EXHIBIT B

REIMAGINE RedBird

February 14, 2020

The City of Dallas Office of Economic Development
1500 Marilla Street, Room 5CS
Dallas, TX 75201
Attention: Development Incentive Application

Dear City of Dallas,

On behalf of WCWRD Inc. ("Applicant"), I am pleased to submit this request for $4.0 million of financial support for the Reimagine RedBird development ("RedBird"), located at the intersection of W. Camp Wisdom Road, S. Westmoreland Road, Highway 67 and Interstate 20 in southern Dallas (the "RedBird Parcel").

Two years ago, Applicant submitted an application to the City of Dallas requesting $25 million in incentives for the RedBird Development and the City responded by approving a combination of loans and grants totaling $22 million. I am grateful for the economic support and partnership the City of Dallas has shown this project.

The rationale for the original ask, and for the City's decision to support the project, was simple: RedBird is seeking to prove that southern Dallas can support the high quality amenities that the community desires and deserves. However, due to a lack of existing comparable amenities, the financing and rents required to construct them are simply not there. By providing the economic supports that it has, the City is allowing RedBird to create the comps that future developers, investors and banks will look to as they consider further investments and that tenants will look to as they price rents. As I have said many times, the RedBird development could be financially successful without City support, but it would not be possible for it to provide the kind of quality the community demands and it would not serve as a catalyst for future desirable development.

As part of the transaction with the City, and indeed as part of our discussions with the community, RedBird (and I personally) made several key commitments. In addition to agreeing to invest $116 million in new construction and tenanting, we agreed to be inclusive in our contracting and to make RedBird a development that uplifts the community.

We believe we have been true to our word. We are exceeding our MWBE commitments of 40% and have successfully worked with many local minority contractors. We have built a Starbucks, attracted office tenants offering living wages, signed leases with two hospitals to provide extensive medical services to the community and sold a parcel for the construction of a Class A apartment building with a significant affordable component. And we are just beginning.

So why are we now asking for additional funds? Quite simply, the infrastructure investments required to make RedBird a reality are greater than we anticipated, but the economics of the development have

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not changed – the gap is therefore larger than we expected. We originally projected that the infrastructure investments (utilities, streets landscaping, green spaces, re-grading, etc.) would cost approximately $28 million. When the City was unable to meet our request for $25 million, we hoped we would be able to value engineer some cost out of the infrastructure budget. Instead, with the passage of time and the continued construction boom, prices have only increased and, through discussions with the City of Dallas, the magnitude of the infrastructure upgrades has also grown. As a result, our budget came in last year at $40 million. We have been able to reduce or defer $5.6 million of costs, but that leaves us at $34.4 million, $12.4 million more than the City has provided. We are able to financially contribute $8.3 million of private capital through New Market Tax Credit transactions and excess debt capacity from other parts of the development, but that still leaves a $4 million gap.

Returning to the City for additional funding was far from our first choice. Indeed, since our first application in January 2018, we have raised an additional $12 million of equity to invest in the project, bringing the total private investment in RedBird to over $25 million. We have also worked hard with our engineering and construction teams, as well as the City of Dallas to reduce costs without sacrificing quality. In addition, we have deferred certain aspects of the infrastructure plan (specifically site paving and additional green spaces amenities) and will perform that work with private capital as the development continues. Finally, as I referenced above, we will be spending $8.3 million of additional capital on infrastructure that we had originally intended to use for other construction. But with a continued gap of $4 million, we are asking the City to again support this project with an additional grant.

The gap analysis is the same as it was before: the rent we are receiving (the projected $15 per square foot has proven correct, with our leases ranging from $13-$17 per square foot) simply will not support the infrastructure investments that are required, either from an equity returns perspective or from a debt service capacity perspective. Only through a $4 million grant will we be able to complete the infrastructure improvements required to make the RedBird project the success we all want and need it to be.

In order to facilitate your evaluation of this request, I have attached updated schedules of infrastructure costs (comparing current budget to the original estimates, as well as an updated schedule of total expected investment. I would also like to emphasize that the costs shown for infrastructure now represent a final scope, with City-approved plans and firm bids from contractors, meaning that the risk of the costs increasing further is very low.

I am also seeking four additional amendments to our existing agreement to address issues we have had with the agreement as drafted:

- First, as we have discussed, the current limitation on distributions to investors is proving to be highly problematic for our capital structure. While we have been successful in raising additional equity, it has had to be done on terms that are quite punitive to RedBird in order to compensate investors for the lack of liquidity opportunities. As we continue to grow, and as more equity may be required, the distribution prohibition will prevent us from raising it. Further, it has become clear that the term is off-market; senior lenders invariably allow dividends to investors as long as the transaction is in covenant compliance. Lastly, the rationale for imposing this restriction (that distributions would put the City at increased risk of the project defaulting on its debt) never made sense: if we are in a position to issue dividends, the project

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is by definition successful and the City's investment is yielding returns. If the project is failing, there will be no dividends to distribute.

- Second, we continue to acquire new properties on the RedBird Parcel, but do not receive credit for any capital invested in improving those properties. For instance, we recently acquired the Sears building and plan to invest approximately $20 million in renovating it for UT Southwestern to occupy the building as medical clinics. However, as currently drafted, our agreement with the City does not count those investments toward our minimum required investment in the project. As we acquire future properties on the RedBird Parcel, we think it makes sense to include development investments on new properties in the calculation of our required investments.
- Third, we neglected to request that the City Council authorize staff to enter into ordinary course SNDAs. As it is currently drafted, the City is unable to do so without explicit City Council approval. We would like for staff to have that authority so that these standard agreements could be entered into in the ordinary course.
- Fourth and finally, with the assumption that the City will require an increase in the required minimum investment in exchange for these proposed amendments, I would like to extend the period of time which we would have to achieve that investment. Let's discuss what that additional minimum investment and timeframe would be.

I look forward to working with you to determine how we might accomplish the goals set forth in this letter, which will in turn allow us all to accomplish our mutual goals of a thriving southern Dallas community. Thank you for your consideration.

Sincerely,

Peter S. Brodsky

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EXHIBIT B

RedBird

Comparison of Infrastructure Budgets

	Current	Original	Difference	Notes
VCC-ConReal Hard Costs				
Utility Demolition	$ -	$ 98,000.00	$ (98,000.00)	Now in Utilities Wet and Dry.
Site Utilities Wet	$ 6,995,623.55	$ 4,000,248.44	$ 2,995,375.11	Change in design. Increased City of Dallas requirements
Site Utilities Dry	$ 1,319,514.79	$ 2,804,281.50	$ (1,484,766.71)	Change in design.
Site Lighting	$ 579,143.05	$ -	$ 579,143.05	Previous assumption of re-using existing lighting. Not viable.
Earthwork	$ 2,339,145.59	$ 1,412,908.74	$ 926,236.85	Change in design. Timing. Change in pricing.
Retaining Walls	$ 594,971.00	$ 74,550.00	$ 520,421.00	Change in design based on structural issues and to facilitate streets.
Paving Demolition	$ 1,388,618.37	$ 1,210,196.00	$ 178,422.37	
New Concrete Paving and Streets	$ 4,785,518.78	$ 6,965,583.30	$ (2,180,064.52)	Reduction in scope. Mostly deferred to future phases, which will be privately funded.
Hardscape	$ 592,822.70	$ 722,800.00	$ (129,977.30)	
Landscape	$ 1,227,494.19	$ 1,200,000.00	$ 27,494.19	
Site Fencing/Access Control	$ 525,537.88	$ 681,824.00	$ (156,286.12)	
Traffic Signal	$ 250,000.00	$ 500,000.00	$ (250,000.00)	Elimination of one traffic signal.
Demo Existing Mall Space	$ 1,367,558.05	$ -	$ 1,367,558.05	Added to facilitate street.
Hard Cost Subtotal	$ 21,965,947.95	$ 19,670,391.99	$ 2,295,555.96	
GC's/SDI/Insurance/Fee/Contractor Contingency	$ 3,749,240.09	$ 3,565,605.83	$ 183,634.26	
Total VCC-ConReal Hard Costs	$ 25,715,188.04	$ 23,235,997.82	$ 2,479,190.22	
Non-VCC Hard Costs				
West Wing Asbestos Abatement	$ 500,000.00	$ -	$ 500,000.00	Added to facilitate street (necessary for demolition).
Signage	$ 510,609.01	$ -	$ 510,609.01	Previously excluded in error.
The Lawn @ RedBird Phase 2	$ 1,345,538.02	$ -	$ 1,345,538.02	Previously included in VCC costs.
Franchise Utility Construction	$ 1,277,956.00	$ -	$ 1,277,956.00	Previously assumed to be paid by utility companies.
Total Non-VCC Hard Costs	$ 3,634,103.03	$ -	$ 3,634,103.03	
Total Hard Costs	**$ 29,349,291.07**	**$ 23,235,997.82**	**$ 6,113,293.25**	
Soft Costs/Contingency	$ 5,035,940.10	$ 5,390,751.49	$ (354,811.39)	
Total Infrastructure Costs	**$ 34,385,231.17**	**$ 28,626,749.31**	**$ 5,758,481.86**	
Sources of Cash				
City of Dallas Loan	$ 12,000,000.00			
City of Dallas Bond Grants	$ 10,000,000.00			
New Market Tax Credit Transaction #1	$ 2,800,000.00			
New Market Tax Credit Transaction #2	$ 3,600,000.00			
Excess Debt Capacity from Foot Locker Building	$ 898,681.76			
Excess Debt Capacity from South Building	$ 1,000,000.00			
Total Identified Sources	$ 30,298,681.76			
GAP	**$ 4,086,549.41**			

EXHIBIT B

RedBird

Construction Costs Summary

	Hard Costs	Soft Costs	Contingency	Total	Type	Status
Infrastructure	$ 29,349,291	$ 5,035,940	In Hard Costs	$ 34,385,231	Infrastructure	In construction
Starbucks	$ 1,067,786	$ 393,152	N/A	$ 1,460,939	New Construction	Complete
Suit & Shoe	$ 1,200,000	$ 200,000	$ 50,000	$ 1,450,000	Adaptive Reuse	In construction
Movie Trading (1)	$ 900,000	$ 108,000	$ 100,800	$ 1,108,800	Adaptive Reuse	Future
Remaining Mall	$ 12,500,000	$ 3,179,319	$ 2,967,365	$ 18,646,684	Adaptive Reuse	Future
Macy's	$ 10,000,000	$ 1,457,027	$ 1,359,892	$ 12,816,919	Adaptive Reuse	Future
Dillard's	$ 7,225,000	$ 2,039,000	$ 1,000,000	$ 10,264,000	Adaptive Reuse	In construction
Chime	$ 2,100,000	$ 400,000	N/A	$ 2,500,000	Adaptive Reuse	Complete
Sears/UTSW	$ 20,000,000	$ 2,400,000	$ 2,240,000	$ 24,640,000	Adaptive Reuse	Future
Foot Locker	$ 4,323,534	$ 1,147,682	In Hard Costs	$ 5,471,216	New Construction	In construction
Park Retail (2)	$ 2,325,000	$ 500,000	$ 282,500	$ 3,107,500	New Construction	Future
Entertainment (3)	$ 12,950,000	$ 1,554,000	$ 1,450,400	$ 15,954,400	New Construction	Future
Total	$ 103,940,612	$ 18,414,120	$ 9,450,957	$ 131,805,689		

(1) Hard Costs assumed to be 75% of Suit & Shoe, based on relative size. Soft Costs based on 12% allowance. Contingency of 10%.

(2) Hard Costs assumed to be $155 psf. Soft Costs based on 12% allowance. Contingency of 10%.

(3) Hard Costs based on budget provided by potential entertainment provider. Soft Costs based on 12% allowance. Contingency of 10%.

EXHIBIT B

RedBird

Project Budget

	Cost	Percent of Total Budget
Land Acquisition	$ 28,270,664	16.0%
Site Development/ Infrastructure	$ 29,349,291	16.6%
New Construction Costs	$ 20,666,320	11.7%
Rehabilitation/ Adaptive Reuse Costs	$ 53,925,000	30.5%
Tenant Improvement Allowances	$ 14,514,800	8.2%
Soft Costs	$ 16,302,768	9.2%
Hard and Soft Cost Contingency	$ 9,450,957	5.4%
Developer Fee	$ 4,157,624	2.4%
Total	$ 176,637,424	100.0%