXISTED TODAY			
Operating Income			Yearly
Revenue			
Cove Office Rental Floors 3-5			\$ 13,762,560.00
STEM Lab			\$ 8,160,000.00
Fitness Gym			\$ 7,457,587.00
Lab			\$ 10,440,000.00
Art Space			\$ 3,840,000.00
We Work Space			\$ 4,080,000.00
Green House			\$ 36,720.00
1st & 3rd Floor (short building)			\$ 12,377,088.00
2nd Floor (Short Building)			\$ 5,824,512.00
Concessions	—	% of GPR	
Econ. Vacancy and Bad Debt	15.20%	% of GPR	
Effective Gross Income			\$55,949,740.00
Operating Expenses			
Administrative	\$ 2,193.41	per unit	
Property Management	\$ 974.85	per unit	
Utilities	\$ 4,874.24	per unit	
Insurance	\$ 73.11	per unit	
RE Taxes	\$ 1.09	per unit	
Rooftop Greenspace Management	\$ 500.00	per unit	
Waste Removal	\$ 73.11	per unit	
Maitanence	\$ 333.33	of EGI	
Snow Removal/Exterior	\$ 109.96	per unit	
		per unit	
Total Operating Expenses			\$9,133.11
OPEX as % of EGI			
Net Operating Income			\$42,125,094.00
Asset Management Fee	1.0%	of EGI	

Rents and Square Footage

Cove	sqft	Rent/sqft	Boatyard Levels	Sqft	Rents
STEM	11,144.00	\$34	1st	11,722	\$34.00
Convenience Store	4,250.00	\$34	2nd	15,845	\$32.00
Lab Space	17,609.00	\$30	3rd	25,399	\$30.00
3 floor	17,923.00	\$30	4th	17,857	\$29.00
4 -5 floor	35,846.00	\$30	rooftop	7,678	\$36.00
6 floor	17,923.00	\$34	1st waterfront	9,145	\$40.00
Green House	10,000.00	\$12	2nd waterfront	4,746	\$40.00
2nd Floor short building	15,302.00	\$32	3rd waterfront	2,242	\$40.00
3rd Floor Short Building	15,302.00	\$34	4th waterfront	3,913	\$40.00
First Floor Short Building	15,302.00	\$34	Entertainment Venue	19,291	\$45.00
			Keg Grove	7,470	\$31.00
Totals:	160,601.00			125,308	

Return on Investment

The Cove

Leveraged IRR of
43.14%

Unleveraged IRR
20.78%

Cash-on-Cash
Return 22.97%

Equity Multiplier
2.75x

The Boatyard

Leveraged IRR of
35.89%

Unleveraged IRR of
21.83%

Cash-on-Cash
Return 24.46%

Equity Multiplier
2.48x

Expenses: Debt Service and Refinance

The Cove

Cash Flow after Debt Service	\$ (11,025,000.00)	\$ 6,520,312.38	\$ 51,591,936.71	\$ 48,742,654.52	\$ 49,572,455.68	\$ 50,416,750.61	\$ 50,910,404.08	\$ 51,408,500.42	\$ 51,911,079.63	\$ 52,418,182.05	\$ 52,929,848.40
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

Debt Service		\$ (517,087.00)	\$ (561,884.00)	\$ (4,433,634.00)	\$ (4,433,634.00)	\$ (4,433,634.00)	\$ (4,433,634.00)	\$ (4,433,634.00)	\$ (4,433,634.00)	\$ (4,433,634.00)	\$ (4,433,634.00)
Cash Flow after Debt Service	\$ (11,025,000.00)										
Loan Payoff											\$ (60,968,789.00)
											\$ (2,121,379.00)
Total Cash Flow After Debt Service		\$ 2,225,247.91	\$ 41,702,907.15	\$ 38,896,369.11	\$ 39,762,973.17	\$ 40,646,913.31	\$ 41,052,638.24	\$ 41,462,014.69	\$ 41,875,075.53	\$ 42,291,853.91	\$ 42,712,383.30
											\$170,243,165

Future Statement

The Cove repurposes an existing industrial warehouse and creates:

- Sustainability through energy saving building materials;
- Serves the need for an age group of people who have innovation and sustainability as priorities.

The Boatyard, a redeveloped site, will incorporate:

- Responsible energy efficient design elements;
- Follow the guidelines for new construction and sustainability;
- Create an area for families to play, boats to dock, locals and visitors to use as a destination in a eco-friendly waterway;
- Creates a big win for the City of Chicago.

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

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