

BILL NO. R-17-03-41

BILL NO. R-_____

**A RESOLUTION APPROVING THE DISTRIBUTION OF
FUNDS FROM THE CITY OF FORT WAYNE COMMUNITY
LEGACY FUND.**

Whereas, the City of Fort Wayne has created the City of Fort Wayne Community Legacy Fund to invest in projects that will have a collective impact that leads to transformational change within the community, and;

Whereas, the City of Fort Wayne through the Legacy process has received unprecedented public input from across the community and has worked with citizens, business leaders and elected officials to develop implementation priorities, and;

Whereas, the City of Fort Wayne seeks to advance transformational projects for our community with a focus on economic development, downtown and riverfront development, and youth development/prep sports, and;

Whereas, each Legacy project provides our community with an opportunity to make our City stronger and better positioned for growth, and;

Whereas, by working together, we will leave a lasting Legacy for future generations;

1 **NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF**
2 **THE CITY OF FORT WAYNE, INDIANA:**

3
4 **SECTION 1.** The City of Fort Wayne Common Council hereby
5 authorizes the Board of Trustees of the City of Fort Wayne Community
6 Legacy Trust Funds to distribute to the following project:

7 **Legacy Fund Loan to Kind Real Estate, LLC.**

8 Loan in the amount of \$1,000,000 will be provided to Kind Real Estate, LLC
9 from the City of Fort Wayne Community Legacy Fund pursuant to the
10 attached *City of Fort Wayne Legacy Loan Terms with Kind Real Estate, LLC*
11 The loan will assist Kind Real Estate, LLC in preserving and revitalizing the
12 historic Clyde Theatre and Quimby Village Parking Lot.

13 **SECTION 2.** This Resolution shall be in full force and effect from and
14 after its passage and any and all necessary approval by the Mayor.

15
16 _____
 Council Member

17
18 APPROVED AS TO FORM AND LEGALITY

19
20 _____
 Carol Helton, City Attorney



Engage • Innovate • Perform

City of Fort Wayne
Community Development
200 East Berry Street, Suite 320
Fort Wayne IN 46802
260.427.1127
www.cityoffortwayne.org

COMMUNITY DEVELOPMENT

Thomas C. Henry, Mayor

MEMO

To: Common Council Members

From: Sharon Feasel – Development Finance Administrator, Community Development Division

Date: March 28, 2017

Re: Legacy Loan for Kind Real Estate, Inc.

Encouraging investment was a key goal of the Legacy recommendations presented to Common Council in 2012. The concept was to utilize Legacy funds to leverage private investment in the re/development of catalytic projects through the creation of public-private partnerships to overcome obstacles to development and turn around disinvestment. The redevelopment of The Clyde Theatre, the Quimby Village parking lot and 4 leasable commercial spaces is an example of what the original Legacy Taskforce envisioned. With the developer, the local and state partners are using the financing tools available to participate in funding the project. When completed, the Clyde Theatre will be transformed into a destination performance hall and event center. The redevelopment of the area provides a unique opportunity to reenergize a long vacant property and struggling shopping center. Today we will be submitting a resolution to Common Council asking that \$1,000,000 of Legacy funds be pledged to the project in the form of a loan to be paid back to the Legacy Trust Fund through tax increment.

Documents attached for your review include a summary of the Legacy Fund Application, the loan terms and the opinion of the Community Trust Investment Committee.

Thank you for your consideration and if you have any questions please contact me at 427-2107.

An Equal Opportunity Employer

A stylized, dotted graphic of a city skyline with various building shapes of different heights, located at the bottom of the page.

**CITY OF FORT WAYNE – KIND REAL ESTATE, LLC
LEGACY LOAN TERMS**

March 22, 2017

Lender: The City of Fort Wayne (Legacy Fund)

Borrower: Kind Real Estate, LLC,

Joint and Several

Obligors: Even Keel Holdings, LLC and Even Keel Event Productions, LLC,

Legacy Loan: Up to a maximum principal amount of \$1,000,000 in TIF eligible expenses

Loan Date: TBD

Project: The development, construction and repurposing of the Clyde Theatre, 1810 Bluffton Road, and Quimby Village Center parking lot, as more fully described in Borrower's Legacy Loan Application, a copy of which is attached hereto and incorporated herein as Exhibit A (the "Application").

Purpose: To provide financing for the Project in concert with other sources of funding.

Loan Term: Beginning with commencement of the Legacy Loan and terminating on the date on which the Legacy Loan (including Principal and accrued and unpaid interest) has been paid in full from eligible tax increment revenues allocated to the repayment of the principal of the Legacy Loan.

Interest Rate: Two percent (2.0%) per annum

Repayment: Repayment of interest:

- Commencing on the second Anniversary Date of the Legacy Loan, an annual payment equal to two percent (2.0%) of the outstanding principal of the Legacy Loan as of each such Anniversary Date, payable on or before ten (10) days following each such Anniversary Date,
- Interest to be paid directly by Borrower.

Repayment of Principal:

- Repayment of Principal biannually from eligible tax increment revenues allocated to the repayment of the Legacy Loan, payable following the deposit of such tax increment revenues with the Allen County Treasurer's Office.
- Paid by the Fort Wayne Redevelopment Commission ("FWRC").
- "Eligible Tax Increment Revenues" shall mean the tax increment revenues generated by the Project and by fifty percent (50%) of all other tax increment revenues generated by other improvements in the Quimby Village Tax Increment Financing District. FWRC's sole obligation to repay the Legacy Loan shall be limited to payments of the aforesaid tax increment revenues to the Lender.

Subordination: The Legacy Loan will be subordinated to the senior debt provided to Borrower by Three Rivers Federal Credit Union.

Due on Sale: The Legacy Loan, including all outstanding principal and accrued and unpaid interest, shall be immediately due and payable upon the sale of the Project .

Prepayment: The Legacy Loan may be prepaid by Borrower, in whole or in part, at any time upon not less than ten (10) days prior notice to Lender, without penalty or premium.

**Conditions Precedent
to Legacy Loan Funding:**

- Review and approval of the Public Improvement and Economic Development Agreement among the City of Fort Wayne Redevelopment Commission, the City of Fort Wayne (Legacy), Borrower and the Joint and Several Obligors ("Development Agreement").
- Review and approval of the Loan Agreement among the City of Fort Wayne Redevelopment Commission, the City of Fort Wayne, Borrower and the Joint and Several Obligors ("Loan Agreement").
- Review and approval of the Note evidencing the Legacy Loan.
- Approval of the Legacy Loan by the Mayor and Common Council.

- Borrower shall perform all obligations and satisfy all requirements contained in the Loan Agreement, including the representations and commitments made by Borrower in the Application which shall be identified as community benefit reporting requirements and conditions in the Loan Agreement .
- On or before the closing of the Legacy Loan, Borrower shall have received unconditional commitments from all other funding sources for the Project as described in the Application and at closing the Project will be fully funded by such sources concurrently with the Legacy Loan.
- Legacy Loan funds will be held by Lender and disbursed to FWRC for payment of documented public improvement costs for the Project approved in advance by FWRC until the earlier of (a) the disbursement in full of the Legacy Loan or (b) all documented public improvement costs for the Project have been paid in full from the Legacy Loan.
- Any remaining amount reserved will be released to the Legacy Fund upon payment in full of all identified public improvements.
- Total Project budget shall be a minimum of Five Million and 00/100 dollars (\$5,000,000)

**Reporting
Requirements:**

- Annual Unaudited Financial Statements within 45 days following the end of each fiscal year of Borrower during the Loan Term.

Loan Documentation:

- The Legacy Loan will be memorialized by the Loan Agreement, the Note and the Development Agreement.
- The Legacy Loan Terms shall be incorporated into the Loan Agreement and Note.
- This Proposal may be withdrawn by Lender in its discretion at any time if Lender in its sole discretion determines that Lender, City, FWRC and Borrower are unable to agree upon the terms and provisions of the Loan Agreement, Note and/or Development Agreement.

Events of Legacy Loan Default:

- Any uncured default by Borrower under the Loan Agreement, the Note or the Development Agreement, Borrower's obligation to repay the senior debt or Borrower's breach of the grant agreement with the Northeast Indiana

Regional Development Authority shall constitute a default by Borrower on the Legacy Loan, provided that Borrower shall have the opportunity to cure any default under any such other agreement prior to being deemed in default under the Loan Agreement.

**To Legacy Joint Funding Committee
From the Community Trust Investment Committee
Report on Kind Real Estate, LLC (Sponsor) request for Legacy Loan**

March 20, 2017

Preamble:

Prior to the Landing Project and the Clyde Theater Project, all requests for Legacy Fund assistance were for grants. In that regard, the Legacy Joint Funding Committee (the "LJFC") was charged with the task of determining if a project was worthy of Legacy Fund support – that is, does the project have catalytic or transformational value to the community?

More recently, as a result of City Council's decision to recast Legacy Fund assistance requests into requests for repayable loans, this has added another dimension to Legacy Fund requests – the issue of collectability of the agreed upon interest on the loan, as well as of the loan principal repayment.

The persons selected to be on the LJFC were selected for their community involvement and leadership and their ability to weigh the merits of Legacy funding requests against the backdrop of each project's catalytic and transformational potential, as well as the impact of a particular loan, if made, upon the Legacy Fund itself as a finite community asset.

The Legacy Fund is advised by an Community Trust Investment Committee (the "CTIC"), which, together with the professional advice and counsel of the Fund's outside registered investment advisor, has provided the Fund with advice regarding its investment policies and decision-making. In this regard, and in light of City Council's decision to consider current and future Legacy Fund assistance requests as loans and not as grants, Council has asked the CTIC to review the merits of loan requests, once they have passed Concept Review by the LJFC, have submitted their formal loan applications, and have worked with Community Development staff to establish project costs and benefits, project capital needs and financing, a sound development plan, and a credible project team or staff to implement the plan.

The CTIC review process will entail examination of the Community Development staff's Project Term Sheet and required documentation, following which the CTIC will provide a report to the LJFC with the CTIC's assessment of (a) the financial "opportunity cost" to the Legacy Fund in making a sub-market loan, in lieu of seeking more traditional investment returns with respect to those funds, (b) the project's apparent viability and prospects for servicing the loan and ultimate repayment thereof, and (c) any other observations regarding the project or the terms and conditions of the loan.

While it is acknowledged that members of the CTIC are financially literate, they are not bankers, whose job it is to apply professional due diligence processes and procedures to provide a standard market risk assessment of the prospects of loan repayment. Rather, because, by their very nature, Legacy loan requests will be sub-market, sub-standard loan requests that would not qualify under conventional underwriting standards, even at above market or "high yield" interest rates, banking standards should not be applied. Accordingly, the mission of the CTIC is to more generally assess the credibility of the presentation and the project sponsor, determine whether the sponsor has provided the documents and supporting information required by the Community Development staff, and has identified assumptions, deemed reasonable by the CTIC, underlying the sponsor's revenue and expense projections, such that there is a reasonable probability that, assuming that the assumptions are correct, the project should be able to handle the loan's debt service as agreed.

So the general concept is that we want the Legacy Fund to last as long as it can, recognizing that loans are preferable to grants in extending the life of the Legacy Fund, because, given the proposed social and community benefits of the project, and that the project's concept letter meets the LJFC's guiding principles, areas of focus and key criteria, there is at least a reasonable prospect of realizing the agreed interest rate return and, at the end, recovering the loan principal. At the end, we want to encourage transformational projects using loans instead of grants, even though the "quality" of the loan suggests that the loan may not get repaid. So, based on the framework described above, the best that the CTIC can do is approach the loan as follows:

- 1) Are projected revenues and expenditures feasible, are the projected cash flows reasonable, and, if the underlying assumptions are borne out in fact, will cash flows support the debt service through the entire term of the loan?
- 2) What is a reasonable quantification of the risk of default and non-payment, and is the interest rate proposed by the Community Development staff, in light of the identified civic benefits, appropriate?
- 3) Is the "opportunity cost," defined as the difference between the interest earned on the Legacy loan, at the proposed subsidized rate, versus what the Legacy Fund would earn if the principal of the proposed loan was left in the Legacy Fund and invested in the mix of market vehicles selected from time to time by the CTIC, ignoring the time value of money in the calculation. (At this time, the 15 year return on Legacy Fund investments is 5%.)

OPINION of the COMMUNITY TRUST INVESTMENT COMMITTEE:

The proposed Legacy Fund loan is not an investment grade or even a so-called "high-yield" market rate loan. The CTIC has reviewed the terms and conditions of the Kind Real Estate, LLC's ("Sponsor's") loan, together with the supporting documents, has made a determination regarding the reasonableness of the assumptions underlying the revenue and expense projections, as well as the projected cash flows in relationship to the projected debt service of the loan, and has further considered the risk of default and non-payment, as well as the opportunity cost to the Legacy Fund of making the proposed subsidized loan. Based on the foregoing qualifications and assumptions, the CTIC believes the Sponsor's loan terms and conditions are reasonable, that the projected revenues and expenses, in light of and subject to the assumptions made, as well as the cash flows, are reasonable and, if supported by actual results, should be sufficient to cover debt service of the Legacy Fund loan.

We have calculated the opportunity cost to the Legacy Fund to be \$109,467, which is to say that the Legacy Fund will forgo investment earnings in that amount through the term of the Sponsor's loan (10 years).

Based on the CTIC's limited review of the documentation provided by Sponsor, it is the opinion of the CTIC that it is reasonable for the LJFC to categorize the Sponsor's request as a sub-standard loan based on the review described above by the CTIC. The LJFC should take this analysis into consideration, along with perceived transformational value of the entire project, before making a final "Do Fund" or "Do Not Fund" recommendation to City Council.

The CTIC has relied on projections, assumptions and cash flows provided by Sponsor, as vetted by Community Development staff. The CTIC's assessment of the terms and likelihood of repayment of the Sponsor loan do not constitute either a guaranty or an opinion that the actual outcome of the loan will turn out as represented. The proposed loan is a high risk loan, at a subsidized interest rate, with either

no or, at best, questionable underlying security, and a default by Sponsor could result in the entire loan amount being lost to the Legacy Fund.

Distribution of this report was APPROVED by a 4 - 0 vote of the CTIC.

Tom Poehler, Chair 3/20/17



LEGACY LOAN APPLICATION

January 27, 2017

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The Clyde Theatre

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Part I: Applicant Information

- 1. Project Name:** The Clyde Theatre Renovation Project
- 2. Physical Address:** 1808 Bluffton Road, Fort Wayne, IN 46809 (The Clyde Theatre)
1810 Bluffton Road, Fort Wayne, IN 46809 (Adjacent Commercial/Retail Property)
1700 Block of Bluffton Road, Fort Wayne, IN 46809 (Quimby Village Parking Lot)
- 3. Project Owner:** Even Keel Holdings, LLC (“Even Keel Holdings”)
1808 Bluffton Road, Fort Wayne, IN 46809

Even Keel Holdings wholly owns Even Keel Event Productions, LLC (“Even Keel Event”) and Kind Real Estate, LLC (“Kind Real Estate”). Each of Even Keel Holdings, Even Keel Event and Kind Real Estate are Indiana limited liability companies. Even Keel Event was formed in 2011, and Even Keel Holdings and Kind Real Estate were formed in 2015.

As further described in this Application:

- Even Keel Event will manage the operations of The Clyde Theatre. It will produce and manage in-house promoted live entertainment events, such as music concerts, and will manage private and public events through The Clyde Theatre’s venue rental and leasing services. Even Keel Event has been offering live event production and promotion services since 2002 in the Midwest, primarily in Northeast Indiana.
- Kind Real Estate will hold title and manage the real estate consisting of The Clyde Theatre and the Quimby Village parking lot.

4. Project Description:

The Clyde Theatre Renovation Project (the “Project”) will revive “The Clyde”, an iconic Fort Wayne structure in south Fort Wayne, as multi-use, state-of-the art entertainment and events facility within the Quimby Village Center. Quimby Village is tucked along the St. Mary’s River Greenway just north of Foster Park. The renovation will infuse new life into Quimby Village and the south Fort Wayne area. Repurposing this unique, vacant space into a “must-have” quality-of-life amenity is the necessary catalyst for further transformative economic investment and community impact in the targeted revitalization area of south Fort Wayne.¹ In addition to reviving “The Clyde Theatre”, the following areas will also be renovated as part of

¹ The Clyde Theatre was identified as an immediate focus for transformative development at the 2015 YLNI *My City Summit Leadership Symposium*. See “Changes to Quimby Village won’t stop with theater renovation”, News Sentinel (August 1, 2015), available at <http://www.news-sentinel.com/news/local/Changes-to-Quimby-Village-won-t-stop-with-theater-renovation>.

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the Project: Commercial spaces adjacent to The Clyde (at 1810 Bluffton Road and 3504, 3506 and 3508 Quimby Arc) and the Quimby Village Center parking lot.

- **History of The Clyde:** The Clyde is one of several early twentieth century landmark buildings in Indiana designed by acclaimed local architect, Alvin M. Strauss. Among his other commissioned local works are the Allen County Memorial Coliseum, the Lincoln Bank Tower and the Embassy Theatre in Fort Wayne and the Brokaw Theatre in Angola. The Clyde consists of approximately 21,000 sq. ft. of floor space, including a 10,800 sq. ft. performance hall and 10,400 sq. ft. two-story grand lobby. Original features of The Clyde that remain include: two glass block, half crescent concession centers/bars; grand mirror in grand lobby; and art deco features throughout facility, including accents on entry doors to former cinema center and wall art in former cinema center.

For over 40 years, The Clyde was a vibrant cornerstone of commerce and entertainment in Northeast Indiana, operating as a cinema theatre that provided up to 1,800 seats for moviegoers. The Clyde ceased operations as a movie theatre in the early 1990s, and has since remained vacant. The Clyde's closure and long-term vacancy has caused a significant decline in the occupancy and business activity at Quimby Village, and has left a once vibrant area deserted and in disrepair. In March 2012, Even Keel Event purchased The Clyde Theatre and adjacent commercial properties at a tax sale with a vision to bring The Clyde back as a leading arts and culture destination in the Midwest.

See Exhibit A: Photos of The Clyde Theatre in the Past.

- **Renovation of The Clyde Theatre:** The Project proposes renovating The Clyde, preserving its unique features reflecting the signature architectural designs of Strauss and converting The Clyde into a multi-use entertainment and events facility featuring:
 - A 2,584 sq. ft. first floor lobby, including a box office
 - An 8,198 sq. ft. open floor that can be used as:
 - a standing room only performance hall with 2,200 person capacity (including capacity in grand lobby and upper lounge with box seating);
 - a seated chairs only performance hall with 612 seats; or
 - an events hall with round top tables and seats with 532 seats.
 - A 2,602 sq. ft. elevated stage in the performance/events hall
 - Two crescent-shaped concession centers/bars (in the lobby and in the performance/events hall)
 - A modular style dressing room wing and stage level equipment storage unit
 - A 2,655 sq. ft. upper lounge with box seating for live performances
 - An outdoor patio²
 - A 6,000 sq. ft. art gallery located on both floors of the two-story grand lobby, featuring functional, glass, sculptural and canvas art, to be open to the public during regular hours in addition to during concerts and private and public events

² See Exhibit F: Rendering of the Quimby Village Parking Lot Post-Renovation.

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- Dual 12' wide x 7' tall access doors that open directly into The Clyde's main performance hall at ground level and an overhead door loading dock at stage level
- Sound absorption material within the performance hall and in the facility's hallways
- A meeting room on the first floor
- Multiple offices and storage space on the second floor
- Preservation and addition of art deco features throughout facility

See Exhibit B: Photos of The Clyde Theatre (2012-2015).

See Exhibit C: Floor Plans for The Clyde Theatre Post-Renovation.

- **Renovation of Adjacent Commercial/Retail Space (1810 Bluffton Road)**: Even Keel Productions acquired 3,200 sq. ft. of commercial/retail space adjacent to The Clyde's grand lobby (1810 Bluffton Road). The Project proposes renovating such space, connecting it to The Clyde. The front end of such space will be renovated into the box office for The Clyde Theatre, and the back end of such space will be converted into a state-of-the-art audio and video recording studio. Such space would be used to provide private media production services, primarily to support The Clyde and to provide additional services to entertainers and event hosts using The Clyde. The basement would be used as storage space for The Clyde.

See Exhibit D: Photos of Adjacent Commercial/Retail Space at 1810 Bluffton (2014).

- **Renovation of Adjacent Commercial/Retail Space (Quimby Arc Spaces)**: The Project contemplates renovating the elevations of the commercial properties adjacent to The Clyde Theatre, namely 3504, 3506 and 3508 Quimby Arc (the "Quimby Arc Spaces"). Each of the Quimby Arc Spaces will be made available for rent and for commercial use in the future. The Project engenders to attract tenants that may offer products and/or services that are complementary with The Clyde's efforts to stimulate the creative economy in Fort Wayne and Northeast Indiana.
- **Renovation of Quimby Village Parking Lot**: The Project also proposes repairing the 6.18-acre Quimby Village parking lot, which has remained in significant disrepair for several years. Renovation of the Quimby Village parking lot includes resurfacing and restriping the parking lot, installation of LED lighting throughout the parking lot and repair of the Quimby Village sign, which has remained unlit for several years. The renovation of the parking lot will include several new features, particularly supporting The Clyde, including a loading dock, bus parking, semi-truck parking and a theatre-drop off point. This parking lot renovation will significantly benefit The Clyde and the businesses located in Quimby Village, no longer deterring customers and other visitors from doing business at Quimby Village.

See Exhibit E: Photos of the Quimby Village Parking Lot (2014).

See Exhibit F: Rendering of the Quimby Village Parking Lot Post-Renovation.

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Once renovated, The Clyde will once again shine as a vibrant and prosperous venue, drawing in residents and out-of-town visitors to enjoy the various, first-class social offerings available at the revitalized entertainment venue. The impact of the Project will have a significant, transformative impact on Fort Wayne and Northeast Indiana. See Application, Part I, Section 5 (p. 4) and Part III, Section 1 (p. 30).

5. Executive Summary: A Bold and Creative Project

The Clyde Theatre Renovation Project provides a unique opportunity to the City of Fort Wayne to capitalize on an existing, iconic cultural asset to leverage revitalization of an underperforming area of the city. This Project, if realized, will create a regional destination, generating jobs from construction, tourism and enhancing nearby property values. Entertainment, retail, recreation and food and beverage offerings will be elements of a compelling story centered on the renovation of the former “Clyde” movie theatre into a 2,200 capacity live performance space, special events center and art gallery.

Legacy funds may be used to towards emerging, unique opportunities. Understanding that such opportunities may be artificially inhibited by guidelines and rules set forth in the Legacy Funding Program Review Policy and Application Process publication, the City of Fort Wayne made clear that allowances should be made to adjust for opportunities that may not precisely comply with the Legacy Funding Program’s guidelines.³

Nonetheless, the Project clearly will produce benefits to the community in the categories taken into consideration by the Legacy Joint Funding Committee when evaluating Legacy proposals. Below is an **executive summary** of such benefits, which are described in detail throughout this Application in Application, Parts II and III.

- Transformative outcome: The Clyde is the sole, catalytic project that can revitalize Quimby Village and south Fort Wayne. The promise of The Clyde has served as the foundation for future plans to restore the prosperity and vibrancy of Quimby Village and south Fort Wayne for the past five years since the acquisition of The Clyde Theatre by Even Keel Event in 2012. The realization of The Clyde will put into motion the one project and plan that will spark the transformation of an area identified as one of great potential for the City of Fort Wayne and Northeast Indiana, ultimately culminating into the development of *The Quimby Village Arts and Culture District*, a vibrant arts and innovation district spanning and connecting Quimby Village, Foster Park, Indian Village Park and the St. Mary’s River Greenway. See Exhibit G: Renderings of Quimby Village Arts and Culture District.
- Amount of investment leverage: The total estimated cost for the proposed Project is \$5,030,000.

Even Keel Holdings founder, Rick Kinney, has contributed the subject real estate to Even Keel Holdings at a value of \$370,000. \$1.25 to \$1.5 million in equity investment in Even Keel Holdings has been committed by Charles (“Chuck”) and Lisa Surack. Chuck Surack is the founder and President of Sweetwater Sound (“Sweetwater”). Headquartered in Fort Wayne, Indiana, Sweetwater Sound is the number one online retailer of music instruments and pro-audio gear in the U.S. In addition, Even Keel

³ See Legacy Funding Program Review Policy and Application Process, City of Fort Wayne (Legacy Fort Wayne).

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Holdings has also received a \$1.5 million financing commitment from Three Rivers Federal Credit Union. Even Keel Holdings has applied for a \$1 million Regional Cities Initiative matching grant for the Project, and is now seeking a \$1 million Legacy Loan from Legacy Fort Wayne.

Funding from each of the aforementioned sources is contingent on actual funding from each of them. **As such, without the \$1 million Legacy Loan for the Project, Even Keel Holdings will lose funding commitments for the Project totaling up to \$3 million and the prospect of receiving a \$40,000 Commercial Façade Grant and \$1 million Regional Cities Initiative Grant.**

- Serve as catalyst for additional development: The Project will restore the commercial vibrancy of Quimby Village not only through the renovation of The Clyde Theatre, but also by the renovation of the immensely damaged Quimby Village parking lot. The Clyde Theatre real estate and Quimby Village parking lot real estate are located in a tax increment financing district for Quimby Village (the “Quimby Village TIF District”), and as such, “TIF funds” captured from the increased property values and taxes of these improved real estate parcels will be reinvested into public improvements in the area. When in full operation, The Clyde’s ambitious schedule of concerts and events will produce an unprecedented level of activity at Quimby Village. The development of The Clyde will spur reinvestment and investment in existing and new businesses within Quimby Village and the south Fort Wayne area. LisaMarie Enterprises, LLC (an Indiana limited liability company solely owned by Lisa Surack) is acquiring the Quimby Village site where the Village Bowl bowling alley previously operated, with plans to repurpose and redevelop the site. Other local business owners have already planned to make such investments, and are waiting for The Clyde’s development to move forward with their plans.
- Local focus: Even Keel Holdings is applying for a Legacy Loan, as opposed to a grant of Legacy funds, and is further proposing that the \$1 million Legacy Loan be applied to construct “public improvements” within the Project. As contemplated in the Economic Development Agreement, approved for execution by the Fort Wayne Redevelopment Commission on October 10, 2016, the Legacy Loan would be repaid with 100% of the real property tax increment arising from the improved Clyde Theatre real estate as well as 50% of any other real property tax increment generated within the Quimby Village TIF District. Such amounts would be so applied until the Legacy Loan is paid back in full. Clearly, Legacy funds applied towards the Project clearly remain in Fort Wayne as such funds will be spent on public improvements within Quimby Village in south Fort Wayne. *See* Application, Part I, Section 6.c (p. 9) and Exhibit J: Economic Development Agreement, approved for execution by the Fort Wayne Redevelopment Commission on October 10, 2016.
- Considers and aligns with adopted community plans: The renovation of The Clyde is aligned with objectives and policies set forth in *Plan-It Allen*, *Bike Fort Wayne*, *Walk Fort Wayne* and *Front Door Fort Wayne*. Beyond the Project itself being aligned with these community plans, the Project will spur redevelopment in Quimby Village and south Fort Wayne, which will in turn allow other businesses to support the same community plans. The Project is also one of five live entertainment venue-projects identified in the Northeast Indiana Regional Development Plan⁴ as needed in the region’s efforts to attract

⁴ See generally Northeast Indiana Regional Cities Initiative Proposal: The Road to One Million, Fourth Economy Consulting (August 2015).

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and retain talent through projects that allow and encourage Northeast Indiana residents to connect to arts and culture.

- Long term sustainability: The establishment of a medium-sized, standing room, general admission venue like the Clyde is aligned with the increased demand for such venues in the live entertainment industry.⁵ Even Keel Holdings has developed a viable business plan that will ensure long term sustainability that capitalizes on such industry-driven demand. Even Keel Holdings and Even Keel Event further will rely upon strategic partnerships with live entertainment industry leaders, such as Etix⁶, to ensure The Clyde is in a position to offer first class experiences that will keep Fort Wayne residents and visitors coming to its concerts and events.
- Alignment with identified community priorities: The impact of the proposed Project is aligned with community priorities in the areas of economic development; infrastructure; and quality of life.
- Improve the local economy: The Clyde will restore a cultural icon of Fort Wayne and bring a wave of new, modern and best-in-class social offerings and experiences, generating a sense of pride and attachment for a new generation of Fort Wayne. Such attachment will enhance regional efforts to attract and retain talent (as a means of attracting and retaining employers) and contribute to local GDP growth—attached residents support local businesses and the economy, which is essential to the momentum of progress in Fort Wayne and the region. The Clyde will also have a positive tourism impact, attracting concert and event attendees from outside the city, region and state for its live entertainment and event offerings. The Clyde will be able to capitalize on the familiarity of northern Indiana, northwest Ohio and southern Michigan's residents with Fort Wayne to attract them back to the city (time and time again) to enjoy live entertainment.
- Overarching areas of focus: The proposed Project will play a significant role in enhancing the following areas of focus of the City of Fort Wayne: core economic development; riverfront development; and arts and culture.

6. Request for Legacy Loan:

a. Summary of Proposed Legacy Loan Terms

Rather than requesting a grant of Legacy funds, Even Keel Holdings is proposing funding the Project in part through a Legacy Loan. In the Legacy Funding Program Review Policy and Application Process

⁵ Touring and festivals are now the lifeblood of the music industry. As fans spend more time on their digital devices, they feel more personally connected to their favorite artists and fellow fans—so much so that they crave more live, direct interactions with them. Live events have become critical to building and strengthening fandom, and also represent the most direct way to monetize a digital entertainment or medial relationship in the physical world through ticket sales, merchandise, sponsorships and advertising. See “Strategy&: 2016 Entertainment & Media Industry Trends”, Pricewaterhouse Coopers LLP (2016).

⁶ Etix is the largest independent ticketing company in North America, working with 1,800 venues. Based in North Carolina, Etix processes more than 50 million tickets per year in 40 countries.

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publication, the example of “innovative Legacy funding” provided is the use of a loan for an early-stage project investment.⁷

As contemplated in the Economic Development Agreement, approved for execution by the Fort Wayne Redevelopment Commission on October 10, 2016, Legacy Fort Wayne would loan Legacy funds in the amount of \$1 million to be applied to the construction and development of “public improvements” within the Project. Such a loan would be paid back to Legacy Fort Wayne by the City of Fort Wayne Department of Redevelopment using increased real property tax dollars generated by increased property values of the improved Clyde Theatre real estate and Quimby Village parking lot, which are located in the Quimby Village TIF District. *See* Application, Part III, Section 3 (p. 32).

More specifically, the Legacy Loan would be repaid with 100% of the real property tax increment arising from the improved Clyde Theatre real estate as well as 50% of any other real property tax increment generated within the Quimby Village TIF District. Such amounts would be so applied until the Legacy Loan is paid back in full.

See Exhibit H: Estimated Clyde Theatre Development Property Tax Contribution and Exhibit J: Economic Development Agreement, approved for execution by the Fort Wayne Redevelopment Commission on October 10, 2016.

b. Estimated TIF Funds arising from the Proposed Project

The current base assessed value of The Clyde Theatre real estate is \$62,000. The current base assessed value of the Quimby Village parking lot is \$0. The real property tax rate is 3.0988%. As such, the current estimated annual property tax rate before any improvement to such real estate is \$1,921.26.

$$\begin{aligned} &\$62,000 \text{ current base assessed value} \times \\ &\quad 3.0988\% \text{ tax rate} = \\ &\$1,921.26 \text{ current estimated annual property tax} \end{aligned}$$

As further explained below, the estimated value of improvements to The Clyde Theatre real estate and the Quimby Village parking lot is \$5,370,000. The estimated increase to the assessed value of such real estate is \$4,246,400 (i.e., 80% of the value of improvements⁸ above the current base assessed value of property). The estimated total assessed value of The Clyde Theatre after the renovations to such real estate is

⁷ See Legacy Funding Program Review Policy and Application Process, City of Fort Wayne (Legacy Fort Wayne).

⁸ According to the Allen County Assessor’s Office, the Office of the Allen County Assessor is responsible for accurately and uniformly determining the market-value-in-use of every property in the county. This is achieved by using three approaches to value: cost, income and sales comparison. The State of Indiana now requires annual adjustments of assessments to reflect changes in the market. Because the Assessor’s ultimate goal is to attain market value, in the event of new construction, particularly a remodel, the permit prices are considered in determining market value along with how the property compares in assessment to similar structures once construction is complete. *See* Letter from Joe Szklarz, Commercial Appraisal Deputy of the Allen County Assessor’s Office dated August 12, 2016. Eighty percent of the value of improvements was used to calculate the estimated increase of assessed value to property to remove from the value of improvements any costs that may not be attributable to construction permits and other costs taken into consideration for an assessment.

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\$4,308,400 (such amount including the current base assessed value of the real estate and the estimated increase of assessed value).

As such, the estimated annual property tax rate after improvements to The Clyde Theatre real estate and the Quimby Village parking lot is \$133,508.70.

$$\begin{aligned} & \$4,308,400 \text{ estimated total assessed value post-renovation} \times \\ & \quad 3.0988\% \text{ tax rate} = \\ & \$133,508.70 \text{ estimated post-renovation annual property tax} \end{aligned}$$

The estimated annual increment in the real property taxes post-renovation of The Clyde Theatre real estate and the Quimby Village parking lot (i.e., the “TIF funds arising from the proposed Project”) is then \$131,587.44.

$$\begin{aligned} & \$133,508.70 \text{ estimated annual property tax post-renovation} \text{ less} \\ & \quad \$1,921.26 \text{ estimated annual property tax pre-renovation} = \\ & \$131,587.44 \text{ TIF funds captured from improvements to The Clyde Theatre and Quimby Village parking lot} \end{aligned}$$

Based on the proposed Legacy Loan terms, the annual amount to be paid towards the Loan (at a minimum) would then be \$131,587.44 (i.e., 100% of the real property tax increment arising from the improved Clyde Theatre real estate). In addition, 50% of any other real property tax increment generated within the Quimby Village TIF District would be applied to repay the Legacy Loan. Such amounts would be so applied until the Legacy Loan is paid back in full. *See* Application, Part I, Section 6.c (p. 9) and Exhibit J: Economic Development Agreement, approved for execution by the Fort Wayne Redevelopment Commission on October 10, 2016.

Even Keel Holdings ordered a post-renovation real estate appraisal report, prepared by Wynne Real Estate Services (based in Indianapolis, Indiana). The purpose of the appraisal was to estimate the *Market Value* and *Value in Use* of the fee simple interests in The Clyde Theatre real estate and the Quimby Village parking lot as of March 19, 2015, the estimated opening date for The Clyde at the time the appraisal was ordered. By way of background:

- The appraisal inspection occurred on 5/14/2014.
- The appraisal report was completed on 8/25/2014.
- The date of valuation was 3/19/2015.
- The appraiser used the “Cost Approach” and “Sales Comparison Approach” to value the Clyde real estate.⁹
- The appraiser used the “Cost Approach” to value the Quimby Village parking lot.¹⁰

⁹ Reference in the appraisal is made to Parcel #02-12-15-401-001.000-074 as The Clyde Theatre real estate. *See* Limited Appraisal Restricted Report of Mixed Use Property by Wynne Real Estate Services (as of March 19, 2015) prepared by John W. Wynne II, MAI, MS, CCIM, GAA, RAA.

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The estimates provided by the appraiser for the value of the real properties are as follows:

TABLE 1

Estimates of The Clyde Real Estate Property Value Post-Renovation	
Clyde Theatre – Fee Simple <i>Value in Use</i> by the:	
Cost Approach	\$5,370,000
Sales Comparison Approach	\$5,640,000
Income Approach	Departure Rule Invoked
Final Estimate of Value in Use	\$5,500,000
Clyde Theatre – Fee Simple <i>Market Value</i> by the:	
Cost Approach	\$3,670,000
Sales Comparison Approach	\$3,780,000
Income Approach	Departure Rule Invoked
Final Estimate of Market Value	\$3,700,000
Parking Lot – Fee Simple <i>Market Value</i> by the:	
Cost Approach	\$760,000

Source: Limited Appraisal Restricted Report of Mixed Use Property by Wynne Real Estate Services (as of March 19, 2015) prepared by John W. Wynne II, MAI, MS, CCIM, GAA, RAA.

c. Legacy Loan Agreement and Economic Development Agreement

The Legacy Loan arrangement, as summarized above, would be captured, in part, in, and subject to, the *Loan Agreement* by and among Legacy Fort Wayne, the City of Fort Wayne Department of Redevelopment and, jointly and severally, Even Keel Holdings, Even Keel Event Productions and Kind Real Estate. This Loan Agreement would set forth the terms by which the Legacy Loan will be repaid by the Department of Redevelopment using TIF dollars generated by increased property values of the improved Clyde Theatre real estate.

The Legacy Loan arrangement, as summarized above, would also be captured, in part, in, and subject to, the *Economic Development Agreement* by and among the City of Fort Wayne Department of Redevelopment and, jointly and severally, Even Keel Holdings and Kind Real Estate. This Economic Development Agreement sets forth the terms by which the Legacy Loan funds will be applied to construct and develop those portions of the Project deemed to be “public improvements” by the Department of Redevelopment. The construction of such public improvements would further be at the direction of the Department of Redevelopment.

¹⁰ Reference in the appraisal is made to Parcel #02-12-15-401-009.000-073 as The Clyde Theatre real estate. See Limited Appraisal Restricted Report of Mixed Use Property by Wynne Real Estate Services (as of March 19, 2015) prepared by John W. Wynne II, MAI, MS, CCIM, GAA, RAA.

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The public improvements for which the Legacy Loan funds would be used are as follows (with costs shown as estimates):

TABLE 2

Public Improvements (costs are estimated)	
Site Utilities	\$150,000
Parking Lot Improvements	\$240,000
Structural Steel	\$ 60,000
Roof	\$300,000
HVAC Materials	\$500,000
Elevator	\$ 70,000

Source: See Exhibit J for a copy of the Economic Development Agreement, approved for execution by the Fort Wayne Redevelopment Commission on October 10, 2016.

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Part II: Detailed Project Description

1. Project Details

a. **Total Project Cost:** \$5,030,000

b. **Detailed Budget:**

TABLE 3

Equipment, Design & Professional Services Scope		Construction Scope	
Item	Cost	Item	Cost
Audio/Video/Lighting, Rigging, Communications	\$ 300,000.00	General Conditions	\$ 212,050.00
Service Bars & Point of Sale Equipment	\$ 185,000.00	CMFee	\$ 125,000.00
Fixtures, Furnishings, Equipment	\$ 300,000.00	Contingency	\$ 250,000.00
Acoustical Engineer Consultation	\$ 30,000.00	Sign Allowance	\$ 120,000.00
Architectural/Engineering Design Fees	\$ 188,000.00	Mold Remediation	\$ 21,671.00
Legal, Accounting, Insurance & RE Development Expenses*	\$ 225,000.00	Site Work/Water Line/Sewer Lines	\$ 150,000.00
Additional Misc. Development Costs	\$ 30,863.00	Asphalt	\$ 325,000.00
Total	\$ 1,258,863.00	Site Lighting	\$ 75,000.00
Total Project Cost	\$ 5,030,000.00	Selective Demo	\$ 43,708.00
		Concrete	\$ 45,000.00
		Structural Steel	\$ 54,176.00
		Masonry	\$ 15,169.00
		Carpentry / Millwork	\$ 135,655.00
		Doors / Frames / Hardware	\$ 67,739.00
		Entrance Doors	\$ 160,000.00
		Windows / Storefronts	\$ 18,000.00
		Roofing	\$ 272,000.00
		Finishes	\$ 509,430.00
		Toilet & Bath Accessories	\$ 33,067.00
		Floor Polishing	\$ 120,000.00
		Elevator	\$ 70,000.00
		Lifts	\$ 15,000.00
		HVAC/Plumbing/Fire Suppression	\$ 641,465.00
		Electrical	\$ 297,007.00
		Dressing Room	\$ 35,000.00
		Façade Grant Proceeds	\$ (40,000.00)
		Total	\$ 3,771,137.00

Source: The Hagerman Group, MSKTD & Associates, Inc. and Even Keel Holdings, LLC. Note, expenses relating to renovation of the Quimby Village parking lot are captured in “asphalt” item under Construction Scope.

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c. **Project Timetable, including proposed start-date:**

See Exhibit K: Clyde Theatre Renovation Project Timeline (by the Hagerman Group).

2. **Describe Capital Need**

a. **Financing Status**

Even Keel Holdings founding member, Rick Kinney, contributed The Clyde Theatre real estate and adjacent sites to the company. The “as is” market value of this property as of May 14, 2014 was appraised at \$370,000.¹¹

A total of \$250,000 out of the total Project cost of \$5,030,000 has been collected for the Project. This amount represents the cash equity that has been invested in Even Keel Holdings by the investors listed in Table 4 below.

However, the units of all members, other than Rick Kinney, will be purchased for up to a total of \$250,000 collectively, to satisfy, in part, the conditions of the investment commitment by Even Keel Holdings or Chuck and Lisa Surack. All members whose units are subject to purchase have agreed in writing to sell their units to satisfy, in part, the conditions of the investment commitment by Chuck and Lisa Surack.

TABLE 4

EQUITY INVESTED IN EVEN KEEL HOLDINGS, LLC			
Sources of Equity Investment	Amount Invested	% of Total Project Cost ¹²	Status
John Frederick	\$50,000	1%	Units to be purchased per Surack investment commitment
Macklin O'Shaughnessy	\$25,000	0.5%	
BWP Investments, LLC	\$100,000	2%	
JW Group, Inc.	\$50,000	1%	
Matt Graves	\$25,000	0.5%	
Total Equity Invested	\$250,000	5%	
Rick Kinney	\$370,000	--	No change
TOTAL	\$620,000	--	

Source: Amended & Restated Operating Agreement of Even Keel Holdings, LLC, as amended.

¹¹ See Limited Appraisal Restricted Report of Mixed Use Property for The Clyde Theatre and Retail Strip Units by Wynne Real Estate Services (as of May 14, 2014) prepared by John W. Wynne II, MAI, MS, CCIM, GAA, RAA.

¹² Percentages are rounded up.

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Even Keel Event has also received a \$52,000 Brownfields Grant from the U.S. Environmental Protection Agency Brownfields Program and Land Revitalization funds for removing asbestos from The Clyde.¹³ The grant was administered by the City of Fort Wayne.

Mark Hagerman and Tall Tree Properties, LLC (the sole member of which is Rick Poinatte) have each made conditional investments of \$25,000 towards Even Keel Holdings. However, these investment commitments are to be withdrawn. These prospective investors have agreed to withdraw their commitments to satisfy, in part, the conditions of the investment commitment by Chuck and Lisa Surack.

A total amount of \$225,000 has been incurred to date for various costs of development, including:

- Property acquisition at The Clyde Theatre real estate and the adjacent commercial properties
- Quiet title action for The Clyde real estate
- Pending property acquisition of the Quimby Village parking lot
- Maintaining The Clyde Theatre real estate and adjacent commercial properties acquired
- Paying unpaid tax assessments against Quimby Village parking lot real estate

b. Anticipated Funds

Commercial Façade Grant

Even Keel Holdings has applied for a \$40,000 Commercial Façade Grant from the City of Fort Wayne, which requires a dollar-for-dollar match.¹⁴ The City of Fort Wayne's Commercial Façade Grant Program is intended to help businesses transform their buildings' facades and revitalize the city's corridors. The Program works to encourage reinvestment by local business owners, strengthening Fort Wayne's commercial activity and enhancing economic vitality in the city.

Grant winners are notified by early March 2017, and the Commercial Façade Grant Agreement between a grant winner and the City of Fort Wayne may be finalized and executed between March 2017 and July 2017. Anticipating the receipt of these funds, such funds have been credited towards the total construction costs of the Project. *See* Application, Table 3 (p. 11).

¹³ Brownfields are properties that may have hazardous substances, pollutants or contaminants present. The U.S. EPA's Brownfields Program provides grants and technical assistance to assess, safely clean up and sustainably reuse these contaminated properties. Cleaning up and reinvesting in brownfields protects human health and the environment, reduces blight, and takes development pressures off greenspaces and working lands. Land revitalization puts previously contaminated properties back into productive use. Reusing cleaned up sites protects public health and the environment by preventing sprawl, preserving green space and reinvigorating communities. The U.S. EPA's Land Revitalization Program ensures that reuse considerations are integrated into all of EPA's cleanup decisions including cleanups affecting brownfields, underground storage tanks, and Superfund redevelopment. *See* <https://www.epa.gov/brownfields> and <https://www.epa.gov/land-revitalization>.

¹⁴ The \$40,000 Commercial Façade Grant is deducted from the total estimated costs of construction and is not included in the estimate of the total Project cost of \$5.37 million.

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Remaining Sources of Funds

Even Keel Holdings needs to collect a total of \$5 million out of the total Project cost to secure funds necessary to start and complete the proposed Project. The anticipated sources for such funding are Chuck and Lisa Surack at \$1.25 million to \$1.5 million; Three Rivers Federal Credit Union at \$1.5 million; a Legacy Loan of \$1 million; and a Regional Cities Initiative Grant of \$1 million.

TABLE 5

Sources of Additional Funding for Project			
Sources	Amount of Funds	% of Total ¹⁵	Status
Chuck & Lisa Surack	\$1,250,000 to \$1,500,000 ¹⁶	25% to 30%	Subject to the following contingencies: • Units of all existing members other than Rick Kinney purchased for \$250,000 • Current investment commitments for total of \$50,000 are withdrawn • Quimby Village Center parking lot is acquired by Kind Real Estate, LLC • Quimby Village Bowling Alley real estate is acquired by the Suracks from HRE Development, LLC • Commitment for bank loan of \$1.5MM • Commitment for Legacy Loan of \$1MM • Commitment for Regional Cities Initiative Grant of \$1MM • Executed EKH Operating Agreement with Kinney and Suracks as sole members of EKH
Three Rivers Federal Credit Union	\$1,500,000	30%	Subject to the following contingencies: • \$1.5MM in equity for EKH • Commitment for Legacy Loan of \$1MM • Commitment for Regional Cities Initiative Grant of \$1MM • Financing requires agreement to Loan Agreement
Legacy Loan	\$1,000,000	20%	Subject to approval by Legacy Joint Funding Committee and the Fort Wayne Common Council. Legacy Loan requires agreement to: • Community Benefits Agreement with City of Fort Wayne. • Economic Development Agmt with Redevelopment Commission ("RC") • Legacy Loan Agreement with RC and Legacy Committee

¹⁵ Percentages are rounded up.

¹⁶ Surack may invest an addition \$250,000 in order to purchase units of all existing Even Keel Holdings, LLC members (other than Rick Kinney).

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Sources of Additional Funding for Project			
Sources	Amount of Funds	% of Total ¹⁵	Status
Regional Cities Initiative Grant	\$1,000,000	20%	RCI funding is a matching grant to local Legacy Loan funds. Subject to approval by the NEI RDA and IEDC. Application for Regional Cities Initiative funding to be applied for upon approval of Project Application by Legacy Joint Funding Committee. Grant requires agreement to: Regional Cities Initiative Agreement with the NEI RDA.
TOTAL	\$4,750,000 to \$5,000,000	95% to 100%	\$370,000 towards total Project Cost credited

Source: Even Keel Holdings, LLC.

See also Exhibit L: The Clyde Theatre Renovation Project Funding Commitments of Charles and Lisa Surack and Three Rivers Federal Credit Union.

c. Funding Gap

- Conditional Funding: Even Keel Holdings is relying on multiple sources of funding to raise additional \$5 million necessary to cover the total Project cost of \$5.37 million. Payment from each of these funding sources is contingent on the payments from the other funding sources, meaning that if one funding source is not realized, the other funding sources are not obligated to fulfill their respective commitments to contribute to Even Keel Holdings and/or the Project. **As such, without the \$1 million Legacy Loan for the Project, Even Keel Holdings will lose funding commitments for the Project totaling up to \$3 million and the prospect of receiving a \$1 million Regional Cities Initiative matching grant.**
- In Lieu of Real Property Tax Abatement: Kind Real Estate¹⁷ will not seek real property tax abatements with respect to the Clyde Theatre real estate. Instead, Even Keel Holdings is seeking a Legacy Loan to fulfill its need for immediate funding to start and complete the Project. Given that a significant amount of funds is needed to even start the Project, future savings arising from any real property tax abatement would be of no benefit to Even Keel Holdings, Even Keel or Kind Real Estate. See also Exhibit H Estimated Clyde Theatre Development Property Tax Contribution.

d. Anticipated Financing Closing Date

The anticipated financing closing date is the end of May 2017, assuming:

¹⁷ Even Keel Event currently holds title to the Clyde Theatre real estate, but will convey such title to Kind Real Estate. See Application Part II, Section 4 (p. 25).

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- approval of the Legacy Loan for the Project by Legacy Joint Funding Committee occurs in February 2017
- acceptance of the Project's Regional Development Plan Project Claim Form by the Northeast Indiana Regional Development Authority occurs in February 2017
- approval of the Project for Regional Cities Initiative funding by Indiana Economic Development Corporation occurs in March 2017
- agreements relating to the Legacy Loan are agreed upon in March/April 2017
- approval of Legacy Loan for the Project by Fort Wayne Common Council occurs in April 2017
- agreements relating to the Legacy Loan and Regional Cities Initiative funding are agreed upon in April/May 2017

Funding commitments by private equity investors, Chuck and Lisa Surack (\$1.25 to \$1.5 million) and Three Rivers Federal Credit Union (\$1.5 million) are contingent upon receipt of the Legacy Loan and the Regional Cities Initiative grant. *See* Application Part II, Section 2 (p. 11).

Further, Kind Real Estates' acquisition of the Clyde Theatre real estate and the Quimby Village parking lot real estate will close at the same time as well.

As funding commitments are contingent upon one another, closing of all funding commitments may need to occur contemporaneously.

e. Long-Term Sustainability Plan

- Industry Driving More Live Performances: Touring is now the lifeblood of the music industry. As fans spend more time on their digital devices, they feel more personally connected to their favorite artists and fellow fans—so much so that they crave more live, direct interactions with them.¹⁸

As such, live shows are increasingly a primary income source for artists. While consumer spending on CDs and digital downloads is down nearly 50% over the past four years, live music spending is up 66%. Worldwide revenue from live music ticket sales hit \$20.5 billion in 2014, and that number is expected to grow to \$23.7 billion by 2019.¹⁹ As of July 2016, live music concerts generated 58.5% of concert and event promotion industry revenue, and have been both the most lucrative and fastest-growing events in this industry over the past five years. Events in this segment include live music performances at clubs, music theatres, arenas and amphitheatres, as well as local and regional music festivals. Events can range in size from an attendance of fewer than 500 people in local clubs to more than 80,000 in arenas.²⁰

With respect to smaller and emerging artists, they are seeking out alternative revenue sources to CD sales and digital downloads, using on-demand music streaming to drive consumers to buy tickets to

¹⁸ See "Strategy&: 2016 Entertainment & Media Industry Trends", Pricewaterhouse Coopers LLP (2016).

¹⁹ See "The Future of Live Music: 9 Essential Trends from Industry Tastemakers", Eventbrite (2015).

²⁰ See "Concert & Event Promotion in the US: Market Research Report", IBISWorld (2016).

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their shows.²¹ Artists recognize that live events have become critical to building and strengthening fandom, and also represent the most direct way to monetize a digital entertainment or medial relationship in the physical world through ticket sales, merchandise, sponsorships and advertising.²²

Further, live music in major cities is becoming more competitive than ever, resulting in regional metros becoming prime real estate for live music. With major metros heavily saturated with live music opportunities, promoters are on the hunt for ripe new markets.²³

The increasing demand for live entertainment, by performers and concert-goers, the economics of the business model for a medium-sized, standing room, general admission entertainment venue and the strength of the market for such venues suggest a strong financial performance for The Clyde.

See Exhibit M: Pro Forma Financial Statements for Clyde Theatre.

- Revenue Streams: Once renovated, The Clyde will once again be a vibrant venue, drawing in residents and visitors to enjoy the various social offerings available at the renovated multi-use entertainment venue. The Clyde's revenue streams will include:
 - ticket sales for live performances, including additional fees for Upper Lounge access;
 - venue rental fees for live performances produced by outside production companies;
 - venue rental and services fees for non-live performance events, such as wedding receptions, corporate meetings and cause-based fundraisers²⁴; and
 - food and beverage sales generated during live performances and other events.
- Start-up and On-going Operating Expenses: In the first month of full operations (the "Grand Opening Month"), there will be a minimum of five national concerts at The Clyde Theatre. In sum, cash flow projections for this first month will be sufficient to cover initial operating expenses for The Clyde Theatre, and cash flow projects in future months will also be sufficient to cover ongoing operating expenses for The Clyde Theatre.

Each of the five national concerts will feature an artist of a drastically different genre of music, therefore enabling Even Keel Event to partner with different radio station for each live event. Even Keel Event will utilize sponsorship deals with each of these stations in order to offset any upfront costs of hosting the artist at The Clyde Theatre. These upfront costs include deposits for the artist, which are typically 15% of the artist's full payment guarantee.

According to cash flow projections calculated by Even Keel Event, each event will earn approximately no less than \$20,000.00 in estimated facility fees and another \$15,000.00 in gross

²¹ See "The Future of Live Music: 9 Essential Trends from Industry Tastemakers", Eventbrite (2015).

²² See "Strategy&: 2016 Entertainment & Media Industry Trends", Pricewaterhouse Coopers LLP (2016).

²³ See "The Future of Live Music: 9 Essential Trends from Industry Tastemakers", Eventbrite (2015).

²⁴ Venue rental fees and charges are tiered depending on for profit and not-for-profit status of organizations reserving The Clyde for their events.

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concessions. These estimated revenue numbers were derived from cumulative market research with industry partners and side-by-side comparisons with other comparable venues in similar markets.

During the first twelve months of operations, The Clyde Theatre will host anywhere from three to five concerts per month, and follow the same plan of partnering with local radio sponsors to offset operational costs.

- Strong, Industry-Savvy Personnel: The Clyde's management team and key personnel will consist of persons with extensive live entertainment programming, production and marketing experience. See Exhibit N: Experience Summary for The Clyde Theatre Management and Key Personnel.
 - Manager & Technical Director – Rick W. Kinney
 - Programming and Marketing Director – Brooke Klejnot
 - Theatre Front of House Manager – Position currently vacant
 - Box Office Manager – Position currently vacant
- Packed Performance and Events Schedule: In just its first fiscal year, The Clyde will host a minimum of 51 events, namely:
 - 27 concerts featuring nationally and regionally recognized musicians and bands
 - 24 special events, ranging from artist showcases to private parties, weddings, wedding receptions, corporate events and meetings, fundraisers and other productions

Even Keel Event expects to increase the number concerts in its annual performance season schedule of events as The Clyde becomes known as a reputable and established venue among booking agencies. Even Keel Event intends to accelerate its ability to attract national touring musicians and bands through strategic partnerships with industry leaders, which will enable The Clyde to offer a best-in-class entertainment experience. Notably, several major entertainment companies have already expressed a strong interest in booking acts at The Clyde, including:



Live Nation Entertainment, Inc. is a publicly traded company and is the largest producer of live music concerts, offering 26,000 events and featuring 3,300 artists in 40 countries reaching 63,000,000 fans.²⁵



Jam Productions, Ltd. is the largest independent producer of live entertainment in the United States. Jam, located in Chicago, Illinois, is a forty-year old, full service concert and special events producer. Jam has worked with every top name in the music industry, from Bruce Springsteen to

²⁵ See <http://www.livenationentertainment.com/concerts/>.

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Adele and thousands of others. Jam promotes concerts in the greater Chicago area, the Twin Cities in Minnesota and across the nation.

It is projected that there will be a total of 190,575 concert patrons and event attendees to The Clyde over a 3 year period:

TABLE 6

Annual Projected Attendance at The Clyde Theatre		
Year	Annual Projected Attendance by Concert Patrons*	Annual Projected Attendance by Event Attendees
Year 1	34,125	21,000
Year 2	46,200	21,000
Year 3	47,250	21,000

Source: Even Keel Holdings, LLC (*see also Application, Table 9, based on 2014-2015 ticket sales data of entertainment venues comparable to The Clyde in comparative U.S. markets, compiled by Even Keel Holdings from *Pollstar* Magazine).

TABLE 7

Annual Projected National Concert Attendees for The Clyde Theatre		
Year	Projected National Concerts & Capacity	Projected Attendees
Year 1	a. <u>3 months</u> with no national concerts b. <u>2 months</u> with 1 national concert at 100% capacity and 2 national concerts at 50% capacity c. <u>7 months</u> with 1 national concert at 75% capacity and 2 national concerts at 50% capacity	a. 0 attendees b. 8,400 attendees c. 25,725 attendees
Year 2	a. <u>4 months</u> with 1 national concert at 100% capacity and 2 national concerts at 50% capacity b. <u>8 months</u> with 1 national concert at 75% capacity and 2 national concerts at 50% capacity	a. 16,800 attendees b. 29,400 attendees
Year 3	a. <u>4 months</u> with 1 national concert at 100% capacity and 2 national concerts at 50% capacity b. <u>6 months</u> with 1 national concert at 75% capacity and 2 national concerts at 50% capacity c. <u>2 months</u> with 2 national concerts at 75% capacity and 1 national concert at 50% capacity	a. 16,800 attendees b. 22,050 attendees c. 8,400 attendees

Source: Even Keel Holdings, LLC, based on 2014-2015 ticket sales data of entertainment venues comparable to The Clyde in comparative U.S. markets, compiled by Even Keel Holdings from *Pollstar* Magazine.

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- Etix Partnership: Even Keel Event will continue its five-year partnership with Etix, an industry-leading, international, web-based ticketing service provider for the entertainment industry.



Etix carries out a mission of providing superior ticketing, marketing and service solutions for its clients and their customers. Based in North Carolina, it processes more than 50 million tickets per year in 40 countries. Etix is the largest independent ticketing company in North America, working with 1,800 venues. The industry standing and success of Etix is significant:²⁶

- Financial Performance: 38 consecutive quarters of profitability
- Offices: Seven offices in six countries on three continents
Raleigh, NC; Nashville, TN; China; Germany; Holland; Japan; Austria
- Employees: 85 globally
- Clients: 4,100
- Website Traffic: 60 million page views each year
- Tickets Sold: 50 million tickets processed in 40 countries each year
- Largest On-sales: OzzFest (2007) – 230,000 tickets sold in 4 hours; 500,000 tickets sold in 48 hours
Bruce Springsteen – 53,000 tickets sold in 30 minutes

Such a partnership is essential to The Clyde's success, and Etix's desire to be the exclusive provider of online tickets for The Clyde is indicative of the projected and expected success of this venue. Etix's reach and reputation in the industry and among concert-goers is sure to enhance the ticket sales for, and experience at, live performances and events at The Clyde.

- Ticket Sales: Tickets for events at The Clyde will be available at The Clyde Theatre Box Office, all Fort Wayne *Wooden Nickel* store locations and online at www.etix.com.

Etix and Even Keel Event plan for Etix to be the exclusive online ticket provider for shows at The Clyde. A partnership with Etix will result in a more positive experience for visitors to The Clyde and streamlined recordkeeping and tracking for Even Keel Event. First, as an independent ticketing company, Etix has avoided inflating event ticket prices with extraneous handling or service fees, ensuring fair and affordable ticket prices for consumers. Second, having a single, standardized online ticketing service enables Even Keel Event staff to access ticket audits in real time, ensuring an accurate record of visitors at any given time.

²⁶ See Etix Fact Sheet: Key Data Points.

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Ticket prices are largely determined based on production budgets for individual concert events. Production budgets vary from venue-to-venue, and in general, take into account venue fees for in-house equipment, in-house services, personnel support (including safety personnel), utilities and other consumables, as well as fees for contracted services to promote and support the event and fees arising from ticket sales administration. Ticket price determination for events at The Clyde will be made with an analysis of representative production budgets for a live concert, prior admission prices and market demand for substantially similar concert events at similar venues and industry-standard pricing guides.

- The Clyde is Aligned with Industry Trends:

The establishment of a venue like The Clyde as a live music venue is aligned with the increased demand for such venues within the live entertainment industry. Musicians and bands can no longer primarily rely on income generated from album sales, given the decline in such sales arising from increased demand for streamed digital music. To supplement their incomes, musicians and bands are touring more, relying on live performances to sustain a career in the entertainment industry. As a result of this shift in the industry, live entertainment companies and venues have enjoyed large profit margins from booking live performances by such musicians and bands, with such performances taking place at festivals, arena concerts and intimate theatre settings.

Event producers are also in demand of medium-size entertainment venue (i.e., up to 2,200 capacity) like The Clyde. The Clyde would provide a needed alternative venue to those existing entertainment venues in Fort Wayne and Northeast Indiana that would attract such event producers.

- Performances and shows at medium-size venues is often a lower cost production option for national entertainment companies, compared to performances and shows at large scale arenas. To attract such companies, The Clyde will feature in-house production capabilities, a built-in scalable performance stage and high-quality, state-of-the-art audio, lighting and video systems.
- Medium-size venues tend to have better acoustics than arenas, given the mass of, and type of materials used in constructing, such arenas.
- It is often easier and safer for production crews to access and set up the main performance area in a medium-size venue. The Clyde will actually stand out even among comparable venues given its convenient and versatile load in/load out capabilities. The facility currently features two main stage access doors, with no obstructions inside or outside the facility. The dual 12' wide x 7' tall access doors open directly into The Clyde's main performance hall at ground level, which will expedite and make easier the load in/load out process for production crews. An overhead door loading dock at stage level is also incorporated into the Project's construction plans, giving production crews direct and easy access to the main performance area.

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- Alternative Venue Presents New Opportunities: Given its unique structure, intimate atmosphere, cool arts-centric vibe and 2,200 standing room, general admission capacity, The Clyde would be able to host and feature events that would not otherwise be booked in Fort Wayne at the existing venues.²⁷

TABLE 8

Fort Wayne Entertainment Venues for Live Concerts		
Venue	Capacity	Additional Notes
Allen County War Memorial Coliseum	13,000	Arena bowl; Offers standing and seating for concerts; Offers end stage and center stage options for concert set up
Foellinger Theatre	2,751	Seasonal venue; Only offers seating for concerts; Offers end stage option for concert set up
Embassy Theatre	2,471	Only offers seating for concerts; Offers end stage option for concert set up
USF Performing Arts Center	2,018	Only offers seating for concerts; Offers end stage option for concert set up
C2G Music Hall	400	Standing room; Limited capacity and equipment
<i>Proposed Downtown Arena</i>	5,711 – End Stage 6,023 – Center Stage	Arena bowl; Offers standing and seating for concerts; Offers center and end stage options for concert set up
<i>Proposed Clyde Theatre*</i>	612 – Seats 2,200 – Standing	Offers standing and seating options for concerts; Offers end stage option for concert set up

Sources: Hunden Strategic Partners; *Even Keel Holdings, LLC

There are currently only two open floor, standing room performance venues in Fort Wayne: C2G Music Hall (323 West Baker Street) and The Allen County War Memorial Coliseum (4000 Parnell Avenue). The Clyde would provide a distinctive experience for concert-goers from the experience at either of these venues:

- C2G Music Hall is a carpeted room with an elevated stage that offers standing room capacity for less than 800 persons. C2G Music Hall also lacks the infrastructure to accommodate large sound, video and/or lighting installations required for many touring acts.
- The Coliseum offers a large arena bowl with capacity for 13,000 persons. The Coliseum's seating bowl is much larger than what most events and acts can fill. This results in the events seeming "empty" to the performers and audience, which diminishes the experience. The Coliseum rarely fills all seats, and its practice of curtaining off sections for smaller events does not enhance the live performance experience for the performers or attendees.²⁸

²⁷ See Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015).

²⁸ See Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015).

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In its 2015 Fort Wayne Downtown Arena Study²⁹, Hunden Strategic Partners notably found that:

- there are current users, including event producers for certain events, who would prefer a smaller, more intimate setting, than offered at the Coliseum; and
- there is gap between the large capacity at the Coliseum and the small capacity at the Embassy Theatre and there are many events that are simply too large or “not the right type of event for the Embassy”, but are too small to break even or work well in the very large Coliseum.
- Standing Room’s Competitive Advantage: The Clyde’s open floor plan and “standing room general admission” capabilities provide it a competitive advantage over other venues, including those in cities outside of Fort Wayne:
 - The distance required to be between persons in a building, as dictated by a city’s fire code, is used to determine a maximum capacity number for an event, including a live music performance. For such venues, such capacity is determinative of the profitability of an event. In Fort Wayne, there must be 5 sq. ft. between each person during a public performance if the venue has no seats or tables. Venues that house assigned (i.e., non-fixed) seating events are required to provide 7 sq. ft. between each person. As such, a venue with no seats or tables for a particular event or performance is able to accommodate more persons and can, as a result, sell more tickets.
 - Many national touring artists limit performances, or maximize the number of performances, to venues capable of standing room, general admission events. Standing room, general admission venues are highly valued in the music and live entertainment industry because they consistently sell a high number of tickets and foster high levels of positive crowd energy. Fort Wayne has been overlooked by entertainment and concert production companies due to the lack of a standing room, general admission venue.
- Success of Comparable Venues: Other venues similar in design, structure and capacity as The Clyde suggest a high probability of financial sustainability and growth, including venues in Grand Rapids, Michigan and Spokane, Washington, which are each “benchmark” cities by which Fort Wayne’s economic health is evaluated against.³⁰ See Exhibit O: 2014 and 2015 Standing Room Venue Ticket Sales Case Study. The Clyde would likely draw not only Fort Wayne residents to its venue, but also residents in northern Indiana, northwest Ohio and southern Michigan³¹. These visitors would be

²⁹ See Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015).

³⁰ Greater Fort Wayne, Inc. has identified several comparable cities in the U.S. against which it compares and measures against its own economic progress. Such cities include Des Moines, Iowa; Oklahoma City, Oklahoma; Greenville, South Carolina; Omaha, Nebraska; Grand Rapids, Michigan; Durham, North Carolina; Chattanooga, Tennessee; and Spokane, Washington.

³¹ Hunden Strategic Partners specified that visitors to Fort Wayne primarily consist of residents of these regions. See Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015).

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drawn to The Clyde for its architecturally impressive, state-of-the-art, intimate venue where first class entertainment will be featured on a regular basis.

- Local Demand: The residents of Northeast Indiana, and in particular, Fort Wayne, are primed to embrace and support an entertainment venue like The Clyde, particularly given its unique ability to offer standing-room concerts for up to 2,200 patrons. At the Downtown Blueprint 2016 Update Open House, when asked what type of entertainment venues were needed in downtown Fort Wayne, most participating residents voiced a need for live music venues.³²
- Attraction for Visitors:

Hunden Strategic Partners set forth certain findings in its 2015 Fort Wayne Downtown Arena Study, which suggested a high probability of The Clyde attracting a significant number of out-of-town visitors for its events:

- Residents of areas like South Bend, Elkhart and Goshen are likely to travel to Fort Wayne for live entertainment events.
- Fort Wayne already receives visitors from throughout northern Indiana, northwest Ohio and southern Michigan for its events and to use its hospitals and retail nodes.

Hunden Strategic Partners' findings regarding per visitor spending projections in the 2015 Fort Wayne Downtown Arena Study were adjusted by Even Keel Holdings for the expected number of concert patrons and special event attendees expected to visit The Clyde Theatre from outside Fort Wayne.

- 60% of concert patrons visit from outside of Fort Wayne. 20% of such concert patrons stay overnight.
- 77% of special event attendees visit from outside of Fort Wayne. 39% of attendees stay overnight.

3. Project Team

a. Project Owner

Even Keel Holdings, LLC

Rick Kinney, President and Managing Member

1808 Bluffton Road, Fort Wayne, IN 46809

e: rick@evenkeelevents.com

p: (260) 442-8181

³² At the Downtown Blueprint 2016 Update Open House, in response to the question of what entertainment venues are needed in downtown Fort Wayne, 35% of participants selected live music venues; 23% of participants selected theater venues; 22% of participants selected comedy venues; 17% selected sports venues; and 3% selected other types of venues.

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Even Keel Event Productions, LLC

Rick Kinney, President and Manager
1808 Bluffton Road, Fort Wayne, IN 46809
e: rick@evenkeeevents.com
p: (260) 442-8181

Kind Real Estate, LLC

Rick Kinney, President and Manager
1808 Bluffton Road, Fort Wayne, IN 46809
e: rick@evenkeeevents.com
p: (260) 442-8181

b. Financial Partners

Richard W. Kinney, Jr. (Even Keel Holdings founder and member)

1808 Bluffton Road, Fort Wayne, IN 46809
e: rick@evenkeeevents.com
p: (260) 442-8181

Charles (“Chuck”) & Lisa Surack (Committed Even Keel Holdings investors)

c/o Sweetwater Sound, Inc.
5501 US Hwy 30 W, Fort Wayne, IN 46818
e: chuck_surack@sweetwater.com
p: 260-432-8176

Three Rivers Federal Credit Union (“3Rivers”)

Don Cates, President and CEO
301 West Jefferson Blvd., Fort Wayne, IN 46802
dcates@trfcu.org
p: (260) 487-3328

c. Project Partners

The Hagerman Group (Construction Manager)

Brad Smith, Vice President
510 W. Washington Blvd., Fort Wayne, IN 46802
e: bsmith@hagermangc.com
p: (260) 424-1470

MSKTD & Associates (Architect)

Jim Kratzat, President & Treasurer
1715 Magnavox Way, Fort Wayne, IN 46804
e: jrk@msktd.com
p: (260) 432-9337

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d. Business Operations Partners

Etix Ticketing & Marketing Solutions

Travis Janovich, Founder and CEO

909 Aviation Parkway #900, Morrisville, NC 27560

e: travis.janovich@etix.com

p: (855) 704-8976

Wooden Nickel Records

Wooden Nickel Music

Wooden Nickel

Bob Roets, Owner

3627 North Clinton Street, Fort Wayne, IN 46805

e: Bobroets@aol.com

p: (260) 484-2451

4. Additional Information Related to Site Control, Zoning and Construction

a. Site Control

- The Clyde Theatre: Even Keel Event acquired title to The Clyde Theatre and adjacent commercial properties in March 2012 at a tax sale by the Treasurer of Allen County, and has since affirmed its fee simple absolute title in the real estate through a quiet title action that was resolved in its favor in September 2014.³³ Even Keel Event will convey title to The Clyde Theatre real estate to Kind Real Estate.
- Quimby Village Parking Lot: The Clyde Theatre real estate and adjacent commercial/retail properties acquired by Even Keel Event are located within the Quimby Village Center. The Quimby Village parking lot has greatly deteriorated after years of neglect, and today remains encumbered by liens for delinquent sewer and other governmental fees owed to the City of Fort Wayne and Allen County.

Quimby's Southwest Village Improvement Association, Inc. (the "Association") was a not-for-profit corporation formed to own and maintain the parking lot. The Association's existence expired in March 1999. Since then, the Association has not had the power, or the ability, to collect assessments from owners within Quimby Village. Without such assessments, funds could not be accumulated to maintain and repair the parking lot, or to pay the Association's debts and liabilities, including real property taxes and governmental claims.

³³ Defendants in Even Keel Event's quiet title action were: QV Center LLC; Indalecio Diaz Deleon; JP Morgan Chase; Quimby Real Estate LLC; Rick R. Miller; Elvira Diaz Deleon; Keltly Tappy Design, Inc.; Continental Exchange Solutions, Inc. d/b/a Associated Foreign Exchange; TL Properties 2009 LLC; Blume, Connelly, Jordan, Stucky & Lauer, LLP; Quimby's Southwest Village Improvement Association, Inc.; and City of Fort Wayne, City Utilities. *See* Cause No. 02C01-1406-PL-236.

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The Quimby Village parking lot was previously scheduled to be offered for tax sale by the Treasurer of Allen County in 2014, because the real property taxes due for the parking lot real estate had not been paid by the Association. Even Keel Event advanced \$28,503.61 to pay the delinquent property taxes owed by the Association in order to prevent the parking lot from being sold at tax sale. Since that time, Even Keel Holdings has paid an additional \$16,634.08 in real property taxes for the parking lot real estate, in order for it to be removed from the list of properties to be offered for tax sale in 2016.

Even Keel Holdings recognizes it is essential for the success of The Clyde and Quimby Village for the parking lot to be fully repaired and properly managed in the future. As such, Kind Real Estate will acquire title to the Quimby Village parking lot pursuant to an *Agreement to Convey Real Estate* by and among Kind Real Estate and all parties with title to portions of the parking lot, namely, the current businesses at Quimby Village and the Association. In consideration for such conveyance, Kind Real Estate has agreed to pay off all liens and unpaid fees and assessments encumbering the parking lot real estate, repair the parking lot and assume management and maintenance responsibilities for the parking lot, as more particularly described in a *Reciprocal Easement Agreement* by and among Kind Real Estate and the current businesses at Quimby Village.

It is in the interest of all Quimby Village owners to enter into this arrangement in order for overdue remedial work to be completed for the parking lot and to ensure the parking lot is effectively managed in the future.

- See Exhibit P: Summary of Quimby Village Parking Lot Acquisition.
- See Exhibit Q: Partially executed Agreement to Convey Real Estate. The Agreement is signed by all parties except for Even Keel Event, Kind Real Estate and LisaMarie Enterprises, LLC (an Indiana limited liability company solely owned by Lisa Surack) ("LisaMarie Enterprises"), which will acquire the Quimby Village site where the Village Bowl bowling alley was previously operated in February 2017. LisaMarie Enterprises has indicated its willingness to execute the final Agreement to Convey Real Estate. Pursuant to this Agreement, all parties who have already signed the Agreement have executed Quitclaim Deeds to convey their real property interests in the parking lot to Kind Real Estate. The Agreement to Convey Real Estate, Quitclaim Deeds and Sales Disclosure Forms, executed by the Quimby Village owners (other than Surack), are being held in escrow by Metropolitan Title Company.
- See Exhibit R: Partially executed Reciprocal Easement Agreement. The Agreement is signed by all parties except for Kind Real Estate and LisaMarie Enterprises. LisaMarie Enterprises has indicated its willingness to execute the final Reciprocal Easement Agreement. The Reciprocal Easement Agreement is being held in escrow by Metropolitan Title Company.

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- See Exhibit S: Unexecuted final draft of the revised Agreement to Convey Real Estate, updated to account for passage of time since Agreement was last executed and to include LisaMarie Enterprises as a party in place of Quimby Properties, LLC.
- See Exhibit T: Unexecuted final draft of the revised Reciprocal Easement Agreement, updated to account for passage of time since Agreement was last executed and to include LisaMarie Enterprises as a party in place of Quimby Properties, LLC.

b. Zoning³⁴

The zoning of the Clyde Theatre real estate parcel,³⁵ and the attached retail spaces, is C2-Limited Commercial. Per the Fort Wayne Zoning Ordinance, § 157.213, a theater is a permitted use by right. The C2 district also permits the following uses: art gallery, bar or tavern, community center, dinner theater, entertainment facility and reception/banquet hall.

c. Construction

- Construction Manager: The Hagerman Group
- Architect: MSKTD & Associates
- See Exhibit K: Clyde Theatre Renovation Project Timeline (by the Hagerman Group).
- See Exhibit U: Construction Visuals (Floor Plans, Renderings).

5. Additional Information related to Market Studies and Economic Feasibility

As referenced throughout this Application, the following market feasibility studies, economic feasibility studies and additional market and economic feasibility-related resources were relied upon in determining that the Project satisfied Community Legacy expectations, as set forth in the Legacy Funding Program Review Policy and Application Process publication.

a. Market Feasibility Studies

- Knight Soul of the Community 2010, Why People Love Where They Live and Why It Matters: A Local Perspective (Fort Wayne), Gallup, Inc. (2010)
- South Fort Wayne Retail Market Analysis, Gibbs Planning Group, Inc. (July 1, 2015)

³⁴ Zoning verification was provided by Michelle Wood, Senior Land Use Planner of the Allen County Department of Planning Services on August 11, 2016.

³⁵ PIN No. 021215401009000074.

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b. Economic Feasibility Studies

- Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015)
- Strategy&: 2016 Entertainment & Media Industry Trends, Pricewaterhouse Coopers LLP (2016)
- The Future of Live Music: 9 Essential Trends from Industry Tastemakers, Eventbrite (2015)
- Concert & Event Promotion in the US: Market Research Report (Snap Shot), IBISWorld (2016)

c. Other Relevant Resources Supporting Project Implementation

- Northeast Indiana Regional Cities Initiative Proposal: The Road to One Million, Fourth Economy Consulting (August 2015)
- 2014-2015 ticket sales data of entertainment venues comparable to The Clyde in comparative U.S. markets, compiled by Even Keel Event from *Pollstar* Magazine (compiled 2015-2016)
- Local concession sales data, compiled by Even Keel Event and The Brass Rail (2014)

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Part III: Economic / Community Impact

- 1. Transformative outcome.** *Describe how the proposal will substantively improve the landscape of Fort Wayne either figuratively or literally.*

The Clyde Theatre is the sole, catalytic project that can revitalize Quimby Village and south Fort Wayne. The promise of The Clyde has served as the foundation for future plans to restore the prosperity and vibrancy of Quimby Village and south Fort Wayne for the past five years since the acquisition of The Clyde Theatre by Even Keel Event in 2012. The realization of The Clyde will put into motion the one project and plan that will spark the transformation of an area identified as one of great potential and need for the City of Fort Wayne and Northeast Indiana.

As has been detailed in this Application and further detailed below:

- The Clyde will restore the commercial vibrancy of Quimby Village not only through the renovation of The Clyde Theatre, but also by the renovation of the immensely damaged Quimby Village parking lot. When in full operation, The Clyde's ambitious schedule of concerts and events will produce an unprecedented level of commercial and recreational activity at Quimby Village.
- The development of The Clyde will spur reinvestment and investment in existing and new businesses within Quimby Village and south Fort Wayne area. LisaMarie Enterprises, LLC (an Indiana limited liability company solely owned by Lisa Surack) is acquiring the Quimby Village site where the Village Bowl bowling alley previously operated, with plans to repurpose and redevelop the site. Other local business owners have already planned to make such investments, and are waiting for The Clyde's development to move forward with their plans.
- The Clyde's success, and the revitalization to follow in Quimby Village and throughout south Fort Wayne, will ultimately culminate into the development of *The Quimby Village Arts and Culture District*, a vibrant arts and innovation district spanning and connecting Quimby Village, Foster Park, Indian Village Park and the St. Mary's River Greenway.
- The Clyde will restore a cultural icon of Fort Wayne and bring a wave of new, modern and first class social offerings and experiences, generating a sense of pride and attachment for a new generation of Fort Wayne. Such attachment will enhance regional efforts to attract and retain talent (as a means of attracting and retaining employers) and contribute to local GDP growth, as attached residents will support local businesses and the local economy, which is essential to the momentum of progress in Fort Wayne and the region.

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- 2. Amount of investment leverage.** *How will the project maximize leverage opportunities? What are the sources, both public and private, of funding beyond Legacy funds? Are funds in place or committed? Describe project budget and financing gap.*

- See Application Part I, Section 6 (p. 6).
- See Application Part II, Sections 1 (p. 11) and 2 (p. 12).

It is significant that \$1.25 million to \$1.5 million of the total \$5,030,000 million Project cost will be covered by the investment of Chuck and Lisa Surack into Even Keel Holdings. With Chuck's acumen for business, and Chuck and Lisa's dedication to the community, an investment by them is an indication of the potential of The Clyde Theatre to be a successful business and have a transformative impact on Fort Wayne.

Chuck Surack is the founder and President of Sweetwater Sound ("Sweetwater"). Founded in 1979 and headquartered in Fort Wayne, Indiana, Sweetwater is the number one online retailer of music instruments and pro-audio gear in the U.S. Under Chuck's leadership, Sweetwater has experienced explosive growth and has become one of the most respected companies in the industry, as well as the number one online retailer of music instruments and pro-audio gear in the nation.

Additionally, Chuck owns 10 businesses, including SweetCars, Sweet Aviation and Longe Optical. He is a frequent speaker and mentor on issues from entrepreneurship to quality customer service and the pursuit of excellence.

In 2009, Chuck received the BCA 10 Award from the Business Council for the Arts, a national award recognizing support of the arts. In 2010, Chuck received the Governor's Arts Award from Governor Mitch Daniels. Indiana University and the University of St. Francis each presented Chuck with a Doctorate of Humane Letters in 2012. In 2013, Chuck was inducted into the Indiana Colleges for his lifetime achievement and contribution to the State of Indiana. In 2014, Chuck received the Leaders of Character award from the Boy Scouts of America, and the Bel Award from Junior Achievement. In 2015, Greater Fort Wayne, Inc. presented him the Swagger Award, and the Fort Wayne Journal-Gazette named him Fort Wayne Citizen of the Year.

Chuck is very involved in the community and strongly believes in giving back, serving on several not-for-profit boards of directors, including the Fort Wayne Philharmonic and Greater Fort Wayne, Inc. Chuck and Lisa are leading philanthropists in the Fort Wayne area, donating to more than 500 causes annually.

Chuck is an active musician, playing saxophone and keyboards at about 70 gigs each year. Chuck has gained a national reputation for his technical skills, providing custom sound design and recording studio consulting to artists such as Stevie Wonder, Kenny Rogers, Dolly Parton, Aerosmith and many others.

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3. **Serve as a catalyst for additional development.** *How will the proposal attract development or other improvements in the immediate vicinity?*

South Fort Wayne, particularly, the areas where three major shopping centers (Quimby Village, Southgate and Southtowne Plaza) are located, has been identified by the City of Fort Wayne as a target area for revitalization. The area, in particular Quimby Village, has experienced a dramatic decline in commercial vitality.

A 2015 Gibbs Planning Group, Inc. (“Gibbs”) analysis of commercial opportunities in south Fort Wayne found demand for as many as 120 new retail shops and restaurants in this area.³⁶ Gibbs recommended significant infrastructure improvements at Quimby Village, and specifically recommended that space at the Clyde Theatre to be used to trigger productive commercial development and activity in Quimby Village.

In April 2016, the Fort Wayne Redevelopment Commission created the Quimby Village TIF District, intending to incentivize economic development in the area roughly bounded by Bluffton Road to the south, Broadway Street to the east, Kinsmoor Avenue to the north and Brooklyn Avenue to the west.³⁷ A bold, innovative and prosperous anchor venue like The Clyde would likely attract investors and entrepreneurs to south Fort Wayne, allowing for a faster realization of Gibbs’ findings and fulfillment of the City of Fort Wayne’s goal of invigorating the economic vitality of south Fort Wayne. The residents of south Fort Wayne recognize this, and as such, enthusiastically and fully support the proposed Project and the development of The Clyde. See Exhibit V for Letter of Support from the Southwest Area Partnership.

The Project will include the development of several “public improvements” including site utilities and parking lot repairs. See Application Part I, Section 6.a (p. 6).

The prospect of The Clyde’s redevelopment has already spurred local business owners to invest, and plan for investment, in retail and restaurant ventures in Quimby Village and south Fort Wayne. Specifically, LisaMarie Enterprises, LLC (an Indiana limited liability company wholly owned by Lisa Surack) is acquiring the Quimby Village site where the Village Bowl bowling alley was previously operated with plans to repurpose and redevelop the site. Also, the owners of Hall’s Original Drive-In have expressed interest in developing its adjacent property along the St. Mary’s River should The Clyde Theatre and Quimby Village parking lot be renovated. See Exhibit W for Letter of Support for the Project by Hall’s Original Drive-In.

The Clyde will be the sole catalyst for redevelopment in Quimby Village and south Fort Wayne that, with a vision that such redevelopment efforts will ultimately culminate into the creation of *The Quimby Village Arts and Culture District*, a vibrant arts and innovation district spanning and connecting Quimby Village, Foster Park, Indian Village Park and the River Greenway. Quimby Village’s commercial growth potential and riverfront location provide unique opportunities for diverse economic development and inclusive community music and arts festivals in this district. Quality of place enhancements would include a pedestrian walkway connecting Quimby Village to Foster Park and Indian Village Park and the St. Mary’s River Greenway, a Broadway Corridor Gateway, signage and banners, landscaping, public art, lighting and safety enhancements

³⁶See South Fort Wayne Retail Market Analysis, Gibbs Planning Group, Inc. (July 1, 2015).

³⁷ Property tax revenue generated within a TIF district is captured and used for public improvements within the district.

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and river access points. Total project costs for the Quimby Village Arts and Culture District are estimated at \$9.5 million, including building and site construction costs of \$8.2 million.³⁸

- 4. Local focus.** *Describe in detail how the Legacy Fund will remain within Fort Wayne. Be as specific as possible.*

Even Keel Holdings is applying for a Legacy Loan, as opposed to a grant for Legacy funds, and is further proposing that the \$1 million loan be applied to construct “public improvements” within the Project, with the principal repaid through increased real property taxes arising from the improved Clyde Theatre real estate and Quimby Village parking lot. As such, Legacy funds applied towards the Project clearly remain in Fort Wayne as such funds will be spent on public improvements within Quimby Village in south Fort Wayne.

Project partners and business operations partners are based in Fort Wayne, Indiana. *See Application Part II, Section 3 (p. 24).*

- 5. Considers and aligns with adopted community plans.** *Will the project be sensitive to Plan-It Allen and subsequent area and special purpose plans, including Bike Fort Wayne, Walk Fort Wayne, Front Door Fort Wayne?*

- Plan-It Allen³⁹ – In the joint land use and development plan for Allen County and the City of Fort Wayne, one of the land use objectives is to:

“Encourage a ‘fix-it-first’ approach that establishes priorities for upgrading existing public facilities and infrastructure within the City of Fort Wayne.”

Such a policy is intended to help maintain the value of improvements in mature neighborhoods, which will attract private investment in new construction and rehabilitation. The renovation of The Clyde Theatre, a structure that has existed in Fort Wayne since 1951, is aligned with this policy.

- Bike Fort Wayne, Walk Fort Wayne – Located within walking distance from Foster Park via St. Mary’s River Greenway, The Clyde is designed to be a community-oriented space in which people of various ages, interests, and abilities will celebrate cultural and artistic experiences and opportunities. The renovation of The Clyde Theatre and the Quimby Village parking lot will generate increased real property taxes within the Quimby Village TIF District, producing TIF funds that may be used towards public improvements in the area, including repairs or construction of sidewalks and perhaps even the inclusion of bike lanes.

³⁸ See Northeast Indiana Regional Cities Initiative Proposal: The Road to One Million, Fourth Economy Consulting (August 2015), page A-85.

³⁹ See LU3.C in Plan-It Allen Comprehensive Plan for the City of Fort Wayne and Allen County, Comprehensive Plan Committee (2007).

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The development of The Clyde Theatre will provide a point-of-destination along the Fort Wayne Indiana Visionary Trail Corridor, which the Northeast Indiana Regional Development Authority recently approved as a recipient of Regional Cities Initiative Grant funds. This particular project is intended to support the continued development of the Fort Wayne Regional Trails, enhancing greenways and trails to improve the “quality of place” in the Northeast Indiana region. Four segments of new trails and trail-connectors are to be built, including a segment on Bluffton Road that will connect Lower Huntington Road to West Foster Park. Such a trail extension would provide more users of the trail to The Clyde Theatre and the Quimby Village Center, which, when revitalized, will become a point of destination for those on the trail.

- Front Door Fort Wayne – The Clyde Theatre and Quimby Village serve as a gateway for the Broadway Corridor with more than 23,000 vehicles passing the village via Bluffton Road daily.⁴⁰ Renovating The Clyde Theatre and the Quimby Village parking lot, including the Quimby Village sign, will support an objective of Front Door Fort Wayne, which provides:

“Enhances to Bluffton/Broadway, Fairfield and Calhoun are also important to creating a first impression to travelers and a sense of pride of community.”

- Northeast Indiana Regional Development Plan⁴¹ – As stated in the Regional Development Plan, the objective of Northeast Indiana is to develop, attract and retain talent. One of the means of meeting this objective is to enhance the quality of life in Northeast Indiana, recognizing that Northeast Indiana can attract and retain talent with arts, culture and recreational activities that are accessible, plentiful and best-in-class.

In general, projects identified in the Regional Development Plan fall into one of four primary categories, one of which consists of projects that connect residents to culture (i.e., the “Connecting to Culture” projects). These are arts and culture projects that have been identified as necessary to support cultural districts throughout Northeast Indiana by building on the unique assets of each community. Allen County, the county in which The Clyde Theatre would be located, is identified in the Regional Development Plan as “the cultural, recreational and commercial hub of Northeast Indiana”. In general, projects were also organized into Vision Projects, Near-Term Wins and Longer-Term Portfolio.

The Clyde Theatre Renovation Project is one of five live entertainment venue-projects identified in the Regional Development Plan as needed in the region’s effort to attract and retain talent through projects that allow and encourage Northeast Indiana residents to connect to arts and culture. The Project was specifically identified as an “anchor” project to Northeast Indiana’s future cultural districts. The Clyde Theatre Renovation Project, along with several of the other “Connecting to Culture” projects, further supports place-based revitalization by renovating a historic building and serving as the catalyst for enhancing Greenways and Blueways in its area.

⁴⁰ See Northeast Indiana Regional Cities Initiative Proposal: The Road to One Million, Fourth Economy Consulting (August 2015), p. A-78, citing findings by the Northeast Indiana Regional Coordinating Council.

⁴¹ See generally Northeast Indiana Regional Cities Initiative Proposal: The Road to One Million, Fourth Economy Consulting (August 2015).

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The Clyde Theatre Renovation Project is also classified as a “Near Term Win” for Northeast Indiana. “Near Term Win” projects have been vetted by the Northeast Indiana Regional Cities Initiative Steering Committee and deemed ready to be considered by the Northeast Indiana Regional Development Authority for Regional Cities match funding.

Further, the development of The Clyde Theatre will put into motion the one project and plan that will spark the transformation of an area identified as one of great potential for the City of Fort Wayne and Northeast Indiana, ultimately culminating into the development of *The Quimby Village Arts and Culture District*, a vibrant arts and innovation district spanning and connecting Quimby Village, Foster Park, Indian Village Park and the St. Mary’s River Greenway.

The Quimby Village Arts and Culture District is also a project that is listed in the Regional Development Plan, classified as a project within the Longer-Term Portfolio category. “Longer-Term Portfolio” projects are those that fit into the general criteria of the Regional Development Plan, but are not ready to be implemented within the first 24-months of the Plan.

6. Long term sustainability. *Is the proposal is well developed and provides a solid business model? Provide details.*

- See Application Part II, Section 2.e. (p. 16).

7. Alignment with identified community priorities. *Is the impact of the concept / proposal aligned with community priorities (including economic development, infrastructure and quality of life)?*

- Economic Development: The renovation and use of The Clyde and Quimby Village parking lot will generate increased real property taxes in the Quimby Village TIF District, producing TIF funds that can be used for public improvements in the immediate area. The revival of The Clyde will also spur new investment and reinvestment into businesses in Quimby Village and the immediate area. See Application, Part III, Sections 1 (p. 30), 3 (p. 32) and 8 (p. 36). The Clyde will have a positive “tourism” impact, attracting attendees from out of the city, region and state. Such attendees will bring their dollars to spend not only at The Clyde, but also in the city’s restaurants, hotels and retail stores. See Application, Part II, Section 2.e. (p. 16). The renovation of The Clyde, and the activities of The Clyde, will also contribute to an increased level of attachment of Fort Wayne residents to the community. Cities with residents who are more attached to the community consistently experience more local GDP growth.⁴² See Application, Part III, Section 8 (p. 36).

⁴² See Knight Soul of the Community 2010, Why People Love Where They Live and Why It Matters: A Local Perspective (Fort Wayne), Gallup, Inc. (2010). Cities where Gallup, Inc. polled to determine community attachment in low/medium population and low/medium urban density communities include: Aberdeen, SD; Biloxi, MS; Duluth, MN; Fort Wayne, IN; Grand Forks, ND; Macon, GA; Milledgeville, GA; Myrtle Beach, SC; and State College, PA.

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- Infrastructure: The renovation and use of The Clyde and Quimby Village parking lot will generate increased real property taxes in the Quimby Village TIF District, capturing TIF funds that can be used for public improvements in the immediate area, including sidewalks and roads.
- Quality of Life: The Clyde will be a significant player in creating an abundance of entertainment and recreational venues in Fort Wayne, which is essential to enhancing residents' quality of life and attracting and retaining talent.
 - Local venues that offer first class experiences and unique social experiences will provide Fort Wayne residents with an opportunity to attend events that interest them without requiring them to travel to another city. This ensures that local residents are able to stay local consumers not only of live entertainment, but of other local products, services and experiences. Local residents are able to save money if they do not have to travel to attend concerts, and the money saved on such travel will be spent in the local economy, such as at restaurants and bars on evenings of concerts. Beyond expenses relating to enjoying a concert experience locally, residents will spend saved money within the local market.
 - Entertainment and recreational venues are needed to enhance the social offerings of the area, which is needed to attract and retain talent to the city and the region. The Clyde Theatre is one of five live entertainment venue-projects identified in the Northeast Indiana Road to One Million Regional Cities Initiative Proposal as needed in the region's effort to attract and retain talent through projects that allow and encourage Northeast Indiana residents to connect to arts and culture.⁴³

8. Improve the local economy. *How will the proposal attract new jobs, provide an expanded tax base and/or stabilize distressed or threatened neighborhoods?*

- New Jobs: 18 jobs (4 FTE; 14 PTE)
- Creating Attachment to Increase Local GDP Growth: The aesthetic appeal of the renovated Clyde (and other structures and spaces renovated in south Fort Wayne following the Project's completion) as well as the social offerings arising from The Clyde's activities will contribute to an increased level of attachment of Fort Wayne residents to the community. Cities with residents who are more attached to the community consistently experience more local GDP growth. Fort Wayne residents surveyed by Gallup, Inc. in 2010 attributed their level of attachment to the community to first, their perceptions of social offerings, and second, their perceptions of aesthetics in the community. "Social offerings" include perceptions of opportunities and places to meet people, including perceptions of a vibrant night life, availability of arts and cultural opportunities and availability of social community events. "Aesthetics" includes perceptions of the physical beauty of the community.

⁴³ See Northeast Indiana Regional Cities Initiative Proposal: The Road to One Million, Fourth Economy Consulting (August 2015).

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- Attracting Visitors to Fort Wayne: The Clyde will have a positive “tourism” impact, attracting attendees from out of the city, region and state for its live entertainment and event offerings. Such attendees will bring their dollars to spend not only at The Clyde, but also in the city’s restaurants, hotels and retail stores. *See* Application, Part II, Section 2.e. (p. 16). Fort Wayne already receives visitors from throughout northern Indiana, northwest Ohio and southern Michigan for its events and to use its hospitals and retail nodes. The Clyde will be able to capitalize on the familiarity of residents of these areas with Fort Wayne to attract them back to the city to enjoy live entertainment.⁴⁴ Other areas that The Clyde is likely to attract residents from for its concerts and events include areas like South Bend, Elkhart and Goshen.⁴⁵ As previously cited:⁴⁶
 - 60% of concert patrons visit from outside of Fort Wayne. 20% of such concert patrons stay overnight.
 - 77% of special event attendees visit from outside of Fort Wayne. 39% of attendees stay overnight.
- Stabilizing Distressed Neighborhood: *See* Application Part III, Section 3 (p. 32).
- Supporting Additional Development in Quimby Village: The Project contemplates renovating the elevations of the commercial properties adjacent to The Clyde Theatre, namely 3504, 3506 and 3508 Quimby Arc (the “Quimby Arc Spaces”). Each of the Quimby Arc Spaces will be made available for rent and for commercial use in the future. The Project engenders to attract tenants that may offer products and/or services that are complementary with The Clyde’s efforts to stimulate the creative economy in Fort Wayne and Northeast Indiana.

9. Three overarching areas of focus. *How will the proposal address one or more of the listed focus areas: Core Economic Development; Riverfront Development; Arts and Culture? Is the proposal bold? Will it be recognized as having moved the community forward? Be specific.*

- Core Economic Development: *See* Application Part III, Sections 1 (p. 30), 3 (p. 32) and 7 (p. 35).
- Riverfront Development: The Clyde’s proximity to the riverfront of St. Mary’s River, together with downtown Fort Wayne riverfront development efforts, presents an opportunity to extend the recreational and social use of the rivers beyond downtown. Riverboat taxis and personal boats can be used to travel up and down the rivers, enabling residents and visitors to enjoy the multiple restaurants, bar and live entertainment offerings in downtown and in the Quimby Village area. In July 2015, Even Keel Holdings, Northeast Indiana Regional Partnership and the City of Fort Wayne demonstrated this very idea by transporting representatives from the Indiana Economic Development Corporation, and representatives from other state and local community development organizations, on the St. Mary’s River from Hall’s downtown “Deck” location to Hall’s Drive-In in Quimby Village.

⁴⁴ *See* Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015).

⁴⁵ *See* Fort Wayne Downtown Arena Study, Hunden Strategic Partners (May 19, 2015).

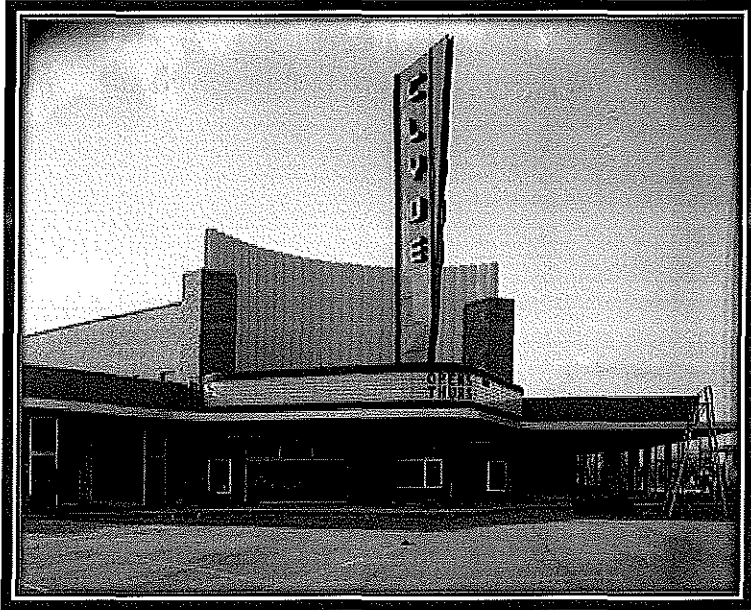
⁴⁶ *See* Application, Part II, Section 2.e. (p. 15).

The Clyde Theatre

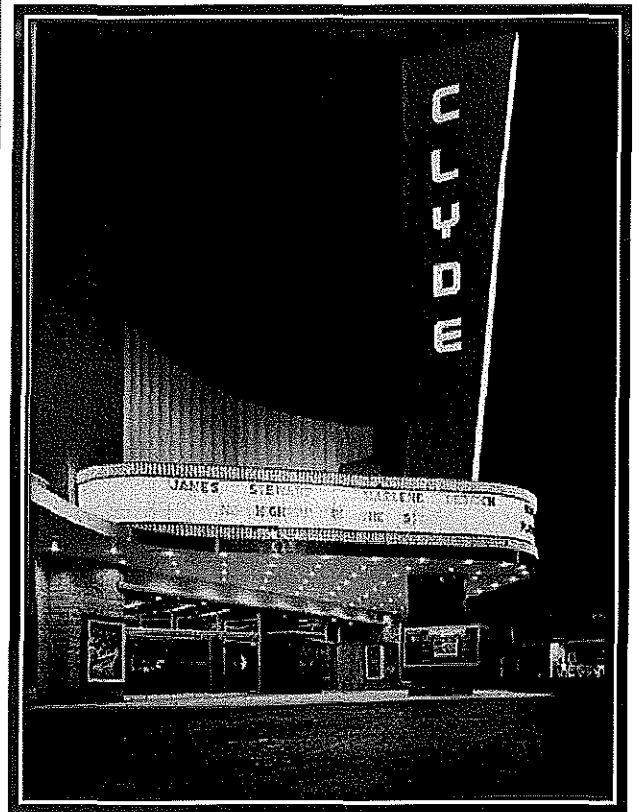
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- Arts and Culture: The demand for medium-sized, standing room venues in the live entertainment industry, and the increasing demand by concert-goers for better and more intimate music concert experiences, primes The Clyde for great success as a premier concert venue for Fort Wayne and Northeast Indiana. Further, Even Keel Event is committed to enhancing the arts and culture offerings in Fort Wayne by offering a 6,000 sq. ft. art gallery located on both floors of The Clyde's two-story grand lobby to be open to the public during regular hours in addition to during concerts and private and public events. Finally, Kind Real Estate will support other arts and culture-centric businesses and organizations that will contribute to Fort Wayne's creative economy by offering the commercial space adjacent to The Clyde to be leased for the use of such businesses and organizations.

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT A



Source: www.cinematreasures.org



Source: www.drive-ins.com



Source: www.clydetheatre.com

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B

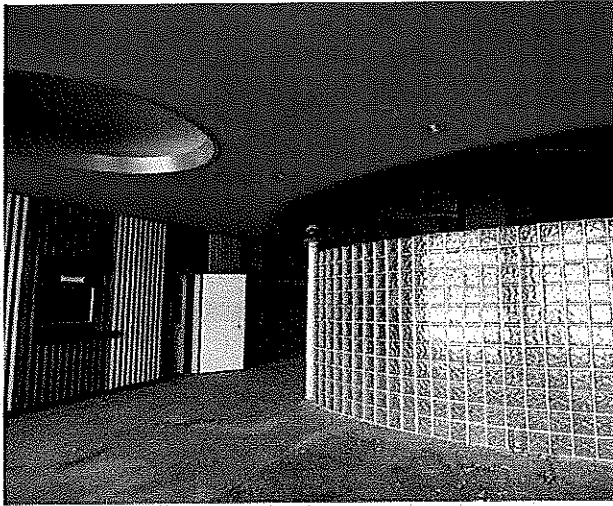


Front view of The Clyde Theatre | Source: www.journalgazette.com



Aerial view of The Clyde Theatre and Quimby Village | Source: www.clydetheatre.com

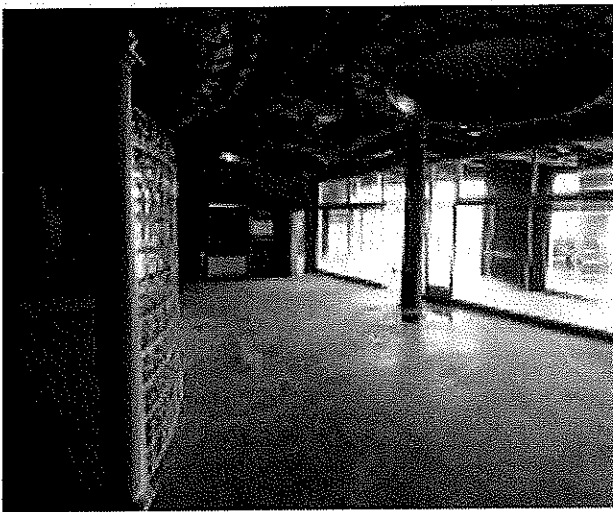
The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B



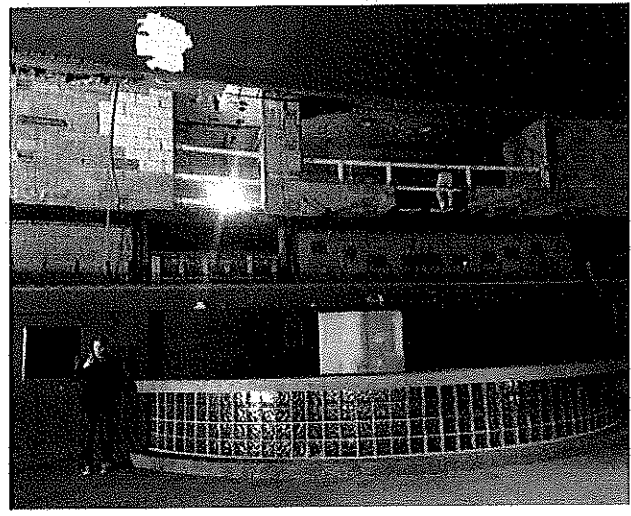
Grand Lobby (before asbestos was removed from ceiling)
| Source: www.clydetheatre.com



View into Grand Lobby from Theatre space
| Source: www.clydetheatre.com



Grand Lobby (after asbestos removed from ceiling)
| Source: www.clydetheatre.com

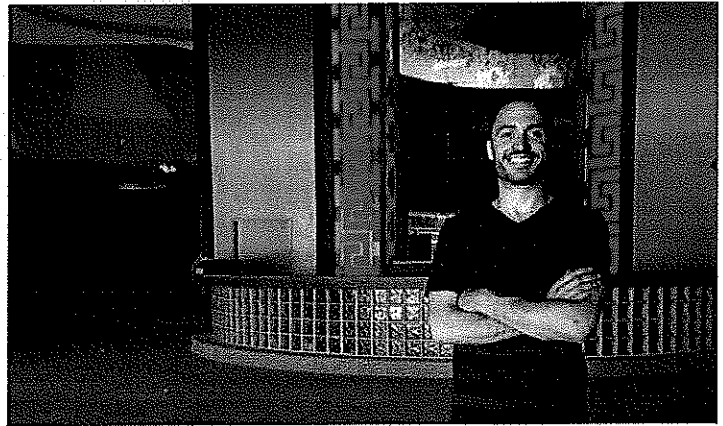


Concessions Center/Bar inside Performance Hall
| Source: www.clydetheatre.com

**The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B**

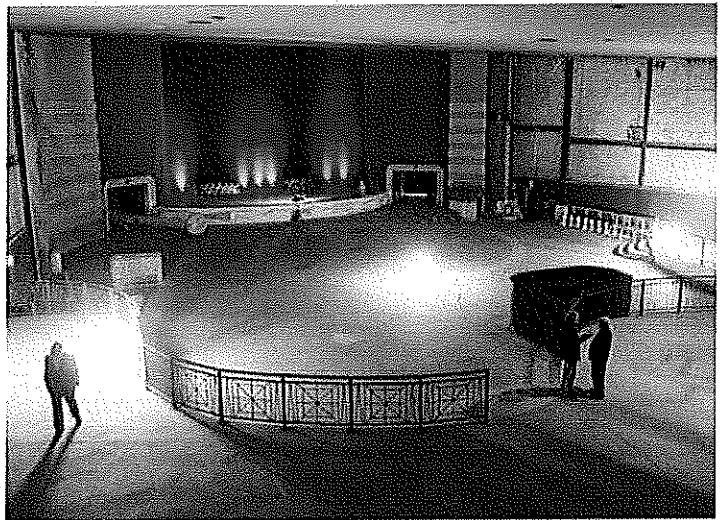


Entering the open floor performance hall
| Source: www.clydetheatre.com



Rick Kinney in The Clyde's grand lobby with Concession Center/Bar
in background

| Source: www.ipfwcommunicator.org



VIP box seat, second floor view of the open floor performance hall
| Source: www.journalgazette.net

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B



Main entrance to The Clyde Theatre
| Source: Wynne Real Estate Services (2014)



Back of The Clyde Theatre
| Source: Wynne Real Estate Services (2014)



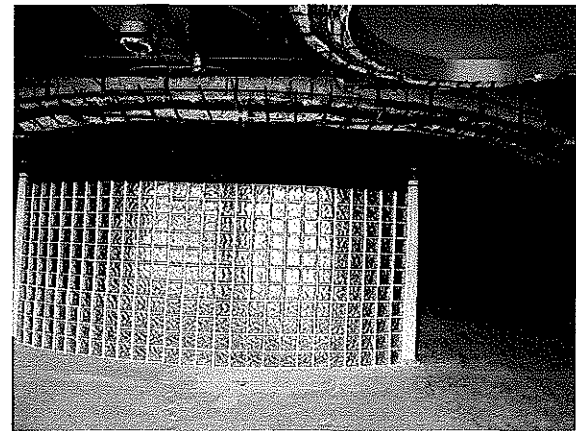
**Vacant commercial/retail space adjacent to
The Clyde Theatre**
| Source: Wynne Real Estate Services (2014)



**Vacant restaurant/commercial space adjacent to
The Clyde Theatre**
| Source: Wynne Real Estate Services (2014)



Main entrance into The Clyde Theatre
| Source: Wynne Real Estate Services (2014)

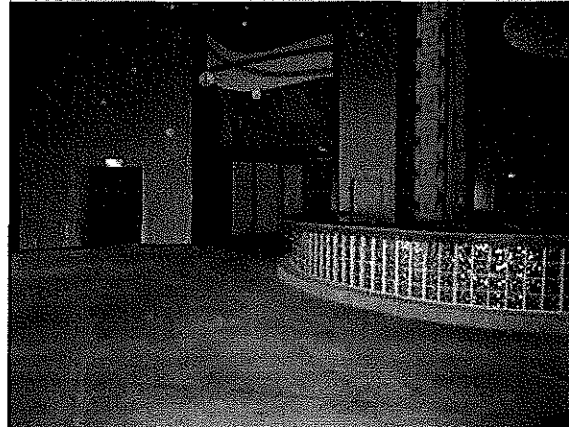


Front of Grand Lobby of The Clyde Theatre
| Source: Wynne Real Estate Services (2014)

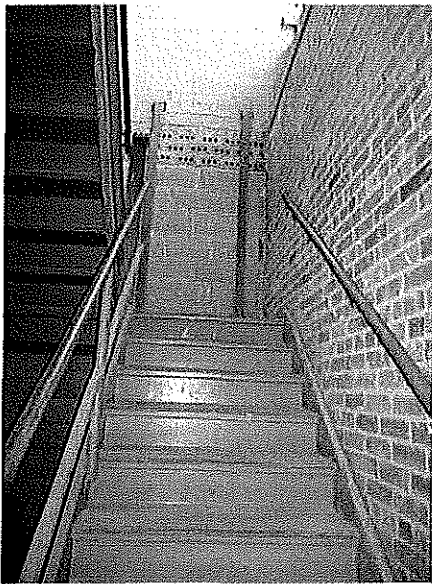
The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B



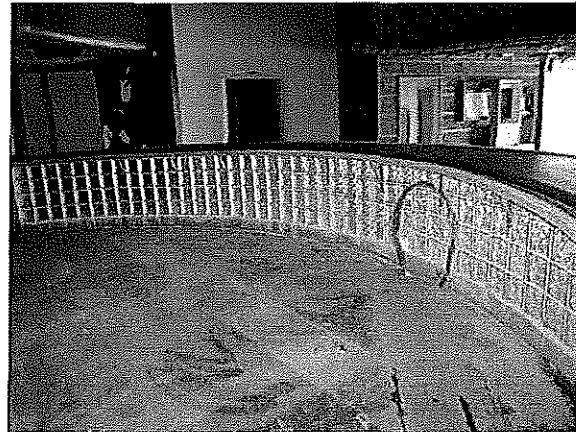
Front area of The Clyde Theatre
(post-asbestos removal)
| Source: Wynne Real Estate Services (2014)



Front Concession Center/Bar in Grand Lobby
| Source: Wynne Real Estate Services (2014)

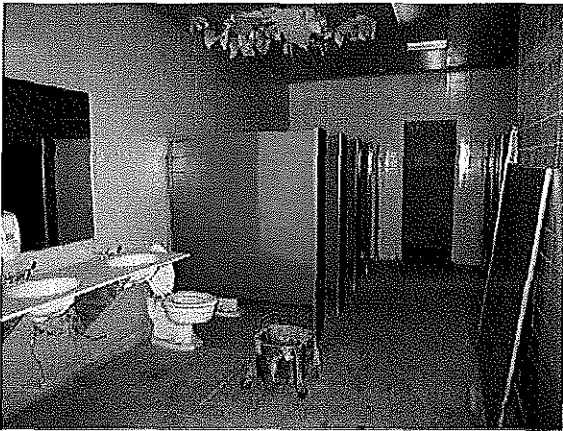


Stairwell to Mezzanine
| Source: Wynne Real Estate Services (2014)



View from behind Front Concession Center/Bar
| Source: Wynne Real Estate Services (2014)

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B



Women's Restroom

| Source: Wynne Real Estate Services (2014)



Women's Powder Room

| Source: Wynne Real Estate Services (2014)



Men's Restroom

| Source: Wynne Real Estate Services (2014)



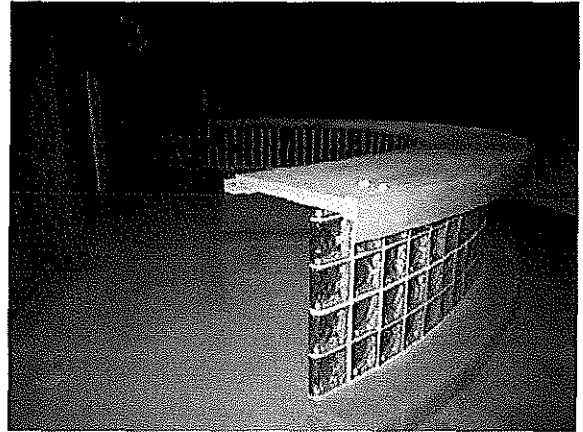
Men's Restroom

| Source: Wynne Real Estate Services (2014)

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B



Concession Center/Bar in Performance Hall
| Source: Wynne Real Estate Services (2014)



Side view of Concession Center/Bar
| Source: Wynne Real Estate Services (2014)



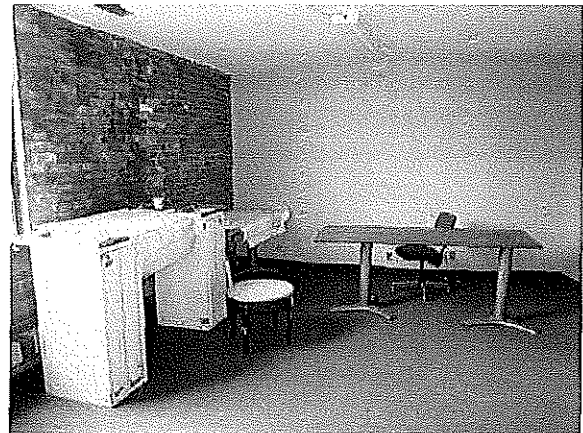
Emergency Exits from Performance Hall
| Source: Wynne Real Estate Services (2014)



Stage Area in Performance Hall
| Source: Wynne Real Estate Services (2014)



New Steps in Performance Hall
| Source: Wynne Real Estate Services (2014)

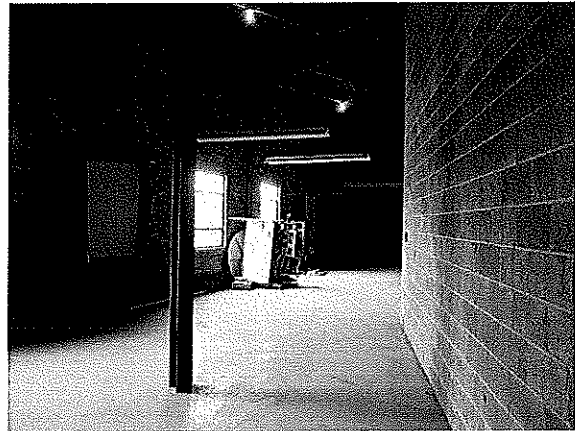


Second Floor Office
| Source: Wynne Real Estate Services (2014)

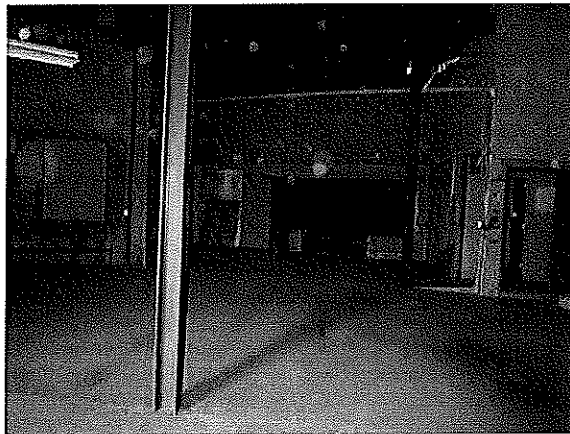
The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT B



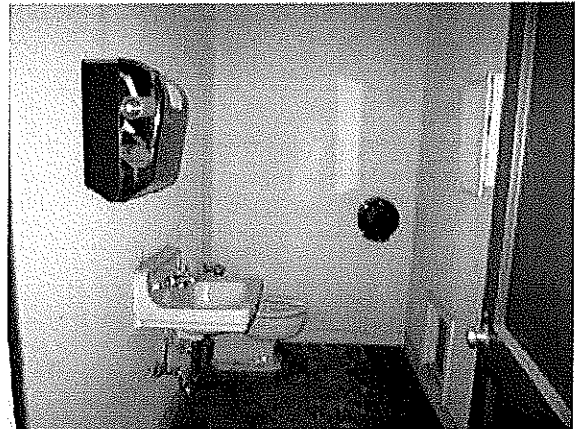
Roof Mounted Condensers
| Source: Wynne Real Estate Services (2014)



Mezzanine Area
| Source: Wynne Real Estate Services (2014)



Second Floor
| Source: Wynne Real Estate Services (2014)



Second Floor Restroom
| Source: Wynne Real Estate Services (2014)

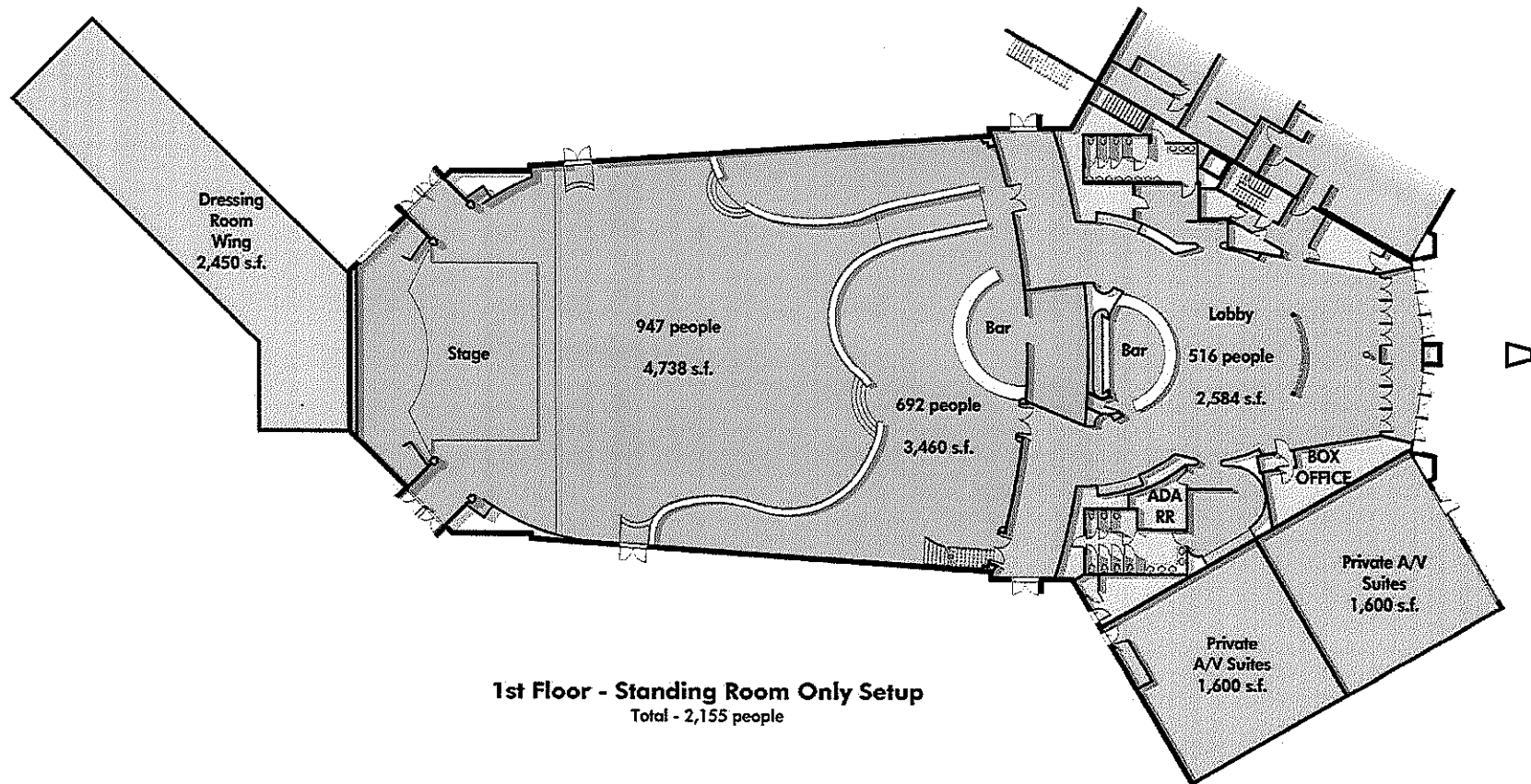


Basement Boiler Area
| Source: Wynne Real Estate Services (2014)



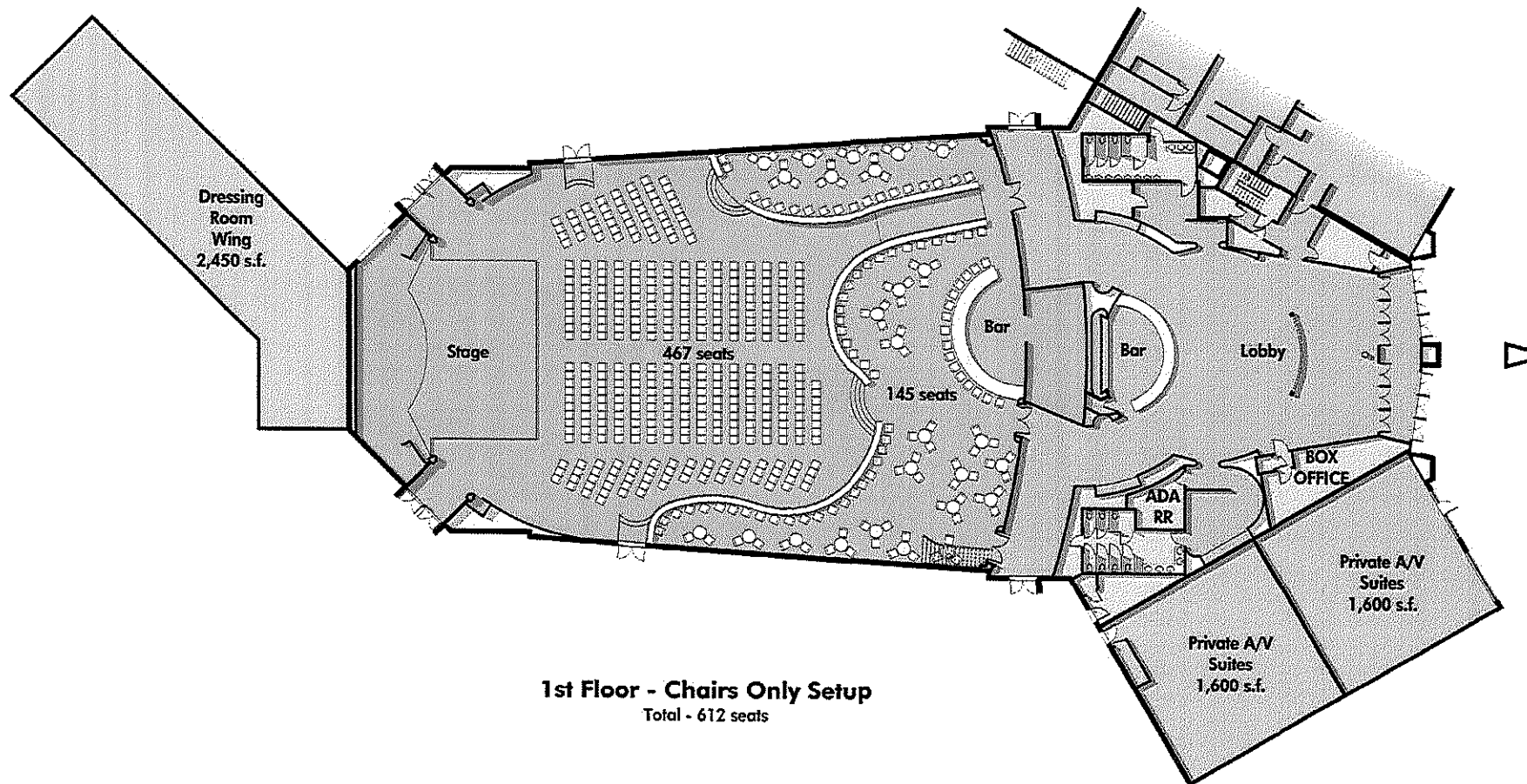
Balcony Area overlooking Performance Hall
| Source: Wynne Real Estate Services (2014)

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT C



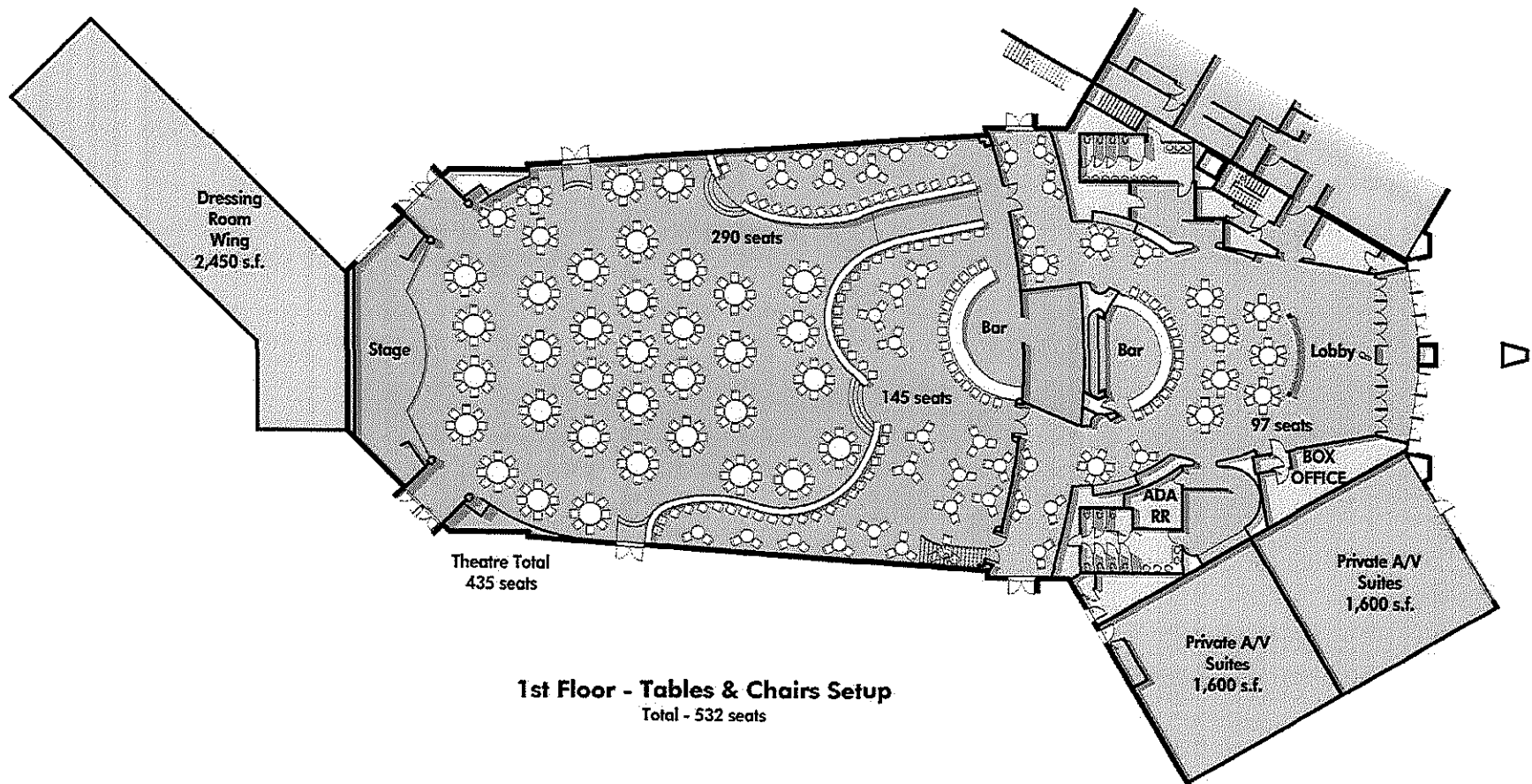
Source: MSKTD & Associates, Inc.

**The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT C**



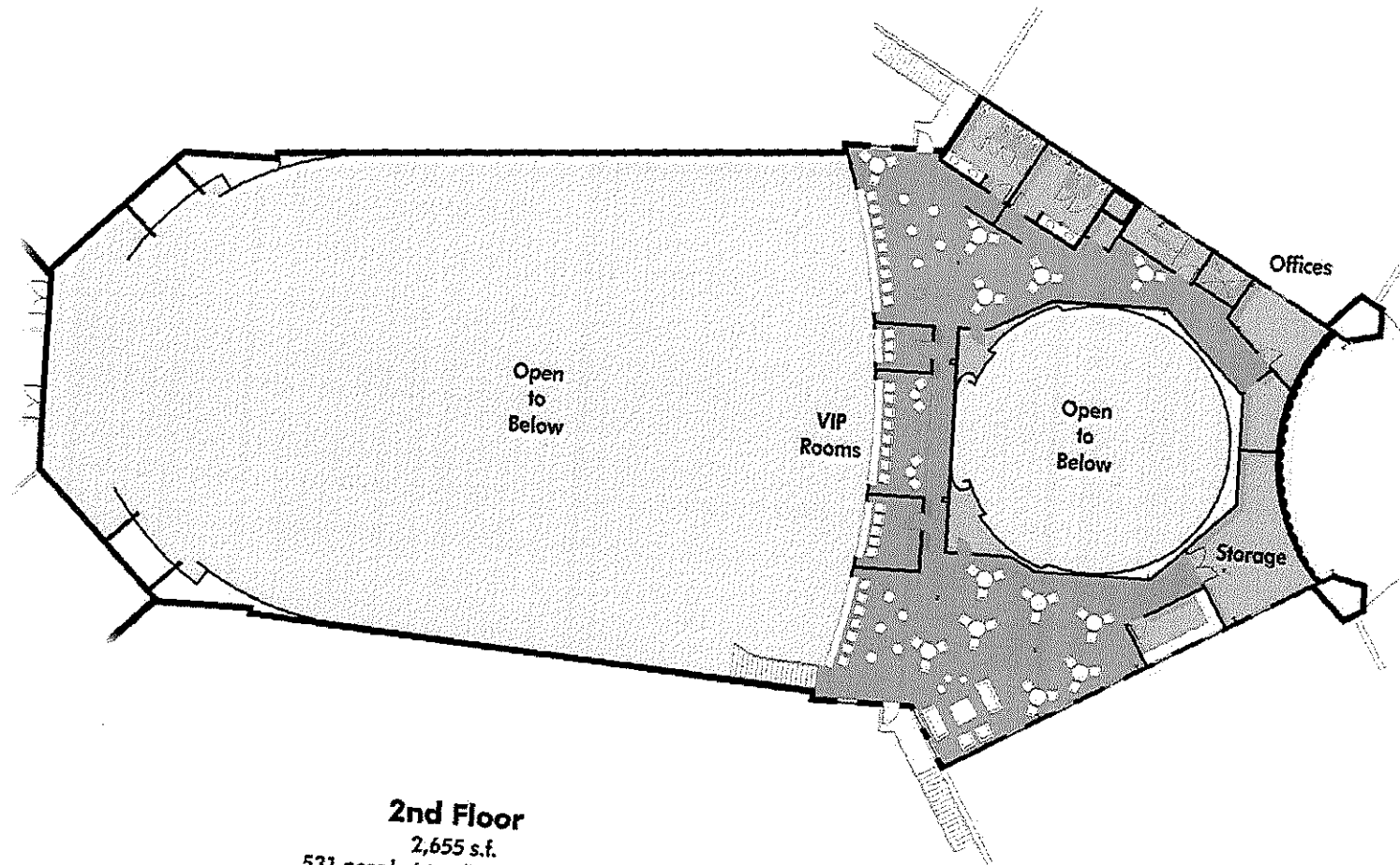
Source: MSKTD & Associates, Inc.

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT C



Source: MSKTD & Associates, Inc.

The Clyde Theatre Renovation Project
Legacy Application – EXHIBIT C



2nd Floor
2,655 s.f.
531 people (standing room only)
90 seats (as shown)

**Exhibits D to W intentionally omitted
at the direction of
Fort Wayne Community Development.**

**Electronic and hard copies of full Application
(narrative and all exhibits) are available for review with
Fort Wayne Community Development /
Sharon Feasel and Angela Miguez**