

Carl and Roger's Major LOI Concerns

Need: Core financial analysis of Brink LLC

Going into this near-final step, it was always important for the RDA to conduct essential due diligence analysis of Brink's financial history and capability of funding the Riverfront Project. It was hoped we would have some proposed numbers to consider for Phase 1 at least. We have seen no numbers for anything yet. That places us in an awkward position. What level of due diligence analysis should we conduct, if any, before approving any LOI?

Need: Make sure Brink's plan is capable of generating sufficient increment

Brink is aware that the RDA needs to generate in excess of \$45 million in increment over the project life. The current LOI suggests many phases over a 7year project life. While the absolute details of how this money gets generated is a function of the developer's agreement, project phasing, housing market activity, etc, it was always hoped that initial confirming numbers for Phase 1 would be delivered with their detailed proposal to make sure the RDA was comfortable with their direction. There is no detailed proposal or even a clear reading on the value of Phase 1. Moreover, the current LOI clearly says that the developer's agreement is only good for 3 years . . . although it could be extended. Assuming the worst case scenario, what would be the best possible outcome for increment generation after 3 years? How much in city infrastructure expenses would be incurred over that same period? How should the RDA evaluate the capability of the Brink plan to generate reasonable increment during the first 3 years?

Need: Must understand the first 3 years better

If Curt did anything during his two presentations, he convinced us on the importance of getting the project off to a great start with a featured, quality structure (or two) that really sets the tone for the entire project. We all agree with this premise. With that said, it was disappointing to see that the LOI discussion on Phase 1 and the first three years was so limited given the amount of time and thinking they have spent on the project to date. A detailed proposal would have been the best place for this information. Their PowerPoint contains many good ideas, but the ones that are especially critical to Phase I and the first 3 years are particularly important. Also, It must be pointed out that all the RDA can assume is that we will get 3 years out of the Brink team and that anything beyond that will be subject to mutually-agreed benchmarks being met . . .and what penalties if not met? We need as much understanding on these first 3 years as possible it would seem.

Need: Must protect and/or use Power Station more clearly

Phase 1 is more limited than previous discussions suggested. As per the current LOI, it is a single apartment complex (market presumably) of 24- 48 units and might be ready by early 2021? One of the goals of the RDA has been to bring the Power Station back into an appropriate adaptive reuse as quickly as possible owing to the need to bring life to the riverfront and get investment going into the building. The building is showing wear and the RDA cannot let it sit around for several years and see it deteriorate. With that said, the RDA must know more exactly when the Brink team will propose renewal of the building and what level of maintenance they will give it in the interim. If they are not prepared to move quickly enough, the RDA may want to consider exempting it from the entire Master Plan.