



# West Warren Industrial Park

Presented by: West Warren Development LLC

# Forward Looking Statements

Certain statements contained in this Investment Proposal, including, without limitation, statements containing the words “believes,” “anticipates,” “intends,” “expects,” “will,” “may,” “might,” and word of similar import, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this Investment Proposal and include statements regarding the intent, belief, or current expectation of West Warren Fund I LLC and its Managers. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and that actual results may differ materially from those projected, expressed or implied, in the forward-looking statements as a result of various factors. The forward-looking statements speak only as of the date of this Investment Proposal. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements.

The forward-looking statements are based on judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond anyone’s ability to control. There are also other risks which could cause revenues or costs to vary markedly from the forward-looking statements made in this Investment Proposal. Accordingly, although it is believed that the assumptions underlying the forward-looking statements are reasonable, any assumption could prove to be inaccurate. Therefore, there can be no assurance that the results contemplated in forward-looking statements will be realized. Any statements should not be regarded as a representation or warranty that objectives or plans will be achieved.

**THIS CONFIDENTIAL INVESTMENT PROPOSAL DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION TO BUY, NOR SHALL THERE BE ANY SALE OF ANY SECURITIES IN ANY STATE IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER. THE OFFERING SUMMARIZED HEREIN IS TO BE MADE BY OFFICIAL SUBSCRIPTION AGREEMENT ONLY. AN INVESTMENT IN THE SECURITIES DESCRIBED INVOLVES CERTAIN RISKS AS TO BE DISCLOSED IN THE SUBSCRIPTION AGREEMENT AND RELATED OFFERING DOCUMENTS.**

# Projected Financial Information

The projected financial information provided to potential investors of West Warren Fund I LLC is the Managers' forecast of possible future results and is dependent on many factors over which there is little control. Independent accountants have not examined or compiled the projections presented, and accordingly, assume no responsibility for them. The projections were not prepared with a view to public disclosure or compliance with published guidelines of the Securities and Exchange Commission or any state securities commission, or the guidelines established by American Institute of Certified Public Accountants. There can be no assurance that these projections will be realized, and actual results may vary materially and adversely from those set forth in the projections.

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# Investment Overview



# Executive Summary – West Warren Fund I

## Formed to develop first building in West Warren Industrial Park

- The option to purchase the site for West Warren Industrial Park was acquired in 1H22
- Development is expected to begin by the end of 2022 with the first building completed mid 2024

## Two-year development process

- Once the building is completed and leased, a competitive sale process will be initiated for the building to realize an equity return to investors
- The full development and sale process will be complete in 20 – 24 months
- An equity raise will be initiated for the second building after a successful sale

## Highly disciplined development process

- 11 general contractors interviewed and narrowed to 4 for final RFP
  - All subcontractors are to be bid competitively
  - GC's selected based on price, ability to navigate supply chain issues, and labor shortages
- 24 banks screened with 4 selected for final negotiations

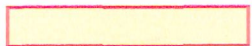
## Industrial space is being built to take advantage of new mega-projects announced

- Very limited available Industrial "Class A" space in the greater Mahoning Valley
- Multiple complimentary projects that will require follow on space (Foxconn, Ultium, TJX)
- Intel suppliers will require space away from Columbus but still in state

# Proposed Industrial Park Location



- 86 acres formerly owned by City of Warren and Warren City Schools.
- 3 mi from Route 5 / 82 (5 min drive)
- 2 mi from downtown Warren, OH
- Near shovel ready with minimal infrastructure improvements



Area of Development



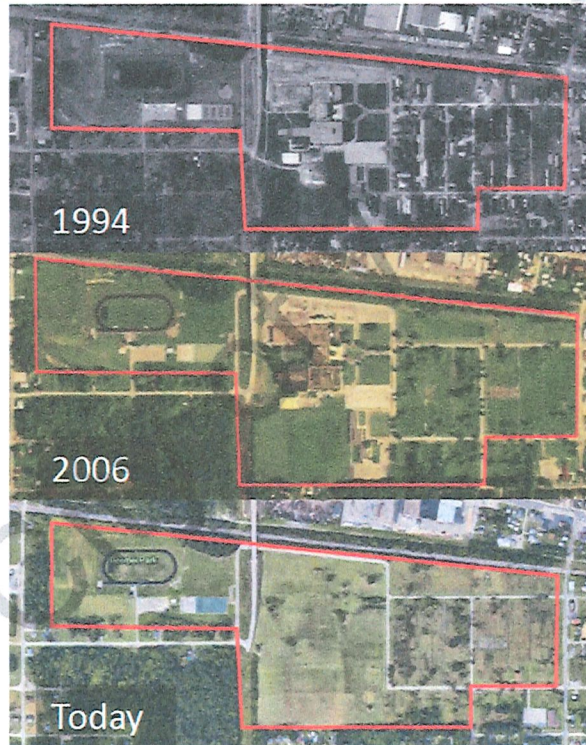
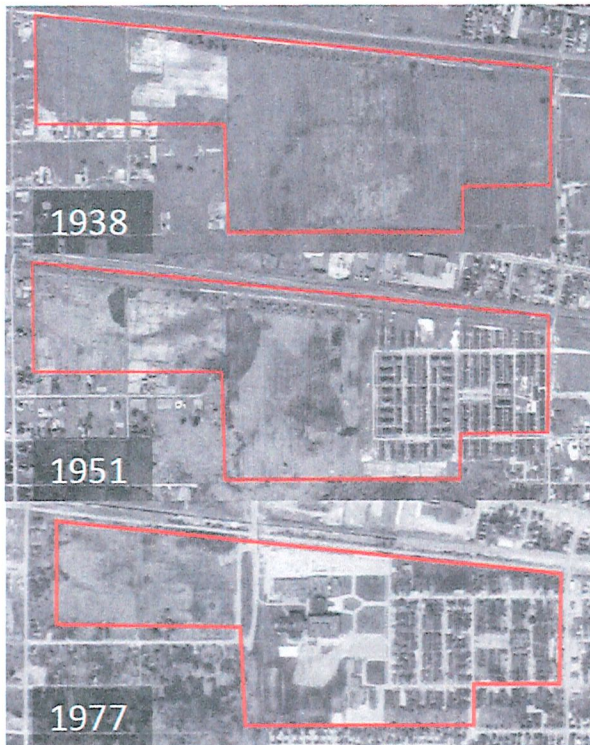
Courthouse Square

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# Location History

Historical progression showing residential development, Deemer Park, and Western Reserve School being built and then reclaimed.



Present day condition of the land is near shovel ready.



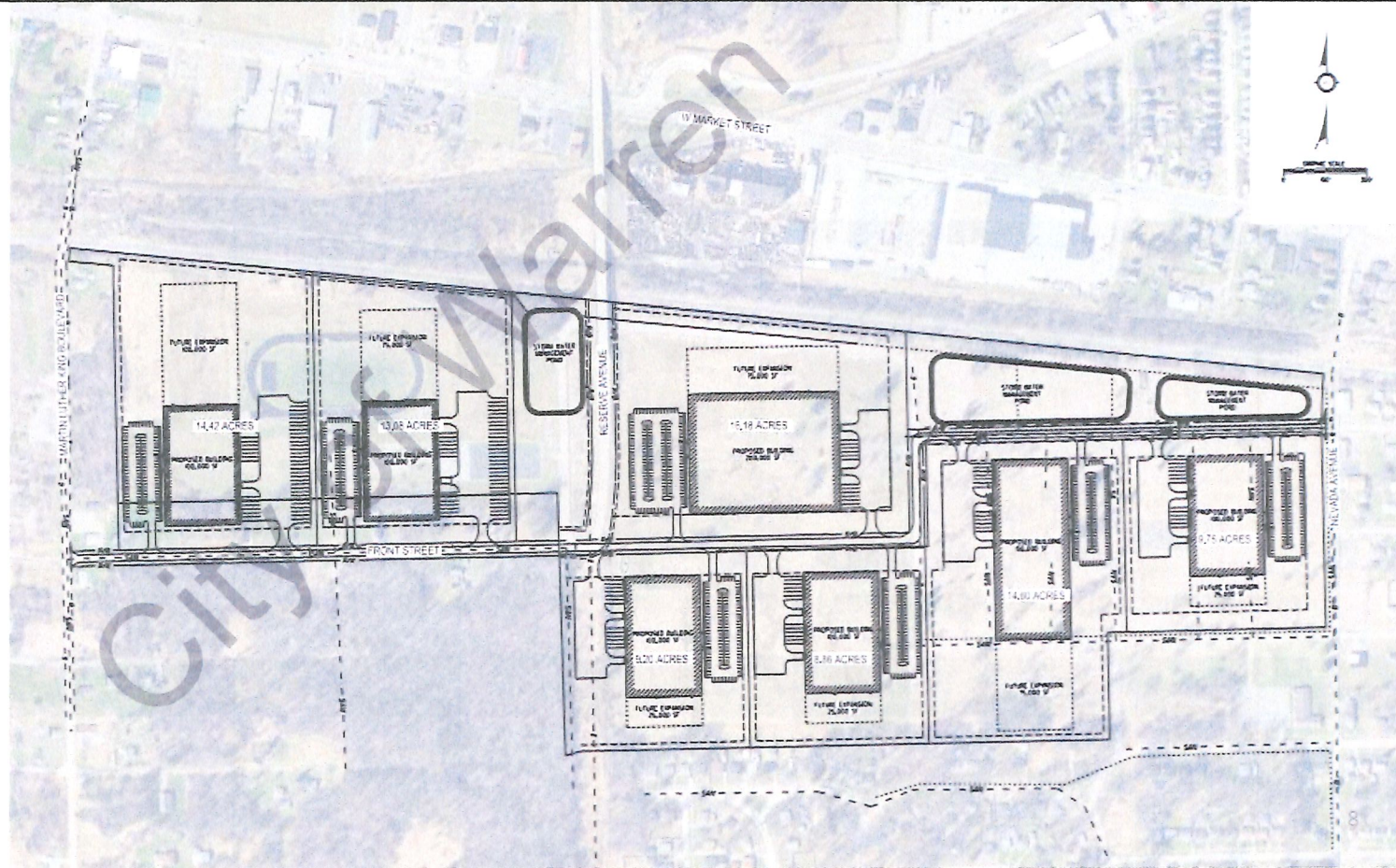
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# Proposed Future

- Focused on light industrial, distribution, advanced manufacturing, industrial flex space, and R&D
- Multiple mid-sized tenants
- Resilient space able to be repurposed over time
- Anchor project to revitalize the west side of Warren and provide high paying economic opportunities for current and future residents
- Strategic vision to create a technology place within the city of Warren able to capture supply chain opportunities from large blue-chip opportunities moving to Ohio

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# Development Strategy

City of Warren

# Development Timeline (24-Month Hold)

## Acquire Land (4Q21 – 3Q22)

- Final negotiations with Port Authority and City of Warren: in progress

## Secure Financing (2022 – 4Q22)

- Finalize Equity Raise: In process
- Select Banking Partner: 24 banking partners have been screened and 4 banks were selected based on their competitiveness. These 4 banks will be asked to submit initial term sheets
- OSIP / RIPL: currently completing pre-approval process. This will be completed in parallel with selecting a banking partner. Ultimately, we will secure contingent commitments from the state and our banking partner.

## Construction (1Q23 – 2Q24)

- Construction is still in the pre-construction phase.
- Once financing is finalized, we will begin final design and other pre-construction requirements.
- Construction will be completed over 18 months with the majority of construction completed within the first 12 months.

## Lease Up (1Q24 – 4Q24)

- Marketing of the property has already begun for potential tenants looking to relocate.
- Additionally, we will be engaging a reputable national brokerage firm to market the property to potential tenants.
- Most importantly, the Youngstown/Warren Regional Chamber, Western Reserve Port Authority, and City of Warren will support efforts to bring businesses to the Mahoning Valley to occupy this space.

## Sale and Exit (2Q24 – Finish)

- As soon as construction is completed and the building is fully leased, we will initiate a national sales process.
- This will represent a conclusion of the investment and all proceeds will flow back to investors.



# Finance Process

\$3,500,000

West Warren  
Fund I LLC



Bank Construction  
Loan



Ohio

Department of  
Development

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## 1 Pre-Approval

### Equity Commitments:

During the Pre-Approval phase investors will be asked for commitments to lock in the equity portion of the project.

### Bank Commitments:

During the Pre-Approval the bank will be working with state institutions to give contingent approval based on other parties being involved. Although state programs will not reduce the required size of the construction loan, the programs will mitigate risk from an inability to lease

### RIPL and OSIP Commitments

Both state institutions will give Pre-Approval to go ahead with the project based on the merit of the project and its economic impact. Both state programs come into the project as "take-out" financing meaning cash is used to replace construction loans.

## 2 Approval

### Equity Draw Down:

Construction financing requires investors to be "first dollar in" which means equity is drawn first.

### Construction Loan Draw:

After the required equity comes into the project, the construction loan will flow on a monthly basis until the project is finished.

## 3 Construction Finish

### Equity Reserve:

An equity reserve above the required equity for construction is required to pay for interest expense and expenses until lease up is completed.

### Refinance:

Either through a permanent loan based on property cash flow (lease terms) or through proceeds from a sale.

### RIPL and OSIP Grant/Loan:

Approved funds will flow to the bank to reduce the construction loan. Intercreditor agreements will be put in place if a loan is used. Most funding is in the form of a grant.

# Construction Strategy

**Our goal is to build an adaptable, low-maintenance structure that will be highly salable upon lease-up.**

- Concrete pre-cast or tilt-up construction
  - Pre-constructed metal buildings are not desirable due to increased maintenance costs and higher costs for expansion and re-engineering for new tenants.
  - This greatly increases the future costs of the building and decreases the ability to redesign the space for new tenants.
  - This has a knock-on effect of creating increased vacancies and causing deterioration of existing building stock that spreads to neighboring property, causing blight.
  - Concrete buildings are the surest way to create sustainable, adaptable building stock able to meet present and future demand from tenants.
  - All of these positive factors for concrete buildings results in substantial sale premium over pre-engineered metal buildings and creates a larger buyer universe.
- Modern industrial and distribution tenants require higher ceilings and more floor space.
  - 32' Clear Height: The clear height is from the lowest hanging part of the ceiling to the floor. Higher ceiling height is required for distribution tenants who have high racking requirements.
  - 50' Column Spacing: The distance between columns greatly affects the total amount of floor space available for value-add activity.
- Value engineering:
  - Office to suite: We will rough-in the areas for office space in order to reduce the need for office build out until the tenant requirements are defined and a lease is signed.
  - Docks to suite: Knock outs for docks will be built into the walls, but until a signed lease, only 6 - 8 docking structures will be built. For example, manufacturing tenants will only require 6 - 8 docks whereas a distributor may require 15 - 30 docks.

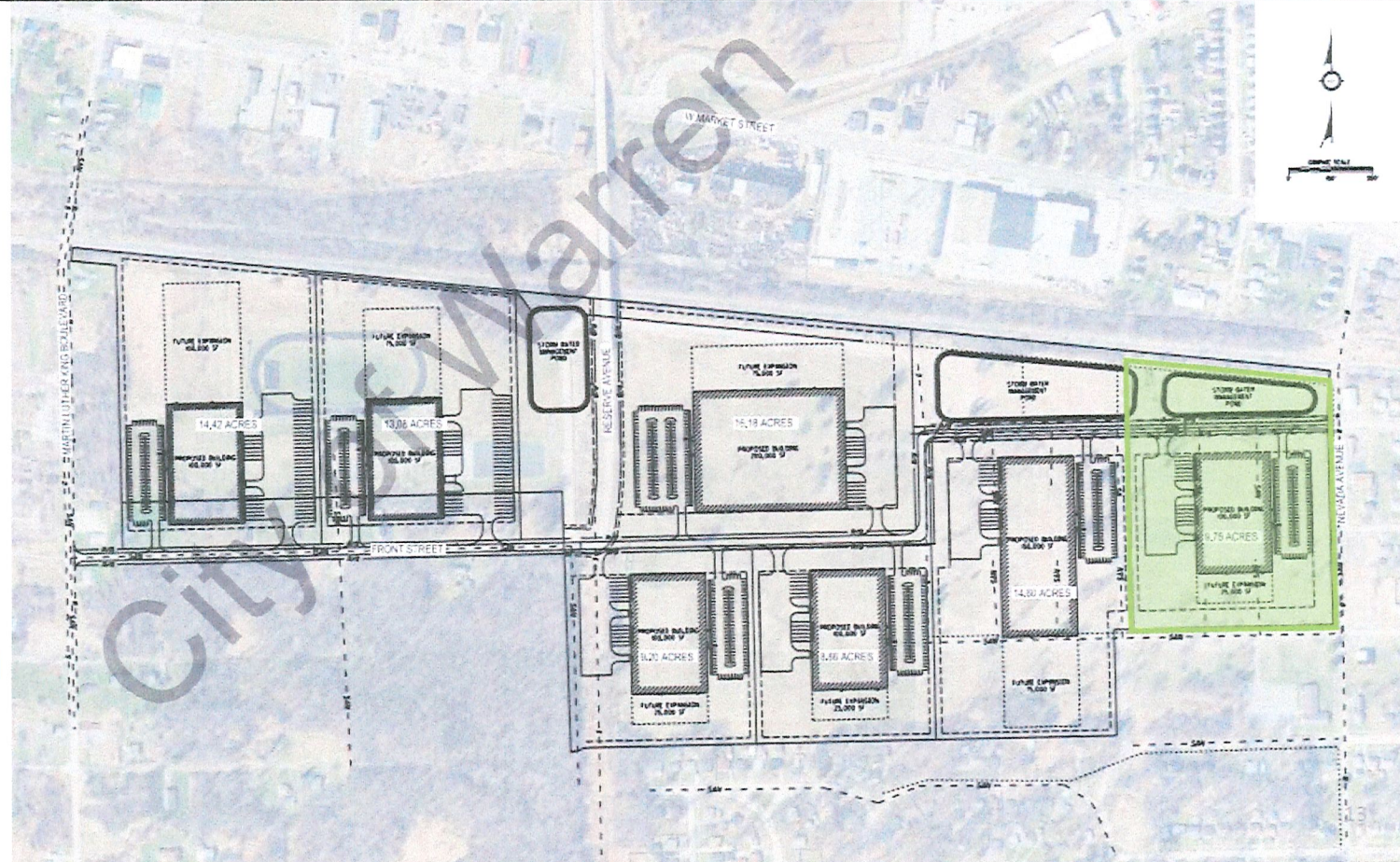


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# West Warren Fund I LLC Project Location

- Target of 1,000,000+ sq. ft. over a period of 8 years
- Proof of Concept (Green)
  - 24 Months
  - 100,000 sq. ft.
  - Completely speculative
  - Market Validation
- Starting with the most shovel ready location
  - All utilities in place
  - Being built over the location of old housing
  - Very low site preparation costs in comparison to typical projects of this scale
  - Roads already in place
- Site layout is subject to change based on market conditions and final design work and site preparation.



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# Leasing Strategy

## Value Creation

- Property values are maximized with creditworthy, well capitalized tenants.
  - Creditworthy tenants are large businesses, with substantial operations in multiple geographies, preferably publicly traded
  - The more creditworthy the client, the more valuable of an annuity it represents.
  - Signed leases trade similarly to bonds

## Local Strategy

- Partnered with Youngstown/Warren Regional Chamber, Western Reserve Port Authority, City of Warren
  - First look at any new businesses moving into the area
  - This substantially covers local leasing opportunities with creditworthy tenants, not interested in “mechanic shop” leases

## National and International Strategy

- Use a large, well-established leasing agent such as Cushman & Wakefield, Marcus & Millichap, etc.
  - International exposure
  - National exposure
  - Large creditworthy tenants almost certainly engage tenant representative brokers to negotiate on their behalf and landlords need sophisticated brokers on their team to negotiate the lease.



# Sale and Exit Strategy

- Assuming a well-negotiated lease with a creditworthy tenant, the goal will be a sale to the highest bidder.
- Currently, institutional investors continue to be the most aggressive buyers of industrial property.
- Typical institutional investors would be hedge funds, REITS, family offices, insurance companies, or other asset managers that require a diversified strategy to create yield for large sums of money.
- The typical strategy of these investors is to buy a lease in the same way that they buy a bond. Generally, institutional investors are looking for properties with low maintenance and stable cashflows.
- Institutional buyers view hard assets, such as industrial real estate, as an inflation hedge.
  - According to the US Bureau of Labor Statistics real estate outperforms inflation by 5%.
- The lower the management requirement and the more predictable of the cash flow will generate a higher sale price.
  - This ties in with our construction strategy of selecting tilt-up or pre-cast concrete structures that require little to no maintenance over a 30-year period. These structures are the most adaptable and preserve resale.
- Capitalization rates, a proxy for yield, for industrial properties for the second half 2021 were seen as low as 3.00% to 3.75% in core markets, such as Austin, TX according to CBRE. In other words, investors view industrial leases as a treasury bond, with most trading for a spread on treasuries.

# Example Buyers

## REITS:



## Hedge Fund, Private Equity, and Family Offices:



- These logos represent the type of buyer that would be targeted during a competitive sales process.
- Current holdings and recent transactions indicate these buyers are active in Northeastern Ohio, with holdings as close as North Jackson, OH (20 min from West Warren).
- West Warren does not maintain any affiliation with these companies.

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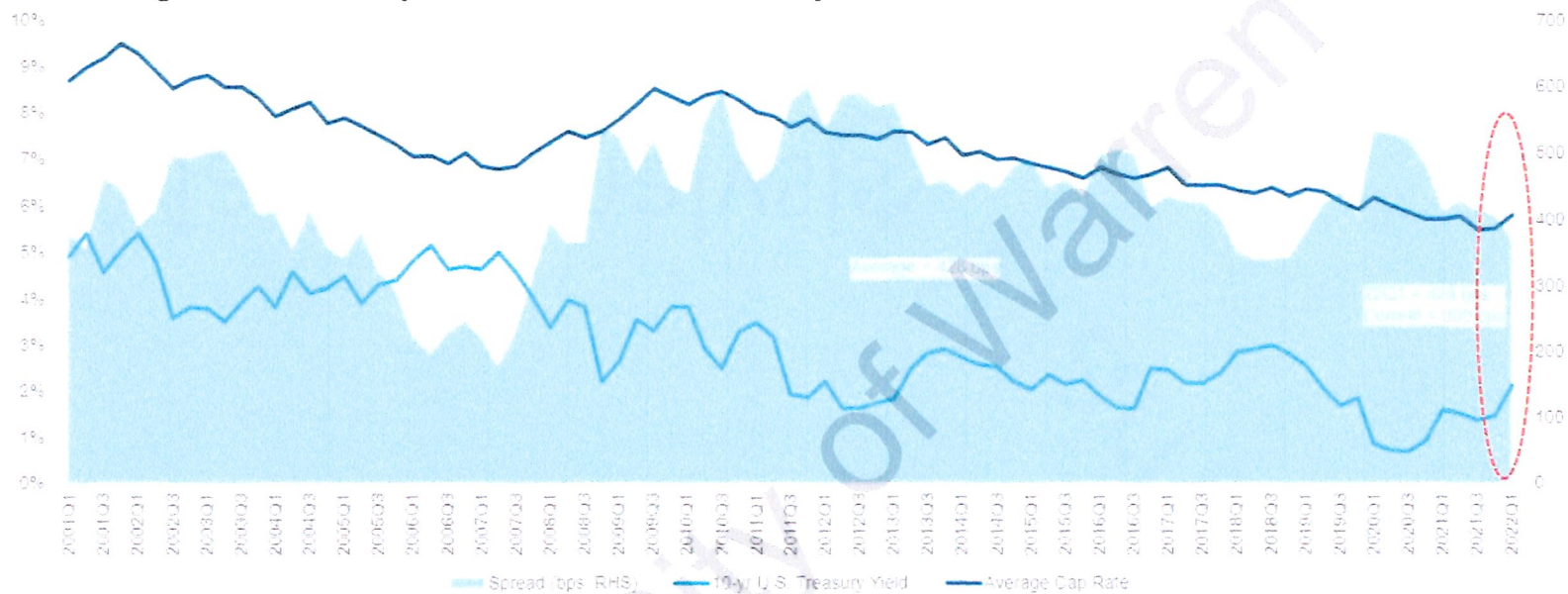


# Market Analysis

City of Warren

# Macroeconomic Trends and Exit Assumptions

Average Industrial Cap Rates vs 10 Year Treasury Yield

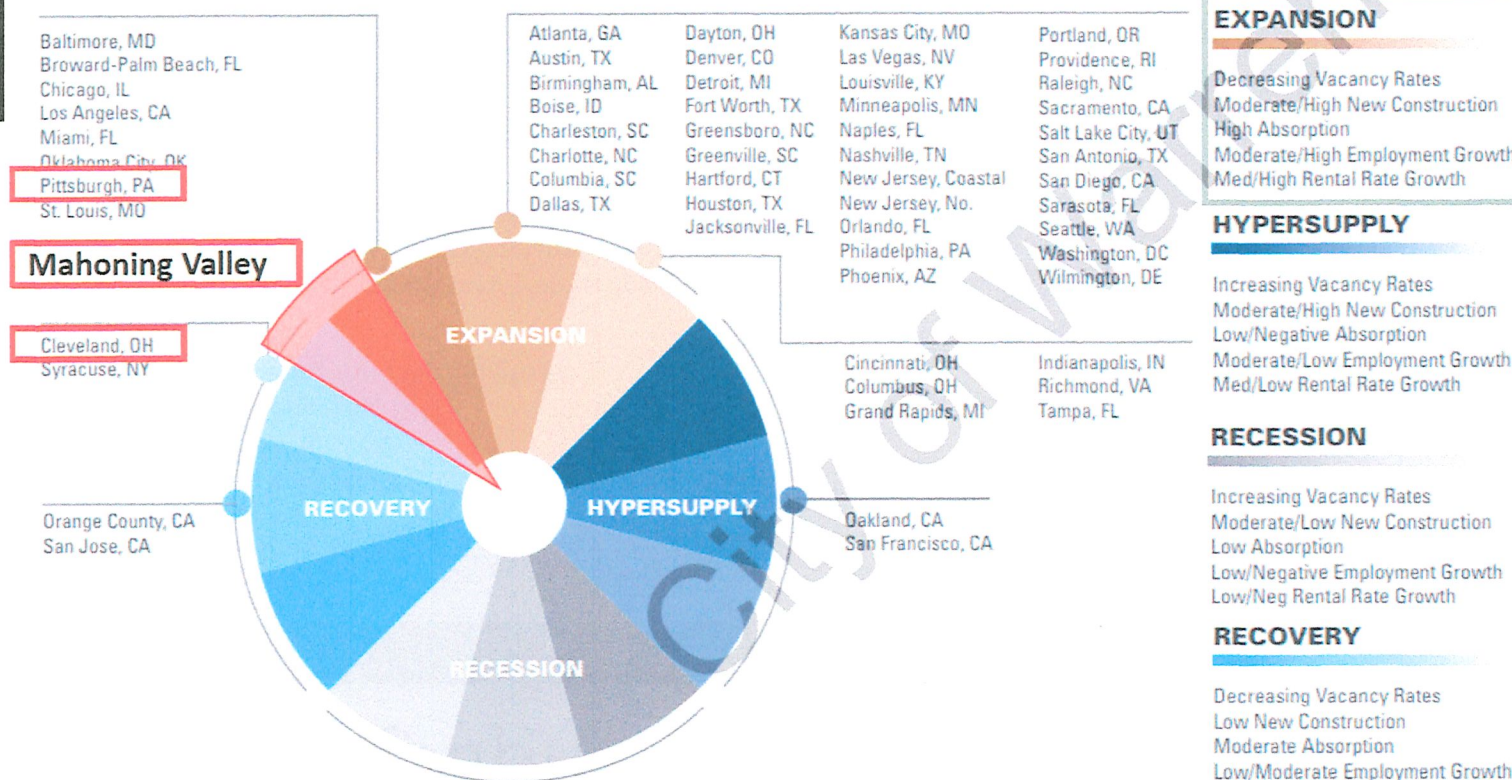


- Current Industrial Pricing Cap Rates are averaging around 5.5%
- The West Warren site would be in a non-core market and can expect a non-core discount of 50 – 75 basis points
- Given rising interest rates we expect a rise in cap rates to maintain a spread in line with appropriate averages
- Although Treasury Rates and Cap Rates are correlated, Cap Rates fluctuate far less than Treasury yields
- West Warren is currently modeled using a 6.5% cap rate, well above current averages even when accounting for a non-core discount and well within historical cap rates, with a greater than 100 basis increase in cap rates only seen during the recessions of 2001 and 2008

**CONFIDENTIAL** Source: Real Capital Analytics, Federal Reserve, Cushman & Wakefield Research

# Macroeconomic Trends Cont'd

## Industrial Market Cycle – Mahoning Valley is starting an expansion phase.



### Industrial Demand:

- National demand for industrial real estate continues to be red hot with over 90% of North America's markets located in an expansion cycle.
- More industry continues to be onshored to mitigate supply disruptions caused by an overreliance on JIT, overseas suppliers, and disruptions from the Ukraine War.
- Primary risk to the demand for industrial space will be rising interest rates and other inflation curbing activity.
- Both Cleveland and Pittsburgh have seen increasing rates of absorption, decreasing vacancy rates, decreasing cap rates further indicating demand.
- The Mahoning Valley will enjoy considerable follow-on demand as projects from Intel, Ultium, and Foxconn continue to matriculate through the region.



# Key Demographic and Transportation Highlights

## Highlights:

### • Highway Access

- 5 minutes from Route 5 / Route 82 Warren Outerbelt
- 10 minutes from I-80
- 1 hr from Cleveland, OH
- 1 hr 30 minutes from Pittsburgh, PA

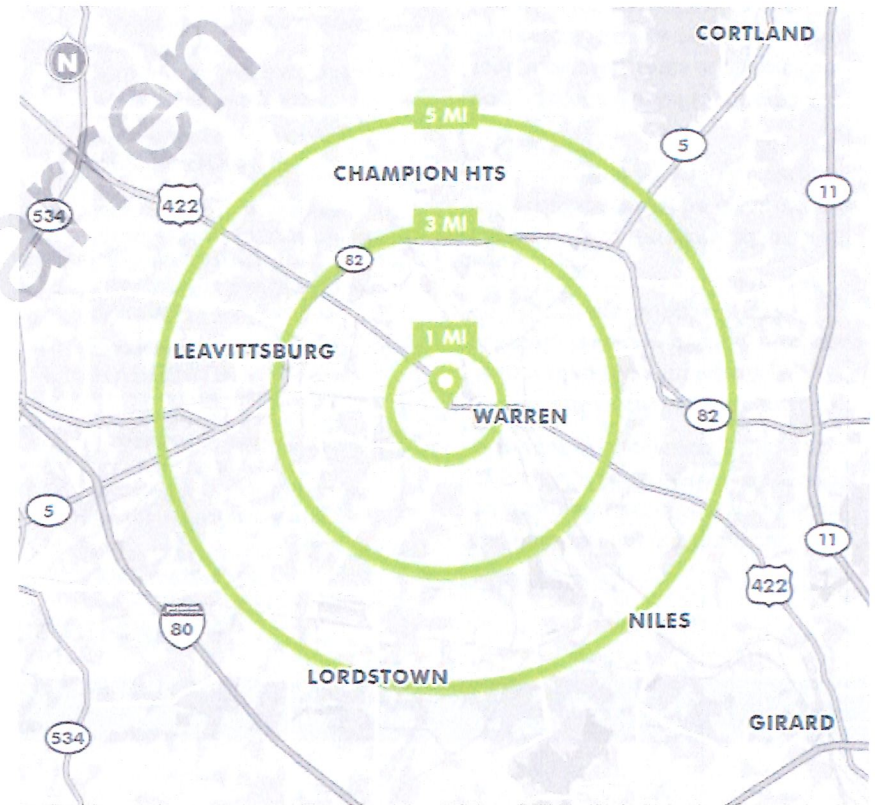
### • Airport Access:

- 20 Minutes from Youngstown/Warren Regional Airport
- 60 Minutes from Cleveland Hopkins International Airport
- 1 hr 20 minutes from Pittsburgh International Airport

### • Rail Access:

- Rail lines parallel to the site

Demographics:	1 Mile	3 Miles	5 Miles
Total Population	7,783	41,389	71,922
Daytime Population	10,497	47,704	78,476
Total Households	3,149	16,759	30,137
Average HH Income	\$31,866	\$43,262	\$52,005



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# Key Institutions within 30 minutes

## Educational Institutions:

### **Traditional 4 Year:**

Youngstown State University and Kent State University Trumbull represent a combined 15,000 students enrolled in a 4-year bachelor degree.

### **Community Colleges and Career Training:**

Both Trumbull County and Mahoning County offer technical centers for high school students looking to pursue certification programs rather than college preparation.

### **Excellence Training Center:**

The ETC represents a 50,000 sq ft facility devoted to training high school students and adults actively in or seeking to enter the workforce. The program partners with private business to design tailored education and certification programs.



## Economic Development Institutions:

### **Youngstown Business Incubator:**

The YBI focus s on tech and additive manufacturing startups. They have been successful at raising over \$60,000,000 in capital since inception.

### **BRITE Energy Innovators:**

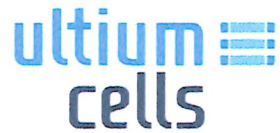
BRITE focuses on energy-oriented startups. The organization provides capital, technology, and mentorship to a wide spectrum of new businesses.

### **America Makes:**

America Makes represents a non-profit group of individuals from academia, private industry, and government that advances additive manufacturing adoption.



# Complimentary Property Developments



- 2,800,000 sq ft of building
- Project Size: \$2.3 Billion
- Year Completed: 2022
- Lordstown, OH

Ultium is a large joint venture from LG Chemical and General Motors. It represents one of three plants in the United States and primarily builds batteries for electric vehicles.



- 6,200,000 sq ft of building
- Project Size: \$400 Million
- Year Completed: 2022
- Lordstown, OH

Foxconn's purchase of the Lordstown plant is seen as a move for Foxconn to enter the Electric Vehicle market. The plant will serve as a contract manufacturing hub for multiple electric vehicle manufacturers who cannot afford their own manufacturing plant.



- 1,200,000 sq ft of building
- Project Size: \$160 Million
- Year Completed: 2019
- Lordstown, OH

TJX's investment is validation of the Mahoning Valley's geographic position as a distribution hub. The West Warren Industrial Park will have the same logistical benefits as the TJX Lordstown location.



- 1,000 acres
- Project Size: \$20 Billion
- Year Completed: 2025
- Columbus, OH

Anecdotal market feedback has suggested that all concrete within an hour of the Columbus, OH area has been purchased for the next two years. This indicates there will be considerable difficulty in construction near Columbus and sites for Intel's suppliers will be more open locating away from Columbus.

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# Comparable Properties

## The Mahoning Valley represents an underserved market unable to support new industrial growth

Building Name	Location	Grade	Clear Height	Distance from Lordstown	Year Built	Size of Building	Available	Occupancy	Warehouse Rent Rate	Office Rent Rate
Spec Warehouse Old Mill Rd	Twinsburg, OH	Class A	32 ft	40 min	2022	299,000 sq ft	299,000 sq ft	0%	\$7.00	\$14.00
Gateway Commerce Center	Streetsboro, OH	Class A	32 ft	38 min	2021	434,000 sq ft	434,000 sq ft	0%	Negotiable	Negotiable
7860 Empire Pky	Twinsburg, OH	Class A	32 ft	45 min	2023	286,000 sq ft	286,000 sq ft	0%	\$6.50	\$12.50
8045 Darrow Rd	Twinsburg, OH	Class A	32 ft	40 min	2021	96,000 sq ft	96,000 sq ft	0%	\$7.00	\$14.00
Erico Dr	Solon, OH	Class A	32 ft	53 min	2023	293,595 sq ft	293,595 sq ft	0%	\$6.00	\$12.00
541 Perkins Jones Rd NE	Warren, OH	Class B	32 ft	20 min	1982	1,365,535 sq ft	170,096 sq ft	88%	Negotiable	Negotiable
365-375 Victoria Rd	Austintown, OH	Class B	?	12 min	1970	395,799 sq ft	0 sq ft	100%	?	?
1999 Poland Ave	Youngstown, OH	Class B	12 ft	22 min	2006	215,000 sq ft	50,248 sq ft	77%	\$5.75	\$5.75
3566 Larchmont Ave NE	Warren, OH	Class C	15 ft	18 min	1964	1,079,068 sq ft	413,000 sq ft	62%	Negotiable	Negotiable
427 Thacher Ln	Youngstown, OH	Class C	23 ft	18 min	1973	163,383 sq ft	163,383 sq ft	0%	\$4.00	\$4.00
365 McClurg Rd	Boardman, OH	Class C+	20 ft	30 min	1958	175,000 sq ft	62,700 sq ft	64%	Negotiable	Negotiable
400 Myron St	Hubbard, OH	Class D	12 ft	25 min	1954	108,000 sq ft	108,000 sq ft	0%	\$3.50	\$3.50
West Warren Development	Warren, OH	Class A	32 ft	12 min	2024	100,000 sq ft	100,000 sq ft	0%	\$6.50+	\$12.00+

The nearest Class A industrial space is 40 minutes away from the nexus of major projects within the Mahoning Valley.

West Warren Development will be the only Class A space within 15 minutes of Lordstown.

### Key Insights:

- No space currently exists within the Mahoning Valley for businesses looking to locate in the region.
  - Existing space is either old heavy industry space or aging, low clearance space unsuitable to modern manufacturing and distribution.
- The only site within the Mahoning Valley with 32' clearance is currently 88% leased. After this site is leased there will be functionally no Class B or above space with 32' clearance for lease.
- All Class B space is 75%+ leased and there is only a total of 220,000 sq ft of available space for expansion in the Mahoning Valley.

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# Limiting Factors for the Mahoning Valley

As Mahoning Valley natives, the Development team has a strong understanding of the unique opportunities presented in the Mahoning Valley and how to navigate relevant organizations to get it done.

- **Lack of institutional capital**
  - Without large pools of money that can guarantee surety to close, many projects languish in the “good idea” phase.
  - Institutional capital does not view the Mahoning Valley as a large enough market due to an inherent misunderstanding of the local market.
- **Business is done differently in the Valley**
  - Without local boots on the ground, outside institutions have difficulty navigating the unique set of local institutions and local governments.
  - This provides tremendous opportunities for Developers who understand and know how to use the strength of existing institutions to overcome perceived regional difficulties.
- **Stigma**
  - The Mahoning Valley is viewed as a depressed region despite seeing multiple large economic projects in the last 3 years as seen on previous slides.
  - This stigma creates a negative feedback loop for economic development where a lack of development scares away future development.
- **Lack of successful examples**
  - We believe success begets success; unfortunately, there has not been any significant market validators completed in the Mahoning Valley for spec real estate.
  - Most available leasable space and construction stock is not representative of modern commerce and is still from the pre-2000's.



# Development Team

City of Warren

# Development Team – West Warren Development LLC

Chuck George



- Co-Owner GreenBoard IT LLC (Warren, OH), 2021
- Co-Founder of Big Metal Additive LLC, 2018
- Co-Founder Center Street Technologies, 2017
- Co-Founder Strangpresse, 2015
- Co-Founder Triptech Plastics, 2014
- Owner Hapco Inc and Tarpco Inc, 2007
- Advanced manufacturing expert
- Previously President of Packer Thomas & Co
- CPA-Retired
- B.S. Accounting from Youngstown State University

Mike Martof



- Co-Owner GreenBoard IT LLC (Warren, OH), 2021
- Private Equity Vice President
- M&A Investment Banking Analyst
- Prior US Navy Officer - Engineering & Navigation
- B.S. Finance from Miami University (OH)
  - Management / Engineering minor

Wiley Runnestrand



- Co-Owner GreenBoard IT LLC (Warren, OH), 2021
- Private Equity Vice President
- Prior Director of Digital Engagement at Kent State University
- Prior campaign Manager for Tim Ryan
- B.A. Political Science from Hiram College

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# Team Experience

## Representative Real Estate Experience

- Familiarized with the Warren, OH market over the past 24 months
- Currently manage a portfolio of 7 properties as a partnership within the City of Warren
  - Cumulative market value of \$1.5M.
  - As individuals, owners of an additional 8 investment properties
- >80% occupancy rates for rentable square footage
- 100% occupancy rates for industrial and residential
- Spread across residential, commercial, and industrial tenants

## 817 E Market Experience

- Purchased property for \$372,500 (\$30,000 in capital equipment included in transaction)
- 33,000 sq ft total space with 20,000 sq ft used for GreenBoard IT LLC (Related entity)
- Remaining 13,000 sq ft leased at \$4.25 per sq ft
- Space assessed at Grade C Industrial Space with low clearance and limited dock access
- Tenants paid for over \$150,000 in building improvements: upgraded electric, plumbing, office build out, floor refinishing
- Unsolicited request at least once per month for additional space

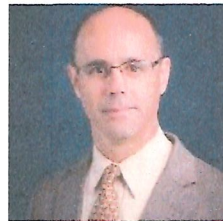
817 E Market St. Before:



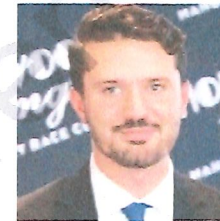
817 E Market St. After:



# Strategic Partners



**Guy Coviello**  
President & CEO,  
Youngstown/Warren Regional  
Chamber of Commerce



**Shea MacMillan**  
VP, Economic Development,  
Youngstown/Warren Regional  
Chamber of Commerce



**Jim Kinnick, PE**  
Executive Director,  
Eastgate Regional Council of  
Governments



**Anthony Trevena**  
Executive Director,  
Western Reserve Port  
Authority

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