

EXECUTIVE SUMMARY

THE BANKS WORKING GROUP RECOMMENDATIONS

DEVELOPMENT OF THE BANKS

Overview

Today, the Banks Working Group is submitting recommendations that, upon approval, will move development of The Banks from planning stage to reality. These documents -- including agreements between the City of Cincinnati, Hamilton County, and the master developer -- bring together all the necessary partners to create a vibrant riverfront with a variety of residential options, entertainment venues including restaurants and bars, riverfront office and hospitality space, and an expansive green riverfront park. The Banks will be developed under an aggressive economic inclusion policy, will bring more than \$600 million in private investment to our riverfront, and will become a regional economic force.



This plan works for the City, the County, the region and its citizens because it:

- ◆ ***Creates a destination*** by building a place where people will want to live, work and play.
- ◆ ***Brings economic growth*** by driving more than \$600 million in private investment, bringing more than 3,000 residents to the area and creating hundreds of jobs during the construction phase alone.
- ◆ ***Makes downtown Cincinnati more competitive*** by providing new sites for businesses so we can better compete with other cities, suburbs and Northern Kentucky.
- ◆ ***Provides flexibility.*** The development is primarily residential, with anticipated office, retail, and hotel uses. Under the zoning recently approved by the Planning Commission, office space is limited to a maximum of 1,000,000 sq. ft. out of the 2,800,000 sq. ft. maximum total development. The plan capitalizes on the new urbanism trend by providing a place for people to move back to the city and be near work, entertainment, and necessities.
- ◆ ***Provides financial feasibility.*** Because the project site must be raised out of the flood plain by construction of supporting parking garages and other infrastructure, the project is expensive. Increased development density can generate more tax increment financing revenues and other tax revenues in support of the needed public infrastructure to make the plan work.
- ◆ ***Allows for continued public authority over project design*** via the City's planned development district plan review and urban design review processes.
- ◆ ***Is economically inclusive.*** It brings jobs, economic development, and the economic and workforce inclusion of minorities and women.

The Project Team

Several organizations, businesses and individuals will be involved in making this development a success:

- ◆ The master developer is Riverbanks Renaissance, LLC, a limited liability company formed by Carter & Associates Commercial Services L.L.C., and The Dawson Company (“Carter/Dawson”).
- ◆ Carter/Dawson will also serve as project manager for the construction of the public infrastructure.

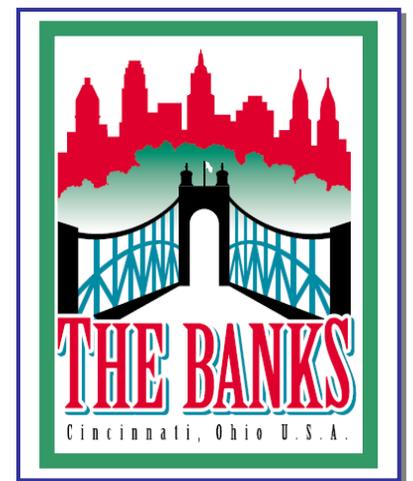


- ◆ The City and the County will continue to work together to construct needed public infrastructure, provide public funding as needed, and oversee all development agreements.
- ◆ The Cincinnati Parks Department will manage development of the riverfront park including planning and financing, and coordination with the Carter/Dawson team.

Project Documents

The project documents that comprise the Banks Working Group recommendations are transmitted with this Executive Summary. Once approved and implemented, these documents will guide the development of The Banks:

- ◆ A Master Development Agreement among the City, County, and Carter/Dawson that details the terms and conditions for project development
- ◆ An Infrastructure Development Management Agreement providing for management of construction of the public infrastructure (including parking facilities and the street grid) by Carter/Dawson
- ◆ A Master Parking Facilities Operating and Easement Agreement between the County and Carter/Dawson
- ◆ A Joint Policy for Small Business Enterprise, Economic Inclusion and Workforce Development for both the public and private portions of the project
- ◆ Responsible Bidder Requirements applicable to both the public and private portions of the project
- ◆ A Declaration of Covenants, Conditions and Restrictions between the City and County that will be recorded for the entire residential/commercial project site
- ◆ A form of Specific Declaration of Easements, Covenants, Conditions and Restrictions that will be fine-tuned for each development lot and recorded simultaneously with conveyance of the lot to the developer entity



- ◆ A Cooperation Agreement between the City and County governing property transfers between the public parties and shared public financial responsibilities

An outline description of the major terms of these documents is **Attachment 1** to this Executive Summary.

The documents require approval and authorization by ordinance of City Council and resolution of the Board of County Commissioners. The authorizing legislation will be submitted separately to the legislative bodies by the City and the County administrations. Additional City legislation is required and will be submitted to (i) approve the zoning change recently approved by the Planning Commission, and (ii) provide an enhanced tax increment financing framework for the project by amending the City ordinance that established District 2–Downtown South/Riverfront District Incentive District, and establishing a new tax increment financing incentive district encompassing “Lot 13” of the project, at the northeasterly corner of Paul Brown Stadium.



Economic Inclusion



The recommended economic inclusion policy promotes business opportunity for small business enterprises, including minority-owned and women-owned firms, in the areas of contracting and business ownership by using strategies such as outreach, marketing and oversight. The policy also supports and

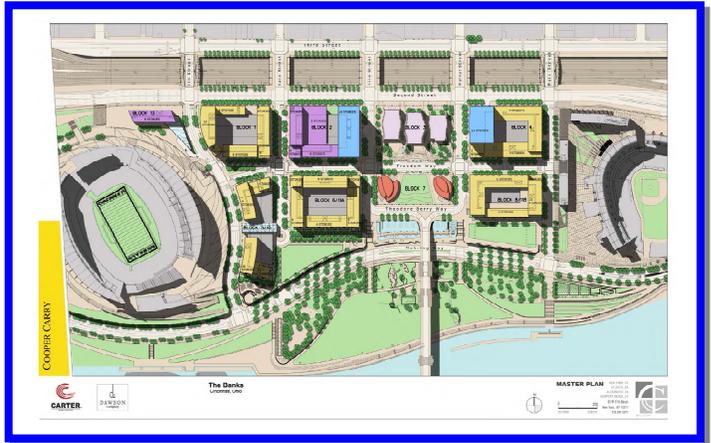
encourages the participation of small business enterprises, including minorities and women, in the retail, hospitality and entertainment components of the Banks. This will be accomplished through active recruitment, facilitation of relationships and aggressive information sharing.

For the federally-funded portions of the development, the City and the County have established a Disadvantaged Business Enterprise (“DBE”) program that is intended to ensure non-discrimination, to level the playing field and to help remove barriers for disadvantaged businesses. Specific DBE goals will be established by the Ohio Department of Transportation.

For all other portions of the development, the goal for the project is that small business enterprises will receive annually percentages of contracts and awards that will represent at least:

- ◆ 30 percent for construction
- ◆ 15 percent for commodities and general services
- ◆ 10 percent for professional services

The policy will also seek to facilitate the creation of jobs for unemployed and underemployed individuals. The policy requires that contractors use their good faith efforts to increase the utilization of minorities and women in the skilled construction trades and demonstrate their good faith efforts to achieve the Banks workforce participation goals of 11 percent minority and 6.9 percent women participation in each trade with a combined goal of 22 percent. The City, the County and a project consultant will work in conjunction with various community-based workforce development programs to facilitate reaching such goals.



To facilitate the implementation and administration of the Banks inclusion policy, the project developer will hire an inclusion outreach consultant. This consultant will be responsible for conducting extensive outreach programs, tracking, monitoring and preparing monthly participation reports on inclusion goals.

Responsible Bidder Policy

These agreements include a responsible bidder policy that ensures that:

- ◆ Skilled and experienced contractors and workers will be employed to build the Banks
- ◆ These workers will be paid prevailing wages and have access to retirement or pension plans
- ◆ Bidders do not have any bad history including revoked licenses and/or uncovered final judgments

This policy allows the developer (on the private development) and the City and the County (on the public development) to request and conduct reviews of bids to ensure a contractor is meeting all the requirements of the responsible bidder policy.

The Vision

The vision for The Banks is to create a place where thousands of people will live, work, and enjoy leisure time. Residents will have the amenities of an urban neighborhood -- places to shop, eat, stay fit, work, play sports, and socialize – plus a spectacular view. Visitors may come to enjoy the retail and restaurant venues at The Banks and in downtown, to take in an exhibit at the Freedom Center or a Reds or Bengals game, to meet friends before or after a game, or to enjoy a visit to the riverfront park.



Office and retail workers at the Banks also will enjoy the advantages of working in an urban neighborhood that supports their needs. They will have places to grab lunch and socialize after work. This will greatly increase the opportunities for living and working in one place (as with other downtown residences), eliminating the need for lengthy commutes.

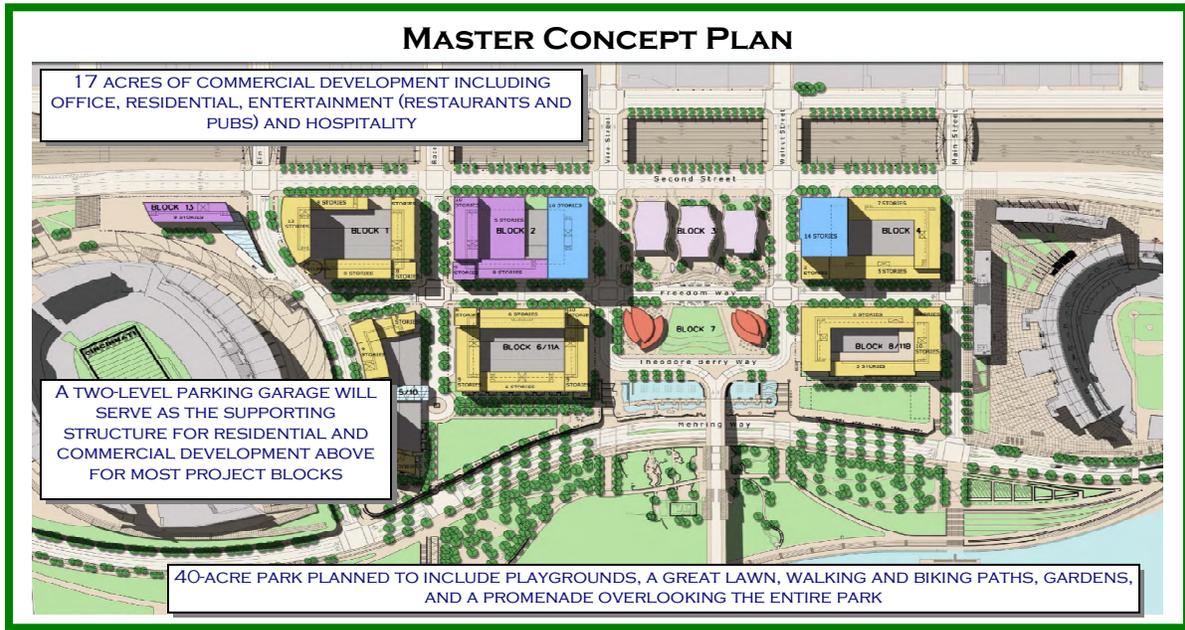
The park will create an oasis of green space and gardens connecting the river to The Banks. People will come to relax, hike, bike,

play on the 12-acre great lawn, and to enjoy the peace and serenity of a riverside park. The park venue also will accommodate concerts and other events, to add to the vitality and energy of the riverfront.



The Residential and Commercial Development

The Banks project area for residential/commercial development with supporting parking is approximately 18 acres of property bounded by the two major league stadiums, Second Street, and the new riverfront park being concurrently developed.



Development:

The improvements are to be constructed in phases. The minimum required improvements for each phase are outlined in Attachment 1. The flexible mix of uses may include, upon full development:

- ◆ Apartments and condominiums (1 to 1.8 million sq. ft.) that will provide living space for approximately 3,000 people
- ◆ Office space (200,000 – 1 million sq. ft.) that will enable anywhere from 750 – 4,000 people to work at the Banks
- ◆ Restaurants, bars, and other retail (200,000 – 400,000 sq. ft.)
- ◆ Hotel development (200,000 – 400,000 sq. ft.)
- ◆ A unified parking facility below the elevated street grade, with 1,478 spaces in the first phase and additional spaces in later phases
- ◆ Additional private parking on or above street level, including at least 300 spaces in the first phase
- ◆ The total improvements shall not exceed 2,800,000 sq. ft.

Timing: Break ground in late 2007 or early 2008, with phase completions at various intervals.

Private Investment: \$600 – 800 million. Sources include equity of developers and other private investors.

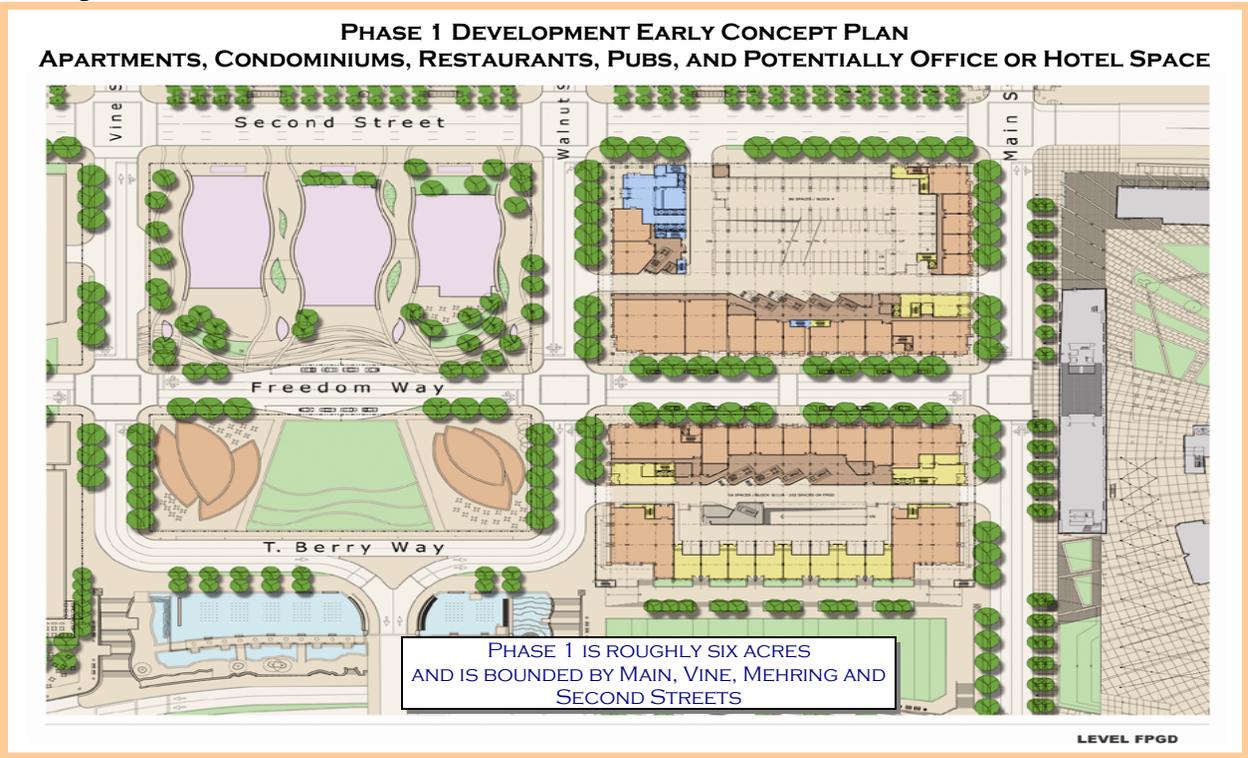
Public Infrastructure Investment: Up to \$106 million (excluding Park costs). Sources include federal and state grants and loans, tax increment financing bonds (payable primarily from payments in lieu of taxes based on increases in property values), and other City and County funds.

Cincinnati Public Schools: In accordance with existing City agreement, 27% of the payments in lieu of taxes resulting from increased property values will be payable to Cincinnati Public Schools.

Phase 1 Residential and Commercial Development

The first phase of project development will be in the blocks between Walnut and Main Streets, and the block west of Walnut Street immediately south of the National Underground Railroad Freedom Center.

Development:



Phase 1A:

- ◆ At least 300 apartment units (approximately 300,000 sq. ft.)
- ◆ At least 70,000 sq. ft. of retail space, including restaurants in the block south of the Freedom Center
- ◆ Approximately 1,478 parking spaces in the parking garage below street level (some spaces will be dedicated for private use) and
- ◆ At least 300 parking spaces on or above street level within the private development

Phase 1B (subject to contingencies):

- ◆ At least 100 residential condominium units (approximately 96,620 sq. ft.)
- ◆ An office building with at least 200,000 sq. ft.
- ◆ Potential hotel

Estimated Timing: Break ground by late 2007 or early 2008 and complete Phase 1A by early 2010.

Private Investment: \$74 million for Phase 1A; \$150 million for total Phase 1, including office or hotel

Public Infrastructure Investment: \$57.5 million for Phase 1

The Park



Development:

40 acres of park connecting the River to The Banks and downtown, including:

- ◆ Playgrounds
- ◆ Walking and biking paths
- ◆ Gardens and green space
- ◆ Fountains and water activities
- ◆ Venues for festivals, concerts and other events

Timing:

Phase 1 of the park (the lot south of Phase 1 of the private improvements, and the center of the block immediately south of the Freedom Center) will be designed and constructed within a time frame consistent with the construction of the Phase 1A private improvements

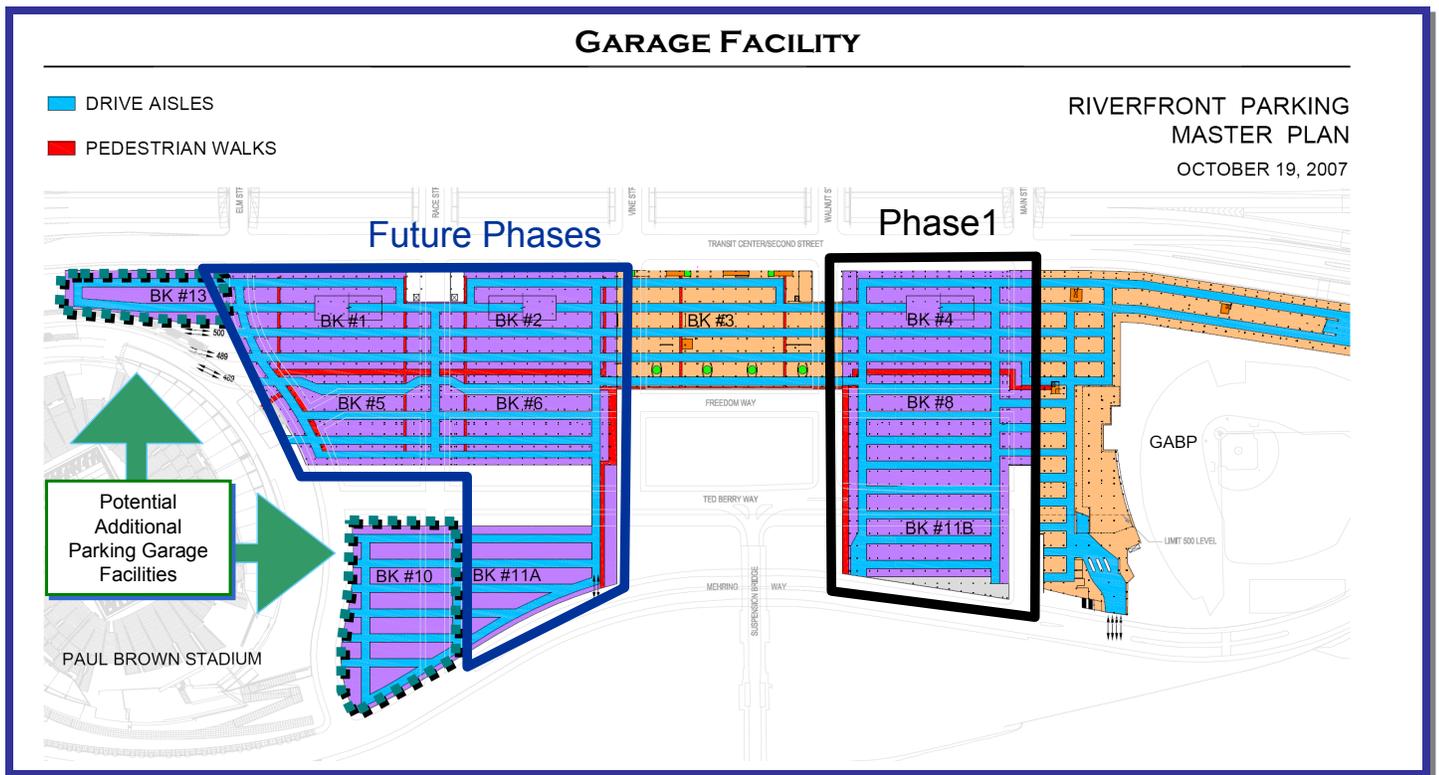
Timeline

Target start dates and completion guarantees are included in the Master Development Agreement. The developer wishes to be very aggressive on timing, therefore, it is expected groundbreaking could occur before the end of 2007 with people living at the Banks by early 2010.

Approve Plan	Fourth quarter 2007
Groundbreaking	Before end of 2007 or early 2008
Phase 1 Completion	Before end of 2010
Continued Development	2007 through 2017 estimated

Next Steps

Project design is underway and will continue to move forward with reviews by pertinent parties such as City Council, Board of County Commissioners of Hamilton County, the City Urban Design Review Board and the City Planning Commission. Once all documents are agreed upon, the City and the County will complete the bid package for the first structure of the Banks development – the Phase 1 intermodal facilities.



SUMMARY OF MAJOR AGREEMENT TERMS

Attachment 1 to Executive Summary The Banks Working Group Recommendations

I. MASTER DEVELOPMENT AGREEMENT: This agreement among the master developer, the City, and the County is the central project document, establishing the development requirements for the private and public parties.

1. **Master Developer:** Riverbanks Renaissance, LLC, a limited liability company (“Developer”) is appointed as exclusive master developer. Principals are:
 - a. Carter & Associates Commercial Services L.L.C. (“Carter”), and
 - b. The Dawson Company (“Dawson”).
2. **Project Site:** The entire area from Second Street on the north to the riverfront on the south, between the Great American Ball Park on the east and Paul Brown Stadium on the west (including “Lot 13” at the southwest corner of Second and Elm Streets).
 - a. Entire site is now owned by the City or the County.
 - b. Most development blocks will be air space lots above County-owned parking structures.
3. **Development Design Controls:**
 - a. **Zoning:** The project site is within Planned Development District PD No. 43. Development must conform to the approved Master Plan; and Planning Commission approval of a Final Development Plan is required.
 - b. **Design review:** Project design must be reviewed by the City’s Urban Design Review Board and approved by the City Manager.
 - c. **Height limitation:** The agreement limits buildings to no more than 20 leasable or salable floors with up to four additional levels of parking above street level (total limit of **24 stories** above street level).
4. **Commencement Contingencies :** Project commencement is contingent on resolving the following within the indicated periods after agreement execution:
 - a. Agreement by the City and County with the Freedom Center releasing its contingent rights in the block south of the Freedom Center (within 60 days).
 - b. County application to City for approval of Community Entertainment Districts for the project area (within 30 days), and City Council approval (within 75 days from agreement execution).
 - c. City Council and County Commission approval of additional tax increment financing authorization for the project area (within 60 days).
 - d. Developer documentation of preliminary commitments (satisfactory to Developer, City, and County) for construction financing and additional equity investment (within 60 days). (City/County approvals of these and other matters are to be made by City Manager and County Administrator.)
5. **Private Development:** The project is to be constructed in phases, commencing with the east end of the project site.

- a. **Ownership entities:** The development lots for the several project phases will be conveyed to either:
 - i. Affiliates of Developer, Carter, or Dawson; or
 - ii. Affiliates of qualified third-party developers. (Development of portions of the project—for example, a hotel site—by a qualified third party may be advantageous.) Any proposed third-party developer must be approved by the City and County after review of background, experience, and financial resources.
- b. **Phase 1A (the initial phase):** (A) Two-block area south of Second Street between Walnut and Main Streets, and (B) the east and west ends of the block between Walnut and Vine Streets immediately south of the Freedom Center.
 - i. **Minimum development is:**
 1. 300 residential apartment units (totaling at least 300,000 gross square feet),
 2. 70,000 square feet of retail space, and
 3. Parking structure at street level and above with 300 spaces.
 - ii. **Timing:**
 1. Construction must commence after (A) satisfaction of Commencement Contingencies outlined above and (B) construction by County of supporting parking structure.
 2. Construction must be completed by 3 years after satisfaction of Commencement Contingencies.
- c. **Further contingencies:** All phases after Phase 1A are subject to additional contingencies and Developer determinations.
- d. **Phase 1B:** Additional development in the Phase 1A blocks between Walnut and Main Streets.
 - i. **Minimum development:**
 1. 100 residential condominium units (totaling at least 96,620 gross square feet) on southerly block; and
 2. Office building with at least 200,000 square feet on northerly block.
 3. City and County may, without further legislative action, approve changes in product type and mix, so long as improvements totaling at least 296,620 square feet are constructed.
 - ii. **Timing:**
 1. Phase 1B obligations are contingent on pre-sales of condominium units and pre-leasing of office space (if applicable to product type), or Developer determination to proceed with a full additional project lot.
 2. “Project Start” is defined as the earlier of (A) the date of issuance of the first building permit for Phase 1 improvements and (B) 18 months after agreement execution.
 3. Construction of Phase 1B must commence (subject to satisfaction of above Phase 1B contingencies) by the earlier of

(A) 4 years after Project Start and (B) 18 months after a Developer notice to proceed with a full future phase.

4. Construction must be completed by three years after above commencement deadline for Phase 1B.

e. Future Phases:

i. Minimum Development:

1. For the four development blocks touching the intersection of Race Street and Freedom Way (from Elm Street on the west to Vine Street on the east): 400,000 square feet of development in each block.
2. For Lot 13 (at southwest corner of Elm and Second Streets): 125,000 square feet of development.
3. Blocks may be subdivided for partial developments consistent with achieving the minimum development requirements.
4. City and County, without further legislative action, may agree to reduce the minimum per block improvements by up to 20%; and may approve changes in mix, density, or location within the project of product types. (Such administrative approvals would not override applicable zoning controls.)

ii. Determinations to proceed:

1. Developer triggers each future phase by 18-months advance notice to City/County ("Trigger Notice"), resulting in parking structure construction by County.
2. Trigger Notice for first future phase is required not later than 4 years after Project Start.
3. Deadlines for Trigger Notices for additional future phases are 7, 10, etc., years after Project Start.
4. Development of certain future phase lots is contingent on amendment of the Bengals Lease, or Bengals' approval of the project Master Plan.
5. Sole City/County remedy if a Trigger Notice deadline is not met is termination of development rights for remaining phases.

iii. Construction timing: For each future phase:

1. Construction must commence not later than 18 months after Trigger Notice is given for that phase.
2. Construction must be completed by 3 years after the commencement deadline.

iv. Optional extensions: Developer has the right to two optional extensions for Trigger Notice deadlines and certain other deadlines, upon payment of (first) \$250,000 and (second) \$500,000 (Developer receives offset credits for extension fees if Developer proceeds within extension period).

f. Excusable delay: Developer time requirements are subject to extension for excusable delay.

g. Economic Inclusion and Responsible Bidder policies; Prevailing Wages:

- i. Developer shall comply with the Joint Policy for Small Business Enterprise, Economic Inclusion and Workforce Development (described in Executive Summary).
 - ii. Developer shall comply with the Responsible Bidder Requirements (described in Executive Summary).
 - iii. All private and public construction contracts will require payment at prevailing wage rates.
 - h. **Conveyances of property for private development:**
 - i. Conveyances to Developer designees will be on a block-by-block basis (starting with Phase 1) only when Developer is unconditionally obligated to proceed with development of a block. After Phase 1, partial-lot conveyances may be made under certain conditions.
 - ii. On the same phased basis, the County will convey to the City any County-owned property needed for a private development site; the City will then convey the site to the developer designee.
 - i. **Service Agreements:** Concurrently with each conveyance to a Developer designee, that entity must execute a Service Agreement providing for payments in lieu of exempt taxes (for tax increment financing). The form of Service Agreement does not require minimum service payments (except in the event of default in constructing required minimum improvements).
 - j. **Potential private development within County parking facility lots:** The City and County agree to consider, upon request, use of portions of the County parking facility lots for private improvements—depending on resolution of parking revenue issues and other issues. Legislative approval would not be required.
 - k. **Additional requirements for private improvements:**
 - i. The street level of improvements fronting on Freedom Way shall be consistent with a predominantly retail corridor.
 - ii. After Phase 1, at least 25% of developed space shall be non-residential.
6. **Public Infrastructure Construction:** The City and County agree to construct the following at their cost, on a phased basis consistent with the development of the private improvements:
- a. **Public Parking Facilities:** Two-level County-owned garage underneath most of the private development blocks and underneath the elevated street grid. After Phase 1, the garage will be extended only upon notice of Developer's determination to proceed with a future development phase.
 - i. **Parking Rates:** Fees shall be determined by the County from time to time; hourly and monthly rates shall be competitive with rates charged by comparable parking facilities in the Central Business District.
 - b. **Street Grid Improvements:** Completion of the elevated street grid in the project area, and relocation of Mehring Way in the project area.
 - c. **Utilities:** Installation, or relocation as necessary, of public utilities needed to serve the project.
7. **Central Riverfront Park:** The City agrees to construct the parts of the Central Riverfront Park that are north of to-be-relocated Mehring Way, adjacent to the private development blocks.

- a. Phase 1 Park—the portion of the park between Walnut and Main Streets (adjacent to Phase 1 private improvements)—is to be constructed on a podium above parking facilities, within the time frame for Phase 1A private improvements construction.
 - b. Phase 2 Park—the portion of the park between Race and Vine Streets—is to be constructed within the time frame for construction of private improvements on the adjoining development block south of Freedom Way. This construction will be either on a podium above parking facilities or on an embankment and fill. Commencement is contingent on a County determination that loss of the existing surface parking will not interfere with existing third-party agreements.
- 8. Developer Parking Rights:**
- a. Private Developer parking includes:
 - i. Parking spaces constructed within the private development lots; and
 - ii. “Dedicated Parking Spaces” within the County parking facilities, with Developer rights of exclusive use for residential development. For these spaces, Developer pays share of operating costs but not parking fees.
 - 1. Up to 153 Dedicated Parking Spaces upon construction of Phase 1A.
 - 2. Up to additional 240 Dedicated Parking Spaces upon construction of Phase 1B.
 - b. **Rights under Master Parking Facilities Agreement:**
 - i. Office Parking Spaces: the County will make available, for unreserved public monthly parking in County parking facilities, 3 parking spaces per 1,000 square feet of office space.
 - 1. Of those spaces, ½ parking space per 1,000 square feet of office space will be made available for reserved monthly parking in designated spaces.
 - ii. Short-term parking: the County will designate for short-term public parking up to 3 spaces per 1,000 square feet of retail space, less the number of on-street metered parking spaces.
 - iii. Valet parking: if requested by restaurants, the County will make available spaces for valet parking.
 - iv. Users of all office, short-term, or valet spaces pay County-established parking rates (hourly and monthly rates to be competitive with comparable Central Business District facility rates).
- 9. Costs:** In general, Developer pays costs of constructing private improvements, and City and County pay costs of constructing public infrastructure. However:
- a. **Developer Contribution for Parking Facilities:** Developer contributes up to \$10,000,000 for public parking costs, allocated to phases of the project when constructed, subject to reduction by \$2,000,000.
 - i. \$4,000,000 of the contribution is allocated to Phase 1, of which \$2,000,000 is not due unless (A) contingencies for Phase 1B are satisfied or (B) Developer determines to proceed with a full additional project lot.

- b. Economic Development/Housing Grant for Phase 1A:** City and County provide a grant of up to \$12,000,000 in support of Phase 1A housing development, tied to a calculation of a target cash on cost return to Developer of 7.5% per year.
 - i.** City and County have ability to reduce or reclaim the grant dollars based on subsequent recalculations of cash on cost return, including upon sale of the Phase 1A apartments.
- c. Podium costs:** Podiums will be constructed above the County parking structures to support private development and certain park development above.
 - i.** Developer pays 100% of the podium cost for the Phase 1 private improvement blocks.
 - ii.** For subsequent private improvement phases, City and County pay the share of podium costs attributable to the requirement that the podium portions between building facades and streets be built to highway load capacities; Developer pays the balance.
 - iii.** The City pays 100% of podium costs for the podium supporting the Phase I Park.
 - iv.** Podium costs for any Phase 2 Park development above parking facilities (or, alternatively, embankment and fill costs) is a City/County shared cost.
- d. Private parking spaces:**
 - i.** Developer pays for costs of constructing private parking above podium level, and costs of Dedicated Parking Spaces below podium level (each subject to payment or credit by City/County for Reimbursable Private Parking Costs—paragraph ii, below).
 - ii.** City and County provide funding assistance for up to approximately 2,700-2,825 parking spaces for residential development (calculation varies for apartments vs. condominiums).
 - 1.** To the extent of those eligible spaces, the “Eligible Private Parking Costs” are:
 - a.** For eligible Dedicated Parking Spaces: full cost (excepting any Developer-elected design upgrades).
 - b.** For eligible spaces above podium level: lesser of (A) \$16,000 per space for Phase 1, adjusted for future phases by a construction cost index, or (B) actual cost.
 - 2.** “Reimbursable Private Parking Costs” are payable or credited to Developer as follows:
 - a.** For the first 520 eligible parking spaces project-wide: 100% of the Eligible Private Parking Costs; and
 - b.** For eligible parking spaces in excess of 520: 75% of the Eligible Private Parking Costs.
 - iii.** City/County payment of the parking funding assistance, plus interest, may be deferred for up to 5 years.

10. Other Obligations of the City and County:

- a. Preparation and filing of subdivision plats to establish revised development blocks, and divisions between private development air space lots and the County-owned parking structures.
- b. City to convey sites needed for County parking structures to the County; County to convey property needed for park development to the City.

11. Deferred Purchase Price for Development Lots: Owners of each private development lot are obligated to pay a deferred purchase price to City and County, based on a calculation of equity investment and net returns.

- a. For Phase 1: City and County are together due 15% of net distributions by the owners after return to the owners of equity investments and payment of a cumulative compounded return of 10% per year.
- b. For future phases: the City/County percentage is 10%.

12. Rights to Reconveyance of Development Lots, and other remedies:

- a. **Right of re-entry for failure to commence construction:** Each deed from the City to Developer of a project lot will include a City right of re-entry (to take back title) should Developer default in timely commencing its construction on that block. (After Developer commences construction on a block, if construction is not timely completed the Public Parties will be limited to other specified remedies, discussed below.)
- b. **Termination as to remaining phases for failure to meet a Trigger Notice deadline:** As noted above, the sole City/County remedy if a Trigger Notice deadline is not met is termination of development rights for remaining phases.
- c. **Termination as to Phase 1B:** If City/County act to terminate Developer's rights as to Phase 1B for failure to commence Phase 1B, then:
 - i. Developer may elect to override the Phase 1B termination by paying the deferred \$2,000,000 Developer contribution to Phase 1 public parking costs (see 9.a.i, above), also thereby eliminating the commencement deadline for Phase 1B; and
 - ii. If that Developer override election is not made, City/County must reimburse Developer for its out-of-pocket costs expended for Phase 1B development (including podium costs), plus interest (subject to setoff for the deferred \$2,000,000 Developer parking contribution, plus interest).
- d. **Termination for failure to complete construction:** If Developer commences but does not complete construction on a block, City/County remedies include completion of improvements on that block at Developer cost, or termination as to remaining phases (but not a right of re-entry).
- e. **Reconveyance upon demolition:** If private improvements on a block above parking facilities are demolished and not re-constructed (there is no Developer obligation to re-construct) and if the applicable Service Agreement for payments in lieu of taxes has not expired, then the City and County may obligate the Developer owner to re-convey the air lot. The Developer owner may avoid re-conveyance by paying the default minimum service payments under the Service Agreement.

13. Parking Facilities: County Obligations to Maintain in Place or Re-Construct:

- a. So long as the parking structure is needed to support private improvements (unless the improvements are abandoned), the County may not voluntarily demolish the parking structure.
- b. If private improvements and underlying parking facilities are destroyed by casualty, and the Developer owner elects to rebuild, then the County must rebuild the applicable parking facilities.

II. INFRASTRUCTURE DEVELOPMENT MANAGEMENT AGREEMENT: In this agreement the City and the County engage the Developer to serve as development manager for the design and construction of the public parking facilities, the street grid improvements, utilities and related infrastructure improvements, the podiums supporting private development, and any podiums above parking facilities supporting the Phase 2 Park.

1. Developer will:
 - a. Serve as project leader relating to coordination and management of the design and construction.
 - b. Manage and coordinate the services to be provided by the construction manager and architect engaged by the County, and the engineer engaged by the City for street grid improvements.
 - c. Prepare phase development schedules including milestone dates.
 - d. Participate in preparation of development budgets and cost management plans for each project phase.
 - e. Monitor overall project quality management.
 - f. Coordinate project work with other construction projects, operations of adjacent facilities, and public events.
2. Fees due to Developer for development management: 1.9% of public construction costs, plus payment of direct personnel expenses and third party costs.

III. MASTER PARKING FACILITIES OPERATING AND EASEMENT AGREEMENT: This agreement between the Developer and the County addresses parking rights and obligations relating to the County parking facilities.

1. **Parking rates:** The County shall establish hourly and monthly rates competitive with comparable Central Business District facility rates.
2. **Dedicated Parking Spaces:** Developer shall have exclusive use of Dedicated Parking Spaces: up to 393 in Phase 1; subject to further agreement for future phases. For these spaces, Developer pays share of operating costs but not parking fees.
3. **Office, short-term, and valet parking:** Developer has rights for these uses as outlined in paragraph 8.b of Master Development Agreement summary, above.
4. **Easements:** County will grant easements for the rights to Dedicated Parking Spaces, office parking spaces, and short-term parking.

IV. JOINT POLICY FOR SMALL BUSINESS ENTERPRISE, ECONOMIC INCLUSION AND WORKFORCE DEVELOPMENT: Major elements of these policies are outlined in the Executive Summary.

V. RESPONSIBLE BIDDER REQUIREMENTS: This establishes qualifying requirements for bidders seeking to perform construction work for Developer, as outlined in the Executive Summary.

VI. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS: This agreement between the City and the County will be recorded with respect to the entire private development project area and adjoining park lots, prior to conveyance of any lots to Developer entities. It includes provisions addressing:

1. Specific prohibited uses (nuisances, etc.).
2. Requirements relating to outdoor dining areas, special events, kiosks, and outdoor displays.
3. Use of adjoining park lots restricted to only public park and related purposes (which may include a restaurant).
4. Annual assessments on parcels within the project for park maintenance costs.

VII. SPECIFIC DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS: This form of agreement will be completed as each private development lot is conveyed to the entity designated by Developer, and will be executed by that entity, the City, and the County. It will govern development of that lot by restating the applicable terms of the Master Development Agreement.

VIII. COOPERATION AGREEMENT: This agreement between the City and the County (the “Public Parties”) includes provisions for property transfers and cost sharing.

1. Property transfers:

a. Private Development Lots:

- i. County conveys to City any County-owned property within the private development lots, in phases.
- ii. City conveys the private development lots to entity designated by Developer, in phases.

b. Parking facilities: City conveys to County any City-owned property needed for County parking facilities, in phases (together with rights to construct parking facilities under the elevated street grid).

- i. City conveys to County fee title to the parking facility lot under the Freedom Center (now under long-term lease to County).

c. Park: County conveys to City any County-owned property needed for Central Riverfront Park, in phases.

- 2. “Public Party Costs”** are defined to include public parking costs, street grid costs, utilities costs, the public share of private podium costs for phases after Phase 1, public

funding assistance for private parking costs, the \$12,000,000 Economic Development/Housing Grant to Developer (assistance for Phase 1A housing development), and the costs of a podium or embankment and fill for the Phase 2 Park. Those costs—shared by the Public Parties—are payable as follows:

- a. Firstly, from specified sources of funds including the Developer’s \$10,000,000 parking contribution, federal and state grants, and anticipated bond proceeds;
- b. Secondly, 50% by each Public Party until each has expended \$7,500,000;
- c. Thirdly, up to \$5,000,000 by the County; and
- d. Fourthly, 50% by each Public Party.

3. Other Park Costs; Balancing of Public Party Contributions:

- a. Costs of Phase 1 Park and Phase 2 Park design and construction (other than the shared costs of the Phase 2 Park podium or fill, and any costs payable by third party grants) are to be borne by the City.
 - i. City is to provide \$10,000,000 from its capital budget for Phase 1 Park.
 - ii. That \$10,000,000 City funding is balanced by County agreements:
 1. To provide \$5,000,000 for shared costs after each Public Party has provided an initial \$7,500,000 (as noted in 2.c, above); and
 2. That City receives preferential position to receipt of \$5,000,000 from (A) any Deferred Purchase Price payments (see paragraph 11 of Master Development Agreement outline, above), (B) TIF revenues not allocated for bond debt service, or (C) additional third party grant assistance.
- b. Costs of development of the portions of the Central Riverfront Park south of Mehring Way are not governed by the Cooperation Agreement. Additional funding sources remain to be identified for this development to be completed.

4. TIF revenues (service payments in lieu of taxes from parcels in the project area, collected by the City under its tax increment financing legislation) are to be applied to debt service for project bonds, and, if additional revenues are available, to other City/County project costs, and to the \$5,000,000 payment to the City noted in 3.a.ii.2, above.

5. Joint Banks Steering Committee, and Project Executive:

- a. The Public Parties will establish a Joint Banks Steering Committee (“JBSC”). Makeup of the JBSC to be agreed by the Public Parties.
- b. The JBSC will facilitate implementation of the project agreements, providing guidance to City and County staff working on the project.
- c. The Public Parties will engage a Banks Project Executive (50/50 shared cost), selected by JBSC with City Manager and County Administrator consent. The Project Executive will represent the Public Parties in project implementation, particularly in (A) managing and directing the Developer in its role as project manager for public improvements design and construction, and (B) approving change orders consistent with approved budgets.

REMAINING ACTIONS REQUIRED FOR PROJECT IMPLEMENTATION

(Stated periods relate to execution of Master Development Agreement, except as noted.)

1. County to file applications with City for two areas within The Banks to be designated as Community Entertainment Districts (within 30 days); City Council to approve establishment of the districts (within 75 days after agreement execution).
2. City and County to reach agreement with Freedom Center releasing its contingent rights in the block south of the Freedom Center (within 60 days).
3. City Council and County Commission to approve additional tax increment financing authorization for the project area (amendment of existing District 2, and establishment of new district encompassing Lot 13 (southwest corner of Second and Elm Streets) (within 60 days).
4. Developer to furnish documentation of preliminary commitments for construction financing and additional equity investment (within 60 days).
5. Developer to furnish organizational and authorizing documents for Developer and the Guarantors under the Guaranty referenced in the Master Development Agreement (upon execution).
6. Developer to complete due diligence review of project site (title and survey) (90 days to give notice of any objections).
7. City and County to file new subdivision plats to establish project lots sufficient for Phase 1 to proceed (within 30 days after satisfying contingencies in paragraphs 1 to 4, above).