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KENTON COUNTY FISCAL COURT RFP RESPONSE

November 27, 2023



November 27, 2023

Kenton County Fiscal Court1840 Simon Kenton Way, Ste. 1500
Covington, Kentucky 41011

Dear Kenton County Fiscal Court,

Thank you for taking the time to review the enclosed proposal for KCFC's multi-family development in Covington, Kentucky. Al. Neyer and Urban Sites (together, the "Development Team") have a history of individually and jointly developing and delivering high-quality projects of similar scope on time and on budget. We believe that our skills and experience make us the best partners for KCFC and the right developers for this opportunity.

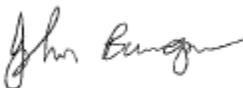
Having recently completed The Hayden at Roebling Point together, we are extremely excited by the prospect of continuing our investment in Kenton County and the City of Covington. As with the Hayden, we look forward to the opportunity to help the County execute its vision for economic growth within Covington. If selected, as developers and stewards for our regional growth, the Development Team will handle this opportunity with the same diligence, care, and enthusiasm that we applied to making The Hayden a transformative project for Roebling Point.

Enclosed, please find our response to the multi-family development RFP dated November 6, 2023. We believe that our partnership is best suited to meet your objectives for several reasons:

1. Reliability and Experience: Both Al. Neyer and Urban Sites have a strong track record of developing successful projects. Al. Neyer is a vertically integrated development and construction management company with 128 years of experience including a successful history of diverse real estate development including other similar projects of this scope delivered on time and within budget. Al. Neyer has worked diligently to cultivate powerful relationships and has a depth of expertise unmatched in the region. Urban Sites has successfully navigated challenging urban development opportunities for 30 years, with deep appreciation for the character and authenticity of neighborhoods in NKY, OTR, and Greater Cincinnati.
2. Value and Efficiency: The Development Team has a proven track record of delivering complex projects on time and under budget. Our integrated design-build strategy ensures that our clients receive great value for a well-made building.
3. Partner Integrity: Our priority is to act with integrity. We take great care to employ the highest ethical standards with our clients, colleagues, vendors, and our communities. We are committed to acting in the best interest of Kenton County for the mutual benefit of a long-standing positive relationship.

Again, thank you for reviewing the submitted materials. If I can answer any questions or be of service in any way, please do not hesitate to contact me.

Sincerely,

John Bumgarner
SVP, Cincinnati Market Leader
513-505-6637
jbumgarner@neyer.comDanny Lipson
Chief Development Officer
513-505-1420
danny@urbansites.com



WE DESIGN. BUILD. DEVELOP.

BUILDING PRIDE IN REAL ESTATE

For more than 128 years, Al. Neyer has offered a diverse set of real estate development and design-build construction solutions for commercial clients. Established in 1894 and employee-owned since 2014, the company specializes in industrial facilities, office and medical buildings, build-to-suit commercial projects, multi-unit residential, as well as urban mixed-use developments.

Al. Neyer has more than 200 employee-owners across offices in Cincinnati, Pittsburgh, Nashville, and Raleigh, and serves a local, regional and national client base.

ON TIME, WITHIN BUDGET

Al. Neyer has been continually recognized for its ability to provide greater value, high-quality and faster project delivery. Learn about our integrated approach — what we call our “Proven Process”.



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Urban Sites believes in Kenton County and Covington as one of the treasured collections of neighborhoods of our metropolitan area. We see the subject site as a yet another County-led catalyst to embolden the area, and to foster further development and a connection between Covington's micro-neighborhoods.

Thank you for taking the time to get to know our team, our partners, and our collective work. We look forward to working with you on yet another neighborhood with inherent beauty and history, just waiting for a spark.



uplifting neighborhoods for over 30 years

A company that started with two individuals repairing historic buildings in Over-the-Rhine has grown into a business offering a full range of real estate services with permanent interest in the neighborhoods in which we operate.



Taking a holistic approach to revitalizing neighborhoods, not just stand-alone assets, is what has led Urban Sites to have continued success with their projects.

Urban Sites curates living experiences for urban seekers. We're here to create a home, a place of business, four walls to call your own and dream in. Whether you've just arrived on the banks of the beautiful river or you've spent your life adoring the seven hills, we aim to redefine neighborhoods with invigorating environments.



Urban Sites develops, leases and manages residential and commercial assets taking them from concept to stabilization.



DEVELOPMENT TEAM



DAN RUH

President

Dan is a 25-year commercial real estate veteran who has developed more than \$1 billion in industrial, multi-family, medical office, and office projects since joining Al. Neyer as part of its executive team in 2009. Dan has mastered the art of land assembly and has developed multiple master-planned office and industrial parks that play an integral part in shaping the Cincinnati region's story of economic growth. As President, Dan is responsible for top line production, identification of new markets, entrenchment in new and existing markets, and the execution of Al. Neyer's development business.



JOHN BUMGARNER

SVP, Cincinnati Market Leader

John joined Al. Neyer in 2018 as vice president of design-build operations and was promoted to senior vice president, Cincinnati market leader in 2021. John is a seasoned real estate and development expert and is responsible for securing land sites for future development, winning new business and building exceptional client relationships in Cincinnati, Columbus, Dayton, and Louisville giving Al. Neyer strong confidence in his capabilities to further grow the business.



DAVID OKUN

Director, Real Estate Development

David joined Al. Neyer's development team in 2017 upon relocation from Chicago. At Al. Neyer, he has directed the development of industrial, office and multi-family/mixed-use assets across Al. Neyer's geographic platform. David plays a leading role in the site identification, acquisition underwriting, and predevelopment of commercial assets and the contract negotiation of purchase agreements and leases. David is primarily focused on the development of Al. Neyer's multi-family and mixed-use product platform.



SHAD SLETTO

Director, Real Estate Services

Shad joined Al. Neyer in 2018 as director of design-build and was promoted to director of real estate services in 2021. Shad has a deep portfolio of experience primarily working with design-build projects ranging from manufacturing to medical facilities. Shad strives to understand each client's purpose and desired outcome to advance the client's goals using experience and collaboration.



JAKE MARTIN

Director, Design-Build

Jake joined Al. Neyer in 2021 as a senior project manager and was recently promoted to director of design-build. Jake directly manages and oversees project budget, schedule and relationships between ownership, local jurisdictions, design partners, and subcontracting firms. Jake is known for his proven track record of completing projects on time and on budget, two qualities that bring a level of comfort to those he works with. He always approaches his projects with a positive attitude and prides himself on his ability to bring value to all of his projects.

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Greg Olson - Chief Executive Officer

Olson, a 1991 Xavier University graduate, translates years of financial and operating experience as a formerly practicing CPA with Deloitte, as well as various industry roles, to his guidance of Urban Sites' continued growth. Under Olson's leadership since 2002, Urban Sites has grown more than 20 times the number of units developed and under management, expanded commercial space under lease to over 335,000 SF, and sold nearly 100 condominiums. In addition to his Urban Sites oversight, Greg is also CEO of Silver Pine, LLC & Co-Manager of Hubert Family, LLC (a family office), and is responsible for identifying, investing and monitoring a variety of investment interests throughout the United States. Greg also acts as an officer for both the Hubert Family Foundation & the WSO Memorial Foundation



Todd Voelkerding - Chief Financial Officer

Voelkerding, a 2001 graduate of the University of Cincinnati, is a lifelong resident of Cincinnati. Todd spent nearly 7 years with KPMG, earning the rank of Senior Manager in the audit practice. He then moved to Medpace, where he spent 10 years in various roles in the accounting & finance department, including Corporate Controller, Director of Financial Planning & Analysis, and Executive Director of Finance. During his time at Medpace, Todd had financial oversight responsibility related to Medpace's campus development in Madisonville, participated in two private equity sale transactions of the business, and was heavily involved in the Company's IPO in 2016. Todd joined Urban Sites in September 2018.



Daniel Lipson - Chief Development Officer

Lipson, a 1993 graduate of Indiana University and MBA recipient from Babson College, joined Urban Sites in 2017 after most recently acting as 3CDC's lead for asset management, leasing, and executive leadership for over \$100 million in urban development projects. Prior to 3CDC, Danny was a partner and COO at Uptown Rental Properties where he was intimately involved in the revitalization efforts in the Clifton & Mt. Auburn areas. Danny spent 5 years with U.S. Equities Realty based in Chicago, where he acted as project manager for several notable developments, including the Cook County Hospital (1.2 million SF, \$551 million), Millennium Park (24-acre park on Michigan Avenue), and various residential projects.



Will Yokel, Architect - Director of Development

Yokel, a 2008 graduate of University of Cincinnati with a Master of Architecture and a Certificate of Historic Preservation, joined Urban Sites in 2016. Will was brought on as the in-house architect for design-build mix-use renovation in the urban core, often utilizing historic tax credits. Now in his current role, Will manages project design and development from start to finish. Prior to joining Urban Sites, Will was the Project Architect for a local developer focusing on adaptive-reuse multi-family housing. Will currently serves on the boards of Cincinnati Preservation Association, American Sign Museum, Northside Engaged in Sustainable Transformation (NEST) and is a past member of Covington's Urban Design Review Board.





2,308 UNITS

Completed & under construction
in last 10 years

14 PROJECTS

Completed & under construction
in last 10 years

\$600M

in project costs completed
& under construction

MULTIFAMILY
& MIXED-USE

With more than two decades of proven experience in multifamily construction and a long track record in successful industrial development, we're now building upon our expertise as a multifamily developer.



THE HAYDEN AT ROEBLING POINT

COVINGTON, KY | URBAN DEVELOPMENT, MIXED-USE

SPECIFICATIONS

- 144,000 total SF
- 133 apartments with amenity suite
- 6,000 SF ground-floor retail
- 2023 completion
- \$34MM

Residential

Public Private Partnership

Former Kenton County Admin Building Transformed and Redeveloped into The Hayden at Roebling Point

Al. Neyer partnered with Urban Sites on the redevelopment of the former Kenton County Administration Building and jail at 103 E 3rd Street in Covington, Ky.

Working alongside the City of Covington, Kenton County, and the school board, Al. Neyer and Urban Sites looked forward to providing both the construction expertise and the operational experience to bring this exciting project to fruition. Additional project partners include Elevar Design Group, THP, and Cardinal Engineering.

The adaptive reuse of the existing vacant government building includes a new steel structure overbuild. The Hayden includes 133 apartment units with an amenity suite, along with 4,000 SF of ground-floor retail space. Al. Neyer's design-build team completed the project in early 2023.

Visit livehayden.com to learn more about living at The Hayden and find contact information to connect directly with our construction team with questions from the community.



'MADAMORE' APARTMENTS

CINCINNATI, OHIO | URBAN DEVELOPMENT, MIXED-USE, MULTI-FAMILY, RETAIL

SPECIFICATIONS

- Five-story building
- Amenity, office, and retail space on the first floor
- Phase I: 104 units, 2020 completion @ \$17MM
- Phase II: 116 units, 2021 completion @ \$15.5MM
- Phase III: 90 units, 2022 completion @ \$16.5MM

Residential

Mixed-Use Development to Become Anchor for Long-Awaited Commercial Corridor

Local developer Ackermann Group teamed up with Al. Neyer to enlist our expertise in construction management for the highly-anticipated Madisonville Redevelopment. Located at the intersection of Madison Road and Whetsel Avenue, the mixed-use development is one of the first anchors to the new Madisonville urban core and business district. The mixed-use development is the first of three phases, and one of the largest investments Madisonville has seen in years.

The 104-unit apartment building includes one- and two-bedroom floor plans and features other high-

end amenities including indoor bicycle storage and a proposed fitness and yoga studio. The street-level includes multiple commercial spaces that have the potential to accommodate retail, dining, or entertainment tenants.

Construction for the facility began in September 2018 and completed in early 2020.



ENCORE URBAN LIVING

CINCINNATI, OHIO | URBAN DEVELOPMENT, MIXED-USE, MULTI-FAMILY, RETAIL, STRUCTURED PARKING

SPECIFICATIONS

- 133 luxury apartments
- 17-story structure
- 16-story residential space
- 8-tier parking garage
- 500 parking spaces
- 2 commercial spaces
- Pool and sun deck
- 2017 completion
- \$52MM

- ✓ Residential
- ✓ Garage Overbuild
- ✓ Public Private Partnership

Repeat Customer Relies on Al. Neyer for Second Downtown Mixed-Use Skyscraper

Developers North American Properties and NorthPointe Group turned to Al. Neyer yet again for the firm's design-build expertise in building a \$52 million downtown residential tower. This project brought together the development, design, and construction team that delivered the Seven at Broadway luxury apartment tower, with John Senhauser Architects serving as the architect of record. Encore Urban Living included a new developer partner, the Cincinnati Center for City Development Corporation (3CDC), which developed the parking garage and retail portion of the structure.

The 133 luxury apartments include studio, one, and two bedroom floor plans, including some residences with den spaces. Each unit features quartz countertops, stainless steel appliances, and additional luxury finishes. The residential development boasts other

high end amenities including a pool and sun deck, party room, well-appointed exercise room, and a grand lobby. The street level includes multiple commercial spaces that have the potential to accommodate retail, dining, or entertainment tenants.

The façade consists of color-changing corrugated architectural metal panels and large sections of curtain wall. Like Seven at Broadway, this development offers a convenient location that allows residents to walk to the Central Business District and Over-the-Rhine. Residents can also take advantage of several nearby Red Bike stations, Zipcar rentals, and the Cincinnati Streetcar.

AI. Neyer + Urban Sites RFP Response

E. Statement of Financial Resources and Relationships – Support Ability to Execute on the Project

AI. Neyer, LLC and Urban Sites (the “Development Team”) hereby confirm their ability to capitalize the proposed project. The joint venture investment will be organized through a special purpose entity (SPE) and financed with debt and equity capital. AI. Neyer and Urban Sites have capitalized more than \$1.75B in projects in the past five years. There are no material legal claims against the parties. AI. Neyer and Urban Sites are available to answer further questions.

F. Statement of No Fair Housing or Labor Violations.

AI. Neyer, LLC and Urban Sites, LLC hereby confirm that no fair housing or labor violations have been registered in the last five years, consistent with the requirements of this section.

G. Schedule

See attached Exhibit A

H. Project Approach

(i) Approach to Funding. Tools and incentives available to assist with these needs.

The Development Team will fund the project with a capital stack consisting of debt, equity, and any financial incentives that might be available. Garnering alignment with KCFC on the site plan and building density will help dictate the degree to which the project will seek Industrial Revenue Bonds and other State or federal incentives, to the extent available.

The Development Team is committed to creating a “win-win” partnership with the County, and to provide creative options to grant the County a financial stake in the project’s investment performance, as further delineated in section (iv) below and subject to discussion between the parties.

(ii) Initial Assessment of Tenant Mix, Program, and General Timeline Phasing

The Development Team will perform market feasibility analysis to educate unit composition, but we anticipate a mix generally consisting of 25% studios, 50% 1-bedroom, and 25% 2-bedroom rental units. Rent will be attainable and priced in accordance with the market, with a target renter demographic making between 80-120% AMI. **Rents will be priced to appeal to those working nearby, including employment drivers like St. Elizabeth’s Hospital, Fidelity, CVG, area schools, and the Administrative Building, itself.** As with the Hayden, the Development Team will contract for a third-party pricing evaluation. This evaluation will include variation on pricing based on amenities provided, square footage of units, views, floor level, linear footage of closet space, and other unit amenities including but not limited to patios, washer/dryer, and dishwasher. At the Hayden, the pricing suggested by our third-party evaluation nearly mirrored that which the Development Team expected, however, it did result in tweaks to the design such as increasing the linear footage of closet space provided in some units.

The anticipated amenity program will include **exquisitely designed common space**, including tenant amenities such as a clubhouse, fitness center, and conference room/business center (comparable to the Hayden Amenities pictured below). Alternative concepts, including one which includes a ground-floor lobby adjacent to the garage utilizing shared elevators, can be evaluated further with the County. As is

always the case, **non-traditional amenities will be explored** to create a unique and desirable rental option for prospective tenants.



Apartments **will be completed in a single phase of construction** with an expected 13-month duration starting upon completion of the garage. We are evaluating several design concepts and densities, sensitive to views from the Administrative Building, to be advanced in collaboration with KCFC.

(iii) Approach to Creating a Unique Sense of Place/Urban Design Excellence

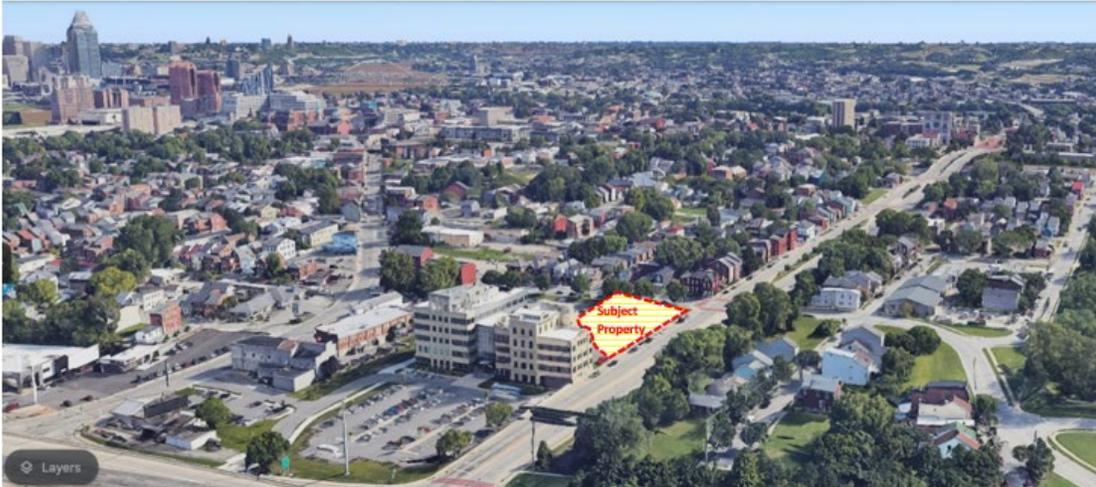
We recognize the importance of not merely constructing buildings, but also investing in neighborhoods and communities. Our approach to creating a unique sense of place and achieving urban design excellence revolves around several key principles:

- ✓ **We will provide a catalytic project that fits the character of the neighborhood:** Just as the Hayden was a catalyst for the Roebing Point neighborhood, we are optimistic and excited to generate forward momentum along 12th Street and to encourage others to invest in this emerging gateway neighborhood. **This location is within walking distance of Main Strasse, it is extremely accessible to those working south of the project along 71/75, and will serve to draw new residents to this emerging neighborhood.**

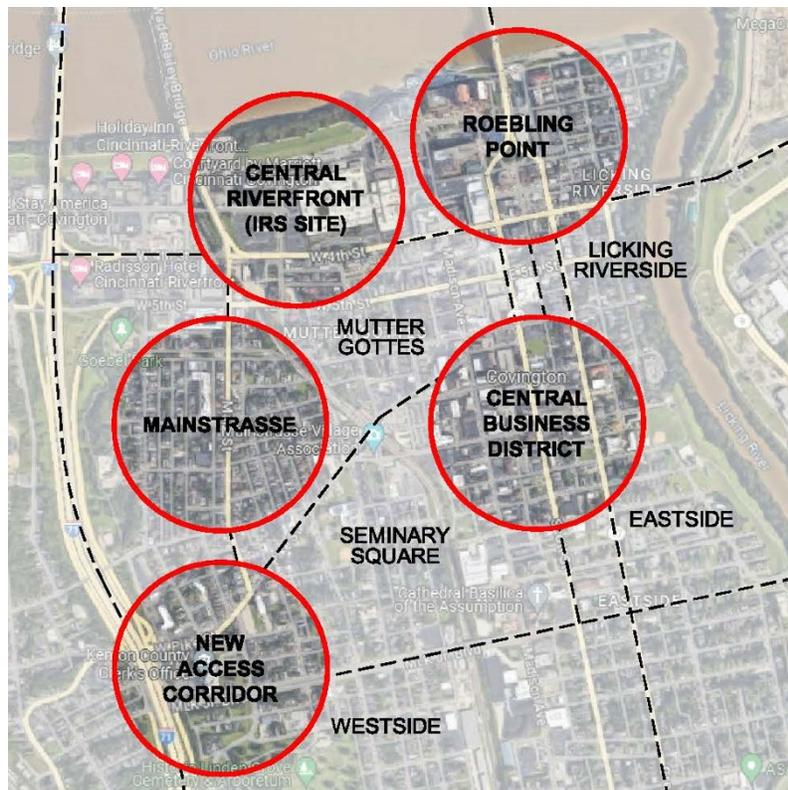


Each County neighborhood has its own character and history. We will solicit **feedback from the neighborhood** and ensure that our end product remains compatible with the “vibe” of the community, the adjacent Administrative Building, and the surrounding area at large.

- ✓ **Design worthy of a new primary gateway location:** With 12th Street emerging as the new primary exit off the highway to Covington and Kenton County, we recognize the importance of the project's design and coordination with the existing County building.

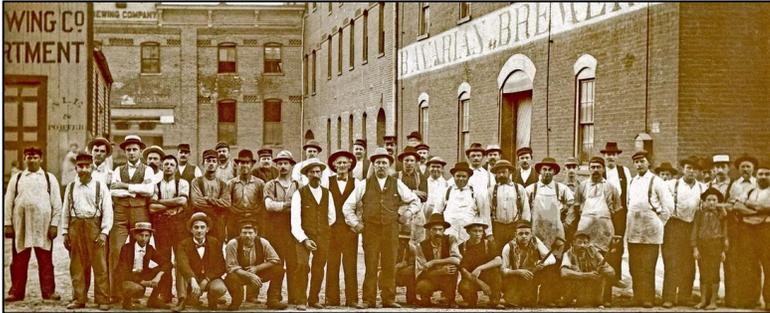


Once again, the County has a forward-facing vision, to leverage a County-owned asset into a catalyst for further development and investment surrounding its new, primary entrance off of 71/75. Due to its ease of access off of the highway, we believe **the subject location will draw commuters who work nearby or to the south.** This newly-established 12th Street corridor will further connect existing housing stock to the south with the rest of Covington.



We will select and engage a **leading design partner** (likely Gresham Smith and/or Elevar) to not only provide **functional, high-quality living spaces**, but also to contribute **aesthetically to the urban fabric** and draw people to the area.

- ✓ **County-wide history at the site, and we will embrace it:** We will select a building name and branding that pays homage to local heritage, ensuring that the new community is a continuation of Covington and Kenton County's rich tapestry. **There are numerous families in the County whose lineage weaves through the historic Bavarian Brewery.** The County preserved this history with its administration building, and we will continue to leverage this theme in our project.



- ✓ **Proven team, proven collaboration with the public, proven catalytic effect:** The Development Team brings deep experience, including in the construction of residential-over-garage overbuild projects, and worked collaboratively to a successful end-product, recently, in jointly redeveloping the Hayden. **We understand the neighborhood, are sensitive to the needs and goals of the County, and know how to work together to create a product that is both of benefit to the County, and serves as a lasting catalyst for further economic growth.** Upon announcement of the Hayden, The Yard came to fruition, the nearby parking lot received an infusion of capital investment, Smoke Justis invested in its infrastructure and outdoor area, the Governor opened, FrostHaus opened, the 1NKY building is under construction, and the Gateway office building along Scott Street has finally listed its ground floor space as retail once again. In the case of Roebling Point, the County's **plan to catalyze growth worked, and we believe that the Development Team, working alongside the County, will do it once again through this opportunity.**

(iv) Strategies to improve County's ability to accomplish its goals.

- **We recognize the value that Kenton County is creating for our private development** in assembling land for construction and erecting a parking garage that provides the foundation for our vertical project. We are amenable to multiple structures to benefit the County, subject to further discussion. In addition to the economic impact resulting from the catalytic effect that this project will drive for the County and the residual value of our improvements at the end of the land lease, suggested benefit structures include:
 - A payout structure in which the County earns, over the term of the land lease (as extended), a percentage of net rental revenue generated by the multifamily addition; or
 - A land lease with monthly payments amounting to the same economic impact as the above; or
 - An equity stake and/or mezzanine debt stake in the project on market terms, enabling the County's participation in the vertical investment and financial returns; and/or
 - A financial commitment from Al. Neyer and Urban Sites to make a continued investment in the beautification of Kenton County.

- We propose the following modifications to the Proposed Terms to benefit the economics of a prospective project:
 - Base ground lease term of 50 years with two (25/24.5-year) extension options.
 - Consideration of alternative building layouts for increased density (in all cases, remaining four stories of vertical construction)

The terms and preferred structure of financial incentives to Kenton County shall be established with further dialogue between the parties.

I. Developer's Audited Financial Statements

See attached Exhibit B summary of financial statements. Full, audited Development Team financials are available upon request.

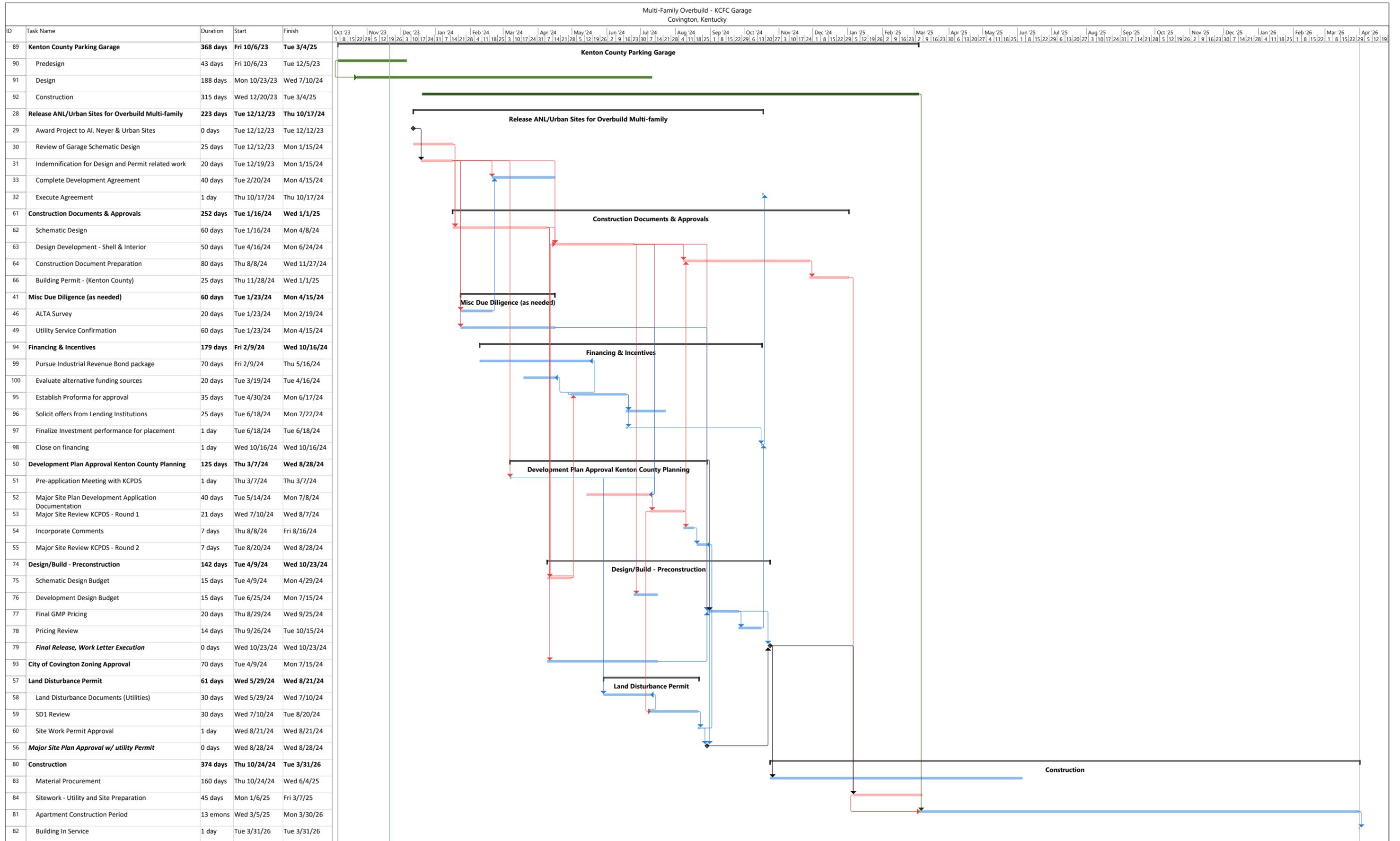
J. Details of Claims Alleging Breach of Obligation or Performance Guarantee

Developer registers (i) no claims alleging breach of obligation relating to the purchase, development improvement of land or any interest in land; (ii) no claims alleging breach of any performance guarantee; (iii) no claims alleging a default under any construction loan; (iv) no claims alleging breach of any obligation under a developer's agreement; and (v) no applications or claims for relief under the Bankruptcy Code or other law providing relief to debtors or creditors.

[Response K on Following Page]

K. Location, Dates of Development Approvals, and Nature of All Prior Projects Completed by Developer or Affiliate in Kenton County, KY.

<i>Party</i>	<i>Role</i>	<i>Project</i>	<i>Product</i>	<i>Density</i>	<i>Approved</i>	<i>Image</i>
Al. Neyer & Urban Sites	Developer Design-Builder Operator	The Hayden Apts 103 E 3 rd St., Covington KY	Multifamily/ Mixed-Use	133 Resi Units/ 4,000 RSF Retail	2021-Q4	
Al. Neyer	Developer Design-Builder	Erlanger Commerce Center 630-80 Erlanger Rd Erlanger, KY	Industrial	1.7MM RSF	2017-Q3	
Al. Neyer	Developer Design-Builder	Heritage Medical Office Bldg. 3025 Dixie Hwy. Edgewood, KY	Medical Office	23,000 RSF	2022-Q4	
Al. Neyer	Developer Design-Builder	Atlas Air 580 Atlas Way Erlanger, KY	Office	100,000 RSF	2019-Q4	
Urban Sites	Developer Builder Operator	The Woodford 303 Greenup Covington, KY	Multifamily	29 Resi Units	2023-Q2	
Urban Sites	Operator	318 Greenup	Mixed Use			
Urban Sites	Operator	302-306 Greenup	Mixed Use			
Urban Sites	Operator	325 Greenup	Parking Lot			



Preliminary project schedule
Dates and durations are approximate and will vary based upon collaboration for design and finalization of scope of work

Al. Neyer, LLC (“Al. Neyer”) is a 100% employee-owned real estate developer with a vertically integrated design-build construction firm and capital markets team. With operations dating back to 1894, Al. Neyer currently has nearly 200 employee-owners working in real estate development, design-build construction, capital raising and supporting roles in the Cincinnati area (including Northern Kentucky), Pittsburgh, Nashville, and Raleigh.

Financial Summary

Al. Neyer’s financial position and results of operations for 2022 are summarized in the accompanying table. Audited financial statements are available upon request.

In addition, Al. Neyer has an established \$10 million line of credit facility with PNC Bank, none of which was borrowed at the end of 2022 or at the time of this publication.

Our strong financial position supports our ability to manage multiple development and construction projects simultaneously. In 2022, we began work on 22 real estate development projects and were operating nearly 50 separate construction projects at the end of 2022.

Capital Raising Capacity for Development Projects

In the last five years, Al. Neyer has sourced over \$500 million in investor equity and over \$920 million in debt from regional and local banks.

Our capital raising philosophy is to maintain strong relationships with a wide range of investors and lenders.

- Investors comprise institutional investors, including large Cincinnati-based insurance carriers, higher education institutions, and hundreds of high-net wealth investors. Additionally, Al. Neyer makes a capital investment in all our real estate development projects, ensuring our financial interests are aligned with that of our investors and other project stakeholders.
- We currently have 35 separate loans with 22 separate banks.

In addition to our investors and lenders, we also work closely with joint-venture partners to successfully develop and operate real estate assets. At the end of 2022, we had active joint-venture relationships with 5 partners, including a Northern Kentucky-based hospital system, a Cincinnati-based textile manufacturer, national real estate investors and Urban Sites.

Al. Neyer, LLC	
Financial Positions and Results of Operations Summarized from the December 31, 2022 Audited Financial Statements	
Balance Sheet	2022
	(000's)
Current Assets	\$ 208,225
Total Assets	250,136
Liabilities	(124,575)
Equity	\$ 125,561
Income Statement	2022
Revenues	\$ 652,026
Expenses	\$ 604,113
Net Income	\$ 47,913

In order to better understand the organizational debt position and related banking relationships for Urban Sites, this document provides a summary of our organization and operating structure.

Operating Structure vs. Property / Ownership Activity

The Development & Operating portion our organization is composed of three entities:

- Urban Sites Property Management, LLC
- Urban Sites Capital Advisors, LLC
- Urban Sites Construction, LLC
- Urban Sites Parking Services, LLC

Collectively, these are the entities that compose our organization – “Urban Sites”. These entities work collaboratively through the assessment of our development opportunity pipeline, construction planning & execution, financing consideration & execution, and ultimately, property management to ensure that the assets we bring to life are given the appropriate level of attention to ensure long-term viability. The collection of these entities operates as a single, cohesive unit and represents our full-service development solution and capabilities.

General Approach to Financing for New Projects

The primary objective of our development, construction and property management organization has been to develop and maintain assets to which we are full or partial equity partners, or where we see ourselves as a long-term strategic partner in the overall development and enhancement of Greater Cincinnati and Northern Kentucky neighborhoods. Because we bring assets to life that we generally intend to hold a long-term equity interest, developing these assets with our people, and through our trusted process is important to us. When performing third party work, we pride ourselves in applying that same level of quality and customer service that people have come to know and trust with our brand.

Urban Sites has various means of obtaining capital, both internally and externally. From an internal perspective, the organization is backed by private, family money. We generally view the maximum potential capital that we could draw from this source of \$15M - \$20M.

In addition, we have an established line of credit with Park National Bank (“PNB”) with a maximum capacity of \$7.0 million.

We utilize the above sources of cash to maintain seamless operational efficiency, as well as maximize our ability to be agile and opportunistic from a development standpoint. In other words, we can generally utilize these sources of cash to move quickly to secure land or start development / construction on a project when the time is optimal.

While we certainly have the option to finance certain, smaller projects completely with internal funds or our PNB line of credit, we generally anticipate securing third party financing either during the early stages of the project, or perhaps once the project is complete and stabilized. Our approach is flexible on the circumstances of each project and allows us to maximize what we believe to be the best financial terms for the long-term financial viability of Urban Sites and the underlying owners of each property.

For certain larger projects, we secure construction financing either before or in the very early stages of the project. We generally expect any owner’s equity / capital to be expended prior to utilization of construction loan money, thus minimizing interest cost to carry the project through construction.



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Please direct any questions to:

John Bumgarner

SVP, Cincinnati Market Leader

jbumgarner@neyer.com

Danny Lipson

Chief Development Officer

danny@urbansites.com

