

DESIGN / DEVELOPMENT NARRATIVE

Synthesis at The Banks is a strategy that combines Cincinnati's existing appreciation for culture with its vibrant riverfront, creating an active and walkable urban neighborhood. Cincinnati's historic identity as the Midwest's gateway to the north has allowed it to absorb countless cultures that have blended into a unique synergy. Synthesis captures the rich culture, creativity, and lifestyle that already exist in the city and provides an opportunity to experience it amidst the backdrop of Cincinnati's refined riverfront and regal skyline.

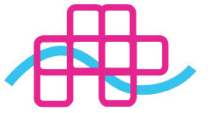
From the Germans who settled largely in Over-the-Rhine just north of the Synthesis site, to the escaped slaves who found freedom on the shores of Ohio, to the modern immigrants who've made Cincinnati their home for a new opportunity, the city has embraced the amalgamation of people which make up its communities and economy. The urban core is home to many significant cultural amenities such as the Contemporary Arts Center, Playhouse in the Park, and the Cincinnati Museum Center at Union Terminal.

The National Underground Railroad Freedom Center is another such cultural asset, resting on the city's doorstep at the base of the historic Roebling Suspension Bridge. Synthesis builds off of this anchor institution, creating a Cultural Corridor along Freedom Way that offers a variety of ways to experience the unique Cincinnati culture. The Queen of the West Culture Center is home to the renown Cincinnati Ballet as well as local professional African dance company Bi-Okoto and LGBTQ youth choir Diverse City. Mosaic Ethnic Food Hall is also a place to actively participate in a variety of cultural culinary traditions.

Part of what keeps the cultural identity of Cincinnati alive and well is the creativity produced by the city's talent pool. Cincinnati is home to nine Fortune 500 companies and is one of the fastest growing economies in the Midwest. Synthesis paves the way for increased growth by providing a variety of innovative business and educational facilities. Ensemble Tower contains class A office space in the heart of the Cultural Corridor and is in the same block as the Alliance Center which is an educational annex for local universities to make classes easily available to downtown professionals. The Fort West and The Fort East are two co-working hubs built across Fort Washington Way that frame Freedom Park which also extends across the sunken freeway, creating a more seamless transition between the CBD and the riverfront.

This vibrant, collaborative environment creates an ecosystem for an urban lifestyle that is punctuated by pockets of retail that support permanent residents and visitors. Horizon Flats provides a central location and premium view of the riverfront. Essence Hotel and The Lookout rooftop bar allow tourists visiting the city to also be immersed in its culture and entertainment. A Lime Scooter/Bike lifestyle store offers rider education and advocates for sustainable, inclusive transportation options.

Cincinnati's existing culture, creativity, and lifestyle are what form the foundation of Synthesis and help to establish it as a vibrant riverfront community that integrates seamlessly with the urban core.



FINANCIAL NARRATIVE

Synthesis is on thirteen parcels in the Banks area in-between the Reds' and Bengals' stadium. Of those thirteen parcels, four of them are air parcels at Fort Washington Way (FWW). The Hamilton County GIS was utilized to value them, and an estimated market value was assigned to the parcels that would need to be broken up from their current boundaries. The total cost of the thirteen parcels is \$10.4M, assuming an additional 3.5% for acquisition fees and taxes. We assumed the parcels above FWW will be transacted with a \$0 market value.

Synthesis will be three phases with a total cost of \$296.7M, and will stabilize in 2025. Phase I will cost \$126.4M, and take three years to complete. This will include the completion of the buildings on parcel A, the decking system over FWW, and the parks that are going to be on parcel A. The \$36.2M to build the decking system is the future value of the estimated cost from the Parsons Brinckerhoff report. During Phase I 22% of the total office space in Synthesis will be completed. An 8% increase for contingency and LEED certification costs from RS Means estimator was used to help find construction costs, along with the guidance from local Cincinnati real estate professionals.

There is a tenant improvement expense for the co-working operator, the per square foot cost was given to us during an interview with a real estate representative at the co-working company Industrious. 37% of the retail space will be completed during Phase I. 100% of the structured parking will be completed during Phase I, there will be a total of 1,463 parking stalls. The 166,938 square feet of green space will also be completed.

Phase II: The office and retail space on parcels C, D, and F will be completed. At the end of Phase II 89% of the office space, and 78% of the retail space will be completed. The total cost of Phase II is \$42.9M.

Phase III: The 440-unit apartment complex on parcel E will be completed, with 10% of those being affordable rate units. Also during Phase III the 195 room hotel will be completed on parcel B with a roof top bar. The final sections of the office and retail space will also be completed. The total cost of Phase III is \$127.5M.

Along with the \$0 market value air parcels over FWW there will be a 60% tax abatement throughout the life of the property, and a \$500,000 infrastructure grant to help with the financing of Synthesis. The capital stack consists of construction loan at 70% LTC, with a 4.75% interest rate. The remaining 30% of the development costs come from an equity partner taking advantage of the opportunity zone deferred capital gains tax incentive. The permanent debt starts during year five when the property is stabilized and is 70% loan-to-value, with a 7.0% interest rate.

With an assumed sale in year 10 the project returns are below:

Return Metric	
Levered IRR	28.52%
Unlevered IRR	15.95%
Equity Multiple	5.0x