

ECONOMIC DEVELOPMENT AGREEMENT
SUMMARY

ELECTRIC WORKS
August 2018

The Developer of the Electric Works Project and the City have agreed in principal on the terms and conditions of an Economic Development Agreement. The Economic Development Agreement sets forth the basic understanding between the City and the Developer regarding the Electric Works Project. The Electric Works Project is the adaptive reuse and redevelopment of the western portion of the former General Electric Company campus south of the CSX railroad tracks, west of Broadway and north of Swinney Avenue. The Electric Works Project constitutes one of the most ambitious redevelopment projects in the history of the City of Fort Wayne and will utilize over \$60 million of local incentives and leverage an unprecedented amount of federal and state economic development incentives in our community—an amount that exceeds our local contribution.

The Electric Works Economic Development Agreement can be summarized as follows:

- To incentivize the Electric Works Project, the City agrees to pursue the authorization of \$62 million (\$3 million has already been approved) in local public funding to the Electric Works Project, subject, however, to certain procedures and conditions.
- In consideration of the local public funding to the Electric Works Project, the Developer agrees to develop, finance, construct and operate the Electric Works Project as described within the Economic Development Agreement.
- City agrees to pursue the authorizations and approvals necessary for the City to provide the public funding on or before October 31, 2018, subject to an extension to November 30, 2018, if more time is needed.
- Developer agrees to provide the commitments and approvals necessary for the Developer to develop, finance and construct the Project within 60 days of the City's receipt of authorizations and approvals, but no later than December 31, 2018.
- City and Developer intend that the public investment in the Project shall be made simultaneously with all other federal, state and private loans and investments. The City has conditioned its agreement to provide the \$62 million in public investment upon the satisfaction of certain conditions. The conditions are designed to assure the City and the public that the investment of public funds is being made in a prudent manner. Some of the conditions must be met by December 31, 2018.
- Public infrastructure improvements needed to support the Project will ultimately be paid for utilizing funds generated by the Project through the payment of real estate property taxes.

- Here is a list of the December 31, 2018 conditions:
 - The City must review and approve the environmental conditions found on the site.
 - The City must review and approve the remediation plan for any environmental conditions found on the site.
 - The City must review and approve commitments to lease a minimum of 100,000 square feet within the Project. At least 25,000 square feet of those commitments must be from tenants that are new to Allen County or that are bringing jobs that are new to Allen County. The tenants must occupy and conduct business within the leased premises and the terms and conditions of the leases must be reviewed and approved by an independent consultant.
 - The City must review and approve the strategic marketing analysis and supplemental report prepared by the Developer's consultant, RCLCO, Inc.
 - The Developer must provide a strategic parking plan showing that there will be sufficient parking for the Project.
- In the event that the initial conditions to closing are not satisfied on or before December 31, 2018 then either the City or the Developer may terminate the Economic Development Agreement.
- Other conditions must be satisfied by June 30, 2019. Here is a list of the June 30, 2019 conditions:
 - City shall have obtained all necessary final approvals for the issuance of bonds to provide the funds for investment in the Electric Works Project.
 - The Developer shall have obtained all approvals for construction.
 - The Developer must provide evidence that the Project can be constructed at the anticipated cost.
 - The City shall have approved the final construction plans.
 - The City must review and approve commitments to lease a minimum of 250,000 square feet within the Project. At least 150,000 square feet of those commitments must be from tenants that are new to Allen County or that are bringing jobs that are new to Allen County. The tenants must occupy and conduct business within the leased premises and the terms and conditions of the leases must be reviewed and approved by an independent consultant.
 - The Developer shall be prepared to close on all of its funding sources.
 - The City shall be prepared to close on the financing necessary for the public investment in the Project.

- The City and the Developer will have executed all other necessary closing documents to consummate the financing of the Project.
- In the event that the final conditions to closing are not satisfied by June 30, 2019, then either City or Developer may terminate the Economic Development Agreement.
- The City and the Developer anticipate that all federal, state and local monies, as well as all private loans and investments, shall occur simultaneously as a part of a single closing after all conditions have been satisfied.
- The public funding will be disbursed to the Developer through a neighborhood development corporation to be created by the City for this purpose.
- The Developer must post a \$5 million letter of credit at closing. The letter of credit shall be payable to the City in the event of a default by Developer until the Project has been completed.
- The City will have a right of first refusal to acquire the Electric Works Project until the closing of the financing.
- The Developer will be able to withdraw a portion of the development fee at the closing of the financing and the balance of the development fee can be withdrawn only when the Project has been completed and the Project has stabilized financially, as defined in the Economic Development Agreement.