

Since the meeting last night with over 75 neighbors and merchants in attendance, I've heard from a number of people with questions and concerns which I will address below.

1. How will the \$1 million dollar subsidy be used?

This is a one-time up-front subsidy to be used entirely for capital infrastructure investments required to secure the lease, which has a fifteen-year initial term. The improvements include 100% new electrical back to the exterior transformers, 100% new HVAC including units, wiring, ductwork, diffusers, and controls, 100% new plumbing, and demolition of the mezzanine level which housed the old Russo's kitchen and bakery and construction of a new structural support system.

2. What investments have the Russo's made in the building?

We built the new 64-car parking lot behind Firestone. Including the six single family homes formerly on the site and the construction costs, the total investment was \$1.65 million dollars.

We have invested over \$1 million dollars remodeling nearly all of the second-floor offices and public spaces. These improvements include new HVAC systems, replacing suspended ceilings and lighting with finished drywall ceilings and recessed lighting, new hardwood floors, and custom millwork. We furnished the bathrooms exclusively with Restoration Hardware items including cabinetry, plumbing fixtures, lighting fixtures and accessories.

We are getting ready to spend \$150,000.00 on a new roof this spring.

We have also spent \$30,000.00 on architecture, engineering and other professional services in anticipation of finding a grocery store for the former Dave's location.

3. Did we consider a small format Target?

Yes. I apologize for leaving that off the list of companies contacted in my earlier letter to the community. We know Target's broker quite well, but we were told that the small format Targets that seem to be so successful in dense urban areas like Manhattan are not as productive as they hoped they would be, so they are not adding any stores in the Cleveland area.

Sincerely,

Sal V. Russo