



OFFICE OF THE MAYOR
LOUISVILLE, KENTUCKY

December 9, 2022

GREG FISCHER
MAYOR

River City Entertainment Group, LLC
P.O. Box 70509
Louisville, KY 402700-0509
Attn: J. Scott Hodgkins

Dear Mr. Hodgkins:

Please accept this Letter of Intent from Louisville Metro Government (“LMG”) regarding your proposal with respect to the property located at 426 Armory Place (the “Louisville Gardens Property”) and the parcels owned by the Commonwealth of Kentucky on the block bounded by Cedar Street, South Sixth Street, W. Muhammad Ali Boulevard, and South Seventh Street, more commonly known as 600 Cedar Street (collectively, the “Cedar Street Property,” and together with the Louisville Gardens Property, the “Property”) where the Louisville Gardens Property would be redeveloped and renovated into sound stages and supporting facilities for use by audio, film and digital production companies, as well as live performances and the hosting of selected events, and the Cedar Street Property would be redeveloped into an education facility that, in conjunction with local colleges and universities, would provide vocational and management level training for careers in the audio and film production industry (the “Project”). LMG believes the Project would bring new energy to the Property and downtown Louisville neighborhood and increase economic development in the area.

WHEREAS, LMG has posted information regarding the Louisville Gardens Property and the potential redevelopment of that property since approximately 2018 on its Louisville Forward website at <https://louisvilleky.gov/government/louisville-forward/louisville-gardens>, and, during that period of time, LMG received no reasonably acceptable proposals to redevelop the Louisville Gardens Property; and

WHEREAS, River City Entertainment Group, LLC and its affiliates (collectively with its affiliates, “Developer”) have experience in the audio, film and digital production industry; and

WHEREAS, the development team affiliated with Developer has experience in developing and redeveloping real estate, including adaptive reuse projects and sound stage and film and audio content creation facilities; and

WHEREAS, Developer contacted LMG with respect to (i) redeveloping and renovating the Louisville Gardens Property and (ii) redeveloping the Cedar Street Property; and

WHEREAS, Developer contacted LMG with respect to (i) redeveloping and renovating the Louisville Gardens Property and (ii) redeveloping the Cedar Street Property; and

WHEREAS, LMG based on prior investigations into redevelopment, and Developer based on its own preliminary due diligence and investigative studies, each have concluded that the revenues from concerts and sporting events at a renovated Louisville Gardens Property would not justify the costs of the renovations necessary for the venue to be used for that purpose; and

WHEREAS, the proposed renovation of the Louisville Gardens Property is anticipated to include (i) restoring the façade of the Louisville Gardens Property to the original look of the Louisville Armory, and rehabilitating the rest of the exterior, (ii) renovating the offices and upstairs Black Box theatre; and (iii) redeveloping the internal structure of the building and construct sound stages to be used by audio, film and digital production companies, retail space, and a public museum in the entry foyer of the Louisville Gardens Property that would highlight the significant cultural events that occurred at Louisville Gardens Property over its long history; and

WHEREAS, it is anticipated that the Cedar Street Property could be redeveloped into a facility for vocational and management level training of specific skills necessary to support the audio and film production industry, storage of equipment, and management and operation of public facilities; and

WHEREAS, the Project aligns with LMG's desire to redevelop the Louisville Gardens Property into a productive, commercially self-sustaining property, portions of which will remain open to the public respecting its long and honored history; and

WHEREAS, LMG therefore desires to support the Project; and

WHEREAS, the Parties recognize that additional due diligence on the Louisville Gardens Property will be needed in order to determine the redevelopment budget and finalize the sources and uses of capital for the Project, a necessary component of any development agreement; and

WHEREAS, the Parties have entered into an Access Agreement that allows Developer to conduct such additional due diligence on the Louisville Gardens Property.

NOW THEREFORE, LMG and Developer agree as follows:

1. LMG and Developer will enter into good faith negotiations intended to culminate in the execution of a development agreement and related documents for the Project and use of the redeveloped Property. The development agreement and related documents shall address detailed terms of Project implementation, structural matters, project financing, including appropriate incentives available to Developer at the local, state and/or federal levels, and any other LMG support needed to finance and complete the Project. LMG and Developer intend to enter into a long-term lease for the Louisville Gardens Property to allow for the operation of the renovated Property by Developer.

2. LMG and Developer shall endeavor to negotiate the terms of a mutually acceptable development agreement within 180 days of the date of this letter's acceptance, with the option to extend the 180-day period of time to reach a mutually acceptable development agreement, on the condition LMG and Developer mutually agree to said extension.
3. If applicable, LMG will assist with Developer on any approvals, including, but not limited to those required by the Louisville Metro Code of Ordinances, the Louisville Metro Council and the Parking Authority of River City (PARC).
4. LMG will use reasonable best efforts to work with the Commonwealth of Kentucky (the "Commonwealth") to make the Cedar Street Property available for development for the Project through either a sale or a long-term lease of the Cedar Street Property and, associated with these efforts, LMG further agrees to use its best efforts to enter into a similar access agreement (contemplated herein for the Louisville Gardens Property) by and among LMG, Developer, and the Commonwealth of Kentucky for the Cedar Street Property.

This Letter of Intent is not binding and is not intended to and does not create any binding legal obligation for either party until such time as mutually acceptable terms and conditions are outlined and memorialized in a fully executed development agreement and/or other related documents.

HAVE SEEN AND AGREED TO:

LOUISVILLE METRO GOVERNMENT

BY: *Ellen M. Nesen*
Deputy Mayor

DATE: *Dec. 9. 2022*

RIVER CITY ENTERTAINMENT GROUP,
LLC

BY: *J. Scott Hodgkins*
J. Scott Hodgkins
Authorized Representative

DATE: *12-9-22*