



March 23, 2020

Courtney Pogue, Director and Kevin Spath, Assistant Director
City of Dallas
Office of Economic Development
1500 Marilla Street, Room 5CS
Dallas, TX 75201

Dear Sirs,

On behalf of WCWRD Inc. ("Developer"), I am pleased to provide an executive summary of the accomplishments to date at 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"). The summary will focus on providing updates on **(i) project leasing, (ii) private capital investments** as well as **(iii) Project Milestones** defined under Section 2.C of the Chapter 380 Loan Agreement with WCWRD, Inc.

Project Leasing

Developer has made significant progress on our project leasing with retail, office and medical tenants.

Retail

- Starbucks:
 - Lease: 10 years; signed in May 2017
 - Premises: 2,500 sf - free standing building
 - Construction: New construction at 3650 W. Camp Wisdom Road (complete)
 - Opening Date: December 2018
- Foot Locker Concepts:
 - Lease: 10 years; signed in March 2019
 - Premises: 20,493 sf – free standing building
 - Construction: New Construction at 3450 W. Camp Wisdom Road
 - Opening Date: Expected April 2020
- Frost Bank:
 - Lease: 10 years; signed in June 2019
 - Premises: 3,000 sf – end cap of a 12,000 sf building
 - Construction: Renovation of 3704 W. Camp Wisdom Road (ongoing)
 - Opening Date: Expected Summer 2020

Office

- Dallas Entrepreneur Center:
 - Lease: 5 years; signed in 2018
 - Premises: 7,130 sf – interior of mall
 - Construction: Renovation of second floor of 3662 W. Camp Wisdom Road (main mall)
 - Opening Date: September 2018
- Jarvis Christian College:
 - Lease: 3 years; signed 2018
 - Premises: 6,018 sf – interior of mall
 - Construction: Renovation of second floor of 3662 W. Camp Wisdom Road (main mall)
 - Opened Date: July 2019
- Workforce Solutions:
 - Lease: 10 years; signed May 2019
 - Premises: 30,000 sf – interior of mall
 - Construction: Renovation of first floor of 3560 W. Camp Wisdom Road (former Dillard's)
 - Opening Date: February 2020
- Chime Solutions:
 - Lease: 7 years; signed June 2019
 - Premises: 52,856 sf – interior of mall
 - Construction: Renovation of second floor of 3662 W. Camp Wisdom Road (main mall)
 - Opening Date: October 2019
- Miscellaneous:
 - Retail: We continue to lease to and renew leases with small, locally owned retail businesses inside the mall.
 - Office/Medical: We have signed several leases for our two office buildings located at 7220 and 7222 S. Westmoreland Road. These tenants are generally small businesses, local non-profits or medical practices.

Medical

- Parkland Hospital:
 - Lease: 15 years; signed September 2019
 - Premises: 43,000 sf – interior of mall
 - Construction: Renovation of first floor of 3560 W. Camp Wisdom Road (former Dillard's)
 - Opening: Expected April 2021
- UT Southwestern:
 - Lease: 15 years; signed December 2019
 - Premises: 150,000 sf – interior of mall
 - Construction: Renovation of 3450 W. Camp Wisdom Road (former Sears)
 - Opening: Expected December 2021

In total, Developer has leased in excess of 325,000 square feet of space, which will ultimately account for over 1,400 jobs on the RedBird site.

Residential

While not a lease, it is important to note as well that the project has sold a 6 acre parcel to Palladium USA, a developer of Class A multi-family residential projects.

- Palladium RedBird Apartments:
 - 300 units of Class A apartments
 - 70% Affordable (60% of Area Median Income)/30% Market
 - Construction: New construction
 - Opening: Expected October 2021

Private Capital

Developer has raised and invested millions of dollars in the RedBird project. Private capital investments include:

Capital Raising

- In addition to the \$24.4 million of grants and loans from the City of Dallas, Developer has raised or secured over \$25.0 million of equity from the Peter Brodsky family and other investors and almost \$40.0 million of mezzanine and senior debt from private capital sources.

Development Investments

- To date, the project has invested over \$21 million in soft costs, hard construction costs and Tenant Improvement Allowances on construction projects associated with the leases described above and on infrastructure/site work described in greater detail below.
- As of 12/31/2019, MWBE participation rates have been:
 - Contracts signed: 63%
 - Payments made: 57%
 - Please note that these percentages will fluctuate over time.

Infrastructure Construction Milestones

Developer is on track to meet the infrastructure construction milestones as defined under Section 2.C of the Chapter 380 Loan Agreement with WCWRD, Inc.

- (1) Re-grading the overall site to remove multi-level mall elevations and promote walkability by December 31, 2021.

A significant portion of the western site has been re-graded to allow for a new multifamily development, a new hotel site and new parking fields. Expected completion: December 31, 2020.

- (2) Upgrading and rerouting utilities to accommodate increased density and create commercial pad sites within the development, all to be completed by December 31, 2021.

Utilities serving the Foot Locker building have been upgraded. Utilities serving the Palladium site are currently under construction. Expected completion: December 31, 2020.

- (3) Demolishing approximately 100,000 square feet of the existing mall structure on the western edge of the property and build in place of that structure one of the vehicular access roads referenced in (4) below, a new mall enclosure and entrance, as well as any public spaces contemplated between the road and the entrance by December 31, 2021;

To date, approximately 70,000 square feet has been demolished, with the remaining demolition expected to be completed by June 30th, 2020. Expected completion: December 31, 2020.

- (4) Constructing two new private vehicular access roads by December 31, 2021.

Expected completion: December 31, 2020.

- (5) Establishing a one-acre green space to be privately owned, privately maintained, and publicly accessible for programming and community gathering by December 31, 2021.

A green space has been established in front of the new Foot Locker building. Developer plans to commence construction on the one acre Lawn at RedBird by September 2020. Expected completion: January 31, 2021.

- (6) Enhancing landscape, hardscape, and outdoor lighting by December 31, 2021.

Landscape, hardscape and outdoor lighting has been enhanced on the Foot Locker site. Expected completion: December 31, 2020.

- (7) Renovating and modernizing existing mechanical, electrical and structural systems including lighting, HVAC, flooring, and ceilings to create an office environment on the second floor of the in-line portion of the Mall, and in the former Macy's building and the former Dillard's building ... by December 31, 2023.

As part of renovating the suite for Chime Solutions the existing mechanical, electrical and structure systems (lighting, HVAC, flooring and ceilings) were modernized. Additional renovations will occur with leasing. Expected completion: December 31, 2023

- (8) Redesigning and remodeling existing entryways by December 31, 2023.

In connection with the opening of the Workforce Solutions office, the entry of the South Wing (former Dillard's) was renovated. Developer is currently working with Omniplan on the redesigning and remodeling of other existing entryways.

- (9) Adding windows and skylights to the second-floor mall space to create office space by December 31, 2023.

As part of the Chime finish out, skylights were added to the second floor mall space. The South Wing (former Dillard's) is currently under renovation to add windows. As other buildings are renovated, windows and skylights will be added as appropriate. Expected completion: December 31, 2023.

- (10) Constructing a minimum of 100,000 gross square feet of new retail, restaurant, and entertainment buildings by the CO Date (defined below).

To date, approximately 23,000 square feet of new construction has been completed. Additional building will be constructed as leases require.

- (11) Preparing and conveying properties within the Project site to a hotel user reasonably approved by the Director for the construction of a minimum 125-room hotel and conference center, and to a residential developer reasonably approved by the Director for the construction of a minimum 250-unit multi-family development by December 31, 2023.

Developer prepared and conveyed a site to a residential developer in October 2019. Developer is in the process of preparing a site for a hotel user. Developer had expected the site to be conveyed by June 30, 2020. However, Developer learned last week that the hotel user was experiencing financing issues due to the COVID-19 crisis and will be delayed. Expected completion: December 31, 2023.

- (12) Constructing the infrastructure improvements (e.g. new roads, utilities, and streetscape) necessary to support the required minimum of new vertical improvements.

Expected completion: December 31, 2020.

We are excited by the progress we are seeing on the RedBird site. The physical environment is being transformed and the site has been re-activated by people enjoying high quality retail and employment opportunities. We are proud of the relationships we have developed with MWBE construction companies and will continue our extensive outreach efforts to ensure that everyone has an equitable opportunity to participate in and benefit from this development. Finally, we are grateful for the continued support of the City of Dallas.

Sincerely,



Peter S. Brodsky