



WELLSPRING DEVELOPMENT
THE VILLAGE ON NORTHSHORE

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THE VILLAGE ON NORTHSHORE - CHATTANOOGA, TN – PROJECT
NARRATIVE – DESTINATION ONE... SECOND TO NONE

THE VILLAGE ON NORTHSHORE is over 600,000 square feet of hospitality, retail, residential, commercial and public space currently proposed for 5.4 acres of land along the Tennessee River. Located on Chattanooga's thriving Northshore, and anchored at its entrance by Whole Foods, The Village on Northshore offers breathtaking views across the river to downtown, the Market Street Bridge, The Tennessee Aquarium, and AT&T Field, all within an intimate setting, bustling pedestrian only streetscape and first-rate downtown experience.

By blending architecture celebrating Chattanooga's industrial riverfront past with modern design elements and details of today, this grounds-up development will evolve into a lively town center, and earn the recognition as a destination first location and a community all its own. The Village on Northshore will attract nationally known and one-of-a-kind retailers, restaurateurs, and businesses, as well as visitors from throughout the region.

The proposed 150 room Aloft W Hotel, will border the river, providing much in demand waterfront resort and convention space; the R.H. Hunt Memorial Flatiron, named for celebrated local architect Reuben Harrison Hunt, will anchor the village at its north and house desired riverfront retail space; across the street, The Spartan Cinema multiplex, will offer a step back in time to the dramatic movie houses of a bygone era. At its alley, The Guild Theater will usher in live performing arts to the Northshore district; boutiques, outdoor dining, rooftop gardens, kiosks, courtyards, fountains, alleyways and pedestrian-friendly spaces will line residential flats and artists lofts.

The Village on Northshore will take full advantage of its Chamber of Commerce River City views, a budding downtown community, the growing population and economy of Chattanooga, The city's growing tourist and convention industry, and Chattanooga's central location, which is two hours from Atlanta, Nashville, Knoxville and Birmingham. Visitors will come to vacation, shop, dine, hang out, see a movie, and spend time with friends and family; enjoying holiday celebrations, community events and live entertainment in a beautiful riverfront setting.

An old fashioned trolley will carry passengers along its tracks from Manufacturers Road to the Market District which borders Renaissance Park, an urban nature preserve, and then wind it's way down to the River District, complete with a boardwalk lining the shore. The floating Barge Restaurant, will offer unobstructed views from its open-air deck, guests will arrive via water taxi, docking at the multi-slip marina; an interactive fountain at the shores edge will promote play and provide a cooling off place on a warm summer's day. In winter, the fountain will transform into an ice rink, creating a magical one-of-a-kind holiday attraction for the region, and host the Southeast's tallest Christmas tree.

Located 13 miles from both Hamilton Place Mall and Northgate Mall, The Village on Northshore's quaint old-town setting will present a welcome downtown alternative to the more conventional suburban mall and provide an unsurpassed vacation, shopping, entertainment, dining and living experience; evolving into a popular attraction and inviting destination for the entire Southeast.

EXECUTIVE SUMMARY – LIFE ELEVATED

Wellspring Development Group, LLC (WDG) is a Colorado based development/design/build firm which is developing THE VILLAGE ON NORTSHORE, a 600,000 square feet mixed-use pedestrian district.

The proposed development will consist of the 150 room Aloft W Hotel, 200,000 square feet of retail and commercial space, 106 condominiums, 80 apartments, 1120 parking spaces, and 45 boat slips. The Village on Northshore will become Chattanooga's community marketplace on the river, providing a space for both commerce and community gatherings.

The property for this project is arguably the best views on the urban section of the Tennessee River. Capturing these views, a resort setting, intimate site design, dramatic architecture, and a vibrant pedestrian-only streetscape, The Village on Northshore will be a thoroughly public space that allows the entire community to access and enjoy the river, all in a destination oriented resort, retail, residential, and entertainment environment.

WDG is currently seeking \$40 million investment capital for land acquisition and construction financing for the development. The total project cost is estimated to be \$115 million. Traditional bank syndicate and private equity will be the primary offer for capital; however, joint-venture agreements can be discussed. WDG estimates profits to begin year three, with debt reduction achieved through condominium sell-offs and local/state and government incentives. WDG has hired LEED certified landscape architects John Brown, ASLA, and Matthew Stovall, ASLA, structural architect Darryl Gibson, AIA and fellow engineers with Barge Waggoner Sumner & Cannon to help in the thoughtful architectural, aesthetic and environmental design of the mixed- use development. To assist in the hotel component, WDG has enlisted Vyomesh Desai of ViaNova Development, LLC, for his expertise in the hospitality arena. For the sale of the condominiums, and leasing of the apartments and retail spaces, the real estate firm Real Estate Partners Chattanooga, LLC, has been commissioned for their strength in the downtown market.

TARGET OBJECTIVES – DECEMBER, 2020

1. Raise equity capital, purchase land and bring in syndicate bank/insurance backed debt or equity to allow for groundbreaking by beginning of 3rd quarter of 2021
2. Secure hospitality flag agreement with Starwood Hotels Group for the stylish 150 room Aloft W Hotel or other equivalent flag. Complete hotel buildout and related retail component and under full staff operation by 4th quarter 2021.
3. Complete River District Artisan Lofts (106 high-end on the river condominiums) and all accompanying retail spaces by 3rd quarter 2021. Sell-off 100% by 4th quarter 2022, with proceeds from sales used for principal debt reduction and equity profit participation.

4. Complete Market District Guild Flats (80 apartment units) and all accompanying retail spaces by end of 2nd quarter of 2021. Lease 90% of apartment by 4th quarter 2022.
5. Achieve 30% retail/commercial lease commitments for 200,000 square feet Market and River District space by 2nd quarter 2022.
6. Achieve and maintain 90% retail/commercial/apartment occupancy by 1st quarter 2022
7. Maintain approximately 13% investor cash flow ROI for year ending 2023 and yearly thereafter.

HIGHLIGHTS OF THE PROJECT

- Chattanooga's first fully designated pedestrian only mixed use district
- Chattanooga's only riverfront hotel/convention center
- Public pedestrian access from Manufacturers Road and Renaissance Park to the riverfront, including a boardwalk along the shoreline and the city's only floating barge restaurant/music venue
- 45 slip marina
- Free trolley access at Manufacturers Road, the Market District, Renaissance Park and the River District
- Open air farmers market at Manufacturers Road entrance
- Underground garage parking for 960 vehicles provided on-site
- Direct elevator access from underground garages to street level retail
- 106 river view condominiums with designated private parking
- 80 apartments, many with river view, with designated private parking
- 200,000sf of retail storefronts lining 1st and 2nd floor spaces
- Proposed 10-plex cinema house and/or entertainment center
- Performing arts venue
- 18-foot wide streets with 10-foot wide sidewalks throughout
- 12-foot wide retail alleyways separating Market District buildings
- Rooftop gardens in key view locations
- Outdoor dining, coffee shops, kiosks, planters, courtyards, fountains, bordering streets and sidewalks
- Water taxi access to and from downtown
- A walking bridge connecting to Renaissance Park, an urban nature preserve
- Pursuit of city, county, state, and federal tax incentives, grants, abatements, etc.
- The addition of +/- 500 jobs to the region

- Potential public/private partnerships for extension of the Riverwalk and connections to the pending Moccasin Bend/Trail of Tears National Park/ Archeological District
- Potential partnership/sponsorship with Volkswagen Group of America
- Potential partnership with CARTA for trolley and parking component
- Potential alliances with local companies; EPB, Chattam, Inc., Coca Cola, Alstom Power, Wacker Chemical, Miller Industries, Kenco Logistics, UnumProvident Corporation, Chattanooga Lookouts, UTC, Brach's Confections, Inc., Astec Industries, Covenant Transport, Inc., Covista Communications, Wingfield Scale, The Dixie Group, Mohawk Industries, US Xpress Enterprises, BlueCross BlueShield, McKee Foods, Corporation, Propex, Inc., The Vincent Group, etc.

HIGHLIGHTS OF CHATTANOOGA

- Inman rated top five real estate markets to watch in the country
- Chosen as the #1 small city in the country for young entrepreneurs by Under30CEO.com
- One of the strongest housing markets in the Southeast
- Unemployment at 5.2%
- Chattanooga nicknamed the Gig City for its EPB grid with the fastest available internet speed in the Western Hemisphere
- 97% city-wide apartment occupancy
- 90% downtown hotel occupancy
- Pent up demand for downtown residential and retail
- New York Times; "1 of 45 Places to Visit in 2012." This included destinations worldwide. Only four U.S. cities were chosen for the travel feature.
- CNN Travel; "A regional gem with literally dozens of attractions packed along the city's downtown riverfront."
- Outside Magazine; "Best Outdoor Town in the US based on readers votes."
- Southern Living Magazine; "Few cities have reinvented themselves over the past few decades as successfully as Chattanooga, and it just keeps getting better and better."
- CBS's The Early Show; "Chattanooga's walkable and bike-friendly city is very eco-oriented, with local markets and the revitalization projects have made the city a model eco town and tourist hotspot."
- RelocateAmerica.com; Chattanooga ranked 3rd as the top 100 places to live in America, for the rich culture, beautiful landscapes and business opportunities.

- USA Today; "The riverfront city has transformed its skyline along with its reputation, and has been reborn as the Scenic City."
- Disney Magazine; "Chattanooga is one of the South's Top 10 Family Vacation Destinations."
- The Washington Post; "Chattanooga is well on its way to becoming one of America's best mid- sized cities."
- US News & World Report; "One of six cities worldwide that work at creating great urban experiences."

MISSION STATEMENT

Wellspring Development Group's mission is to successfully develop the Southeast's premier downtown hospitality, shopping, dining, entertainment, resort style living experience. With unsurpassed views of Chattanooga's riverfront, WDG's team will strive to provide the region with much desired on the river hotel, residential, retail and commercial space and compete with the more conventional retail developments through innovative techniques in architecture, planning, marketing, branding, and The Village on Northshore's "destination one... second to none" business model. With the unique opportunity of time, place, and space, WDG's team will strive to create a long-term profitable development sprouting benefits to the local community, its business partners and affiliated companies, and the entire Southeast region.

