

THE BATTERY

Prime Philadelphia Waterfront Redevelopment

Pennsylvania Keystone Opportunity Zone Program

The Pennsylvania Keystone Opportunity Zone (“KOZ”) program allows businesses to operate free from state and local tax while operating within a KOZ, a business that is already operating in the Commonwealth, but not within a KOZ, must satisfy one of the following conditions in order to qualify for KOZ benefits if it relocates into a zone:

1. Increase full-time employment by at least 20% in the first full year of operation within the zone;
2. Make a capital investment in property within the zone of at least 10% of its gross revenue in the immediately preceding calendar or fiscal year attributable to the business location(s) to be relocated into the zone; or
3. Enter into a lease agreement for property within the zone for a term equal to at least the duration of the zone with an aggregate payment under the lease agreement equal to at least 5% of the gross revenues of that business in the immediately preceding calendar or fiscal year.



Pennsylvania Keystone Opportunity Zone Program

The following charts summarize the taxes covered by the KOZ program:

Taxes on Businesses

Pennsylvania Taxes on Business	Tax Base	Tax Rate
Corporate Net Income Tax	Taxable income	9.99%
Sales and Use Tax	Taxable purchases	6%
Mutual Thrift Tax	Taxable purchases	11.5%
Bank and Trust Company Shares Tax	Share value	0.95%
Insurance Gross Premiums Tax	Gross Premiums	2%

Pennsylvania Taxes on Business	Tax Base	Tax Rate
Business Gross Receipts Tax	Gross receipts and income	.001415%* of gross receipts plus 6.2% of net income**
Net Profits Tax	Taxable income	3.8712% on residents and 3.4481% on nonresidents
Sales and Use Tax	Taxable purchases	2.00%
Business Occupancy Tax	Assessed value	1.21%

* Different rates apply to specified industries, such as sellers of securities and certain regulated industries.

** The Philadelphia Gross Receipts Tax rate on net income reduces to 6.15% in 2021, 6.1% in 2022, and 6% thereafter.



Pennsylvania Keystone Opportunity Zone Program

Note: Actual KOZ benefits will depend up a number of factors, including, among other things, the form in which the business operates, the industry, the portion of a business' business conducted within a zone, and, potentially, other factors.

For purposes of the following examples, we have assumed that the business will operate entirely within the zone.

Example # 1

C Corporation with \$10 million in receipts and \$2 million in net/taxable income. The business purchases \$500,000 in sales/use taxable goods or services during the year, and the space that it occupies within the zone has an assessed value, net of use and occupancy exclusion amount of \$2 million. All of its business is within the zone.

This business will enjoy an **annual KOZ benefit of over \$400,000**, comprised of the following:

PA Corporate Net Income Tax	\$199,800
Pennsylvania & Philadelphia Sales & Use Tax	\$40,000
Philadelphia Business Gross Receipts Tax	\$138,150
Philadelphia Business Use & Occupancy Tax	\$24,200
	\$402,150

Example # 2

A sole proprietorship, LLC or partnership with \$10 million in receipts and \$2 million in net/taxable income. The business purchases \$500,000 in sales/use taxable goods or services during the year, and the space that it occupies within the zone has an assessed value, net of use and occupancy exclusion amount of \$2 million. All of its business is within the zone. The individual investors are Pennsylvania residents, but not residents of the KOZ.

This business will enjoy an **annual KOZ benefit of over \$266,000**, comprised of the following:

Pennsylvania Personal Income Tax	\$61,400
Pennsylvania & Philadelphia Sales & Use Tax	\$40,000
Philadelphia Business Gross Receipts Tax	\$138,150
Philadelphia Net Profits Tax	\$3,024
Philadelphia Business Use & Occupancy Tax	\$24,200
	\$266,774

History & Rejuvenation



The 1920's was the time for industrial might, as architecturally beautiful power plants were created worldwide to generate Electricity from Coal. As changes occurred in creating electricity, these worldwide power plants closed and sat in disrepair.

One by one, they soon rejuvenated into new, vibrant uses, such as the Tate Museum and the Battersea in London. Now its time for Philadelphia's rejuvenation – this Iconic PECO power plant will be rejuvenated into Philadelphia's premier waterfront campus.

The Battery site also benefits from its designations as both a QOZ and a KOZ, which offers commercial users unparalleled tax benefits.

Vibrant Waterfront Campus



1 Million Square Feet in Total

120K SF
Creative Office Space

245
Apartments

An Iconic Architectural Wonder



Rejuvenation - The Campus



The Building

- » High ceilings, openness, vistas, architectural integrity. Desired amenities
- » The HUB and Outdoor Rooftop. Integration of office usage
- » Flexible space and long-term space.
- » Stunning waterfront setting.

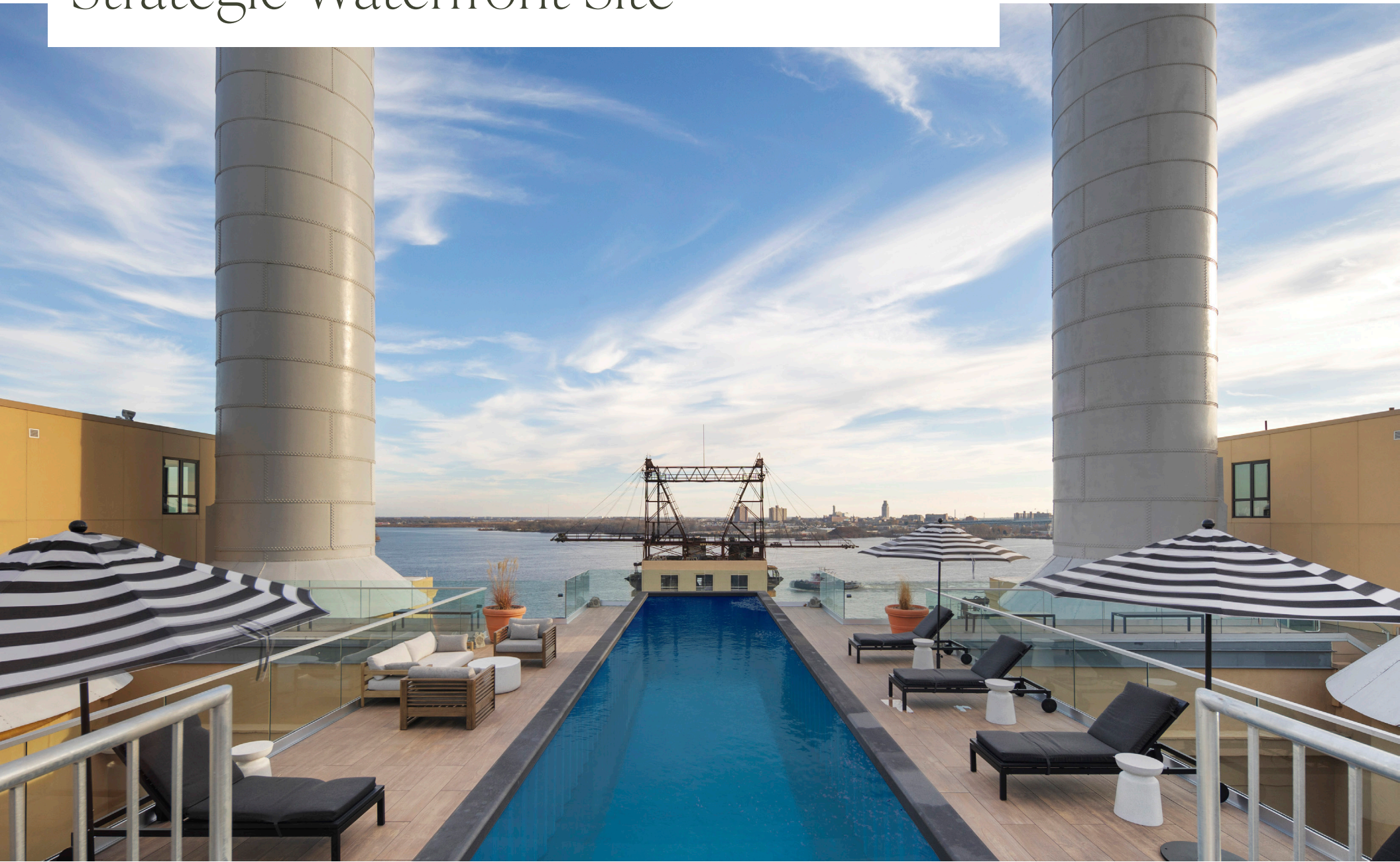
An Elevated Campus

- » Outdoor event spaces for both leisure & work.
- » Restaurants / performing arts venue / fairs.
- » Health & Wellness, biking and walking paths.
- » Fishtown neighborhood – walking proximity.
- » On-site long-term & short-term living rentals.

Combination - The Campus

- » This campus promotes collaboration, connectivity, and unique workplace experiences.
- » We expect this workplace will spur innovation, attract and retain talent, and create a unique sense of place.
- » Finally, the campus has extraordinary tax benefits.

Strategic Waterfront Site



Prime Location in Philadelphia



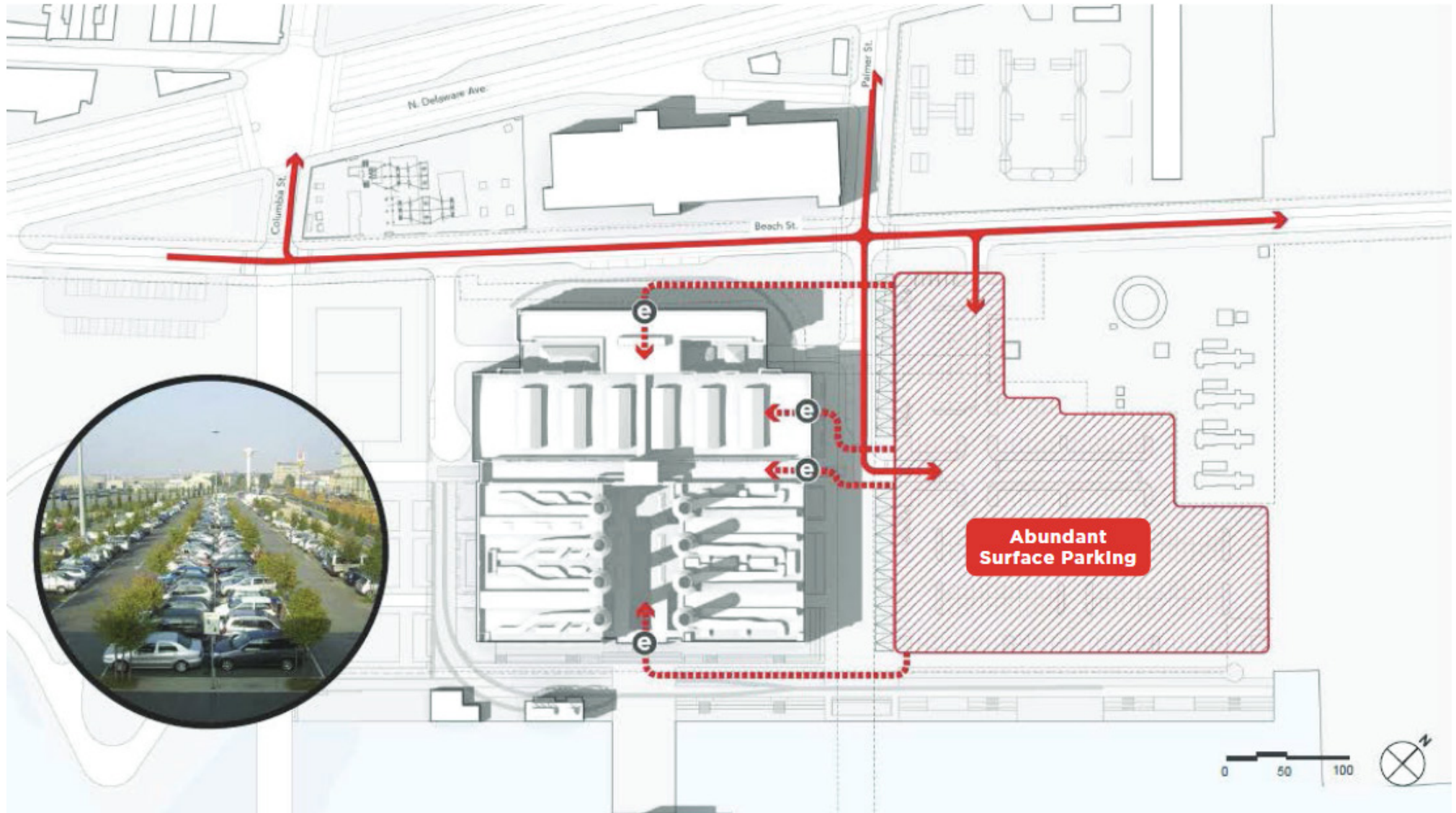
Riverfront Development Landscape



Interior Residential Photos



Car Arrival & Parking





Neighboring Fishtown

Fishtown's First Waterfront Destination

This calming escape is just steps away from Philadelphia's most creative, non-stop neighborhood.

Renowned for its diverse food, music, art, and culture, it's a worldly destination with a local feel.





Nearby Transportation Options

○ **Center City District**
3 Miles

○ **30th St Station**
4 Miles

○ **PHL Airport**
11 Miles

○ **Girard Station**
0.3 Miles

○ **Fishtown**
0.3 Miles

○ **I - 95**
0.2 Miles



Extraordinary Office Offering

120k Total - Lifestyle Office

- Turbine Hall – Anchor HQ Space
- North / South Waterfront Space – Creative Office



“Lifestyle Office” Offerings

1. **GENEROUS TAX SUBSIDIES** -The Battery has 2 very attractive tax incentives that are passed on to the benefit of our office tenants.
 - a. **KOZ Abatement** - 10-year City & State Tax Abatement - estimated at 10% of qualified revenues:
 - Result: It is conceivable that the “tax savings” can completely pay the rent expense -plus amounts above that.
 - b. **OOZ** - Qualified Opportunity Zone - Incentive for companies to locate in areas targeted for redevelopment.
 - Under QOZ, if a tenant stays 10 years, the appreciation in their business will be federal tax-free.
2. **OFFICE OPPORTUNITIES**
 - Long-Term 10-year leases -65% of SF
 - Flexible suites leases -furnished -3, 5, 7-year leases -27% of SF
 - Private offices/ dedicated desks -yearly -8% of SF
3. **EXPERIENTIAL LIFESTYLE ADD ON'S**
 - Wellness - 50,000SF Fieldhouse
 - Dramatic Rooftop Pool & Garden
 - Food & Beverage -Within The Battery+ Pier 61 -25,000 SF
 - Biking & Walking Trail and Waterfront Experiences



Three Office Offerings

Long Term KOZ // 10 Years

- Upper Waterfront - 45 k SF
 - 1/2 Pre-Leased
- 1st Floor Waterfront - 15 k SF
 - Total - 60k SF
 - Rent - \$45 Net

% SF	65%
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FLEX Enterprise Studios - 3,5,7 Years

- HUB Space - Floors 1 & 2
- Total - 27k SF
- 1. Enterprise Suites // 500 - 1,000 sf
 - 10-12 suites - 5 suites ready to be pre-leased
 - Targeting 6 - 20 people each
- 2. Two Wings // 4,000 sf
 - can be single user for 30 people
 - 15 Private 1 - person offices
- 3. Shared Conference Space
 - 3 conference rooms on each level
 - Large assembly rooms - 15k sf

% SF	27%
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Shorter Term Offices Desks - 1 Year

- 8,000 sf -6th Floor
- 30 Dedicated Desks
- 30 Private Offices
- 4 - 10-person studios
- Connected to the rooftop pool & garden

% SF	27%
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Long Term KOZ Space

60,000 sf Total - Upper Waterfront - 45k sf; 1st Floor - 15k sf



- **10-year leases**
- **\$45 net - unfurnished**
- **Waterfront - 2nd floor - 45k SF**
 - » Great windows/ vistas
 - » North side - fully leased
- **Lower level - 1st floor - 15k SF**
 - » South waterfront
- **Unique lifestyle amenities**
 - » Cafe, Conference Center, Fieldhouse, Rooftop Pool, Pier 61
- **Tax subsidy - KOZ / QOZ**
- **Pre-leased: ½ of upper North Waterfront**

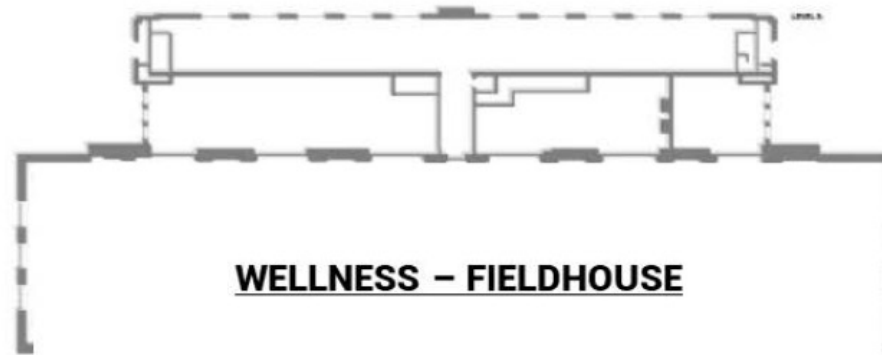
Long Term KOZ Space - 60,000 sf Space

South Waterfront

- 1st floor: 15k SF
- 2nd floor: 22.5k SF

TOTAL: 37.5k SF

- Note** – This space can accommodate:
- Anchor tenant for bi-level HQ = 37.5k SF;
 - Tenant on each floor; or
 - 2nd floor can be divided in 3 (see North)
 - 2nd floor alternative – convert to 15 apts, which would reduce KOZ office space to 37.5k SF (so would be 60% pre-leased).



North Waterfront

- 2nd floor: 22.5k SF
- Substantially pre-leased to two private equity firms.

TOTAL: 22.5k SF



WATERFRONT PROMENADE & PIER 61



Premier Office Amenities: The HUB

The Hub will be the heart of office amenities.

With 10,000 SF and soaring 30' ceilings, it will offer:

- » Café
- » Library
- » Shared Conference Rooms
- » Co-Work

The Hub will open-up to the waterfront, to integrate the indoor / outdoor experience.



Enterprise Suites at The Hub

First Floor

- 8 Enterprise Studios - 500 - 1,500 SF
- 2 Larger Studios - 4,000 SF
- Collaborative Meeting Space

Second Floor

- 4 - 6 Enterprise Studios

Sixth Floor

- Flex space
- 30 Private Offices; 30 Desks
- 4 Enterprise Studios

HUB Amenities

- Wellness Center - 50,000 SF
- Rooftop Pool & Garden
- Pier 61 - Outdoor Deck / F&B
- Curated Cafe
- Outdoor Activities



The Workspace Collection

The Battery Workspace Collection is a lifestyle brand unified by the highest caliber service, design, and amenities.

The Collection creates an urban campus of iconic workspace:

- Forward-looking, offering unique access to "live, work, play" benefits unlike any other workspace offering in Philadelphia, or elsewhere.

This model is really the blueprint for small to medium size office offerings:

- Private - but connected & community oriented
- Flexible terms / turnkey space
- Lifestyle amenities

Offerings

- *Private Enterprise Suites* - generously sized private suites for 5 - 30 people
- *Private Offices* - geared towards the entrepreneur who wants both complete privacy - plus "community" when desired
- *Dedicated Desks* - permanent desk space and file storage cabinet with privacy dividers
- *Conference Rooms* - high - end meeting rooms with state-of-the-art technology

Common Space

- Conference Rooms
- Phone Booths
- Multiple Lounge Areas
- Fully Stocked Kitchen
- Cafe & Bar

Featured Amenities

- 50,000 sf Field House
- Rooftop Pool & Garden
- Outdoor Waterfront
- Food & Beverage - Pier 61
- Walking & Biking Trails
- On-Site Parking

Add Ons

- Fully Staffed Reception Area
- 24/7 Access
- Office Supplies & Services
- IT Support
- Mail Services
- Storage Space to rent
- Ergonomic Assessment & Upgrade





Relevant Campus Amenities

A healthy urban experience that is unique to Philadelphia

Health Focused Campus:

- » State of the art fresh air ventilation.
- » Heightened focus on cleanliness of amenity areas.
- » Surfaces in public areas to be anti-microbial / non-porous.
- » Touchless technology at all entry points.
- » On-site parking –mass transit proximity.
- » Outdoor gardens / wellness paths.



Enhanced Units - Space & Technology:

- » Spacious units –allows for efficient home office set-up.
- » High ceilings –12'-15' –with large paned windows.
- » Enhanced connectivity to assist working from home.
- » Both furnished / unfurnished apartments offering flexibility.
- » Curated “maker-handmade” FF&E.
- » Outdoor decks and gardens.

The Fieldhouse

Philadelphia's first racquets-focused social sports venue.

Combines the two fastest growing concepts in sports and leisure - pickleball & padel - with the deeply established sports of golf, squash and field athletics.

Padel



Four Padel Courts

Pickleball



Three Pickleball Courts

Squash



Three Squash Courts

Golf



Four Simulators, + Chipping & Putting Greens

Turf Field

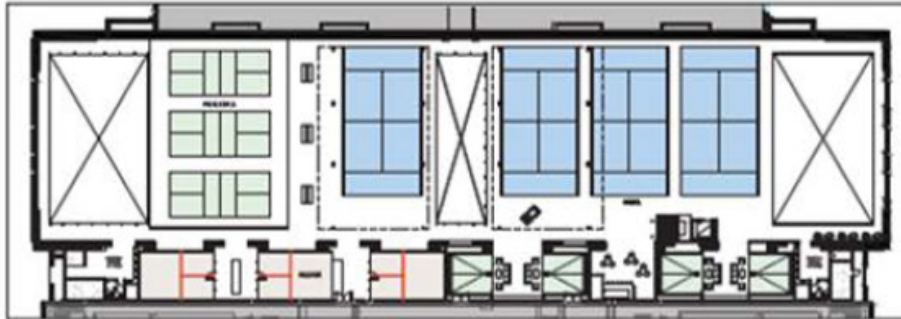


Two Fields for Soccer, Football & Other Field Sports

The Fieldhouse

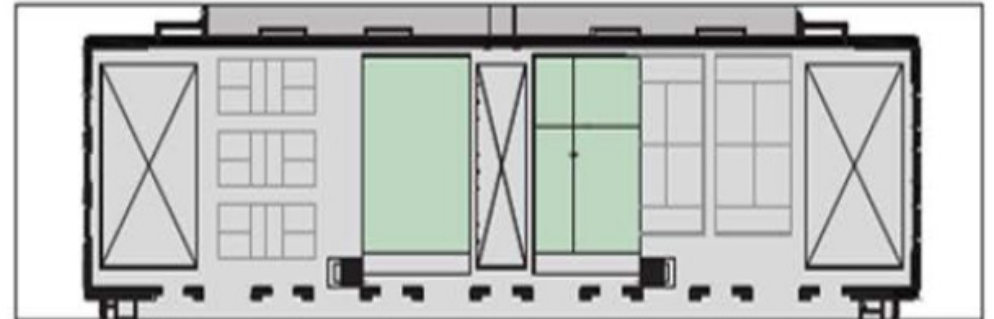
MAIN LEVEL

Padel, Golf, Pickleball, & Squash



MEZZANINE

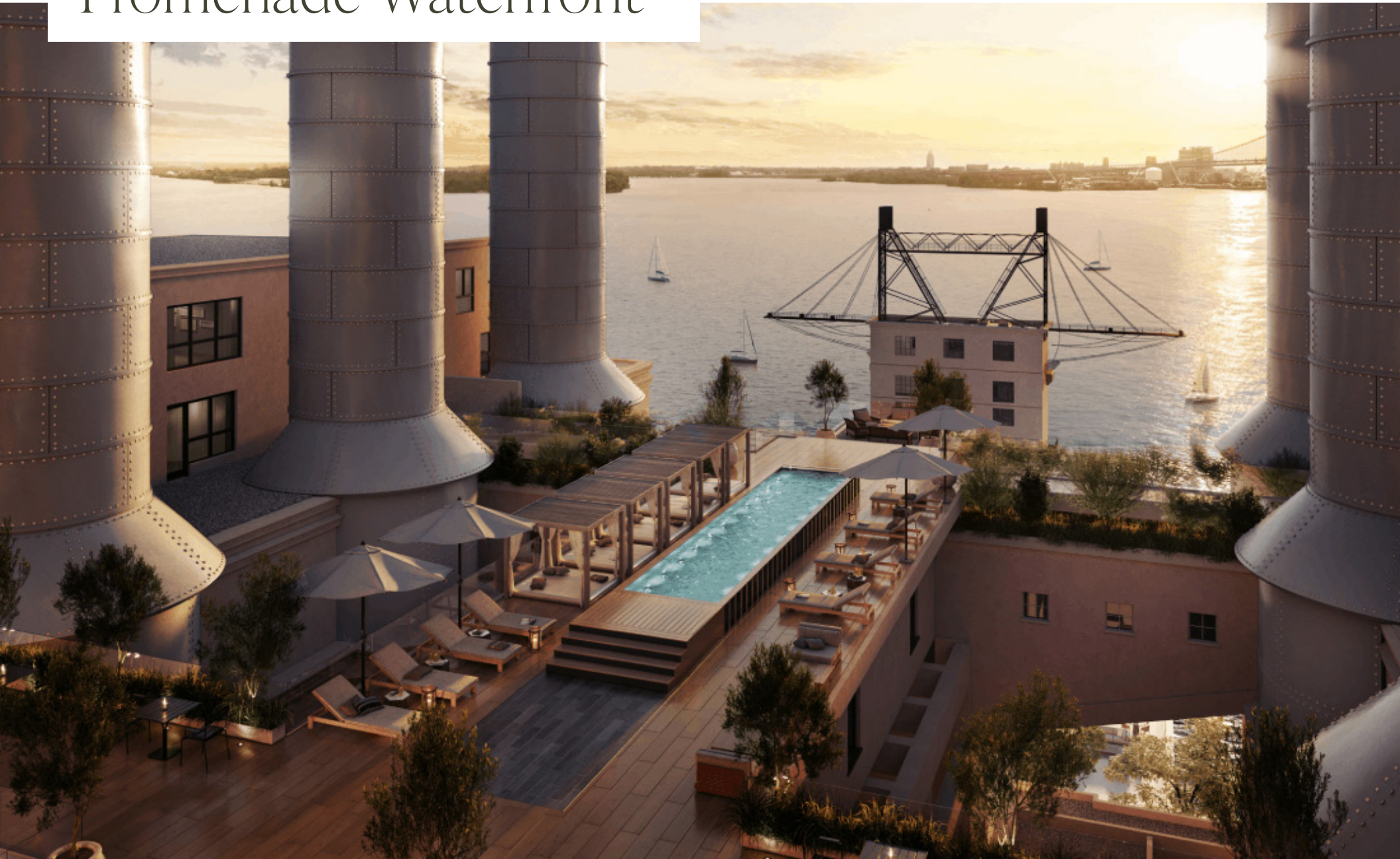
Turf fields for youth and adult soccer league



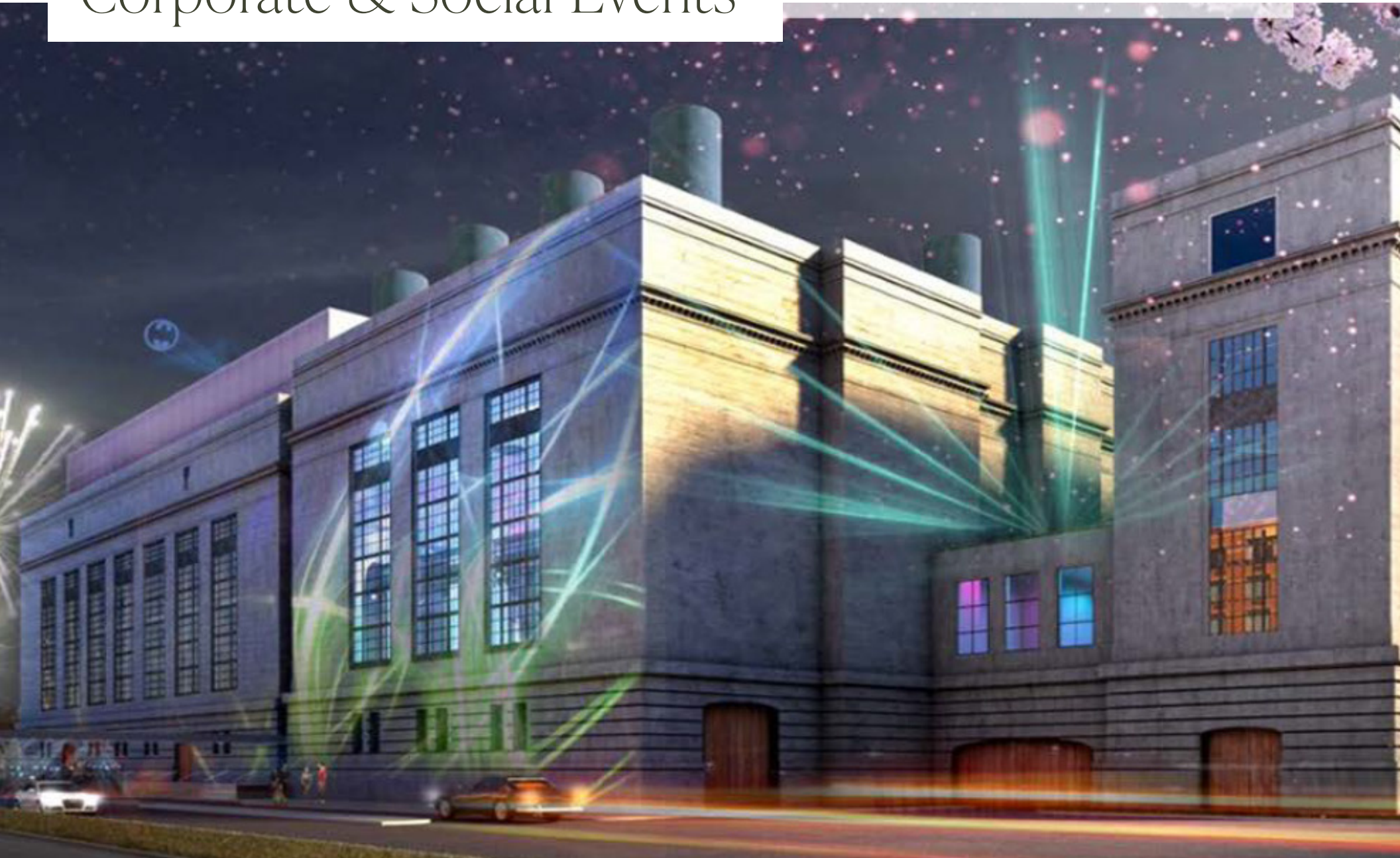
A Campus Environment



Promenade Waterfront



Corporate & Social Events



Additional Amenities



Contact Information

THE BATTERY

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